

BTXN 099 (rev. 12/14)

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXASIn Re:
Highland Capital Management, L.P.

Debtor(s)

James Dondero

Appellant(s)

vs.

Highland Capital Management, L.P., et al

Appellee(s)

Case No.: 19-34054-sgj11

Chapter No.: 11

Civil Case No.: 3:20-CV-03390-X

TRANSMITTAL AND CERTIFICATION OF RECORD ON APPEAL

Pursuant to Federal Rules of Bankruptcy Procedure 8010, the appeal filed on 10/28/2021 regarding [1302] Order granting motion to compromise controversy. Entered on 10/28/2020 by James Dondero in the above styled bankruptcy case is hereby transmitted to the U.S. District Court for the Northern District of Texas.

This record on appeal contains all items listed on the attached index, and is in compliance with Rule 8010 of the Federal Rules of Bankruptcy Procedure.

All further pleadings or inquiries regarding this matter should be directed to the U.S. District Clerk's Office until such time as the appeal is fully processed in the U.S. District Court.

The above referenced record was delivered to the U.S. District Clerk's Office on March 5, 2021.

DATED: 3/5/21

FOR THE COURT:
Robert P. Colwell, Clerk of Court

by: /s/J. Blanco, Deputy Clerk



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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**MINI RECORD
VOLUME 1**

by: /s/J. Blanco, Deputy Clerk

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ATTORNEYS FOR JAMES DONDERO

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

IN RE:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

Debtor.

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Case No. 19-34054

Chapter 11

APPELLANT'S SECOND AMENDED DESIGNATION OF ITEMS TO
BE INCLUDED IN THE RECORD ON APPEAL AND
STATEMENT OF ISSUES TO BE PRESENTED

Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Appellant James Dondero ("Appellant") in this appeal as noticed by the Notice of Appeal filed by Appellant on November 9, 2020, files this *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented*¹ in the above-captioned case and requests that the Clerk prepare and forward the items listed herein to the District Court for inclusion in the record in connection with this appeal.

¹ This designation is being further amended to group together certain docket entries per the clerk's request.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL

Vol. 1
000001 1. Notice of Appeal filed by Appellant [Docket No. 1347];

000029 2. *Order Approving Debtor's Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302];

000053 3. Docket entries kept by the bankruptcy clerk in case no. 19-34054; and

4. Each of the additional documents and items designated below:

Vol. 2 000330 000392	Designation No.	Docket No.	Date	Description
	1.		10/25/18	<i>Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC</i> [Docket No. 660 in Case No. 18-30264]
	2.		1/31/19	<i>Findings of Fact, Conclusions of Law, and Order Granting Final Approval of Disclosure Statement and Confirming the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, as Modified</i> [Docket No. 829 in Case No. 18-30264]
Vol. 3 000621 THRU Vol. 5	3.	607	4/28/20	<i>Summary of First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from October 16, 2019 through March 31, 2020</i> [Docket No. 607]
Vol. 5 001208	4.	617	5/1/20	<i>James Dondero's Limited Response to Acis Capital Management, L.P. and Acis Capital Management GP, LLC's Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction</i> [Docket No. 617]
001211	5.	771	6/23/20	<i>Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC, filed by Highland Capital Management, L.P.</i> [Docket No. 771]

Vol. 5 001276	6.	827	7/13/20	<i>James Dondero's (i) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (ii) Joinder in Support of Highland Capital Management, L.P.'s Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 827]</i>
001284	7.	832	7/14/20	<i>Response of James Dondero to the Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor [Docket No. 832]</i>
001293	8.	891	7/23/20	<i>UBS (i) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC and (ii) Joinder in the Debtor's Objection [Docket No. 891]</i>
Vol. 6 001300	9.	908	7/31/20	<i>Omnibus Response to Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 908]</i>
Vol. 7 001571 Thru Vol. 8	10.	971	8/19/20	<i>Summary of Second Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from April 1, 2020 through July 31, 2020 [Docket No. 971]</i>
Vol. 8 001965	11.	983	8/21/20	<i>Agreed Scheduling Order Regarding Objections to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 983]</i>
001970	12.	1079	9/21/20	<i>First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1079]</i>
Vol. 9 002031	13.	1080	9/21/20	<i>Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1080]</i>
002186	14.	1087	9/23/20	<i>Debtor's Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer</i>

			<i>G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith [Docket No. 1087] (the “Acis Settlement Motion”)</i>
15.	1088	9/23/20	Declaration of Gregory V. Demo in Support of the Acis Settlement Motion [Docket No. 1088]
16.	1088-1	9/23/20	Settlement Agreement between the Debtor, Acis, and certain related parties [Docket No. 1088-1]
17.	1088-2	9/23/20	General Release between the Debtor, Acis, and certain related parties [Docket No. 1088-2]
18.	1094	9/24/20	<i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020 [Docket No. 1094]</i>
19.	1121	10/05/20	James Dondero’s Response to the Acis Settlement Motion [Docket No. 1121]
20.	1194-1	10/16/20	Proof of Claim No. 23 filed by Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively, “Acis”)
21.	1194-2	10/16/20	Proof of Claim No. 72 filed by the Redeemer Committee of the Highland Crusader Fund
22.	1194-3	10/16/20	Proof of Claim No. 81 filed by Highland Crusader Offshore Partners, L.P., et al.
23.	1194-5	10/16/20	Proof of Claim No. 77 filed by Patrick Daugherty
24.	1194-4	10/16/20	Proof of Claim No. 93 filed by Integrated Financial Associates, Inc.
25.	1194-6	10/16/20	Proof of Claim No. 190 filed by UBS
26.	1194-16	10/16/20	Expert Opinion of Nancy B. Rapoport, dated October 11, 2020, including all attachments thereto
27.	1194-17	10/16/20	Curriculum Vitae of Nancy B. Rapoport

Vol. 12 002758	28.	1201	10/16/20	Objection of Patrick Daugherty to the Acis Settlement Motion [Docket No. 1201]
002773	29.	1177	10/16/20	CLO HoldCo. Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1177]
002777	30.	1191	10/16/20	Highland CLO Funding, Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1191]
002785	31.	1195	10/16/20	HarbourVest Limited Objection and Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1195]
002791 Thru Vol. 13	32.	1271	10/20/20	Transcript of hearing conducted on October 20, 2020 [Docket No. 1271]
Vol. 13 003047	33.	1285	10/21/20	Transcript of hearing conducted on October 21, 2020 [Docket No. 1285]

STATEMENT OF ISSUES TO BE PRESENTED ON APPEAL

1. Whether the Bankruptcy Court erred in approving the settlement agreement and release entered into between Highland Capital Management, L.P. and Acis Capital Management, L.P., Acis Capital Management GP, LLC, and Joshua Terry pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure as being fair, equitable, and in the best interest of the estate.

[Remainder of Page Intentionally Left Blank]

Dated: December 7, 2020

Respectfully submitted,

/s/ Bryan C. Assink

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ATTORNEYS FOR JAMES DONDERO

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on December 7, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for Debtor-Appellee Highland Capital Management, L.P. and on all other parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

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**COUNSEL FOR ACIS CAPITAL MANAGEMENT,
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LLC, APPELLEES**

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

IN RE:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

DEBTOR.

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CASE NO. 19-34054

Chapter 11

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DESIGNATION OF RECORD ON APPEAL

Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP," together with Acis LP, "Acis"), appellees, file this Designation of Record on Appeal related to the *Order Approving Debtor's Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302] (the "Settlement Order"), the *Notice of Appeal* [Docket No. 1347] of the Settlement Order filed by James Dondero ("Dondero") and the *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented* [Docket No. 1515] filed by Dondero.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

Acis designates the following additional items for inclusion in the record on appeal.

Items in Bankruptcy Case No. 19-34054-SGJ-11	
Vol. 14 003095 003097	1. Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. [Docket No. 1]
003203	2. Chapter 11 Voluntary Petition [Docket No. 1]
003247	3. Affidavit/Declaration in Support of First Day Motion /Declaration of Frank Waterhouse in Support of First Day Motions Filed By Highland Capital Management, L.P. [Docket No. 11]
Vol. 15 003406	4. Motion to Change Venue/Inter-district Transfer Filed by Official Committee of Unsecured Creditors [Docket No. 85]
003433	5. Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 122]
003444	6. Joinder to Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) [Docket No. 126]
003452	7. Reply in Support of Motion to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 162]
003459	8. Reply in Support of the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 163]
003463	9. Response of the Debtor to Acis's Joinder to Motion to Transfer Venue [Docket No. 164]
003465	10. Order Transferring Venue of this Case to the United States Bankruptcy Court of the Northern District of Texas [Docket No. 186]
003492	11. Transcript regarding hearing held 12/6/19 [Docket No. 207]
003574	12. Schedules: Schedules A/B/ and D-H with Summary of Assets and Liabilities (with Declaration Under Penalty of Perjury for Non-Individual Debtors)[Docket No. 247]
003616	13. Statement of financial affairs for non-individual [Docket No. 248]
Vol. 16 003629	14. Trustee's Motion to appoint trustee [Docket No. 271]
003729	15. Motion to compromise controversy with Official Committee of Unsecured Creditors [Docket No. 281]
003735	16. Trustee's Objection to Motion to Approve Joint Agreement [Docket No. 313]
003738	17. Declaration re: (Declaration of Bradley D. Sharp in Support of the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course) [Docket No. 327]
003751	18. Response unopposed to (related document(s): 313 Objection) [Docket No. 329]
003756	19. Response unopposed to (related document(s): 313 Objection) [Docket No. 330]
	20. Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors, Strand Advisors, Inc., and James Dondero. [Docket No. 338]

Vol. 16 003764	21.	Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course [Docket No. 339]
003769	22.	Notice (Notice of Final Term Sheet) [Docket No. 354]
Vol. 17 003834	23.	Response opposed to (related document(s): 271) [Docket No. 362]
003847	24.	Objection to (related document(s): 271 Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) [Docket No. 364]
003851	25.	Transcript regarding Hearing Held 01/21/2020 [Docket No. 393]
003991	26.	Order denying motion to appoint trustee [Docket No. 428]
003993	27.	Motion for relief from stay [Docket No. 451]
Vol. 18	28.	Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") [Docket No. 474]
004042	29.	Transcript regarding Hearing Held 02/19/2020 [Docket No. 479]
Vol. 22 004908	30.	Objection to (related document(s): 474) [Docket No. 487]
005096	31.	Joinder by Acis Capital Management, L.P. and Acis Capital Management GP, LLC to the Committee's Objection to the Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain Related Entities, and Comment to the Same [Docket No. 489]
005110	32.	Order authorizing, but not directing, the debtor to cause distributions to certain 'related entities'. [Docket No. 512]
005119	33.	Order granting motion for relief from stay [Docket No. 519]
005123	34.	Transcript regarding Hearing Held 03/04/2020 [Docket No. 571]
Vol. 23 005125	35.	Motion for relief from stay [Docket No. 593]
005246	36.	Transcript regarding Hearing Held 05/26/2020 [Docket No. 676]
Vol. 24 005352	37.	Order granting motion for relief from stay [Docket No. 764]
005359	38.	Application to employ James P. Seery, Jr. Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020 [Docket No. 774]
005362	39.	Transcript regarding Hearing Held 06/30/2020 [Docket No. 802]
005395	40.	Transcript regarding Hearing Held 07/08/2020 [Docket No. 817]
005495	41.	Agreed order regarding deposit of funds into registry of the Court [Docket No. 821]
005553	42.	Order granting application to employ James P. Seery, Jr. as Chief Executive Officer, Chief Restructuring and Foreign representative [Docket No. 854]
005558	43.	Transcript regarding Hearing Held 07/14/2020 [Docket No. 864]
Vol. 25 005570	44.	Transcript regarding Hearing Held 07/21/2020 [Docket No. 897]
005764	45.	Order directing mediation [Docket No. 912]
Vol. 26 005829	46.	Transcript regarding Hearing Held 08/19/2020 [Docket No. 998]
005835	47.	Transcript regarding Hearing Held 09/10/2020 [Docket No. 1064]
005855	48.	Amended Schedules: E/F, with Summary of Assets and Liabilities [Docket No. 1082]
005904	49.	Transcript regarding Hearing Held 10/06/2020 [Docket No. 1145]
005933	50.	Witness and Exhibit List [Docket No. 1175]
005991	51.	Witness and Exhibit List [Docket No. 1202-1]
005994	52.	Omnibus Reply [Docket No. 1221]
005997		

DATED: December 7, 2020.

Respectfully submitted,

By: /s/ Annmarie Chiarello

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**COUNSEL FOR ACIS CAPITAL
MANAGEMENT, L.P. AND ACIS
CAPITAL MANAGEMENT GP, LLC,
APPELLEES**

CERTIFICATE OF SERVICE

I hereby certify that on December 7, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello

One of Counsel

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ATTORNEYS FOR JAMES DONDERO

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

IN RE:	§	
	§	
HIGHLAND CAPITAL MANAGEMENT, L.P.,	§	Case No. 19-34054
	§	
Debtor.	§	Chapter 11

NOTICE OF APPEAL

NOTICE IS HEREBY GIVEN that, pursuant to rules 8002 and 8003 of the Federal Rules of Bankruptcy Procedure, James Dondero hereby appeals to the United States District Court for the Northern District of Texas from the *Order Approving Debtor's Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302] (the "Order") entered by the United States Bankruptcy Court for the Northern District of Texas on October 28, 2020. A copy of the Order is attached hereto.

The parties to this matter and the names and addresses of their respective attorneys are as follows:

Party	Counsel of Record
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Dated: November 9, 2020

Respectfully submitted,

/s/ Bryan C. Assink

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ATTORNEYS FOR JAMES DONDERO

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on November 9, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on all parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

Bryan C. Assink



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

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

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

Signed October 27, 2020


United States Bankruptcy Judge

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

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Chapter 11

Case No. 19-34054-sgj11

Related to Docket Nos. 1087 & 1088

**ORDER APPROVING DEBTOR'S SETTLEMENT WITH (A) ACIS CAPITAL
MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP LLC
(CLAIM NO. 23), (B) JOSHUA N. TERRY AND JENNIFER G. TERRY (CLAIM NO.
156), AND (C) ACIS CAPITAL MANAGEMENT, L.P. (CLAIM NO. 159) AND
AUTHORIZING ACTIONS CONSISTENT THEREWITH**

Having considered the *Debtor's Motion for Entry of an Order Approving Settlement with*
(a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b)
Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P.
(Claim No. 159) and Authorizing Actions Consistent Therewith [Docket No. 1087] (the

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

“Motion”),² the Settlement Agreement attached as **Exhibit “1”** (the “Settlement Agreement”) to *Declaration of Gregory V. Demo in Support of the Debtor’s Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP, LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith* [Docket No. 1088] (the “Demo Declaration”), and the General Release attached as **Exhibit “2”** (the “Release”) to the Demo Declaration filed by the above-captioned debtor and debtor-in-possession (the “Debtor”); and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtor’s estate, its creditors, and other parties-in-interest; and this Court having found the Settlement Agreement and the Release are fair and equitable; and this Court having, analyzed, for the reasons stated on the record, (1) the probability of success in litigating the claims subject to Settlement Agreement and Release, with due consideration for the uncertainty in fact and law; (2) the complexity and likely duration of litigation and any attendant expense, inconvenience, and delay; and (3) all other factors bearing on the wisdom of the compromise, including: (i) the best interests of the creditors, with proper deference to their reasonable views; and (ii) the extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion; and this Court having found that the Debtor’s notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and that no other notice need be provided; and

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

this Court having reviewed the Motion, any and all other documents filed in support of the Motion, including the Debtor's Omnibus Reply filed by the Debtor at Docket No. 1211, and all objections thereto, including the objection filed by James Dondero at Docket No. 1121 (the "Dondero 9019 Objection");³ and this Court having determined that the legal and factual bases set forth in the Motion establish good cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** as set forth herein.
2. The Settlement and the Release, attached hereto as **Exhibit 1** and **Exhibit 2** are approved in all respects pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure.
3. The Dondero 9019 Objection and all other objections to the Motion are overruled in their entirety.
4. All objections to the proofs of claim subject to the Motion⁴ are overruled as moot in light of the Court's approval of the Settlement Agreement and Release.
5. The Debtor, the Debtor's agents, the Acis Parties (as defined by the Release), and all other parties are authorized to take any and all actions necessary or desirable to implement the Settlement Agreement and the Release without need of further Court approval or notice.

³ The objection to the Motion filed by Patrick Hagaman Daugherty at Docket No. 1201 was withdrawn on the record during the hearing on the Motion. The reservations of rights filed by Highland CLO Funding, Ltd., CLO Holdco, Ltd., HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P. and HarbourVest Partners L.P. filed at Docket Nos. 1177, 1191, and 1195 (collectively, the "Reservations") are resolved based on the Debtor's representations on the record, made without objection, that (a) the conditions precedent in Section 1(c) of the Settlement Agreement will not occur and therefore, the Debtor will not, pursuant to the Settlement Agreement, transfer all of its direct and indirect right, title and interest in Highland HCF Advisor, Ltd. to Acis or its nominee, and that (b) none of the parties asserting any of the Reservations are bound by the Release.

⁴ The objections include (a) the Debtor's *Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC* [Docket No. 771]; (b) *James Dondero's Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC*; and (II) *Joinder in Support of Highland Capital Management, L.P.'s Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC* [Docket No. 827]; and (c) *UBS (I) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC* and (II) *Joinder in the Debtor's Objection* [Docket No. 891].

6. The Court shall retain exclusive jurisdiction with respect to all matters arising from or relating to the implementation, interpretation, and enforcement of this Order.

END OF ORDER

EXHIBIT 1

000009

SETTLEMENT AGREEMENT

This Settlement Agreement, including all attachments, (the “Agreement”) is entered into as of September 9, 2020, by and among (i) Highland Capital Management, L.P. (“HCMLP”); (ii) Acis Capital Management, L.P. (“Acis LP”); (iii) Acis Capital Management GP LLC (“Acis GP” and together with Acis LP, “Acis”); (iv) Joshua N. Terry, individually and for the benefit of his individual retirement accounts, and (v) Jennifer G. Terry, individually and for the benefit of her individual retirement accounts and as trustee of the Terry Family 401-K Plan

Each of the foregoing are sometimes referred to herein collectively as the “Parties” and individually as a “Party.”

RECITALS

WHEREAS, on August 3, 2020, the United States Bankruptcy Court for the Northern District of Texas (the “Bankruptcy Court”) entered an *Order Directing Mediation* [Docket No. 912] pursuant to which HCMLP, Acis Capital Management L.P., and Acis Capital Management GP, LLC (together, the “Mediation Parties”), among others, were directed to mediate their disputes before Retired Judge Allan Gropper and Sylvia Mayer (together, the “Mediators”); and

WHEREAS, during the mediation, the Mediators made an economic proposal to resolve the Claims (the “Mediators’ Economic Proposal”), and each of the Mediation Parties accepted the Mediators’ Economic Proposal; and

WHEREAS, the Parties have negotiated and executed that certain General Release, dated as of even date herewith (the “Release”),¹ which, among other things, releases the Acis Released Claims and the HCMLP Released Claims; and

WHEREAS, the Parties desire to enter into this Agreement which incorporates, formalizes, and finalizes the Mediators’ Economic Proposal and which, when combined with the Release, will fully and finally resolve the Claims; and

WHEREAS, this Agreement and the Release attached hereto will be presented to the Bankruptcy Court for approval pursuant to Federal Rule of Bankruptcy Procedure 9019 (“Rule 9019”);

NOW THEREFORE, in consideration of the above recitals, the covenants, conditions, and promises made herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. **Settlement of Claims.** In full and complete satisfaction of the Claims:

(a) The proof of claim filed by Acis in the HCMLP Bankruptcy Case on December 31, 2019 [Claim No. 23] will be allowed in the amount of \$23,000,000 as a general unsecured claim;

¹ All capitalized terms used but not defined herein have the meanings given to them in the Release.

(b) On the effective date of a plan of reorganization and confirmed by the Bankruptcy Court, HCMLP will pay in cash to:

(i) Joshua N. Terry and Jennifer G. Terry \$425,000, plus 10% simple interest (calculated on the basis of a 360-day year from and including June 30, 2016), in full and complete satisfaction of the proof of claim filed in the HCMLP Bankruptcy Case by Joshua N. Terry and Jennifer G. Terry on April 8, 2020 [Claim No. 156];

(ii) Acis LP \$97,000, which amount represents the legal fees incurred by Acis LP with respect to *NWCC, LLC v. Highland CLO Management, LLC, et al.*, Index No. 654195-2018 (N.Y. Sup. Ct. 2018), in full and complete satisfaction of the proof of claim filed by Acis LP in the HCMLP Bankruptcy Case on April 8, 2020 [Claim No. 159];

(iii) Joshua N. Terry \$355,000 in full and complete satisfaction of the legal fees assessed against Highland CLO Funding, Ltd., in *Highland CLO Funding v. Joshua Terry*, [No Case Number], pending in the Royal Court of the Island of Guernsey;

(c) On the effective date of a plan of reorganization proposed by HCMLP and confirmed by the Bankruptcy Court, if HCMLP receives written advice of nationally recognized external counsel that it is legally permissible consistent with HCMLP's contractual and legal duties to transfer all of its direct and indirect right, title and interest in Highland HCF Advisor, Ltd. to Acis or its nominee and that doing so would not reasonably subject HCMLP to liability, HCMLP shall transfer all of its right, title and interest in Highland HCF Advisor, Ltd., whether its ownership is direct or indirect, to Acis or its nominee, subject at all times to Acis's right to unilaterally reject the transfer in its sole and absolute discretion;

(d) Within five (5) days of the Agreement Effective Date, HCMLP shall:

(i) Move to withdraw, with prejudice, its proof of claim [Claim No. 27] filed in *In re Acis Capital Management, L.P.*, Case No. 18-30264-sgj11 (Bankr. N.D. Tex. 2018), and its proof of claim [Claim No. 13] filed in *In re Acis Capital Management GP, LLC*, Case No. 18-30265-sgj11 (Bankr. N.D. Tex. 2018);

(ii) Move to withdraw, with prejudice, Highland Capital Management, L.P.'s Application for Administrative Expense Claim Pursuant to 11 U.S.C. § 503(b) filed in the Acis Bankruptcy Case [Docket No. 772];

(e) At all times after the execution of this Agreement:

(i) Only to the extent reasonably necessary to maintain the status quo in the Acis Appeals, the Parties shall cooperate in seeking to abate or otherwise stay the Acis Appeals vis-à-vis the Parties pending the occurrence of the Agreement Effective Date; and

(ii) HCMLP shall cooperate in good faith to promptly return to Acis all property of Acis that is in HCMLP's possession, custody, or control, including but not limited to e-mail communications.

2. **Releases.** The Release is (a) attached to this Agreement as **Appendix A**; (b) an integral component of the Mediator's Economic Proposal and (c) incorporated by reference into this Agreement as if fully set forth herein.

3. **Agreement Subject to Bankruptcy Court Approval.**

(a) The effectiveness of this Agreement and the Parties' obligations hereunder are conditioned in all respects on the approval of this Agreement and the Release by the Bankruptcy Court. The Parties agree to use reasonable efforts to have this Agreement and the Release expeditiously approved by the Bankruptcy Court by cooperating in the preparation and prosecution of a mutually agreeable motion and proposed order. The "**Agreement Effective Date**" will be the date of an order entered by the Bankruptcy Court approving this Agreement pursuant to a motion filed under Rule 9019.

(b) The Parties acknowledge and agree that the terms and conditions of this Agreement are conditioned, in all respects, on the execution of the Release by the Parties and the approval of the Release and this Agreement by the Bankruptcy Court. If either the Release or this Settlement Agreement are not approved by the Bankruptcy Court for any reason, this Agreement and the Release will be immediately null and void and of no further force and effect.

4. **Representations and Warranties.** Subject in all respects to Section 3, each Party represents and warrants to the other Party that such Party is fully authorized to enter into and perform the terms of this Agreement and that, as of the Agreement Effective Date, this Agreement and the Release will be fully binding upon each Party in accordance with their terms.

5. **No Admission of Liability.** The Parties acknowledge that there is a bona fide dispute with respect to the Claims. Nothing in this Agreement will imply, an admission of liability, fault or wrongdoing by HCMLP, the Acis Parties, or any other person, and the execution of this Agreement does not constitute an admission of liability, fault, or wrongdoing on the part of HCMLP, the Acis Parties, or any other person.

6. **Successors-in-Interest.** This Agreement shall be binding upon and shall inure to the benefit of each of the Parties and their representatives, successors, and assigns, including but not limited to any Chapter 7 trustee appointed for HCMLP.

7. **Notice.** Each notice and other communication hereunder will be in writing and will be sent by email and delivered or mailed by registered mail, receipt requested, and will be deemed to have been given on the date of its delivery, if delivered, and on the fifth full business day following the date of the mailing, if mailed to each of the Parties thereto at the following respective addresses or such other address as may be specified in any notice delivered or mailed as set forth below:

Acis

Acis Capital Management, LP
4514 Cole Avenue
Suite 600
Dallas, Texas 75205

Attention: Joshua N. Terry
Email: josh@aciscm.com

with a copy (which shall not constitute notice) to:

ROGGE DUNN GROUP, P.C.
500 N. Akard Street, Suite 1900
Dallas, Texas 75201
Attention: Brian P. Shaw
Telephone No.: 214.239.2707
E-mail: shaw@roggedunnngroup.com

Joshua N. Terry and Jennifer G. Terry

25 Highland Park Village, Suite 100-848
Dallas TX 75205
Attention: Joshua N. Terry
Email: joshuanterry@gmail.com

with a copy (which shall not constitute notice) to:

ROGGE DUNN GROUP, P.C.
500 N. Akard Street, Suite 1900
Dallas, Texas 75201
Attention: Brian P. Shaw
Telephone No.: 214.239.2707
E-mail: shaw@roggedunnngroup.com

HCMLP

Highland Capital Management, L.P.
300 Crescent Court, Suite 700
Dallas, Texas 75201
Attention: Legal Department
Telephone No.: 972-628-4100
Facsimile No.: 972-628-4147
E-mail: notices@HighlandCapital.com

with a copy (which shall not constitute notice) to:

Pachulski Stang Ziehl & Jones LLP
Attention: Jeffrey Pomerantz, Esq.
10100 Santa Monica Blvd., 13th Floor
Los Angeles, CA 90067
Telephone No.: 310-277-6910

Facsimile No.: 310-201-0760
E-mail: jpomerantz@pszjlaw.com

8. **Advice of Counsel.** Each of the Parties represents that such Party has: (a) been adequately represented by independent legal counsel of its own choice, throughout all of the negotiations that preceded the execution of this Agreement; (b) executed this Agreement upon the advice of such counsel; (c) read this Agreement, and understands and assents to all the terms and conditions contained herein without any reservations; and (d) had the opportunity to have this Agreement and all the terms and conditions contained herein explained by independent counsel, who has answered any and all questions asked of such counsel, or which could have been asked of such counsel, including, but not limited to, with regard to the meaning and effect of any of the provisions of this Agreement.

9. **Entire Agreement.** This Agreement contains the entire agreement and understanding concerning the subject matter of this Agreement, and supersedes and replaces all prior negotiations and agreements, written or oral and executed or unexecuted, concerning such subject matter. Each of the Parties acknowledges that no other Party, nor any agent of or attorney for any such Party, has made any promise, representation or warranty, express or implied, written or oral, not otherwise contained in this Agreement to induce any Party to execute this Agreement. The Parties further acknowledge that they are not executing this Agreement in reliance on any promise, representation or warranty not contained in this Agreement, and that any such reliance would be unreasonable. This Agreement will not be waived or modified except by an agreement in writing signed by each Party or duly authorized representative of each Party.

10. **No Party Deemed Drafter.** The Parties acknowledge that the terms of this Agreement are contractual and are the result of arms'-length negotiations between the Parties and their chosen counsel. Each Party and its counsel cooperated in the drafting and preparation of this Agreement. In any construction to be made of this Agreement, the Agreement will not be construed against any Party.

11. **Future Cooperation.** The Parties agree to cooperate and execute such further documentation as is reasonably necessary to effectuate the intent of this Agreement.

12. **Counterparts.** This Agreement may be executed in counterparts with the same force and effect as if executed in one complete document. Each Party's signature hereto will signify acceptance of, and agreement to, the terms and provisions contained in this Agreement. Photographic, electronic, and facsimile copies of signed counterparts may be used in lieu of the originals of this Agreement for any purpose.


13. **Governing Law; Venue; Attorneys' Fees and Costs.** The Parties agree that this Agreement will be governed by and will be construed according to the laws of the State of Texas without regard to conflict-of-law principles. Each of the Parties hereby submits to the exclusive jurisdiction of the Bankruptcy Court during the pendency of the HCMLP Bankruptcy Case and thereafter to the exclusive jurisdiction of the state and federal courts located in the Northern District of Texas, Dallas Division, with respect to any disputes arising from or out of this

Agreement. In any action to enforce this Agreement, the prevailing party shall be entitled to recover its reasonable and necessary attorneys' fees and costs (including experts).

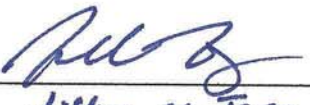
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IT IS HEREBY AGREED.


ACIS CAPITAL MANAGEMENT, L.P.

By: 
Name: Joshua N. Terry
Its: President


ACIS CAPITAL MANAGEMENT GP LLC

By: 
Name: Joshua N. Terry
Its: President

JOSHUA N. TERRY

By: 
Name: Joshua N. Terry
Its: Self

JENNIFER G. TERRY

By: 
Name: Jennifer G. Terry
Its: Self

HIGHLAND CAPITAL MANAGEMENT, L.P.

By: _____
Name: _____
Its: _____

IT IS HEREBY AGREED.

ACIS CAPITAL MANAGEMENT, L.P.

By: _____
Name: _____
Its: _____

ACIS CAPITAL MANAGEMENT GP LLC

By: _____
Name: _____
Its: _____

JOSHUA N. TERRY

By: _____
Name: _____
Its: _____

JENNIFER G. TERRY

By: _____
Name: _____
Its: _____

HIGHLAND CAPITAL MANAGEMENT, L.P.


By:  _____
Name: TRAVIS P. SORELY, JR.
Its: CEO/COO

EXHIBIT 2

GENERAL RELEASE

This GENERAL RELEASE (this “Release”), effective on the Effective Date (as defined below), is entered into by and among (i) Highland Capital Management, L.P. (“HCMLP”), (ii) Joshua N. Terry, individually and for the benefit of his individual retirement accounts, Jennifer G. Terry, individually and for the benefit of her individual retirement accounts and as trustee of the Terry Family 401-K Plan (collectively, the “Terry Parties”), (iii) Acis Capital Management L.P., and Acis Capital Management GP, LLC (collectively, “Acis”) (the Terry Parties and Acis, collectively, the “Acis Parties”), and (iii) those HCMLP Specified Parties (as defined below) who execute this Release (together, the “Parties”).

RECITALS

WHEREAS, the Parties have asserted or may assert claims that are defined in Section 1 below as the “Acis Released Claims” and the “HCMLP Released Claims” (collectively, the “Claims”); and

WHEREAS, on August 3, 2020, the United States Bankruptcy Court for the Northern District of Texas (the “Court”) entered an *Order Directing Mediation* [Docket No. 912] pursuant to which HCMLP, Acis Capital Management L.P., and Acis Capital Management GP, LLC (together, the “Mediation Parties”), among others, were directed to mediate their disputes before Retired Judge Allan Gropper and Sylvia Mayer (together, the “Mediators”); and

WHEREAS, during the mediation, the Mediators made an economic proposal to resolve the Claims (the “Mediators’ Economic Proposal”), and each of the Mediation Parties accepted the Mediators’ Economic Proposal; and

WHEREAS, the Parties desire to enter into a general release of all Claims which, when combined with the Mediators’ Economic Proposal, will fully and finally resolve the Claims; and

WHEREAS, except in Section 1.c below, this is a general release, meaning the Parties intend hereby to release any and all Claims which the Parties can release, and the Parties are unaware of any Claims between them which are not being released herein; and

WHEREAS, this Release will be appended or otherwise incorporated into a written settlement agreement (the “Settlement Agreement”) that will include the terms of the Mediators’ Economic Proposal and will be presented to the Court for approval pursuant to Federal Rule of Bankruptcy Procedure 9019 (“Rule 9019”), and is only effective upon the Effective Date.

NOW, THEREFORE, after good-faith, arms-length negotiations, and in consideration of the promises made herein and in the Mediators’ Economic Proposal, the Parties agree to release each other pursuant to and in accordance with the terms and conditions set forth below.

AGREEMENT

1. Releases.

a. Upon the Effective Date, and to the maximum extent permitted by law, and except as set forth in Section 1d below, each of the Acis Parties on behalf of himself, herself, or itself and each of their respective current or former advisors, trustees, directors, officers, managers, members, partners, employees, beneficiaries, shareholders, agents, participants, subsidiaries, parents, affiliates, successors, designees, and assigns hereby forever, finally, fully, unconditionally, and completely releases, relieves, acquits, remises, and exonerates, and covenants never to sue, (A)(i) HCMLP; (ii) Strand; (iii) any entity of which greater than fifty percent of the voting ownership is held directly or indirectly by HCMLP and any entity otherwise controlled by HCMLP; and (iv) any entity managed by either HCMLP or a direct or indirect subsidiary of HCMLP (the foregoing (A)(i) through (A)(iv) the “HCMLP Entities”) and (B) with respect to each such HCMLP Entity, such HCMLP Entity’s respective current advisors, trustees, directors, officers, managers, members, partners, current or former employees, beneficiaries, shareholders, agents, participants, subsidiaries, parents, affiliates, successors, designees, and assigns, except as expressly set forth below (the “HCMLP Parties,” and together with the HCMLP Entities, the “HCMLP Released Parties”), for and from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, liens, losses, costs and expenses (including, without limitation, attorney’s fees and related costs), damages, injuries, suits, actions, and causes of action of whatever kind or nature, whether known or unknown, suspected or unsuspected, matured or unmatured, liquidated or unliquidated, contingent or fixed, at law or in equity, statutory or otherwise, including, without limitation, any claims, defenses, and affirmative defenses, whether known or unknown, including, without limitation, those which were or could have been asserted in, in connection with, or with respect to the Filed Cases, including the proofs of claim [Claim No. 23; 156; 159] filed by the Acis Parties in the HCMLP Bankruptcy Case and any objections or potential objections to the Plan or the confirmation thereof (collectively, the “Acis Released Claims”). This release is intended to be general. Notwithstanding anything contained herein to the contrary, the term HCMLP Released Parties **shall not** include NexPoint Advisors (and any of its subsidiaries), the Charitable Donor Advised Fund, L.P. (and any of its subsidiaries, including CLO Holdco, Ltd.), Highland CLO Funding, Ltd. (and any of its subsidiaries), NexBank, SSB (and any of its subsidiaries), James Dondero, Hunter Mountain Investment Trust (or any trustee acting for the trust), Dugaboy Investment Trust (or any trustee acting for the trust), Grant Scott, David Simek, William Scott, Heather Bestwick, Mark Okada and his family trusts (and the trustees for such trusts in their representative capacities), McKool Smith, PC, Gary Cruciani, Lackey Hershman, LLP, Jamie Welton, or Paul Lackey.

b. Upon the Effective Date, and to the maximum extent permitted by law, each HCMLP Released Party hereby forever, finally, fully, unconditionally, and completely releases, relieves, acquits, remises, and exonerates, and covenants never to sue the (A) Acis Parties, (B) Acis CLO 2013-1 Ltd., Acis CLO 2014-3 Ltd., Acis CLO 2014-4 Ltd., Acis CLO 2014-5 Ltd., Acis CLO 2015-6 Ltd. (collectively, the “Acis CLOs”), and (C) with respect to each such Acis Party and Acis CLO, to the extent applicable, such Acis Party and Acis CLO, their respective current advisors, trustees, directors, officers, managers, members, partners, current or former employees, beneficiaries, shareholders, agents, participants, subsidiaries, parents,

affiliates, successors, designees, and assigns (the foregoing (A), (B), and (C), the “Acis Released Parties”), for and from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, liens, losses, costs and expenses (including, without limitation, attorney’s fees and related costs), damages, injuries, suits, actions, and causes of action of whatever kind or nature, whether known or unknown, suspected or unsuspected, matured or unmatured, liquidated or unliquidated, contingent or fixed, at law or in equity, statutory or otherwise, including, without limitation, any claims, defenses, and affirmative defenses, whether known or unknown, which were or could have been asserted in, in connection with, or with respect to the Filed Cases (collectively, the “HCMLP Released Claims”). This release is intended to be general. Notwithstanding anything contained herein to the contrary, this Section 1.b will not affect any right to payment under any notes, debt, equity, or other security issued by any Acis CLO and held by any HCMLP Released Party.

c. The HCMLP Released Parties shall also hereby forever, finally, fully, unconditionally, and completely release, relieve, acquit, remise, and exonerate, and covenant never to sue (A) U.S. Bank National Association, Moody’s Investor Services, Inc., and Brigade Capital Management, Inc. and (B) with respect to each such DAF Suit Defendant, to the extent applicable, such DAF Suit Defendant, their respective current advisors, trustees, directors, officers, managers, members, partners, current or former employees, beneficiaries, shareholders, agents, participants, subsidiaries, parents, affiliates, successors, designees, and assigns (the foregoing (A) and (B), the “DAF Suit Defendants”), for and from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, liens, losses, costs and expenses (including, without limitation, attorney’s fees and related costs), damages, injuries, suits, actions, and causes of action of whatever kind or nature, whether known or unknown, suspected or unsuspected, matured or unmatured, liquidated or unliquidated, contingent or fixed, at law or in equity, statutory or otherwise, which were or could have been asserted in, in connection with, or with respect to the DAF Lawsuits. This release is not intended to be general.

d. Notwithstanding anything herein to the contrary, if (A) any HCMLP Specified Party has not executed this Release on or before the Effective Date or (B) any HCMLP Released Party, including any HCMLP Specified Party, (i) sues, attempts to sue, or threatens or works with or assists any entity or person to sue, attempt to sue, or threaten any Acis Released Party on or in connection with any HCMLP Released Claim or any other claim or cause of action arising prior to the date of this Release, (ii) takes any action that, in HCMLP’s reasonable judgment, impairs or harms the value of HCMLP, its estate, and its assets; or (iii) in HCMLP’s reasonable judgment fails to use commercially reasonable efforts to support confirmation of the Plan and/or the monetization of HCMLP’s assets at their maximum value, then (a) such HCMLP Released Party (and only such HCMLP Released Party) will be deemed to have waived (x) the release and all other protections set forth in Section 1a hereof and will have no further rights, duties, or protections under this Release and (y) any releases set forth in the Plan, (b) the Acis Released Parties, as applicable, may, in their discretion, assert any and all Acis Released Claims against such HCMLP Released Party (and only such HCMLP Released Party), and (c) any statutes of limitation or other similar defenses are tolled against such HCMLP Released Party (and only such HCMLP Released Party) from the execution of this Release until ninety (90) days after the Acis Released Parties receive actual written notice of any violation of this Section 1d. For the avoidance of doubt, by signing this Release each of the HCMLP Specified Parties is

acknowledging and agreeing, without limitation, to the terms of this Section 1.d and the tolling agreement set forth herein.

2. Withdrawal/Dismissal of Filed Cases. Within five days of the Effective Date, each Acis Released Party and HCMLP Released Party, to the extent applicable, will coordinate to cause the Filed Cases, including any appeals of any Filed Cases, to be dismissed with prejudice as to any Acis Released Party or HCMLP Released Party; *provided, however*, that there is no obligation to dismiss or withdraw the HCMLP Bankruptcy Case. For the avoidance of doubt, and consistent with this Section, (a) if HCMLP receives written advice of nationally recognized external counsel that it is legally permissible consistent with HCMLP's contractual and legal duties to direct Neutra, Ltd. to move to dismiss all of their appeals arising from the Acis Bankruptcy and that doing so would not reasonably subject HCMLP to liability, HCMLP shall direct Neutra, Ltd. to move to dismiss all of their appeals arising from the Acis Bankruptcy and (b) Acis shall move to dismiss with prejudice its claims against HCMLP asserted in any adversary proceeding in the Acis Bankruptcy Case. To the extent reasonably necessary to maintain the status quo in the Filed Cases, including any appeals thereof, prior to the Effective Date, each Acis Released Party and HCMLP Released Party shall reasonably cooperate in seeking to abate or otherwise stay the Filed Cases vis-à-vis the Parties.

3. Representations and Warranties.

a. Each of the Acis Parties represents and warrants to each of the HCMLP Released Parties and each of the HCMLP Specified Parties who have signed this Release that (a) he, she or it has full authority to release the Acis Released Claims and has not sold, transferred, or assigned any Acis Released Claim to any other person or entity, and that (b) to the best of his, her or its current knowledge, no person or entity other than the Acis Parties has been, is, or will be authorized to bring, pursue, or enforce any Acis Released Claim on behalf of, for the benefit of, or in the name of (whether directly or derivatively) any of the Acis Parties.

b. Each of HCMLP and each HCMLP Specified Party who has signed this Release represents and warrants to each of the Acis Parties that he, she or it has not sold, transferred, pledged, assigned or hypothecated any HCMLP Released Claim to any other person or entity.

c. Each HCMLP Specified Party and each of HCMLP and Strand represents and warrants to each of the Acis Parties that he, she, or it has full authority to release any HCMLP Released Claims that such HCMLP Specified Party, HCMLP, or Strand personally has against any Acis Party.

d. HCMLP represents and warrants that it is releasing the HCMLP Released Claims on behalf of the HCMLP Entities to the maximum extent permitted by any contractual or other legal rights HCMLP possesses. To the extent any of the HCMLP Entities dispute HCMLP's right to release the HCMLP Released Claims on behalf of any of the HCMLP Entities, HCMLP shall use commercially reasonable efforts to support the Acis Parties' position, if any, that such claims were released herein. For the avoidance of doubt, HCMLP will have no obligations to assist the Acis Parties under this Section if HCMLP has been advised by external counsel that such assistance could subject HCMLP to liability to any third party or if such

assistance would require HCMLP to expend material amounts of time or money. HCMLP shall not argue in any forum that the non-signatory status of any of the HCMLP Entities to this Release shall in any way affect the enforceability of this Release vis-à-vis any of the HCMLP Entities. The Parties agree that all of the HCMLP Entities are intended third-party beneficiaries of this Release.

Notwithstanding anything herein to the contrary, the Acis Parties acknowledge and agree that their sole and exclusive remedy for the breach of the foregoing Sections 3b, 3c, and 3d will be that set forth in Section 1.d hereof.

4. Additional Definitions.

a. “Acis Bankruptcy Case” means, collectively, *In re Acis Capital Management, L.P.*, Case No. 18-30264-sgj11 (Bankr. N.D. Tex. 2018) and *In re Acis Capital Management GP, LLC*, Case No. 18-30265-sgj11 (Bankr. N.D. Tex. 2018)

b. “DAF Lawsuits” means (a) Case No. 1:19-cv-09857-NRB; *The Charitable Donor Advised Fund, L.P. v. U.S. Bank National Association, et al*, formerly pending in the United States District Court for the Southern District of New York; and (b) Case No. 1:20-cv-01036-LGS; *The Charitable Donor Advised Fund, L.P. and CLO Holdco, Ltd. v. U.S. Bank National Association, et al*, formerly pending in the United States District Court for the Southern District of New York.

c. “Effective Date” means the date of an order of the Court approving the Settlement Agreement pursuant to a motion filed under Rule 9019.

d. “Filed Cases” means (a) the HCMLP Bankruptcy Case, (b) *Acis Capital Management, L.P., et al. v. Highland Capital Management, L.P., et al*, Case No. 18-03078 (Bankr. N.D. Tex. 2018); (c) *Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction*, Case No. 19-34054-sgj-11 [Docket No. 593] (Bankr. N.D. Tex. 2020); (d) *Joshua and Jennifer Terry v. Highland Capital Management, L.P., James Dondero and Thomas Surgent*, Case No. DC-16-11396, pending in the 162nd District Court of Dallas County Texas; (e) *Acis Capital Management, L.P., et al v. James Dondero, et al.*, Case No. 20-0360 (Bankruptcy N.D. Tex. 2020); (f) *Acis Capital Management, L.P., et al v. Gary Cruciani, et al.*, Case No. DC-20-05534, pending in the 162nd District Court of Dallas County Texas; (g) *Highland CLO Funding v. Joshua Terry*, [No Case Number], pending in the Royal Court of the Island of Guernsey; and (h) the Acis Bankruptcy Case.

e. “HCMLP Bankruptcy Case” means *In re Highland Capital Management, L.P.*, Case No. 19-34054-sgj11 (Bankr. N.D. Tex. 2019).

f. “HCMLP Specified Party” means Scott Ellington, Isaac Leventon, Thomas Surgent, Frank Waterhouse, Jean Paul Sevilla, David Klos, Kristin Hendrix, Timothy Cournoyer, Stephanie Vitiello, Katie Irving, Jon Poglitsch, or Hunter Covitz. For the avoidance of doubt, each HCMLP Specified Party is a HCMLP Released Party.

g. “Plan” means the *Plan of Reorganization of Highland Capital Management, L.P.*, filed in the HCMLP Bankruptcy Case [Docket No. 956] as may be amended or restated.

h. “Strand” means Strand Advisors, Inc.

5. Miscellaneous.

a. For the avoidance of doubt, all rights, duties, and obligations of any HCMLP Released Party or Acis Released Party created by this Release or the Settlement Agreement shall survive its execution.

b. This Release, together with the Settlement Agreement and any exhibits thereto, contains the entire agreement between the Parties as to its subject matter and supersedes and replaces any and all prior agreements and undertakings between the Parties relating thereto.

c. This Release may not be modified other than by a signed writing executed by the Parties.

d. The effectiveness of this Release is subject in all respects to entry of an order of the Court approving this Release and the Settlement Agreement and authorizing HCMLP’s execution thereof.


e. This Release may be executed in counterparts (including facsimile and electronic transmission counterparts), each of which will be deemed an original but all of which together constitute one and the same instrument, and shall be effective against a Party upon the Effective Date.

f. This Release will be exclusively governed by and construed and enforced in accordance with the laws of the State of Texas, without regard to its conflicts of law principles, and all claims relating to or arising out of this Release, or the breach thereof, whether sounding in contract, tort, or otherwise, will likewise be governed by the laws of the State of Texas, excluding Texas’s conflicts of law principles. The Court will retain exclusive jurisdiction over all disputes relating to this Release. In any action to enforce this Release, the prevailing party shall be entitled to recover its reasonable and necessary attorneys’ fees and costs (including experts).


[SIGNATURE PAGE FOLLOWS]

IT IS HEREBY AGREED.


ACIS CAPITAL MANAGEMENT, L.P.

By: 
Name: Joshua N. Terry
Its: President

ACIS CAPITAL MANAGEMENT GP LLC

By: 
Name: Joshua N. Terry
Its: President

JOSHUA N. TERRY

By: 
Name: Joshua N. Terry
Its: Self

JENNIFER G. TERRY

By: 
Name: Jennifer G. Terry
Its: Self

HIGHLAND CAPITAL MANAGEMENT, L.P.

By: _____
Name: _____
Its: _____

IT IS HEREBY AGREED.

ACIS CAPITAL MANAGEMENT, L.P.

By: _____
Name: _____
Its: _____

ACIS CAPITAL MANAGEMENT GP LLC

By: _____
Name: _____
Its: _____


JOSHUA N. TERRY

By: _____
Name: _____
Its: _____

JENNIFER G. TERRY

By: _____
Name: _____
Its: _____

HIGHLAND CAPITAL MANAGEMENT, L.P.

By: 
Name: JAMES P. SEERY, JR.
Its: CEO/CFO

HCMLP SPECIFIED PARTIES

SCOTT ELLINGTON

ISAAC LEVENTON

THOMAS SURGENT

FRANK WATERHOUSE

JEAN PAUL SEVILLA

DAVID KLOS

KRISTIN HENDRIX

TIMOTHY COURNOYER

STEPHANIE VITIELLO

KATIE IRVING

JON POGLITSCH

HUNTER COVITZ



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

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

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

Signed October 27, 2020


United States Bankruptcy Judge

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§
§
§
§
§
§

Chapter 11

Case No. 19-34054-sgj11

Related to Docket Nos. 1087 & 1088

**ORDER APPROVING DEBTOR'S SETTLEMENT WITH (A) ACIS CAPITAL
MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP LLC
(CLAIM NO. 23), (B) JOSHUA N. TERRY AND JENNIFER G. TERRY (CLAIM NO.
156), AND (C) ACIS CAPITAL MANAGEMENT, L.P. (CLAIM NO. 159) AND
AUTHORIZING ACTIONS CONSISTENT THEREWITH**

Having considered the *Debtor's Motion for Entry of an Order Approving Settlement with*
(a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b)
Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P.
(Claim No. 159) and Authorizing Actions Consistent Therewith [Docket No. 1087] (the

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

“Motion”),² the Settlement Agreement attached as **Exhibit “1”** (the “Settlement Agreement”) to *Declaration of Gregory V. Demo in Support of the Debtor’s Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP, LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith* [Docket No. 1088] (the “Demo Declaration”), and the General Release attached as **Exhibit “2”** (the “Release”) to the Demo Declaration filed by the above-captioned debtor and debtor-in-possession (the “Debtor”); and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtor’s estate, its creditors, and other parties-in-interest; and this Court having found the Settlement Agreement and the Release are fair and equitable; and this Court having, analyzed, for the reasons stated on the record, (1) the probability of success in litigating the claims subject to Settlement Agreement and Release, with due consideration for the uncertainty in fact and law; (2) the complexity and likely duration of litigation and any attendant expense, inconvenience, and delay; and (3) all other factors bearing on the wisdom of the compromise, including: (i) the best interests of the creditors, with proper deference to their reasonable views; and (ii) the extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion; and this Court having found that the Debtor’s notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and that no other notice need be provided; and

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

this Court having reviewed the Motion, any and all other documents filed in support of the Motion, including the Debtor's Omnibus Reply filed by the Debtor at Docket No. 1211, and all objections thereto, including the objection filed by James Dondero at Docket No. 1121 (the "Dondero 9019 Objection");³ and this Court having determined that the legal and factual bases set forth in the Motion establish good cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT**:

1. The Motion is **GRANTED** as set forth herein.
2. The Settlement and the Release, attached hereto as **Exhibit 1** and **Exhibit 2** are approved in all respects pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure.
3. The Dondero 9019 Objection and all other objections to the Motion are overruled in their entirety.
4. All objections to the proofs of claim subject to the Motion⁴ are overruled as moot in light of the Court's approval of the Settlement Agreement and Release.
5. The Debtor, the Debtor's agents, the Acis Parties (as defined by the Release), and all other parties are authorized to take any and all actions necessary or desirable to implement the Settlement Agreement and the Release without need of further Court approval or notice.

³ The objection to the Motion filed by Patrick Hagaman Daugherty at Docket No. 1201 was withdrawn on the record during the hearing on the Motion. The reservations of rights filed by Highland CLO Funding, Ltd., CLO Holdco, Ltd., HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P. and HarbourVest Partners L.P. filed at Docket Nos. 1177, 1191, and 1195 (collectively, the "Reservations") are resolved based on the Debtor's representations on the record, made without objection, that (a) the conditions precedent in Section 1(c) of the Settlement Agreement will not occur and therefore, the Debtor will not, pursuant to the Settlement Agreement, transfer all of its direct and indirect right, title and interest in Highland HCF Advisor, Ltd. to Acis or its nominee, and that (b) none of the parties asserting any of the Reservations are bound by the Release.

⁴ The objections include (a) the Debtor's *Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC* [Docket No. 771]; (b) *James Dondero's Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC*; and (II) *Joinder in Support of Highland Capital Management, L.P.'s Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC* [Docket No. 827]; and (c) *UBS (I) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC* and (II) *Joinder in the Debtor's Objection* [Docket No. 891].

6. The Court shall retain exclusive jurisdiction with respect to all matters arising from or relating to the implementation, interpretation, and enforcement of this Order.

END OF ORDER

EXHIBIT 1

000033

SETTLEMENT AGREEMENT

This Settlement Agreement, including all attachments, (the “Agreement”) is entered into as of September 9, 2020, by and among (i) Highland Capital Management, L.P. (“HCMLP”); (ii) Acis Capital Management, L.P. (“Acis LP”); (iii) Acis Capital Management GP LLC (“Acis GP” and together with Acis LP, “Acis”); (iv) Joshua N. Terry, individually and for the benefit of his individual retirement accounts, and (v) Jennifer G. Terry, individually and for the benefit of her individual retirement accounts and as trustee of the Terry Family 401-K Plan

Each of the foregoing are sometimes referred to herein collectively as the “Parties” and individually as a “Party.”

RECITALS

WHEREAS, on August 3, 2020, the United States Bankruptcy Court for the Northern District of Texas (the “Bankruptcy Court”) entered an *Order Directing Mediation* [Docket No. 912] pursuant to which HCMLP, Acis Capital Management L.P., and Acis Capital Management GP, LLC (together, the “Mediation Parties”), among others, were directed to mediate their disputes before Retired Judge Allan Gropper and Sylvia Mayer (together, the “Mediators”); and

WHEREAS, during the mediation, the Mediators made an economic proposal to resolve the Claims (the “Mediators’ Economic Proposal”), and each of the Mediation Parties accepted the Mediators’ Economic Proposal; and

WHEREAS, the Parties have negotiated and executed that certain General Release, dated as of even date herewith (the “Release”),¹ which, among other things, releases the Acis Released Claims and the HCMLP Released Claims; and

WHEREAS, the Parties desire to enter into this Agreement which incorporates, formalizes, and finalizes the Mediators’ Economic Proposal and which, when combined with the Release, will fully and finally resolve the Claims; and

WHEREAS, this Agreement and the Release attached hereto will be presented to the Bankruptcy Court for approval pursuant to Federal Rule of Bankruptcy Procedure 9019 (“Rule 9019”);

NOW THEREFORE, in consideration of the above recitals, the covenants, conditions, and promises made herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. **Settlement of Claims.** In full and complete satisfaction of the Claims:

(a) The proof of claim filed by Acis in the HCMLP Bankruptcy Case on December 31, 2019 [Claim No. 23] will be allowed in the amount of \$23,000,000 as a general unsecured claim;

¹ All capitalized terms used but not defined herein have the meanings given to them in the Release.

(b) On the effective date of a plan of reorganization and confirmed by the Bankruptcy Court, HCMLP will pay in cash to:

(i) Joshua N. Terry and Jennifer G. Terry \$425,000, plus 10% simple interest (calculated on the basis of a 360-day year from and including June 30, 2016), in full and complete satisfaction of the proof of claim filed in the HCMLP Bankruptcy Case by Joshua N. Terry and Jennifer G. Terry on April 8, 2020 [Claim No. 156];

(ii) Acis LP \$97,000, which amount represents the legal fees incurred by Acis LP with respect to *NWCC, LLC v. Highland CLO Management, LLC, et al.*, Index No. 654195-2018 (N.Y. Sup. Ct. 2018), in full and complete satisfaction of the proof of claim filed by Acis LP in the HCMLP Bankruptcy Case on April 8, 2020 [Claim No. 159];

(iii) Joshua N. Terry \$355,000 in full and complete satisfaction of the legal fees assessed against Highland CLO Funding, Ltd., in *Highland CLO Funding v. Joshua Terry*, [No Case Number], pending in the Royal Court of the Island of Guernsey;

(c) On the effective date of a plan of reorganization proposed by HCMLP and confirmed by the Bankruptcy Court, if HCMLP receives written advice of nationally recognized external counsel that it is legally permissible consistent with HCMLP's contractual and legal duties to transfer all of its direct and indirect right, title and interest in Highland HCF Advisor, Ltd. to Acis or its nominee and that doing so would not reasonably subject HCMLP to liability, HCMLP shall transfer all of its right, title and interest in Highland HCF Advisor, Ltd., whether its ownership is direct or indirect, to Acis or its nominee, subject at all times to Acis's right to unilaterally reject the transfer in its sole and absolute discretion;

(d) Within five (5) days of the Agreement Effective Date, HCMLP shall:

(i) Move to withdraw, with prejudice, its proof of claim [Claim No. 27] filed in *In re Acis Capital Management, L.P.*, Case No. 18-30264-sgj11 (Bankr. N.D. Tex. 2018), and its proof of claim [Claim No. 13] filed in *In re Acis Capital Management GP, LLC*, Case No. 18-30265-sgj11 (Bankr. N.D. Tex. 2018);

(ii) Move to withdraw, with prejudice, Highland Capital Management, L.P.'s Application for Administrative Expense Claim Pursuant to 11 U.S.C. § 503(b) filed in the Acis Bankruptcy Case [Docket No. 772];

(e) At all times after the execution of this Agreement:

(i) Only to the extent reasonably necessary to maintain the status quo in the Acis Appeals, the Parties shall cooperate in seeking to abate or otherwise stay the Acis Appeals vis-à-vis the Parties pending the occurrence of the Agreement Effective Date; and

(ii) HCMLP shall cooperate in good faith to promptly return to Acis all property of Acis that is in HCMLP's possession, custody, or control, including but not limited to e-mail communications.

2. **Releases.** The Release is (a) attached to this Agreement as **Appendix A**; (b) an integral component of the Mediator's Economic Proposal and (c) incorporated by reference into this Agreement as if fully set forth herein.

3. **Agreement Subject to Bankruptcy Court Approval.**

(a) The effectiveness of this Agreement and the Parties' obligations hereunder are conditioned in all respects on the approval of this Agreement and the Release by the Bankruptcy Court. The Parties agree to use reasonable efforts to have this Agreement and the Release expeditiously approved by the Bankruptcy Court by cooperating in the preparation and prosecution of a mutually agreeable motion and proposed order. The "**Agreement Effective Date**" will be the date of an order entered by the Bankruptcy Court approving this Agreement pursuant to a motion filed under Rule 9019.

(b) The Parties acknowledge and agree that the terms and conditions of this Agreement are conditioned, in all respects, on the execution of the Release by the Parties and the approval of the Release and this Agreement by the Bankruptcy Court. If either the Release or this Settlement Agreement are not approved by the Bankruptcy Court for any reason, this Agreement and the Release will be immediately null and void and of no further force and effect.

4. **Representations and Warranties.** Subject in all respects to Section 3, each Party represents and warrants to the other Party that such Party is fully authorized to enter into and perform the terms of this Agreement and that, as of the Agreement Effective Date, this Agreement and the Release will be fully binding upon each Party in accordance with their terms.

5. **No Admission of Liability.** The Parties acknowledge that there is a bona fide dispute with respect to the Claims. Nothing in this Agreement will imply, an admission of liability, fault or wrongdoing by HCMLP, the Acis Parties, or any other person, and the execution of this Agreement does not constitute an admission of liability, fault, or wrongdoing on the part of HCMLP, the Acis Parties, or any other person.

6. **Successors-in-Interest.** This Agreement shall be binding upon and shall inure to the benefit of each of the Parties and their representatives, successors, and assigns, including but not limited to any Chapter 7 trustee appointed for HCMLP.

7. **Notice.** Each notice and other communication hereunder will be in writing and will be sent by email and delivered or mailed by registered mail, receipt requested, and will be deemed to have been given on the date of its delivery, if delivered, and on the fifth full business day following the date of the mailing, if mailed to each of the Parties thereto at the following respective addresses or such other address as may be specified in any notice delivered or mailed as set forth below:

Acis

Acis Capital Management, LP
4514 Cole Avenue
Suite 600
Dallas, Texas 75205

Attention: Joshua N. Terry
Email: josh@aciscm.com

with a copy (which shall not constitute notice) to:

ROGGE DUNN GROUP, P.C.
500 N. Akard Street, Suite 1900
Dallas, Texas 75201
Attention: Brian P. Shaw
Telephone No.: 214.239.2707
E-mail: shaw@roggedunnngroup.com

Joshua N. Terry and Jennifer G. Terry

25 Highland Park Village, Suite 100-848
Dallas TX 75205
Attention: Joshua N. Terry
Email: joshuanterry@gmail.com

with a copy (which shall not constitute notice) to:

ROGGE DUNN GROUP, P.C.
500 N. Akard Street, Suite 1900
Dallas, Texas 75201
Attention: Brian P. Shaw
Telephone No.: 214.239.2707
E-mail: shaw@roggedunnngroup.com

HCMLP

Highland Capital Management, L.P.
300 Crescent Court, Suite 700
Dallas, Texas 75201
Attention: Legal Department
Telephone No.: 972-628-4100
Facsimile No.: 972-628-4147
E-mail: notices@HighlandCapital.com

with a copy (which shall not constitute notice) to:

Pachulski Stang Ziehl & Jones LLP
Attention: Jeffrey Pomerantz, Esq.
10100 Santa Monica Blvd., 13th Floor
Los Angeles, CA 90067
Telephone No.: 310-277-6910

Facsimile No.: 310-201-0760
E-mail: jpomerantz@pszjlaw.com

8. **Advice of Counsel.** Each of the Parties represents that such Party has: (a) been adequately represented by independent legal counsel of its own choice, throughout all of the negotiations that preceded the execution of this Agreement; (b) executed this Agreement upon the advice of such counsel; (c) read this Agreement, and understands and assents to all the terms and conditions contained herein without any reservations; and (d) had the opportunity to have this Agreement and all the terms and conditions contained herein explained by independent counsel, who has answered any and all questions asked of such counsel, or which could have been asked of such counsel, including, but not limited to, with regard to the meaning and effect of any of the provisions of this Agreement.

9. **Entire Agreement.** This Agreement contains the entire agreement and understanding concerning the subject matter of this Agreement, and supersedes and replaces all prior negotiations and agreements, written or oral and executed or unexecuted, concerning such subject matter. Each of the Parties acknowledges that no other Party, nor any agent of or attorney for any such Party, has made any promise, representation or warranty, express or implied, written or oral, not otherwise contained in this Agreement to induce any Party to execute this Agreement. The Parties further acknowledge that they are not executing this Agreement in reliance on any promise, representation or warranty not contained in this Agreement, and that any such reliance would be unreasonable. This Agreement will not be waived or modified except by an agreement in writing signed by each Party or duly authorized representative of each Party.

10. **No Party Deemed Drafter.** The Parties acknowledge that the terms of this Agreement are contractual and are the result of arms'-length negotiations between the Parties and their chosen counsel. Each Party and its counsel cooperated in the drafting and preparation of this Agreement. In any construction to be made of this Agreement, the Agreement will not be construed against any Party.

11. **Future Cooperation.** The Parties agree to cooperate and execute such further documentation as is reasonably necessary to effectuate the intent of this Agreement.

12. **Counterparts.** This Agreement may be executed in counterparts with the same force and effect as if executed in one complete document. Each Party's signature hereto will signify acceptance of, and agreement to, the terms and provisions contained in this Agreement. Photographic, electronic, and facsimile copies of signed counterparts may be used in lieu of the originals of this Agreement for any purpose.


13. **Governing Law; Venue; Attorneys' Fees and Costs.** The Parties agree that this Agreement will be governed by and will be construed according to the laws of the State of Texas without regard to conflict-of-law principles. Each of the Parties hereby submits to the exclusive jurisdiction of the Bankruptcy Court during the pendency of the HCMLP Bankruptcy Case and thereafter to the exclusive jurisdiction of the state and federal courts located in the Northern District of Texas, Dallas Division, with respect to any disputes arising from or out of this

Agreement. In any action to enforce this Agreement, the prevailing party shall be entitled to recover its reasonable and necessary attorneys' fees and costs (including experts).

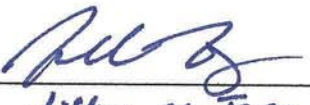
[Remainder of Page Intentionally Blank]

IT IS HEREBY AGREED.


ACIS CAPITAL MANAGEMENT, L.P.

By: 
Name: Joshua N. Terry
Its: President


ACIS CAPITAL MANAGEMENT GP LLC

By: 
Name: Joshua N. Terry
Its: President

JOSHUA N. TERRY

By: 
Name: Joshua N. Terry
Its: Self

JENNIFER G. TERRY

By: 
Name: Jennifer G. Terry
Its: Self

HIGHLAND CAPITAL MANAGEMENT, L.P.

By: _____
Name: _____
Its: _____

IT IS HEREBY AGREED.

ACIS CAPITAL MANAGEMENT, L.P.

By: _____
Name: _____
Its: _____

ACIS CAPITAL MANAGEMENT GP LLC

By: _____
Name: _____
Its: _____

JOSHUA N. TERRY

By: _____
Name: _____
Its: _____

JENNIFER G. TERRY

By: _____
Name: _____
Its: _____

HIGHLAND CAPITAL MANAGEMENT, L.P.


By:  _____
Name: TRAVIS P. SORELY, JR.
Its: CEO/COO

EXHIBIT 2

000042

GENERAL RELEASE

This GENERAL RELEASE (this “Release”), effective on the Effective Date (as defined below), is entered into by and among (i) Highland Capital Management, L.P. (“HCMLP”), (ii) Joshua N. Terry, individually and for the benefit of his individual retirement accounts, Jennifer G. Terry, individually and for the benefit of her individual retirement accounts and as trustee of the Terry Family 401-K Plan (collectively, the “Terry Parties”), (iii) Acis Capital Management L.P., and Acis Capital Management GP, LLC (collectively, “Acis”) (the Terry Parties and Acis, collectively, the “Acis Parties”), and (iii) those HCMLP Specified Parties (as defined below) who execute this Release (together, the “Parties”).

RECITALS

WHEREAS, the Parties have asserted or may assert claims that are defined in Section 1 below as the “Acis Released Claims” and the “HCMLP Released Claims” (collectively, the “Claims”); and

WHEREAS, on August 3, 2020, the United States Bankruptcy Court for the Northern District of Texas (the “Court”) entered an *Order Directing Mediation* [Docket No. 912] pursuant to which HCMLP, Acis Capital Management L.P., and Acis Capital Management GP, LLC (together, the “Mediation Parties”), among others, were directed to mediate their disputes before Retired Judge Allan Gropper and Sylvia Mayer (together, the “Mediators”); and

WHEREAS, during the mediation, the Mediators made an economic proposal to resolve the Claims (the “Mediators’ Economic Proposal”), and each of the Mediation Parties accepted the Mediators’ Economic Proposal; and

WHEREAS, the Parties desire to enter into a general release of all Claims which, when combined with the Mediators’ Economic Proposal, will fully and finally resolve the Claims; and

WHEREAS, except in Section 1.c below, this is a general release, meaning the Parties intend hereby to release any and all Claims which the Parties can release, and the Parties are unaware of any Claims between them which are not being released herein; and

WHEREAS, this Release will be appended or otherwise incorporated into a written settlement agreement (the “Settlement Agreement”) that will include the terms of the Mediators’ Economic Proposal and will be presented to the Court for approval pursuant to Federal Rule of Bankruptcy Procedure 9019 (“Rule 9019”), and is only effective upon the Effective Date.

NOW, THEREFORE, after good-faith, arms-length negotiations, and in consideration of the promises made herein and in the Mediators’ Economic Proposal, the Parties agree to release each other pursuant to and in accordance with the terms and conditions set forth below.

AGREEMENT

1. Releases.

a. Upon the Effective Date, and to the maximum extent permitted by law, and except as set forth in Section 1d below, each of the Acis Parties on behalf of himself, herself, or itself and each of their respective current or former advisors, trustees, directors, officers, managers, members, partners, employees, beneficiaries, shareholders, agents, participants, subsidiaries, parents, affiliates, successors, designees, and assigns hereby forever, finally, fully, unconditionally, and completely releases, relieves, acquits, remises, and exonerates, and covenants never to sue, (A)(i) HCMLP; (ii) Strand; (iii) any entity of which greater than fifty percent of the voting ownership is held directly or indirectly by HCMLP and any entity otherwise controlled by HCMLP; and (iv) any entity managed by either HCMLP or a direct or indirect subsidiary of HCMLP (the foregoing (A)(i) through (A)(iv) the “HCMLP Entities”) and (B) with respect to each such HCMLP Entity, such HCMLP Entity’s respective current advisors, trustees, directors, officers, managers, members, partners, current or former employees, beneficiaries, shareholders, agents, participants, subsidiaries, parents, affiliates, successors, designees, and assigns, except as expressly set forth below (the “HCMLP Parties,” and together with the HCMLP Entities, the “HCMLP Released Parties”), for and from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, liens, losses, costs and expenses (including, without limitation, attorney’s fees and related costs), damages, injuries, suits, actions, and causes of action of whatever kind or nature, whether known or unknown, suspected or unsuspected, matured or unmatured, liquidated or unliquidated, contingent or fixed, at law or in equity, statutory or otherwise, including, without limitation, any claims, defenses, and affirmative defenses, whether known or unknown, including, without limitation, those which were or could have been asserted in, in connection with, or with respect to the Filed Cases, including the proofs of claim [Claim No. 23; 156; 159] filed by the Acis Parties in the HCMLP Bankruptcy Case and any objections or potential objections to the Plan or the confirmation thereof (collectively, the “Acis Released Claims”). This release is intended to be general. Notwithstanding anything contained herein to the contrary, the term HCMLP Released Parties **shall not** include NexPoint Advisors (and any of its subsidiaries), the Charitable Donor Advised Fund, L.P. (and any of its subsidiaries, including CLO Holdco, Ltd.), Highland CLO Funding, Ltd. (and any of its subsidiaries), NexBank, SSB (and any of its subsidiaries), James Dondero, Hunter Mountain Investment Trust (or any trustee acting for the trust), Dugaboy Investment Trust (or any trustee acting for the trust), Grant Scott, David Simek, William Scott, Heather Bestwick, Mark Okada and his family trusts (and the trustees for such trusts in their representative capacities), McKool Smith, PC, Gary Cruciani, Lackey Hershman, LLP, Jamie Welton, or Paul Lackey.

b. Upon the Effective Date, and to the maximum extent permitted by law, each HCMLP Released Party hereby forever, finally, fully, unconditionally, and completely releases, relieves, acquits, remises, and exonerates, and covenants never to sue the (A) Acis Parties, (B) Acis CLO 2013-1 Ltd., Acis CLO 2014-3 Ltd., Acis CLO 2014-4 Ltd., Acis CLO 2014-5 Ltd., Acis CLO 2015-6 Ltd. (collectively, the “Acis CLOs”), and (C) with respect to each such Acis Party and Acis CLO, to the extent applicable, such Acis Party and Acis CLO, their respective current advisors, trustees, directors, officers, managers, members, partners, current or former employees, beneficiaries, shareholders, agents, participants, subsidiaries, parents,

affiliates, successors, designees, and assigns (the foregoing (A), (B), and (C), the “Acis Released Parties”), for and from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, liens, losses, costs and expenses (including, without limitation, attorney’s fees and related costs), damages, injuries, suits, actions, and causes of action of whatever kind or nature, whether known or unknown, suspected or unsuspected, matured or unmatured, liquidated or unliquidated, contingent or fixed, at law or in equity, statutory or otherwise, including, without limitation, any claims, defenses, and affirmative defenses, whether known or unknown, which were or could have been asserted in, in connection with, or with respect to the Filed Cases (collectively, the “HCMLP Released Claims”). This release is intended to be general. Notwithstanding anything contained herein to the contrary, this Section 1.b will not affect any right to payment under any notes, debt, equity, or other security issued by any Acis CLO and held by any HCMLP Released Party.

c. The HCMLP Released Parties shall also hereby forever, finally, fully, unconditionally, and completely release, relieve, acquit, remise, and exonerate, and covenant never to sue (A) U.S. Bank National Association, Moody’s Investor Services, Inc., and Brigade Capital Management, Inc. and (B) with respect to each such DAF Suit Defendant, to the extent applicable, such DAF Suit Defendant, their respective current advisors, trustees, directors, officers, managers, members, partners, current or former employees, beneficiaries, shareholders, agents, participants, subsidiaries, parents, affiliates, successors, designees, and assigns (the foregoing (A) and (B), the “DAF Suit Defendants”), for and from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, liens, losses, costs and expenses (including, without limitation, attorney’s fees and related costs), damages, injuries, suits, actions, and causes of action of whatever kind or nature, whether known or unknown, suspected or unsuspected, matured or unmatured, liquidated or unliquidated, contingent or fixed, at law or in equity, statutory or otherwise, which were or could have been asserted in, in connection with, or with respect to the DAF Lawsuits. This release is not intended to be general.

d. Notwithstanding anything herein to the contrary, if (A) any HCMLP Specified Party has not executed this Release on or before the Effective Date or (B) any HCMLP Released Party, including any HCMLP Specified Party, (i) sues, attempts to sue, or threatens or works with or assists any entity or person to sue, attempt to sue, or threaten any Acis Released Party on or in connection with any HCMLP Released Claim or any other claim or cause of action arising prior to the date of this Release, (ii) takes any action that, in HCMLP’s reasonable judgment, impairs or harms the value of HCMLP, its estate, and its assets; or (iii) in HCMLP’s reasonable judgment fails to use commercially reasonable efforts to support confirmation of the Plan and/or the monetization of HCMLP’s assets at their maximum value, then (a) such HCMLP Released Party (and only such HCMLP Released Party) will be deemed to have waived (x) the release and all other protections set forth in Section 1a hereof and will have no further rights, duties, or protections under this Release and (y) any releases set forth in the Plan, (b) the Acis Released Parties, as applicable, may, in their discretion, assert any and all Acis Released Claims against such HCMLP Released Party (and only such HCMLP Released Party), and (c) any statutes of limitation or other similar defenses are tolled against such HCMLP Released Party (and only such HCMLP Released Party) from the execution of this Release until ninety (90) days after the Acis Released Parties receive actual written notice of any violation of this Section 1d. For the avoidance of doubt, by signing this Release each of the HCMLP Specified Parties is

acknowledging and agreeing, without limitation, to the terms of this Section 1.d and the tolling agreement set forth herein.

2. Withdrawal/Dismissal of Filed Cases. Within five days of the Effective Date, each Acis Released Party and HCMLP Released Party, to the extent applicable, will coordinate to cause the Filed Cases, including any appeals of any Filed Cases, to be dismissed with prejudice as to any Acis Released Party or HCMLP Released Party; *provided, however*, that there is no obligation to dismiss or withdraw the HCMLP Bankruptcy Case. For the avoidance of doubt, and consistent with this Section, (a) if HCMLP receives written advice of nationally recognized external counsel that it is legally permissible consistent with HCMLP's contractual and legal duties to direct Neutra, Ltd. to move to dismiss all of their appeals arising from the Acis Bankruptcy and that doing so would not reasonably subject HCMLP to liability, HCMLP shall direct Neutra, Ltd. to move to dismiss all of their appeals arising from the Acis Bankruptcy and (b) Acis shall move to dismiss with prejudice its claims against HCMLP asserted in any adversary proceeding in the Acis Bankruptcy Case. To the extent reasonably necessary to maintain the status quo in the Filed Cases, including any appeals thereof, prior to the Effective Date, each Acis Released Party and HCMLP Released Party shall reasonably cooperate in seeking to abate or otherwise stay the Filed Cases vis-à-vis the Parties.

3. Representations and Warranties.

a. Each of the Acis Parties represents and warrants to each of the HCMLP Released Parties and each of the HCMLP Specified Parties who have signed this Release that (a) he, she or it has full authority to release the Acis Released Claims and has not sold, transferred, or assigned any Acis Released Claim to any other person or entity, and that (b) to the best of his, her or its current knowledge, no person or entity other than the Acis Parties has been, is, or will be authorized to bring, pursue, or enforce any Acis Released Claim on behalf of, for the benefit of, or in the name of (whether directly or derivatively) any of the Acis Parties.

b. Each of HCMLP and each HCMLP Specified Party who has signed this Release represents and warrants to each of the Acis Parties that he, she or it has not sold, transferred, pledged, assigned or hypothecated any HCMLP Released Claim to any other person or entity.

c. Each HCMLP Specified Party and each of HCMLP and Strand represents and warrants to each of the Acis Parties that he, she, or it has full authority to release any HCMLP Released Claims that such HCMLP Specified Party, HCMLP, or Strand personally has against any Acis Party.

d. HCMLP represents and warrants that it is releasing the HCMLP Released Claims on behalf of the HCMLP Entities to the maximum extent permitted by any contractual or other legal rights HCMLP possesses. To the extent any of the HCMLP Entities dispute HCMLP's right to release the HCMLP Released Claims on behalf of any of the HCMLP Entities, HCMLP shall use commercially reasonable efforts to support the Acis Parties' position, if any, that such claims were released herein. For the avoidance of doubt, HCMLP will have no obligations to assist the Acis Parties under this Section if HCMLP has been advised by external counsel that such assistance could subject HCMLP to liability to any third party or if such

assistance would require HCMLP to expend material amounts of time or money. HCMLP shall not argue in any forum that the non-signatory status of any of the HCMLP Entities to this Release shall in any way affect the enforceability of this Release vis-à-vis any of the HCMLP Entities. The Parties agree that all of the HCMLP Entities are intended third-party beneficiaries of this Release.

Notwithstanding anything herein to the contrary, the Acis Parties acknowledge and agree that their sole and exclusive remedy for the breach of the foregoing Sections 3b, 3c, and 3d will be that set forth in Section 1.d hereof.

4. Additional Definitions.

a. “Acis Bankruptcy Case” means, collectively, *In re Acis Capital Management, L.P.*, Case No. 18-30264-sgj11 (Bankr. N.D. Tex. 2018) and *In re Acis Capital Management GP, LLC*, Case No. 18-30265-sgj11 (Bankr. N.D. Tex. 2018)

b. “DAF Lawsuits” means (a) Case No. 1:19-cv-09857-NRB; *The Charitable Donor Advised Fund, L.P. v. U.S. Bank National Association, et al*, formerly pending in the United States District Court for the Southern District of New York; and (b) Case No. 1:20-cv-01036-LGS; *The Charitable Donor Advised Fund, L.P. and CLO Holdco, Ltd. v. U.S. Bank National Association, et al*, formerly pending in the United States District Court for the Southern District of New York.

c. “Effective Date” means the date of an order of the Court approving the Settlement Agreement pursuant to a motion filed under Rule 9019.

d. “Filed Cases” means (a) the HCMLP Bankruptcy Case, (b) *Acis Capital Management, L.P., et al. v. Highland Capital Management, L.P., et al*, Case No. 18-03078 (Bankr. N.D. Tex. 2018); (c) *Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction*, Case No. 19-34054-sgj-11 [Docket No. 593] (Bankr. N.D. Tex. 2020); (d) *Joshua and Jennifer Terry v. Highland Capital Management, L.P., James Dondero and Thomas Surgent*, Case No. DC-16-11396, pending in the 162nd District Court of Dallas County Texas; (e) *Acis Capital Management, L.P., et al v. James Dondero, et al.*, Case No. 20-0360 (Bankruptcy N.D. Tex. 2020); (f) *Acis Capital Management, L.P., et al v. Gary Cruciani, et al.*, Case No. DC-20-05534, pending in the 162nd District Court of Dallas County Texas; (g) *Highland CLO Funding v. Joshua Terry*, [No Case Number], pending in the Royal Court of the Island of Guernsey; and (h) the Acis Bankruptcy Case.

e. “HCMLP Bankruptcy Case” means *In re Highland Capital Management, L.P.*, Case No. 19-34054-sgj11 (Bankr. N.D. Tex. 2019).

f. “HCMLP Specified Party” means Scott Ellington, Isaac Leventon, Thomas Surgent, Frank Waterhouse, Jean Paul Sevilla, David Klos, Kristin Hendrix, Timothy Cournoyer, Stephanie Vitiello, Katie Irving, Jon Poglitsch, or Hunter Covitz. For the avoidance of doubt, each HCMLP Specified Party is a HCMLP Released Party.

g. “Plan” means the *Plan of Reorganization of Highland Capital Management, L.P.*, filed in the HCMLP Bankruptcy Case [Docket No. 956] as may be amended or restated.

h. “Strand” means Strand Advisors, Inc.

5. Miscellaneous.

a. For the avoidance of doubt, all rights, duties, and obligations of any HCMLP Released Party or Acis Released Party created by this Release or the Settlement Agreement shall survive its execution.

b. This Release, together with the Settlement Agreement and any exhibits thereto, contains the entire agreement between the Parties as to its subject matter and supersedes and replaces any and all prior agreements and undertakings between the Parties relating thereto.

c. This Release may not be modified other than by a signed writing executed by the Parties.

d. The effectiveness of this Release is subject in all respects to entry of an order of the Court approving this Release and the Settlement Agreement and authorizing HCMLP’s execution thereof.


e. This Release may be executed in counterparts (including facsimile and electronic transmission counterparts), each of which will be deemed an original but all of which together constitute one and the same instrument, and shall be effective against a Party upon the Effective Date.

f. This Release will be exclusively governed by and construed and enforced in accordance with the laws of the State of Texas, without regard to its conflicts of law principles, and all claims relating to or arising out of this Release, or the breach thereof, whether sounding in contract, tort, or otherwise, will likewise be governed by the laws of the State of Texas, excluding Texas’s conflicts of law principles. The Court will retain exclusive jurisdiction over all disputes relating to this Release. In any action to enforce this Release, the prevailing party shall be entitled to recover its reasonable and necessary attorneys’ fees and costs (including experts).

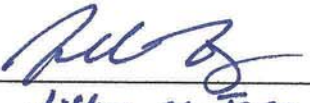
[SIGNATURE PAGE FOLLOWS]

IT IS HEREBY AGREED.


ACIS CAPITAL MANAGEMENT, L.P.

By: 
Name: Joshua N. Terry
Its: President


ACIS CAPITAL MANAGEMENT GP LLC

By: 
Name: Joshua N. Terry
Its: President

JOSHUA N. TERRY

By: 
Name: Joshua N. Terry
Its: Self

JENNIFER G. TERRY

By: 
Name: Jennifer G. Terry
Its: Self

HIGHLAND CAPITAL MANAGEMENT, L.P.

By: _____
Name: _____
Its: _____

IT IS HEREBY AGREED.

ACIS CAPITAL MANAGEMENT, L.P.

By: _____
Name: _____
Its: _____

ACIS CAPITAL MANAGEMENT GP LLC

By: _____
Name: _____
Its: _____


JOSHUA N. TERRY

By: _____
Name: _____
Its: _____

JENNIFER G. TERRY

By: _____
Name: _____
Its: _____

HIGHLAND CAPITAL MANAGEMENT, L.P.

By: 
Name: James P. Seery, Jr.
Its: CEO/CFO

HCMLP SPECIFIED PARTIES

SCOTT ELLINGTON

ISAAC LEVENTON

THOMAS SURGENT

FRANK WATERHOUSE

JEAN PAUL SEVILLA

DAVID KLOS

KRISTIN HENDRIX

TIMOTHY COURNOYER

STEPHANIE VITIELLO

KATIE IRVING

JON POGLITSCH

HUNTER COVITZ

SEALED EXH, APPEAL, Sealed Document, FUNDS, TRANSIN, REFORM, Claims Agent,
EXHIBITS, COMPLEX

**U.S. Bankruptcy Court
Northern District of Texas (Dallas)
Bankruptcy Petition #: 19-34054-sgj11**

Assigned to: Stacey G. Jernigan
Chapter 11
Voluntary
Asset
Show Previous Cases

Date filed: 10/16/2019
Date Plan Confirmed: 02/22/2021
Date transferred: 12/04/2019
Plan confirmed: 02/22/2021
341 meeting: 01/09/2020
Deadline for filing claims: 04/08/2020
Deadline for filing claims (govt.): 04/13/2020

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Official Committee of Unsecured Creditors

represented by **Sean M. Beach**
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Filing Date	Docket Text
12/04/2019	<u>1</u> Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. (Okafor, M.)
12/04/2019	<u>2</u> DOCKET SHEET filed in 19-12239 in the U.S. Bankruptcy Court for Delaware . (Okafor, M.)
12/04/2019	<u>3</u> Chapter 11 Voluntary Petition . Fee Amount \$1717. Filed by Highland Capital Management, L.P.. (Attachments: # <u>1</u> Creditor Matrix) [ORIGINALLY FILED AS DOCUMENT #1 ON 10/16/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>4</u> Motion to Pay Employee Wages /Motion of the Debtors for Entry of Order (I) Authorizing the Debtor to (A) Pay and Honor Prepetition Compensation, Reimbursable Business Expenses, and Employee Benefit Obligations, and (B) Maintain and Continue Certain Compensation and Benefit Programs Postpetition; and (II) Granting Related Relief Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A – Proposed Order) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #2 ON 10/16/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>5</u> Motion to Pay Critical Trade Vendor Claims /Motion of the Debtor for Entry of Interim and Final Orders (A) Authorizing Debtor to Pay Prepetition Claims of Critical Vendors and

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	(B) Granting Related Relief Filed By Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A – Proposed Order)(O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #3 ON 10/16/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE]
12/04/2019	<u>6</u> Motion to Extend Deadline to File Schedules or Provide Required Information Filed by Highland Capital Management, L.P.(Attachments: # <u>1</u> Exhibit A – Proposed Order) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #4 ON 10/16/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE](Okafor, M.)
12/04/2019	<u>7</u> Motion to Maintain Bank Accounts /Motion of the Debtor for Interim and Final Orders Authorizing (A) Continuance of Existing Cash Management System and Brokerage Relationships, (B) Continued Use of the Prime Account, (C) Limited Waiver of Section 345(b) Deposit and Investment Requirements, and (D) Granting Related Relief Filed By Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A – Interim Order) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #5 ON 10/16/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>8</u> **WITHDRAWN** – 10/29/2019. SEE DOCKET # 72. Motion to Approve Use of Cash Collateral /Motion of Debtor for Entry of Interim and Final Orders (A) Authorizing the Use of Cash Collateral, (B) Providing Adequate Protection, (C) Authorizing the Liquidation of Securities, (D) Modifying the Automatic Stay, and (E) Scheduling a Final Hearing Filed By Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A – Order)(O'Neill, James) Modified on 10/30/2019 (DMC)[ORIGINALLY FILED AS DOCUMENT #6 ON 10/16/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE]
12/04/2019	<u>9</u> Application to Appoint Claims/Noticing Agent KURTZMAN CARSON CONSULTANTS, LLC Filed By Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A – Engagement Agreement # <u>2</u> Exhibit B – Gershbein Declaration # <u>3</u> Exhibit C – Proposed Order) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #7 ON 10/16/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>10</u> Motion to File Under Seal/Motion of the Debtor for Entry of Interim and Final Orders Authorizing the Debtor to File Under Seal Portions of Its Creditor Matrix Containing Employee Address Information Filed by Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit A – Proposed Order) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #8 ON 10/16/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>11</u> Affidavit/Declaration in Support of First Day Motion /Declaration of Frank Waterhouse in Support of First Day Motions Filed By Highland Capital Management, L.P. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #9 ON 10/16/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE](Okafor, M.)
12/04/2019	<u>12</u> Notice of Hearing on First Day Motions (related document(s)2, 3, 5, 6, 7, 8, 9 [ON DELAWARE DOCKET]) Filed by Highland Capital Management, L.P.. Hearing scheduled for 10/18/2019 at 10:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #11 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>13</u> Notice of Hearing // Notice of Interim Hearing on Motion of Debtor for Entry of Interim and Final Orders (A) Authorizing the Use of Cash Collateral, (B) Providing Adequate Protection, (C) Authorizing the Liquidation of Securities, (D) Modifying the Automatic Stay, and (E) Scheduling a Final Hearing (related document(s)6) Filed by Highland Capital Management, L.P.. Hearing scheduled for 10/18/2019 at 10:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware.

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	(Attachments: # <u>1</u> Exhibit A) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #12 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>14</u> Notice of Agenda of Matters Scheduled for Hearing Filed by Highland Capital Management, L.P.. Hearing scheduled for 10/18/2019 at 10:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #13 ON 10/16/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>15</u> Notice of appearance Filed by Alvarez & Marsal CRF Management, LLC, as Investment Manager of the Highland Crusader Funds (Beach, Sean) [ORIGINALLY FILED AS DOCUMENT #14 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>16</u> Motion to Appear pro hac vice of Marshall R. King of Gibson, Dunn & Crutcher LLP. Receipt Number 2757354, Filed by Alvarez & Marsal CRF Management, LLC, as Investment Manager of the Highland Crusader Funds. (Beach, Sean) [ORIGINALLY FILED AS DOCUMENT #15 ON 10/1/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>17</u> Motion to Appear pro hac vice of Michael A. Rosenthal of Gibson, Dunn & Crutcher LLP. Receipt Number 2624495, Filed by Alvarez & Marsal CRF Management, LLC, as Investment Manager of the Highland Crusader Funds. (Beach, Sean) [ORIGINALLY FILED AS DOCUMENT #16 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>18</u> Motion to Appear pro hac vice of Alan Moskowitz of Gibson, Dunn & Crutcher LLP. Receipt Number 2624495, Filed by Alvarez & Marsal CRF Management, LLC, as Investment Manager of the Highland Crusader Funds. (Beach, Sean)) [ORIGINALLY FILED AS DOCUMENT #17 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>19</u> Motion to Appear pro hac vice of Matthew G. Bouslog of Gibson, Dunn & Crutcher LLP. Receipt Number 2581894, Filed by Alvarez & Marsal CRF Management, LLC, as Investment Manager of the Highland Crusader Funds. (Beach, Sean)) [ORIGINALLY FILED AS DOCUMENT #18 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>20</u> Notice of Appearance and Request for Notice by Louis J. Cisz filed by Interested Party California Public Employees Retirement System (CalPERS) . (Okafor, M.) [ORIGINALLY FILED AS DOCUMENT #19 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE]
12/04/2019	<u>21</u> Motion to Appear pro hac vice (Jeffrey N. Pomerantz). Receipt Number 2564620, Filed by Highland Capital Management, L.P.. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #20 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>22</u> Motion to Appear pro hac vice (Maxim B. Litvak). Receipt Number 2564620, Filed by Highland Capital Management, L.P. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #21 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>23</u> Motion to Appear pro hac vice (Ira D. Kharasch). Receipt Number DEX032537, Filed by Highland Capital Management, L.P.. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #22 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)

12/04/2019	<u>24</u> Motion to Appear pro hac vice (Gregory V. Demo). Receipt Number DEX032536, Filed by Highland Capital Management, L.P. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #23 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>25</u> Motion to Appear pro hac vice of Marc B. Hankin. Receipt Number 2757358, Filed by Redeemer Committee of the Highland Crusader Fund. (Miller, Curtis) [ORIGINALLY FILED AS DOCUMENT #24 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE](Okafor, M.)
12/04/2019	<u>26</u> Order Approving Motion for Admission pro hac vice Marshall R. King of Gibson(Related Doc # 15) Order Signed on 10/17/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #25 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>27</u> Order Approving Motion for Admission pro hac vice Michael A. Rosenthal (Related Doc # 16) Order Signed on 10/17/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #26 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>28</u> Order Approving Motion for Admission pro hac vice Alan Moskowitz (Related Doc # 17) Order Signed on 10/17/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #27 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>29</u> Order Approving Motion for Admission pro hac vice Matthew G. Bouslog(Related Doc # 18) Order Signed on 10/17/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #28 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>30</u> Order Approving Motion for Admission pro hac vice Jeffrey N. Pomerantz (Related Doc # 20) Order Signed on 10/17/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #29 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>31</u> Order Approving Motion for Admission pro hac vice Maxim B. Litvak (Related Doc # 21) Order Signed on 10/17/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #30 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>32</u> Order Approving Motion for Admission pro hac vice Ira D. Kharasch (Related Doc # 22) Order Signed on 10/17/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #31 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>33</u> Order Approving Motion for Admission pro hac vice Gregory V. Demo(Related Doc # 23) Order Signed on 10/17/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #32 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>34</u> Order Approving Motion for Admission pro hac vice Marc B. Hankin(Related Doc # 24) Order Signed on 10/17/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #33 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>35</u> Certificate of Service of: 1) Notice of Hearing on First Day Motions; 2) Notice of Interim Hearing on Motion of Debtor for Entry of Interim and Final Orders (A) Authorizing the Use of Cash Collateral, (B) Providing Adequate Protection, (C)

	Authorizing the Liquidation of Securities, (D) Modifying the Automatic Stay, and (E) Scheduling a Final Hearing; and 3) Notice of Agenda for Hearing of First Day Motions Scheduled for October 18, 2019 at 10:00 a.m. (related document(s)11, 12, 13) Filed by Highland Capital Management, L.P.. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #34 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>36</u> Motion to Appear pro hac vice (John A. Morris). Receipt Number 2635868, Filed by Highland Capital Management, L.P.. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #35 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE](Okafor, M.)
12/04/2019	<u>37</u> Notice of Appearance and Request for Notice by Richard B. Levin , Marc B. Hankin , Kevin M. Coen , Curtis S. Miller filed by Interested Party Redeemer Committee of the Highland Crusader Fund . (Miller, Curtis) [ORIGINALLY FILED AS DOCUMENT #36 ON 10/17/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE](Okafor, M.)
12/04/2019	<u>38</u> Order Approving Motion for Admission pro hac vice John A. Morris(Related Doc # 35) Order Signed on 10/18/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #38 ON 10/18/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>39</u> Order (I) Authorizing the Debtor to (A) Pay and Honor Prepetition Compensation, Reimbursable Business Expenses, and Employee Benefit Obligations, and (B) Maintain and Continue Certain Compensation and Benefit Programs Postpetition; and (II) Granting Related Relief. (related document(s)2) Order Signed on 10/18/2019. (NAB) [ORIGINALLY FILED AS DOCUMENT #39 ON 10/18/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>40</u> Interim Order (A) Authorizing the Debtor to Pay Certain Prepetition Claims of Critical Vendors and (B) Granting Related Relief (Related Doc 3) Order Signed on 10/18/2019 (Attachments: # <u>1</u> Agreement)) (NAB) Modified Text on 10/21/2019 (LB) [ORIGINALLY FILED AS DOCUMENT #40 ON 10/18/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>41</u> Notice of Appearance and Request for Notice by Eric Thomas Haitz filed by Debtor Highland Capital Management, L.P.. (Haitz, Eric)
12/04/2019	<u>42</u> Interim Order Authorizing (A) Continuance of Existing Cash Management System, (B) Continued Use of the Prime Account, (C) Limited Waiver of Section 345(b) Deposit and Investment Requirements, and (D) Granting Related Relief. (Related Doc 5) Order Signed on 10/18/2019. (JS) Modified Text on 10/21/2019 (LB). [ORIGINALLY FILED AS DOCUMENT #42 ON 10/18/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>43</u> Order Appointing Kurtzman Carson Consultants, LLC as Claims and Noticing Agent for the Debtors Pursuant to 28 U.S.C. §156(C), 11 U.S.C. §105(A), and Local Rule 2002-1(F) (Related Doc # 7) Order Signed on 10/18/2019. (JS) [ORIGINALLY FILED AS DOCUMENT #43 ON 10/18/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>44</u> Interim Order Authorizing the Debtor to File Under Seal Portions of Its Creditor Matrix Containing Employee Address Information. (Related Doc # 8) Order Signed on 10/18/2019. (JS) [ORIGINALLY FILED AS DOCUMENT #44 ON 10/18/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>45</u> Notice of Appearance and Request for Notice by Elizabeth Weller filed by Irving ISD , Grayson County , Upshur County , Dallas County , Tarrant County , Kaufman County ,

	Rockwall CAD , Allen ISD , Fannin CAD , Coleman County TAD . (Okafor, M.)
12/04/2019	<u>46</u> Notice of hearing/ <i>scheduling conference</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1</u> Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. (Okafor, M.)). Status Conference to be held on 12/6/2019 at 09:30 AM at Dallas Judge Jernigan Ctrm. (Haitz, Eric)
12/04/2019	<u>47</u> Notice of Service // Notice of Entry of Order on Motion of Debtor for Entry of Order (I) Authorizing the Debtor to (A) Pay and Honor Prepetition Compensation, Reimbursable Business Expenses, and Employee Benefit Obligations, and (B) Maintain and Continue Certain Compensation and Benefit Programs Postpetition; and (II) Granting Related Relief (related document(s) <u>2</u> , <u>39</u>) Filed by Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #47 ON 10/18/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>48</u> Notice of Service // Notice of Entry of Order on Application for an Order Appointing Kurtzman Carson Consultants LLC as Claims and Noticing Agent for the Debtor Pursuant to 28 U.S.C. §156(C), 11 U.S.C. §105(A), and Local Rule 2002-1(F) (related document(s) <u>7</u> , <u>43</u>) Filed by Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2) (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #48 ON 10/18/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) Additional attachment(s) added on 12/9/2019 (Okafor, M.).
12/04/2019	<u>49</u> Notice of Hearing // Notice of Motion of Debtor for Entry of an Order (I) Extending Time to File Schedules of Assets and Liabilities, Schedules of Executory Contracts and Unexpired Leases, and Statement of Financial Affairs, and (II) Granting Related Relief (related document(s) <u>4</u>) Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019.(Attachments: # <u>1</u> Exhibit 1) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #49 ON 10/18/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>50</u> Notice of Hearing // Notice of Entry of Interim Order and Final Hearing on Motion of Debtor for Entry of Interim and Final Orders (A) Authorizing Debtor to Pay Prepetition Claims of Critical Vendors and (B) Granting Related Relief (related document(s) <u>3</u> , <u>40</u>) Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #50 ON 10/18/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>51</u> Notice of Hearing // Notice of Entry of Interim Order and Final Hearing on Motion of Debtor for Entry of Interim and Final Orders Authorizing (A) Continuance of Existing Cash Management System and Brokerage Relationships, (B) Continued Use of the Prime Account, (C) Limited Waiver of Section 345(b) Deposit and Investment Requirements, and (D) Granting Related Relief (related document(s) <u>5</u> , <u>42</u>) Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019 (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #51 ON 10/18/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>52</u> Notice of Hearing // Notice of Entry of Interim Order and Final Hearing on Motion of Debtor for Entry of Interim and Final Orders Authorizing Debtor to File Under Seal Portions of Its Creditor Matrix Containing Employee Address Information (related document(s) <u>8</u> , <u>44</u>) Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6,

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	Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #52 ON 10/18/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>53</u> Notice of Hearing // Notice of Motion of Debtor for Entry of Interim and Final Orders (A) Authorizing the Use of Cash Collateral, (B) Providing Adequate Protection, (C) Authorizing the Liquidation of Securities, (D) Modifying the Automatic Stay, and (E) Scheduling a Final Hearing (related document(s)6) Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/7/2019 at 03:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 10/31/2019. (Attachments: # <u>1</u> Exhibit 1) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #53 ON 10/18/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>54</u> Affidavit/Declaration of Service for service of (1) [Signed] Order Approving Motion for Admission pro hac vice Jeffrey N. Pomerantz [Docket No. 29]; (2) [Signed] Order Approving Motion for Admission pro hac vice Maxim B. Litvak [Docket No. 30]; (3) [Signed] Order Approving Motion for Admission pro hac vice Ira D. Kharasch [Docket No. 31]; (4) [Signed] Order Approving Motion for Admission pro hac vice Gregory V. Demo [Docket No. 32]; (5) [Signed] Order Approving Motion for Admission pro hac vice John A. Morris [Docket No. 38]; (6) Notice of Entry of Order on Motion of Debtor for Entry of Order (I) Authorizing the Debtor to (A) Pay and Honor Prepetition Compensation, Reimbursable Business Expenses, and Employee Benefit Obligations, and (B) Maintain and Continue Certain Compensation and Benefit Programs Postpetition; and (II) Granting Related Relief [Docket No. 47]; (7) Notice of Entry of Order on Application for an Order Appointing Kurtzman Carson Consultants LLC as Claims and Noticing Agent for the Debtor Pursuant to 28 U.S.C. §156(C), 11 U.S.C. §105(A), and Local Rule 2002-1(F) [Docket No. 48]; (8) Notice of Motion of Debtor for Entry of an Order (I) Extending Time to File Schedules of Assets and Liabilities, Schedules of Executory Contracts and Unexpired Leases, and Statement of Financial Affairs, and (II) Granting Related Relief [Docket No. 49]; (9) Notice of Entry of Interim Order and Final Hearing on Motion of Debtor for Entry of Interim and Final Orders (A) Authorizing Debtor to Pay Prepetition Claims of Critical Vendors and (B) Granting Related Relief [Docket No. 50]; (10) Notice of Entry of Interim Order and Final Hearing on Motion of Debtor for Entry of Interim and Final Orders Authorizing (A) Continuance of Existing Cash Management System and Brokerage Relationships, (B) Continued Use of the Prime Account, (C) Limited Waiver of Section 345(b) Deposit and Investment Requirements, and (D) Granting Related Relief [Docket No. 51]; (11) Notice of Entry of Interim Order and Final Hearing on Motion of Debtor for Entry of Interim and Final Orders Authorizing Debtor to File Under Seal Portions of Its Creditor Matrix Containing Employee Address Information [Docket No. 52]; and (12) Notice of Motion of Debtor for Entry of Interim and Final Orders (A) Authorizing the Use of Cash Collateral, (B) Providing Adequate Protection, (C) Authorizing the Liquidation of Securities, (D) Modifying the Automatic Stay, and (E) Scheduling a Final Hearing [Docket No. 53] (related document(s)29, 30, 31, 32, 38, 47, 48, 49, 50, 51, 52, 53) Filed by Highland Capital Management, L.P. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #55 ON 10/21/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M)
12/04/2019	<u>55</u> Notice of Appearance and Request for Notice by Josef W. Mintz , John E. Lucian , Phillip L. Lamberson , Rakhee V. Patel filed by Acis Capital Management, L.P. , Acis Capital Management GP, LLC . (Attachments: # <u>1</u> Certificate of Service) (Mintz, Josef) [ORIGINALLY FILED AS DOCUMENT #56 ON 10/22/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE](Okafor, M.)
12/04/2019	<u>56</u> Motion to Appear pro hac vice of Rakhee V. Patel of Winstead PC. Receipt Number 3112761165, Filed by Acis Capital Management GP LLC, Acis Capital Management, L.P.. (Mintz, Josef) [ORIGINALLY FILED AS DOCUMENT #57 ON 10/22/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	

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	<u>57</u> Motion to Appear pro hac vice of Phillip Lamberson of Winstead PC. Receipt Number 3112761165, Filed by Acis Capital Management GP LLC, Acis Capital Management, L.P.. (Mintz, Josef) [ORIGINALLY FILED AS DOCUMENT #58 ON 10/22/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>58</u> Motion to Appear pro hac vice of John E. Lucian of Blank Rome LLP. Receipt Number 3112548736, Filed by Acis Capital Management GP LLC, Acis Capital Management, L.P.. (Mintz, Josef) [ORIGINALLY FILED AS DOCUMENT #59 ON 10/22/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>59</u> Notice of Appearance and Request for Notice by Michael I. Baird filed by Interested Party Pension Benefit Guaranty Corporation . (Attachments: # <u>1</u> Certification of United States Government Attorney # <u>2</u> Certificate of Service) (Baird, Michael) [ORIGINALLY FILED AS DOCUMENT #60 ON 10/23/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE](Okafor, M.)
12/04/2019	<u>60</u> Order Granting Motion for Admission pro hac vice for Rakhee V. Patel (Related Doc # 57) Order Signed on 10/24/2019. (DRG) [ORIGINALLY FILED AS DOCUMENT #61 ON 10/24/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>61</u> Order Granting Motion for Admission pro hac vice of John E. Lucian (Related Doc # 59) Order Signed on 10/24/2019. (DRG) [ORIGINALLY FILED AS DOCUMENT #62 ON 10/24/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>62</u> Order Granting Motion for Admission pro hac vice of Phillip Lamberson (Related Doc # 58) Order Signed on 10/24/2019. (DRG) [ORIGINALLY FILED AS DOCUMENT #63 ON 10/24/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>63</u> Notice of Appearance and Request for Notice by Michael L. Vild filed by Creditor Patrick Daugherty . (Vild, Michael) [ORIGINALLY FILED AS DOCUMENT #64 ON 10/24/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>64</u> Notice of Appointment of Creditors' Committee Filed by U.S. Trustee. (Leamy, Jane) [ORIGINALLY FILED AS DOCUMENT #65 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>65</u> Request of US Trustee to Schedule Section 341 Meeting of Creditors November 20,2019 at 9:30 a.m. Filed by U.S. Trustee. (Leamy, Jane) [ORIGINALLY FILED AS DOCUMENT #66 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>66</u> Notice of Meeting of Creditors/Commencement of Case Filed by Highland Capital Management, L.P.. 341(a) meeting to be held on 11/20/2019 at 09:30 AM at J. Caleb Boggs Federal Building, 844 King St., Room 3209, Wilmington, Delaware. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #67 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>67</u> Motion to Authorize /Motion of the Debtor for Entry of an Order (I) Authorizing Bradley D. Sharp to Act as Foreign Representative Pursuant to 11 U.S.C. Section 1505 and (II) Granting Related Relief Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # <u>1</u> Notice # <u>2</u> Exhibit A – Proposed Form of Order # <u>3</u> Certificate of Service and Service List) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #68 ON 10/29/2019 IN U.S.

	BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>68</u> Application/Motion to Employ/Retain Foley Gardere, Foley & Lardner LLP as Special Texas Counsel Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # <u>1</u> Notice # <u>2</u> Exhibit A # <u>3</u> Exhibit B # <u>4</u> Exhibit C – Proposed Order # <u>5</u> 2016 Statement # <u>6</u> Declaration Frank Waterhouse # <u>7</u> Certificate of Service) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #69 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)
12/04/2019	<u>69</u> **WITHDRAWN per # <u>437</u> . Application/Motion to Employ/Retain Lynn Pinker Cox & Hurst LLP as Special Texas Litigation Counsel Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # <u>1</u> Notice # <u>2</u> Exhibit A – Hurst Declaration # <u>3</u> Exhibit B – Proposed Order # <u>4</u> 2016 Statement # <u>5</u> Declaration Frank Waterhouse # <u>6</u> Certificate of Service) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #70 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) Modified on 2/11/2020 (Ecker, C.). (Entered: 12/05/2019)
12/04/2019	<u>70</u> Application/Motion to Employ/Retain Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession Nunc Pro Tunc to the Petition Date Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019(Attachments: # <u>1</u> Notice # <u>2</u> Rule 2016 Statement # <u>3</u> Declaration of Jeffrey N. Pomerantz in Support # <u>4</u> Declaration of Frank Waterhouse # <u>5</u> Proposed Form of Order # <u>6</u> Certificate of Service and Service List) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #71 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>71</u> Notice of Withdrawal of Motion of Debtor for Entry of Interim and Final Orders (A) Authorizing the Use of Cash Collateral, (B) Providing Adequate Protection, (C) Authorizing the Liquidation of Securities, (D) Modifying the Automatic Stay, and (E) Scheduling a Final Hearing (related document(s)6) Filed by Highland Capital Management, L.P. (Attachments: # <u>1</u> Certificate of Service and Service List) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #72 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>72</u> Motion for Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # <u>1</u> Notice # <u>2</u> Exhibit A – Proposed Order # <u>3</u> Certificate of Service and Service List) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #73 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>73</u> Application/Motion to Employ/Retain Kurtzman Carson Consultants as Administrative Advisor Effective Nunc Pro Tunc to the Petition Date Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # <u>1</u> Notice # <u>2</u> Exhibit A – Proposed Order # <u>3</u> Exhibit B – Gershbein Declaration # <u>4</u> Certificate of Service and Service List) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #74 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>74</u> Application/Motion to Employ/Retain Development Specialists, Inc. as Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and

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	Restructuring-Related Services, Nunc Pro Tunc As of the Petition Date Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # <u>1</u> Notice # <u>2</u> Exhibit A – Engagement Letter # <u>3</u> Exhibit B – Sharp Declaration # <u>4</u> Exhibit C – Proposed Order # <u>5</u> Certificate of Service and Service List) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #75 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>75</u> Motion to Authorize /Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtors in the Ordinary Course of Business Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # <u>1</u> Notice # <u>2</u> Exhibit A – Proposed Order # <u>3</u> Exhibit B – OCP List # <u>4</u> Exhibit C – Form of Declaration of Disinterestedness # <u>5</u> Certificate of Service and Service List) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #76 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>76</u> **WITHDRAWN by # <u>360</u> ** Motion to Approve /Precautionary Motion of the Debtor for Order Approving Protocols for the Debtor to Implement Certain Transactions in the Ordinary Course of Business Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # <u>1</u> Notice # <u>2</u> Appendix I # <u>3</u> Appendix II # <u>4</u> Proposed Form of Order # <u>5</u> Certificate of Service and Service List) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #77 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) Modified on 1/16/2020 (Ecker, C.). (Entered: 12/05/2019)
12/04/2019	<u>77</u> Notice of Appearance and Request for Notice by William A. Hazeltine filed by Interested Party Hunter Mountain Trust . (Okafor, M.) (Hazeltine, William) [ORIGINALLY FILED AS DOCUMENT #78 ON 10/30/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.). (Entered: 12/05/2019)
12/04/2019	<u>78</u> Notice of Meeting of Creditors/Commencement of Case (Corrected) Filed by Highland Capital Management, L.P.. 341(a) meeting to be held on 11/20/2019 at 09:30 AM at J. Caleb Boggs Federal Building, 844 King St., Room 3209, Wilmington, Delaware. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #79 ON 10/30/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>79</u> Motion to Appear pro hac vice of Brian P. Shaw of Rogge Dunn Group. Receipt Number 0311-27677, Filed by Acis Capital Management GP LLC, Acis Capital Management, L.P. (Bibiloni, Jose) [ORIGINALLY FILED AS DOCUMENT #80 ON 10/30/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>80</u> Amended Notice of Appearance. The party has consented to electronic service. Filed by Acis Capital Management GP LLC, Acis Capital Management, L.P. (Attachments: # <u>1</u> Certificate of Service) (Bibiloni, Jose) [ORIGINALLY FILED AS DOCUMENT #81 ON 10/30/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>81</u> Notice of Appearance and Request for Notice by Jessica Boelter , Alyssa Russell , Matthew A. Clemente , Bojan Guzina filed by Creditor Committee Official Committee of Unsecured Creditors . (Guzina, Bojan) [ORIGINALLY FILED AS DOCUMENT #82 ON 10/30/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)

12/04/2019	<u>82</u> Initial Reporting Requirements /Initial Monthly Operating Report of Highland Capital Management, LP Filed by Highland Capital Management, L.P.. (Attachments: # <u>1</u> Certificate of Service and Service List) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #83 ON 10/31/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>83</u> Order Approving Motion for Admission pro hac vice Brian P. Shaw(Related Doc # 80) Order Signed on 11/1/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #84 ON 11/01/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>84</u> Notice of Appearance and Request for Notice by Sarah E. Silveira , Michael J. Merchant , Asif Attarwala , Jeffrey E. Bjork filed by Interested Parties UBS AG London Branch , UBS Securities LLC . (Attachments: # <u>1</u> Certificate of Service) (Merchant, Michael) [ORIGINALLY FILED AS DOCUMENT #85 ON 11/01/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>85</u> Motion to Change Venue/Inter-district Transfer Filed by Official Committee of Unsecured Creditors. (Attachments: # <u>1</u> Exhibit A – Proposed Order # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E – Certificate of Service) (Guzina, Bojan)[ORIGINALLY FILED AS DOCUMENT #86 ON 11/01/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>86</u> Emergency Motion to Shorten Notice With Respect To The Motion Of Official Committee Of Unsecured Creditors To Transfer Venue Of This Case To The United States Bankruptcy Court For The Northern District Of Texas (related document(s)86) Filed by Official Committee of Unsecured Creditors. (Attachments: # <u>1</u> Exhibit A – Proposed Order # <u>2</u> Exhibit B – Certificate of Service) (Guzina, Bojan) [ORIGINALLY FILED AS DOCUMENT #87 ON 11/01/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>87</u> Order Denying Emergency Motion to Shorten Notice With Respect to The Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District Of Texas (Related Doc # 87) Order Signed on 11/4/2019. (JS) [ORIGINALLY FILED AS DOCUMENT #88 ON 11/04/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>88</u> Notice of Appearance. The party has consented to electronic service. Filed by Jefferies LLC. (Bowden, William) [ORIGINALLY FILED AS DOCUMENT #89 ON 11/04/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>89</u> Motion to Appear pro hac vice of Patrick C. Maxcy. Receipt Number 2770240, Filed by Jefferies LLC. (Bowden, William) [ORIGINALLY FILED AS DOCUMENT #90 ON 11/04/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>90</u> Motion to Appear pro hac vice of Lauren Macksoud. Receipt Number 2770389, Filed by Jefferies LLC. (Bowden, William) [ORIGINALLY FILED AS DOCUMENT #91 ON 11/04/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>91</u> Notice of Appearance. The party has consented to electronic service. Filed by INTEGRATED FINANCIAL ASSOCIATES, INC. (Carlyon, Candace) [ORIGINALLY FILED AS DOCUMENT #92 ON 11/04/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)

12/04/2019	<u>92</u> Order Approving Motion for Admission pro hac vice Patrick C. Maxcy(Related Doc # 90) Order Signed on 11/5/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #93 ON 11/05/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>93</u> Order Approving Motion for Admission pro hac vice Lauren Macksoud(Related Doc # 91) Order Signed on 11/5/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #94 ON 11/05/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>94</u> HEARING CANCELLED. Notice of Agenda of Matters not going forward. The following hearing has been cancelled. Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/7/2019 at 03:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. (Attachments: # <u>1</u> Certificate of Service) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #95 ON 11/05/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>95</u> Notice of Appearance. The party has consented to electronic service. Filed by BET Investments, II, L.P.. (Attachments: # <u>1</u> Certificate of Service) (Kurtzman, Jeffrey) (Attachments: # <u>1</u> Certificate of Service) [ORIGINALLY FILED AS DOCUMENT #96 ON 11/05/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>96</u> Certification of Counsel Regarding Order Scheduling Omnibus Hearing Date Filed by Highland Capital Management, L.P.. (Attachments: # <u>1</u> Proposed Form of Order) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #97 ON 11/07/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>98</u> Order Scheduling Omnibus Hearings. Omnibus Hearings scheduled for 12/17/2019 at 11:00 AM US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Signed on 11/7/2019. (CAS) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #98 ON 11/07/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>101</u> Exhibit(s) // Notice of Filing of Amended Exhibit B to Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized By the Debtor in the Ordinary Course of Business (related document(s)76) Filed by Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Certificate of Service) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #99 ON 11/07/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>102</u> Affidavit/Declaration of Service for service of [Signed] Order Scheduling Omnibus Hearing Date [Docket No. 98] (related document(s)98) Filed by Highland Capital Management, L.P.. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #100 ON 11/07/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>103</u> Notice of Deposition – Notice to Take Rule 30(b)(6) Deposition Upon Oral Examination of the Debtor, Highland Capital Management, L.P. Filed by Official Committee of Unsecured Creditors. (Guerke, Kevin) [ORIGINALLY FILED AS DOCUMENT #101 ON 11/10/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>104</u> Notice of Deposition of Frank Waterhouse Filed by Official Committee of Unsecured Creditors. (Guerke, Kevin) [ORIGINALLY FILED AS DOCUMENT #102 ON 11/10/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)

	(Entered: 12/05/2019)
12/04/2019	<u>106</u> Notice of Service – Notice of Intent to Serve Subpoena Filed by Official Committee of Unsecured Creditors. (Guerke, Kevin) [ORIGINALLY FILED AS DOCUMENT #103 ON 11/10/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>107</u> Notice of Substitution of Counsel Filed by Alvarez & Marsal CRF Management, LLC, as Investment Manager of the Highland Crusader Funds. (Attachments: # <u>1</u> Certificate of Service) (Ryan, Jeremy) [ORIGINALLY FILED AS DOCUMENT #104 ON 11/11/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>108</u> Amended Notice of Appearance. The party has consented to electronic service. Filed by Official Committee of Unsecured Creditors. (Beach, Sean) . [ORIGINALLY FILED AS DOCUMENT #105 ON 11/11/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>110</u> Motion to Appear pro hac vice Of Bojan Guzina of Sidley Austin LLP. Receipt Number 2775584, Filed by Official Committee of Unsecured Creditors. (Beach, Sean) [ORIGINALLY FILED AS DOCUMENT #106 ON 11/11/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>111</u> Motion to Appear pro hac vice of Alyssa Russell of Sidley Austin LLP. Receipt Number 2620330, Filed by Official Committee of Unsecured Creditors. (Beach, Sean)[ORIGINALLY FILED AS DOCUMENT #107 ON 11/11/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>112</u> Motion to Appear pro hac vice of Matthew A. Clemente of Sidley Austin LLP. Receipt Number 2775584, Filed by Official Committee of Unsecured Creditors. (Beach, Sean) [ORIGINALLY FILED AS DOCUMENT #108 ON 11/11/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>113</u> Motion to Appear pro hac vice of Paige Holden Montgomery. Receipt Number 2775584, Filed by Official Committee of Unsecured Creditors. (Beach, Sean) [ORIGINALLY FILED AS DOCUMENT #109 ON 11/11/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>114</u> Motion to Appear pro hac vice of Penny P. Reid of Sidley Austin. Receipt Number 2775584, Filed by Official Committee of Unsecured Creditors. (Beach, Sean) [ORIGINALLY FILED AS DOCUMENT #110 ON 11/11/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>115</u> Order Approving Motion for Admission pro hac vice Bojan Guzina(Related Doc # 106) Order Signed on 11/12/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #111 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>116</u> Order Approving Motion for Admission pro hac vice Alyssa Russell (Related Doc # 107) Order Signed on 11/12/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #112 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>117</u> Order Approving Motion for Admission pro hac vice Matthew A. Clemente (Related Doc # 108) Order Signed on 11/12/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #113 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF

	DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>118</u> Order Approving Motion for Admission pro hac vice Paige Holden(Related Doc # 109) Order Signed on 11/12/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #114 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>119</u> Order Approving Motion for Admission pro hac vice Penny P. Reid(Related Doc # 110) Order Signed on 11/12/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #115 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>120</u> Limited Objection to the Debtors: (I) Application for an Order Authorizing the Retention and Employment of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel, Nunc Pro Tunc to the Petition Date; and (II) Application for an Order Authorizing the Retention and Employment of Lynn Pinker Cox & Hurst LLP as Special Texas Litigation Counsel, Nunc Pro Tunc to the Petition Date (related document(s)69, 70) Filed by Acis Capital Management GP LLC, Acis Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G # <u>8</u> Exhibit H # <u>9</u> Exhibit I # <u>10</u> Certificate of Service) (Mintz, Josef) [ORIGINALLY FILED AS DOCUMENT #116 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>121</u> Limited Objection and Reservation of Rights of Jefferies LLC to Debtor's Motion for Order Approving Protocols for the Debtor to Implement Certain Transactions in the Ordinary Course of Business (related document(s)77) Filed by Jefferies LLC (Attachments: # <u>1</u> Exhibit A # <u>2</u> Certificate of Service) (Bowden, William) [ORIGINALLY FILED AS DOCUMENT #117 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>122</u> Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) Filed by Highland Capital Management, L.P. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #118 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>123</u> Limited Objection to Motion of the Debtor for an Order Authorizing the Debtor to Retain, Employee, and Compensate Certain Professionals Utilized by the Debtors in the Ordinary Course of Business (related document(s)76) Filed by Official Committee of Unsecured Creditors (Weissgerber, Jaclyn) [ORIGINALLY FILED AS DOCUMENT #119 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE](Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>124</u> **WITHDRAWN per # <u>456</u> ** Limited Objection to the Debtor's Application for an Order Authorizing the Retention and Employment of Foley Gardere, Foley & Lardner LLP and Lynn Pinker Cox & Hurst as Special Texas Counsel and Special Litigation Counsel, Nunc Pro Tunc to the Petition Date (related document(s)69, 70) Filed by Official Committee of Unsecured Creditors (Weissgerber, Jaclyn) [ORIGINALLY FILED AS DOCUMENT #120 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) Modified on 2/19/2020 (Ecker, C.). (Entered: 12/05/2019)
12/04/2019	<u>125</u> Limited Objection to the Motion of Debtor for Entry of Interim and Final Orders (A) Authorizing Debtor to Pay Prepetition Claims of Critical Vendors and (B) Granting Related Relief (related document(s)3) Filed by Official Committee of Unsecured Creditors (Weissgerber, Jaclyn) [ORIGINALLY FILED AS DOCUMENT #121 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)

12/04/2019	<u>126</u> Joinder to Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) Filed by Acis Capital Management GP LLC, Acis Capital Management, L.P.. (Mintz, Josef) [ORIGINALLY FILED AS DOCUMENT #122 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE](Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>127</u> Motion to File Under Seal of the Omnibus Objection of the Official Committee of Unsecured Creditors to the Debtors (I) Motion for Final Order Authorizing Continuance of the Existing Cash Management System, (II) Motion to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, and (III) Precautionary Motion for Approval of Protocols for Ordinary Course Transactions Filed by Official Committee of Unsecured Creditors. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/19/2019. (Attachments: # <u>1</u> Notice # <u>2</u> Proposed Form of Order) [ORIGINALLY FILED AS DOCUMENT #123 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>128</u> [SEALED in Delaware Bankruptcy Court] Omnibus Objection to the Debtor's (I) Motion for Final Order Authorizing Continuance of the Existing Cash Management System, (II) Motion to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, and (III) Precautionary Motion for Approval of Protocols for "Ordinary Course" Transactions (related document(s)5, 75, 77, 123) Filed by Official Committee of Unsecured Creditors (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E) (Weissgerber, Jaclyn) [ORIGINALLY FILED AS DOCUMENT #124 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>130</u> Objection to the Debtor's (I) Motion for Final Order Authorizing Continuance of the Existing Cash Management System, (II) Motion to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, and (III) Precautionary Motion for Approval of Protocols for "Ordinary Course" Transactions (Redacted) (related document(s)5, 75, 77, 123, 124) Filed by Official Committee of Unsecured Creditors (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E)(Weissgerber, Jaclyn) [ORIGINALLY FILED AS DOCUMENT #125 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>131</u> Notice of Service of Discovery Filed by Official Committee of Unsecured Creditors. (Guerke, Kevin) [ORIGINALLY FILED AS DOCUMENT #126 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>132</u> Objection Motion of Debtor for Entry of Order Authorizing Debtor to File Under Seal Portions of Creditor Matrix Containing Employee Address Information (related document(s)8) Filed by U.S. Trustee (Leamy, Jane) [ORIGINALLY FILED AS DOCUMENT #127 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>133</u> Certificate of Service of Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)118) Filed by Highland Capital Management, L.P.. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #128 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE](Okafor, M.) Modified text on 12/5/2019 (Okafor, M.). (Entered: 12/05/2019)
12/04/2019	<u>134</u> Certificate of Service of Acis's Joinder in Motion to Transfer Venue (related document(s)122) Filed by Acis Capital Management GP LLC, Acis Capital Management, L.P.. (Mintz, Josef) [ORIGINALLY FILED AS DOCUMENT #129 ON 11/13/2019 IN

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	U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>135</u> Objection U.S. Trustee's Objection to the Motion of Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Provide a Chief Restructuring Officer, Additional Personnel and Financial Advisory and Restructuring Related Services, Nunc Pro Tunc as of the Petition Date (related document(s)75) Filed by U.S. Trustee (Attachments: # <u>1</u> Certificate of Service)(Leamy, Jane) [ORIGINALLY FILED AS DOCUMENT #130 ON 11/13/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>136</u> Certificate of Service of United States Trustees Objection to Motion of Debtor for Entry of Order Authorizing Debtor to File Under Seal Portions of Creditor Matrix Containing Employee Address Information (related document(s)127) Filed by U.S. Trustee. (Leamy, Jane) [ORIGINALLY FILED AS DOCUMENT #131 ON 11/13/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>137</u> Certification of Counsel Regarding Debtor's Motion Pursuant to Sections 105(A), 330 and 331 of the Bankruptcy Code for Administrative Order Establishing Procedures for the Interim Compensation and Reimbursement of Expenses of Professionals (related document(s)73) Filed by Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit A – Proposed Order # <u>2</u> Exhibit B – Blackline Order)(O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #132 ON 11/13/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>138</u> Certificate of No Objection Regarding Debtor's Application for Authorization to Employ and Retain Kurtzman Carson Consultants LLC as Administrative Advisor Effective Nunc Pro Tunc to the Petition Date (related document(s)74) Filed by Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit A – Proposed Order) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #133 ON 11/13/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>139</u> Certificate of No Objection Regarding Motion of the Debtor for Entry of an Order (I) Extending Time to File Schedules of Assets and Liabilities, Schedules of Executory Contracts and Unexpired Leases, and Statement of Financial Affairs, and (II) Granting Related Relief (related document(s)4) Filed by Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit A – Proposed Order) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #134 ON 11/13/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>140</u> Notice of Appearance. The party has consented to electronic service. Filed by Crescent TC Investors, L.P.. (Held, Michael) [ORIGINALLY FILED AS DOCUMENT #135 ON 11/14/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>141</u> ORDER ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES OF PROFESSIONALS(Related Doc # 73) Order Signed on 11/14/2019. (DRG) [ORIGINALLY FILED AS DOCUMENT #136 ON 11/14/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>142</u> ORDER AUTHORIZING THE DEBTOR TO EMPLOY AND RETAIN KURTZMAN CARSON CONSULTANTS LLC AS ADMINISTRATIVE ADVISOR EFFECTIVE NUNC PRO TUNC TO THE PETITION DATE (Related Doc # 74) Order Signed on 11/14/2019. (DRG) [ORIGINALLY FILED AS DOCUMENT #137 ON 11/14/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)

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12/04/2019	<u>143</u> ORDER (I) EXTENDING TIME TO FILE SCHEDULES OF ASSETS AND LIABILITIES, SCHEDULES OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND STATEMENT OF FINANCIAL AFFAIRS, AND (II) GRANTING RELATED RELIEF (Related Doc # 4) Order Signed on 11/14/2019. (DRG) [ORIGINALLY FILED AS DOCUMENT #138 ON 11/14/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>144</u> Notice of Appearance. The party has consented to electronic service. Filed by Intertrust Entities. (Desgrosseilliers, Mark) [ORIGINALLY FILED AS DOCUMENT #139 ON 11/14/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>145</u> Notice of Appearance. The party has consented to electronic service. Filed by CLO Entities. (Desgrosseilliers, Mark) [ORIGINALLY FILED AS DOCUMENT #140 ON 11/14/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>146</u> Notice of Deposition Upon Oral Examination Under Rules 30 and 30(b)(6) of the Debtor, Highland Capital Management, L.P. Filed by Official Committee of Unsecured Creditors. (Guerke, Kevin) [ORIGINALLY FILED AS DOCUMENT #141 ON 11/15/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>147</u> Notice of Agenda of Matters Scheduled for Hearing Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware (Attachments: # <u>1</u> Certificate of Service) [ORIGINALLY FILED AS DOCUMENT #142 ON 11/15/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>148</u> Affidavit/Declaration of Service for service of (1) [Signed] Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals [Docket No. 136]; (2) [Signed] Order Authorizing the Debtor to Employ and Retain Kurtzman Carson Consultants LLC as Administrative Advisor Effective Nunc Pro Tunc to the Petition Date [Docket No. 137]; and (3) [Signed] Order (I) Extending Time to File Schedules of Assets and Liabilities, Schedules of Executory Contracts and Unexpired Leases, and Statement of Financial Affairs, and (II) Granting Related Relief [Docket No. 138] (related document(s) 136, 137, 138) Filed by Highland Capital Management, L.P.. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #143 ON 11/15/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>149</u> Notice of Hearing regarding Motion to Change Venue/Inter-district Transfer (related document(s) 86, 87, 88) Filed by Official Committee of Unsecured Creditors. Hearing scheduled for 12/2/2019 at 10:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. (Beach, Sean) [ORIGINALLY FILED AS DOCUMENT #144 ON 11/18/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>150</u> Notice of Rescheduled 341 Meeting (related document(s) 67, 79) Filed by Highland Capital Management, L.P.. 341(a) meeting to be held on 12/3/2019 at 10:30 AM (check with U.S. Trustee for location) (Attachments: # <u>1</u> Certificate of Service) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #145 ON 11/18/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>151</u> Agenda of Matters Scheduled for Telephonic Hearing (related document(s) 142) Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. (Attachments: # <u>1</u> Certificate of Service) (O'Neill, James) [ORIGINALLY FILED

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	AS DOCUMENT #146 ON 11/18/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>152</u> Notice of Appearance. The party has consented to electronic service. Filed by CLO Holdco, Ltd.. (Kane, John) [ORIGINALLY FILED AS DOCUMENT #149 ON 11/19/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>153</u> Amended Notice of Deposition of Frank Waterhouse Filed by Official Committee of Unsecured Creditors. (Guerke, Kevin) [ORIGINALLY FILED AS DOCUMENT #150 ON 11/19/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>154</u> Notice of Appearance and Request for Notice by Sally T. Siconolfi , Joseph T. Moldovan filed by Interested Party Meta-e Discovery, LLC . (Moldovan, Joseph)[ORIGINALLY FILED AS DOCUMENT #152 ON 11/20/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>156</u> Affidavit/Declaration of Service regarding Notice of Hearing regarding Motion to Change Venue/Inter-district Transfer (related document(s)144) Filed by Official Committee of Unsecured Creditors. (Beach, Sean) [ORIGINALLY FILED AS DOCUMENT #153 ON 11/20/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>158</u> Motion to Appear pro hac vice of Annmarie Chiarello of Winstead PC. Receipt Number 0311-27843, Filed by Acis Capital Management GP LLC, Acis Capital Management, L.P.. (Bibiloni, Jose) [ORIGINALLY FILED AS DOCUMENT #154 ON 11/20/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) Additional attachment(s) added on 12/5/2019 (Okafor, M.). (Entered: 12/05/2019)
12/04/2019	<u>159</u> Order Approving Motion for Admission pro hac vice Annmarie Chiarello (Related Doc # 154) Order Signed on 11/21/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #155 ON 11/21/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) Additional attachment(s) added on 12/5/2019 (Okafor, M.). (Entered: 12/05/2019)
12/04/2019	<u>162</u> Reply in Support of Motion to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86, 118) Filed by Official Committee of Unsecured Creditors (Beach, Sean) [ORIGINALLY FILED AS DOCUMENT #156 ON 11/21/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>163</u> Reply in Support of the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86, 118, 122, 156) Filed by Acis Capital Management GP LLC, Acis Capital Management, L.P. (Mintz, Josef) [ORIGINALLY FILED AS DOCUMENT #157 ON 11/21/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>164</u> Response of the Debtor to Acis's Joinder to Motion to Transfer Venue (related document(s)86, 122) Filed by Highland Capital Management, L.P. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #158 ON 11/21/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>165</u> Omnibus Reply In Support of (I) Application for an Order Authorizing the Retention and Employment of Foley Gardere, Foley & Lardner as Special Texas Counsel Nunc Pro Tunc to the Petition Date; and (II) Application for an Order Authorizing the Retention and

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	Employment of Lynn Pinker Cox & Hurst LLP as Special Texas Litigation Counsel Nunc Pro Tunc to Petition Date (related document(s)69, 70, 116, 120) Filed by Highland Capital Management, L.P.(Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G # <u>8</u> Exhibit H # <u>9</u> Exhibit I # <u>10</u> Exhibit J) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #159 ON 11/21/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) Modified text on 12/5/2019 (Okafor, M.). (Entered: 12/05/2019)
12/04/2019	<u>166</u> Omnibus Reply of the Debtor in Support of: (I) Motion for Final Order Authorizing Continuance of the Existing Cash Management System, (II) Motion to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, and (III) Precautionary Motion for Approval of Protocols for Ordinary Course Transactions (related document(s)5, 75, 77) Filed by Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A – Redline Order Approving Ordinary Course Protocols Motion # <u>2</u> Exhibit B – Redline Order Approving Cash Management Motion # <u>3</u> Exhibit C – Redline Order Approving DSI Retention Motion # <u>4</u> Exhibit D – Summary of Intercompany Transactions) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #160 ON 11/21/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>168</u> Certificate of Service of 1) Response of the Debtor to Acis's Joinder to Motion to Transfer Venue; 2) Omnibus Reply In Support of (I) Application for an Order Authorizing the Retention and Employment of Foley Gardere, Foley & Lardner as Special Texas Counsel Nunc Pro Tunc to the Petition Date, and (II) Application for an Order Authorizing the Retention and Employment of Lynn Pinker Cox & Hurst LLP; and 3) Omnibus Reply of the Debtor in Support of: (I) Motion for Final Order Authorizing Continuance of the Existing Cash Management System, (II) Motion to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, and (III) Precautionary Motion for Approval of Protocols for Ordinary Course Transactions (related document(s)158, 159, 160) Filed by Highland Capital Management, L.P.. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #161 ON 11/22/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>169</u> Exhibit(s) // Notice of Filing of Second Amended Exhibit B to Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized By the Debtor in the Ordinary Course of Business (related document(s)76, 99) Filed by Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Certificate of Service) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #162 ON 11/25/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>170</u> Certification of Counsel Regarding Motion of Debtor for Entry of Interim and Final Orders (A) Authorizing Debtor to Pay Prepetition Claims of Critical Vendors and (B) Granting Related Relief (related document(s)3, 40) Filed by Highland Capital Management, L.P..(Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #163 ON 11/25/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>171</u> **WITHDRAWN** – 11/26/2019. SEE DOCKET # 165. Certification of Counsel Regarding Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtor in the Ordinary Course of Business (related document(s)76, 99, 162) Filed by Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B) (O'Neill, James) Modified on 11/26/2019 (DMC). [ORIGINALLY FILED AS DOCUMENT #164 ON 11/25/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>172</u> Notice of Withdrawal of Certification of Counsel Regarding Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized By the Debtor in the Ordinary Course of Business (related document(s)164) Filed by Highland Capital Management, L.P.. (O'Neill, James) [ORIGINALLY FILED AS

	DOCUMENT #165 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>173</u> Certification of Counsel Regarding Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized By the Debtor in the Ordinary Course of Business (related document(s) 76, 99, 162) Filed by Highland Capital Management, L.P (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B)(O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #166 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>174</u> Notice of Agenda of Matters Scheduled for Hearing Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/2/2019 at 10:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. (Attachments: # <u>1</u> Certificate of Service) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #167 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>175</u> FINAL ORDER (A) AUTHORIZING THE DEBTOR TO PAY CERTAIN PREPETITION CLAIMS OF CRITICAL VENDORS AND (B) GRANTING RELATED RELIEF (Related document(s) 3, 40) Signed on 11/26/2019. (DRG) [ORIGINALLY FILED AS DOCUMENT #168 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALS UTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # <u>1</u> Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>177</u> Motion to Authorize Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations Under Employee Bonus Plans and Granting Related Relief Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # <u>1</u> Exhibit A – Proposed Order # <u>2</u> Notice) [ORIGINALLY FILED AS DOCUMENT #170 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>178</u> Supplemental Declaration in Support of Jeffrey N. Pomerantz in Support of Application Pursuant to Section 327(a) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Rule 2014–1 for Authorization to Employ and Retain Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession Nunc Pro Tunc to the Petition Date (related document(s) 71) Filed by Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Certificate of Service) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #171 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE](Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>179</u> Certification of Counsel Regarding Debtor's Application Pursuant to Section 327(A) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Rule 2014–1 for Authorization to Employ and Retain Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession Nunc Pro Tunc to the Petition Date (related document(s) 71) Filed by Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit A – Proposed Order # <u>2</u> Exhibit B – Blackline Order) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #172 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE](Okafor, M.) (Entered: 12/05/2019)

12/04/2019	<u>180</u> Application/Motion to Employ/Retain Mercer (US) Inc. as Compensation Consultant Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # <u>1</u> Notice # <u>2</u> Exhibit A – Proposed Order # <u>3</u> Exhibit B – Declaration of John Dempsey in Support # <u>4</u> Exhibit C – Highland Key Employee Incentives # <u>5</u> Certificate of Service and Service List)(O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #173 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>181</u> Certificate of Service and Service List for service of Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations Under Employee Bonus Plans and Granting Related Relief [Docket No. 170] (related document(s)170) Filed by Highland Capital Management, L.P.. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #174 ON 11/27/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>182</u> Amended Notice of Agenda of Matters Scheduled for Hearing (related document(s)167) Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/2/2019 at 10:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware (Attachments: # <u>1</u> Certificate of Service)(O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #175 ON 11/27/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>183</u> ORDER PURSUANT TO SECTION 327(a) OF THE BANKRUPTCY CODE, RULE 2414 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND LOCAL RULE 2014–1 AUTHORIZING THE EMPLOYMENT AND RETENTION OF PACHULSKI TANG ZIEHL & JONES LLP AS COUNSEL FOR THE DEBTOR AND DEBTOR IN POSSESSION NUNC PRO TUNC TO THE PETITION DATE (Related Doc # 71) Order Signed on 12/2/2019. (DRG) [ORIGINALLY FILED AS DOCUMENT #176 ON 12/02/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>184</u> Certification of Counsel Regarding Order Transferring Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) Filed by Official Committee of Unsecured Creditors. (Weissgerber, Jaclyn) [ORIGINALLY FILED AS DOCUMENT #182 ON 12/03/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>185</u> Affidavit/Declaration of Service for service of (1) [Signed] Final Order (A) Authorizing Debtor to Pay Prepetition Claims of Critical Vendors and (B) Granting Related Relief [Docket No. 168]; (2) [Signed] Order Pursuant to Sections 105(a), 327, 328, and 330 of the Bankruptcy Code Authorizing the Debtor to Retain, Employ and Compensate Certain Professionals Utilized by the Debtor in the Ordinary Course of Business [Docket No. 169]; and (3) [Signed] Order Pursuant to Section 327(a) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Rule 2014–1 Authorizing the Employment and Retention of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession Nunc Pro Tunc to the Petition Date [Docket No. 176] (related document(s)168, 169, 176) Filed by Highland Capital Management, L.P.. (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #183 ON 12/03/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	<u>186</u> ORDER TRANSFERRING VENUE OF THIS CASE TO THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS (related document(s)86) Order Signed on 12/4/2019. (CAS) [ORIGINALLY FILED AS DOCUMENT #184 ON 12/04/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/04/2019	

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	<u>187</u> Certificate of Service re: 1) Notice of Chapter 11 Bankruptcy Case; and 2) [Corrected] Notice of Chapter 11 Bankruptcy Case (related document(s) 67, 79) Filed by Kurtzman Carson Consultants LLC. (Kass, Albert) ([ORIGINALLY FILED AS DOCUMENT #185 ON 12/04/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Entered: 12/05/2019)
12/05/2019	<u>97</u> Motion to appear pro hac vice for Bojan Guzina. Fee Amount \$100 Filed by Creditor Committee Official Committee of Unsecured Creditors (Hoffman, Juliana)
12/05/2019	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27228141, amount \$ 100.00 (re: Doc# <u>97</u>). (U.S. Treasury)
12/05/2019	<u>99</u> Notice of Appearance and Request for Notice by Linda D. Reece filed by Wylie ISD, Garland ISD, City of Garland. (Reece, Linda)
12/05/2019	<u>100</u> Motion to appear pro hac vice for Matthew A. Clemente. Fee Amount \$100 Filed by Creditor Committee Official Committee of Unsecured Creditors (Hoffman, Juliana)
12/05/2019	<u>105</u> Motion to appear pro hac vice for Alyssa Russell. Fee Amount \$100 Filed by Creditor Committee Official Committee of Unsecured Creditors (Hoffman, Juliana)
12/05/2019	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27228455, amount \$ 100.00 (re: Doc# <u>100</u>). (U.S. Treasury)
12/05/2019	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27228455, amount \$ 100.00 (re: Doc# <u>105</u>). (U.S. Treasury)
12/05/2019	<u>109</u> Motion to appear pro hac vice for Ira D. Kharasch. Fee Amount \$100 Filed by Debtor Highland Capital Management, L.P. (Haitz, Eric)
12/05/2019	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27228644, amount \$ 100.00 (re: Doc# <u>109</u>). (U.S. Treasury)
12/05/2019	<u>129</u> Notice of Appearance and Request for Notice by Laurie A. Spindler filed by City of Allen, Allen ISD, Dallas County, Grayson County, Irving ISD, Kaufman County, Tarrant County. (Spindler, Laurie)
12/05/2019	<u>155</u> Notice of Appearance and Request for Notice by Mark A. Platt filed by Interested Party Redeemer Committee of the Highland Crusader Fund. (Platt, Mark)
12/05/2019	<u>157</u> Motion to appear pro hac vice for Marc B. Hankin. Fee Amount \$100 Filed by Interested Party Redeemer Committee of the Highland Crusader Fund (Platt, Mark)
12/05/2019	<u>160</u> Motion to appear pro hac vice for Richard Levin. Fee Amount \$100 Filed by Interested Party Redeemer Committee of the Highland Crusader Fund (Attachments: # <u>1</u> Addendum) (Platt, Mark)
12/05/2019	<u>161</u> Motion to appear pro hac vice for Terri L. Mascherin. Fee Amount \$100 Filed by Interested Party Redeemer Committee of the Highland Crusader Fund (Platt, Mark)
12/05/2019	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27229964, amount \$ 100.00 (re: Doc# <u>157</u>). (U.S. Treasury)

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12/05/2019	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27229964, amount \$ 100.00 (re: Doc# <u>160</u>). (U.S. Treasury)
12/05/2019	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27229964, amount \$ 100.00 (re: Doc# <u>161</u>). (U.S. Treasury)
12/05/2019	<u>167</u> Motion to appear pro hac vice for Gregory V. Demo. Fee Amount \$100 Filed by Debtor Highland Capital Management, L.P. (Haitz, Eric)
12/05/2019	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27230422, amount \$ 100.00 (re: Doc# <u>167</u>). (U.S. Treasury)
12/05/2019	<u>188</u> Notice of Appearance and Request for Notice by Juliana Hoffman filed by Creditor Committee Official Committee of Unsecured Creditors. (Hoffman, Juliana)
12/06/2019	<u>189</u> Motion to appear pro hac vice for Jeffrey N. Pomerantz. Fee Amount \$100 Filed by Debtor Highland Capital Management, L.P. (Haitz, Eric)
12/06/2019	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27233957, amount \$ 100.00 (re: Doc# <u>189</u>). (U.S. Treasury)
12/06/2019	<u>190</u> Amended Motion to appear pro hac vice for Jeffrey N. Pomerantz. (related document: <u>189</u>) Filed by Debtor Highland Capital Management, L.P. (Haitz, Eric)
12/06/2019	<u>191</u> Motion to appear pro hac vice for John A. Morris. Fee Amount \$100 Filed by Debtor Highland Capital Management, L.P. (Haitz, Eric)
12/06/2019	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27233983, amount \$ 100.00 (re: Doc# <u>191</u>). (U.S. Treasury)
12/06/2019	<u>192</u> INCORRECT ENTRY – Incorrect Event Used; Refiled as Document <u>220</u> . Motion to withdraw as attorney (Eric T. Haitz) Filed by Debtor Highland Capital Management, L.P. (Haitz, Eric) Modified on 12/9/2019 (Dugan, S.). Modified on 12/9/2019 (Dugan, S.).
12/06/2019	<u>193</u> Hearing held on 12/6/2019., Hearing continued (RE: related document(s)) <u>1</u> Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P.) (Continued Hearing to be held on 12/12/2019 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1</u> , (Edmond, Michael)
12/06/2019	<u>194</u> Hearing held on 12/6/2019., Hearing continued (RE: related document(s)) <u>1</u> Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. (Okafor, M.)) Hearing to be held on 12/12/2019 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1</u> , (Appearances: C. Gibbs, introducing J. Pomerantz and I. Kharasch for Debtor (also J. Morris on phone); M. Clemente and P. Reid for Official Committee of Unsecured Creditors; B. Shaw for Acis; M. Platt for Redeemer Committee of Crusader Fund (also on phone M. Hankin and T. Mascherin); M. Rosenthal for Alvarez and Marsal; P. Maxcy (telephonically) for Jeffries; L. Lambert for UST. Nonevidentiary status conference. Court heard reports about case, parties, and ongoing discussions regarding corporate governance. Schedules will be filed next 12/13/19. At request of parties, another status conference is set for 12/12/19 at 9:30 am (telephonic participation will be allowed if requested). At current time, parties are not requesting that pending motions be set.) (Edmond, Michael)

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12/06/2019	<u>195</u> Request for transcript regarding a hearing held on 12/6/2019. The requested turn-around time is hourly. (Edmond, Michael)
12/06/2019	<u>196</u> Order granting motion to appear pro hac vice adding Bojan Guzina for Official Committee of Unsecured Creditors (related document # <u>97</u>) Entered on 12/6/2019. (Banks, Courtney)
12/06/2019	<u>197</u> Order granting motion to appear pro hac vice adding Matthew A. Clemente for Official Committee of Unsecured Creditors (related document # <u>100</u>) Entered on 12/6/2019. (Banks, Courtney)
12/06/2019	<u>198</u> Order granting motion to appear pro hac vice adding Alyssa Russell for Official Committee of Unsecured Creditors (related document # <u>105</u>) Entered on 12/6/2019. (Banks, Courtney)
12/06/2019	<u>199</u> Order granting motion to appear pro hac vice adding Ira D Kharasch for Highland Capital Management, L.P. (related document # <u>109</u>) Entered on 12/6/2019. (Banks, Courtney)
12/06/2019	<u>200</u> Order granting motion to appear pro hac vice adding Richard B. Levin for Redeemer Committee of the Highland Crusader Fund (related document # <u>160</u>) Entered on 12/6/2019. (Banks, Courtney)
12/06/2019	<u>201</u> Order granting motion to appear pro hac vice adding Terri L. Mascherin for Redeemer Committee of the Highland Crusader Fund (related document # <u>161</u>) Entered on 12/6/2019. (Banks, Courtney)
12/06/2019	<u>202</u> Order granting motion to appear pro hac vice adding Gregory V Demo for Highland Capital Management, L.P. (related document # <u>167</u>) Entered on 12/6/2019. (Banks, Courtney)
12/06/2019	<u>203</u> Order granting motion to appear pro hac vice adding Marc B. Hankin for Redeemer Committee of the Highland Crusader Fund (related document # <u>157</u>) Entered on 12/6/2019. (Banks, Courtney)
12/06/2019	<u>204</u> INCORRECT ENTRY: DRAFT OF MOTION. SEE DOCUMENT 206. Application to employ Sidley Austin LLP as Attorney <i>APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, PURSUANT TO SECTIONS 328 AND 1103 OF THE BANKRUPTCY CODE AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 2014, FOR AN ORDER APPROVING THE RETENTION AND EMPLOYMENT OF SIDLEY AUSTIN LLP AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, NUNC PRO TUNC TO OCTOBER 29, 2019</i> Filed by Creditor Committee Official Committee of Unsecured Creditors (Hoffman, Juliana) Modified on 12/18/2019 (Rielly, Bill).
12/06/2019	<u>205</u> Application to employ FTI CONSULTING, INC. as Financial Advisor <i>APPLICATION PURSUANT TO FED. R. BANKR. P. 2014(a) FOR ORDER UNDER SECTION 1103 OF THE BANKRUPTCY CODE AUTHORIZING THE EMPLOYMENT AND RETENTION OF FTI CONSULTING, INC. AS FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS NUNC PRO TUNC TO NOVEMBER 6, 2019</i> Filed by Creditor Committee Official Committee of Unsecured Creditors (Hoffman, Juliana)
12/06/2019	<u>206</u> Application to employ Sidley Austin LLP as Attorney <i>APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, PURSUANT TO SECTIONS 328 AND 1103 OF THE BANKRUPTCY CODE AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 2014, FOR AN ORDER APPROVING THE RETENTION AND EMPLOYMENT OF SIDLEY AUSTIN LLP AS COUNSEL TO THE OFFICIAL</i>

	<i>COMMITTEE OF UNSECURED CREDITORS, NUNC PRO TUNC TO OCTOBER 29, 2019</i> (related document: <u>204</u>) Filed by Creditor Committee Official Committee of Unsecured Creditors (Hoffman, Juliana) Modified on 12/18/2019 (Rielly, Bill).
12/06/2019	<u>220</u> Withdrawal filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>41</u> Notice of appearance and request for notice). (Dugan, S.) (Entered: 12/09/2019)
12/08/2019	<u>207</u> Transcript regarding Hearing Held 12/6/19 RE: Status and scheduling conference. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 03/9/2020. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Palmer Reporting Services, Telephone number PalmerRptg@aol.com, 800-665-6251. (RE: related document(s) <u>193</u> Hearing held on 12/6/2019., Hearing continued (RE: related document(s) <u>1</u> Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P.) (Continued Hearing to be held on 12/12/2019 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1</u> , <u>194</u> Hearing held on 12/6/2019., Hearing continued (RE: related document(s) <u>1</u> Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. (Okafor, M.)) Hearing to be held on 12/12/2019 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1</u> , (Appearances: C. Gibbs, introducing J. Pomerantz and I. Kharasch for Debtor (also J. Morris on phone); M. Clemente and P. Reid for Official Committee of Unsecured Creditors; B. Shaw for Acis; M. Platt for Redeemer Committee of Crusader Fund (also on phone M. Hankin and T. Mascherin); M. Rosenthal for Alvarez and Marsal; P. Maxcy (telephonically) for Jeffries; L. Lambert for UST. Nonevidentiary status conference. Court heard reports about case, parties, and ongoing discussions regarding corporate governance. Schedules will be filed next 12/13/19. At request of parties, another status conference is set for 12/12/19 at 9:30 am (telephonic participation will be allowed if requested). At current time, parties are not requesting that pending motions be set.)). Transcript to be made available to the public on 03/9/2020. (Palmer, Susan)
12/08/2019	<u>208</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>197</u> Order granting motion to appear pro hac vice adding Matthew A. Clemente for Official Committee of Unsecured Creditors (related document <u>100</u>) Entered on 12/6/2019.) No. of Notices: 1. Notice Date 12/08/2019. (Admin.)
12/08/2019	<u>209</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>198</u> Order granting motion to appear pro hac vice adding Alyssa Russell for Official Committee of Unsecured Creditors (related document <u>105</u>) Entered on 12/6/2019.) No. of Notices: 1. Notice Date 12/08/2019. (Admin.)
12/08/2019	<u>210</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>199</u> Order granting motion to appear pro hac vice adding Ira D Kharasch for Highland Capital Management, L.P. (related document <u>109</u>) Entered on 12/6/2019.) No. of Notices: 1. Notice Date 12/08/2019. (Admin.)
12/08/2019	<u>211</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>200</u> Order granting motion to appear pro hac vice adding Richard B. Levin for Redeemer Committee of the Highland Crusader Fund (related document <u>160</u>) Entered on 12/6/2019.) No. of Notices: 1. Notice Date 12/08/2019. (Admin.)
12/08/2019	<u>212</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>201</u> Order granting motion to appear pro hac vice adding Terri L. Mascherin for Redeemer Committee of the Highland Crusader Fund (related document <u>161</u>) Entered on 12/6/2019.) No. of Notices: 1. Notice Date 12/08/2019. (Admin.)
12/08/2019	

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	<u>213</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>202</u> Order granting motion to appear pro hac vice adding Gregory V Demo for Highland Capital Management, L.P. (related document <u>167</u>) Entered on 12/6/2019.) No. of Notices: 1. Notice Date 12/08/2019. (Admin.)
12/08/2019	<u>214</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>203</u> Order granting motion to appear pro hac vice adding Marc B. Hankin for Redeemer Committee of the Highland Crusader Fund (related document <u>157</u>) Entered on 12/6/2019.) No. of Notices: 1. Notice Date 12/08/2019. (Admin.)
12/09/2019	<u>215</u> Acknowledgment of split/transfer case received FROM another district, Delaware, Delaware division, Case Number 19–12239. (Okafor, M.)
12/09/2019	<u>216</u> Order granting motion to appear pro hac vice adding Jeffrey N. Pomerantz for Highland Capital Management, L.P. (related document # <u>190</u>) Entered on 12/9/2019. (Banks, Courtney)
12/09/2019	<u>217</u> Order granting motion to appear pro hac vice adding John A. Morris for Highland Capital Management, L.P. (related document # <u>191</u>) Entered on 12/9/2019. (Banks, Courtney)
12/09/2019	<u>218</u> Motion for relief from stay <i>MOTION OF PENSIONDANMARK PENSIONSFORSIKRINGSAKTIESELSKAB FOR AN ORDER GRANTING RELIEF FROM THE AUTOMATIC STAY TO TERMINATE INVESTMENT MANAGEMENT AGREEMENT</i> Fee amount \$181, Filed by Creditor PensionDanmark Pensionsforsikringsaktieselskab Objections due by 12/23/2019. (Attachments: # <u>1</u> Declaration # <u>2</u> Proposed Order) (Crooks, David)
12/09/2019	<u>219</u> Notice of Appearance and Request for Notice by Charles Martin Persons Jr. filed by Creditor Committee Official Committee of Unsecured Creditors. (Persons, Charles)
12/09/2019	Receipt of filing fee for Motion for relief from stay(19–34054–sgj11) [motion,mrlfsty] (181.00). Receipt number 27240994, amount \$ 181.00 (re: Doc# <u>218</u>). (U.S. Treasury)
12/09/2019	<u>221</u> Notice of Appearance and Request for Notice by Brian Patrick Shaw filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P.. (Shaw, Brian)
12/09/2019	<u>222</u> Motion to appear pro hac vice for Dennis M. Twomey. Fee Amount \$100 Filed by Creditor Committee Official Committee of Unsecured Creditors (Hoffman, Juliana)
12/09/2019	Receipt of filing fee for Motion to Appear pro hac vice(19–34054–sgj11) [motion,mprohac] (100.00). Receipt number 27241671, amount \$ 100.00 (re: Doc# <u>222</u>). (U.S. Treasury)
12/09/2019	<u>223</u> Certificate of service re: 1) <i>Application Pursuant to Fed. R. Bankr. P. 2014(a) for Order Under Section 1103 of the Bankruptcy Code Authorizing the Employment and Retention of FTI Consulting, Inc. as Financial Advisor to the Official Committee of Unsecured Creditors Nunc Pro Tunc to November 6, 2019; and 2) [Amended] Application of the Official Committee of Unsecured Creditors, Pursuant to Sections 328 and 1103 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 2014, for an Order Approving the Retention and Employment of Sidley Austin LLP as Counsel to the Official Committee of Unsecured Creditors, Nunc Pro Tunc to October 29, 2019</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>205</u> Application to employ FTI CONSULTING, INC. as Financial Advisor <i>APPLICATION PURSUANT TO FED. R. BANKR. P. 2014(a) FOR ORDER UNDER SECTION 1103 OF THE BANKRUPTCY CODE AUTHORIZING THE EMPLOYMENT AND RETENTION OF FTI CONSULTING, INC. AS FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS NUNC PRO TUNC TO NOVEMBER 6, 2019</i> Filed by Creditor Committee Official

	Committee of Unsecured Creditors filed by Creditor Committee Official Committee of Unsecured Creditors, <u>206</u> Amended Application to employ Sidley Austin LLP as Attorney <i>APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, PURSUANT TO SECTIONS 328 AND 1103 OF THE BANKRUPTCY CODE AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 2014, FOR AN ORDER APPROVING THE RETENTION AND EMPLOYMENT OF SIDLEY AUSTIN LLP AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, NUNC PRO TUNC TO OCTOBER 29, 2019</i> (related document: <u>204</u>) Filed by Creditor Committee Official Committee of Unsecured Creditors filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)
12/10/2019	<u>224</u> Certificate Certificate of Conference filed by Creditor PensionDanmark Pensionsforsikringsaktieselskab (RE: related document(s) <u>218</u> Motion for relief from stay <i>MOTION OF PENSIONDANMARK PENSIONSFORSIKRINGSAKTIESELSKAB FOR AN ORDER GRANTING RELIEF FROM THE AUTOMATIC STAY TO TERMINATE INVESTMENT MANAGEMENT AGREEMENT</i> Fee amount \$181,). (Crooks, David)
12/10/2019	<u>225</u> Certificate of service re: Certificate of Service filed by Creditor PensionDanmark Pensionsforsikringsaktieselskab (RE: related document(s) <u>218</u> Motion for relief from stay <i>MOTION OF PENSIONDANMARK PENSIONSFORSIKRINGSAKTIESELSKAB FOR AN ORDER GRANTING RELIEF FROM THE AUTOMATIC STAY TO TERMINATE INVESTMENT MANAGEMENT AGREEMENT</i> Fee amount \$181, <u>224</u> Certificate (generic)). (Attachments: # <u>1</u> Service List) (Crooks, David)
12/10/2019	<u>226</u> Application to employ Young Conaway Stargatt & Taylor, LLP as Attorney (<i>Co-Counsel</i>) <i>Nunc Pro Tunc</i> Filed by Creditor Committee Official Committee of Unsecured Creditors (Hoffman, Juliana)
12/10/2019	<u>227</u> INCORRECT ENTRY: DEFICIENCIES ARE DUE 12/13/2019 – Notice of deficiency. Schedule A/B due 10/30/2019. Schedule D due 10/30/2019. Schedule E/F due 10/30/2019. Schedule G due 10/30/2019. Schedule H due 10/30/2019. Declaration Under Penalty of Perjury for Non-individual Debtors due 10/30/2019. Summary of Assets and Liabilities and Certain Statistical Information due 10/30/2019. Statement of Financial Affairs due 10/30/2019. (Okafor, M.) Modified on 12/10/2019 (Okafor, M.).
12/10/2019	<u>228</u> Notice of deficiency. Schedule A/B due 12/13/2019. Schedule D due 12/13/2019. Schedule E/F due 12/13/2019. Schedule G due 12/13/2019. Schedule H due 12/13/2019. Declaration Under Penalty of Perjury for Non-individual Debtors due 12/13/2019. Summary of Assets and Liabilities and Certain Statistical Information due 12/13/2019. Statement of Financial Affairs due 12/13/2019. (Okafor, M.)
12/10/2019	<u>229</u> Meeting of creditors 341(a) meeting to be held on 1/9/2020 at 11:00 AM at Dallas, Room 976. Proofs of Claims due by 4/8/2020. Attorney(s)certificate of service of 341 meeting chapter 11 to be filed by 01/9/2020. (Neary, William)
12/10/2019	<u>230</u> Notice of Appearance and Request for Notice by Melissa S. Hayward filed by Debtor Highland Capital Management, L.P.. (Hayward, Melissa)
12/10/2019	<u>231</u> Notice of Appearance and Request for Notice by Zachery Z. Annable filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
12/11/2019	<u>232</u> Joint Motion to continue hearing on (related documents 194 Hearing held, Hearing set/continued) <i>Joint Motion to Continue Status Conference</i> Filed by Debtor Highland Capital Management, L.P., Creditor Committee Official Committee of Unsecured Creditors (Attachments: # <u>1</u> Proposed Order # <u>2</u> Service List) (Hayward, Melissa)
12/11/2019	<u>233</u> Motion to appear pro hac vice for Michael I. Baird. Fee Amount \$100 Filed by Creditor Pension Benefit Guaranty Corporation (Attachments: # <u>1</u> Certificate of Service) (Baird, Michael)

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12/11/2019	<u>234</u> Order granting joint motion to continue hearing on (related document # <u>232</u>) (related documents Hearing held) Status Conference to be held on 12/18/2019 at 09:30 AM. Entered on 12/11/2019. (Banks, Courtney)
12/11/2019	<u>235</u> Application for compensation <i>First Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period From October 16, 2019 Through October 31, 2019</i> for Highland Capital Management, L.P., Debtor's Attorney, Period: 10/16/2019 to 10/31/2019, Fee: \$383,583.75, Expenses: \$9,958.84. Filed by Debtor Highland Capital Management, L.P. Objections due by 1/2/2020. (Pomerantz, Jeffrey)
12/11/2019	<u>236</u> Motion to appear pro hac vice for Lauren Macksoud. Fee Amount \$100 Filed by Interested Party Jefferies LLC (Doherty, Casey)
12/11/2019	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27250084, amount \$ 100.00 (re: Doc# <u>236</u>). (U.S. Treasury)
12/11/2019	<u>237</u> Motion to appear pro hac vice for Patrick C. Maxcy. Fee Amount \$100 Filed by Interested Party Jefferies LLC (Doherty, Casey)
12/11/2019	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27250165, amount \$ 100.00 (re: Doc# <u>237</u>). (U.S. Treasury)
12/11/2019	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (0.00). Receipt Number KF – No Fee Due, amount \$ 0.00 (re: Doc <u>233</u>). (Floyd)
12/11/2019	<u>238</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>216</u> Order granting motion to appear pro hac vice adding Jeffrey N. Pomerantz for Highland Capital Management, L.P. (related document <u>190</u>) Entered on 12/9/2019.) No. of Notices: 1. Notice Date 12/11/2019. (Admin.)
12/11/2019	<u>239</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>217</u> Order granting motion to appear pro hac vice adding John A. Morris for Highland Capital Management, L.P. (related document <u>191</u>) Entered on 12/9/2019.) No. of Notices: 1. Notice Date 12/11/2019. (Admin.)
12/12/2019	<u>240</u> Notice of Appearance and Request for Notice by J. Seth Moore filed by Creditor Siepe, LLC. (Moore, J.)
12/12/2019	<u>241</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (Charles Harder)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). (Annable, Zachery)
12/12/2019	<u>242</u> Order granting motion to appear pro hac vice adding Michael I. Baird for Pension Benefit Guaranty Corporation (related document # <u>233</u>) Entered on 12/12/2019. (Okafor, M.)
12/12/2019	<u>243</u> BNC certificate of mailing. (RE: related document(s) <u>227</u> INCORRECT ENTRY: DEFICIENCIES ARE DUE 12/13/2019 – Notice of deficiency. Schedule A/B due 10/30/2019. Schedule D due 10/30/2019. Schedule E/F due 10/30/2019. Schedule G due 10/30/2019. Schedule H due 10/30/2019. Declaration Under Penalty of Perjury for Non-individual Debtors due 10/30/2019. Summary of Assets and Liabilities and Certain Statistical Information due 10/30/2019. Statement of Financial Affairs due 10/30/2019. (Okafor, M.) Modified on 12/10/2019 (Okafor, M.)) No. of Notices: 8. Notice Date 12/12/2019. (Admin.)

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12/12/2019	<u>244</u> BNC certificate of mailing. (RE: related document(s) <u>228</u> Notice of deficiency. Schedule A/B due 12/13/2019. Schedule D due 12/13/2019. Schedule E/F due 12/13/2019. Schedule G due 12/13/2019. Schedule H due 12/13/2019. Declaration Under Penalty of Perjury for Non-individual Debtors due 12/13/2019. Summary of Assets and Liabilities and Certain Statistical Information due 12/13/2019. Statement of Financial Affairs due 12/13/2019. (Okafor, M.)) No. of Notices: 8. Notice Date 12/12/2019. (Admin.)
12/13/2019	<u>245</u> Certificate of service re: <i>1) Application of the Official Committee of Unsecured Creditors to Retain and Employ Young Conaway Stargatt & Taylor, LLP as Co-Counsel, Nunc Pro Tunc to November 8, 2019</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>226</u> Application to employ Young Conaway Stargatt & Taylor, LLP as Attorney (Co-Counsel) Nunc Pro Tunc Filed by Creditor Committee Official Committee of Unsecured Creditors filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)
12/13/2019	<u>246</u> Certificate of service re: <i>1) First Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from October 16, 2019 Through October 31, 2019</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>235</u> Application for compensation <i>First Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period From October 16, 2019 Through October 31, 2019</i> for Highland Capital Management, L.P., Debtor's Attorney, Period: 10/16/2019 to 10/31/2019, Fee: \$383,583.75, Expenses: \$9,958.84. Filed by Debtor Highland Capital Management, L.P. Objections due by 1/2/2020. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
12/13/2019	<u>247</u> Schedules: Schedules A/B and D-H with Summary of Assets and Liabilities (with Declaration Under Penalty of Perjury for Non-Individual Debtors.). Filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>228</u> Notice of deficiency). (Attachments: # <u>1</u> Global notes regarding schedules) (Hayward, Melissa)
12/13/2019	<u>248</u> Statement of financial affairs for a non-individual . Filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>228</u> Notice of deficiency). (Attachments: # <u>1</u> Global notes regarding SOFA) (Hayward, Melissa)
12/13/2019	<u>249</u> BNC certificate of mailing – meeting of creditors. (RE: related document(s) <u>229</u> Meeting of creditors 341(a) meeting to be held on 1/9/2020 at 11:00 AM at Dallas, Room 976. Proofs of Claims due by 4/8/2020. Attorney(s)certificate of service of 341 meeting chapter 11 to be filed by 01/9/2020.) No. of Notices: 8. Notice Date 12/13/2019. (Admin.)
12/13/2019	<u>250</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>234</u> Order granting joint motion to continue hearing on (related document <u>232</u>) (related documents Hearing held) Status Conference to be held on 12/18/2019 at 09:30 AM. Entered on 12/11/2019.) No. of Notices: 1. Notice Date 12/13/2019. (Admin.)
12/16/2019	<u>251</u> Order granting motion to appear pro hac vice adding Lauren Macksoud for Jefferies LLC (related document # <u>236</u>) Entered on 12/16/2019. (Dugan, S.)
12/16/2019	<u>252</u> Order granting motion to appear pro hac vice adding Patrick C. Maxcy for Jefferies LLC (related document # <u>237</u>) Entered on 12/16/2019. (Dugan, S.)
12/16/2019	<u>253</u> Order rescheduling status conference (RE: related document(s) <u>1</u> Order transferring case filed by Debtor Highland Capital Management, L.P.). Status Conference to be held on 12/18/2019 at 10:30 AM at Dallas Judge Jernigan Ctrm. Entered on 12/16/2019 (Dugan, S.)
12/17/2019	<u>254</u> Notice of Appearance and Request for Notice by Jason Patrick Kathman filed by Creditor Patrick Daugherty. (Kathman, Jason)

12/18/2019	<u>255</u> Declaration re: <i>Supplemental Declaration In Support of</i> filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>206</u> Amended Application to employ Sidley Austin LLP as Attorney <i>APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, PURSUANT TO SECTIONS 328 AND 1103 OF THE BANKRUPTCY CODE AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 2014, FOR AN ORDER APPROVING T</i>). (Hoffman, Juliana)
12/18/2019	Hearing held on 12/18/2019. (RE: related document(s) <u>1</u> Status/Scheduling Conference; Order transferring case number 19–12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P.) (Appearances: J. Pomerantz and I. Kharasch for Debtor; M. Hayward, local counsel for Debtor; M. Clemente and P. Reid for Unsecured Creditors Committee; M. Platt and T. Mascherin and M. Hankin (each telephonically) for Redeemer Committee; L. Spindler for taxing authorities; A. Chiarello and R. Patel (telephonically) for Acis; L. Lambert for UST; P. Maxcy (telephonically) for Jeffries. Nonevidentiary status conference. Court heard reports regarding continued negotiations between Debtor and UCC regarding a proposed management structure for Debtor and ordinary course protocols. Debtor expects to file a motion for approval of same (if agreements reached) by 12/27/19 for a 1/9/20 hearing. Otherwise, UCC will file a motion for a chapter 11 trustee (which, if filed, will be filed 12/30/19 and set 1/20/20–1/21/20). Scheduling order to be submitted. Also, US Trustee announced intention to move for a Chapter 11 Trustee.) (Edmond, Michael)
12/18/2019	<u>256</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>251</u> Order granting motion to appear pro hac vice adding Lauren Macksoud for Jefferies LLC (related document <u>236</u>) Entered on 12/16/2019. (Dugan, S.)) No. of Notices: 1. Notice Date 12/18/2019. (Admin.)
12/18/2019	<u>257</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>252</u> Order granting motion to appear pro hac vice adding Patrick C. Maxcy for Jefferies LLC (related document <u>237</u>) Entered on 12/16/2019. (Dugan, S.)) No. of Notices: 1. Notice Date 12/18/2019. (Admin.)
12/19/2019	<u>258</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (Dechert LLP)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). (Demo, Gregory)
12/19/2019	<u>259</u> Support/supplemental document to the Motion of Debtor for Interim and Final Orders Authorizing (A) Continuance of Existing Cash Management System, (B) Continued Use of the Prime Account, (C) Limited Waiver filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>7</u> Motion to maintain bank accounts.). (Hayward, Melissa)
12/19/2019	<u>260</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (ASW Law Limited)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). (Hayward, Melissa)
12/19/2019	<u>261</u> Certificate of service re: <i>Disclosure Declaration of Ordinary Course Professional</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>241</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (Charles Harder)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
12/20/2019	<u>262</u> Certificate of service re: <i>Notice of Chapter 11 Bankruptcy Case and Meeting of Creditors</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>229</u> Meeting of creditors 341(a) meeting to be held on 1/9/2020 at 11:00 AM at Dallas, Room 976. Proofs of Claims due by 4/8/2020. Attorney(s)certificate of service of 341 meeting chapter 11 to be filed by 01/9/2020.). (Kass, Albert)
12/20/2019	<u>263</u> Certificate of service re: <i>Supplemental Declaration of Bojan Guzina in Support of Application of the Official Committee of Unsecured Creditors, Pursuant to Sections 328 and</i>

	<i>1103 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 2014, for an Order Approving the Retention and Employment of Sidley Austin LLP as Counsel to the Official Committee of Unsecured Creditors</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>255</u> Declaration re: <i>Supplemental Declaration In Support of</i> filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>206</u> Amended Application to employ Sidley Austin LLP as Attorney <i>APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, PURSUANT TO SECTIONS 328 AND 1103 OF THE BANKRUPTCY CODE AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 2014, FOR AN ORDER APPROVING T).</i> filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)
12/20/2019	<u>264</u> Certificate of service re: <i>Supplement to the Motion of Debtor for Interim and Final Orders Authorizing (A) Continuance of Existing Cash Management System, (B) Continued Use of the Prime Account, (C) Limited Waiver of Section 345(b) Deposit and Investment Requirements, and (D) Granting Related Relief</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>259</u> Support/supplemental document to the Motion of Debtor for Interim and Final Orders Authorizing (A) Continuance of Existing Cash Management System, (B) Continued Use of the Prime Account, (C) Limited Waiver filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>7</u> Motion to maintain bank accounts.). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
12/22/2019	<u>265</u> Objection to (related document(s): <u>176</u> Document) <i>Limited Objection of The Official Committee of Unsecured Creditors to the Retention of Harder LLP as Ordinary Course Professional</i> filed by Creditor Committee Official Committee of Unsecured Creditors. (Hoffman, Juliana)
12/23/2019	<u>266</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (Houlihan Lokey Financial Advisors Inc.)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). (Hayward, Melissa)
12/23/2019	<u>267</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (Rowlett Law PLLC)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). (Hayward, Melissa)
12/23/2019	<u>268</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (DLA Piper LLP (US))</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). (Hayward, Melissa)
12/23/2019	<u>269</u> Agreed scheduling Order (RE: related document(s) <u>1</u> Order transferring case filed by Debtor Highland Capital Management, L.P.). Entered on 12/23/2019 (Blanco, J.)
12/23/2019	<u>270</u> Application for compensation – <i>First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through November 30, 2019</i> for Foley Gardere, Foley & Lardner LLP f/k/a Gardere Wynne Sewell LLP, Special Counsel, Period: 10/16/2019 to 11/30/2019, Fee: \$176129.00, Expenses: \$7836.31. Filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP f/k/a Gardere Wynne Sewell LLP Objections due by 1/13/2020. (Attachments: # <u>1</u> Exhibit A) (O'Neil, Holland)
12/23/2019	<u>271</u> Trustee's Motion to appoint trustee Filed by U.S. Trustee United States Trustee (Lambert, Lisa)
12/23/2019	<u>272</u> Trustee's Objection to <i>Motion to Seal Official Committee's Omnibus Objection and Supporting Exhibits</i> (RE: related document(s) <u>127</u> Document) (Lambert, Lisa)
12/23/2019	<u>273</u> Motion for leave to <i>Extend Deadline to Object to Motion for Relief of Stay of PensionDanmark</i> (related document(s) <u>218</u> Motion for relief from stay) Filed by Debtor Highland Capital Management, L.P., Creditor Committee Official Committee of Unsecured Creditors Objections due by 1/6/2020. (Hoffman, Juliana)

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12/24/2019	<u>274</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (Carey Olsen Cayman Limited)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). (Hayward, Melissa)
12/24/2019	<u>275</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (Hunton Andrews Kurth LLP)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). (Hayward, Melissa)
12/24/2019	<u>276</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (Wilmer Cutler Pickering Hale and Dorr LLP)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). (Hayward, Melissa)
12/25/2019	<u>277</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>269</u> Agreed scheduling Order (RE: related document(s) <u>1</u> Order transferring case filed by Debtor Highland Capital Management, L.P.). Entered on 12/23/2019 (Blanco, J.)) No. of Notices: 1. Notice Date 12/25/2019. (Admin.)
12/26/2019	<u>278</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (Kim & Chang)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). (Hayward, Melissa)
12/26/2019	<u>279</u> Certificate of service re: 1) <i>Disclosure Declaration of Ordinary Course Professional</i> ; 2) <i>Disclosure Declaration of Ordinary Course Professional</i> ; 3) <i>Declaration of Marc D. Katz</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>266</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (Houlihan Lokey Financial Advisors Inc.)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). filed by Debtor Highland Capital Management, L.P., <u>267</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (Rowlett Law PLLC)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). filed by Debtor Highland Capital Management, L.P., <u>268</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (DLA Piper LLP (US))</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
12/27/2019	<u>280</u> Motion for protective order <i>Joint Motion for Entry of an Order Approving the Agreed Protective Order</i> Filed by Debtor Highland Capital Management, L.P., Creditor Committee Official Committee of Unsecured Creditors (Hoffman, Juliana)
12/27/2019	<u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors. Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Proposed Order) (Hayward, Melissa)
12/27/2019	<u>282</u> Support/supplemental document to the Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring Related Services, Nunc Pro Tunc as of the Petition Date filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>74</u> Application to employ Development Specialists, Inc as Financial Advisor). (Attachments: # <u>1</u> Exhibit A) (Hayward, Melissa)
12/27/2019	<u>283</u> Motion for expedited hearing(related documents <u>281</u> Motion to compromise controversy) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Proposed Order) (Hayward, Melissa)
12/28/2019	<u>284</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>180</u> Application/Motion to Employ/Retain Mercer (US) Inc. as Compensation Consultant Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # <u>1</u> Notice # <u>2</u> Exhibit A – Proposed Order # <u>3</u> Exhibit B – Declaration of John Dempsey in Support # <u>4</u> Exhibit C –

	Highland Key Employee Incentives # 5 Certificate of Service and Service List)(O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #173 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). Hearing to be held on 1/9/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>180</u> , (Attachments: # <u>1</u> Exhibit) (Hayward, Melissa)
12/28/2019	<u>285</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>177</u> Motion to Authorize Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations Under Employee Bonus Plans and Granting Related Relief Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # 1 Exhibit A – Proposed Order # 2 Notice) [ORIGINALLY FILED AS DOCUMENT #170 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). Hearing to be held on 1/9/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>177</u> , (Attachments: # <u>1</u> Exhibit) (Hayward, Melissa)
12/30/2019	<u>286</u> Application for compensation <i>Second Monthly Application for Compensation and for Reimbursement of Expenses for the Period from November 1, 2019 through November 30, 2019</i> for Highland Capital Management, L.P., Debtor's Attorney, Period: 11/1/2019 to 11/30/2019, Fee: \$798,767.50, Expenses: \$26,317.71. Filed by Debtor Highland Capital Management, L.P. Objections due by 1/21/2020. (Pomerantz, Jeffrey)
12/30/2019	<u>287</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors. Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Proposed Order)). Hearing to be held on 1/9/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>281</u> , (Hayward, Melissa)
12/31/2019	<u>288</u> Certificate No Objection to Retention of Sidley Austin LLP filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>206</u> Amended Application to employ Sidley Austin LLP as Attorney <i>APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, PURSUANT TO SECTIONS 328 AND 1103 OF THE BANKRUPTCY CODE AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 2014, FOR AN ORDER APPROVING T</i>). (Hoffman, Juliana)
12/31/2019	<u>289</u> Debtor-in-possession monthly operating report for filing period November 1, 2019 to November 30, 2019 filed by Debtor Highland Capital Management, L.P.. (Hayward, Melissa)
12/31/2019	<u>290</u> Certificate No Objection to Retention of FTI Consulting, Inc. filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>205</u> Application to employ FTI CONSULTING, INC. as Financial Advisor <i>APPLICATION PURSUANT TO FED. R. BANKR. P. 2014(a) FOR ORDER UNDER SECTION 1103 OF THE BANKRUPTCY CODE AUTHORIZING THE EMPLOYMENT AND RETENTION OF FTI CONSULTING, INC. AS FINANCIAL ADVIS</i>). (Hoffman, Juliana)
12/31/2019	<u>291</u> Order granting motion for expedited hearing (Related Doc# <u>283</u>)(document set for hearing: <u>281</u> Motion to compromise controversy) Hearing to be held on 1/9/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>281</u> , Entered on 12/31/2019. (Whitaker, Sheniqua)
01/02/2020	<u>292</u> Certificate of service re: 1) <i>Disclosure Declaration of Ordinary Course Professional</i> ; 2) <i>Disclosure Declaration Alexander G. McGeoch in Support of Hunton Andrews Kurth LLP as Ordinary Course Professional</i> ; 3) <i>Disclosure Declaration of Ordinary Course Professional</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>274</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (Carey Olsen Cayman Limited)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). filed by Debtor Highland Capital Management, L.P., <u>275</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (Hunton</i>

	<i>Andrews Kurth LLP</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). filed by Debtor Highland Capital Management, L.P., <u>276</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (Wilmer Cutler Pickering Hale and Dorr LLP)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
01/02/2020	<u>293</u> Certificate of service re: <i>Disclosure Declaration of Ordinary Course Professional</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>278</u> Declaration re: <i>Disclosure Declaration of Ordinary Course Professional (Kim & Chang)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
01/02/2020	<u>294</u> Certificate Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>226</u> Application to employ Young Conaway Stargatt & Taylor, LLP as Attorney (<i>Co-Counsel</i>) <i>Nunc Pro Tunc</i>). (Hoffman, Juliana)
01/02/2020	<u>295</u> Notice of Appearance and Request for Notice by Edwin Paul Keiffer filed by Interested Party Hunter Mountain Trust. (Keiffer, Edwin)
01/02/2020	<u>296</u> Certificate of service re: <i>Documents Served on December 27, 2019</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>280</u> Motion for protective order <i>Joint Motion for Entry of an Order Approving the Agreed Protective Order</i> Filed by Debtor Highland Capital Management, L.P., Creditor Committee Official Committee of Unsecured Creditors filed by Debtor Highland Capital Management, L.P., Creditor Committee Official Committee of Unsecured Creditors, <u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors. Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Proposed Order) filed by Debtor Highland Capital Management, L.P., <u>282</u> Support/supplemental document to the Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring Related Services, <i>Nunc Pro Tunc</i> as of the Petition Date filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>74</u> Application to employ Development Specialists, Inc as Financial Advisor). (Attachments: # 1 Exhibit A) filed by Debtor Highland Capital Management, L.P., <u>283</u> Motion for expedited hearing(related documents <u>281</u> Motion to compromise controversy) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Proposed Order) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
01/02/2020	<u>297</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>291</u> Order granting motion for expedited hearing (Related Doc <u>283</u>)(document set for hearing: <u>281</u> Motion to compromise controversy) Hearing to be held on 1/9/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>281</u> , Entered on 12/31/2019.) No. of Notices: 2. Notice Date 01/02/2020. (Admin.)
01/03/2020	<u>298</u> Order Regarding Telephonic Appearances Entered on 1/3/2020 (Okafor, M.)
01/03/2020	<u>299</u> Motion to extend time to (RE: related document(s) <u>273</u> Motion for leave) Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 1/8/2020. (Hoffman, Juliana)
01/03/2020	<u>300</u> Order granting motion to appear pro hac vice adding Dennis M. Twomey for Official Committee of Unsecured Creditors (related document # <u>222</u>) Entered on 1/3/2020. (Okafor, M.)
01/03/2020	<u>301</u> Order granting the joint motion to extend time to object to the motion of PensionDanmark's motion for relief from the automatic stay (related document # <u>273</u>). The Committee and the Debtor shall have until January 6, 2020 to object to PensionDanmarks

	Stay Relief Motion Entered on 1/3/2020. (Okafor, M.)
01/05/2020	<u>302</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>298</u> Order Regarding Telephonic Appearances Entered on 1/3/2020 (Okafor, M.)) No. of Notices: 45. Notice Date 01/05/2020. (Admin.)
01/05/2020	<u>303</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>300</u> Order granting motion to appear pro hac vice adding Dennis M. Twomey for Official Committee of Unsecured Creditors (related document <u>222</u>) Entered on 1/3/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 01/05/2020. (Admin.)
01/06/2020	<u>304</u> Order granting <u>299</u> joint motion to extend time to object to the motion of PensionDanmark's motion for relief from the automatic stay (Re: related document(s) <u>299</u> Motion to extend time to (RE: related document(s) <u>273</u> Motion for leave)) Entered on 1/6/2020. (Okafor, M.)
01/06/2020	<u>305</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>180</u> Application/Motion to Employ/Retain Mercer (US) Inc. as Compensation Consultant Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # 1 Notice # 2 Exhibit A – Proposed Order # 3 Exhibit B – Declaration of John Dempsey in Support # 4 Exhibit C – Highland Key Employee Incentives # 5 Certificate of Service and Service List)(O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #173 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). Hearing to be held on 1/21/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>180</u> , (Annable, Zachery)
01/06/2020	<u>306</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>177</u> Motion to Authorize Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations Under Employee Bonus Plans and Granting Related Relief Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # 1 Exhibit A – Proposed Order # 2 Notice) [ORIGINALLY FILED AS DOCUMENT #170 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). Hearing to be held on 1/21/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>177</u> , (Annable, Zachery)
01/06/2020	<u>307</u> Trustee's Objection to <i>Joint Motion for Entry of an Order Approving the Agreed Protective Order</i> (RE: related document(s) <u>280</u> Motion for protective order) (Lambert, Lisa)
01/06/2020	<u>308</u> Motion to appear pro hac vice for Asif Attarwala. Fee Amount \$100 Filed by Interested Parties UBS AG London Branch, UBS Securities LLC (Hoffman, Juliana)
01/06/2020	<u>309</u> Motion to appear pro hac vice for Kimberly A. Posin. Fee Amount \$100 Filed by Interested Parties UBS AG London Branch, UBS Securities LLC (Hoffman, Juliana)
01/06/2020	<u>310</u> Motion to appear pro hac vice for Andrew Clubok. Fee Amount \$100 Filed by Interested Parties UBS AG London Branch, UBS Securities LLC (Hoffman, Juliana)
01/06/2020	<u>311</u> Motion to appear pro hac vice for Kuan Huang. Fee Amount \$100 Filed by Interested Parties UBS AG London Branch, UBS Securities LLC (Hoffman, Juliana)
01/06/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27322441, amount \$ 100.00 (re: Doc# <u>308</u>). (U.S. Treasury)

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01/06/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27322441, amount \$ 100.00 (re: Doc# <u>309</u>). (U.S. Treasury)
01/06/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27322441, amount \$ 100.00 (re: Doc# <u>310</u>). (U.S. Treasury)
01/06/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27322441, amount \$ 100.00 (re: Doc# <u>311</u>). (U.S. Treasury)
01/06/2020	<u>312</u> Response opposed to (related document(s): <u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors. filed by Debtor Highland Capital Management, L.P.) filed by Interested Party Jefferies LLC. (Attachments: # <u>1</u> Exhibit A) (Doherty, Casey)
01/06/2020	<u>313</u> Trustee's Objection to <i>Motion to Approve Joint Agreement</i> (RE: related document(s) <u>281</u> Motion to compromise controversy) (Lambert, Lisa)
01/06/2020	<u>314</u> Certificate of service re: (<i>Supplemental</i>) <i>Notice of Chapter 11 Bankruptcy Case and Meeting of Creditors; to be Held on January 9, 2020 at 11:00 a.m.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>229</u> Meeting of creditors 341(a) meeting to be held on 1/9/2020 at 11:00 AM at Dallas, Room 976. Proofs of Claims due by 4/8/2020. Attorney(s)certificate of service of 341 meeting chapter 11 to be filed by 01/9/2020.). (Kass, Albert)
01/06/2020	<u>315</u> Certificate of service re: <i>1) Notice of Hearing on Debtors Application Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code for Authority to Employ Mercer (US) Inc. as Compensation Consultant; to held on January 9, 2020 at 9:30 a.m. (CT); and 2) Notice of Hearing on Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations Under Employee Bonus Plans and Granting Related Relief; to be held on January 9, 2020 at 9:30 a.m. (CT)</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>284</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>180</u> Application/Motion to Employ/Retain Mercer (US) Inc. as Compensation Consultant Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # 1 Notice # 2 Exhibit A – Proposed Order # 3 Exhibit B – Declaration of John Dempsey in Support # 4 Exhibit C – Highland Key Employee Incentives # 5 Certificate of Service and Service List)(O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #173 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). Hearing to be held on 1/9/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>180</u> , (Attachments: # 1 Exhibit) filed by Debtor Highland Capital Management, L.P., <u>285</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>177</u> Motion to Authorize Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations Under Employee Bonus Plans and Granting Related Relief Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # 1 Exhibit A – Proposed Order # 2 Notice) [ORIGINALLY FILED AS DOCUMENT #170 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). Hearing to be held on 1/9/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>177</u> , (Attachments: # 1 Exhibit) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
01/06/2020	<u>316</u> Certificate of service re: <i>1) Second Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from November 1, 2019 Through November 30, 2019; 2) Notice of Hearing re: Motion of the Debtor to Approve Settlement with Official Committee of</i>

	<i>Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course; to be Held on January 9, 2020 at 9:30 a.m. (Central Time)</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>286</u> Application for compensation <i>Second Monthly Application for Compensation and for Reimbursement of Expenses for the Period from November 1, 2019 through November 30, 2019</i> for Highland Capital Management, L.P., Debtor's Attorney, Period: 11/1/2019 to 11/30/2019, Fee: \$798,767.50, Expenses: \$26,317.71. Filed by Debtor Highland Capital Management, L.P. Objections due by 1/21/2020. filed by Debtor Highland Capital Management, L.P., <u>287</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors. Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Proposed Order)). Hearing to be held on 1/9/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>281</u> , filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
01/07/2020	<u>317</u> Order granting motion to appear pro hac vice adding Asif Attarwala for UBS AG London Branch and UBS Securities LLC (related document # <u>308</u>) Entered on 1/7/2020. (Okafor, M.)
01/07/2020	<u>318</u> Order granting motion to appear pro hac vice adding Kimberly A. Posin for UBS AG London Branch and UBS Securities LLC (related document # <u>309</u>) Entered on 1/7/2020. (Okafor, M.)
01/07/2020	<u>319</u> Order granting motion to appear pro hac vice adding Andrew Clubok for UBS AG London Branch and UBS Securities LLC (related document <u>310</u>) Entered on 1/7/2020. (Okafor, M.) MODIFIED text on 1/7/2020 (Okafor, M.).
01/07/2020	<u>320</u> Order granting motion to appear pro hac vice adding Kuan Huang for UBS AG London Branch and UBS Securities LLC (related document # <u>311</u>) Entered on 1/7/2020. (Okafor, M.)
01/07/2020	<u>321</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors.). (Annable, Zachery)
01/07/2020	<u>322</u> Certificate of service re: Certificate of Service filed by Interested Party Jefferies LLC (RE: related document(s) <u>312</u> Response). (Doherty, Casey)
01/07/2020	<u>323</u> Notice of Appearance and Request for Notice (<i>Amended</i>) by Joseph E. Bain filed by Creditor Issuer Group. (Bain, Joseph)
01/07/2020	<u>324</u> ***WITHDRAWN per docket # <u>467</u> ** Objection to (related document(s): <u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors. filed by Debtor Highland Capital Management, L.P.) <i>Limited Objection to Motion of the Debtor for Approval of Settlement With the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course</i> filed by Creditor Issuer Group. (Bain, Joseph) Modified on 2/24/2020 (Ecker, C.).
01/08/2020	<u>325</u> Motion to appear pro hac vice for James T. Bentley. Fee Amount \$100 Filed by Creditor Issuer Group (Anderson, Amy)
01/08/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27331269, amount \$ 100.00 (re: Doc# <u>325</u>). (U.S. Treasury)
01/08/2020	<u>326</u> Notice of Compliance with Local Bankruptcy Rule 2090-4 filed by Creditor Issuer Group. (Anderson, Amy)

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01/08/2020	<u>327</u> Declaration re: (<i>Declaration of Bradley D. Sharp in Support of the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors.). (Annable, Zachery)
01/08/2020	<u>328</u> Agreed Notice of hearingwith <i>PensionDanmark and Highland Capital Management, L.P.</i> filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>218</u> Motion for relief from stay <i>MOTION OF PENSIONDANMARK PENSIONSFORSIKRINGSAKTIESELSKAB FOR AN ORDER GRANTING RELIEF FROM THE AUTOMATIC STAY TO TERMINATE INVESTMENT MANAGEMENT AGREEMENT</i> Fee amount \$181, Filed by Creditor PensionDanmark Pensionsforsikringsaktieselskab Objections due by 12/23/2019. (Attachments: # 1 Declaration # 2 Proposed Order)). Hearing to be held on 1/21/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>218</u> , (Hoffman, Juliana)
01/08/2020	<u>329</u> Response unopposed to (related document(s): <u>313</u> Objection) filed by Debtor Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit A) (Hayward, Melissa) Modified to match docket text to PDF on 1/9/2020 (Ecker, C.).
01/08/2020	<u>330</u> Response unopposed to (related document(s): <u>313</u> Objection) filed by Creditor Committee Official Committee of Unsecured Creditors. (Hoffman, Juliana) Modified text to match PDF on 1/9/2020 (Ecker, C.).
01/08/2020	<u>331</u> Certificate of service re: <i>Order Regarding Request for Expedited Hearing; to be Held on January 9, 2020 at 9:30 a.m. (Prevailing Central Time)</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>291</u> Order granting motion for expedited hearing (Related Doc <u>283</u>)(document set for hearing: <u>281</u> Motion to compromise controversy) Hearing to be held on 1/9/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>281</u> , Entered on 12/31/2019.). (Kass, Albert)
01/08/2020	<u>332</u> Certificate of service re: <i>1) Amended Notice of Hearing on Debtor's Application Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code for Authority to Employ Mercer (US) Inc. as Compensation Consultant; to be Held on January 21, 2020 at 9:30 a.m. (Central Time); 2) Amended Notice of Hearing on Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations Under Employee Bonus Plans and Granting Related Relief; to be Held on January 21, 2020 at 9:30 a.m. (Central Time)</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>305</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>180</u> Application/Motion to Employ/Retain Mercer (US) Inc. as Compensation Consultant Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # 1 Notice # 2 Exhibit A – Proposed Order # 3 Exhibit B – Declaration of John Dempsey in Support # 4 Exhibit C – Highland Key Employee Incentives # 5 Certificate of Service and Service List)(O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #173 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). Hearing to be held on 1/21/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>180</u> , filed by Debtor Highland Capital Management, L.P., <u>306</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>177</u> Motion to Authorize Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations Under Employee Bonus Plans and Granting Related Relief Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # 1 Exhibit A – Proposed Order # 2 Notice) [ORIGINALLY FILED AS DOCUMENT #170 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). Hearing to be held on 1/21/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>177</u> , filed by Debtor Highland Capital Management, L.P.).

	(Kass, Albert)
01/09/2020	<u>333</u> Order granting motion to appear pro hac vice adding James T. Bentley for Issuer Group (related document # <u>325</u>) Entered on 1/9/2020. (Okafor, M.)
01/09/2020	<u>334</u> Order granting application to employ Sidley Austin LLP for Official Committee of Unsecured Creditors as Attorney (related document # <u>206</u>) Entered on 1/9/2020. (Okafor, M.)
01/09/2020	<u>335</u> Court admitted exhibits date of hearing 01/09/2020. DEBTOR EXHIBIT 1 ADMITTED. (RE: related document(s) <u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors. Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Proposed Order)) (Jeng, Hawaii)
01/09/2020	<u>336</u> Order granting application to employ FTI Consulting, Inc. as Financial Advisor to The Official Committee of Unsecured Creditors (related document # <u>205</u>) Entered on 1/9/2020. (Okafor, M.)
01/09/2020	<u>337</u> Order granting application to employ Young Conway Stargatt & Taylor, LLP for Official Committee of Unsecured Creditors as Attorney (Co-Counsel) (related document <u>226</u>) Entered on 1/9/2020. (Okafor, M.) Modified to correct Firm name on 1/13/2020 (Ecker, C.).
01/09/2020	<u>338</u> Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors, Strand Advisors, Inc., and James Dondero. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors.). (Hayward, Melissa)
01/09/2020	<u>339</u> Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course (related document # <u>281</u>) Entered on 1/9/2020. (Okafor, M.)
01/09/2020	<u>340</u> Application to employ Hayward & Associates PLLC as Attorney (<i>Debtor's Application Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016 for an Order Authorizing the Employment of Hayward & Associates PLLC as Local Counsel</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Declaration of Melissa S. Hayward # <u>2</u> Proposed Order) (Annable, Zachery)
01/09/2020	<u>341</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>317</u> Order granting motion to appear pro hac vice adding Asif Attarwala for UBS AG London Branch and UBS Securities LLC (related document <u>308</u>) Entered on 1/7/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 01/09/2020. (Admin.)
01/09/2020	Hearing held on 1/9/2020. (RE: related document(s) <u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors, filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomerantz, I. Kharasch, G. Demo, M. Hayward, and Z. Annabel for Debtor; M. Clemente, P. Reid and D. Tumi for Unsecured Creditors Committee; A. Chiarello and R. Patel for Asic; L. Lambert for UST; J. Bentley and J. Bain (both telephonically) for CLO and CDO Issuer Group; T. Mascherin and M. Hankin (telephonically) for Redeemer Committee; P. Maxcy (telephonically) for Jeffries. Evidentiary hearing. Motion granted. Counsel to upload appropriate form of order.) (Edmond, Michael) (Entered: 01/10/2020)
01/10/2020	<u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date

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	(related document # <u>74</u>) Entered on 1/10/2020. (Okafor, M.)
01/10/2020	<u>343</u> Application for compensation <i>First Monthly Application for Compensation and for Reimbursement of Expenses of Sidley Austin LLP</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 10/29/2019 to 11/30/2019, Fee: \$795,054.96, Expenses: \$10,247.88. Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 1/31/2020. (Hoffman, Juliana)
01/10/2020	<u>344</u> Certificate of service re: <i>Documents Served on January 8, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>327</u> Declaration re: (<i>Declaration of Bradley D. Sharp in Support of the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors.). filed by Debtor Highland Capital Management, L.P., <u>328</u> Agreed Notice of hearing with <i>PensionDanmark and Highland Capital Management, L.P.</i> filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>218</u> Motion for relief from stay <i>MOTION OF PENSIONDANMARK PENSIONSFORSIKRINGSAKTIESELSKAB FOR AN ORDER GRANTING RELIEF FROM THE AUTOMATIC STAY TO TERMINATE INVESTMENT MANAGEMENT AGREEMENT</i> Fee amount \$181, Filed by Creditor PensionDanmark Pensionsforsikringsaktieselskab Objections due by 12/23/2019. (Attachments: # 1 Declaration # 2 Proposed Order)). Hearing to be held on 1/21/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>218</u> , filed by Creditor Committee Official Committee of Unsecured Creditors, <u>329</u> Response unopposed to (related document(s): <u>313</u> Objection) filed by Debtor Highland Capital Management, L.P.. (Attachments: # 1 Exhibit A) (Hayward, Melissa) Modified to match docket text to PDF on 1/9/2020 (Ecker, C.). filed by Debtor Highland Capital Management, L.P., <u>330</u> Response unopposed to (related document(s): <u>313</u> Objection) filed by Creditor Committee Official Committee of Unsecured Creditors. (Hoffman, Juliana) Modified text to match PDF on 1/9/2020 (Ecker, C.). filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)
01/10/2020	<u>345</u> Certificate of service re: <i>Documents Served on January 9, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>334</u> Order granting application to employ Sidley Austin LLP for Official Committee of Unsecured Creditors as Attorney (related document <u>206</u>) Entered on 1/9/2020. (Okafor, M.), <u>336</u> Order granting application to employ FTI Consulting, Inc. as Financial Advisor to The Official Committee of Unsecured Creditors (related document <u>205</u>) Entered on 1/9/2020. (Okafor, M.), <u>337</u> Order granting application to employ Conway Stargatt & Taylor, LLP for Official Committee of Unsecured Creditors as Attorney (Co-Counsel) (related document <u>226</u>) Entered on 1/9/2020. (Okafor, M.), <u>338</u> Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors, Strand Advisors, Inc., and James Dondero. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors.). filed by Debtor Highland Capital Management, L.P., <u>340</u> Application to employ Hayward & Associates PLLC as Attorney (<i>Debtor's Application Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016 for an Order Authorizing the Employment of Hayward & Associates PLLC as Local Counsel</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Declaration of Melissa S. Hayward # 2 Proposed Order) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
01/10/2020	<u>346</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>319</u> Order granting motion to appear pro hac vice adding Andrew Clubok for UBS AG London Branch and UBS Securities LLC (related document <u>310</u>) Entered on 1/7/2020. (Okafor, M.) MODIFIED text on 1/7/2020 (Okafor, M.).) No. of Notices: 1. Notice Date 01/10/2020. (Admin.)
01/10/2020	<u>347</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>320</u> Order granting motion to appear pro hac vice adding Kuan Huang for UBS AG London Branch

	and UBS Securities LLC (related document <u>311</u>) Entered on 1/7/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 01/10/2020. (Admin.)
01/11/2020	<u>348</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>333</u> Order granting motion to appear pro hac vice adding James T. Bentley for Issuer Group (related document <u>325</u>) Entered on 1/9/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 01/11/2020. (Admin.)
01/12/2020	<u>349</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring–Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 01/12/2020. (Admin.)
01/13/2020	<u>350</u> Certificate of service re: <i>(Supplemental) Notice of Chapter 11 Bankruptcy Case and Meeting of Creditors; to be Held on January 9, 2020 at 11:00 a.m.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>229</u> Meeting of creditors 341(a) meeting to be held on 1/9/2020 at 11:00 AM at Dallas, Room 976. Proofs of Claims due by 4/8/2020. Attorney(s)certificate of service of 341 meeting chapter 11 to be filed by 01/9/2020.). (Kass, Albert)
01/13/2020	<u>351</u> Motion to extend time to (Debtor's Motion for Entry of an Order Extending the Period Within Which It May Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure) Filed by Debtor Highland Capital Management, L.P. Objections due by 2/6/2020. (Attachments: # <u>1</u> Exhibit A—Proposed Order) (Annable, Zachery)
01/13/2020	<u>352</u> DOCKET IN ERROR: Request for transcript regarding a hearing held on 1/9/2020. The requested turn-around time is daily. (Edmond, Michael) Modified on 1/21/2020 REQUEST WAS CANCELLED THE SAME DATE AS REQUESTED OF 1/13/2020. (Edmond, Michael).
01/13/2020	<u>353</u> Objection to (related document(s): <u>270</u> Application for compensation – <i>First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through November 30, 2019</i>) filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P.. (Patel, Rakhee)
01/14/2020	<u>354</u> Notice (<i>Notice of Final Term Sheet</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors. Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Proposed Order)). (Attachments: # <u>1</u> Exhibit A—Final Term Sheet) (Annable, Zachery)
01/14/2020	<u>355</u> Certificate of service re: <i>Summary and First Monthly Application of Sidley Austin LLP for Allowance of Compensation and Reimbursement of Expenses for the Period from October 29, 2019 to and Including November 30, 2019</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>343</u> Application for compensation <i>First Monthly Application for Compensation and for Reimbursement of Expenses of Sidley Austin LLP</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 10/29/2019 to 11/30/2019, Fee: \$795,054.96, Expenses: \$10,247.88. Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 1/31/2020. filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)
01/14/2020	<u>356</u> Certificate of service re: <i>Debtor's Motion for Entry of an Order Extending the Period Within Which it May Remove Actions Pursuant to 28 U.S.C. § 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>351</u> Motion to extend time to (Debtor's Motion for

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	Entry of an Order Extending the Period Within Which It May Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure) Filed by Debtor Highland Capital Management, L.P. Objections due by 2/6/2020. (Attachments: # 1 Exhibit A—Proposed Order) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
01/14/2020	<u>357</u> Witness and Exhibit List <i>in Connection with Motion to Appoint a Chapter 11 Trustee</i> filed by U.S. Trustee United States Trustee (RE: related document(s) <u>271</u> Trustee's Motion to appoint trustee). (Lambert, Lisa)
01/14/2020	<u>358</u> Witness and Exhibit List <i>in connection with Motion to Seal and Joint Motion for an Agreed Protective Order</i> filed by U.S. Trustee United States Trustee (RE: related document(s) <u>10</u> Motion to file document under seal., <u>280</u> Motion for protective order <i>Joint Motion for Entry of an Order Approving the Agreed Protective Order</i>). (Lambert, Lisa)
01/15/2020	<u>359</u> Agreed Motion to continue hearing on (related documents <u>218</u> Motion for relief from stay) Filed by Creditor Committee Official Committee of Unsecured Creditors (Hoffman, Juliana)
01/15/2020	<u>360</u> <i>Withdrawal of Precautionary Motion of the Debtor for Order Approving Protocols for the Debtor to Implement Certain Transactions in the Ordinary Course of Business</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>76</u> Motion by Highland Capital Management, L.P.). (Hayward, Melissa)
01/15/2020	<u>361</u> Order granting motion to continue hearing on (related document # <u>359</u>) (related documents Motion for relief from stay <i>MOTION OF PENSIONDANMARK PENSIONSFORSIKRINGSAKTIESELSKAB FOR AN ORDER GRANTING RELIEF FROM THE AUTOMATIC STAY TO TERMINATE INVESTMENT MANAGEMENT AGREEMENT</i> Fee amount \$181.). It is hereby ORDERED that a hearing on the Stay Relief Motion shall be continued to a later date provided by the Court and mutually acceptable to the Parties. Entered on 1/15/2020. (Okafor, M.)
01/15/2020	<u>362</u> Response opposed to (related document(s): <u>271</u> Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
01/15/2020	<u>363</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>7</u> Motion to Maintain Bank Accounts /Motion of the Debtor for Interim and Final Orders Authorizing (A) Continuance of Existing Cash Management System and Brokerage Relationships, (B) Continued Use of the Prime Account, (C) Limited Waiver of Section 345(b) Deposit and Investment Requirements, and (D) Granting Related Relief Filed By Highland Capital Management, L.P. (Attachments: <u>1</u> Exhibit A – Interim Order) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #5 ON 10/16/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.), <u>68</u> Application/Motion to Employ/Retain Foley Gardere, Foley & Lardner LLP as Special Texas Counsel Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # 1 Notice # 2 Exhibit A # 3 Exhibit B # 4 Exhibit C – Proposed Order # 5 2016 Statement # 6 Declaration Frank Waterhouse # 7 Certificate of Service) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #69 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.), <u>69</u> Application/Motion to Employ/Retain Lynn Pinker Cox & Hurst LLP as Special Texas Litigation Counsel Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # 1 Notice # 2 Exhibit A – Hurst Declaration # 3 Exhibit B – Proposed Order # 4 2016 Statement # 5 Declaration Frank Waterhouse # 6 Certificate of Service) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #70 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.), <u>177</u> Motion to Authorize Motion of the Debtor for Entry of an Order Authorizing the Debtor to

	<p>Pay and Honor Ordinary Course Obligations Under Employee Bonus Plans and Granting Related Relief Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # 1 Exhibit A – Proposed Order # 2 Notice) [ORIGINALLY FILED AS DOCUMENT #170 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.), <u>180</u> Application/Motion to Employ/Retain Mercer (US) Inc. as Compensation Consultant Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # 1 Notice # 2 Exhibit A – Proposed Order # 3 Exhibit B – Declaration of John Dempsey in Support # 4 Exhibit C – Highland Key Employee Incentives # 5 Certificate of Service and Service List)(O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #173 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.), <u>259</u> Support/supplemental document to the Motion of Debtor for Interim and Final Orders Authorizing (A) Continuance of Existing Cash Management System, (B) Continued Use of the Prime Account, (C) Limited Waiver filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>7</u> Motion to maintain bank accounts.), <u>271</u> Trustee's Motion to appoint trustee Filed by U.S. Trustee United States Trustee, <u>280</u> Motion for protective order <i>Joint Motion for Entry of an Order Approving the Agreed Protective Order</i> Filed by Debtor Highland Capital Management, L.P., Creditor Committee Official Committee of Unsecured Creditors). Hearing to be held on 1/21/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>7</u> and for <u>68</u> and for <u>177</u> and for <u>259</u> and for <u>280</u> and for <u>271</u> and for <u>180</u> and for <u>69</u>, (Annable, Zachery)</p>
01/15/2020	<p><u>364</u> Objection to (related document(s): <u>271</u> Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) filed by Creditor Committee Official Committee of Unsecured Creditors. (Hoffman, Juliana)</p>
01/16/2020	<p><u>365</u> Certificate of service re: Objection to First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel for the Period From October 16, 2019 Through November 30, 2019 filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. (RE: related document(s) <u>270</u> Application for compensation – <i>First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through November 30, 2019</i>). (Chiarello, Annmarie)</p>
01/16/2020	<p><u>366</u> Amended Witness and Exhibit List in Connection with Motion to Appoint a Chapter 11 Trustee filed by U.S. Trustee United States Trustee (RE: related document(s) <u>357</u> List (witness/exhibit/generic)). (Lambert, Lisa)</p>
01/16/2020	<p><u>367</u> Witness and Exhibit List filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. (RE: related document(s) <u>68</u> Application to employ Foley Gardere, Foley & Lardner LLP as Special Counsel, <u>69</u> Application to employ Lynn Pinker Cox & Hurst LLP as Special Counsel). (Chiarello, Annmarie)</p>
01/16/2020	<p><u>368</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on January 21, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)</p>
01/17/2020	<p><u>369</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc for the Period from October 16, 2019, Through November 30, 2019</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). (Attachments: # <u>1</u> Exhibit A—Staffing Report) (Annable, Zachery)</p>

01/17/2020	<u>370</u> Joint Motion to continue hearing on (related documents <u>68</u> Application to employ, <u>69</u> Application to employ)(<i>Joint Motion for Continuance of Hearing on (i) Debtor's Application for an Order Authorizing the Employment of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel, Nunc Pro Tunc to the Petition Date, and (ii) Debtor's Application for an Order Authorizing the Retention and Employment of Lynn Pinker Cox & Hurst LLP as Special Texas Litigation Counsel, Nunc Pro Tunc to the Petition Date</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Proposed Order) (Annable, Zachery)
01/17/2020	<u>371</u> Order granting joint motion to continue hearing on (related document # <u>370</u>) (related documents Application to employ Foley Gardere, Foley & Lardner LLP as Special Counsel, Application to employ Lynn Pinker Cox & Hurst LLP as Special Counsel). ORDERED that the hearing on the Applications currently scheduled for January 21, 2020 at 9:30 a.m., will be continued to a new hearing date to be determined by the Parties; and it is further Entered on 1/17/2020. (Okafor, M.)
01/17/2020	<u>372</u> Witness and Exhibit List (<i>Debtor's Witness and Exhibit List in Connection with Its Opposition to Motion to Appoint a Chapter 11 Trustee</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>362</u> Response). (Annable, Zachery)
01/19/2020	<u>373</u> Amended Notice (<i>First Amended Notice of Agenda of Matters Scheduled for Hearing on January 21, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>368</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on January 21, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P..) (Annable, Zachery)
01/20/2020	<u>374</u> Amended Notice (<i>Second Amended Notice of Agenda of Matters Scheduled for Hearing on January 21, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>368</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on January 21, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P., <u>373</u> Amended Notice (<i>First Amended Notice of Agenda of Matters Scheduled for Hearing on January 21, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>368</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on January 21, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P..) (Annable, Zachery)
01/21/2020	<u>375</u> Certificate of service re: (<i>Supplemental</i>) <i>Notice of Chapter 11 Bankruptcy Case and Meeting of Creditors; to be Held on January 9, 2020 at 11:00 a.m.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>229</u> Meeting of creditors 341(a) meeting to be held on 1/9/2020 at 11:00 AM at Dallas, Room 976. Proofs of Claims due by 4/8/2020. Attorney(s)certificate of service of 341 meeting chapter 11 to be filed by 01/9/2020.). (Kass, Albert)
01/21/2020	Hearing held on 1/21/2020. (RE: related document(s) <u>271</u> Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) (Appearances: J. Pomerantz, J. Morris, M. Litvak, M. Hayward, and Z. Annable for Debtor; D. Twomey, P. Reid, and J. Hoffman for Official Unsecured Creditors Committee; R. Patel for Acis; L. Lambert for UST; M. Platt and M. Hankin (telephonically) for Crusader Fund Redeemer Committee; K. Posin and A. Attarwala for UBS; A. Anderson and J. Bentley (telephonically) for CLO Issuers. Evidentiary hearing. Motion denied. Debtors counsel should upload a form of order consistent with the courts ruling.) (Edmond, Michael)
01/21/2020	Hearing held on 1/21/2020. (RE: related document(s) <u>7</u> Motion to Maintain Bank Accounts /Motion of the Debtor for Interim and Final Orders Authorizing (A) Continuance of Existing Cash Management System and Brokerage Relationships, (B) Continued Use of the Prime Account, (C) Limited Waiver of Section 345(b) Deposit and Investment Requirements, and (D) Granting Related Relief Filed By Highland Capital Management, L.P. (Attachments: <u>1</u> Exhibit A – Interim Order) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #5 ON 10/16/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Appearances: J. Pomerantz, J. Morris, M.

	<p>Litvak, M. Hayward, and Z. Annable for Debtor; D. Twomey, P. Reid, and J. Hoffman for Official Unsecured Creditors Committee; R. Patel for Acis; L. Lambert for UST; M. Platt and M. Hankin (telephonically) for Crusader Fund Redeemer Committee; K. Posin and A. Attarwala for UBS; A. Anderson and J. Bentley (telephonically) for CLO Issuers. Nonevidentiary hearing. Motion granted on a final basis. Debtors counsel should upload order.) (Edmond, Michael)</p>
01/21/2020	<p><u>376</u> Certificate of service re: <i>Notice of Final Term Sheet</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>354</u> <i>Notice (Notice of Final Term Sheet)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors. Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Proposed Order)). (Attachments: # 1 Exhibit A—Final Term Sheet) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
01/21/2020	<p>Hearing held on 1/21/2020. (RE: related document(s)<u>177</u> Motion to Authorize Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations Under Employee Bonus Plans and Granting Related Relief Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # 1 Exhibit A – Proposed Order # 2 Notice) [ORIGINALLY FILED AS DOCUMENT #170 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Appearances: J. Pomerantz, J. Morris, M. Litvak, M. Hayward, and Z. Annable for Debtor; D. Twomey, P. Reid, and J. Hoffman for Official Unsecured Creditors Committee; R. Patel for Acis; L. Lambert for UST; M. Platt and M. Hankin (telephonically) for Crusader Fund Redeemer Committee; K. Posin and A. Attarwala for UBS; A. Anderson and J. Bentley (telephonically) for CLO Issuers. Nonevidentiary hearing. Motion, as narrowed, granted. Debtors counsel should upload order.) (Edmond, Michael)</p>
01/21/2020	<p>Hearing held on 1/21/2020. (RE: related document(s)<u>180</u> Application/Motion to Employ/Retain Mercer (US) Inc. as Compensation Consultant Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # 1 Notice # 2 Exhibit A – Proposed Order # 3 Exhibit B – Declaration of John Dempsey in Support # 4 Exhibit C – Highland Key Employee Incentives # 5 Certificate of Service and Service List)(O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #173 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Appearances: J. Pomerantz, J. Morris, M. Litvak, M. Hayward, and Z. Annable for Debtor; D. Twomey, P. Reid, and J. Hoffman for Official Unsecured Creditors Committee; R. Patel for Acis; L. Lambert for UST; M. Platt and M. Hankin (telephonically) for Crusader Fund Redeemer Committee; K. Posin and A. Attarwala for UBS; A. Anderson and J. Bentley (telephonically) for CLO Issuers. Nonevidentiary hearing. Motion granted. Debtors counsel should upload order.) (Edmond, Michael)</p>
01/21/2020	<p><u>377</u> Certificate of service re: 1) <i>Objection of the Debtor to United States Trustee's Motion for an Order Directing the Appointment of a Chapter 11 Trustee</i>; and 2) <i>Notice of Hearing; to be Held on January 21, 2020 at 9:30 a.m. (Central Time)</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>362</u> Response opposed to (related document(s): <u>271</u> Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>363</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>7</u> Motion to Maintain Bank Accounts /Motion of the Debtor for Interim and Final Orders Authorizing (A) Continuance of Existing Cash Management System and Brokerage Relationships, (B) Continued Use of the Prime Account, (C) Limited Waiver of Section 345(b) Deposit and Investment Requirements, and (D) Granting Related Relief Filed By Highland Capital Management, L.P. (Attachments: <u>1</u> Exhibit A – Interim Order) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #5 ON 10/16/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF</p>

	<p>DELAWARE] (Okafor, M.), <u>68</u> Application/Motion to Employ/Retain Foley Gardere, Foley & Lardner LLP as Special Texas Counsel Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # 1 Notice # 2 Exhibit A # 3 Exhibit B # 4 Exhibit C – Proposed Order # 5 2016 Statement # 6 Declaration Frank Waterhouse # 7 Certificate of Service) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #69 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.), <u>69</u> Application/Motion to Employ/Retain Lynn Pinker Cox & Hurst LLP as Special Texas Litigation Counsel Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # 1 Notice # 2 Exhibit A – Hurst Declaration # 3 Exhibit B – Proposed Order # 4 2016 Statement # 5 Declaration Frank Waterhouse # 6 Certificate of Service) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #70 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.), <u>177</u> Motion to Authorize Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations Under Employee Bonus Plans and Granting Related Relief Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # 1 Exhibit A – Proposed Order # 2 Notice) [ORIGINALLY FILED AS DOCUMENT #170 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.), <u>180</u> Application/Motion to Employ/Retain Mercer (US) Inc. as Compensation Consultant Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # 1 Notice # 2 Exhibit A – Proposed Order # 3 Exhibit B – Declaration of John Dempsey in Support # 4 Exhibit C – Highland Key Employee Incentives # 5 Certificate of Service and Service List)(O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #173 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.), <u>259</u> Support/supplemental document to the Motion of Debtor for Interim and Final Orders Authorizing (A) Continuance of Existing Cash Management System, (B) Continued Use of the Prime Account, (C) Limited Waiver filed by Debtor Highland Capital Management, L.P. (RE: related document(s)) Motion to maintain bank accounts.), <u>271</u> Trustee's Motion to appoint trustee Filed by U.S. Trustee United States Trustee, <u>280</u> Motion for protective order <i>Joint Motion for Entry of an Order Approving the Agreed Protective Order</i> Filed by Debtor Highland Capital Management, L.P., Creditor Committee Official Committee of Unsecured Creditors). Hearing to be held on 1/21/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>7</u> and for <u>68</u> and for <u>177</u> and for <u>259</u> and for <u>280</u> and for <u>271</u> and for <u>180</u> and for <u>69</u>, filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
01/21/2020	<p>Hearing held on 1/21/2020. (RE: related document(s)) <u>280</u> Motion for protective order <i>Joint Motion for Entry of an Order Approving the Agreed Protective Order</i> filed by Debtor Highland Capital Management, L.P., Creditor Committee Official Committee of Unsecured Creditors) (Appearances: J. Pomerantz, J. Morris, M. Litvak, M. Hayward, and Z. Annable for Debtor; D. Twomey, P. Reid, and J. Hoffman for Official Unsecured Creditors Committee; R. Patel for Acis; L. Lambert for UST; M. Platt and M. Hankin (telephonically) for Crusader Fund Redeemer Committee; K. Posin and A. Attarwala for UBS; A. Anderson and J. Bentley (telephonically) for CLO Issuers. Nonevidentiary hearing. Motion granted, with certain amendments as discussed on the record. Debtors counsel should upload order.) (Edmond, Michael)</p>
01/21/2020	<p>Hearing held on 1/21/2020. (RE: related document(s)) <u>127</u> Motion to File Under Seal of the Omnibus Objection of the Official Committee of Unsecured Creditors to the Debtors (I) Motion for Final Order Authorizing Continuance of the Existing Cash Management System, (II) Motion to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, and (III) Precautionary Motion for Approval of Protocols for Ordinary Course Transactions Filed by Official Committee of Unsecured Creditors. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/19/2019. (Attachments: # 1</p>

	Notice # 2 Proposed Form of Order) [ORIGINALLY FILED AS DOCUMENT #123 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)(Appearances: J. Pomerantz, J. Morris, M. Litvak, M. Hayward, and Z. Annable for Debtor; D. Twomey, P. Reid, and J. Hoffman for Official Unsecured Creditors Committee; R. Patel for Acis; L. Lambert for UST; M. Platt and M. Hankin (telephonically) for Crusader Fund Redeemer Committee; K. Posin and A. Attarwala for UBS; A. Anderson and J. Bentley (telephonically) for CLO Issuers. Nonevidentiary hearing. Motion denied for mootness. UCCs counsel should upload order.) (Edmond, Michael)
01/21/2020	<u>378</u> Application for compensation <i>First Monthly Application for Compensation and Reimbursement of Expenses on behalf of the Unsecured Creditors Committee</i> for FTI Consulting, Inc., Financial Advisor, Period: 11/6/2019 to 11/30/2019, Fee: \$322,274.88, Expenses: \$4,687.35. Filed by Attorney Juliana Hoffman Objections due by 2/11/2020. (Hoffman, Juliana)
01/21/2020	<u>383</u> Court admitted exhibits date of hearing January 21, 2020 (RE: related document(s) <u>271</u> Trustee's Motion to appoint trustee filed by Lisa Lambert representing the U.S. Trustee) (Court Admitted U.S. Trustee's Exhibits #4, #5, #7, #8, #9, #10 and Took Judicial Notice of Exhibit #11) (Edmond, Michael) (Entered: 01/22/2020)
01/22/2020	<u>379</u> Final Order Authorizing (A) Continuance of Existing Cash Management System, (B) Continued Use of the Prime Account and Maxim Prime Account, (C) Limited Waiver of Section 345(b) Deposit and Investment Requirements, and (D) Granting Related Relief Filed By Highland Capital Management, L.P (related document # <u>7</u>) Entered on 1/22/2020. (Okafor, M.)
01/22/2020	<u>380</u> Order Authorizing Debtor to Pay and Honor Ordinary Course Obligations Under Employee Bonus Plans and Granting Related Relief Filed by Highland Capital Management, L.P. (related document # <u>177</u>) Entered on 1/22/2020. (Okafor, M.)
01/22/2020	<u>381</u> Order Granting Application to Employ Mercer (US) Inc. as Compensation Consultant to the debtor (related document # <u>180</u>) Entered on 1/22/2020. (Okafor, M.)
01/22/2020	<u>382</u> Agreed Order Granting Motion for Protective Order (related document # <u>280</u>) Entered on 1/22/2020. (Okafor, M.)
01/22/2020	<u>384</u> Declaration re: <i>Notice / Declaration of Conor P. Tully in Support of the Retention of FTI Consulting, Inc.</i> filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>205</u> Application to employ FTI CONSULTING, INC. as Financial Advisor <i>APPLICATION PURSUANT TO FED. R. BANKR. P. 2014(a) FOR ORDER UNDER SECTION 1103 OF THE BANKRUPTCY CODE AUTHORIZING THE EMPLOYMENT AND RETENTION OF FTI CONSULTING, INC. AS FINANCIAL ADVIS</i>). (Hoffman, Juliana)
01/22/2020	<u>385</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>235</u> Application for compensation <i>First Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period From October 16, 2019 Through October 31, 2019</i> for Highland C). (Annable, Zachery)
01/22/2020	<u>386</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>286</u> Application for compensation <i>Second Monthly Application for Compensation and for Reimbursement of Expenses for the Period from November 1, 2019 through November 30, 2019</i> for Highland Capital Management, L.P., Debtor's Attorney, Period: 11/1). (Annable, Zachery)
01/22/2020	<u>387</u> Request for transcript regarding a hearing held on 1/21/2020. The requested turn-around time is hourly. (Edmond, Michael) (Entered: 01/23/2020)

01/23/2020	<u>388</u> Certificate of service re: First Supplemental Declaration of Conor P. Tully In Support of the Application Authorizing the Employment and Retention of FTI Consulting, Inc., as Financial Advisor to the Official Committee of Unsecured Creditors Nunc Pro Tunc to November 6, 2019 filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>384</u> Declaration). (Hoffman, Juliana)
01/23/2020	<u>389</u> Application for compensation <i>First and Final Application for Compensation and Reimbursement of Expenses on behalf of Young Conaway Stargatt & Taylor, LLP as Co-Counsel</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 11/8/2019 to 1/13/2020, Fee: \$272,300.00, Expenses: \$8,855.56. Filed by Attorney Juliana Hoffman Objections due by 2/13/2020. (Hoffman, Juliana)
01/23/2020	<u>390</u> Supplemental Notice of the Young Conaway Stargatt & Taylor, LLP Final Fee Application filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>389</u> Application for compensation <i>First and Final Application for Compensation and Reimbursement of Expenses on behalf of Young Conaway Stargatt & Taylor, LLP as Co-Counsel</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 11/8/2019 to 1/13/2020, Fee: \$272,300.00, Expenses: \$8,855.56. Filed by Attorney Juliana Hoffman Objections due by 2/13/2020.). (Hoffman, Juliana)
01/23/2020	<u>391</u> Certificate of service re: Final Fee Application <i>on behalf of Young Conaway Stargatt & Taylor, LLP</i> filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>389</u> Application for compensation <i>First and Final Application for Compensation and Reimbursement of Expenses on behalf of Young Conaway Stargatt & Taylor, LLP as Co-Counsel</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Perio). (Hoffman, Juliana)
01/24/2020	<u>392</u> Application for compensation <i>Third Monthly Application for Compensation and for Reimbursement of Expenses for the Period from December 1, 2019 through December 31, 2019</i> for Highland Capital Management, L.P., Debtor's Attorney, Period: 12/1/2019 to 12/31/2019, Fee: \$589,730.35, Expenses: \$26,226.80. Filed by Debtor Highland Capital Management, L.P. Objections due by 2/14/2020. (Pomerantz, Jeffrey)
01/24/2020	<u>393</u> Transcript regarding Hearing Held 01/21/2020 (140 pgs.) RE: Motions. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 04/23/2020. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) Hearing held on 1/21/2020. (RE: related document(s) <u>271</u> Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) (Appearances: J. Pomerantz, J. Morris, M. Litvak, M. Hayward, and Z. Annable for Debtor; D. Twomey, P. Reid, and J. Hoffman for Official Unsecured Creditors Committee; R. Patel for Acis; L. Lambert for UST; M. Platt and M. Hankin (telephonically) for Crusader Fund Redeemer Committee; K. Posin and A. Attarwala for UBS; A. Anderson and J. Bentley (telephonically) for CLO Issuers. Evidentiary hearing. Motion denied. Debtors counsel should upload a form of order consistent with the courts ruling.), Hearing held on 1/21/2020. (RE: related document(s) <u>7</u> Motion to Maintain Bank Accounts /Motion of the Debtor for Interim and Final Orders Authorizing (A) Continuance of Existing Cash Management System and Brokerage Relationships, (B) Continued Use of the Prime Account, (C) Limited Waiver of Section 345(b) Deposit and Investment Requirements, and (D) Granting Related Relief Filed By Highland Capital Management, L.P. (Attachments: <u>1</u> Exhibit A – Interim Order) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #5 ON 10/16/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Appearances: J. Pomerantz, J. Morris, M. Litvak, M. Hayward, and Z. Annable for Debtor; D. Twomey, P. Reid, and J. Hoffman for Official Unsecured Creditors Committee; R. Patel for Acis; L. Lambert for UST; M. Platt and M. Hankin (telephonically) for Crusader Fund Redeemer Committee; K. Posin and A. Attarwala for UBS; A. Anderson and J. Bentley (telephonically) for CLO Issuers. Nonevidentiary hearing. Motion granted on a final basis. Debtors counsel should upload

	<p>order.), Hearing held on 1/21/2020. (RE: related document(s)<u>177</u> Motion to Authorize Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations Under Employee Bonus Plans and Granting Related Relief Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # 1 Exhibit A – Proposed Order # 2 Notice) [ORIGINALLY FILED AS DOCUMENT #170 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Appearances: J. Pomerantz, J. Morris, M. Litvak, M. Hayward, and Z. Annable for Debtor; D. Twomey, P. Reid, and J. Hoffman for Official Unsecured Creditors Committee; R. Patel for Acis; L. Lambert for UST; M. Platt and M. Hankin (telephonically) for Crusader Fund Redeemer Committee; K. Posin and A. Attarwala for UBS; A. Anderson and J. Bentley (telephonically) for CLO Issuers. Nonevidentiary hearing. Motion, as narrowed, granted. Debtors counsel should upload order.), Hearing held on 1/21/2020. (RE: related document(s)<u>180</u> Application/Motion to Employ/Retain Mercer (US) Inc. as Compensation Consultant Filed by Highland Capital Management, L.P.. Hearing scheduled for 12/17/2019 at 11:00 AM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 12/10/2019. (Attachments: # 1 Notice # 2 Exhibit A – Proposed Order # 3 Exhibit B – Declaration of John Dempsey in Support # 4 Exhibit C – Highland Key Employee Incentives # 5 Certificate of Service and Service List)(O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #173 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.) (Appearances: J. Pomerantz, J. Morris, M. Litvak, M. Hayward, and Z. Annable for Debtor; D. Twomey, P. Reid, and J. Hoffman for Official Unsecured Creditors Committee; R. Patel for Acis; L. Lambert for UST; M. Platt and M. Hankin (telephonically) for Crusader Fund Redeemer Committee; K. Posin and A. Attarwala for UBS; A. Anderson and J. Bentley (telephonically) for CLO Issuers. Nonevidentiary hearing. Motion granted. Debtors counsel should upload order.), Hearing held on 1/21/2020. (RE: related document(s)<u>280</u> Motion for protective order Joint Motion for Entry of an Order Approving the Agreed Protective Order filed by Debtor Highland Capital Management, L.P., Creditor Committee Official Committee of Unsecured Creditors) (Appearances: J. Pomerantz, J. Morris, M. Litvak, M. Hayward, and Z. Annable for Debtor; D. Twomey, P. Reid, and J. Hoffman for Official Unsecured Creditors Committee; R. Patel for Acis; L. Lambert for UST; M. Platt and M. Hankin (telephonically) for Crusader Fund Redeemer Committee; K. Posin and A. Attarwala for UBS; A. Anderson and J. Bentley (telephonically) for CLO Issuers. Nonevidentiary hearing. Motion granted, with certain amendments as discussed on the record. Debtors counsel should upload order.), Hearing held on 1/21/2020. (RE: related document(s)<u>127</u> Motion to File Under Seal of the Omnibus Objection of the Official Committee of Unsecured Creditors to the Debtors (I) Motion for Final Order Authorizing Continuance of the Existing Cash Management System, (II) Motion to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, and (III) Precautionary Motion for Approval of Protocols for Ordinary Course Transactions Filed by Official Committee of Unsecured Creditors. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/19/2019. (Attachments: # 1 Notice # 2 Proposed Form of Order) [ORIGINALLY FILED AS DOCUMENT #123 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)(Appearances: J. Pomerantz, J. Morris, M. Litvak, M. Hayward, and Z. Annable for Debtor; D. Twomey, P. Reid, and J. Hoffman for Official Unsecured Creditors Committee; R. Patel for Acis; L. Lambert for UST; M. Platt and M. Hankin (telephonically) for Crusader Fund Redeemer Committee; K. Posin and A. Attarwala for UBS; A. Anderson and J. Bentley (telephonically) for CLO Issuers. Nonevidentiary hearing. Motion denied for mootness. UCCs counsel should upload order.)). Transcript to be made available to the public on 04/23/2020. (Rehling, Kathy)</p>
01/24/2020	<p><u>394</u> Application for compensation <i>Second Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from December 1, 2019 through December 30, 2019</i> for Foley Gardere, Foley & Lardner LLP f/k/a Gardere Wynne Sewell LLP, Special Counsel, Period: 12/1/2019 to 12/31/2019, Fee: \$143,328.50, Expenses: \$2,808.29. Filed by Attorney Holland N. O'Neil Objections due by 2/14/2020. (O'Neil, Holland)</p>

01/24/2020	<u>395</u> Motion to extend or limit the exclusivity period Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Proposed Order) (Annable, Zachery)
01/24/2020	<u>396</u> Motion for expedited hearing(related documents <u>395</u> Motion to extend/shorten time) (<i>Motion for (i) Expedited Hearing on Debtor's Motion for Entry of an Order Pursuant to 11 U.S.C. 1121(d) and Local Rule 3016–1 Extending the Exclusivity Periods for the Filing and Solicitation of Acceptances of a Chapter 11 Plan, or Alternatively, (ii) Entry of a Bridge Order Extending the Exclusivity Period for the Filing of a Chapter 11 Plan Through February 19, 2020</i>) Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
01/24/2020	<u>397</u> Motion to enforce(<i>Motion of the Debtor for the Entry of an Order Concerning the "Sealing Motion" and for a Conference Concerning the Substance, Scope and Intent of Certain Recent Rulings</i>) (related document(s): <u>382</u> Order on motion for protective order) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Proposed Order # <u>2</u> Exhibit B—Email Correspondence) (Annable, Zachery)
01/24/2020	<u>398</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>381</u> Order Granting Application to Employ Mercer (US) Inc. as Compensation Consultant to the debtor (related document <u>180</u>) Entered on 1/22/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 01/24/2020. (Admin.)
01/24/2020	<u>399</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>379</u> Final Order Authorizing (A) Continuance of Existing Cash Management System, (B) Continued Use of the Prime Account and Maxim Prime Account, (C) Limited Waiver of Section 345(b) Deposit and Investment Requirements, and (D) Granting Related Relief Filed By Highland Capital Management, L.P (related document <u>7</u>) Entered on 1/22/2020. (Okafor, M.)) No. of Notices: 44. Notice Date 01/24/2020. (Admin.)
01/27/2020	<u>400</u> Certificate of service re: (<i>Supplemental</i>) <i>Notice of Chapter 11 Bankruptcy Case and Meeting of Creditors; to be Held on January 9, 2020 at 11:00 a.m.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>229</u> Meeting of creditors 341(a) meeting to be held on 1/9/2020 at 11:00 AM at Dallas, Room 976. Proofs of Claims due by 4/8/2020. Attorney(s)certificate of service of 341 meeting chapter 11 to be filed by 01/9/2020.). (Kass, Albert)
01/27/2020	<u>401</u> Certificate of service re: <i>Notice of Agenda of Matters Scheduled for Hearing on January 21, 2020 at 9:30 a.m. (Central Time)</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>368</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on January 21, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
01/27/2020	<u>402</u> Certificate of service re: <i>Documents Served on January 17, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>369</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc for the Period from October 16, 2019, Through November 30, 2019</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring–Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). (Attachments: # <u>1</u> Exhibit A—Staffing Report) filed by Debtor Highland Capital Management, L.P., <u>370</u> Joint Motion to continue hearing on (related documents <u>68</u> Application to employ, <u>69</u> Application to employ)(<i>Joint Motion for Continuance of Hearing on (i) Debtor's Application for an Order Authorizing the Employment of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel, Nunc Pro Tunc to the Petition Date, and (ii) Debtor's Application for an Order Authorizing the Retention and Employment of Lynn Pinker Cox & Hurst LLP as Special Texas Litigation Counsel, Nunc Pro Tunc to the Petition Date</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Proposed Order) filed by Debtor Highland Capital Management, L.P., <u>371</u> Order granting

	<p>joint motion to continue hearing on (related document <u>370</u>) (related documents Application to employ Foley Gardere, Foley & Lardner LLP as Special Counsel, Application to employ Lynn Pinker Cox & Hurst LLP as Special Counsel). ORDERED that the hearing on the Applications currently scheduled for January 21, 2020 at 9:30 a.m., will be continued to a new hearing date to be determined by the Parties; and it is further Entered on 1/17/2020. (Okafor, M.), <u>372</u> Witness and Exhibit List (<i>Debtor's Witness and Exhibit List in Connection with Its Opposition to Motion to Appoint a Chapter 11 Trustee</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>362</u> Response). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
01/27/2020	<p><u>403</u> Certificate of service re: <i>Documents Served on or before January 21, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>373</u> Amended Notice (<i>First Amended Notice of Agenda of Matters Scheduled for Hearing on January 21, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>368</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on January 21, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P.). filed by Debtor Highland Capital Management, L.P., <u>374</u> Amended Notice (<i>Second Amended Notice of Agenda of Matters Scheduled for Hearing on January 21, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>368</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on January 21, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P., <u>373</u> Amended Notice (<i>First Amended Notice of Agenda of Matters Scheduled for Hearing on January 21, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>368</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on January 21, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P.).). filed by Debtor Highland Capital Management, L.P., <u>378</u> Application for compensation <i>First Monthly Application for Compensation and Reimbursement of Expenses on behalf of the Unsecured Creditors Committee</i> for FTI Consulting, Inc., Financial Advisor, Period: 11/6/2019 to 11/30/2019, Fee: \$322,274.88, Expenses: \$4,687.35. Filed by Attorney Juliana Hoffman Objections due by 2/11/2020. filed by Financial Advisor FTI Consulting, Inc.). (Kass, Albert)</p>
01/27/2020	<p><u>404</u> Certificate of service re: <i>Documents Served on January 22, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>379</u> Final Order Authorizing (A) Continuance of Existing Cash Management System, (B) Continued Use of the Prime Account and Maxim Prime Account, (C) Limited Waiver of Section 345(b) Deposit and Investment Requirements, and (D) Granting Related Relief Filed By Highland Capital Management, L.P (related document <u>7</u>) Entered on 1/22/2020. (Okafor, M.), <u>380</u> Order Authorizing Debtor to Pay and Honor Ordinary Course Obligations Under Employee Bonus Plans and Granting Related Relief Filed by Highland Capital Management, L.P. (related document <u>177</u>) Entered on 1/22/2020. (Okafor, M.), <u>381</u> Order Granting Application to Employ Mercer (US) Inc. as Compensation Consultant to the debtor (related document <u>180</u>) Entered on 1/22/2020. (Okafor, M.), <u>382</u> Agreed Order Granting Motion for Protective Order (related document <u>280</u>) Entered on 1/22/2020. (Okafor, M.), <u>385</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>235</u> Application for compensation <i>First Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period From October 16, 2019 Through October 31, 2019</i> for Highland C). filed by Debtor Highland Capital Management, L.P., <u>386</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>286</u> Application for compensation <i>Second Monthly Application for Compensation and for Reimbursement of Expenses for the Period from November 1, 2019 through November 30, 2019</i> for Highland Capital Management, L.P., Debtor's Attorney, Period: 11/1). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
01/27/2020	<p><u>405</u> Debtor-in-possession monthly operating report for filing period 10/16/2019 to 10/31/2019 filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)</p>
01/27/2020	<p><u>406</u> Notice (<i>Notice of Filing of Third Amended Exhibit B to Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized</i></p>

	<i>by the Debtor in the Ordinary Course of Business</i>) filed by Debtor Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit 1—Updated OCP List # <u>2</u> Exhibit 2—Blackline OCP List) (Annable, Zachery)
01/27/2020	<u>407</u> Declaration re: (<i>Disclosure Declaration of Ordinary Course Professional—Shawn Raver</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). (Annable, Zachery)
01/27/2020	<u>408</u> Notice of hearing(<i>Notice of Status Conference</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>397</u> Motion to enforce(<i>Motion of the Debtor for the Entry of an Order Concerning the "Sealing Motion" and for a Conference Concerning the Substance, Scope and Intent of Certain Recent Rulings</i>) (related document(s): <u>382</u> Order on motion for protective order) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order # 2 Exhibit B—Email Correspondence)). Status Conference to be held on 2/19/2020 at 09:30 AM at Dallas Judge Jernigan Ctrm. (Annable, Zachery)
01/28/2020	<u>409</u> Order Denying as Moot the Motion of the Official Committee of Unsecured Creditors for an Order Authorizing Filing Under Seal of the Omnibus Objection to the Debtor's (I) Motion for Final Order Authorizing Continuance of the Existing Cash Management System, (II) Motion to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, and (III) Precautionary Motion for Approval of Protocols for "Ordinary Course" Transactions (RE: related document(s) <u>128</u> Document and <u>127</u> Motion). Entered on 1/28/2020 (Okafor, M.). Modified linkage on 2/11/2020 (Okafor, M.).
01/28/2020	<u>410</u> Bridge Order extending the exclusivity periods for filing Chapter 11 Plan and granting motion for expedited hearing (Related Doc# <u>396</u>)(document set for hearing: <u>395</u> Motion to extend/shorten time) Hearing to be held on 2/19/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>395</u> , Entered on 1/28/2020. (Okafor, M.)
01/28/2020	<u>411</u> Notice of Appearance and Request for Notice by Shawn M. Christianson Filed by Creditor Oracle America, Inc.. (Christianson, Shawn)
01/28/2020	<u>412</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>395</u> Motion to extend or limit the exclusivity period Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order)). Hearing to be held on 2/19/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>395</u> , (Annable, Zachery)
01/29/2020	<u>413</u> Certificate of service re: 1) <i>First and Final Application of Young Conaway Stargatt & Taylor, LLP as Co- Counsel for the Official Committee of Unsecured Creditors for Allowance of Compensation and Reimbursement of Expenses Incurred for the First and Final Period from November 8, 2019 Through and Including January 13, 2020</i> ; 2) <i>Notice of First and Final Application of Young Conaway Stargatt & Taylor, LLP as Co-Counsel for the Official Committee of Unsecured Creditors for Allowance of Compensation and Reimbursement of Expenses Incurred for the First and Final Period from November 8, 2019 Through and Including January 13, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>389</u> Application for compensation <i>First and Final Application for Compensation and Reimbursement of Expenses on behalf of Young Conaway Stargatt & Taylor, LLP as Co-Counsel</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 11/8/2019 to 1/13/2020, Fee: \$272,300.00, Expenses: \$8,855.56. Filed by Attorney Juliana Hoffman Objections due by 2/13/2020. filed by Creditor Committee Official Committee of Unsecured Creditors, <u>390</u> Supplemental <i>Notice of the Young Conaway Stargatt & Taylor, LLP Final Fee Application</i> filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>389</u> Application for compensation <i>First and Final Application for Compensation and Reimbursement of Expenses on behalf of Young Conaway Stargatt & Taylor, LLP as Co-Counsel</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 11/8/2019 to 1/13/2020, Fee: \$272,300.00, Expenses: \$8,855.56. Filed by Attorney Juliana Hoffman Objections due by 2/13/2020.). filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)

01/29/2020	<p><u>414</u> Certificate of service re: <i>Documents Served on January 24, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>392</u> Application for compensation <i>Third Monthly Application for Compensation and for Reimbursement of Expenses for the Period from December 1, 2019 through December 31, 2019</i> for Highland Capital Management, L.P., Debtor's Attorney, Period: 12/1/2019 to 12/31/2019, Fee: \$589,730.35, Expenses: \$26,226.80. Filed by Debtor Highland Capital Management, L.P. Objections due by 2/14/2020. filed by Debtor Highland Capital Management, L.P., <u>394</u> Application for compensation <i>Second Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from December 1, 2019 through December 30, 2019</i> for Foley Gardere, Foley & Lardner LLP f/k/a Gardere Wynne Sewell LLP, Special Counsel, Period: 12/1/2019 to 12/31/2019, Fee: \$143,328.50, Expenses: \$2,808.29. Filed by Attorney Holland N. O'Neil Objections due by 2/14/2020. (O'Neil, Holland), <u>395</u> Motion to extend or limit the exclusivity period Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order) filed by Debtor Highland Capital Management, L.P., <u>396</u> Motion for expedited hearing(related documents <u>395</u> Motion to extend/shorten time) (<i>Motion for (i) Expedited Hearing on Debtor's Motion for Entry of an Order Pursuant to 11 U.S.C. 1121(d) and Local Rule 3016–1 Extending the Exclusivity Periods for the Filing and Solicitation of Acceptances of a Chapter 11 Plan, or Alternatively, (ii) Entry of a Bridge Order Extending the Exclusivity Period for the Filing of a Chapter 11 Plan Through February 19, 2020</i>) Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P., <u>397</u> Motion to enforce(<i>Motion of the Debtor for the Entry of an Order Concerning the "Sealing Motion" and for a Conference Concerning the Substance, Scope and Intent of Certain Recent Rulings</i>) (related document(s): <u>382</u> Order on motion for protective order) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order # 2 Exhibit B—Email Correspondence) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
01/30/2020	<p><u>415</u> Certificate of service re: <i>Documents Served on January 27, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>406</u> Notice (<i>Notice of Filing of Third Amended Exhibit B to Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtor in the Ordinary Course of Business</i>) filed by Debtor Highland Capital Management, L.P.. (Attachments: # 1 Exhibit 1—Updated OCP List # 2 Exhibit 2—Blackline OCP List) filed by Debtor Highland Capital Management, L.P., <u>407</u> Declaration re: (<i>Disclosure Declaration of Ordinary Course Professional—Shawn Raver</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>176</u> Document). filed by Debtor Highland Capital Management, L.P., <u>408</u> Notice of hearing(<i>Notice of Status Conference</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>397</u> Motion to enforce(<i>Motion of the Debtor for the Entry of an Order Concerning the "Sealing Motion" and for a Conference Concerning the Substance, Scope and Intent of Certain Recent Rulings</i>) (related document(s): <u>382</u> Order on motion for protective order) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order # 2 Exhibit B—Email Correspondence)). Status Conference to be held on 2/19/2020 at 09:30 AM at Dallas Judge Jernigan Ctrm. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
01/30/2020	<p><u>416</u> Certificate of service re: <i>Documents Served on January 28, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>409</u> Order Denying as Moot the Motion of the Official Committee of Unsecured Creditors for an Order Authorizing Filing Under Seal of the Omnibus Objection to the Debtor's (I) Motion for Final Order Authorizing Continuance of the Existing Cash Management System, (II) Motion to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, and (III) Precautionary Motion for Approval of Protocols for "Ordinary Course" Transactions (RE: related document(s) 128 Document). Entered on 1/28/2020 (Okafor, M.), <u>410</u> Bridge Order extending the exclusivity periods for filing Chapter 11 Plan and granting motion for expedited hearing (Related Doc<u>396</u>)(document set for hearing: <u>395</u> Motion to extend/shorten time) Hearing to be held on 2/19/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>395</u>, Entered on 1/28/2020. (Okafor, M.), <u>412</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>395</u> Motion to extend or limit</p>

	the exclusivity period Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order)). Hearing to be held on 2/19/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>395</u> , filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
01/31/2020	<u>417</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from December 1, 2019 through December 31, 2019</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). (Annable, Zachery)
01/31/2020	<u>418</u> Debtor-in-possession monthly operating report for filing period December 1, 2019 to December 31, 2019 filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
01/31/2020	<u>419</u> Motion to extend time to (Agreed Motion to Extend by One Hundred Twenty Days the Deadline to Assume or Reject Unexpired Nonresidential Real Property Lease) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Proposed Order) (Annable, Zachery)
01/31/2020	<u>420</u> Application for compensation <i>Second Monthly Application of Sidley Austin LLP for Allowance of Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 12/1/2019 to 12/31/2019, Fee: \$702,665.28, Expenses: \$30,406.08. Filed by Attorney Juliana Hoffman, Creditor Committee Official Committee of Unsecured Creditors Objections due by 2/21/2020. (Attachments: # <u>1</u> Exhibit A Fee Statement # <u>2</u> Exhibit B Expense Detail) (Hoffman, Juliana)
01/31/2020	<u>421</u> Motion for leave (<i>Debtor's Motion for an Order (i) Establishing Bar Dates for Filing Claims, Including 503(b)(9) Claims; and (ii) Approving the Form and Manner of Notice Thereof</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Form of Bar Date Notice # <u>2</u> Exhibit B—Form of Publication Notice # <u>3</u> Exhibit C—Proposed Order) (Annable, Zachery)
01/31/2020	<u>422</u> Motion for expedited hearing(related documents <u>421</u> Motion for leave) (<i>Motion for Expedited Hearing on Debtor's Motion for an Order (i) Establishing Bar Dates for Filing Claims, Including 503(b)(9) Claims; and (ii) Approving the Form and Manner of Notice Thereof</i>) Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
02/02/2020	<u>423</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>343</u> Application for compensation <i>First Monthly Application for Compensation and for Reimbursement of Expenses of Sidley Austin LLP</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 10/29/2019 to 11/30/2019, Fee: \$7). (Hoffman, Juliana)
02/03/2020	<u>424</u> Certificate of service re: <i>Notice of Chapter 11 Bankruptcy Case and Meeting of Creditors; to be Held on January 9, 2020 at 11:00 a.m.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>229</u> Meeting of creditors 341(a) meeting to be held on 1/9/2020 at 11:00 AM at Dallas, Room 976. Proofs of Claims due by 4/8/2020. Attorney(s)certificate of service of 341 meeting chapter 11 to be filed by 01/9/2020.). (Kass, Albert)
02/04/2020	<u>425</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>340</u> Application to employ Hayward & Associates PLLC as Attorney (<i>Debtor's Application Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016 for an Order Authorizing the Employment of Hayward & Associate</i>). (Hayward, Melissa)

02/04/2020	<u>426</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>421</u> Motion for leave (<i>Debtor's Motion for an Order (i) Establishing Bar Dates for Filing Claims, Including 503(b)(9) Claims; and (ii) Approving the Form and Manner of Notice Thereof</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Form of Bar Date Notice # 2 Exhibit B—Form of Publication Notice # 3 Exhibit C—Proposed Order)). Hearing to be held on 2/19/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>421</u> , (Annable, Zachery)
02/05/2020	<u>427</u> Order granting motion for expedited hearing (Related Doc# <u>422</u>)(document set for hearing: <u>421</u> Motion for an Order (i) Establishing Bar Dates for Filing Claims, Including 503(b)(9) Claims; and (ii) Approving the Form and Manner of Notice Thereof) Hearing to be held on 2/19/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>421</u> , Entered on 2/5/2020. (Okafor, M.)
02/05/2020	<u>428</u> Order denying motion to appoint trustee. (related document # <u>271</u>) Entered on 2/5/2020. (Okafor, M.)
02/06/2020	<u>429</u> Order granting <u>419</u> Motion to Extend Deadline to Assume or Reject Unexpired Nonresidential Real Property Lease by One Hundred and Twenty Days Entered on 2/6/2020. (Okafor, M.)
02/06/2020	<u>430</u> Certificate of service re: <i>Documents Served on January 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>417</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from December 1, 2019 through December 31, 2019</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring—Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). filed by Debtor Highland Capital Management, L.P., <u>419</u> Motion to extend time to (Agreed Motion to Extend by One Hundred Twenty Days the Deadline to Assume or Reject Unexpired Nonresidential Real Property Lease) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Proposed Order) filed by Debtor Highland Capital Management, L.P., <u>420</u> Application for compensation <i>Second Monthly Application of Sidley Austin LLP for Allowance of Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 12/1/2019 to 12/31/2019, Fee: \$702,665.28, Expenses: \$30,406.08. Filed by Attorney Juliana Hoffman, Creditor Committee Official Committee of Unsecured Creditors Objections due by 2/21/2020. (Attachments: # 1 Exhibit A Fee Statement # 2 Exhibit B Expense Detail) filed by Creditor Committee Official Committee of Unsecured Creditors, <u>421</u> Motion for leave (<i>Debtor's Motion for an Order (i) Establishing Bar Dates for Filing Claims, Including 503(b)(9) Claims; and (ii) Approving the Form and Manner of Notice Thereof</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Form of Bar Date Notice # 2 Exhibit B—Form of Publication Notice # 3 Exhibit C—Proposed Order) filed by Debtor Highland Capital Management, L.P., <u>422</u> Motion for expedited hearing(related documents <u>421</u> Motion for leave) (<i>Motion for Expedited Hearing on Debtor's Motion for an Order (i) Establishing Bar Dates for Filing Claims, Including 503(b)(9) Claims; and (ii) Approving the Form and Manner of Notice Thereof</i>) Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
02/06/2020	<u>431</u> Certificate of service re: <i>Notice of Hearing on Debtor's Motion for an Order (I) Establishing Bar Dates for Filing Claims, Including 503(b)(9) Claims; and (II) Approving the Form and Manner of Notice Thereof</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>426</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>421</u> Motion for leave (<i>Debtor's Motion for an Order (i) Establishing Bar Dates for Filing Claims, Including 503(b)(9) Claims; and (ii) Approving the Form and Manner of Notice Thereof</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Form of Bar Date Notice # 2 Exhibit B—Form of Publication Notice # 3 Exhibit C—Proposed Order)). Hearing to be held on 2/19/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>421</u> , filed by Debtor Highland

	Capital Management, L.P.). (Kass, Albert)
02/06/2020	<u>432</u> Certificate of service re: <i>(Supplemental) Notice of Chapter 11 Bankruptcy Case and Meeting of Creditors; to be Held on January 9, 2020 at 11:00 a.m.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>229</u> Meeting of creditors 341(a) meeting to be held on 1/9/2020 at 11:00 AM at Dallas, Room 976. Proofs of Claims due by 4/8/2020. Attorney(s)certificate of service of 341 meeting chapter 11 to be filed by 01/9/2020.). (Kass, Albert)
02/07/2020	<u>433</u> Clerk's correspondence requesting an order or a notice of hearing from attorney for debtor. (RE: related document(s) <u>270</u> Application for compensation – <i>First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through November 30, 2019</i> for Foley Gardere, Foley & Lardner LLP f/k/a Gardere Wynne Sewell LLP, Special Counsel, Period: 10/16/2019 to 11/30/2019, Fee: \$176129.00, Expenses: \$7836.31. Filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP f/k/a Gardere Wynne Sewell LLP Objections due by 1/13/2020. (Attachments: # 1 Exhibit A) (O'Neil, Holland)) Responses due by 2/14/2020. (Ecker, C.)
02/10/2020	<u>434</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>351</u> Motion to extend time to (Debtor's Motion for Entry of an Order Extending the Period Within Which It May Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure)). (Hayward, Melissa)
02/10/2020	<u>435</u> Order granting application to employ Hayward & Associates PLLC for Highland Capital Management, L.P. as Local Counsel (related document # <u>340</u>) Entered on 2/10/2020. (Okafor, M.)
02/10/2020	<u>436</u> Certificate of service re: <i>(Supplemental) Notice of Chapter 11 Bankruptcy Case and Meeting of Creditors; to be Held on January 9, 2020 at 11:00 a.m.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>229</u> Meeting of creditors 341(a) meeting to be held on 1/9/2020 at 11:00 AM at Dallas, Room 976. Proofs of Claims due by 4/8/2020. Attorney(s)certificate of service of 341 meeting chapter 11 to be filed by 01/9/2020.). (Kass, Albert)
02/10/2020	<u>437</u> Notice (<i>Notice of Withdrawal of Debtor's Application for an Order Authorizing the Retention and Employment of Lynn Pinker Cox & Hurst LLP as Special Texas Litigation Counsel, Nunc Pro Tunc to the Petition Date</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>69</u> Application/Motion to Employ/Retain Lynn Pinker Cox & Hurst LLP as Special Texas Litigation Counsel Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # 1 Notice # 2 Exhibit A – Hurst Declaration # 3 Exhibit B – Proposed Order # 4 2016 Statement # 5 Declaration Frank Waterhouse # 6 Certificate of Service) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #70 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Annable, Zachery)
02/10/2020	<u>438</u> **WITHDRAWN by document # <u>443</u> ** Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>270</u> Application for compensation – <i>First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through November 30, 2019</i> for Foley Gardere, Foley & Lardner LLP f/k/a Gardere Wynne Sewell LLP, Special Counsel, Period: 10/16/2019 to 11/30/2019, Fee: \$176129.00, Expenses: \$7836.31. Filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP f/k/a Gardere Wynne Sewell LLP Objections due by 1/13/2020. (Attachments: # 1 Exhibit A) (O'Neil, Holland)). Hearing to be held on 3/11/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>270</u> , (Annable, Zachery) Modified on 2/13/2020 (Ecker, C.).

02/11/2020	<u>439</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>67</u> Motion by Highland Capital Management, L.P.). (Annable, Zachery)
02/12/2020	<u>440</u> Certificate of service re: <i>1) Order Granting Motion for Expedited Hearing on Debtor's Motion for an Order (I) Establishing Bar Dates for Filing Claims, Including 503(b)(9) Claims; and (II) Approving the Form and Manner of Notice Thereof; to be Held on February 19, 2020 at 9:30 a.m. (Central Time); 2) Order Denying United States Trustee's Motion for an Order Directing the Appointment of a Chapter 11 Trustee</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>427</u> Order granting motion for expedited hearing (Related Doc <u>422</u>)(document set for hearing: <u>421</u> Motion for an Order (i) Establishing Bar Dates for Filing Claims, Including 503(b)(9) Claims; and (ii) Approving the Form and Manner of Notice Thereof) Hearing to be held on 2/19/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>421</u> , Entered on 2/5/2020. (Okafor, M.), <u>428</u> Order denying motion to appoint trustee. (related document <u>271</u>) Entered on 2/5/2020. (Okafor, M.)). (Kass, Albert)
02/12/2020	<u>441</u> Certificate of service re: <i>Order Extending Deadline to Assume or Reject Unexpired Nonresidential Real Property Lease by One Hundred and Twenty Days</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>429</u> Order granting <u>419</u> Motion to Extend Deadline to Assume or Reject Unexpired Nonresidential Real Property Lease by One Hundred and Twenty Days Entered on 2/6/2020. (Okafor, M.)). (Kass, Albert)
02/12/2020	<u>442</u> Application for compensation <i>Second Monthly Application for Allowance of Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 12/1/2019 to 12/31/2019, Fee: \$89,215.36, Expenses: \$3,955.12. Filed by Financial Advisor FTI Consulting, Inc. Objections due by 3/4/2020. (Hoffman, Juliana)
02/12/2020	<u>443</u> Notice (<i>Notice of Withdrawal of Notice of Hearing on the First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through November 30, 2019</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>438</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>270</u> Application for compensation – <i>First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through November 30, 2019</i> for Foley Gardere, Foley & Lardner LLP f/k/a Gardere Wynne Sewell LLP, Special Counsel, Period: 10/16/2019 to 11/30/2019, Fee: \$176129.00, Expenses: \$7836.31. Filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP f/k/a Gardere Wynne Sewell LLP Objections due by 1/13/2020. (Attachments: # 1 Exhibit A) (O'Neil, Holland)). Hearing to be held on 3/11/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>270</u>)). (Annable, Zachery)
02/12/2020	<u>444</u> Certificate No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>378</u> Application for compensation <i>First Monthly Application for Compensation and Reimbursement of Expenses on behalf of the Unsecured Creditors Committee</i> for FTI Consulting, Inc., Financial Advisor, Period: 11/6/2019 to 11/30/2019, Fee: \$32). (Hoffman, Juliana)
02/13/2020	<u>445</u> Certificate of service re: <i>1) Order Authorizing and Approving Debtor's Application Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016 for an Order Authorizing the Employment of Hayward & Associates PLLC as Local Counsel; 2) Notice of Withdrawal of Debtor's Application for an Order Authorizing the Retention and Employment of Lynn Pinker Cox & Hurst LLP as Special Texas Litigation Counsel, Nunc Pro Tunc to the Petition Date; and 3) Notice of Hearing re: First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 Through November 30, 2019; to be Held on March 11, 2020 at 9:30 a.m. (Central Time)</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related

	<p>document(s)<u>435</u> Order granting application to employ Hayward & Associates PLLC for Highland Capital Management, L.P. as Local Counsel (related document <u>340</u>) Entered on 2/10/2020. (Okafor, M.), <u>437</u> Notice (<i>Notice of Withdrawal of Debtor's Application for an Order Authorizing the Retention and Employment of Lynn Pinker Cox & Hurst LLP as Special Texas Litigation Counsel, Nunc Pro Tunc to the Petition Date</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>69</u> Application/Motion to Employ/Retain Lynn Pinker Cox & Hurst LLP as Special Texas Litigation Counsel Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # 1 Notice # 2 Exhibit A – Hurst Declaration # 3 Exhibit B – Proposed Order # 4 2016 Statement # 5 Declaration Frank Waterhouse # 6 Certificate of Service) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #70 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). filed by Debtor Highland Capital Management, L.P., <u>438</u> **WITHDRAWN by document <u>443</u>** Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>270</u> Application for compensation – <i>First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through November 30, 2019</i> for Foley Gardere, Foley & Lardner LLP f/k/a Gardere Wynne Sewell LLP, Special Counsel, Period: 10/16/2019 to 11/30/2019, Fee: \$176129.00, Expenses: \$7836.31. Filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP f/k/a Gardere Wynne Sewell LLP Objections due by 1/13/2020. (Attachments: # 1 Exhibit A) (O'Neil, Holland)). Hearing to be held on 3/11/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>270</u>, (Annable, Zachery) Modified on 2/13/2020 (Ecker, C.). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
02/13/2020	<p><u>446</u> Witness and Exhibit List filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. (RE: related document(s)<u>68</u> Application to employ Foley Gardere, Foley & Lardner LLP as Special Counsel). (Chiarello, Annmarie)</p>
02/13/2020	<p><u>447</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>395</u> Motion to extend or limit the exclusivity period). (Annable, Zachery)</p>
02/13/2020	<p><u>448</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>421</u> Motion for leave (<i>Debtor's Motion for an Order (i) Establishing Bar Dates for Filing Claims, Including 503(b)(9) Claims; and (ii) Approving the Form and Manner of Notice Thereof</i>)). (Annable, Zachery)</p>
02/13/2020	<p><u>449</u> Certificate of service re: 1) <i>Second Monthly Application of FTI Consulting, Inc. for Allowance of Compensation and Reimbursement of Expenses for the Period from December 1, 2019 to and Including December 31, 2019</i>; 2) <i>Notice of Withdrawal of Notice of Hearing on the First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 Through November 30, 2019</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>442</u> Application for compensation <i>Second Monthly Application for Allowance of Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 12/1/2019 to 12/31/2019, Fee: \$89,215.36, Expenses: \$3,955.12. Filed by Financial Advisor FTI Consulting, Inc. Objections due by 3/4/2020. filed by Creditor Committee Official Committee of Unsecured Creditors, Financial Advisor FTI Consulting, Inc., <u>443</u> Notice (<i>Notice of Withdrawal of Notice of Hearing on the First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through November 30, 2019</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>438</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>270</u> Application for compensation – <i>First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through November 30, 2019</i> for Foley Gardere, Foley & Lardner LLP f/k/a Gardere Wynne Sewell LLP, Special Counsel, Period: 10/16/2019 to</p>

	11/30/2019, Fee: \$176129.00, Expenses: \$7836.31. Filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP f/k/a Gardere Wynne Sewell LLP Objections due by 1/13/2020. (Attachments: # 1 Exhibit A) (O'Neil, Holland)). Hearing to be held on 3/11/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>270.</u>). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
02/14/2020	<u>450</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>389</u> Application for compensation <i>First and Final Application for Compensation and Reimbursement of Expenses on behalf of Young Conaway Stargatt & Taylor, LLP as Co-Counsel</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Perio). (Hoffman, Juliana)
02/14/2020	<u>451</u> Motion for relief from stay Fee amount \$181, Filed by Jennifer G. Terry, Joshua Terry Objections due by 3/2/2020. (Attachments: # <u>1</u> Exhibit 1 (Arb Award) # <u>2</u> Exhibit 2 (Rule 11) # <u>3</u> Exhibit 3 (Terry Declaration)) (Shaw, Brian)
02/14/2020	Receipt of filing fee for Motion for relief from stay(19-34054-sgj11) [motion,mrlfsty] (181.00). Receipt number 27457656, amount \$ 181.00 (re: Doc# <u>451</u>). (U.S. Treasury)
02/14/2020	<u>452</u> Notice of hearing filed by Jennifer G. Terry, Joshua Terry (RE: related document(s) <u>451</u> Motion for relief from stay Fee amount \$181, Filed by Jennifer G. Terry, Joshua Terry Objections due by 3/2/2020. (Attachments: # 1 Exhibit 1 (Arb Award) # 2 Exhibit 2 (Rule 11) # 3 Exhibit 3 (Terry Declaration))). Preliminary hearing to be held on 3/11/2020 at 09:30 AM at Dallas Judge Jernigan Ctrm. (Shaw, Brian)
02/14/2020	<u>453</u> Objection to (related document(s): <u>394</u> Application for compensation <i>Second Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from December 1, 2019 through December 30, 20</i>) filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P.. (Patel, Rakhee)
02/14/2020	<u>454</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>68</u> Application to employ Foley Gardere, Foley & Lardner LLP as Special Counsel). (Annable, Zachery)
02/17/2020	<u>455</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on February 19, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
02/18/2020	<u>456</u> Notice of Withdrawal of Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>124</u> Limited Objection to the Debtor's Application for an Order Authorizing the Retention and Employment of Foley Gardere, Foley & Lardner LLP and Lynn Pinker Cox & Hurst as Special Texas Counsel and Special Litigation Counsel, Nunc Pro Tunc to the Petition Date (related document(s)69, 70) Filed by Official Committee of Unsecured Creditors (Weissgerber, Jaclyn) [ORIGINALLY FILED AS DOCUMENT #120 ON 11/12/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Hoffman, Juliana)
02/18/2020	<u>457</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>392</u> Application for compensation <i>Third Monthly Application for Compensation and for Reimbursement of Expenses for the Period from December 1, 2019 through December 31, 2019</i> for Highland Capital Management, L.P., Debtor's Attorney, Period: 12/1/). (Annable, Zachery)
02/19/2020	<u>458</u> Order granting first and final application for compensation (related document # <u>389</u>) granting for Young Conaway Stargatt & Taylor, LLP as co-counsel for Official Committee of Unsecured Creditors, fees awarded: \$272300.00, expenses awarded: \$8855.56 Entered on 2/19/2020. (Okafor, M.)

02/19/2020	<u>459</u> Order granting <u>351</u> Debtor's Motion for Entry of an Order Extending the Period Within Which It May Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure Entered on 2/19/2020. (Okafor, M.)
02/19/2020	<u>460</u> Order granting <u>395</u> Debtor's Motion to extend or limit the exclusivity period through and including June 12, 2020 Entered on 2/19/2020. (Okafor, M.)
02/19/2020	<u>461</u> Order granting motion of the Debtor for Entry of an Order (I) Authorizing Bradley D. Sharp to Act as Foreign Representative Pursuant to 11 U.S.C. Section 1505 and (II) Granting Related Relief (related document # <u>67</u>) Entered on 2/19/2020. (Okafor, M.)
02/19/2020	<u>462</u> Court admitted exhibits date of hearing February 19, 2020 (RE: related document(s) <u>68</u> Application/Motion to Employ/Retain Foley Gardere, Foley & Lardner LLP as Special Texas Counsel Filed by Highland Capital Management, L.P., (Court Admitted Debtors/Plaintiffs Exhibits #1, #2, #3, #4, #5, #6, #7 #8, & #9; Also Admitted Defendant/Respondent Exhibits #16 & #27 only). (Edmond, Michael)
02/19/2020	<u>463</u> Request for transcript regarding a hearing held on 2/19/2020. The requested turn-around time is hourly (Jeng, Hawaii)
02/19/2020	Hearing held on 2/19/2020. (RE: related document(s) <u>68</u> Application/Motion to Employ/Retain Foley Gardere, Foley & Lardner LLP as Special Texas Counsel Filed by Highland Capital Management, L.P.) (Appearances: G. Demo, J. Pomeranz, J. Morris, M. Hayward, and Z. Annabel for Debtors; M. Clemente and J. Hoffman for Unsecured Creditors Committee; L. Lambert for UST; P. Lamberson, R. Patel, and A. Chiarello for Acis; M. Platt for Redeemer Committee; A. Anderson for certain issuers of CLOs; J. Bentley (telephonically) for certain CLO issuers; M. Hankin (telephonically) for Redeemer Committee. Evidentiary hearing. Court granted in part and denied in part. Foley is approved for representation of Highland in all Acis bankruptcy case and adversary proceeding matters; court does not approve Highland paying Foley for Foleys representation of Neutra in Neutras appeal of Acis involuntary order for relief; court will approve Foley representing Highland in its appeal of Acis confirmation order but fees for Foley in connection with this appeal will be allocated appropriately between Neutra and Highland, and Highland will not pay for Neutras allocated portion of fees. Court added that it is skeptical regarding likely benefits to Highland of the appeal of Acis confirmation order, even assuming success on appeal (in contrast to possible benefits to Neutra and HCLOF) since, among other things, reversal of confirmation order would not reinstate previously rejected contracts or remove the Chapter 11 trustee. Thus, the court will closely evaluate fees requested ultimately for likely benefit to Highland. Order should be submitted.(Edmond, Michael) (Entered: 02/25/2020)
02/19/2020	Hearing held on 2/19/2020. (RE: related document(s) <u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors filed by Debtor Highland Capital Management, L.P.) (Appearances: G. Demo, J. Pomeranz, J. Morris, M. Hayward, and Z. Annabel for Debtors; M. Clemente and J. Hoffman for Unsecured Creditors Committee; L. Lambert for UST; P. Lamberson, R. Patel, and A. Chiarello for Acis; M. Platt for Redeemer Committee; A. Anderson for certain issuers of CLOs; J. Bentley (telephonically) for certain CLO issuers; M. Hankin (telephonically) for Redeemer Committee. Nonevidentiary hearing. Court heard reports that carryover issues are being resolved.) (Edmond, Michael) (Entered: 02/25/2020)
02/19/2020	Hearing held on 2/19/2020. (RE: related document(s) <u>397</u> Motion to enforce(<i>Motion of the Debtor for the Entry of an Order Concerning the "Sealing Motion" and for a Conference Concerning the Substance, Scope and Intent of Certain Recent Rulings</i>) (related document(s): <u>382</u> Order on motion for protective order) Filed by Debtor Highland Capital Management, L.P.) (Appearances: G. Demo, J. Pomeranz, J. Morris, M. Hayward, and Z. Annabel for Debtors; M. Clemente and J. Hoffman for Unsecured Creditors Committee; L. Lambert for UST; P. Lamberson, R. Patel, and A. Chiarello for Acis; M. Platt for Redeemer Committee; A. Anderson for certain issuers of CLOs; J. Bentley (telephonically) for certain CLO issuers; M. Hankin (telephonically) for Redeemer Committee. Nonevidentiary hearing.

	<i>Discussion of prior order on sealing motion and court clarified its intent.) (Edmond, Michael) (Entered: 02/25/2020)</i>
02/19/2020	Hearing held on 2/19/2020. (RE: related document(s) <u>421</u> Motion for leave (Debtor's Motion for an Order (i) Establishing Bar Dates for Filing Claims, Including 503(b)(9) Claims; and (ii) Approving the Form and Manner of Notice Thereof) filed by Debtor Highland Capital Management, L.P.) (Appearances: G. Demo, J. Pomeranz, J. Morris, M. Hayward, and Z. Annabel for Debtors; M. Clemente and J. Hoffman for Unsecured Creditors Committee; L. Lambert for UST; P. Lamberson, R. Patel, and A. Chiarello for Acis; M. Platt for Redeemer Committee; A. Anderson for certain issuers of CLOs; J. Bentley (telephonically) for certain CLO issuers; M. Hankin (telephonically) for Redeemer Committee. Nonevidentiary hearing. Motion granted. Counsel to upload order.) (Edmond, Michael) (Entered: 02/25/2020)
02/19/2020	Hearing held on 2/19/2020. (RE: related document(s) <u>218</u> Motion for relief from stay MOTION OF PENSIONDANMARK PENSIONSORSIKRINGS AKTIESELSKAB FOR AN ORDER GRANTING RELIEF FROM THE AUTOMATIC STAY TO TERMINATE INVESTMENT MANAGEMENT AGREEMENT, Filed by Creditor PensionDanmark Pensionsforsikringsaktieselskab) (Appearances: G. Demo, J. Pomeranz, J. Morris, M. Hayward, and Z. Annabel for Debtors; M. Clemente and J. Hoffman for Unsecured Creditors Committee; L. Lambert for UST; P. Lamberson, R. Patel, and A. Chiarello for Acis; M. Platt for Redeemer Committee; A. Anderson for certain issuers of CLOs; J. Bentley (telephonically) for certain CLO issuers; M. Hankin (telephonically) for Redeemer Committee. Nonevidentiary hearing. Court granted request to carry this matter to the 3/11/20 omnibus hearing.) (Edmond, Michael) (Entered: 02/25/2020)
02/20/2020	<u>464</u> Application for compensation <i>Fourth Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period From January 1, 2020 through January 31, 2020</i> for Highland Capital Management, L.P., Debtor's Attorney, Period: 1/1/2020 to 1/31/2020, Fee: \$898,094.25, Expenses: \$28,854.75. Filed by Debtor Highland Capital Management, L.P. Objections due by 3/12/2020. (Pomerantz, Jeffrey)
02/20/2020	<u>465</u> Application for compensation (<i>First Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from December 10, 2019 through December 31, 2019</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 12/10/2019 to 12/31/2019, Fee: \$18,695.00, Expenses: \$80.60. Filed by Attorney Hayward & Associates PLLC (Attachments: # <u>1</u> Exhibit A—H&A December 2019 Fee Statement) (Annable, Zachery)
02/21/2020	<u>466</u> Notice (<i>Notice of Debtor's Amended Operating Protocols</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>339</u> Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course ((related document <u>281</u>) Entered on 1/9/2020. (Okafor, M.)). (Attachments: # <u>1</u> Exhibit A—Amended Operating Protocols # <u>2</u> Exhibit B—Redline of Amended Operating Protocols) (Annable, Zachery)
02/21/2020	<u>467</u> Withdrawal of <i>Limited Objection to Motion of the Debtor for Approval of Settlement with The Official Committee Of Unsecured Creditors regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course</i> filed by Creditor Issuer Group (RE: related document(s) <u>324</u> Objection). (Bain, Joseph)
02/21/2020	<u>468</u> Certificate of service re: Objection to Second Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel for the Period From December 1, 2019 through December 31, 2019 filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. (RE: related document(s) <u>394</u> Application for compensation <i>Second Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from December 1, 2019 through December 30, 20</i>). (Chiarello, Annmarie)

02/21/2020	<u>469</u> Certificate of service re: <i>Debtor's Witness and Exhibit List in Connection with its Application for an Order Authorizing the Retention and Employment of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel, Nunc Pro Tunc to the Petition Date</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>454</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>68</u> Application to employ Foley Gardere, Foley & Lardner LLP as Special Counsel). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
02/21/2020	<u>470</u> Certificate of service re: <i>Notice of Agenda of Matters Scheduled for Hearing on February 19, 2020 at 9:30 a.m. (Central Time)</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>455</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on February 19, 2020 at 9:30 a.m. (Central Time)</i>)) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
02/21/2020	<u>471</u> Certificate of service re: 1) <i>Order Extending Period Within Which the Debtor May Remove Actions Pursuant to 28 U.S.C. § 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure</i> ; 2) <i>Order Granting Debtors Motion for Entry of an Order Pursuant to 11 U.S.C. § 1121(D) and Local Rule 3016-1 Extending the Exclusivity Periods for the Filing and Solicitation of Acceptances of a Chapter 11 Plan</i> ; 3) <i>Order (I) Authorizing Bradley D. Sharp to Act as Foreign Representative Pursuant to 11 U.S.C. § 1505 and (II) Granting Related Relief</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>459</u> Order granting <u>351</u> Debtor's Motion for Entry of an Order Extending the Period Within Which It May Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure Entered on 2/19/2020. (Okafor, M.), <u>460</u> Order granting <u>395</u> Debtor's Motion to extend or limit the exclusivity period through and including June 12, 2020 Entered on 2/19/2020. (Okafor, M.), <u>461</u> Order granting motion of the Debtor for Entry of an Order (I) Authorizing Bradley D. Sharp to Act as Foreign Representative Pursuant to 11 U.S.C. Section 1505 and (II) Granting Related Relief (related document <u>67</u>) Entered on 2/19/2020. (Okafor, M.)). (Kass, Albert)
02/23/2020	<u>472</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>420</u> Application for compensation <i>Second Monthly Application of Sidley Austin LLP for Allowance of Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 12/1/2019 to 12/31/2019, Fee). (Hoffman, Juliana)
02/24/2020	<u>473</u> Agreed Order granting motion for relief from stay by Creditor PensionDanmark Pensjonsforsikringsaktieselskab (related document # <u>218</u>) Entered on 2/24/2020. (Okafor, M.)
02/24/2020	<u>474</u> Motion for authority to apply and disburse funds (<i>Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities"</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Proposed Order # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G) (Annable, Zachery)
02/24/2020	<u>475</u> Motion for expedited hearing(related documents <u>474</u> Motion for authority to apply and disburse funds) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Proposed Order) (Annable, Zachery)
02/24/2020	<u>476</u> Certificate of service re: (<i>Supplemental</i>) <i>Notice of Chapter 11 Bankruptcy Case and Meeting of Creditors; to be Held on January 9, 2020 at 11:00 a.m.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>229</u> Meeting of creditors 341(a) meeting to be held on 1/9/2020 at 11:00 AM at Dallas, Room 976. Proofs of Claims due by 4/8/2020. Attorney(s)certificate of service of 341 meeting chapter 11 to be filed by 01/9/2020.). (Kass, Albert)
02/25/2020	

	<p><u>477</u> Order granting motion for expedited hearing (Related Doc# <u>475</u>)(document set for hearing: <u>474</u> Motion for authority to apply and disburse funds) Hearing to be held on 3/4/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>474</u>, Entered on 2/25/2020. (Okafor, M.)</p>
02/25/2020	<p><u>478</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>474</u> Motion for authority to apply and disburse funds (<i>Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities"</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F # 7 Exhibit G)). Hearing to be held on 3/4/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>474</u>, (Annable, Zachery)</p>
02/26/2020	<p><u>479</u> Transcript regarding Hearing Held 02/19/2020 (188 pgs.) RE: Motions. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 05/26/2020. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) Hearing held on 2/19/2020. (RE: related document(s)<u>68</u> Application/Motion to Employ/Retain Foley Gardere, Foley & Lardner LLP as Special Texas Counsel Filed by Highland Capital Management, L.P.) (Appearances: G. Demo, J. Pomeranz, J. Morris, M. Hayward, and Z. Annabel for Debtors; M. Clemente and J. Hoffman for Unsecured Creditors Committee; L. Lambert for UST; P. Lamberson, R. Patel, and A. Chiarello for Acis; M. Platt for Redeemer Committee; A. Anderson for certain issuers of CLOs; J. Bentley (telephonically) for certain CLO issuers; M. Hankin (telephonically) for Redeemer Committee. Evidentiary hearing. Court granted in part and denied in part. Foley is approved for representation of Highland in all Acis bankruptcy case and adversary proceeding matters; court does not approve Highland paying Foley for Foleys representation of Neutra in Neutras appeal of Acis involuntary order for relief; court will approve Foley representing Highland in its appeal of Acis confirmation order but fees for Foley in connection with this appeal will be allocated appropriately between Neutra and Highland, and Highland will not pay for Neutras allocated portion of fees. Court added that it is skeptical regarding likely benefits to Highland of the appeal of Acis confirmation order, even assuming success on appeal (in contrast to possible benefits to Neutra and HCLOF) since, among other things, reversal of confirmation order would not reinstate previously rejected contracts or remove the Chapter 11 trustee. Thus, the court will closely evaluate fees requested ultimately for likely benefit to Highland. Order should be submitted., Hearing held on 2/19/2020. (RE: related document(s)<u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors filed by Debtor Highland Capital Management, L.P.) (Appearances: G. Demo, J. Pomeranz, J. Morris, M. Hayward, and Z. Annabel for Debtors; M. Clemente and J. Hoffman for Unsecured Creditors Committee; L. Lambert for UST; P. Lamberson, R. Patel, and A. Chiarello for Acis; M. Platt for Redeemer Committee; A. Anderson for certain issuers of CLOs; J. Bentley (telephonically) for certain CLO issuers; M. Hankin (telephonically) for Redeemer Committee. Nonevidentiary hearing. Court heard reports that carryover issues are being resolved.), Hearing held on 2/19/2020. (RE: related document(s)<u>397</u> Motion to enforce(<i>Motion of the Debtor for the Entry of an Order Concerning the "Sealing Motion" and for a Conference Concerning the Substance, Scope and Intent of Certain Recent Rulings</i>) (related document(s): <u>382</u> Order on motion for protective order) Filed by Debtor Highland Capital Management, L.P.) (Appearances: G. Demo, J. Pomeranz, J. Morris, M. Hayward, and Z. Annabel for Debtors; M. Clemente and J. Hoffman for Unsecured Creditors Committee; L. Lambert for UST; P. Lamberson, R. Patel, and A. Chiarello for Acis; M. Platt for Redeemer Committee; A. Anderson for certain issuers of CLOs; J. Bentley (telephonically) for certain CLO issuers; M. Hankin (telephonically) for Redeemer Committee. Nonevidentiary hearing. Discussion of prior order on sealing motion and court clarified its intent.), Hearing held on 2/19/2020. (RE: related document(s)<u>421</u> Motion for leave (Debtor's Motion for an Order (i) Establishing Bar Dates for Filing Claims, Including 503(b)(9) Claims; and (ii) Approving the Form and Manner of Notice Thereof) filed by Debtor Highland Capital Management, L.P.) (Appearances: G. Demo, J. Pomeranz, J. Morris, M. Hayward, and Z. Annabel for Debtors; M. Clemente and J. Hoffman for</p>

	<p><i>Unsecured Creditors Committee; L. Lambert for UST; P. Lamberson, R. Patel, and A. Chiarello for Acis; M. Platt for Redeemer Committee; A. Anderson for certain issuers of CLOs; J. Bentley (telephonically) for certain CLO issuers; M. Hankin (telephonically) for Redeemer Committee. Nonevidentiary hearing. Motion granted. Counsel to upload order.)), Hearing held on 2/19/2020. (RE: related document(s)218 Motion for relief from stay MOTION OF PENSIONDANMARK PENSIONSFORSIKRINGSAKTIESELSKAB FOR AN ORDER GRANTING RELIEF FROM THE AUTOMATIC STAY TO TERMINATE INVESTMENT MANAGEMENT AGREEMENT, Filed by Creditor PensionDanmark Pensionsforsikringsaktieselskab) (Appearances: G. Demo, J. Pomeranz, J. Morris, M. Hayward, and Z. Annabel for Debtors; M. Clemente and J. Hoffman for Unsecured Creditors Committee; L. Lambert for UST; P. Lamberson, R. Patel, and A. Chiarello for Acis; M. Platt for Redeemer Committee; A. Anderson for certain issuers of CLOs; J. Bentley (telephonically) for certain CLO issuers; M. Hankin (telephonically) for Redeemer Committee. Nonevidentiary hearing. Court granted request to carry this matter to the 3/11/20 omnibus hearing.)). Transcript to be made available to the public on 05/26/2020. (Rehling, Kathy)</i></p>
02/26/2020	<p><u>480</u> Certificate of service re: 1) <i>Fourth Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from January 1, 2020 Through January 31, 2020</i>; 2) <i>First Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from December 1, 2019 Through December 31, 2019</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>464</u> Application for compensation <i>Fourth Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period From January 1, 2020 through January 31, 2020</i> for Highland Capital Management, L.P., Debtor's Attorney, Period: 1/1/2020 to 1/31/2020, Fee: \$898,094.25, Expenses: \$28,854.75. Filed by Debtor Highland Capital Management, L.P. Objections due by 3/12/2020. filed by Debtor Highland Capital Management, L.P., <u>465</u> Application for compensation (<i>First Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from December 10, 2019 through December 31, 2019</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 12/10/2019 to 12/31/2019, Fee: \$18,695.00, Expenses: \$80.60. Filed by Attorney Hayward & Associates PLLC (Attachments: # 1 Exhibit A—H&A December 2019 Fee Statement)). (Kass, Albert)</p>
02/26/2020	<p><u>481</u> Certificate of service re: <i>Notice of Debtor's Amended Operating Protocols</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>466</u> <i>Notice (Notice of Debtor's Amended Operating Protocols)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>339</u> <i>Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course</i> ((related document <u>281</u>) Entered on 1/9/2020. (Okafor, M.)). (Attachments: # 1 Exhibit A—Amended Operating Protocols # 2 Exhibit B—Redline of Amended Operating Protocols) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
02/26/2020	<p><u>482</u> BNC certificate of mailing – PDF document. (RE: related document(s)<u>473</u> <i>Agreed Order granting motion for relief from stay by Creditor PensionDanmark Pensionsforsikringsaktieselskab</i> (related document <u>218</u>) Entered on 2/24/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 02/26/2020. (Admin.)</p>
02/27/2020	<p><u>483</u> Application to employ Deloitte Tax LLP as Other Professional (<i>Debtor's Application for Entry of an Order (A) Authorizing the Employment and Retention of Deloitte Tax LLP as Tax Services Provider to the Debtor Nunc Pro Tunc to the Petition Date; and (B) Granting Related Relief</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Crawford Declaration # <u>2</u> Exhibit B—Proposed Order) (Annable, Zachery)</p>
02/28/2020	<p><u>484</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>474</u> <i>Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause</i></p>

	<i>Distributions to Certain "Related Entities")</i>). (Annable, Zachery)
02/28/2020	<u>485</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 through January 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALSUTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Attachments: # <u>1</u> Exhibit A—OCP Tracking Report) (Annable, Zachery)
03/02/2020	<u>486</u> Response opposed to (related document(s): <u>474</u> Motion for authority to apply and disburse funds (<i>Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities"</i>) filed by Debtor Highland Capital Management, L.P.) filed by Interested Party California Public Employees Retirement System (CalPERS). (Attachments: # <u>1</u> Exhibit A – Purchase and Sale Agreement # <u>2</u> Exhibit B – Assignment and Assumption Agreement) (Shriro, Michelle)
03/02/2020	<u>487</u> Objection to (related document(s): <u>474</u> Motion for authority to apply and disburse funds (<i>Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities"</i>) filed by Debtor Highland Capital Management, L.P.) filed by Creditor Committee Official Committee of Unsecured Creditors. (Hoffman, Juliana)
03/02/2020	<u>488</u> Order Granting Motion (i) Establishing Bar Dates for Filing Claims, Including 503(b)(9) Claims; and (ii) Approving the Form and Manner of Notice Thereof Filed by Debtor Highland Capital Management, L.P.(related document # <u>421</u>) The General Bar Date is April 8, 2020 at 5:00 p.m. Central Time; other dates per Order Entered on 3/2/2020. (Okafor, M.)
03/02/2020	<u>489</u> Joinder by <i>Acis Capital Management, L.P. and Acis Capital Management GP, LLC to the Committee's Objection to the Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities," and Comment to the Same</i> filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. (RE: related document(s) <u>487</u> Objection). (Enright, Jason)
03/02/2020	<u>490</u> Motion to appear pro hac vice for Louis J. Cisz, III. Fee Amount \$100 Filed by Interested Party California Public Employees Retirement System (CalPERS) (Shriro, Michelle)
03/02/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27511024, amount \$ 100.00 (re: Doc# <u>490</u>). (U.S. Treasury)
03/02/2020	<u>491</u> Certificate of service re: 1) <i>Motion of the Debtor for Entry of an Order Authorizing, But Not Directing, the Debtor to Cause Distributions to Certain "Related Entities"</i> ; 2) <i>Debtor's Motion for an Expedited Hearing on the Motion of the Debtor for Entry of an Order Authorizing, But Not Directing, the Debtor to Cause Distributions to Certain "Related Entities"</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>474</u> Motion for authority to apply and disburse funds (<i>Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities"</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F # 7 Exhibit G) filed by Debtor Highland Capital Management, L.P., <u>475</u> Motion for expedited hearing(related documents <u>474</u> Motion for authority to apply and disburse funds) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Proposed Order) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)

03/02/2020	<p><u>492</u> Certificate of service re: 1) <i>Order Granting Debtor's Motion for an Expedited Hearing on the Motion of the Debtor for Entry of an Order Authorizing, But Not Directing, the Debtor to Cause Distributions to Certain "Related Entities"</i>; 2) <i>Notice of Hearing on the Motion of the Debtor for Entry of an Order Authorizing, But Not Directing, the Debtor to Cause Distributions to Certain "Related Entities"</i>; to be Held on March 4, 2020 at 1:30 p.m. (Prevailing Central Time) Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>477</u> Order granting motion for expedited hearing (Related Doc<u>475</u>)(document set for hearing: <u>474</u> Motion for authority to apply and disburse funds) Hearing to be held on 3/4/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>474</u>, Entered on 2/25/2020. (Okafor, M.), <u>478</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>474</u> Motion for authority to apply and disburse funds (<i>Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities"</i>)) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F # 7 Exhibit G)). Hearing to be held on 3/4/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>474</u>, filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
03/02/2020	<p><u>493</u> Certificate of service re: 1) <i>Witness and Exhibit List for March 4, 2020 Hearing</i>; 2) <i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 through January 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>484</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>474</u> Motion for authority to apply and disburse funds (<i>Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities"</i>)). filed by Debtor Highland Capital Management, L.P., <u>485</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 through January 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALS UTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Attachments: # 1 Exhibit A—OCP Tracking Report) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
03/02/2020	<p><u>494</u> Objection to (related document(s): <u>451</u> Motion for relief from stay Fee amount \$181, filed by Creditor Joshua Terry, Creditor Jennifer G. Terry)(<i>Debtor's Limited Objection to Motion for Relief from the Automatic Stay to Allow Pursuit of State Court Action Against Non-Debtors and Reservation of Rights</i>) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)</p>
03/02/2020	<p><u>495</u> Witness and Exhibit List filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s)<u>487</u> Objection). (Hoffman, Juliana)</p>
03/02/2020	<p><u>496</u> Witness and Exhibit List filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. (RE: related document(s)<u>474</u> Motion for authority to apply and disburse funds (<i>Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities"</i>)). (Enright, Jason)</p>
03/03/2020	<p><u>497</u> Debtor-in-possession monthly operating report for filing period January 1, 2020 to January 31, 2020 filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)</p>
03/03/2020	<p><u>498</u> Notice of Bar Date for Filing Claims filed by Debtor Highland Capital Management, L.P.. (Hayward, Melissa)</p>
03/04/2020	<p><u>499</u> Reply to (related document(s): <u>487</u> Objection filed by Creditor Committee Official Committee of Unsecured Creditors) filed by Debtor Highland Capital Management, L.P.. (Hayward, Melissa)</p>

03/04/2020	<u>500</u> Order granting motion to appear pro hac vice adding Louis J. Cisz for California Public Employees Retirement System (CalPERS) (related document # <u>490</u>) Entered on 3/4/2020. (Okafor, M.)
03/04/2020	<u>501</u> Application for compensation <i>Third Monthly Application for Compensation and Reimbursement of Expenses of Sidley Austin, Counsel</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 1/1/2020 to 1/31/2020, Fee: \$569,091.60, Expenses: \$12,673.30. Filed by Attorney Juliana Hoffman, Creditor Committee Official Committee of Unsecured Creditors Objections due by 3/25/2020. (Hoffman, Juliana)
03/04/2020	Hearing held on 3/4/2020. (RE: related document(s) <u>474</u> Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") filed by Debtor Highland Capital Management, L.P.) (Appearances (live): J. Pomeranz, G. Demo, M. Hayward, and Z. Annabel for Debtor; M. Clemente, P. Reid, and J. Hoffman for UCC; M. Platt for Redeemer Committee; R. Patel and B. Shaw for ACIS; M. Shriro for CALPERS; A. Anderson for certain Cayman issuers; D.M. Lynn for J. Dondero. Appearances (telephonic): A. Attarwala for UBS; J. Bentley for certain Cayman issuers; E. Cheng for FTI Consulting; L. Cisz for CALPERS; T. Mascherin for Redeemer Committee. Evidentiary hearing. Motion resolved as follows: money owing to related entities will go into the registry of the court with the following exception—Mark Okada may be paid approximately \$2.876 (the \$4.176 million owing to him from the Dynamic Fund will be offset against his \$1.3 million demand note owing to the Debtor). All parties rights are reserved with regard to funds being put in the registry of the court. Debtors counsel should upload order.) (Edmond, Michael) (Entered: 03/05/2020)
03/04/2020	<u>504</u> Court admitted exhibits date of hearing March 4, 2020 (RE: related document(s) <u>474</u> Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") Filed by Debtor Highland Capital Management, L.P.) (COURT ADMITTED EXHIBIT'S #1, #2, #3, #4, #5, #6, #7, #8, #9, #10, #11, & #12) (Edmond, Michael) (Entered: 03/05/2020)
03/05/2020	<u>502</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>442</u> Application for compensation <i>Second Monthly Application for Allowance of Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 12/1/2019 to 12/31/2019, Fee: \$89,215.36, Expenses: \$3,955.12). (Hoffman, Juliana)
03/05/2020	<u>503</u> Request for transcript regarding a hearing held on 3/4/2020. The requested turn-around time is daily (Jeng, Hawaii)
03/06/2020	<u>505</u> Notice of Appearance and Request for Notice by John Y. Bonds III filed by Interested Party James Dondero. (Bonds, John)
03/06/2020	<u>506</u> Notice of Appearance and Request for Notice by Bryan C. Assink filed by Interested Party James Dondero. (Assink, Bryan)
03/06/2020	<u>507</u> Motion to appear pro hac vice for Jeffrey Bjork. Fee Amount \$100 Filed by Interested Parties UBS AG London Branch, UBS Securities LLC (Hoffman, Juliana) Modified to correct attorney name on 3/6/2020 (Ecker, C.).
03/06/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27531772, amount \$ 100.00 (re: Doc# <u>507</u>). (U.S. Treasury)
03/06/2020	<u>508</u> Witness and Exhibit List filed by Jennifer G. Terry, Joshua Terry (RE: related document(s) <u>451</u> Motion for relief from stay Fee amount \$181.). (Shaw, Brian)

03/06/2020	<u>509</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>500</u> Order granting motion to appear pro hac vice adding Louis J. Cisz for California Public Employees Retirement System (CalPERS) (related document <u>490</u>) Entered on 3/4/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 03/06/2020. (Admin.)
03/10/2020	<u>510</u> Order granting motion to appear pro hac vice adding Jeffrey E. Bjork for UBS AG London Branch and UBS Securities LLC (related document # <u>507</u>) Entered on 3/10/2020. (Okafor, M.)
03/11/2020	<u>511</u> Clerk's correspondence requesting an order from attorney for debtor. (RE: related document(s) <u>68</u> Application/Motion to Employ/Retain Foley Gardere, Foley & Lardner LLP as Special Texas Counsel Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # 1 Notice # 2 Exhibit A # 3 Exhibit B # 4 Exhibit C – Proposed Order # 5 2016 Statement # 6 Declaration Frank Waterhouse # 7 Certificate of Service) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #69 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)) Responses due by 3/25/2020. (Ecker, C.)
03/11/2020	<u>512</u> Order authorizing, but not directing, the debtor to cause distributions to certain 'related entities'. (Related Doc # <u>474</u>) Entered on 3/11/2020. (Bradden, T.)
03/11/2020	<u>513</u> Order granting application to employ Foley Gardere, Foley & Lardner LLP as Special Texas Counsel (related document # <u>68</u>) Entered on 3/11/2020. (Bradden, T.)
03/11/2020	<u>514</u> Clerk's correspondence requesting an order from attorney for debtor. (RE: related document(s) <u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors. Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Proposed Order)) Responses due by 3/25/2020. (Ecker, C.)
03/11/2020	Hearing held on 3/11/2020. (RE: related document(s) <u>451</u> Motion for relief from stay, filed by Jennifer G. Terry, Joshua Terry.) (Appearances: M. Hayward for Debtor; B Shaw for Movants; J. Hoffman for UCC; M. Platt (and M. Hankin telephonically) for Redeemer Committee; J. Bonds for J. Dondero; A. Anderson for certain Issuers. Evidentiary hearing. Motion granted. Counsel to upload order.)(Edmond, Michael)
03/11/2020	<u>515</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from January 1, 2020 through January 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring–Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). (Attachments: # <u>1</u> Exhibit A—DSI January 2020 Staffing Report) (Annable, Zachery)
03/11/2020	<u>516</u> Court admitted exhibits date of hearing March 11, 2020 (RE: related document(s) <u>451</u> Motion for relief from stay, filed by Jennifer G. Terry, Joshua Terry.) (COURT ADMITTED PLAINTIFF EXHIBIT'S #M1, #M2 & #M3). (Edmond, Michael)
03/12/2020	<u>517</u> Application for compensation <i>Third Monthly Application for Allowance of Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 1/1/2020 to 1/31/2020, Fee: \$411,407.28, Expenses: \$79.00. Filed by Financial Advisor FTI Consulting, Inc. Objections due by 4/2/2020. (Hoffman, Juliana)
03/12/2020	<u>518</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>510</u> Order granting motion to appear pro hac vice adding Jeffrey E. Bjork for UBS AG London Branch and UBS Securities LLC (related document <u>507</u>) Entered on 3/10/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 03/12/2020. (Admin.)

03/13/2020	<u>519</u> Order granting motion for relief from stay by Jennifer G. Terry , Joshua Terry (related document # <u>451</u>) Entered on 3/13/2020. (Okafor, M.)
03/13/2020	<u>520</u> BNC certificate of mailing. (RE: related document(s) <u>511</u> Clerk's correspondence requesting an order from attorney for debtor. (RE: related document(s) <u>68</u> Application/Motion to Employ/Retain Foley Gardere, Foley & Lardner LLP as Special Texas Counsel Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # 1 Notice # 2 Exhibit A # 3 Exhibit B # 4 Exhibit C – Proposed Order # 5 2016 Statement # 6 Declaration Frank Waterhouse # 7 Certificate of Service) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #69 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)) Responses due by 3/25/2020. (Ecker, C.)) No. of Notices: 1. Notice Date 03/13/2020. (Admin.)
03/13/2020	<u>521</u> BNC certificate of mailing. (RE: related document(s) <u>514</u> Clerk's correspondence requesting an order from attorney for debtor. (RE: related document(s) <u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors. Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Proposed Order)) Responses due by 3/25/2020. (Ecker, C.)) No. of Notices: 1. Notice Date 03/13/2020. (Admin.)
03/13/2020	<u>522</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>512</u> Order authorizing, but not directing, the debtor to cause distributions to certain 'related entities'. (Related Doc <u>474</u>) Entered on 3/11/2020. (Bradden, T.)) No. of Notices: 1. Notice Date 03/13/2020. (Admin.)
03/13/2020	<u>523</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>513</u> Order granting application to employ Foley Gardere, Foley & Lardner LLP as Special Texas Counsel (related document <u>68</u>) Entered on 3/11/2020. (Bradden, T.)) No. of Notices: 1. Notice Date 03/13/2020. (Admin.)
03/14/2020	<u>524</u> Certificate of service re: <i>Order (I) Establishing Bar Dates for Filing Claims and (II) Approving the Form and Manner of Notice Thereof</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>488</u> Order Granting Motion (i) Establishing Bar Dates for Filing Claims, Including 503(b)(9) Claims; and (ii) Approving the Form and Manner of Notice Thereof Filed by Debtor Highland Capital Management, L.P.(related document <u>421</u>) The General Bar Date is April 8, 2020 at 5:00 p.m. Central Time; other dates per Order Entered on 3/2/2020. (Okafor, M.)). (Kass, Albert)
03/14/2020	<u>525</u> Certificate of service re: <i>Debtor's Limited Objection to Motion for Relief from the Automatic Stay to Allow Pursuit of State Court Action Against Non-Debtors and Reservation of Rights</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>494</u> Objection to (related document(s): <u>451</u> Motion for relief from stay Fee amount \$181, filed by Creditor Joshua Terry, Creditor Jennifer G. Terry)(<i>Debtor's Limited Objection to Motion for Relief from the Automatic Stay to Allow Pursuit of State Court Action Against Non-Debtors and Reservation of Rights</i>) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
03/14/2020	<u>526</u> Certificate of service re: <i>Third Monthly Application of Sidley Austin LLP for Allowance of Compensation and Reimbursement of Expenses for the Period from January 1, 2020 to and Including January 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>501</u> Application for compensation <i>Third Monthly Application for Compensation and Reimbursement of Expenses of Sidley Austin, Counsel</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 1/1/2020 to 1/31/2020, Fee: \$569,091.60, Expenses: \$12,673.30. Filed by Attorney Juliana Hoffman, Creditor Committee Official Committee of Unsecured Creditors Objections due by 3/25/2020. filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)

03/16/2020	<u>527</u> Notice of Appearance and Request for Notice by David G. Adams filed by Creditor United States (IRS). (Adams, David)
03/16/2020	<u>528</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>464</u> Application for compensation <i>Fourth Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period From January 1, 2020 through January 31, 2020</i> for Highland C). (Annable, Zachery)
03/17/2020	<u>529</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>465</u> Application for compensation (<i>First Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from December 10, 2019 through December 31, 2019</i>) for Hayward). (Annable, Zachery)
03/17/2020	<u>530</u> Certificate of service re: <i>Notice of Bar Dates for Filing Claims</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>498</u> <i>Notice of Bar Date for Filing Claims</i> filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
03/17/2020	<u>531</u> Certificate of service re: 1) <i>Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain Related Entities</i> ; 2) <i>Order Authorizing the Retention and Employment of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel, Nunc Pro Tunc to the Petition Date</i> ; 3) <i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from January 1, 2020 Through January 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>512</u> Order authorizing, but not directing, the debtor to cause distributions to certain 'related entities'. (Related Doc <u>474</u>) Entered on 3/11/2020. (Bradden, T.), <u>513</u> Order granting application to employ Foley Gardere, Foley & Lardner LLP as Special Texas Counsel (related document <u>68</u>) Entered on 3/11/2020. (Bradden, T.), <u>515</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from January 1, 2020 through January 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring—Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). (Attachments: # 1 Exhibit A—DSI January 2020 Staffing Report) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
03/17/2020	<u>532</u> Certificate of service re: <i>Third Monthly Application of FTI Consulting, Inc. for Allowance of Compensation and Reimbursement of Expenses for the Period from January 1, 2020 to and Including January 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>517</u> Application for compensation <i>Third Monthly Application for Allowance of Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 1/1/2020 to 1/31/2020, Fee: \$411,407.28, Expenses: \$79.00. Filed by Financial Advisor FTI Consulting, Inc. Objections due by 4/2/2020. filed by Financial Advisor FTI Consulting, Inc.). (Kass, Albert)
03/18/2020	<u>533</u> Certificate of service re: Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>498</u> <i>Notice of Bar Date for Filing Claims</i> filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
03/18/2020	<u>534</u> Certificate of service re: Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>498</u> <i>Notice of Bar Date for Filing Claims</i> filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
03/19/2020	

	<u>535</u> Application for compensation <i>Fifth Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from February 1, 2020 through February 29, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 2/1/2020 to 2/29/2020, Fee: \$941,043.50, Expenses: \$8,092.94. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 4/9/2020. (Pomerantz, Jeffrey)
03/19/2020	<u>536</u> Application for compensation (<i>Second Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from January 1, 2020 through January 31, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 1/1/2020 to 1/31/2020, Fee: \$75315.00, Expenses: \$2919.27. Filed by Attorney Hayward & Associates PLLC (Attachments: # <u>1</u> Exhibit A—January 2020 Invoice) (Annable, Zachery)
03/19/2020	<u>537</u> Notice of Filing of Compensation Report of Development Specialists, Inc. for the Period October 16, 2019 through December 31, 2019 filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring—Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). (Annable, Zachery)
03/20/2020	<u>538</u> Amended application for compensation <i>Amended First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through November 30, 2019</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 10/16/2019 to 11/30/2019, Fee: \$84,194.00, Expenses: \$4,458.87. Filed by Attorney Holland N. O'Neil Objections due by 4/10/2020. (Attachments: # <u>1</u> Exhibit A) (O'Neil, Holland)
03/20/2020	<u>539</u> Amended application for compensation <i>Amended Second Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from December 1, 2019 through December 30, 2019</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 12/1/2019 to 12/31/2019, Fee: \$143,328.50, Expenses: \$2,808.29. Filed by Attorney Holland N. O'Neil Objections due by 4/10/2020. (Attachments: # <u>1</u> Exhibit A) (O'Neil, Holland)
03/20/2020	<u>540</u> Application for compensation <i>Third Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from January 1, 2020 through January 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 1/1/2020 to 1/31/2020, Fee: \$88,520.60, Expenses: \$2,180.35. Filed by Attorney Holland N. O'Neil Objections due by 4/10/2020. (Attachments: # <u>1</u> Exhibit A) (O'Neil, Holland)
03/20/2020	<u>541</u> Application for compensation <i>Fourth Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from February 1, 2020 through February 29, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 2/1/2020 to 2/29/2020, Fee: \$86,276.50, Expenses: \$1,994.83. Filed by Attorney Holland N. O'Neil Objections due by 4/10/2020. (Attachments: # <u>1</u> Exhibit A) (O'Neil, Holland)
03/20/2020	<u>542</u> Application for compensation <i>Fourth Monthly Application for Compensation and Reimbursement of Expenses for Sidley Austin LLP, Counsel for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 2/1/2020 to 2/29/2020</i> , Fee: \$457,155.72, Expenses: \$2,927.21. Filed by Attorney Juliana Hoffman Objections due by 4/10/2020. (Hoffman, Juliana)
03/22/2020	

	<u>543</u> Stipulation by Highland Capital Management, L.P., UBS AG London Branch, UBS Securities LLC and. filed by Debtor Highland Capital Management, L.P., Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>488</u> Order on motion for leave). (Manns, Ryan)
03/23/2020	<u>544</u> Application for compensation <i>Fourth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 2/1/2020 to 2/29/2020, Fee: \$383,371.20, Expenses: \$59.62. Filed by Financial Advisor FTI Consulting, Inc. Objections due by 4/13/2020. (Hoffman, Juliana)
03/23/2020	<u>545</u> Motion to extend time to file objection (Agreed Motion) (RE: related document(s) <u>483</u> Application to employ) Filed by Creditor Committee Official Committee of Unsecured Creditors (Hoffman, Juliana)
03/23/2020	<u>546</u> Certificate of service re: <i>(Supplemental) Notice of Bar Dates for Filing Claims</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>498</u> <i>Notice of Bar Date for Filing Claims</i> filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
03/25/2020	<u>547</u> Joint Stipulation and Order Extending Bar Date for UBS Securities LLC and UBS AG London Branch (RE: related document(s) <u>543</u> Stipulation filed by Debtor Highland Capital Management, L.P., Interested Party UBS Securities LLC, Interested Party UBS AG London Branch). Entered on 3/25/2020 (Okafor, M.)
03/25/2020	<u>548</u> Agreed Order Extending the Deadline to Object to the Application for Entry of an Order (A) Authorizing the Employment and Retention of Deloitte Tax LLP as Tax Services Provider to the Debtor Nunc Pro Tunc to the Petition Date; and (B) Granting Related Relief (Related documents # <u>545</u> Motion to extend and <u>483</u> Application to employ Deloitte Tax LLP) Entered on 3/25/2020. (Okafor, M.)
03/26/2020	<u>549</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>501</u> Application for compensation <i>Third Monthly Application for Compensation and Reimbursement of Expenses of Sidley Austin, Counsel</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 1/1/2020 to 1/31/2020, Fee: \$569). (Hoffman, Juliana)
03/26/2020	<u>550</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>483</u> Application to employ Deloitte Tax LLP as Other Professional <i>(Debtor's Application for Entry of an Order (A) Authorizing the Employment and Retention of Deloitte Tax LLP as Tax Services Provider to the Debtor Nunc Pro Tunc to the Petition Date;)</i> . (Annable, Zachery)
03/27/2020	<u>551</u> Agreed Order granting application to employ Deloitte Tax LLP as tax services provider nunc pro tunc to the petition date (related document # <u>483</u>) Entered on 3/27/2020. (Okafor, M.)
03/27/2020	<u>552</u> Stipulation by Highland Capital Management, L.P. and Brown Rudnick LLP. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>488</u> Order on motion for leave). (Annable, Zachery)
03/27/2020	<u>553</u> Certificate of service re: 1) <i>Fifth Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from February 1, 2020 Through February 29, 2020</i> ; 2) <i>Second Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from January 1, 2020 Through January 31, 2020</i> ; and 3) <i>Compensation Report of Development Specialists, Inc. for the Period October 16, 2019 Through December 31, 2019</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>535</u> Application for compensation <i>Fifth Monthly Application for Compensation and Reimbursement of Expenses of Pachulski</i>

	<p><i>Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from February 1, 2020 through February 29, 2020 for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 2/1/2020 to 2/29/2020, Fee: \$941,043.50, Expenses: \$8,092.94. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 4/9/2020. filed by Debtor Highland Capital Management, L.P., <u>536</u> Application for compensation (<i>Second Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from January 1, 2020 through January 31, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 1/1/2020 to 1/31/2020, Fee: \$75315.00, Expenses: \$2919.27. Filed by Attorney Hayward & Associates PLLC (Attachments: # 1 Exhibit A—January 2020 Invoice), <u>537</u> Notice of Filing of Compensation Report of Development Specialists, Inc. for the Period October 16, 2019 through December 31, 2019 filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring—Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</i></p>
03/27/2020	<p><u>554</u> Certificate of service re: <i>Documents Served on or Before March 21, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>538</u> Amended application for compensation <i>Amended First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through November 30, 2019</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 10/16/2019 to 11/30/2019, Fee: \$84,194.00, Expenses: \$4,458.87. Filed by Attorney Holland N. O'Neil Objections due by 4/10/2020. (Attachments: # 1 Exhibit A) (O'Neil, Holland) filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>539</u> Amended application for compensation <i>Amended Second Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from December 1, 2019 through December 30, 2019</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 12/1/2019 to 12/31/2019, Fee: \$143,328.50, Expenses: \$2,808.29. Filed by Attorney Holland N. O'Neil Objections due by 4/10/2020. (Attachments: # 1 Exhibit A) (O'Neil, Holland) filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>540</u> Application for compensation <i>Third Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from January 1, 2020 through January 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 1/1/2020 to 1/31/2020, Fee: \$88,520.60, Expenses: \$2,180.35. Filed by Attorney Holland N. O'Neil Objections due by 4/10/2020. (Attachments: # 1 Exhibit A) (O'Neil, Holland) filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>541</u> Application for compensation <i>Fourth Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from February 1, 2020 through February 29, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 2/1/2020 to 2/29/2020, Fee: \$86,276.50, Expenses: \$1,994.83. Filed by Attorney Holland N. O'Neil Objections due by 4/10/2020. (Attachments: # 1 Exhibit A) (O'Neil, Holland) filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>542</u> Application for compensation <i>Fourth Monthly Application for Compensation and Reimbursement of Expenses for Sidley Austin LLP, Counsel for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 2/1/2020 to 2/29/2020, Fee: \$457,155.72, Expenses: \$2,927.21. Filed by Attorney Juliana Hoffman Objections due by 4/10/2020. filed by Creditor Committee Official Committee of Unsecured Creditors).</i> (Kass, Albert)</p>
03/27/2020	<p><u>555</u> Certificate of service re: 1) <i>Fourth Monthly Application of FTI Consulting, Inc. for Allowance of Compensation and Reimbursement of Expenses for the Period from February 1, 2020 to and Including February 29, 2020</i>; 2) <i>Agreed Motion to Extend Objection Deadline for the Debtor's Application for Entry of an Order (A) Authorizing the Employment and Retention of Deloitte Tax LLP as Tax Services Provider to the Debtor Nunc Pro Tunc to the Petition Date; and (B) Granting Related Relief</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>544</u> Application for compensation <i>Fourth Monthly Application for Compensation and Reimbursement of Expenses for FTI</i></p>

	Consulting, Inc., Financial Advisor, Period: 2/1/2020 to 2/29/2020, Fee: \$383,371.20, Expenses: \$59.62. Filed by Financial Advisor FTI Consulting, Inc. Objections due by 4/13/2020. filed by Financial Advisor FTI Consulting, Inc., <u>545</u> Motion to extend time to file objection (Agreed Motion) (RE: related document(s) <u>483</u> Application to employ) Filed by Creditor Committee Official Committee of Unsecured Creditors filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)
03/31/2020	<u>556</u> Order approving stipulation permitting Brown Rudnick LLP to file a proof of claim after general bar date (RE: related document(s) <u>552</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 3/31/2020 (Okafor, M.)
03/31/2020	<u>557</u> Motion to extend time to (Debtor's Emergency Motion for an Order Extending Bar Date Deadline for Employees to File Claims) (RE: related document(s) <u>488</u> Order on motion for leave) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Proposed Order) (Annable, Zachery)
04/02/2020	<u>558</u> Debtor—in—possession monthly operating report for filing period 02/01/2020 to 02/29/2020 filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
04/02/2020	<u>559</u> Certificate of service re: (<i>Supplemental</i>) <i>Notice of Bar Dates for Filing Claims</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>498</u> <i>Notice of Bar Date for Filing Claims</i> filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
04/03/2020	<u>560</u> Order granting <u>557</u> Motion Extending Bar Date Deadline for Employees to File Claims. The General Bar Date is hereby extended, solely for the Debtors employees, to file claims that arose against the Debtor prior to the Petition Date through and including May 26, 2020 at 5:00 p.m. Entered on 4/3/2020. (Okafor, M.)
04/03/2020	<u>561</u> Certificate of No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s) <u>517</u> Application for compensation <i>Third Monthly Application for Allowance of Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 1/1/2020 to 1/31/2020, Fee: \$411,407.28, Expenses: \$79.00.). (Hoffman, Juliana)
04/03/2020	<u>562</u> Notice of hearing(<i>Notice of May 26, 2020 Omnibus Hearing Date</i>) filed by Debtor Highland Capital Management, L.P.. Hearing to be held on 5/26/2020 at 09:30 AM Dallas Judge Jernigan Ctrm (Annable, Zachery)
04/03/2020	<u>563</u> Notice of hearing(<i>Notice of June 15, 2020 Omnibus Hearing Date</i>) filed by Debtor Highland Capital Management, L.P.. Hearing to be held on 6/15/2020 at 01:30 PM Dallas Judge Jernigan Ctrm (Annable, Zachery)
04/03/2020	<u>564</u> Certificate of service re: <i>1) Agreed Order: (A) Authorizing the Employment and Retention of Deloitte Tax LLP as Tax Services Provider Nunc Pro Tunc to the Petition Date; and (B) Granting Related Relief; 2) Stipulation by and Between the Debtor and Brown Rudnick LLP Extending the General Bar Date</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>551</u> Agreed Order granting application to employ Deloitte Tax LLP as tax services provider nunc pro tunc to the petition date (related document <u>483</u>) Entered on 3/27/2020. (Okafor, M.), <u>552</u> Stipulation by Highland Capital Management, L.P. and Brown Rudnick LLP. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>488</u> Order on motion for leave). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
04/03/2020	<u>565</u> Certificate of service re: <i>1) Order Approving Stipulation Permitting Brown Rudnick LLP to File a Proof of Claim After the General Bar Date; 2) Debtor's Emergency Motion for an Order Extending Bar Date Deadline for Employees to File Claims</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>556</u> Order approving stipulation permitting Brown Rudnick LLP to file a proof of claim after general bar date

	(RE: related document(s) <u>552</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 3/31/2020 (Okafor, M.), <u>557</u> Motion to extend time to (Debtor's Emergency Motion for an Order Extending Bar Date Deadline for Employees to File Claims) (RE: related document(s) <u>488</u> Order on motion for leave) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
04/06/2020	<u>566</u> Declaration re: (<i>First Supplemental Declaration of Bradley D. Sharp in Support of Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring—Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>74</u> Application to employ Development Specialists, Inc as Financial Advisor). (Annable, Zachery)
04/06/2020	<u>567</u> Notice (<i>Notice of Filing of Monthly Staffing Report By Development Specialists, Inc for the Period from February 1, 2020 through February 29, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring—Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). (Attachments: # <u>1</u> Exhibit A—Staffing Report) (Annable, Zachery)
04/07/2020	<u>568</u> Notice of hearing(<i>Notice of July 8, 2020 Omnibus Hearing Date</i>) filed by Debtor Highland Capital Management, L.P.. Hearing to be held on 7/8/2020 at 01:30 PM Dallas Judge Jernigan Ctrm (Annable, Zachery)
04/07/2020	<u>569</u> Application for compensation <i>Sidley Austin LLP's First Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 10/29/2019 to 2/29/2020, Fee: \$3,154,959.45, Expenses: \$56,254.47. Filed by Objections due by 4/28/2020. (Hoffman, Juliana)
04/07/2020	<u>570</u> Application for compensation <i>First Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 10/29/2019 to 2/29/2020, Fee: \$1,757,835.90, Expenses: \$8,781.09. Filed by Financial Advisor FTI Consulting, Inc. Objections due by 4/28/2020. (Hoffman, Juliana)
04/08/2020	<u>571</u> Transcript regarding Hearing Held 03/04/20 RE: Motion hearing. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 07/7/2020. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber J&J Court Transcribers, Inc., Telephone number 609-586-2311. (RE: related document(s) Hearing held on 3/4/2020. (RE: related document(s) <u>474</u> Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") filed by Debtor Highland Capital Management, L.P.) (Appearances (live): J. Pomeranz, G. Demo, M. Hayward, and Z. Annabel for Debtor; M. Clemente, P. Reid, and J. Hoffman for UCC; M. Platt for Redeemer Committee; R. Patel and B. Shaw for ACIS; M. Shriro for CALPERS; A. Anderson for certain Cayman issuers; D.M. Lynn for J. Dondero. Appearances (telephonic): A. Attarwala for UBS; J. Bentley for certain Cayman issuers; E. Cheng for FTI Consulting; L. Cisz for CALPERS; T. Mascherin for Redeemer Committee. Evidentiary hearing. Motion resolved as follows: money owing to related entities will go into the registry of the court with the following exception—Mark Okada may be paid approximately \$2.876 (the \$4.176 million owing to him from the Dynamic Fund will be offset against his \$1.3 million demand note owing to the Debtor). All parties rights are reserved with regard to funds being put in the registry of the court. Debtors counsel should upload order.)). Transcript to be made available to the public on 07/7/2020. (Bowen, James)
04/08/2020	

	<u>572</u> Stipulation by Issuer Group and Highland Capital Management, L.P.. filed by Creditor Issuer Group (RE: related document(s) <u>488</u> Order on motion for leave). (Bain, Joseph)
04/09/2020	<u>573</u> Application for compensation (<i>Third Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from February 1, 2020 through February 29, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 2/1/2020 to 2/29/2020, Fee: \$39,087.50, Expenses: \$2,601.40. Filed by Other Professional Hayward & Associates PLLC (Attachments: # <u>1</u> Exhibit A—February 2020 Fee Statement) (Annable, Zachery)
04/09/2020	<u>574</u> Certificate No Objection Regarding Fifth Monthly Application for Compensation and Reimbursement of Expenses Of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period From February 1, 2020 Through February 29, 2020 filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>535</u> Application for compensation <i>Fifth Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from February 1, 2020 through February 29, 2020</i> for Jeffrey Nat). (Pomerantz, Jeffrey)
04/10/2020	<u>575</u> Certificate of service re: 1) <i>Order Granting Debtor's Emergency Motion and Extending Bar Date Deadline for Employees to File Claims</i> ; 2) <i>Notice of May 26, 2020 Omnibus Hearing Date; to be Held on May 26, 2020 at 9:30 a.m. (Central Time)</i> ; and 3) <i>Notice of June 15, 2020 Omnibus Hearing Date; to be Held on June 15, 2020 at 1:30 p.m. (Central Time)</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>560</u> Order granting <u>557</u> Motion Extending Bar Date Deadline for Employees to File Claims. The General Bar Date is hereby extended, solely for the Debtors employees, to file claims that arose against the Debtor prior to the Petition Date through and including May 26, 2020 at 5:00 p.m. Entered on 4/3/2020. (Okafor, M.), <u>562</u> Notice of hearing(<i>Notice of May 26, 2020 Omnibus Hearing Date</i>) filed by Debtor Highland Capital Management, L.P.. Hearing to be held on 5/26/2020 at 09:30 AM Dallas Judge Jernigan Ctrm filed by Debtor Highland Capital Management, L.P., <u>563</u> Notice of hearing(<i>Notice of June 15, 2020 Omnibus Hearing Date</i>) filed by Debtor Highland Capital Management, L.P.. Hearing to be held on 6/15/2020 at 01:30 PM Dallas Judge Jernigan Ctrm filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
04/10/2020	<u>576</u> Certificate of service re: 1) <i>First Supplemental Declaration of Bradley D. Sharp in Support of Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring—Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date</i> ; and 2) <i>Notice of Filing of Monthly Staffing Report By Development Specialists, Inc for the Period from February 1, 2020 through February 29, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>566</u> Declaration re: (<i>First Supplemental Declaration of Bradley D. Sharp in Support of Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring—Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>74</u> Application to employ Development Specialists, Inc as Financial Advisor). filed by Debtor Highland Capital Management, L.P., <u>567</u> Notice (<i>Notice of Filing of Monthly Staffing Report By Development Specialists, Inc for the Period from February 1, 2020 through February 29, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring—Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). (Attachments: # <u>1</u> Exhibit A—Staffing Report) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
04/10/2020	<u>577</u> Certificate of service re: 1) <i>Summary Sheet and First Interim Fee Application of Sidley Austin LLP, Attorneys for the Official Committee of Unsecured Creditors, for Compensation and Reimbursement of Expenses for the Period from October 29, 2019</i>

	<p><i>Through and Including February 29, 2020; and 2) Summary Sheet and First Interim Fee Application of FTI Consulting, Inc. as Financial Advisor for the Official Committee of Unsecured Creditors, for Compensation and Reimbursement of Expenses for the Period from October 29, 2019 Through and Including February 29, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>569</u> Application for compensation <i>Sidley Austin LLP's First Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 10/29/2019 to 2/29/2020, Fee: \$3,154,959.45, Expenses: \$56,254.47. Filed by Objections due by 4/28/2020. filed by Creditor Committee Official Committee of Unsecured Creditors, <u>570</u> Application for compensation <i>First Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 10/29/2019 to 2/29/2020, Fee: \$1,757,835.90, Expenses: \$8,781.09. Filed by Financial Advisor FTI Consulting, Inc. Objections due by 4/28/2020. filed by Financial Advisor FTI Consulting, Inc.). (Kass, Albert)</p>
04/10/2020	<p><u>578</u> Certificate of service re: <i>Notice of July 8, 2020 Omnibus Hearing Date</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>568</u> Notice of hearing(<i>Notice of July 8, 2020 Omnibus Hearing Date</i>) filed by Debtor Highland Capital Management, L.P.. Hearing to be held on 7/8/2020 at 01:30 PM Dallas Judge Jernigan Ctrm filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
04/10/2020	<p><u>579</u> Certificate of service re: <i>Joint Stipulation and [Proposed] Order Extending the General Bar Date</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>572</u> Stipulation by Issuer Group and Highland Capital Management, L.P.. filed by Creditor Issuer Group (RE: related document(s)<u>488</u> Order on motion for leave). filed by Creditor Issuer Group). (Kass, Albert)</p>
04/10/2020	<p><u>580</u> Objection to (related document(s): <u>538</u> Amended application for compensation <i>Amended First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through November</i> filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>539</u> Amended application for compensation <i>Amended Second Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from December 1, 2019 through</i> filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>540</u> Application for compensation <i>Third Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from January 1, 2020 through January 31, 2020</i> filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>541</u> Application for compensation <i>Fourth Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from February 1, 2020 through February 29, 20</i> filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP) filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P.. (Chiarello, Annmarie)</p>
04/11/2020	<p><u>581</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s)<u>542</u> Application for compensation <i>Fourth Monthly Application for Compensation and Reimbursement of Expenses for Sidley Austin LLP, Counsel</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 2/1/2020 to 2/29/2020, Fee: &#0). (Hoffman, Juliana)</p>
04/13/2020	<p><u>582</u> Motion for relief from stay – agreed Filed by Interested Party Hunton Andrews Kurth LLP (Attachments: # <u>1</u> Proposed Order) (Skolnekovich, Nicole)</p>
04/14/2020	<p><u>583</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s)<u>544</u> Application for compensation <i>Fourth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 2/1/2020 to 2/29/2020, Fee: \$383,371.20, Expenses: \$59.62.). (Hoffman, Juliana)</p>

04/14/2020	<u>584</u> Certificate of No Objection filed by Other Professional Hayward & Associates PLLC (RE: related document(s) <u>536</u> Application for compensation (<i>Second Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from January 1, 2020 through January 31, 2020</i>) for Hayward & Associates PLLC). (Annable, Zachery)
04/14/2020	<u>585</u> Notice of Appearance and Request for Notice Filed by Creditor American Express National Bank. (Bharatia, Shraddha)
04/14/2020	<u>586</u> Application for compensation <i>Sixth Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period From March 1, 2020 Through March 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 3/1/2020 to 3/31/2020, Fee: \$1,222,801.25, Expenses: \$18,747.77. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 5/5/2020. (Pomerantz, Jeffrey)
04/15/2020	<u>587</u> Certificate of service re: <i>Third Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from February 1, 2020 through February 29, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>573</u> Application for compensation (<i>Third Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from February 1, 2020 through February 29, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 2/1/2020 to 2/29/2020, Fee: \$39,087.50, Expenses: \$2,601.40. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—February 2020 Fee Statement) filed by Other Professional Hayward & Associates PLLC). (Kass, Albert)
04/15/2020	<u>588</u> Certificate of service re: Omnibus Limited Objection to Applications for Compensation and Reimbursement of Expense of Foley Gardere, Foley & Lardner LLP as Special Counsel for the Period From October 16, 2019 Through February 29, 2020 filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. (RE: related document(s) <u>538</u> Amended application for compensation <i>Amended First Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through November, 539 Amended application for compensation Amended Second Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from December 1, 2019 through, 540 Application for compensation Third Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from January 1, 2020 through January 31, 2020</i> 541 Application for compensation <i>Fourth Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from February 1, 2020 through February 29, 2020</i>). (Chiarello, Annmarie)
04/15/2020	<u>589</u> Notice of hearing filed by Interested Party Hunton Andrews Kurth LLP (RE: related document(s) <u>582</u> Motion for relief from stay – agreed Filed by Interested Party Hunton Andrews Kurth LLP (Attachments: # 1 Proposed Order)). Hearing to be held on 5/7/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>582</u> , (Skolnekovich, Nicole)
04/15/2020	<u>590</u> Motion to reclaim funds from the registry [<i>Motion for Remittance of Funds Held in Registry of Court</i>] Filed by Creditor CLO Holdco, Ltd. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G # <u>8</u> Exhibit H # <u>9</u> Exhibit I # <u>10</u> Proposed Order # <u>11</u> Service List) (Kane, John)
04/17/2020	<u>591</u> Certificate of service re: <i>1) Notice of Bar Dates for Filing Claims; and 2) [Customized] Official Form 410 Proof of Claim</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>498</u> Notice of Bar Date for Filing Claims filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management,

	L.P.). (Kass, Albert)
04/17/2020	<u>592</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc for the Period from March 1, 2020 through March 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). (Attachments: # <u>1</u> Exhibit A—DSI Staffing Report for March 2020) (Annable, Zachery)
04/17/2020	<u>593</u> Motion for relief from stay Fee amount \$181, Filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. Objections due by 5/1/2020. (Attachments: # <u>1</u> Exhibit 1 (Draft Motion Show Cause Motion) # <u>2</u> Exhibit 2 (DAF Complaint 1st case) # <u>3</u> Exhibit 3 (DAF Dismissal first case) # <u>4</u> Exhibit 4 (DAF Complaint 2nd case) # <u>5</u> Exhibit 5 (DAF Dismissal 2nd Case) # <u>6</u> Proposed Order) (Shaw, Brian)
04/17/2020	Receipt of filing fee for Motion for relief from stay(19-34054-sgj11) [motion,mrlfsty] (181.00). Receipt number 27675692, amount \$ 181.00 (re: Doc# <u>593</u>). (U.S. Treasury)
04/20/2020	<u>594</u> Application for compensation <i>Sidley Austin LLP's Fifth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 3/1/2020 to 3/31/2020, Fee: \$476,836.20, Expenses: \$14,406.39. Filed by Attorney Juliana Hoffman Objections due by 5/11/2020. (Hoffman, Juliana)
04/21/2020	<u>595</u> Certificate of service re: <i>Sixth Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period From March 1, 2020 Through March 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>586</u> Application for compensation <i>Sixth Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period From March 1, 2020 Through March 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 3/1/2020 to 3/31/2020, Fee: \$1,222,801.25, Expenses: \$18,747.77. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 5/5/2020. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
04/21/2020	<u>596</u> Certificate of service re: <i>Sidley Austin LLP's Fifth Monthly Application for Compensation and Reimbursement of Expenses</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>594</u> Application for compensation <i>Sidley Austin LLP's Fifth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 3/1/2020 to 3/31/2020, Fee: \$476,836.20, Expenses: \$14,406.39. Filed by Attorney Juliana Hoffman Objections due by 5/11/2020. filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)
04/21/2020	<u>597</u> Certificate of service re: <i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc for the Period from March 1, 2020 through March 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>592</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc for the Period from March 1, 2020 through March 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). (Attachments: # <u>1</u> Exhibit A—DSI Staffing Report for March 2020) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
04/22/2020	

	Receipt Number 00338531, Fee Amount \$3,601,018.59 (RE: Related document(s) <u>512</u> Order on motion for authority to apply and disburse funds.) NOTE: Deposit of funds into the Registry of the Court. (Floyd,K) (Entered: 08/10/2020)
04/23/2020	Receipt Number 00338532, Fee Amount \$898,075.53 (RE: related document(s) <u>512</u> Order on motion for authority to apply and disburse funds.) NOTE: Deposit of funds into the Registry of the Court. (Floyd, K). (Entered: 08/10/2020)
04/24/2020	<u>598</u> Application for compensation (<i>Fourth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from March 1, 2020 through March 31, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 3/1/2020 to 3/31/2020, Fee: \$35,307.50, Expenses: \$1,732.02. Filed by Other Professional Hayward & Associates PLLC (Attachments: # <u>1</u> Exhibit A—H&A March 2020 Invoice) (Annable, Zachery)
04/24/2020	<u>599</u> Notice (<i>Notice of Additional Services to Be Provided by Deloitte Tax LLP</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>551</u> Agreed Order granting application to employ Deloitte Tax LLP as tax services provider nunc pro tunc to the petition date (related document <u>483</u>) Entered on 3/27/2020. (Okafor, M.)). (Attachments: # <u>1</u> Exhibit A—Deloitte Tax Engagement Letters) (Annable, Zachery)
04/28/2020	<u>600</u> Stipulation by Highland Capital Management, L.P. and Brown Rudnick LLP. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>488</u> Order on motion for leave). (Annable, Zachery)
04/28/2020	<u>601</u> Application for compensation <i>Fifth Monthly Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from March 1, 2020 through March 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 3/1/2020 to 3/31/2020, Fee: \$82,270.50, Expenses: \$12.70. Filed by Attorney Holland N. O'Neil Objections due by 5/19/2020. (Attachments: # <u>1</u> Exhibit A) (O'Neil, Holland)
04/28/2020	<u>602</u> Application for compensation <i>First Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through March 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 10/16/2019 to 3/31/2020, Fee: \$484,590.10, Expenses: \$10,455.04. Filed by Attorney Holland N. O'Neil Objections due by 5/19/2020. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Proposed Order Exhibit C – Proposed Order) (O'Neil, Holland)
04/28/2020	<u>603</u> Certificate of service re: 1) <i>Fourth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from March 1, 2020 through March 31, 2020</i> ; and 2) <i>Notice of Additional Services to Be Provided by Deloitte Tax LLP</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>598</u> Application for compensation (<i>Fourth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from March 1, 2020 through March 31, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 3/1/2020 to 3/31/2020, Fee: \$35,307.50, Expenses: \$1,732.02. Filed by Other Professional Hayward & Associates PLLC (Attachments: # <u>1</u> Exhibit A—H&A March 2020 Invoice) filed by Other Professional Hayward & Associates PLLC, <u>599</u> Notice (<i>Notice of Additional Services to Be Provided by Deloitte Tax LLP</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>551</u> Agreed Order granting application to employ Deloitte Tax LLP as tax services provider nunc pro tunc to the petition date (related document <u>483</u>) Entered on 3/27/2020. (Okafor, M.)). (Attachments: # <u>1</u> Exhibit A—Deloitte Tax Engagement Letters) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
04/28/2020	

	<u>604</u> Application to employ Hunton Andrews Kurth LLP as Special Counsel (<i>Debtor's Application for Entry of an Order Authorizing the Retention and Employment of Hunton Andrews Kurth LLP as Special Counsel Nunc Pro Tunc to the Petition Date</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Declaration of Alexander McGeoch # <u>2</u> Exhibit B—Proposed Order) (Annable, Zachery)
04/28/2020	<u>605</u> Application to employ Wilmer Cutler Pickering Hale and Dorr LLP as Special Counsel (<i>Debtor's Application Pursuant to Sections 327(e) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016 for an Order Authorizing the Employment of Wilmer Cutler Pickering Hale and Dorr LLP as Regulatory and Compliance Counsel Nunc Pro Tunc to the Petition Date</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Declaration of Timothy Silva # <u>2</u> Exhibit B—Proposed Order) (Annable, Zachery)
04/28/2020	<u>606</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>460</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. Objections due by 5/22/2020. (Attachments: # <u>1</u> Exhibit A—Proposed Order) (Annable, Zachery)
04/28/2020	<u>607</u> Application for compensation <i>First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period From October 16, 2019 Through March 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 10/16/2019 to 3/31/2020, Fee: \$4,834,021.00, Expenses: \$118,198.81. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 5/19/2020. (Pomerantz, Jeffrey)
04/28/2020	<u>608</u> Application for compensation <i>First Interim Application for Compensation and Reimbursement of Expenses of Mercer (US) Inc., as Compensation Consultant to the Debtor for the Period From November 15, 2019 Through February 29, 2020</i> for Mercer (US) Inc., Consultant, Period: 11/15/2019 to 2/29/2020, Fee: \$113,804.64, Expenses: \$2,151.69. Filed by Consultant Mercer (US) Inc. Objections due by 5/19/2020. (Pomerantz, Jeffrey)
04/28/2020	<u>609</u> Application for compensation (<i>Hayward & Associates PLLC's First Interim Application for Compensation and Reimbursement of Expenses for the Period from December 10, 2019 through March 31, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 12/10/2019 to 3/31/2020, Fee: \$168,405.00, Expenses: \$7,333.29. Filed by Other Professional Hayward & Associates PLLC (Attachments: # <u>1</u> Exhibit A—H&A Fee Statements) (Annable, Zachery)
04/28/2020	<u>610</u> Notice of hearing <i>Omnibus Notice of Hearing on First Interim Applications for Compensation and Reimbursement of Expenses of Estate Professionals</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>569</u> Application for compensation <i>Sidley Austin LLP's First Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 10/29/2019 to 2/29/2020, Fee: \$3,154,959.45, Expenses: \$56,254.47. Filed by Objections due by 4/28/2020., <u>570</u> Application for compensation <i>First Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 10/29/2019 to 2/29/2020, Fee: \$1,757,835.90, Expenses: \$8,781.09. Filed by Financial Advisor FTI Consulting, Inc. Objections due by 4/28/2020., <u>602</u> Application for compensation <i>First Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through March 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 10/16/2019 to 3/31/2020, Fee: \$484,590.10, Expenses: \$10,455.04. Filed by Attorney Holland N. O'Neil Objections due by 5/19/2020. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Proposed Order Exhibit C – Proposed Order) (O'Neil, Holland), <u>607</u> Application for compensation <i>First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period From October 16, 2019 Through March 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 10/16/2019 to 3/31/2020, Fee: \$4,834,021.00, Expenses: \$118,198.81. Filed by Attorney

	<p>Jeffrey Nathan Pomerantz Objections due by 5/19/2020., <u>608</u> Application for compensation <i>First Interim Application for Compensation and Reimbursement of Expenses of Mercer (US) Inc., as Compensation Consultant to the Debtor for the Period From November 15, 2019 Through February 29, 2020</i> for Mercer (US) Inc., Consultant, Period: 11/15/2019 to 2/29/2020, Fee: \$113,804.64, Expenses: \$2,151.69. Filed by Consultant Mercer (US) Inc. Objections due by 5/19/2020., <u>609</u> Application for compensation (<i>Hayward & Associates PLLC's First Interim Application for Compensation and Reimbursement of Expenses for the Period from December 10, 2019 through March 31, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 12/10/2019 to 3/31/2020, Fee: \$168,405.00, Expenses: \$7,333.29. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—H&A Fee Statements)). Hearing to be held on 5/26/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>569</u> and for <u>607</u> and for <u>609</u> and for <u>570</u> and for <u>602</u> and for <u>608</u>, (Pomerantz, Jeffrey)</p>
04/28/2020	<p><u>611</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>604</u> Application to employ Hunton Andrews Kurth LLP as Special Counsel (<i>Debtor's Application for Entry of an Order Authorizing the Retention and Employment of Hunton Andrews Kurth LLP as Special Counsel Nunc Pro Tunc to the Petition Date</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Declaration of Alexander McGeoch # 2 Exhibit B—Proposed Order), <u>605</u> Application to employ Wilmer Cutler Pickering Hale and Dorr LLP as Special Counsel (<i>Debtor's Application Pursuant to Sections 327(e) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016 for an Order Authorizing the Employment of Wilmer Cutler Pickering Hale and Dorr LLP as Regulatory and Compliance Counsel Nunc Pro Tunc to the Petition Date</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Declaration of Timothy Silva # 2 Exhibit B—Proposed Order), <u>606</u> Motion to extend or limit the exclusivity period (RE: related document(s)<u>460</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. Objections due by 5/22/2020. (Attachments: # 1 Exhibit A—Proposed Order)). Hearing to be held on 5/26/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>605</u> and for <u>604</u> and for <u>606</u>, (Annable, Zachery)</p>
04/28/2020	<p><u>612</u> Certificate of service re: (<i>Supplemental</i>) 1) <i>Notice of Bar Dates for Filing Claims</i>; and 2) [<i>Customized</i>] <i>Official Form 410 Proof of Claim</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>498</u> <i>Notice of Bar Date for Filing Claims</i> filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
04/29/2020	<p><u>613</u> Clerk's correspondence requesting a notice of hearing from attorney for debtor. (RE: related document(s)<u>394</u> Application for compensation <i>Second Monthly Application for Compensation and Reimbursement of Expenses of Foley Gardere, Foley & Lardner LLP as Proposed Special Texas Counsel to the Debtor for the Period from December 1, 2019 through December 30, 2019</i> for Foley Gardere, Foley & Lardner LLP f/k/a Gardere Wynne Sewell LLP, Special Counsel, Period: 12/1/2019 to 12/31/2019, Fee: \$143,328.50, Expenses: \$2,808.29. Filed by Attorney Holland N. O'Neil Objections due by 2/14/2020. (O'Neil, Holland)) Responses due by 5/13/2020. (Ecker, C.)</p>
04/29/2020	<p><u>614</u> Order approving second stipulation permitting Brown Rudnick LLP to file proof of claims after the general bar date (RE: related document(s)<u>600</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 4/29/2020 (Okafor, M.)</p>
04/29/2020	<p><u>615</u> Motion to extend time to Assume or Reject Unexpired Nonresidential Real Property Lease (RE: related document(s)<u>429</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)</p>
04/30/2020	<p><u>616</u> Agreed Order extending deadline to assume or reject unexpired nonresidential real property lease by sixty days (RE: <u>615</u> Motion to extend time.) Entered on 4/30/2020. (Okafor, M.)</p>
05/01/2020	

	<p><u>617</u> Response unopposed to (related document(s): <u>593</u> Motion for relief from stay Fee amount \$181, filed by Creditor Acis Capital Management GP, LLC, Creditor Acis Capital Management, L.P.) filed by Interested Party James Dondero. (Assink, Bryan)</p>
05/05/2020	<p><u>618</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to March 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALSUTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Annable, Zachery)</p>
05/05/2020	<p><u>619</u> Certificate of service re: <i>Documents Served on April 28, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>600</u> Stipulation by Highland Capital Management, L.P. and Brown Rudnick LLP. filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>488</u> Order on motion for leave). filed by Debtor Highland Capital Management, L.P., <u>601</u> Application for compensation <i>Fifth Monthly Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from March 1, 2020 through March 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 3/1/2020 to 3/31/2020, Fee: \$82,270.50, Expenses: \$12.70. Filed by Attorney Holland N. O'Neil Objections due by 5/19/2020. (Attachments: # 1 Exhibit A) (O'Neil, Holland) filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>602</u> Application for compensation <i>First Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through March 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 10/16/2019 to 3/31/2020, Fee: \$484,590.10, Expenses: \$10,455.04. Filed by Attorney Holland N. O'Neil Objections due by 5/19/2020. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Proposed Order Exhibit C – Proposed Order) (O'Neil, Holland) filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>603</u> Certificate of service re: 1) <i>Fourth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from March 1, 2020 through March 31, 2020; and 2) Notice of Additional Services to Be Provided by Deloitte Tax LLP</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>598</u> Application for compensation (<i>Fourth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from March 1, 2020 through March 31, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 3/1/2020 to 3/31/2020, Fee: \$35,307.50, Expenses: \$1,732.02. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—H&A March 2020 Invoice) filed by Other Professional Hayward & Associates PLLC, <u>599</u> Notice (<i>Notice of Additional Services to Be Provided by Deloitte Tax LLP</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>551</u> Agreed Order granting application to employ Deloitte Tax LLP as tax services provider nunc pro tunc to the petition date (related document <u>483</u>) Entered on 3/27/2020. (Okafor, M.)). (Attachments: # 1 Exhibit A—Deloitte Tax Engagement Letters) filed by Debtor Highland Capital Management, L.P.). filed by Claims Agent Kurtzman Carson Consultants LLC, <u>604</u> Application to employ Hunton Andrews Kurth LLP as Special Counsel (<i>Debtor's Application for Entry of an Order Authorizing the Retention and Employment of Hunton Andrews Kurth LLP as Special Counsel Nunc Pro Tunc to the Petition Date</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Declaration of Alexander McGeoch # 2 Exhibit B—Proposed Order) filed by Debtor Highland Capital Management, L.P., <u>605</u> Application to employ Wilmer Cutler Pickering Hale and Dorr LLP as Special Counsel (<i>Debtor's Application Pursuant to Sections 327(e) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016 for an Order Authorizing the Employment of Wilmer Cutler Pickering Hale and Dorr LLP as Regulatory and Compliance Counsel Nunc Pro Tunc to the Petition Date</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Declaration of Timothy Silva # 2 Exhibit B—Proposed Order) filed by Debtor Highland Capital Management, L.P., <u>606</u> Motion to</p>

extend or limit the exclusivity period (RE: related document(s)460 Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. Objections due by 5/22/2020. (Attachments: # 1 Exhibit A—Proposed Order) filed by Debtor Highland Capital Management, L.P., 607 Application for compensation *First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period From October 16, 2019 Through March 31, 2020* for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 10/16/2019 to 3/31/2020, Fee: \$4,834,021.00, Expenses: \$118,198.81. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 5/19/2020. filed by Debtor Highland Capital Management, L.P., 608 Application for compensation *First Interim Application for Compensation and Reimbursement of Expenses of Mercer (US) Inc., as Compensation Consultant to the Debtor for the Period From November 15, 2019 Through February 29, 2020* for Mercer (US) Inc., Consultant, Period: 11/15/2019 to 2/29/2020, Fee: \$113,804.64, Expenses: \$2,151.69. Filed by Consultant Mercer (US) Inc. Objections due by 5/19/2020. filed by Consultant Mercer (US) Inc., 609 Application for compensation (*Hayward & Associates PLLC's First Interim Application for Compensation and Reimbursement of Expenses for the Period from December 10, 2019 through March 31, 2020*) for Hayward & Associates PLLC, Debtor's Attorney, Period: 12/10/2019 to 3/31/2020, Fee: \$168,405.00, Expenses: \$7,333.29. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—H&A Fee Statements) filed by Other Professional Hayward & Associates PLLC, 610 Notice of hearing *Omnibus Notice of Hearing on First Interim Applications for Compensation and Reimbursement of Expenses of Estate Professionals* filed by Debtor Highland Capital Management, L.P. (RE: related document(s)569 Application for compensation *Sidley Austin LLP's First Interim Application for Compensation and Reimbursement of Expenses* for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 10/29/2019 to 2/29/2020, Fee: \$3,154,959.45, Expenses: \$56,254.47. Filed by Objections due by 4/28/2020., 570 Application for compensation *First Interim Application for Compensation and Reimbursement of Expenses* for FTI Consulting, Inc., Financial Advisor, Period: 10/29/2019 to 2/29/2020, Fee: \$1,757,835.90, Expenses: \$8,781.09. Filed by Financial Advisor FTI Consulting, Inc. Objections due by 4/28/2020., 602 Application for compensation *First Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through March 31, 2020* for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 10/16/2019 to 3/31/2020, Fee: \$484,590.10, Expenses: \$10,455.04. Filed by Attorney Holland N. O'Neil Objections due by 5/19/2020. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Proposed Order Exhibit C – Proposed Order) (O'Neil, Holland), 607 Application for compensation *First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period From October 16, 2019 Through March 31, 2020* for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 10/16/2019 to 3/31/2020, Fee: \$4,834,021.00, Expenses: \$118,198.81. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 5/19/2020., 608 Application for compensation *First Interim Application for Compensation and Reimbursement of Expenses of Mercer (US) Inc., as Compensation Consultant to the Debtor for the Period From November 15, 2019 Through February 29, 2020* for Mercer (US) Inc., Consultant, Period: 11/15/2019 to 2/29/2020, Fee: \$113,804.64, Expenses: \$2,151.69. Filed by Consultant Mercer (US) Inc. Objections due by 5/19/2020., 609 Application for compensation (*Hayward & Associates PLLC's First Interim Application for Compensation and Reimbursement of Expenses for the Period from December 10, 2019 through March 31, 2020*) for Hayward & Associates PLLC, Debtor's Attorney, Period: 12/10/2019 to 3/31/2020, Fee: \$168,405.00, Expenses: \$7,333.29. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—H&A Fee Statements)). Hearing to be held on 5/26/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for 569 and for 607 and for 609 and for 570 and for 602 and for 608, filed by Debtor Highland Capital Management, L.P., 611 Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)604 Application to employ Hunton Andrews Kurth LLP as Special Counsel (*Debtor's Application for Entry of an Order Authorizing the Retention and Employment of Hunton Andrews Kurth LLP as Special Counsel Nunc Pro Tunc to the Petition Date*) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Declaration of Alexander McGeoch # 2 Exhibit B—Proposed Order), 605 Application to employ Wilmer Cutler Pickering Hale and Dorr LLP as Special Counsel (*Debtor's Application Pursuant to Sections 327(e) and 328(a) of the Bankruptcy Code and Bankruptcy Rules*

	<p><i>2014(a) and 2016 for an Order Authorizing the Employment of Wilmer Cutler Pickering Hale and Dorr LLP as Regulatory and Compliance Counsel Nunc Pro Tunc to the Petition Date</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Declaration of Timothy Silva # 2 Exhibit B—Proposed Order), <u>606</u> Motion to extend or limit the exclusivity period (RE: related document(s)<u>460</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. Objections due by 5/22/2020. (Attachments: # 1 Exhibit A—Proposed Order)). Hearing to be held on 5/26/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>605</u> and for <u>604</u> and for <u>606</u>, filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
05/05/2020	<p><u>620</u> Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors. filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>488</u> Order on motion for leave). (Attachments: # <u>1</u> Exhibit A—Employee Letter) (Annable, Zachery)</p>
05/05/2020	<p><u>621</u> Certificate of No Objection Regarding Third Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from February 1, 2020 through February 29, 2020 filed by Other Professional Hayward & Associates PLLC (RE: related document(s)<u>573</u> Application for compensation (<i>Third Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from February 1, 2020 through February 29, 2020</i>) for Hayward &). (Annable, Zachery)</p>
05/05/2020	<p><u>622</u> Certificate No Objection Regarding Sixth Monthly Application for Compensation and Reimbursement of Expenses Of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period From March 1, 2020 Through March 31, 2020 filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>586</u> Application for compensation <i>Sixth Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period From March 1, 2020 Through March 31, 2020</i> for Jeffrey Nathan Po). (Pomerantz, Jeffrey)</p>
05/06/2020	<p><u>623</u> Stipulation and Agreed Order Permitting Hunton Andrews Kurth LLP to Apply Prepetition Retainer (related document # <u>582</u>) Entered on 5/6/2020. (Okafor, M.)</p>
05/06/2020	<p><u>624</u> Objection to (related document(s): <u>590</u> Motion to reclaim funds from the registry[<i>Motion for Remittance of Funds Held in Registry of Court</i>] filed by Creditor CLO Holdco, Ltd.) filed by Creditor Committee Official Committee of Unsecured Creditors. (Hoffman, Juliana)</p>
05/06/2020	<p><u>625</u> Certificate of service re: Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s)<u>624</u> Objection). (Hoffman, Juliana)</p>
05/06/2020	<p><u>626</u> Certificate of service re: 1) <i>Order Approving Second Stipulation Permitting Brown Rudnick LLP to File Proofs of Claim after the General Bar Date</i>; and 2) <i>Agreed Motion to Extend by Sixty Days the Deadline to Assume or Reject Unexpired Nonresidential Real Property Lease</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>614</u> Order approving second stipulation permitting Brown Rudnick LLP to file proof of claims after the general bar date (RE: related document(s)<u>600</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 4/29/2020 (Okafor, M.), <u>615</u> Motion to extend time to Assume or Reject Unexpired Nonresidential Real Property Lease (RE: related document(s)<u>429</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
05/06/2020	<p><u>627</u> Certificate of service re: <i>Agreed Order Extending Deadline to Assume or Reject Unexpired Nonresidential Property Lease by Sixty Days</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>616</u> Agreed Order extending deadline to assume or reject unexpired nonresidential real property lease by sixty days (RE: <u>615</u> Motion to extend time.) Entered on 4/30/2020. (Okafor, M.)). (Kass, Albert)</p>

05/08/2020	<u>628</u> Order approving joint stipulation of the Debtor and the Official Committee of the Unsecured Creditors modifying the Bar Date Order (RE: related document(s) <u>620</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 5/8/2020 (Okafor, M.)
05/12/2020	<u>629</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>594</u> Application for compensation <i>Sidley Austin LLP's Fifth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 3/1/2020 to 3/31/2020, Fee: \$476,). (Hoffman, Juliana)
05/13/2020	<u>630</u> Reply to (related document(s): <u>624</u> Objection filed by Creditor Committee Official Committee of Unsecured Creditors) filed by Creditor CLO Holdco, Ltd.. (Attachments: # <u>1</u> Service List) (Kane, John)
05/13/2020	<u>631</u> Certificate of service re: <i>1) Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to March 31, 2020; and 2) Joint Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors Modifying the Bar Date Order</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>618</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to March 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALS UTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # <u>1</u> Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). filed by Debtor Highland Capital Management, L.P., <u>620</u> Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>488</u> Order on motion for leave). (Attachments: # <u>1</u> Exhibit A—Employee Letter) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
05/13/2020	<u>632</u> Certificate of service re: <i>Stipulation and Agreed Order Permitting Hunton Andrew Kurth LLP to Apply Prepetition Retainer</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>623</u> Stipulation and Agreed Order Permitting Hunton Andrews Kurth LLP to Apply Prepetition Retainer (related document <u>582</u>) Entered on 5/6/2020. (Okafor, M.) filed by Interested Party Hunton Andrews Kurth LLP). (Kass, Albert)
05/13/2020	<u>633</u> Certificate of service re: <i>Order Approving Joint Stipulation of the Debtor and the Official Committee of Unsecured Creditors Modifying Bar Date Order</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>628</u> Order approving joint stipulation of the Debtor and the Official Committee of the Unsecured Creditors modifying the Bar Date Order (RE: related document(s) <u>620</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 5/8/2020 (Okafor, M.)). (Kass, Albert)
05/14/2020	<u>634</u> Debtor-in-possession monthly operating report for filing period March 1, 2020 to March 31, 2020 filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
05/15/2020	<u>635</u> Notice of hearing filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>590</u> Motion to reclaim funds from the registry [<i>Motion for Remittance of Funds Held in Registry of Court</i>] Filed by Creditor CLO Holdco, Ltd. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G # <u>8</u> Exhibit H # <u>9</u> Exhibit I # <u>10</u> Proposed Order # <u>11</u> Service List)). Hearing to be held on 6/30/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>590</u> , (Attachments: # <u>1</u> Service List) (Kane, John)
05/19/2020	

	<u>636</u> Notice of Appearance and Request for Notice by Martin A. Sosland filed by Interested Parties UBS AG London Branch, UBS Securities LLC. (Sosland, Martin)
05/19/2020	<u>637</u> Notice of Appearance and Request for Notice by Candice Marie Carson filed by Interested Parties UBS AG London Branch, UBS Securities LLC. (Carson, Candice)
05/19/2020	<u>638</u> Stipulation by Highland Capital Management, L.P. and Brown Rudnick LLP. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>488</u> Order on motion for leave). (Annable, Zachery)
05/19/2020	<u>639</u> Application for compensation <i>Sixth Monthly Application of Sidley Austin LLP for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 4/1/2020 to 4/30/2020, Fee: \$438,619.32, Expenses: \$5,765.07. Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 6/9/2020. (Hoffman, Juliana)
05/19/2020	<u>640</u> Application for compensation <i>Fifth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 3/1/2020 to 3/31/2020, Fee: \$477,538.20, Expenses: \$14,937.66. Filed by Attorney Juliana Hoffman Objections due by 6/9/2020. (Hoffman, Juliana)
05/19/2020	<u>641</u> Objection to (related document(s): <u>601</u> Application for compensation <i>Fifth Monthly Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from March 1, 2020 through March 31, 2020</i> for Foley Gardere, filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>602</u> Application for compensation <i>First Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through March 31, 2020</i> for Foley Ga filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP) filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P.. (Chiarello, Annmarie)
05/20/2020	<u>642</u> Trustee's Objection to <i>Foley & Lardner, LLP's First Interim Application for Fees and Expenses</i> (RE: related document(s) <u>602</u> Application for compensation) (Lambert, Lisa)
05/20/2020	<u>643</u> Certificate of No Objection filed by Other Professional Hayward & Associates PLLC (RE: related document(s) <u>598</u> Application for compensation (<i>Fourth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from March 1, 2020 through March 31, 2020</i>) for Hayward & Asso). (Annable, Zachery)
05/20/2020	<u>644</u> Motion for relief from stay (<i>UBS's Motion for Relief From the Automatic Stay to Proceed With State Court Action</i>) Fee amount \$181, Filed by Interested Parties UBS AG London Branch, UBS Securities LLC Objections due by 6/3/2020. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G # <u>8</u> Exhibit H # <u>9</u> Exhibit I # <u>10</u> Exhibit J # <u>11</u> Exhibit K) (Sosland, Martin)
05/20/2020	<u>645</u> Notice of hearing filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>644</u> Motion for relief from stay (<i>UBS's Motion for Relief From the Automatic Stay to Proceed With State Court Action</i>) Fee amount \$181, Filed by Interested Parties UBS AG London Branch, UBS Securities LLC Objections due by 6/3/2020. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G # <u>8</u> Exhibit H # <u>9</u> Exhibit I # <u>10</u> Exhibit J # <u>11</u> Exhibit K)). Hearing to be held on 6/15/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>644</u> , (Sosland, Martin)
05/20/2020	Receipt of filing fee for Motion for relief from stay(19-34054-sgi11) [motion,mrlfsty] (181.00). Receipt number 27774088, amount \$ 181.00 (re: Doc# <u>644</u>). (U.S. Treasury)

05/20/2020	<u>646</u> Order approving third stipulation permitting Brown Rudnick LLP to file proof of claims after the general bar date (RE: related document(s) <u>638</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 5/20/2020 (Okafor, M.)
05/20/2020	<u>647</u> Witness and Exhibit List filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. (RE: related document(s) <u>601</u> Application for compensation <i>Fifth Monthly Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from March 1, 2020 through March 31, 2020</i> for Foley Gardere,, <u>602</u> Application for compensation <i>First Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through March 31, 2020</i> for Foley Ga). (Attachments: # <u>1</u> Exhibit 9 # <u>2</u> Exhibit 10 # <u>3</u> Exhibit 11 # <u>4</u> Exhibit 12 # <u>5</u> Exhibit 13 # <u>6</u> Exhibit 14 # <u>7</u> Exhibit 15 # <u>8</u> Exhibit 16 # <u>9</u> Exhibit 17 # <u>10</u> Exhibit 18 # <u>11</u> Exhibit 19 # <u>12</u> Exhibit 20 # <u>13</u> Exhibit 21 # <u>14</u> Exhibit 22 # <u>15</u> Exhibit 23 # <u>16</u> Exhibit 24 # <u>17</u> Exhibit 25) (Chiarello, Annmarie)
05/21/2020	<u>648</u> Application for compensation <i>Seventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtors for the Period From April 1, 2020 Through April 30, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 4/1/2020 to 4/30/2020, Fee: \$1,113,522.50, Expenses: \$3,437.28. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 6/11/2020. (Pomerantz, Jeffrey)
05/22/2020	<u>649</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>607</u> Application for compensation <i>First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period From October 16, 2019 Through March 31, 20</i>). (Annable, Zachery)
05/22/2020	<u>650</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>608</u> Application for compensation <i>First Interim Application for Compensation and Reimbursement of Expenses of Mercer (US) Inc., as Compensation Consultant to the Debtor for the Period From November 15, 2019 Through February 29, 2020</i> for Mercer (). (Annable, Zachery)
05/22/2020	<u>651</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>569</u> Application for compensation <i>Sidley Austin LLP's First Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 10/29/2019 to 2/29/2020, Fee: \$3,). (Hoffman, Juliana)
05/22/2020	<u>652</u> Certificate of No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s) <u>570</u> Application for compensation <i>First Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 10/29/2019 to 2/29/2020, Fee: \$1,757,835.90, Expenses: \$8,781.09.). (Hoffman, Juliana)
05/22/2020	<u>653</u> Declaration re: (<i>Second Supplemental Declaration of Bradley D. Sharp in Support of Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>74</u> Application to employ Development Specialists, Inc as Financial Advisor). (Annable, Zachery)
05/22/2020	<u>654</u> Witness and Exhibit List for May 26, 2020 Hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>569</u> Application for compensation <i>Sidley Austin LLP's First Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 10/29/2019 to

	<p>2/29/2020, Fee: \$3,, <u>570</u> Application for compensation <i>First Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 10/29/2019 to 2/29/2020, Fee: \$1,757,835.90, Expenses: \$8,781.09., <u>602</u> Application for compensation <i>First Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through March 31, 2020</i> for Foley Ga, <u>604</u> Application to employ Hunton Andrews Kurth LLP as Special Counsel (<i>Debtor's Application for Entry of an Order Authorizing the Retention and Employment of Hunton Andrews Kurth LLP as Special Counsel Nunc Pro Tunc to the Petition Date</i>), <u>605</u> Application to employ Wilmer Cutler Pickering Hale and Dorr LLP as Special Counsel (<i>Debtor's Application Pursuant to Sections 327(e) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016 for an Order Authorizing the Employment</i>, <u>606</u> Motion to extend or limit the exclusivity period (RE: related document(s)<u>460</u> Order on motion to extend/shorten time), <u>607</u> Application for compensation <i>First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period From October 16, 2019 Through March 31, 20, 608</i> Application for compensation <i>First Interim Application for Compensation and Reimbursement of Expenses of Mercer (US) Inc., as Compensation Consultant to the Debtor for the Period From November 15, 2019 Through February 29, 2020 for Mercer (, 609</i> Application for compensation (<i>Hayward & Associates PLLC's First Interim Application for Compensation and Reimbursement of Expenses for the Period from December 10, 2019 through March 31, 2020</i>) for Hayward & Associates PLLC, Debtor's At). (Annable, Zachery)</p>
05/22/2020	<u>655</u> COURT'S NOTICE/VIDEO CONFERENCE INFORMATION FOR HEARING ON MAY 26, 2020 AT 9:30 a.m. (Ellison, T.)
05/22/2020	<u>656</u> Certificate of No Objection filed by Other Professional Hayward & Associates PLLC (RE: related document(s) <u>609</u> Application for compensation (<i>Hayward & Associates PLLC's First Interim Application for Compensation and Reimbursement of Expenses for the Period from December 10, 2019 through March 31, 2020</i>) for Hayward & Associates PLLC, Debtor's At). (Annable, Zachery)
05/22/2020	<u>657</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>606</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>460</u> Order on motion to extend/shorten time)). (Annable, Zachery)
05/22/2020	<u>658</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on May 26, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
05/23/2020	<u>659</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>605</u> Application to employ Wilmer Cutler Pickering Hale and Dorr LLP as Special Counsel (<i>Debtor's Application Pursuant to Sections 327(e) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016 for an Order Authorizing the Employment</i>)). (Annable, Zachery)
05/25/2020	<u>660</u> Amended Notice (<i>Amended Notice of Agenda of Matters Scheduled for Hearing on May 26, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>658</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on May 26, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P..). (Annable, Zachery)
05/26/2020	<u>661</u> Order granting application for compensation (related document # <u>569</u>) granting for Sidley Austin, attorney for Official Committee of Unsecured Creditors, fees awarded: \$3,154,959.45, expenses awarded: \$56,254.47 Entered on 5/26/2020. (Ecker, C.)
05/26/2020	<u>662</u> Order granting application for compensation (related document # <u>570</u>) granting for FTI Consulting, Inc., fees awarded: \$1,757,835.90, expenses awarded: \$8,781.09 Entered

	on 5/26/2020. (Ecker, C.)
05/26/2020	<u>663</u> Order granting application for compensation (related document # <u>607</u>) granting for Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, fees awarded: \$4,834,021.00, expenses awarded: \$118,198.81 Entered on 5/26/2020. (Ecker, C.)
05/26/2020	<u>664</u> Order granting application for compensation (related document # <u>608</u>) granting for Mercer (US) Inc., fees awarded: \$113,804.64, expenses awarded: \$2,151.69 Entered on 5/26/2020. (Ecker, C.)
05/26/2020	<u>665</u> Amended Order granting application for compensation (related document # <u>570</u>) granting for FTI Consulting, Inc., fees awarded: \$1,757,835.90, expenses awarded: \$8,781.09 Entered on 5/26/2020. (Ecker, C.)
05/26/2020	<u>666</u> Amended Order granting application for compensation (related document # <u>569</u>) granting for Sidley Austin, attorney for Official Committee of Unsecured Creditors, fees awarded: \$3,154,959.45, expenses awarded: \$56,254.47 Entered on 5/26/2020. (Ecker, C.)
05/26/2020	<u>667</u> Order granting application for compensation (related document # <u>609</u>) granting for Hayward & Associates PLLC, fees awarded: \$168,405.00, expenses awarded: \$7,333.29 Entered on 5/26/2020. (Ecker, C.)
05/26/2020	<u>668</u> Order granting <u>606</u> Motion to extend or limit the exclusivity period. (Re: related document(s) Chapter 11 Plan due by 7/13/2020, Entered on 5/26/2020. (Ecker, C.)
05/26/2020	<u>669</u> Order granting application to employ Wilmer Cutler Pickering Hale and Dorr LLP as Other Professional (related document # <u>605</u>) Entered on 5/26/2020. (Ecker, C.)
05/26/2020	<u>670</u> Order granting application for compensation (related document # <u>602</u>) granting for Foley Gardere, Foley & Lardner LLP, fees awarded: \$387,672.08, expenses awarded: \$10,455.04 Entered on 5/26/2020. (Ecker, C.)
05/26/2020	<u>672</u> Hearing held on 5/26/2020. (RE: related document(s) <u>602</u> First Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through March 31, 2020 for Foley Gardere, Foley & Lardner LLP, Special Counsel,) (Appearances (all video or telephonic): J. Pomeranz and G. Demo for Debtors; M. Clemente for Unsecured Creditors Committee; R. Patel and A. Chiarello for Acis; H. ONiel, special counsel for Debtor; A. Attarwala for UBS; M. Hankin and T. Mascherin for Redeemer Committee; R. Matsumura for HCLOF; L. Lambert for UST. Nonevidentiary hearing. Agreed resolution accepted; 80% of fees and 100% of expenses allowed on an interim basis with all rights of all parties reserved. Counsel to upload order.) (Edmond, Michael) (Entered: 05/27/2020)
05/26/2020	<u>673</u> Hearing held on 5/26/2020. (RE: related document(s) <u>605</u> Application to employ Wilmer Cutler Pickering Hale and Dorr LLP as Special Counsel (Debtor's Application Pursuant to Sections 327(e) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016 for an Order Authorizing the Employment of Wilmer Cutler Pickering Hale and Dorr LLP as Regulatory and Compliance Counsel Nunc Pro Tunc to the Petition Date), filed by Debtor Highland Capital Management, L.P.) (Appearances (all video or telephonic): J. Pomeranz and G. Demo for Debtors; M. Clemente for Unsecured Creditors Committee; R. Patel and A. Chiarello for Acis; H. ONiel, special counsel for Debtor; A. Attarwala for UBS; M. Hankin and T. Mascherin for Redeemer Committee; R. Matsumura for HCLOF; L. Lambert for UST. Nonevidentiary hearing. Application granted. Counsel to upload order.) (Edmond, Michael) (Entered: 05/27/2020)
05/26/2020	<u>674</u> Hearing held on 5/26/2020. (RE: related document(s) <u>606</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>460</u> Order on motion to extend/shorten time)

	filed by Debtor Highland Capital Management, L.P.) (Appearances (all video or telephonic): J. Pomeranz and G. Demo for Debtors; M. Clemente for Unsecured Creditors Committee; R. Patel and A. Chiarello for Acis; H. ONiel, special counsel for Debtor; A. Attarwala for UBS; M. Hankin and T. Mascherin for Redeemer Committee; R. Matsumura for HCLOF; L. Lambert for UST. Nonevidentiary hearing. Agreed resolution accepted; 30 day extension. Counsel to upload order. (Edmond, Michael) (Entered: 05/27/2020)
05/27/2020	<u>671</u> Request for transcript (ruling only) regarding a hearing held on 5/26/2020. The requested turn-around time is daily (Jeng, Hawaii)
05/28/2020	<u>675</u> Application for compensation <i>Sixth Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 4/1/2020 to 4/30/2020, Fee: \$489,957.84, Expenses: \$6,702.95. Filed by Attorney Juliana Hoffman Objections due by 6/18/2020. (Hoffman, Juliana)
05/28/2020	<u>676</u> Transcript regarding Hearing Held 05/26/2020 (7 pgs.) RE: Fee Applications, Applications to Employ Nunc Pro Tunc, Motion to Extend Exclusivity Period (Excerpt: 10:00–10:06 a.m. Only). THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 08/26/2020. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972–786–3063. (RE: related document(s) <u>672</u> Hearing held on 5/26/2020. (RE: related document(s) <u>602</u> First Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through March 31, 2020 for Foley Gardere, Foley & Lardner LLP, Special Counsel,) (Appearances (all video or telephonic): J. Pomeranz and G. Demo for Debtors; M. Clemente for Unsecured Creditors Committee; R. Patel and A. Chiarello for Acis; H. ONiel, special counsel for Debtor; A. Attarwala for UBS; M. Hankin and T. Mascherin for Redeemer Committee; R. Matsumura for HCLOF; L. Lambert for UST. Nonevidentiary hearing. Agreed resolution accepted; 80% of fees and 100% of expenses allowed on an interim basis with all rights of all parties reserved. Counsel to upload order.), <u>673</u> Hearing held on 5/26/2020. (RE: related document(s) <u>605</u> Application to employ Wilmer Cutler Pickering Hale and Dorr LLP as Special Counsel (Debtor's Application Pursuant to Sections 327(e) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016 for an Order Authorizing the Employment of Wilmer Cutler Pickering Hale and Dorr LLP as Regulatory and Compliance Counsel Nunc Pro Tunc to the Petition Date), filed by Debtor Highland Capital Management, L.P.) (Appearances (all video or telephonic): J. Pomeranz and G. Demo for Debtors; M. Clemente for Unsecured Creditors Committee; R. Patel and A. Chiarello for Acis; H. ONiel, special counsel for Debtor; A. Attarwala for UBS; M. Hankin and T. Mascherin for Redeemer Committee; R. Matsumura for HCLOF; L. Lambert for UST. Nonevidentiary hearing. Application granted. Counsel to upload order.), <u>674</u> Hearing held on 5/26/2020. (RE: related document(s) <u>606</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>460</u> Order on motion to extend/shorten time) filed by Debtor Highland Capital Management, L.P.) (Appearances (all video or telephonic): J. Pomeranz and G. Demo for Debtors; M. Clemente for Unsecured Creditors Committee; R. Patel and A. Chiarello for Acis; H. ONiel, special counsel for Debtor; A. Attarwala for UBS; M. Hankin and T. Mascherin for Redeemer Committee; R. Matsumura for HCLOF; L. Lambert for UST. Nonevidentiary hearing. Agreed resolution accepted; 30 day extension. Counsel to upload order.). Transcript to be made available to the public on 08/26/2020. (Rehling, Kathy)
05/28/2020	<u>677</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>663</u> Order granting application for compensation (related document <u>607</u>) granting for Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, fees awarded: \$4,834,021.00, expenses awarded: \$118,198.81 Entered on 5/26/2020. (Ecker, C.)) No. of Notices: 1. Notice Date 05/28/2020. (Admin.)
06/01/2020	<u>678</u> Stipulation by Highland Capital Management, L.P. and Brown Rudnick LLP. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>488</u> Order on motion

	for leave). (Annable, Zachery)
06/01/2020	<u>679</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from April 1, 2020 through April 30, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). (Attachments: # <u>1</u> Exhibit A—DSI Staffing Report for April 2020) (Annable, Zachery)
06/01/2020	<u>680</u> Certificate of service re: 1) <i>Third Stipulation by and Between the Debtor and Brown Rudnick LLP Extending the General Bar Date</i> ; 2) <i>Summary Sheet and Sixth Monthly Application of Sidley Austin LLP for Allowance of Compensation and Reimbursement of Expenses for the Period from April 1, 2020 to and Including April 30, 2020</i> ; and 3) <i>Summary Sheet and Fifth Monthly Application of FTI Consulting, Inc. for Allowance of Compensation and Reimbursement of Expenses for the Period from March 1, 2020 to and Including March 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>638</u> Stipulation by Highland Capital Management, L.P. and Brown Rudnick LLP. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>488</u> Order on motion for leave). filed by Debtor Highland Capital Management, L.P., <u>639</u> Application for compensation <i>Sixth Monthly Application of Sidley Austin LLP for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 4/1/2020 to 4/30/2020, Fee: \$438,619.32, Expenses: \$5,765.07. Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 6/9/2020. filed by Creditor Committee Official Committee of Unsecured Creditors, <u>640</u> Application for compensation <i>Fifth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 3/1/2020 to 3/31/2020, Fee: \$477,538.20, Expenses: \$14,937.66. Filed by Attorney Juliana Hoffman Objections due by 6/9/2020. filed by Financial Advisor FTI Consulting, Inc.). (Kass, Albert)
06/01/2020	<u>681</u> Certificate of service re: 1) <i>Webex Meeting Invitation to participate electronically in the hearing on Tuesday, May 26, 2020 at 9:30 a.m. Central Time before the Honorable Stacey G. Jernigan</i> ; and 2) <i>Instructions for any counsel and parties who wish to participate in the Hearing [Attached hereto as Exhibit B]</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>658</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on May 26, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>660</u> Amended Notice (<i>Amended Notice of Agenda of Matters Scheduled for Hearing on May 26, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>658</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on May 26, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P.)). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
06/01/2020	<u>682</u> Certificate of service re: <i>Cover Sheet and Seventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from April 1, 2020 Through April 30, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>648</u> Application for compensation <i>Seventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtors for the Period From April 1, 2020 Through April 30, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 4/1/2020 to 4/30/2020, Fee: \$1,113,522.50, Expenses: \$3,437.28. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 6/11/2020. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
06/01/2020	<u>683</u> Certificate of service re: <i>Documents Served on May 22, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>653</u> Declaration re: (<i>Second Supplemental Declaration of Bradley D. Sharp in Support of Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to</i>

	<p><i>Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>74</u> Application to employ Development Specialists, Inc as Financial Advisor). filed by Debtor Highland Capital Management, L.P., <u>654</u> Witness and Exhibit List for May 26, 2020 <i>Hearing</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>569</u> Application for compensation <i>Sidley Austin LLP's First Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 10/29/2019 to 2/29/2020, Fee: \$3., <u>570</u> Application for compensation <i>First Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 10/29/2019 to 2/29/2020, Fee: \$1,757,835.90, Expenses: \$8,781.09., <u>602</u> Application for compensation <i>First Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through March 31, 2020</i> for Foley Ga, <u>604</u> Application to employ Hunton Andrews Kurth LLP as Special Counsel (<i>Debtor's Application for Entry of an Order Authorizing the Retention and Employment of Hunton Andrews Kurth LLP as Special Counsel Nunc Pro Tunc to the Petition Date</i>), <u>605</u> Application to employ Wilmer Cutler Pickering Hale and Dorr LLP as Special Counsel (<i>Debtor's Application Pursuant to Sections 327(e) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016 for an Order Authorizing the Employment</i>, <u>606</u> Motion to extend or limit the exclusivity period (RE: related document(s)<u>460</u> Order on motion to extend/shorten time), <u>607</u> Application for compensation <i>First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period From October 16, 2019 Through March 31, 20, 608</i> Application for compensation <i>First Interim Application for Compensation and Reimbursement of Expenses of Mercer (US) Inc., as Compensation Consultant to the Debtor for the Period From November 15, 2019 Through February 29, 2020 for Mercer (</i>, <u>609</u> Application for compensation (<i>Hayward & Associates PLLC's First Interim Application for Compensation and Reimbursement of Expenses for the Period from December 10, 2019 through March 31, 2020) for Hayward & Associates PLLC, Debtor's At</i>). filed by Debtor Highland Capital Management, L.P., <u>655</u> COURT'S NOTICE/VIDEO CONFERENCE INFORMATION FOR HEARING ON MAY 26, 2020 AT 9:30 a.m. (Ellison, T.), <u>658</u> Notice (Notice of Agenda of Matters Scheduled for Hearing on May 26, 2020 at 9:30 a.m. (Central Time)) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
06/02/2020	<p><u>684</u> Clerk's correspondence requesting a notice of hearing from attorney for creditor. (RE: related document(s)<u>593</u> Motion for relief from stay Fee amount \$181, Filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. Objections due by 5/1/2020. (Attachments: # 1 Exhibit 1 (Draft Motion Show Cause Motion) # 2 Exhibit 2 (DAF Complaint 1st case) # 3 Exhibit 3 (DAF Dismissal first case) # 4 Exhibit 4 (DAF Complaint 2nd case) # 5 Exhibit 5 (DAF Dismissal 2nd Case) # 6 Proposed Order)) Responses due by 6/9/2020. (Ecker, C.)</p>
06/02/2020	<p><u>685</u> Order approving fourth stipulation permitting Brown Rudnick LLP to file proof of claims after general bar date (RE: related document(s)<u>638</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 6/2/2020 (Okafor, M.)</p>
06/02/2020	<p><u>686</u> Debtor-in-possession monthly operating report for filing period April 1, 2020 to April 30, 2020 filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)</p>
06/03/2020	<p><u>687</u> Response opposed to (related document(s): <u>644</u> Motion for relief from stay (<i>UBS's Motion for Relief From the Automatic Stay to Proceed With State Court Action</i>) Fee amount \$181, filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)</p>
06/03/2020	<p><u>688</u> Support/supplemental document(<i>Appendix A of Exhibits in Support of Debtor's Objection to UBS's Motion for Relief from the Automatic Stay</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>687</u> Response). (Attachments: # 1</p>

	Exhibit 1—UBS v. Highland Capital Mgmt., L.P., 2010 NY Slip Op 1436 (N.Y. App. Div.) # <u>2</u> Exhibit 2—UBS v. Highland Capital Mgmt., L.P., 86 A.D.3d 469 (N.Y. App. Div. 2011) # <u>3</u> Exhibit 3—UBS v. Highland Capital Mgmt., L.P., 93 A.D.3d 489 (N.Y. App. Div. 2012) # <u>4</u> Exhibit 4—NY D.I. 411: March 13, 2017 Decision # <u>5</u> Exhibit 5—NY D.I. 494: Transcript of May 1, 2018 Telephonic Hearing # <u>6</u> Exhibit 6—NY D.I. 472: UBSs Pre-Trial Brief in Support of Bifurcation # <u>7</u> Exhibit 7—Shira A. Scheindlin, U.S.D.J. (Ret.), Why Not Arbitrate? Breaking the Backlog in State and Federal Courts, 263 N.Y. L.J. 94 (May 15, 2020) # <u>8</u> Exhibit 8—December 2, 2019 Email from the Debtors Pre-Petition Counsel to Counsel for UBS # <u>9</u> Exhibit 9—March 6, 2020 Email Chain Between the Debtors Bankruptcy Counsel and Counsel for UBS # <u>10</u> Exhibit 10—NY D.I. 320: UBSs Note of Issue Without Jury # <u>11</u> Exhibit 11—March 22, 2020 New York Administrative Order AO/78/20 # <u>12</u> Exhibit 12—May 26, 2020 Law360 Article (Excerpt Only) (Annable, Zachery)
06/03/2020	<u>689</u> Motion to file document under seal.(<i>Debtor's Motion for Entry of an Order Authorizing Filing under Seal of Appendix B of Exhibits to Debtor's Objection to UBS's Motion for Relief from the Automatic Stay</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Proposed Order # <u>2</u> Exhibit B—Protective Order Filed in State Court Litigation) (Annable, Zachery)
06/03/2020	<u>690</u> Objection to (related document(s): <u>644</u> Motion for relief from stay (<i>UBS's Motion for Relief From the Automatic Stay to Proceed With State Court Action</i>) Fee amount \$181, filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch) filed by Creditor Committee Official Committee of Unsecured Creditors. (Hoffman, Juliana)
06/03/2020	<u>691</u> Motion to file document under seal. <i>MOTION FOR AN ORDER GRANTING LEAVE TO FILE DOCUMENTS UNDER SEAL REGARDING REDEEMER COMMITTEE OBJECTION TO UBS MOTION FOR RELIEF FROM THE AUTOMATIC STAY TO PROCEED WITH STATE COURT ACTION</i> Filed by Interested Party Redeemer Committee of the Highland Crusader Fund (Attachments: # <u>1</u> Exhibit Exhibit A # <u>2</u> Exhibit Exhibit B # <u>3</u> Exhibit Exhibit C # <u>4</u> Proposed Order) (Platt, Mark)
06/03/2020	<u>692</u> Objection to (related document(s): <u>644</u> Motion for relief from stay (<i>UBS's Motion for Relief From the Automatic Stay to Proceed With State Court Action</i>) Fee amount \$181, filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch) <i>Redacted Version (Pending Ruling on Motion to Seal at D.I. 691) of Redeemer Committee Objection to UBS Motion for Relief from the Automatic Stay to Proceed with State Court Action</i> filed by Interested Party Redeemer Committee of the Highland Crusader Fund. (Attachments: # <u>1</u> Exhibit Exhibit A (slip sheet, pending ruling on motion to seal) # <u>2</u> Exhibit Exhibit B slip sheet (pending ruling on motion to seal) # <u>3</u> Exhibit Exhibit C slip sheet (pending ruling on motion to seal) # <u>4</u> Exhibit Exhibit D slip sheet (pending ruling on motion to seal) # <u>5</u> Exhibit Exhibit E # <u>6</u> Exhibit Exhibit F # <u>7</u> Exhibit Exhibit G # <u>8</u> Exhibit Exhibit H slip sheet (pending ruling on motion to seal) # <u>9</u> Exhibit Exhibit I slip sheet (pending ruling on motion to seal) # <u>10</u> Exhibit Exhibit J # <u>11</u> Exhibit Exhibit L # <u>12</u> Exhibit Exhibit M # <u>13</u> Exhibit Exhibit N) (Platt, Mark)
06/03/2020	<u>693</u> Support/supplemental document <i>Exhibit K</i> filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>692</u> Objection). (Platt, Mark)
06/03/2020	<u>694</u> Joinder by filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. (RE: related document(s) <u>692</u> Objection). (Shaw, Brian)
06/04/2020	<u>695</u> Motion to appear pro hac vice for Robert J. Feinstein. Fee Amount \$100 Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
06/04/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27814231, amount \$ 100.00 (re: Doc# <u>695</u>). (U.S. Treasury)

06/04/2020	<u>696</u> Amended Motion to file document under seal.AMENDED MOTION FOR AN ORDER GRANTING LEAVE TO FILE DOCUMENTS UNDER SEAL REGARDING REDEEMER COMMITTEE OBJECTION TO UBS MOTION FOR RELIEF FROM THE AUTOMATIC STAY TO PROCEED WITH STATE COURT ACTION Filed by Interested Party Redeemer Committee of the Highland Crusader Fund (Attachments: # <u>1</u> Exhibit Exhibit A # <u>2</u> Exhibit Exhibit B # <u>3</u> Exhibit Exhibit C # <u>4</u> Proposed Order) (Platt, Mark)
06/04/2020	<u>697</u> Certificate of service re: <i>Amended Notice of Agenda of Matters Scheduled for Hearing on May 26, 2020 at 9:30 a.m. (Central Time)</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>660</u> Amended Notice (<i>Amended Notice of Agenda of Matters Scheduled for Hearing on May 26, 2020 at 9:30 a.m. (Central Time)</i>)) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>658</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on May 26, 2020 at 9:30 a.m. (Central Time)</i>)) filed by Debtor Highland Capital Management, L.P..) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
06/04/2020	<u>698</u> Certificate of service re: <i>Documents Served on May 26, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>661</u> Order granting application for compensation (related document <u>569</u>) granting for Sidley Austin, attorney for Official Committee of Unsecured Creditors, fees awarded: \$3,154,959.45, expenses awarded: \$56,254.47 Entered on 5/26/2020. (Ecker, C.), <u>662</u> Order granting application for compensation (related document <u>570</u>) granting for FTI Consulting, Inc., fees awarded: \$1,757,835.90, expenses awarded: \$8,781.09 Entered on 5/26/2020. (Ecker, C.), <u>663</u> Order granting application for compensation (related document <u>607</u>) granting for Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, fees awarded: \$4,834,021.00, expenses awarded: \$118,198.81 Entered on 5/26/2020. (Ecker, C.), <u>664</u> Order granting application for compensation (related document <u>608</u>) granting for Mercer (US) Inc., fees awarded: \$113,804.64, expenses awarded: \$2,151.69 Entered on 5/26/2020. (Ecker, C.), <u>665</u> Amended Order granting application for compensation (related document <u>570</u>) granting for FTI Consulting, Inc., fees awarded: \$1,757,835.90, expenses awarded: \$8,781.09 Entered on 5/26/2020. (Ecker, C.), <u>666</u> Amended Order granting application for compensation (related document <u>569</u>) granting for Sidley Austin, attorney for Official Committee of Unsecured Creditors, fees awarded: \$3,154,959.45, expenses awarded: \$56,254.47 Entered on 5/26/2020. (Ecker, C.), <u>667</u> Order granting application for compensation (related document <u>609</u>) granting for Hayward & Associates PLLC, fees awarded: \$168,405.00, expenses awarded: \$7,333.29 Entered on 5/26/2020. (Ecker, C.), <u>668</u> Order granting <u>606</u> Motion to extend or limit the exclusivity period. (Re: related document(s) Chapter 11 Plan due by 7/13/2020, Entered on 5/26/2020. (Ecker, C.), <u>669</u> Order granting application to employ Wilmer Cutler Pickering Hale and Dorr LLP as Other Professional (related document <u>605</u>) Entered on 5/26/2020. (Ecker, C.), <u>670</u> Order granting application for compensation (related document <u>602</u>) granting for Foley Gardere, Foley & Lardner LLP, fees awarded: \$387,672.08, expenses awarded: \$10,455.04 Entered on 5/26/2020. (Ecker, C.)). (Kass, Albert)
06/04/2020	<u>699</u> Certificate of service re: <i>Summary Sheet and Sixth Monthly Application of FTI Consulting for Allowance of Compensation and Reimbursement of Expenses for the Period from April 1, 2020 to and Including April 30, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>675</u> Application for compensation <i>Sixth Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 4/1/2020 to 4/30/2020, Fee: \$489,957.84, Expenses: \$6,702.95. Filed by Attorney Juliana Hoffman Objections due by 6/18/2020. filed by Financial Advisor FTI Consulting, Inc.). (Kass, Albert)
06/04/2020	<u>700</u> Motion to redact/restrict Restrict From Public View (related document(s): <u>692</u>) (Fee Amount \$25) Filed by Interested Party Redeemer Committee of the Highland Crusader Fund (Attachments: # <u>1</u> Proposed Order) (Platt, Mark)
06/04/2020	Receipt of filing fee for Motion to Redact/Restrict From Public View(19-34054-sgj11) [motion,mredact] (25.00). Receipt number 27815698, amount \$ 25.00 (re: Doc# <u>700</u>). (U.S. Treasury)

06/04/2020	<u>701</u> Objection to (related document(s): <u>644</u> Motion for relief from stay (<i>UBS's Motion for Relief From the Automatic Stay to Proceed With State Court Action</i>) Fee amount \$181, filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch)Redacted Version of Redeemer Committee Objection to UBS Motion for Relief from the Automatic Stay to Proceed with State Court Action filed by Interested Party Redeemer Committee of the Highland Crusader Fund. (Attachments: # <u>1</u> Exhibit Exhibit A # <u>2</u> Exhibit Exhibit B # <u>3</u> Exhibit Exhibit C # <u>4</u> Exhibit Exhibit D # <u>5</u> Exhibit Exhibit E # <u>6</u> Exhibit Exhibit F # <u>7</u> Exhibit Exhibit G # <u>8</u> Exhibit Exhibit H slip sheet # <u>9</u> Exhibit Exhibit I slip sheet # <u>10</u> Exhibit Exhibit J # <u>11</u> Exhibit Exhibit K # <u>12</u> Exhibit Exhibit L # <u>13</u> Exhibit Exhibit M # <u>14</u> Exhibit Exhibit N) (Platt, Mark)
06/04/2020	<u>702</u> Notice of Appearance and Request for Notice by Thomas M. Melsheimer filed by Creditor Frank Waterhouse, Scott B. Ellington, Isaac Leventon, Jean Paul Sevilla, Hunter Covitz and Thomas Surgent. (Melsheimer, Thomas)
06/04/2020	<u>703</u> Motion to appear pro hac vice for David Neier. Fee Amount \$100 Filed by Creditor Frank Waterhouse, Scott B. Ellington, Isaac Leventon, Jean Paul Sevilla, Hunter Covitz and Thomas Surgent (Melsheimer, Thomas)
06/04/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27816362, amount \$ 100.00 (re: Doc# <u>703</u>). (U.S. Treasury)
06/05/2020	<u>704</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to April 30, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALSUTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Annable, Zachery)
06/05/2020	<u>705</u> Order granting motion to appear pro hac vice adding David Neier for Frank Waterhouse, Scott B. Ellington, Isaac Leventon, Jean Paul Sevilla, Hunter Covitz and Thomas Surgent (related document # <u>703</u>) Entered on 6/5/2020. (Okafor, M.)
06/05/2020	<u>706</u> Order granting motion to appear pro hac vice adding Robert J. Feinstein for Highland Capital Management, L.P. (related document # <u>695</u>) Entered on 6/5/2020. (Okafor, M.)
06/05/2020	<u>707</u> Certificate of service re: 1) <i>Fourth Stipulation by and Between the Debtor and Brown Rudnick LLP Extending the General Bar Date</i> ; and 2) <i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from April 1, 2020 Through April 30, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>678</u> Stipulation by Highland Capital Management, L.P. and Brown Rudnick LLP. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>488</u> Order on motion for leave). filed by Debtor Highland Capital Management, L.P., <u>679</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from April 1, 2020 through April 30, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). (Attachments: # 1 Exhibit A—DSI Staffing Report for April 2020) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
06/05/2020	<u>708</u> Certificate of service re: <i>Order Approving Fourth Stipulation Permitting Brown Rudnick LLP to File Proofs of Claim After the General Bar Date</i> Filed by Claims Agent

	Kurtzman Carson Consultants LLC (related document(s) <u>685</u> Order approving fourth stipulation permitting Brown Rudnick LLP to file proof of claims after general bar date (RE: related document(s) <u>638</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 6/2/2020 (Okafor, M.)). (Kass, Albert)
06/05/2020	<u>709</u> Certificate of service re: 1) <i>Debtor's Objection to UBS's Motion for Relief from the Automatic Stay to Proceed with State Court Action</i> ; 2) <i>Appendix A of Exhibits in Support of Debtor's Objection to UBS's Motion for Relief from the Automatic Stay</i> ; and 3) <i>Debtor's Motion for Entry of an Order Authorizing Filing Under Seal of Appendix B of Exhibits to Debtor's Objection to UBS's Motion for Relief from the Automatic Stay</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>687</u> Response opposed to (related document(s): <u>644</u> Motion for relief from stay (<i>UBS's Motion for Relief From the Automatic Stay to Proceed With State Court Action</i>) Fee amount \$181, filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>688</u> Support/supplemental document(<i>Appendix A of Exhibits in Support of Debtor's Objection to UBS's Motion for Relief from the Automatic Stay</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>687</u> Response). (Attachments: # 1 Exhibit 1—UBS v. Highland Capital Mgmt., L.P., 2010 NY Slip Op 1436 (N.Y. App. Div.) # 2 Exhibit 2—UBS v. Highland Capital Mgmt., L.P., 86 A.D.3d 469 (N.Y. App. Div. 2011) # 3 Exhibit 3—UBS v. Highland Capital Mgmt., L.P., 93 A.D.3d 489 (N.Y. App. Div. 2012) # 4 Exhibit 4—NY D.I. 411: March 13, 2017 Decision # 5 Exhibit 5—NY D.I. 494: Transcript of May 1, 2018 Telephonic Hearing # 6 Exhibit 6—NY D.I. 472: UBSs Pre-Trial Brief in Support of Bifurcation # 7 Exhibit 7—Shira A. Scheindlin, U.S.D.J. (Ret.), Why Not Arbitrate? Breaking the Backlog in State and Federal Courts, 263 N.Y. L.J. 94 (May 15, 2020) # 8 Exhibit 8—December 2, 2019 Email from the Debtors Pre-Petition Counsel to Counsel for UBS # 9 Exhibit 9—March 6, 2020 Email Chain Between the Debtors Bankruptcy Counsel and Counsel for UBS # 10 Exhibit 10—NY D.I. 320: UBSs Note of Issue Without Jury # 11 Exhibit 11—March 22, 2020 New York Administrative Order AO/78/20 # 12 Exhibit 12—May 26, 2020 Law360 Article (Excerpt Only)) filed by Debtor Highland Capital Management, L.P., <u>689</u> Motion to file document under seal.(<i>Debtor's Motion for Entry of an Order Authorizing Filing under Seal of Appendix B of Exhibits to Debtor's Objection to UBS's Motion for Relief from the Automatic Stay</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order # 2 Exhibit B—Protective Order Filed in State Court Litigation) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
06/07/2020	<u>710</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>706</u> Order granting motion to appear pro hac vice adding Robert J. Feinstein for Highland Capital Management, L.P. (related document <u>695</u>) Entered on 6/5/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 06/07/2020. (Admin.)
06/08/2020	<u>711</u> Order granting motion to seal documents (related document # <u>696</u>) Entered on 6/8/2020. (Okafor, M.)
06/08/2020	<u>712</u> Certificate of No Objection filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. (RE: related document(s) <u>593</u> Motion for relief from stay Fee amount \$181.). (Shaw, Brian)
06/08/2020	<u>713</u> Order granting Motion to Redact (Related Doc # <u>700</u>) Entered on 6/8/2020. (Okafor, M.)
06/08/2020	<u>714</u> SEALED document regarding: Redeemer Committee's Objection to UBS's Motion for Relief From The Automatic Stay (unredacted version) per court order filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>711</u> Order on motion to seal). (Platt, Mark)
06/08/2020	<u>715</u> SEALED document regarding: Exhibit A, Original Synthetic Warehouse Agreement per court order filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>711</u> Order on motion to seal). (Platt, Mark)

06/08/2020	<u>716</u> SEALED document regarding: Exhibit B, Original Engagement Ltr. per court order filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>711</u> Order on motion to seal). (Platt, Mark)
06/08/2020	<u>717</u> SEALED document regarding: Exhibit C, Original Cash Warehouse Agreement per court order filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>711</u> Order on motion to seal). (Platt, Mark)
06/08/2020	<u>718</u> SEALED document regarding: Exhibit D, Expert Report of Louis G. Dudney per court order filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>711</u> Order on motion to seal). (Platt, Mark)
06/08/2020	<u>719</u> SEALED document regarding: Exhibit E, 3/20/2009 Termination, Settlement, and Release Agreement per court order filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>711</u> Order on motion to seal). (Platt, Mark)
06/08/2020	<u>720</u> SEALED document regarding: Exhibit H, UBS and Crusader Fund Settlement Agreement per court order filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>711</u> Order on motion to seal). (Platt, Mark)
06/08/2020	<u>721</u> SEALED document regarding: Exhibit I, UBS and Credit Strategies Fund Settlement Agreement per court order filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>711</u> Order on motion to seal). (Platt, Mark)
06/08/2020	<u>722</u> Order granting motion to seal documents (related document # <u>689</u>) Entered on 6/8/2020. (Okafor, M.)
06/08/2020	<u>723</u> SEALED document regarding: Appendix B of Exhibits in Support of Debtor's Objection to UBS's Motion for Relief from the Automatic Stay per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>722</u> Order on motion to seal). (Annable, Zachery)
06/08/2020	<u>724</u> Certificate of service re: <i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to April 30, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>704</u> <i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to April 30, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALS UTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
06/10/2020	<u>725</u> Motion to appear pro hac vice for Sarah Tomkowiak. Fee Amount \$100 Filed by Interested Parties UBS AG London Branch, UBS Securities LLC (Sosland, Martin)
06/10/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27830926, amount \$ 100.00 (re: Doc# <u>725</u>). (U.S. Treasury)
06/10/2020	<u>726</u> Stipulation by Highland Capital Management, L.P. and Brown Rudnick LLP. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>488</u> Order on motion for leave). (Annable, Zachery)

06/10/2020	<u>727</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>639</u> Application for compensation <i>Sixth Monthly Application of Sidley Austin LLP for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 4/1/2020 to 4/30/2020, Fee: \$438,619.). (Hoffman, Juliana)
06/10/2020	<u>728</u> Certificate of No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s) <u>640</u> Application for compensation <i>Fifth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 3/1/2020 to 3/31/2020, Fee: \$477,538.20, Expenses: \$14,937.66.). (Hoffman, Juliana)
06/10/2020	<u>729</u> Notice of Subpoena of Highland Capital Management, L.P. filed by Creditor CLO Holdco, Ltd.. (Kane, John)
06/11/2020	<u>730</u> Motion to appear pro hac vice for Alan J. Kornfeld. Fee Amount \$100 Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
06/11/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27834758, amount \$ 100.00 (re: Doc# <u>730</u>). (U.S. Treasury)
06/11/2020	<u>731</u> Order granting motion to appear pro hac vice adding Sarah A. Tomkowiak for UBS AG London Branch and UBS Securities LLC (related document # <u>725</u>) Entered on 6/11/2020. (Okafor, M.)
06/11/2020	<u>732</u> Order approving fifth stipulation permitting Brown Rudnick LLP to file proofs of claim after the general bar ate (RE: related document(s) <u>638</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 6/11/2020 (Okafor, M.) Modified text on 6/11/2020 (Okafor, M.).
06/11/2020	<u>733</u> Motion for leave to <i>File an Omnibus Reply to Objections to UBS's Motion for Relief from the Automatic Stay to Proceed With State Court Action</i> (related document(s) <u>687</u> Response, <u>690</u> Objection, <u>692</u> Objection, <u>694</u> Joinder, <u>701</u> Objection) Filed by Interested Parties UBS AG London Branch, UBS Securities LLC Objections due by 7/2/2020. (Attachments: # <u>1</u> Exhibit A – Proposed Order # <u>2</u> Exhibit B – Reply # <u>3</u> Exhibit 1 # <u>4</u> Exhibit 2 # <u>5</u> Exhibit 3 # <u>6</u> Exhibit 4 # <u>7</u> Exhibit 5 # <u>8</u> Exhibit 6 # <u>9</u> Exhibit 7 # <u>10</u> Exhibit 8 # <u>11</u> Exhibit 9 # <u>12</u> Exhibit 10 # <u>13</u> Exhibit 11 # <u>14</u> Exhibit 12 # <u>15</u> Exhibit 13 # <u>16</u> Exhibit 14) (Sosland, Martin)
06/11/2020	<u>734</u> INCORRECT EVENT USED: See # <u>746</u> for correction. Motion for leave to <i>File Documents Under Seal with UBS's Omnibus Reply to Objections to UBS's Motion for Relief from the Automatic Stay to Proceed With State Court Action</i> (related document(s) <u>733</u> Motion for leave) Filed by Interested Parties UBS AG London Branch, UBS Securities LLC Objections due by 7/2/2020. (Attachments: # <u>1</u> Exhibit A – Proposed Order # <u>2</u> Exhibit B – State Court Protective Stipulation) (Sosland, Martin) Modified on 6/15/2020 (Ecker, C.).
06/11/2020	<u>746</u> Motion to file document under seal. Filed by Interested Parties UBS AG London Branch , UBS Securities LLC (Ecker, C.) (Entered: 06/15/2020)
06/12/2020	<u>735</u> COURT'S NOTICE/VIDEO CONFERENCE INFORMATION FOR HEARING ON JUNE 15, 2020 AT 1:30 p.m. (RE: related document(s) <u>644</u> Motion for relief from stay (<i>UBS's Motion for Relief From the Automatic Stay to Proceed With State Court Action</i>) Fee amount \$181, Filed by Interested Parties UBS AG London Branch, UBS Securities LLC Objections due by 6/3/2020. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G # <u>8</u> Exhibit H # <u>9</u> Exhibit I # <u>10</u> Exhibit J # <u>11</u> Exhibit K)). (Ellison, T.)

06/12/2020	<u>736</u> Order granting motion to appear pro hac vice adding Alan J. Kornfeld for Highland Capital Management, L.P. (related document # <u>730</u>) Entered on 6/12/2020. (Okafor, M.)
06/12/2020	<u>737</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>668</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Proposed Order) (Annable, Zachery)
06/12/2020	<u>738</u> Certificate of No Objection Regarding Seventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from April 1, 2020 through April 30, 2020 filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>648</u> Application for compensation <i>Seventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtors for the Period From April 1, 2020 Through April 30, 2020</i> for Jeffrey Nathan). (Annable, Zachery)
06/12/2020	<u>739</u> Witness and Exhibit List (<i>Debtor's Witness and Exhibit List for June 15, 2020 Hearing on UBS's Motion for Relief from the Automatic Stay</i>) filed by Debtor Highland Capital Management, L.P. (Related document(s) <u>644</u> UBS's Motion for Relief From the Automatic Stay to Proceed With State Court Action) filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch. MODIFIED to correct linkage on 6/15/2020 (Ecker, C.).
06/12/2020	<u>740</u> Witness and Exhibit List <i>REDEEMER COMMITTEE OF THE HIGHLAND CRUSADER FUND WITNESS AND EXHIBIT LIST FOR JUNE 15, 2020 HEARING ON UBS MOTION FOR RELIEF FROM THE AUTOMATIC STAY</i> filed by Interested Party Redeemer Committee of the Highland Crusader Fund (Related document(s) <u>644</u> UBS's Motion for Relief From the Automatic Stay to Proceed With State Court Action) filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch. MODIFIED to correct linkage on 6/15/2020 (Ecker, C.).
06/12/2020	<u>741</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>737</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>668</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Proposed Order)). Hearing to be held on 7/8/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>737</u> , (Annable, Zachery)
06/12/2020	<u>742</u> Witness and Exhibit List <i>for June 15, 2020 Hearing</i> filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>644</u> Motion for relief from stay (<i>UBS's Motion for Relief From the Automatic Stay to Proceed With State Court Action</i>) Fee amount \$181.). (Sosland, Martin)
06/12/2020	<u>743</u> Amended Witness and Exhibit List <i>REDEEMER COMMITTEE OF THE HIGHLAND CRUSADER FUND FIRST AMENDED WITNESS AND EXHIBIT LIST FOR JUNE 15, 2020 HEARING ON UBS MOTION FOR RELIEF FROM THE AUTOMATIC STAY</i> filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>740</u> List (witness/exhibit/generic)). (Platt, Mark)
06/13/2020	<u>744</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>731</u> Order granting motion to appear pro hac vice adding Sarah A. Tomkowiak for UBS AG London Branch and UBS Securities LLC (related document <u>725</u>) Entered on 6/11/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 06/13/2020. (Admin.)
06/14/2020	<u>745</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>736</u> Order granting motion to appear pro hac vice adding Alan J. Kornfeld for Highland Capital Management, L.P. (related document <u>730</u>) Entered on 6/12/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 06/14/2020. (Admin.)
06/15/2020	<u>747</u> Motion to extend time to (Debtor's Motion for Entry of an Order Further Extending the Period Within Which It May Remove Actions Pursuant to 28 U.S.C. 1452 and Rule

	9027 of the Federal Rules of Bankruptcy Procedure) (RE: related document(s) <u>459</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. Objections due by 7/6/2020. (Attachments: # <u>1</u> Exhibit A—Proposed Order) (Annable, Zachery)
06/15/2020	<u>748</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>747</u> Motion to extend time to (Debtor's Motion for Entry of an Order Further Extending the Period Within Which It May Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure) (RE: related document(s) <u>459</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. Objections due by 7/6/2020. (Attachments: # <u>1</u> Exhibit A—Proposed Order)). Hearing to be held on 7/8/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>747</u> , (Annable, Zachery)
06/15/2020	<u>754</u> Hearing held on 6/15/2020. (RE: related document(s) <u>644</u> (UBS's Motion for Relief From the Automatic Stay to Proceed With State Court Action), filed by Interested Parties UBS AG London Branch, UBS Securities LLC.) (Appearances (all via WebEx): M. Sosland, A. Clubok, and S. Tomkowiak for UBS; J. Pomerantz, R. Feinstein, G. Demo, A. Kornfeld, M. Hayward, and Z. Annabel for Debtor; M. Clemente for Official Unsecured Creditors Committee; T. Mascherin, M. Platt, and M. Hankin for Redeemer Committee; B. Shaw and R. Patel for Acis; M. Rosenthal for Alvarez & Marsal. Evidentiary hearing. Motion denied. Debtors counsel to upload order.) (Edmond, Michael) (Entered: 06/17/2020)
06/15/2020	<u>770</u> Court admitted exhibits date of hearing June 15, 2020 (RE: related document(s) <u>644</u> Motion for relief from stay (UBS's Motion for Relief From the Automatic Stay to Proceed With State Court Action), filed by Interested Parties UBS AG London Branch, UBS Securities LLC., (COURT ADMITTED ALL EXHIBIT'S TO ALL THE ATTACHED OBJECTOR'S OBJECTION ALL EXCEPT FOR EXHIBIT #D (EXPERT REPORT OF LOUIS G. DUDLEY; THAT IS FILED UNDER SEAL); ON THE REDEEMER COMMITTEE OBJECTION; THE FOLLOWING EXHIBIT'S ATTACHED TO THE MOTION OF UBS'S MOTION TO LIFT STAY ALL ADMITTED; # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G # <u>8</u> Exhibit H # <u>9</u> Exhibit I # <u>10</u> Exhibit J # <u>11</u> Exhibit K; ALSO PLEASE SEE WITNESS AND EXHIBIT LIST OF DEBTOR; CREDITOR UBS AND REDEEMER COMMITTEE) (Edmond, Michael) (Entered: 06/23/2020)
06/16/2020	<u>749</u> ENTER AN ERROR; NO PDF ATTACHED: Request for transcript regarding a hearing held on 6/15/2020. The requested turn-around time is daily (Edmond, Michael) Modified on 6/16/2020 (Edmond, Michael).
06/16/2020	<u>750</u> Request for transcript regarding a hearing held on 6/15/2020. The requested turn-around time is daily. (Edmond, Michael)
06/16/2020	<u>751</u> Application for compensation <i>Sixth Monthly Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April 1, 2020 through April 30, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 4/1/2020 to 4/30/2020, Fee: \$32,602.50, Expenses: \$0.00. Filed by Attorney Holland N. O'Neil Objections due by 7/7/2020. (Attachments: # <u>1</u> Exhibit A) (O'Neil, Holland)
06/16/2020	<u>752</u> Notice of hearing(<i>Notice of August 6, 2020 Omnibus Hearing Date</i>) filed by Debtor Highland Capital Management, L.P.. Hearing to be held on 8/6/2020 at 09:30 AM Dallas Judge Jernigan Ctrm (Annable, Zachery)
06/16/2020	<u>753</u> Notice of hearing (<i>Notice of July 14, 2020 Omnibus Hearing Date</i>) filed by Debtor Highland Capital Management, L.P.. Hearing to be held on 7/14/2020 at 01:30 PM Dallas Judge Jernigan Ctrm (Annable, Zachery)
06/17/2020	<u>755</u> Transcript regarding Hearing Held 06/15/2020 (127 pages) RE: Motion for Relief from the Automatic Stay. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY

	<p>AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 09/15/2020. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) 754 Hearing held on 6/15/2020. (RE: related document(s) <u>644</u> (UBS's Motion for Relief From the Automatic Stay to Proceed With State Court Action), filed by Interested Parties UBS AG London Branch, UBS Securities LLC.) (Appearances (all via WebEx): M. Sosland, A. Clubok, and S. Tomkowiak for UBS; J. Pomerantz, R. Feinstein, G. Demo, A. Kornfeld, M. Hayward, and Z. Annabel for Debtor; M. Clemente for Official Unsecured Creditors Committee; T. Mascherin, M. Platt, and M. Hankin for Redeemer Committee; B. Shaw and R. Patel for Acis; M. Rosenthal for Alvarez & Marsal. Evidentiary hearing. Motion denied. Debtors counsel to upload order.)). Transcript to be made available to the public on 09/15/2020. (Rehling, Kathy)</p>
06/17/2020	<p><u>756</u> Certificate of service re: <i>1) WebEx Meeting Invitation to participate electronically in the hearing on Monday, June 15, 2020 at 1:30 p.m. Central Time before the Honorable Stacey G. Jernigan; and 2) Instructions for any counsel and parties who wish to participate in the Hearing</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>735</u> COURT'S NOTICE/VIDEO CONFERENCE INFORMATION FOR HEARING ON JUNE 15, 2020 AT 1:30 p.m. (RE: related document(s) <u>644</u> Motion for relief from stay (UBS's Motion for Relief From the Automatic Stay to Proceed With State Court Action) Fee amount \$181, Filed by Interested Parties UBS AG London Branch, UBS Securities LLC Objections due by 6/3/2020. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F # 7 Exhibit G # 8 Exhibit H # 9 Exhibit I # 10 Exhibit J # 11 Exhibit K)). (Ellison, T.)). (Kass, Albert)</p>
06/17/2020	<p><u>757</u> Certificate of service re: <i>Fifth Stipulation by and Between the Debtor and Brown Rudnick LLP Extending the General Bar Date</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>726</u> Stipulation by Highland Capital Management, L.P. and Brown Rudnick LLP. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>488</u> Order on motion for leave). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
06/17/2020	<p><u>758</u> Certificate of service re: <i>1) Motion for Admission Pro Hac Vice of Alan J. Kornfeld to Represent Highland Capital Management, L.P.; and 2) Order Approving Fifth Stipulation Permitting Brown Rudnick LLP to File Proofs of Claim After the General Bar Date</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>730</u> Motion to appear pro hac vice for Alan J. Kornfeld. Fee Amount \$100 Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P., <u>732</u> Order approving fifth stipulation permitting Brown Rudnick LLP to file proofs of claim after the general bar ate (RE: related document(s) <u>638</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 6/11/2020 (Okafor, M.) Modified text on 6/11/2020 (Okafor, M.)). (Kass, Albert)</p>
06/17/2020	<p><u>759</u> Certificate of service re: <i>Documents Served on June 12, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>736</u> Order granting motion to appear pro hac vice adding Alan J. Kornfeld for Highland Capital Management, L.P. (related document <u>730</u>) Entered on 6/12/2020. (Okafor, M.), <u>737</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>668</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order) filed by Debtor Highland Capital Management, L.P., <u>739</u> Witness and Exhibit List (<i>Debtor's Witness and Exhibit List for June 15, 2020 Hearing on UBS's Motion for Relief from the Automatic Stay</i>) filed by Debtor Highland Capital Management, L.P. (Related document(s) <u>644</u> UBS's Motion for Relief From the Automatic Stay to Proceed With State Court Action) filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch. MODIFIED to correct linkage on 6/15/2020 (Ecker, C.). filed by Debtor Highland Capital Management, L.P., <u>741</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>737</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>668</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit</p>

	A—Proposed Order)). Hearing to be held on 7/8/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>737</u> , filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
06/17/2020	<u>760</u> Certificate of service re: 1) <i>Debtor's Motion for Entry of an Order Further Extending the Period Within Which it May Remove Actions Pursuant to 28 U.S.C. § 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure</i> ; and 2) <i>Notice of Hearing Regarding Debtor's Motion for Entry of an Order Further Extending the Period Within Which it May Remove Actions Pursuant to 28 U.S.C. § 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure</i> ; to be Held on July 8, 2020 at 1:30 p.m. (Central Time) Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>747</u> Motion to extend time to (Debtor's Motion for Entry of an Order Further Extending the Period Within Which It May Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure) (RE: related document(s) <u>459</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. Objections due by 7/6/2020. (Attachments: # 1 Exhibit A—Proposed Order) filed by Debtor Highland Capital Management, L.P., <u>748</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>747</u> Motion to extend time to (Debtor's Motion for Entry of an Order Further Extending the Period Within Which It May Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure) (RE: related document(s) <u>459</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. Objections due by 7/6/2020. (Attachments: # 1 Exhibit A—Proposed Order)). Hearing to be held on 7/8/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>747</u> , filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
06/17/2020	<u>761</u> Certificate of service re: 1) <i>Cover Sheet and Sixth Monthly Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April 1, 2020 Through April 30, 2020</i> ; 2) <i>Notice of August 6, 2020 Omnibus Hearing Date</i> ; and 3) <i>Notice of July 14, 2020 Omnibus Hearing Date</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>751</u> Application for compensation <i>Sixth Monthly Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April 1, 2020 through April 30, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 4/1/2020 to 4/30/2020, Fee: \$32,602.50, Expenses: \$0.00. Filed by Attorney Holland N. O'Neil Objections due by 7/7/2020. (Attachments: # 1 Exhibit A) (O'Neil, Holland) filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>752</u> Notice of hearing(<i>Notice of August 6, 2020 Omnibus Hearing Date</i>) filed by Debtor Highland Capital Management, L.P.. Hearing to be held on 8/6/2020 at 09:30 AM Dallas Judge Jernigan Ctrm filed by Debtor Highland Capital Management, L.P., <u>753</u> Notice of hearing (<i>Notice of July 14, 2020 Omnibus Hearing Date</i>) filed by Debtor Highland Capital Management, L.P.. Hearing to be held on 7/14/2020 at 01:30 PM Dallas Judge Jernigan Ctrm filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
06/18/2020	<u>762</u> Application for compensation <i>Seventh Monthly Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from May 1, 2020 through May 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 5/1/2020 to 5/31/2020, Fee: \$27,822.00, Expenses: \$489.80. Filed by Attorney Holland N. O'Neil Objections due by 7/9/2020. (Attachments: # <u>1</u> Exhibit A) (O'Neil, Holland)
06/18/2020	<u>763</u> Agreed Order granting application to employ Hunton Andrews Kurth LLP as Special Counsel Nunc Pro Tunc to the petition date (related document # <u>604</u>) Entered on 6/18/2020. (Bradden, T.)
06/18/2020	<u>764</u> Order granting motion for relief from stay by Acis Capital Management GP, LLC , Acis Capital Management, L.P. (related document # <u>593</u>) Entered on 6/18/2020. (Bradden, T.)
06/19/2020	<u>765</u> Order denying motion for relief from stay by Interested Parties UBS AG London Branch , UBS Securities LLC (related document # <u>644</u>) Entered on 6/19/2020. (Okafor, M.)

06/20/2020	<u>766</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>764</u> Order granting motion for relief from stay by Acis Capital Management GP, LLC , Acis Capital Management, L.P. (related document <u>593</u>) Entered on 6/18/2020. (Bradden, T.)) No. of Notices: 1. Notice Date 06/20/2020. (Admin.) (Entered: 06/21/2020)
06/22/2020	<u>767</u> Application for compensation <i>Sidley Austin LLP's Seventh Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 5/1/2020 to 5/31/2020, Fee: \$343,624.68, Expenses: \$2,758.75. Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 7/13/2020. (Hoffman, Juliana)
06/22/2020	<u>768</u> Certificate of No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s) <u>675</u> Application for compensation <i>Sixth Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 4/1/2020 to 4/30/2020, Fee: \$489,957.84, Expenses: \$6,702.95.). (Hoffman, Juliana)
06/22/2020	<u>769</u> Certificate of service re: 1) <i>Cover Sheet and Seventh Monthly Application for Compensation and Reimbursement of Expenses of Foley Lardner LLP as Special Texas Counsel to the Debtor for the Period from May 1, 2020 Through May 31, 2020</i> ; and 2) <i>Agreed Order Authorizing the Retention and Employment of Hunton Andrews Kurth LLP as Special Counsel Nunc Pro Tunc to the Petition Date</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>762</u> Application for compensation <i>Seventh Monthly Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from May 1, 2020 through May 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 5/1/2020 to 5/31/2020, Fee: \$27,822.00, Expenses: \$489.80. Filed by Attorney Holland N. O'Neil Objections due by 7/9/2020. (Attachments: # 1 Exhibit A) (O'Neil, Holland) filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>763</u> Agreed Order granting application to employ Hunton Andrews Kurth LLP as Special Counsel Nunc Pro Tunc to the petition date (related document <u>604</u>) Entered on 6/18/2020. (Bradden, T.)). (Kass, Albert)
06/23/2020	<u>771</u> Objection to claim(s) 3 of Creditor(s) Acis Capital Management L.P. and Acis Capital Management GP, LLC.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 7/23/2020. (Annable, Zachery)
06/23/2020	<u>772</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>771</u> Objection to claim(s) 3 of Creditor(s) Acis Capital Management L.P. and Acis Capital Management GP, LLC.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 7/23/2020.). Hearing to be held on 8/6/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>771</u> , (Annable, Zachery)
06/23/2020	<u>773</u> Application for compensation <i>Eighth Monthly Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from May 1, 2020 through May 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 5/1/2020 to 5/31/2020, Fee: \$803,509.50, Expenses: \$4,372.94. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 7/14/2020. (Pomerantz, Jeffrey)
06/23/2020	<u>774</u> Application to employ James P. Seery, Jr. as Other Professional <i>Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020</i> Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
06/23/2020	<u>775</u> Application to employ Development Specialists, Inc. as Other Professional <i>Amended Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide Financial Advisory and Restructuring-Related Services, Nunc Pro Tunc to March 15, 2020</i> Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)

06/23/2020	<u>776</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>774</u> Application to employ James P. Seery, Jr. as Other Professional <i>Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020</i> Filed by Debtor Highland Capital Management, L.P.). Hearing to be held on 7/14/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>774</u> , (Annable, Zachery)
06/23/2020	<u>777</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>775</u> Application to employ Development Specialists, Inc. as Other Professional <i>Amended Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide Financial Advisory and Restructuring-Related Services, Nunc Pro Tunc to March 15, 2020</i> Filed by Debtor Highland Capital Management, L.P.). Hearing to be held on 7/14/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>775</u> , (Annable, Zachery)
06/24/2020	<u>778</u> Certificate of service re: <i>Summary Sheet and Seventh Monthly Application of Sidley Austin LLP for Allowance of Compensation and Reimbursement of Expenses for the Period from May 1, 2020 to and Including May 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>767</u> Application for compensation <i>Sidley Austin LLP's Seventh Monthly Application for Compensation and Reimbursement of Expenses for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 5/1/2020 to 5/31/2020, Fee: \$343,624.68, Expenses: \$2,758.75.</i> Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 7/13/2020. filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)
06/24/2020	<u>779</u> Certificate of service re: <i>Documents Served on 23, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>771</u> Objection to claim(s) 3 of Creditor(s) Acis Capital Management L.P. and Acis Capital Management GP, LLC.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 7/23/2020. filed by Debtor Highland Capital Management, L.P., <u>772</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>771</u> Objection to claim(s) 3 of Creditor(s) Acis Capital Management L.P. and Acis Capital Management GP, LLC.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 7/23/2020.). Hearing to be held on 8/6/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>771</u> , filed by Debtor Highland Capital Management, L.P., <u>773</u> Application for compensation <i>Eighth Monthly Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from May 1, 2020 through May 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 5/1/2020 to 5/31/2020, Fee: \$803,509.50, Expenses: \$4,372.94. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 7/14/2020. filed by Debtor Highland Capital Management, L.P., <u>774</u> Application to employ James P. Seery, Jr. as Other Professional <i>Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020</i> Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P., <u>775</u> Application to employ Development Specialists, Inc. as Other Professional <i>Amended Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide Financial Advisory and Restructuring-Related Services, Nunc Pro Tunc to March 15, 2020</i> Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P., <u>776</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>774</u> Application to employ James P. Seery, Jr. as Other Professional <i>Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020</i> Filed by Debtor Highland Capital Management, L.P.). Hearing to be held on 7/14/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>774</u> , filed by Debtor Highland Capital Management, L.P., <u>777</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>775</u> Application to employ Development Specialists, Inc. as Other Professional <i>Amended Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide Financial Advisory and Restructuring-Related</i>

	<i>Services, Nunc Pro Tunc to March 15, 2020</i> Filed by Debtor Highland Capital Management, L.P.). Hearing to be held on 7/14/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>775</u> , filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
06/25/2020	<u>780</u> Notice of Subpoena of David Klos filed by Creditor CLO Holdco, Ltd.. (Kane, John)
06/26/2020	<u>781</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from May 1, 2020 through May 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). (Annable, Zachery)
06/26/2020	<u>782</u> Witness and Exhibit List filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>590</u> Motion to reclaim funds from the registry [<i>Motion for Remittance of Funds Held in Registry of Court</i>]). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 1-A # <u>3</u> Exhibit 1-B # <u>4</u> Exhibit 1-C # <u>5</u> Exhibit 1-D # <u>6</u> Exhibit 1-E # <u>7</u> Exhibit 1-F # <u>8</u> Exhibit 1-G # <u>9</u> Exhibit 1-H # <u>10</u> Exhibit 1-I # <u>11</u> Exhibit 2 # <u>12</u> Exhibit 3 # <u>13</u> Exhibit 4 # <u>14</u> Exhibit 5 # <u>15</u> Exhibit 6 # <u>16</u> Exhibit 7 # <u>17</u> Exhibit 8 # <u>18</u> Exhibit 9 # <u>19</u> Exhibit 10 # <u>20</u> Exhibit 11 # <u>21</u> Exhibit 12 # <u>22</u> Exhibit 13 # <u>23</u> Exhibit 14 # <u>24</u> Exhibit 15 # <u>25</u> Exhibit 16) (Kane, John)
06/26/2020	<u>783</u> SEALED document regarding: Exhibit 11 – AROF MUFG Bank Statement June 2018_ Highland_PEO-032620 per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
06/26/2020	<u>784</u> SEALED document regarding: Exhibit 12 – GG and HCM Purchase and Sale Agreement Loan Fund dated December 28, 2016 Highly Confidential per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
06/26/2020	<u>785</u> SEALED document regarding: Exhibit 13 – GG and HCM Amendment to Purchase and Sale Agreement Loan Fund dated December 28, 2016 Highly Confidential per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
06/26/2020	<u>786</u> SEALED document regarding: Exhibit 14 – Exercise of Discretion by Trustee The Get Good Nonexempt Trust (Fully Executed) dated December 28, 2016 Highly Confidential per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
06/26/2020	<u>787</u> SEALED document regarding: Exhibit 15 – Dynamic Income CLO Holdco Side Letter (\$2M Subscription) dated January 10, 2017 Highly Confidential per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
06/26/2020	<u>788</u> SEALED document regarding: Exhibit 16 – Highland Capital Management, L.P. December 31, 2016 Final Opinion per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
06/27/2020	<u>789</u> Witness and Exhibit List filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>590</u> Motion to reclaim funds from the registry [<i>Motion for Remittance of Funds Held in Registry of Court</i>]). (Attachments: # <u>1</u> Exhibit # <u>2</u> Exhibit # <u>3</u> Exhibit) (Hoffman, Juliana)
06/29/2020	<u>790</u> COURTS NOTICE/VIDEO CONFERENCE INFORMATION FOR HEARING ON June 30, 2020 at 09:30 AM; (RE: related document(s) <u>590</u> Motion to reclaim funds from the registry [<i>Motion for Remittance of Funds Held in Registry of Court</i>] filed by Creditor CLO

	Holdco, Ltd. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F # 7 Exhibit G # 8 Exhibit H # 9 Exhibit I # 10 Proposed Order # 11 Service List)). (Edmond, Michael)
06/30/2020	<u>791</u> Clerk's correspondence requesting an order from attorney for debtor. (RE: related document(s) <u>602</u> Application for compensation <i>First Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through March 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 10/16/2019 to 3/31/2020, Fee: \$484,590.10, Expenses: \$10,455.04. Filed by Attorney Holland N. O'Neil Objections due by 5/19/2020. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Proposed Order Exhibit C – Proposed Order) (O'Neil, Holland)) Responses due by 7/14/2020. (Ecker, C.)
06/30/2020	<u>792</u> Clerk's correspondence requesting an order from attorney for debtor. (RE: related document(s) <u>605</u> Application to employ Wilmer Cutler Pickering Hale and Dorr LLP as Special Counsel (<i>Debtor's Application Pursuant to Sections 327(e) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016 for an Order Authorizing the Employment of Wilmer Cutler Pickering Hale and Dorr LLP as Regulatory and Compliance Counsel Nunc Pro Tunc to the Petition Date</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Declaration of Timothy Silva # 2 Exhibit B—Proposed Order)) Responses due by 7/14/2020. (Ecker, C.)
06/30/2020	<u>793</u> Hearing held on 6/30/2020. (RE: related document(s) <u>590</u> Motion to reclaim funds from the registry [Motion for Remittance of Funds Held in Registry of Court] filed by Creditor CLO Holdco, Ltd. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F # 7 Exhibit G # 8 Exhibit H # 9 Exhibit I # 10 Proposed Order # 11 Service List). (Appearances: J. Kane and B. Clark for Movant; J. Pomeranz, J. Morris, G. Demo, and Z. Annabel for Debtor; M. Clemente for Unsecured Creditors Committee; M. Platt and M. Hankin for Redeemers Committee; R. Patel for Acis; A. Anderson and J. Bentley for certain CLO Issuers. Evidentiary hearing. Motion denied, but court ordered that funds in registry of court will be disbursed to CLO Holdco, Ltd. in 90 days unless an adversary proceeding has been filed against it and injunctive/equitable relief is sought and granted in such adversary proceeding, requiring further holding of the funds in the registry of the court (subject to requests/agreements for extension of this 90-day deadline). Also, court registry will be receiving further funds that Debtor is due to disburse to CLO Holdco and Highland Capital Management Services, Inc. imminently (separate order is to be submitted by Debtors counsel; UCC counsel to submit an order on today's ruling on CLO Holdcos motion). (Edmond, Michael)
06/30/2020	<u>794</u> Court admitted exhibits date of hearing June 30, 2020 (RE: related document(s) <u>590</u> Motion to reclaim funds from the registry [Motion for Remittance of Funds Held in Registry of Court] filed by Creditor CLO Holdco, Ltd. (COURT ADMITTED MOVANT'S CLO HOLDCO, LTD., EXHIBITS #1, #2, #3, #4, #5, #6, #7, #8, #9, #10, #11, #12, #13, #14, #15 & #16; ALSO ADMITTED DEFENDANT'S UNSECURED CREDITOR'S COMMITTEE EXHIBIT'S #1, #2 & #3) (Edmond, Michael)
06/30/2020	<u>795</u> Application for compensation (<i>Fifth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from April 1, 2020 through April 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 4/1/2020 to 4/30/2020, Fee: \$24877.50, Expenses: \$36.00. Filed by Other Professional Hayward & Associates PLLC (Attachments: # <u>1</u> Exhibit A—H&A April 2020 Invoice) (Annable, Zachery)
07/01/2020	<u>796</u> Request for transcript regarding a hearing held on 6/30/2020. The requested turn-around time is daily. (Edmond, Michael)
07/01/2020	<u>797</u> Certificate of service re: <i>re: Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from May 1, 2020 Through May 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>781</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period</i>

	<i>from May 1, 2020 through May 31, 2020)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
07/01/2020	<u>798</u> Certificate of service re: <i>re: The Official Committee of Unsecured Creditors' Witness and Exhibit List for the June 30, 2020 Hearing</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>789</u> Witness and Exhibit List filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>590</u> Motion to reclaim funds from the registry[Motion for Remittance of Funds Held in Registry of Court]). (Attachments: # 1 Exhibit # 2 Exhibit # 3 Exhibit) filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)
07/01/2020	<u>799</u> Certificate of service re: <i>Cover Sheet and Fifth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from April 1, 2020 Through April 30, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>795</u> Application for compensation (<i>Fifth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from April 1, 2020 through April 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 4/1/2020 to 4/30/2020, Fee: \$24877.50, Expenses: \$36.00. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—H&A April 2020 Invoice) filed by Other Professional Hayward & Associates PLLC). (Kass, Albert)
07/02/2020	<u>800</u> Debtor-in-possession monthly operating report for filing period May 1, 2020 to May 31, 2020 filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
07/02/2020	<u>801</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to May 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALSUTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Annable, Zachery)
07/02/2020	<u>802</u> Transcript regarding Hearing Held 06/30/2020 (100 pages) RE: Motion for Remittance of Funds (590). THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 09/30/2020. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) 793 Hearing held on 6/30/2020. (RE: related document(s) <u>590</u> Motion to reclaim funds from the registry [Motion for Remittance of Funds Held in Registry of Court] filed by Creditor CLO Holdco, Ltd. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F # 7 Exhibit G # 8 Exhibit H # 9 Exhibit I # 10 Proposed Order # 11 Service List). (Appearances: J. Kane and B. Clark for Movant; J. Pomeranz, J. Morris, G. Demo, and Z. Annabel for Debtor; M. Clemente for Unsecured Creditors Committee; M. Platt and M. Hankin for Redeemers Committee; R. Patel for Acis; A. Anderson and J. Bentley for certain CLO Issuers. Evidentiary hearing. Motion denied, but court ordered that funds in registry of court will be disbursed to CLO Holdco, Ltd. in 90 days unless an adversary proceeding has been filed against it and injunctive/equitable relief is sought and granted in such adversary proceeding, requiring further holding of the funds in the registry of the court (subject to requests/agreements for extension of this 90-day deadline). Also, court registry will be receiving further funds that Debtor is due to disburse to CLO Holdco and Highland Capital

	Management Services, Inc. imminently (separate order is to be submitted by Debtors counsel; UCC counsel to submit an order on today's ruling on CLO Holdcos motion).). Transcript to be made available to the public on 09/30/2020. (Rehling, Kathy)
07/02/2020	<u>803</u> BNC certificate of mailing. (RE: related document(s) <u>792</u> Clerk's correspondence requesting an order from attorney for debtor. (RE: related document(s) <u>605</u> Application to employ Wilmer Cutler Pickering Hale and Dorr LLP as Special Counsel (<i>Debtor's Application Pursuant to Sections 327(e) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016 for an Order Authorizing the Employment of Wilmer Cutler Pickering Hale and Dorr LLP as Regulatory and Compliance Counsel Nunc Pro Tunc to the Petition Date</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Declaration of Timothy Silva # 2 Exhibit B—Proposed Order)) Responses due by 7/14/2020. (Ecker, C.)) No. of Notices: 1. Notice Date 07/02/2020. (Admin.)
07/03/2020	<u>804</u> Response unopposed to (related document(s): <u>737</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>668</u> Order on motion to extend/shorten time) filed by Debtor Highland Capital Management, L.P.) filed by Creditor Committee Official Committee of Unsecured Creditors. (Hoffman, Juliana)
07/06/2020	<u>805</u> Notice of hearing (<i>Notice of September 10, 2020 Omnibus Hearing Date</i>) filed by Debtor Highland Capital Management, L.P.. Hearing to be held on 9/10/2020 at 02:30 PM Dallas Judge Jernigan Ctrm (Annable, Zachery)
07/07/2020	<u>806</u> Certificate of service re: 1) <i>Webex Meeting Invitation to participate electronically in the hearing on Tuesday, May 26, 2020 at 9:30 a.m. Central Time before the Honorable Stacey G. Jernigan</i> ; 2) <i>Instructions for any counsel and parties who wish to participate in the Hearing</i> ; and 3) <i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to May 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>801</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to May 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALS UTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
07/07/2020	<u>807</u> Certificate of service re: <i>Statement of the Official Committee of Unsecured Creditors in Response to the Debtor's Third Motion for Entry of an Order Pursuant to 11 U.S.C. § 1121(d) and Local Rule 3016-1 Further Extending the Exclusivity Periods for the Filing and Solicitation of Acceptances of a Chapter 11 Plan</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>804</u> Response unopposed to (related document(s): <u>737</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>668</u> Order on motion to extend/shorten time) filed by Debtor Highland Capital Management, L.P.) filed by Creditor Committee Official Committee of Unsecured Creditors. filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)
07/08/2020	<u>808</u> Motion to compel Production by the Debtor. Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 7/29/2020. (Montgomery, Paige)
07/08/2020	<u>809</u> Certificate of service re: <i>Notice of September 10, 2020 Omnibus Hearing Date</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>805</u> Notice of hearing (<i>Notice of September 10, 2020 Omnibus Hearing Date</i>) filed by Debtor Highland Capital Management, L.P.. Hearing to be held on 9/10/2020 at 02:30 PM Dallas Judge Jernigan Ctrm filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)

07/08/2020	812 Hearing held on 7/8/2020. (RE: related document(s) <u>737</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>668</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomerantz, M. Hayward, and Z. Annabel for Debtor; M. Clemente for Official Unsecured Creditors Committee; T. Mascherin, M. Platt, and M. Hankin for Redeemer Committee; R. Patel, A. Chiarello, and B. Shaw for Acis; M. Lynn for J. Dondero; J. Bjork for UBS. Evidentiary hearing. Motion granted in part (30-day extension). Debtors counsel to upload order.) (Edmond, Michael) (Entered: 07/09/2020)
07/08/2020	813 Hearing held on 7/8/2020. (RE: related document(s) <u>747</u> Motion to extend time to (Debtor's Motion for Entry of an Order Further Extending the Period Within Which It May Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure) (RE: related document(s) <u>459</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomerantz, M. Hayward, and Z. Annabel for Debtor; M. Clemente for Official Unsecured Creditors Committee; T. Mascherin, M. Platt, and M. Hankin for Redeemer Committee; R. Patel, A. Chiarello, and B. Shaw for Acis; M. Lynn for J. Dondero; J. Bjork for UBS. Evidentiary hearing. Motion granted. Debtors counsel to upload order.) (Edmond, Michael) (Entered: 07/09/2020)
07/09/2020	<u>810</u> Motion for protective order (<i>Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Pursuant to Federal Rules of Bankruptcy Procedure 7026 and 7034</i>) Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
07/09/2020	<u>811</u> Declaration re: (<i>Declaration of John A. Morris in Support of Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Pursuant to Federal Rules of Bankruptcy Procedure 7026 and 7034</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>810</u> Motion for protective order (<i>Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Purs</i>). (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G) (Annable, Zachery)
07/09/2020	<u>814</u> Motion for expedited hearing(related documents <u>808</u> Motion to compel) Filed by Creditor Committee Official Committee of Unsecured Creditors (Hoffman, Juliana)
07/09/2020	<u>815</u> Request for transcript regarding a hearing held on 7/8/2020. The requested turn-around time is hourly. (Edmond, Michael)
07/09/2020	<u>816</u> Order granting <u>747</u> Motion to extend time to within which it may remove actions Pursuant to 28 U.S.C. § 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure (RE: related document(s) <u>459</u> O) Entered on 7/9/2020. (Okafor, M.)
07/10/2020	<u>817</u> Transcript regarding Hearing Held 07/08/2020 (58 pages) RE: Motions to Extend Time. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 10/8/2020. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) 812 Hearing held on 7/8/2020. (RE: related document(s) <u>737</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>668</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomerantz, M. Hayward, and Z. Annabel for Debtor; M. Clemente for Official Unsecured Creditors Committee; T. Mascherin, M. Platt, and M. Hankin for Redeemer Committee; R. Patel, A. Chiarello, and B. Shaw for Acis; M. Lynn for J. Dondero; J. Bjork for UBS. Evidentiary hearing. Motion granted in part (30-day

	extension). Debtors counsel to upload order.), 813 Hearing held on 7/8/2020. (RE: related document(s) <u>747</u> Motion to extend time to (Debtor's Motion for Entry of an Order Further Extending the Period Within Which It May Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure) (RE: related document(s) <u>459</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomerantz, M. Hayward, and Z. Annabel for Debtor; M. Clemente for Official Unsecured Creditors Committee; T. Mascherin, M. Platt, and M. Hankin for Redeemer Committee; R. Patel, A. Chiarello, and B. Shaw for Acis; M. Lynn for J. Dondero; J. Bjork for UBS. Evidentiary hearing. Motion granted. Debtors counsel to upload order.)). Transcript to be made available to the public on 10/8/2020. (Rehling, Kathy)
07/10/2020	<u>818</u> Certificate of No Objection filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP (RE: related document(s) <u>751</u> Application for compensation <i>Sixth Monthly Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April 1, 2020 through April 30, 2020</i> for Foley Gardere,). (O'Neil, Holland)
07/10/2020	<u>819</u> Certificate of No Objection filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP (RE: related document(s) <u>762</u> Application for compensation <i>Seventh Monthly Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from May 1, 2020 through May 31, 2020</i> for Foley Gardere). (O'Neil, Holland)
07/10/2020	<u>820</u> Order granting <u>737</u> Motion to extend or limit the exclusivity period. The Exclusive Filing Period is extended through and including August 12, 2020. Entered on 7/10/2020. (Okafor, M.)
07/10/2020	<u>821</u> Agreed order regarding deposit of funds into the registry of the Court. (Related Doc # <u>474</u>) Entered on 7/10/2020. (Okafor, M.)
07/10/2020	<u>822</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>774</u> Application to employ James P. Seery, Jr. as Other Professional <i>Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Repr, 775 Application to employ Development Specialists, Inc. as Other Professional Amended Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide Financial Advisory and Restruct</i>). (Annable, Zachery)
07/13/2020	<u>823</u> Certificate of service re: <i>Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>808</u> Motion to compel Production by the Debtor. Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 7/29/2020. filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)
07/13/2020	<u>824</u> Certificate of service re: <i>Documents Served on July 9, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>810</u> Motion for protective order (<i>Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Pursuant to Federal Rules of Bankruptcy Procedure 7026 and 7034</i>) Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P., <u>811</u> Declaration re: (<i>Declaration of John A. Morris in Support of Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Pursuant to Federal Rules of Bankruptcy Procedure 7026 and 7034</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>810</u> Motion for protective order (<i>Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Purs</i>)).

	<i>(Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F # 7 Exhibit G) filed by Debtor Highland Capital Management, L.P., <u>814</u> Motion for expedited hearing(related documents <u>808</u> Motion to compel) Filed by Creditor Committee Official Committee of Unsecured Creditors filed by Creditor Committee Official Committee of Unsecured Creditors, <u>816</u> Order granting <u>747</u> Motion to extend time to within which it may remove actions Pursuant to 28 U.S.C. § 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure (RE: related document(s)<u>459</u> O) Entered on 7/9/2020. (Okafor, M.)). (Kass, Albert)</i>
07/13/2020	<u>825</u> Order denying motion to reclaim funds from the registry (Related Doc # <u>590</u>) Entered on 7/13/2020. (Okafor, M.)
07/13/2020	<u>826</u> Stipulation by Highland Capital Management, L.P. and The Official Committee of Unsecured Creditors. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>808</u> Motion to compel Production by the Debtor. , <u>810</u> Motion for protective order (<i>Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Purs, <u>814</u> Motion for expedited hearing(related documents <u>808</u> Motion to compel)). (Annable, Zachery)</i>
07/13/2020	<u>827</u> Objection to claim(s) 3 of Creditor(s) Acis Capital Management, L.P. and Acis Capital Management GP, LLC.. Filed by Interested Party James Dondero. (Assink, Bryan)
07/13/2020	<u>828</u> Certificate of service re: 1) Order Granting Debtor's Third Motion for Entry of an Order Pursuant to 11 U.S.C. § 1121(d) and Local Rule 3016–1 Further Extending the Exclusivity Periods for the Filing and Solicitation of Acceptances of a Chapter 11 Plan; 2) Agreed Order Regarding Deposit of Funds into the Registry of the Court; and 3) Debtors Witness and Exhibit List with Respect to (A) the Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to May 15, 2020, and (B) the Amended Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363 (b) to Employ and Retain Development Specialists, Inc. to Provide Financial Advisory and Restructuring Related Services Nunc Pro Tunc to March 15 Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>820</u> Order granting <u>737</u> Motion to extend or limit the exclusivity period. The Exclusive Filing Period is extended through and including August 12, 2020. Entered on 7/10/2020. (Okafor, M.), <u>821</u> Agreed order regarding deposit of funds into the registry of the Court. (Related Doc <u>474</u>) Entered on 7/10/2020. (Okafor, M.), <u>822</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>774</u> Application to employ James P. Seery, Jr. as Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Repr, <u>775</u> Application to employ Development Specialists, Inc. as Other Professional Amended Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide Financial Advisory and Restruct). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
07/14/2020	<u>829</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>767</u> Application for compensation <i>Sidley Austin LLP's Seventh Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 5/1/2020 to 5/31/2020, Fee: \$34). (Hoffman, Juliana)
07/14/2020	<u>830</u> Application for compensation <i>Seventh Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 5/1/2020 to 5/31/2020, Fee: \$223,330.68, Expenses: \$1,874.65. Filed by Attorney Juliana Hoffman Objections due by 8/4/2020. (Hoffman, Juliana)
07/14/2020	<u>831</u> Application for compensation <i>Sidley Austin LLP's Second Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured

	Creditors, Creditor Comm. Atty, Period: 3/1/2020 to 5/31/2020, Fee: \$1,573,850.25, Expenses: \$22,930.21. Filed by Objections due by 8/4/2020. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F) (Hoffman, Juliana)
07/14/2020	<u>832</u> Response opposed to (related document(s): <u>808</u> Motion to compel Production by the Debtor. filed by Creditor Committee Official Committee of Unsecured Creditors) filed by Interested Party James Dondero. (Assink, Bryan)
07/14/2020	<u>833</u> Request for transcript regarding a hearing held on 7/14/2020. The requested turn-around time is daily. (Edmond, Michael)
07/14/2020	<u>836</u> Court admitted exhibits date of hearing July 14, 2020 (RE: related document(s) <u>774</u> Application to employ James P. Seery, Jr. as Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020, filed by Debtor Highland Capital Management, L.P., And <u>775</u> Application to employ Development Specialists, Inc. as Other Professional Amended Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide Financial Advisory and Restructuring-Related Services, Nunc Pro Tunc to March 15, 2020 filed by Debtor Highland Capital Management, L.P.) (COURT ADMITTED EXHIBIT'S #1, #2, #3, #4, #5, #6 & #7) (Edmond, Michael) (Entered: 07/15/2020)
07/14/2020	862 Hearing held on 7/14/2020. (RE: related document(s) <u>774</u> Application to employ James P. Seery, Jr. as Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020, filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz, J. Morris, G. Demo, I. Karash, Z. Annabel, and M. Hayward for Debtors; M. Clemente and P. Montgomery for UCC; A. Clubok for UBS; R. Patel and B. Shaw for Acis; T. Mascherin, M. Hankin, and M. Platt for Redeemer Committee; D. Nier for various employees.. Evidentiary hearing. Application granted (bonuses request withdrawn, per negotiations with UCC, subject to possible later request). Debtors counsel to submit order.) (Edmond, Michael) (Entered: 07/17/2020)
07/14/2020	863 Hearing held on 7/14/2020. (RE: related document(s) <u>775</u> Application to employ Development Specialists, Inc. as Other Professional Amended Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide Financial Advisory and Restructuring-Related Services, Nunc Pro Tunc to March 15, 2020, filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz, J. Morris, G. Demo, I. Karash, Z. Annabel, and M. Hayward for Debtors; M. Clemente and P. Montgomery for UCC; A. Clubok for UBS; R. Patel and B. Shaw for Acis; T. Mascherin, M. Hankin, and M. Platt for Redeemer Committee; D. Nier for various employees.. Evidentiary hearing. Application granted (bonuses request withdrawn, per negotiations with UCC, subject to possible later request). Debtors counsel to submit order.) (Edmond, Michael) (Entered: 07/17/2020)
07/15/2020	<u>834</u> Certificate No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>773</u> Application for compensation <i>Eighth Monthly Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from May 1, 2020 through May 31, 2020</i> for Jeffrey Nathan P). (Annable, Zachery)
07/15/2020	<u>835</u> Motion to appear pro hac vice for James A. Wright III. Fee Amount \$100 Filed by Interested Parties NexPoint Real Estate Strategies Fund, Highland Global Allocation Fund, Highland Income Fund, NexPoint Strategic Opportunities Fund, NexPoint Capital, Inc., Highland Total Return Fund, Highland Fixed Income Fund, Highland Socially Responsible Equity Fund, Highland Small-Cap Equity Fund, Highland Funds II and its series, Highland Merger Arbitrage Fund, Highland Opportunistic Credit Fund, Highland/iBoxx Senior Loan ETF, Highland Healthcare Opportunities Fund, Highland Funds I and its series, NexPoint

	Advisors, L.P., Highland Capital Management Fund Advisors, L.P. (Varshosaz, Artoush)
07/15/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27927823, amount \$ 100.00 (re: Doc# <u>835</u>). (U.S. Treasury)
07/15/2020	<u>837</u> Response opposed to (related document(s): <u>808</u> Motion to compel Production by the Debtor. filed by Creditor Committee Official Committee of Unsecured Creditors, <u>810</u> Motion for protective order (<i>Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Purs filed by Debtor Highland Capital Management, L.P.)</i> filed by John Honis, Rand PE Fund Management, LLC, Rand PE Fund I, LP, Rand Advisors, LLC, Hunter Mountain Investment Trust, Beacon Mountain, LLC, Atlas IDF, LP, Atlas IDF, GP, LLC. (Keiffer, Edwin)
07/15/2020	<u>838</u> INCORRECT ENTRY: Attorney to amend and refile. Motion to appear pro hac vice for Stephen G. Topetzes. Fee Amount \$100 Filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, Highland Funds I and its series, Highland Funds II and its series, Highland Global Allocation Fund, Highland Healthcare Opportunities Fund, Highland Income Fund, Highland Merger Arbitrage Fund, Highland Opportunistic Credit Fund, Highland Small-Cap Equity Fund, Highland Socially Responsible Equity Fund, Highland Total Return Fund, Highland/iBoxx Senior Loan ETF, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Real Estate Strategies Fund, NexPoint Strategic Opportunities Fund (Varshosaz, Artoush) MODIFIED on 7/16/2020 (Ecker, C.).
07/15/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27928069, amount \$ 100.00 (re: Doc# <u>838</u>). (U.S. Treasury)
07/15/2020	<u>839</u> Response opposed to (related document(s): <u>810</u> Motion for protective order (<i>Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Purs filed by Debtor Highland Capital Management, L.P.)</i> filed by Creditor Committee Official Committee of Unsecured Creditors. (Montgomery, Paige)
07/15/2020	<u>840</u> INCORRECT ENTRY: FILED WITHOUT EXHIBITS. Notice of Appearance and Request for Notice by Paul Richard Bessette filed by Interested Party Highland CLO Funding, Ltd.. (Bessette, Paul) Modified on 7/15/2020 (Rielly, Bill).
07/15/2020	<u>841</u> Objection to (related document(s): <u>808</u> Motion to compel Production by the Debtor. filed by Creditor Committee Official Committee of Unsecured Creditors, <u>810</u> Motion for protective order (<i>Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Purs filed by Debtor Highland Capital Management, L.P.)</i> filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, Highland Funds I and its series, Highland Funds II and its series, Highland Global Allocation Fund, Highland Healthcare Opportunities Fund, Highland Income Fund, Highland Merger Arbitrage Fund, Highland Opportunistic Credit Fund, Highland Small-Cap Equity Fund, Highland Socially Responsible Equity Fund, Highland Total Return Fund, Highland/iBoxx Senior Loan ETF, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Real Estate Strategies Fund, NexPoint Strategic Opportunities Fund. (Varshosaz, Artoush)
07/15/2020	<u>842</u> Notice of Appearance and Request for Notice by Amanda Melanie Rush filed by Interested Party CCS Medical, Inc.. (Rush, Amanda)
07/15/2020	<u>843</u> Motion to appear pro hac vice for Tracy K. Stratford. Fee Amount \$100 Filed by Interested Party CCS Medical, Inc. (Rush, Amanda)

07/15/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27928305, amount \$ 100.00 (re: Doc# <u>843</u>). (U.S. Treasury)
07/15/2020	<u>844</u> Objection to (related document(s): <u>808</u> Motion to compel Production by the Debtor. filed by Creditor Committee Official Committee of Unsecured Creditors, <u>810</u> Motion for protective order (<i>Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Purs filed by Debtor Highland Capital Management, L.P.</i>) filed by Interested Party CCS Medical, Inc.. (Rush, Amanda)
07/15/2020	<u>845</u> Objection to (related document(s): <u>808</u> Motion to compel Production by the Debtor. filed by Creditor Committee Official Committee of Unsecured Creditors) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
07/15/2020	<u>846</u> Objection to (related document(s): <u>808</u> Motion to compel Production by the Debtor. filed by Creditor Committee Official Committee of Unsecured Creditors) filed by Creditor CLO Holdco, Ltd.. (Attachments: # <u>1</u> Exhibit A) (Kane, John)
07/15/2020	<u>847</u> Objection to (related document(s): <u>808</u> Motion to compel Production by the Debtor. filed by Creditor Committee Official Committee of Unsecured Creditors) filed by Interested Parties NexPoint Real Estate Advisors VIII, L.P., NexPoint Real Estate Advisors VII, L.P., NexPoint Real Estate Advisors VI, L.P., NexPoint Real Estate Advisors V, L.P., NexPoint Real Estate Advisors IV, L.P., NexPoint Real Estate Advisors III, L.P., NexPoint Real Estate Advisors II, L.P., NexPoint Real Estate Advisors, L.P., Vinebrook Homes, Trust, Inc., NexPoint Multifamily Capital Trust, Inc., NexPoint Real Estate Partners, LLC, NexPoint Hospitality Trust, NexPoint Residential Trust, Inc., Nexpoint Real Estate Capital, LLC, NexPoint Real Estate Finance Inc.. (Drawhorn, Lauren)
07/15/2020	<u>848</u> Declaration re: (<i>Declaration of John A. Morris in Support of the Debtor's Objection to the Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>845</u> Objection). (Attachments: # <u>1</u> Exhibit A) (Annable, Zachery)
07/16/2020	<u>849</u> Amended Motion to appear pro hac vice for Stephen G. Topetzes. (related document: <u>838</u>) Filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, Highland Funds I and its series, Highland Funds II and its series, Highland Global Allocation Fund, Highland Healthcare Opportunities Fund, Highland Income Fund, Highland Merger Arbitrage Fund, Highland Opportunistic Credit Fund, Highland Small-Cap Equity Fund, Highland Socially Responsible Equity Fund, Highland Total Return Fund, Highland/iBoxx Senior Loan ETF, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Real Estate Strategies Fund, NexPoint Strategic Opportunities Fund (Varshosaz, Artoush)
07/16/2020	<u>850</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>808</u> Motion to compel Production by the Debtor. Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 7/29/2020., <u>810</u> Motion for protective order (<i>Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Pursuant to Federal Rules of Bankruptcy Procedure 7026 and 7034</i>) Filed by Debtor Highland Capital Management, L.P.). Hearing to be held on 7/21/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>810</u> and for <u>808</u> , (Annable, Zachery)
07/16/2020	<u>851</u> Notice of hearing (<i>Notice of September 17, 2020 Omnibus Hearing Date</i>) filed by Debtor Highland Capital Management, L.P.. Hearing to be held on 9/17/2020 at 09:30 AM Dallas Judge Jernigan Ctrm (Annable, Zachery)
07/16/2020	

	<u>852</u> Order Approving Stipulation Resolving the Motion for Expedited Consideration of the Official Committee of the Unsecured Creditors' Motion to Compel Production by the Debtor (RE: related document(s) <u>826</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 7/16/2020 (Ecker, C.)
07/16/2020	<u>853</u> Order granting application to employ Development Specialists, Inc. as Other Professional (related document # <u>775</u>) Entered on 7/16/2020. (Ecker, C.)
07/16/2020	<u>854</u> Order granting application to employ James P. Seery, Jr. as Chief Executive Officer, Chief Restructuring Officer and Foreign representative (related document <u>774</u>) Entered on 7/16/2020. (Ecker, C.) Modified on 7/16/2020 (Ecker, C.).
07/16/2020	<u>855</u> Objection to (related document(s): <u>808</u> Motion to compel Production by the Debtor. filed by Creditor Committee Official Committee of Unsecured Creditors) filed by Interested Party MGM Holdings, Inc.. (Drawhorn, Lauren)
07/16/2020	<u>856</u> Notice of Appearance and Request for Notice by Artoush Varshosaz filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, Highland Funds I and its series, Highland Funds II and its series, Highland Global Allocation Fund, Highland Healthcare Opportunities Fund, Highland Income Fund, Highland Merger Arbitrage Fund, Highland Opportunistic Credit Fund, Highland Small-Cap Equity Fund, Highland Socially Responsible Equity Fund, Highland Total Return Fund, Highland/iBoxx Senior Loan ETF, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Real Estate Strategies Fund, NexPoint Strategic Opportunities Fund. (Varshosaz, Artoush)
07/16/2020	<u>857</u> Motion to appear pro hac vice for Mark M. Maloney. Fee Amount \$100 Filed by Interested Party Highland CLO Funding, Ltd. (Bessette, Paul)
07/16/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 27932614, amount \$ 100.00 (re: Doc# <u>857</u>). (U.S. Treasury)
07/16/2020	<u>858</u> Objection to (related document(s): <u>808</u> Motion to compel Production by the Debtor. filed by Creditor Committee Official Committee of Unsecured Creditors) filed by Interested Party Highland CLO Funding, Ltd.. (Bessette, Paul)
07/16/2020	<u>859</u> Declaration re: <u>858</u> <i>Objection</i> filed by Interested Party Highland CLO Funding, Ltd. (RE: related document(s) <u>808</u> Motion to compel Production by the Debtor.). (Attachments: # <u>1</u> Exhibit A) (Bessette, Paul)
07/16/2020	<u>860</u> Certificate of service re: <i>1) Order Denying Motion for Remittance of Funds Held in Registry of Court; and 2) Stipulation by and Between the Debtor and the Official Committee of Unsecured Creditors</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>825</u> Order denying motion to reclaim funds from the registry (Related Doc <u>590</u>) Entered on 7/13/2020. (Okafor, M.), <u>826</u> Stipulation by Highland Capital Management, L.P. and The Official Committee of Unsecured Creditors. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>808</u> Motion to compel Production by the Debtor. , <u>810</u> Motion for protective order (<i>Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Purs, <u>814</u> Motion for expedited hearing(related documents <u>808</u> Motion to compel)). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</i>
07/16/2020	<u>861</u> Certificate of service re: <i>1) Summary Sheet and Seventh Monthly Application of FTI Consulting, Inc. for Allowance of Compensation and Reimbursement of Expenses for the Period from May 1, 2020 to and Including May 31, 2020; and 2) Summary Sheet and Second Interim Fee Application of Sidley Austin LLP, Attorneys for the Official Committee of Unsecured Creditors, for Compensation and Reimbursement of Expenses for the Period</i>

	<p>from March 1, 2020 Through and Including May 31, 2020 Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>830</u> Application for compensation <i>Seventh Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 5/1/2020 to 5/31/2020, Fee: \$223,330.68, Expenses: \$1,874.65. Filed by Attorney Juliana Hoffman Objections due by 8/4/2020. filed by Financial Advisor FTI Consulting, Inc., <u>831</u> Application for compensation <i>Sidley Austin LLP's Second Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 3/1/2020 to 5/31/2020, Fee: \$1,573,850.25, Expenses: \$22,930.21. Filed by Objections due by 8/4/2020. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F) filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)</p>
07/17/2020	<p><u>864</u> Transcript regarding Hearing Held 07/14/2020 (134 pages) RE: Applications to Employ. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 10/15/2020. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) <u>863</u> Hearing held on 7/14/2020. (RE: related document(s) <u>775</u> Application to employ Development Specialists, Inc. as Other Professional Amended Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide Financial Advisory and Restructuring-Related Services, Nunc Pro Tunc to March 15, 2020, filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz, J. Morris, G. Demo, I. Karash, Z. Annabel, and M. Hayward for Debtors; M. Clemente and P. Montgomery for UCC; A. Clubok for UBS; R. Patel and B. Shaw for Acis; T. Mascherin, M. Hankin, and M. Platt for Redeemer Committee; D. Nier for various employees.. Evidentiary hearing. Application granted (bonuses request withdrawn, per negotiations with UCC, subject to possible later request). Debtors counsel to submit order.)). Transcript to be made available to the public on 10/15/2020. (Rehling, Kathy)</p>
07/17/2020	<p><u>865</u> Order granting motion to appear pro hac vice adding Tracy K. Stratford for CCS Medical, Inc. (related document # <u>843</u>) Entered on 7/17/2020. (Ecker, C.)</p>
07/17/2020	<p><u>866</u> Order granting motion to appear pro hac vice adding James A. Wright for Highland Funds I and its series; Highland Funds II and its series; Highland Global Allocation Fund; Highland Healthcare Opportunities Fund; Highland Income Fund; Highland Merger Arbitrage Fund; Highland Opportunistic Credit Fund; Highland Small-Cap Equity Fund; Highland Socially Responsible Equity Fund; Highland Total Return Fund; Highland/iBoxx Senior Loan ETF; NexPoint Advisors, L.P.; NexPoint Capital, Inc.; NexPoint Real Estate Strategies Fund; NexPoint Strategic Opportunities Fund; Highland Capital Management Fund Advisors, L.P. and Highland Fixed Income Fund (related document # <u>835</u>) Entered on 7/17/2020. (Ecker, C.)</p>
07/17/2020	<p><u>867</u> Order granting motion to appear pro hac vice adding Stephen G. Topetzes for Highland Funds I and its series; Highland Funds II and its series; Highland Global Allocation Fund; Highland Healthcare Opportunities Fund; Highland Income Fund; Highland Merger Arbitrage Fund; Highland Opportunistic Credit Fund; Highland Small-Cap Equity Fund; Highland Socially Responsible Equity Fund; Highland Total Return Fund; Highland/iBoxx Senior Loan ETF; NexPoint Advisors, L.P.; NexPoint Capital, Inc.; NexPoint Real Estate Strategies Fund; Highland Capital Management Fund Advisors, L.P. and Highland Fixed Income Fund (related document # <u>849</u>) Entered on 7/17/2020. (Ecker, C.)</p>
07/17/2020	<p><u>868</u> Objection to claim(s) of Creditor(s) Integrated Financial Associates, Inc... Filed by Debtor Highland Capital Management, L.P.. Responses due by 8/19/2020. (Annable, Zachery)</p>
07/17/2020	

	<u>869</u> Reply to (related document(s): <u>839</u> Response filed by Creditor Committee Official Committee of Unsecured Creditors) (<i>Debtor's Reply to the Committee's Response to the Debtor's Discovery Motion</i>) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
07/17/2020	<u>870</u> Declaration re: (<i>Declaration of John A. Morris in Further Support of the Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Pursuant to Federal Rules of Bankruptcy Procedure 7026 and 7034</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>810</u> Motion for protective order (<i>Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Purs.</i>). (Annable, Zachery)
07/17/2020	<u>871</u> Declaration re: <i>First Supplemental Declaration of Alexander McGeoch in Support of Debtor's Application for an Order Authorizing the Retention and Employment of Hunton Andrews Kurth LLP as Special Counsel Nunc Pro Tunc to the Petition Date</i> filed by Spec. Counsel Hunton Andrews Kurth LLP (RE: related document(s) <u>604</u> Application to employ Hunton Andrews Kurth LLP as Special Counsel (<i>Debtor's Application for Entry of an Order Authorizing the Retention and Employment of Hunton Andrews Kurth LLP as Special Counsel Nunc Pro Tunc to the Petition Date</i>)). (Hesse, Gregory)
07/17/2020	<u>872</u> Response opposed to (related document(s): <u>841</u> Objection filed by Interested Party Highland Capital Management Fund Advisors, L.P., Interested Party NexPoint Advisors, L.P., Interested Party Highland Funds I and its series, Interested Party Highland Healthcare Opportunities Fund, Interested Party Highland/iBoxx Senior Loan ETF, Interested Party Highland Opportunistic Credit Fund, Interested Party Highland Merger Arbitrage Fund, Interested Party Highland Funds II and its series, Interested Party Highland Small-Cap Equity Fund, Interested Party Highland Fixed Income Fund, Interested Party Highland Socially Responsible Equity Fund, Interested Party Highland Total Return Fund, Interested Party NexPoint Capital, Inc., Interested Party NexPoint Strategic Opportunities Fund, Interested Party Highland Income Fund, Interested Party Highland Global Allocation Fund, Interested Party NexPoint Real Estate Strategies Fund, <u>844</u> Objection filed by Interested Party CCS Medical, Inc., <u>845</u> Objection filed by Debtor Highland Capital Management, L.P., <u>846</u> Objection filed by Creditor CLO Holdco, Ltd., <u>847</u> Objection filed by Interested Party NexPoint Real Estate Finance Inc., Interested Party Nexpoint Real Estate Capital, LLC, Interested Party NexPoint Residential Trust, Inc., Interested Party NexPoint Hospitality Trust, Interested Party NexPoint Real Estate Partners, LLC, Interested Party NexPoint Multifamily Capital Trust, Inc., Interested Party VineBrook Homes, Trust, Inc., Interested Party NexPoint Real Estate Advisors, L.P., Interested Party NexPoint Real Estate Advisors II, L.P., Interested Party NexPoint Real Estate Advisors III, L.P., Interested Party NexPoint Real Estate Advisors IV, L.P., Interested Party NexPoint Real Estate Advisors V, L.P., Interested Party NexPoint Real Estate Advisors VI, L.P., Interested Party NexPoint Real Estate Advisors VII, L.P., Interested Party NexPoint Real Estate Advisors VIII, L.P., <u>855</u> Objection filed by Interested Party MGM Holdings, Inc., <u>858</u> Objection filed by Interested Party Highland CLO Funding, Ltd.) filed by Creditor Committee Official Committee of Unsecured Creditors. (Montgomery, Paige)
07/17/2020	<u>873</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>868</u> Objection to claim(s) of Creditor(s) Integrated Financial Associates, Inc... Filed by Debtor Highland Capital Management, L.P.. Responses due by 8/19/2020.). Hearing to be held on 9/17/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>868</u> , (Annable, Zachery)
07/19/2020	<u>874</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>865</u> Order granting motion to appear pro hac vice adding Tracy K. Stratford for CCS Medical, Inc. (related document <u>843</u>) Entered on 7/17/2020. (Ecker, C.)) No. of Notices: 1. Notice Date 07/19/2020. (Admin.)
07/19/2020	

	<p><u>875</u> BNC certificate of mailing – PDF document. (RE: related document(s)<u>866</u> Order granting motion to appear pro hac vice adding James A. Wright for Highland Funds I and its series; Highland Funds II and its series; Highland Global Allocation Fund; Highland Healthcare Opportunities Fund; Highland Income Fund; Highland Merger Arbitrage Fund; Highland Opportunistic Credit Fund; Highland Small–Cap Equity Fund; Highland Socially Responsible Equity Fund; Highland Total Return Fund; Highland/iBoxx Senior Loan ETF; NexPoint Advisors, L.P.; NexPoint Capital, Inc.; NexPoint Real Estate Strategies Fund; NexPoint Strategic Opportunities Fund; Highland Capital Management Fund Advisors, L.P. and Highland Fixed Income Fund (related document <u>835</u>) Entered on 7/17/2020. (Ecker, C.)) No. of Notices: 1. Notice Date 07/19/2020. (Admin.)</p>
07/19/2020	<p><u>876</u> BNC certificate of mailing – PDF document. (RE: related document(s)<u>867</u> Order granting motion to appear pro hac vice adding Stephen G. Topetzes for Highland Funds I and its series; Highland Funds II and its series; Highland Global Allocation Fund; Highland Healthcare Opportunities Fund; Highland Income Fund; Highland Merger Arbitrage Fund; Highland Opportunistic Credit Fund; Highland Small–Cap Equity Fund; Highland Socially Responsible Equity Fund; Highland Total Return Fund; Highland/iBoxx Senior Loan ETF; NexPoint Advisors, L.P.; NexPoint Capital, Inc.; NexPoint Real Estate Strategies Fund; Highland Capital Management Fund Advisors, L.P. and Highland Fixed Income Fund (related document <u>849</u>) Entered on 7/17/2020. (Ecker, C.)) No. of Notices: 1. Notice Date 07/19/2020. (Admin.)</p>
07/20/2020	<p><u>877</u> Application for compensation <i>Eighth Monthly Application for Compensation and Reimbursement of Expenses of Sidley Austin, LLP</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 6/1/2020 to 6/30/2020, Fee: \$493,788.96, Expenses: \$5,759.29. Filed by Objections due by 8/10/2020. (Hoffman, Juliana)</p>
07/20/2020	<p><u>878</u> Application for compensation <i>Ninth Monthly Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from June 1, 2020 through June 30, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 6/1/2020 to 6/30/2020, Fee: \$818,786.50, Expenses: \$3,205.81. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 8/10/2020. (Pomerantz, Jeffrey)</p>
07/20/2020	<p><u>879</u> Amended application for compensation <i>Amended Ninth Monthly Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from June 1, 2020 through June 30, 2020 (amended to include Exhibit)</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 6/1/2020 to 6/30/2020, Fee: \$818,786.50, Expenses: \$3,205.81. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 8/10/2020. (Pomerantz, Jeffrey)</p>
07/20/2020	<p><u>880</u> Certificate of service re: 1) <i>Debtor's Objection to Official Committee of Unsecured Creditors Emergency Motion to Compel Production by the Debtor</i>; and 2) <i>Declaration of John A. Morris in Support of the Debtor's Objection to the Official Committee of Unsecured Creditors Emergency Motion to Compel Production by the Debtor</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>845</u> Objection to (related document(s): <u>808</u> Motion to compel Production by the Debtor. filed by Creditor Committee Official Committee of Unsecured Creditors) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>848</u> Declaration re: (<i>Declaration of John A. Morris in Support of the Debtor's Objection to the Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>845</u> Objection). (Attachments: # 1 Exhibit A) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
07/20/2020	<p><u>881</u> Certificate of service re: <i>Documents Served on July 16, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>850</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>808</u> Motion to compel Production by the Debtor. Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 7/29/2020., <u>810</u> Motion for protective order (<i>Debtor's Motion</i></p>

	<p>for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Pursuant to Federal Rules of Bankruptcy Procedure 7026 and 7034) Filed by Debtor Highland Capital Management, L.P.). Hearing to be held on 7/21/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>810</u> and for <u>808</u>, filed by Debtor Highland Capital Management, L.P., <u>851</u> Notice of hearing (<i>Notice of September 17, 2020 Omnibus Hearing Date</i>) filed by Debtor Highland Capital Management, L.P.. Hearing to be held on 9/17/2020 at 09:30 AM Dallas Judge Jernigan Ctrm filed by Debtor Highland Capital Management, L.P., <u>852</u> Order Approving Stipulation Resolving the Motion for Expedited Consideration of the Official Committee of the Unsecured Creditors' Motion to Compel Production by the Debtor (RE: related document(s)<u>826</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 7/16/2020 (Ecker, C.), <u>853</u> Order granting application to employ Development Specialists, Inc. as Other Professional (related document <u>775</u>) Entered on 7/16/2020. (Ecker, C.), <u>854</u> Order granting application to employ James P. Seery, Jr. as Chief Executive Officer, Chief Restructuring Officer and Foreign representative (related document <u>774</u>) Entered on 7/16/2020. (Ecker, C.) Modified on 7/16/2020 (Ecker, C.). (Kass, Albert)</p>
07/21/2020	<p><u>882</u> Order granting motion to appear pro hac vice adding Mark M. Maloney for Highland CLO Funding, Ltd. (related document # <u>857</u>) Entered on 7/21/2020. (Okafor, M.)</p>
07/21/2020	<p><u>883</u> Application for compensation <i>Second Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 3/1/2020 to 5/31/2020, Fee: \$1,488,533.4, Expenses: \$23,515.26. Filed by Objections due by 8/11/2020. (Hoffman, Juliana)</p>
07/21/2020	<p><u>894</u> Hearing held on 7/21/2020. (RE: related document(s)<u>808</u> Motion to compel Production by the Debtor, filed by Creditor Committee Official Committee of Unsecured Creditors.) (Appearances: J. Morris, I. Karash, Z. Annabel, and M. Hayward for Debtors; M. Clemente and P. Montgomery for UCC; A. Clubok for UBS; R. Patel and A. Chiarello for Acis; T. Mascherin for Redeemer Committee; M. Lynn and J. Bonds for J. Dondero; L. Drawhorn for NexPoint funds and MGM; P. Keiffer for Atlas; S. Topetzes and J. Wright for Highland Capital Management Fund Advisors, L.P. and other funds; T. Stratford for CCS Medical; R. Matsumura and M. Maloney for HCLOF; J. Kane for CLO Holdco.; J. Slade for NexBank; K. Preston for certain employees sued by Acis. Nonevidentiary hearing. Motion granted in substantial part, but with special privilege review protections granted as to the three lawyer custodians, as to CCS Medical and MGM communications, and as to Atlass communications with outside law firms. Counsel to submit order.) (Edmond, Michael) (Entered: 07/24/2020)</p>
07/21/2020	<p><u>895</u> Hearing held on 7/21/2020. (RE: related document(s)<u>810</u> Motion for protective order (Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Pursuant to Federal Rules of Bankruptcy Procedure 7026 and 7034), filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Morris, I. Karash, Z. Annabel, and M. Hayward for Debtors; M. Clemente and P. Montgomery for UCC; A. Clubok for UBS; R. Patel and A. Chiarello for Acis; T. Mascherin for Redeemer Committee; M. Lynn and J. Bonds for J. Dondero; L. Drawhorn for NexPoint funds and MGM; P. Keiffer for Atlas; S. Topetzes and J. Wright for Highland Capital Management Fund Advisors, L.P. and other funds; T. Stratford for CCS Medical; R. Matsumura and M. Maloney for HCLOF; J. Kane for CLO Holdco.; J. Slade for NexBank; K. Preston for certain employees sued by Acis. Nonevidentiary hearing. Motion denied in substantial part, but with special privilege review protections granted as to the three lawyer custodians, as to CCS Medical and MGM, and as to Atlass communications with outside law firms. Counsel to submit order.) (Edmond, Michael) (Entered: 07/24/2020)</p>
07/21/2020	<p><u>896</u> Hearing held on 7/21/2020. (RE: related document(s)<u>1</u> Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P.) (Appearances: J. Morris, I. Karash, Z. Annabel, and M. Hayward for Debtors; M. Clemente and P. Montgomery for UCC; A. Clubok for UBS; R.</p>

	Patel and A. Chiarello for Acis; T. Mascherin for Redeemer Committee; M. Lynn and J. Bonds for J. Dondero; L. Drawhorn for NexPoint funds and MGM; P. Keiffer for Atlas; S. Topetzes and J. Wright for Highland Capital Management Fund Advisors, L.P. and other funds; T. Stratford for CCS Medical; R. Matsumura and M. Maloney for HCLOF; J. Kane for CLO Holdco.; J. Slade for NexBank; K. Preston for certain employees sued by Acis. Nonevidentiary hearing. Scheduling discussed, including that there will be a setting on 9/17/20 on the objections to Aciss proof of claim for arguing certain issues of law and, perhaps, narrow issues for trial. Counsel to submit an interim scheduling order that memorializes dicussions.) (Edmond, Michael) (Entered: 07/24/2020)
07/22/2020	<u>884</u> Application for compensation <i>Eighth Monthly Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from June 1, 2020 through June 30, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 6/1/2020 to 6/30/2020, Fee: \$21,242.00, Expenses: \$343.69. Filed by Attorney Holland N. O'Neil Objections due by 8/12/2020. (Attachments: # <u>1</u> Exhibit A) (O'Neil, Holland)
07/22/2020	<u>885</u> INCORRECT ENTRY: EVENT CODE. Motion to extend or limit the exclusivity period Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Proposed Order) (Annable, Zachery) Modified on 7/22/2020 (Rielly, Bill).
07/22/2020	<u>886</u> Motion to extend time to assume or reject unexpired nonresidential real property lease Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Proposed Order) (Annable, Zachery)
07/22/2020	<u>887</u> Notice of hearing (<i>Notice of Status Conference</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>771</u> Objection to claim(s) 3 of Creditor(s) Acis Capital Management L.P. and Acis Capital Management GP, LLC.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 7/23/2020.). Status Conference to be held on 8/14/2020 at 09:30 AM at Dallas Judge Jernigan Ctrm. (Annable, Zachery)
07/22/2020	<u>888</u> Request for transcript regarding a hearing held on 7/21/2020. The requested turn-around time is daily. (Edmond, Michael)
07/22/2020	<u>889</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>771</u> Objection to claim(s) 3 of Creditor(s) Acis Capital Management L.P. and Acis Capital Management GP, LLC.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 7/23/2020.). Hearing to be held on 9/17/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>771</u> , (Annable, Zachery)
07/22/2020	<u>890</u> Certificate of service re: <i>Documents Served on July 17, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>868</u> Objection to claim(s) of Creditor(s) Integrated Financial Associates, Inc... Filed by Debtor Highland Capital Management, L.P.. Responses due by 8/19/2020. filed by Debtor Highland Capital Management, L.P., <u>869</u> Reply to (related document(s): <u>839</u> Response filed by Creditor Committee Official Committee of Unsecured Creditors) (<i>Debtor's Reply to the Committee's Response to the Debtor's Discovery Motion</i>) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>870</u> Declaration re: (<i>Declaration of John A. Morris in Further Support of the Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Pursuant to Federal Rules of Bankruptcy Procedure 7026 and 7034</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>810</u> Motion for protective order (<i>Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Purs</i>). filed by Debtor Highland Capital Management, L.P., <u>871</u> Declaration re: <i>First Supplemental Declaration of Alexander McGeoch in Support of Debtor's Application for an Order Authorizing the Retention and Employment of Hunton Andrews Kurth LLP as Special Counsel Nunc Pro Tunc to the Petition Date</i> filed by Spec. Counsel Hunton Andrews Kurth LLP (RE: related document(s) <u>604</u> Application to

	<i>employ Hunton Andrews Kurth LLP as Special Counsel (Debtor's Application for Entry of an Order Authorizing the Retention and Employment of Hunton Andrews Kurth LLP as Special Counsel Nunc Pro Tunc to the Petition Date)). filed by Interested Party Hunton Andrews Kurth LLP, Spec. Counsel Hunton Andrews Kurth LLP, <u>873</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>868</u> Objection to claim(s) of Creditor(s) Integrated Financial Associates, Inc... Filed by Debtor Highland Capital Management, L.P.. Responses due by 8/19/2020.). Hearing to be held on 9/17/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>868</u>, filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</i>
07/23/2020	<u>891</u> Objection to claim(s) 3 of Creditor(s) ACIS Capital Management L.P. and ACIS Capital Management GP, LLC.. Filed by Interested Parties UBS AG London Branch, UBS Securities LLC. (Sosland, Martin)
07/23/2020	<u>892</u> Certificate of service re: <i>Amended Ninth Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from June 1, 2020 Through June 30, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>879</u> Amended application for compensation <i>Amended Ninth Monthly Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from June 1, 2020 through June 30, 2020 (amended to include Exhibit)</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 6/1/2020 to 6/30/2020, Fee: \$818,786.50, Expenses: \$3,205.81. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 8/10/2020. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
07/23/2020	<u>893</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>882</u> Order granting motion to appear pro hac vice adding Mark M. Maloney for Highland CLO Funding, Ltd. (related document <u>857</u>) Entered on 7/21/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 07/23/2020. (Admin.)
07/24/2020	<u>897</u> Transcript regarding Hearing Held 07/21/20 RE: DOCS 808 and 810. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 10/22/2020. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Transcripts Plus, Inc., Telephone number 215-862-1115 CourtTranscripts@aol.com. (RE: related document(s) 896 Hearing held on 7/21/2020. (RE: related document(s) <u>1</u> Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P.) (Appearances: J. Morris, I. Karash, Z. Annabel, and M. Hayward for Debtors; M. Clemente and P. Montgomery for UCC; A. Clubok for UBS; R. Patel and A. Chiarello for Acis; T. Mascherin for Redeemer Committee; M. Lynn and J. Bonds for J. Dondero; L. Drawhorn for NexPoint funds and MGM; P. Keiffer for Atlas; S. Topetzes and J. Wright for Highland Capital Management Fund Advisors, L.P. and other funds; T. Stratford for CCS Medical; R. Matsumura and M. Maloney for HCLOF; J. Kane for CLO Holdco.; J. Slade for NexBank; K. Preston for certain employees sued by Acis. Nonevidentiary hearing. Scheduling discussed, including that there will be a setting on 9/17/20 on the objections to Aciss proof of claim for arguing certain issues of law and, perhaps, narrow issues for trial. Counsel to submit an interim scheduling order that memorializes discussions.)). Transcript to be made available to the public on 10/22/2020. (Hartmann, Karen)
07/24/2020	<u>898</u> Certificate of service re: <i>1) Summary Cover Sheet and Eighth Monthly Application of Sidley Austin LLP for Allowance of Compensation and Reimbursement of Expenses for the Period from June 1, 2020 to and Including June 30, 2020; and 2) Summary Cover Sheet and Second Interim Fee Application of FTI Consulting, Inc. as Financial Advisor for the Official Committee of Unsecured Creditors, for Compensation and Reimbursement of Expenses for the Period from March 1, 2020 Through and Including May 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>877</u> Application for compensation <i>Eighth Monthly Application for Compensation and Reimbursement of</i>

	<i>Expenses of Sidley Austin, LLP</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 6/1/2020 to 6/30/2020, Fee: \$493,788.96, Expenses: \$5,759.29. Filed by Objections due by 8/10/2020. filed by Creditor Committee Official Committee of Unsecured Creditors, <u>883</u> Application for compensation <i>Second Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 3/1/2020 to 5/31/2020, Fee: \$1,488,533.4, Expenses: \$23,515.26. Filed by Objections due by 8/11/2020. filed by Financial Advisor FTI Consulting, Inc.). (Kass, Albert)
07/27/2020	<u>899</u> Certificate of No Objection filed by Other Professional Hayward & Associates PLLC (RE: related document(s) <u>795</u> Application for compensation (<i>Fifth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from April 1, 2020 through April 30, 2020</i>) for Hayward & Assoc). (Annable, Zachery)
07/27/2020	<u>900</u> Certificate of service re: <i>Documents Served on July 22, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>884</u> Application for compensation <i>Eighth Monthly Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from June 1, 2020 through June 30, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 6/1/2020 to 6/30/2020, Fee: \$21,242.00, Expenses: \$343.69. Filed by Attorney Holland N. O'Neil Objections due by 8/12/2020. (Attachments: # 1 Exhibit A) (O'Neil, Holland) filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>886</u> Motion to extend time to assume or reject unexpired nonresidential real property lease Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Proposed Order) filed by Debtor Highland Capital Management, L.P., <u>887</u> Notice of hearing (<i>Notice of Status Conference</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>771</u> Objection to claim(s) 3 of Creditor(s) Acis Capital Management L.P. and Acis Capital Management GP, LLC.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 7/23/2020.). Status Conference to be held on 8/14/2020 at 09:30 AM at Dallas Judge Jernigan Ctrm. filed by Debtor Highland Capital Management, L.P., <u>889</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>771</u> Objection to claim(s) 3 of Creditor(s) Acis Capital Management L.P. and Acis Capital Management GP, LLC.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 7/23/2020.). Hearing to be held on 9/17/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>771</u> , filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
07/28/2020	<u>901</u> INCORRECT ENTRY: See # <u>902</u> for correction. Clerk's correspondence requesting an order from attorney for creditor. (RE: related document(s) <u>733</u> Motion for leave to <i>File an Omnibus Reply to Objections to UBS's Motion for Relief from the Automatic Stay to Proceed With State Court Action</i> (related document(s) <u>687</u> Response, <u>690</u> Objection, <u>692</u> Objection, <u>694</u> Joinder, <u>701</u> Objection) Filed by Interested Parties UBS AG London Branch, UBS Securities LLC Objections due by 7/2/2020. (Attachments: # 1 Exhibit A – Proposed Order # 2 Exhibit B – Reply # 3 Exhibit 1 # 4 Exhibit 2 # 5 Exhibit 3 # 6 Exhibit 4 # 7 Exhibit 5 # 8 Exhibit 6 # 9 Exhibit 7 # 10 Exhibit 8 # 11 Exhibit 9 # 12 Exhibit 10 # 13 Exhibit 11 # 14 Exhibit 12 # 15 Exhibit 13 # 16 Exhibit 14)) Responses due by 8/4/2020. (Ecker, C.) Modified on 7/28/2020 (Ecker, C.).
07/28/2020	<u>902</u> Clerk's correspondence requesting an order from attorney for creditor. (RE: related document(s) <u>733</u> Motion for leave to <i>File an Omnibus Reply to Objections to UBS's Motion for Relief from the Automatic Stay to Proceed With State Court Action</i> (related document(s) <u>687</u> Response, <u>690</u> Objection, <u>692</u> Objection, <u>694</u> Joinder, <u>701</u> Objection) Filed by Interested Parties UBS AG London Branch, UBS Securities LLC Objections due by 7/2/2020. (Attachments: # 1 Exhibit A – Proposed Order # 2 Exhibit B – Reply # 3 Exhibit 1 # 4 Exhibit 2 # 5 Exhibit 3 # 6 Exhibit 4 # 7 Exhibit 5 # 8 Exhibit 6 # 9 Exhibit 7 # 10 Exhibit 8 # 11 Exhibit 9 # 12 Exhibit 10 # 13 Exhibit 11 # 14 Exhibit 12 # 15 Exhibit 13 # 16 Exhibit 14)) Responses due by 8/4/2020. (Ecker, C.)
07/28/2020	<u>903</u> Clerk's correspondence requesting an order from attorney for creditor. (RE: related document(s) <u>746</u> Motion to file document under seal. Filed by Interested Parties UBS AG

	London Branch , UBS Securities LLC (Ecker, C.)) Responses due by 8/4/2020. (Ecker, C.)
07/28/2020	Receipt Number 00338615, Fee Amount \$30,715.92 (RE: related document(s)) <u>821</u> Order on motion for authority to apply and disburse funds.) NOTE: Deposit of funds into the Registry of the Court. (Floyd, K). (Entered: 08/10/2020)
07/28/2020	Receipt Number 00338617, Fee Amount \$20,830.29 (RE: related document(s)) <u>821</u> Order on motion for authority to apply and disburse funds.) NOTE: Deposit of funds into the Registry of the Court. (Floyd, K). (Entered: 08/10/2020)
07/28/2020	Receipt Number 00338616, Fee Amount \$84,062.32 (RE: related document(s)) <u>821</u> Order on motion for authority to apply and disburse funds.) NOTE: Deposit of funds into the Registry of the Court. (Floyd, K). (Entered: 08/10/2020)
07/30/2020	<u>904</u> Notice of Appearance and Request for Notice <i>Chad Timmons, Emily M. Hahn, Larry R. Boyd</i> by Chad D. Timmons filed by Creditor COLLIN COUNTY TAX ASSESSOR/COLLECTOR. (Timmons, Chad)
07/30/2020	<u>905</u> Amended Debtor-in-possession monthly operating report for filing period May 1, 2020 to May 31, 2020 filed by Debtor Highland Capital Management, L.P. (RE: related document(s)) <u>800</u> Operating report). (Annable, Zachery)
07/30/2020	<u>906</u> Objection to claim(s) of Creditor(s) Daniel Sheehan and Associates, PLLC; Dun & Bradstreet; Eastern Point Trust Company, Inc.; Collin County Tax Assessor/Collector; Collin County Tax Assessor/Collector; Dallas County; Opus 2 International Inc.; Andrew Parmentier; 4CAST Inc.; Advent Software Inc.; ConvergeOne, Inc.; Denton County; Internal Revenue Service; Kaufman County; Maples and Calder; McLagen Partners, Inc.; Microsoft Corporation and Microsoft Licensing GP, a Subsidiary of Microsoft Corporation; Moodys Analytics, Inc.; Quintairos, Prieto, Wood & Boyer; Advisors Equity Group, LLC; Eagle Equity Advisors, LLC; HCRE Partner, LLC; Highland Capital Management Fund Advisors; Highland Capital Management Fund Advisors; Highland Capital Management Services, Inc.; Highland Capital Management Services, Inc.; Highland Energy MLP Fund; Highland Fixed Income Fund; Highland Floating Rate Fund; Highland Funds I; Highland Funds II; Highland Global Allocation Fund; Highland Healthcare Opportunities Fund; Highland iBoxx Senior Loan ETF; Highland Income Fund HFRO; Highland Long/Short Equity Fund; Highland Merger Arbitrage Fund; Highland Opportunistic Credit Fund; Highland Small-Cap Equity Fund; Highland Socially Responsible Equity Fund; Highland Tax-Exempt Fund; Highland Total Return Fund; NexBank SSB; NexPoint Advisors, L.P.; NexPoint Advisors, L.P.; NexPoint Capital, Inc.; NexPoint Capital, Inc.; NexPoint Discount Strategies Fund; NexPoint Energy and Material Opportunities Fund; NexPoint Event-Driven Fund; NexPoint Healthcare Opportunities Fund; NexPoint Latin America Opportunities Fund; NexPoint Real Estate Strategies Fund; NexPoint Strategic Opportunities Fund; The Dugaboy Investment Trust; The Dugaboy Investment Trust; Bentley Callan; City of Garland; Clay Callan; Eastern Point Trust Company, Inc.; Garland Independent School District; Grayson County; HarbourVest 2017 Global Fund L.P.; HarbourVest 2017 Global AIF L.P.; HarbourVest Partners L.P. on behalf of funds and accounts under management; HarbourVest Dover Street IX Investment L.P.; HarbourVest Skew Base AIF L.P.; Hartman Wanzor LLP; Irving ISD; John Morris; John R. Watkins; Linear Technologies, Inc.; Mass. Dept. of Revenue; Mediant Communications Inc.; Oklahoma Tax Commission; Jun Park; Paul N. Adkins; Paul N. Adkins; Tarrant County; Theodore N. Dameris; Theodore N. Dameris; Weijun Zang; Anish Tailor; Mollie Boyce-Field; Charles Byrne; Donald Salvino; Ericka Garcia; Garman Turner Gordon; Joe Kingsley; Frederic Mason; TDA Associates, Inc.; Wilkinson Center.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 9/1/2020. (Attachments: # <u>1</u> Exhibit A—Proposed Order and Schedules 1–7) (Annable, Zachery)
07/30/2020	<u>907</u> Notice of hearing (<i>Notice of Hearing on Debtor's First Omnibus Objection to Certain (A) Duplicate Claims; (B) Overstated Claims; (C) Late-Filed Claims; (D) Satisfied Claims; (E) No-Liability Claims; and (F) Insufficient-Documentation Claims</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)) <u>906</u> Objection to

	claim(s) of Creditor(s) Daniel Sheehan and Associates, PLLC; Dun & Bradstreet; Eastern Point Trust Company, Inc.; Collin County Tax Assessor/Collector; Collin County Tax Assessor/Collector; Dallas County; Opus 2 International Inc.; Andrew Parmentier; 4CAST Inc.; Advent Software Inc.; ConvergeOne, Inc.; Denton County; Internal Revenue Service; Kaufman County; Maples and Calder; McLagen Partners, Inc.; Microsoft Corporation and Microsoft Licensing GP, a Subsidiary of Microsoft Corporation; Moodys Analytics, Inc.; Quintairos, Prieto, Wood & Boyer; Advisors Equity Group, LLC; Eagle Equity Advisors, LLC; HCRE Partner, LLC; Highland Capital Management Fund Advisors; Highland Capital Management Fund Advisors; Highland Capital Management Services, Inc.; Highland Capital Management Services, Inc.; Highland Energy MLP Fund; Highland Fixed Income Fund; Highland Floating Rate Fund; Highland Funds I; Highland Funds II; Highland Global Allocation Fund; Highland Healthcare Opportunities Fund; Highland iBoxx Senior Loan ETF; Highland Income Fund HFRO; Highland Long/Short Equity Fund; Highland Merger Arbitrage Fund; Highland Opportunistic Credit Fund; Highland Small-Cap Equity Fund; Highland Socially Responsible Equity Fund; Highland Tax-Exempt Fund; Highland Total Return Fund; NexBank SSB; NexPoint Advisors, L.P.; NexPoint Advisors, L.P.; NexPoint Capital, Inc.; NexPoint Capital, Inc.; NexPoint Discount Strategies Fund; NexPoint Energy and Material Opportunities Fund; NexPoint Event-Driven Fund; NexPoint Healthcare Opportunities Fund; NexPoint Latin America Opportunities Fund; NexPoint Real Estate Strategies Fund; NexPoint Strategic Opportunities Fund; The Dugaboy Investment Trust; The Dugaboy Investment Trust; Bentley Callan; City of Garland; Clay Callan; Eastern Point Trust Company, Inc.; Garland Independent School District; Grayson County; HarbourVest 2017 Global Fund L.P.; HarbourVest 2017 Global AIF L.P.; HarbourVest Partners L.P. on behalf of funds and accounts under management; HarbourVest Dover Street IX Investment L.P.; HarbourVest Skew Base AIF L.P.; Hartman Wanzor LLP; Irving ISD; John Morris; John R. Watkins; Linear Technologies, Inc.; Mass. Dept. of Revenue; Mediant Communications Inc.; Oklahoma Tax Commission; Jun Park; Paul N. Adkins; Paul N. Adkins; Tarrant County; Theodore N. Dameris; Theodore N. Dameris; Weijun Zang; Anish Tailor; Mollie Boyce-Field; Charles Byrne; Donald Salvino; Ericka Garcia; Garman Turner Gordon; Joe Kingsley; Frederic Mason; TDA Associates, Inc.; Wilkinson Center.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 9/1/2020. (Attachments: # 1 Exhibit A—Proposed Order and Schedules 1–7)). Hearing to be held on 9/10/2020 at 02:30 PM Dallas Judge Jernigan Ctrm for <u>906</u> . (Annable, Zachery)
07/31/2020	<u>908</u> Response opposed to (related document(s): <u>771</u> Objection to claim filed by Debtor Highland Capital Management, L.P.) filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4) (Patel, Rakhee)
08/03/2020	<u>909</u> Agreed Order Granting <u>886</u> Motion to extend deadline to assume or reject unexpired nonresidential real property lease by sixty days. Entered on 8/3/2020. (Okafor, M.)
08/03/2020	<u>910</u> Order granting motion for leave to File an Omnibus Reply to Objections to UBS's Motion for Relief from the Automatic Stay to Proceed With State Court Action (related document # <u>733</u>) Entered on 8/3/2020. (Okafor, M.)
08/03/2020	<u>911</u> Order granting motion to seal documents (related document # <u>746</u>) Entered on 8/3/2020. (Okafor, M.)
08/03/2020	<u>912</u> Order directing mediation (RE: related document(s) <u>3</u> Document filed by Debtor Highland Capital Management, L.P.). Entered on 8/3/2020 (Okafor, M.)
08/03/2020	<u>913</u> Debtor-in-possession monthly operating report for filing period June 1, 2020 to June 30, 2020 filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
08/03/2020	<u>914</u> Motion for leave [<i>CLO Holdco, Ltd.'s Motion for Clarification of Ruling</i>] (related document(s) <u>808</u> Motion to compel, <u>846</u> Objection, <u>872</u> Response, 894 Hearing held) Filed by Creditor CLO Holdco, Ltd. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B) (Kane, John)

08/04/2020	<p><u>915</u> Joinder by <i>NexPoint RE Entities' Joinder to CLO Holdco, Ltd.'s Motion for Clarification of Ruling</i> filed by Interested Parties NexPoint Hospitality Trust, NexPoint Multifamily Capital Trust, Inc., NexPoint Real Estate Advisors II, L.P., NexPoint Real Estate Advisors III, L.P., NexPoint Real Estate Advisors IV, L.P., NexPoint Real Estate Advisors V, L.P., NexPoint Real Estate Advisors VI, L.P., NexPoint Real Estate Advisors VII, L.P., NexPoint Real Estate Advisors VIII, L.P., NexPoint Real Estate Advisors, L.P., NexPoint Real Estate Finance Inc., NexPoint Real Estate Partners, LLC, NexPoint Residential Trust, Inc., Nexpoint Real Estate Capital, LLC, VineBrook Homes, Trust, Inc. (RE: related document(s)<u>914</u> Motion for leave [<i>CLO Holdco, Ltd.'s Motion for Clarification of Ruling</i>] (related document(s) <u>808</u> Motion to compel, <u>846</u> Objection, <u>872</u> Response, 894 Hearing held)). (Drawhorn, Lauren)</p>
08/04/2020	<p><u>916</u> Certificate of service re: 1) <i>Debtor's First Omnibus Objection to Certain (A) Duplicate Claims; (B) Overstated Claims; (C) Late-Filed Claims; (D) Satisfied Claims; (E) No-Liability Claims; and (F) Insufficient-Documentation Claims; and 2) Notice of Hearing on Debtor's First Omnibus Objection to Certain (A) Duplicate Claims; (B) Overstated Claims; (C) Late-Filed Claims; (D) Satisfied Claims; (E) No-Liability Claims; and (F) Insufficient-Documentation Claims</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>906</u> Objection to claim(s) of Creditor(s) Daniel Sheehan and Associates, PLLC; Dun & Bradstreet; Eastern Point Trust Company, Inc.; Collin County Tax Assessor/Collector; Collin County Tax Assessor/Collector; Dallas County; Opus 2 International Inc.; Andrew Parmentier; 4CAST Inc.; Advent Software Inc.; ConvergeOne, Inc.; Denton County; Internal Revenue Service; Kaufman County; Maples and Calder; McLagen Partners, Inc.; Microsoft Corporation and Microsoft Licensing GP, a Subsidiary of Microsoft Corporation; Moodys Analytics, Inc.; Quintairos, Prieto, Wood & Boyer; Advisors Equity Group, LLC; Eagle Equity Advisors, LLC; HCRE Partner, LLC; Highland Capital Management Fund Advisors; Highland Capital Management Fund Advisors; Highland Capital Management Services, Inc.; Highland Capital Management Services, Inc.; Highland Energy MLP Fund; Highland Fixed Income Fund; Highland Floating Rate Fund; Highland Funds I; Highland Funds II; Highland Global Allocation Fund; Highland Healthcare Opportunities Fund; Highland iBoxx Senior Loan ETF; Highland Income Fund HFRO; Highland Long/Short Equity Fund; Highland Merger Arbitrage Fund; Highland Opportunistic Credit Fund; Highland Small-Cap Equity Fund; Highland Socially Responsible Equity Fund; Highland Tax-Exempt Fund; Highland Total Return Fund; NexBank SSB; NexPoint Advisors, L.P.; NexPoint Advisors, L.P.; NexPoint Capital, Inc.; NexPoint Capital, Inc.; NexPoint Discount Strategies Fund; NexPoint Energy and Material Opportunities Fund; NexPoint Event-Driven Fund; NexPoint Healthcare Opportunities Fund; NexPoint Latin America Opportunities Fund; NexPoint Real Estate Strategies Fund; NexPoint Strategic Opportunities Fund; The Dugaboy Investment Trust; The Dugaboy Investment Trust; Bentley Callan; City of Garland; Clay Callan; Eastern Point Trust Company, Inc.; Garland Independent School District; Grayson County; HarbourVest 2017 Global Fund L.P.; HarbourVest 2017 Global AIF L.P.; HarbourVest Partners L.P. on behalf of funds and accounts under management; HarbourVest Dover Street IX Investment L.P.; HarbourVest Skew Base AIF L.P.; Hartman Wanzor LLP; Irving ISD; John Morris; John R. Watkins; Linear Technologies, Inc.; Mass. Dept. of Revenue; Mediant Communications Inc.; Oklahoma Tax Commission; Jun Park; Paul N. Adkins; Paul N. Adkins; Tarrant County; Theodore N. Dameris; Theodore N. Dameris; Weijun Zang; Anish Tailor; Mollie Boyce-Field; Charles Byrne; Donald Salvino; Ericka Garcia; Garman Turner Gordon; Joe Kingsley; Frederic Mason; TDA Associates, Inc.; Wilkinson Center.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 9/1/2020. (Attachments: # 1 Exhibit A—Proposed Order and Schedules 1–7) filed by Debtor Highland Capital Management, L.P., <u>907</u> Notice of hearing (<i>Notice of Hearing on Debtor's First Omnibus Objection to Certain (A) Duplicate Claims; (B) Overstated Claims; (C) Late-Filed Claims; (D) Satisfied Claims; (E) No-Liability Claims; and (F) Insufficient-Documentation Claims</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>906</u> Objection to claim(s) of Creditor(s) Daniel Sheehan and Associates, PLLC; Dun & Bradstreet; Eastern Point Trust Company, Inc.; Collin County Tax Assessor/Collector; Collin County Tax Assessor/Collector; Dallas County; Opus 2 International Inc.; Andrew Parmentier; 4CAST Inc.; Advent Software Inc.; ConvergeOne, Inc.; Denton County; Internal Revenue Service; Kaufman County; Maples and Calder; McLagen Partners, Inc.; Microsoft Corporation and Microsoft Licensing GP, a Subsidiary of Microsoft Corporation;</p>

	<p>Moodys Analytics, Inc.; Quintairos, Prieto, Wood & Boyer; Advisors Equity Group, LLC; Eagle Equity Advisors, LLC; HCRE Partner, LLC; Highland Capital Management Fund Advisors; Highland Capital Management Fund Advisors; Highland Capital Management Services, Inc.; Highland Capital Management Services, Inc.; Highland Energy MLP Fund; Highland Fixed Income Fund; Highland Floating Rate Fund; Highland Funds I; Highland Funds II; Highland Global Allocation Fund; Highland Healthcare Opportunities Fund; Highland iBoxx Senior Loan ETF; Highland Income Fund HFRO; Highland Long/Short Equity Fund; Highland Merger Arbitrage Fund; Highland Opportunistic Credit Fund; Highland Small-Cap Equity Fund; Highland Socially Responsible Equity Fund; Highland Tax-Exempt Fund; Highland Total Return Fund; NexBank SSB; NexPoint Advisors, L.P.; NexPoint Advisors, L.P.; NexPoint Capital, Inc.; NexPoint Capital, Inc.; NexPoint Discount Strategies Fund; NexPoint Energy and Material Opportunities Fund; NexPoint Event-Driven Fund; NexPoint Healthcare Opportunities Fund; NexPoint Latin America Opportunities Fund; NexPoint Real Estate Strategies Fund; NexPoint Strategic Opportunities Fund; The Dugaboy Investment Trust; The Dugaboy Investment Trust; Bentley Callan; City of Garland; Clay Callan; Eastern Point Trust Company, Inc.; Garland Independent School District; Grayson County; HarbourVest 2017 Global Fund L.P.; HarbourVest 2017 Global AIF L.P.; HarbourVest Partners L.P. on behalf of funds and accounts under management; HarbourVest Dover Street IX Investment L.P.; HarbourVest Skew Base AIF L.P.; Hartman Wanzor LLP; Irving ISD; John Morris; John R. Watkins; Linear Technologies, Inc.; Mass. Dept. of Revenue; Mediant Communications Inc.; Oklahoma Tax Commission; Jun Park; Paul N. Adkins; Paul N. Adkins; Tarrant County; Theodore N. Dameris; Theodore N. Dameris; Weijun Zang; Anish Tailor; Mollie Boyce-Field; Charles Byrne; Donald Salvino; Ericka Garcia; Garman Turner Gordon; Joe Kingsley; Frederic Mason; TDA Associates, Inc.; Wilkinson Center.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 9/1/2020. (Attachments: # 1 Exhibit A—Proposed Order and Schedules 1–7)). Hearing to be held on 9/10/2020 at 02:30 PM Dallas Judge Jernigan Ctrm for <u>906</u>, filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
08/05/2020	<p><u>917</u> Application for compensation (<i>Sixth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from May 1, 2020 through May 31, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 5/1/2020 to 5/31/2020, Fee: \$17,667.50, Expenses: \$37.40. Filed by Other Professional Hayward & Associates PLLC (Attachments: # <u>1</u> Exhibit A—H&A May 2020 Invoice) (Annable, Zachery)</p>
08/05/2020	<p><u>918</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s)<u>831</u> Application for compensation <i>Sidley Austin LLP's Second Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 3/1/2020 to 5/31/2020, Fee: \$1,5). (Attachments: # <u>1</u> Exhibit) (Hoffman, Juliana)</p>
08/05/2020	<p><u>919</u> Certificate of service re: <i>1) Agreed Order Extending Deadline to Assume or Reject Unexpired Nonresidential Real Property Lease by Sixty Days; and 2) Order Directing Mediation</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>909</u> Agreed Order Granting <u>886</u> Motion to extend deadline to assume or reject unexpired nonresidential real property lease by sixty days. Entered on 8/3/2020. (Okafor, M.), <u>912</u> Order directing mediation (RE: related document(s)<u>3</u> Document filed by Debtor Highland Capital Management, L.P.). Entered on 8/3/2020 (Okafor, M.)). (Kass, Albert)</p>
08/05/2020	<p><u>920</u> Certificate of No Objection (Amended) filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s)<u>918</u> Certificate (generic)). (Hoffman, Juliana)</p>
08/05/2020	<p><u>921</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to June 30, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN</p>

	PROFESSIONALSUTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Annable, Zachery)
08/06/2020	<u>922</u> Application for compensation <i>Ninth Monthly Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from July 1, 2020 through July 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 7/1/2020 to 7/31/2020, Fee: \$6,264.50, Expenses: \$0.00. Filed by Attorney Holland N. O'Neil Objections due by 8/27/2020. (Attachments: # <u>1</u> Exhibit A) (O'Neil, Holland)
08/06/2020	<u>923</u> Notice of Appearance and Request for Notice by Jared M. Slade filed by Interested Party NexBank. (Slade, Jared)
08/06/2020	<u>924</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April, 2020 through July 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 4/1/2020 to 7/31/2020, Fee: \$87,931.00, Expenses: \$833.49. Filed by Attorney Holland N. O'Neil Objections due by 8/27/2020. (Attachments: # <u>1</u> Exhibit A – Invoices # <u>2</u> Proposed Order Exhibit B – Proposed Order) (O'Neil, Holland)
08/06/2020	<u>925</u> Certificate of service re: re: <i>1) Cover Sheet and Sixth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from May 1, 2020 Through May 31, 2020; and 2) Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to June 30, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>917</u> Application for compensation (<i>Sixth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from May 1, 2020 through May 31, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 5/1/2020 to 5/31/2020, Fee: \$17,667.50, Expenses: \$37.40. Filed by Other Professional Hayward & Associates PLLC (Attachments: # <u>1</u> Exhibit A—H&A May 2020 Invoice) filed by Other Professional Hayward & Associates PLLC, <u>921</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to June 30, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALSUTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # <u>1</u> Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
08/06/2020	<u>926</u> Withdrawal of claim(s) Claim has been satisfied. Claim: 9 Filed by Creditor Gray Reed & McGraw LLP. (Brookner, Jason)
08/07/2020	<u>927</u> Joinder by filed by Interested Party NexBank (RE: related document(s) <u>914</u> Motion for leave [<i>CLO Holdco, Ltd.'s Motion for Clarification of Ruling</i>] (related document(s) <u>808</u> Motion to compel, <u>846</u> Objection, <u>872</u> Response, 894 Hearing held)). (Slade, Jared)
08/07/2020	<u>928</u> Objection to claim(s) of Creditor(s) UBS Securities LLC and UBS AG, London Branch.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 9/9/2020. (Attachments: # <u>1</u> Exhibit 18 # <u>2</u> Exhibit 19) (Annable, Zachery)
08/07/2020	<u>929</u> Notice of hearing (<i>Notice of Status Conference</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>928</u> Objection to claim(s) of Creditor(s) UBS Securities LLC and UBS AG, London Branch.. Filed by Debtor Highland Capital

	Management, L.P.. Responses due by 9/9/2020. (Attachments: # 1 Exhibit 18 # 2 Exhibit 19)). Status Conference to be held on 9/29/2020 at 01:30 PM at Dallas Judge Jernigan Ctrm. (Annable, Zachery)
08/07/2020	<u>930</u> Response opposed to (related document(s): <u>914</u> Motion for leave [<i>CLO Holdco, Ltd.'s Motion for Clarification of Ruling</i>] (related document(s) <u>808</u> Motion to compel, <u>846</u> Objection, <u>872</u> Response, 894 Hearing held) filed by Creditor CLO Holdco, Ltd.) filed by Creditor Committee Official Committee of Unsecured Creditors. (Attachments: # <u>1</u> Exhibit A) (Montgomery, Paige)
08/07/2020	<u>931</u> Application for compensation (<i>Seventh Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from June 1, 2020 through June 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 6/1/2020 to 6/30/2020, Fee: \$18,025.00, Expenses: \$452.40. Filed by Other Professional Hayward & Associates PLLC (Attachments: # <u>1</u> Exhibit A—H&A June 2020 Invoice) (Annable, Zachery)
08/07/2020	<u>932</u> Motion to file document under seal. <i>MOTION FOR AN ORDER GRANTING LEAVE TO FILE DOCUMENTS UNDER SEAL REGARDING REDEEMER COMMITTEES OBJECTION TO THE PROOF OF CLAIM OF UBS AG, LONDON BRANCH AND UBS SECURITIES, LLC</i> Filed by Interested Party Redeemer Committee of the Highland Crusader Fund (Attachments: # <u>1</u> Proposed Order Proposed Order Granting Motion to Seal) (Platt, Mark)
08/07/2020	<u>933</u> Objection to claim(s) of Creditor(s) UBS Securities LLC and UBS AG, London Branch.. Filed by Interested Party Redeemer Committee of the Highland Crusader Fund. (Attachments: # <u>1</u> Exhibit Exhibit 1 (slip page – to be filed under seal upon order from Court)) # <u>2</u> Exhibit Exhibit 2 (slip page – to be filed under seal upon order from Court) # <u>3</u> Exhibit Exhibit 3 (slip page – to be filed under seal upon order from Court) # <u>4</u> Exhibit Exhibit 4 # <u>5</u> Exhibit Exhibit 5 # <u>6</u> Exhibit Exhibit 6 (slip page – to be filed under seal upon order from Court) # <u>7</u> Exhibit Exhibit 7 (slip page – to be filed under seal upon order from Court) # <u>8</u> Exhibit Exhibit 8 # <u>9</u> Exhibit Exhibit 9 (slip page – to be filed under seal upon order from Court) # <u>10</u> Exhibit Exhibit 10 # <u>11</u> Exhibit Exhibit 11 # <u>12</u> Exhibit Exhibit 12 # <u>13</u> Exhibit Exhibit 13 # <u>14</u> Exhibit Exhibit 14 # <u>15</u> Exhibit Exhibit 15 # <u>16</u> Exhibit Exhibit 16 (slip page – to be filed under seal upon order from Court) # <u>17</u> Exhibit Exhibit 17 # <u>18</u> Exhibit Exhibit 18 # <u>19</u> Exhibit Exhibit 19 # <u>20</u> Exhibit Exhibit 20 (slip page – to be filed under seal upon order from Court) # <u>21</u> Exhibit Exhibit 21 (slip page – to be filed under seal upon order from Court) # <u>22</u> Exhibit Exhibit 22 (slip page – to be filed under seal upon order from Court)) (Platt, Mark)
08/10/2020	<u>934</u> Application for compensation <i>Eighth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 6/1/2020 to 6/30/2020, Fee: \$328,185.72, Expenses: \$440.33. Filed by Financial Advisor FTI Consulting, Inc. Objections due by 8/31/2020. (Hoffman, Juliana)
08/11/2020	<u>935</u> Order on Motion for Clarification of Ruling and the Joinders Thereto (RE: related document(s) <u>914</u> Motion for leave filed by Creditor CLO Holdco, Ltd., <u>915</u> Joinder filed by Interested Party NexPoint Real Estate Finance Inc., Interested Party Nexpoint Real Estate Capital, LLC, Interested Party NexPoint Residential Trust, Inc., Interested Party NexPoint Hospitality Trust, Interested Party NexPoint Real Estate Partners, LLC, Interested Party NexPoint Multifamily Capital Trust, Inc., Interested Party VineBrook Homes, Trust, Inc., Interested Party NexPoint Real Estate Advisors, L.P., Interested Party NexPoint Real Estate Advisors II, L.P., Interested Party NexPoint Real Estate Advisors III, L.P., Interested Party NexPoint Real Estate Advisors IV, L.P., Interested Party NexPoint Real Estate Advisors V, L.P., Interested Party NexPoint Real Estate Advisors VI, L.P., Interested Party NexPoint Real Estate Advisors VII, L.P., Interested Party NexPoint Real Estate Advisors VIII, L.P., <u>927</u> Joinder filed by Interested Party NexBank). Entered on 8/11/2020 (Rielly, Bill)
08/11/2020	<u>936</u> Application for compensation <i>Tenth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from July 1, 2020 through July 31, 2020</i> for

	Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 7/1/2020 to 7/31/2020, Fee: \$739,976.00, Expenses: \$1,189.12. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 9/1/2020. (Pomerantz, Jeffrey)
08/11/2020	<u>937</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>879</u> Amended application for compensation <i>Amended Ninth Monthly Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from June 1, 2020 through June 30, 2020 (amended t)</i> . (Pomerantz, Jeffrey)
08/11/2020	<u>938</u> Certificate of service re: 1) <i>Cover Sheet and Ninth Monthly Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from July 1, 2020 Through July 31, 2020</i> ; and 2) <i>Cover Sheet and Second Interim Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April 1, 2020 Through July 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>922</u> Application for compensation <i>Ninth Monthly Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from July 1, 2020 through July 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 7/1/2020 to 7/31/2020, Fee: \$6,264.50, Expenses: \$0.00. Filed by Attorney Holland N. O'Neil Objections due by 8/27/2020. (Attachments: # 1 Exhibit A) (O'Neil, Holland) filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>924</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April, 2020 through July 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 4/1/2020 to 7/31/2020, Fee: \$87,931.00, Expenses: \$833.49. Filed by Attorney Holland N. O'Neil Objections due by 8/27/2020. (Attachments: # 1 Exhibit A – Invoices # 2 Proposed Order Exhibit B – Proposed Order) (O'Neil, Holland) filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP). (Kass, Albert)
08/11/2020	<u>939</u> Certificate of service re: 1) <i>Debtor's Objection to Proofs of Claim 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i> ; and 2) <i>Notice of Status Conference; to be Held on September 29, 2020 at 1:30 p.m. (Central Time)</i> ; and 3) <i>Seventh Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from June 1, 2020 through June 30, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>928</u> Objection to claim(s) of Creditor(s) UBS Securities LLC and UBS AG, London Branch.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 9/9/2020. (Attachments: # 1 Exhibit 18 # 2 Exhibit 19) filed by Debtor Highland Capital Management, L.P., <u>929</u> Notice of hearing (<i>Notice of Status Conference</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>928</u> Objection to claim(s) of Creditor(s) UBS Securities LLC and UBS AG, London Branch.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 9/9/2020. (Attachments: # 1 Exhibit 18 # 2 Exhibit 19)). Status Conference to be held on 9/29/2020 at 01:30 PM at Dallas Judge Jernigan Ctrm. filed by Debtor Highland Capital Management, L.P., <u>931</u> Application for compensation (<i>Seventh Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from June 1, 2020 through June 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 6/1/2020 to 6/30/2020, Fee: \$18,025.00, Expenses: \$452.40. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—H&A June 2020 Invoice) filed by Other Professional Hayward & Associates PLLC). (Kass, Albert)
08/11/2020	<u>940</u> Certificate of service re: 1) <i>Webex Meeting Invitation to participate electronically in the hearing on Friday, August 14, 2020 at 9:30 a.m. Central Time before the Honorable Stacey G. Jernigan</i> ; 2) <i>Instructions for any counsel and parties who wish to participate in the Hearing</i> ; and 3) <i>Summary Cover Sheet and Eighth Monthly Application for Compensation and Reimbursement of Expenses for FTI Consulting, Inc. for Allowance of Compensation and Reimbursement of Expenses for the Period From June 1, 2020 to and Including June 30, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related

	document(s) <u>934</u> Application for compensation <i>Eighth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 6/1/2020 to 6/30/2020, Fee: \$328,185.72, Expenses: \$440.33. Filed by Financial Advisor FTI Consulting, Inc. Objections due by 8/31/2020. filed by Financial Advisor FTI Consulting, Inc.). (Kass, Albert)
08/12/2020	<u>941</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>877</u> Application for compensation <i>Eighth Monthly Application for Compensation and Reimbursement of Expenses of Sidley Austin, LLP</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 6/1/2020 to 6/30/2020, Fee: \$493,78). (Hoffman, Juliana)
08/12/2020	<u>942</u> Order resolving discovery motions and objections thereto (related document <u>808</u> and <u>810</u> Motion for protective order (<i>Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Purs filed by Debtor Highland Capital Management,) Entered on 8/12/2020. (Okafor, M.). Modified linkage on 10/1/2020 (Okafor, M.).</i>
08/12/2020	<u>943</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from June 1, 2020 through June 30, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). (Annable, Zachery)
08/12/2020	<u>944</u> Chapter 11 plan filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
08/12/2020	<u>945</u> Disclosure statement filed by Debtor Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit A—Plan)(Annable, Zachery)
08/13/2020	<u>946</u> Certificate of No Objection filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP (RE: related document(s) <u>884</u> Application for compensation <i>Eighth Monthly Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from June 1, 2020 through June 30, 2020</i> for Foley Garder). (O'Neil, Holland)
08/13/2020	<u>947</u> Joint Motion to continue hearing on (related documents <u>771</u> Objection to claim) (<i>Joint Motion to Continue Status Conference</i>) Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
08/13/2020	<u>948</u> Motion to file document under seal. (<i>Debtor's Motion for Entry of an Order Authorizing Filing under Seal of the Debtor's Plan of Reorganization and Disclosure Statement</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Proposed Order) (Annable, Zachery)
08/13/2020	<u>949</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>820</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Proposed Order) (Annable, Zachery)
08/13/2020	<u>950</u> Order granting motion to seal documents (related document # <u>932</u>) Entered on 8/13/2020. (Okafor, M.)
08/13/2020	<u>951</u> Order granting joint motion to continue hearing on (related document # <u>947</u>) (related documents Objection to claim) Status Conference to be held on 8/19/2020 at 09:30 AM at Dallas Judge Jernigan Ctrm. Entered on 8/13/2020. (Okafor, M.)

08/13/2020	<u>952</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>949</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>820</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order)). Hearing to be held on 9/10/2020 at 02:30 PM Dallas Judge Jernigan Ctrm for <u>949</u> , (Annable, Zachery)
08/13/2020	<u>953</u> SEALED document regarding: REDEEMER COMMITTEE OF THE HIGHLAND CRUSADER FUNDS AND THE CRUSADER FUNDS' OBJECTION TO THE PROOF OF CLAIM OF UBS AG, LONDON BRANCH AND UBS SECURITIES, LLC AND JOINDER IN THE DEBTOR'S OBJECTION per court order filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>950</u> Order on motion to seal). (Attachments: # <u>1</u> Exhibit Exhibit 1 – Original Synthetic Warehouse Agreement # <u>2</u> Exhibit Exhibit 2 Original Engagement Ltr. # <u>3</u> Exhibit Exhibit 3 Original Cash Warehouse Agreement # <u>4</u> Exhibit Exhibit 6 Expert Report of Louis G. Dudley # <u>5</u> Exhibit Exhibit 7 March 20, 2009 Termination Settlement and Release Agreement # <u>6</u> Exhibit Exhibit 9 UBS and Crusader Fund Settlement Agreement # <u>7</u> Exhibit Exhibit 16 Unredacted version of UBS's Second Amended Complaint # <u>8</u> Exhibit Exhibit 20 UBS's Pre-Trial Brief ISO Bifurcation # <u>9</u> Exhibit Exhibit 21 UBS and Credit Strategies Settlement Agreement # <u>10</u> Exhibit Exhibit 22 Crusader Fund scheme of Arrangement and Joint Plan of Distribution) (Platt, Mark)
08/13/2020	<u>954</u> Amended Notice of hearing (<i>Amended Notice of Status Conference</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>771</u> Objection to claim(s) 3 of Creditor(s) Acis Capital Management L.P. and Acis Capital Management GP, LLC.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 7/23/2020.). Status Conference to be held on 8/19/2020 at 09:30 AM at Dallas Judge Jernigan Ctrm. (Annable, Zachery)
08/13/2020	<u>955</u> Order granting motion to seal documents (related document # <u>948</u>) Entered on 8/13/2020. (Okafor, M.)
08/13/2020	<u>956</u> SEALED document regarding: Plan of Reorganization of Highland Capital Management, L.P. per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>955</u> Order on motion to seal). (Annable, Zachery)
08/13/2020	<u>957</u> SEALED document regarding: Disclosure Statement for the Plan of Reorganization of Highland Capital Management, L.P. per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>955</u> Order on motion to seal). (Attachments: # <u>1</u> Exhibit A—Plan of Reorganization of Highland Capital Management, L.P.) (Annable, Zachery)
08/13/2020	<u>958</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>935</u> Order on Motion for Clarification of Ruling and the Joinders Thereto (RE: related document(s) <u>914</u> Motion for leave filed by Creditor CLO Holdco, Ltd., <u>915</u> Joinder filed by Interested Party NexPoint Real Estate Finance Inc., Interested Party Nexpoint Real Estate Capital, LLC, Interested Party NexPoint Residential Trust, Inc., Interested Party NexPoint Hospitality Trust, Interested Party NexPoint Real Estate Partners, LLC, Interested Party NexPoint Multifamily Capital Trust, Inc., Interested Party VineBrook Homes, Trust, Inc., Interested Party NexPoint Real Estate Advisors, L.P., Interested Party NexPoint Real Estate Advisors II, L.P., Interested Party NexPoint Real Estate Advisors III, L.P., Interested Party NexPoint Real Estate Advisors IV, L.P., Interested Party NexPoint Real Estate Advisors V, L.P., Interested Party NexPoint Real Estate Advisors VI, L.P., Interested Party NexPoint Real Estate Advisors VII, L.P., Interested Party NexPoint Real Estate Advisors VIII, L.P., <u>927</u> Joinder filed by Interested Party NexBank). Entered on 8/11/2020) No. of Notices: 2. Notice Date 08/13/2020. (Admin.)
08/14/2020	<u>959</u> Certificate of No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s) <u>830</u> Application for compensation <i>Seventh Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 5/1/2020 to 5/31/2020, Fee: \$223,330.68, Expenses: \$1,874.65.). (Hoffman, Juliana)

08/14/2020	<u>960</u> Certificate of No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s) <u>883</u> Application for compensation <i>Second Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 3/1/2020 to 5/31/2020, Fee: \$1,488,533.4, Expenses: \$23,515.26.). (Hoffman, Juliana)
08/14/2020	<u>961</u> Certificate of service re: <i>Cover Sheet and Tenth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from July 1, 2020 through July 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>936</u> Application for compensation <i>Tenth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from July 1, 2020 through July 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 7/1/2020 to 7/31/2020, Fee: \$739,976.00, Expenses: \$1,189.12. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 9/1/2020. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
08/14/2020	<u>962</u> Certificate of service re: 1) <i>Order Resolving Discovery Motions and Objections Thereto</i> ; and 2) <i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from June 1, 2020 Through June 30, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>942</u> Order resolving discovery motions and objections thereto (related document <u>808</u>) Entered on 8/12/2020. (Okafor, M.), <u>943</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from June 1, 2020 through June 30, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.)). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
08/17/2020	<u>963</u> Motion to file document under seal. Filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. (Attachments: # <u>1</u> Proposed Order) (Chiarello, Annmarie)
08/18/2020	<u>964</u> Application for compensation (<i>Hayward & Associates PLLC's Second Interim Application for Compensation and Reimbursement of Expenses for the Period from April 1, 2020 through June 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 4/1/2020 to 6/30/2020, Fee: \$60,570.00, Expenses: \$525.80. Filed by Other Professional Hayward & Associates PLLC (Attachments: # <u>1</u> Exhibit A—Invoices) (Annable, Zachery)
08/18/2020	<u>965</u> Order granting motion to seal documents (related document # <u>963</u>) Entered on 8/18/2020. (Okafor, M.)
08/18/2020	<u>966</u> SEALED document regarding: email correspondence produced by Highland Capital Management, L.P. in connection with Acis's bankruptcy cases and bates labeled CONFIDENTIAL Highland0035395– Highland0035405 per court order filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. (RE: related document(s) <u>965</u> Order on motion to seal). (Chiarello, Annmarie)
08/18/2020	<u>967</u> Certificate of service re: <i>Documents Served on August 13, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>947</u> Joint Motion to continue hearing on (related documents <u>771</u> Objection to claim) (<i>Joint Motion to Continue Status Conference</i>) Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P., <u>948</u> Motion to file document under seal. (<i>Debtor's Motion for Entry of an Order Authorizing Filing under Seal of the Debtor's Plan of Reorganization and Disclosure Statement</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Proposed Order) filed by Debtor Highland Capital Management, L.P., <u>949</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>820</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Proposed Order) filed by Debtor Highland Capital Management, L.P., <u>951</u> Order granting joint motion to continue hearing on (related document <u>947</u>) (related documents Objection to claim) Status Conference to be held on

	<p>8/19/2020 at 09:30 AM at Dallas Judge Jernigan Ctrm. Entered on 8/13/2020. (Okafor, M.), <u>952</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>949</u> Motion to extend or limit the exclusivity period (RE: related document(s)<u>820</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order)). Hearing to be held on 9/10/2020 at 02:30 PM Dallas Judge Jernigan Ctrm for <u>949</u>, filed by Debtor Highland Capital Management, L.P., <u>954</u> Amended Notice of hearing (<i>Amended Notice of Status Conference</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>771</u> Objection to claim(s) 3 of Creditor(s) Acis Capital Management L.P. and Acis Capital Management GP, LLC.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 7/23/2020.). Status Conference to be held on 8/19/2020 at 09:30 AM at Dallas Judge Jernigan Ctrm. filed by Debtor Highland Capital Management, L.P., <u>955</u> Order granting motion to seal documents (related document <u>948</u>) Entered on 8/13/2020. (Okafor, M.)). (Kass, Albert)</p>
08/19/2020	<p>968 Hearing held on 8/19/2020. (RE: related document(s)<u>771</u> Objection to claim(s) 3 of Creditor(s) Acis Capital Management L.P. and Acis Capital Management GP, LLC., filed by Debtor Highland Capital Management, L.P., (Appearances: J. Pomeranz, I. Karesh, Z. Annabel, and M. Hayward for Debtors; R. Patel and B. Shaw for Acis; P. Montgomery for Unsecured Creditors Committee; J. Bonds for J. Dondero; A. Clubock for UBS; T. Masherin for Crusader Redeemer Committee. Nonevidentiary status conference. Court heard and approved concept for a partial scheduling order, contemplating cross motions for summary judgment and setting thereon for 10/20/20 at 9:30 am to the extend this matter is not resolved in mediation. Mr. Pomeranz to draft order consistent with the terms of what was announced.) (Edmond, Michael)</p>
08/19/2020	<p><u>969</u> Application for compensation <i>Sidley Austin, LLP's Ninth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 7/1/2020 to 7/31/2020, Fee: \$531,094.32, Expenses: \$10,470.96. Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 9/9/2020. (Hoffman, Juliana)</p>
08/19/2020	<p><u>970</u> Stipulation by Highland Capital Management, L.P. and Integrated Financial Associates, Inc.. filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>868</u> Objection to claim). (Annable, Zachery)</p>
08/19/2020	<p><u>971</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession for the Period from April 1, 2020 through July 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 4/1/2020 to 7/31/2020, Fee: \$3,475,794.50, Expenses: \$12,205.15. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 9/9/2020. (Pomerantz, Jeffrey)</p>
08/19/2020	<p><u>972</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Mercer (US) Inc. as Compensation Consultant for the Debtor for the Period from March 1, 2020 through May 31, 2020</i> for Mercer (US) Inc., Consultant, Period: 3/1/2020 to 5/31/2020, Fee: \$54,029.98, Expenses: \$2,151.69. Filed by Consultant Mercer (US) Inc. Objections due by 9/9/2020. (Pomerantz, Jeffrey)</p>
08/19/2020	<p><u>973</u> Support/supplemental document (<i>Notice of Filing of Executed Signature Pages to Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>944</u> Chapter 11 plan). (Attachments: # <u>1</u> Exhibit A) (Annable, Zachery)</p>
08/19/2020	<p><u>974</u> Support/supplemental document (<i>Notice of Filing of Executed Signature Pages to Disclosure Statement for the Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>945</u> Disclosure statement). (Attachments: # <u>1</u> Exhibit A) (Annable, Zachery)</p>

08/19/2020	<u>975</u> Application for compensation (<i>Consolidated Monthly and First Interim Application of Wilmer Cutler Pickering Hale and Dorr LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Regulatory and Compliance Counsel for the Period November 1, 2019 through June 30, 2020</i>) for Wilmer Cutler Pickering Hale and Dorr LLP, Special Counsel, Period: 11/1/2019 to 6/30/2020, Fee: \$615,941.40, Expenses: \$2,701.56. Filed by Other Professional Wilmer Cutler Pickering Hale and Dorr LLP (Attachments: # <u>1</u> Exhibit A-1 # <u>2</u> Exhibit A-2 # <u>3</u> Exhibit B) (Annable, Zachery)
08/19/2020	<u>976</u> Notice of hearing (<i>Omnibus Notice of Hearing on Second Interim Applications for Compensation and Reimbursement of Expenses of Estate Professionals</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>831</u> Application for compensation <i>Sidley Austin LLP's Second Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 3/1/2020 to 5/31/2020, Fee: \$1,573,850.25, Expenses: \$22,930.21. Filed by Objections due by 8/4/2020. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F), <u>883</u> Application for compensation <i>Second Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 3/1/2020 to 5/31/2020, Fee: \$1,488,533.4, Expenses: \$23,515.26. Filed by Objections due by 8/11/2020., <u>924</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April, 2020 through July 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 4/1/2020 to 7/31/2020, Fee: \$87,931.00, Expenses: \$833.49. Filed by Attorney Holland N. O'Neil Objections due by 8/27/2020. (Attachments: # 1 Exhibit A – Invoices # 2 Proposed Order Exhibit B – Proposed Order) (O'Neil, Holland), <u>964</u> Application for compensation (<i>Hayward & Associates PLLC's Second Interim Application for Compensation and Reimbursement of Expenses for the Period from April 1, 2020 through June 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 4/1/2020 to 6/30/2020, Fee: \$60,570.00, Expenses: \$525.80. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—Invoices), <u>971</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession for the Period from April 1, 2020 through July 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 4/1/2020 to 7/31/2020, Fee: \$3,475,794.50, Expenses: \$12,205.15. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 9/9/2020., <u>972</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Mercer (US) Inc. as Compensation Consultant for the Debtor for the Period from March 1, 2020 through May 31, 2020</i> for Mercer (US) Inc., Consultant, Period: 3/1/2020 to 5/31/2020, Fee: \$54,029.98, Expenses: \$2,151.69. Filed by Consultant Mercer (US) Inc. Objections due by 9/9/2020., <u>975</u> Application for compensation (<i>Consolidated Monthly and First Interim Application of Wilmer Cutler Pickering Hale and Dorr LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Regulatory and Compliance Counsel for the Period November 1, 2019 through June 30, 2020</i>) for Wilmer Cutler Pickering Hale and Dorr LLP, Special Counsel, Period: 11/1/2019 to 6/30/2020, Fee: \$615,941.40, Expenses: \$2,701.56. Filed by Other Professional Wilmer Cutler Pickering Hale and Dorr LLP (Attachments: # 1 Exhibit A-1 # 2 Exhibit A-2 # 3 Exhibit B)). Hearing to be held on 9/10/2020 at 02:30 PM Dallas Judge Jernigan Ctrm for <u>964</u> and for <u>831</u> and for <u>975</u> and for <u>972</u> and for <u>971</u> and for <u>924</u> and for <u>883</u> , (Annable, Zachery)
08/20/2020	<u>977</u> Amended Notice of hearing (<i>Amended Notice of Status Conference</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>928</u> Objection to claim(s) of Creditor(s) UBS Securities LLC and UBS AG, London Branch.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 9/9/2020. (Attachments: # 1 Exhibit 18 # 2 Exhibit 19)). Status Conference to be held on 10/6/2020 at 01:30 PM at Dallas Judge Jernigan Ctrm. (Annable, Zachery)
08/20/2020	<u>978</u> Order approving joint stipulation extending response deadline to Debtor's objection to proof of claim No. 93 of Integrated Financial Associates, Inc. (RE: related document(s) <u>970</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 8/20/2020 (Okafor, M.)

08/20/2020	<p><u>979</u> Certificate of service re: <i>1) Webex Meeting Invitation to participate electronically in the hearing on Wednesday, August 19, 2020 at 9:30 a.m. Central Time before the Honorable Stacey G. Jernigan; 2) Instructions for any counsel and parties who wish to participate in the Hearing; and 3) Notice of and Hayward & Associates PLLC's Second Interim Application for Compensation and Reimbursement of Expenses for the Period from April 1, 2020 Through June 30, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>964</u> Application for compensation (<i>Hayward & Associates PLLC's Second Interim Application for Compensation and Reimbursement of Expenses for the Period from April 1, 2020 through June 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 4/1/2020 to 6/30/2020, Fee: \$60,570.00, Expenses: \$525.80. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—Invoices) filed by Other Professional Hayward & Associates PLLC). (Kass, Albert)</p>
08/20/2020	<p><u>980</u> Certificate of service re: <i>Documents Served on August 19, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>969</u> Application for compensation <i>Sidley Austin, LLP's Ninth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 7/1/2020 to 7/31/2020, Fee: \$531,094.32, Expenses: \$10,470.96. Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 9/9/2020. filed by Creditor Committee Official Committee of Unsecured Creditors, <u>970</u> Stipulation by Highland Capital Management, L.P. and Integrated Financial Associates, Inc.. filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>868</u> Objection to claim). filed by Debtor Highland Capital Management, L.P., <u>971</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession for the Period from April 1, 2020 through July 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 4/1/2020 to 7/31/2020, Fee: \$3,475,794.50, Expenses: \$12,205.15. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 9/9/2020. filed by Debtor Highland Capital Management, L.P., <u>972</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Mercer (US) Inc. as Compensation Consultant for the Debtor for the Period from March 1, 2020 through May 31, 2020</i> for Mercer (US) Inc., Consultant, Period: 3/1/2020 to 5/31/2020, Fee: \$54,029.98, Expenses: \$2,151.69. Filed by Consultant Mercer (US) Inc. Objections due by 9/9/2020. filed by Consultant Mercer (US) Inc., <u>975</u> Application for compensation (<i>Consolidated Monthly and First Interim Application of Wilmer Cutler Pickering Hale and Dorr LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Regulatory and Compliance Counsel for the Period November 1, 2019 through June 30, 2020</i>) for Wilmer Cutler Pickering Hale and Dorr LLP, Special Counsel, Period: 11/1/2019 to 6/30/2020, Fee: \$615,941.40, Expenses: \$2,701.56. Filed by Other Professional Wilmer Cutler Pickering Hale and Dorr LLP (Attachments: # 1 Exhibit A—1 # 2 Exhibit A—2 # 3 Exhibit B), <u>976</u> Notice of hearing (<i>Omnibus Notice of Hearing on Second Interim Applications for Compensation and Reimbursement of Expenses of Estate Professionals</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>831</u> Application for compensation <i>Sidley Austin LLP's Second Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 3/1/2020 to 5/31/2020, Fee: \$1,573,850.25, Expenses: \$22,930.21. Filed by Objections due by 8/4/2020. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F), <u>883</u> Application for compensation <i>Second Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 3/1/2020 to 5/31/2020, Fee: \$1,488,533.4, Expenses: \$23,515.26. Filed by Objections due by 8/11/2020., <u>924</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April, 2020 through July 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 4/1/2020 to 7/31/2020, Fee: \$87,931.00, Expenses: \$833.49. Filed by Attorney Holland N. O'Neil Objections due by 8/27/2020. (Attachments: # 1 Exhibit A – Invoices # 2 Proposed Order Exhibit B – Proposed Order) (O'Neil, Holland), <u>964</u> Application for compensation (<i>Hayward & Associates PLLC's Second Interim Application for Compensation and Reimbursement of Expenses for the Period from April 1, 2020 through June 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 4/1/2020 to 6/30/2020, Fee: \$60,570.00,</p>

	<p>Expenses: \$525.80. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—Invoices), <u>971</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor in Possession for the Period from April 1, 2020 through July 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 4/1/2020 to 7/31/2020, Fee: \$3,475,794.50, Expenses: \$12,205.15. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 9/9/2020., <u>972</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Mercer (US) Inc. as Compensation Consultant for the Debtor for the Period from March 1, 2020 through May 31, 2020</i> for Mercer (US) Inc., Consultant, Period: 3/1/2020 to 5/31/2020, Fee: \$54,029.98, Expenses: \$2,151.69. Filed by Consultant Mercer (US) Inc. Objections due by 9/9/2020., <u>975</u> Application for compensation (<i>Consolidated Monthly and First Interim Application of Wilmer Cutler Pickering Hale and Dorr LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Regulatory and Compliance Counsel for the Period November 1, 2019 through June 30, 2020</i>) for Wilmer Cutler Pickering Hale and Dorr LLP, Special Counsel, Period: 11/1/2019 to 6/30/2020, Fee: \$615,941.40, Expenses: \$2,701.56. Filed by Other Professional Wilmer Cutler Pickering Hale and Dorr LLP (Attachments: # 1 Exhibit A-1 # 2 Exhibit A-2 # 3 Exhibit B)). Hearing to be held on 9/10/2020 at 02:30 PM Dallas Judge Jernigan Ctrm for <u>964</u> and for <u>831</u> and for <u>975</u> and for <u>972</u> and for <u>971</u> and for <u>924</u> and for <u>883</u>, filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
08/21/2020	<u>981</u> Certificate (Affidavit of Service) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
08/21/2020	<u>982</u> Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). (Annable, Zachery)
08/21/2020	<u>983</u> Agreed Scheduling Order and Order setting hearing on any timely filed Summary Judgment Motion and Summary Judgment Response (RE: related document(s) <u>771</u> Objection to claim filed by Debtor Highland Capital Management, L.P.). Hearing to be held on 10/20/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>771</u> , Entered on 8/21/2020 (Okafor, M.) Modified text on 8/21/2020 (Okafor, M.).
08/21/2020	<u>984</u> Motion to appear pro hac vice for Tracy M. O'Steen. Fee Amount \$100 Filed by Interested Party Integrated Financial Associates, Inc. (Bryant, M.)
08/23/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 28037405, amount \$ 100.00 (re: Doc# <u>984</u>). (U.S. Treasury)
08/23/2020	<u>985</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>978</u> Order approving joint stipulation extending response deadline to Debtor's objection to proof of claim No. 93 of Integrated Financial Associates, Inc. (RE: related document(s) <u>970</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 8/20/2020 (Okafor, M.)) No. of Notices: 1. Notice Date 08/23/2020. (Admin.)
08/24/2020	<u>986</u> Order approving joint stipulation regarding modification to order approving ordinary course professionals for Robert Half Legal (RE: related document(s) <u>982</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 8/24/2020 (Okafor, M.)
08/24/2020	<u>987</u> Stipulation by Highland Capital Management, L.P. and Integrated Financial Associates, Inc.. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>868</u> Objection to claim). (Annable, Zachery)
08/24/2020	<u>988</u> Support/supplemental document <i>Supplement to Second Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April, 2020 through July 31, 2020</i> filed by

	Spec. Counsel Foley Gardere, Foley & Lardner LLP (RE: related document(s) <u>924</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April, 2020 through July 31, 2020</i> for Foley Gardere). (O'Neil, Holland)
08/25/2020	<u>989</u> Order granting motion to appear pro hac vice adding Tracy M. O'Steen for Integrated Financial Associates, Inc. (related document # <u>984</u>) Entered on 8/25/2020. (Okafor, M.)
08/25/2020	<u>990</u> Order approving second joint stipulation extending response deadline to Debtor's objection to proof of claim No. 93 of Integrated Financial Associates, Inc. (RE: related document(s) <u>987</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 8/25/2020 (Okafor, M.)
08/25/2020	<u>991</u> Certificate of service re: <i>1) Amended Notice of Status Conference; to be Held on October 6, 2020 at 1:30 p.m. (Central Time); and 2) Order Approving Joint Stipulation Extending Response Deadline to Debtor's Objection to Proof of Claim No. 93 of Integrated Financial Associates, Inc.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>977</u> Amended Notice of hearing (<i>Amended Notice of Status Conference</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>928</u> Objection to claim(s) of Creditor(s) UBS Securities LLC and UBS AG, London Branch.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 9/9/2020. (Attachments: # 1 Exhibit 18 # 2 Exhibit 19)). Status Conference to be held on 10/6/2020 at 01:30 PM at Dallas Judge Jernigan Ctrm. filed by Debtor Highland Capital Management, L.P., <u>978</u> Order approving joint stipulation extending response deadline to Debtor's objection to proof of claim No. 93 of Integrated Financial Associates, Inc. (RE: related document(s) <u>970</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 8/20/2020 (Okafor, M.)). (Kass, Albert)
08/25/2020	<u>992</u> Certificate of service re: <i>1) Affidavit of Service of Karina Yee re: Action by Written Consent of Stockholders in Lieu of Special Meeting (Cornerstone Healthcare Group Holding, Inc.); 2) Joint Stipulation Regarding Modification to Order Approving Ordinary Course Professionals for Robert Half Legal; and 3) Agreed Scheduling Order Regarding Objections to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>981</u> Certificate (Affidavit of Service) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>982</u> Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). filed by Debtor Highland Capital Management, L.P., <u>983</u> Agreed Scheduling Order and Order setting hearing on any timely filed Summary Judgment Motion and Summary Judgment Response (RE: related document(s) <u>771</u> Objection to claim filed by Debtor Highland Capital Management, L.P.). Hearing to be held on 10/20/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>771</u> , Entered on 8/21/2020 (Okafor, M.) Modified text on 8/21/2020 (Okafor, M.)). (Kass, Albert)
08/26/2020	<u>993</u> Request for transcript regarding a hearing held on 8/19/2020. The requested turn-around time is daily. (Edmond, Michael)
08/26/2020	<u>994</u> Response opposed to (related document(s): <u>906</u> Objection to claim filed by Debtor Highland Capital Management, L.P.) filed by Creditor Paul N. Adkins . (Dugan, S.) Filed by Creditor Paul N. Adkins (related document(s) <u>906</u> Objection to claim(s) of Creditor(s) Daniel Sheehan and Associates, PLLC; Dun & Bradstreet; Eastern Point Trust Company, Inc.; Collin County Tax Assessor/Collector; Collin County Tax Assessor/Collector; Dallas County; Opus 2 International Inc.; Andrew Parmentier; 4CAST Inc.; Advent Software Inc.; ConvergeOne, Inc.; Denton County; Internal Revenue Service; Kaufman County; Maples and Calder; McLagen Partners, Inc.; Microsoft Corporation and Microsoft Licensing GP, a Subsidiary of Microsoft Corporation; Moodys Analytics, Inc.; Quintairos, Prieto, Wood & Boyer; Advisors Equity Group, LLC; Eagle Equity Advisors, LLC; HCRE Partner, LLC; Highland Capital Management Fund Advisors; Highland Capital Management Fund

	<p>Advisors; Highland Capital Management Services, Inc.; Highland Capital Management Services, Inc.; Highland Energy MLP Fund; Highland Fixed Income Fund; Highland Floating Rate Fund; Highland Funds I; Highland Funds II; Highland Global Allocation Fund; Highland Healthcare Opportunities Fund; Highland iBoxx Senior Loan ETF; Highland Income Fund HFRO; Highland Long/Short Equity Fund; Highland Merger Arbitrage Fund; Highland Opportunistic Credit Fund; Highland Small-Cap Equity Fund; Highland Socially Responsible Equity Fund; Highland Tax-Exempt Fund; Highland Total Return Fund; NexBank SSB; NexPoint Advisors, L.P.; NexPoint Advisors, L.P.; NexPoint Capital, Inc.; NexPoint Capital, Inc.; NexPoint Discount Strategies Fund; NexPoint Energy and Material Opportunities Fund; NexPoint Event-Driven Fund; NexPoint Healthcare Opportunities Fund; NexPoint Latin America Opportunities Fund; NexPoint Real Estate Strategies Fund; NexPoint Strategic Opportunities Fund; The Dugaboy Investment Trust; The Dugaboy Investment Trust; Bentley Callan; City of Garland; Clay Callan; Eastern Point Trust Company, Inc.; Garland Independent School District; Grayson County; HarbourVest 2017 Global Fund L.P.; HarbourVest 2017 Global AIF L.P.; HarbourVest Partners L.P. on behalf of funds and accounts under management; HarbourVest Dover Street IX Investment L.P.; HarbourVest Skew Base AIF L.P.; Hartman Wanzor LLP; Irving ISD; John Morris; John R. Watkins; Linear Technologies, Inc.; Mass. Dept. of Revenue; Mediant Communications Inc.; Oklahoma Tax Commission; Jun Park; Paul N. Adkins; Paul N. Adkins; Tarrant County; Theodore N. Dameris; Theodore N. Dameris; Weijun Zang; Anish Tailor; Mollie Boyce-Field; Charles Byrne; Donald Salvino; Ericka Garcia; Garman Turner Gordon; Joe Kingsley; Frederic Mason; TDA Associates, Inc.; Wilkinson Center.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 9/1/2020. (Attachments: # 1 Exhibit A—Proposed Order and Schedules 1–7) filed by Debtor Highland Capital Management, L.P.). (COURT NOTE: Signature of filer not included. Amended response with signature requested) (Dugan, S.)</p>
08/26/2020	<p><u>995</u> Adversary case 20–03105. Complaint by Highland Capital Management, L.P. against Hunter Mountain Investment Trust. Fee Amount \$350 (Attachments: # <u>1</u> Adversary Proceeding Cover Sheet). Nature(s) of suit: 81 (Subordination of claim or interest). 91 (Declaratory judgment). (Annable, Zachery)</p>
08/26/2020	<p><u>996</u> Objection to claim(s) of Creditor(s) Redeemer Committee of the Highland Crusader Fund – Proof of Claim No. 72.. Filed by Interested Parties UBS AG London Branch, UBS Securities LLC. (Sosland, Martin)</p>
08/26/2020	<p><u>997</u> Motion to file document under seal.(<i>With the Objection to the Proof of Claim Filed by Redeemer Committee of the Highland Crusader Fund</i>) Filed by Interested Parties UBS AG London Branch, UBS Securities LLC (Attachments: # <u>1</u> Proposed Order Ex A) (Sosland, Martin)</p>
08/26/2020	<p><u>998</u> Transcript regarding Hearing Held 08/19/2020 (20 pages) RE: Status Conference on Objection to Claim. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 11/24/2020. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972–786–3063. (RE: related document(s) 968 Hearing held on 8/19/2020. (RE: related document(s) <u>771</u> Objection to claim(s) 3 of Creditor(s) Acis Capital Management L.P. and Acis Capital Management GP, LLC., filed by Debtor Highland Capital Management, L.P., (Appearances: J. Pomeranz, I. Karesh, Z. Annabel, and M. Hayward for Debtors; R. Patel and B. Shaw for Acis; P. Montgomery for Unsecured Creditors Committee; J. Bonds for J. Dondero; A. Clubock for UBS; T. Masherin for Crusader Redeemer Committee. Nonevidentiary status conference. Court heard and approved concept for a partial scheduling order, contemplating cross motions for summary judgment and setting thereon for 10/20/20 at 9:30 am to the extend this matter is not resolved in mediation. Mr. Pomeranz to draft order consistent with the terms of what was announced.)). Transcript to be made available to the public on 11/24/2020. (Rehling, Kathy)</p>
08/27/2020	

	<u>999</u> Motion to file document under seal. (<i>Debtor's Motion for Entry of an Order Authorizing Filing under Seal Certain of the Exhibits to Debtor's Objection to Proofs of Claim 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Proposed Order) (Annable, Zachery)
08/27/2020	<u>1000</u> Certificate of service re: 1) <i>Order Approving Joint Stipulation Regarding Modification to Order Approving Ordinary Course Professionals for Robert Half Legal</i> ; 2) <i>Second Joint Stipulation Extending Response Deadline to Debtor's Objection to Proof of Claim No. 93 of Integrated Financial Associates, Inc.</i> ; and 3) <i>Supplement to the Second Interim Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April 1, 2020 Through July 21, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>986</u> Order approving joint stipulation regarding modification to order approving ordinary course professionals for Robert Half Legal (RE: related document(s) <u>982</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 8/24/2020 (Okafor, M.), <u>987</u> Stipulation by Highland Capital Management, L.P. and Integrated Financial Associates, Inc.. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>868</u> Objection to claim). filed by Debtor Highland Capital Management, L.P., <u>988</u> Support/supplemental document <i>Supplement to Second Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April, 2020 through July 31, 2020</i> filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP (RE: related document(s) <u>924</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April, 2020 through July 31, 2020</i> for Foley Gardere). (O'Neil, Holland) filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP). (Kass, Albert)
08/27/2020	<u>1001</u> Certificate of service re: <i>Order Approving Second Joint Stipulation Extending Response Deadline to Debtor's Objection to Proof of Claim No. 93 of Integrated Financial Associates, Inc.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>990</u> Order approving second joint stipulation extending response deadline to Debtor's objection to proof of claim No. 93 of Integrated Financial Associates, Inc. (RE: related document(s) <u>987</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 8/25/2020 (Okafor, M.)). (Kass, Albert)
08/27/2020	<u>1002</u> Response unopposed to (related document(s): <u>924</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April, 2020 through July 31, 2020</i> for Foley Gardere filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP) filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P.. (Chiarello, Annmarie)
08/27/2020	<u>1003</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>989</u> Order granting motion to appear pro hac vice adding Tracy M. O'Steen for Integrated Financial Associates, Inc. (related document <u>984</u>) Entered on 8/25/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 08/27/2020. (Admin.)
08/27/2020	<u>1004</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>990</u> Order approving second joint stipulation extending response deadline to Debtor's objection to proof of claim No. 93 of Integrated Financial Associates, Inc. (RE: related document(s) <u>987</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 8/25/2020 (Okafor, M.)) No. of Notices: 1. Notice Date 08/27/2020. (Admin.)
08/28/2020	<u>1005</u> Order granting motion to seal certain of the exhibits to proofs of claim 190 and 191 of UBS Securities and UBS AG, London Branch (related document # <u>999</u>) Entered on 8/28/2020. (Okafor, M.)
08/31/2020	<u>1006</u> Amended Response opposed to (related document(s): <u>906</u> Objection to claim filed by Debtor Highland Capital Management, L.P.) filed by Creditor Paul N. Adkins . (Rielly, Bill)

08/31/2020	<u>1007</u> Amended Notice of hearing (<i>Amended Notice of Hearing on Objection to Proof of Claim No. 93 of Integrated Financial Associates, Inc.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>868</u> Objection to claim(s) of Creditor(s) Integrated Financial Associates, Inc... Filed by Debtor Highland Capital Management, L.P.. Responses due by 8/19/2020.). Hearing to be held on 10/14/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>868</u> , (Annable, Zachery)
08/31/2020	<u>1008</u> Adversary case 20–03107. Complaint by Highland Capital Management, L.P. against Patrick Daugherty. Fee Amount \$350 (Attachments: # <u>1</u> Adversary Cover Sheet). Nature(s) of suit: 81 (Subordination of claim or interest). (Annable, Zachery)
08/31/2020	<u>1009</u> SEALED document regarding: Exhibit 20 to Debtor's Objection to Proofs of Claim 190 and 191 of UBS Securities LLC and UBS AG, London Branch per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1005</u> Order on motion to seal). (Annable, Zachery)
08/31/2020	<u>1010</u> SEALED document regarding: Exhibit 21 to Debtor's Objection to Proofs of Claim 190 and 191 of UBS Securities LLC and UBS AG, London Branch per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1005</u> Order on motion to seal). (Annable, Zachery)
08/31/2020	<u>1011</u> SEALED document regarding: Exhibit 22 to Debtor's Objection to Proofs of Claim 190 and 191 of UBS Securities LLC and UBS AG, London Branch per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1005</u> Order on motion to seal). (Annable, Zachery)
08/31/2020	<u>1012</u> SEALED document regarding: Exhibit 23 to Debtor's Objection to Proofs of Claim 190 and 191 of UBS Securities LLC and UBS AG, London Branch per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1005</u> Order on motion to seal). (Annable, Zachery)
08/31/2020	<u>1013</u> SEALED document regarding: Exhibit 24 to Debtor's Objection to Proofs of Claim 190 and 191 of UBS Securities LLC and UBS AG, London Branch per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1005</u> Order on motion to seal). (Annable, Zachery)
09/01/2020	<u>1014</u> Debtor–in–possession monthly operating report for filing period July 1, 2020 to July 31, 2020 filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
09/01/2020	<u>1015</u> Stipulation by Highland Capital Management, L.P. and Integrated Financial Associates, Inc.. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>868</u> Objection to claim). (Annable, Zachery)
09/01/2020	<u>1016</u> Certificate No Objection filed by Other Professional Hayward & Associates PLLC (RE: related document(s) <u>917</u> Application for compensation (<i>Sixth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from May 1, 2020 through May 31, 2020</i>) for Hayward & Associate). (Annable, Zachery)
09/01/2020	<u>1017</u> Certificate No Objection filed by Other Professional Hayward & Associates PLLC (RE: related document(s) <u>931</u> Application for compensation (<i>Seventh Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from June 1, 2020 through June 30, 2020</i>) for Hayward & Assoc). (Annable, Zachery)
09/01/2020	<u>1018</u> Certificate of No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s) <u>934</u> Application for compensation <i>Eighth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor,

	Period: 6/1/2020 to 6/30/2020, Fee: \$328,185.72, Expenses: \$440.33.). (Hoffman, Juliana)
09/01/2020	<u>1019</u> Objection to (related document(s): <u>906</u> Objection to claim Filed by Debtor Highland Capital Management, L.P. filed by Creditor COLLIN COUNTY TAX ASSESSOR/COLLECTOR. (Lopez, Paul). MODIFIED to correct linkage on 9/2/2020 (Ecker, C.).
09/01/2020	<u>1020</u> Certificate of service re: <i>Debtor's Motion for Entry of an Order Authorizing Filing under Seal Certain of the Exhibits to Debtor's Objection to Proofs of Claim 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>999</u> Motion to file document under seal. (<i>Debtor's Motion for Entry of an Order Authorizing Filing under Seal Certain of the Exhibits to Debtor's Objection to Proofs of Claim 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
09/02/2020	<u>1021</u> Order approving third joint stipulation extending response deadline to Debtor's objection to proof of claim No. 93 of Integrated Financial Associates, Inc (RE: related document(s) <u>1015</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 9/2/2020 (Okafor, M.)
09/02/2020	<u>1022</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>936</u> Application for compensation <i>Tenth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from July 1, 2020 through July 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 7/1/2020 to 7/31/2020, F). (Pomerantz, Jeffrey)
09/02/2020	<u>1023</u> Certificate of service re: <i>Order Granting Debtor's Motion for Entry of an Order Authorizing Filing Under Seal Certain of the Exhibits to Debtor's Objection to Proofs of Claim 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1005</u> Order granting motion to seal certain of the exhibits to proofs of claim 190 and 191 of UBS Securities and UBS AG, London Branch (related document <u>999</u>) Entered on 8/28/2020. (Okafor, M.)). (Kass, Albert)
09/03/2020	<u>1024</u> Certificate of service re: <i>Amended Notice of Hearing on Objection to Proof of Claim No. 93 of Integrated Financial Associates, Inc.; to be Held on October 14, 2020 at 1:30 PM (Central Time)</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1007</u> Amended Notice of hearing (<i>Amended Notice of Hearing on Objection to Proof of Claim No. 93 of Integrated Financial Associates, Inc.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>868</u> Objection to claim(s) of Creditor(s) Integrated Financial Associates, Inc... Filed by Debtor Highland Capital Management, L.P.. Responses due by 8/19/2020.). Hearing to be held on 10/14/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>868</u> , filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
09/04/2020	<u>1025</u> Motion to compromise controversy with Carey International, Inc.. (<i>Motion of the Debtor for Entry of an Order Approving Settlement with Carey International, Inc. [Claim No. 68] and Authorizing Actions Consistent Therewith</i>) Filed by Debtor Highland Capital Management, L.P. Objections due by 9/28/2020. (Attachments: # <u>1</u> Exhibit A—Proposed Order # <u>2</u> Exhibit B—Settlement Agreement) (Annable, Zachery)
09/04/2020	<u>1026</u> Objection to (related document(s): <u>949</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>820</u> Order on motion to extend/shorten time) filed by Debtor Highland Capital Management, L.P.) filed by Creditor Committee Official Committee of Unsecured Creditors. (Hoffman, Juliana)
09/04/2020	<u>1027</u> Certificate of service re: <i>Third Joint Stipulation Extending Response Deadline to Debtor's Objection to Proof of Claim No. 93 of Integrated Financial Associates, Inc.</i> Filed

	by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1015</u> Stipulation by Highland Capital Management, L.P. and Integrated Financial Associates, Inc.. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>868</u> Objection to claim). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
09/05/2020	<u>1028</u> Witness and Exhibit List <i>for Hearing on September 10, 2020</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>831</u> Application for compensation <i>Sidley Austin LLP's Second Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 3/1/2020 to 5/31/2020, Fee: \$1,5, <u>883</u> Application for compensation <i>Second Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 3/1/2020 to 5/31/2020, Fee: \$1,488,533.4, Expenses: \$23,515.26., <u>924</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April, 2020 through July 31, 2020</i> for Foley Gardere, <u>949</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>820</u> Order on motion to extend/shorten time), <u>964</u> Application for compensation (<i>Hayward & Associates PLLC's Second Interim Application for Compensation and Reimbursement of Expenses for the Period from April 1, 2020 through June 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorn, <u>971</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession for the Period from April 1, 2020 through July 31, 202</i> , <u>972</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Mercer (US) Inc. as Compensation Consultant for the Debtor for the Period from March 1, 2020 through May 31, 2020 for Mercer (US)</i> , <u>975</u> Application for compensation (<i>Consolidated Monthly and First Interim Application of Wilmer Cutler Pickering Hale and Dorr LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Regulatory and Compliance Counsel for</i>). (Hayward, Melissa)
09/08/2020	<u>1029</u> Certificate of service re: <i>Order Approving Third Joint Stipulation Extending Response Deadline to Debtor's Objection to Proof of Claim No. 93 of Integrated Financial Associates, Inc.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1021</u> Order approving third joint stipulation extending response deadline to Debtor's objection to proof of claim No. 93 of Integrated Financial Associates, Inc (RE: related document(s) <u>1015</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 9/2/2020 (Okafor, M.)). (Kass, Albert)
09/08/2020	<u>1030</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to July 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALSUTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Annable, Zachery)
09/09/2020	<u>1031</u> Motion to appear pro hac vice for James E. O'Neill. Fee Amount \$100 Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
09/09/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 28083098, amount \$ 100.00 (re: Doc# <u>1031</u>). (U.S. Treasury)
09/09/2020	<u>1032</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on September 10, 2020 at 2:30 p.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>976</u> Notice of hearing (<i>Omnibus Notice of Hearing on Second Interim</i>

	<p><i>Applications for Compensation and Reimbursement of Expenses of Estate Professionals</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>831</u> Application for compensation <i>Sidley Austin LLP's Second Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 3/1/2020 to 5/31/2020, Fee: \$1,573,850.25, Expenses: \$22,930.21. Filed by Objections due by 8/4/2020. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F), <u>883</u> Application for compensation <i>Second Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 3/1/2020 to 5/31/2020, Fee: \$1,488,533.4, Expenses: \$23,515.26. Filed by Objections due by 8/11/2020., <u>924</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April, 2020 through July 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 4/1/2020 to 7/31/2020, Fee: \$87,931.00, Expenses: \$833.49. Filed by Attorney Holland N. O'Neil Objections due by 8/27/2020. (Attachments: # 1 Exhibit A – Invoices # 2 Proposed Order Exhibit B – Proposed Order) (O'Neil, Holland), <u>964</u> Application for compensation (<i>Hayward & Associates PLLC's Second Interim Application for Compensation and Reimbursement of Expenses for the Period from April 1, 2020 through June 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 4/1/2020 to 6/30/2020, Fee: \$60,570.00, Expenses: \$525.80. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—Invoices), <u>971</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession for the Period from April 1, 2020 through July 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 4/1/2020 to 7/31/2020, Fee: \$3,475,794.50, Expenses: \$12,205.15. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 9/9/2020., <u>972</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Mercer (US) Inc. as Compensation Consultant for the Debtor for the Period from March 1, 2020 through May 31, 2020</i> for Mercer (US) Inc., Consultant, Period: 3/1/2020 to 5/31/2020, Fee: \$54,029.98, Expenses: \$2,151.69. Filed by Consultant Mercer (US) Inc. Objections due by 9/9/2020., <u>975</u> Application for compensation (<i>Consolidated Monthly and First Interim Application of Wilmer Cutler Pickering Hale and Dorr LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Regulatory and Compliance Counsel for the Period November 1, 2019 through June 30, 2020</i>) for Wilmer Cutler Pickering Hale and Dorr LLP, Special Counsel, Period: 11/1/2019 to 6/30/2020, Fee: \$615,941.40, Expenses: \$2,701.56. Filed by Other Professional Wilmer Cutler Pickering Hale and Dorr LLP (Attachments: # 1 Exhibit A–1 # 2 Exhibit A–2 # 3 Exhibit B)). Hearing to be held on 9/10/2020 at 02:30 PM Dallas Judge Jernigan Ctrm for <u>964</u> and for <u>831</u> and for <u>975</u> and for <u>972</u> and for <u>971</u> and for <u>924</u> and for <u>883</u>.). (Annable, Zachery)</p>
09/09/2020	<u>1033</u> Order granting motion to seal documents (related document # <u>997</u>) Entered on 9/9/2020. (Okafor, M.)
09/09/2020	<u>1034</u> Certificate No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>975</u> Application for compensation (<i>Consolidated Monthly and First Interim Application of Wilmer Cutler Pickering Hale and Dorr LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Regulatory and Compliance Counsel for</i>). (Annable, Zachery)
09/09/2020	<u>1035</u> Certificate No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>972</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Mercer (US) Inc. as Compensation Consultant for the Debtor for the Period from March 1, 2020 through May 31, 2020</i> for Mercer (US)). (Annable, Zachery)
09/09/2020	<u>1036</u> Certificate No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>971</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession for the Period from April 1, 2020</i>

	<i>through July 31, 202).</i> (Annable, Zachery)
09/09/2020	<u>1037</u> Certificate No Objection filed by Other Professional Hayward & Associates PLLC (RE: related document(s) <u>964</u> Application for compensation (<i>Hayward & Associates PLLC's Second Interim Application for Compensation and Reimbursement of Expenses for the Period from April 1, 2020 through June 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorn). (Annable, Zachery)
09/09/2020	<u>1038</u> Certificate of service re: <i>Motion of the Debtor for Entry of an Order Approving Settlement with Carey International, Inc. [Claim No. 68] and Authorizing Actions Consistent Therewith</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1025</u> Motion to compromise controversy with Carey International, Inc.. (<i>Motion of the Debtor for Entry of an Order Approving Settlement with Carey International, Inc. [Claim No. 68] and Authorizing Actions Consistent Therewith</i>) Filed by Debtor Highland Capital Management, L.P. Objections due by 9/28/2020. (Attachments: # 1 Exhibit A—Proposed Order # 2 Exhibit B—Settlement Agreement) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
09/10/2020	<u>1039</u> SEALED document regarding: Exhibits B and C to the Objection to the Proof of Claim Filed by Redeemer Committee of the Highland Crusader Fund per court order filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1033</u> Order on motion to seal). (Attachments: # <u>1</u> Part 2 # <u>2</u> Part 3 # <u>3</u> Part 4 # <u>4</u> Part 5 # <u>5</u> Part 6) (Sosland, Martin)
09/10/2020	<u>1040</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>969</u> Application for compensation <i>Sidley Austin, LLP's Ninth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 7/1/2020 to 7/31/2020, Fee: \$531). (Hoffman, Juliana)
09/10/2020	<u>1041</u> Amended Notice (<i>Amended Notice of Agenda of Matters Scheduled for Hearing on September 10, 2020 at 2:30 p.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>976</u> Notice of hearing (<i>Omnibus Notice of Hearing on Second Interim Applications for Compensation and Reimbursement of Expenses of Estate Professionals</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>831</u> Application for compensation <i>Sidley Austin LLP's Second Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 3/1/2020 to 5/31/2020, Fee: \$1,573,850.25, Expenses: \$22,930.21. Filed by Objections due by 8/4/2020. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F), <u>883</u> Application for compensation <i>Second Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 3/1/2020 to 5/31/2020, Fee: \$1,488,533.4, Expenses: \$23,515.26. Filed by Objections due by 8/11/2020., <u>924</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April, 2020 through July 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 4/1/2020 to 7/31/2020, Fee: \$87,931.00, Expenses: \$833.49. Filed by Attorney Holland N. O'Neil Objections due by 8/27/2020. (Attachments: # 1 Exhibit A – Invoices # 2 Proposed Order Exhibit B – Proposed Order) (O'Neil, Holland), <u>964</u> Application for compensation (<i>Hayward & Associates PLLC's Second Interim Application for Compensation and Reimbursement of Expenses for the Period from April 1, 2020 through June 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 4/1/2020 to 6/30/2020, Fee: \$60,570.00, Expenses: \$525.80. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—Invoices), <u>971</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession for the Period from April 1, 2020 through July 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 4/1/2020 to 7/31/2020, Fee: \$3,475,794.50, Expenses: \$12,205.15. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 9/9/2020., <u>972</u> Application for compensation

	<p><i>Second Interim Application for Compensation and for Reimbursement of Expenses of Mercer (US) Inc. as Compensation Consultant for the Debtor for the Period from March 1, 2020 through May 31, 2020 for Mercer (US) Inc., Consultant, Period: 3/1/2020 to 5/31/2020, Fee: \$54,029.98, Expenses: \$2,151.69. Filed by Consultant Mercer (US) Inc. Objections due by 9/9/2020., <u>975</u> Application for compensation (<i>Consolidated Monthly and First Interim Application of Wilmer Cutler Pickering Hale and Dorr LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Regulatory and Compliance Counsel for the Period November 1, 2019 through June 30, 2020</i>) for Wilmer Cutler Pickering Hale and Dorr LLP, Special Counsel, Period: 11/1/2019 to 6/30/2020, Fee: \$615,941.40, Expenses: \$2,701.56. Filed by Other Professional Wilmer Cutler Pickering Hale and Dorr LLP (Attachments: # 1 Exhibit A-1 # 2 Exhibit A-2 # 3 Exhibit B)). Hearing to be held on 9/10/2020 at 02:30 PM Dallas Judge Jernigan Ctrm for <u>964</u> and for <u>831</u> and for <u>975</u> and for <u>972</u> and for <u>971</u> and for <u>924</u> and for <u>883</u>.) (Annable, Zachery)</i></p>
09/10/2020	<p>1061 Hearing held on 9/10/2020., Hearing continued (RE: related document(s)<u>949</u> Motion to extend or limit the exclusivity period (RE: related document(s)<u>820</u> Order on motion to extend/shorten time) filed by Debtor Highland Capital Management, L.P.,) Continued Hearing to be held on 9/17/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>949</u>, (Appearances: J. Pomeranz, J. Morris, and J. O'Neill for Debtor; M. Clemente for Official Unsecured Creditors Committee; R. Patel and B. Shaw for Acis; A. Clubok for UBS; T. Masherin, M. Hankin and M. Platt for Redeemer Committee; B. Assing for J. Dondero; L. Lambert for UST. Evidentiary hearing. Motion continued to 9/17/20 at 9:30 am.) (Edmond, Michael) (Entered: 09/14/2020)</p>
09/10/2020	<p>1062 Hearing held on 9/10/2020. (RE: related document(s)<u>906</u> Objection to claim(s) of Creditor(s) Daniel Sheehan and Associates, PLLC; Dun & Bradstreet; Eastern Point Trust Company, Inc.; Collin County Tax Assessor/Collector; Collin County Tax Assessor/Collector; Dallas County; Opus 2 International Inc.; Andrew Parmentier; 4CAST Inc.; Advent Software Inc.; ConvergeOne, Inc.; Denton County; Internal Revenue Service; Kaufman County; Maples and Calder; McLagen Partners, Inc.; Microsoft Corporation and Microsoft Licensing GP, a Subsidiary of Microsoft Corporation; Moodys Analytics, Inc.; Quintairos, Prieto, Wood & Boyer; Advisors Equity Group, LLC; Eagle Equity Advisors, LLC; HCRE Partner, LLC; Highland Capital Management Fund Advisors; Highland Capital Management Fund Advisors; Highland Capital Management Services, Inc.; Highland Capital Management Services, Inc.; Highland Energy MLP Fund; Highland Fixed Income Fund; Highland Floating Rate Fund; Highland Funds I; Highland Funds II; Highland Global Allocation Fund; Highland Healthcare Opportunities Fund; Highland iBoxx Senior Loan ETF; Highland Income Fund HFRO; Highland Long/Short Equity Fund; Highland Merger Arbitrage Fund; Highland Opportunistic Credit Fund; Highland Small-Cap Equity Fund; Highland Socially Responsible Equity Fund; Highland Tax-Exempt Fund; Highland Total Return Fund; NexBank SSB; NexPoint Advisors, L.P.; NexPoint Advisors, L.P.; NexPoint Capital, Inc.; NexPoint Capital, Inc.; NexPoint Discount Strategies Fund; NexPoint Energy and Material Opportunities Fund; NexPoint Event-Driven Fund; NexPoint Healthcare Opportunities Fund; NexPoint Latin America Opportunities Fund; NexPoint Real Estate Strategies Fund; NexPoint Strategic Opportunities Fund; The Dugaboy Investment Trust; The Dugaboy Investment Trust; Bentley Callan; City of Garland; Clay Callan; Eastern Point Trust Company, Inc.; Garland Independent School District; Grayson County; HarbourVest 2017 Global Fund L.P.; HarbourVest 2017 Global AIF L.P.; HarbourVest Partners L.P. on behalf of funds and accounts under management; HarbourVest Dover Street IX Investment L.P.; HarbourVest Skew Base AIF L.P.; Hartman Wanzor LLP; Irving ISD; John Morris; John R. Watkins; Linear Technologies, Inc.; Mass. Dept. of Revenue; Mediant Communications Inc.; Oklahoma Tax Commission; Jun Park; Paul N. Adkins; Paul N. Adkins; Tarrant County; Theodore N. Dameris; Theodore N. Dameris; Weijun Zang; Anish Tailor; Mollie Boyce-Field; Charles Byrne; Donald Salvino; Ericka Garcia; Garman Turner Gordon; Joe Kingsley; Frederic Mason; TDA Associates, Inc.; Wilkinson Center.. Filed by Debtor Highland Capital Management, L.P.,) (Appearances: J. Pomeranz, J. Morris, and J. O'Neill for Debtor; M. Clemente for Official Unsecured Creditors Committee; R. Patel and B. Shaw for Acis; A. Clubok for UBS; T. Masherin, M. Hankin and M. Platt for Redeemer Committee; B. Assing for J. Dondero; L. Lambert for UST. Nonevidentiary hearing. Based on record presented by counsel, certain objections sustained, certain objections resolved, and certain ones carried to a date to be continued. Counsel to upload orders where</p>

	appropriate and seeking resettings where appropriate.) (Edmond, Michael) (Entered: 09/14/2020)
09/11/2020	<u>1042</u> Agreed Order regarding first omnibus objection to certain claims – administrative claim of Internal Revenue Service (RE: related document(s) <u>906</u> Objection to claim filed by Debtor Highland Capital Management, L.P.). Entered on 9/11/2020 (Dugan, S.)
09/11/2020	<u>1043</u> Order granting application for compensation (related document # <u>971</u>) granting for Jeffrey Nathan Pomerantz, fees awarded: \$3470794.50, expenses awarded: \$12205.15 Entered on 9/11/2020. (Dugan, S.)
09/11/2020	<u>1044</u> Order granting application for compensation (related document # <u>975</u>) granting for Wilmer Cutler Pickering Hale and Dorr LLP, fees awarded: \$615941.40, expenses awarded: \$2701.56 Entered on 9/11/2020. (Dugan, S.)
09/11/2020	<u>1045</u> Order granting application for compensation (related document # <u>924</u>) granting for Foley Gardere, Foley & Lardner LLP, fees awarded: \$63144.80, expenses awarded: \$833.49 Entered on 9/11/2020. (Ecker, C.)
09/11/2020	<u>1046</u> Order granting application for compensation (related document # <u>972</u>) granting for Mercer (US) Inc., fees awarded: \$54029.98, expenses awarded: \$297.68 Entered on 9/11/2020. (Ecker, C.)
09/11/2020	<u>1047</u> Order granting application for compensation (related document # <u>964</u>) granting for Hayward & Associates PLLC, fees awarded: \$60210.00, expenses awarded: \$525.80 Entered on 9/11/2020. (Ecker, C.)
09/11/2020	<u>1048</u> Order granting application for compensation (related document # <u>831</u>) granting for Official Committee of Unsecured Creditors, fees awarded: \$1573850.25, expenses awarded: \$22930.21 Entered on 9/11/2020. (Ecker, C.)
09/11/2020	<u>1049</u> Request for transcript regarding a hearing held on 9/11/2020. The requested turn-around time is daily. (Edmond, Michael)
09/11/2020	<u>1050</u> Order granting motion to appear pro hac vice adding James E. O'Neill for Highland Capital Management, L.P. (related document # <u>1031</u>) Entered on 9/11/2020. (Ecker, C.)
09/11/2020	<u>1051</u> Order granting application for compensation (related document # <u>883</u>) granting for FTI Consulting, Inc., fees awarded: \$1488533.40, expenses awarded: \$23515.26 Entered on 9/11/2020. (Ecker, C.)
09/11/2020	<u>1052</u> Motion to appear pro hac vice for Erica S. Weisgerber. Fee Amount \$100 Filed by Creditor HarbourVest et al (Driver, Vickie)
09/11/2020	<u>1053</u> Motion to appear pro hac vice for Daniel E. Stroik. Fee Amount \$100 Filed by Creditor HarbourVest et al (Driver, Vickie)
09/11/2020	<u>1054</u> Motion to appear pro hac vice for M. Natasha Labovitz. Fee Amount \$100 Filed by Creditor HarbourVest et al (Driver, Vickie)
09/11/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 28091874, amount \$ 100.00 (re: Doc# <u>1052</u>). (U.S. Treasury)
09/11/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 28091874, amount \$ 100.00 (re: Doc# <u>1053</u>). (U.S. Treasury)

09/11/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 28091874, amount \$ 100.00 (re: Doc# <u>1054</u>). (U.S. Treasury)
09/11/2020	<u>1055</u> Application for compensation <i>Ninth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 7/1/2020 to 7/31/2020, Fee: \$182,490.32, Expenses: \$1,392.77. Filed by Attorney Juliana Hoffman Objections due by 10/2/2020. (Hoffman, Juliana)
09/11/2020	<u>1056</u> Certificate of service re: 1) <i>Witness and Exhibit List for Hearing on September 10, 2020</i> ; 2) <i>WebEx Meeting Invitation to participate electronically in the hearing on Thursday, September 10, 2020 at 2:30 p.m. Central Time before the Honorable Stacey G. Jernigan</i> ; and 3) <i>Instructions for any counsel and parties who wish to participate in the Hearing</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1028</u> <i>Witness and Exhibit List for Hearing on September 10, 2020</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>831</u> Application for compensation <i>Sidley Austin LLP's Second Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 3/1/2020 to 5/31/2020, Fee: \$1,5, <u>883</u> Application for compensation <i>Second Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 3/1/2020 to 5/31/2020, Fee: \$1,488,533.4, Expenses: \$23,515.26., <u>924</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April, 2020 through July 31, 2020</i> for Foley Gardere, <u>949</u> Motion to extend or limit the exclusivity period (RE: related document(s) <u>820</u> Order on motion to extend/shorten time), <u>964</u> Application for compensation (<i>Hayward & Associates PLLC's Second Interim Application for Compensation and Reimbursement of Expenses for the Period from April 1, 2020 through June 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorn, <u>971</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession for the Period from April 1, 2020 through July 31, 202</i> , <u>972</u> Application for compensation <i>Second Interim Application for Compensation and for Reimbursement of Expenses of Mercer (US) Inc. as Compensation Consultant for the Debtor for the Period from March 1, 2020 through May 31, 2020</i> for Mercer (US), <u>975</u> Application for compensation (<i>Consolidated Monthly and First Interim Application of Wilmer Cutler Pickering Hale and Dorr LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Regulatory and Compliance Counsel for</i>). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
09/11/2020	<u>1057</u> Response to (related document(s): <u>906</u> Objection to claim filed by Debtor Highland Capital Management, L.P.) filed by Creditor HarbourVest et al. (Attachments: # <u>1</u> Appendix Part 1 # <u>2</u> Appendix Part 2 # <u>3</u> Appendix Part 3 # <u>4</u> Appendix Part 4) (Driver, Vickie). Modified linkage on 9/14/2020 (Rielly, Bill).
09/13/2020	<u>1058</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>1044</u> Order granting application for compensation (related document <u>975</u>) granting for Wilmer Cutler Pickering Hale and Dorr LLP, fees awarded: \$615941.40, expenses awarded: \$2701.56 Entered on 9/11/2020. (Dugan, S.)) No. of Notices: 1. Notice Date 09/13/2020. (Admin.)
09/13/2020	<u>1059</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>1046</u> Order granting application for compensation (related document <u>972</u>) granting for Mercer (US) Inc., fees awarded: \$54029.98, expenses awarded: \$297.68 Entered on 9/11/2020. (Ecker, C.)) No. of Notices: 1. Notice Date 09/13/2020. (Admin.)
09/13/2020	<u>1060</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>1050</u> Order granting motion to appear pro hac vice adding James E. O'Neill for Highland Capital Management, L.P. (related document <u>1031</u>) Entered on 9/11/2020. (Ecker, C.)) No. of Notices: 1. Notice Date 09/13/2020. (Admin.)
09/14/2020	

1063 Certificate of service re: 1) *Motion for Admission Pro Hac Vice of James E. O'Neill to Represent Highland Capital Management, L.P.*; and 2) *Notice of Agenda of Matters Scheduled for Hearing on September 10, 2020 at 2:30 p.m. (Central Time)* Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)1031) *Motion to appear pro hac vice for James E. O'Neill. Fee Amount \$100 Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P.,* 1032 *Notice (Notice of Agenda of Matters Scheduled for Hearing on September 10, 2020 at 2:30 p.m. (Central Time))* filed by Debtor Highland Capital Management, L.P. (RE: related document(s)976) *Notice of hearing (Omnibus Notice of Hearing on Second Interim Applications for Compensation and Reimbursement of Expenses of Estate Professionals)* filed by Debtor Highland Capital Management, L.P. (RE: related document(s)831) *Application for compensation Sidley Austin LLP's Second Interim Application for Compensation and Reimbursement of Expenses for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 3/1/2020 to 5/31/2020, Fee: \$1,573,850.25, Expenses: \$22,930.21. Filed by Objections due by 8/4/2020. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F),* 883 *Application for compensation Second Interim Application for Compensation and Reimbursement of Expenses for FTI Consulting, Inc., Financial Advisor, Period: 3/1/2020 to 5/31/2020, Fee: \$1,488,533.4, Expenses: \$23,515.26. Filed by Objections due by 8/11/2020.,* 924 *Application for compensation Second Interim Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from April, 2020 through July 31, 2020 for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 4/1/2020 to 7/31/2020, Fee: \$87,931.00, Expenses: \$833.49. Filed by Attorney Holland N. O'Neil Objections due by 8/27/2020. (Attachments: # 1 Exhibit A – Invoices # 2 Proposed Order Exhibit B – Proposed Order) (O'Neil, Holland),* 964 *Application for compensation (Hayward & Associates PLLC's Second Interim Application for Compensation and Reimbursement of Expenses for the Period from April 1, 2020 through June 30, 2020) for Hayward & Associates PLLC, Debtor's Attorney, Period: 4/1/2020 to 6/30/2020, Fee: \$60,570.00, Expenses: \$525.80. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—Invoices),* 971 *Application for compensation Second Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession for the Period from April 1, 2020 through July 31, 2020 for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 4/1/2020 to 7/31/2020, Fee: \$3,475,794.50, Expenses: \$12,205.15. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 9/9/2020.,* 972 *Application for compensation Second Interim Application for Compensation and for Reimbursement of Expenses of Mercer (US) Inc. as Compensation Consultant for the Debtor for the Period from March 1, 2020 through May 31, 2020 for Mercer (US) Inc., Consultant, Period: 3/1/2020 to 5/31/2020, Fee: \$54,029.98, Expenses: \$2,151.69. Filed by Consultant Mercer (US) Inc. Objections due by 9/9/2020.,* 975 *Application for compensation (Consolidated Monthly and First Interim Application of Wilmer Cutler Pickering Hale and Dorr LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Regulatory and Compliance Counsel for the Period November 1, 2019 through June 30, 2020) for Wilmer Cutler Pickering Hale and Dorr LLP, Special Counsel, Period: 11/1/2019 to 6/30/2020, Fee: \$615,941.40, Expenses: \$2,701.56. Filed by Other Professional Wilmer Cutler Pickering Hale and Dorr LLP (Attachments: # 1 Exhibit A–1 # 2 Exhibit A–2 # 3 Exhibit B)). Hearing to be held on 9/10/2020 at 02:30 PM Dallas Judge Jernigan Ctrm for 964 and for 831 and for 975 and for 972 and for 971 and for 924 and for 883.) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)*

09/16/2020

1064 Transcript regarding Hearing Held 09/10/2020 (49 pages) RE: Fee Applications; Motion to Extend; Omnibus Objection to Claims. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 12/15/2020. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) 1061 Hearing held on 9/10/2020., Hearing continued (RE: related document(s)949 Motion to extend or limit the exclusivity period (RE: related document(s)820 Order on motion to extend/shorten time) filed by Debtor Highland Capital

	<p>Management, L.P.) Continued Hearing to be held on 9/17/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>949</u>. (Appearances: J. Pomeranz, J. Morris, and J. O'Neill for Debtor; M. Clemente for Official Unsecured Creditors Committee; R. Patel and B. Shaw for Acis; A. Clubok for UBS; T. Masherin, M. Hankin and M. Platt for Redeemer Committee; B. Assing for J. Dondero; L. Lambert for UST. Evidentiary hearing. Motion continued to 9/17/20 at 9:30 am.), 1062 Hearing held on 9/10/2020. (RE: related document(s)<u>906</u> Objection to claim(s) of Creditor(s) Daniel Sheehan and Associates, PLLC; Dun & Bradstreet; Eastern Point Trust Company, Inc.; Collin County Tax Assessor/Collector; Collin County Tax Assessor/Collector; Dallas County; Opus 2 International Inc.; Andrew Parmentier; 4CAST Inc.; Advent Software Inc.; ConvergeOne, Inc.; Denton County; Internal Revenue Service; Kaufman County; Maples and Calder; McLagen Partners, Inc.; Microsoft Corporation and Microsoft Licensing GP, a Subsidiary of Microsoft Corporation; Moodys Analytics, Inc.; Quintairos, Prieto, Wood & Boyer; Advisors Equity Group, LLC; Eagle Equity Advisors, LLC; HCRE Partner, LLC; Highland Capital Management Fund Advisors; Highland Capital Management Fund Advisors; Highland Capital Management Services, Inc.; Highland Capital Management Services, Inc.; Highland Energy MLP Fund; Highland Fixed Income Fund; Highland Floating Rate Fund; Highland Funds I; Highland Funds II; Highland Global Allocation Fund; Highland Healthcare Opportunities Fund; Highland iBoxx Senior Loan ETF; Highland Income Fund HFRO; Highland Long/Short Equity Fund; Highland Merger Arbitrage Fund; Highland Opportunistic Credit Fund; Highland Small-Cap Equity Fund; Highland Socially Responsible Equity Fund; Highland Tax-Exempt Fund; Highland Total Return Fund; NexBank SSB; NexPoint Advisors, L.P.; NexPoint Advisors, L.P.; NexPoint Capital, Inc.; NexPoint Capital, Inc.; NexPoint Discount Strategies Fund; NexPoint Energy and Material Opportunities Fund; NexPoint Event-Driven Fund; NexPoint Healthcare Opportunities Fund; NexPoint Latin America Opportunities Fund; NexPoint Real Estate Strategies Fund; NexPoint Strategic Opportunities Fund; The Dugaboy Investment Trust; The Dugaboy Investment Trust; Bentley Callan; City of Garland; Clay Callan; Eastern Point Trust Company, Inc.; Garland Independent School District; Grayson County; HarbourVest 2017 Global Fund L.P.; HarbourVest 2017 Global AIF L.P.; HarbourVest Partners L.P. on behalf of funds and accounts under management; HarbourVest Dover Street IX Investment L.P.; HarbourVest Skew Base AIF L.P.; Hartman Wanzor LLP; Irving ISD; John Morris; John R. Watkins; Linear Technologies, Inc.; Mass. Dept. of Revenue; Mediant Communications Inc.; Oklahoma Tax Commission; Jun Park; Paul N. Adkins; Paul N. Adkins; Tarrant County; Theodore N. Dameris; Theodore N. Dameris; Weijun Zang; Anish Tailor; Mollie Boyce-Field; Charles Byrne; Donald Salvino; Ericka Garcia; Garman Turner Gordon; Joe Kingsley; Frederic Mason; TDA Associates, Inc.; Wilkinson Center.. Filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz, J. Morris, and J. O'Neill for Debtor; M. Clemente for Official Unsecured Creditors Committee; R. Patel and B. Shaw for Acis; A. Clubok for UBS; T. Masherin, M. Hankin and M. Platt for Redeemer Committee; B. Assing for J. Dondero; L. Lambert for UST. Nonevidentiary hearing. Based on record presented by counsel, certain objections sustained, certain objections resolved, and certain ones carried to a date to be continued. Counsel to upload orders where appropriate and seeking resettings where appropriate.)). Transcript to be made available to the public on 12/15/2020. (Rehling, Kathy)</p>
09/16/2020	<p><u>1065</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from July 1, 2020 through July 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.), <u>853</u> Order granting application to employ Development Specialists, Inc. as Other Professional (related document <u>775</u>) Entered on 7/16/2020. (Ecker, C.)). (Annable, Zachery)</p>
09/16/2020	<p><u>1066</u> Certificate of service re: <i>Documents Served on September 11, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1042</u> Agreed Order regarding first omnibus objection to certain claims – administrative claim of Internal Revenue Service (RE: related document(s)<u>906</u> Objection to claim filed by Debtor Highland Capital Management, L.P.). Entered on 9/11/2020 (Dugan, S.), <u>1048</u> Order granting application for compensation (related document <u>831</u>) granting for Official Committee of</p>

	Unsecured Creditors, fees awarded: \$1573850.25, expenses awarded: \$22930.21 Entered on 9/11/2020. (Ecker, C.), <u>1051</u> Order granting application for compensation (related document <u>883</u>) granting for FTI Consulting, Inc., fees awarded: \$1488533.40, expenses awarded: \$23515.26 Entered on 9/11/2020. (Ecker, C.)). (Kass, Albert)
09/16/2020	<u>1214</u> Motion for partial summary judgment on proof of claim(s) 190 and 191 of UBS Securities LLC and UBS AG, London Branch filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A – Proposed Order) (RE: Related document(s) <u>928</u> Objection to claim filed by Debtor Highland Capital Management, L.P.) (Rielly, Bill). (Entered: 10/19/2020)
09/17/2020	1067 Hearing held and conduct as as Status Conference on 9/17/2020. (RE: related document(s) <u>771</u> Objection to claim(s) 3 of Creditor(s) Acis Capital Management L.P. and Acis Capital Management GP, LLC., filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz for Debtor; M. Clemente for Unsecured Creditors Committee; R. Patel for Acis. Nonevidentiary status conference and continued hearing on Debtors Exclusivity Motion. Court heard reports of continuation of negotiations with regard to Mr. Dondero and between Committee and Debtor with regard to Plan issues. Debtor will file a revised (unsealed) disclosure statement and plan on 9/21/20 and court orally agreed to extension of exclusivity for solicitation through 12/4/20. Court approved certain deadlines suggested for a motion to establish voting procedures (with a 10/22/20 hearing for such motion and the disclosure statement) and court orally approved using 10/20/20 for a hearing on two Rule 9019 motions that will be filed by 9/23/20 with regard to Acis settlement and Redeemer Committee settlement). Counsel to upload order(s).) (Edmond, Michael)
09/17/2020	<u>1068</u> Order granting motion to appear pro hac vice adding Erica S. Weisgerber for HarbourVest et al (related document # <u>1052</u>) Entered on 9/17/2020. (Okafor, M.)
09/17/2020	<u>1069</u> Order granting motion to appear pro hac vice adding Daniel E. Stroik for HarbourVest et al (related document # <u>1053</u>) Entered on 9/17/2020. (Okafor, M.)
09/17/2020	<u>1070</u> Order granting motion to appear pro hac vice adding M. Natasha Labovitz for HarbourVest et al (related document # <u>1054</u>) Entered on 9/17/2020. (Okafor, M.)
09/17/2020	<u>1071</u> Certificate of service re: <i>Summary Cover Sheet and Ninth Monthly Application of FTI Consulting, Inc. for Allowance of Compensation and Reimbursement of Expenses for the Period from July 1, 2020 to and Including July 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1055</u> Application for compensation <i>Ninth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 7/1/2020 to 7/31/2020, Fee: \$182,490.32, Expenses: \$1,392.77. Filed by Attorney Juliana Hoffman Objections due by 10/2/2020. filed by Financial Advisor FTI Consulting, Inc.). (Kass, Albert)
09/18/2020	<u>1072</u> Application for compensation <i>Tenth Monthly Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 8/1/2020 to 8/31/2020, Fee: \$8,046.00, Expenses: \$31.90. Filed by Attorney Holland N. O'Neil Objections due by 10/9/2020. (Attachments: # <u>1</u> Exhibit A) (O'Neil, Holland)
09/18/2020	<u>1073</u> Order setting Disclosure Statement hearing and deadline to object (RE: related document(s) <u>945</u> Disclosure statement filed by Debtor Highland Capital Management, L.P.). Hearing to be held on 10/22/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>945</u> . The deadline for any party wishing to object to the Disclosure Statement shall be October 19, 2020 at 5:00 p.m. Entered on 9/18/2020 (Okafor, M.)
09/19/2020	<u>1074</u> Application for compensation <i>Sidley Austin LLP's Tenth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 8/1/2020 to 8/31/2020, Fee: \$467,533.08,

	Expenses: \$2,448.22. Filed by Attorney Juliana Hoffman Objections due by 10/13/2020. (Hoffman, Juliana)
09/19/2020	<u>1075</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>1068</u> Order granting motion to appear pro hac vice adding Erica S. Weisgerber for HarbourVest et al (related document <u>1052</u>) Entered on 9/17/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 09/19/2020. (Admin.)
09/19/2020	<u>1076</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>1069</u> Order granting motion to appear pro hac vice adding Daniel E. Stroik for HarbourVest et al (related document <u>1053</u>) Entered on 9/17/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 09/19/2020. (Admin.)
09/19/2020	<u>1077</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>1070</u> Order granting motion to appear pro hac vice adding M. Natasha Labovitz for HarbourVest et al (related document <u>1054</u>) Entered on 9/17/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 09/19/2020. (Admin.)
09/21/2020	<u>1078</u> Clerk's correspondence requesting an order from attorney for debtor. (RE: related document(s) <u>810</u> Motion for protective order (<i>Debtor's Motion for Entry of (i) a Protective Order, or, in the Alternative, (ii) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors Pursuant to Federal Rules of Bankruptcy Procedure 7026 and 7034</i>) Filed by Debtor Highland Capital Management, L.P.) Responses due by 10/5/2020. (Ecker, C.)
09/21/2020	<u>1079</u> Amended chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>944</u> Chapter 11 plan). (Annable, Zachery)
09/21/2020	<u>1080</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement). (Attachments: # <u>1</u> Exhibit A—First Amended Plan of Reorganization # <u>2</u> Exhibit B—Organizational Chart)(Annable, Zachery)
09/21/2020	<u>1081</u> Notice of hearing (<i>Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1080</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement). (Attachments: # <u>1</u> Exhibit A—First Amended Plan of Reorganization # <u>2</u> Exhibit B—Organizational Chart)). Hearing to be held on 10/22/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1080</u> , (Annable, Zachery)
09/22/2020	<u>1082</u> Amended Schedules: E/F, with Summary of Assets and Liabilities (Adding additional creditor or creditors) fee Amount \$31 (with Declaration Under Penalty of Perjury for Non-Individual Debtors,). Filed by Debtor Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit 1—Amended Schedules of Assets and Liabilities – Schedule E-F) (Annable, Zachery)
09/22/2020	Receipt of filing fee for Schedules(19-34054-sgj11) [misc,schedall] (31.00). Receipt number 28122241, amount \$ 31.00 (re: Doc# <u>1082</u>). (U.S. Treasury)
09/22/2020	<u>1083</u> Certificate of service re: <i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to July 31, 2020</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1030</u> Notice (generic)). (Annable, Zachery)
09/22/2020	<u>1084</u> Certificate of service re: <i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from July 1, 2020 through July 31, 2020</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1065</u> Notice (generic)). (Annable, Zachery)

09/22/2020	<u>1085</u> Certificate of service re: Orders of the Court filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1043</u> Order on application for compensation, <u>1044</u> Order on application for compensation, <u>1045</u> Order on application for compensation, <u>1046</u> Order on application for compensation, <u>1047</u> Order on application for compensation, <u>1050</u> Order on motion to appear pro hac vice). (Annable, Zachery)
09/22/2020	<u>1086</u> Certificate of service re: filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1073</u> Order to set hearing, <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement, <u>1081</u> Notice of hearing). (Annable, Zachery)
09/23/2020	<u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159). Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Proposed Order) (Annable, Zachery)
09/23/2020	<u>1088</u> Declaration re: (<i>Declaration of Gregory V. Demo in Support of the Debtor's Motion for Entry of an Order Approving Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159).). (Attachments: # <u>1</u> Exhibit 1—Settlement Agreement # <u>2</u> Exhibit 2—Release) (Annable, Zachery)
09/23/2020	<u>1089</u> Motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81). Filed by Debtor Highland Capital Management, L.P. Objections due by 10/19/2020. (Attachments: # <u>1</u> Exhibit A—Proposed Order) (Annable, Zachery)
09/23/2020	<u>1090</u> Declaration re: (<i>Declaration of John A. Morris in Support of the Debtor's Motion for Entry of an Order Approving Settlements with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81), and Authorizing Actions Consistent Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1089</u> Motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81).). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4 # <u>5</u> Exhibit 5 # <u>6</u> Exhibit 6) (Annable, Zachery)
09/23/2020	<u>1091</u> Motion to file document under seal. (<i>Debtor's Motion for Entry of an Order Authorizing Filing under Seal Certain of the Exhibits to the Declaration of John A. Morris in Support of the Debtor's Motion for Entry of an Order Approving Settlements with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81), and Authorizing Actions Consistent Therewith</i>) Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
09/24/2020	<u>1092</u> Order further extending the debtor's exclusive period for solicitation of acceptances of a chapter 11 plan <u>949</u> Motion to extend or limit the exclusivity period. Entered on 9/24/2020. (Ecker, C.)
09/24/2020	<u>1093</u> Request for transcript regarding a hearing held on 9/17/2020. The requested turn-around time is 3-day expedited. (Edmond, Michael)
09/24/2020	<u>1094</u> Application for compensation <i>Eleventh Monthly Application for Compensation and for Reimbursement of Expenses for the Period from August 1, 2020 through August 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 8/1/2020 to 8/31/2020, Fee: \$672,815.00, Expenses: \$3,428.14. Filed by Attorney Jeffrey Nathan Pomerantz Objections

	due by 10/15/2020. (Pomerantz, Jeffrey)
09/24/2020	<u>1095</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159). Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order), <u>1089</u> Motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81). Filed by Debtor Highland Capital Management, L.P. Objections due by 10/19/2020. (Attachments: # 1 Exhibit A—Proposed Order)). Hearing to be held on 10/20/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1087</u> and for <u>1089</u> , (Annable, Zachery)
09/24/2020	<u>1096</u> Certificate of service re: <i>1) Cover Sheet and Tenth Monthly Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from August 1, 2020 Through August 31, 2020; and 2) Summary Cover Sheet and Tenth Monthly Application of Sidley Austin LLP for Allowance of Compensation and Reimbursement of Expenses for the Period from August 1, 2020 to and Including August 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1072</u> Application for compensation <i>Tenth Monthly Application for Compensation and for Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 8/1/2020 to 8/31/2020, Fee: \$8,046.00, Expenses: \$31.90. Filed by Attorney Holland N. O'Neil Objections due by 10/9/2020. (Attachments: # 1 Exhibit A) (O'Neil, Holland) filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>1074</u> Application for compensation <i>Sidley Austin LLP's Tenth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 8/1/2020 to 8/31/2020, Fee: \$467,533.08, Expenses: \$2,448.22. Filed by Attorney Juliana Hoffman Objections due by 10/13/2020. filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)
09/24/2020	<u>1097</u> Certificate of service re: <i>Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1081</u> Notice of hearing (<i>Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1080</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement). (Attachments: # 1 Exhibit A—First Amended Plan of Reorganization # 2 Exhibit B—Organizational Chart)). Hearing to be held on 10/22/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1080</u> , filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
09/24/2020	<u>1098</u> Certificate of service re: <i>Notice of Filing of Debtor's Amended Schedules</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1082</u> Amended Schedules: E/F, with Summary of Assets and Liabilities (Adding additional creditor or creditors) fee Amount \$31 (with Declaration Under Penalty of Perjury for Non-Individual Debtors). Filed by Debtor Highland Capital Management, L.P.. (Attachments: # 1 Exhibit 1—Amended Schedules of Assets and Liabilities – Schedule E–F) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
09/24/2020	<u>1099</u> Motion for relief from stay – <i>Daugherty's Motion to Confirm Status of Automatic Stay, or alternatively to Modify Automatic Stay</i> Fee amount \$181, Filed by Creditor Patrick Daugherty Objections due by 10/8/2020. (Attachments: # <u>1</u> Exhibit Declaration of Patrick Daugherty in Support of Motion # <u>2</u> Service List) (Kathman, Jason)
09/24/2020	Receipt of filing fee for Motion for relief from stay(19-34054-sgj11) [motion,mrlfsty] (181.00). Receipt number 28129975, amount \$ 181.00 (re: Doc# <u>1099</u>). (U.S. Treasury)

09/25/2020	<u>1100</u> Notice of hearing filed by Creditor Patrick Daugherty (RE: related document(s) <u>1099</u> Motion for relief from stay – <i>Daugherty's Motion to Confirm Status of Automatic Stay, or alternatively to Modify Automatic Stay</i> Fee amount \$181, Filed by Creditor Patrick Daugherty Objections due by 10/8/2020. (Attachments: # 1 Exhibit Declaration of Patrick Daugherty in Support of Motion # 2 Service List)). Preliminary hearing to be held on 10/22/2020 at 01:30 PM at Dallas Judge Jernigan Ctrm. (Attachments: # <u>1</u> Service List) (Clontz, Megan)
09/25/2020	<u>1101</u> Transcript regarding Hearing Held 09/17/2020 (13 pages) RE: Status Conference, Objection to Proof of Claim, Motion to Extend Exclusivity. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 12/24/2020. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) <u>1067</u> Hearing held and conduct as as Status Conference on 9/17/2020. (RE: related document(s) <u>771</u> Objection to claim(s) 3 of Creditor(s) Acis Capital Management L.P. and Acis Capital Management GP, LLC., filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz for Debtor; M. Clemente for Unsecured Creditors Committee; R. Patel for Acis. Nonevidentiary status conference and continued hearing on Debtors Exclusivity Motion. Court heard reports of continuation of negotiations with regard to Mr. Dondero and between Committee and Debtor with regard to Plan issues. Debtor will file a revised (unsealed) disclosure statement and plan on 9/21/20 and court orally agreed to extension of exclusivity for solicitation through 12/4/20. Court approved certain deadlines suggested for a motion to establish voting procedures (with a 10/22/20 hearing for such motion and the disclosure statement) and court orally approved using 10/20/20 for a hearing on two Rule 9019 motions that will be filed by 9/23/20 with regard to Acis settlement and Redeemer Committee settlement). Counsel to upload order(s)). Transcript to be made available to the public on 12/24/2020. (Rehling, Kathy)
09/25/2020	<u>1102</u> Amended Notice of hearing filed by Creditor Patrick Daugherty (RE: related document(s) <u>1099</u> Motion for relief from stay – <i>Daugherty's Motion to Confirm Status of Automatic Stay, or alternatively to Modify Automatic Stay</i> Fee amount \$181, Filed by Creditor Patrick Daugherty Objections due by 10/8/2020. (Attachments: # 1 Exhibit Declaration of Patrick Daugherty in Support of Motion # 2 Service List)). Preliminary hearing to be held on 10/22/2020 at 09:30 AM at Dallas Judge Jernigan Ctrm. (Attachments: # <u>1</u> Service List) (Clontz, Megan)
09/25/2020	<u>1103</u> Certificate of service re: Order Further Extending the Debtor's Exclusive Period for Solicitation of Acceptances of a Chapter 11 Plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1092</u> Order on motion to extend/shorten time). (Annable, Zachery)
09/25/2020	<u>1104</u> Certificate of service re: Eleventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020 filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1094</u> Application for compensation <i>Eleventh Monthly Application for Compensation and for Reimbursement of Expenses for the Period from August 1, 2020 through August 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 8/1/2020 to 8/31/). (Annable, Zachery)
09/25/2020	<u>1105</u> Omnibus Response opposed to (related document(s): <u>928</u> Objection to claim filed by Debtor Highland Capital Management, L.P., <u>933</u> Objection to claim filed by Interested Party Redeemer Committee of the Highland Crusader Fund) (<i>UBS's Omnibus Response to Objections to the UBS Proofs of Claim</i>) filed by Interested Parties UBS AG London Branch, UBS Securities LLC. (Sosland, Martin) Filed by Interested Parties UBS AG London Branch, UBS Securities LLC (related document(s) <u>928</u> Objection to claim(s) of Creditor(s) UBS Securities LLC and UBS AG, London Branch.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 9/9/2020. (Attachments: # 1 Exhibit 18 # 2 Exhibit 19) filed by Debtor Highland Capital Management, L.P., <u>933</u> Objection to claim(s) of

	Creditor(s) UBS Securities LLC and UBS AG, London Branch.. Filed by Interested Party Redeemer Committee of the Highland Crusader Fund. (Attachments: # 1 Exhibit Exhibit 1 (slip page – to be filed under seal upon order from Court)) # 2 Exhibit Exhibit 2 (slip page – to be filed under seal upon order from Court) # 3 Exhibit Exhibit 3 (slip page – to be filed under seal upon order from Court) # 4 Exhibit Exhibit 4 # 5 Exhibit Exhibit 5 # 6 Exhibit Exhibit 6 (slip page – to be filed under seal upon order from Court) # 7 Exhibit Exhibit 7 (slip page – to be filed under seal upon order from Court) # 8 Exhibit Exhibit 8 # 9 Exhibit Exhibit 9 (slip page – to be filed under seal upon order from Court) # 10 Exhibit Exhibit 10 # 11 Exhibit Exhibit 11 # 12 Exhibit Exhibit 12 # 13 Exhibit Exhibit 13 # 14 Exhibit Exhibit 14 # 15 Exhibit Exhibit 15 # 16 Exhibit Exhibit 16 (slip page – to be filed under seal upon order from Court) # 17 Exhibit Exhibit 17 # 18 Exhibit Exhibit 18 # 19 Exhibit Exhibit 19 # 20 Exhibit Exhibit 20 (slip page – to be filed under seal upon order from Court) # 21 Exhibit Exhibit 21 (slip page – to be filed under seal upon order from Court) # 22 Exhibit Exhibit 22 (slip page – to be filed under seal upon order from Court)) filed by Interested Party Redeemer Committee of the Highland Crusader Fund). (Sosland, Martin)
09/25/2020	<u>1106</u> Exhibit List to <i>UBS's Omnibus Response to Objections to the UBS Proof of Claim</i> filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1105</u> Response to objection to claim). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4 # <u>5</u> # <u>6</u> Exhibit 6 # <u>7</u> Exhibit 7 # <u>8</u> Exhibit 8 # <u>9</u> Exhibit 9 # <u>10</u> Exhibit 10 # <u>11</u> Exhibit 11 # <u>12</u> Exhibit 12 # <u>13</u> Exhibit 13 # <u>14</u> Exhibit 14 # <u>15</u> Exhibit 15 # <u>16</u> Exhibit 16 # <u>17</u> Exhibit 17 # <u>18</u> Exhibit 18 # <u>19</u> Exhibit 19 # <u>20</u> Exhibit 20 # <u>21</u> Exhibit 21 # <u>22</u> Exhibit 22 # <u>23</u> Exhibit 23 # <u>24</u> Exhibit 24 # <u>25</u> Exhibit 25 # <u>26</u> Exhibit 26 # <u>27</u> Exhibit 27 # <u>28</u> Exhibit 28 # <u>29</u> Exhibit 29 # <u>30</u> Exhibit 30 # <u>31</u> Exhibit 31 # <u>32</u> Exhibit 32 # <u>33</u> Exhibit 33 # <u>34</u> Exhibit 34 # <u>35</u> Exhibit 35 # <u>36</u> Exhibit 36 # <u>37</u> Exhibit 37 # <u>38</u> Exhibit 38 # <u>39</u> # <u>40</u> Exhibit 40 # <u>41</u> Exhibit 41 # <u>42</u> # <u>43</u> Exhibit 43 # <u>44</u> Exhibit 44) (Sosland, Martin)
09/25/2020	<u>1107</u> Motion to file document under seal. (<i>UBS's Motion for Leave to file Documents Under Seal with UBS's Omnibus Response to Objections to the UBS Proof of Claim</i> Filed by Interested Parties UBS AG London Branch, UBS Securities LLC (Sosland, Martin)
09/28/2020	<u>1108</u> Motion for leave (<i>Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice</i>) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit 1—Proposed Order # <u>2</u> Exhibit 1—A—Forms of Ballots # <u>3</u> Exhibit 1—B—Notice of Confirmation Hearing # <u>4</u> Exhibit 1—C—Notice of Non-Voting Status # <u>5</u> Exhibit 1—D—Notice of Assumption) (Annable, Zachery)
09/28/2020	<u>1109</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1108</u> Motion for leave (<i>Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice</i>) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit 1—Proposed Order # <u>2</u> Exhibit 1—A—Forms of Ballots # <u>3</u> Exhibit 1—B—Notice of Confirmation Hearing # <u>4</u> Exhibit 1—C—Notice of Non-Voting Status # <u>5</u> Exhibit 1—D—Notice of Assumption)). Hearing to be held on 10/22/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1108</u> , (Annable, Zachery)
09/28/2020	<u>1110</u> Certificate of service re: 1) <i>Debtors' Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith; and 2) Declaration of Gregory V. Demo in Support of the Debtors' Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital</i>

	<p><i>Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159). Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order) filed by Debtor Highland Capital Management, L.P., <u>1088</u> Declaration re: <i>(Declaration of Gregory V. Demo in Support of the Debtor's Motion for Entry of an Order Approving Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159).). (Attachments: # 1 Exhibit 1—Settlement Agreement # 2 Exhibit 2—Release) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
09/29/2020	<p><u>1111</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1025</u> Motion to compromise controversy with Carey International, Inc.. <i>(Motion of the Debtor for Entry of an Order Approving Settlement with Carey International, Inc. [Claim No. 68] and Authorizing Actions Consistent Therewith)</i>). (Annable, Zachery)</p>
09/29/2020	<p><u>1112</u> Certificate of service re: filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1108</u> Motion for leave <i>(Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Conf, <u>1109</u> Notice of hearing)</i>. (Annable, Zachery)</p>
09/29/2020	<p><u>1113</u> Certificate of service re: <i>Documents Served on or Before September 24, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1089</u> Motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81). Filed by Debtor Highland Capital Management, L.P. Objections due by 10/19/2020. (Attachments: # 1 Exhibit A—Proposed Order) filed by Debtor Highland Capital Management, L.P., <u>1090</u> Declaration re: <i>(Declaration of John A. Morris in Support of the Debtor's Motion for Entry of an Order Approving Settlements with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81), and Authorizing Actions Consistent Therewith)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1089</u> Motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81).). (Attachments: # 1 Exhibit 1 # 2 Exhibit 2 # 3 Exhibit 3 # 4 Exhibit 4 # 5 Exhibit 5 # 6 Exhibit 6) filed by Debtor Highland Capital Management, L.P., <u>1091</u> Motion to file document under seal. <i>(Debtor's Motion for Entry of an Order Authorizing Filing under Seal Certain of the Exhibits to the Declaration of John A. Morris in Support of the Debtor's Motion for Entry of an Order Approving Settlements with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81), and Authorizing Actions Consistent Therewith)</i> Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P., <u>1095</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159). Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order), <u>1089</u> Motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81). Filed by Debtor Highland Capital Management, L.P. Objections due by 10/19/2020. (Attachments: # 1 Exhibit A—Proposed Order)). Hearing to be held on 10/20/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1087</u> and for <u>1089</u>, filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>

09/30/2020	<u>1114</u> Motion to appear pro hac vice for Elissa A. Wagner. Fee Amount \$100 Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
09/30/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 28143856, amount \$ 100.00 (re: Doc# <u>1114</u>). (U.S. Treasury)
09/30/2020	<u>1115</u> Debtor-in-possession monthly operating report for filing period August 1, 2020 to August 31, 2020 filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
09/30/2020	<u>1116</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to August 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALSUTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Annable, Zachery)
10/01/2020	<u>1117</u> Stipulation by Highland Capital Management, L.P. and Integrated Financial Associates, Inc.. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>868</u> Objection to claim). (Annable, Zachery)
10/02/2020	<u>1118</u> Motion to extend time to Assume or Reject Unexpired Nonresidential Real Property Lease Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Proposed Order) (Hayward, Melissa)
10/02/2020	<u>1119</u> Motion to extend time to Deadline To File An Adversary Proceeding Against CLO Holdco, Ltd. (EMERGENCY) Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 10/23/2020. (Montgomery, Paige)
10/02/2020	<u>1120</u> Motion for expedited hearing(related documents <u>1119</u> Motion to extend/shorten time) Filed by Creditor Committee Official Committee of Unsecured Creditors (Montgomery, Paige)
10/05/2020	<u>1121</u> Response opposed to (related document(s): <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159). filed by Debtor Highland Capital Management, L.P.) filed by Interested Party James Dondero. (Assink, Bryan)
10/05/2020	<u>1122</u> Agreed Order granting <u>1118</u> Motion to extend time to Assume or Reject Unexpired Nonresidential Real Property Lease Filed by Debtor Highland Capital Management, L.P. Entered on 10/5/2020. (Okafor, M.)
10/05/2020	<u>1123</u> Order granting motion to compromise controversy with Carey International, Inc.. (Motion of the Debtor for Entry of an Order Approving Settlement with Carey International, Inc. [Claim No. 68] and Authorizing Actions Consistent Therewith) Filed by Debtor Highland Capital Management, L.P. (related document # <u>1025</u>) Entered on 10/5/2020. (Okafor, M.)
10/05/2020	<u>1124</u> Order granting motion to appear pro hac vice adding Elissa A. Wagner for Highland Capital Management, L.P. (related document # <u>1114</u>) Entered on 10/5/2020. (Okafor, M.)
10/05/2020	<u>1125</u> Order granting motion to seal exhibits (related document # <u>1091</u> Motion for Entry of an Order Authorizing Filing under Seal Certain of the Exhibits to the Declaration of John A.

	Morris in Support of the Debtor's Motion for Entry of an Order Approving Settlements with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81), and Authorizing Actions Consistent Therewith) Filed by Debtor Highland Capital Management, L.P.) Entered on 10/5/2020. (Okafor, M.)
10/05/2020	<u>1126</u> Order approving stipulation regarding Proof of Claim No. 93 of Integrated Financial Associates, Inc. (RE: related document(s) <u>1117</u> Stipulation filed by Debtor Highland Capital Management, L.P.). The hearing on the Debtors Objection to the IFA Claim currently scheduled to be held on October 14, 2020 at 1:30 p.m. (Central Time) is hereby CANCELLED. Entered on 10/5/2020 (Okafor, M.)
10/05/2020	<u>1127</u> SEALED document regarding: Exhibit B—Cornerstone Monetization Schedule per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1125</u> Order on motion to seal). (Annable, Zachery)
10/05/2020	<u>1128</u> SEALED document regarding: Exhibit 2 – Partial Final Award dated March 6, 2019 per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1125</u> Order on motion to seal). (Annable, Zachery) Modified docket entry text on 10/5/2020 in include exhibit number. (Ellison, T.).
10/05/2020	<u>1129</u> SEALED document regarding: Exhibit 3—Disposition of Application of Modification of Award dated March 14, 2019 per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1125</u> Order on motion to seal). (Annable, Zachery)
10/05/2020	<u>1130</u> SEALED document regarding: Exhibit 4—Final Award dated April 29, 2019 per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1125</u> Order on motion to seal). (Annable, Zachery)
10/06/2020	<u>1131</u> Order granting motion to seal documents (related document # <u>1107</u>) Entered on 10/6/2020. (Okafor, M.)
10/06/2020	<u>1132</u> INCORRECT ENTRY – REQUESTER CANCELLED REQUEST. Request for transcript regarding a hearing held on 9/23/2020. The requested turn-around time is 3-day expedited. (Edmond, Michael) Modified on 10/14/2020 (Edmond, Michael).
10/06/2020	<u>1133</u> SEALED document regarding: UBS's Omnibus Response to Objections to the UBS Proofs of Claim per court order filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1131</u> Order on motion to seal). (Attachments: # <u>1</u> Exhibit 2 # <u>2</u> Exhibit 3 # <u>3</u> Exhibit 4 # <u>4</u> Exhibit 5 # <u>5</u> Exhibit 6 # <u>6</u> Exhibit 8 # <u>7</u> Exhibit 9 # <u>8</u> Exhibit 10 # <u>9</u> Exhibit 11 # <u>10</u> Exhibit 12 # <u>11</u> Exhibit 14 # <u>12</u> Exhibit 18 # <u>13</u> Exhibit 22 # <u>14</u> Exhibit 23 # <u>15</u> Exhibit 24 # <u>16</u> Exhibit 25 # <u>17</u> Exhibit 26 # <u>18</u> Exhibit 28 # <u>19</u> Exhibit 29 # <u>20</u> Exhibit 32 # <u>21</u> Exhibit 34 # <u>22</u> Exhibit 35 # <u>23</u> Exhibit 36 # <u>24</u> Exhibit 37 # <u>25</u> Exhibit 38 # <u>26</u> Exhibit 39 # <u>27</u> Exhibit 40 # <u>28</u> Exhibit 41 # <u>29</u> Exhibit 42 # <u>30</u> Exhibit 43) (Sosland, Martin)
10/06/2020	<u>1134</u> Motion to appear pro hac vice for Joseph L. Christensen. Fee Amount \$100 Filed by Creditor Patrick Daugherty (Kathman, Jason)
10/06/2020	<u>1135</u> Motion to appear pro hac vice for Thomas A. Uebler. Fee Amount \$100 Filed by Creditor Patrick Daugherty (Kathman, Jason)
10/06/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 28159068, amount \$ 100.00 (re: Doc# <u>1134</u>). (U.S. Treasury)
10/06/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 28159068, amount \$ 100.00 (re: Doc# <u>1135</u>).

	(U.S. Treasury)
10/06/2020	<u>1136</u> Notice of hearing filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>1119</u> Motion to extend time to Deadline To File An Adversary Proceeding Against CLO Holdco, Ltd. (EMERGENCY) Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 10/23/2020.). Hearing to be held on 10/8/2020 at 02:30 PM Dallas Judge Jernigan Ctrm for <u>1119</u> , (Hoffman, Juliana)
10/06/2020	<u>1137</u> Status Conference Hearing held on 10/6/2020. (RE: related document(s) <u>928</u> Objection to claim(s) of Creditor(s) UBS Securities LLC and UBS AG, London Branch, filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz and R. Feinstein for Debtor; A. Clubok, S. Tomkowiak, and J. Bjork for UBS; T. Mascherin, M. Hankin, and M. Platt for Redeemer Committee; M. Clemente for UCC. Nonevidentiary status conference. Court approved a schedule for motions for summary judgment and Rule 3018 motions to estimate claim of UBS. Counsel to upload order. Hearing to be 11/20/20 at 9:30 am.)(Edmond, Michael)
10/06/2020	<u>1138</u> Certificate of service re: <i>1) Motion for Admission Pro Hac Vice for Elissa A. Wagner to Represent Highland Capital Management, L.P.; and 2) Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to August 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1114</u> Motion to appear pro hac vice for Elissa A. Wagner. Fee Amount \$100 Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P., <u>1116</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to August 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALSUTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
10/06/2020	<u>1139</u> Certificate of service re: <i>1) Webex Meeting Invitation to participate electronically in the hearing on October 6, 2020 at 1:30 p.m. Central Time before the Honorable Stacey G. Jernigan; 2) Instructions for any counsel and parties who wish to participate in the Hearing; and 3) Stipulation Regarding Proof of Claim No. 93 of Integrated Financial Associates, Inc.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1117</u> Stipulation by Highland Capital Management, L.P. and Integrated Financial Associates, Inc.. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>868</u> Objection to claim). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
10/06/2020	<u>1140</u> Request for transcript regarding a hearing held on 10/6/2020. The requested turn-around time is daily (Jeng, Hawaii) (Entered: 10/07/2020)
10/07/2020	<u>1141</u> Objection to (related document(s): <u>1119</u> Motion to extend time to Deadline To File An Adversary Proceeding Against CLO Holdco, Ltd. (EMERGENCY) filed by Creditor Committee Official Committee of Unsecured Creditors) filed by Creditor CLO Holdco, Ltd.. (Kane, John)
10/07/2020	<u>1142</u> Application for compensation (<i>Eighth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from July 1, 2020 through July 31, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 7/1/2020 to 7/31/2020, Fee: \$29,785.00, Expenses: \$980.60. Filed by Other Professional Hayward & Associates PLLC (Attachments: # <u>1</u> Exhibit A—H&A July 2020 Invoice) (Annable, Zachery)

10/07/2020	<u>1143</u> Certificate of service re: <i>Agreed Motion to Extend the Deadline to Assume or Reject Unexpired Nonresidential Real Property Lease</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1118</u> Motion to extend time to Assume or Reject Unexpired Nonresidential Real Property Lease Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Proposed Order) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
10/07/2020	<u>1144</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>1124</u> Order granting motion to appear pro hac vice adding Elissa A. Wagner for Highland Capital Management, L.P. (related document <u>1114</u>) Entered on 10/5/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 10/07/2020. (Admin.)
10/08/2020	<u>1145</u> Transcript regarding Hearing Held 10/06/2020 (58 pages) RE: Status Conference on Objection to Claim. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 01/6/2021. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) <u>1137</u> Status Conference Hearing held on 10/6/2020. (RE: related document(s) <u>928</u> Objection to claim(s) of Creditor(s) UBS Securities LLC and UBS AG, London Branch, filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz and R. Feinstein for Debtor; A. Clubok, S. Tomkowiak, and J. Bjork for UBS; T. Mascherin, M. Hankin, and M. Platt for Redeemer Committee; M. Clemente for UCC. Nonevidentiary status conference. Court approved a schedule for motions for summary judgment and Rule 3018 motions to estimate claim of UBS. Counsel to upload order. Hearing to be 11/20/20 at 9:30 am.)). Transcript to be made available to the public on 01/6/2021. (Rehling, Kathy)
10/08/2020	<u>1146</u> Order granting motion to appear pro hac vice adding Joseph L. Christensen for Patrick Daugherty (related document # <u>1134</u>) Entered on 10/8/2020. (Okafor, M.)
10/08/2020	<u>1147</u> Order granting motion to appear pro hac vice adding Thomas A. Uebler for Patrick Daugherty (related document # <u>1135</u>) Entered on 10/8/2020. (Okafor, M.)
10/08/2020	<u>1148</u> Objection to (related document(s): <u>1099</u> Motion for relief from stay – <i>Daugherty's Motion to Confirm Status of Automatic Stay, or alternatively to Modify Automatic Stay</i> Fee amount \$181, filed by Creditor Patrick Daugherty) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
10/08/2020	<u>1149</u> Declaration re: (<i>Declaration of John A. Morris in Support of the Debtor's (I) Objection to Patrick Daugherty's Motion to Confirm Status of Automatic Stay, or Alternatively to Modify Automatic Stay and (II) Cross-Motion to Extend the Automatic Stay to, or Otherwise Enjoin, the Delaware Cases</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1148</u> Objection). (Attachments: # <u>1</u> Exhibit 1) (Annable, Zachery)
10/08/2020	<u>1150</u> Adversary case 20-03128. Complaint by Highland Capital Management, L.P. against Patrick Hagaman Daugherty. Fee Amount \$350 (Attachments: # <u>1</u> Adversary Cover Sheet). Nature(s) of suit: 71 (Injunctive relief – reinstatement of stay). (Annable, Zachery)
10/08/2020	<u>1151</u> Certificate of No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s) <u>1055</u> Application for compensation <i>Ninth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 7/1/2020 to 7/31/2020, Fee: \$182,490.32, Expenses: \$1,392.77.). (Hoffman, Juliana)
10/08/2020	<u>1152</u> Certificate of service re: <i>Documents Served on October 5, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1119</u> Motion to extend time to Deadline To File An Adversary Proceeding Against CLO Holdco, Ltd. (EMERGENCY) Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by

	<p>10/23/2020. filed by Creditor Committee Official Committee of Unsecured Creditors, <u>1120</u> Motion for expedited hearing(related documents <u>1119</u> Motion to extend/shorten time) Filed by Creditor Committee Official Committee of Unsecured Creditors filed by Creditor Committee Official Committee of Unsecured Creditors, <u>1122</u> Agreed Order granting <u>1118</u> Motion to extend time to Assume or Reject Unexpired Nonresidential Real Property Lease Filed by Debtor Highland Capital Management, L.P. Entered on 10/5/2020. (Okafor, M.), <u>1123</u> Order granting motion to compromise controversy with Carey International, Inc.. (Motion of the Debtor for Entry of an Order Approving Settlement with Carey International, Inc. [Claim No. 68] and Authorizing Actions Consistent Therewith) Filed by Debtor Highland Capital Management, L.P. (related document <u>1025</u>) Entered on 10/5/2020. (Okafor, M.), <u>1124</u> Order granting motion to appear pro hac vice adding Elissa A. Wagner for Highland Capital Management, L.P. (related document <u>1114</u>) Entered on 10/5/2020. (Okafor, M.), <u>1125</u> Order granting motion to seal exhibits (related document <u>1091</u> Motion for Entry of an Order Authorizing Filing under Seal Certain of the Exhibits to the Declaration of John A. Morris in Support of the Debtor's Motion for Entry of an Order Approving Settlements with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81), and Authorizing Actions Consistent Therewith) Filed by Debtor Highland Capital Management, L.P.) Entered on 10/5/2020. (Okafor, M.), <u>1126</u> Order approving stipulation regarding Proof of Claim No. 93 of Integrated Financial Associates, Inc. (RE: related document(s)<u>1117</u> Stipulation filed by Debtor Highland Capital Management, L.P.). The hearing on the Debtors Objection to the IFA Claim currently scheduled to be held on October 14, 2020 at 1:30 p.m. (Central Time) is hereby CANCELLED. Entered on 10/5/2020 (Okafor, M.)). (Kass, Albert)</p>
10/08/2020	<p><u>1153</u> Response opposed to (related document(s): <u>906</u> Objection to claim filed by Debtor Highland Capital Management, L.P.) filed by Creditor The Dugaboy Investment Trust. (Attachments: # <u>1</u> Ex. A – Loan Agreement # <u>2</u> Ex.B – Account Summary) (Assink, Bryan)</p>
10/08/2020	<p><u>1164</u> Hearing held on 10/8/2020. (RE: related document(s)<u>1119</u> Motion to extend time to Deadline To File An Adversary Proceeding Against CLO Holdco, Ltd. (EMERGENCY) Filed by Creditor Committee Official Committee of Unsecured Creditors.) (Appearances: P. Montgomery for Official Committee of Unsecured Creditors; J. Kane for CLO Holdco. Nonevidentiary hearing. Announcement of an agreed 60–day extension. Counsel to upload order.) (Edmond, Michael) (Entered: 10/13/2020)</p>
10/09/2020	<p><u>1154</u> Motion for leave to Amend Certain Proofs of Claim Filed by Creditor The Dugaboy Investment Trust Objections due by 10/30/2020. (Attachments: # <u>1</u> Proposed Order) (Assink, Bryan)</p>
10/09/2020	<p><u>1155</u> Order sustaining first omnibus objection to Certain (A) Duplicate Claims; (B) Overstated Claims; (C) Late–Filed Claims; (D) Satisfied Claims; (E) No–Liability Claims; and (F) Insufficient–Documentation Claims (RE: related document(s)<u>906</u> Objection to claim filed by Debtor Highland Capital Management, L.P.). (Attachments: # <u>1</u> Schedules 1 – 6) Entered on 10/9/2020 (Okafor, M.)</p>
10/09/2020	<p><u>1156</u> Certificate of service re: <i>Notice of Hearing on PensionDanmarks Motion for Relief from the Automatic Stay and Extending the Objection Deadline</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1136</u> Notice of hearing filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s)<u>1119</u> Motion to extend time to Deadline To File An Adversary Proceeding Against CLO Holdco, Ltd. (EMERGENCY) Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 10/23/2020.). Hearing to be held on 10/8/2020 at 02:30 PM Dallas Judge Jernigan Ctrm for <u>1119</u>, filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)</p>
10/09/2020	<p><u>1157</u> Certificate of service re: <i>Eighth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from July 1, 2020 through July 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1142</u> Application for compensation</p>

	<p>(<i>Eighth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from July 1, 2020 through July 31, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 7/1/2020 to 7/31/2020, Fee: \$29,785.00, Expenses: \$980.60. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—H&A July 2020 Invoice) filed by Other Professional Hayward & Associates PLLC). (Kass, Albert)</p>
10/09/2020	<p><u>1158</u> Certificate of service re: 1) <i>Daugherty's Motion to Confirm Status of Automatic Stay, or alternatively to Modify Automatic Stay</i>; and 2) <i>Declaration of John A. Morris in Support of the Debtor's (I) Objection to Patrick Daugherty's Motion to Confirm Status of Automatic Stay, or Alternatively to Modify Automatic Stay and (II) Cross-Motion to Extend the Automatic Stay to, or Otherwise Enjoin, the Delaware Cases Filed by Claims Agent Kurtzman Carson Consultants LLC</i> (related document(s)<u>1148</u> <i>Objection to</i> (related document(s): <u>1099</u> <i>Motion for relief from stay – Daugherty's Motion to Confirm Status of Automatic Stay, or alternatively to Modify Automatic Stay</i> Fee amount \$181, filed by Creditor Patrick Daugherty) filed by Debtor Highland Capital Management, L.P., filed by Debtor Highland Capital Management, L.P., <u>1149</u> <i>Declaration re: (Declaration of John A. Morris in Support of the Debtor's (I) Objection to Patrick Daugherty's Motion to Confirm Status of Automatic Stay, or Alternatively to Modify Automatic Stay and (II) Cross-Motion to Extend the Automatic Stay to, or Otherwise Enjoin, the Delaware Cases</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1148</u> <i>Objection</i>). (Attachments: # 1 Exhibit 1) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
10/09/2020	<p><u>1159</u> Certificate of service re: (<i>Supplemental</i>) <i>Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1081</u> <i>Notice of hearing (Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1080</u> <i>Amended disclosure statement</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>945</u> <i>Disclosure statement</i>). (Attachments: # 1 Exhibit A—First Amended Plan of Reorganization # 2 Exhibit B—Organizational Chart)). Hearing to be held on 10/22/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1080</u>, filed by Debtor Highland Capital Management, L.P., <u>1097</u> Certificate of service re: <i>Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1081</u> <i>Notice of hearing (Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.)</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1080</u> <i>Amended disclosure statement</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>945</u> <i>Disclosure statement</i>). (Attachments: # 1 Exhibit A—First Amended Plan of Reorganization # 2 Exhibit B—Organizational Chart)). Hearing to be held on 10/22/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1080</u>, filed by Debtor Highland Capital Management, L.P.). filed by Claims Agent Kurtzman Carson Consultants LLC). (Kass, Albert)</p>
10/09/2020	<p><u>1160</u> Application for compensation <i>Ninth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 8/1/2020 to 8/31/2020, Fee: \$198,616.32, Expenses: \$0. Filed by Financial Advisor FTI Consulting, Inc. Objections due by 10/30/2020. (Hoffman, Juliana)</p>
10/10/2020	<p><u>1161</u> BNC certificate of mailing – PDF document. (RE: related document(s)<u>1146</u> <i>Order granting motion to appear pro hac vice adding Joseph L. Christensen for Patrick Daugherty</i> (related document <u>1134</u>) Entered on 10/8/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 10/10/2020. (Admin.)</p>
10/10/2020	<p><u>1162</u> BNC certificate of mailing – PDF document. (RE: related document(s)<u>1147</u> <i>Order granting motion to appear pro hac vice adding Thomas A. Uebler for Patrick Daugherty</i> (related document <u>1135</u>) Entered on 10/8/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 10/10/2020. (Admin.)</p>

10/12/2020	<u>1163</u> Order setting hearing on any summary judgment motion and any 3018 Motion filed in accordance with this Order (RE: related document(s) <u>928</u> Objection to claim filed by Debtor Highland Capital Management, L.P.). Hearing to be held on 11/20/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>928</u> , Entered on 10/12/2020 (Okafor, M.)
10/13/2020	<u>1165</u> Assignment/Transfer of Claim. Fee Amount \$25. Transfer Agreement 3001 (e) 1 Transferors: Stanton Advisors LLC (Amount \$10,000.00) To Argo Partners. Filed by Creditor Argo Partners. (Gold, Matthew)
10/13/2020	<u>1166</u> Assignment/Transfer of Claim. Fee Amount \$25. Transfer Agreement 3001 (e) 2 Transferors: Lynn Pinker Cox & Hurst, LLP (Claim No. 148, Amount \$507,430.34) To MCS Capital LLC c/o STC, Inc.. Filed by Creditor Argo Partners. (Gold, Matthew)
10/13/2020	Receipt of filing fee for Assignment/Transfer of claim (Claims Agent)(19-34054-sgj11) [claims,trlmagt] (25.00). Receipt number 28176112, amount \$ 25.00 (re: Doc# <u>1165</u>). (U.S. Treasury)
10/13/2020	Receipt of filing fee for Assignment/Transfer of claim (Claims Agent)(19-34054-sgj11) [claims,trlmagt] (25.00). Receipt number 28176112, amount \$ 25.00 (re: Doc# <u>1166</u>). (U.S. Treasury)
10/13/2020	<u>1167</u> Notice to take deposition of James P. Seery, Jr., CEO, Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
10/14/2020	<u>1168</u> Order granting extension of time to file an adversary proceeding against CLO Holdco, Ltd (RE: related document(s) <u>1119</u> Motion to extend time to Deadline To File An Adversary Proceeding Against CLO Holdco, Ltd. (EMERGENCY) filed by Creditor Committee Official Committee of Unsecured Creditors. Modified to correct linkage on 11/3/2020 (Ecker, C.).
10/14/2020	<u>1169</u> Agreed Supplemental Order authorizing the retention and employment of Hunton Andrews Kurth LLP as Special Counsel Nunc Pro Tunc to the petition date (RE: related document(s) <u>763</u> Order on application to employ). Entered on 10/14/2020 (Okafor, M.)
10/14/2020	<u>1170</u> Certificate of service re: <i>Agreed Supplemental Order Authorizing the Retention and Employment of Hunton Andrews Kurth LLP as Special Counsel Nunc Pro Tunc to the Petition Date</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1169</u> Order (generic)). (Annable, Zachery)
10/14/2020	<u>1171</u> Notice to take deposition of Professor Nancy B. Rapaport filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
10/14/2020	<u>1172</u> Certificate of service re: <i>Order Sustaining First Omnibus Objection to Certain (A) Duplicate Claims; (B) Overstated Claims; (C) Late-Filed Claims; (D) Satisfied Claims; (E) No-Liability Claims; and (F) Insufficient-Documentation Claims</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1155</u> Order sustaining first omnibus objection to Certain (A) Duplicate Claims; (B) Overstated Claims; (C) Late-Filed Claims; (D) Satisfied Claims; (E) No-Liability Claims; and (F) Insufficient-Documentation Claims (RE: related document(s) <u>906</u> Objection to claim filed by Debtor Highland Capital Management, L.P.). (Attachments: # 1 Schedules 1 – 6) Entered on 10/9/2020 (Okafor, M.)). (Kass, Albert)
10/15/2020	<u>1173</u> Notice (<i>Notice of Filing of (I) Liquidation Analysis and (II) Financial Projections as Exhibits to Debtor's Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1080</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement). (Attachments: # 1 Exhibit A—First Amended Plan of Reorganization # 2 Exhibit

	B—Organizational Chart)). (Attachments: # <u>1</u> Exhibit C/D to Debtor's Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.) (Annable, Zachery)
10/15/2020	<u>1174</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>1074</u> Application for compensation <i>Sidley Austin LLP's Tenth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 8/1/2020 to 8/31/2020, Fee: \$467,). (Hoffman, Juliana)
10/15/2020	<u>1175</u> Witness and Exhibit List filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159).). (Chiarello, Annmarie)
10/16/2020	<u>1176</u> Certificate of service re: filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1173</u> Notice (generic)). (Annable, Zachery)
10/16/2020	<u>1177</u> Response opposed to (related document(s): <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159). filed by Debtor Highland Capital Management, L.P.) filed by Creditor CLO Holdco, Ltd.. (Kane, John)
10/16/2020	<u>1178</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1089</u> Motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81).). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4) (Annable, Zachery)
10/16/2020	<u>1179</u> Omnibus Objection to claim(s) of Creditor(s) Crescent Research; Hedgeye Risk Management, LLC; James D. Dondero; NexVest, LLC; James D. Dondero.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 11/18/2020. (Attachments: # <u>1</u> Exhibit A—Proposed Order) (Annable, Zachery)
10/16/2020	<u>1180</u> INCORRECT ENTRY: EVENT CODE. SEE DOCUMENT 1214. Motion to disallow claims (<i>Debtor's Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Proposed Order) (Annable, Zachery) Modified on 10/19/2020 (Rielly, Bill).
10/16/2020	<u>1181</u> Brief in support filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1214</u> Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch)). (Annable, Zachery). Modified linkage on 10/19/2020 (Rielly, Bill).
10/16/2020	<u>1182</u> Motion to file document under seal. <i>MOTION FOR AN ORDER GRANTING LEAVE TO FILE DOCUMENTS UNDER SEAL REGARDING REDEEMER COMMITTEES MOTION FOR PARTIAL SUMMARY JUDGMENT AND JOINDER IN THE DEBTORS MOTION FOR PARTIAL SUMMARY JUDGMENT ON PROOF OF CLAIM NOS. 190 AND 191 OF UBS AG, LONDON BRANCH AND UBS SECURITIES LLC</i> Filed by Interested Party Redeemer Committee of the Highland Crusader Fund (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Proposed Order) (Platt, Mark)
10/16/2020	<u>1183</u> INCORRECT ENTRY: EVENT CODE. SEE DOCUMENT 1215 AND 1216. Motion to disallow claims <i>REDEEMER COMMITTEE OF THE HIGHLAND CRUSADER FUND AND THE CRUSADER FUNDS MOTION FOR PARTIAL SUMMARY JUDGMENT AND JOINDER IN THE DEBTORS MOTION FOR PARTIAL SUMMARY JUDGMENT ON</i>

	<i>PROOF OF CLAIM NOS. 190 AND 191 OF UBS AG, LONDON BRANCH AND UBS SECURITIES LLC</i> Filed by Interested Party Redeemer Committee of the Highland Crusader Fund (Attachments: # <u>1</u> Proposed Order) (Platt, Mark) Modified on 10/19/2020 (Rielly, Bill).
10/16/2020	<u>1184</u> Support/supplemental document (<i>Appendix of Exhibits in Support of Debtor's Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1214</u> Motion for partial summary judgment on proof of claim(s) 190 and 191 of UBS Securities LLC and UBS AG, London Branch filed by Debtor Highland Capital Management, L.P.)). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4 # <u>5</u> Exhibit 5 # <u>6</u> Exhibit 6 # <u>7</u> Exhibit 7 # <u>8</u> Exhibit 8 # <u>9</u> Exhibit 9 # <u>10</u> Exhibit 10 # <u>11</u> Exhibit 11 # <u>12</u> Exhibit 12 # <u>13</u> Exhibit 13 # <u>14</u> Exhibit 14 # <u>15</u> Exhibit 15 # <u>16</u> Exhibit 16 # <u>17</u> Exhibit 17 # <u>18</u> Exhibit 18 # <u>19</u> Exhibit 19) (Annable, Zachery). Related document(s) <u>1214</u> Motion for summary judgment filed by Debtor Highland Capital Management, L.P.. Modified linkage on 10/19/2020 (Rielly, Bill).
10/16/2020	<u>1185</u> Declaration re: (<i>Declaration of Elissa A. Wagner in Support of Debtor's Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1214</u> Motion for partial summary judgment on proof of claim(s) 190 and 191 of UBS Securities LLC and UBS AG, London Branch filed by Debtor Highland Capital Management, L.P.). (Annable, Zachery). Modified linkage on 10/19/2020 (Rielly, Bill).
10/16/2020	<u>1186</u> Brief in support filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>1215</u> Redeemer Committee of the Highland Crusader Fund and the Crusader Funds' Motion for partial summary judgment on proof of claim(s) 190 and 191 of UBS AG, London Branch and UBS Securities LLC filed by Interested Party Redeemer Committee of the Highland Crusader Fun and the Crusader's Funds'). (Platt, Mark). Modified linkage on 10/19/2020 (Rielly, Bill).
10/16/2020	<u>1187</u> Motion to file document under seal. (<i>Debtor's Motion for Leave to File Certain Documents under Seal in Connection with Debtor's Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Proposed Order) (Annable, Zachery)
10/16/2020	<u>1188</u> Motion to file document under seal. (<i>UBS's Motion for Leave to File Documents Under Seal with (I) the Objection and (II) the Declaration of W. Kevin Moentmann in Support of the Objection to the Debtor's Motion for Entry of an Order Approving Settlements with (A) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72) and (B) the Highland Crusader Funds (Claim No. 81)</i>) Filed by Interested Parties UBS AG London Branch, UBS Securities LLC (Attachments: # <u>1</u> Proposed Order) (Sosland, Martin)
10/16/2020	<u>1189</u> INCORRECT ENTRY: Attorney to refile. Support/supplemental document <i>APPENDIX TO REDEEMER COMMITTEE OF THE HIGHLAND CRUSADER FUND AND THE CRUSADER FUNDS BRIEF IN SUPPORT OF MOTION FOR PARTIAL SUMMARY JUDGMENT AND JOINDER IN THE DEBTORS MOTION FOR PARTIAL SUMMARY JUDGMENT ON PROOF OF CLAIM NOS. 190 AND 191 OF UBS AG, LONDON BRANCH AND UBS SECURITIES LLC</i> filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>1183</u> Motion to disallow claims <i>REDEEMER COMMITTEE OF THE HIGHLAND CRUSADER FUND AND THE CRUSADER FUNDS MOTION FOR PARTIAL SUMMARY JUDGMENT AND JOINDER IN THE DEBTORS MOTION FOR PARTIAL SUMMARY JUDGMENT ON PROOF OF CLAIM NOS. 190 AND 191 OF UBS AG, LOND, 1186</i> Brief). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4 # <u>5</u> Exhibit 5 # <u>6</u> Exhibit 6 # <u>7</u> Exhibit 7 # <u>8</u> Exhibit 8 # <u>9</u> Exhibit 9 # <u>10</u> Exhibit 10 # <u>11</u> Exhibit 11 # <u>12</u> Exhibit 12 # <u>13</u> Exhibit 13 # <u>14</u> Exhibit 14 # <u>15</u> Exhibit 15 # <u>16</u> Exhibit 16 (slip page – to be filed under seal upon order from Court) # <u>17</u> Exhibit 17 (slip page) # <u>18</u> Exhibit 18 (slip page) # <u>19</u> Exhibit 19 (slip

	<i>page) # <u>20</u> Exhibit 20 (slip page) # <u>21</u> Exhibit 21 (slip page) # <u>22</u> Exhibit 22 (slip page) # <u>23</u> Exhibit 23 (slip page) # <u>24</u> Exhibit 24 (slip page) # <u>25</u> Exhibit 25 (slip page) # <u>26</u> Exhibit 26 (slip page) # <u>27</u> Exhibit 27 (slip page) # <u>28</u> Exhibit 28 (slip page) # <u>29</u> Exhibit 29 (slip page)) (Platt, Mark) Modified on 10/19/2020 (Ecker, C.).</i>
10/16/2020	<u>1190</u> Objection to (related document(s): <u>1089</u> Motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81). filed by Debtor Highland Capital Management, L.P.) filed by Interested Parties UBS AG London Branch, UBS Securities LLC. (Attachments: # <u>1</u> A–C) (Sosland, Martin)
10/16/2020	<u>1191</u> Response opposed to (related document(s): <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159). filed by Debtor Highland Capital Management, L.P.) filed by Interested Party Highland CLO Funding, Ltd.. (Maloney, Mark)
10/16/2020	<u>1192</u> Declaration re: <i>W. Kevin Moentmann in Support of Objection to the Debtor's Motion for Entry of an Order Approving Settlements With (A) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (B) the Highland Crusader Funds (Claim No. 81)</i> filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1190</u> Objection). (Attachments: # <u>1</u> Exhibit 1–6 # <u>2</u> Attachments A–C) (Sosland, Martin)
10/16/2020	<u>1193</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1179</u> Omnibus Objection to claim(s) of Creditor(s) Crescent Research; Hedgeye Risk Management, LLC; James D. Dondero; NexVest, LLC; James D. Dondero.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 11/18/2020. (Attachments: # <u>1</u> Exhibit A—Proposed Order)). Hearing to be held on 12/14/2020 at 02:30 PM Dallas Judge Jernigan Ctrm for <u>1179</u> , (Annable, Zachery)
10/16/2020	<u>1194</u> Witness and Exhibit List filed by Interested Party James Dondero (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159).). (Attachments: # <u>1</u> Dondero Ex. A # <u>2</u> Dondero Ex. B # <u>3</u> Dondero Ex. C # <u>4</u> Dondero Ex. D # <u>5</u> Dondero Ex. E # <u>6</u> Dondero Ex. F # <u>7</u> Dondero Ex. G # <u>8</u> Dondero Ex. H # <u>9</u> Dondero Ex. I # <u>10</u> Dondero Ex. J # <u>11</u> Dondero Ex. K # <u>12</u> Dondero Ex. L # <u>13</u> Dondero Ex. M # <u>14</u> Dondero Ex. N # <u>15</u> Dondero Ex. O # <u>16</u> Dondero Ex. P # <u>17</u> Dondero Ex. Q # <u>18</u> Dondero Ex. R # <u>19</u> Dondero Ex. S # <u>20</u> Dondero Ex. T # <u>21</u> Dondero Ex. U # <u>22</u> Dondero Ex. V # <u>23</u> Dondero Ex. W # <u>24</u> Dondero Ex. X) (Assink, Bryan)
10/16/2020	<u>1195</u> Objection to (related document(s): <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159). filed by Debtor Highland Capital Management, L.P.) filed by Creditor HarbourVest et al. (Driver, Vickie)
10/16/2020	<u>1196</u> Witness and Exhibit List filed by Creditor HarbourVest et al (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159).). (Driver, Vickie)
10/16/2020	<u>1197</u> INCORRECT ENTRY: Attorney to refile. Notice <i>Response to Debtor's Omnibus Objection</i> filed by Creditor NexPoint Real Estate Partners LLC f/k/a HCRE Partners LLC (RE: related document(s) <u>906</u> Objection to claim(s) of Creditor(s) Daniel Sheehan and Associates, PLLC; Dun & Bradstreet; Eastern Point Trust Company, Inc.; Collin County Tax Assessor/Collector; Collin County Tax Assessor/Collector; Dallas County; Opus 2

	<p>International Inc.; Andrew Parmentier; 4CAST Inc.; Advent Software Inc.; ConvergeOne, Inc.; Denton County; Internal Revenue Service; Kaufman County; Maples and Calder; McLagen Partners, Inc.; Microsoft Corporation and Microsoft Licensing GP, a Subsidiary of Microsoft Corporation; Moodys Analytics, Inc.; Quintairos, Prieto, Wood & Boyer; Advisors Equity Group, LLC; Eagle Equity Advisors, LLC; HCRE Partner, LLC; Highland Capital Management Fund Advisors; Highland Capital Management Fund Advisors; Highland Capital Management Services, Inc.; Highland Capital Management Services, Inc.; Highland Energy MLP Fund; Highland Fixed Income Fund; Highland Floating Rate Fund; Highland Funds I; Highland Funds II; Highland Global Allocation Fund; Highland Healthcare Opportunities Fund; Highland iBoxx Senior Loan ETF; Highland Income Fund HFRO; Highland Long/Short Equity Fund; Highland Merger Arbitrage Fund; Highland Opportunistic Credit Fund; Highland Small-Cap Equity Fund; Highland Socially Responsible Equity Fund; Highland Tax-Exempt Fund; Highland Total Return Fund; NexBank SSB; NexPoint Advisors, L.P.; NexPoint Advisors, L.P.; NexPoint Capital, Inc.; NexPoint Capital, Inc.; NexPoint Discount Strategies Fund; NexPoint Energy and Material Opportunities Fund; NexPoint Event-Driven Fund; NexPoint Healthcare Opportunities Fund; NexPoint Latin America Opportunities Fund; NexPoint Real Estate Strategies Fund; NexPoint Strategic Opportunities Fund; The Dugaboy Investment Trust; The Dugaboy Investment Trust; Bentley Callan; City of Garland; Clay Callan; Eastern Point Trust Company, Inc.; Garland Independent School District; Grayson County; HarbourVest 2017 Global Fund L.P.; HarbourVest 2017 Global AIF L.P.; HarbourVest Partners L.P. on behalf of funds and accounts under management; HarbourVest Dover Street IX Investment L.P.; HarbourVest Skew Base AIF L.P.; Hartman Wanzor LLP; Irving ISD; John Morris; John R. Watkins; Linear Technologies, Inc.; Mass. Dept. of Revenue; Mediant Communications Inc.; Oklahoma Tax Commission; Jun Park; Paul N. Adkins; Paul N. Adkins; Tarrant County; Theodore N. Dameris; Theodore N. Dameris; Weijun Zang; Anish Tailor; Mollie Boyce-Field; Charles Byrne; Donald Salvino; Ericka Garcia; Garman Turner Gordon; Joe Kingsley; Frederic Mason; TDA Associates, Inc.; Wilkinson Center. Filed by Debtor Highland Capital Management, L.P.. Responses due by 9/1/2020. (Attachments: # 1 Exhibit A—Proposed Order and Schedules 1–7)). (Drawhorn, Lauren) Modified on 10/19/2020 (Ecker, C.).</p>
10/16/2020	<p><u>1198</u> INCORRECT ENTRY: Attorney to refile. Notice <i>Response to Debtor's Omnibus Objection</i> filed by Advisors Equity Group, LLC, Eagle Equity Advisors, LLC (RE: related document(s)<u>906</u> Objection to claim(s) of Creditor(s) Daniel Sheehan and Associates, PLLC; Dun & Bradstreet; Eastern Point Trust Company, Inc.; Collin County Tax Assessor/Collector; Collin County Tax Assessor/Collector; Dallas County; Opus 2 International Inc.; Andrew Parmentier; 4CAST Inc.; Advent Software Inc.; ConvergeOne, Inc.; Denton County; Internal Revenue Service; Kaufman County; Maples and Calder; McLagen Partners, Inc.; Microsoft Corporation and Microsoft Licensing GP, a Subsidiary of Microsoft Corporation; Moodys Analytics, Inc.; Quintairos, Prieto, Wood & Boyer; Advisors Equity Group, LLC; Eagle Equity Advisors, LLC; HCRE Partner, LLC; Highland Capital Management Fund Advisors; Highland Capital Management Fund Advisors; Highland Capital Management Services, Inc.; Highland Capital Management Services, Inc.; Highland Energy MLP Fund; Highland Fixed Income Fund; Highland Floating Rate Fund; Highland Funds I; Highland Funds II; Highland Global Allocation Fund; Highland Healthcare Opportunities Fund; Highland iBoxx Senior Loan ETF; Highland Income Fund HFRO; Highland Long/Short Equity Fund; Highland Merger Arbitrage Fund; Highland Opportunistic Credit Fund; Highland Small-Cap Equity Fund; Highland Socially Responsible Equity Fund; Highland Tax-Exempt Fund; Highland Total Return Fund; NexBank SSB; NexPoint Advisors, L.P.; NexPoint Advisors, L.P.; NexPoint Capital, Inc.; NexPoint Capital, Inc.; NexPoint Discount Strategies Fund; NexPoint Energy and Material Opportunities Fund; NexPoint Event-Driven Fund; NexPoint Healthcare Opportunities Fund; NexPoint Latin America Opportunities Fund; NexPoint Real Estate Strategies Fund; NexPoint Strategic Opportunities Fund; The Dugaboy Investment Trust; The Dugaboy Investment Trust; Bentley Callan; City of Garland; Clay Callan; Eastern Point Trust Company, Inc.; Garland Independent School District; Grayson County; HarbourVest 2017 Global Fund L.P.; HarbourVest 2017 Global AIF L.P.; HarbourVest Partners L.P. on behalf of funds and accounts under management; HarbourVest Dover Street IX Investment L.P.; HarbourVest Skew Base AIF L.P.; Hartman Wanzor LLP; Irving ISD; John Morris; John R. Watkins; Linear Technologies, Inc.; Mass. Dept. of Revenue; Mediant Communications</p>

	Inc.; Oklahoma Tax Commission; Jun Park; Paul N. Adkins; Paul N. Adkins; Tarrant County; Theodore N. Dameris; Theodore N. Dameris; Weijun Zang; Anish Tailor; Mollie Boyce-Field; Charles Byrne; Donald Salvino; Ericka Garcia; Garman Turner Gordon; Joe Kingsley; Frederic Mason; TDA Associates, Inc.; Wilkinson Center.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 9/1/2020. (Attachments: # 1 Exhibit A—Proposed Order and Schedules 1–7)). (Drawhorn, Lauren) Modified on 10/19/2020 (Ecker, C.).
10/16/2020	<u>1199</u> Witness and Exhibit List filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1089</u> Motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81).). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> # <u>4</u> Exhibit 4 # <u>5</u> Exhibit 5) (Sosland, Martin)
10/16/2020	<u>1200</u> Certificate No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1094</u> Application for compensation <i>Eleventh Monthly Application for Compensation and for Reimbursement of Expenses for the Period from August 1, 2020 through August 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 8/1/2020 to 8/31/). (Pomerantz, Jeffrey)
10/16/2020	<u>1201</u> Objection to (related document(s): <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159). filed by Debtor Highland Capital Management, L.P.) filed by Creditor Patrick Daugherty. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Service List) (Kathman, Jason)
10/16/2020	<u>1202</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159).). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4) (Annable, Zachery)
10/16/2020	<u>1203</u> Certificate of service re: 1) <i>Summary Cover Sheet and Ninth Monthly Application of FTI Consulting, Inc. for Allowance of Compensation and Reimbursement of Expenses for the Period from August 1, 2020 to and Including August 31, 2020</i> ; 2) <i>Scheduling Order with Respect to Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i> ; and 3) <i>Scheduling Order with Respect to Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1160</u> Application for compensation <i>Ninth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 8/1/2020 to 8/31/2020, Fee: \$198,616.32, Expenses: \$0. Filed by Financial Advisor FTI Consulting, Inc. Objections due by 10/30/2020. filed by Financial Advisor FTI Consulting, Inc., <u>1163</u> Order setting hearing on any summary judgment motion and any 3018 Motion filed in accordance with this Order (RE: related document(s) <u>928</u> Objection to claim filed by Debtor Highland Capital Management, L.P.). Hearing to be held on 11/20/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>928</u> , Entered on 10/12/2020 (Okafor, M.), <u>1167</u> Notice to take deposition of James P. Seery, Jr., CEO, Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
10/16/2020	<u>1215</u> Redeemer Committee of the Highland Crusader Fund and the Crusader Funds' Motion for partial summary judgment on proof of claim(s) 190 and 191 of UBS AG, London Branch and UBS Securities LLC filed by Interested Party Redeemer Committee of the Highland Crusader Fun and the Crusader's Funds' (Attachments: # <u>1</u> Proposed Order) (RE: Related document(s) <u>933</u> Objection to claim filed by Interested Party Redeemer Committee of the Highland Crusader Fund). (Rielly, Bill). (Entered: 10/19/2020)
10/16/2020	

	<u>1216</u> Joinder by filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>1214</u> Motion for summary judgment). (Attachments: # <u>1</u> Proposed Order) (Rielly, Bill) (Entered: 10/19/2020)
10/17/2020	<u>1204</u> Witness and Exhibit List filed by Creditor Patrick Daugherty (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159).). (Attachments: # <u>1</u> Exhibit PHD –1 # <u>2</u> Exhibit PHD – 2) (Kathman, Jason)
10/18/2020	<u>1205</u> Notice to take deposition of W. Kevin Moentmann filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
10/18/2020	<u>1206</u> Notice to take deposition of W. Kevin Moentmann filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
10/18/2020	<u>1207</u> Motion to allow claims of <i>HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan</i> Filed by Creditor HarbourVest et al Objections due by 11/9/2020. (Attachments: # <u>1</u> Proposed Order) (Driver, Vickie)
10/18/2020	<u>1208</u> Declaration re: <i>/of Michael Pugatch in Support of 3018(A) Motion</i> filed by Creditor HarbourVest et al (RE: related document(s) <u>1207</u> Motion to allow claims of <i>HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan</i>). (Driver, Vickie)
10/19/2020	<u>1209</u> Objection to disclosure statement (RE: related document(s) <u>1080</u> Disclosure statement) filed by Interested Party Jefferies LLC. (Doherty, Casey)
10/19/2020	<u>1210</u> Objection to disclosure statement (RE: related document(s) <u>1080</u> Disclosure statement) filed by Creditor Pension Benefit Guaranty Corporation. (Attachments: # <u>1</u> Exhibit # <u>2</u> Certificate of Service) (Baird, Michael)
10/19/2020	<u>1211</u> List <i>APPENDIX TO REDEEMER COMMITTEE OF THE HIGHLAND CRUSADER FUND AND THE CRUSADER FUNDS BRIEF IN SUPPORT OF MOTION FOR PARTIAL SUMMARY JUDGMENT AND JOINDER IN THE DEBTORS MOTION FOR PARTIAL SUMMARY JUDGEMENT ON PROOF OF CLAIM NOS. 190 AND 191 OF UBS AG, LONDON BRANCH AND UBS SECURITIES LLC</i> filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>1183</u> Motion to disallow claims <i>REDEEMER COMMITTEE OF THE HIGHLAND CRUSADER FUND AND THE CRUSADER FUNDS MOTION FOR PARTIAL SUMMARY JUDGMENT AND JOINDER IN THE DEBTORS MOTION FOR PARTIAL SUMMARY JUDGMENT ON PROOF OF CLAIM NOS. 190 AND 191 OF UBS AG, LOND</i>). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4 # <u>5</u> Exhibit 5 # <u>6</u> Exhibit 6 # <u>7</u> Exhibit 7 # <u>8</u> Exhibit 8 # <u>9</u> Exhibit 9 # <u>10</u> Exhibit 10 # <u>11</u> Exhibit 11 # <u>12</u> Exhibit 12 # <u>13</u> Exhibit 13 # <u>14</u> Exhibit 14 # <u>15</u> Exhibit 15 # <u>16</u> Exhibit 16 (slip page – to be filed under seal upon order from Court) # <u>17</u> Exhibit 17 (slip page) # <u>18</u> Exhibit 18 (slip page) # <u>19</u> Exhibit 19 (slip page) # <u>20</u> Exhibit 20 (slip page) # <u>21</u> Exhibit 21 (slip page) # <u>22</u> Exhibit 22 (slip page) # <u>23</u> Exhibit 23 (slip page) # <u>24</u> Exhibit 24 (slip page) # <u>25</u> Exhibit 25 (slip page) # <u>26</u> Exhibit 26 (slip page) # <u>27</u> Exhibit 27 (slip page) # <u>28</u> Exhibit 28 (slip page) # <u>29</u> Exhibit 29 (slip page)) (Platt, Mark)
10/19/2020	<u>1212</u> Response opposed to (related document(s): <u>906</u> Objection to claim filed by Debtor Highland Capital Management, L.P.) filed by Creditor NexPoint Real Estate Partners LLC f/k/a HCRE Partners LLC. (Drawhorn, Lauren)
10/19/2020	<u>1213</u> Response opposed to (related document(s): <u>906</u> Objection to claim filed by Debtor Highland Capital Management, L.P.) filed by Advisors Equity Group, LLC, Eagle Equity Advisors, LLC. (Drawhorn, Lauren)

10/19/2020	<u>1217</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159). Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order), <u>1089</u> Motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81). Filed by Debtor Highland Capital Management, L.P. Objections due by 10/19/2020. (Attachments: # 1 Exhibit A—Proposed Order)). Hearing to be held on 10/20/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1087</u> and for <u>1089</u> , (Annable, Zachery)
10/19/2020	<u>1218</u> Objection to disclosure statement (RE: related document(s) <u>1080</u> Disclosure statement) filed by Creditor Patrick Daugherty. (Kathman, Jason)
10/19/2020	<u>1219</u> Objection to disclosure statement (RE: related document(s) <u>1080</u> Disclosure statement) filed by Creditor HarbourVest et al. (Driver, Vickie)
10/19/2020	<u>1220</u> Reply to (related document(s): <u>1190</u> Objection filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
10/19/2020	<u>1221</u> Omnibus Reply to (related document(s): <u>1121</u> Response filed by Interested Party James Dondero, <u>1177</u> Response filed by Creditor CLO Holdco, Ltd., <u>1191</u> Response filed by Interested Party Highland CLO Funding, Ltd., <u>1195</u> Objection filed by Creditor HarbourVest et al, <u>1201</u> Objection filed by Creditor Patrick Daugherty) filed by Debtor Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit A) (Annable, Zachery)
10/19/2020	<u>1222</u> Notice of hearing filed by Creditor HarbourVest et al (RE: related document(s) <u>1207</u> Motion to allow claims of <i>HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan</i> Filed by Creditor HarbourVest et al Objections due by 11/9/2020. (Attachments: # 1 Proposed Order), <u>1208</u> Declaration re: <i>of Michael Pugatch in Support of 3018(A) Motion</i> filed by Creditor HarbourVest et al (RE: related document(s) <u>1207</u> Motion to allow claims of <i>HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan</i>)). Hearing to be held on 11/10/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1207</u> and for <u>1208</u> , (Driver, Vickie)
10/19/2020	<u>1223</u> Certificate of service re: Motion of HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan filed by Creditor HarbourVest et al (RE: related document(s) <u>1207</u> Motion to allow claims of <i>HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan</i>). (Driver, Vickie)
10/19/2020	<u>1224</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1214</u> Motion for partial summary judgment on proof of claim(s) 190 and 191 of UBS Securities LLC and UBS AG, London Branch filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A – Proposed Order) (RE: Related document(s) <u>928</u> Objection to claim filed by Debtor Highland Capital Management, L.P.)). Hearing to be held on 11/20/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1214</u> , (Annable, Zachery)
10/19/2020	<u>1225</u> Amended Witness and Exhibit List filed by Creditor Patrick Daugherty (RE: related document(s) <u>1204</u> List (witness/exhibit/generic)). (Attachments: # <u>1</u> Exhibit PHD-1 # <u>2</u> Exhibit PHD-2 # <u>3</u> Exhibit PHD-3 # <u>4</u> Exhibit PHD-4 # <u>5</u> Exhibit PHD-5 # <u>6</u> Exhibit PHD-6 # <u>7</u> Exhibit PHD-7 # <u>8</u> Exhibit PHD-8 # <u>9</u> Exhibit PHD-9 # <u>10</u> Exhibit PHD-10 # <u>11</u> Exhibit PHD-11 # <u>12</u> Exhibit PHD-12 # <u>13</u> Exhibit PHD-13 # <u>14</u> Exhibit PHD-14 #

	<u>15</u> Exhibit PHD-15 # <u>16</u> Exhibit PHD-16 # <u>17</u> Exhibit PHD-17 # <u>18</u> Exhibit PHD-18 # <u>19</u> Exhibit PHD-19 # <u>20</u> Exhibit PHD-20 # <u>21</u> Exhibit PHD-22) (Kathman, Jason)
10/19/2020	<u>1226</u> Witness and Exhibit List filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>1089</u> Motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81).). (Platt, Mark)
10/19/2020	<u>1227</u> Notice of hearing filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>1215</u> Redeemer Committee of the Highland Crusader Fund and the Crusader Funds' Motion for partial summary judgment on proof of claim(s) 190 and 191 of UBS AG, London Branch and UBS Securities LLC filed by Interested Party Redeemer Committee of the Highland Crusader Fun and the Crusader's Funds' (Attachments: # 1 Proposed Order) (RE: Related document(s) <u>933</u> Objection to claim filed by Interested Party Redeemer Committee of the Highland Crusader Fund)..., <u>1216</u> Joinder by filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>1214</u> Motion for summary judgment). (Attachments: # 1 Proposed Order)). Hearing to be held on 11/20/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1215</u> and for <u>1216</u> , (Platt, Mark)
10/19/2020	<u>1228</u> Certificate of service re: <i>1) Order Granting Extension of Time to File an Adversary Proceeding Against CLO Holdco, Ltd.; and 2) Notice of Deposition of Professor Nancy B. Rapaport</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1168</u> Order granting extension of time to file an adversary proceeding against CLO Holdco, Ltd (RE: related document(s) <u>590</u> Motion to reclaim funds from the registry filed by Creditor CLO Holdco, Ltd.). Entered on 10/14/2020 (Okafor, M.), <u>1171</u> Notice to take deposition of Professor Nancy B. Rapaport filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
10/20/2020	<u>1229</u> Amended Witness and Exhibit List filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1199</u> List (witness/exhibit/generic)). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> 4 # <u>5</u> Exhibit 5 # <u>6</u> 6) (Sosland, Martin)
10/20/2020	<u>1230</u> Order granting motion to seal documents (related document # <u>1188</u> Motion for leave to file documents under seal with (I) the Objection and (II) the Declaration of W. Kevin Moentmann in Support of the Objection to the Debtor's Motion for Entry of an Order Approving Settlements with (A) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72) and (B) the Highland Crusader Funds (Claim No. 81) Filed by Interested Parties UBS AG London Branch, UBS Securities LLC) Entered on 10/20/2020. (Okafor, M.)
10/20/2020	<u>1231</u> SEALED document regarding: Objection to the Debtor's Motion for Entry of an Order Approving Settlements With (A) the Redeemer Committee of the Highland Crusader Fund (Claim No. 7) and (B) the Highland Crusader Funds (Claim No. 81) per court order filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1230</u> Order on motion to seal). (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C) (Sosland, Martin)
10/20/2020	<u>1232</u> SEALED document regarding: Declaration of W. Kevin Moentmann in Support of Objection to the Debtor's Motion for Entry of an Order Approving Settlements with (A) the Redeemer Committee of the Highland Crusader Fund (Claim No. 7) and (B) the Highland Crusader Funds (Claim No. 81) per court order filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1230</u> Order on motion to seal). (Attachments: # <u>1</u> Exhibit 4 # <u>2</u> Exhibit 4 # <u>3</u> Exhibit 6 # <u>4</u> Attachment A # <u>5</u> Attachment B # <u>6</u> Attachment C) (Sosland, Martin)
10/20/2020	<u>1233</u> First Supplemental Order Sustaining First Omnibus Objection to Certain (A) Duplicate Claims; (B) Overstated Claims; (C) Late-Filed Claims; (D) Satisfied Claims; (E)

	No–Liability Claims; and (F) Insufficient–Documentation Claims ((RE: related document(s) <u>906</u> Objection to claim filed by Debtor Highland Capital Management, L.P.). Entered on 10/20/2020 (Okafor, M.)
10/20/2020	<u>1234</u> Order granting motion to seal documents (related document # <u>1182</u> Motion to seal regarding the Redeemer Committee of the Crusader Funds Motion for Partial Summary Judgment and Joinder in the Debtors Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS AG, London Branch and UBS Securities LLC.) Entered on 10/20/2020. (Okafor, M.)
10/20/2020	<u>1235</u> Order granting motion to seal documents (related document # <u>1187</u> Debtor's Motion for Leave to File Certain Documents under Seal in Connection with Debtor's Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch) Filed by Debtor Highland Capital Management, L.P.) Entered on 10/20/2020. (Okafor, M.)
10/20/2020	<u>1236</u> SEALED document regarding: REDEEMER COMMITTEE OF THE HIGHLAND CRUSADER FUND AND THE CRUSADER FUNDS BRIEF IN SUPPORT OF MOTION FOR PARTIAL SUMMARY JUDGMENT AND JOINDER IN THE DEBTORS MOTION FOR PARTIAL SUMMARY JUDGMENT ON PROOF OF CLAIM NOS. 190 AND 191 OF UBS AG, LONDON BRANCH AND UBS SECURITIES LLC per court order filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>1234</u> Order on motion to seal). (Platt, Mark)
10/20/2020	<u>1237</u> SEALED document regarding: APPENDIX TO REDEEMER COMMITTEE OF THE HIGHLAND CRUSADER FUND AND THE CRUSADER FUNDS BRIEF IN SUPPORT OF MOTION FOR PARTIAL SUMMARY JUDGMENT AND JOINDER IN THE DEBTORS MOTION FOR PARTIAL SUMMARY JUDGEMENT ON PROOF OF CLAIM NOS. 190 AND 191 OF UBS AG, LONDON BRANCH AND UBS SECURITIES LLC per court order filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>1234</u> Order on motion to seal). (Attachments: # <u>1</u> Exhibit 16 (sealed) # <u>2</u> Exhibit 17 (sealed) # <u>3</u> Exhibit 18 (sealed) # <u>4</u> Exhibit 19 (sealed) # <u>5</u> Exhibit 20 (sealed) # <u>6</u> Exhibit 21 (sealed) # <u>7</u> Exhibit 22 (sealed) # <u>8</u> Exhibit 23 (sealed) # <u>9</u> Exhibit 24 (sealed) # <u>10</u> Exhibit 25 (sealed) # <u>11</u> Exhibit 26 (sealed) # <u>12</u> Exhibit 27 (sealed) # <u>13</u> Exhibit 28 (sealed) # <u>14</u> Exhibit 29 (sealed)) (Platt, Mark)
10/20/2020	<u>1238</u> Objection to disclosure statement (RE: related document(s) <u>1080</u> Disclosure statement) filed by Interested Parties UBS AG London Branch, UBS Securities LLC. (Sosland, Martin)
10/20/2020	<u>1239</u> Objection to disclosure statement (RE: related document(s) <u>1080</u> Disclosure statement) filed by Creditor Committee Official Committee of Unsecured Creditors. (Hoffman, Juliana)
10/20/2020	<u>1240</u> Joinder by <i>META–E DISCOVERY, LLC TO THE OBJECTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO THE DEBTORS MOTION FOR ENTRY OF AN ORDER (A) APPROVING THE ADEQUACY OF THE DISCLOSURE STATEMENT; (B) SCHEDULING A HEARING TO CONFIRM THE FIRST AMENDED PLAN OF REORGANIZATION; (C) ESTABLISHING DEADLINE FOR FILING OBJECTIONS TO CONFIRMATION OF PLAN; (D) APPROVING FORM OF BALLOTS, VOTING DEADLINE AND SOLICITATION PROCEDURES; AND (E) APPROVING FORM AND MANNER OF NOTICE</i> filed by Interested Party Meta–e Discovery, LLC (RE: related document(s) <u>1239</u> Objection to disclosure statement). (Umari, Basil)
10/20/2020	<u>1241</u> Objection to disclosure statement (RE: related document(s) <u>1080</u> Disclosure statement) filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P.. (Patel, Rakhee)

10/20/2020	<u>1242</u> Joinder by REDEEMER COMMITTEE OF THE HIGHLAND CRUSADER FUNDS JOINDER TO OBJECTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO THE DEBTORS MOTION FOR ENTRY OF AN ORDER (A) APPROVING THE ADEQUACY OF THE DISCLOSURE STATEMENT; (B) SCHEDULING A HEARING TO CONFIRM THE FIRST AMENDED PLAN OF REORGANIZATION; (C) ESTABLISHING DEADLINE FOR FILING OBJECTIONS TO CONFIRMATION OF PLAN; (D) APPROVING FORM OF BALLOTS, VOTING DEADLINE AND SOLICITATION PROCEDURES; AND (E) APPROVING FORM AND MANNER OF NOTICE filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>1239</u> Objection to disclosure statement). (Platt, Mark)
10/20/2020	1243 Hearing held and Continued (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) filed by Debtor Highland Capital Management, L.P.) (Continued Hearing to be held on 10/21/2020 at 10:00 AM Dallas Judge Jernigan Ctrm for <u>1087</u> .) (Edmond, Michael)
10/20/2020	<u>1244</u> Application for compensation <i>Third Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 6/1/2020 to 8/31/2020, Fee: \$886,615.45, Expenses: \$1,833.10. Filed by Attorney Juliana Hoffman Objections due by 11/10/2020. (Hoffman, Juliana)
10/20/2020	1256 Hearing held on 10/20/2020. (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), filed by Debtor Highland Capital Management, L.P.) (Appearances: I. Kharasch, J. Morris, and G. Demo for Debtors; M. Clemente for Unsecured Creditors Committee; R. Patel and B. Shaw for Acis and Terrys; S. Tomkowiak, A. Clubok, and K. Posin for UBS; T. Mascherin, M. Hankin, and M. Platt for Redeemer Committee; J. Wilson, M. Lynn, J. Bonds, and B. Assink for J. Dondero; J. Kathman for P. Daugherty; R. Matsumura for HCLOF; J. Kane for CLO Holdco; E. Weisgerber for HarbourVest; L. Lambert for UST. Evidentiary hearing. Court recessed after evidence closed and will reconvene at 10:00 am 10/21/20 for closing arguments.) (Edmond, Michael) (Entered: 10/21/2020)
10/20/2020	1257 Hearing held on 10/20/2020. (RE: related document(s) <u>1089</u> Motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81), filed by Debtor Highland Capital Management, L.P.) (Appearances: I. Kharasch, J. Morris, and G. Demo for Debtors; M. Clemente for Unsecured Creditors Committee; R. Patel and B. Shaw for Acis and Terrys; S. Tomkowiak, A. Clubok, and K. Posin for UBS; T. Mascherin, M. Hankin, and M. Platt for Redeemer Committee; J. Wilson, M. Lynn, J. Bonds, and B. Assink for J. Dondero; J. Kathman for P. Daugherty; R. Matsumura for HCLOF; J. Kane for CLO Holdco; E. Weisgerber for HarbourVest; L. Lambert for UST. Evidentiary hearing. Motion approved, based on reasoning given orally. Counsel to upload orders.) (Edmond, Michael) (Entered: 10/21/2020)
10/20/2020	<u>1303</u> Court admitted exhibits date of hearing October 20, 2020 (RE: related document(s) <u>1089</u> Motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81) filed by Debtor Highland Capital Management, L.P.) (COURT ADMITTED DEBTOR'S EXHIBIT'S #1, #2, #3 & #4; COURT TOOK JUDICIAL NOTICE OF THE DECLARATION OF JOHN A. MORRIS; ADMITTED AS AN EXHIBIT #3; EXHIBITS #2 #3 AND #4 TO DECLARATION AND EXHIBIT #B TO EXHIBIT #1 FILED UNDER SEAL) (Edmond, Michael) (Entered: 10/28/2020)
10/20/2020	1304 DOCKET AN ERROR: Court admitted exhibits date of hearing October 20, 2020 (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N.

	Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) filed by Debtor Highland Capital Management, L.P.) (COURT ADMITTED JAMES DONDERO'S EXHIBIT'S #A, #B, #C, #D, #E, #F, #G, #H, #I, #J, #K, #L, #M, #N, #O, #Q, #R, #S, #T, #U, #V, #W & #X; NOTE* EXHIBIT #P (Edmond, Michael) Modified on 10/28/2020 (Edmond, Michael). (Entered: 10/28/2020)
10/20/2020	<u>1305</u> MODIFIED TEXT: Court admitted exhibits date of hearing October 20, 2020 (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) filed by Debtor Highland Capital Management, L.P.) (1304 Court admitted exhibits date of hearing October 20, 2020 (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) filed by Debtor Highland Capital Management, L.P.) (COURT ADMITTED JAMES DONDERO'S EXHIBIT'S #A, #B, #C, #D, #E, #F, #G, #H, #I, #J, #K, #L, #M, #N, #O, #P, #Q, #R, #S, #T, #U, #V, #W & #X; JASON KATHMAN; COUNSEL FOR PATRICK DAUGHERTY EXHIBIT'S #1079 – AMENDED PLAN & #1080 – AMENDED DISCLOSURE STATEMENT ADMITTED INTO EVIDENCE BY PATRICK DAUGHERTY COUNSEL JASON KATHMAN) (Edmond, Michael) Modified on 10/28/2020 (Edmond, Michael). Modified on 10/30/2020 (Edmond, Michael). (Entered: 10/28/2020)
10/20/2020	<u>1314</u> Court admitted exhibits date of hearing October 20, 2020 (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) filed by Debtor Highland Capital Management, L.P.) (COURT ADMITTED JAMES DONDERO'S EXHIBIT'S #A, #B, #C, #D, #E, #F, #G, #H, #I, #J, #K, #L, #M, #N, #O, #P, #Q, #R, #S, #T, #U, #V, #W & #X; JASON KATHMAN ; COUNSEL FOR PATRICK DAUGHERTY EXHIBIT'S #1079 – AMENDED PLAN & #1080 – AMENDED DISCLOSURE STATEMENT ADMITTED INTO EVIDENCE). (Edmond, Michael) (Entered: 10/30/2020)
10/21/2020	<u>1245</u> Request for transcript regarding a hearing held on 10/20/2020. The requested turn-around time is hourly. (Edmond, Michael)
10/21/2020	<u>1246</u> Request for transcript regarding a hearing held on 10/20/2020. The requested turn-around time is hourly (Jeng, Hawaii)
10/21/2020	<u>1247</u> Motion to appear pro hac vice for Faheem A. Mahmooth. Fee Amount \$100 Filed by Creditor Pension Benefit Guaranty Corporation (Webb, Donna)
10/21/2020	<u>1248</u> Application for compensation <i>Cover Sheet and Twelfth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from September 1, 2020 through September 30, 2020</i> for Pachulski Stang Ziehl & Jones, LLP, Debtor's Attorney, Period: 9/10/2020 to 9/30/2020, Fee: \$828,193.00, Expenses: \$7,707.11. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 11/12/2020. (Pomerantz, Jeffrey) MODIFIED to correct party requesting fees/expenses. on 10/22/2020 (Ecker, C.).
10/21/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (0.00). Receipt number KF: No Fee Due – Exempt U.S. Government Agency, amount \$ 0.00 (re: Doc <u>1247</u>). (Floyd)
10/21/2020	<u>1249</u> SEALED document regarding: Debtor's Opening Brief in Support of Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1235</u> Order on motion to seal). (Annable, Zachery)

10/21/2020	<u>1250</u> SEALED document regarding: Exhibit 2 to Appendix of Exhibits in Support of Debtor's Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1235</u> Order on motion to seal). (Annable, Zachery)
10/21/2020	<u>1251</u> SEALED document regarding: Exhibit 11 to Appendix of Exhibits in Support of Debtor's Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1235</u> Order on motion to seal). (Annable, Zachery)
10/21/2020	<u>1252</u> SEALED document regarding: Exhibit 12 to Appendix of Exhibits in Support of Debtor's Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1235</u> Order on motion to seal). (Annable, Zachery)
10/21/2020	<u>1253</u> SEALED document regarding: Exhibit 14 to Appendix of Exhibits in Support of Debtor's Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1235</u> Order on motion to seal). (Annable, Zachery)
10/21/2020	<u>1254</u> SEALED document regarding: Exhibit 15 to Appendix of Exhibits in Support of Debtor's Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1235</u> Order on motion to seal). (Annable, Zachery)
10/21/2020	<u>1255</u> SEALED document regarding: Exhibit 16 to Appendix of Exhibits in Support of Debtor's Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1235</u> Order on motion to seal). (Annable, Zachery)
10/21/2020	1258 Hearing held on 10/21/2020. (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), filed by Debtor Highland Capital Management, L.P.) (Appearances: I. Kharasch, J. Morris, and G. Demo for Debtors; M. Clemente for Unsecured Creditors Committee; A. Chiarello for Acis and Terrys; M. Hankin, and M. Platt for Redeemer Committee; M. Lynn for J. Dondero; J. Kathman for P. Daugherty; R. Matsumura for HCLOF; J. Kane for CLO Holdco; E. Weisgerber for HarbourVest; L. Lambert for UST. Nonevidentiary closing arguments. Court granted motion, based on reasoning granted orally. Counsel to upload order.) (Edmond, Michael)
10/21/2020	<u>1259</u> Notice of Appearance and Request for Notice by Thomas G. Haskins Jr. filed by Creditor NWCC, LLC. (Haskins, Thomas)
10/21/2020	<u>1260</u> Motion to appear pro hac vice for Jonathan Sundheimer. Fee Amount \$100 Filed by Creditor NWCC, LLC (Haskins, Thomas)
10/21/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 28201179, amount \$ 100.00 (re: Doc# <u>1260</u>). (U.S. Treasury)
10/21/2020	<u>1261</u> Certificate of service re: Joinder to Objection to Disclosure Statement filed by Interested Party Meta-e Discovery, LLC (RE: related document(s) <u>1240</u> Joinder). (Umari,

	Basil)
10/21/2020	<u>1262</u> Motion to appear pro hac vice for Joseph T. Moldovan. Fee Amount \$100 Filed by Interested Party Meta-e Discovery, LLC (Umari, Basil)
10/21/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 28201283, amount \$ 100.00 (re: Doc# <u>1262</u>). (U.S. Treasury)
10/21/2020	<u>1263</u> Emergency Motion to continue hearing on (related documents <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
10/21/2020	<u>1264</u> Stipulation Resolving Proof of Claim No. 86 of NWCC, LLC filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery) MODIFIED to correct text on 10/22/2020 (Ecker, C.).
10/21/2020	<u>1265</u> Certificate of service re: <i>Documents Served on or Before October 16, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1178</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1089</u> Motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81).). (Attachments: # 1 Exhibit 1 # 2 Exhibit 2 # 3 Exhibit 3 # 4 Exhibit 4) filed by Debtor Highland Capital Management, L.P., <u>1179</u> Omnibus Objection to claim(s) of Creditor(s) Crescent Research; Hedgeye Risk Management, LLC; James D. Dondero; NexVest, LLC; James D. Dondero.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 11/18/2020. (Attachments: # 1 Exhibit A—Proposed Order) filed by Debtor Highland Capital Management, L.P., <u>1180</u> INCORRECT ENTRY: EVENT CODE. SEE DOCUMENT 1214. Motion to disallow claims (<i>Debtor's Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order) (Annable, Zachery) Modified on 10/19/2020. filed by Debtor Highland Capital Management, L.P., <u>1181</u> Brief in support filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1214</u> Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch)). (Annable, Zachery). Modified linkage on 10/19/2020. filed by Debtor Highland Capital Management, L.P., <u>1184</u> Support/supplemental document (<i>Appendix of Exhibits in Support of Debtor's Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1214</u> Motion for partial summary judgment on proof of claim(s) 190 and 191 of UBS Securities LLC and UBS AG, London Branch filed by Debtor Highland Capital Management, L.P.)). (Attachments: # 1 Exhibit 1 # 2 Exhibit 2 # 3 Exhibit 3 # 4 Exhibit 4 # 5 Exhibit 5 # 6 Exhibit 6 # 7 Exhibit 7 # 8 Exhibit 8 # 9 Exhibit 9 # 10 Exhibit 10 # 11 Exhibit 11 # 12 Exhibit 12 # 13 Exhibit 13 # 14 Exhibit 14 # 15 Exhibit 15 # 16 Exhibit 16 # 17 Exhibit 17 # 18 Exhibit 18 # 19 Exhibit 19) (Annable, Zachery). Related document(s) <u>1214</u> Motion for summary judgment filed by Debtor Highland Capital Management, L.P.. Modified linkage on 10/19/2020. filed by Debtor Highland Capital Management, L.P., <u>1185</u> Declaration re: (<i>Declaration of Elissa A. Wagner in Support of Debtor's Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1214</u> Motion for partial summary judgment on proof of claim(s) 190 and 191 of UBS Securities LLC and UBS AG, London Branch filed by Debtor Highland Capital Management, L.P.)). (Annable, Zachery). Modified linkage on 10/19/2020. filed by Debtor Highland Capital Management, L.P., <u>1187</u> Motion to file document under seal. (<i>Debtor's Motion for Leave to File Certain Documents under Seal in Connection with Debtor's Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order) filed by Debtor Highland Capital Management, L.P., <u>1193</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1179</u> Omnibus Objection to claim(s) of Creditor(s) Crescent Research; Hedgeye Risk Management, LLC; James D.

	Dondero; NexVest, LLC; James D. Dondero.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 11/18/2020. (Attachments: # 1 Exhibit A—Proposed Order)). Hearing to be held on 12/14/2020 at 02:30 PM Dallas Judge Jernigan Ctrm for <u>1179</u> , filed by Debtor Highland Capital Management, L.P., <u>1202</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159).). (Attachments: # 1 Exhibit 1 # 2 Exhibit 2 # 3 Exhibit 3 # 4 Exhibit 4) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
10/22/2020	<u>1266</u> Order granting motion to continue hearing on (related document # <u>1263</u>) (related documents Disclosure statement) Hearing to be held on 10/27/2020 at 10:30 AM Dallas Judge Jernigan Ctrm for <u>1080</u> , Entered on 10/22/2020. (Ecker, C.)
10/22/2020	<u>1267</u> Notice of change of address filed by Interested Parties UBS AG London Branch, UBS Securities LLC. (Sosland, Martin)
10/22/2020	<u>1268</u> Amended Notice of hearing (<i>Amended Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1080</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement). (Attachments: # 1 Exhibit A—First Amended Plan of Reorganization # 2 Exhibit B—Organizational Chart)). Hearing to be held on 10/27/2020 at 10:30 AM Dallas Judge Jernigan Ctrm for <u>1080</u> , (Annable, Zachery)
10/22/2020	<u>1269</u> Certificate of service re: <i>Documents Served on or Before October 19, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1206</u> Notice to take deposition of W. Kevin Moentmann filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>1217</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159). Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order), <u>1089</u> Motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81). Filed by Debtor Highland Capital Management, L.P. Objections due by 10/19/2020. (Attachments: # 1 Exhibit A—Proposed Order)). Hearing to be held on 10/20/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1087</u> and for <u>1089</u> , filed by Debtor Highland Capital Management, L.P., <u>1220</u> Reply to (related document(s): <u>1190</u> Objection filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>1221</u> Omnibus Reply to (related document(s): <u>1121</u> Response filed by Interested Party James Dondero, <u>1177</u> Response filed by Creditor CLO Holdco, Ltd., <u>1191</u> Response filed by Interested Party Highland CLO Funding, Ltd., <u>1195</u> Objection filed by Creditor HarbourVest et al, <u>1201</u> Objection filed by Creditor Patrick Daugherty) filed by Debtor Highland Capital Management, L.P.. (Attachments: # 1 Exhibit A) filed by Debtor Highland Capital Management, L.P., <u>1224</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1214</u> Motion for partial summary judgment on proof of claim(s) 190 and 191 of UBS Securities LLC and UBS AG, London Branch filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A – Proposed Order) (RE: Related document(s) <u>928</u> Objection to claim filed by Debtor Highland Capital Management, L.P.)). Hearing to be held on 11/20/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1214</u> , filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
10/22/2020	<u>1270</u> Certificate of service re: <i>Documents Served on October 20, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1233</u> First Supplemental Order Sustaining First Omnibus Objection to Certain (A) Duplicate Claims; (B) Overstated Claims; (C) Late-Filed Claims; (D) Satisfied Claims; (E) No-Liability Claims; and (F)

	<p>Insufficient–Documentation Claims ((RE: related document(s)<u>906</u> Objection to claim filed by Debtor Highland Capital Management, L.P.). Entered on 10/20/2020 (Okafor, M.), <u>1235</u> Order granting motion to seal documents (related document <u>1187</u> Debtor's Motion for Leave to File Certain Documents under Seal in Connection with Debtor's Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch) Filed by Debtor Highland Capital Management, L.P.) Entered on 10/20/2020. (Okafor, M.)). (Kass, Albert)</p>
10/23/2020	<p><u>1271</u> Transcript regarding Hearing Held 10/20/2020 (256 pages) RE: Motions to Compromise Controversy. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 01/21/2021. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972–786–3063. (RE: related document(s) <u>1256</u> Hearing held on 10/20/2020. (RE: related document(s)<u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), filed by Debtor Highland Capital Management, L.P.) (Appearances: I. Kharasch, J. Morris, and G. Demo for Debtors; M. Clemente for Unsecured Creditors Committee; R. Patel and B. Shaw for Acis and Terrys; S. Tomkowiak, A. Clubok, and K. Posin for UBS; T. Mascherin, M. Hankin, and M. Platt for Redeemer Committee; J. Wilson, M. Lynn, J. Bonds, and B. Assink for J. Dondero; J. Kathman for P. Daugherty; R. Matsumura for HCLOF; J. Kane for CLO Holdco; E. Weisgerber for HarbourVest; L. Lambert for UST. Evidentiary hearing. Court recessed after evidence closed and will reconvene at 10:00 am 10/21/20 for closing arguments.), <u>1257</u> Hearing held on 10/20/2020. (RE: related document(s)<u>1089</u> Motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81), filed by Debtor Highland Capital Management, L.P.) (Appearances: I. Kharasch, J. Morris, and G. Demo for Debtors; M. Clemente for Unsecured Creditors Committee; R. Patel and B. Shaw for Acis and Terrys; S. Tomkowiak, A. Clubok, and K. Posin for UBS; T. Mascherin, M. Hankin, and M. Platt for Redeemer Committee; J. Wilson, M. Lynn, J. Bonds, and B. Assink for J. Dondero; J. Kathman for P. Daugherty; R. Matsumura for HCLOF; J. Kane for CLO Holdco; E. Weisgerber for HarbourVest; L. Lambert for UST. Evidentiary hearing. Motion approved, based on reasoning given orally. Counsel to upload orders.)). Transcript to be made available to the public on 01/21/2021. (Rehling, Kathy)</p>
10/23/2020	<p><u>1272</u> Request for transcript regarding a hearing held on 10/21/2020. The requested turn–around time is hourly. (Edmond, Michael)</p>
10/23/2020	<p><u>1273</u> Order granting motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81). Filed by Debtor Highland Capital Management, L.P (related document # <u>1089</u>) Entered on 10/23/2020. (Okafor, M.)</p>
10/23/2020	<p><u>1274</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1099</u> Motion for relief from stay – <i>Daugherty's Motion to Confirm Status of Automatic Stay, or alternatively to Modify Automatic Stay</i> Fee amount \$181, Filed by Creditor Patrick Daugherty Objections due by 10/8/2020. (Attachments: # 1 Exhibit Declaration of Patrick Daugherty in Support of Motion # 2 Service List)). Hearing to be held on 10/28/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1099</u>, (Annable, Zachery)</p>
10/23/2020	<p><u>1275</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1108</u> Motion for leave (<i>Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice</i>) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital</p>

	Management, L.P. (Attachments: # 1 Exhibit 1—Proposed Order # 2 Exhibit 1—A—Forms of Ballots # 3 Exhibit 1—B—Notice of Confirmation Hearing # 4 Exhibit 1—C—Notice of Non-Voting Status # 5 Exhibit 1—D—Notice of Assumption)). Hearing to be held on 10/27/2020 at 10:30 AM Dallas Judge Jernigan Ctrm for <u>1108</u> , (Annable, Zachery)
10/23/2020	<u>1276</u> Order granting motion to appear pro hac vice adding Faheem A. Mahmooth for Pension Benefit Guaranty Corporation (related document # <u>1247</u>) Entered on 10/23/2020. (Okafor, M.)
10/23/2020	<u>1277</u> Order granting motion to appear pro hac vice adding Jonathan D. Sundheimer for NWCC, LLC (related document <u>1260</u>) Entered on 10/23/2020. (Okafor, M.)
10/23/2020	<u>1278</u> Order granting motion to appear pro hac vice adding Joseph T. Moldovan for Meta-e Discovery, LLC (related document # <u>1262</u>) Entered on 10/23/2020. (Okafor, M.)
10/23/2020	<u>1279</u> Motion to file document under seal. – <i>Daugherty's Motion for Leave to File Under Seal His Memorandum of Law and Brief in Support of Motion for Temporary Allowance for Voting Purposes Pursuant to Bankruptcy Rule 3018 and Supporting Documents Filed by Creditor Patrick Daugherty</i> (Attachments: # <u>1</u> Exhibit A – Proposed Order # <u>2</u> Exhibit B – Delaware Protective Order) (Kathman, Jason)
10/23/2020	<u>1280</u> Motion for leave to Amend Proof of Claim No. 77 Filed by Creditor Patrick Daugherty Objections due by 11/16/2020. (Attachments: # <u>1</u> Exhibit A – Proposed Order # <u>2</u> Exhibit B – Second Amended Proof of Claim) (Kathman, Jason)
10/23/2020	<u>1281</u> Motion for leave – <i>Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018</i> Filed by Creditor Patrick Daugherty (Attachments: # <u>1</u> Exhibit A – Proposed Order) (Kathman, Jason)
10/23/2020	<u>1282</u> Brief in support filed by Creditor Patrick Daugherty (RE: related document(s) <u>1281</u> Motion for leave – <i>Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018</i>). (Kathman, Jason)
10/23/2020	<u>1283</u> Application for compensation <i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 9/1/2020 to 9/30/2020, Fee: \$356,889.96, Expenses: \$2,204.73. Filed by Attorney Juliana Hoffman Objections due by 11/13/2020. (Hoffman, Juliana)
10/23/2020	<u>1284</u> Support/supplemental document– <i>Appendix to Daugherty's Memorandum of Law and Brief in Support of Motion for Temporary Allowance for Voting Purposes Pursuant to Bankruptcy Rule 3018</i> filed by Creditor Patrick Daugherty (RE: related document(s) <u>1282</u> Brief). (Attachments: # <u>1</u> Appendix – Part 1 of 3 # <u>2</u> Appendix – Part 2 # <u>3</u> Appendix – Part 3) (Kathman, Jason)
10/24/2020	<u>1285</u> Transcript regarding Hearing Held 10/21/2020 (48 pages) RE: Motion to Compromise Controversy. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 01/22/2021. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) <u>1258</u> Hearing held on 10/21/2020. (RE: related document(s) <u>1087</u> Motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), filed by Debtor Highland Capital Management, L.P.) (Appearances: I. Kharasch, J. Morris, and G. Demo for Debtors; M. Clemente for Unsecured Creditors Committee; A. Chiarello for Acis and Terrys; M. Hankin, and M. Platt for Redeemer Committee; M. Lynn for J. Dondero; J. Kathman for P. Daugherty; R. Matsumura for HCLOF; J. Kane for CLO Holdco; E. Weisgerber for HarbourVest; L. Lambert for UST.

	Nonevidentiary closing arguments. Court granted motion, based on reasoning granted orally. Counsel to upload order.)). Transcript to be made available to the public on 01/22/2021. (Rehling, Kathy)
10/25/2020	<u>1286</u> Omnibus Response opposed to (related document(s): <u>1209</u> Objection to disclosure statement filed by Interested Party Jefferies LLC, <u>1210</u> Objection to disclosure statement filed by Creditor Pension Benefit Guaranty Corporation, <u>1218</u> Objection to disclosure statement filed by Creditor Patrick Daugherty, <u>1219</u> Objection to disclosure statement filed by Creditor HarbourVest et al, <u>1238</u> Objection to disclosure statement filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch, <u>1239</u> Objection to disclosure statement filed by Creditor Committee Official Committee of Unsecured Creditors, <u>1241</u> Objection to disclosure statement filed by Creditor Acis Capital Management GP, LLC, Creditor Acis Capital Management, L.P.) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
10/25/2020	<u>1287</u> Amended chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>944</u> Chapter 11 plan, <u>1079</u> Chapter 11 plan). (Annable, Zachery)
10/25/2020	<u>1288</u> Support/supplemental document (<i>Redline of Second Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1287</u> Chapter 11 plan). (Annable, Zachery)
10/25/2020	<u>1289</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement, <u>1080</u> Disclosure statement). (Annable, Zachery)
10/25/2020	<u>1290</u> Support/supplemental document (<i>Redline of the Disclosure Statement for the Second Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1289</u> Disclosure statement). (Annable, Zachery)
10/25/2020	<u>1291</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>1276</u> Order granting motion to appear pro hac vice adding Faheem A. Mahmooth for Pension Benefit Guaranty Corporation (related document <u>1247</u>) Entered on 10/23/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 10/25/2020. (Admin.)
10/25/2020	<u>1292</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>1278</u> Order granting motion to appear pro hac vice adding Joseph T. Moldovan for Meta-e Discovery, LLC (related document <u>1262</u>) Entered on 10/23/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 10/25/2020. (Admin.)
10/26/2020	<u>1293</u> Certificate of service re: (<i>Supplemental</i>) <i>Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1081</u> Notice of hearing (<i>Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1080</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement). (Attachments: # 1 Exhibit A—First Amended Plan of Reorganization # 2 Exhibit B—Organizational Chart)). Hearing to be held on 10/22/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1080</u> , filed by Debtor Highland Capital Management, L.P., <u>1097</u> Certificate of service re: <i>Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1081</u> Notice of hearing (<i>Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1080</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement). (Attachments: # 1 Exhibit A—First Amended Plan of Reorganization # 2 Exhibit

	B—Organizational Chart)). Hearing to be held on 10/22/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1080</u> , filed by Debtor Highland Capital Management, L.P.). filed by Claims Agent Kurtzman Carson Consultants LLC). (Kass, Albert)
10/26/2020	<u>1294</u> Certificate of service re: <i>Documents Served on October 21, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1244</u> Application for compensation <i>Third Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 6/1/2020 to 8/31/2020, Fee: \$886,615.45, Expenses: \$1,833.10. Filed by Attorney Juliana Hoffman Objections due by 11/10/2020. filed by Financial Advisor FTI Consulting, Inc., <u>1248</u> Application for compensation <i>Cover Sheet and Twelfth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from September 1, 2020 through September 30, 2020</i> for Pachulski Stang Ziehl & Jones, LLP, Debtor's Attorney, Period: 9/10/2020 to 9/30/2020, Fee: \$828,193.00, Expenses: \$7,707.11. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 11/12/2020. (Pomerantz, Jeffrey) MODIFIED to correct party requesting fees/expenses. on 10/22/2020 (Ecker, C.). filed by Debtor Highland Capital Management, L.P., <u>1263</u> Emergency Motion to continue hearing on (related documents <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P., <u>1264</u> Stipulation Resolving Proof of Claim No. 86 of NWCC, LLC filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery) MODIFIED to correct text on 10/22/2020 (Ecker, C.). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
10/26/2020	<u>1295</u> Support/supplemental document (<i>Notice of Supplemental Disclosures</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1289</u> Disclosure statement). (Annable, Zachery)
10/27/2020	<u>1296</u> Application for compensation <i>Sidley Austin LLP's Third Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 6/1/2020 to 8/31/2020, Fee: \$1,865,520.45, Expenses: \$18,678.47. Filed by Attorney Juliana Hoffman Objections due by 11/17/2020. (Hoffman, Juliana)
10/27/2020	<u>1297</u> Request for transcript regarding a hearing held on 10/27/2020. The requested turn-around time is hourly (Jeng, Hawaii)
10/27/2020	<u>1298</u> Certificate of service re: <i>Documents Served on or Before October 23, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1266</u> Order granting motion to continue hearing on (related document <u>1263</u>) (related documents Disclosure statement) Hearing to be held on 10/27/2020 at 10:30 AM Dallas Judge Jernigan Ctrm for <u>1080</u> , Entered on 10/22/2020. (Ecker, C.), <u>1268</u> Amended Notice of hearing (<i>Amended Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1080</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement). (Attachments: # 1 Exhibit A—First Amended Plan of Reorganization # 2 Exhibit B—Organizational Chart)). Hearing to be held on 10/27/2020 at 10:30 AM Dallas Judge Jernigan Ctrm for <u>1080</u> , filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
10/27/2020	1307 Hearing held on 10/27/2020., Hearing continued (RE: related document(s) <u>1289</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement, <u>1080</u> Disclosure statement).) Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1289</u> , (Appearances: J. Pomeranz, I. Kharasch, and G. Demo for Debtor; M. Clemente and P. Reid for Unsecured Creditors Committee; R. Patel and A. Chiarello for Acis and Terrys; T. Mascherin, M. Hankin, and M. Platt for Redeemer Committee; J. Kathman for P. Daugherty; K. Posin for UBS; D. Stroik for HarbourVest; M. Baird for SEC; L. Lambert for UST. Nonevidentiary hearing. Court sustained various objections to adequacy of certain provisions of disclosure statement, orally outlining both specific and general concerns (e.g., vagueness and breadth

	of releases; delay in Debtor providing certain important documents, such as Claimant Trust Agreement, until Plan Supplement; legal justification for an administrative convenience class at the \$1 million level, consisting mostly of prepetition lawyers fee claim; lack of clarity about assets that will be liquidated for Class 7, particularly in scenario where certain disputed claims are allowed (revenue streams from Debtors management of third-party assets?); lack of support of UCC for plan). Hearing continued to 11/23/20.) (Edmond, Michael) (Entered: 10/28/2020)
10/27/2020	1308 Hearing held on 10/27/2020., Hearing continued (RE: related document(s) <u>1108</u> Motion for leave (Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit 1—Proposed Order # 2 Exhibit 1—A—Forms of Ballots # 3 Exhibit 1—B—Notice of Confirmation Hearing # 4 Exhibit 1—C—Notice of Non-Voting Status # 5 Exhibit 1—D—Notice of Assumption)) Continued hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1108</u> , (Appearances: J. Pomeranz, I. Kharasch, and G. Demo for Debtor; M. Clemente and P. Reid for Unsecured Creditors Committee; R. Patel and A. Chiarello for Acis and Terrys; T. Mascherin, M. Hankin, and M. Platt for Redeemer Committee; J. Kathman for P. Daugherty; K. Posin for UBS; D. Stroik for HarbourVest; M. Baird for SEC; L. Lambert for UST. Nonevidentiary hearing. Court sustained various objections to adequacy of certain provisions of disclosure statement, orally outlining both specific and general concerns (e.g., vagueness and breadth of releases; delay in Debtor providing certain important documents, such as Claimant Trust Agreement, until Plan Supplement; legal justification for an administrative convenience class at the \$1 million level, consisting mostly of prepetition lawyers fee claim; lack of clarity about assets that will be liquidated for Class 7, particularly in scenario where certain disputed claims are allowed (revenue streams from Debtors management of third-party assets?); lack of support of UCC for plan). Hearing continued to 11/23/20.) (Edmond, Michael) (Entered: 10/28/2020)
10/28/2020	<u>1299</u> Request for transcript regarding a hearing held on 10/28/2020. The requested turn-around time is hourly (Jeng, Hawaii)
10/28/2020	<u>1300</u> Notice of hearing (<i>Notice of Continued Hearing on Disclosure Statement for the Second Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1289</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement, <u>1080</u> Disclosure statement).). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1289</u> , (Annable, Zachery)
10/28/2020	<u>1301</u> Order approving stipulation resolving Proof of Claim No. 86 of NWCC, LLC (RE: related document(s) <u>1264</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 10/28/2020 (Okafor, M.)
10/28/2020	<u>1302</u> Order granting motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159). Filed by Debtor Highland Capital Management, L.P. (related document # <u>1087</u>) Entered on 10/28/2020. (Okafor, M.)
10/28/2020	1306 Hearing held on 10/28/2020. (RE: related document(s) <u>1099</u> Motion for relief from stay – Daugherty's Motion to Confirm Status of Automatic Stay, or alternatively to Modify Automatic Stay, filed by Creditor Patrick Daugherty.) (Appearances: J. Kathman and T. Uebler for Movant, P. Daugherty; J. Morris for Debtor. Nonevidentiary hearing (Declaration only). Motion granted for reasons stated orally. Mr. Kathman to upload order.) (Edmond, Michael)

10/28/2020	<p><u>1309</u> Amended Notice of hearing (<i>Second Amended Notice of Hearing</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1108</u> Motion for leave (<i>Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice</i>) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit 1—Proposed Order # 2 Exhibit 1—A—Forms of Ballots # 3 Exhibit 1—B—Notice of Confirmation Hearing # 4 Exhibit 1—C—Notice of Non-Voting Status # 5 Exhibit 1—D—Notice of Assumption)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1108</u>, (Annable, Zachery)</p>
10/28/2020	<p><u>1310</u> Certificate of service re: 1) <i>Order Approving Debtor's Settlement with (A) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (B) the Highland Crusader Funds (Claim No. 81), and Authorizing Actions Consistent Therewith</i>; 2) <i>Amended Notice of Hearing on Patrick Daugherty's Motion to Confirm Status of Automatic Stay, or Alternatively to Modify Automatic Stay</i>; and 3) <i>Amended Notice of Hearing</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1273</u> Order granting motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81). Filed by Debtor Highland Capital Management, L.P (related document <u>1089</u>) Entered on 10/23/2020. (Okafor, M.), <u>1274</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1099</u> Motion for relief from stay – <i>Daugherty's Motion to Confirm Status of Automatic Stay, or alternatively to Modify Automatic Stay</i> Fee amount \$181, Filed by Creditor Patrick Daugherty Objections due by 10/8/2020. (Attachments: # 1 Exhibit Declaration of Patrick Daugherty in Support of Motion # 2 Service List)). Hearing to be held on 10/28/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1099</u>, filed by Debtor Highland Capital Management, L.P., <u>1275</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1108</u> Motion for leave (<i>Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice</i>) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit 1—Proposed Order # 2 Exhibit 1—A—Forms of Ballots # 3 Exhibit 1—B—Notice of Confirmation Hearing # 4 Exhibit 1—C—Notice of Non-Voting Status # 5 Exhibit 1—D—Notice of Assumption)). Hearing to be held on 10/27/2020 at 10:30 AM Dallas Judge Jernigan Ctrm for <u>1108</u>, filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
10/28/2020	<p><u>1311</u> Certificate of service re: 1) <i>Summary Cover Sheet and Eleventh Monthly Application of Sidley Austin LLP for Allowance of Compensation and Reimbursement of Expenses for the Period from September 1, 2020 Through September 30, 2020</i>; and 2) <i>Debtors Omnibus Reply to Objections to Approval of the Debtors Disclosure Statement for the Debtors First Amended Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1283</u> Application for compensation <i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 9/1/2020 to 9/30/2020, Fee: \$356,889.96, Expenses: \$2,204.73. Filed by Attorney Juliana Hoffman Objections due by 11/13/2020. filed by Creditor Committee Official Committee of Unsecured Creditors, <u>1286</u> Omnibus Response opposed to (related document(s): <u>1209</u> Objection to disclosure statement filed by Interested Party Jefferies LLC, <u>1210</u> Objection to disclosure statement filed by Creditor Pension Benefit Guaranty Corporation, <u>1218</u> Objection to disclosure statement filed by Creditor Patrick Daugherty, <u>1219</u> Objection to disclosure statement filed by Creditor HarbourVest et al, <u>1238</u> Objection to disclosure statement filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch, <u>1239</u> Objection to disclosure statement filed by Creditor Committee Official Committee of Unsecured Creditors, <u>1241</u> Objection to disclosure statement filed by Creditor Acis Capital Management GP, LLC, Creditor Acis Capital Management, L.P.)</p>

	filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
10/29/2020	<p><u>1312</u> Transcript regarding Hearing Held 10/27/2020 (95 pages) RE: Amended Disclosure Statement, Motion for Entry of an Order Approving Adequacy of Disclosure Statement. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 01/27/2021. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) 1308 Hearing held on 10/27/2020., Hearing continued (RE: related document(s) <u>1108</u> Motion for leave (Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit 1—Proposed Order # 2 Exhibit 1—A—Forms of Ballots # 3 Exhibit 1—B—Notice of Confirmation Hearing # 4 Exhibit 1—C—Notice of Non-Voting Status # 5 Exhibit 1—D—Notice of Assumption)) Continued hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1108</u>, (Appearances: J. Pomeranz, I. Kharasch, and G. Demo for Debtor; M. Clemente and P. Reid for Unsecured Creditors Committee; R. Patel and A. Chiarello for Acis and Terrys; T. Mascherin, M. Hankin, and M. Platt for Redeemer Committee; J. Kathman for P. Daugherty; K. Posin for UBS; D. Stroik for HarbourVest; M. Baird for SEC; L. Lambert for UST. Nonevidentiary hearing. Court sustained various objections to adequacy of certain provisions of disclosure statement, orally outlining both specific and general concerns (e.g., vagueness and breadth of releases; delay in Debtor providing certain important documents, such as Claimant Trust Agreement, until Plan Supplement; legal justification for an administrative convenience class at the \$1 million level, consisting mostly of prepetition lawyers fee claim; lack of clarity about assets that will be liquidated for Class 7, particularly in scenario where certain disputed claims are allowed (revenue streams from Debtors management of third-party assets?); lack of support of UCC for plan). Hearing continued to 11/23/20.)). Transcript to be made available to the public on 01/27/2021. (Rehling, Kathy)</p>
10/29/2020	<p><u>1313</u> Certificate of service re: <i>Summary Cover Sheet and Third Interim Fee Application of Sidley Austin LLP, Attorneys for the Official Committee of Unsecured Creditors, for Compensation and Reimbursement of Expenses for the Period from June 1, 2020 Through and Including August 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1296</u> Application for compensation <i>Sidley Austin LLP's Third Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 6/1/2020 to 8/31/2020, Fee: \$1,865,520.45, Expenses: \$18,678.47. Filed by Attorney Juliana Hoffman Objections due by 11/17/2020. filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)</p>
10/30/2020	<p><u>1315</u> Order directing UBS' Offer of Proof (RE: related document(s) <u>1089</u> Motion to compromise controversy filed by Debtor Highland Capital Management, L.P.). Entered on 10/30/2020 (Okafor, M.)</p>
10/30/2020	<p><u>1316</u> Certificate No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s) <u>1160</u> Application for compensation <i>Ninth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 8/1/2020 to 8/31/2020, Fee: \$198,616.32, Expenses: \$0.). (Hoffman, Juliana)</p>
10/30/2020	<p><u>1317</u> Certificate of service re: <i>(Supplemental) Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1081</u> Notice of hearing <i>(Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.)</i> filed by Debtor Highland Capital</p>

	<p>Management, L.P. (RE: related document(s)<u>1080</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>945</u> Disclosure statement). (Attachments: # 1 Exhibit A—First Amended Plan of Reorganization # 2 Exhibit B—Organizational Chart)). Hearing to be held on 10/22/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1080</u>, filed by Debtor Highland Capital Management, L.P., <u>1097</u> Certificate of service re: <i>Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1081</u> Notice of hearing (<i>Notice of Hearing on Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1080</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>945</u> Disclosure statement). (Attachments: # 1 Exhibit A—First Amended Plan of Reorganization # 2 Exhibit B—Organizational Chart)). Hearing to be held on 10/22/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1080</u>, filed by Debtor Highland Capital Management, L.P.). filed by Claims Agent Kurtzman Carson Consultants LLC). (Kass, Albert)</p>
10/31/2020	<p><u>1318</u> Transcript regarding Hearing Held 10/28/2020 (32 pages) RE: Patrick Daugherty's Motion to Confirm Status of Automatic Stay. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 01/29/2021. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) <u>1306</u> Hearing held on 10/28/2020. (RE: related document(s)<u>1099</u> Motion for relief from stay – Daugherty's Motion to Confirm Status of Automatic Stay, or alternatively to Modify Automatic Stay, filed by Creditor Patrick Daugherty.) (Appearances: J. Kathman and T. Uebler for Movant, P. Daugherty; J. Morris for Debtor. Nonevidentiary hearing (Declaration only). Motion granted for reasons stated orally. Mr. Kathman to upload order.)). Transcript to be made available to the public on 01/29/2021. (Rehling, Kathy)</p>
11/01/2020	<p><u>1319</u> BNC certificate of mailing – PDF document. (RE: related document(s)<u>1315</u> Order directing UBS' Offer of Proof (RE: related document(s)<u>1089</u> Motion to compromise controversy filed by Debtor Highland Capital Management, L.P.). Entered on 10/30/2020 (Okafor, M.)) No. of Notices: 2. Notice Date 11/01/2020. (Admin.)</p>
11/02/2020	<p><u>1320</u> Clerk's correspondence requesting an order from attorney for debtor. (RE: related document(s)<u>771</u> Objection to claim(s) 3 of Creditor(s) Acis Capital Management L.P. and Acis Capital Management GP, LLC.. Filed by Debtor Highland Capital Management, L.P.. Responses due by 7/23/2020.) Responses due by 11/16/2020. (Ecker, C.)</p>
11/02/2020	<p><u>1321</u> Clerk's correspondence requesting an order from attorney for creditor. (RE: related document(s)<u>1119</u> Motion to extend time to Deadline To File An Adversary Proceeding Against CLO Holdco, Ltd. (EMERGENCY) Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 10/23/2020.) Responses due by 11/16/2020. (Ecker, C.)</p>
11/02/2020	<p><u>1322</u> Certificate of service re: <i>Documents Served on October 28, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1300</u> Notice of hearing (<i>Notice of Continued Hearing on Disclosure Statement for the Second Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1289</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>945</u> Disclosure statement, <u>1080</u> Disclosure statement)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1289</u>, filed by Debtor Highland Capital Management, L.P., <u>1301</u> Order approving stipulation resolving Proof of Claim No. 86 of NWCC, LLC (RE: related document(s)<u>1264</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 10/28/2020 (Okafor, M.), <u>1302</u> Order granting motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C)</p>

	Acis Capital Management, L.P. (Claim No. 159). Filed by Debtor Highland Capital Management, L.P. (related document <u>1087</u>) Entered on 10/28/2020. (Okafor, M.), <u>1309</u> Amended Notice of hearing (<i>Second Amended Notice of Hearing</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1108</u> Motion for leave (<i>Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice</i>) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit 1—Proposed Order # 2 Exhibit 1—A—Forms of Ballots # 3 Exhibit 1—B—Notice of Confirmation Hearing # 4 Exhibit 1—C—Notice of Non-Voting Status # 5 Exhibit 1—D—Notice of Assumption)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1108</u> , filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
11/03/2020	<u>1323</u> Certificate of service re: Daugherty's Objection to Approval of Debtor's Disclosure Statement filed by Creditor Patrick Daugherty (RE: related document(s) <u>1218</u> Objection to disclosure statement). (Kathman, Jason)
11/03/2020	<u>1324</u> Certificate of service re: Daugherty's Motion for Leave to File Under Seal filed by Creditor Patrick Daugherty (RE: related document(s) <u>1279</u> Motion to file document under seal.— <i>Daugherty's Motion for Leave to File Under Seal His Memorandum of Law and Brief in Support of Motion for Temporary Allowance for Voting Purposes Pursuant to Bankruptcy Rule 3018 and Supporting Documents</i>). (Kathman, Jason)
11/03/2020	<u>1325</u> Certificate of service re: Daugherty's Motion for Leave to Amend Proof of Claim No. 77 filed by Creditor Patrick Daugherty (RE: related document(s) <u>1280</u> Motion for leave to Amend Proof of Claim No. 77). (Kathman, Jason)
11/03/2020	<u>1326</u> Certificate of service re: Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes, Brief and Appendix filed by Creditor Patrick Daugherty (RE: related document(s) <u>1281</u> Motion for leave — <i>Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018</i> , <u>1282</u> Brief, <u>1284</u> Support/supplemental document). (Kathman, Jason)
11/03/2020	<u>1327</u> Order on Creditor Patrick Daugherty's Motion to confirm status of automatic stay, or alternatively to modify automatic stay (related document # <u>1099</u>) Entered on 11/3/2020. (Okafor, M.)
11/03/2020	<u>1328</u> Notice of Withdrawal of Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause For Violations of the Acis Plan Injunction filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. (RE: related document(s) <u>593</u> Motion for relief from stay Fee amount \$181, Filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. Objections due by 5/1/2020. (Attachments: # 1 Exhibit 1 (Draft Motion Show Cause Motion) # 2 Exhibit 2 (DAF Complaint 1st case) # 3 Exhibit 3 (DAF Dismissal first case) # 4 Exhibit 4 (DAF Complaint 2nd case) # 5 Exhibit 5 (DAF Dismissal 2nd Case) # 6 Proposed Order)). (Shaw, Brian)
11/03/2020	<u>1329</u> Debtor—in-possession monthly operating report for filing period September 1, 2020 to September 30, 2020 filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
11/03/2020	<u>1330</u> Certificate No Objection filed by Other Professional Hayward & Associates PLLC (RE: related document(s) <u>1142</u> Application for compensation (<i>Eighth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from July 1, 2020 through July 31, 2020</i>) for Hayward & Associ). (Annable, Zachery)

11/03/2020	<u>1331</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to September 30, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALS UTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Annable, Zachery)
11/04/2020	<u>1332</u> Certificate of service re: filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1331</u> Notice (generic)). (Annable, Zachery)
11/05/2020	<u>1333</u> Stipulation by Highland Capital Management, L.P. and Acis Capital Management, L.P., Acis Capital Management GP, LLC, Joshua N. Terry, Jennifer G. Terry, and James Dondero. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1302</u> Order on motion to compromise controversy). (Annable, Zachery)
11/05/2020	<u>1334</u> Certificate of service re: (<i>Amended</i>) <i>Documents Served on October 21, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1244</u> Application for compensation <i>Third Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 6/1/2020 to 8/31/2020, Fee: \$886,615.45, Expenses: \$1,833.10. Filed by Attorney Juliana Hoffman Objections due by 11/10/2020. filed by Financial Advisor FTI Consulting, Inc., <u>1248</u> Application for compensation <i>Cover Sheet and Twelfth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from September 1, 2020 through September 30, 2020</i> for Pachulski Stang Ziehl & Jones, LLP, Debtor's Attorney, Period: 9/10/2020 to 9/30/2020, Fee: \$828,193.00, Expenses: \$7,707.11. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 11/12/2020. (Pomerantz, Jeffrey) MODIFIED to correct party requesting fees/expenses. on 10/22/2020 (Ecker, C.). filed by Debtor Highland Capital Management, L.P., <u>1263</u> Emergency Motion to continue hearing on (related documents <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P., <u>1264</u> Stipulation Resolving Proof of Claim No. 86 of NWCC, LLC filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery) MODIFIED to correct text on 10/22/2020 (Ecker, C.). filed by Debtor Highland Capital Management, L.P., <u>1294</u> Certificate of service re: <i>Documents Served on October 21, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1244</u> Application for compensation <i>Third Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 6/1/2020 to 8/31/2020, Fee: \$886,615.45, Expenses: \$1,833.10. Filed by Attorney Juliana Hoffman Objections due by 11/10/2020. filed by Financial Advisor FTI Consulting, Inc., <u>1248</u> Application for compensation <i>Cover Sheet and Twelfth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from September 1, 2020 through September 30, 2020</i> for Pachulski Stang Ziehl & Jones, LLP, Debtor's Attorney, Period: 9/10/2020 to 9/30/2020, Fee: \$828,193.00, Expenses: \$7,707.11. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 11/12/2020. (Pomerantz, Jeffrey) MODIFIED to correct party requesting fees/expenses. on 10/22/2020 (Ecker, C.). filed by Debtor Highland Capital Management, L.P., <u>1263</u> Emergency Motion to continue hearing on (related documents <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P., <u>1264</u> Stipulation Resolving Proof of Claim No. 86 of NWCC, LLC filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery) MODIFIED to correct text on 10/22/2020 (Ecker, C.). filed by Debtor Highland Capital Management, L.P.). filed by Claims Agent Kurtzman Carson Consultants LLC). (Kass, Albert)
11/05/2020	<u>1335</u> Certificate of service re: (<i>Amended</i>) 1) <i>Order Approving Debtor's Settlement with (A) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (B) the Highland Crusader Funds (Claim No. 81), and Authorizing Actions Consistent Therewith;</i> 2) <i>Amended Notice of Hearing on Patrick Daugherty's Motion to Confirm Status of</i>

	<p><i>Automatic Stay, or Alternatively to Modify Automatic Stay; and 3) Amended Notice of Hearing</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1273</u> Order granting motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81). Filed by Debtor Highland Capital Management, L.P. (related document <u>1089</u>) Entered on 10/23/2020. (Okafor, M.), <u>1274</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1099</u> Motion for relief from stay – <i>Daugherty's Motion to Confirm Status of Automatic Stay, or alternatively to Modify Automatic Stay</i> Fee amount \$181, Filed by Creditor Patrick Daugherty Objections due by 10/8/2020. (Attachments: # 1 Exhibit Declaration of Patrick Daugherty in Support of Motion # 2 Service List)). Hearing to be held on 10/28/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1099</u>, filed by Debtor Highland Capital Management, L.P., <u>1275</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1108</u> Motion for leave (<i>Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice</i>)) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit 1—Proposed Order # 2 Exhibit 1—A—Forms of Ballots # 3 Exhibit 1—B—Notice of Confirmation Hearing # 4 Exhibit 1—C—Notice of Non-Voting Status # 5 Exhibit 1—D—Notice of Assumption)). Hearing to be held on 10/27/2020 at 10:30 AM Dallas Judge Jernigan Ctrm for <u>1108</u>, filed by Debtor Highland Capital Management, L.P., <u>1310</u> Certificate of service re: <i>1) Order Approving Debtor's Settlement with (A) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (B) the Highland Crusader Funds (Claim No. 81), and Authorizing Actions Consistent Therewith; 2) Amended Notice of Hearing on Patrick Daugherty's Motion to Confirm Status of Automatic Stay, or Alternatively to Modify Automatic Stay; and 3) Amended Notice of Hearing</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1273</u> Order granting motion to compromise controversy with (a) the Redeemer Committee of the Highland Crusader Fund (Claim No. 72), and (b) the Highland Crusader Funds (Claim No. 81). Filed by Debtor Highland Capital Management, L.P. (related document <u>1089</u>) Entered on 10/23/2020. (Okafor, M.), <u>1274</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1099</u> Motion for relief from stay – <i>Daugherty's Motion to Confirm Status of Automatic Stay, or alternatively to Modify Automatic Stay</i> Fee amount \$181, Filed by Creditor Patrick Daugherty Objections due by 10/8/2020. (Attachments: # 1 Exhibit Declaration of Patrick Daugherty in Support of Motion # 2 Service List)). Hearing to be held on 10/28/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1099</u>, filed by Debtor Highland Capital Management, L.P., <u>1275</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1108</u> Motion for leave (<i>Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice</i>)) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit 1—Proposed Order # 2 Exhibit 1—A—Forms of Ballots # 3 Exhibit 1—B—Notice of Confirmation Hearing # 4 Exhibit 1—C—Notice of Non-Voting Status # 5 Exhibit 1—D—Notice of Assumption)). Hearing to be held on 10/27/2020 at 10:30 AM Dallas Judge Jernigan Ctrm for <u>1108</u>, filed by Debtor Highland Capital Management, L.P.). filed by Claims Agent Kurtzman Carson Consultants LLC). (Kass, Albert)</p>
11/05/2020	<p><u>1336</u> BNC certificate of mailing – PDF document. (RE: related document(s)<u>1327</u> Order on Creditor Patrick Daugherty's Motion to confirm status of automatic stay, or alternatively to modify automatic stay (related document <u>1099</u>) Entered on 11/3/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 11/05/2020. (Admin.)</p>
11/06/2020	<p><u>1337</u> Response opposed to (related document(s): <u>1214</u> Motion for summary judgment filed by Debtor Highland Capital Management, L.P., <u>1215</u> Motion for summary judgment filed by Interested Party Redeemer Committee of the Highland Crusader Fund) filed by</p>

	Interested Parties UBS AG London Branch, UBS Securities LLC. (Sosland, Martin)
11/06/2020	<u>1338</u> Motion to allow claims(<i>Motion for Temporary Allowance of Claims for voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018</i>) Filed by Interested Parties UBS AG London Branch, UBS Securities LLC Objections due by 11/20/2020. (Attachments: # <u>1</u> Proposed Order) (Sosland, Martin)
11/06/2020	<u>1339</u> Notice of appeal . Fee Amount \$298 filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1273</u> Order on motion to compromise controversy). Appellant Designation due by 11/20/2020. (Attachments: # <u>1</u> Exhibit)(Sosland, Martin)
11/06/2020	Receipt of filing fee for Notice of appeal(19-34054-sgj11) [appeal,ntcapl] (298.00). Receipt number 28246686, amount \$ 298.00 (re: Doc# <u>1339</u>). (U.S. Treasury)
11/06/2020	<u>1340</u> Application for compensation <i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 9/1/2020 to 9/30/2020, Fee: \$170,859.60, Expenses: \$806.60. Filed by Attorney Juliana Hoffman Objections due by 11/30/2020. (Hoffman, Juliana)
11/06/2020	<u>1341</u> Brief in opposition filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1214</u> Motion for summary judgment, <u>1215</u> Motion for summary judgment). (Sosland, Martin)
11/06/2020	<u>1342</u> Brief in support filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1338</u> Motion to allow claims(<i>Motion for Temporary Allowance of Claims for voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018</i>)). (Sosland, Martin)
11/06/2020	<u>1343</u> Motion to file document under seal.(<i>With UBS's Brief and Appendix of Exhibits in Opposition to Motions for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 and in Support of Rule 56(d) Request</i>) Filed by Interested Parties UBS AG London Branch, UBS Securities LLC (Sosland, Martin)
11/06/2020	<u>1344</u> Motion to file document under seal.(<i>With UBS's Brief and Appendix of Exhibits in Support of Motion for Temporary Allowance of Claims for Voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018</i>) Filed by Interested Parties UBS AG London Branch, UBS Securities LLC (Sosland, Martin)
11/06/2020	<u>1345</u> Exhibit List (<i>Appendix of Exhibits to UBS's Brief in Opposition to Motions for Partial Summary Judgment on Proof of Claims Nos. 190 and 191 and in Support of Rule 56(d) Request</i>) filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1337</u> Response). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4 # <u>5</u> Exhibit 5 # <u>6</u> Exhibit 6 # <u>7</u> Exhibit 7 # <u>8</u> Exhibit 8 # <u>9</u> Exhibit 9-21 # <u>10</u> Exhibit 22) (Sosland, Martin)
11/06/2020	<u>1346</u> Exhibit List (<i>Appendix of Exhibits to UBS's Brief in Support of Motion for Temporary Allowance of Claims for Voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018</i>) filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1338</u> Motion to allow claims(<i>Motion for Temporary Allowance of Claims for voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018</i>)). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4 # <u>5</u> Exhibit 5 # <u>6</u> Exhibit 6 # <u>7</u> Exhibit 7 # <u>8</u> Exhibit 8 # <u>9</u> Exhibit 9-29) (Sosland, Martin)
11/09/2020	<u>1347</u> Notice of appeal . Fee Amount \$298 filed by Interested Party James Dondero (RE: related document(s) <u>1302</u> Order on motion to compromise controversy). Appellant Designation due by 11/23/2020. (Attachments: # <u>1</u> Order)(Assink, Bryan)

11/09/2020	Receipt of filing fee for Notice of appeal(19-34054-sgj11) [appeal,ntcapl] (298.00). Receipt number 28249949, amount \$ 298.00 (re: Doc# <u>1347</u>). (U.S. Treasury)
11/09/2020	<u>1348</u> Motion to continue hearing on (related documents <u>1207</u> Motion to allow claims) Filed by Creditor HarbourVest et al (Attachments: # <u>1</u> Proposed Order) (Driver, Vickie)
11/09/2020	<u>1349</u> Objection to (related document(s): <u>1281</u> Motion for leave – <i>Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018</i> filed by Creditor Patrick Daugherty) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
11/09/2020	<u>1350</u> Declaration re: (<i>Declaration of John A. Morris in Support of the Debtor's Objection to Patrick Hagaman Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1349</u> Objection). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2) (Annable, Zachery)
11/10/2020	<u>1351</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1281</u> Motion for leave – <i>Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018</i> Filed by Creditor Patrick Daugherty (Attachments: # <u>1</u> Exhibit A – Proposed Order)). Hearing to be held on 11/17/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1281</u> , (Annable, Zachery)
11/10/2020	<u>1352</u> Order granting motion to continue hearing on (related document # <u>1348</u>) (related documents Motion to allow claims of <i>HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan</i>) Hearing to be held on 12/2/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1207</u> , Entered on 11/10/2020. (Okafor, M.)
11/10/2020	<u>1353</u> Order granting motion to seal documents with UBS's Brief and Appendix of Exhibits in Opposition to Motions for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 and in Support of Rule 56(d) Request (related document # <u>1343</u>) Entered on 11/10/2020. (Okafor, M.)
11/10/2020	<u>1354</u> Order granting motion to seal documents with UBS's Brief and Appendix of Exhibits in Support of Motion for Temporary Allowance of Claims for Voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018 (related document # <u>1344</u>) Entered on 11/10/2020. (Okafor, M.)
11/10/2020	<u>1355</u> SEALED document regarding: UBS's Brief in Opposition to Motions for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 and in Support of Rule 56(d) Request per court order filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1353</u> Order on motion to seal). (Attachments: # <u>1</u> Exhibit 9 # <u>2</u> Exhibit 10 # <u>3</u> Exhibit 11 # <u>4</u> Exhibit 12 # <u>5</u> Exhibit 13 # <u>6</u> Exhibit 14 # <u>7</u> Exhibit 15 # <u>8</u> Exhibit 16 # <u>9</u> Exhibit 17 # <u>10</u> Exhibit 18 # <u>11</u> Exhibit 19 # <u>12</u> Exhibit 20 # <u>13</u> Exhibit 21) (Sosland, Martin)
11/10/2020	<u>1356</u> SEALED document regarding: UBS's Brief in Support of Motion for Temporary Allowance of claims for voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018 per court order filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1354</u> Order on motion to seal). (Attachments: # <u>1</u> Exhibit 9 # <u>2</u> Exhibit 10 # <u>3</u> Exhibit 11 # <u>4</u> Exhibit 12 # <u>5</u> Exhibit 13 # <u>6</u> Exhibit 14 # <u>7</u> Exhibit 15 # <u>8</u> Exhibit 16 # <u>9</u> Exhibit 17 # <u>10</u> Exhibit 18 # <u>11</u> Exhibit 19 # <u>12</u> Exhibit 20 # <u>13</u> Exhibit 21 # <u>14</u> Exhibit 22 # <u>15</u> Exhibit 23 # <u>16</u> Exhibit 24 # <u>17</u> Exhibit 25 # <u>18</u> Exhibit 26 # <u>19</u> Exhibit 27 # <u>20</u> Exhibit 28 # <u>21</u> Exhibit 29) (Sosland, Martin)
11/10/2020	<u>1357</u> Notice of hearing filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1338</u> Motion to allow claims(<i>Motion for Temporary Allowance of Claims for voting Purposes Pursuant to Federal Rule of</i>

	<i>Bankruptcy Procedure 3018</i>) Filed by Interested Parties UBS AG London Branch, UBS Securities LLC Objections due by 11/20/2020. (Attachments: # 1 Proposed Order)). Hearing to be held on 11/20/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1338</u> , (Sosland, Martin)
11/10/2020	<u>1358</u> Certificate of service re: <i>Eleventh Monthly Application of FTI Consulting, Inc. for Allowance of Compensation and Reimbursement of Expenses for the Period from September 1, 2020 to and Including September 30, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1340</u> Application for compensation <i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 9/1/2020 to 9/30/2020, Fee: \$170,859.60, Expenses: \$806.60. Filed by Attorney Juliana Hoffman Objections due by 11/30/2020. filed by Financial Advisor FTI Consulting, Inc.). (Kass, Albert)
11/10/2020	<u>1359</u> Certificate of service re: 1) <i>Debtors Objection to Patrick Hagaman Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018</i> ; and 2) <i>Declaration of John A. Morris in Support of the Debtor's Objection to Patrick Hagaman Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1349</u> Objection to (related document(s): <u>1281</u> Motion for leave – <i>Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018</i> filed by Creditor Patrick Daugherty) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>1350</u> Declaration re: (<i>Declaration of John A. Morris in Support of the Debtor's Objection to Patrick Hagaman Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1349</u> Objection). (Attachments: # 1 Exhibit 1 # 2 Exhibit 2) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
11/11/2020	<u>1360</u> Motion to appear pro hac vice for Hayley R. Winograd. Fee Amount \$100 Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
11/11/2020	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 28256837, amount \$ 100.00 (re: Doc# <u>1360</u>). (U.S. Treasury)
11/11/2020	<u>1361</u> Certificate of service re: 1) <i>Notice of Transfer for MCS Capital LLC c/o STC, Inc. re: Lynn Pinker Cox & Hurst, LLP (Claim No. 148)</i> ; and 2) <i>Notice of Transfer for Argo Partners re: Stanton Advisors LLC (Scheduled Amount \$10,000.00)</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1165</u> Assignment/Transfer of Claim. Fee Amount \$25. Transfer Agreement 3001 (e) 1 Transferors: Stanton Advisors LLC (Amount \$10,000.00) To Argo Partners. Filed by Creditor Argo Partners. filed by Creditor Argo Partners, <u>1166</u> Assignment/Transfer of Claim. Fee Amount \$25. Transfer Agreement 3001 (e) 2 Transferors: Lynn Pinker Cox & Hurst, LLP (Claim No. 148, Amount \$507,430.34) To MCS Capital LLC c/o STC, Inc.. Filed by Creditor Argo Partners. filed by Creditor Argo Partners). (Kass, Albert)
11/12/2020	<u>1363</u> Certificate of mailing regarding appeal (RE: related document(s) <u>1347</u> Notice of appeal . filed by Interested Party James Dondero (RE: related document(s) <u>1302</u> Order on motion to compromise controversy). Appellant Designation due by 11/23/2020. (Attachments: # 1 Order)) (Attachments: # <u>1</u> Service List) (Whitaker, Sheniqua)
11/12/2020	<u>1364</u> Notice regarding the record for a bankruptcy appeal to the U.S. District Court. (RE: related document(s) <u>1347</u> Notice of appeal . filed by Interested Party James Dondero (RE: related document(s) <u>1302</u> Order on motion to compromise controversy). Appellant Designation due by 11/23/2020. (Attachments: # 1 Order)) (Whitaker, Sheniqua)
11/12/2020	<u>1365</u> Agreed supplemental order regarding deposit of funds into the registry of the court (RE: related document(s) <u>821</u> Agreed order regarding deposit of funds into the registry of

	the Court.). Entered on 11/12/2020 (Okafor, M.)
11/12/2020	<u>1366</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from August 1, 2020 through August 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.), <u>853</u> Order granting application to employ Development Specialists, Inc. as Other Professional (related document <u>775</u>) Entered on 7/16/2020. (Ecker, C.)). (Attachments: # <u>1</u> Exhibit A—DSI Monthly Staffing Report for August 2020) (Annable, Zachery)
11/12/2020	<u>1367</u> Certificate of service re: <i>Notice of Hearing on Patrick Hagaman Daughertys Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1351</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1281</u> Motion for leave – <i>Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018</i> Filed by Creditor Patrick Daugherty (Attachments: # <u>1</u> Exhibit A – Proposed Order)). Hearing to be held on 11/17/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1281</u> , filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
11/12/2020	<u>1368</u> Clerk's correspondence requesting to amend the notice of appeal from attorney for appellant. (RE: related document(s) <u>1339</u> Notice of appeal . Fee Amount \$298 filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1273</u> Order on motion to compromise controversy). Appellant Designation due by 11/20/2020. (Attachments: # <u>1</u> Exhibit)) Responses due by 11/16/2020. (Whitaker, Sheniqua)
11/12/2020	<u>1369</u> Amended notice of appeal filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1339</u> Notice of appeal). (Sosland, Martin)
11/12/2020	<u>1370</u> Notice of docketing notice of appeal. Civil Action Number: 3:20-cv-03390-X. (RE: related document(s) <u>1347</u> Notice of appeal . filed by Interested Party James Dondero (RE: related document(s) <u>1302</u> Order on motion to compromise controversy). Appellant Designation due by 11/23/2020. (Attachments: # <u>1</u> Order)) (Whitaker, Sheniqua)
11/13/2020	<u>1371</u> Order granting motion to appear pro hac vice adding Hayley R. Winograd for Highland Capital Management, L.P. (related document # <u>1360</u>) Entered on 11/13/2020. (Ecker, C.)
11/13/2020	<u>1372</u> Order granting motion to seal documents (related document # <u>1279</u>) Entered on 11/13/2020. (Ecker, C.)
11/13/2020	<u>1374</u> INCORRECT ENTRY. Incomplete Form. Certificate of mailing regarding appeal (RE: related document(s) <u>1339</u> Notice of appeal . filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1273</u> Order on motion to compromise controversy). Appellant Designation due by 11/20/2020. (Attachments: # <u>1</u> Exhibit)) (Attachments: # <u>1</u> Service List) (Whitaker, Sheniqua) Modified on 11/13/2020 (Whitaker, Sheniqua).
11/13/2020	<u>1375</u> Certificate of mailing regarding appeal (RE: related document(s) <u>1339</u> Notice of appeal . filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1273</u> Order on motion to compromise controversy). Appellant Designation due by 11/20/2020. (Attachments: # <u>1</u> Exhibit)) (Attachments: # <u>1</u> Service List) (Whitaker, Sheniqua)
11/13/2020	

	<u>1376</u> Notice regarding the record for a bankruptcy appeal to the U.S. District Court. (RE: related document(s) <u>1339</u> Notice of appeal . filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1273</u> Order on motion to compromise controversy). (Attachments: # 1 Exhibit)) (Whitaker, Sheniqua)
11/13/2020	<u>1377</u> Assignment/Transfer of Claim. Fee Amount \$25. Transfer Agreement 3001 (e) 2 Transferors: Debevoise & Plimpton LLP (Claim No. 94, Amount \$268,095.08) To Contrarian Funds LLC. Filed by Creditor Contrarian Funds LLC. (Schneller, Douglas)
11/13/2020	<u>1378</u> Assignment/Transfer of Claim. Fee Amount \$25. Transfer Agreement 3001 (e) 2 Transferors: Debevoise & Plimpton LLP (Claim No. 97, Amount \$268,095.08) To Contrarian Funds LLC. Filed by Creditor Contrarian Funds LLC. (Schneller, Douglas)
11/13/2020	<u>1379</u> Assignment/Transfer of Claim. Fee Amount \$25. Transfer Agreement 3001 (e) 2 Transferors: Debevoise & Plimpton LLP (Amount \$20,658.79) To Contrarian Funds LLC. Filed by Creditor Contrarian Funds LLC. (Schneller, Douglas)
11/13/2020	<u>1380</u> WITHDRAWN per # <u>1421</u> . Assignment/Transfer of Claim. Fee Amount \$25. Transfer Agreement 3001 (e) 2 Transferors: DLA Piper LLC (US) (Amount \$1,318,730.36) To Contrarian Funds LLC. Filed by Creditor Contrarian Funds LLC. (Schneller, Douglas) Modified on 11/19/2020 (Ecker, C.).
11/13/2020	Receipt of filing fee for Assignment/Transfer of claim (Claims Agent)(19-34054-sg11) [claims,trclmagt] (25.00). Receipt number 28267014, amount \$ 25.00 (re: Doc# <u>1377</u>). (U.S. Treasury)
11/13/2020	Receipt of filing fee for Assignment/Transfer of claim (Claims Agent)(19-34054-sg11) [claims,trclmagt] (25.00). Receipt number 28267014, amount \$ 25.00 (re: Doc# <u>1378</u>). (U.S. Treasury)
11/13/2020	Receipt of filing fee for Assignment/Transfer of claim (Claims Agent)(19-34054-sg11) [claims,trclmagt] (25.00). Receipt number 28267014, amount \$ 25.00 (re: Doc# <u>1379</u>). (U.S. Treasury)
11/13/2020	Receipt of filing fee for Assignment/Transfer of claim (Claims Agent)(19-34054-sg11) [claims,trclmagt] (25.00). Receipt number 28267014, amount \$ 25.00 (re: Doc# <u>1380</u>). (U.S. Treasury)
11/13/2020	<u>1381</u> Notice of docketing notice of appeal. Civil Action Number: 3:20-cv-03408-G. (RE: related document(s) <u>1339</u> Notice of appeal . filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1273</u> Order on motion to compromise controversy). (Attachments: # 1 Exhibit)) (Whitaker, Sheniqua)
11/13/2020	<u>1382</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1281</u> Motion for leave – <i>Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018</i>). (Annable, Zachery)
11/13/2020	<u>1383</u> Amended chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>944</u> Chapter 11 plan, <u>1079</u> Chapter 11 plan, <u>1287</u> Chapter 11 plan). (Annable, Zachery)
11/13/2020	<u>1384</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement, <u>1080</u> Disclosure statement, <u>1289</u> Disclosure statement). (Annable, Zachery)
11/13/2020	<u>1385</u> Support/supplemental document (<i>Redline Comparison of Third Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1383</u> Chapter 11 plan). (Annable, Zachery)

11/13/2020	<p><u>1386</u> Support/supplemental document (<i>Redline Comparison of Disclosure Statement for the Third Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1384</u> Disclosure statement). (Annable, Zachery)</p>
11/13/2020	<p><u>1387</u> Certificate of service re: (<i>Supplemental</i>) Documents Served on October 28, 2020 Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1300</u> Notice of hearing (<i>Notice of Continued Hearing on Disclosure Statement for the Second Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1289</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>945</u> Disclosure statement, <u>1080</u> Disclosure statement)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1289</u>, filed by Debtor Highland Capital Management, L.P., <u>1309</u> Amended Notice of hearing (<i>Second Amended Notice of Hearing</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1108</u> Motion for leave (<i>Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice</i>) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit 1—Proposed Order # 2 Exhibit 1—A—Forms of Ballots # 3 Exhibit 1—B—Notice of Confirmation Hearing # 4 Exhibit 1—C—Notice of Non-Voting Status # 5 Exhibit 1—D—Notice of Assumption)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1108</u>, filed by Debtor Highland Capital Management, L.P., <u>1322</u> Certificate of service re: <i>Documents Served on October 28, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1300</u> Notice of hearing (<i>Notice of Continued Hearing on Disclosure Statement for the Second Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1289</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>945</u> Disclosure statement, <u>1080</u> Disclosure statement)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1289</u>, filed by Debtor Highland Capital Management, L.P., <u>1301</u> Order approving stipulation resolving Proof of Claim No. 86 of NWCC, LLC (RE: related document(s)<u>1264</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 10/28/2020 (Okafor, M.), <u>1302</u> Order granting motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159). Filed by Debtor Highland Capital Management, L.P. (related document <u>1087</u>) Entered on 10/28/2020. (Okafor, M.), <u>1309</u> Amended Notice of hearing (<i>Second Amended Notice of Hearing</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1108</u> Motion for leave (<i>Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice</i>) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit 1—Proposed Order # 2 Exhibit 1—A—Forms of Ballots # 3 Exhibit 1—B—Notice of Confirmation Hearing # 4 Exhibit 1—C—Notice of Non-Voting Status # 5 Exhibit 1—D—Notice of Assumption)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1108</u>, filed by Debtor Highland Capital Management, L.P.). filed by Claims Agent Kurtzman Carson Consultants LLC). (Kass, Albert)</p>
11/13/2020	<p><u>1388</u> Witness and Exhibit List for <i>Hearing on Motion for Allowance of Claim</i> filed by Creditor Patrick Daugherty (RE: related document(s)<u>1281</u> Motion for leave – <i>Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018</i>). (Attachments: # <u>1</u> Exhibit PHD-1 # <u>2</u> Exhibit PHD-2 # <u>3</u> Exhibit PHD-3 # <u>4</u> Exhibit PHD-4 # <u>5</u> Exhibit PHD-5 # <u>6</u> Exhibit PHD-6 # <u>7</u> Exhibit PHD-7 # <u>8</u> Exhibit PHD-8 # <u>9</u> Exhibit PHD-9 # <u>10</u> Exhibit PHD-10 # <u>11</u> Exhibit PHD-11 # <u>12</u> Exhibit PHD-12 # <u>13</u> Exhibit PHD-13 # <u>14</u> Exhibit PHD-14 # <u>15</u> Exhibit PHD-15 # <u>16</u> Exhibit</p>

	PHD-16 # <u>17</u> Exhibit PHD-17 # <u>18</u> Exhibit PHD-18 # <u>19</u> Exhibit PHD-19 # <u>20</u> Exhibit PHD-20 # <u>21</u> Exhibit PHD-21 # <u>22</u> Exhibit PHD-22 # <u>23</u> Exhibit PHD-23 # <u>24</u> Exhibit PHD-24 # <u>25</u> Exhibit PHD-25 # <u>26</u> Exhibit PHD-26 # <u>27</u> Exhibit PHD-27 # <u>28</u> Exhibit PHD-28 # <u>29</u> Exhibit PHD-29 # <u>30</u> Exhibit PHD-30 # <u>31</u> Exhibit PHD-31 # <u>32</u> Exhibit PHD-32 # <u>33</u> Exhibit PHD-33 # <u>34</u> Exhibit PHD-34 # <u>35</u> Exhibit PHD-35 # <u>36</u> Exhibit PHD-36 # <u>37</u> Exhibit PHD-37 # <u>38</u> Exhibit PHD-38 # <u>39</u> Exhibit PHD-39 # <u>40</u> Exhibit PHD-40 # <u>41</u> Exhibit PHD-41 # <u>42</u> Exhibit PHD-42) (Kathman, Jason)
11/13/2020	<u>1389</u> Notice (<i>Debtor's Notice of Filing of Supplement to the Third Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1383</u> Amended chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>944</u> Chapter 11 plan, <u>1079</u> Chapter 11 plan, <u>1287</u> Chapter 11 plan).). (Attachments: # <u>1</u> Exhibit A—Form of Claimant Trust Agreement # <u>2</u> Exhibit B—Form of New GP LLC Documents # <u>3</u> Exhibit C—Form of Reorganized Limited Partnership Agreement # <u>4</u> Exhibit D—Form of Litigation Sub-Trust Agreement # <u>5</u> Exhibit E—Schedule of Retained Causes of Action # <u>6</u> Exhibit F—Form of New Frontier Note # <u>7</u> Exhibit G—Schedule of Employees # <u>8</u> Exhibit H—Form of Senior Employee Stipulation) (Annable, Zachery)
11/14/2020	<u>1390</u> BNC certificate of mailing. (RE: related document(s) <u>1364</u> Notice regarding the record for a bankruptcy appeal to the U.S. District Court. (RE: related document(s) <u>1347</u> Notice of appeal . filed by Interested Party James Dondero (RE: related document(s) <u>1302</u> Order on motion to compromise controversy). Appellant Designation due by 11/23/2020. (Attachments: # 1 Order))) No. of Notices: 1. Notice Date 11/14/2020. (Admin.)
11/15/2020	<u>1391</u> BNC certificate of mailing. (RE: related document(s) <u>1376</u> Notice regarding the record for a bankruptcy appeal to the U.S. District Court. (RE: related document(s) <u>1339</u> Notice of appeal . filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1273</u> Order on motion to compromise controversy). (Attachments: # 1 Exhibit))) No. of Notices: 2. Notice Date 11/15/2020. (Admin.)
11/15/2020	<u>1392</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>1371</u> Order granting motion to appear pro hac vice adding Hayley R. Winograd for Highland Capital Management, L.P. (related document <u>1360</u>) Entered on 11/13/2020. (Ecker, C.)) No. of Notices: 1. Notice Date 11/15/2020. (Admin.)
11/16/2020	<u>1393</u> Certificate No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1248</u> Application for compensation <i>Cover Sheet and Twelfth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from September 1, 2020 through September 30, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Peri). (Pomerantz, Jeffrey)
11/16/2020	<u>1394</u> SEALED document regarding: Exhibit 1 to Appendix to Patrick Hagaman Daugherty's Memorandum of Law and Brief in Support of Motion for Temporary Allowance for Voting Purposes Pursuant to Bankruptcy Rule 3018 per court order filed by Creditor Patrick Daugherty (RE: related document(s) <u>1372</u> Order on motion to seal). (Kathman, Jason)
11/16/2020	<u>1395</u> SEALED document regarding: Exhibit 26 to Appendix to Patrick Hagaman Daugherty's Memorandum of Law and Brief in Support of Motion for Temporary Allowance for Voting Purposes Pursuant to Bankruptcy Rule 3018 per court order filed by Creditor Patrick Daugherty (RE: related document(s) <u>1372</u> Order on motion to seal). (Kathman, Jason)
11/16/2020	<u>1396</u> SEALED document regarding: Exhibit 27 to Appendix to Patrick Hagaman Daugherty's Memorandum of Law and Brief in Support of Motion for Temporary Allowance for Voting Purposes Pursuant to Bankruptcy Rule 3018 per court order filed by Creditor Patrick Daugherty (RE: related document(s) <u>1372</u> Order on motion to seal). (Kathman, Jason)

11/16/2020	<u>1397</u> SEALED document regarding: Exhibit 36 to Appendix to Patrick Hagaman Daugherty's Memorandum of Law and Brief in Support of Motion for Temporary Allowance for Voting Purposes Pursuant to Bankruptcy Rule 3018 per court order filed by Creditor Patrick Daugherty (RE: related document(s) <u>1372</u> Order on motion to seal). (Kathman, Jason)
11/16/2020	<u>1398</u> SEALED document regarding: Exhibit 37 to Appendix to Patrick Hagaman Daugherty's Memorandum of Law and Brief in Support of Motion for Temporary Allowance for Voting Purposes Pursuant to Bankruptcy Rule 3018 per court order filed by Creditor Patrick Daugherty (RE: related document(s) <u>1372</u> Order on motion to seal). (Kathman, Jason)
11/16/2020	<u>1399</u> Notice (<i>Notice of Filing of Fourth Amended Exhibit B to Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtor in the Ordinary Course of Business</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>75</u> Motion to Authorize /Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtors in the Ordinary Course of Business Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # 1 Notice # 2 Exhibit A – Proposed Order # 3 Exhibit B – OCP List # 4 Exhibit C – Form of Declaration of Disinterestedness # 5 Certificate of Service and Service List) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #76 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.), <u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALS UTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2) (Annable, Zachery)
11/16/2020	<u>1400</u> Declaration re: (<i>Disclosure Declaration of Ordinary Course Professional</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). (Annable, Zachery)
11/16/2020	<u>1401</u> Assignment/Transfer of Claim. Fee Amount \$25. Transfer Agreement 3001 (e) 2 Transferors: DLA Piper LLP (US) (Amount \$1,318,730.36) To Contrarian Funds LLC. Filed by Creditor Contrarian Funds LLC. (Schneller, Douglas)
11/16/2020	<u>1402</u> Reply to (related document(s): <u>1337</u> Response filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
11/16/2020	Receipt of filing fee for Assignment/Transfer of claim (Claims Agent)(19-34054-sgj11) [claims, trclmagt] (25.00). Receipt number 28270620, amount \$ 25.00 (re: Doc# <u>1401</u>). (U.S. Treasury)
11/16/2020	<u>1403</u> Exhibit List (<i>Appendix of Exhibits to Debtor's Reply in Support of Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1402</u> Reply). (Annable, Zachery)
11/16/2020	<u>1404</u> Objection to (related document(s): <u>1338</u> Motion to allow claims(<i>Motion for Temporary Allowance of Claims for voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018</i>) filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)

11/16/2020	<u>1405</u> Motion to file document under seal. <i>MOTION FOR AN ORDER GRANTING LEAVE TO FILE DOCUMENTS UNDER SEAL REGARDING REDEEMER COMMITTEE OF THE HIGHLAND CRUSADER FUND AND THE CRUSADER FUNDS REPLY BRIEF IN SUPPORT OF MOTION FOR PARTIAL SUMMARY JUDGMENT AND JOINDER IN THE DEBTORS MOTION FOR PARTIAL SUMMARY JUDGEMENT ON PROOF OF CLAIM NOS. 190 AND 191 OF UBS AG, LONDON BRANCH AND UBS SECURITIES LLC</i> Filed by Interested Party Redeemer Committee of the Highland Crusader Fund (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Proposed Order) (Platt, Mark)
11/16/2020	<u>1406</u> Motion to file document under seal. <i>MOTION FOR AN ORDER GRANTING LEAVE TO FILE DOCUMENTS UNDER SEAL REGARDING REDEEMER COMMITTEE OF THE HIGHLAND CRUSADER FUND AND THE CRUSADER FUNDS OBJECTION AND JOINDER TO DEBTORS OBJECTION TO UBS AG, LONDON BRANCH AND UBS SECURITIES LLC'S MOTION FOR TEMPORARY ALLOWANCE OF CLAIMS FOR VOTING PURPOSES PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 3018</i> Filed by Interested Party Redeemer Committee of the Highland Crusader Fund (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Proposed Order) (Platt, Mark)
11/16/2020	<u>1407</u> Certificate of No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s) <u>1244</u> Application for compensation <i>Third Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 6/1/2020 to 8/31/2020, Fee: \$886,615.45, Expenses: \$1,833.10.). (Hoffman, Juliana)
11/16/2020	<u>1408</u> Reply to (related document(s): <u>1337</u> Response filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch) filed by Interested Party Redeemer Committee of the Highland Crusader Fund. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B (slip sheet only)) (Platt, Mark)
11/16/2020	<u>1409</u> Objection to (related document(s): <u>1338</u> Motion to allow claims(<i>Motion for Temporary Allowance of Claims for voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018</i>) filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch) filed by Interested Party Redeemer Committee of the Highland Crusader Fund. (Attachments: # <u>1</u> Exhibit A (slip sheet only) # <u>2</u> Exhibit B (slip sheet only) # <u>3</u> Exhibit C (slip sheet only) # <u>4</u> Exhibit D (slip sheet only)) (Platt, Mark)
11/16/2020	<u>1410</u> Certificate Amended Certificate of No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s) <u>1244</u> Application for compensation <i>Third Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 6/1/2020 to 8/31/2020, Fee: \$886,615.45, Expenses: \$1,833.10., <u>1407</u> Certificate (generic)). (Hoffman, Juliana)
11/16/2020	<u>1411</u> Reply to (related document(s): <u>1349</u> Objection filed by Debtor Highland Capital Management, L.P.) – <i>Daugherty's Reply in Support of Motion for Temporary Allowance of Claims for Voting Purposes Pursuant to Bankruptcy Rule 3018</i> filed by Creditor Patrick Daugherty. (Kathman, Jason)
11/16/2020	<u>1412</u> Declaration re: <i>Michael S. Colvin in Support of Motion for Temporary Allowance of Claims for Voting Purposes</i> filed by Creditor Patrick Daugherty (RE: related document(s) <u>1411</u> Reply). (Kathman, Jason)
11/17/2020	<u>1413</u> Witness and Exhibit List (<i>Debtor's Witness and Exhibit List for November 20, 2020 Hearing on Motions for Partial Summary Judgment on the UBS Claim and Motion for Temporary Allowance of the UBS Claim</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1214</u> Motion for summary judgment, <u>1215</u> Motion for summary judgment, <u>1338</u> Motion to allow claims(<i>Motion for Temporary Allowance of Claims for voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018</i>)). (Attachments: # <u>1</u> Exhibit 30) (Annable, Zachery)
11/17/2020	

	<u>1414</u> Witness and Exhibit List for November 20, 2020 Hearing on Motions for Partial Summary Judgment on the UBS Claim and Motion for Temporary Allowance of the UBS Claim filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s) <u>1214</u> Motion for summary judgment, <u>1215</u> Motion for summary judgment, <u>1338</u> Motion to allow claims(<i>Motion for Temporary Allowance of Claims for voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018</i>)). (Platt, Mark)
11/17/2020	<u>1415</u> Request for transcript regarding a hearing held on 11/17/2020. The requested turn-around time is hourly. (Edmond, Michael)
11/17/2020	<u>1416</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>1296</u> Application for compensation <i>Sidley Austin LLP's Third Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 6/1/2020 to 8/31/2020, Fee: \$1,86). (Hoffman, Juliana)
11/17/2020	<u>1417</u> Certificate of service re: 1) <i>Motion for Admission Pro Hac Vice of Hayley R. Winograd to Represent Highland Capital Management, L.P.</i> ; 2) <i>Agreed Supplemental Order Regarding Deposit of Funds Into the Registry of the Court</i> ; and 3) <i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from August 1, 2020 Through August 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1360</u> Motion to appear pro hac vice for Hayley R. Winograd. Fee Amount \$100 Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P., <u>1365</u> Agreed supplemental order regarding deposit of funds into the registry of the court (RE: related document(s) <u>821</u> Agreed order regarding deposit of funds into the registry of the Court.). Entered on 11/12/2020 (Okafor, M.), <u>1366</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from August 1, 2020 through August 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.), <u>853</u> Order granting application to employ Development Specialists, Inc. as Other Professional (related document <u>775</u>) Entered on 7/16/2020. (Ecker, C.)). (Attachments: # 1 Exhibit A—DSI Monthly Staffing Report for August 2020) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
11/17/2020	<u>1418</u> Witness and Exhibit List (<i>UBS's Witness and Exhibit List for November 20, 2020 Hearing</i>) filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1214</u> Motion for summary judgment, <u>1338</u> Motion to allow claims(<i>Motion for Temporary Allowance of Claims for voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018</i>)). (Attachments: # <u>1</u> Exhibit 26 – 28 # <u>2</u> Exhibit 29 # <u>3</u> Exhibit 30 # <u>4</u> Exhibit AG30 # <u>5</u> Exhibit AG31 # <u>6</u> Exhibit AG32 – AG46) (Sosland, Martin)
11/17/2020	<u>1419</u> Court admitted exhibits date of hearing November 17, 2020 (RE: related document(s) <u>1281</u> Motion for leave – Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018 Filed by Creditor Patrick Daugherty., (COURT ADMITTED THE FOLLOWING EXHIBIT'S; PLAINTIFF'S PATRICK H. DAUGHERTY EXHIBIT'S #1 THROUGH #41 BY THOMAS UEHLER AND DEFENDANT DEBTOR'S EXHIBIT'S #A THROUGH #V & EXHIBIT'S #X1 & #X2 BY JOHN MORRIS) (Edmond, Michael) (Entered: 11/18/2020)
11/17/2020	<u>1422</u> Hearing held on 11/17/2020. (RE: related document(s) <u>1281</u> Motion for leave – Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018 filed by Creditor Patrick Daugherty) (Appearances: T. Uebler, J. Christensen, and J. Kathman for P. Daugherty; J. Morris and J. Pomeranz for Debtor; M. Clemente for UCC. Evidentiary hearing. Claim estimated for voting purposes at \$9,134,019 for reasons stated on the record. Counsel to upload order.) (Edmond, Michael) (Entered: 11/18/2020)

11/18/2020	<u>1420</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from September 1, 2020 through September 30, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.), <u>853</u> Order granting application to employ Development Specialists, Inc. as Other Professional (related document <u>775</u>) Entered on 7/16/2020. (Ecker, C.)). (Annable, Zachery)
11/18/2020	<u>1421</u> Withdrawal [<i>Notice of Withdrawal of Notice of Transfer of Claim From Debevoise & Plimpton LLP to Contrarian Funds, LLC</i>] Filed by Creditor Contrarian Funds LLC (related document(s) <u>1380</u> Assignment/Transfer of Claim. Fee Amount \$25. Transfer Agreement 3001 (e) 2 Transferors: DLA Piper LLC (US) (Amount \$1,318,730.36) To Contrarian Funds LLC. Filed by Creditor Contrarian Funds LLC. filed by Creditor Contrarian Funds LLC). (Schneller, Douglas)
11/18/2020	<u>1423</u> Amended Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1382</u> List (witness/exhibit/generic)). (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G # <u>8</u> Exhibit H # <u>9</u> Exhibit I # <u>10</u> Exhibit J # <u>11</u> Exhibit K # <u>12</u> Exhibit L # <u>13</u> Exhibit M # <u>14</u> Exhibit N # <u>15</u> Exhibit O # <u>16</u> Exhibit P # <u>17</u> Exhibit Q # <u>18</u> Exhibit R # <u>19</u> Exhibit S # <u>20</u> Exhibit T # <u>21</u> Exhibit U # <u>22</u> Exhibit V # <u>23</u> Exhibit X-1 # <u>24</u> Exhibit X-2) (Annable, Zachery)
11/18/2020	<u>1424</u> Motion for leave (<i>Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C) (Annable, Zachery)
11/18/2020	<u>1425</u> Motion for expedited hearing(related documents <u>1424</u> Motion for leave) (<i>Debtor's Motion for an Expedited Hearing on the Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreement</i>) Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
11/18/2020	<u>1426</u> Transcript regarding Hearing Held 11/17/2020 (90 pages) RE: Motion for Temporary Allowance of Claim (#1281). THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 02/16/2021. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) <u>1422</u> Hearing held on 11/17/2020. (RE: related document(s) <u>1281</u> Motion for leave - Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018 filed by Creditor Patrick Daugherty) (Appearances: T. Uebler, J. Christensen, and J. Kathman for P. Daugherty; J. Morris and J. Pomeranz for Debtor; M. Clemente for UCC. Evidentiary hearing. Claim estimated for voting purposes at \$9,134,019 for reasons stated on the record. Counsel to upload order.)). Transcript to be made available to the public on 02/16/2021. (Rehling, Kathy)
11/18/2020	<u>1427</u> Certificate of service re: <i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from September 1, 2020 through September 30, 2020</i> filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1420</u> Notice (generic)). (Annable, Zachery)
11/18/2020	<u>1428</u> Certificate of service re: <i>Documents Served on or Before November 14, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1371</u> Order granting motion to appear pro hac vice adding Hayley R. Winograd for Highland Capital Management, L.P. (related document <u>1360</u>) Entered on 11/13/2020. (Ecker, C.), <u>1382</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related

	<p>document(s)<u>1281</u> Motion for leave – <i>Daugherty's Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018</i>). filed by Debtor Highland Capital Management, L.P., <u>1383</u> Amended chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>944</u> Chapter 11 plan, <u>1079</u> Chapter 11 plan, <u>1287</u> Chapter 11 plan). filed by Debtor Highland Capital Management, L.P., <u>1384</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>945</u> Disclosure statement, <u>1080</u> Disclosure statement, <u>1289</u> Disclosure statement). filed by Debtor Highland Capital Management, L.P., <u>1385</u> Support/supplemental document (<i>Redline Comparison of Third Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1383</u> Chapter 11 plan). filed by Debtor Highland Capital Management, L.P., <u>1386</u> Support/supplemental document (<i>Redline Comparison of Disclosure Statement for the Third Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1384</u> Disclosure statement). filed by Debtor Highland Capital Management, L.P., <u>1389</u> Notice (<i>Debtor's Notice of Filing of Supplement to the Third Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1383</u> Amended chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>944</u> Chapter 11 plan, <u>1079</u> Chapter 11 plan, <u>1287</u> Chapter 11 plan).). (Attachments: # 1 Exhibit A—Form of Claimant Trust Agreement # 2 Exhibit B—Form of New GP LLC Documents # 3 Exhibit C—Form of Reorganized Limited Partnership Agreement # 4 Exhibit D—Form of Litigation Sub-Trust Agreement # 5 Exhibit E—Schedule of Retained Causes of Action # 6 Exhibit F—Form of New Frontier Note # 7 Exhibit G—Schedule of Employees # 8 Exhibit H—Form of Senior Employee Stipulation) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
11/18/2020	<p><u>1429</u> Expedited Motion to file document under seal. (<i>UBS's Expedited Motion for Leave to File Documents Under Seal With UBS's Witness and Exhibit List for November 20, 2020 Hearing</i>) Filed by Interested Parties UBS AG London Branch, UBS Securities LLC (Sosland, Martin)</p>
11/19/2020	<p><u>1430</u> Order granting motion to seal documents regarding the Redeemer Committee of the Highland Crusader Funds and Crusader Funds Reply Brief in Support of their Motion for Partial Summary Judgment and Joinder in the Debtors Motion for Partial Summary Judgement on Proof of Claim Nos. 190 and 191 of UBS AG, London Branch and UBS Securities LLC. (related document # <u>1405</u>) Entered on 11/19/2020. (Okafor, M.)</p>
11/19/2020	<p><u>1431</u> Order granting motion to seal documents regarding the Redeemer Committee of the Crusader Fund and the Crusader Funds Objection and Joinder to Debtors Objection to UBS AG, London Branch and UBS Securities LLCs Motion for Temporary Allowance of Claims for Voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018 (related document # <u>1406</u>) Entered on 11/19/2020. (Okafor, M.)</p>
11/19/2020	<p><u>1432</u> SEALED document regarding: REDEEMER COMMITTEE OF THE HIGHLAND CRUSADER FUND AND THE CRUSADER FUNDS' OBJECTION AND JOINDER TO DEBTOR'S OBJECTION TO UBS AG, LONDON BRANCH AND UBS SECURITIES, LLC'S MOTION FOR TEMPORARY ALLOWANCE OF CLAIMS FOR VOTING PURPOSES PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 3018 per court order filed by Interested Party Redeemer Committee of the Highland Crusader Fund (RE: related document(s)<u>1431</u> Order on motion to seal). (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D) (Platt, Mark)</p>
11/19/2020	<p><u>1433</u> SEALED document regarding: REDEEMER COMMITTEE OF THE HIGHLAND CRUSADER FUNDS AND THE CRUSADER FUNDS' REPLY BRIEF IN SUPPORT OF THEIR MOTION FOR PARTIAL SUMMARY JUDGMENT AND JOINDER IN THE DEBTOR'S MOTION FOR PARTIAL SUMMARY JUDGMENT ON PROOF OF CLAIM NOS. 190 AND 191 OF UBS AG, LONDON BRANCH AND UBS SECURITIES LLC per court order filed by Interested Party Redeemer Committee</p>

	of the Highland Crusader Fund (RE: related document(s) <u>1430</u> Order on motion to seal). (Attachments: # <u>1</u> Exhibit B) (Platt, Mark)
11/19/2020	<u>1434</u> Notice of hearing (<i>Notice of Hearing on Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1424</u> Motion for leave (<i>Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1424</u> , (Annable, Zachery)
11/19/2020	<u>1435</u> Stipulation by Highland Capital Management, L.P. and MCS Capital, LLC. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1166</u> Assignment/Transfer of claim (Claims Agent)). (Annable, Zachery)
11/19/2020	<u>1436</u> Order granting motion for expedited hearing (Related Doc# <u>1425</u>)(document set for hearing: <u>1424</u> Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements) Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1424</u> , Entered on 11/19/2020. (Okafor, M.)
11/19/2020	<u>1437</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on November 20, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
11/19/2020	<u>1438</u> Notice (<i>Reservation of Rights of UBS Regarding Debtor's Motion for Approval of the Debtor's Proposed Disclosure Statement and Certain Solicitation and Notice Procedures</i>) filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1108</u> Motion for leave (<i>Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice</i>) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit 1—Proposed Order # 2 Exhibit 1—A—Forms of Ballots # 3 Exhibit 1—B—Notice of Confirmation Hearing # 4 Exhibit 1—C—Notice of Non-Voting Status # 5 Exhibit 1—D—Notice of Assumption), <u>1384</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement, <u>1080</u> Disclosure statement, <u>1289</u> Disclosure statement).). (Sosland, Martin)
11/19/2020	<u>1439</u> WITHDRAWN per docket # <u>1622</u> Motion for leave (<i>James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Course of Business</i>) Filed by Interested Party James Dondero (Attachments: # <u>1</u> Proposed Order) (Assink, Bryan) Modified on 12/28/2020 (Ecker, C.).
11/19/2020	<u>1440</u> Order granting motion to seal documents with UBSs Witness and Exhibit List for November 20, 2020 Hearing (related document # <u>1429</u>) Entered on 11/19/2020. (Okafor, M.)
11/19/2020	<u>1441</u> SEALED document regarding: UBS's Witness and Exhibit List for November 20, 2020 Hearing per court order filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1440</u> Order on motion to seal). (Attachments: # <u>1</u> Exhibit 26 # <u>2</u> Exhibit 27 # <u>3</u> Exhibit 28 # <u>4</u> Exhibit 30 # <u>5</u> Exhibit AG32 # <u>6</u> Exhibit AG33 # <u>7</u> Exhibit AG34 # <u>8</u> Exhibit AG35 # <u>9</u> Exhibit AG36 # <u>10</u> Exhibit AG37 # <u>11</u> Exhibit AG38 # <u>12</u> Exhibit AG39 # <u>13</u> Exhibit AG40 # <u>14</u> Exhibit AG41 # <u>15</u> Exhibit AG42 # <u>16</u> Exhibit AG43 # <u>17</u> Exhibit AG44 # <u>18</u> Exhibit AG45 # <u>19</u> Exhibit AG46) (Sosland, Martin)
11/19/2020	

	<p><u>1442</u> Certificate of service re: <i>Documents Served on November 16, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1399</u> Notice (<i>Notice of Filing of Fourth Amended Exhibit B to Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtor in the Ordinary Course of Business</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>75</u> Motion to Authorize /Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtors in the Ordinary Course of Business Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # 1 Notice # 2 Exhibit A – Proposed Order # 3 Exhibit B – OCP List # 4 Exhibit C – Form of Declaration of Disinterestedness # 5 Certificate of Service and Service List) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #76 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.), <u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALSUTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Attachments: # 1 Exhibit 1 # 2 Exhibit 2) filed by Debtor Highland Capital Management, L.P., <u>1400</u> Declaration re: (<i>Disclosure Declaration of Ordinary Course Professional</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>176</u> Document). filed by Debtor Highland Capital Management, L.P., <u>1402</u> Reply to (related document(s): <u>1337</u> Response filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>1403</u> Exhibit List (<i>Appendix of Exhibits to Debtor's Reply in Support of Motion for Partial Summary Judgment on Proof of Claim Nos. 190 and 191 of UBS Securities LLC and UBS AG, London Branch</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1402</u> Reply). filed by Debtor Highland Capital Management, L.P., <u>1404</u> Objection to (related document(s): <u>1338</u> Motion to allow claims(<i>Motion for Temporary Allowance of Claims for voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018</i>) filed by Interested Party UBS Securities LLC, Interested Party UBS AG London Branch) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
11/19/2020	<p><u>1443</u> Motion for expedited hearing(related documents <u>1439</u> Motion for leave) (<i>Request for Emergency Hearing on James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Course of Business</i>) Filed by Interested Party James Dondero (Attachments: # <u>1</u> Proposed Order) (Assink, Bryan)</p>
11/20/2020	<p><u>1444</u> Notice (<i>Revised Notice of Agenda of Matters Scheduled for Hearing on November 20, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1437</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on November 20, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P..). (Annable, Zachery)</p>
11/20/2020	<p><u>1445</u> Objection to disclosure statement (RE: related document(s)<u>1384</u> Disclosure statement) filed by Creditor Patrick Daugherty. (Kathman, Jason)</p>
11/20/2020	<p><u>1446</u> Request for transcript regarding a hearing held on 11/20/2020. The requested turn-around time is hourly. (Edmond, Michael)</p>
11/20/2020	<p><u>1447</u> WITHDRAWN per # <u>1460</u> Response opposed to (related document(s): <u>1424</u> Motion for leave (<i>Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements</i>) filed by Debtor Highland Capital Management, L.P.) filed by Interested Party James Dondero. (Bonds, John) Modified on 11/23/2020 (Ecker, C.).</p>

11/20/2020	<u>1448</u> Application for compensation <i>Thirteenth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from October 1, 2020 through October 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 10/1/2020 to 10/31/2020, Fee: \$1,119,675.50, Expenses: \$19,132.28. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 12/11/2020. (Pomerantz, Jeffrey)
11/20/2020	<u>1449</u> Amended application for compensation <i>Thirteenth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from October 1, 2020 through October 31, 2020 (amended solely to include Exhibit A)</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 10/1/2020 to 10/31/2020, Fee: \$1,119,675.50, Expenses: \$19,132.28. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 12/11/2020. (Pomerantz, Jeffrey)
11/20/2020	<u>1450</u> Amended chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>944</u> Chapter 11 plan, <u>1079</u> Chapter 11 plan, <u>1287</u> Chapter 11 plan, <u>1383</u> Chapter 11 plan). (Annable, Zachery)
11/20/2020	<u>1451</u> Support/supplemental document (<i>Interim Redline of Fourth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1450</u> Chapter 11 plan). (Annable, Zachery)
11/20/2020	<u>1452</u> Support/supplemental document (<i>Cumulative Redline of Fourth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1450</u> Chapter 11 plan). (Annable, Zachery)
11/20/2020	<u>1453</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement, <u>1080</u> Disclosure statement, <u>1289</u> Disclosure statement, <u>1384</u> Disclosure statement). (Annable, Zachery)
11/20/2020	<u>1454</u> Support/supplemental document (<i>Interim Redline of Disclosure Statement for the Fourth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1453</u> Disclosure statement). (Annable, Zachery)
11/20/2020	<u>1455</u> Support/supplemental document (<i>Cumulative Redline of Disclosure Statement for the Fourth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1453</u> Disclosure statement). (Annable, Zachery)
11/20/2020	<u>1456</u> Appellant designation of contents for inclusion in record on appeal and statement of issues on appeal. , Statement of issues on appeal, filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1369</u> Amended notice of appeal). Appellee designation due by 12/4/2020. (Sosland, Martin)
11/20/2020	<u>1457</u> Certificate of service re: (<i>Supplemental</i>) Documents Served on October 28, 2020 Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1300</u> Notice of hearing (<i>Notice of Continued Hearing on Disclosure Statement for the Second Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1289</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement, <u>1080</u> Disclosure statement).). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1289</u> , filed by Debtor Highland Capital Management, L.P., <u>1309</u> Amended Notice of hearing (<i>Second Amended Notice of Hearing</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1108</u> Motion for leave (<i>Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice</i>) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u>

	<p>Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit 1—Proposed Order # 2 Exhibit 1—A—Forms of Ballots # 3 Exhibit 1—B—Notice of Confirmation Hearing # 4 Exhibit 1—C—Notice of Non-Voting Status # 5 Exhibit 1—D—Notice of Assumption)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1108</u>, filed by Debtor Highland Capital Management, L.P., <u>1322</u> Certificate of service re: <i>Documents Served on October 28, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1300</u> Notice of hearing (<i>Notice of Continued Hearing on Disclosure Statement for the Second Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1289</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>945</u> Disclosure statement, <u>1080</u> Disclosure statement)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1289</u>, filed by Debtor Highland Capital Management, L.P., <u>1301</u> Order approving stipulation resolving Proof of Claim No. 86 of NWCC, LLC (RE: related document(s)<u>1264</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 10/28/2020 (Okafor, M.), <u>1302</u> Order granting motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159). Filed by Debtor Highland Capital Management, L.P. (related document <u>1087</u>) Entered on 10/28/2020. (Okafor, M.), <u>1309</u> Amended Notice of hearing (<i>Second Amended Notice of Hearing</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1108</u> Motion for leave (<i>Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice</i>) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit 1—Proposed Order # 2 Exhibit 1—A—Forms of Ballots # 3 Exhibit 1—B—Notice of Confirmation Hearing # 4 Exhibit 1—C—Notice of Non-Voting Status # 5 Exhibit 1—D—Notice of Assumption)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1108</u>, filed by Debtor Highland Capital Management, L.P.). filed by Claims Agent Kurtzman Carson Consultants LLC). (Kass, Albert)</p>
11/20/2020	<p>1462 Hearing held on 11/20/2020. (RE: related document(s)<u>1214</u> Motion for partial summary judgment on proof of claim(s) 190 and 191 of UBS Securities LLC and UBS AG, London Branch filed by Debtor Highland Capital Management, L.P., (RE: Related document(s) <u>928</u> Objection to claim filed by Debtor Highland Capital Management, L.P.,) (Appearances: R. Feinstein and J. Pomeranz for Debtor; T. Mascherin, M. Hankin, and M. Platt for Crusader Funds; A. Clubok K. Posin and S. Tomkowiak for UBS. Motion granted as announced on the record. Counsel to submit an Order and Judgment.) (Edmond, Michael) (Entered: 11/23/2020)</p>
11/20/2020	<p>1463 Hearing held on 11/20/2020. (RE: related document(s)<u>1215</u> Redeemer Committee of the Highland Crusader Fund and the Crusader Funds' Motion for partial summary judgment on proof of claim(s) 190 and 191 of UBS AG, London Branch and UBS Securities LLC filed by Interested Party Redeemer Committee of the Highland Crusader Fun and the Crusader's Funds' (Attachments: # 1 Proposed Order) (RE: Related document(s) <u>933</u> Objection to claim filed by Interested Party Redeemer Committee of the Highland Crusader Fund). (Appearances: R. Feinstein and J. Pomeranz for Debtor; T. Mascherin, M. Hankin, and M. Platt for Crusader Funds; A. Clubok K. Posin and S. Tomkowiak for UBS. Motion granted as announced on the record. Counsel to submit an Order and Judgment.) (Edmond, Michael) (Entered: 11/23/2020)</p>
11/20/2020	<p>1464 Hearing held on 11/20/2020. (RE: related document(s)<u>1338</u> Motion to allow claims (Motion for Temporary Allowance of Claims for voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018) filed by Interested Parties UBS AG London Branch, UBS Securities LLC.,) (Appearances: R. Feinstein and J. Pomeranz for Debtor; T. Mascherin, M. Hankin, and M. Platt for Crusader Funds; A. Clubok K. Posin and S. Tomkowiak for UBS. Motion granted as follows: UBS shall have a voting claim estimated at \$94.76 million. Counsel for UBS to submit an Order.) (Edmond, Michael) (Entered: 11/23/2020)</p>

11/23/2020	<u>1458</u> Clerk's correspondence requesting Amended designation from attorney for creditor. (RE: related document(s) <u>1456</u> Appellant designation of contents for inclusion in record on appeal and statement of issues on appeal. , Statement of issues on appeal, filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1369</u> Amended notice of appeal). Appellee designation due by 12/4/2020.) Responses due by 11/25/2020. (Blanco, J.)
11/23/2020	<u>1459</u> Reply to (related document(s): <u>1447</u> Response filed by Interested Party James Dondero) (<i>Debtor's Reply in Support of the Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements</i>) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
11/23/2020	<u>1460</u> Withdrawal filed by Interested Party James Dondero (RE: related document(s) <u>1447</u> Response). (Assink, Bryan)
11/23/2020	<u>1461</u> Objection to (related document(s): <u>1443</u> Motion for expedited hearing(related documents <u>1439</u> Motion for leave) (<i>Request for Emergency Hearing on James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Co filed by Interested Party James Dondero</i>) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
11/23/2020	<u>1465</u> Reply to (related document(s): <u>1461</u> Objection filed by Debtor Highland Capital Management, L.P.) filed by Interested Party James Dondero. (Assink, Bryan)
11/23/2020	<u>1466</u> Appellant designation of contents for inclusion in record on appeal and statement of issues on appeal. , Statement of issues on appeal, filed by Interested Party James Dondero (RE: related document(s) <u>1347</u> Notice of appeal). Appellee designation due by 12/7/2020. (Assink, Bryan)
11/23/2020	<u>1467</u> Notice of hearing filed by Interested Party James Dondero (RE: related document(s) <u>1439</u> Motion for leave (<i>James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Course of Business</i>) Filed by Interested Party James Dondero (Attachments: # 1 Proposed Order)). Hearing to be held on 12/16/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1439</u> , (Assink, Bryan)
11/23/2020	<u>1468</u> Certificate of service re: <i>re: 1) WebEx Meeting Invitation to participate electronically in the hearing on Tuesday, November 20, 2020 at 9:30 a.m. Central Time before the Honorable Stacey G. Jernigan; 2) Instructions for any counsel and parties who wish to participate in the Hearing; and 3) Debtors Witness and Exhibit List for November 20, 2020 Hearing on Motions for Partial Summary Judgment on the UBS Claim and Motion for Temporary Allowance of the UBS Claim</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1413</u> Witness and Exhibit List (<i>Debtor's Witness and Exhibit List for November 20, 2020 Hearing on Motions for Partial Summary Judgment on the UBS Claim and Motion for Temporary Allowance of the UBS Claim</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1214</u> Motion for summary judgment, <u>1215</u> Motion for summary judgment, <u>1338</u> Motion to allow claims(<i>Motion for Temporary Allowance of Claims for voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018</i>)). (Attachments: # 1 Exhibit 30) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
11/23/2020	<u>1469</u> Certificate of service re: <i>1) Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements; and 2) Debtors Motion for an Expedited Hearing on the Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) for Authority to Enter Into Sub-Servicer Agreement</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1424</u> Motion for leave (<i>Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C) filed by Debtor Highland Capital

	Management, L.P., <u>1425</u> Motion for expedited hearing(related documents <u>1424</u> Motion for leave) (<i>Debtor's Motion for an Expedited Hearing on the Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreement</i>) Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
11/23/2020	<u>1470</u> Certificate of service re: <i>Documents Served on November 19, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1434</u> Notice of hearing (<i>Notice of Hearing on Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1424</u> Motion for leave (<i>Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1424</u> , filed by Debtor Highland Capital Management, L.P., <u>1435</u> Stipulation by Highland Capital Management, L.P. and MCS Capital, LLC. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1166</u> Assignment/Transfer of claim (Claims Agent)). filed by Debtor Highland Capital Management, L.P., <u>1436</u> Order granting motion for expedited hearing (Related Doc <u>1425</u>)(document set for hearing: <u>1424</u> Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements) Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1424</u> , Entered on 11/19/2020. (Okafor, M.), <u>1437</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on November 20, 2020 at 9:30 a.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
11/23/2020	<u>1478</u> Hearing held on 11/23/2020. (RE: related document(s) <u>1424</u> Motion for leave (Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements) filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz and G. Demo for Debtor; M. Clemente for UCC; J. Kathman for P. Daugherty; B. Assink for J. Dondero. Nonevidentiary hearing. Court heard report of various amendments that have been negotiated. Motion granted. Counsel to upload order.) (Edmond, Michael) (Entered: 11/24/2020)
11/23/2020	<u>1479</u> Hearing held on 11/23/2020. (RE: related document(s) <u>1473</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement, <u>1080</u> Disclosure statement, <u>1289</u> Disclosure statement, <u>1384</u> Disclosure statement, <u>1453</u> Disclosure statement).) (Appearances: J. Pomeranz and G. Demo for Debtor; M. Clemente for UCC; J. Kathman for P. Daugherty; B. Assink for J. Dondero. Nonevidentiary hearing. Court heard report of various amendments that have been negotiated. Disclosure Statement approved as adequate. Confirmation hearing will be held 1/13/21 at 9:30 am and continuing on 1/14/21 at 9:30 (if necessary). Counsel to upload order.) (Edmond, Michael) (Entered: 11/24/2020)
11/23/2020	<u>1480</u> Hearing held on 11/23/2020. (RE: related document(s) <u>1108</u> Motion for leave (Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P., (Appearances: J. Pomeranz and G. Demo for Debtor; M. Clemente for UCC; J. Kathman for P. Daugherty; B. Assink for J. Dondero. Nonevidentiary hearing. Court heard report of various amendments that have been negotiated. Motion granted. Confirmation hearing will be held 1/13/21 at 9:30 am and continuing on 1/14/21 at 9:30 (if necessary). Counsel to upload order.) (Edmond, Michael) (Entered: 11/24/2020)
11/24/2020	<u>1471</u> Clerk's correspondence requesting an order from attorney for creditor. (RE: related document(s) <u>1154</u> Motion for leave <i>to Amend Certain Proofs of Claim</i> Filed by Creditor The Dugaboy Investment Trust Objections due by 10/30/2020. (Attachments: # 1 Proposed

	Order)) Responses due by 12/8/2020. (Ecker, C.)
11/24/2020	<u>1472</u> Amended chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>944</u> Chapter 11 plan, <u>1079</u> Chapter 11 plan, <u>1287</u> Chapter 11 plan, <u>1383</u> Chapter 11 plan, <u>1450</u> Chapter 11 plan). (Annable, Zachery)
11/24/2020	<u>1473</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement, <u>1080</u> Disclosure statement, <u>1289</u> Disclosure statement, <u>1384</u> Disclosure statement, <u>1453</u> Disclosure statement). (Annable, Zachery)
11/24/2020	<u>1474</u> Order Granting Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018 Filed by Creditor Patrick Daugherty (related document # <u>1281</u>) Entered on 11/24/2020. (Okafor, M.)
11/24/2020	<u>1475</u> Order Granting Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements (related document # <u>1424</u>) Entered on 11/24/2020. (Okafor, M.)
11/24/2020	<u>1476</u> Order approving disclosure statement and setting hearing on confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan filed by Debtor Highland Capital Management, L.P. and <u>1473</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P.). Confirmation hearing to be held on 1/13/2021 at 09:30 AM at Dallas Judge Jernigan Ctrm. Last day to Object to Confirmation 1/5/2021. Ballots due 1/5/2021. Entered on 11/24/2020 (Okafor, M.)
11/24/2020	<u>1477</u> Order approving stipulation resolving proof of claim no. 148 filed by Lynn Pinker Cox & Hurst, LLP (RE: related document(s) <u>1435</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 11/24/2020 (Okafor, M.)
11/25/2020	<u>1481</u> Clerk's correspondence requesting Amended designation from attorney for creditor. (RE: related document(s) <u>1466</u> Appellant designation of contents for inclusion in record on appeal and statement of issues on appeal. , Statement of issues on appeal, filed by Interested Party James Dondero (RE: related document(s) <u>1347</u> Notice of appeal). Appellee designation due by 12/7/2020.) Responses due by 12/2/2020. (Blanco, J.)
11/25/2020	<u>1482</u> Transcript regarding Hearing Held 11/20/2020 (223 pages) RE: Motions for Partial Summary Judgment; Motion to Allow Claims for Voting Purposes. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 02/23/2021. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) <u>1462</u> Hearing held on 11/20/2020. (RE: related document(s) <u>1214</u> Motion for partial summary judgment on proof of claim(s) 190 and 191 of UBS Securities LLC and UBS AG, London Branch filed by Debtor Highland Capital Management, L.P., (RE: Related document(s) <u>928</u> Objection to claim filed by Debtor Highland Capital Management, L.P.,) (Appearances: R. Feinstein and J. Pomeranz for Debtor; T. Mascherin, M. Hankin, and M. Platt for Crusader Funds; A. Clubok K. Posin and S. Tomkowiak for UBS. Motion granted as announced on the record. Counsel to submit an Order and Judgment.), <u>1463</u> Hearing held on 11/20/2020. (RE: related document(s) <u>1215</u> Redeemer Committee of the Highland Crusader Fund and the Crusader Funds' Motion for partial summary judgment on proof of claim(s) 190 and 191 of UBS AG, London Branch and UBS Securities LLC filed by Interested Party Redeemer Committee of the Highland Crusader Fund and the Crusader's Funds' (Attachments: # 1 Proposed Order) (RE: Related document(s) <u>933</u> Objection to claim filed by Interested Party Redeemer Committee of the Highland Crusader Fund). (Appearances: R. Feinstein and J. Pomeranz for Debtor; T. Mascherin, M. Hankin, and M. Platt for Crusader Funds; A. Clubok K. Posin and S. Tomkowiak for UBS. Motion granted as announced on the record. Counsel to submit an Order and Judgment.), <u>1464</u> Hearing held

	on 11/20/2020. (RE: related document(s) <u>1338</u> Motion to allow claims (Motion for Temporary Allowance of Claims for voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018) filed by Interested Parties UBS AG London Branch, UBS Securities LLC.) (Appearances: R. Feinstein and J. Pomeranz for Debtor; T. Mascherin, M. Hankin, and M. Platt for Crusader Funds; A. Clubok K. Posin and S. Tomkowiak for UBS. Motion granted as follows: UBS shall have a voting claim estimated at \$94.76 million. Counsel for UBS to submit an Order.)). Transcript to be made available to the public on 02/23/2021. (Rehling, Kathy)
11/25/2020	<u>1483</u> Application for compensation <i>Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through October 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 10/16/2019 to 10/31/2020, Fee: \$599,126.60, Expenses: \$11,433.73. Filed by Attorney Holland N. O'Neil Objections due by 12/16/2020. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B/Proposed Order # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G # <u>8</u> Exhibit H) (O'Neil, Holland)
11/25/2020	<u>1484</u> Amended appellant designation of contents for inclusion in record on appeal and statement of issues on appeal. , Statement of issues on appeal, filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1456</u> Appellant designation, Statement of issues on appeal). (Sosland, Martin)
11/25/2020	<u>1485</u> Joint Motion to continue hearing on (related documents <u>1207</u> Motion to allow claims) Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
11/26/2020	<u>1486</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>1474</u> Order Granting Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018 Filed by Creditor Patrick Daugherty (related document <u>1281</u>) Entered on 11/24/2020. (Okafor, M.)) No. of Notices: 1. Notice Date 11/26/2020. (Admin.)
11/26/2020	<u>1487</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>1477</u> Order approving stipulation resolving proof of claim no. 148 filed by Lynn Pinker Cox & Hurst, LLP (RE: related document(s) <u>1435</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 11/24/2020 (Okafor, M.)) No. of Notices: 1. Notice Date 11/26/2020. (Admin.)
11/27/2020	<u>1488</u> Certificate of service re: <i>Thirteenth Monthly Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from October 1, 2020 through October 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1449</u> Amended application for compensation <i>Thirteenth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from October 1, 2020 through October 31, 2020 (amended solely to include Exhibit A)</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 10/1/2020 to 10/31/2020, Fee: \$1,119,675.50, Expenses: \$19,132.28. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 12/11/2020. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
11/30/2020	<u>1489</u> Order granting motion to continue hearing on (related document # <u>1485</u>) (related documents Motion to allow claims of HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan) Hearing to be held on 12/10/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1207</u> , Entered on 11/30/2020. (Ecker, C.)
11/30/2020	<u>1490</u> Application for compensation <i>Sidley Austin LLP's Twelfth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 10/1/2020 to 10/31/2020, Fee: \$537,841.80, Expenses: \$3,125.47. Filed by Objections due by 12/21/2020. (Hoffman, Juliana)
11/30/2020	

	<u>1491</u> Motion for relief from stay Fee amount \$181, Filed by Creditor Patrick Daugherty Objections due by 12/14/2020. (Attachments: # <u>1</u> Exhibit Declaration of Patrick Daugherty in Support of Motion to Lift the Automatic Stay) (Kathman, Jason)
12/01/2020	<u>1492</u> Clerk's correspondence requesting exhibits from attorney for plaintiff. (RE: related document(s) <u>1484</u> Amended appellant designation of contents for inclusion in record on appeal and statement of issues on appeal. , Statement of issues on appeal, filed by Interested Parties UBS AG London Branch, UBS Securities LLC (RE: related document(s) <u>1456</u> Appellant designation, Statement of issues on appeal).) Responses due by 12/14/2020. (Blanco, J.)
12/01/2020	<u>1493</u> Debtor-in-possession monthly operating report for filing period October 1, 2020 to October 31, 2020 filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
12/01/2020	<u>1494</u> Notice of hearing on <i>Daugherty's Motion to Lift the Automatic Stay</i> filed by Creditor Patrick Daugherty (RE: related document(s) <u>1491</u> Motion for relief from stay Fee amount \$181, Filed by Creditor Patrick Daugherty Objections due by 12/14/2020. (Attachments: # 1 Exhibit Declaration of Patrick Daugherty in Support of Motion to Lift the Automatic Stay)). Preliminary hearing to be held on 12/17/2020 at 01:30 PM at Dallas Judge Jernigan Ctrm. (Attachments: # <u>1</u> Creditor Matrix) (Kathman, Jason)
12/01/2020	<u>1495</u> Certificate of service re: <i>1) Debtor's Reply in Support of the Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements; and 2) Debtors Objection to Request for Emergency Hearing Filed by James Dondero [Docket No. 1443]</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1459</u> Reply to (related document(s): <u>1447</u> Response filed by Interested Party James Dondero) (<i>Debtor's Reply in Support of the Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements</i>) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>1461</u> Objection to (related document(s): <u>1443</u> Motion for expedited hearing(related documents <u>1439</u> Motion for leave) (<i>Request for Emergency Hearing on James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Co filed by Interested Party James Dondero</i>) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
12/01/2020	<u>1496</u> Certificate of service re: <i>1) Order Granting Patrick Hagaman Daughertys Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018; 2) Pursuant to 11 U.S.C. §§ 105(a) and 363(b) for Authority to Enter Into Sub-Servicer Agreements; and 3) Order Approving Stipulation Resolving Proof of Claim No. 148 Filed by Lynn Pinker Cox & Hurst, LLP</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1474</u> Order Granting Motion for Temporary Allowance of Claim for Voting Purposes Pursuant to Bankruptcy Rule 3018 Filed by Creditor Patrick Daugherty (related document <u>1281</u>) Entered on 11/24/2020. (Okafor, M.), <u>1475</u> Order Granting Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements (related document <u>1424</u>) Entered on 11/24/2020. (Okafor, M.), <u>1477</u> Order approving stipulation resolving proof of claim no. 148 filed by Lynn Pinker Cox & Hurst, LLP (RE: related document(s) <u>1435</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 11/24/2020 (Okafor, M.)). (Kass, Albert)
12/01/2020	<u>1497</u> Amended appellant designation of contents for inclusion in record on appeal and statement of issues on appeal. , Statement of issues on appeal, filed by Interested Party James Dondero (RE: related document(s) <u>1466</u> Appellant designation, Statement of issues on appeal). (Assink, Bryan)
12/02/2020	Receipt of filing fee for Motion for relief from stay(19-34054-sgj11) [motion,mrlfsty] (181.00). Receipt number 28309234, amount \$ 181.00 (re: Doc# <u>1491</u>). (U.S. Treasury)
12/02/2020	

	<p><u>1498</u> Notice of hearing filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP (RE: related document(s)<u>1483</u> Application for compensation <i>Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through October 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 10/16/2019 to 10/31/2020, Fee: \$599,126.60, Expenses: \$11,433.73. Filed by Attorney Holland N. O'Neil Objections due by 12/16/2020. (Attachments: # 1 Exhibit A # 2 Exhibit B/Proposed Order # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F # 7 Exhibit G # 8 Exhibit H) (O'Neil, Holland)). Hearing to be held on 1/6/2021 at 02:30 PM Dallas Judge Jernigan Ctrm for <u>1483</u>, (O'Neil, Holland)</p>
12/02/2020	<p><u>1499</u> Certificate of service re: 1) <i>Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 Through October 31, 2020</i>; and 2) <i>Joint Motion to Continue Hearing</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1483</u> Application for compensation <i>Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through October 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 10/16/2019 to 10/31/2020, Fee: \$599,126.60, Expenses: \$11,433.73. Filed by Attorney Holland N. O'Neil Objections due by 12/16/2020. (Attachments: # 1 Exhibit A # 2 Exhibit B/Proposed Order # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F # 7 Exhibit G # 8 Exhibit H) (O'Neil, Holland) filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>1485</u> Joint Motion to continue hearing on (related documents <u>1207</u> Motion to allow claims) Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
12/03/2020	<p><u>1500</u> Assignment/Transfer of Claim. Fee Amount \$26. Transfer Agreement 3001 (e) 2 Transferors: Katten Muchin Rosenman LLP (Claim No. 26, Amount \$16,695.00) To Cedar Glade LP. Filed by Creditor Cedar Glade LP. (Attachments: # <u>1</u> Evidence of Transfer) (Tanabe, Kesha)</p>
12/03/2020	<p>Receipt of filing fee for Assignment/Transfer of claim (Claims Agent)(19-34054-sgi11) [claims,trclmagt] (26.00). Receipt number 28312406, amount \$ 26.00 (re: Doc# <u>1500</u>). (U.S. Treasury)</p>
12/03/2020	<p><u>1501</u> Request for transcript regarding a hearing held on 11/23/2020. The requested turn-around time is hourly. (Edmond, Michael)</p>
12/03/2020	<p><u>1502</u> Stipulation by James Dondero and Highland Capital Management, L.P.. filed by Interested Party James Dondero (RE: related document(s)<u>1179</u> Objection to claim). (Assink, Bryan)</p>
12/03/2020	<p><u>1503</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from October 1, 2020 through October 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>342</u> Order granting application to employ Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, Nunc Pro Tunc as of the Petition Date (related document <u>74</u>) Entered on 1/10/2020. (Okafor, M.), <u>853</u> Order granting application to employ Development Specialists, Inc. as Other Professional (related document <u>775</u>) Entered on 7/16/2020. (Ecker, C.)). (Annable, Zachery)</p>
12/03/2020	<p><u>1504</u> Certificate of service re: Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from October 1, 2020 through October 31, 2020 filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1503</u> Notice (generic)). (Annable, Zachery)</p>
12/03/2020	

	<p><u>1505</u> Certificate of service re: <i>Debtor's Notice of Affidavit of Publication of the Notice of (I) Entry of Order Approving Disclosure Statement; (II) Hearing to Confirm Plan; and (III) Related Important Dates in the New York Times</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1476</u> Order approving disclosure statement and setting hearing on confirmation of plan (RE: related document(s)<u>1472</u> Chapter 11 plan filed by Debtor Highland Capital Management, L.P. and <u>1473</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P.). Confirmation hearing to be held on 1/13/2021 at 09:30 AM at Dallas Judge Jernigan Ctrm. Last day to Object to Confirmation 1/5/2021. Ballots due 1/5/2021. Entered on 11/24/2020 (Okafor, M.)). (Kass, Albert)</p>
12/03/2020	<p><u>1506</u> Certificate of service re: <i>1) Order Granting Joint Motion to Continue Hearing; and 2) Twelfth Monthly Application of Sidley Austin for Allowance of Compensation and Reimbursement of Expenses for the Period from October 1, 2020 to and Including October 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1489</u> Order granting motion to continue hearing on (related document <u>1485</u>) (related documents Motion to allow claims of HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan) Hearing to be held on 12/10/2020 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1207</u>, Entered on 11/30/2020. (Ecker, C.), <u>1490</u> Application for compensation <i>Sidley Austin LLP's Twelfth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 10/1/2020 to 10/31/2020, Fee: \$537,841.80, Expenses: \$3,125.47. Filed by Objections due by 12/21/2020. filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)</p>
12/03/2020	<p><u>1507</u> Transcript regarding Hearing Held 11/23/2020 (42 pages) RE: Disclosure Statement Hearing; Motion to Enter into Sub-Servicer Agreements; Motion for Order Shortening Time. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 03/3/2021. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) <u>1478</u> Hearing held on 11/23/2020. (RE: related document(s)<u>1424</u> Motion for leave (Motion of the Debtor Pursuant to 11 U.S.C. 105(a) and 363(b) for Authority to Enter into Sub-Servicer Agreements) filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz and G. Demo for Debtor; M. Clemente for UCC; J. Kathman for P. Daugherty; B. Assink for J. Dondero. Nonevidentiary hearing. Court heard report of various amendments that have been negotiated. Motion granted. Counsel to upload order.), <u>1479</u> Hearing held on 11/23/2020. (RE: related document(s)<u>1473</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>945</u> Disclosure statement, <u>1080</u> Disclosure statement, <u>1289</u> Disclosure statement, <u>1384</u> Disclosure statement, <u>1453</u> Disclosure statement).) (Appearances: J. Pomeranz and G. Demo for Debtor; M. Clemente for UCC; J. Kathman for P. Daugherty; B. Assink for J. Dondero. Nonevidentiary hearing. Court heard report of various amendments that have been negotiated. Disclosure Statement approved as adequate. Confirmation hearing will be held 1/13/21 at 9:30 am and continuing on 1/14/21 at 9:30 (if necessary). Counsel to upload order.), <u>1480</u> Hearing held on 11/23/2020. (RE: related document(s)<u>1108</u> Motion for leave (Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P., (Appearances: J. Pomeranz and G. Demo for Debtor; M. Clemente for UCC; J. Kathman for P. Daugherty; B. Assink for J. Dondero. Nonevidentiary hearing. Court heard report of various amendments that have been negotiated. Motion granted. Confirmation hearing will be held 1/13/21 at 9:30 am and continuing on 1/14/21 at 9:30 (if necessary). Counsel to upload order.)). Transcript to be made available to the public on 03/3/2021. (Rehling, Kathy)</p>
12/03/2020	

	<u>1883</u> INCORRECT ENTRY – Agreed Notice of voluntary dismissal of appeals filed by Allied World Assurance Company (RE: related document(s) <u>1347</u> Notice of appeal . Fee Amount \$298 filed by Interested Party James Dondero (RE: related document(s) <u>1302</u> Order on motion to compromise controversy). Appellant Designation due by 11/23/2020. (Attachments: # 1 Order)). (Blanco, J.) Modified on 2/2/2021 (Blanco, J.). (Entered: 02/02/2021)
12/04/2020	<u>1508</u> Assignment/Transfer of Claim. Fee Amount \$26. Transfer Agreement 3001 (e) 2 Transferors: Daniel Sheehan & Associates, PLLC (Claim No. 47, Amount \$32,433.75) To Fair Harbor Capital, LLC. Filed by Creditor Fair Harbor Capital, LLC. (Knox, Victor)
12/04/2020	<u>1509</u> Assignment/Transfer of Claim. Fee Amount \$26. Transfer Agreement 3001 (e) 2 Transferors: Vengroff Williams Inc (American Arbitration Assoc (Claim No. 33, Amount \$12,911.80) To Fair Harbor Capital, LLC. Filed by Creditor Fair Harbor Capital, LLC. (Knox, Victor)
12/04/2020	Receipt of filing fee for Assignment/Transfer of claim (Claims Agent)(19-34054-sgj11) [claims,trclmagt] (26.00). Receipt number 28315512, amount \$ 26.00 (re: Doc# <u>1508</u>). (U.S. Treasury)
12/04/2020	Receipt of filing fee for Assignment/Transfer of claim (Claims Agent)(19-34054-sgj11) [claims,trclmagt] (26.00). Receipt number 28315512, amount \$ 26.00 (re: Doc# <u>1509</u>). (U.S. Treasury)
12/04/2020	<u>1510</u> Order approving stipulation and agreed order authorizing withdrawal of proofs of claim 138 and 188 (RE: related document(s) <u>1502</u> Stipulation filed by Interested Party James Dondero). Entered on 12/4/2020 (Ecker, C.)
12/04/2020	<u>1511</u> Certificate of service re: <i>(Supplemental) Documents Served on October 28, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1300</u> Notice of hearing (<i>Notice of Continued Hearing on Disclosure Statement for the Second Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1289</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement, <u>1080</u> Disclosure statement).). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1289</u> , filed by Debtor Highland Capital Management, L.P., <u>1309</u> Amended Notice of hearing (<i>Second Amended Notice of Hearing</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1108</u> Motion for leave (<i>Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice</i>) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit 1—Proposed Order # 2 Exhibit 1—A—Forms of Ballots # 3 Exhibit 1—B—Notice of Confirmation Hearing # 4 Exhibit 1—C—Notice of Non-Voting Status # 5 Exhibit 1—D—Notice of Assumption)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1108</u> , filed by Debtor Highland Capital Management, L.P., <u>1322</u> Certificate of service re: <i>Documents Served on October 28, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1300</u> Notice of hearing (<i>Notice of Continued Hearing on Disclosure Statement for the Second Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1289</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement, <u>1080</u> Disclosure statement).). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1289</u> , filed by Debtor Highland Capital Management, L.P., <u>1301</u> Order approving stipulation resolving Proof of Claim No. 86 of NWCC, LLC (RE: related document(s) <u>1264</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 10/28/2020 (Okafor, M.), <u>1302</u> Order granting motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP

	<p>LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159). Filed by Debtor Highland Capital Management, L.P. (related document <u>1087</u>) Entered on 10/28/2020. (Okafor, M.), <u>1309</u> Amended Notice of hearing (<i>Second Amended Notice of Hearing</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1108</u> Motion for leave (<i>Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice</i>) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit 1—Proposed Order # 2 Exhibit 1—A—Forms of Ballots # 3 Exhibit 1—B—Notice of Confirmation Hearing # 4 Exhibit 1—C—Notice of Non-Voting Status # 5 Exhibit 1—D—Notice of Assumption)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1108</u>, filed by Debtor Highland Capital Management, L.P.). filed by Claims Agent Kurtzman Carson Consultants LLC). (Kass, Albert)</p>
12/07/2020	<p><u>1512</u> Assignment/Transfer of Claim. Fee Amount \$26. Transfer Agreement 3001 (e) 2 Transferors: Foley Gardere, Foley Lardner LLP To Hain Capital Investors Master Fund, Ltd. Filed by Creditor Hain Capital Group, LLC. (Rapoport, Amanda)</p>
12/07/2020	<p>Receipt of filing fee for Assignment/Transfer of claim (Claims Agent)(19-34054-sg11) [claims, trclmagt] (26.00). Receipt number 28320856, amount \$ 26.00 (re: Doc# <u>1512</u>). (U.S. Treasury)</p>
12/07/2020	<p><u>1513</u> Application for compensation <i>Twelfth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 10/1/2020 to 10/31/2020, Fee: \$196,216.20, Expenses: \$264.23. Filed by Attorney Juliana Hoffman Objections due by 12/28/2020. (Hoffman, Juliana)</p>
12/07/2020	<p><u>1514</u> Adversary case 20-03190. Complaint by Highland Capital Management, L.P. against James D. Dondero. Fee Amount \$350 (Attachments: # <u>1</u> Adversary Cover Sheet). Nature(s) of suit: 72 (Injunctive relief – other). (Annable, Zachery)</p>
12/07/2020	<p><u>1515</u> Amended appellant designation of contents for inclusion in record on appeal and statement of issues on appeal. filed by Interested Party James Dondero (RE: related document(s) <u>1466</u> Appellant designation, Statement of issues on appeal, <u>1497</u> Appellant designation, Statement of issues on appeal). (Assink, Bryan)</p>
12/07/2020	<p><u>1516</u> Appellee designation of contents for inclusion in record of appeal filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1347</u> Notice of appeal, <u>1369</u> Amended notice of appeal). (Annable, Zachery)</p>
12/07/2020	<p><u>1517</u> Appellee designation of contents for inclusion in record of appeal filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P. (RE: related document(s) <u>1347</u> Notice of appeal). (Chiarello, Annmarie)</p>
12/08/2020	<p><u>1518</u> Order temporarily granting UBS' motion to allow claim number(s) (related document # <u>1338</u>) Entered on 12/8/2020. (Ecker, C.)</p>
12/08/2020	<p><u>1519</u> Clerk's correspondence requesting an order from attorney for creditor. (RE: related document(s) <u>1280</u> Motion for leave <i>to Amend Proof of Claim No. 77</i> Filed by Creditor Patrick Daugherty Objections due by 11/16/2020. (Attachments: # 1 Exhibit A – Proposed Order # 2 Exhibit B – Second Amended Proof of Claim)) Responses due by 12/22/2020. (Ecker, C.)</p>
12/08/2020	<p><u>1520</u> Application for compensation (<i>Ninth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020</i>) for Hayward &</p>

	Associates PLLC, Debtor's Attorney, Period: 8/1/2020 to 12/31/2020, Fee: \$27,465.00, Expenses: \$859.43. Filed by Other Professional Hayward & Associates PLLC (Attachments: # <u>1</u> Exhibit A—August 2020 Invoice) (Annable, Zachery)
12/08/2020	<u>1521</u> Application for compensation <i>Fourteenth Monthly Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor for the Period from November 1, 2020 through November 30, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 11/1/2020 to 11/30/2020, Fee: \$759,428.00, Expenses: \$1,672.80. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 12/29/2020. (Pomerantz, Jeffrey)
12/08/2020	<u>1522</u> INCORRECT EVENT: See # <u>1528</u> for correction. Motion to compel Temporary Restriction of Sales by Non-Debtors CLOs. Filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Strategic Opportunities Fund (Attachments: # <u>1</u> Affidavit # <u>2</u> Proposed Order) (Varshosaz, Artoush) Modified on 12/9/2020 (Ecker, C.).
12/08/2020	<u>1523</u> Motion for expedited hearing(related documents <u>1528</u> Motion by Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Strategic Opportunities Fund. filed by Interested Party Highland Capital Management Fund Advisors, L.P., Interested Party NexPoint Advisors, L.P., Interested Party Highland Fixed Income Fund, Interested Party NexPoint Capital, Inc., Interested Party NexPoint Strategic Opportunities Fund. Modified linkage on 12/9/2020 (Ecker, C.).
12/08/2020	<u>1528</u> Motion for order imposing temporary restrictions on Debtor's ability, as portfolio manager , to initiate sales by non-debtor CLO Vehicles. Highland Capital Management Fund Advisors, L.P. , Highland Fixed Income Fund , NexPoint Advisors, L.P. , NexPoint Capital, Inc. , NexPoint Strategic Opportunities Fund . (Ecker, C.) (Entered: 12/09/2020)
12/09/2020	<u>1524</u> Joint Motion to continue hearing on (related documents <u>1207</u> Motion to allow claims) Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
12/09/2020	<u>1525</u> Request for transcript regarding a hearing held on 1/9/2020. The requested turn-around time is hourly. (Edmond, Michael)
12/09/2020	<u>1526</u> Order granting partial summary judgment (related document # <u>1214</u>) Entered on 12/9/2020. (Ecker, C.)
12/09/2020	<u>1527</u> Order granting joint motion to continue hearing on (related document # <u>1524</u>) (related documents Motion to allow claims of HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan) Entered on 12/9/2020. (Ecker, C.)
12/09/2020	<u>1529</u> Certificate No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1179</u> Objection to claim). (Annable, Zachery)
12/09/2020	<u>1530</u> Motion to extend time to Time to File An Adversary Proceeding Against CLO Holdco, Ltd. (Agreed) (RE: related document(s) <u>1168</u> Order (generic)) Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 12/30/2020. (Montgomery, Paige)
12/09/2020	<u>1531</u> Application for compensation (<i>Tenth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from September 1, 2020 through September 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 9/1/2020 to 9/30/2020, Fee: \$25,075.00, Expenses: \$132.60. Filed by Other Professional Hayward & Associates PLLC (Attachments: # <u>1</u> Exhibit A—H&A September 2020 Invoice) (Annable, Zachery)

12/09/2020	<u>1532</u> Notice (<i>Notice of Stipulation Resolving Proof of Claim No. 164 Filed by Berkeley Research Group, LLC</i>) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
12/10/2020	<u>1533</u> Order granting motion to amend proof of claim #77 and to file supporting documents under seal. (related document # <u>1280</u>) Entered on 12/10/2020. (Ecker, C.)
12/10/2020	<u>1534</u> Order granting <u>1530</u> Motion to extend time. (Re: related document(s) <u>1530</u> Motion to extend time to Time to File An Adversary Proceeding Against CLO Holdco, Ltd. (Agreed) (RE: related document(s) <u>1168</u> Order (generic))) Entered on 12/10/2020. (Ecker, C.)
12/10/2020	<u>1535</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1207</u> Motion to allow claims of <i>HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan</i> Filed by Creditor HarbourVest et al Objections due by 11/9/2020. (Attachments: # 1 Proposed Order)). Hearing to be held on 1/4/2021 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1207</u> , (Annable, Zachery)
12/10/2020	<u>1536</u> Stipulation by Highland Capital Management, L.P. and NexPoint Real Estate Partners, LLC f/k/a HCRE Partners, LLC. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>906</u> Objection to claim). (Annable, Zachery)
12/10/2020	<u>1537</u> Order regarding objection to claim number(s) (RE: related document(s) <u>1179</u> Objection to claim filed by Debtor Highland Capital Management, L.P.). Entered on 12/10/2020 (Ecker, C.)
12/10/2020	<u>1538</u> Order approving stipulation resolving proof of claim #164 (RE: related document(s) <u>1532</u> Notice (generic) filed by Debtor Highland Capital Management, L.P.). Entered on 12/10/2020 (Ecker, C.)
12/10/2020	<u>1539</u> Notice of hearing on <i>Motion Imposing Restrictions on Debtor's Ability, as Portfolio Manager, to Initiate Sales by Non-Debtor CLO Vehicles</i> filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Strategic Opportunities Fund (RE: related document(s) <u>1528</u> Motion for order imposing temporary restrictions on Debtor's ability, as portfolio manager, to initiate sales by non-debtor CLO Vehicles. Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Strategic Opportunities Fund. (Ecker, C.)). Hearing to be held on 12/16/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1528</u> , (Varshosaz, Artoush)
12/10/2020	<u>1540</u> Certificate of service re: <i>Twelfth Monthly Application of FTI Consulting, Inc. for Allowance of Compensation and Reimbursement of Expenses for the Period from October 1, 2020 to and Including October 31, 2020; and 2) Appellees Counter-Designation of Record on Appeal</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1513</u> Application for compensation <i>Twelfth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 10/1/2020 to 10/31/2020, Fee: \$196,216.20, Expenses: \$264.23. Filed by Attorney Juliana Hoffman Objections due by 12/28/2020. filed by Financial Advisor FTI Consulting, Inc., <u>1516</u> Appellee designation of contents for inclusion in record of appeal filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1347</u> Notice of appeal, <u>1369</u> Amended notice of appeal). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
12/10/2020	<u>1541</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>1518</u> Order temporarily granting UBS' motion to allow claim number(s) (related document <u>1338</u>) Entered on 12/8/2020. (Ecker, C.)) No. of Notices: 2. Notice Date 12/10/2020. (Admin.)
12/11/2020	

	<p><u>1542</u> Support/supplemental document/<i>Supplement to the Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor</i> filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP (RE: related document(s)<u>1483</u> Application for compensation <i>Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through October 31, 2020</i> for Foley Ga). (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Proposed Order /Exhibit E) (O'Neil, Holland)</p>
12/11/2020	<p><u>1543</u> Transcript regarding Hearing Held 01/09/2020 (91 pages) RE: Motion to Compromise Controversy (#281). THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 03/11/2021. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) Hearing held on 1/9/2020. (RE: related document(s)<u>281</u> Motion to compromise controversy with Official Committee of Unsecured Creditors, filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomerantz, I. Kharasch, G. Demo, M. Hayward, and Z. Annabel for Debtor; M. Clemente, P. Reid and D. Tumi for Unsecured Creditors Committee; A. Chiarello and R. Patel for Asic; L. Lambert for UST; J. Bentley and J. Bain (both telephonically) for CLO and CDO Issuer Group; T. Mascherin and M. Hankin (telephonically) for Redeemer Committee; P. Maxcy (telephonically) for Jeffries. Evidentiary hearing. Motion granted. Counsel to upload appropriate form of order.)). Transcript to be made available to the public on 03/11/2021. (Rehling, Kathy)</p>
12/11/2020	<p><u>1544</u> Application for compensation (<i>First Interim Application</i>) for Hunton Andrews Kurth LLP, Special Counsel, Period: 7/1/2020 to 10/31/2020, Fee: \$206933.85, Expenses: \$546.52. Filed by Spec. Counsel Hunton Andrews Kurth LLP (Hesse, Gregory)</p>
12/11/2020	<p><u>1545</u> Application for compensation (<i>Hayward & Associates PLLC's Third Interim Application for Compensation and Reimbursement of Expenses for the Period from July 1, 2020 through September 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 7/1/2020 to 9/30/2020, Fee: \$82,325.00, Expenses: \$1,972.63. Filed by Other Professional Hayward & Associates PLLC (Attachments: # <u>1</u> Exhibit A—H&A Invoices for July, August, and September 2020) (Annable, Zachery)</p>
12/11/2020	<p><u>1546</u> Objection to (related document(s): <u>1439</u> Motion for leave (<i>James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Course of Business</i>) filed by Interested Party James Dondero) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)</p>
12/11/2020	<p><u>1547</u> Application for compensation <i>Third Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession for the Period from August 1, 2020 through November 30, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 8/1/2020 to 11/30/2020, Fee: \$3,380,111.50, Expenses: \$31,940.33. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 1/4/2021. (Pomerantz, Jeffrey)</p>
12/11/2020	<p><u>1548</u> Notice to take deposition of James P. Seery, Jr. filed by Interested Party James Dondero. (Assink, Bryan)</p>
12/11/2020	<p><u>1549</u> Notice to take deposition of John Dubel filed by Interested Party James Dondero. (Assink, Bryan)</p>
12/11/2020	<p><u>1550</u> Notice to take deposition of Russell Nelms filed by Interested Party James Dondero. (Assink, Bryan)</p>
12/11/2020	

	<p><u>1551</u> Objection to (related document(s): <u>1439</u> Motion for leave (<i>James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Course of Business</i>) filed by Interested Party James Dondero) filed by Creditor Committee Official Committee of Unsecured Creditors. (Hoffman, Juliana)</p>
12/11/2020	<p><u>1552</u> Application for compensation (<i>Consolidated Monthly and Second Interim Application of Wilmer Cutler Pickering Hale and Dorr LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Regulatory and Compliance Counsel for the Period from July 1, 2020 through November 30, 2020</i>) for Wilmer Cutler Pickering Hale and Dorr LLP, Debtor's Attorney, Period: 7/1/2020 to 11/30/2020, Fee: \$709,256.22, Expenses: \$0.00. Filed by Other Professional Wilmer Cutler Pickering Hale and Dorr LLP (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B) (Annable, Zachery)</p>
12/11/2020	<p><u>1553</u> Omnibus Notice of hearing (<i>Omnibus Notice of Hearing on Interim Applications for Compensation and Reimbursement of Expenses of Estate Professionals</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1410</u> Certificate Amended Certificate of No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s)<u>1244</u> Application for compensation <i>Third Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 6/1/2020 to 8/31/2020, Fee: \$886,615.45, Expenses: \$1,833.10., <u>1407</u> Certificate (generic))., <u>1416</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s)<u>1296</u> Application for compensation <i>Sidley Austin LLP's Third Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 6/1/2020 to 8/31/2020, Fee: \$1,86)., <u>1483</u> Application for compensation <i>Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through October 31, 2020</i> for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 10/16/2019 to 10/31/2020, Fee: \$599,126.60, Expenses: \$11,433.73. Filed by Attorney Holland N. O'Neil Objections due by 12/16/2020. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B/Proposed Order # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G # <u>8</u> Exhibit H) (O'Neil, Holland), <u>1542</u> Support/supplemental document/Supplement to the <i>Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor</i> filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP (RE: related document(s)<u>1483</u> Application for compensation <i>Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through October 31, 2020</i> for Foley Ga). (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Proposed Order /Exhibit E) (O'Neil, Holland), <u>1544</u> Application for compensation (<i>First Interim Application</i>) for Hunton Andrews Kurth LLP, Special Counsel, Period: 7/1/2020 to 10/31/2020, Fee: \$206933.85, Expenses: \$546.52. Filed by Spec. Counsel Hunton Andrews Kurth LLP, <u>1545</u> Application for compensation (<i>Hayward & Associates PLLC's Third Interim Application for Compensation and Reimbursement of Expenses for the Period from July 1, 2020 through September 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 7/1/2020 to 9/30/2020, Fee: \$82,325.00, Expenses: \$1,972.63. Filed by Other Professional Hayward & Associates PLLC (Attachments: # <u>1</u> Exhibit A—H&A Invoices for July, August, and September 2020), <u>1547</u> Application for compensation <i>Third Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession for the Period from August 1, 2020 through November 30, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 8/1/2020 to 11/30/2020, Fee: \$3,380,111.50, Expenses: \$31,940.33. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 1/4/2021., <u>1552</u> Application for compensation (<i>Consolidated Monthly and Second Interim Application of Wilmer Cutler Pickering Hale and Dorr LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Regulatory and Compliance Counsel for the Period from July 1, 2020 through November 30, 2020</i>) for Wilmer Cutler Pickering Hale and Dorr LLP, Debtor's Attorney, Period: 7/1/2020 to 11/30/2020, Fee: \$709,256.22, Expenses: \$0.00. Filed by Other Professional Wilmer Cutler Pickering Hale and Dorr LLP (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B)). Hearing to be held on 1/6/2021 at 02:30 PM</p>

	Dallas Judge Jernigan Ctrm for <u>1483</u> and for <u>1544</u> and for <u>1545</u> and for <u>1547</u> and for <u>1552</u> and for <u>1410</u> and for <u>1416</u> and for <u>1542</u> , (Annable, Zachery)
12/11/2020	<u>1554</u> Notice to take deposition of Dustin Norris filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
12/11/2020	<u>1555</u> Notice to take deposition of James Dondero filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
12/11/2020	<u>1556</u> Certificate of service re: 1) <i>Ninth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020</i> ; and 2) <i>Fourteenth Monthly Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor for the Period from November 1, 2020 through November 30, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1520</u> Application for compensation (<i>Ninth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 8/1/2020 to 12/31/2020, Fee: \$27,465.00, Expenses: \$859.43. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—August 2020 Invoice) filed by Other Professional Hayward & Associates PLLC, <u>1521</u> Application for compensation <i>Fourteenth Monthly Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor for the Period from November 1, 2020 through November 30, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 11/1/2020 to 11/30/2020, Fee: \$759,428.00, Expenses: \$1,672.80. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 12/29/2020. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
12/11/2020	<u>1557</u> Certificate of service re: <i>Documents Served on December 9, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1524</u> Joint Motion to continue hearing on (related documents <u>1207</u> Motion to allow claims) Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P., <u>1526</u> Order granting partial summary judgment (related document <u>1214</u>) Entered on 12/9/2020. (Ecker, C.), <u>1527</u> Order granting joint motion to continue hearing on (related document <u>1524</u>) (related documents Motion to allow claims of <i>HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan</i>) Entered on 12/9/2020. (Ecker, C.), <u>1530</u> Motion to extend time to Time to File An Adversary Proceeding Against CLO Holdco, Ltd. (Agreed) (RE: related document(s) <u>1168</u> Order (generic)) Filed by Creditor Committee Official Committee of Unsecured Creditors Objections due by 12/30/2020. filed by Creditor Committee Official Committee of Unsecured Creditors, <u>1531</u> Application for compensation (<i>Tenth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from September 1, 2020 through September 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 9/1/2020 to 9/30/2020, Fee: \$25,075.00, Expenses: \$132.60. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—H&A September 2020 Invoice) filed by Other Professional Hayward & Associates PLLC, <u>1532</u> Notice (<i>Notice of Stipulation Resolving Proof of Claim No. 164 Filed by Berkeley Research Group, LLC</i>) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
12/11/2020	1639 Hearing set (RE: related document(s) <u>1244</u> Application for compensation <i>Third Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 6/1/2020 to 8/31/2020, Fee: \$886,615.45, Expenses: \$1,833.10. Filed by Attorney Juliana Hoffman Objections due by 11/10/2020., <u>1296</u> Application for compensation <i>Sidley Austin LLP's Third Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 6/1/2020 to 8/31/2020, Fee: \$1,865,520.45, Expenses: \$18,678.47. Filed by Attorney Juliana Hoffman Objections due by 11/17/2020.)

	Hearing to be held on 1/6/2021 at 02:30 PM Dallas Judge Jernigan Ctrm for <u>1296</u> and for <u>1244</u> , (Ellison, T.) (Entered: 12/29/2020)
12/12/2020	<u>1558</u> Notice to take deposition of James Dondero filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
12/13/2020	<u>1559</u> WITHDRAWN per # <u>1622</u> Subpoena on Jean Paul Sevilla filed by Interested Party James Dondero. (Attachments: # <u>1</u> Ex. 1 – Sevilla Subpoena) (Assink, Bryan) Modified on 12/28/2020 (Ecker, C.).
12/13/2020	<u>1560</u> WITHDRAWN per # <u>1622</u> Subpoena on Russell Nelms filed by Interested Party James Dondero. (Attachments: # <u>1</u> Ex. 1 – Nelms Subpoena) (Assink, Bryan) Modified on 12/28/2020 (Ecker, C.).
12/13/2020	<u>1561</u> WITHDRAWN per # <u>1622</u> Subpoena on Fred Caruso filed by Interested Party James Dondero. (Attachments: # <u>1</u> Ex. 1 – Caruso Subpoena) (Assink, Bryan) Modified on 12/28/2020 (Ecker, C.).
12/14/2020	<u>1562</u> Order granting motion for expedited hearing (Related Doc# <u>1523</u>)(document set for hearing: <u>1528</u> Generic motion) Hearing to be held on 12/16/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1528</u> , Entered on 12/14/2020. (Ecker, C.)
12/14/2020	<u>1563</u> Witness and Exhibit List filed by Interested Party James Dondero (RE: related document(s) <u>1439</u> Motion for leave (<i>James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Course of Business</i>)). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4 # <u>5</u> Exhibit 5 # <u>6</u> Exhibit 6 # <u>7</u> Exhibit 7 # <u>8</u> Exhibit 8) (Assink, Bryan)
12/14/2020	<u>1564</u> Motion to quash (<i>Debtor's Emergency Motion to Quash Subpoena and for Entry of a Protective Order or, in the Alternative, for an Adjournment</i>) (related documents <u>1559</u> Subpoena filed by Interested Party James Dondero, <u>1560</u> Subpoena filed by Interested Party James Dondero, <u>1561</u> Subpoena filed by Interested Party James Dondero) Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
12/14/2020	<u>1565</u> Motion for protective order (<i>Debtor's Emergency Motion to Quash Subpoena and for Entry of a Protective Order or, in the Alternative, for an Adjournment</i>) Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
12/14/2020	<u>1566</u> Notice to take deposition of James P. Seery, Jr. filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Strategic Opportunities Fund. (Varshosaz, Artoush)
12/14/2020	<u>1567</u> Motion for expedited hearing(related documents <u>1564</u> Motion to quash, <u>1565</u> Motion for protective order) Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
12/14/2020	<u>1568</u> Order approving stipulation and pre-trial schedule concerning Proof of Claim No. 146 filed by HCRE Partners, LLC (RE: related document(s) <u>1536</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 12/14/2020 (Okafor, M.)
12/14/2020	<u>1569</u> Objection to (related document(s): <u>1491</u> Motion for relief from stay Fee amount \$181, filed by Creditor Patrick Daugherty) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
12/14/2020	<u>1570</u> Declaration re: (<i>Declaration of John A. Morris in Support of the Debtor's Objection to Patrick Daugherty's Motion to Lift the Automatic Stay</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1569</u> Objection). (Attachments: # <u>1</u> Exhibit A #

	<u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E) (Annable, Zachery)
12/14/2020	<u>1571</u> Objection to (related document(s): <u>1564</u> Motion to quash (<i>Debtor's Emergency Motion to Quash Subpoena and for Entry of a Protective Order or, in the Alternative, for an Adjournment</i>) (related documents <u>1559</u> Subpoena filed by Interested Party James Dondero, <u>1560</u> Subpoena file filed by Debtor Highland Capital Management, L.P., <u>1565</u> Motion for protective order (<i>Debtor's Emergency Motion to Quash Subpoena and for Entry of a Protective Order or, in the Alternative, for an Adjournment</i>) filed by Debtor Highland Capital Management, L.P.) filed by Interested Party James Dondero. (Assink, Bryan)
12/14/2020	<u>1572</u> Witness and Exhibit List filed by Creditor Patrick Daugherty (RE: related document(s) <u>1491</u> Motion for relief from stay Fee amount \$181.). (Attachments: # <u>1</u> Exhibit PHD-1 # <u>2</u> Exhibit PHD-2 # <u>3</u> Exhibit PHD-3 # <u>4</u> Exhibit PHD-4 # <u>5</u> Exhibit PHD-5 # <u>6</u> Exhibit PHD-6) (Kathman, Jason)
12/14/2020	<u>1573</u> Witness and Exhibit List filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Income Fund, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Strategic Opportunities Fund (RE: related document(s) <u>1528</u> Motion by Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Strategic Opportunities Fund.). (Attachments: # <u>1</u> Exhibit # <u>2</u> Exhibit # <u>3</u> Exhibit) (Varshosaz, Artoush)
12/14/2020	<u>1574</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1439</u> Motion for leave (<i>James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Course of Business</i>), <u>1528</u> Motion by Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Strategic Opportunities Fund.). (Annable, Zachery)
12/15/2020	<u>1575</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1564</u> Motion to quash (<i>Debtor's Emergency Motion to Quash Subpoena and for Entry of a Protective Order or, in the Alternative, for an Adjournment</i>) (related documents <u>1559</u> Subpoena filed by Interested Party James Dondero, <u>1560</u> Subpoena filed by Interested Party James Dondero, <u>1561</u> Subpoena filed by Interested Party James Dondero) Filed by Debtor Highland Capital Management, L.P., <u>1565</u> Motion for protective order (<i>Debtor's Emergency Motion to Quash Subpoena and for Entry of a Protective Order or, in the Alternative, for an Adjournment</i>) Filed by Debtor Highland Capital Management, L.P.). Hearing to be held on 12/16/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1564</u> and for <u>1565</u> , (Annable, Zachery)
12/15/2020	<u>1576</u> Order granting motion for expedited hearing (Related Doc# <u>1567</u>)(document set for hearing: <u>1564</u> Motion to quash, <u>1565</u> Motion for protective order) Hearing to be held on 12/16/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1564</u> and for <u>1565</u> , Entered on 12/15/2020. (Okafor, M.)
12/15/2020	<u>1577</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to October 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALSUTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Annable, Zachery)
12/15/2020	<u>1578</u> Objection to (related document(s): <u>1528</u> Motion by Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Strategic Opportunities Fund. filed by Interested Party Highland

	Capital Management Fund Advisors, L.P., Interested Party NexPoint Advisors, L.P., Interested Party Highland Fixed Income Fund, Interested Party NexPoint Capital, Inc., Interested Party NexPoint Strategic Opportunities Fund) filed by Debtor Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit A-1 # <u>2</u> Exhibit A-2 # <u>3</u> Exhibit A-3 # <u>4</u> Exhibit B-1 # <u>5</u> Exhibit B-2 # <u>6</u> Exhibit B-3 # <u>7</u> Exhibit C (Part 1) # <u>8</u> Exhibit C (Part 2) # <u>9</u> Exhibit C (Part 3) # <u>10</u> Exhibit D (Part 1) # <u>11</u> Exhibit D (Part 2) # <u>12</u> Exhibit D (Part 3) # <u>13</u> Exhibit E # <u>14</u> Exhibit F # <u>15</u> Exhibit G) (Annable, Zachery)
12/15/2020	<u>1579</u> Amended Witness and Exhibit List (<i>Debtor's Amended Witness and Exhibit List with Respect to Evidentiary Hearing to Be Held on December 16, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1574</u> List (witness/exhibit/generic)). (Annable, Zachery)
12/15/2020	<u>1580</u> Objection to (related document(s): <u>1528</u> Motion by Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Strategic Opportunities Fund. filed by Interested Party Highland Capital Management Fund Advisors, L.P., Interested Party NexPoint Advisors, L.P., Interested Party Highland Fixed Income Fund, Interested Party NexPoint Capital, Inc., Interested Party NexPoint Strategic Opportunities Fund) filed by Creditor Committee Official Committee of Unsecured Creditors. (Hoffman, Juliana)
12/15/2020	<u>1581</u> INCORRECT ENTRY: See # <u>1580</u> for correction. Joinder to debtor's response to motion for order imposing temporary restrictions on debtor's ability to initial sales by non-debtor CLO vehicles filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>1578</u> Objection). (Ecker, C.) Modified on 12/16/2020 (Ecker, C.). (Entered: 12/16/2020)
12/16/2020	<u>1582</u> Assignment/Transfer of Claim. Fee Amount \$26. Transfer Agreement 3001 (e) 1 Transferors: CVE Technologies Group Inc. (Amount \$1,500.00) To Fair Harbor Capital, LLC. Filed by Creditor Fair Harbor Capital, LLC. (Knox, Victor)
12/16/2020	Receipt of filing fee for Assignment/Transfer of claim (Claims Agent)(19-34054-sgj11) [claims,trlmagt] (26.00). Receipt number 28347173, amount \$ 26.00 (re: Doc# <u>1582</u>). (U.S. Treasury)
12/16/2020	<u>1583</u> Motion to extend time to Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure (RE: related document(s) <u>816</u> Order on motion to extend/shorten time) Filed by Debtor Highland Capital Management, L.P. Objections due by 1/6/2021. (Annable, Zachery)
12/16/2020	<u>1584</u> Certificate No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1449</u> Amended application for compensation <i>Thirteenth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from October 1, 2020 through October 31, 2020 (amended solely to include Exhibit A)</i> for Jeffrey Nathan Pomer). (Pomerantz, Jeffrey)
12/16/2020	<u>1585</u> Court admitted exhibits date of hearing December 16, 2020 (RE: related document(s) <u>1528</u> Motion for order imposing temporary restrictions on Debtor's ability, as portfolio manager , to initiate sales by non-debtor CLO Vehicles. Highland Capital Management Fund Advisors, L.P. , Highland Fixed Income Fund , NexPoint Advisors, L.P. , NexPoint Capital, Inc. , NexPoint Strategic Opportunities Fund. (COURT ADMITTED EXHIBIT'S #A & #B BY JAMES WRIGHT) (Edmond, Michael)
12/16/2020	<u>1586</u> Request for transcript regarding a hearing held on 12/16/2020. The requested turn-around time is hourly. (Edmond, Michael)
12/16/2020	<u>1587</u> Certificate of service re: Debtor's Motion for Entry of an Order Further Extending the Period Within Which It May Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure filed by Debtor Highland Capital Management,

	L.P. (RE: related document(s) <u>1583</u> Motion to extend time to Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure (RE: related document(s) <u>816</u> Order on motion to extend/shorten time)). (Annable, Zachery)
12/16/2020	<u>1588</u> Certificate of service re: <i>Documents Served on December 10, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1534</u> Order granting <u>1530</u> Motion to extend time. (RE: related document(s) <u>1530</u> Motion to extend time to Time to File An Adversary Proceeding Against CLO Holdco, Ltd. (Agreed) (RE: related document(s) <u>1168</u> Order (generic))) Entered on 12/10/2020. (Ecker, C.), <u>1535</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1207</u> Motion to allow claims of <i>HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan</i> Filed by Creditor HarbourVest et al Objections due by 11/9/2020. (Attachments: # 1 Proposed Order)). Hearing to be held on 1/4/2021 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1207</u> , filed by Debtor Highland Capital Management, L.P., <u>1536</u> Stipulation by Highland Capital Management, L.P. and NexPoint Real Estate Partners, LLC f/k/a HCRE Partners, LLC. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>906</u> Objection to claim). filed by Debtor Highland Capital Management, L.P., <u>1537</u> Order regarding objection to claim number(s) (RE: related document(s) <u>1179</u> Objection to claim filed by Debtor Highland Capital Management, L.P.). Entered on 12/10/2020 (Ecker, C.), <u>1538</u> Order approving stipulation resolving proof of claim #164 (RE: related document(s) <u>1532</u> Notice (generic) filed by Debtor Highland Capital Management, L.P.). Entered on 12/10/2020 (Ecker, C.)). (Kass, Albert)
12/16/2020	<u>1589</u> Certificate of service re: <i>Documents Served on or Before December 12, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1542</u> Support/supplemental document/ <i>Supplement to the Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor</i> filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP (RE: related document(s) <u>1483</u> Application for compensation <i>Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through October 31, 2020</i> for Foley Ga). (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Proposed Order /Exhibit E) (O'Neil, Holland) filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP, <u>1544</u> Application for compensation (<i>First Interim Application</i>) for Hunton Andrews Kurth LLP, Special Counsel, Period: 7/1/2020 to 10/31/2020, Fee: \$206933.85, Expenses: \$546.52. Filed by Spec. Counsel Hunton Andrews Kurth LLP filed by Interested Party Hunton Andrews Kurth LLP, Spec. Counsel Hunton Andrews Kurth LLP, <u>1545</u> Application for compensation (<i>Hayward & Associates PLLC's Third Interim Application for Compensation and Reimbursement of Expenses for the Period from July 1, 2020 through September 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Attorney, Period: 7/1/2020 to 9/30/2020, Fee: \$82,325.00, Expenses: \$1,972.63. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—H&A Invoices for July, August, and September 2020) filed by Other Professional Hayward & Associates PLLC, <u>1546</u> Objection to (related document(s): <u>1439</u> Motion for leave (<i>James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Course of Business</i>) filed by Interested Party James Dondero) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>1547</u> Application for compensation <i>Third Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession for the Period from August 1, 2020 through November 30, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 8/1/2020 to 11/30/2020, Fee: \$3,380,111.50, Expenses: \$31,940.33. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 1/4/2021. filed by Debtor Highland Capital Management, L.P., <u>1551</u> Objection to (related document(s): <u>1439</u> Motion for leave (<i>James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Course of Business</i>) filed by Interested Party James Dondero) filed by Creditor Committee Official Committee of Unsecured Creditors. filed by Creditor Committee Official Committee of Unsecured Creditors, <u>1552</u> Application for compensation (<i>Consolidated Monthly and Second Interim Application of Wilmer Cutler Pickering Hale and Dorr LLP for Allowance of Compensation for Services Rendered and Reimbursement of</i>

Expenses as Regulatory and Compliance Counsel for the Period from July 1, 2020 through November 30, 2020) for Wilmer Cutler Pickering Hale and Dorr LLP, Debtor's Attorney, Period: 7/1/2020 to 11/30/2020, Fee: \$709,256.22, Expenses: \$0.00. Filed by Other Professional Wilmer Cutler Pickering Hale and Dorr LLP (Attachments: # 1 Exhibit A # 2 Exhibit B) filed by Other Professional Wilmer Cutler Pickering Hale and Dorr LLP, 1553 Omnibus Notice of hearing (*Omnibus Notice of Hearing on Interim Applications for Compensation and Reimbursement of Expenses of Estate Professionals*) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)1410 Certificate Amended Certificate of No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s)1244 Application for compensation *Third Interim Application for Compensation and Reimbursement of Expenses* for FTI Consulting, Inc., Financial Advisor, Period: 6/1/2020 to 8/31/2020, Fee: \$886,615.45, Expenses: \$1,833.10., 1407 Certificate (generic))., 1416 Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s)1296 Application for compensation *Sidley Austin LLP's Third Interim Application for Compensation and Reimbursement of Expenses* for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 6/1/2020 to 8/31/2020, Fee: \$1,86)., 1483 Application for compensation *Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through October 31, 2020* for Foley Gardere, Foley & Lardner LLP, Special Counsel, Period: 10/16/2019 to 10/31/2020, Fee: \$599,126.60, Expenses: \$11,433.73. Filed by Attorney Holland N. O'Neil Objections due by 12/16/2020. (Attachments: # 1 Exhibit A # 2 Exhibit B/Proposed Order # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F # 7 Exhibit G # 8 Exhibit H) (O'Neil, Holland), 1542 Support/supplemental document/*Supplement to the Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor* filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP (RE: related document(s)1483 Application for compensation *Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through October 31, 2020* for Foley Ga). (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Proposed Order /Exhibit E) (O'Neil, Holland), 1544 Application for compensation (*First Interim Application*) for Hunton Andrews Kurth LLP, Special Counsel, Period: 7/1/2020 to 10/31/2020, Fee: \$206,933.85, Expenses: \$546.52. Filed by Spec. Counsel Hunton Andrews Kurth LLP, 1545 Application for compensation (*Hayward & Associates PLLC's Third Interim Application for Compensation and Reimbursement of Expenses for the Period from July 1, 2020 through September 30, 2020*) for Hayward & Associates PLLC, Debtor's Attorney, Period: 7/1/2020 to 9/30/2020, Fee: \$82,325.00, Expenses: \$1,972.63. Filed by Other Professional Hayward & Associates PLLC (Attachments: # 1 Exhibit A—H&A Invoices for July, August, and September 2020), 1547 Application for compensation *Third Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession for the Period from August 1, 2020 through November 30, 2020* for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 8/1/2020 to 11/30/2020, Fee: \$3,380,111.50, Expenses: \$31,940.33. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 1/4/2021., 1552 Application for compensation (*Consolidated Monthly and Second Interim Application of Wilmer Cutler Pickering Hale and Dorr LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Regulatory and Compliance Counsel for the Period from July 1, 2020 through November 30, 2020*) for Wilmer Cutler Pickering Hale and Dorr LLP, Debtor's Attorney, Period: 7/1/2020 to 11/30/2020, Fee: \$709,256.22, Expenses: \$0.00. Filed by Other Professional Wilmer Cutler Pickering Hale and Dorr LLP (Attachments: # 1 Exhibit A # 2 Exhibit B)). Hearing to be held on 1/6/2021 at 02:30 PM Dallas Judge Jernigan Ctrm for 1483 and for 1544 and for 1545 and for 1547 and for 1552 and for 1410 and for 1416 and for 1542, filed by Debtor Highland Capital Management, L.P., 1554 Notice to take deposition of Dustin Norris filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., 1555 Notice to take deposition of James Dondero filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., 1558 Notice to take deposition of James Dondero filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)

12/16/2020	1596 Hearing held on 12/16/2020. (RE: related document(s) <u>1528</u> Motion for order imposing temporary restrictions on Debtor's ability, as portfolio manager , to initiate sales by non-debtor CLO Vehicles. Highland Capital Management Fund Advisors, L.P. , Highland Fixed Income Fund , NexPoint Advisors, L.P. , NexPoint Capital, Inc. , NexPoint Strategic Opportunities Fund) (Appearances: J. Pomeranz, J. Morris, and G. Demo for Debtor; J. Wright for Movants; M. Clemente for UCC; R. Matsumura for HCLOF; J. Bain for CLO Issuers. Evidentiary hearing. Motion denied. Counsel to upload order.) (Edmond, Michael) (Entered: 12/18/2020)
12/16/2020	1597 Hearing held on 12/16/2020. (RE: related document(s) <u>1564</u> Motion to quash (Debtor's Emergency Motion to Quash Subpoena and for Entry of a Protective Order or, in the Alternative, for an Adjournment) (related documents <u>1559</u> Subpoena filed by Interested Party James Dondero, <u>1560</u> Subpoena filed by Interested Party James Dondero, <u>1561</u> Subpoena filed by Interested Party James Dondero) Filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz, J. Morris, and G. Demo for Debtor; M. Lynn and B. Assink for J. Dondero; M. Clemente for UCC. Nonevidentiary announcement of an agreement and, with agreement, Motion is moot and/or resolved. Counsel to upload agreed order.) (Edmond, Michael) (Entered: 12/18/2020)
12/16/2020	1598 Hearing held on 12/16/2020. (RE: related document(s) <u>1565</u> Motion for protective order (Debtor's Emergency Motion to Quash Subpoena and for Entry of a Protective Order or, in the Alternative, for an Adjournment) filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz, J. Morris, and G. Demo for Debtor; M. Lynn and B. Assink for J. Dondero; M. Clemente for UCC. Nonevidentiary announcement of an agreement and, with agreement, Motion is moot and/or resolved. Counsel to upload agreed order.) (Edmond, Michael) (Entered: 12/18/2020)
12/16/2020	1599 Hearing held on 12/16/2020. (RE: related document(s) <u>1439</u> Motion for leave (James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Course of Business) filed by Interested Party James Dondero.) (Appearances: J. Pomeranz, J. Morris, and G. Demo for Debtor; M. Lynn and B. Assink for J. Dondero; M. Clemente for UCC. Nonevidentiary announcement of an agreement and, with agreement, Movant will withdraw this order. Counsel to upload agreed order.) (Edmond, Michael) (Entered: 12/18/2020)
12/17/2020	<u>1590</u> Motion to pay (<i>Debtor's Motion Pursuant to the Protocols for Authority for Highland Multi Strategy Credit Fund, L.P. to Prepay Loan</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C) (Annable, Zachery)
12/17/2020	<u>1591</u> Assignment/Transfer of Claim. Fee Amount \$26. Transfer Agreement 3001 (e) 1 Transferors: Bates White LLC (Amount \$90,855.70) To Argo Partners. Filed by Creditor Argo Partners. (Gold, Matthew)
12/17/2020	Receipt of filing fee for Assignment/Transfer of claim (Claims Agent)(19-34054-sgj11) [claims,trclmagt] (26.00). Receipt number 28350580, amount \$ 26.00 (re: Doc# <u>1591</u>). (U.S. Treasury)
12/17/2020	<u>1592</u> Certificate of service re: <i>Documents Served on or Before December 16, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1564</u> Motion to quash (<i>Debtor's Emergency Motion to Quash Subpoena and for Entry of a Protective Order or, in the Alternative, for an Adjournment</i>) (related documents <u>1559</u> Subpoena filed by Interested Party James Dondero, <u>1560</u> Subpoena filed by Interested Party James Dondero, <u>1561</u> Subpoena filed by Interested Party James Dondero) Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P., <u>1565</u> Motion for protective order (<i>Debtor's Emergency Motion to Quash Subpoena and for Entry of a Protective Order or, in the Alternative, for an Adjournment</i>) Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P., <u>1567</u> Motion for expedited hearing(related documents <u>1564</u> Motion to quash, <u>1565</u> Motion for protective order) Filed by Debtor Highland Capital Management, L.P. filed by Debtor

	<p>Highland Capital Management, L.P., <u>1568</u> Order approving stipulation and pre-trial schedule concerning Proof of Claim No. 146 filed by HCRE Partners, LLC (RE: related document(s)<u>1536</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 12/14/2020 (Okafor, M.), <u>1569</u> Objection to (related document(s): <u>1491</u> Motion for relief from stay Fee amount \$181, filed by Creditor Patrick Daugherty) filed by Debtor Highland Capital Management, L.P., filed by Debtor Highland Capital Management, L.P., <u>1570</u> Declaration re: (<i>Declaration of John A. Morris in Support of the Debtor's Objection to Patrick Daugherty's Motion to Lift the Automatic Stay</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1569</u> Objection). (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E) filed by Debtor Highland Capital Management, L.P., <u>1574</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1439</u> Motion for leave (<i>James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Course of Business</i>), <u>1528</u> Motion by Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Strategic Opportunities Fund.). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
12/17/2020	<p><u>1593</u> Certificate of service re: <i>Documents Served on December 15, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1575</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1564</u> Motion to quash (<i>Debtor's Emergency Motion to Quash Subpoena and for Entry of a Protective Order or, in the Alternative, for an Adjournment</i>) (related documents <u>1559</u> Subpoena filed by Interested Party James Dondero, <u>1560</u> Subpoena filed by Interested Party James Dondero, <u>1561</u> Subpoena filed by Interested Party James Dondero) Filed by Debtor Highland Capital Management, L.P., <u>1565</u> Motion for protective order (<i>Debtor's Emergency Motion to Quash Subpoena and for Entry of a Protective Order or, in the Alternative, for an Adjournment</i>) Filed by Debtor Highland Capital Management, L.P.). Hearing to be held on 12/16/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1564</u> and for <u>1565</u>, filed by Debtor Highland Capital Management, L.P., <u>1576</u> Order granting motion for expedited hearing (Related Doc<u>1567</u>)(document set for hearing: <u>1564</u> Motion to quash, <u>1565</u> Motion for protective order) Hearing to be held on 12/16/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1564</u> and for <u>1565</u>, Entered on 12/15/2020. (Okafor, M.), <u>1577</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to October 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALSUTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). filed by Debtor Highland Capital Management, L.P., <u>1578</u> Objection to (related document(s): <u>1528</u> Motion by Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Strategic Opportunities Fund. filed by Interested Party Highland Capital Management Fund Advisors, L.P., Interested Party NexPoint Advisors, L.P., Interested Party Highland Fixed Income Fund, Interested Party NexPoint Capital, Inc., Interested Party NexPoint Strategic Opportunities Fund) filed by Debtor Highland Capital Management, L.P.. (Attachments: # 1 Exhibit A-1 # 2 Exhibit A-2 # 3 Exhibit A-3 # 4 Exhibit B-1 # 5 Exhibit B-2 # 6 Exhibit B-3 # 7 Exhibit C (Part 1) # 8 Exhibit C (Part 2) # 9 Exhibit C (Part 3) # 10 Exhibit D (Part 1) # 11 Exhibit D (Part 2) # 12 Exhibit D (Part 3) # 13 Exhibit E # 14 Exhibit F # 15 Exhibit G) filed by Debtor Highland Capital Management, L.P., <u>1579</u> Amended Witness and Exhibit List (<i>Debtor's Amended Witness and Exhibit List with Respect to Evidentiary Hearing to Be Held on December 16, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1574</u> List (witness/exhibit/generic)). filed by Debtor Highland Capital Management, L.P., <u>1580</u> Objection to (related document(s): <u>1528</u> Motion by Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Strategic Opportunities Fund. filed by Interested Party Highland Capital Management Fund Advisors, L.P., Interested Party NexPoint Advisors, L.P., Interested Party Highland Fixed Income Fund, Interested Party NexPoint Capital, Inc., Interested Party</p>

	NexPoint Strategic Opportunities Fund) filed by Creditor Committee Official Committee of Unsecured Creditors. filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)
12/17/2020	<u>1594</u> Adversary case 20–03195. Complaint by Official Committee of Unsecured Creditors against CLO Holdco, Ltd., Charitable DAF Holdco, Ltd., Charitable DAF Fund, LP, Highland Dallas Foundation, Inc., The Dugaboy Investment Trust, Grant James Scott III, James D. Dondero. Fee Amount \$350. Nature(s) of suit: 13 (Recovery of money/property – 548 fraudulent transfer). 91 (Declaratory judgment). 72 (Injunctive relief – other). 02 (Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy)). (Montgomery, Paige)
12/17/2020	1600 Hearing held on 12/17/2020. (RE: related document(s) <u>1491</u> Motion for relief from stay filed by Creditor Patrick Daugherty.) (Appearances: J. Kathman. J. Pomerantz and J. Morris for debtor. Motion denied.) (Edmond, Michael) (Entered: 12/18/2020)
12/18/2020	<u>1595</u> Notice of Appearance and Request for Notice <i>with Certificate of Service</i> by Douglas S. Draper filed by Get Good Trust, The Dugaboy Investment Trust. (Draper, Douglas)
12/18/2020	<u>1601</u> Request for transcript regarding a hearing held on 12/17/2020. The requested turn-around time is daily. (Edmond, Michael)
12/18/2020	<u>1602</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1590</u> Motion to pay (<i>Debtor's Motion Pursuant to the Protocols for Authority for Highland Multi Strategy Credit Fund, L.P. to Prepay Loan</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C)). Hearing to be held on 1/14/2021 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1590</u> , (Annable, Zachery)
12/18/2020	<u>1603</u> Order resolving motions and adjourning evidentiary hearing (RE: related document(s) <u>1439</u> Motion for leave filed by Interested Party James Dondero). Hearing to be held on 1/4/2021 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1439</u> , Entered on 12/18/2020 (Ecker, C.)
12/18/2020	<u>1604</u> Certificate of No Objection filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP (RE: related document(s) <u>1483</u> Application for compensation <i>Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through October 31, 2020</i> for Foley Ga). (O'Neil, Holland)
12/18/2020	<u>1605</u> Order denying motion for order imposing temporary restrictions on Debtor's ability, as portfolio manager , to initiate sales by non-debtor CLO Vehicles (related document # <u>1528</u>) Entered on 12/18/2020. (Okafor, M.)
12/18/2020	<u>1606</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # <u>1</u> Exhibit I—Schedule of Contracts and Leases to Be Assumed # <u>2</u> Exhibit J—Amended Form of Senior Employee Stipulation # <u>3</u> Exhibit K—Redline of Form of Senior Employee Stipulation) (Annable, Zachery)
12/18/2020	<u>1607</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1439</u> Motion for leave (<i>James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Course of Business</i>) Filed by Interested Party James Dondero (Attachments: # 1 Proposed Order)). Hearing to be held on 1/4/2021 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1439</u> , (Annable, Zachery)

12/18/2020	<p><u>1608</u> Certificate of service re: <i>(Supplemental) Documents Served on October 28, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1300</u> Notice of hearing (<i>Notice of Continued Hearing on Disclosure Statement for the Second Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1289</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>945</u> Disclosure statement, <u>1080</u> Disclosure statement)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1289</u>, filed by Debtor Highland Capital Management, L.P., <u>1322</u> Certificate of service re: <i>Documents Served on October 28, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1300</u> Notice of hearing (<i>Notice of Continued Hearing on Disclosure Statement for the Second Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1289</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>945</u> Disclosure statement, <u>1080</u> Disclosure statement)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1289</u>, filed by Debtor Highland Capital Management, L.P., <u>1301</u> Order approving stipulation resolving Proof of Claim No. 86 of NWCC, LLC (RE: related document(s)<u>1264</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 10/28/2020 (Okafor, M.), <u>1302</u> Order granting motion to compromise controversy with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159). Filed by Debtor Highland Capital Management, L.P. (related document <u>1087</u>) Entered on 10/28/2020. (Okafor, M.), <u>1309</u> Amended Notice of hearing (<i>Second Amended Notice of Hearing</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1108</u> Motion for leave (<i>Debtor's Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice</i>) (related document(s) <u>1079</u> Chapter 11 plan, <u>1080</u> Disclosure statement) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit 1—Proposed Order # 2 Exhibit 1—A—Forms of Ballots # 3 Exhibit 1—B—Notice of Confirmation Hearing # 4 Exhibit 1—C—Notice of Non-Voting Status # 5 Exhibit 1—D—Notice of Assumption)). Hearing to be held on 11/23/2020 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1108</u>, filed by Debtor Highland Capital Management, L.P.). filed by Claims Agent Kurtzman Carson Consultants LLC). (Kass, Albert)</p>
12/19/2020	<p><u>1609</u> Transcript regarding Hearing Held 12/17/2020 (38 pages) RE: Motion for Relief from Stay (#1491). THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 03/19/2021. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) <u>1600</u> Hearing held on 12/17/2020. (RE: related document(s)<u>1491</u> Motion for relief from stay filed by Creditor Patrick Daugherty.) (Appearances: J. Kathman. J. Pomerantz and J. Morris for debtor. Motion denied.)). Transcript to be made available to the public on 03/19/2021. (Rehling, Kathy)</p>
12/19/2020	<p><u>1610</u> Transcript regarding Hearing Held 12/16/2020 (66 pages) RE: Motions. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 03/19/2021. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) <u>1596</u> Hearing held on 12/16/2020. (RE: related document(s)<u>1528</u> Motion for order imposing temporary restrictions on Debtor's ability, as portfolio manager, to initiate sales by non-debtor CLO Vehicles. Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Strategic Opportunities Fund) (Appearances: J. Pomeranz, J. Morris, and G. Demo for Debtor; J. Wright for Movants; M. Clemente for UCC; R. Matsumura for HCLOF; J. Bain for CLO Issuers. Evidentiary</p>

	<p>hearing. Motion denied. Counsel to upload order.), 1597 Hearing held on 12/16/2020. (RE: related document(s)<u>1564</u> Motion to quash (Debtor's Emergency Motion to Quash Subpoena and for Entry of a Protective Order or, in the Alternative, for an Adjournment) (related documents <u>1559</u> Subpoena filed by Interested Party James Dondero, <u>1560</u> Subpoena filed by Interested Party James Dondero, <u>1561</u> Subpoena filed by Interested Party James Dondero) Filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz, J. Morris, and G. Demo for Debtor; M. Lynn and B. Assink for J. Dondero; M. Clemente for UCC. Nonevidentiary announcement of an agreement and, with agreement, Motion is moot and/or resolved. Counsel to upload agreed order.), 1598 Hearing held on 12/16/2020. (RE: related document(s)<u>1565</u> Motion for protective order (Debtor's Emergency Motion to Quash Subpoena and for Entry of a Protective Order or, in the Alternative, for an Adjournment) filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz, J. Morris, and G. Demo for Debtor; M. Lynn and B. Assink for J. Dondero; M. Clemente for UCC. Nonevidentiary announcement of an agreement and, with agreement, Motion is moot and/or resolved. Counsel to upload agreed order.), 1599 Hearing held on 12/16/2020. (RE: related document(s)<u>1439</u> Motion for leave (James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Course of Business) filed by Interested Party James Dondero.) (Appearances: J. Pomeranz, J. Morris, and G. Demo for Debtor; M. Lynn and B. Assink for J. Dondero; M. Clemente for UCC. Nonevidentiary announcement of an agreement and, with agreement, Movant will withdraw this order. Counsel to upload agreed order.)). Transcript to be made available to the public on 03/19/2021. (Rehling, Kathy)</p>
12/19/2020	<p><u>1611</u> Certificate of No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s)<u>1340</u> Application for compensation <i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 9/1/2020 to 9/30/2020, Fee: \$170,859.60, Expenses: \$806.60.). (Hoffman, Juliana)</p>
12/21/2020	<p><u>1612</u> Order denying motion for relief from stay by Creditor Patrick Daugherty (related document # <u>1491</u>) Entered on 12/21/2020. (Okafor, M.)</p>
12/21/2020	<p><u>1613</u> Certificate of service re: re: 1) <i>Instructions for any counsel and parties who wish to participate in the Hearing</i>; 2) <i>Joinder of the Official Committee of Unsecured Creditors to Debtor's Response to Motion for Order Imposing Temporary Restrictions on Debtor's Ability, as Portfolio Manager, to Initiate Sales by Non-Debtor CLO Vehicles</i>; and 3) <i>Debtors Motion Pursuant to the Protocols for Authority for Highland and Multi</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1581</u> INCORRECT ENTRY: See <u>1580</u> for correction. Joinder to debtor's response to motion for order imposing temporary restrictions on debtor's ability to initial sales by non-debtor CLO vehicles filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s)<u>1578</u> Objection). (Ecker, C.) Modified on 12/16/2020 (Ecker, C.). filed by Creditor Committee Official Committee of Unsecured Creditors, <u>1590</u> Motion to pay (<i>Debtor's Motion Pursuant to the Protocols for Authority for Highland Multi Strategy Credit Fund, L.P. to Prepay Loan</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
12/22/2020	<p><u>1614</u> Notice (<i>Notice of Stipulation Resolving Proof of Claim No. 99 Filed by Hunton Andrews Kurth LLP</i>) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)</p>
12/22/2020	<p><u>1615</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s)<u>1490</u> Application for compensation <i>Sidley Austin LLP's Twelfth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 10/1/2020 to 10/31/2020, Fee: \$). (Hoffman, Juliana)</p>
12/22/2020	<p><u>1616</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s)<u>1283</u> Application for compensation <i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses</i> for Official</p>

	Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 9/1/2020 to 9/30/2020, Fee: \$356,889.96, Expenses:). (Hoffman, Juliana)
12/23/2020	<u>1617</u> Order approving stipulation resolving Proof of Claim No. 99 filed by Hunton Andrews Kurth LLP (RE: related document(s) <u>1614</u> Notice (generic) filed by Debtor Highland Capital Management, L.P.). Entered on 12/23/2020 (Okafor, M.)
12/23/2020	<u>1618</u> Notice (<i>Notice of Filing of Fifth Amended Exhibit B to Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtor in the Ordinary Course of Business</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>75</u> Motion to Authorize /Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtors in the Ordinary Course of Business Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # 1 Notice # 2 Exhibit A – Proposed Order # 3 Exhibit B – OCP List # 4 Exhibit C – Form of Declaration of Disinterestedness # 5 Certificate of Service and Service List) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #76 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2) (Annable, Zachery)
12/23/2020	<u>1619</u> Declaration re: (<i>Disclosure Declaration of Ordinary Course Professional</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). (Annable, Zachery)
12/23/2020	<u>1620</u> Motion to appear pro hac vice for A. Lee Hogewood. Fee Amount \$100 Filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Income Fund, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Strategic Opportunities Fund (Varshosaz, Artoush)
12/23/2020	Receipt of filing fee for Motion to Appear pro hac vice(19–34054–sgj11) [motion,mprohac] (100.00). Receipt number 28366971, amount \$ 100.00 (re: Doc# <u>1620</u>). (U.S. Treasury)
12/23/2020	<u>1621</u> Declaration re: (<i>Disclosure Declaration of Ordinary Course Professional</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> Document). (Annable, Zachery)
12/23/2020	<u>1622</u> Withdrawal (<i>Notice of Withdrawal of James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Course of Business and Related Notices of Subpoena</i>) filed by Interested Party James Dondero (RE: related document(s) <u>1439</u> Motion for leave (<i>James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Course of Business</i>)). (Assink, Bryan)
12/23/2020	<u>1623</u> Motion to extend time to assume unexpired nonresidential real property lease Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Proposed Order) (Hayward, Melissa)
12/23/2020	<u>1624</u> Motion to assume executory contract or unexpired lease Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Proposed Order) (Hayward, Melissa)
12/23/2020	<u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P.. Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)

12/23/2020	<u>1626</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P.. Filed by Debtor Highland Capital Management, L.P.). Hearing to be held on 1/13/2021 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1625</u> , (Annable, Zachery)
12/23/2020	<u>1627</u> Certificate of service re: <i>Documents Served on December 18, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1602</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1590</u> Motion to pay (<i>Debtor's Motion Pursuant to the Protocols for Authority for Highland Multi Strategy Credit Fund, L.P. to Prepay Loan</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C)). Hearing to be held on 1/14/2021 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1590</u> , filed by Debtor Highland Capital Management, L.P., <u>1603</u> Order resolving motions and adjourning evidentiary hearing (RE: related document(s) <u>1439</u> Motion for leave filed by Interested Party James Dondero). Hearing to be held on 1/4/2021 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1439</u> , Entered on 12/18/2020 (Ecker, C.), <u>1605</u> Order denying motion for order imposing temporary restrictions on Debtor's ability, as portfolio manager, to initiate sales by non-debtor CLO Vehicles (related document <u>1528</u>) Entered on 12/18/2020. (Okafor, M.), <u>1606</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # 1 Exhibit I—Schedule of Contracts and Leases to Be Assumed # 2 Exhibit J—Amended Form of Senior Employee Stipulation # 3 Exhibit K—Redline of Form of Senior Employee Stipulation) filed by Debtor Highland Capital Management, L.P., <u>1607</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1439</u> Motion for leave (<i>James Dondero's Motion for Entry of an Order Requiring Notice and Hearing for Future Estate Transactions Occurring Outside the Ordinary Course of Business</i>) Filed by Interested Party James Dondero (Attachments: # 1 Proposed Order)). Hearing to be held on 1/4/2021 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1439</u> , filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
12/23/2020	<u>1628</u> Certificate of service re: <i>Order Denying Patrick Daughertys Motion to Lift the Automatic Stay</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1612</u> Order denying motion for relief from stay by Creditor Patrick Daugherty (related document <u>1491</u>) Entered on 12/21/2020. (Okafor, M.) filed by Creditor Patrick Daugherty). (Kass, Albert)
12/23/2020	<u>1629</u> Certificate of service re: <i>Stipulation Resolving Proof of Claim No. 99 Filed by Hunton Andrews Kurth LLP</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1614</u> Notice (<i>Notice of Stipulation Resolving Proof of Claim No. 99 Filed by Hunton Andrews Kurth LLP</i>) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
12/23/2020	<u>1630</u> Certificate of service re: <i>Solicitation Materials Served on or Before December 2, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1472</u> Amended chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>944</u> Chapter 11 plan, <u>1079</u> Chapter 11 plan, <u>1287</u> Chapter 11 plan, <u>1383</u> Chapter 11 plan, <u>1450</u> Chapter 11 plan). filed by Debtor Highland Capital Management, L.P., <u>1473</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement, <u>1080</u> Disclosure statement, <u>1289</u> Disclosure statement, <u>1384</u> Disclosure statement, <u>1453</u> Disclosure statement). filed by Debtor Highland Capital Management, L.P., <u>1476</u> Order approving disclosure statement and setting hearing on confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan filed by Debtor Highland Capital Management, L.P. and <u>1473</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P.). Confirmation hearing to be held on 1/13/2021 at 09:30 AM at Dallas Judge Jernigan Ctrm. Last day to Object to Confirmation 1/5/2021. Ballots due 1/5/2021. Entered on 11/24/2020 (Okafor, M.)). (Kass, Albert)

12/24/2020	<u>1631</u> Declaration re: (<i>Declaration of John A. Morris in Support of the Debtor's Motion for Entry of an Order Approving Settlement with HarbourVest (Claim Nos. 143, 147, 149, 150, 153, 154) and Authorizing Actions Consistent Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P..). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4 # <u>5</u> Exhibit 5 # <u>6</u> Exhibit 6 # <u>7</u> Exhibit 7) (Annable, Zachery)
12/24/2020	<u>1632</u> Application for compensation <i>Sidley Austin LLP's Thirteenth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 11/1/2020 to 11/30/2020, Fee: \$401,659.92, Expenses: \$3,643.80. Filed by Attorney Juliana Hoffman Objections due by 1/14/2021. (Hoffman, Juliana)
12/24/2020	<u>1633</u> Application for compensation <i>Thirteenth Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 11/1/2020 to 11/30/2020, Fee: \$201,148.56, Expenses: \$408.64. Filed by Attorney Juliana Hoffman Objections due by 1/14/2021. (Hoffman, Juliana)
12/24/2020	<u>1634</u> Support/supplemental document (<i>Exhibit A to the Debtor's Motion for Entry of an Order Approving Settlement with HarbourVest (Claim Nos. 143, 147, 149, 150, 153, 154) and Authorizing Actions Consistent Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P..). (Annable, Zachery)
12/26/2020	<u>1635</u> Declaration re: <i>Supplemental Declaration of Matthew Clemente</i> filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>206</u> Amended Application to employ Sidley Austin LLP as Attorney <i>APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, PURSUANT TO SECTIONS 328 AND 1103 OF THE BANKRUPTCY CODE AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 2014, FOR AN ORDER APPROVING T</i>). (Hoffman, Juliana)
12/28/2020	<u>1636</u> Agreed order granting <u>1623</u> Motion to extend deadline to assume unexpired nonresidential real property lease and setting motion to assume for hearing at confirmation. Entered on 12/28/2020. (Okafor, M.)
12/28/2020	<u>1637</u> Certificate of service re: (<i>Supplemental</i>) <i>Solicitation Materials Served on or Before December 2, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1630</u> Certificate of service re: <i>Solicitation Materials Served on or Before December 2, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1472</u> Amended chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>944</u> Chapter 11 plan, <u>1079</u> Chapter 11 plan, <u>1287</u> Chapter 11 plan, <u>1383</u> Chapter 11 plan, <u>1450</u> Chapter 11 plan). filed by Debtor Highland Capital Management, L.P., <u>1473</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement, <u>1080</u> Disclosure statement, <u>1289</u> Disclosure statement, <u>1384</u> Disclosure statement, <u>1453</u> Disclosure statement). filed by Debtor Highland Capital Management, L.P., <u>1476</u> Order approving disclosure statement and setting hearing on confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan filed by Debtor Highland Capital Management, L.P. and <u>1473</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P.). Confirmation hearing to be held on 1/13/2021 at 09:30 AM at Dallas Judge Jernigan Ctrm. Last day to Object to Confirmation 1/5/2021. Ballots due 1/5/2021. Entered on 11/24/2020 (Okafor, M.)). filed by Claims Agent Kurtzman Carson Consultants LLC). (Kass, Albert)
12/28/2020	<u>1638</u> Certificate of service re: <i>Documents Served on December 23, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1617</u> Order approving stipulation resolving Proof of Claim No. 99 filed by Hunton Andrews Kurth LLP (RE:

	<p>related document(s)<u>1614</u> Notice (generic) filed by Debtor Highland Capital Management, L.P.). Entered on 12/23/2020 (Okafor, M.), <u>1618</u> Notice (<i>Notice of Filing of Fifth Amended Exhibit B to Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtor in the Ordinary Course of Business</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>75</u> Motion to Authorize /Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtors in the Ordinary Course of Business Filed by Highland Capital Management, L.P.. Hearing scheduled for 11/19/2019 at 12:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 11/12/2019. (Attachments: # 1 Notice # 2 Exhibit A – Proposed Order # 3 Exhibit B – OCP List # 4 Exhibit C – Form of Declaration of Disinterestedness # 5 Certificate of Service and Service List) (O'Neill, James) [ORIGINALLY FILED AS DOCUMENT #76 ON 10/29/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Attachments: # 1 Exhibit 1 # 2 Exhibit 2) filed by Debtor Highland Capital Management, L.P., <u>1619</u> Declaration re: (<i>Disclosure Declaration of Ordinary Course Professional</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>176</u> Document). filed by Debtor Highland Capital Management, L.P., <u>1621</u> Declaration re: (<i>Disclosure Declaration of Ordinary Course Professional</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>176</u> Document). filed by Debtor Highland Capital Management, L.P., <u>1623</u> Motion to extend time to assume unexpired nonresidential real property lease Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Proposed Order) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
12/29/2020	<p><u>1640</u> Certificate of No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s)<u>1513</u> Application for compensation <i>Twelfth Monthly Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 10/1/2020 to 10/31/2020, Fee: \$196,216.20, Expenses: \$264.23.). (Hoffman, Juliana)</p>
12/30/2020	<p><u>1641</u> Order granting motion to appear pro hac vice adding A. Lee Hogewood, III for Highland Capital Management Fund Advisors, L.P. and NexPoint Advisors, L.P. (related document # <u>1620</u>) Entered on 12/30/2020. (Okafor, M.)</p>
12/30/2020	<p><u>1642</u> Certificate of No Objection filed by Other Professional Hayward & Associates PLLC (RE: related document(s)<u>1520</u> Application for compensation (<i>Ninth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020</i>) for Hayward & Ass.). (Annable, Zachery)</p>
12/30/2020	<p><u>1643</u> Agreed Motion to substitute attorney David Neier with Frances A. Smith, Michelle Hartmann, and Debra A. Dandeneau Filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon (Attachments: # <u>1</u> Proposed Order) (Smith, Frances)</p>
12/30/2020	<p><u>1644</u> Notice of Appearance and Request for Notice by Frances Anne Smith filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon. (Smith, Frances)</p>
12/30/2020	<p><u>1645</u> Certificate of service re: Senior Employees Agreed Motion to Withdraw and Substitute Counsel of Record and Notice of Appearance filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon (RE: related document(s)<u>1643</u> Agreed Motion to substitute attorney David Neier with Frances A. Smith, Michelle Hartmann, and Debra A. Dandeneau, <u>1644</u> Notice of appearance and request for notice). (Smith, Frances)</p>
12/30/2020	<p><u>1646</u> Certificate of service re: <i>Documents Served on or Before December 24, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P.. Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management,</p>

	<p>L.P., <u>1626</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P.. Filed by Debtor Highland Capital Management, L.P.). Hearing to be held on 1/13/2021 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1625</u>, filed by Debtor Highland Capital Management, L.P., <u>1631</u> Declaration re: (<i>Declaration of John A. Morris in Support of the Debtor's Motion for Entry of an Order Approving Settlement with HarbourVest (Claim Nos. 143, 147, 149, 150, 153, 154) and Authorizing Actions Consistent Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P.). (Attachments: # 1 Exhibit 1 # 2 Exhibit 2 # 3 Exhibit 3 # 4 Exhibit 4 # 5 Exhibit 5 # 6 Exhibit 6 # 7 Exhibit 7) filed by Debtor Highland Capital Management, L.P., <u>1632</u> Application for compensation <i>Sidley Austin LLP's Thirteenth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 11/1/2020 to 11/30/2020, Fee: \$401,659.92, Expenses: \$3,643.80. Filed by Attorney Juliana Hoffman Objections due by 1/14/2021. filed by Creditor Committee Official Committee of Unsecured Creditors, <u>1633</u> Application for compensation <i>Thirteenth Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 11/1/2020 to 11/30/2020, Fee: \$201,148.56, Expenses: \$408.64. Filed by Attorney Juliana Hoffman Objections due by 1/14/2021. filed by Financial Advisor FTI Consulting, Inc., <u>1634</u> Support/supplemental document (<i>Exhibit A to the Debtor's Motion for Entry of an Order Approving Settlement with HarbourVest (Claim Nos. 143, 147, 149, 150, 153, 154) and Authorizing Actions Consistent Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P.). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
12/30/2020	<p><u>1647</u> Certificate of service re: 1) <i>Supplemental Declaration of Matthew Clemente in Support of Application of the Official Committee of Unsecured Creditors, Pursuant to Sections 328 and 1103 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 2014, for an Order Approving the Retention and Employment of Sidley Austin LLP as Counsel to the Official Committee of Unsecured Creditors</i>; and 2) <i>Agreed Order Extending Deadline to Assume Unexpired Nonresidential Real Property Lease and Setting Motion to Assume for Hearing at Confirmation</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1635</u> Declaration re: <i>Supplemental Declaration of Matthew Clemente</i> filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s)<u>206</u> Amended Application to employ Sidley Austin LLP as Attorney <i>APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, PURSUANT TO SECTIONS 328 AND 1103 OF THE BANKRUPTCY CODE AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 2014, FOR AN ORDER APPROVING T</i>). filed by Creditor Committee Official Committee of Unsecured Creditors, <u>1636</u> <i>Agreed order granting 1623 Motion to extend deadline to assume unexpired nonresidential real property lease and setting motion to assume for hearing at confirmation. Entered on 12/28/2020. (Okafor, M.)). (Kass, Albert)</i></p>
12/30/2020	<p><u>1648</u> Notice (<i>Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, If Any, and (III) Related Procedures in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1606</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1472</u> Chapter 11 plan). (Attachments: # 1 Exhibit I—Schedule of Contracts and Leases to Be Assumed # 2 Exhibit J—Amended Form of Senior Employee Stipulation # 3 Exhibit K—Redline of Form of Senior Employee Stipulation)). (Annable, Zachery)</p>
12/31/2020	

	<u>1649</u> Joint Motion to continue hearing on (related documents <u>1207</u> Motion to allow claims) Filed by Creditor HarbourVest et al (Attachments: # <u>1</u> Proposed Order) (Driver, Vickie)
12/31/2020	<u>1650</u> Witness and Exhibit List filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP (RE: related document(s) <u>1483</u> Application for compensation <i>Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through October 31, 2020</i> for Foley Ga). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4 # <u>5</u> Exhibit 5) (O'Neil, Holland)
12/31/2020	<u>1651</u> Certificate of No Objection filed by Other Professional Hayward & Associates PLLC (RE: related document(s) <u>1531</u> Application for compensation (<i>Tenth Monthly Application for Compensation and Reimbursement of Expenses of Hayward & Associates PLLC as Local Counsel to the Debtor for the Period from September 1, 2020 through September 30, 2020</i>) for Hayward). (Annable, Zachery)
12/31/2020	<u>1652</u> Order granting motion to continue hearing on (related document # <u>1649</u>) (related documents Motion to allow claims of <i>HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan</i>) Hearing to be held on 1/13/2021 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1207</u> , Entered on 12/31/2020. (Okafor, M.)
12/31/2020	<u>1653</u> Certificate of service re: (<i>Supplemental</i>) <i>Solicitation Materials Served on or Before December 2, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1476</u> Order approving disclosure statement and setting hearing on confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan filed by Debtor Highland Capital Management, L.P. and <u>1473</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P.). Confirmation hearing to be held on 1/13/2021 at 09:30 AM at Dallas Judge Jernigan Ctrm. Last day to Object to Confirmation 1/5/2021. Ballots due 1/5/2021. Entered on 11/24/2020 (Okafor, M.), <u>1630</u> Certificate of service re: <i>Solicitation Materials Served on or Before December 2, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1472</u> Amended chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>944</u> Chapter 11 plan, <u>1079</u> Chapter 11 plan, <u>1287</u> Chapter 11 plan, <u>1383</u> Chapter 11 plan, <u>1450</u> Chapter 11 plan). filed by Debtor Highland Capital Management, L.P., <u>1473</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement, <u>1080</u> Disclosure statement, <u>1289</u> Disclosure statement, <u>1384</u> Disclosure statement, <u>1453</u> Disclosure statement). filed by Debtor Highland Capital Management, L.P., <u>1476</u> Order approving disclosure statement and setting hearing on confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan filed by Debtor Highland Capital Management, L.P. and <u>1473</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P.). Confirmation hearing to be held on 1/13/2021 at 09:30 AM at Dallas Judge Jernigan Ctrm. Last day to Object to Confirmation 1/5/2021. Ballots due 1/5/2021. Entered on 11/24/2020 (Okafor, M.)). filed by Claims Agent Kurtzman Carson Consultants LLC). (Kass, Albert)
01/04/2021	<u>1654</u> Certificate No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1521</u> Application for compensation <i>Fourteenth Monthly Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor for the Period from November 1, 2020 through November 30, 2020</i> for J). (Pomerantz, Jeffrey)
01/04/2021	<u>1655</u> Application for compensation <i>Fourth Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 9/1/2020 to 11/30/2020, Fee: \$710,280.45, Expenses: \$1,479.47. Filed by Attorney Juliana Hoffman Objections due by 1/25/2021. (Hoffman, Juliana)
01/04/2021	<u>1656</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by

	Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # <u>1</u> Exhibit L—Amended Schedule of Retained Causes of Action # <u>2</u> Exhibit M—Amended Form of Claimant Trust Agreement # <u>3</u> Exhibit N—Redline of Form of Claimant Trust Agreement # <u>4</u> Exhibit O—Amended Form of Litigation Trust Agreement # <u>5</u> Exhibit P—Redline of Form of Litigation Trust Agreement) (Annable, Zachery)
01/05/2021	<u>1657</u> Notice of Appearance and Request for Notice by Daniel P. Winikka filed by Interested Parties Brad Borud, Jack Yang. (Winikka, Daniel)
01/05/2021	<u>1658</u> Assignment/Transfer of Claim. Fee Amount \$26. Transfer Agreement 3001 (e) 1 Transferors: ACA Compliance Group (Amount \$26,324.25) To Argo Partners. Filed by Creditor Argo Partners. (Gold, Matthew)
01/05/2021	Receipt of filing fee for Assignment/Transfer of claim (Claims Agent)(19-34054-sgi11) [claims, trclmagt] (26.00). Receipt number 28389049, amount \$ 26.00 (re: Doc# <u>1658</u>). (U.S. Treasury)
01/05/2021	<u>1659</u> Certificate of No Objection filed by Other Professional Hayward & Associates PLLC (RE: related document(s) <u>1545</u> Application for compensation (<i>Hayward & Associates PLLC's Third Interim Application for Compensation and Reimbursement of Expenses for the Period from July 1, 2020 through September 30, 2020</i>) for Hayward & Associates PLLC, Debtor's Att). (Annable, Zachery)
01/05/2021	<u>1660</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on January 6, 2021 at 2:30 p.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
01/05/2021	<u>1661</u> Objection to confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan) filed by Interested Party James Dondero. (Clarke, James)
01/05/2021	<u>1662</u> Objection to confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan) filed by City of Richardson, Allen ISD, City of Allen, Dallas County, Kaufman County. (Spindler, Laurie)
01/05/2021	<u>1663</u> Certificate of No Objection filed by Spec. Counsel Hunton Andrews Kurth LLP (RE: related document(s) <u>1544</u> Application for compensation (<i>First Interim Application</i>) for Hunton Andrews Kurth LLP, Special Counsel, Period: 7/1/2020 to 10/31/2020, Fee: \$206933.85, Expenses: \$546.52.). (Annable, Zachery)
01/05/2021	<u>1664</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1547</u> Application for compensation <i>Third Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession for the Period from August 1, 2020 through November 30,</i>). (Annable, Zachery)
01/05/2021	<u>1665</u> Certificate of No Objection filed by Other Professional Wilmer Cutler Pickering Hale and Dorr LLP (RE: related document(s) <u>1552</u> Application for compensation (<i>Consolidated Monthly and Second Interim Application of Wilmer Cutler Pickering Hale and Dorr LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Regulatory and Compliance Counsel for</i>). (Annable, Zachery)
01/05/2021	<u>1666</u> Objection to confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan) filed by Interested Parties Brad Borud, Jack Yang. (Winikka, Daniel)
01/05/2021	<u>1667</u> Objection to confirmation of plan <i>with Certificate of Service</i> (RE: related document(s) <u>1472</u> Chapter 11 plan) filed by Get Good Trust, The Dugaboy Investment Trust. (Draper, Douglas)

01/05/2021	<u>1668</u> Objection to confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan) filed by Creditor United States (IRS). (Adams, David)
01/05/2021	<u>1669</u> WITHDRAWN per # <u>1845</u> . Objection to confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan) filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B) (Smith, Frances) MODIFIED on 1/27/2021 (Ecker, C.).
01/05/2021	<u>1670</u> Objection to confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan) filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, Highland Funds I and its series, Highland Funds II and its series, Highland Global Allocation Fund, Highland Healthcare Opportunities Fund, Highland Income Fund, Highland Merger Arbitrage Fund, Highland Opportunistic Credit Fund, Highland Small-Cap Equity Fund, Highland Socially Responsible Equity Fund, Highland Total Return Fund, Highland/iBoxx Senior Loan ETF, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Real Estate Strategies Fund, NexPoint Strategic Opportunities Fund. (Attachments: # <u>1</u> Exhibit A) (Rukavina, Davor)
01/05/2021	<u>1671</u> Trustee's Objection to <i>Fifth Amended Plan</i> (RE: related document(s) <u>1472</u> Chapter 11 plan) (Lambert, Lisa)
01/05/2021	<u>1672</u> Certificate of service re: Senior Employees' Objection to Debtor's Fifth Amended Plan of Reorganization filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon (RE: related document(s) <u>1669</u> Objection to confirmation of plan). (Smith, Frances)
01/05/2021	<u>1673</u> Objection to confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan) filed by Creditor NexPoint Real Estate Partners LLC f/k/a HCRE Partners LLC. (Drawhorn, Lauren)
01/05/2021	<u>1674</u> Joinder by <i>Kauffman, Travers and Deadman to Limited Objection of Jack Yang and Brad Borud to Fifth Amended Plan of Reorganization</i> filed by Paul Kauffman, Todd Travers, Davis Deadman (RE: related document(s) <u>1472</u> Chapter 11 plan, <u>1666</u> Objection to confirmation of plan). (Kathman, Jason)
01/05/2021	<u>1675</u> Joinder by <i>[Joinder to Objection to Confirmation of Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. [Dkt. No. 1670] and Supplemental Objection to Plan Confirmation]</i> filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>1670</u> Objection to confirmation of plan). (Kane, John)
01/05/2021	<u>1676</u> Objection to confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan) filed by Interested Parties NexBank Title Inc., NexBank Securities Inc., NexBank Capital Inc., NexBank. (Drawhorn, Lauren)
01/05/2021	<u>1677</u> Joinder by <i>NexPoint RE Entities to Objection to Confirmation of Fifth Amended Plan of Reorganization</i> filed by Interested Parties NexPoint Hospitality Trust, NexPoint Multifamily Capital Trust, Inc., NexPoint Real Estate Advisors II, L.P., NexPoint Real Estate Advisors III, L.P., NexPoint Real Estate Advisors IV, L.P., NexPoint Real Estate Advisors V, L.P., NexPoint Real Estate Advisors VI, L.P., NexPoint Real Estate Advisors VII, L.P., NexPoint Real Estate Advisors VIII, L.P., NexPoint Real Estate Advisors, L.P., NexPoint Real Estate Finance Inc., NexPoint Real Estate Partners, LLC, NexPoint Residential Trust, Inc., Nexpoint Real Estate Capital, LLC, Vinebrook Homes, Trust, Inc. (RE: related document(s) <u>1670</u> Objection to confirmation of plan). (Drawhorn, Lauren)
01/05/2021	<u>1678</u> Objection to confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan) filed by Creditor Patrick Daugherty. (Kathman, Jason)
01/05/2021	

	<u>1679</u> Joinder by <i>Kauffman, Travers and Deadman to Limited Objection of Jack Yang and Brad Borud to Fifth Amended Plan of Reorganization (Amended)</i> filed by Davis Deadman, Paul Kauffman, Todd Travers (RE: related document(s) <u>1472</u> Chapter 11 plan, <u>1666</u> Objection to confirmation of plan). (Kathman, Jason)
01/05/2021	<u>1680</u> Motion to appear pro hac vice for Debra Dandenau. Fee Amount \$100 Filed by Creditor Frank Waterhouse, Scott B. Ellington, Isaac Leventon, Jean Paul Sevilla, Hunter Covitz and Thomas Surgent (Soderlund, Eric)
01/05/2021	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 28390902, amount \$ 100.00 (re: Doc# <u>1680</u>). (U.S. Treasury)
01/06/2021	<u>1681</u> Motion to appear pro hac vice for Douglas S. Draper. Fee Amount \$100 Filed by Get Good Trust, The Dugaboy Investment Trust (Draper, Douglas)
01/06/2021	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 28393061, amount \$ 100.00 (re: Doc# <u>1681</u>). (U.S. Treasury)
01/06/2021	<u>1682</u> Motion to appear pro hac vice for Leslie A. Collins. Fee Amount \$100 Filed by Get Good Trust, The Dugaboy Investment Trust (Draper, Douglas)
01/06/2021	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 28393082, amount \$ 100.00 (re: Doc# <u>1682</u>). (U.S. Treasury)
01/06/2021	<u>1683</u> Motion to appear pro hac vice for Greta M. Brouphy. Fee Amount \$100 Filed by Get Good Trust, The Dugaboy Investment Trust (Brouphy, Greta)
01/06/2021	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 28393123, amount \$ 100.00 (re: Doc# <u>1683</u>). (U.S. Treasury)
01/06/2021	<u>1684</u> Order granting third interim fee application for compensation (related document # <u>1296</u>) granting for Official Committee of Unsecured Creditors, fees awarded: \$1865520.45, expenses awarded: \$18678.47 Entered on 1/6/2021. (Okafor, M.)
01/06/2021	<u>1685</u> Order granting third interim application for compensation (related document # <u>1244</u>) granting for FTI Consulting, Inc., fees awarded: \$886615.45, expenses awarded: \$1833.10 Entered on 1/6/2021. (Okafor, M.)
01/06/2021	<u>1686</u> Order granting first interim application for compensation (related document # <u>1544</u>) granting for Hunton Andrews Kurth LLP, fees awarded: \$206933.85, expenses awarded: \$546.52 Entered on 1/6/2021. (Okafor, M.)
01/06/2021	<u>1687</u> Order granting third interim application for compensation (related document # <u>1547</u>) granting for Jeffrey Nathan Pomerantz, fees awarded: \$3380111.5, expenses awarded: \$31940.33 Entered on 1/6/2021. (Okafor, M.)
01/06/2021	<u>1688</u> Second Agreed Order regarding deposit of funds into the registry of the court (RE: related document(s) <u>1365</u> Agreed Supplemental Order re: <u>474</u> Motion for authority to apply and disburse funds filed by Debtor Highland Capital Management, L.P., <u>1365</u> Order (generic)). Entered on 1/6/2021 (Okafor, M.)
01/06/2021	<u>1689</u> Motion to appear pro hac vice for Warren Horn. Fee Amount \$100 Filed by Get Good Trust, The Dugaboy Investment Trust (Horn, Warren)

01/06/2021	Receipt of filing fee for Motion to Appear pro hac vice(19-34054-sgj11) [motion,mprohac] (100.00). Receipt number 28393995, amount \$ 100.00 (re: Doc# <u>1689</u>). (U.S. Treasury)
01/06/2021	<u>1690</u> Order granting motion to appear pro hac vice adding Debra A. Dandeneau for FTI Consulting, Inc. and Frank Waterhouse, Scott B. Ellington, Isaac Leventon, Jean Paul Sevilla, Hunter Covitz and Thomas Surgent (related document # <u>1680</u>) Entered on 1/6/2021. (Okafor, M.)
01/06/2021	<u>1691</u> Order granting third and final application for compensation (related document <u>1483</u>) granting for Foley Gardere, Foley & Lardner LLP, fees awarded: \$617654.60, expenses awarded: \$11433.73 Entered on 1/6/2021. (Okafor, M.) Modified to correct text on 1/29/2021 (Ecker, C.).
01/06/2021	<u>1692</u> Adversary case 21-03000. Complaint by Highland Capital Management, L.P. against Highland Capital Management Fund Advisors, L.P., NexPoint Advisors, L.P., Highland Income Fund, NexPoint Strategic Opportunities Fund, NexPoint Capital, Inc., CLO Holdco, Ltd.. Fee Amount \$350 (Attachments: # <u>1</u> Adversary Proceeding Cover Sheet). Nature(s) of suit: 91 (Declaratory judgment). 72 (Injunctive relief – other). 02 (Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy)). (Annable, Zachery)
01/06/2021	<u>1693</u> Subpoena on Highland Capital Management, L.P. filed by Interested Party James Dondero. (Attachments: # <u>1</u> Ex. 1 – Subpoena with Document Requests) (Assink, Bryan)
01/06/2021	<u>1694</u> Subpoena on Kurtzman Carson Consultants LLC filed by Interested Party James Dondero. (Attachments: # <u>1</u> Ex. 1 – Subpoena with Document Requests) (Assink, Bryan)
01/06/2021	<u>1695</u> Certificate of service re: 1) <i>WebEx Meeting Invitation to participate electronically in the hearing on Wednesday, December 16, 2020 at 1:30 p.m. Central Time before the Honorable Stacey G. Jernigan</i> ; 2) <i>Instructions for any counsel and parties who wish to participate in the Hearing</i> ; and 3) <i>Foley & Lardner LLP's Witness and Exhibit List for Final Fee Application</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1650</u> Witness and Exhibit List filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP (RE: related document(s) <u>1483</u> Application for compensation <i>Third and Final Application for Compensation and Reimbursement of Expenses of Foley & Lardner LLP as Special Texas Counsel to the Debtor for the Period from October 16, 2019 through October 31, 2020</i> for Foley Ga). (Attachments: # 1 Exhibit 1 # 2 Exhibit 2 # 3 Exhibit 3 # 4 Exhibit 4 # 5 Exhibit 5) (O'Neil, Holland) filed by Spec. Counsel Foley Gardere, Foley & Lardner LLP). (Kass, Albert)
01/06/2021	<u>1696</u> Certificate of service re: 1) <i>Fourth Interim Fee Application of FTI Consulting, Inc. as Financial Advisor for the Official Committee of Unsecured Creditors, for Compensation and Reimbursement of Expenses for the Period from September 1, 2020 Through and Including November 30, 2020</i> ; and 2) <i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1655</u> Application for compensation <i>Fourth Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 9/1/2020 to 11/30/2020, Fee: \$710,280.45, Expenses: \$1,479.47. Filed by Attorney Juliana Hoffman Objections due by 1/25/2021. filed by Financial Advisor FTI Consulting, Inc., <u>1656</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # 1 Exhibit L—Amended Schedule of Retained Causes of Action # 2 Exhibit M—Amended Form of Claimant Trust Agreement # 3 Exhibit N—Redline of Form of Claimant Trust Agreement # 4 Exhibit O—Amended Form of Litigation Trust Agreement # 5 Exhibit P—Redline of Form of Litigation Trust Agreement) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)

01/06/2021	<u>1697</u> Objection to (related document(s): <u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P.. filed by Debtor Highland Capital Management, L.P.) filed by Interested Party James Dondero. (Assink, Bryan)
01/07/2021	<u>1698</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1583</u> Motion to extend time to Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure (RE: related document(s) <u>816</u> Order on motion to extend/shorten time)). (Annable, Zachery)
01/07/2021	<u>1699</u> Certificate of service re: Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, If Any, and (III) Related Procedures in Connection Therewith filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1648</u> Notice (generic)). (Annable, Zachery)
01/07/2021	<u>1700</u> Certificate of service re: Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, If Any, and (III) Related Procedures in Connection Therewith filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1648</u> Notice (generic)). (Annable, Zachery)
01/07/2021	<u>1701</u> Order granting motion to appear pro hac vice adding Douglas S. Draper for Get Good Trust and The Dugaboy Investment Trust (related document <u>1681</u>) Entered on 1/7/2021. (Okafor, M.) Modified to add party on 1/7/2021 (Okafor, M.).
01/07/2021	<u>1702</u> Order granting motion to appear pro hac vice adding Leslie A. Collins for Get Good Trust and The Dugaboy Investment Trust (related document # <u>1682</u>) Entered on 1/7/2021. (Okafor, M.)
01/07/2021	<u>1703</u> Order granting motion to appear pro hac vice adding Greta M. Brouphy for Get Good Trust and The Dugaboy Investment Trust (related document # <u>1683</u>) Entered on 1/7/2021. (Okafor, M.)
01/07/2021	<u>1704</u> Order granting motion to appear pro hac vice adding Warren Horn for Get Good Trust and The Dugaboy Investment Trust (related document # <u>1689</u>) Entered on 1/7/2021. (Okafor, M.)
01/07/2021	<u>1705</u> Notice to take deposition of Michael Pugatch filed by Interested Party James Dondero. (Assink, Bryan)
01/08/2021	<u>1706</u> Objection to (related document(s): <u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P.. filed by Debtor Highland Capital Management, L.P.) <i>Objection to Debtor's Motion for Entry of an Order Approving Settlement with HarbourVest (Claim Nos. 143, 147, 149, 150, 153, 154) and Authorizing Actions Consistent Therewith with Certificate of Service</i> filed by Get Good Trust, The Dugaboy Investment Trust. (Draper, Douglas)
01/08/2021	<u>1707</u> Objection to (related document(s): <u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P.. filed by Debtor Highland Capital Management, L.P.) filed by Creditor CLO Holdco, Ltd.. (Kane, John)
01/08/2021	<u>1708</u> SEALED document regarding: Exhibit A to CLO Holdco, Ltd.'s Objection to Harbourvest Settlement [Docket No. 1707] Members Agreement Relating to the Company dated November 15, 2017 by and between each of the members of HCLOF,

	including Harbourvest, the Debtor, and CLO Holdco – Confidential [Confidential Subject to Agreed Protective Order See Docket No. 382] per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
01/08/2021	<u>1709</u> Notice (<i>Notice of Filing of Certificate of Service Regarding Letter Dated January 7, 2021 to Highland Capital Management Services, Inc. from James P. Seery, Jr. Regarding Demand on Promissory Note</i>) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
01/08/2021	<u>1710</u> Debtor-in-possession monthly operating report for filing period November 1, 2020 to November 30, 2020 filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
01/08/2021	<u>1711</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to November 30, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALSUTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Annable, Zachery)
01/08/2021	<u>1712</u> Certificate of service re: <i>Notice of Agenda of Matters Scheduled for Hearing on January 6, 2021 at 2:30 p.m. (Central Time)</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1660</u> Notice (<i>Notice of Agenda of Matters Scheduled for Hearing on January 6, 2021 at 2:30 p.m. (Central Time)</i>) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
01/08/2021	<u>1713</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>1690</u> Order granting motion to appear pro hac vice adding Debra A. Dandeneau for FTI Consulting, Inc. and Frank Waterhouse, Scott B. Ellington, Isaac Leventon, Jean Paul Sevilla, Hunter Covitz and Thomas Surgent (related document <u>1680</u>) Entered on 1/6/2021. (Okafor, M.)) No. of Notices: 1. Notice Date 01/08/2021. (Admin.)
01/09/2021	<u>1714</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P.. Filed by Debtor Highland Capital Management, L.P.). Hearing to be held on 1/14/2021 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1625</u> , (Annable, Zachery)
01/11/2021	<u>1715</u> Order granting application for compensation (related document # <u>1552</u>) granting for Wilmer Cutler Pickering Hale and Dorr LLP, fees awarded: \$709256.22, expenses awarded: \$0.0 Entered on 1/11/2021. (Ecker, C.)
01/11/2021	<u>1716</u> Witness and Exhibit List filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P..). (Kane, John)
01/11/2021	<u>1717</u> SEALED document regarding: Exhibit 4, Members Agreement Relating to the Company dated November 15, 2017 by and between each of the members of HCLOF, including Harbourvest, the Debtor, and CLO Holdco [Confidential Subject to Agreed

	Protective Order] per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
01/11/2021	<u>1718</u> Amended Notice of hearing (<i>Amended Notice of (I) Hearing to Confirm Plan and (II) Related Important Dates</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Amended chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>944</u> Chapter 11 plan, <u>1079</u> Chapter 11 plan, <u>1287</u> Chapter 11 plan, <u>1383</u> Chapter 11 plan, <u>1450</u> Chapter 11 plan).). Confirmation hearing to be held on 1/26/2021 at 09:30 AM at Dallas Judge Jernigan Ctrm. (Annable, Zachery)
01/11/2021	<u>1719</u> Notice (<i>Second Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, If Any, and (III) Related Procedures in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1606</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # 1 Exhibit I—Schedule of Contracts and Leases to Be Assumed # 2 Exhibit J—Amended Form of Senior Employee Stipulation # 3 Exhibit K—Redline of Form of Senior Employee Stipulation)). (Annable, Zachery)
01/11/2021	<u>1720</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1207</u> Motion to allow claims of <i>HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan</i> Filed by Creditor HarbourVest et al Objections due by 11/9/2020. (Attachments: # 1 Proposed Order)). Hearing to be held on 1/14/2021 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1207</u> , (Annable, Zachery)
01/11/2021	<u>1721</u> Witness and Exhibit List filed by Interested Party James Dondero (RE: related document(s) <u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P.). (Attachments: # <u>1</u> Dondero Ex. A – POCs # <u>2</u> Dondero Ex. B # <u>3</u> Dondero Ex. C # <u>4</u> Dondero Ex. D # <u>5</u> Dondero Ex. E # <u>6</u> Dondero Ex. F # <u>7</u> Dondero Ex. G # <u>8</u> Ex. H – M) (Assink, Bryan)
01/11/2021	<u>1722</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P.). (Annable, Zachery)
01/11/2021	<u>1723</u> Witness and Exhibit List filed by Creditor HarbourVest et al (RE: related document(s) <u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P.). (Driver, Vickie)
01/11/2021	<u>1724</u> Certificate of service re: <i>Documents Served on January 6, 2021</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1684</u> Order granting third interim fee application for compensation (related document <u>1296</u>) granting for Official Committee of Unsecured Creditors, fees awarded: \$1865520.45, expenses awarded: \$18678.47 Entered on 1/6/2021. (Okafor, M.), <u>1685</u> Order granting third interim application for compensation (related document <u>1244</u>) granting for FTI Consulting, Inc., fees awarded: \$886615.45, expenses awarded: \$1833.10 Entered on 1/6/2021. (Okafor, M.), <u>1686</u> Order granting first interim application for compensation (related document <u>1544</u>) granting for Hunton Andrews Kurth LLP, fees awarded: \$206933.85, expenses awarded: \$546.52 Entered on 1/6/2021. (Okafor, M.), <u>1687</u> Order granting third interim application for compensation (related document <u>1547</u>) granting for Jeffrey Nathan Pomerantz, fees awarded: \$3380111.5, expenses awarded: \$31940.33 Entered on 1/6/2021. (Okafor, M.),

	<u>1688</u> Second Agreed Order regarding deposit of funds into the registry of the court (RE: related document(s) <u>1365</u> Agreed Supplemental Order re: <u>474</u> Motion for authority to apply and disburse funds filed by Debtor Highland Capital Management, L.P., <u>1365</u> Order (generic)). Entered on 1/6/2021 (Okafor, M.), <u>1691</u> Order granting first and final application for compensation (related document <u>1483</u>) granting for Foley Gardere, Foley & Lardner LLP, fees awarded: \$617654.60, expenses awarded: \$11433.73 Entered on 1/6/2021. (Okafor, M.)). (Kass, Albert)
01/12/2021	<u>1725</u> Order further extending period within which the Debtor may remove actions <u>1583</u> Motion to extend time. (Re: related document(s) <u>1583</u> Motion to extend time to Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure (RE: related document(s) <u>816</u> Order on motion to extend/shorten time)) Entered on 1/12/2021. (Ecker, C.)
01/12/2021	<u>1726</u> Amended Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1722</u> List (witness/exhibit/generic)). (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G # <u>8</u> Exhibit H # <u>9</u> Exhibit I # <u>10</u> Exhibit J # <u>11</u> Exhibit K # <u>12</u> Exhibit L # <u>13</u> Exhibit M # <u>14</u> Exhibit N # <u>15</u> Exhibit O # <u>16</u> Exhibit P # <u>17</u> Exhibit Q # <u>18</u> Exhibit R # <u>19</u> Exhibit S # <u>20</u> Exhibit T # <u>21</u> Exhibit U # <u>22</u> Exhibit V # <u>23</u> Exhibit W # <u>24</u> Exhibit X # <u>25</u> Exhibit DD) (Annable, Zachery)
01/13/2021	<u>1727</u> Certificate of service re: Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to November 30, 2020 filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1711</u> Notice (generic)). (Annable, Zachery)
01/13/2021	<u>1728</u> Order granting application for compensation (related document # <u>1545</u>) granting for Hayward & Associates PLLC, fees awarded: \$82325.00, expenses awarded: \$1972.63 Entered on 1/13/2021. (Ecker, C.)
01/13/2021	<u>1729</u> Certificate of service re: Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the Fifth Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of the Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1476</u> Order approving disclosure statement). (Annable, Zachery)
01/13/2021	<u>1730</u> Certificate of service re: Order Further Extending Period Within Which the Debtor May Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1725</u> Order on motion to extend/shorten time). (Annable, Zachery)
01/13/2021	<u>1731</u> Omnibus Reply to (related document(s): <u>1697</u> Objection filed by Interested Party James Dondero, <u>1706</u> Objection filed by Creditor The Dugaboy Investment Trust, Creditor Get Good Trust, <u>1707</u> Objection filed by Creditor CLO Holdco, Ltd.) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
01/13/2021	<u>1732</u> Amended Witness and Exhibit List (<i>Debtor's Second Amended Witness and Exhibit List with Respect to Hearing to Be Held on January 14, 2021</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1722</u> List (witness/exhibit/generic), <u>1726</u> List (witness/exhibit/generic)). (Attachments: # <u>1</u> Exhibit EE) (Annable, Zachery)
01/13/2021	<u>1733</u> Expedited Motion to file document under seal/ <i>Expedited Motion for Leave to File Documents Under Seal in Connection with the HarbourVest Reply in Support of Debtor's Motion for Entry of an Order Approving Settlement with HarbourVest and Authorizing Actions Consistent Therewith</i> Filed by Creditor HarbourVest et al (Attachments: # <u>1</u> Exhibit A – Proposed Order) (Driver, Vickie)

01/13/2021	<u>1734</u> Omnibus Reply to (related document(s): <u>1697</u> Objection filed by Interested Party James Dondero, <u>1706</u> Objection filed by Creditor The Dugaboy Investment Trust, Creditor Get Good Trust, <u>1707</u> Objection filed by Creditor CLO Holdco, Ltd.) / <i>HarbourVest Reply in Support of Debtor's Motion for Entry of an Order Approving Settlement with HarbourVest and Authorizing Actions Consistent Therewith</i> filed by Creditor HarbourVest et al. (Driver, Vickie)
01/13/2021	<u>1735</u> Support/supplemental document / <i>Appendix to HarbourVest Reply in Support of Debtor's Motion for Entry of an Order Approving Settlement with HarbourVest and Authorizing Actions Consistent Therewith</i> filed by Creditor HarbourVest et al (RE: related document(s) <u>1734</u> Reply). (Driver, Vickie)
01/13/2021	<u>1736</u> Emergency Motion to file document under seal.(<i>Debtor's Emergency Motion for Entry of an Order Authorizing the Filing under Seal of Exhibits to Debtor's Omnibus Reply in Support of Debtor's Motion for Entry of an Order Approving Settlement with HarbourVest (Claim Nos. 143, 147, 149, 150, 153, 154), and Authorizing Actions Consistent Therewith</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A—Proposed Order) (Annable, Zachery)
01/14/2021	<u>1737</u> Order granting motion to seal exhibits (related document # <u>1736</u>) Entered on 1/14/2021. (Ecker, C.)
01/14/2021	<u>1738</u> SEALED document regarding: Exhibit A—Members Agreement per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1737</u> Order on motion to seal). (Annable, Zachery)
01/14/2021	<u>1739</u> SEALED document regarding: Exhibit B—Articles of Incorporation per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1737</u> Order on motion to seal). (Annable, Zachery)
01/14/2021	<u>1740</u> SEALED document regarding: Exhibit C—Offering Memorandum per court order filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1737</u> Order on motion to seal). (Annable, Zachery)
01/14/2021	<u>1741</u> Notice (<i>Notice of Stipulation Resolving Proof of Claim No. 166 Filed by Stinson Leonard Street LLP</i>) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
01/14/2021	<u>1742</u> Exhibit List (<i>Supplemental Exhibit List</i>) filed by Interested Party James Dondero (RE: related document(s) <u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P..). (Attachments: # <u>1</u> Dondero Ex. N) (Assink, Bryan)
01/14/2021	<u>1743</u> Declaration re: <i>Supplemental Declaration of Conor P. Tully In Support of the Application Authorizing the Employment and Retention of FTI Consulting, Inc. as Financial Advisor to the Official Committee of Unsecured Creditors</i> filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s) <u>336</u> Order on application to employ). (Hoffman, Juliana)
01/14/2021	<u>1744</u> Declaration re: (<i>Supplemental Declaration of Marc D. Katz</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>268</u> Declaration). (Annable, Zachery)
01/14/2021	<u>1745</u> Motion to appoint trustee <i>Motion to Appoint Examiner Pursuant to 11 U.S.C. § 1104(c)</i> Filed by Get Good Trust, The Dugaboy Investment Trust (Attachments: # <u>1</u> Proposed Order) (Draper, Douglas)

01/14/2021	<u>1752</u> INCORRECT Entry: Original entry at # [1745 is correct} Motion to Appoint Examiner pursuant to 11 U.S.C. § 1104(c) by Get Good Trust , The Dugaboy Investment Trust . (Ecker, C.) Modified on 1/15/2021 (Ecker, C.). (Entered: 01/15/2021)
01/14/2021	1753 Hearing held on 1/14/2021. (RE: related document(s) <u>1590</u> Motion to pay Debtor's Motion Pursuant to the Protocols for Authority for Highland Multi Strategy Credit Fund, L.P. to Prepay Loan) filed by Debtor Highland Capital Management, L.P. (Appearances: J. Pomeranz, J. Morris, and G. Demo for Debtor; J. Wilson, M. Lynn, J. Bonds, and B. Assink for J. Dondero; E. Weisgerber for HarbourVest; J. Kane for CLO Holdco; D. Draper for Dugaboy and Get Good Trust; M. Clemente for UCC; R. Matsumura for HCLOF. Nonevidentiary hearing. Motion granted. Counsel to upload order.) (Edmond, Michael) (Entered: 01/15/2021)
01/14/2021	1754 Hearing held on 1/14/2021. (RE: related document(s) <u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P., filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz, J. Morris, and G. Demo for Debtor; J. Wilson, M. Lynn, J. Bonds, and B. Assink for J. Dondero; E. Weisgerber for HarbourVest; J. Kane for CLO Holdco; D. Draper for Dugaboy and Get Good Trust; M. Clemente for UCC; R. Matsumura for HCLOF. Evidentiary hearing. Motion granted. Counsel to upload order.) (Edmond, Michael) (Entered: 01/15/2021)
01/14/2021	1755 Hearing held on 1/14/2021. (RE: related document(s) <u>1207</u> Motion to allow claims of HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan filed by Creditor HarbourVest et al (Appearances: J. Pomeranz, J. Morris, and G. Demo for Debtor; J. Wilson, M. Lynn, J. Bonds, and B. Assink for J. Dondero; E. Weisgerber for HarbourVest; J. Kane for CLO Holdco; D. Draper for Dugaboy and Get Good Trust; M. Clemente for UCC; R. Matsumura for HCLOF. Evidentiary hearing. Motion resolved by approval of compromise and settlement. Counsel to upload order.) (Edmond, Michael) (Entered: 01/15/2021)
01/14/2021	<u>1782</u> Court admitted exhibits date of hearing January 14, 2021 (RE: related document(s) <u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P., filed by Debtor Highland Capital Management, L.P.) (COURT ADMITTED DEBTOR'S/PLAINTIFF EXHIBIT'S #A THROUGH #EE BY JAMES MORRIS AND EXHIBIT'S #34 & #36 BY ERICA WEISGERBER AND DEFENDANT'S DONDERO EXHIBIT #N (ONLY PORTIONS OF EXHIBIT) BY J. WILSON) (Edmond, Michael) (Entered: 01/20/2021)
01/15/2021	<u>1746</u> Order granting motion to pay (related document # <u>1590</u>) Entered on 1/15/2021. (Ecker, C.)
01/15/2021	<u>1747</u> Order (RE: related document(s) <u>1741</u> Notice (generic) filed by Debtor Highland Capital Management, L.P.). Entered on 1/15/2021 (Ecker, C.)
01/15/2021	<u>1748</u> Motion for expedited hearing(related documents <u>1745</u> Motion to appoint trustee) Filed by Get Good Trust, The Dugaboy Investment Trust (Attachments: # <u>1</u> Proposed Order) (Draper, Douglas)
01/15/2021	<u>1749</u> Notice (<i>Third Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, If Any, and (III) Related Procedures in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1606</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P.

	(RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # 1 Exhibit I—Schedule of Contracts and Leases to Be Assumed # 2 Exhibit J—Amended Form of Senior Employee Stipulation # 3 Exhibit K—Redline of Form of Senior Employee Stipulation)). (Annable, Zachery)
01/15/2021	<u>1750</u> Request for transcript regarding a hearing held on 1/14/2021. The requested turn-around time is hourly (Green, Shanette)
01/15/2021	<u>1751</u> Supplemental Certificate of service re: filed by Creditors The Dugaboy Investment Trust, Get Good Trust (RE: related document(s) <u>1745</u> Motion to appoint trustee <i>Motion to Appoint Examiner Pursuant to 11 U.S.C. § 1104(c)</i> , <u>1748</u> Motion for expedited hearing (related documents <u>1745</u> Motion to appoint trustee)). (Draper, Douglas) Modified on 1/15/2021 (Rielly, Bill).
01/15/2021	<u>1756</u> Joinder by filed by Interested Party James Dondero (RE: related document(s) <u>1745</u> Motion to appoint trustee <i>Motion to Appoint Examiner Pursuant to 11 U.S.C. § 1104(c)</i>). (Assink, Bryan)
01/15/2021	<u>1757</u> Notice of Increase in Hourly Rates for Pachulski Stang Ziehl & Jones LLP Effective as of January 1, 2021 filed by Debtor Highland Capital Management, L.P.. (Pomerantz, Jeffrey)
01/15/2021	<u>1758</u> Certificate No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>1632</u> Application for compensation <i>Sidley Austin LLP's Thirteenth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 11/1/2020 to 11/30/2020, Fee: �). (Hoffman, Juliana)
01/15/2021	<u>1759</u> Certificate of No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s) <u>1633</u> Application for compensation <i>Thirteenth Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 11/1/2020 to 11/30/2020, Fee: \$201,148.56, Expenses: \$408.64.). (Hoffman, Juliana)
01/15/2021	<u>1760</u> Certificate of service re: <i>(Supplemental) Solicitation Materials Served on January 11, 2021</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1630</u> Certificate of service re: <i>Solicitation Materials Served on or Before December 2, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1472</u> Amended chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>944</u> Chapter 11 plan, <u>1079</u> Chapter 11 plan, <u>1287</u> Chapter 11 plan, <u>1383</u> Chapter 11 plan, <u>1450</u> Chapter 11 plan). filed by Debtor Highland Capital Management, L.P., <u>1473</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement, <u>1080</u> Disclosure statement, <u>1289</u> Disclosure statement, <u>1384</u> Disclosure statement, <u>1453</u> Disclosure statement). filed by Debtor Highland Capital Management, L.P., <u>1476</u> Order approving disclosure statement and setting hearing on confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan filed by Debtor Highland Capital Management, L.P. and <u>1473</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P.). Confirmation hearing to be held on 1/13/2021 at 09:30 AM at Dallas Judge Jernigan Ctrm. Last day to Object to Confirmation 1/5/2021. Ballots due 1/5/2021. Entered on 11/24/2020 (Okafor, M.)). filed by Claims Agent Kurtzman Carson Consultants LLC). (Kass, Albert)
01/15/2021	<u>1761</u> Certificate of service re: <i>Documents Served on or Before January 12, 2021</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1714</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P.. Filed by Debtor Highland Capital Management, L.P.). Hearing to be held on

	<p>1/14/2021 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1625</u>, filed by Debtor Highland Capital Management, L.P., <u>1715</u> Order granting application for compensation (related document <u>1552</u>) granting for Wilmer Cutler Pickering Hale and Dorr LLP, fees awarded: \$709256.22, expenses awarded: \$0.0 Entered on 1/11/2021. (Ecker, C.), <u>1718</u> Amended Notice of hearing (<i>Amended Notice of (I) Hearing to Confirm Plan and (II) Related Important Dates</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1472</u> Amended chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>944</u> Chapter 11 plan, <u>1079</u> Chapter 11 plan, <u>1287</u> Chapter 11 plan, <u>1383</u> Chapter 11 plan, <u>1450</u> Chapter 11 plan).). Confirmation hearing to be held on 1/26/2021 at 09:30 AM at Dallas Judge Jernigan Ctrm. filed by Debtor Highland Capital Management, L.P., <u>1719</u> Notice (<i>Second Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, If Any, and (III) Related Procedures in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1606</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1472</u> Chapter 11 plan). (Attachments: # 1 Exhibit I—Schedule of Contracts and Leases to Be Assumed # 2 Exhibit J—Amended Form of Senior Employee Stipulation # 3 Exhibit K—Redline of Form of Senior Employee Stipulation)). filed by Debtor Highland Capital Management, L.P., <u>1720</u> Amended Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1207</u> Motion to allow claims of <i>HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan</i> Filed by Creditor HarbourVest et al Objections due by 11/9/2020. (Attachments: # 1 Proposed Order)). Hearing to be held on 1/14/2021 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1207</u>, filed by Debtor Highland Capital Management, L.P., <u>1722</u> Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P..). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
01/15/2021	<p><u>1762</u> Certificate of service re: <i>Documents Served on January 12, 2021</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1725</u> Order further extending period within which the Debtor may remove actions <u>1583</u> Motion to extend time. (Re: related document(s) <u>1583</u> Motion to extend time to Remove Actions Pursuant to 28 U.S.C. 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure (RE: related document(s)<u>816</u> Order on motion to extend/shorten time)) Entered on 1/12/2021. (Ecker, C.), <u>1726</u> Amended Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1722</u> List (witness/exhibit/generic)). (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F # 7 Exhibit G # 8 Exhibit H # 9 Exhibit I # 10 Exhibit J # 11 Exhibit K # 12 Exhibit L # 13 Exhibit M # 14 Exhibit N # 15 Exhibit O # 16 Exhibit P # 17 Exhibit Q # 18 Exhibit R # 19 Exhibit S # 20 Exhibit T # 21 Exhibit U # 22 Exhibit V # 23 Exhibit W # 24 Exhibit X # 25 Exhibit DD) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)</p>
01/15/2021	<p><u>1763</u> BNC certificate of mailing – PDF document. (RE: related document(s)<u>1728</u> Order granting application for compensation (related document <u>1545</u>) granting for Hayward & Associates PLLC, fees awarded: \$82325.00, expenses awarded: \$1972.63 Entered on 1/13/2021. (Ecker, C.)) No. of Notices: 1. Notice Date 01/15/2021. (Admin.)</p>
01/16/2021	<p><u>1764</u> Notice to take deposition of James P. Seery, Jr. filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)</p>
01/17/2021	<p><u>1765</u> Transcript regarding Hearing Held 01/14/2021 (173 pages) RE: Motion to Prepay Loan; Motion to Compromise Controversy; Motion to Allow Claims. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 04/19/2021.</p>

	<p>Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) 1753 Hearing held on 1/14/2021. (RE: related document(s) <u>1590</u> Motion to pay Debtor's Motion Pursuant to the Protocols for Authority for Highland Capital Management, L.P. to Prepay Loan) filed by Debtor Highland Capital Management, L.P. (Appearances: J. Pomeranz, J. Morris, and G. Demo for Debtor; J. Wilson, M. Lynn, J. Bonds, and B. Assink for J. Dondero; E. Weisgerber for HarbourVest; J. Kane for CLO Holdco; D. Draper for Dugaboy and Get Good Trust; M. Clemente for UCC; R. Matsumura for HCLOF. Nonevidentiary hearing. Motion granted. Counsel to upload order.), 1754 Hearing held on 1/14/2021. (RE: related document(s) <u>1625</u> Motion to compromise controversy with HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners L.P., filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz, J. Morris, and G. Demo for Debtor; J. Wilson, M. Lynn, J. Bonds, and B. Assink for J. Dondero; E. Weisgerber for HarbourVest; J. Kane for CLO Holdco; D. Draper for Dugaboy and Get Good Trust; M. Clemente for UCC; R. Matsumura for HCLOF. Evidentiary hearing. Motion granted. Counsel to upload order.), 1755 Hearing held on 1/14/2021. (RE: related document(s) <u>1207</u> Motion to allow claims of HarbourVest Pursuant to Rule 3018(A) of the Federal Rules of Bankruptcy Procedure for Temporary Allowance of Claims for Purposes of Voting to Accept or Reject the Plan filed by Creditor HarbourVest et al (Appearances: J. Pomeranz, J. Morris, and G. Demo for Debtor; J. Wilson, M. Lynn, J. Bonds, and B. Assink for J. Dondero; E. Weisgerber for HarbourVest; J. Kane for CLO Holdco; D. Draper for Dugaboy and Get Good Trust; M. Clemente for UCC; R. Matsumura for HCLOF. Evidentiary hearing. Motion resolved by approval of compromise and settlement. Counsel to upload order.)). Transcript to be made available to the public on 04/19/2021. (Rehling, Kathy)</p>
01/17/2021	<p><u>1766</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>1747</u> Order (RE: related document(s) <u>1741</u> Notice (generic) filed by Debtor Highland Capital Management, L.P.). Entered on 1/15/2021 (Ecker, C.)) No. of Notices: 1. Notice Date 01/17/2021. (Admin.)</p>
01/18/2021	<p><u>1767</u> Verified statement pursuant to Rule 2019 filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon. (Smith, Frances)</p>
01/18/2021	<p><u>1768</u> Certificate of service re: Verified Statement Pursuant to Federal Rule of Bankruptcy Procedure 2019 of (I) Frances A. Smith and Disclosures of Ross & Smith, PC; and (II) Michelle Hartmann and Disclosures of Baker & McKenzie LLP filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon (RE: related document(s) <u>1767</u> Verified statement pursuant to Rule 2019). (Smith, Frances)</p>
01/18/2021	<p><u>1769</u> Declaration re: (<i>Report of Mediators</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>912</u> Order (generic)). (Annable, Zachery)</p>
01/19/2021	<p><u>1770</u> Order Granting Expedited Motion for Leave to File Documents Under Seal in Connection with the HarbourVest Reply in Support of Debtors Motion for Entry of an Order Approving Settlement with HarbourVest and Authorizing Actions Consistent Therewith (related document # <u>1733</u>) Entered on 1/19/2021. (Okafor, M.)</p>
01/19/2021	<p><u>1771</u> Application for compensation <i>Fifteenth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from December 1, 2020 through December 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 12/1/2020 to 12/31/2020, Fee: \$1,046,024.00, Expenses: \$4,130.90. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 2/9/2021. (Pomerantz, Jeffrey)</p>
01/19/2021	<p><u>1772</u> Chapter 11 ballot summary filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)</p>

01/19/2021	<u>1773</u> Notice to take deposition of James P. Seery, Jr. filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
01/19/2021	<u>1774</u> Notice to take deposition of Highland Capital Management, L.P. filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, Highland Funds I and its series, Highland Funds II and its series, Highland Global Allocation Fund, Highland Healthcare Opportunities Fund, Highland Income Fund, Highland Merger Arbitrage Fund, Highland Opportunistic Credit Fund, Highland Small-Cap Equity Fund, Highland Socially Responsible Equity Fund, Highland Total Return Fund, Highland/iBoxx Senior Loan ETF, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Real Estate Strategies Fund, NexPoint Strategic Opportunities Fund. (Hogewood, A.)
01/19/2021	<u>1775</u> Certificate of service re: <i>1) Order Granting Debtors Motion Pursuant to the Protocols for Authority for Highland Multi Strategy Credit Fund, L.P. to Prepay; 2) Order Approving Stipulation Resolving Proof of Claim No. 166 Filed by Stinson Leonard Street LLP; and 3) Third Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, If Any, and (III) Related Procedures in Connection Therewith</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1746</u> Order granting motion to pay (related document <u>1590</u>) Entered on 1/15/2021. (Ecker, C.), <u>1747</u> Order (RE: related document(s) <u>1741</u> Notice (generic) filed by Debtor Highland Capital Management, L.P.). Entered on 1/15/2021 (Ecker, C.), <u>1749</u> Notice (<i>Third Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, If Any, and (III) Related Procedures in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1606</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # 1 Exhibit I—Schedule of Contracts and Leases to Be Assumed # 2 Exhibit J—Amended Form of Senior Employee Stipulation # 3 Exhibit K—Redline of Form of Senior Employee Stipulation)). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
01/19/2021	<u>1776</u> Notice to take deposition of Highland Capital Management LP filed by Get Good Trust, The Dugaboy Investment Trust. (Draper, Douglas)
01/19/2021	<u>1777</u> Motion for leave (<i>Motion of the Debtor for Entry of an Order Authorizing the Debtor to Implement a Key Employee Retention Plan with Non-Insider Employees and Granting Related Relief</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B-1 # <u>3</u> Exhibit B-2 # <u>4</u> Exhibit C) (Annable, Zachery)
01/19/2021	<u>1778</u> Motion for expedited hearing(related documents <u>1777</u> Motion for leave) Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
01/19/2021	<u>1779</u> Certificate of service re: <i>Documents Served on January 13, 2021</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1728</u> Order granting application for compensation (related document <u>1545</u>) granting for Hayward & Associates PLLC, fees awarded: \$82325.00, expenses awarded: \$1972.63 Entered on 1/13/2021. (Ecker, C.), <u>1731</u> Omnibus Reply to (related document(s): <u>1697</u> Objection filed by Interested Party James Dondero, <u>1706</u> Objection filed by Creditor The Dugaboy Investment Trust, Creditor Get Good Trust, <u>1707</u> Objection filed by Creditor CLO Holdco, Ltd.) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>1732</u> Amended Witness and Exhibit List (<i>Debtor's Second Amended Witness and Exhibit List with Respect to Hearing to Be Held on January 14, 2021</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1722</u> List (witness/exhibit/generic), <u>1726</u> List (witness/exhibit/generic)). (Attachments: # 1 Exhibit EE) filed by Debtor Highland Capital Management, L.P., <u>1736</u> Emergency Motion to file document under seal.(<i>Debtor's Emergency Motion for Entry of an Order Authorizing the Filing under Seal of Exhibits to Debtor's Omnibus Reply in Support of Debtor's Motion for Entry of an Order Approving Settlement with HarbourVest (Claim Nos. 143, 147, 149, 150,</i>

	<i>153, 154), and Authorizing Actions Consistent Therewith)</i> Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A—Proposed Order) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
01/20/2021	<u>1780</u> Notice of District Court Order Accepting Documents Designated for Inclusion in Record on Appeal Under Seal filed by Interested Parties UBS AG London Branch, UBS Securities LLC. (Sosland, Martin)
01/20/2021	<u>1781</u> Certificate of service re: Notice of Rule 30(b)(6) Amended Certificate of Service filed by Get Good Trust, The Dugaboy Investment Trust (RE: related document(s) <u>1776</u> Notice to take deposition). (Draper, Douglas)
01/20/2021	<u>1783</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1777</u> Motion for leave (<i>Motion of the Debtor for Entry of an Order Authorizing the Debtor to Implement a Key Employee Retention Plan with Non-Insider Employees and Granting Related Relief</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Exhibit B-1 # 3 Exhibit B-2 # 4 Exhibit C)). Hearing to be held on 1/26/2021 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1777</u> , (Annable, Zachery)
01/20/2021	<u>1784</u> WITHDRAWN PER # <u>1876</u> . Objection to (related document(s): <u>1719</u> Notice (generic) filed by Debtor Highland Capital Management, L.P.) filed by Interested Party James Dondero. (Assink, Bryan) Modified on 2/2/2021 (Ecker, C.).
01/20/2021	<u>1785</u> Order granting motion for expedited hearing (Related Doc# <u>1778</u>)(document set for hearing: <u>1777</u> Motion of the Debtor for Entry of an Order Authorizing the Debtor to Implement a Key Employee Retention Plan with Non-Insider Employees and Granting Related Relief)) Hearing to be held on 1/26/2021 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1777</u> , Entered on 1/20/2021. (Rielly, Bill)
01/20/2021	<u>1786</u> Certificate of service re: <i>Documents Served on January 14, 2021</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1737</u> Order granting motion to seal exhibits (related document <u>1736</u>) Entered on 1/14/2021. (Ecker, C.), <u>1741</u> Notice (<i>Notice of Stipulation Resolving Proof of Claim No. 166 Filed by Stinson Leonard Street LLP</i>) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>1743</u> Declaration re: <i>Supplemental Declaration of Conor P. Tully In Support of the Application Authorizing the Employment and Retention of FTI Consulting, Inc. as Financial Advisor to the Official Committee of Unsecured Creditors</i> filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s) <u>336</u> Order on application to employ). filed by Financial Advisor FTI Consulting, Inc., <u>1744</u> Declaration re: (<i>Supplemental Declaration of Marc D. Katz</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>268</u> Declaration). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
01/20/2021	<u>1787</u> Certificate of service re: <i>Documents Served on or Before January 19, 2021</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1764</u> Notice to take deposition of James P. Seery, Jr. filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>1769</u> Declaration re: (<i>Report of Mediators</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>912</u> Order (generic)). filed by Debtor Highland Capital Management, L.P., <u>1771</u> Application for compensation <i>Fifteenth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from December 1, 2020 through December 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 12/1/2020 to 12/31/2020, Fee: \$1,046,024.00, Expenses: \$4,130.90. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 2/9/2021. filed by Debtor Highland Capital Management, L.P., <u>1772</u> Chapter 11 ballot summary filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>1773</u> Notice to take deposition of James P. Seery, Jr. filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>1777</u> Motion for leave (<i>Motion of the Debtor for Entry of an Order Authorizing the Debtor to Implement a Key Employee Retention Plan with Non-Insider Employees and Granting Related Relief</i>) Filed by Debtor Highland Capital

	Management, L.P. (Attachments: # 1 Exhibit A # 2 Exhibit B-1 # 3 Exhibit B-2 # 4 Exhibit C) filed by Debtor Highland Capital Management, L.P., <u>1778</u> Motion for expedited hearing(related documents <u>1777</u> Motion for leave) Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
01/21/2021	<u>1788</u> Order granting motion to compromise controversy with HarbourVest (Claim Nos. 143, 147, 149, 150, 153, 154) and authorizing actions consistent therewith (related document # <u>1625</u>) Entered on 1/21/2021. (Okafor, M.)
01/21/2021	<u>1789</u> Notice (<i>Notice of Service of Discovery on Highland Capital Management, L.P.</i>) filed by Interested Party James Dondero. (Attachments: # <u>1</u> Ex. A – Document Requests) (Assink, Bryan)
01/21/2021	<u>1790</u> Subpoena on Jean Paul Sevilla filed by Interested Party James Dondero. (Attachments: # <u>1</u> Ex. 1 – Subpoena) (Assink, Bryan)
01/21/2021	<u>1791</u> Notice (<i>Notice of Withdrawal of Certain Executory Contracts and Unexpired Leases from List of Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1648</u> Notice (<i>Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, If Any, and (III) Related Procedures in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1606</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # 1 Exhibit I—Schedule of Contracts and Leases to Be Assumed # 2 Exhibit J—Amended Form of Senior Employee Stipulation # 3 Exhibit K—Redline of Form of Senior Employee Stipulation))., <u>1719</u> Notice (<i>Second Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, If Any, and (III) Related Procedures in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1606</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # 1 Exhibit I—Schedule of Contracts and Leases to Be Assumed # 2 Exhibit J—Amended Form of Senior Employee Stipulation # 3 Exhibit K—Redline of Form of Senior Employee Stipulation))., <u>1749</u> Notice (<i>Third Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, If Any, and (III) Related Procedures in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1606</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # 1 Exhibit I—Schedule of Contracts and Leases to Be Assumed # 2 Exhibit J—Amended Form of Senior Employee Stipulation # 3 Exhibit K—Redline of Form of Senior Employee Stipulation)).). (Annable, Zachery)
01/22/2021	<u>1792</u> Witness and Exhibit List <i>United States' (IRS) Witness & Exhibit List</i> filed by Creditor United States (IRS) (RE: related document(s) <u>1668</u> Objection to confirmation of plan). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4 # <u>5</u> Exhibit 5 # <u>6</u> Exhibit 6) (Adams, David)
01/22/2021	<u>1793</u> Witness and Exhibit List <i>for Confirmation Hearing</i> filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, Highland Funds I and its series, Highland Funds II and its series, Highland Global Allocation Fund, Highland Healthcare Opportunities Fund, Highland Income Fund, Highland Merger Arbitrage Fund, Highland Opportunistic Credit Fund, Highland Small-Cap Equity Fund, Highland Socially Responsible Equity Fund, Highland Total Return Fund, Highland/iBoxx Senior Loan ETF, NexPoint Advisors, L.P., NexPoint

	Capital, Inc., NexPoint Real Estate Strategies Fund, NexPoint Strategic Opportunities Fund (RE: related document(s) <u>1670</u> Objection to confirmation of plan). (Hogewood, A.)
01/22/2021	<u>1794</u> Witness and Exhibit List <i>with Certificate of Service</i> filed by Get Good Trust, The Dugaboy Investment Trust (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # <u>1</u> Exhibit 5 # <u>2</u> Exhibit 6 # <u>3</u> Exhibit 6-1) (Draper, Douglas)
01/22/2021	<u>1795</u> Witness and Exhibit List filed by Interested Party James Dondero (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # <u>1</u> Dondero Ex. 1 # <u>2</u> Dondero Ex. 2 # <u>3</u> Dondero Ex. 3 # <u>4</u> Dondero Ex. 4 # <u>5</u> Dondero Ex. 5 # <u>6</u> Dondero Ex. 6 # <u>7</u> Dondero Ex. 7 # <u>8</u> Dondero Ex. 8 # <u>9</u> Dondero Ex. 9 # <u>10</u> Dondero Ex. 10 # <u>11</u> Dondero Ex. 11 # <u>12</u> Dondero Ex. 12 # <u>13</u> Dondero Ex. 13 # <u>14</u> Dondero Ex. 14 # <u>15</u> Dondero Ex. 15 # <u>16</u> Dondero Ex. 16 # <u>17</u> Dondero Ex. 17) (Assink, Bryan)
01/22/2021	<u>1796</u> Witness and Exhibit List <i>for Hearing Scheduled for January 26, 2021 at 9:30 a.m.</i> filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # <u>1</u> Exhibit SE1 # <u>2</u> Exhibit SE2 # <u>3</u> Exhibit SE # <u>4</u> Exhibit SE4 # <u>5</u> Exhibit SE5 # <u>6</u> Exhibit SE6 # <u>7</u> Exhibit SE7 # <u>8</u> Exhibit SE8 # <u>9</u> Exhibit SE9 # <u>10</u> Exhibit SE10 # <u>11</u> Exhibit SE11 # <u>12</u> Exhibit SE12 # <u>13</u> Exhibit SE13 # <u>14</u> Exhibit SE14 # <u>15</u> Exhibit SE15 # <u>16</u> Exhibit SE16 # <u>17</u> Exhibit SE17 # <u>18</u> Exhibit SE18 # <u>19</u> Exhibit SE19 # <u>20</u> Exhibit SE20 # <u>21</u> Exhibit SE21 # <u>22</u> Exhibit SE22 # <u>23</u> Exhibit SE23 # <u>24</u> Exhibit SE24 # <u>25</u> Exhibit SE25 # <u>26</u> Exhibit SE26 # <u>27</u> Exhibit SE27 # <u>28</u> Exhibit SE28 # <u>29</u> Exhibit SE29 # <u>30</u> Exhibit SE30 # <u>31</u> Exhibit SE31 # <u>32</u> Exhibit SE33 # <u>33</u> Exhibit SE34 # <u>34</u> Exhibit SE35 # <u>35</u> Exhibit SE36 # <u>36</u> Exhibit SE37 # <u>37</u> Exhibit SE38 # <u>38</u> Exhibit SE39 # <u>39</u> Exhibit SE40) (Smith, Frances)
01/22/2021	<u>1797</u> Witness and Exhibit List filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Kane, John)
01/22/2021	<u>1798</u> Certificate of service re: Witness & Exhibit List for Hearing Scheduled for January, 26, 2021 at 9:30 a.m. filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon (RE: related document(s) <u>1796</u> List (witness/exhibit/generic)). (Smith, Frances)
01/22/2021	<u>1799</u> Witness and Exhibit List <i>for Hearing Scheduled for January 26, 2021 at 9:30 a.m.</i> filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # <u>1</u> Exhibit SE33) (Smith, Frances)
01/22/2021	<u>1800</u> Exhibit and Witness List for Confirmation Hearing filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, Highland Funds I and its series, Highland Funds II and its series, Highland Global Allocation Fund, Highland Healthcare Opportunities Fund, Highland Income Fund, Highland Merger Arbitrage Fund, Highland Opportunistic Credit Fund, Highland Small-Cap Equity Fund, Highland Socially Responsible Equity Fund, Highland Total Return Fund, Highland/iBoxx Senior Loan ETF, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Real Estate Strategies Fund, NexPoint Strategic Opportunities Fund (RE: related document(s) <u>1670</u> Objection to confirmation of plan). (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G # <u>8</u> Exhibit H # <u>9</u> Exhibit I # <u>10</u> Exhibit J # <u>11</u> Exhibit K # <u>12</u> Exhibit L # <u>13</u> Exhibit M # <u>14</u> Exhibit N # <u>15</u> Exhibit O # <u>16</u> Exhibit P # <u>17</u> Exhibit Q # <u>18</u> Exhibit R # <u>19</u> Exhibit S # <u>20</u> Exhibit U # <u>21</u> Exhibit U # <u>22</u> Exhibit V # <u>23</u> Exhibit W # <u>24</u> Exhibit X # <u>25</u> Exhibit Y # <u>26</u> Exhibit Z # <u>27</u> Exhibit AA # <u>28</u> Exhibit BB # <u>29</u> Exhibit CC # <u>30</u> Exhibit DD # <u>31</u> Exhibit EE # <u>32</u> Exhibit FF # <u>33</u> Exhibit GG # <u>34</u> Exhibit HH # <u>35</u> Exhibit II # <u>36</u> Exhibit JJ # <u>37</u> Exhibit KK # <u>38</u> Exhibit LL # <u>39</u> Exhibit MM # <u>40</u> Exhibit NN # <u>41</u> Exhibit OO # <u>42</u> Exhibit PP # <u>43</u> Exhibit QQ # <u>44</u> Exhibit RR # <u>45</u> Exhibit SS # <u>46</u> Exhibit TT # <u>47</u> Exhibit UU # <u>48</u> Exhibit VV # <u>49</u> Exhibit WW # <u>50</u> Exhibit XX # <u>51</u> Exhibit YY # <u>52</u> Exhibit ZZ # <u>53</u> Exhibit AAA # <u>54</u> Exhibit BBB # <u>55</u> Exhibit CCC # <u>56</u> Exhibit DDD # <u>57</u> Exhibit EEE # <u>58</u> Exhibit FFF # <u>59</u> Exhibit GGG # <u>60</u> Exhibit HHH # <u>61</u> Exhibit III # <u>62</u> Exhibit JJJ # <u>63</u> Exhibit KKK # <u>64</u> Exhibit LLL # <u>65</u> Exhibit MMM # <u>66</u> Exhibit NNN # <u>67</u> Exhibit

	<p>OOO # <u>68</u> Exhibit PPP # <u>69</u> Exhibit QQQ # <u>70</u> Exhibit RRR # <u>71</u> Exhibit SSS # <u>72</u> Exhibit TTT # <u>73</u> Exhibit UUU # <u>74</u> Exhibit VVV # <u>75</u> Exhibit WWW # <u>76</u> Exhibit ZZZ) (Hogewood, A.) MODIFIED on 1/25/2021 (Ecker, C.).</p>
01/22/2021	<p><u>1801</u> Adversary case 21-03003. Complaint by Highland Capital Management, L.P. against James Dondero. Fee Amount \$350 (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4 # <u>5</u> Adversary Cover Sheet). Nature(s) of suit: 02 (Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy)). 11 (Recovery of money/property – 542 turnover of property). (Annable, Zachery)</p>
01/22/2021	<p><u>1802</u> Adversary case 21-03004. Complaint by Highland Capital Management, L.P. against Highland Capital Management Fund Advisors, L.P.. Fee Amount \$350 (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Cover Sheet). Nature(s) of suit: 02 (Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy)). 11 (Recovery of money/property – 542 turnover of property). (Annable, Zachery)</p>
01/22/2021	<p><u>1803</u> Adversary case 21-03005. Complaint by Highland Capital Management, L.P. against NexPoint Advisors, L.P.. Fee Amount \$350 (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Adversary Cover Sheet). Nature(s) of suit: 02 (Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy)). 11 (Recovery of money/property – 542 turnover of property). (Annable, Zachery)</p>
01/22/2021	<p><u>1804</u> Adversary case 21-03006. Complaint by Highland Capital Management, L.P. against Highland Capital Management Services, Inc.. Fee Amount \$350 (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4 # <u>5</u> Exhibit 5 # <u>6</u> Exhibit 6 # <u>7</u> Exhibit 7 # <u>8</u> Adversary Cover Sheet). Nature(s) of suit: 02 (Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy)). 11 (Recovery of money/property – 542 turnover of property). (Annable, Zachery)</p>
01/22/2021	<p><u>1805</u> Adversary case 21-03007. Complaint by Highland Capital Management, L.P. against HCRE Partners, LLC (n/k/a NexPoint Real Estate Partners, LLC). Fee Amount \$350 (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4 # <u>5</u> Exhibit 5 # <u>6</u> Exhibit 6 # <u>7</u> Exhibit 7 # <u>8</u> Cover Sheet). Nature(s) of suit: 02 (Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy)). 11 (Recovery of money/property – 542 turnover of property). (Annable, Zachery)</p>
01/22/2021	<p><u>1806</u> Motion to file document under seal. Filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, Highland Funds I and its series, Highland Funds II and its series, Highland Global Allocation Fund, Highland Healthcare Opportunities Fund, Highland Income Fund, Highland Merger Arbitrage Fund, Highland Opportunistic Credit Fund, Highland Small-Cap Equity Fund, Highland Socially Responsible Equity Fund, Highland Total Return Fund, Highland/iBoxx Senior Loan ETF, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Real Estate Strategies Fund (Attachments: # <u>1</u> Proposed Order) (Vasek, Julian)</p>
01/22/2021	<p><u>1807</u> INCORRECT EVENT: Attorney to refile. Notice (<i>Debtor's Omnibus Reply to Objections to Confirmation of the Fifth Amended Plan of Reorganization of Highland Capital Management L.P. (with Technical Modifications)</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1661</u> Objection to confirmation of plan (RE: related document(s)<u>1472</u> Chapter 11 plan) filed by Interested Party James Dondero., <u>1662</u> Objection to confirmation of plan (RE: related document(s)<u>1472</u> Chapter 11 plan) filed by City of Richardson, Allen ISD, City of Allen, Dallas County, Kaufman County., <u>1666</u> Objection to confirmation of plan (RE: related document(s)<u>1472</u> Chapter 11 plan) filed by Interested Parties Brad Borud, Jack Yang., <u>1667</u> Objection to confirmation of plan <i>with Certificate of Service</i> (RE: related document(s)<u>1472</u> Chapter 11 plan) filed by Get Good Trust, The Dugaboy Investment Trust., <u>1668</u> Objection to confirmation of plan (RE: related document(s)<u>1472</u> Chapter 11 plan) filed by Creditor United States (IRS)., <u>1669</u> Objection to confirmation of plan (RE: related document(s)<u>1472</u> Chapter 11 plan) filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon. (Attachments: # 1 Exhibit A # 2 Exhibit B), <u>1670</u> Objection to confirmation of plan (RE: related document(s)<u>1472</u></p>

	Chapter 11 plan) filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, Highland Funds I and its series, Highland Funds II and its series, Highland Global Allocation Fund, Highland Healthcare Opportunities Fund, Highland Income Fund, Highland Merger Arbitrage Fund, Highland Opportunistic Credit Fund, Highland Small-Cap Equity Fund, Highland Socially Responsible Equity Fund, Highland Total Return Fund, Highland/iBoxx Senior Loan ETF, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Real Estate Strategies Fund, NexPoint Strategic Opportunities Fund. (Attachments: # 1 Exhibit A), <u>1673</u> Objection to confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan) filed by Creditor NexPoint Real Estate Partners LLC f/k/a HCRE Partners LLC., <u>1676</u> Objection to confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan) filed by Interested Parties NexBank Title Inc., NexBank Securities Inc., NexBank Capital Inc., NexBank., <u>1678</u> Objection to confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan) filed by Creditor Patrick Daugherty.). (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C) (Annable, Zachery) MODIFIED on 1/25/2021 (Ecker, C.).
01/22/2021	<u>1808</u> Modified chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Annable, Zachery)
01/22/2021	<u>1809</u> Support/supplemental document (<i>Redline of Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified)</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1808</u> Chapter 11 plan). (Annable, Zachery)
01/22/2021	<u>1810</u> Witness and Exhibit List [Exhibits 1–2 and 12–17] filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>1797</u> List (witness/exhibit/generic)). (Attachments: # <u>1</u> CLO Exhibit 2 # <u>2</u> CLO Exhibit 12 # <u>3</u> CLO Exhibit 13 # <u>4</u> CLO Exhibit 14 # <u>5</u> CLO Exhibit 15 # <u>6</u> CLO Exhibit 16 # <u>7</u> CLO Exhibit 17) (Kane, John) MODIFIED on 1/25/2021 (Ecker, C.).
01/22/2021	<u>1811</u> NOTICE (Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1808</u> Chapter 11 plan). (Attachments: # <u>1</u> Exhibit Q # <u>2</u> Exhibit R # <u>3</u> Exhibit S # <u>4</u> Exhibit T # <u>5</u> Exhibit U # <u>6</u> Exhibit V # <u>7</u> Exhibit W # <u>8</u> Exhibit X # <u>9</u> Exhibit Y # <u>10</u> Exhibit Z # <u>11</u> Exhibit AA # <u>12</u> Exhibit BB # <u>13</u> Exhibit CC # <u>14</u> Exhibit DD) (Annable, Zachery) Modified text on 1/25/2021 (Ecker, C.).
01/22/2021	<u>1812</u> SEALED document regarding: CLO Exhibit 3 – Aberdeen Loan Funding, Ltd. Servicing Agreement [CONFIDENTIAL] in connection to CLO's Witness and Exhibit List at Docket No. 1797 per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
01/22/2021	<u>1813</u> SEALED document regarding: CLO Exhibit 4 – Brentwood CLO Ltd. Servicing Agreement [CONFIDENTIAL] in connection to CLO's Witness and Exhibit List at Docket No. 1797 per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
01/22/2021	<u>1814</u> Memorandum of Law in support of confirmation filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1808</u> Chapter 11 plan). (Annable, Zachery) Modified on 1/25/2021 (Ecker, C.).
01/22/2021	<u>1815</u> SEALED document regarding: CLO Exhibit 5 – Grayson CLO Ltd. Servicing Agreement and Amendment to Servicing Agreement [CONFIDENTIAL] in connection to CLO's Witness and Exhibit List at Docket No. 1797 per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
01/22/2021	<u>1816</u> SEALED document regarding: CLO Exhibit 6 – Liberty CLO, Ltd. Portfolio Management Agreement [CONFIDENTIAL] in connection to CLO's Witness and

	Exhibit List at Docket No. 1797 per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
01/22/2021	<u>1817</u> SEALED document regarding: CLO Exhibit 7 – Red River CLO Ltd. Servicing Agreement and Amendment to Servicing Agreement [CONFIDENTIAL] in connection to CLO's Witness and Exhibit List at Docket No. 1797 per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
01/22/2021	<u>1818</u> SEALED document regarding: CLO Exhibit 8 – Rockwall CDO Ltd. Servicing Agreement [CONFIDENTIAL] in connection to CLO's Witness and Exhibit List at Docket No. 1797 per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
01/22/2021	<u>1819</u> SEALED document regarding: CLO Exhibit 9 – Valhalla CLO, Ltd. Reference Portfolio Management Agreement [CONFIDENTIAL] in connection to CLO's Witness and Exhibit List at Docket No. 1797 per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
01/22/2021	<u>1820</u> SEALED document regarding: CLO Exhibit 10 – Westchester CLO, Ltd. Servicing Agreement [CONFIDENTIAL] in connection to CLO's Witness and Exhibit List at Docket No. 1797 per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
01/22/2021	<u>1821</u> SEALED document regarding: CLO Exhibit 11 – Debtor Prepared Summary of CLO Holdco, Ltd.'s Interest in Debtor-Managed CLO Funds [CONFIDENTIAL] in connection to CLO's Witness and Exhibit List at Docket No. 1797 per court order filed by Creditor CLO Holdco, Ltd. (RE: related document(s) <u>382</u> Order on motion for protective order). (Kane, John)
01/22/2021	<u>1822</u> (REDACTED EXHIBITS ADDED 01/27/2021); Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1808</u> Chapter 11 plan). (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> List of 20 Largest Creditors C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G # <u>8</u> Exhibit H # <u>9</u> Exhibit I # <u>10</u> Exhibit J # <u>11</u> Exhibit K # <u>12</u> Exhibit L # <u>13</u> Exhibit M # <u>14</u> Exhibit N # <u>15</u> Exhibit O # <u>16</u> Exhibit P # <u>17</u> Exhibit Q # <u>18</u> Exhibit R # <u>19</u> Exhibit S # <u>20</u> Exhibit T # <u>21</u> Exhibit U # <u>22</u> Exhibit V # <u>23</u> List of 20 Largest Creditors W # <u>24</u> Exhibit X # <u>25</u> Exhibit Y # <u>26</u> Exhibit Z # <u>27</u> Exhibit AA # <u>28</u> Exhibit BB # <u>29</u> Exhibit CC # <u>30</u> Exhibit DD # <u>31</u> Exhibit EE # <u>32</u> Exhibit FF # <u>33</u> Exhibit GG # <u>34</u> Exhibit HH # <u>35</u> Exhibit II # <u>36</u> Exhibit JJ # <u>37</u> Exhibit KK # <u>38</u> Exhibit LL # <u>39</u> Exhibit MM # <u>40</u> Exhibit NN # <u>41</u> Exhibit OO # <u>42</u> Exhibit PP # <u>43</u> Exhibit QQ # <u>44</u> Exhibit RR # <u>45</u> Exhibit SS # <u>46</u> Exhibit TT # <u>47</u> Exhibit UU # <u>48</u> Exhibit VV # <u>49</u> Exhibit WW # <u>50</u> Exhibit XX # <u>51</u> Exhibit YY # <u>52</u> Exhibit ZZ # <u>53</u> Exhibit AAA # <u>54</u> Exhibit BBB # <u>55</u> Exhibit CCC # <u>56</u> Exhibit DDD # <u>57</u> Exhibit EEE # <u>58</u> Exhibit FFF # <u>59</u> Exhibit GGG # <u>60</u> Exhibit HHH # <u>61</u> Exhibit III # <u>62</u> Exhibit JJJ # <u>63</u> Exhibit KKK # <u>64</u> Exhibit LLL # <u>65</u> Exhibit MMM # <u>66</u> Exhibit NNN # <u>67</u> Exhibit OOO # <u>68</u> Exhibit PPP # <u>69</u> Exhibit QQQ # <u>70</u> Exhibit RRR # <u>71</u> Exhibit SSS # <u>72</u> Exhibit TTT # <u>73</u> Exhibit UUU # <u>74</u> Exhibit VVV # <u>75</u> Exhibit WWW # <u>76</u> Exhibit XXX # <u>77</u> Exhibit YYY # <u>78</u> Exhibit ZZZ # <u>79</u> Exhibit AAAA # <u>80</u> Exhibit BBBB # <u>81</u> Exhibit CCCC # <u>82</u> Exhibit DDDD # <u>83</u> Exhibit EEEE # <u>84</u> Exhibit FFFF # <u>85</u> Exhibit GGGG # <u>86</u> Exhibit MMMM # <u>87</u> Exhibit NNNN # <u>88</u> Exhibit OOOO # <u>89</u> Exhibit PPPP # <u>90</u> Exhibit QQQQ # <u>91</u> Exhibit RRRR # <u>92</u> Exhibit SSSS # <u>93</u> Exhibit TTTT # <u>94</u> Exhibit UUUU # <u>95</u> Exhibit VVVV # <u>96</u> Exhibit WWWW # <u>97</u> Exhibit XXXX # <u>98</u> Exhibit YYYY # <u>99</u> Exhibit ZZZZ # <u>100</u> Exhibit AAAAA # <u>101</u> Exhibit BBBB # <u>102</u> Exhibit CCCC # <u>103</u> Exhibit DDDD # <u>104</u> Exhibit EEEE # <u>105</u> Exhibit FFFF # <u>106</u> Exhibit GGGG # <u>107</u> Exhibit HHHH # <u>108</u> Exhibit IIII # <u>109</u> Exhibit JJJJ # <u>110</u> Exhibit KKKK # <u>111</u> Exhibit LLLL # <u>112</u> Exhibit MMMM # <u>113</u> Exhibit NNNN # <u>114</u> Exhibit OOOO # <u>115</u> Exhibit PPPP # <u>116</u> Exhibit QQQQ # <u>117</u> Exhibit RRRR # <u>118</u> Exhibit SSSS # <u>119</u> Exhibit TTTT # <u>120</u> Exhibit UUUU # <u>121</u> Exhibit VVVV # <u>122</u> Exhibit WWWW # <u>123</u> Exhibit XXXX # <u>124</u> Exhibit YYYY # <u>125</u> Exhibit ZZZZ # <u>126</u> Exhibit AAAAAA # <u>127</u> Exhibit

	BBBBBB # <u>128</u> Exhibit CCCCCC # <u>129</u> Exhibit DDDDDD # <u>130</u> Exhibit EEEEEEE # <u>131</u> Exhibit FFFFFFF # <u>132</u> Exhibit GGGGGG # <u>133</u> Exhibit HHHHHH # <u>134</u> Exhibit IIIII # <u>135</u> Exhibit JJJJJ # <u>136</u> Exhibit KKKKKK # <u>137</u> Exhibit LLLLLL # <u>138</u> Exhibit MMMMMM # <u>139</u> Exhibit NNNNNN # <u>140</u> Exhibit OOOOOO # <u>141</u> Exhibit PPPPPP # <u>142</u> Exhibit QQQQQQ # <u>143</u> Exhibit RRRRRR # <u>144</u> Exhibit SSSSSS # <u>145</u> Exhibit TTTTTT # <u>146</u> Exhibit UUUUUU # <u>147</u> Exhibit VVVVVV # <u>148</u> Exhibit WWWWWW # <u>149</u> Exhibit XXXXXX # <u>150</u> Exhibit YYYYYY # <u>151</u> Exhibit ZZZZZZ (Annable, Zachery) Additional attachment(s) added on 1/27/2021 (Okafor, M.). Modified on 1/27/2021 (Okafor, M.). Additional attachment(s) added on 1/28/2021 (Okafor, M.).
01/22/2021	<u>1823</u> Response unopposed to (related document(s): <u>1828</u> Response filed by Debtor Highland Capital Management, L.P.. Modified linkage on 1/25/2021 (Ecker, C.).
01/22/2021	<u>1828</u> Response opposed to (related document(s): <u>1661</u> Objection to confirmation of plan filed by Interested Party James Dondero, <u>1662</u> Objection to confirmation of plan filed by Creditor City of Richardson, Creditor Allen ISD, Creditor Kaufman County, Creditor Dallas County, Creditor City of Allen, <u>1666</u> Objection to confirmation of plan filed by Interested Party Jack Yang, Interested Party Brad Borud, <u>1667</u> Objection to confirmation of plan filed by Creditor The Dugaboy Investment Trust, Creditor Get Good Trust, <u>1668</u> Objection to confirmation of plan filed by Creditor United States (IRS), <u>1669</u> Objection to confirmation of plan filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon, <u>1670</u> Objection to confirmation of plan filed by Interested Party Highland Capital Management Fund Advisors, L.P., Interested Party NexPoint Advisors, L.P., Interested Party Highland Funds I and its series, Interested Party Highland Healthcare Opportunities Fund, Interested Party Highland/iBoxx Senior Loan ETF, Interested Party Highland Opportunistic Credit Fund, Interested Party Highland Merger Arbitrage Fund, Interested Party Highland Funds II and its series, Interested Party Highland Small-Cap Equity Fund, Interested Party Highland Fixed Income Fund, Interested Party Highland Socially Responsible Equity Fund, Interested Party Highland Total Return Fund, Interested Party NexPoint Capital, Inc., Interested Party NexPoint Strategic Opportunities Fund, Interested Party Highland Income Fund, Interested Party Highland Global Allocation Fund, Interested Party NexPoint Real Estate Strategies Fund, <u>1671</u> Objection, <u>1673</u> Objection to confirmation of plan filed by Creditor NexPoint Real Estate Partners LLC f/k/a HCRE Partners LLC, <u>1676</u> Objection to confirmation of plan filed by Interested Party NexBank, Interested Party NexBank Capital Inc., Interested Party NexBank Securities Inc., Interested Party NexBank Title Inc., <u>1678</u> Objection to confirmation of plan filed by Creditor Patrick Daugherty) filed by Debtor Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C) (Annable, Zachery) Modified date on 1/25/2021 (Ecker, C.). (Entered: 01/25/2021)
01/23/2021	<u>1824</u> Notice to take deposition of James P. Seery, Jr. filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
01/23/2021	<u>1825</u> BNC certificate of mailing – PDF document. (RE: related document(s) <u>1785</u> Order granting motion for expedited hearing (Related Doc <u>1778</u>)(document set for hearing: <u>1777</u> Motion of the Debtor for Entry of an Order Authorizing the Debtor to Implement a Key Employee Retention Plan with Non-Insider Employees and Granting Related Relief)) Hearing to be held on 1/26/2021 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1777</u> , Entered on 1/20/2021.) No. of Notices: 1. Notice Date 01/23/2021. (Admin.)
01/24/2021	<u>1826</u> Application for administrative expenses Filed by Interested Parties Highland Capital Management Fund Advisors, L.P., NexPoint Advisors, L.P. (Attachments: # <u>1</u> Service List) (Vasek, Julian)
01/25/2021	<u>1827</u> Emergency Motion to continue hearing on (related documents <u>1808</u> Chapter 11 plan) Filed by Debtor Highland Capital Management, L.P. (Annable, Zachery)
01/25/2021	<u>1829</u> Notice (<i>Notice of Increase in Hourly Rates for Hayward PLLC (Formerly Hayward & Associates PLLC) Effective as of January 1, 2021</i>) filed by Other Professional Hayward & Associates PLLC. (Annable, Zachery)

01/25/2021	<u>1830</u> Order granting motion to continue hearing on (related document # <u>1827</u>) (related documents Modified Chapter 11 plan) Confirmation hearing to be held on 2/2/2021 at 09:30 AM at Dallas Judge Jernigan Ctrm. Entered on 1/25/2021. (Okafor, M.)
01/25/2021	<u>1831</u> Order granting motion to file exhibits under seal (related document # <u>1806</u>) Entered on 1/25/2021. (Okafor, M.)
01/25/2021	<u>1832</u> Notice of hearing filed by Get Good Trust, The Dugaboy Investment Trust (RE: related document(s) <u>1745</u> Motion to appoint trustee <i>Motion to Appoint Examiner Pursuant to 11 U.S.C. § 1104(c)</i> Filed by Get Good Trust, The Dugaboy Investment Trust (Attachments: # 1 Proposed Order)). Hearing to be held on 3/2/2021 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>1745</u> , (Draper, Douglas)
01/25/2021	<u>1833</u> Notice (<i>Notice of Certificate of Service re: Letter Dated January 19, 2021 to PCMG Trading Partners XXIII, L.P. from James P. Seery, Jr. re Highland Select Equity Fund, L.P.</i>) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
01/25/2021	<u>1834</u> Certificate of service re: Notice Of Hearing filed by Get Good Trust, The Dugaboy Investment Trust (RE: related document(s) <u>1832</u> Notice of hearing). (Draper, Douglas)
01/25/2021	<u>1835</u> INCORRECT ENTRY: Attorney to refile. Motion to redact/restrict Emergency Redact (related document(s): <u>1822</u>) (Fee Amount \$26) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Proposed Order) (Annable, Zachery) MODIFIED on 1/26/2021 (Ecker, C.).
01/25/2021	Receipt of filing fee for Motion to Redact/Restrict From Public View(19-34054-sgj11) [motion,mredact] (26.00). Receipt number 28441834, amount \$ 26.00 (re: Doc# <u>1835</u>). (U.S. Treasury)
01/25/2021	<u>1836</u> Motion to file document under seal. <i>Emergency Motion to File Competing Plan and Disclosure Statement Under Seal</i> Filed by Interested Party NexPoint Advisors, L.P. (Attachments: # <u>1</u> Proposed Order) (Rukavina, Davor)
01/25/2021	<u>1837</u> Certificate of service re: 1) <i>Notice of Hearing on Motion of the Debtor for Entry of an Order Authorizing the Debtor to Implement a Key Employee Retention Plan with Non-Insider Employees and Granting Relief</i> ; and 2) <i>Order Granting Debtors Motion for an Expedited Hearing on the Motion of the Debtor for Entry of an Order Authorizing the Debtor to Implement a Key Employee Retention Plan with Non-Insider Employees and Granting Related Relief</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1783</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1777</u> Motion for leave (<i>Motion of the Debtor for Entry of an Order Authorizing the Debtor to Implement a Key Employee Retention Plan with Non-Insider Employees and Granting Related Relief</i>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Exhibit B-1 # 3 Exhibit B-2 # 4 Exhibit C)). Hearing to be held on 1/26/2021 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1777</u> , filed by Debtor Highland Capital Management, L.P., <u>1785</u> Order granting motion for expedited hearing (Related Doc <u>1778</u>)(document set for hearing: <u>1777</u> Motion of the Debtor for Entry of an Order Authorizing the Debtor to Implement a Key Employee Retention Plan with Non-Insider Employees and Granting Related Relief)) Hearing to be held on 1/26/2021 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1777</u> , Entered on 1/20/2021.). (Kass, Albert)
01/26/2021	<u>1838</u> Notice (<i>Notice of Settlement</i>) filed by Debtor Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit A—Settlement Agreement) (Annable, Zachery)
01/26/2021	<u>1839</u> WITHDRAWN at # <u>1858</u> . Notice to take deposition of Frank Waterhouse filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, Highland Funds I and its series, Highland Funds II and its series, Highland Global Allocation Fund, Highland Healthcare Opportunities Fund, Highland Income Fund, Highland Merger Arbitrage Fund, Highland Opportunistic Credit Fund, Highland

	Small-Cap Equity Fund, Highland Socially Responsible Equity Fund, Highland Total Return Fund, Highland/iBoxx Senior Loan ETF, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Real Estate Strategies Fund, NexPoint Strategic Opportunities Fund. (Hogewood, A.) Modified on 1/29/2021 (Ecker, C.).
01/26/2021	<u>1840</u> INCORRECT ENTRY: Attorney to refile. Motion to withdraw document <i>Notice of Withdrawal of Limited Objection of Senior Employees By Frank Waterhouse and Thomas Surgent Only</i> (related document(s) <u>1669</u> Objection to confirmation of plan) Filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon (Smith, Frances) MODIFIED on 1/27/2021 (Ecker, C.).
01/26/2021	<u>1841</u> Certificate of service re: Notice of Withdrawal of Limited Objection of Senior Employees By Frank Waterhouse and Thomas Surgent Only filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon (RE: related document(s) <u>1840</u> Motion to withdraw document <i>Notice of Withdrawal of Limited Objection of Senior Employees By Frank Waterhouse and Thomas Surgent Only</i> (related document(s) <u>1669</u> Objection to confirmation of plan)). (Smith, Frances)
01/26/2021	<u>1842</u> Application for compensation <i>Fourteenth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 12/1/2020 to 12/31/2020, Fee: \$416,359.08, Expenses: \$5,403.36. Filed by Attorney Juliana Hoffman Objections due by 2/16/2021. (Hoffman, Juliana)
01/26/2021	<u>1843</u> Stipulation by Highland Capital Management, L.P. and Crescent TC Investors, L.P.. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1623</u> Motion to extend time to assume unexpired nonresidential real property lease). (Hayward, Melissa)
01/26/2021	<u>1844</u> Certificate of service re: <i>Documents Served on January 21, 2021</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1788</u> Order granting motion to compromise controversy with HarbourVest (Claim Nos. 143, 147, 149, 150, 153, 154) and authorizing actions consistent therewith (related document <u>1625</u>) Entered on 1/21/2021. (Okafor, M.), <u>1791</u> Notice (<i>Notice of Withdrawal of Certain Executory Contracts and Unexpired Leases from List of Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1648</u> Notice (<i>Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, If Any, and (III) Related Procedures in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1606</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # 1 Exhibit I—Schedule of Contracts and Leases to Be Assumed # 2 Exhibit J—Amended Form of Senior Employee Stipulation # 3 Exhibit K—Redline of Form of Senior Employee Stipulation)), <u>1719</u> Notice (<i>Second Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, If Any, and (III) Related Procedures in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1606</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # 1 Exhibit I—Schedule of Contracts and Leases to Be Assumed # 2 Exhibit J—Amended Form of Senior Employee Stipulation # 3 Exhibit K—Redline of Form of Senior Employee Stipulation)), <u>1749</u> Notice (<i>Third Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, If Any, and (III) Related Procedures in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1606</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # 1 Exhibit I—Schedule of Contracts and Leases to Be Assumed # 2 Exhibit

	J—Amended Form of Senior Employee Stipulation # 3 Exhibit K—Redline of Form of Senior Employee Stipulation)).). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
01/26/2021	1850 Hearing held on 1/26/2021. (RE: related document(s) <u>1777</u> Motion for leave (Motion of the Debtor for Entry of an Order Authorizing the Debtor to Implement a Key Employee Retention Plan with Non–Insider Employees and Granting Related Relief) filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz and J. Morris for Debtor; M. Clemente for UCC; J. Kane for CLO Holdco; D. Rukavina and L. Hogewood for Advisors and Funds; J. Wilson for J. Dondero. Evidentiary hearing, Motion granted. Counsel to upload order.) (Edmond, Michael) (Entered: 01/27/2021)
01/27/2021	<u>1845</u> Withdrawal of <i>Limited Objection of Senior Employees By Frank Waterhouse and Thomas Surgent Only</i> filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon (RE: related document(s) <u>1669</u> Objection to confirmation of plan). (Smith, Frances)
01/27/2021	<u>1846</u> Notice to take deposition of Isaac Leventon filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
01/27/2021	<u>1847</u> Notice (<i>Fourth Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, if Any, and (III) Related Procedures in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1606</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # 1 Exhibit I—Schedule of Contracts and Leases to Be Assumed # 2 Exhibit J—Amended Form of Senior Employee Stipulation # 3 Exhibit K—Redline of Form of Senior Employee Stipulation)). (Annable, Zachery)
01/27/2021	<u>1848</u> Amended Motion to redact/restrict (related document(s): <u>1835</u>) Filed by Debtor Highland Capital Management, L.P. (Attachments: # <u>1</u> Proposed Order # <u>2</u> Exhibit PPPP # <u>3</u> Exhibit QQQQ # <u>4</u> Exhibit RRRR # <u>5</u> Exhibit SSSS # <u>6</u> Exhibit TTTT # <u>7</u> Exhibit UUUU # <u>8</u> Exhibit VVVV # <u>9</u> Exhibit WWWW # <u>10</u> Exhibit XXXX # <u>11</u> Exhibit YYYY # <u>12</u> Exhibit ZZZZ # <u>13</u> Exhibit DDDDDD) (Annable, Zachery)
01/27/2021	<u>1849</u> Order Granting Motion of the Debtor for Entry of an Order Authorizing the Debtor to Implement a Key Employee Retention Plan with Non–Insider Employees and Granting Related Relief (related document # <u>1777</u>) Entered on 1/27/2021. (Okafor, M.)
01/27/2021	<u>1851</u> Order granting motion to seal documents (related document # <u>1836</u>) Entered on 1/27/2021. (Okafor, M.)
01/27/2021	<u>1852</u> Order Granting Amended Emergency Motion to Redact Certain Exhibits Attached to Debtors Witness and Exhibit List with Respect to Confirmation Hearing to Be Held on February 2, 2021 (Related Doc # <u>1848</u>) Entered on 1/27/2021. (Okafor, M.)
01/27/2021	<u>1853</u> Application for compensation <i>Sidley Austin LLP's Fourth Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 9/1/2020 to 11/30/2020, Fee: \$1,620,489.60, Expenses: \$8,974.00. Filed by Attorney Juliana Hoffman Objections due by 2/17/2021. (Hoffman, Juliana)
01/27/2021	<u>1854</u> Certificate of service re: <i>Documents Served on January 22, 2021</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1807</u> INCORRECT EVENT: Attorney to refile. Notice (<i>Debtor's Omnibus Reply to Objections to Confirmation of the Fifth Amended Plan of Reorganization of Highland Capital Management L.P. (with Technical Modifications)</i>) filed by Debtor Highland Capital Management, L.P. (RE: related

document(s)1661 Objection to confirmation of plan (RE: related document(s)1472 Chapter 11 plan) filed by Interested Party James Dondero., 1662 Objection to confirmation of plan (RE: related document(s)1472 Chapter 11 plan) filed by City of Richardson, Allen ISD, City of Allen, Dallas County, Kaufman County., 1666 Objection to confirmation of plan (RE: related document(s)1472 Chapter 11 plan) filed by Interested Parties Brad Borud, Jack Yang., 1667 Objection to confirmation of plan with *Certificate of Service* (RE: related document(s)1472 Chapter 11 plan) filed by Get Good Trust, The Dugaboy Investment Trust., 1668 Objection to confirmation of plan (RE: related document(s)1472 Chapter 11 plan) filed by Creditor United States (IRS)., 1669 Objection to confirmation of plan (RE: related document(s)1472 Chapter 11 plan) filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon. (Attachments: # 1 Exhibit A # 2 Exhibit B), 1670 Objection to confirmation of plan (RE: related document(s)1472 Chapter 11 plan) filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, Highland Funds I and its series, Highland Funds II and its series, Highland Global Allocation Fund, Highland Healthcare Opportunities Fund, Highland Income Fund, Highland Merger Arbitrage Fund, Highland Opportunistic Credit Fund, Highland Small-Cap Equity Fund, Highland Socially Responsible Equity Fund, Highland Total Return Fund, Highland/iBoxx Senior Loan ETF, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Real Estate Strategies Fund, NexPoint Strategic Opportunities Fund. (Attachments: # 1 Exhibit A), 1673 Objection to confirmation of plan (RE: related document(s)1472 Chapter 11 plan) filed by Creditor NexPoint Real Estate Partners LLC f/k/a HCRE Partners LLC., 1676 Objection to confirmation of plan (RE: related document(s)1472 Chapter 11 plan) filed by Interested Parties NexBank Title Inc., NexBank Securities Inc., NexBank Capital Inc., NexBank., 1678 Objection to confirmation of plan (RE: related document(s)1472 Chapter 11 plan) filed by Creditor Patrick Daugherty.). (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C) (Annable, Zachery) MODIFIED on 1/25/2021 (Ecker, C.). filed by Debtor Highland Capital Management, L.P., 1808 Modified chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s)1472 Chapter 11 plan). filed by Debtor Highland Capital Management, L.P., 1809 Support/supplemental document (*Redline of Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified)*) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)1808 Chapter 11 plan). filed by Debtor Highland Capital Management, L.P., 1811 NOTICE (Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)1808 Chapter 11 plan). (Attachments: # 1 Exhibit Q # 2 Exhibit R # 3 Exhibit S # 4 Exhibit T # 5 Exhibit U # 6 Exhibit V # 7 Exhibit W # 8 Exhibit X # 9 Exhibit Y # 10 Exhibit Z # 11 Exhibit AA # 12 Exhibit BB # 13 Exhibit CC # 14 Exhibit DD) (Annable, Zachery) Modified text on 1/25/2021 (Ecker, C.). filed by Debtor Highland Capital Management, L.P., 1814 Memorandum of Law in support of confirmation filed by Debtor Highland Capital Management, L.P. (RE: related document(s)1808 Chapter 11 plan). (Annable, Zachery) Modified on 1/25/2021 (Ecker, C.). filed by Debtor Highland Capital Management, L.P., 1822 (REDACTED EXHIBITS ADDED 01/27/2021); Witness and Exhibit List filed by Debtor Highland Capital Management, L.P. (RE: related document(s)1808 Chapter 11 plan). (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 List of 20 Largest Creditors C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F # 7 Exhibit G # 8 Exhibit H # 9 Exhibit I # 10 Exhibit J # 11 Exhibit K # 12 Exhibit L # 13 Exhibit M # 14 Exhibit N # 15 Exhibit O # 16 Exhibit P # 17 Exhibit Q # 18 Exhibit R # 19 Exhibit S # 20 Exhibit T # 21 Exhibit U # 22 Exhibit V # 23 List of 20 Largest Creditors W # 24 Exhibit X # 25 Exhibit Y # 26 Exhibit Z # 27 Exhibit AA # 28 Exhibit BB # 29 Exhibit CC # 30 Exhibit DD # 31 Exhibit EE # 32 Exhibit FF # 33 Exhibit GG # 34 Exhibit HH # 35 Exhibit II # 36 Exhibit JJ # 37 Exhibit KK # 38 Exhibit LL # 39 Exhibit MM # 40 Exhibit NN # 41 Exhibit OO # 42 Exhibit PP # 43 Exhibit QQ # 44 Exhibit RR # 45 Exhibit SS # 46 Exhibit TT # 47 Exhibit UU # 48 Exhibit VV # 49 Exhibit WW # 50 Exhibit XX # 51 Exhibit YY # 52 Exhibit ZZ # 53 Exhibit AAA # 54 Exhibit BBB # 55 Exhibit CCC # 56 Exhibit DDD # 57 Exhibit EEE # 58 Exhibit FFF # 59 Exhibit GGG # 60 Exhibit HHH # 61 Exhibit III # 62 Exhibit JJJ # 63 Exhibit KKK # 64 Exhibit LLL # 65 Exhibit MMM # 66 Exhibit NNN # 67 Exhibit OOO # 68 Exhibit PPP # 69 Exhibit QQQ # 70 Exhibit RRR # 71 Exhibit SSS # 72 Exhibit TTT # 73 Exhibit UUU # 74 Exhibit VVV # 75 Exhibit WWW # 76 Exhibit XXX # 77 Exhibit YYY # 78 Exhibit ZZZ # 79 Exhibit AAAA # 80 Exhibit BBBB # 81 Exhibit CCCC # 82 Exhibit DDDD # 83 Exhibit EEEE # 84 Exhibit FFFF # 85 Exhibit GGGG # 86 Exhibit MMMM # 87 Exhibit NNNN # 88 Exhibit OOOO # 89 Exhibit PPPP # 90 Exhibit

	<p> QQQQ # 91 Exhibit RRRR # 92 Exhibit SSSS # 93 Exhibit TTTT # 94 Exhibit UUUU # 95 Exhibit VVVV # 96 Exhibit WWWW # 97 Exhibit XXXX # 98 Exhibit YYY # 99 Exhibit ZZZZ # 100 Exhibit AAAA # 101 Exhibit BBBB # 102 Exhibit CCCC # 103 Exhibit DDDD # 104 Exhibit EEEE # 105 Exhibit FFFF # 106 Exhibit GGGG # 107 Exhibit HHHH # 108 Exhibit IIII # 109 Exhibit JJJJ # 110 Exhibit KKKK # 111 Exhibit LLLL # 112 Exhibit MMMM # 113 Exhibit NNNN # 114 Exhibit OOOO # 115 Exhibit PPPP # 116 Exhibit QQQQ # 117 Exhibit RRRR # 118 Exhibit SSSS # 119 Exhibit TTTT # 120 Exhibit UUUU # 121 Exhibit VVVV # 122 Exhibit WWWW # 123 Exhibit XXXX # 124 Exhibit YYYY # 125 Exhibit ZZZZ # 126 Exhibit AAAAAA # 127 ExhibitBBBBBB # 128 Exhibit CCCCCC # 129 Exhibit DDDDDD # 130 Exhibit EEEEE # 131 Exhibit FFFFFF # 132 Exhibit GGGGGG # 133 Exhibit HHHHHH # 134 Exhibit IIIII # 135 Exhibit JJJJJ # 136 Exhibit KKKKKK # 137 Exhibit LLLLLL # 138 Exhibit MMMMMM # 139 Exhibit NNNNNN # 140 Exhibit OOOOOO # 141 Exhibit PPPPPP # 142 Exhibit QQQQQQ # 143 Exhibit RRRRRR # 144 Exhibit SSSSSS # 145 Exhibit TTTTTT # 146 Exhibit UUUUUU # 147 Exhibit VVVVVV # 148 Exhibit WWWWWW # 149 Exhibit XXXXXX # 150 Exhibit YYYYYY # 151 Exhibit ZZZZZZ) (Annable, Zachery) Additional attachment(s) added on 1/27/2021 (Okafor, M.). Modified on 1/27/2021 (Okafor, M.). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert) </p>
01/28/2021	<p> <u>1855</u> Notice of Appearance and Request for Notice by Jeff P. Prostok filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P.. (Prostok, Jeff) </p>
01/28/2021	<p> <u>1856</u> Notice of Appearance and Request for Notice by Suzanne K. Rosen filed by Acis Capital Management GP, LLC, Acis Capital Management, L.P.. (Rosen, Suzanne) </p>
01/28/2021	<p> <u>1857</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1624</u> Motion to assume executory contract or unexpired lease Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Proposed Order)). Hearing to be held on 2/2/2021 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1624</u>, (Annable, Zachery) </p>
01/28/2021	<p> <u>1858</u> <i>Withdrawal of Notice of Deposition</i> filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, Highland Funds I and its series, Highland Funds II and its series, Highland Global Allocation Fund, Highland Healthcare Opportunities Fund, Highland Income Fund, Highland Merger Arbitrage Fund, Highland Opportunistic Credit Fund, Highland Small-Cap Equity Fund, Highland Socially Responsible Equity Fund, Highland Total Return Fund, Highland/iBoxx Senior Loan ETF, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Real Estate Strategies Fund, NexPoint Strategic Opportunities Fund (RE: related document(s)<u>1839</u> Notice to take deposition). (Hogewood, A.) </p>
01/28/2021	<p> <u>1859</u> SEALED document regarding: PLAN OF REORGANIZATION OF JAMES DONDERO, NEXPOINT ADVISORS, L.P. per court order filed by Interested Parties James Dondero, Highland Capital Management Fund Advisors, L.P., NexPoint Advisors, L.P. (RE: related document(s)<u>1851</u> Order on motion to seal). (Rukavina, Davor) </p>
01/28/2021	<p> <u>1860</u> SEALED document regarding: DISCLOSURE STATEMENT IN SUPPORT OF PLAN OF REORGANIZATION per court order filed by Interested Parties James Dondero, Highland Capital Management Fund Advisors, L.P., NexPoint Advisors, L.P. (RE: related document(s)<u>1851</u> Order on motion to seal). (Rukavina, Davor) </p>
01/28/2021	<p> <u>1861</u> Certificate of service re: <i>Documents Served on or Before January 25, 2021</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1824</u> Notice to take deposition of James P. Seery, Jr. filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>1827</u> Emergency Motion to continue hearing on (related documents <u>1808</u> Chapter 11 plan) Filed by Debtor Highland Capital Management, L.P. filed by Debtor Highland Capital Management, L.P., <u>1829</u> Notice (<i>Notice of Increase in Hourly Rates for Hayward PLLC (Formerly Hayward & Associates PLLC) Effective as of January 1, 2021</i>) filed by Other Professional Hayward & Associates </p>

	<p>PLLC. filed by Other Professional Hayward & Associates PLLC, <u>1830</u> Order granting motion to continue hearing on (related document <u>1827</u>) (related documents Modified Chapter 11 plan) Confirmation hearing to be held on 2/2/2021 at 09:30 AM at Dallas Judge Jernigan Ctrm. Entered on 1/25/2021. (Okafor, M.)). (Kass, Albert)</p>
01/29/2021	<p><u>1862</u> Transcript regarding Hearing Held 01/26/2021 (257 pages) RE: KERP Motion <u>1777</u>. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 04/29/2021. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) 1850 Hearing held on 1/26/2021. (RE: related document(s) <u>1777</u> Motion for leave (Motion of the Debtor for Entry of an Order Authorizing the Debtor to Implement a Key Employee Retention Plan with Non-Insider Employees and Granting Related Relief) filed by Debtor Highland Capital Management, L.P.) (Appearances: J. Pomeranz and J. Morris for Debtor; M. Clemente for UCC; J. Kane for CLO Holdco; D. Rukavina and L. Hogewood for Advisors and Funds; J. Wilson for J. Dondero. Evidentiary hearing. Motion granted. Counsel to upload order.)). Transcript to be made available to the public on 04/29/2021. (Rehling, Kathy)</p>
01/29/2021	<p><u>1863</u> Amended Witness and Exhibit List of <i>Funds and Advisors</i> filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, Highland Funds I and its series, Highland Funds II and its series, Highland Global Allocation Fund, Highland Healthcare Opportunities Fund, Highland Income Fund, Highland Merger Arbitrage Fund, Highland Opportunistic Credit Fund, Highland Small-Cap Equity Fund, Highland Socially Responsible Equity Fund, Highland Total Return Fund, Highland/iBoxx Senior Loan ETF, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Real Estate Strategies Fund, NexPoint Strategic Opportunities Fund (RE: related document(s) <u>1793</u> List (witness/exhibit/generic)). (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4 # <u>5</u> Exhibit 5 # <u>6</u> Exhibit 6 # <u>7</u> Exhibit 7 # <u>8</u> Exhibit 8 # <u>9</u> Exhibit 9 # <u>10</u> Exhibit 10 # <u>11</u> Exhibit 11 # <u>12</u> Exhibit 12 # <u>13</u> Exhibit 13 # <u>14</u> Exhibit 14 # <u>15</u> Exhibit 15 # <u>16</u> Exhibit 16 # <u>17</u> Exhibit 17 # <u>18</u> Exhibit 18 # <u>19</u> Exhibit 19 # <u>20</u> Exhibit 20 # <u>21</u> Exhibit 21 # <u>22</u> Exhibit 22 # <u>23</u> Exhibit 23 # <u>24</u> Exhibit 24 # <u>25</u> Exhibit 25 # <u>26</u> Exhibit 26 # <u>27</u> Exhibit 27 # <u>28</u> Exhibit 28 # <u>29</u> Exhibit 29 # <u>30</u> Exhibit 30 # <u>31</u> Exhibit 31 # <u>32</u> Exhibit 32 # <u>33</u> Exhibit 33 # <u>34</u> Exhibit 34 # <u>35</u> Exhibit 35 # <u>36</u> Exhibit 36 # <u>37</u> Exhibit 37 # <u>38</u> Exhibit 38 # <u>39</u> Exhibit 39 # <u>40</u> Exhibit 40 # <u>41</u> Exhibit 41 # <u>42</u> Exhibit 42 # <u>43</u> Exhibit 43 # <u>44</u> Exhibit 44 # <u>45</u> Exhibit 45 # <u>46</u> Exhibit 46 # <u>47</u> Exhibit 47 # <u>48</u> Exhibit 48 # <u>49</u> Exhibit 49 # <u>50</u> Exhibit 50 # <u>51</u> Exhibit 51 # <u>52</u> Exhibit 52 # <u>53</u> Exhibit 53 # <u>54</u> Exhibit 54 # <u>55</u> Exhibit 55 # <u>56</u> Exhibit 56 # <u>57</u> Exhibit 57 # <u>58</u> Exhibit 58 # <u>59</u> Exhibit 59 # <u>60</u> Exhibit 60 # <u>61</u> Exhibit 61 # <u>62</u> Exhibit 62 # <u>63</u> Exhibit 63 # <u>64</u> Exhibit 64 # <u>65</u> Exhibit 65 # <u>66</u> Exhibit 66 # <u>67</u> Exhibit 67 # <u>68</u> Exhibit 68 # <u>69</u> Exhibit 69 # <u>70</u> Exhibit 70 # <u>71</u> Exhibit 71 # <u>72</u> Exhibit 72 # <u>73</u> Exhibit 73 # <u>74</u> Exhibit 74 # <u>75</u> Exhibit 75 # <u>76</u> Exhibit 76 # <u>77</u> Exhibit 77 # <u>78</u> Exhibit 78 # <u>79</u> Exhibit 79 # <u>80</u> Exhibit 80 # <u>81</u> Exhibit 81 # <u>82</u> Exhibit 82) (Hogewood, A.)</p>
01/29/2021	<p><u>1864</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from November 1, 2020 through November 30, 2020</i>) filed by Other Professional Development Specialists, Inc. (RE: related document(s) <u>853</u> Order granting application to employ Development Specialists, Inc. as Other Professional (related document <u>775</u>) Entered on 7/16/2020. (Ecker, C.)). (Annable, Zachery)</p>
01/29/2021	<p><u>1865</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from December 1, 2020 through December 31, 2020</i>) filed by Other Professional Development Specialists, Inc. (RE: related document(s) <u>853</u> Order granting application to employ Development Specialists, Inc. as Other Professional (related document <u>775</u>) Entered on 7/16/2020. (Ecker, C.)). (Annable, Zachery)</p>
01/29/2021	<p><u>1866</u> Amended Witness and Exhibit List (<i>Debtor's Amended Witness and Exhibit List with Respect to Confirmation Hearing to Be Held on February 2, 2021</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1822</u> List</p>

	(witness/exhibit/generic)). (Attachments: # <u>1</u> Exhibit SSSSS # <u>2</u> Exhibit AAAAAAA # <u>3</u> Exhibit BBBB BBB # <u>4</u> Exhibit CCCCCC # <u>5</u> Exhibit DDDDDDD # <u>6</u> Exhibit EEEEEEE) (Annable, Zachery)
01/29/2021	<u>1867</u> Certificate of service re: <i>1) Notice of Settlement; 2) Fourteenth Monthly Application of Sidley Austin LLP for Allowance of Compensation and Reimbursement of Expenses for the Period from December 1, 2020 Through December 31, 2020; and 3) Stipulation Extending Deadline to Assume Lease and Setting Motion to Assume for Hearing at Confirmation</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1838</u> Notice (<i>Notice of Settlement</i>) filed by Debtor Highland Capital Management, L.P.. (Attachments: # <u>1</u> Exhibit A—Settlement Agreement) filed by Debtor Highland Capital Management, L.P., <u>1842</u> Application for compensation <i>Fourteenth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 12/1/2020 to 12/31/2020, Fee: \$416,359.08, Expenses: \$5,403.36. Filed by Attorney Juliana Hoffman Objections due by 2/16/2021. filed by Creditor Committee Official Committee of Unsecured Creditors, <u>1843</u> Stipulation by Highland Capital Management, L.P. and Crescent TC Investors, L.P.. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1623</u> Motion to extend time to assume unexpired nonresidential real property lease). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
02/01/2021	Adversary case 3:20–ap–3128 closed (Ecker, C.)
02/01/2021	<u>1868</u> Supplemental Objection to confirmation of plan <i>with Certificate of Service</i> (RE: related document(s) <u>1472</u> Chapter 11 plan, <u>1808</u> Chapter 11 plan) filed by Get Good Trust, The Dugaboy Investment Trust. (Draper, Douglas)
02/01/2021	<u>1869</u> Certificate of service re: Monthly Staffing Reports by Development Specialists, Inc. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1864</u> Notice (generic), <u>1865</u> Notice (generic)). (Annable, Zachery)
02/01/2021	<u>1870</u> Notice of appeal <i>and Statement of Election</i> . Fee Amount \$298 filed by Get Good Trust, The Dugaboy Investment Trust. Appellant Designation due by 02/16/2021. (Draper, Douglas). Related document(s) <u>1788</u> Order on motion to compromise controversy. Modified LINKAGE on 2/4/2021 (Blanco, J.).
02/01/2021	Receipt of filing fee for Notice of appeal(19–34054–sgj11) [appeal.ntcapl] (298.00). Receipt number 28458158, amount \$ 298.00 (re: Doc# <u>1870</u>). (U.S. Treasury)
02/01/2021	<u>1871</u> Reply to (related document(s): <u>1784</u> Objection filed by Interested Party James Dondero) (<i>Debtor's Reply to James Dondero's Objection to Debtor's Proposed Assumption of Executory Contracts and Cure Amounts Proposed in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)
02/01/2021	<u>1872</u> SEALED document regarding: Exhibit 76 per court order filed by Interested Parties Highland Capital Management Fund Advisors, L.P., Highland Fixed Income Fund, Highland Funds I and its series, Highland Funds II and its series, Highland Global Allocation Fund, Highland Healthcare Opportunities Fund, Highland Income Fund, Highland Merger Arbitrage Fund, Highland Opportunistic Credit Fund, Highland Small–Cap Equity Fund, Highland Socially Responsible Equity Fund, Highland Total Return Fund, Highland/iBoxx Senior Loan ETF, NexPoint Advisors, L.P., NexPoint Capital, Inc., NexPoint Real Estate Strategies Fund, NexPoint Strategic Opportunities Fund (RE: related document(s) <u>1831</u> Order on motion to seal). (Attachments: # <u>1</u> Exhibit 77 # <u>2</u> Exhibit 78 # <u>3</u> Exhibit 79 # <u>4</u> Exhibit 80 # <u>5</u> Exhibit 81 # <u>6</u> Exhibit 82) (Vasek, Julian)
02/01/2021	<u>1873</u> Notice (<i>Fifth Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, If Any, and (III) Related Procedures in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1606</u> Support/supplemental document (<i>Debtor's</i>

	<i>Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # <u>1</u> Exhibit I—Schedule of Contracts and Leases to Be Assumed # <u>2</u> Exhibit J—Amended Form of Senior Employee Stipulation # <u>3</u> Exhibit K—Redline of Form of Senior Employee Stipulation)). (Annable, Zachery)
02/01/2021	<u>1874</u> Amended Witness and Exhibit List filed by Interested Party James Dondero (RE: related document(s) <u>1795</u> List (witness/exhibit/generic)). (Attachments: # <u>1</u> Dondero Ex. 1 # <u>2</u> Dondero Ex. 2 # <u>3</u> Dondero Ex. 3 # <u>4</u> Dondero Ex. 4 # <u>5</u> Dondero Ex. 5 # <u>6</u> Dondero Ex. 6 # <u>7</u> Dondero Ex. 7 # <u>8</u> Dondero Ex. 8 # <u>9</u> Dondero Ex. 9 # <u>10</u> Dondero Ex. 10 # <u>11</u> Dondero Ex. 11 # <u>12</u> Dondero Ex. 12 # <u>13</u> Dondero Ex. 13 # <u>14</u> Dondero Ex. 14 # <u>15</u> Dondero Ex. 15 # <u>16</u> Dondero Ex. 16 # <u>17</u> Dondero Ex. 17 # <u>18</u> Dondero Ex. 18 # <u>19</u> Dondero Ex. 19 # <u>20</u> Dondero Ex. 20) (Assink, Bryan)
02/01/2021	<u>1875</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified)</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1808</u> Chapter 11 plan). (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit DD # <u>4</u> Exhibit EE # <u>5</u> Exhibit FF) (Annable, Zachery)
02/01/2021	<u>1876</u> Withdrawal (<i>Notice of Withdrawal of Document</i>) filed by Interested Party James Dondero (RE: related document(s) <u>1784</u> Objection). (Assink, Bryan)
02/01/2021	<u>1877</u> Amended Witness and Exhibit List (<i>Debtor's Second Amended Witness and Exhibit List with Respect to Confirmation Hearing to Be Held on February 2, 2021</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1822</u> List (witness/exhibit/generic), <u>1866</u> List (witness/exhibit/generic)). (Attachments: # <u>1</u> Exhibit SSSSS # <u>2</u> Exhibit DDDDDD # <u>3</u> Exhibit FFFFFFFF # <u>4</u> Exhibit GGGGGGG # <u>5</u> Exhibit HHHHHHH # <u>6</u> Exhibit IIIIII # <u>7</u> Exhibit JJJJJJ # <u>8</u> Exhibit KKKKKKK # <u>9</u> Exhibit LLLLLLL # <u>10</u> Exhibit MMMMMMM # <u>11</u> Exhibit NNNNNNN # <u>12</u> Exhibit OOOOOOO # <u>13</u> Exhibit PPPPPPP # <u>14</u> Exhibit QQQQQQQ) (Annable, Zachery)
02/01/2021	<u>1878</u> Motion to compel an Order Requiring James D. Dondero to Preserve Documents and to Identify Measures Taken to Ensure Document Preservation. Filed by Creditor Committee Official Committee of Unsecured Creditors (Attachments: # <u>1</u> Proposed Order Exhibit A # <u>2</u> Exhibit Exhibit B) (Montgomery, Paige)
02/01/2021	<u>1879</u> Certificate of service re: <i>Documents Served on January 27, 2021</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1846</u> Notice to take deposition of Isaac Leventon filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>1847</u> Notice (<i>Fourth Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, if Any, and (III) Related Procedures in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1606</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # <u>1</u> Exhibit I—Schedule of Contracts and Leases to Be Assumed # <u>2</u> Exhibit J—Amended Form of Senior Employee Stipulation # <u>3</u> Exhibit K—Redline of Form of Senior Employee Stipulation)). filed by Debtor Highland Capital Management, L.P., <u>1849</u> Order Granting Motion of the Debtor for Entry of an Order Authorizing the Debtor to Implement a Key Employee Retention Plan with Non-Insider Employees and Granting Related Relief (related document <u>1777</u>) Entered on 1/27/2021. (Okafor, M.), <u>1852</u> Order Granting Amended Emergency Motion to Redact Certain Exhibits Attached to Debtors Witness and Exhibit List with Respect to Confirmation Hearing to Be Held on February 2, 2021 (Related Doc <u>1848</u>) Entered on 1/27/2021. (Okafor, M.)). (Kass, Albert)
02/01/2021	

	<u>1880</u> Response opposed to (related document(s): <u>1868</u> Objection to confirmation of plan filed by Creditor The Dugaboy Investment Trust, Creditor Get Good Trust) filed by Creditor Committee Official Committee of Unsecured Creditors. (Hoffman, Juliana)
02/01/2021	<u>1881</u> Certificate of No Objection filed by Financial Advisor FTI Consulting, Inc. (RE: related document(s) <u>1655</u> Application for compensation <i>Fourth Interim Application for Compensation and Reimbursement of Expenses</i> for FTI Consulting, Inc., Financial Advisor, Period: 9/1/2020 to 11/30/2020, Fee: \$710,280.45, Expenses: \$1,479.47.). (Hoffman, Juliana)
02/02/2021	<u>1882</u> Clerk's correspondence requesting File an amended appeal from attorney for appellant. (RE: related document(s) <u>1870</u> Notice of appeal and <i>Statement of Election</i> . Fee Amount \$298 filed by Get Good Trust, The Dugaboy Investment Trust. Appellant Designation due by 02/16/2021.) Responses due by 2/5/2021. (Blanco, J.)
02/02/2021	<u>1884</u> Request for transcript regarding a hearing held on 2/2/2021. The requested turn-around time is hourly. (Edmond, Michael)
02/02/2021	<u>1885</u> Hearing continued (RE: related document(s) <u>1808</u> Modified chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan).) Continued Confirmation hearing to be held on 2/3/2021 at 09:30 AM at Dallas Judge Jernigan Ctrm. (Edmond, Michael)
02/02/2021	<u>1886</u> Certificate of service re: <i>Documents Served on or Before January 28, 2021</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1853</u> Application for compensation <i>Sidley Austin LLP's Fourth Interim Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 9/1/2020 to 11/30/2020, Fee: \$1,620,489.60, Expenses: \$8,974.00. Filed by Attorney Juliana Hoffman Objections due by 2/17/2021. filed by Creditor Committee Official Committee of Unsecured Creditors, <u>1857</u> Notice of hearing filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1624</u> Motion to assume executory contract or unexpired lease Filed by Debtor Highland Capital Management, L.P. (Attachments: # 1 Exhibit A # 2 Proposed Order)). Hearing to be held on 2/2/2021 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>1624</u> , filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
02/02/2021	<u>1921</u> Hearing held on 2/2/2021. (RE: related document(s) <u>1624</u> Motion to assume executory contract or unexpired lease Filed by Debtor Highland Capital Management, L.P., (Appearances: J. Pomeranz, J. Morris, I. Kharesh, and G. Demo for Debtor; M. Clemente for UCC; T. Mascherin for Redeemer Committee; R. Patel for Acis; A. Clubock for UBS; J. Kathman for P. Daugherty; E. Weisgerber for HarbourVest; C. Taylor for J. Dondero; D. Rukavina and A. Hogewood for Advisors and Funds; D. Draper for Dugaboy and Get Good Trusts; L. Drawhorn for NexBank; M. Held for Crescent landlord. L. Lambert for UST. Matter not taken up in light of all-day confirmation hearing.) (Edmond, Michael) (Entered: 02/09/2021)
02/02/2021	<u>1922</u> Hearing held on 2/2/2021. (RE: related document(s) <u>1808</u> Modified chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Appearances: J. Pomeranz, J. Morris, I. Kharesh, and G. Demo for Debtor; M. Clemente for UCC; T. Mascherin for Redeemer Committee; R. Patel for Acis; A. Clubock for UBS; J. Kathman for P. Daugherty; E. Weisgerber for HarbourVest; C. Taylor for J. Dondero; D. Rukavina and A. Hogewood for Advisors and Funds; D. Draper for Dugaboy and Get Good Trusts; L. Drawhorn for NexBank; M. Held for Crescent landlord. L. Lambert for UST. Evidentiary hearing. Hearing recessed and will resume on 2/3/21.) (Edmond, Michael) (Entered: 02/09/2021)
02/03/2021	<u>1887</u> Chapter 11 ballot summary filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)

02/03/2021	<u>1888</u> Application for administrative expenses Filed by Interested Parties NexBank, NexBank Capital Inc., NexBank Securities Inc., NexBank Title Inc. (Drawhorn, Lauren)
02/03/2021	<u>1889</u> Amended notice of appeal filed by Get Good Trust, The Dugaboy Investment Trust (RE: related document(s) <u>1870</u> Notice of appeal). (Draper, Douglas)
02/03/2021	<u>1890</u> Request for transcript regarding a hearing held on 2/3/2021. The requested turn-around time is hourly. (Edmond, Michael)
02/03/2021	<u>1891</u> Certificate of service re: <i>Supplemental Certification of Patrick M. Leathem with Respect to the Tabulation of Votes on the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1887</u> Chapter 11 ballot summary filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
02/03/2021	<u>1892</u> Certificate of service re: 1) <i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from November 1, 2020 Through November 30, 2020</i> ; 2) <i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from December 1, 2020 Through December 31, 2020</i> ; and 3) <i>Debtor's Amended Witness and Exhibit List with Respect to Confirmation Hearing to Be Held on February 2, 2021</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1864</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from November 1, 2020 through November 30, 2020</i>) filed by Other Professional Development Specialists, Inc. (RE: related document(s) <u>853</u> Order granting application to employ Development Specialists, Inc. as Other Professional (related document <u>775</u>) Entered on 7/16/2020. (Ecker, C.)). filed by Other Professional Development Specialists, Inc., <u>1865</u> Notice (<i>Notice of Filing of Monthly Staffing Report by Development Specialists, Inc. for the Period from December 1, 2020 through December 31, 2020</i>) filed by Other Professional Development Specialists, Inc. (RE: related document(s) <u>853</u> Order granting application to employ Development Specialists, Inc. as Other Professional (related document <u>775</u>) Entered on 7/16/2020. (Ecker, C.)). filed by Other Professional Development Specialists, Inc., <u>1866</u> Amended Witness and Exhibit List (<i>Debtor's Amended Witness and Exhibit List with Respect to Confirmation Hearing to Be Held on February 2, 2021</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1822</u> List (witness/exhibit/generic)). (Attachments: # 1 Exhibit SSSSS # 2 Exhibit AAAAAAA # 3 Exhibit BBBB BBB # 4 Exhibit CCCCCC # 5 Exhibit DDDDDDD # 6 Exhibit EEEEEEE) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
02/03/2021	<u>1893</u> Certificate of service re: <i>Documents Served on February 1, 2021</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1871</u> Reply to (related document(s): <u>1784</u> Objection filed by Interested Party James Dondero) (<i>Debtor's Reply to James Dondero's Objection to Debtor's Proposed Assumption of Executory Contracts and Cure Amounts Proposed in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>1873</u> Notice (<i>Fifth Notice of (I) Executory Contracts and Unexpired Leases to Be Assumed by the Debtor Pursuant to the Fifth Amended Plan, (II) Cure Amounts, If Any, and (III) Related Procedures in Connection Therewith</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1606</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Attachments: # 1 Exhibit I—Schedule of Contracts and Leases to Be Assumed # 2 Exhibit J—Amended Form of Senior Employee Stipulation # 3 Exhibit K—Redline of Form of Senior Employee Stipulation)). filed by Debtor Highland Capital Management, L.P., <u>1875</u> Support/supplemental document (<i>Debtor's Notice of Filing of Plan Supplement to the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified)</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1808</u> Chapter 11 plan). (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit DD # 4 Exhibit EE # 5 Exhibit FF) filed by Debtor Highland Capital Management, L.P., <u>1877</u> Amended Witness and Exhibit List (<i>Debtor's</i>

	<i>Second Amended Witness and Exhibit List with Respect to Confirmation Hearing to Be Held on February 2, 2021</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1822</u> List (witness/exhibit/generic), <u>1866</u> List (witness/exhibit/generic)). (Attachments: # <u>1</u> Exhibit SSSSS # <u>2</u> Exhibit DDDDDD # <u>3</u> Exhibit FFFFFFFF # <u>4</u> Exhibit GGGGGG # <u>5</u> Exhibit HHHHHH # <u>6</u> Exhibit IIIIII # <u>7</u> Exhibit JJJJJJ # <u>8</u> Exhibit KKKKKK # <u>9</u> Exhibit LLLLLL # <u>10</u> Exhibit MMMMMM # <u>11</u> Exhibit NNNNNN # <u>12</u> Exhibit OOOOOO # <u>13</u> Exhibit PPPPPP # <u>14</u> Exhibit QQQQQQ) filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
02/03/2021	<u>1902</u> Bench Ruling set (RE: related document(s) <u>1808</u> Modified chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan).) Hearing to be held on 2/8/2021 at 09:00 AM Dallas Judge Jernigan Ctrm for <u>1808</u> , (Ellison, T.) (Entered: 02/05/2021)
02/03/2021	<u>1915</u> Court admitted exhibits date of hearing February 3, 2021 (RE: related document(s) <u>1808</u> Modified chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan).) (COURT ADMITTED ALL THE DEBTOR'S EXHIBIT'S THAT APPEAR AT DOC. #1822, #1866 & #1877 & DONDERO'S EXHIBITS #6 THROUGH #12, #15, 16 & #17; & HIGHLAND CAPTIAL MGMT. FUNDING EXHIBIT #2 AT DOC. #1863 AND JUDGE JERNIGAN TOOK JUDICIAL NOTICE OF THE DEBTOR'S SCHEDULES) (Edmond, Michael) (Entered: 02/08/2021)
02/03/2021	<u>1923</u> Hearing held on 2/3/2021. (RE: related document(s) <u>1808</u> Modified chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan) (Appearances: J. Pomeranz, J. Morris, I. Kharesh, and G. Demo for Debtor; M. Clemente for UCC; T. Mascherin for Redeemer Committee; R. Patel for Acis; A. Clubock for UBS; J. Kathman for P. Daugherty; E. Weisgerber for HarbourVest; C. Taylor for J. Dondero; D. Rukavina and A. Hogewood for Advisors and Funds; D. Draper for Dugaboy and Get Good Trusts; L. Drawhorn for NexBank and NexPoint; L. Lambert for UST. Evidentiary hearing. Court took matter under advisement after conclusion of evidence and arguments. Bench ruling scheduled for 2/8/21 at 9:00 am.) (Edmond, Michael) (Entered: 02/09/2021)
02/04/2021	<u>1894</u> Transcript regarding Hearing Held 02/02/2021 (295 pages) RE: Confirmation Hearing, Day One (#1808); Motion to Assume (#1624). THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 05/5/2021. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) <u>1885</u> Hearing continued (RE: related document(s) <u>1808</u> Modified chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan).) Continued Confirmation hearing to be held on 2/3/2021 at 09:30 AM at Dallas Judge Jernigan Ctrm.). Transcript to be made available to the public on 05/5/2021. (Rehling, Kathy)
02/04/2021	<u>1895</u> Amended Witness and Exhibit List (<i>Debtor's Third Amended Witness and Exhibit List with Respect to Confirmation Hearing Held on February 3, 2021</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1877</u> List (witness/exhibit/generic)). (Attachments: # <u>1</u> Exhibit PPPPPP # <u>2</u> Exhibit RRRRRR # <u>3</u> Exhibit SSSSSS # <u>4</u> Exhibit TTTTTT # <u>5</u> Exhibit UUUUUU) (Annable, Zachery)
02/04/2021	<u>1896</u> Stipulation by Highland Capital Management, L.P. and Crescent TC Investors, L.P.. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1623</u> Motion to extend time to assume unexpired nonresidential real property lease). (Hayward, Melissa)
02/05/2021	<u>1898</u> Notice to take deposition of NexPoint Real Estate Partners, LLC f/k/a HCRE Partners, LLC filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)

02/05/2021	<u>1899</u> Notice of docketing notice of appeal. Civil Action Number: 3:21-CV-00261-L (Lindsay). (RE: related document(s) <u>1870</u> Notice of appeal filed by Get Good Trust, The Dugaboy Investment Trust. (Draper, Douglas). Related document(s) <u>1788</u> Order on motion to compromise controversy. Modified LINKAGE on 2/4/2021 (Blanco, J.)., <u>1889</u> Amended notice of appeal filed by Get Good Trust, The Dugaboy Investment Trust (RE: related document(s) <u>1870</u> Notice of appeal).) (Blanco, J.)
02/05/2021	<u>1900</u> Certificate of mailing regarding appeal (RE: related document(s) <u>1889</u> Amended notice of appeal filed by Get Good Trust, The Dugaboy Investment Trust (RE: related document(s) <u>1870</u> Notice of appeal).) (Blanco, J.) Additional attachment(s) added on 2/5/2021 (Blanco, J.).
02/05/2021	<u>1901</u> Notice regarding the record for a bankruptcy appeal to the U.S. District Court. (RE: related document(s) <u>1870</u> Notice of appeal filed by Get Good Trust, The Dugaboy Investment Trust. Related document(s) <u>1788</u> Order on motion to compromise controversy. Modified LINKAGE on 2/4/2021 (Blanco, J.).) (Blanco, J.)
02/05/2021	<u>1903</u> Order approving stipulation extending deadline to assume lease and setting motion to assume for hearing oat confirmation, which is currently set for February 2, 2021 at 9:30 a.m (RE: related document(s) <u>1843</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 2/5/2021 (Okafor, M.)
02/05/2021	<u>1904</u> Order approving second stipulation extending deadline to assume lease and setting motion to assume for hearing at confirmation (RE: related document(s) <u>1896</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 2/5/2021 (Okafor, M.)
02/05/2021	<u>1905</u> Transcript regarding Hearing Held 02/03/2021 (257 pages) RE: Confirmation Hearing, Day Two (#1808); Motion to Assume (#1624). THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 05/6/2021. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) 1885 Hearing continued (RE: related document(s) <u>1808</u> Modified chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan).) Continued Confirmation hearing to be held on 2/3/2021 at 09:30 AM at Dallas Judge Jernigan Ctrm.). Transcript to be made available to the public on 05/6/2021. (Rehling, Kathy)
02/05/2021	<u>1906</u> Certificate of service re: <i>Official Committee of Unsecured Creditors' Motion for an Order Requiring James D. Dondero to Preserve Documents and to Identify Measures Taken to Ensure Document Preservation</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1878</u> Motion to compel an Order Requiring James D. Dondero to Preserve Documents and to Identify Measures Taken to Ensure Document Preservation. Filed by Creditor Committee Official Committee of Unsecured Creditors (Attachments: # 1 Proposed Order Exhibit A # 2 Exhibit Exhibit B) filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)
02/05/2021	<u>1907</u> Certificate of service re: <i>Response of the Official Committee of Unsecured Creditors to Supplemental Objection to Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified) Filed by the Dugaboy Investment Trust and Get Good Trust</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1880</u> Response opposed to (related document(s): <u>1868</u> Objection to confirmation of plan filed by Creditor The Dugaboy Investment Trust, Creditor Get Good Trust) filed by Creditor Committee Official Committee of Unsecured Creditors. filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)
02/05/2021	<u>1908</u> Certificate of service re: <i>Documents Served on February 4, 2021</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1895</u> Amended Witness and

	Exhibit List (<i>Debtor's Third Amended Witness and Exhibit List with Respect to Confirmation Hearing Held on February 3, 2021</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1877</u> List (witness/exhibit/generic)). (Attachments: # 1 Exhibit PPPPPPP # 2 Exhibit RRRRRRR # 3 Exhibit SSSSSSS # 4 Exhibit TTTTTTT # 5 Exhibit UUUUUUU) filed by Debtor Highland Capital Management, L.P., <u>1896</u> Stipulation by Highland Capital Management, L.P. and Crescent TC Investors, L.P., filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1623</u> Motion to extend time to assume unexpired nonresidential real property lease). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
02/05/2021	<u>1909</u> Certificate of service re: (<i>Supplemental</i>) <i>Solicitation Materials Served on February 1, 2021</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1630</u> Certificate of service re: <i>Solicitation Materials Served on or Before December 2, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1472</u> Amended chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>944</u> Chapter 11 plan, <u>1079</u> Chapter 11 plan, <u>1287</u> Chapter 11 plan, <u>1383</u> Chapter 11 plan, <u>1450</u> Chapter 11 plan). filed by Debtor Highland Capital Management, L.P., <u>1473</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>945</u> Disclosure statement, <u>1080</u> Disclosure statement, <u>1289</u> Disclosure statement, <u>1384</u> Disclosure statement, <u>1453</u> Disclosure statement). filed by Debtor Highland Capital Management, L.P., <u>1476</u> Order approving disclosure statement and setting hearing on confirmation of plan (RE: related document(s) <u>1472</u> Chapter 11 plan filed by Debtor Highland Capital Management, L.P. and <u>1473</u> Amended disclosure statement filed by Debtor Highland Capital Management, L.P.). Confirmation hearing to be held on 1/13/2021 at 09:30 AM at Dallas Judge Jernigan Ctrm. Last day to Object to Confirmation 1/5/2021. Ballots due 1/5/2021. Entered on 11/24/2020 (Okafor, M.)). filed by Claims Agent Kurtzman Carson Consultants LLC). (Kass, Albert)
02/06/2021	<u>1910</u> Appellant designation of contents for inclusion in record on appeal filed by Get Good Trust, The Dugaboy Investment Trust (RE: related document(s) <u>1870</u> Notice of appeal, <u>1889</u> Amended notice of appeal, <u>1899</u> Notice of docketing notice of appeal/record, <u>1900</u> Certificate of mailing regarding appeal, <u>1901</u> Notice regarding the record for a bankruptcy appeal). Appellee designation due by 02/22/2021. (Draper, Douglas)
02/06/2021	<u>1911</u> Statement of issues on appeal, filed by Get Good Trust, The Dugaboy Investment Trust (RE: related document(s) <u>1870</u> Notice of appeal, <u>1889</u> Amended notice of appeal, <u>1899</u> Notice of docketing notice of appeal/record, <u>1901</u> Notice regarding the record for a bankruptcy appeal, <u>1910</u> Appellant designation). (Draper, Douglas)
02/08/2021	<u>1912</u> Clerk's correspondence requesting Amended designation from attorney for appellant. (RE: related document(s) <u>1910</u> Appellant designation of contents for inclusion in record on appeal) Responses due by 2/10/2021. (Blanco, J.)
02/08/2021	<u>1913</u> Request for transcript (ruling only) regarding a hearing held on 2/8/2021. The requested turn-around time is hourly. (Edmond, Michael)
02/08/2021	<u>1914</u> Motion for leave (<i>Motion for Status Conference</i>) Filed by Interested Party James Dondero (Attachments: # <u>1</u> Proposed Order) (Assink, Bryan)
02/08/2021	<u>1924</u> Hearing held on 2/8/2021. (RE: related document(s) <u>1808</u> Modified chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1472</u> Chapter 11 plan). (Appearances: J. Pomeranz; M. Clemente for UCC; M. Lynn, J. Bonds, and B. Assink for J. Dondero; D. Rukavina and L. Hogewood for Advisors and Funds; D. Draper for Dugaboy and Get Good Trusts; L. Lambert for UST (numerous others; full roll call not taken). Court read bench ruling approving plan. Counsel to incorporate courts bench ruling into their own set of FOFs, COLS and Order to be submitted.) (Edmond, Michael) (Entered: 02/09/2021)
02/09/2021	

	<p><u>1916</u> Notice of hearing (<i>Status Conference</i>) filed by Interested Parties Highland Capital Management Fund Advisors, L.P., NexPoint Advisors, L.P. (RE: related document(s)<u>1826</u> Application for administrative expenses Filed by Interested Parties Highland Capital Management Fund Advisors, L.P., NexPoint Advisors, L.P. (Attachments: # 1 Service List)). Status Conference to be held on 3/22/2021 at 09:30 AM at Dallas Judge Jernigan Ctrm. (Attachments: # <u>1</u> Service List) (Vasek, Julian)</p>
02/09/2021	<p><u>1917</u> Transcript regarding Hearing Held 02/08/2021 (51 pages) RE: Bench Ruling. THIS TRANSCRIPT WILL BE MADE ELECTRONICALLY AVAILABLE TO THE GENERAL PUBLIC 90 DAYS AFTER THE DATE OF FILING. TRANSCRIPT RELEASE DATE IS 05/10/2021. Until that time the transcript may be viewed at the Clerk's Office or a copy may be obtained from the official court transcriber. Court Reporter/Transcriber Kathy Rehling, kathyrehlingtranscripts@gmail.com, Telephone number 972-786-3063. (RE: related document(s) <u>1902</u> Bench Ruling set (RE: related document(s)<u>1808</u> Modified chapter 11 plan filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1472</u> Chapter 11 plan).) Hearing to be held on 2/8/2021 at 09:00 AM Dallas Judge Jernigan Ctrm for <u>1808</u>, (Ellison, T.)). Transcript to be made available to the public on 05/10/2021. (Rehling, Kathy)</p>
02/09/2021	<p><u>1918</u> Notice to take deposition of James Dondero filed by Debtor Highland Capital Management, L.P.. (Annable, Zachery)</p>
02/09/2021	<p><u>1919</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to December 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALSUTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # 1 Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). (Annable, Zachery)</p>
02/09/2021	<p><u>1920</u> Certificate of service re: 1) Debtors Notice of Rule 30(b)(6) Deposition to NexPoint Real Estate Partners, LLC f/k/a HCRE Partners, LLC; 2) Order Approving Stipulation Extending Deadline to Assume Lease and Setting Motion to Assume for Hearing at Confirmation; and 3) Order Approving Second Stipulation Extending Deadline to Assume Lease and Setting Motion to Assume for Hearing at Confirmation Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s)<u>1898</u> Notice to take deposition of NexPoint Real Estate Partners, LLC f/k/a HCRE Partners, LLC filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>1903</u> Order approving stipulation extending deadline to assume lease and setting motion to assume for hearing oat confirmation, which is currently set for February 2, 2021 at 9:30 a.m (RE: related document(s)<u>1843</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 2/5/2021 (Okafor, M.), <u>1904</u> Order approving second stipulation extending deadline to assume lease and setting motion to assume for hearing at confirmation (RE: related document(s)<u>1896</u> Stipulation filed by Debtor Highland Capital Management, L.P.). Entered on 2/5/2021 (Okafor, M.)). (Kass, Albert)</p>
02/09/2021	<p><u>1925</u> Application for compensation <i>First Monthly Fee Application</i> for Hunton Andrews Kurth LLP, Special Counsel, Period: 11/1/2020 to 12/31/2020, Fee: \$73121.04, Expenses: \$10.35. Filed by Spec. Counsel Hunton Andrews Kurth LLP Objections due by 3/2/2021. (Hesse, Gregory)</p>
02/10/2021	<p><u>1926</u> Certificate of No Objection filed by Debtor Highland Capital Management, L.P. (RE: related document(s)<u>1771</u> Application for compensation <i>Fifteenth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from December 1, 2020 through December 31, 2020</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 12/1/2020 to). (Pomerantz, Jeffrey)</p>

02/10/2021	<u>1927</u> Application for compensation <i>Fourteenth Application of FTI Consulting, Inc. for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Financial Advisor, Period: 12/1/2020 to 12/31/2020, Fee: \$239,297.76, Expenses: \$0. Filed by Attorney Juliana Hoffman Objections due by 3/3/2021. (Hoffman, Juliana)
02/10/2021	<u>1928</u> Amended appellant designation of contents for inclusion in record on appeal filed by Get Good Trust, The Dugaboy Investment Trust (RE: related document(s) <u>1910</u> Appellant designation). (Draper, Douglas)
02/11/2021	<u>1929</u> Order denying motion for status conference (related document # <u>1914</u>) Entered on 2/11/2021. (Ecker, C.)
02/11/2021	<u>1930</u> Assignment/Transfer of Claim. Fee Amount \$26. Transfer Agreement 3001 (e) 2 Transferors: Stanton Law Firm PC (Claim No. 163, Amount \$88,133.99) To Cedar Glade LP. Filed by Creditor Cedar Glade LP. (Attachments: # <u>1</u> Evidence of Transfer) (Tanabe, Kesha)
02/12/2021	<u>1931</u> Agreed Order granting motion to assume nonresidential real property lease with Crescent TC Investors, L.P. (related document # <u>1624</u>) Entered on 2/12/2021. (Okafor, M.)
02/12/2021	<u>1932</u> Certificate of service re: <i>1) Debtors Notice of Deposition to James Dondero in Connection with Debtors Objection to Proof of Claim Filed by HCRE Partners, LLC; and 2) Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to December 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1918</u> Notice to take deposition of James Dondero filed by Debtor Highland Capital Management, L.P.. filed by Debtor Highland Capital Management, L.P., <u>1919</u> Notice (<i>Notice of Statement of Amounts Paid to Ordinary Course Professionals for the Period from October 16, 2019 to December 31, 2020</i>) filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>176</u> ORDER PURSUANT TO SECTIONS 105(A), 327, 328, AND 330 OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO RETAIN, EMPLOY, AND COMPENSATE CERTAIN PROFESSIONALSUTILIZED BY THE DEBTORS IN THE ORDINARY COURSE OF BUSINESS (Related Doc # 76, 99, 162) Order Signed on 11/26/2019. (Attachments: # <u>1</u> Exhibit A) (DRG) [ORIGINALLY FILED AS DOCUMENT #169 ON 11/26/2019 IN U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE] (Okafor, M.)). filed by Debtor Highland Capital Management, L.P.). (Kass, Albert)
02/13/2021	Receipt of filing fee for Assignment/Transfer of claim (Claims Agent)(19-34054-sgj11) [claims,trclmagt] (26.00). Receipt number 28493529, amount \$ 26.00 (re: Doc# <u>1930</u>). (U.S. Treasury)
02/16/2021	<u>1933</u> Agreed Motion to continue hearing on (related documents <u>1826</u> Application for administrative expenses) Filed by Interested Parties Highland Capital Management Fund Advisors, L.P., NexPoint Advisors, L.P. (Hogewood, A.)
02/16/2021	<u>1934</u> Certificate of service re: <i>Fourteenth Monthly Application of FTI Consulting, Inc. for Allowance of Compensation and Reimbursement of Expenses for the Period from December 1, 2020 to and Including December 31, 2020</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1927</u> Application for compensation <i>Fourteenth Application of FTI Consulting, Inc. for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Financial Advisor, Period: 12/1/2020 to 12/31/2020, Fee: \$239,297.76, Expenses: \$0. Filed by Attorney Juliana Hoffman Objections due by 3/3/2021. filed by Creditor Committee Official Committee of Unsecured Creditors). (Kass, Albert)
02/17/2021	<u>1935</u> Adversary case 21-03010. Complaint by Highland Capital Management, L.P. against Highland Capital Management Fund Advisors, L.P., NexPoint Advisors, L.P.. Fee Amount \$350 (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B # <u>3</u> Exhibit C # <u>4</u> Exhibit D # <u>5</u> Exhibit E # <u>6</u> Exhibit F # <u>7</u> Exhibit G # <u>8</u> Exhibit H # <u>9</u> Exhibit I # <u>10</u> Exhibit J # <u>11</u> Adversary Cover

	Sheet). Nature(s) of suit: 91 (Declaratory judgment). 02 (Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy)). 72 (Injunctive relief – other). (Annable, Zachery)
02/17/2021	<u>1936</u> Clerk's correspondence requesting an order from attorney for creditor. (RE: related document(s) <u>1643</u> Agreed Motion to substitute attorney David Neier with Frances A. Smith, Michelle Hartmann, and Debra A. Dandeneau Filed by Creditor Scott Ellington, Thomas Surgent, Frank Waterhouse, Isaac Leventon (Attachments: # 1 Proposed Order)) Responses due by 2/24/2021. (Ecker, C.)
02/17/2021	<u>1937</u> Order granting motion to continue hearing on (related document <u>1933</u>) (related documents Application for administrative expenses) The Status Conference is hereby continued from March 22, 2021 at 9:30 a.m. to to such date and time on or after March 29, 2021 that is determined by the Court. (Okafor, M.) MODIFIED to correct hearing setting on 2/17/2021 (Okafor, M.).
02/18/2021	<u>1938</u> Stipulation by Highland Capital Management, L.P. and The Dugaboy Investment Trust and Get Good Trust. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1745</u> Motion to appoint trustee <i>Motion to Appoint Examiner Pursuant to 11 U.S.C. § 1104(c)</i>). (Annable, Zachery)
02/18/2021	<u>1939</u> Certificate of service re: <i>Agreed Order on Motion to Assume Nonresidential Real Property Lease with Crescent TC Investors, L.P.</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1931</u> Agreed Order granting motion to assume nonresidential real property lease with Crescent TC Investors, L.P. (related document <u>1624</u>) Entered on 2/12/2021. (Okafor, M.)). (Kass, Albert)
02/19/2021	<u>1940</u> Certificate of No Objection filed by Creditor Committee Official Committee of Unsecured Creditors (RE: related document(s) <u>1842</u> Application for compensation <i>Fourteenth Monthly Application for Compensation and Reimbursement of Expenses</i> for Official Committee of Unsecured Creditors, Creditor Comm. Atty, Period: 12/1/2020 to 12/31/2020, Fee: \$416,359.08, Expenses:). (Hoffman, Juliana)
02/22/2021	<u>1941</u> Certificate of Counsel filed by Debtor Highland Capital Management, L.P. (RE: related document(s) 1924 Hearing held). (Annable, Zachery)
02/22/2021	<u>1942</u> Appellee designation of contents for inclusion in record of appeal filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1870</u> Notice of appeal, <u>1889</u> Amended notice of appeal, <u>1899</u> Notice of docketing notice of appeal/record, <u>1900</u> Certificate of mailing regarding appeal, <u>1901</u> Notice regarding the record for a bankruptcy appeal). (Annable, Zachery)
02/22/2021	<u>1943</u> Order confirming the fifth amended chapter 11 plan, as modified and granting related relief (RE: related document(s) <u>1472</u> Chapter 11 plan filed by Debtor Highland Capital Management, L.P., <u>1808</u> Chapter 11 plan filed by Debtor Highland Capital Management, L.P.). Entered on 2/22/2021 (Okafor, M.)
02/22/2021	<u>1944</u> Application for compensation <i>Sixteenth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from January 1, 2021 through January 31, 2021</i> for Jeffrey Nathan Pomerantz, Debtor's Attorney, Period: 1/1/2021 to 1/31/2021, Fee: \$2,557,604.00, Expenses: \$32,906.65. Filed by Attorney Jeffrey Nathan Pomerantz Objections due by 3/15/2021. (Pomerantz, Jeffrey)
02/23/2021	<u>1945</u> Certificate of service re: <i>Stipulation by Highland Capital Management, L.P. and The Dugaboy Investment Trust and Get Good Trust</i> Filed by Claims Agent Kurtzman Carson Consultants LLC (related document(s) <u>1938</u> Stipulation by Highland Capital Management, L.P. and The Dugaboy Investment Trust and Get Good Trust. filed by Debtor Highland Capital Management, L.P. (RE: related document(s) <u>1745</u> Motion to appoint trustee <i>Motion to Appoint Examiner Pursuant to 11 U.S.C. § 1104(c)</i>). filed by Debtor Highland Capital

	Management, L.P.). (Kass, Albert)
02/24/2021	<u>1946</u> Clerk's correspondence requesting from attorney for appellant. (RE: related document(s) <u>1928</u> Amended appellant designation of contents for inclusion in record on appeal filed by Get Good Trust, The Dugaboy Investment Trust (RE: related document(s) <u>1910</u> Appellant designation).) Responses due by 3/10/2021. (Blanco, J.)

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLANT RECORD
VOLUME 2**

D. Michael Lynn
State Bar I.D. No. 12736500
John Y. Bonds, III
State Bar I.D. No. 02589100
John T. Wilson, IV
State Bar I.D. No. 24033344
Bryan C. Assink
State Bar I.D. No. 24089009
BONDS ELLIS EPPICH SCHAFER JONES LLP
420 Throckmorton Street, Suite 1000
Fort Worth, Texas 76102
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ATTORNEYS FOR JAMES DONDERO

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

IN RE:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

Debtor.

INDEX

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Case No. 19-34054

Chapter 11

APPELLANT'S SECOND AMENDED DESIGNATION OF ITEMS TO
BE INCLUDED IN THE RECORD ON APPEAL AND
STATEMENT OF ISSUES TO BE PRESENTED

Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Appellant James Dondero ("Appellant") in this appeal as noticed by the Notice of Appeal filed by Appellant on November 9, 2020, files this *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented*¹ in the above-captioned case and requests that the Clerk prepare and forward the items listed herein to the District Court for inclusion in the record in connection with this appeal.

¹ This designation is being further amended to group together certain docket entries per the clerk's request.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL

Vol. 1
000001 1. Notice of Appeal filed by Appellant [Docket No. 1347];

000029 2. *Order Approving Debtor's Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302];

000053 3. Docket entries kept by the bankruptcy clerk in case no. 19-34054; and

4. Each of the additional documents and items designated below:

Vol. 2 000330 000392	Designation No.	Docket No.	Date	Description
	1.		10/25/18	<i>Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC</i> [Docket No. 660 in Case No. 18-30264]
	2.		1/31/19	<i>Findings of Fact, Conclusions of Law, and Order Granting Final Approval of Disclosure Statement and Confirming the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, as Modified</i> [Docket No. 829 in Case No. 18-30264]
Vol. 3 000621 THRU Vol. 5	3.	607	4/28/20	<i>Summary of First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from October 16, 2019 through March 31, 2020</i> [Docket No. 607]
Vol. 5 001208	4.	617	5/1/20	<i>James Dondero's Limited Response to Acis Capital Management, L.P. and Acis Capital Management GP, LLC's Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction</i> [Docket No. 617]
001211	5.	771	6/23/20	<i>Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC, filed by Highland Capital Management, L.P.</i> [Docket No. 771]

Vol. 5 001276	6.	827	7/13/20	<i>James Dondero's (i) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (ii) Joinder in Support of Highland Capital Management, L.P.'s Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 827]</i>
001284	7.	832	7/14/20	<i>Response of James Dondero to the Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor [Docket No. 832]</i>
001293	8.	891	7/23/20	<i>UBS (i) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC and (ii) Joinder in the Debtor's Objection [Docket No. 891]</i>
Vol. 6 001300	9.	908	7/31/20	<i>Omnibus Response to Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 908]</i>
Vol. 7 001571 Thru Vol. 8	10.	971	8/19/20	<i>Summary of Second Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from April 1, 2020 through July 31, 2020 [Docket No. 971]</i>
Vol. 8 001965	11.	983	8/21/20	<i>Agreed Scheduling Order Regarding Objections to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 983]</i>
001970	12.	1079	9/21/20	<i>First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1079]</i>
Vol. 9 002031	13.	1080	9/21/20	<i>Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1080]</i>
002186	14.	1087	9/23/20	<i>Debtor's Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer</i>

			<i>G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith [Docket No. 1087] (the “Acis Settlement Motion”)</i>
15.	1088	9/23/20	Declaration of Gregory V. Demo in Support of the Acis Settlement Motion [Docket No. 1088]
16.	1088-1	9/23/20	Settlement Agreement between the Debtor, Acis, and certain related parties [Docket No. 1088-1]
17.	1088-2	9/23/20	General Release between the Debtor, Acis, and certain related parties [Docket No. 1088-2]
18.	1094	9/24/20	<i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020 [Docket No. 1094]</i>
19.	1121	10/05/20	James Dondero’s Response to the Acis Settlement Motion [Docket No. 1121]
20.	1194-1	10/16/20	Proof of Claim No. 23 filed by Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively, “Acis”)
21.	1194-2	10/16/20	Proof of Claim No. 72 filed by the Redeemer Committee of the Highland Crusader Fund
22.	1194-3	10/16/20	Proof of Claim No. 81 filed by Highland Crusader Offshore Partners, L.P., et al.
23.	1194-5	10/16/20	Proof of Claim No. 77 filed by Patrick Daugherty
24.	1194-4	10/16/20	Proof of Claim No. 93 filed by Integrated Financial Associates, Inc.
25.	1194-6	10/16/20	Proof of Claim No. 190 filed by UBS
26.	1194-16	10/16/20	Expert Opinion of Nancy B. Rapoport, dated October 11, 2020, including all attachments thereto
27.	1194-17	10/16/20	Curriculum Vitae of Nancy B. Rapoport

Vol. 12 002758	28.	1201	10/16/20	Objection of Patrick Daugherty to the Acis Settlement Motion [Docket No. 1201]
002773	29.	1177	10/16/20	CLO HoldCo. Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1177]
002777	30.	1191	10/16/20	Highland CLO Funding, Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1191]
002785	31.	1195	10/16/20	HarbourVest Limited Objection and Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1195]
002791 Thru Vol. 13	32.	1271	10/20/20	Transcript of hearing conducted on October 20, 2020 [Docket No. 1271]
Vol. 13 003047	33.	1285	10/21/20	Transcript of hearing conducted on October 21, 2020 [Docket No. 1285]

STATEMENT OF ISSUES TO BE PRESENTED ON APPEAL

1. Whether the Bankruptcy Court erred in approving the settlement agreement and release entered into between Highland Capital Management, L.P. and Acis Capital Management, L.P., Acis Capital Management GP, LLC, and Joshua Terry pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure as being fair, equitable, and in the best interest of the estate.

[Remainder of Page Intentionally Left Blank]

Dated: December 7, 2020

Respectfully submitted,

/s/ Bryan C. Assink

D. Michael Lynn
State Bar I.D. No. 12736500
John Y. Bonds, III
State Bar I.D. No. 02589100
John T. Wilson, IV
State Bar I.D. No. 24033344
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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on December 7, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for Debtor-Appellee Highland Capital Management, L.P. and on all other parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

Bryan C. Assink

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

IN RE:

ACIS CAPITAL MANAGEMENT, L.P.,
ACIS CAPITAL MANAGEMENT GP, LLC,

DEBTORS.

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Case No. 18-30264-SGJ-11

Case No. 18-30265-SGJ-11

(Jointly Administered Under Case
No. 18-30264-SGJ-11)

Chapter 11

THIRD AMENDED JOINT PLAN FOR ACIS CAPITAL MANAGEMENT, L.P. AND
ACIS CAPITAL MANAGEMENT GP, LLC

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DATED: October 25, 2018
Dallas, Texas

000330

ARTICLE I.
DEFINITIONS

A. Defined Terms. In addition to such other terms as are defined in other sections of the Plan, the following terms shall have the meanings set forth below (such meanings to be equally applicable to both the singular and plural, masculine and feminine forms of the terms defined).

1.01. "Acis CLOs" refers collectively to CLO-3, CLO-4, CLO-5, and CLO-6.

1.02. "Acis GP" means Acis Capital Management, GP, LLC, one of the Debtors in the above-referenced Chapter 11 Cases.

1.03. "Acis LP" means Acis Capital Management, LP, one of the Debtors in the above-referenced Chapter 11 Cases.

1.04. "Administrative Bar Date" means the deadline to file Claims for Allowance as an Administrative Expense set forth in section 3.01(c) of the Plan.

1.05. "Administrative Expense" means any cost or expense of administration of the Chapter 11 Cases allowed under subsections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the Estate of the Debtors, any actual and necessary expenses of operating the business of the Debtors, all compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under section 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the estates of the Debtors under section 1930, chapter 123 of title 28 of the United States Code.

1.06. "Affiliate" has the meaning ascribed to such term in section 101(2) of the Bankruptcy Code.

1.07. "ALF PMA" means that certain Portfolio Management Agreement by and between Acis LP and Acis Loan Funding, Ltd. dated December 22, 2016.

1.08. "Allowed," when used with respect to a Claim (other than an Administrative Expense), means a Claim (a) to the extent it is not Contested; or (b) a Contested Claim, proof of which was filed timely with the Bankruptcy Court, and (i) as to which no Objection was filed by the Objection Deadline, or (ii) as to which an Objection was filed by the Objection Deadline, to the extent, if any, such Claim is ultimately allowed by a Final Order; *provided, however*, if a Claim is to be determined in a forum other than the Bankruptcy Court, such Claim shall not become Allowed until determined by Final Order of such other forum and allowed by Final Order of the Bankruptcy Court. "Allowed," when used with respect to an Administrative Expense, shall mean an Administrative Expense approved by application to the Bankruptcy Court.

1.09. "Assets" includes all right, title, and interest in and to all property of every type or nature owned or claimed by the Debtors as of the Petition Date, together with all such property of every type or nature subsequently acquired by the Debtors through the Effective Date, whether real or personal, tangible or intangible, and wherever located, and including, but not limited to, property as defined in section 541 of the Bankruptcy Code. Without limiting the foregoing, this shall include all

- 1.10. “Available Cash” means any Cash over and above the amount needed for the Reorganized Debtor to maintain business operations and pursue the Estate Claims, as determined in the sole discretion of the Reorganized Debtor.
- 1.11. “Avoidance Action” means a cause of action assertable by the Debtors pursuant to Chapter 5 of the Bankruptcy Code, including without limitation, actions brought or which may be brought under sections 542, 543, 544, 545, 547, 548, 549, 550, or 553 of the Bankruptcy Code. Such causes of action may be asserted to recover, among other things, the transfers listed in the Debtors’ respective Schedules, including in response to Question 3 of the statements of financial affairs.
- 1.12. “Ballot” means the form of ballot provided to holders of Claims or Interests entitled to vote pursuant to Bankruptcy Rule 3017(d), by which each such holder may accept or reject the Plan.
- 1.13. “Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as amended and codified at Title 11 of the United States Code.
- 1.14. “Bankruptcy Court” means the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, or such other court having jurisdiction over all or any part of the Chapter 11 Cases.
- 1.15. “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure, as amended from time to time, as applicable to the Chapter 11 Cases, including applicable local rules of the Bankruptcy Court.
- 1.16. “Brigade” means Brigade Capital Management, LP.
- 1.17. “Business Day” means any day other than Saturday, Sunday, a legal holiday, or a day on which national banking institutions in Texas are authorized or obligated by law or executive order to close.
- 1.18. “Cash” means legal tender of the United States of America, cash equivalents and other readily marketable securities or instruments, including, but not limited to, readily marketable direct obligations of the United States of America, certificates of deposit issued by banks or commercial paper.
- 1.19. “Chapter 11 Cases” refers collectively to the Acis LP bankruptcy case, Case No. 18-30264-sgj11, and the Acis GP bankruptcy case, Case No. 18-30265-sgj11, which are being jointly administered under Case No. 18-30264-sgj11.
- 1.20. “Chapter 11 Trustee” refers to Robin Phelan, the chapter 11 trustee for the Debtors.
- 1.21. “Claim” means (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured (including potential and unmatured tort and contract claims), disputed, undisputed, legal, equitable, secured or unsecured, or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right of payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured (including potential and unmatured tort and contract claims), disputed, undisputed, secured or unsecured.

- 1.22. "Claimant" means the holder of a Claim.
- 1.23. "Class" means a class of Claims or Interests as described in the Plan.
- 1.24. "CLO" means collateralized loan obligations.
- 1.25. "CLO-1" means Acis CLO 2013-1 LTD.
- 1.26. "CLO-1 Indenture" means that certain Indenture, dated as of March 18, 2013, issued by CLO-1, as issuer, Acis CLO 2013-1 LLC, as co-Issuer and US Bank, as Indenture Trustee.
- 1.27. "CLO-1 PMA" means that certain Portfolio Management Agreement by and between Acis LP and CLO-1, dated March 18, 2013.
- 1.28. "CLO-3" means Acis CLO 2014-3 LTD.
- 1.29. "CLO-3 Indenture" means that certain Indenture, dated as of February 25, 2014, issued by CLO-3, as issuer, Acis CLO 2014-3 LLC, as co-Issuer and US Bank, as Indenture Trustee
- 1.30. "CLO-3 PMA" means that certain Portfolio Management Agreement by and between Acis LP and CLO-3, dated February 25, 2014.
- 1.31. "CLO-4" means Acis CLO 2014-4 LTD.
- 1.32. "CLO-4 Indenture" means that certain Indenture, dated as of June 5, 2014, issued by CLO-4, as issuer, Acis CLO 2014-4 LLC, as co-Issuer and US Bank, as Indenture Trustee.
- 1.33. "CLO-4 PMA" means that certain Portfolio Management Agreement by and between Acis LP and CLO-4, dated June 5, 2014.
- 1.34. "CLO-5" means Acis CLO 2014-5 LTD.
- 1.35. "CLO-5 Indenture" means that certain Indenture, dated as of November 18, 2014, issued by CLO-5, as issuer, Acis CLO 2014-5 LLC, as co-Issuer and US Bank, as Indenture Trustee.
- 1.36. "CLO-5 PMA" means that certain Portfolio Management Agreement by and between Acis LP and CLO-5, dated November 18, 2014.
- 1.37. "CLO-6" means Acis CLO 2015-6 LTD.
- 1.38. "CLO-6 Indenture" means that certain Indenture, dated as of April 16, 2015, issued by CLO-6, as issuer, Acis CLO 2015-6 LLC, as co-Issuer and US Bank, as Indenture Trustee.
- 1.39. "CLO-6 PMA" means that certain Portfolio Management Agreement by and between Acis LP and CLO-6, dated April 16, 2015.
- 1.40. "CLO Holdco" means CLO Holdco, Ltd.
- 1.41. "Collateral" means any Asset subject to a valid and enforceable Lien to secure payment of a Claim.

- 1.42. “Confirmation Date” means the date of entry of the Confirmation Order.
- 1.43. “Confirmation Hearing” means the hearing conducted by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code and Bankruptcy Rule 3020(b) to consider confirmation of the Plan, as such hearing may be continued from time to time.
- 1.44. “Confirmation Order” means the order of the Bankruptcy Court confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.
- 1.45. “Contested,” when used with respect to a Claim, means a Claim against the Debtors that is listed in the Debtors’ Schedules as disputed, contingent, or unliquidated; that is listed in the Debtors’ Schedules as undisputed, liquidated, and not contingent and as to which a proof of Claim has been filed with the Bankruptcy Court, to the extent the proof of Claim amount exceeds the scheduled amount; that is not listed in the Debtors’ Schedules, but as to which a proof of Claim has been filed with the Bankruptcy Court; or as to which an objection has been or may be timely filed and has not been denied by Final Order. To the extent an objection relates to the allowance of only a part of a Claim, such Claim shall be a Contested Claim only to the extent of the objection.
- 1.46. “Creditor” means a “creditor,” as defined in section 101(10) of the Bankruptcy Code.
- 1.47. “Cure Claim” means the payment or other performance required to cure any existing default under an Executory Contract or Unexpired Lease.
- 1.48. “Debtors” means, collectively, Acis GP and Acis LP, the debtors in the above-captioned Chapter 11 Cases.
- 1.49. “Disallowed,” when used with respect to all or any part of a Claim or Interest, means that portion of a Claim or Interest to which an objection or motion to disallow has been sustained by a Final Order.
- 1.50. “Disclosure Statement” means the Disclosure Statement filed with respect to the Plan, as it may be amended, modified, or supplemented from time to time.
- 1.51. “Distribution” means any payment or other disbursement of property pursuant to the Plan.
- 1.52. “Effective Date” means the first Business Day which is fourteen (14) days after the Confirmation Date if the Confirmation Order is not stayed or, if the Confirmation Order is stayed, the first Business Day following the lifting, dissolution, or removal of such stay which is at least fourteen (14) Business Days after the Confirmation Date, and upon which all conditions to the effectiveness of the Plan set forth in Article XIII below are satisfied.
- 1.53. “Estate” shall collectively refer to the bankruptcy estates of the Debtors in the Chapter 11 Cases.
- 1.54. “Estate Accounts Receivable” shall include all accounts receivable of the Estate, including from all sums payable to the Debtors on account of goods or services provided by the Debtors.

1.55. “Estate Claims” shall include all claims and causes of action held by the Debtors’ Estate, including, without limitation, the Estate Claims listed on the attached **Exhibit A** and all Avoidance Actions.

1.56. ““Estate Defenses” means all defenses, affirmative defenses, counterclaims, or offsets by the Debtors’ Estate against any Person, including but not limited to any Creditor.

1.57. “Estate Insurance” means any insurance policy or interest in an insurance policy in which the Estate has an interest or rights.

1.58. “Estate Professionals” means those Persons employed pursuant to an order of the Bankruptcy Court in accordance with sections 327, 328, and 1103 of the Bankruptcy Code or who are entitled to compensation or reimbursement pursuant to sections 503(b)(3)(D) or 506(b) of the Bankruptcy Code.

1.59. “Executory Contract” means any executory contract which is subject to section 365 of the Bankruptcy Code and which is not an Unexpired Lease.

1.60. “Final Order” means an order or judgment of the Bankruptcy Court or any other court or adjudicative body, as to which the time to appeal or seek rehearing or petition for certiorari shall have expired or which order or judgment shall no longer be subject to appeal, rehearing, or certiorari proceeding and with respect to which no appeal, motion for rehearing, or certiorari proceeding or stay shall then be pending.

1.61. “General Unsecured Claim” means any Claim against the Debtors that is not an Administrative Expense, Priority Tax Claim, Priority Non-Tax Claim, Secured Tax Claim, Secured Claim, or Insider Claim, but includes any Rejection Claims pursuant to section 502(g) of the Bankruptcy Code.

1.62. “Governmental Unit” means a “governmental unit” as such term is defined in section 101(27) of the Bankruptcy Code.

1.63. “HCLOF” means Highland CLO Funding, Ltd.

1.64. “Highland” means Highland Capital Management, L.P.

1.65. “Highland Adversary” means Adversary Proceeding No. 18-03078-sgj.

1.66. “Highland Claim” means all Claims asserted by Highland or any Affiliates of Highland against the Debtors, including any Claim resulting from the termination of the Sub-Advisory Agreement and Shared Services Agreement.

1.67. “Highland CLOM” means Highland CLO Management, Ltd.

1.68. “Highland HCF” means Highland HCF Advisors, Ltd.

1.69. “Impaired” means, when used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.70. “Indentures” refers collectively to the CLO-1 Indenture, the CLO-3 Indenture, the CLO-4 Indenture, the CLO-5 Indenture, and the CLO-6 Indenture.

1.71. “Indenture Trustee” refers to US Bank solely in its capacity as Indenture Trustee under the CLO-1 Indenture, the CLO-3 Indenture, the CLO-4 Indenture, the CLO-5 Indenture and the CLO-6 Indenture, as applicable

1.72. “Initial Distribution Date,” when used with respect to any Contested Claim or Rejection Claim, shall mean the later of (i) the first Business Day at least thirty (30) days after the date on which any such Contested Claim or Rejection Claim becomes an Allowed Claim, or (ii) if the payment terms of Article IV of this Plan applicable to each such Claim specify a different date, then the date as calculated pursuant to the terms of Article IV of this Plan applicable to each such Claim. The Initial Distribution Date shall be separately determined with respect to each Contested Claim or Rejection Claim based upon the date each such Claim becomes an Allowed Claim.

1.73. “Insider” means a Person described in section 101(31) of the Bankruptcy Code.

1.74. “Insider Claim” means any Claim asserted by Insiders of the Debtors, including but not limited to any Claim asserted by Highland or any Affiliate thereof, unless otherwise indicated in the Plan.

1.75. “Interests” means any equity or stock ownership interest in the Debtors.

1.76. “Issuers and Co-Issuers” means CLO-1, CLO-3, CLO-4, CLO-5, CLO-6, Acis CLO 2013-1, Acis CLO-2014-3, LLC, Acis CLO 2014-4, LLC, Acis CLO 2014-5, LLC, and Acis 2015-6, LLC.

1.77. “Lien” means any mortgage, lien, charge, security interest, encumbrance, or other security device of any kind affecting any asset or property of the Debtors contemplated by section 101(37) of the Bankruptcy Code.

1.78. “Management Fees” shall, when used in relation to any of the Acis CLOs, have the meaning set forth in the applicable Indenture.

1.79. “Neutra” means Neutra, Ltd.

1.80. “Objection” means (a) an objection to the allowance of a Claim interposed by any party entitled to do so within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, and (b) as to any Taxing Authority, a proceeding commenced under section 505 of the Bankruptcy Code to determine the legality or amount of any tax.

1.81. “Objection Deadline” shall mean the later of (a) ninety (90) days following the Effective Date, unless otherwise extended by order of the Bankruptcy Court, or (b) as to any Rejection Claim filed after the Effective Date, ninety (90) days after the date on which the proof of Claim reflecting the Rejection Claim is filed.

1.82. “Optional Redemption” shall, when used in relation to any of the Acis CLOs, have the meaning set forth in the applicable Indenture.

1.83. “Person” means any individual, corporation, general partnership, limited partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, government, or any political subdivision thereof or other entity.

- 1.84. "Petition Date" means January 30, 2018.
- 1.85. "Plan" means this Third Amended Joint Chapter 11 plan, either in its present form or as it may be altered, amended, or modified from time to time.
- 1.86. "Plan Documents" means the documents that aid in effectuating the Plan as specifically identified as such herein and filed with the Bankruptcy Court.
- 1.87. "Plan Rate" means a rate of interest of five percent (5%) per annum.
- 1.88. "PMAs" refers collectively to the CLO-1 PMA, CLO-3 PMA, CLO-4 PMA, CLO-5 PMA, and CLO-6 PMA.
- 1.89. "Priority Claim" means a Claim (other than a Claim for an Administrative Expense) to the extent that it is entitled to priority in payment under section 507(a) of the Bankruptcy Code.
- 1.90. "Priority Non-Tax Claim" means a Priority Claim other than a Priority Tax Claim.
- 1.91. "Priority Tax Claim" means a Claim of a Governmental Unit of the kind specified in subsection 507(a)(8) of the Bankruptcy Code.
- 1.92. "Professional" means those persons retained pursuant to an order of the Bankruptcy Court in accordance with sections 327 and 1103 of the Bankruptcy Code.
- 1.93. "Pro Rata Distribution" means an optional Distribution made in accordance with section 4.03(c), 4.04(e), or 4.04(i) of the Plan. Each Creditor entitled to receive a portion of a Pro Rata Distribution shall receive such Creditor's Pro Rata Share of such Distribution.
- 1.94. "Pro Rata Share" means, as to the holder of a specific Claim, the ratio that the amount of such holder's Claim bears to the aggregate amount of all Claims included in the particular Class or category in which such holder's Claim is included.
- 1.95. "Refinancing Proceeds" shall, when used in relation to any of the Acis CLOs, have the meaning set forth in the applicable Indenture.
- 1.96. "Rejection Claim" means a Claim arising under section 502(g) of the Bankruptcy Code as a consequence of the rejection of any Executory Contract or Unexpired Lease.
- 1.97. "Reorganized Debtor" refers collectively to the Debtors, as reorganized, acting from and after the Effective Date if the Plan is confirmed based on the terms and provisions herein.
- 1.98. "Reserve" or "Reserves" means any reserves set aside by the Reorganized Debtor pursuant to this Plan, including reserves set aside to fund any Distributions, make payments pursuant to the Plan, or pursue the Estate Claims.
- 1.99. "Schedules" means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors as required by section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such schedules or statements have been or may be subsequently amended.
- 1.100. "Secured Claim" means (a) a Claim secured by a lien on any Assets, which lien is valid, perfected, and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable nonbankruptcy law, and which is duly Allowed, but only to the

extent of the value of the holder's interest in the Collateral that secures payment of the Claim; (b) a Claim against the Debtors that is subject to a valid right of recoupment or setoff under section 553 of the Bankruptcy Code, but only to the extent of the Allowed amount subject to recoupment or setoff as provided in section 506(a) of the Bankruptcy Code; and (c) a Claim deemed or treated under the Plan as a Secured Claim; provided, that, to the extent that the value of such interest is less than the amount of the Claim which has the benefit of such security, the unsecured portion of such Claim shall be treated as a General Unsecured Claim unless, in any such case the Class of which the Claim is a part makes a valid and timely election in accordance with section 1111(b) of the Bankruptcy Code to have such Claim treated as a Secured Claim to the extent Allowed.

1.101. "Secured Tax Claim" means any ad valorem tax Claim that arises or is deemed to have arisen on or before the Petition Date, irrespective of the date on which such Claim is assessed or due.

1.102. "Shared Services Agreement" means that certain Fourth Amended and Restated Shared Services Agreement by and between Acis LP and Highland dated March 17, 2017.

1.103. "Sub-Advisory Agreement" means that certain Third Amended and Restated Sub-Advisory Agreement by and between Acis LP and Highland dated March 17, 2017

1.104. "Subordinated Notes" means the subordinated notes in the Acis CLOs held by HCLOF, and expressly does not include any subordinated notes in the Acis CLOs held by any other party.

1.105. "Substantial Consummation" means the day on which a Creditor first receives a Distribution of any kind under the terms and provisions of the Plan.

1.106. "Taxing Authority" shall include the State of Texas or any subdivision thereof, including without limitation any political subdivision of the State of Texas assessing ad valorem taxes against any of the Assets.

1.107. "Terry" means Joshua N. Terry.

1.108. "Terry Partially Secured Claim" means any Claim asserted against the Debtors by Terry, including as asserted in Proof of Claim No. 1 in both Chapter 11 Cases and Proof of Claim No. 26 against Acis LP.

1.109. "Unclaimed Property" means any cash, Distribution, or any other property of the Debtors unclaimed for a period of one (1) year after the applicable Initial Distribution Date.

1.110. "Unexpired Lease" means any unexpired lease or agreement which is subject to section 365 of the Bankruptcy Code and which is not an Executory Contract.

1.111. "US Bank" means U.S. Bank National Association.

1.112. "Other Acis-Managed Funds" refers collectively to CLO-1, Acis CLO 2013-2, Ltd., Hewitt's Island CLO 1-R, Ltd, and BayVK R2 Lux S.A., SICAV-FIS.

B. Interpretation. Unless otherwise specified, all section, article and exhibit references in the Plan are to the respective section in, article of, or exhibit to, the Plan, as the

same may be amended, waived, or modified from time to time. The headings in the Plan are for convenience and reference only and shall not limit or otherwise affect the provisions hereof. The rules of construction set forth in section 102 of the Bankruptcy Code, other than section 102(5) of the Bankruptcy Code, apply to construction of the Plan. For the purposes of construction of the Plan, “or” is disjunctive.

C. Other Terms. The words “herein,” “hereof,” “hereto,” “hereunder,” and others of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan. References herein to “after notice and hearing” or other similar language shall have the same meaning as in section 102(1) of the Bankruptcy Code. Otherwise, a term used herein that is not specifically defined herein shall have the meaning ascribed to that term, if any, in the Bankruptcy Code.

D. Exhibits and Plan Documents. All Exhibits to the Plan and all Plan Documents are incorporated into the Plan by this reference and are a part of the Plan as if set forth in full herein. Any Plan Documents may be filed with the Clerk of the Bankruptcy Court prior to the commencement of the Confirmation Hearing. Holders of Claims and Interests may obtain a copy of the Plan Documents, once filed, by a written request sent to the following address: Forshey & Prostok, LLP, 777 Main Street, Suite 1290, Fort Worth, Texas 76102, Attention: Linda Breedlove; Fax number (817) 877-4151; email: lbreedlove@forsheyprostok.com.

ARTICLE II.

CLASSIFICATION OF CLAIMS AND INTERESTS

2.01. The following is a designation of the Classes of Claims and Interests under the Plan. Administrative Expenses, Priority Claims of the kinds specified in sections 507(a)(2) and 507(a)(3) of the Bankruptcy Code and Priority Tax Claims have not been classified, are excluded from the following Classes in accordance with section 1123(a)(1) of the Bankruptcy Code, and their treatment is set forth in Article III of the Plan. A Claim shall be deemed classified in a particular Class only to the extent that the Claim qualifies within the description of that Class. A Claim is included in a particular Class only to the extent that the Claim is an Allowed Claim in that Class.

- Class 1 – Secured Tax Claims
- Class 2 – Terry Partially Secured Claim
- Class 3 – General Unsecured Claims
- Class 4 – Insider Claims
- Class 5 – Interests

2.02. Impaired Classes of Claims and Interests. Class 1 is unimpaired. Classes 2 through 5 are Impaired.

2.03. Impairment or Classification Controversies. If a controversy arises as to the classification of any Claim or Interest, or as to whether any Class of Claims or Interests is Impaired under the Plan, the Bankruptcy Court shall determine such controversy as a part of the confirmation process.

ARTICLE III.

TREATMENT OF UNCLASSIFIED CLAIMS

3.01. Administrative Expenses

(a) The Reorganized Debtor shall pay, in accordance with the ordinary business terms applicable to each such expense or cost, the reasonable and ordinary expenses incurred in operating the Debtors' businesses or administering the Estate before the Effective Date ("Ordinary Course Claims"). The remaining provisions of this section 3.01 shall not apply to the Ordinary Course Claims, except that if there is a dispute relating to any such Ordinary Course Claim, the Reorganized Debtor may move the Bankruptcy Court to apply the provisions of Article III below relating to Contested Claims and require the holder of the Contested Ordinary Course Claim to assert such Claim through the Chapter 11 Cases.

(b) Each holder of an Allowed Administrative Expense (other than Ordinary Course Claims and Administrative Expense Claims by Estate Professionals), shall receive (i) the amount of such holder's Allowed Administrative Expense in one Cash payment on the later of the Effective Date or the tenth (10th) Business Day after such Administrative Expense becomes an Allowed Administrative Expense, or (ii) such other treatment as may be agreed to in writing by such Administrative Expense Creditor and the Reorganized Debtor, or as otherwise ordered by the Bankruptcy Court.

(c) Unless the Bankruptcy Court orders to the contrary or the Reorganized Debtor agrees to the contrary in writing, the holder of a Claim for an Administrative Expense, other than such a Claim by an Estate Professional, an Ordinary Course Claim, or an Administrative Expense which is already Allowed, shall file with the Bankruptcy Court and serve upon the Reorganized Debtor and its counsel a written notice of such Claim for an Administrative Expense within thirty (30) days after the Effective Date. This deadline is the "Administrative Bar Date." Such notice shall include at a minimum: (i) the name, address, telephone number and fax number (if applicable) or email address of the holder of such Claim, (ii) the amount of such Claim, and (iii) the basis of such Claim. **Failure to timely and properly file and serve such notice by the Administrative Bar Date shall result in such Claim for an Administrative Expense being forever barred and discharged and the holder thereof shall be barred from receiving any Distribution from the Reorganized Debtor on account of such Claim for an Administrative Expense.**

(d) A Claim for an Administrative Expense, for which a proper notice was filed and served under subsection 3.01(c) above, shall become an Allowed Administrative Expense if no Objection is filed within thirty (30) days of the filing and service of such notice. If a timely Objection is filed, the Claim shall become an Allowed Administrative Expense only to the extent allowed by a Final Order.

(e) The procedures contained in subsections 3.01(a), (c) and (d) above shall not apply to Administrative Expense Claims asserted by Estate Professionals, who shall each file and submit an appropriate final fee application to the Bankruptcy Court no later than sixty (60) days after the Effective Date. A Claim for an Administrative Expense by an Estate Professional in respect of which a final fee application has been properly filed and served shall become an Allowed Administrative Expense only to the extent Allowed by order of the Bankruptcy Court and, if so Allowed, shall be paid in accordance with subsection 3.01(b) above. Professional fees and expenses to any Estate Professional incurred on or after the Effective Date may be paid by the Reorganized Debtor without necessity of application to or order by the Bankruptcy Court.

(f) If the Reorganized Debtor asserts any Estate Claims as counterclaims or defenses to a Claim for Administrative Expense, the Administrative Expense Claim shall be determined through an adversary proceeding before the Bankruptcy Court. The Bankruptcy

Court shall have exclusive jurisdiction to adjudicate and Allow all Claims for any Administrative Expense.

3.02. Priority Non-Tax Claims. Each holder of an Allowed Priority Non-Tax Claim shall receive (i) the amount of such holder's Allowed Priority Non-Tax Payment in one Cash payment on the later of the Effective Date or the tenth (10th) Business Day after such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim and a determination has been made that such Allowed Priority Non-Tax Claim is not subject to equitable subordination under section 510(c) of the Bankruptcy Code, or (ii) such other treatment as may be agreed to in writing by such Administrative Expense Creditor and the Reorganized Debtor, or as otherwise ordered by the Bankruptcy Court.

3.03. Priority Tax Claims. Each holder of an Allowed Priority Tax Claim shall receive (a) one Cash payment in an amount equal to the principal amount of such Allowed Priority Tax Claim, plus interest at the rate and in the manner prescribed by applicable state law from the later of the Petition Date or the first day after the last day on which such Priority Tax Claim may be paid without penalty, no later than sixty (60) days after each such Claim becomes an Allowed Claim, or (b) such other treatment as may be agreed to in writing by the holder of the Priority Tax Claim and the Reorganized Debtor.

3.04. U.S. Trustee's Fees. The Reorganized Debtor shall pay the U.S. Trustee's quarterly fees incurred pursuant to 28 U.S.C. § 1930(a)(6) which are due as of the Confirmation Date in full on the Effective Date or as soon thereafter as is practicable. After the Confirmation Date, the Reorganized Debtor shall continue to pay quarterly fees as they accrue until a final decree is entered and the Chapter 11 Cases are closed. The Reorganized Debtor shall file with the Bankruptcy Court and serve on the U.S. Trustee quarterly financial reports for each quarter, or portion thereof, that the Chapter 11 Cases remain open.

ARTICLE IV. **TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS**

4.01. Class 1 – Secured Tax Claims. Each holder of an Allowed Secured Tax Claim shall receive (a) one Cash payment in an amount equal to the principal amount of such Allowed Secured Tax Claim, plus interest at the rate and in the manner prescribed by applicable state law from the later of the Petition Date or the first day after the last day on which such Secured Tax Claim may be paid without penalty, on the Initial Distribution Date, or (b) such other treatment as may be agreed to in writing by the holder of the Secured Tax Claim and the Reorganized Debtor. The Liens securing such Secured Tax Claims shall remain unimpaired and unaffected until each such Class 1 Claim is paid in full. All Distributions on account of Allowed Class 1 Claims shall be made by the Reorganized Debtor. Class 1 is unimpaired. Holders of Class 1 Claims are conclusively presumed to have accepted the Plan and, accordingly, are not entitled to vote on the Plan.

4.02. Class 2 – Terry Partially Secured Claim. In exchange for a one million dollar (\$1,000,000.00) reduction in the amount of the Terry Partially Secured Claim, Terry shall receive one hundred percent (100%) of the equity interests in the Reorganized Debtor as of the Effective Date. The remaining balance of any Allowed Terry Partially Secured Claim shall be treated and paid as a Class 3 General Unsecured Claim. Class 2 is Impaired. The Holder of the Class 2 Terry Partially Secured Claim is entitled to vote on the Plan.

4.03. Class 3 – General Unsecured Claims.

(a) Each holder of an Allowed General Unsecured Claim shall receive a promissory note issued by the Reorganized Debtor (each an “Unsecured Cash Flow Note”) on the later of (a) that date that is as soon as practicable after the Effective Date, or (b) that date that is as soon as practicable after such holder’s General Unsecured Claim becomes an Allowed Class 3 Claim. Each Unsecured Cash Flow Note shall be dated as of the Effective Date, bear interest at the Plan Rate and shall mature on that date that is the three (3) years after the Effective Date.

(b) To the extent of Available Cash, the Reorganized Debtor shall make substantially equal quarterly Distributions of principal and accrued interest to each holder of an Unsecured Cash Flow Note, with the first such quarterly Distribution being due and payable on the 180th day after the Effective Date. Thereafter, like Distributions shall be made each quarter by the Reorganized Debtor until the Unsecured Cash Flow Note is paid in full. Notwithstanding the foregoing, in the event that an Unsecured Cash Flow Note is first issued more than one hundred eighty (180) days after the Effective Date, the first Distribution made on account of such Unsecured Cash Flow Note shall be made upon the date that the next Distribution would otherwise be due, but such first Distribution shall also include amounts that would have been distributed to the holder of such Unsecured Cash Flow Note had such Unsecured Cash Flow Note been issued prior to ninety (90) days after the Effective Date, such that the first Distribution shall bring all payments current on account of such Unsecured Cash Flow Note. If on any date on which a quarterly Distribution is due to the holder of an Unsecured Cash Flow Note the remaining principal and accrued interest owing on account of such Unsecured Cash Flow Note is less than the regular quarterly Distribution amount, the Reorganized Debtor shall make a Distribution to the holder of such Unsecured Cash Flow Note in an amount sufficient to fully satisfy the remaining principal and accrued interest owed, but no more. Nothing contained herein shall preclude the Reorganized Debtor from prepaying any Unsecured Cash Flow Note.

(c) If the Reorganized Debtor obtains additional Cash, through litigation recoveries or otherwise, and the Reorganized Debtor determines, in its sole discretion, that the Reorganized Debtor holds Available Cash sufficient to allow one or more Pro Rata Distributions to be made to holders of Allowed Class 3 Claims and Allowed Subclass 4A Claims, the Reorganized Debtor may, but shall not be required to, make one or more Pro Rata Distributions to holders of Allowed Class 3 Claims and Allowed Subclass 4A Claims. The amount of the Pro Rata Distribution made to each such holder shall be determined as if Class 3 and Subclass 4A constituted a single Class. Any such additional Distributions shall be applied to reduce the outstanding balance of each holder’s Unsecured Cash Flow Note.

(d) Class 3 is Impaired. Holders of Class 3 Claims are entitled to vote on the Plan.

4.04. Class 4 – Insider Claims. Holders of Class 4 Insider Claims shall be treated as follows:

(a) Class 4 Claims shall be divided into two (2) subclasses. Subclass 4A shall consist of all Allowed Class 4 claims which are not subject to equitable subordination. Subclass 4B shall consist of all Class 4 claims which are determined by the Bankruptcy Court to be subject to equitable subordination. If only a part of a Class 4 Claim is subject to equitable subordination, then the portion of such claim subject to equitable subordination shall be included in Subclass 4B and the remainder not subject to equitable subordination shall be included in Subclass 4A. Subclass 4A and Subclass 4B will vote separately on the Plan, although Subclass 4B is currently an empty class.

(b) All Class 4 Claims (regardless of which subclass) shall be and remain subject to all Estate Defenses and all Estate Claims, including any rights of offset, recoupment, and/or to an affirmative recovery against the Holder of any Class 4 Claim.

(c) Each holder of an Allowed Subclass 4A Claim shall receive an Unsecured Cash Flow Note on the later of (a) that date that is as soon as practicable after the Effective Date, or (b) that date that is as soon as practicable after such holder's Subclass 4A Claim becomes an Allowed Subclass 4A Claim. Each Unsecured Cash Flow Note shall be dated as of the Effective Date, bear interest at the Plan Rate and shall mature on that date that is the three (3) years after the Effective Date.

(d) To the extent of Available Cash, the Reorganized Debtor shall make substantially equal quarterly Distributions of principal and accrued interest to each holder of an Unsecured Cash Flow Note, with the first such quarterly Distribution being due and payable on the 180th day after the Effective Date. Thereafter, like Distributions shall be made each quarter by the Reorganized Debtor until the Unsecured Cash Flow Note is paid in full. Notwithstanding the foregoing, in the event that an Unsecured Cash Flow Note is first issued more than one hundred eighty (180) days after the Effective Date, the first Distribution made on account of such Unsecured Cash Flow Note shall be made upon the date that the next Distribution would otherwise be due, but such first Distribution shall also include amounts that would have been distributed to the holder of such Unsecured Cash Flow Note had such Unsecured Cash Flow Note been issued prior to ninety (90) days after the Effective Date, such that the first Distribution shall bring all payments current on account of such Unsecured Cash Flow Note. If on any date on which a quarterly Distribution is due to the holder of an Unsecured Cash Flow Note the remaining principal and accrued interest owing on account of such Unsecured Cash Flow Note is less than the regular quarterly Distribution amount, the Reorganized Debtor shall make a Distribution to the holder of such Unsecured Cash Flow Note in an amount sufficient to fully satisfy the remaining principal and accrued interest owed, but no more. Nothing contained herein shall preclude the Reorganized Debtor from prepaying any Unsecured Cash Flow Note.

(e) If the Reorganized Debtor obtains additional Cash, through litigation recoveries or otherwise, and the Reorganized Debtor determines, in its sole discretion, that the Reorganized Debtor holds Available Cash sufficient to allow one or more Pro Rata Distributions to be made to holders of Allowed Class 3 Claims and Allowed Subclass 4A Claims, the Reorganized Debtor may, but shall not be required to, make one or more Pro Rata Distributions to holders of Allowed Class 3 Claims and Allowed Subclass 4A Claims. The amount of the Pro Rata Distribution made to each such holder shall be determined as if Class 3 and Subclass 4A constituted a single Class. Any such additional Distributions shall be applied to reduce the outstanding balance of each holder's Unsecured Cash Flow Note.

(f) Unless otherwise provided by Order of the Bankruptcy Court, holders of Allowed Subclass 4B claims shall not be entitled to any Distribution from the Reorganized Debtor until all Allowed Claims included in Classes 1 through 3 and Subclass 4A, including all Unsecured Cash Flow Notes, have been paid in full.

(g) Holders of Allowed Subclass 4B Claims shall receive a subordinated promissory note issued by the Reorganized Debtor ("Subordinated Unsecured Cash Flow Note") on the later of (a) that date that is as soon as practicable after the Effective Date, or (b) that date that is as soon as practicable after such holder's Subclass 4A Claim becomes an Allowed Subclass 4A Claim. Each Subordinated Unsecured Cash Flow Note shall be dated as of the Effective Date, bear interest at the Plan Rate and shall mature on the earlier to occur of (i) the date that is two

(2) years after the date all Unsecured Cash Flow Notes have been paid in full, or (ii) five (5) years after the Effective Date.

(h) To the extent of Available Cash, the Reorganized Debtor shall make substantially equal quarterly Distributions of principal and accrued interest to each holder of a Subordinated Unsecured Cash Flow Note, with the first such quarterly Distribution being due and payable on the 90th day after the payment in full of the Unsecured Cash Flow Notes. Thereafter, like Distributions shall be made each quarter by the Reorganized Debtor until the Subordinated Unsecured Cash Flow Note is paid in full. Notwithstanding the foregoing, in the event that a Subordinated Unsecured Cash Flow Note is first issued after payments have been made on one or more other Subordinated Unsecured Cash Flow Notes, the first Distribution made on account of such Subordinated Unsecured Cash Flow Note shall be made upon the date that the next Distribution would otherwise be due, but such first Distribution shall also include amounts that would have been distributed to the holder of such Subordinated Unsecured Cash Flow Note had such Subordinated Unsecured Cash Flow Note been issued at the time the first payment on any Subordinated Unsecured Cash Flow Note was made, such that the first Distribution shall bring all payments current on account of such Subordinated Unsecured Cash Flow Note. If on any date on which a quarterly Distribution is due to the holder of a Subordinated Unsecured Cash Flow Note the remaining principal and accrued interest owing on account of such Subordinated Unsecured Cash Flow Note is less than the regular quarterly Distribution amount, the Reorganized Debtor shall make a Distribution to the holder of such Subordinated Unsecured Cash Flow Note in an amount sufficient to fully satisfy the remaining principal and accrued interest owed, but no more. Nothing contained herein shall preclude the Reorganized Debtor from prepaying any Subordinated Unsecured Cash Flow Note.

(i) Subject to section 4.04(f) above, if the Reorganized Debtor obtains additional Cash, through litigation recoveries or otherwise, and the Reorganized Debtor determines, in its sole discretion, that the Reorganized Debtor holds Available Cash sufficient to allow one or more Pro Rata Distributions to be made to holders of Allowed Subclass 4B Claims, the Reorganized Debtor may, but shall not be required to, make one or more Pro Rata Distributions to holders of Allowed Subclass 4B Claims. Any such additional Distributions shall be applied to reduce the outstanding balance of each holder's Subordinated Unsecured Cash Flow Note.

(j) The Reorganized Debtor may establish appropriate Reserves as to any Contested Claim included in Class 4.

(k) Class 4 is Impaired. Holders of Class 4 Claims are entitled to vote on the Plan.

4.05. Class 5 – Interests. All Interests in the Debtors shall be extinguished and shall cease to exist as of the Effective Date. The holders of such Interests shall not receive or retain any property on account of such Interests under the Plan. Class 5 is Impaired. Holders of Class 5 Interests are conclusively presumed to have rejected the Plan and, accordingly, are not entitled to vote on the Plan.

ARTICLE V. ACCEPTANCE OR REJECTION OF THE PLAN

5.01. Classes Entitled to Vote. Creditors in Classes 2 through 4 are entitled to vote and shall vote separately to accept or reject the Plan. Any unimpaired Class shall not be entitled to vote to accept or reject the Plan. Any unimpaired Class is deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code.

5.02. Class Acceptance Requirement. A Class of Claims shall have accepted the Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have voted on the Plan.

5.03. Cramdown. This section shall constitute the request by the Plan proponent, pursuant to section 1129(b) of the Bankruptcy Code, that the Bankruptcy Court confirm the Plan notwithstanding the fact that the requirements of section 1129(a)(8) of the Bankruptcy Code have not been met.

ARTICLE VI.

MEANS FOR IMPLEMENTATION OF THE PLAN

6.01. Vesting of Assets. As of the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all Assets, including the PMAs, all Cash, Estate Accounts Receivable, Estate Insurance, Estate Claims and Estate Defenses, shall be transferred from the Estate to, and vested in, the Reorganized Debtor, free and clear of all rights, title, interests, claims, liens, encumbrances and charges, except as expressly set forth in the Plan. On and after the Effective Date, the Reorganized Debtor may operate its business and may use, acquire or dispose of property without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or the Confirmation Order. Without limiting the foregoing, the Reorganized Debtor may pay the charges that it incurs on or after the Effective Date for all fees, disbursements, expenses or related support services of Professionals (including fees relating to the preparation of professional fee applications) without application to, or approval of, the Bankruptcy Court.

6.02. Continued Existence of the Debtors. The Debtors shall continue to exist after the Effective Date, with all the powers available to such legal entities, in accordance with applicable law and pursuant to their constituent documents. On or after the Effective Date, each Reorganized Debtor may, within its sole and exclusive discretion, take such action as permitted by applicable law and its constituent documents as it determines is reasonable and appropriate.

6.03. Retention and Assertion of Causes of Action and Defenses.

(a) Except as expressly set forth in this Plan, all causes of action, claims, counterclaims, defenses and rights of offset or recoupment (including but not limited to all Estate Claims, Estate Defenses and Avoidance Actions) belonging to the Debtors (collectively, the "Retained Causes of Action") shall, upon the occurrence of the Effective Date, be reserved, retained and preserved for, and transferred to, received by and vested, in the Reorganized Debtor for the benefit of the Debtors and the Debtors' estates. Without limitation, the Retained Causes of Action include the claims and causes of action described on **Exhibit A** attached hereto.

(b) Except as expressly set forth in this Plan, the rights of the Reorganized Debtor to commence, prosecute or settle the Retained Causes of Action shall be retained, reserved, and preserved notwithstanding the occurrence of the Effective Date. **No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any cause of action against them as any indication that the Debtors or the Reorganized Debtor will not pursue any and all available causes of action (including all Estate Claims, Estate Defenses and Avoidance Actions) against them. The Debtors and their Estate expressly reserve all rights to prosecute any and all of the Retained Causes of Action (including all**

Estate Claims, Estate Defenses and Avoidance Actions) against any Person, except as otherwise provided in this Plan. Unless any causes of action against a Person are expressly waived, relinquished, exculpated, released, compromised or settled in this Plan or a Final Order, the Debtors expressly reserve all causes of action (including all Estate Claims, Estate Defenses and Avoidance Actions) for later adjudication, and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such causes of action upon or after the confirmation or consummation of the Plan. The Debtors and the Reorganized Debtor may also assert Estate Defenses as a defense to the allowance of any Claim not otherwise Allowed.

6.04. Assumption of Obligations to Make Distributions. The Reorganized Debtor shall be deemed to have assumed the obligations to make all Distributions pursuant to this Plan.

6.05. Actions by the Debtors and the Reorganized Debtor to Implement Plan. The entry of the Confirmation Order shall constitute all necessary authorization for the Debtors and the Reorganized Debtor to take or cause to be taken all actions necessary or appropriate to consummate, implement or perform all provisions of this Plan on and after the Effective Date, and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without further approval, act or action under any applicable law, order, rule or regulation, including without limitation, (a) all transfers of Assets, including to the Reorganized Debtor, that are to occur pursuant to the Plan; (b) the cancellation of Interests and issuance of 100% of the equity interests in the Reorganized Debtor to Terry; (c) the performance of the terms of the Plan and the making of all Distributions required under the Plan; and (d) subject to the terms of the Plan, entering into any and all transactions, contracts, or arrangements permitted by applicable law, order, rule or regulation.

6.06. Termination of Highland as Shared Services Provider and Sub-Advisor. The Bankruptcy Court authorized the Chapter 11 Trustee to terminate the Shared Services Agreement and Sub-Advisory Agreement and engage Brigade to perform the services previously provided by Highland. The Shared Services Agreement and Sub-Advisory Agreement were terminated by the Chapter 11 Trustee on or about August 1, 2018, and the services previously performed by Highland were transitioned to Brigade on an interim basis. Brigade has agreed to continue to provide shared services and sub-advisory services to the Reorganized Debtor with respect to the Acis CLOs and the Other Acis-Managed Funds (and any reset Acis CLOs) subject to a minimum two (2) year term unless otherwise agreed as between the Reorganized Debtor and Brigade. Consequently, any agreement between the Reorganized Debtor and Brigade shall provide that Brigade cannot be removed without cause for a period of two (2) years except as may be otherwise agreed as between the Reorganized Debtor and Brigade.

6.07. Continued Portfolio Management by the Reorganized Debtor. The PMAs and any other Executory Contracts and Unexpired Leases identified on Exhibit B to the Plan or in the Confirmation Order shall be assumed and the Reorganized Debtor shall, from and after the Effective Date, serve as the portfolio manager with respect to the Acis CLOs and the Other Acis-Managed Funds (and any reset Acis CLOs). Consistent with Section 15 of the PMAs, the Reorganized Debtor may only be removed as portfolio manager under the assumed PMAs for cause as set forth in the PMAs.

6.08. Reset of the Acis CLOs. HCLOF has maintained that it desires to reset the Acis CLOs. The Reorganized Debtor, with the assistance of Brigade as its shared services provider and sub-advisor, is prepared to promptly seek to perform such reset transactions as set forth herein.

HCLOF shall have the right to submit one or more notice(s) of Optional Redemption solely for the purpose of effectuating a reset of one or more of the Acis CLOs under this section 6.08 of the Plan utilizing Refinancing Proceeds (a "Reset Optional Redemption") for each of the Acis CLOs. If HCLOF requests a Reset Optional Redemption of an Acis CLO, the Reorganized Debtor, with the assistance of Brigade, shall thereafter seek to reset the Acis CLOs, either consecutively or simultaneously, in its good faith business judgment and consistent with then-prevailing market terms; *provided, however*, (i) the Management Fees to be charged by the Reorganized Debtor to any reset Acis CLOs shall remain the same going forward and shall not be increased, and no transaction fee shall be charged by the Reorganized Debtor (other than, for avoidance of doubt, transaction expense reimbursements consistent with market standards), and (ii) HCLOF shall be granted a right of first refusal for any funding of debt or equity required to effectuate a reset of each of the Acis CLOs. The terms of the Indentures shall control any Reset Optional Redemption. If HCLOF elects not to reset one or more of the Acis CLOs, then the Acis CLOs will continue to be managed in accordance with market standards.

6.09. Post-Effective Date Service List. Pleadings filed by any party-in-interest with the Bankruptcy Court after the Effective Date shall be served on the following Persons (collectively the "Service List"): (a) any Person directly affected by the relief sought in the pleading, (b) the U.S. Trustee, (c) parties which have filed a Notice of Appearance in the Chapter 11 Cases, and (d) the Reorganized Debtor.

6.10. Section 505 Powers. All rights and powers pursuant to section 505 of the Bankruptcy Code are hereby reserved to the Estate and shall be transferred to, and vested in, the Reorganized Debtor as of the Effective Date.

6.11. Section 510(c) Powers. All rights and powers to seek or exercise any right or remedy of equitable subordination are hereby reserved to the Estate and shall be transferred to, and vested in, the Reorganized Debtor as of the Effective Date as an Estate Defense.

6.12. Section 506(c) Powers. The Estate hereby reserves all rights and powers pursuant to section 506(c) of the Bankruptcy Code, and all such rights shall be specifically transferred to, and vested in, the Reorganized Debtor.

6.13. Plan Injunction. The Reorganized Debtor shall each have full power, standing and authority to enforce the Plan Injunction against any Person, either through an action before the Bankruptcy Court or any other tribunal having appropriate jurisdiction.

6.14. Cancellation of Interests. Except as otherwise specifically provided herein, upon the Effective Date of the Plan: (a) all Interests in the Debtors shall be cancelled; and (b) all obligations or debts of, or Claims against, the Debtors on account of, or based upon, the Interests shall be deemed as cancelled, released and discharged, including all obligations or duties by the Debtors relating to the Interests in any of their respective formation documents, including Acis LP's limited partnership agreement and bylaws, Acis GP's articles of formation and company agreement, or any similar formation or governing documents.

ARTICLE VII.

PROVISIONS GOVERNING DISTRIBUTION

7.01. Distributions from Reorganized Debtor. The Reorganized Debtor shall be responsible for making Distributions to holders of Allowed Claims only to the extent this Plan requires Distributions to be made by the Reorganized Debtor. The priority of Distributions from the

Reorganized Debtor shall be in accordance with the terms of this Plan and the Confirmation Order as follows:

- (a) First, to satisfy Allowed Class 1 Secured Tax Claims;
- (b) Second, to satisfy Allowed Administrative Expenses and Allowed Priority Claims in accordance with Article III above, including all U.S. Trustee quarterly fees due and owing as of the Effective Date;
- (c) Third, to make Distributions to holders of any Allowed Class 3 General Unsecured Claims and Allowed Subclass 4A Claims; and
- (e) Fourth, to make Distributions to holders of any Allowed Subclass 4B Claims

7.02. Reserves. The Reorganized Debtor may estimate, create and set aside Reserves as may be necessary or appropriate, including without limitation, Reserves on account of Contested Claims. The Reorganized Debtor may, but shall not be required to, move the Bankruptcy Court to approve: (a) the amount of, and terms on which, such Reserves shall be held, maintained and disbursed, or (b) the amount and timing of any proposed interim Distribution to holders of Allowed Class 3 Claims and Allowed Subclass 4A Claims. The Reorganized Debtor may elect to seek approval by the Bankruptcy Court for the creation and amount of any Reserves or regarding the amount or timing of any Distribution on account of any Allowed Claims. Except as otherwise expressly provided herein, the Reorganized Debtor, in the exercise of its good faith business judgment, may transfer funds out of any of the Reserves as necessary or appropriate. However, the Reorganized Debtor shall not be required to create separate accounts for such Reserves which may be created and memorialized by entries or other accounting methodologies, which may be revised from time-to-time, to enable the Reorganized Debtor to determine the amount of Cash available for Distributions under the Plan. Subject to any specific deadlines set forth herein, the Reorganized Debtor, shall determine, from time-to-time, in the exercise of the Reorganized Debtor's good faith business judgment: (x) the amount of Cash available for Distribution, (y) the timing of any Distributions, and (z) the amount and creation of any Reserves for Contested Claims. The Reorganized Debtor shall not be entitled to reserve for, and this section 7.02 does not apply to, Distributions to holders of Allowed Subclass 4B Claims.

7.03. Prosecution and Settlement of Estate Claims. Upon the Effective Date, the Reorganized Debtor (a) shall automatically be substituted in place of the Chapter 11 Trustee as the party representing the Estate in respect of any pending lawsuit, motion or other pleading pending before the Bankruptcy Court or any other tribunal, and (b) is authorized to file a notice on the docket of each adversary proceeding or the Chapter 11 Cases regarding such substitution. The Reorganized Debtor shall have exclusive standing and authority to prosecute, settle or compromise Estate Claims for the benefit of the Estate in the manner set forth in this Plan.

7.04. Plan Injunction. The Reorganized Debtor shall be entitled to the full protection and benefit of the Plan Injunction and shall have standing to bring any action or proceeding necessary to enforce the Plan Injunction against any Person.

7.05. Relief from the Bankruptcy Court. The Reorganized Debtor shall be authorized to seek relief from the Bankruptcy Court or any other tribunal having jurisdiction as to any matter relating or pertaining to the consummation, administration or performance of this Plan, including without

limitation seeking any relief from the Bankruptcy Court which the Reorganized Debtor deems necessary or appropriate to the performance of its duties or the administration of this Plan.

ARTICLE VIII.

SOURCE OF DISTRIBUTIONS

8.01. Source of Distributions. All Distributions under this Plan shall be made by the Reorganized Debtor in the manner provided in this Plan and the Confirmation Order.

8.02. Timing and Amount of Distributions. No Distribution shall be made on account of any Claim until such Claim is Allowed, except as otherwise set forth in this Plan or otherwise ordered by the Bankruptcy Court. No Distribution shall be made on account of any Contested Claim until such Claim is Allowed. Except as expressly set forth in the Plan or in the Confirmation Order, the Reorganized Debtor shall, in the exercise of its good faith business judgment, determine the timing and amount of all Distributions which are required to be made under the Plan, consistent with the goal of making such Distributions as expeditiously as reasonably possible. The Reorganized Debtor may, but shall not be required to, seek approval of, or any other appropriate relief from, the Bankruptcy Court with respect to any of such Distributions. Any Unclaimed Property may be paid into the registry of the Bankruptcy Court or otherwise distributed in accordance with the orders of the Bankruptcy Court.

8.03. Means of Cash Payment. Cash payments pursuant to this Plan shall be made by check drawn on, or by wire transfer from, a domestic bank, or by other means agreed to by the payor and payee.

8.04. Record Date for Distributions. As of the close of business on the Effective Date (the "Distribution Record Date"), the register for Claims will be closed, and there shall be no further changes in the holders of record of any Claims. Although there is no prohibition against the transfer of any Claim by any Creditor, the Reorganized Debtor shall have no obligation to recognize any transfer of a Claim occurring after the Distribution Record Date, and the Reorganized Debtor shall instead be authorized and entitled to recognize and deal for all purposes under this Plan, including for the purpose of making all Distributions, with only those holders of Claims so reflected as of the Distribution Record Date. However, the Reorganized Debtor may, in the exercise of its good faith business judgment, agree to recognize transfers of Claims after the Distribution Record Date, but shall have no obligation to do so.

8.05. Delivery of Distributions. All Distributions, deliveries and payments to the holders of any Allowed Claims shall be made to the addresses set forth on the respective proofs of Claim filed in the Chapter 11 Cases by such Claimants or, if the Distribution is to be made based on a Claim reflected as Allowed in the Schedules, at the address reflected in the Schedules. Any such Distribution, delivery or payment shall be deemed as made for all purposes relating to this Plan when deposited in the United States Mail, postage prepaid, addressed as required in the preceding sentence. If any Distribution is returned as undeliverable, no further Distribution shall be made on account of such Allowed Claim unless and until the Reorganized Debtor is notified of such holder's then current address, at which time all missed Distributions shall be made to the holder of such Allowed Claim. However, all notices to the Reorganized Debtor reflecting new or updated addresses for undeliverable Distributions shall be made on or before one hundred twenty (120) days after the date of the attempted Distribution or such longer period as the Reorganized Debtor may fix in the exercise of its sole discretion. After such date, all Unclaimed Property shall revert to the Reorganized Debtor and the Claim of any holder with respect to such property shall be discharged and forever barred.

8.06. W-9 Forms. Each holder of an Allowed Claim must provide a W-9 form or other such necessary information to comply with any withholding requirements of any Governmental Unit (collectively the "W-9 Form") to the Reorganized Debtor prior to receiving any Distribution from the Reorganized Debtor. In the event a holder of an Allowed Claim does not provide a W-9 Form to the Reorganized Debtor within thirty (30) days of the Effective Date, the Reorganized Debtor shall, at an appropriate time, issue a written request to each holder of an Allowed Claim that has not previously provided a W-9 Form to the Reorganized Debtor. The request shall be in writing and shall be delivered to the last address known to the Debtors or Reorganized Debtor, as appropriate. The request shall conspicuously advise and disclose that failure to provide a W-9 Form to the Reorganized Debtor within thirty (30) days shall result in a waiver of any right or rights to a Distribution from the Reorganized Debtor. In the event any holder of an Allowed Claim fails to provide the Reorganized Debtor with a W-9 Form within thirty (30) days after the date of written request described herein, then the holder of such Allowed Claim shall be deemed to have waived the right to receive any Distribution whatsoever from the Reorganized Debtor.

8.07. Time Bar to Cash Payments. Checks issued in respect of Allowed Claims shall be null and void if not cashed within ninety (90) days of the date of issuance thereof. Requests for reissuance of any check shall be made directly to the issuer of the check by the holder of the Allowed Claim with respect to which such check originally was issued. Any Claim in respect of such a voided check shall be made on or before one hundred twenty (120) days after the date of issuance of such check or such longer period as the Reorganized Debtor may fix. After such date, all Claims in respect of void checks shall be discharged and forever barred.

8.08. Cure Period. Except as otherwise set forth herein, the failure by the Reorganized Debtor to timely perform any term, provision or covenant contained in this Plan, or to make any payment or Distribution required by this Plan to any Creditor, or the failure to make any payment or perform any covenant on any note, instrument or document issued pursuant to this Plan, shall not constitute an event of default unless and until the Reorganized Debtor has been given thirty (30) days written notice of such alleged default in the manner provided in this Plan, and provided an opportunity to cure such alleged default. Until the expiration of such thirty (30) day cure period, the Reorganized Debtor shall not be in default, and performance during such thirty (30) day cure period shall be deemed as timely for all purposes. Such written notice and passage of the thirty (30) day cure period shall constitute conditions precedent to declaring or claiming any default under this Plan or bringing any action or legal proceeding by any Person to enforce any right granted under this Plan.

8.09. Pre-Payment of Claims. Unless the Plan expressly prohibits or conditions the pre-payment of an Allowed Claim, the Reorganized Debtor may pre-pay any Allowed Claim in whole or in part at any time and may do so without penalty.

8.10. Distributions after Substantial Consummation. All Distributions of any kind made to any Creditor after Substantial Consummation and any and all other actions taken under this Plan after Substantial Consummation shall not be subject to relief, reversal or modification by any court unless the implementation of the Confirmation Order is stayed by an order granted under Bankruptcy Rule 8005.

ARTICLE IX.
RETENTION OF ESTATE CLAIMS AND ESTATE DEFENSES.

9.01. Retention of Estate Claims. Except as otherwise specifically provided in this Plan, pursuant to section 1123(b)(3) of the Bankruptcy Code, all Estate Claims shall be transferred to, and vested in, the Reorganized Debtor, both for purposes of seeking an affirmative recovery against any Person and for the purposes of offset, recoupment or defense against any Claim asserted against the Estate or Reorganized Debtor. All Estate Claims shall be deemed to have been transferred to, and vested in, the Reorganized Debtor as of the Effective Date based on the entry of the Confirmation Order.

Without limiting the effectiveness or generality of the foregoing reservation, out of an abundance of caution, the Debtors and the Estate hereby specifically reserves, retains, and preserves the Estate Claims reflected in the attached **Exhibit A**. Reference is here made to **Exhibit A** which constitutes an integral part of this Plan. The provisions of this Article of the Plan, as well as the descriptions and disclosures relating to the Estate Claims in the Disclosure Statement, are provided in the interest of providing maximum disclosure of the Estate Claims of which Debtors are presently aware and shall not act as a limitation on the potential Estate Claims that may exist. It is the specific intention of this Plan that all Avoidance Actions and all associated remedies, and any other Estate Claims, whether arising before or after the Petition Date, and whether arising under the Bankruptcy Code or applicable state or federal non-bankruptcy laws, shall all be reserved, retained and preserved under this Plan to be transferred to, and vested in, the Reorganized Debtor. All Estate Claims are reserved, retained and preserved both as causes of action for an affirmative recovery and as counterclaims and for the purposes of offset or recoupment against any Claims asserted against the Estate.

9.02. Retention of Estate Defenses. Except as otherwise specifically provided in this Plan, pursuant to section 1123(b)(3) of the Bankruptcy Code, all Estate Defenses shall be transferred to, and vested in, the Reorganized Debtor. For this purpose, all Estate Defenses are hereby reserved, retained and preserved by the Debtors and the Estate, including without limitation all such Estate Defenses available to the Estate pursuant to section 558 of the Bankruptcy Code, and shall be deemed as transferred to, and vested in, the Reorganized Debtor as of the Effective Date based on the entry of the Confirmation Order.

9.03. Assertion of Estate Claims and Estate Defenses. The Reorganized Debtor shall have, and be vested with, the exclusive right, authority and standing to assert all Estate Claims and Estate Defenses for the benefit of the Reorganized Debtor.

ARTICLE X.
PROCEDURES FOR RESOLVING AND TREATING
CONTESTED AND CONTINGENT CLAIMS

10.01. Claims Listed in Schedules as Disputed. Any General Unsecured Claim which is listed in the Schedules as unliquidated, contingent or disputed, and for which no proof of Claim has been timely filed, shall be considered as Disallowed as of the Effective Date without the necessity of any further action by the Reorganized Debtor or further order of the Bankruptcy Court other than the entry of the Confirmation Order.

10.02. Responsibility for Objecting to Claims and Settlement of Claims. The Reorganized Debtor shall have the exclusive standing and authority to either object to any Claim or settle and compromise any Objection to any Claim, including as follows:

(a) From and after the Effective Date, the Reorganized Debtor shall have the sole and exclusive right to (i) file, settle, or litigate to Final Order any Objections to any Claims; and (ii) seek to subordinate any Claim. Any Contested Claim may be litigated to Final Order by the Reorganized Debtor; and

(b) From and after the Effective Date, the Reorganized Debtor shall have the sole and exclusive right to settle, compromise or otherwise resolve any Contested Claim without the necessity of any further notice or approval of the Bankruptcy Court. Bankruptcy Rule 9019 shall not apply to any settlement or compromise of a Contested Claim after the Effective Date.

10.03. Objection Deadline. All Objections to Claims shall be served and filed by the Objection Deadline; provided, however, the Objection Deadline shall not apply to Claims which are not reflected in the claims register, including any alleged informal proofs of Claim. The Reorganized Debtor may seek to extend the Objection Deadline pursuant to a motion filed on or before the then applicable Objection Deadline with respect to any Claim. Any such motion may be granted without notice or a hearing. In the event that the Reorganized Debtor files such a motion and the Bankruptcy Court denies such motion, the Objection Deadline shall nevertheless be automatically extended to that date which is ten (10) Business Days after the date of entry of the Bankruptcy Court's order denying such motion. Any proof of Claim other than one based upon a Rejection Claim and which is filed more than thirty (30) days after the Effective Date shall be of no force and effect and need not be objected to by the Reorganized Debtor. Nothing contained herein shall limit the right of the Reorganized Debtor to object to Claims, if any, filed or amended after the Objection Deadline.

10.04. Response to Claim Objection. If the Reorganized Debtor files an Objection to any Claim, then the holder of such Claim shall file a written response to such Objection within twenty-four (24) days after the filing and service of the Objection upon the holder of the Contested Claim. Each such Objection shall contain appropriate negative notice advising the Creditor whose Claim is subject to the Objection of the requirement and time period to file a response to such Objection and that, if no response is timely filed to the Objection, the Bankruptcy Court may enter an order that such Claim is Disallowed without further notice or hearing. The negative notice language in the Objection shall satisfy the notice requirement in section 3007(a) of the Bankruptcy Rules, and the Reorganized Debtor shall not be required to send a separate notice of the Objection to the Creditor whose Claim is subject to the Objection.

10.05. Distributions on Account of Contested Claims. If a Claim is Contested, then the dates for any Distributions as to such Contested Claim shall be determined based upon its date of Allowance, and thereafter Distribution shall be made on account of such Allowed Claim pursuant to the provisions of the Plan. No Distribution shall be made on account of a Contested Claim until Allowed. Until such time as a contingent Claim becomes fixed and absolute by a Final Order Allowing such Claim, such Claim shall be treated as a Contested Claim for purposes of estimates, allocations, and Distributions under the Plan. Any contingent right to contribution or reimbursement shall continue to be subject to section 502(e) of the Bankruptcy Code.

10.06. No Waiver of Right to Object. Except as expressly provided in this Plan, nothing contained in the Disclosure Statement, this Plan, or the Confirmation Order shall waive, relinquish, release or impair the Reorganized Debtor's right to object to any Claim.

10.07. Offsets and Defenses. The Reorganized Debtor shall be vested with and retain all Estate Claims and Estate Defenses, including without limitation all rights of offset or recoupment and all counterclaims against any Claimant holding a Claim. Assertion of counterclaims by the

Reorganized Debtor against any Claim asserted against the Estate or Reorganized Debtor shall constitute "core" proceedings.

10.08. Claims Paid or Reduced Prior to Effective Date. Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated and not contingent shall be reduced by the amount, if any, that was paid by the Debtors prior to the Effective Date, including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Schedules, such Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in the Plan shall preclude the Debtors or the Reorganized Debtor from paying Claims that the Debtors were authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Confirmation Date.

ARTICLE XI.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

11.01. Assumption and Rejection of Executory Contracts. All Executory Contracts and Unexpired Leases of the Debtors shall be deemed rejected by the Debtors upon the Effective Date unless an Executory Contract or Unexpired Lease (a) has been previously assumed or rejected pursuant to an order of the Bankruptcy Court, (b) is identified in **Exhibit B** to this Plan and/or the Confirmation Order to be (i) assumed or (ii) assumed and assigned, or (c) is the subject of a motion to assume filed on or before the Confirmation Date. The Plan shall constitute a motion to reject all Executory Contracts and Unexpired Leases except as stated in this paragraph. However, the Debtors may file a separate motion for the assumption or rejection of any Executory Contract or Unexpired Lease at any time through the Confirmation Date.

11.02. Cure Payments. All payments that may be required by section 365(b)(1) of the Bankruptcy Code to satisfy any Cure Claim shall be made by the Reorganized Debtor as soon as reasonably practical after the Effective Date or upon such terms as may be otherwise agreed between the Reorganized Debtor and the holder of such Cure Claim; *provided, however*, in the event of a dispute regarding the amount of any Cure Claim, the cure of any other defaults, or any other matter pertaining to assumption or assignment of an Executory Contract, the Reorganized Debtor shall make such cure payments and cure such other defaults, all as may be required by section 365(b)(1) of the Bankruptcy Code, following the entry of a Final Order by the Bankruptcy Court resolving such dispute.

11.03. Bar to Rejection Claims. Except as otherwise ordered by the Bankruptcy Court, any Rejection Claim based on the rejection of an Executory Contract or Unexpired Lease shall be forever barred and shall not be enforceable against the Reorganized Debtor or the Reorganized Debtor's assets unless a proof of Claim is filed with the Bankruptcy Court and served upon the Reorganized Debtor and its counsel by the earlier of thirty (30) days after the Effective Date or thirty (30) days after entry of the Final Order approving rejection of such Executory Contract or Unexpired Lease.

11.04. Rejection Claims. Any Rejection Claim not barred by section 11.03 of the Plan shall be classified as a Class 3 General Unsecured Claim subject to the provisions of sections 502(b)(6) and 502(g) of the Bankruptcy Code; *provided, however*, that any Rejection Claim by a lessor based upon the rejection of an unexpired lease of real property, either prior to the Confirmation Date, upon the entry of the Confirmation Order, or upon the Effective Date, shall be limited in accordance with section 502(b)(6) of the Bankruptcy Code and state law mitigation requirements. All Rejection Claims shall be deemed as Contested Claims until Allowed. Nothing contained herein shall be deemed an admission by the Debtors or the Reorganized

Debtor that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Debtors or the Reorganized Debtor of any objections or defenses to any such Rejection Claim if asserted.

11.05. Reservation of Rights. Nothing contained in the Plan shall constitute an admission by the Debtors that any contract or lease is in fact an Executory Contract or Unexpired Lease or that the Debtors or the Reorganized Debtor have any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Reorganized Debtor shall have thirty (30) days following entry of a Final Order resolving such dispute to alter the treatment of such contract or lease.

ARTICLE XII.

SUBSTANTIVE CONSOLIDATION OF THE DEBTORS

12.01. Pursuant to the Confirmation Order, the Bankruptcy Court shall approve the substantive consolidation of the Debtors for the sole purposes of implementing the Plan, including for purposes of voting and Distributions to be made under the Plan. Pursuant to such order: (a) all assets and liabilities of the Debtors will be deemed merged; (b) all guarantees by one Debtor of the obligations of the other Debtor will be deemed eliminated so that any Claim against any Debtor and any guarantee thereof executed by the other Debtor and any joint or several liability of the Debtors will be deemed to be one obligation of the consolidated Debtors; and (c) each and every Claim filed or to be filed in the Chapter 11 Case of either Debtor will be deemed filed against the consolidated Debtors and will be deemed one Claim against and a single obligation of the consolidated Debtors.

ARTICLE XIII.

CONDITIONS PRECEDENT TO CONFIRMATION AND EFFECTIVENESS OF PLAN

13.01. Conditions to Confirmation and Effectiveness of Plan. The Plan shall not become effective until the following conditions shall have been satisfied and which may occur concurrently with the Effective Date: (a) the Confirmation Order shall have been entered, in form and substance acceptable to the Chapter 11 Trustee; (b) the necessary Plan Documents have been executed and delivered, and (c) all other conditions specified by the Chapter 11 Trustee have been satisfied. Any or all of the above conditions other than (a) may be waived at any time by the Chapter 11 Trustee.

13.02. Notice of the Effective Date. On or as soon as reasonably practical after the occurrence of the Effective Date, the Reorganized Debtor shall cause a notice of the Effective Date to be filed with the Bankruptcy Court and served on all Creditors and parties-in-interest.

13.03. Revocation of Plan. The Chapter 11 Trustee may revoke and withdraw the Plan at any time before the Effective Date. If the Chapter 11 Trustee revokes or withdraws the Plan, or if confirmation of the Plan does not occur, then this Plan shall be deemed null and void and nothing contained in the Plan shall be deemed to constitute a waiver or release of any Claims by or against the Debtors, as the case may be, or any other Person, or to prejudice in any manner the rights of the Debtors or any other Person in any further proceedings involving the Debtors.

ARTICLE XIV.
EFFECT OF THE PLAN ON CLAIMS AND INTERESTS

14.01. Compromise and Settlement

(a) Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration of the classification, potential Distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Interests and controversies subject to, or dealt with, under this Plan, including, without limitation, all Claims against the Debtors or Estate arising prior to the Effective Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, fixed or contingent, arising out of, relating to or in connection with the business or affairs of, or transactions with, the Debtors or the Estate. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements embodied in this Plan, and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interest of the Debtors, the Estate, Creditors and other parties-in-interest, and are fair, equitable and within the range of reasonableness. The rights afforded in the Plan and the treatment of all Claims and Interests herein shall be in exchange for, and in complete satisfaction and release of, all Claims and Interests of any nature whatsoever against and in the Debtors, the Estate, and the Assets. Except as otherwise provided herein, all Persons shall be precluded and forever barred by the Plan Injunction from asserting against the Debtors and their affiliates, successors, assigns, the Reorganized Debtor or the Reorganized Debtor's Assets, or the Estate, any event, occurrence, condition, thing, or other or further Claims or causes of action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date.

(b) It is not the intent of this Plan that confirmation of the Plan shall in any manner alter or amend any settlement and compromise (including those contained in agreed orders) between the Debtors and any Person that has been previously approved by the Bankruptcy Court (each, a "Prior Settlement"). To the extent of any conflict between the terms of the Plan and the terms of any Prior Settlement, the terms of the Prior Settlement shall control and such Prior Settlement shall be enforceable according to its terms.

14.02. Discharge. The Debtors and their successors in interest and assigns shall be deemed discharged and released pursuant to section 1141(d)(1) of the Bankruptcy Code from any and all Claims provided for in the Plan.

14.03. **PLAN INJUNCTION.**

THIS SECTION IS REFERRED TO HEREIN AS THE "PLAN INJUNCTION." EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, AS OF THE EFFECTIVE DATE ALL HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTORS, THE ESTATE OR ANY OF THE ASSETS THAT AROSE PRIOR TO THE EFFECTIVE DATE ARE HEREBY PERMANENTLY ENJOINED AND PROHIBITED FROM THE FOLLOWING: (a) THE COMMENCING OR CONTINUATION IN ANY MANNER, DIRECTLY OR INDIRECTLY, OF ANY ACTION, CASE, LAWSUIT OR OTHER PROCEEDING OF ANY TYPE OR NATURE AGAINST THE DEBTORS, THE ESTATE, THE REORGANIZED DEBTOR, OR THE REORGANIZED DEBTOR'S ASSETS WITH RESPECT TO

ANY SUCH CLAIM OR INTEREST ARISING OR ACCRUING BEFORE THE EFFECTIVE DATE, INCLUDING WITHOUT LIMITATION THE ENTRY OR ENFORCEMENT OF ANY JUDGMENT, OR ANY OTHER ACT FOR THE COLLECTION, EITHER DIRECTLY OR INDIRECTLY, OF ANY CLAIM OR INTEREST AGAINST THE DEBTORS, THE ESTATE, THE REORGANIZED DEBTOR, OR THE REORGANIZED DEBTOR'S ASSETS; (b) THE CREATION, PERFECTION OR ENFORCEMENT OF ANY LIEN, SECURITY INTEREST, ENCUMBRANCE, RIGHT OR BURDEN, EITHER DIRECTLY OR INDIRECTLY, AGAINST THE DEBTORS, THE ESTATE, THE REORGANIZED DEBTOR, OR THE REORGANIZED DEBTOR'S ASSETS, OR (c) TAKING ANY ACTION IN RELATION TO THE DEBTORS, THE ESTATE, THE REORGANIZED DEBTOR, OR THE REORGANIZED DEBTOR'S ASSETS, EITHER DIRECTLY OR INDIRECTLY, WHICH VIOLATES OR DOES NOT CONFORM OR COMPLY WITH THE PROVISIONS OF THIS PLAN APPLICABLE TO SUCH CLAIM OR INTEREST. THE PLAN INJUNCTION SHALL ALSO BE INCORPORATED INTO THE CONFIRMATION ORDER.

IN ADDITION TO THE FOREGOING, EXCEPT TO THE EXTENT NECESSARY TO ALLOW HCLOF, THE REORGANIZED DEBTOR AND BRIGADE TO EFFECTUATE THE RESET OF ONE OR MORE OF THE ACIS CLOS IN ACCORDANCE WITH SECTION 6.08 OF THE PLAN, PURSUANT TO SECTIONS 105(a), 1123(a)(5), 1123(b)(6), AND 1142(b) OF THE BANKRUPTCY CODE, THE ENJOINED PARTIES (DEFINED BELOW) ARE HEREBY ENJOINED FROM: (a) PROCEEDING WITH, EFFECTUATING, OR OTHERWISE TAKING (i) ANY ACTION IN FURTHERANCE OF ANY OPTIONAL REDEMPTION, CALL, OR OTHER LIQUIDATION OF THE ACIS CLOS PREVIOUSLY OR CURRENTLY ISSUED BY ANY SUCH PARTIES, AND (ii) ANY OTHER ATTEMPT TO LIQUIDATE THE ACIS CLOS BY ANY MEANS, (b) TRADING ANY ACIS CLO COLLATERAL IN FURTHERANCE OF ANY OPTIONAL REDEMPTION, CALL, OR OTHER LIQUIDATION OF THE ACIS CLOS, (c) EXERCISING ANY RIGHTS TO ASK OR DIRECT THE ISSUERS, CO-ISSUERS OR INDENTURE TRUSTEE TO PERFORM ANY ACTION IN RELATION TO THE ACIS CLOS THAT THE ENJOINED PARTIES ARE PROHIBITED FROM TAKING UNDER THE TERMS OF THE PLAN INJUNCTION, (d) INTERFERING IN ANY WAY WITH THE CAPITAL MARKETS PROCESS OF RESETTING ANY ACIS CLO, AND (e) SENDING, MAILING, OR OTHERWISE DISTRIBUTING ANY NOTICE TO THE HOLDERS OF THE NOTES IN THE ACIS CLOS IN CONNECTION WITH THE EFFECTUATION OF ANY OPTIONAL REDEMPTION, CALL, OR OTHER LIQUIDATION OF THE ACIS CLOS, UNTIL THE EARLIER TO OCCUR OF: (w) THE DATE UPON WHICH A FINAL ORDER IS ENTERED RESOLVING THE ESTATE'S AVOIDANCE CLAIMS AGAINST ALL ENJOINED PARTIES RELATING TO ACIS LP'S RIGHTS UNDER THE ALF PMA; (x) THE DATE UPON WHICH ALL ALLOWED CLAIMS AGAINST THE DEBTORS HAVE BEEN PAID IN FULL, (y) THE ENTRY OF AN ORDER BY THE BANKRUPTCY COURT FINDING THAT A MATERIAL DEFAULT HAS OCCURRED UNDER THE TERMS OF THE PLAN, OR (z) THE ENTRY OF A SUBSEQUENT ORDER BY THE BANKRUPTCY COURT PROVIDING OTHERWISE WITH RESPECT TO ONE OR MORE OF THE ACIS CLOS. FOR PURPOSES OF THIS PARAGRAPH, THE TERM "ENJOINED PARTIES" SHALL INCLUDE HIGHLAND, HCLOF, CLO HOLDCO, NEUTRA, HIGHLAND HCF, HIGHLAND CLOM, ANY AFFILIATES OF

HIGHLAND, AND THEIR RESPECTIVE EMPLOYEES, AGENTS, REPRESENTATIVES, TRANSFEREES, ASSIGNS, AND SUCCESSORS. FOR PURPOSES OF CLARIFICATION AND AVOIDANCE OF DOUBT, NOTHING IN THIS PARAGRAPH SHALL PRECLUDE ORDINARY DAY-TO-DAY TRADING OF THE COLLATERAL IN THE ACIS CLOS BY THE REORGANIZED DEBTOR.

Notwithstanding anything to the contrary in the Plan: (a) third-party professionals employed by the Reorganized Debtor shall not be released or exculpated from any losses, claims, damages, liabilities, or expenses arising from their duties and services provided to the Reorganized Debtor; and (b) any third-party professionals employed by the Reorganized Debtor shall only be entitled to be indemnified by the Reorganized Debtor to the extent provided by applicable law.

Notwithstanding anything to the contrary in the Plan or Confirmation Order, nothing in the Plan or in the Confirmation Order shall discharge, release, enjoin or otherwise bar (i) any liability of the Debtors, the Estate, the Reorganized Debtor, or the Reorganized Debtor's assets ("Released Parties") to a Governmental Unit arising on or after the Confirmation Date with respect to events occurring after the Confirmation Date, provided that the Released Parties reserve the right to assert that any such liability is a Claim that arose on or prior to the Confirmation Date and constitutes a Claim that is subject to the deadlines for filing proofs of claim, (ii) any liability to a Governmental Unit that is not a Claim subject to the deadlines for filing proofs of Claim, (iii) any valid right of setoff or recoupment of a Governmental Unit, and (iv) any police or regulatory action by a Governmental Unit. In addition, nothing in the Plan or Confirmation Order discharges, releases, precludes or enjoins any environmental liability to any Governmental Unit that any Person other than the Released Parties would be subject to as the owner or operator of the property after the Effective Date. For the avoidance of any doubt, nothing in this paragraph shall be construed to limit the application of the Plan Injunction to any Claim which was subject to any bar date applicable to such Claim.

14.04. Setoffs. Except as otherwise expressly provided for in the Plan, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable nonbankruptcy law, or as may be agreed to by the holder of a Claim, the Reorganized Debtor may set off against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such Allowed Claim (before such Distribution is made), any Claims, rights, Estate Claims and Estate Defenses of any nature that the Debtors may hold against the holder of such Allowed Claim, to the extent such Claims, rights, Estate Claims and Estate Defenses against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim or Interest pursuant to the Plan shall constitute a waiver or release of any such Claims, rights, Estate Claims and Estate Defenses that the Estate may possess against such Claimant. In no event shall any Claimant or Interest holder be entitled to setoff any Claim or Interest against any Claim, right, or Estate Claim of the Debtors without the consent of the Debtors or the Reorganized Debtor unless such holder files a motion with the Bankruptcy Court requesting the authority to perform such setoff notwithstanding any indication in any proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

14.05. Recoupment. Except as otherwise expressly provided for in the Plan, in no event shall any holder of Claims or Interests be entitled to recoup any Claim or Interest against any Claim, right, account receivable, or Estate Claim of the Debtors or the Reorganized Debtor unless (a) such holder actually provides notice thereof in writing to the Debtors or the Reorganized Debtor of its intent to perform a recoupment; (b) such notice includes the amount to be

recouped by the holder of the Claim or Interest and a specific description of the basis for the recoupment, and (c) the Debtors or the Reorganized Debtor have provided a written response to such Claim or Interest holder, stating unequivocally that the Debtors or the Reorganized Debtor consents to the requested recoupment. The Debtors and the Reorganized Debtor shall have the right, but not the obligation, to seek an order of the Bankruptcy Court allowing any or all of the proposed recoupment. In the absence of a written response from the Debtors or the Reorganized Debtor consenting to a recoupment or an order of the Bankruptcy Court authorizing a recoupment, no recoupment by the holder of a Claim or Interest shall be allowed.

14.06. Turnover. On the Effective Date, any rights of the Estate to compel turnover of Assets under applicable nonbankruptcy law and pursuant to section 542 or 543 of the Bankruptcy Code shall be deemed transferred to and vested in the Reorganized Debtor.

14.07. Automatic Stay. The automatic stay pursuant to section 362 of the Bankruptcy Code, except as previously modified by the Bankruptcy Court, shall remain in effect until the Effective Date of the Plan as to the Debtors, the Estate and all Assets. As of the Effective Date, the automatic stay shall be replaced by the Plan Injunction.

ARTICLE XV.

JURISDICTION OF COURTS AND MODIFICATIONS TO THE PLAN

15.01. Retention of Jurisdiction. Pursuant to sections 1334 and 157 of title 28 of the United States Code, the Bankruptcy Court shall retain exclusive jurisdiction of all matters arising in, arising under, and related to the Chapter 11 Cases and the Plan, to the full extent allowed or permitted by applicable law, including without limitation for the purposes of invoking sections 105(a) and 1142 of the Bankruptcy Code, and for, among other things, the following purposes:

(a) To hear and determine any and all objections to, or applications or motions concerning, the allowance of Claims or the allowance, classification, priority, compromise, estimation, or payment of any Administrative Expense;

(b) To hear and determine any and all applications for payment of fees and expenses pursuant to this Plan to any Estate Professional pursuant to sections 330 or 503 of the Bankruptcy Code, or for payment of any other fees or expenses authorized to be paid or reimbursed under this Plan, and any and all objections thereto;

(c) To hear and determine pending applications for the rejection, assumption, or assumption and assignment of Executory Contracts and Unexpired Leases and the allowance of Claims resulting therefrom, and to determine the rights of any party in respect to the assumption or rejection of any Executory Contract or Unexpired Lease;

(d) To hear and determine any and all adversary proceedings, applications, or contested matters, including relating to the allowance of any Claim;

(e) To hear and determine all controversies, disputes, and suits which may arise in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan or in connection with the enforcement of any remedies made available under the Plan, including without limitation, (i) adjudication of all rights, interests or disputes relating to any of the Assets, (ii) the valuation of all Collateral, (iii) the determination of the validity of any Lien or claimed right of offset or recoupment; and (iv) determinations of Objections to Contested Claims;

(f) To liquidate and administer any disputed, contingent, or unliquidated Claims, including the Allowance of all Contested Claims;

(g) To administer Distributions to holders of Allowed Claims as provided herein;

(h) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(i) To enable the Reorganized Debtor to prosecute any and all proceedings which may be brought to set aside transfers, Liens or encumbrances and to recover any transfers, Assets, properties or damages to which the Reorganized Debtor may be entitled under applicable provisions of the Bankruptcy Code or any other federal, state or local laws, including causes of action, controversies, disputes and conflicts between the Reorganized Debtor and any other party, including but not limited to, any causes of action or Objections to Claims, preferences or fraudulent transfers and obligations or equitable subordination;

(j) To consider any modification of the Plan pursuant to section 1127 of the Bankruptcy Code, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation the Confirmation Order;

(k) To enforce the discharge and Plan Injunction against any Person;

(l) To enter and implement all such orders as may be necessary or appropriate to execute, interpret, construe, implement, consummate, or enforce the terms and conditions of this Plan and the transactions required or contemplated pursuant thereto;

(m) To hear and determine any motion or application which the Reorganized Debtor is required or allowed to commence before the Bankruptcy Court pursuant to this Plan;

(n) To hear and determine any other matter not inconsistent with the Bankruptcy Code and title 28 of the United States Code that may arise in connection with or related to the Plan;

(o) To determine proceedings pursuant to section 505 of the Bankruptcy Code;

(p) To enter a final decree closing the Chapter 11 Cases; and

(q) To determine any other matter or dispute relating to the Estate, the Estate Claims, the Estate Defenses, the Assets, or the Distributions by the Reorganized Debtor.

15.02. Abstention and Other Courts. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to the Chapter 11 Cases, this Article of the Plan shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

15.03. Non-Material Modifications. The Reorganized Debtor may, with the approval of the Bankruptcy Court and without notice to all holders of Claims and Interests, correct any defect, omission, or inconsistency in the Plan in such manner and to such extent as may be necessary or desirable. The Reorganized Debtor may undertake such nonmaterial modification pursuant

to this section insofar as it does not adversely change the treatment of the Claim of any Creditor or the Interest of any Interest holder who has not accepted in writing the modification.

15.04. Material Modifications. Modifications of this Plan may be proposed in writing by the Chapter 11 Trustee at any time before confirmation, provided that this Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Chapter 11 Trustee shall have complied with section 1125 of the Bankruptcy Code. This Plan may be modified at any time after confirmation and before its Substantial Consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. A holder of a Claim or Interest that has accepted or rejected this Plan shall be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.

ARTICLE XVI.

MISCELLANEOUS PROVISIONS

16.01. Severability. Should the Bankruptcy Court determine any provision of the Plan is unenforceable either on its face or as applied to any Claim or Interest or transaction, the Reorganized Debtor may modify the Plan so that any such provision shall not be applicable to the holder of any Claim or Interest. Such a determination of unenforceability shall not (a) limit or affect the enforceability and operative effect of any other provision of the Plan or (b) require the resolicitation of any acceptance or rejection of the Plan.

16.02. Oral Agreements; Modification of Plan; Oral Representations or Inducements. The terms of the Plan, Disclosure Statement and Confirmation Order may only be amended in writing and may not be changed, contradicted or varied by any oral statement, agreement, warranty or representation. None of the Debtors, any representative of the Estate, including Robin Phelan in his capacity as Chapter 11 Trustee, nor their attorneys have made any representation, warranty, promise or inducement relating to the Plan or its confirmation except as expressly set forth in this Plan, the Disclosure Statement, or the Confirmation Order or other order of the Bankruptcy Court.

16.03. Waiver. The Reorganized Debtor shall not be deemed to have waived any right, power or privilege pursuant to the Plan unless the waiver is in writing and signed by the Reorganized Debtor. There shall be no waiver by implication, course of conduct or dealing, or through any delay or inaction by the Reorganized Debtor, of any right pursuant to the Plan, including the provisions of this anti-waiver section. The waiver of any right under the Plan shall not act as a waiver of any other or subsequent right, power or privilege.

16.04. Notice. Any notice or communication required or permitted by the Plan shall be given, made or sent as follows:

(a) If to a Creditor, notice may be given as follows: (i) if the Creditor has not filed a proof of Claim, then to the address reflected in the Schedules, or (ii) if the Creditor has filed a proof of Claim, then to the address reflected in the proof of Claim.

(b) If to the Reorganized Debtor, notice shall be sent to the following addresses:

Jeff P. Prostok
Suzanne K. Rosen
Forshey Prostok LLP
777 Main Street, Suite 1290
Fort Worth, Texas 76102

Josh Terry
c/o Brian P. Shaw
Rogge Dunn Group, PC
1201 Elm Street, Suite 5200
Dallas, Texas 75270

(c) Any Creditor desiring to change its address for the purpose of notice may do so by giving notice to the Reorganized Debtor of its new address in accordance with the terms of this section.

(d) Any notice given, made or sent as set forth above shall be effective upon being (i) deposited in the United States Mail, postage prepaid, addressed to the addressee at the address as set forth above; (ii) delivered by hand or messenger to the addressee at the address set forth above; (iii) telecopied to the addressee as set forth above, with a hard confirmation copy being immediately sent through the United States Mail; or (iv) delivered for transmission to an expedited or overnight delivery service such as FedEx.

16.05. Compliance with All Applicable Laws. If notified by any governmental authority that it is in violation of any applicable law, rule, regulation, or order of such governmental authority relating to its business, the Reorganized Debtor shall comply with such law, rule, regulation, or order; provided, however, that nothing contained herein shall require such compliance if the legality or applicability of any such requirement is being contested in good faith in appropriate proceedings and, if appropriate, an adequate Reserve has been set aside on the books of the Reorganized Debtor.

16.06. Duties to Creditors; Exculpation. Neither the Chapter 11 Trustee nor any agent, representative, accountant, financial advisor, attorney, shareholder, officer, affiliate, member or employee of the Chapter 11 Trustee or the Debtors, including but not limited to Estate Professionals (collectively, the "Exculpated Parties"), shall ever owe any duty to any Person (including any Creditor) other than the duties owed to the Debtors' bankruptcy Estate, for any act, omission, or event in connection with, or arising out of, or relating to, any of the following: (a) the Debtors' Chapter 11 Cases, including all matters or actions in connection with or relating to the administration of the Estate, (b) the Plan, including the proposal, negotiation, confirmation and consummation of the Plan, or (c) any act or omission relating to the administration of the Plan after the Effective Date. All such Exculpated Parties shall be fully exculpated and released from any and all claims and causes of action by any Person, known or unknown, in connection with, or arising out of, or relating to, any of the following: (x) the Debtors' Chapter 11 Cases, including all matters or actions in connection with or relating to the administration of the Estate, (y) the Plan, including the proposal, negotiation, confirmation and consummation of the Plan, or (z) any act or omission relating to the administration of the Plan after the Effective Date, except for claims and causes of action arising out of such Exculpated Party's gross negligence or willful misconduct.

16.07. Binding Effect. The Plan shall be binding upon, and shall inure to the benefit of, the Reorganized Debtor, the holders of the Claims or Liens, and their respective successors-in-interest and assigns.

16.08. Governing Law, Interpretation. Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any Plan

Documents without regard to conflicts of law. The Plan shall control any inconsistent term or provision of any other Plan Documents.

16.09. Payment of Statutory Fees. All accrued U.S. Trustee Fees as of the Confirmation Date shall be paid by the Reorganized Debtor on or as soon as practicable after the Effective Date, and thereafter shall be paid by the Reorganized Debtor as such statutory fees become due and payable.

16.10. Filing of Additional Documents. On or before Substantial Consummation of the Plan, the Reorganized Debtor may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

16.11. Computation of Time. Bankruptcy Rule 9006 shall apply to the calculation of all time periods pursuant to this Plan. If the final day for any Distribution, performance, act or event under the Plan is not a Business Day, then the time for making or performing such Distribution, performance, act or event shall be extended to the next Business Day. Any payment or Distribution required to be made hereunder on a day other than a Business Day shall be due and payable on the next succeeding Business Day.

16.12. Elections by the Reorganized Debtor. Any right of election or choice granted to the Reorganized Debtor under this Plan may be exercised, at the Reorganized Debtor's election, separately as to each Claim, Creditor or Person.

16.13. Release of Liens. Except as otherwise expressly provided in this Plan or the Confirmation Order, all Liens against any of the Assets transferred to and vested in the Reorganized Debtor shall be deemed to be released, terminated and nullified without the necessity of any order by the Bankruptcy Court other than the Confirmation Order.

16.14. Rates. The Plan does not provide for the change of any rate that is within the jurisdiction of any governmental regulatory commission after the occurrence of the Effective Date.

16.15. Compliance with Tax Requirements. In connection with the Plan, the Reorganized Debtor shall comply with all withholding and reporting requirements imposed by federal, state and local Taxing Authorities and all Distributions under the Plan shall be subject to such withholding and reporting requirements. Notwithstanding the above, each holder of an Allowed Claim or Interest that is to receive a Distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such Distribution under the Plan.

16.16. Notice of Occurrence of the Effective Date. Promptly after occurrence of the Effective Date, the Reorganized Debtor, as directed by the Bankruptcy Court, shall serve on all known parties-in-interest and holders of Claims and Interests, notice of the occurrence of the Effective Date.

16.17. Notice of Entry of Confirmation Order. Promptly after entry of the Confirmation Order, the Chapter 11 Trustee, as directed by the Bankruptcy Court in the Confirmation Order, shall serve on all known parties-in-interest and holders of Claims and Interests, notice of entry of the Confirmation Order.

Dated: October 25, 2018.

Respectfully submitted,

ACIS CAPITAL MANAGEMENT, L.P.

By: /s/ Robin Phelan
Robin Phelan
Chapter 11 Trustee

ACIS CAPITAL MANAGMENET GP, LLC

By: /s/ Robin Phelan
Robin Phelan
Chapter 11 Trustee

APPROVED:

/s/ Jeff P. Prostok
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CHAPTER 11 TRUSTEE**

EXHIBIT A

TO THIRD AMENDED JOINT PLAN FOR ACIS CAPITAL MANAGEMENT, LP AND ACIS CAPITAL MANAGEMENT GP, LLC

[ESTATE CLAIMS]

EXHIBIT "A"
to
Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

1. Defined Terms. This Exhibit "A" constitutes an integral part of the Plan of which it is a part. Defined terms in the Plan are to be given the same meaning in this Exhibit "A". The rules of construction set forth in Article I.B. of the Plan shall likewise apply to this Exhibit "A".

2. Estate Claims Reserved, Retained and Preserved. All Estate Claims are hereby reserved, retained and preserved, and shall all be transferred to, and vested in, the Reorganized Debtor pursuant to this Plan, and shall include without limitation all of the Estate Claims described below. In reserving, retaining, and preserving Estate Claims against any named Person or category of Persons, it is the intent of this Plan to so reserve, retain, and preserve any and all Estate Claim against each such Person or category of Persons, including all such Estate Claims pursuant to any applicable common law, based on any contract or agreement or based upon any law, statute or regulation of any political entity, including the United States and any state or political subdivision thereof, as well as all applicable remedies, whether legal or equitable. Without limiting the generality of the foregoing, the reservation, retention, and preservation of Estate Claims against any Person, and the term "Estate Claims," shall encompass all Estate Claims against any such Person, including without limitation, all such Estate Claims for breach of contract, all rights to enforce any contract, any form of estoppel, fraud, constructive fraud, abuse of process, malicious prosecution, defamation, libel, slander, conversion, trespass, intentional infliction of emotional distress or other harm, negligence, gross negligence, breach of any duty owed under either applicable law or any contract, breach of any fiduciary duty or duty of loyalty or due care, aiding and/or abetting breach of fiduciary duty, aiding and/or abetting breach of duty of loyalty or due care, alter ego, veil piercing, self-dealing, usurpation of corporate opportunity, ultra vires, turnover of Estate Assets, unauthorized use of Estate Assets, including intellectual property rights or Assets owned by the Debtors or Chapter 11 Trustee, quantum meruit, tortious interference, duress, unconscionability, undue influence, and unjust enrichment, as well as any cause of action for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act, or claims arising from or relating to the filing of the involuntary bankruptcy petitions against the Debtors.

3. Highland Claims. All Estate Claims against Highland are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in Adversary Proceeding No. 18-03078-sgj (the "Highland Adversary") and Adversary Proceeding No. 18-03212-sgj (the "Trustee's Adversary"). The Estate Claims against Highland shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland, including any claims to avoid and recover amounts transferred by the Debtors to Highland under the Shared Services Agreement or Sub-Advisory Agreement;

(e) All Claims for breach of the Shared Services Agreement or Sub-Advisory Agreement;

(f) All Claims against Highland for amounts paid by the Debtors to Highland under the Shared Services Agreement and Sub-Advisory Agreement, including any Claim that Highland overcharged Acis LP for services under such agreements, charged excessive fees in violation of Acis LP's limited partnership agreement and/or Acis GP's limited liability company agreement, and/or that the Shared Services Agreement and Sub-Advisory Agreement or any related or predecessor agreements are void or voidable based on ultra vires or any other theories of avoidance and recovery, including turnover, conversion and Avoidance Actions under the Bankruptcy Code;

(g) All Claims for breach of the PMAs or the Indentures;

(h) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(i) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(j) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(k) All claims for tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS;

(l) All Claims against Highland for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(m) All Claims against Highland for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(n) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland against the Debtors, Chapter 11 Trustee, or Estate;

(o) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Highland or any Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(p) All Claims based on alter ego or rights to pierce the corporate veil of Highland as to any Person, including as against any Affiliates of Highland, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in

control of Highland, and,

(q) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

4. HCLOF Claims. All Estate Claims against HCLOF are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary and the Trustee's Adversary. The Estate Claims against HCLOF shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against HCLOF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against HCLOF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against HCLOF;

(e) All Claims for breach of the PMAs or the Indentures;

(f) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(g) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(h) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(i) All Claims against HCLOF for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(j) All Claims against HCLOF for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(k) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by HCLOF against the Debtors, Chapter 11 Trustee, or Estate;

(l) All Claims based on alter ego or rights to pierce the corporate veil of

HCLOF as to any Person, including as against any Affiliates of HCLOF or Highland, William Scott, Heather Bestwick, or any other officers, directors, equity interest holders, or Persons otherwise in control of HCLOF; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

5. Highland HCF Advisor, Ltd. Claims. All Estate Claims against Highland HCF Advisor, Ltd. ("Highland HCF") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary. The Estate Claims against Highland HCF shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against Highland HCF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Highland HCF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland HCF;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Highland HCF for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Highland HCF for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland HCF against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Highland HCF as to any Person, including as against any Affiliates of Highland HCF or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland HCF; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

6. Highland CLO Management, Ltd. Claims. All Estate Claims against Highland CLO Management, Ltd. ("Highland CLOM") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary. The Estate Claims against Highland CLOM shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against Highland CLOM asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Highland CLOM asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland CLOM;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Highland CLOM for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Highland CLOM for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland CLOM against the Debtors, Chapter 11 Trustee, or

Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Highland CLOM as to any Person, including as against any Affiliates of Highland CLOM or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland CLOM; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

7. CLO Holdco, Ltd. Claims. All Estate Claims against CLO Holdco, Ltd. ("CLO Holdco") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against CLO Holdco shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against CLO Holdco asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against CLO Holdco asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against CLO Holdco;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against CLO Holdco for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against CLO Holdco for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of CLO Holdco as to any Person, including as against any Affiliates of CLO Holdco or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of CLO Holdco; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

8. Neutra, Ltd. Claims. All Estate Claims against Neutra, Ltd. ("Neutra") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against Neutra shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against Neutra asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Neutra asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Neutra;

(e) All Claims for breach of fiduciary or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Neutra for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Neutra for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Neutra against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Neutra, Highland, or any Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(l) All Claims based on alter ego or rights to pierce the corporate veil of Neutra as to any Person, including as against any Affiliates of Neutra or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Neutra; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

9. Claims against Issuers, Co-Issuers and Indenture Trustee. All Estate Claims against CLO-3, CLO-4, CLO-5, and CLO-6 (collectively, the "Issuers"), Acis CLO 2014-3 LLC, Acis CLO 2014-4 LLC, Acis CLO 2014-5 LLC, and Acis CLO 2015-6 LLC (collectively, the "Co-Issuers"), and the Indenture Trustee are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against the Issuers, Co-Issuers and/or Indenture Trustee shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against the Issuers, Co-Issuers, and/or Indenture Trustee asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against the Issuers, Co-Issuers, and/or Indenture Trustee asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against the Issuers, Co-Issuers and/or Indenture Trustee;

(e) All Claims for breach of the Indentures, PMAs or any other agreements between Acis LP and the Issuers, Co-Issuers, and/or Indenture Trustee;

(f) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(g) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(h) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(i) All Claims against the Issuers, Co-Issuers and/or Indenture Trustee for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(j) All Claims against the Issuers, Co-Issuers and/or Indenture Trustee for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(k) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by the Issuers or Co-Issuers against the Debtors, Chapter 11 Trustee, or Estate; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

10. Highland Affiliate Claims. All Estate Claims against any Affiliates of Highland are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary and the Trustee's Adversary. The Estate Claims against any Affiliates of Highland shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against any Highland Affiliate asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against any Highland Affiliate asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against any Highland Affiliate;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against any Highland Affiliate for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets

owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against any Highland Affiliate for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by any Highland Affiliate against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Highland, Neutra, or any Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(l) All Claims based on alter ego or rights to pierce the corporate veil of any Highland Affiliate as to any Person, including as against any other Affiliates of Highland or any officers, directors, equity interest holders, or Persons otherwise in control of any Highland Affiliates; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

11. Dondero Claims. All Estate Claims as defined in paragraph 2 above against James D. Dondero, individually, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims against James D. Dondero for fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of fiduciary duty, aiding and abetting breach of duty of loyalty or due care, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any unlawful act, and assisting, encouraging, and/or participating in any unlawful act, as well as any Claim to pierce the corporate veil of any entity to hold James D. Dondero individually liable.

12. Okada Claims. All Estate Claims as defined in paragraph 2 above against Mark K. Okada, individually, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims against Mark K. Okada for fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of fiduciary duty, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any

unlawful act, and assisting, encouraging, and participating in any unlawful act, as well as any Claim to pierce the corporate veil of any entity to hold Mark K. Okada individually liable.

13. Preference Claims. All Avoidance Actions pursuant to section 547 of the Bankruptcy Code against any Person are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor for any payment made to any Person by either of the Debtors within ninety (90) days of the Petition Date (which was January 30, 2018), or made by either of the Debtors to any insider within one (1) year of the Petition Date. A non-exhaustive list of Persons who are believed to have received payments from either of the Debtors during the 90-day preference period, and the one-year preference period for Insiders, is attached to this **Exhibit "A"** as **Schedule "1"**. The Plan reserves, retains and preserves for the benefit of the Estate and Reorganized Debtor all potential Claims arising out of or relating to the transfers reflected in **Schedule "1"**, including all Avoidance Actions pursuant to section 547 of the Bankruptcy Code. All rights and remedies are also reserved, retained and preserved with respect to the transfers reflected in **Schedule "1"** pursuant to section 550 of the Bankruptcy Code.

Schedule "1" reflects transfers made by the Debtors during the 90 days prior to the Petition Date and transfers made by the Debtors to any insiders within one (1) year of the Petition Date. While the Plan reserves, retains and preserves all Avoidance Actions relating to the transfers reflected in **Schedule "1"**, the Chapter 11 Trustee recognizes that certain of these transfers may not constitute a preferential transfer pursuant to section 547(b) of the Bankruptcy Code as a transfer made in the ordinary course of business transactions or based upon new value subsequently given by the transferee. Consequently, the listing of a payment on **Schedule "1"** does not necessarily mean that a transferee will ever be sued to avoid and recover the payment, the transfer, or the value thereof, but only that the Plan reserves, retains and preserves all rights (including Avoidance Actions) as to that payment.

14. Claims Against Officers, Managers and Members. All Estate Claims as defined in paragraph 2 above are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against all present and past officers, employees, members and managers of the Debtors, including all such Estate Causes of Action based on breach of fiduciary duty, aiding and abetting breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of duty of loyalty or due care, self-dealing, usurpation of corporate opportunity, gross negligence or conspiracy. Without limiting the generality of the foregoing, this shall include all D&O Claims as against any present or former officer, director, employee, member, manager, or partner.

15. Retention of Claims Against Specific Persons or Categories of Persons. In addition to the foregoing, all Estate Claims as defined in paragraph 2 above are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against the following Persons:

- (a) William Scott;
- (b) Heather Bestwick;
- (c) Any other Person who may be so named at a later date by the Reorganized Debtor.

16. Counterclaims. All Estate Claims as defined in paragraph 2 above are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor both as a basis for an affirmative recovery against the Person against whom such Claims are asserted and as a counterclaim or offset against any Person who asserts a Claim against the Estate or Reorganized Debtor.

17. Piercing the Corporate Veil. With respect to all Estate Claims against any Person, all rights to pierce or ignore the corporate veil are hereby reserved, retained and preserved for the benefit of the Estate and the Reorganized Debtor. Without limiting the generality of the foregoing, this shall include: (a) any right to pierce the corporate veil, including reverse piercing, on any theory or basis, including alter ego or any theory of sham to perpetrate a fraud, and (b) any Claim or basis to pierce the corporate veil of any entity with respect to establishing personal liability against James D. Dondero or Mark K. Okada.

18. Avoidance Actions. All Avoidance Actions are hereby reserved, retained and preserved as to all Persons. The reservation, retention and preservation of such Avoidance Actions shall include the reservation, retention and preservation for the benefit of the Estate and Reorganized Debtor of all rights and remedies pursuant to section 550 of the Bankruptcy Code.

19. Estate Defenses. All Estate Defenses are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor as against any Person asserting any Claim against the Estate. This includes asserting all Estate Claims as an offset to, or counterclaim or right of recoupment against, any Person asserting a Claim against the Estate. All defenses and affirmative defenses pursuant to applicable law are hereby reserved, retained and preserved for the benefit of the Estate and the Reorganized Debtor, including without limitation, accord and satisfaction, assumption of risk, contributory negligence, duress, estoppel, failure of consideration, fraud, illegality, laches, license, payment, release, *res judicata*, collateral estoppel, statute of frauds, statute of limitations or repose, discovery rule, adverse domination doctrine or similar doctrines, set off, recoupment, waiver, and all other defenses to Claims under the Bankruptcy Code, including under sections 502(b)(4) and 502(d).

20. Equitable Subordination. All rights or remedies for Equitable Subordination are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor against any Person asserting any Claim against the Estate, including all such rights or remedies pursuant to section 510(c) of the Bankruptcy Code. Without limiting the generality of the foregoing, this shall include all rights and remedies to Equitable Subordination as to any Claim asserted by Highland, any Affiliates of Highland, or any officers, directors, employees or equity interest owners of the Debtors, Highland, or any Affiliates thereof.

21. Recharacterization. All rights or remedies to recharacterize any Claim as an equity interest in either of the Debtors are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor against any Person asserting any Claim against the Estate. Without limiting the generality of the foregoing, this shall include all rights and remedies to recharacterize any Claim asserted by Highland, any Affiliates of Highland, or any officers, directors, employees or equity interest owners of the Debtors, Highland, or any Affiliates thereof.

Second Amended Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

NAME		ADDRESS	DATE OF PAYMENT		PAYMENT AMOUNT	REASON FOR PAYMENT ON SCHEDULES
Payments within 90 Days of Petition Date						
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		11/2/2017		\$234,013.63	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		11/3/2017		\$941,958.57	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		12/8/2017		\$89,655.14	Services
David Simek	31 Woodacres Road Brookville, NY 11545		11/15/2017		\$2,068.13	Services
David Simek	31 Woodacres Road Brookville, NY 11545		11/30/2017		\$24,266.71	Services
David Simek	31 Woodacres Road Brookville, NY 11545		12/12/2017		\$1,718.79	Services
David Simek	31 Woodacres Road Brookville, NY 11545		12/29/2017		\$25,000.00	Services
FINRA	1735 K Street, NW Washington, DC 20006		11/22/2017		\$70.00	Suppliers or Vendors
Highland CLO Management, Ltd.	PO Box 309, Ugland House Grand Cayman, KY1-1104, Cayman Islands		12/19/2017		\$2,830,459.22	Services
Payments to Insiders within One Year of Petition Date						
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		2/1/2017		\$976,688.47	Contractual Payment
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		2/1/2017		\$1,096,033.37	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		2/2/2017		\$3,574.80	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		2/14/2017		\$67.44	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		4/17/2017		\$315,574.30	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		4/18/2017		\$438,497.51	Services

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Second Amended Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

NAME	ADDRESS	DATE OF PAYMENT	PAYMENT AMOUNT	REASON FOR PAYMENT ON SCHEDULES	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/18/2017	\$375,855.01	Contractual Payment	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/19/2017	\$330,249.69	Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	5/1/2017	\$974,426.41	Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	5/31/2017	\$2,809,518.47	Unsecured loan repayments including interest	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	5/31/2017	\$581,036.15	Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	7/18/2017	\$373,167.08	Contractual Payment	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	8/1/2017	\$971,603.02	Contractual Payment	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	8/7/2017	\$1,339,422.12	Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	8/16/2017	\$53.41	Expense Reimbursement	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/18/2017	\$372,872.82	Contractual Payment	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/18/2017	\$728,702.26	Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/24/2017	\$501,979.18	Unsecured loan repayments including interest	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/25/2017	\$46,648.82	Expense Reimbursement	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/25/2017	\$67,966.85	Expense Reimbursement	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	11/1/2017	\$967,223.91	Contractual Payment	

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EXHIBIT B

TO THIRD AMENDED JOINT PLAN FOR ACIS CAPITAL MANAGEMENT, LP AND ACIS CAPITAL MANAGEMENT GP, LLC

[EXECUTORY CONTRACTS ASSUMED UNDER THE PLAN]

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis CLO 2013-1 Chemical Holdings, LLC 1209 Orange Street Wilmington, DE 19801	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2013-1, Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2013-1 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Collateral Administration Agreement	March 18, 2013	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2013-1	Collateral Administration Agreement	March 18, 2013	\$0
Acis CLO 2013-1 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Portfolio Management Agreement	March 18, 2013	\$0
Acis CLO 2013-1 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Indenture	March 18, 2013	\$0
Acis CLO 2013-1 LLC 850 Library Ave., Suite 204 Newark, DE 19711	Indenture	March 18, 2013	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2013-1	Indenture	March 18, 2013	\$0
Acis CLO 2013-1 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Supplemental Indenture	February 26, 2014	\$0
Acis CLO 2013-1 LLC 850 Library Ave., Suite 204 Newark, DE 19711	Supplemental Indenture	February 26, 2014	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2013-1	Supplemental Indenture	February 26, 2014	\$0
Acis CLO 2013-1, Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Governing Documents (Requested from HCM)	--	\$0
Acis CLO 2013-2 Chemical Holdings, LLC 1209 Orange Street Wilmington, DE 19801	Limited Liability Company Agreement (requested from HCM)	--	\$0
Acis CLO 2013-2 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Limited Liability Company Agreement (requested from HCM)	--	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis CLO 2013-2 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Collateral Administration Agreement	October 3, 2013	\$0
The Bank of New York Mellon Trust Co., N.A. 601 Travis Street, 16th Floor Houston, Texas 77002 Attn: Global Corporate Trust – Acis CLO 2013-2	Collateral Administration Agreement	October 3, 2013	\$0
Acis CLO 2013-2 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Portfolio Management Agreement	October 3, 2013	\$0
Acis CLO 2013-2 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Indenture	October 3, 2013	\$0
Acis CLO 2013-2 LLC 850 Library Ave., Suite 204 Newark, DE 19711	Indenture	October 3, 2013	\$0
The Bank of New York Mellon Trust Co., N.A. 601 Travis Street, 16th Floor Houston, Texas 77002 Attn: Global Corporate Trust – Acis CLO 2013-2	Indenture	October 3, 2013	\$0
Acis CLO 2013-2 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Governing Document (requested from HCM)	--	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis CLO 2014-3 Chemical Holdings, LLC 1209 Orange Street Wilmington, DE 19801	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2014-3 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2014-3 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Collateral Administration Agreement	February 25, 2014	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2014-3	Collateral Administration Agreement	February 25, 2014	\$0
Acis CLO 2014-3 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Portfolio Management Agreement	February 25, 2014	\$0
Acis CLO 2014-3 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Indenture	February 25, 2014	\$0
Acis CLO 2014-3 LLC 850 Library Ave., Suite 204 Newark, DE 19711	Indenture	February 25, 2014	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2014-3	Indenture	February 25, 2014	\$0
Acis CLO 2014-3 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Memorandum and Articles of Association of Acis CLO 2014-3 Ltd.	December 24, 2013	\$0
Acis CLO 2014-4 Chemical Holdings, LLC 1209 Orange Street Wilmington, DE 19801	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2014-4 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1 -1102	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2014-4 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1 -1102	Collateral Administration Agreement	June 5, 2014	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2014-4	Collateral Administration Agreement	June 5, 2014	\$0
Acis CLO 2014-4 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Portfolio Management Agreement	June 5, 2014	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis CLO 2014-4 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Indenture	June 5, 2014	\$0
Acis CLO 2014-4 LLC 850 Library Ave., Suite 204 Newark, DE 19711	Indenture	June 5, 2014	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2014-4	Indenture	June 5, 2014	\$0
Acis CLO 2014-4 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Island KY1-1102	Memorandum and Articles of Association of Acis CLO 2014-4 Ltd.	April 1, 2014	\$0
Acis CLO 2014-5 Chemical Holdings, LLC 1209 Orange Street Wilmington, DE 19801	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2014-5 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2014-5 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Collateral Administration Agreement	November 18, 2014	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2014-5	Collateral Administration Agreement	November 18, 2014	\$0
Acis CLO 2014-5 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Portfolio Management Agreement	November 18, 2014	\$0
Acis CLO 2014-5 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Indenture	November 18, 2014	\$0
Acis CLO 2014-5 LLC 850 Library Ave., Suite 204 Newark, DE 19711	Indenture	November 18, 2014	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2014-5	Indenture	November 18, 2014	\$0
Acis CLO 2014-5 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1 -1102	Memorandum and Articles of Association of Acis CLO 2014-5 Ltd.	August 21, 2014	\$0
Acis CLO 2015-6 Chemical Holdings, LLC 1209 Orange Street Wilmington, DE 19801	Limited Liability Company Agreement	October 28, 2016	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis CLO 2015-6 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2015-6 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Collateral Administration Agreement	April 16, 2015	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2015-6	Collateral Administration Agreement	April 16, 2015	\$0
Acis CLO 2015-6 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Portfolio Management Agreement	April 16, 2015	\$0
Acis CLO 2015-6 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Indenture	April 16, 2015	\$0
Acis CLO 2015-6 LLC 850 Library Ave., Suite 204 Newark, DE 19711	Indenture	April 16, 2015	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2015-6	Indenture	April 16, 2015	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis CLO 2015-6 Ltd. P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, KY1-1102, Cayman Islands	Memorandum and Articles of Association of Acis CLO 2015-6 Ltd.	February 11, 2015	\$0
Acis CLO Value Fund II (Cayman), LP. P.O. Box 309, Ugland House Grand Cayman, Cayman Islands KY1-1104	Investment Management Agreement	May 1, 2016	\$0
Acis CLO Value Fund II GP, LLC P.O. Box. 309, Ugland House Grand Cayman, Cayman Islands KY1-1104	Investment Management Agreement	May 1, 2016	\$0
Acis CLO Value Fund II, LP. 300 Crescent Court Suite 700 Dallas, TX 75201	Investment Management Agreement	May 1, 2016	\$0
Acis CLO Value GP, LLC 1209 Orange Street Wilmington, DE 19801	Limited Liability Company Agreement	July 19, 2010	\$0
Acis CLO Value Master Fund II, LP. P.O. Box 309, Ugland House Grand Cayman, Cayman Islands KY1-1104	Investment Management Agreement	May 1, 2016	\$0
Acis CLO Value Fund II (Cayman), L.P. P.O. Box 309, Ugland House Grand Cayman, Cayman Islands KY1-1104	Third Amended and Restated Exempted Limited Partnership Agreement	May 1, 2016	\$0
Acis CLO Value Master Fund II, L.P. P.O. Box 309, Ugland House Grand Cayman, Cayman Islands KY1-1104	Third Amended and Restated Exempted Limited Partnership Agreement	May 1, 2016	\$0
Acis Loan Funding, Ltd. 300 Crescent Court Suite 700 Dallas, TX 75201	FATCA and Non-FATCA Services Agreement	June 23, 2017	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
BayVK R2 Lux S.A., SICAV FIS 15 rue de Flaxweiler L-6776 Grevenmacher	Power of Attorney	February 20, 2015	\$0
BayVK R2 Lux S.A., SICAV-FIS 15 rue de Flaxweiler L-6776 Grevenmacher	Agreement for the Outsourcing of the Asset Management of BayVK R2 Lux S.A., SICAV-FIS	February 27, 2015	\$0
BayVK R2 Lux S.A., SICAV-FIS 15 rue de Flaxweiler L-6776 Grevenmacher	Service Level Agreement	February 27, 2015	\$0
BNP Paribas Securities Services Luxembourg Branch 60 Avenue John F. Kennedy 1855 Luxembourg	Power of Attorney 86578	February 20, 2015	\$0
Hewett's Island CLO 1-R, Ltd. <i>c/o</i> Maples Finance Limited P.O. Box 1093, Queensgate House Grand Cayman, Cayman Islands KY1-1102	Confidentiality Agreement	April 11, 2011	\$0
Hewett's Island CLO 1-R, Ltd. <i>c/o</i> Maples Finance Limited P.O. Box 1093, Queensgate House Grand Cayman, Cayman Islands KY1-1102	Governing Documents (Requested from HCM)	--	\$0
Hewett's Island CLO 1-R, Ltd. <i>c/o</i> Maples Finance Limited P.O. Box 1093, Queensgate House Grand Cayman, Cayman Islands KY1-1102	Management Agreement	July 18, 2011	\$0
Hewett's Island CLO 1-R, Ltd. <i>c/o</i> Maples Finance Limited P.O. Box 1093, Queensgate House Grand Cayman, Cayman Islands KY1-1102	Collateral Administration Agreement (Requested from HCM)	November 20, 2007	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Hewett's Island CLO 1-R, Ltd. <i>c/o</i> Maples Finance Limited P.O. Box 1093, Queensgate House Grand Cayman, Cayman Islands KY1-1102	Indenture	November 20, 2007	\$0
Deutsche Bank Trust Company Americas 1761 East St. Andrew Place Santa Ana, CA 92705 Attn: CDO Business Unit – Hewett's Island CLO 1-R	Indenture	November 20, 2007	\$0
State Street (Guernsey Limited) First Floor, Dorey Court, Admiral Park, St. Peter Port, Guernsey	FATCA and Non-FATCA Services Agreement	June 23, 2017	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2015-6	Confidentiality Agreement	March 5, 2014	\$0
Universal-Investment-Luxembourg S.A. 15 rue de Flaxweiler L-6776 Grevenmacher	Agreement for the Outsourcing of the Asset Management of BayVK R2 Lux S.A., SICAV-FIS	February 27, 2015	\$0
Universal-Investment-Luxembourg S.A. 15 rue de Flaxweiler L-6776 Grevenmacher	Power of Attorney	February 20, 2015	\$0
Universal-Investment-Luxembourg S.A. 15 rue de Flaxweiler L-6776 Grevenmacher	Service Level Agreement	February 27, 2015	\$0
Acis Loan Funding, Ltd. First Floor, Dorey Court St. Peter Port, Guernsey GY1 6HJ Channel Islands	Portfolio Management Agreement	December 22, 2016	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis Capital Management, LP c/o PHELANLAW 4214 Woodfin Drive Dallas, Texas 75220	Amended and Restated Agreement of Limited Partnership	January 21, 2011	\$0
Acis Capital Management GP, LLC c/o PHELANLAW 4214 Woodfin Drive Dallas, Texas 75220	Amended and Restated Limited Liability Company Agreement	January 21, 2011	\$0

For the avoidance of doubt, to the extent not otherwise included above, the Trustee intends to assume any additional executory contracts that relate to the funds set forth below as may be necessary or beneficial to the Reorganized Debtor under the Plan:

1. Acis CLO 2013-1, Ltd.
2. Acis CLO 2013-2, Ltd.
3. Acis CLO 2014-3, Ltd.
4. Acis CLO 2014-4, Ltd.
5. Acis CLO 2014-5, Ltd.
6. Acis CLO 2015-6, Ltd.
7. Acis CLO Value Fund II, L.P.
8. Acis CLO Value Fund II (Cayman), L.P.
9. Acis CLO Master Fund II, L.P.
10. BayVK R2 Lux S.A., SICAV FIS
11. Hewitt's Island CLO 1-R, Ltd.
12. Acis Loan Funding, Ltd.

The Trustee reserves the right to amend or supplement this Exhibit B.



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

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

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

Signed January 31, 2019


United States Bankruptcy Judge

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

IN RE:
ACIS CAPITAL MANAGEMENT, L.P.,
ACIS CAPITAL MANAGEMENT GP, LLC,

DEBTORS.

§
§
§
§
§
§
§

Case No. 18-30264-SGJ-11
Case No. 18-30265-SGJ-11

(Jointly Administered Under Case
No. 18-30264-SGJ-11)

Chapter 11

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER GRANTING FINAL
APPROVAL OF DISCLOSURE STATEMENT AND CONFIRMING THE THIRD AMENDED
JOINT PLAN FOR ACIS CAPITAL MANAGEMENT, L.P. AND ACIS CAPITAL
MANAGEMENT GP, LLC, AS MODIFIED**

On December 11, 12 and 13, 2018, the Court held a hearing (the "Combined Hearing") to consider (a) final approval of the *Disclosure Statement Pursuant to Section 1125 of the United States Bankruptcy Code with Respect to the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC* (the "Disclosure Statement") [Docket No. 661] and (b) confirmation of the *Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC* (the "Third Amended Plan") [Docket No. 660], a

copy of which is attached hereto as **Exhibit “1,”** as modified by (i) the *First Modification to the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC* (the “First Modification”) [Docket No. 693], a copy of which is attached hereto as **Exhibit “2,”** and (ii) the *Second Modification to the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC* (the “Second Modification”) [Docket No. 702], a copy of which is attached hereto as **Exhibit “3,”** as supplemented by the *Supplement to Second Modification to the Third Amended Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC* [Docket No. 769], a copy of which is attached hereto as **Exhibit “4,”** filed by Robin Phelan (the “Chapter 11 Trustee”), as Chapter 11 Trustee for Acis Capital Management, L.P. (“Acis LP”) and Acis Capital Management GP, LLC (“Acis GP,” and together with Acis LP, the “Debtors”). The Third Amended Plan, as modified by the First Modification and Second Modification (as supplemented), is hereafter referred to as the “Plan,” *provided that*, as provided in the last sentence of paragraph 13 of this Order, the schedule of assumed executory contracts attached hereto as Exhibit 5 to this Order replaces, is substituted for, and supersedes Exhibit B to the Third Amended Plan. Capitalized terms used in this Order, unless otherwise specifically defined herein, shall be given the same meaning as in the Plan and/or the Disclosure Statement.

The Combined Hearing was commenced at the time and date scheduled. Based on the testimony, evidence admitted, judicial notice of the records of the Chapter 11 Cases, and the arguments of counsel, the Court makes this *Findings of Fact, Conclusions of Law, and Order Granting Final Approval of Disclosure Statement and Confirming the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, as Modified* (“Order”).

ACCORDINGLY, IT IS HEREBY DETERMINED, FOUND, ADJUDGED, DECREED
AND ORDERED THAT:

A. Findings and Conclusions. All findings of fact or conclusions of law made by the Court on the record at the Combined Hearing are hereby incorporated in their entirety into this Order. All findings of fact contained in the Court's *Findings of Fact and Conclusions of Law in Support of Orders for Relief Issued After Trial on Contested Involuntary Bankruptcy Petitions* entered on April 13, 2018 [Docket No. 118] are hereby incorporated in their entirety into this Order. The findings and conclusions set forth herein and in the record of the Combined Hearing constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 as made applicable herein by Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. Jurisdiction; Venue; Core Proceeding. The Court has jurisdiction over these bankruptcy cases pursuant to 28 U.S.C. sections 157(b) and 1334. Venue is proper before this Court pursuant to 28 U.S.C. sections 1408 and 1409. Final approval of the Disclosure Statement and confirmation of the Plan are core proceedings pursuant to 28 U.S.C. section 157(b)(2)(A), (L) and (O) over which the Court has exclusive jurisdiction and full constitutional jurisdiction and authority to enter final orders with respect thereto.

C. Eligibility for Relief. The Debtors were and are eligible for relief under section 109 of the Bankruptcy Code.¹

D. Commencement and Joint Administration of the Debtors' Cases. On January 30, 2018, Joshua N. Terry ("Terry") filed involuntary petitions under chapter 7 of the Bankruptcy Code against both of the Debtors in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Court"). Acis LP's bankruptcy case was assigned Case No. 18-30264, and Acis GP's bankruptcy case was assigned Case No. 18-30265. The involuntary petitions were contested and the Court held a multi-day trial spanning March 21, 22, 23, 27 and

¹ Unless otherwise indicated, section references are to the Bankruptcy Code.

29, 2018. On April 13, 2018, the Court entered an *Order for Relief in an Involuntary Case* in both cases [Docket No. 119 in Case No. 18-30264 and Docket No. 114 in Case No. 18-30265]. Diane G. Reed (the “Chapter 7 Trustee”) was appointed Chapter 7 Trustee in both cases. On motion of the Chapter 7 Trustee, the Court entered an *Order Directing Joint Administration* [Docket No. 137],² which provides for the joint administration of the Debtors’ respective bankruptcy cases under Case No. 18-30264.

E. Conversion of the Debtors’ Cases and Appointment of the Chapter 11 Trustee.

On motion of the Chapter 7 Trustee, the Court entered an *Order Granting Trustee’s Expedited Motion to Convert Cases to Chapter 11* [Docket No. 205] on May 11, 2018, converting the Debtors’ bankruptcy cases to cases under chapter 11 of the Bankruptcy Code. On motion of Terry, the Court entered an *Order Granting Emergency Motion for an Order Appointing A Trustee for the Chapter 11 Estates of Acis Capital Management, L.P. and Acis Capital Management GP, LLC Pursuant to Bankruptcy Code Section 1104(A)* [Docket No. 206] on May 11, 2018, directing the United States Trustee (the “U.S. Trustee”) to appoint a Chapter 11 Trustee in the Chapter 11 Cases. The U.S. Trustee appointed Robin Phelan as Chapter 11 Trustee in the Chapter 11 Cases. Mr. Phelan’s appointment as Chapter 11 Trustee in Acis LP’s case was approved pursuant to an *Order Approving Appointment of Chapter 11 Trustee* [Docket No. 221] entered by the Court on May 17, 2018 and his appointment as Chapter 11 Trustee in Acis GP’s case was approved pursuant to an *Order Approving Appointment of Chapter 11 Trustee* [Docket No. 184 in Case No. 18-30265] entered by the Court on June 12, 2018.

F. No Official Committee of Unsecured Creditors. The U.S. Trustee has not appointed an official committee of unsecured creditors in the Chapter 11 Cases.

G. Claims Bar Date. October 15, 2018 was originally fixed as the deadline for all holders of alleged Claims (except for governmental units) to file proofs of Claim. However, on

² Unless otherwise indicated, all references to the “Docket” refer to the Docket in Case No. 18-30264.

motion of the Chapter 11 Trustee, the Court entered the Bar Date Order on July 9, 2018 [Docket No. 387]. Pursuant to the Bar Date Order, August 1, 2018 was established as the deadline for all holders of alleged Claims (except for governmental units) to file proofs of Claim and October 10, 2018 was established as the deadline for governmental units to file proofs of Claim.

H. Adequacy of Disclosure Statement. The Disclosure Statement contains “adequate information,” as that term is defined in section 1125 of the Bankruptcy Code and satisfies all requirements of section 1125 of the Bankruptcy Code.

I. Solicitation Order Compliance. On October 3, 2018, the Chapter 11 Trustee filed his *Chapter 11 Trustee’s Amended Motion for Entry of Order (A) Conditionally Approving Disclosure Statement; (B) Scheduling Combined Hearing on Final Approval of Disclosure Statement and Confirmation of Second Amended Joint Plan, and Setting Related Deadlines; (C) Approving Forms for Voting and Notice; and (D) Granting Related Relief* (the “Conditional Approval Motion”) [Docket No. 622]. The Chapter 11 Trustee filed a *Supplement to Amended Motion for Entry of Order (A) Conditionally Approving Disclosure Statement; (B) Scheduling Combined Hearing on Final Approval of Disclosure Statement and Confirmation of Second Amended Joint Plan, and Setting Related Deadlines; (C) Approving Forms for Voting and Notice; and (D) Granting Related Relief* (the “Supplement to Conditional Approval Motion”) [Docket No. 646] on October 19, 2018. The Court conducted a hearing on the Conditional Approval Motion, as supplemented, on October 24, 2018. On October 25, 2018, the Court entered an *Order (I) Conditionally Approving Disclosure Statement, (II) Scheduling Combined Hearing on Final Approval of Disclosure Statement and Confirmation of Second Amended Joint Plan, and Setting Related Deadlines, (III) Approving Forms for Voting and Notice, and (IV) Approving Related Matters* (the “Solicitation Order”) [Docket No. 659] granting the Conditional Approval Motion. The Conditional Approval Motion was filed in connection with a second amended plan of reorganization and disclosure statement with respect thereto. However, for convenience and ease of review, the modifications to the second amended plan and disclosure

statement with respect thereto, including modifications discussed at the October 24, 2018 hearing, were incorporated into the Third Amended Plan and Disclosure Statement filed on October 25, 2018. Consequently, the Solicitation Order approved solicitation of votes on the Third Amended Plan and distribution of the Disclosure Statement in connection with solicitation of votes on the Third Amended Plan. Pursuant to the Solicitation Order, the Court, among other things: (a) conditionally approved the Disclosure Statement for use in soliciting votes on the Third Amended Plan; (b) established procedures and deadlines for the solicitation and submission of votes to accept or reject the Third Amended Plan (the “Solicitation Procedures”); (c) fixed deadlines for objections to final approval of the Disclosure Statement and/or confirmation of the Third Amended Plan and related briefing deadlines; (d) fixed a deadline for serving notice of the Combined Hearing; and (e) set the Combined Hearing to commence on December 11, 2018, at 9:30 a.m., Central Time. The Solicitation Order approved the following documents (collectively the “Solicitation Materials”) to be served on Creditors entitled to vote on the Third Amended Plan:

- (i) the Third Amended Plan;
- (ii) the Disclosure Statement;
- (iii) the Ballots for voting on the Third Amended Plan;
- (iv) the Solicitation Order;
- (v) a Notice (the “Combined Hearing Notice”) [Docket No. 667] reflecting the deadlines and other information relating to the Combined Hearing; and,
- (vi) a letter (the “Transmittal Letter”) from counsel for the Chapter 11 Trustee.

The Solicitation Order directed the Chapter 11 Trustee to serve the Solicitation Materials on holders of Claims in Classes 2 and 3 and Subclasses 4A and 4B under the Third Amended Plan. The Solicitation Order also authorized the tabulation of Ballots on a consolidated basis. The Solicitation Order further directed the Chapter 11 Trustee to serve on various parties defined in the Supplement to Conditional Approval Motion as the “Noteholders,” “Highlands” and

“Notice Parties” certain notices and copies of the following documents (the “Notice-Only Materials”): the Disclosure Statement, the Third Amended Plan, the Solicitation Order and the Combined Hearing Notice. The Chapter 11 Trustee has complied with the Solicitation Order, including the Solicitation Procedures contained therein, in all respects.

J. Transmittal and Mailing of Solicitation Materials; Notice. Due, adequate, and sufficient notice of the Third Amended Plan, Disclosure Statement and Combined Hearing, together with all deadlines for voting on the Third Amended Plan and for objecting to final approval of the Disclosure Statement and/or confirmation of the Third Amended Plan, has been given to known holders of Claims and Interests and, to the extent required, to all other known parties-in-interest, in compliance with the applicable Bankruptcy Rules and the Solicitation Order, as evidenced by the: (i) Combined Hearing Notice (and Certificate of Service included therewith) filed at Docket No. 667; (ii) *Notice of Solicitation of Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC to Noteholders* (and Certificate of Service included therewith) filed at Docket No. 664; (iii) *Notice of Solicitation of Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC to Highland Entities* (and Certificate of Service included therewith) filed at Docket No. 665; (iv) *Notice of Solicitation of Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC to Notice Parties* (and Certificate of Service included therewith) filed at Docket No. 666; and (v) *Certificate of Service* filed at Docket No. 676. The packages containing the Solicitation Materials, the packages containing the Notice-Only Materials, and all other materials relating in any way to the solicitation process were transmitted and served in substantial compliance with the Solicitation Order and in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Solicitation Procedures set forth in the Solicitation Order, and all other applicable rules, laws and regulations.

K. Adequacy of Solicitation. The Chapter 11 Trustee distributed packages containing the Solicitation Materials to the holders of Claims entitled to vote on the Third

Amended Plan and sufficient time was prescribed for such holders of Claims to vote on the Third Amended Plan in substantial compliance with the Solicitation Order and the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Solicitation Procedures set forth in the Solicitation Order, and all other applicable rules, laws and regulations. Transmittal and service were adequate and sufficient, and no further notice is or shall be required. In addition, holders of Claims not entitled to vote on the Amended Plan, and certain other parties-in-interest, were provided with certain non-voting materials approved by the Court in compliance with the Solicitation Order. All procedures used to distribute the Solicitation Materials to holders of Claims entitled to vote on the Third Amended Plan were fair and conducted in good faith and in accordance with the Bankruptcy Code, Bankruptcy Rules, the Solicitation Procedures contained in the Solicitation Order, and all other applicable rules, laws and regulations.

L. Good Faith Solicitation – Section 1125(e). Based on the Record, the Chapter 11 Trustee and Estate Professionals have acted in good faith within the meaning of sections 1125(e) and 1129(a)(3), and in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Solicitation Order, in connection with all of their respective activities relating to the solicitation of acceptances of the Third Amended Plan and their participation in the activities described in section 1125, and are entitled to the protections afforded by section 1125(e).

M. Voting Tabulation. In accordance with the Solicitation Order, on December 3, 2018 the *Tabulation of Ballots in Connection with Confirmation of the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC* (the “Ballot Tabulation”) [Docket No. 746] was filed and served on all parties that filed a timely objection to confirmation of the Plan. All procedures used to tabulate the Ballots (which were tabulated on a consolidated basis) were fair and conducted in accordance with the Solicitation Order, the Bankruptcy Code, the Bankruptcy Rules, and all other applicable rules, laws and regulations.

N. Classes Deemed to Have Accepted or Rejected the Third Amended Plan. As set forth in the Third Amended Plan and Disclosure Statement: (i) Class 1 is unimpaired and is conclusively deemed to have accepted the Third Amended Plan pursuant to section 1126(f), and (ii) Class 5, consisting of Interests in the Debtors, is Impaired, but because the Third Amended Plan provides that holders of Class 5 Interests shall not receive or retain any property on account of their Interests, Class 5 is conclusively deemed to have rejected the Third Amended Plan pursuant to section 1126(g).

O. Impaired Classes of Creditors Voting to Accept or Reject the Third Amended Plan. Based upon the Ballot Tabulation, the Court finds that the following Impaired Classes have voted on the Third Amended Plan as follows:

(i) Class 2 (the Terry Partially Secured Claim) voted to accept the Third Amended Plan as follows:

<u>Ballots Accepting</u>		<u>Ballots Rejecting</u>	
<u>Amount</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>
\$8,060,827.84 100%	1 100%	\$0.00 0.00%	0 0.00%

Two Ballots were submitted by Terry in Class 2. One of the Ballots was based on a proof of Claim recorded in the Claims Register for Case No. 18-30264 as Claim No. 26-1 and filed by Terry for the benefit of his IRAs ("Claim No. 26"). Highland filed an objection [Docket No. 522] on August 17, 2018 seeking an order disallowing Claim No. 26 and striking any vote (on a prior plan of reorganization) by Terry on account of Claim No. 26. Although the Ballot Tabulation reflects the Ballot submitted by Terry on account of Claim No. 26, the Court disregards that Ballot and does not take it into account in its determination regarding acceptance of the Third Amended Plan. The other Ballot submitted by Terry accepted the Third Amended Plan.

(ii) Class 3 (General Unsecured Claims) voted to accept the Third Amended Plan as follows:

<u>Ballots Accepting</u>		<u>Ballots Rejecting</u>	
<u>Amount</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>
\$667,550.00 100%	2 100%	\$0.00 0.00%	0 0.00%

Three Ballots were submitted in Class 3. One of the Ballots was submitted by Jennifer G. Terry. Such Ballot is based on a proof of Claim recorded in the Claims Register for Case No. 18-30264 as Claim No. 25-1 and filed by Jennifer G. Terry for the benefit of her IRAs and 401k ("Claim No. 25"). Highland filed an objection [Docket No. 521] on August 17, 2018 seeking an order disallowing Claim No. 25 and striking any vote (on a prior plan of reorganization) by Jennifer G. Terry on account of Claim No. 25. Although the Ballot Tabulation reflects the Ballot submitted by Jennifer G. Terry on account of Claim No. 25, the Court disregards that Ballot and does not take it into account in its determination regarding acceptance of the Plan. The other two Ballots submitted in Class 3 accepted the Third Amended Plan.

(iii) Class 4 (Insider Claims) voted to reject the Third Amended Plan as follows:

<u>Ballots Accepting</u>		<u>Ballots Rejecting</u>	
<u>Amount</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>
\$0.00 0.00%	0 0.00%	\$4,172,140.38 100%	1 100%

Based on the foregoing, and as evidenced by the Ballot Tabulation, at least one Impaired Class of Claims (excluding the acceptance by any Insiders of the Debtors) has voted to accept the Third Amended Plan in accordance with the requirements of sections 1124 and 1126 of the Bankruptcy Code.

P. Modifications to the Third Amended Plan. The modifications to the Third Amended Plan set forth in the First Modification, the Second Modification (as supplemented), and as set forth in this Order constitute non-material or technical changes and do not materially or adversely affect or change the treatment of any Claims against or Interests in the Debtors

under the Third Amended Plan (the “Non-Material Modifications”). The filing of the First Modification on November 8, 2018 constitutes due and sufficient notice thereof under the circumstances of these Chapter 11 Cases. The filing of the Second Modification on November 16, 2018 (as supplemented on December 10, 2018) constitutes due and sufficient notice thereof under the circumstances of these Chapter 11 Cases. The Non-Material Modifications neither require additional disclosure under section 1125 of the Bankruptcy Code nor re-solicitation of votes on the Plan under section 1126 of the Bankruptcy Code and Bankruptcy Rules 3018 and 3019. In accordance with section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, all holders of Claims against the Debtors who voted to accept the Third Amended Plan are hereby deemed to have accepted the Third Amended Plan as modified consistent with the Non-Material Modifications. No Holder of a Claim against the Debtors who has voted to accept the Third Amended Plan shall be permitted to change its acceptance to a rejection as a consequence of the Non-Material Modifications. The Non-Material Modifications incorporated in the Plan comply with section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

Q. Bankruptcy Rule 3016. The Plan is dated and identifies the Chapter 11 Trustee as the Person submitting it, thereby satisfying Bankruptcy Rule 3016(a). The filing of the Disclosure Statement satisfied Bankruptcy Rule 3016(b). The Plan provides for the Temporary Plan Injunction (as defined herein), which constitutes an injunction against conduct not otherwise enjoined under the Bankruptcy Code. The Plan and Disclosure Statement both describe in specific and conspicuous language all acts to be enjoined and identify the entities subject to the Temporary Plan Injunction. Therefore, the Plan and Disclosure Statement satisfy the requirements of Bankruptcy Rule 3016(c).

R. Bankruptcy Rule 3017. The Chapter 11 Trustee has given notice of the Combined Hearing as required by the applicable provisions of Bankruptcy Rule 3017 and the Solicitation Order. The materials transmitted and notice given by the Chapter 11 Trustee to holders of Claims entitled to vote on the Third Amended Plan and the materials transmitted by

the Chapter 11 Trustee to holders of Interests and other parties-in-interest satisfy the applicable provisions of Bankruptcy Rules 3017(d)-(f) and the Solicitation Order. Therefore, the requirements of Bankruptcy Rule 3017 have been satisfied.

S. Bankruptcy Rule 3018. The solicitation of votes to accept or reject the Third Amended Plan satisfies Bankruptcy Rule 3018. The Third Amended Plan was transmitted to all holders of Claims entitled to vote, sufficient time was prescribed for such parties to accept or reject the Third Amended Plan, and the Solicitation Materials used and Solicitation Procedures followed comply with sections 1125 and 1126, thereby satisfying the requirements of Bankruptcy Rule 3018. Further, the Chapter 11 Trustee filed the Ballot Tabulation in accordance with the provisions of the Solicitation Order.

T. Burden of Proof. The Chapter 11 Trustee, as proponent of the Plan, has the burden of proving the elements of sections 1122, 1123 and 1129 of the Bankruptcy Code by a preponderance of the evidence. The Court finds that the Chapter 11 Trustee has met each element of such burden with respect to the Plan.

U. Judicial Notice. The Court takes judicial notice of the entire record of proceedings in the Chapter 11 Cases and related adversary proceedings, including, without limitation, all pleadings, notices, and other documents filed, all orders entered, and all evidence and arguments made, proffered or adduced at the hearings held before the Court during the Chapter 11 Cases and related adversary proceedings, including, without limitation, the Combined Hearing. Any resolutions of objections to final approval of the Disclosure Statement or confirmation of the Plan explained on the record at the Combined Hearing are hereby incorporated by reference.

V. The Record. The record established at the Combined Hearing (the "Record") to support final approval of the Disclosure Statement and confirmation of the Plan includes:

- (i) All documents identified by the Chapter 11 Trustee at the Combined Hearing and all exhibits admitted into evidence at the Combined Hearing, including but not limited to admitted exhibits which are listed on the *Joint*

Witness and Exhibit List [Docket No. 767] filed jointly by the Chapter 11 Trustee, Highland and HCLOF with the Court on December 7, 2018;

- (ii) The Ballot Tabulation;
- (iii) The testimony of witnesses; and
- (iv) The statements and arguments of counsel.

W. *Objections to Final Approval of Disclosure Statement and Confirmation of Plan.*

The Solicitation Order established November 26, 2018 as the deadline for filing objections to final approval of the Disclosure Statement and/or confirmation of the Plan. The following objections to final approval of the Disclosure Statement and/or confirmation of the Plan (the "Objections") were timely filed in accordance with the Solicitation Order:

- (i) *Objection by Stinson Leonard Street LLP to Debtors' Second Modification to the Third Amended Joint Plan* [Docket No. 720];
- (ii) *Joint Objection of Highland Capital Management, L.P. and Highland CLO Funding, Ltd. to Final Approval of Disclosure Statement and to Confirmation of the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC* [Docket no. 722]; and
- (iii) *Objection of Neutra Ltd. to Final Approval of Disclosure Statement and to Confirmation of the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC* [Docket No. 723].

X. *Transfer and Vesting of Assets.* Pursuant to Article VI of the Plan, all Assets shall be transferred to and vested in the Reorganized Debtor as of the Effective Date. The transfer of the Assets to the Reorganized Debtor pursuant to the Plan is consistent with, and authorized by, section 1123(a)(5)(B) of the Bankruptcy Code and will be fully effectuated through this Order as of the Effective Date without the necessity of any other or further assignment or transfer.

Y. *Claim Objections and Resolutions.* Pursuant to the Plan, the Reorganized Debtor has the sole power and exclusive standing and authority to object to any Claim. Without limiting the generality of the foregoing, the Reorganized Debtor shall have the power: (i) to

object to any Claim on any legal or equitable basis; (ii) to seek subordination of any Claim on any legal or equitable basis; (iii) to assert any right of setoff or recoupment, including without limitation, any such right pursuant to section 553 of the Bankruptcy Code; (iv) to assert any and all Estate Defenses to any Claim, whether legal or equitable, including any affirmative defenses or any right of setoff; (v) to assert all Estate Claims as a counterclaim against any Claim, whether arising out of the same or different transactions, both for an affirmative recovery and as an offset against any such Claim; and (vi) to object to any Claims on the basis of section 502(d). Vesting such exclusive power and standing in the Reorganized Debtor is reasonable and appropriate, and is authorized by, and in compliance with, section 1123(b)(3) of the Bankruptcy Code.

Z. Compliance with the Requirements of Section 1129 of the Bankruptcy Code. The Plan complies with the applicable provisions of the Bankruptcy Code, as follows:

(i) Section 1129(a)(1) – Compliance of the Plan with the Applicable Provisions of the Bankruptcy Code. The Plan complies with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(1) of the Bankruptcy Code, including sections 1122 and 1123.

(a) Sections 1122 and 1123(a)(1) – Proper Classification. The classification of Claims and Interests in the Plan is proper under the Bankruptcy Code. Pursuant to sections 1122(a) and 1123(a)(1), the Plan provides for the separate classification of Claims and Interests into six (6) Classes (Class 1, Class 2, Class 3, Subclass 4A, Subclass 4B and Class 5), based on differences in the legal nature and priority of such Claims and Interests (other than Claims for Administrative Expenses, Priority Tax Claims and U.S. Trustee's quarterly fees, which are not required to be designated as separate Classes pursuant to section 1123(a)(1)). Based upon the Record, valid business, factual and legal reasons exist for the separate classification of the various Classes of Claims and Interests created under the Plan, the classifications were not created for any improper purpose and the creation of such Classes

does not unfairly discriminate between or among holders of Claims or Interests. In accordance with section 1122(a), each Class of Claims and Interests contains only Claims or Interests that are substantially similar to the other Claims or Interests within that Class. Accordingly, the requirements of sections 1122(a) and 1123(a)(1) of the Bankruptcy Code have been satisfied.

(b) Section 1123(a)(2) – Specification of Unimpaired Classes. The Plan specifies that Claims in Class 1 are unimpaired under the Plan. Therefore, the requirements of section 1123(a)(2) of the Bankruptcy Code have been satisfied.

(c) Section 1123(a)(3) – Specification of Treatment of Impaired Classes. Other than Class 1, all Classes of Claims and Interests (Class 2, Class 3, Subclass 4A, Subclass 4B and Class 5) are Impaired under the Plan. The Plan specifies the treatment of each Impaired Class of Claims and Interests under the Plan. The treatment of Impaired Classes of Claims and Interests is specified in Article IV of the Plan. Therefore, the requirements of section 1123(a)(3) of the Bankruptcy Code have been satisfied.

(d) Section 1123(a)(4) – No Discrimination. The Plan provides for the same treatment for each Claim or Interest in each respective Class unless the holder of a particular Claim or Interest has agreed to a less favorable treatment of such Claim or Interest. Therefore, the requirements of section 1123(a)(4) of the Bankruptcy Code have been satisfied.

(e) Section 1123(a)(5) – Adequate Means for Plan Implementation. The Plan provides for adequate and proper means for the Plan's implementation. This includes means for implementation set forth in Article VI of the Plan. Therefore, the requirements of section 1123(a)(5) of the Bankruptcy Code have been satisfied.

(f) Section 1123(a)(6) – Prohibition on Issuance of Non-Voting Securities. The Debtors are not corporations. Therefore, section 1123(a)(6) of the Bankruptcy Code is inapplicable.

(g) Section 1123(a)(7) – Selection of Officers, Directors and Trustees. Under the Plan, Terry shall receive 100% of the equity interests in the Reorganized Debtor. The

Plan does not provide for the selection or appointment of any officers or directors of the Reorganized Debtor as of the Effective Date and Terry, as the sole owner of the Reorganized Debtor, shall be free to structure the Reorganized Debtor's management as he wishes. Therefore, to the extent section 1123(a)(7) of the Bankruptcy Code is applicable to the Plan, its requirements have been satisfied.

(h) Section 1123(a)(8) – Payment of Individual Debtor's Earnings.

The Debtors are not individuals. Therefore, section 1123(a)(8) of the Bankruptcy Code is inapplicable.

(i) Section 1123(b) – Discretionary Contents of the Plan. The Plan contains various provisions that are properly construed as discretionary and not required for confirmation of the Plan under the Bankruptcy Code. As set forth below, all such discretionary provisions comply with section 1123(b) of the Bankruptcy Code, are not inconsistent with the applicable provisions of the Bankruptcy Code and are hereby approved. Therefore, section 1123(b) of the Bankruptcy Code has been satisfied.

(1) Section 1123(b)(1) – Impairment / Unimpairment of Claims and Interests. The Plan impairs or leaves unimpaired each Class of Claims and Interests. Therefore, the Plan is consistent with section 1123(b)(1) of the Bankruptcy Code.

(2) Section 1123(b)(2) – Assumption / Rejection of Executory Contracts and Unexpired Leases. Article XI of the Plan provides that all of the Debtors' Executory Contracts and Unexpired Leases shall be deemed rejected upon the Effective Date unless an Executory Contract or Unexpired Lease (a) has been previously assumed or rejected pursuant to an order of the Court, (b) is identified in **Exhibit 5** to this Order to be (i) assumed or (ii) assumed and assigned, or (c) is the subject of a motion to assume filed on or before the Confirmation Date. Therefore, the Plan is consistent with section 1123(b)(2) of the Bankruptcy Code.

(3) Section 1123(b)(3) – Settlement / Retention of Claims and

Causes of Action. The Chapter 11 Trustee has delineated the Estate Claims and Estate Defenses to be retained in the Plan. The terms “Estate Claims” and “Estate Defenses” are defined in sections 1.55 and 1.56 of the Plan, respectively, and together include all claims, causes of action, defenses, affirmative defenses, counterclaims, or offsets held by the Debtors’ Estate. The identification and retention of the Estate Claims and Estate Defenses in the Plan is reasonable and appropriate and reflects a proper exercise of the good faith business judgment of the Chapter 11 Trustee. Articles VI and IX of the Plan, including Exhibit A to the Plan, contain a specific and unequivocal reservation of Estate Claims and Estate Defenses as required under applicable Fifth Circuit authority. The Estate Claims and Estate Defenses are expressly, specifically, and unequivocally retained and reserved pursuant to Articles VI and IX of the Plan (including Exhibit A to the Plan) in accordance with section 1123(b)(3)(B) of the Bankruptcy Code. Unless otherwise expressly stated in the Plan or this Order, all Estate Claims and Estate Defenses are hereby reserved for the benefit of the Reorganized Debtor and the Reorganized Debtor shall be entitled to file, prosecute and/or settle each of the Estate Claims so reserved in accordance with the terms of the Plan. The provisions of the Plan regarding reservation of Estate Claims and Estate Defenses are appropriate and in the best interests of the Debtors, the Estate, and holders of Claims and Interests.

(4) Section 1123(b)(5) – Modification of Creditors’ Rights.

With the exception of holders of Class 1 Claims, which are unimpaired, the Plan modifies the rights of all holders of Claims against the Debtors. Accordingly, the Plan is consistent with section 1123(b)(5) of the Bankruptcy Code.

(ii) Section 1129(a)(2) – Compliance of the Chapter 11 Trustee with the

Applicable Provisions of the Bankruptcy Code. The Chapter 11 Trustee, as proponent of the Plan, has complied with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(2) of the Bankruptcy Code, including sections 1122, 1123, 1124, 1125, 1126, 1127 and

1128 of the Bankruptcy Code and Bankruptcy Rules 3017, 3018 and 3019. Votes to accept or reject the Third Amended Plan were solicited after the Court conditionally approved the adequacy of the Disclosure Statement. The Chapter 11 Trustee and his present and former representatives, advisors, attorneys, professionals and agents have solicited and tabulated the votes on the Third Amended Plan and have participated in the activities described in section 1125 of the Bankruptcy Code fairly and in good faith within the meaning of section 1125(e) of the Bankruptcy Code, and in a manner consistent with the applicable provisions of the Solicitation Order, the Bankruptcy Code, the Bankruptcy Rules, and all other applicable rules, laws and regulations, and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code. The Chapter 11 Trustee and his present and former representatives, advisors, attorneys, professionals and agents have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with respect to the offering, issuance and distribution of recoveries under the Plan and, therefore, are not (and on account of such distributions, will not be) liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Third Amended Plan or distributions made pursuant to the Plan, so long as distributions are made consistent with and pursuant to the Plan.

(iii) Section 1129(a)(3) – Proposal of the Plan in Good Faith. The Chapter 11 Trustee has proposed the Plan (and all other agreements, documents and instruments necessary to effectuate the Plan) in good faith and not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. In determining that the Plan has been proposed in good faith, the Court has examined and considered the totality of the circumstances surrounding the formulation of the Plan, including both the Record at the Combined Hearing and the record of the Chapter 11 Cases. The Chapter 11 Trustee's good faith is evident from the facts and Record of the Combined Hearing. The Chapter 11 Trustee proposed the Plan for legitimate and honest purposes.

(iv) Section 1129(a)(4) – Court Approval of Certain Payments as Reasonable.

All payments made or to be made by the Reorganized Debtor for services or for costs and expenses in or in connection with the Chapter 11 Cases or in connection with the Plan and incident to the Chapter 11 Cases, have either been approved by, or are subject to final approval of, the Court as reasonable. Notwithstanding anything to the contrary in the Plan, the provisions of section 3.01(e) of the Plan governing the filing of final fee applications by Estate Professionals and allowance of Administrative Expense Claims of Estate Professionals apply to the Chapter 11 Trustee. Compensation sought by the Chapter 11 Trustee through a final fee application shall be subject to final approval of the Court as reasonable in accordance with section 330(a)(3) of the Bankruptcy Code. Therefore, the requirements of section 1129(a)(4) of the Bankruptcy Code are satisfied.

(v) Section 1129(a)(5) – Disclosure of Identity of Proposed Management,

Compensation of Insiders and Consistency of Management Proposals with the Interests of Creditors and Public Policy. Under the Plan, Terry, who does not constitute an Insider, shall receive 100% of the equity interests in the Reorganized Debtor. The Plan does not provide for appointment of any officers or directors of the Reorganized Debtor as of the Effective Date and Terry, as the sole owner of the Reorganized Debtor, shall be free to structure the Reorganized Debtor's management as he wishes. Terry's identity and affiliations have been fully disclosed and, to the extent that Terry serves as an officer of the Reorganized Debtor after confirmation of the Plan, Terry's appointment to any such role is consistent with the interests of Creditors, holders of Interests and public policy. Therefore, the requirements of section 1129(a)(5) of the Bankruptcy Code are satisfied.

(vi) Section 1129(a)(6) – No Rate Changes. The Plan does not contain any rate changes subject to the jurisdiction of any governmental regulatory commissions and will not require governmental regulatory approval. Therefore, section 1129(a)(6) is not applicable to the Chapter 11 Cases.

(vii) Section 1129(a)(7) – Best Interest of Creditors Test. The Plan satisfies section 1129(a)(7). The Liquidation Analysis attached as Exhibit 4 to the Disclosure Statement and the other exhibits and evidence proffered or adduced at the Combined Hearing related thereto: (a) are persuasive and credible; (b) have not been controverted by other evidence; (c) are based upon sound methodology; and (d) conclusively establish that each holder of an Impaired Claim or Interest either (1) has accepted the Plan, or (2) will receive or retain under the Plan, on account of such holder's Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

(viii) Section 1128(a)(8) – Conclusive Presumption of Acceptance by Unimpaired Classes; Acceptance of Plan by Each Impaired Class. Class 1 is unimpaired under the Plan and is conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Classes 2 and 3 are Impaired under the Plan and have voted to accept the Plan. Class 4 is Impaired under the Plan and voted to reject the Plan. Class 5 is Impaired under the Plan. Holders of Class 5 Interests will not receive or retain any property on account of their Interests under the Plan and are therefore conclusively deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code. Notwithstanding the fact that the Plan was not accepted by all Classes of Impaired Claims and Interests, the Plan is confirmable because it satisfies sections 1129(a)(10) and 1129(b) of the Bankruptcy Code.

(ix) Section 1129(a)(9) – Treatment of Claims Entitled to Priority Pursuant to Section 507(a) of the Bankruptcy Code. The treatment of Allowed Claims for Administrative Expenses and Priority Tax Claims under Article III of the Plan satisfies the requirements of, and complies in all respects with, section 1129(a)(9) of the Bankruptcy Code. Accordingly, the requirements of section 1129(a)(9) are satisfied.

(x) Section 1129(a)(10) – Acceptance by at Least One Impaired Class. As set forth in the Ballot Tabulation and in this Order, Classes 2 and 3 voted to accept the Plan. As

such, at least one Class of Claims that is Impaired under the Plan has accepted the Plan without including the acceptance of the Plan by any Insider. Therefore, the requirements of section 1129(a)(10) of the Bankruptcy Code have been satisfied.

(xi) Section 1129(a)(11) – Feasibility of the Plan. The evidence submitted at the Combined Hearing regarding feasibility, together with all evidence proffered or advanced at or prior to the Combined Hearing, (a) is persuasive and credible, (b) has not been controverted by other evidence, and (c) establishes that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Reorganized Debtor. Accordingly, the requirements of section 1129(a)(11) of the Bankruptcy Code have been satisfied.

(xii) Section 1129(a)(12) – Payment of Bankruptcy Fees. The Plan provides that all fees due and payable under 28 U.S.C. section 1930 as of the Confirmation Date will be paid in full on the Effective Date or as soon thereafter as is practicable, thus satisfying the requirements of section 1129(a)(12) of the Bankruptcy Code.

(xiii) Section 1129(a)(13), (14), (15) and (16) – Non-Applicability. The Debtors do not provide any retiree benefits within the meaning of section 1114, do not owe any domestic support obligations, are not individuals, and are not non-profit corporations. Thus, sections 1129(a)(13), 1129(a)(14), 1129(a)(15) and 1129(a)(16) do not apply to the Chapter 11 Cases.

(xiv) Section 1129(b) – Confirmation of the Plan Over Non-Acceptance of Impaired Classes. Class 4 is Impaired under the Plan and voted to reject the Plan. Holders of Class 5 Interests are deemed to have rejected the Plan. Nevertheless, the Plan may be confirmed pursuant to section 1129(b) of the Bankruptcy Code notwithstanding that the requirements of section 1129(a)(8) have not been met because the Chapter 11 Trustee has demonstrated by a preponderance of the evidence that the Plan (a) satisfies all of the other requirements of section 1129(a) of the Bankruptcy Code and (b) does not “discriminate unfairly” and is “fair and equitable” as to each Impaired Class which has not voted to accept (or is

deemed to reject) the Plan. The Plan therefore satisfies the requirements of section 1129(b) of the Bankruptcy Code and may be confirmed despite the fact that not all Impaired Classes have voted to accept the Plan.

(xv) Section 1129(c) – Only One Plan. Other than the Plan (including previous versions thereof), no other plan has been filed in the Chapter 11 Cases. Accordingly, the requirements of section 1129(c) of the Bankruptcy Code are satisfied.

(xvi) Section 1129(d) – Principal Purpose of the Plan is Not the Avoidance of Taxes. The principal purpose of the Plan is not the avoidance of taxes or the avoidance of application of Section 5 of the Securities Act of 1933 and there has been no filing by a Governmental Unit asserting any such attempted avoidance. Therefore, the requirements of section 1129(d) of the Bankruptcy Code are satisfied.

(xvii) Section 1129(e) – Small Business Case. Neither of the Chapter 11 Cases is a “small business case,” as that term is defined in the Bankruptcy Code and, accordingly, section 1129(e) is inapplicable to the Chapter 11 Cases.

AA. Executory Contracts and Unexpired Leases. The Chapter 11 Trustee has satisfied the provisions of section 365 of the Bankruptcy Code with respect to the assumption and rejection of the Executory Contracts and Unexpired Leases pursuant the Plan. The Chapter 11 Trustee has exercised reasonable business judgment prior to the Combined Hearing in determining whether to assume or reject each of the Executory Contracts and Unexpired Leases as set forth in Article XI of the Plan, **Exhibit “5”** to this Order, or otherwise. Each assumption or rejection of an Executory Contract or Unexpired Lease pursuant to this Order and in accordance with Article XI of the Plan, or otherwise by order of this Court, shall be valid, legal, and binding upon the applicable Debtor, Reorganized Debtor, Estate, and all non-Debtor persons or entities party to such Executory Contract or Unexpired Lease. Executory Contracts and Unexpired Leases not previously assumed by order of this Court and which the Chapter 11 Trustee has determined to assume are identified in **Exhibit “5”** to this Order.

Because no defaults exist under the Executory Contracts and Unexpired Leases identified in **Exhibit “5”** to this Order, the Chapter 11 Trustee is not required to make any cure payments, provide any other compensation, cure any nonmonetary defaults, or provide adequate assurance of future performance under section 365(b) of the Bankruptcy Code as a condition to the assumption of such Executory Contracts and Unexpired Leases.

BB. Compromise and Settlement. The Court finds and concludes that, pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019, in consideration of the Distributions and other benefits provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement of all Impaired Claims and Interests. Such settlement and compromise, which was made at arms'-length in exchange for good and valuable consideration, is in the best interests of the holders of Impaired Claims and Interests, is within the range of possible litigation outcomes, and is fair, equitable, and reasonable. Each element of the compromise and settlement reflected in the Plan is integrated and inexorably linked.

CC. Plan Injunction. The Plan Injunction is necessary and appropriate to facilitate the transactions and distributions to Creditors pursuant to the Plan. The Plan Injunction constitutes an essential and integral part of the Plan without which the holders of Claims against the Debtors could potentially interfere with implementation and performance of the Plan. The Plan Injunction protects the best interests of the holders of Allowed Claims and facilitates the efficient performance of the Plan. Consequently, the Plan Injunction is appropriate pursuant to sections 105(a) and 1123(a)(5) of the Bankruptcy Code.

DD. Temporary Plan Injunction. The Temporary Plan Injunction (as defined herein) is a temporary injunction which provides for the continuation, after the Effective Date, of injunctive relief the Court previously granted in its *Preliminary Injunction Order* (the “Preliminary Injunction”) [Docket No. 21 in Adversary No. 18-03212-sgj] entered on July 10, 2018 in the Trustee’s Adversary. The Preliminary Injunction was originally set to expire by its own terms

upon confirmation of the Plan, but is extended by this Order through the Effective Date of the Plan. Based on the record of prior proceedings in the Chapter 11 Cases, including in the Trustee's Adversary, and the Record at the Combined Hearing, no grounds have been shown to give the Court reason to reconsider any findings supporting its prior Preliminary Injunction. Furthermore, as set forth below, the Record at the Combined Hearing demonstrates that the four elements required for issuance of injunctive relief are present, the Temporary Plan Injunction is necessary and appropriate in all respects, and it complies with the applicable requirements of the Bankruptcy Rules.

(i) Substantial Likelihood of Success on the Merits. In the Highland Adversary, the Chapter 11 Trustee has asserted a counterclaim seeking to avoid the prepetition transfer of Acis LP's rights under the ALF PMA (the "ALF PMA Transfer") as a fraudulent transfer under the Bankruptcy Code and the Texas Uniform Fraudulent Transfer Act. Such fraudulent transfer actions seek an equitable remedy and involve claims to specific assets of Highland HCF. But for the ALF PMA Transfer, HCLOF could not have attempted to direct and effectuate an optional redemption of the Acis CLOs (which it has twice attempted to do postpetition in the Chapter 11 Cases). The rights transferred in the ALF PMA Transfer appear to have been fraudulently transferred for no apparent value. The Court found in the Preliminary Injunction, and the Court finds again for purposes of this Order, that the Chapter 11 Trustee has demonstrated a substantial likelihood of success on the merits of his claim to avoid the ALF PMA Transfer as a fraudulent transfer.

(ii) Irreparable Harm. Revenue to be generated by the Reorganized Debtor under the PMAs is a primary source of funding Distributions to Creditors under the Plan. Absent the Temporary Plan Injunction, HCLOF will be free to direct an optional redemption before this Court can adjudicate the fraudulent transfer actions with respect to the ALF PMA Transfer. Such an optional redemption – or similar call or liquidation of the Acis CLOs – would not only render such fraudulent transfer actions moot, but would effectively terminate and destroy all

value in the PMAs. This would, in turn, effectively destroy the Reorganized Debtor's ability to perform under the Plan to the detriment of the Reorganized Debtor, Creditors and other parties-in-interest. Consequently, the Reorganized Debtor faces immediate and irreparable harm if the Temporary Plan Injunction is not issued.

(iii) Balance of Harms. The balance of harms weighs in favor of issuing the Temporary Plan Injunction because any alleged harm to HCLOF, Highland or their affiliates is substantially outweighed by the imminent and irreparable harm that would be suffered by the Reorganized Debtor, Creditors and other parties-in-interest if the Temporary Plan Injunction is not issued and an optional redemption, call or other liquidation of the Acis CLOs follows. At a minimum, the Temporary Plan Injunction is appropriate to maintain the status quo pending adjudication of the fraudulent transfer actions with respect to the ALF PMA Transfer. Highland, HCLOF and their affiliates will not suffer any material, recognizable harm if temporarily enjoined from pursuing an optional redemption, call or other liquidation of the Acis CLOs before the Court adjudicates the fraudulent transfer actions concerning the ALF PMA Transfer and thereby determines whether HCLOF has any legitimate right to direct an optional redemption, call or other liquidation of the Acis CLOs in the first instance.

(iv) Public Policy. Public policy favors maximization of a debtor's assets and successful reorganization. Because an optional redemption, call or other liquidation of the Acis CLOs would destroy the value of the PMAs and the Reorganized Debtor's ability to perform under the Plan, issuance of the Temporary Plan Injunction is consistent with public policy. Furthermore, public policy favors disposition of cases on their merits. Absent the Temporary Plan Injunction, HCLOF could be expected to immediately direct an optional redemption, call or other liquidation of the Acis CLOs following confirmation of the Plan, thus rendering the fraudulent transfer actions concerning the ALF PMA Transfer moot. Issuance of the Temporary Plan Injunction will avoid the potential for such fraudulent transfer actions being mooted prior to adjudication of such actions on their merits and is consistent with public policy.

(v) Section 105(a). Section 105(a) empowers this Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions” of the Bankruptcy Code. 11 U.S.C. § 105(a). The Temporary Plan Injunction is essential to the Reorganized Debtor’s ability to perform the Plan and to maintain the status quo during prosecution of the fraudulent transfer actions concerning the ALF PMA Transfer. The Temporary Plan Injunction is therefore both necessary and appropriate to carry out the provisions of the Bankruptcy Code in the Chapter 11 Cases.

(vi) Compliance with Technical Requirements. Bankruptcy Rule 3020(c) requires that the Temporary Plan Injunction (a) describe the acts enjoined in reasonable detail; (b) be specific in its terms with regard to the injunction; and (c) identify the entities subject thereto. The Temporary Plan Injunction satisfies each of these requirements. The description of acts enjoined is specific and particular and the language of the Temporary Plan Injunction is therefore reasonably detailed. The Temporary Plan Injunction is also specific in its terms, as its language clearly describes the condition triggering the injunction and the specific events which will serve to terminate it. The Temporary Plan Injunction also specifically identifies the entities subject to its terms. Federal Rule of Civil Procedure 65(d)(1), made applicable by Bankruptcy Rule 7065, also requires that the Temporary Plan Injunction be specific in its terms and describe the enjoined acts in reasonable detail. Federal Rule of Civil Procedure 65(d)(1) further requires that the reasons for issuance of the Temporary Plan Injunction are stated. The reasons for this Court’s issuance of the Temporary Plan Injunction are stated herein. Therefore, the Temporary Plan Injunction satisfies all requirements of the applicable Bankruptcy Rules.

EE. Substantive Consolidation of the Debtors. The Court finds and concludes that the substantive consolidation of the Debtors for the purpose of implementing the Plan, including for purposes of distributions under the Plan, is in the best interests of the Debtors, the Estate, and holders of Claims and Interests. Substantive consolidation recognizes the Debtors’ common business purpose and the fact that Acis GP’s liability is derived from the liabilities of

Acis LP based on Acis GP's status as general partner of Acis LP. The Court further finds that substantive consolidation of the Debtors constitutes an integral part of the Plan.

FF. Retention of Jurisdiction. This Court finds and concludes that this Court's retention of jurisdiction as set forth herein and in the Plan comports with 28 U.S.C. sections 157 and 1334. Consequently, the Court may properly retain jurisdiction over the matters set forth in Article XV of the Plan.

GG. Implementation of Other Necessary Documents and Agreements. All documents and agreements necessary to implement the Plan are essential elements of the Plan and entry into and consummation of the transactions contemplated by each of such documents and agreements is in the best interests of the Debtors, the Estate, and holders of Claims and Interests. The Chapter 11 Trustee has exercised reasonable business judgment in determining which agreements to enter into and has provided sufficient and adequate notice of such documents and agreements. The terms and conditions of such documents and agreements have been negotiated in good faith, at arm's length, are fair and reasonable, and are reaffirmed and approved.

HH. Conditions Precedent to the Effective Date. Each of the conditions precedent to the Effective Date, as set forth in Article XIII of the Plan, has been satisfied or waived in accordance with the provisions of the Plan, or is reasonably likely to be satisfied or waived.

II. Satisfaction of Confirmation Requirements. Based upon the foregoing, all other filed pleadings, exhibits and documents filed in connection with confirmation of the Plan and all evidence and arguments made, proffered, or adduced at the Combined Hearing, the Plan satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

ORDER

Based on the foregoing, it is hereby ORDERED:

1. Findings of Fact and Conclusions of Law. The above-referenced findings of fact and conclusions of law are incorporated by reference as though fully set forth herein. To the

extent any of the prior findings of fact or conclusions of law constitutes an order of this Court, they are adopted as such.

2. Objections to Final Approval of Disclosure Statement and Confirmation of Plan.

To the extent that any of the Objections have not been resolved, withdrawn, waived or settled prior to entry of this Order or otherwise resolved as stated on the Record of the Combined Hearing or as set forth in this Order, they are hereby overruled on their merits.

3. Final Approval of Disclosure Statement. The Disclosure Statement is hereby approved on a final basis as containing adequate information as required by section 1125 of the Bankruptcy Code.

4. Confirmation of Plan. All requirements for confirmation of the Plan have been satisfied. The Third Amended Plan, as modified by the First Modification and Second Modification (as supplemented) and as modified herein, is hereby CONFIRMED in accordance with section 1129 of the Bankruptcy Code, and all terms and conditions set forth in the Plan are hereby APPROVED. The terms of the Plan are incorporated by reference into, and as an integral part of, this Order.

5. Solicitation and Notice. Notice of the Combined Hearing complied with the terms of the Solicitation Order, was appropriate and satisfactory based on the circumstances of the Chapter 11 Cases and was in compliance with the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules. The solicitation of votes on the Third Amended Plan and the Solicitation Materials complied with the Solicitation Procedures, was appropriate and satisfactory based upon the circumstances of the Chapter 11 Cases, and was in compliance with the applicable provisions of the Bankruptcy Code and Bankruptcy Rules.

6. Plan Classification Controlling. The terms of the Plan shall solely govern the classification of Claims and Interests for purposes of distributions to be made thereunder. The classifications set forth on the Ballots tendered to or returned by the Holders of Claims in connection with voting on the Plan: (a) were set forth thereon solely for purposes of voting to

accept or reject the Plan; (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of Claims under the Plan for distribution purposes; (c) may not be relied upon by any holder of a Claim as representing the actual classification of such Claim under the Plan for distribution purposes; and (d) shall not be binding upon the Debtors and the Reorganized Debtor except for voting purposes.

7. Resolution of Stinson Objection. Stinson Leonard Street LLP ("Stinson") has asserted a Claim against the Debtors for \$158,552.98. On July 31, 2018, Stinson initially asserted its Claim as an unsecured Claim by filing proof of Claim number 12 in the Acis LP case and proof of claim number 2 in the Acis GP case. Those Claims represent a single Claim for satisfaction of a total alleged debt of \$158,552.89. All proofs of Claim filed by Stinson will be referred to collectively as the "Stinson Claim." The Stinson Claim is treated as part of Class 3 under the Plan. On November 9, 2018, Stinson amended the Stinson Claim to assert a secured Claim based on a possessory lien on legal files belonging to the Debtors. The Chapter 11 Trustee currently intends to object to the Stinson Claim, including Stinson's claim to secured status. Stinson filed an Objection to the Plan on November 26, 2018 [Docket No. 720] which was subsequently withdrawn based on this proposed paragraph being included in any Order confirming the Plan. This paragraph resolves Stinson's Objection as follows: Notwithstanding any contrary provision of the Plan or this Order, the Stinson Claim, to the extent it is Allowed by a Final Order of the Bankruptcy Court as a Secured Claim, shall be considered a separate class under the Plan and paid by the Reorganized Debtor within thirty (30) days after entry of such Final Order. To the extent it is an Allowed Secured Claim, the Stinson Claim will be removed from Class 3. To the extent it is an Allowed General Unsecured Claim, the Stinson Claim will remain a Class 3 Claim. This recognizes that the Stinson Claim may be allowed as partly secured (*i.e.* only secured to the extent of the value of its collateral) and be paid accordingly. The Chapter 11 Trustee reserves all rights to object to Stinson's proofs of Claim, and Stinson reserves all rights to defend its proofs of Claim.

8. Plan Implementation. Upon the Effective Date of the Plan, the Chapter 11 Trustee and the Reorganized Debtor are hereby authorized and directed to take all actions necessary or appropriate to implement, effectuate or consummate the Plan, the terms of this Order and the transactions respectively contemplated therein, and to otherwise fully perform and execute their duties under the Plan or this Order. Without limiting the generality of the foregoing, pursuant to section 1142(b) of the Bankruptcy Code, each and every Person (including, without limitation, the Chapter 11 Trustee, HCLOF, Highland, any and all affiliates of HCLOF and Highland, the Issuers and Co-Issuers, and the Indenture Trustee), to the extent necessary, is hereby directed to execute or deliver, or to join in the execution or delivery of, any instrument required to effect the transfers of property dealt with under the Plan and this Order, and to perform all other acts necessary for the consummation of the Plan. Further pursuant to section 1142(b) of the Bankruptcy Code, to the extent that any Person fails to execute or deliver any instrument required to effect the transfers of property pursuant to the Plan and this Order, the Chapter 11 Trustee is hereby authorized to execute and deliver on behalf of any such Person (including, without limitation, HCLOF, Highland, and any and all affiliates of HCLOF and Highland) any instrument required to effect the transfers of property pursuant to the Plan and this Order. In the event of an appeal of this Order, the Chapter 11 Trustee and the Reorganized Debtor are hereby authorized and directed to take all steps necessary to make the Plan effective and, from and after the Effective Date, execute their duties, responsibilities and obligations under the Plan, this Order and the Plan Documents unless and until this Order is stayed by order of a court of appropriate jurisdiction.

9. Restructuring Transactions. On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtor may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan; provided, however, that no such restructuring transactions may violate the terms of any assumed Executory Contract or Unexpired Lease.

10. Approval of Plan Documents. The form and substance of the Plan Documents are all hereby APPROVED. The Chapter 11 Trustee is authorized and directed, without the need for further corporate or other organizational action by or on behalf of the Debtors or further order or authorization of this Court, to take such actions and do all things as may be necessary or required to implement and effectuate the Plan Documents and to make the Plan effective.

11. Transfer and Vesting of Assets; Assumption of Obligations. On the Effective Date, without the execution of any other or further document or any further order by the Court, all Assets shall be deemed as fully, completely and irrevocably transferred to, and vested in, the Reorganized Debtor in accordance with the Plan. All transfers of Assets to the Reorganized Debtor shall be free and clear of all Liens, Claims, rights, Interests and charges, except as otherwise expressly provided in the Plan or any agreement, instrument, or other document incorporated therein, or this Order. Upon the Effective Date, the Reorganized Debtor shall be deemed to have assumed the obligations to make all Distributions pursuant to the Plan and this Order.

12. Estate Claims and Estate Defenses. Upon the Effective Date, without the necessity of the execution of any further documents or further order of the Court, all Estate Claims and Estate Defenses, including without limitation all Estate Claims and Estate Defenses identified in Exhibit A to the Plan, shall be deemed as fully, completely and irrevocably transferred to, and vested in, the Reorganized Debtor. From and after the Effective Date, the Reorganized Debtor shall have the exclusive standing and authority to assert, prosecute, collect, compromise and settle all Estate Claims and Estate Defenses pursuant to the terms of the Plan.

13. Treatment of Executory Contracts and Unexpired Leases. The Executory Contract and Unexpired Lease provisions of Article XI of the Plan, as modified herein, are hereby approved in their entirety. The assumption of Executory Contracts and Unexpired Leases as set forth in the Plan, this Order, and **Exhibit "5"** to this Order are hereby approved.

Because no defaults exist under the Executory Contracts and Unexpired Leases identified in **Exhibit “5”** to this Order, the Chapter 11 Trustee is not required to make any cure payments, provide any other compensation, cure any nonmonetary defaults, or provide adequate assurance of future performance under section 365(b) of the Bankruptcy Code as a condition to the assumption of such Executory Contracts and Unexpired Leases. All other Executory Contracts and Unexpired Leases that have not been previously assumed or rejected shall be deemed as rejected as of the Effective Date in accordance with the terms of the Plan. All Rejection Claims must be filed within the time specified in section 11.03 of the Plan, failing which any such Rejection Claim shall be forever barred and precluded from receiving any Distribution pursuant to the Plan. Notwithstanding anything to the contrary herein or in the Plan, Exhibit 5 to this Order hereby replaces, is substituted for, and supersedes Exhibit B to the Third Amended Plan and any explicit or inferred references herein or in the Plan to Exhibit B to the Third Amended Plan shall refer to Exhibit 5 to this Order.

14. Executory Contracts with Issuers and Co-Issuers. Pursuant to the Plan and as provided in this Order, the Debtors are authorized to assume executory contracts that include as a party ACIS CLO 2014-3 Ltd., ACIS CLO 2014-4 Ltd., ACIS CLO 2014-5 Ltd., ACIS CLO 2015-6 Ltd., ACIS CLO 2014-3 LLC, ACIS CLO 2014-4 LLC, ACIS CLO 2014-5 LLC, and/or ACIS CLO 2015-6 LLC solely if and to the extent that one or more of the Debtors is a signatory to each such executory contract.

15. Approval of Brigade as Sub-Advisor and Shared Services Provider. Pursuant to an *Order Granting Emergency Motion to Approve Replacement Sub-Advisory and Shared Services Providers, Brigade Capital Management, LP and Cortland Capital Markets Services LLC* [Docket No. 464] entered on August 1, 2018, the Court authorized the Chapter 11 Trustee to engage Brigade Capital Management, LP (“Brigade”) and Cortland Capital Markets Services LLC to perform the services previously provided by Highland under the Sub-Advisory Agreement and Shared Services Agreement, on an interim basis. The Chapter 11 Trustee

selected Brigade as the party to provide both sub-advisory and shared services to the Reorganized Debtor. Based on the record of prior proceedings in the Chapter 11 Cases and the Record at the Combined Hearing, the Chapter 11 Trustee has demonstrated that Brigade is fully qualified to perform such services, and that the Chapter 11 Trustee's selection of Brigade is an exercise of his sound business judgment. Furthermore, adequate assurance of future performance by Brigade has been shown. Therefore, the selection of Brigade as the provider to the Reorganized Debtor of the sub-advisory and shared services previously provided by Highland under the Sub-Advisory Agreement and Shared Services Agreement is hereby approved in all respects.

16. Substantive Consolidation. The substantive consolidation of the Debtors for purposes of implementation of and distributions under the Plan is hereby approved as of the Effective Date such that on the Effective Date: (a) all assets and liabilities of the Debtors will be deemed merged; (b) all guaranties by one Debtor of the obligations of the other Debtor will be deemed eliminated so that any Claim against any Debtor and any guarantee thereof executed by the other Debtor and any joint or several liability of the Debtors will be deemed to be one obligation of the consolidated Debtors; and (c) each and every Claim filed or to be filed in the case of either of the Debtors will be deemed filed against the consolidated Debtors and will be deemed one Claim against and a single obligation of the consolidated Debtors.

17. Compromise and Settlement. Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration of the classification, potential Distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Interests and controversies subject to, or dealt with, under the Plan, including, without limitation, all Claims against the Debtors or Estate arising prior to the Effective Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, fixed or contingent, arising out of, relating to or in connection with the business or affairs of, or transactions with, the Debtors or the Estate. The entry of this Order constitutes the

Court's approval of each of the foregoing compromises or settlements embodied in the Plan, and all other compromises and settlements provided for in the Plan, as well as a finding by the Court that such compromises and settlements are in the best interest of the Debtors, the Estate, holders of Claims and Interests, and other parties-in-interest, and are fair, equitable and within the range of reasonableness. The rights afforded in the Plan and the treatment of all Claims and Interests therein are in exchange for, and in complete satisfaction and release of, all Claims and Interests of any nature whatsoever against and in the Debtors, the Estate, and the Assets. Except as otherwise provided in the Plan or this Order, all Persons shall be precluded and forever barred by the Plan Injunction from asserting against the Debtors and their affiliates, successors, assigns, the Reorganized Debtor or the Reorganized Debtor's assets, the Estate, or the Assets, any event, occurrence, condition, thing, or other or further Claims or causes of action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date.

18. Discharge. Except for the obligations expressly set forth in the Plan or this Order, on the Effective Date, the Debtors, the Reorganized Debtor and their successors in interest and assigns shall be deemed and they each are discharged and released to the fullest extent permitted by applicable law, including pursuant to section 1141(d)(1) of the Bankruptcy Code, from any and all Claims, Interests, demands, debts and liabilities that arose before the Effective Date. Without limiting the generality of the foregoing, the discharge shall apply to and cover both known and unknown Claims although the Court makes no determination in this Order as to which Creditors may constitute holders of unknown Claims. In addition, all such discharged Claims, both known and unknown, shall be subject to the Plan Injunction.

19. Injunctions. The following injunction provisions set forth in Article XIV of the Plan are hereby approved and authorized in their entirety:

(a) Permanent General Plan Injunction:

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PLAN, AS OF THE EFFECTIVE DATE ALL HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTORS, THE ESTATE OR ANY OF THE ASSETS THAT AROSE PRIOR TO THE EFFECTIVE DATE ARE HEREBY PERMANENTLY ENJOINED AND PROHIBITED FROM THE FOLLOWING: (a) THE COMMENCING OR CONTINUATION IN ANY MANNER, DIRECTLY OR INDIRECTLY, OF ANY ACTION, CASE, LAWSUIT OR OTHER PROCEEDING OF ANY TYPE OR NATURE AGAINST THE DEBTORS, THE ESTATE, THE REORGANIZED DEBTOR, OR THE REORGANIZED DEBTOR'S ASSETS WITH RESPECT TO ANY SUCH CLAIM OR INTEREST ARISING OR ACCRUING BEFORE THE EFFECTIVE DATE, INCLUDING WITHOUT LIMITATION THE ENTRY OR ENFORCEMENT OF ANY JUDGMENT, OR ANY OTHER ACT FOR THE COLLECTION, EITHER DIRECTLY OR INDIRECTLY, OF ANY CLAIM OR INTEREST AGAINST THE DEBTORS, THE ESTATE, THE REORGANIZED DEBTOR, OR THE REORGANIZED DEBTOR'S ASSETS; (b) THE CREATION, PERFECTION OR ENFORCEMENT OF ANY LIEN, SECURITY INTEREST, ENCUMBRANCE, RIGHT OR BURDEN, EITHER DIRECTLY OR INDIRECTLY, AGAINST THE DEBTORS, THE ESTATE, THE REORGANIZED DEBTOR, OR THE REORGANIZED DEBTOR'S ASSETS, OR (c) TAKING ANY ACTION IN RELATION TO THE DEBTORS, THE ESTATE, THE REORGANIZED DEBTOR, OR THE REORGANIZED DEBTOR'S ASSETS, EITHER DIRECTLY OR INDIRECTLY, WHICH VIOLATES OR DOES NOT CONFORM OR COMPLY WITH THE PROVISIONS OF THE PLAN APPLICABLE TO SUCH CLAIM OR INTEREST.

The above injunction is an integral term of this Order and shall be fully binding upon, and enforceable against, all Persons through and as a part of this Order. Furthermore, notwithstanding anything to the contrary in the Plan or this Order, the above injunction is permanent and shall not expire upon the occurrence of any event that causes the Temporary Plan Injunction to expire.

(b) Temporary Injunction Against the Liquidation of the Acis CLOs and Related Actions (the "Temporary Plan Injunction"):

EXCEPT TO THE EXTENT NECESSARY TO ALLOW HCLOF, THE REORGANIZED DEBTOR AND BRIGADE TO EFFECTUATE THE RESET OF ONE OR MORE OF THE ACIS CLOS IN ACCORDANCE WITH SECTION 6.08 OF THE PLAN, PURSUANT TO SECTIONS 105(a), 1123(a)(5), 1123(b)(6), AND 1142(b) OF THE BANKRUPTCY CODE, THE ENJOINED PARTIES (DEFINED BELOW) ARE HEREBY ENJOINED FROM: (a) PROCEEDING WITH, EFFECTUATING, OR OTHERWISE TAKING (i) ANY ACTION IN FURTHERANCE OF ANY OPTIONAL REDEMPTION, CALL, OR OTHER LIQUIDATION OF THE ACIS CLOS PREVIOUSLY OR CURRENTLY ISSUED BY ANY SUCH PARTIES, AND (ii) ANY OTHER ATTEMPT TO LIQUIDATE THE ACIS CLOS BY ANY MEANS, (b) TRADING ANY ACIS CLO COLLATERAL IN FURTHERANCE OF ANY OPTIONAL REDEMPTION, CALL, OR OTHER LIQUIDATION OF THE ACIS CLOS, (c) EXERCISING ANY RIGHTS TO ASK OR DIRECT THE ISSUERS, CO-ISSUERS OR INDENTURE TRUSTEE TO PERFORM ANY ACTION IN RELATION TO THE ACIS CLOS THAT THE ENJOINED PARTIES ARE PROHIBITED FROM TAKING UNDER THE TERMS OF THE PLAN INJUNCTION, (d) INTERFERING IN ANY WAY WITH THE CAPITAL MARKETS PROCESS OF RESETTING ANY ACIS CLO, AND (e) SENDING, MAILING, OR OTHERWISE DISTRIBUTING ANY NOTICE TO THE HOLDERS OF

THE NOTES IN THE ACIS CLOS IN CONNECTION WITH THE EFFECTUATION OF ANY OPTIONAL REDEMPTION, CALL, OR OTHER LIQUIDATION OF THE ACIS CLOS, UNTIL THE EARLIER TO OCCUR OF: (w) THE DATE UPON WHICH A FINAL ORDER IS ENTERED RESOLVING THE ESTATE'S AVOIDANCE CLAIMS AGAINST ALL ENJOINED PARTIES RELATING TO ACIS LP'S RIGHTS UNDER THE ALF PMA; (x) THE DATE UPON WHICH ALL ALLOWED CLAIMS AGAINST THE DEBTORS HAVE BEEN PAID IN FULL, (y) THE ENTRY OF AN ORDER BY THE BANKRUPTCY COURT FINDING THAT A MATERIAL DEFAULT HAS OCCURRED UNDER THE TERMS OF THE PLAN, OR (z) THE ENTRY OF A SUBSEQUENT ORDER BY THE BANKRUPTCY COURT PROVIDING OTHERWISE WITH RESPECT TO ONE OR MORE OF THE ACIS CLOS. FOR PURPOSES OF THIS PARAGRAPH, THE TERM "ENJOINED PARTIES" SHALL INCLUDE HIGHLAND, HCLOF, CLO HOLDCO, NEUTRA, HIGHLAND HCF, HIGHLAND CLOM, ANY AFFILIATES OF HIGHLAND, AND THEIR RESPECTIVE EMPLOYEES, AGENTS, REPRESENTATIVES, TRANSFEREES, ASSIGNS, AND SUCCESSORS. FOR PURPOSES OF CLARIFICATION AND AVOIDANCE OF DOUBT, NOTHING IN THIS PARAGRAPH SHALL PRECLUDE ORDINARY DAY-TO-DAY TRADING OF THE COLLATERAL IN THE ACIS CLOS BY THE REORGANIZED DEBTOR.

The above Temporary Plan Injunction is an integral term of this Order and the Temporary Plan Injunction shall be fully binding upon, and enforceable against, the Enjoined Parties through and as a part of this Order. For the avoidance of doubt, the occurrence of any event specified in the Temporary Plan Injunction that results in expiration of the Temporary Plan Injunction shall not cause any of the other injunctive relief set forth in the first paragraph of section 14.03 of the Plan and paragraph 18(a) of this Order to expire, such other injunctive relief being permanent.

20. Notwithstanding anything to the contrary in the Plan or this Order, nothing in the Plan or in this Order shall discharge, release, enjoin or otherwise bar (a) any liability of the Debtors, the Estate, the Reorganized Debtor, or the Reorganized Debtor's assets ("Released Parties") to a Governmental Unit arising on or after the Confirmation Date with respect to events occurring after the Confirmation Date, provided that the Released Parties reserve the right to assert that any such liability is a Claim that arose on or prior to the Confirmation Date and constitutes a Claim that is subject to the deadlines for filing proofs of Claim, (b) any liability to a Governmental Unit that is not a Claim subject to the deadlines for filing proofs of Claim, (c) any valid right of setoff or recoupment of a Governmental Unit, and (d) any police or regulatory action by a Governmental Unit. In addition, nothing in the Plan or this Order discharges, releases, precludes or enjoins any environmental liability to any Governmental Unit that any

Person other than the Released Parties would be subject to as the owner or operator of the property after the Effective Date. For the avoidance of any doubt, nothing in this paragraph shall be construed to limit the application of the Plan Injunction to any Claim which was subject to any bar date applicable to such Claim.

21. Extension of the Preliminary Injunction. Notwithstanding anything to the contrary in the terms of the Preliminary Injunction entered in the Trustee's Adversary, the Preliminary Injunction shall not expire upon confirmation of the Plan. The Preliminary Injunction is hereby extended to and through the Effective Date of the Plan and shall remain in full force and effect until the Effective Date of the Plan.

22. Exculpation. The exculpation provisions set forth in section 16.06 of the Plan are hereby approved in all respects.

23. Priority and Secured Tax Claims. The treatment of Priority Tax Claims and Secured Tax Claims is specified in the Plan. Nothing in the Plan or this Order shall modify or affect the Lien rights of a Taxing Authority under applicable non-bankruptcy law. In the event of a default on the payment of a Priority Tax Claim or Secured Tax Claim under the Plan, the Taxing Authority to which the payment is owed may pursue all administrative and judicial remedies under applicable law to collect the unpaid Priority Tax Claim or Secured Tax Claim.

24. Injunctions and Automatic Stay. Except as otherwise provided in the Plan or this Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or this Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or this Order shall remain in full force and effect in accordance with their terms.

25. Setoffs. Except as otherwise expressly provided for in the Plan, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable nonbankruptcy law, or as may be agreed to by the holder of a Claim, the Reorganized Debtor may set off

against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such Allowed Claim (before such Distribution is made), any Claims, rights, Estate Claims and Estate Defenses of any nature that the Debtors may hold against the holder of such Allowed Claim, to the extent such Claims, rights, Estate Claims and Estate Defenses against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim or Interest pursuant to the Plan shall constitute a waiver or release of any such Claims, rights, Estate Claims and Estate Defenses that the Estate may possess against such Claimant. In no event shall any Claimant or Interest holder be entitled to setoff any Claim or Interest against any Claim, right, or Estate Claim of the Debtors without the consent of the Debtors or the Reorganized Debtor unless such holder files a motion with the Court requesting the authority to perform such setoff notwithstanding any indication in any proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

26. Recoupment. Except as otherwise expressly provided for in the Plan, in no event shall any holder of Claims or Interests be entitled to recoup any Claim or Interest against any Claim, right, account receivable, or Estate Claim of the Debtors or the Reorganized Debtor unless (a) such holder actually provides notice thereof in writing to the Debtors or the Reorganized Debtor of its intent to perform a recoupment; (b) such notice includes the amount to be recouped by the holder of the Claim or Interest and a specific description of the basis for the recoupment, and (c) the Debtors or the Reorganized Debtor have provided a written response to such Claim or Interest holder, stating unequivocally that the Debtors or the Reorganized Debtor consents to the requested recoupment. The Debtors and the Reorganized Debtor shall have the right, but not the obligation, to seek an order of the Court allowing any or all of the proposed recoupment. In the absence of a written response from the Debtors or the

Reorganized Debtor consenting to a recoupment or an order of the Court authorizing a recoupment, no recoupment by the holder of a Claim or Interest shall be allowed.

27. Preservation of Causes of Action. Articles VI and IX of the Plan, including Exhibit A to the Plan, contain a specific and unequivocal reservation of Estate Claims and Estate Defenses as required under applicable Fifth Circuit authority. The Estate Claims and Estate Defenses are expressly, specifically, and unequivocally retained and reserved pursuant to Articles VI and IX of the Plan (including Exhibit A to the Plan) in accordance with section 1123(b)(3)(B) of the Bankruptcy Code. Such reservation of the Estate Claims and Estate Defenses is hereby approved. **No person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any cause of action against them as any indication that the Debtors or the Reorganized Debtor will not pursue any and all available causes of action (including all Estate Claims, Estate Defenses and Avoidance Actions) against any Person, except as otherwise provided in the Plan.** Unless any causes of action against a Person are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Final Order, such causes of action are hereby expressly reserved (including all Estate Claims, Estate Defenses and Avoidance Actions) for later adjudication and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such causes of action upon or after the confirmation or consummation of the Plan.

28. Unless otherwise expressly stated in the Plan or this Order, all Estate Claims and Estate Defenses are hereby reserved for the benefit of the Reorganized Debtor notwithstanding the occurrence of the Effective Date or the rejection or repudiation of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. All such reserved Estate Claims and Estate Defenses shall be vested with the Reorganized Debtor and the Reorganized Debtor shall have the exclusive right, authority and standing to assert, file,

prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment each of the Estate Claims and Estate Defenses so reserved in accordance with the terms of the Plan without the consent or approval of any third party or further notice to or action, order or approval of the Court.

29. Subordinated Claims. The allowance, classification and treatment of all Allowed Claims and Interests and the respective Distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Reorganized Debtor reserves the right to seek to re-classify any Allowed Claim or Interest in accordance with any contractual, legal or equitable subordination relating thereto.

30. Release of Liens. Except as otherwise provided in the Plan, this Order, or in any contract, instrument, or other agreement or document entered into or delivered in connection with the Plan, on the Effective Date all Liens against any Assets transferred to and vested in the Reorganized Debtor are hereby deemed to be released, terminated and nullified without the necessity of further order of this Court.

31. Provisions Governing Distributions. The distribution provisions of Articles VII and VIII of the Plan shall be, and hereby are, approved in their entirety; provided, however, that notwithstanding anything to the contrary set forth in Section 7.02 of the Plan, the Reorganized Debtor may, but shall not be required to, reserve for Distributions to holders of Allowed Subclass 4B Claims. The Reorganized Debtor shall make all Distributions required under the Plan.

32. Procedures for Resolving Contested and Contingent Claims. The Claims resolution procedures contained in Article X of the Plan are hereby approved.

33. Section 1145 Exemption. The solicitation of acceptances and rejections of the Plan was exempt from the registration requirements of the Securities Act of 1933 and applicable state securities laws, and no other nonbankruptcy law applies to the solicitation.

34. Exemption from Certain Transfer Taxes and Recording Fees. Section 1146(a) shall apply to the transfers of Assets pursuant to the Plan and, therefore, such transfers may not be taxed under any law imposing a stamp tax or similar tax.

35. Governmental Approvals Not Required. This Order shall constitute all approvals and consents required, if any, by the laws, rules or regulations of any state or any other governmental authority with respect to the implementation or consummation of the Plan and any documents, instruments or agreements, and any amendments or modifications thereto, and any other acts referred to in or contemplated by the Plan, the Disclosure Statement and any documents, instruments or agreements, and any amendments or modifications thereto.

36. Allowance and Payment of Certain Administrative Expense Claims

(a) Administrative Expense Claims (Generally). The holder of a Claim for an Administrative Expense, other than (i) such a Claim by an Estate Professional, (ii) an Ordinary Course Claim, (iii) a Claim for U.S. Trustee fees under 28 U.S.C. § 1930, or (iv) an Allowed Administrative Expense, must file with the Court and serve upon the Reorganized Debtor and its counsel, as set forth in the Plan, a written notice of such Claim for an Administrative Expense within thirty (30) days after the Effective Date (the "Administrative Bar Date"). Such notice of Claim for an Administrative Expense shall include at a minimum: (i) the name, address, telephone number and fax number (if applicable) or email address of the holder of such Claim, (ii) the amount of such Claim, and (iii) the basis of such Claim. **The failure to timely and properly file and serve a notice of Claim for an Administrative Expense on or before the Administrative Bar Date shall result in such Claim for an Administrative Expense being forever barred and discharged without further order of the Court and the holder thereof shall be barred from receiving any Distribution from the Reorganized Debtor on account**

of such Claim for an Administrative Expense. A Claim for an Administrative Expense with respect to which a notice of Claim for an Administrative Expense has been timely and properly filed and served shall become an Allowed Administrative Expense if no objection is filed within thirty (30) days after the date of filing and service of the applicable notice of Claim for an Administrative Expense, or such later date as may be approved by the Court on motion of a party in interest, without notice or a hearing. If an objection is filed within such 30-day period (or any extension thereof), the Claim for an Administrative Expense shall become an Allowed Administrative Expense only to the extent allowed by a Final Order.

(b) **Estate Professional Compensation.** All final requests for compensation or reimbursement by any Estate Professional shall be filed no later than sixty (60) days after the Effective Date in accordance with the Plan. A Claim for an Administrative Expense by an Estate Professional in respect of which a final fee application has been properly filed shall become an Allowed Administrative Expense only to the extent allowed by Final Order and, if so Allowed, shall be paid in accordance with the terms of the Plan. Notwithstanding anything to the contrary in the Plan, the provisions of the Plan governing the filing of final fee applications by Estate Professionals and allowance of Administrative Expense Claims of Estate Professionals apply to the Chapter 11 Trustee. Compensation or reimbursement sought by the Chapter 11 Trustee through a final fee application shall be subject to final approval of the Court as reasonable in accordance with section 330(a)(3) of the Bankruptcy Code.

(c) **U.S. Trustee Fees.** Any U.S. Trustee fees incurred pursuant to 28 U.S.C. § 1930 which are past due as of the Confirmation Date shall be paid in full by the Chapter 11 Trustee on or before the earlier of (i) December 21, 2018, or (ii) that day which is ten (10) days after the Confirmation Date. After the Confirmation Date, the Reorganized Debtor shall continue to pay U.S. Trustee fees as they accrue until a final decree is entered and the Chapter 11 Cases are closed.

37. Effectuating Documents and Further Transactions. The Chapter 11 Trustee and the Reorganized Debtor, and their respective representatives, agents and attorneys, may take all actions to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan without the need for any approvals, authorizations, actions, or consents except for those expressly required pursuant hereto. This Order shall constitute all approvals and consents required, if any, by the laws, rules and regulations of all states and any other governmental authority with respect to the implementation or consummation of the Plan and any documents, instruments, agreements, any amendments or modifications thereto and any other acts and transactions referred to in or contemplated by the Plan, the Plan Documents, the Disclosure Statement, and any documents, instruments, and agreements and any amendments or modifications thereto.

38. Filing and Recording. This Order is and shall be binding upon and shall govern the acts of all entities including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons and entities who may be required, by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any document or instruments. Each and every federal, state and local government agency is hereby directed to accept any and all documents and instruments necessary, useful or appropriate to effectuate, implement and consummate the transactions contemplated by the Plan and this Order.

39. Inconsistency between Documents. In the event of an inconsistency between the terms of the Plan and the terms of the Disclosure Statement, the Plan shall control. In the event of any inconsistency between the terms of the Plan or the terms of the Disclosure Statement and the terms of this Order, this Order shall control.

40. References to Plan Provisions. The failure specifically to include or to refer to any particular article, section, or provision of the Plan or any related document in this Order shall not diminish or impair the effectiveness of such article, section, or provision, it being the intent of the Court that the Plan and any related documents be confirmed in their entirety.

41. Applicable Nonbankruptcy Law. Pursuant to sections 1123(a) and 1142(a) of the Bankruptcy Code, the provisions of the Plan and this Order shall apply and be enforceable notwithstanding any otherwise applicable nonbankruptcy law.

42. Notice of Entry of the Confirmation Order. No later than the third Business Day after the entry of this Order, the Chapter 11 Trustee shall serve a copy of this Order pursuant to Bankruptcy Rules 2002(f)(7), 2002(k) and 3020(c) on all holders of Claims and Interests, the U.S. Trustee, the Persons specifically identified in the Temporary Plan Injunction as subject thereto, and all other known parties-in-interest.

43. Notice of the Effective Date. No later than the third Business Day after the occurrence of the Effective Date, the Reorganized Debtor shall file a notice of occurrence of the Effective Date with the Clerk of the Court and shall serve a copy on all holders of Claims and Interests, the U.S. Trustee, the Persons specifically identified in the Temporary Plan Injunction as subject thereto, and all other known parties-in-interest. Such notice shall include notice of (a) the Administrative Bar Date, (b) the deadline for filing Rejection Claims set forth in section 11.03 of the Plan, and (c) the deadline for filing final requests for compensation and reimbursement by Estate Professionals. The filing of such notice shall conclusively establish that all conditions precedent have been satisfied or waived and shall constitute adequate and sufficient notice to all parties entitled thereto of the occurrence of the Effective Date.

44. Retention of Jurisdiction. The Court may properly, and upon the Effective Date shall, to the full extent set forth in the Plan, retain jurisdiction over all matters arising in, arising under, and related to, the Chapter 11 Cases, including the matters set forth in Article XV of the Plan and section 1142 of the Bankruptcy Code. Without limitation as to the generality of the

preceding sentence, the Court retains exclusive jurisdiction (a) to interpret and enforce this Order and the Plan; (b) to enforce the provisions of this Order and the Plan; (c) to resolve any disputes arising under or related to this Order or the Plan; and (d) over all transactions contemplated in this Order and the Plan. All Persons are hereby forever prohibited and enjoined from taking any action (including, without limitation, legal action) that would adversely affect or interfere with the ability of any Person to complete any of the transfers of property contemplated by this Order and the Plan other than in this Court or in connection with any appeals from this Court.

45. Headings. Paragraph headings contained in this Order are for convenience of reference only and shall not affect the meaning or interpretation of this Order.

46. Final Order. This Order is a final order and the period in which an appeal must be filed shall commence upon the entry hereof.

47. Appeal or Motion for Reconsideration; Reversal. In the event this Order is appealed or a motion for reconsideration is filed, the Chapter 11 Trustee and the Reorganized Debtor, and their respective representatives, agents and attorneys, are all hereby authorized to proceed with the consummation and performance of the Plan unless and until this Order is stayed, reversed or modified by a court of competent jurisdiction. If any or all of the provisions of this Order are hereafter reversed, modified, or vacated by subsequent order of this Court or any other court of competent jurisdiction, such reversal, modification, or vacatur shall not affect the validity of the acts or obligations incurred or undertaken under or in connection with the Plan prior to the Chapter 11 Trustee's or Reorganized Debtor's receipt of written notice of any such order. Notwithstanding any such reversal, modification, or vacatur of this Order, any such act or obligation incurred or undertaken pursuant to, and in reliance on, this Order prior to the effective date of such reversal, modification or vacatur shall be governed in all respects by the provisions of this Order and the Plan (including the Plan Documents) and any amendments or modifications thereto.

END OF ORDER

SUBMITTED BY:

/s/ Jeff P. Prostok

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EXHIBIT “1”

**[Third Amended Joint Plan for Acis Capital Management, L.P.
and Acis Capital Management GP, LLC – Dkt. No. 660]**

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

IN RE:

ACIS CAPITAL MANAGEMENT, L.P.,
ACIS CAPITAL MANAGEMENT GP, LLC,

DEBTORS.

§
§
§
§
§
§
§

Case No. 18-30264-SGJ-11

Case No. 18-30265-SGJ-11

(Jointly Administered Under Case
No. 18-30264-SGJ-11)

Chapter 11

THIRD AMENDED JOINT PLAN FOR ACIS CAPITAL MANAGEMENT, L.P. AND
ACIS CAPITAL MANAGEMENT GP, LLC

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DATED: October 25, 2018
Dallas, Texas

000440

ARTICLE I. DEFINITIONS

A. Defined Terms. In addition to such other terms as are defined in other sections of the Plan, the following terms shall have the meanings set forth below (such meanings to be equally applicable to both the singular and plural, masculine and feminine forms of the terms defined).

1.01. "Acis CLOs" refers collectively to CLO-3, CLO-4, CLO-5, and CLO-6.

1.02. "Acis GP" means Acis Capital Management, GP, LLC, one of the Debtors in the above-referenced Chapter 11 Cases.

1.03. "Acis LP" means Acis Capital Management, LP, one of the Debtors in the above-referenced Chapter 11 Cases.

1.04. "Administrative Bar Date" means the deadline to file Claims for Allowance as an Administrative Expense set forth in section 3.01(c) of the Plan.

1.05. "Administrative Expense" means any cost or expense of administration of the Chapter 11 Cases allowed under subsections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the Estate of the Debtors, any actual and necessary expenses of operating the business of the Debtors, all compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under section 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the estates of the Debtors under section 1930, chapter 123 of title 28 of the United States Code.

1.06. "Affiliate" has the meaning ascribed to such term in section 101(2) of the Bankruptcy Code.

1.07. "ALF PMA" means that certain Portfolio Management Agreement by and between Acis LP and Acis Loan Funding, Ltd. dated December 22, 2016.

1.08. "Allowed," when used with respect to a Claim (other than an Administrative Expense), means a Claim (a) to the extent it is not Contested; or (b) a Contested Claim, proof of which was filed timely with the Bankruptcy Court, and (i) as to which no Objection was filed by the Objection Deadline, or (ii) as to which an Objection was filed by the Objection Deadline, to the extent, if any, such Claim is ultimately allowed by a Final Order; *provided, however*, if a Claim is to be determined in a forum other than the Bankruptcy Court, such Claim shall not become Allowed until determined by Final Order of such other forum and allowed by Final Order of the Bankruptcy Court. "Allowed," when used with respect to an Administrative Expense, shall mean an Administrative Expense approved by application to the Bankruptcy Court.

1.09. "Assets" includes all right, title, and interest in and to all property of every type or nature owned or claimed by the Debtors as of the Petition Date, together with all such property of every type or nature subsequently acquired by the Debtors through the Effective Date, whether real or personal, tangible or intangible, and wherever located, and including, but not limited to, property as defined in section 541 of the Bankruptcy Code. Without limiting the foregoing, this shall include all

1.10. “Available Cash” means any Cash over and above the amount needed for the Reorganized Debtor to maintain business operations and pursue the Estate Claims, as determined in the sole discretion of the Reorganized Debtor.

1.11. “Avoidance Action” means a cause of action assertable by the Debtors pursuant to Chapter 5 of the Bankruptcy Code, including without limitation, actions brought or which may be brought under sections 542, 543, 544, 545, 547, 548, 549, 550, or 553 of the Bankruptcy Code. Such causes of action may be asserted to recover, among other things, the transfers listed in the Debtors’ respective Schedules, including in response to Question 3 of the statements of financial affairs.

1.12. “Ballot” means the form of ballot provided to holders of Claims or Interests entitled to vote pursuant to Bankruptcy Rule 3017(d), by which each such holder may accept or reject the Plan.

1.13. “Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as amended and codified at Title 11 of the United States Code.

1.14. “Bankruptcy Court” means the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, or such other court having jurisdiction over all or any part of the Chapter 11 Cases.

1.15. “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure, as amended from time to time, as applicable to the Chapter 11 Cases, including applicable local rules of the Bankruptcy Court.

1.16. “Brigade” means Brigade Capital Management, LP.

1.17. “Business Day” means any day other than Saturday, Sunday, a legal holiday, or a day on which national banking institutions in Texas are authorized or obligated by law or executive order to close.

1.18. “Cash” means legal tender of the United States of America, cash equivalents and other readily marketable securities or instruments, including, but not limited to, readily marketable direct obligations of the United States of America, certificates of deposit issued by banks or commercial paper.

1.19. “Chapter 11 Cases” refers collectively to the Acis LP bankruptcy case, Case No. 18-30264-sgj11, and the Acis GP bankruptcy case, Case No. 18-30265-sgj11, which are being jointly administered under Case No. 18-30264-sgj11.

1.20. “Chapter 11 Trustee” refers to Robin Phelan, the chapter 11 trustee for the Debtors.

1.21. “Claim” means (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured (including potential and unmatured tort and contract claims), disputed, undisputed, legal, equitable, secured or unsecured, or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right of payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured (including potential and unmatured tort and contract claims), disputed, undisputed, secured or unsecured.

- 1.22. "Claimant" means the holder of a Claim.
- 1.23. "Class" means a class of Claims or Interests as described in the Plan.
- 1.24. "CLO" means collateralized loan obligations.
- 1.25. "CLO-1" means Acis CLO 2013-1 LTD.
- 1.26. "CLO-1 Indenture" means that certain Indenture, dated as of March 18, 2013, issued by CLO-1, as issuer, Acis CLO 2013-1 LLC, as co-Issuer and US Bank, as Indenture Trustee.
- 1.27. "CLO-1 PMA" means that certain Portfolio Management Agreement by and between Acis LP and CLO-1, dated March 18, 2013.
- 1.28. "CLO-3" means Acis CLO 2014-3 LTD.
- 1.29. "CLO-3 Indenture" means that certain Indenture, dated as of February 25, 2014, issued by CLO-3, as issuer, Acis CLO 2014-3 LLC, as co-Issuer and US Bank, as Indenture Trustee
- 1.30. "CLO-3 PMA" means that certain Portfolio Management Agreement by and between Acis LP and CLO-3, dated February 25, 2014.
- 1.31. "CLO-4" means Acis CLO 2014-4 LTD.
- 1.32. "CLO-4 Indenture" means that certain Indenture, dated as of June 5, 2014, issued by CLO-4, as issuer, Acis CLO 2014-4 LLC, as co-Issuer and US Bank, as Indenture Trustee.
- 1.33. "CLO-4 PMA" means that certain Portfolio Management Agreement by and between Acis LP and CLO-4, dated June 5, 2014.
- 1.34. "CLO-5" means Acis CLO 2014-5 LTD.
- 1.35. "CLO-5 Indenture" means that certain Indenture, dated as of November 18, 2014, issued by CLO-5, as issuer, Acis CLO 2014-5 LLC, as co-Issuer and US Bank, as Indenture Trustee.
- 1.36. "CLO-5 PMA" means that certain Portfolio Management Agreement by and between Acis LP and CLO-5, dated November 18, 2014.
- 1.37. "CLO-6" means Acis CLO 2015-6 LTD.
- 1.38. "CLO-6 Indenture" means that certain Indenture, dated as of April 16, 2015, issued by CLO-6, as issuer, Acis CLO 2015-6 LLC, as co-Issuer and US Bank, as Indenture Trustee.
- 1.39. "CLO-6 PMA" means that certain Portfolio Management Agreement by and between Acis LP and CLO-6, dated April 16, 2015.
- 1.40. "CLO Holdco" means CLO Holdco, Ltd.
- 1.41. "Collateral" means any Asset subject to a valid and enforceable Lien to secure payment of a Claim.

1.42. “Confirmation Date” means the date of entry of the Confirmation Order.

1.43. “Confirmation Hearing” means the hearing conducted by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code and Bankruptcy Rule 3020(b) to consider confirmation of the Plan, as such hearing may be continued from time to time.

1.44. “Confirmation Order” means the order of the Bankruptcy Court confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

1.45. “Contested,” when used with respect to a Claim, means a Claim against the Debtors that is listed in the Debtors’ Schedules as disputed, contingent, or unliquidated; that is listed in the Debtors’ Schedules as undisputed, liquidated, and not contingent and as to which a proof of Claim has been filed with the Bankruptcy Court, to the extent the proof of Claim amount exceeds the scheduled amount; that is not listed in the Debtors’ Schedules, but as to which a proof of Claim has been filed with the Bankruptcy Court; or as to which an objection has been or may be timely filed and has not been denied by Final Order. To the extent an objection relates to the allowance of only a part of a Claim, such Claim shall be a Contested Claim only to the extent of the objection.

1.46. “Creditor” means a “creditor,” as defined in section 101(10) of the Bankruptcy Code.

1.47. “Cure Claim” means the payment or other performance required to cure any existing default under an Executory Contract or Unexpired Lease.

1.48. “Debtors” means, collectively, Acis GP and Acis LP, the debtors in the above-captioned Chapter 11 Cases.

1.49. “Disallowed,” when used with respect to all or any part of a Claim or Interest, means that portion of a Claim or Interest to which an objection or motion to disallow has been sustained by a Final Order.

1.50. “Disclosure Statement” means the Disclosure Statement filed with respect to the Plan, as it may be amended, modified, or supplemented from time to time.

1.51. “Distribution” means any payment or other disbursement of property pursuant to the Plan.

1.52. “Effective Date” means the first Business Day which is fourteen (14) days after the Confirmation Date if the Confirmation Order is not stayed or, if the Confirmation Order is stayed, the first Business Day following the lifting, dissolution, or removal of such stay which is at least fourteen (14) Business Days after the Confirmation Date, and upon which all conditions to the effectiveness of the Plan set forth in Article XIII below are satisfied.

1.53. “Estate” shall collectively refer to the bankruptcy estates of the Debtors in the Chapter 11 Cases.

1.54. “Estate Accounts Receivable” shall include all accounts receivable of the Estate, including from all sums payable to the Debtors on account of goods or services provided by the Debtors.

1.55. “Estate Claims” shall include all claims and causes of action held by the Debtors’ Estate, including, without limitation, the Estate Claims listed on the attached **Exhibit A** and all Avoidance Actions.

1.56. ““Estate Defenses” means all defenses, affirmative defenses, counterclaims, or offsets by the Debtors’ Estate against any Person, including but not limited to any Creditor.

1.57. “Estate Insurance” means any insurance policy or interest in an insurance policy in which the Estate has an interest or rights.

1.58. “Estate Professionals” means those Persons employed pursuant to an order of the Bankruptcy Court in accordance with sections 327, 328, and 1103 of the Bankruptcy Code or who are entitled to compensation or reimbursement pursuant to sections 503(b)(3)(D) or 506(b) of the Bankruptcy Code.

1.59. “Executory Contract” means any executory contract which is subject to section 365 of the Bankruptcy Code and which is not an Unexpired Lease.

1.60. “Final Order” means an order or judgment of the Bankruptcy Court or any other court or adjudicative body, as to which the time to appeal or seek rehearing or petition for certiorari shall have expired or which order or judgment shall no longer be subject to appeal, rehearing, or certiorari proceeding and with respect to which no appeal, motion for rehearing, or certiorari proceeding or stay shall then be pending.

1.61. “General Unsecured Claim” means any Claim against the Debtors that is not an Administrative Expense, Priority Tax Claim, Priority Non-Tax Claim, Secured Tax Claim, Secured Claim, or Insider Claim, but includes any Rejection Claims pursuant to section 502(g) of the Bankruptcy Code.

1.62. “Governmental Unit” means a “governmental unit” as such term is defined in section 101(27) of the Bankruptcy Code.

1.63. “HCLOF” means Highland CLO Funding, Ltd.

1.64. “Highland” means Highland Capital Management, L.P.

1.65. “Highland Adversary” means Adversary Proceeding No. 18-03078-sgj.

1.66. “Highland Claim” means all Claims asserted by Highland or any Affiliates of Highland against the Debtors, including any Claim resulting from the termination of the Sub-Advisory Agreement and Shared Services Agreement.

1.67. “Highland CLOM” means Highland CLO Management, Ltd.

1.68. “Highland HCF” means Highland HCF Advisors, Ltd.

1.69. “Impaired” means, when used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.70. “Indentures” refers collectively to the CLO-1 Indenture, the CLO-3 Indenture, the CLO-4 Indenture, the CLO-5 Indenture, and the CLO-6 Indenture.

1.71. "Indenture Trustee" refers to US Bank solely in its capacity as Indenture Trustee under the CLO-1 Indenture, the CLO-3 Indenture, the CLO-4 Indenture, the CLO-5 Indenture and the CLO-6 Indenture, as applicable

1.72. "Initial Distribution Date," when used with respect to any Contested Claim or Rejection Claim, shall mean the later of (i) the first Business Day at least thirty (30) days after the date on which any such Contested Claim or Rejection Claim becomes an Allowed Claim, or (ii) if the payment terms of Article IV of this Plan applicable to each such Claim specify a different date, then the date as calculated pursuant to the terms of Article IV of this Plan applicable to each such Claim. The Initial Distribution Date shall be separately determined with respect to each Contested Claim or Rejection Claim based upon the date each such Claim becomes an Allowed Claim.

1.73. "Insider" means a Person described in section 101(31) of the Bankruptcy Code.

1.74. "Insider Claim" means any Claim asserted by Insiders of the Debtors, including but not limited to any Claim asserted by Highland or any Affiliate thereof, unless otherwise indicated in the Plan.

1.75. "Interests" means any equity or stock ownership interest in the Debtors.

1.76. "Issuers and Co-Issuers" means CLO-1, CLO-3, CLO-4, CLO-5, CLO-6, Acis CLO 2013-1, Acis CLO-2014-3, LLC, Acis CLO 2014-4, LLC, Acis CLO 2014-5, LLC, and Acis 2015-6, LLC.

1.77. "Lien" means any mortgage, lien, charge, security interest, encumbrance, or other security device of any kind affecting any asset or property of the Debtors contemplated by section 101(37) of the Bankruptcy Code.

1.78. "Management Fees" shall, when used in relation to any of the Acis CLOs, have the meaning set forth in the applicable Indenture.

1.79. "Neutra" means Neutra, Ltd.

1.80. "Objection" means (a) an objection to the allowance of a Claim interposed by any party entitled to do so within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, and (b) as to any Taxing Authority, a proceeding commenced under section 505 of the Bankruptcy Code to determine the legality or amount of any tax.

1.81. "Objection Deadline" shall mean the later of (a) ninety (90) days following the Effective Date, unless otherwise extended by order of the Bankruptcy Court, or (b) as to any Rejection Claim filed after the Effective Date, ninety (90) days after the date on which the proof of Claim reflecting the Rejection Claim is filed.

1.82. "Optional Redemption" shall, when used in relation to any of the Acis CLOs, have the meaning set forth in the applicable Indenture.

1.83. "Person" means any individual, corporation, general partnership, limited partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, government, or any political subdivision thereof or other entity.

- 1.84. "Petition Date" means January 30, 2018.
- 1.85. "Plan" means this Third Amended Joint Chapter 11 plan, either in its present form or as it may be altered, amended, or modified from time to time.
- 1.86. "Plan Documents" means the documents that aid in effectuating the Plan as specifically identified as such herein and filed with the Bankruptcy Court.
- 1.87. "Plan Rate" means a rate of interest of five percent (5%) per annum.
- 1.88. "PMAs" refers collectively to the CLO-1 PMA, CLO-3 PMA, CLO-4 PMA, CLO-5 PMA, and CLO-6 PMA.
- 1.89. "Priority Claim" means a Claim (other than a Claim for an Administrative Expense) to the extent that it is entitled to priority in payment under section 507(a) of the Bankruptcy Code.
- 1.90. "Priority Non-Tax Claim" means a Priority Claim other than a Priority Tax Claim.
- 1.91. "Priority Tax Claim" means a Claim of a Governmental Unit of the kind specified in subsection 507(a)(8) of the Bankruptcy Code.
- 1.92. "Professional" means those persons retained pursuant to an order of the Bankruptcy Court in accordance with sections 327 and 1103 of the Bankruptcy Code.
- 1.93. "Pro Rata Distribution" means an optional Distribution made in accordance with section 4.03(c), 4.04(e), or 4.04(i) of the Plan. Each Creditor entitled to receive a portion of a Pro Rata Distribution shall receive such Creditor's Pro Rata Share of such Distribution.
- 1.94. "Pro Rata Share" means, as to the holder of a specific Claim, the ratio that the amount of such holder's Claim bears to the aggregate amount of all Claims included in the particular Class or category in which such holder's Claim is included.
- 1.95. "Refinancing Proceeds" shall, when used in relation to any of the Acis CLOs, have the meaning set forth in the applicable Indenture.
- 1.96. "Rejection Claim" means a Claim arising under section 502(g) of the Bankruptcy Code as a consequence of the rejection of any Executory Contract or Unexpired Lease.
- 1.97. "Reorganized Debtor" refers collectively to the Debtors, as reorganized, acting from and after the Effective Date if the Plan is confirmed based on the terms and provisions herein.
- 1.98. "Reserve" or "Reserves" means any reserves set aside by the Reorganized Debtor pursuant to this Plan, including reserves set aside to fund any Distributions, make payments pursuant to the Plan, or pursue the Estate Claims.
- 1.99. "Schedules" means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors as required by section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such schedules or statements have been or may be subsequently amended.
- 1.100. "Secured Claim" means (a) a Claim secured by a lien on any Assets, which lien is valid, perfected, and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable nonbankruptcy law, and which is duly Allowed, but only to the

extent of the value of the holder's interest in the Collateral that secures payment of the Claim; (b) a Claim against the Debtors that is subject to a valid right of recoupment or setoff under section 553 of the Bankruptcy Code, but only to the extent of the Allowed amount subject to recoupment or setoff as provided in section 506(a) of the Bankruptcy Code; and (c) a Claim deemed or treated under the Plan as a Secured Claim; provided, that, to the extent that the value of such interest is less than the amount of the Claim which has the benefit of such security, the unsecured portion of such Claim shall be treated as a General Unsecured Claim unless, in any such case the Class of which the Claim is a part makes a valid and timely election in accordance with section 1111(b) of the Bankruptcy Code to have such Claim treated as a Secured Claim to the extent Allowed.

1.101. "Secured Tax Claim" means any ad valorem tax Claim that arises or is deemed to have arisen on or before the Petition Date, irrespective of the date on which such Claim is assessed or due.

1.102. "Shared Services Agreement" means that certain Fourth Amended and Restated Shared Services Agreement by and between Acis LP and Highland dated March 17, 2017.

1.103. "Sub-Advisory Agreement" means that certain Third Amended and Restated Sub-Advisory Agreement by and between Acis LP and Highland dated March 17, 2017

1.104. "Subordinated Notes" means the subordinated notes in the Acis CLOs held by HCLOF, and expressly does not include any subordinated notes in the Acis CLOs held by any other party.

1.105. "Substantial Consummation" means the day on which a Creditor first receives a Distribution of any kind under the terms and provisions of the Plan.

1.106. "Taxing Authority" shall include the State of Texas or any subdivision thereof, including without limitation any political subdivision of the State of Texas assessing ad valorem taxes against any of the Assets.

1.107. "Terry" means Joshua N. Terry.

1.108. "Terry Partially Secured Claim" means any Claim asserted against the Debtors by Terry, including as asserted in Proof of Claim No. 1 in both Chapter 11 Cases and Proof of Claim No. 26 against Acis LP.

1.109. "Unclaimed Property" means any cash, Distribution, or any other property of the Debtors unclaimed for a period of one (1) year after the applicable Initial Distribution Date.

1.110. "Unexpired Lease" means any unexpired lease or agreement which is subject to section 365 of the Bankruptcy Code and which is not an Executory Contract.

1.111. "US Bank" means U.S. Bank National Association.

1.112. "Other Acis-Managed Funds" refers collectively to CLO-1, Acis CLO 2013-2, Ltd., Hewitt's Island CLO 1-R, Ltd, and BayVK R2 Lux S.A., SICAV-FIS.

B. Interpretation. Unless otherwise specified, all section, article and exhibit references in the Plan are to the respective section in, article of, or exhibit to, the Plan, as the

same may be amended, waived, or modified from time to time. The headings in the Plan are for convenience and reference only and shall not limit or otherwise affect the provisions hereof. The rules of construction set forth in section 102 of the Bankruptcy Code, other than section 102(5) of the Bankruptcy Code, apply to construction of the Plan. For the purposes of construction of the Plan, “or” is disjunctive.

C. Other Terms. The words “herein,” “hereof,” “hereto,” “hereunder,” and others of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan. References herein to “after notice and hearing” or other similar language shall have the same meaning as in section 102(1) of the Bankruptcy Code. Otherwise, a term used herein that is not specifically defined herein shall have the meaning ascribed to that term, if any, in the Bankruptcy Code.

D. Exhibits and Plan Documents. All Exhibits to the Plan and all Plan Documents are incorporated into the Plan by this reference and are a part of the Plan as if set forth in full herein. Any Plan Documents may be filed with the Clerk of the Bankruptcy Court prior to the commencement of the Confirmation Hearing. Holders of Claims and Interests may obtain a copy of the Plan Documents, once filed, by a written request sent to the following address: Forshey & Prostok, LLP, 777 Main Street, Suite 1290, Fort Worth, Texas 76102, Attention: Linda Breedlove; Fax number (817) 877-4151; email: lbreedlove@forsheyprostok.com.

ARTICLE II.

CLASSIFICATION OF CLAIMS AND INTERESTS

2.01. The following is a designation of the Classes of Claims and Interests under the Plan. Administrative Expenses, Priority Claims of the kinds specified in sections 507(a)(2) and 507(a)(3) of the Bankruptcy Code and Priority Tax Claims have not been classified, are excluded from the following Classes in accordance with section 1123(a)(1) of the Bankruptcy Code, and their treatment is set forth in Article III of the Plan. A Claim shall be deemed classified in a particular Class only to the extent that the Claim qualifies within the description of that Class. A Claim is included in a particular Class only to the extent that the Claim is an Allowed Claim in that Class.

- Class 1 – Secured Tax Claims
- Class 2 – Terry Partially Secured Claim
- Class 3 – General Unsecured Claims
- Class 4 – Insider Claims
- Class 5 – Interests

2.02. Impaired Classes of Claims and Interests. Class 1 is unimpaired. Classes 2 through 5 are Impaired.

2.03. Impairment or Classification Controversies. If a controversy arises as to the classification of any Claim or Interest, or as to whether any Class of Claims or Interests is Impaired under the Plan, the Bankruptcy Court shall determine such controversy as a part of the confirmation process.

ARTICLE III.

TREATMENT OF UNCLASSIFIED CLAIMS

3.01. Administrative Expenses

(a) The Reorganized Debtor shall pay, in accordance with the ordinary business terms applicable to each such expense or cost, the reasonable and ordinary expenses incurred in operating the Debtors' businesses or administering the Estate before the Effective Date ("Ordinary Course Claims"). The remaining provisions of this section 3.01 shall not apply to the Ordinary Course Claims, except that if there is a dispute relating to any such Ordinary Course Claim, the Reorganized Debtor may move the Bankruptcy Court to apply the provisions of Article III below relating to Contested Claims and require the holder of the Contested Ordinary Course Claim to assert such Claim through the Chapter 11 Cases.

(b) Each holder of an Allowed Administrative Expense (other than Ordinary Course Claims and Administrative Expense Claims by Estate Professionals), shall receive (i) the amount of such holder's Allowed Administrative Expense in one Cash payment on the later of the Effective Date or the tenth (10th) Business Day after such Administrative Expense becomes an Allowed Administrative Expense, or (ii) such other treatment as may be agreed to in writing by such Administrative Expense Creditor and the Reorganized Debtor, or as otherwise ordered by the Bankruptcy Court.

(c) Unless the Bankruptcy Court orders to the contrary or the Reorganized Debtor agrees to the contrary in writing, the holder of a Claim for an Administrative Expense, other than such a Claim by an Estate Professional, an Ordinary Course Claim, or an Administrative Expense which is already Allowed, shall file with the Bankruptcy Court and serve upon the Reorganized Debtor and its counsel a written notice of such Claim for an Administrative Expense within thirty (30) days after the Effective Date. This deadline is the "Administrative Bar Date." Such notice shall include at a minimum: (i) the name, address, telephone number and fax number (if applicable) or email address of the holder of such Claim, (ii) the amount of such Claim, and (iii) the basis of such Claim. **Failure to timely and properly file and serve such notice by the Administrative Bar Date shall result in such Claim for an Administrative Expense being forever barred and discharged and the holder thereof shall be barred from receiving any Distribution from the Reorganized Debtor on account of such Claim for an Administrative Expense.**

(d) A Claim for an Administrative Expense, for which a proper notice was filed and served under subsection 3.01(c) above, shall become an Allowed Administrative Expense if no Objection is filed within thirty (30) days of the filing and service of such notice. If a timely Objection is filed, the Claim shall become an Allowed Administrative Expense only to the extent allowed by a Final Order.

(e) The procedures contained in subsections 3.01(a), (c) and (d) above shall not apply to Administrative Expense Claims asserted by Estate Professionals, who shall each file and submit an appropriate final fee application to the Bankruptcy Court no later than sixty (60) days after the Effective Date. A Claim for an Administrative Expense by an Estate Professional in respect of which a final fee application has been properly filed and served shall become an Allowed Administrative Expense only to the extent Allowed by order of the Bankruptcy Court and, if so Allowed, shall be paid in accordance with subsection 3.01(b) above. Professional fees and expenses to any Estate Professional incurred on or after the Effective Date may be paid by the Reorganized Debtor without necessity of application to or order by the Bankruptcy Court.

(f) If the Reorganized Debtor asserts any Estate Claims as counterclaims or defenses to a Claim for Administrative Expense, the Administrative Expense Claim shall be determined through an adversary proceeding before the Bankruptcy Court. The Bankruptcy

Court shall have exclusive jurisdiction to adjudicate and Allow all Claims for any Administrative Expense.

3.02. Priority Non-Tax Claims. Each holder of an Allowed Priority Non-Tax Claim shall receive (i) the amount of such holder's Allowed Priority Non-Tax Payment in one Cash payment on the later of the Effective Date or the tenth (10th) Business Day after such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim and a determination has been made that such Allowed Priority Non-Tax Claim is not subject to equitable subordination under section 510(c) of the Bankruptcy Code, or (ii) such other treatment as may be agreed to in writing by such Administrative Expense Creditor and the Reorganized Debtor, or as otherwise ordered by the Bankruptcy Court.

3.03. Priority Tax Claims. Each holder of an Allowed Priority Tax Claim shall receive (a) one Cash payment in an amount equal to the principal amount of such Allowed Priority Tax Claim, plus interest at the rate and in the manner prescribed by applicable state law from the later of the Petition Date or the first day after the last day on which such Priority Tax Claim may be paid without penalty, no later than sixty (60) days after each such Claim becomes an Allowed Claim, or (b) such other treatment as may be agreed to in writing by the holder of the Priority Tax Claim and the Reorganized Debtor.

3.04. U.S. Trustee's Fees. The Reorganized Debtor shall pay the U.S. Trustee's quarterly fees incurred pursuant to 28 U.S.C. § 1930(a)(6) which are due as of the Confirmation Date in full on the Effective Date or as soon thereafter as is practicable. After the Confirmation Date, the Reorganized Debtor shall continue to pay quarterly fees as they accrue until a final decree is entered and the Chapter 11 Cases are closed. The Reorganized Debtor shall file with the Bankruptcy Court and serve on the U.S. Trustee quarterly financial reports for each quarter, or portion thereof, that the Chapter 11 Cases remain open.

ARTICLE IV.

TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS

4.01. Class 1 – Secured Tax Claims. Each holder of an Allowed Secured Tax Claim shall receive (a) one Cash payment in an amount equal to the principal amount of such Allowed Secured Tax Claim, plus interest at the rate and in the manner prescribed by applicable state law from the later of the Petition Date or the first day after the last day on which such Secured Tax Claim may be paid without penalty, on the Initial Distribution Date, or (b) such other treatment as may be agreed to in writing by the holder of the Secured Tax Claim and the Reorganized Debtor. The Liens securing such Secured Tax Claims shall remain unimpaired and unaffected until each such Class 1 Claim is paid in full. All Distributions on account of Allowed Class 1 Claims shall be made by the Reorganized Debtor. Class 1 is unimpaired. Holders of Class 1 Claims are conclusively presumed to have accepted the Plan and, accordingly, are not entitled to vote on the Plan.

4.02. Class 2 – Terry Partially Secured Claim. In exchange for a one million dollar (\$1,000,000.00) reduction in the amount of the Terry Partially Secured Claim, Terry shall receive one hundred percent (100%) of the equity interests in the Reorganized Debtor as of the Effective Date. The remaining balance of any Allowed Terry Partially Secured Claim shall be treated and paid as a Class 3 General Unsecured Claim. Class 2 is Impaired. The Holder of the Class 2 Terry Partially Secured Claim is entitled to vote on the Plan.

4.03. Class 3 – General Unsecured Claims.

(a) Each holder of an Allowed General Unsecured Claim shall receive a promissory note issued by the Reorganized Debtor (each an “Unsecured Cash Flow Note”) on the later of (a) that date that is as soon as practicable after the Effective Date, or (b) that date that is as soon as practicable after such holder’s General Unsecured Claim becomes an Allowed Class 3 Claim. Each Unsecured Cash Flow Note shall be dated as of the Effective Date, bear interest at the Plan Rate and shall mature on that date that is the three (3) years after the Effective Date.

(b) To the extent of Available Cash, the Reorganized Debtor shall make substantially equal quarterly Distributions of principal and accrued interest to each holder of an Unsecured Cash Flow Note, with the first such quarterly Distribution being due and payable on the 180th day after the Effective Date. Thereafter, like Distributions shall be made each quarter by the Reorganized Debtor until the Unsecured Cash Flow Note is paid in full. Notwithstanding the foregoing, in the event that an Unsecured Cash Flow Note is first issued more than one hundred eighty (180) days after the Effective Date, the first Distribution made on account of such Unsecured Cash Flow Note shall be made upon the date that the next Distribution would otherwise be due, but such first Distribution shall also include amounts that would have been distributed to the holder of such Unsecured Cash Flow Note had such Unsecured Cash Flow Note been issued prior to ninety (90) days after the Effective Date, such that the first Distribution shall bring all payments current on account of such Unsecured Cash Flow Note. If on any date on which a quarterly Distribution is due to the holder of an Unsecured Cash Flow Note the remaining principal and accrued interest owing on account of such Unsecured Cash Flow Note is less than the regular quarterly Distribution amount, the Reorganized Debtor shall make a Distribution to the holder of such Unsecured Cash Flow Note in an amount sufficient to fully satisfy the remaining principal and accrued interest owed, but no more. Nothing contained herein shall preclude the Reorganized Debtor from prepaying any Unsecured Cash Flow Note.

(c) If the Reorganized Debtor obtains additional Cash, through litigation recoveries or otherwise, and the Reorganized Debtor determines, in its sole discretion, that the Reorganized Debtor holds Available Cash sufficient to allow one or more Pro Rata Distributions to be made to holders of Allowed Class 3 Claims and Allowed Subclass 4A Claims, the Reorganized Debtor may, but shall not be required to, make one or more Pro Rata Distributions to holders of Allowed Class 3 Claims and Allowed Subclass 4A Claims. The amount of the Pro Rata Distribution made to each such holder shall be determined as if Class 3 and Subclass 4A constituted a single Class. Any such additional Distributions shall be applied to reduce the outstanding balance of each holder’s Unsecured Cash Flow Note.

(d) Class 3 is Impaired. Holders of Class 3 Claims are entitled to vote on the Plan.

4.04. Class 4 – Insider Claims. Holders of Class 4 Insider Claims shall be treated as follows:

(a) Class 4 Claims shall be divided into two (2) subclasses. Subclass 4A shall consist of all Allowed Class 4 claims which are not subject to equitable subordination. Subclass 4B shall consist of all Class 4 claims which are determined by the Bankruptcy Court to be subject to equitable subordination. If only a part of a Class 4 Claim is subject to equitable subordination, then the portion of such claim subject to equitable subordination shall be included in Subclass 4B and the remainder not subject to equitable subordination shall be included in Subclass 4A. Subclass 4A and Subclass 4B will vote separately on the Plan, although Subclass 4B is currently an empty class.

(b) All Class 4 Claims (regardless of which subclass) shall be and remain subject to all Estate Defenses and all Estate Claims, including any rights of offset, recoupment, and/or to an affirmative recovery against the Holder of any Class 4 Claim.

(c) Each holder of an Allowed Subclass 4A Claim shall receive an Unsecured Cash Flow Note on the later of (a) that date that is as soon as practicable after the Effective Date, or (b) that date that is as soon as practicable after such holder's Subclass 4A Claim becomes an Allowed Subclass 4A Claim. Each Unsecured Cash Flow Note shall be dated as of the Effective Date, bear interest at the Plan Rate and shall mature on that date that is the three (3) years after the Effective Date.

(d) To the extent of Available Cash, the Reorganized Debtor shall make substantially equal quarterly Distributions of principal and accrued interest to each holder of an Unsecured Cash Flow Note, with the first such quarterly Distribution being due and payable on the 180th day after the Effective Date. Thereafter, like Distributions shall be made each quarter by the Reorganized Debtor until the Unsecured Cash Flow Note is paid in full. Notwithstanding the foregoing, in the event that an Unsecured Cash Flow Note is first issued more than one hundred eighty (180) days after the Effective Date, the first Distribution made on account of such Unsecured Cash Flow Note shall be made upon the date that the next Distribution would otherwise be due, but such first Distribution shall also include amounts that would have been distributed to the holder of such Unsecured Cash Flow Note had such Unsecured Cash Flow Note been issued prior to ninety (90) days after the Effective Date, such that the first Distribution shall bring all payments current on account of such Unsecured Cash Flow Note. If on any date on which a quarterly Distribution is due to the holder of an Unsecured Cash Flow Note the remaining principal and accrued interest owing on account of such Unsecured Cash Flow Note is less than the regular quarterly Distribution amount, the Reorganized Debtor shall make a Distribution to the holder of such Unsecured Cash Flow Note in an amount sufficient to fully satisfy the remaining principal and accrued interest owed, but no more. Nothing contained herein shall preclude the Reorganized Debtor from prepaying any Unsecured Cash Flow Note.

(e) If the Reorganized Debtor obtains additional Cash, through litigation recoveries or otherwise, and the Reorganized Debtor determines, in its sole discretion, that the Reorganized Debtor holds Available Cash sufficient to allow one or more Pro Rata Distributions to be made to holders of Allowed Class 3 Claims and Allowed Subclass 4A Claims, the Reorganized Debtor may, but shall not be required to, make one or more Pro Rata Distributions to holders of Allowed Class 3 Claims and Allowed Subclass 4A Claims. The amount of the Pro Rata Distribution made to each such holder shall be determined as if Class 3 and Subclass 4A constituted a single Class. Any such additional Distributions shall be applied to reduce the outstanding balance of each holder's Unsecured Cash Flow Note.

(f) Unless otherwise provided by Order of the Bankruptcy Court, holders of Allowed Subclass 4B claims shall not be entitled to any Distribution from the Reorganized Debtor until all Allowed Claims included in Classes 1 through 3 and Subclass 4A, including all Unsecured Cash Flow Notes, have been paid in full.

(g) Holders of Allowed Subclass 4B Claims shall receive a subordinated promissory note issued by the Reorganized Debtor ("Subordinated Unsecured Cash Flow Note") on the later of (a) that date that is as soon as practicable after the Effective Date, or (b) that date that is as soon as practicable after such holder's Subclass 4A Claim becomes an Allowed Subclass 4A Claim. Each Subordinated Unsecured Cash Flow Note shall be dated as of the Effective Date, bear interest at the Plan Rate and shall mature on the earlier to occur of (i) the date that is two

5.02. Class Acceptance Requirement. A Class of Claims shall have accepted the Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have voted on the Plan.

5.03. Cramdown. This section shall constitute the request by the Plan proponent, pursuant to section 1129(b) of the Bankruptcy Code, that the Bankruptcy Court confirm the Plan notwithstanding the fact that the requirements of section 1129(a)(8) of the Bankruptcy Code have not been met.

ARTICLE VI.

MEANS FOR IMPLEMENTATION OF THE PLAN

6.01. Vesting of Assets. As of the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all Assets, including the PMAs, all Cash, Estate Accounts Receivable, Estate Insurance, Estate Claims and Estate Defenses, shall be transferred from the Estate to, and vested in, the Reorganized Debtor, free and clear of all rights, title, interests, claims, liens, encumbrances and charges, except as expressly set forth in the Plan. On and after the Effective Date, the Reorganized Debtor may operate its business and may use, acquire or dispose of property without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or the Confirmation Order. Without limiting the foregoing, the Reorganized Debtor may pay the charges that it incurs on or after the Effective Date for all fees, disbursements, expenses or related support services of Professionals (including fees relating to the preparation of professional fee applications) without application to, or approval of, the Bankruptcy Court.

6.02. Continued Existence of the Debtors. The Debtors shall continue to exist after the Effective Date, with all the powers available to such legal entities, in accordance with applicable law and pursuant to their constituent documents. On or after the Effective Date, each Reorganized Debtor may, within its sole and exclusive discretion, take such action as permitted by applicable law and its constituent documents as it determines is reasonable and appropriate.

6.03. Retention and Assertion of Causes of Action and Defenses.

(a) Except as expressly set forth in this Plan, all causes of action, claims, counterclaims, defenses and rights of offset or recoupment (including but not limited to all Estate Claims, Estate Defenses and Avoidance Actions) belonging to the Debtors (collectively, the "Retained Causes of Action") shall, upon the occurrence of the Effective Date, be reserved, retained and preserved for, and transferred to, received by and vested, in the Reorganized Debtor for the benefit of the Debtors and the Debtors' estates. Without limitation, the Retained Causes of Action include the claims and causes of action described on **Exhibit A** attached hereto.

(b) Except as expressly set forth in this Plan, the rights of the Reorganized Debtor to commence, prosecute or settle the Retained Causes of Action shall be retained, reserved, and preserved notwithstanding the occurrence of the Effective Date. **No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any cause of action against them as any indication that the Debtors or the Reorganized Debtor will not pursue any and all available causes of action (including all Estate Claims, Estate Defenses and Avoidance Actions) against them. The Debtors and their Estate expressly reserve all rights to prosecute any and all of the Retained Causes of Action (including all**

Estate Claims, Estate Defenses and Avoidance Actions) against any Person, except as otherwise provided in this Plan. Unless any causes of action against a Person are expressly waived, relinquished, exculpated, released, compromised or settled in this Plan or a Final Order, the Debtors expressly reserve all causes of action (including all Estate Claims, Estate Defenses and Avoidance Actions) for later adjudication, and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such causes of action upon or after the confirmation or consummation of the Plan. The Debtors and the Reorganized Debtor may also assert Estate Defenses as a defense to the allowance of any Claim not otherwise Allowed.

6.04. Assumption of Obligations to Make Distributions. The Reorganized Debtor shall be deemed to have assumed the obligations to make all Distributions pursuant to this Plan.

6.05. Actions by the Debtors and the Reorganized Debtor to Implement Plan. The entry of the Confirmation Order shall constitute all necessary authorization for the Debtors and the Reorganized Debtor to take or cause to be taken all actions necessary or appropriate to consummate, implement or perform all provisions of this Plan on and after the Effective Date, and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without further approval, act or action under any applicable law, order, rule or regulation, including without limitation, (a) all transfers of Assets, including to the Reorganized Debtor, that are to occur pursuant to the Plan; (b) the cancellation of Interests and issuance of 100% of the equity interests in the Reorganized Debtor to Terry; (c) the performance of the terms of the Plan and the making of all Distributions required under the Plan; and (d) subject to the terms of the Plan, entering into any and all transactions, contracts, or arrangements permitted by applicable law, order, rule or regulation.

6.06. Termination of Highland as Shared Services Provider and Sub-Advisor. The Bankruptcy Court authorized the Chapter 11 Trustee to terminate the Shared Services Agreement and Sub-Advisory Agreement and engage Brigade to perform the services previously provided by Highland. The Shared Services Agreement and Sub-Advisory Agreement were terminated by the Chapter 11 Trustee on or about August 1, 2018, and the services previously performed by Highland were transitioned to Brigade on an interim basis. Brigade has agreed to continue to provide shared services and sub-advisory services to the Reorganized Debtor with respect to the Acis CLOs and the Other Acis-Managed Funds (and any reset Acis CLOs) subject to a minimum two (2) year term unless otherwise agreed as between the Reorganized Debtor and Brigade. Consequently, any agreement between the Reorganized Debtor and Brigade shall provide that Brigade cannot be removed without cause for a period of two (2) years except as may be otherwise agreed as between the Reorganized Debtor and Brigade.

6.07. Continued Portfolio Management by the Reorganized Debtor. The PMAs and any other Executory Contracts and Unexpired Leases identified on Exhibit B to the Plan or in the Confirmation Order shall be assumed and the Reorganized Debtor shall, from an after the Effective Date, serve as the portfolio manager with respect to the Acis CLOs and the Other Acis-Managed Funds (and any reset Acis CLOs). Consistent with Section 15 of the PMAs, the Reorganized Debtor may only be removed as portfolio manager under the assumed PMAs for cause as set forth in the PMAs.

6.08. Reset of the Acis CLOs. HCLOF has maintained that it desires to reset the Acis CLOs. The Reorganized Debtor, with the assistance of Brigade as its shared services provider and sub-advisor, is prepared to promptly seek to perform such reset transactions as set forth herein.

6.10. Section 505 Powers. All rights and powers pursuant to section 505 of the Bankruptcy Code are hereby reserved to the Estate and shall be transferred to, and vested in, the Reorganized Debtor as of the Effective Date.

6.12. Section 506(c) Powers. The Estate hereby reserves all rights and powers pursuant to section 506(c) of the Bankruptcy Code, and all such rights shall be specifically transferred to, and vested in, the Reorganized Debtor.

6.14. Cancellation of Interests. Except as otherwise specifically provided herein, upon the Effective Date of the Plan: (a) all Interests in the Debtors shall be cancelled; and (b) all obligations or debts of, or Claims against, the Debtors on account of, or based upon, the Interests shall be deemed as cancelled, released and discharged, including all obligations or duties by the Debtors relating to the Interests in any of their respective formation documents, including Acis LP's limited partnership agreement and bylaws, Acis GP's articles of formation and company agreement, or any similar formation or governing documents.

7.01. Distributions from Reorganized Debtor. The Reorganized Debtor shall be responsible for making Distributions to holders of Allowed Claims only to the extent this Plan requires Distributions to be made by the Reorganized Debtor. The priority of Distributions from the

Reorganized Debtor shall be in accordance with the terms of this Plan and the Confirmation Order as follows:

- (a) First, to satisfy Allowed Class 1 Secured Tax Claims;
- (b) Second, to satisfy Allowed Administrative Expenses and Allowed Priority Claims in accordance with Article III above, including all U.S. Trustee quarterly fees due and owing as of the Effective Date;
- (c) Third, to make Distributions to holders of any Allowed Class 3 General Unsecured Claims and Allowed Subclass 4A Claims; and
- (e) Fourth, to make Distributions to holders of any Allowed Subclass 4B Claims

7.02. Reserves. The Reorganized Debtor may estimate, create and set aside Reserves as may be necessary or appropriate, including without limitation, Reserves on account of Contested Claims. The Reorganized Debtor may, but shall not be required to, move the Bankruptcy Court to approve: (a) the amount of, and terms on which, such Reserves shall be held, maintained and disbursed, or (b) the amount and timing of any proposed interim Distribution to holders of Allowed Class 3 Claims and Allowed Subclass 4A Claims. The Reorganized Debtor may elect to seek approval by the Bankruptcy Court for the creation and amount of any Reserves or regarding the amount or timing of any Distribution on account of any Allowed Claims. Except as otherwise expressly provided herein, the Reorganized Debtor, in the exercise of its good faith business judgment, may transfer funds out of any of the Reserves as necessary or appropriate. However, the Reorganized Debtor shall not be required to create separate accounts for such Reserves which may be created and memorialized by entries or other accounting methodologies, which may be revised from time-to-time, to enable the Reorganized Debtor to determine the amount of Cash available for Distributions under the Plan. Subject to any specific deadlines set forth herein, the Reorganized Debtor, shall determine, from time-to-time, in the exercise of the Reorganized Debtor's good faith business judgment: (x) the amount of Cash available for Distribution, (y) the timing of any Distributions, and (z) the amount and creation of any Reserves for Contested Claims. The Reorganized Debtor shall not be entitled to reserve for, and this section 7.02 does not apply to, Distributions to holders of Allowed Subclass 4B Claims.

7.03. Prosecution and Settlement of Estate Claims. Upon the Effective Date, the Reorganized Debtor (a) shall automatically be substituted in place of the Chapter 11 Trustee as the party representing the Estate in respect of any pending lawsuit, motion or other pleading pending before the Bankruptcy Court or any other tribunal, and (b) is authorized to file a notice on the docket of each adversary proceeding or the Chapter 11 Cases regarding such substitution. The Reorganized Debtor shall have exclusive standing and authority to prosecute, settle or compromise Estate Claims for the benefit of the Estate in the manner set forth in this Plan.

7.04. Plan Injunction. The Reorganized Debtor shall be entitled to the full protection and benefit of the Plan Injunction and shall have standing to bring any action or proceeding necessary to enforce the Plan Injunction against any Person.

7.05. Relief from the Bankruptcy Court. The Reorganized Debtor shall be authorized to seek relief from the Bankruptcy Court or any other tribunal having jurisdiction as to any matter relating or pertaining to the consummation, administration or performance of this Plan, including without

8.06. W-9 Forms. Each holder of an Allowed Claim must provide a W-9 form or other such necessary information to comply with any withholding requirements of any Governmental Unit (collectively the “W-9 Form”) to the Reorganized Debtor prior to receiving any Distribution from the Reorganized Debtor. In the event a holder of an Allowed Claim does not provide a W-9 Form to the Reorganized Debtor within thirty (30) days of the Effective Date, the Reorganized Debtor shall, at an appropriate time, issue a written request to each holder of an Allowed Claim that has not previously provided a W-9 Form to the Reorganized Debtor. The request shall be in writing and shall be delivered to the last address known to the Debtors or Reorganized Debtor, as appropriate. The request shall conspicuously advise and disclose that failure to provide a W-9 Form to the Reorganized Debtor within thirty (30) days shall result in a waiver of any right or rights to a Distribution from the Reorganized Debtor. In the event any holder of an Allowed Claim fails to provide the Reorganized Debtor with a W-9 Form within thirty (30) days after the date of written request described herein, then the holder of such Allowed Claim shall be deemed to have waived the right to receive any Distribution whatsoever from the Reorganized Debtor.

8.07. Time Bar to Cash Payments. Checks issued in respect of Allowed Claims shall be null and void if not cashed within ninety (90) days of the date of issuance thereof. Requests for reissuance of any check shall be made directly to the issuer of the check by the holder of the Allowed Claim with respect to which such check originally was issued. Any Claim in respect of such a voided check shall be made on or before one hundred twenty (120) days after the date of issuance of such check or such longer period as the Reorganized Debtor may fix. After such date, all Claims in respect of void checks shall be discharged and forever barred.

8.08. Cure Period. Except as otherwise set forth herein, the failure by the Reorganized Debtor to timely perform any term, provision or covenant contained in this Plan, or to make any payment or Distribution required by this Plan to any Creditor, or the failure to make any payment or perform any covenant on any note, instrument or document issued pursuant to this Plan, shall not constitute an event of default unless and until the Reorganized Debtor has been given thirty (30) days written notice of such alleged default in the manner provided in this Plan, and provided an opportunity to cure such alleged default. Until the expiration of such thirty (30) day cure period, the Reorganized Debtor shall not be in default, and performance during such thirty (30) day cure period shall be deemed as timely for all purposes. Such written notice and passage of the thirty (30) day cure period shall constitute conditions precedent to declaring or claiming any default under this Plan or bringing any action or legal proceeding by any Person to enforce any right granted under this Plan.

8.09. Pre-Payment of Claims. Unless the Plan expressly prohibits or conditions the pre-payment of an Allowed Claim, the Reorganized Debtor may pre-pay any Allowed Claim in whole or in part at any time and may do so without penalty.

8.10. Distributions after Substantial Consummation. All Distributions of any kind made to any Creditor after Substantial Consummation and any and all other actions taken under this Plan after Substantial Consummation shall not be subject to relief, reversal or modification by any court unless the implementation of the Confirmation Order is stayed by an order granted under Bankruptcy Rule 8005.

ARTICLE IX.
RETENTION OF ESTATE CLAIMS AND ESTATE DEFENSES.

9.01. Retention of Estate Claims. Except as otherwise specifically provided in this Plan, pursuant to section 1123(b)(3) of the Bankruptcy Code, all Estate Claims shall be transferred to, and vested in, the Reorganized Debtor, both for purposes of seeking an affirmative recovery against any Person and for the purposes of offset, recoupment or defense against any Claim asserted against the Estate or Reorganized Debtor. All Estate Claims shall be deemed to have been transferred to, and vested in, the Reorganized Debtor as of the Effective Date based on the entry of the Confirmation Order.

Without limiting the effectiveness or generality of the foregoing reservation, out of an abundance of caution, the Debtors and the Estate hereby specifically reserves, retains, and preserves the Estate Claims reflected in the attached **Exhibit A**. Reference is here made to **Exhibit A** which constitutes an integral part of this Plan. The provisions of this Article of the Plan, as well as the descriptions and disclosures relating to the Estate Claims in the Disclosure Statement, are provided in the interest of providing maximum disclosure of the Estate Claims of which Debtors are presently aware and shall not act as a limitation on the potential Estate Claims that may exist. It is the specific intention of this Plan that all Avoidance Actions and all associated remedies, and any other Estate Claims, whether arising before or after the Petition Date, and whether arising under the Bankruptcy Code or applicable state or federal non-bankruptcy laws, shall all be reserved, retained and preserved under this Plan to be transferred to, and vested in, the Reorganized Debtor. All Estate Claims are reserved, retained and preserved both as causes of action for an affirmative recovery and as counterclaims and for the purposes of offset or recoupment against any Claims asserted against the Estate.

9.02. Retention of Estate Defenses. Except as otherwise specifically provided in this Plan, pursuant to section 1123(b)(3) of the Bankruptcy Code, all Estate Defenses shall be transferred to, and vested in, the Reorganized Debtor. For this purpose, all Estate Defenses are hereby reserved, retained and preserved by the Debtors and the Estate, including without limitation all such Estate Defenses available to the Estate pursuant to section 558 of the Bankruptcy Code, and shall be deemed as transferred to, and vested in, the Reorganized Debtor as of the Effective Date based on the entry of the Confirmation Order.

9.03. Assertion of Estate Claims and Estate Defenses. The Reorganized Debtor shall have, and be vested with, the exclusive right, authority and standing to assert all Estate Claims and Estate Defenses for the benefit of the Reorganized Debtor.

ARTICLE X.
PROCEDURES FOR RESOLVING AND TREATING
CONTESTED AND CONTINGENT CLAIMS

10.01. Claims Listed in Schedules as Disputed. Any General Unsecured Claim which is listed in the Schedules as unliquidated, contingent or disputed, and for which no proof of Claim has been timely filed, shall be considered as Disallowed as of the Effective Date without the necessity of any further action by the Reorganized Debtor or further order of the Bankruptcy Court other than the entry of the Confirmation Order.

10.02. Responsibility for Objecting to Claims and Settlement of Claims. The Reorganized Debtor shall have the exclusive standing and authority to either object to any Claim or settle and compromise any Objection to any Claim, including as follows:

(a) From and after the Effective Date, the Reorganized Debtor shall have the sole and exclusive right to (i) file, settle, or litigate to Final Order any Objections to any Claims; and (ii) seek to subordinate any Claim. Any Contested Claim may be litigated to Final Order by the Reorganized Debtor; and

(b) From and after the Effective Date, the Reorganized Debtor shall have the sole and exclusive right to settle, compromise or otherwise resolve any Contested Claim without the necessity of any further notice or approval of the Bankruptcy Court. Bankruptcy Rule 9019 shall not apply to any settlement or compromise of a Contested Claim after the Effective Date.

10.03. Objection Deadline. All Objections to Claims shall be served and filed by the Objection Deadline; provided, however, the Objection Deadline shall not apply to Claims which are not reflected in the claims register, including any alleged informal proofs of Claim. The Reorganized Debtor may seek to extend the Objection Deadline pursuant to a motion filed on or before the then applicable Objection Deadline with respect to any Claim. Any such motion may be granted without notice or a hearing. In the event that the Reorganized Debtor files such a motion and the Bankruptcy Court denies such motion, the Objection Deadline shall nevertheless be automatically extended to that date which is ten (10) Business Days after the date of entry of the Bankruptcy Court's order denying such motion. Any proof of Claim other than one based upon a Rejection Claim and which is filed more than thirty (30) days after the Effective Date shall be of no force and effect and need not be objected to by the Reorganized Debtor. Nothing contained herein shall limit the right of the Reorganized Debtor to object to Claims, if any, filed or amended after the Objection Deadline.

10.04. Response to Claim Objection. If the Reorganized Debtor files an Objection to any Claim, then the holder of such Claim shall file a written response to such Objection within twenty-four (24) days after the filing and service of the Objection upon the holder of the Contested Claim. Each such Objection shall contain appropriate negative notice advising the Creditor whose Claim is subject to the Objection of the requirement and time period to file a response to such Objection and that, if no response is timely filed to the Objection, the Bankruptcy Court may enter an order that such Claim is Disallowed without further notice or hearing. The negative notice language in the Objection shall satisfy the notice requirement in section 3007(a) of the Bankruptcy Rules, and the Reorganized Debtor shall not be required to send a separate notice of the Objection to the Creditor whose Claim is subject to the Objection.

10.05. Distributions on Account of Contested Claims. If a Claim is Contested, then the dates for any Distributions as to such Contested Claim shall be determined based upon its date of Allowance, and thereafter Distribution shall be made on account of such Allowed Claim pursuant to the provisions of the Plan. No Distribution shall be made on account of a Contested Claim until Allowed. Until such time as a contingent Claim becomes fixed and absolute by a Final Order Allowing such Claim, such Claim shall be treated as a Contested Claim for purposes of estimates, allocations, and Distributions under the Plan. Any contingent right to contribution or reimbursement shall continue to be subject to section 502(e) of the Bankruptcy Code.

10.06. No Waiver of Right to Object. Except as expressly provided in this Plan, nothing contained in the Disclosure Statement, this Plan, or the Confirmation Order shall waive, relinquish, release or impair the Reorganized Debtor's right to object to any Claim.

10.07. Offsets and Defenses. The Reorganized Debtor shall be vested with and retain all Estate Claims and Estate Defenses, including without limitation all rights of offset or recoupment and all counterclaims against any Claimant holding a Claim. Assertion of counterclaims by the

Reorganized Debtor against any Claim asserted against the Estate or Reorganized Debtor shall constitute "core" proceedings.

10.08. Claims Paid or Reduced Prior to Effective Date. Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated and not contingent shall be reduced by the amount, if any, that was paid by the Debtors prior to the Effective Date, including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Schedules, such Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in the Plan shall preclude the Debtors or the Reorganized Debtor from paying Claims that the Debtors were authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Confirmation Date.

ARTICLE XI.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

11.01. Assumption and Rejection of Executory Contracts. All Executory Contracts and Unexpired Leases of the Debtors shall be deemed rejected by the Debtors upon the Effective Date unless an Executory Contract or Unexpired Lease (a) has been previously assumed or rejected pursuant to an order of the Bankruptcy Court, (b) is identified in **Exhibit B** to this Plan and/or the Confirmation Order to be (i) assumed or (ii) assumed and assigned, or (c) is the subject of a motion to assume filed on or before the Confirmation Date. The Plan shall constitute a motion to reject all Executory Contracts and Unexpired Leases except as stated in this paragraph. However, the Debtors may file a separate motion for the assumption or rejection of any Executory Contract or Unexpired Lease at any time through the Confirmation Date.

11.02. Cure Payments. All payments that may be required by section 365(b)(1) of the Bankruptcy Code to satisfy any Cure Claim shall be made by the Reorganized Debtor as soon as reasonably practical after the Effective Date or upon such terms as may be otherwise agreed between the Reorganized Debtor and the holder of such Cure Claim; *provided, however*, in the event of a dispute regarding the amount of any Cure Claim, the cure of any other defaults, or any other matter pertaining to assumption or assignment of an Executory Contract, the Reorganized Debtor shall make such cure payments and cure such other defaults, all as may be required by section 365(b)(1) of the Bankruptcy Code, following the entry of a Final Order by the Bankruptcy Court resolving such dispute.

11.03. Bar to Rejection Claims. Except as otherwise ordered by the Bankruptcy Court, any Rejection Claim based on the rejection of an Executory Contract or Unexpired Lease shall be forever barred and shall not be enforceable against the Reorganized Debtor or the Reorganized Debtor's assets unless a proof of Claim is filed with the Bankruptcy Court and served upon the Reorganized Debtor and its counsel by the earlier of thirty (30) days after the Effective Date or thirty (30) days after entry of the Final Order approving rejection of such Executory Contract or Unexpired Lease.

11.04. Rejection Claims. Any Rejection Claim not barred by section 11.03 of the Plan shall be classified as a Class 3 General Unsecured Claim subject to the provisions of sections 502(b)(6) and 502(g) of the Bankruptcy Code; *provided, however*, that any Rejection Claim by a lessor based upon the rejection of an unexpired lease of real property, either prior to the Confirmation Date, upon the entry of the Confirmation Order, or upon the Effective Date, shall be limited in accordance with section 502(b)(6) of the Bankruptcy Code and state law mitigation requirements. All Rejection Claims shall be deemed as Contested Claims until Allowed. Nothing contained herein shall be deemed an admission by the Debtors or the Reorganized

Debtor that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Debtors or the Reorganized Debtor of any objections or defenses to any such Rejection Claim if asserted.

11.05. Reservation of Rights. Nothing contained in the Plan shall constitute an admission by the Debtors that any contract or lease is in fact an Executory Contract or Unexpired Lease or that the Debtors or the Reorganized Debtor have any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Reorganized Debtor shall have thirty (30) days following entry of a Final Order resolving such dispute to alter the treatment of such contract or lease.

ARTICLE XII.

SUBSTANTIVE CONSOLIDATION OF THE DEBTORS

12.01. Pursuant to the Confirmation Order, the Bankruptcy Court shall approve the substantive consolidation of the Debtors for the sole purposes of implementing the Plan, including for purposes of voting and Distributions to be made under the Plan. Pursuant to such order: (a) all assets and liabilities of the Debtors will be deemed merged; (b) all guarantees by one Debtor of the obligations of the other Debtor will be deemed eliminated so that any Claim against any Debtor and any guarantee thereof executed by the other Debtor and any joint or several liability of the Debtors will be deemed to be one obligation of the consolidated Debtors; and (c) each and every Claim filed or to be filed in the Chapter 11 Case of either Debtor will be deemed filed against the consolidated Debtors and will be deemed one Claim against and a single obligation of the consolidated Debtors.

ARTICLE XIII.

CONDITIONS PRECEDENT TO CONFIRMATION AND EFFECTIVENESS OF PLAN

13.01. Conditions to Confirmation and Effectiveness of Plan. The Plan shall not become effective until the following conditions shall have been satisfied and which may occur concurrently with the Effective Date: (a) the Confirmation Order shall have been entered, in form and substance acceptable to the Chapter 11 Trustee; (b) the necessary Plan Documents have been executed and delivered, and (c) all other conditions specified by the Chapter 11 Trustee have been satisfied. Any or all of the above conditions other than (a) may be waived at any time by the Chapter 11 Trustee.

13.02. Notice of the Effective Date. On or as soon as reasonably practical after the occurrence of the Effective Date, the Reorganized Debtor shall cause a notice of the Effective Date to be filed with the Bankruptcy Court and served on all Creditors and parties-in-interest.

13.03. Revocation of Plan. The Chapter 11 Trustee may revoke and withdraw the Plan at any time before the Effective Date. If the Chapter 11 Trustee revokes or withdraws the Plan, or if confirmation of the Plan does not occur, then this Plan shall be deemed null and void and nothing contained in the Plan shall be deemed to constitute a waiver or release of any Claims by or against the Debtors, as the case may be, or any other Person, or to prejudice in any manner the rights of the Debtors or any other Person in any further proceedings involving the Debtors.

ARTICLE XIV.
EFFECT OF THE PLAN ON CLAIMS AND INTERESTS

14.01. Compromise and Settlement

(a) Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration of the classification, potential Distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Interests and controversies subject to, or dealt with, under this Plan, including, without limitation, all Claims against the Debtors or Estate arising prior to the Effective Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, fixed or contingent, arising out of, relating to or in connection with the business or affairs of, or transactions with, the Debtors or the Estate. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements embodied in this Plan, and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interest of the Debtors, the Estate, Creditors and other parties-in-interest, and are fair, equitable and within the range of reasonableness. The rights afforded in the Plan and the treatment of all Claims and Interests herein shall be in exchange for, and in complete satisfaction and release of, all Claims and Interests of any nature whatsoever against and in the Debtors, the Estate, and the Assets. Except as otherwise provided herein, all Persons shall be precluded and forever barred by the Plan Injunction from asserting against the Debtors and their affiliates, successors, assigns, the Reorganized Debtor or the Reorganized Debtor's Assets, or the Estate, any event, occurrence, condition, thing, or other or further Claims or causes of action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date.

(b) It is not the intent of this Plan that confirmation of the Plan shall in any manner alter or amend any settlement and compromise (including those contained in agreed orders) between the Debtors and any Person that has been previously approved by the Bankruptcy Court (each, a "Prior Settlement"). To the extent of any conflict between the terms of the Plan and the terms of any Prior Settlement, the terms of the Prior Settlement shall control and such Prior Settlement shall be enforceable according to its terms.

14.02. Discharge. The Debtors and their successors in interest and assigns shall be deemed discharged and released pursuant to section 1141(d)(1) of the Bankruptcy Code from any and all Claims provided for in the Plan.

14.03. **PLAN INJUNCTION.**

THIS SECTION IS REFERRED TO HEREIN AS THE "PLAN INJUNCTION." EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, AS OF THE EFFECTIVE DATE ALL HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTORS, THE ESTATE OR ANY OF THE ASSETS THAT AROSE PRIOR TO THE EFFECTIVE DATE ARE HEREBY PERMANENTLY ENJOINED AND PROHIBITED FROM THE FOLLOWING: (a) THE COMMENCING OR CONTINUATION IN ANY MANNER, DIRECTLY OR INDIRECTLY, OF ANY ACTION, CASE, LAWSUIT OR OTHER PROCEEDING OF ANY TYPE OR NATURE AGAINST THE DEBTORS, THE ESTATE, THE REORGANIZED DEBTOR, OR THE REORGANIZED DEBTOR'S ASSETS WITH RESPECT TO

ANY SUCH CLAIM OR INTEREST ARISING OR ACCRUING BEFORE THE EFFECTIVE DATE, INCLUDING WITHOUT LIMITATION THE ENTRY OR ENFORCEMENT OF ANY JUDGMENT, OR ANY OTHER ACT FOR THE COLLECTION, EITHER DIRECTLY OR INDIRECTLY, OF ANY CLAIM OR INTEREST AGAINST THE DEBTORS, THE ESTATE, THE REORGANIZED DEBTOR, OR THE REORGANIZED DEBTOR'S ASSETS; (b) THE CREATION, PERFECTION OR ENFORCEMENT OF ANY LIEN, SECURITY INTEREST, ENCUMBRANCE, RIGHT OR BURDEN, EITHER DIRECTLY OR INDIRECTLY, AGAINST THE DEBTORS, THE ESTATE, THE REORGANIZED DEBTOR, OR THE REORGANIZED DEBTOR'S ASSETS, OR (c) TAKING ANY ACTION IN RELATION TO THE DEBTORS, THE ESTATE, THE REORGANIZED DEBTOR, OR THE REORGANIZED DEBTOR'S ASSETS, EITHER DIRECTLY OR INDIRECTLY, WHICH VIOLATES OR DOES NOT CONFORM OR COMPLY WITH THE PROVISIONS OF THIS PLAN APPLICABLE TO SUCH CLAIM OR INTEREST. THE PLAN INJUNCTION SHALL ALSO BE INCORPORATED INTO THE CONFIRMATION ORDER.

IN ADDITION TO THE FOREGOING, EXCEPT TO THE EXTENT NECESSARY TO ALLOW HCLOF, THE REORGANIZED DEBTOR AND BRIGADE TO EFFECTUATE THE RESET OF ONE OR MORE OF THE ACIS CLOS IN ACCORDANCE WITH SECTION 6.08 OF THE PLAN, PURSUANT TO SECTIONS 105(a), 1123(a)(5), 1123(b)(6), AND 1142(b) OF THE BANKRUPTCY CODE, THE ENJOINED PARTIES (DEFINED BELOW) ARE HEREBY ENJOINED FROM: (a) PROCEEDING WITH, EFFECTUATING, OR OTHERWISE TAKING (i) ANY ACTION IN FURTHERANCE OF ANY OPTIONAL REDEMPTION, CALL, OR OTHER LIQUIDATION OF THE ACIS CLOS PREVIOUSLY OR CURRENTLY ISSUED BY ANY SUCH PARTIES, AND (ii) ANY OTHER ATTEMPT TO LIQUIDATE THE ACIS CLOS BY ANY MEANS, (b) TRADING ANY ACIS CLO COLLATERAL IN FURTHERANCE OF ANY OPTIONAL REDEMPTION, CALL, OR OTHER LIQUIDATION OF THE ACIS CLOS, (c) EXERCISING ANY RIGHTS TO ASK OR DIRECT THE ISSUERS, CO-ISSUERS OR INDENTURE TRUSTEE TO PERFORM ANY ACTION IN RELATION TO THE ACIS CLOS THAT THE ENJOINED PARTIES ARE PROHIBITED FROM TAKING UNDER THE TERMS OF THE PLAN INJUNCTION, (d) INTERFERING IN ANY WAY WITH THE CAPITAL MARKETS PROCESS OF RESETTING ANY ACIS CLO, AND (e) SENDING, MAILING, OR OTHERWISE DISTRIBUTING ANY NOTICE TO THE HOLDERS OF THE NOTES IN THE ACIS CLOS IN CONNECTION WITH THE EFFECTUATION OF ANY OPTIONAL REDEMPTION, CALL, OR OTHER LIQUIDATION OF THE ACIS CLOS, UNTIL THE EARLIER TO OCCUR OF: (w) THE DATE UPON WHICH A FINAL ORDER IS ENTERED RESOLVING THE ESTATE'S AVOIDANCE CLAIMS AGAINST ALL ENJOINED PARTIES RELATING TO ACIS LP'S RIGHTS UNDER THE ALF PMA; (x) THE DATE UPON WHICH ALL ALLOWED CLAIMS AGAINST THE DEBTORS HAVE BEEN PAID IN FULL, (y) THE ENTRY OF AN ORDER BY THE BANKRUPTCY COURT FINDING THAT A MATERIAL DEFAULT HAS OCCURRED UNDER THE TERMS OF THE PLAN, OR (z) THE ENTRY OF A SUBSEQUENT ORDER BY THE BANKRUPTCY COURT PROVIDING OTHERWISE WITH RESPECT TO ONE OR MORE OF THE ACIS CLOS. FOR PURPOSES OF THIS PARAGRAPH, THE TERM "ENJOINED PARTIES" SHALL INCLUDE HIGHLAND, HCLOF, CLO HOLDCO, NEUTRA, HIGHLAND HCF, HIGHLAND CLOM, ANY AFFILIATES OF

HIGHLAND, AND THEIR RESPECTIVE EMPLOYEES, AGENTS, REPRESENTATIVES, TRANSFEREES, ASSIGNS, AND SUCCESSORS. FOR PURPOSES OF CLARIFICATION AND AVOIDANCE OF DOUBT, NOTHING IN THIS PARAGRAPH SHALL PRECLUDE ORDINARY DAY-TO-DAY TRADING OF THE COLLATERAL IN THE ACIS CLOS BY THE REORGANIZED DEBTOR.

Notwithstanding anything to the contrary in the Plan: (a) third-party professionals employed by the Reorganized Debtor shall not be released or exculpated from any losses, claims, damages, liabilities, or expenses arising from their duties and services provided to the Reorganized Debtor; and (b) any third-party professionals employed by the Reorganized Debtor shall only be entitled to be indemnified by the Reorganized Debtor to the extent provided by applicable law.

Notwithstanding anything to the contrary in the Plan or Confirmation Order, nothing in the Plan or in the Confirmation Order shall discharge, release, enjoin or otherwise bar (i) any liability of the Debtors, the Estate, the Reorganized Debtor, or the Reorganized Debtor's assets ("Released Parties") to a Governmental Unit arising on or after the Confirmation Date with respect to events occurring after the Confirmation Date, provided that the Released Parties reserve the right to assert that any such liability is a Claim that arose on or prior to the Confirmation Date and constitutes a Claim that is subject to the deadlines for filing proofs of claim, (ii) any liability to a Governmental Unit that is not a Claim subject to the deadlines for filing proofs of Claim, (iii) any valid right of setoff or recoupment of a Governmental Unit, and (iv) any police or regulatory action by a Governmental Unit. In addition, nothing in the Plan or Confirmation Order discharges, releases, precludes or enjoins any environmental liability to any Governmental Unit that any Person other than the Released Parties would be subject to as the owner or operator of the property after the Effective Date. For the avoidance of any doubt, nothing in this paragraph shall be construed to limit the application of the Plan Injunction to any Claim which was subject to any bar date applicable to such Claim.

14.04. Setoffs. Except as otherwise expressly provided for in the Plan, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable nonbankruptcy law, or as may be agreed to by the holder of a Claim, the Reorganized Debtor may set off against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such Allowed Claim (before such Distribution is made), any Claims, rights, Estate Claims and Estate Defenses of any nature that the Debtors may hold against the holder of such Allowed Claim, to the extent such Claims, rights, Estate Claims and Estate Defenses against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim or Interest pursuant to the Plan shall constitute a waiver or release of any such Claims, rights, Estate Claims and Estate Defenses that the Estate may possess against such Claimant. In no event shall any Claimant or Interest holder be entitled to setoff any Claim or Interest against any Claim, right, or Estate Claim of the Debtors without the consent of the Debtors or the Reorganized Debtor unless such holder files a motion with the Bankruptcy Court requesting the authority to perform such setoff notwithstanding any indication in any proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

14.05. Recoupment. Except as otherwise expressly provided for in the Plan, in no event shall any holder of Claims or Interests be entitled to recoup any Claim or Interest against any Claim, right, account receivable, or Estate Claim of the Debtors or the Reorganized Debtor unless (a) such holder actually provides notice thereof in writing to the Debtors or the Reorganized Debtor of its intent to perform a recoupment; (b) such notice includes the amount to be

recouped by the holder of the Claim or Interest and a specific description of the basis for the recoupment, and (c) the Debtors or the Reorganized Debtor have provided a written response to such Claim or Interest holder, stating unequivocally that the Debtors or the Reorganized Debtor consents to the requested recoupment. The Debtors and the Reorganized Debtor shall have the right, but not the obligation, to seek an order of the Bankruptcy Court allowing any or all of the proposed recoupment. In the absence of a written response from the Debtors or the Reorganized Debtor consenting to a recoupment or an order of the Bankruptcy Court authorizing a recoupment, no recoupment by the holder of a Claim or Interest shall be allowed.

14.06. Turnover. On the Effective Date, any rights of the Estate to compel turnover of Assets under applicable nonbankruptcy law and pursuant to section 542 or 543 of the Bankruptcy Code shall be deemed transferred to and vested in the Reorganized Debtor.

14.07. Automatic Stay. The automatic stay pursuant to section 362 of the Bankruptcy Code, except as previously modified by the Bankruptcy Court, shall remain in effect until the Effective Date of the Plan as to the Debtors, the Estate and all Assets. As of the Effective Date, the automatic stay shall be replaced by the Plan Injunction.

ARTICLE XV.

JURISDICTION OF COURTS AND MODIFICATIONS TO THE PLAN

15.01. Retention of Jurisdiction. Pursuant to sections 1334 and 157 of title 28 of the United States Code, the Bankruptcy Court shall retain exclusive jurisdiction of all matters arising in, arising under, and related to the Chapter 11 Cases and the Plan, to the full extent allowed or permitted by applicable law, including without limitation for the purposes of invoking sections 105(a) and 1142 of the Bankruptcy Code, and for, among other things, the following purposes:

(a) To hear and determine any and all objections to, or applications or motions concerning, the allowance of Claims or the allowance, classification, priority, compromise, estimation, or payment of any Administrative Expense;

(b) To hear and determine any and all applications for payment of fees and expenses pursuant to this Plan to any Estate Professional pursuant to sections 330 or 503 of the Bankruptcy Code, or for payment of any other fees or expenses authorized to be paid or reimbursed under this Plan, and any and all objections thereto;

(c) To hear and determine pending applications for the rejection, assumption, or assumption and assignment of Executory Contracts and Unexpired Leases and the allowance of Claims resulting therefrom, and to determine the rights of any party in respect to the assumption or rejection of any Executory Contract or Unexpired Lease;

(d) To hear and determine any and all adversary proceedings, applications, or contested matters, including relating to the allowance of any Claim;

(e) To hear and determine all controversies, disputes, and suits which may arise in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan or in connection with the enforcement of any remedies made available under the Plan, including without limitation, (i) adjudication of all rights, interests or disputes relating to any of the Assets, (ii) the valuation of all Collateral, (iii) the determination of the validity of any Lien or claimed right of offset or recoupment; and (iv) determinations of Objections to Contested Claims;

- (f) To liquidate and administer any disputed, contingent, or unliquidated Claims, including the Allowance of all Contested Claims;
- (g) To administer Distributions to holders of Allowed Claims as provided herein;
- (h) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;
- (i) To enable the Reorganized Debtor to prosecute any and all proceedings which may be brought to set aside transfers, Liens or encumbrances and to recover any transfers, Assets, properties or damages to which the Reorganized Debtor may be entitled under applicable provisions of the Bankruptcy Code or any other federal, state or local laws, including causes of action, controversies, disputes and conflicts between the Reorganized Debtor and any other party, including but not limited to, any causes of action or Objections to Claims, preferences or fraudulent transfers and obligations or equitable subordination;
- (j) To consider any modification of the Plan pursuant to section 1127 of the Bankruptcy Code, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation the Confirmation Order;
- (k) To enforce the discharge and Plan Injunction against any Person;
- (l) To enter and implement all such orders as may be necessary or appropriate to execute, interpret, construe, implement, consummate, or enforce the terms and conditions of this Plan and the transactions required or contemplated pursuant thereto;
- (m) To hear and determine any motion or application which the Reorganized Debtor is required or allowed to commence before the Bankruptcy Court pursuant to this Plan;
- (n) To hear and determine any other matter not inconsistent with the Bankruptcy Code and title 28 of the United States Code that may arise in connection with or related to the Plan;
- (o) To determine proceedings pursuant to section 505 of the Bankruptcy Code;
- (p) To enter a final decree closing the Chapter 11 Cases; and
- (q) To determine any other matter or dispute relating to the Estate, the Estate Claims, the Estate Defenses, the Assets, or the Distributions by the Reorganized Debtor.

15.02. Abstention and Other Courts. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to the Chapter 11 Cases, this Article of the Plan shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

15.03. Non-Material Modifications. The Reorganized Debtor may, with the approval of the Bankruptcy Court and without notice to all holders of Claims and Interests, correct any defect, omission, or inconsistency in the Plan in such manner and to such extent as may be necessary or desirable. The Reorganized Debtor may undertake such nonmaterial modification pursuant

to this section insofar as it does not adversely change the treatment of the Claim of any Creditor or the Interest of any Interest holder who has not accepted in writing the modification.

15.04. Material Modifications. Modifications of this Plan may be proposed in writing by the Chapter 11 Trustee at any time before confirmation, provided that this Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Chapter 11 Trustee shall have complied with section 1125 of the Bankruptcy Code. This Plan may be modified at any time after confirmation and before its Substantial Consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. A holder of a Claim or Interest that has accepted or rejected this Plan shall be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.

ARTICLE XVI.

MISCELLANEOUS PROVISIONS

16.01. Severability. Should the Bankruptcy Court determine any provision of the Plan is unenforceable either on its face or as applied to any Claim or Interest or transaction, the Reorganized Debtor may modify the Plan so that any such provision shall not be applicable to the holder of any Claim or Interest. Such a determination of unenforceability shall not (a) limit or affect the enforceability and operative effect of any other provision of the Plan or (b) require the resolicitation of any acceptance or rejection of the Plan.

16.02. Oral Agreements; Modification of Plan; Oral Representations or Inducements. The terms of the Plan, Disclosure Statement and Confirmation Order may only be amended in writing and may not be changed, contradicted or varied by any oral statement, agreement, warranty or representation. None of the Debtors, any representative of the Estate, including Robin Phelan in his capacity as Chapter 11 Trustee, nor their attorneys have made any representation, warranty, promise or inducement relating to the Plan or its confirmation except as expressly set forth in this Plan, the Disclosure Statement, or the Confirmation Order or other order of the Bankruptcy Court.

16.03. Waiver. The Reorganized Debtor shall not be deemed to have waived any right, power or privilege pursuant to the Plan unless the waiver is in writing and signed by the Reorganized Debtor. There shall be no waiver by implication, course of conduct or dealing, or through any delay or inaction by the Reorganized Debtor, of any right pursuant to the Plan, including the provisions of this anti-waiver section. The waiver of any right under the Plan shall not act as a waiver of any other or subsequent right, power or privilege.

16.04. Notice. Any notice or communication required or permitted by the Plan shall be given, made or sent as follows:

(a) If to a Creditor, notice may be given as follows: (i) if the Creditor has not filed a proof of Claim, then to the address reflected in the Schedules, or (ii) if the Creditor has filed a proof of Claim, then to the address reflected in the proof of Claim.

(b) If to the Reorganized Debtor, notice shall be sent to the following addresses:

Jeff P. Prostok
Suzanne K. Rosen
Forshey Prostok LLP
777 Main Street, Suite 1290
Fort Worth, Texas 76102

Josh Terry
c/o Brian P. Shaw
Rogge Dunn Group, PC
1201 Elm Street, Suite 5200
Dallas, Texas 75270

(c) Any Creditor desiring to change its address for the purpose of notice may do so by giving notice to the Reorganized Debtor of its new address in accordance with the terms of this section.

(d) Any notice given, made or sent as set forth above shall be effective upon being (i) deposited in the United States Mail, postage prepaid, addressed to the addressee at the address as set forth above; (ii) delivered by hand or messenger to the addressee at the address set forth above; (iii) telecopied to the addressee as set forth above, with a hard confirmation copy being immediately sent through the United States Mail; or (iv) delivered for transmission to an expedited or overnight delivery service such as FedEx.

16.05. Compliance with All Applicable Laws. If notified by any governmental authority that it is in violation of any applicable law, rule, regulation, or order of such governmental authority relating to its business, the Reorganized Debtor shall comply with such law, rule, regulation, or order; provided, however, that nothing contained herein shall require such compliance if the legality or applicability of any such requirement is being contested in good faith in appropriate proceedings and, if appropriate, an adequate Reserve has been set aside on the books of the Reorganized Debtor.

16.06. Duties to Creditors; Exculpation. Neither the Chapter 11 Trustee nor any agent, representative, accountant, financial advisor, attorney, shareholder, officer, affiliate, member or employee of the Chapter 11 Trustee or the Debtors, including but not limited to Estate Professionals (collectively, the "Exculpated Parties"), shall ever owe any duty to any Person (including any Creditor) other than the duties owed to the Debtors' bankruptcy Estate, for any act, omission, or event in connection with, or arising out of, or relating to, any of the following: (a) the Debtors' Chapter 11 Cases, including all matters or actions in connection with or relating to the administration of the Estate, (b) the Plan, including the proposal, negotiation, confirmation and consummation of the Plan, or (c) any act or omission relating to the administration of the Plan after the Effective Date. All such Exculpated Parties shall be fully exculpated and released from any and all claims and causes of action by any Person, known or unknown, in connection with, or arising out of, or relating to, any of the following: (x) the Debtors' Chapter 11 Cases, including all matters or actions in connection with or relating to the administration of the Estate, (y) the Plan, including the proposal, negotiation, confirmation and consummation of the Plan, or (z) any act or omission relating to the administration of the Plan after the Effective Date, except for claims and causes of action arising out of such Exculpated Party's gross negligence or willful misconduct.

16.07. Binding Effect. The Plan shall be binding upon, and shall inure to the benefit of, the Reorganized Debtor, the holders of the Claims or Liens, and their respective successors-in-interest and assigns.

16.08. Governing Law, Interpretation. Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any Plan

Documents without regard to conflicts of law. The Plan shall control any inconsistent term or provision of any other Plan Documents.

16.09. Payment of Statutory Fees. All accrued U.S. Trustee Fees as of the Confirmation Date shall be paid by the Reorganized Debtor on or as soon as practicable after the Effective Date, and thereafter shall be paid by the Reorganized Debtor as such statutory fees become due and payable.

16.10. Filing of Additional Documents. On or before Substantial Consummation of the Plan, the Reorganized Debtor may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

16.11. Computation of Time. Bankruptcy Rule 9006 shall apply to the calculation of all time periods pursuant to this Plan. If the final day for any Distribution, performance, act or event under the Plan is not a Business Day, then the time for making or performing such Distribution, performance, act or event shall be extended to the next Business Day. Any payment or Distribution required to be made hereunder on a day other than a Business Day shall be due and payable on the next succeeding Business Day.

16.12. Elections by the Reorganized Debtor. Any right of election or choice granted to the Reorganized Debtor under this Plan may be exercised, at the Reorganized Debtor's election, separately as to each Claim, Creditor or Person.

16.13. Release of Liens. Except as otherwise expressly provided in this Plan or the Confirmation Order, all Liens against any of the Assets transferred to and vested in the Reorganized Debtor shall be deemed to be released, terminated and nullified without the necessity of any order by the Bankruptcy Court other than the Confirmation Order.

16.14. Rates. The Plan does not provide for the change of any rate that is within the jurisdiction of any governmental regulatory commission after the occurrence of the Effective Date.

16.15. Compliance with Tax Requirements. In connection with the Plan, the Reorganized Debtor shall comply with all withholding and reporting requirements imposed by federal, state and local Taxing Authorities and all Distributions under the Plan shall be subject to such withholding and reporting requirements. Notwithstanding the above, each holder of an Allowed Claim or Interest that is to receive a Distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such Distribution under the Plan.

16.16. Notice of Occurrence of the Effective Date. Promptly after occurrence of the Effective Date, the Reorganized Debtor, as directed by the Bankruptcy Court, shall serve on all known parties-in-interest and holders of Claims and Interests, notice of the occurrence of the Effective Date.

16.17. Notice of Entry of Confirmation Order. Promptly after entry of the Confirmation Order, the Chapter 11 Trustee, as directed by the Bankruptcy Court in the Confirmation Order, shall serve on all known parties-in-interest and holders of Claims and Interests, notice of entry of the Confirmation Order.

Dated: October 25, 2018.

Respectfully submitted,

ACIS CAPITAL MANAGEMENT, L.P.

By: /s/ Robin Phelan
Robin Phelan
Chapter 11 Trustee

ACIS CAPITAL MANAGMENET GP, LLC

By: /s/ Robin Phelan
Robin Phelan
Chapter 11 Trustee

APPROVED:

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EXHIBIT A

TO THIRD AMENDED JOINT PLAN FOR ACIS CAPITAL MANAGEMENT, LP AND ACIS CAPITAL MANAGEMENT GP, LLC

[ESTATE CLAIMS]

EXHIBIT "A"
to
Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

1. Defined Terms. This Exhibit "A" constitutes an integral part of the Plan of which it is a part. Defined terms in the Plan are to be given the same meaning in this Exhibit "A". The rules of construction set forth in Article I.B. of the Plan shall likewise apply to this Exhibit "A".

2. Estate Claims Reserved, Retained and Preserved. All Estate Claims are hereby reserved, retained and preserved, and shall all be transferred to, and vested in, the Reorganized Debtor pursuant to this Plan, and shall include without limitation all of the Estate Claims described below. In reserving, retaining, and preserving Estate Claims against any named Person or category of Persons, it is the intent of this Plan to so reserve, retain, and preserve any and all Estate Claim against each such Person or category of Persons, including all such Estate Claims pursuant to any applicable common law, based on any contract or agreement or based upon any law, statute or regulation of any political entity, including the United States and any state or political subdivision thereof, as well as all applicable remedies, whether legal or equitable. Without limiting the generality of the foregoing, the reservation, retention, and preservation of Estate Claims against any Person, and the term "Estate Claims," shall encompass all Estate Claims against any such Person, including without limitation, all such Estate Claims for breach of contract, all rights to enforce any contract, any form of estoppel, fraud, constructive fraud, abuse of process, malicious prosecution, defamation, libel, slander, conversion, trespass, intentional infliction of emotional distress or other harm, negligence, gross negligence, breach of any duty owed under either applicable law or any contract, breach of any fiduciary duty or duty of loyalty or due care, aiding and/or abetting breach of fiduciary duty, aiding and/or abetting breach of duty of loyalty or due care, alter ego, veil piercing, self-dealing, usurpation of corporate opportunity, ultra vires, turnover of Estate Assets, unauthorized use of Estate Assets, including intellectual property rights or Assets owned by the Debtors or Chapter 11 Trustee, quantum meruit, tortious interference, duress, unconscionability, undue influence, and unjust enrichment, as well as any cause of action for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act, or claims arising from or relating to the filing of the involuntary bankruptcy petitions against the Debtors.

3. Highland Claims. All Estate Claims against Highland are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in Adversary Proceeding No. 18-03078-sgj (the "Highland Adversary") and Adversary Proceeding No. 18-03212-sgj (the "Trustee's Adversary"). The Estate Claims against Highland shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

control of Highland, and,

(q) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

4. HCLOF Claims. All Estate Claims against HCLOF are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary and the Trustee's Adversary. The Estate Claims against HCLOF shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against HCLOF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against HCLOF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against HCLOF;

(e) All Claims for breach of the PMAs or the Indentures;

(f) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(g) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(h) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(i) All Claims against HCLOF for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(j) All Claims against HCLOF for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(k) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by HCLOF against the Debtors, Chapter 11 Trustee, or Estate;

(l) All Claims based on alter ego or rights to pierce the corporate veil of

HCLOF as to any Person, including as against any Affiliates of HCLOF or Highland, William Scott, Heather Bestwick, or any other officers, directors, equity interest holders, or Persons otherwise in control of HCLOF; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

5. Highland HCF Advisor, Ltd. Claims. All Estate Claims against Highland HCF Advisor, Ltd. ("Highland HCF") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary. The Estate Claims against Highland HCF shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against Highland HCF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Highland HCF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland HCF;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Highland HCF for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Highland HCF for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland HCF against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Highland HCF as to any Person, including as against any Affiliates of Highland HCF or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland HCF; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

6. Highland CLO Management, Ltd. Claims. All Estate Claims against Highland CLO Management, Ltd. ("Highland CLOM") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary. The Estate Claims against Highland CLOM shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against Highland CLOM asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Highland CLOM asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland CLOM;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Highland CLOM for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Highland CLOM for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland CLOM against the Debtors, Chapter 11 Trustee, or

Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Highland CLOM as to any Person, including as against any Affiliates of Highland CLOM or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland CLOM; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

7. CLO Holdco, Ltd. Claims. All Estate Claims against CLO Holdco, Ltd. ("CLO Holdco") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against CLO Holdco shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against CLO Holdco asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against CLO Holdco asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against CLO Holdco;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against CLO Holdco for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against CLO Holdco for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(i) All Claims against the Issuers, Co-Issuers and/or Indenture Trustee for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(j) All Claims against the Issuers, Co-Issuers and/or Indenture Trustee for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(k) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by the Issuers or Co-Issuers against the Debtors, Chapter 11 Trustee, or Estate; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

10. Highland Affiliate Claims. All Estate Claims against any Affiliates of Highland are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary and the Trustee's Adversary. The Estate Claims against any Affiliates of Highland shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against any Highland Affiliate asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against any Highland Affiliate asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against any Highland Affiliate;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against any Highland Affiliate for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets

owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against any Highland Affiliate for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by any Highland Affiliate against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Highland, Neutra, or any Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(l) All Claims based on alter ego or rights to pierce the corporate veil of any Highland Affiliate as to any Person, including as against any other Affiliates of Highland or any officers, directors, equity interest holders, or Persons otherwise in control of any Highland Affiliates; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

11. Dondero Claims. All Estate Claims as defined in paragraph 2 above against James D. Dondero, individually, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims against James D. Dondero for fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of fiduciary duty, aiding and abetting breach of duty of loyalty or due care, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any unlawful act, and assisting, encouraging, and/or participating in any unlawful act, as well as any Claim to pierce the corporate veil of any entity to hold James D. Dondero individually liable.

12. Okada Claims. All Estate Claims as defined in paragraph 2 above against Mark K. Okada, individually, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims against Mark K. Okada for fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of fiduciary duty, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any

unlawful act, and assisting, encouraging, and participating in any unlawful act, as well as any Claim to pierce the corporate veil of any entity to hold Mark K. Okada individually liable.

13. Preference Claims. All Avoidance Actions pursuant to section 547 of the Bankruptcy Code against any Person are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor for any payment made to any Person by either of the Debtors within ninety (90) days of the Petition Date (which was January 30, 2018), or made by either of the Debtors to any insider within one (1) year of the Petition Date. A non-exhaustive list of Persons who are believed to have received payments from either of the Debtors during the 90-day preference period, and the one-year preference period for Insiders, is attached to this **Exhibit "A"** as **Schedule "1"**. The Plan reserves, retains and preserves for the benefit of the Estate and Reorganized Debtor all potential Claims arising out of or relating to the transfers reflected in **Schedule "1"**, including all Avoidance Actions pursuant to section 547 of the Bankruptcy Code. All rights and remedies are also reserved, retained and preserved with respect to the transfers reflected in **Schedule "1"** pursuant to section 550 of the Bankruptcy Code.

Schedule "1" reflects transfers made by the Debtors during the 90 days prior to the Petition Date and transfers made by the Debtors to any insiders within one (1) year of the Petition Date. While the Plan reserves, retains and preserves all Avoidance Actions relating to the transfers reflected in **Schedule "1"**, the Chapter 11 Trustee recognizes that certain of these transfers may not constitute a preferential transfer pursuant to section 547(b) of the Bankruptcy Code as a transfer made in the ordinary course of business transactions or based upon new value subsequently given by the transferee. Consequently, the listing of a payment on **Schedule "1"** does not necessarily mean that a transferee will ever be sued to avoid and recover the payment, the transfer, or the value thereof, but only that the Plan reserves, retains and preserves all rights (including Avoidance Actions) as to that payment.

14. Claims Against Officers, Managers and Members. All Estate Claims as defined in paragraph 2 above are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against all present and past officers, employees, members and managers of the Debtors, including all such Estate Causes of Action based on breach of fiduciary duty, aiding and abetting breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of duty of loyalty or due care, self-dealing, usurpation of corporate opportunity, gross negligence or conspiracy. Without limiting the generality of the foregoing, this shall include all D&O Claims as against any present or former officer, director, employee, member, manager, or partner.

15. Retention of Claims Against Specific Persons or Categories of Persons. In addition to the foregoing, all Estate Claims as defined in paragraph 2 above are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against the following Persons:

- (a) William Scott;
- (b) Heather Bestwick;
- (c) Any other Person who may be so named at a later date by the Reorganized Debtor.

Second Amended Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

NAME	ADDRESS	DATE OF PAYMENT		PAYMENT AMOUNT	REASON FOR PAYMENT ON SCHEDULES
		90 Days of Petition Date			
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	11/2/2017		\$234,013.63	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	11/3/2017		\$941,958.57	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	12/8/2017		\$89,655.14	Services
David Simek	31 Woodacres Road Brookville, NY 11545	11/15/2017		\$2,068.13	Services
David Simek	31 Woodacres Road Brookville, NY 11545	11/30/2017		\$24,266.71	Services
David Simek	31 Woodacres Road Brookville, NY 11545	12/12/2017		\$1,718.79	Services
David Simek	31 Woodacres Road Brookville, NY 11545	12/29/2017		\$25,000.00	Services
FINRA	1735 K Street, NW Washington, DC 20006	11/22/2017		\$70.00	Suppliers or Vendors
Highland CLO Management, Ltd.	PO Box 309, Ugland House Grand Cayman, KY1-1104, Cayman Islands	12/19/2017		\$2,830,459.22	Services
Payments to Insiders within One Year of Petition Date					
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/1/2017		\$976,688.47	Contractual Payment
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/1/2017		\$1,096,033.37	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/2/2017		\$3,574.80	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/14/2017		\$67.44	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/17/2017		\$315,574.30	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/18/2017		\$438,497.51	Services

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Second Amended Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

NAME	ADDRESS	DATE OF PAYMENT	REASON FOR PAYMENT ON SCHEDULES	
			PAYMENT AMOUNT	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/18/2017	\$375,855.01	Contractual Payment
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/19/2017	\$330,249.69	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	5/1/2017	\$974,426.41	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	5/31/2017	\$2,809,518.47	Unsecured loan repayments including interest
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	5/31/2017	\$581,036.15	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	7/18/2017	\$373,167.08	Contractual Payment
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	8/1/2017	\$971,603.02	Contractual Payment
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	8/7/2017	\$1,339,422.12	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	8/16/2017	\$53.41	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/18/2017	\$372,872.82	Contractual Payment
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/18/2017	\$728,702.26	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/24/2017	\$501,979.18	Unsecured loan repayments including interest
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/25/2017	\$46,648.82	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/25/2017	\$67,966.85	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	11/1/2017	\$967,223.91	Contractual Payment

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EXHIBIT B

TO THIRD AMENDED JOINT PLAN FOR ACIS CAPITAL MANAGEMENT, LP AND ACIS CAPITAL MANAGEMENT GP, LLC

[EXECUTORY CONTRACTS ASSUMED UNDER THE PLAN]

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis CLO 2013-1 Chemical Holdings, LLC 1209 Orange Street Wilmington, DE 19801	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2013-1, Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2013-1 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Collateral Administration Agreement	March 18, 2013	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2013-1	Collateral Administration Agreement	March 18, 2013	\$0
Acis CLO 2013-1 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Portfolio Management Agreement	March 18, 2013	\$0
Acis CLO 2013-1 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Indenture	March 18, 2013	\$0
Acis CLO 2013-1 LLC 850 Library Ave., Suite 204 Newark, DE 19711	Indenture	March 18, 2013	\$0

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EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2013-1	Indenture	March 18, 2013	\$0
Acis CLO 2013-1 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Supplemental Indenture	February 26, 2014	\$0
Acis CLO 2013-1 LLC 850 Library Ave., Suite 204 Newark, DE 19711	Supplemental Indenture	February 26, 2014	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2013-1	Supplemental Indenture	February 26, 2014	\$0
Acis CLO 2013-1, Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Governing Documents (Requested from HCM)	--	\$0
Acis CLO 2013-2 Chemical Holdings, LLC 1209 Orange Street Wilmington, DE 19801	Limited Liability Company Agreement (requested from HCM)	--	\$0
Acis CLO 2013-2 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Limited Liability Company Agreement (requested from HCM)	--	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis CLO 2013-2 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Collateral Administration Agreement	October 3, 2013	\$0
The Bank of New York Mellon Trust Co., N.A. 601 Travis Street, 16th Floor Houston, Texas 77002 Attn: Global Corporate Trust – Acis CLO 2013-2	Collateral Administration Agreement	October 3, 2013	\$0
Acis CLO 2013-2 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Portfolio Management Agreement	October 3, 2013	\$0
Acis CLO 2013-2 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Indenture	October 3, 2013	\$0
Acis CLO 2013-2 LLC 850 Library Ave., Suite 204 Newark, DE 19711	Indenture	October 3, 2013	\$0
The Bank of New York Mellon Trust Co., N.A. 601 Travis Street, 16th Floor Houston, Texas 77002 Attn: Global Corporate Trust – Acis CLO 2013-2	Indenture	October 3, 2013	\$0
Acis CLO 2013-2 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Governing Document (requested from HCM)	--	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis CLO 2014-3 Chemical Holdings, LLC 1209 Orange Street Wilmington, DE 19801	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2014-3 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2014-3 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Collateral Administration Agreement	February 25, 2014	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2014-3	Collateral Administration Agreement	February 25, 2014	\$0
Acis CLO 2014-3 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Portfolio Management Agreement	February 25, 2014	\$0
Acis CLO 2014-3 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Indenture	February 25, 2014	\$0
Acis CLO 2014-3 LLC 850 Library Ave., Suite 204 Newark, DE 19711	Indenture	February 25, 2014	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2014-3	Indenture	February 25, 2014	\$0
Acis CLO 2014-3 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Memorandum and Articles of Association of Acis CLO 2014-3 Ltd.	December 24, 2013	\$0
Acis CLO 2014-4 Chemical Holdings, LLC 1209 Orange Street Wilmington, DE 19801	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2014-4 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1 -1102	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2014-4 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1 -1102	Collateral Administration Agreement	June 5, 2014	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2014-4	Collateral Administration Agreement	June 5, 2014	\$0
Acis CLO 2014-4 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Portfolio Management Agreement	June 5, 2014	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis CLO 2014-4 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Indenture	June 5, 2014	\$0
Acis CLO 2014-4 LLC 850 Library Ave., Suite 204 Newark, DE 19711	Indenture	June 5, 2014	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2014-4	Indenture	June 5, 2014	\$0
Acis CLO 2014-4 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Island KY1-1102	Memorandum and Articles of Association of Acis CLO 2014-4 Ltd.	April 1, 2014	\$0
Acis CLO 2014-5 Chemical Holdings, LLC 1209 Orange Street Wilmington, DE 19801	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2014-5 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2014-5 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Collateral Administration Agreement	November 18, 2014	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2014-5	Collateral Administration Agreement	November 18, 2014	\$0
Acis CLO 2014-5 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Portfolio Management Agreement	November 18, 2014	\$0
Acis CLO 2014-5 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Indenture	November 18, 2014	\$0
Acis CLO 2014-5 LLC 850 Library Ave., Suite 204 Newark, DE 19711	Indenture	November 18, 2014	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2014-5	Indenture	November 18, 2014	\$0
Acis CLO 2014-5 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1 -1102	Memorandum and Articles of Association of Acis CLO 2014-5 Ltd.	August 21, 2014	\$0
Acis CLO 2015-6 Chemical Holdings, LLC 1209 Orange Street Wilmington, DE 19801	Limited Liability Company Agreement	October 28, 2016	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis CLO 2015-6 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Limited Liability Company Agreement	October 28, 2016	\$0
Acis CLO 2015-6 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Collateral Administration Agreement	April 16, 2015	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2015-6	Collateral Administration Agreement	April 16, 2015	\$0
Acis CLO 2015-6 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Portfolio Management Agreement	April 16, 2015	\$0
Acis CLO 2015-6 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Indenture	April 16, 2015	\$0
Acis CLO 2015-6 LLC 850 Library Ave., Suite 204 Newark, DE 19711	Indenture	April 16, 2015	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2015-6	Indenture	April 16, 2015	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis CLO 2015-6 Ltd. P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, KY1-1102, Cayman Islands	Memorandum and Articles of Association of Acis CLO 2015-6 Ltd.	February 11, 2015	\$0
Acis CLO Value Fund II (Cayman), LP. P.O. Box 309, Ugland House Grand Cayman, Cayman Islands KY1-1104	Investment Management Agreement	May 1, 2016	\$0
Acis CLO Value Fund II GP, LLC P.O. Box. 309, Ugland House Grand Cayman, Cayman Islands KY1-1104	Investment Management Agreement	May 1, 2016	\$0
Acis CLO Value Fund II, LP. 300 Crescent Court Suite 700 Dallas, TX 75201	Investment Management Agreement	May 1, 2016	\$0
Acis CLO Value GP, LLC 1209 Orange Street Wilmington, DE 19801	Limited Liability Company Agreement	July 19, 2010	\$0
Acis CLO Value Master Fund II, LP. P.O. Box 309, Ugland House Grand Cayman, Cayman Islands KY1-1104	Investment Management Agreement	May 1, 2016	\$0
Acis CLO Value Fund II (Cayman), L.P. P.O. Box 309, Ugland House Grand Cayman, Cayman Islands KY1-1104	Third Amended and Restated Exempted Limited Partnership Agreement	May 1, 2016	\$0
Acis CLO Value Master Fund II, L.P. P.O. Box 309, Ugland House Grand Cayman, Cayman Islands KY1-1104	Third Amended and Restated Exempted Limited Partnership Agreement	May 1, 2016	\$0
Acis Loan Funding, Ltd. 300 Crescent Court Suite 700 Dallas, TX 75201	FATCA and Non-FATCA Services Agreement	June 23, 2017	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
BayVK R2 Lux S.A., SICAV FIS 15 rue de Flaxweiler L-6776 Grevenmacher	Power of Attorney	February 20, 2015	\$0
BayVK R2 Lux S.A., SICAV-FIS 15 rue de Flaxweiler L-6776 Grevenmacher	Agreement for the Outsourcing of the Asset Management of BayVK R2 Lux S.A., SICAV-FIS	February 27, 2015	\$0
BayVK R2 Lux S.A., SICAV-FIS 15 rue de Flaxweiler L-6776 Grevenmacher	Service Level Agreement	February 27, 2015	\$0
BNP Paribas Securities Services Luxembourg Branch 60 Avenue John F. Kennedy 1855 Luxembourg	Power of Attorney 86578	February 20, 2015	\$0
Hewett's Island CLO 1-R, Ltd. <i>c/o</i> Maples Finance Limited P.O. Box 1093, Queensgate House Grand Cayman, Cayman Islands KY1-1102	Confidentiality Agreement	April 11, 2011	\$0
Hewett's Island CLO 1-R, Ltd. <i>c/o</i> Maples Finance Limited P.O. Box 1093, Queensgate House Grand Cayman, Cayman Islands KY1-1102	Governing Documents (Requested from HCM)	--	\$0
Hewett's Island CLO 1-R, Ltd. <i>c/o</i> Maples Finance Limited P.O. Box 1093, Queensgate House Grand Cayman, Cayman Islands KY1-1102	Management Agreement	July 18, 2011	\$0
Hewett's Island CLO 1-R, Ltd. <i>c/o</i> Maples Finance Limited P.O. Box 1093, Queensgate House Grand Cayman, Cayman Islands KY1-1102	Collateral Administration Agreement (Requested from HCM)	November 20, 2007	\$0

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EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Hewett's Island CLO 1-R, Ltd. <i>c/o</i> Maples Finance Limited P.O. Box 1093, Queensgate House Grand Cayman, Cayman Islands KY1-1102	Indenture	November 20, 2007	\$0
Deutsche Bank Trust Company Americas 1761 East St. Andrew Place Santa Ana, CA 92705 Attn: CDO Business Unit – Hewett's Island CLO 1-R	Indenture	November 20, 2007	\$0
State Street (Guernsey Limited) First Floor, Dorey Court, Admiral Park, St. Peter Port, Guernsey	FATCA and Non-FATCA Services Agreement	June 23, 2017	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2015-6	Confidentiality Agreement	March 5, 2014	\$0
Universal-Investment-Luxembourg S.A. 15 rue de Flaxweiler L-6776 Grevenmacher	Agreement for the Outsourcing of the Asset Management of BayVK R2 Lux S.A., SICAV-FIS	February 27, 2015	\$0
Universal-Investment-Luxembourg S.A. 15 rue de Flaxweiler L-6776 Grevenmacher	Power of Attorney	February 20, 2015	\$0
Universal-Investment-Luxembourg S.A. 15 rue de Flaxweiler L-6776 Grevenmacher	Service Level Agreement	February 27, 2015	\$0
Acis Loan Funding, Ltd. First Floor, Dorey Court St. Peter Port, Guernsey GY1 6HJ Channel Islands	Portfolio Management Agreement	December 22, 2016	\$0

EXHIBIT B
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis Capital Management, LP c/o PHELANLAW 4214 Woodfin Drive Dallas, Texas 75220	Amended and Restated Agreement of Limited Partnership	January 21, 2011	\$0
Acis Capital Management GP, LLC c/o PHELANLAW 4214 Woodfin Drive Dallas, Texas 75220	Amended and Restated Limited Liability Company Agreement	January 21, 2011	\$0

For the avoidance of doubt, to the extent not otherwise included above, the Trustee intends to assume any additional executory contracts that relate to the funds set forth below as may be necessary or beneficial to the Reorganized Debtor under the Plan:

1. Acis CLO 2013-1, Ltd.
2. Acis CLO 2013-2, Ltd.
3. Acis CLO 2014-3, Ltd.
4. Acis CLO 2014-4, Ltd.
5. Acis CLO 2014-5, Ltd.
6. Acis CLO 2015-6, Ltd.
7. Acis CLO Value Fund II, L.P.
8. Acis CLO Value Fund II (Cayman), L.P.
9. Acis CLO Master Fund II, L.P.
10. BayVK R2 Lux S.A., SICAV FIS
11. Hewitt's Island CLO 1-R, Ltd.
12. Acis Loan Funding, Ltd.

The Trustee reserves the right to amend or supplement this Exhibit B.

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EXHIBIT “2”

**[First Modification to the Third Amended Joint Plan for Acis
Capital Management, L.P. and Acis Capital Management GP,
LLC – Dkt. No. 693]**

Rakhee V. Patel – State Bar No. 00797213
Phillip Lamberson – State Bar No. 00794134
Joe Wielebinski – State Bar No. 21432400
Annmarie Chiarello – State Bar No. 24097496
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Jeff P. Prostok – State Bar No. 16352500
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mmaben@forsheyprostok.com

**COUNSEL FOR ROBIN PHELAN,
CHAPTER 11 TRUSTEE**

**SPECIAL COUNSEL FOR
ROBIN PHELAN, CHAPTER 11 TRUSTEE**

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

IN RE:	§	
	§	CHAPTER 11 CASES
	§	
ACIS CAPITAL MANAGEMENT, L.P.,	§	CASE NO. 18-30264-sgj11
ACIS CAPITAL MANAGEMENT GP, LLC,	§	(Jointly Administered)
	§	
Debtors.	§	

**FIRST MODIFICATION TO THE THIRD AMENDED JOINT PLAN FOR
ACIS CAPITAL MANAGEMENT, LP AND ACIS CAPITAL MANAGEMENT GP, LLC**

Robin Phelan (“Trustee”), the Chapter 11 Trustee for Acis Capital Management, LP and Acis Capital Management GP, LLC (the “Debtors”), files this First Modification (the “First Modification”) to the *Third Amended Joint Chapter 11 Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC* [Docket No. 660] (the “Plan”).

1. Reference is here made to the Plan for all purposes. This First Modification modifies the Plan.

2. **Modification to Section 1.09.** Section 1.09 of the Plan is hereby modified to read

as follows:

1.09 “Assets” includes all right, title, and interest in and to all property of every type or nature owned or claimed by the Debtors as of the Petition Date, together with all such property of every type or nature subsequently acquired by the Debtors through the Effective Date, whether real or personal, tangible or intangible, and wherever located, and including, but not limited to, property as defined in section 541 of the Bankruptcy Code.

3. The change to section 1.09 above merely corrects a typographical error in the definition of the term “Assets.” Specifically, the revised definition removes the incomplete phrase “Without limiting the foregoing, this shall include all” from the end of the definition of Assets.

4. **Modification to Exhibit “A”**. The copy of the Exhibit “A” reflecting Estate Claims is hereby deleted in its entirety and replaced with the version of the “Exhibit A” attached hereto as **Exhibit “1.”**

5. A copy of the document reflecting the modifications to Exhibit A to the Plan in redline format is attached hereto as **Exhibit “2.”**

6. This First Modification is a non-material change. It merely corrects a typographical error and revises the Estate Claims being reserved, retained and preserved under the Plan. Further, even if this First Modification were deemed material, it does not adversely affect any creditor because no ballots have yet been received in relation to the Plan and this First Modification is being sent to all creditors and parties in interest eighteen (18) days in advance of the deadline for parties to submit ballots and any objections to the Plan. Consequently, creditors and parties in interest will have an adequate opportunity to evaluate this modification prior to voting on the Plan.

Dated: November 8, 2018.

Respectfully submitted,

ACIS CAPITAL MANAGEMENT, L.P.

By: /s/ Robin Phelan
Robin Phelan
Chapter 11 Trustee

ACIS CAPITAL MANAGMENET GP, LLC

By: /s/ Robin Phelan

Robin Phelan

Chapter 11 Trustee

APPROVED:

/s/ Jeff P. Prostok

Jeff P. Prostok – State Bar No. 16352500

J. Robert Forshey – State Bar No. 07264200

Suzanne K. Rosen – State Bar No. 00798518

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**COUNSEL FOR ROBIN PHELAN,
CHAPTER 11 TRUSTEE**

APPROVED:

/s/ Rahkee V. Patel

Rakhee V. Patel – State Bar No. 00797213

Phillip Lamberson – State Bar No. 00794134

Joe Wielebinski – State Bar No. 21432400

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plamberson@winstead.com

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achiarello@winstead.com

**SPECIAL COUNSEL FOR ROBIN
PHELAN, CHAPTER 11 TRUSTEE**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document and the attached exhibits were served electronically via the Court's Electronic Court Filing (ECF) notification system and via U.S. Mail, postage prepaid (and via Express Mail to out of country recipients) on the parties on the service lists attached as **Exhibit "3"** hereto on November 8, 2018.

/s/ Jeff P. Prostok

Jeff P. Prostok

Exhibit “1”

[Revised Exhibit “A” to the Third Amended Joint Plan]

EXHIBIT "A"
to
Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

1. Defined Terms. This Exhibit "A" constitutes an integral part of the Plan of which it is a part. Defined terms in the Plan are to be given the same meaning in this Exhibit "A". The rules of construction set forth in Article I.B. of the Plan shall likewise apply to this Exhibit "A".

2. Estate Claims Reserved, Retained and Preserved. All Estate Claims are hereby reserved, retained and preserved, and shall all be transferred to, and vested in, the Reorganized Debtor pursuant to this Plan, and shall include without limitation all of the Estate Claims described below. In reserving, retaining, and preserving Estate Claims against any named Person or category of Persons, it is the intent of this Plan to so reserve, retain, and preserve any and all Estate Claim against each such Person or category of Persons, including all such Estate Claims pursuant to any applicable common law, based on any contract or agreement or based upon any law, statute or regulation of any political entity, including the United States and any state or political subdivision thereof, as well as all applicable remedies, whether legal or equitable. Without limiting the generality of the foregoing, the reservation, retention, and preservation of Estate Claims against any Person, and the term "Estate Claims," shall encompass all Estate Claims against any such Person, including without limitation, all such Estate Claims for breach of contract, all rights to enforce any contract, any form of estoppel, fraud, constructive fraud, abuse of process, malicious prosecution, defamation, libel, slander, conversion, trespass, intentional infliction of emotional distress or other harm, negligence, gross negligence, negligent misrepresentation, fraudulent misrepresentation, vicarious liability, respondeat superior, breach of any duty owed under either applicable law or any contract, breach of any fiduciary duty or duty of loyalty or due care, aiding and/or abetting breach of fiduciary duty, aiding and/or abetting breach of duty of loyalty or due care, alter ego, veil piercing, self-dealing, usurpation of corporate opportunity, ultra vires, turnover of Estate Assets, unauthorized use of Estate Assets, including intellectual property rights or Assets owned by the Debtors or Chapter 11 Trustee, quantum merit, tortious interference, duress, unconscionability, undue influence, and unjust enrichment, as well as any cause of action for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act, or claims arising from or relating to the filing of the involuntary bankruptcy petitions against the Debtors.

3. Highland Claims. All Estate Claims against Highland are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in Adversary Proceeding No. 18-03078-sgj (the "Highland Adversary") and Adversary Proceeding No. 18-03212-sgj (the "Trustee's Adversary"). The Estate Claims against Highland shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the

Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland, including any claims to avoid and recover amounts transferred by the Debtors to Highland under the Shared Services Agreement or Sub-Advisory Agreement;

(e) All Claims for breach of the Shared Services Agreement or Sub-Advisory Agreement;

(f) All Claims against Highland for amounts paid by the Debtors to Highland under the Shared Services Agreement and Sub-Advisory Agreement, including any Claim that Highland overcharged Acis LP for services under such agreements, charged excessive fees in violation of Acis LP's limited partnership agreement and/or Acis GP's limited liability company agreement, and/or that the Shared Services Agreement and Sub-Advisory Agreement or any related or predecessor agreements are void or voidable based on ultra vires or any other theories of avoidance and recovery, including turnover, conversion and Avoidance Actions under the Bankruptcy Code;

(g) All Claims for breach of the PMAs or the Indentures;

(h) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(i) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(j) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(k) All claims for tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS;

(l) All Claims against Highland for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(m) All Claims against Highland for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(n) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland against the Debtors, Chapter 11 Trustee, or Estate;

(o) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Highland or any Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(p) All Claims based on alter ego or rights to pierce the corporate veil of

Highland as to any Person, including as against any Affiliates of Highland, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland, and,

(q) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

4. HCLOF Claims. All Estate Claims against HCLOF are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary and the Trustee's Adversary. The Estate Claims against HCLOF shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against HCLOF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against HCLOF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against HCLOF;

(e) All Claims for breach of the PMAs or the Indentures;

(f) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(g) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(h) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(i) All Claims against HCLOF for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(j) All Claims against HCLOF for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(k) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by HCLOF against the Debtors, Chapter 11 Trustee, or Estate;

(l) All Claims based on alter ego or rights to pierce the corporate veil of HCLOF as to any Person, including as against any Affiliates of HCLOF or Highland, William Scott, Heather Bestwick, or any other officers, directors, equity interest holders, or Persons otherwise in control of HCLOF; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

5. Highland HCF Advisor, Ltd. Claims. All Estate Claims against Highland HCF Advisor, Ltd. ("Highland HCF") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary. The Estate Claims against Highland HCF shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against Highland HCF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Highland HCF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland HCF;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Highland HCF for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Highland HCF for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland HCF against the Debtors, Chapter 11 Trustee, or

Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Highland HCF as to any Person, including as against any Affiliates of Highland HCF or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland HCF; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

6. Highland CLO Management, Ltd. Claims. All Estate Claims against Highland CLO Management, Ltd. ("Highland CLOM") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary. The Estate Claims against Highland CLOM shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against Highland CLOM asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Highland CLOM asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland CLOM;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Highland CLOM for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Highland CLOM for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland CLOM against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Highland CLOM as to any Person, including as against any Affiliates of Highland CLOM or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland CLOM; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

7. CLO Holdco, Ltd. Claims. All Estate Claims against CLO Holdco, Ltd. ("CLO Holdco") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against CLO Holdco shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against CLO Holdco asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against CLO Holdco asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against CLO Holdco;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against CLO Holdco for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against CLO Holdco for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of CLO Holdco as to any Person, including as against any Affiliates of CLO Holdco or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of CLO Holdco; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

8. Neutra, Ltd. Claims. All Estate Claims against Neutra, Ltd. ("Neutra") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against Neutra shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against Neutra asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Neutra asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Neutra;

(e) All Claims for breach of fiduciary or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Neutra for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Neutra for the unauthorized use of Estate Assets

including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Neutra against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Neutra, Highland, or any Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(l) All Claims based on alter ego or rights to pierce the corporate veil of Neutra as to any Person, including as against any Affiliates of Neutra or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Neutra; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

9. Claims against Issuers, Co-Issuers and Indenture Trustee. All Estate Claims against CLO-3, CLO-4, CLO-5, and CLO-6 (collectively, the "Issuers"), Acis CLO 2014-3 LLC, Acis CLO 2014-4 LLC, Acis CLO 2014-5 LLC, and Acis CLO 2015-6 LLC (collectively, the "Co-Issuers"), and the Indenture Trustee are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against the Issuers, Co-Issuers and/or Indenture Trustee shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against the Issuers, Co-Issuers, and/or Indenture Trustee asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against the Issuers, Co-Issuers, and/or Indenture Trustee asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against the Issuers, Co-Issuers and/or Indenture Trustee;

(e) All Claims for breach of the Indentures, PMAs or any other agreements between Acis LP and the Issuers, Co-Issuers, and/or Indenture Trustee;

(f) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(g) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(h) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(i) All Claims against the Issuers, Co-Issuers and/or Indenture Trustee for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(j) All Claims against the Issuers, Co-Issuers and/or Indenture Trustee for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(k) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by the Issuers or Co-Issuers against the Debtors, Chapter 11 Trustee, or Estate; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

10. Highland Affiliate Claims. All Estate Claims against any Affiliates of Highland are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary and the Trustee's Adversary. The Estate Claims against any Affiliates of Highland shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against any Highland Affiliate asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against any Highland Affiliate asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against any Highland Affiliate;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against any Highland Affiliate for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against any Highland Affiliate for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by any Highland Affiliate against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Highland, Neutra, or any Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(l) All Claims based on alter ego or rights to pierce the corporate veil of any Highland Affiliate as to any Person, including as against any other Affiliates of Highland or any officers, directors, equity interest holders, or Persons otherwise in control of any Highland Affiliates; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

11. Dondero Claims. All Estate Claims as defined in paragraph 2 above against James D. Dondero, individually, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims against James D. Dondero for fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of fiduciary duty, aiding and abetting breach of duty of loyalty or due care, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any unlawful act, and assisting, encouraging, and/or participating in any unlawful act, as well as any Claim to pierce the corporate veil of any entity to hold James D. Dondero individually liable.

12. Okada Claims. All Estate Claims as defined in paragraph 2 above against Mark K. Okada, individually, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims against Mark K. Okada for fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of fiduciary duty, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all

Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any unlawful act, and assisting, encouraging, and participating in any unlawful act, as well as any Claim to pierce the corporate veil of any entity to hold Mark K. Okada individually liable.

13. Preference Claims. All Avoidance Actions pursuant to section 547 of the Bankruptcy Code against any Person are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor for any payment made to any Person by either of the Debtors within ninety (90) days of the Petition Date (which was January 30, 2018), or made by either of the Debtors to any insider within one (1) year of the Petition Date. A non-exhaustive list of Persons who are believed to have received payments from either of the Debtors during the 90-day preference period, and the one-year preference period for Insiders, is attached to this **Exhibit "A"** as **Schedule "1"**. The Plan reserves, retains and preserves for the benefit of the Estate and Reorganized Debtor all potential Claims arising out of or relating to the transfers reflected in **Schedule "1"**, including all Avoidance Actions pursuant to section 547 of the Bankruptcy Code. All rights and remedies are also reserved, retained and preserved with respect to the transfers reflected in **Schedule "1"** pursuant to section 550 of the Bankruptcy Code.

Schedule "1" reflects transfers made by the Debtors during the 90 days prior to the Petition Date and transfers made by the Debtors to any insiders within one (1) year of the Petition Date. While the Plan reserves, retains and preserves all Avoidance Actions relating to the transfers reflected in **Schedule "1"**, the Chapter 11 Trustee recognizes that certain of these transfers may not constitute a preferential transfer pursuant to section 547(b) of the Bankruptcy Code as a transfer made in the ordinary course of business transactions or based upon new value subsequently given by the transferee. Consequently, the listing of a payment on **Schedule "1"** does not necessarily mean that a transferee will ever be sued to avoid and recover the payment, the transfer, or the value thereof, but only that the Plan reserves, retains and preserves all rights (including Avoidance Actions) as to that payment.

14. Claims Against Officers, Managers and Members. All Estate Claims as defined in paragraph 2 above are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against all present and past officers, employees, members and managers of the Debtors, including all such Estate Causes of Action based on breach of fiduciary duty, aiding and abetting breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of duty of loyalty or due care, self-dealing, usurpation of corporate opportunity, gross negligence or conspiracy. Without limiting the generality of the foregoing, this shall include all D&O Claims as against any present or former officer, director, employee, member, manager, or partner.

15. Claims Against Former Attorneys and Law Firms. All Estate Claims as defined in paragraph 2, above, including Claims for breach of any fiduciary duty or duty of loyalty or due care, conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act, including knowingly aiding, abetting, or assisting with a fraudulent transfer to avoid paying a judgment, negligent or fraudulent misrepresentation, vicarious liability, and respondeat superior, as well as all Claims for legal or professional malpractice, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against all law firms and attorneys who and which rendered legal services to the Debtors on a prepetition basis including, but not limited to, the following:

- (a) Cole Schotz, P.C.
- (b) Michael D. Warner
- (c) Jacob Frumkin
- (d) Warren A. Usatine
- (e) McKool Smith
- (f) Gary Cruciani
- (g) Michael Fritz
- (h) Carson Young
- (i) Lackey Hershman, LLP
- (j) Stinson Leonard Street LLP
- (k) Paul Lackey, Esq.
- (l) Michael Aigen, Esq.
- (m) Abrams & Bayliss, LLP
- (n) Kevin G. Abrams
- (o) A. Thompson Bayliss
- (p) Jones Day
- (q) Hilda C. Galvan
- (r) Michael Weinberg
- (s) Reid Collins & Tsai, LLP
- (t) Lisa Tsai
- (u) Stanton, LLP
- (v) James M. Stanton
- (w) Hunton Andrews Kurth
- (x) Marc Katz
- (y) Greg Waller
- (z) any other law firm or attorney who may be so named at a later date by the

Reorganized Debtor.

16. Retention of Claims Against Specific Persons or Categories of Persons. In addition to the foregoing, all Estate Claims as defined in paragraph 2 above are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against the following Persons:

- (a) William Scott;
- (b) Heather Bestwick;
- (c) Any other Person who may be so named at a later date by the Reorganized Debtor.

17. Counterclaims. All Estate Claims as defined in paragraph 2 above are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor both as a basis for an affirmative recovery against the Person against whom such Claims are asserted and as a counterclaim or offset against any Person who asserts a Claim against the Estate or Reorganized Debtor.

18. Piercing the Corporate Veil. With respect to all Estate Claims against any Person, all rights to pierce or ignore the corporate veil are hereby reserved, retained and preserved for the benefit of the Estate and the Reorganized Debtor. Without limiting the generality of the foregoing, this shall include: (a) any right to pierce the corporate veil, including reverse piercing, on any theory or basis, including alter ego or any theory of sham to perpetrate a fraud, and (b) any Claim or basis to pierce the corporate veil of any entity with respect to establishing personal liability against James D. Dondero or Mark K. Okada.

19. Avoidance Actions. All Avoidance Actions are hereby reserved, retained and preserved as to all Persons. The reservation, retention and preservation of such Avoidance Actions shall include the reservation, retention and preservation for the benefit of the Estate and Reorganized Debtor of all rights and remedies pursuant to section 550 of the Bankruptcy Code.

20. Estate Defenses. All Estate Defenses are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor as against any Person asserting any Claim against the Estate. This includes asserting all Estate Claims as an offset to, or counterclaim or right of recoupment against, any Person asserting a Claim against the Estate. All defenses and affirmative defenses pursuant to applicable law are hereby reserved, retained and preserved for the benefit of the Estate and the Reorganized Debtor, including without limitation, accord and satisfaction, assumption of risk, contributory negligence, duress, estoppel, failure of consideration, fraud, illegality, laches, license, payment, release, *res judicata*, collateral estoppel, statute of frauds, statute of limitations or repose, discovery rule, adverse domination doctrine or similar doctrines, set off, recoupment, waiver, and all other defenses to Claims under the Bankruptcy Code, including under sections 502(b)(4) and 502(d).

21. Equitable Subordination. All rights or remedies for Equitable Subordination are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor against any Person asserting any Claim against the Estate, including all such rights or remedies pursuant to section 510(c) of the Bankruptcy Code. Without limiting the generality of the foregoing, this shall include all rights and remedies to Equitable Subordination as to any Claim asserted by Highland, any Affiliates of Highland, or any officers, directors, employees or equity interest owners of the Debtors, Highland, or any Affiliates thereof.

22. Recharacterization. All rights or remedies to recharacterize any Claim as an equity interest in either of the Debtors are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor against any Person asserting any Claim against the Estate. Without limiting the generality of the foregoing, this shall include all rights and remedies to recharacterize any Claim asserted by Highland, any Affiliates of Highland, or any officers, directors, employees or equity interest owners of the Debtors, Highland, or any Affiliates thereof.

Third Amended Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

NAME	ADDRESS	DATE OF PAYMENT		PAYMENT AMOUNT	REASON FOR PAYMENT ON SCHEDULES
		90 Days of Petition Date			
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	11/2/2017		\$234,013.63	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	11/3/2017		\$941,958.57	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	12/8/2017		\$89,655.14	Services
David Simek	31 Woodacres Road Brookville, NY 11545	11/15/2017		\$2,068.13	Services
David Simek	31 Woodacres Road Brookville, NY 11545	11/30/2017		\$24,266.71	Services
David Simek	31 Woodacres Road Brookville, NY 11545	12/12/2017		\$1,718.79	Services
David Simek	31 Woodacres Road Brookville, NY 11545	12/29/2017		\$25,000.00	Services
FINRA	1735 K Street, NW Washington, DC 20006	11/22/2017		\$70.00	Suppliers or Vendors
Highland CLO Management, Ltd.	PO Box 309, Ugland House Grand Cayman, KY1-1104, Cayman Islands	12/19/2017		\$2,830,459.22	Services
Payments to Insiders within One Year of Petition Date					
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/1/2017		\$976,688.47	Contractual Payment
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/1/2017		\$1,096,033.37	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/2/2017		\$3,574.80	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/14/2017		\$67.44	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/17/2017		\$315,574.30	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/18/2017		\$438,497.51	Services

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Third Amended Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

NAME	ADDRESS	DATE OF PAYMENT		PAYMENT AMOUNT	REASON FOR PAYMENT ON SCHEDULES	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/18/2017		\$375,855.01	Contractual Payment	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/19/2017		\$330,249.69	Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	5/1/2017		\$974,426.41	Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	5/31/2017		\$2,809,518.47	Unsecured loan repayments including interest	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	5/31/2017		\$581,036.15	Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	7/18/2017		\$373,167.08	Contractual Payment	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	8/1/2017		\$971,603.02	Contractual Payment	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	8/7/2017		\$1,339,422.12	Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	8/16/2017		\$53.41	Expense Reimbursement	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/18/2017		\$372,872.82	Contractual Payment	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/18/2017		\$728,702.26	Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/24/2017		\$501,979.18	Unsecured loan repayments including interest	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/25/2017		\$46,648.82	Expense Reimbursement	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/25/2017		\$67,966.85	Expense Reimbursement	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	11/1/2017		\$967,223.91	Contractual Payment	

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Exhibit “2”

[Redline – Plan Exhibit “A”]

EXHIBIT "A"
to
Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

1. Defined Terms. This Exhibit "A" constitutes an integral part of the Plan of which it is a part. Defined terms in the Plan are to be given the same meaning in this Exhibit "A". The rules of construction set forth in Article I.B. of the Plan shall likewise apply to this Exhibit "A".

2. Estate Claims Reserved, Retained and Preserved. All Estate Claims are hereby reserved, retained and preserved, and shall all be transferred to, and vested in, the Reorganized Debtor pursuant to this Plan, and shall include without limitation all of the Estate Claims described below. In reserving, retaining, and preserving Estate Claims against any named Person or category of Persons, it is the intent of this Plan to so reserve, retain, and preserve any and all Estate Claim against each such Person or category of Persons, including all such Estate Claims pursuant to any applicable common law, based on any contract or agreement or based upon any law, statute or regulation of any political entity, including the United States and any state or political subdivision thereof, as well as all applicable remedies, whether legal or equitable. Without limiting the generality of the foregoing, the reservation, retention, and preservation of Estate Claims against any Person, and the term "Estate Claims," shall encompass all Estate Claims against any such Person, including without limitation, all such Estate Claims for breach of contract, all rights to enforce any contract, any form of estoppel, fraud, constructive fraud, abuse of process, malicious prosecution, defamation, libel, slander, conversion, trespass, intentional infliction of emotional distress or other harm, negligence, gross negligence, negligent misrepresentation, fraudulent misrepresentation, vicarious liability, respondeat superior, breach of any duty owed under either applicable law or any contract, breach of any fiduciary duty or duty of loyalty or due care, aiding and/or abetting breach of fiduciary duty, aiding and/or abetting breach of duty of loyalty or due care, alter ego, veil piercing, self-dealing, usurpation of corporate opportunity, ultra vires, turnover of Estate Assets, unauthorized use of Estate Assets, including intellectual property rights or Assets owned by the Debtors or Chapter 11 Trustee, quantum merit, tortious interference, duress, unconscionability, undue influence, and unjust enrichment, as well as any cause of action for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act, or claims arising from or relating to the filing of the involuntary bankruptcy petitions against the Debtors.

3. Highland Claims. All Estate Claims against Highland are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in Adversary Proceeding No. 18-03078-sgj (the "Highland Adversary") and Adversary Proceeding No. 18-03212-sgj (the "Trustee's Adversary"). The Estate Claims against Highland shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the

Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland, including any claims to avoid and recover amounts transferred by the Debtors to Highland under the Shared Services Agreement or Sub-Advisory Agreement;

(e) All Claims for breach of the Shared Services Agreement or Sub-Advisory Agreement;

(f) All Claims against Highland for amounts paid by the Debtors to Highland under the Shared Services Agreement and Sub-Advisory Agreement, including any Claim that Highland overcharged Acis LP for services under such agreements, charged excessive fees in violation of Acis LP's limited partnership agreement and/or Acis GP's limited liability company agreement, and/or that the Shared Services Agreement and Sub-Advisory Agreement or any related or predecessor agreements are void or voidable based on ultra vires or any other theories of avoidance and recovery, including turnover, conversion and Avoidance Actions under the Bankruptcy Code;

(g) All Claims for breach of the PMAs or the Indentures;

(h) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(i) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(j) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(k) All claims for tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS;

(l) All Claims against Highland for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(m) All Claims against Highland for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(n) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland against the Debtors, Chapter 11 Trustee, or Estate;

(o) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Highland or any Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(p) All Claims based on alter ego or rights to pierce the corporate veil of

Highland as to any Person, including as against any Affiliates of Highland, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland, and,

(q) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

4. HCLOF Claims. All Estate Claims against HCLOF are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary and the Trustee's Adversary. The Estate Claims against HCLOF shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against HCLOF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against HCLOF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against HCLOF;

(e) All Claims for breach of the PMAs or the Indentures;

(f) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(g) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(h) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(i) All Claims against HCLOF for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(j) All Claims against HCLOF for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(k) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by HCLOF against the Debtors, Chapter 11 Trustee, or Estate;

(l) All Claims based on alter ego or rights to pierce the corporate veil of HCLOF as to any Person, including as against any Affiliates of HCLOF or Highland, William Scott, Heather Bestwick, or any other officers, directors, equity interest holders, or Persons otherwise in control of HCLOF; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

5. Highland HCF Advisor, Ltd. Claims. All Estate Claims against Highland HCF Advisor, Ltd. ("Highland HCF") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary. The Estate Claims against Highland HCF shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against Highland HCF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Highland HCF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland HCF;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Highland HCF for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Highland HCF for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland HCF against the Debtors, Chapter 11 Trustee, or

Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Highland HCF as to any Person, including as against any Affiliates of Highland HCF or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland HCF; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

6. Highland CLO Management, Ltd. Claims. All Estate Claims against Highland CLO Management, Ltd. ("Highland CLOM") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary. The Estate Claims against Highland CLOM shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against Highland CLOM asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Highland CLOM asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland CLOM;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Highland CLOM for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Highland CLOM for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland CLOM against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Highland CLOM as to any Person, including as against any Affiliates of Highland CLOM or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland CLOM; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

7. CLO Holdco, Ltd. Claims. All Estate Claims against CLO Holdco, Ltd. ("CLO Holdco") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against CLO Holdco shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against CLO Holdco asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against CLO Holdco asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against CLO Holdco;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against CLO Holdco for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against CLO Holdco for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of CLO Holdco as to any Person, including as against any Affiliates of CLO Holdco or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of CLO Holdco; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

8. Neutra, Ltd. Claims. All Estate Claims against Neutra, Ltd. ("Neutra") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against Neutra shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against Neutra asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Neutra asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Neutra;

(e) All Claims for breach of fiduciary or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Neutra for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Neutra for the unauthorized use of Estate Assets

including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Neutra against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Neutra, Highland, or any Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(l) All Claims based on alter ego or rights to pierce the corporate veil of Neutra as to any Person, including as against any Affiliates of Neutra or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Neutra; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

9. Claims against Issuers, Co-Issuers and Indenture Trustee. All Estate Claims against CLO-3, CLO-4, CLO-5, and CLO-6 (collectively, the "Issuers"), Acis CLO 2014-3 LLC, Acis CLO 2014-4 LLC, Acis CLO 2014-5 LLC, and Acis CLO 2015-6 LLC (collectively, the "Co-Issuers"), and the Indenture Trustee are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against the Issuers, Co-Issuers and/or Indenture Trustee shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against the Issuers, Co-Issuers, and/or Indenture Trustee asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against the Issuers, Co-Issuers, and/or Indenture Trustee asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against the Issuers, Co-Issuers and/or Indenture Trustee;

(e) All Claims for breach of the Indentures, PMAs or any other agreements between Acis LP and the Issuers, Co-Issuers, and/or Indenture Trustee;

(f) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(g) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(h) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(i) All Claims against the Issuers, Co-Issuers and/or Indenture Trustee for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(j) All Claims against the Issuers, Co-Issuers and/or Indenture Trustee for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(k) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by the Issuers or Co-Issuers against the Debtors, Chapter 11 Trustee, or Estate; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

10. Highland Affiliate Claims. All Estate Claims against any Affiliates of Highland are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary and the Trustee's Adversary. The Estate Claims against any Affiliates of Highland shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against any Highland Affiliate asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against any Highland Affiliate asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against any Highland Affiliate;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against any Highland Affiliate for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against any Highland Affiliate for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by any Highland Affiliate against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Highland, Neutra, or any Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(l) All Claims based on alter ego or rights to pierce the corporate veil of any Highland Affiliate as to any Person, including as against any other Affiliates of Highland or any officers, directors, equity interest holders, or Persons otherwise in control of any Highland Affiliates; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

11. Dondero Claims. All Estate Claims as defined in paragraph 2 above against James D. Dondero, individually, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims against James D. Dondero for fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of fiduciary duty, aiding and abetting breach of duty of loyalty or due care, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any unlawful act, and assisting, encouraging, and/or participating in any unlawful act, as well as any Claim to pierce the corporate veil of any entity to hold James D. Dondero individually liable.

12. Okada Claims. All Estate Claims as defined in paragraph 2 above against Mark K. Okada, individually, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims against Mark K. Okada for fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of fiduciary duty, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all

Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any unlawful act, and assisting, encouraging, and participating in any unlawful act, as well as any Claim to pierce the corporate veil of any entity to hold Mark K. Okada individually liable.

13. Preference Claims. All Avoidance Actions pursuant to section 547 of the Bankruptcy Code against any Person are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor for any payment made to any Person by either of the Debtors within ninety (90) days of the Petition Date (which was January 30, 2018), or made by either of the Debtors to any insider within one (1) year of the Petition Date. A non-exhaustive list of Persons who are believed to have received payments from either of the Debtors during the 90-day preference period, and the one-year preference period for Insiders, is attached to this **Exhibit "A"** as **Schedule "1"**. The Plan reserves, retains and preserves for the benefit of the Estate and Reorganized Debtor all potential Claims arising out of or relating to the transfers reflected in **Schedule "1"**, including all Avoidance Actions pursuant to section 547 of the Bankruptcy Code. All rights and remedies are also reserved, retained and preserved with respect to the transfers reflected in **Schedule "1"** pursuant to section 550 of the Bankruptcy Code.

Schedule "1" reflects transfers made by the Debtors during the 90 days prior to the Petition Date and transfers made by the Debtors to any insiders within one (1) year of the Petition Date. While the Plan reserves, retains and preserves all Avoidance Actions relating to the transfers reflected in **Schedule "1"**, the Chapter 11 Trustee recognizes that certain of these transfers may not constitute a preferential transfer pursuant to section 547(b) of the Bankruptcy Code as a transfer made in the ordinary course of business transactions or based upon new value subsequently given by the transferee. Consequently, the listing of a payment on **Schedule "1"** does not necessarily mean that a transferee will ever be sued to avoid and recover the payment, the transfer, or the value thereof, but only that the Plan reserves, retains and preserves all rights (including Avoidance Actions) as to that payment.

14. Claims Against Officers, Managers and Members. All Estate Claims as defined in paragraph 2 above are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against all present and past officers, employees, members and managers of the Debtors, including all such Estate Causes of Action based on breach of fiduciary duty, aiding and abetting breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of duty of loyalty or due care, self-dealing, usurpation of corporate opportunity, gross negligence or conspiracy. Without limiting the generality of the foregoing, this shall include all D&O Claims as against any present or former officer, director, employee, member, manager, or partner.

15. Claims Against Former Attorneys and Law Firms. All Estate Claims as defined in paragraph 2, above, including Claims for breach of any fiduciary duty or duty of loyalty or due care, conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act, including knowingly aiding, abetting, or assisting with a fraudulent transfer to avoid paying a judgment, negligent or fraudulent misrepresentation, vicarious liability, and respondeat superior, as well as all Claims for legal or professional malpractice, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against all law firms and attorneys who and which rendered legal services to the Debtors on a prepetition basis including, but not limited to, the following:

(a) Cole Schotz, P.C.

(b) Michael D. Warner

(c) Jacob Frumkin

(d) Warren A. Usatine

(e) McKool Smith

(f) Gary Cruciani

(g) Michael Fritz

(h) Carson Young

(i) Lackey Hershman, LLP

(j) Stinson Leonard Street LLP

(k) Paul Lackey, Esq.

(l) Michael Aigen, Esq.

(m) Abrams & Bayliss, LLP

(n) Kevin G. Abrams

(o) A. Thompson Bayliss

(p) Jones Day

(q) Hilda C. Galvan

(r) Michael Weinberg

(s) Reid Collins & Tsai, LLP

(t) Lisa Tsai

(u) Stanton, LLP

(v) James M. Stanton

(w) Hunton Andrews Kurth

(x) Marc Katz

(y) Greg Waller

(z) any other law firm or attorney who may be so named at a later date by the Reorganized Debtor.

~~15-16.~~ 16-17. Retention of Claims Against Specific Persons or Categories of Persons. In addition to the foregoing, all Estate Claims as defined in paragraph 2 above are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against the following Persons:

- (a) William Scott;
- (b) Heather Bestwick;
- (c) Any other Person who may be so named at a later date by the Reorganized Debtor.

~~16-17.~~ 17-18. Counterclaims. All Estate Claims as defined in paragraph 2 above are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor both as a basis for an affirmative recovery against the Person against whom such Claims are asserted and as a counterclaim or offset against any Person who asserts a Claim against the Estate or Reorganized Debtor.

~~17-18.~~ 18-19. Piercing the Corporate Veil. With respect to all Estate Claims against any Person, all rights to pierce or ignore the corporate veil are hereby reserved, retained and preserved for the benefit of the Estate and the Reorganized Debtor. Without limiting the generality of the foregoing, this shall include: (a) any right to pierce the corporate veil, including reverse piercing, on any theory or basis, including alter ego or any theory of sham to perpetrate a fraud, and (b) any Claim or basis to pierce the corporate veil of any entity with respect to establishing personal liability against James D. Dondero or Mark K. Okada.

~~18-19.~~ 19-20. Avoidance Actions. All Avoidance Actions are hereby reserved, retained and preserved as to all Persons. The reservation, retention and preservation of such Avoidance Actions shall include the reservation, retention and preservation for the benefit of the Estate and Reorganized Debtor of all rights and remedies pursuant to section 550 of the Bankruptcy Code.

~~19-20.~~ 20-21. Estate Defenses. All Estate Defenses are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor as against any Person asserting any Claim against the Estate. This includes asserting all Estate Claims as an offset to, or counterclaim or right of recoupment against, any Person asserting a Claim against the Estate. All defenses and affirmative defenses pursuant to applicable law are hereby reserved, retained and preserved for the benefit of the Estate and the Reorganized Debtor, including without limitation, accord and satisfaction, assumption of risk, contributory negligence, duress, estoppel, failure of consideration, fraud, illegality, laches, license, payment, release, *res judicata*, collateral estoppel, statute of frauds, statute of limitations or repose, discovery rule, adverse domination doctrine or similar doctrines, set off, recoupment, waiver, and all other defenses to Claims under the Bankruptcy Code, including under sections 502(b)(4) and 502(d).

~~20-21.~~ 21-22. Equitable Subordination. All rights or remedies for Equitable Subordination are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor against any Person asserting any Claim against the Estate, including all such rights or remedies pursuant to section 510(c) of the Bankruptcy Code. Without limiting the generality of the foregoing, this shall include all rights and remedies to Equitable Subordination as to any Claim asserted by Highland, any Affiliates of Highland, or any officers, directors, employees or equity

interest owners of the Debtors, Highland, or any Affiliates thereof.

21.22. Recharacterization. All rights or remedies to recharacterize any Claim as an equity interest in either of the Debtors are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor against any Person asserting any Claim against the Estate. Without limiting the generality of the foregoing, this shall include all rights and remedies to recharacterize any Claim asserted by Highland, any Affiliates of Highland, or any officers, directors, employees or equity interest owners of the Debtors, Highland, or any Affiliates thereof.

Third Amended Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

NAME	ADDRESS	DATE OF PAYMENT		PAYMENT AMOUNT	REASON FOR PAYMENT ON SCHEDULES
		90 Days of Petition Date			
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	11/2/2017		\$234,013.63	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	11/3/2017		\$941,958.57	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	12/8/2017		\$89,655.14	Services
David Simek	31 Woodacres Road Brookville, NY 11545	11/15/2017		\$2,068.13	Services
David Simek	31 Woodacres Road Brookville, NY 11545	11/30/2017		\$24,266.71	Services
David Simek	31 Woodacres Road Brookville, NY 11545	12/12/2017		\$1,718.79	Services
David Simek	31 Woodacres Road Brookville, NY 11545	12/29/2017		\$25,000.00	Services
FINRA	1735 K Street, NW Washington, DC 20006	11/22/2017		\$70.00	Suppliers or Vendors
Highland CLO Management, Ltd.	PO Box 309, Ugland House Grand Cayman, KY1-1104, Cayman Islands	12/19/2017		\$2,830,459.22	Services
Payments to Insiders within One Year of Petition Date					
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/1/2017		\$976,688.47	Contractual Payment
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/1/2017		\$1,096,033.37	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/2/2017		\$3,574.80	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/14/2017		\$67.44	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/17/2017		\$315,574.30	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/18/2017		\$438,497.51	Services

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Third Amended Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

NAME	ADDRESS	DATE OF PAYMENT		PAYMENT AMOUNT	REASON FOR PAYMENT ON SCHEDULES	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/18/2017		\$375,855.01	Contractual Payment	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/19/2017		\$330,249.69	Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	5/1/2017		\$974,426.41	Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	5/31/2017		\$2,809,518.47	Unsecured loan repayments including interest	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	5/31/2017		\$581,036.15	Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	7/18/2017		\$373,167.08	Contractual Payment	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	8/1/2017		\$971,603.02	Contractual Payment	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	8/7/2017		\$1,339,422.12	Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	8/16/2017		\$53.41	Expense Reimbursement	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/18/2017		\$372,872.82	Contractual Payment	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/18/2017		\$728,702.26	Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/24/2017		\$501,979.18	Unsecured loan repayments including interest	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/25/2017		\$46,648.82	Expense Reimbursement	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/25/2017		\$67,966.85	Expense Reimbursement	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	11/1/2017		\$967,223.91	Contractual Payment	

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Exhibit “3”

[Service Lists]

**Notice Service List
Acis Capital Mgmt./Phelan
#5980**

**BNP Paribas Securities Services
Luxembourg Branch
60 Avenue John F. Kennedy
1855 Luxembourg**

United States Trustee
Lisa Lambert
1100 Commerce St., Room 976
Dallas, TX 75242

Acis CLO 2013-1 Chemical Holdings, LLC
Acis CLO 2013-2 Chemical Holdings, LLC
Acis CLO 2014-3 Chemical Holdings, LLC
1209 Orange Street
Wilmington, DE 19801-1120

Dallas County
c/o Laurie Spindler
Linebarger, Goggan, Blair & Sampson LLP
2777 N Stemmons Frwy, No 1000
Dallas, TX 75207-2328

Dallas County
c/o Sherrel K Knighton
Linebarger Goggan Blair & Sampson, LLP
2777 N. Stemmons Frwy Ste 1000
Dallas, TX 75207-2328

Acis CLO 2014-4 Chemical Holdings, LLC
Acis CLO 2014-5 Chemical Holdings, LLC
Acis CLO 2015-6 Chemical Holdings, LLC
1209 Orange Street
Wilmington, DE 19801-1120

Acis CLO Management, LLC
Acis CLO Value GP, LLC
1209 Orange Street
Wilmington, DE 19801-1120

**Acis CLO Value Fund II (Cayman), L.P.
Acis CLO Value Fund II GP, LLC
Acis CLO Value Master Fund II, L.P.
PO Box 309, Ugland House
Grand Cayman, Cayman Islands KY1-1104**

Acis CLO Value Fund II, L.P.
Acis Loan Funding, Ltd.
Acis Capital Management GP, LLC
300 Crescent Court, Suite 700
Dallas, TX 75201-7849

**Acis Funding GP, Ltd.
Acis Funding L.P.
c/o Maples Corporate Services Limited
P0 Box 309, Ugland House
Grand Cayman, Cayman Islands KY1-1104**

**CLO Holdco, Ltd.
c/o Intertrust Corp. Svcs. (Cayman) Ltd.
190 Elgin Ave., George Town
Grand Cayman, Cayman Islands KY1-9005**

**State Street (Guernsey) Limited
First Floor Dorey Court
Admiral Park, St. Peter Port, Guernsey**

Mizuho Securities USA Inc.
320 Park Ave., 12th Floor
New York, NY 10022-6848

U. S. Bank National Association
Attn: Michael Zak
60 Livingston Ave., EP-MN-WS3D
Saint Paul, MN 55107-2292

The Dugaboy Investment Trust
300 Crescent Court, Suite 700
Dallas, TX 75201-1876

US Bank National Association
c/o Daniel P. Novakov
Frost Brown Todd LLC
100 Crescent Court, Suite 350
Dallas, TX 75201-2348

US Bank National Association
c/o Mark D. Kotwick, Arlene Alves
Seward & Kissell LLP
One Battery Park Plaza
New York, NY 10004-1405

Acis Capital Management, LP
c/o Michael D. Warner
Cole Schotz P.C.
1700 City Center Tower II
301 Commerce St.
Fort Worth, TX 76102-4140

Robin Phelan, Chapter 11 Trustee
Phelenlaw
4214 Woodfin Drive
Dallas, TX 75220-6416

Acis Capital Management, LP
c/o Warren A. Usatine
Cole Schotz P.C.
25 Main Street
Hackensack, NJ 07601-7189

The Bank of N.Y. Mellon Trust Co., N.A.
225 Liberty Street
New York, NY 10286-0001

Texas Comptroller of Public Accounts
c/o John M. Stern, Asst. Attorney General
Bankruptcy & Collection Div. MC 008
PO Box 12548
Austin, TX 78711-2548

Securities and Exchange Commission
801 Cherry Street, Suite 1900, Unit 18
Fort Worth, TX 76102

**BayVK R2 Lux S.A., SICAV-FIS
15 Rue de Flaxweiler
L-6776 Grevenmacher
Luxembourg**

Office of the United States Attorney
3rd Floor, 1100 Commerce Street
Dallas, Texas 75242-1699

Office of the Attorney General
Main Justice Building, Room 5111
10th & Constitution Avenue, N.W.
Washington, D.C. 20530

Internal Revenue Service
Special Procedures – Insolvency
P.O. Box 7346
Philadelphia, PA 1901-7346

000541

US Bank
 PO Box 5229
 Cincinnati, OH 45201-5229

Universal-Investment-Luxembourg S.A.
15 Rue de Flaxweiler
L-6776 Grevenmacher
Luxembourg

Universal-Inv.-Luxembourg SA/BayVK R2 Lux
 c/o Andrew Zollinger
 DLA Piper LLP
 1717 Main St., Suite 4600
 Dallas, TX 75201-4629

Diane G. Reed
 Reed & Elmquist, PC
 501 N. College St.
 Waxahachie, TX 75165-3361

Hewett's Island CLO I-R, Ltd.
c/o Maples Finance Limited
PO Box 1093, Queensgate House
South Church St., George Town
Grand Cayman, Cayman Island KY1-1102

Universal-Inv.-Luxembourg SA/BayVK R2 Lux
 c/o Thomas Califano/Shmuel Klahr
 DLA Piper LLP
 1251 Avenue of the Americas
 New York, NY 10020-1104

Diane G. Reed
 c/o David W. Elmquist
 Reed & Elmquist, PC
 501 N. College St.
 Waxahachie, TX 75165-3361

Highland HCF Advisor, Ltd.
c/o Maples Corporate Services, Ltd.
P.O. Box 309, Ugland House,
South Church Street, George Town
Grand Cayman, Cayman Island KY1-1004

Highland HCF Advisor, Ltd.
 c/o James Dondero, President
 300 Crescent Court, Suite 700
 Dallas, TX 75201

Highland CLO Management, Ltd.
c/o Maples Corporate Services, Ltd.
P.O. Box 309, Ugland House,
South Church Street, George Town
Grand Cayman, Cayman Island KY1-1004

Highland CLO Management, Ltd.
 c/o Strand Advisors, Inc., Attn. James Dondero
 300 Crescent Court, Suite 700
 Dallas, TX 75201

Highland CLO Management, Ltd.
 c/o Strand Advisors, Inc.
 Corporation Trust Center
 1209 Orange Street
 Wilmington, DE 19801

Acis CLO 2013-1 Ltd.
Acis CLO 2013-2
c/o Estera Trust (f/k/a Appleby Trust)
Clifton House 75 Fort St., P.O. Box 1350
Grand Cayman, Cayman Islands KY 1-1108

U.S. Bank National Association
 Attention: Global Corporate Trust –
 Acis CLO 2013-1 and 2013-2190 S. LaSalle
 Street, 8th Floor
 Chicago, IL 60603

Acis CLO 2013-1 LLC
 Acis CLO 2013-2 LLC
 850 Library Ave., Suite 204
 Newark, DE 19711

Acis CLO 2014-3 Ltd.
Acis CLO 2014-4 Ltd.
c/o MaplesFS Limited
P.O. Box 1093, Boundary Hall, Cricket Sq
Grand Cayman, Cayman Islands KY1-1102

U.S. Bank National Association
 Attention: Global Corporate Trust –
 Acis CLO 2014-3 and 2014-4190 S. LaSalle
 Street, 8th Floor
 Chicago, IL 60603

Acis CLO 2014-3 LLC
 Acis CLO 2014-4
 850 Library Ave., Suite 204
 Newark, DE 19711

Acis CLO 2014-5 Ltd.
Acis CLO 2015-6 Ltd.
c/o MaplesFS Limited
P.O. Box 1093, Boundary Hall, Cricket Sq
Grand Cayman, Cayman Islands KY1-1102

U.S. Bank National Association
 Attention: Global Corporate Trust –
 Acis CLO 2014-5 and Acis CLO 2015-6190 S.
 LaSalle Street, 8th Floor
 Chicago, IL 60603

Acis CLO 2014-5 LLC
 Acis CLO 2015-6 LLC
 850 Library Ave., Suite 204
 Newark, DE 19711

Acis CLO 2015-6 Ltd.
P.O. Box 1093, Boundary Hall, Cricket Sq
Grand Cayman, KY1-1102, Cayman Islands

Deutsche Bank Trust Company Americas
 Attn: CDO Business Unit – Hewett's
 Island CLO I-R
 1761 East St. Andrew Place
 Santa Ana, CA 92705

Acis Loan Funding, Ltd.
First Floor, Dorey Court
St. Peter Port, Guernsey GY1 6HJ
Channel Islands

Acis CLO 2017-7 Ltd.
c/o MapleFS Limited, Attn: Directors
PO Box 1093, Boundary Hall, Cricket Sq.
Grand Cayman, Cayman Islands KY1 -1102

**Highlands Service List
 ACIS #5980**

Highland CLO Funding, Ltd.
 c/o Paul R. Bessette/Rebecca Matsumura
 King & Spalding LLP
 500 West 2nd St., Suite 1800
 Austin, TX 78701-4684

Highland CLO Funding, Ltd.
 c/o Daniel Elms/Heather Jobe/Scott Larson
 Bell Nunnally & Martin LLP
 3232 McKinney Ave., Suite 1400
 Dallas, TX 75204

Highland CLO Funding Ltd.
 c/o Mark M. Maloney/W. Austin Jowers
 King & Spalding LLP
 1180 Peachtree Street NE
 Atlanta, GA 30309

Highland CLO Funding, Ltd.
 c/o Michael K. Hurst/Ben A. Barnes
 Lynn Pinker Cox & Hurst LLP
 2100 Ross Ave., Suite 2700
 Dallas, TX 75201

Highland CLO Funding, Ltd.
 c/o H. O'Neil, J. Binford, S. Beck, M. Bales
 Foley Gardere Foley & Lardner, LLP
 2021 McKinney Ave., Suite 1600
 Dallas, TX 75201

Highland CLO Funding, Ltd.
 First Floor, Dorey Court
 Admiral Park, St. Peter Port
 Guernsey GY1 6HJ, Channel Islands

Highland CLO Management, Ltd.
 c/o Strand Advisors, Inc.
 Corporation Trust Center
 1209 Orange Street
 Wilmington, DE 19801

Highland CLO Management, Ltd.
 c/o Maples Corporate Services, Ltd.
 P.O. Box 309, Ugland House,
 South Church Street, George Town
 Grand Cayman, Cayman Island KY1-1004

Highland CLO Management, Ltd.
 P.O. Box 309 Ugland House
 South Church Street
 George Town, Grand Cayman KY1-1004

Highland CLO Management, Ltd.
 c/o Summit Management Ltd.
 P.O. Box 32311
 Grand Cayman, KY1-1209
 Cayman Islands

Highland CLO Management, Ltd.
 c/o Summit Management Ltd.
 Suite #4-210 Governor's Square
 23 Lime Tree Bay Avenue
 Grand Cayman, Cayman Islands

Highland HCF Advisor, Ltd.
 c/o Maples Corporate Services, Ltd.
 P.O. Box 309, Ugland House,
 South Church Street, George Town
 Grand Cayman, Cayman Island KY1-1004

Highland HCF Advisor, Ltd.
 c/o James Dondero, President
 300 Crescent Court, Suite 700
 Dallas, TX 75201

Highland CLO Management, Ltd.
 c/o Strand Advisors, Inc.
 Attn. James Dondero
 300 Crescent Court, Suite 700
 Dallas, TX 75201

Neutra, Ltd.
 c/o Daniel Elms/Heather Jobe/Scott Larson
 Bell Nunnally & Martin LLP
 3232 McKinney Ave., Suite 1400
 Dallas, TX 75204

Neutra, Ltd.
 c/o Michael K. Hurst/Ben A. Barnes
 Lynn Pinker Cox & Hurst LLP
 2100 Ross Ave., Suite 2700
 Dallas, TX 75201

Neutra, Ltd.
 c/o H. O'Neil, J. Binford, S. Beck, M. Bales
 Foley Gardere Foley & Lardner, LLP
 2021 McKinney Ave., Suite 1600
 Dallas, TX 75201

CLO Holdeo, Ltd.
 c/o Intertrust Corp. Svcs. (Cayman) Ltd.
 190 Elgin Ave., George Town
 Grand Cayman, Cayman Islands KY1-9005

CLO Holdeo, Ltd.
 c/o Daniel Elms/Heather Jobe/Scott Larson
 Bell Nunnally & Martin LLP
 3232 McKinney Ave., Suite 1400
 Dallas, TX 75204

CLO Holdeo, Ltd.
 c/o H. O'Neil, J. Binford, S. Beck, M. Bales
 Foley Gardere Foley & Lardner, LLP
 2021 McKinney Ave., Suite 1600
 Dallas, TX 75201

The Dugaboy Investment Trust
 300 Crescent Court, Suite 700
 Dallas, TX 75201-1876

Noteholders List

[Confidential]

000544

**Creditors Service List
Acis Capital Mgmt./Phelan
#5980**

Class 2

Joshua N. Terry
25 Highland Park Village
Suite 100-848
Dallas, TX 75205-2726

Joshua N. Terry
c/o Brian P. Shaw/John M. Lynch
Rogge Dunn Group, PC
1201 Elm St., Suite 5200
Dallas, TX 75270

Joshua N. Terry
350 9 Princeton Ave.
Dallas, TX 75205-3246

Class 3

Andrews Kurth Kenyon LLP
600 Travis, Suite 4200
Houston, TX 77002-2929

CSI Global Deposition Services
4950 N. O'Connor Road, Suite 152
Irving, TX 75062 - 2778

CT Corporation
P0 Box 4349
Carol Stream, IL 60197-4349

Case Anywhere LLC
21860 Burbank Blvd., Suite 125
Woodland Hills, CA 91367-7447

David Langford
1321 Indian Creek
DeSoto, TX 75115-3652

David Simek
31 Woodacres Road
Brookville, NY 11545-2911

Drexel Limited
309 23rd Street, #340
Miami Beach, FL 33139-1700

Elite Document Technology
400 N. Saint Paul St., Suite 1300
Dallas, TX 75201-6881

Highfield Equities, Inc.
3131 McKinney Ave., Suite 215
Dallas, TX 75204-2421

JAMS, Inc.
18881 Von Karman Ave., Suite 350
Irvine, CA 92612-6589

Jones Day
2727 N. Harwood Street
Dallas, TX 75201-1568

Lackey Hershman LLP
3102 Oak Lawn Ave., Suite 777
Dallas, TX 75219-4259

KPMG LLP (USA)
Two Financial Center
60 South Street
Boston, MA 02111-2759

KPMG LLP
2323 Ross Ave., Suite 1400
Dallas, TX 75201-2721

KPMG LLP
Aon Center
200 E. Randolph St., Suite 5500
Chicago, IL 60601-6607

McKool Smith, P.C.
300 Crescent Court, Suite 1500
Dallas, TX 75201-6970

Reid Collins & Tsai, LLP
Building C, Suite 300
1301 S. Capital of Texas Highway
Austin, TX 78746-6550

Stanton Advisors LLC
300 Coles St., Apt. 802
Jersey City, NJ 07310-1047

000545

Stanton Law Firm
9400 North Central Expwy., Suite 1304
Dallas, TX 75231-5047

The TASA Group, Inc.
1166 DeKalb Pike
Blue Bell, PA 19422- 1853

Acis CLO 2013-1, Ltd., et al.
c/o David Neier
Winston & Strawn LLP
200 Park Ave.
New York, NY 10166-4193

Acis CLO 2013-1 LLC
850 Library Ave., Suite 204
Newark, DE 19711

Acis CLO 2014-3 LLC
850 Library Ave., Suite 204
Newark, DE 19711

Acis CLO 2014-4 LLC
850 Library Ave., Suite 204
Newark, DE 19711

Acis CLO 2014-5 LLC
850 Library Ave., Suite 204
Newark, DE 19711

Acis CLO 2015-6 LLC
850 Library Ave., Suite 204
Newark, DE 19711

Directors - Acis CLO 2013-1 Ltd.
75 Fort St., Clifton House
PO Box 1350
George Town, Grand Cayman
Cayman Island, KY1-1108

Directors - Acis CLO 2014-3 Ltd.
PO Box 1093
KY1-1102, Cricket Square
Grand Cayman

Directors - Acis CLO 2014-4 Ltd.
PO Box 1093
KY1-1102, Cricket Square
Grand Cayman

Directors - Acis CLO 2014-5 Ltd.
PO Box 1093
KY1-1102, Cricket Square
Grand Cayman

Directors - Acis CLO 2015-6 Ltd.
PO Box 1093
KY1-1102, Cricket Square
Grand Cayman

Acis CLO 2013-1, Ltd.
c/o Appleby Trust, Attn: Directors
Clifton House 75 Fort St., PO Box 13
Grand Cayman, Cayman Islands KY1-1108

Acis CLO 2013-2 Ltd.
c/o MaplesFS Limited, Attn: Directors
PO Box 1093, Boundary Hall, Cricket Sq.
Grand Cayman, Cayman Islands KY1-1102

Acis CLO 2014-3 Ltd.
c/o MaplesFS Limited, Attn: Directors
PO Box 1093, Boundary Hall, Cricket Sq.
Grand Cayman, Cayman Islands KY1-1102

Acis CLO 2014-4 Ltd.
c/o MaplesFS Limited, Attn: Directors
PO Box 1093, Boundary Hall, Cricket Sq.
Grand Cayman, Cayman Islands KY1-1102

Acis CLO 2014-5 Ltd.
c/o MaplesFS Limited, Attn: Directors
PO Box 1093, Boundary Hall, Cricket Sq.
Grand Cayman, Cayman Islands KY1-1102

Acis CLO 2015-6 Ltd.
c/o MaplesFS Limited, Attn: Directors
PO Box 1093, Boundary Hall, Cricket Sq.
Grand Cayman, Cayman Islands KY1 -1102

Acis CLO 2017-7 Ltd.
c/o MaplesFS Limited, Attn: Directors
PO Box 1093, Boundary Hall, Cricket Sq.
Grand Cayman, Cayman Islands KY1 -1102

Acis CLO 2013-1, Ltd., et al.
c/o Thomas Melsheimer/Lane Webster
Winston & Strawn LLP
2501 N. Harwood St., 17th Floor
Dallas, TX 75201

Jennifer G. Terry
25 Highland Park Village, Suite 100-848
Dallas, TX 75205

Hunton Andrews Kurth LLP
c/o M. Christine Klein, Dep. Gen. Counsel
Riverfront Plaza, East Tower
951 East Byrd St.
Richmond, VA 23219

Patrick H. Daugherty
3621 Cornell Ave.
Dallas, TX 75250

Stinson Leonard Street LLP
Attn: Paul Lackey
3102 Oak Lawn Ave., Suite 777
Dallas, TX 75219

Class 4

Highland Capital Management, LP
300 Crescent Court, Suite 700
Dallas, TX 75201-7849

Highland Capital Management, LP
1209 Orange Street
Wilmington, DE 19801-1120

Highland Capital Management, LP
c/o Michael K. Hurst/Ben A. Barnes
Lynn Pinker Cox & Hurst LLP
2100 Ross Ave., Suite 2700
Dallas, TX 75201

Highland Capital Management, LP, Highland
c/o H. O'Neil, J. Binford, S. Beck, M. Bales
Foley Gardere Foley & Lardner, LLP
2021 McKinney Ave., Suite 1600
Dallas, TX 75201

EXHIBIT “3”

**[Second Modification to the Third Amended Joint Plan for
Acis Capital Management, L.P. and Acis Capital Management
GP, LLC – Dkt. No. 702]**

Rakhee V. Patel – State Bar No. 00797213
Phillip Lamberson – State Bar No. 00794134
Joe Wielebinski – State Bar No. 21432400
Annmarie Chiarello – State Bar No. 24097496
WINSTEAD PC
500 Winstead Building
2728 N. Harwood Street
Dallas, Texas 75201
Telephone: (214) 745-5400
Facsimile: (214) 745-5390
rpatel@winstead.com
plamberson@winstead.com
jwielebinski@winstead.com
achiarello@winstead.com

Jeff P. Prostok – State Bar No. 16352500
J. Robert Forshey – State Bar No. 07264200
Suzanne K. Rosen – State Bar No. 00798518
Matthew G. Maben – State Bar No. 24037008
FORSHEY & PROSTOK LLP
777 Main St., Suite 1290
Ft. Worth, TX 76102
Telephone: (817) 877-8855
Facsimile: (817) 877-4151
jprostok@forsheyprostok.com
bforshey@forsheyprostok.com
srosen@forsheyprostok.com
mmaben@forsheyprostok.com

**COUNSEL FOR ROBIN PHELAN,
CHAPTER 11 TRUSTEE**

**SPECIAL COUNSEL FOR
ROBIN PHELAN, CHAPTER 11 TRUSTEE**

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

IN RE:	§	
	§	CHAPTER 11 CASES
	§	
ACIS CAPITAL MANAGEMENT, L.P.,	§	CASE NO. 18-30264-sgj11
ACIS CAPITAL MANAGEMENT GP, LLC,	§	(Jointly Administered)
	§	
Debtors.	§	

**SECOND MODIFICATION TO THE THIRD AMENDED JOINT PLAN FOR
ACIS CAPITAL MANAGEMENT, LP AND ACIS CAPITAL MANAGEMENT GP, LLC**

Robin Phelan (“Trustee”), the Chapter 11 Trustee for Acis Capital Management, LP and Acis Capital Management GP, LLC (the “Debtors”), files this Second Modification (the “First Modification”) to the *Third Amended Joint Chapter 11 Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC* [Docket No. 660], as modified by the *First Modification to the Third Amended Joint Chapter 11 Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC* [Docket No. 693] (together, the “Plan”).

1. Reference is here made to the Plan for all purposes. This Second Modification

modifies the Plan.

2. **Modification to Exhibit “A”.** The copy of the Exhibit “A” reflecting Estate Claims is hereby deleted in its entirety and replaced with the version of the “Exhibit A” attached hereto as **Exhibit “1.”**

3. A copy of the document reflecting the modifications to Exhibit A to the Plan in redline format is attached hereto as **Exhibit “2.”**

4. This Second Modification is a non-material change. It merely revises the Estate Claims being reserved, retained and preserved under the Plan. Further, even if this First Modification were deemed material, it is being sent to all creditors and parties in interest ten (10) days in advance of the deadline for parties to submit ballots and any objections to the Plan. Consequently, creditors and parties in interest will have an adequate opportunity to evaluate this modification prior to voting on the Plan or to change their previous acceptance or rejection upon consideration of the modification.

Dated: November 16, 2018.

Respectfully submitted,

ACIS CAPITAL MANAGEMENT, L.P.

By: /s/ Robin Phelan
Robin Phelan
Chapter 11 Trustee

ACIS CAPITAL MANAGMENET GP, LLC

By: /s/ Robin Phelan
Robin Phelan
Chapter 11 Trustee

APPROVED:

/s/ Jeff P. Prostok

Jeff P. Prostok – State Bar No. 16352500
J. Robert Forshey – State Bar No. 07264200
Suzanne K. Rosen – State Bar No. 00798518
Matthew G. Maben – State Bar No. 24037008
FORSHEY & PROSTOK LLP
777 Main St., Suite 1290
Ft. Worth, TX 76102
Telephone: (817) 877-8855
Facsimile: (817) 877-4151
jprostok@forsheyprostok.com
bforshey@forsheyprostok.com
srosen@forsheyprostok.com
mmaben@forsheyprostok.com

**COUNSEL FOR ROBIN PHELAN,
CHAPTER 11 TRUSTEE**

APPROVED:

/s/ Rahkee V. Patel

Rakhee V. Patel – State Bar No. 00797213
Phillip Lamberson – State Bar No. 00794134
Joe Wielebinski – State Bar No. 21432400
Annmarie Chiarello – State Bar No. 24097496
WINSTEAD PC
500 Winstead Building
2728 N. Harwood Street
Dallas, Texas 75201
Telephone: (214) 745-5400
Facsimile: (214) 745-5390
rpatel@winstead.com
plamberson@winstead.com
jwielebinski@winstead.com
achiarello@winstead.com

**SPECIAL COUNSEL FOR ROBIN
PHELAN, CHAPTER 11 TRUSTEE**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document and the attached exhibits were served electronically via the Court's Electronic Court Filing (ECF) notification system and via U.S. Mail, postage prepaid (and via Express Mail to out of country recipients) on the parties on the service lists attached as **Exhibit "3"** hereto on November 16, 2018.

/s/ Jeff P. Prostok

Jeff P. Prostok

Exhibit “1”

[Revised Exhibit “A” to the Third Amended Joint Plan]

EXHIBIT "A"
to
Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

1. Defined Terms. This Exhibit "A" constitutes an integral part of the Plan of which it is a part. Defined terms in the Plan are to be given the same meaning in this Exhibit "A". The rules of construction set forth in Article I.B. of the Plan shall likewise apply to this Exhibit "A".

2. Estate Claims Reserved, Retained and Preserved. All Estate Claims are hereby reserved, retained and preserved, and shall all be transferred to, and vested in, the Reorganized Debtor pursuant to this Plan, and shall include without limitation all of the Estate Claims described below. In reserving, retaining, and preserving Estate Claims against any named Person or category of Persons, it is the intent of this Plan to so reserve, retain, and preserve any and all Estate Claim against each such Person or category of Persons, including all such Estate Claims pursuant to any applicable common law, based on any contract or agreement or based upon any law, statute or regulation of any political entity, including the United States and any state or political subdivision thereof, as well as all applicable remedies, whether legal or equitable. Without limiting the generality of the foregoing, the reservation, retention, and preservation of Estate Claims against any Person, and the term "Estate Claims," shall encompass all Estate Claims against any such Person, including without limitation, all such Estate Claims for breach of contract, all rights to enforce any contract, any form of estoppel, fraud, constructive fraud, abuse of process, malicious prosecution, defamation, libel, slander, conversion, trespass, intentional infliction of emotional distress or other harm, negligence, gross negligence, negligent misrepresentation, fraudulent misrepresentation, vicarious liability, respondeat superior, breach of any duty owed under either applicable law or any contract, breach of any fiduciary duty or duty of loyalty or due care, aiding and/or abetting breach of fiduciary duty, aiding and/or abetting breach of duty of loyalty or due care, alter ego, veil piercing, self-dealing, usurpation of corporate opportunity, ultra vires, turnover of Estate Assets, unauthorized use of Estate Assets, including intellectual property rights or Assets owned by the Debtors or Chapter 11 Trustee, quantum merit, tortious interference, duress, unconscionability, undue influence, and unjust enrichment, as well as any cause of action for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act, or claims arising from or relating to the filing of the involuntary bankruptcy petitions against the Debtors.

3. Highland Claims. All Estate Claims against Highland are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in Adversary Proceeding No. 18-03078-sgj (the "Highland Adversary") and Adversary Proceeding No. 18-03212-sgj (the "Trustee's Adversary"). The Estate Claims against Highland shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the

Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland, including any claims to avoid and recover amounts transferred by the Debtors to Highland under the Shared Services Agreement or Sub-Advisory Agreement;

(e) All Claims for breach of the Shared Services Agreement or Sub-Advisory Agreement;

(f) All Claims against Highland for amounts paid by the Debtors to Highland under the Shared Services Agreement and Sub-Advisory Agreement, including any Claim that Highland overcharged Acis LP for services under such agreements, charged excessive fees in violation of Acis LP's limited partnership agreement and/or Acis GP's limited liability company agreement, and/or that the Shared Services Agreement and Sub-Advisory Agreement or any related or predecessor agreements are void or voidable based on ultra vires or any other theories of avoidance and recovery, including turnover, conversion and Avoidance Actions under the Bankruptcy Code;

(g) All Claims for breach of the PMAs or the Indentures;

(h) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(i) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(j) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(k) All claims for tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS;

(l) All Claims against Highland for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(m) All Claims against Highland for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(n) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland against the Debtors, Chapter 11 Trustee, or Estate;

(o) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Highland or any Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(p) All Claims based on alter ego or rights to pierce the corporate veil of

Highland as to any Person, including as against any Affiliates of Highland, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland, and,

(q) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

4. HCLOF Claims. All Estate Claims against HCLOF are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary and the Trustee's Adversary. The Estate Claims against HCLOF shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against HCLOF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against HCLOF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against HCLOF;

(e) All Claims for breach of the PMAs or the Indentures;

(f) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(g) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(h) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(i) All Claims against HCLOF for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(j) All Claims against HCLOF for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(k) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by HCLOF against the Debtors, Chapter 11 Trustee, or Estate;

(l) All Claims based on alter ego or rights to pierce the corporate veil of HCLOF as to any Person, including as against any Affiliates of HCLOF or Highland, William Scott, Heather Bestwick, or any other officers, directors, equity interest holders, or Persons otherwise in control of HCLOF; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

5. Highland HCF Advisor, Ltd. Claims. All Estate Claims against Highland HCF Advisor, Ltd. ("Highland HCF") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary. The Estate Claims against Highland HCF shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against Highland HCF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Highland HCF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland HCF;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Highland HCF for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Highland HCF for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland HCF against the Debtors, Chapter 11 Trustee, or

Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Highland HCF as to any Person, including as against any Affiliates of Highland HCF or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland HCF; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

6. Highland CLO Management, Ltd. Claims. All Estate Claims against Highland CLO Management, Ltd. ("Highland CLOM") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary. The Estate Claims against Highland CLOM shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against Highland CLOM asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Highland CLOM asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland CLOM;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Highland CLOM for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Highland CLOM for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland CLOM against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Highland CLOM as to any Person, including as against any Affiliates of Highland CLOM or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland CLOM; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

7. CLO Holdco, Ltd. Claims. All Estate Claims against CLO Holdco, Ltd. ("CLO Holdco") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against CLO Holdco shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against CLO Holdco asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against CLO Holdco asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against CLO Holdco;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against CLO Holdco for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against CLO Holdco for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of CLO Holdco as to any Person, including as against any Affiliates of CLO Holdco or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of CLO Holdco; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

8. Neutra, Ltd. Claims. All Estate Claims against Neutra, Ltd. ("Neutra") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against Neutra shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against Neutra asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Neutra asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Neutra;

(e) All Claims for breach of fiduciary or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Neutra for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Neutra for the unauthorized use of Estate Assets

including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Neutra against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Neutra, Highland, or any Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(l) All Claims based on alter ego or rights to pierce the corporate veil of Neutra as to any Person, including as against any Affiliates of Neutra or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Neutra; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

9. Claims against Issuers, Co-Issuers and Indenture Trustee. All Estate Claims against CLO-3, CLO-4, CLO-5, and CLO-6 (collectively, the "Issuers"), Acis CLO 2014-3 LLC, Acis CLO 2014-4 LLC, Acis CLO 2014-5 LLC, and Acis CLO 2015-6 LLC (collectively, the "Co-Issuers"), and the Indenture Trustee are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against the Issuers, Co-Issuers and/or Indenture Trustee shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against the Issuers, Co-Issuers, and/or Indenture Trustee asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against the Issuers, Co-Issuers, and/or Indenture Trustee asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against the Issuers, Co-Issuers and/or Indenture Trustee;

(e) All Claims for breach of the Indentures, PMAs or any other agreements between Acis LP and the Issuers, Co-Issuers, and/or Indenture Trustee;

(f) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(g) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(h) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(i) All Claims against the Issuers, Co-Issuers and/or Indenture Trustee for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(j) All Claims against the Issuers, Co-Issuers and/or Indenture Trustee for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(k) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by the Issuers or Co-Issuers against the Debtors, Chapter 11 Trustee, or Estate; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

10. Claims Against Any Affiliates of Highland, HCLOF, Highland HCF, Highland CLOM, CLO Holdco, Neutra, and Their Respective Affiliates. All Estate Claims against any Affiliates of Highland, HCLOF, Highland HCF, Highland CLOM, CLO Holdco, Neutra, and Their Respective Affiliates (collectively, the "Affiliates" and each, an "Affiliate") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary and the Trustee's Adversary. The Estate Claims against such Affiliates shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against any Affiliate asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against any Affiliate asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against any Affiliate;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of

the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against any Affiliate for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against any Affiliate for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by any Affiliate against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Highland, HCLOF, Highland HCF, Highland CLOM, CLO Holdco, Neutra, the Affiliates, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(l) All Claims based on alter ego or rights to pierce the corporate veil of any Affiliate as to any Person, including as against Highland, HCLOF, Highland HCF, Highland CLOM, CLO Holdco, Neutra, the Affiliates, James D. Dondero, Mark K. Okada, or any officers, directors, equity interest holders, or Persons otherwise in control of any Affiliates; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

11. Dondero Claims. All Estate Claims as defined in paragraph 2 above against James D. Dondero, individually, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims against James D. Dondero for fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of fiduciary duty, aiding and abetting breach of duty of loyalty or due care, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any unlawful act, and assisting, encouraging, and/or participating in any unlawful act, as well as any Claim to pierce the corporate veil of any entity to hold James D. Dondero individually liable.

12. Okada Claims. All Estate Claims as defined in paragraph 2 above against Mark K. Okada, individually, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims against Mark K. Okada for fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of fiduciary duty, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other

Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any unlawful act, and assisting, encouraging, and participating in any unlawful act, as well as any Claim to pierce the corporate veil of any entity to hold Mark K. Okada individually liable.

13. Preference Claims. All Avoidance Actions pursuant to section 547 of the Bankruptcy Code against any Person are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor for any payment made to any Person by either of the Debtors within ninety (90) days of the Petition Date (which was January 30, 2018), or made by either of the Debtors to any insider within one (1) year of the Petition Date. A non-exhaustive list of Persons who are believed to have received payments from either of the Debtors during the 90-day preference period, and the one-year preference period for Insiders, is attached to this **Exhibit "A"** as **Schedule "1"**. The Plan reserves, retains and preserves for the benefit of the Estate and Reorganized Debtor all potential Claims arising out of or relating to the transfers reflected in **Schedule "1"**, including all Avoidance Actions pursuant to section 547 of the Bankruptcy Code. All rights and remedies are also reserved, retained and preserved with respect to the transfers reflected in **Schedule "1"** pursuant to section 550 of the Bankruptcy Code.

Schedule "1" reflects transfers made by the Debtors during the 90 days prior to the Petition Date and transfers made by the Debtors to any insiders within one (1) year of the Petition Date. While the Plan reserves, retains and preserves all Avoidance Actions relating to the transfers reflected in **Schedule "1"**, the Chapter 11 Trustee recognizes that certain of these transfers may not constitute a preferential transfer pursuant to section 547(b) of the Bankruptcy Code as a transfer made in the ordinary course of business transactions or based upon new value subsequently given by the transferee. Consequently, the listing of a payment on **Schedule "1"** does not necessarily mean that a transferee will ever be sued to avoid and recover the payment, the transfer, or the value thereof, but only that the Plan reserves, retains and preserves all rights (including Avoidance Actions) as to that payment.

14. Claims Against Officers, Managers and Members. All Estate Claims as defined in paragraph 2 above are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against all present and past officers, employees, members and managers of the Debtors, including all such Estate Causes of Action based on breach of fiduciary duty, aiding and abetting breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of duty of loyalty or due care, self-dealing, usurpation of corporate opportunity, gross negligence or conspiracy. Without limiting the generality of the foregoing, this shall include all D&O Claims as against any present or former officer, director, employee, member, manager, or partner.

15. Claims Against Former Attorneys and Law Firms. All Estate Claims as defined in paragraph 2, above, including Claims for breach of any fiduciary duty or duty of loyalty or due care, conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act, including knowingly aiding, abetting, or assisting with a fraudulent transfer to avoid paying a judgment, negligent or fraudulent misrepresentation, vicarious liability, and respondeat superior, as well as all Claims for legal or professional malpractice, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against all law firms and attorneys who and which

rendered legal services to the Debtors on a prepetition basis including, but not limited to, the following:

(z) Hunton Andrews Kurth

(aa) Marc Katz

(bb) Greg Waller

(cc) any other law firm or attorney who may be so named at a later date by the Reorganized Debtor.

16. Claims Against Officers, Directors, Employees, Members, and Managers, of Highland, HCLOF, Highland HCF, Highland CLOM, CLO Holdco, Neutra, and Their Respective Affiliates. In addition to the foregoing, all Estate Claims as defined in paragraph 2 above are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against all present and past officers, directors, employees, members and managers of Highland, HCLOF, Highland HCF, Highland CLOM, and their respective Affiliates, including all such Estate Causes of Action based on fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of fiduciary duty, aiding and abetting breach of duty of loyalty or due care, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any unlawful act, and assisting, encouraging, and/or participating in any unlawful act. Such present and past officers, directors, employees, members and managers of Highland, HCLOF, Highland HCF, Highland CLOM, and their respective Affiliates include, but are not limited to, the following Persons:

(a) William Scott;

(b) Heather Bestwick;

(c) Scott Ellington

(d) Isaac Leventon

(e) Jean Paul Sevilla

(f) Hunter Covitz

(g) The Dugaboy Investment Trust

(h) Nancy Dondero, Trustee of the Dugaboy Trust

(i) Grant Scott

(j) Any other Person who may be so named at a later date by the Reorganized Debtor.

17. Counterclaims. All Estate Claims as defined in paragraph 2 above are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor both as a basis for an affirmative recovery against the Person against whom such Claims are asserted and as a counterclaim or offset against any Person who asserts a Claim against the Estate or Reorganized Debtor.

18. Piercing the Corporate Veil. With respect to all Estate Claims against any Person, all rights to pierce or ignore the corporate veil are hereby reserved, retained and preserved for the benefit of the Estate and the Reorganized Debtor. Without limiting the generality of the foregoing, this shall include: (a) any right to pierce the corporate veil, including reverse piercing, on any theory or basis, including alter ego or any theory of sham to perpetrate a fraud, and (b) any Claim or basis to pierce the corporate veil of any entity with respect to establishing personal liability against James D. Dondero or Mark K. Okada.

19. Avoidance Actions. All Avoidance Actions are hereby reserved, retained and preserved as to all Persons. The reservation, retention and preservation of such Avoidance Actions shall include the reservation, retention and preservation for the benefit of the Estate and Reorganized Debtor of all rights and remedies pursuant to section 550 of the Bankruptcy Code.

20. Estate Defenses. All Estate Defenses are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor as against any Person asserting any Claim against the Estate. This includes asserting all Estate Claims as an offset to, or counterclaim or right of recoupment against, any Person asserting a Claim against the Estate. All defenses and affirmative defenses pursuant to applicable law are hereby reserved, retained and preserved for the benefit of the Estate and the Reorganized Debtor, including without limitation, accord and satisfaction, assumption of risk, contributory negligence, duress, estoppel, failure of consideration, fraud, illegality, laches, license, payment, release, *res judicata*, collateral estoppel, statute of frauds, statute of limitations or repose, discovery rule, adverse domination doctrine or similar doctrines, set off, recoupment, waiver, and all other defenses to Claims under the Bankruptcy Code, including under sections 502(b)(4) and 502(d).

21. Equitable Subordination. All rights or remedies for Equitable Subordination are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor against any Person asserting any Claim against the Estate, including all such rights or remedies pursuant to section 510(c) of the Bankruptcy Code. Without limiting the generality of the foregoing, this shall include all rights and remedies to Equitable Subordination as to any Claim asserted by Highland, any Affiliates of Highland, or any officers, directors, employees or equity interest owners of the Debtors, Highland, or any Affiliates thereof.

22. Recharacterization. All rights or remedies to recharacterize any Claim as an equity interest in either of the Debtors are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor against any Person asserting any Claim against the Estate. Without limiting the generality of the foregoing, this shall include all rights and remedies to recharacterize any Claim asserted by Highland, any Affiliates of Highland, or any officers, directors, employees or equity interest owners of the Debtors, Highland, or any Affiliates thereof.

Exhibit “2”

[Redline – Plan Exhibit “A”]

EXHIBIT "A"
to

Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

1. Defined Terms. This Exhibit "A" constitutes an integral part of the Plan of which it is a part. Defined terms in the Plan are to be given the same meaning in this Exhibit "A". The rules of construction set forth in Article I.B. of the Plan shall likewise apply to this Exhibit "A".

2. Estate Claims Reserved, Retained and Preserved. All Estate Claims are hereby reserved, retained and preserved, and shall all be transferred to, and vested in, the Reorganized Debtor pursuant to this Plan, and shall include without limitation all of the Estate Claims described below. In reserving, retaining, and preserving Estate Claims against any named Person or category of Persons, it is the intent of this Plan to so reserve, retain, and preserve any and all Estate Claim against each such Person or category of Persons, including all such Estate Claims pursuant to any applicable common law, based on any contract or agreement or based upon any law, statute or regulation of any political entity, including the United States and any state or political subdivision thereof, as well as all applicable remedies, whether legal or equitable. Without limiting the generality of the foregoing, the reservation, retention, and preservation of Estate Claims against any Person, and the term "Estate Claims," shall encompass all Estate Claims against any such Person, including without limitation, all such Estate Claims for breach of contract, all rights to enforce any contract, any form of estoppel, fraud, constructive fraud, abuse of process, malicious prosecution, defamation, libel, slander, conversion, trespass, intentional infliction of emotional distress or other harm, negligence, gross negligence, negligent misrepresentation, fraudulent misrepresentation, vicarious liability, respondeat superior, breach of any duty owed under either applicable law or any contract, breach of any fiduciary duty or duty of loyalty or due care, aiding and/or abetting breach of fiduciary duty, aiding and/or abetting breach of duty of loyalty or due care, alter ego, veil piercing, self-dealing, usurpation of corporate opportunity, ultra vires, turnover of Estate Assets, unauthorized use of Estate Assets, including intellectual property rights or Assets owned by the Debtors or Chapter 11 Trustee, quantum merit, tortious interference, duress, unconscionability, undue influence, and unjust enrichment, as well as any cause of action for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act, or claims arising from or relating to the filing of the involuntary bankruptcy petitions against the Debtors.

3. Highland Claims. All Estate Claims against Highland are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in Adversary Proceeding No. 18-03078-sgj (the "Highland Adversary") and Adversary Proceeding No. 18-03212-sgj (the "Trustee's Adversary"). The Estate Claims against Highland shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

- (a) All such Claims asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;
- (b) All such Claims asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;
- (c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the

Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland, including any claims to avoid and recover amounts transferred by the Debtors to Highland under the Shared Services Agreement or Sub-Advisory Agreement;

(e) All Claims for breach of the Shared Services Agreement or Sub-Advisory Agreement;

(f) All Claims against Highland for amounts paid by the Debtors to Highland under the Shared Services Agreement and Sub-Advisory Agreement, including any Claim that Highland overcharged Acis LP for services under such agreements, charged excessive fees in violation of Acis LP's limited partnership agreement and/or Acis GP's limited liability company agreement, and/or that the Shared Services Agreement and Sub-Advisory Agreement or any related or predecessor agreements are void or voidable based on ultra vires or any other theories of avoidance and recovery, including turnover, conversion and Avoidance Actions under the Bankruptcy Code;

(g) All Claims for breach of the PMAs or the Indentures;

(h) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(i) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(j) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(k) All claims for tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS;

(l) All Claims against Highland for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(m) All Claims against Highland for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(n) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland against the Debtors, Chapter 11 Trustee, or Estate;

(o) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Highland or any Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(p) All Claims based on alter ego or rights to pierce the corporate veil of

Highland as to any Person, including as against any Affiliates of Highland, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland, and,

(q) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

4. HCLOF Claims. All Estate Claims against HCLOF are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary and the Trustee's Adversary. The Estate Claims against HCLOF shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against HCLOF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against HCLOF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against HCLOF;

(e) All Claims for breach of the PMAs or the Indentures;

(f) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(g) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(h) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(i) All Claims against HCLOF for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(j) All Claims against HCLOF for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(k) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by HCLOF against the Debtors, Chapter 11 Trustee, or Estate;

(l) All Claims based on alter ego or rights to pierce the corporate veil of HCLOF as to any Person, including as against any Affiliates of HCLOF or Highland, William Scott, Heather Bestwick, or any other officers, directors, equity interest holders, or Persons otherwise in control of HCLOF; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

5. Highland HCF Advisor, Ltd. Claims. All Estate Claims against Highland HCF Advisor, Ltd. ("Highland HCF") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary. The Estate Claims against Highland HCF shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against Highland HCF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Highland HCF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland HCF;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Highland HCF for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Highland HCF for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland HCF against the Debtors, Chapter 11 Trustee, or

Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Highland HCF as to any Person, including as against any Affiliates of Highland HCF or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland HCF; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

6. Highland CLO Management, Ltd. Claims. All Estate Claims against Highland CLO Management, Ltd. ("Highland CLOM") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary. The Estate Claims against Highland CLOM shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against Highland CLOM asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Highland CLOM asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland CLOM;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Highland CLOM for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Highland CLOM for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland CLOM against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Highland CLOM as to any Person, including as against any Affiliates of Highland CLOM or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland CLOM; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

7. CLO Holdco, Ltd. Claims. All Estate Claims against CLO Holdco, Ltd. ("CLO Holdco") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against CLO Holdco shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against CLO Holdco asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against CLO Holdco asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against CLO Holdco;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against CLO Holdco for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against CLO Holdco for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of CLO Holdco as to any Person, including as against any Affiliates of CLO Holdco or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of CLO Holdco; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

8. **Neutra, Ltd. Claims.** All Estate Claims against Neutra, Ltd. ("Neutra") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against Neutra shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against Neutra asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Neutra asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Neutra;

(e) All Claims for breach of fiduciary or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Neutra for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Neutra for the unauthorized use of Estate Assets

including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Neutra against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Neutra, Highland, or any Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(l) All Claims based on alter ego or rights to pierce the corporate veil of Neutra as to any Person, including as against any Affiliates of Neutra or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Neutra; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

9. Claims against Issuers, Co-Issuers and Indenture Trustee. All Estate Claims against CLO-3, CLO-4, CLO-5, and CLO-6 (collectively, the "Issuers"), Acis CLO 2014-3 LLC, Acis CLO 2014-4 LLC, Acis CLO 2014-5 LLC, and Acis CLO 2015-6 LLC (collectively, the "Co-Issuers"), and the Indenture Trustee are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against the Issuers, Co-Issuers and/or Indenture Trustee shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against the Issuers, Co-Issuers, and/or Indenture Trustee asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against the Issuers, Co-Issuers, and/or Indenture Trustee asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against the Issuers, Co-Issuers and/or Indenture Trustee;

(e) All Claims for breach of the Indentures, PMAs or any other agreements between Acis LP and the Issuers, Co-Issuers, and/or Indenture Trustee;

(f) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(g) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(h) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(i) All Claims against the Issuers, Co-Issuers and/or Indenture Trustee for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(j) All Claims against the Issuers, Co-Issuers and/or Indenture Trustee for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(k) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by the Issuers or Co-Issuers against the Debtors, Chapter 11 Trustee, or Estate; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

10. ~~Highland Affiliate Claims~~ Against Any Affiliates of Highland, HCLOF, Highland HCF, Highland CLOM, CLO Holdco, Neutra, and Their Respective Affiliates. All Estate Claims against any Affiliates of Highland, HCLOF, Highland HCF, Highland CLOM, CLO Holdco, Neutra, and Their Respective Affiliates (collectively, the "Affiliates" and each, an "Affiliate") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary and the Trustee's Adversary. The Estate Claims against ~~any~~ such Affiliates of ~~Highland~~ shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against any ~~Highland~~ Affiliate asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against any ~~Highland~~ Affiliate asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against any ~~Highland~~ Affiliate;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against any ~~Highland~~ Affiliate for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against any ~~Highland~~ Affiliate for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by any ~~Highland~~ Affiliate against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Highland, HCMOF, Highland HCF, Highland CLOM, CLO Holdco, Neutra, or any the Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(l) All Claims based on alter ego or rights to pierce the corporate veil of any ~~Highland~~ Affiliate as to any Person, including as against ~~any other Highland, HCMOF, Highland HCF, Highland CLOM, CLO Holdco, Neutra, the Affiliates of Highland, James D. Dondero, Mark K. Okada,~~ or any officers, directors, equity interest holders, or Persons otherwise in control of any ~~Highland~~ Affiliates; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

11. **Dondero Claims.** All Estate Claims as defined in paragraph 2 above against James D. Dondero, individually, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims against James D. Dondero for fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of fiduciary duty, aiding and abetting breach of duty of loyalty or due care, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any unlawful act, and assisting, encouraging, and/or participating in any unlawful act, as well as any Claim to pierce the corporate veil of any entity to hold James D. Dondero individually liable.

12. **Okada Claims.** All Estate Claims as defined in paragraph 2 above against Mark K. Okada, individually, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims against Mark K. Okada for fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due

care, aiding and abetting breach of fiduciary duty, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any unlawful act, and assisting, encouraging, and participating in any unlawful act, as well as any Claim to pierce the corporate veil of any entity to hold Mark K. Okada individually liable.

13. Preference Claims. All Avoidance Actions pursuant to section 547 of the Bankruptcy Code against any Person are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor for any payment made to any Person by either of the Debtors within ninety (90) days of the Petition Date (which was January 30, 2018), or made by either of the Debtors to any insider within one (1) year of the Petition Date. A non-exhaustive list of Persons who are believed to have received payments from either of the Debtors during the 90-day preference period, and the one-year preference period for Insiders, is attached to this **Exhibit "A" as Schedule "1"**. The Plan reserves, retains and preserves for the benefit of the Estate and Reorganized Debtor all potential Claims arising out of or relating to the transfers reflected in **Schedule "1"**, including all Avoidance Actions pursuant to section 547 of the Bankruptcy Code. All rights and remedies are also reserved, retained and preserved with respect to the transfers reflected in **Schedule "1"** pursuant to section 550 of the Bankruptcy Code.

Schedule "1" reflects transfers made by the Debtors during the 90 days prior to the Petition Date and transfers made by the Debtors to any insiders within one (1) year of the Petition Date. While the Plan reserves, retains and preserves all Avoidance Actions relating to the transfers reflected in **Schedule "1"**, the Chapter 11 Trustee recognizes that certain of these transfers may not constitute a preferential transfer pursuant to section 547(b) of the Bankruptcy Code as a transfer made in the ordinary course of business transactions or based upon new value subsequently given by the transferee. Consequently, the listing of a payment on **Schedule "1"** does not necessarily mean that a transferee will ever be sued to avoid and recover the payment, the transfer, or the value thereof, but only that the Plan reserves, retains and preserves all rights (including Avoidance Actions) as to that payment.

14. Claims Against Officers, Managers and Members. All Estate Claims as defined in paragraph 2 above are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against all present and past officers, employees, members and managers of the Debtors, including all such Estate Causes of Action based on breach of fiduciary duty, aiding and abetting breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of duty of loyalty or due care, self-dealing, usurpation of corporate opportunity, gross negligence or conspiracy. Without limiting the generality of the foregoing, this shall include all D&O Claims as against any present or former officer, director, employee, member, manager, or partner.

15. Claims Against Former Attorneys and Law Firms. All Estate Claims as defined in paragraph 2, above, including Claims for breach of any fiduciary duty or duty of loyalty or due care, conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act, including knowingly aiding, abetting, or assisting with a fraudulent transfer to avoid paying a judgment, negligent or fraudulent misrepresentation, vicarious liability, and respondeat superior, as well as all Claims

for legal or professional malpractice, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against all law firms and attorneys who and which rendered legal services to the Debtors on a prepetition basis including, but not limited to, the following:

- (a) Cole Schotz, P.C.
- (b) Michael D. Warner
- (c) Jacob Frumkin
- (d) Warren A. Usatine
- (e) McKool Smith
- (f) Gary Cruciani
- (g) Michael P. Fritz
- (h) Carson D. Young
- (i) Nicholas Matthews
- ~~(j)~~(j) Lackey Hershman, LLP
- ~~(k)~~(k) Stinson Leonard Street LLP
- (l) Jamie R. Welton
- ~~(k)~~(m) Paul B. Lackey, Esq.
- ~~(n)~~(n) Michael Aigen, Esq.
- (o) Roger L. Mandel
- ~~(m)~~(p) Abrams & Bayliss, LLP
- ~~(n)~~(q) Kevin G. Abrams
- ~~(o)~~(r) A. Thompson Bayliss
- ~~(p)~~(s) Jones Day
- ~~(q)~~(t) Hilda C. Galvan
- ~~(r)~~(u) Michael Weinberg
- ~~(s)~~(v) Reid Collins & Tsai, LLP
- ~~(t)~~(w) Lisa Tsai
- ~~(u)~~(x) Stanton, LLP

~~(v)~~(y) James M. Stanton

~~(w)~~(z) Hunton Andrews Kurth

~~(x)~~(aa) Marc Katz

~~(y)~~(bb) Greg Waller

~~(z)~~(cc) any other law firm or attorney who may be so named at a later date by the Reorganized Debtor.

~~16. Retention of Claims Against Specific Persons or Categories of Persons. In addition to the foregoing, all Estate Claims as defined in paragraph 2 above are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against the following Persons:~~

16. Claims Against Officers, Directors, Employees, Members, and Managers, of Highland, HCLOF, Highland HCF, Highland CLOM, CLO Holdco, Neutra, and Their Respective Affiliates. In addition to the foregoing, all Estate Claims as defined in paragraph 2 above are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against all present and past officers, directors, employees, members and managers of Highland, HCLOF, Highland HCF, Highland CLOM, and their respective Affiliates, including all such Estate Causes of Action based on fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of fiduciary duty, aiding and abetting breach of duty of loyalty or due care, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any unlawful act, and assisting, encouraging, and/or participating in any unlawful act. Such present and past officers, directors, employees, members and managers of Highland, HCLOF, Highland HCF, Highland CLOM, and their respective Affiliates include, but are not limited to, the following Persons:

- (a) William Scott;
- (b) Heather Bestwick;
- (c) Scott Ellington
- (d) Isaac Leventon
- (e) Jean Paul Sevilla
- (f) Hunter Covitz
- (g) The Dugaboy Investment Trust
- (h) Nancy Dondero, Trustee of the Dugaboy Trust
- (i) Grant Scott

(i) Any other Person who may be so named at a later date by the Reorganized Debtor.

(-)

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17. Counterclaims. All Estate Claims as defined in paragraph 2 above are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor both as a basis for an affirmative recovery against the Person against whom such Claims are asserted and as a counterclaim or offset against any Person who asserts a Claim against the Estate or Reorganized Debtor.

18. Piercing the Corporate Veil. With respect to all Estate Claims against any Person, all rights to pierce or ignore the corporate veil are hereby reserved, retained and preserved for the benefit of the Estate and the Reorganized Debtor. Without limiting the generality of the foregoing, this shall include: (a) any right to pierce the corporate veil, including reverse piercing, on any theory or basis, including alter ego or any theory of sham to perpetrate a fraud, and (b) any Claim or basis to pierce the corporate veil of any entity with respect to establishing personal liability against James D. Dondero or Mark K. Okada.

19. Avoidance Actions. All Avoidance Actions are hereby reserved, retained and preserved as to all Persons. The reservation, retention and preservation of such Avoidance Actions shall include the reservation, retention and preservation for the benefit of the Estate and Reorganized Debtor of all rights and remedies pursuant to section 550 of the Bankruptcy Code.

20. Estate Defenses. All Estate Defenses are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor as against any Person asserting any Claim against the Estate. This includes asserting all Estate Claims as an offset to, or counterclaim or right of recoupment against, any Person asserting a Claim against the Estate. All defenses and affirmative defenses pursuant to applicable law are hereby reserved, retained and preserved for the benefit of the Estate and the Reorganized Debtor, including without limitation, accord and satisfaction, assumption of risk, contributory negligence, duress, estoppel, failure of consideration, fraud, illegality, laches, license, payment, release, *res judicata*, collateral estoppel, statute of frauds, statute of limitations or repose, discovery rule, adverse domination doctrine or similar doctrines, set off, recoupment, waiver, and all other defenses to Claims under the Bankruptcy Code, including under sections 502(b)(4) and 502(d).

21. Equitable Subordination. All rights or remedies for Equitable Subordination are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor against any Person asserting any Claim against the Estate, including all such rights or remedies pursuant to section 510(c) of the Bankruptcy Code. Without limiting the generality of the foregoing, this shall include all rights and remedies to Equitable Subordination as to any Claim asserted by Highland, any Affiliates of Highland, or any officers, directors, employees or equity interest owners of the Debtors, Highland, or any Affiliates thereof.

22. Recharacterization. All rights or remedies to recharacterize any Claim as an equity interest in either of the Debtors are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor against any Person asserting any Claim against the Estate. Without limiting the generality of the foregoing, this shall include all rights and remedies to recharacterize any Claim asserted by Highland, any Affiliates of Highland, or any officers, directors, employees or equity interest owners of the Debtors, Highland, or any Affiliates thereof.

Exhibit “3”

[Service Lists]

**Notice Service List
Acis Capital Mgmt./Phelan
#5980**

**BNP Paribas Securities Services
Luxembourg Branch
60 Avenue John F. Kennedy
1855 Luxembourg**

United States Trustee
Lisa Lambert
1100 Commerce St., Room 976
Dallas, TX 75242

Acis CLO 2013-1 Chemical Holdings, LLC
Acis CLO 2013-2 Chemical Holdings, LLC
Acis CLO 2014-3 Chemical Holdings, LLC
1209 Orange Street
Wilmington, DE 19801-1120

Dallas County
c/o Laurie Spindler
Linebarger, Goggan, Blair & Sampson LLP
2777 N Stemmons Frwy, No 1000
Dallas, TX 75207-2328

Dallas County
c/o Sherrel K Knighton
Linebarger Goggan Blair & Sampson, LLP
2777 N. Stemmons Frwy Ste 1000
Dallas, TX 75207-2328

Acis CLO 2014-4 Chemical Holdings, LLC
Acis CLO 2014-5 Chemical Holdings, LLC
Acis CLO 2015-6 Chemical Holdings, LLC
1209 Orange Street
Wilmington, DE 19801-1120

Acis CLO Management, LLC
Acis CLO Value GP, LLC
1209 Orange Street
Wilmington, DE 19801-1120

**Acis CLO Value Fund II (Cayman), L.P.
Acis CLO Value Fund II GP, LLC
Acis CLO Value Master Fund II, L.P.
PO Box 309, Ugland House
Grand Cayman, Cayman Islands KY1-1104**

Acis CLO Value Fund II, L.P.
Acis Loan Funding, Ltd.
Acis Capital Management GP, LLC
300 Crescent Court, Suite 700
Dallas, TX 75201-7849

**Acis Funding GP, Ltd.
Acis Funding L.P.
c/o Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, Cayman Islands KY1 -1104**

U. S. Bank National Association
Attn: Michael Zak
60 Livingston Ave., EP-MN-WS3D
Saint Paul, MN 55107-2292

**State Street (Guernsey) Limited
First Floor Dorey Court
Admiral Park, St. Peter Port, Guernsey
Channel Islands GY1 6HJ**

Mizuho Securities USA Inc.
320 Park Ave., 12th Floor
New York, NY 10022-6848

US Bank National Association
c/o Mark D. Kotwick, Arlene Alves
Seward & Kissell LLP
One Battery Park Plaza
New York, NY 10004-1405

Acis Capital Management, LP
c/o Michael D. Warner
Cole Schotz P.C.
1700 City Center Tower II
301 Commerce St.
Fort Worth, TX 76102-4140

US Bank National Association
c/o Daniel P. Novakov
Frost Brown Todd LLC
100 Crescent Court, Suite 350
Dallas, TX 75201-2348

Acis Capital Management, LP
c/o Warren A. Usatine
Cole Schotz P.C.
25 Main Street
Hackensack, NJ 07601-7189

The Bank of N.Y. Mellon Trust Co., N.A.
225 Liberty Street
New York, NY 10286-0001

Robin Phelan, Chapter 11 Trustee
Phelenlaw
4214 Woodfin Drive
Dallas, TX 75220-6416

Securities and Exchange Commission
801 Cherry Street, Suite 1900, Unit 18
Fort Worth, TX 76102

**Acis Loan Funding, Ltd.
First Floor, Dorey Court
St. Peter Port, Guernsey**

Texas Comptroller of Public Accounts
c/o John M. Stern, Asst. Attorney General
Bankruptcy & Collection Div. MC 008
PO Box 12548
Austin, TX 78711-2548

Office of the Attorney General
Main Justice Building, Room 5111
10th & Constitution Avenue, N.W.
Washington, D.C. 20530

Acis CLO 2013-1 LLC
Acis CLO 2013-2 LLC
850 Library Ave., Suite 204
Newark, DE 19711

Office of the United States Attorney
3rd Floor, 1100 Commerce Street
Dallas, Texas 75242-1699

Highland CLO Management, Ltd.
c/o Strand Advisors, Inc., Attn. James Dondero
300 Crescent Court, Suite 700
Dallas, TX 75201

Internal Revenue Service
Special Procedures – Insolvency
P.O. Box 7346
Philadelphia, PA 1901-7346

000583

US Bank
PO Box 5229
Cincinnati, OH 45201-5229

Acis CLO 2014-5 Ltd.
Acis CLO 2015-6 Ltd.
c/o MaplesFS Limited
P.O. Box 1093, Boundary Hall, Cricket Sq
Grand Cayman, Cayman Islands KY1-1102

Highland HCF Advisor, Ltd.
c/o James Dondero, President
300 Crescent Court, Suite 700
Dallas, TX 75201

Diane G. Reed
Reed & Elmquist, PC
501 N. College St.
Waxahachie, TX 75165-3361

Hewett's Island CLO I-R, Ltd.
c/o Maples Finance Limited
PO Box 1093, Queensgate House
South Church St., George Town
Grand Cayman, Cayman Island KY1-1102

Highland CLO Management, Ltd.
c/o Strand Advisors, Inc.
Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801

Diane G. Reed
c/o David W. Elmquist
Reed & Elmquist, PC
501 N. College St.
Waxahachie, TX 75165-3361

U.S. Bank National Association
Attention: Global Corporate Trust –
Acis CLO 2013-1 and 2013-2190 S. LaSalle
Street, 8th Floor
Chicago, IL 60603

Acis CLO 2015-6 Ltd.
P.O. Box 1093, Boundary Hall, Cricket Sq
Grand Cayman, Cayman Islands KY1-1102,

Highland CLO Management, Ltd.
c/o Maples Corporate Services, Ltd.
P.O. Box 309, Ugland House,
South Church Street, George Town
Grand Cayman, Cayman Island KY1-1004

U.S. Bank National Association
Attention: Global Corporate Trust –
Acis CLO 2014-3 and 2014-4190 S. LaSalle
Street, 8th Floor
Chicago, IL 60603

Acis CLO 2014-3 LLC
Acis CLO 2014-4
850 Library Ave., Suite 204
Newark, DE 19711

Acis CLO 2013-1 Ltd.
Acis CLO 2013-2
c/o Eterra Trust (f/k/a Appleby Trust)
Clifton House 75 Port St., P.O. Box 1350
Grand Cayman, Cayman Islands KY 1-1108

U.S. Bank National Association
Attention: Global Corporate Trust –
Acis CLO 2014-5 and Acis CLO 2015-6190 S.
LaSalle Street, 8th Floor
Chicago, IL 60603

Acis CLO 2014-5 LLC
Acis CLO 2015-6 LLC
850 Library Ave., Suite 204
Newark, DE 19711

Acis CLO 2014-3 Ltd.
Acis CLO 2014-4 Ltd.
c/o MaplesFS Limited
P.O. Box 1093, Boundary Hall, Cricket Sq
Grand Cayman, Cayman Islands KY1-1102

Deutsche Bank Trust Company Americas
Attn: CDO Business Unit – Hewett's
Island CLO 1-R
1761 East St. Andrew Place
Santa Ana, CA 92705

Acis CLO 2017-7 Ltd.
c/o MaplesFS Limited, Attn: Directors
PO Box 1093, Boundary Hall, Cricket Sq,
Grand Cayman, Cayman Islands KY1 -1102

**Highlands Service List
ACIS #5980**

Highland CLO Funding, Ltd.
c/o Paul R. Bessette/Rebecca Matsumura
King & Spalding LLP
500 West 2nd St., Suite 1800
Austin, TX 78701-4684

Highland CLO Funding, Ltd.
c/o Daniel Elms/Heather Jobe/Scott Larson
Bell Nunnally & Martin LLP
3232 McKinney Ave., Suite 1400
Dallas, TX 75204

Highland CLO Funding Ltd.
c/o Mark M. Maloney/W. Austin Jowers
King & Spalding LLP
1180 Peachtree Street NE
Atlanta, GA 30309

Highland CLO Funding, Ltd.
c/o Michael K. Hurst/Ben A. Barnes
Lynn Pinker Cox & Hurst LLP
2100 Ross Ave., Suite 2700
Dallas, TX 75201

Highland CLO Funding, Ltd.
c/o H. O'Neil, J. Binford, S. Beck, M. Bales
Foley Gardere Foley & Lardner, LLP
2021 McKinney Ave., Suite 1600
Dallas, TX 75201

Highland CLO Funding, Ltd.
First Floor, Dorey Court
Admiral Park, St. Peter Port
Guernsey GY1 6HJ, Channel Islands

Highland CLO Management, Ltd.
c/o Strand Advisors, Inc.
Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801

Highland CLO Management, Ltd.
c/o Maples Corporate Services, Ltd.
P.O. Box 309, Ugland House,
South Church Street, George Town
Grand Cayman, Cayman Island KY1-1004

Highland CLO Management, Ltd.
P.O. Box 309 Ugland House
South Church Street
George Town, Grand Cayman KY1-1004

Highland CLO Management, Ltd.
c/o Summit Management Ltd.
P.O. Box 32311
Grand Cayman, KY1-1209
Cayman Islands

Highland CLO Management, Ltd.
c/o Summit Management Ltd.
Suite #4-210 Governor's Square
23 Lime Tree Bay Avenue
Grand Cayman, Cayman Islands

Highland HCF Advisor, Ltd.
c/o Maples Corporate Services, Ltd.
P.O. Box 309, Ugland House,
South Church Street, George Town
Grand Cayman, Cayman Island KY1-1004

Highland HCF Advisor, Ltd.
c/o James Dondero, President
300 Crescent Court, Suite 700
Dallas, TX 75201

Highland CLO Management, Ltd.
c/o Strand Advisors, Inc.
Attn. James Dondero
300 Crescent Court, Suite 700
Dallas, TX 75201

Neutra, Ltd.
c/o Daniel Elms/Heather Jobe/Scott Larson
Bell Nunnally & Martin LLP
3232 McKinney Ave., Suite 1400
Dallas, TX 75204

Neutra, Ltd.
c/o Michael K. Hurst/Ben A. Barnes
Lynn Pinker Cox & Hurst LLP
2100 Ross Ave., Suite 2700
Dallas, TX 75201

Neutra, Ltd.
c/o H. O'Neil, J. Binford, S. Beck, M. Bales
Foley Gardere Foley & Lardner, LLP
2021 McKinney Ave., Suite 1600
Dallas, TX 75201

CLO Holdco, Ltd.
c/o Intertrust Corp. Svcs. (Cayman) Ltd.
190 Elgin Ave., George Town
Grand Cayman, Cayman Islands KY1-9005

CLO Holdco, Ltd.
c/o Daniel Elms/Heather Jobe/Scott Larson
Bell Nunnally & Martin LLP
3232 McKinney Ave., Suite 1400
Dallas, TX 75204

CLO Holdco, Ltd.
c/o H. O'Neil, J. Binford, S. Beck, M. Bales
Foley Gardere Foley & Lardner, LLP
2021 McKinney Ave., Suite 1600
Dallas, TX 75201

The Dugaboy Investment Trust
300 Crescent Court, Suite 700
Dallas, TX 75201-1876

**Creditors Service List
Acis Capital Mgmt./Phelan
#5980**

Class 2

Joshua N. Terry
25 Highland Park Village
Suite 100-848
Dallas, TX 75205-2726

Joshua N. Terry
c/o Brian P. Shaw/John M. Lynch
Rogge Dunn Group, PC
1201 Elm St., Suite 5200
Dallas, TX 75270

Joshua N. Terry
350 9 Princeton Ave.
Dallas, TX 75205-3246

Class 3

Andrews Kurth Kenyon LLP
600 Travis, Suite 4200
Houston, TX 77002-2929

CSI Global Deposition Services
4950 N. O'Connor Road, Suite 152
Irving, TX 75062 - 2778

CT Corporation
P0 Box 4349
Carol Stream, IL 60197-4349

Case Anywhere LLC
21860 Burbank Blvd., Suite 125
Woodland Hills, CA 91367-7447

David Langford
1321 Indian Creek
DeSoto, TX 75115-3652

David Simek
31 Woodacres Road
Brookville, NY 11545-2911

Drexel Limited
309 23rd Street, #340
Miami Beach, FL 33139-1700

Elite Document Technology
400 N. Saint Paul St., Suite 1300
Dallas, TX 75201-6881

Highfield Equities, Inc.
3131 McKinney Ave., Suite 215
Dallas, TX 75204-2421

JAMS, Inc.
18881 Von Karman Ave., Suite 350
Irvine, CA 92612-6589

Jones Day
2727 N. Harwood Street
Dallas, TX 75201-1568

Lackey Hershman LLP
3102 Oak Lawn Ave., Suite 777
Dallas, TX 75219-4259

KPMG LLP (USA)
Two Financial Center
60 South Street
Boston, MA 02111-2759

KPMG LLP
2323 Ross Ave., Suite 1400
Dallas, TX 75201-2721

KPMG LLP
Aon Center
200 E. Randolph St., Suite 5500
Chicago, IL 60601-6607

McKool Smith, P.C.
300 Crescent Court, Suite 1500
Dallas, TX 75201-6970

Reid Collins & Tsai, LLP
Building C, Suite 300
1301 S. Capital of Texas Highway
Austin, TX 78746-6550

Stanton Advisors LLC
300 Coles St., Apt. 802
Jersey City, NJ 07310-1047

000586

Stanton Law Firm
9400 North Central Expwy., Suite 1304
Dallas, TX 75231-5047

The TASA Group, Inc.
1166 DeKalb Pike
Blue Bell, PA 19422- 1853

Acis CLO 2013-1, Ltd., et al.
c/o David Neier
Winston & Strawn LLP
200 Park Ave.
New York, NY 10166-4193

Acis CLO 2013-1 LLC
850 Library Ave., Suite 204
Newark, DE 19711

Acis CLO 2014-3 LLC
850 Library Ave., Suite 204
Newark, DE 19711

Acis CLO 2014-4 LLC
850 Library Ave., Suite 204
Newark, DE 19711

Acis CLO 2014-5 LLC
850 Library Ave., Suite 204
Newark, DE 19711

Acis CLO 2015-6 LLC
850 Library Ave., Suite 204
Newark, DE 19711

Directors - Acis CLO 2013-1 Ltd.
75 Fort St., Clifton House
PO Box 1350
George Town, Grand Cayman
Cayman Island, KY1-1108

Directors - Acis CLO 2014-3 Ltd.
PO Box 1093
KY1-1102, Cricket Square
Grand Cayman

Directors - Acis CLO 2014-4 Ltd.
PO Box 1093
KY1-1102, Cricket Square
Grand Cayman

Directors - Acis CLO 2014-5 Ltd.
PO Box 1093
KY1-1102, Cricket Square
Grand Cayman

Directors - Acis CLO 2015-6 Ltd.
PO Box 1093
KY1-1102, Cricket Square
Grand Cayman

Acis CLO 2013-1, Ltd.
c/o Appleby Trust, Attn: Directors
Clifton House 75 Fort St., PO Box 13
Grand Cayman, Cayman Islands KY1-1108

Acis CLO 2013-2 Ltd.
c/o MaplesFS Limited, Attn: Directors
PO Box 1093, Boundary Hall, Cricket Sq.
Grand Cayman, Cayman Islands KY1-1102

Acis CLO 2014-3 Ltd.
c/o MaplesFS Limited, Attn: Directors
PO Box 1093, Boundary Hall, Cricket Sq.
Grand Cayman, Cayman Islands KY1-1102

Acis CLO 2014-4 Ltd.
c/o MaplesFS Limited, Attn: Directors
PO Box 1093, Boundary Hall, Cricket Sq.
Grand Cayman, Cayman Islands KY1-1102

Acis CLO 2014-5 Ltd.
c/o MaplesFS Limited, Attn: Directors
PO Box 1093, Boundary Hall, Cricket Sq.
Grand Cayman, Cayman Islands KY1-1102

Acis CLO 2015-6 Ltd.
c/o MaplesFS Limited, Attn: Directors
PO Box 1093, Boundary Hall, Cricket Sq.
Grand Cayman, Cayman Islands KY1 -1102

Acis CLO 2017-7 Ltd.
c/o MaplesFS Limited, Attn: Directors
PO Box 1093, Boundary Hall, Cricket Sq.
Grand Cayman, Cayman Islands KY1 -1102

Acis CLO 2013-1, Ltd., et al.
c/o Thomas Melsheimer/Lane Webster
Winston & Strawn LLP
2501 N. Harwood St., 17th Floor
Dallas, TX 75201

Jennifer G. Terry
25 Highland Park Village, Suite 100-848
Dallas, TX 75205

Hunton Andrews Kurth LLP
c/o M. Christine Klein, Dep. Gen. Counsel
Riverfront Plaza, East Tower
951 East Byrd St.
Richmond, VA 23219

Patrick H. Daugherty
3621 Cornell Ave.
Dallas, TX 75250

Stinson Leonard Street LLP
Attn: Paul Lackey
3102 Oak Lawn Ave., Suite 777
Dallas, TX 75219

Class 4

Highland Capital Management, LP
300 Crescent Court, Suite 700
Dallas, TX 75201-7849

Highland Capital Management, LP
1209 Orange Street
Wilmington, DE 19801-1120

Highland Capital Management, LP
c/o Michael K. Hurst/Ben A. Barnes
Lynn Pinker Cox & Hurst LLP
2100 Ross Ave., Suite 2700
Dallas, TX 75201

Highland Capital Management, LP, Highland
c/o H. O'Neil, J. Binford, S. Beck, M. Bales
Foley Gardere Foley & Lardner, LLP
2021 McKinney Ave., Suite 1600
Dallas, TX 75201

EXHIBIT “4”

**[Supplement to Second Modification to the Third Amended
Joint Plan for Acis Capital Management, L.P. and Acis Capital
Management GP, LLC – Dkt. No. 769]**

Rakhee V. Patel – State Bar No. 00797213
Phillip Lamberson – State Bar No. 00794134
Joe Wielebinski – State Bar No. 21432400
Annmarie Chiarello – State Bar No. 24097496
WINSTEAD PC
500 Winstead Building
2728 N. Harwood Street
Dallas, Texas 75201
Telephone: (214) 745-5400
Facsimile: (214) 745-5390
rpatel@winstead.com
plamberson@winstead.com
jwielebinski@winstead.com
achiarello@winstead.com

Jeff P. Prostok – State Bar No. 16352500
J. Robert Forshey – State Bar No. 07264200
Suzanne K. Rosen – State Bar No. 00798518
Matthew G. Maben – State Bar No. 24037008
FORSHEY & PROSTOK LLP
777 Main St., Suite 1290
Ft. Worth, TX 76102
Telephone: (817) 877-8855
Facsimile: (817) 877-4151
jprostok@forsheyprostok.com
bforshey@forsheyprostok.com
srosen@forsheyprostok.com
mmaben@forsheyprostok.com

**COUNSEL FOR ROBIN PHELAN,
CHAPTER 11 TRUSTEE**

**SPECIAL COUNSEL FOR
ROBIN PHELAN, CHAPTER 11 TRUSTEE**

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

IN RE:	§	
	§	CHAPTER 11 CASES
	§	
ACIS CAPITAL MANAGEMENT, L.P.,	§	CASE NO. 18-30264-sgj11
ACIS CAPITAL MANAGEMENT GP, LLC,	§	(Jointly Administered)
	§	
Debtors.	§	

**SUPPLEMENT TO SECOND MODIFICATION TO THE THIRD AMENDED JOINT
PLAN FOR ACIS CAPITAL MANAGEMENT, LP AND
ACIS CAPITAL MANAGEMENT GP, LLC**

Robin Phelan (“Trustee”), the Chapter 11 Trustee for Acis Capital Management, LP and Acis Capital Management GP, LLC (the “Debtors”), files this Supplement to the Second Modification (the “Second Modification”) to the *Third Amended Joint Chapter 11 Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC* [Docket No. 660], as modified by the *First Modification to the Third Amended Joint Chapter 11 Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC* [Docket No. 693] (together, the “Plan”).

1. On November 16, 2018, the Trustee filed the Second Modification. The Second Modification modified the Plan to replace the Exhibit “A,” reflecting Estate Claims, with a revised version of Exhibit A. The Schedule “1” to Exhibit A, which reflects the Estate’s Preference Claims, was not changed from the version attached to the Plan but was inadvertently omitted from the Second Modification. For completeness and to avoid any confusion regarding the Preference Claims being reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, the Second Modification is hereby supplemented with the Schedule “1” to Exhibit “A” to the Plan.

2. A copy of the Schedule “1” is attached hereto as **Exhibit 1**.

3. A copy of the complete Exhibit “A” to the Plan, including Schedule “1,” is attached hereto as **Exhibit “2.”**

4. A redline is not necessary because the attached Schedule “1” is unchanged from the version attached to the Plan and included in the Trustee’s solicitation materials.

Dated: December 10, 2018.

Respectfully submitted,

ACIS CAPITAL MANAGEMENT, L.P.

By: /s/ Robin Phelan
Robin Phelan
Chapter 11 Trustee

ACIS CAPITAL MANAGMENET GP, LLC

By: /s/ Robin Phelan
Robin Phelan
Chapter 11 Trustee

APPROVED:

/s/ Jeff P. Prostok

Jeff P. Prostok – State Bar No. 16352500
J. Robert Forshey – State Bar No. 07264200
Suzanne K. Rosen – State Bar No. 00798518
Matthew G. Maben – State Bar No. 24037008
FORSHEY & PROSTOK LLP
777 Main St., Suite 1290
Ft. Worth, TX 76102
Telephone: (817) 877-8855
Facsimile: (817) 877-4151
jprostok@forsheyprostok.com
bforshey@forsheyprostok.com
srosen@forsheyprostok.com
mmaben@forsheyprostok.com

**COUNSEL FOR ROBIN PHELAN,
CHAPTER 11 TRUSTEE**

APPROVED:

/s/ Rahkee V. Patel

Rakhee V. Patel – State Bar No. 00797213
Phillip Lamberson – State Bar No. 00794134
Joe Wielebinski – State Bar No. 21432400
Annmarie Chiarello – State Bar No. 24097496
WINSTEAD PC
500 Winstead Building
2728 N. Harwood Street
Dallas, Texas 75201
Telephone: (214) 745-5400
Facsimile: (214) 745-5390
rpatel@winstead.com
plamberson@winstead.com
jwielebinski@winstead.com
achiarello@winstead.com

**SPECIAL COUNSEL FOR ROBIN
PHELAN, CHAPTER 11 TRUSTEE**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document and the attached exhibits were served electronically via the Court's Electronic Court Filing (ECF) notification system on December 10, 2018.

/s/ Jeff P. Prostok

Jeff P. Prostok

EXHIBIT “1”

Schedule “1” to Exhibit “A” to
Third Amended Plan

Third Amended Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

NAME	ADDRESS	DATE OF PAYMENT		PAYMENT AMOUNT	REASON FOR PAYMENT ON SCHEDULES
		90 Days of Petition Date			
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	11/2/2017		\$234,013.63	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	11/3/2017		\$941,958.57	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	12/8/2017		\$89,655.14	Services
David Simek	31 Woodacres Road Brookville, NY 11545	11/15/2017		\$2,068.13	Services
David Simek	31 Woodacres Road Brookville, NY 11545	11/30/2017		\$24,266.71	Services
David Simek	31 Woodacres Road Brookville, NY 11545	12/12/2017		\$1,718.79	Services
David Simek	31 Woodacres Road Brookville, NY 11545	12/29/2017		\$25,000.00	Services
FINRA	1735 K Street, NW Washington, DC 20006	11/22/2017		\$70.00	Suppliers or Vendors
Highland CLO Management, Ltd.	PO Box 309, Ugland House Grand Cayman, KY1-1104, Cayman Islands	12/19/2017		\$2,830,459.22	Services
Payments to Insiders within One Year of Petition Date					
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/1/2017		\$976,688.47	Contractual Payment
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/1/2017		\$1,096,033.37	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/2/2017		\$3,574.80	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/14/2017		\$67.44	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/17/2017		\$315,574.30	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/18/2017		\$438,497.51	Services

Third Amended Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

NAME			DATE OF PAYMENT		PAYMENT AMOUNT		REASON FOR PAYMENT ON SCHEDULES	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		4/18/2017		\$375,855.01		Contractual Payment	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		4/19/2017		\$330,249.69		Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		5/1/2017		\$974,426.41		Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		5/31/2017		\$2,809,518.47		Unsecured loan repayments including interest	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		5/31/2017		\$581,036.15		Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		7/18/2017		\$373,167.08		Contractual Payment	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		8/1/2017		\$971,603.02		Contractual Payment	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		8/7/2017		\$1,339,422.12		Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		8/16/2017		\$53.41		Expense Reimbursement	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		10/18/2017		\$372,872.82		Contractual Payment	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		10/18/2017		\$728,702.26		Services	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		10/24/2017		\$501,979.18		Unsecured loan repayments including interest	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		10/25/2017		\$46,648.82		Expense Reimbursement	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		10/25/2017		\$67,966.85		Expense Reimbursement	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208		11/1/2017		\$967,223.91		Contractual Payment	

000595

EXHIBIT “2”

[Exhibit “A” to Third Amended Plan
as Supplemented]

EXHIBIT "A"
to
Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

1. Defined Terms. This Exhibit "A" constitutes an integral part of the Plan of which it is a part. Defined terms in the Plan are to be given the same meaning in this Exhibit "A". The rules of construction set forth in Article I.B. of the Plan shall likewise apply to this Exhibit "A".

2. Estate Claims Reserved, Retained and Preserved. All Estate Claims are hereby reserved, retained and preserved, and shall all be transferred to, and vested in, the Reorganized Debtor pursuant to this Plan, and shall include without limitation all of the Estate Claims described below. In reserving, retaining, and preserving Estate Claims against any named Person or category of Persons, it is the intent of this Plan to so reserve, retain, and preserve any and all Estate Claim against each such Person or category of Persons, including all such Estate Claims pursuant to any applicable common law, based on any contract or agreement or based upon any law, statute or regulation of any political entity, including the United States and any state or political subdivision thereof, as well as all applicable remedies, whether legal or equitable. Without limiting the generality of the foregoing, the reservation, retention, and preservation of Estate Claims against any Person, and the term "Estate Claims," shall encompass all Estate Claims against any such Person, including without limitation, all such Estate Claims for breach of contract, all rights to enforce any contract, any form of estoppel, fraud, constructive fraud, abuse of process, malicious prosecution, defamation, libel, slander, conversion, trespass, intentional infliction of emotional distress or other harm, negligence, gross negligence, negligent misrepresentation, fraudulent misrepresentation, vicarious liability, respondeat superior, breach of any duty owed under either applicable law or any contract, breach of any fiduciary duty or duty of loyalty or due care, aiding and/or abetting breach of fiduciary duty, aiding and/or abetting breach of duty of loyalty or due care, alter ego, veil piercing, self-dealing, usurpation of corporate opportunity, ultra vires, turnover of Estate Assets, unauthorized use of Estate Assets, including intellectual property rights or Assets owned by the Debtors or Chapter 11 Trustee, quantum merit, tortious interference, duress, unconscionability, undue influence, and unjust enrichment, as well as any cause of action for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act, or claims arising from or relating to the filing of the involuntary bankruptcy petitions against the Debtors.

3. Highland Claims. All Estate Claims against Highland are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in Adversary Proceeding No. 18-03078-sgj (the "Highland Adversary") and Adversary Proceeding No. 18-03212-sgj (the "Trustee's Adversary"). The Estate Claims against Highland shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the

Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland, including any claims to avoid and recover amounts transferred by the Debtors to Highland under the Shared Services Agreement or Sub-Advisory Agreement;

(e) All Claims for breach of the Shared Services Agreement or Sub-Advisory Agreement;

(f) All Claims against Highland for amounts paid by the Debtors to Highland under the Shared Services Agreement and Sub-Advisory Agreement, including any Claim that Highland overcharged Acis LP for services under such agreements, charged excessive fees in violation of Acis LP's limited partnership agreement and/or Acis GP's limited liability company agreement, and/or that the Shared Services Agreement and Sub-Advisory Agreement or any related or predecessor agreements are void or voidable based on ultra vires or any other theories of avoidance and recovery, including turnover, conversion and Avoidance Actions under the Bankruptcy Code;

(g) All Claims for breach of the PMAs or the Indentures;

(h) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(i) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(j) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(k) All claims for tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS;

(l) All Claims against Highland for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(m) All Claims against Highland for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(n) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland against the Debtors, Chapter 11 Trustee, or Estate;

(o) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Highland or any Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(p) All Claims based on alter ego or rights to pierce the corporate veil of

Highland as to any Person, including as against any Affiliates of Highland, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland, and,

(q) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

4. HCLOF Claims. All Estate Claims against HCLOF are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary and the Trustee's Adversary. The Estate Claims against HCLOF shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against HCLOF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against HCLOF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against HCLOF;

(e) All Claims for breach of the PMAs or the Indentures;

(f) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(g) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(h) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(i) All Claims against HCLOF for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(j) All Claims against HCLOF for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(k) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by HCLOF against the Debtors, Chapter 11 Trustee, or Estate;

(l) All Claims based on alter ego or rights to pierce the corporate veil of HCLOF as to any Person, including as against any Affiliates of HCLOF or Highland, William Scott, Heather Bestwick, or any other officers, directors, equity interest holders, or Persons otherwise in control of HCLOF; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

5. Highland HCF Advisor, Ltd. Claims. All Estate Claims against Highland HCF Advisor, Ltd. ("Highland HCF") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary. The Estate Claims against Highland HCF shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against Highland HCF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Highland HCF asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland HCF;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Highland HCF for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Highland HCF for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland HCF against the Debtors, Chapter 11 Trustee, or

Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Highland HCF as to any Person, including as against any Affiliates of Highland HCF or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland HCF; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

6. Highland CLO Management, Ltd. Claims. All Estate Claims against Highland CLO Management, Ltd. ("Highland CLOM") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary. The Estate Claims against Highland CLOM shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against Highland CLOM asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Highland CLOM asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Highland CLOM;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Highland CLOM for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Highland CLOM for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland CLOM against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Highland CLOM as to any Person, including as against any Affiliates of Highland CLOM or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Highland CLOM; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

7. CLO Holdco, Ltd. Claims. All Estate Claims against CLO Holdco, Ltd. ("CLO Holdco") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against CLO Holdco shall include all Estate Claims set forth in paragraph 2 above, including without limitation, the following:

(a) All such Claims against CLO Holdco asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against CLO Holdco asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against CLO Holdco;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against CLO Holdco for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against CLO Holdco for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Highland against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of CLO Holdco as to any Person, including as against any Affiliates of CLO Holdco or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of CLO Holdco; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

8. Neutra, Ltd. Claims. All Estate Claims against Neutra, Ltd. ("Neutra") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against Neutra shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against Neutra asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against Neutra asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against Neutra;

(e) All Claims for breach of fiduciary or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against Neutra for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against Neutra for the unauthorized use of Estate Assets

including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by Neutra against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Neutra, Highland, or any Affiliates thereof, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(l) All Claims based on alter ego or rights to pierce the corporate veil of Neutra as to any Person, including as against any Affiliates of Neutra or Highland, or any other officers, directors, equity interest holders, or Persons otherwise in control of Neutra; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

9. Claims against Issuers, Co-Issuers and Indenture Trustee. All Estate Claims against CLO-3, CLO-4, CLO-5, and CLO-6 (collectively, the "Issuers"), Acis CLO 2014-3 LLC, Acis CLO 2014-4 LLC, Acis CLO 2014-5 LLC, and Acis CLO 2015-6 LLC (collectively, the "Co-Issuers"), and the Indenture Trustee are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Trustee's Adversary. The Estate Claims against the Issuers, Co-Issuers and/or Indenture Trustee shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against the Issuers, Co-Issuers, and/or Indenture Trustee asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against the Issuers, Co-Issuers, and/or Indenture Trustee asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against the Issuers, Co-Issuers and/or Indenture Trustee;

(e) All Claims for breach of the Indentures, PMAs or any other agreements between Acis LP and the Issuers, Co-Issuers, and/or Indenture Trustee;

(f) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(g) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(h) All Claims for usurpation of a corporate opportunity belonging to either of the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(i) All Claims against the Issuers, Co-Issuers and/or Indenture Trustee for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(j) All Claims against the Issuers, Co-Issuers and/or Indenture Trustee for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(k) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by the Issuers or Co-Issuers against the Debtors, Chapter 11 Trustee, or Estate; and,

(l) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

10. Claims Against Any Affiliates of Highland, HCLOF, Highland HCF, Highland CLOM, CLO Holdco, Neutra, and Their Respective Affiliates. All Estate Claims against any Affiliates of Highland, HCLOF, Highland HCF, Highland CLOM, CLO Holdco, Neutra, and Their Respective Affiliates (collectively, the "Affiliates" and each, an "Affiliate") are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims asserted by the Chapter 11 Trustee in the Highland Adversary and the Trustee's Adversary. The Estate Claims against such Affiliates shall include all Estate Claims set forth in paragraph 2 above, including without limitation the following:

(a) All such Claims against any Affiliate asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Highland Adversary;

(b) All such Claims against any Affiliate asserted by the Chapter 11 Trustee or Estate in, or which could be asserted based on the facts or transactions alleged in, the Trustee's Adversary;

(c) All such Claims and Defenses asserted by the Chapter 11 Trustee or Estate, or which could be asserted by the Chapter 11 Trustee or Estate, based on the facts or transactions alleged in any other adversary proceedings or Claim Objections filed by the Chapter 11 Trustee or Estate;

(d) All Avoidance Actions against any Affiliate;

(e) All Claims for breach of fiduciary duty or duty of loyalty or due care owed to the Debtors or Chapter 11 Trustee;

(f) All Claims for aiding and/or abetting breach of fiduciary duty, breach of duty loyalty or due care, or any other unlawful act;

(g) All Claims for usurpation of a corporate opportunity belonging to either of

the Debtors, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs;

(h) All Claims against any Affiliate for the turnover of Estate Assets, including Estate property that the Chapter 11 Trustee may use, sell or lease under section 363 of the Bankruptcy Code including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate, as well as the turnover of any books, documents, records and papers relating to the Debtors' property or financial affairs;

(i) All Claims against any Affiliate for the unauthorized use of Estate Assets including, without limitation, any intellectual property rights or Assets owned by the Debtors or Estate;

(j) All Claims, rights or remedies for Equitable Subordination or Recharacterization of any Claim by any Affiliate against the Debtors, Chapter 11 Trustee, or Estate;

(k) All Claims based on alter ego or rights to pierce the corporate veil of Acis LP as to any Person, including as against Highland, HCLOF, Highland HCF, Highland CLOM, CLO Holdco, Neutra, the Affiliates, James D. Dondero, Mark K. Okada, or any other officers, directors, equity interest holders, or Persons otherwise in control of Acis LP;

(l) All Claims based on alter ego or rights to pierce the corporate veil of any Affiliate as to any Person, including as against Highland, HCLOF, Highland HCF, Highland CLOM, CLO Holdco, Neutra, the Affiliates, James D. Dondero, Mark K. Okada, or any officers, directors, equity interest holders, or Persons otherwise in control of any Affiliates; and,

(m) All Claims for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

11. Dondero Claims. All Estate Claims as defined in paragraph 2 above against James D. Dondero, individually, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims against James D. Dondero for fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of fiduciary duty, aiding and abetting breach of duty of loyalty or due care, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any unlawful act, and assisting, encouraging, and/or participating in any unlawful act, as well as any Claim to pierce the corporate veil of any entity to hold James D. Dondero individually liable.

12. Okada Claims. All Estate Claims as defined in paragraph 2 above against Mark K. Okada, individually, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor, including without limitation all such Estate Claims against Mark K. Okada for fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of fiduciary duty, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other

Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any unlawful act, and assisting, encouraging, and participating in any unlawful act, as well as any Claim to pierce the corporate veil of any entity to hold Mark K. Okada individually liable.

13. Preference Claims. All Avoidance Actions pursuant to section 547 of the Bankruptcy Code against any Person are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor for any payment made to any Person by either of the Debtors within ninety (90) days of the Petition Date (which was January 30, 2018), or made by either of the Debtors to any insider within one (1) year of the Petition Date. A non-exhaustive list of Persons who are believed to have received payments from either of the Debtors during the 90-day preference period, and the one-year preference period for Insiders, is attached to this **Exhibit "A"** as **Schedule "1"**. The Plan reserves, retains and preserves for the benefit of the Estate and Reorganized Debtor all potential Claims arising out of or relating to the transfers reflected in **Schedule "1"**, including all Avoidance Actions pursuant to section 547 of the Bankruptcy Code. All rights and remedies are also reserved, retained and preserved with respect to the transfers reflected in **Schedule "1"** pursuant to section 550 of the Bankruptcy Code.

Schedule "1" reflects transfers made by the Debtors during the 90 days prior to the Petition Date and transfers made by the Debtors to any insiders within one (1) year of the Petition Date. While the Plan reserves, retains and preserves all Avoidance Actions relating to the transfers reflected in **Schedule "1"**, the Chapter 11 Trustee recognizes that certain of these transfers may not constitute a preferential transfer pursuant to section 547(b) of the Bankruptcy Code as a transfer made in the ordinary course of business transactions or based upon new value subsequently given by the transferee. Consequently, the listing of a payment on **Schedule "1"** does not necessarily mean that a transferee will ever be sued to avoid and recover the payment, the transfer, or the value thereof, but only that the Plan reserves, retains and preserves all rights (including Avoidance Actions) as to that payment.

14. Claims Against Officers, Managers and Members. All Estate Claims as defined in paragraph 2 above are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against all present and past officers, employees, members and managers of the Debtors, including all such Estate Causes of Action based on breach of fiduciary duty, aiding and abetting breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of duty of loyalty or due care, self-dealing, usurpation of corporate opportunity, gross negligence or conspiracy. Without limiting the generality of the foregoing, this shall include all D&O Claims as against any present or former officer, director, employee, member, manager, or partner.

15. Claims Against Former Attorneys and Law Firms. All Estate Claims as defined in paragraph 2, above, including Claims for breach of any fiduciary duty or duty of loyalty or due care, conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act, including knowingly aiding, abetting, or assisting with a fraudulent transfer to avoid paying a judgment, negligent or fraudulent misrepresentation, vicarious liability, and respondeat superior, as well as all Claims for legal or professional malpractice, are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against all law firms and attorneys who and which

rendered legal services to the Debtors on a prepetition basis including, but not limited to, the following:

- (a) Cole Schotz, P.C.
- (b) Michael D. Warner
- (c) Jacob Frumkin
- (d) Warren A. Usatine
- (e) McKool Smith
- (f) Gary Cruciani
- (g) Michael P. Fritz
- (h) Carson D. Young
- (i) Nicholas Matthews
- (j) Lackey Hershman, LLP
- (k) Stinson Leonard Street LLP
- (l) Jamie R. Welton
- (m) Paul B. Lackey
- (n) Michael Aigen
- (o) Roger L. Mandel
- (p) Abrams & Bayliss, LLP
- (q) Kevin G. Abrams
- (r) A. Thompson Bayliss
- (s) Jones Day
- (t) Hilda C. Galvan
- (u) Michael Weinberg
- (v) Reid Collins & Tsai, LLP
- (w) Lisa Tsai
- (x) Stanton, LLP
- (y) James M. Stanton

(z) Hunton Andrews Kurth

(aa) Marc Katz

(bb) Greg Waller

(cc) any other law firm or attorney who may be so named at a later date by the Reorganized Debtor.

16. Claims Against Officers, Directors, Employees, Members, and Managers, of Highland, HCLOF, Highland HCF, Highland CLOM, CLO Holdco, Neutra, and Their Respective Affiliates. In addition to the foregoing, all Estate Claims as defined in paragraph 2 above are hereby reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor against all present and past officers, directors, employees, members and managers of Highland, HCLOF, Highland HCF, Highland CLOM, and their respective Affiliates, including all such Estate Causes of Action based on fraud, constructive fraud, breach of fiduciary duty, breach of duty of loyalty or due care, aiding and abetting breach of fiduciary duty, aiding and abetting breach of duty of loyalty or due care, self-dealing, ultra vires, conversion, usurpation of corporate opportunity, including in relation to Acis CLO 2017-7, Ltd and any other Acis CLOs, tortious interference, including in relation to Universal-Investment-Luxembourg S.A. and BayVK R2 Lux S.A., SICAV-FIS, conflict of interest, negligence, gross negligence, all Avoidance Actions, breach of contract, breach of the Shared Services Agreement, breach of the Sub-Advisory Agreement, breach of the Debtors' limited partnership agreement or limited liability company agreement, conspiracy to commit any unlawful act, aiding and abetting any unlawful act, and assisting, encouraging, and/or participating in any unlawful act. Such present and past officers, directors, employees, members and managers of Highland, HCLOF, Highland HCF, Highland CLOM, and their respective Affiliates include, but are not limited to, the following Persons:

(a) William Scott;

(b) Heather Bestwick;

(c) Scott Ellington

(d) Isaac Leventon

(e) Jean Paul Sevilla

(f) Hunter Covitz

(g) The Dugaboy Investment Trust

(h) Nancy Dondero, Trustee of the Dugaboy Trust

(i) Grant Scott

(j) Any other Person who may be so named at a later date by the Reorganized Debtor.

17. Counterclaims. All Estate Claims as defined in paragraph 2 above are reserved, retained and preserved for the benefit of the Estate and Reorganized Debtor both as a basis for an affirmative recovery against the Person against whom such Claims are asserted and as a counterclaim or offset against any Person who asserts a Claim against the Estate or Reorganized Debtor.

18. Piercing the Corporate Veil. With respect to all Estate Claims against any Person, all rights to pierce or ignore the corporate veil are hereby reserved, retained and preserved for the benefit of the Estate and the Reorganized Debtor. Without limiting the generality of the foregoing, this shall include: (a) any right to pierce the corporate veil, including reverse piercing, on any theory or basis, including alter ego or any theory of sham to perpetrate a fraud, and (b) any Claim or basis to pierce the corporate veil of any entity with respect to establishing personal liability against James D. Dondero or Mark K. Okada.

19. Avoidance Actions. All Avoidance Actions are hereby reserved, retained and preserved as to all Persons. The reservation, retention and preservation of such Avoidance Actions shall include the reservation, retention and preservation for the benefit of the Estate and Reorganized Debtor of all rights and remedies pursuant to section 550 of the Bankruptcy Code.

20. Estate Defenses. All Estate Defenses are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor as against any Person asserting any Claim against the Estate. This includes asserting all Estate Claims as an offset to, or counterclaim or right of recoupment against, any Person asserting a Claim against the Estate. All defenses and affirmative defenses pursuant to applicable law are hereby reserved, retained and preserved for the benefit of the Estate and the Reorganized Debtor, including without limitation, accord and satisfaction, assumption of risk, contributory negligence, duress, estoppel, failure of consideration, fraud, illegality, laches, license, payment, release, *res judicata*, collateral estoppel, statute of frauds, statute of limitations or repose, discovery rule, adverse domination doctrine or similar doctrines, set off, recoupment, waiver, and all other defenses to Claims under the Bankruptcy Code, including under sections 502(b)(4) and 502(d).

21. Equitable Subordination. All rights or remedies for Equitable Subordination are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor against any Person asserting any Claim against the Estate, including all such rights or remedies pursuant to section 510(c) of the Bankruptcy Code. Without limiting the generality of the foregoing, this shall include all rights and remedies to Equitable Subordination as to any Claim asserted by Highland, any Affiliates of Highland, or any officers, directors, employees or equity interest owners of the Debtors, Highland, or any Affiliates thereof.

22. Recharacterization. All rights or remedies to recharacterize any Claim as an equity interest in either of the Debtors are hereby reserved, retained and preserved in favor of the Estate and Reorganized Debtor against any Person asserting any Claim against the Estate. Without limiting the generality of the foregoing, this shall include all rights and remedies to recharacterize any Claim asserted by Highland, any Affiliates of Highland, or any officers, directors, employees or equity interest owners of the Debtors, Highland, or any Affiliates thereof.

Third Amended Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

NAME	ADDRESS	DATE OF PAYMENT		PAYMENT AMOUNT	REASON FOR PAYMENT ON SCHEDULES
		90 Days of Petition Date			
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	11/2/2017		\$234,013.63	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	11/3/2017		\$941,958.57	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	12/8/2017		\$89,655.14	Services
David Simek	31 Woodacres Road Brookville, NY 11545	11/15/2017		\$2,068.13	Services
David Simek	31 Woodacres Road Brookville, NY 11545	11/30/2017		\$24,266.71	Services
David Simek	31 Woodacres Road Brookville, NY 11545	12/12/2017		\$1,718.79	Services
David Simek	31 Woodacres Road Brookville, NY 11545	12/29/2017		\$25,000.00	Services
FINRA	1735 K Street, NW Washington, DC 20006	11/22/2017		\$70.00	Suppliers or Vendors
Highland CLO Management, Ltd.	PO Box 309, Ugland House Grand Cayman, KY1-1104, Cayman Islands	12/19/2017		\$2,830,459.22	Services
Payments to Insiders within One Year of Petition Date					
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/1/2017		\$976,688.47	Contractual Payment
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/1/2017		\$1,096,033.37	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/2/2017		\$3,574.80	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	2/14/2017		\$67.44	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/17/2017		\$315,574.30	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/18/2017		\$438,497.51	Services

Third Amended Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC

NAME	ADDRESS	DATE OF PAYMENT	REASON FOR PAYMENT ON SCHEDULES	
			PAYMENT AMOUNT	
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/18/2017	\$375,855.01	Contractual Payment
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	4/19/2017	\$330,249.69	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	5/1/2017	\$974,426.41	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	5/31/2017	\$2,809,518.47	Unsecured loan repayments including interest
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	5/31/2017	\$581,036.15	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	7/18/2017	\$373,167.08	Contractual Payment
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	8/1/2017	\$971,603.02	Contractual Payment
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	8/7/2017	\$1,339,422.12	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	8/16/2017	\$53.41	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/18/2017	\$372,872.82	Contractual Payment
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/18/2017	\$728,702.26	Services
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/24/2017	\$501,979.18	Unsecured loan repayments including interest
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/25/2017	\$46,648.82	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	10/25/2017	\$67,966.85	Expense Reimbursement
Highland Capital Management, LP	300 Crescent Court, Ste. 700 Dallas, TX 75208	11/1/2017	\$967,223.91	Contractual Payment

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EXHIBIT “5”

**[Executory Contracts and Unexpired Leases to be
Assumed by the Trustee]**

EXHIBIT “5”
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis CLO 2013-1 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Collateral Administration Agreement	March 18, 2013	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2013-1	Collateral Administration Agreement	March 18, 2013	\$0
Acis CLO 2013-1 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Portfolio Management Agreement	March 18, 2013	\$0
Acis CLO 2013-2 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Collateral Administration Agreement	October 3, 2013	\$0
The Bank of New York Mellon Trust Co., N.A. 601 Travis Street, 16th Floor Houston, Texas 77002 Attn: Global Corporate Trust – Acis CLO 2013-2	Collateral Administration Agreement	October 3, 2013	\$0
Acis CLO 2013-2 Ltd. c/o Estera Trust (f/k/a Appleby Trust) Clifton House 75 Fort St., P.O. Box 1350 Grand Cayman, Cayman Islands KY1-1108	Portfolio Management Agreement	October 3, 2013	\$0
Acis CLO 2014-3 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Collateral Administration Agreement	February 25, 2014	\$0

EXHIBIT “5”
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2014-3	Collateral Administration Agreement	February 25, 2014	\$0
Acis CLO 2014-3 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Portfolio Management Agreement	February 25, 2014	\$0
Acis CLO 2014-4 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Collateral Administration Agreement	June 5, 2014	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2014-4	Collateral Administration Agreement	June 5, 2014	\$0
Acis CLO 2014-4 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Portfolio Management Agreement	June 5, 2014	\$0
Acis CLO 2014-5 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Collateral Administration Agreement	November 18, 2014	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2014-5	Collateral Administration Agreement	November 18, 2014	\$0

EXHIBIT “5”
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis CLO 2014-5 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Portfolio Management Agreement	November 18, 2014	\$0
Acis CLO 2015-6 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Collateral Administration Agreement	April 16, 2015	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2015-6	Collateral Administration Agreement	April 16, 2015	\$0
Acis CLO 2015-6 Ltd. c/o MaplesFS Limited P.O. Box 1093, Boundary Hall, Cricket Sq Grand Cayman, Cayman Islands KY1-1102	Portfolio Management Agreement	April 16, 2015	\$0
Acis CLO Value Fund II (Cayman), LP. P.O. Box 309, Ugland House Grand Cayman, Cayman Islands KY1-1104	Investment Management Agreement	May 1, 2016	\$0
Acis CLO Value Fund II GP, LLC P.O. Box. 309, Ugland House Grand Cayman, Cayman Islands KY1-1104	Investment Management Agreement	May 1, 2016	\$0
Acis CLO Value Fund II, LP. 300 Crescent Court Suite 700 Dallas, TX 75201	Investment Management Agreement	May 1, 2016	\$0
Acis CLO Value GP, LLC 1209 Orange Street Wilmington, DE 19801	Limited Liability Company Agreement	July 19, 2010	\$0

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EXHIBIT “5”
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis CLO Value Master Fund II, L.P. P.O. Box 309, Uglund House Grand Cayman, Cayman Islands KY1-1104	Investment Management Agreement	May 1, 2016	\$0
Acis CLO Value Fund II (Cayman), L.P. P.O. Box 309, Uglund House Grand Cayman, Cayman Islands KY1-1104	Third Amended and Restated Exempted Limited Partnership Agreement	May 1, 2016	\$0
Acis CLO Value Master Fund II, L.P. P.O. Box 309, Uglund House Grand Cayman, Cayman Islands KY1-1104	Third Amended and Restated Exempted Limited Partnership Agreement	May 1, 2016	\$0
Acis Loan Funding, Ltd. 300 Crescent Court Suite 700 Dallas, TX 75201	FATCA and Non-FATCA Services Agreement	June 23, 2017	\$0
BayVK R2 Lux S.A., SICAV FIS 15 rue de Flaxweiler L-6776 Grevenmacher	Power of Attorney	February 20, 2015	\$0
BayVK R2 Lux S.A., SICAV-FIS 15 rue de Flaxweiler L-6776 Grevenmacher	Agreement for the Outsourcing of the Asset Management of BayVK R2 Lux S.A., SICAV-FIS	February 27, 2015	\$0
BayVK R2 Lux S.A., SICAV-FIS 15 rue de Flaxweiler L-6776 Grevenmacher	Service Level Agreement	February 27, 2015	\$0
BNP Paribas Securities Services Luxembourg Branch 60 Avenue John F. Kennedy 1855 Luxembourg	Power of Attorney 86578	February 20, 2015	\$0
Hewett's Island CLO 1-R, Ltd. c/o Maples Finance Limited P.O. Box 1093, Queensgate House Grand Cayman, Cayman Islands KY1-1102	Confidentiality Agreement	April 11, 2011	\$0

EXHIBIT “5”
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Hewett's Island CLO 1-R, Ltd. <i>c/o</i> Maples Finance Limited P.O. Box 1093, Queensgate House Grand Cayman, Cayman Islands KY1-1102	Governing Documents (Requested from HCM)	--	\$0
Hewett's Island CLO 1-R, Ltd. <i>c/o</i> Maples Finance Limited P.O. Box 1093, Queensgate House Grand Cayman, Cayman Islands KY1-1102	Management Agreement	July 18, 2011	\$0
Hewett's Island CLO 1-R, Ltd. <i>c/o</i> Maples Finance Limited P.O. Box 1093, Queensgate House Grand Cayman, Cayman Islands KY1-1102	Collateral Administration Agreement (Requested from HCM)	November 20, 2007	\$0
State Street (Guerney Limited) First Floor, Dorey Court, Admiral Park, St. Peter Port, Guernsey	FATCA and Non-FATCA Services Agreement	June 23, 2017	\$0
U.S. Bank National Association 190 S. LaSalle Street, 8th Floor Chicago, IL 60603 Attention: Global Corporate Trust – Acis CLO 2015-6	Confidentiality Agreement	March 5, 2014	\$0
Universal-Investment-Luxembourg S.A. 15 rue de Flaxweiler L-6776 Grevenmacher	Agreement for the Outsourcing of the Asset Management of BayVK R2 Lux S.A., SICAV-FIS	February 27, 2015	\$0
Universal-Investment-Luxembourg S.A. 15 rue de Flaxweiler L-6776 Grevenmacher	Power of Attorney	February 20, 2015	\$0
Universal-Investment-Luxembourg S.A. 15 rue de Flaxweiler L-6776 Grevenmacher	Service Level Agreement	February 27, 2015	\$0

EXHIBIT “5”
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

Party	Contract Description	Contract Date	Cure Amount
Acis Loan Funding, Ltd. First Floor, Dorey Court St. Peter Port, Guernsey GY1 6HJ Channel Islands	Portfolio Management Agreement	December 22, 2016	\$0
Acis Capital Management, LP c/o PHELANLAW 4214 Woodfin Drive Dallas, Texas 75220	Amended and Restated Agreement of Limited Partnership	January 21, 2011	\$0
Acis Capital Management GP, LLC c/o PHELANLAW 4214 Woodfin Drive Dallas, Texas 75220	Amended and Restated Limited Liability Company Agreement	January 21, 2011	\$0

For the avoidance of doubt, to the extent not otherwise included above, the Trustee intends to assume any additional executory contracts that relate to the funds set forth below as may be necessary or beneficial to the Reorganized Debtor under the Plan:

1. Acis CLO 2013-1, Ltd.
2. Acis CLO 2013-2, Ltd.
3. Acis CLO 2014-3, Ltd.
4. Acis CLO 2014-4, Ltd.
5. Acis CLO 2014-5, Ltd.
6. Acis CLO 2015-6, Ltd.
7. Acis CLO Value Fund II, L.P.
8. Acis CLO Value Fund II (Cayman), L.P.
9. Acis CLO Master Fund II, L.P.
10. BayVK R2 Lux S.A., SICAV FIS

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EXHIBIT “5”
Executory Contracts and Unexpired Leases
to Be Assumed by the Trustee

11. Hewitt’s Island CLO 1-R, Ltd.
12. Acis Loan Funding, Ltd.

The Trustee reserves the right to amend or supplement this Exhibit 5.

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLANT RECORD
VOLUME 3**

D. Michael Lynn
State Bar I.D. No. 12736500
John Y. Bonds, III
State Bar I.D. No. 02589100
John T. Wilson, IV
State Bar I.D. No. 24033344
Bryan C. Assink
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Fort Worth, Texas 76102
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ATTORNEYS FOR JAMES DONDERO

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

IN RE:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

Debtor.

INDEX

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Case No. 19-34054

Chapter 11

**APPELLANT'S SECOND AMENDED DESIGNATION OF ITEMS TO
BE INCLUDED IN THE RECORD ON APPEAL AND
STATEMENT OF ISSUES TO BE PRESENTED**

Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Appellant James Dondero ("Appellant") in this appeal as noticed by the Notice of Appeal filed by Appellant on November 9, 2020, files this *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented*¹ in the above-captioned case and requests that the Clerk prepare and forward the items listed herein to the District Court for inclusion in the record in connection with this appeal.

¹ This designation is being further amended to group together certain docket entries per the clerk's request.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL

Vol. 1
000001 1. Notice of Appeal filed by Appellant [Docket No. 1347];

000029 2. *Order Approving Debtor's Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302];

000053 3. Docket entries kept by the bankruptcy clerk in case no. 19-34054; and

4. Each of the additional documents and items designated below:

Vol. 2 000330 000392	Designation No.	Docket No.	Date	Description
	1.		10/25/18	<i>Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC</i> [Docket No. 660 in Case No. 18-30264]
	2.		1/31/19	<i>Findings of Fact, Conclusions of Law, and Order Granting Final Approval of Disclosure Statement and Confirming the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, as Modified</i> [Docket No. 829 in Case No. 18-30264]
Vol. 3 000621 THRU Vol. 5	3.	607	4/28/20	<i>Summary of First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from October 16, 2019 through March 31, 2020</i> [Docket No. 607]
Vol. 5 001208	4.	617	5/1/20	<i>James Dondero's Limited Response to Acis Capital Management, L.P. and Acis Capital Management GP, LLC's Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction</i> [Docket No. 617]
001211	5.	771	6/23/20	<i>Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC, filed by Highland Capital Management, L.P.</i> [Docket No. 771]

Vol. 5 001276	6.	827	7/13/20	<i>James Dondero's (i) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (ii) Joinder in Support of Highland Capital Management, L.P.'s Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 827]</i>
001284	7.	832	7/14/20	<i>Response of James Dondero to the Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor [Docket No. 832]</i>
001293	8.	891	7/23/20	<i>UBS (i) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC and (ii) Joinder in the Debtor's Objection [Docket No. 891]</i>
Vol. 6 001300	9.	908	7/31/20	<i>Omnibus Response to Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 908]</i>
Vol. 7 001571 Thru Vol. 8	10.	971	8/19/20	<i>Summary of Second Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from April 1, 2020 through July 31, 2020 [Docket No. 971]</i>
Vol. 8 001965	11.	983	8/21/20	<i>Agreed Scheduling Order Regarding Objections to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 983]</i>
001970	12.	1079	9/21/20	<i>First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1079]</i>
Vol. 9 002031	13.	1080	9/21/20	<i>Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1080]</i>
002186	14.	1087	9/23/20	<i>Debtor's Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer</i>

			<i>G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith [Docket No. 1087] (the “Acis Settlement Motion”)</i>
15.	1088	9/23/20	Declaration of Gregory V. Demo in Support of the Acis Settlement Motion [Docket No. 1088]
16.	1088-1	9/23/20	Settlement Agreement between the Debtor, Acis, and certain related parties [Docket No. 1088-1]
17.	1088-2	9/23/20	General Release between the Debtor, Acis, and certain related parties [Docket No. 1088-2]
18.	1094	9/24/20	<i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020</i> [Docket No. 1094]
19.	1121	10/05/20	James Dondero’s Response to the Acis Settlement Motion [Docket No. 1121]
20.	1194-1	10/16/20	Proof of Claim No. 23 filed by Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively, “Acis”)
21.	1194-2	10/16/20	Proof of Claim No. 72 filed by the Redeemer Committee of the Highland Crusader Fund
22.	1194-3	10/16/20	Proof of Claim No. 81 filed by Highland Crusader Offshore Partners, L.P., et al.
23.	1194-5	10/16/20	Proof of Claim No. 77 filed by Patrick Daugherty
24.	1194-4	10/16/20	Proof of Claim No. 93 filed by Integrated Financial Associates, Inc.
25.	1194-6	10/16/20	Proof of Claim No. 190 filed by UBS
26.	1194-16	10/16/20	Expert Opinion of Nancy B. Rapoport, dated October 11, 2020, including all attachments thereto
27.	1194-17	10/16/20	Curriculum Vitae of Nancy B. Rapoport

Vol. 12 002758	28.	1201	10/16/20	Objection of Patrick Daugherty to the Acis Settlement Motion [Docket No. 1201]
002773	29.	1177	10/16/20	CLO HoldCo. Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1177]
002777	30.	1191	10/16/20	Highland CLO Funding, Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1191]
002785	31.	1195	10/16/20	HarbourVest Limited Objection and Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1195]
002791 Thru Vol. 13	32.	1271	10/20/20	Transcript of hearing conducted on October 20, 2020 [Docket No. 1271]
Vol. 13 003047	33.	1285	10/21/20	Transcript of hearing conducted on October 21, 2020 [Docket No. 1285]

STATEMENT OF ISSUES TO BE PRESENTED ON APPEAL

1. Whether the Bankruptcy Court erred in approving the settlement agreement and release entered into between Highland Capital Management, L.P. and Acis Capital Management, L.P., Acis Capital Management GP, LLC, and Joshua Terry pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure as being fair, equitable, and in the best interest of the estate.

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Dated: December 7, 2020

Respectfully submitted,

/s/ Bryan C. Assink

D. Michael Lynn
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John Y. Bonds, III
State Bar I.D. No. 02589100
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ATTORNEYS FOR JAMES DONDERO

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on December 7, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for Debtor-Appellee Highland Capital Management, L.P. and on all other parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

Bryan C. Assink

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

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

-----	§	
In re:	§	Chapter 11
	§	
HIGHLAND CAPITAL MANAGEMENT, L.P., ¹	§	Case No. 19-34054-sgj11
	§	
Debtor.	§	
-----	§	

Objection Deadline: May 19, 2020 at 4:00 p.m. (ET)
Hearing Date: May 26, 2020 at 9:30 a.m. (CT)

**SUMMARY OF FIRST INTERIM APPLICATION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF PACHULSKI STANG ZIEHL & JONES LLP,
AS COUNSEL FOR THE DEBTOR AND DEBTOR IN POSSESSION, FOR THE
PERIOD FROM OCTOBER 16, 2019 THROUGH MARCH 31, 2020**

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

Name of Applicant:	Pachulski Stang Ziehl & Jones LLP
Authorized to Provide Professional Services to:	Debtor and Debtor in Possession
Date of Retention:	October 16, 2019 by Order entered December 2, 2019
Period for Which Compensation and Reimbursement Is Sought:	October 16, 2019 – March 31, 2020
Amount of Fees Sought as Actual, Reasonable and Necessary:	\$4,834,021.00
Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$118,198.81
Blended Hourly Rate in this Application for All Attorneys:	\$921.27
Blended Hourly Rate in this Application for All Timekeepers:	\$885.35
Compensation Already Paid Pursuant to a Monthly Compensation Order But Not Yet Allowed:	\$2,888,966.80
Expenses Already Paid Pursuant to a Monthly Compensation Order But Not Yet Allowed:	\$99,451.04
Number of Professionals Included in this Application:	27
Number of Professionals Included in this Application Not Included on the Staffing Plan:	N/A
Number of Professionals Billing Fewer than 15 Hours:	8

This is an: ___ monthly x interim ___ final application.

PRIOR APPLICATIONS FILED

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
12/11/2019	10-16-19 10-31-19	\$383,583.75	\$ 9,958.84	\$383,583.75	\$ 9,958.84
12/30/2019	11-01-19 11-30-19	\$798,767.50	\$26,317.71	\$798,767.50	\$26,317.71
01/24/2020	12-01-19 12-31-19	\$589,730.75	\$26,226.80	\$589,730.75	\$26,226.80
02/20/2020	01-01-20 01-31-20	\$898,094.25	\$28,854.75	\$898,094.25	\$28,854.75
03/19/2020	02-01-20 02-29-20	\$941,043.50	\$ 8,092.94	\$941,043.50	\$ 8,092.94

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
04/14/20	03-01-20 03-31-20	\$1,222,801.25	\$18,747.77	Pending	Pending

PSZ&J PROFESSIONALS

Name of Professional Individual	Position of the Applicant, Number of Years in that Position, Year of Obtaining License to Practice	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Jeffrey H. Davidson	Partner 2014; Member CA Bar 1977	1,495.00	7.30	\$10,913.50
Robert J. Feinstein	Partner 2001; Member NY Bar 1982	1,245.00	42.50	\$52,912.50
David J. Barton	Partner 2000; Member CA Bar 1981	1,195.00	2.00	\$2,390.00
Alan J. Kornfeld	Partner 1996; Member CA bar 1987; Member D.C. Bar 2002; Member NY Bar 2004	1,145.00	128.30	\$146,903.50
David J. Barton	Partner 2000; Member CA Bar 1981	1,145.00	3.60	\$4,122.00
Ira D. Kharasch	Partner 1987; Member CA Bar 1982; Member NY Bar 2011	1,145.00	308.20	\$352,889.00
Andrew W. Caine	Partner 1989; Member CA Bar 1983	1,095.00	5.90	\$6,460.50
Ira D. Kharasch	Partner 1987; Member CA Bar 1982; Member NY Bar 2011	1,095.00	291.20	\$318,864.00
John A. Morris	Partner 2008; Member NY Bar 1991	1,075.00	258.50	\$277,887.50
Jeffrey N. Pomerantz	Partner 1995; Member CA Bar 1989	1,075.00	349.50	\$375,712.50
Debra I. Grassgreen	Partner 1997; Member FL Bar 1992; Member CA Bar 1994	1,050.00	5.80	\$6,090.00
Iain A. W. Nasatir	Partner 1999; Member NY Bar 1983; Member CA Bar 1990	1,025.00	44.40	\$45,510.00
John A. Morris	Partner 2008; Member NY Bar 1991	1,025.00	257.20	\$263,630.00
Jeffrey N. Pomerantz	Partner 1995; Member CA Bar 1989	1,025.00	219.50	\$224,987.50
Harry D. Hochman	Of Counsel 2004; Member CA Bar 1987	950.00	85.70	\$81,415.00

Name of Professional Individual	Position of the Applicant, Number of Years in that Position, Year of Obtaining License to Practice	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Maxim B. Litvak	Partner 2004; Member TX Bar 1997; Member CA Bar 2001	950.00	102.10	\$96,995.00
James E. O'Neill	Partner 2005; Member PA Bar 1985; Member DE Bar 2001	925.00	138.30	\$127,927.50
Joshua M. Fried	Partner 2006; Member CA Bar 1995; Member NY Bar 1999; Member NJ Bar 2000	925.00	228.30	\$211,177.50
Maxim B. Litvak	Partner 2004; Member TX Bar 1997; Member CA Bar 2001	925.00	197.10	\$182,317.50
Victoria A. Newmark	Of Counsel 2008; Member CA Bar 1996	925.00	24.10	\$22,292.50
James E. O'Neill	Partner 2005; Member PA Bar 1985; Member DE Bar 2001	895.00	180.60	\$161,637.00
Jonathan J. Kim	Of Counsel 1999; Member CA Bar 1995	895.00	255.80	\$228,941.00
Joshua M. Fried	Partner 2006; Member CA Bar 1995; Member NY Bar 1999; Member NJ Bar 2000	895.00	10.50	\$9,397.50
Jonathan J. Kim	Of Counsel 1999; Member CA Bar 1995	850.00	73.60	\$62,560.00
Gabriel I. Glazer	Partner 2014; Member CA Bar 2006	835.00	0.90	\$751.50
Beth E. Levine	Of Counsel 2002; Member NY Bar 1992	825.00	23.20	\$19,140.00
Elissa A. Wagner	Of Counsel 2009; Member CA Bar 2001; Member AZ Bar 2009	825.00	344.10	\$283,882.50
Gregory V. Demo	Of Counsel 2019; Member IL Bar 2008; Member NY Bar 2015	825.00	583.30	\$481,222.50
Robert M. Saunders	Of Counsel 2001; Member NY Bar 1984; Member FL Bar 1995; Member CA Bar 2003	825.00	49.70	\$41,002.50
Colin R. Robinson	Of Counsel 2012; Member NJ & PA Bars 2001; Member DE Bar 2010	795.00	13.30	\$10,573.50

Name of Professional Individual	Position of the Applicant, Number of Years in that Position, Year of Obtaining License to Practice	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Gregory V. Demo	Of Counsel 2019; Member IL Bar 2008; Member NY Bar 2015	795.00	437.90	\$348,130.50
John W. Lucas	Partner 2014; Member NY Bar 2005; Member CA Bar 2010	775.00	3.80	\$2,945.00
Tavi C. Flanagan	Of Counsel 2018; Member CA Bar 1983	725.00	43.60	\$31,610.00
Peter J. Keane	Of Counsel 2018; Member PA Bar 2008; Member DE & NH Bars 2010	695.00	0.50	\$347.50
Cia H. Mackle	Of Counsel 2007; Member FL Bar 2006	675.00	39.40	\$26,595.00
Steven W. Golden	Associate 2016; Member NY & MD Bars 2015; Member TX Bar 2016	625.00	9.00	\$5,625.00
Steven W. Golden	Associate 2016; Member NY & MD Bars 2015; Member TX Bar 2016	575.00	16.10	\$9,257.50
Ira D. Kharasch	Travel Rate - Partner	572.50	13.00	\$7,442.50
Ira D. Kharasch	Travel Rate - Partner	547.50	22.60	\$12,373.50
John A. Morris	Travel Rate - Partner	537.50	25.00	\$13,437.50
Jeffrey N. Pomerantz	Travel Rate - Partner	537.50	62.90	\$33,808.75
Ira D. Kharasch	Travel Rate - Partner	512.50	22.70	\$11,633.75
John A. Morris	Travel Rate - Partner	512.50	29.90	\$15,323.75
Jeffrey N. Pomerantz	Travel Rate - Partner	512.50	45.00	\$23,062.50
Maxim B. Litvak	Travel Rate - Partner	475.00	8.40	\$3,990.00
Maxim B. Litvak	Travel Rate - Partner	462.50	21.50	\$9,943.75
Leslie Ann Forrester	Law Library Director	450.00	6.20	\$2,790.00
Karina K. Yee	Paralegal 2000	425.00	33.70	\$14,322.50
Leslie Ann Forrester	Law Library Director	425.00	7.20	\$3,060.00
La Asia S. Canty	Paralegal 2017	425.00	37.00	\$15,725.00
Patricia J. Jeffries	Paralegal 2000	425.00	42.70	\$18,147.50
Gregory V. Demo	Travel Rate – Of Counsel	412.50	31.90	\$13,158.75
Gregory V. Demo	Travel Rate – Of Counsel	397.50	10.30	\$4,094.25
Karina K. Yee	Paralegal 2000	395.00	77.20	\$30,494.00
La Asia S. Canty	Paralegal 2017	395.00	84.10	\$33,219.50
Patricia J. Jeffries	Paralegal 2000	395.00	26.00	\$10,270.00
Beatrice M. Koveleski	Case Management Assistant	350.00	6.20	\$2,170.00
Karen S. Neil	Case Management Assistant	350.00	2.10	\$735.00
Sheryle L. Pitman	Case Management Assistant	350.00	17.30	\$6,055.00

Name of Professional Individual	Position of the Applicant, Number of Years in that Position, Year of Obtaining License to Practice	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Andrea R. Paul	Case Management Assistant	325.00	12.80	\$4,160.00
Beatrice M. Koveleski	Case Management Assistant	325.00	8.00	\$2,600.00
Karen S. Neil	Case Management Assistant	325.00	6.50	\$2,112.50
Sheryle L. Pitman	Case Management Assistant	325.00	15.00	\$4,875.00

Grand Total: \$4,834,021.00
Total Hours: 5,460
Blended Rate: \$885.35

BLENDED RATE OF PROFESSIONALS - TOTAL

Professional	Blended Rate	Total Hours Billed	Total Compensation
Partners & Counsel	923.91	5052.90	\$4,668,402.50
Associates	592.93	25.10	\$14,882.50
Paralegals/Other	421.32	314.10	\$128,028.50
Case Management Assist.	334.43	67.90	\$22,707.50
Total		5,460.00	\$4,834,021.00

COMPENSATION BY CATEGORY

Project Categories	Total Hours	Total Fees
Appeals	11.40	\$ 10,118.00
Asset Analysis/ Recovery	566.30	\$ 526,305.00
Bankruptcy Litigation	1361.00	\$1,228,954.50
Case Administration	265.70	\$ 188,621.00
Cayman Bermuda Matters	14.80	\$ 13,483.50
Claims Administration/ Objection	1263.90	\$1,182,888.50
Compensation of Professionals	46.70	\$ 27,383.50
Compensation of Professionals/ Other	31.10	\$ 24,720.00
Corporate Governance	8.30	\$ 5,602.50
Employee Benefits/ Pension	218.60	\$ 210,393.00
Executory Contracts	17.90	\$ 15,047.00
Financial Filings	76.80	\$ 66,376.00
Financing	14.30	\$ 12,608.50
First Day	65.60	\$ 58,538.00
General Business Advice	550.40	\$ 537,175.00

Project Categories	Total Hours	Total Fees
General Creditors' Committee	80.70	\$ 79,092.50
Insurance Coverage	39.50	\$ 40,774.50
Litigation (Non-Bankruptcy)	14.40	\$ 10,787.00
Meeting of Creditors	17.70	\$ 15,801.50
Operations	101.20	\$ 83,703.00
Plan & Disclosure Statement	33.30	\$ 26,387.50
Retention of Professionals	9.30	\$ 8,057.50
Retention of Professionals/ Other	307.00	\$ 261,684.00
Stay Litigation	50.90	\$ 51,250.50
Travel/ Non-Working Travel Time (billed at ½ rate)	293.20	\$ 148,269.00
Total	5,460.00	\$4,834,021.00

EXPENSE SUMMARY

Expense Category	Rate	Total Expense
Air Fare	Coach	\$34,167.83
Airport Parking	Actual Rate	\$ 396.68
Auto Travel Expense	Actual Rate	\$ 8,943.34
Bloomberg – Online Research	Actual Rate	\$ 849.90
Conference Call	Actual Rate	\$ 2,376.05
CourtLink – Online Research	Actual Rate	\$ 127.06
Delivery/ Courier Service	Actual Rate	\$ 2,213.02
Federal Express	Actual Rate	\$ 1,951.36
Filing Fee	Actual Rate	\$ 1,717.00
Hotel Expense	Actual Rate	\$18,288.38
Legal Vision Attorney Messenger Service	Actual Rate	\$ 215.37
Lexis/Nexis Legal Research	Actual Rate	\$ 7,298.88
Miscellaneous	Actual Rate	\$ 200.00
Outgoing Facsimile	@ \$0.25 per page	\$ 5.75
Outside Services	Actual Rate	\$ 259.20
Pacer – Online Research	Actual Rate	\$ 1,638.50
Postage	Actual Rate	\$ 179.90
Reproduction Expense	@ \$0.10 per page	\$ 7,778.30
Reproduction/ Scan Copy	@ \$0.10 per page	\$ 6,549.70
Research	Actual Rate	\$ 81.75
Transcript	Actual Rate	\$10,903.75
Travel Expense	Actual Rate	\$ 5,240.70
Working Meals	Actual Rate	\$ 6,816.39
Total		\$118,198.81

INFORMATION REGARDING PRIOR INTERIM FEE APPLICATIONS

Date Filed & Docket No.	Period Covered	Fees and Expenses Requested		Fees and Expenses Approved		Approved Fees and Expenses Paid		Approved Fees and Expenses Remaining Unpaid		Date(s) of Orders on Interim Compensation or Reimbursement of Expenses
		Fees	Expenses	Fees	Expenses	Fees	Expenses	Fees	Expenses	
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

CUMULATIVE FEE AND EXPENSE TOTAL SINCE CASE INCEPTION

Fees and Expenses Requested		Fees and Expenses Approved		Approved Fees and Expenses Paid		Approved Fees and Expenses Remaining Unpaid		Fees and Expenses Disallowed or Withdrawn	
Fees	Expenses	Fees	Expenses	Expenses	Fees	Expenses	Fees	Expenses	Expenses
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**FIRST INTERIM APPLICATION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF PACHULSKI STANG ZIEHL & JONES LLP,
AS COUNSEL FOR THE DEBTOR AND DEBTOR IN POSSESSION, FOR THE
PERIOD FROM OCTOBER 16, 2019 THROUGH MARCH 31, 2020**

TO THE HONORABLE STACEY G. C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE:

Pursuant to sections 330 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (collectively, the “Bankruptcy Rules”), Rule 2016-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas (collectively, the “L.B.R.”), the Court’s *Guidelines for Compensation and Expense Reimbursement of Professionals* (the “Guidelines”), and the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 141] (the “Interim Compensation Procedures Order”), Pachulski Stang Ziehl & Jones LLP (“PSZ&J” or the “Firm”), as counsel for Highland Capital Management, L.P., the above-captioned debtor and debtor in possession (the “Debtor”), hereby submits its *First Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession for the Period from October 16, 2019 through March 31, 2020* (the “Application”).

By this Application, PSZ&J seeks entry of an order, substantially in the form attached hereto as **Exhibit C**, authorizing an interim allowance of: (a) compensation for professional services rendered by PSZ&J to the Debtor in the amount of \$4,834,021.00; and (b) reimbursement of actual and necessary expenses in the amount of \$118,198.81 for the period from October 16, 2019 through March 31, 2020 (the “Compensation Period”).

This amount is net of voluntary write-offs of \$145,798.50 in fees and \$5,092.83 in expenses during the Compensation Period. In support of the Application, PSZ&J respectfully represents as follows:

I. BACKGROUND

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this district under 28 U.S.C. §§ 1408 and 1409.

2. On October 16, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Delaware Court”). The Debtor has continued in the possession of its property and has continued to operate and manage its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this chapter 11 case.

3. On October 29, 2019, the Official Committee of Unsecured Creditors (the “Committee”) was appointed by the U.S. Trustee in the Delaware Court.

4. On November 14, 2019, the Delaware Court signed the Interim Compensation Procedures Order authorizing certain professionals and members of any official committee (collectively, the “Professionals”) to submit monthly applications for interim compensation and reimbursement for expenses (each, a “Monthly Fee Application”) pursuant to the procedures specified therein. Commencing with the period ending December 31, 2019 and at three-month intervals thereafter, each of the Professionals may file with the Court an interim application for

allowance of the amounts sought in its Monthly Fee Applications for that period. All fees and expenses paid are on an interim basis until final allowance by the Court.

5. The retention of PSZ&J as counsel to the Debtor was approved effective as of October 16, 2019 by the Delaware Court's *Order Pursuant to Section 327(a) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Rule 2014-1 Authorizing the Employment and Retention of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession Nunc Pro Tunc to the Petition Date*, signed on December 2, 2019 [Docket No. 176] (the "Retention Order"). The Retention Order authorized PSZ&J to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

6. The Debtor filed its *Schedules of Assets and Liabilities and Statement of Financial Affairs* on December 13, 2019 [Docket Nos. 247 and 248, respectively] (collectively, the "Schedules and SOFAs").

7. Bradley Sharp, of Development Specialists, Inc. ("DSI"), was appointed as the Debtor's Chief Restructuring Officer (the "CRO") on January 10, 2020 [Docket No. 342].

II. SUMMARY OF EVENTS DURING THE CHAPTER 11 CASE AND PRESENT POSTURE

A. Venue Transfer to the Northern District of Texas

8. On November 1, 2019, the Committee filed a *Motion of the Official Committee of Unsecured Creditors for an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas* [Docket No. 85] (the "Venue

Transfer Motion”). Following arguments from the Debtor and the Committee, as well as brief witness testimony from the CRO, the Delaware Bankruptcy Court ruled in favor of the Committee and entered an order transferring venue [Docket No. 1].

B. The Settlement with the Committee and the Debtor’s Restructuring Efforts

9. On December 27, 2019, the Debtor filed a *Motion for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* [Docket No. 281] (the “Settlement Motion”). This Court approved the Settlement Motion on January 9, 2020 [Docket No. 339] (the “Settlement Order”). The settlement (the “Settlement”) came after weeks of negotiations between the Debtor and the Committee. The Settlement (i) created a new independent board of directors (the “Independent Board”) at Strand Advisors, Inc., the Debtor’s general partner and ultimate party in control, and (ii) implemented certain protocols governing the operation of the Debtor’s business in the ordinary course.

10. Since its appointment, the Independent Board has focused on the following activities: (a) defending against the United States Trustee’s motion for appointment of a chapter 11 trustee; (b) familiarizing itself with the Debtor’s assets, liabilities, and operations; and (c) stabilizing the Debtor’s employee base. As explained further below, the Independent Board has also devoted substantial efforts toward analyzing the claims that have been filed in this case, many of which have arisen from exceedingly long, complex, and acrimonious prepetition litigation. Because the Debtor has only minimal funded debt, the resolution of these litigation claims is key to any restructuring.

11. Since the appointment of the Independent Board, the Debtor has worked with the Committee and its creditors to obtain their input on the best way to maximize the Debtor's value and to conclude this case in an efficient manner. As part of that process, the Independent Board has conducted multiple meetings with the full Committee and individual meetings with key creditors. As a result of these meetings, the Independent Board is hopeful that it will be able to formulate a consensual plan in short order.

III. PSZ&J'S APPLICATION FOR COMPENSATION AND FOR REIMBURSEMENT OF EXPENSES

A. Compensation Paid and Its Source

12. All services for which PSZ&J requests compensation were performed for or on behalf of the Debtor. PSZ&J has received no payment and no promises for payment from any source other than the Debtor for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between PSZ&J and any other person other than the partners of PSZ&J for the sharing of compensation to be received for services rendered in this case.

13. PSZ&J has received payments from the Debtor during the year prior to the Petition Date in the amount of \$500,000, including the Debtor's filing fee for this case, in connection with the preparation of initial documents and the prepetition representation of the Debtor. PSZ&J is current as of the Petition Date and has completed its final reconciliation of prepetition fees and expenses (subject to any prepetition expenses that have not been received to date). The retainer balance remaining from the prepetition payments to PSZ&J will be credited

to the Debtor and utilized as PSZ&J's retainer to apply to postpetition fees and expenses pursuant to the compensation procedures approved by the Delaware Court.

B. Monthly Fee Statements

14. Pursuant to the Interim Compensation Procedures Order, PSZ&J has submitted the following Monthly Fee Applications (the "Monthly Fee Statements") comprising the six months within the Compensation Period, each of which is incorporated herein by reference in its entirety:

- a. For the period October 16, 2019 – October 31, 2019 - fees of \$306,867.00 (80% of allowed fees \$383,583.75) and reimbursement of expenses of \$9,958.84 [Docket No. 235];
- b. For the period November 1, 2019 – November 30, 2019 - fees of \$639,014.00 (80% of allowed fees \$798,767.50) and reimbursement of expenses of \$26,317.71 [Docket No. 286];
- c. For the period December 1, 2019 – December 31, 2019 – fees of \$471,874.60 (80% of allowed fees \$589,730.75) and reimbursement of expenses of \$26,226.80 [Docket No. 392];
- d. For the period January 1, 2020 – January 31, 2020 – fees of \$718,475.40 (80% of allowed fees \$898,094.25) and reimbursement of expenses of \$28,854.75 [Docket No. 464]; and
- e. For the period February 1, 2020 – February 29, 2020 – fees of \$752,834.80 (80% of allowed fees of \$941,043.50) and reimbursement of expenses of \$8,092.94 [Docket No. 535]; and
- f. For the period March 1, 2020 – March 31, 2020 – fees of \$978,241.00 (80% of allowed fees of \$1,222,801.25) and reimbursement of expenses of \$18,747.77 [Docket No. 586].

15. As of the date of this Application, no party has objected to any of PSZ&J's Monthly Fee Statements.

16. PSZ&J's itemized time records for attorneys and paraprofessionals performing services for the Debtor during the Compensation Period and PSZ&J's itemized records detailing expenses incurred on behalf of the Committee during the Compensation Period were attached as Exhibit A to each of the Monthly Fee Statements and are incorporated herein by reference. These statements contain daily time logs describing the time spent by each attorney and paraprofessional during the Compensation Period. To the best of PSZ&J's knowledge, this Application complies with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, and the Interim Compensation Procedures Order.

C. Actual and Necessary Expenses

17. PSZ&J seeks reimbursement for expenses incurred in rendering services to the Debtor during the Compensation Period in the amount of \$118,198.81. Itemized records detailing such expenses were attached as Exhibit A to each of the Monthly Fee Statements and are incorporated herein by reference. A detailed listing of actual and necessary expenses incurred by PSZ&J during the Compensation Period is attached hereto as part of **Exhibit B**.

18. PSZ&J customarily charges \$0.10 per page for photocopying expenses and \$0.10 per page for scanning and printing charges. PSZ&J's photocopying machines automatically record the number of copies made when the person that is doing the copying enters the client's account number into a device attached to the photocopier. PSZ&J summarizes each client's photocopying charges on a daily basis.

19. PSZ&J charges \$0.25 per page for out-going facsimile transmissions. There is no additional charge for long distance telephone calls on faxes. The charge for outgoing facsimile transmissions reflects PSZ&J's calculation of the actual costs incurred by PSZ&J for the machines, supplies and extra labor expenses associated with sending telecopies and is reasonable in relation to the amount charged by outside vendors who provide similar services. PSZ&J does not charge the Debtor for the receipt of faxes in this case.

20. With respect to providers of on-line legal research services (*e.g.*, LEXIS and Westlaw), PSZ&J charges the standard usage rates these providers charge for computerized legal research. PSZ&J bills its clients the actual amounts charged by such services, with no premium. Any volume discount received by PSZ&J is passed on to the client.

21. PSZ&J believes the foregoing rates are the market rates that the majority of law firms charge clients for such services. In addition, PSZ&J believes that such charges are in accordance with the American Bar Association's ("ABA") guidelines, as set forth in the ABA's Statement of Principles, dated January 12, 1995, regarding billing for disbursements and other charges.

IV. SUMMARY OF SERVICES RENDERED

22. The names of the timekeepers of PSZ&J who have rendered professional services in this case during the Compensation Period are set forth above. These services performed, by categories, are generally described below, with a more detailed identification of the actual services provided set forth on the attached **Exhibit B**. Exhibit B identifies the attorneys and

paraprofessionals who rendered services relating to each category, along with the number of hours for each individual and the total compensation sought for each category.

23. PSZ&J, by and through such persons, has prepared and assisted in the preparation of various motions and orders submitted to the Court for consideration, advised the Debtor on a regular basis with respect to various matters in connection with the Debtor's case, and performed all necessary professional services which are described and narrated in detail below. PSZ&J's efforts have been extensive due to the size and complexity of the Debtor's case.

Summary of Services by Project

24. The services rendered by PSZ&J during the Compensation Period can be grouped into the categories set forth below. PSZ&J attempted to place the services provided in the category that best relates to such services. However, because certain services may relate to one or more categories, services pertaining to one category may in fact be included in another category. These services performed, by categories, are generally described below, with a more detailed identification of the actual services provided set forth in Exhibit A to each of the Monthly Fee Statements. The summary charts above identify the attorneys and paraprofessionals who rendered services relating to each category, along with the number of hours for each individual and the total compensation sought for each category.

A. Asset Analysis/ Recovery

25. The Firm provided services on behalf of the Debtor relating to analysis of assets, including the winddown of certain funds managed by the Debtor. These services addressed a wide array of topics relating to the Debtor's assets, including intercompany transactions relating

to funds administered by the Debtor, operating protocol and trading issues, and the potential sale of certain of the Debtor's assets. The Firm also addressed issues in connection with the Debtor's loan receivables analysis and the review and analysis of certain loan and participation agreements.

Fees: \$526,305.00 Hours: 566.30

B. Appeals

26. The limited time in this category relates to services provided by the Firm provided with respect to issues concerning the venue transfer of the Debtor's chapter 11 case from the Delaware Court to this Court.

Fees: \$10,118.00 Hours: 11.40

C. Bankruptcy Litigation

27. This category includes work related to various contested matters pending before the Court. At the beginning of this case, the Firm addressed numerous issues relating to the then-pending litigation with the Committee and United States Trustee. These issues largely concerned the transfer of venue from the Delaware Court to this Court, the United States Trustee's motion to convert the Debtor's case, the Debtor's request to make certain distributions of non-estate funds to related party affiliates in connection with funds managed by the Debtor, and the attendant discovery related to these matters. Eventually, these issues were ultimately settled and memorialized under the terms of the Settlement Order discussed above. The Settlement also resulted in the negotiation and implementation of the Debtor's operating protocols, the appointment of the Independent Board, and the appointment of the CRO, among

other transactions. In addition to these issues, the Firm addressed other litigation issues affecting the Debtor, potential avoidance actions, and the analysis of litigation claims asserted by and against the Debtor with respect to multiple third parties. Services related to the preparation for and pleadings relating to the Debtor's regular omnibus hearings were also billed to this category.

Fees: \$1,228,954.50 Hours: 1361.00

D. Case Administration

28. Given the breadth and complexity of the issues confronting the Debtor during this chapter 11 case, time allocated to this category is primarily attributable to the regular status calls conducted by and among Firm professionals, as well as discussion by the Firm and Debtor and with DSI regarding the issues and tasks addressed in order to advance the administration of the chapter 11 case.

Fees: \$188,621.00 Hours: 265.70

E. Cayman Bermuda Matters

29. Time billed to this category relates to the related proceedings in Bermuda and the Cayman Islands and the preparation and approval of a motion to appoint the CRO as the Debtor's foreign representative.

Fees: \$13,483.50 Hours: 14.80

F. Claims Administration/ Objection

30. This category includes work related to various contested matters pending before the Court. A significant amount of work PSZ&J performed during the Compensation Period involved the Independent Board's request that the Firm conduct an extensive review and analysis of the largest claims asserted against the Debtor's estate by UBS, Acis, and the Redeemer

Committee, which in the aggregate exceed \$1 billion. The analysis of these claims involved the review of years of litigation between the Debtor and the claimants to understand the complex factual and legal issues arising in connection therewith. Separately, the Firm also addressed other issues relating to claims analysis and administration, including the preparation of a claims bar date motion.

Fees: \$1,182,888.50 Hours: 1263.90

G. Compensation of Professionals

31. During the Compensation Period, the Firm addressed issues relating to the payment and compensation of the Firm, including the preparation of monthly fee statements and related pleadings.

Fees: \$27,383.50 Hours: 46.70

H. Compensation of Professionals/ Others

32. The Firm assisted other estate professionals, several of whom who may not be familiar with the applicable rules governing compensation and reimbursement of expenses, with the preparation of their respective monthly and interim fee applications. The Firm also prepared and obtained approval by the Delaware Court of the Interim Compensation Procedures Order for estate professionals.

Fees: \$24,720.00 Hours: 31.10

I. Corporate Governance

33. Time billed to this category relates to analyzing and performing research with respect to issues concerning various corporate governance issues.

Fees: \$5,602.50 Hours: 8.30

J. Employee Benefits/ Pension

34. The Firm performed services in this category relating to wage, benefit, and compensation issues, severance issues, and the payment of non-insider employee bonuses. The Firm also worked with the Debtor's compensation expert on multiple issues concerning employee compensation.

Fees: \$210,393.00 Hours: 218.60

K. Executory Contracts

35. During the Compensation Period, the Firm performed research regarding the purported termination of certain contracts, contract enforcement issues, and prepared a motion to extend time to assume or reject leases.

Fees: \$15,047.00 Hours: 17.90

L. First Day

36. This category relates to the various "first day" pleadings filed in the case and the first day hearing conducted by the Delaware Court. During the Compensation Period, the Firm prepared for and addressed numerous issues concerning the first day hearing conducted on October 18, 2019 in the Delaware Court and attendant issues relating to that hearing.

Fees: \$58,538.00 Hours: 65.60

M. Financial Filings

37. Time attributable to this category includes preparation for and attendance of the Debtor's initial debtor interview as well as work related to the meeting of creditors pursuant to section 341(a) of the Bankruptcy Code. The Firm also assisted the Debtor with the preparation

of its initial operating report and subsequent monthly reports filed with the Court as well as with the Debtor's Schedules and SOFAs filed on December 13, 2019.

Fees: \$66,376.00 Hours: 76.80

N. Financing

38. Time billed to this category relates to the Debtor's proposed use of cash collateral and the ultimate withdrawal of the cash collateral motion early in the case. The Firm also addressed issues in connection with the Debtor's cash management system and funding and liquidity issues with respect to certain brokerage accounts following the commencement of the chapter 11 case.

Fees: \$12,608.50 Hours: 14.30

O. General Business Advice

39. The Firm prepared for and participated in numerous meetings with the Independent Board to address case issues and receive appropriate direction from the Independent Board. As explained above in connection with the Settlement Motion, the Firm assisted in the negotiation and implementation of the transactions addressed under the Settlement Order, including detailed operating protocols, document preservation, and related matters, and prepared documents memorializing the same. The Firm also addressed insurance coverage issues for the Independent Board.

Fees: \$537,175.00 Hours: 550.40

P. General Creditors' Committee

40. During the Compensation Period, the Firm addressed several issues concerning the formation of the Committee, including the negotiation of an acceptable confidentiality

agreement with the Committee. The Firm also participated in numerous calls and meetings with the Committee on case issues. The Firm also reviewed, analyzed, and prepared responses to the Committee's initial informal discovery requests and worked with the Committee to address these discovery requests informally.

Fees: \$79,092.50 Hours: 80.70

Q. Insurance Coverage

41. During the pendency of this case, the Firm, among other things, reviewed and analyzed the Debtor's insurance policies, including side endorsements from brokers and negotiated revisions thereto and reviewed, analyzed, and addressed insurance coverage issues.

Fees: \$40,774.50 Hours: 39.50

R. Litigation (Non-Bankruptcy)

42. During the Compensation Period, the Firm, among other things, reviewed and analyzed litigation issues pending before the Delaware Chancery Court, and conferred with estate professionals regarding ACIS litigation issues.

Fees: \$10,787.00 Hours: 14.40

S. Meeting of Creditors

43. Time billed to this category relates to the section 341(a) meeting of creditors, including the preparation of the case commencement and section 341(a) notices, and preparation and attendance at the meeting of creditors.

Fees: \$15,801.50 Hours: 17.70

T. Non-Working Travel/ Travel

44. These categories include non-working travel time, which is billed at 50% of the normal rate for the applicable professional.

Fees: \$148,269.00 Hours: 293.20

U. Operations

45. Time billed to this category relates to the daily business operations of the Debtor. During the Compensation Period, the Firm, among other things researched and prepared a motion to approve the operating protocols that were authorized under the Settlement Order. After the approval of the Settlement Order, the Firm continued to assist the Debtor in the review and implementation of the operating protocols and regularly conferred with the Committee with respect to transactions covered by the protocols. The Firm also assisted the Debtor with other operational matters, including issues relating to margin calls and bonding.

Fees: \$83,703.00 Hours: 101.20

V. Plan and Disclosure Statement

46. Time billed to this category relates to the formulation of a potential plan and supporting disclosure statement. During the Compensation Period, the Firm prepared a motion to extend the Debtor's plan filing and solicitation exclusivity periods and performed research regarding plan confirmation issues. The Firm also prepared a summary of significant background formation and prior motions and orders for inclusion in a disclosure statement in order to advance the plan process.

Fees: \$26,387.50 Hours: 33.30

W. Retention of Professionals

47. Time billed to this category relates to the retention of the Firm. During the Compensation Period, the Firm prepared the Firm's retention application and addressed issues by the U.S. Trustee in connection with the Firm's retention. The Firm also addressed retention issues of estate professionals, including ordinary course professionals and the preparation and filing of their respective disclosure declarations.

Fees: \$8,057.50 Hours: 9.30

X. Retention of Professionals/ Other

48. Time billed to this category relates to the retention of estate professionals other than the Firm. During the Compensation Period, the Firm prepared applications to employ ordinary course professionals and assisted multiple firms with their employment applications under section 327 of the Bankruptcy Code. The Firm litigated issues surrounding the Debtor's request to retain special litigation counsel. The Firm also assisted the Debtor in its efforts to retain numerous professionals in the ordinary course pursuant to the Court ordered procedures.

Fees: \$261,684.00 Hours: 307.00

Y. Stay Litigation

49. During the Compensation Period, the Firm, among other things, reviewed and analyzed PensionDanmark's stay relief motion and addressed issues in connection therewith that ultimately resulted in a negotiated settlement of the issues raised by that motion. The Firm also reviewed and analyzed Joshua & Jennifer Terry's relief from stay motion, the stay/contempt motion filed by ACIS, and the ACIS plan and disclosure statement.

Fees: \$51,250.50 Hours: 50.90

V. STATEMENT OF THE APPLICANT

50. PSZ&J makes the following statements:

- (a) PSZ&J did not agree to any variations from, or alternatives to, its standard or customary billing rates, fees or terms for services that were provided during the Compensation Period.
- (b) None of the hourly rates of PSZ&J's professionals and paraprofessionals included in this Application has been varied based on the geographic location of this case.
- (c) This Application does not include any rate increases since PSZ&J's retention, other than as allowed for pursuant to the Retention Order.

VI. BUDGET

51. The Debtor and the Firm projected that the Firm's fees and expenses during the Compensation Period would be \$5,266,000. The Firm is under budget at \$4,834,021.00. The budget and staffing plan for the Compensation Period is attached hereto as **Exhibit D**, and PSZ&J's disclosures of customary and comparable compensation, including blended hourly rates, for the Compensation Period is attached hereto as **Exhibit E**.

VII. STANDARD FOR ALLOWANCE OF FEES AND EXPENSES

52. Bankruptcy Code § 330 authorizes the Court to award to professional persons who have been employed by the estate pursuant to Bankruptcy Code §§ 1103 or 327 reasonable compensation for actual and necessary services rendered, including reimbursement of actual and necessary expenses incurred by such professional persons.

53. As more fully described below, PSZ&J submits that the elements governing awards of compensation pursuant to Bankruptcy Code § 330 justify the allowance, on an interim

basis, of the fees and expenses incurred in its representation of the Debtor during the Compensation Period.

54. The Court of Appeals for the Fifth Circuit established a set of guidelines for use by lower federal courts when ruling on attorneys' fee requests in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714, 717-19 (5th Cir. 1974). Under *Johnson*, courts should consider the following factors: (a) the time and labor required; (b) the novelty and difficulty of the questions presented; (c) the skill requisite to perform the legal services properly; (d) the preclusion of other employment due to the acceptance of the case; (e) the customary fee; (f) whether the fee is fixed or contingent; (g) time limitations imposed by the client with the circumstances of the case; (h) the amount involved and the results obtained; (i) the experience, reputation, and ability of the attorney; (j) the undesirability of the case; (k) the nature and length of the professional relationship with the client; and (l) awards in similar cases. *Id.* at 717-19. In *In re First Colonial Corp. of America*, 544 F.2d 1291, 1298-99 (5th Cir. 1977), the Fifth Circuit applied the *Johnson* factors to the analysis of fee awards in bankruptcy cases. In 2005, the Fifth Circuit harmonized the provisions of section 330 and the traditional *Johnson* factors, explaining:

The Fifth Circuit has traditionally used the lodestar method to calculate "reasonable" attorneys' fees under § 330. *In re Fender*, 12 F.3d 480, 487 (5th Cir. 1994). A court computes the lodestar by multiplying the number of hours an attorney would reasonably spend for the same type of work by the prevailing hourly rate in the community. *Shipes v. Trinity Indus.*, 987 F.2d 311, 319 (5th Cir. 1993). A court then may adjust the lodestar up or down based on the factors contained in § 330 and its consideration of the twelve factors listed in *Johnson*, 488 F.2d at 717-19. *See Fender*, 12 F.3d at 487. While the bankruptcy court has considerable discretion in applying these factors, *In re First Colonial Corp. of America*, 544 F.2d 1291, 1298 (5th Cir. 1977), it must explain the weight given to each factor that it considers and how each factor affects its award. *Fender*, 12 F.3d at 487; *Evangeline Refining Co.*, 890 F.2d at 1327-28.

In re Cahill, 428 F.3d 536, 539-40 (5th Cir. 2005).

VIII. APPLICATION OF THE JOHNSON FACTORS

55. As set forth in greater detail below, PSZ&J's request for allowance of fees and reimbursement of expenses is reasonable and proper pursuant to section 330, the lodestar, and the relevant *Johnson* factors. Accordingly, the Court should approve this Application and allow the amounts requested herein.

- (a) Time and Labor Required. PSZ&J has expended over 5,460 hours representing the Debtor during the Compensation Period. All of the time spent was necessary and appropriate for the representation of the Debtor in this case.
- (b) Novelty and Difficulty of Questions Presented. This case has presented several novel and difficult restructuring issues, including, among others, (i) venue issues, (ii) specialized matters relating to the alternative investment sector, (iii) issues with respect to the Debtor's management of funds, and (iv) development and use of various negotiated protocols necessary for the Debtor to continue to operate its business. PSZ&J's efforts were critical with respect to handling these complex and issues.
- (c) Skill Requisite to Perform Services Properly. Each of the PSZ&J attorneys providing services to the Debtor possesses the skills expected of a national and highly ranked restructuring practice.
- (d) Customary Fees. The hourly rates charged by each PSZ&J professional who performed services for the Debtor are PSZ&J's normal rates for services of this kind and are comparable to those being charged by other professionals with similar qualifications and experience.
- (e) Whether the Fee is Fixed or Contingent. The fees requested in this Application represent fixed hourly rates.
- (f) Amounts Involved and Results Obtained. PSZ&J's representation of the Debtor in this case involves restructuring efforts encompassing (a) assets and liabilities

of over one billion dollars and (b) the operations of an alternative investment manager. This case also involves complex issues regarding (i) the more than one billion dollars in claims collectively asserted by UBI, Acis, and the Redeemer Committee, and (ii) the Debtor's transition and ability to operate its business within the constraints of chapter 11 and to constructively engage with the Committee and other economic parties to attempt to develop a consensual path to emerge from chapter 11 as expeditiously as possible under the circumstances.

- (g) Experience, Reputation, and Ability of Counsel. PSZ&J attorneys have represented, and are sought after to represent, numerous debtors and official committees in some of the largest and most sophisticated bankruptcy cases in the country.
- (i) Awards in Similar Cases. The fees and expenses for which PSZ&J seeks compensation and reimbursement are not excessive and are substantially similar to those awarded in similar cases in this district for similar services rendered and results obtained.

56. PSZ&J respectfully submits that it has satisfied the requirements for the allowance of the compensation and reimbursement of expenses sought herein. The services described above, at the time they were provided, were necessary and beneficial to the Debtor and its estate. PSZ&J's services were consistently performed in a timely manner commensurate with the complexity of the issues facing the Debtor and the nature and importance of the problems, issues, and tasks. Furthermore, all of the services for which compensation is requested hereunder were rendered at the request of and solely on behalf of the Debtor and not on behalf of any other entity. In accordance with the Guidelines, the *Certification of Jeffrey N. Pomerantz* is attached hereto as Exhibit A and incorporated herein by reference.

IX. NOTICE

57. PSZ&J will serve this Application in accordance with the Interim Compensation Procedures Order. Any objections to this Application must be in writing and filed with the Court and served upon PSZ&J so as to be received no later than May 19, 2020. PSZ&J respectfully submits that no other or further notice need be provided.

X. NO PRIOR REQUEST

58. No prior request for the relief sought in this Application has been made to this or any other court.

XI. CONCLUSION

WHEREFORE, PSZ&J respectfully requests that, pursuant to the Interim Compensation Procedures Order, the Court (i) allow on an interim basis compensation in the amount of \$4,834,021.00 for services rendered by PSZ&J during the Compensation Period; (ii) allow on an interim basis reimbursement of expenses in the amount of \$118,198.81 for expenses incurred during the Compensation Period; (iii) authorize payment of these allowed fees and expenses to PSZ&J; and (iv) grant such other and further relief as the Court may deem proper.

Dated: April 28, 2020

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Jeffrey N. Pomerantz

PACHULSKI STANG ZIEHL & JONES LLP

Jeffrey N. Pomerantz (CA Bar No.143717)

(admitted pro hac vice)

Ira D. Kharasch (CA Bar No. 109084)

(admitted pro hac vice)

Maxim B. Litvak (SBN: 24002482)

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-and-

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Tel: (972) 755-7100 / Fax: (972) 755-7110

Counsel for the Debtor and Debtor in Possession

EXHIBIT A

(Certification)

PACHULSKI STANG ZIEHL & JONES LLP

Jeffrey N. Pomerantz (CA Bar No.143717) (*admitted pro hac vice*)

Ira D. Kharasch (CA Bar No. 109084) (*admitted pro hac vice*)

Maxim B. Litvak (SBN: 24002482)

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Fax: (972) 755-7110

Counsel for the Debtor and Debtor in Possession

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§
§
§
§
§
§

Chapter 11

Case No. 19-34054-sgj11

CERTIFICATION OF JEFFREY N. POMERANTZ

Jeffrey N. Pomerantz, under penalty of perjury, certifies as follows:

1. I am a partner with the law firm of Pachulski Stang Ziehl & Jones LLP

(“PSZ&J”). I make this certification in accordance with the Court’s *Guidelines for*

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

Compensation and Expense Reimbursement of Professionals (the “Guidelines”) regarding the contents of applications for compensation and expenses.

2. I have read the *First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel to Debtor and Debtor in Possession for the Period from October 16, 2019 through March 31, 2020* (the “Application”).

3. Pursuant to section I.G of the Guidelines, I hereby certify to the best of my knowledge, information, and belief, formed after reasonable inquiry, that (a) the compensation and expense reimbursement sought in the Application is in conformity with the Guidelines, except as specifically noted otherwise in the Application and (b) the compensation and expense reimbursement requested in the Application are billed at rates in accordance with practices no less favorable than those customarily employed by PSZ&J and generally accepted by PSZ&J’s clients.

4. I have reviewed the requirements of the Court’s Guidelines and I believe that the Application complies with the Guidelines.

Dated: April 28, 2020.

/s/ Jeffrey N. Pomerantz
Jeffrey N. Pomerantz

EXHIBIT B

(Monthly Invoices for the Period October 16, 2019 – March 31, 2020)

Pachulski Stang Ziehl & Jones LLP

10100 Santa Monica Blvd.
13th Floor
Los Angeles, CA 90067

October 31, 2019

Invoice 123595

Client 36027

Matter 00002

JNP

Highland Capital Management LP
300 Crescent Court ste. 700
Dallas , TX 75201

RE: Postpetition

STATEMENT OF PROFESSIONAL SERVICES RENDERED THROUGH 10/31/2019

FEES \$383,583.75

EXPENSES \$9,958.84

TOTAL CURRENT CHARGES **\$393,542.59**

BALANCE FORWARD **\$390,206.39**

A/R Adjustments **-\$390,206.39**

TOTAL BALANCE DUE **\$393,542.59**

000656

Pachulski Stang Ziehl & Jones LLP
Highland Capital Management LP
36027 - 00002

Page: 2
Invoice 123595
October 31, 2019

Summary of Services by Professional

<u>ID</u>	<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
BMK	Koveleski, Beatrice M.	Case Man. Asst.	325.00	2.10	\$682.50
DG	Grassgreen, Debra I.	Partner	1050.00	1.20	\$1,260.00
GVD	Demo, Gregory Vincent	Counsel	397.50	5.10	\$2,027.25
GVD	Demo, Gregory Vincent	Counsel	795.00	140.60	\$111,777.00
IDK	Kharasch, Ira D.	Partner	547.50	19.80	\$10,840.50
IDK	Kharasch, Ira D.	Partner	1095.00	74.50	\$81,577.50
JAM	Morris, John A.	Partner	512.50	3.00	\$1,537.50
JAM	Morris, John A.	Partner	1025.00	23.40	\$23,985.00
JEO	O'Neill, James E.	Partner	895.00	45.90	\$41,080.50
JKK	Kim, Jonathan J.	Counsel	850.00	0.80	\$680.00
JMF	Fried, Joshua M.	Partner	895.00	4.20	\$3,759.00
JNP	Pomerantz, Jeffrey N.	Partner	512.50	14.80	\$7,585.00
JNP	Pomerantz, Jeffrey N.	Partner	1025.00	30.10	\$30,852.50
KKY	Yee, Karina K.	Paralegal	395.00	26.00	\$10,270.00
KSN	Neil, Karen S.	Case Man. Asst.	325.00	0.90	\$292.50
LAF	Forrester, Leslie A.	Other	425.00	7.20	\$3,060.00
MBL	Litvak, Maxim B.	Partner	462.50	10.00	\$4,625.00
MBL	Litvak, Maxim B.	Partner	925.00	48.20	\$44,585.00
PJJ	Jeffries, Patricia J.	Paralegal	395.00	4.60	\$1,817.00
PJK	Keane, Peter J.	Counsel	695.00	0.50	\$347.50
SLP	Pitman, L. Sheryle	Case Man. Asst.	325.00	2.90	\$942.50
				<hr/> 465.80	<hr/> \$383,583.75

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Summary of Services by Task Code

<u>Task Code</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
AA	Asset Analysis/Recovery[B120]	21.00	\$18,840.00
BL	Bankruptcy Litigation [L430]	30.00	\$28,703.00
CA	Case Administration [B110]	45.80	\$34,204.50
CBM	Cayman Bermuda Matters	9.60	\$8,176.50
CO	Claims Admin/Objections[B310]	1.70	\$1,645.50
CPO	Comp. of Prof./Others	1.10	\$634.50
EB	Employee Benefit/Pension-B220	17.10	\$15,593.50
FD	First Day	65.60	\$58,538.00
FF	Financial Filings [B110]	14.30	\$12,684.50
FN	Financing [B230]	9.30	\$8,206.50
GB	General Business Advice [B410]	19.00	\$20,199.00
GC	General Creditors Comm. [B150]	15.90	\$15,020.50
LN	Litigation (Non-Bankruptcy)	6.90	\$5,667.50
MC	Meeting of Creditors [B150]	5.00	\$4,091.00
OP	Operations [B210]	66.60	\$56,724.00
RP	Retention of Prof. [B160]	3.50	\$2,912.50
RPO	Ret. of Prof./Other	80.70	\$65,127.50
TR	Travel	52.70	\$26,615.25
		465.80	<hr/> \$383,583.75

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Summary of Expenses

<u>Description</u>	<u>Amount</u>
Air Fare [E110]	\$690.41
Auto Travel Expense [E109]	\$467.65
Bloomberg	\$108.90
Working Meals [E111]	\$571.13
Conference Call [E105]	\$58.00
Delivery/Courier Service	\$829.48
Federal Express [E108]	\$202.77
Fax Transmittal [E104]	\$5.75
Hotel Expense [E110]	\$952.11
Lexis/Nexis- Legal Research [E	\$31.24
Pacer - Court Research	\$224.00
Postage [E108]	\$103.50
Reproduction Expense [E101]	\$4,502.50
Reproduction/ Scan Copy	\$446.40
Travel Expense [E110]	\$765.00
	<hr/>
	\$9,958.84

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Asset Analysis/Recovery[B120]						
10/16/2019	GVD	AA	Conference with F. Caruso, B. Sharp and client re Petrocap limited partnership interests	0.30	795.00	\$238.50
10/20/2019	MBL	AA	Attention to client inquiry re Carey investment; coordinate with team re same.	0.20	925.00	\$185.00
10/21/2019	IDK	AA	E-mails with client, others re its proposed Carey transaction	0.30	1095.00	\$328.50
10/21/2019	MBL	AA	Attention to intercompany obligations; emails with client re same.	0.30	925.00	\$277.50
10/22/2019	IDK	AA	Review of correspondence with client on Carey International proposed transaction and consider	0.30	1095.00	\$328.50
10/22/2019	IDK	AA	Review briefly memo on notes receivable	0.20	1095.00	\$219.00
10/22/2019	GVD	AA	Review notes receivables; correspondence with client re same	2.10	795.00	\$1,669.50
10/22/2019	GVD	AA	Review notes receivables; correspondence with client re same	2.10	795.00	\$1,669.50
10/23/2019	IDK	AA	E-mails with attorneys and F Caruso re note receivable and the Hunter Mountain note issues	0.20	1095.00	\$219.00
10/23/2019	MBL	AA	Attention to misc. client inquiries; emails with team and client re pending issues; analyze pending transactions.	1.00	925.00	\$925.00
10/23/2019	GVD	AA	Review Eagle Equity Structure; correspondence with client and CRO re same	1.30	795.00	\$1,033.50
10/23/2019	GVD	AA	Review Eagle Equity Structure; correspondence with client and CRO re same	1.30	795.00	\$1,033.50
10/24/2019	MBL	AA	Call with client re Carey transaction issues; update team re same.	1.00	925.00	\$925.00
10/24/2019	MBL	AA	Call with client re Carey transaction issues; update team re same.	1.00	925.00	\$925.00
10/26/2019	MBL	AA	Review prospective transactions re Debtor subs.	0.20	925.00	\$185.00
10/29/2019	IDK	AA	E-mails with CRO re F. Caruso extensive memo on liquidation of Argentina and Dynamic funds, including review of same (.4); E-mails with attorneys re referencing same in ordinary course motion (.2).	0.60	1095.00	\$657.00
10/30/2019	IDK	AA	Review of extensive memo from client on Argentina and Dynamic funds and related issues (.2); E-mails with CRO, others on 13 week budget and funding issues, and prof fee account funding, and upcoming meeting with client, conference with RO re same	0.50	1095.00	\$547.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			(.3).			
10/30/2019	IDK	AA	E-mails with attorneys re summary of client discussion on wind down of Argentina and Dynamic funds, whether to green light as ordinary course, and re process for approving communications with client on various issues (.6); Review of correspondence with PBGC on info requests and feedback from CRO re same (.2).	0.80	1095.00	\$876.00
10/30/2019	JNP	AA	Internal team call regarding windown of two funds and information protocols.	0.50	1025.00	\$512.50
10/30/2019	JNP	AA	Call with DSI and PSZJ regarding windown of two funds and information protocols.	0.50	1025.00	\$512.50
10/30/2019	MBL	AA	Attention to fund liquidation and redemption issues.	0.50	925.00	\$462.50
10/30/2019	MBL	AA	Call with client re fund liquidation issues (0.8); follow-up call with G. Demo (0.1) and emails with team (0.2) re same.	1.10	925.00	\$1,017.50
10/30/2019	GVD	AA	Review correspondence and back up regarding wind down transaction.	0.30	795.00	\$238.50
10/30/2019	GVD	AA	Conference with HCMLP and F. Caruso regarding structure of wind down transactions.	0.80	795.00	\$636.00
10/30/2019	GVD	AA	Conference regarding F. Caruso regarding wind down transactions.	0.20	795.00	\$159.00
10/30/2019	GVD	AA	Draft summary email of email of material facts from wind down transaction.	0.80	795.00	\$636.00
10/30/2019	GVD	AA	Review comments from F. Caruso on summary of wind down transactions.	0.20	795.00	\$159.00
10/30/2019	GVD	AA	Correspondence with client regarding factual background of wind down transactions.	0.50	795.00	\$397.50
10/31/2019	IDK	AA	E-mails with re client revisions to memo on Argentina/Dynamic liquid (.2); E-mails with G. Demo re same for his write up (.2); E-mails with I. Leventon re how to deal with creditor inquiries on critical vendor issues (.1); E-mails with CRO/F. Caruso and client re funding issues and Jeffries and Loral and Select Fund (.2).	0.70	1095.00	\$766.50
10/31/2019	IDK	AA	Email G. Demo re his memo on various factual problems in transactions, and consider same (.2); Telephone conferences with J. Pomerantz re general case issues (.2).	0.40	1095.00	\$438.00
10/31/2019	MBL	AA	Review client input on fund redemption issues.	0.20	925.00	\$185.00
10/31/2019	GVD	AA	Review revisions to summary of wind down transaction.	0.60	795.00	\$477.00

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				21.00		\$18,840.00
Bankruptcy Litigation [L430]						
10/07/2019	JAM	BL	E-mail to I. Kharasch, G. Demo, M. Litvak regarding First Day Declaration (0.3); review/revise First Day Declaration (1.0); e-mails with M. Litvak regarding revised First Day Declaration (0.2); revise First Day Declaration (0.8)	2.30	1025.00	\$2,357.50
10/16/2019	IDK	BL	Telephone conferences and E-mails with attorneys re status of drafts of various 1st day motions, and logistics/coverage re same (.3); E-mails with client and attorneys re further info for 1st day motions, including review of new drafts (.7); telephone conferences with G Demo re draft 1st day motions and need for summary of latest requests and coverage of same (.1); E-mails with G Demo and others re his detailed summary of all motions (.2)	1.30	1095.00	\$1,423.50
10/16/2019	IDK	BL	E-mails with attorneys re first days and Petrocap related issues on transactions and organization chart issues (.3); review of further E-mails with client group on more changes to 1st day Dec and ordinary course issues (.4)	0.70	1095.00	\$766.50
10/17/2019	IDK	BL	E-mails with attorneys re anticipated 2d day hearing issues on timing, and coordination of meetings tomorrow in office with client, CRO (.3); E-mails with J O'Neill and Greg Debtor on coordination with UST today and coverage on 1st day motions tomorrow (.3); E-mails with attorneys, including John Morris, re need for litigation support at hearing tomorrow in light of cross-X probability and coordination of same (.4)	1.00	1095.00	\$1,095.00
10/17/2019	IDK	BL	Review of correspondence with client re questions from UST, including brief review of same, as well as client feedback re same and changes made (.4); review of press of Redeemer comments (.1); Meet with client and CRO on status and tomorrow's hearing (1.0)	1.50	1095.00	\$1,642.50
10/17/2019	KKY	BL	Email to transcriber re transcripts	0.10	395.00	\$39.50
10/20/2019	JNP	BL	Review emails regarding Redeemer litigation; Conference with Ira D. Kharasch regarding same.	0.20	1025.00	\$205.00
10/21/2019	IDK	BL	Review of correspondence re Acis/Terry proceedings, claims	0.30	1095.00	\$328.50
10/21/2019	IDK	BL	E-mails with attorneys re litigation support on next hearings (.2); E-mails with attorneys on CRO/trustee issues and precedent (.4)	0.60	1095.00	\$657.00
10/21/2019	KKY	BL	Email to team re 10/18/19 transcript	0.10	395.00	\$39.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/21/2019	JMF	BL	Review pending case issues & memorandum re work in progress (.3); telephone call with J.N. Pomerantz, I. Kharasch re same (.8).	1.10	895.00	\$984.50
10/22/2019	IDK	BL	Review briefly various correspondence with Foley firm re Acis claim and issues	0.30	1095.00	\$328.50
10/22/2019	MBL	BL	Attention to summary of pending disputes with Acis; emails with team re same.	0.30	925.00	\$277.50
10/23/2019	JEO	BL	Correspondence with Acis counsel re transcript and information request	0.20	895.00	\$179.00
10/24/2019	IDK	BL	Emails with client, others re Acis requests, and other issues on Acis	0.20	1095.00	\$219.00
10/24/2019	JAM	BL	Telephone conference with G. Demo regarding status, strategy (0.4); review litigation documents/ record (3.1)	3.50	1025.00	\$3,587.50
10/25/2019	MBL	BL	Review draft NDA with Acis; emails with Acis counsel and client re same.	0.30	925.00	\$277.50
10/25/2019	JAM	BL	Review appellate documents from prepetition litigation	4.20	1025.00	\$4,305.00
10/26/2019	MBL	BL	Review Acis background documents and TX BK Court rulings.	1.00	925.00	\$925.00
10/27/2019	IDK	BL	Attend client call with I. Leventon, J. Pomerantz on status of case, CRO issues, and motions (.8); review briefly of various drafts of write ups on Daugherty/Acis claims & history (.2); E-mails with client and attorneys re rescheduling of WIP call tomorrow (.2).	1.20	1095.00	\$1,314.00
10/28/2019	LAF	BL	Edit document citations to court documents.	0.50	425.00	\$212.50
10/28/2019	LAF	BL	Legal research re: Chapter 11 trustee duties.	0.80	425.00	\$340.00
10/28/2019	JAM	BL	Telephone call with G. Demo regarding status, strategy.	0.60	1025.00	\$615.00
10/29/2019	KKY	BL	Draft 11/7/19 agenda	0.40	395.00	\$158.00
10/29/2019	KKY	BL	Draft certificate of service for 11/7/19 agenda	0.10	395.00	\$39.50
10/29/2019	GVD	BL	Multiple email regarding second day motion emails.	1.10	795.00	\$874.50
10/29/2019	GVD	BL	Attend to issues regarding second day motions and filing.	2.10	795.00	\$1,669.50
10/30/2019	KKY	BL	Review and revise 11/7/19 agenda	0.20	395.00	\$79.00
10/30/2019	JAM	BL	Meet with G. Demo regarding status (0.2); telephone conference with J. Pomerantz, I. Kharasch, G. Demo, M. Litvak regarding status, strategies (1.0); review pleadings (1.2).	2.40	1025.00	\$2,460.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/30/2019	GVD	BL	Conference with John Morris regarding status of HCMLP bankruptcy.	0.50	795.00	\$397.50
10/31/2019	IDK	BL	Telephone conference with J. Pomerantz re issues on potential trustee motion and other issues (.2); E-mails with J Kim and G. Demo re same trustee research and background (.3).	0.50	1095.00	\$547.50
10/31/2019	JEO	BL	Review and circulate agenda canceling 11/7 hearing	0.40	895.00	\$358.00
				30.00		\$28,703.00

Case Administration [B110]

10/16/2019	GVD	CA	Review KCC website; correspondence with client re same	1.30	795.00	\$1,033.50
10/17/2019	KKY	CA	Draft (.1) and prepare for filing (.1) pro hac vice motion (Ira D. Kharasch of PSZJ)	0.20	395.00	\$79.00
10/17/2019	KKY	CA	Draft (.1) and prepare for filing (.1) pro hac vice motion (Maxim B. Litvak of PSZJ)	0.20	395.00	\$79.00
10/17/2019	KKY	CA	Draft (.1) and prepare for filing (.1) pro hac vice motion (Jeffrey N. Pomerantz of PSZJ)	0.20	395.00	\$79.00
10/17/2019	KKY	CA	Draft (.1) and prepare for filing (.1) pro hac vice motion (Gregory V. Demo of PSZJ)	0.20	395.00	\$79.00
10/17/2019	KKY	CA	Draft (.1) and prepare for filing (.1) pro hac vice motion (John A. Morris of PSZJ)	0.20	395.00	\$79.00
10/17/2019	KKY	CA	Review and revise 2002 service list	0.80	395.00	\$316.00
10/17/2019	KSN	CA	Maintain document control.	0.20	325.00	\$65.00
10/17/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	1.00	325.00	\$325.00
10/18/2019	JNP	CA	Lengthy email response to client regarding calendaring issues and related.	0.50	1025.00	\$512.50
10/18/2019	KKY	CA	Serve [signed] order granting pro hac vice motion (Ira D. Kharasch of PSZJ)	0.10	395.00	\$39.50
10/18/2019	KKY	CA	Serve [signed] order granting pro hac vice motion (Maxim B. Litvak of PSZJ)	0.10	395.00	\$39.50
10/18/2019	KKY	CA	Serve [signed] order granting pro hac vice motion (Jeffrey N. Pomerantz of PSZJ)	0.10	395.00	\$39.50
10/18/2019	KKY	CA	Serve [signed] order granting pro hac vice motion (Gregory V. Demo of PSZJ)	0.10	395.00	\$39.50
10/18/2019	KKY	CA	Serve [signed] order granting pro hac vice motion (John A. Morris of PSZJ)	0.10	395.00	\$39.50
10/18/2019	KKY	CA	Review and revise 2002 service list	1.00	395.00	\$395.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/18/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
10/21/2019	DG	CA	Attend Highland WIP Call re: Second Day Hearings, Trustee issues and related matters	0.90	1050.00	\$945.00
10/21/2019	IDK	CA	E-mails with attorneys re need for group internal call on all issues, and for WIP list for same (.2); Attend internal group conference call on WIP/all motions in progress (1.0); Attend client call with Levenson and Ellington re primary case issues, communication, 341, IDI (.8)	2.00	1095.00	\$2,190.00
10/21/2019	IDK	CA	Email client re its own draft WIP list, including review of same (.2); attend further client group conference call along with CRO on WIP issues and logistics for next hearings and various motions (.6); E-mails with CRO, attorneys re need for separate ordinary course call (.2)	1.00	1095.00	\$1,095.00
10/21/2019	JNP	CA	Participate in internal WIP call.	1.00	1025.00	\$1,025.00
10/21/2019	JNP	CA	Two WIP calls with client.	1.60	1025.00	\$1,640.00
10/21/2019	KKY	CA	Prepare critical dates	5.50	395.00	\$2,172.50
10/21/2019	KKY	CA	Draft (.2) and prepare for filing (.2) affidavit of service for 10/18/19 services	0.40	395.00	\$158.00
10/21/2019	PJJ	CA	Revise WIP.	0.50	395.00	\$197.50
10/21/2019	MBL	CA	Call with team re pending matters.	1.00	925.00	\$925.00
10/21/2019	MBL	CA	Review and comment on WIP list (0.3); prep for team and client calls (0.2).	0.50	925.00	\$462.50
10/21/2019	MBL	CA	Call with client re pending matters and next steps; walk through WIP list.	0.80	925.00	\$740.00
10/21/2019	MBL	CA	Further call with client re WIP list.	0.60	925.00	\$555.00
10/21/2019	JEO	CA	Participate in PSZJ WIP call to review status of pending matters	1.00	895.00	\$895.00
10/21/2019	SLP	CA	Maintain document control.	0.70	325.00	\$227.50
10/21/2019	KSN	CA	Maintain document control.	0.20	325.00	\$65.00
10/21/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
10/21/2019	GVD	CA	Conference with PSZJ working group to coordinate WIP and next steps	1.00	795.00	\$795.00
10/21/2019	GVD	CA	Conference with PSZJ working group and I. Leventon and S. Ellington to discuss next steps and work flow	0.80	795.00	\$636.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/21/2019	GVD	CA	Prepare for conference call with PSZJ and Highland working groups	0.20	795.00	\$159.00
10/21/2019	GVD	CA	Conference with PSZJ and Highland working groups to coordinate work flow and discuss next steps	0.60	795.00	\$477.00
10/21/2019	GVD	CA	Coordinate weekly updating calls	0.20	795.00	\$159.00
10/21/2019	GVD	CA	Revise and circulate PSZJ WIP	0.60	795.00	\$477.00
10/22/2019	MBL	CA	Emails with team and client re misc. pending matters, including intercompany issues.	0.30	925.00	\$277.50
10/22/2019	SLP	CA	Maintain document control (2) receive multiple documents to organize (1.2)	1.40	325.00	\$455.00
10/22/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
10/23/2019	JJK	CA	Emails Kharasch and research on affiliate related issues.	0.80	850.00	\$680.00
10/23/2019	JNP	CA	Conference with I. Leventon regarding status of various matters.	0.50	1025.00	\$512.50
10/23/2019	JNP	CA	Conference with Ira D. Kharasch regarding various items discussed with I. Leventon.	0.40	1025.00	\$410.00
10/23/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.20	325.00	\$65.00
10/23/2019	GVD	CA	Conference with I. Leventon re bankruptcy deadlines	0.20	795.00	\$159.00
10/23/2019	GVD	CA	Conference with I. Leventon re bankruptcy deadlines	0.20	795.00	\$159.00
10/24/2019	IDK	CA	Emails with CRO and F Caruso re status and need for call tomorrow re same (.2); emails attorneys re coordination of call with client team tomorrow (.2)	0.40	1095.00	\$438.00
10/24/2019	MBL	CA	Misc. emails with client and team re case issues and pending business matters.	0.90	925.00	\$832.50
10/24/2019	MBL	CA	Misc. emails with client and team re case issues and pending business matters.	0.90	925.00	\$832.50
10/24/2019	SLP	CA	Maintain document control.	0.30	325.00	\$97.50
10/25/2019	IDK	CA	Telephone conference with Isaac L re status and various issues (.3); attend telephone conference with client group and G. Demo re status and Tuesday filings (.4); Telephone conference with G. Demo re same and follow up (.1)	0.80	1095.00	\$876.00
10/25/2019	IDK	CA	Attend conference call with CRO and F Caruso on case issues (.9); emails with internal team re need for update call Sunday morning and coordinate (.2);	1.30	1095.00	\$1,423.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			emails with client re need for update call Sunday afternoon (.2)			
10/25/2019	MBL	CA	Review WIP list.	0.10	925.00	\$92.50
10/25/2019	KSN	CA	Maintain document control.	0.20	325.00	\$65.00
10/25/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.20	325.00	\$65.00
10/25/2019	GVD	CA	Update and circulate WIP list internally	0.30	795.00	\$238.50
10/25/2019	GVD	CA	Status conference with client and I. Kharasch	0.40	795.00	\$318.00
10/26/2019	MBL	CA	Attention to case issues.	0.20	925.00	\$185.00
10/27/2019	IDK	CA	E-mails with team re upcoming conference call (.1); attend internal conference call with team on status on all motions for filing on 10/29 (.6).	0.70	1095.00	\$766.50
10/27/2019	JNP	CA	Internal WIP call with Ira D. Kharasch, Gregory V. Demo and Maxim B. Litvak.	0.50	1025.00	\$512.50
10/27/2019	MBL	CA	Call with team re pending matters and next steps (0.8); follow-up emails with client re same (0.1).	0.90	925.00	\$832.50
10/27/2019	GVD	CA	Conference with J. Pomerantz; I. Kharasch; and M. Litvak re status of second day motions and next steps	0.70	795.00	\$556.50
10/28/2019	JNP	CA	Emails regarding creditor list; Review underlying documentation regarding creditor claims.	0.20	1025.00	\$205.00
10/28/2019	JNP	CA	Emails to and from B. Sharp and I. Leventon regarding meeting.	0.10	1025.00	\$102.50
10/28/2019	KKY	CA	Review and revise critical dates	0.30	395.00	\$118.50
10/28/2019	MBL	CA	Call with J.N. Pomerantz re status and case issues (0.1); emails with team and client re same (0.2).	0.30	925.00	\$277.50
10/28/2019	MBL	CA	Misc. follow-up emails with team re pending motions; initial review of drafts.	0.50	925.00	\$462.50
10/28/2019	SLP	CA	Maintain document control.	0.10	325.00	\$32.50
10/29/2019	JNP	CA	Meeting with I. Leventon regarding case issues.	0.60	1025.00	\$615.00
10/29/2019	MBL	CA	Calls with team re filings today.	0.20	925.00	\$185.00
10/29/2019	KSN	CA	Maintain document control.	0.10	325.00	\$32.50
10/30/2019	JEO	CA	Follow up on critical dates and open issues	0.40	895.00	\$358.00
10/30/2019	SLP	CA	Maintain document control.	0.40	325.00	\$130.00
10/30/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.30	325.00	\$97.50
10/30/2019	GVD	CA	Organize pleadings and plan next steps.	0.40	795.00	\$318.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/31/2019	JNP	CA	Various calls with Ira D. Kharasch regarding issues and strategy.	0.30	1025.00	\$307.50
10/31/2019	JNP	CA	Review Notice of Appearance of Committee; email to L. Leventon regarding same.	0.10	1025.00	\$102.50
10/31/2019	JNP	CA	Emails to and from James E. O'Neill regarding hearing dates.	0.10	1025.00	\$102.50
10/31/2019	KSN	CA	Maintain document control.	0.20	325.00	\$65.00
10/31/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
10/31/2019	GVD	CA	Update and circulate WIP list.	0.60	795.00	\$477.00
				45.80		\$34,204.50

Cayman Bermuda Matters

10/16/2019	IDK	CBM	E-mails with Cole Schotz re result of Chancery Court hearing and rep to Court by Jenner (.2); review of numerous correspondence with Bermuda counsels on its list of questions on impact of chapter 11 on Bermuda proceeding, including DG responses, as well as the motion for foreign representative (.3)	0.50	1095.00	\$547.50
10/16/2019	GVD	CBM	Revise foreign representative motion re comments from D. Grassgreen; circulate same	0.80	795.00	\$636.00
10/17/2019	IDK	CBM	Review of correspondence with Bermuda counsel and D. Grassgreen on foreign issues	0.20	1095.00	\$219.00
10/17/2019	GVD	CBM	Correspondence with D. Grassgreen re retention of Foreign Counsel	0.70	795.00	\$556.50
10/18/2019	IDK	CBM	Review of correspondence from Cayman counsel on foreign procedure issues	0.20	1095.00	\$219.00
10/18/2019	GVD	CBM	Conference with client and PSZJ team re issues raised during first day and next steps	1.60	795.00	\$1,272.00
10/18/2019	GVD	CBM	Conference with D. Grassgreen and Bermudian counsel re potential stay	0.30	795.00	\$238.50
10/18/2019	GVD	CBM	Conference with D. Grassgreen and B. Sharp re foreign representative motion	0.20	795.00	\$159.00
10/21/2019	DG	CBM	Review Cayman Stay Order (.1); emails to and from Cayman counsel re: same (.1); emails with Bermuda counsel re: same (.1)	0.30	1050.00	\$315.00
10/21/2019	IDK	CBM	Review of correspondence with Cayman counsel on stay	0.20	1095.00	\$219.00
10/21/2019	MBL	CBM	Review and comment on foreign representative motion.	0.30	925.00	\$277.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/21/2019	GVD	CBM	Revise and circulate motion re appointment of foreign representative	1.10	795.00	\$874.50
10/22/2019	GVD	CBM	Revise Foreign Representative Motion re changes from M. Litvak	0.20	795.00	\$159.00
10/22/2019	GVD	CBM	Review correspondence with foreign counsel; respond to Bermuda counsel re same	0.30	795.00	\$238.50
10/22/2019	GVD	CBM	Revise Foreign Representative Motion re changes from M. Litvak	0.20	795.00	\$159.00
10/22/2019	GVD	CBM	Review correspondence with foreign counsel; respond to Bermuda counsel re same	0.30	795.00	\$238.50
10/25/2019	GVD	CBM	Correspondence with client re additional information needed for foreign representative motion	0.20	795.00	\$159.00
10/25/2019	GVD	CBM	Conference with D. Klos re additional information needed for foreign representative motion	0.20	795.00	\$159.00
10/25/2019	GVD	CBM	Correspondence with Bermudian counsel re status of Bermuda hearing	0.20	795.00	\$159.00
10/28/2019	IDK	CBM	Telephone conference with G. Demo re upcoming hearings in Cayman/Bermuda (.1); review of correspondence with Redeemer re same (.1).	0.20	1095.00	\$219.00
10/28/2019	GVD	CBM	Correspondence with M. Hankin re stay of Bermuda hearing; correspondence with Bermudian counsel re same	0.30	795.00	\$238.50
10/29/2019	MBL	CBM	Review foreign representative motion.	0.30	925.00	\$277.50
10/29/2019	GVD	CBM	Revise and file foreign representative motion.	0.80	795.00	\$636.00
				9.60		\$8,176.50

Claims Admin/Objections[B310]

10/25/2019	IDK	CO	Emails with Redeemer counsel on need for detailed info on its claim, including brief review of same (.4); email client re same and info received (.1)	0.50	1095.00	\$547.50
10/26/2019	MBL	CO	Attention to summaries of unsecured creditor claims; review background documents; emails with team re same.	0.80	925.00	\$740.00
10/30/2019	JEO	CO	Return call to creditor re claim filing process	0.20	895.00	\$179.00
10/30/2019	JEO	CO	Email to KCC re inquiry from creditor	0.20	895.00	\$179.00
				1.70		\$1,645.50

Comp. of Prof./Others

10/25/2019	JEO	CPO	Review and update Interim Compensation	0.40	895.00	\$358.00
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Procedures motion			
10/28/2019	KKY	CPO	Draft notice re interim comp motion	0.20	395.00	\$79.00
10/29/2019	KKY	CPO	Serve (.1) and prepare for filing and service (.4) interim comp motion	0.50	395.00	\$197.50
				1.10		\$634.50

Employee Benefit/Pension-B220

10/17/2019	IDK	EB	Review of correspondence with client re expert issues for employee compensation and bonuses	0.20	1095.00	\$219.00
10/21/2019	IDK	EB	Review of various correspondence with client and attorneys re choosing expert for employee bonus & compensation	0.30	1095.00	\$328.50
10/22/2019	MBL	EB	Call with comp expert and client re bonus plans.	0.20	925.00	\$185.00
10/22/2019	MBL	EB	Revisions to motion to approve ordinary course bonus plans (2.3); research applicable law (0.5).	2.80	925.00	\$2,590.00
10/22/2019	MBL	EB	Review client comments to bonus motion; emails with client and revise same.	0.40	925.00	\$370.00
10/22/2019	GVD	EB	Review motion re ordinary course employee bonuses	0.40	795.00	\$318.00
10/22/2019	GVD	EB	Review motion re ordinary course employee bonuses	0.40	795.00	\$318.00
10/23/2019	IDK	EB	E-mails with client re its draft of employee talking points, including review of same	0.30	1095.00	\$328.50
10/23/2019	IDK	EB	Telephone conference with J. Pomerantz re client question on bonus issues and possibly moving employees, and related issues re CRO feedback on bonuses (.2); E-mails with M Litvak re same re ordinary course bonus motion (.3)	0.50	1095.00	\$547.50
10/23/2019	GVD	EB	Review and summarize governance provisions in HCMLP governing documents; correspondence with I. Kharasch re same	2.10	795.00	\$1,669.50
10/23/2019	GVD	EB	Review and summarize governance provisions in HCMLP governing documents; correspondence with I. Kharasch re same	2.10	795.00	\$1,669.50
10/24/2019	MBL	EB	Call with comp expert and client re ordinary course bonus issues.	0.80	925.00	\$740.00
10/24/2019	MBL	EB	Updates to motion to approve ordinary course bonuses.	0.20	925.00	\$185.00
10/24/2019	MBL	EB	Call with comp expert and client re ordinary course bonus issues.	0.80	925.00	\$740.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/24/2019	MBL	EB	Updates to motion to approve ordinary course bonuses.	0.20	925.00	\$185.00
10/25/2019	JNP	EB	Conference with Maxim B. Litvak regarding compensation issues and retention of expert.	0.20	1025.00	\$205.00
10/25/2019	MBL	EB	Call with G. Demo re ordinary course bonus motion (0.1); follow-up with client re comments thereto (0.1).	0.20	925.00	\$185.00
10/25/2019	MBL	EB	Call with potential comp expert (0.3) and follow-up call with J.N. Pomerantz and coordinate with CRO re same (0.1).	0.40	925.00	\$370.00
10/25/2019	GVD	EB	Review motion to pay employee bonuses in the ordinary course	0.30	795.00	\$238.50
10/28/2019	IDK	EB	E-mails with attorneys re status of ordinary course bonus motion and need to delay, and timing for delayed hearing.	0.40	1095.00	\$438.00
10/28/2019	JNP	EB	Review letter from PBGC and forward to client.	0.10	1025.00	\$102.50
10/28/2019	MBL	EB	Call with client and comp expert re ordinary course bonus comp (0.8); update team re same (0.2).	1.00	925.00	\$925.00
10/29/2019	IDK	EB	E-mails with attorneys re comp expert progress.	0.20	1095.00	\$219.00
10/29/2019	MBL	EB	Call with J. Dempsey of Mercer, comp expert.	0.40	925.00	\$370.00
10/29/2019	MBL	EB	Review comp expert credentials; coordinate with client re same.	0.20	925.00	\$185.00
10/30/2019	IDK	EB	E-mails with CRO, others on release agreement and separation agreements for employees and related release payments, and procedure for approving.	0.30	1095.00	\$328.50
10/30/2019	JNP	EB	Review emails regarding PBGC request and related.	0.10	1025.00	\$102.50
10/30/2019	MBL	EB	Coordinate with client re comp expert retention; call with J. Dempsey re same.	0.30	925.00	\$277.50
10/31/2019	IDK	EB	E-mails with CRO, M. Litvak re status and costs of comp expert (.2); E-mails with CRO, M. Litvak L re issues on bonus motion and timing on filing same (.1).	0.30	1095.00	\$328.50
10/31/2019	MBL	EB	Call with client and J. Dempsey re comp issues (0.7); update DSI and team re same (0.1).	0.80	925.00	\$740.00
10/31/2019	MBL	EB	Emails with client re ordinary course bonus motion; incorporate revised language.	0.20	925.00	\$185.00
				<u>17.10</u>		<u>\$15,593.50</u>

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
First Day						
10/16/2019	KKY	FD	Draft 1st day agenda	0.80	395.00	\$316.00
10/16/2019	KKY	FD	Draft notice of 1st day hearing	0.60	395.00	\$237.00
10/16/2019	JEO	FD	Finalize and file first day motions	5.00	895.00	\$4,475.00
10/16/2019	GVD	FD	Draft update to first day declaration; revise same per comments from client	1.30	795.00	\$1,033.50
10/16/2019	GVD	FD	Review and revise first day motions	1.10	795.00	\$874.50
10/16/2019	GVD	FD	Coordinate filing of first day motions and declaration	3.10	795.00	\$2,464.50
10/17/2019	IDK	FD	Prep for tomorrow's 1st day hearing and my presentation and oral argument, including review of all finalized pleadings	3.10	1095.00	\$3,394.50
10/17/2019	JNP	FD	Conference with Ira D. Kharasch and I. Leventon regarding first days, calendar of events, Committee issues and related.	0.50	1025.00	\$512.50
10/17/2019	KKY	FD	Finalize (.2), file (.1), serve (.1), and prepare for filing and service (.2) 1st day agenda	0.60	395.00	\$237.00
10/17/2019	KKY	FD	Finalize (.2), file (.1), serve (.1), and prepare for filing and service (.2) notice of 1st day hearing	0.60	395.00	\$237.00
10/17/2019	KKY	FD	Draft (.1) and prepare for filing (.1) certificate of service for 10/17/19 services	0.20	395.00	\$79.00
10/17/2019	MBL	FD	Prep for first day hearing.	0.80	925.00	\$740.00
10/17/2019	MBL	FD	Address UST and client issues re first day matters.	0.50	925.00	\$462.50
10/17/2019	MBL	FD	Emails with team re first day hearing.	0.30	925.00	\$277.50
10/17/2019	JEO	FD	Work on agenda for first day hearing	0.70	895.00	\$626.50
10/17/2019	JEO	FD	Prepare for first day hearing.	4.00	895.00	\$3,580.00
10/17/2019	JAM	FD	Review documents and prepare for First Day Hearing.	2.40	1025.00	\$2,460.00
10/17/2019	GVD	FD	Review as filed pleadings and circulate same	1.20	795.00	\$954.00
10/17/2019	GVD	FD	Prepare outlines and arguments for First Day Hearings; correspondence with M. Litvak re same	2.70	795.00	\$2,146.50
10/17/2019	GVD	FD	Conference with I. Leventon re next steps	0.10	795.00	\$79.50
10/17/2019	GVD	FD	Correspondence with Client re additional documentation and facts required for First Day Hearing	0.80	795.00	\$636.00
10/18/2019	IDK	FD	Further prep for 1st day hearing today, and incorporation of new info on ordinary course	3.00	1095.00	\$3,285.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			transactions and modified relief (1.4); Meet with clients, attorneys re prep for hearing today, including how to handle potential cross-examination of declarant (1.6)			
10/18/2019	IDK	FD	Attend 1st day hearing, including meeting with interested parties at courthouse (2.2); Meetings at office after hearing with client, Redeemer Committee counsel re various concerns and next steps (1.2); Review of memo to client re summary of court rulings and orders (.2)	3.60	1095.00	\$3,942.00
10/18/2019	JNP	FD	Prepare for and participate in first day hearing.	4.50	1025.00	\$4,612.50
10/18/2019	JNP	FD	Meeting with client after first day hearing.	0.50	1025.00	\$512.50
10/18/2019	KKY	FD	Draft (.2), serve (.1), and prepare for filing and service (.3) notice of wages motion and entry of order re same	0.60	395.00	\$237.00
10/18/2019	KKY	FD	Draft (.2), serve (.1), and prepare for filing and service (.3) notice of entry of interim order and final hearing re critical vendors motion	0.60	395.00	\$237.00
10/18/2019	KKY	FD	Draft (.2), serve (.1), and prepare for filing and service (.3) notice of entry of interim order and final hearing re matrix under seal motion	0.60	395.00	\$237.00
10/18/2019	MBL	FD	Confer with client and team re hearing prep.	1.00	925.00	\$925.00
10/18/2019	MBL	FD	Attend and participate in first day hearing.	1.50	925.00	\$1,387.50
10/18/2019	JEO	FD	Prepare for and attend first day hearing	4.50	895.00	\$4,027.50
10/18/2019	JEO	FD	Follow up meeting with client after first day hearing	1.00	895.00	\$895.00
10/18/2019	JEO	FD	Review all entered first day orders and coordinate notices of second day hearing	2.50	895.00	\$2,237.50
10/18/2019	JMF	FD	Review first day declaration & background.	0.80	895.00	\$716.00
10/18/2019	JAM	FD	Prepare for first day hearing (1.2); meeting with clients, B. Sharp, PSZJ to prepare for first day hearing (1.9); first day hearing (2.1).	5.20	1025.00	\$5,330.00
10/18/2019	GVD	FD	Prepare for First Day Hearing with Client	2.10	795.00	\$1,669.50
10/18/2019	GVD	FD	Attend First Day Hearing	1.90	795.00	\$1,510.50
10/18/2019	GVD	FD	Conference with B. Sharp and M. Litvak re next steps	0.70	795.00	\$556.50
10/18/2019	GVD	FD	Prepare and circulate first day orders and summary	0.40	795.00	\$318.00
10/29/2019	KKY	FD	Review and revise 1st day binders	0.20	395.00	\$79.00
				65.60		\$58,538.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Financial Filings [B110]						
10/18/2019	KKY	FF	Draft (.2), serve (.1), and prepare for filing and service (.3) notice of hearing re schedules extension motion	0.60	395.00	\$237.00
10/18/2019	GVD	FF	Correspondence re Uniform Depository Agreement	0.20	795.00	\$159.00
10/22/2019	IDK	FF	Review briefly numerous correspondence with client and CRO on upcoming IDI and info requests for UST	0.20	1095.00	\$219.00
10/22/2019	JMF	FF	Review background re 2015 reports.	0.40	895.00	\$358.00
10/23/2019	JEO	FF	Review and prepare documents for Initial Debtor Interview	1.50	895.00	\$1,342.50
10/23/2019	GVD	FF	Draft and circulate summary of available baskets under cash management motion	0.70	795.00	\$556.50
10/23/2019	GVD	FF	Draft and circulate summary of available baskets under cash management motion	0.70	795.00	\$556.50
10/24/2019	JEO	FF	Email response to Brad Sharp re requirements for initial operating report	0.40	895.00	\$358.00
10/25/2019	JMF	FF	Review MOR.	0.30	895.00	\$268.50
10/27/2019	JEO	FF	Emails with client team re preparation for initial debtor interview	0.80	895.00	\$716.00
10/27/2019	GVD	FF	Review issues with cash management disclosures; correspondence with I. Kharasch re same	0.30	795.00	\$238.50
10/28/2019	IDK	FF	Telephone conferences with J. Pomerantz re tomorrow's IDI and formation meeting and various issues on law firms and potential conflicts to rep committee (.3); E-mails with client re same (.2).	0.50	1095.00	\$547.50
10/28/2019	JEO	FF	Call with Highland team to prepare for Initial Debtor Interview	1.00	895.00	\$895.00
10/29/2019	JNP	FF	Attend IDI.	1.50	1025.00	\$1,537.50
10/29/2019	JNP	FF	Meeting with B. Sharp and I. Leventon in advance of IDI and formation meeting.	1.70	1025.00	\$1,742.50
10/29/2019	JEO	FF	Prepare for initial debtor interview	0.50	895.00	\$447.50
10/29/2019	JEO	FF	Attend initial Debtor Interview	1.00	895.00	\$895.00
10/31/2019	KKY	FF	Prepare for filing and service initial monthly operating report	0.30	395.00	\$118.50
10/31/2019	JEO	FF	Review Initial Operating Report and provide comments	0.30	895.00	\$268.50
10/31/2019	JEO	FF	Emails with DSI team re Initial Operating	0.30	895.00	\$268.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Requirements			
10/31/2019	JEO	FF	Finalize Initial Operating Report for filing and service	0.80	895.00	\$716.00
10/31/2019	GVD	FF	Correspondence with HCMLP regarding Uniform Depository Agreement.	0.30	795.00	\$238.50
				14.30		\$12,684.50

Financing [B230]

10/16/2019	IDK	FN	Review of draft of cash collateral motion and consider next steps re same (.4); E-mails with M Litvak re questions on cash collateral issues and Jeffries (.3); E-mails with client group re same and reach out to Jeffries and margin issues (.4)	1.10	1095.00	\$1,204.50
10/16/2019	KKY	FN	Draft notice re interim hearing on cash collateral motion	0.40	395.00	\$158.00
10/17/2019	IDK	FN	E-mails with attorneys re feedback from counsel to Jeffries on our cash collateral motion and its demand to pare back budget (.3); E-mails with client, M Litvak re same and budget issues and concerns (.4)	0.70	1095.00	\$766.50
10/17/2019	KKY	FN	Finalize (.2), file (.1), serve (.1), and prepare for filing and service (.2) notice re interim hearing on cash collateral motion	0.60	395.00	\$237.00
10/17/2019	MBL	FN	Calls with client and Jeffries counsel re cash collateral issues; follow-up emails re same.	1.00	925.00	\$925.00
10/18/2019	KKY	FN	Draft (.2), serve (.1), and prepare for filing and service (.3) notice of hearing re cash collateral motion	0.60	395.00	\$237.00
10/24/2019	IDK	FN	Review of correspondence with client about DIP loan issues	0.20	1095.00	\$219.00
10/24/2019	JNP	FN	Email to I. Leventon regarding DIP lending.	0.10	1025.00	\$102.50
10/25/2019	JNP	FN	Conference with B. Sharp, F. Caruso and Ira D. Kharasch regarding status of company liquidity and other issues.	0.80	1025.00	\$820.00
10/28/2019	IDK	FN	E-mails with attorneys re cash collateral and funding concerns.	0.30	1095.00	\$328.50
10/28/2019	MBL	FN	Emails with team re funding issues; follow-up re cash collateral status.	0.20	925.00	\$185.00
10/29/2019	IDK	FN	E-mails with CRO and others re whether to withdraw CC motion (.2); Telephone conference with Hankin re decision to withdraw (.1).	0.30	1095.00	\$328.50
10/29/2019	KKY	FN	Draft notice of withdrawal re cash collateral motion	0.20	395.00	\$79.00

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10/29/2019	MBL	FN	Emails with client re withdrawal of cash collateral motion.	0.20	925.00	\$185.00
10/29/2019	MBL	FN	Call with Jefferies counsel re cash collateral issues.	0.10	925.00	\$92.50
10/29/2019	JEO	FN	Call from Max Litvak re withdrawal of Cash Collateral Motion	0.20	895.00	\$179.00
10/29/2019	JEO	FN	Contact court regarding cancellation of cash collateral hearing	0.20	895.00	\$179.00
10/29/2019	JEO	FN	REview notice of withdrawal of Cash Collateral Motion	0.40	895.00	\$358.00
10/30/2019	MBL	FN	Review Jefferies account statements.	0.20	925.00	\$185.00
10/30/2019	MBL	FN	Call with Jefferies counsel re status.	0.10	925.00	\$92.50
10/31/2019	JNP	FN	Conference with B. Sharp regarding status of financing.	0.10	1025.00	\$102.50
10/31/2019	JNP	FN	Conference with Ira D. Kharasch regarding call with B. Sharp regarding financing issues.	0.20	1025.00	\$205.00
10/31/2019	JNP	FN	Email to and from Beth Weller regarding withdrawal of financing motion.	0.10	1025.00	\$102.50
10/31/2019	JNP	FN	Review 13 week budget and email to Ira D. Kharasch regarding same.	0.10	1025.00	\$102.50
10/31/2019	MBL	FN	Call with new Jefferies counsel re status (0.3); update emails with DSI re same (0.2).	0.50	925.00	\$462.50
10/31/2019	MBL	FN	Misc. case emails with client and DSI re financing and other pending issues.	0.40	925.00	\$370.00
				9.30		\$8,206.50

General Business Advice [B410]

10/16/2019	IDK	GB	Numerous E-mails and telephone conferences with attorneys and client re just having filed the chapter 11 petition, and next immediate steps, including issues on timing of 1st day motions later today and timing of 1st day hearing (.8); E-mails with attorneys and client re Bloomberg and other press calls, and how to handle (.3); E-mails and telephone conferences with J. Pomerantz re logistics on 1st day hearing and prep of witnesses (.3)	1.40	1095.00	\$1,533.00
10/17/2019	IDK	GB	E-mails with client re his numerous questions re chapter 11 issues and next steps and consider	0.30	1095.00	\$328.50
10/18/2019	IDK	GB	Review of memo to client re answers to numerous questions raised on chapter 11 process	0.30	1095.00	\$328.50
10/18/2019	MBL	GB	Confer with client following hearing and pending	0.80	925.00	\$740.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			matters.			
10/21/2019	MBL	GB	Misc. comments with client and team re pending issues, cash management, intercompany loans, etc.	0.90	925.00	\$832.50
10/25/2019	MBL	GB	Misc. emails with team re case issues.	0.30	925.00	\$277.50
10/27/2019	IDK	GB	Meet with CRO to go over issues in case and prep for meeting tomorrow in Dallas (2.3).	2.30	1095.00	\$2,518.50
10/28/2019	IDK	GB	Meet with CRO prior to meeting at company to prepare (.7); Attend meetings at company in Dallas with various parts of management team on numerous issues and with CRO, including re CRO authority, business opportunities, case strategy (4.2); Attend client WIP call on motions/issues (1.0).	5.90	1095.00	\$6,460.50
10/28/2019	IDK	GB	E-mails with attorneys re revised CRO authority protocol (.3); Telephone conferences with J. Pomerantz re result of client meetings today (.3); Review of revised engagement letter with CRO re incorporation of new authority (.3); E-mails with attorneys re need for various revisions to app to employ CRO (.2).	1.10	1095.00	\$1,204.50
10/28/2019	JNP	GB	Conference with Ira D. Kharasch regarding meetings with client and other related issues (2x).	0.60	1025.00	\$615.00
10/30/2019	IDK	GB	E-mails re memo from Turner on his prior fund liquidation experience, including review of same (.2); E-mails with client re its request for special call tomorrow on strategy and organization (.2); Attend conference call with CRO/F. Caruso on case/funding issues, status (.3); Telephone conferences with J. Pomerantz re same and Dondero (.2).	0.90	1095.00	\$985.50
10/30/2019	JNP	GB	Multiple calls with I. Leventon regarding business issues.	0.50	1025.00	\$512.50
10/30/2019	JNP	GB	Conference with B. Sharp regarding call with I. Leventon regarding business issues.	0.10	1025.00	\$102.50
10/30/2019	MBL	GB	Address misc. company inquiries re pending business issues.	0.40	925.00	\$370.00
10/31/2019	IDK	GB	Meet with M. Warner of Cole Schotz re case issues (.6); Telephone conference with M. Warner and J. Pomerantz re same (.2).	0.80	1095.00	\$876.00
10/31/2019	IDK	GB	E-mails with I. Leventon re status of later call today on strategy and rescheduling (.2); Attend conference call with I. Leventon, S. Ellington, and J. Pomerantz re same (.7); Telephone conference with J. Pomerantz re follow up re same (.1); E-mails with CRO and F. Caruso re same and need for call tomorrow (.2).	1.20	1095.00	\$1,314.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/31/2019	JNP	GB	Conference with I. Leventon, Ira D. Kharasch and S. Ellington regarding general business issues.	0.50	1025.00	\$512.50
10/31/2019	JNP	GB	Consider general business issues including call with Ira D. Kharasch regarding same.	0.40	1025.00	\$410.00
10/31/2019	MBL	GB	Emails with team re case issues; review updated WIP list.	0.30	925.00	\$277.50
				19.00		\$20,199.00

General Creditors Comm. [B150]

10/21/2019	IDK	GC	E-mails with Redeemer counsel on its sending docs to UST for committee (.2); email client re same (.1)	0.30	1095.00	\$328.50
10/21/2019	JNP	GC	Conference with S. Simms and FTI regarding Committee pursuit and emails regarding same.	0.40	1025.00	\$410.00
10/24/2019	JNP	GC	Emails with B. Sharp regarding formation meeting.	0.10	1025.00	\$102.50
10/24/2019	JNP	GC	Emails to and from I. Leventon regarding formation meeting.	0.10	1025.00	\$102.50
10/25/2019	IDK	GC	Emails with F. Caruso re question on CRO proposal (.1); emails with client and attorneys re summaries on Acis and Daugherty litigation and committee formation concerns, both today and tomorrow (.4); emails with attorneys re current status of CRO authority issues and current draft proposal re same (.3)	0.80	1095.00	\$876.00
10/25/2019	JNP	GC	Conference with I. Leventon and Ira D. Kharasch regarding Committee formation issues.	0.40	1025.00	\$410.00
10/25/2019	JNP	GC	Conference with D. Polkowitz regarding Committee pursuit.	0.20	1025.00	\$205.00
10/25/2019	JNP	GC	Emails with James E. O'Neill regarding formation meeting.	0.10	1025.00	\$102.50
10/25/2019	GVD	GC	Draft confidentiality agreement re potential disclosures to Acis	1.70	795.00	\$1,351.50
10/26/2019	JNP	GC	Review materials regarding appropriateness for certain creditors to sit on committee and address issues regarding same.	1.00	1025.00	\$1,025.00
10/27/2019	JNP	GC	Review and revise letter to U. S. Trustee regarding Creditor Committee composition.	0.30	1025.00	\$307.50
10/27/2019	JNP	GC	Review materials regarding Committee composition issues and emails regarding same.	0.50	1025.00	\$512.50
10/28/2019	IDK	GC	E-mails and telephone conference with Redeemer counsel re committee formation issues and CRO status (.4).	0.40	1095.00	\$438.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/28/2019	JNP	GC	Emails to and from Gregory V. Demo regarding letter to U.S. Trustee regarding Committee.	0.10	1025.00	\$102.50
10/28/2019	MBL	GC	Review draft letter to UST re Committee formation; emails with team and client re same.	0.70	925.00	\$647.50
10/28/2019	GVD	GC	Review back up information related to J. Terry claims	0.80	795.00	\$636.00
10/28/2019	GVD	GC	Conference with Foley Gardere, Lynn Pinker, J. Morris and client re potential committee members	0.70	795.00	\$556.50
10/28/2019	GVD	GC	Correspondence with PSZJ summarizing call with Foley Gardere and Lynn Pinker	0.20	795.00	\$159.00
10/28/2019	GVD	GC	Revise and circulate letter to UST re committee formation	1.90	795.00	\$1,510.50
10/29/2019	IDK	GC	Review of notice of appointment of Committee (.1); E-mails with attorneys re same (.1); Telephone conferences with J. Pomerantz and client re same and next steps with Committee (.2).	0.40	1095.00	\$438.00
10/29/2019	JNP	GC	Emails regarding Committee formation and counsel.	0.20	1025.00	\$205.00
10/29/2019	JNP	GC	Prepare comments for formation meeting.	0.50	1025.00	\$512.50
10/29/2019	JNP	GC	Attend formation meeting.	0.70	1025.00	\$717.50
10/29/2019	MBL	GC	Call with J.N. Pomerantz re formation meeting; review notice of Committee appointment and coordinate same with client.	0.10	925.00	\$92.50
10/29/2019	JEO	GC	Prepare for Formation Meeting	0.50	895.00	\$447.50
10/29/2019	JEO	GC	Attend formation meeting	1.00	895.00	\$895.00
10/30/2019	IDK	GC	E-mails with Committee counsel and J. Pomerantz re status and organizing of call.	0.30	1095.00	\$328.50
10/30/2019	JNP	GC	Email with J. Boelter regarding call with Committee.	0.10	1025.00	\$102.50
10/31/2019	IDK	GC	Attend conference call with Committee counsel re case status and next steps (.4); Telephone conference with J. Pomerantz re same (.2); E-mails with Committee counsel re their request for info on liquidating funds (.3).	0.90	1095.00	\$985.50
10/31/2019	JNP	GC	Conference with Ira D. Kharasch and Sidley regarding case background.	0.50	1025.00	\$512.50
				<u>15.90</u>		<u>\$15,020.50</u>

Litigation (Non-Bankruptcy)

10/18/2019	IDK	LN	E-mails with client on Sunday re concerns on chancery court representations by Redeemer and	0.30	1095.00	\$328.50
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			how to correct and consider (.2); Telephone conference with J. Pomerantz re same (.1)			
10/19/2019	JNP	LN	Conference with H. Oneill regarding status of non-bankruptcy litigation involving debtor.	0.40	1025.00	\$410.00
10/25/2019	GVD	LN	Review write ups on pending litigation	0.70	795.00	\$556.50
10/26/2019	GVD	LN	Review materials re Terry and Dougherty claims	1.20	795.00	\$954.00
10/27/2019	GVD	LN	Review back up materials re P. Daugherty litigation	2.40	795.00	\$1,908.00
10/27/2019	GVD	LN	Draft letter to U.S. Trustee re P. Daugherty	1.70	795.00	\$1,351.50
10/27/2019	GVD	LN	Revise letter re comments from J. Pomerantz and circulate to client	0.20	795.00	\$159.00
				6.90		\$5,667.50

Meeting of Creditors [B150]

10/18/2019	IDK	MC	E-mails with attorneys re UST and scheduling of MC and IDI	0.30	1095.00	\$328.50
10/23/2019	JEO	MC	Emails with team re setting up 341 meeting	0.60	895.00	\$537.00
10/24/2019	IDK	MC	Review of correspondence with client and CRO re coordination and prep for IDI and 341	0.20	1095.00	\$219.00
10/24/2019	JNP	MC	Emails to and from James E. O'Neill regarding 341.	0.10	1025.00	\$102.50
10/24/2019	JEO	MC	Email with UST Jane Leamy re 341 meeting	0.30	895.00	\$268.50
10/27/2019	IDK	MC	E-mails with attorneys re tomorrow's IDI and formation meeting and draft of letter to UST re same and what to raise.	0.40	1095.00	\$438.00
10/29/2019	IDK	MC	E-mails with CRO, others re logistical issues on scheduling 341a hearing.	0.10	1095.00	\$109.50
10/29/2019	KKY	MC	Draft 341 notice	0.70	395.00	\$276.50
10/29/2019	KKY	MC	Email to claims agent re service of 341 notice	0.10	395.00	\$39.50
10/29/2019	PJJ	MC	Review 341 notice.	0.20	395.00	\$79.00
10/30/2019	IDK	MC	E-mails with client, others on 341 logistics.	0.20	1095.00	\$219.00
10/30/2019	JNP	MC	Emails regarding 341 meeting notice.	0.10	1025.00	\$102.50
10/30/2019	KKY	MC	Review and revise amended 341 notice	0.30	395.00	\$118.50
10/30/2019	JEO	MC	Work on corrected 341 notice	0.80	895.00	\$716.00
10/30/2019	JEO	MC	Review issues re 341 notice	0.60	895.00	\$537.00
				5.00		\$4,091.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Operations [B210]						
10/16/2019	IDK	OP	E-mails with client, others on client list of questions for operations and ordinary course and bankruptcy questions, and need for group call on operations and ordinary course issues (.4); initial Telephone conference with conference with client group on ordinary course of biz questions on D's management activities on non-D managed funds, and other related issues (.4); further Telephone conference with conference with client group and others re other ordinary course transaction issues and various trading issues (.8)	1.60	1095.00	\$1,752.00
10/16/2019	IDK	OP	E-mails with attorneys re draft of memo to client on Select Fund protocol for liquidation and withdrawals (.2); E-mails with client re same and related issue of customers wanting different street name for trading (.2); E-mails with JP Sevilla from Debtor on further questions & protocol on ordinary course issues (.3)	0.70	1095.00	\$766.50
10/16/2019	GVD	OP	Further revise motion re ordinary course; correspondence re same	2.60	795.00	\$2,067.00
10/16/2019	GVD	OP	Multiple conferences re issues with ordinary course sales transactions	2.10	795.00	\$1,669.50
10/17/2019	IDK	OP	E-mails with attorneys re draft of ordinary course transaction motion, including review of same (.4); E-mails with client, others as to the Targa marketing (.2)	0.60	1095.00	\$657.00
10/17/2019	GVD	OP	Review ordinary course protocol motion; conference with J. Morris re same	0.60	795.00	\$477.00
10/17/2019	GVD	OP	Review and respond to U.S. Trustee comments to cash management and critical vendor motions	1.40	795.00	\$1,113.00
10/18/2019	JNP	OP	Conference with Ira D. Kharasch regarding management issues.	0.30	1025.00	\$307.50
10/18/2019	KKY	OP	Draft (.2), serve (.1), and prepare for filing and service (.3) notice of entry of interim order and final hearing re cash management motion	0.60	395.00	\$237.00
10/21/2019	JAM	OP	Review revised ordinary course protocol motion (1.3)	1.30	1025.00	\$1,332.50
10/21/2019	GVD	OP	Research ordinary course under Section 363; revise ordinary course protocol motion re same	3.20	795.00	\$2,544.00
10/21/2019	GVD	OP	Revise and circulate ordinary course motion	0.70	795.00	\$556.50
10/22/2019	MBL	OP	Revise motion to approve protocol for ordinary course transactions.	2.50	925.00	\$2,312.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/22/2019	JMF	OP	Review first day declaration.	1.10	895.00	\$984.50
10/22/2019	GVD	OP	Review vendor contracts	1.40	795.00	\$1,113.00
10/22/2019	GVD	OP	Prepare for conference with D. Klos re vendor contracts; conference with D. Klos re prepetition vendor contracts	0.40	795.00	\$318.00
10/22/2019	GVD	OP	Review vendor contracts	1.40	795.00	\$1,113.00
10/22/2019	GVD	OP	Prepare for conference with D. Klos re vendor contracts; conference with D. Klos re prepetition vendor contracts	0.40	795.00	\$318.00
10/23/2019	IDK	OP	Review of revised motion re ordinary course transactions/protocol, including problems with same, and relation to CRO expanded powers (.4); Telephone conference with J. Pomerantz re same and Select Fund (.1)	0.50	1095.00	\$547.50
10/23/2019	IDK	OP	Attend conference call with CRO and F Caruso, and others re numerous issues and concerns on ordinary course and out of the ordinary course business transactions, including with numerous kinds of funds, and related liquidity issues (1.9); E-mails with F Caruso and others re the Eagle Equity funding issues (.2)	2.10	1095.00	\$2,299.50
10/23/2019	JNP	OP	Review motion for ordinary course approval of transaction.	0.30	1025.00	\$307.50
10/23/2019	JNP	OP	Participate in call with PSZJ and DSI regarding ordinary course operations.	1.00	1025.00	\$1,025.00
10/23/2019	MBL	OP	Call with client and team re ordinary course protocols motion.	1.30	925.00	\$1,202.50
10/23/2019	MBL	OP	Calls with G. Demo re pending matters, client inquiries, and revisions to ordinary course motion.	0.30	925.00	\$277.50
10/23/2019	GVD	OP	Conference with PSZJ working group and CRO working group re ordinary course protocol motion	1.00	795.00	\$795.00
10/23/2019	GVD	OP	Draft ordinary course protocol; correspondence with M. Litvak re same	0.50	795.00	\$397.50
10/23/2019	GVD	OP	General correspondence with client and CRO re critical vendor and employee wage baskets	0.40	795.00	\$318.00
10/23/2019	GVD	OP	Revise Ordinary Course Protocol Motion re revisions from PSZJ team	1.50	795.00	\$1,192.50
10/23/2019	GVD	OP	Review M. Litvak revisions to Ordinary Course Protocol Motion	0.40	795.00	\$318.00
10/23/2019	GVD	OP	Conference with PSZJ working group and CRO working group re ordinary course protocol motion	1.00	795.00	\$795.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/23/2019	GVD	OP	Draft ordinary course protocol; correspondence with M. Litvak re same	0.50	795.00	\$397.50
10/23/2019	GVD	OP	General correspondence with client and CRO re critical vendor and employee wage baskets	0.40	795.00	\$318.00
10/23/2019	GVD	OP	Revise Ordinary Course Protocol Motion re revisions from PSZJ team	1.50	795.00	\$1,192.50
10/24/2019	IDK	OP	Review of correspondence with CRO and others re further modification of ordinary course transaction motion/protocol (.2); emails with attorneys re same and re new issue of Debtor paying fees of professionals for affiliates and reimbursement (.2); Telephone conference with Milbank Tweed re its questions on same and street name changes (.2); emails with M Litvak re client decisions on Carey transaction and questions on same (.2)	0.80	1095.00	\$876.00
10/24/2019	JNP	OP	Emails to and from Gregory V. Demo regarding ordinary course motion.	0.10	1025.00	\$102.50
10/24/2019	GVD	OP	Revise and circulate to working group ordinary course protocol	0.50	795.00	\$397.50
10/24/2019	GVD	OP	Further revise and circulate draft ordinary course protocol motion	3.10	795.00	\$2,464.50
10/24/2019	GVD	OP	Conference with client and M. Litvak re potential transactional issues	1.00	795.00	\$795.00
10/24/2019	GVD	OP	Multiple conferences with potential ordinary course and special professionals	1.90	795.00	\$1,510.50
10/24/2019	GVD	OP	Revise and circulate to working group ordinary course protocol	0.50	795.00	\$397.50
10/24/2019	GVD	OP	Further revise and circulate draft ordinary course protocol motion	3.10	795.00	\$2,464.50
10/24/2019	GVD	OP	Conference with client and M. Litvak re potential transactional issues	1.00	795.00	\$795.00
10/25/2019	IDK	OP	Various emails with F Caruso re cash issues and model, including brief review (.3); Telephone conference and e-mails with G. Demo re status of ordinary course business taxes, and need to recirculate (.2)	0.50	1095.00	\$547.50
10/25/2019	MBL	OP	Review and comment on ordinary course protocols motion.	0.50	925.00	\$462.50
10/25/2019	JEO	OP	Review resolution for Uniform Depository Agreement (.2) and email to UST Analyst Karen Starr re same.	0.40	895.00	\$358.00
10/25/2019	GVD	OP	Further revise and circulate motion re ordinary	0.50	795.00	\$397.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			course protocol			
10/26/2019	MBL	OP	Review revisions to ordinary course protocols motion.	0.30	925.00	\$277.50
10/26/2019	GVD	OP	Revise ordinary course protocol motions re comments from M. Litvak	0.90	795.00	\$715.50
10/27/2019	IDK	OP	E-mails with G. Demo re need to revise ordinary course motion re further information on Multi Select Fund, including review of same information.	0.50	1095.00	\$547.50
10/27/2019	JNP	OP	Conference with Ira D. Kharasch and I. Leventon regarding operations and liquidity issues.	0.70	1025.00	\$717.50
10/28/2019	PJJ	OP	Research supplemental cash management precedents.	0.50	395.00	\$197.50
10/28/2019	PJJ	OP	Draft supplemental cash management motion.	0.80	395.00	\$316.00
10/28/2019	GVD	OP	Further update ordinary course protocol motion re incorporation of intercompany transactions and comments from I. Kharasch	3.30	795.00	\$2,623.50
10/29/2019	IDK	OP	Review of correspondence with client and others re client's changes to ordinary course protocols (.3); E-mails with client and CRO re descriptions and issues re Eagle Equity and other transactions, and whether to include in motion (.3); Review of various next drafts of same motion (.3); Numerous E-mails with client, CRO, others, re how to deal with various trading issues, and how to solve by referring to CRO protocol in his employment app (.5).	1.40	1095.00	\$1,533.00
10/29/2019	JNP	OP	Review emails regarding ordinary course of business motion.	0.10	1025.00	\$102.50
10/29/2019	KKY	OP	Draft notice re OCB protocol motion	0.20	395.00	\$79.00
10/29/2019	KKY	OP	Prepare for filing and service OCB protocol motion	0.30	395.00	\$118.50
10/29/2019	MBL	OP	Review emails from client re summary of ordinary course transactions.	0.20	925.00	\$185.00
10/29/2019	MBL	OP	Review and comment on ordinary course protocols motion.	1.70	925.00	\$1,572.50
10/29/2019	MBL	OP	Emails with team and client re ordinary course protocols.	0.30	925.00	\$277.50
10/29/2019	JEO	OP	Review and finalize Precautionary Motion of the Debtor for Order Approving Protocols for the Debtor to Implement Certain Transactions in the Ordinary Course of Business	0.50	895.00	\$447.50
10/29/2019	GVD	OP	Further revise and finalize ordinary course protocol motion; conferences with D. Klos regarding same; conferences with Pachulski Stang Ziehl & Jones and	3.40	795.00	\$2,703.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			HCMLP team regarding same.			
10/30/2019	MBL	OP	Call with team re ordinary course protocols (0.4); follow-up call with DSI re same (0.6).	1.00	925.00	\$925.00
10/30/2019	GVD	OP	Pachulski Stang Ziehl & Jones and DSI group call regarding protocol for assessing ordinary course transactions.	1.00	795.00	\$795.00
				<u>66.60</u>		<u>\$56,724.00</u>

Retention of Prof. [B160]

10/23/2019	JEO	RP	Review conflicts report for PSZJ retention	1.00	895.00	\$895.00
10/23/2019	GVD	RP	Review conflicts list for affiliate issues	0.30	795.00	\$238.50
10/23/2019	GVD	RP	Review conflicts list for affiliate issues	0.30	795.00	\$238.50
10/24/2019	GVD	RP	Conference with J. O'Neill re conflicts issues	0.30	795.00	\$238.50
10/24/2019	GVD	RP	Conference with J. O'Neill re conflicts issues	0.30	795.00	\$238.50
10/25/2019	JEO	RP	Review and update PSZJ Retention application	0.50	895.00	\$447.50
10/28/2019	KKY	RP	Draft notice re PSZJ retention application	0.20	395.00	\$79.00
10/29/2019	JEO	RP	Review and finalize Application/Motion to Employ/Retain Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession	0.60	895.00	\$537.00
				<u>3.50</u>		<u>\$2,912.50</u>

Ret. of Prof./Other

10/18/2019	KKY	RPO	Draft (.2), serve (.1), and prepare for filing and service (.3) notice of KCC retention application and entry of order re same	0.60	395.00	\$237.00
10/18/2019	PJJ	RPO	Draft ordinary course professionals motion.	0.80	395.00	\$316.00
10/21/2019	MBL	RPO	Review and comment on OCP motion.	0.30	925.00	\$277.50
10/21/2019	MBL	RPO	Emails with team re CRO retention; review prior agreements.	0.20	925.00	\$185.00
10/21/2019	LAF	RPO	Legal research re: CROs and chapter 11 trustees.	0.80	425.00	\$340.00
10/21/2019	GVD	RPO	Correspondence with K. Irving re ordinary course professionals and next steps	0.10	795.00	\$79.50
10/22/2019	IDK	RPO	Consider alternatives in expanding power/authority of CRO, including review of numerous precedent re different roles of CROs and changes to corporate governance re same, as well as related trustee issues re same, and prior draft of Redeemer settlement re same for limitations on transactions, including prep of summaries for same (1.7); E-mails and telephone	1.90	1095.00	\$2,080.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			conference with J. Pomerantz re status of same (.2)			
10/22/2019	KKY	RPO	Respond (.1) to email from Peter J. Keane re DSI retention documents; and prepare (.2) attachments to same	0.30	395.00	\$118.50
10/22/2019	PJJ	RPO	Revise special counsel retention application.	0.20	395.00	\$79.00
10/22/2019	PJJ	RPO	Research CRO retention.	0.40	395.00	\$158.00
10/22/2019	PJJ	RPO	Draft CRO retention application.	1.20	395.00	\$474.00
10/22/2019	JEO	RPO	Review precedent for DSI retention	0.60	895.00	\$537.00
10/22/2019	JEO	RPO	Work on conflicts list for retentions	0.90	895.00	\$805.50
10/22/2019	JEO	RPO	Emails with Greg Demo re retention issues	0.40	895.00	\$358.00
10/22/2019	LAF	RPO	Legal research re: CRO appointments & chapter 11 trustees.	2.30	425.00	\$977.50
10/22/2019	JAM	RPO	Telephone conference with Greg Demo regarding Foley Gardere retention (0.4); review documents/ correspondence regarding Foley Gardere (0.5)	0.90	1025.00	\$922.50
10/22/2019	PJK	RPO	Research re CRO issues, emails with James E. O'Neill re same, discuss with James E. O'Neill	0.50	695.00	\$347.50
10/22/2019	GVD	RPO	Update template for special counsel retentions	1.10	795.00	\$874.50
10/22/2019	GVD	RPO	Review and draft motion to retain chief restructuring officer	1.70	795.00	\$1,351.50
10/22/2019	GVD	RPO	Conference with I. Leventon and J. Morris re retention of Foley Gardere and Lynn Pinker	0.60	795.00	\$477.00
10/22/2019	GVD	RPO	Update template for special counsel retentions	1.10	795.00	\$874.50
10/22/2019	GVD	RPO	Review and draft motion to retain chief restructuring officer	1.70	795.00	\$1,351.50
10/22/2019	GVD	RPO	Conference with I. Leventon and J. Morris re retention of Foley Gardere and Lynn Pinker	0.60	795.00	\$477.00
10/23/2019	IDK	RPO	E-mails with G Demo re my questions on Debtor's operating agreement and corporate governance issues for CRO/trustee considerations, including his memo in response with operating agreement, as well as GP appointment of officers and duties of same (.6); review of further precedent re expanded CRO powers & relevant issues of corporate governance (.5); Prep of extensive memo to client, CRO re proposed expanded authority of CRO and breakdown into 3 categories, and corporate governance issues (1.4); E-mails and Telephone conference with J. Pomerantz re his response to draft CRO proposal (.2)	2.70	1095.00	\$2,956.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/23/2019	IDK	RPO	Telephone conference with J. Pomerantz re his feedback on memo re expanded CRO duties, and consider (.2); E-mails with J Kim re CRO related issues and re definition of ?affiliate? and exclusion of LP from same (.4)	0.60	1095.00	\$657.00
10/23/2019	JNP	RPO	Review email from Ira D. Kharasch regarding scope of authority for CRO; Conference with Ira D. Kharasch regarding same.	0.20	1025.00	\$205.00
10/23/2019	JEO	RPO	Review and compile conflicts lists for professionals	0.90	895.00	\$805.50
10/23/2019	JMF	RPO	Review CRO applications.	0.50	895.00	\$447.50
10/23/2019	LAF	RPO	Legal research re: CROs and chapter 11 trustee appointment.	2.80	425.00	\$1,190.00
10/23/2019	JAM	RPO	Telephone conference with G. Demo, B. Sharp, others regarding retention motions, strategy.	0.60	1025.00	\$615.00
10/23/2019	GVD	RPO	Review M. Litvak revisions to Ordinary Course Protocol Motion	0.40	795.00	\$318.00
10/23/2019	GVD	RPO	Conference with J. Morris, JP Sevilla, and CRO re retention of Foley Gardere and Lynn Pinker and possible issues	0.60	795.00	\$477.00
10/23/2019	GVD	RPO	Correspondence with ordinary course professionals re potential retention	0.50	795.00	\$397.50
10/23/2019	GVD	RPO	Conference with K. Irving re retention of professionals	0.20	795.00	\$159.00
10/23/2019	GVD	RPO	Review issues re payment of ordinary course professionals and reimbursement	0.30	795.00	\$238.50
10/23/2019	GVD	RPO	Conference with J. O'Neill, Foley Gardere, and Lynn Pinker re mechanics of bankruptcy retention	0.80	795.00	\$636.00
10/23/2019	GVD	RPO	Conference with J. Morris, JP Sevilla, and CRO re retention of Foley Gardere and Lynn Pinker and possible issues	0.60	795.00	\$477.00
10/23/2019	GVD	RPO	Correspondence with ordinary course professionals re potential retention	0.50	795.00	\$397.50
10/23/2019	GVD	RPO	Conference with K. Irving re retention of professionals	0.20	795.00	\$159.00
10/23/2019	GVD	RPO	Review issues re payment of ordinary course professionals and reimbursement	0.30	795.00	\$238.50
10/23/2019	GVD	RPO	Conference with J. O'Neill, Foley Gardere, and Lynn Pinker re mechanics of bankruptcy retention	0.80	795.00	\$636.00
10/24/2019	IDK	RPO	Emails and telephone conference with J. Pomerantz re his suggested revisions to memo re CRO/corporate governance issues re different	2.00	1095.00	\$2,190.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			structure (.3); Revise extensive memo to client and CRO re suggested corporate governance changes and authority of CRO changes (1.2); Emails with J. Pomerantz re his further suggestions on same, and revise memo accordingly (.3); email to client group re same memo and timing (.2)			
10/24/2019	IDK	RPO	Emails and telephone conference with Hankin, Redeemer counsel, re concerns on corporate governance (.4); email and telephone conference with Isaac L re his feedback on memo for expanded CRO powers and change of corporate governance (.6); Revise extensive memo re same and distribute (.5); Telephone conference with Isaac L and J. Pomerantz re same and further changes needed and need for meeting in Dallas on same, and re committee membership issues (.5); emails with CRO and F Caruso re CRO expanded powers, questions re same, and need for meeting in Dallas asap (.4); email and telephone conference with CRO re same and logistics with IDI (.2)	2.60	1095.00	\$2,847.00
10/24/2019	JNP	RPO	Review email regarding ordinary course professionals.	0.10	1025.00	\$102.50
10/24/2019	JNP	RPO	Emails to and from Ira D. Kharasch regarding retention of CRO.	0.30	1025.00	\$307.50
10/24/2019	JNP	RPO	Conference with Ira D. Kharasch regarding retention of CRO issues.	0.20	1025.00	\$205.00
10/24/2019	JNP	RPO	Conference with Ira D. Kharasch and I. Leventon regarding retention of CRO.	0.50	1025.00	\$512.50
10/24/2019	JEO	RPO	Work on conflicts list for all professional retention applications	0.80	895.00	\$716.00
10/24/2019	GVD	RPO	Conference with client re allocation of professional fees and ordinary course issues; follow up correspondence with PSZJ working group re same	0.40	795.00	\$318.00
10/24/2019	GVD	RPO	Conference call with Foley Gardere, Lynn Pinker, J. Morris, client and CRO re potential retention and issues	0.30	795.00	\$238.50
10/24/2019	GVD	RPO	Conference with K. Irving, J. O'Neill and Maples re potential retention	0.30	795.00	\$238.50
10/24/2019	GVD	RPO	Conference with I. Leventon and potential professional re retention issues	0.30	795.00	\$238.50
10/24/2019	GVD	RPO	Revise ordinary course professionals motion re reimbursement issues	0.70	795.00	\$556.50
10/24/2019	GVD	RPO	Conference with client re allocation of professional fees and ordinary course issues; follow up	0.40	795.00	\$318.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			correspondence with PSZJ working group re same			
10/24/2019	GVD	RPO	Conference call with Foley Gardere, Lynn Pinker, J. Morris, client and CRO re potential retention and issues	0.30	795.00	\$238.50
10/24/2019	GVD	RPO	Conference with K. Irving, J. O'Neill and Maples re potential retention	0.30	795.00	\$238.50
10/24/2019	GVD	RPO	Multiple conferences with potential ordinary course and special professionals	1.90	795.00	\$1,510.50
10/24/2019	GVD	RPO	Conference with I. Leventon and potential professional re retention issues	0.30	795.00	\$238.50
10/24/2019	GVD	RPO	Revise ordinary course professionals motion re reimbursement issues	0.70	795.00	\$556.50
10/25/2019	IDK	RPO	Numerous e-mails and telephone conferences with client and CRO re need for me to come to Dallas on 10/28 for meetings, and coordination of times and logistics of meetings, changes re same	0.80	1095.00	\$876.00
10/25/2019	MBL	RPO	Review and comment on OCP motion.	0.30	925.00	\$277.50
10/25/2019	MBL	RPO	Emails with team CRO authority.	0.30	925.00	\$277.50
10/25/2019	JEO	RPO	Review and update KCC 327 retention application	0.40	895.00	\$358.00
10/25/2019	JEO	RPO	Review Foley Retention application	0.40	895.00	\$358.00
10/25/2019	JEO	RPO	Work on conflicts list for all professionals	0.80	895.00	\$716.00
10/25/2019	GVD	RPO	Conference with Houlihan Lokey re potential retention	0.10	795.00	\$79.50
10/25/2019	GVD	RPO	Correspondence with Deloitte re ordinary course professional retention	0.20	795.00	\$159.00
10/25/2019	GVD	RPO	Review Foley Gardere retention application	0.40	795.00	\$318.00
10/25/2019	GVD	RPO	Further revise ordinary course professionals motion re reimbursement of expenses	1.20	795.00	\$954.00
10/25/2019	GVD	RPO	Correspondence with PWC re special retention	0.10	795.00	\$79.50
10/25/2019	GVD	RPO	Correspondence with Foley Gardere re next steps in retention	0.20	795.00	\$159.00
10/26/2019	MBL	RPO	Review and comment on draft retention applications; emails with team re same.	0.50	925.00	\$462.50
10/26/2019	JEO	RPO	Emails with Max Litvak re retention of professionals	0.40	895.00	\$358.00
10/26/2019	GVD	RPO	Revise ordinary course professionals motion re comments from M. Litvak	0.30	795.00	\$238.50
10/26/2019	GVD	RPO	Review CRO proposal from I. Kharasch	0.30	795.00	\$238.50
10/26/2019	GVD	RPO	Review retention application for Lynn Pinker	0.60	795.00	\$477.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/27/2019	IDK	RPO	Revise extensive memo on expanding authority of CRO (.6); E-mails with client, CRO, others re same (.2).	0.80	1095.00	\$876.00
10/27/2019	GVD	RPO	Revise and circulate ordinary course professionals motion	0.20	795.00	\$159.00
10/28/2019	JNP	RPO	Review and comment on motion to retain CRO.	0.30	1025.00	\$307.50
10/28/2019	KKY	RPO	Draft notice re Foley retention application	0.20	395.00	\$79.00
10/28/2019	KKY	RPO	Draft notice re KCC retention application	0.20	395.00	\$79.00
10/28/2019	MBL	RPO	Address inquiries re OCP listing; emails with team re same.	0.30	925.00	\$277.50
10/28/2019	MBL	RPO	Emails with team re CRO authority; review scope of duties and other pending filings.	0.50	925.00	\$462.50
10/28/2019	JEO	RPO	Review status of Highland Capital Retention issues	0.60	895.00	\$537.00
10/28/2019	GVD	RPO	Call with K. Irving re updates to ordinary course professionals list	0.20	795.00	\$159.00
10/28/2019	GVD	RPO	Conference with A. Somers (Reid Collins & Tsai) re inclusion on OCP list	0.20	795.00	\$159.00
10/28/2019	GVD	RPO	Review Foley Gardere conflicts list	0.20	795.00	\$159.00
10/28/2019	GVD	RPO	Draft CRO Retention Application; revise same re comments from M. Litvak	1.90	795.00	\$1,510.50
10/28/2019	GVD	RPO	Update CRO engagement letter; correspondence re same	1.80	795.00	\$1,431.00
10/28/2019	GVD	RPO	Revise and circulate Ordinary Course Professionals Motion	0.10	795.00	\$79.50
10/28/2019	GVD	RPO	Conference with Highland team, PSZJ, and CRO re WIP list	1.10	795.00	\$874.50
10/29/2019	IDK	RPO	E-mails with CRO and attorneys re latest revisions to draft motion to employ CRO with expanded powers, including review of same and logistics re same.	0.50	1095.00	\$547.50
10/29/2019	JNP	RPO	Consider issues regarding professional retentions and related issues with B. Sharp and I. Leventon.	0.50	1025.00	\$512.50
10/29/2019	KKY	RPO	Serve (.1) and prepare for filing and service (.4) PSZJ retention application	0.50	395.00	\$197.50
10/29/2019	KKY	RPO	Draft notice re OCP motion	0.20	395.00	\$79.00
10/29/2019	KKY	RPO	Draft notice re DSI retention motion	0.20	395.00	\$79.00
10/29/2019	KKY	RPO	Draft notice re foreign rep retention motion	0.20	395.00	\$79.00
10/29/2019	KKY	RPO	Draft notice re Lynn Pinker retention motion	0.20	395.00	\$79.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/29/2019	KKY	RPO	Serve (.1) and prepare for filing and service (.4) Foley retention application	0.50	395.00	\$197.50
10/29/2019	KKY	RPO	Serve (.1) and prepare for filing and service (.4) Lynn Pinker retention application	0.50	395.00	\$197.50
10/29/2019	KKY	RPO	Serve (.1) and prepare for filing and service (.4) foreign rep retention motion	0.50	395.00	\$197.50
10/29/2019	KKY	RPO	Prepare for filing and service KCC retention application	0.30	395.00	\$118.50
10/29/2019	KKY	RPO	Prepare for filing and service DSI retention motion	0.30	395.00	\$118.50
10/29/2019	KKY	RPO	Prepare for filing and service OCP motion	0.30	395.00	\$118.50
10/29/2019	MBL	RPO	Review and revise motion to retain CRO; incorporate B. Sharp comments.	2.00	925.00	\$1,850.00
10/29/2019	MBL	RPO	Review and comment on ordinary course professionals motion.	0.80	925.00	\$740.00
10/29/2019	JEO	RPO	Review and finalize Motion of the Debtor for Entry of an Order (I) Authorizing Bradley D. Sharp to Act as Foreign Representative Pursuant to 11 U.S.C. Section 1505 and (II) Granting Related Relief	0.80	895.00	\$716.00
10/29/2019	JEO	RPO	Review and finalize Application/Motion to Employ/Retain Foley Gardere, Foley & Lardner LLP as Special Texas Counsel	0.60	895.00	\$537.00
10/29/2019	JEO	RPO	Review and finalize Application/Motion to Employ/Retain Lynn Pinker Cox & Hurst LLP as Special Texas Litigation Counsel	0.60	895.00	\$537.00
10/29/2019	JEO	RPO	Review and finalize Motion for Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals	0.50	895.00	\$447.50
10/29/2019	JEO	RPO	Review and finalize Application/Motion to Employ/Retain Development Specialists, Inc. as Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services,	0.70	895.00	\$626.50
10/29/2019	JEO	RPO	Review and finalize Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtors in the Ordinary Course of Business	0.50	895.00	\$447.50
10/29/2019	JEO	RPO	Review and finalize Application/Motion to Employ/Retain Kurtzman Carson Consultants as Administrative Advisor	0.50	895.00	\$447.50
10/29/2019	GVD	RPO	Conference PWC regarding ordinary course retention application; correspondence with client regarding same.	0.60	795.00	\$477.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/29/2019	GVD	RPO	Further revise and finalize ordinary course professionals motion.	1.40	795.00	\$1,113.00
10/29/2019	GVD	RPO	Revise and circulate CRO retention application and engagement letter.	2.10	795.00	\$1,669.50
10/29/2019	GVD	RPO	Review and finalize Lynn Pinker and Foley Gardere retention applications.	1.30	795.00	\$1,033.50
10/30/2019	JEO	RPO	Email with Greg Demo re OCP requirements	0.40	895.00	\$358.00
10/30/2019	GVD	RPO	Correspondence with K. Irving regarding revisions to ordinary course professionals motion.	0.10	795.00	\$79.50
10/30/2019	GVD	RPO	Draft Houlihan Lokey retention application.	0.20	795.00	\$159.00
10/31/2019	JEO	RPO	Review and response to committee request for conflicts list	0.40	895.00	\$358.00
10/31/2019	GVD	RPO	Review Houlihan engagement letter and draft retention application.	1.10	795.00	\$874.50
10/31/2019	GVD	RPO	Correspondence with Pachulski Stang Ziehl & Jones and CRO regarding status of wind down transactions; correspondence with client regarding same.	0.40	795.00	\$318.00
				80.70		\$65,127.50

Travel

10/17/2019	IDK	TR	Travel from LA to DE for 1st day hearing tomorrow (Billed at 1/2 rate)	5.60	547.50	\$3,066.00
10/17/2019	GVD	TR	Travel to Delaware for First Day Hearing (Billed at 1/2 rate)	2.10	397.50	\$834.75
10/18/2019	IDK	TR	Travel from DE to LA from 1st day hearing (Billed at 1/2 rate)	6.20	547.50	\$3,394.50
10/18/2019	JNP	TR	Travel from New York for first day hearing. (Billed at 1/2 rate)	1.90	512.50	\$973.75
10/18/2019	JNP	TR	Travel back from first day hearings. Billed at 1/2 rate)	4.20	512.50	\$2,152.50
10/18/2019	MBL	TR	Travel to DE for hearing (from NY). (Billed at 1/2 rate)	2.50	462.50	\$1,156.25
10/18/2019	MBL	TR	Travel from DE following hearing. (Billed at 1/2 rate)	7.50	462.50	\$3,468.75
10/18/2019	JAM	TR	Travel New York to Wilmington (1.2); Travel Wilmington to New York (1.8). (Billed at 1/2 rate)	3.00	512.50	\$1,537.50
10/18/2019	GVD	TR	Travel from First Day Hearing in Delaware to New York (Billed at 1/2 rate)	3.00	397.50	\$1,192.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/27/2019	IDK	TR	Travel from LA to Dallas for client meetings tomorrow (Billed at 1/2 rate)	3.50	547.50	\$1,916.25
10/27/2019	JNP	TR	Travel to east coast for formation meeting. (Billed at 1/2 rate)	4.10	512.50	\$2,101.25
10/28/2019	IDK	TR	Travel from Dallas to LA from client meetings. (Billed at 1/2 rate)	4.50	547.50	\$2,463.75
10/29/2019	JNP	TR	Travel back to Los Angeles after formation hearing. Billed at 1/2 rate)	4.60	512.50	\$2,357.50
				<hr/> 52.70		<hr/> \$26,615.25

TOTAL SERVICES FOR THIS MATTER:

\$383,583.75

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Expenses

10/17/2019	AT	Auto Travel Expense [E109] Taxi, IDK	43.75
10/17/2019	AT	Auto Travel Expense [E109] NYC Taxi, GVD	30.96
10/17/2019	BM	Business Meal [E111] Seamless, Naya Mezze Grill, Working Meal, GVD	16.32
10/17/2019	DC	36027.00001 Advita Charges for 10-17-19	15.00
10/17/2019	DC	36027.00001 Advita Charges for 10-17-19	7.50
10/17/2019	DC	36027.00001 Advita Charges for 10-17-19	57.50
10/17/2019	DC	36027.00001 Advita Charges for 10-17-19	24.95
10/17/2019	DC	Delivery/ Courier Service [E107] (Advita) Overtime, T. Robinson	10.50
10/17/2019	FE	36027.00001 FedEx Charges for 10-17-19	16.18
10/17/2019	FE	36027.00001 FedEx Charges for 10-17-19	16.18
10/17/2019	FE	36027.00001 FedEx Charges for 10-17-19	11.84
10/17/2019	FE	36027.00001 FedEx Charges for 10-17-19	15.11
10/17/2019	FE	36027.00001 FedEx Charges for 10-17-19	9.94
10/17/2019	FE	36027.00001 FedEx Charges for 10-17-19	9.94
10/17/2019	FE	36027.00001 FedEx Charges for 10-17-19	9.94
10/17/2019	FE	36027.00001 FedEx Charges for 10-17-19	16.18

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10/17/2019	FE	36027.00001 FedEx Charges for 10-17-19	16.18
10/17/2019	FE	36027.00001 FedEx Charges for 10-17-19	16.18
10/17/2019	FE	36027.00001 FedEx Charges for 10-17-19	16.18
10/17/2019	FE	36027.00001 FedEx Charges for 10-17-19	16.18
10/17/2019	FE	36027.00001 FedEx Charges for 10-17-19	16.56
10/17/2019	FE	36027.00001 FedEx Charges for 10-17-19	16.18
10/17/2019	FX	36027.00001 Fax Pages for 10-17-19	5.75
10/17/2019	LN	36027.00001 Lexis Charges for 10-17-19	15.62
10/17/2019	RE	(10 @0.10 PER PG)	1.00
10/17/2019	RE	(112 @0.10 PER PG)	11.20
10/17/2019	RE	(126 @0.10 PER PG)	12.60
10/17/2019	RE	(14 @0.10 PER PG)	1.40
10/17/2019	RE	(14 @0.10 PER PG)	1.40
10/17/2019	RE	(140 @0.10 PER PG)	14.00
10/17/2019	RE	(2 @0.10 PER PG)	0.20
10/17/2019	RE	(28@0.10 PER PG)	2.80
10/17/2019	RE	(28 @0.10 PER PG)	2.80
10/17/2019	RE	(315 @0.10 PER PG)	31.50

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10/17/2019	RE	(56 @0.10 PER PG)	5.60
10/17/2019	RE	(599 @0.10 PER PG)	59.90
10/17/2019	RE	(616 @0.10 PER PG)	61.60
10/17/2019	RE	(7 @0.10 PER PG)	0.70
10/17/2019	RE	(70 @0.10 PER PG)	7.00
10/17/2019	RE	(70 @0.10 PER PG)	7.00
10/17/2019	RE	(72 @0.10 PER PG)	7.20
10/17/2019	RE	(821 @0.10 PER PG)	82.10
10/17/2019	RE	(84 @0.10 PER PG)	8.40
10/17/2019	RE	(84 @0.10 PER PG)	8.40
10/17/2019	RE	(84 @0.10 PER PG)	8.40
10/17/2019	RE	(84@0.10 PER PG)	8.40
10/17/2019	RE	(98 @0.10 PER PG)	9.80
10/17/2019	RE	(98 @0.10 PER PG)	9.80
10/17/2019	RE	(14 @0.10 PER PG)	1.40
10/17/2019	RE	(56 @0.10 PER PG)	5.60
10/17/2019	RE	(42 @0.10 PER PG)	4.20
10/17/2019	RE	(182 @0.10 PER PG)	18.20

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10/17/2019	RE2	SCAN/COPY (32 @0.10 PER PG)	3.20
10/17/2019	RE2	SCAN/COPY (120 @0.10 PER PG)	12.00
10/17/2019	RE2	SCAN/COPY (44 @0.10 PER PG)	4.40
10/17/2019	RE2	SCAN/COPY (32 @0.10 PER PG)	3.20
10/17/2019	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
10/17/2019	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
10/17/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
10/17/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
10/17/2019	RE2	SCAN/COPY (106 @0.10 PER PG)	10.60
10/17/2019	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
10/17/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
10/17/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
10/17/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
10/17/2019	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
10/17/2019	RE2	SCAN/COPY (44 @0.10 PER PG)	4.40
10/17/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
10/17/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
10/17/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10

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10/17/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/17/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
10/17/2019	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
10/17/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
10/17/2019	TE	Travel Expense [E110] Amtrak, Tkt. 2900602586355, from New York to Delaware, JAM	361.00
10/18/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, to Amtrak, JAM	42.85
10/18/2019	AT	Auto Travel Expense [E109] All Taxi, GVD	21.36
10/18/2019	BM	Business Meal [E111] La Fia, Business Meal, IDK	180.00
10/18/2019	BM	Business Meal [E111] Dunkin Donuts, working meal, JAM	2.93
10/18/2019	DC	36027.00001 Advita Charges for 10-18-19	39.50
10/18/2019	DC	36027.00001 Advita Charges for 10-18-19	164.70
10/18/2019	RE	(135 @0.10 PER PG)	13.50
10/18/2019	RE	(110 @0.10 PER PG)	11.00
10/18/2019	RE	(30 @0.10 PER PG)	3.00
10/18/2019	RE	(15 @0.10 PER PG)	1.50
10/18/2019	RE	(1 @0.10 PER PG)	1.00
10/18/2019	RE	(190 @0.10 PER PG)	19.00

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10/18/2019	RE	(2@0.10 PER PG)	0.20
10/18/2019	RE	(108@0.10 PER PG)	10.80
10/18/2019	RE	(36 @0.10 PER PG)	3.60
10/18/2019	RE	(1798 @0.10 PER PG)	179.80
10/18/2019	RE	(15 @0.10 PER PG)	1.50
10/18/2019	RE	(2642@0.10 PER PG)	264.20
10/18/2019	RE	(4118 @0.10 PER PG)	411.80
10/18/2019	RE	(2088@0.10 PER PG)	208.80
10/18/2019	RE	(2668 @0.10 PER PG)	266.80
10/18/2019	RE	(1983 @0.10 PER PG)	198.30
10/18/2019	RE	(290 @0.10 PER PG)	29.00
10/18/2019	RE	(7 @0.10 PER PG)	0.70
10/18/2019	RE2	SCAN/COPY (44 @0.10 PER PG)	4.40
10/18/2019	RE2	SCAN/COPY (44 @0.10 PER PG)	4.40
10/18/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
10/18/2019	RE2	SCAN/COPY (270 @0.10 PER PG)	27.00
10/18/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
10/18/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00

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10/18/2019	RE2	SCAN/COPY (88 @0.10 PER PG)	8.80
10/18/2019	TE	Travel Expense [E110] Amtrak, Tkt. 2905150519013, from New York to Wilmington, GVD	404.00
10/19/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, from Amtrak to Residence, JAM	122.71
10/19/2019	AT	Auto Travel Expense [E109] Mohamed Hasan Woodside Taxi, GVD	13.50
10/19/2019	HT	Hotel Expense [E110] Hotel Dupont, 10/17/19-10/18/19, 1 night, GVD	299.20
10/21/2019	AT	Auto Travel Expense [E109] Taxi, IDK	56.56
10/21/2019	BM	Business Meal [E111] Legal Seafoods, Business Meal, IDK	227.22
10/21/2019	DC	36027.00001 Advita Charges for 10-21-19	22.50
10/21/2019	DC	36027.00001 Advita Charges for 10-21-19	82.83
10/21/2019	DC	36027.00001 Advita Charges for 10-21-19	50.00
10/21/2019	HT	Hotel Expense [E110] Hotel Dupont, 1 night, IDK	303.20
10/21/2019	RE	(1 @0.10 PER PG)	0.10
10/21/2019	RE	(10 @0.10 PER PG)	1.00
10/21/2019	RE2	SCAN/COPY (47 @0.10 PER PG)	4.70
10/21/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
10/21/2019	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
10/21/2019	RE2	SCAN/COPY (38 @0.10 PER PG)	3.80

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10/21/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
10/21/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
10/21/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
10/21/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
10/21/2019	RE2	SCAN/COPY (81 @0.10 PER PG)	8.10
10/21/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
10/21/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
10/21/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
10/21/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
10/21/2019	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
10/21/2019	RE2	SCAN/COPY (41 @0.10 PER PG)	4.10
10/21/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
10/21/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
10/22/2019	BB	36027.00002 Bloomberg Charges for 10-22-19	7.70
10/22/2019	BB	36027.00002 Bloomberg Charges for 10-22-19	6.50
10/22/2019	CC	Conference Call [E105] CourtCall, F. Caruso	58.00
10/22/2019	RE	(1 @0.10 PER PG)	0.10
10/22/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70

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10/22/2019	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
10/22/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
10/22/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
10/22/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
10/22/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
10/22/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
10/22/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
10/22/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
10/22/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50

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10/22/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
10/22/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
10/22/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
10/22/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
10/22/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
10/22/2019	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
10/22/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
10/22/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
10/22/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
10/22/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
10/22/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
10/22/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
10/22/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70

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10/22/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
10/22/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
10/22/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
10/22/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40

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10/22/2019	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
10/22/2019	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
10/22/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
10/22/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
10/22/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
10/22/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
10/22/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
10/22/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50

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10/22/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
10/22/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
10/22/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
10/22/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
10/22/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
10/22/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
10/22/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
10/23/2019	BB	36027.00002 Bloomberg Charges for 10-23-19	30.00
10/23/2019	BB	36027.00002 Bloomberg Charges for 10-23-19	1.50
10/23/2019	BB	36027.00002 Bloomberg Charges for 10-23-19	30.00
10/23/2019	BB	36027.00002 Bloomberg Charges for 10-23-19	3.20
10/23/2019	BB	36027.00002 Bloomberg Charges for 10-23-19	30.00
10/23/2019	RE	(22 @0.10 PER PG)	2.20
10/23/2019	RE	(2 @0.10 PER PG)	0.20
10/23/2019	RE	(14 @0.10 PER PG)	1.40
10/23/2019	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
10/23/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
10/23/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30

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10/23/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
10/23/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
10/23/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
10/23/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
10/24/2019	BM	Business Meal [E111] Seamless, Naya Mezze Grill, Working Meal, GVD	16.32
10/24/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
10/24/2019	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
10/24/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
10/24/2019	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
10/24/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
10/24/2019	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80
10/24/2019	RE2	SCAN/COPY (49 @0.10 PER PG)	4.90
10/24/2019	RE2	SCAN/COPY (44 @0.10 PER PG)	4.40
10/24/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
10/24/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
10/24/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
10/24/2019	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
10/24/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20

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10/24/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
10/25/2019	AF	Air Fare [E110] American Airlines, Tkt. 0017469211447, from LAX to DFW, DFW to LAX, IDK	690.41
10/25/2019	RE	(8 @0.10 PER PG)	0.80
10/25/2019	RE	(4 @0.10 PER PG)	0.40
10/25/2019	RE	(23 @0.10 PER PG)	2.30
10/25/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
10/25/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
10/25/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
10/25/2019	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
10/25/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
10/25/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
10/25/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
10/25/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
10/26/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
10/27/2019	AT	Auto Travel Expense [E109] Taxi, IDK	43.75
10/28/2019	BM	Business Meal [E111] Seamless, Just Salad, Working Meal, GVD	20.79
10/28/2019	HT	Hotel Expense [E110] Crescent Hotel, 1 night, IDK	349.71

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10/28/2019	LN	36027.00002 Lexis Charges for 10-28-19	15.62
10/28/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
10/28/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
10/28/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
10/28/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
10/28/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
10/28/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
10/28/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
10/28/2019	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
10/29/2019	AT	Auto Travel Expense [E109] Creative Taxi, GVD	30.35
10/29/2019	BM	Business Meal [E111] Seamless, Chopt Creative, Working Meal, GVD	23.78
10/29/2019	DC	Delivery/ Courier Service [E107] (Advita) Overtime, L. Lewis	69.00
10/29/2019	DC	36027.00001 Advita Charges for 10-29-19	60.00
10/29/2019	DC	36027.00001 Advita Charges for 10-29-19	113.00
10/29/2019	PO	36027.00001 :Postage Charges for 10-29-19	33.30
10/29/2019	PO	36027.00001 :Postage Charges for 10-29-19	70.20
10/29/2019	RE	(1320 @0.10 PER PG)	132.00

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10/29/2019	RE	(9 @0.10 PER PG)	0.90
10/29/2019	RE	(9699 @0.10 PER PG)	969.90
10/29/2019	RE	(7 @0.10 PER PG)	0.70
10/29/2019	RE	(1485 @0.10 PER PG)	148.50
10/29/2019	RE	(41 @0.10 PER PG)	4.10
10/29/2019	RE	(4148 @0.10 PER PG)	414.80
10/29/2019	RE	(3207 @0.10 PER PG)	320.70
10/29/2019	RE	(1830 @0.10 PER PG)	183.00
10/29/2019	RE	(163 @0.10 PER PG)	16.30
10/29/2019	RE	(217 @0.10 PER PG)	21.70
10/29/2019	RE	(1403 @0.10 PER PG)	140.30
10/29/2019	RE	(34 @0.10 PER PG)	3.40
10/29/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
10/29/2019	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
10/29/2019	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
10/29/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
10/29/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
10/29/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40

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10/29/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
10/29/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
10/29/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
10/29/2019	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
10/29/2019	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
10/29/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
10/29/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
10/29/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
10/29/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
10/29/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
10/29/2019	RE2	SCAN/COPY (38 @0.10 PER PG)	3.80
10/29/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
10/29/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
10/29/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
10/29/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
10/29/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
10/29/2019	RE2	SCAN/COPY (66 @0.10 PER PG)	6.60
10/29/2019	RE2	SCAN/COPY (38 @0.10 PER PG)	3.80

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10/29/2019	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
10/29/2019	RE2	SCAN/COPY (34 @0.10 PER PG)	3.40
10/29/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
10/29/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
10/29/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
10/29/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
10/29/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
10/29/2019	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
10/29/2019	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
10/29/2019	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
10/29/2019	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
10/29/2019	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
10/30/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, from court to PSZJ NY, GVD	32.10
10/30/2019	AT	Auto Travel Expense [E109] S and R Medallion Taxi, GVD	29.76
10/30/2019	BM	Business Meal [E111] Crescent Hotel, Business Meal, IDK	73.00
10/30/2019	BM	Meal [E111] Just Salad, Working Meal, GVD	10.77
10/30/2019	DC	36027.00001 Advita Charges for 10-30-19	112.50
10/30/2019	RE	(1 @0.10 PER PG)	0.10

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10/30/2019	RE	(8 @0.10 PER PG)	0.80
10/30/2019	RE	(6 @0.10 PER PG)	0.60
10/30/2019	RE	(186 @0.10 PER PG)	18.60
10/30/2019	RE	(1 @0.10 PER PG)	0.10
10/30/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
10/30/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
10/30/2019	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
10/30/2019	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80
10/30/2019	RE2	SCAN/COPY (49 @0.10 PER PG)	4.90
10/30/2019	RE2	SCAN/COPY (49 @0.10 PER PG)	4.90
10/30/2019	RE2	SCAN/COPY (38 @0.10 PER PG)	3.80
10/30/2019	RE2	SCAN/COPY (49 @0.10 PER PG)	4.90
10/30/2019	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80
10/30/2019	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
10/30/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
10/30/2019	RE2	SCAN/COPY (38 @0.10 PER PG)	3.80
10/30/2019	RE2	SCAN/COPY (49 @0.10 PER PG)	4.90
10/30/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30

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10/30/2019	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
10/30/2019	RE2	SCAN/COPY (99 @0.10 PER PG)	9.90
10/30/2019	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
10/30/2019	RE2	SCAN/COPY (42 @0.10 PER PG)	4.20
10/30/2019	RE2	SCAN/COPY (100 @0.10 PER PG)	10.00
10/30/2019	RE2	SCAN/COPY (38 @0.10 PER PG)	3.80
10/30/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
10/30/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
10/30/2019	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
10/30/2019	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
10/31/2019	PAC	Pacer - Court Research	224.00
10/31/2019	RE	(52 @0.10 PER PG)	5.20
10/31/2019	RE	(7 @0.10 PER PG)	0.70
10/31/2019	RE	(924 @0.10 PER PG)	92.40
10/31/2019	RE	(1 @0.10 PER PG)	0.10
10/31/2019	RE	(10 @0.10 PER PG)	1.00
10/31/2019	RE	(10 @0.10 PER PG)	1.00

Total Expenses for this Matter

\$9,958.84

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REMITTANCE ADVICE

Please include this Remittance with your payment

For current services rendered through: 10/31/2019

Total Fees \$383,583.75

Total Expenses 9,958.84

Total Due on Current Invoice \$393,542.59

Outstanding Balance from prior invoices as of 10/31/2019 (May not include recent payments)

<u>A/R Bill Number</u>	<u>Invoice Date</u>	<u>Fees Billed</u>	<u>Expenses Billed</u>	<u>Balance Due</u>
------------------------	---------------------	--------------------	------------------------	--------------------

Total Amount Due on Current and Prior Invoices:	\$393,542.59
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Pachulski Stang Ziehl & Jones LLP

10100 Santa Monica Blvd.
13th Floor
Los Angeles, CA 90067

November 30, 2019

Invoice 123711

Client 36027

Matter 00002

JNP

Highland Capital Management LP
300 Crescent Court ste. 700
Dallas , TX 75201

RE: Postpetition

STATEMENT OF PROFESSIONAL SERVICES RENDERED THROUGH 11/30/2019

FEES \$798,767.50

EXPENSES \$26,317.71

TOTAL CURRENT CHARGES **\$825,085.21**

BALANCE FORWARD **\$393,542.59**

TOTAL BALANCE DUE **\$1,218,627.80**

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Summary of Services by Professional

<u>ID</u>	<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
ARP	Paul, Andrea R.	Case Man. Asst.	325.00	12.80	\$4,160.00
BMK	Koveleski, Beatrice M.	Case Man. Asst.	325.00	2.10	\$682.50
CRR	Robinson, Colin R.	Counsel	795.00	10.70	\$8,506.50
DG	Grassgreen, Debra I.	Partner	1050.00	4.60	\$4,830.00
GVD	Demo, Gregory Vincent	Counsel	795.00	156.40	\$124,338.00
IDK	Kharasch, Ira D.	Partner	547.50	2.80	\$1,533.00
IDK	Kharasch, Ira D.	Partner	1095.00	106.60	\$116,727.00
JAM	Morris, John A.	Partner	512.50	23.40	\$11,992.50
JAM	Morris, John A.	Partner	1025.00	177.50	\$181,937.50
JEO	O'Neill, James E.	Partner	895.00	81.70	\$73,121.50
JKK	Kim, Jonathan J.	Counsel	850.00	62.10	\$52,785.00
JNP	Pomerantz, Jeffrey N.	Partner	1025.00	83.00	\$85,075.00
JWL	Lucas, John W.	Partner	775.00	3.80	\$2,945.00
KKY	Yee, Karina K.	Paralegal	395.00	35.20	\$13,904.00
KSN	Neil, Karen S.	Case Man. Asst.	325.00	5.60	\$1,820.00
LSC	Canty, La Asia S.	Paralegal	395.00	52.10	\$20,579.50
MBL	Litvak, Maxim B.	Partner	925.00	96.70	\$89,447.50
PJJ	Jeffries, Patricia J.	Paralegal	395.00	6.90	\$2,725.50
SLP	Pitman, L. Sheryle	Case Man. Asst.	325.00	5.10	\$1,657.50
				929.10	\$798,767.50

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Summary of Services by Task Code

<u>Task Code</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
AA	Asset Analysis/Recovery[B120]	72.40	\$70,160.00
BL	Bankruptcy Litigation [L430]	616.30	\$545,059.00
CA	Case Administration [B110]	33.10	\$17,721.50
CBM	Cayman Bermuda Matters	5.20	\$5,307.00
CO	Claims Admin/Objections[B310]	1.80	\$1,454.00
CP	Compensation Prof. [B160]	5.00	\$2,605.00
CPO	Comp. of Prof./Others	0.70	\$339.50
EB	Employee Benefit/Pension-B220	33.70	\$32,260.50
EC	Executory Contracts [B185]	10.10	\$8,049.50
FF	Financial Filings [B110]	4.10	\$3,252.50
FN	Financing [B230]	5.00	\$4,402.00
GB	General Business Advice [B410]	1.90	\$1,840.50
GC	General Creditors Comm. [B150]	17.70	\$15,748.50
LN	Litigation (Non-Bankruptcy)	4.90	\$2,974.50
MC	Meeting of Creditors [B150]	3.00	\$2,328.00
NT	Non-Working Travel	26.20	\$13,525.50
OP	Operations [B210]	2.80	\$2,954.00
RP	Retention of Prof. [B160]	5.80	\$5,145.00
RPO	Ret. of Prof./Other	79.40	\$63,641.00
		929.10	<hr/> \$798,767.50

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Summary of Expenses

<u>Description</u>	<u>Amount</u>
Air Fare [E110]	\$9,595.03
Auto Travel Expense [E109]	\$1,383.06
Bloomberg	\$30.90
Working Meals [E111]	\$352.15
Conference Call [E105]	\$204.36
Delivery/Courier Service	\$535.94
Federal Express [E108]	\$1,336.48
Filing Fee [E112]	\$1,717.00
Hotel Expense [E110]	\$3,018.73
Lexis/Nexis- Legal Research [E	\$781.54
Legal Vision Atty Mess Service	\$135.37
Outside Services	\$50.00
Pacer - Court Research	\$940.10
Postage [E108]	\$70.40
Reproduction Expense [E101]	\$2,824.90
Reproduction/ Scan Copy	\$1,710.80
Travel Expense [E110]	\$1,153.00
Transcript [E116]	\$477.95
	<hr/>
	\$26,317.71

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Asset Analysis/Recovery[B120]						
11/01/2019	IDK	AA	Email F. Caruso re upcoming call on issues, including Eagle Equity analysis (.2); Attend conference call with F. Caruso, CRO re same (.5); E-mails with G. Demo re need for analysis on AFA/NextPoint termination issues (.2); E-mails with M. Litvak re same re client analysis of business issues (.2); Telephone conference with client re same (.1).	1.20	1095.00	\$1,314.00
11/04/2019	IDK	AA	E-mails with CRO/F. Caruso on status and coordination call today, as well as his write up on the possible Loral sale (.4); Telephone conference with J. Pomerantz re same (.1); Attend conference call with CRO/F. Caruso, J. Pomerantz on status and certain proposed affiliate transactions (.5); E-mails with attorneys re further press inquiries and protocol (.2).	1.20	1095.00	\$1,314.00
11/06/2019	GVD	AA	Review structure of potential transactions; correspondence with F. Caruso and client re same	0.20	795.00	\$159.00
11/07/2019	IDK	AA	E-mails with client, T. Conyear, re status of our review of Eagle deal and funding (.2); Prep of memo on Eagle Equity issues, including review of extensive correspondence with client, CRO, others on same (.7); email CRO re his approval of Eagle registration process (.1).	1.00	1095.00	\$1,095.00
11/07/2019	GVD	AA	Review DST structures in advance of call with Highland and DSI	0.30	795.00	\$238.50
11/07/2019	GVD	AA	Conference with I. Leventon, B. Mitts, and F. Caruso re DST structures and potential equity issuance	0.60	795.00	\$477.00
11/07/2019	GVD	AA	Conference with F. Caruso to discuss DST structures	0.20	795.00	\$159.00
11/07/2019	GVD	AA	Review KeyBank loan agreement and governing documents re DST structure; summarize structure and circulate same	1.30	795.00	\$1,033.50
11/08/2019	IDK	AA	E-mails with G. Demo re various funds and issues, including Prometheus.	0.20	1095.00	\$219.00
11/08/2019	GVD	AA	Revise summary of DTS transactions re comments from F. Caruso and circulate same	0.70	795.00	\$556.50
11/08/2019	GVD	AA	Conference with F. Caruso re DTS transactions and flow of funds	0.30	795.00	\$238.50
11/08/2019	GVD	AA	Conference with I. Leventon, B. Mitts, Baker McKenzie and F. Caruso re DST transactions and next steps	0.80	795.00	\$636.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/10/2019	GVD	AA	Summarize DST transactions; correspondence with PSZJ group re same	0.70	795.00	\$556.50
11/14/2019	GVD	AA	Conference with D. Klos and F. Caruso re allocation of costs and expenses	0.50	795.00	\$397.50
11/19/2019	GVD	AA	Review and coordinate changes to Debtor operating agreements	1.20	795.00	\$954.00
11/20/2019	IDK	AA	Review of memo from CRO re Petro Cap issues (.2); E-mails with CRO re RCP transaction (.2).	0.40	1095.00	\$438.00
11/20/2019	GVD	AA	Conference with F. Caruso re Restoration Capital Issues	0.40	795.00	\$318.00
11/21/2019	IDK	AA	Prep of draft memo to Company re implications of Company initiating sale of MGM stock re RCP deal without CRO approval and related issues (.5); E-mails and telephone conference with J. Pomerantz re same re need to revise (.2); Revise same memo and send to client group (.3);	1.00	1095.00	\$1,095.00
11/21/2019	IDK	AA	Review of correspondence with FTI/CRO on RCP deal (.1); E-mails and telephone conference with CRO, J. Pomerantz re same, and need for memo to Company re RCP transaction re MGM stock sale, and consider (.4); Review of memo from J. Lucas re 108b potential application to RCP deal (.2).	0.70	1095.00	\$766.50
11/21/2019	IDK	AA	E-mails with CRO and J. Pomerantz re concerns on new RCP deal, including CRO correspondence with Company re disapproval of same and need for call, as well as various documents from Company re same (.4); Attend conference call with Company, CRO re proposed RCP deal and numerous questions (.8); Attend conference call with Brad Sharp, J. Pomerantz re summary of call with Company re RJC deal (.4); Attend further conference call with Company group re RCP proposed deal (.5); Telephone conference with J. Pomerantz re CRO re result of same (.2).	2.30	1095.00	\$2,518.50
11/21/2019	JNP	AA	Conference with John W. Lucas regarding research on Bankruptcy Code 108 and effect on pending contracts.	0.20	1025.00	\$205.00
11/21/2019	JNP	AA	Conference with Ira D. Kharasch and B. Sharp regarding RCP.	0.40	1025.00	\$410.00
11/21/2019	JNP	AA	Conference with Ira D. Kharasch, B. Sharp and client team regarding RCP and follow-up with B. Sharp and Ira D. Kharasch regarding same.	0.60	1025.00	\$615.00
11/21/2019	JNP	AA	Two lengthy call with client and Ira D. Kharasch and related follow-up analysis and discussions	1.50	1025.00	\$1,537.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			regarding RCP issues.			
11/21/2019	JNP	AA	Conference with B. Sharp and Ira D. Kharasch regarding RCP transaction.	0.40	1025.00	\$410.00
11/21/2019	JNP	AA	Review write-up of revised RCP transaction.	0.10	1025.00	\$102.50
11/21/2019	JNP	AA	Conference with B. Sharp regarding RCP.	0.20	1025.00	\$205.00
11/21/2019	JNP	AA	Conference with Ira D. Kharasch regarding call with B. Sharp regarding RCP.	0.30	1025.00	\$307.50
11/21/2019	JNP	AA	Conference with Ira D. Kharasch and Richard M. Pachulski regarding RCP.	0.20	1025.00	\$205.00
11/21/2019	JNP	AA	Conference with Ira D. Kharasch and client regarding RCP.	0.90	1025.00	\$922.50
11/22/2019	IDK	AA	E-mails with client, CRO, others re its revised RCP tx, including review of same, and need for call (.5); E-mails with J. Pomerantz and CRO re same and need for pre-call (.1); Attend pre-call with CRO re same (.4); Attend conference call with client group, CRO re RCP issues/concerns, and need for written summary on new terms (.7); E-mails with client re its summary of new revised RCP tx, including review of same (.4).	2.10	1095.00	\$2,299.50
11/22/2019	IDK	AA	E-mails with CRO re client new summary of revised RCP tx and need for call to discuss (.1); Attend conference call with CRO re same, and timing of reaching out to Committee re same (.2); E-mails and telephone conference with client re its further revised summary in light of our issues, including review of same (.3); E-mails with CRO re same and need for call to discuss (.1); Telephone conferences with J. Pomerantz and CRO re same (.2); Telephone conferences with client group re our feedback and concerns (.4).	1.30	1095.00	\$1,423.50
11/22/2019	IDK	AA	Various E-mails with client re latest draft of RCP memo to go to Committee, and issues re confidentiality and joint interest privilege (.3); Attend conference calls with client group re RCP latest memo and joint interest privilege (.4); Further E-mails with client group re same and clients direction to further markup without joint interest privilege, questions re newest document and need for us to further revise (.3); Revise latest RCP memo for final changes (.4); E-mails with client re its feedback on final version (.2).	1.60	1095.00	\$1,752.00
11/22/2019	IDK	AA	E-mail to Committee with RCP memo, and then Committee's immediate response on info/docs needed (.2); E-mails with client, CRO, J. Pomerantz	0.40	1095.00	\$438.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			re same and coordinate (.2).			
11/22/2019	JNP	AA	Conference with B. Sharp and Ira D. Kharasch regarding revised terms of transaction (multiple).	0.80	1025.00	\$820.00
11/22/2019	JNP	AA	Conference with Gregory V. Demo regarding RCP transaction and related issues.	0.40	1025.00	\$410.00
11/22/2019	JNP	AA	Conference with Maxim B. Litvak regarding RCP transaction.	0.20	1025.00	\$205.00
11/22/2019	JNP	AA	Review and revise various versions of revised RCP transaction summary.	1.00	1025.00	\$1,025.00
11/22/2019	JNP	AA	Various calls with client representatives regarding RCP transaction.	1.80	1025.00	\$1,845.00
11/22/2019	JNP	AA	Various conference with Ira D. Kharasch regarding RCP transaction.	0.30	1025.00	\$307.50
11/22/2019	JNP	AA	Email to M. Clemente enclosing documents regarding RCP transaction.	0.10	1025.00	\$102.50
11/22/2019	JNP	AA	Email to and from client regarding Committee RCP due diligence.	0.10	1025.00	\$102.50
11/22/2019	GVD	AA	Review structure of SE Multifamily transaction	2.70	795.00	\$2,146.50
11/24/2019	IDK	AA	E-mails with Committee counsel re its request for group call re RCP tx today, and coordinate (.1); Telephone conference with J. Pomerantz re same (.1); Attend conference call with Committee professionals, CRO re same (1.0); Telephone conference with J. Pomerantz re result of call and next steps (.2).	1.40	1095.00	\$1,533.00
11/24/2019	JNP	AA	Participate on call with Sidley, FTI, DSI and Ira D. Kharasch regarding RCP transaction.	1.00	1025.00	\$1,025.00
11/25/2019	IDK	AA	E-mails with Company, CRO re status of info flow to Committee re RCP transaction, and timing for internal call prior to Committee call re same (.2); E-mails with CRO, J. Pomerantz re need for separate call re same (.1); Attend conference call with CRO, J. Pomerantz re RCP status, and what happens if Committee disapproves (.2); Telephone conferences with J. Pomerantz re same, need for broader call and coordinate same and consider (.3); Office conferences R. Pachulski re issue and need for call (.1).	0.90	1095.00	\$985.50
11/25/2019	IDK	AA	Telephone conference and office conference with J. Pomerantz, R. Pachulski re issues on RCP deal and protocol concerns (.3); Telephone conference with I. Leventon, J. Pomerantz re same re upcoming Co call on RCP deal and ramifications if Committee	1.80	1095.00	\$1,971.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			disapproves proposal, and other issues (.4); Telephone conference with J. Pomerantz re same and questions for RCP deal (.1); Attend conference call with Company group, I. Leventon, CRO re RCP deal status and timing to close, disclosure, and what happens if Committee does not approve (.6); Telephone conference with J. Pomerantz re result of same (.1); E-mail to and telephone conferences with Company reps and J. Pomerantz re further issues on RCP deal (.3).			
11/25/2019	IDK	AA	Attend conference call with Committee professionals on the RCP proposed transaction (.6); Telephone conference with J. Pomerantz re same and next steps (.1); E-mails with Company, CRO re need to circle back re Committee call and attend conference call re same (.6); E-mails with CRO re today's Sun Life agreement to RCP buyout and authority (.1); Review of correspondence with client group re Latham questions on RCP for UBS (.2).	1.60	1095.00	\$1,752.00
11/25/2019	IDK	AA	E-mails with J Kim re issues on whether 108b may apply to RCP purchase agreements, description of issue, and need for more extensive memo (.4); Review and consider J Kim's extensive memo re same later today (.2); E-mails with J. Pomerantz re same memo (.1); Prep of draft of extensive letter to client group re consequences relating to RCP transaction, and governance/authority issues re same to approve (.7); E-mails with J. Pomerantz re same draft, and his revisions to same (.2); E-mail to Co group re our extensive memo re RCP and related governance issues and authority re how to approve same (.2).	1.80	1095.00	\$1,971.00
11/25/2019	JJK	AA	Research re: time extension matters and emails Kharasch on same.	4.00	850.00	\$3,400.00
11/25/2019	JNP	AA	Conference with B. Sharp and Ira D. Kharasch regarding RCP transaction.	0.30	1025.00	\$307.50
11/25/2019	JNP	AA	Conference with I. Leventon and Ira D. Kharasch regarding RCP transaction.	0.30	1025.00	\$307.50
11/25/2019	JNP	AA	Multiple conferences with Ira D. Kharasch regarding RCP.	0.40	1025.00	\$410.00
11/25/2019	JNP	AA	Conference with FTI, Sidley, Ira D. Kharasch and DSI regarding RCP.	0.60	1025.00	\$615.00
11/25/2019	JNP	AA	Review and comment on email to client regarding RCP transaction.	0.20	1025.00	\$205.00
11/25/2019	JNP	AA	Email to Latham regarding RCP transaction.	0.20	1025.00	\$205.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/25/2019	JNP	AA	Emails to and from client and then to Committee and UBS representatives regarding diligence for RCP.	0.40	1025.00	\$410.00
11/25/2019	JNP	AA	Call with client group, Ira D. Kharasch and DSI regarding RCP transaction (3x).	1.40	1025.00	\$1,435.00
11/25/2019	GVD	AA	Review private placement documents re SE Multi Family	1.80	795.00	\$1,431.00
11/26/2019	IDK	AA	E-mails with client group re status on RCP and need for Committee feedback, and status of communications with Committee (.3); E-mails with Committee re need for call re RCP and coordinate (.1); Attend part of conference call with Committee professionals, CRO re same (.8); Review of correspondence with client group re result of call and timing, and then later re Committee's refusal to approve RCP tx (.2); Review of correspondence with Committee re its reasons for denying approval of RCP tx, and then with client re same (.2).	1.60	1095.00	\$1,752.00
11/26/2019	IDK	AA	Telephone conference J. Pomerantz re RCP deal and status (.1).	0.10	1095.00	\$109.50
11/26/2019	JNP	AA	Conference with B. Sharp after call with Committee counsel regarding RCP transaction and response.	0.20	1025.00	\$205.00
11/26/2019	JNP	AA	Conference with M. Clemente regarding Committee response to RCP transaction.	0.30	1025.00	\$307.50
11/26/2019	JNP	AA	Review and forward email regarding Committee response to RCP transaction.	0.10	1025.00	\$102.50
11/26/2019	JNP	AA	Conference with client and F. Caruso regarding Committee response to RCP transaction.	0.50	1025.00	\$512.50
11/26/2019	JNP	AA	Conference with Ira D. Kharasch regarding call with Committee counsel regarding RCP transaction.	0.10	1025.00	\$102.50
11/26/2019	JNP	AA	Conference with Sidley, Latham, etc. regarding RCP Transaction.	1.00	1025.00	\$1,025.00
11/26/2019	GVD	AA	Review and summarize SE Multi Family transaction; correspondence with F. Caruso re same	2.10	795.00	\$1,669.50
11/27/2019	IDK	AA	E-mails with client group re RCP and need to discuss options and get approved by court (.2); Attend conference call with client group and others re RCP, and client direction to start drafting motion to approve same and motion to shorten time, and issues re filing motion under seal re confidentiality (.8); Telephone conference with J. Pomerantz re follow up to same and next steps (.2); E-mails and telephone conferences with G. Demo re need for him to start drafting motion re RCP, and info and	1.70	1095.00	\$1,861.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			background needed for same, and his questions re same (.5).			
11/27/2019	IDK	AA	Review of correspondence with client and then with Committee on issue re RCP and shortening time on motion, and under seal issues (.2).	0.20	1095.00	\$219.00
11/27/2019	IDK	AA	E-mails with attorneys re WE Multi Family tx issues, questions, and timing of same.	0.20	1095.00	\$219.00
11/27/2019	JNP	AA	Review email from client; Conference with Ira D. Kharasch regarding motion to approve transaction.	0.10	1025.00	\$102.50
11/27/2019	JNP	AA	Conference with client, DSI and Ira D. Kharasch regarding RCP.	1.00	1025.00	\$1,025.00
11/27/2019	JNP	AA	RCP emails to and from M. Clemente regarding filing under seal motion and shortened time.	0.20	1025.00	\$205.00
11/27/2019	JNP	AA	Emails to and from client regarding email to Committee regarding filing motion under seal.	0.10	1025.00	\$102.50
11/27/2019	JNP	AA	Emails with Gregory V. Demo regarding motion to approve RCP transaction.	0.10	1025.00	\$102.50
11/27/2019	MBL	AA	Attention to SE Multi Family transaction; emails with team re same.	0.40	925.00	\$370.00
11/27/2019	GVD	AA	Conference with F. Caruso re SE Multi Family Transaction	0.30	795.00	\$238.50
11/27/2019	GVD	AA	Conference with I. Kharasch re Restoration Capital transaction and next steps	0.20	795.00	\$159.00
11/27/2019	GVD	AA	Review Restoration Capital documents; correspondence with I. Kharasch and CRO re same	1.70	795.00	\$1,351.50
11/28/2019	IDK	AA	Review and consider client's memo on RCP and its questions re enforceability of stock buyout after 60 day deadline given various provisions, and copies of agreements, including review of such buyout agreements, and questions on Seller claims vs estate (.7); Prep of extensive memo to client re same and my analysis of the issue of whether purchase price can still be tendered (.8); E-mails and telephone conference with G. Demo re RCP motion and impact of my analysis (.3).	1.80	1095.00	\$1,971.00
11/28/2019	GVD	AA	Conference with F. Caruso re status of Restoration Capital transaction	0.30	795.00	\$238.50
11/28/2019	GVD	AA	Conference with I. Kharasch re status of Restoration Capital transaction	0.20	795.00	\$159.00
11/28/2019	GVD	AA	Review governing documents re Restoration Capital	0.30	795.00	\$238.50
11/29/2019	IDK	AA	E-mails with client group re RCP status and whether motion to be filed re same and OST, including our	0.50	1095.00	\$547.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			conclusion as to same and basis for same, and client further questions on Seller claim for breach.			
11/29/2019	GVD	AA	Further review of Restoration Capital transaction	0.90	795.00	\$715.50
11/29/2019	GVD	AA	Revise and circulate review of SE Multifamily transaction	0.30	795.00	\$238.50
11/29/2019	GVD	AA	Draft motion re Restoration Capital transaction	2.60	795.00	\$2,067.00
11/30/2019	IDK	AA	E-mail to G. Demo re his draft of RCP motion, including brief review of same.	0.30	1095.00	\$328.50
11/30/2019	GVD	AA	Draft motion to approve restoration capital transaction	2.10	795.00	\$1,669.50
				72.40		\$70,160.00

Bankruptcy Litigation [L430]

10/17/2019	LSC	BL	Preparation of materials for first day hearing for J. Morris.	0.60	395.00	\$237.00
10/17/2019	LSC	BL	Research and retrieval of document to be used as exhibit and correspondence with G. Demo regarding the same.	0.60	395.00	\$237.00
11/01/2019	IDK	BL	Email and telephone conference with Committee counsel to its intent to file venue motion to Dallas and shortening time today (.2); Telephone conference with I. Leventon re same and his feedback (.2); Telephone conferences with J. Pomerantz re same and next steps (.2); Numerous E-mails with team re venue motion, how to respond and procedure for expedited briefing, and need for group call re same (.5); Telephone conference with J O'Neill re same and Delaware process issues (.1); Attend conference call with team re next steps (.2).	1.40	1095.00	\$1,533.00
11/01/2019	IDK	BL	Telephone conference with Committee counsel and J O'Neill re next steps and contacting court later and ground for expediting motion for venue change to Dallas (.2); Attend conference call with Committee counsel to call court clerk (.3); Telephone conference with J. Pomerantz re result of same and timing of drafting opposition (.1); Telephone conferences and email with CRO re status and venue motion (.2).	0.80	1095.00	\$876.00
11/01/2019	IDK	BL	E-mails with attorneys re their initial observations on Committee venue motion and OST, and our argument against, and my feedback re same.	0.40	1095.00	\$438.00
11/01/2019	JJK	BL	Research re: trustee/litigation related issues.	2.00	850.00	\$1,700.00
11/01/2019	JNP	BL	Conference with Ira D. Kharasch, Gregory V. Demo	0.50	1025.00	\$512.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			and Maxim B. Litvak regarding venue issues.			
11/01/2019	JNP	BL	Review venue motion.	0.30	1025.00	\$307.50
11/01/2019	JNP	BL	Conference with Sidley and call to Court regarding venue motion.	0.20	1025.00	\$205.00
11/01/2019	MBL	BL	Emails with team re venue issues (0.1); call with team re same (0.2).	0.30	925.00	\$277.50
11/01/2019	MBL	BL	Review venue transfer motion and motion to shorten time; emails with team re same.	0.70	925.00	\$647.50
11/01/2019	MBL	BL	Attention to possible hearing dates and other misc. issues; emails with team re same.	0.10	925.00	\$92.50
11/01/2019	JEO	BL	Review motion to transfer venue and related motion to shorten	0.50	895.00	\$447.50
11/01/2019	JEO	BL	Calls with PSZJ team re motion to transfer venue and motion to shorten	0.60	895.00	\$537.00
11/01/2019	JEO	BL	Call with client Isaac Leventon re Motion to Transfer Venue	0.30	895.00	\$268.50
11/01/2019	JEO	BL	Call with Committee counsel re motion to transfer venue	0.30	895.00	\$268.50
11/01/2019	JEO	BL	Call to chambers with committee counsel re motion to shorten related to motion to transfer venue	0.30	895.00	\$268.50
11/01/2019	JEO	BL	Email with Karina Yee re agenda canceling 11/7 hearing	0.40	895.00	\$358.00
11/01/2019	JEO	BL	Review issues relate to motion to transfer venue	0.80	895.00	\$716.00
11/01/2019	JEO	BL	Review additional issues related to Motion to Transfer Venue	0.70	895.00	\$626.50
11/01/2019	JAM	BL	Communications with J. Pomerantz, I. Kharasch, M. Litvak, G. Demo regarding change of venue motion.	0.30	1025.00	\$307.50
11/01/2019	GVD	BL	Conference with PSZJ team re motion to transfer venue	0.20	795.00	\$159.00
11/01/2019	GVD	BL	Review correspondence re Motion transfer venue.	0.20	795.00	\$159.00
11/02/2019	MBL	BL	Draft objection to motion to shorten re venue transfer.	0.50	925.00	\$462.50
11/02/2019	MBL	BL	Begin drafting objection to venue transfer motion.	1.00	925.00	\$925.00
11/02/2019	MBL	BL	Emails with team and client re venue transfer issues.	0.20	925.00	\$185.00
11/02/2019	JEO	BL	Review and provide comments to opposition to Committee's motion to shorten on venue	0.60	895.00	\$537.00
11/02/2019	JAM	BL	Review motion to change venue (1.1); review motion to shorten time (0.4); e-mail to PSZJ team regarding motion to change venue (0.5).	2.00	1025.00	\$2,050.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/02/2019	GVD	BL	Review draft response to motion to expedite notice	0.20	795.00	\$159.00
11/03/2019	IDK	BL	Review and consider Committee OST motion and venue motion, as well as draft of our opposition to OST (.4); E-mails with J Morris and J O'Neill re their feedback on motions and draft opposition (.3); E-mails to attorneys re my list of revisions to our draft opposition to OSC (.4).	1.10	1095.00	\$1,204.50
11/03/2019	MBL	BL	Emails with team re objection to motion to shorten on venue transfer.	0.20	925.00	\$185.00
11/03/2019	MBL	BL	Revise objection to motion to shorten.	1.50	925.00	\$1,387.50
11/03/2019	JEO	BL	Further review of opposition to committee's motion to shorten on venue and provide additional comments	0.80	895.00	\$716.00
11/03/2019	JAM	BL	E-mails with M. Litvak, I Kharasch, J. Pomerantz, J. O'Neill regarding motion to change venue.	0.30	1025.00	\$307.50
11/04/2019	IDK	BL	Review and consider revised objection to Committee's motion to expedite venue hearing, as well as client's markup of same (.3); Telephone conference with J. Pomerantz re same and problem of client comment (.1); Numerous E-mails with client, CRO and others re my comments to same and problem with client comments re ordinary course motion in opposition (.3); Review of revised opposition (.1).	0.80	1095.00	\$876.00
11/04/2019	IDK	BL	E-mails with attorneys re court's denial of Committee motion to expedite before we filed our opposition (.2); Telephone conference with I. Leventon at client re court's denial of motion to expedite venue and venue motion (.3); Telephone conference with J. Pomerantz re same and next steps with Committee (.1); E-mails with attorneys re Acis counsel inquiry on stay and appeal re conference order (.1).	0.70	1095.00	\$766.50
11/04/2019	IDK	BL	Review of I. Leventon's memos re his thoughts on venue motion opposition (.2); E-mails with J Morris, J. Pomerantz re litigation issues for all matters on Nov 19th hearing date and next steps (.2).	0.40	1095.00	\$438.00
11/04/2019	JJK	BL	Research re: trustee/litigation and related issues.	4.50	850.00	\$3,825.00
11/04/2019	JJK	BL	Research/analysis re: trustee and related issues.	6.00	850.00	\$5,100.00
11/04/2019	JNP	BL	Conference with Ira D. Kharasch regarding venue motion and related issues.	0.30	1025.00	\$307.50
11/04/2019	JNP	BL	Emails to and from John A. Morris regarding hearing preparation.	0.10	1025.00	\$102.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/04/2019	JNP	BL	Review and comment on opposition to shortening time brief regarding venue and emails regarding same.	0.40	1025.00	\$410.00
11/04/2019	MBL	BL	Revise objection to shorten time with client input; emails with client and team re same.	0.70	925.00	\$647.50
11/04/2019	MBL	BL	Attention to order denying motion to shorten.	0.10	925.00	\$92.50
11/04/2019	JEO	BL	Emails with court re hearing schedule	0.20	895.00	\$179.00
11/04/2019	JEO	BL	Additional review and edits on opposition to committee's motion to shorten on venue	1.70	895.00	\$1,521.50
11/04/2019	JEO	BL	Review entered order denying motion to shorten time	0.20	895.00	\$179.00
11/04/2019	JAM	BL	Review/revise objections to motion to shorten (change of venue) (0.7); e-mails with J. Pomerantz, I. Kharasch, M. Litvak, J. O'Neill regarding motion to shorten (0.3); e-mail to PSZJ team re second day hearing and related matters (.3); review prepetition litigation documents (1.6).	2.90	1025.00	\$2,972.50
11/04/2019	GVD	BL	Review revised motion to transfer venue	0.20	795.00	\$159.00
11/05/2019	IDK	BL	Review briefly extensive correspondence with client/I. Leventon re his further feedback on venue issues for our opposition (.2); E-mails with team re coordination of call on 11/19 contested motions and agenda for same (.2); E-mails with I. Leventon and team re I. Leventon inquiry on contested venue motion and witnesses (.2).	0.60	1095.00	\$657.00
11/05/2019	JJK	BL	Research/analysis re trustee and related issues.	4.40	850.00	\$3,740.00
11/05/2019	JJK	BL	Research re: trustee and related issues.	1.80	850.00	\$1,530.00
11/05/2019	KKY	BL	Draft certification of counsel re omnibus hearing date order	0.10	395.00	\$39.50
11/05/2019	KKY	BL	File (.1), serve (.1), and prepare for filing and service (.2) 11/7/19 agenda	0.40	395.00	\$158.00
11/05/2019	KKY	BL	File (.1) and prepare for filing (.1) certificate of service for 11/7/19 agenda	0.20	395.00	\$79.00
11/05/2019	MBL	BL	Draft opposition to motion to transfer venue.	5.50	925.00	\$5,087.50
11/05/2019	MBL	BL	Review motion to transfer venue.	0.40	925.00	\$370.00
11/05/2019	MBL	BL	Review client comments and background info on venue motion.	0.40	925.00	\$370.00
11/05/2019	MBL	BL	Call with client re venue issues.	0.20	925.00	\$185.00
11/05/2019	MBL	BL	Emails with team re venue litigation issues.	0.10	925.00	\$92.50

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11/05/2019	JEO	BL	Finalize agenda canceling 11/7 hearing	0.50	895.00	\$447.50
11/05/2019	JEO	BL	Email to court re hearing dates	0.20	895.00	\$179.00
11/05/2019	JEO	BL	Review status of pending matters	0.60	895.00	\$537.00
11/05/2019	GVD	BL	Review summaries and back up from I. Leventon re motion to transfer venue	0.50	795.00	\$397.50
11/06/2019	IDK	BL	Attend conference call with internal team on contested motions for Nov 19 re CRO and ordinary course and venue (.8).	0.80	1095.00	\$876.00
11/06/2019	JJK	BL	Research re: trustee and related issues.	4.50	850.00	\$3,825.00
11/06/2019	JJK	BL	Research re: trustee and related issues.	4.60	850.00	\$3,910.00
11/06/2019	MBL	BL	Continue drafting objection to venue transfer motion.	4.00	925.00	\$3,700.00
11/06/2019	MBL	BL	Attend update call with team re Nov. 19 hearing matters and prep.	0.80	925.00	\$740.00
11/06/2019	JEO	BL	Review precedent re transfer of venue	0.60	895.00	\$537.00
11/06/2019	JAM	BL	Work on Sharp testimony (1.4); telephone conference with J. Pomerantz, I. Kharasch, M. Litvak, G. Demo re November 19 hearing (.8).	2.20	1025.00	\$2,255.00
11/06/2019	GVD	BL	Conference with PSZJ team re trial preparation and next steps	0.80	795.00	\$636.00
11/06/2019	GVD	BL	Research potential judicial conflicts re venue transfer	0.40	795.00	\$318.00
11/06/2019	GVD	BL	Review draft objection to motion to transfer	0.70	795.00	\$556.50
11/06/2019	GVD	BL	Correspondence with J. O'Neill and M. Litvak re potential retention of Houlihan Lokey under Section 363	0.20	795.00	\$159.00
11/07/2019	IDK	BL	Review of UST comments on 2d day motions, including CRO authority/governance concerns (.2); E-mails with attorneys re same and J Alix Protocol concerns (.3); Telephone conference and e-mail with J. Pomerantz re same and other precedent (.3).	0.80	1095.00	\$876.00
11/07/2019	IDK	BL	E-mails with J Kim re need for summary of Acis events for venue issues.	0.20	1095.00	\$219.00
11/07/2019	JJK	BL	Emails Kharasch on related BK proceedings and review case documents and prepare memo on same.	2.10	850.00	\$1,785.00
11/07/2019	JJK	BL	Research re: trustee / CRO related issues.	6.90	850.00	\$5,865.00
11/07/2019	JNP	BL	Review other forms of engagement for CRO; Conference with Ira D. Kharasch regarding same.	0.20	1025.00	\$205.00
11/07/2019	JNP	BL	Conference with Sidley and Ira D. Kharasch	0.60	1025.00	\$615.00

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			regarding background and pending matters on for hearing.			
11/07/2019	JNP	BL	Conference with Ira D. Kharasch after call with Sidley.	0.10	1025.00	\$102.50
11/07/2019	JNP	BL	Conference with Ira D. Kharasch and F. Caruso regarding variety of pending matters and call with Sidley.	0.60	1025.00	\$615.00
11/07/2019	KKY	BL	File (.1) and prepare for filing (.1) certification of counsel re omnibus hearing date order	0.20	395.00	\$79.00
11/07/2019	KKY	BL	Upload order (.1) and prepare for uploading same (.1) re omnibus hearing date order	0.20	395.00	\$79.00
11/07/2019	KKY	BL	Serve [signed] omnibus hearing date order	0.10	395.00	\$39.50
11/07/2019	KKY	BL	Draft (.1) and prepare for filing (.1) affidavit of service for [signed] omnibus hearing date order	0.20	395.00	\$79.00
11/07/2019	MBL	BL	Emails with client re venue brief and other pending issues.	0.10	925.00	\$92.50
11/07/2019	MBL	BL	Attention to UST comments to second day motions; emails with team and client re same.	0.30	925.00	\$277.50
11/07/2019	MBL	BL	Review co-counsel comments to venue opposition.	0.30	925.00	\$277.50
11/07/2019	JEO	BL	Participate in call with committee counsel	0.50	895.00	\$447.50
11/07/2019	JEO	BL	Review UST initial comments on second day motions.	0.40	895.00	\$358.00
11/07/2019	JAM	BL	Review initial draft objection to venue motion.	0.70	1025.00	\$717.50
11/07/2019	GVD	BL	Review and summarize research re definition of affiliate; correspondence with M. Litvak re same	0.60	795.00	\$477.00
11/07/2019	GVD	BL	Review revisions to motion to transfer venue from Foley Gardere	0.40	795.00	\$318.00
11/07/2019	GVD	BL	Research potential conflicts in transferring venue to Texas	0.50	795.00	\$397.50
11/08/2019	IDK	BL	E-mails with attorneys re how to respond to numerous UST comments on 2d day motions and CRO issues and giving extensive of time and UST feedback as well (.4); E-mails with J Kim re his Acis description and timing re memo on trustee issues (.3).	0.70	1095.00	\$766.50
11/08/2019	IDK	BL	E-mails with attorneys re Committee?s just received information requests on motions, and need for call tomorrow re same (.3); attend internal conference call on Saturday, 11/9, re same and how to respond and next steps with client (.5); E-mails 11/9 re result of G. Demo?s call with Sidley on NDA issues (.1).	0.90	1095.00	\$985.50

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11/08/2019	JJK	BL	Research re: trustee/CRO related issues.	5.50	850.00	\$4,675.00
11/08/2019	JJK	BL	Research re: CRO/trustee related issues.	4.10	850.00	\$3,485.00
11/08/2019	JNP	BL	Review venue opposition draft.	2.00	1025.00	\$2,050.00
11/08/2019	JNP	BL	Emails to and from Gregory V. Demo regarding call with U.S. Trustee re. second day motion comments.	0.10	1025.00	\$102.50
11/08/2019	JNP	BL	Conference with Maxim B. Litvak regarding venue opposition.	0.10	1025.00	\$102.50
11/08/2019	MBL	BL	Review J. Morris comments to venue transfer objection.	0.20	925.00	\$185.00
11/08/2019	MBL	BL	Misc. emails with team and client re pending business matters and second day hearings.	0.30	925.00	\$277.50
11/08/2019	JAM	BL	Review/revise draft opposition to change venue (1.4); e-mail to M. Litvak re opposition to motion to change venue (.1).	1.50	1025.00	\$1,537.50
11/08/2019	GVD	BL	Research potential judicial conflicts re transfer to Texas	0.80	795.00	\$636.00
11/08/2019	GVD	BL	Conference with J. O'Neill re UST issues on second day motions	0.20	795.00	\$159.00
11/08/2019	GVD	BL	Conference with J. O'Neill and UST re revisions to second day motions	0.20	795.00	\$159.00
11/09/2019	MBL	BL	Review client comments to opposition to venue motion.	0.30	925.00	\$277.50
11/09/2019	MBL	BL	Revise objection to venue transfer motion with client and co-counsel comments.	2.80	925.00	\$2,590.00
11/09/2019	JEO	BL	Review email from committee with information requests and assist in drafting response to same	1.00	895.00	\$895.00
11/09/2019	JAM	BL	Review revised objection to venue transfer motion (.8); review Sidley questions (.4); telephone conference with PSZJ team re Sidley questions (.4); e-mails with PSZJ team re Sidley questions and second day motions (.3).	1.90	1025.00	\$1,947.50
11/09/2019	GVD	BL	Correspondence with A. Somers re motion to transfer venue	0.20	795.00	\$159.00
11/09/2019	GVD	BL	Conference with PSZJ working group re responses to Committee informal requests	0.50	795.00	\$397.50
11/10/2019	IDK	BL	E-mails with re G. Demo's draft of memo in response to Committee's informal questions on 2d day motions, including review of same (.4); E-mails with team re Sidley discovery and how to respond to informal requests, and coordination of time to talk to Sidley re same (.3); E-mails with client group re its	0.90	1095.00	\$985.50

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			feedback on various issues and other deals (.2).			
11/10/2019	IDK	BL	Attend conference call with client group on Committee?s informal questions on 2d days and client feedback on memo re same (1.0); E-mails with team and client re initial review of Committee?s extensive formal discovery and notice of depos served today, Sunday, and witness availability issues (.3).	1.30	1095.00	\$1,423.50
11/10/2019	IDK	BL	Review of current draft opposition to Committee venue motion, and consider need for changes (.7); E-mails to team re my list of changes to same, as well as J. Pomerantz feedback (.4).	1.10	1095.00	\$1,204.50
11/10/2019	JNP	BL	Emails regarding venue motion.	0.10	1025.00	\$102.50
11/10/2019	JNP	BL	Review and respond to emails regarding Committee discovery and review same.	0.30	1025.00	\$307.50
11/10/2019	MBL	BL	Misc. emails re Committee discovery.	0.30	925.00	\$277.50
11/10/2019	JEO	BL	Review committee information requests	0.40	895.00	\$358.00
11/10/2019	JEO	BL	Emails to PSZJ group re Committee information/discovery requests	0.60	895.00	\$537.00
11/10/2019	JAM	BL	Review and analysis of draft responses to Sidley questions (.7); draft e-mail to PSZJ team re suggested modifications to responses to Sidley questions (.5); review Committee discovery demands (.5); communications with I. Leventon, PSZJ team re Committee discovery (.5).	2.20	1025.00	\$2,255.00
11/10/2019	GVD	BL	Review and provide comments on motion to transfer venue	0.40	795.00	\$318.00
11/10/2019	GVD	BL	Conference with PSZJ and HMCLP working grounds re committee requests for information	1.10	795.00	\$874.50
11/10/2019	GVD	BL	Review and comment on deposition requests	0.40	795.00	\$318.00
11/11/2019	IDK	BL	E-mails with attorneys, CRO and management re Committee?s formal discovery sent yesterday on Debtor and today on Redeemer, including summary and concerns re same, as well as draft of initial response to Committee of our concerns on their discovery (.4); Telephone conference with J. Pomerantz re upcoming Committee call and issues, and re Committee deposition notices, and consider (.2); Review of numerous E-mails with CRO/management re further information for informal memo summarizing responses to Committee informal questions on motions, including questions on various affiliates (.4).	1.00	1095.00	\$1,095.00

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11/11/2019	IDK	BL	E-mails with team re upcoming call with Committee counsel, and need for pre-call (.2); Attend pre-call re same (.4); Attend conference call with Committee counsel re same (1.1); Telephone conference with J. Pomerantz re follow up and need for team call re same (.1); Attend internal follow up on same call, and need to get certain information to Committee today before objection deadline (.2).	2.00	1095.00	\$2,190.00
11/11/2019	IDK	BL	Numerous E-mails with CRO, management re our list of items that we should produce to Committee today before objection filed, and basis for such production today (.4); E-mails with CRO re FTI request for information/documents this week, and consider same (.2).	0.60	1095.00	\$657.00
11/11/2019	IDK	BL	E-mails with CRO, others re issue of FTI reach out to CRO for meeting and relation to pending discovery, and DSI logistical problems re meeting this week and CRO's surgery (.3); E-mails with CRO/F. Caruso re need for call on Sidley requests (.1); Attend conference call with CRO re same (.6).	1.00	1095.00	\$1,095.00
11/11/2019	IDK	BL	Review of correspondence with Committee counsel re concerns on document production, including Committee response (.2); Review of revised opposition to Committee venue motion (.2).	0.40	1095.00	\$438.00
11/11/2019	IDK	BL	Review of memo from J Morris on his summary of meet and confer with Committee counsel re contested hearing next week, and his correspondence to Committee counsel after same to confirm next steps.	0.20	1095.00	\$219.00
11/11/2019	JJK	BL	Prepare memo on trustee related issues; related research.	5.50	850.00	\$4,675.00
11/11/2019	JJK	BL	Research re: CRO related issues.	2.20	850.00	\$1,870.00
11/11/2019	JJK	BL	Research re: CRO and related issues.	4.00	850.00	\$3,400.00
11/11/2019	JNP	BL	Conference with Ira D. Kharasch, John A. Morris, Gregory V. Demo and Maxim B. Litvak in advance of call with Sidley.	0.50	1025.00	\$512.50
11/11/2019	JNP	BL	Participate on call with Sidley regarding variety of topics.	1.10	1025.00	\$1,127.50
11/11/2019	JNP	BL	Conference with Ira D. Kharasch regarding strategy issues.	0.10	1025.00	\$102.50
11/11/2019	JNP	BL	PSZJ team call after Sidley call.	0.20	1025.00	\$205.00
11/11/2019	JNP	BL	Conference with F. Caruso, B. Sharp and Ira D. Kharasch regarding litigation and strategy issues.	0.50	1025.00	\$512.50

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11/11/2019	JNP	BL	Conference with John A. Morris regarding discovery.	0.20	1025.00	\$205.00
11/11/2019	JNP	BL	Review of venue opposition; Conference with Maxim B. Litvak regarding same.	0.20	1025.00	\$205.00
11/11/2019	KKY	BL	Draft 11/19/19 agenda	2.00	395.00	\$790.00
11/11/2019	KKY	BL	Draft certificate of service for 11/19/19 agenda	0.10	395.00	\$39.50
11/11/2019	MBL	BL	Continue revisions to objection to motion to transfer venue; incorporate comments from co-counsel and team.	2.50	925.00	\$2,312.50
11/11/2019	MBL	BL	Misc. emails with team re Committee discovery and venue issues.	0.50	925.00	\$462.50
11/11/2019	JEO	BL	Review emails with PSZJ team re committee discovery requests	0.50	895.00	\$447.50
11/11/2019	JEO	BL	Email to PSZJ team re committee information requests related to Interested Parties list	0.40	895.00	\$358.00
11/11/2019	JEO	BL	Email with Max Litvak re objection to venue transfer motion	0.20	895.00	\$179.00
11/11/2019	JEO	BL	Review status of matters scheduled for hearing on 11/19 and email to PSZJ group re same	0.50	895.00	\$447.50
11/11/2019	JEO	BL	Review draft objection to motion to transfer venue	0.60	895.00	\$537.00
11/11/2019	JAM	BL	Telephone conference with I. Leventon re Committee discovery (.6); e-mail to I. Leventon, B. Sharp, F. Caruso, PSZJ re Committee discovery (.7); review/analyze issues related to discovery (2.2); review/analyze facts relating to 11/19 motions (3.5); telephone conference with PSZJ, Sidley re informal information requests (1.2); telephone conference with J. Pomerantz, I. Kharasch, G. Demo re discovery (.2); e-mail to Committee counsel re discovery (.8); meet and confer with G. Demo, C. Robinson, Sidley, YCST (1.2); telephone conference with G. Demo, C. Robinson re discovery (.3); e-mail to Highland, PSZJ, DSI re meet and confer call (.7); e-mail to Sidley, YCST re agreement on certain discovery issues (.5).	11.90	1025.00	\$12,197.50
11/11/2019	CRR	BL	Telephone call with J Morris re discovery requests from Committee	0.20	795.00	\$159.00
11/11/2019	CRR	BL	Review Committee discovery requests	0.50	795.00	\$397.50
11/11/2019	CRR	BL	Prepare initial draft of discovery responses re requests for production of documents	2.30	795.00	\$1,828.50
11/11/2019	CRR	BL	Telephone call meet and confer with Committee counsel re document requests	0.50	795.00	\$397.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/11/2019	CRR	BL	Revise document request responses and objections	1.90	795.00	\$1,510.50
11/11/2019	CRR	BL	Review John A. Morris email re result of meet and confer	0.20	795.00	\$159.00
11/11/2019	GVD	BL	Research potential judicial conflict re motion to transfer venue	4.00	795.00	\$3,180.00
11/11/2019	GVD	BL	Conference with F. Caruso re status of discovery and case	0.30	795.00	\$238.50
11/11/2019	GVD	BL	Conference with PSZJ team and Sidley Austin re initial discovery requests	1.20	795.00	\$954.00
11/11/2019	GVD	BL	Conference with PSZJ team re follow up to initial discovery call with Sidley and next steps	0.20	795.00	\$159.00
11/11/2019	GVD	BL	Correspondence with client re initial production to Sidley of ownership	0.40	795.00	\$318.00
11/11/2019	GVD	BL	Compile list of documents to produce in response to initial production requests	1.10	795.00	\$874.50
11/11/2019	GVD	BL	Review deposition notice and RFPs in advance of meet and confer	0.70	795.00	\$556.50
11/11/2019	GVD	BL	Meet and confer with Sidley litigation team re initial discovery requests.	1.20	795.00	\$954.00
11/11/2019	GVD	BL	Review and circulate initial production to Sidley re ownership structure	0.30	795.00	\$238.50
11/12/2019	IDK	BL	Telephone conference with J. Pomerantz re discovery issues and motions (.1); E-mails with J. Pomerantz and J. Morris re same and need for call (.1); Telephone conference with J. Morris and J. Pomerantz re same, witness issues and prep, specific testimony issues, doc production, prep of reply brief logistics (.6); E-mails with team re need for call tomorrow re anticipated objection (.1); Review of numerous correspondence with client, others on discovery and work flow issues with Committee, and re other litigation vs Dow Jones (.3).	1.20	1095.00	\$1,314.00
11/12/2019	IDK	BL	Telephone conference with I. Leventon re contested hearings next week and testimony and arguments (.4); Review of correspondence with Redeemer re its production and problems with same (.2).	0.60	1095.00	\$657.00
11/12/2019	IDK	BL	Numerous E-mails with CRO, others re CRO surgery complications and inability to attend 11/19 hearing and next steps and need for all hands call (.3); Attend initial conference call with client and team re CRO's unavailability for 11/19 hearing and next steps (.2); Telephone conferences with J. Pomerantz re same and other issues and oppositions	1.40	1095.00	\$1,533.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			filed today (.2); Email to CRO, others re his next availability and need for further call re same (.2); Telephone conference with J O'Neill re same (.1); Attend next conference call with CRO, client, others re potential continuance of matters next week (.4).			
11/12/2019	IDK	BL	E-mails with J. Morris re his summary of meet and confer with Committee, and then re Committee's feedback and delay of calling court for new hearing date.	0.20	1095.00	\$219.00
11/12/2019	IDK	BL	E-mails with I. Leventon re his further proposed revisions to opposition to venue motion and footnote, and problems with same (.3); Telephone conference with J. Pomerantz re same (.1); Review of further revised venue opposition with related changes (.2); Review of further correspondence between J. Morris and Redeemer, client, CRO on discovery issues and arrangements for depositions this week (.2).	0.80	1095.00	\$876.00
11/12/2019	JNP	BL	Emails to and from I. Leventon regarding comments to venue opposition.	0.10	1025.00	\$102.50
11/12/2019	JNP	BL	Conference with Ira D. Kharasch regarding changes to venue opposition and emails regarding same.	0.10	1025.00	\$102.50
11/12/2019	JNP	BL	Conference with Ira D. Kharasch and John A. Morris regarding litigation strategy.	0.50	1025.00	\$512.50
11/12/2019	JNP	BL	Review venue joinder.	0.10	1025.00	\$102.50
11/12/2019	JNP	BL	Begin to review Jonathan J. Kim memo on litigation issues.	0.10	1025.00	\$102.50
11/12/2019	JNP	BL	Review emails regarding status of document production.	0.20	1025.00	\$205.00
11/12/2019	JNP	BL	Review Committee omnibus opposition to motions.	0.30	1025.00	\$307.50
11/12/2019	JNP	BL	Conference with I. Leventon, DSI and PSZJ regarding hearing date issues (2x).	0.50	1025.00	\$512.50
11/12/2019	JNP	BL	Conference with Ira D. Kharasch regarding Committee objections.	0.10	1025.00	\$102.50
11/12/2019	KKY	BL	Review and revise 11/19/19 agenda	1.70	395.00	\$671.50
11/12/2019	KKY	BL	File (.1), serve (.1), and prepare for filing and service (.2) objection to venue motion	0.40	395.00	\$158.00
11/12/2019	KKY	BL	Draft (.1) and prepare for filing (.1) certificate of service for objection to venue motion	0.20	395.00	\$79.00
11/12/2019	MBL	BL	Review production to Committee re second day matters.	0.50	925.00	\$462.50
11/12/2019	MBL	BL	Misc. emails with team and client re Committee	0.40	925.00	\$370.00

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			discovery and pending filings.			
11/12/2019	MBL	BL	Call with J.N. Pomerantz re case status.	0.20	925.00	\$185.00
11/12/2019	JEO	BL	Review UST Objection to Motion of Debtor for Entry of Order Authorizing Debtor to File Under Seal Portions of Creditor Matrix Containing Employee Address Information	0.40	895.00	\$358.00
11/12/2019	JEO	BL	Review Committee's Objection to the Debtor's (I) Motion for Final Order Authorizing Continuance of the Existing Cash Management System, (II) Motion to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, and (III) Precautionary Motion for Approval of Protocols for "Ordinary Course" Transactions	0.60	895.00	\$537.00
11/12/2019	JEO	BL	Review draft of objection to venue motion	0.70	895.00	\$626.50
11/12/2019	JEO	BL	Finalize and file Debtor's Objection to Venue Motion	0.60	895.00	\$537.00
11/12/2019	JAM	BL	E-mail to Sidley, Jenner & Block re subpoena to Redeemer Committee (.9); review/revise written responses to Committee's document requests (2.8); telephone conference with J. Pomerantz, I. Kharasch re litigation status, issues (.6); telephone conference with G. Demo, I. Leventon, F. Shapiro, Highland re document production (.6); telephone conference with P. Reid re discovery (.1); e-mail to PSZJ, Sidley, Jenner & Block re Redeemer Committee subpoena (.4); telephone conference with I. Leventon, B. Sharp, J. Pomerantz, G. Demo, I. Kharasch re Second Day Hearing (.2); telephone conference with I. Leventon, B. Sharp, J. Pomerantz, I. Kharasch, G. Demo re Second Day Hearing (.4); telephone conference with G. Demo, Sidley re scheduling (.2); e-mail to Highland, PSZJ, DSI re meet and confer (.2); prepare for depositions (4.2); review responses/oppositions to motions (2.2); further revisions to written responses to Committee document (.4).	13.20	1025.00	\$13,530.00
11/12/2019	CRR	BL	Prepare draft responses to Committee Rule 30(b)(6) notices and Email same to J Morris, G Demo	2.30	795.00	\$1,828.50
11/12/2019	CRR	BL	Review Email re meet and confer and responses to same	0.20	795.00	\$159.00
11/12/2019	CRR	BL	Telephone call with Committee counsel re discovery requests, issues	0.50	795.00	\$397.50
11/12/2019	CRR	BL	Review J Morris, G Demo comments to draft discovery responses	0.50	795.00	\$397.50

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11/12/2019	LSC	BL	Provide assistance with preparation of discovery, including attention to logistics and preparation of discovery files.	2.10	395.00	\$829.50
11/12/2019	GVD	BL	Review revisions to motion to transfer venue	0.60	795.00	\$477.00
11/12/2019	GVD	BL	Review Committee's omnibus objection	1.30	795.00	\$1,033.50
11/12/2019	GVD	BL	Two conferences with Highland team re potential adjournment of hearing	0.40	795.00	\$318.00
11/12/2019	GVD	BL	Review objections to ordinary course professionals motion and critical vendors	0.60	795.00	\$477.00
11/12/2019	GVD	BL	Review Acis joinder to motion to transfer venue	0.50	795.00	\$397.50
11/12/2019	GVD	BL	Review objections to requests for production; correspondence with J. Morris re same	0.90	795.00	\$715.50
11/12/2019	GVD	BL	Prepare for call re discovery issues	0.40	795.00	\$318.00
11/12/2019	GVD	BL	Conference with J. Morris and Highland team re dealing with discovery issues	0.40	795.00	\$318.00
11/12/2019	GVD	BL	Conference with Sidley team and J. Morris re potential adjournment	0.20	795.00	\$159.00
11/13/2019	IDK	BL	Office conference with J. Pomerantz re issues for upcoming team call on all contested motions (.1); Attend conference call with team on the numerous oppositions filed yesterday and how to respond, and continuance issues re CRO health (.5); Review of correspondence with Committee and J. Morris re same and timing on calling court, and his communication with Acis counsel re same and witnesses (.2); Telephone conference with I. Leventon re issues (.1).	0.90	1095.00	\$985.50
11/13/2019	IDK	BL	E-mails with I. Leventon re his concerns on venue motion not being continued and evidence issues, as well as J. Morris's communications with Committee counsel re same and putting on B. Sharp's testimony re same (.3); Telephone conference with J Morris re same and related evidence issues (.2); Telephone conference with J. Morris and client re update from Committee and need for client call re same (.2); Attend conference call with I. Leventon, others re Committee's unwillingness to continue venue motion and how to respond re evidence issues if CRO not available, and message to be given to court clerk, and then after J. Morris drops from call, the issue of the FTI conflict re Acis (.7); Email and telephone conference with J. Morris re initial feedback from Committee on venue motion status (.1).	1.50	1095.00	\$1,642.50

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11/13/2019	JNP	BL	Conference with Ira D. Kharasch, I. Leventon, John A. Morris, James E. O'Neill and Maxim B. Litvak regarding hearing scheduling and related issues.	0.50	1025.00	\$512.50
11/13/2019	JNP	BL	Internal PSZJ call regarding litigation related issues.	0.50	1025.00	\$512.50
11/13/2019	JNP	BL	Review U. S. Trustee opposition to CRO retention.	0.20	1025.00	\$205.00
11/13/2019	MBL	BL	Attend call with team re pending contested motions.	0.50	925.00	\$462.50
11/13/2019	MBL	BL	Emails with team re scheduling issues and pending discovery.	0.40	925.00	\$370.00
11/13/2019	MBL	BL	Emails with team and client re objections to pending motions.	0.30	925.00	\$277.50
11/13/2019	JEO	BL	Call with PSZJ team re status of matters scheduled for hearing on 11/19	0.60	895.00	\$537.00
11/13/2019	JEO	BL	Emails with opposing counsel re planning for trial	0.30	895.00	\$268.50
11/13/2019	JEO	BL	Review U.S. Trustee's Objection to the Motion of Debtor Pursuant to 11 U.S.C. ?? 105(a) and 363(b) to Provide a Chief Restructuring Officer, Additional Personnel and Financial Advisory and Restructuring Related Services	0.40	895.00	\$358.00
11/13/2019	KSN	BL	Prepare hearing binders for 11/19/19 hearing.	1.90	325.00	\$617.50
11/13/2019	JAM	BL	Review/analyze objections to motions (3.3); telephone conference with PSZJ team re scheduling strategy (.3); telephone conference with R. Patel re venue motion (.1); e-mail to R. Patel re venue motion (.1); telephone conference with R. Patel re venue motion (.1); telephone conference with S. Beach re venue motion (.1); telephone conference with I. Leveton, J. Pomerantz, I. Kharasch, J. O'Neil re scheduling (.3); telephone conference with S. Beach re scheduling (.1); e-mail to Highland, PSZJ, DSI re scheduling (.1); review/revise responses to Rule 30(b)(6) topics (1.1); analysis of deposition issues/facts (2.2); e-mails with I. Leveton, B. Sharp, F. Caruso, PSZJ re scheduling (.3); telephone conference with J. O'Neill re adjournment (.1).	8.20	1025.00	\$8,405.00
11/13/2019	CRR	BL	Review email from Committee counsel re discovery requests	0.80	795.00	\$636.00
11/13/2019	CRR	BL	Review J Morris email re scheduling	0.20	795.00	\$159.00
11/13/2019	LSC	BL	Retrieval of responsive documents and transmittal of document production to Committee counsel.	1.70	395.00	\$671.50
11/13/2019	GVD	BL	Review correspondence re discovery issues	0.20	795.00	\$159.00
11/13/2019	GVD	BL	conference with C. Rogne re discovery	0.20	795.00	\$159.00

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11/13/2019	GVD	BL	Review correspondence from C. Rogne re response	0.20	795.00	\$159.00
11/13/2019	GVD	BL	Draft cover email re second discovery responses	0.20	795.00	\$159.00
11/13/2019	GVD	BL	Review and revise objections to 30(b)(6) motion	0.60	795.00	\$477.00
11/14/2019	IDK	BL	E-mails with J. Morris re discovery and amending operating agreement (.2); E-mails with M. Litvak re independent board issues and prior cases re reporting issues and control of CRO (.2).	0.40	1095.00	\$438.00
11/14/2019	IDK	BL	E-mails with J O'Neill re feedback on UST objection re corporate governance and CRO (.2); E-mails with M. Litvak, J. Pomerantz re same and what to show UST on governance, and issue of possible independent board (.2); E-mails with CRO re same and need for call re same (.1); E-mails with G. Demo re issues in change of corporate governance if independent board put in (.3).	0.80	1095.00	\$876.00
11/14/2019	IDK	BL	Numerous E-mails with attorneys re court clerk's feedback on available dates for continuance of 2d day hearings, and logistics of getting flights given holidays (.3); Further E-mails with attorneys re same and Committee's feedback on keeping 11/19 for status conference (.2); Further E-mails with CRO, others re the 12/2 hearing date (.1); Brief review of J. Morris's substantial summaries of discovery issues and scheduling (.2); E-mails with J O'Neill, others re drafts of agenda for 11/19 and logistics of handling same hearing/status conference (.2).	1.00	1095.00	\$1,095.00
11/14/2019	IDK	BL	E-mails with G. Demo, others re Committee feedback on ordinary course professionals and critical vendor motions and potential resolutions of their concerns, and problems re allocation of such expenses.	0.30	1095.00	\$328.50
11/14/2019	IDK	BL	Office conferences with J. Pomerantz and R. Pachulski re corporate governance issues and potential need for changes to same re objections to CRO and venue, and consider (.4); Attend conference call with CRO, F. Caruso and J. Pomerantz re issues in case, Committee and UST objection and governance (.5); Email to I. Leventon re same and need for call tomorrow (.1).	1.00	1095.00	\$1,095.00
11/14/2019	JNP	BL	Detailed review of venue motion.	0.90	1025.00	\$922.50
11/14/2019	JNP	BL	Conference with Richard M. Pachulski regarding corporate governance issues and pending motions.	0.20	1025.00	\$205.00
11/14/2019	JNP	BL	Conference with John A. Morris regarding litigation scheduling and related issues.	0.10	1025.00	\$102.50

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11/14/2019	JNP	BL	Conference with Brad Sharp, Fred Caruso and Ira D. Kharasch regarding corporate governance and pending actions.	0.50	1025.00	\$512.50
11/14/2019	JNP	BL	Emails and call with Gregory V. Demo regarding response to critical vendor and ordinary course professional motions (3x).	0.50	1025.00	\$512.50
11/14/2019	JNP	BL	Emails regarding hearing date and time.	0.10	1025.00	\$102.50
11/14/2019	JNP	BL	Conference with Ira D. Kharasch and Richard M. Pachulski regarding corporate governance and pending motions.	0.20	1025.00	\$205.00
11/14/2019	JNP	BL	Conference with B. Sharp regarding logistics for hearing travel.	0.10	1025.00	\$102.50
11/14/2019	JNP	BL	Emails about hearing date.	0.10	1025.00	\$102.50
11/14/2019	KKY	BL	Prepare documents for Chambers re 11/19/19 hearing	0.30	395.00	\$118.50
11/14/2019	KKY	BL	Review and revise 11/19/19 agenda	1.10	395.00	\$434.50
11/14/2019	MBL	BL	Emails with team re scheduling and governance issues; review applicable pleadings.	0.70	925.00	\$647.50
11/14/2019	MBL	BL	Attention to UST objection to redacted matrix; emails with team re same.	0.20	925.00	\$185.00
11/14/2019	MBL	BL	Review Acis joinder to venue motion; emails with team re same.	0.50	925.00	\$462.50
11/14/2019	MBL	BL	Review Jefferies filing re protocols motion.	0.30	925.00	\$277.50
11/14/2019	MBL	BL	Emails with team re pending objections to second day motions and next steps.	0.40	925.00	\$370.00
11/14/2019	MBL	BL	Attention to Committee objections to critical vendors and OCP motion.	0.30	925.00	\$277.50
11/14/2019	MBL	BL	Attention to UST objection to CRO retention; emails with team re same.	0.50	925.00	\$462.50
11/14/2019	JEO	BL	Emails with court re follow up hearing date	0.50	895.00	\$447.50
11/14/2019	JEO	BL	Make arrangements to reschedule hearing date and let parties know.	0.80	895.00	\$716.00
11/14/2019	JEO	BL	work on agenda for 11/19 hearing - status hearing	0.70	895.00	\$626.50
11/14/2019	ARP	BL	Prepare hearing notebook for hearing on 11/12/2019.	3.90	325.00	\$1,267.50
11/14/2019	JAM	BL	Telephone conference with G. Demo, Lynn Picker, Foley re retention motions (.8); review/revise Rule 30(b)(6) objections (2.2); telephone conference with Committee counsel, G. Demo re meet and confer (.3); telephone conference with S. Vitiello, G. Demo	8.70	1025.00	\$8,917.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			re document production (.5); e-mail to Highland, PSZJ, DSI re scheduling/meet and confer (.5); e-mails with Committee counsel re scheduling (.3); review e-mails re Lynn Picker/Foley retentions (.3); review e-mails re expense allocation (.2); review e-mails re document production (.4); deposition preparation (3.2).			
11/14/2019	CRR	BL	Review revised responses to Rule 30(b)(6) notice from J Morris	0.40	795.00	\$318.00
11/14/2019	LSC	BL	Preparation for and call with client regarding discovery and logistics with respect to the same (1.2); research and correspondence with potential discovery vendors (.4); begin preparation of discovery documents for attorney review (3.9).	5.50	395.00	\$2,172.50
11/14/2019	GVD	BL	Review US Trustee objection to CRO retention	1.00	795.00	\$795.00
11/14/2019	GVD	BL	Conference with Highland team re critical vendors and ordinary course professionals	1.00	795.00	\$795.00
11/14/2019	GVD	BL	Summarize conference with Highland team re critical vendors and ordinary course professionals; revise critical vendor list re same	0.90	795.00	\$715.50
11/14/2019	GVD	BL	Meet and confer with J. Morris and counsel to the committee	0.30	795.00	\$238.50
11/14/2019	GVD	BL	Attend to issues re discovery and production of documents	1.10	795.00	\$874.50
11/14/2019	GVD	BL	Review and summarize Committee objections to critical vendors and ordinary course professionals	1.20	795.00	\$954.00
11/15/2019	IDK	BL	Begin review and consideration of Committee omnibus objection to CRO, Protocols, Cash Management, and Acis joinder in venue motion (.8); E-mails with J. Pomerantz re issues in potential further changes to corporate governance (.1); E-mails with attorneys re UST question on F. Caruso (.1); Office conferences and E-mails with R. Pachulski and J. Pomerantz re Committee objection and issues on independent board (.3).	1.30	1095.00	\$1,423.50
11/15/2019	IDK	BL	E-mails with attorneys re response to Acis joinder to venue (.2); Review of various correspondence with Committee re 12/2 hearing setting and status conference for 19th as well as discovery issues (.2).	0.40	1095.00	\$438.00
11/15/2019	IDK	BL	Emails and telephone conference with J Morris and J. Pomerantz re litigation issues on 2d day hearing (.3); Attend telephone conference with I. Leventon L and J. Pomerantz re same and corporate governance issues re 2d day hearing and UBS judgment (.7);	1.40	1095.00	\$1,533.00

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			Telephone conference with J. Pomerantz re result of same and next steps (.1); E-mails with M. Litvak, J. Pomerantz re 12/2 hearing logistics and arguments (.1); E-mails with M. Litvak re potential modification of protocols, and consider (.2).			
11/15/2019	JNP	BL	Conference with Ira D. Kharasch and John A. Morris regarding discovery issues.	0.30	1025.00	\$307.50
11/15/2019	JNP	BL	Conference with Ira D. Kharasch and I. Leventon regarding pending motions and strategy.	0.60	1025.00	\$615.00
11/15/2019	JNP	BL	Conference with Ira D. Kharasch after call with I. Leventon regarding next steps.	0.30	1025.00	\$307.50
11/15/2019	JNP	BL	Conference with B. Sharp regarding corporate governance and pending motions.	0.30	1025.00	\$307.50
11/15/2019	JNP	BL	Continue reading Acis opinions attached to venue motion.	0.80	1025.00	\$820.00
11/15/2019	JNP	BL	Conference with John A. Morris regarding corporate governance and related litigation issues.	0.20	1025.00	\$205.00
11/15/2019	KKY	BL	File (.1), serve (.1), and prepare for filing and service (.2) 11/19/19 agenda	0.40	395.00	\$158.00
11/15/2019	KKY	BL	File (.1) and prepare for filing (.1) certificate of service for 11/19/19 agenda	0.20	395.00	\$79.00
11/15/2019	KKY	BL	Review and revise binders for 11/19/19 hearing	0.30	395.00	\$118.50
11/15/2019	MBL	BL	Emails with team and Committee counsel re litigation scheduling and prep.	0.40	925.00	\$370.00
11/15/2019	MBL	BL	Review Committee omnibus objection to cash management, CRO motion, and ordinary course protocols.	0.50	925.00	\$462.50
11/15/2019	JEO	BL	Review status of matters scheduled for hearing on 11/19/2019 and finalize hearing agenda	1.50	895.00	\$1,342.50
11/15/2019	JEO	BL	Email to UST Jane Leamy re deposition schedule	0.20	895.00	\$179.00
11/15/2019	ARP	BL	Prepare hearing notebook for hearing on 11/19/2019.	0.30	325.00	\$97.50
11/15/2019	JAM	BL	Review and draft response to Committee's e-mail concerning discovery (.9); telephone conference with J. O'Neil re status conference (.1); telephone conference with J. Pomerantz, I. Kharasch re corporate governance (.2); e-mails with I. Leventon, B. Sharp, J. Pomerantz re Committee's e-mail concerning discovery (.3); e-mail to B. Sharp, F. Caruso re Rule 30(b)(6) depositions (.1); e-mail to S. Beach, Committee Counsel, PSZJ re status conference (.1); e-mails with B. Sharp, F. Caruso, I. Leventon re Rule 30(b)(6) topics (.4); e-mail to	7.70	1025.00	\$7,892.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Committee counsel re FTI meeting (.2); revise responses to document requests (.4); e-mail to I. Leventon re revised responses (.2); deposition preparation (4.8).			
11/15/2019	LSC	BL	Retrieve and transmit document productions to Committee and confer and correspond regarding the same (1.7); follow up emails and call regarding discovery (.4).	2.10	395.00	\$829.50
11/15/2019	GVD	BL	Attend to discovery issues	0.60	795.00	\$477.00
11/15/2019	GVD	BL	Review draft response email to Sidley re status conference and discovery production	0.30	795.00	\$238.50
11/15/2019	GVD	BL	Correspondence with client re revisions to produced items	0.50	795.00	\$397.50
11/16/2019	JNP	BL	Conference with Ira D. Kharasch after call with I. Leventon.	0.10	1025.00	\$102.50
11/16/2019	JNP	BL	Conference with Gregory V. Demo and John A. Morris regarding discovery issues.	0.20	1025.00	\$205.00
11/16/2019	JNP	BL	Emails regarding call with client regarding pending litigation.	0.10	1025.00	\$102.50
11/16/2019	JNP	BL	Conference with I. Leventon, Ira D. Kharasch and John A. Morris regarding litigation issues.	0.50	1025.00	\$512.50
11/16/2019	MBL	BL	Misc. emails with team re pending Committee objections and responses.	0.30	925.00	\$277.50
11/16/2019	JAM	BL	Draft Protective Order and Confidentiality Agreement (1.8); telephone conference with G. Demo re document production (.1); telephone conference with G. Demo, J. Pomerantz re document production (.2); telephone conference with G. Demo, F. Caruso re document production (.3); e-mail to S. Ellington, I. Leventon re document production (.2); telephone conference with I. Leventon, J. Pomerantz, I. Kharasch re corporate governance, document production (.4); telephone conference with G. Demo re status, litigation strategy (.1).	3.10	1025.00	\$3,177.50
11/16/2019	GVD	BL	Conference with J. Morris re potential discovery issues	0.20	795.00	\$159.00
11/16/2019	GVD	BL	Conference with J. Morris and J. Pomerantz re potential discovery issues	0.20	795.00	\$159.00
11/16/2019	GVD	BL	Conference with F. Caruso and J. Morris re status of production and next steps	0.70	795.00	\$556.50
11/17/2019	IDK	BL	Review of various correspondence with client, J. Morris re discovery concerns with Committee and status and scheduling re same and re need to kick	1.10	1095.00	\$1,204.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			341a (.3); E-mails with I. Leventon, others re client concerns re FTI meeting and discovery, and need for call asap (.2); Telephone conference with J. Pomerantz re same (.1); Attend conference call with client, others re FTI meeting and discovery (.5).			
11/17/2019	IDK	BL	E-mails with team on Sunday re ordinary course protocols and replies, status re potential independent board, and need for call on Monday.	0.30	1095.00	\$328.50
11/17/2019	IDK	BL	Prep of extensive draft memo to client, CRO re Committee oppositions and potential solution of independent board, and consider history of case so far (1.1); emails and telephone conferences with J. Pomerantz re same and need for changes (.4); Revise memo re same, and send to client, CRO (.8).	2.30	1095.00	\$2,518.50
11/17/2019	JNP	BL	Conference with John A. Morris regarding discovery.	0.20	1025.00	\$205.00
11/17/2019	JNP	BL	Detailed review of omnibus reply and prepare comments for team.	1.50	1025.00	\$1,537.50
11/17/2019	JNP	BL	Conference with Ira D. Kharasch regarding corporate governance (2x).	0.20	1025.00	\$205.00
11/17/2019	JNP	BL	Review proposed emails to client regarding corporate governance.	0.10	1025.00	\$102.50
11/17/2019	MBL	BL	Draft omnibus reply in support of second day motions.	0.80	925.00	\$740.00
11/17/2019	JAM	BL	E-mail to I. Leventon re document production (.4); deposition preparation (3.4); telephone conference with J. Pomerantz re status, strategy (.1); telephone conference with G. Demo re status, strategy (.1); complete draft Confidentiality Agreement (1.4); e-mail to I. Leventon re Confidentiality Agreement (.2); draft e-mail to Committee re discovery (.6); e-mail to B. Sharp, F. Caruso, I. Leveton re depositions (.8); e-mail to Committee re Rule 30(b)(6) depositions (.2).	7.20	1025.00	\$7,380.00
11/18/2019	IDK	BL	E-mails with J Morris and J. Pomerantz re concerns on upcoming client conference with RO call re FTI visit tomorrow and related litigation issues (.2); Attend conference call with client, CRO, others re same (.9); Review of J Morris? litigation memos to client re discovery for production today (.2).	1.30	1095.00	\$1,423.50
11/18/2019	IDK	BL	Telephone conference with J. Pomerantz re discovery issues and CRO prep tomorrow in LA (.1); E-mails with J O'Neill re court call tomorrow and information, and his correspondence re committee re logistics for tomorrow's hearing re	0.60	1095.00	\$657.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			telephone only, and court feedback (.2); Telephone conference and e-mails with J Morris re discovery status and feuds with Committee, and client concerns re same (.3).			
11/18/2019	IDK	BL	Telephone conference with I. Leventon re issues on hearing and settlement discussions (.1); Office conference with J. Pomerantz re same (.1); Attend internal conference call with team re status of all reply briefs and positions to take, and modification of ordinary course protocols (.9); Telephone conference with CRO and J. Pomerantz re status of 12/2 hearing (.1); E-mails re coordination of call with UST re her CRO concerns (.2).	1.40	1095.00	\$1,533.00
11/18/2019	JNP	BL	Conference with Ira D. Kharasch, John A. Morris, DSI and client regarding discovery issues.	0.50	1025.00	\$512.50
11/18/2019	JNP	BL	Litigation status call with client.	0.90	1025.00	\$922.50
11/18/2019	JNP	BL	Conference with I. Leventon and Ira D. Kharasch regarding status.	0.10	1025.00	\$102.50
11/18/2019	JNP	BL	Internal team call regarding response to pending motions.	1.00	1025.00	\$1,025.00
11/18/2019	JNP	BL	Conference with B. Sharp and Ira D. Kharasch regarding status of motions.	0.20	1025.00	\$205.00
11/18/2019	JNP	BL	Conference with Ira D. Kharasch regarding discovery issues.	0.10	1025.00	\$102.50
11/18/2019	KKY	BL	Draft (.1), file (.1), serve (.1), and prepare for filing and service (.2) amended 11/19/19 agenda	0.50	395.00	\$197.50
11/18/2019	KKY	BL	Draft (.1), file (.1), and prepare for filing (.1) certificate of service for amended 11/19/19 agenda	0.30	395.00	\$118.50
11/18/2019	KKY	BL	Review and revise binders for 11/19/19 hearing	0.20	395.00	\$79.00
11/18/2019	MBL	BL	Update call with team re pending litigation issues and replies.	1.00	925.00	\$925.00
11/18/2019	MBL	BL	Continue drafting omnibus reply in support of DSI retention, ordinary course protocols, and cash management.	3.00	925.00	\$2,775.00
11/18/2019	MBL	BL	Draft proposed revisions to protocols.	0.90	925.00	\$832.50
11/18/2019	MBL	BL	Draft response to Acis joinder to venue transfer motion.	1.80	925.00	\$1,665.00
11/18/2019	JEO	BL	Call with PSZJ team to discuss CRO retention issues	0.60	895.00	\$537.00
11/18/2019	JEO	BL	Email with court and committee counsel re telephonic hearing on 11/19/2019	0.40	895.00	\$358.00
11/18/2019	JEO	BL	Review and finalize amended agenda re telephonic	0.50	895.00	\$447.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			hearing for 11/19/2019			
11/18/2019	JEO	BL	Follow up with John Morris re discovery status	0.30	895.00	\$268.50
11/18/2019	JAM	BL	E-mail to I. Leventon re discovery (.6); telephone conference with I. Leventon, B. Sharp, J. Pomerantz, F. Caruso, I. Kharasch, D. Klos re FTI meeting (.9); WIP call (partial) (.3); telephone conference with J. Pomerantz, I. Kharasch, M. Litvak, J. O'Neill, G. Demo re corporate governance (1.0); telephone conference with B. Sharp re deposition (.1); e-mail to B. Sharp, F. Caruso re deposition (.1); telephone conference with M. Nestor re discovery (.1); telephone conference with J. O'Neill re discovery (.1); telephone conference with I. Kharasch re discovery (.1); preparation for depositions (3.8).	7.10	1025.00	\$7,277.50
11/18/2019	LSC	BL	Retrieval, preparation, and transmittal of Debtor's 4th document production and correspondence regarding the same.	0.70	395.00	\$276.50
11/18/2019	GVD	BL	Conference with J. Morris re status of discovery and next steps	0.20	795.00	\$159.00
11/18/2019	GVD	BL	Internal conference re revisions to ordinary course protocols and CRO retention	0.90	795.00	\$715.50
11/19/2019	IDK	BL	Office conferences with J Morris, and then with J. Pomerantz re status of discovery and upcoming telephonic hearing re same and issues for same (.3); attend telephonic hearing on status conference re 2d day motions (.5); meet with CRO, attorneys re result of same, and certain depo prep issues for CRO depo tomorrow (.6); review briefly correspondence with client on discovery issues and scheduling (.2); meet with CRO and J Morris for part of depo prep and questions/issues for same (.4).	2.00	1095.00	\$2,190.00
11/19/2019	IDK	BL	Review of proposed substantial modifications to ordinary course protocols and CRO retention and authority re transactions, including G. Demo and J. Pomerantz's comments on same, and consider need for further revisions (.4); Office conference with J. Pomerantz re same (.1); E-mails with M. Litvak, others re my suggested modifications to same (.4); E-mails with attorneys re final markup of same, including to Company and CRO (.2); review of correspondence with I. Leventon, others on Company's list of tasks (.1).	1.20	1095.00	\$1,314.00
11/19/2019	IDK	BL	E-mails with J O'Neill re upcoming call with UST (.1); attend conference call with UST on corporate governance and 2d day motions and CRO (.5); E-mails with J O'Neill, CRO re UST 4 points for	0.80	1095.00	\$876.00

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			order re CRO (.2).			
11/19/2019	IDK	BL	Review of draft reply brief re Acis joinder to venue motion (.2); E-mails with I. Leventon re need for call tomorrow on protocols (.1).	0.30	1095.00	\$328.50
11/19/2019	JNP	BL	Review reply to Acis joinder on venue motion.	0.30	1025.00	\$307.50
11/19/2019	JNP	BL	Review revisions to protocols and propose changes; Review further revisions.	0.60	1025.00	\$615.00
11/19/2019	JNP	BL	Meeting with Ira D. Kharasch and John A. Morris before Status Conference.	0.40	1025.00	\$410.00
11/19/2019	JNP	BL	Participate in Status Conference.	0.50	1025.00	\$512.50
11/19/2019	JNP	BL	Meeting with B. Sharp, Ira D. Kharasch and John A. Morris regarding preparation for deposition.	0.60	1025.00	\$615.00
11/19/2019	JNP	BL	Meeting with John A. Morris, B. Sharp and then I. Leventon regarding litigation preparation.	1.70	1025.00	\$1,742.50
11/19/2019	JNP	BL	Emails with James E. O'Neill regarding CRO retention.	0.10	1025.00	\$102.50
11/19/2019	MBL	BL	Revise response to Acis joinder to venue transfer motion; coordinate same with client.	0.80	925.00	\$740.00
11/19/2019	MBL	BL	Continue work on omnibus reply in support of second day matters.	1.50	925.00	\$1,387.50
11/19/2019	MBL	BL	Review chart of intercompany transfers; call with G. Demo re same.	0.20	925.00	\$185.00
11/19/2019	MBL	BL	Revise protocols and DSI engagement with comments from team (1.8); emails with team re same (0.2).	2.00	925.00	\$1,850.00
11/19/2019	MBL	BL	Call with G. Demo re CRO retention issues.	0.20	925.00	\$185.00
11/19/2019	JEO	BL	Attend Highland telephonic status conference	0.70	895.00	\$626.50
11/19/2019	JAM	BL	E-mail to Committee counsel re: responses to document requests (0.1); e-mails with I. Leventon, L. Canty re: document production (0.2); prepare for court conference (0.6); e-mail to Committee re: confidentiality agreement (0.1); conference call with court re: status (0.6); telephone conference with B. Sharp, I. Leventon, F. Caruso, J. Pomerantz, I. Kharasch (the latter four participated for various portions) re: deposition prep (1.9); meet with B. Sharp re: deposition prep (3.8); deposition prep (1.1); communications with court reporting service (0.1).	8.50	1025.00	\$8,712.50
11/19/2019	LSC	BL	Research, retrieve, and transmit discovery documents to J. Morris.	0.50	395.00	\$197.50

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11/19/2019	GVD	BL	Review reply to Acis joinder	0.20	795.00	\$159.00
11/19/2019	GVD	BL	Review proposed protective order	0.20	795.00	\$159.00
11/19/2019	GVD	BL	Correspondence with L. Canty re potential trial exhibits	0.10	795.00	\$79.50
11/19/2019	GVD	BL	Review third party subpoena; correspondence with client re same	0.50	795.00	\$397.50
11/19/2019	GVD	BL	Review and circulate subsequent discovery production	0.60	795.00	\$477.00
11/19/2019	GVD	BL	Draft insert to reply to omnibus objection motion re intercompany transactions	2.60	795.00	\$2,067.00
11/19/2019	GVD	BL	Review changes to CRO protocols	0.70	795.00	\$556.50
11/19/2019	GVD	BL	Revise CRO retention agreement	0.20	795.00	\$159.00
11/19/2019	GVD	BL	Revise insert to omnibus objection re comments from M. Litvak	0.70	795.00	\$556.50
11/20/2019	IDK	BL	Attend conference call with CRO, I. Leventon, attorneys re summary of CRO deposition today, draft proposed modifications to protocols and CRO authority, and issues for reply brief (.9); Attend next conference call with J. Pomerantz and M. Litvak re need for him to further modify protocols (.2); Telephone conference with J. Pomerantz re same and next steps (.1); E-mails with attorneys re M. Litvak's new modification to protocols, including review of same, and feedback of Company (.3).	1.50	1095.00	\$1,642.50
11/20/2019	IDK	BL	Review of further markup of modified protocols re ordinary course and CRO, including feedback of DSI and J. Pomerantz (.3); Attend conference call re same with M. Litvak and J. Pomerantz (.5).	0.80	1095.00	\$876.00
11/20/2019	IDK	BL	E-mails with I. Leventon re need for call re governance (.1); Attend conference call with I. Leventon re corporate governance issues (.5); E-mails with D. Barton re background and issue for same re new Board (.2).	0.80	1095.00	\$876.00
11/20/2019	IDK	BL	Telephone conference with J. Pomerantz re same (.1); Review of I. Leventon's comments to draft modifications to protocols (.2);	0.30	1095.00	\$328.50
11/20/2019	IDK	BL	Attend further conference call with Company, F. Caruso others re further draft modifications to protocols and DSI authority by restrictions, and also re RCP investor buyout (1.5).	1.50	1095.00	\$1,642.50
11/20/2019	JNP	BL	Conference with Ira D. Kharasch and L. Leventon regarding litigation issues and response to motion.	0.50	1025.00	\$512.50

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11/20/2019	JNP	BL	Conference with Ira D. Kharasch re call with L. Leventon.	0.10	1025.00	\$102.50
11/20/2019	JNP	BL	Conference with F. Caruso, Maxim B. Litvak, Ira D. Kharasch re protocols and response to objection.	1.50	1025.00	\$1,537.50
11/20/2019	JNP	BL	Conference with Maxim B. Litvak and Ira D. Kharasch re protocols (2x).	0.80	1025.00	\$820.00
11/20/2019	JNP	BL	Conference with John A. Morris, F. Caruso, B. Sharp, Ira D. Kharasch and L. Levonton re results of deposition and related issues.	1.00	1025.00	\$1,025.00
11/20/2019	JNP	BL	Conference with L. Levonton re protocols.	0.10	1025.00	\$102.50
11/20/2019	JNP	BL	Follow up calls with Ira D. Kharasch and Maxim B. Litvak re protocols.	0.10	1025.00	\$102.50
11/20/2019	JNP	BL	Review and comment on reply brief.	0.30	1025.00	\$307.50
11/20/2019	JNP	BL	Conference with Ira D. Kharasch and L. Levonton re corporate governance.	0.50	1025.00	\$512.50
11/20/2019	KKY	BL	Email to team re 11/19/19 transcript	0.10	395.00	\$39.50
11/20/2019	KKY	BL	Draft 12/2/19 agenda	0.40	395.00	\$158.00
11/20/2019	KKY	BL	Draft certificate of service for 12/2/19 agenda	0.10	395.00	\$39.50
11/20/2019	MBL	BL	Continue drafting omnibus reply re second day motions.	3.50	925.00	\$3,237.50
11/20/2019	MBL	BL	Misc. emails with team re litigation issues with Committee.	0.10	925.00	\$92.50
11/20/2019	MBL	BL	Calls with team and client re ordinary course protocols.	1.20	925.00	\$1,110.00
11/20/2019	MBL	BL	Revise ordinary course protocols; address comments from client and team.	2.00	925.00	\$1,850.00
11/20/2019	MBL	BL	Review transcript of 11/19 status conference.	0.30	925.00	\$277.50
11/20/2019	JEO	BL	Work on hearing agenda	0.40	895.00	\$358.00
11/20/2019	ARP	BL	Prepare hearing notebook for hearing on 12/2/2019.	0.50	325.00	\$162.50
11/20/2019	JAM	BL	Draft e-mail to Committee re: discovery (1.5); prepare for Sharp deposition (1.0); revise e-mail to Committee re: discovery (0.1); Sharp deposition (6.4); telephone conference with I. Leventon, B. Sharp, F. Caruso, J. Pomerantz, I. Kharasch re: deposition debriefing (1.0); prepare for Caruso deposition (1.7).	11.70	1025.00	\$11,992.50
11/20/2019	GVD	BL	Further revise and circulate changes to intercompany transaction descriptions	0.30	795.00	\$238.50
11/20/2019	GVD	BL	Review correspondence re discovery	0.10	795.00	\$79.50

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11/20/2019	GVD	BL	Review further changes to ordinary course protocols	0.40	795.00	\$318.00
11/20/2019	GVD	BL	Review transcript of B. Sharp	0.90	795.00	\$715.50
11/21/2019	IDK	BL	Review and consider draft of our reply brief to Committee Omnibus objection and need for substantial revisions, as well as J. Pomerantz's comments to same (.5); Prep of my revisions to such reply brief (.8); Telephone conference and E-mails with M. Litvak and J. Pomerantz re same and issues on the reply brief for M. Litvak to further revise (.3); Review of further modifications to ordinary course and CRO authority/protocols, along with Company an DSI feedback (.3).	1.90	1095.00	\$2,080.50
11/21/2019	IDK	BL	E-mails with attorneys re next draft of our omnibus reply brief, including my feedback and other feedback to same (.3); E-mails with DSI, others on further issues on protocols (.1); E-mails and telephone conference with I. Leventon, others re need for I. Leventon's feedback on omnibus reply and issues for him to focus on (.3).	0.70	1095.00	\$766.50
11/21/2019	IDK	BL	E-mails with CRO, others re markup of DSI employment order with UST changes, as well as our correspondence with UST re same (.2); E-mails re UST feedback on timing re bigger issue, and how to handle in reply brief (.2).	0.40	1095.00	\$438.00
11/21/2019	IDK	BL	Telephone conference and E-mails with J. Pomerantz, I. Leventon, M. Litvak re need for call on status of reply brief to omnibus and modified protocols (.2); E-mails with Co, others re I. Leventon's substantial markup of omnibus reply brief, including review of same (.3).	0.50	1095.00	\$547.50
11/21/2019	IDK	BL	Review briefly Committee's and Acis reply brief on venue motion (.3); E-mails and telephone conference with attorneys re same and the "affiliate" argument (.3).	0.60	1095.00	\$657.00
11/21/2019	IDK	BL	E-mail and telephone conference with J. Morris re same memo and tomorrow's depo (.2).	0.20	1095.00	\$219.00
11/21/2019	JNP	BL	Review revised draft of omnibus reply.	0.40	1025.00	\$410.00
11/21/2019	JNP	BL	Review and consider comments to reply brief; Conference with Ira D. Kharasch, Maxim B. Litvak and I. Leventon regarding same.	0.50	1025.00	\$512.50
11/21/2019	JNP	BL	Conference with Ira D. Kharasch and Maxim B. Litvak regarding omnibus reply.	0.10	1025.00	\$102.50
11/21/2019	KKY	BL	Review and revise 12/2/19 agenda	1.00	395.00	\$395.00

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11/21/2019	MBL	BL	Review comments from team re omnibus reply; incorporate same.	3.50	925.00	\$3,237.50
11/21/2019	MBL	BL	Call with J. Morris re Sharp depo.	0.10	925.00	\$92.50
11/21/2019	MBL	BL	Revise order approving protocols; coordinate same with team.	0.30	925.00	\$277.50
11/21/2019	MBL	BL	Call with J. O'Neill re pending filings and bonus issues.	0.30	925.00	\$277.50
11/21/2019	MBL	BL	Coordinate with team re omnibus reply; emails re same.	0.50	925.00	\$462.50
11/21/2019	MBL	BL	Calls with team re omnibus reply; status of filings.	0.20	925.00	\$185.00
11/21/2019	MBL	BL	Call with DSI re revised protocols.	0.10	925.00	\$92.50
11/21/2019	MBL	BL	Further calls and emails with DSI re revised protocols; revise same and coordinate with client.	0.40	925.00	\$370.00
11/21/2019	JEO	BL	Review and provide comments to Omnibus reply in support of Cash Management, DSI and Protocol Motions	2.50	895.00	\$2,237.50
11/21/2019	JEO	BL	REview and provide comments on Reply to Foley and Lynn Pinker Retention Objections	1.50	895.00	\$1,342.50
11/21/2019	JEO	BL	Review and finalize Response to Acis's Joinder to Motion to Transfer Venue	0.50	895.00	\$447.50
11/21/2019	JEO	BL	Review critical dates memo	0.30	895.00	\$268.50
11/21/2019	JEO	BL	Review Acis's Reply to Motion to Transfer Venue	0.20	895.00	\$179.00
11/21/2019	JEO	BL	Review committee's reply to motion to transfer venue	0.40	895.00	\$358.00
11/21/2019	JEO	BL	Review draft agenda for 12/2 hearing	0.40	895.00	\$358.00
11/21/2019	JEO	BL	Finalize Omnibus Response to Venue, CRO Retention, Protocols and Cash Management Motion	0.50	895.00	\$447.50
11/21/2019	ARP	BL	Prepare hearing notebook for hearing on 12/2/2019.	2.10	325.00	\$682.50
11/21/2019	JAM	BL	Review/revise Reply to omnibus objection (1.5); meet with F. Caruso (and certain in-house counsel, from time to time) to prepare for deposition (6.9); meet with F. Waterhouse (and certain in-house counsel, from time to time) to prepare for deposition (2.0); e-mails with PSZJ team regarding reply briefs (0.6); telephone conference with M. Litvak re: Reply to omnibus objection (0.1); meet with F. Caruso, DSI re: potential transaction (0.7); prepare for deposition (0.6).	12.40	1025.00	\$12,710.00
11/21/2019	JWL	BL	Research regarding performance under prepetition agreements and extensions of time to perform.	3.80	775.00	\$2,945.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/21/2019	LSC	BL	Prepare and transmit document production.	0.60	395.00	\$237.00
11/21/2019	GVD	BL	Review reply briefs re motion to transfer venue	0.80	795.00	\$636.00
11/21/2019	GVD	BL	Review revised draft of omnibus reply	0.20	795.00	\$159.00
11/21/2019	GVD	BL	Review and further revise intercompany transactions exhibit	0.80	795.00	\$636.00
11/21/2019	GVD	BL	Conferences with D. Klos and I. Leventon re intercompany transactions exhibit	0.40	795.00	\$318.00
11/21/2019	GVD	BL	Finalize and file omnibus reply	0.50	795.00	\$397.50
11/22/2019	IDK	BL	Review of correspondence with Committee re need for input on our revised protocols (.1); E-mails with client re its suggestions on venue motion and potential discovery (.1).	0.20	1095.00	\$219.00
11/22/2019	JNP	BL	Email to Sidley regarding call to discuss revised protocols.	0.10	1025.00	\$102.50
11/22/2019	JNP	BL	Conference with Ira D. Kharasch regarding venue motion.	0.10	1025.00	\$102.50
11/22/2019	JNP	BL	Draft email to I. Leventon regarding venue motion.	0.10	1025.00	\$102.50
11/22/2019	KKY	BL	Review and revise 12/2/19 agenda	1.20	395.00	\$474.00
11/22/2019	KKY	BL	Review and revise binders for 12/2/19 hearing	0.30	395.00	\$118.50
11/22/2019	MBL	BL	Review venue replies by Committee and Acis; coordinate same with client.	0.50	925.00	\$462.50
11/22/2019	MBL	BL	Emails with team and client re misc. pending second day matters.	0.30	925.00	\$277.50
11/22/2019	MBL	BL	Attention to critical vendor issues with Committee and draft reply; emails with team re same.	0.20	925.00	\$185.00
11/22/2019	JEO	BL	Review and revise draft agenda for 12/2 hearing	0.70	895.00	\$626.50
11/22/2019	JEO	BL	Prepare documents for court re 12/2 hearing	0.80	895.00	\$716.00
11/22/2019	JEO	BL	Hearing preparations for 12/2 hearing	0.80	895.00	\$716.00
11/22/2019	ARP	BL	Prepare hearing notebook for hearing on 12/2/2019.	4.90	325.00	\$1,592.50
11/22/2019	KSN	BL	Prepare hearing binders for 12/2/19 hearing.	1.00	325.00	\$325.00
11/22/2019	JAM	BL	Prepare for Caruso deposition (0.8); Caruso deposition (9.2); telephone conference with I. Leventon, G. Demo re: RCP (0.1); telephone conference with J. Pomerantz, I. Kharasch re: RCP, Caruso deposition (0.2).	10.30	1025.00	\$10,557.50
11/23/2019	JAM	BL	Review ?hits? from e-mail searches and draft response to Committee (0.5); telephone conference with M. Litvak re: Caruso deposition (0.2).	0.70	1025.00	\$717.50

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11/24/2019	MBL	BL	Review depo transcript of B. Sharp.	1.50	925.00	\$1,387.50
11/24/2019	JAM	BL	E-mails with I. Leventon, L. Canty re: schedule of e-mail searches (0.1); e-mail to UCC re: e-mail searches (0.2); e-mail to UCC re: witness and exhibit lists (0.2); e-mail to R. Patel, J. Lucian re: witnesses (0.1); prepare for depositions (1.5).	2.10	1025.00	\$2,152.50
11/24/2019	LSC	BL	Revise email log for J. Morris (.3); preparation of discovery documents, including detailed production log and cumulative set of documents for attorney review (12.4).	12.70	395.00	\$5,016.50
11/24/2019	GVD	BL	Correspondence with Sidley re revised CRO, Cash Management, and Protocols Orders	0.10	795.00	\$79.50
11/25/2019	IDK	BL	Prep and organization of materials for 12/2 hearing (.3); E-mails with attorneys re status of UST position on CRO, and then with J. Leamy at UST re same (.2).	0.50	1095.00	\$547.50
11/25/2019	JNP	BL	Review cases in preparation for venue hearing.	0.50	1025.00	\$512.50
11/25/2019	JNP	BL	Conference with Richard M. Pachulski and Ira D. Kharasch regarding status.	0.30	1025.00	\$307.50
11/25/2019	JNP	BL	Conference with John A. Morris regarding status of discovery and related.	0.10	1025.00	\$102.50
11/25/2019	KKY	BL	Review and revise 12/2/19 agenda	0.20	395.00	\$79.00
11/25/2019	MBL	BL	Review and comment on agenda for 12/2 hearing.	0.10	925.00	\$92.50
11/25/2019	JEO	BL	Call with Greg Demo re status of OCP and critical vendor orders	0.30	895.00	\$268.50
11/25/2019	JEO	BL	Email to UST Jane Leamy re critical vendor and OCP orders	0.20	895.00	\$179.00
11/25/2019	JEO	BL	Review cert of counsel and revised final order on critical trade motion	0.60	895.00	\$537.00
11/25/2019	ARP	BL	Prepare hearing notebook for hearing on 12/2/2019.	0.40	325.00	\$130.00
11/25/2019	KSN	BL	Prepare hearing binders for 12/2/19 hearing.	0.20	325.00	\$65.00
11/25/2019	JAM	BL	Meet with F. Waterhouse, S. Vitiello re: deposition prep (3.5); prepare for trial, including review of deposition transcripts and preparation of outlines for testimony (5.7).	9.20	1025.00	\$9,430.00
11/25/2019	GVD	BL	Review F. Caruso depositions	1.80	795.00	\$1,431.00
11/25/2019	GVD	BL	Conference with J. Pomerantz and J. Morris re litigation	0.20	795.00	\$159.00
11/25/2019	GVD	BL	Correspondence with US Trustee re OCP and CV orders	0.30	795.00	\$238.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/26/2019	IDK	BL	E-mails with attorneys re further revised agenda for 12/2, including review of same, and re how hearing will proceed (.3); Review briefly numerous E-mails with attorneys and some with Acis and Committee counsel re witnesses and exhibits for hearing on 12/2 (.3); E-mails with team re summary of Waterhouse depo today, logistics for day before 12/2 trial and need for call tomorrow on litigation status re same (.2).	0.80	1095.00	\$876.00
11/26/2019	JNP	BL	Read cases for venue hearing.	0.20	1025.00	\$205.00
11/26/2019	KKY	BL	Review and revise 12/2/19 agenda	0.30	395.00	\$118.50
11/26/2019	KKY	BL	File (.1), serve (.1), and prepare for filing and service (.2) 12/2/19 agenda	0.40	395.00	\$158.00
11/26/2019	KKY	BL	File (.1) and prepare for filing (.1) certificate of service for 12/2/19 agenda	0.20	395.00	\$79.00
11/26/2019	KKY	BL	Review and revise binders for 12/2/19 hearing	0.40	395.00	\$158.00
11/26/2019	KKY	BL	Draft amended 12/2/19 agenda	0.50	395.00	\$197.50
11/26/2019	JEO	BL	Work on agenda for 12/2 hearing	0.70	895.00	\$626.50
11/26/2019	ARP	BL	Prepare hearing notebook for hearing on 12/2/2019.	0.70	325.00	\$227.50
11/26/2019	JAM	BL	Review documents and draft e-mail re: trial exhibits (1.4); prepare for Waterhouse deposition (0.8); Waterhouse deposition (6.4); e-mail to I. Leventon, DSI, PSZJ re: Waterhouse deposition (0.1); e-mail to J. Pomerantz re: venue issues (0.4); review e-mails re: compensation motion (0.3); telephone conference with S. Vitiello re: exhibits (0.1); e-mails with S. Vitiello, L. Canty re: exhibits, exhibit list (0.1); e-mails w/ B. Sharp, F. Caruso re: exhibits (0.3); telephone conference with F. Caruso re: status, time sheets (0.1); trial preparation (1.3).	11.30	1025.00	\$11,582.50
11/26/2019	LSC	BL	Preparation for upcoming hearing, including preparation of exhibit list and retrieval of exhibits/pleadings.	9.80	395.00	\$3,871.00
11/26/2019	GVD	BL	Research and draft memo re affiliate issues	4.90	795.00	\$3,895.50
11/27/2019	IDK	BL	Attend conference call with team re trial prep, issues re same, and logistics for 12/2 hearing (1.0); Telephone conference with J. Pomerantz re follow up re same and 12/2 hearing logistics and issues (.2).	1.20	1095.00	\$1,314.00
11/27/2019	JNP	BL	Continued review of cases for venue motion hearing.	1.00	1025.00	\$1,025.00
11/27/2019	JNP	BL	Internal group call regarding litigation planning.	1.00	1025.00	\$1,025.00
11/27/2019	JNP	BL	Conference with Ira D. Kharasch regarding hearing issues (2x).	0.20	1025.00	\$205.00

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11/27/2019	JNP	BL	Conference with I. Leventon in preparation for venue hearing.	0.60	1025.00	\$615.00
11/27/2019	MBL	BL	Update call with client and team re hearing prep (1.1); follow-up call with J. Morris re same (0.2).	1.30	925.00	\$1,202.50
11/27/2019	MBL	BL	Review exhibit lists.	0.20	925.00	\$185.00
11/27/2019	MBL	BL	Review F. Caruso and F. Waterhouse depo transcripts.	2.00	925.00	\$1,850.00
11/27/2019	JEO	BL	Review status of matters and work on amended agenda for 12/2 hearing	0.80	895.00	\$716.00
11/27/2019	JEO	BL	Review exhibit list	0.40	895.00	\$358.00
11/27/2019	JEO	BL	Email with committee counsel and Acis' counsel re Exhibit list	0.40	895.00	\$358.00
11/27/2019	JEO	BL	Call with PSZJ team to prepare for 12/2 hearing	0.50	895.00	\$447.50
11/27/2019	JAM	BL	Internal call re trial strategy, logistics (1.1); telephone conference with M. Litvak re trial strategy (.1); telephone conference with J. O'Neill re trial logistics (.1); review/revise exhibit list (.7); telephone conference with S. Vitiallo, F. Caruso re exhibits (.2); prepare for trial (4.8); e-mail to UCC re inadvertent production (.3); e-mail to UCC re exhibit list (.1).	7.40	1025.00	\$7,585.00
11/27/2019	LSC	BL	Retrieval of deposition transcripts and exhibits and correspondence regarding the same (.5); retrieval and service of document productions (1.1); continued preparation for 12/2 hearing, including preparation of exhibits, revisions to exhibit list, and correspondence regarding the same (6.9)	8.50	395.00	\$3,357.50
11/27/2019	GVD	BL	Review deposition of Frank Waterhouse	2.20	795.00	\$1,749.00
11/27/2019	GVD	BL	Conference with J. Morris re clawback of discovery documents	0.20	795.00	\$159.00
11/28/2019	MBL	BL	Prepare proffer in support of venue objection.	1.80	925.00	\$1,665.00
11/28/2019	MBL	BL	Review and comment on outline of argument for DSI retention and ordinary course protocols; emails with team and client re same.	1.00	925.00	\$925.00
11/28/2019	MBL	BL	Attention to hearing exhibits; review same.	0.30	925.00	\$277.50
11/28/2019	JAM	BL	Work on slide deck for opening statement (1.2); review deposition transcripts (2.1); e-mail to I. Leventon, S. Vitiello re: exhibits (0.3); review draft proffer for venue (0.2); e-mails with PSZJ team re: proffer, opening statement (0.4); e-mails with F. Caruso re: RCP (0.2).	4.40	1025.00	\$4,510.00

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11/29/2019	IDK	BL	E-mails with J. Morris re his trial issues for 12/2 hearing to be addressed and need for call re same (.1); Attend conference call with team re same (1.0).	1.10	1095.00	\$1,204.50
11/29/2019	IDK	BL	Review briefly Committee markups of all our proposed orders, CRO, Protocols (.4); E-mails with attorneys re same and need for call tomorrow (.1); E-mails with CRO re Committee's markup and meaning of same (.1).	0.60	1095.00	\$657.00
11/29/2019	JNP	BL	Prepare for venue hearing.	4.50	1025.00	\$4,612.50
11/29/2019	JNP	BL	Internal PSZJ call regarding trial issues and strategy.	1.00	1025.00	\$1,025.00
11/29/2019	JNP	BL	Review Committee proposed changes to orders to address concerns.	0.10	1025.00	\$102.50
11/29/2019	MBL	BL	Call with team re hearing prep.	0.90	925.00	\$832.50
11/29/2019	MBL	BL	Misc. emails with team re hearing prep and draft proffer.	0.30	925.00	\$277.50
11/29/2019	MBL	BL	Review Committee revisions to protocols; call with J. Morris re same.	0.50	925.00	\$462.50
11/29/2019	JEO	BL	Call with PSZJ team to discuss trial issues for 12/2.	0.90	895.00	\$805.50
11/29/2019	JEO	BL	Emails and calls and review documents for trial prep for 12/2	4.00	895.00	\$3,580.00
11/29/2019	JAM	BL	E-mail to PSZJ team re agenda for internal call (.2); e-mail to I. Leventon, B. Sharp, J. Pomerantz, others re objections to exhibits and requests for sealing (.9); e-mail to J. O'Neill re agenda for meet and confer call (.2); telephone conference with PSZJ team re trial issues (.9); review UCC's proposed changes to orders (.4); telephone conference with M. Litvak re UCC's proposed changes to amended orders (.1); prepare for hearing (2.5); draft objections to exhibits and requests for sealing (.4); e-mail to I. Leventon, S. Vitiello re e-mail search parameters (.2); e-mails to I. Leventon, S. Vitiello re Waterhouse testimony (.3); e-mail to UCC re objections to exhibits (.1).	6.20	1025.00	\$6,355.00
11/29/2019	CRR	BL	Review email and attachment re chancery court dockets and respond to James E. O'Neill re same	0.20	795.00	\$159.00
11/29/2019	LSC	BL	Retrieval of additional exhibits in connection with 12/2 hearing and correspondence regarding the same (.1.1); coordinate retrieval of additional dockets (.2)	1.30	395.00	\$513.50
11/29/2019	GVD	BL	Prepare for hearing re review of exhibits	0.30	795.00	\$238.50
11/29/2019	GVD	BL	PSZJ call re litigation strategy and next steps	0.90	795.00	\$715.50
11/30/2019	IDK	BL	E-mails and telephone conference with J Morris re issues on opening statement for 12/2 trial, and who	1.30	1095.00	\$1,423.50

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			should present, as well as result of his meet and confer today with Committee (.5); Attend conference call with attorneys re how to respond to Committee's markup of orders re 12/2 hearing (.7); E-mail to and telephone conference with J. Pomerantz re result of call (.1).			
11/30/2019	IDK	BL	Review of M. Litvak's counter-proposal markup of orders re Committee markup (.3); Attend further team call re same and trial issues and logistics for tomorrow re witnesses (.7).	1.00	1095.00	\$1,095.00
11/30/2019	IDK	BL	Begin prep of handling argument and analysis of CRO engagement and Protocols, including summary of major pleadings and outline of issues, and review of relevant depo transcripts.	4.20	1095.00	\$4,599.00
11/30/2019	JNP	BL	Conference with PSZJ team regarding trial preparation.	0.70	1025.00	\$717.50
11/30/2019	JNP	BL	Review Committee changes to orders, proposed response and consider issues relating to same.	0.30	1025.00	\$307.50
11/30/2019	JNP	BL	Continue to prepare for contested hearing on venue and other issues.	4.50	1025.00	\$4,612.50
11/30/2019	MBL	BL	Call with team re Committee revisions to orders.	0.80	925.00	\$740.00
11/30/2019	MBL	BL	Further review of Committee revisions to orders; prep for call with team.	0.50	925.00	\$462.50
11/30/2019	MBL	BL	Revisions to orders (protocols, DSI retention, and cash management).	1.30	925.00	\$1,202.50
11/30/2019	MBL	BL	Review revised proffer.	0.10	925.00	\$92.50
11/30/2019	MBL	BL	Emails with team re hearing prep and pending litigation issues.	0.50	925.00	\$462.50
11/30/2019	MBL	BL	Further call with team re revised orders and hearing prep.	0.60	925.00	\$555.00
11/30/2019	MBL	BL	Prep for hearing on venue and other second day matters.	1.00	925.00	\$925.00
11/30/2019	JEO	BL	Prep for call with the committee re open issues for trial on 12/2	0.50	895.00	\$447.50
11/30/2019	JEO	BL	Research issues for venue motion and emails with Jeff Pomerantz re same	1.00	895.00	\$895.00
11/30/2019	JEO	BL	call with PSZJ team to re preparations for 12/2 hearing	0.70	895.00	\$626.50
11/30/2019	JEO	BL	Call with PSZJ team to prepare for 12/2 hearing	0.50	895.00	\$447.50
11/30/2019	JEO	BL	Work on exhibits for 12/2 hearing	0.90	895.00	\$805.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/30/2019	JEO	BL	Continued preparations for 12/2 hearing	1.70	895.00	\$1,521.50
11/30/2019	JAM	BL	Prepare for trial (7.4); telephone conference with UCC counsel re trial issues (.3); e-mail to P. Reid re Rule 30 (b)(6) transcripts (.3); Telephone conference with PSZJ team re: UCC's comments to proposed orders (0.6); Telephone conference with PSZJ team re: revisions to proposed orders and trial/evidence issues (0.6); e-mail to all counsel re: exhibits (0.4); e-mail to S. Vitiello, I. Leventon re: exhibits (0.2); e-mails with L. Canty re: document production and amended exhibit list (0.4); review amended exhibit list (0.2); prepare direct testimony for Waterhouse (1.8).	12.20	1025.00	\$12,505.00
11/30/2019	LSC	BL	Service of document production (.3); continued preparation for 12/2 hearing, including retrieval of additional exhibits, revisions to exhibit list, and service of Debtor's amended exhibit list and exhibits (1.9).	2.20	395.00	\$869.00
11/30/2019	GVD	BL	Review Form ADVs re venue issues	1.20	795.00	\$954.00
11/30/2019	GVD	BL	Review CLO and shared services agreement in preparation for trial	0.20	795.00	\$159.00
11/30/2019	GVD	BL	Review revised orders from Sidley and PSZJ changes to same	0.40	795.00	\$318.00
11/30/2019	GVD	BL	Draft correspondence re shared services and subadvisory agreements	1.10	795.00	\$874.50
				616.30		\$545,059.00

Case Administration [B110]

10/18/2019	LSC	CA	Update contact list and correspondence regarding the same.	0.20	395.00	\$79.00
11/01/2019	KKY	CA	Email to C. Hare at MNAT re 2002 service list	0.10	395.00	\$39.50
11/01/2019	KKY	CA	Review and revise 2002 service list	0.50	395.00	\$197.50
11/01/2019	SLP	CA	Maintain document control.	0.20	325.00	\$65.00
11/01/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
11/04/2019	IDK	CA	E-mails with client and others re upcoming client call today (.1); Attend weekly conference call with client team on all issues in case and WIP list status (.4).	0.50	1095.00	\$547.50
11/04/2019	JNP	CA	Emails to and from Gregory V. Demo regarding inquiries from press.	0.10	1025.00	\$102.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/04/2019	JNP	CA	Weekly call with PSZJ and client representatives.	0.40	1025.00	\$410.00
11/04/2019	KKY	CA	Review and revise critical dates	0.40	395.00	\$158.00
11/04/2019	MBL	CA	Attend weekly update call.	0.40	925.00	\$370.00
11/04/2019	KSN	CA	Maintain document control.	0.30	325.00	\$97.50
11/04/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
11/04/2019	GVD	CA	Correspondence re timing of WIP call	0.10	795.00	\$79.50
11/04/2019	GVD	CA	Conference with Highland team and PSZJ team re WIP list	0.40	795.00	\$318.00
11/05/2019	KKY	CA	Review and revise 2002 service list	1.30	395.00	\$513.50
11/05/2019	KKY	CA	Review and revise critical dates	4.20	395.00	\$1,659.00
11/05/2019	SLP	CA	Maintain document control.	0.10	325.00	\$32.50
11/05/2019	SLP	CA	Maintain document control.	0.90	325.00	\$292.50
11/05/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
11/06/2019	JNP	CA	Internal status WIP call.	0.80	1025.00	\$820.00
11/06/2019	JNP	CA	CW Ira D. Kharasch and L. Leventon regarding general issues and status.	0.60	1025.00	\$615.00
11/06/2019	SLP	CA	Maintain document control.	0.50	325.00	\$162.50
11/06/2019	KSN	CA	Maintain document control.	0.10	325.00	\$32.50
11/06/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.20	325.00	\$65.00
11/06/2019	GVD	CA	Draft and circulate non-disclosure agreement to committee	0.90	795.00	\$715.50
11/07/2019	KKY	CA	Email (.1) to claims agent re proofs of claim (Texas counties and ISDs); and prepare (.2) attachments to same	0.30	395.00	\$118.50
11/07/2019	MBL	CA	Call with J.N. Pomerantz re case status.	0.10	925.00	\$92.50
11/07/2019	KSN	CA	Maintain document control.	0.20	325.00	\$65.00
11/07/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
11/08/2019	SLP	CA	Maintain document control.	0.20	325.00	\$65.00
11/08/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
11/11/2019	KSN	CA	Maintain document control.	0.20	325.00	\$65.00
11/11/2019	BMK	CA	Prepared daily memo narrative and coordinated	0.10	325.00	\$32.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			client distribution.			
11/12/2019	KKY	CA	Review and revise 2002 service list	1.00	395.00	\$395.00
11/12/2019	SLP	CA	Maintain document control.	0.10	325.00	\$32.50
11/12/2019	KSN	CA	Maintain document control.	0.20	325.00	\$65.00
11/12/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
11/13/2019	KKY	CA	Review and revise critical dates	0.90	395.00	\$355.50
11/13/2019	SLP	CA	Maintain document control.	0.20	325.00	\$65.00
11/13/2019	KSN	CA	Maintain document control.	0.30	325.00	\$97.50
11/13/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.30	325.00	\$97.50
11/13/2019	GVD	CA	Conference with PSZJ team re second day issues and next steps	0.40	795.00	\$318.00
11/14/2019	KKY	CA	Review and revise critical dates	0.20	395.00	\$79.00
11/14/2019	SLP	CA	Maintain document control (2) receive multiple documents to organize (1.1) enter documents into legal key (.3)	1.60	325.00	\$520.00
11/14/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
11/15/2019	KKY	CA	Review and revise 2002 service list	1.20	395.00	\$474.00
11/15/2019	MBL	CA	Call with J.N. Pomerantz re case status.	0.10	925.00	\$92.50
11/15/2019	MBL	CA	Misc. emails with client re pending matters and Committee issues.	0.40	925.00	\$370.00
11/15/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
11/18/2019	IDK	CA	Attend weekly WIP call with client, CRO, team (.8).	0.80	1095.00	\$876.00
11/18/2019	MBL	CA	Attend weekly update call with client.	0.90	925.00	\$832.50
11/18/2019	SLP	CA	Maintain document control.	0.20	325.00	\$65.00
11/18/2019	KSN	CA	Maintain document control.	0.20	325.00	\$65.00
11/18/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
11/18/2019	GVD	CA	Conference with PSZJ and Highland team re WIP list and next steps	0.80	795.00	\$636.00
11/19/2019	KKY	CA	Review and revise critical dates	0.90	395.00	\$355.50
11/19/2019	SLP	CA	Maintain document control.	0.20	325.00	\$65.00
11/19/2019	KSN	CA	Maintain document control.	0.10	325.00	\$32.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/19/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
11/20/2019	KKY	CA	Review and revise 2002 service list	0.30	395.00	\$118.50
11/20/2019	KKY	CA	Review and revise critical dates	0.20	395.00	\$79.00
11/20/2019	SLP	CA	Maintain document control.	0.30	325.00	\$97.50
11/20/2019	KSN	CA	Maintain document control.	0.20	325.00	\$65.00
11/20/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
11/21/2019	KKY	CA	Review and revise critical dates	0.40	395.00	\$158.00
11/21/2019	KKY	CA	Draft certification of counsel re final critical vendor order	0.30	395.00	\$118.50
11/21/2019	KSN	CA	Maintain document control.	0.20	325.00	\$65.00
11/21/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
11/22/2019	KKY	CA	Draft (.1) and prepare for filing (.1) certificate of service for 11/21/19 filings	0.20	395.00	\$79.00
11/22/2019	MBL	CA	Call with J.N. Pomerantz re status update.	0.20	925.00	\$185.00
11/22/2019	KSN	CA	Maintain document control.	0.20	325.00	\$65.00
11/22/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
11/22/2019	GVD	CA	Review issues re interested party list	0.20	795.00	\$159.00
11/25/2019	IDK	CA	E-mails with client, attorneys re status of today's WIP call, and cancel (.2).	0.20	1095.00	\$219.00
11/25/2019	KKY	CA	Review and revise critical dates	0.40	395.00	\$158.00
11/25/2019	KKY	CA	Prepare for filing certification of counsel re final critical vendors order	0.20	395.00	\$79.00
11/25/2019	MBL	CA	Misc. status emails with team.	0.20	925.00	\$185.00
11/25/2019	SLP	CA	Maintain document control.	0.30	325.00	\$97.50
11/25/2019	KSN	CA	Maintain document control.	0.10	325.00	\$32.50
11/25/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
11/26/2019	IDK	CA	E-mails and telephone conference with J. Pomerantz re result of today's actions and next steps (.2).	0.20	1095.00	\$219.00
11/26/2019	SLP	CA	Maintain document control.	0.30	325.00	\$97.50
11/26/2019	KSN	CA	Maintain document control.	0.10	325.00	\$32.50
11/26/2019	GVD	CA	Revise and submit for filing revised ordinary course	0.60	795.00	\$477.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			professional and critical vendor orders			
11/27/2019	KSN	CA	Maintain document control.	0.10	325.00	\$32.50
11/27/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
11/27/2019	GVD	CA	Conference with PSZJ team re litigation strategy and next steps	0.90	795.00	\$715.50
				33.10		\$17,721.50

Cayman Bermuda Matters

10/16/2019	DG	CBM	Review case filings in response to inquiry from Cayman counsel (.3); review and respond to questions from Cayman counsel (.3); emails with Greg Demo and Cayman counsel re: same (.1)	0.70	1050.00	\$735.00
10/16/2019	DG	CBM	Review revised draft of motion to appoint a foreign representative (.3); emails to and from Greg Demo re: same (.1); draft email to Bermuda counsel re: filing (.1)	0.50	1050.00	\$525.00
10/17/2019	DG	CBM	Review request from Cayman and Bermuda counsel for first day filings (.1); review and provide key documents and summary of same to Cayman and Bermuda counsel (.7); confer with Greg Demo (.1)	0.90	1050.00	\$945.00
10/18/2019	DG	CBM	Call with Kehinde George re: foreign representative issues and enforcement issues in Bermuda/stay (.7); followup with emails re: same (.1)	0.80	1050.00	\$840.00
10/18/2019	DG	CBM	Review emails from Cayman counsel re: stay in Cayman and respond thereto	0.30	1050.00	\$315.00
10/18/2019	DG	CBM	Review draft Cayman stay order	0.30	1050.00	\$315.00
10/18/2019	DG	CBM	Call with Brad Sharp re: foreign representative issues and related matters	0.50	1050.00	\$525.00
10/29/2019	DG	CBM	Emails to and from Cyaman and Brermuda counsel re: stay orders	0.20	1050.00	\$210.00
10/29/2019	DG	CBM	Review and comment on revised motion to appoint foreign rep	0.30	1050.00	\$315.00
11/08/2019	GVD	CBM	Meeting with Carey Olsen re Cayman issues	0.40	795.00	\$318.00
11/08/2019	GVD	CBM	Correspondence with M. Hankin re status of Bermuda proceeding	0.20	795.00	\$159.00
11/30/2019	DG	CBM	Review update from Kehinde George re entry of order in Bermuda	0.10	1050.00	\$105.00
				5.20		\$5,307.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Claims Admin/Objections[B310]						
11/12/2019	JNP	CO	Review opposition to critical vendor motion.	0.10	1025.00	\$102.50
11/15/2019	GVD	CO	Conference with Sidley re potential resolution of critical vendor and ordinary course professional objections; correspondence with Sidley and client re same	1.00	795.00	\$795.00
11/18/2019	GVD	CO	Review production re disclosures on ordinary course professionals and critical vendors	0.20	795.00	\$159.00
11/18/2019	GVD	CO	Review list of prepetition amounts owed to critical vendors	0.20	795.00	\$159.00
11/20/2019	GVD	CO	Address issues re Ordinary Course Professionals and Critical Vendor Objections	0.30	795.00	\$238.50
				1.80		\$1,454.00
Compensation Prof. [B160]						
11/13/2019	JNP	CP	Review bills.	0.50	1025.00	\$512.50
11/14/2019	JNP	CP	Conference with Gregory V. Demo regarding billing.	0.10	1025.00	\$102.50
11/18/2019	JNP	CP	Review and finalize October bill.	0.30	1025.00	\$307.50
11/19/2019	JNP	CP	Email to I. Leventon regarding bills.	0.10	1025.00	\$102.50
11/21/2019	PJJ	CP	Draft October fee statement.	4.00	395.00	\$1,580.00
				5.00		\$2,605.00
Comp. of Prof./Others						
11/13/2019	JNP	CPO	Emails regarding funding for professional fees.	0.10	1025.00	\$102.50
11/13/2019	KKY	CPO	Draft (.1) and prepare for filing (.2) certification of no objection re interim comp motion; and prepare (.1) order re same	0.40	395.00	\$158.00
11/15/2019	KKY	CPO	Serve (.1) and prepare for service (.1) [signed] interim comp order	0.20	395.00	\$79.00
				0.70		\$339.50
Employee Benefit/Pension-B220						
11/01/2019	IDK	EB	E-mails with attorneys re status on bonus motion and next hearing to set.	0.20	1095.00	\$219.00
11/01/2019	JEO	EB	Follow up with PSZJ team re inquiry from PBGC	0.20	895.00	\$179.00
11/01/2019	JEO	EB	Check with counsel team re status of PBGC inquiry	0.20	895.00	\$179.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/05/2019	IDK	EB	E-mail to attorneys re expert availability and bonus motion.	0.10	1095.00	\$109.50
11/05/2019	MBL	EB	Call with J. Dempsey re bonus issues; update team re same.	0.20	925.00	\$185.00
11/06/2019	JNP	EB	Review emails regarding DRIP investments.	0.10	1025.00	\$102.50
11/07/2019	IDK	EB	E-mails with client, I. Leventon, re his initial analysis of moving all employees out of debtor as part of restructuring, including brief review, and need for call re questions on same (.5).	0.50	1095.00	\$547.50
11/07/2019	JNP	EB	Review analysis of employee issues and emails to Ira D. Kharasch regarding same.	0.10	1025.00	\$102.50
11/08/2019	IDK	EB	Review and consider client's financial analysis of moving all employees out of debtor for prep for client call today (.4); Attend conference call with client, I. Leventon, F. Caruso re same and need for broader analysis of company restructuring, and Committee inquiries (1.1).	1.50	1095.00	\$1,642.50
11/08/2019	JNP	EB	Conference with I. Leventon, F. Caruso and Ira D. Kharasch regarding employee restructuring issues.	1.10	1025.00	\$1,127.50
11/12/2019	JNP	EB	Review and respond to email regarding payroll issues.	0.10	1025.00	\$102.50
11/12/2019	JEO	EB	Telecon with Mike Baird from PBGC	0.40	895.00	\$358.00
11/14/2019	IDK	EB	E-mails with M. Litvak re status of ordinary course bonus motion and timing for filing and comp expert.	0.30	1095.00	\$328.50
11/14/2019	MBL	EB	Call with comp expert; emails with team re same.	0.20	925.00	\$185.00
11/15/2019	IDK	EB	E-mails with M. Litvak and client re new expert for bonus/comp.	0.10	1095.00	\$109.50
11/15/2019	MBL	EB	Call with comp expert re background and next steps (0.6); follow-up with client re same (0.1).	0.70	925.00	\$647.50
11/18/2019	IDK	EB	E-mails with F. Caruso and client re Company's ? DRIP? plan and ordinary course issues, and Eagle Equity.	0.30	1095.00	\$328.50
11/18/2019	JNP	EB	Review email regarding Drip plan and respond.	0.10	1025.00	\$102.50
11/18/2019	MBL	EB	Review and update motion to approve ordinary course bonuses, follow-up with client re same.	0.30	925.00	\$277.50
11/19/2019	IDK	EB	E-mails and telephone conference with M Litvak re ordinary course bonus motion and potential combination with DRIP plan, and concerns re same (.3); review of correspondence with M. Litvak, CRO and client re same (.1).	0.40	1095.00	\$438.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/19/2019	IDK	EB	E-mails with CRO, others re further info on DRIP structure and Multi Strat funding (.2).	0.20	1095.00	\$219.00
11/19/2019	MBL	EB	Coordinate with team, client, and comp expert re ordinary course bonus issues.	0.50	925.00	\$462.50
11/19/2019	MBL	EB	Attention to employee benefit plan contributions (0.2); call with I. Kharasch (0.1) and emails with client re same (0.3).	0.60	925.00	\$555.00
11/20/2019	MBL	EB	Call with comp expert re status.	0.20	925.00	\$185.00
11/20/2019	JEO	EB	Email exchange with Brian Collins re BGC inquiry	0.40	895.00	\$358.00
11/21/2019	MBL	EB	Call with comp expert re bonus issues.	0.30	925.00	\$277.50
11/21/2019	GVD	EB	Review revisions to ordinary course professional and critical vendor orders from Sidley	0.30	795.00	\$238.50
11/22/2019	IDK	EB	E-mails with attorneys re problem with ordinary course bonus motion re insiders.	0.20	1095.00	\$219.00
11/22/2019	MBL	EB	Review bonus plan info and research applicable law (3.0); email team re same (0.4).	3.40	925.00	\$3,145.00
11/24/2019	IDK	EB	E-mails with attorneys re draft of ordinary course bonus motion, including brief review of same and plans, and issues re insiders and incentive issues.	0.40	1095.00	\$438.00
11/24/2019	MBL	EB	Revise bonus motion; incorporate client comments and emails with team re same.	1.00	925.00	\$925.00
11/24/2019	JEO	EB	Research precedent re ordinary course bonus motions	2.00	895.00	\$1,790.00
11/25/2019	IDK	EB	E-mails with Company, I. Leventon, as to who is considered an "insider" for ordinary course bonus motion, and liquidity issues for same motion as to how funded (.2); E-mails with M Litvak re status of bonus motion and whether to exclude insiders for now, and need for call with CRO (.2); Attend conference call with CRO, others re same (.6).	1.00	1095.00	\$1,095.00
11/25/2019	JNP	EB	Conference with Ira D. Kharasch regarding motion to approve bonuses (2x).	0.20	1025.00	\$205.00
11/25/2019	JNP	EB	Review and comment on bonus motion.	0.30	1025.00	\$307.50
11/25/2019	JNP	EB	Conference with B. Sharp, F. Caruso, Maxim B. Litvak and Ira D. Kharasch regarding bonus motion.	0.60	1025.00	\$615.00
11/25/2019	JNP	EB	Email to and from B. Sharp regarding status of bonus motion.	0.10	1025.00	\$102.50
11/25/2019	MBL	EB	Call with team and CRO re bonus motion.	0.50	925.00	\$462.50
11/25/2019	MBL	EB	Calls with comp expert re status.	0.20	925.00	\$185.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/25/2019	MBL	EB	Review J.N. Pomerantz comments to bonus motion; emails with team re same.	0.20	925.00	\$185.00
11/25/2019	MBL	EB	Call with McLagan re comp data.	0.30	925.00	\$277.50
11/25/2019	MBL	EB	Revise employee bonus motion (2.5); coordinate with client re same (0.2).	2.70	925.00	\$2,497.50
11/26/2019	IDK	EB	E-mails with attorneys and client re latest draft on employee bonuses, including brief review (.4); numerous E-mails with client, others re ordinary course bonuses and insiders and current law re same, and client feedback (.3); E-mails with J. Pomerantz re result of client call re same (.2).	0.90	1095.00	\$985.50
11/26/2019	JNP	EB	Conference with Maxim B. Litvak regarding status.	0.10	1025.00	\$102.50
11/26/2019	JNP	EB	Conference with Maxim B. Litvak regarding bonus motion (2x).	0.20	1025.00	\$205.00
11/26/2019	JNP	EB	Review of bonus motion.	0.20	1025.00	\$205.00
11/26/2019	JNP	EB	Conference with I. Leventon and Maxim B. Litvak regarding bonus motion.	0.40	1025.00	\$410.00
11/26/2019	JNP	EB	Conference with Ira D. Kharasch regarding status of bonus motion.	0.10	1025.00	\$102.50
11/26/2019	KKY	EB	Draft notice re employee bonus motion	0.20	395.00	\$79.00
11/26/2019	MBL	EB	Review and revise employee bonus motion; finalize for filing.	4.80	925.00	\$4,440.00
11/26/2019	MBL	EB	Calls and emails with client and team re bonus motion and status.	1.50	925.00	\$1,387.50
11/26/2019	JEO	EB	Work on Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations Under Employee Bonus Plans	2.20	895.00	\$1,969.00
11/27/2019	JEO	EB	Send initial information to PBGC	0.40	895.00	\$358.00
				<u>33.70</u>		<u>\$32,260.50</u>

Executory Contracts [B185]

11/04/2019	GVD	EC	Research potential termination of executory agreements	4.20	795.00	\$3,339.00
11/04/2019	GVD	EC	Draft memo re potential termination of executory agreements	1.10	795.00	\$874.50
11/05/2019	GVD	EC	Revise and circulate memo re termination of agreements	4.60	795.00	\$3,657.00
11/07/2019	JEO	EC	Call with Pension Danmark re termination of investment management agreement	0.20	895.00	\$179.00

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				10.10		\$8,049.50
Financial Filings [B110]						
11/01/2019	JEO	FF	Email with PSZJ team re filing of schedules	0.30	895.00	\$268.50
11/04/2019	JEO	FF	Email to UST re timing of 2015.3 report	0.30	895.00	\$268.50
11/05/2019	JNP	FF	Review emails regarding confidentiality regarding schedules formation.	0.10	1025.00	\$102.50
11/05/2019	JEO	FF	Email to Katie Irving re sealing schedules and statements	0.40	895.00	\$358.00
11/05/2019	JEO	FF	Review initial information from DSI for schedules and statements	0.80	895.00	\$716.00
11/06/2019	JEO	FF	Review precedent re forms for 2015 report and forward to client	0.40	895.00	\$358.00
11/06/2019	JEO	FF	Review and respond to questions from DSI re information for 2015 report	0.30	895.00	\$268.50
11/08/2019	GVD	FF	Correspondence with client re changes to schedules	0.10	795.00	\$79.50
11/12/2019	GVD	FF	Conference with K. Irving re Schedule G issues	0.20	795.00	\$159.00
11/13/2019	KKY	FF	Draft (.1) and prepare for filing (.2) certification of no objection re schedules extension motion; and prepare (.1) order re same	0.40	395.00	\$158.00
11/13/2019	JEO	FF	Review status of motion to extend time to file the schedules and statements and prepare CNO for same.	0.40	895.00	\$358.00
11/15/2019	KKY	FF	Serve (.1) and prepare for service (.1) [signed] schedules extension order	0.20	395.00	\$79.00
11/15/2019	KKY	FF	Draft (.1) and prepare for filing (.1) affidavit of service for 11/15/19 services	0.20	395.00	\$79.00
				4.10		\$3,252.50
Financing [B230]						
10/18/2019	LSC	FN	Research and correspondence regarding approved depository accounts.	0.30	395.00	\$118.50
11/04/2019	JNP	FN	Conference with Maxim B. Litvak regarding status of financing.	0.20	1025.00	\$205.00
11/04/2019	MBL	FN	Misc. emails with client and team re cash management issues.	0.20	925.00	\$185.00
11/06/2019	IDK	FN	Telephone conference with M Litvak re issues on sale of Loral stock in Jeffries Prime account and Jeffries feedback and process (.2); Numerous E-mails with client, CRO, F. Caruso on liquidity issues and potential sale of Loral stock in either	0.80	1095.00	\$876.00

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			Prime or Select and Jeffries' position re court order, and potential alternative liquidity sources and insider P-Notes (.6).			
11/06/2019	MBL	FN	Calls with team, client, and Jefferies counsel re Jefferies accounts and liquidity issues.	0.80	925.00	\$740.00
11/06/2019	MBL	FN	Misc. emails with team and client re funding issues.	0.10	925.00	\$92.50
11/06/2019	GVD	FN	Review summary of potential use of Jefferies cash collateral; correspondence re same	0.70	795.00	\$556.50
11/07/2019	GVD	FN	Review first day transcript re cash collateral.	0.30	795.00	\$238.50
11/12/2019	JNP	FN	Review Jeffries limited opposition.	0.10	1025.00	\$102.50
11/15/2019	IDK	FN	E-mails with CRO re liquidity and margin call in Select (.1);	0.10	1095.00	\$109.50
11/21/2019	GVD	FN	Revise cash management order	0.90	795.00	\$715.50
11/22/2019	MBL	FN	Review cash sources and uses budget.	0.20	925.00	\$185.00
11/26/2019	MBL	FN	Misc. emails with team re cash management and other pending issues.	0.30	925.00	\$277.50
				5.00		\$4,402.00

General Business Advice [B410]

11/04/2019	GVD	GB	Correspondence with client re movement of bank accounts	0.40	795.00	\$318.00
11/07/2019	IDK	GB	Telephone conferences with Turner re his similar fund problems at Fletcher re private securities (.3); Telephone conference and E-mails with J. Pomerantz and F. Caruso re coordination call on issues and FTI (.2); Attend conference call with F. Caruso and J. Pomerantz re case status, FTI, transactions (.6).	1.10	1095.00	\$1,204.50
11/14/2019	GVD	GB	Summarize Debtor governance re revisions to limited partnership agreement; correspondence with I. Kharasch re same	0.40	795.00	\$318.00
				1.90		\$1,840.50

General Creditors Comm. [B150]

11/06/2019	IDK	GC	E-mails with Committee counsel and FTI re its retention of FTI and need to coordinate with DSI (.2); E-mails with client, CRO re same (.2).	0.40	1095.00	\$438.00
11/06/2019	JNP	GC	Emails introducing FTI TO DSI and related.	0.10	1025.00	\$102.50
11/06/2019	JNP	GC	Emails regarding Confidentiality Agreement.	0.10	1025.00	\$102.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/06/2019	MBL	GC	Review and comment on draft NDA with Committee.	0.20	925.00	\$185.00
11/07/2019	IDK	GC	E-mails with F. Caruso re his upcoming call with Committee (.1); E-mails re Committee re its request for call later today (.1); Telephone conference with J. Pomerantz re same (.1); attend conference call with Committee counsel re case (.6); Telephone conference with J. Pomerantz re follow up (.1).	1.00	1095.00	\$1,095.00
11/08/2019	IDK	GC	E-mails with attorneys re Committee's draft of NDA, and numerous issues re same, including PEO and who signs (.4); Telephone conference with J. Pomerantz re same and general Committee issues (.2); E-mails with team re need for call re NDA and how to respond (.1); Attend conference call re same (.3).	1.00	1095.00	\$1,095.00
11/08/2019	JNP	GC	Review Committee issues on Confidentiality Agreement and email regarding same.	0.20	1025.00	\$205.00
11/08/2019	JNP	GC	Conference with Ira D. Kharasch regarding confidentiality issues and related.	0.20	1025.00	\$205.00
11/08/2019	JNP	GC	Conference with Ira D. Kharasch, Gregory V. Demo and Maxim B. Litvak regarding confidentiality issues.	0.30	1025.00	\$307.50
11/08/2019	JNP	GC	Conference with Gregory V. Demo and I. Leventon regarding Confidentiality Agreement issues.	0.20	1025.00	\$205.00
11/08/2019	MBL	GC	Call with team re Committee NDA issues (0.3); review revisions and emails re same (0.2).	0.50	925.00	\$462.50
11/08/2019	GVD	GC	Conference with PSZJ team re Sidley revisions to NDA	0.40	795.00	\$318.00
11/08/2019	GVD	GC	Conference with J. Pomerantz and I. Leventon re Sidley revisions to NDA	0.20	795.00	\$159.00
11/08/2019	GVD	GC	Correspondence with Sidley re NDA	0.20	795.00	\$159.00
11/09/2019	JNP	GC	Conference with Ira D. Kharasch, Maxim B. Litvak and Gregory V. Demo regarding response to Committee requests.	0.50	1025.00	\$512.50
11/09/2019	JNP	GC	Emails regarding Confidentiality Agreement.	0.10	1025.00	\$102.50
11/09/2019	JNP	GC	Emails regarding call with Sidley.	0.10	1025.00	\$102.50
11/09/2019	MBL	GC	Review committee inquiries re second day matters (0.2); call with team re same (0.5).	0.70	925.00	\$647.50
11/09/2019	MBL	GC	Review and comment on draft responses to Committee inquiries.	0.30	925.00	\$277.50
11/09/2019	GVD	GC	Prepare for conference with Sidley re NDA	0.20	795.00	\$159.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/09/2019	GVD	GC	Conference with Sidley re NDA	0.40	795.00	\$318.00
11/09/2019	GVD	GC	Correspondence with PSZJ group re results of call with Sidley re NDA	0.10	795.00	\$79.50
11/09/2019	GVD	GC	Draft response to Committee's informal requests	4.90	795.00	\$3,895.50
11/09/2019	GVD	GC	Multiple correspondence with Sidley re status of NDA	0.40	795.00	\$318.00
11/10/2019	JNP	GC	Review issues relating to Committee questions and diligence.	0.20	1025.00	\$205.00
11/10/2019	JNP	GC	Participate on call with client, B. Sharp, Gregory V. Demo and Ira D. Kharasch regarding Committee diligence.	1.00	1025.00	\$1,025.00
11/10/2019	GVD	GC	Revise response to Committee questions; correspondence with client re same	1.10	795.00	\$874.50
11/10/2019	GVD	GC	Correspondence with client re final NDA for signature	0.20	795.00	\$159.00
11/11/2019	JNP	GC	Email to I. Leventon regarding confidentiality issues.	0.10	1025.00	\$102.50
11/11/2019	JNP	GC	Emails regarding Confidentiality Agreement and Sidley position.	0.10	1025.00	\$102.50
11/11/2019	GVD	GC	Review responses re initial Committee discovery requests; correspondence with client re same	1.80	795.00	\$1,431.00
11/11/2019	GVD	GC	Conference with PSZJ team re preparation for call with counsel to the Unsecured Creditors Committee	0.40	795.00	\$318.00
11/17/2019	GVD	GC	Correspondence with PSZJ working group re status of critical vendors and ordinary course professionals motions	0.10	795.00	\$79.50
				<u>17.70</u>		<u>\$15,748.50</u>

Litigation (Non-Bankruptcy)

11/04/2019	GVD	LN	Review email from Foley Gardere re automatic stay; conference with J. Morris re same	0.40	795.00	\$318.00
11/08/2019	JNP	LN	Review email regarding Dow Jones litigation and forward to I. Leventon.	0.10	1025.00	\$102.50
11/13/2019	GVD	LN	Conference with A. Somers re removal issues; follow up re same	0.40	795.00	\$318.00
11/14/2019	IDK	LN	E-mails with client, others re court's decision today on UBS claims, and what that means vs Debtor and value, and whether stay applies to next step of UBS.	0.30	1095.00	\$328.50
11/14/2019	JNP	LN	Emails and conference with Maxim B. Litvak	0.20	1025.00	\$205.00

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			regarding UBS judgment.			
11/14/2019	GVD	LN	Review rules re removal of state court proceedings	0.30	795.00	\$238.50
11/14/2019	GVD	LN	Conference with Reid Collins re status of UBS litigation	0.20	795.00	\$159.00
11/14/2019	GVD	LN	Conference with I. Leventon re UBS litigation; correspondence with PSZJ team re same	0.30	795.00	\$238.50
11/15/2019	LSC	LN	Research, retrieval of pleadings, and correspondence regarding litigation pending against Debtor.	2.70	395.00	\$1,066.50
				<u>4.90</u>		<u>\$2,974.50</u>

Meeting of Creditors [B150]

11/15/2019	IDK	MC	Review of correspondence with UST re representative for estate at 341 and problems with same.	0.20	1095.00	\$219.00
11/16/2019	JEO	MC	Emails with UST and other parties re rescheduling 341 meeting	1.00	895.00	\$895.00
11/17/2019	JNP	MC	Emails to and from John A. Morris regarding 341.	0.10	1025.00	\$102.50
11/18/2019	IDK	MC	E-mails with attorneys re determining new 341 date and potential conflict with 12/2 hearing.	0.20	1095.00	\$219.00
11/18/2019	KKY	MC	Draft (.1), file (.1), serve (.1), and prepare for filing and service (.2) notice of rescheduled 341 meeting	0.50	395.00	\$197.50
11/18/2019	KKY	MC	Draft (.1), file (.1), and prepare for filing (.1) certificate of service for notice of rescheduled 341 meeting	0.30	395.00	\$118.50
11/18/2019	JEO	MC	Emails with UST and PSZJ team to confirm new date and time for 341 meeting	0.60	895.00	\$537.00
11/20/2019	KKY	MC	Email to claims agent re 341 notice	0.10	395.00	\$39.50
				<u>3.00</u>		<u>\$2,328.00</u>

Non-Working Travel

11/18/2019	JAM	NT	Non-working travel NY to LA (billed at 1/2 rate)	6.20	512.50	\$3,177.50
11/20/2019	JAM	NT	Non-working travel LA to Dallas(billed at 1/2 rate)	3.80	512.50	\$1,947.50
11/22/2019	JAM	NT	Non-working travel Dallas to New York (billed at 1/2 rate)	5.30	512.50	\$2,716.25
11/24/2019	JAM	NT	Non-working travel New York to Dallas (billed at 1/2 rate)	4.00	512.50	\$2,050.00
11/26/2019	JAM	NT	Non-working travel Dallas to New York (billed at 1/2 rate)	4.10	512.50	\$2,101.25

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11/30/2019	IDK	NT	Non-working travel to DE from Chicago for 12/2 hearing (billed at 1/2 rate)	2.80	547.50	\$1,533.00
				26.20		\$13,525.50

Operations [B210]

11/01/2019	IDK	OP	E-mails with J. Pomerantz re operating budget and problems re same.	0.20	1095.00	\$219.00
11/01/2019	JNP	OP	Conference with B. Sharp, F. Caruso and Ira D. Kharasch regarding various operational issues.	0.50	1025.00	\$512.50
11/01/2019	JNP	OP	Conference with Ira D. Kharasch and I. Leventon regarding operational issues.	0.40	1025.00	\$410.00
11/04/2019	IDK	OP	E-mails with G. Demo and client re need for docs re AFA and NextBank and related issues.	0.20	1095.00	\$219.00
11/04/2019	JNP	OP	Conference with Ira D. Kharasch and F. Caruso regarding operational issues.	0.50	1025.00	\$512.50
11/06/2019	IDK	OP	E-mails with I. Leventon re need for call on liquidity issues (.1); Attend conference call re same (.6); E-mails with attorneys re NextBank/AFA issues (.1).	0.80	1095.00	\$876.00
11/15/2019	JNP	OP	Review budget and then conference with Ira D. Kharasch regarding same.	0.20	1025.00	\$205.00
				2.80		\$2,954.00

Retention of Prof. [B160]

11/14/2019	JNP	RP	Emails regarding supplemental declaration and interested parties list.	0.10	1025.00	\$102.50
11/14/2019	JEO	RP	Review declaration filed with PSZJ retention	0.40	895.00	\$358.00
11/15/2019	IDK	RP	Review of E-mails with client, others on UST concerns on our employment application and further names to run for conflicts.	0.30	1095.00	\$328.50
11/15/2019	JNP	RP	Conference with Gregory V. Demo and James E. O'Neill regarding list of interested parties.	0.10	1025.00	\$102.50
11/15/2019	JNP	RP	Conference with Ira D. Kharasch regarding interested parties list.	0.10	1025.00	\$102.50
11/15/2019	JEO	RP	Work on supplemental disclosure for PSZJ retention application	0.80	895.00	\$716.00
11/15/2019	JEO	RP	Review legal entities list re conflicts/disclosure	0.60	895.00	\$537.00
11/17/2019	JEO	RP	Review additional parties for conflict list	1.00	895.00	\$895.00
11/25/2019	IDK	RP	E-mails and telephone conference with attorneys re status of conflict list and need for call re same.	0.20	1095.00	\$219.00

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11/25/2019	JNP	RP	Review and respond to emails regarding interested party list.	0.30	1025.00	\$307.50
11/25/2019	JNP	RP	Conference with James E. O'Neill and Gregory V. Demo regarding interested party list.	0.20	1025.00	\$205.00
11/26/2019	KKY	RP	Prepare for filing and service supplemental declaration in support of PSZJ retention application	0.30	395.00	\$118.50
11/26/2019	KKY	RP	Prepare for filing certification of counsel re PSZJ retention application	0.20	395.00	\$79.00
11/26/2019	JEO	RP	Finalize retention order and certification of counsel re PSZJ retention	0.70	895.00	\$626.50
11/26/2019	JEO	RP	Work on supplemental declaration for JNP re PSZJ retention	0.50	895.00	\$447.50
				5.80		\$5,145.00

Ret. of Prof./Other

11/01/2019	PJJ	RPO	Draft FA retention application.	0.90	395.00	\$355.50
11/02/2019	JEO	RPO	Email with Greg Demo re Houlihan Retention	0.20	895.00	\$179.00
11/02/2019	GVD	RPO	Revise draft Houlihan retention application	0.60	795.00	\$477.00
11/03/2019	MBL	RPO	Review draft Houlihan employment application; emails with team re same.	0.30	925.00	\$277.50
11/03/2019	GVD	RPO	Revise draft Houlihan retention application; correspondence with M. Litvak re same	1.30	795.00	\$1,033.50
11/05/2019	GVD	RPO	Coordinate issues re ordinary course professionals	0.40	795.00	\$318.00
11/06/2019	KKY	RPO	Draft notice re amended exhibit B to OCP motion	0.40	395.00	\$158.00
11/06/2019	JEO	RPO	Review issues related to OCP Motion	0.30	895.00	\$268.50
11/06/2019	JEO	RPO	Emails with Greg Demo re retention of Houlihan	0.30	895.00	\$268.50
11/06/2019	GVD	RPO	Revise ordinary course professionals motion; correspondence with J. O'Neill and M. Litvak re same	0.30	795.00	\$238.50
11/06/2019	GVD	RPO	Correspondence with Foley Gardere re potential retention issues	0.50	795.00	\$397.50
11/06/2019	GVD	RPO	Conference with Houlihan Lokey re bankruptcy retention	0.50	795.00	\$397.50
11/07/2019	KKY	RPO	File (.1), serve (.1), and prepare for filing and service (.2) notice of filing of amended OCP list	0.40	395.00	\$158.00
11/07/2019	KKY	RPO	File (.1) and prepare for filing (.1) certificate of service for notice of filing of amended OCP list	0.20	395.00	\$79.00
11/07/2019	JEO	RPO	Review updated OCP list and file notice related	0.40	895.00	\$358.00

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11/07/2019	GVD	RPO	Correspondence with client re potential to change Houlihan payment method	0.10	795.00	\$79.50
11/07/2019	GVD	RPO	Review Houlihan engagement agreement re potential to include on ordinary course professionals list	0.40	795.00	\$318.00
11/08/2019	JEO	RPO	Review and update conflicts list for professional retentions	0.60	895.00	\$537.00
11/08/2019	JEO	RPO	Research issues re retention of professionals	0.80	895.00	\$716.00
11/08/2019	JEO	RPO	Call with Greg Demo re professional retention issues	0.30	895.00	\$268.50
11/08/2019	JEO	RPO	Call with Jane Leamy re professional retention issues	0.40	895.00	\$358.00
11/08/2019	GVD	RPO	Conference with J. O'Neill re issues with Houlihan Lokey	0.20	795.00	\$159.00
11/08/2019	GVD	RPO	Conference with A. Somers (Reid Collins Tsai) re ordinary course retention	0.30	795.00	\$238.50
11/08/2019	GVD	RPO	Correspondence with Houlihan Lokey, Deloitte, and PWC re changes to professional status	0.60	795.00	\$477.00
11/11/2019	JEO	RPO	Email to client and DSI re interested parties list	0.40	895.00	\$358.00
11/12/2019	JNP	RPO	Review opposition to ordinary course professional motion.	0.10	1025.00	\$102.50
11/12/2019	PJJ	RPO	Draft Deloitte retention application.	1.30	395.00	\$513.50
11/12/2019	JEO	RPO	Email with UST to confirm extension of time to object to DSI Retention Application	0.20	895.00	\$179.00
11/12/2019	JEO	RPO	Call and email from Lan Vu re retention of Harder LLP re NY lawsuit	0.40	895.00	\$358.00
11/12/2019	JEO	RPO	Review Acis objection to Lynn Pinker and Foley retention applications	0.30	895.00	\$268.50
11/12/2019	GVD	RPO	Conference with M. Bohling PWC re ordinary course professional status	0.20	795.00	\$159.00
11/12/2019	GVD	RPO	Review objections to Foley Gardere and Lynn Pinker retention applications; summarize outline re response	1.60	795.00	\$1,272.00
11/12/2019	GVD	RPO	Revise ordinary course professionals exhibits; correspondence with J. O'Neill re same	0.70	795.00	\$556.50
11/13/2019	IDK	RPO	E-mails with client and outside counsels re UCC's retention of FTI and FTI's involvement in Acis case for Debtor (.3); Office conference with J. Pomerantz re his call with FTI re same and next steps re same (.1).	0.40	1095.00	\$438.00

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11/13/2019	JNP	RPO	Consider issues regarding FTI retention.	0.20	1025.00	\$205.00
11/13/2019	JNP	RPO	Conference with Ira D. Kharasch and I Leventon regarding FTI retention issues.	0.20	1025.00	\$205.00
11/13/2019	KKY	RPO	Draft (.1) and prepare for filing (.2) certification of no objection re KCC retention app; and prepare (.1) order re same	0.40	395.00	\$158.00
11/13/2019	JEO	RPO	Review status of Application to Retain KCC as Administrative Advisor and CNO re same.	0.40	895.00	\$358.00
11/14/2019	GVD	RPO	Prepare reply to Committee and Acis objections to Lynn Pinker/Foley	0.10	795.00	\$79.50
11/14/2019	GVD	RPO	Prepare for call with Foley/Lynn Pinker re objection to retention application	0.50	795.00	\$397.50
11/14/2019	GVD	RPO	Conference with J. Morris, Foley Gardere and Lynn Pinker re objection to retention	0.80	795.00	\$636.00
11/14/2019	GVD	RPO	Conference with J. Pomerantz re proposed response to Sidley re ordinary course professionals motion	0.20	795.00	\$159.00
11/15/2019	IDK	RPO	Telephone conference with J. Pomerantz re numerous issues, including FTI conflict issues, Committee omnibus objection, and UST concerns on conflicts (.5).	0.50	1095.00	\$547.50
11/15/2019	JNP	RPO	Conference with S. Simms regarding retention issues.	0.10	1025.00	\$102.50
11/15/2019	JNP	RPO	Conference with I. Leventon regarding FTI retention issues.	0.40	1025.00	\$410.00
11/15/2019	JNP	RPO	Conference with Ira D. Kharasch regarding FTI retention issues; Conference with I. Leventon regarding same.	0.20	1025.00	\$205.00
11/15/2019	KKY	RPO	Serve (.1) and prepare for service (.1) [signed] KCC retention order	0.20	395.00	\$79.00
11/15/2019	JEO	RPO	Emails with client re Harder representation and addition to OCP list	0.70	895.00	\$626.50
11/15/2019	GVD	RPO	Conference with Foley, Lynn Pinker, and client re objection to Foley/Lynn Pinker retentions	0.80	795.00	\$636.00
11/15/2019	GVD	RPO	Draft reply to objection to Foley/Lynn Pinker retention	5.50	795.00	\$4,372.50
11/16/2019	JNP	RPO	Brief review of Foley and Lynn Pinker reply; email regarding same.	0.20	1025.00	\$205.00
11/16/2019	MBL	RPO	Review draft reply to Foley and Lynn retentions.	0.20	925.00	\$185.00
11/16/2019	GVD	RPO	Draft reply to Foley/Lynn Pinker objection	3.10	795.00	\$2,464.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/17/2019	JNP	RPO	Continued review of response to objection of Foley Lardner and Lynn Pinker application and emails regarding same.	0.30	1025.00	\$307.50
11/17/2019	MBL	RPO	Review emails with team re reply in support of attorney retentions; review reply.	0.30	925.00	\$277.50
11/17/2019	MBL	RPO	Emails with team re DSI retention issues and ordinary course protocols.	0.20	925.00	\$185.00
11/17/2019	GVD	RPO	Review revisions to Foley and Lynn Pinker reply from J. Pomerantz and H. O'Neil; revise and circulate reply re same	2.30	795.00	\$1,828.50
11/18/2019	JNP	RPO	Review next draft of Foley reply.	0.10	1025.00	\$102.50
11/18/2019	JNP	RPO	Conference with S. Simms regarding retention issues.	0.10	1025.00	\$102.50
11/18/2019	PJJ	RPO	Review and revise supplemental declarations in support of Foley and Lynn retention applications.	0.20	395.00	\$79.00
11/18/2019	JEO	RPO	Review additional conflicts list and update declaration for PSZJ retention	1.50	895.00	\$1,342.50
11/18/2019	GVD	RPO	Further revise reply to objections to Lynn Pinker/Foley retention applications re comments from Foley Gardere	1.70	795.00	\$1,351.50
11/18/2019	GVD	RPO	Draft supplemental declarations to Lynn Pinker/Foley reply	3.40	795.00	\$2,703.00
11/19/2019	IDK	RPO	E-mails with CRO re asset lists and FTI (.2); Telephone conference with and E-mail to J. Pomerantz re FTI feedback on its conflict issues and resolution, and case issues (.2).	0.40	1095.00	\$438.00
11/19/2019	JNP	RPO	Conference with J. Leamy, Ira D. Kharasch and Jason H. Rosell regarding CRO retention issues.	0.50	1025.00	\$512.50
11/19/2019	JNP	RPO	Conference with S. Simms regarding retention of professionals.	0.20	1025.00	\$205.00
11/19/2019	MBL	RPO	Review omnibus reply in support of retention applications.	0.30	925.00	\$277.50
11/19/2019	JEO	RPO	Call with UST Jane Leamy re DSI Retention	0.50	895.00	\$447.50
11/19/2019	JEO	RPO	Review retention agreement for Mercer	0.40	895.00	\$358.00
11/19/2019	JEO	RPO	Draft application to retain Mercer	2.10	895.00	\$1,879.50
11/19/2019	JEO	RPO	Review UST comments on DSI retention order and revise order accordingly	0.80	895.00	\$716.00
11/19/2019	GVD	RPO	Further revise Foley/Lynn Pinker response	0.40	795.00	\$318.00
11/19/2019	GVD	RPO	Review additional information re Lynn Pinker/Foley	0.60	795.00	\$477.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			retention and correspondence with client re same			
11/20/2019	IDK	RPO	Attend telephone conference with I. Leventon re general issues re FTI, conflicts, and protocols (.4);	0.40	1095.00	\$438.00
11/20/2019	IDK	RPO	Telephone conferences with J. Pomerantz re same and FTI feedback on its conflicts (.1);	0.10	1095.00	\$109.50
11/20/2019	MBL	RPO	Review revised reply on retention issues; emails with client on critical vendor and OCPs.	0.20	925.00	\$185.00
11/20/2019	JEO	RPO	Follow up re legal entities	0.20	895.00	\$179.00
11/20/2019	JEO	RPO	Review revised OCP and critical vendor orders from committee	0.60	895.00	\$537.00
11/20/2019	GVD	RPO	Conference with Sidley re ordinary course professional and critical vendor motions	0.10	795.00	\$79.50
11/20/2019	GVD	RPO	Review changes to Foley/Lynn Pinker reply and conference with I. Leventon re same	1.70	795.00	\$1,351.50
11/21/2019	KKY	RPO	Draft certification of counsel re Foley retention order	0.30	395.00	\$118.50
11/21/2019	KKY	RPO	Draft certification of counsel re Lynn Pinker retention order	0.30	395.00	\$118.50
11/21/2019	KKY	RPO	Draft certification of counsel re OCP order	0.30	395.00	\$118.50
11/21/2019	KKY	RPO	Draft certification of counsel re PSZJ retention order	0.30	395.00	\$118.50
11/21/2019	PJJ	RPO	Review Deloitte retention application.	0.50	395.00	\$197.50
11/21/2019	GVD	RPO	Further update declarations in support of Foley & Lynn Pinker reply	1.30	795.00	\$1,033.50
11/21/2019	GVD	RPO	Coordinate exhibits for Foley/Lynn Pinker reply	0.20	795.00	\$159.00
11/21/2019	GVD	RPO	Research issues re Foley/Lynn Pinker reply	0.40	795.00	\$318.00
11/21/2019	GVD	RPO	Revise reply re Foley/Lynn Pinker and prepare same for filing	2.10	795.00	\$1,669.50
11/21/2019	GVD	RPO	Conference with E. Bromagan re proposed revisions to ordinary course professionals order; multiple correspondence re same	1.50	795.00	\$1,192.50
11/22/2019	JNP	RPO	Emails to and from Gregory V. Demo regarding ordinary course professionals motion.	0.10	1025.00	\$102.50
11/22/2019	MBL	RPO	Review and comment on application to retain comp expert; emails with team re same.	0.30	925.00	\$277.50
11/22/2019	JEO	RPO	REview and analyze committee's interested parties list for retentions (.9) and call with Isaac Leventon re same (.7)	1.60	895.00	\$1,432.00
11/22/2019	JEO	RPO	Continued drafting of application to retain Mercer as Comp expert	1.10	895.00	\$984.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/22/2019	GVD	RPO	Correspondence with Sidley re OCP issues; conferences re same	0.50	795.00	\$397.50
11/22/2019	GVD	RPO	Draft reply to OCP objections	1.20	795.00	\$954.00
11/22/2019	GVD	RPO	Correspondence with HCMLP re revisions to OCP order and next steps	0.40	795.00	\$318.00
11/23/2019	GVD	RPO	Review Deloitte retention application and correspondence re same	0.30	795.00	\$238.50
11/23/2019	GVD	RPO	Conference with J Pomerantz and B Sharp re OCP issues	0.20	795.00	\$159.00
11/24/2019	JNP	RPO	Conference with Gregory V. Demo, B. Sharp and I. Leventon regarding ordinary course professional issues and related matters.	0.50	1025.00	\$512.50
11/24/2019	JEO	RPO	Review interested parties list re professional retentions	0.90	895.00	\$805.50
11/24/2019	GVD	RPO	Conference with client, CRO, and J. Pomerantz re ordinary course professionals order	0.50	795.00	\$397.50
11/25/2019	IDK	RPO	E-mails with attorneys re issues on Winstead litigation.	0.20	1095.00	\$219.00
11/25/2019	JNP	RPO	Conference with John A. Morris and Gregory V. Demo regarding outstanding issues in Foley retention.	0.20	1025.00	\$205.00
11/25/2019	KKY	RPO	Prepare for filing certification of counsel re OCP order	0.20	395.00	\$79.00
11/25/2019	KKY	RPO	Draft (.1), file (.1), serve (.1), and prepare for filing and service (.2) notice of 2nd amended OCP list	0.50	395.00	\$197.50
11/25/2019	KKY	RPO	Draft (.1), file (.1), and prepare for filing (.1) certificate of service for notice of 2nd amended OCP list	0.30	395.00	\$118.50
11/25/2019	JEO	RPO	Review interested parties list provided by the committee and email to Jeff Pomerantz re status	1.00	895.00	\$895.00
11/25/2019	JEO	RPO	Review cert of counsel and revised order for retention of ordinary course professionals	0.70	895.00	\$626.50
11/25/2019	JEO	RPO	Work on revised OCP list	0.50	895.00	\$447.50
11/25/2019	GVD	RPO	Revise ordinary course professionals order for filing	0.50	795.00	\$397.50
11/25/2019	GVD	RPO	Prepare for conference with Sidley re Foley/Lynn Pinker retention	0.30	795.00	\$238.50
11/25/2019	GVD	RPO	Conference with E. Bromagen and A. Russell re Foley/Lynn Pinker	0.80	795.00	\$636.00
11/25/2019	GVD	RPO	Correspondence with client re summary of call with	0.30	795.00	\$238.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Committee on Foley/Lynn Pinker			
11/25/2019	GVD	RPO	Correspondence with client re revisions to Foley/Lynn Pinker Orders	0.40	795.00	\$318.00
11/25/2019	GVD	RPO	Revise Lynn/Pinker Foley Orders re comments from Committee	1.00	795.00	\$795.00
11/26/2019	KKY	RPO	Draft (.1), file (.1), and prepare for filing (.1) notice of withdrawal re certification of counsel re OCP order	0.30	395.00	\$118.50
11/26/2019	KKY	RPO	File (.1) and prepare for filing (.1) certification of counsel re corrected OCP order	0.20	395.00	\$79.00
11/26/2019	KKY	RPO	Upload order (.1) and prepare for uploading same (.1) re corrected OCP order	0.20	395.00	\$79.00
11/26/2019	KKY	RPO	Draft notice re Mercer retention application	0.20	395.00	\$79.00
11/26/2019	KKY	RPO	Prepare for filing and service Mercer retention application	0.30	395.00	\$118.50
11/26/2019	MBL	RPO	Coordinate with team and Mercer re retention application; call with client re same.	0.20	925.00	\$185.00
11/26/2019	JEO	RPO	Review and finalize Application/Motion to Employ/Retain Mercer (US) Inc. as Compensation Consultant Filed by Highland Capital Management, L.P..	0.90	895.00	\$805.50
11/26/2019	JEO	RPO	Work on interested party list	0.70	895.00	\$626.50
11/26/2019	JEO	RPO	Work on cert of counsel and revised order for ordinary course professionals	0.70	895.00	\$626.50
11/26/2019	GVD	RPO	Review correspondence with OCPs	0.50	795.00	\$397.50
11/27/2019	JNP	RPO	Conference with S. Simms regarding retention issues.	0.20	1025.00	\$205.00
11/27/2019	GVD	RPO	Correspondence with multiple ordinary course professionals re retention	1.10	795.00	\$874.50
11/27/2019	GVD	RPO	Multiple correspondence and conferences with client re additional discovery request from Committee on Foley/Lynn Pinker retention	1.10	795.00	\$874.50
11/27/2019	GVD	RPO	Correspondence with Sidley re additional discovery requests on Foley/Pinker and confidentiality issues re same	0.20	795.00	\$159.00
11/29/2019	GVD	RPO	Correspondence with Sidley re status of review of Foley/Lynn Pinker orders	0.20	795.00	\$159.00
11/30/2019	GVD	RPO	Correspondence with Sidley re Foley/Lynn Pinker order	0.10	795.00	\$79.50
				79.40		\$63,641.00

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TOTAL SERVICES FOR THIS MATTER:

\$798,767.50

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Expenses

10/16/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	5.53
10/17/2019	AF	Air Fare [E110] American Airlines, Tkt. 00174661227381, from PHL to SFO, MBL	1,111.22
10/17/2019	FF	Filing Fee [E112] USBC, District of Delaware, JEO	1,717.00
10/18/2019	AT	Auto Travel Expense [E109] Eagle Transportation Services, Inv. 298102722, from PSZJ DE to Court, from Court to PHL, JNP	87.50
10/18/2019	AT	Auto Travel Expense [E109] Eagle Transportation Services, Inv. 298102722, from PSZJ DE to PHL, MBL	87.50
10/19/2019	HT	Hotel Expense [E110] DoubleTree Wilmington, 10/17/19-10/18/19, 1 night, LDJ	195.20
10/19/2019	TE	Travel Expense [E110] SFO Parking Fee, MBL	54.00
10/20/2019	AT	Auto Travel Expense [E109] Roadrunner Express, from PSZJ DE to PHL, JNP	101.60
10/21/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	23.60
10/21/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	7.82
10/22/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	1.43
10/23/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	6.47
10/23/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	18.12
10/23/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	6.61
10/23/2019	TR	Transcript [E116] eScribers, Inv. 281965, K. Yee	477.95

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10/24/2019	AF	Air Fare [E110] American Airlines, Tkt. 00174114885103, from LAX to PHL, JNP	185.00
10/24/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	1.96
10/24/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	7.55
10/25/2019	CC	Conference Call [E105] AT&T Conference Call, MBL	1.07
10/25/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	3.53
10/27/2019	CC	Conference Call [E105] AT&T Conference Call, IDK	5.00
10/27/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	5.61
10/27/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	0.07
10/27/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	0.07
10/28/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	14.94
10/28/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	4.63
10/28/2019	CC	Conference Call [E105] AT&T Conference Call, JEO	5.55
10/29/2019	AT	Auto Travel Expense [E109] DND Transportation Services, LDJ	100.33
10/29/2019	CC	Conference Call [E105] AT&T Conference Call, MBL	1.50
10/29/2019	CC	Conference Call [E105] AT&T Conference Call, JEO	4.96
10/30/2019	AT	Auto Travel Expense [E109] DND Transportation Services, from PSZJ DE to Airport, LDJ	100.33
10/30/2019	CC	Conference Call [E105] AT&T Conference Call, JAM	11.23

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10/30/2019	CC	Conference Call [E105] AT&T Conference Call, JEO	7.11
10/31/2019	AF	Air Fare [E110] American Airlines, Tkt. 00174114885162, from LAX to PHL, PHL to LAX, JNP	400.00
11/01/2019	DC	36027.00001 Advita Charges for 11-01-19	75.00
11/01/2019	RE	(23 @0.20 PER PG)	4.60
11/03/2019	RE2	SCAN/COPY (38 @0.10 PER PG)	3.80
11/04/2019	AT	Auto Travel Expense [E109] Vince Carter Taxi, GVD	30.38
11/04/2019	AT	Auto Travel Expense [E109] Citycab, GVD	44.90
11/04/2019	BB	36027.00002 Bloomberg Charges for 11-04-19	0.90
11/04/2019	BB	36027.00002 Bloomberg Charges for 11-04-19	30.00
11/04/2019	BM	Business Meal [E111] Seamless, Guy Gallardii, Working Meal, GVD	13.00
11/04/2019	LN	36027.00002 Lexis Charges for 11-04-19	18.19
11/04/2019	RE	(25 @0.10 PER PG)	2.50
11/04/2019	RE	(12 @0.10 PER PG)	1.20
11/04/2019	RE	(4 @0.10 PER PG)	0.40
11/04/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
11/04/2019	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
11/04/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60

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11/04/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
11/04/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/04/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
11/04/2019	RE2	SCAN/COPY (38 @0.10 PER PG)	3.80
11/04/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/04/2019	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
11/04/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
11/04/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/04/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/04/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
11/04/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
11/04/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
11/04/2019	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
11/04/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
11/04/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/04/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
11/04/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/04/2019	RE2	SCAN/COPY (161 @0.10 PER PG)	16.10

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11/04/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/05/2019	FE	36027.00002 FedEx Charges for 11-05-19	16.22
11/05/2019	FE	36027.00002 FedEx Charges for 11-05-19	16.22
11/05/2019	FE	36027.00002 FedEx Charges for 11-05-19	11.87
11/05/2019	FE	36027.00002 FedEx Charges for 11-05-19	15.15
11/05/2019	FE	36027.00002 FedEx Charges for 11-05-19	9.97
11/05/2019	FE	36027.00002 FedEx Charges for 11-05-19	9.97
11/05/2019	FE	36027.00002 FedEx Charges for 11-05-19	9.97
11/05/2019	FE	36027.00002 FedEx Charges for 11-05-19	16.22
11/05/2019	FE	36027.00002 FedEx Charges for 11-05-19	16.22
11/05/2019	FE	36027.00002 FedEx Charges for 11-05-19	16.22
11/05/2019	FE	36027.00002 FedEx Charges for 11-05-19	16.22
11/05/2019	FE	36027.00002 FedEx Charges for 11-05-19	16.22
11/05/2019	FE	36027.00002 FedEx Charges for 11-05-19	16.60
11/05/2019	FE	36027.00002 FedEx Charges for 11-05-19	16.22
11/05/2019	FE	36027.00002 FedEx Charges for 11-05-19	9.97
11/05/2019	FE	36027.00002 FedEx Charges for 11-05-19	9.97
11/05/2019	RE	(3 @0.10 PER PG)	0.30

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11/05/2019	RE	(1 @0.10 PER PG)	0.10
11/05/2019	RE	(2 @0.10 PER PG)	0.20
11/05/2019	RE	(45 @0.10 PER PG)	4.50
11/05/2019	RE	(1 @0.10 PER PG)	0.10
11/05/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/05/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
11/05/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/05/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
11/05/2019	RE2	SCAN/COPY (32 @0.10 PER PG)	3.20
11/05/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
11/05/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/05/2019	TE	Travel Expense [E110] Travel Agency Service Fee, JNP	75.00
11/06/2019	AT	Auto Travel Expense [E109] KLS Transportation Services, JNP	190.50
11/06/2019	BM	Business Meal [E111] Seamless, Sophie's Cuban Cuisin, Working Meal, S. Winns	21.24
11/06/2019	LN	36027.00002 Lexis Charges for 11-06-19	54.58
11/06/2019	RE	(82 @0.10 PER PG)	8.20
11/06/2019	RE	(58 @0.10 PER PG)	5.80

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11/06/2019	RE	(13 @0.10 PER PG)	1.30
11/06/2019	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
11/06/2019	RE2	SCAN/COPY (60 @0.10 PER PG)	6.00
11/06/2019	RE2	SCAN/COPY (81 @0.10 PER PG)	8.10
11/06/2019	RE2	SCAN/COPY (196 @0.10 PER PG)	19.60
11/06/2019	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80
11/06/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/06/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
11/06/2019	RE2	SCAN/COPY (84 @0.10 PER PG)	8.40
11/06/2019	RE2	SCAN/COPY (45 @0.10 PER PG)	4.50
11/06/2019	RE2	SCAN/COPY (99 @0.10 PER PG)	9.90
11/06/2019	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80
11/06/2019	RE2	SCAN/COPY (35 @0.10 PER PG)	3.50
11/06/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
11/06/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/06/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
11/06/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/07/2019	DC	36027.00002 Advita Charges for 11-07-19	75.00

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11/07/2019	RE	(3 @0.10 PER PG)	0.30
11/07/2019	RE	(7 @0.10 PER PG)	0.70
11/07/2019	RE	(750 @0.10 PER PG)	75.00
11/07/2019	RE	(4 @0.10 PER PG)	0.40
11/07/2019	RE	(81 @0.10 PER PG)	8.10
11/07/2019	RE	(12 @0.10 PER PG)	1.20
11/07/2019	RE	(19 @0.10 PER PG)	1.90
11/07/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
11/07/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
11/07/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
11/07/2019	RE2	SCAN/COPY (490 @0.10 PER PG)	49.00
11/07/2019	RE2	SCAN/COPY (504 @0.10 PER PG)	50.40
11/07/2019	RE2	SCAN/COPY (122 @0.10 PER PG)	12.20
11/07/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
11/07/2019	RE2	SCAN/COPY (245 @0.10 PER PG)	24.50
11/07/2019	RE2	SCAN/COPY (244 @0.10 PER PG)	24.40
11/07/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
11/07/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50

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11/07/2019	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
11/07/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
11/07/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
11/08/2019	RE	(13 @0.10 PER PG)	1.30
11/08/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/08/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
11/08/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
11/08/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
11/09/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
11/11/2019	DC	36027.00002 Advita Charges for 11-11-19	26.69
11/11/2019	LN	36027.00002 Lexis Charges for 11-11-19	181.92
11/11/2019	RE	(1 @0.10 PER PG)	0.10
11/11/2019	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
11/11/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
11/11/2019	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
11/11/2019	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
11/11/2019	RE2	SCAN/COPY (87 @0.10 PER PG)	8.70
11/11/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40

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11/11/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
11/11/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
11/11/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
11/11/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
11/11/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
11/11/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
11/11/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
11/11/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
11/11/2019	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
11/11/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
11/11/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/11/2019	RE2	SCAN/COPY (114 @0.10 PER PG)	11.40
11/11/2019	RE2	SCAN/COPY (210 @0.10 PER PG)	21.00
11/11/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
11/11/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
11/11/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
11/11/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/11/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40

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11/12/2019	AT	Auto Travel Expense [E109] NYC Taxi, GVD	30.38
11/12/2019	BM	Business Meal [E111] Seamless,Tenzan, Working Meal, IDS	77.89
11/12/2019	BM	Business Meal [E111] Just Salad, Working Meal, GVD	14.35
11/12/2019	FE	36027.00002 FedEx Charges for 11-12-19	16.18
11/12/2019	FE	36027.00002 FedEx Charges for 11-12-19	16.18
11/12/2019	FE	36027.00002 FedEx Charges for 11-12-19	11.84
11/12/2019	FE	36027.00002 FedEx Charges for 11-12-19	15.11
11/12/2019	FE	36027.00002 FedEx Charges for 11-12-19	9.94
11/12/2019	FE	36027.00002 FedEx Charges for 11-12-19	9.94
11/12/2019	FE	36027.00002 FedEx Charges for 11-12-19	9.94
11/12/2019	FE	36027.00002 FedEx Charges for 11-12-19	16.18
11/12/2019	FE	36027.00002 FedEx Charges for 11-12-19	16.18
11/12/2019	FE	36027.00002 FedEx Charges for 11-12-19	16.18
11/12/2019	FE	36027.00002 FedEx Charges for 11-12-19	16.18
11/12/2019	FE	36027.00002 FedEx Charges for 11-12-19	16.56
11/12/2019	FE	36027.00002 FedEx Charges for 11-12-19	16.18
11/12/2019	FE	36027.00002 FedEx Charges for 11-12-19	9.94

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11/12/2019	FE	36027.00002 FedEx Charges for 11-12-19	9.94
11/12/2019	LN	36027.00002 Lexis Charges for 11-12-19	17.46
11/12/2019	RE	(18 @0.10 PER PG)	1.80
11/12/2019	RE	(2 @0.10 PER PG)	0.20
11/12/2019	RE	(90 @0.10 PER PG)	9.00
11/12/2019	RE	(54 @0.10 PER PG)	5.40
11/12/2019	RE	(29 @0.10 PER PG)	2.90
11/12/2019	RE	(448 @0.10 PER PG)	44.80
11/12/2019	RE	(77 @0.10 PER PG)	7.70
11/12/2019	RE	(1 @0.10 PER PG)	0.10
11/12/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
11/12/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/12/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
11/12/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
11/12/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/12/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
11/12/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
11/12/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90

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11/12/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/12/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/12/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/12/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/12/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
11/12/2019	RE2	SCAN/COPY (35 @0.10 PER PG)	3.50
11/12/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/12/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
11/13/2019	RE	(6 @0.10 PER PG)	0.60
11/13/2019	RE	(372 @0.10 PER PG)	37.20
11/13/2019	RE	(1619 @0.10 PER PG)	161.90
11/13/2019	RE	(18 @0.10 PER PG)	1.80
11/13/2019	RE	(1119 @0.10 PER PG)	111.90
11/13/2019	RE	(84 @0.10 PER PG)	8.40
11/13/2019	RE	(1 @0.10 PER PG)	0.10
11/13/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
11/13/2019	RE2	SCAN/COPY (97 @0.10 PER PG)	9.70
11/13/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70

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11/13/2019	RE2	SCAN/COPY (97 @0.10 PER PG)	9.70
11/13/2019	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
11/13/2019	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
11/13/2019	RE2	SCAN/COPY (94 @0.10 PER PG)	9.40
11/13/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
11/13/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
11/13/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/13/2019	RE2	SCAN/COPY (94 @0.10)	9.40
11/13/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/13/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/13/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
11/13/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
11/13/2019	RE2	SCAN/COPY (39 @0.10 PER PG)	3.90
11/13/2019	RE2	SCAN/COPY (81 @0.10 PER PG)	8.10
11/13/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/13/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/13/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/13/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30

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11/13/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
11/13/2019	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
11/13/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/13/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/13/2019	RE2	SCAN/COPY (291 @0.10 PER PG)	29.10
11/13/2019	RE2	SCAN/COPY (81 @0.10 PER PG)	8.10
11/13/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/13/2019	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
11/13/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
11/13/2019	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
11/13/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/13/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/13/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/13/2019	RE2	SCAN/COPY (54 @0.10 PER PG)	5.40
11/13/2019	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80
11/13/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/13/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
11/13/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70

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11/13/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
11/13/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/13/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
11/13/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
11/13/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/13/2019	RE2	SCAN/COPY (144 @0.10 PER PG)	14.40
11/13/2019	RE2	SCAN/COPY (162 @0.10 PER PG)	16.20
11/13/2019	RE2	SCAN/COPY (93 @0.10 PER PG)	9.30
11/13/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
11/13/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
11/13/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/13/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
11/13/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
11/13/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
11/13/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
11/13/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
11/13/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/13/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00

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11/13/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/13/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
11/13/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/13/2019	RE2	SCAN/COPY (42 @0.10 PER PG)	4.20
11/13/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/13/2019	RE2	SCAN/COPY (81 @0.10 PER PG)	8.10
11/13/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
11/13/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/13/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/13/2019	RE2	SCAN/COPY (84 @0.10 PER PG)	8.40
11/13/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/13/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/13/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/13/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
11/13/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/13/2019	RE2	SCAN/COPY (171 @0.10 PER PG)	17.10
11/13/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/13/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80

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11/13/2019	RE2	SCAN/COPY (57 @0.10 PER PG)	5.70
11/13/2019	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80
11/13/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
11/13/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/13/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/13/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/13/2019	RE2	SCAN/COPY (162 @0.10 PER PG)	16.20
11/13/2019	RE2	SCAN/COPY (52 @0.10 PER PG)	5.20
11/13/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
11/13/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/13/2019	RE2	SCAN/COPY (162 @0.10 PER PG)	16.20
11/13/2019	RE2	SCAN/COPY (188 @0.10 PER PG)	18.80
11/13/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
11/13/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
11/13/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/13/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
11/13/2019	RE2	SCAN/COPY (1170 @0.10 PER PG)	117.00
11/14/2019	DC	36027.00002 Advita Charges for 11-14-19	7.50

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11/14/2019	RE	(46 @0.10 PER PG)	4.60
11/14/2019	RE	(2100 @0.10 PER PG)	210.00
11/14/2019	RE	(102 @0.10 PER PG)	10.20
11/14/2019	RE	(4 @0.10 PER PG)	0.40
11/14/2019	RE	(1185 @0.10 PER PG)	118.50
11/14/2019	RE2	SCAN/COPY (105 @0.10 PER PG)	10.50
11/14/2019	RE2	SCAN/COPY (291 @0.10 PER PG)	29.10
11/14/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/14/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/14/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/14/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/14/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/14/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/14/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/14/2019	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
11/14/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/14/2019	RE2	SCAN/COPY (45 @0.10 PER PG)	4.50
11/14/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90

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11/14/2019	RE2	SCAN/COPY (39 @0.10 PER PG)	3.90
11/14/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
11/14/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/14/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/14/2019	RE2	SCAN/COPY (54 @0.10 PER PG)	5.40
11/14/2019	RE2	SCAN/COPY (81 @0.10 PER PG)	8.10
11/14/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
11/14/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/14/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/14/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/14/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/14/2019	RE2	SCAN/COPY (84 @0.10 PER PG)	8.40
11/14/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
11/14/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/14/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/14/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/14/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
11/14/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00

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11/14/2019	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
11/14/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/14/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/14/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
11/14/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
11/14/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/14/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/14/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/14/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/14/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/14/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/14/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/14/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
11/14/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/14/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/14/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
11/14/2019	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
11/14/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80

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11/14/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
11/14/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/14/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/14/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/14/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
11/14/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/14/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/14/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/14/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/14/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/14/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
11/14/2019	RE2	SCAN/COPY (45 @0.10 PER PG)	4.50
11/14/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/14/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
11/14/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/14/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
11/14/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/14/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20

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11/15/2019	AF	Air Fare [E110] American Airlines, Tkt. 0012389096929, from LAX to JFK, JFK, to LAX, JNP	1,727.00
11/15/2019	DC	36027.00002 Advita Charges for 11-15-19	7.50
11/15/2019	DC	36027.00002 Advita Charges for 11-15-19	112.50
11/15/2019	FE	36027.00002 FedEx Charges for 11-15-19	16.18
11/15/2019	FE	36027.00002 FedEx Charges for 11-15-19	16.18
11/15/2019	FE	36027.00002 FedEx Charges for 11-15-19	11.84
11/15/2019	FE	36027.00002 FedEx Charges for 11-15-19	15.11
11/15/2019	FE	36027.00002 FedEx Charges for 11-15-19	9.94
11/15/2019	FE	36027.00002 FedEx Charges for 11-15-19	9.94
11/15/2019	FE	36027.00002 FedEx Charges for 11-15-19	9.94
11/15/2019	FE	36027.00002 FedEx Charges for 11-15-19	16.18
11/15/2019	FE	36027.00002 FedEx Charges for 11-15-19	16.18
11/15/2019	FE	36027.00002 FedEx Charges for 11-15-19	16.18
11/15/2019	FE	36027.00002 FedEx Charges for 11-15-19	16.18
11/15/2019	FE	36027.00002 FedEx Charges for 11-15-19	16.56
11/15/2019	FE	36027.00002 FedEx Charges for 11-15-19	16.18
11/15/2019	FE	36027.00002 FedEx Charges for 11-15-19	9.94

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11/15/2019	FE	36027.00002 FedEx Charges for 11-15-19	9.94
11/15/2019	PO	36027.00001 :Postage Charges for 11-15-19	70.40
11/15/2019	RE	(55 @0.10 PER PG)	5.50
11/15/2019	RE	(187 @0.10 PER PG)	18.70
11/15/2019	RE	(14 @0.10 PER PG)	1.40
11/15/2019	RE	(57 @0.10 PER PG)	5.70
11/15/2019	RE	(20 @0.10 PER PG)	2.00
11/15/2019	RE	(1276 @0.10 PER PG)	127.60
11/15/2019	RE	(12 @0.10 PER PG)	1.20
11/15/2019	RE	(6 @0.10 PER PG)	0.60
11/15/2019	RE	(13 @0.10 PER PG)	1.30
11/15/2019	RE2	SCAN/COPY (99 @0.10 PER PG)	9.90
11/15/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/15/2019	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
11/15/2019	RE2	SCAN/COPY (38 @0.10 PER PG)	3.80
11/15/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
11/15/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
11/15/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40

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11/15/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
11/15/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
11/15/2019	RE2	SCAN/COPY (32 @0.10 PER PG)	3.20
11/15/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/15/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/15/2019	TE	Travel Expense [E110] Travel Agency Fee, JAM	50.00
11/16/2019	AF	Air Fare [E110] American Airlines, Tkt. 00174752169664, from PHL to SFO, MBL	1,341.23
11/16/2019	AF	Air Fare [E110] United Airlines, Tkt. 01674752169650, from SFO to PHL, MBL	1,429.30
11/16/2019	TE	Travel Expense [E110] Travel Agency Service Fee, MBL	50.00
11/17/2019	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
11/17/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
11/17/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/18/2019	AF	Air Fare [E110] American Airlines, Tkt. 7475412631, From JFK to LAX, JAM	1,396.79
11/18/2019	BM	Business Meal [E111] 696 Gourment Deli, JAM	17.06
11/18/2019	FE	36027.00002 FedEx Charges for 11-18-19	16.18
11/18/2019	FE	36027.00002 FedEx Charges for 11-18-19	16.18
11/18/2019	FE	36027.00002 FedEx Charges for 11-18-19	11.84

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11/18/2019	FE	36027.00002 FedEx Charges for 11-18-19	15.11
11/18/2019	FE	36027.00002 FedEx Charges for 11-18-19	9.94
11/18/2019	FE	36027.00002 FedEx Charges for 11-18-19	9.94
11/18/2019	FE	36027.00002 FedEx Charges for 11-18-19	9.94
11/18/2019	FE	36027.00002 FedEx Charges for 11-18-19	16.18
11/18/2019	FE	36027.00002 FedEx Charges for 11-18-19	16.18
11/18/2019	FE	36027.00002 FedEx Charges for 11-18-19	16.18
11/18/2019	FE	36027.00002 FedEx Charges for 11-18-19	16.18
11/18/2019	FE	36027.00002 FedEx Charges for 11-18-19	16.18
11/18/2019	FE	36027.00002 FedEx Charges for 11-18-19	16.56
11/18/2019	FE	36027.00002 FedEx Charges for 11-18-19	16.18
11/18/2019	FE	36027.00002 FedEx Charges for 11-18-19	9.94
11/18/2019	FE	36027.00002 FedEx Charges for 11-18-19	9.94
11/18/2019	RE	(68 @0.10 PER PG)	6.80
11/18/2019	RE	(2 @0.10 PER PG)	0.20
11/18/2019	RE	(17 @0.10 PER PG)	1.70
11/18/2019	RE	(153 @0.10 PER PG)	15.30
11/18/2019	RE	(1 @0.10 PER PG)	0.10

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11/18/2019	RE	(18 @0.10 PER PG)	1.80
11/18/2019	RE	(19 @0.10 PER PG)	1.90
11/18/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
11/18/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/18/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
11/18/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
11/18/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
11/18/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
11/18/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
11/19/2019	AF	Air Fare [E110] American Airlines, Tkt. 0012389666643, from LAX to JFK, JFK to LAX, JNP	500.00
11/19/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, JAM	106.86
11/19/2019	AT	Auto Travel Expense [E109] Taxi Service Gardena, JAM	34.02
11/19/2019	BM	Business Meal [E111]Soho Bistro, Working Meal, JAM	24.66
11/19/2019	BM	Business Meal [E111] Hudson - Dunkin, Working Meal, JAM	9.61
11/19/2019	BM	Business Meal [E111] Sushi Hanashi, Working Meal, JAM	57.29
11/19/2019	DC	36027.00002 Advita Charges for 11-19-19	7.50
11/19/2019	LV	Legal Vision Atty/Mess. Service- Inv. 07034, JAM	135.37

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11/19/2019	RE	(1 @0.10 PER PG)	0.10
11/19/2019	RE	(82 @0.10 PER PG)	8.20
11/19/2019	RE2	SCAN/COPY (65 @0.10 PER PG)	6.50
11/19/2019	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
11/19/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
11/19/2019	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80
11/19/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
11/19/2019	RE2	SCAN/COPY (52 @0.10 PER PG)	5.20
11/19/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/19/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
11/19/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/19/2019	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
11/19/2019	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
11/19/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
11/19/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
11/19/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
11/19/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
11/19/2019	TE	Travel Expense [E110] Travel Agency Service Fee, JNP	50.00

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11/20/2019	AF	Air Fare [E110] American Airlines, Tkt. 4745412632, From LAX to DFW, JAM	434.49
11/20/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, JAM	14.84
11/20/2019	BM	Business Meal [E111] Seamless, Guy Gallardii, Working Meal, GVD	18.23
11/20/2019	HT	Hotel Expense [E110] Intercontinental, 11/19/19-11/20/19, 1 night, JAM	443.78
11/20/2019	RE	(1 @0.10 PER PG)	0.10
11/20/2019	RE	(1 @0.10 PER PG)	0.10
11/20/2019	RE	(1 @0.10 PER PG)	0.10
11/20/2019	RE	(3 @0.10 PER PG)	0.30
11/20/2019	RE	(9 @0.10 PER PG)	0.90
11/20/2019	RE	(2457 @0.10 PER PG)	245.70
11/20/2019	RE	(10 @0.10 PER PG)	1.00
11/20/2019	RE	(1 @0.10 PER PG)	0.10
11/20/2019	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
11/20/2019	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
11/20/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/20/2019	RE2	SCAN/COPY (34 @0.10 PER PG)	3.40
11/20/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20

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11/20/2019	RE2	SCAN/COPY (273 @0.10 PER PG)	27.30
11/20/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
11/20/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
11/20/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
11/20/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/20/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
11/20/2019	RE2	SCAN/COPY (130 @0.10 PER PG)	13.00
11/20/2019	RE2	SCAN/COPY (130 @0.10 PER PG)	13.00
11/20/2019	RE2	SCAN/COPY (130 @0.10 PER PG)	13.00
11/21/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, JAM	60.34
11/21/2019	AT	Auto Travel Expense [E109] DFW Cab, JAM	64.39
11/21/2019	BM	Business Meal [E111] Seamless, Guy Gallardii, Working Meal, GVD	14.70
11/21/2019	BM	Business Meal [E111] LAX Essentials, Working Meal, JAM	14.67
11/21/2019	CC	Conference Call [E105] CourtCall Debit Ledger for 11/01/2019 through 11/30/2019, JEO	30.00
11/21/2019	CC	Conference Call [E105] CourtCall Debit Ledger for 11/01/2019 through 11/30/2019, JAM	30.00
11/21/2019	HT	Hotel Expense [E110] Intercontinental, 11/20/19-11/21/19, 1 night, JAM	698.31

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11/21/2019	LN	36027.00002 Lexis Charges for 11-21-19	90.96
11/21/2019	RE	(15 @0.10 PER PG)	1.50
11/21/2019	RE	(4 @0.10 PER PG)	0.40
11/21/2019	RE	(1 @0.10 PER PG)	0.10
11/21/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
11/21/2019	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
11/21/2019	RE2	SCAN/COPY (54 @0.10 PER PG)	5.40
11/21/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/21/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/21/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/21/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
11/21/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
11/21/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/21/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/21/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
11/21/2019	TE	Travel Expense [E110] Amtrak, Tkt. 3240720566560, from New York to Wilmington round trip, GVD	412.00
11/22/2019	AT	Auto Travel Expense [E109] NYC Taxi, GVD	32.25
11/22/2019	AT	Auto Travel Expense [E109] Meku Transportation, JAM	17.25

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11/22/2019	DC	36027.00002 Advita Charges for 11-22-19	7.50
11/22/2019	FE	36027.00002 FedEx Charges for 11-22-19	16.18
11/22/2019	FE	36027.00002 FedEx Charges for 11-22-19	16.18
11/22/2019	FE	36027.00002 FedEx Charges for 11-22-19	11.84
11/22/2019	FE	36027.00002 FedEx Charges for 11-22-19	15.11
11/22/2019	FE	36027.00002 FedEx Charges for 11-22-19	9.94
11/22/2019	FE	36027.00002 FedEx Charges for 11-22-19	9.94
11/22/2019	FE	36027.00002 FedEx Charges for 11-22-19	9.94
11/22/2019	FE	36027.00002 FedEx Charges for 11-22-19	16.18
11/22/2019	FE	36027.00002 FedEx Charges for 11-22-19	16.18
11/22/2019	FE	36027.00002 FedEx Charges for 11-22-19	16.18
11/22/2019	FE	36027.00002 FedEx Charges for 11-22-19	16.18
11/22/2019	FE	36027.00002 FedEx Charges for 11-22-19	16.18
11/22/2019	FE	36027.00002 FedEx Charges for 11-22-19	16.56
11/22/2019	FE	36027.00002 FedEx Charges for 11-22-19	16.18
11/22/2019	FE	36027.00002 FedEx Charges for 11-22-19	9.94
11/22/2019	FE	36027.00002 FedEx Charges for 11-22-19	9.94
11/22/2019	LN	36027.00002 Lexis Charges for 11-22-19	254.69

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11/22/2019	LN	36027.00002 Lexis Charges for 11-22-19	109.16
11/22/2019	RE	(7 @0.10 PER PG)	0.70
11/22/2019	RE	(20 @0.10 PER PG)	2.00
11/22/2019	RE	(27 @0.10 PER PG)	2.70
11/22/2019	RE	(10 @0.10 PER PG)	1.00
11/22/2019	RE	(320 @0.10 PER PG)	32.00
11/22/2019	RE	(1 @0.10 PER PG)	0.10
11/22/2019	RE	(1 @0.10 PER PG)	0.10
11/22/2019	RE	(990 @0.10 PER PG)	99.00
11/22/2019	RE	(4505 @0.10 PER PG)	450.50
11/22/2019	RE	(850 @0.10 PER PG)	85.00
11/22/2019	RE	(2 @0.10 PER PG)	0.20
11/22/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
11/22/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
11/22/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
11/22/2019	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
11/22/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
11/22/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70

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11/22/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/22/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
11/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
11/22/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/22/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
11/22/2019	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80
11/22/2019	RE2	SCAN/COPY (94 @0.10 PER PG)	9.40
11/22/2019	RE2	SCAN/COPY (162 @0.10 PER PG)	16.20
11/22/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
11/22/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/22/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
11/22/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
11/22/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/22/2019	RE2	SCAN/COPY (265 @0.10 PER PG)	26.50
11/22/2019	RE2	SCAN/COPY (265 @0.10 PER PG)	26.50
11/22/2019	RE2	SCAN/COPY (162 @0.10 PER PG)	16.20
11/22/2019	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80
11/22/2019	RE2	SCAN/COPY (159 @0.10 PER PG)	15.90

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11/22/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/22/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
11/22/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
11/22/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
11/22/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
11/22/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/22/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/22/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
11/22/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
11/22/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
11/22/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/22/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/22/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
11/22/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
11/22/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
11/22/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/22/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60

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11/22/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
11/22/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
11/22/2019	RE2	SCAN/COPY (94 @0.10 PER PG)	9.40
11/22/2019	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
11/22/2019	RE2	SCAN/COPY (162 @0.10 PER PG)	16.20
11/22/2019	RE2	SCAN/COPY (46 @0.10 PER PG)	4.60
11/22/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
11/22/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
11/22/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
11/22/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
11/22/2019	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
11/22/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
11/22/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
11/22/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
11/22/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/22/2019	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
11/22/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
11/22/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50

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11/22/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/22/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
11/22/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
11/22/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/22/2019	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
11/22/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/22/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
11/22/2019	RE2	SCAN/COPY (99 @0.10 PER PG)	9.90
11/22/2019	RE2	SCAN/COPY (224 @0.10 PER PG)	22.40
11/22/2019	RE2	SCAN/COPY (92 @0.10 PER PG)	9.20
11/22/2019	RE2	SCAN/COPY (76 @0.10 PER PG)	7.60
11/22/2019	RE2	SCAN/COPY (530 @0.10 PER PG)	53.00
11/22/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
11/22/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
11/22/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
11/22/2019	RE2	SCAN/COPY (92 @0.10 PER PG)	9.20
11/22/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
11/22/2019	TE	Travel Expense [E110]	50.00

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11/23/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, JAM	57.25
11/23/2019	BM	Business Meal [E111] The Italian Kitchen, Working Meal, JAM	36.00
11/23/2019	HT	Hotel Expense [E110] The Fairmont, 11/20/19-11/22/19, 2 nights, JAM	852.54
11/23/2019	LN	36027.00002 Lexis Charges for 11-23-19	36.39
11/24/2019	AF	Air Fare [E110] American Airlines, Tkt. 7477955082, From LGA to DFW, JAM	1,070.00
11/25/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, JAM	56.76
11/25/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, JAM	36.38
11/25/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, JAM	8.79
11/25/2019	BM	Business Meal [E111] Five Guys, Working Meal, JAM	14.45
11/25/2019	DC	36027.00002 Advita Charges for 11-25-19	125.00
11/25/2019	LN	36027.00002 Lexis Charges for 11-25-19	18.19
11/25/2019	RE	(20 @0.10 PER PG)	2.00
11/25/2019	RE	(600 @0.10 PER PG)	60.00
11/25/2019	RE	(2 @0.10 PER PG)	0.20
11/25/2019	RE	(106 @0.10 PER PG)	10.60
11/25/2019	RE	(308 @0.10 PER PG)	30.80

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11/25/2019	RE	(147 @0.10 PER PG)	14.70
11/25/2019	RE	(27 @0.10 PER PG)	2.70
11/25/2019	RE	(31 @0.10 PER PG)	3.10
11/25/2019	RE	(57 @0.10 PER PG)	5.70
11/25/2019	RE	(32 @0.10 PER PG)	3.20
11/25/2019	RE	(7 @0.10 PER PG)	0.70
11/25/2019	RE2	SCAN/COPY (46 @0.10 PER PG)	4.60
11/25/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
11/25/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
11/25/2019	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
11/25/2019	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
11/25/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/25/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
11/25/2019	RE2	SCAN/COPY (88 @0.10 PER PG)	8.80
11/25/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
11/25/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
11/25/2019	RE2	SCAN/COPY (265 @0.10 PER PG)	26.50
11/25/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60

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11/25/2019	RE2	SCAN/COPY (46 @0.10 PER PG)	4.60
11/25/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/25/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
11/25/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/25/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
11/26/2019	DC	36027.00002 Advita Charges for 11-26-19	7.50
11/26/2019	DC	36027.00002 Advita Charges for 11-26-19	31.75
11/26/2019	DC	36027.00002 Advita Charges for 11-26-19	7.50
11/26/2019	FE	36027.00002 FedEx Charges for 11-26-19	16.18
11/26/2019	FE	36027.00002 FedEx Charges for 11-26-19	16.18
11/26/2019	FE	36027.00002 FedEx Charges for 11-26-19	11.84
11/26/2019	FE	36027.00002 FedEx Charges for 11-26-19	15.11
11/26/2019	FE	36027.00002 FedEx Charges for 11-26-19	9.94
11/26/2019	FE	36027.00002 FedEx Charges for 11-26-19	9.94
11/26/2019	FE	36027.00002 FedEx Charges for 11-26-19	9.94
11/26/2019	FE	36027.00002 FedEx Charges for 11-26-19	16.18
11/26/2019	FE	36027.00002 FedEx Charges for 11-26-19	16.18
11/26/2019	FE	36027.00002 FedEx Charges for 11-26-19	16.18

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11/26/2019	FE	36027.00002 FedEx Charges for 11-26-19	16.18
11/26/2019	FE	36027.00002 FedEx Charges for 11-26-19	16.18
11/26/2019	FE	36027.00002 FedEx Charges for 11-26-19	16.56
11/26/2019	FE	36027.00002 FedEx Charges for 11-26-19	16.18
11/26/2019	FE	36027.00002 FedEx Charges for 11-26-19	9.94
11/26/2019	FE	36027.00002 FedEx Charges for 11-26-19	9.94
11/26/2019	RE	(87 @0.10 PER PG)	8.70
11/26/2019	RE	(31 @0.10 PER PG)	3.10
11/26/2019	RE	(18 @0.10 PER PG)	1.80
11/26/2019	RE	(2 @0.10 PER PG)	0.20
11/26/2019	RE	(2705 @0.10 PER PG)	270.50
11/26/2019	RE	(2940 @0.10 PER PG)	294.00
11/26/2019	RE	(2 @0.10 PER PG)	0.20
11/26/2019	RE	(54 @0.10 PER PG)	5.40
11/26/2019	RE	(1 @0.10 PER PG)	0.10
11/26/2019	RE	(170 @0.10 PER PG)	17.00
11/26/2019	RE	(13 @0.10 PER PG)	1.30
11/26/2019	RE	(765 @0.10 PER PG)	76.50

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11/26/2019	RE	(7 @0.10 PER PG)	0.70
11/26/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
11/26/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
11/26/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/26/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
11/26/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
11/26/2019	RE2	SCAN/COPY (39 @0.10 PER PG)	3.90
11/26/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
11/26/2019	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
11/26/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
11/26/2019	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
11/26/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/26/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
11/26/2019	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
11/26/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
11/26/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
11/26/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/26/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20

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11/26/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/26/2019	RE2	SCAN/COPY (39 @0.10 PER PG)	3.90
11/26/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
11/26/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
11/26/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
11/26/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
11/26/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
11/26/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
11/27/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, JAM	39.20
11/27/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, JAM	81.31
11/27/2019	BM	Business Meal [E111] The Italian Kitchen, Working Meal, JAM	19.00
11/27/2019	DC	36027.00002 Advita Charges for 11-27-19	15.00
11/27/2019	DC	36027.00002 Advita Charges for 11-27-19	30.00
11/27/2019	HT	Hotel Expense [E110] The Ritz Carlton, 11/24/19-11/26/19, 2 nights, JAM	828.90
11/27/2019	RE	(43 @0.10 PER PG)	4.30
11/27/2019	RE	(108 @0.10 PER PG)	10.80
11/27/2019	RE	(170 @0.10 PER PG)	17.00

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11/27/2019	RE	(2 @0.10 PER PG)	0.20
11/27/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
11/27/2019	RE2	SCAN/COPY (79 @0.10 PER PG)	7.90
11/27/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/27/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
11/27/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
11/27/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
11/27/2019	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
11/27/2019	RE2	SCAN/COPY (85 @0.10 PER PG)	8.50
11/27/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/27/2019	RE2	SCAN/COPY (66 @0.10 PER PG)	6.60
11/27/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
11/27/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
11/27/2019	RE2	SCAN/COPY (79 @0.10 PER PG)	7.90
11/27/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/27/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
11/27/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
11/27/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40

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11/27/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
11/27/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
11/28/2019	TE	Travel Expense [E110] Amtrak, Tkt. 3310692542095, from New York to Wilmington, JAM	412.00
11/29/2019	OS	File & ServExpress, Inv. 201911066501201, CRR	50.00
11/30/2019	PAC	Pacer - Court Research	940.10
Total Expenses for this Matter			\$26,317.71

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REMITTANCE ADVICE

Please include this Remittance with your payment

For current services rendered through: 11/30/2019

Total Fees \$798,767.50

Total Expenses 26,317.71

Total Due on Current Invoice \$825,085.21

Outstanding Balance from prior invoices as of 11/30/2019 (May not include recent payments)

<u>A/R Bill Number</u>	<u>Invoice Date</u>	<u>Fees Billed</u>	<u>Expenses Billed</u>	<u>Balance Due</u>
123595	10/31/2019	\$383,583.75	\$9,958.84	\$393,542.59

Total Amount Due on Current and Prior Invoices: \$1,218,627.80

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Pachulski Stang Ziehl & Jones LLP

10100 Santa Monica Blvd.
13th Floor
Los Angeles, CA 90067

December 31, 2019

Invoice 124074

Client 36027

Matter 00002

JNP

Board of Directors
Highland Capital Management LP
300 Crescent Court ste. 700
Dallas, TX 75201

RE: Postpetition

STATEMENT OF PROFESSIONAL SERVICES RENDERED THROUGH 12/31/2019

FEES	\$589,730.75
EXPENSES	\$26,226.80
TOTAL CURRENT CHARGES	\$615,957.55
BALANCE FORWARD	\$1,218,627.80
LAST PAYMENT	\$982,157.55
TOTAL BALANCE DUE	\$852,427.80

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Summary of Services by Professional

<u>ID</u>	<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
BMK	Koveleski, Beatrice M.	Case Man. Asst.	325.00	3.80	\$1,235.00
CRR	Robinson, Colin R.	Counsel	795.00	2.60	\$2,067.00
DJB	Barton, David J.	Partner	1145.00	3.60	\$4,122.00
GVD	Demo, Gregory Vincent	Counsel	397.50	5.20	\$2,067.00
GVD	Demo, Gregory Vincent	Counsel	795.00	140.90	\$112,015.50
IDK	Kharasch, Ira D.	Partner	512.50	22.70	\$11,633.75
IDK	Kharasch, Ira D.	Partner	1095.00	110.10	\$120,559.50
JAM	Morris, John A.	Partner	512.50	3.50	\$1,793.75
JAM	Morris, John A.	Partner	1025.00	56.30	\$57,707.50
JEO	O'Neill, James E.	Partner	895.00	53.00	\$47,435.00
JKK	Kim, Jonathan J.	Counsel	850.00	10.70	\$9,095.00
JMF	Fried, Joshua M.	Partner	895.00	6.30	\$5,638.50
JNP	Pomerantz, Jeffrey N.	Partner	512.50	30.20	\$15,477.50
JNP	Pomerantz, Jeffrey N.	Partner	1025.00	106.40	\$109,060.00
KKY	Yee, Karina K.	Paralegal	395.00	16.00	\$6,320.00
LSC	Canty, La Asia S.	Paralegal	395.00	32.00	\$12,640.00
MBL	Litvak, Maxim B.	Partner	462.50	11.50	\$5,318.75
MBL	Litvak, Maxim B.	Partner	925.00	52.20	\$48,285.00
PJJ	Jeffries, Patricia J.	Paralegal	395.00	14.50	\$5,727.50
SLP	Pitman, L. Sheryle	Case Man. Asst.	325.00	7.00	\$2,275.00
SWG	Golden, Steven W.	Associate	575.00	16.10	\$9,257.50
				<hr/> 704.60	<hr/> \$589,730.75

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Summary of Services by Task Code

<u>Task Code</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
AA	Asset Analysis/Recovery[B120]	23.20	\$18,634.00
AP	Appeals [B430]	11.40	\$10,118.00
BL	Bankruptcy Litigation [L430]	252.10	\$227,123.00
CA	Case Administration [B110]	36.20	\$18,147.00
CO	Claims Admin/Objections[B310]	2.10	\$1,911.50
CP	Compensation Prof. [B160]	8.60	\$4,531.00
CPO	Comp. of Prof./Others	0.30	\$181.50
EB	Employee Benefit/Pension-B220	10.70	\$10,285.50
FF	Financial Filings [B110]	46.00	\$39,094.00
GB	General Business Advice [B410]	194.40	\$187,226.00
GC	General Creditors Comm. [B150]	0.40	\$410.00
MC	Meeting of Creditors [B150]	1.70	\$1,587.50
OP	Operations [B210]	17.50	\$12,886.50
RPO	Ret. of Prof./Other	20.10	\$15,185.50
SL	Stay Litigation [B140]	6.80	\$6,119.00
TR	Travel	73.10	\$36,290.75
		704.60	<hr/> \$589,730.75

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Summary of Expenses

<u>Description</u>	<u>Amount</u>
Air Fare [E110]	\$6,366.98
Airport Parking	\$90.00
Auto Travel Expense [E109]	\$2,190.89
Working Meals [E111]	\$1,524.91
Conference Call [E105]	\$268.30
Delivery/Courier Service	\$847.60
Federal Express [E108]	\$222.65
Hotel Expense [E110]	\$2,784.76
Lexis/Nexis- Legal Research [E	\$1,185.48
Reproduction Expense [E101]	\$46.20
Reproduction/ Scan Copy	\$692.80
Travel Expense [E110]	\$403.23
Transcript [E116]	\$9,603.00
	<hr/>
	\$26,226.80

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Asset Analysis/Recovery[B120]						
12/02/2019	IDK	AA	Review of SE Multi Family proposed transaction and consider various issues (.5); E-mail to CRO, others re my questions on same (.3).	0.80	1095.00	\$876.00
12/03/2019	IDK	AA	Telephone conference and E-mails with client group re status of RCP transaction and its request for call, and coordination (.2); Attend conference call with client group re same (.5); Review of correspondence with CRO and client re result of call and info needed to get to Committee (.1).	0.80	1095.00	\$876.00
12/03/2019	IDK	AA	Review of correspondence with CRO, others on proposed SE Multi Family transaction and questions (.1); E-mails with CRO re D&O insurance issues/concerns and timing, and need for other quotes (.2).	0.30	1095.00	\$328.50
12/03/2019	JNP	AA	Conference with T. Surgent, T. Cournoyer and Ira D. Kharasch regarding status of RCP.	0.50	1025.00	\$512.50
12/03/2019	GVD	AA	Review materials re SE Multi Family in advance of call	0.10	795.00	\$79.50
12/03/2019	GVD	AA	Conference with HCMLP and F. Caruso re SEMF	1.00	795.00	\$795.00
12/04/2019	IDK	AA	E-mails with CRO and G. Demo re status on SE Family fund and FTI (.2).	0.20	1095.00	\$219.00
12/04/2019	GVD	AA	Review issues for SE Multi Family	0.90	795.00	\$715.50
12/06/2019	JNP	AA	Emails regarding Management Advisory Agreement; Conference with B. Sharp regarding same.	0.20	1025.00	\$205.00
12/09/2019	IDK	AA	E-mails with CRO re issues on liquidation of Argentina fund and its expenses, as well as update on SE Family, and consider issues/questions (.3); E-mails with client re need for call on RCP (.1); Attend conference call with client re same (.4); E-mails with client on issues on SE Family and Baker McKenzie questions (.1); E-mails with G. Demo on SE Family and questions and need for call (.2); Telephone conference with G. Demo re SE Family and issues (.1).	1.20	1095.00	\$1,314.00
12/09/2019	IDK	AA	Email client re NexPoint repayment of note.	0.10	1095.00	\$109.50
12/09/2019	JNP	AA	Conference with client and Ira D. Kharasch regarding RCP transaction.	0.40	1025.00	\$410.00
12/09/2019	GVD	AA	Conference with F. Caruso re status of SE Multi Family transactions	0.20	795.00	\$159.00
12/09/2019	GVD	AA	Review additional analysis of SE Multi Family from	0.20	795.00	\$159.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			F. Caruso			
12/09/2019	GVD	AA	Conference with F. Caruso re SE Multi Family and status of bankruptcy schedules	0.10	795.00	\$79.50
12/09/2019	GVD	AA	Conference with I. Kharasch re SE Multi Family and next steps	0.10	795.00	\$79.50
12/09/2019	GVD	AA	Attend to additional matters re SE Multi Family	0.50	795.00	\$397.50
12/10/2019	GVD	AA	Conference with Baker McKenzie re SE Multi Family	0.10	795.00	\$79.50
12/11/2019	GVD	AA	Correspondence with F. Caruso re KeyBank loan	0.10	795.00	\$79.50
12/11/2019	GVD	AA	Conference with M. Litvak and F. Caruso re Maxim prime brokerage account	0.40	795.00	\$318.00
12/12/2019	IDK	AA	E-mails to CRO and F. Caruso, others re Petrocap capital calls, related budget and authorization (.2); Review of various correspondence between CRO and FTI re margin call trades today and trade details (.2).	0.40	1095.00	\$438.00
12/12/2019	IDK	AA	E-mails to attorneys re Baker McKenzie request for our sign off on SE Multi transaction issues and our response to same.	0.20	1095.00	\$219.00
12/12/2019	GVD	AA	Correspondence with Baker McKenzie re SE Multi Family	0.40	795.00	\$318.00
12/16/2019	GVD	AA	Review Jefferies prime brokerage agreement re rights on default	0.40	795.00	\$318.00
12/16/2019	GVD	AA	Conference with J. Davidson re Jefferies prime brokerage account and collateral sales	0.50	795.00	\$397.50
12/16/2019	GVD	AA	Correspondence with J. Pomerantz and I. Kharasch re Jefferies rights under prime brokerage account	0.40	795.00	\$318.00
12/17/2019	IDK	AA	E-mails to attorneys re potential revival of RCP deal (.1).	0.10	1095.00	\$109.50
12/17/2019	GVD	AA	Correspondence with FTI and Sidley re rights under Jefferies prime brokerage account	0.20	795.00	\$159.00
12/17/2019	GVD	AA	Conference with I. Leventon re Restoration Capital; follow up correspondence with J. Pomerantz and I. Kharasch re same	0.40	795.00	\$318.00
12/18/2019	IDK	AA	E-mails to CRO, G. Demo re client issues on SE Multi Family fund and concerns.	0.20	1095.00	\$219.00
12/19/2019	IDK	AA	Telephone conference and E-mails to G. Demo re SE Multi Family and legal and business issues to be addressed and consider same.	0.30	1095.00	\$328.50
12/19/2019	SWG	AA	Research re: provisions of subsidiary operating	3.40	575.00	\$1,955.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			agreement and application of DE law thereto.			
12/20/2019	IDK	AA	E-mails to G. Demo and CRO re further info on SE Family Fund issues and governance issues re same (.3); E-mail to CRO re PetroCap and related correspondence with FTI on cap call, as well as with Argentina/Dynamic liquidation and FTI (.2).	0.50	1095.00	\$547.50
12/20/2019	SWG	AA	Draft/edit lengthy email summarizing findings re: SE Management.	2.70	575.00	\$1,552.50
12/20/2019	GVD	AA	Review and revise memorandum on SE Multi Family	0.20	795.00	\$159.00
12/20/2019	GVD	AA	Review back up financials re status of SE Multi Family	0.30	795.00	\$238.50
12/20/2019	GVD	AA	Conference with F. Caruso and B. Sharp re status of SE Multit Family and next steps	0.30	795.00	\$238.50
12/21/2019	GVD	AA	Conference with F. Caruso re SE Multifamily and Eagle Equity and next steps	0.40	795.00	\$318.00
12/25/2019	SWG	AA	Research/drafting for settlement motion	2.20	575.00	\$1,265.00
12/26/2019	IDK	AA	Review of various correspondence from DSI re status of impending events in SEMF fund, and how it fits in protocols, including feedback from others, and FTI feedback (.3); review of DSI memo to Committee re same (.1).	0.40	1095.00	\$438.00
12/26/2019	JNP	AA	Review emails regarding SE family issues.	0.10	1025.00	\$102.50
12/26/2019	GVD	AA	Review revise memo re SE Multifamily; attend to issues re same	0.60	795.00	\$477.00
12/26/2019	GVD	AA	Conference with J. Pomerantz re SE Multi Family	0.10	795.00	\$79.50
12/31/2019	IDK	AA	Review of DSI correspondence re Argentina fund liquidation status, as well as its memo on proposed sale and use of IB for various life settlement policies in Multi Strat.	0.30	1095.00	\$328.50
				23.20		\$18,634.00

Appeals [B430]

12/01/2019	JEO	AP	Research precedent for Motions for Stay Pending Appeal	0.70	895.00	\$626.50
12/03/2019	JNP	AP	Emails regarding appeal issues and call with Ira D. Kharasch regarding same.	0.10	1025.00	\$102.50
12/03/2019	JNP	AP	Internal call regarding appellate issues and strategy; Follow-up call with Ira D. Kharasch regarding same.	0.40	1025.00	\$410.00
12/03/2019	MBL	AP	Review notice of appeal and motion for leave to	0.90	925.00	\$832.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			appeal.			
12/03/2019	JEO	AP	Research and draft motion for leave to appeal, notice of appeal re Venue transfer motion.	5.00	895.00	\$4,475.00
12/03/2019	JAM	AP	Review memo on post-venue decision options (.4); review e-mails on post-venue decision issues (.3); telephone conference with J. Pomerantz re status, corporate governance (.1); review e-mails re possible appeal (.3).	1.10	1025.00	\$1,127.50
12/03/2019	GVD	AP	Research issues re appellate jurisdiction	1.80	795.00	\$1,431.00
12/03/2019	GVD	AP	Conference with PSZJ working group re potential for appeal and next steps	0.70	795.00	\$556.50
12/03/2019	GVD	AP	Review precedent re stay pending appeal	0.20	795.00	\$159.00
12/03/2019	GVD	AP	Draft motion for stay pending appeal	0.50	795.00	\$397.50
				11.40		\$10,118.00

Bankruptcy Litigation [L430]

12/01/2019	IDK	BL	Prep for tomorrow's trial and for taking lead on oral argument tomorrow on closing arguments for ordinary course protocols and retention of CRO, including review of J Morris summaries of his direct anticipated testimony of Waterhouse, CRO and F. Caruso, and my numerous additions to direct testimony summaries as well as for trial DEC/Slides, and extensive meetings with client group, CRO and F. Caruso, and attorneys.	11.50	1095.00	\$12,592.50
12/01/2019	IDK	BL	E-mails with J. Pomerantz re my suggestions on his draft of his venue presentation, including review of same (.4); E-mails with M Litvak re further issues on UST objection to CRO, including review of J Alix protocols (.5); E-mails with M Litvak re our draft of further revised protocols, and his correspondence to Committee re same (.5).	1.40	1095.00	\$1,533.00
12/01/2019	JNP	BL	Conference with B. Sharp regarding preparation for contested hearing on venue, retention and protocols.	2.00	1025.00	\$2,050.00
12/01/2019	JNP	BL	Continue preparing for hearing on venue motion.	5.00	1025.00	\$5,125.00
12/01/2019	JNP	BL	Meeting with team and witnesses and preparation for contested hearings.	3.00	1025.00	\$3,075.00
12/01/2019	MBL	BL	Prep for hearing and review/comment on draft proffers/hearing outlines (3.0); misc. emails with team re same and review applicable pleadings (1.0).	4.00	925.00	\$3,700.00
12/01/2019	MBL	BL	Meet with client and team re hearing and witness prep.	3.50	925.00	\$3,237.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/01/2019	MBL	BL	Revisions to protocols, DSI retention, and cash management orders; coordinate same with client and Committee counsel.	1.00	925.00	\$925.00
12/01/2019	JEO	BL	Preparation for 12/2 hearing	5.00	895.00	\$4,475.00
12/01/2019	JEO	BL	Meet with PSZJ and DSI teams to prepare for 12/2 hearing	5.60	895.00	\$5,012.00
12/01/2019	JAM	BL	Work on Waterhouse direct testimony (3.3); review draft statement on venue and send e-mail to J. Pomerantz concerning the same (0.3); e-mail to F. Waterhouse, I. Levenson, PSZJ team, DSI team re: Waterhouse testimony (0.2); e-mail to B. Sharp, PSZJ team re: Sharp testimony (0.2); revise slide deck for opening statement (1.2); e-mails with UCC and Acis counsel re: exhibits (0.4); e-mail to UCC and Acis counsel concerning sealing and CX 25 (0.3); prepare for trial (9.6).	15.50	1025.00	\$15,887.50
12/01/2019	CRR	BL	Confer with J O'Neill, J Morris re hearing preparation and slides for J Morris presentation and review same, prepare for hearing	0.50	795.00	\$397.50
12/01/2019	GVD	BL	Review correspondence re hearing prep	0.30	795.00	\$238.50
12/01/2019	GVD	BL	Assist in witness preparation	1.80	795.00	\$1,431.00
12/01/2019	GVD	BL	Review additional Acis exhibits	0.30	795.00	\$238.50
12/01/2019	GVD	BL	Revise opening presentation slide deck	0.40	795.00	\$318.00
12/02/2019	IDK	BL	Further prep for hearing today, including meetings with clients, CRO, and comparing new protocols to committee protocols (1.8); Attend hearing on venue, CRO, protocols, other, including meetings at court with clients, others (4.7).	6.50	1095.00	\$7,117.50
12/02/2019	IDK	BL	Attend parts of meetings in office after hearing with client group, CRO, attorneys re result of venue motion and issues of right to appeal same, interlocutory issues re same, and case law, and concerns on Committee draft order re venue same and need for revisions (1.2); E-mails with attorneys and client re draft of memo on appeal research, including review of same, and feedback of others (.3).	1.50	1095.00	\$1,642.50
12/02/2019	IDK	BL	E-mails with Committee counsel re need for call to discuss venue ruling result and next steps (.1); Telephone conference with Committee counsel and J. Pomerantz re same (.2); Office conferences with J. Pomerantz re same and next steps with Dallas (.2); Review of E-mails with client re Committee desire for status conference in Dallas (.1); Office	1.40	1095.00	\$1,533.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			conferences with CRO and J. Pomerantz re result of hearing today and impact on case and next steps (.8).			
12/02/2019	JNP	BL	Prepare for contested hearings.	1.50	1025.00	\$1,537.50
12/02/2019	JNP	BL	Participate in contested hearing.	5.00	1025.00	\$5,125.00
12/02/2019	JNP	BL	Meeting with client and team to consider next steps after contested hearing.	2.00	1025.00	\$2,050.00
12/02/2019	JNP	BL	Conference with Sidley and Ira D. Kharasch regarding next steps with Judge Jernigan.	0.40	1025.00	\$410.00
12/02/2019	JNP	BL	Review memo to client regarding options and emails with team regarding same.	0.70	1025.00	\$717.50
12/02/2019	JNP	BL	Emails with James E. O'Neill regarding next steps.	0.20	1025.00	\$205.00
12/02/2019	KKY	BL	Prepare orders for 12/2/19 hearing	0.20	395.00	\$79.00
12/02/2019	MBL	BL	Meetings with team and client following venue ruling.	1.00	925.00	\$925.00
12/02/2019	MBL	BL	Draft memo to client re venue options and next steps (3.5); research applicable law on venue issues (1.0); emails with team and client re same (0.4).	4.90	925.00	\$4,532.50
12/02/2019	MBL	BL	Prep for hearing with client; witness prep.	2.30	925.00	\$2,127.50
12/02/2019	MBL	BL	Attend hearing on venue issues; pre-trial conference with the court.	4.50	925.00	\$4,162.50
12/02/2019	JEO	BL	Prepare for and attend hearing on Motion to Transfer Venue	8.00	895.00	\$7,160.00
12/02/2019	JAM	BL	Review new Acis Exhibits and send e-mail re: objections (0.5); revise outline of Sharp direct testimony (0.5); revise outline of Caruso direct testimony (0.4); review e-mails on various discovery matters to prepare for evidentiary hearing (0.3); prepare for trial, including meeting with F. Waterhouse (1.8); trial/in court (4.7); post-trial meeting with I. Leventon, PSZJ team and DSI (1.5).	9.70	1025.00	\$9,942.50
12/02/2019	CRR	BL	Attend pre-hearing meeting with courtroom staff re use of courtroom technology and set up, prepare same for J O'Neill, J Morris	1.60	795.00	\$1,272.00
12/02/2019	CRR	BL	Attend second session of hearing re J Morris presentation setup and confer with J O'Neill re same	0.50	795.00	\$397.50
12/02/2019	GVD	BL	Prepare for second day hearing	1.50	795.00	\$1,192.50
12/02/2019	GVD	BL	Attend second day hearing	6.00	795.00	\$4,770.00
12/02/2019	GVD	BL	Draft memo re next steps	3.70	795.00	\$2,941.50
12/03/2019	IDK	BL	Telephone conferences with J. Pomerantz re status given venue ruling and options (.2); Attend part of	1.10	1095.00	\$1,204.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			telephone conference with Dallas court clerk with Committee counsel (.1); Telephone conference with J. Pomerantz re message from Dallas clerk re status conference and logistics, and consider (.2); Attend conference call with client re same and next steps re potential appeal of venue ruling (.3); Telephone conferences with J. Pomerantz and R. Pachulski re same and next steps re potential independent board, venue, appeal (.3).			
12/03/2019	IDK	BL	Numerous E-mails with attorneys re issues and law re appeal of venue ruling, need to draft motion for leave to appeal, and relevant caselaw (.4); Review of E-mails with client, others on our suggested changes to venue order, including brief review of same (.2).	0.60	1095.00	\$657.00
12/03/2019	IDK	BL	Telephone conference with J. Pomerantz re status on appeal and local counsel (.1); E-mails with attorneys re status on appeal papers and need for call (.1); Attend conference call with attorneys re same (.3); Telephone conference with J. Pomerantz re same and next steps re Dallas hearing (.1); Attend conference call with client re same and decision on appeal, and next steps re governance, as well as other board candidates (.7); E-mails with team re client decision on no appeal of venue (.2).	1.50	1095.00	\$1,642.50
12/03/2019	JNP	BL	Conference with Ira D. Kharasch and Richard M. Pachulski regarding status.	0.40	1025.00	\$410.00
12/03/2019	JNP	BL	Review transcript of venue hearing.	0.10	1025.00	\$102.50
12/03/2019	JNP	BL	Consider issues regarding next steps.	0.30	1025.00	\$307.50
12/03/2019	JNP	BL	Conference with I. Leventon and Ira D. Kharasch regarding status and alternatives.	0.40	1025.00	\$410.00
12/03/2019	JNP	BL	Conference with John A. Morris regarding status conference and litigation schedule.	0.10	1025.00	\$102.50
12/03/2019	JNP	BL	Conference with B. Sharp regarding status conference and status.	0.20	1025.00	\$205.00
12/03/2019	JNP	BL	Conference with I. Leventon and Ira D. Kharasch, and then with Gregory V. Demo and Gabriel I. Glazer regarding status and strategy.	0.70	1025.00	\$717.50
12/03/2019	JNP	BL	Conference with M. Clemente, Ira D. Kharasch and court clerk regarding scheduling.	0.20	1025.00	\$205.00
12/03/2019	KKY	BL	Email to team re 12/2/19 transcript	0.10	395.00	\$39.50
12/03/2019	MBL	BL	Call with team re pending venue issues (0.3); follow-up call with G. Demo re same (0.1).	0.40	925.00	\$370.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/03/2019	GVD	BL	Review and circulate order to transfer venue	0.10	795.00	\$79.50
12/04/2019	IDK	BL	E-mails with J O'Neill re signed order transferring venue (.1); E-mails with team re update on Judge Jernigan's status/scheduling conference, local counsel update, and other items (.2); E-mails with client re local counsel update (.1); Review of correspondence with court clerk re 12/6 hearing logistics, and related correspondence with local counsel, others re implementing the notice of scheduling conference (.2).	0.60	1095.00	\$657.00
12/04/2019	JNP	BL	Review emails regarding filing and service of Notice of Status Conference.	0.20	1025.00	\$205.00
12/04/2019	JNP	BL	Email to and from Court Clerk regarding Status Conference.	0.10	1025.00	\$102.50
12/04/2019	MBL	BL	Emails with team and co-counsel re status conference statement; review same.	0.20	925.00	\$185.00
12/04/2019	JEO	BL	Review transfer order and email to clients	0.40	895.00	\$358.00
12/04/2019	JEO	BL	Research issues are transfer to Texas; review new case docket and email team re same	0.80	895.00	\$716.00
12/04/2019	JEO	BL	Review and revise notice of scheduling conference for Texas court	0.70	895.00	\$626.50
12/05/2019	IDK	BL	Telephone conference with J. Pomerantz re issues on potential trustee and need to broaden memo re 5th Cir (.1); E-mails with J Kim re same and update on venue change (.3); Review of J Kim's revised memo re trustee and 5th Cir law (.4); Office conferences with J. Pomerantz re same (.1); Review of J. Pomerantz's draft presentation to court for tomorrow's hearing, including client feedback re same (.3).	1.20	1095.00	\$1,314.00
12/05/2019	JJK	BL	Emails Kharasch and research re: trustee related matters.	4.50	850.00	\$3,825.00
12/05/2019	JJK	BL	Research re: trustee related matters.	6.20	850.00	\$5,270.00
12/05/2019	JNP	BL	Prepare for Status Conference.	3.00	1025.00	\$3,075.00
12/05/2019	JNP	BL	Meeting with Ira D. Kharasch and James E. O'Neill in preparation for Status Conference.	1.50	1025.00	\$1,537.50
12/05/2019	JNP	BL	Conference with John A. Morris regarding status.	0.10	1025.00	\$102.50
12/05/2019	LSC	BL	Preparation and transmittal of document production.	0.50	395.00	\$197.50
12/05/2019	LSC	BL	Coordinate attorney appearances at hearing and correspondence regarding the same.	0.30	395.00	\$118.50
12/05/2019	GVD	BL	Prepare for status conference in ND Texas	0.70	795.00	\$556.50

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12/06/2019	IDK	BL	Attend hearing today in Dallas, including meeting client group and then Committee counsel at court prior to hearing, as well as with client with RO meeting after hearing.	2.00	1095.00	\$2,190.00
12/06/2019	IDK	BL	On 12/7, numerous E-mails with J Morris re his correspondence with Committee on confidentiality and protective order, need to get documents produced, and need for call today, and coordination re same (.4); Attend conference call with J Morris and J. Pomerantz re same (.3).	0.70	1095.00	\$766.50
12/06/2019	JNP	BL	Prepare for Status Conference.	0.50	1025.00	\$512.50
12/06/2019	JNP	BL	Meeting with I. Leventon, B. Sharp, L. Clark and Ira D. Kharasch in preparation for Status Conference.	1.00	1025.00	\$1,025.00
12/06/2019	JNP	BL	Participate in Status Conference and client meeting after.	2.00	1025.00	\$2,050.00
12/06/2019	JNP	BL	Conference with John A. Morris after Status Conference.	0.10	1025.00	\$102.50
12/06/2019	MBL	BL	Attend status conference in ND Tex (by phone).	0.70	925.00	\$647.50
12/06/2019	JAM	BL	Telephone court conference (.8); review Committee Term Sheet (.3); telephone conference with J. Pomerantz re court conference (.2).	1.30	1025.00	\$1,332.50
12/06/2019	GVD	BL	Review presentation materials re status conference	0.60	795.00	\$477.00
12/06/2019	GVD	BL	Attend status hearing (telephonically)	0.90	795.00	\$715.50
12/07/2019	JNP	BL	Conference with Ira D. Kharasch and John A. Morris regarding pending discovery issues.	0.30	1025.00	\$307.50
12/07/2019	JEO	BL	Emails with Greg Demo re Texas docket	0.60	895.00	\$537.00
12/07/2019	JAM	BL	Review of e-mails re confidentiality (.2); telephone conference with J. Pomerantz, I. Kharasch re: discovery issues and confidentiality agreement (0.3); e-mail to I. Leventon re: confidentiality agreement (0.1).	0.70	1025.00	\$717.50
12/08/2019	JEO	BL	Review status of pending matters.	0.60	895.00	\$537.00
12/08/2019	JEO	BL	Emails with PSZJ team re status updates	0.30	895.00	\$268.50
12/08/2019	JEO	BL	Review Texas docket and forward to PSZJ team	0.50	895.00	\$447.50
12/08/2019	JAM	BL	Review/revise UCC draft confidentiality agreement (1.1); e-mail to I. Leventon, B. Sharp, F. Caruso, J. Pomerantz, I. Kharasch re confidentiality agreement (draft) (.2).	1.30	1025.00	\$1,332.50
12/08/2019	GVD	BL	Revise proposed protective order	0.60	795.00	\$477.00
12/09/2019	IDK	BL	Review briefly numerous correspondence with	0.50	1095.00	\$547.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			client/J. Pomerantz on confidentiality issues with Committee, as well as with Latham/UBS & Redeemer re meeting tomorrow, and later with correspondence to Redeemer Committee and UBS (.3); Office conferences with attorneys re UST intent to file trustee motion (.2).			
12/09/2019	JNP	BL	Emails with client and then Committee regarding provision of documents.	0.30	1025.00	\$307.50
12/09/2019	MBL	BL	Attention to proposed protective order.	0.10	925.00	\$92.50
12/09/2019	MBL	BL	Review Debtor financial documents provided to Committee.	0.70	925.00	\$647.50
12/09/2019	JEO	BL	Attend Highland PSZJ status call	0.40	895.00	\$358.00
12/09/2019	JAM	BL	Review G. Demo changes to Confidentiality Agreement (.1); e-mail to I. Leventon re Confidentiality Agreement (.2); e-mail to UCC re Confidentiality Agreement (.3); telephone conference with J. Pomerantz re settlement, Trustee motion (.1); e-mail to I. Leventon re UBS/Redeemer Committee (.3); telephone conference with PSZJ Team re WIP (.2); e-mails with Committee re confidentiality (.2).	1.40	1025.00	\$1,435.00
12/10/2019	IDK	BL	Review of E-mails with Committee & J Morris re confidentiality/protective orders, and related correspondence with CRO and client re particular docs (.3); Telephone conference with J Morris and J. Pomerantz re how to solve dispute with Committee, including J. Morris? memo on resolution with Committee counsel (.2).	0.50	1095.00	\$547.50
12/10/2019	JNP	BL	Emails regarding status of document production to Committee.	0.10	1025.00	\$102.50
12/10/2019	JNP	BL	Conference with I. Leventon regarding discovery issues.	0.10	1025.00	\$102.50
12/10/2019	JNP	BL	Conference with Ira D. Kharasch and John A. Morris regarding Confidentiality Agreement issues.	0.10	1025.00	\$102.50
12/10/2019	JNP	BL	Conference with I. Leventon regarding hearing continuance (4x).	0.40	1025.00	\$410.00
12/10/2019	JNP	BL	Conference with M. Clemente regarding hearing continuance.	0.20	1025.00	\$205.00
12/10/2019	JNP	BL	Conference with Ira D. Kharasch regarding hearing status (2x).	0.20	1025.00	\$205.00
12/10/2019	JAM	BL	E-mail to Committee counsel re Confidentiality Agreement (.3); telephone conference with J. Pomerantz re document production, Confidentiality	1.80	1025.00	\$1,845.00

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			Agreement (.2); telephone conference with S. Viatello re document production (.1); team call with PSZJ, DSI, I. Leventon re negotiations with UCC (.8); telephone conference with D. Montgomery re Confidentiality Agreement (.2); e-mail to DSI, Highland, PSZJ re discussion with Committee counsel concerning Confidentiality Agreement (.2).			
12/10/2019	LSC	BL	Prepare and transmit document production.	0.60	395.00	\$237.00
12/10/2019	LSC	BL	Coordinate attorneys' telephonic appearance at hearing.	0.30	395.00	\$118.50
12/10/2019	GVD	BL	Review correspondence re protective order	0.10	795.00	\$79.50
12/11/2019	IDK	BL	Review of correspondence with client re status on contact with court clerk on possible continuance of hearing tomorrow, and with court clerk re same and need for motion (.2); Review briefly draft and revisions to motion to continue same (.2).	0.40	1095.00	\$438.00
12/11/2019	IDK	BL	Review of various correspondence with client, J. Morris on confidentiality and need to redesignate items from FPE, and with Committee re same.	0.20	1095.00	\$219.00
12/11/2019	JNP	BL	Conference with D.Twomey and call to Court regarding continuance.	0.10	1025.00	\$102.50
12/11/2019	JNP	BL	Call to Court and email regarding continuance.	0.10	1025.00	\$102.50
12/11/2019	JNP	BL	Email to client regarding update on Court hearing.	0.10	1025.00	\$102.50
12/11/2019	JNP	BL	Conference with Ira D. Kharasch and John A. Morris regarding document discovery issues and email to I. Leventon regarding same.	0.40	1025.00	\$410.00
12/11/2019	JNP	BL	Review continuance motion.	0.10	1025.00	\$102.50
12/11/2019	PJJ	BL	Review notice of continuance.	0.50	395.00	\$197.50
12/11/2019	JEO	BL	Review motion to continue status conference	0.20	895.00	\$179.00
12/11/2019	JAM	BL	Telephone conference with J. Pomerantz re FTI report (.1); e-mail to I. Leventon, DSI and J. Pomerantz re document production (.3); e-mail to I. Leventon, J. Pomerantz, DSI re document production (.2); telephone conference with I. Leventon, F. Caruso, J. Pomerantz, G. Demo re US Trustee (.2); e-mail to P. Montgomery re Confidentiality Agreement (.2); telephone conference with I. Leventon, J. Pomerantz re document production (.2).	1.20	1025.00	\$1,230.00
12/11/2019	GVD	BL	Draft motion to continue and attend to issues re filing	1.10	795.00	\$874.50
12/12/2019	IDK	BL	Review of E-mails to J. Morris re confidentiality	0.20	1095.00	\$219.00

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			issues on getting docs to FTI, and our confirmation to Committee re same.			
12/12/2019	JNP	BL	Conference with John A. Morris regarding provision of documents to Committee and FTI report (2x).	0.20	1025.00	\$205.00
12/12/2019	JAM	BL	E-mails with J. Pomerantz, I. Kharasch, G. Demo re document production (.2); telephone conference with J. Pomerantz re document production (.1); review UCC's comments to draft protective order (.4); e-mails with I. Leventon, J. Pomerantz, I. Kharasch, G. Demo re UCC comments to draft protective order (.2).	0.90	1025.00	\$922.50
12/12/2019	LSC	BL	Prepare and transmit document productions (1.7); update production log (1.4); research regarding agreements and policy info (.8).	3.90	395.00	\$1,540.50
12/13/2019	IDK	BL	E-mails to attorneys re status of protective order negotiations with Committee, including review of correspondence with same.	0.20	1095.00	\$219.00
12/13/2019	JAM	BL	Review Haggen decision re A/C privilege (.4); e-mails with I. Leventon, J. Pomerantz, I. Kharasch re A/C privilege (.3); telephone conference with I. Leventon re A/C privilege, e-discovery (.5); telephone conference with J. Pomerantz, I. Kharasch, I. Leventon re status of UCC negotiations, confidentiality agreement (.2); review/revise J. Pomerantz e-mail to S. Ellington re status of negotiations with UCC (.2).	1.60	1025.00	\$1,640.00
12/13/2019	LSC	BL	Prepare and transmit discovery (1.3); preparation of discovery files (3.2); update production log (1.4).	5.90	395.00	\$2,330.50
12/14/2019	JAM	BL	Review/revise Agreed Protective Order (1.0); e-mail to UCC counsel, J. Pomerantz, I. Kharasch, G. Demo re revisions to Agreed Protective Order (.2).	1.20	1025.00	\$1,230.00
12/15/2019	IDK	BL	E-mails to client, J. Morris, J. Pomerantz re protective order open issues and Acis concerns and next steps to resolve.	0.30	1095.00	\$328.50
12/15/2019	JEO	BL	Review pending matters	0.50	895.00	\$447.50
12/15/2019	JAM	BL	E-mails with J. Pomerantz, I. Kharasch, G. Demo re protective order (.2); e-mail to I. Leventon re protective order (.1).	0.30	1025.00	\$307.50
12/16/2019	IDK	BL	E-mails to court clerk, others re change of hearing time on 12/18 (.1); Telephone conferences with client re nature of status conference on 12/18 (.1).	0.20	1095.00	\$219.00
12/16/2019	IDK	BL	E-mails to client, J. Morris re potential resolution on protective order open issues.	0.20	1095.00	\$219.00

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Pachulski Stang Ziehl & Jones LLP
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/16/2019	JAM	BL	Review e-mails re discovery (.2); telephone conference with I. Leventon re discovery (.1); telephone conference with P. Foley re e-discovery meet and confer (.1); e-mail to I. Leventon, PSZJ team re e-discovery call (.2); telephone conference with I. Leventon, J. Pomerantz, G. Demo, Sidley re e-discovery (1.3); review resumes of UCC candidates (.2); telephone conference with I. Leventon, J. Pomerantz, I. Kharasch, D. Sharp, G. Demo re UCC negotiations (.5).	2.60	1025.00	\$2,665.00
12/17/2019	IDK	BL	Meeting with client & local counsel re tomorrow?s status conference.	0.50	1095.00	\$547.50
12/17/2019	JNP	BL	Conference with M. Hayward regarding upcoming Status Conference.	0.10	1025.00	\$102.50
12/17/2019	JNP	BL	Meeting I. Leventon, Ira D. Kharasch and M. Haywood regarding Status Conference.	0.50	1025.00	\$512.50
12/17/2019	LSC	BL	Prepare and transmit document productions (1.1); research regarding agreements, transmit same, and correspondence regarding the same (1.4); research and transmit corporate documents (1.8).	4.30	395.00	\$1,698.50
12/17/2019	GVD	BL	Review and comment on draft protective order	0.80	795.00	\$636.00
12/18/2019	IDK	BL	Telephone conference with J. Pomerantz re strategy for upcoming hearing (.1); Breakfast meeting with Sidley, J. Pomerantz prior to discuss upcoming status conference and related issues (1.0); Meet at client?s offices prior to hearing before status conference (.3).	1.40	1095.00	\$1,533.00
12/18/2019	IDK	BL	Attend status conference (2.0); Meet with client, CRO after same (.2).	2.20	1095.00	\$2,409.00
12/18/2019	IDK	BL	Review of correspondence from J Morris, client on status of protective order negotiations and open issues.	0.20	1095.00	\$219.00
12/18/2019	IDK	BL	E-mails to attorneys re issues on draft scheduling order, including review of same (.2); Review of correspondence from and with UST on UST demand for info on Redeemer litigation and sealed doc issues (.2).	0.40	1095.00	\$438.00
12/18/2019	JNP	BL	Prepare for Status Conference.	0.50	1025.00	\$512.50
12/18/2019	JNP	BL	Breakfast with Ira D. Kharasch and M. Clemente to discuss Status Conference.	1.00	1025.00	\$1,025.00
12/18/2019	JNP	BL	Participate in Status Conference.	2.00	1025.00	\$2,050.00
12/18/2019	JNP	BL	Conference with I. Leventon, Ira D. Kharasch and F. Caruso after Status Conference.	0.20	1025.00	\$205.00

000846

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero

Appellant

vs.

Highland Capital Management, L.P., et al

Appellee

§
§
§
§
§

3:20-CV-03390-X

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLANT RECORD
VOLUME 4**

D. Michael Lynn
State Bar I.D. No. 12736500
John Y. Bonds, III
State Bar I.D. No. 02589100
John T. Wilson, IV
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ATTORNEYS FOR JAMES DONDERO

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

IN RE:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

Debtor.

INDEX

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Case No. 19-34054

Chapter 11

APPELLANT'S SECOND AMENDED DESIGNATION OF ITEMS TO
BE INCLUDED IN THE RECORD ON APPEAL AND
STATEMENT OF ISSUES TO BE PRESENTED

Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Appellant James Dondero ("Appellant") in this appeal as noticed by the Notice of Appeal filed by Appellant on November 9, 2020, files this *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented*¹ in the above-captioned case and requests that the Clerk prepare and forward the items listed herein to the District Court for inclusion in the record in connection with this appeal.

¹ This designation is being further amended to group together certain docket entries per the clerk's request.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL

Vol. 1
000001 1. Notice of Appeal filed by Appellant [Docket No. 1347];

000029 2. *Order Approving Debtor's Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302];

000053 3. Docket entries kept by the bankruptcy clerk in case no. 19-34054; and

4. Each of the additional documents and items designated below:

Vol. 2 000330 000392	Designation No.	Docket No.	Date	Description
	1.		10/25/18	<i>Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC</i> [Docket No. 660 in Case No. 18-30264]
	2.		1/31/19	<i>Findings of Fact, Conclusions of Law, and Order Granting Final Approval of Disclosure Statement and Confirming the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, as Modified</i> [Docket No. 829 in Case No. 18-30264]
Vol. 3 000621 THRU Vol. 5	3.	607	4/28/20	<i>Summary of First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from October 16, 2019 through March 31, 2020</i> [Docket No. 607]
Vol. 5 001208	4.	617	5/1/20	<i>James Dondero's Limited Response to Acis Capital Management, L.P. and Acis Capital Management GP, LLC's Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction</i> [Docket No. 617]
001211	5.	771	6/23/20	<i>Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC, filed by Highland Capital Management, L.P.</i> [Docket No. 771]

Vol. 5 001276	6.	827	7/13/20	<i>James Dondero's (i) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (ii) Joinder in Support of Highland Capital Management, L.P.'s Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 827]</i>
001284	7.	832	7/14/20	<i>Response of James Dondero to the Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor [Docket No. 832]</i>
001293	8.	891	7/23/20	<i>UBS (i) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC and (ii) Joinder in the Debtor's Objection [Docket No. 891]</i>
Vol. 6 001300	9.	908	7/31/20	<i>Omnibus Response to Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 908]</i>
Vol. 7 001571 Thru Vol. 8	10.	971	8/19/20	<i>Summary of Second Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from April 1, 2020 through July 31, 2020 [Docket No. 971]</i>
Vol. 8 001965	11.	983	8/21/20	<i>Agreed Scheduling Order Regarding Objections to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 983]</i>
001970	12.	1079	9/21/20	<i>First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1079]</i>
Vol. 9 002031	13.	1080	9/21/20	<i>Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1080]</i>
002186	14.	1087	9/23/20	<i>Debtor's Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer</i>

			<i>G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith [Docket No. 1087] (the “Acis Settlement Motion”)</i>
15.	1088	9/23/20	Declaration of Gregory V. Demo in Support of the Acis Settlement Motion [Docket No. 1088]
16.	1088-1	9/23/20	Settlement Agreement between the Debtor, Acis, and certain related parties [Docket No. 1088-1]
17.	1088-2	9/23/20	General Release between the Debtor, Acis, and certain related parties [Docket No. 1088-2]
18.	1094	9/24/20	<i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020 [Docket No. 1094]</i>
19.	1121	10/05/20	James Dondero’s Response to the Acis Settlement Motion [Docket No. 1121]
20.	1194-1	10/16/20	Proof of Claim No. 23 filed by Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively, “Acis”)
21.	1194-2	10/16/20	Proof of Claim No. 72 filed by the Redeemer Committee of the Highland Crusader Fund
22.	1194-3	10/16/20	Proof of Claim No. 81 filed by Highland Crusader Offshore Partners, L.P., et al.
23.	1194-5	10/16/20	Proof of Claim No. 77 filed by Patrick Daugherty
24.	1194-4	10/16/20	Proof of Claim No. 93 filed by Integrated Financial Associates, Inc.
25.	1194-6	10/16/20	Proof of Claim No. 190 filed by UBS
26.	1194-16	10/16/20	Expert Opinion of Nancy B. Rapoport, dated October 11, 2020, including all attachments thereto
27.	1194-17	10/16/20	Curriculum Vitae of Nancy B. Rapoport

Vol. 12 002758	28.	1201	10/16/20	Objection of Patrick Daugherty to the Acis Settlement Motion [Docket No. 1201]
002773	29.	1177	10/16/20	CLO HoldCo. Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1177]
002777	30.	1191	10/16/20	Highland CLO Funding, Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1191]
002785	31.	1195	10/16/20	HarbourVest Limited Objection and Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1195]
002791 Thru Vol. 13	32.	1271	10/20/20	Transcript of hearing conducted on October 20, 2020 [Docket No. 1271]
Vol. 13 003047	33.	1285	10/21/20	Transcript of hearing conducted on October 21, 2020 [Docket No. 1285]

STATEMENT OF ISSUES TO BE PRESENTED ON APPEAL

1. Whether the Bankruptcy Court erred in approving the settlement agreement and release entered into between Highland Capital Management, L.P. and Acis Capital Management, L.P., Acis Capital Management GP, LLC, and Joshua Terry pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure as being fair, equitable, and in the best interest of the estate.

[Remainder of Page Intentionally Left Blank]

Dated: December 7, 2020

Respectfully submitted,

/s/ Bryan C. Assink

D. Michael Lynn
State Bar I.D. No. 12736500
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State Bar I.D. No. 02589100
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ATTORNEYS FOR JAMES DONDERO

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on December 7, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for Debtor-Appellee Highland Capital Management, L.P. and on all other parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

Bryan C. Assink

Pachulski Stang Ziehl & Jones LLP
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/18/2019	JNP	BL	Conference with John A. Morris regarding hearing and Protective Order status.	0.10	1025.00	\$102.50
12/18/2019	JNP	BL	Review and revise Scheduling Order and emails with Gregory V. Demo regarding same.	0.70	1025.00	\$717.50
12/18/2019	PJJ	BL	Coordinate telephonic appearance for Judge Clark as independent director.	0.50	395.00	\$197.50
12/18/2019	MBL	BL	Attend case status conference (by phone).	0.80	925.00	\$740.00
12/18/2019	JAM	BL	Court conference (via telephone) (.9); telephone conference with P. Montgomery re Protective Order (.1); telephone conference with J. Pomerantz re status, protective order (.1); e-mail to I. Leventon, J. Pomerantz, I. Kharasch, G. Demo re call with Montgomery and protective order (.2).	1.30	1025.00	\$1,332.50
12/18/2019	LSC	BL	Prepare and transmit document productions (1.3); update production log (.9).	2.20	395.00	\$869.00
12/18/2019	GVD	BL	Attend status conference (telephonic)	1.10	795.00	\$874.50
12/18/2019	GVD	BL	Draft scheduling order	1.10	795.00	\$874.50
12/18/2019	GVD	BL	Review draft response to US Trustee on compliance issues; correspondence re same	0.30	795.00	\$238.50
12/19/2019	JNP	BL	Emails relating to U. S. Trustee request for information.	0.20	1025.00	\$205.00
12/19/2019	JAM	BL	Telephone conference with J. Pomerantz re status, protective order (.1); e-mail to D. Montgomery re protective order (.1).	0.20	1025.00	\$205.00
12/19/2019	LSC	BL	Research production documents and retrieve and transmit corporate entities' lists for G. Demo (1.1); prepare and transmit document production (.4).	1.50	395.00	\$592.50
12/19/2019	GVD	BL	Revise and circulate agreed scheduling order to Committee counsel	0.60	795.00	\$477.00
12/20/2019	IDK	BL	E-mails to J. Morris and J. Pomerantz re open disputes over protective order, and J. Morris? correspondence to client re same (.2); Attend conference call with J Morris, J. Pomerantz re dispute over protective order (.1); E-mails to J Morris, J. Pomerantz on Sunday re Committee?s latest changes and due process (.2).	0.50	1095.00	\$547.50
12/20/2019	JNP	BL	Conference with John A. Morris regarding protective order status and remaining issues.	0.20	1025.00	\$205.00
12/20/2019	JAM	BL	Review UCC comments to draft Protective Order (.3); revise draft Protective Order (.4); e-mail to J. Pomerantz, I. Kharasch re draft Protective Order (.2); telephone conference with H. O'Neil re	3.70	1025.00	\$3,792.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Stinson/Acis's documents (.2); e-mail to J. Pomerantz, I. Kharasch re call with H. O'Neil (.1); telephone conference with J. Pomerantz, I. Kharasch (partial) re status, strategy (.3); revise further draft Protective Order (.2); e-mail to I. Leventon, J. Pomerantz, I. Kharasch re draft Protective Order (.2); e-mails to I. Leventon, J. Pomerantz, I. Kharasch, G. Demo re Stinson/Acis's documents (.3); telephone conference with I. Leventon, J. Pomerantz, I. Kharasch, G. Demo re protocols, strategy (1.3); e-mail to UCC re Protective Order (.2).			
12/20/2019	LSC	BL	Prepare and transmit document production (.6); update production log (.5).	1.10	395.00	\$434.50
12/20/2019	GVD	BL	Revise and file agreed scheduling order	0.20	795.00	\$159.00
12/22/2019	JAM	BL	Review UCC's revisions to Protective Order (.2); e-mails with J. Pomerantz, I. Kharasch, G. Demo re UCC comments to draft Protective Order (.2).	0.40	1025.00	\$410.00
12/23/2019	IDK	BL	Review of correspondence with client, J. Morris re draft counter to Committee on protective order re 3d party issue.	0.20	1095.00	\$219.00
12/23/2019	IDK	BL	E-mails to attorneys re status of UST deadline to submit discovery (.1).	0.10	1095.00	\$109.50
12/23/2019	IDK	BL	E-mails re UST just filed motion for trustee, including brief review.	0.30	1095.00	\$328.50
12/23/2019	MBL	BL	Review UST motion to appoint trustee.	0.40	925.00	\$370.00
12/23/2019	JEO	BL	Review case deadlines and critical dates	0.20	895.00	\$179.00
12/23/2019	JAM	BL	Telephone conference with J. Pomerantz regarding status (0.1); e-mail to I. Leventon regarding Protective Order (0.2); review discovery protocols (exhibit C) (0.8); e-mail to Sidley, J. Pomerantz, I. Kharasch, G. Demo regarding Protective Order (0.4); telephone conference with I. Leventon regarding discovery protocols (0.1); review I. Leventon's revisions to discovery protocols (0.2); telephone conference with I. Leventon, DSI, PSZJ team regarding UCC negotiations (0.3); review UST motion for appointment of receiver (0.4)	2.50	1025.00	\$2,562.50
12/23/2019	LSC	BL	Prepare and transmit document productions (1.3); update production log (.9).	2.20	395.00	\$869.00
12/24/2019	IDK	BL	Review of various correspondence with Committee on further disputes on protective order and 3d party rights, and client feedback.	0.20	1095.00	\$219.00
12/24/2019	IDK	BL	E-mails to attorneys re logistics on response to UST	0.30	1095.00	\$328.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			trustee motion, and our prior memo on trustee issues in HCM, including sending same to M. Litvak.			
12/24/2019	JNP	BL	Review emails regarding status of Protective Order.	0.10	1025.00	\$102.50
12/24/2019	JEO	BL	Email with Liz Thomas re revised notices needed	0.30	895.00	\$268.50
12/24/2019	JAM	BL	E-mails with J. Pomerantz, I. Khasasch, G. Demo re: protective order (0.2); telephone conference with Sidley, FTI, DSI and PSZJ re: settlement, corporate governance (0.8); telephone conference with I. Leventon, PSZJ, DSI (0.6); telephone conference with P. Montgomery re: protective order (0.1); e-mails with I. Leventon re: protective order (0.1)	1.80	1025.00	\$1,845.00
12/24/2019	LSC	BL	Prepare and transmit document productions and update production log regarding the same.	1.60	395.00	\$632.00
12/26/2019	JNP	BL	Emails regarding protective order status.	0.10	1025.00	\$102.50
12/26/2019	MBL	BL	Review and revise settlement motion re Committee term sheet.	2.00	925.00	\$1,850.00
12/26/2019	MBL	BL	Emails with team re settlement motion.	0.30	925.00	\$277.50
12/26/2019	MBL	BL	Review revisions to settlement motion.	0.20	925.00	\$185.00
12/26/2019	JAM	BL	E-mail to Sidley re Protective Order (.3); telephone conference with W. Hall re Advent contract/claim (.1); e-mail to I. Leventon re Advent contract/claim (.1); review revised governance documents (.4); telephone conference with I. Leventon, J. Pomerantz, G. Demo, DSI re governance documents (.6).	1.50	1025.00	\$1,537.50
12/26/2019	SWG	BL	Review and edit settlement/OCP motion.	0.60	575.00	\$345.00
12/26/2019	LSC	BL	Continued preparation of production files and update production log.	3.20	395.00	\$1,264.00
12/27/2019	IDK	BL	Review of correspondence with Committee, client on drafts of motions to settle with Committee and related pleadings.	0.20	1095.00	\$219.00
12/27/2019	MBL	BL	Numerous emails with team re Committee settlement and related pleadings; review revisions.	1.30	925.00	\$1,202.50
12/27/2019	JAM	BL	Review UCC's revised Protective Order and related motions (.3); e-mail to M. Hayward, Z. Annable, J. Pomerantz, I. Kharasch, G. Demo re UCC's draft motions concerning Protective Order (2.); e-mails with Sidley re UCC's draft motions concerning Protective Order (.3); e-mail to J. Pomerantz, I. Kharasch, G. Demo re discovery (.1).	0.90	1025.00	\$922.50
12/27/2019	SWG	BL	Call w/ G. Demo re: term sheet and settlement motion.	0.10	575.00	\$57.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/27/2019	SWG	BL	Draft motion to expedite hearing on governance settlement motion	0.30	575.00	\$172.50
12/28/2019	JAM	BL	Review "as filed" motions concerning corporate governance, protocols (.8).	0.80	1025.00	\$820.00
12/30/2019	JNP	BL	Review U. S. Trustee motion for Trustee.	0.20	1025.00	\$205.00
12/30/2019	JAM	BL	Communications with J. Pomerantz, P. Jeffries re fee application (.1); telephone conference with M. Litvak re ordinary course bonus motion (.1); e-mails with Texas State Securities Board re case status (.1).	0.30	1025.00	\$307.50
12/30/2019	LSC	BL	Prepare and transmit document production (.7); update production log (.4).	1.10	395.00	\$434.50
12/31/2019	LSC	BL	Prepare and transmit document productions (1.2); update production log (.6).	1.80	395.00	\$711.00
				252.10		\$227,123.00

Case Administration [B110]

11/27/2019	SLP	CA	Maintain document control.	0.20	325.00	\$65.00
12/02/2019	KKY	CA	Review and revise critical dates	0.40	395.00	\$158.00
12/02/2019	SLP	CA	Maintain document control.	0.90	325.00	\$292.50
12/02/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
12/03/2019	KKY	CA	Review and revise critical dates	1.80	395.00	\$711.00
12/03/2019	KKY	CA	Serve (.1) and prepare for service (.1) [signed] PSZJ retention order	0.20	395.00	\$79.00
12/03/2019	SLP	CA	Maintain document control.	0.30	325.00	\$97.50
12/03/2019	SLP	CA	Maintain document control.	0.60	325.00	\$195.00
12/03/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
12/04/2019	JNP	CA	Conference with C. Gibbs regarding background and local counsel needs.	0.40	1025.00	\$410.00
12/04/2019	JEO	CA	Follow up with proposed local counsel re filing of Notice of Scheduling Conference	0.40	895.00	\$358.00
12/04/2019	JEO	CA	Email to claims agent re transfer of case to Texas	0.20	895.00	\$179.00
12/04/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
12/05/2019	IDK	CA	Numerous E-mails with local counsel re pro hac information needed and coordinate same, as well as issues re service of pleadings in Dallas (.4); E-mails	0.60	1095.00	\$657.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			with attorneys re same (.2).			
12/05/2019	JNP	CA	Emails with local counsel regarding Pro Hac Vice.	0.10	1025.00	\$102.50
12/05/2019	KKY	CA	Review and revise critical dates	0.70	395.00	\$276.50
12/05/2019	KKY	CA	Review and revise 2002 service list	0.30	395.00	\$118.50
12/05/2019	PJJ	CA	Update case caption.	0.40	395.00	\$158.00
12/05/2019	PJJ	CA	Prepare pro hac vice applications for Texas transfer.	1.30	395.00	\$513.50
12/05/2019	MBL	CA	Misc. emails with team and co-counsel re case issues.	0.20	925.00	\$185.00
12/05/2019	SLP	CA	Maintain document control.	0.90	325.00	\$292.50
12/05/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
12/05/2019	GVD	CA	Attend to issues re pro hac application	0.30	795.00	\$238.50
12/06/2019	PJJ	CA	Prepare pro hac vice applications for filing.	0.20	395.00	\$79.00
12/06/2019	SLP	CA	Maintain document control.	0.20	325.00	\$65.00
12/06/2019	SLP	CA	Maintain document control.	0.30	325.00	\$97.50
12/07/2019	GVD	CA	Review dockets; correspondence re same	0.30	795.00	\$238.50
12/09/2019	JNP	CA	Conference with Ira D. Kharasch regarding call with L. Lambert.	0.10	1025.00	\$102.50
12/09/2019	JNP	CA	Status call with DSI and Ira D. Kharasch regarding pending matters.	0.70	1025.00	\$717.50
12/09/2019	JNP	CA	Conference with L. Lambert regarding variety of issues concerning pending matters.	0.20	1025.00	\$205.00
12/09/2019	MBL	CA	Status update call with team.	0.30	925.00	\$277.50
12/09/2019	SLP	CA	Maintain document control.	0.20	325.00	\$65.00
12/09/2019	GVD	CA	Internal PSZJ call re status of matters and next steps	0.20	795.00	\$159.00
12/10/2019	IDK	CA	Review of E-mails with client re status re getting new local counsel selection, including correspondence with new local counsel.	0.20	1095.00	\$219.00
12/10/2019	JNP	CA	Conference with M. Hawyood regarding background in case and status of pending matters.	0.60	1025.00	\$615.00
12/10/2019	SLP	CA	Maintain document control.	0.20	325.00	\$65.00
12/10/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
12/10/2019	GVD	CA	Conference with I. Leventon re status of case and next steps	0.30	795.00	\$238.50
12/10/2019	GVD	CA	PSZJ status call	0.80	795.00	\$636.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/10/2019	GVD	CA	Correspondence re PACER and critical vendor issues	0.30	795.00	\$238.50
12/11/2019	KKY	CA	Review and revise critical dates	2.30	395.00	\$908.50
12/11/2019	KKY	CA	Review and revise 2002 service list	2.50	395.00	\$987.50
12/11/2019	PJJ	CA	Prepare pro hac vice application information.	0.30	395.00	\$118.50
12/11/2019	PJJ	CA	Revise case caption.	0.40	395.00	\$158.00
12/11/2019	MBL	CA	Emails with team re scheduling and status.	0.20	925.00	\$185.00
12/11/2019	GVD	CA	Review issues re ECF from local counsel	0.20	795.00	\$159.00
12/12/2019	JEO	CA	Follow up with local counsel office re ecf notices, filings, etc.	0.40	895.00	\$358.00
12/13/2019	SLP	CA	Maintain document control.	0.20	325.00	\$65.00
12/16/2019	KKY	CA	Review and revise critical dates	0.50	395.00	\$197.50
12/16/2019	PJJ	CA	Review docket regarding creditor matrix (.2); upload same per Court request (.1).	0.30	395.00	\$118.50
12/16/2019	LSC	CA	Revise contact list.	0.30	395.00	\$118.50
12/17/2019	KKY	CA	Review and revise critical dates	0.60	395.00	\$237.00
12/17/2019	KKY	CA	Review and revise 2002 service list	0.20	395.00	\$79.00
12/17/2019	MBL	CA	Misc. case emails re pending matters.	0.20	925.00	\$185.00
12/17/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.20	325.00	\$65.00
12/17/2019	LSC	CA	Further update contact list.	0.30	395.00	\$118.50
12/17/2019	GVD	CA	Conference with E. Bromagen re open items	0.10	795.00	\$79.50
12/18/2019	KKY	CA	Review and revise 2002 service list	0.30	395.00	\$118.50
12/18/2019	MBL	CA	Review misc. case emails and UST info requests.	0.20	925.00	\$185.00
12/18/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.40	325.00	\$130.00
12/19/2019	MBL	CA	Address misc. inquiries from client and team re case issues.	0.40	925.00	\$370.00
12/19/2019	SLP	CA	Maintain document control.	0.50	325.00	\$162.50
12/19/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	2.00	325.00	\$650.00
12/20/2019	SLP	CA	Maintain document control.	0.20	325.00	\$65.00
12/20/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
12/23/2019	KKY	CA	Review and revise critical dates	1.00	395.00	\$395.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/23/2019	SLP	CA	Maintain document control.	0.20	325.00	\$65.00
12/23/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
12/24/2019	SLP	CA	Maintain document control (2) receive multiple documents to organize (1.1)	1.30	325.00	\$422.50
12/24/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
12/26/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
12/27/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
12/27/2019	SWG	CA	WIP call w/ internal PSZJ group	0.20	575.00	\$115.00
12/30/2019	KKY	CA	Review and revise critical dates	2.10	395.00	\$829.50
12/30/2019	SLP	CA	Maintain document control.	0.50	325.00	\$162.50
12/30/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
12/30/2019	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	325.00	\$32.50
12/30/2019	GVD	CA	Review and file notice of hearing	0.40	795.00	\$318.00
12/30/2019	GVD	CA	Conference with J. Pomerantz re status of discussions with committee	0.20	795.00	\$159.00
12/31/2019	JEO	CA	Review critical dates and case deadlines	0.30	895.00	\$268.50
12/31/2019	SLP	CA	Maintain document control.	0.30	325.00	\$97.50
				36.20		\$18,147.00

Claims Admin/Objections[B310]

12/03/2019	KKY	CO	Serve (.1) and prepare for service (.1) [signed] final critical vendor order	0.20	395.00	\$79.00
12/04/2019	JMF	CO	Analyze issues re tax claims.	0.80	895.00	\$716.00
12/04/2019	JMF	CO	Review critical vendor motion.	0.30	895.00	\$268.50
12/19/2019	IDK	CO	Office conference with J. Pomerantz re claim bar date issues given 341 notice (.1); E-mails to attorneys re same and need for motion (.1).	0.20	1095.00	\$219.00
12/19/2019	JNP	CO	Conference with Ira D. Kharasch regarding bar date and emails regarding same.	0.10	1025.00	\$102.50
12/31/2019	IDK	CO	Review of various and extensive correspondence re just filed Acis POC and open issues on damages and fraudulent conveyance.	0.20	1095.00	\$219.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/31/2019	JNP	CO	Review and respond to emails regarding Acis claims and brief research regarding same.	0.30	1025.00	\$307.50
				2.10		\$1,911.50

Compensation Prof. [B160]

12/04/2019	JNP	CP	Email to D. Klos regarding billing.	0.10	1025.00	\$102.50
12/04/2019	PJJ	CP	Work on October fee statement.	1.10	395.00	\$434.50
12/06/2019	JNP	CP	Review bill and emails regarding same.	0.10	1025.00	\$102.50
12/06/2019	PJJ	CP	Review and revise October fee statement.	1.00	395.00	\$395.00
12/10/2019	JNP	CP	Review November bills.	0.50	1025.00	\$512.50
12/10/2019	PJJ	CP	Revise October fee statement.	0.30	395.00	\$118.50
12/11/2019	JNP	CP	Review and revise first monthly fee statement.	0.20	1025.00	\$205.00
12/11/2019	PJJ	CP	Prepare October fee statement for service and filing.	1.30	395.00	\$513.50
12/19/2019	JNP	CP	Review November bill.	0.30	1025.00	\$307.50
12/20/2019	JNP	CP	Completed review of November invoice.	0.30	1025.00	\$307.50
12/20/2019	JNP	CP	Email to and from I. Leventon regarding status of billing.	0.10	1025.00	\$102.50
12/23/2019	JNP	CP	Review, finalize and send November bill to client.	0.20	1025.00	\$205.00
12/23/2019	PJJ	CP	Draft November fee statement.	2.50	395.00	\$987.50
12/30/2019	KKY	CP	Review and revise fee chart	0.10	395.00	\$39.50
12/30/2019	PJJ	CP	Prepare November fee statement for service and filing.	0.50	395.00	\$197.50
				8.60		\$4,531.00

Comp. of Prof./Others

12/17/2019	KKY	CPO	Prepare fee chart	0.10	395.00	\$39.50
12/23/2019	JNP	CPO	Emails to and from H. O'Neill regarding interim fees.	0.10	1025.00	\$102.50
12/23/2019	KKY	CPO	Review and revise fee chart	0.10	395.00	\$39.50
				0.30		\$181.50

Employee Benefit/Pension-B220

12/02/2019	MBL	EB	Call with compensation expert re status.	0.20	925.00	\$185.00
12/03/2019	JNP	EB	Conference with F. Waterhouse regarding employee issues.	0.10	1025.00	\$102.50
12/03/2019	JNP	EB	Emails regarding propriety of paying Christmas	0.10	1025.00	\$102.50

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			bonuses.			
12/03/2019	MBL	EB	Call with client re employee issues.	0.10	925.00	\$92.50
12/04/2019	MBL	EB	Call with F. Caruso re bonus issues.	0.40	925.00	\$370.00
12/04/2019	MBL	EB	Calls with compensation expert re case issues.	0.40	925.00	\$370.00
12/04/2019	JEO	EB	Call with Mike Baird of PBGC	0.40	895.00	\$358.00
12/05/2019	JEO	EB	Email to client Brian Collins re documentation needed for PBGC Inquiry	0.40	895.00	\$358.00
12/09/2019	MBL	EB	Call with compensation expert re case status.	0.30	925.00	\$277.50
12/10/2019	IDK	EB	Review of numerous correspondence with both Committee, client, re bonus motion and designation issues re same (.2); Telephone conference with client re same (.1).	0.30	1095.00	\$328.50
12/10/2019	JNP	EB	Review and respond to emails regarding document issues in connection with employee bonus motion.	0.10	1025.00	\$102.50
12/10/2019	JNP	EB	Email to and from Sidley regarding provision of benefits information.	0.10	1025.00	\$102.50
12/11/2019	JNP	EB	Review of Parker Separation Agreement and emails regarding same.	0.20	1025.00	\$205.00
12/11/2019	MBL	EB	Review and comment on separation agreement; emails with team re same.	0.40	925.00	\$370.00
12/11/2019	MBL	EB	Call with compensation expert re status.	0.10	925.00	\$92.50
12/11/2019	JEO	EB	Email follow up to client re PBGC document request	0.30	895.00	\$268.50
12/12/2019	IDK	EB	Review of correspondence with UST re bonus and redaction issues.	0.10	1095.00	\$109.50
12/12/2019	IDK	EB	Review of client draft of Trey Parker separation agreement, along with comments of others, and consider problems re process re approving same (.4); E-mails to client re my feedback on same and what needs to be revised to approve (.2).	0.60	1095.00	\$657.00
12/12/2019	JNP	EB	Email to and from Lisa Lambert regarding information regarding bonus motion and terms of production (3x).	0.30	1025.00	\$307.50
12/12/2019	JNP	EB	Emails regarding Parker release agreement.	0.10	1025.00	\$102.50
12/12/2019	JNP	EB	Review U.S. Trustee and to client regarding bonus information.	0.10	1025.00	\$102.50
12/16/2019	JEO	EB	Email to PBGC re call to review document request	0.20	895.00	\$179.00
12/16/2019	JEO	EB	Email to clients re call with PBGC to review document list	0.20	895.00	\$179.00
12/19/2019	IDK	EB	Numerous E-mails to client re further issues on Trey	0.50	1095.00	\$547.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Parker employment disengagement agreement and issues re releases and indemnity, including review of revised separation agreement (.4); Office conference with J. Pomerantz re same (.1).			
12/19/2019	JNP	EB	Conference with Ira D. Kharasch regarding employee termination agreement and emails to client regarding same.	0.20	1025.00	\$205.00
12/19/2019	JEO	EB	Call with client re PBGC matters	0.40	895.00	\$358.00
12/19/2019	JEO	EB	Email to PBGC counsel re follow up call	0.20	895.00	\$179.00
12/24/2019	JEO	EB	Emails with Greg Demo and Max Litvak re revised notices needed for Employee Bonus Motion and Mercer Retention	0.60	895.00	\$537.00
12/24/2019	JEO	EB	Review and revise notices for Bonus Motion and Mercer Retention	0.40	895.00	\$358.00
12/26/2019	MBL	EB	Review and revise notices re bonus motion; coordinate with team and comp expert re same.	0.40	925.00	\$370.00
12/27/2019	SWG	EB	Edit notice re: employee bonuses	0.10	575.00	\$57.50
12/30/2019	IDK	EB	Review of correspondence on employee non-insider bonus motion and impact of new board on same.	0.20	1095.00	\$219.00
12/30/2019	MBL	EB	Calls with J. Morris and J. Dempsey re bonus motion.	0.50	925.00	\$462.50
12/30/2019	MBL	EB	Emails with team re bonus motion.	0.30	925.00	\$277.50
12/31/2019	IDK	EB	Review of memo from M. Litvak on open issues on employee bonuses.	0.10	1095.00	\$109.50
12/31/2019	MBL	EB	Emails with client re bonus issues and preparation for hearing.	0.50	925.00	\$462.50
12/31/2019	JAM	EB	Review ordinary course bonus motion.	0.80	1025.00	\$820.00
				10.70		\$10,285.50

Financial Filings [B110]

12/01/2019	JEO	FF	Call with Fred Caruso and Jack Donohoe re schedules and statements	0.50	895.00	\$447.50
12/03/2019	PJJ	FF	Conference call with DSI and PSZJ team regarding schedules and SoFA preparations.	0.80	395.00	\$316.00
12/03/2019	MBL	FF	Emails with client re schedules/SOFAs.	0.20	925.00	\$185.00
12/03/2019	JMF	FF	Review wage order & first day declaration re employee issues (1.1); telephone all with F. Caruso, J. O'Neill, D. Klos re schedules & SOFA issues (.8); review bonus motion and venue pleadings (.8).	3.00	895.00	\$2,685.00

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12/04/2019	JEO	FF	Review monthly operating report	0.40	895.00	\$358.00
12/04/2019	GVD	FF	Review issues re schedules and statements	1.20	795.00	\$954.00
12/05/2019	JMF	FF	Review issues re schedule / SOFAs (.4); telephone call with G. Demo (.1) & P. Jeffries (.2) re same.	0.70	895.00	\$626.50
12/06/2019	JNP	FF	Email to and from Gregory V. Demo regarding schedules.	0.10	1025.00	\$102.50
12/09/2019	IDK	FF	E-mails with attorneys re issues on review of Statements & Schedules, and local counsel update for same.	0.20	1095.00	\$219.00
12/09/2019	MBL	FF	Emails with team re schedules/SOFAs and status issues.	0.20	925.00	\$185.00
12/09/2019	JEO	FF	Review of schedules and statement of financial affairs	1.10	895.00	\$984.50
12/09/2019	GVD	FF	Review draft SOFAs and Schedules	1.30	795.00	\$1,033.50
12/10/2019	IDK	FF	Review of numerous E-mails with attorneys and client re redaction concerns on Statements and Schedules.	0.20	1095.00	\$219.00
12/10/2019	KKY	FF	Draft motion to seal schedules	1.70	395.00	\$671.50
12/10/2019	MBL	FF	Emails with team re schedules.	0.10	925.00	\$92.50
12/10/2019	GVD	FF	Conference with HCMLP and DSI re draft SOFAs/Schedules	1.50	795.00	\$1,192.50
12/10/2019	GVD	FF	Review contracts from Schedule G	0.30	795.00	\$238.50
12/10/2019	GVD	FF	Correspondence with Committee and internally re disclosure of employee information	0.30	795.00	\$238.50
12/11/2019	IDK	FF	E-mails to attorneys re concerns on Sofas and related issues on DRIP plan.	0.20	1095.00	\$219.00
12/11/2019	JNP	FF	Emails regarding listing employee information on schedules.	0.10	1025.00	\$102.50
12/11/2019	MBL	FF	Emails with team re schedules prep issues.	0.20	925.00	\$185.00
12/11/2019	JEO	FF	Call with clients re schedules and statements	0.20	895.00	\$179.00
12/11/2019	GVD	FF	Conference with HCMLP re status and revisions to Schedules/SOFAs	1.10	795.00	\$874.50
12/12/2019	IDK	FF	Numerous E-mails to client, others re issue on Sofas and filing certain info under seal, including re certain insider comp and issues re ?insider? status (.3); Telephone conferences with J. Pomerantz and L. Jones re same (.2).	0.50	1095.00	\$547.50
12/12/2019	JNP	FF	Review and respond to email regarding schedules; Conference with Ira D. Kharasch regarding same.	0.10	1025.00	\$102.50

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12/12/2019	JNP	FF	Conference with Gregory V. Demo regarding schedules.	0.20	1025.00	\$205.00
12/12/2019	JNP	FF	Conference with Gregory V. Demo and Maxim B. Litvak regarding schedules.	0.10	1025.00	\$102.50
12/12/2019	JNP	FF	Conference with Maxim B. Litvak regarding definition of insider; Review email regarding same.	0.10	1025.00	\$102.50
12/12/2019	JNP	FF	Conference with I. Leventon regarding insider information on schedules; Follow-up email regarding same.	0.20	1025.00	\$205.00
12/12/2019	MBL	FF	Emails with client and team re SOFA issues.	0.20	925.00	\$185.00
12/12/2019	MBL	FF	Call with team re insider disclosures in SOFA.	0.20	925.00	\$185.00
12/12/2019	MBL	FF	Research insider status and emails with client re same.	2.00	925.00	\$1,850.00
12/12/2019	JEO	FF	Draft global notes for schedules and statements	0.90	895.00	\$805.50
12/12/2019	JEO	FF	Review drafts of schedules and statements	0.70	895.00	\$626.50
12/12/2019	JEO	FF	Call with Local Counsel Melissa Hayward re issues for Schedules and Statements	0.30	895.00	\$268.50
12/12/2019	GVD	FF	Review schedules and SOFAs; correspondence with M. Litvak re same	2.30	795.00	\$1,828.50
12/12/2019	GVD	FF	Review issues re insider status; conference with M. Litvak and J. Pomerantz re same	0.40	795.00	\$318.00
12/13/2019	IDK	FF	Review of extensive correspondence with Surgent re Schedules and not wanting to list individual comp, and insider issues, including our response to Surgent, along with other related issues (.3); E-mails to attorneys re same, other issues, and whether to list aggregate (.2); Telephone conference with J. Pomerantz re same (.1); Office conference with R. Pachulski re same (.1); Telephone conference with J. Pomerantz re same (.1).	0.80	1095.00	\$876.00
12/13/2019	JNP	FF	Conference with Gregory V. Demo regarding schedules.	0.10	1025.00	\$102.50
12/13/2019	JNP	FF	Conference with Ira D. Kharasch regarding schedules and statement of financial affairs (2x).	0.20	1025.00	\$205.00
12/13/2019	MBL	FF	Emails with team and client re schedules/SOFA issues.	0.70	925.00	\$647.50
12/13/2019	MBL	FF	Review draft schedules and SOFA.	1.50	925.00	\$1,387.50
12/13/2019	JEO	FF	Review schedules and statements and provide comments	0.80	895.00	\$716.00
12/13/2019	JEO	FF	Participate in call on Schedule review with clients	2.00	895.00	\$1,790.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			and DSI			
12/13/2019	JEO	FF	Continued review and finalizing schedules and statement of financial affairs	2.30	895.00	\$2,058.50
12/13/2019	JEO	FF	Coordinate filing of schedules and statement of financial affairs	0.40	895.00	\$358.00
12/13/2019	JMF	FF	Review first day declaration (.4); review emails re schedules / SOFAs (.8); and global notes & edits to same (.3).	1.50	895.00	\$1,342.50
12/13/2019	GVD	FF	Review and revise contracts re Schedule G	1.10	795.00	\$874.50
12/13/2019	GVD	FF	Conference with DSI and HCMLP re review and revisions to Schedules/SOFAs	2.10	795.00	\$1,669.50
12/13/2019	GVD	FF	Conference with J. O'Neill re revisions to schedule	0.10	795.00	\$79.50
12/13/2019	GVD	FF	Final review of Schedules/SOFAs and correspondence re same	3.10	795.00	\$2,464.50
12/18/2019	JNP	FF	Emails regarding rescheduled IDI.	0.10	1025.00	\$102.50
12/18/2019	JEO	FF	Emails with client and counsel group re reporting requirements	0.80	895.00	\$716.00
12/18/2019	JEO	FF	Review bankruptcy rules re reporting requirements	0.50	895.00	\$447.50
12/18/2019	GVD	FF	Address issues re IDI scheduling	0.20	795.00	\$159.00
12/19/2019	IDK	FF	Office conference with J. Pomerantz re issue on timing of delivery of 2015.3 reports (.1); Review of E-mails to attorneys re same (.1).	0.20	1095.00	\$219.00
12/19/2019	JNP	FF	Emails to and from James E. O'Neill regarding 2015.3 reports.	0.10	1025.00	\$102.50
12/19/2019	JEO	FF	Emails with PSZJ team re reporting requirements	0.60	895.00	\$537.00
12/19/2019	JEO	FF	Call with Fred Caruso re case updates and reporting requirements	0.30	895.00	\$268.50
12/20/2019	JNP	FF	Email to and from James E. O'Neill regarding 2015.3 statements.	0.10	1025.00	\$102.50
12/20/2019	KKY	FF	Research and review docket re 2015.3 reports	0.20	395.00	\$79.00
12/20/2019	JEO	FF	Research on 2015 requirements	1.80	895.00	\$1,611.00
12/20/2019	JEO	FF	Emails with client re financial reporting	0.40	895.00	\$358.00
12/23/2019	JEO	FF	Email to client team re 2015.3 reporting	0.20	895.00	\$179.00
				46.00		\$39,094.00

General Business Advice [B410]

12/03/2019	IDK	GB	Numerous E-mails with attorneys re potential candidates for independent board and qualifications	0.50	1095.00	\$547.50
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			re same.			
12/03/2019	IDK	GB	E-mails with client, others on issues of which ordinary course protocols remain in place.	0.20	1095.00	\$219.00
12/03/2019	JNP	GB	Emails with Gabriel I. Glazer regarding contact potential Board member.	0.10	1025.00	\$102.50
12/03/2019	JNP	GB	Emails regarding status of insurance coverage.	0.10	1025.00	\$102.50
12/03/2019	MBL	GB	Misc. emails with team and client re pending matters and next steps.	0.50	925.00	\$462.50
12/03/2019	GVD	GB	Attend to issues re potential directors	0.90	795.00	\$715.50
12/04/2019	DJB	GB	Prepare for conference call with Highland; Review Strand GP charter documents; Participate in conference call re Strand GP board; Begin preparation of summary of alternatives.	2.50	1145.00	\$2,862.50
12/04/2019	DJB	GB	Review and respond re corporate documents.	0.70	1145.00	\$801.50
12/04/2019	IDK	GB	E-mails and telephone conference with J. Pomerantz re status on governance changes, and his communications with Committee counsel (.2); Attend conference call with Committee counsel and J. Pomerantz re new governance changes (.4); Attend conference call with senior management re same and with D Barton re how to effectuate governance changes and relinquishment of all Dondero control (.8).	1.40	1095.00	\$1,533.00
12/04/2019	IDK	GB	Telephone conferences with client re timing on getting governance docs for independent board and Dondero resignation finalized before the 12/6 status conference (.2); E-mails with D Barton re same (.1); Office conference with J. Pomerantz re problem on getting docs finalized (.1); Telephone conferences and E-mails with G. Demo re same and assistance from Company and local counsel re same, including his correspondence with D Barton re issues on governance changes for independent board (.5).	0.90	1095.00	\$985.50
12/04/2019	IDK	GB	E-mails with I. Leventon, G. Glazer re Ephraim Diamond status and coordination of call (.2); Attend conference call with I. Leventon and Ephraim Diamond re his potential service as an independent board member, and case issues and next steps, and then just with I. Leventon re general case issues (1.1); E-mails and telephone conferences with J. Young, J. Pomerantz re his possible candidacy for independent board seat and need for CV (.3); Telephone conference with J. Young re his draft cover and CV, including review of same (.2); email client re same (.1).	1.90	1095.00	\$2,080.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/04/2019	IDK	GB	E-mails with client and Judge Leif Clark re independent board seat and coordination of call tomorrow (.3); E-mails with client and G. Demo re status on drafting of corporate governance change docs (.2); Review of numerous E-mails with D. Barton, client, and G. Demo re various issues/problems re corporate governance docs (.3); E-mails with Committee counsel re our 3 candidates for independent board (.2); Telephone conferences with J. Pomerantz re his communications with Committee counsel re independent board and Friday hearing (.2).	1.20	1095.00	\$1,314.00
12/04/2019	IDK	GB	E-mails with Ephraim Diamond re status on independent board.	0.20	1095.00	\$219.00
12/04/2019	JNP	GB	Conference with I. Leventon and JP Sevilla regarding corporate governance.	0.20	1025.00	\$205.00
12/04/2019	JNP	GB	Conference with David J. Barton regarding corporate governance.	0.10	1025.00	\$102.50
12/04/2019	JNP	GB	Conference with Ira D. Kharasch regarding corporate governance and status (multiple).	0.40	1025.00	\$410.00
12/04/2019	JNP	GB	Conference with M. Dermente regarding corporate governance proposal (2x).	0.80	1025.00	\$820.00
12/04/2019	JNP	GB	Conference with David J. Barton, I. Leventon, Ira D. Kharasch and JP Sevilla regarding corporate governance.	0.70	1025.00	\$717.50
12/04/2019	JNP	GB	Conference with B. Sharp regarding status and corporate governance.	0.10	1025.00	\$102.50
12/04/2019	JNP	GB	Conference with Maxim B. Litvak regarding status and corporate governance.	0.20	1025.00	\$205.00
12/04/2019	JNP	GB	Conference with J. Young regarding potential Board position.	0.10	1025.00	\$102.50
12/04/2019	JNP	GB	Conference with Ira D. Kharasch, I. Leventon and E. Diamond regarding potential Board position.	0.30	1025.00	\$307.50
12/04/2019	JNP	GB	Conference with Ira D. Kharasch and I Leventon regarding corporate governance and related.	0.30	1025.00	\$307.50
12/04/2019	JNP	GB	Conference with I. Leventon regarding status and call with Committee counsel regarding corporate governance.	0.30	1025.00	\$307.50
12/04/2019	JNP	GB	Review emails regarding corporate governance documentation.	0.30	1025.00	\$307.50
12/04/2019	MBL	GB	Emails and follow-up with the client and team re venue issues and misc status items.	0.50	925.00	\$462.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/04/2019	MBL	GB	Update call with J.N. Pomerantz re case issues.	0.20	925.00	\$185.00
12/04/2019	GVD	GB	Conference with J. Pomerantz, I. Kharasch, and client re potential board structure	1.20	795.00	\$954.00
12/04/2019	GVD	GB	Draft corporate governance documents	4.20	795.00	\$3,339.00
12/05/2019	DJB	GB	Provide forms of indemnification and fee agreements for independent directors.	0.40	1145.00	\$458.00
12/05/2019	IDK	GB	Attend conference call with client group and Judge Clark re case issues and status, and tomorrow's status conference (.6).	0.60	1095.00	\$657.00
12/05/2019	IDK	GB	Review of numerous and extensive correspondence with client, G. Demo, others on corporate governance docs and open issues to resolve (.4); E-mails re Judge Clark requested comp (.1); Office conferences with J. Pomerantz re case status and next steps and hearing (.3); Review of numerous E-mails with client, J. Pomerantz re finalization of corporate documents on governance, and issues on getting them to Committee counsel, including J. Pomerantz memo to Committee re same (.3).	1.10	1095.00	\$1,204.50
12/05/2019	IDK	GB	Review and consider correspondence from Committee re its attached draft term sheet for new corporate governance (.2); Office conferences with J. Pomerantz re same (.1); E-mails with Committee counsel re coordinating together re tomorrow's hearing (.1); Meetings with CRO re status on corporate governance and hearing tomorrow (.5).	0.90	1095.00	\$985.50
12/05/2019	IDK	GB	Various E-mails with client re need for call on update from Committee re corporate governance (.2); Attend conference with client group re same (.6); Meet with client and Holly tonight on various case issues, governance and hearing tomorrow (1.5).	2.30	1095.00	\$2,518.50
12/05/2019	JNP	GB	Conference with client and Ira D. Kharasch regarding corporate governance.	0.50	1025.00	\$512.50
12/05/2019	JNP	GB	Review Committee email regarding corporate governance.	0.20	1025.00	\$205.00
12/05/2019	JNP	GB	Conference with I. Leventon, JP Sevilla, I. Clark and Ira D. Kharasch regarding corporate governance.	0.60	1025.00	\$615.00
12/05/2019	JNP	GB	Conference with M. Clemente regarding Committee reaction to corporate governance proposal.	0.20	1025.00	\$205.00
12/05/2019	JNP	GB	Conference with B. Sharp regarding Committee response to corporate governance proposal.	0.10	1025.00	\$102.50
12/05/2019	JNP	GB	Review corporate governance documents.	0.20	1025.00	\$205.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/05/2019	JNP	GB	Email to M. Clemente enclosing corporate governance documents.	0.20	1025.00	\$205.00
12/05/2019	JNP	GB	Conference with J. Young regarding corporate governance.	0.10	1025.00	\$102.50
12/05/2019	MBL	GB	Review corporate documents re governance change; emails with team re same.	0.30	925.00	\$277.50
12/05/2019	JAM	GB	Communications with E. Haitz re pro hac vice application (.3); review e-mails and documents re corporate governance (.6); review J. Pomerantz court presentation (.3); e-mails with J. Pomerantz re court presentation, corporate governance (.2); telephone conference with J. Pomerantz re corporate governance (.1).	1.50	1025.00	\$1,537.50
12/05/2019	GVD	GB	Conference with I. Leventon and JP Sevilla re revisions to corporate documents and next steps	0.50	795.00	\$397.50
12/05/2019	GVD	GB	Conference call with L. Clark re potential board seat	0.50	795.00	\$397.50
12/05/2019	GVD	GB	Draft resignation letters for J. Dondero	0.60	795.00	\$477.00
12/05/2019	GVD	GB	Conference call with J. Pomerantz, I. Kharasch and client re status of proceedings and next steps	0.80	795.00	\$636.00
12/05/2019	GVD	GB	Review committee proposal	0.40	795.00	\$318.00
12/05/2019	GVD	GB	Review and revise corporate documents re changes from client	1.90	795.00	\$1,510.50
12/06/2019	IDK	GB	Meet with client, CRO, Judge Clark prior to hearing today re governance, case status, upcoming hearing (1.0).	1.00	1095.00	\$1,095.00
12/06/2019	IDK	GB	E-mails with Committee counsel re their desire for a markup of their term sheet today (.1); Office conferences with J. Pomerantz re same and issues (.2).	0.30	1095.00	\$328.50
12/06/2019	IDK	GB	Numerous E-mails with J. Pomerantz and client re J. Pomerantz ?s various markups of Committee term sheet, including review of same and feedback of mine, client and G Demo?s (.5); Numerous E-mails with client, CRO re Committee?s demand for copy of Debtor?s entire system and problems and logistics re same (.3).	0.80	1095.00	\$876.00
12/06/2019	IDK	GB	E-mails with F. Caruso re D&O update (.1); E-mails with client, others re notice from NextBank re advisory agreement and termination issues, and consider (.3).	0.40	1095.00	\$438.00
12/06/2019	JNP	GB	Review and revise Committee corporate governance term sheet and emails with client and emails to	2.00	1025.00	\$2,050.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Committee.			
12/06/2019	JNP	GB	Conference call and email to potential Board Members regarding results of hearing.	0.20	1025.00	\$205.00
12/06/2019	MBL	GB	Review Committee term sheet and emails with team and client re comments thereto.	0.50	925.00	\$462.50
12/06/2019	GVD	GB	Review and revise draft term sheet; correspondence re same	0.40	795.00	\$318.00
12/09/2019	IDK	GB	E-mails and telephone conference with potential candidate for independent board (.4); Office conferences with J. Pomerantz and R. Pachulski re same (.4); E-mails with I. Leventon re need for call on status (.1).	0.90	1095.00	\$985.50
12/09/2019	IDK	GB	E-mails with CRO, F. Caruso re Debtor's request for CRO to attend Redeemer meeting in Chicago and issues re same (.2); Attend conference call with CRO re status and issues on Argentina wind down, meeting in Chicago with Redeemer, UST feedback on governance and bonuses (.7); Attend conference call with I. Leventon re same, local counsel, and Committee request for copy of all Debtor information, E-mails, documents (.7).	1.60	1095.00	\$1,752.00
12/09/2019	IDK	GB	E-mails with G. Demo re rescheduling of WIP call (.1); Attend internal WIP call on status and tasks (.3); Office conference with J. Pomerantz re result of his call with Committee on governance, and related issues re need for docs to Committee re same re meeting in Chicago tomorrow, and protective order status, and UST (.4); Telephone conference with client re same (.1).	0.90	1095.00	\$985.50
12/09/2019	JNP	GB	Conference with Ira D. Kharasch and I. Leventon regarding corporate governance and related.	0.80	1025.00	\$820.00
12/09/2019	JNP	GB	Conference with John A. Morris, regarding status of corporate governance issues.	0.20	1025.00	\$205.00
12/09/2019	JNP	GB	Conference with M. Clemente regarding corporate governance issues.	0.30	1025.00	\$307.50
12/09/2019	JNP	GB	Conference with Ira D. Kharasch regarding call with M. Clemente, corporate governance and related.	0.40	1025.00	\$410.00
12/09/2019	JNP	GB	Conference with I. Leventon regarding call with Sidley and corporate governance.	0.20	1025.00	\$205.00
12/10/2019	IDK	GB	Email CRO re today's meeting in Chicago with UBS & Redeemer and demand for his attendance (.1); Telephone conference with J. Pomerantz re same (.1); Telephone conference with CRO re summary of initial part of call with UBS and	0.50	1095.00	\$547.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Redeemer (.3).			
12/10/2019	IDK	GB	Attend part of conference call re Committee feedback on governance (.4); Office conference with J. Pomerantz re same and how to respond (.2); Telephone conference with CRO re same (.3); Review of correspondence with L. Clark re status (.1).	1.00	1095.00	\$1,095.00
12/10/2019	JNP	GB	Conference with M. Clemente regarding corporate governance issues and status.	0.50	1025.00	\$512.50
12/10/2019	JNP	GB	Email to client regarding follow-up call with Sidley.	0.10	1025.00	\$102.50
12/10/2019	JNP	GB	Call with B. Sharp and Ira D. Kharasch regarding call with Sidley on corporate governance issues.	0.30	1025.00	\$307.50
12/10/2019	JNP	GB	Call to M. Clemente regarding corporate governance.	0.10	1025.00	\$102.50
12/10/2019	JNP	GB	Call with client, F. Caruso, Ira D. Kharasch and Gregory V. Demo regarding call with Sidley on corporate governance issues.	0.80	1025.00	\$820.00
12/10/2019	JNP	GB	Conference with B. Sharp and Ira D. Kharasch regarding call with Sidley and then client regarding corporate governance.	0.30	1025.00	\$307.50
12/10/2019	JNP	GB	Emails to and from Judge Clark regarding corporate governance.	0.10	1025.00	\$102.50
12/10/2019	MBL	GB	Emails with client re misc. pending matters.	0.30	925.00	\$277.50
12/11/2019	IDK	GB	Review briefly client summary on key man provisions re governance concerns (.2); E-mails to CRO, client, J. Pomerantz re same and when to provide to committee and significance re same (.2); Telephone conference with and E-mails to J. Pomerantz and client re Dondero key man summary and related governance issues (.2).	0.60	1095.00	\$657.00
12/11/2019	IDK	GB	Review of Committee's markup of term sheet on governance (.2); Office conference with J. Pomerantz re same and case issues (.3); E-mails to client, CRO, others re same and need for call tomorrow (.2).	0.70	1095.00	\$766.50
12/11/2019	IDK	GB	E-mail to F. Caruso re summary of his concerns on Committee version of protocols (.2); E-mails to team re need for call with client, CRO on protocols (.1); Attend conference call with client, CRO, others re problems on operating under certain Committee changes to protocols (.9); Review of correspondence with Committee re need for call re same (.1); Attend conference call with Committee counsel, FTI, CRO, others re protocol issues prior to next week's hearing	2.30	1095.00	\$2,518.50

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			(1.0).			
12/11/2019	JNP	GB	Emails scheduling call with FTI and Sidley to discuss protocols.	0.10	1025.00	\$102.50
12/11/2019	JNP	GB	Conference with Sidley, FTI, DSI, Gregory V. Demo and Ira D. Kharasch regarding protocols pending management change.	1.00	1025.00	\$1,025.00
12/11/2019	JNP	GB	Review key man issues in connection with governance issues and emails re: same	0.20	1025.00	\$205.00
12/11/2019	JNP	GB	Conference with client and DSI regarding protocols during period before management change.	1.00	1025.00	\$1,025.00
12/11/2019	MBL	GB	Emails with team re cash management issues; review account statements.	0.30	925.00	\$277.50
12/11/2019	MBL	GB	Calls with G. Demo and F. Caruso re cash management issues.	0.40	925.00	\$370.00
12/11/2019	MBL	GB	Review revised Committee governance term sheet.	0.40	925.00	\$370.00
12/11/2019	GVD	GB	Conference with PSZJ and Committee re changes to protocols	0.90	795.00	\$715.50
12/11/2019	GVD	GB	Review revised term sheet	0.20	795.00	\$159.00
12/11/2019	GVD	GB	Conference with PSZJ working team re Committee changes to protocols	0.90	795.00	\$715.50
12/12/2019	IDK	GB	Attend conference call with client, CRO, others re Committee's markup of governance term sheet and how to respond (1.3); Review of G. Demo's draft markup of Committee's markup on governance, as well as Ex D re notice/protocols as well as my feedback on changes to same (.4); Review of client's revisions to same (.1).	1.80	1095.00	\$1,971.00
12/12/2019	IDK	GB	E-mails to Committee counsel re its feedback re our concerns on protocols, status and their markup of protocols re advisory services (.2); Attend next conference call with Committee, FTI re governance and their markup (.8).	1.00	1095.00	\$1,095.00
12/12/2019	IDK	GB	Attend next conference call with client, CRO re result of call with Committee/FTI on governance, and how to respond next, and stay on for next part of call re Parker separation agreement (.8).	0.80	1095.00	\$876.00
12/12/2019	IDK	GB	E-mails to attorneys and CRO re M. Litvak markup of CRO engagement letter to conform to new governance negotiations with Committee, and issues re termination and related provisions.	0.40	1095.00	\$438.00
12/12/2019	IDK	GB	Review of our finalized markup to Committee latest term sheet on governance, and communication with	0.50	1095.00	\$547.50

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			Committee re same (.2); E-mail to client re his memo on COC provisions in primary advisory funds that could impact Debtor and related issues (.2); E-mails to CRO re same and coordination of call tomorrow (.1).			
12/12/2019	JNP	GB	Review governance term sheet in anticipation of call with client.	0.20	1025.00	\$205.00
12/12/2019	JNP	GB	Conference with FTI, Sidley, DSI, Ira D. Kharasch and Gregory V. Demo regarding governance term sheet.	0.70	1025.00	\$717.50
12/12/2019	JNP	GB	Conference with Ira D. Kharasch after call with Sidley regarding term sheet.	0.10	1025.00	\$102.50
12/12/2019	JNP	GB	Conference with client, DSI, Gregory V. Demo and Ira D. Kharasch after call with Committee professionals.	0.40	1025.00	\$410.00
12/12/2019	JNP	GB	Review I. Leventon email regarding key man provisions and related.	0.10	1025.00	\$102.50
12/12/2019	JNP	GB	Review revised DSI Agreement and emails regarding same.	0.10	1025.00	\$102.50
12/12/2019	JNP	GB	Conference with client, Ira D. Kharasch, Gregory V. Demo and DSI regarding term sheet.	1.30	1025.00	\$1,332.50
12/12/2019	MBL	GB	Continue review of revised protocols and term sheet; comments thereto from team.	0.50	925.00	\$462.50
12/12/2019	MBL	GB	Call with client and team re Committee term sheet and protocols; review same.	1.30	925.00	\$1,202.50
12/12/2019	MBL	GB	Second call with client and team re protocols and term sheet.	0.80	925.00	\$740.00
12/12/2019	MBL	GB	Revise DSI engagement letter consistent with Committee term sheet.	0.90	925.00	\$832.50
12/12/2019	GVD	GB	Conference call with client and PSZJ re status of term sheet and next steps	1.30	795.00	\$1,033.50
12/12/2019	GVD	GB	Review and revise Sidley term sheet and protocols	2.30	795.00	\$1,828.50
12/12/2019	GVD	GB	Conference with Sidley and PSZJ re revised term sheet and schedules	0.70	795.00	\$556.50
12/12/2019	GVD	GB	Follow up call with client and PSZJ re status of term sheet and schedules	0.60	795.00	\$477.00
12/13/2019	IDK	GB	Review and consider client prior summary of key man/COC issues re advisory agreements (.2); Attend conference call with CRO, J. Pomerantz on client summary of key man/COC provisions in advisory agreements re governance concerns (.3); E-mails to client re same and need for call (.1); Attend	0.90	1095.00	\$985.50

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			conference call with client, CRO and J. Pomerantz re same and what to get to Committee now, and need for more extensive chart and info for Committee on key man/COC breakdowns (.3).			
12/13/2019	IDK	GB	E-mails to client, J. Pomerantz re status on revised DSI engagement and need to get to Committee, including communications with Committee re same.	0.20	1095.00	\$219.00
12/13/2019	IDK	GB	Review of Client's new, extensive chart summarizing for all managed funds the key man/COC/Dondero issues, as well as other information for all funds (.4); E-mails to client re questions on same (.2); E-mail to Committee counsel re same chart (.1); E-mails to G. Demo re his comments and questions on chart and need for related docs (.2).	0.90	1095.00	\$985.50
12/13/2019	IDK	GB	Review of F. Caruso extensive summary of his call with FTI on protocols/reporting and suggested alternatives (.2); Attend conference call with Committee counsel, FTI, CRO, others re status of governance negotiations/term sheets and protocols (.5); Office conference with J. Pomerantz re same (.1); Attend conference call with client re result of such committee call and re status on protective order (.3).	1.10	1095.00	\$1,204.50
12/13/2019	IDK	GB	E-mails to client, J. Morris re coordination of meeting with Meta E Discovery and Committee on copying all records and related issues on privilege.	0.20	1095.00	\$219.00
12/13/2019	IDK	GB	E-mails to J. Pomerantz re his draft extensive memo to client re status of open issues in term sheet with Committee on governance, including review and feedback on same.	0.20	1095.00	\$219.00
12/13/2019	JNP	GB	Conference with John A. Morris regarding corporate governance term sheet and discovery issues (2x).	0.30	1025.00	\$307.50
12/13/2019	JNP	GB	Conference with Ira D. Kharasch, B. Sharp and Gregory V. Demo regarding corporate governance.	0.40	1025.00	\$410.00
12/13/2019	JNP	GB	Conference with Ira D. Kharasch, B. Sharp and I. Leventon regarding corporate governance.	0.30	1025.00	\$307.50
12/13/2019	JNP	GB	Conference with Sidley, FTI, F. Caruso, Ira D. Kharasch and Gregory V. Demo regarding status of term sheet.	0.50	1025.00	\$512.50
12/13/2019	JNP	GB	Conference with Ira D. Kharasch and I. Leventon regarding call with Sidley.	0.30	1025.00	\$307.50
12/13/2019	JNP	GB	Lengthy email to S. Ellington and I. Leventon regarding status of negotiations over term sheet.	0.40	1025.00	\$410.00

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12/13/2019	MBL	GB	Emails with client re trading issues.	0.10	925.00	\$92.50
12/13/2019	GVD	GB	Conference with PSZJ and HCMLP re potential key man issues	0.70	795.00	\$556.50
12/13/2019	GVD	GB	Review agreements re potential key man issues	1.20	795.00	\$954.00
12/13/2019	GVD	GB	Conference with Committee and PSZJ re revisions to term sheet	0.40	795.00	\$318.00
12/15/2019	IDK	GB	E-mails to DSI yesterday, Saturday, and today on CRO communications with FTI and issues on ?Jim? funds.	0.30	1095.00	\$328.50
12/15/2019	IDK	GB	E-mails with Committee re its markup today of Exhibit to term sheet re protocols/reporting, including review of same (.4); Telephone conferences with J. Pomerantz re same and need for call today (.2); E-mails to client, CRO, others re Committee markup and coordinating call for tonight on same (.3).	0.90	1095.00	\$985.50
12/15/2019	IDK	GB	Attend conference call with client, DSI, others on Committee?s extensive new markup and new concepts on protocols, reporting, and how to respond to same (1.4).	1.40	1095.00	\$1,533.00
12/15/2019	JNP	GB	Review Term Sheet protocols received from Sidley.	0.20	1025.00	\$205.00
12/15/2019	JNP	GB	Lengthy call with DSI, Ira D. Kharasch, Gregory V. Demo and I. Leventon regarding protocols proposed by Sidley	1.50	1025.00	\$1,537.50
12/15/2019	MBL	GB	Review and comment on revised Committee protocols; emails with team and client re same.	0.50	925.00	\$462.50
12/15/2019	GVD	GB	Review Committee revisions to protocols and reporting requirements	0.20	795.00	\$159.00
12/15/2019	GVD	GB	Conference with PSZJ, CRO, and HCMLP working group re potential revisions to protocols	1.50	795.00	\$1,192.50
12/15/2019	GVD	GB	Revise protocols re comments from call	0.90	795.00	\$715.50
12/16/2019	IDK	GB	Review of correspondence with client on upcoming Meta E discovery call re governance term sheet, as well as issues on confidentiality on documents to committee.	0.20	1095.00	\$219.00
12/16/2019	IDK	GB	Review and consider our various draft markups of proposed protocols and reporting for term sheet with Committee, including feedback from client, others re same (.4); Telephone conference and E-mails with J. Pomerantz re same, feedback from potential board candidates, and his conversation with Committee counsel (.3); Telephone conferences with Committee	1.00	1095.00	\$1,095.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			counsel re same (.1); E-mails to CRO, others re status on same and need for rescheduling of call later tonight (.2).			
12/16/2019	IDK	GB	Review of our finalized protocol to be sent to Committee, and E-mails to client re timing for Exhibit to same identifying funds for each category.	0.20	1095.00	\$219.00
12/16/2019	IDK	GB	Telephone conference with Committee counsel re status on governance and need for call after Committee meeting later today (.2); Telephone conference with client re result of same call, next steps, and options if no deal on governance by tomorrow (.4); E-mail to CRO, others re status on same (.1).	0.70	1095.00	\$766.50
12/16/2019	IDK	GB	Attend conference call with Committee counsel on governance and Committee Board seat picks (.5); Telephone conference with J. Pomerantz re result of same (.1); Attend telephone conference with client, CRO re result of Committee call and their board seat picks and next steps (.5); Attend telephone conference with R. Pachulski, J. Pomerantz re same and other potential board seats and next steps (.4).	1.50	1095.00	\$1,642.50
12/16/2019	JNP	GB	Review and edit protocols to be attached to term sheet.	0.20	1025.00	\$205.00
12/16/2019	JNP	GB	Participate on lengthy call with Sidley, PSZJ and company regarding preservation of documents and privilege.	1.30	1025.00	\$1,332.50
12/16/2019	JNP	GB	Conference with DSI, PSZJ and company regarding operating and reporting protocols.	0.70	1025.00	\$717.50
12/16/2019	JNP	GB	Draft email to Sidley regarding status.	0.10	1025.00	\$102.50
12/16/2019	JNP	GB	Review revised protocols; Conference with Gregory V. Demo regarding same.	0.10	1025.00	\$102.50
12/16/2019	JNP	GB	Emails to client regarding status of calls with Sidley and results of same.	0.20	1025.00	\$205.00
12/16/2019	JNP	GB	Emails to and from James E. O'Neill regarding status.	0.10	1025.00	\$102.50
12/16/2019	JNP	GB	Conference with D. Twomey and M. Clemente regarding status of discussions and term sheet.	0.50	1025.00	\$512.50
12/16/2019	JNP	GB	Follow-up call with D. Twomey and M. Clemente after Committee call regarding identity of candidates and status.	0.50	1025.00	\$512.50
12/16/2019	JNP	GB	Review resumes of candidates for Board seats.	0.20	1025.00	\$205.00
12/16/2019	JNP	GB	Conference with I. Leventon, B. Sharp and PSZJ regarding Committee's identified Board candidates	0.50	1025.00	\$512.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			and status.			
12/16/2019	JNP	GB	Conference with Ira D. Kharasch regarding Committee position regarding Board candidates and strategy.	0.20	1025.00	\$205.00
12/16/2019	JNP	GB	Conference with Richard M. Pachulski and Ira D. Kharasch regarding corporate governance issues.	0.30	1025.00	\$307.50
12/16/2019	MBL	GB	Review emails with team and client re revised ordinary course protocols.	0.40	925.00	\$370.00
12/16/2019	MBL	GB	Update call with J.N. Pomerantz re pending issues.	0.10	925.00	\$92.50
12/16/2019	MBL	GB	Call with team re board candidates and case status.	0.50	925.00	\$462.50
12/16/2019	GVD	GB	Conference with F. Caruso re revisions to protocols	0.70	795.00	\$556.50
12/16/2019	GVD	GB	Revise protocols re call with F. Caruso; circulate same	1.20	795.00	\$954.00
12/16/2019	GVD	GB	Conference with Committee counsel, Meta E Discovery, PSZJ team and client re electronic discovery issues	1.00	795.00	\$795.00
12/16/2019	GVD	GB	Conference with PSZJ team and client re revisions to protocols	0.60	795.00	\$477.00
12/16/2019	GVD	GB	Further revise and circulate protocols re follow up from call	0.90	795.00	\$715.50
12/16/2019	GVD	GB	Supplemental call re status of protocols and next steps	0.20	795.00	\$159.00
12/16/2019	GVD	GB	Review allocation of entities to protocol categories	0.40	795.00	\$318.00
12/16/2019	GVD	GB	Attend to issues re potential board of directors	0.40	795.00	\$318.00
12/17/2019	IDK	GB	Telephone conference with J. Pomerantz re status on interviews with other judges for board seat, and problems re margin calls and restricted stock (.2).	0.20	1095.00	\$219.00
12/17/2019	IDK	GB	Review and consider client draft questions for prospective board members, and other?s feedback (.2); Telephone conference with client re same and need for substantial revisions, and status on hearing (.4); Review of numerous correspondence with Committee?s various proposed board members to coordination of interviews as well as further background info about themselves, as well as with our new possible board members (.3).	0.90	1095.00	\$985.50
12/17/2019	IDK	GB	Attend conference call with CRO, client, others re potential board members (.5); E-mails to other firm members re feedback on Committee?s suggested board members (.2); E-mails and telephone conferences with L. Jones re due diligence on prospective board members (.3).	1.00	1095.00	\$1,095.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/17/2019	IDK	GB	Attend conference call & interview with one of Committee's prospects (.9); Attend conference call with client, others re same (.1).	1.00	1095.00	\$1,095.00
12/17/2019	IDK	GB	Numerous E-mails to DSI re D&O quote status.	0.20	1095.00	\$219.00
12/17/2019	IDK	GB	E-mails to client, attorneys, CRO re issues and feedback in just received Committee new markup of protocols/reporting, including review of such new markup (.4); Review of correspondence with Committee counsel re term sheets status (.1).	0.50	1095.00	\$547.50
12/17/2019	JNP	GB	Conference with potential Board Member regarding all with company.	0.20	1025.00	\$205.00
12/17/2019	JNP	GB	Consider issues regarding new Board.	0.30	1025.00	\$307.50
12/17/2019	JNP	GB	Review emails regarding insurance coverage.	0.10	1025.00	\$102.50
12/17/2019	JNP	GB	Review outline for Board Members interviews; Conference with Ira D. Kharasch regarding same.	0.20	1025.00	\$205.00
12/17/2019	JNP	GB	Conference with Ira D. Kharasch and I. Leventon regarding interviews of Board Members.	0.20	1025.00	\$205.00
12/17/2019	JNP	GB	Review resume of potential Board Member.	0.10	1025.00	\$102.50
12/17/2019	JNP	GB	Conference with potential Board Member, B. Sharp, I. Leventon, Ira D. Kharasch and Gregory V. Demo.	0.90	1025.00	\$922.50
12/17/2019	JNP	GB	Conference with I. Leventon after call with Board Member.	0.10	1025.00	\$102.50
12/17/2019	JNP	GB	Due diligence regarding potential Board Members.	0.30	1025.00	\$307.50
12/17/2019	JNP	GB	Call with B. Sharp, Ira D. Kharasch and I. Leventon regarding potential Board Member.	0.50	1025.00	\$512.50
12/17/2019	JNP	GB	Conference with potential Board Members regarding interview and email regarding same.	0.20	1025.00	\$205.00
12/17/2019	JNP	GB	Review and comment on revised protocols and emails regarding same.	0.30	1025.00	\$307.50
12/17/2019	JNP	GB	Emails with M. Clemente regarding meeting before hearing.	0.10	1025.00	\$102.50
12/17/2019	JNP	GB	Conference with I. Leventon regarding setting up calls with potential Board Members and emails to Board Members regarding same.	0.30	1025.00	\$307.50
12/17/2019	MBL	GB	Review Committee revisions to protocols; emails with team re same.	0.40	925.00	\$370.00
12/17/2019	GVD	GB	Review Sidley revisions to draft protocols; correspondence with group re same	0.70	795.00	\$556.50
12/17/2019	GVD	GB	Revise draft questions to potential independent	0.60	795.00	\$477.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			directors			
12/17/2019	GVD	GB	Attend to issues re potential independent directors	0.80	795.00	\$636.00
12/17/2019	GVD	GB	Conference with J. Dubel re potential board engagement	0.90	795.00	\$715.50
12/18/2019	IDK	GB	Attend conference call with Committee professionals, client, CRO others re operating protocol open issues to resolve (.7).	0.70	1095.00	\$766.50
12/18/2019	IDK	GB	Attend conference call for interview with another Committee board candidate (.7); Attend 2d interview with another board candidate (.6); Attend 3d interview of potential board candidate of debtor (.6).	1.90	1095.00	\$2,080.50
12/18/2019	IDK	GB	Attend calls with client, others after interviews with the 3 board candidate interviews of today, and next steps on process of same (.7); Review of numerous E-mails with prospective board members re interviews for tomorrow (.2).	0.90	1095.00	\$985.50
12/18/2019	IDK	GB	E-mails to attorneys re client's compliance department feedback to Committee protocol issues and how to respond.	0.20	1095.00	\$219.00
12/18/2019	IDK	GB	E-mails to Committee re its revised term sheet, status of Ex C, including review of term sheet, as well as review of client markup of same (.4); E-mails to client, others re need for call tomorrow re same (.1).	0.50	1095.00	\$547.50
12/18/2019	JNP	GB	Conference with DSI and Ira D. Kharasch regarding margin calls.	0.20	1025.00	\$205.00
12/18/2019	JNP	GB	Meeting with I. Leventon and others at company offices before Status Conference.	0.30	1025.00	\$307.50
12/18/2019	JNP	GB	Conference with Sidley, FTI, Gregory V. Demo, DSI and Ira D. Kharasch regarding operating protocols.	0.70	1025.00	\$717.50
12/18/2019	JNP	GB	Conference with potential Board candidate, I. Leventon, Ira D. Kharasch and Gregory V. Demo.	0.70	1025.00	\$717.50
12/18/2019	JNP	GB	Conference with I. Leventon and Ira D. Kharasch after calls with Board candidates (3x).	0.70	1025.00	\$717.50
12/18/2019	JNP	GB	Conference with Ira D. Kharasch, I. Leventon and potential Board member.	0.60	1025.00	\$615.00
12/18/2019	JNP	GB	Email to Board member to schedule time to talk.	0.10	1025.00	\$102.50
12/18/2019	JNP	GB	Email to and from Gregory V. Demo regarding proposed modification to protocols.	0.10	1025.00	\$102.50
12/18/2019	JNP	GB	Review revised term sheet; Conference with I. Leventon regarding same.	0.20	1025.00	\$205.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/18/2019	JNP	GB	Conference with Ira D. Kharasch, I. Leventon and potential Board member.	0.60	1025.00	\$615.00
12/18/2019	MBL	GB	Review revised Committee term sheet and client comments thereto.	0.40	925.00	\$370.00
12/18/2019	GVD	GB	Review Sidley changes to draft term sheet	0.50	795.00	\$397.50
12/18/2019	GVD	GB	Conference with Sidley and PSZJ team re revisions and updates to protocols and next steps	0.80	795.00	\$636.00
12/18/2019	GVD	GB	Conference with S. Saldana re potential directorship	0.90	795.00	\$715.50
12/18/2019	GVD	GB	Conference with J. Seery re potential directorship	0.80	795.00	\$636.00
12/18/2019	GVD	GB	Correspondence with potential directors re initial interviews	0.30	795.00	\$238.50
12/19/2019	IDK	GB	E-mail to DSI re result of call with FTI on protocols (.1); Attend telephone conference with J. Pomerantz and G. Demo on protocols and issue re Committee demand for broad disclosure on Dondero entities (.2).	0.30	1095.00	\$328.50
12/19/2019	IDK	GB	Attend telephone conference and interview with prospective board candidate of Committee (1.1); Telephone conference with client, CRO and J. Pomerantz re result of same (.3).	1.40	1095.00	\$1,533.00
12/19/2019	IDK	GB	E-mails to client, CRO others re need for call later on protocols, term sheet, and agenda (.2).	0.20	1095.00	\$219.00
12/19/2019	IDK	GB	Attend conference call with client, CRO, J. Pomerantz, G. Demo re governance term sheet and prior Sidley call (.4).	0.40	1095.00	\$438.00
12/19/2019	IDK	GB	Attend conference call with J. Pomerantz and R. Pachulski re governance issues and problems (.3).	0.30	1095.00	\$328.50
12/19/2019	IDK	GB	E-mail to I. Leventon re his instructions on our timing on responding to committee, and next steps in the process of global settlement (.1); Telephone conferences with J. Pomerantz re same, including review of his draft response to client and my suggested revisions to same (.3); Review of correspondence with Committee counsel re timing on responses to term sheet, protocols and other (.1).	0.50	1095.00	\$547.50
12/19/2019	JNP	GB	Review resume of independent board member in advance of call.	0.10	1025.00	\$102.50
12/19/2019	JNP	GB	Conference with independent Board Member, B. Sharp, I. Leventon, Ira D. Kharasch and Gregory V. Demo.	1.10	1025.00	\$1,127.50
12/19/2019	JNP	GB	Conference with B. Sharp, Ira D. Kharasch and I. Leventon after Board call.	0.30	1025.00	\$307.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/19/2019	JNP	GB	Review F. Caruso of summary of discussions on protocols and emails regarding call.	0.10	1025.00	\$102.50
12/19/2019	JNP	GB	Conference with Ira D. Kharasch regarding committee request for list of related entities and follow up with Gregory V. Demo regarding same.	0.20	1025.00	\$205.00
12/19/2019	JNP	GB	Conference with Gregory V. Demo and Ira D. Kharasch regarding call with Sidley regarding protocols.	0.10	1025.00	\$102.50
12/19/2019	JNP	GB	Conference with Ira D. Kharasch and Richard M. Pachulski considering corporate governance issues.	0.30	1025.00	\$307.50
12/19/2019	JNP	GB	Emails regarding status of protective order.	0.20	1025.00	\$205.00
12/19/2019	JNP	GB	Conference with M. Clemente and Ira D. Kharasch regarding status of governance term sheet and related.	0.30	1025.00	\$307.50
12/19/2019	JNP	GB	Conference with I. Leventon, DSI, Ira D. Kharasch and Gregory V. Demo regarding call with Sidley and governance term sheet.	0.40	1025.00	\$410.00
12/19/2019	JNP	GB	Conference with I. Leventon regarding response to term sheet.	0.10	1025.00	\$102.50
12/19/2019	JNP	GB	Conference with Ira D. Kharasch regarding call with I. Leventon and response.	0.30	1025.00	\$307.50
12/19/2019	JNP	GB	Draft response to I. Leventon email regarding status of term sheet.	0.10	1025.00	\$102.50
12/19/2019	JNP	GB	Email to and from proposed Board Member regarding status.	0.10	1025.00	\$102.50
12/19/2019	JNP	GB	Email to M. Clemente regarding status of term sheet.	0.10	1025.00	\$102.50
12/19/2019	GVD	GB	Conference with S. Golden re research into Delaware LLC act	0.20	795.00	\$159.00
12/19/2019	GVD	GB	Conference with D. Twomey re related entities list and next steps	0.10	795.00	\$79.50
12/19/2019	GVD	GB	Draft breakdown of insider definition	1.10	795.00	\$874.50
12/19/2019	GVD	GB	Conference with D. Pauker and PSZJ team re potential directorship	1.00	795.00	\$795.00
12/19/2019	GVD	GB	Conference with F. Waterhouse, J. Romey, and D. Klos re required revisions to protocols and next steps	1.20	795.00	\$954.00
12/19/2019	GVD	GB	Conference with J. Romey re status of protocols and required revisions	0.50	795.00	\$397.50
12/19/2019	GVD	GB	Status conference with PSZJ team and HCMLP re next steps and revisions to protocols	0.40	795.00	\$318.00

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12/20/2019	IDK	GB	Review of draft revised protocol exhibit (.2); Attend conference call with client, CRO re same and open problems on protocols and how to solve on next draft and officer concerns at Strand, 3d party issues and PensionDenmark motion (1.3).	1.50	1095.00	\$1,642.50
12/20/2019	IDK	GB	E-mails to client and J. Pomerantz re Committee inquiry on governance over weekend, and how to respond, including review of E-mails to with Committee re same.	0.20	1095.00	\$219.00
12/20/2019	JNP	GB	Conference with Gregory V. Demo regarding call about protocols.	0.10	1025.00	\$102.50
12/20/2019	JNP	GB	Conference with director regarding status.	0.10	1025.00	\$102.50
12/20/2019	JNP	GB	Conference with I. Leventon, DSI, Ira D. Kharasch, Gregory V. Demo regarding protocols and status of term sheet negotiations.	1.30	1025.00	\$1,332.50
12/20/2019	JNP	GB	Conference with Ira D. Kharasch regarding status.	0.20	1025.00	\$205.00
12/20/2019	JNP	GB	Conference with B. Sharp regarding call on protocols and related.	0.20	1025.00	\$205.00
12/20/2019	MBL	GB	Emails with team, client, and Jefferies counsel re financing and payment issues.	0.20	925.00	\$185.00
12/20/2019	GVD	GB	Review and revise research from S. Golden on Delaware LLC law	0.60	795.00	\$477.00
12/20/2019	GVD	GB	Conference with DSI and client re revisions to protocols and next steps	1.50	795.00	\$1,192.50
12/20/2019	GVD	GB	Conference with D. Twomey and E. Bromagen re open house keeping items	0.20	795.00	\$159.00
12/20/2019	GVD	GB	Revise protocols re changes from client conference	0.70	795.00	\$556.50
12/20/2019	GVD	GB	Conference with client, PSZJ working group, and DSI re changes to protocols and next steps	1.40	795.00	\$1,113.00
12/20/2019	GVD	GB	Further revise and circulate protocols	0.40	795.00	\$318.00
12/22/2019	MBL	GB	Review revised protocols; emails with team and client re same.	0.40	925.00	\$370.00
12/23/2019	IDK	GB	E-mails to client and J. Pomerantz re status need for call on governance and coordination (.2); Attend conference call with client, J. Pomerantz re same (.3); Telephone conference with J. Pomerantz re same (.1).	0.60	1095.00	\$657.00
12/23/2019	IDK	GB	E-mails to client re status on getting feedback for next steps (.1); Telephone conferences with J. Pomerantz re same and re board member issues and his further call with client (.2).	0.30	1095.00	\$328.50

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12/23/2019	IDK	GB	Telephone conference with J. Pomerantz re issues on motions to approve new protocols and DSI employment, and then conference with G. Demo re same, as well as updates on other issues (.3); E-mails to client, others re status on timing re revised term sheet, and need for call re same (.2); Review of client's markup of term sheet (.2).	0.70	1095.00	\$766.50
12/23/2019	IDK	GB	E-mails to DSI and client re D&O renewal issues and claims made under existing policy, as well as margin call update.	0.20	1095.00	\$219.00
12/23/2019	JNP	GB	Conference with Ira D. Kharasch and I. Leventon regarding status of Term Sheet (2x).	0.60	1025.00	\$615.00
12/23/2019	JNP	GB	Conference with Ira D. Kharasch regarding status of negotiations (2x).	0.20	1025.00	\$205.00
12/23/2019	JNP	GB	Conference with B. Sharp regarding status of negotiations.	0.20	1025.00	\$205.00
12/23/2019	JNP	GB	Conference with I. Leventon regarding CRO issues.	0.10	1025.00	\$102.50
12/23/2019	JNP	GB	Conference with Ira D. Kharasch regarding modifications to motions required to implement governance deal.	0.20	1025.00	\$205.00
12/23/2019	JNP	GB	Conference with Ira D. Kharasch and Gregory V. Demo regarding modifications to motions and related issues.	0.30	1025.00	\$307.50
12/23/2019	MBL	GB	Review revised term sheet and associated protocols.	0.30	925.00	\$277.50
12/23/2019	GVD	GB	Conference with I. Kharasch and J. Pomerantz re motions to approve settlements and next steps	0.10	795.00	\$79.50
12/23/2019	GVD	GB	Conference with PSZJ team and client re additional revisions to Committee term sheet; revise and circulate term sheet to Committee re same	1.60	795.00	\$1,272.00
12/24/2019	IDK	GB	E-mails to attorneys re Committee Counsel request for call on governance, and issue of client attendance (.2); Attend conference call with Committee counsel and FTI, CRO, J. Pomerantz and G. Demo re open issues on governance/protocols (.8); Attend conference call with client, J. Pomerantz, others re result of same and next steps re board (.6).	1.60	1095.00	\$1,752.00
12/24/2019	IDK	GB	E-mails to attorneys re our draft ?related entities? list re term sheet and issues re same, including client feedback (.2); Telephone conferences with J. Pomerantz re same and re board of director issues and timing (.2).	0.40	1095.00	\$438.00
12/24/2019	JNP	GB	Conference with B. Sharp regarding calls with Committee professionals.	0.10	1025.00	\$102.50

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12/24/2019	JNP	GB	Conference with Ira D. Kharasch regarding call with M. Clemente.	0.10	1025.00	\$102.50
12/24/2019	JNP	GB	Conference with M. Clemente after call with group regarding negotiations.	0.10	1025.00	\$102.50
12/24/2019	JNP	GB	Conference with I. Leventon, DSI, and PSZJ after call with Committee professionals.	0.60	1025.00	\$615.00
12/24/2019	JNP	GB	Conference with Sidley, FTI, DSI and PSZJ regarding Term Sheet and related documents.	0.70	1025.00	\$717.50
12/24/2019	JNP	GB	Review and respond to Gregory V. Demo email regarding interested parties list.	0.10	1025.00	\$102.50
12/24/2019	MBL	GB	Emails with team re pending issues (0.3); review and comment on revised proposed cash management and DSI retention orders (0.2).	0.50	925.00	\$462.50
12/24/2019	GVD	GB	Draft updated orders for cash management and CRO appointment	1.20	795.00	\$954.00
12/24/2019	GVD	GB	Conference with PSZJ and Sidley team re status of term sheet and next steps	0.70	795.00	\$556.50
12/24/2019	GVD	GB	Conference with I. Leventon and H. Kim re list of related parties	0.70	795.00	\$556.50
12/24/2019	GVD	GB	Draft correspondence re related parties list; circulate same	1.50	795.00	\$1,192.50
12/25/2019	GVD	GB	Draft motion to approve Committee term sheet under 363 and 9019	5.10	795.00	\$4,054.50
12/26/2019	IDK	GB	Emails with G. Demo re his draft motion to approve settlement with Committee on governance, including review of same and giving my comments, and review of other feedback (.5); review of revised versions of same motion (.2).	0.70	1095.00	\$766.50
12/26/2019	IDK	GB	Telephone conference and emails with J. Pomerantz re status of negotiations on board and giving Committee our board names (.3).	0.30	1095.00	\$328.50
12/26/2019	IDK	GB	Review of Committee?s just received revised term sheet and protocols (.3); emails client and J. Pomerantz re same (.1).	0.40	1095.00	\$438.00
12/26/2019	JNP	GB	Conference with I. Leventon regarding status regarding corporate governance issues and proposed term sheet revisions.	0.50	1025.00	\$512.50
12/26/2019	JNP	GB	Conference with DSI, PSZJ and I Leventon regarding proposed changes to Term Sheet and protocols.	0.60	1025.00	\$615.00
12/26/2019	JNP	GB	Conference with proposed Board Member regarding	0.10	1025.00	\$102.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			status.			
12/26/2019	JNP	GB	Conference with M. Clemente regarding status of corporate governance negotiations.	0.20	1025.00	\$205.00
12/26/2019	JNP	GB	Conference with Gregory V. Demo regarding status of documentation.	0.20	1025.00	\$205.00
12/26/2019	JNP	GB	Review of motion to approve compromise and provide comments.	0.30	1025.00	\$307.50
12/26/2019	JNP	GB	Conference with B. Sharp regarding status.	0.10	1025.00	\$102.50
12/26/2019	MBL	GB	Review revisions to settlement term sheet; misc. emails with team re same.	0.30	925.00	\$277.50
12/26/2019	GVD	GB	Further revise and circulate motion to approve settlement	1.90	795.00	\$1,510.50
12/26/2019	GVD	GB	Review J. Pomerantz and M. Litvak changes to motion to approve settlement; comment on same	1.30	795.00	\$1,033.50
12/26/2019	GVD	GB	Conference with PSZJ and client re revisions to term sheet and next steps	0.40	795.00	\$318.00
12/26/2019	GVD	GB	Revise and circulate settlement pleadings and revised term sheet to counsel to Committee	1.80	795.00	\$1,431.00
12/27/2019	IDK	GB	E-mails and telephone conferences with J. Pomerantz re status of governance negotiations and board members, and Committee feedback on Board interviews and term sheet (.4); emails with J. Pomerantz and R. Pachulski today and tomorrow re status on open issues re dispute over board members and how to resolve, and status of Committee interviews with judges (.3).	0.70	1095.00	\$766.50
12/27/2019	JNP	GB	Review and revise pleadings regarding corporate governance approval and related.	0.30	1025.00	\$307.50
12/27/2019	JNP	GB	Conference with B. Sharp regarding corporate governance discussions status (2x).	0.30	1025.00	\$307.50
12/27/2019	JNP	GB	Conference to consider independent director issues.	0.10	1025.00	\$102.50
12/27/2019	JNP	GB	Conference with Ira D. Kharasch regarding status of corporate governance discussions.	0.20	1025.00	\$205.00
12/27/2019	JNP	GB	Review emails regarding corporate governance.	0.30	1025.00	\$307.50
12/27/2019	JNP	GB	Conference with M. Clemente regarding corporate governance negotiations (several).	0.70	1025.00	\$717.50
12/27/2019	JNP	GB	Conference with I. Leventon regarding status and logistics (several).	1.00	1025.00	\$1,025.00
12/27/2019	JNP	GB	Conference with Gregory V. Demo and S. Golden regarding logistics and status of filing documents	0.50	1025.00	\$512.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			(several).			
12/27/2019	JNP	GB	Communications with potential Board Members regarding status.	0.30	1025.00	\$307.50
12/27/2019	JNP	GB	Conference with Gregory V. Demo regarding protocols.	0.10	1025.00	\$102.50
12/27/2019	JNP	GB	Review Sidley changes to motions.	0.10	1025.00	\$102.50
12/27/2019	JNP	GB	Review next turn of motions.	0.10	1025.00	\$102.50
12/27/2019	GVD	GB	Conference with J. Pomerantz and S. Golden re issues re settlement	0.40	795.00	\$318.00
12/27/2019	GVD	GB	Multiple conferences with F. Caruso re revisions to protocols	0.40	795.00	\$318.00
12/27/2019	GVD	GB	Revise protocols and circulate same to Sidley	0.90	795.00	\$715.50
12/27/2019	GVD	GB	Revise motion to approve settlement re further changes from J. Pomerantz	1.30	795.00	\$1,033.50
12/27/2019	GVD	GB	Correspondence with S. Golden re changes to settlement papers; review and revise S. Golden changes to same	1.10	795.00	\$874.50
12/27/2019	GVD	GB	Attend to issues re filing	0.50	795.00	\$397.50
12/27/2019	GVD	GB	Conference with J. Pomerantz and S. Golden re status of pleadings and filing	0.20	795.00	\$159.00
12/27/2019	GVD	GB	Correspondence with local counsel re filing of notices re bonus motion	0.20	795.00	\$159.00
12/28/2019	JNP	GB	Various calls with potential Board Members and emails providing background documents.	1.00	1025.00	\$1,025.00
12/28/2019	GVD	GB	Compile background documents for potential directors	0.40	795.00	\$318.00
12/28/2019	GVD	GB	Correspondence with K. Carey re background of the case	0.10	795.00	\$79.50
12/28/2019	GVD	GB	Correspondence with Judge Nelms re background of the case	0.10	795.00	\$79.50
12/30/2019	IDK	GB	Review of DSI/client correspondence on D&O coverage/new policy issues.	0.20	1095.00	\$219.00
12/30/2019	JNP	GB	Conference with J. Dubel regarding status of installation of new board (2x).	0.50	1025.00	\$512.50
12/30/2019	JNP	GB	Multiple conversations with I. Leventon regarding status of corporate governance negotiations.	1.40	1025.00	\$1,435.00
12/30/2019	JNP	GB	multiple conversations with M. Clemente regarding status of corporate governance negotiations.	0.50	1025.00	\$512.50
12/30/2019	JNP	GB	Conference with director candidates regarding	0.40	1025.00	\$410.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			corporate governance negotiations.			
12/30/2019	JNP	GB	Conference with B. Sharp regarding status of corporate governance negotiations.	0.10	1025.00	\$102.50
12/30/2019	JNP	GB	Conference with Gregory V. Demo regarding status of corporate governance negotiations.	0.20	1025.00	\$205.00
12/30/2019	JNP	GB	Email to and from courtroom deputy regarding notice of hearing.	0.10	1025.00	\$102.50
12/30/2019	JNP	GB	Consider issues regarding corporate governance.	0.20	1025.00	\$205.00
12/30/2019	JNP	GB	Review emails regarding monthly application.	0.10	1025.00	\$102.50
12/30/2019	JNP	GB	Emails with Gregory V. Demo and Maxim B. Litvak regarding hearing coverage.	0.10	1025.00	\$102.50
12/30/2019	JNP	GB	Review emails regarding D&O coverage.	0.10	1025.00	\$102.50
12/30/2019	JNP	GB	Emails to Ira D. Kharasch regarding status of corporate governance.	0.10	1025.00	\$102.50
12/30/2019	GVD	GB	Conference with F. Caruso re insurance issues and next steps	0.20	795.00	\$159.00
12/30/2019	GVD	GB	Review and circulate final protocols	0.10	795.00	\$79.50
12/31/2019	IDK	GB	Telephone conferences with J. Pomerantz re status of negotiations with Committee, client on dispute over board members and potential alternative scenarios (.3); emails with J. Pomerantz and R. Pachulski re same (.2).	0.50	1095.00	\$547.50
12/31/2019	JNP	GB	Conference with I. Leventon (several) regarding corporate governance resolution.	0.60	1025.00	\$615.00
12/31/2019	JNP	GB	Conference with potential Board Member regarding status.	0.10	1025.00	\$102.50
12/31/2019	JNP	GB	Conference with B. Sharp regarding status of negotiations on new board (2x).	0.30	1025.00	\$307.50
12/31/2019	JNP	GB	Conference with Richard M. Pachulski regarding new board issues and strategy.	0.30	1025.00	\$307.50
12/31/2019	JNP	GB	Conference with Ira D. Kharasch regarding latest discussions on new board composition.	0.30	1025.00	\$307.50
12/31/2019	JNP	GB	Conference with M. Clemente regarding negotiations regarding new board and potential impasse.	0.30	1025.00	\$307.50
				194.40		\$187,226.00

General Creditors Comm. [B150]

12/10/2019	JNP	GC	Conference with Ira D. Kharasch regarding company	0.10	1025.00	\$102.50
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			request to have B. Sharp call into creditor meeting.			
12/10/2019	JNP	GC	Conference with B. Sharp and Ira D. Kharasch regarding results of creditors meeting.	0.20	1025.00	\$205.00
12/10/2019	JNP	GC	Conference with B. Sharp regarding request to call into meeting with creditors.	0.10	1025.00	\$102.50
				0.40		\$410.00

Meeting of Creditors [B150]

12/09/2019	IDK	MC	Office conference and E-mails with J. Pomerantz re UST correspondence and communication on 341a scheduling, and how UST will proceed in same.	0.20	1095.00	\$219.00
12/09/2019	JNP	MC	Emails with U.S. Trustee regarding 341 meeting and miscellaneous (2x).	0.20	1025.00	\$205.00
12/12/2019	JEO	MC	Review UST Notice re 341 meeting and email with local counsel Zach Annable	0.40	895.00	\$358.00
12/13/2019	JEO	MC	Calls and emails with co-counsel re 341 notice and bar date issue	0.60	895.00	\$537.00
12/14/2019	JEO	MC	Review emails for noticing agent and local counsel re 341 notice	0.30	895.00	\$268.50
				1.70		\$1,587.50

Operations [B210]

12/10/2019	JNP	OP	Review and respond to email regarding cash management accounts and communication with U.S. Trustee.	0.10	1025.00	\$102.50
12/12/2019	JNP	OP	Email to and from L. Lambert regarding cash management.	0.10	1025.00	\$102.50
12/13/2019	IDK	OP	Review of various correspondence between DSI and FTI re margin call problems and logistics, as well as with client re same.	0.20	1095.00	\$219.00
12/15/2019	IDK	OP	E-mails to DSI re failure of Debtor to meet Jeffries? margin calls and status.	0.10	1095.00	\$109.50
12/16/2019	IDK	OP	Numerous E-mails to client, DSI, others re Jeffries notice of default re margin and potential forced call, and need to send to Committee, as well as other updates on margin call sales (.3); E-mails to CRO re same and how to solve in future (.2).	0.50	1095.00	\$547.50
12/16/2019	IDK	OP	E-mails to attorneys re FTI question on whether we can stop Jeffries forced margin calls, and issues re injunctive relief.	0.30	1095.00	\$328.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/16/2019	PJJ	OP	Revise supplemental cash management motion.	0.50	395.00	\$197.50
12/16/2019	GVD	OP	Draft supplement to cash management motion	0.80	795.00	\$636.00
12/17/2019	IDK	OP	Review of correspondence with DSI, others on today?s attempts to meet margin calls in Select Fund (.2); E-mails to G. Demo re how to respond to FTI question re ways to stop forced margin sales, including FTI response (.3).	0.50	1095.00	\$547.50
12/17/2019	JNP	OP	Conference with B. Sharp regarding margin call and emails regarding same.	0.20	1025.00	\$205.00
12/17/2019	MBL	OP	Review and comment on supplement to cash management motion.	0.20	925.00	\$185.00
12/17/2019	LSC	OP	Research and correspondence regarding cash management motion, depositories.	0.90	395.00	\$355.50
12/17/2019	GVD	OP	Further draft supplement to cash management motion; review back up to same	3.10	795.00	\$2,464.50
12/17/2019	GVD	OP	Review local rules re supplement to cash management motion; correspondence with local counsel re same	0.30	795.00	\$238.50
12/18/2019	IDK	OP	Telephone conferences with DSI, J. Pomerantz re status of margin calls today, including correspondence same (.2).	0.20	1095.00	\$219.00
12/18/2019	MBL	OP	Emails with Jefferies counsel re status.	0.30	925.00	\$277.50
12/18/2019	GVD	OP	Revise and prepare supplement to cash management motion for filing	0.90	795.00	\$715.50
12/19/2019	IDK	OP	E-mail to DSI re today?s margin call status.	0.10	1095.00	\$109.50
12/19/2019	GVD	OP	Finalize and file supplement to cash management motion	0.90	795.00	\$715.50
12/20/2019	IDK	OP	E-mails to DSI re status on margin calls today, as well as status on new quotes re D&O insurance.	0.20	1095.00	\$219.00
12/26/2019	IDK	OP	Review of correspondence from DSI re margin call status and correspondence with FTI, and re claims made on D&O.	0.20	1095.00	\$219.00
12/27/2019	IDK	OP	Emails with DSI on margin call status, and re status on new quotes for D&O insurance and coverage amounts.	0.20	1095.00	\$219.00
12/27/2019	SWG	OP	Review edits proposed by UCC to contested motions/orders in furtherance of governance settlement	0.40	575.00	\$230.00
12/27/2019	SWG	OP	Update motions and orders based on comments from UCC	5.90	575.00	\$3,392.50

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12/30/2019	GVD	OP	Conference with Bloomberg and client re critical vendor payments	0.30	795.00	\$238.50
12/31/2019	MBL	OP	Emails with Jefferies counsel re status.	0.10	925.00	\$92.50
				17.50		\$12,886.50
Ret. of Prof./Other						
11/14/2019	PJJ	RPO	Draft omnibus reply to objections to retention applications.	0.30	395.00	\$118.50
12/01/2019	GVD	RPO	Prepare for Foley/Lynn Pinker argument	1.10	795.00	\$874.50
12/03/2019	JNP	RPO	Consider issues regarding local counsel and related.	0.30	1025.00	\$307.50
12/03/2019	KKY	RPO	Serve (.1) and prepare for service (.1) [signed] OCP order	0.20	395.00	\$79.00
12/03/2019	KKY	RPO	Draft (.1) and prepare for filing (.1) affidavit of service for 12/3/19 services	0.20	395.00	\$79.00
12/03/2019	GVD	RPO	Review declarations re OCPs	0.30	795.00	\$238.50
12/06/2019	PJJ	RPO	Revise OCP declaration.	0.20	395.00	\$79.00
12/06/2019	JEO	RPO	Email with committee counsel and KCC re service of committee's professional retention applications	0.60	895.00	\$537.00
12/08/2019	GVD	RPO	Attend to OCP Issues	0.60	795.00	\$477.00
12/09/2019	GVD	RPO	Review OCP declarations and correspondence with OCPs re same	0.70	795.00	\$556.50
12/09/2019	GVD	RPO	Review Deloitte Retention Application	0.50	795.00	\$397.50
12/10/2019	JNP	RPO	Email to I. Leventon regarding status of representation of local counsel.	0.10	1025.00	\$102.50
12/10/2019	JNP	RPO	Conference with Keith Aurezeda regarding potential representation as local counsel.	0.30	1025.00	\$307.50
12/10/2019	GVD	RPO	Review OCP declaration from Rowlett	0.10	795.00	\$79.50
12/10/2019	GVD	RPO	Conference with Hunton re status of declaration; correspondence with client re same	0.30	795.00	\$238.50
12/10/2019	GVD	RPO	Correspondence with H. O'Neil re status of retention application	0.30	795.00	\$238.50
12/11/2019	PJJ	RPO	Review and revise Deloitte retention application.	0.80	395.00	\$316.00
12/11/2019	PJJ	RPO	Revise OCP declaration.	0.30	395.00	\$118.50
12/11/2019	GVD	RPO	Revise and circulate revisions to Deloitte retention application	1.60	795.00	\$1,272.00
12/12/2019	JEO	RPO	Email with Greg Demo re OCP declarations	0.20	895.00	\$179.00

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12/12/2019	GVD	RPO	Correspondence with Kim & Chang re ordinary course professional application	0.20	795.00	\$159.00
12/12/2019	GVD	RPO	Attend to issues re filing of Harder OCP declaration	0.20	795.00	\$159.00
12/13/2019	JNP	RPO	Emails regarding DSI revised engagement letter.	0.10	1025.00	\$102.50
12/16/2019	GVD	RPO	Draft template correspondence to OCP re status of declarations	0.20	795.00	\$159.00
12/18/2019	PJJ	RPO	Revise ordinary course professional disclosure declaration.	0.50	395.00	\$197.50
12/18/2019	MBL	RPO	Follow-up re Mercer retention app.	0.10	925.00	\$92.50
12/18/2019	GVD	RPO	Conference with M. Rothschild (Deloitte) re status of application and next steps	0.20	795.00	\$159.00
12/18/2019	GVD	RPO	Review revisions to Deloitte retention application and correspondence with client re same	0.80	795.00	\$636.00
12/18/2019	GVD	RPO	Review and assess Sidley and FTI retention applications	1.10	795.00	\$874.50
12/19/2019	GVD	RPO	Review and file OCP declarations	0.90	795.00	\$715.50
12/19/2019	GVD	RPO	Review issues with Houlihan OCP declaration	0.90	795.00	\$715.50
12/20/2019	GVD	RPO	Conference with K. Irving and Maples re retention of Maples and OCP and next steps	0.50	795.00	\$397.50
12/20/2019	GVD	RPO	Conference with E. Bromagen and A. Fan re status of Houlihan Lokey OCP declaration	0.50	795.00	\$397.50
12/20/2019	GVD	RPO	Attend to matters re OCP filings	0.20	795.00	\$159.00
12/21/2019	GVD	RPO	Correspondence with various OCPs re filing of declarations	0.40	795.00	\$318.00
12/23/2019	IDK	RPO	Review of correspondence with client re Committee objection to Harder employment and grounds of same (.2); Review of correspondence with Foley, client, J. Pomerantz re their issue of fee app now (.2).	0.40	1095.00	\$438.00
12/23/2019	PJJ	RPO	Revise Carey Olsen OCP disclosure declaration.	0.50	395.00	\$197.50
12/23/2019	GVD	RPO	Attend to issues re OCP declarations	0.40	795.00	\$318.00
12/24/2019	JEO	RPO	Emails with Greg Demo re OCP issues	0.30	895.00	\$268.50
12/24/2019	GVD	RPO	Review and file OCP declarations	0.50	795.00	\$397.50
12/24/2019	GVD	RPO	Draft supplement to CRO Motion	1.00	795.00	\$795.00
12/26/2019	JNP	RPO	Emails with I. Lambert regarding questions regarding ordinary course professionals.	0.10	1025.00	\$102.50
12/26/2019	GVD	RPO	Review and file and Kim & Chang declaration	0.30	795.00	\$238.50

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12/27/2019	SWG	RPO	Edit supplement to DSI Retention Motion	0.20	575.00	\$115.00
12/29/2019	GVD	RPO	Correspondence with US Trustee re ordinary course professional issues	0.50	795.00	\$397.50
12/30/2019	GVD	RPO	Conference with JP Sevilla re Harder objection	0.10	795.00	\$79.50
				20.10		\$15,185.50

Stay Litigation [B140]

12/10/2019	IDK	SL	E-mails with attorneys re pension plan investor motion to terminate advisory agreement, as well as with client re same.	0.30	1095.00	\$328.50
12/10/2019	MBL	SL	Review stay relief motion by PensionDanmark; emails with team re same.	0.50	925.00	\$462.50
12/10/2019	GVD	SL	Review pension Denmark relief from stay motion	0.10	795.00	\$79.50
12/11/2019	JNP	SL	Review pension Denmark motion for relief.	0.10	1025.00	\$102.50
12/12/2019	IDK	SL	E-mail to CRO re issues on PensionDanmark stay motion, and consider.	0.20	1095.00	\$219.00
12/17/2019	MBL	SL	Follow-up with team re PensionDanmark stay relief motion.	0.10	925.00	\$92.50
12/19/2019	IDK	SL	Review of E-mails to attorneys and client re issues on PensionDanmark motion and on proposed order language, as well as status of Committee due diligence re same.	0.20	1095.00	\$219.00
12/19/2019	JNP	SL	Email regarding status of response to Motion to Honor Prepetition Termination of Agreement.	0.10	1025.00	\$102.50
12/19/2019	MBL	SL	Emails with team re PensionDanmark motion.	0.30	925.00	\$277.50
12/19/2019	JEO	SL	Review and revise lift stay order re PensionDanmark	0.60	895.00	\$537.00
12/19/2019	JEO	SL	Emails with PensionDanmark counsel re lift stay order	0.40	895.00	\$358.00
12/19/2019	JEO	SL	Review PensionDanmark revised order and provide comments	0.60	895.00	\$537.00
12/19/2019	GVD	SL	Review issues re PensionDenmark lift stay motion; conference with Sidley re same	0.90	795.00	\$715.50
12/20/2019	IDK	SL	E-mails to G. Demo re PensionDanmark motion and new problem with their declaration re timing of sending termination notice, including correspondence with PensionDanmark re same.	0.20	1095.00	\$219.00
12/20/2019	JEO	SL	Calls with Greg Demo re PensionDanmark Motion for Relief	0.40	895.00	\$358.00
12/20/2019	GVD	SL	Review correspondence re status of Pension	0.20	795.00	\$159.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Denmark						
12/20/2019	GVD	SL	Conference with counsel to Pension Denmark re status of affidavit and discovery issues	0.70	795.00	\$556.50
12/21/2019	GVD	SL	Correspondence with counsel to Pension Denmark re affidavit and next steps	0.20	795.00	\$159.00
12/23/2019	IDK	SL	E-mails to attorneys re PensionDanmark agreement to extend deadline.	0.20	1095.00	\$219.00
12/23/2019	JEO	SL	Review extension of deadline for Pension Danmark motion for stay relief	0.20	895.00	\$179.00
12/23/2019	GVD	SL	Review PensionDenmark motion to extend; correspondence with Committee re same	0.30	795.00	\$238.50
				6.80		\$6,119.00
Travel						
12/01/2019	JNP	TR	Travel to Wilmington for contested hearings (billed at 1/2 rate)	4.50	512.50	\$2,306.25
12/01/2019	MBL	TR	Travel to DE for hearing (billed at 1/2 rate)	3.50	462.50	\$1,618.75
12/01/2019	JAM	TR	Non-working travel NY to Wilmington (billed at 1/2 rate)	1.00	512.50	\$512.50
12/01/2019	GVD	TR	Travel to Hearing (NY to Delaware) (billed at 1/2 rate)	2.10	397.50	\$834.75
12/02/2019	IDK	TR	Non-working travel from DE to LA from 12/2 hearing.(billed at 1/2 rate)	6.50	512.50	\$3,331.25
12/02/2019	JNP	TR	Travel to Los Angeles from Wilmington after hearing (billed at 1/2 rate)	9.40	512.50	\$4,817.50
12/02/2019	JAM	TR	Non-working travel Wilmington to New York (billed at 1/2 rate)	2.50	512.50	\$1,281.25
12/02/2019	GVD	TR	Travel to New York from Delaware (billed at 1/2 rate)	3.10	397.50	\$1,232.25
12/03/2019	MBL	TR	Travel from DE following hearing (with flight delay) (billed at 1/2 rate)	8.00	462.50	\$3,700.00
12/05/2019	IDK	TR	Non-working travel from LA to Dallas for 12/6 hearing (billed at 1/2 rate)	3.10	512.50	\$1,588.75
12/05/2019	JNP	TR	Travel to Dallas for Status Conference (billed at 1/2 rate)	3.20	512.50	\$1,640.00
12/06/2019	IDK	TR	Non-working travel from Dallas to LA from hearing (billed at 1/2 rate)	5.00	512.50	\$2,562.50
12/06/2019	JNP	TR	Travel to Los Angeles from Dallas from Status Conference (billed at 1/2 rate)	5.00	512.50	\$2,562.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/17/2019	IDK	TR	Non-working travel from LA to Dallas for hearing tomorrow (billed at 1/2 rate)	4.00	512.50	\$2,050.00
12/17/2019	JNP	TR	Travel to Dallas for Status Conference (billed at 1/2 rate)	4.00	512.50	\$2,050.00
12/19/2019	IDK	TR	Non-working travel from Dallas to LA from hearing this week (billed at 1/2 rate)	4.10	512.50	\$2,101.25
12/19/2019	JNP	TR	Travel back to Los Angeles from Dallas after Status Conference (billed at 1/2 rate)	4.10	512.50	\$2,101.25
				<hr/> 73.10		<hr/> \$36,290.75
TOTAL SERVICES FOR THIS MATTER:						\$589,730.75

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Expenses

10/27/2019	AT	Auto Travel Expense [E109] KLS Worldwide Transportation Services, Inv. 09173591090, From DFW to 300 Crescent Court, IDK	188.54
10/28/2019	AT	Auto Travel Expense [E109] KLS Worldwide Transportation Services, Inv. 09173591090, From LAX Residence, IDK	139.00
11/04/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	3.66
11/06/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	5.28
11/08/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	4.99
11/09/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	5.64
11/10/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	17.67
11/11/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	2.66
11/11/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	12.00
11/12/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	3.93
11/12/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	6.65
11/12/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	3.93
11/12/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	10.61
11/13/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	3.87
11/13/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	11.71
11/14/2019	CC	Conference Call [E105] AT&T Conference Call, JAM	2.51

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11/14/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	6.05
11/14/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	1.76
11/14/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	1.76
11/14/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	4.66
11/14/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	11.60
11/15/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	7.14
11/15/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	8.07
11/16/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	7.55
11/18/2019	CC	Conference Call [E105] AT&T Conference Call, MSP	7.05
11/18/2019	CC	Conference Call [E105] AT&T Conference Call, JAM	12.18
11/18/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	12.23
11/19/2019	CC	Conference Call [E105] AT&T Conference Call, JAM	8.03
11/19/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	12.44
11/19/2019	CC	Conference Call [E105] AT&T Conference Call, JEO	4.25
11/20/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	3.94
11/20/2019	TR	Transcript [E116] TSG Reporting, Inv.677804, JAM	300.00
11/20/2019	TR	Transcript [E116] TSG Reporting, Inv.677803, JAM	2,932.30
11/21/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	6.82

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11/22/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	4.08
11/23/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	1.43
11/24/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	4.34
11/25/2019	CC	Conference Call [E105] AT&T Conference Call, MBL	5.81
11/25/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	0.97
11/25/2019	CC	Conference Call [E105] AT&T Conference Call, JEO	0.46
11/26/2019	AF	Air Fare [E110] American Airlines, Tkt. 0017463149791, From LAX to FT Worth, IDK	1,482.60
11/26/2019	CC	Conference Call [E105] AT&T Conference Call, MBL	3.28
11/26/2019	TR	Transcript [E116] TSG Reporting, Inv.677778, JAM	2,386.00
11/27/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	15.32
11/27/2019	FE	36027.00002 FedEx Charges for 11-27-19	16.18
11/27/2019	FE	36027.00002 FedEx Charges for 11-27-19	16.18
11/27/2019	FE	36027.00002 FedEx Charges for 11-27-19	11.84
11/27/2019	FE	36027.00002 FedEx Charges for 11-27-19	15.11
11/27/2019	FE	36027.00002 FedEx Charges for 11-27-19	9.94
11/27/2019	FE	36027.00002 FedEx Charges for 11-27-19	9.94
11/27/2019	FE	36027.00002 FedEx Charges for 11-27-19	9.94
11/27/2019	FE	36027.00002 FedEx Charges for 11-27-19	16.18

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11/27/2019	FE	36027.00002 FedEx Charges for 11-27-19	16.18
11/27/2019	FE	36027.00002 FedEx Charges for 11-27-19	16.18
11/27/2019	FE	36027.00002 FedEx Charges for 11-27-19	16.18
11/27/2019	FE	36027.00002 FedEx Charges for 11-27-19	16.18
11/27/2019	FE	36027.00002 FedEx Charges for 11-27-19	16.56
11/27/2019	FE	36027.00002 FedEx Charges for 11-27-19	16.18
11/27/2019	FE	36027.00002 FedEx Charges for 11-27-19	9.94
11/27/2019	FE	36027.00002 FedEx Charges for 11-27-19	9.94
11/29/2019	AF	Air Fare [E110] American Airlines, Tkt. 017476242903, From FT Worth to LAX, IDK	631.41
11/29/2019	CC	Conference Call [E105] AT&T Conference Call, JAM	11.79
11/29/2019	DC	36027.00002 Advita Charges for 11-29-19	112.50
11/30/2019	CC	Conference Call [E105] AT&T Conference Call, JAM	5.40
11/30/2019	CC	Conference Call [E105] AT&T Conference Call, JEO	4.78
12/01/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, JAM	12.50
12/01/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, JAM	45.81
12/01/2019	BM	Business Meal [E111] Dunking Donuts, Working Meal, JAM	2.93
12/01/2019	BM	Business Meal [E111] Amoura, working meal, MBL	22.91

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12/01/2019	HT	Hotel Expense [E110] Hotel Dupont, 2 nights, MBL	671.20
12/01/2019	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
12/01/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
12/01/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
12/01/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
12/01/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
12/01/2019	RE2	SCAN/COPY (144 @0.10 PER PG)	14.40
12/01/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/01/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
12/01/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/01/2019	RE2	SCAN/COPY (70 @0.10 PER PG)	7.00
12/01/2019	RE2	SCAN/COPY (45 @0.10 PER PG)	4.50
12/01/2019	RE2	SCAN/COPY (50 @0.10 PER PG)	5.00
12/01/2019	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
12/01/2019	TE	Travel Expense [E110] United Airlines, WiFi, MBL	20.99
12/01/2019	TR	Transcript [E116] eScribers, Inv. 289438, KKY	193.60
12/02/2019	AF	Air Fare [E110] United Airlines, Tkt. 01674800873384, from PHL to SFO, MBL	525.47
12/02/2019	AT	Auto Travel Expense [E109] KLS Transportation Services,	119.00

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JNP			
12/02/2019	BM	Business Meal [E111] Tonic Bar and Grill, Working Meal, CRR	92.00
12/02/2019	BM	Business Meal [E111] La Provence Cafe, Working Meal, JNP	19.81
12/02/2019	DC	36027.00002 Advita Charges for 12-02-19	60.00
12/02/2019	DC	36027.00002 Advita Charges for 12-02-19	7.50
12/02/2019	DC	36027.00002 Advita Charges for 12-02-19	340.00
12/02/2019	HT	Hotel Expense [E110] Hotel DuPont, 2 nights, IDK	598.40
12/02/2019	LN	36027.00002 Lexis Charges for 12-02-19	325.32
12/02/2019	RE	(2 @0.10 PER PG)	0.20
12/02/2019	RE	(15 @0.10 PER PG)	1.50
12/02/2019	RE	(1 @0.10 PER PG)	0.10
12/02/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
12/02/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
12/02/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
12/02/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
12/02/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
12/02/2019	RE2	SCAN/COPY (35 @0.10 PER PG)	3.50
12/02/2019	RE2	SCAN/COPY (35 @0.10 PER PG)	3.50

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12/02/2019	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
12/02/2019	RE2	SCAN/COPY (70 @0.10 PER PG)	7.00
12/02/2019	RE2	SCAN/COPY (60 @0.10 PER PG)	6.00
12/02/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
12/02/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
12/02/2019	RE2	SCAN/COPY (60 @0.10 PER PG)	6.00
12/02/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
12/02/2019	RE2	SCAN/COPY (60 @0.10 PER PG)	6.00
12/02/2019	RE2	SCAN/COPY (59 @0.10 PER PG)	5.90
12/02/2019	RE2	SCAN/COPY (35 @0.10 PER PG)	3.50
12/02/2019	RE2	SCAN/COPY (35 @0.10 PER PG)	3.50
12/02/2019	RE2	SCAN/COPY (60 @0.10 PER PG)	6.00
12/02/2019	RE2	SCAN/COPY (84 @0.10 PER PG)	8.40
12/02/2019	RE2	SCAN/COPY (90 @0.10 PER PG)	9.00
12/02/2019	RE2	SCAN/COPY (40 @0.10 PER PG)	4.00
12/02/2019	RE2	SCAN/COPY (75 @0.10 PER PG)	7.50
12/02/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
12/02/2019	RE2	SCAN/COPY (70 @0.10 PER PG)	7.00

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12/02/2019	RE2	SCAN/COPY (54 @0.10 PER PG)	5.40
12/02/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
12/02/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
12/02/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/02/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/02/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/02/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/02/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/02/2019	RE2	SCAN/COPY (60 @0.10 PER PG)	6.00
12/02/2019	RE2	SCAN/COPY (75 @0.10 PER PG)	7.50
12/02/2019	RE2	SCAN/COPY (90 @0.10 PER PG)	9.00
12/02/2019	RE2	SCAN/COPY (105 @0.10 PER PG)	10.50
12/02/2019	RE2	SCAN/COPY (75 @0.10 PER PG)	7.50
12/02/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
12/02/2019	RE2	SCAN/COPY (42 @0.10 PER PG)	4.20
12/02/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
12/02/2019	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
12/02/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10

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12/02/2019	RE2	SCAN/COPY (70 @0.10 PER PG)	7.00
12/02/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/02/2019	RE2	SCAN/COPY (75 @0.10 PER PG)	7.50
12/02/2019	RE2	SCAN/COPY (75 @0.10 PER PG)	7.50
12/02/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/02/2019	RE2	SCAN/COPY (90 @0.10 PER PG)	9.00
12/02/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
12/02/2019	RE2	SCAN/COPY (63 @0.10 PER PG)	6.30
12/02/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
12/02/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/02/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/02/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/02/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/02/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/02/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/02/2019	RE2	SCAN/COPY (90 @0.10 PER PG)	9.00
12/02/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/02/2019	RE2	SCAN/COPY (60 @0.10 PER PG)	6.00

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12/02/2019	RE2	SCAN/COPY (50 @0.10 PER PG)	5.00
12/02/2019	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
12/02/2019	RE2	SCAN/COPY (40 @0.10 PER PG)	4.00
12/02/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
12/02/2019	RE2	SCAN/COPY (95 @0.10 PER PG)	9.50
12/02/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/02/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/02/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
12/02/2019	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
12/02/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
12/02/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
12/02/2019	RE2	SCAN/COPY (59 @0.10 PER PG)	5.90
12/02/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
12/02/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
12/03/2019	AP	SFO Parking, MBL	90.00
12/03/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, JAM	93.31
12/03/2019	AT	Auto Travel Expense [E109] KLS Transportation Services, JNP	139.00

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12/03/2019	AT	Auto Travel Expense [E109] KLS Transportation Services, JNP	650.78
12/03/2019	BM	Business Meal [E111] Legal Sea Foods, Business Meal, JNP	192.30
12/03/2019	DC	36027.00002 Advita Charges for 12-03-19	112.50
12/03/2019	DC	36027.00002 Advita Charges for 12-03-19	154.40
12/03/2019	HT	Hotel Expense [E110] Hotel Dupont, 12/01/19-12/02/19, 1 night, JNP	618.40
12/03/2019	RE	(1 @0.10 PER PG)	0.10
12/03/2019	RE	(35 @0.10 PER PG)	3.50
12/03/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
12/03/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
12/03/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
12/03/2019	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
12/03/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
12/03/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
12/03/2019	RE2	SCAN/COPY (70 @0.10 PER PG)	7.00
12/03/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
12/03/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
12/03/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40

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12/03/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
12/03/2019	RE2	SCAN/COPY (138 @0.10 PER PG)	13.80
12/03/2019	RE2	SCAN/COPY (70 @0.10 PER PG)	7.00
12/03/2019	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
12/03/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
12/03/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
12/03/2019	TE	Travel Expense [E110] United Airlines, WiFi, MBL	23.99
12/03/2019	TE	Travel Expense [E110] Travel Agency Fee, IDK	50.00
12/03/2019	TE	Travel Expense [E110] Travel Agency Service Fee, JNP	50.00
12/03/2019	TR	Transcript [E116] TSG Reporting, Inv. 815167, JAM	375.00
12/03/2019	TR	Transcript [E116] TSG Reporting, Inv. 815166, JAM	3,416.10
12/04/2019	AF	Air Fare [E110] American Airlines, Tkt. 00174114886901, from LAX to DFW, DFW to LAX, JNP	1,168.60
12/04/2019	DC	36027.00002 Advita Charges for 12-04-19	30.00
12/04/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
12/04/2019	RE2	SCAN/COPY (75 @0.10 PER PG)	7.50
12/04/2019	RE2	SCAN/COPY (76 @0.10 PER PG)	7.60
12/04/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/04/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80

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12/04/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
12/04/2019	TE	Travel Expense [E110] Travel Agency Service Fee, JNP	60.00
12/05/2019	LN	36027.00002 Lexis Charges for 12-05-19	72.10
12/05/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
12/05/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
12/05/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
12/05/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
12/05/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
12/05/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
12/05/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
12/05/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	0.00
12/05/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
12/05/2019	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
12/05/2019	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
12/05/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/05/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/05/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/05/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30

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12/05/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/05/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/05/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/05/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/05/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/05/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/05/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/05/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/05/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/05/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/05/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
12/05/2019	RE2	SCAN/COPY (120 @0.10 PER PG)	12.00
12/05/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
12/05/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
12/05/2019	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
12/06/2019	AT	Auto Travel Expense [E109] KLS Transportation Services, JNP	188.54
12/06/2019	BM	Business Meal [E111] CBD Provisions, Working Meal, JNP	262.58
12/07/2019	AF	Air Fare [E110] American Airlines, Tkt. 00174142757806,	1,168.60

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from LAX to DFW, DFW to LAX, JNP			
12/07/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, JNP	84.78
12/07/2019	BM	Business Meal [E111] TGI Fridays, Working Meal, JNP	71.69
12/07/2019	TE	Travel Expense [E110] Travel Agency Service Fee, JNP	60.00
12/07/2019	TE	Travel Expense [E110] Airport Parking Fee, JNP	54.55
12/08/2019	HT	Hotel Expense [E110] Dallas Adolphus, 12/05/19-12/06/19, 1 night, JNP	424.31
12/09/2019	AT	Auto Travel Expense [E109] KLS Transportation Services, JNP	193.25
12/09/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/09/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
12/09/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
12/09/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/09/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
12/09/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
12/09/2019	RE2	SCAN/COPY (39 @0.10 PER PG)	3.90
12/09/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/09/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/09/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
12/09/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10

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12/09/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/09/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
12/09/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
12/09/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/09/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
12/09/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
12/09/2019	RE2	SCAN/COPY (39 @0.10 PER PG)	3.90
12/09/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/09/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
12/09/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
12/09/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/09/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/09/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
12/09/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/09/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/09/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
12/09/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/09/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30

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12/09/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/10/2019	AF	Air Fare [E110] American Airlines, Tkt. 00174142757876, from STL to DFW, JNP	334.30
12/10/2019	AF	Air Fare [E110] American Airlines, Tkt. 00174142757880, from DFW to LAX, JNP	554.30
12/10/2019	RE	(4 @0.10 PER PG)	0.40
12/10/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
12/10/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
12/11/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
12/11/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
12/11/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
12/11/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/11/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
12/11/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
12/11/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
12/11/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/11/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
12/11/2019	RE2	SCAN/COPY (34 @0.10 PER PG)	3.40
12/11/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50

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12/11/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
12/11/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/11/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/11/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
12/11/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
12/11/2019	RE2	SCAN/COPY (44 @0.10 PER PG)	4.40
12/11/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
12/11/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
12/11/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
12/11/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
12/11/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/11/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/11/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
12/11/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
12/11/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/11/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
12/11/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
12/11/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20

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12/11/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
12/11/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
12/11/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
12/11/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
12/11/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
12/11/2019	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
12/11/2019	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
12/11/2019	RE2	SCAN/COPY (44 @0.10 PER PG)	4.40
12/11/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
12/11/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
12/11/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
12/11/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
12/11/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/11/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
12/11/2019	RE2	SCAN/COPY (32 @0.10 PER PG)	3.20
12/12/2019	LN	36027.00002 Lexis Charges for 12-12-19	96.14
12/12/2019	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
12/12/2019	RE2	SCAN/COPY (43 @0.10 PER PG)	4.30

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12/12/2019	RE2	SCAN/COPY (66 @0.10 PER PG)	6.60
12/12/2019	RE2	SCAN/COPY (66 @0.10 PER PG)	6.60
12/12/2019	RE2	SCAN/COPY (106 @0.10 PER PG)	10.60
12/12/2019	RE2	SCAN/COPY (106 @0.10 PER PG)	10.60
12/12/2019	RE2	SCAN/COPY (106 @0.10 PER PG)	10.60
12/12/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
12/13/2019	DC	36027.00002 Advita Charges for 12-13-19	30.70
12/13/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
12/13/2019	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
12/13/2019	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
12/13/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
12/13/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
12/13/2019	RE2	SCAN/COPY (107 @0.10 PER PG)	10.70
12/13/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
12/16/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
12/16/2019	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
12/17/2019	BM	Business Meal [E111] Seamless, Burger & Lobster, Working Meal, L. Canty	42.97
12/17/2019	RE	(1 @0.10 PER PG)	0.10

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12/17/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
12/17/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
12/17/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
12/17/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
12/17/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
12/17/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
12/17/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
12/17/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/17/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
12/18/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, JNP	23.80
12/18/2019	AT	Auto Travel Expense [E109] Uber Transportation Services, JNP	116.04
12/18/2019	BM	Business Meal [E111] Nobu Dallas, Business Meal, JNP	817.72
12/18/2019	RE	(207 @0.10 PER PG)	20.70
12/18/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
12/18/2019	RE2	SCAN/COPY (208 @0.10 PER PG)	20.80
12/18/2019	RE2	SCAN/COPY (42 @0.10 PER PG)	4.20
12/18/2019	RE2	SCAN/COPY (82 @0.10 PER PG)	8.20

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12/18/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
12/18/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
12/18/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
12/18/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
12/18/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
12/18/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
12/18/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
12/18/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
12/18/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
12/18/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
12/18/2019	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
12/18/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
12/18/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
12/18/2019	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
12/18/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
12/18/2019	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
12/18/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
12/18/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90

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12/18/2019	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
12/18/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
12/18/2019	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
12/18/2019	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
12/18/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
12/18/2019	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
12/18/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
12/18/2019	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
12/18/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
12/18/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
12/18/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
12/18/2019	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
12/18/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
12/18/2019	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
12/18/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
12/18/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
12/18/2019	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
12/18/2019	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80

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12/18/2019	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
12/18/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
12/18/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
12/18/2019	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
12/18/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
12/18/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
12/18/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
12/19/2019	AF	Air Fare [E110] American Airlines, Tkt. 00174142757961, from LAX to DFW, DFW to IAH, IAH to LAX, JNP	501.70
12/19/2019	AT	Auto Travel Expense [E109] KLS Trasportation Services, JNP	196.54
12/19/2019	HT	Hotel Expense [E110] Crescent Hotel, 12/17/19-12/18/19, 1 night, JNP	472.45
12/19/2019	LN	36027.00002 Lexis Charges for 12-19-19	118.62
12/19/2019	RE	(15 @0.10 PER PG)	1.50
12/19/2019	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
12/19/2019	RE2	SCAN/COPY (32 @0.10 PER PG)	3.20
12/19/2019	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
12/19/2019	RE2	SCAN/COPY (44 @0.10 PER PG)	4.40
12/19/2019	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70

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12/19/2019	RE2	SCAN/COPY (80 @0.10 PER PG)	8.00
12/19/2019	RE2	SCAN/COPY (44 @0.10 PER PG)	4.40
12/19/2019	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
12/20/2019	LN	36027.00002 Lexis Charges for 12-20-19	261.55
12/20/2019	RE	(6 @0.10 PER PG)	0.60
12/20/2019	RE	(17 @0.10 PER PG)	1.70
12/20/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/20/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/20/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/20/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/20/2019	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
12/20/2019	TE	Travel Expense [E110] Airport Parking Fee, JNP	83.70
12/23/2019	RE	(9 @0.10 PER PG)	0.90
12/23/2019	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
12/23/2019	RE2	SCAN/COPY (117 @0.10 PER PG)	11.70
12/23/2019	RE2	SCAN/COPY (42 @0.10 PER PG)	4.20
12/24/2019	RE	(28 @0.10 PER PG)	2.80
12/25/2019	LN	36027.00002 Lexis Charges for 12-25-19	311.75

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12/26/2019	RE	(28 @0.10 PER PG)	2.80
12/26/2019	RE	(38 @0.10 PER PG)	3.80
12/26/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
12/27/2019	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
12/30/2019	RE	(55 @0.10 PER PG)	5.50
12/30/2019	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
12/30/2019	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
12/30/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
12/30/2019	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
Total Expenses for this Matter			\$26,226.80

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REMITTANCE ADVICE

Please include this Remittance with your payment

For current services rendered through: 12/31/2019

Total Fees \$589,730.75

Total Expenses 26,226.80

Total Due on Current Invoice \$615,957.55

Outstanding Balance from prior invoices as of 12/31/2019 (May not include recent payments)

<u>A/R Bill Number</u>	<u>Invoice Date</u>	<u>Fees Billed</u>	<u>Expenses Billed</u>	<u>Balance Due</u>
123595	10/31/2019	\$383,583.75	\$9,958.84	\$76,716.75
123711	11/30/2019	\$798,767.50	\$26,317.71	\$159,753.50

Total Amount Due on Current and Prior Invoices: \$852,427.80

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Pachulski Stang Ziehl & Jones LLP

10100 Santa Monica Blvd.
13th Floor
Los Angeles, CA 90067

January 31, 2020

Invoice 124288

Client 36027

Matter 00002

JNP

Board of Directors
Highland Capital Management LP
300 Crescent Court ste. 700
Dallas, TX 75201

RE: Postpetition

STATEMENT OF PROFESSIONAL SERVICES RENDERED THROUGH 01/31/2020

FEES	\$898,094.25
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EXPENSES	\$28,854.75
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TOTAL CURRENT CHARGES	\$926,949.00
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BALANCE FORWARD	\$852,400.80
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TOTAL BALANCE DUE	\$1,779,349.80
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Summary of Services by Professional

<u>ID</u>	<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
AJK	Kornfeld, Alan J.	Partner	1145.00	7.60	\$8,702.00
BMK	Koveleski, Beatrice M.	Case Man. Asst.	350.00	3.10	\$1,085.00
CHM	Mackle, Cia H.	Counsel	675.00	31.10	\$20,992.50
DJB	Barton, David J.	Partner	1195.00	2.00	\$2,390.00
EAW	Wagner, Elissa A.	Counsel	825.00	2.30	\$1,897.50
GIG	Glazer, Gabriel I.	Partner	835.00	0.90	\$751.50
GVD	Demo, Gregory Vincent	Counsel	412.50	9.60	\$3,960.00
GVD	Demo, Gregory Vincent	Counsel	825.00	188.90	\$155,842.50
IAWN	Nasatir, Iain A. W.	Partner	1025.00	23.00	\$23,575.00
IDK	Kharasch, Ira D.	Partner	572.50	13.00	\$7,442.50
IDK	Kharasch, Ira D.	Partner	1145.00	95.10	\$108,889.50
JAM	Morris, John A.	Partner	537.50	17.60	\$9,460.00
JAM	Morris, John A.	Partner	1075.00	94.70	\$101,802.50
JEO	O'Neill, James E.	Partner	925.00	59.40	\$54,945.00
JKK	Kim, Jonathan J.	Counsel	895.00	103.00	\$92,185.00
JMF	Fried, Joshua M.	Partner	925.00	23.70	\$21,922.50
JNP	Pomerantz, Jeffrey N.	Partner	537.50	18.10	\$9,728.75
JNP	Pomerantz, Jeffrey N.	Partner	1075.00	131.10	\$140,932.50
KKY	Yee, Karina K.	Paralegal	425.00	20.50	\$8,712.50
KSN	Neil, Karen S.	Case Man. Asst.	350.00	2.10	\$735.00
LAF	Forrester, Leslie A.	Other	450.00	6.20	\$2,790.00
LSC	Canty, La Asia S.	Paralegal	425.00	25.90	\$11,007.50
MBL	Litvak, Maxim B.	Partner	475.00	8.40	\$3,990.00
MBL	Litvak, Maxim B.	Partner	950.00	67.70	\$64,315.00
PJJ	Jeffries, Patricia J.	Paralegal	425.00	5.20	\$2,210.00
RJF	Feinstein, Robert J.	Partner	1245.00	10.00	\$12,450.00
SLP	Pitman, L. Sheryle	Case Man. Asst.	350.00	6.50	\$2,275.00
SWG	Golden, Steven W.	Associate	625.00	1.30	\$812.50
VAN	Newmark, Victoria A.	Counsel	925.00	24.10	\$22,292.50
				1002.10	\$898,094.25

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Summary of Services by Task Code

<u>Task Code</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
AA	Asset Analysis/Recovery[B120]	74.30	\$69,639.00
BL	Bankruptcy Litigation [L430]	226.30	\$207,350.50
CA	Case Administration [B110]	49.40	\$34,666.50
CO	Claims Admin/Objections[B310]	162.40	\$156,472.00
CP	Compensation Prof. [B160]	6.10	\$3,682.50
CPO	Comp. of Prof./Others	12.00	\$10,637.00
EB	Employee Benefit/Pension-B220	107.60	\$102,103.00
EC	Executory Contracts [B185]	6.20	\$5,537.50
FF	Financial Filings [B110]	10.70	\$9,742.50
GB	General Business Advice [B410]	177.00	\$169,918.50
GC	General Creditors Comm. [B150]	12.60	\$13,184.00
IC	Insurance Coverage	26.50	\$27,449.50
LN	Litigation (Non-Bankruptcy)	2.60	\$2,145.00
MC	Meeting of Creditors [B150]	8.00	\$7,795.00
NT	Non-Working Travel	66.70	\$34,581.25
OP	Operations [B210]	14.30	\$11,138.50
PD	Plan & Disclosure Stmt. [B320]	23.50	\$19,697.50
RPO	Ret. of Prof./Other	12.70	\$9,552.50
SL	Stay Litigation [B140]	3.20	\$2,802.00
		1002.10	<hr/> \$898,094.25

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Summary of Expenses

<u>Description</u>	<u>Amount</u>
Air Fare [E110]	\$10,249.56
Auto Travel Expense [E109]	\$2,213.79
Bloomberg	\$619.40
Working Meals [E111]	\$1,903.72
Conference Call [E105]	\$559.43
CourtLink	\$70.73
Hotel Expense [E110]	\$6,576.91
Lexis/Nexis- Legal Research [E	\$1,066.11
Legal Vision Atty Mess Service	\$80.00
Miscellaneous [E124]	\$200.00
Outside Services	\$209.20
Pacer - Court Research	\$275.20
Reproduction Expense [E101]	\$241.70
Reproduction/ Scan Copy	\$2,372.50
Research [E106]	\$81.75
Travel Expense [E110]	\$1,311.95
Transcript [E116]	\$822.80
	<hr/>
	\$28,854.75

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Asset Analysis/Recovery[B120]						
01/02/2020	JNP	AA	Conference with B. Sharp regarding multi strat and protocols.	0.20	1075.00	\$215.00
01/02/2020	JNP	AA	Conference with Gregory V. Demo regarding multi strat and protocols.	0.10	1075.00	\$107.50
01/02/2020	GVD	AA	Conference with F. Caruso re Multi Strat funding issues; follow up re same	0.40	825.00	\$330.00
01/03/2020	IDK	AA	Review of correspondence with DSI, Frank Waterhouse, others on multi strat funding for premiums.	0.10	1145.00	\$114.50
01/03/2020	GVD	AA	Correspondence with DSI re Multi Strat issues	0.20	825.00	\$165.00
01/06/2020	IDK	AA	Review of DSI memo to Committee re 5 day funding notices.	0.10	1145.00	\$114.50
01/06/2020	GVD	AA	Review various investment management and shared services agreements re potential contract issues	4.40	825.00	\$3,630.00
01/06/2020	GVD	AA	Review materials re allocation of costs for portfolio board seats	0.60	825.00	\$495.00
01/06/2020	GVD	AA	Conference with F. Caruso re portfolio company board seats and allocations	0.20	825.00	\$165.00
01/06/2020	GVD	AA	Review operating protocols re portfolio company board seats	0.70	825.00	\$577.50
01/06/2020	GVD	AA	Correspondence with PSZJ team re issues re review of shared services agreement	0.40	825.00	\$330.00
01/07/2020	IDK	AA	Review of correspondence with DSI and client re Multi Strat and issues on selling MGM.	0.10	1145.00	\$114.50
01/08/2020	IDK	AA	Review of correspondence with Committee/FTI re Multi Strat funding.	0.10	1145.00	\$114.50
01/10/2020	JNP	AA	Conference with M. Clemente regarding set up a call regarding multi strat and also discuss other issues.	0.20	1075.00	\$215.00
01/10/2020	JNP	AA	Conference with B. Sharp regarding multi strat and call with J. Seery and M. Clemente.	0.10	1075.00	\$107.50
01/10/2020	JNP	AA	Conference with M. Clemente and J. Seery regarding multiple strat funding of insurance premiums.	0.40	1075.00	\$430.00
01/12/2020	IDK	AA	Review of correspondence between DSI and FTI re FTI issues/concerns on funding of Multi-Strat and	0.30	1145.00	\$343.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			their request for info re same, and DSI's recommendation to Board re Maple Life retention re same.			
01/12/2020	GVD	AA	Review comments to Highland Multi Strategy Credit Fund motion from M. Hayward	0.30	825.00	\$247.50
01/12/2020	GVD	AA	Draft motion re lendign to Highland Multi Strategy Credit Fund	3.70	825.00	\$3,052.50
01/13/2020	IDK	AA	Review and consider memo from G Demo re Omni transaction (.2).	0.20	1145.00	\$229.00
01/13/2020	MBL	AA	Review draft motion to advance funds to Multi Strat; emails with team re same.	0.30	950.00	\$285.00
01/13/2020	GVD	AA	Correspondence regarding Multi Strat motion and next steps	0.20	825.00	\$165.00
01/13/2020	GVD	AA	Conference with counsel to OmniMax; correspondence re same	0.40	825.00	\$330.00
01/13/2020	GVD	AA	Review revisions to Multi Strat motion	0.60	825.00	\$495.00
01/13/2020	GVD	AA	Draft motion to expedite re Multi Strat motion	0.80	825.00	\$660.00
01/14/2020	IDK	AA	Review of correspondence from DSI re ownership change in Multi-Strat (.1); E-mails with attorneys and DSI re description of trade re Rockwell 2 CLO and protocol concerns (.2).	0.30	1145.00	\$343.50
01/15/2020	IDK	AA	Review of revised draft of motion to approve Multi-Strat funding (.2); Telephone conference with G Demo re need to revise same (.1); Emails with G Demo re status of Committee position (.1); Telephone conferences with G Demo later re for confirmation from Committee re its withdrawal of opposition to same, including review of same conference (.2).	0.60	1145.00	\$687.00
01/15/2020	GVD	AA	Meeting with private equity team and board	0.20	825.00	\$165.00
01/15/2020	GVD	AA	Review correspondence re emergency motion re Multi Strat	0.20	825.00	\$165.00
01/15/2020	GVD	AA	Conference with F. Caruso re retention of broker re Multi Strat and issues re same	0.20	825.00	\$165.00
01/16/2020	IDK	AA	Emails and telephone conferences with G Demo re issues and concerns on Rockwall, including review of memo on same and need for update to same (.4); Emails and telephone conference with G. Demo later re Board communications re same on Rockwall and	0.60	1145.00	\$687.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			its decisions (.2).			
01/16/2020	IDK	AA	Emails with G. Demo and M. Litvak re Nextbank loan to Multi-Strat, confidentiality issues, and perfection issues (.2); Email and telephone conference with G Demo re CLO protocol issues and Committee, including correspondence with Committee re same (.2).	0.40	1145.00	\$458.00
01/16/2020	MBL	AA	Attention to inquiry from G. Demo re life settlement assets; review relevant agreements.	0.20	950.00	\$190.00
01/16/2020	GVD	AA	Review DSI memos re Rockwall and other transactions; conference with J. Romey re same	1.40	825.00	\$1,155.00
01/16/2020	GVD	AA	Review broker agreement re Multi Strat transactions	1.90	825.00	\$1,567.50
01/16/2020	GVD	AA	Conference with I. Kharasch re status of DSI memos	0.20	825.00	\$165.00
01/16/2020	GVD	AA	Review NexBank loan agreements	0.50	825.00	\$412.50
01/16/2020	GVD	AA	Correspondence with counsel to Jefferies re bonding issues	0.20	825.00	\$165.00
01/17/2020	IDK	AA	Emails and telephone conference with G Demo re the Restoration Cap deal coming back (.2).	0.20	1145.00	\$229.00
01/19/2020	GVD	AA	Revise HCMLP comments to broker engagement letter	0.80	825.00	\$660.00
01/20/2020	GVD	AA	Conference with Fred Caruso re changes to broker agreement	0.40	825.00	\$330.00
01/21/2020	IDK	AA	Telephone conference and e-mails with J. Pomerantz re RCP proposal and next steps (.3); Emails and telephone conferences with Thomas Surgent, Tim Conoyer re RCP and new materials and next steps (.3); Emails with DSI, attorneys re RCP and need for call (.2).	0.80	1145.00	\$916.00
01/21/2020	JNP	AA	Conference with Ira D. Kharasch regarding RCP transaction status.	0.20	1075.00	\$215.00
01/21/2020	GVD	AA	Review and comment on DSI memo re potential transactions	0.90	825.00	\$742.50
01/22/2020	IDK	AA	Emails with client legal team on next steps in RCP deal and logistics, and coordination with Board (.3); Emails with J. Pomerantz re same (.1); Telephone conferences with T Surgent re same (.2); Telephone conference with CRO re RCP and legal team concerns on process (.2); Emails with J. Pomerantz re issues on coordination with Company legal team	1.00	1145.00	\$1,145.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			on RCP (.2).			
01/22/2020	IDK	AA	Emails and telephone conference with J. Pomerantz re RCP proposal, and communications from Company legal team re same re process and ordinary course issue (.3); Telephone conference with J. Pomerantz re result of call with Duval re same and next steps (.1); Emails with DSI, others re need for call re same (.1); Attend conference call with DSI, G. Demo, J. Pomerantz re RCP new transaction and next steps and consider (.5).	1.00	1145.00	\$1,145.00
01/22/2020	IDK	AA	Telephone conference with J. Pomerantz re case issues, trustee form of order, RCP (.2); Emails with G. Demo re need for modified board resolution re Multi Strat, including review of same (.3).	0.50	1145.00	\$572.50
01/22/2020	IDK	AA	Review and consider extensive past and present materials, including those received today, for background of new RCP deal, and list of issues/questions (1.4); Attend conference call with Debtor's legal team re RCP deal and our questions and timing (1.4); Telephone conference with G. Demo re follow up and need for memo to Board (.2).	3.00	1145.00	\$3,435.00
01/22/2020	JNP	AA	Conference with DSI, Ira D. Kharasch, Gregory V. Demo and company regarding RCP.	1.30	1075.00	\$1,397.50
01/22/2020	JNP	AA	Conference with J. Dubel regarding RCP.	0.30	1075.00	\$322.50
01/22/2020	JNP	AA	Conference with Ira D. Kharasch regarding RCP and emails regarding same.	0.20	1075.00	\$215.00
01/22/2020	JNP	AA	Conference with B. Sharp to discuss RCP transaction.	0.50	1075.00	\$537.50
01/22/2020	JNP	AA	Conference with DSI, Ira D. Kharasch and Gregory V. Demo regarding RCP transaction in preparation for call with client.	0.40	1075.00	\$430.00
01/22/2020	GVD	AA	Draft memo re potential transaction	0.50	825.00	\$412.50
01/22/2020	GVD	AA	Attend to multiple issues re potential transaction	0.60	825.00	\$495.00
01/22/2020	GVD	AA	Summarize documents re potential transaction	0.30	825.00	\$247.50
01/22/2020	GVD	AA	Conference with in house legal, J. Pomerantz, and I. Kharasch re potential transaction	0.90	825.00	\$742.50
01/22/2020	GVD	AA	Update resolutions re Multi Strategy	0.60	825.00	\$495.00
01/23/2020	IDK	AA	Prep of extensive agenda re summary of primary RCP factual/legal issues for today's Board call	1.00	1145.00	\$1,145.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			discussion (.4); E-mails with attorneys re same, and their feedback on RCP agenda/issues for Board call, and logistics of call (.3); E-mail to DSI re Committee prior comments on RCP (.1); Telephone conference with T. Surgent and T. Cournoyer re next steps in RCP deal and coordination of memo (.2).			
01/23/2020	IDK	AA	E-mails with G. Demo re draft memo to T. Surgent and T. Cournoyer on docs needed re RCP deal, including T. Cournoyer response (.2); E-mails with T. Surgent and T. Cournoyer re their just completed memo on RCP, including brief review of same, and timing re coordination of memos (.3); E-mails with G. Demo re his draft memo today on RCP, including review and consider same (.4); Telephone conference with G. Demo re same and ok to send to client legal team (.1).	1.00	1145.00	\$1,145.00
01/23/2020	IDK	AA	Review of Maple retention agreement, including comments from client, G. Demo (.5); E-mails and telephone conference with DSI and G. Demo re same (.2).	0.70	1145.00	\$801.50
01/23/2020	JNP	AA	Review emails regarding RCP transaction in preparation for Board meeting; Conference with Ira D. Kharasch regarding same.	0.30	1075.00	\$322.50
01/23/2020	JNP	AA	Brief review of memos regarding RCP transaction and emails regarding same.	0.40	1075.00	\$430.00
01/23/2020	GVD	AA	Correspondence with HCMLP legal team re memo on potential transaction and next steps	0.20	825.00	\$165.00
01/23/2020	GVD	AA	Draft memo on potential transaction and interaction with ordinary course protocols	7.80	825.00	\$6,435.00
01/23/2020	GVD	AA	Conference with J. Romey re trading issues and next steps	0.10	825.00	\$82.50
01/23/2020	GVD	AA	Conference with F. Caruso re Dynamic wind down	0.10	825.00	\$82.50
01/23/2020	GVD	AA	Correspondence with board re Multi Strat resolutions	0.10	825.00	\$82.50
01/23/2020	GVD	AA	Conference with board, J. Pomerantz, and I. Kharasch re transaction issues and other open items	2.00	825.00	\$1,650.00
01/23/2020	GVD	AA	Conference with I. Kharasch re status of memo on potential transaction	0.10	825.00	\$82.50
01/24/2020	IDK	AA	Telephone conferences with G Demo re issues on RCP structure (.3); Numerous correspondence with client legal team, others re RCP and timing of call	1.10	1145.00	\$1,259.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			with Board re same, and timing of memo for same (.3); E-mails and telephone conferences with T Surgent re his team's memo and our timing for comments to same (.3); E-mails with attorneys re same on timing (.2).			
01/24/2020	IDK	AA	E-mails with DSI and Board re Maple Analytics and Multi Strat, including E-mails over weekend on Board questions on Maple retention economics.	0.30	1145.00	\$343.50
01/24/2020	JNP	AA	Conference with Ira D. Kharasch regarding memo regarding RCP transaction.	0.10	1075.00	\$107.50
01/24/2020	JNP	AA	Emails regarding status of RCP memo.	0.10	1075.00	\$107.50
01/24/2020	JNP	AA	Conference with J. Dubel regarding request for meeting from R. Patel.	0.10	1075.00	\$107.50
01/24/2020	GVD	AA	Review back up materials re potential transaction including allocation of values	2.00	825.00	\$1,650.00
01/24/2020	GVD	AA	Conference with I. Kharasch re potential transaction and cash flor	0.30	825.00	\$247.50
01/24/2020	GVD	AA	Conference with J. Romey re potential transaction	0.30	825.00	\$247.50
01/24/2020	GVD	AA	Review revised memorandum on proposed transaction	0.10	825.00	\$82.50
01/25/2020	GVD	AA	Revise and circulate memo re proposed transaction	3.60	825.00	\$2,970.00
01/25/2020	GVD	AA	Conference with J. Romey re potential transaction	0.80	825.00	\$660.00
01/26/2020	IDK	AA	E-mails and telephone conferences with G. Demo over weekend on issues raised in client legal team RCP memo and how to address (.4); Review of G Demo's markup of RCP memo, and my feedback re same (.4); Review of T. Surgent's team revised combined memo, and G Demo's comments to same and my feedback re same (.4); Review of T. Surgent's further revised RCP memo (.3); E-mails with attorneys re same and need to advise Board of missing info (.2).	1.70	1145.00	\$1,946.50
01/26/2020	JNP	AA	Review memo regarding RCP transaction; Conference with Ira D. Kharasch and emails regarding same.	0.50	1075.00	\$537.50
01/26/2020	GVD	AA	Revise and review memo on potential transaction; correspondence re same	1.20	825.00	\$990.00
01/27/2020	IDK	AA	Office conference with J. Pomerantz re RCP issues for today (.1); Review in more detail the joint memo	2.10	1145.00	\$2,404.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			on RCP transaction, and consider potential issues for Board (.5); Attend conference call with Board, company legal team re RCP proposed transaction (1.5).			
01/27/2020	JNP	AA	Participate on call regarding RCP transaction with Board, DSI, company, Ira D. Kharasch and Gregory V. Demo.	1.80	1075.00	\$1,935.00
01/27/2020	GVD	AA	Conference with board members and HCMLP re proposed transaction	1.70	825.00	\$1,402.50
01/28/2020	JNP	AA	Conference with Ira D. Kharasch regarding Board call to consider RCP transaction.	0.20	1075.00	\$215.00
01/28/2020	GVD	AA	Review DSI memo re potential transaction	0.10	825.00	\$82.50
01/29/2020	IDK	AA	Telephone conference with T Surgent and T Cournoyer re status of RCP and stock sale (.2).	0.20	1145.00	\$229.00
01/29/2020	IDK	AA	Telephone conference with J. Pomerantz re status, conversations with DSI and Committee counsel on various issues, and update on RCP (.4).	0.40	1145.00	\$458.00
01/29/2020	IDK	AA	Review of correspondence between DSI and Board re liquidity and the Multi-Strat, as well as CLOs.	0.20	1145.00	\$229.00
01/29/2020	GVD	AA	Conference with F. Caruso re status of broker retention	0.60	825.00	\$495.00
01/29/2020	GVD	AA	Further revise and circulate changes to broker engagement letter	0.30	825.00	\$247.50
01/30/2020	JNP	AA	Review and forward email from Sidley regarding objection to distributions.	0.10	1075.00	\$107.50
01/30/2020	GVD	AA	Further review broker engagement letter for Multi Strategy	0.30	825.00	\$247.50
01/30/2020	GVD	AA	Conference with Board of Directors re status Multi Strat fund	0.20	825.00	\$165.00
01/30/2020	GVD	AA	Conference with internal counsel at broker re changes to engagement letter	0.20	825.00	\$165.00
01/31/2020	IDK	AA	Numerous emails with legal team, Board, re drafts of reporting re RCP, and need for call today to discuss next steps (.4); Attend conference call with client, Board, others on RCP next steps & issues (.8); Telephone conference with G. Demo re result of same (.1).	1.30	1145.00	\$1,488.50
01/31/2020	IDK	AA	Review of correspondence with Committee re its	0.40	1145.00	\$458.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			objections to distributions from Argentina/Dynamic, including client legal team initial feedback re same (.2); Emails with DSI, attorneys re same and issue of DAF fund and potential termination of management agreement (.2).			
01/31/2020	JNP	AA	Review emails regarding RCP.	0.20	1075.00	\$215.00
01/31/2020	JNP	AA	Conference with Gregory V. Demo regarding update on Board call regarding RCP.	0.20	1075.00	\$215.00
01/31/2020	GVD	AA	Conference with F. Caruso re status of wind down and next steps	0.30	825.00	\$247.50
01/31/2020	GVD	AA	Conference with Board, Pachulski team, and HCMLP legal counsel re status of potential transaction	0.80	825.00	\$660.00
01/31/2020	GVD	AA	Conference with B. Sharp, J. Romey, and J. Donohue re potential revisions to protocols	0.30	825.00	\$247.50
				74.30		\$69,639.00

Bankruptcy Litigation [L430]

01/02/2020	IDK	BL	E-mails with attorneys re prep for 1/9 hearing and coordination of call for tomorrow.	0.20	1145.00	\$229.00
01/02/2020	LSC	BL	Prepare and transmit document production.	0.50	425.00	\$212.50
01/02/2020	GVD	BL	Research re standing issues and fraudulent transfers	2.70	825.00	\$2,227.50
01/03/2020	IDK	BL	Attend conference call with attorneys re prep issues for 1/9 hearing.	0.30	1145.00	\$343.50
01/03/2020	JNP	BL	Conference with Gregory V. Demo, John A. Morris and Ira D. Kharasch regarding preparation for hearing.	0.30	1075.00	\$322.50
01/03/2020	JNP	BL	Review and respond to emails regarding motion to extend removal deadline.	0.10	1075.00	\$107.50
01/03/2020	JEO	BL	Email o Greg Demo re need to extend removal deadline	0.20	925.00	\$185.00
01/03/2020	JEO	BL	Email to KCC re service of documents	0.10	925.00	\$92.50
01/03/2020	JEO	BL	Email to Greg Demo to confirm deadline to file a response to the UST Motion to Appoint Ch. 11 Trustee	0.20	925.00	\$185.00
01/03/2020	JAM	BL	Telephone conference with J. Pomerantz, I. Kharasch, G. Demo re status, 1/9 hearing (.3).	0.30	1075.00	\$322.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/05/2020	MBL	BL	Emails with team re hearing status and prep.	0.30	950.00	\$285.00
01/06/2020	IDK	BL	E-mails with G. Demo re draft of order approving settlement, including review of same (.2); Review and consider UST's objection to settlement motion (.2).	0.40	1145.00	\$458.00
01/06/2020	IDK	BL	E-mails with J Morris re prep for 1/9 hearing and evidence, and need for call re same (.1); E-mails with attorneys re same and coordination of call (.1); Attend conference call with attorneys re 1/9 hearing and prep (.3).	0.50	1145.00	\$572.50
01/06/2020	JNP	BL	Conference with Ira D. Kharasch, Gregory V. Demo, John A. Morris and Maxim B. Litvak regarding issues regarding upcoming hearing.	0.40	1075.00	\$430.00
01/06/2020	JNP	BL	Conference with Ira D. Kharasch regarding call with Schulte regarding CLO's	0.10	1075.00	\$107.50
01/06/2020	JNP	BL	Review emails regarding Notice of Hearing.	0.10	1075.00	\$107.50
01/06/2020	KKY	BL	Draft 1st removal extension motion	1.00	425.00	\$425.00
01/06/2020	MBL	BL	Review UST objection to settlement motion.	0.30	950.00	\$285.00
01/06/2020	MBL	BL	Review Jefferies response to settlement motion.	0.20	950.00	\$190.00
01/06/2020	MBL	BL	Emails with team re hearing prep issues and pending matters.	0.30	950.00	\$285.00
01/06/2020	MBL	BL	Review revised draft settlement order.	0.10	950.00	\$95.00
01/06/2020	MBL	BL	Review and comment on draft declaration in support of Committee settlement motion.	0.20	950.00	\$190.00
01/06/2020	MBL	BL	Review and comment on removal extension motion; emails with team re same.	0.30	950.00	\$285.00
01/06/2020	JEO	BL	Revise and circulate draft of motion to extend removal deadline	0.70	925.00	\$647.50
01/06/2020	JEO	BL	Research precedent for removal extension motion	0.30	925.00	\$277.50
01/06/2020	JEO	BL	Review precedent for removal extension	0.30	925.00	\$277.50
01/06/2020	JEO	BL	Emails with local counsel re motion to extend removal deadline	0.60	925.00	\$555.00
01/06/2020	JAM	BL	Review form of exhibit/witness list (.1); telephone conference with M. Hayward re witness/exhibit list (.1); draft declaration for Brad Sharp (2.7); e-mails with J. Pomerantz, I. Kharasch, G. Demo, M. Litvak	4.10	1075.00	\$4,407.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			re draft Sharp Declaration (.3); review UST objection to Protective Order (.4); e-mail to J. Pomerantz, I. Kharasch, M. Litvak, G. Demo re witness/exhibit list, Sharp Declaration (.2); telephone conference with J. Pomerantz, M. Litvak, I. Kharasch, G. Demo re status, Sharp declaration, hearing (.3).			
01/06/2020	LSC	BL	Prepare and transmit document production and update production log.	1.80	425.00	\$765.00
01/06/2020	GVD	BL	Conference with J. Pomerantz re updating proposed settlement order	0.10	825.00	\$82.50
01/06/2020	GVD	BL	Conference with JP Sevilla re issues re pending litigation	0.10	825.00	\$82.50
01/06/2020	GVD	BL	Review issues re pending litigation and next steps	0.30	825.00	\$247.50
01/06/2020	GVD	BL	Update and circulate revised settlement order	0.50	825.00	\$412.50
01/07/2020	IDK	BL	Review of unredacted version of UST objection to settlement (.2); Review of our revised response to UST objection, including giving my changes to same (.4).	0.60	1145.00	\$687.00
01/07/2020	IDK	BL	E-mails with Committee re its request for catch up call on settlement motion/hearing (.1); Attend conference call with Committee counsel re same (.3); Telephone conference with J. Pomerantz re result of call and follow up call from Committee (.1).	0.50	1145.00	\$572.50
01/07/2020	IDK	BL	E-mails with attorneys for CDO re settlement/protocol motion and how to resolve its concerns, as well as feedback from others.	0.30	1145.00	\$343.50
01/07/2020	JNP	BL	Review Jeffries response to settlement motion and proposed language for order.	0.20	1075.00	\$215.00
01/07/2020	JNP	BL	Review drafts of reply regarding settlement motion and emails with Gregory V. Demo regarding same.	0.30	1075.00	\$322.50
01/07/2020	JNP	BL	Conference with John A. Morris in preparation for settlement motion hearing.	0.10	1075.00	\$107.50
01/07/2020	JNP	BL	Review revised Declaration for B. Sharp to support settlement motion.	0.10	1075.00	\$107.50
01/07/2020	JNP	BL	Review U.S. Trustee opposition to joint motion regarding term sheet and email to Gregory V. Demo regarding same.	0.50	1075.00	\$537.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/07/2020	MBL	BL	Draft objection to UST motion to appoint trustee (4.2); research applicable law (1.3).	5.50	950.00	\$5,225.00
01/07/2020	MBL	BL	Review unredacted UST objection to settlement motion; emails with team re comments.	0.30	950.00	\$285.00
01/07/2020	MBL	BL	Attention to Jefferies objection to settlement; emails with Jefferies counsel re proposed revisions to order.	0.20	950.00	\$190.00
01/07/2020	MBL	BL	Emails with team and opposing counsel re Committee settlement agreement and governance documents.	0.30	950.00	\$285.00
01/07/2020	MBL	BL	Review revised Sharp declaration and witness/exhibit list.	0.10	950.00	\$95.00
01/07/2020	JEO	BL	Review 5th Cir precedent and update removal extension motion	0.70	925.00	\$647.50
01/07/2020	JAM	BL	E-mails with J. Pomerantz re Sharp Declaration (.1); revise Sharp Declaration (.3); draft witness and exhibit list (.2); e-mails with PSZJ team and local counsel re Sharp Declaration and Exhibit list (.2); e-mail to I. Leventon, B. Sharp, PSZJ team re Sharp Declaration (.1); prepare for hearing (2.2); telephone conference with J. Pomerantz, I. Kharasch, G. Demo, B. Sharp, F. Caruso, M. Hayward re status, 1/9 hearing (1.1); telephone conference with J. Pomerantz re Sharp declaration (.1).	4.30	1075.00	\$4,622.50
01/07/2020	LSC	BL	Prepare and transit document production.	0.80	425.00	\$340.00
01/07/2020	GVD	BL	Revise governing documents for settlement re changes from Sidley	0.60	825.00	\$495.00
01/07/2020	GVD	BL	Review and circulate agreed language re Jefferies reservation of rights	0.30	825.00	\$247.50
01/07/2020	GVD	BL	Draft reply to US Trustee's objection to settlement motion	5.90	825.00	\$4,867.50
01/08/2020	IDK	BL	Review of pleadings for tomorrow's settlement motion and consider further issues.	1.10	1145.00	\$1,259.50
01/08/2020	IDK	BL	Dinner meeting with DSI, J Morris and G Demo for hearing prep.	1.00	1145.00	\$1,145.00
01/08/2020	JNP	BL	Prepare for hearing on settlement motion.	5.00	1075.00	\$5,375.00
01/08/2020	JNP	BL	Emails with M. Haywood regarding binders for hearing and related.	0.10	1075.00	\$107.50
01/08/2020	MBL	BL	Misc. emails with team and client re Committee	0.60	950.00	\$570.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			settlement documents and filings; review updated draft filings.			
01/08/2020	JEO	BL	Circulate revised removal extension motion to PSZJ team	0.20	925.00	\$185.00
01/08/2020	JAM	BL	Review/revise reply to UST objection on governance motion (1.1); telephone conference with Z. Annable re court filings (.1); prepare for hearing (7.1); revise Sharp declaration (.3); e-mail to B. Sharp, J. Pomerantz, I. Kharasch, G. Demo re Sharp declaration (.1); e-mails with Z. Annable re court filings (.2); telephone conference with Z. Annable re Sharp declaration (.1); e-mail to I. Nasatir re D&O insurance (.1).	9.10	1075.00	\$9,782.50
01/08/2020	GVD	BL	Revise draft stipulation	0.90	825.00	\$742.50
01/08/2020	GVD	BL	Further revise and circulate draft proposed order on settlement motion	1.00	825.00	\$825.00
01/08/2020	GVD	BL	Prepare final execution versions of settlement documents	0.70	825.00	\$577.50
01/08/2020	GVD	BL	Review Committee comments to reply to US Trustee objection; revise reply re same	0.70	825.00	\$577.50
01/08/2020	GVD	BL	Review Committee reply to US Trustee objection	0.50	825.00	\$412.50
01/08/2020	GVD	BL	Review guaranty of indemnification obligations and correspondence re settlement	0.60	825.00	\$495.00
01/08/2020	GVD	BL	Multiple correspondence and conferences with counsel to the Committee re finalization of governance documents re settlement	1.20	825.00	\$990.00
01/08/2020	GVD	BL	Further revise term sheet re comments from HCMLP and Committee	1.20	825.00	\$990.00
01/08/2020	GVD	BL	Prepare trial materials; correspondence with local counsel re same	0.90	825.00	\$742.50
01/08/2020	GVD	BL	Revise and circulate reply to US Trustee objection	1.30	825.00	\$1,072.50
01/09/2020	IDK	BL	Emails with attorneys/client re status of getting signed docs on governance before hearing (.2); Attend hearing on settlement motion, including meeting with parties at hearing (3.3).	3.50	1145.00	\$4,007.50
01/09/2020	JNP	BL	Participate in hearing to approve settlement.	3.30	1075.00	\$3,547.50
01/09/2020	PJJ	BL	Coordinate telephonic appearance for Debtor.	0.20	425.00	\$85.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/09/2020	MBL	BL	Attend hearing on Committee settlement (by phone).	2.30	950.00	\$2,185.00
01/09/2020	JEO	BL	Email with Greg Demo re outcome of 1/9/ hearing	0.20	925.00	\$185.00
01/09/2020	LSC	BL	Coordinate attorney's telephonic appearance at hearing.	0.30	425.00	\$127.50
01/09/2020	GVD	BL	Attend to issues re execution of governance documents in anticipation of litigation	1.00	825.00	\$825.00
01/09/2020	GVD	BL	Revise and prepare final orders on settlement and CRO retention and stipulation for filing	0.70	825.00	\$577.50
01/09/2020	GVD	BL	Multiple conferences with I. Leventon and J. Pomerantz re status of governance documents and hearing strategy	0.30	825.00	\$247.50
01/09/2020	GVD	BL	Attend and participate in hearing on settlement motion	3.50	825.00	\$2,887.50
01/10/2020	IDK	BL	Emails with M. Litvak re his draft opposition to trustee motion, including review of same (.3); Telephone conference with M. Litvak re our draft opposition to same and need to address the fiduciary duty issue raised in court re Board (.2).	0.50	1145.00	\$572.50
01/10/2020	JNP	BL	Review opposition to Trustee motion.	0.20	1075.00	\$215.00
01/10/2020	JNP	BL	Emails to and from Gregory V. Demo regarding filing of term sheet.	0.10	1075.00	\$107.50
01/10/2020	JNP	BL	Conference with Maxim B. Litvak regarding status and opposition to Trustee motion.	0.20	1075.00	\$215.00
01/10/2020	MBL	BL	Calls with team re objection to UST trustee motion.	0.30	950.00	\$285.00
01/10/2020	MBL	BL	Incorporate comments from team and co-counsel to objection to trustee motion.	0.90	950.00	\$855.00
01/10/2020	MBL	BL	Continue work on objection to UST's trustee motion.	1.50	950.00	\$1,425.00
01/10/2020	MBL	BL	Research issues re trustee motion; review applicable governance documents.	0.70	950.00	\$665.00
01/10/2020	MBL	BL	Call with G. Demo re status and hearing outcome.	0.10	950.00	\$95.00
01/10/2020	MBL	BL	Misc. emails with team re pending items.	0.20	950.00	\$190.00
01/10/2020	JEO	BL	Review and revise removal extension motion	0.60	925.00	\$555.00
01/10/2020	JEO	BL	Review additional parties for matrix and email KCC re same	0.40	925.00	\$370.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/10/2020	JEO	BL	Update removal motion and circulate to clients	0.70	925.00	\$647.50
01/10/2020	JEO	BL	Confer with local counsel re requirements for removal motion	0.30	925.00	\$277.50
01/10/2020	GVD	BL	Review objection US Trustee's motion to appoint a Chapter 11 trustee	1.10	825.00	\$907.50
01/11/2020	JNP	BL	Emails to Board Members enclosing Trustee's motion and other related pleadings.	0.10	1075.00	\$107.50
01/11/2020	JNP	BL	Emails relating to Committee request for continuance of objection deadlines and emails to schedule call to discuss.	0.10	1075.00	\$107.50
01/11/2020	MBL	BL	Review and revise objection to trustee motion; emails with team re same.	0.80	950.00	\$760.00
01/11/2020	GVD	BL	Review additional revisions to objection to motion to appoint chapter 11 trustee	0.30	825.00	\$247.50
01/11/2020	GVD	BL	Review issues re term sheet; correspondence re same	0.70	825.00	\$577.50
01/12/2020	IDK	BL	Emails with attorneys re further research on fiduciary duties re trustee opposition and consider.	0.30	1145.00	\$343.50
01/12/2020	JNP	BL	Review and comment on latest version of opposition to Trustee motion and emails regarding same.	0.30	1075.00	\$322.50
01/12/2020	MBL	BL	Review and incorporate comments to objection to trustee motion; emails with team, co-counsel and client re same.	0.70	950.00	\$665.00
01/12/2020	JAM	BL	Review/revise objection to UST motion for appointment of Trustee (1.2); review e-mails re Trustee motion (.4).	1.60	1075.00	\$1,720.00
01/12/2020	GVD	BL	Research fiduciary obligations of a general partner in bankruptcy	0.90	825.00	\$742.50
01/13/2020	IDK	BL	E-mails with attorneys re further issues on trustee opposition and fiduciary duties, including review of revised opposition (.4); Office conferences with J. Pomerantz tonight re trustee motion and issues re fiduciary duty and need to add to order (.2).	0.60	1145.00	\$687.00
01/13/2020	JNP	BL	Conference with Gregory V. Demo and John A. Morris regarding revisions to Trustee opposition.	0.10	1075.00	\$107.50
01/13/2020	MBL	BL	Further research re board matters.	0.50	950.00	\$475.00
01/13/2020	MBL	BL	Revise objection to trustee motion with comments from team and Board (0.8); review further revisions	1.00	950.00	\$950.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			thereto and emails with team re same (0.2).			
01/13/2020	JEO	BL	Emails with local counsel re filing of removal extension motion	0.20	925.00	\$185.00
01/13/2020	JEO	BL	Finalize removal extension motion	0.50	925.00	\$462.50
01/13/2020	JAM	BL	Review/revise Multistrat motion (.7); telephone conference with J. Pomerantz, G. Demo, Independent Directors re 1/21 hearing and related matters (1.3).	2.00	1075.00	\$2,150.00
01/13/2020	GVD	BL	Review revised objection to US Trustee motion to appoint Chapter 11 Trustee	0.20	825.00	\$165.00
01/13/2020	GVD	BL	Correspondence with D. Barton re fiduciary duty issues	0.80	825.00	\$660.00
01/13/2020	GVD	BL	Revise objection to motion to appoint chapter 11 trustee re comments from board of directors	0.70	825.00	\$577.50
01/14/2020	IDK	BL	E-mails with attorneys re trustee motion and issues re fiduciary duty of board, and further research re same.	0.20	1145.00	\$229.00
01/14/2020	JNP	BL	Conference with Gregory V. Demo and John A. Morris regarding hearing logistics.	0.20	1075.00	\$215.00
01/14/2020	JNP	BL	Emails from Court and U.S. Trustee regarding 1/21/2020 calendar.	0.10	1075.00	\$107.50
01/14/2020	MBL	BL	Attention to revised objection to trustee motion; emails with team re same.	0.20	950.00	\$190.00
01/14/2020	MBL	BL	Prepare order denying trustee motion.	0.50	950.00	\$475.00
01/14/2020	JEO	BL	Review critical dates and case deadlines re upcoming hearing and due date for witness and exhibit lists	0.20	925.00	\$185.00
01/14/2020	GVD	BL	Conference with D. Barton, J. Pomerantz, and M. Litvak re fiduciary duties	0.40	825.00	\$330.00
01/14/2020	GVD	BL	Revise objection to motion to appoint chapter 11 trustee	1.10	825.00	\$907.50
01/15/2020	JNP	BL	Conference with Gregory V. Demo regarding issues relating to hearing, bonus motion and related (3x).	0.60	1075.00	\$645.00
01/15/2020	JNP	BL	Conference with John A. Morris regarding confidentiality issues relating to upcoming hearing.	0.10	1075.00	\$107.50
01/15/2020	JNP	BL	Conference with Ira D. Kharasch regarding status of various issues relating to hearing.	0.20	1075.00	\$215.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/15/2020	MBL	BL	Review Committee objection to trustee motion.	0.20	950.00	\$190.00
01/15/2020	MBL	BL	Review client comments to objection to trustee motion; emails with team re same.	0.20	950.00	\$190.00
01/15/2020	JEO	BL	Emails with Greg Demo re agenda and documents needed for hearing on 1/21.	0.30	925.00	\$277.50
01/15/2020	JAM	BL	Telephone conference with M. Heyward re Protective Order (.1); telephone conference with M. Hayward, L. Lambert, E. Brogman re Protective Order and related matters (.5); review docket re Sealing Order and Objection (.4); draft e-mail to Independent Directors re Redeemer Awards (.4); review designations of Frank Waterhouse designations by UST (.9); review e-mails among G. Demo, M. Hayward re notice, filings (.3); review UCC objection to UST Motion for Trustee (.2).	2.80	1075.00	\$3,010.00
01/15/2020	GVD	BL	Attend to issues re filing of objection to US Trustee's motion to appoint chapter 11 trustee	0.70	825.00	\$577.50
01/15/2020	GVD	BL	Conference with Committee and Board re bonus motion and next steps	0.80	825.00	\$660.00
01/15/2020	GVD	BL	Revise notice of hearing and attend to issues re filing same	0.40	825.00	\$330.00
01/15/2020	GVD	BL	Review motion to withdraw precautionary motion to institute protocols	0.30	825.00	\$247.50
01/15/2020	GVD	BL	Conference with J. Morris re motion to seal	0.10	825.00	\$82.50
01/15/2020	GVD	BL	Conference with I. Leventon re comments to objection to chapter 11 trustee motion	0.10	825.00	\$82.50
01/16/2020	JJK	BL	Emails Demo on prep. for trustee motion hearing (0.4) and prepare case/issues notes for hearing (9.6).	10.00	895.00	\$8,950.00
01/16/2020	JNP	BL	Conference with Gregory V. Demo regarding various issues (multiple).	0.20	1075.00	\$215.00
01/16/2020	JNP	BL	Conference with Ira D. Kharasch regarding status of various matters.	0.20	1075.00	\$215.00
01/16/2020	JNP	BL	Participate in hearing preparation call with Board, John A. Morris, Maxim B. Litvak and Gregory V. Demo.	1.10	1075.00	\$1,182.50
01/16/2020	KKY	BL	Draft 1/21/20 agenda	3.40	425.00	\$1,445.00
01/16/2020	MBL	BL	Call with team and Board re hearing prep and pending issues.	1.30	950.00	\$1,235.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/16/2020	MBL	BL	Review and comment on witness and exhibit list for hearing.	0.20	950.00	\$190.00
01/16/2020	MBL	BL	Review draft agenda for hearing.	0.10	950.00	\$95.00
01/16/2020	MBL	BL	Prepare proposed orders on Mercer and bonus motion.	0.40	950.00	\$380.00
01/16/2020	JEO	BL	Hearing preparation for 1/21 hearing	0.70	925.00	\$647.50
01/16/2020	JEO	BL	Review documents in preparation for 1/21 hearing	0.60	925.00	\$555.00
01/16/2020	JEO	BL	Provide comments to 1/21 hearing agenda	0.50	925.00	\$462.50
01/16/2020	JEO	BL	Review status of matters scheduled for hearing on 1/21/2020	0.60	925.00	\$555.00
01/16/2020	JEO	BL	Email with Karina Yee re agenda for January 21 hearing	0.20	925.00	\$185.00
01/16/2020	LSC	BL	Prepare and transmit document productions (1.3); review documents and update production log (1.7); update files re document productions (3.3).	6.30	425.00	\$2,677.50
01/16/2020	GVD	BL	Conference with M. Hayward re ability to expedite hearings	0.20	825.00	\$165.00
01/16/2020	GVD	BL	Prepare documents for trial; multiple correspondence with local counsel re same	1.10	825.00	\$907.50
01/17/2020	JJK	BL	Emails Demo on hearing prep. and revise case notes for trustee litigation.	0.50	895.00	\$447.50
01/17/2020	JNP	BL	Conference with Maxim B. Litvak regarding evidence for hearing.	0.10	1075.00	\$107.50
01/17/2020	MBL	BL	Review and comment on witness and exhibit lists.	0.20	950.00	\$190.00
01/17/2020	MBL	BL	Finalize orders for hearing.	0.30	950.00	\$285.00
01/17/2020	JEO	BL	Review status of witness lists for 1/21 hearing	0.30	925.00	\$277.50
01/17/2020	JEO	BL	Continued hearing prep for 1/21. Review of documents needed for hearing	1.10	925.00	\$1,017.50
01/17/2020	JAM	BL	E-mails with L. Lambert, E. Brogman re Protective Order (.2); communications with J. Pomerantz, L. Lambert, E. Brogman re Sealing Motion (.2); work on responses, objections and counter designations to UST exhibits (1.8); prepare Debtor's exhibit list (.3); e-mail to PSZJ team, M. Hayward re objections to UST exhibit list and Debtor's exhibit list (.2); revise Debtor's exhibit list (.2); revise Dubel testimony	4.00	1075.00	\$4,300.00

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			(.3); e-mail to Board re court filings, Dubel testimony (.2); review Dubel proffer re bonus motion and e-mail to M. Litvak re same (.3); e-mails to G. Demo, Z. Annable re court filings (.3).			
01/17/2020	LSC	BL	Research and correspondence in connection with protective order.	0.40	425.00	\$170.00
01/17/2020	LSC	BL	Prepare and transmit document production (.5); update production log (.6).	1.10	425.00	\$467.50
01/17/2020	LSC	BL	Assist with preparation of materials for hearing on Trustee motion (2.6); coordinate telephonic appearances at hearing (.3).	5.70	425.00	\$2,422.50
01/17/2020	GVD	BL	Meeting with Board of Directors re preparation for hearing	0.90	825.00	\$742.50
01/19/2020	JNP	BL	Begin to prepare for Trustee hearing.	1.50	1075.00	\$1,612.50
01/19/2020	JNP	BL	Review proposed Dubel examination for Trustee hearing.	0.10	1075.00	\$107.50
01/19/2020	MBL	BL	Prep for hearing; emails with team re trustee testimony and review outline.	0.50	950.00	\$475.00
01/19/2020	JEO	BL	Emails with Jeff Pomerantz and Greg Demo in preparation for 1/21 hearing	0.70	925.00	\$647.50
01/19/2020	JAM	BL	Further revisions to Dubel testimony (.4); e-mail to PSZJ re Dubel testimony (.2); further revisions to Dubel testimony (.2); e-mail to Directors re Dubel testimony (.2).	1.00	1075.00	\$1,075.00
01/19/2020	GVD	BL	Revise and update proposed agenda for hearing	0.30	825.00	\$247.50
01/20/2020	JNP	BL	Meeting with Board, DSI, Maxim B. Litvak and John A. Morris in preparation for Trustee and bonus motion hearing.	4.00	1075.00	\$4,300.00
01/20/2020	JNP	BL	Conference with Ira D. Kharasch regarding Trustee hearing and related.	0.30	1075.00	\$322.50
01/20/2020	JNP	BL	Prepare for Trustee hearing.	5.00	1075.00	\$5,375.00
01/20/2020	JNP	BL	Conference with B. Sharp regarding Trustee hearing and related.	0.50	1075.00	\$537.50
01/20/2020	MBL	BL	Meet with board to prep for hearing; revisions to applicable orders.	3.00	950.00	\$2,850.00
01/20/2020	MBL	BL	Prep for hearing; review and update proffers.	2.80	950.00	\$2,660.00
01/20/2020	JAM	BL	Prepare for hearing (3.8); e-mail to L. Lambert re	7.20	1075.00	\$7,740.00

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			responses and objections to exhibits (.2); meet with Board, B. Sharp, J Pomerantz, M. Litvak re prepare for hearing (3.2); dinner with J. Pomerantz, M. Litvak, B. Sharp, Independent Directors (1.5 - No Charge).			
01/21/2020	IDK	BL	Telephone conference with J. Pomerantz re trustee motion result and related issues (.2).	0.20	1145.00	\$229.00
01/21/2020	JNP	BL	Prepare for and attend hearing on Trustee motion and related matters.	5.30	1075.00	\$5,697.50
01/21/2020	JNP	BL	Conference with Ira D. Kharasch regarding results of Trustee and bonus motion hearing.	0.20	1075.00	\$215.00
01/21/2020	MBL	BL	Prep for hearing and meet with client and team re same.	1.00	950.00	\$950.00
01/21/2020	MBL	BL	Participate in hearing on trustee motion and bonus issues.	4.00	950.00	\$3,800.00
01/21/2020	JEO	BL	Review updated status of matters going forward at today's hearing	0.30	925.00	\$277.50
01/21/2020	JEO	BL	Review hearing outcome with PSZJ team	0.30	925.00	\$277.50
01/21/2020	JAM	BL	Prepare for hearing (3.2); court/hearing (3.9); communications with J. Pomerantz, M. Litvak re hearing (.3); review/revise proposed orders (.3).	7.70	1075.00	\$8,277.50
01/21/2020	LSC	BL	Prepare and transmit document production (.5); update production log (.4).	0.90	425.00	\$382.50
01/21/2020	GVD	BL	Review and order denying motion to appoint chapter 11 trustee	0.20	825.00	\$165.00
01/21/2020	GVD	BL	Prepare for hearing appointment of chapter 11 trustee	0.20	825.00	\$165.00
01/21/2020	GVD	BL	Attend hearing (telephonic)	3.40	825.00	\$2,805.00
01/22/2020	IDK	BL	Emails and telephone conference with attorneys re dispute with UST over form of order on trustee denial re fiduciary duty language, as well as correspondence to Board re same.	0.50	1145.00	\$572.50
01/22/2020	JNP	BL	Emails regarding Order denying Trustee.	0.10	1075.00	\$107.50
01/22/2020	JNP	BL	Review and respond to emails regarding seal issues and U.S. Trustee position.	0.20	1075.00	\$215.00
01/22/2020	MBL	BL	Attention to entered orders; UST comments to trustee order.	0.20	950.00	\$190.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/22/2020	JEO	BL	Review case deadlines and email updates with Greg Demo and local ocounsel	0.70	925.00	\$647.50
01/22/2020	JAM	BL	Review/revise Sealing Order (.2); e-mail to PSZJ, L. Lambert, Sidley re Sealing Order (.2).	0.40	1075.00	\$430.00
01/22/2020	GVD	BL	Review and circulate entered orders	0.20	825.00	\$165.00
01/22/2020	GVD	BL	Review US Trustee changes to order denying chapter 11 trustee	0.20	825.00	\$165.00
01/23/2020	IDK	BL	Review of correspondence with Board on issue of keeping fiduciary duty language in order.	0.20	1145.00	\$229.00
01/23/2020	JNP	BL	Review various emails from L. Lambert; Conference with John A. Morris and review emails regarding same.	0.50	1075.00	\$537.50
01/23/2020	JNP	BL	Conference with M. Haywood regarding procedure regarding pending motions.	0.30	1075.00	\$322.50
01/23/2020	JEO	BL	Participate in PSZJ team call to go over open issues and discuss motions to be filed	1.10	925.00	\$1,017.50
01/23/2020	JEO	BL	Review critical dates memo	0.40	925.00	\$370.00
01/23/2020	JAM	BL	Revise proposed order re Sealing Motion (.4); e-mail to Sidley re proposed order re Sealing (.2); draft letter to Court requesting telephonic conference (1.3); e-mail to J. Pomerantz, I. Kharasch, G. Demo, M. Hayward re letter to Court (.2); further revisions to letter to Court (.3); e-mail to L. Lambert re Order on Trustee Motion (.2); draft motion re sealing (1.2); e-mail to PSZJ team re sealing motion (.2); e-mails with L. Lambert, J. Pomerantz, IDs re sealing motion (.7).	4.70	1075.00	\$5,052.50
01/23/2020	LSC	BL	Prepare and transmit document production (.5); update production log (1.1); research and correspondence regarding pending litigation (.9).	2.50	425.00	\$1,062.50
01/24/2020	JNP	BL	Review emails regarding filing of various motions.	0.20	1075.00	\$215.00
01/24/2020	JNP	BL	Conference with John A. Morris regarding sealing motion; Review pleadings regarding same.	0.20	1075.00	\$215.00
01/24/2020	JEO	BL	Emails with PSZJ and local counsel team re status of filings for 1/24	0.50	925.00	\$462.50
01/24/2020	JAM	BL	Telephone conference with B. Shaw concerning ACIS document requests (.2); telephone conference with J. Pomerantz, I. Kharasch re motions,	2.50	1075.00	\$2,687.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Redeemer litigation analysis (.3); telephone conference with Z. Annable re service of motion (.1); revise motion on Sealing and disclosure (1.2); e-mails with Z. Annable re service (.2); e-mails to IDs, J. Pomerantz, I. Kharasch re Sealing and discovery motion (.2); e-mails with M. Hayward, Z. Annable re service and filing of sealing motion (.2); telephone conference with J. Pomerantz re proposed order (.1).			
01/27/2020	JEO	BL	Emails with local counsel re noticing question for motions	0.20	925.00	\$185.00
01/27/2020	JMF	BL	Review first day declaration.	0.90	925.00	\$832.50
01/27/2020	LSC	BL	Create exhibit folders for G. Demo.	0.70	425.00	\$297.50
01/27/2020	GVD	BL	Review transcript re fiduciary issues	0.20	825.00	\$165.00
01/28/2020	JEO	BL	Call with John Morris re entered orders on sealing motion and notice of status hearing	0.20	925.00	\$185.00
01/28/2020	JEO	BL	Emails with co-counsel re status of removal motion	0.40	925.00	\$370.00
01/28/2020	LSC	BL	Prepare folders of exhibits for G. Demo.	1.40	425.00	\$595.00
01/29/2020	GVD	BL	Conference with Winstead re Acis status conference	0.20	825.00	\$165.00
01/30/2020	JEO	BL	Participate in PSZJ team call to review pending matters	0.60	925.00	\$555.00
01/30/2020	JEO	BL	Email with PSZJ team re status of matters and filings due today	0.30	925.00	\$277.50
01/30/2020	JMF	BL	Telephone call with G. Demo, J. Pomerantz, I. Kharasch re Bar Date and 2/19 hearing issues.	0.80	925.00	\$740.00
01/30/2020	JMF	BL	Review sealing motion.	0.40	925.00	\$370.00
01/30/2020	JMF	BL	Review Committee settlement motion.	0.50	925.00	\$462.50
01/31/2020	JMF	BL	Telephone call with Greg Demo re 2/19 and pending case issues.	0.80	925.00	\$740.00
				226.30		\$207,350.50

Case Administration [B110]

01/02/2020	SLP	CA	Maintain document control.	0.50	350.00	\$175.00
01/02/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/03/2020	KKY	CA	Review and revise 2002 service list	0.20	425.00	\$85.00
01/03/2020	KKY	CA	Review and revise critical dates	0.60	425.00	\$255.00
01/03/2020	SLP	CA	Maintain document control.	0.40	350.00	\$140.00
01/03/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.50	350.00	\$175.00
01/05/2020	JNP	CA	Conference with I. Leventon regarding pending matters.	0.30	1075.00	\$322.50
01/06/2020	KKY	CA	Review and revise critical dates	0.80	425.00	\$340.00
01/06/2020	MBL	CA	Update call with team re status and pending items.	0.40	950.00	\$380.00
01/06/2020	SLP	CA	Maintain document control.	0.90	350.00	\$315.00
01/06/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.50	350.00	\$175.00
01/06/2020	SWG	CA	Update notices of hearing.	0.20	625.00	\$125.00
01/06/2020	GVD	CA	Conference with PSZJ re open items and next steps	0.40	825.00	\$330.00
01/07/2020	SLP	CA	Maintain document control (2) receive multiple documents to organize (1.10)	1.30	350.00	\$455.00
01/07/2020	KSN	CA	Maintain document control.	0.20	350.00	\$70.00
01/08/2020	KKY	CA	Review and revise critical dates	0.10	425.00	\$42.50
01/08/2020	KKY	CA	Review and revise 2002 service list	0.30	425.00	\$127.50
01/08/2020	KSN	CA	Maintain document control.	0.20	350.00	\$70.00
01/08/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.50	350.00	\$175.00
01/09/2020	MBL	CA	Misc. emails with team re revised orders and documents on governance and pending issues.	0.40	950.00	\$380.00
01/09/2020	KSN	CA	Maintain document control.	0.20	350.00	\$70.00
01/09/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
01/10/2020	KKY	CA	Review and revise critical dates	0.80	425.00	\$340.00
01/10/2020	KSN	CA	Maintain document control.	0.20	350.00	\$70.00
01/10/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.30	350.00	\$105.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/13/2020	JNP	CA	Conference with Gregory V. Demo regarding pending matters.	0.10	1075.00	\$107.50
01/13/2020	SLP	CA	Maintain document control.	0.60	350.00	\$210.00
01/13/2020	LSC	CA	Update contact list.	0.30	425.00	\$127.50
01/14/2020	JNP	CA	Review and forward email from Court Clerk regarding calendar.	0.10	1075.00	\$107.50
01/14/2020	KSN	CA	Maintain document control.	0.20	350.00	\$70.00
01/14/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
01/15/2020	JNP	CA	Conference with Ira D. Kharasch regarding various issues.	0.40	1075.00	\$430.00
01/15/2020	KKY	CA	Review and revise critical dates	0.10	425.00	\$42.50
01/15/2020	MBL	CA	Review notice of hearing; emails with team re pending matters.	0.10	950.00	\$95.00
01/15/2020	SLP	CA	Maintain document control (2) receive multiple documents to organize (1.3)	1.50	350.00	\$525.00
01/15/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
01/15/2020	GVD	CA	Review correspondence re open items	0.20	825.00	\$165.00
01/15/2020	GVD	CA	Conference with J. Pomerantz re status of case and next steps	0.20	825.00	\$165.00
01/16/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
01/16/2020	GVD	CA	Conference with J. Pomerantz re open items and next steps	0.20	825.00	\$165.00
01/17/2020	KKY	CA	Review and revise critical dates	1.60	425.00	\$680.00
01/17/2020	GVD	CA	Review correspondence and respond to same	0.30	825.00	\$247.50
01/21/2020	SLP	CA	Maintain document control.	0.20	350.00	\$70.00
01/21/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
01/21/2020	LSC	CA	Update and circulate contact list.	0.20	425.00	\$85.00
01/22/2020	SLP	CA	Maintain document control.	0.20	350.00	\$70.00
01/22/2020	KSN	CA	Maintain document control.	0.10	350.00	\$35.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/22/2020	GVD	CA	Conference with local counsel and J. O'Neill re exclusivity and 365 extension issues	0.50	825.00	\$412.50
01/22/2020	GVD	CA	Conference with J. O'Neill re scheduling issues and WIP list	0.40	825.00	\$330.00
01/23/2020	IDK	CA	E-mails with attorneys re need for WIP call on issues (.2); Attend conference call with internal team on all major issues (.8).	1.00	1145.00	\$1,145.00
01/23/2020	IDK	CA	Telephone conference with J. Pomerantz re need for WIP issue focus and getting J. Fried to oversee (.1); E-mails with J Fried re same (.1).	0.20	1145.00	\$229.00
01/23/2020	JNP	CA	Conference with B. Sharp regarding pending matters.	0.20	1075.00	\$215.00
01/23/2020	JNP	CA	Conference with Ira D. Kharasch (2x) regarding pending issues.	0.30	1075.00	\$322.50
01/23/2020	JNP	CA	Participate in internal WIP call with PSZJ regarding status of various issues.	0.80	1075.00	\$860.00
01/23/2020	KKY	CA	Review and revise critical dates	1.40	425.00	\$595.00
01/23/2020	MBL	CA	Emails with team re miscellaneous pending matters and scheduling.	0.20	950.00	\$190.00
01/23/2020	JEO	CA	Email with KCC about service of Notice of Commencement on additional parties	0.40	925.00	\$370.00
01/23/2020	SLP	CA	Maintain document control.	0.40	350.00	\$140.00
01/23/2020	GVD	CA	Conference with PSZJ team re open items and next steps	0.80	825.00	\$660.00
01/23/2020	GVD	CA	Attend to email correspondence and open items	0.20	825.00	\$165.00
01/24/2020	IDK	CA	E-mails with DSI, attorneys re status and coordination weekly call.	0.10	1145.00	\$114.50
01/24/2020	JNP	CA	Review critical dates; Conference with Gregory V. Demo regarding same.	0.10	1075.00	\$107.50
01/24/2020	KKY	CA	Review and revise critical dates	0.30	425.00	\$127.50
01/24/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
01/24/2020	GVD	CA	Review and respond to emails re miscellaneous issues.	0.30	825.00	\$247.50
01/25/2020	GVD	CA	Review and draft memo re professional issues	0.60	825.00	\$495.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/27/2020	IDK	CA	E-mails with G Demo and J Fried re status, next WIP calls.	0.20	1145.00	\$229.00
01/27/2020	SLP	CA	Maintain document control.	0.30	350.00	\$105.00
01/27/2020	KSN	CA	Maintain document control.	0.20	350.00	\$70.00
01/27/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
01/27/2020	GVD	CA	Review Critical Dates calendar	0.20	825.00	\$165.00
01/28/2020	IDK	CA	Review of updated WIP (.1); Attend part of the weekly WIP internal call on key issues and next steps (.5); Attend weekly WIP call with DSI on key issues (.8); Review of draft agenda for tomorrow board meeting (.1).	1.50	1145.00	\$1,717.50
01/28/2020	JNP	CA	Conference with DSI and PSZJ regarding outstanding issues.	0.90	1075.00	\$967.50
01/28/2020	JNP	CA	Internal PSZJ WIP call to review pending matters.	1.10	1075.00	\$1,182.50
01/28/2020	KKY	CA	Review and revise critical dates	1.50	425.00	\$637.50
01/28/2020	MBL	CA	Review work in process checklist.	0.10	950.00	\$95.00
01/28/2020	MBL	CA	Weekly update call with PSZJ team re pending matters.	1.00	950.00	\$950.00
01/28/2020	MBL	CA	Misc. emails with team re pending tasks and research issues.	0.20	950.00	\$190.00
01/28/2020	JEO	CA	Review critical dates memo and WIP list	1.10	925.00	\$1,017.50
01/28/2020	JEO	CA	Participate in call with PSZJ team to review status of open matters	1.10	925.00	\$1,017.50
01/28/2020	JMF	CA	Call with F. Caruso, J. Pomerantz, G. Demo, B. Sharpe re weekly update call.	0.60	925.00	\$555.00
01/28/2020	JMF	CA	Call with J. Pomerantz, I. Kharasch, G. Demo re pending motion and case issues.	1.10	925.00	\$1,017.50
01/28/2020	JMF	CA	Review summary memo re case issues.	0.40	925.00	\$370.00
01/28/2020	KSN	CA	Maintain document control.	0.20	350.00	\$70.00
01/28/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
01/28/2020	GVD	CA	Conference with I. Kharasch and J. Pomerantz re open items and next steps	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/28/2020	GVD	CA	Conference with PSZJ team re WIP List and open items	1.10	825.00	\$907.50
01/28/2020	GVD	CA	Conference with PSZJ and DSI re WIP List and open items	0.80	825.00	\$660.00
01/28/2020	GVD	CA	Revise WIP List	0.60	825.00	\$495.00
01/28/2020	GVD	CA	Further revise and circulate WIP list re comments from J. O'Neill	0.30	825.00	\$247.50
01/29/2020	JNP	CA	Conference with B. Sharp regarding communications and information flow.	0.10	1075.00	\$107.50
01/29/2020	KKY	CA	Review and revise critical dates	0.60	425.00	\$255.00
01/29/2020	KKY	CA	Review and revise 2002 service list	0.20	425.00	\$85.00
01/29/2020	JEO	CA	Email with Greg Demo and Patricia Jeffries re matrix	0.20	925.00	\$185.00
01/29/2020	JEO	CA	Email correspondence with Greg Demo re matrix and noticing issues	0.20	925.00	\$185.00
01/29/2020	JMF	CA	Review updated critical dates and work in progress memo.	0.30	925.00	\$277.50
01/29/2020	KSN	CA	Maintain document control.	0.20	350.00	\$70.00
01/29/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
01/30/2020	IDK	CA	Attend internal conference call with team on various issues (.7).	0.70	1145.00	\$801.50
01/30/2020	JNP	CA	Internal PSZJ status call to review WIP list.	0.70	1075.00	\$752.50
01/30/2020	PJJ	CA	Research matrix issue.	0.40	425.00	\$170.00
01/30/2020	MBL	CA	Attend case update call with team.	0.20	950.00	\$190.00
01/30/2020	JMF	CA	Draft memorandum of pending case items.	1.40	925.00	\$1,295.00
01/30/2020	KSN	CA	Maintain document control.	0.20	350.00	\$70.00
01/30/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
01/30/2020	LSC	CA	Update contact list.	0.30	425.00	\$127.50
01/30/2020	GVD	CA	Conference with PSZJ team re status of case and next steps	0.70	825.00	\$577.50
01/30/2020	GVD	CA	Review emails from former employee	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/31/2020	JNP	CA	Conference with Ira D. Kharasch regarding status of matters.	0.10	1075.00	\$107.50
01/31/2020	KKY	CA	Review and revise critical dates	0.30	425.00	\$127.50
01/31/2020	SLP	CA	Maintain document Control.	0.20	350.00	\$70.00
01/31/2020	JMF	CA	Review / edit critical dates.	0.20	925.00	\$185.00
01/31/2020	KSN	CA	Maintain document control.	0.20	350.00	\$70.00
01/31/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
01/31/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
01/31/2020	GVD	CA	Conference with J. Fried re WIP list and status of the case	0.80	825.00	\$660.00
				<u>49.40</u>		<u>\$34,666.50</u>

Claims Admin/Objections[B310]

01/02/2020	JNP	CO	Review email regarding fraudulent conveyance claim limitations.	0.10	1075.00	\$107.50
01/10/2020	JNP	CO	Emails regarding noticing of Bar Date to additional creditors.	0.10	1075.00	\$107.50
01/14/2020	KKY	CO	Respond (.1) to email from James E. O'Neill re bar date; and prepare (.1) attachment to same	0.20	425.00	\$85.00
01/14/2020	JEO	CO	Review issues regarding bar date motion	0.30	925.00	\$277.50
01/15/2020	JEO	CO	Email to local counsel re bar date motion	0.20	925.00	\$185.00
01/16/2020	KKY	CO	Draft bar date motion	0.70	425.00	\$297.50
01/16/2020	JEO	CO	Call with local counsel Melissa Hayward re bar date and pending matters	0.30	925.00	\$277.50
01/17/2020	IDK	CO	Emails with Acis counsel and others re Acis request.	0.10	1145.00	\$114.50
01/21/2020	IDK	CO	Telephone conference with J. Pomerantz re next steps for analyzing major claims of Acis, UBS, Redeemer (.2).	0.20	1145.00	\$229.00
01/21/2020	JJK	CO	Call Kharasch on Acis POC review (0.1); review case documents and pleadings, Acis POC, and conduct research (7.2).	7.30	895.00	\$6,533.50
01/21/2020	JNP	CO	Review of emails regarding calls to discuss claims	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			work.			
01/21/2020	JNP	CO	Conference with Ira D. Kharasch regarding review of claims.	0.10	1075.00	\$107.50
01/21/2020	KKY	CO	Draft bar date motion	1.30	425.00	\$552.50
01/22/2020	IDK	CO	Numerous emails and telephone conference with J Lucas, R Feinstein and J. Pomerantz re coordination on analysis of UBS POC, as well as correspondence with Ellington re same.	0.50	1145.00	\$572.50
01/22/2020	JJK	CO	Emails Demo on info for Acis POC analysis and review documents.	1.80	895.00	\$1,611.00
01/22/2020	JNP	CO	Emails with S. Ellington regarding UBS claim.	0.10	1075.00	\$107.50
01/22/2020	JNP	CO	Conference with Robert J. Feinstein regarding background regarding UBS claim.	0.30	1075.00	\$322.50
01/22/2020	KKY	CO	Review and revise bar date motion	1.00	425.00	\$425.00
01/23/2020	IDK	CO	E-mails with S. Ellington, others re coordination of UBS call and information.	0.20	1145.00	\$229.00
01/23/2020	IDK	CO	E-mails with J Kim re Acis claim and client call (.2); numerous E-mails with JP Sevilla, J. Pomerantz re Acis claim and need for call, rescheduling of same, and issues to address on call (.5); telephone conference with J. Pomerantz re logistics of UBS claim analysis and J. Morris (.1); Telephone conference with J. Pomerantz re counsel for Acis feedback and related issues (.2).	1.00	1145.00	\$1,145.00
01/23/2020	JJK	CO	Research/review documents/pleadings re: Acis POC.	5.50	895.00	\$4,922.50
01/23/2020	JNP	CO	Conference with Robert J. Feinstein regarding UBS claims and emails with S. Ellington regarding same.	0.20	1075.00	\$215.00
01/23/2020	MBL	CO	Review and comment on bar date motion; emails with team re same.	0.30	950.00	\$285.00
01/23/2020	JEO	CO	Emails with KCC re bar date motion	0.40	925.00	\$370.00
01/23/2020	JEO	CO	Review and update bar date motion and circulate to PSZJ team	0.70	925.00	\$647.50
01/23/2020	RJF	CO	Review UBS opinion and judgment.	1.00	1245.00	\$1,245.00
01/24/2020	IDK	CO	Telephone conference with J. Pomerantz re upcoming Acis call with client (.1); Review of background materials re ACIS POC to prepare for upcoming client call (.6); E-mails with J Kim, J. Pomerantz re pre-call re same (.1); Attend pre-call	2.00	1145.00	\$2,290.00

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			on Acis claim (.3); Attend conference call with JP Sevilla, attorneys re Acis POC issues and next steps (.4); E-mails with J Kim re follow up to Acis calls and issues and timing (.2); Telephone conference and E-mails with J. Pomerantz later re Rockhee and Acis, and UBS coordination, and RCP, including review of Acis counsel correspondence (.3).			
01/24/2020	IDK	CO	Attend conference call with J Morris and J. Pomerantz re Redeemer claim and next steps re analysis (.3); E-mails with J Morris re background materials for Redeemer litigation and prior draft settlement agreement, including review of related Redeemer docs/correspondence (.6).	0.90	1145.00	\$1,030.50
01/24/2020	IDK	CO	E-mails with S Ellington, attorneys re UBS claim and coordination of call re same.	0.20	1145.00	\$229.00
01/24/2020	JJK	CO	Research and review docs re: Acis POC objection issues.	5.90	895.00	\$5,280.50
01/24/2020	JJK	CO	Research/review documents/pleadings re: Acis POC (5.0); prep for call with client on Acis POC issues (0.5); call with Sevilla, Kharasch, Pomerantz on Acis matters (0.3); call with Kharasch/Pomerantz on same (0.2).	6.00	895.00	\$5,370.00
01/24/2020	JNP	CO	Conference with John A. Morris and Ira D. Kharasch regarding Redeemer claim analysis.	0.30	1075.00	\$322.50
01/24/2020	JNP	CO	Participate on call with Ira D. Kharasch, Jonathan J. Kim and JP Sevilla regarding Acis claim review.	0.70	1075.00	\$752.50
01/24/2020	JNP	CO	Email to I. Leventon regarding call to discuss UBS claim and call regarding same.	0.10	1075.00	\$107.50
01/24/2020	JNP	CO	Conference with Robert J. Feinstein regarding UBS claim issues.	0.20	1075.00	\$215.00
01/24/2020	JNP	CO	Conference with Ira D. Kharasch regarding claim review issues and staffing.	0.20	1075.00	\$215.00
01/24/2020	JNP	CO	Emails to and from R. Patel regarding potential meeting regarding Acis.	0.20	1075.00	\$215.00
01/24/2020	KKY	CO	Review and revise bar date motion	0.20	425.00	\$85.00
01/24/2020	PJJ	CO	Prepare December fee statement for filing.	0.30	425.00	\$127.50
01/24/2020	GVD	CO	Conf with K. Irving re claims reconciliation	0.10	825.00	\$82.50
01/25/2020	JAM	CO	Review/analyze Redeemer Awards.	1.70	1075.00	\$1,827.50

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01/26/2020	IDK	CO	E-mail to J Morris, J. Pomerantz re Redeemer award and missing documents.	0.20	1145.00	\$229.00
01/26/2020	JNP	CO	Emails to S. Ellington regarding call to discuss UBS claim.	0.10	1075.00	\$107.50
01/26/2020	JAM	CO	Review/analyze Redeemer Awards (3.1); e-mail to S. Ellington, J. Pomerantz, I. Kharasch re documents relating to Redeemer Awards (.2).	3.30	1075.00	\$3,547.50
01/27/2020	IDK	CO	E-mails with client, others re docs needed for UBS claim analysis.	0.30	1145.00	\$343.50
01/27/2020	IDK	CO	Attend conference calls re Redeemer claim and next steps (.4).	0.40	1145.00	\$458.00
01/27/2020	IDK	CO	E-mails and office conference with J Kim re new materials for Acis analysis, fraudulent conveyance and potential call with Acis.	0.30	1145.00	\$343.50
01/27/2020	JJK	CO	Research and review docs re: Acis POC objection issues.	5.60	895.00	\$5,012.00
01/27/2020	JJK	CO	Research and review docs re: Acis POC objection issues.	3.60	895.00	\$3,222.00
01/27/2020	JJK	CO	Emails Kharasch on Acis matters.	0.10	895.00	\$89.50
01/27/2020	JJK	CO	Research and review docs re: Acis POC objection issues.	4.90	895.00	\$4,385.50
01/27/2020	JNP	CO	.Conference with Ira D. Kharasch and John A. Morris regarding Redeemer.	0.30	1075.00	\$322.50
01/27/2020	JNP	CO	Conference with M. Warner regarding Redeemer; Call with partner regarding background.	0.10	1075.00	\$107.50
01/27/2020	RJF	CO	Emails regarding additional UBS documents to review.	0.30	1245.00	\$373.50
01/27/2020	JAM	CO	Review/analyze Redeemer Awards (1.0); telephone conference with J. Pomerantz, I. Kharasch re Redeemer Awards (.3); e-mail to L. Lambert re hearing transcript (.1); e-mails with Z. Annable, G. Demo re Order on Sealing Order (.3).	1.70	1075.00	\$1,827.50
01/27/2020	GVD	CO	Review judgment entered in UBS litigation	1.30	825.00	\$1,072.50
01/28/2020	AJK	CO	Call with J. Pomerantz, I. Kharasch and R. Feinstein re UBS issue.	0.40	1145.00	\$458.00
01/28/2020	IDK	CO	Numerous E-mails with attorneys re coordination of analysis of UBS claim, and logistics of massive docs	1.30	1145.00	\$1,488.50

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			and issues (.5); Office conferences with A. Kornfeld re same (.2); Telephone conference with attorneys on UBS issues, timing, next steps (.4); E-mails with S Ellington, others re coordination UBS call (.2).			
01/28/2020	IDK	CO	E-mails with J Sevilla, others re Acis claim status, and his alter ego analysis (.3); E-mails with J Kim re coordination of call with Acis counsel (.1); E-mail to Acis counsel re same (.1).	0.50	1145.00	\$572.50
01/28/2020	IDK	CO	Telephone conference and E-mails with J. Pomerantz and J Morris re update and next steps on Redeemer claim analysis.	0.20	1145.00	\$229.00
01/28/2020	JJK	CO	Research and review docs re: Acis POC objection issues.	6.00	895.00	\$5,370.00
01/28/2020	JJK	CO	Research and review docs re: Acis POC objection issues.	7.30	895.00	\$6,533.50
01/28/2020	JNP	CO	Conference with I. Leventon regarding UBS claim review.	0.20	1075.00	\$215.00
01/28/2020	JNP	CO	Conference with Alan J. Kornfeld, Robert J. Feinstein and Ira D. Kharasch regarding UBS claim review.	0.40	1075.00	\$430.00
01/28/2020	JNP	CO	Email to and from B. Sharp regarding payment of secured claim interest.	0.10	1075.00	\$107.50
01/28/2020	JNP	CO	Conference with Ira D. Kharasch regarding conference with I. Leventon regarding UBS claim review.	0.10	1075.00	\$107.50
01/28/2020	JEO	CO	Research status of filed claims and email results to PSZJ team	0.40	925.00	\$370.00
01/28/2020	JEO	CO	Research issue on publication notice for claim bar in 5th circuit	0.80	925.00	\$740.00
01/28/2020	RJF	CO	Office conference with Gregory V. Demo regarding UBS.	0.20	1245.00	\$249.00
01/28/2020	RJF	CO	Call with Ira D. Kharasch, Jeffrey N. Pomerantz, Alan J. Kornfeld regarding UBS claims analysis.	0.30	1245.00	\$373.50
01/28/2020	RJF	CO	Review UBS documents to evaluate claims.	1.60	1245.00	\$1,992.00
01/28/2020	LAF	CO	Legal research re: Publication notice of bar date.	0.50	450.00	\$225.00
01/28/2020	JAM	CO	Work on Redeemer Award analysis (.4); telephone conference with PSZJ re WIP (1.1); e-mail to Directors, J. Pomerantz re Acis request for	2.20	1075.00	\$2,365.00

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			documents (.4); e-mail to Directors, PSZJ re order on Sealing Motion (.1); e-mails with J. Pomerantz, B. Sharp, T. Cournoyer re document designations (.2).			
01/28/2020	EAW	CO	Telephone calls with A. Kornfeld re: claims analysis.	0.30	825.00	\$247.50
01/28/2020	EAW	CO	Review emails and documents re: claims analysis.	0.50	825.00	\$412.50
01/28/2020	GVD	CO	Follow up conference with J. Pomerantz re UBS issues	0.10	825.00	\$82.50
01/28/2020	GVD	CO	Conference with R. Feinstein re UBS claim analysis	0.40	825.00	\$330.00
01/28/2020	GVD	CO	Review UBS claim issues	0.10	825.00	\$82.50
01/28/2020	GVD	CO	Research avoidance powers	1.80	825.00	\$1,485.00
01/29/2020	AJK	CO	Review background materials re UBS.	2.30	1145.00	\$2,633.50
01/29/2020	IDK	CO	Email and telephone conference with J Morris re Redeemer claim issues, offsets, and need for further information (.4); Review of correspondence with client re same (.1).	0.50	1145.00	\$572.50
01/29/2020	IDK	CO	E-mails with attorneys re my feedback on UBS claim analysis, including need for issues re Strand Advisor exposure (.4); E-mails with S Ellington and I Leventon, others re finalizing call tomorrow for UBS claim (.2).	0.60	1145.00	\$687.00
01/29/2020	IDK	CO	E-mail to Acis counsel (.1).	0.10	1145.00	\$114.50
01/29/2020	JJK	CO	Research and review docs re: Acis POC objection issues.	5.00	895.00	\$4,475.00
01/29/2020	JJK	CO	Research and review docs re: Acis POC objection issues.	3.30	895.00	\$2,953.50
01/29/2020	JJK	CO	Research and review docs re: Acis POC objection issues.	4.00	895.00	\$3,580.00
01/29/2020	JNP	CO	Conference with Ira D. Kharasch regarding claims reconciliation and various issues.	0.20	1075.00	\$215.00
01/29/2020	JEO	CO	Review and update bar date motion	0.80	925.00	\$740.00
01/29/2020	JEO	CO	Update bar date motion for KCC changes and re publication	0.20	925.00	\$185.00
01/29/2020	JEO	CO	Circulate draft of bar date motion to KCC for comment	0.20	925.00	\$185.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/29/2020	JEO	CO	Review cost estimates for publication of bar date notice	0.40	925.00	\$370.00
01/29/2020	JEO	CO	Circulate draft of bar date motion to local counsel and request drafting of motion to expedite	0.20	925.00	\$185.00
01/29/2020	JEO	CO	Update bar date motion to include comments from local counsel	0.40	925.00	\$370.00
01/29/2020	RJF	CO	Review UBS documents to evaluate claims.	2.00	1245.00	\$2,490.00
01/29/2020	JAM	CO	Review documents re Redeemer Awards (2.2); telephone conference with I. Kharasch re Redeemer Awards (.3); e-mails with S. Ellington, I. Leventon, J. Pomerantz, I. Kharasch re potential offsets to Redeemer Awards (.3).	2.80	1075.00	\$3,010.00
01/29/2020	EAW	CO	Review emails and documents from R. Feinstein, J. Pomerantz, I. Kharasch and G. Demo re: analysis of potential claims.	0.30	825.00	\$247.50
01/29/2020	GVD	CO	Review research on avoidance actions	0.80	825.00	\$660.00
01/30/2020	AJK	CO	Review UBS background materials.	1.20	1145.00	\$1,374.00
01/30/2020	AJK	CO	Call with PSZJ team re UBS claims.	0.50	1145.00	\$572.50
01/30/2020	AJK	CO	Conference call with general counsel and PSZJ team re UBS claims.	1.50	1145.00	\$1,717.50
01/30/2020	IDK	CO	Emails with J Morris re status of getting feedback on Redeemer POC questions, and timing of initial memo re same.	0.30	1145.00	\$343.50
01/30/2020	IDK	CO	Attend part of conference call with client, others on UBS claim and new materials from I Leventon (1.0); Emails with attorneys re result of same, and need for immediate call, and coordination (.2); Attend internal conference call re follow up to UBS call and next steps/timing (.4).	1.60	1145.00	\$1,832.00
01/30/2020	IDK	CO	Emails with J Kim re status on Acis POC memo (.1); Email to J Seery re Acis claim and need to communicate with Acis counsel (.2).	0.30	1145.00	\$343.50
01/30/2020	JJK	CO	Research and review docs re: Acis POC objection issues.	7.80	895.00	\$6,981.00
01/30/2020	JJK	CO	Research and review docs re: Acis POC objection issues.	5.50	895.00	\$4,922.50
01/30/2020	JNP	CO	Conference with Robert J. Feinstein, Alan J. Kornfeld and Ira D. Kharasch regarding status of	0.30	1075.00	\$322.50

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UBS claim review.						
01/30/2020	JEO	CO	Email to local counsel re bar date motion	0.20	925.00	\$185.00
01/30/2020	JEO	CO	Conference with John Morris re Redeemer Claim	0.30	925.00	\$277.50
01/30/2020	JEO	CO	Review issues re matrix for bar date service	0.60	925.00	\$555.00
01/30/2020	JEO	CO	Follow up with PSZJ team re bar date motion	0.20	925.00	\$185.00
01/30/2020	RJF	CO	Call with Isaac, Ira, Alan and Gabe regarding UBS.	1.50	1245.00	\$1,867.50
01/30/2020	RJF	CO	Call with Jeffrey N. Pomerantz, Alan J. Kornfeld, Ira D. Kharasch and Gregory V. Demo regarding work plan for UBS claim analysis for BOD.	0.30	1245.00	\$373.50
01/30/2020	RJF	CO	Review second amended UBS complaint.	1.30	1245.00	\$1,618.50
01/30/2020	JMF	CO	Review Bar Date motion & issues re same.	0.40	925.00	\$370.00
01/30/2020	JMF	CO	Review correspondences re Bar Date motion and expedited hearing for same.	0.20	925.00	\$185.00
01/30/2020	JAM	CO	Work on memo to Board re Redeemer Awards (5.2); e-mails with I. Kharasch re memo concerning Redeemer Awards (.1); e-mail to L. Lambert re order on Trustee motion (.1).	5.40	1075.00	\$5,805.00
01/30/2020	GVD	CO	Conference with R. Feinstein, A. Kornfield, I Kharasch, and J. Pomerantz re UBS analysis	0.40	825.00	\$330.00
01/30/2020	GVD	CO	Attend to issues re bar date motion	0.50	825.00	\$412.50
01/30/2020	GVD	CO	Conference with I. Leventon and PSZJ team re UBS litigation	0.90	825.00	\$742.50
01/31/2020	AJK	CO	Analysis of UBS claims.	1.70	1145.00	\$1,946.50
01/31/2020	IDK	CO	Emails with attorneys re Committee request for information re UBS claim.	0.10	1145.00	\$114.50
01/31/2020	IDK	CO	Emails with J Kim re his extensive draft of Acis POC memo, including brief initial review of same and my initial feedback.	0.60	1145.00	\$687.00
01/31/2020	JJK	CO	Emails Kharasch and consider Acis POC issues.	1.50	895.00	\$1,342.50
01/31/2020	JNP	CO	Review emails regarding bar date; Conference with James E. O'Neill regarding same.	0.10	1075.00	\$107.50
01/31/2020	JNP	CO	Brief review of memo regarding ACIS claims.	0.20	1075.00	\$215.00
01/31/2020	JNP	CO	Emails regarding Committee request regarding UBS documents.	0.10	1075.00	\$107.50

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01/31/2020	JEO	CO	Finalize and file bar date motion. Obtain input from clients and committee	2.70	925.00	\$2,497.50
01/31/2020	JEO	CO	Continued review of matrix and research additional parties for bar date service	0.60	925.00	\$555.00
01/31/2020	RJF	CO	Review UBS documents to evaluate claims.	1.50	1245.00	\$1,867.50
01/31/2020	JMF	CO	Review correspondences re Bar Date and matrix service issues.	0.30	925.00	\$277.50
01/31/2020	JMF	CO	Review Bar Date procedures.	0.40	925.00	\$370.00
01/31/2020	JAM	CO	E-mails with L. Lambert re order on Trustee motion (.1); work on memo concerning Redeemer Awards (4.8).	4.90	1075.00	\$5,267.50
01/31/2020	EAW	CO	Review background material re: analysis of potential claims.	0.60	825.00	\$495.00
01/31/2020	EAW	CO	Telephone calls with A. Kornfeld re: analysis of potential claims.	0.60	825.00	\$495.00
				162.40		\$156,472.00

Compensation Prof. [B160]

01/02/2020	JNP	CP	Conference with Gregory V. Demo regarding payment of first monthly statement on fees.	0.10	1075.00	\$107.50
01/03/2020	JEO	CP	Email with Fred Caruso re PSZJ fee payment	0.10	925.00	\$92.50
01/08/2020	JNP	CP	Review December bill.	0.10	1075.00	\$107.50
01/10/2020	JNP	CP	Review and revise December bill.	0.50	1075.00	\$537.50
01/14/2020	JNP	CP	Emails to and from M. Hayward regarding U.S. Trustee issue with Fee Order.	0.10	1075.00	\$107.50
01/21/2020	JNP	CP	Emails to and from P. Jeffries regarding December monthly fee statement.	0.10	1075.00	\$107.50
01/21/2020	JNP	CP	Email to B. Sharp regarding payment of November fees.	0.10	1075.00	\$107.50
01/22/2020	JNP	CP	Review December bill and emails regarding same.	0.10	1075.00	\$107.50
01/22/2020	KKY	CP	Draft certification of no objection re 2nd fee app of PSZJ for 11/1/19-11/30/19	0.30	425.00	\$127.50
01/22/2020	KKY	CP	Draft certification of no objection re 1st fee app of PSZJ for 10/16/19-10/31/19	0.30	425.00	\$127.50

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01/22/2020	PJJ	CP	Review and revise December invoice.	0.50	425.00	\$212.50
01/23/2020	JNP	CP	Review and comment on monthly fee application.	0.30	1075.00	\$322.50
01/23/2020	JNP	CP	Email to Board regarding monthly fees.	0.10	1075.00	\$107.50
01/23/2020	PJJ	CP	Review and revise December invoice.	0.20	425.00	\$85.00
01/23/2020	PJJ	CP	Draft December fee statement.	3.10	425.00	\$1,317.50
01/31/2020	JNP	CP	Emails with Joshua M. Fried regarding status of monthly fee applications.	0.10	1075.00	\$107.50
				6.10		\$3,682.50

Comp. of Prof./Others

01/10/2020	JNP	CPO	Emails to and from M. Hayward regarding Trustee concern with monthly fee procedures.	0.10	1075.00	\$107.50
01/12/2020	JNP	CPO	Email to Gregory V. Demo regarding fee application review.	0.10	1075.00	\$107.50
01/13/2020	JNP	CPO	Emails with M. Haywood regarding U.S. Trustee issues regarding Monthly Compensation Order and follow-up call regarding same.	0.40	1075.00	\$430.00
01/15/2020	JEO	CPO	Email precedent for fee reporting to Brad Sharp	0.40	925.00	\$370.00
01/15/2020	JEO	CPO	Email to local counsel re fee reports for DSI	0.20	925.00	\$185.00
01/15/2020	JEO	CPO	Email with Brad Sharp regarding compensation reporting required for DSI.	0.30	925.00	\$277.50
01/16/2020	JEO	CPO	Email to PSZJ team re DSI staffing reports	0.20	925.00	\$185.00
01/16/2020	JEO	CPO	Review DSI staffing report and finalize for filing	0.30	925.00	\$277.50
01/22/2020	KKY	CPO	Review and revise fee chart	0.10	425.00	\$42.50
01/22/2020	JEO	CPO	Review terms of interim compensation order with local counsel	0.40	925.00	\$370.00
01/24/2020	JNP	CPO	Review memo regarding professionals fees; Conference with Gregory V. Demo regarding same.	0.20	1075.00	\$215.00
01/24/2020	KKY	CPO	Review and revise fee chart	0.10	425.00	\$42.50
01/27/2020	JEO	CPO	Review status of OCP quarterly report	0.20	925.00	\$185.00
01/27/2020	GVD	CPO	Draft memo re professional fees and expenses	1.50	825.00	\$1,237.50
01/28/2020	JNP	CPO	Review memo on Committee fees and comments on	0.50	1075.00	\$537.50

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			versions.			
01/28/2020	KKY	CPO	Review and revise fee chart	0.10	425.00	\$42.50
01/28/2020	GVD	CPO	Revise professional fee memo re comments from J. Pomerantz	0.90	825.00	\$742.50
01/28/2020	GVD	CPO	Draft memorandum re professional fee issues	1.20	825.00	\$990.00
01/29/2020	JNP	CPO	Review and comment on proposed reservation of rights.	0.20	1075.00	\$215.00
01/29/2020	JMF	CPO	Review memo re Committee fees.	0.30	925.00	\$277.50
01/29/2020	JMF	CPO	Review and edit response to Sidley and FTI fees.	0.30	925.00	\$277.50
01/29/2020	GVD	CPO	Draft reservation of rights re committee fees; revise same	1.80	825.00	\$1,485.00
01/29/2020	GVD	CPO	Review precedent for reservation of rights on professional fees	0.20	825.00	\$165.00
01/30/2020	IDK	CPO	Emails with attorneys re draft of reservation of rights re Sidley fees and timing (.2).	0.20	1145.00	\$229.00
01/30/2020	GVD	CPO	Revise and circulate draft reservation of rights	0.40	825.00	\$330.00
01/31/2020	IDK	CPO	Review of revised statement re Sidley fee app (.2); Emails with G Demo re same, and feedback from Board re same (.2).	0.40	1145.00	\$458.00
01/31/2020	JMF	CPO	Review DSI application (.2) and emails re filing of same (.1).	0.30	925.00	\$277.50
01/31/2020	GVD	CPO	Correspondence with Board of Directors re reservation of rights	0.10	825.00	\$82.50
01/31/2020	GVD	CPO	Correspondence with I. Kharasch re reservation of rights	0.10	825.00	\$82.50
01/31/2020	GVD	CPO	Review DSI invoice for privilege issues	0.50	825.00	\$412.50
				12.00		\$10,637.00

Employee Benefit/Pension-B220

01/02/2020	MBL	EB	Call with comp expert re hearing prep.	0.80	950.00	\$760.00
01/02/2020	JAM	EB	Review ordinary course bonus motion (.7); telephone conference with M. Litvak, J. Dempsey re bonus issues, 1/9 hearing (.8).	1.50	1075.00	\$1,612.50
01/03/2020	MBL	EB	Review draft Mercer report; email team re same.	0.30	950.00	\$285.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/03/2020	JEO	EB	Email to client team re status of response to document request from PBGC	0.20	925.00	\$185.00
01/05/2020	JNP	EB	Email to M. Clemente regarding continuance of bonus motion.	0.10	1075.00	\$107.50
01/05/2020	GVD	EB	Correspondence with local counsel re Bonus Motion issues	0.20	825.00	\$165.00
01/06/2020	IDK	EB	Review of correspondence with Committee re bonus motion and our agreement to continue.	0.10	1145.00	\$114.50
01/06/2020	JNP	EB	Email to J. Dempsey regarding status of retention and bonus motion.	0.10	1075.00	\$107.50
01/06/2020	MBL	EB	Call with D. Eggert, counsel for Mercer re status of case.	0.10	950.00	\$95.00
01/06/2020	MBL	EB	Emails with comp expert re status.	0.10	950.00	\$95.00
01/06/2020	JEO	EB	Email to client team re PBGC issues	0.20	925.00	\$185.00
01/06/2020	GVD	EB	Conference with S. Golden re updating notices re employee bonus motion	0.10	825.00	\$82.50
01/08/2020	JEO	EB	Review correspondence from Brian Collins re information to be provided to PBGC	0.40	925.00	\$370.00
01/09/2020	MBL	EB	Emails with comp expert re status.	0.10	950.00	\$95.00
01/09/2020	JEO	EB	Emails with client group re response to PBGC	0.30	925.00	\$277.50
01/09/2020	JEO	EB	Further email follow up with Brian Collins re information for PBGC	0.10	925.00	\$92.50
01/09/2020	JEO	EB	Email to PBGC re response to inquiry on plan.	0.20	925.00	\$185.00
01/10/2020	IDK	EB	Emails with J. Pomerantz and M. Litvak re bonus motion and need for materials to Board re same.	0.20	1145.00	\$229.00
01/10/2020	MBL	EB	Emails with team and board re bonus motion and Mercer application; review same.	0.30	950.00	\$285.00
01/10/2020	JEO	EB	Work on production for PBGC document request.	1.60	925.00	\$1,480.00
01/11/2020	JNP	EB	Emails to and from Maxim B. Litvak regarding ordinary course bonus motion.	0.10	1075.00	\$107.50
01/11/2020	MBL	EB	Draft summary of bonus programs for board; emails with team re same.	1.00	950.00	\$950.00
01/12/2020	IDK	EB	Review of correspondence re M Litvak summary memo to Board re bonus motion and Mercer	0.30	1145.00	\$343.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			retention history re same, and with Committee re its concerns on insider bonus and with Board re same.			
01/12/2020	JNP	EB	Conference with Maxim B. Litvak regarding issues relating to bonus motion and Mercer; Review emails regarding same.	0.20	1075.00	\$215.00
01/12/2020	MBL	EB	Email to board re Mercer engagement.	0.50	950.00	\$475.00
01/12/2020	MBL	EB	Call with J.N. Pomerantz re employee bonus issues.	0.10	950.00	\$95.00
01/13/2020	JNP	EB	Participate on call with B. Wilson, DSI, Board, Gregory V. Demo and Maxim B. Litvak regarding employee benefits background and bonus motion.	1.50	1075.00	\$1,612.50
01/13/2020	MBL	EB	Attend board call re employee bonus issues.	1.50	950.00	\$1,425.00
01/13/2020	JEO	EB	Review email response from PBGC re documents from client	0.30	925.00	\$277.50
01/13/2020	JEO	EB	Emails with client team re PBGC issues	0.30	925.00	\$277.50
01/13/2020	GVD	EB	Conference with board of directors, J. Pomerantz, M. Litvak, and DSI re employee issues	1.50	825.00	\$1,237.50
01/14/2020	IDK	EB	E-mails with attorneys re need to amend bonus motion re potential reimbursement of same under shared services and consider.	0.20	1145.00	\$229.00
01/14/2020	JJK	EB	Research re: bonuses for Litvak.	5.70	895.00	\$5,101.50
01/14/2020	JNP	EB	Conference with Maxim B. Litvak regarding bonus motion and status.	0.20	1075.00	\$215.00
01/14/2020	MBL	EB	Analyze bonus issues; begin prep for hearing.	0.20	950.00	\$190.00
01/14/2020	MBL	EB	Call with J. Dempsey & J. Morris re prep for hearing on bonus motion.	0.50	950.00	\$475.00
01/14/2020	MBL	EB	Review employee bonus detail.	0.10	950.00	\$95.00
01/14/2020	MBL	EB	Call with J. Dempsey re bonus issues and hearing prep (0.2); review and comment on draft report (0.4); follow-up emails with Mercer and team re bonus motion status (0.2).	0.80	950.00	\$760.00
01/14/2020	MBL	EB	Call with J.N. Pomerantz re bonus issues and hearing prep.	0.20	950.00	\$190.00
01/14/2020	JAM	EB	E-mails with M. Heyward re exhibit/witness lists (.1); review/revise Mercer analysis (.7); e-mail to J. Dempsey re Mercer analysis (.1); telephone conference with M. Litvak re Mercer analysis (.1); telephone conference with M. Litvak, J. Dempsey re	3.80	1075.00	\$4,085.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			hearing, Mercer analysis (.3); e-mails with L. Lambert, G. Demo, E. Brogman re Protective Order (.3); telephone conference with J. Pomerantz, G. Demo re 1/21 hearing, status (.3); prepare for hearing (1.9).			
01/14/2020	GVD	EB	Meeting with Committee re employee bonus issues; follow up meeting re same	3.10	825.00	\$2,557.50
01/15/2020	IDK	EB	Email Sidley re need for quick call on Bonuses and Multi Strat (.1); Attend part of conference call with Sidley, DSI, Board re bonuses and Committee concerns (.5); Attend part of follow up call with Board, and others (.2); Telephone conferences with J. Pomerantz re result of same (.1).	0.90	1145.00	\$1,030.50
01/15/2020	IDK	EB	Emails with attorneys re need for information on reimbursements of bonus payments from shared services (.2); Numerous emails with DSI/F. Caruso and M. Litvak re same and impact of shared services, and need for some analysis for board, Committee and Court (.5).	0.70	1145.00	\$801.50
01/15/2020	JJK	EB	Research for Litvak on bonuses issues, and emails to him on same.	4.80	895.00	\$4,296.00
01/15/2020	JNP	EB	Participate on call regarding bonus motion issues (2x).	0.90	1075.00	\$967.50
01/15/2020	MBL	EB	Calls with F. Caruso re bonus issues.	0.40	950.00	\$380.00
01/15/2020	MBL	EB	Call with J. Dempsey re bonus issues and pending objections.	0.20	950.00	\$190.00
01/15/2020	MBL	EB	Call with G. Demo re bonus issues (0.3); emails with team and comp expert re same (0.1).	0.40	950.00	\$380.00
01/15/2020	MBL	EB	Emails with team re employee bonus issues.	0.30	950.00	\$285.00
01/15/2020	JEO	EB	Call with Hunton firm and client team re PBGC issues	0.60	925.00	\$555.00
01/15/2020	GVD	EB	Conference with M. Litvak re Committee objection to bonus motion and next steps	0.20	825.00	\$165.00
01/16/2020	IDK	EB	Brief review of extensive correspondence between attorneys on insider bonus issues (.2); Telephone conference with G. Demo re summary of resolution with Committee today (.1).	0.30	1145.00	\$343.50
01/16/2020	JJK	EB	Emails Litvak, Pomerantz on bonuses issues.	0.70	895.00	\$626.50
01/16/2020	JNP	EB	Review Jonathan J. Kim email regarding bonuses	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			and emails regarding same.			
01/16/2020	JNP	EB	Conference with Committee, Board, PSZJ and DSI regarding bonus motion issues.	0.80	1075.00	\$860.00
01/16/2020	MBL	EB	Attention to J. Morris comments to comp expert declaration; coordinate same with J. Dempsey.	0.30	950.00	\$285.00
01/16/2020	MBL	EB	Review Committee info re employee bonuses.	0.30	950.00	\$285.00
01/16/2020	MBL	EB	Research bonus issues; emails with team re same.	1.00	950.00	\$950.00
01/16/2020	MBL	EB	Update call with comp expert re status.	0.20	950.00	\$190.00
01/16/2020	MBL	EB	Call with Board and Committee re bonus plans.	0.80	950.00	\$760.00
01/16/2020	MBL	EB	Review and comment on declaration for comp expert and expert report.	1.20	950.00	\$1,140.00
01/16/2020	MBL	EB	Review bonus plans; coordinate with team re hearing exhibits.	0.40	950.00	\$380.00
01/16/2020	MBL	EB	Prep for board and Committee call on bonus issues.	0.40	950.00	\$380.00
01/16/2020	JAM	EB	Work a Dubel direct testimony (2.7); review UCC draft objection to bonus motion (.3); review draft motion concerning bonus motion (.1); telephone conference with J. Pomerantz, M. Litvak, G. Demo re 1/21 hearing (1.3); e-mails with L. Lambert, E. Brogman re Protective Order (.1); review/revise Dempsey Declaration (.9); e-mail to M. Litvak re Dempsey declaration (.1).	5.50	1075.00	\$5,912.50
01/16/2020	GVD	EB	Conference with board and committee members re employee bonus issues	0.80	825.00	\$660.00
01/17/2020	IDK	EB	Review of correspondence with Sidley and Board re potential resolution of bonus motion.	0.20	1145.00	\$229.00
01/17/2020	JNP	EB	Conference with Gregory V. Demo regarding issues relating to bonus motion.	0.30	1075.00	\$322.50
01/17/2020	JNP	EB	Call with Board, Maxim B. Litvak, John A. Morris and Gregory V. Demo regarding bonus motion and related issues for hearing.	0.80	1075.00	\$860.00
01/17/2020	JNP	EB	Conference with J. Dubel regarding issues relating to bonus motion (multiple).	0.40	1075.00	\$430.00
01/17/2020	JNP	EB	Various calls relating to bonus motion including calls with Board and with Committee counsel regarding resolution.	0.70	1075.00	\$752.50
01/17/2020	MBL	EB	Prep for hearing on employee bonuses; draft proffers	2.30	950.00	\$2,185.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			and hearing outline.			
01/17/2020	MBL	EB	Calls and emails with team, local counsel, and comp expert re bonus issues and hearing prep.	1.30	950.00	\$1,235.00
01/17/2020	MBL	EB	Call with Board re bonus issues and hearing prep.	0.80	950.00	\$760.00
01/17/2020	MBL	EB	Review bonus summary; call with DSI re same.	0.20	950.00	\$190.00
01/17/2020	MBL	EB	Call with J. Dubel and revise proffer.	0.30	950.00	\$285.00
01/17/2020	GVD	EB	Multiple telephone conferences and correspondence with J. Pomerantz, J. Dubel, J. Seery and D. Twomey re employee bonus issues	2.10	825.00	\$1,732.50
01/18/2020	GVD	EB	Review correspondence from counsel to the Committee re resolution of bonus motion; conference with J. Dubel re same	0.30	825.00	\$247.50
01/18/2020	GVD	EB	Conference with J. Pomerantz re resolution of bonus motion and next steps	0.20	825.00	\$165.00
01/18/2020	GVD	EB	Correspondence with Committee re resolution of bonus motion	0.20	825.00	\$165.00
01/19/2020	MBL	EB	Attention to board comments to bonus plan order; review and coordinate same.	0.30	950.00	\$285.00
01/19/2020	MBL	EB	Review Committee revisions to bonus order; coordinate with client.	0.20	950.00	\$190.00
01/21/2020	JEO	EB	Respond to email from PBGC re confidentiality agreement	0.20	925.00	\$185.00
01/22/2020	JJK	EB	Emails Litvak on bonus matters.	0.20	895.00	\$179.00
01/22/2020	JNP	EB	Conference with Maxim B. Litvak regarding new compensation program and research.	0.20	1075.00	\$215.00
01/22/2020	MBL	EB	Call with V. Newmark re bonus research issues.	0.30	950.00	\$285.00
01/22/2020	MBL	EB	Emails with team re new bonus issues; analyze same and coordinate research.	0.40	950.00	\$380.00
01/22/2020	MBL	EB	Call with J.N. Pomerantz re bonus and pending issues.	0.10	950.00	\$95.00
01/22/2020	VAN	EB	Phone conference with Max Litvak regarding postpetition bonus programs.	0.30	925.00	\$277.50
01/23/2020	MBL	EB	Attention to pending research issues re bonuses and governance issues; emails with team re same.	0.40	950.00	\$380.00
01/23/2020	VAN	EB	Research and analysis regarding postpetition bonus	5.50	925.00	\$5,087.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			programs.			
01/24/2020	JNP	EB	Emails regarding memo on bonus issues.	0.10	1075.00	\$107.50
01/24/2020	MBL	EB	Emails with team re 2020 bonus issues.	0.20	950.00	\$190.00
01/24/2020	JEO	EB	Call and email to ERISA counsel re PBGC matters	0.20	925.00	\$185.00
01/24/2020	VAN	EB	Research and analysis regarding postpetition bonus programs; draft memorandum regarding same.	4.50	925.00	\$4,162.50
01/25/2020	VAN	EB	Research and analysis regarding postpetition bonus programs; draft memorandum regarding same.	4.00	925.00	\$3,700.00
01/26/2020	VAN	EB	Research and analysis regarding postpetition bonus programs; draft memorandum regarding same.	3.20	925.00	\$2,960.00
01/27/2020	MBL	EB	Review and comment on memo re 2020 bonus compensation.	0.30	950.00	\$285.00
01/27/2020	JEO	EB	Review confidentiality agreement from PBGC and send to client.	0.30	925.00	\$277.50
01/27/2020	JEO	EB	Update email to PSZJ team re PBGC matter	0.30	925.00	\$277.50
01/27/2020	VAN	EB	Draft/revise memorandum regarding postpetition bonus programs.	4.60	925.00	\$4,255.00
01/28/2020	IDK	EB	E-mails with client and J. Pomerantz re need for review of Release Agreement re employee term.	0.20	1145.00	\$229.00
01/28/2020	MBL	EB	Review and revise updated memo re employee bonuses.	3.00	950.00	\$2,850.00
01/28/2020	JEO	EB	Call with client team and ERISA counsel re PBGC issues	0.30	925.00	\$277.50
01/28/2020	JEO	EB	REview executed confidentiality agreement for PBGC and return email to PBGC	0.20	925.00	\$185.00
01/28/2020	JMF	EB	Call with I. Kharasch re employee compensation issues.	0.10	925.00	\$92.50
01/28/2020	JMF	EB	Research re incentive and employee compensation issues.	1.40	925.00	\$1,295.00
01/28/2020	VAN	EB	Research and analysis regarding postpetition bonus programs; revise memorandum regarding same.	2.00	925.00	\$1,850.00
01/29/2020	IDK	EB	E-mails and telephone conference with B Collins at Company re Release Agreement with employee and issues re same.	0.20	1145.00	\$229.00
01/29/2020	MBL	EB	Call with J. Dempsey re employee bonus issues.	0.20	950.00	\$190.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/29/2020	JEO	EB	Email to Highland team transmitting countersigned confidentiality agreement from PBGC	0.20	925.00	\$185.00
01/29/2020	JMF	EB	Research re KEIP issues.	1.20	925.00	\$1,110.00
01/29/2020	JMF	EB	Review and comment re memo re KEIP issues.	0.80	925.00	\$740.00
01/29/2020	GVD	EB	Correspondence with M. Litvak re status of employee issues	0.10	825.00	\$82.50
01/30/2020	IDK	EB	Review in detail standard form of Release Agreement for terminated employee re chapter 11 issues (.4); Emails with client re issues on same and ordinary course (.3).	0.70	1145.00	\$801.50
01/30/2020	IDK	EB	Review and consider J Fried comments to 2019 bonus memo (.2); Emails with J Fried re same (.1); Emails to attorneys re J Fried suggestions on bonus motion, as well as other caselaw to incorporate (.2); Telephone conference with M Litvak re same and next steps (.1); Review of emails with V Newmark on changes to make to same memo (.1).	0.70	1145.00	\$801.50
01/30/2020	MBL	EB	Call with I. Kharasch re employee bonuses.	0.10	950.00	\$95.00
01/30/2020	MBL	EB	Update team re bonus status (0.1); review comments to bonus memo and coordinate with team re further research and revisions to memo (0.5).	0.60	950.00	\$570.00
01/30/2020	JEO	EB	Email exchange with client and Hunton re PBGC issues	0.60	925.00	\$555.00
01/30/2020	JMF	EB	Review employee incentive plan memo.	0.60	925.00	\$555.00
01/30/2020	JMF	EB	Review previously approved retention plans.	0.60	925.00	\$555.00
01/30/2020	LAF	EB	Legal research re: Key employee incentive programs in ND Texas bankruptcy courts.	1.30	450.00	\$585.00
01/31/2020	IDK	EB	Review of M Litvak's and J Pomerantz' revisions to 2019 bonus/comp motion.	0.30	1145.00	\$343.50
01/31/2020	JNP	EB	Review and comment on memo regarding bonuses.	0.40	1075.00	\$430.00
01/31/2020	MBL	EB	Revise memo re employee bonuses with J.N. Pomerantz comments.	1.20	950.00	\$1,140.00
01/31/2020	MBL	EB	Review and revise memo on employee bonuses (1.5); coordinate with team re same (0.1).	1.60	950.00	\$1,520.00
01/31/2020	JEO	EB	Set up call with PBGC to review open issues	0.40	925.00	\$370.00
01/31/2020	JMF	EB	Review memo re employee issues & compensation.	0.80	925.00	\$740.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/31/2020	JMF	EB	Review sample KEIP plans in ND Texas.	0.60	925.00	\$555.00
				107.60		\$102,103.00

Executory Contracts [B185]

01/06/2020	JEO	EC	Research precedent for 365(d) extension motion	0.20	925.00	\$185.00
01/22/2020	JEO	EC	Call with John Morris to discuss lease amendment and release issues	0.40	925.00	\$370.00
01/23/2020	KKY	EC	Review and revise 365(d)(4) extension motion	0.40	425.00	\$170.00
01/23/2020	MBL	EC	Review and comment on lease extension motion; emails with team re same.	0.20	950.00	\$190.00
01/23/2020	JEO	EC	Draft 365 extension motion and circulate to PSZJ team	1.60	925.00	\$1,480.00
01/24/2020	JEO	EC	Emails with PSZJ team and local counsel re extension of 365(d) deadline	0.80	925.00	\$740.00
01/27/2020	MBL	EC	Review draft motion to extend deadline to assume real estate lease; emails with team and client re same.	0.30	950.00	\$285.00
01/27/2020	JEO	EC	Review and comment on agreed motion to extend 365 deadline	0.30	925.00	\$277.50
01/27/2020	JEO	EC	Email to committee counsel re 365 deadline extension	0.30	925.00	\$277.50
01/27/2020	JEO	EC	Follow up email re 365(d) extension	0.40	925.00	\$370.00
01/28/2020	JEO	EC	Follow up email with co-counsel re 365 extension motion	0.20	925.00	\$185.00
01/29/2020	JEO	EC	Email to committee re modified relief requested for 365 extension	0.20	925.00	\$185.00
01/29/2020	JEO	EC	Emails with Jack Donohoe of DSI re real estate leases	0.40	925.00	\$370.00
01/31/2020	JMF	EC	Review 365(a)(4) extension and motion.	0.40	925.00	\$370.00
01/31/2020	GVD	EC	Correspondence with local counsel re filing of 365(d) extension	0.10	825.00	\$82.50
				6.20		\$5,537.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Financial Filings [B110]						
01/02/2020	JNP	FF	Participate in IDI with DSI, Gregory V. Demo and M. Hayward.	1.00	1075.00	\$1,075.00
01/02/2020	JNP	FF	Emails to and from James E. O'Neill regarding 2015 3 filings.	0.10	1075.00	\$107.50
01/02/2020	GVD	FF	Attend IDI; follow up re same	1.50	825.00	\$1,237.50
01/03/2020	JEO	FF	Follow up email to Jeff Pomerantz and PSZJ team re status of 2015.3 report	0.20	925.00	\$185.00
01/03/2020	JEO	FF	Call with Fred Caruso re status of 2015.3 report	0.30	925.00	\$277.50
01/03/2020	GVD	FF	Correspondence with DSI re follow up matters from IDI	0.20	825.00	\$165.00
01/06/2020	JEO	FF	Review chart of entities in preparation for 2015 report and email DSI re same	0.30	925.00	\$277.50
01/06/2020	GVD	FF	Correspondence with UST re follow up items from IDI	0.60	825.00	\$495.00
01/07/2020	JNP	FF	Review of schedules in preparation for 341.	0.20	1075.00	\$215.00
01/07/2020	JNP	FF	Conference with DSI, Gregory V. Demo, and John A. Morris regarding preparation for 341.	1.00	1075.00	\$1,075.00
01/07/2020	GVD	FF	Correspondence with US Trustee re follow up to IDI meeting	0.20	825.00	\$165.00
01/08/2020	PJJ	FF	Review schedule F parties with creditor matrix.	0.50	425.00	\$212.50
01/15/2020	JEO	FF	Follow up emails with client re 2015 reporting	0.30	925.00	\$277.50
01/15/2020	JEO	FF	Call with Jack Donohoe re 2015.3 reporting	0.40	925.00	\$370.00
01/15/2020	JEO	FF	Review list for 2015 reporting	0.40	925.00	\$370.00
01/17/2020	JEO	FF	Research issue regarding UST inquiry on SOFA	0.80	925.00	\$740.00
01/22/2020	JEO	FF	Emails with PSZJ team re 2015.3 reporting	0.70	925.00	\$647.50
01/22/2020	JEO	FF	Emails to DSI and client regarding reporting issue	0.60	925.00	\$555.00
01/27/2020	JEO	FF	Email to local counsel re filing of October 2019 monthly operating report	0.30	925.00	\$277.50
01/27/2020	JEO	FF	Review status of monthly operating report	0.20	925.00	\$185.00
01/28/2020	JEO	FF	Email follow up to DSI team re 2015.3 reporting	0.20	925.00	\$185.00
01/30/2020	JEO	FF	Emails with Jack Donohoe re status of December	0.20	925.00	\$185.00

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			monthly operating report			
01/30/2020	JEO	FF	Review December monthly operating report (.3) and follow up email to Jack Donohue re same (.2)	0.50	925.00	\$462.50
				10.70		\$9,742.50

General Business Advice [B410]

12/03/2019	GIG	GB	Emails and call with Jeffrey N. Pomerantz re independent directors	0.50	835.00	\$417.50
12/03/2019	GIG	GB	Multiple emails with E. Diamond, others re independent directors, meeting	0.30	835.00	\$250.50
12/04/2019	GIG	GB	Emails re call with E. Diamond	0.10	835.00	\$83.50
01/01/2020	IDK	GB	Telephone conference with J. Pomerantz re status and client questions (.1); emails with J. Pomerantz re urgent questions raised by client re plan of reorganization, governance, and J. Pomerantz's draft extensive memo to client re response to same, including consider feedback to same (.4); telephone conferences with J. Pomerantz re my suggestions to revise memo re same (.2); review of correspondence with client re revised memo re same, and further changes to memo (.2).	0.90	1145.00	\$1,030.50
01/01/2020	IDK	GB	Emails with J. Pomerantz and R. Pachulski re events of today re governance and plan of reorganization (.2).	0.20	1145.00	\$229.00
01/01/2020	JNP	GB	Conference with Ira D. Kharasch regarding proposed response to client questions regarding analysis of alternatives.	0.40	1075.00	\$430.00
01/01/2020	JNP	GB	Prepare memo in response to questions from client regarding alternatives and consider issues regarding same.	1.60	1075.00	\$1,720.00
01/01/2020	JNP	GB	Conference with I. Leventon regarding status of corporate governance issues.	0.30	1075.00	\$322.50
01/01/2020	JNP	GB	Conference with B. Sharp regarding recent developments.	0.10	1075.00	\$107.50
01/02/2020	IDK	GB	Telephone conference with J. Pomerantz re issues in negotiations with Committee re disputes on 3d board member and client feedback (.4).	0.40	1145.00	\$458.00
01/02/2020	JNP	GB	Conference with I. Leventon regarding corporate governance issues (several).	0.80	1075.00	\$860.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/02/2020	JNP	GB	Conference with M. Clemente regarding corporate governance issues (2x).	0.30	1075.00	\$322.50
01/02/2020	JNP	GB	Conference with Richard M. Pachulski regarding corporate governance negotiations.	0.30	1075.00	\$322.50
01/02/2020	JNP	GB	Conference with Ira D. Kharasch regarding negotiations status and strategy.	0.40	1075.00	\$430.00
01/02/2020	JNP	GB	Conference with B. Sharp regarding corporate governance negotiations.	0.10	1075.00	\$107.50
01/02/2020	MBL	GB	Misc. emails with team re Committee settlement and pending issues.	0.20	950.00	\$190.00
01/03/2020	IDK	GB	Telephone conferences and E-mails with J. Pomerantz re our proposal to Committee re how to select 3d member of board, and client issues (.3); E-mails with attorneys re committee's counter proposal to same and S Ellington communication to Committee re same (.2).	0.50	1145.00	\$572.50
01/03/2020	JNP	GB	Conference with potential Board Members regarding status (several).	0.70	1075.00	\$752.50
01/03/2020	JNP	GB	Participate on call with M. Clemente, J. Dubel and J. Seery regarding status and process.	0.50	1075.00	\$537.50
01/03/2020	JNP	GB	Conference with M. Clemente regarding corporate governance negotiations.	0.30	1075.00	\$322.50
01/03/2020	JNP	GB	Draft email to M. Clemente regarding corporate governance.	0.10	1075.00	\$107.50
01/03/2020	JNP	GB	Conference with I. Leventon regarding status of corporate governance.	1.00	1075.00	\$1,075.00
01/03/2020	JNP	GB	Conference with Gregory V. Demo and John A. Morris regarding corporate governance status.	0.30	1075.00	\$322.50
01/03/2020	JNP	GB	Emails to potential directors regarding call to discuss process.	0.10	1075.00	\$107.50
01/03/2020	JNP	GB	Conference with Ira D. Kharasch regarding status.	0.10	1075.00	\$107.50
01/03/2020	JNP	GB	Conference with B. Sharp regarding corporate governance negotiations (several).	0.50	1075.00	\$537.50
01/03/2020	JNP	GB	Conference with Ira D. Kharasch regarding corporate governance negotiations (2x).	0.40	1075.00	\$430.00
01/03/2020	JNP	GB	Conference with I. Leventon and S. Ellington regarding corporate governance.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/03/2020	MBL	GB	Misc. emails with team re pending issues.	0.20	950.00	\$190.00
01/03/2020	GVD	GB	Conference with J. Pomerantz and J. Morris re status of negotiations	0.20	825.00	\$165.00
01/04/2020	JNP	GB	Conference with J. Seery and J. Dubal regarding third director interviews.	1.20	1075.00	\$1,290.00
01/04/2020	JNP	GB	Email to I. Leventon regarding call with proposed directors.	0.10	1075.00	\$107.50
01/05/2020	JNP	GB	Emails regarding call with potential Board Members.	0.20	1075.00	\$215.00
01/06/2020	IDK	GB	Attend pre-call with client, J. Pomerantz, CRO re upcoming call with the 2 directors (.3); Attend conference call with the 2 directors on status and our feedback on a 3d director (1.3); Telephone conferences with J. Pomerantz and client re result of same, and coordination of call re hearing (.2).	1.80	1145.00	\$2,061.00
01/06/2020	IDK	GB	E-mails with DSI and others re DSI's initial outline of presentation to new Board, and our feedback re same.	0.30	1145.00	\$343.50
01/06/2020	IDK	GB	Review of correspondence with new board members re info for upcoming call later today (.2); Office conferences with J. Pomerantz re upcoming call with new board members and agenda for same and consider (.3).	0.50	1145.00	\$572.50
01/06/2020	IDK	GB	E-mails with DSI and others re new D&O insurance and need for review of language (.2); Telephone conference with J. Pomerantz re same (.1); Office conference and email with I. Nasatir re need for his review of same (.2).	0.50	1145.00	\$572.50
01/06/2020	JNP	GB	Conference with M. Clemente regarding governance issues.	0.10	1075.00	\$107.50
01/06/2020	JNP	GB	Conference with J. Dubel regarding governance issues.	0.20	1075.00	\$215.00
01/06/2020	JNP	GB	Conference with B. Sharp regarding recent call with Directors and governance (several).	0.30	1075.00	\$322.50
01/06/2020	JNP	GB	Conference with B. Sharp, I. Leventon, Ira D. Kharasch and M. Hayward in preparation for call with Jim Seery and John Dubel.	0.30	1075.00	\$322.50
01/06/2020	JNP	GB	Conference with Ira D. Kharasch regarding governance and director calls (several).	0.60	1075.00	\$645.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/06/2020	JNP	GB	Conference with I. Leventon regarding governance issues (several).	0.40	1075.00	\$430.00
01/06/2020	JNP	GB	Conference with S. Ellington, I. Leventon, J. Seery and J. Dubel regarding corporate governance.	0.50	1075.00	\$537.50
01/06/2020	JNP	GB	Review outline of issues for Board meeting.	0.10	1075.00	\$107.50
01/06/2020	JNP	GB	Conference with M. Hayward regarding corporate governance and participation on call.	0.20	1075.00	\$215.00
01/06/2020	JNP	GB	Conference with B. Sharp, I. Leventon, Ira D. Kharasch, J. Seery and J. Dubel regarding corporate governance.	1.40	1075.00	\$1,505.00
01/06/2020	JNP	GB	Conference with Gregory V. Demo regarding settlement order.	0.10	1075.00	\$107.50
01/06/2020	MBL	GB	Review and comment on agenda for board meeting.	0.10	950.00	\$95.00
01/06/2020	GVD	GB	Review outline of issues to present to new board	0.20	825.00	\$165.00
01/06/2020	GVD	GB	Conference with A. Stromberg re governance documents and revisions	0.40	825.00	\$330.00
01/07/2020	IDK	GB	E-mails with attorneys re timing on getting the governance docs executed by Dondero, as well as various issues in such docs, and logistics in getting guaranty done (.3); E-mails with DSI and J. Pomerantz re concerns of Dondero desire to change terms of same and stay as employee, and company concerns about key man related issues (.3).	0.60	1145.00	\$687.00
01/07/2020	IDK	GB	E-mails and telephone conferences with J. Pomerantz re questions on governance and new board members (.2); E-mails and telephone conference with CRO and J. Pomerantz re status of governance issues and upcoming hearing (.4).	0.60	1145.00	\$687.00
01/07/2020	IDK	GB	Telephone conferences and office conference with J. Pomerantz re status on governance.	0.20	1145.00	\$229.00
01/07/2020	IDK	GB	Review of DSI's draft presentation to the Board re DSI's role in chapter 11 (.2); E-mails with DSI re my comments to same for revisions (.2).	0.40	1145.00	\$458.00
01/07/2020	JNP	GB	Review Committee modifications to corporate documents and email to Gregory V. Demo regarding same.	0.30	1075.00	\$322.50
01/07/2020	JNP	GB	Conference with Sidley, Ira D. Kharasch and Gregory V. Demo regarding outstanding issues	0.30	1075.00	\$322.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			regarding corporate governance.			
01/07/2020	JNP	GB	Conference with M. Clemente regarding corporate governance.	0.10	1075.00	\$107.50
01/07/2020	JNP	GB	Follow-up calls regarding new director with Ira D. Kharasch, I. Leventon and B. Sharp.	0.30	1075.00	\$322.50
01/07/2020	JNP	GB	Emails to and from I. Leventon regarding term sheet and governance; Conference with Ira D. Kharasch and I. Leventon regarding same.	0.40	1075.00	\$430.00
01/07/2020	JNP	GB	Conference with J. Dubel and J. Seery regarding corporate governance (2x).	0.90	1075.00	\$967.50
01/07/2020	JNP	GB	Emails to and from potential Board Member regarding selection results.	0.10	1075.00	\$107.50
01/07/2020	JNP	GB	Conference with Ira D. Kharasch and B. Sharp in preparation for Board meeting.	0.30	1075.00	\$322.50
01/07/2020	MBL	GB	Draft debtor guarantee for independent board.	0.70	950.00	\$665.00
01/07/2020	MBL	GB	Review revised agenda for board meeting.	0.10	950.00	\$95.00
01/07/2020	GVD	GB	Revise outline for initial presentation to board of directors	0.80	825.00	\$660.00
01/07/2020	GVD	GB	Further revise proposed order re payment of director expenses and compensation	0.20	825.00	\$165.00
01/07/2020	GVD	GB	Draft stipulation between Debtor, Committee, Strand Advisors, and James Dondero	1.50	825.00	\$1,237.50
01/08/2020	IDK	GB	Emails and telephone conferences with I. Nasatir re his extensive memo on problems with the D&O application for new board members, including Dondero litigation exclusion (.5); Emails with DSI, others re need for call on D&O problems, and I. Nasatir further issues re same (.2); Attend conference call with DSI, I Nasatir, others re how to resolve problems with proposed D&O insurance (.5).	1.20	1145.00	\$1,374.00
01/08/2020	IDK	GB	Emails with attorneys re questions on governance changes at Strand and potential alternative, and further changes to docs from board members, and need for further additional language in order re directors re insurance, etc. (.4); Emails with attorneys re status of S Ellington communications with Committee on governance, and also with Committee re same and changes to term sheet and timing on getting docs signed (.4); Office	1.00	1145.00	\$1,145.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			conferences with J. Pomerantz re governance issues(.2).			
01/08/2020	JNP	GB	Conference with J. Dubel regarding status of corporate governance issues.	0.10	1075.00	\$107.50
01/08/2020	JNP	GB	Email to S. Ellington and I. Leventon regarding need for signed documents in the morning.	0.10	1075.00	\$107.50
01/08/2020	JNP	GB	Conference with Gregory V. Demo regarding governance issues and hearing (multiple).	0.50	1075.00	\$537.50
01/08/2020	JNP	GB	Email to Sidley regarding agreement on director compensation.	0.10	1075.00	\$107.50
01/08/2020	JNP	GB	Conference with M. Clemente regarding governance issues and hearing (multiple).	0.50	1075.00	\$537.50
01/08/2020	JNP	GB	Multiple conferences with I. Leventon regarding governance issues and status.	0.40	1075.00	\$430.00
01/08/2020	JNP	GB	Emails with Shirley S. Cho and Patricia Jeffries regarding fee hearing.	0.10	1075.00	\$107.50
01/08/2020	JNP	GB	Conference with M. Haywood regarding status.	0.10	1075.00	\$107.50
01/08/2020	JNP	GB	Conference with B. Sharp regarding status of governance issues.	0.10	1075.00	\$107.50
01/08/2020	JNP	GB	Conference with Ira D. Kharasch regarding governance issues and hearing (several).	0.20	1075.00	\$215.00
01/08/2020	JNP	GB	Review of revisions to governance agreement.	0.10	1075.00	\$107.50
01/08/2020	JNP	GB	Dinner meeting with B. Sharp, Ira D. Kharasch, John A. Morris and Gregory V. Demo regarding hearing preparation.	1.00	1075.00	\$1,075.00
01/09/2020	IDK	GB	Attend breakfast meeting with Board, DSI in anticipation of today's hearing on settlement.	1.50	1145.00	\$1,717.50
01/09/2020	IDK	GB	Emails with DSI re its draft of DECK for upcoming Board meeting, including review of same, as well as I. Levinton's feedback (.4); Attend post-hearing meeting at company with Board, DSI re DSI presentation (3.0).	3.40	1145.00	\$3,893.00
01/09/2020	JNP	GB	Conference with B. Sharp regarding status of governance issues.	0.10	1075.00	\$107.50
01/09/2020	JNP	GB	Breakfast meeting with Board in anticipation of hearing on approve settlement.	1.50	1075.00	\$1,612.50
01/09/2020	JNP	GB	Post hearing meeting with Board and address issues	2.30	1075.00	\$2,472.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			regarding Board meeting.			
01/09/2020	JNP	GB	Participate in Board meeting.	3.00	1075.00	\$3,225.00
01/09/2020	JNP	GB	Conference with I. Leventon regarding status of document execution.	0.10	1075.00	\$107.50
01/09/2020	JNP	GB	Conference with Gregory V. Demo regarding status and logistics on getting agreements to Court.	0.10	1075.00	\$107.50
01/09/2020	JAM	GB	Review revised corporate documents and stipulation (.7); court hearing (3.2); section 341 meeting (2.0); meeting with Independent Directors (1.5); Board meeting (2.8).	10.20	1075.00	\$10,965.00
01/09/2020	GVD	GB	Introductory meeting with PSZJ team and independent directors	1.00	825.00	\$825.00
01/09/2020	GVD	GB	Attend and participate in board meeting	4.00	825.00	\$3,300.00
01/10/2020	IDK	GB	Meet with Dondero, JP Sevilla, J. Pomerantz re pending matters and case issues.	0.50	1145.00	\$572.50
01/10/2020	IDK	GB	Meet with Board, DSI to review pending issues/decisions.	3.70	1145.00	\$4,236.50
01/10/2020	IDK	GB	Email to DSI on new info on D&O.	0.10	1145.00	\$114.50
01/10/2020	JNP	GB	Conference with J. Dubel after Board meeting regarding next steps.	0.10	1075.00	\$107.50
01/10/2020	JNP	GB	Meeting with Board to review pending issues.	3.70	1075.00	\$3,977.50
01/10/2020	JNP	GB	Email to Board Member not selected regarding follow-up call.	0.10	1075.00	\$107.50
01/10/2020	JNP	GB	Meeting with J. Dondero, JP Sevilla and Ira D. Kharasch regarding pending matters and general status.	0.50	1075.00	\$537.50
01/10/2020	JNP	GB	Conference with J. Seery after Board meeting regarding follow-up and next steps.	0.30	1075.00	\$322.50
01/10/2020	GVD	GB	Attend meeting of independent directors	5.00	825.00	\$4,125.00
01/10/2020	GVD	GB	Correspondence with board and PSZJ team re public relations issues	0.30	825.00	\$247.50
01/10/2020	GVD	GB	Correspondence with M. Litvak re governance issues in limited partnerships	0.50	825.00	\$412.50
01/11/2020	JNP	GB	Conference with J. Dubel regarding variety of general business related issues.	0.50	1075.00	\$537.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/12/2020	IDK	GB	Telephone conference with J. Pomerantz re case status and issues.	0.20	1145.00	\$229.00
01/12/2020	JNP	GB	Participate on call with Board regarding variety of pending matters.	1.00	1075.00	\$1,075.00
01/12/2020	JNP	GB	Conference with Gregory V. Demo regarding various management calls and related.	0.10	1075.00	\$107.50
01/12/2020	JNP	GB	Conference with Ira D. Kharasch regarding update of call with Board.	0.20	1075.00	\$215.00
01/12/2020	JNP	GB	Conference with Board Member not chosen regarding results of process.	0.10	1075.00	\$107.50
01/12/2020	GVD	GB	Correspondence with R. Nelms re board meeting issues	0.10	825.00	\$82.50
01/12/2020	GVD	GB	Meeting with Board of Directors and J. Pomerantz re open items and next steps	1.00	825.00	\$825.00
01/13/2020	JNP	GB	Conference with Gregory V. Demo regarding Board call and payment of non-insider consultants.	0.20	1075.00	\$215.00
01/13/2020	JNP	GB	Conference with Board, Gregory V. Demo and John A. Morris regarding Trustee motion and opposition.	1.30	1075.00	\$1,397.50
01/13/2020	GVD	GB	Conference with board of directors and DSI re foreign consultants and other operating issues	1.70	825.00	\$1,402.50
01/13/2020	GVD	GB	Conference with J. Pomerantz and J. Morris re follow up to board call and next steps	0.20	825.00	\$165.00
01/13/2020	GVD	GB	Correspondence re board issues	0.30	825.00	\$247.50
01/13/2020	GVD	GB	Attend meeting of board of directors re operating issues	1.30	825.00	\$1,072.50
01/14/2020	IDK	GB	Telephone conference and E-mails with J. Pomerantz re Dondero settlement proposal, including review of same, and from Dondero re need for meeting on same (.4); E-mails with J. Pomerantz and board re need for pre-call on same and send out (.2).	0.60	1145.00	\$687.00
01/14/2020	IDK	GB	Review of correspondence with Board on agenda for today's board call (.1); E-mails and telephone conference with Board, attorneys re need for pre-call before Committee call and attend same (.3).	0.40	1145.00	\$458.00
01/14/2020	JNP	GB	Conference with Ira D. Kharasch regarding Board call, Committee call and related issues (3x).	0.50	1075.00	\$537.50

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01/14/2020	JNP	GB	Conference with Board in preparation for Committee call.	0.30	1075.00	\$322.50
01/14/2020	JNP	GB	Follow-up with Gregory V. Demo regarding Board call.	0.20	1075.00	\$215.00
01/14/2020	JNP	GB	Participate on lengthy Board call.	3.00	1075.00	\$3,225.00
01/14/2020	JNP	GB	Conference with Maxim B. Litvak, Gregory V. Demo and David J. Barton regarding corporate duties and related issues; Review follow-up email regarding same.	0.60	1075.00	\$645.00
01/14/2020	JNP	GB	Conference with J. Dubel after call with Committee.	0.20	1075.00	\$215.00
01/14/2020	JNP	GB	Emails regarding settlement meeting.	0.10	1075.00	\$107.50
01/14/2020	MBL	GB	Call with team re board duties (0.5); research re same (0.8).	1.30	950.00	\$1,235.00
01/14/2020	GVD	GB	Attend board meeting	3.40	825.00	\$2,805.00
01/14/2020	GVD	GB	Follow up correspondence with PSZJ team re board meeting	0.30	825.00	\$247.50
01/15/2020	IDK	GB	Prep for pre-call with Board and Dondero call, including consideration of prior Redeemer negotiations (.3); Attend pre-call with Board members re upcoming Dondero call (.5); Attend conference call with Board and Dondero re case issues (2.3).	3.10	1145.00	\$3,549.50
01/15/2020	JNP	GB	Conference with Board, Ira D. Kharasch, Jim Dondero and Scott Ellington regarding general business restructuring issues.	1.70	1075.00	\$1,827.50
01/15/2020	JNP	GB	Review and comment on proposed minutes for Board meeting.	0.10	1075.00	\$107.50
01/15/2020	JNP	GB	Conference with J. Dubel regarding status of various issues.	0.10	1075.00	\$107.50
01/15/2020	JNP	GB	Conference with Board and Ira D. Kharasch in preparation for meeting with Jim Dondero and Scott Ellington.	0.50	1075.00	\$537.50
01/15/2020	GVD	GB	Conference with Board re follow up to Committee call and next steps	1.00	825.00	\$825.00
01/15/2020	GVD	GB	Revise board minutes re comments from J. Pomerantz	0.40	825.00	\$330.00
01/15/2020	GVD	GB	Draft minutes re January 9-10 board meeting	2.40	825.00	\$1,980.00

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01/16/2020	IDK	GB	Telephone conference with J. Pomerantz re summary of today's events and next steps and consider same.	0.20	1145.00	\$229.00
01/16/2020	JNP	GB	Conference with J. Dubel and R. Nelms regarding hearing issues relating to hearing and related.	0.30	1075.00	\$322.50
01/16/2020	GVD	GB	Draft minutes re board meeting and resolutions	1.30	825.00	\$1,072.50
01/16/2020	GVD	GB	Attend board meeting re DSI transaction memorandums	0.80	825.00	\$660.00
01/17/2020	IDK	GB	Emails with G. Demo re his draft Board minutes and resolution re Multi Strat and questions re same.	0.40	1145.00	\$458.00
01/17/2020	IDK	GB	Review of correspondence with I. Nasatir and Board re update on D&O insurance search.	0.20	1145.00	\$229.00
01/17/2020	GVD	GB	Draft minutes for January 14 board meeting	1.60	825.00	\$1,320.00
01/20/2020	IDK	GB	Telephone conferences with J. Pomerantz re case matters, including tomorrow's hearing (.3).	0.30	1145.00	\$343.50
01/21/2020	IDK	GB	Email to G. Demo re his revised board minutes and resolution, including review of same (.2).	0.20	1145.00	\$229.00
01/21/2020	JNP	GB	Emails regarding setting up Board call.	0.10	1075.00	\$107.50
01/21/2020	JNP	GB	Emails regarding call to discuss D&O insurance status.	0.10	1075.00	\$107.50
01/21/2020	JNP	GB	Post hearing meeting with Board, employees, DSI and others regarding variety of pending matters.	3.00	1075.00	\$3,225.00
01/21/2020	GVD	GB	Revise board minutes and resolutions re comments from I. Kharasch and circulate same	0.60	825.00	\$495.00
01/22/2020	JNP	GB	Conference with Iain A. W. Nasatir, J. Seery and J. Dubel regarding D&O; Follow-up with J. Dubel on a variety of issues including RCP.	1.30	1075.00	\$1,397.50
01/22/2020	JNP	GB	Conference with Ira D. Kharasch following up after call with J. Dubel and J. Seery.	0.20	1075.00	\$215.00
01/22/2020	JNP	GB	Emails regarding Board call.	0.10	1075.00	\$107.50
01/22/2020	GVD	GB	Correspondence re set up for future board meetings	0.20	825.00	\$165.00
01/23/2020	DJB	GB	Analysis of corporate authority to file chapter 11.	2.00	1195.00	\$2,390.00
01/23/2020	IDK	GB	E-mails with D Barton re need for analysis re Strand and potential chapter 11 for same, including with G. Demo re relevant docs for same (.3); E-mails with D	0.50	1145.00	\$572.50

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			Barton re his initial analysis of same (.2).			
01/23/2020	IDK	GB	Telephone conference with J. Pomerantz re upcoming board meeting and issues to discuss (.1); Attend conference call with Board on general case issues, and on proposed RCP transaction (1.9).	2.00	1145.00	\$2,290.00
01/23/2020	JNP	GB	Review emails regarding D&O status.	0.10	1075.00	\$107.50
01/23/2020	JNP	GB	Conference with J. Dubel regarding pending matters (2x).	0.40	1075.00	\$430.00
01/23/2020	JNP	GB	Conference with R. Patel regarding meeting with the Board.	0.20	1075.00	\$215.00
01/23/2020	JNP	GB	Review emails regarding corporate governance and bankruptcy filing.	0.10	1075.00	\$107.50
01/23/2020	JNP	GB	Participate in lengthy Board call.	2.00	1075.00	\$2,150.00
01/24/2020	CHM	GB	Review emails and corporate governance documents and begin legal research re impact of general partner bankruptcy filing.	0.80	675.00	\$540.00
01/24/2020	IDK	GB	Telephone conference with J. Pomerantz re case issues and calls with Board (.1); Review of correspondence with M. Litvak re Strand and chapter 11 issues (.2); E-mails with C. Mackle re research issues on Strand and chapter 11 for same (.2).	0.50	1145.00	\$572.50
01/24/2020	JNP	GB	Conference with J. Dubel and B. Sharp regarding meeting with Committee professionals.	0.40	1075.00	\$430.00
01/24/2020	JNP	GB	Emails with Maxim B. Litvak regarding corporate governance and structure issues.	0.10	1075.00	\$107.50
01/24/2020	JNP	GB	Conference with Board regarding variety of issues.	0.40	1075.00	\$430.00
01/24/2020	MBL	GB	Emails with team re Strand governance issues.	0.30	950.00	\$285.00
01/25/2020	CHM	GB	Continue legal research re impact of general partner bankruptcy.	5.40	675.00	\$3,645.00
01/25/2020	GVD	GB	Review and respond to correspondence from directors	0.30	825.00	\$247.50
01/27/2020	CHM	GB	Continue legal research re impact of general partner bankruptcy.	5.60	675.00	\$3,780.00
01/27/2020	IDK	GB	E-mails with C Mackle and J. Pomerantz re Strand Advisor issues and chapter 11 issues and initial research.	0.40	1145.00	\$458.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/27/2020	JNP	GB	Call with Board after Committee call.	0.30	1075.00	\$322.50
01/27/2020	GVD	GB	Attend to board call issues	0.10	825.00	\$82.50
01/27/2020	GVD	GB	Finalize corporate documents	0.40	825.00	\$330.00
01/27/2020	GVD	GB	Call with board in advance of Committee conference on open items	0.20	825.00	\$165.00
01/28/2020	CHM	GB	Begin drafting memorandum re general partner bankruptcy and continue legal research re same; email draft to I. Kharasch and J. Pomerantz.	8.30	675.00	\$5,602.50
01/28/2020	CHM	GB	Review email from I. Kharasch and update memo.	2.50	675.00	\$1,687.50
01/28/2020	IDK	GB	E-mails with J Fried re Strand issues on chapter 11 (.2); E-mails with C Mackle re further Strand issues and compare to LLC law (.2); E-mails with G Demo re Strand and D limited partners (.1).	0.50	1145.00	\$572.50
01/28/2020	IDK	GB	Telephone conferences with J. Pomerantz, and then G. Demo later joining in, re agenda for tomorrow's board call and items to discuss, including review of agenda (.4).	0.40	1145.00	\$458.00
01/28/2020	IDK	GB	Review and consider C Mackle initial draft of memo on Strand and chapter 11 issues (.2); E-mails with C Mackle and J. Pomerantz re same, and need for revisions (.1).	0.30	1145.00	\$343.50
01/28/2020	JNP	GB	Conference with Ira D. Kharasch and Gregory V. Demo regarding agenda for Board call and review same.	0.30	1075.00	\$322.50
01/28/2020	JNP	GB	Review versions of restructuring time line; Conference with Ira D. Kharasch and Robert J. Feinstein regarding same.	0.60	1075.00	\$645.00
01/28/2020	JNP	GB	Conference with Board regarding Agenda and matters relating to RCP transaction.	0.50	1075.00	\$537.50
01/28/2020	JMF	GB	Research re corporate governance issues.	1.20	925.00	\$1,110.00
01/28/2020	GVD	GB	Correspondence with Board re agenda items	0.10	825.00	\$82.50
01/28/2020	GVD	GB	Revise board agenda re comments from DSI	0.20	825.00	\$165.00
01/28/2020	GVD	GB	Draft agenda for board meeting	0.20	825.00	\$165.00
01/29/2020	CHM	GB	Update memorandum re general partner bankruptcy per G. Demo and J. Pomerantz comments.	2.50	675.00	\$1,687.50
01/29/2020	IDK	GB	Review of issues relating to Strand potential chapter	0.70	1145.00	\$801.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			11 (.2); E-mails with C Mackle and J. Pomerantz re her further memo draft, including review (.3); E-mails with G Demo and C Mackle re same memo and need for description of specific limited partners (.2).			
01/29/2020	IDK	GB	Prepare for Board call, including review of various memos/correspondence re issues (.3); Attend conference call with Board, others on case issues (1.7); Telephone conference with G. Demo re same and next step (.1).	2.10	1145.00	\$2,404.50
01/29/2020	JNP	GB	Conference with J. Dubel regarding call with M. Clemente and business issues.	0.40	1075.00	\$430.00
01/29/2020	JNP	GB	Conference with Ira D. Kharasch regarding call with J. Dubel regarding call with M. Clemente regarding Committee issues.	0.20	1075.00	\$215.00
01/29/2020	JNP	GB	Participate on Board call.	1.50	1075.00	\$1,612.50
01/29/2020	MBL	GB	Emails with team re update on Board call and pending tasks.	0.20	950.00	\$190.00
01/29/2020	JEO	GB	Review and response to email from G. Demo re outcome of board meeting	0.30	925.00	\$277.50
01/29/2020	JMF	GB	Review summary of Board meeting.	0.20	925.00	\$185.00
01/29/2020	JMF	GB	Review analysis re memo re corporate issues.	0.70	925.00	\$647.50
01/29/2020	GVD	GB	Correspondence with C. Mackle re corporate issues	0.30	825.00	\$247.50
01/29/2020	GVD	GB	Attend weekly board meeting	1.30	825.00	\$1,072.50
01/29/2020	GVD	GB	Draft internal summary memo of action items from board meeting	0.20	825.00	\$165.00
01/29/2020	GVD	GB	Prepare for weekly board meeting	0.20	825.00	\$165.00
01/30/2020	CHM	GB	Review emails re general partner bankruptcy memo and reply.	0.20	675.00	\$135.00
01/30/2020	IDK	GB	Emails with G Demo re draft of board minutes, including review of same.	0.20	1145.00	\$229.00
01/30/2020	IDK	GB	Review and consider C Mackle's revised memo on Strand/chapter 11/partnership issues, and need for changes (.4); Various emails with C Mackle re same and need for further substantial modifications/expansions of memo (.4).	0.80	1145.00	\$916.00
01/30/2020	IDK	GB	Telephone conferences with J. Pomerantz re various case status issues, including status of drafts of	0.30	1145.00	\$343.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			memos to Board.			
01/30/2020	GVD	GB	Draft board minutes for weekly meeting	1.90	825.00	\$1,567.50
01/31/2020	CHM	GB	Additional legal research and update general partner bankruptcy memo.	5.80	675.00	\$3,915.00
01/31/2020	IDK	GB	Emails with C Mackle re her revised draft of Strand Adv memo, including review of same (.4); Emails with C Mackle re issues on same memo and its conclusion (.3).	0.70	1145.00	\$801.50
01/31/2020	IDK	GB	Telephone conferences with J. Pomerantz re case status and memos for Board, and claims analysis, Committee issues (.3).	0.30	1145.00	\$343.50
01/31/2020	JMF	GB	Review updated memo re corporate issues.	0.80	925.00	\$740.00
01/31/2020	GVD	GB	Conference with J. Dubel re open items and next steps	0.20	825.00	\$165.00
01/31/2020	GVD	GB	Review write up re potential for general partner bankruptcy	1.40	825.00	\$1,155.00
				177.00		\$169,918.50

General Creditors Comm. [B150]

01/07/2020	GVD	GC	Conference with PSZJ team and Committee re open items and next steps	0.40	825.00	\$330.00
01/13/2020	IDK	GC	E-mails with Committee counsel and J. Pomerantz re tomorrow's call and agenda, issues for same (.3); E-mails with attorneys, board re coordination of pre-call to same (.1).	0.40	1145.00	\$458.00
01/14/2020	IDK	GC	E-mails with attorneys re matters to be brought up on Committee call and consider (.2); Attend call with Committee professionals, Board, attorneys, DSI on outstanding issues (1.6).	1.80	1145.00	\$2,061.00
01/14/2020	JNP	GC	Lengthy call with Committee, Board and professionals regarding variety of business issues.	1.70	1075.00	\$1,827.50
01/15/2020	GVD	GC	Conference with E. Bromagen re open items and next steps	0.10	825.00	\$82.50
01/16/2020	GVD	GC	Conference with E. Bromagen re status of matters scheduled for January 21 hearing	0.20	825.00	\$165.00
01/23/2020	JNP	GC	Emails regarding potential call with Committee professionals.	0.20	1075.00	\$215.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/24/2020	IDK	GC	Review of correspondence with Committee, Board re Committee request for call and its extensive Committee DEC for same, including brief review of same.	0.30	1145.00	\$343.50
01/24/2020	JNP	GC	Emails regarding meeting with Committee professionals.	0.10	1075.00	\$107.50
01/27/2020	IDK	GC	E-mails with Committee, Board others re rescheduling of call today (.1); Prep for call with Committee, Board, including review of Dec (.2); Attend pre-call with Board, others for Committee call (.5); Attend conference call with Committee, Board, others on case issues (1.5); Telephone conference with Board re result of same (.3).	2.60	1145.00	\$2,977.00
01/27/2020	JNP	GC	Participate in call with Committee regarding variety of case issues.	1.60	1075.00	\$1,720.00
01/27/2020	JNP	GC	Conference with Board, Ira D. Kharasch, Gregory V. Demo, F. Waterhouse and F. Caruso in preparation for Committee call.	0.50	1075.00	\$537.50
01/27/2020	GVD	GC	Conference with Committee on open items	1.60	825.00	\$1,320.00
01/27/2020	GVD	GC	Follow up conference with directors re Committee conference	0.20	825.00	\$165.00
01/29/2020	JNP	GC	Conference with M. Clemente regarding communications between Debtor and Committee and related matters.	0.30	1075.00	\$322.50
01/31/2020	IDK	GC	Review of correspondence with Committee re its desire for call with Board on issues, and coordination of same.	0.10	1145.00	\$114.50
01/31/2020	JNP	GC	Emails with M. Clemente regarding scheduling call with Committee.	0.10	1075.00	\$107.50
01/31/2020	GVD	GC	Conference with E. Bromagen and follow up with directors re same	0.20	825.00	\$165.00
01/31/2020	GVD	GC	Conference with J. Pomerantz re status of case and next steps	0.20	825.00	\$165.00
				12.60		\$13,184.00

Insurance Coverage

01/06/2020	IAWN	IC	Review Ira D. Karasch email re Strand, telephone conference with Ira D. Kharasch re same	0.20	1025.00	\$205.00
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/08/2020	IAWN	IC	Review specimen insurance policy language, analyze and draft email to John Morris, Ira D. Kharasch, Jeffrey N Pomerantz re issues in policy, telephone conferences with Ira D Kharasch and Jeffrey N Pomerantz re same	3.40	1025.00	\$3,485.00
01/08/2020	JNP	IC	Conference with DSI, Ira D. Kharasch and Iain A. W. Nasatir regarding D&O insurance issues.	0.50	1075.00	\$537.50
01/08/2020	JNP	IC	Email regarding status of D&O coverage.	0.10	1075.00	\$107.50
01/09/2020	IAWN	IC	Exchange telephone conferences and emails with Ira D Kharasch and Jeffrey N Pomerantz, review side a endorsements from broker and analyze, draft email detailing issues for board, telephone conference with Board re same, telephone conference with broker re issues, exchange emails with broker re endorsements, draft and send email to Board re latest on Dondero exclusion etc.	6.80	1025.00	\$6,970.00
01/09/2020	IDK	IC	Telephone conferences and emails with I. Nasatir re D&O issues and result of his conversation with broker on our issues and his emails with broker, and next steps and need for memo from him for Board call in morning (.6); Consider solutions for same (.1); Emails with attorneys re same and how to solve by estate indemnification and set aside of funds (.3); Review of I. Nasatir's draft memo to Board re D&O problems (.1).	1.10	1145.00	\$1,259.50
01/10/2020	IAWN	IC	Review demo emails re issues from Iain A.W. Nasatir memorandum, review Board responses re brokers	0.30	1025.00	\$307.50
01/10/2020	IAWN	IC	Telephone conference with Board re broker options, etc.	1.00	1025.00	\$1,025.00
01/10/2020	IDK	IC	Attend conference call with Board, I. Nasatir, alternative broker, others on D&O issues for new board.	0.50	1145.00	\$572.50
01/10/2020	JNP	IC	Participate on call with Board, Iain A. W. Nasatir, Gregory V. Demo, Ira D. Kharasch and insurance brokers regarding D&O insurance.	0.50	1075.00	\$537.50
01/13/2020	IAWN	IC	Review Aon new broker emails	0.20	1025.00	\$205.00
01/19/2020	IAWN	IC	Review demo email re Aon marketing options, respond re same	0.50	1025.00	\$512.50
01/22/2020	IAWN	IC	Review policy re exclusions (EPLI, CIC, Prior Acts & Professional Services, exchange emails with	2.60	1025.00	\$2,665.00

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			Jeffrey N Pomerantz re same and new language re policy			
01/22/2020	JNP	IC	Conference with Iain A. W. Nasatir regarding D&O in anticipation of call with Board.	0.20	1075.00	\$215.00
01/23/2020	IAWN	IC	Review and analyze new language in policy, telephone conference with Jeffrey N Pomerantz re same, telephone conference with Board re same	1.70	1025.00	\$1,742.50
01/24/2020	IAWN	IC	Exchanged emails with Board and Jeffrey N Pomerantz re call	0.20	1025.00	\$205.00
01/24/2020	IAWN	IC	Review and analyze AON emails re insurance options	0.30	1025.00	\$307.50
01/25/2020	IAWN	IC	Review demo Jeffrey N Pomerantz emails re issues	0.10	1025.00	\$102.50
01/28/2020	IAWN	IC	Telephone conference with Jeffrey N Pomerantz re need for analysis for Board, review issues in broker's proposed options, and draft lengthy email summarizing problems draft to broker and Jeffrey N Pomerantz, review emails from same in response, telephone conference with Jeffrey N Pomerantz re same	3.90	1025.00	\$3,997.50
01/28/2020	JNP	IC	Conference with Iain A. W. Nasatir and AON regarding status of D&O insurance.	0.50	1075.00	\$537.50
01/29/2020	IAWN	IC	Review brokers response	0.10	1025.00	\$102.50
01/29/2020	IAWN	IC	Review Robert M Saunders email from client	0.10	1025.00	\$102.50
01/29/2020	IAWN	IC	Preparation for Board call and review file, Board call re options	1.50	1025.00	\$1,537.50
01/31/2020	IAWN	IC	Review broker email re status of options, review Jeffrey N Pomerantz response	0.10	1025.00	\$102.50
01/31/2020	JNP	IC	Email with J. O'Neill at AON regarding status of D&O insurance.	0.10	1075.00	\$107.50
				26.50		\$27,449.50

Litigation (Non-Bankruptcy)

01/11/2020	GVD	LN	Review issues re Acis litigation; correspondence with board re same	0.40	825.00	\$330.00
01/15/2020	GVD	LN	Conference with directors and representatives of Foley Gardere and Lynn Pinker re Acis litigation	1.20	825.00	\$990.00
01/15/2020	GVD	LN	Draft summary of call re Acis litigation	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/29/2020	GVD	LN	Correspondence with Foley Gardere re Acis status conference	0.40	825.00	\$330.00
01/30/2020	GVD	LN	Conference with H. O'Neill re status of Acis bankruptcy	0.10	825.00	\$82.50
01/31/2020	GVD	LN	Correspondence with R. Nelms re Acis litigation issues	0.20	825.00	\$165.00
				2.60		\$2,145.00

Meeting of Creditors [B150]

01/03/2020	JEO	MC	Return call to creditor re bankruptcy notice from N.D. Texas	0.20	925.00	\$185.00
01/07/2020	GVD	MC	Conference with PSZJ and CRO re preparation for 341 meeting	1.10	825.00	\$907.50
01/09/2020	JNP	MC	Participate in meeting of creditors.	1.50	1075.00	\$1,612.50
01/09/2020	GVD	MC	Attend and participate in 341 meeting	2.00	825.00	\$1,650.00
01/10/2020	JNP	MC	Emails with B. Sharp and Gregory V. Demo regarding continued 341 meeting.	0.10	1075.00	\$107.50
01/21/2020	JNP	MC	Meeting with DSI regarding preparation for 341 hearing.	0.50	1075.00	\$537.50
01/22/2020	JNP	MC	Review follow-up email from B. Sharp regarding tax issues discussed at 341.	0.10	1075.00	\$107.50
01/22/2020	JNP	MC	Conference with B. Sharp regarding further preparation for 341 meeting.	0.50	1075.00	\$537.50
01/22/2020	JNP	MC	Appear at continued meeting of creditors.	2.00	1075.00	\$2,150.00
				8.00		\$7,795.00

Non-Working Travel

01/08/2020	IDK	NT	Non-working travel from LA to Dallas for 1/9 hearing and meetings with Committee and new Board. (Billed at 1/2 rate)	2.70	572.50	\$1,545.75
01/08/2020	JNP	NT	Travel to Dallas for settlement hearing. (Billed 1/2 rate)	2.00	537.50	\$1,075.00
01/08/2020	JAM	NT	Non-working travel New York to Dallas. (Billed at 1/2 rate)	2.20	537.50	\$1,182.50
01/08/2020	GVD	NT	Travel from New York to Dallas (Billed at 1/2 rate)	4.30	412.50	\$1,773.75

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01/10/2020	IDK	NT	Travel from Dallas to LA amid tornado warning-extensive delays. (Billed 1/2 rate)	10.30	572.50	\$5,896.75
01/10/2020	JNP	NT	Travel from Dallas to Los Angeles (extensive travel delay). (Billed 1/2 rate)	10.30	537.50	\$5,536.25
01/10/2020	JAM	NT	Non-working travel Dallas to New York. (Billed at 1/2 rate)	6.00	537.50	\$3,225.00
01/10/2020	GVD	NT	Travel from Dallas to New York (Billed at 1/2 rate)	5.30	412.50	\$2,186.25
01/20/2020	JNP	NT	Travel to Dallas for Trustee hearing. (Billed 1/2 rate)	2.00	537.50	\$1,075.00
01/20/2020	MBL	NT	Travel to Dallas for hearing. (Billed at 1/2 rate)	3.00	475.00	\$1,425.00
01/20/2020	JAM	NT	Non-working travel New York to Dallas (3.8). (Billed at 1/2 rate)	3.80	537.50	\$2,042.50
01/21/2020	MBL	NT	Travel to and from court for hearing.	0.40	475.00	\$190.00
01/21/2020	MBL	NT	Travel from Dallas following hearing. (Billed at 1/2 rate)	5.00	475.00	\$2,375.00
01/21/2020	JAM	NT	Non-working travel Dallas to New York. (Billed at 1/2 rate)	5.60	537.50	\$3,010.00
01/22/2020	JNP	NT	Travel to Los Angeles from Trustee hearing. (Billed 1/2 rate)	3.80	537.50	\$2,042.50
				66.70		\$34,581.25

Operations [B210]

01/06/2020	JNP	OP	Conference with Schulte lawyer regarding settlement motion and protocols.	0.20	1075.00	\$215.00
01/07/2020	JNP	OP	Review and respond to email from Schulte regarding CLO issues on protocols.	0.10	1075.00	\$107.50
01/07/2020	LAF	OP	Legal research re: Termination of CRO.	1.80	450.00	\$810.00
01/09/2020	JEO	OP	Call from Dan Merrett of Jones Day for Omni Max re protocol details	0.20	925.00	\$185.00
01/10/2020	JNP	OP	Emails to and from Gregory V. Demo regarding protocol for publicity.	0.10	1075.00	\$107.50
01/12/2020	SWG	OP	Research re: section 345 bonding requirements	1.10	625.00	\$687.50
01/17/2020	LAF	OP	Legal research re: Objection to appointment of chapter 11 trustee.	0.80	450.00	\$360.00
01/17/2020	GVD	OP	Review issues re bonding prime accounts	0.50	825.00	\$412.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/20/2020	GVD	OP	Correspondence with counsel to Jefferies re bonding issues	0.10	825.00	\$82.50
01/21/2020	GVD	OP	Respond to issues re bonding requirements for prime accounts	0.30	825.00	\$247.50
01/21/2020	GVD	OP	Conference with J. Romey re operating protocols issue	0.30	825.00	\$247.50
01/22/2020	GVD	OP	Conference with J. Pomerantz, I. Kharasch and DSI re potential transaction and protocol issues	0.30	825.00	\$247.50
01/22/2020	GVD	OP	Conference with B. Sharp and J. Romey re potential transaction and protocol issues	0.50	825.00	\$412.50
01/22/2020	GVD	OP	Review potential corporate transaction re protocol issues	1.10	825.00	\$907.50
01/23/2020	GVD	OP	Review memo from DSI re potential tax issues	0.10	825.00	\$82.50
01/28/2020	GVD	OP	Conference with J. Romey re protocol issues	0.50	825.00	\$412.50
01/28/2020	GVD	OP	Conference with J. Romey re protocol revisions	0.30	825.00	\$247.50
01/29/2020	IDK	OP	E-mails with attorneys re CLO issuer party's objection to protocol/settlement motion, and logistics for next hearing to resolve, including review of draft correspondence to Committee counsel re same.	0.30	1145.00	\$343.50
01/29/2020	GVD	OP	Correspondence with Committee re resolution of CLO Issuer claim	0.50	825.00	\$412.50
01/29/2020	GVD	OP	Conference with J. Romey re revisions to protocols	0.90	825.00	\$742.50
01/29/2020	GVD	OP	Follow up conference on potential transaction	0.30	825.00	\$247.50
01/30/2020	IDK	OP	Telephone conferences with T Surgent and T Cournoyer re RCP and next steps on trade (.2); Email to attorneys re same, and need for response to Board on RCP protocol issue, including G Demo's feedback re same (.4).	0.60	1145.00	\$687.00
01/30/2020	GVD	OP	Multiple conferences with J. Romey re revisions to protocols and review of same	1.30	825.00	\$1,072.50
01/31/2020	IDK	OP	Emails with DSI, attorneys re draft of proposed new protocols, including review of same, and coordination of call tomorrow re same.	0.40	1145.00	\$458.00
01/31/2020	GVD	OP	Revise and circulate proposal on revised protocols	0.50	825.00	\$412.50
01/31/2020	GVD	OP	Review DSI revisions to protocols and revise same	1.20	825.00	\$990.00

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				14.30		\$11,138.50
Plan & Disclosure Stmt. [B320]						
01/17/2020	GVD	PD	Research artificial impairment issues	2.10	825.00	\$1,732.50
01/21/2020	KKY	PD	Respond to email from James E. O'Neill re exclusivity deadlines	0.10	425.00	\$42.50
01/22/2020	JNP	PD	Emails regarding Plan exclusivity motion deadline.	0.10	1075.00	\$107.50
01/23/2020	IDK	PD	E-mails with attorneys re motion to extend exclusivity and issues on shortening time/bridge order.	0.30	1145.00	\$343.50
01/23/2020	JNP	PD	Conference with D. Twomey regarding motion to extend exclusivity.	0.10	1075.00	\$107.50
01/23/2020	JNP	PD	Review of exclusivity extension motion and emails regarding same.	0.30	1075.00	\$322.50
01/23/2020	KKY	PD	Draft exclusivity extension motion	2.50	425.00	\$1,062.50
01/23/2020	MBL	PD	Review and revise exclusivity extension motion; emails with team re same.	0.70	950.00	\$665.00
01/23/2020	JEO	PD	Draft Highland exclusivity motion and circulate to PSZJ team	2.10	925.00	\$1,942.50
01/23/2020	JEO	PD	Emails with PSZJ team re exclusivity extension motion	0.40	925.00	\$370.00
01/23/2020	LAF	PD	Legal research re: Extension of exclusivity; update citations with 5th Circuit examples.	1.30	450.00	\$585.00
01/23/2020	GVD	PD	Review issues re exclusivity motion and conversation with J. Pomerantz re same	0.20	825.00	\$165.00
01/23/2020	GVD	PD	Review draft exclusivity motion	0.20	825.00	\$165.00
01/24/2020	JNP	PD	Review of motion to extend exclusivity.	0.10	1075.00	\$107.50
01/24/2020	JNP	PD	Review emails regarding Plan exclusivity extension motion.	0.10	1075.00	\$107.50
01/24/2020	MBL	PD	Emails with team, co-counsel, Committee and board re exclusivity extension motion and motion to expedite; coordinate final revisions.	0.70	950.00	\$665.00
01/24/2020	JEO	PD	Final edits on exclusivity motion (including change to 120 extension) and finalize and prepare for filing	1.20	925.00	\$1,110.00
01/24/2020	JEO	PD	Email to local counsel re draft of exclusivity motion	0.20	925.00	\$185.00
01/24/2020	JEO	PD	Email to committee counsel with draft of exclusivity	0.20	925.00	\$185.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			motion			
01/24/2020	JEO	PD	Further drafting/revision of exclusivity extension motion to incorporate local counsel's changes, further changes from PSZJ	2.30	925.00	\$2,127.50
01/24/2020	JEO	PD	Review issues re hearing on exclusivity extension motion and need to expedite vs. entry if bridge order	0.80	925.00	\$740.00
01/27/2020	JEO	PD	prepare bridge order on exclusivity deadline	0.60	925.00	\$555.00
01/27/2020	JEO	PD	Circulate exclusivity bridge order to local counsel for comment	0.20	925.00	\$185.00
01/27/2020	JEO	PD	Follow up emails with local counsel re exclusivity extension	0.60	925.00	\$555.00
01/27/2020	JEO	PD	Circulate exclusivity bridge order to counsel for the committee	0.20	925.00	\$185.00
01/27/2020	JEO	PD	Review status of request for expedited hearing on exclusivity	0.30	925.00	\$277.50
01/27/2020	GVD	PD	Review bridge order re exclusivity motion	0.10	825.00	\$82.50
01/28/2020	IDK	PD	Review of draft plan/DS timeline and related considerations (.1); Telephone conferences with J. Pomerantz and J Fried re same, need for revisions, and revised timeline, including review of same (.4); E-mails with J Fried re research on 3d party releases under Plan in 5th Cir, including review of same (.2).	0.70	1145.00	\$801.50
01/28/2020	JNP	PD	Review emails from Joshua M. Fried regarding Plan issues to start considering.	0.10	1075.00	\$107.50
01/28/2020	JMF	PD	Research re plan confirmation issues.	2.30	925.00	\$2,127.50
01/28/2020	JMF	PD	Draft plan structure term sheet (1.4); call with J. Pomerantz and I. Kharasch re same (.1).	1.50	925.00	\$1,387.50
01/30/2020	JMF	PD	Review exclusivity motion.	0.40	925.00	\$370.00
01/30/2020	LAF	PD	Legal research re: Sample plan ballots.	0.50	450.00	\$225.00
				23.50		\$19,697.50

Ret. of Prof./Other

01/02/2020	JNP	RPO	Emails with H. Oneill regarding target date for hearing on Foley Gardere and Linn Pinker applications.	0.10	1075.00	\$107.50
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/03/2020	GVD	RPO	Correspondence with Foley Gardere re Winstead matters and briefing schedule	0.20	825.00	\$165.00
01/05/2020	JNP	RPO	Email to J. Dempsey regarding status of retention application.	0.10	1075.00	\$107.50
01/07/2020	LSC	RPO	Research regarding termination of retention and correspondence with G. Demo regarding the same.	1.30	425.00	\$552.50
01/07/2020	LSC	RPO	Research and correspondence in connection with termination of CRO retention.	1.40	425.00	\$595.00
01/07/2020	GVD	RPO	Conference with S. Vitiello and JP Sevilla re issues with Harder and Foley Gardere retentions	0.20	825.00	\$165.00
01/10/2020	GVD	RPO	Correspondence with Foley Gardere and board re Acis litigation	0.40	825.00	\$330.00
01/10/2020	GVD	RPO	Correspondence with local counsel re retention of CRO	0.20	825.00	\$165.00
01/13/2020	JEO	RPO	Emails with Brad Sharp re retention issues	0.30	925.00	\$277.50
01/13/2020	GVD	RPO	Conference with US Trustee re open items on cash management and ordinary course professionals	0.20	825.00	\$165.00
01/14/2020	MBL	RPO	Follow-up with team re Mercer retention.	0.20	950.00	\$190.00
01/16/2020	GVD	RPO	Correspondence with Foley/Lynn Pinker re status of retention applications; follow up correspondence re same	0.60	825.00	\$495.00
01/17/2020	GVD	RPO	Review agreed order re Foley/Lynn Pinker continuance	0.30	825.00	\$247.50
01/23/2020	GVD	RPO	Correspondence with board re issues re Foley Gardere and Lynn Pinker retention	0.10	825.00	\$82.50
01/23/2020	GVD	RPO	Correspondence with H. O'Neill re Foley Gardere retention application	0.10	825.00	\$82.50
01/23/2020	GVD	RPO	Correspondence with M. Litvak re consultant issues and next steps	0.10	825.00	\$82.50
01/24/2020	GVD	RPO	Review issues re professional compensation and draft memo re same	3.40	825.00	\$2,805.00
01/27/2020	GVD	RPO	Conference with B. Collins, K. Irving, and F. Caruso re ordinary course professional issues	0.30	825.00	\$247.50
01/27/2020	GVD	RPO	Draft notice of updated OCP list	0.60	825.00	\$495.00
01/27/2020	GVD	RPO	Prepare ordinary course professional declaration for	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			S. Raver			
01/27/2020	GVD	RPO	Prepare for conference on ordinary course professional issues	0.30	825.00	\$247.50
01/28/2020	GVD	RPO	Conference with T. Silva re potential retention	0.10	825.00	\$82.50
01/28/2020	GVD	RPO	Conference with E. Bromagen re OCP issues	0.10	825.00	\$82.50
01/30/2020	JMF	RPO	Review ordinary course procedures.	0.50	925.00	\$462.50
01/31/2020	GVD	RPO	Conference with Board and H. O'Neill re status of Acis litigation and retention issues	1.20	825.00	\$990.00
01/31/2020	GVD	RPO	Conference with J. Seery re status of Harder LLC application	0.10	825.00	\$82.50
				12.70		\$9,552.50

Stay Litigation [B140]

01/02/2020	JNP	SL	Emails with Gregory V. Demo regarding status of pension Denmark motion.	0.10	1075.00	\$107.50
01/02/2020	GVD	SL	Correspondence with J. Pomerantz re status of Pension Denmark motion	0.20	825.00	\$165.00
01/03/2020	JEO	SL	Review emails regarding further extension to respond to Pension Denmark motion for relief from stay	0.20	925.00	\$185.00
01/03/2020	JEO	SL	Review joint motion for extension of deadline to respond to Pension Danmark motion	0.20	925.00	\$185.00
01/03/2020	GVD	SL	Conference with counsel to Pension Denmark re open items; correspondence with Committee and local counsel re same	0.50	825.00	\$412.50
01/06/2020	JEO	SL	Review status of PensionDanmark matter	0.10	925.00	\$92.50
01/07/2020	JEO	SL	Email to Greg Demo re status of Pension Danmark Motion	0.10	925.00	\$92.50
01/07/2020	GVD	SL	Conference with T. Horan re Pension Denmark objection; conference with A. Russell (Sidley) re same	0.30	825.00	\$247.50
01/08/2020	JNP	SL	Review emails regarding status of pension Denmark hearing.	0.10	1075.00	\$107.50
01/08/2020	JEO	SL	Review email noting further extension on Pension Danmark matter	0.20	925.00	\$185.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
01/12/2020	GVD	SL	Review communications from P. Daugherty re DAF and PensionDenmark issues	0.20	825.00	\$165.00
01/13/2020	GVD	SL	Correspondence with T. Horan re PensionDenmark	0.30	825.00	\$247.50
01/15/2020	IDK	SL	Review of G Demo memo on PensionDanmark discussions and next steps.	0.10	1145.00	\$114.50
01/15/2020	GVD	SL	Conference with T. Horan (PensionDanmark) re status of motion and next steps	0.20	825.00	\$165.00
01/15/2020	GVD	SL	Correspondence with Committee re PensionDanmark issues	0.20	825.00	\$165.00
01/25/2020	GVD	SL	Correspondence with Board re PensionDenmark	0.10	825.00	\$82.50
01/31/2020	GVD	SL	Correspondence with counsel to PensionDanmark re status of discussions	0.10	825.00	\$82.50
				<u>3.20</u>		<u>\$2,802.00</u>

TOTAL SERVICES FOR THIS MATTER:

\$898,094.25

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Expenses

01/10/2019	TE	Travel Expense [E110] Gogoair, Wifi Fee, GVD	16.25
10/16/2019	RS	Research [E106] Cl@s Information Services, Inv. 370940-000-2, L. Forrester	33.75
10/16/2019	RS	Research [E106] Cl@s Information Services, Inv. 370937-0000-1, L. Forrester	24.00
10/16/2019	RS	Research [E106] Cl@s Information Services, Inv. 370939-0000, L. Forrester	24.00
10/17/2019	AT	Auto Travel Expense [E109] KLS Worldwide Transportation Services, Inv. 09173591090, From PHL to Hotel DuPont, IDK	175.50
11/18/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	3.95
11/26/2019	AT	Auto Travel Expense [E109] KLS Worldwide Transportation Services, Inv. 11602536695, From PSZ&J LA office to LAX, IDK	158.24
11/30/2019	AT	Auto Travel Expense [E109] KLS Worldwide Transportation Services, Inv. 11602536695, From PHL to hotel DuPont, IDK	177.50
12/01/2019	AT	Auto Travel Expense [E109] Eagle Chauffeured Transpotation Service, Inv. 34094734, From PHL to Hotel DuPont, MBL	113.00
12/01/2019	RE	(20 @0.10 PER PG)	2.00
12/01/2019	RE2	SCAN/COPY (420 @0.10 PER PG)	42.00
12/01/2019	RE2	SCAN/COPY (1980 @0.10 PER PG)	198.00
12/01/2019	RE2	SCAN/COPY (180 @0.10 PER PG)	18.00
12/01/2019	RE2	SCAN/COPY (880 @0.10 PER PG)	88.00
12/01/2019	RE2	SCAN/COPY (4720 @0.10 PER PG)	472.00
12/01/2019	RE2	SCAN/COPY (60 @0.10 PER PG)	6.00
12/01/2019	RE2	SCAN/COPY (80 @0.10 PER PG)	8.00
12/01/2019	RE2	SCAN/COPY (180 @0.10 PER PG)	18.00
12/01/2019	RE2	SCAN/COPY (920 @0.10 PER PG)	92.00
12/01/2019	RE2	SCAN/COPY (60 @0.10 PER PG)	6.00
12/01/2019	RE2	SCAN/COPY (40 @0.10 PER PG)	4.00
12/01/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
12/01/2019	RE2	SCAN/COPY (1660 @0.10 PER PG)	166.00
12/01/2019	RE2	SCAN/COPY (1700 @0.10 PER PG)	170.00
12/01/2019	RE2	SCAN/COPY (520 @0.10 PER PG)	52.00
12/01/2019	RE2	SCAN/COPY (920 @0.10 PER PG)	92.00
12/01/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00

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12/01/2019	RE2	SCAN/COPY (40 @0.10 PER PG)	4.00
12/01/2019	RE2	SCAN/COPY (60 @0.10 PER PG)	6.00
12/01/2019	RE2	SCAN/COPY (720 @0.10 PER PG)	72.00
12/01/2019	RE2	SCAN/COPY (720 @0.10 PER PG)	72.00
12/01/2019	RE2	SCAN/COPY (300 @0.10 PER PG)	30.00
12/01/2019	RE2	SCAN/COPY (180 @0.10 PER PG)	18.00
12/02/2019	AT	Auto Travel Expense [E109] First Citycab, GVD	21.00
12/02/2019	BM	Business Meal [E111] Washington Street, Working Meal, JEO	219.50
12/02/2019	RE	(19 @0.10 PER PG)	3.80
12/02/2019	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
12/02/2019	RE2	SCAN/COPY (70 @0.10 PER PG)	7.00
12/02/2019	RE2	SCAN/COPY (72 @0.10 PER PG)	7.20
12/02/2019	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
12/02/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
12/02/2019	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
12/02/2019	TR	Transcript [E116] eScribers, Inv. 292566, KKY	822.80
12/03/2019	BM	Business Meal [E111] Chelsea Tavern, Working Meal, JAM	29.00
12/03/2019	BM	Business Meal [E111] Jimmy Johns, Working Meal, GVD	5.50
12/03/2019	CC	Conference Call [E105] NYC Taxi, GVD	32.15
12/03/2019	HT	Hotel Expense [E110] Hotel Du Pont, 12/01/19-12/02/19, 1 night, JAM	299.30
12/03/2019	HT	Hotel Expense [E110] Hotel Dupont, 12/01/19-12/02/19, 1 night, GVD	299.20
12/03/2019	OS	Roadrunner Express, Inc., #42917, LDJ	89.60
12/03/2019	RE	(1200 @0.10 PER PG)	120.00
12/03/2019	RE	(6 @0.10 PER PG)	0.60
12/03/2019	RE	(13 @0.10 PER PG)	1.30
12/03/2019	RE	(4 @0.10 PER PG)	0.40
12/03/2019	TE	Travel Expense [E110] Amtrak, Tkt.3360656654592, from Wilmington to New York, GVD	43.00
12/04/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	8.56
12/04/2019	HT	Hotel Expense [E110] Hotel Dupont, 12/02/19-12/03/19, 1 night, GVD	299.20
12/04/2019	MC	Miscellaneous [E124] Traveling expenses, JNP	200.00
12/04/2019	OS	Roadrunner Express, Inc., #42916, LDJ	119.60

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12/05/2019	AT	Auto Travel Expense [E109] NYC Taxi, GVD	33.36
12/05/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	2.36
12/05/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	1.25
12/05/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	0.04
12/05/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	4.96
12/05/2019	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
12/06/2019	AF	Air Fare [E110] American Airlines, Tkt. 0017481021199, from LAX to DFW, DFW to LAX, IDK	249.65
12/07/2019	CC	Conference Call [E105] AT&T Conference Call, JAM	1.81
12/09/2019	AF	Air Fare [E110] American Airlines, Tkt. 0017483091014, from LAX to DFW, DFW to IAH, IDK	487.97
12/09/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	3.04
12/09/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	2.53
12/09/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	0.40
12/09/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	1.16
12/09/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	15.47
12/09/2019	HT	Hotel Expense [E110] Dallas Adolphus, 12/06/19-12/07/19, 1 night, IDK	364.12
12/09/2019	RE	(73 @0.10 PER PG)	7.30
12/09/2019	TE	Travel Expense [E110] Travel Agency Service Fee, IDK	50.00
12/10/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	8.49
12/11/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	6.90
12/11/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	9.94
12/12/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	18.89
12/12/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	10.38
12/12/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	0.65
12/13/2019	AF	Air Fare [E110] American Airlines, Tkt. 0017483091106, LAX to DFW, DFW to IAH, IAH to LAX, IDK	605.85
12/13/2019	AT	Auto Travel Expense [E109] JTL Management Taxi, GVD	32.76
12/13/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	10.50
12/13/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	4.42
12/14/2019	AT	Auto Travel Expense [E109] First Citycab Taxi, GVD	33.36
12/15/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	21.67
12/16/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	6.86
12/16/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	6.40
12/17/2019	AT	Auto Travel Expense [E109] Elite Transportation Services,	131.82

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		Inv. 1803277, L. Cauty	
12/17/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	11.07
12/18/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	7.22
12/18/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	7.20
12/18/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	5.80
12/19/2019	AT	Auto Travel Expense [E109] Light Source Taxi, GVD	34.56
12/19/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	13.69
12/20/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	9.49
12/20/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	19.27
12/20/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	4.07
12/20/2019	HT	Hotel Expense [E110] Crescent Hotel, 12/19/19-12/20/19, 1 night, IDK	367.68
12/23/2019	CC	Conference Call [E105] Loop Up Conference Call, IDK	3.44
12/26/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	6.29
12/27/2019	CC	Conference Call [E105] AT&T Conference Call, SWG	1.23
12/27/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	1.09
12/27/2019	CC	Conference Call [E105] AT&T Conference Call, GVD	0.79
12/28/2019	TE	Travel Expense [E110] Gogoair, inFlight Wifi Expense, GVD	9.95
01/02/2020	AF	Air Fare [E110] American Airlines, Tkt. 00174860710371, from LGA to DFW, Delta Airlines, Tkt. 00674860710381, from DFW to LGA, JAM	1,070.80
01/02/2020	AF	Air Fare [E110] American Airlines, Tkt. 00174860708750, from LGA to DFW, GVD	781.33
01/02/2020	AF	Air Fare [E110] Delta Airlines, Tkt. 00674860708760, From DFW to LGA, GVD	634.40
01/02/2020	RE	(6 @0.10 PER PG)	0.60
01/02/2020	RE	(10 @0.10 PER PG)	1.00
01/02/2020	TE	Travel Expense [E110] Travel Agency Service Fee, JAM	50.00
01/02/2020	TE	Travel Expense [E110] Travel Agency Service Fee, GVD	50.00
01/03/2020	RE	(339 @0.10 PER PG)	33.90
01/03/2020	RE	(17 @0.10 PER PG)	1.70
01/03/2020	RE	(17 @0.10 PER PG)	1.70
01/03/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/03/2020	TE	Travel Expense [E110] Travel Agency Service Fee, GVD	50.00
01/04/2020	AF	Air Fare [E110] American Airlines, Tkt. 00174142758775, from LAX to DFW, DFW to LAX, JNP	928.80
01/04/2020	TE	Travel Expense [E110] Travel Agency Service Fee, JNP	60.00

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01/06/2020	BM	Business Meal [E111] Hokey Poke, Working Meal, JAM	14.97
01/06/2020	RE	(197 @0.10 PER PG)	19.70
01/06/2020	RE	(17 @0.10 PER PG)	1.70
01/06/2020	RE2	SCAN/COPY (100 @0.10 PER PG)	10.00
01/06/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
01/06/2020	RE2	SCAN/COPY (91 @0.10 PER PG)	9.10
01/06/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/06/2020	TE	Travel Expense [E110] Travel Agency Service Fee, JAM	50.00
01/07/2020	BB	36027.00002 Bloomberg Charges for 01-07-20	30.00
01/07/2020	BB	36027.00002 Bloomberg Charges for 01-07-20	30.00
01/07/2020	BB	36027.00002 Bloomberg Charges for 01-07-20	30.00
01/07/2020	BB	36027.00002 Bloomberg Charges for 01-07-20	30.00
01/07/2020	BB	36027.00002 Bloomberg Charges for 01-07-20	30.00
01/07/2020	BB	36027.00002 Bloomberg Charges for 01-07-20	3.00
01/07/2020	BB	36027.00002 Bloomberg Charges for 01-07-20	30.00
01/07/2020	BB	36027.00002 Bloomberg Charges for 01-07-20	1.40
01/07/2020	BB	36027.00002 Bloomberg Charges for 01-07-20	0.80
01/07/2020	BB	36027.00002 Bloomberg Charges for 01-07-20	0.30
01/07/2020	BM	Business Meal [E111] Maison Kayser, working meal, GVD	19.60
01/07/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/07/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
01/07/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
01/07/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
01/07/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
01/07/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
01/07/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
01/07/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
01/07/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/08/2020	AF	Air Fare [E110] American Airlines, Tkt. 0017481021199, from LAX to DFW, LAX, IDK (Discounted first)	1,018.45
01/08/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, GVD	43.16
01/08/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, from Residence to LGA, JAM	38.71
01/08/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, Airport to Hotel, JAM	40.92

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01/08/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, LGA to Residence, JAM	67.82
01/08/2020	AT	Auto Travel Expense [E109] KLS Transportation Services, JNP	79.74
01/08/2020	AT	Auto Travel Expense [E109] Argon MGMT Transportation Services, GVD	29.10
01/08/2020	BM	Business Meal [E111] Healthy Gourmet, Working Meal, JAM	7.60
01/08/2020	BM	Business Meal [E111] Del Friscos Dallas, working meal, GVD	87.53
01/08/2020	BM	Business Meal [E111] Tap & Flushing, working meal, GVD	9.45
01/08/2020	HT	Hotel Expense [E110] The Fairmont Hotel, 2 nights, GVD	770.94
01/08/2020	RE	(1 @0.10 PER PG)	0.10
01/08/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
01/08/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
01/08/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
01/08/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
01/08/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
01/08/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
01/08/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
01/08/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
01/08/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
01/08/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
01/08/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
01/08/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
01/08/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
01/08/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
01/08/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
01/08/2020	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
01/08/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
01/08/2020	TE	Travel Expense [E110] Gogoair, Inflight Wifi expense, JAM	16.25
01/08/2020	TE	Travel Expense [E110] Travel Agency Service Fee, JAM	50.00
01/08/2020	TE	Travel Expense [E110] Travel Agency Service Fee, IDK	50.00
01/08/2020	TE	Travel Expense [E110] Airline change of flight fee, JAM	181.00
01/08/2020	TE	Travel Expense [E110] In- Flight WiFi, GVD	16.00
01/09/2020	AF	Air Fare [E110] American Airlines, Tkt. 00174142758764, from DFW to LAX, JNP	260.10

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01/09/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, GVD	9.05
01/09/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, GVD	11.05
01/09/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, to meeting, IDK	24.14
01/09/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, from meeting, IDK	16.94
01/09/2020	BM	Business Meal [E111] CBD Provisions, working meal, GVD	304.58
01/09/2020	RE	(28 @0.10 PER PG)	2.80
01/09/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
01/09/2020	TE	Travel Expense [E110] Travel Agency Service Fee, GVD	50.00
01/10/2020	AF	Air Fare [E110] American Airlines, Tkt. 0017490017587, Flight change upcharge for new itinerary, IDK	260.41
01/10/2020	AT	Auto Travel Expense [E109] Uber Tip, JNP	3.00
01/10/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, JNP	23.45
01/10/2020	AT	Auto Travel Expense [E109] Yaxi SVC Santa Monica, IDK	43.75
01/10/2020	AT	Auto Travel Expense [E109] Taxi Service, GVD	40.38
01/10/2020	BM	Business Meal [E111] CBD Provisions, Working Meal, JNP	170.36
01/10/2020	BM	Business Meal [E111] The Italian Kitchen, Working Meal, JNP	49.94
01/10/2020	BM	Business Meal [E111] nobu Dallas, working meal, IDK	300.00
01/10/2020	BM	Business Meal [E111] Campanille LAX, working meal, IDK	21.50
01/10/2020	BM	Business Meal [E111] Cousin BBQ, working meal, IDK	19.58
01/10/2020	BM	Business Meal [E111] Mulat Abesh, Working Meal, JAM	64.40
01/10/2020	LN	36027.00002 Lexis Charges for 01-10-20	58.97
01/10/2020	RE	(1 @0.10 PER PG)	0.10
01/10/2020	RE	(14 @0.10 PER PG)	1.40
01/10/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
01/10/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
01/10/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
01/10/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
01/10/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
01/10/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
01/10/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
01/10/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
01/10/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30

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01/10/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
01/10/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/10/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
01/10/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
01/10/2020	TE	Travel Expense [E110] In-Flight WiFi, GVD	16.25
01/11/2020	BM	Business Meal [E111] Crescent Hotel, Working Meal, JNP	17.12
01/11/2020	BM	Business Meal [E111] Blue Mesa Taco, Working Meal, JAM	13.00
01/11/2020	BM	Business Meal [E111] The Fairmont Hotel, working meal, GVD	2.65
01/11/2020	HT	Hotel Expense [E110] Hotel Le Meridien, 2 nights, IDK	852.93
01/11/2020	HT	Hotel Expense [E110] Fairmont Hotel, 01/08/20-01/10/20, 2 nights, JAM	770.94
01/11/2020	TE	Travel Expense [E110] Airport Parking, JNP	78.70
01/11/2020	TE	Travel Expense [E110] Inflight expense, JAM	9.00
01/11/2020	TE	Travel Expense [E110] Inflight expense, JAM	9.00
01/12/2020	HT	Hotel Expense [E110] Le Meridien Dallas, 01/08/20-01/10/20, 2 nights, JNP	946.30
01/12/2020	LN	36027.00002 Lexis Charges for 01-12-20	109.00
01/13/2020	CC	Conference Call [E105] CourtCall Ledger 01/01/2020 through 01/31/2020, MBL	86.00
01/13/2020	CC	Conference Call [E105] CourtCall Ledger 01/01/2020 through 01/31/2020, GVD	72.00
01/13/2020	LN	36027.00002 Lexis Charges for 01-13-20	82.55
01/13/2020	RE	(13 @0.10 PER PG)	1.30
01/13/2020	RE	(90 @0.10 PER PG)	9.00
01/13/2020	RE2	SCAN/COPY (70 @0.10 PER PG)	7.00
01/13/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
01/13/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
01/13/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
01/14/2020	LN	36027.00002 Lexis Charges for 01-14-20	23.59
01/14/2020	LN	36027.00002 Lexis Charges for 01-14-20	11.79
01/14/2020	RE	(38 @0.10 PER PG)	3.80
01/14/2020	RE	(81 @0.10 PER PG)	8.10
01/14/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
01/14/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
01/14/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
01/14/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10

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01/14/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
01/14/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
01/14/2020	TE	Travel Expense [E110] Travel Agency Service Fee, GVD	50.00
01/15/2020	AF	Air Fare [E110] American Airlines, Tkt. 00174912210966, From DFW to SFO, MBL	693.33
01/15/2020	LN	36027.00002 Lexis Charges for 01-15-20	35.38
01/15/2020	RE	(2 @0.10 PER PG)	0.20
01/15/2020	RE	(24 @0.10 PER PG)	2.40
01/15/2020	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
01/15/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
01/15/2020	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
01/15/2020	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
01/15/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
01/15/2020	RE2	SCAN/COPY (85 @0.10 PER PG)	8.50
01/15/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
01/15/2020	RE2	SCAN/COPY (85 @0.10 PER PG)	8.50
01/15/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
01/15/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
01/15/2020	TE	Travel Expense [E110] Travel Agency Service Fee, MBL	50.00
01/16/2020	AF	Air Fare [E110] American Airlines, Tkt. 00174912211390, from SFO to DFW, MBL	893.33
01/16/2020	LN	36027.00002 Lexis Charges for 01-16-20	23.59
01/16/2020	RE	(2 @0.10 PER PG)	0.20
01/16/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/16/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
01/16/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
01/16/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/16/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/16/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
01/16/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
01/17/2020	AF	Air Fare [E110] American Airlines, Tkt. 0017489169202, Second flight change & upcharge for new itinerary, IDK	350.34
01/17/2020	BB	36027.00002 Bloomberg Charges for 01-17-20	1.50
01/17/2020	BB	36027.00002 Bloomberg Charges for 01-17-20	2.20
01/17/2020	BB	36027.00002 Bloomberg Charges for 01-17-20	30.00

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01/17/2020	BB	36027.00002 Bloomberg Charges for 01-17-20	1.50
01/17/2020	BB	36027.00002 Bloomberg Charges for 01-17-20	30.00
01/17/2020	BB	36027.00002 Bloomberg Charges for 01-17-20	30.00
01/17/2020	BB	36027.00002 Bloomberg Charges for 01-17-20	30.00
01/17/2020	BB	36027.00002 Bloomberg Charges for 01-17-20	30.00
01/17/2020	BB	36027.00002 Bloomberg Charges for 01-17-20	30.00
01/17/2020	BB	36027.00002 Bloomberg Charges for 01-17-20	30.00
01/17/2020	LN	36027.00002 Lexis Charges for 01-17-20	58.97
01/17/2020	LN	36027.00002 Lexis Charges for 01-17-20	11.79
01/17/2020	LV	Legal Vision Atty/Mess. Service- Inv. 50573 Delivery to JNP	80.00
01/17/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
01/17/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/17/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/17/2020	RE2	SCAN/COPY (58 @0.10 PER PG)	5.80
01/17/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
01/17/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
01/17/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
01/17/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
01/17/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
01/17/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
01/17/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
01/17/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
01/17/2020	RE2	SCAN/COPY (85 @0.10 PER PG)	8.50
01/17/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
01/17/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
01/17/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
01/17/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/17/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/17/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
01/17/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
01/17/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
01/17/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
01/17/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10

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01/17/2020	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
01/17/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/17/2020	RE2	SCAN/COPY (44 @0.10 PER PG)	4.40
01/17/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
01/17/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
01/17/2020	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
01/17/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
01/17/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/17/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
01/17/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
01/17/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/17/2020	RE2	SCAN/COPY (43 @0.10 PER PG)	4.30
01/17/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
01/17/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
01/17/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
01/19/2020	AT	Auto Travel Expense [E109] City Cab, GVD	22.88
01/19/2020	BM	Business Meal [E111] Just Salad, working meal, GVD	10.33
01/20/2020	AT	Auto Travel Expense [E109] KLS Transportation Services, JNP	196.50
01/20/2020	AT	Auto Travel Expense [E109] KLS Transportation Services, JNP	169.00
01/20/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, from Residence to LGA, JAM	36.96
01/20/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, from DFW to Highland Offices, JAM	42.33
01/20/2020	BM	Business Meal [E111] Healthy Gourmet, Working Meal, JAM	8.69
01/20/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
01/21/2020	AF	Air Fare [E110] American Airlines, Tkt. AA7492833158, from DFW to LGA, JAM	466.60
01/21/2020	AF	Air Fare [E110] Delta Airlines, Tkt. DL 7490313767, from DFW to LGA, JAM	634.40
01/21/2020	BM	Business Meal [E111] Ascension Coffee, Working Meal, JNP	17.12
01/21/2020	BM	Business Meal [E111] La Provence Cafe, Working Meal, JNP	18.18
01/21/2020	BM	Business Meal [E111] Moxies Grill, Business Meal, JNP	381.54
01/21/2020	BM	Business Meal [E111] Bahn Shop, MBL	17.41
01/21/2020	RE	(1 @0.10 PER PG)	0.10

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01/21/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
01/21/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
01/21/2020	TE	Travel Expense [E110] Travel Agency Service Fee, JAM	50.00
01/22/2020	AT	Auto Travel Expense [E109] Uber Tip, JNP	3.00
01/22/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, JNP	24.08
01/22/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, from Highland Offices to DFW, JAM	39.12
01/22/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, from LGA to Residence, JAM	66.36
01/22/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, MBL	9.04
01/22/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, MBL	10.22
01/22/2020	BM	Business Meal [E111] Ascension Coffee, Working Meal, JNP	19.13
01/22/2020	BM	Business Meal [E111] Ascension Coffee, Working Meal, JNP	28.41
01/22/2020	BM	Business Meal [E111] Ling and Louie's, Working Meal, JAM	29.00
01/22/2020	HT	Hotel Expense [E110] Crescent Hotel, 01/20/20-01/21/20, 1 night, JAM	412.73
01/22/2020	HT	Hotel Expense [E110] Crescent hotel, 01/20/20-01/21/20, 1 night, MBL	368.33
01/22/2020	RE2	SCAN/COPY (164 @0.10 PER PG)	16.40
01/22/2020	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
01/22/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
01/22/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
01/22/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
01/22/2020	RE2	SCAN/COPY (45 @0.10 PER PG)	4.50
01/22/2020	TE	Travel Expense [E110] SFO Parking Fee, MBL	72.00
01/23/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, JNP	87.35
01/23/2020	BB	36027.00002 Bloomberg Charges for 01-23-20	0.40
01/23/2020	BB	36027.00002 Bloomberg Charges for 01-23-20	30.00
01/23/2020	BM	Business Meal [E111] Map of NAYA Mezze & Grill, working meal, GVD	17.63
01/23/2020	CC	Conference Call [E105] CourtCall Ledger 01/01/2020 through 01/31/2020, GVD	128.00
01/23/2020	HT	Hotel Expense [E110] Crescent Hotel, 01/20/20-01/22/20, 2 nights, JNP	825.24
01/23/2020	LN	36027.00002 Lexis Charges for 01-23-20	34.91

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01/23/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/23/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
01/23/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
01/23/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/23/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/23/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/23/2020	TE	Travel Expense [E110] Airport Parking, JNP	174.55
01/24/2020	AF	Air Fare [E110] American Airlines, Tkt. 00174142760094, from LAX to DFW, DFW to LAX, JNP	913.80
01/24/2020	AT	Auto Travel Expense [E109] NYC Taxi Service, GVD	30.35
01/24/2020	LN	36027.00002 Lexis Charges for 01-24-20	11.79
01/24/2020	LN	36027.00002 Lexis Charges for 01-24-20	381.09
01/24/2020	RE	(5 @0.10 PER PG)	0.50
01/24/2020	RE2	SCAN/COPY (75 @0.10 PER PG)	7.50
01/24/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
01/24/2020	RE2	SCAN/COPY (53 @0.10 PER PG)	5.30
01/24/2020	RE2	SCAN/COPY (229 @0.10 PER PG)	22.90
01/24/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/24/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/24/2020	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
01/24/2020	RE2	SCAN/COPY (80 @0.10 PER PG)	8.00
01/24/2020	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
01/24/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
01/24/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
01/24/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
01/24/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
01/24/2020	RE2	SCAN/COPY (108 @0.10 PER PG)	10.80
01/24/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/24/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
01/24/2020	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
01/24/2020	RE2	SCAN/COPY (249 @0.10 PER PG)	24.90
01/24/2020	RE2	SCAN/COPY (72 @0.10 PER PG)	7.20
01/24/2020	RE2	SCAN/COPY (76 @0.10 PER PG)	7.60
01/24/2020	RE2	SCAN/COPY (62 @0.10 PER PG)	6.20

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01/24/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/24/2020	RE2	SCAN/COPY (53 @0.10 PER PG)	5.30
01/24/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
01/24/2020	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
01/24/2020	RE2	SCAN/COPY (41 @0.10 PER PG)	4.10
01/24/2020	RE2	SCAN/COPY (83 @0.10 PER PG)	8.30
01/24/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
01/24/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
01/24/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
01/24/2020	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
01/24/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
01/24/2020	RE2	SCAN/COPY (140 @0.10 PER PG)	14.00
01/24/2020	RE2	SCAN/COPY (46 @0.10 PER PG)	4.60
01/24/2020	RE2	SCAN/COPY (110 @0.10 PER PG)	11.00
01/24/2020	RE2	SCAN/COPY (110 @0.10 PER PG)	11.00
01/24/2020	RE2	SCAN/COPY (35 @0.10 PER PG)	3.50
01/24/2020	RE2	SCAN/COPY (84 @0.10 PER PG)	8.40
01/24/2020	RE2	SCAN/COPY (51 @0.10 PER PG)	5.10
01/24/2020	RE2	SCAN/COPY (111 @0.10 PER PG)	11.10
01/24/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
01/24/2020	RE2	SCAN/COPY (84 @0.10 PER PG)	8.40
01/24/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
01/24/2020	RE2	SCAN/COPY (51 @0.10 PER PG)	5.10
01/24/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/24/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/24/2020	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
01/24/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/24/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
01/24/2020	RE2	SCAN/COPY (47 @0.10 PER PG)	4.70
01/24/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
01/24/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
01/24/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
01/24/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
01/24/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10

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01/24/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
01/24/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
01/24/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/24/2020	TE	Travel Expense [E110] Travel Agency Service Fee, JNP	60.00
01/25/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, GVD	27.49
01/25/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
01/25/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
01/26/2020	AT	Auto Travel Expense [E109] NCY Taxi Service, GVD	32.25
01/27/2020	LN	36027.00002 Lexis Charges for 01-27-20	25.66
01/27/2020	LN	36027.00002 Lexis Charges for 01-27-20	11.79
01/27/2020	RE	(1 @0.10 PER PG)	0.10
01/27/2020	RE	(19 @0.10 PER PG)	1.90
01/27/2020	RE	(12 @0.10 PER PG)	1.20
01/27/2020	RE	(12 @0.10 PER PG)	1.20
01/27/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
01/27/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
01/27/2020	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
01/27/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
01/27/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/27/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
01/27/2020	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
01/27/2020	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
01/27/2020	RE2	SCAN/COPY (44 @0.10 PER PG)	4.40
01/27/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
01/27/2020	RE2	SCAN/COPY (65 @0.10 PER PG)	6.50
01/27/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
01/27/2020	RE2	SCAN/COPY (100 @0.10 PER PG)	10.00
01/27/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
01/27/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
01/27/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
01/28/2020	LN	36027.00002 Lexis Charges for 01-28-20	11.79
01/28/2020	LN	36027.00002 Lexis Charges for 01-28-20	11.79
01/28/2020	LN	36027.00002 Lexis Charges for 01-28-20	26.57

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01/28/2020	LN	36027.00002 Lexis Charges for 01-28-20	70.76
01/28/2020	LN	36027.00002 Lexis Charges for 01-28-20	17.63
01/28/2020	RE	(3 @0.10 PER PG)	0.30
01/28/2020	RE	(41 @0.10 PER PG)	4.10
01/28/2020	RE	(1 @0.10 PER PG)	0.10
01/28/2020	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80
01/28/2020	RE2	SCAN/COPY (91 @0.10 PER PG)	9.10
01/28/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/28/2020	RE2	SCAN/COPY (91 @0.10 PER PG)	9.10
01/28/2020	RE2	SCAN/COPY (91 @0.10 PER PG)	9.10
01/28/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
01/28/2020	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
01/28/2020	RE2	SCAN/COPY (58 @0.10 PER PG)	5.80
01/28/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
01/28/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
01/28/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/28/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/28/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/28/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/28/2020	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
01/28/2020	RE2	SCAN/COPY (44 @0.10 PER PG)	4.40
01/28/2020	RE2	SCAN/COPY (58 @0.10 PER PG)	5.80
01/28/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
01/28/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
01/28/2020	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
01/28/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/28/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/28/2020	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
01/28/2020	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
01/28/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
01/28/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
01/28/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
01/28/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/28/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10

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01/28/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
01/28/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
01/28/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
01/28/2020	RE2	SCAN/COPY (228 @0.10 PER PG)	22.80
01/28/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/28/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
01/28/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
01/28/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
01/28/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
01/28/2020	RE2	SCAN/COPY (41 @0.10 PER PG)	4.10
01/28/2020	RE2	SCAN/COPY (140 @0.10 PER PG)	14.00
01/28/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
01/28/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
01/28/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
01/28/2020	RE2	SCAN/COPY (40 @0.10 PER PG)	4.00
01/29/2020	RE	(4 @0.10 PER PG)	0.40
01/29/2020	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
01/29/2020	RE2	SCAN/COPY (45 @0.10 PER PG)	4.50
01/29/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
01/30/2020	AT	Auto Travel Expense [E109] NYC Taxi Service, GVD.	34.55
01/30/2020	BB	36027.00002 Bloomberg Charges for 01-30-20	30.00
01/30/2020	BB	36027.00002 Bloomberg Charges for 01-30-20	3.90
01/30/2020	BB	36027.00002 Bloomberg Charges for 01-30-20	30.00
01/30/2020	BB	36027.00002 Bloomberg Charges for 01-30-20	30.00
01/30/2020	BB	36027.00002 Bloomberg Charges for 01-30-20	0.40
01/30/2020	BB	36027.00002 Bloomberg Charges for 01-30-20	0.30
01/30/2020	BB	36027.00002 Bloomberg Charges for 01-30-20	30.00
01/30/2020	BB	36027.00002 Bloomberg Charges for 01-30-20	0.40
01/30/2020	BB	36027.00002 Bloomberg Charges for 01-30-20	0.30
01/30/2020	BB	36027.00002 Bloomberg Charges for 01-30-20	30.00
01/30/2020	CL	36027.00002 CourtLink charges for 01-30-20	2.83
01/30/2020	RE	(1 @0.10 PER PG)	0.10
01/30/2020	RE2	SCAN/COPY (100 @0.10 PER PG)	10.00

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01/30/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
01/30/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
01/30/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
01/30/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
01/30/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
01/30/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
01/30/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
01/30/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/31/2020	BB	36027.00002 Bloomberg Charges for 01-31-20	30.00
01/31/2020	BB	36027.00002 Bloomberg Charges for 01-31-20	3.00
01/31/2020	CL	36027.00002 CourtLink charges for 01-31-20	67.90
01/31/2020	LN	36027.00002 Lexis Charges for 01-31-20	35.38
01/31/2020	LN	36027.00002 Lexis Charges for 01-31-20	11.32
01/31/2020	PAC	Pacer - Court Research	275.20
01/31/2020	RE	(7 @0.10 PER PG)	0.70
01/31/2020	RE	(59 @0.10 PER PG)	5.90
01/31/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
01/31/2020	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
01/31/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
01/31/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
01/31/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
01/31/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
01/31/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
01/31/2020	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
01/31/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
01/31/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
01/31/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
01/31/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
01/31/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
01/31/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
01/31/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
01/31/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70

Total Expenses for this Matter

\$28,854.75

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REMITTANCE ADVICE

Please include this Remittance with your payment

For current services rendered through: 01/31/2020

Total Fees \$898,094.25

Total Expenses 28,854.75

Total Due on Current Invoice \$926,949.00

Outstanding Balance from prior invoices as of 01/31/2020 (May not include recent payments)

<u>A/R Bill Number</u>	<u>Invoice Date</u>	<u>Fees Billed</u>	<u>Expenses Billed</u>	<u>Balance Due</u>
123595	10/31/2019	\$383,583.75	\$9,958.84	\$76,716.75
123711	11/30/2019	\$798,767.50	\$26,317.71	\$159,726.50
124074	12/31/2019	\$589,730.75	\$26,226.80	\$615,957.55

Total Amount Due on Current and Prior Invoices: \$1,779,349.80

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Pachulski Stang Ziehl & Jones LLP

10100 Santa Monica Blvd.
13th Floor
Los Angeles, CA 90067

February 29, 2020

Invoice 124448

Client 36027

Matter 00002

JNP

Board of Directors
Highland Capital Management LP
300 Crescent Court ste. 700
Dallas, TX 75201

RE: Postpetition

STATEMENT OF PROFESSIONAL SERVICES RENDERED THROUGH 02/29/2020

FEES \$941,043.50

EXPENSES \$8,092.94

TOTAL CURRENT CHARGES **\$949,136.44**

BALANCE FORWARD **\$1,779,349.80**

TOTAL BALANCE DUE **\$2,728,486.24**

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Summary of Services by Professional

<u>ID</u>	<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
AJK	Kornfeld, Alan J.	Partner	1145.00	47.50	\$54,387.50
AWC	Caine, Andrew W.	Partner	1095.00	2.50	\$2,737.50
BMK	Koveleski, Beatrice M.	Case Man. Asst.	350.00	3.10	\$1,085.00
CHM	Mackle, Cia H.	Counsel	675.00	8.30	\$5,602.50
EAW	Wagner, Elissa A.	Counsel	825.00	81.30	\$67,072.50
GVD	Demo, Gregory Vincent	Counsel	412.50	11.30	\$4,661.25
GVD	Demo, Gregory Vincent	Counsel	825.00	195.30	\$161,122.50
HDH	Hochman, Harry D.	Counsel	950.00	12.10	\$11,495.00
IAWN	Nasatir, Iain A. W.	Partner	1025.00	13.00	\$13,325.00
IDK	Kharasch, Ira D.	Partner	1145.00	101.00	\$115,645.00
JAM	Morris, John A.	Partner	537.50	7.40	\$3,977.50
JAM	Morris, John A.	Partner	1075.00	109.10	\$117,282.50
JEO	O'Neill, James E.	Partner	925.00	53.00	\$49,025.00
JJK	Kim, Jonathan J.	Counsel	895.00	67.40	\$60,323.00
JMF	Fried, Joshua M.	Partner	925.00	93.60	\$86,580.00
JNP	Pomerantz, Jeffrey N.	Partner	537.50	19.50	\$10,481.25
JNP	Pomerantz, Jeffrey N.	Partner	1075.00	109.60	\$117,820.00
KKY	Yee, Karina K.	Paralegal	425.00	13.20	\$5,610.00
LSC	Canty, La Asia S.	Paralegal	425.00	11.10	\$4,717.50
MBL	Litvak, Maxim B.	Partner	950.00	23.20	\$22,040.00
PJJ	Jeffries, Patricia J.	Paralegal	425.00	12.40	\$5,270.00
RJF	Feinstein, Robert J.	Partner	1245.00	15.40	\$19,173.00
SLP	Pitman, L. Sheryle	Case Man. Asst.	350.00	4.60	\$1,610.00
				1014.90	\$941,043.50

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Summary of Services by Task Code

<u>Task Code</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
AA	Asset Analysis/Recovery[B120]	206.70	\$189,827.00
BL	Bankruptcy Litigation [L430]	108.70	\$99,902.00
CA	Case Administration [B110]	51.90	\$40,235.00
CO	Claims Admin/Objections[B310]	323.30	\$317,587.00
CORP	Corporate Governance	8.30	\$5,602.50
CP	Compensation Prof. [B160]	11.60	\$7,125.00
CPO	Comp. of Prof./Others	11.10	\$8,570.00
EB	Employee Benefit/Pension-B220	30.20	\$31,137.00
FF	Financial Filings [B110]	0.60	\$585.00
GB	General Business Advice [B410]	87.10	\$88,396.00
GC	General Creditors Comm. [B150]	16.80	\$16,779.00
IC	Insurance Coverage	13.00	\$13,325.00
PD	Plan & Disclosure Stmt. [B320]	4.90	\$4,507.50
RPO	Ret. of Prof./Other	93.20	\$89,545.00
SL	Stay Litigation [B140]	9.30	\$8,800.50
TR	Travel	38.20	\$19,120.00
		1014.90	<hr/> \$941,043.50

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Summary of Expenses

<u>Description</u>	<u>Amount</u>
Air Fare [E110]	\$1,295.80
Auto Travel Expense [E109]	\$1,751.32
Bloomberg	\$30.00
Working Meals [E111]	\$498.79
Conference Call [E105]	\$577.37
CourtLink	\$52.35
Federal Express [E108]	\$189.46
Hotel Expense [E110]	\$1,235.83
Lexis/Nexis- Legal Research [E	\$628.22
Pacer - Court Research	\$199.20
Postage [E108]	\$6.00
Reproduction Expense [E101]	\$134.20
Reproduction/ Scan Copy	\$877.70
Travel Expense [E110]	\$616.70
	<hr/>
	\$8,092.94

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Asset Analysis/Recovery[B120]						
02/01/2020	IDK	AA	Attend conference call with DSI, attorneys on our draft proposed new Protocols for transactions (.9).	0.90	1145.00	\$1,030.50
02/01/2020	JNP	AA	Conference with Gregory V. Demo, Ira D. Kharasch and F. Caruso regarding operating protocols.	0.90	1075.00	\$967.50
02/01/2020	GVD	AA	Conference with DSI and Pachulski team re potential revisions to protocols	0.90	825.00	\$742.50
02/03/2020	IDK	AA	Emails with G Demo re draft demand letter re Okada.	0.20	1145.00	\$229.00
02/03/2020	IDK	AA	Emails with client, legal team, and others re status of Argentina/Dynamic (.2); Review of correspondence with Committee on revisions to CLO issuer's resolution of objection to protocols (.2).	0.40	1145.00	\$458.00
02/03/2020	JNP	AA	Email to M. Clemente regarding demand note.	0.10	1075.00	\$107.50
02/03/2020	JNP	AA	Review changes to investment disclosure letter.	0.10	1075.00	\$107.50
02/03/2020	JNP	AA	Conference with Gregory V. Demo regarding CLO's and other related payments.	0.10	1075.00	\$107.50
02/03/2020	JNP	AA	Review letter to M. Okada regarding payment demand.	0.10	1075.00	\$107.50
02/03/2020	JNP	AA	Email to Board regarding demand notes.	0.10	1075.00	\$107.50
02/03/2020	JNP	AA	Conference with J. Dubel regarding RCP, demand notes, Argentina fund and related.	0.30	1075.00	\$322.50
02/03/2020	JNP	AA	Review emails regarding CLO's and related payments.	0.10	1075.00	\$107.50
02/03/2020	JMF	AA	Review protocols.	0.50	925.00	\$462.50
02/03/2020	GVD	AA	Draft demand letter re promissory note	0.80	825.00	\$660.00
02/03/2020	GVD	AA	Draft presentation re revisions to protocols	2.60	825.00	\$2,145.00
02/03/2020	GVD	AA	Conference with Board and J. Romey re potential issues re CLOs	0.60	825.00	\$495.00
02/03/2020	GVD	AA	Revise investor letter re potential transaction	3.10	825.00	\$2,557.50
02/03/2020	GVD	AA	Multiple conference with J. Romey and F. Caruso re CLO issues	0.40	825.00	\$330.00
02/04/2020	IDK	AA	Review draft of our substantial revisions to the RCP investor letter & disclosures (.2); Emails with G	0.70	1145.00	\$801.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Demo re same, and process on getting to DSI and Board, and later feedback from DSI re same (.2); Emails with T. Surgent re status of our review of RCP docs, and his memo to Board re same (.2); Emails with attorneys re same and draft of proposed response to client legal team re RCP (.1).			
02/04/2020	IDK	AA	Review and consider our draft bullet point analysis of RCP/MGM/Harborvest issues for Board, including my comments (.2); Email to G Demo re J Seery's requested revisions to bullet points, including review of same (.2); Telephone conferences with J. Pomerantz and G Demo re Board request for revisions to our RCP bullet points on protocols (.4); Review of correspondence to Board re same (.1).	0.90	1145.00	\$1,030.50
02/04/2020	JNP	AA	Conference with Gregory V. Demo and Ira D. Kharasch regarding status of issues relating to RCP transactions and emails regarding same.	0.40	1075.00	\$430.00
02/04/2020	JMF	AA	Review Harborvest / MGM analysis.	0.40	925.00	\$370.00
02/04/2020	JMF	AA	Review protocols and proposed changes to same.	0.80	925.00	\$740.00
02/04/2020	GVD	AA	Revise demand letter re comments from directors	0.60	825.00	\$495.00
02/04/2020	GVD	AA	Draft presentation re status of notes receivable	2.10	825.00	\$1,732.50
02/04/2020	GVD	AA	Conference with J. Seery re analysis of protocols and overlay on potential transactions	0.60	825.00	\$495.00
02/04/2020	GVD	AA	Review potential transactions re impact of protocols	1.90	825.00	\$1,567.50
02/04/2020	GVD	AA	Conference with T. Silva (WilmerHale) re potential transaction and governance document issues	0.10	825.00	\$82.50
02/04/2020	GVD	AA	Follow up conference with J. Seery re review and application of protocols	0.50	825.00	\$412.50
02/04/2020	GVD	AA	Conference with J. Pomerantz and I. Kharasch re J. Seery review of protocols	0.30	825.00	\$247.50
02/04/2020	GVD	AA	Revise protocol analysis re same	0.40	825.00	\$330.00
02/05/2020	IDK	AA	Telephone conference and emails with T Surgent and T Cournoyer re status of RCP and our comments to documents (.3); Emails with Board re same, and bullet point memo (.2); Telephone conference with J Seery and T Surgent re RCP (.2); Email to T Surgent re our comments to RCP disclosure (.1); Emails attorneys re same (.1).	0.90	1145.00	\$1,030.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/05/2020	IDK	AA	Emails with G Demo and J. Pomerantz re Wilmer Hale analysis re RCP and its impact, including review of same, and need to amend our memo to Board re same (.2); Review of revised bullet point memo re same (.1); Emails with G Demo and J. Pomerantz re same, and need for further changes (.1).	0.40	1145.00	\$458.00
02/05/2020	IDK	AA	Emails with attorneys re concerns on draft of notice to Committee re RCP transactions and wording for same (.2); Telephone conference with J. Pomerantz and G Demo re same (.2).	0.40	1145.00	\$458.00
02/05/2020	IDK	AA	Emails with DSI, others re Waterhouse correspondence re Multi Strat and NextBank notice on its loan re foreclosure and termination, including consider ramifications.	0.30	1145.00	\$343.50
02/05/2020	IDK	AA	Review and consider revised draft protocol changes (.4); Emails and telephone conference with G Demo re same and timing of getting to Board (.2).	0.60	1145.00	\$687.00
02/05/2020	JNP	AA	Review update of bullet points on protocols and emails with Gregory V. Demo regarding same.	0.30	1075.00	\$322.50
02/05/2020	JNP	AA	Email regarding status of affiliate management agreements.	0.10	1075.00	\$107.50
02/05/2020	JNP	AA	Conference with Gregory V. Demo regarding RCP.	0.10	1075.00	\$107.50
02/05/2020	JNP	AA	Conference with Ira D. Kharasch regarding RCP.	0.20	1075.00	\$215.00
02/05/2020	JNP	AA	Review presentation on notes and emails with Gregory V. Demo regarding same.	0.30	1075.00	\$322.50
02/05/2020	JNP	AA	Emails regarding RCP disclosure letter.	0.10	1075.00	\$107.50
02/05/2020	GVD	AA	Prepare for conference with J. Seery re potential transaction and protocols	0.20	825.00	\$165.00
02/05/2020	GVD	AA	Conference with J. Seery re potential transaction and protocols	0.50	825.00	\$412.50
02/05/2020	GVD	AA	Conference with J. Pomerantz re summary of conference with J. Seery re protocol issues	0.20	825.00	\$165.00
02/05/2020	GVD	AA	Further revise presentation on notes payable re comments from DSI	2.80	825.00	\$2,310.00
02/05/2020	GVD	AA	Conference with J. Romey re notes payable issues	0.30	825.00	\$247.50
02/05/2020	GVD	AA	Further revise protocols analysis re potential transactions	1.10	825.00	\$907.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/06/2020	IDK	AA	Email and telephone conference with T Surgent and T Cournoyer re RCP and Argentina/Dynamic, as well as copies of correspondence from investors in Argentina (.4); Email with T. Surgent/T Cournoyer re their summary of a new structured RCP transaction, including review of same (.2); Emails and telephone conference with J. Pomerantz and G Demo re same and upcoming board call, and T Surgent request to be on board call and how to respond (.4); Email to T Surgent/T Cournoyer re same (.1).	1.10	1145.00	\$1,259.50
02/06/2020	IDK	AA	Review and consider draft of notice to Committee re RCP transaction (.2); Emails with G Demo re my comments/changes to same (.3); Telephone conference with J. Pomerantz re draft RCP notice to Committee and issues (.2); Telephone conferences with G Demo re same and need to revise (.1).	0.80	1145.00	\$916.00
02/06/2020	IDK	AA	Emails with attorneys re Multi-Strat issues on insider loan and consequences of default.	0.40	1145.00	\$458.00
02/06/2020	JNP	AA	Conference with B. Sharp regarding status of RCP related issues.	0.20	1075.00	\$215.00
02/06/2020	JNP	AA	Conference with Ira D. Kharasch and Gregory V. Demo regarding RCP related issues.	0.30	1075.00	\$322.50
02/06/2020	JNP	AA	Conference with Gregory V. Demo regarding applicability of protocols to transactions.	0.20	1075.00	\$215.00
02/06/2020	JNP	AA	Review notice regarding protocols.	0.10	1075.00	\$107.50
02/06/2020	JNP	AA	Conference with B. Sharp regarding RCP (2x).	0.30	1075.00	\$322.50
02/06/2020	JNP	AA	Conference with M. Clemente regarding RCP and other pending matters.	0.40	1075.00	\$430.00
02/06/2020	JNP	AA	Review and revise Notice to Committee regarding MGM transaction; Review various versions.	0.50	1075.00	\$537.50
02/06/2020	JNP	AA	Conference with Ira D. Kharasch regarding Notice to RCP.	0.20	1075.00	\$215.00
02/06/2020	JMF	AA	Review Dynamic / Argentina motion (.5); analyze issues re 541(a) issues (.6).	1.10	925.00	\$1,017.50
02/06/2020	GVD	AA	Review and revise notice to committee re sale of assets	2.50	825.00	\$2,062.50
02/06/2020	GVD	AA	Review confidentiality agreement for Multi Strat transactions	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/06/2020	GVD	AA	Conference with I. Kharasch re notice to commiittee re potential transaction and revisions re same	0.50	825.00	\$412.50
02/06/2020	GVD	AA	Review revisions to notice to committee on potential transaction from J. Pomerantz and revise notice re same	0.80	825.00	\$660.00
02/06/2020	GVD	AA	Draft motion re distributions to Related Entities	6.60	825.00	\$5,445.00
02/06/2020	GVD	AA	Review revised NDA re sales transaction	0.10	825.00	\$82.50
02/06/2020	GVD	AA	Conference with J. Seery re board meeting and protocol issues	0.20	825.00	\$165.00
02/07/2020	IDK	AA	Review of correspondence with DSI, G Demo on company client team proposed revisions to RCP Notice (.2); Emails with G Demo re need for start on motion to approve MGM trade, and timing of sending Board draft notice to Committee (.2); Review of correspondence with Board on our draft notice to Committee re RCP, as well as final draft to Committee (.2).	0.60	1145.00	\$687.00
02/07/2020	IDK	AA	Email client legal team on their new revisions to investor letter, including brief review of same (.2); Emails with attorneys re same and issues on their revisions (.2); Review of both our draft revisions to investor letter as well as client legal team's (.2).	0.60	1145.00	\$687.00
02/07/2020	JNP	AA	Conference with Gregory V. Demo regarding RCP notices and review same.	0.20	1075.00	\$215.00
02/07/2020	JNP	AA	Review email from FTI regarding additional information regarding RCP; Respond to B. Sharp email.	0.10	1075.00	\$107.50
02/07/2020	JNP	AA	Conference with M. Clemente regarding RCP, Argentina and Dynamic and other issues.	0.10	1075.00	\$107.50
02/07/2020	JMF	AA	Review Argentina / Dynamic pleading (.4); emails re additions to same (.1).	0.50	925.00	\$462.50
02/07/2020	JMF	AA	Telephone call with G. Demo re fund notes analysis (.3); review deck re same (.5).	0.80	925.00	\$740.00
02/07/2020	JMF	AA	Emails re Summary of Debtor notes issues.	0.40	925.00	\$370.00
02/07/2020	GVD	AA	Revise and circulate motion re distributions to Related Entities	1.50	825.00	\$1,237.50
02/07/2020	GVD	AA	Further revise Committee notice re MGM transaction; correspondence with Committee re same	1.30	825.00	\$1,072.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/07/2020	GVD	AA	Revise investor disclosure letter	1.10	825.00	\$907.50
02/07/2020	GVD	AA	Attend to issues re use restrictions in NDA	0.60	825.00	\$495.00
02/07/2020	GVD	AA	Conference with F. Waterhouse re notes receivable	0.20	825.00	\$165.00
02/08/2020	IDK	AA	Review of Committee's response to RCP 5 day notice on MGM trade (.2); Review of numerous emails with DSI, client legal team, and Board on how to deal with Committee's concerns on same, documents to produce, and timing (.5); Emails with G Demo and J. Pomerantz re related issues on same (.2).	0.90	1145.00	\$1,030.50
02/08/2020	IDK	AA	On Sunday, review of G Demo markup of response to Committee on RCP (.2); Emails with G Demo re my feedback and timing (.2); Emails with DSI re same (.1); Emails and telephone conferences with J. Pomerantz re his further changes, and Board feedback re same (.4).	0.90	1145.00	\$1,030.50
02/08/2020	JNP	AA	Review emails and proposed response to Committee questions regarding MGM trade and provide comments.	0.30	1075.00	\$322.50
02/08/2020	GVD	AA	Review back up materials to new motion re potential transaction	0.20	825.00	\$165.00
02/08/2020	GVD	AA	Review committee response to MGM notice and coordinate reply to same	0.40	825.00	\$330.00
02/08/2020	GVD	AA	Multiple calls with J. Seery re Committee response to MGM notice	0.20	825.00	\$165.00
02/09/2020	JNP	AA	Review various versions of Dynamic and Argentina motion; Emails with Gregory V. Demo regarding same.	0.50	1075.00	\$537.50
02/09/2020	JNP	AA	Review of various version of MGM notice and emails regarding same.	0.50	1075.00	\$537.50
02/09/2020	JNP	AA	Conference with Gregory V. Demo regarding revisions to MGM notice; Review company revisions regarding same.	0.20	1075.00	\$215.00
02/09/2020	GVD	AA	Review and revise response to Committee on potential transaction; multiple telephone calls re same	2.70	825.00	\$2,227.50
02/09/2020	GVD	AA	Revise and circulate motion on potential distributions re comments from J. Pomerantz	0.90	825.00	\$742.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/09/2020	GVD	AA	Review back up re responses to committee	0.70	825.00	\$577.50
02/10/2020	IDK	AA	Emails with T Cournoyer, T Surgent re documents needed for RCP for Committee and related issues on timing re same, including feedback from Board (.2); Review of further correspondence between client legal team, Silva, Board, G Demo on issues on documents for Committee re RCP (.2); Emails with J Morris, others on confidentiality issues re documents for Committee re RCP (.1).	0.50	1145.00	\$572.50
02/10/2020	IDK	AA	Emails with attorneys re initial draft of motion to approve MGM trade, including brief review and feedback of others re same (.3); Emails with DSI, J. Pomerantz re Committee's feedback today of timing on its answer on RCP/MGM (.2).	0.50	1145.00	\$572.50
02/10/2020	IDK	AA	Emails with attorneys and DSI re various issues/questions on Notes Receivable analysis.	0.20	1145.00	\$229.00
02/10/2020	JNP	AA	Conference with J. Dubel regarding communications with the Committee regarding MGM trade.	0.10	1075.00	\$107.50
02/10/2020	JNP	AA	Conference with Gregory V. Demo regarding MGM, Argentina and Dynamic and related.	0.20	1075.00	\$215.00
02/10/2020	JNP	AA	Conference with Gregory V. Demo regarding emails regarding communications with Committee regarding MGM trade.	0.10	1075.00	\$107.50
02/10/2020	JNP	AA	Conference with J. Dubel regarding call with M. Clemente regarding MGM.	0.20	1075.00	\$215.00
02/10/2020	JNP	AA	Conference with M. Clemente regarding MGM status and timing.	0.20	1075.00	\$215.00
02/10/2020	PJJ	AA	Create index of loan receivables.	1.70	425.00	\$722.50
02/10/2020	JMF	AA	Review notes and draft summary and analysis re same.	5.40	925.00	\$4,995.00
02/10/2020	JMF	AA	Telephone call with B. Sharp & G. Demo re notes payable analysis.	0.50	925.00	\$462.50
02/10/2020	JMF	AA	Review MGM motion.	0.40	925.00	\$370.00
02/10/2020	GVD	AA	Further revise and circulate motion on potential trade	6.10	825.00	\$5,032.50
02/10/2020	GVD	AA	Conference with J. Fried and DSI re review and analysis of notes receivable	0.50	825.00	\$412.50
02/10/2020	GVD	AA	Conference with WilmerHale re production of	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			documents on potential trade			
02/10/2020	GVD	AA	Follow up correspondence with J. Pomerantz re conference with WilmerHale	0.20	825.00	\$165.00
02/11/2020	IDK	AA	Review of correspondence with DSI, client legal team, Board on FTI questions last night on MGM trade and how to respond (.2); Review and consider further revised versions of MGM/RCP motion (.4); E-mails and telephone conference with G Demo re my comments and proposed changes to same (.4); E-mails and telephone conference with G Demo re same and issues on Cayman counsel employment/payment (.2); Review of correspondence with Committee counsel re further questions on trade, and feedback re same (.2).	1.40	1145.00	\$1,603.00
02/11/2020	IDK	AA	E-mails with G Demo, DSI, client legal team, Board on our latest draft of Argentina/Dynamic motion, including review of same.	0.40	1145.00	\$458.00
02/11/2020	IDK	AA	Review of DSI rec re Petrocap, and related correspondence re same.	0.20	1145.00	\$229.00
02/11/2020	IDK	AA	Telephone conference with G Demo re status of issues/motions, and Multi Strat bids/auction (.1); E-mails with G Demo and J. Pomerantz re same on Multi Strat (.2).	0.30	1145.00	\$343.50
02/11/2020	JNP	AA	Conference with Gregory V. Demo regarding MGM motion; Review drafts of motion.	0.50	1075.00	\$537.50
02/11/2020	JNP	AA	Email to M. Clemente regarding MGM trade timing of hearing.	0.10	1075.00	\$107.50
02/11/2020	JNP	AA	Conference with Ira D. Kharasch regarding MGM and related matters.	0.20	1075.00	\$215.00
02/11/2020	JNP	AA	Conference with M. Clemente and D. Twomey regarding MGM, Argentina and Dynamic.	0.30	1075.00	\$322.50
02/11/2020	JNP	AA	Conference with J. Dubel regarding call with M. Clemente regarding MGM, Argentina and Dynamic.	0.30	1075.00	\$322.50
02/11/2020	JNP	AA	Conference with Gregory V. Demo regarding status of MGM, Argentina and Dynamic.	0.10	1075.00	\$107.50
02/11/2020	JNP	AA	Conference with Gregory V. Demo regarding call with M. Clemente; email to M. Clemente regarding same.	0.10	1075.00	\$107.50
02/11/2020	MBL	AA	Review motion to sell MGM stock; emails with team re same.	0.40	950.00	\$380.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/11/2020	MBL	AA	Review revised version of MGM stock motion.	0.30	950.00	\$285.00
02/11/2020	JMF	AA	Review note documents re analysis for Board.	2.80	925.00	\$2,590.00
02/11/2020	JMF	AA	Review MGM trading motion.	0.40	925.00	\$370.00
02/11/2020	JMF	AA	Review Okada demand letter.	0.10	925.00	\$92.50
02/11/2020	JMF	AA	Review Petro Cap Committee notice, memo to Board & related documents protocol.	0.50	925.00	\$462.50
02/11/2020	GVD	AA	Conference with F. Caruso re Multi Strat auction and next steps	0.30	825.00	\$247.50
02/11/2020	GVD	AA	Conference with T. Silva re distributions from Argentina/Dynamic	0.30	825.00	\$247.50
02/11/2020	GVD	AA	Conference with I. Kharasch re revisions to motion re potential transaction; revise and circulate same	0.20	825.00	\$165.00
02/11/2020	GVD	AA	Conference with J. Dubel, T. Sargent, WilmerHale, and J. Pomerantz re potential transactions and Cayman issues	0.50	825.00	\$412.50
02/11/2020	GVD	AA	Conference with Board of Directors re Cayman law issues	0.50	825.00	\$412.50
02/11/2020	GVD	AA	Call with M. Clemente re poison pill issues and open items	0.30	825.00	\$247.50
02/11/2020	GVD	AA	Follow up conference with J. Pomerantz re call with Board re Cayman issues	0.10	825.00	\$82.50
02/11/2020	GVD	AA	Review draft motion re potential distributions following call with WilmerHale re same	0.50	825.00	\$412.50
02/11/2020	GVD	AA	Revise motion re potential trade re comments from J. Pomerantz	2.10	825.00	\$1,732.50
02/11/2020	GVD	AA	Review additional questions from Committee on potential trade and coordinate responses re same	1.40	825.00	\$1,155.00
02/11/2020	GVD	AA	Conference with J. Pomerantz re status of call with WilmerHale	0.20	825.00	\$165.00
02/12/2020	JNP	AA	Review latest motion regarding Dynamic and Argentina and emails regarding same.	0.20	1075.00	\$215.00
02/12/2020	JMF	AA	Review Hunter Mountain agreements and documents re notes.	3.40	925.00	\$3,145.00
02/12/2020	GVD	AA	Review and respond to questions re notes receivable	0.20	825.00	\$165.00

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02/12/2020	GVD	AA	Review transaction notice and respond to same	0.60	825.00	\$495.00
02/12/2020	GVD	AA	Review poison plan language re rights	0.60	825.00	\$495.00
02/12/2020	GVD	AA	Conference with F. Caruso re rights plan agreement	0.10	825.00	\$82.50
02/13/2020	IDK	AA	E-mails with DSI, client legal team, others re CLO Holdco's interest in Dynamic Fund, including its E-mail to Committee re same.	0.30	1145.00	\$343.50
02/13/2020	IDK	AA	E-mails with attorneys re Board questions on protocols.	0.10	1145.00	\$114.50
02/13/2020	JNP	AA	Conference with B. Sharp regarding various pending transactions and related issues.	0.50	1075.00	\$537.50
02/13/2020	JNP	AA	Conference with Gregory V. Demo regarding Argentina and Dynamic distribution issues (multiple).	0.30	1075.00	\$322.50
02/13/2020	JNP	AA	Regarding and respond to emails regarding additional information to Committee regarding Argentina and Dynamic.	0.10	1075.00	\$107.50
02/13/2020	JNP	AA	Conference with J. Dubel regarding Argentina and Dynamic issues (3x).	0.60	1075.00	\$645.00
02/13/2020	JNP	AA	Conference with M. Clemente regarding Argentina and Dynamic.	0.10	1075.00	\$107.50
02/13/2020	JMF	AA	Review Fund notes documents.	2.70	925.00	\$2,497.50
02/13/2020	GVD	AA	Conference with T. Courneyor re potential sale transaction	0.20	825.00	\$165.00
02/13/2020	GVD	AA	Conference with F. Caruso on auction terms	0.30	825.00	\$247.50
02/13/2020	GVD	AA	Conference with counsel to Cayman directors re application of protocols and distributions; follow up conferences with J. Pomerantz and J. Dubel re same	1.30	825.00	\$1,072.50
02/14/2020	IDK	AA	E-mails with G Demo re his correspondence with client on Trussway and protocols.	0.30	1145.00	\$343.50
02/14/2020	GVD	AA	Review documents re potential asset sale	0.30	825.00	\$247.50
02/14/2020	GVD	AA	Conference with F. Caruso re bid procedures for asset sale	0.40	825.00	\$330.00
02/14/2020	GVD	AA	Conference with Cayman counsel re liquidating distributions	0.50	825.00	\$412.50
02/14/2020	GVD	AA	Conference with F. Caruso re potential asset sale and	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			applicability of protocols			
02/14/2020	GVD	AA	Conference with Cayman counsel and WilmerHale re liquidating distributions and next steps	0.70	825.00	\$577.50
02/15/2020	IDK	AA	Review of correspondence with client legal team on MGM and Committee approval, and dispute re distribution of proceeds.	0.10	1145.00	\$114.50
02/17/2020	IDK	AA	Review of E-mails with from G Demo on Trussway issues, as well as from Board re same re timing (.2).	0.20	1145.00	\$229.00
02/17/2020	JNP	AA	Conference with Gregory V. Demo regarding Trussway and protocols.	0.20	1075.00	\$215.00
02/17/2020	JNP	AA	Review and respond to emails regarding Trussway.	0.10	1075.00	\$107.50
02/17/2020	GVD	AA	Correspondence with F. Caruso and J. Romey re applicability of protocols to Multi Strat	0.40	825.00	\$330.00
02/17/2020	GVD	AA	Conference with J. Romey re potential asset sale	0.30	825.00	\$247.50
02/17/2020	GVD	AA	Conference with T. Cournoyer and J. Romey re potential asset sale	0.30	825.00	\$247.50
02/17/2020	GVD	AA	Follow up conference with J. Romey re next steps	0.10	825.00	\$82.50
02/17/2020	GVD	AA	Correspondence with J. Pomerantz and I. Kharasch re potential transactions; conference with J. Pomerantz re same	0.40	825.00	\$330.00
02/18/2020	IDK	AA	E-mails with attorneys re status on distribution motion and Committee's inquiry re same, including review of various correspondence re setting up hearing on same with Committee counsel.	0.30	1145.00	\$343.50
02/18/2020	IDK	AA	E-mails with attorneys, DSI on Multi Strat issues, including review of draft notice re same to committee.	0.30	1145.00	\$343.50
02/18/2020	JNP	AA	Review emails on Multi Strat funding.	0.10	1075.00	\$107.50
02/18/2020	JMF	AA	Review multistrat memo and cash flow exhibit.	0.60	925.00	\$555.00
02/18/2020	JMF	AA	Review DSI summary re notes receivable issues.	1.80	925.00	\$1,665.00
02/18/2020	JMF	AA	Review protocols.	0.50	925.00	\$462.50
02/18/2020	GVD	AA	Review and revise bid procedures re potential sale	0.60	825.00	\$495.00
02/18/2020	GVD	AA	Review further revised presentation on notes receivable	0.90	825.00	\$742.50
02/18/2020	GVD	AA	Review motion re potential distributions	0.40	825.00	\$330.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/19/2020	IDK	AA	E-mails with attorneys re open issues on draft motion to distribute funds to all investors, and feedback from Board on same.	0.30	1145.00	\$343.50
02/19/2020	JNP	AA	Emails regarding Argentina/Dynamic and related issues.	0.10	1075.00	\$107.50
02/19/2020	JMF	AA	Review note / receivable check and draft analysis re same.	4.80	925.00	\$4,440.00
02/20/2020	IDK	AA	E-mails with DSI, others re Eagle Equity issues, and Committee questions on Multi-Strat request.	0.30	1145.00	\$343.50
02/20/2020	IDK	AA	E-mails with attorneys re drafting issues on distribution motion, and Seery feedback re same and call tomorrow (.3); Review of further revised draft of same motion (.3).	0.60	1145.00	\$687.00
02/20/2020	JNP	AA	Various calls with Gregory V. Demo regarding distribution motion.	0.50	1075.00	\$537.50
02/20/2020	JNP	AA	Conference with J. Dubel regarding distribution motion and call with counsel (2x).	0.50	1075.00	\$537.50
02/20/2020	JNP	AA	Conference with Wilmer Hale, Cayman counsel, T. Sergeant and Gregory V. Demo regarding distribution issues.	1.00	1075.00	\$1,075.00
02/20/2020	JNP	AA	Review and revise motion regarding distributions.	0.50	1075.00	\$537.50
02/20/2020	JNP	AA	Conference with Ira D. Kharasch regarding status of distribution motion and related issues.	0.20	1075.00	\$215.00
02/20/2020	JNP	AA	Review email regarding ABNTQ transaction.	0.10	1075.00	\$107.50
02/20/2020	JMF	AA	Review summaries re notes receivable issues (.6); telephone call with Jack Donahue re same (.7).	1.30	925.00	\$1,202.50
02/20/2020	GVD	AA	Review summary of Trussway sale	0.20	825.00	\$165.00
02/20/2020	GVD	AA	Conference with J. Seery re potential distributions to investors	0.30	825.00	\$247.50
02/20/2020	GVD	AA	Conference with WilmerHale, Carey Olsen, T. Sargent, and J. Pomerantz re analysis of governing documents impacting potential distributions	0.90	825.00	\$742.50
02/20/2020	GVD	AA	Revise and circulate draft of motion re distributions	3.20	825.00	\$2,640.00
02/20/2020	GVD	AA	Further revise motion re comments from J. Pomerantz	2.20	825.00	\$1,815.00
02/20/2020	GVD	AA	Multiple conference with T. Silva (WilmerHale) re	0.90	825.00	\$742.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			status of domestic law review of governing documents			
02/20/2020	GVD	AA	Review memo from Cayman counsel re Cayman law issues with governing documents	0.80	825.00	\$660.00
02/20/2020	GVD	AA	Conference with D. Olarou (Carey Olsen) re Cayman review of documents and next steps	0.40	825.00	\$330.00
02/20/2020	GVD	AA	Conference with J. Seery re status of motion and strategy	0.30	825.00	\$247.50
02/20/2020	GVD	AA	Conference with J. Dubel re status of motion and strategy	0.20	825.00	\$165.00
02/20/2020	GVD	AA	Conference with J. Pomerantz, T. Surgent, WilmerHale, and Carey Olsen re review of domestic and Cayman law issues	0.60	825.00	\$495.00
02/21/2020	IDK	AA	Review of extensive correspondence with client legal team on issues re distribution of proceeds to all investors and related feeder fund issues re same (.2); Review and consider next draft of motion re same, as well as various feedback to same (.3); E-mails with G Demo re my feedback on drafts of motion to expedite and motion re ability to distribute funds to all investors of RFC, Dynamic, others, including how to handle delay of getting certain key info before filing motion (.4).	0.90	1145.00	\$1,030.50
02/21/2020	IDK	AA	E-mails with attorneys & Board re coordination of call today on draft motion to make distribution to all investors (.2); E-mails with attorneys re Cayman counsel feedback to motion and issues of exposure (.2); Attend conference call with Board, others re same motion (.5); E-mails with J. Pomerantz re result of latter call and open issues re motion (.2).	1.10	1145.00	\$1,259.50
02/21/2020	IDK	AA	Telephone conferences with J. Pomerantz, and sometimes G Demo, re how to resolve issues in draft distribution motion re MGM related issues and need for me to draft proposed section re same (.7); Prep of various versions of same section on MGM related issues, including review of prior MGM motion for key facts, and feedback of J. Pomerantz re same (1.2); E-mails with J. Pomerantz re his draft memo to Board re same, along with prior related correspondence re MGM (.2).	2.10	1145.00	\$2,404.50
02/21/2020	JNP	AA	Review several versions of distribution motion.	1.00	1075.00	\$1,075.00
02/21/2020	JNP	AA	Conference with Board, T. Sergeant and Gregory V.	0.50	1075.00	\$537.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Demo regarding distribution motion issues.			
02/21/2020	JNP	AA	Conference with Gregory V. Demo regarding distribution motion (several).	0.40	1075.00	\$430.00
02/21/2020	JNP	AA	Conference with J. Dubel regarding distribution motion and related issues (multiple).	1.30	1075.00	\$1,397.50
02/21/2020	JNP	AA	Draft notice to counter-parties regarding authority and control.	0.30	1075.00	\$322.50
02/21/2020	JNP	AA	Conference with Board regarding distribution motion and related issues (multiple).	0.40	1075.00	\$430.00
02/21/2020	JNP	AA	Review and comment on motion to expedite hearing.	0.20	1075.00	\$215.00
02/21/2020	JNP	AA	Conference with Ira D. Kharasch regarding distribution motion and related issues (multiple).	0.70	1075.00	\$752.50
02/21/2020	JNP	AA	Research history of transaction and draft email to Board regarding RCP.	0.30	1075.00	\$322.50
02/21/2020	JNP	AA	Review and comment on proposed insert to distribution motion.	0.30	1075.00	\$322.50
02/21/2020	JNP	AA	Draft email to J. Dubel regarding issues in connection with distribution motion.	0.50	1075.00	\$537.50
02/21/2020	JMF	AA	Review corporate structure & issues re ownership issues.	0.40	925.00	\$370.00
02/21/2020	JMF	AA	Review memo re notes receivables.	0.60	925.00	\$555.00
02/21/2020	GVD	AA	Revise and circulate revised protocols for filing	0.10	825.00	\$82.50
02/21/2020	GVD	AA	Conference with I. Kharasch and J. Pomerantz re potential changes to motion re distributions; follow up items re same	0.60	825.00	\$495.00
02/21/2020	GVD	AA	Review and file updated protocols; correspondence with J. Bentley re same	0.60	825.00	\$495.00
02/21/2020	GVD	AA	Further review and revision of motion re authorization of distributions	6.60	825.00	\$5,445.00
02/21/2020	GVD	AA	Conference with J. Pomerantz and Board re motion re authorization of distributions	0.80	825.00	\$660.00
02/21/2020	GVD	AA	Conference with I. Kharasch, HCMLP, WilmerHale and Cayman counsel re motion on authorization re distributions and finalization of same	0.60	825.00	\$495.00
02/21/2020	GVD	AA	Multiple conferences with T. Silva (WilmerHale) and D. Olarou (Carey Olsen) re Cayman and	1.00	825.00	\$825.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Domestic law issues			
02/21/2020	GVD	AA	Coordinate exhibits for motion re authority to make distributions	1.00	825.00	\$825.00
02/22/2020	IDK	AA	Review of correspondence with Board, others on further issues on draft distribution motion and related open drafting issues (.4); Further extensive correspondence with Board on various alternative language and legal issues re same re MGM (.4); E-mails with attorneys re same, "affiliate" issues (.3); Telephone conferences with J. Pomerantz re same (.5); Review and consider further draft of same motion of today (.3).	1.90	1145.00	\$2,175.50
02/22/2020	JNP	AA	Conference with Ira D. Kharasch regarding distribution motion (several).	0.60	1075.00	\$645.00
02/22/2020	JNP	AA	Conference with B. Sharp regarding distribution motion (2x).	0.20	1075.00	\$215.00
02/22/2020	JNP	AA	Conference with Gregory V. Demo regarding distribution motion (several).	0.60	1075.00	\$645.00
02/22/2020	JNP	AA	Research issues regarding distribution motion.	0.30	1075.00	\$322.50
02/22/2020	GVD	AA	Review and revise email to board re potential insert to emergency motion	0.70	825.00	\$577.50
02/22/2020	GVD	AA	Further revise motion on distributions re changes form J. Pomerantz and local counsel	0.70	825.00	\$577.50
02/22/2020	GVD	AA	Revise motion to distribute re proposed insert; correspondence with J. Pomerantz and I. Kharasch re same	0.60	825.00	\$495.00
02/22/2020	GVD	AA	Conference with J. Pomerantz re status of motion to distribute and next steps	0.20	825.00	\$165.00
02/23/2020	IDK	AA	Review of various correspondence from Board members, others with new alternative language for distribution motion, including review of further revised motion (.7); E-mails with Board, attorneys re timing of setting such motion and getting Committee feedback re same, including initial feedback from Committee (.4).	1.10	1145.00	\$1,259.50
02/23/2020	IDK	AA	Telephone conferences with J. Pomerantz re various issues, concerns on open issues in distribution motion, and testimony issues re same (.6); Attend part of conference call re timing of filing such motion (.2).	0.80	1145.00	\$916.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/23/2020	JNP	AA	Calls with Gregory V. Demo regarding distribution motion (several).	0.40	1075.00	\$430.00
02/23/2020	JNP	AA	Conference with John A. Morris regarding distribution motion.	0.20	1075.00	\$215.00
02/23/2020	JNP	AA	Conference with M. Clemente regarding distribution motion.	0.30	1075.00	\$322.50
02/23/2020	JNP	AA	Conference with M. Clemente regarding distribution motion.	0.20	1075.00	\$215.00
02/23/2020	JMF	AA	Review shared services agreement with Rand.	1.80	925.00	\$1,665.00
02/23/2020	GVD	AA	Review and analyze RCP documents re affiliate issues	0.80	825.00	\$660.00
02/23/2020	GVD	AA	Conference with J. Pomerantz re affiliate issues	0.20	825.00	\$165.00
02/23/2020	GVD	AA	Conference with Board, J. Pomerantz, and M. Hayward re motion to distribute proceeds	2.80	825.00	\$2,310.00
02/23/2020	GVD	AA	Revise motion to distribute re Director comments and circulate same	0.90	825.00	\$742.50
02/23/2020	GVD	AA	Further revise motion to distribute re comments from R. Nelms	0.40	825.00	\$330.00
02/23/2020	GVD	AA	Conference with J. Dubel and J. Pomerantz re status of motion and next steps	0.20	825.00	\$165.00
02/23/2020	GVD	AA	Follow up emails with Committee and internal counsel re motion to distribute	0.30	825.00	\$247.50
02/23/2020	GVD	AA	Multiple conferences with J. Pomerantz re status of motion to distribute and next steps	0.30	825.00	\$247.50
02/24/2020	IDK	AA	Review of correspondence with DSI/Board on sale of insurance policies and pending issues re same.	0.20	1145.00	\$229.00
02/24/2020	JNP	AA	Conference with Joshua M. Fried regarding review of misaligned stock transaction.	0.10	1075.00	\$107.50
02/24/2020	JNP	AA	Review emails regarding status of Multi Strat sales process.	0.10	1075.00	\$107.50
02/24/2020	JNP	AA	Emails to and from Ira D. Kharasch regarding research regarding misapplied stock issues.	0.10	1075.00	\$107.50
02/24/2020	JMF	AA	Analyze issues re Stack transfer (.4); telephone call with J.N. Pomerantz re same (.2).	0.60	925.00	\$555.00
02/24/2020	JMF	AA	Review motion to authorize distribution from funds.	0.60	925.00	\$555.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/24/2020	GVD	AA	Conference with Board re motion to authorize distributions	0.70	825.00	\$577.50
02/24/2020	GVD	AA	Review application of protocols to proposed sale transaction	0.50	825.00	\$412.50
02/24/2020	GVD	AA	Conference with J. Romey and company re potential sale transactions	0.90	825.00	\$742.50
02/24/2020	GVD	AA	Revise and prepare motion to authorize distributions and exhibits for filing	1.70	825.00	\$1,402.50
02/24/2020	GVD	AA	Conferences with J. Pomerantz re motion to distribute assets and open items	0.20	825.00	\$165.00
02/25/2020	IDK	AA	Review briefly memo re Trussway (.2); E-mails with J. Pomerantz re same (.1).	0.30	1145.00	\$343.50
02/25/2020	JNP	AA	Begin to prepare for hearing to consider Distribution motion.	0.50	1075.00	\$537.50
02/25/2020	JNP	AA	Review and respond to emails regarding Trussway.	0.10	1075.00	\$107.50
02/25/2020	GVD	AA	Revise memo re potential sale	1.30	825.00	\$1,072.50
02/25/2020	GVD	AA	Correspondence with PSZJ and DSI team re potential sales transaction	0.30	825.00	\$247.50
02/25/2020	GVD	AA	Review waterfall analysis; correspondence re same	0.50	825.00	\$412.50
02/25/2020	GVD	AA	Review as filed motion to distribute and exhibits in preparation of hearing	1.50	825.00	\$1,237.50
02/26/2020	IDK	AA	Review of DSI presentation on notes receivable.	0.20	1145.00	\$229.00
02/26/2020	IDK	AA	Review of extensive update on sales of policies in Multi-Strat, including Committee approval of funding for same.	0.20	1145.00	\$229.00
02/26/2020	IDK	AA	E-mails with DSI, others re key man issues in Korean Fund and need to document.	0.20	1145.00	\$229.00
02/26/2020	JNP	AA	Email with broker regarding life settlements.	0.10	1075.00	\$107.50
02/26/2020	JEO	AA	Call from Debevoise re question on pending transaction and email to PSZJ team re same	0.30	925.00	\$277.50
02/26/2020	JMF	AA	Review background documents re ABC stock transfer issues.	2.70	925.00	\$2,497.50
02/26/2020	JMF	AA	Review notes receivable deck.	0.80	925.00	\$740.00
02/27/2020	IDK	AA	Telephone conferences with G Demo re Trussway	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			status-timing (.1); E-mails with J. Pomerantz re same (.1).			
02/27/2020	IDK	AA	Review of correspondence re Okada note demand and related issues.	0.20	1145.00	\$229.00
02/27/2020	IDK	AA	Review of correspondence with Board re trading authority consent document (.1); E-mails with G Demo re next steps re same on client legal team, including correspondence with legal team, Board re same (.3).	0.40	1145.00	\$458.00
02/27/2020	IDK	AA	Review briefly correspondence re the ABNTQ issues on stock assets.	0.10	1145.00	\$114.50
02/27/2020	JNP	AA	Review and respond to Joshua M. Fried email regarding constructive trust analysis.	0.10	1075.00	\$107.50
02/27/2020	JNP	AA	Review and respond to email from B. Sharp regarding Committee request for status of M. Okada note.	0.10	1075.00	\$107.50
02/27/2020	JMF	AA	Research re ABC stock transfer issues.	4.40	925.00	\$4,070.00
02/27/2020	GVD	AA	Conference with HCMLP and J. Romey re potential transaction and protocol issues	0.60	825.00	\$495.00
02/27/2020	GVD	AA	Conference with counsel to investor re motion to distribute; correspondence with J. Pomerantz and I. Kharasch re same	0.90	825.00	\$742.50
02/27/2020	GVD	AA	Conference with DSI and HCMLP re potential key man issues	0.20	825.00	\$165.00
02/27/2020	GVD	AA	Draft letter re potential key man issues; correspondence with I. Kharasch re same	0.60	825.00	\$495.00
02/28/2020	IDK	AA	Review of further correspondence re ABNTQ stock issues and consider issues.	0.20	1145.00	\$229.00
02/28/2020	IDK	AA	Review of correspondence with Board, others on liquidity request re another fund and next steps, as well as re Carey issues (.4).	0.40	1145.00	\$458.00
02/28/2020	JMF	AA	Research re estate property issues re ABC stock transfer (2.8); office conference with K. Brown re same (.3).	3.10	925.00	\$2,867.50
02/28/2020	JMF	AA	Review motion for distributions to liquidate funds.	0.40	925.00	\$370.00
02/28/2020	GVD	AA	Review draft DSI memo re potential liquidation of fund	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/28/2020	GVD	AA	Revise and circulate key man letter	0.30	825.00	\$247.50
02/28/2020	GVD	AA	Review potential fund liquidation analysis; correspondence re same	0.50	825.00	\$412.50
02/28/2020	GVD	AA	Review background information re potential lending transaction	0.40	825.00	\$330.00
02/29/2020	IDK	AA	E-mails with attorneys and DSI on follow up on T Cournoyer's memo on Carey fund and loan extension issues.	0.20	1145.00	\$229.00
02/29/2020	IDK	AA	Telephone conference with G Demo re Korea Fund/key man issues (.1); E-mails with attorneys, DSI re Korea Fund and key man issues re same, including my feedback on draft letter re same (.4); Review of correspondence with Board re same (.1).	0.60	1145.00	\$687.00
02/29/2020	GVD	AA	Revise and circulate memo on proposed Transaction	0.40	825.00	\$330.00
02/29/2020	GVD	AA	Conduct initial review of potential loan issue	1.00	825.00	\$825.00
02/29/2020	GVD	AA	Conference with I. Kharasch re key man issues	0.20	825.00	\$165.00
				206.70		\$189,827.00

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02/02/2020	JAM	BL	E-mail to Board re Order to Trustee motion (.2).	0.20	1075.00	\$215.00
02/03/2020	JNP	BL	Review discovery letter and documents production from Sidley.	0.10	1075.00	\$107.50
02/03/2020	JEO	BL	Review proposed order on ch. 11 trustee motion	0.20	925.00	\$185.00
02/03/2020	JEO	BL	Review status of matters scheduled for 2/19 hearing	0.30	925.00	\$277.50
02/03/2020	JMF	BL	Telephone call with G. Demo re pending case & 2/19 hearing issues.	0.90	925.00	\$832.50
02/03/2020	JMF	BL	Review sealing motion.	0.40	925.00	\$370.00
02/03/2020	JMF	BL	Review order denying dismissal.	0.10	925.00	\$92.50
02/03/2020	JMF	BL	Review Committee discovery demand re avoidance actions.	0.40	925.00	\$370.00
02/03/2020	JAM	BL	E-mail to L. Lambert re order on Trustee motion (.1); telephone conference with P. Reid, Sidley re document requests (.1); e-mail to Directors re UCC document requests (.2); e-mail to PSZJ team re UCC document requests (.1); e-mails re document retention (.1); review UCC letter re document	0.90	1075.00	\$967.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			retention and document requests (.2); e-mails with J. Pomerantz re UCC requests (.1).			
02/04/2020	JNP	BL	Review email from John A. Morris regarding communication with the Board regarding discovery requests.	0.10	1075.00	\$107.50
02/04/2020	JNP	BL	Review email and request for consent to proceed with non-bankruptcy litigation and forward to Board for review.	0.10	1075.00	\$107.50
02/04/2020	JAM	BL	E-mail to Board re document requests/document retention (.3); telephone conference with J. Dubel re document requests/document retention (.1); e-mail to S. Ellington, Board re document requests/document retention (.1); e-mail to Z. Annable re Terry litigation (.1).	0.60	1075.00	\$645.00
02/05/2020	JNP	BL	Review email regarding John A. Morris discussion with client regarding document protocols and related.	0.10	1075.00	\$107.50
02/05/2020	JMF	BL	Review summary of matters re pending litigation and lawsuits.	0.50	925.00	\$462.50
02/05/2020	JAM	BL	Telephone conference with S. Vitiello re UCC document demands and protocols (.6); e-mail to J. Pomerantz, I. Kharasch re document protocols and requests (.2).	0.80	1075.00	\$860.00
02/05/2020	LSC	BL	Update discovery files and production log.	1.70	425.00	\$722.50
02/06/2020	JNP	BL	Conference with R. Patel regarding DAF litigation, discovery in connection with Linn Pinker retention and other issues.	0.30	1075.00	\$322.50
02/06/2020	JNP	BL	Conference with Ira D. Kharasch regarding call with R. Patel.	0.20	1075.00	\$215.00
02/06/2020	JMF	BL	Review Sidley letter (.1) and document protocol (.3) re Committee document requests.	0.40	925.00	\$370.00
02/06/2020	JMF	BL	Review 365(d)(4) order.	0.10	925.00	\$92.50
02/06/2020	JAM	BL	E-mail to Board re document preservation policies (.5); review and analyze Terry draft motion to lift stay and related documents (1.2); telephone conference with B. Shaw re Terry lift stay motion (.1); telephone conference with P. Hoffman re Acis/Highland documents (.1).	1.90	1075.00	\$2,042.50
02/06/2020	LSC	BL	Transmit document productions to FTI.	0.70	425.00	\$297.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/06/2020	GVD	BL	Conference with J. Pomerantz and I. Kharasach re notice to committee and status of motion	0.20	825.00	\$165.00
02/07/2020	IDK	BL	Review and consider draft motion to approve distributions from Argentina/Dynamic fund (.2); Emails with G Demo re my comments and proposed revisions (.3); Emails with attorneys re further comments of others to same and when to send draft to Board (.2).	0.70	1145.00	\$801.50
02/07/2020	JNP	BL	Review email from R. Patel regarding Hurst deposition and forward to Board.	0.10	1075.00	\$107.50
02/07/2020	JNP	BL	Review minute entry from Court and email to Gregory V. Demo regarding same.	0.10	1075.00	\$107.50
02/07/2020	MBL	BL	Review and comment on Argentina/Dynamic motion; emails with team re same.	0.40	950.00	\$380.00
02/07/2020	JAM	BL	Prepare for Board call presentation on UCC document requests and document retention protocols (.4); telephone conference with Board, J. Pomerantz, I. Kharasch, others (partial) re litigation matters (.6); telephone conference with S. Vitiello re document preservation (.1); e-mails with S. Vitiello, J. Pomerantz re document preservation and document production (.2); meet and confer with UCC re document requests and preservation (.7); review e-mails from P. Reid re document requests and preservation (.2).	2.20	1075.00	\$2,365.00
02/07/2020	GVD	BL	Review notice of withdrawal of retention without prejudice	0.30	825.00	\$247.50
02/08/2020	JNP	BL	Review and respond to Gregory V. Demo email regarding coverage for hearing.	0.10	1075.00	\$107.50
02/08/2020	JAM	BL	E-mail to R. Nelms, J. Pomerantz, I. Kharasch, Highland re document preservation (.4); e-mail to R. Nelms, J. Pomerantz, I. Kharasch re document production (.3).	0.70	1075.00	\$752.50
02/09/2020	JAM	BL	Review UCC discovery requests and related e-mails (.3); telephone conference with R. Nelms re UCC document requests (.3); e-mails to S. Vitiello, I. Leventon, and others re document production (.1).	0.70	1075.00	\$752.50
02/09/2020	GVD	BL	Draft motion to authorize potential transaction on an expedited basis	4.70	825.00	\$3,877.50
02/09/2020	GVD	BL	Review deposition notice to M. Hurst; follow up re same	0.40	825.00	\$330.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/10/2020	IDK	BL	Emails with attorneys re Court clerk's email re Feb 19 hearing and questions, and coordination of call (.1); Telephone conference with G Demo and J. Pomerantz re same, including correspondence to court re same (.3).	0.40	1145.00	\$458.00
02/10/2020	JJK	BL	Research / review documents re: status of withdrawal of reference and pending appeals.	2.50	895.00	\$2,237.50
02/10/2020	JNP	BL	Conference with R. Patel regarding retention of professionals, Acis issues and related.	0.20	1075.00	\$215.00
02/10/2020	JEO	BL	Check with local counsel on status of remove motion, CNO and proposed order for same	0.30	925.00	\$277.50
02/10/2020	JAM	BL	Review UCC discovery demands and SOFAs (.7); telephone conference with I. Leventon, S. Vitiello re UCC discovery demands (1.6); e-mail to P. Reid re status of discovery (.1); e-mail to R. Nelms re document production (.1); e-mail to P. Reid re document preservation issues (draft) (.7); e-mail to T. Cournoyer, T. Surgent, Board, J. Pomerantz, others re document designations (.5); telephone conference with I. Leventon, R. Nelms, S. Vitiello re document production (.3).	4.00	1075.00	\$4,300.00
02/10/2020	LSC	BL	Prepare and transmit document production and update production log re same.	1.60	425.00	\$680.00
02/10/2020	LSC	BL	Prepare certificate of service for reply to objection to 2004 motion (.2); finalize, file, and serve reply and certificate of service (.5).	0.70	425.00	\$297.50
02/10/2020	GVD	BL	Draft motions to expedite; correspondence with local counsel re same	1.20	825.00	\$990.00
02/10/2020	GVD	BL	Review responses re document production	0.30	825.00	\$247.50
02/10/2020	GVD	BL	Multiple correspondence with client and board re production of documents	0.90	825.00	\$742.50
02/10/2020	GVD	BL	Conference with PSZJ and Board of Directors re status of Acis litigation and next steps	0.80	825.00	\$660.00
02/11/2020	JMF	BL	Review letter to Committee re discovery issues.	0.20	925.00	\$185.00
02/11/2020	JAM	BL	Review documents sought by Reorganized Acis (1.7); draft e-mail to Board re documents sought by Reorganized Acis (.4); e-mail to B. Shaw re Acis documents (.2); revise and send e-mail to Sidley re document preservation (.2); review/ revise motion re MGM trade (.6).	3.10	1075.00	\$3,332.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/11/2020	GVD	BL	Review and revise motions to expedite pleadings re potential transactions	0.70	825.00	\$577.50
02/12/2020	IDK	BL	E-mails with attorneys, client legal team, re further issues on draft MGM trade motion, and poison pill issues (.4).	0.40	1145.00	\$458.00
02/12/2020	KKY	BL	Draft 2/19/20 agenda	1.70	425.00	\$722.50
02/12/2020	JMF	BL	Review critical dates (.1) and update memo re pending tasks & case issues (.3).	0.40	925.00	\$370.00
02/12/2020	JAM	BL	E-mails with J. Donohue, S. Vitiello re document production (.2); e-mails with UCC re document requests/e-mail searches (.2).	0.40	1075.00	\$430.00
02/13/2020	KKY	BL	Review and revise 2/19/20 agenda	2.20	425.00	\$935.00
02/13/2020	JEO	BL	Review status of matters scheduled for 2/19 hearing	0.60	925.00	\$555.00
02/13/2020	JEO	BL	Review and comment on hearing agenda for 2/19	0.40	925.00	\$370.00
02/13/2020	JEO	BL	Coordinate with local counsel to prepare for 2/19 hearing	1.60	925.00	\$1,480.00
02/13/2020	JAM	BL	Review Acis documents (1.2); prepare and send e-mail to B. Shaw re Acis documents (.3); telephone conference with J. Donohoe re e-mail searches (.1); e-mails with B. Sharp, F. Caruso, J. Pomerantz re J. Donohoe work concerning e-mail searches (.2); e-mails with I. Leventon, B. Sharp, S. Vitiello re e-mail searches (.2); e-mails with J. Donohoe, I. Leventon, S. Vitiello re e-mail searches (.4); e-mail to P. Reid, Sidley re document searches (.2).	2.60	1075.00	\$2,795.00
02/13/2020	JAM	BL	Review/revise Agenda for hearing (.4); communications with J. O'Neill e agenda (.1).	0.50	1075.00	\$537.50
02/13/2020	LSC	BL	Prepare and transmit document productions and update production log regarding the same.	2.20	425.00	\$935.00
02/13/2020	GVD	BL	Review agenda for February 19 hearing	0.40	825.00	\$330.00
02/14/2020	IDK	BL	E-mails with attorneys, others on latest draft of MGM motion, including review of same, and feedback from Cayman counsel.	0.40	1145.00	\$458.00
02/14/2020	JEO	BL	Review and update agenda for 2/19 hearing	0.70	925.00	\$647.50
02/14/2020	JEO	BL	Review email update re CLO Issuers objection to settlement	0.30	925.00	\$277.50
02/14/2020	JEO	BL	Review and comment on witness/exhibit list for	0.30	925.00	\$277.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Foley retention hearing			
02/14/2020	JEO	BL	Review status of settlement motion and update from CLO Issuers re possible resolution	0.20	925.00	\$185.00
02/14/2020	JEO	BL	Emails with local counsel Zach Anabele and Greg Demo re hearing agenda and status of matters going forward on 2/19.	0.70	925.00	\$647.50
02/14/2020	JEO	BL	Revise form of order for Foreign Representative	0.60	925.00	\$555.00
02/14/2020	JEO	BL	Check on status of motion to appoint foreign representative	0.20	925.00	\$185.00
02/14/2020	JMF	BL	Review proposed orders re 2/19 hearing.	0.30	925.00	\$277.50
02/15/2020	JNP	BL	Emails regarding exhibits and witness issues in connection with hearing.	0.20	1075.00	\$215.00
02/17/2020	JNP	BL	Conference with John A. Morris (2x) regarding discovery issues.	0.70	1075.00	\$752.50
02/17/2020	JEO	BL	Review agenda updates and email with Zach Anabele and Greg Demo re hearing prep for 2/19/2020 omnibus hearing	1.10	925.00	\$1,017.50
02/17/2020	JEO	BL	Review form of order for Foreign Representative Motion	0.30	925.00	\$277.50
02/17/2020	JAM	BL	Draft e-mail to Sidley re document production (.7); telephone conference with J. Pomerantz re draft e-mail to Sidley (.3); e-mail to Board re document production issues (.6); telephone conference with J. Pomerantz re document production (.2); e-mails with B. Sharp re document production (.1).	1.90	1075.00	\$2,042.50
02/18/2020	JNP	BL	Emails regarding Acis request for information.	0.10	1075.00	\$107.50
02/18/2020	JNP	BL	Conference with Gregory V. Demo and John A. Morris in preparation for hearing.	0.40	1075.00	\$430.00
02/18/2020	JNP	BL	Emails to and from John A. Morris regarding Committee additional requests for information.	0.10	1075.00	\$107.50
02/18/2020	JEO	BL	Prepare for omnibus hearing	1.20	925.00	\$1,110.00
02/18/2020	JMF	BL	Review final orders re 2/19 hearing.	0.40	925.00	\$370.00
02/18/2020	JMF	BL	Telephone call with G. Demo & J.N. Pomerantz re 2/19 hearing issues.	0.30	925.00	\$277.50
02/18/2020	JMF	BL	Review agenda re 2/19 hearing.	0.10	925.00	\$92.50
02/18/2020	JMF	BL	Draft memo re pending case issues & motions.	0.40	925.00	\$370.00

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02/18/2020	JAM	BL	Review e-mails re UCC document requests (.4); outline document requests and status of responses (.5); meet with B. Sharp, S. Vitiello re document production (.7); telephone conference with B. Sharp, S. Vitiello, P. Montgomery re e-mail searches (.5).	2.10	1075.00	\$2,257.50
02/19/2020	IDK	BL	E-mails with attorneys re result of today's hearing, and article on same.	0.20	1145.00	\$229.00
02/19/2020	MBL	BL	Attention to hearing summary.	0.10	950.00	\$95.00
02/19/2020	JMF	BL	Review 2/19 orders re hearing.	0.20	925.00	\$185.00
02/19/2020	GVD	BL	Attend February 19 Hearing	4.50	825.00	\$3,712.50
02/19/2020	LSC	BL	Coordinate telephonic appearances at hearing.	0.40	425.00	\$170.00
02/20/2020	JJK	BL	Review voluminous pleadings in relation to Acis.	3.00	895.00	\$2,685.00
02/20/2020	JNP	BL	Conference with John A. Morris regarding discovery issues (2x).	0.20	1075.00	\$215.00
02/20/2020	JNP	BL	Conference with Ira D. Kharasch regarding discovery issues.	0.10	1075.00	\$107.50
02/20/2020	JAM	BL	Telephone conference with I. Leventon re document production (.3); e-mail to P. Reid re document preservation issues (.2).	0.50	1075.00	\$537.50
02/21/2020	LSC	BL	Prepare and transit document productions and update production log.	2.10	425.00	\$892.50
02/21/2020	GVD	BL	Correspondence with local counsel re potential filing	0.30	825.00	\$247.50
02/22/2020	JNP	BL	Multiple calls regarding distribution motion.	0.90	1075.00	\$967.50
02/22/2020	JNP	BL	Email to Board regarding distribution motion.	0.10	1075.00	\$107.50
02/22/2020	JNP	BL	Review emails from Board Members regarding distribution motion and consider same.	0.30	1075.00	\$322.50
02/23/2020	JNP	BL	Conference with John A. Morris regarding status of discovery issues.	0.20	1075.00	\$215.00
02/23/2020	JNP	BL	Review materials in preparation for call with Board regarding distribution motion; Conference with Gregory V. Demo regarding same.	0.40	1075.00	\$430.00
02/23/2020	JNP	BL	Participate on lengthy call with Board regarding distribution motion.	2.80	1075.00	\$3,010.00
02/23/2020	JNP	BL	Conference with B. Sharp regarding results of Board call regarding distribution motion.	0.10	1075.00	\$107.50

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02/23/2020	JNP	BL	Conference with Ira D. Kharasch regarding results of Board call regarding distribution motion.	0.50	1075.00	\$537.50
02/23/2020	JNP	BL	Emails with Board regarding timing of hearing on distribution motion.	0.30	1075.00	\$322.50
02/24/2020	IDK	BL	E-mails with attorneys re standing to sue on notes and related issues on distribution motion.	0.20	1145.00	\$229.00
02/24/2020	IDK	BL	Attend calls with J. Pomerantz and then with J Morris re evidence/testimony for the March 4 hearing re distributions from funds (.6); Review of numerous correspondence with Board on status of distribution motion for filing and issues re same, including MGM sale and related issues, re new briefing schedule for opposition/reply, and of Committee counsel's feedback on briefing schedule of March 4 (.4); Review of correspondence with DSI re same on how interests obtained (.2).	1.20	1145.00	\$1,374.00
02/24/2020	JNP	BL	Email to and from M. Clemente regarding response time for hearing.	0.10	1075.00	\$107.50
02/24/2020	JNP	BL	Conference with Ira D. Kharasch and John A. Morris regarding preparation for hearing.	0.40	1075.00	\$430.00
02/24/2020	JNP	BL	Conference with John A. Morris regarding preparation for hearing.	0.10	1075.00	\$107.50
02/24/2020	JNP	BL	Conference with M. Clemente regarding response date for hearing..	0.10	1075.00	\$107.50
02/24/2020	JNP	BL	Conference with Gregory V. Demo regarding filing of motion and email regarding same.	0.10	1075.00	\$107.50
02/24/2020	JNP	BL	Emails regarding beginning preparation for hearing.	0.10	1075.00	\$107.50
02/24/2020	JNP	BL	Participate on Board call regarding distribution motion, hearing and related.	1.00	1075.00	\$1,075.00
02/24/2020	JNP	BL	Email to Board regarding call with M. Clemente regarding hearing.	0.10	1075.00	\$107.50
02/24/2020	MBL	BL	Review motion to distribute proceeds of dissolving funds.	0.30	950.00	\$285.00
02/24/2020	JAM	BL	Telephone conference with J. Pomerantz, I. Kharasch re Distribution Motion (.4); telephone conference with J. Pomerantz re Seery preparation (.1); e-mail to J. Seery, Board, others re deposition preparation (.4).	0.90	1075.00	\$967.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/24/2020	JAM	BL	E-mail to S. Vitiello, I. Leventon, B. Sharp, J. Pomerantz, I. Kharasch re discovery (.1); e-mail to Board re document production (.1); e-mails with J. Pomerantz re e-discovery (.1).	0.30	1075.00	\$322.50
02/25/2020	IDK	BL	Review of correspondence with client legal team on prep for March 4 hearing.	0.20	1145.00	\$229.00
02/25/2020	JNP	BL	Conference with John A. Morris (several) regarding Committee information request issues.	0.30	1075.00	\$322.50
02/25/2020	JEO	BL	Review and approve notice of hearing on distribution motion	0.20	925.00	\$185.00
02/25/2020	JAM	BL	Analyze and begin preparing for hearing on Distribution Motion.	1.40	1075.00	\$1,505.00
02/25/2020	JAM	BL	Telephone conference with T. Jeremiassen, J. Donohoe re document production (.1); telephone conference with I. Leventon, S. Vitiello, T. Jeremiassen, J. Donohoe re document production issues (.3); telephone conference with J. Pomerantz re discovery (.1).	0.50	1075.00	\$537.50
02/26/2020	IDK	BL	Telephone conference with J. Pomerantz re testimony re March 4 hearing (.1); E-mails with Seery, Melissa, others re same on coordination of call on testimony (.1); E-mails with J. Pomerantz re my feedback on initial outline of oral argument for March 4 and my feedback (.2).	0.40	1145.00	\$458.00
02/26/2020	JNP	BL	Begin preparation for hearing on Distribution motion.	1.50	1075.00	\$1,612.50
02/26/2020	JNP	BL	Conference with M. Hayward, J. Seery, T. Surgent and Gregory V. Demo regarding witness preparation for Distribution motion.	0.90	1075.00	\$967.50
02/26/2020	JNP	BL	Conference with Gregory V. Demo regarding witness preparation after call.	0.10	1075.00	\$107.50
02/26/2020	JNP	BL	Conference with Ira D. Kharasch and then John A. Morris regarding preparation of motion.	0.20	1075.00	\$215.00
02/26/2020	JNP	BL	Conference with John A. Morris regarding discovery issues.	0.10	1075.00	\$107.50
02/26/2020	JNP	BL	Review emails regarding discovery issues.	0.20	1075.00	\$215.00
02/26/2020	JNP	BL	Emails to schedule time for witness preparation for Distribution motion.	0.10	1075.00	\$107.50

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02/26/2020	MBL	BL	Attention to creditor inquiry re distribution motion.	0.10	950.00	\$95.00
02/26/2020	JEO	BL	Review Distribution motion	0.20	925.00	\$185.00
02/26/2020	JAM	BL	Telephone conference with J. Dubel re discovery (.3); telephone conference with J. Pomerantz re discovery (.1); e-mail to I. Leventon, others re discovery (.3); work on draft responses to document requests (2.1); telephone conference with I. Leventon, S. Vitiello, T. Jeremiassen, J. Donohoe re e-mail discovery (.2); telephone conference with I. Leventon, S. Vitiello, T. Jeremiassen, J. Donohoe, Sidley re e-discovery (.4); e-mail to Highland, DSI, PSZJ teams re meet and confer call with Sidley (.2).	3.60	1075.00	\$3,870.00
02/26/2020	JAM	BL	Board call to discuss all aspects of discovery (partial) (.8).	0.80	1075.00	\$860.00
02/26/2020	GVD	BL	Draft allocation of responsibilities re preparation for March 4 hearing	0.40	825.00	\$330.00
02/26/2020	GVD	BL	Review draft opening statement for March 4 hearing	0.30	825.00	\$247.50
02/26/2020	GVD	BL	Conference with J. Pomerantz, M. Hayward, and J. Seery re preparation for March 4 hearing	0.70	825.00	\$577.50
02/26/2020	GVD	BL	Attend to follow up items re preparation for March 4 hearing	0.40	825.00	\$330.00
02/26/2020	GVD	BL	Conference with S. Davies (WilmerHale) re analysis of contracts and applicable law	0.20	825.00	\$165.00
02/27/2020	AWC	BL	Review underlying claims and call with DSI re information to analyze preference claims in ACIS litigation; emails with team thereon.	0.50	1095.00	\$547.50
02/27/2020	IDK	BL	E-mails of my and others' feedback of initial draft presentation to court for March 4, including review of draft.	0.30	1145.00	\$343.50
02/27/2020	JNP	BL	Continue to revise opening part of argument and transmit to Board.	0.30	1075.00	\$322.50
02/27/2020	JNP	BL	Conference with M. Okada counsel regarding hearing on distribution motion.	0.30	1075.00	\$322.50
02/27/2020	JNP	BL	Conference with J. Seery regarding call from counsel for M. Okada.	0.10	1075.00	\$107.50
02/27/2020	JNP	BL	Conference with Ira D. Kharasch regarding status and call from M. Okada counsel.	0.20	1075.00	\$215.00
02/27/2020	JNP	BL	Review and respond to emails regarding witness list.	0.10	1075.00	\$107.50

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02/27/2020	JNP	BL	Review and respond to emails regarding witness list.	0.10	1075.00	\$107.50
02/27/2020	JEO	BL	Email exchange with local counsel re documents needed for 3/4 hearing	0.30	925.00	\$277.50
02/27/2020	JEO	BL	Review and circulate witness and exhibit list for 3/4 hearing	0.40	925.00	\$370.00
02/27/2020	JAM	BL	Review/revise written responses to UCC's second set of document requests (1.8); e-mail to R. Nelms, J. Pomerantz, I. Kharasch, G. Demo re draft written responses to UCC's document requests (.2).	2.00	1075.00	\$2,150.00
02/28/2020	IDK	BL	Review of E-mails with client legal team and Board re analysis of how related parties got interests.	0.20	1145.00	\$229.00
02/28/2020	JNP	BL	Conference with Gregory V. Demo regarding witness list and other issues regarding distribution motion.	0.10	1075.00	\$107.50
02/28/2020	JEO	BL	Review witness/exhibit list for 3/4 hearing on Distribution Motion	0.60	925.00	\$555.00
02/28/2020	JAM	BL	Telephone conference with R. Nelms re draft responses to UCC's second document requests (.5); e-mail to R. Nelms, I. Leventon, S. Vitiello, T. Jeremiassen, J. Donohoe, J. Pomerantz, I. Kharasch, G. Demo re discovery (.2); telephone conference with T. Jeremiassen re discovery (.1); e-mail to J. Pomerantz, I. Kharasch, G. Demo re discovery (.2); telephone conference with J. O'Neil re status of Distribution Motion (.1); e-mail to I. Leventon, S. Vitiello, T. Jeremiassen, J. Donohoe re e-mail searches (.1).	1.20	1075.00	\$1,290.00
02/28/2020	LSC	BL	Prepare and transmit document productions and update production log.	1.10	425.00	\$467.50
02/28/2020	GVD	BL	Attend to issues re filing of witness and exhibit list	0.60	825.00	\$495.00
02/29/2020	GVD	BL	Follow up correspondence re hearing prep	0.30	825.00	\$247.50
02/29/2020	GVD	BL	Review and revise proposed stipulation on motion to lift stay	0.20	825.00	\$165.00
				108.70		\$99,902.00

Case Administration [B110]

02/03/2020	JNP	CA	Email to Ira D. Kharasch, Gregory V. Demo and Joshua M. Fried regarding internal call.	0.10	1075.00	\$107.50
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02/03/2020	JNP	CA	Conference with Ira D. Kharasch, Gregory V. Demo and Joshua M. Fried regarding call with J. Dubel and issues to address.	0.60	1075.00	\$645.00
02/03/2020	KKY	CA	Review and revise critical dates	2.30	425.00	\$977.50
02/03/2020	MBL	CA	Review WIP list.	0.10	950.00	\$95.00
02/03/2020	JEO	CA	Review critical dates and case deadlines	0.30	925.00	\$277.50
02/03/2020	SLP	CA	Maintain document Control.	0.20	350.00	\$70.00
02/03/2020	JMF	CA	Draft memo re pending case issues for 2/4/20 call & call with DSI.	0.80	925.00	\$740.00
02/03/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.80	350.00	\$280.00
02/03/2020	GVD	CA	Update call with PSZJ re open items and next steps	0.40	825.00	\$330.00
02/03/2020	GVD	CA	Conference with J. Fried re updating of WIP List	0.50	825.00	\$412.50
02/04/2020	JNP	CA	Weekly WIP call with PSZJ regarding pending issues.	1.00	1075.00	\$1,075.00
02/04/2020	JNP	CA	Weekly WIP call with PSZJ and DSI regarding pending issues.	0.80	1075.00	\$860.00
02/04/2020	KKY	CA	Respond (.1) to email from Joshua M. Fried re 1/21/20 agenda; and prepare (.1) attachment to same	0.20	425.00	\$85.00
02/04/2020	JEO	CA	Participate in PSZJ team call to review open issues	0.90	925.00	\$832.50
02/04/2020	JMF	CA	Draft updated memo of case issues for 2/20 call.	0.50	925.00	\$462.50
02/04/2020	JMF	CA	Telephone call with J.N. Pomerantz, I. Kharasch, G. Demo, J. O'Neill, re weekly re pending motions and case orders & 2/19 hearing (.9); telephone call with J.N. Pomerantz, G. Demo, B. Sharp re case issues and 2/19 hearing matters (.8).	1.70	925.00	\$1,572.50
02/04/2020	JAM	CA	WIP call (internal) (1.0).	1.00	1075.00	\$1,075.00
02/04/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
02/04/2020	GVD	CA	Internal WIP conference with PSZJ team	0.90	825.00	\$742.50
02/04/2020	GVD	CA	WIP conference with DSI and PSZJ teams	0.80	825.00	\$660.00
02/04/2020	GVD	CA	Conference with J. Fried re follow up items	0.20	825.00	\$165.00
02/05/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/06/2020	SLP	CA	Maintain document control.	0.80	350.00	\$280.00
02/07/2020	SLP	CA	Maintain document control (2) receive multiple documents to organize (.9)	1.10	350.00	\$385.00
02/07/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
02/08/2020	JNP	CA	Emails scheduling various calls.	0.20	1075.00	\$215.00
02/08/2020	GVD	CA	Correspondence with local counsel re deficiency notice and next steps	0.20	825.00	\$165.00
02/08/2020	GVD	CA	Correspondence with J. Fried re status of open items and next steps	0.30	825.00	\$247.50
02/10/2020	JNP	CA	Conference with Ira D. Kharasch and Gregory V. Demo regarding email from Court regarding scheduling for 3/19/20 hearing.	0.20	1075.00	\$215.00
02/10/2020	JNP	CA	Email to Court regarding scheduling for 3/19/20 hearing.	0.10	1075.00	\$107.50
02/10/2020	KKY	CA	Review and revise critical dates	0.60	425.00	\$255.00
02/10/2020	JEO	CA	Review critical dates and case deadlines and send email to PSZJ team re filing deadline for 3.11 hearing	0.30	925.00	\$277.50
02/10/2020	SLP	CA	Maintain document control.	0.60	350.00	\$210.00
02/11/2020	IDK	CA	Telephone conference with J. Pomerantz re case exit strategy (.2); E-mails with J. Fried re WIP list, including review (.2); Attend part of internal WIP call on all pending matters (.8); Attend DSI/PSZJ WIP call on related issues, as well as feedback from Committee on RCP/MGM (.7).	1.90	1145.00	\$2,175.50
02/11/2020	JNP	CA	Participate on internal WIP call.	0.40	1075.00	\$430.00
02/11/2020	JNP	CA	Participate on DSI/PSZJ WIP call.	0.40	1075.00	\$430.00
02/11/2020	JEO	CA	Participate in PSZJ weekly team call.	0.80	925.00	\$740.00
02/11/2020	SLP	CA	Maintain document control.	0.30	350.00	\$105.00
02/11/2020	JMF	CA	Telephone call with I. Kharasch, G. Demo, J. O'Neill, & J.N. Pomerantz re pending case issues (.8); telephone call with B. Sharp, J. Donohue, J. Romey, J.N. Pomerantz & G. Demo re same (.6).	1.40	925.00	\$1,295.00
02/11/2020	JAM	CA	Internal WIP call.	0.80	1075.00	\$860.00

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02/11/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
02/11/2020	GVD	CA	Attend internal PSZJ WIP call	0.80	825.00	\$660.00
02/11/2020	GVD	CA	Conference with PSZJ and DSI teams re open items and next steps	1.00	825.00	\$825.00
02/11/2020	GVD	CA	Correspondence with J. Pomerantz re call with M. Clemente	0.20	825.00	\$165.00
02/12/2020	JKK	CA	Present preliminary analysis of Acis claim to board.	2.90	895.00	\$2,595.50
02/12/2020	KKY	CA	Review and revise critical dates	0.30	425.00	\$127.50
02/12/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
02/12/2020	GVD	CA	Review pending emails and respond to same	0.60	825.00	\$495.00
02/13/2020	KKY	CA	Review and revise critical dates	0.20	425.00	\$85.00
02/13/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
02/13/2020	GVD	CA	Attend to emails and open items	0.40	825.00	\$330.00
02/14/2020	KKY	CA	Review and revise critical dates	0.40	425.00	\$170.00
02/14/2020	JMF	CA	Review critical dates.	0.10	925.00	\$92.50
02/14/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
02/18/2020	JNP	CA	Email to and from Z. Annable regarding hearing date from Court.	0.20	1075.00	\$215.00
02/18/2020	JMF	CA	Draft updated memorandum re pending case events & issues.	0.40	925.00	\$370.00
02/18/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
02/19/2020	JNP	CA	Emails regarding WIP call with DSI.	0.10	1075.00	\$107.50
02/19/2020	SLP	CA	Maintain document control.	0.30	350.00	\$105.00
02/19/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
02/20/2020	JNP	CA	Participate on internal WIP call.	1.00	1075.00	\$1,075.00
02/20/2020	KKY	CA	Review and revise 2002 service list	0.50	425.00	\$212.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/20/2020	JEO	CA	Participate in PSZJ team call to review outcome of 2/19 hearing and go over open issues	1.00	925.00	\$925.00
02/20/2020	JEO	CA	REview critical dates and case deadlines	0.40	925.00	\$370.00
02/20/2020	JMF	CA	Telephone call with J.N. Pomerantz, G. Demo, J. O'Neill re pending case issues and matters.	1.00	925.00	\$925.00
02/20/2020	JMF	CA	Draft memorandum re pending matters & motions.	0.80	925.00	\$740.00
02/20/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
02/20/2020	GVD	CA	Conference with PSZJ team re WIP list	1.00	825.00	\$825.00
02/21/2020	KKY	CA	Review and revise critical dates	1.50	425.00	\$637.50
02/21/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.30	350.00	\$105.00
02/22/2020	GVD	CA	Attend to emails and open items	0.20	825.00	\$165.00
02/23/2020	JMF	CA	Draft memorandum of pending case issues & motions.	0.40	925.00	\$370.00
02/24/2020	IDK	CA	E-mails with attorneys re updated WIP list for call tomorrow, and logistics re same.	0.20	1145.00	\$229.00
02/24/2020	JNP	CA	Emails and conference with Joshua M. Fried regarding WIP call with DSI.	0.10	1075.00	\$107.50
02/24/2020	MBL	CA	Call with J.N. Pomerantz re case status update.	0.20	950.00	\$190.00
02/24/2020	MBL	CA	Confer with J. Fried re case issues.	0.10	950.00	\$95.00
02/24/2020	SLP	CA	Maintain document control.	0.30	350.00	\$105.00
02/24/2020	JMF	CA	Draft memorandum of pending case issues and motions.	0.30	925.00	\$277.50
02/24/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
02/25/2020	JNP	CA	Participate on WIP call with PSZJ and DSI.	1.00	1075.00	\$1,075.00
02/25/2020	JEO	CA	Review pending matters and WIP list in preparation for team call	0.40	925.00	\$370.00
02/25/2020	JEO	CA	Participate in team call with PSZJ and DSI teams	1.00	925.00	\$925.00
02/25/2020	SLP	CA	Maintain document control.	0.20	350.00	\$70.00
02/25/2020	JMF	CA	Telephone call with J.N. Pomerantz, G. Demo, J. O'Neill and DSI re pending case issues & motions.	0.80	925.00	\$740.00

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02/25/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.80	350.00	\$280.00
02/25/2020	GVD	CA	Attend to emails	0.30	825.00	\$247.50
02/25/2020	GVD	CA	Conference with claims trader re motion to distribute assets	0.30	825.00	\$247.50
02/25/2020	GVD	CA	Conference with J. Pomerantz re claims trader call	0.10	825.00	\$82.50
02/26/2020	JNP	CA	Conference with Richard M. Pachulski regarding case status.	0.20	1075.00	\$215.00
02/26/2020	KKY	CA	Review and revise critical dates	1.00	425.00	\$425.00
02/27/2020	JEO	CA	Review case deadlines and critical dates	0.30	925.00	\$277.50
02/27/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
02/28/2020	KKY	CA	Review and revise critical dates	1.20	425.00	\$510.00
02/28/2020	SLP	CA	Maintain document control.	0.80	350.00	\$280.00
02/28/2020	JMF	CA	Review critical dates and memo re pending case issues and motions.	0.20	925.00	\$185.00
02/28/2020	GVD	CA	Review correspondence re OCP notice	0.40	825.00	\$330.00
				51.90		\$40,235.00

Claims Admin/Objections[B310]

02/01/2020	IDK	CO	Review in detail draft of Redeemer claim memo and consider needed revisions (.4); Emails with J Morris re same (.3).	0.70	1145.00	\$801.50
02/01/2020	IDK	CO	Further emails with J Kim re issues on Acis memo re POC re punitive damages and subordination.	0.40	1145.00	\$458.00
02/01/2020	JNP	CO	Review of Redeemer memo and emails with John A. Morris and company regarding same.	0.40	1075.00	\$430.00
02/01/2020	JNP	CO	Review claims docket and email to James E. O'Neill to forward claims to company for review.	0.10	1075.00	\$107.50
02/01/2020	JNP	CO	Conference with Ira D. Kharasch regarding pending memos on claims and other issues.	0.30	1075.00	\$322.50
02/01/2020	JAM	CO	Review/revise draft memo to Directors concerning the Redeemer arbitration awards (2.3); e-mail to J. Pomerantz, I. Kharasch, G. Demo, J. Fried re Redeemer memo (.2).	2.50	1075.00	\$2,687.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/01/2020	GVD	CO	Review and revise memorandum summarizing Redeemer claims	0.50	825.00	\$412.50
02/02/2020	JNP	CO	Conference with John A. Morris regarding issues in connection with analyzing Redeemer claim.	0.40	1075.00	\$430.00
02/02/2020	RJF	CO	Review appellate decisions, pleadings in UBS action.	2.00	1245.00	\$2,490.00
02/02/2020	JAM	CO	Review/revise Redeemer memo (.4); telephone conference with J. Pomerantz re Redeemer issues (.3).	0.70	1075.00	\$752.50
02/02/2020	EAW	CO	Review and analysis of background materials re: potential claims.	0.80	825.00	\$660.00
02/03/2020	AJK	CO	Analysis of claims issues.	2.80	1145.00	\$3,206.00
02/03/2020	AJK	CO	Call with R. Feinstein and E. Wagner re claims analysis.	0.30	1145.00	\$343.50
02/03/2020	IDK	CO	Emails with attorneys re UBS claim and client call today (.1).	0.10	1145.00	\$114.50
02/03/2020	IDK	CO	Emails with J Morris re my suggested further issues to address on memo on Redeemer claim and prior settlement discussions (.4); Telephone conference and emails with J Morris, client, Cole Schozt re same on getting further relevant docs in litigation (.3); Telephone conferences with Thomas Surgent re Redeemer claim and settlement discussions (.2).	0.90	1145.00	\$1,030.50
02/03/2020	IDK	CO	Review and consider in detail extensive draft of Acis claims analysis and issues re same (.6); Emails to J Kim with my extensive comments for revisions to same (.5); Telephone conference with J. Pomerantz re Acis claim and issues re memo on same (.2); Emails with J Kim and J. Pomerantz re further feedback on memo and J. Pomerantz's comments to same (.3).	1.60	1145.00	\$1,832.00
02/03/2020	JJK	CO	Emails Kharasch, Pomerantz on Acis memo issues (0.3); emails Sevilla on preference issues (0.1); further research and revise Acis issues memo (5.5).	5.90	895.00	\$5,280.50
02/03/2020	JJK	CO	Research and revise client memo on Acis issues.	2.00	895.00	\$1,790.00
02/03/2020	JNP	CO	Email to and from J. Kim regarding Acis memo.	0.10	1075.00	\$107.50
02/03/2020	JNP	CO	Conference with Ira D. Kharasch regarding issues in connection with Acis memo.	0.30	1075.00	\$322.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/03/2020	JNP	CO	Review email from Lisa Lambert regarding bar date motion comments and emails with team regarding modifications.	0.20	1075.00	\$215.00
02/03/2020	JNP	CO	Review and comment on draft of memo on Acis claims.	0.40	1075.00	\$430.00
02/03/2020	JEO	CO	Research additional parties for bar date service	0.80	925.00	\$740.00
02/03/2020	JEO	CO	Research issues related to Redeemer claim	0.70	925.00	\$647.50
02/03/2020	JEO	CO	Review UST comment on bar date motion	0.40	925.00	\$370.00
02/03/2020	JEO	CO	Email to Committee counsel re order to expedite bar hearing	0.20	925.00	\$185.00
02/03/2020	RJF	CO	Continued review of client files, including appellate division decisions, complaints.	1.50	1245.00	\$1,867.50
02/03/2020	JAM	CO	Telephone conference with I. Kharasch re Redeemer analysis (.1); e-mail to M. Bonkowski re Chancery Court litigation (.1); e-mails re conference call for Redeemer Committee analysis (.1).	0.30	1075.00	\$322.50
02/03/2020	EAW	CO	Telephone call with R. Feinstein, A. Kornfeld and G. Demo re: analysis of UBS claims.	0.30	825.00	\$247.50
02/03/2020	EAW	CO	Telephone calls with A. Kornfeld re: analysis of UBS claims.	0.30	825.00	\$247.50
02/03/2020	EAW	CO	Review and analysis of background materials re: UBS claims.	6.50	825.00	\$5,362.50
02/03/2020	GVD	CO	Conference with PSZJ team re status of UBS analysis and next steps	0.30	825.00	\$247.50
02/03/2020	GVD	CO	Correspondence with E. Bromagen re CLO Issuer objection	0.10	825.00	\$82.50
02/03/2020	GVD	CO	Conference with E. Bromagen re CLO Issuer objection	0.10	825.00	\$82.50
02/03/2020	GVD	CO	Correspondence with Board re CLO Issuer objection	0.20	825.00	\$165.00
02/04/2020	AJK	CO	Analysis of UBS claims.	2.20	1145.00	\$2,519.00
02/04/2020	IDK	CO	Review and consider J Kim's substantially revised memo on Acis claim (.7); Email to J Kim re my further comments on same for revisions (.3); Emails with J. Pomerantz re same as well as his new substantial comments, and need for further info and 5th Cir law re fraudulent conveyance (.4); Email to client legal team re same for valuation information	1.60	1145.00	\$1,832.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			(.2).			
02/04/2020	IDK	CO	Emails with J Morris and J. Pomerantz re J Morris call with client group on Redeemer claim issues and next steps re memo.	0.20	1145.00	\$229.00
02/04/2020	JJK	CO	Emails Sevilla on Acis related issues.	0.10	895.00	\$89.50
02/04/2020	JJK	CO	Further research and revise client memo on Acis issues.	4.90	895.00	\$4,385.50
02/04/2020	JJK	CO	Prepare Board memo on Acis related issues.	5.80	895.00	\$5,191.00
02/04/2020	JNP	CO	Emails to team regarding scheduling to present memos.	0.10	1075.00	\$107.50
02/04/2020	JNP	CO	Further review of revised Acis memo.	0.50	1075.00	\$537.50
02/04/2020	JNP	CO	Email to and from Ira D. Kharasch regarding additional information from client on Acis analysis.	0.10	1075.00	\$107.50
02/04/2020	JEO	CO	Review chart of claims filed to date and forward to client team	0.30	925.00	\$277.50
02/04/2020	JEO	CO	Continued research on additional entities for bar date service	0.80	925.00	\$740.00
02/04/2020	JMF	CO	Review claims chart.	0.30	925.00	\$277.50
02/04/2020	JAM	CO	Telephone conference with I. Leventon, D. Klos, S. Vitiello re Redeemer analysis (.7); review documents and continue work on Redeemer memo (5.5).	6.20	1075.00	\$6,665.00
02/04/2020	EAW	CO	Review and analysis of UBS claims.	9.70	825.00	\$8,002.50
02/05/2020	AJK	CO	Review and respond to emails re UBS.	0.20	1145.00	\$229.00
02/05/2020	AJK	CO	Analysis of UBS claims.	2.30	1145.00	\$2,633.50
02/05/2020	AJK	CO	Call with R. Feinstein, G. Demo and E. Wagner re UBS claims.	0.80	1145.00	\$916.00
02/05/2020	AJK	CO	Further analysis of UBS claims.	2.80	1145.00	\$3,206.00
02/05/2020	IDK	CO	Emails with JP Sevilla re his memo on valuation issues in Acis case relevant to Acis POC (.2); Emails and telephone conference with J Kim and J. Pomerantz re same and timing for next turn of Acis memo (.2); Review and consider next substantial revised memo re Acis POC (.5); Emails with J Kim and J. Pomerantz re further issues re same and next steps (.2); Emails to client legal team re memo and need for client feedback (.2).	1.30	1145.00	\$1,488.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/05/2020	IDK	CO	Emails with J Morris and J. Pomerantz re status of Redeemer next iteration of memo and next steps (.2); Review and consider substantially revised memo re Redeemer POC (.3); Emails with J Morris and J. Pomerantz re next steps for client team (.2).	0.70	1145.00	\$801.50
02/05/2020	JJK	CO	Emails Kharasch, Pomerantz on Board memo issues and consider same (0.3); further research and revise Board memo (3.0).	3.30	895.00	\$2,953.50
02/05/2020	JNP	CO	Review and comment on revised Acis memo and emails regarding same.	0.50	1075.00	\$537.50
02/05/2020	JNP	CO	Review and comment on revised Redeemer memo and emails regarding same.	0.50	1075.00	\$537.50
02/05/2020	JEO	CO	Emails with client re bar date service	0.60	925.00	\$555.00
02/05/2020	JEO	CO	Continued review of parties for bar date service	0.90	925.00	\$832.50
02/05/2020	JEO	CO	Review list of litigation parties for bar date service	0.40	925.00	\$370.00
02/05/2020	RJF	CO	Internal call regarding UBS memo.	0.50	1245.00	\$622.50
02/05/2020	RJF	CO	Continued work on client memo regarding UBS claims.	1.80	1245.00	\$2,241.00
02/05/2020	JMF	CO	Review memo re claims analysis.	0.60	925.00	\$555.00
02/05/2020	JMF	CO	Review memo re claims analysis.	0.30	925.00	\$277.50
02/05/2020	JAM	CO	Review/revise Redeemer Award memo (6.0); e-mail to J. Pomerantz, I. Kharasch re Redeemer Award memo (.1); e-mail to S. Ellington, Highland legal team, J. Pomerantz, I. Kharasch re Redeemer Award memo (.2).	6.30	1075.00	\$6,772.50
02/05/2020	EAW	CO	Telephone call with R. Feinstein, A. Kornfeld and G. Demo re: analysis of UBS claims.	0.80	825.00	\$660.00
02/05/2020	EAW	CO	Review and analyze UBS claims, and draft related memo/presentation.	12.40	825.00	\$10,230.00
02/06/2020	AJK	CO	Work on analysis of UBS claims.	4.70	1145.00	\$5,381.50
02/06/2020	IDK	CO	Email Patel re Acis (.1).	0.10	1145.00	\$114.50
02/06/2020	IDK	CO	Emails with J Morris re status on Redeemer memo and client feedback.	0.20	1145.00	\$229.00
02/06/2020	JJK	CO	Emails Kharasch on conferring with Acis counsel and related issues.	0.10	895.00	\$89.50

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02/06/2020	JJK	CO	Prepare additional sections for Board memo on proof of claim issues and emails Kharasch/Pomerantz on same.	2.10	895.00	\$1,879.50
02/06/2020	JJK	CO	Emails clients on comments re: Board memo on Acis matters and consider issues, and revise Board memo accordingly.	3.10	895.00	\$2,774.50
02/06/2020	JNP	CO	Review and respond to James E. O'Neill regarding bar date motion.	0.10	1075.00	\$107.50
02/06/2020	JNP	CO	Conference with Robert J. Feinstein regarding potential UBS claims issues.	0.20	1075.00	\$215.00
02/06/2020	JNP	CO	Email to James E. O'Neill regarding including DSI in claims reconciliations.	0.10	1075.00	\$107.50
02/06/2020	JNP	CO	Review proposed conclusion of Acis memo.	0.10	1075.00	\$107.50
02/06/2020	JNP	CO	Review company comments to Acis memo and emails with Jonathan J. Kim regarding same.	0.20	1075.00	\$215.00
02/06/2020	JEO	CO	Emails to client team re additional parties for bar date service	0.60	925.00	\$555.00
02/06/2020	JEO	CO	Make changes to bar date motion to address UST comments	0.50	925.00	\$462.50
02/06/2020	JMF	CO	Review revised bar date order.	0.30	925.00	\$277.50
02/06/2020	JMF	CO	Review claims report.	0.20	925.00	\$185.00
02/06/2020	JAM	CO	Review/revise Redeemer analysis (4.1); e-mails with D. Klos, I. Leventon re Redeemer analysis (.8)	4.90	1075.00	\$5,267.50
02/06/2020	EAW	CO	Review and analyze UBS claims, and draft related memo/presentation.	12.70	825.00	\$10,477.50
02/06/2020	EAW	CO	Telephone calls with A. Kornfeld re: potential UBS claims.	0.30	825.00	\$247.50
02/07/2020	AJK	CO	Review appellate decision rulings, UBS complaint and internal memorandum in preparation for call with Board of Directors.	6.50	1145.00	\$7,442.50
02/07/2020	IDK	CO	Review of client legal team comments to draft Acis claim memo (.2); Emails with J Kim and J. Pomerantz re how to incorporate legal team comments and responses (.3); Emails with client internal legal team re our revisions to same memo, including review of same (.3); Emails with J. Pomerantz re same and timing (.1).	0.90	1145.00	\$1,030.50

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02/07/2020	IDK	CO	Emails with J Morris re feedback of client legal team on Redeemer claim memo and timing (.1); Review and consider revised draft of Redeemer memo (.3); Numerous emails and telephone conferences with J Morris, J. Pomerantz re my questions on same memo on setoff issues re Cornerstone stock, and how memo should be revised to clarify same issue (.7); Review of further revised Redeemer memo to Board (.1).	1.20	1145.00	\$1,374.00
02/07/2020	JJK	CO	Emails Kharasch, Pomerantz on Board memo and other case issues (0.2); addit. research and revise Board memo (1.7).	1.90	895.00	\$1,700.50
02/07/2020	JNP	CO	Review and respond to emails regarding status of claims memos.	0.20	1075.00	\$215.00
02/07/2020	JNP	CO	Emails to team regarding scheduling of calls to present claims memos.	0.10	1075.00	\$107.50
02/07/2020	JNP	CO	Emails to and from James E. O'Neill regarding service of Bar Date Notice on investors.	0.10	1075.00	\$107.50
02/07/2020	JNP	CO	Email to and from M. Hayward regarding Acis.	0.10	1075.00	\$107.50
02/07/2020	JEO	CO	Review issues with client re additional bar date service	0.50	925.00	\$462.50
02/07/2020	JMF	CO	Review analysis re Redeemer claims.	0.50	925.00	\$462.50
02/07/2020	JAM	CO	Review/revise Redeemer analysis (5.8); telephone conference with I. Kharasch re Redeemer analysis (.1); e-mails with S. Vitiello, D. Klos re Redeemer analysis (.2); review Highland claim analysis prepared at my request (Redeemer) (.3); revise Redeemer analysis in light of I. Kharasch comments (.2); e-mail to Board re Redeemer Analysis (.1).	6.70	1075.00	\$7,202.50
02/07/2020	EAW	CO	Telephone calls with A. Kornfeld re: potential UBS claims.	0.20	825.00	\$165.00
02/07/2020	EAW	CO	Review and analyze UBS claims, and draft related memo/presentation.	8.90	825.00	\$7,342.50
02/08/2020	IDK	CO	Emails with J Kim re coordination of call with Acis counsel on issues, as well as with Acis counsel.	0.20	1145.00	\$229.00
02/08/2020	IDK	CO	On Sunday, review and consider further revised Acis memo on fraudulent conveyance section (.3); Emails with J Kim re same and re final changes to be made (.3); Email to Board re final preliminary memo re Acis (.1); Emails with J Kim on logistics of	0.90	1145.00	\$1,030.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			presentation to Board (.2).			
02/08/2020	IDK	CO	Review and consider further revised extensive Acis POC memo, and issues re same (.4); Various extensive emails with J Kim and J. Pomerantz re my list of changes and further legal issues on 5th Cir case re fraudulent conveyance, as well as their feedback re same (.7); Review of various caselaw of 5th Cir and cases cited approvingly re same (.8); Emails with J Kim re my conclusions re review of such caselaw, and how to articulate in memo to Board (.7).	2.60	1145.00	\$2,977.00
02/08/2020	JJK	CO	Emails Kharasch on Acis memo issues (0.4); emails Kharasch on Acis memo issues and consider cases (2.0).	2.40	895.00	\$2,148.00
02/08/2020	JJK	CO	Emails Kharasch on Acis issues and revise client memo on Acis matters.	1.00	895.00	\$895.00
02/08/2020	JNP	CO	Review and respond to emails regarding Acis claims memo.	0.20	1075.00	\$215.00
02/08/2020	JNP	CO	Review emails regarding status of UBS analysis.	0.10	1075.00	\$107.50
02/08/2020	RJF	CO	Review and comment on draft memo regarding UBS claims.	1.40	1245.00	\$1,743.00
02/08/2020	RJF	CO	Telephone conference with Alan J. Kornfeld regarding UBS memo.	0.20	1245.00	\$249.00
02/08/2020	JAM	CO	E-mail to B. Sharp, F. Caruso re Redeemer analysis (.1); e-mail to I. Leventon, D. Klos, S. Vitiello, J. Pomerantz, I. Kharasch re Redeemer analysis (.1); review Redeemer analysis (.2).	0.40	1075.00	\$430.00
02/08/2020	EAW	CO	Review comments and edits from R. Feinstein, A. Kornfeld and G. Demo re: draft report.	0.60	825.00	\$495.00
02/08/2020	GVD	CO	Review memorandum on UBS claims	1.20	825.00	\$990.00
02/09/2020	AJK	CO	Work on revisions to Board of Directors report re UBS claims.	3.70	1145.00	\$4,236.50
02/09/2020	JJK	CO	Emails Kharasch on Acis memo issues and consider issues and revise memo.	1.10	895.00	\$984.50
02/09/2020	JNP	CO	Conference with Ira D. Kharasch regarding final version of Acis claim memo.	0.20	1075.00	\$215.00
02/09/2020	JNP	CO	Review of draft memo regarding UBS claim.	0.50	1075.00	\$537.50
02/09/2020	JNP	CO	Email to Board enclosing memo regarding UBS.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/09/2020	RJF	CO	Emails Jeffrey N. Pomerantz regarding UBS memo.	0.10	1245.00	\$124.50
02/09/2020	EAW	CO	Research and revise draft report per comments from J. Pomerantz, R. Feinstein, A. Kornfeld and G. Demo; and related emails to/from PSZJ team re: same.	7.80	825.00	\$6,435.00
02/09/2020	GVD	CO	Review and comment on memo re UBS litigation	0.40	825.00	\$330.00
02/10/2020	AJK	CO	Attention to legal authorities re UBS claims.	2.80	1145.00	\$3,206.00
02/10/2020	AJK	CO	Work on PowerPoint presentation re UBS claims litigation.	3.70	1145.00	\$4,236.50
02/10/2020	IDK	CO	Emails with J Kim and J Morris re setoff issue re Redeemer claim, including consider arguments re same.	0.40	1145.00	\$458.00
02/10/2020	IDK	CO	Emails with Acis counsel re coordination of call tomorrow (.2); Emails with attorneys and H O'Neill re new fraudulent conveyance/standing case issues today and its ruling re Acis memo (.3).	0.50	1145.00	\$572.50
02/10/2020	JJK	CO	Research re: Redeemer issues for Kharasch and Morris.	2.70	895.00	\$2,416.50
02/10/2020	JJK	CO	Rsearch re: Redeemer issues per Kharasch and Morris.	4.50	895.00	\$4,027.50
02/10/2020	JEO	CO	Email to PSZJ team re changes to the bar date motion per UST request	0.30	925.00	\$277.50
02/10/2020	JAM	CO	Review J. Kim research re setoff in connection with Redeemer claim (.3); e-mails with J. Kim re legal research in connection with Redeemer claim (.2).	0.50	1075.00	\$537.50
02/10/2020	EAW	CO	Review research re: UBS claims.	0.70	825.00	\$577.50
02/10/2020	EAW	CO	Telephone calls with A. Kornfeld re: Board presentation and research regarding UBS claims.	1.30	825.00	\$1,072.50
02/10/2020	EAW	CO	Prepare board presentation and organizational charts; and emails to/from A. Kornfeld re: same.	6.70	825.00	\$5,527.50
02/11/2020	AJK	CO	Prepare for Board call (including review of legal authorities re UBS claims against Debtors).	7.60	1145.00	\$8,702.00
02/11/2020	IDK	CO	E-mails with J Kim and J Morris re setoff issues on Redeemer claim, and consider (.3); Review of I Levington revisions to Redeemer memo (.1).	0.40	1145.00	\$458.00
02/11/2020	JJK	CO	Research re: setoffs and email Morris on same.	0.50	895.00	\$447.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/11/2020	JJK	CO	Review Acis issues memo and related docs. and prepare notes for Board call.	2.00	895.00	\$1,790.00
02/11/2020	JNP	CO	Review emails regarding additional information for UBS presentation.	0.10	1075.00	\$107.50
02/11/2020	JNP	CO	Conference with I. Leventon regarding UBS presentation.	0.20	1075.00	\$215.00
02/11/2020	JNP	CO	Conference with J. Dubel regarding UBS presentation.	0.10	1075.00	\$107.50
02/11/2020	JNP	CO	Conference with Robert J. Feinstein regarding UBS presentation.	0.10	1075.00	\$107.50
02/11/2020	JNP	CO	Conference with Alan J. Kornfeld regarding UBS presentation.	0.10	1075.00	\$107.50
02/11/2020	JEO	CO	Follow up with UST on bar date motion	0.40	925.00	\$370.00
02/11/2020	JEO	CO	Follow up with KCC on claims	0.20	925.00	\$185.00
02/11/2020	JEO	CO	Call with client re bar date service	0.20	925.00	\$185.00
02/11/2020	JEO	CO	Email to committee with revised draft of bar date motion showing UST comments	0.40	925.00	\$370.00
02/11/2020	RJF	CO	Telephone conference with Alan J. Kornfeld regarding UBS memo.	0.30	1245.00	\$373.50
02/11/2020	RJF	CO	Prep for BOD presentation.	1.00	1245.00	\$1,245.00
02/11/2020	JMF	CO	Review revised Bar Date procedures & OUST resolution of issues.	0.30	925.00	\$277.50
02/11/2020	JMF	CO	Review Redeemer claims memo.	0.40	925.00	\$370.00
02/11/2020	JAM	CO	Review documents re Terry (.7); telephone conference with I. Leventon, JP Sevilla re Terry (.5); e-mail to J. Pomerantz, I. Kharasch, G. Demo re Terry (.4); e-mail to Board re Terry and proposed lift stay motion (.2).	1.80	1075.00	\$1,935.00
02/11/2020	EAW	CO	Revise, proofread and circulate draft Board presentation and organizational charts; and emails to/from R. Feinstein, J. Pomerantz and A. Kornfeld re: same.	1.10	825.00	\$907.50
02/11/2020	EAW	CO	Telephone calls with A. Kornfeld re: presentation, organizational charts and related research.	0.40	825.00	\$330.00
02/11/2020	EAW	CO	Research re: UBS claims.	1.30	825.00	\$1,072.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/11/2020	EAW	CO	Review and analysis of proposed revisions to Board presentation.	0.70	825.00	\$577.50
02/11/2020	EAW	CO	Telephone calls with A. Kornfeld re: proposed revisions to Board presentation.	0.80	825.00	\$660.00
02/12/2020	AJK	CO	Prepare for Board call re UBS claims.	3.60	1145.00	\$4,122.00
02/12/2020	AJK	CO	Conference call with Board re UBS claims.	2.00	1145.00	\$2,290.00
02/12/2020	IDK	CO	Prep for presentation on Acis POC to Board today, including further review of prior memos, and consultation with J Kim for same.	2.40	1145.00	\$2,748.00
02/12/2020	IDK	CO	Telephone conference with J Kim re result of Acis call with Board and next related issues to address (.2).	0.20	1145.00	\$229.00
02/12/2020	IDK	CO	E-mails with attorneys re I Leventon's revisions to Redeemer claim memo (.1).	0.10	1145.00	\$114.50
02/12/2020	JJK	CO	Respond/review Kharasch emails re: info. for Board call.	0.90	895.00	\$805.50
02/12/2020	JNP	CO	Review memos in preparation for meetings on claims.	0.50	1075.00	\$537.50
02/12/2020	JNP	CO	Lengthy meetings regarding preliminary analysis of claims and related discussions.	6.40	1075.00	\$6,880.00
02/12/2020	RJF	CO	Prep for client call regarding UBS memo.	1.00	1245.00	\$1,245.00
02/12/2020	RJF	CO	Call with BOD et al regarding UBS claims.	1.90	1245.00	\$2,365.50
02/12/2020	JAM	CO	Review/revise Redeemer Committee analysis, including consideration of I. Leventon comments (2.4); e-mail to Board re Redeemer analysis (.2); telephone conference with Board, B. Sharp, J. Pomerantz, I. Kharasch, I. Leventon, S. Ellington, D. Klos re Redeemer claim analysis (1.8); telephone conference with B. Shaw re Terry lift stay motion (.1); e-mails with B. Shaw, J. Pomerantz re lift stay motion (.1).	4.60	1075.00	\$4,945.00
02/12/2020	EAW	CO	Telephonic participation in Board presentation re: UBS claims.	2.00	825.00	\$1,650.00
02/12/2020	EAW	CO	Telephone call with A. Kornfeld re: Board presentation.	0.20	825.00	\$165.00
02/12/2020	GVD	CO	Conference with Board, HCMLP, and PSZJ team re UBS claim	2.00	825.00	\$1,650.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/12/2020	GVD	CO	Conference with Board, HCMLP, and PSZJ team re Redeemer claim	1.70	825.00	\$1,402.50
02/12/2020	GVD	CO	Conference with Board, HCMLP, and PSZJ team re Acis claim	1.50	825.00	\$1,237.50
02/13/2020	IDK	CO	E-mails with J. Pomerantz re Acis POC and preference issues and need for further analysis (.3).	0.30	1145.00	\$343.50
02/13/2020	JJK	CO	Research and review for supplemental memo to Board on Acis matters.	5.50	895.00	\$4,922.50
02/13/2020	JNP	CO	Emails to and from Ira D. Kharasch regarding continued work on Acis claim.	0.10	1075.00	\$107.50
02/14/2020	IDK	CO	E-mails with J Kim re his supplemented memo on Acis POC and standing and Mirant, including review of same, and other issues to address.	0.50	1145.00	\$572.50
02/14/2020	JJK	CO	Research and prepare supplemental Board memo on Acis matters.	3.00	895.00	\$2,685.00
02/14/2020	JNP	CO	Conference with Robert J. Feinstein regarding UBS claims.	0.20	1075.00	\$215.00
02/14/2020	JNP	CO	Conference with J. Dubel about UBS claims and related issues.	0.80	1075.00	\$860.00
02/14/2020	JEO	CO	Email client team re bar date motion	0.20	925.00	\$185.00
02/14/2020	JEO	CO	Email KCC re publication of bar date notice	0.20	925.00	\$185.00
02/14/2020	JEO	CO	Review form of bar date order	0.30	925.00	\$277.50
02/14/2020	JEO	CO	Respond to board member re publication of bar date	0.20	925.00	\$185.00
02/14/2020	RJF	CO	Conferences with Dubel, Nelms regarding meeting with UBS.	0.50	1245.00	\$622.50
02/14/2020	RJF	CO	Attend meeting at Latham regarding UBS claim.	3.00	1245.00	\$3,735.00
02/14/2020	JAM	CO	Telephone conference with B. Shaw re lift stay motion (.1); e-mails with Board, J. Pomerantz re Terry lift stay motion (.2).	0.30	1075.00	\$322.50
02/18/2020	AJK	CO	Attention to work plan re UBS claims.	0.20	1145.00	\$229.00
02/18/2020	AJK	CO	Further attention to work plan.	0.40	1145.00	\$458.00
02/18/2020	IDK	CO	Prep of draft memo to Board re authority to conduct further analysis of Acis POC re various and specific factual issues and certain legal issues, including review of general memo re same (.8); E-mails with	1.00	1145.00	\$1,145.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			J. Pomerantz re his feedback re same and logistics for getting to Board (.2).			
02/18/2020	JJK	CO	Review voluminous pleadings and revise supplemental Board memo on Acis issues, and email to Kharasch/Pomerantz.	2.00	895.00	\$1,790.00
02/18/2020	JNP	CO	Email to Board regarding recommended follow-up work on claims.	0.10	1075.00	\$107.50
02/18/2020	JNP	CO	Emails to and from Ira D. Kharasch regarding additional work on evaluating Acis claim; Review email regarding same.	0.20	1075.00	\$215.00
02/18/2020	JNP	CO	Emails to and from Robert J. Feinstein and Alan J. Kornfeld regarding additional work on evaluating UBS claim; Review email regarding same.	0.20	1075.00	\$215.00
02/18/2020	JNP	CO	Review emails regarding issues relating to bar date notice and investors.	0.10	1075.00	\$107.50
02/18/2020	RJF	CO	Review email regarding UBS work plan and respond to same.	0.20	1245.00	\$249.00
02/18/2020	JMF	CO	Review and edit Bar Date notice & order (.8); telephone call with Jackie Graham re same (.1).	0.90	925.00	\$832.50
02/18/2020	EAW	CO	Telephone call with A. Kornfeld re: summary of proposed work plan.	0.20	825.00	\$165.00
02/18/2020	EAW	CO	Draft summary of proposed work plan.	1.50	825.00	\$1,237.50
02/19/2020	IDK	CO	E-mails with J. Pomerantz re Mirant and Acis POC (.2).	0.20	1145.00	\$229.00
02/19/2020	JJK	CO	Emails Pomerantz on Acis supplemental memo issues and consider same.	0.10	895.00	\$89.50
02/19/2020	JNP	CO	Email to Board proposing additional work surrounding UBS claim.	0.10	1075.00	\$107.50
02/19/2020	JEO	CO	Review emails re bar date motion hearing	0.20	925.00	\$185.00
02/19/2020	JEO	CO	Email to UST re bar date comments	0.20	925.00	\$185.00
02/20/2020	JEO	CO	Call with Jackie Graham of investor relations and Josh Fried to review issues for bar date	0.20	925.00	\$185.00
02/20/2020	JEO	CO	Call with Lisa Lambert to review issues for bar date	0.20	925.00	\$185.00
02/20/2020	JMF	CO	Review Bar Date procedures re investor claim.	0.20	925.00	\$185.00
02/20/2020	JMF	CO	Telephone call with Jackie Graham and J. O'Niell re Bar Date order.	0.20	925.00	\$185.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/21/2020	JEO	CO	Draft cover letter for bar date notice to investors	0.80	925.00	\$740.00
02/21/2020	JEO	CO	Review and revise bar date notice to incorporate separate bar date for investor claims per UST request	0.90	925.00	\$832.50
02/21/2020	JEO	CO	Emails with Jackie Graham of investor relations re bar date notice for investor claims	0.40	925.00	\$370.00
02/21/2020	JEO	CO	Further edits on Bar Date Order and Notices	0.40	925.00	\$370.00
02/21/2020	JEO	CO	Further edits on cover letter to investors re bar date	0.30	925.00	\$277.50
02/21/2020	JMF	CO	Review & edit letter re investor claims.	0.30	925.00	\$277.50
02/21/2020	JMF	CO	Review revised Bar Date & order and notices.	0.30	925.00	\$277.50
02/22/2020	IDK	CO	E-mails with H Hochman re need for updated memo on various Acis POC issues re Mirant.	0.40	1145.00	\$458.00
02/24/2020	HDH	CO	Conference with Ira D. Kharasch regarding avoidance issues	0.40	950.00	\$380.00
02/24/2020	HDH	CO	Research standing defense	2.30	950.00	\$2,185.00
02/24/2020	IDK	CO	Office conference with H Hochman re Mirant memo to be done (.4); E-mails with H Hochman re relevant materials re same (.2); Office conference with H Hochman re same (.1); E-mails and office conferences with J Kim re next level of Acis POC analysis and need for memo to JP Sevilla, and consider alter ego allegations (.3); Review of E-mails with JP Sevilla, J Kim re Acis POC (.1).	1.10	1145.00	\$1,259.50
02/24/2020	IDK	CO	E-mails with J. Pomerantz re status of next memos on Acis POC (.2).	0.20	1145.00	\$229.00
02/24/2020	JJK	CO	Call Kharasch (0.1) and emails to him on additional factual investigation matters (0.2), and emails Sevilla on investigation issues (0.2).	0.50	895.00	\$447.50
02/24/2020	JNP	CO	Emails with James E. O'Neill regarding claims review.	0.10	1075.00	\$107.50
02/24/2020	JNP	CO	Emails with Jonathan J. Kim regarding status of updated Acis review.	0.10	1075.00	\$107.50
02/24/2020	JEO	CO	Review Highland claims file	0.50	925.00	\$462.50
02/24/2020	JEO	CO	Email to Jackie Graham of investor relations re notice and cover letter to investors	0.20	925.00	\$185.00
02/24/2020	JMF	CO	Review changes & correspondences re Bar Date	0.30	925.00	\$277.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			letter.			
02/24/2020	JMF	CO	Review memo re Crusader claims.	0.40	925.00	\$370.00
02/25/2020	AWC	CO	Emails with team regarding preference claims in ACIS litigation and review underlying complaint and documents; emails with DSI regarding investigation.	1.10	1095.00	\$1,204.50
02/25/2020	HDH	CO	Research and drafting of memo regarding standing issues	4.30	950.00	\$4,085.00
02/25/2020	HDH	CO	Conference with Ira D. Kharasch regarding standing defense	0.20	950.00	\$190.00
02/25/2020	IDK	CO	E-mails with A Caine re need to oversee preference analysis re Acis POC, and logistics re same on DSI coordination (.4); E-mails with J Kim and A Caine re same on relevant info for same (.1); E-mail to A Caine re relevant background relating to Acis preference claim and control issues during preference period (.4).	0.90	1145.00	\$1,030.50
02/25/2020	IDK	CO	E-mails with client and Seery re his concerns on notice of bar date and whether to supplement letter to investors re same, and whether vetted by client legal team (.4); Numerous E-mails with attorneys re same and various potential draft language for investors re bar date and clarification of same for investors (.8); Review of final proposed draft language to Board re same (.1).	1.30	1145.00	\$1,488.50
02/25/2020	IDK	CO	Review of H Hochman's update on Mirant & Acis (.2); Office conference with H Hochman re same and consider further expansion (.2).	0.40	1145.00	\$458.00
02/25/2020	JJK	CO	Emails Kharasch on preference issues (0.1), and emails Sevilla on investigation matters (0.1).	0.20	895.00	\$179.00
02/25/2020	JJK	CO	Emails Caine on preference issues and consider same.	0.50	895.00	\$447.50
02/25/2020	JNP	CO	Emails regarding investor notice; Conference with James E. O'Neill and Ira D. Kharasch regarding same.	0.30	1075.00	\$322.50
02/25/2020	JEO	CO	Update bar date order and circulate to KCC	0.40	925.00	\$370.00
02/25/2020	JEO	CO	further emails regarding bar date notice and cover letter to investors	0.50	925.00	\$462.50
02/25/2020	JEO	CO	Further revisions to bar date materials per board comments.	0.80	925.00	\$740.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/25/2020	JMF	CO	Review Bar Date notice, investor letter and issues re modifications to same.	0.40	925.00	\$370.00
02/26/2020	AJK	CO	Attention to UBS work plan.	0.30	1145.00	\$343.50
02/26/2020	AWC	CO	Read underlying regarding ACIS preference claims.	0.90	1095.00	\$985.50
02/26/2020	HDH	CO	Research and drafting of memo regarding standing defense	2.70	950.00	\$2,565.00
02/26/2020	IDK	CO	Brief review of client legal team response to our Acis POC follow up questions (.2); E-mail to J Kim re same and need for more on alter ego allegation, including his memo to client re same (.2).	0.40	1145.00	\$458.00
02/26/2020	JJK	CO	Review information from client on investigation issues (0.3) and emails Kharasch and client on additional information requests (0.3).	0.60	895.00	\$537.00
02/26/2020	JNP	CO	Review emails regarding status of Bar Date motion and related matters.	0.10	1075.00	\$107.50
02/26/2020	JNP	CO	Email to UBS team regarding start of additional work.	0.10	1075.00	\$107.50
02/26/2020	JNP	CO	Conference with Ira D. Kharasch regarding additional work on UBS claim.	0.10	1075.00	\$107.50
02/26/2020	JNP	CO	Review emails regarding additional investigation on Acis claim.	0.10	1075.00	\$107.50
02/26/2020	JEO	CO	Compile bar date materials and circulate	0.40	925.00	\$370.00
02/26/2020	JEO	CO	Emails with UST Lisa Lampert re bar date motion	0.30	925.00	\$277.50
02/26/2020	JEO	CO	Compile final bar date order in preparation to lodge order	0.80	925.00	\$740.00
02/26/2020	JEO	CO	Review updated claims file from KCC	0.30	925.00	\$277.50
02/26/2020	JMF	CO	Review bar date notice & order.	0.30	925.00	\$277.50
02/26/2020	EAW	CO	Telephone calls with A. Kornfeld re: UBS litigation and related investigation.	0.60	825.00	\$495.00
02/26/2020	EAW	CO	Review memo re: UBS litigation.	0.60	825.00	\$495.00
02/26/2020	EAW	CO	Review emails from R. Feinstein and A. Kornfeld re: UBS litigation and related investigation	0.10	825.00	\$82.50
02/27/2020	HDH	CO	Research and drafting of memo regarding defenses	2.20	950.00	\$2,090.00
02/27/2020	IDK	CO	E-mails with attorneys re status and timing of Acis	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			preference claim.			
02/27/2020	JNP	CO	Emails to and from Andrew W. Caine regarding Acis preference analysis.	0.10	1075.00	\$107.50
02/27/2020	JEO	CO	Check on status of bar date order	0.20	925.00	\$185.00
02/27/2020	JEO	CO	Update bar date notice	0.40	925.00	\$370.00
02/27/2020	JMF	CO	Review claims report.	0.20	925.00	\$185.00
02/27/2020	EAW	CO	Attention to formulation of work plan and timeline for further UBS claims analysis.	1.10	825.00	\$907.50
02/28/2020	AJK	CO	Attention to UBS claims legal analysis.	0.60	1145.00	\$687.00
02/28/2020	JEO	CO	Email to local counsel to check on status of bar date order	0.20	925.00	\$185.00
02/28/2020	EAW	CO	Telephone call with A. Kornfeld re: work plan for further investigation of UBS litigation.	0.40	825.00	\$330.00
02/28/2020	EAW	CO	Prepare work plan for further investigation of UBS litigation.	0.30	825.00	\$247.50
				323.30		\$317,587.00

Corporate Governance

02/01/2020	CHM	CORP	Review comments to memo re Strand Advisors chapter 11 filing and begin updates to memo re same.	1.80	675.00	\$1,215.00
02/02/2020	CHM	CORP	Review Acis decisions and email M. Litvak re same.	0.40	675.00	\$270.00
02/03/2020	CHM	CORP	Update memo re general partner filing; email same to M. Litvak.	5.30	675.00	\$3,577.50
02/03/2020	CHM	CORP	Review email from I. Kharash re cases and reply.	0.10	675.00	\$67.50
02/04/2020	CHM	CORP	Compile cases cited in memo for M. Litvak and email same.	0.30	675.00	\$202.50
02/04/2020	CHM	CORP	Review email from M. Litvak and draft reply with case cites.	0.40	675.00	\$270.00
				8.30		\$5,602.50

Compensation Prof. [B160]

02/07/2020	JNP	CP	Begin to review January bill.	0.50	1075.00	\$537.50
02/09/2020	JNP	CP	Further review of January billing statement.	0.50	1075.00	\$537.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/11/2020	PJJ	CP	Draft January fee statement.	4.50	425.00	\$1,912.50
02/12/2020	JMF	CP	Draft December PSZJ statement.	1.40	925.00	\$1,295.00
02/13/2020	JNP	CP	Review final version of January bill and emails regarding same.	0.20	1075.00	\$215.00
02/13/2020	PJJ	CP	Revise January fee statement.	0.80	425.00	\$340.00
02/13/2020	JMF	CP	Edit PSZJ bill.	0.80	925.00	\$740.00
02/14/2020	PJJ	CP	Revise January fee statement.	1.50	425.00	\$637.50
02/18/2020	JNP	CP	Email to Board regarding January 2020 bill.	0.10	1075.00	\$107.50
02/18/2020	KKY	CP	Draft certification of no objection re 3rd fee app of PSZJ for December 2019	0.20	425.00	\$85.00
02/18/2020	PJJ	CP	Emails regarding revised fee statement.	0.20	425.00	\$85.00
02/18/2020	JMF	CP	Review PSZJ January Fee statement (.4) review & emails re CNO re December statement (.1).	0.50	925.00	\$462.50
02/20/2020	PJJ	CP	Prepare January fee statement for service and filing.	0.40	425.00	\$170.00
				11.60		\$7,125.00

Comp. of Prof./Others

02/03/2020	KKY	CPO	Review and revise fee chart	0.10	425.00	\$42.50
02/04/2020	JMF	CPO	Review interim compensation procedures order.	0.20	925.00	\$185.00
02/06/2020	JMF	CPO	Review complaints procedures re monthly / interim application.	0.20	925.00	\$185.00
02/07/2020	MBL	CPO	Attention to Mercer fee request; coordinate with team re same.	0.10	950.00	\$95.00
02/07/2020	JEO	CPO	Email with PSZJ team re Mercer fee application	0.20	925.00	\$185.00
02/07/2020	JMF	CPO	Review Mercer invoices and retention order (.4); telephone call with J. Dempsey re same (.3).	0.70	925.00	\$647.50
02/10/2020	PJJ	CPO	Prepare professional fee chart.	0.20	425.00	\$85.00
02/10/2020	PJJ	CPO	Prepare Mercer interim fee application.	1.80	425.00	\$765.00
02/10/2020	JEO	CPO	Check with PSZJ team on status of Foley retention/fee application process	0.20	925.00	\$185.00
02/11/2020	JMF	CPO	Review OCP order re compensation provisions.	0.20	925.00	\$185.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/11/2020	GVD	CPO	Multiple conferences with B. Sharp re Cayman attorney issues	0.40	825.00	\$330.00
02/11/2020	GVD	CPO	Correspondence with Board re Committee professional fees	0.10	825.00	\$82.50
02/11/2020	GVD	CPO	Review DSI analysis of Cayman attorney fees and review potential next steps	0.70	825.00	\$577.50
02/12/2020	JNP	CPO	Emails relating to fee application of Foley Gardere.	0.10	1075.00	\$107.50
02/13/2020	PJJ	CPO	Revise Mercer fee application.	0.30	425.00	\$127.50
02/13/2020	GVD	CPO	Review fees owed to Cayman directors; multiple phone calls re same	1.30	825.00	\$1,072.50
02/13/2020	GVD	CPO	Correspondence with I. Leventon re payment of KCC invoices	0.10	825.00	\$82.50
02/14/2020	KKY	CPO	Review and revise fee chart	0.20	425.00	\$85.00
02/14/2020	JEO	CPO	Follow up with KCC re fee issue	0.20	925.00	\$185.00
02/16/2020	GVD	CPO	Review and summarize Committee fee applications	0.20	825.00	\$165.00
02/18/2020	JMF	CPO	Review objection to Foley retention.	0.30	925.00	\$277.50
02/20/2020	JMF	CPO	Review OCP & interim compensation procedures.	0.30	925.00	\$277.50
02/20/2020	JMF	CPO	Analyze issues re Wilmerhale retention (.3); emails re modification of retention re same (.1).	0.40	925.00	\$370.00
02/21/2020	KKY	CPO	Review and revise fee chart	0.20	425.00	\$85.00
02/25/2020	JNP	CPO	Email to and from K. Irving regarding retention of professionals to address pending litigation.	0.10	1075.00	\$107.50
02/25/2020	JEO	CPO	Email with KCC re fee payments	0.20	925.00	\$185.00
02/28/2020	KKY	CPO	Review and revise fee chart	0.10	425.00	\$42.50
02/28/2020	JEO	CPO	Emails with client and DSI re OCP reporting	1.20	925.00	\$1,110.00
02/28/2020	JEO	CPO	Draft OCP report	0.40	925.00	\$370.00
02/28/2020	JEO	CPO	Further work on OCP Report	0.40	925.00	\$370.00
				11.10		\$8,570.00

Employee Benefit/Pension-B220

02/01/2020	IDK	EB	Emails with M Litvak re ok to finalize bonus memo to Board.	0.10	1145.00	\$114.50
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/01/2020	JNP	EB	Final review and comment on memo regarding bonuses.	0.20	1075.00	\$215.00
02/01/2020	MBL	EB	Review and finalize memo on employee bonuses; emails with team and client re same.	0.50	950.00	\$475.00
02/03/2020	JEO	EB	Email to Highland team re PBGC matter and contact with actuary	0.20	925.00	\$185.00
02/03/2020	JEO	EB	Follow up email to PBGC re actuary	0.10	925.00	\$92.50
02/04/2020	MBL	EB	Call with J. Dempsey re employee bonus issues.	0.20	950.00	\$190.00
02/04/2020	JEO	EB	Set up call with PBGC, client and ERISA counsel.	0.40	925.00	\$370.00
02/05/2020	IDK	EB	Emails re Mercer information on Kerp, including brief review (.2).	0.20	1145.00	\$229.00
02/05/2020	MBL	EB	Review Mercer presentation re employee bonuses; email with team re same.	0.30	950.00	\$285.00
02/05/2020	MBL	EB	Call with J. Dempsey re bonus issues; follow-up emails with client and team re same.	0.20	950.00	\$190.00
02/06/2020	JEO	EB	Emails with Hunton firm to prepare for call with PBGC	0.40	925.00	\$370.00
02/07/2020	JEO	EB	Participate in prep call for PBGC	0.30	925.00	\$277.50
02/07/2020	JEO	EB	Participate in call with PBGC	0.50	925.00	\$462.50
02/07/2020	JEO	EB	Follow up email to DSI re PBGC call	0.20	925.00	\$185.00
02/07/2020	JEO	EB	Review documents in preparation for call with PBGC	0.30	925.00	\$277.50
02/12/2020	MBL	EB	Misc. emails with client and team re employee bonuses and related matters.	0.20	950.00	\$190.00
02/13/2020	MBL	EB	Address client inquiry re 401(k) administrator; review employee benefits motion and order.	0.20	950.00	\$190.00
02/14/2020	JEO	EB	Email client group re PBGC confidentiality agreement	0.20	925.00	\$185.00
02/19/2020	MBL	EB	Address J. Dempsey inquiries re bonus status.	0.10	950.00	\$95.00
02/21/2020	JEO	EB	Review email correspondence from PBGC re Hunter Mountain	0.20	925.00	\$185.00
02/24/2020	MBL	EB	Call with J. Dempsey and follow-up with team re employee bonus issues.	0.20	950.00	\$190.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/24/2020	MBL	EB	Attention to client inquiry re 401(k) expenses.	0.10	950.00	\$95.00
02/25/2020	IDK	EB	Review of correspondence re 2019 bonuses and whether info to be provided to UST re same.	0.20	1145.00	\$229.00
02/25/2020	JNP	EB	Emails with Maxim B. Litvak regarding status of employee bonuses.	0.10	1075.00	\$107.50
02/25/2020	MBL	EB	Emails with team re employee bonus issues.	0.10	950.00	\$95.00
02/25/2020	JEO	EB	Review January 21 transcript re bonus issues	0.30	925.00	\$277.50
02/25/2020	JMF	EB	Review transcript re employee benefit issues.	0.50	925.00	\$462.50
02/26/2020	IDK	EB	Review of correspondence relating to obligation to inform UST of new bonus/salary plans for non-insiders in ordinary course, and part of transcript re same (.3); Numerous E-mails with attorneys, DSI re issues re same and details of such bonus/salary program (.3); E-mails with M Litvak re need for draft of letter to UST re intent to go forward on non-insider bonus plans, including review of same and re logistics on sending to UST (.3); E-mails with attorneys and CRO re UST response, and issues raised by response re process (.2).	1.10	1145.00	\$1,259.50
02/26/2020	IDK	EB	Telephone conference with J. Pomerantz and then adding in Brad Sharp re how to respond to UST request on our notice to go forward on non-insider bonuses (.4); E-mail to DSI re its correspondence to FTI re bonuses, and then later re FTI response and concerns on timing (.2); E-mails with to Board re UST inquiry on timing of paying bonuses, and how to respond on expert data used (.2).	0.80	1145.00	\$916.00
02/26/2020	JNP	EB	Conference with Ira D. Kharasch regarding response to U.S. Trustee regarding ordinary course bonuses.	0.20	1075.00	\$215.00
02/26/2020	JNP	EB	Conference with Maxim B. Litvak (2x) regarding response to U. S. Trustee regarding ordinary course bonuses.	0.20	1075.00	\$215.00
02/26/2020	JNP	EB	Conference with Ira D. Kharasch and then adding B. Sharp regarding U.S. Trustee and ordinary course bonuses.	0.40	1075.00	\$430.00
02/26/2020	JNP	EB	Conference with B. Sharp regarding call with FTI regarding ordinary course bonuses.	0.20	1075.00	\$215.00
02/26/2020	MBL	EB	Review transcript re employee bonus issues; email team re same.	0.20	950.00	\$190.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/26/2020	MBL	EB	Calls with B. Sharp and J. Pomerantz re bonus issues (0.2); emails re same (0.2).	0.40	950.00	\$380.00
02/26/2020	MBL	EB	Draft email notice to UST re employee bonuses; revise same and coordinate response.	0.40	950.00	\$380.00
02/27/2020	IDK	EB	Numerous E-mails with DSI, Seery re UST request for information used on 2019 bonuses, and issues re same and proprietary issues, and data shared with Committee re same (.4); Telephone conferences and E-mails with M Litvak re UST request re bonus information and how to respond (.3); Review of draft response to UST re data issues (.1); E-mails with attorneys re feedback re same draft letter to UST (.1).	0.90	1145.00	\$1,030.50
02/27/2020	IDK	EB	E-mails with Board re our draft response to UST on 2019 bonuses and data used (.2); Further E-mails with DSI on issues in data used for same bonuses and Seery concerns re same (.2); E-mails with M Litvak re need of review of McGlagan report re proprietary aspects, and status of getting back to UST (.2); Further E-mails with Board on draft response to UST and data status issue (.3); E-mails with M Litvak re sending response to UST (.1).	1.00	1145.00	\$1,145.00
02/27/2020	IDK	EB	Review and consider the primary cases on ordinary course re bonuses and where pre-petition period covered (.6); E-mail to attorneys re my memo on same, and feedback on how to use for Committee response (.4); E-mails with attorneys re my feedback on M Litvak's revised draft memo to Committee re response to Committee concerns on 2019 bonus process, including review of same (.3); Revise same draft response to Committee re further caselaw (.3)E-mails to Board re proposed draft response to Committee, including Board feedback and suggested changes re same (.4).	2.00	1145.00	\$2,290.00
02/27/2020	IDK	EB	Telephone conference with Dubell re his feedback on draft response to Committee counsel on 2019 bonuses, and need to review prior motion re 2018 bonuses for consistency (.2); Revise draft response to Sidley re its concerns on bonuses, including review of prior motion (.4); E-mails with Board re revised draft re same (.2); E-mail to Sidley re same (.1).	0.90	1145.00	\$1,030.50
02/27/2020	IDK	EB	E-mails with J. Pomerantz re Russ' draft memo to employees re status of 2019 bonuses and next steps re potential motion to approve.	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/27/2020	IDK	EB	E-mails with attorneys re Committee's E-mail re bonuses, including review of same and prior memo on same re ordinary course issues (.5); E-mails with attorneys re law on issues raised by Committee re bonuses re pre-petition claim and ordinary course issues (.4); Telephone conference J Fried and M Litvak re Committee counsel concerns on paying bonuses next week, and need for draft letter to Committee counsel re response to their 2019 bonus payment (.5); Review of M Litvak initial draft of response to Committee counsel re same, and need for substantial redraft (.2); Telephone conferences with J. Pomerantz re same issue (.4).	2.00	1145.00	\$2,290.00
02/27/2020	JNP	EB	Conference with Ira D. Kharasch and review emails regarding response to U.S. Trustee regarding compensation.	0.20	1075.00	\$215.00
02/27/2020	JNP	EB	Review and forward email from Sidley regarding compensation to employees and various emails regarding same.	0.30	1075.00	\$322.50
02/27/2020	JNP	EB	Review memo regarding ordinary course status of pre-petition employment program and emails regarding same.	0.50	1075.00	\$537.50
02/27/2020	JNP	EB	Review email regarding employee compensation issues.	0.10	1075.00	\$107.50
02/27/2020	MBL	EB	Call with I. Kharasch re employee bonus issues (0.1); follow-up emails with client re same (0.1).	0.20	950.00	\$190.00
02/27/2020	MBL	EB	Further calls and emails with team re employee bonus issues (0.8); draft email responses and review applicable law (1.5).	2.30	950.00	\$2,185.00
02/27/2020	MBL	EB	Confer with J. Fried re employee bonus and other case issues.	0.20	950.00	\$190.00
02/27/2020	MBL	EB	Review agreement with comp expert re confidentiality issues (0.3); emails with team re same (0.1).	0.40	950.00	\$380.00
02/27/2020	JMF	EB	Telephone calls with I. Kharasch & M. Litvak re KERP issues (.4); research re same (1.7); review memo and analysis re non insider bonus issues (.4).	2.50	925.00	\$2,312.50
02/28/2020	IDK	EB	E-mails with Board, others on draft memo to employees on 2019 bonuses (.1); Telephone conference with J. Pomerantz re status on bonus issue (.1); E-mails with Committee counsel, J. Pomerantz re same and need for call and coordinate	0.70	1145.00	\$801.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			(.2); Attend conference call with Committee counsel, J. Pomerantz re Committee concerns on process re 2019 bonuses and Debtor intent to pay on Monday (.3).			
02/28/2020	IDK	EB	Telephone conference with Dubel, Nelms, J. Pomerantz re same and how to respond and timing and potential delay of payment of bonuses (.3); E-mails and telephone conference with Committee counsel re status and need for them to stand down for an hour (.2); Telephone conference with Dubel re decision to delay payment and meet with Committee (.1); Telephone conference and E-mail with Committee counsel re same decision and coordinate of meeting (.2).	0.80	1145.00	\$916.00
02/28/2020	IDK	EB	E-mails with M Litvak re status on 2019 bonuses and need for precautionary motion re same and issues on same (.2); E-mails with Board members on pending draft correspondence to UST on bonuses (.2); E-mails with M Litvak re same and his letter to UST (.1); E-mails with Board re employee concerns, and my communication with Committee re meeting arrangement on same (.2).	0.70	1145.00	\$801.50
02/28/2020	JNP	EB	Conference with Ira D. Kharasch, M. Clemente and D. Twomey regarding employee compensation.	0.30	1075.00	\$322.50
02/28/2020	MBL	EB	Emails with team and client re employee bonus issues.	0.10	950.00	\$95.00
02/28/2020	MBL	EB	Draft motion to approve new ordinary course bonuses.	3.50	950.00	\$3,325.00
				30.20		\$31,137.00

Financial Filings [B110]

02/05/2020	JNP	FF	Review emails regarding status of U. S. Trustee reporting.	0.10	1075.00	\$107.50
02/05/2020	JEO	FF	Email with Jack Donohue of DSI re reporting issues	0.20	925.00	\$185.00
02/11/2020	JEO	FF	Follow up with DSI on status of reporting	0.20	925.00	\$185.00
02/27/2020	JNP	FF	Review emails regarding status of 2015.3 report.	0.10	1075.00	\$107.50
				0.60		\$585.00

General Business Advice [B410]

02/01/2020	IDK	GB	Telephone conference with M Litvak re Strand Adv	0.50	1145.00	\$572.50
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			issues and draft memo (.1); Telephone conferences with J. Pomerantz re various issues on draft memos to Board (.2); emails with C Mackle and M Litvak re Strand memo issues (.2).			
02/01/2020	JNP	GB	Review memo regarding corporate considerations regarding bankruptcy filing of strand.	0.50	1075.00	\$537.50
02/01/2020	JNP	GB	Email to AON regarding information for coverage issues.	0.10	1075.00	\$107.50
02/01/2020	JNP	GB	Conference with J. Dubel regarding variety of issues including pending transactions.	0.60	1075.00	\$645.00
02/01/2020	MBL	GB	Review and comment on memo on Strand issues (2.5); emails with team re same (0.2).	2.70	950.00	\$2,565.00
02/02/2020	MBL	GB	Call with I. Kharasch re governance issues and revised memo.	0.20	950.00	\$190.00
02/03/2020	IDK	GB	Emails with J. Pomerantz re status and need for internal call given Board feedback (.1); Attend conference call with attorneys re same (.4); Emails with attorneys, Board on reschedule of Board meeting, and summary of demand notes (.2); Review of emails re D&O status (.1).	0.80	1145.00	\$916.00
02/03/2020	JNP	GB	Email to Board regarding next Board call.	0.10	1075.00	\$107.50
02/03/2020	JNP	GB	Email to and from Iain A. W. Nasatir regarding D&O status.	0.10	1075.00	\$107.50
02/03/2020	MBL	GB	Emails with team re memo on Strand issues.	0.10	950.00	\$95.00
02/03/2020	GVD	GB	Correspondence with Board members re finalization of board minutes	0.10	825.00	\$82.50
02/04/2020	IDK	GB	Emails with attorneys re coordination of Board meeting on various memos on case and claim issues (.2); Emails with attorneys and Board re rescheduling of Board call again this week (.1); Emails with attorneys re Board request to address a variety of issues today and logistics on same (.2).	0.50	1145.00	\$572.50
02/04/2020	IDK	GB	Review of revised WIP list for upcoming call (.1); Attend internal conference call with team on Feb 19 hearing items and status of same and other matters (1.0); Attend part of DSI WIP call (.4).	1.50	1145.00	\$1,717.50
02/04/2020	JNP	GB	Conference with J. Dubel and Board regarding scheduling meetings and Committee call (multiple).	0.50	1075.00	\$537.50
02/04/2020	JNP	GB	Emails regarding scheduling Board call.	0.10	1075.00	\$107.50

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02/04/2020	JNP	GB	Emails to and from Iain A. W. Nasatir regarding D&O.	0.10	1075.00	\$107.50
02/04/2020	MBL	GB	Review and revise memo on Strand issues (4.5); research and review caselaw re same (1.5).	6.00	950.00	\$5,700.00
02/04/2020	JMF	GB	Review correspondences re insurance counsel (.2); telephone call with I. Nasatir re same (.1).	0.30	925.00	\$277.50
02/04/2020	GVD	GB	Further review and revise memo on Strand governance issues	0.40	825.00	\$330.00
02/04/2020	GVD	GB	Correspondence re logistical issues for weekly board meeting	0.10	825.00	\$82.50
02/04/2020	GVD	GB	Correspondence with J. Pomerantz and I. Kharasch re conference with J. Seery	0.30	825.00	\$247.50
02/05/2020	IDK	GB	Emails with M Litvak re outstanding issue in Strand memo re LP consents, including D Barton's later feedback (.2); Review and consider revised version of Strand memo to Board (.3); Emails with M Litvak and J. Pomerantz re open issues for same (.2).	0.70	1145.00	\$801.50
02/05/2020	IDK	GB	Emails with G Demo re revised memo/presentation on outstanding P-Notes to estate, including review of same (.2); Emails with J. Pomerantz re coordinating memos to client legal team and to Board, and need for pre-call tomorrow re Board call (.2).	0.40	1145.00	\$458.00
02/05/2020	JNP	GB	Review memo on potential Strand bankruptcy and emails regarding same.	0.30	1075.00	\$322.50
02/05/2020	JNP	GB	Review Agenda for Board meeting and emails regarding same.	0.20	1075.00	\$215.00
02/05/2020	MBL	GB	Review comments to Strand memo; emails with team re same.	0.40	950.00	\$380.00
02/05/2020	JMF	GB	Review Board agenda.	0.10	925.00	\$92.50
02/05/2020	GVD	GB	Revise agenda for board meeting	1.10	825.00	\$907.50
02/05/2020	GVD	GB	Attend to director emails and open items	0.30	825.00	\$247.50
02/05/2020	GVD	GB	Revise and finalize board minutes	0.20	825.00	\$165.00
02/05/2020	GVD	GB	Review and further revise memo to board on general partner governance issues	1.10	825.00	\$907.50
02/06/2020	IDK	GB	Telephone conference with J. Pomerantz re Patel call re Board, new lawsuit by T Mascherin (.1);	0.80	1145.00	\$916.00

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLANT RECORD
VOLUME 5**

D. Michael Lynn
State Bar I.D. No. 12736500
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State Bar I.D. No. 02589100
John T. Wilson, IV
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ATTORNEYS FOR JAMES DONDERO

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

IN RE:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

Debtor.

INDEX

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Case No. 19-34054

Chapter 11

APPELLANT'S SECOND AMENDED DESIGNATION OF ITEMS TO
BE INCLUDED IN THE RECORD ON APPEAL AND
STATEMENT OF ISSUES TO BE PRESENTED

Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Appellant James Dondero ("Appellant") in this appeal as noticed by the Notice of Appeal filed by Appellant on November 9, 2020, files this *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented*¹ in the above-captioned case and requests that the Clerk prepare and forward the items listed herein to the District Court for inclusion in the record in connection with this appeal.

¹ This designation is being further amended to group together certain docket entries per the clerk's request.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL

1. Notice of Appeal filed by Appellant [Docket No. 1347];

2. *Order Approving Debtor's Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302];

3. Docket entries kept by the bankruptcy clerk in case no. 19-34054; and

4. Each of the additional documents and items designated below:

Designation No.	Docket No.	Date	Description
1.		10/25/18	<i>Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC</i> [Docket No. 660 in Case No. 18-30264]
2.		1/31/19	<i>Findings of Fact, Conclusions of Law, and Order Granting Final Approval of Disclosure Statement and Confirming the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, as Modified</i> [Docket No. 829 in Case No. 18-30264]
3.	607	4/28/20	<i>Summary of First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from October 16, 2019 through March 31, 2020</i> [Docket No. 607]
4.	617	5/1/20	<i>James Dondero's Limited Response to Acis Capital Management, L.P. and Acis Capital Management GP, LLC's Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction</i> [Docket No. 617]
5.	771	6/23/20	<i>Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC, filed by Highland Capital Management, L.P.</i> [Docket No. 771]

Vol. 5 001276	6.	827	7/13/20	<i>James Dondero's (i) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (ii) Joinder in Support of Highland Capital Management, L.P.'s Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 827]</i>
001284	7.	832	7/14/20	<i>Response of James Dondero to the Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor [Docket No. 832]</i>
001293	8.	891	7/23/20	<i>UBS (i) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC and (ii) Joinder in the Debtor's Objection [Docket No. 891]</i>
Vol. 6 001300	9.	908	7/31/20	<i>Omnibus Response to Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 908]</i>
Vol. 7 001571 Thru Vol. 8	10.	971	8/19/20	<i>Summary of Second Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from April 1, 2020 through July 31, 2020 [Docket No. 971]</i>
Vol. 8 001965	11.	983	8/21/20	<i>Agreed Scheduling Order Regarding Objections to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 983]</i>
001970	12.	1079	9/21/20	<i>First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1079]</i>
Vol. 9 002031	13.	1080	9/21/20	<i>Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1080]</i>
002186	14.	1087	9/23/20	<i>Debtor's Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer</i>

			<i>G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith [Docket No. 1087] (the “Acis Settlement Motion”)</i>
15.	1088	9/23/20	Declaration of Gregory V. Demo in Support of the Acis Settlement Motion [Docket No. 1088]
16.	1088-1	9/23/20	Settlement Agreement between the Debtor, Acis, and certain related parties [Docket No. 1088-1]
17.	1088-2	9/23/20	General Release between the Debtor, Acis, and certain related parties [Docket No. 1088-2]
18.	1094	9/24/20	<i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020 [Docket No. 1094]</i>
19.	1121	10/05/20	James Dondero’s Response to the Acis Settlement Motion [Docket No. 1121]
20.	1194-1	10/16/20	Proof of Claim No. 23 filed by Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively, “Acis”)
21.	1194-2	10/16/20	Proof of Claim No. 72 filed by the Redeemer Committee of the Highland Crusader Fund
22.	1194-3	10/16/20	Proof of Claim No. 81 filed by Highland Crusader Offshore Partners, L.P., et al.
23.	1194-5	10/16/20	Proof of Claim No. 77 filed by Patrick Daugherty
24.	1194-4	10/16/20	Proof of Claim No. 93 filed by Integrated Financial Associates, Inc.
25.	1194-6	10/16/20	Proof of Claim No. 190 filed by UBS
26.	1194-16	10/16/20	Expert Opinion of Nancy B. Rapoport, dated October 11, 2020, including all attachments thereto
27.	1194-17	10/16/20	Curriculum Vitae of Nancy B. Rapoport

Vol. 12 002758	28.	1201	10/16/20	Objection of Patrick Daugherty to the Acis Settlement Motion [Docket No. 1201]
002773	29.	1177	10/16/20	CLO HoldCo. Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1177]
002777	30.	1191	10/16/20	Highland CLO Funding, Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1191]
002785	31.	1195	10/16/20	HarbourVest Limited Objection and Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1195]
002791 Thru Vol. 13	32.	1271	10/20/20	Transcript of hearing conducted on October 20, 2020 [Docket No. 1271]
Vol. 13 003047	33.	1285	10/21/20	Transcript of hearing conducted on October 21, 2020 [Docket No. 1285]

STATEMENT OF ISSUES TO BE PRESENTED ON APPEAL

1. Whether the Bankruptcy Court erred in approving the settlement agreement and release entered into between Highland Capital Management, L.P. and Acis Capital Management, L.P., Acis Capital Management GP, LLC, and Joshua Terry pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure as being fair, equitable, and in the best interest of the estate.

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Dated: December 7, 2020

Respectfully submitted,

/s/ Bryan C. Assink

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ATTORNEYS FOR JAMES DONDERO

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on December 7, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for Debtor-Appellee Highland Capital Management, L.P. and on all other parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

Bryan C. Assink

Pachulski Stang Ziehl & Jones LLP
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Emails with attorneys re draft of memo to the Board re same and changes to same (.2); Email with R Nelms re same (.1); Email and telephone conference with J. Pomerantz re his conversation with R Nelms re same and case generally (.4).			
02/06/2020	IDK	GB	Attend pre-call for the upcoming Board call later today (.6); Email and telephone conference with G Demo re J Seery unavailability for Board call today, and correspondence Board re same and reschedule (.2); Attend part of pre-call today (.4).	1.20	1145.00	\$1,374.00
02/06/2020	JNP	GB	Draft email to Board regarding call with R. Patel; Conference with Ira D. Kharasch regarding same.	0.30	1075.00	\$322.50
02/06/2020	JNP	GB	Conference with J. Seery regarding various issues.	0.50	1075.00	\$537.50
02/06/2020	JNP	GB	Conference with R. Nelms regarding variety of pending matters.	0.50	1075.00	\$537.50
02/06/2020	JNP	GB	Conference with J. Dubel regarding pending matters.	0.30	1075.00	\$322.50
02/06/2020	JNP	GB	Conference with J. Dubel after call with M. Clemente regarding RCP and other matters.	0.30	1075.00	\$322.50
02/06/2020	JNP	GB	Participate on Board call.	0.50	1075.00	\$537.50
02/06/2020	JNP	GB	Email proposed time line to Board.	0.10	1075.00	\$107.50
02/06/2020	JNP	GB	Conference with Ira D. Kharasch regarding calls with Board members regarding pending matters.	0.40	1075.00	\$430.00
02/06/2020	JMF	GB	Review updated memo re corporate governance issues.	0.60	925.00	\$555.00
02/06/2020	JAM	GB	Telephone conference with J. Pomerantz, I. Kharasch re prep for Board call (.6).	0.60	1075.00	\$645.00
02/06/2020	GVD	GB	Conference with J. Dubel, R. Nelms, DSI and PSZJ team re open items	0.50	825.00	\$412.50
02/06/2020	GVD	GB	Conference with J. Pomerantz re follow up to call with J. Dubel and R. Nelms	0.10	825.00	\$82.50
02/07/2020	IDK	GB	Attend conference call with Board, others on numerous case issues (2.2); Telephone conference with J. Pomerantz re same and open issues re claims memos, next week's meetings (.2); Email J. Pomerantz re next Board meeting and presentation of our analysis on claims (.1).	2.50	1145.00	\$2,862.50
02/07/2020	JNP	GB	Participate on Board call.	2.60	1075.00	\$2,795.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/07/2020	JNP	GB	Conference with J. Dubel after call with M. Clemente.	0.10	1075.00	\$107.50
02/07/2020	JNP	GB	Email to Board regarding results of call with M. Clemente.	0.10	1075.00	\$107.50
02/07/2020	JNP	GB	Conference with Ira D. Kharasch regarding Board call.	0.20	1075.00	\$215.00
02/07/2020	JNP	GB	Email to and from D&O broker regarding status.	0.10	1075.00	\$107.50
02/07/2020	GVD	GB	Attend Board Meeting	2.60	825.00	\$2,145.00
02/09/2020	JMF	GB	Review summary of board meeting.	0.20	925.00	\$185.00
02/10/2020	IDK	GB	Telephone conferences with J. Pomerantz re status and Patel/Acis threat to file pleading (.1); Attend conference call with Board re status, RCP/MGM (.8).	0.90	1145.00	\$1,030.50
02/10/2020	JNP	GB	Participate on call with Board regarding Acis, retention issues, MGM and related.	0.90	1075.00	\$967.50
02/11/2020	JNP	GB	Conference with Board Members, Ira D. Kharasch, B. Sharp and Gregory V. Demo regarding various issues including MGM, Argentina and Dynamic and cash flows.	0.40	1075.00	\$430.00
02/11/2020	JMF	GB	Review Board Summary and draft memorandum of pending case issues & motions.	0.80	925.00	\$740.00
02/12/2020	IDK	GB	Telephone conference with J. Pomerantz re case issues and upcoming Board meeting today (.2).	0.20	1145.00	\$229.00
02/12/2020	IDK	GB	Attend extensive Board meeting on case and presentation of memos on POCs of Acis, Redeemer, and UBS.	5.40	1145.00	\$6,183.00
02/12/2020	IDK	GB	Attend later part of Board meeting on case issues (.8).	0.80	1145.00	\$916.00
02/12/2020	JNP	GB	Review Board agenda and emails regarding same.	0.20	1075.00	\$215.00
02/12/2020	JNP	GB	Participate on Board call.	2.50	1075.00	\$2,687.50
02/12/2020	JNP	GB	Meeting with J. Seery, R. Nelms and DSI to debrief on meetings.	0.50	1075.00	\$537.50
02/12/2020	JMF	GB	Review & analyze Agenda re Board meeting.	0.10	925.00	\$92.50
02/12/2020	JAM	GB	Board presentation/discussion concerning litigation issues (partial participation in Board meeting) (.8).	0.80	1075.00	\$860.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/12/2020	GVD	GB	Draft Agenda for Board meeting	0.50	825.00	\$412.50
02/12/2020	GVD	GB	Meeting of Strand Board of Directors	2.50	825.00	\$2,062.50
02/13/2020	IDK	GB	Review and consider correspondence re open items from yesterday's Board meeting (.2); Telephone conferences with J. Pomerantz re status of case and issues (.3); Attend part of Board call on case issues (.8).	1.30	1145.00	\$1,488.50
02/13/2020	JNP	GB	Review email from F. Caruso regarding follow-up from Board call.	0.10	1075.00	\$107.50
02/13/2020	JNP	GB	Emails on AON regarding status of D&O; Forward to Board regarding same.	0.20	1075.00	\$215.00
02/13/2020	JNP	GB	Conference with John A. Morris regarding Board meeting at office.	0.10	1075.00	\$107.50
02/15/2020	IDK	GB	Attend conference call with Board on case issues and Committee meeting (.5).	0.50	1145.00	\$572.50
02/15/2020	JNP	GB	Participate on Board call regarding Committee response to outstanding issues.	0.50	1075.00	\$537.50
02/17/2020	IDK	GB	Review of correspondence today re rescheduling of meetings with Board, others, and status of D&O for DSI and Board.	0.30	1145.00	\$343.50
02/18/2020	IDK	GB	E-mails with attorneys, others re draft agenda for tomorrow's Board call, as well as reschedule WIP calls (.2); E-mails with J. Pomerantz re tomorrow's Board call and need for letter re Acis POC (.1); Telephone conference with J. Pomerantz re general status of various issues (.2).	0.50	1145.00	\$572.50
02/18/2020	JNP	GB	Conference with Board regarding call with M. Clemente regarding various issues.	0.20	1075.00	\$215.00
02/18/2020	JNP	GB	Emails regarding status of D&O insurance.	0.10	1075.00	\$107.50
02/18/2020	JNP	GB	Review and comment on Board Agenda for next meeting.	0.20	1075.00	\$215.00
02/18/2020	JNP	GB	Conference with Board regarding upcoming hearing and related issues.	0.50	1075.00	\$537.50
02/18/2020	GVD	GB	Prepare agenda for board meeting	0.70	825.00	\$577.50
02/19/2020	IDK	GB	E-mails with attorneys, Board, re coordination of Committee meeting and agenda (.2); E-mail and telephone conference with J. Pomerantz re result of today's hearing and case status (.2).	0.40	1145.00	\$458.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/19/2020	JNP	GB	Meeting with Board regarding miscellaneous issues.	0.40	1075.00	\$430.00
02/19/2020	JNP	GB	Conference with Board, DSI, Gregory V. Demo and Iain A. W. Nasatir regarding D&O status.	0.40	1075.00	\$430.00
02/19/2020	JNP	GB	Participate in Board call.	0.90	1075.00	\$967.50
02/19/2020	GVD	GB	Attend board meeting	2.00	825.00	\$1,650.00
02/20/2020	IDK	GB	Telephone conference with J. Pomerantz re case and yesterday's hearing and issues going forward (.4); Telephone conferences with J. Pomerantz later today re various issues, including distribution motion drafting issues (.5).	0.90	1145.00	\$1,030.50
02/20/2020	JNP	GB	Conference with J. Dubel regarding results of hearing and next steps.	0.30	1075.00	\$322.50
02/20/2020	JNP	GB	Conference with J. Dubel regarding distribution motion, discovery and related issues.	0.30	1075.00	\$322.50
02/20/2020	JNP	GB	Emails regarding status of D&O coverage.	0.10	1075.00	\$107.50
02/21/2020	IDK	GB	E-mail and telephone conference with J. Pomerantz re issues on trading authority and Dondero, and potential next steps re same.	0.40	1145.00	\$458.00
02/21/2020	JNP	GB	Participate on call with Board and Gregory V. Demo in preparation for call with Committee regarding employee issues.	0.80	1075.00	\$860.00
02/21/2020	JNP	GB	Call with Board after call with Committee.	0.60	1075.00	\$645.00
02/23/2020	JAM	GB	Telephone conference with J. Pomerantz re status, Board meeting.	0.30	1075.00	\$322.50
02/24/2020	IDK	GB	Telephone conference with J. Pomerantz re issues in case and hearing on 3/4 (.4); E-mails with Board re need for call re same and other matters, and initial feedback from Nelms re issues (.2); Attend Board call re same (.7).	1.30	1145.00	\$1,488.50
02/24/2020	IDK	GB	Office conference with J. Pomerantz re case issues and March 4 hearing logistics, evidence (.3).	0.30	1145.00	\$343.50
02/24/2020	JNP	GB	Review of Agenda and conference with Gregory V. Demo regarding same.	0.20	1075.00	\$215.00
02/24/2020	JNP	GB	Conference with Ira D. Kharasch regarding Board call and upcoming hearing.	0.30	1075.00	\$322.50
02/24/2020	JNP	GB	Review and comment on Board minutes.	0.20	1075.00	\$215.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/24/2020	JNP	GB	Emails regarding scheduling Board calls.	0.10	1075.00	\$107.50
02/24/2020	JEO	GB	Email to PSZJ re board call	0.40	925.00	\$370.00
02/24/2020	JEO	GB	Email to board members re: Bar Date and Deloitte Tax retention	0.40	925.00	\$370.00
02/24/2020	JMF	GB	Review Board minutes draft & correspondences re same.	0.40	925.00	\$370.00
02/24/2020	GVD	GB	Draft Board Minutes (2/7)	1.30	825.00	\$1,072.50
02/24/2020	GVD	GB	Draft Board Minutes (12/12)	1.10	825.00	\$907.50
02/25/2020	IDK	GB	E-mails with attorneys re coordination of next Board call and WIP calls (.1); Attend conference call with DSI, others on WIP and case issues (.9).	1.00	1145.00	\$1,145.00
02/25/2020	IDK	GB	Telephone conference with J. Pomerantz re various case issues (.2); Review of draft agenda for tomorrow's Board call, feedback re same, as well as updates on other fund requirements and related protocol issues (.3).	0.50	1145.00	\$572.50
02/25/2020	JNP	GB	Conference with Ira D. Kharasch regarding call with Board Members regarding employee issues.	0.20	1075.00	\$215.00
02/25/2020	JNP	GB	Conference with J. Dubel and R. Nelms regarding employee issues and Committee discovery issues.	0.50	1075.00	\$537.50
02/25/2020	JNP	GB	Review revised Board minutes.	0.10	1075.00	\$107.50
02/25/2020	JMF	GB	Review 13 week cash flow.	0.40	925.00	\$370.00
02/25/2020	GVD	GB	Revise and circulate updated agenda for Board Meeting	0.60	825.00	\$495.00
02/25/2020	GVD	GB	Revise minutes from Board Meeting and circulate same	0.70	825.00	\$577.50
02/26/2020	IDK	GB	E-mail to J. Pomerantz re upcoming Board call (.1); Attend Board call on general issues/status (1.4).	1.50	1145.00	\$1,717.50
02/26/2020	IDK	GB	Telephone conference with J. Pomerantz re general case issues and result of board call and related tasks (.3); Telephone conference with J. Pomerantz re same and follow up to nature of letter of UST (.2).	0.50	1145.00	\$572.50
02/26/2020	IDK	GB	E-mails with attorneys re Board desire to limit trading authorization (.2); Telephone conference with G Demo re logistics on changing list of authorized traders, and consider (.2); E-mails with attorneys re same and correspondence with Board re	1.00	1145.00	\$1,145.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			same (.2); E-mails with G Demo and J. Pomerantz on prior consent and issues re same and drafting issues on new form of consent and authority to trade, including review of draft new consent and cover letter to Board re same and history of prior consent (.4).			
02/26/2020	JNP	GB	Participate on Board call.	1.50	1075.00	\$1,612.50
02/26/2020	JNP	GB	Conference with R. Nelms regarding case issues.	0.20	1075.00	\$215.00
02/26/2020	JNP	GB	Conference with Ira D. Kharasch regarding issues raised in Board call.	0.30	1075.00	\$322.50
02/26/2020	JNP	GB	Conference with J.Seery regarding resolution modification regarding trading authority.	0.20	1075.00	\$215.00
02/26/2020	JNP	GB	Conference with Gregory V. Demo regarding resolution modification regarding trading authority.	0.20	1075.00	\$215.00
02/26/2020	GVD	GB	Attend weekly board meeting	1.40	825.00	\$1,155.00
02/26/2020	GVD	GB	Conference with I. Kharasch re revisions to written consent	0.10	825.00	\$82.50
02/26/2020	GVD	GB	Revise resolutions re authorized officers and draft cover email re same	1.60	825.00	\$1,320.00
02/26/2020	GVD	GB	Conference with J. Pomerantz re authorized trader issues; revise resolutions re same and circulate	0.60	825.00	\$495.00
02/27/2020	IDK	GB	E-mails with CRO re status and need for call (.1); Attend conference call with CRO, J. Pomerantz re case issues, and agenda for meeting with Committee members (.4).	0.50	1145.00	\$572.50
02/27/2020	JMF	GB	Review Board minutes.	0.20	925.00	\$185.00
02/27/2020	GVD	GB	Revise and circulate draft written consent re comments from directors	0.30	825.00	\$247.50
02/27/2020	GVD	GB	Further revise resolutions re comments from compliance	0.50	825.00	\$412.50
02/28/2020	JNP	GB	Conference with Ira D. Kharasch and Board regarding Committee position regarding compensation.	0.30	1075.00	\$322.50
02/29/2020	IDK	GB	Telephone conference with J. Pomerantz re case issues (.2).	0.20	1145.00	\$229.00
02/29/2020	MBL	GB	Emails with team re loan extension issues.	0.30	950.00	\$285.00
02/29/2020	GVD	GB	Draft board minutes for Feb. 19 meeting	0.70	825.00	\$577.50

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				87.10		\$88,396.00
General Creditors Comm. [B150]						
02/03/2020	IDK	GC	Emails with Committee counsel, others re coordination of meeting with Board and status of responding to Committee concerns re demand notes, other issues.	0.20	1145.00	\$229.00
02/03/2020	JNP	GC	Emails to and from M. Clemente regarding call with Committee and Board.	0.10	1075.00	\$107.50
02/04/2020	IDK	GC	Review of emails from Committee re status and coordination of meeting, and status of demand letter and Committee request re same.	0.20	1145.00	\$229.00
02/06/2020	IDK	GC	Review of correspondence with Committee on status and coordination of calls with same.	0.20	1145.00	\$229.00
02/12/2020	GVD	GC	Draft Agenda for Committee conference	0.40	825.00	\$330.00
02/13/2020	JNP	GC	Participate on pre-call with Committee professionals, Board, DSI, Gregory V. Demo and Ira D. Kharasch.	1.60	1075.00	\$1,720.00
02/13/2020	JNP	GC	Conference with J. Dubel regarding Committee call.	0.10	1075.00	\$107.50
02/13/2020	JNP	GC	Conference with Gregory V. Demo regarding call with Committee professionals.	0.10	1075.00	\$107.50
02/13/2020	GVD	GC	Conference with Directors, PSZJ team, and Committee professionals in advance of all hands Committee call	1.00	825.00	\$825.00
02/14/2020	IDK	GC	E-mail and telephone conference with G Demo re status and summary of today's call with Committee (.2); Telephone conference with J. Pomerantz re same and open issues (.2); E-mails with Board, others re need for follow up call re same and coordinate (.1).	0.50	1145.00	\$572.50
02/14/2020	JNP	GC	Participate on pre-call to Committee call with Board, B. Sharp and Gregory V. Demo.	0.50	1075.00	\$537.50
02/14/2020	JNP	GC	Participate in lengthy call with Committee, Committee professionals, Board and company professionals.	2.30	1075.00	\$2,472.50
02/14/2020	JNP	GC	Conference with Board and Gregory V. Demo after call with Committee.	0.10	1075.00	\$107.50
02/14/2020	JNP	GC	Conference with B. Sharp regarding call with Committee.	0.20	1075.00	\$215.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/14/2020	JNP	GC	Conference with D. Twomey and M. Clemente regarding follow-up issues from Committee call.	0.40	1075.00	\$430.00
02/14/2020	JNP	GC	Conference with Ira D. Kharasch regarding follow-up from Committee call.	0.20	1075.00	\$215.00
02/14/2020	JNP	GC	Conference with Gregory V. Demo after call with Sidley regarding follow-up from Committee call.	0.20	1075.00	\$215.00
02/14/2020	JNP	GC	Conference with B. Sharp regarding follow-up issues after Committee call.	0.10	1075.00	\$107.50
02/14/2020	GVD	GC	Conference with I. Kharasch re status of meeting with Committee	0.20	825.00	\$165.00
02/14/2020	GVD	GC	Attend to matters re Committee meeting	0.40	825.00	\$330.00
02/14/2020	GVD	GC	Conference with directors and J. Pomerantz re preparation for call with Committee	0.50	825.00	\$412.50
02/14/2020	GVD	GC	Conference with Committee, Directors, and J. Pomerantz re open items and next steps	2.50	825.00	\$2,062.50
02/15/2020	IDK	GC	Review of correspondence with Committee counsel re status and issues on MGM, and anticipated motion to distribute funds to all investors.	0.10	1145.00	\$114.50
02/15/2020	JNP	GC	Email to M. Clemente and T. Twomey regarding outstanding issues awaiting Committee response.	0.20	1075.00	\$215.00
02/15/2020	GVD	GC	Conference with J. Pomerantz and Board of Directors re follow up to Committee meeting	0.50	825.00	\$412.50
02/17/2020	JNP	GC	Emails with Board regarding scheduling meeting with Committee.	0.10	1075.00	\$107.50
02/18/2020	JNP	GC	Conference with M. Clemente regarding various issues including meeting with Committee.	0.30	1075.00	\$322.50
02/18/2020	JNP	GC	Review and respond to emails from D. Twomey regarding meeting.	0.10	1075.00	\$107.50
02/18/2020	JNP	GC	Emails to Board regarding Committee meeting and hearing.	0.20	1075.00	\$215.00
02/19/2020	JNP	GC	Email with M. Clemente regarding Committee meeting.	0.10	1075.00	\$107.50
02/19/2020	JNP	GC	Emails with Board regarding meeting with Committee.	0.10	1075.00	\$107.50
02/20/2020	JNP	GC	Conference with M. Clemente regarding Committee call with Debtor.	0.30	1075.00	\$322.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/20/2020	JNP	GC	Conference with B. Sharp regarding Debtor Committee call.	0.20	1075.00	\$215.00
02/20/2020	JNP	GC	Conference with Ira D. Kharasch regarding call with Committee.	0.10	1075.00	\$107.50
02/21/2020	JNP	GC	Participate on call with Committee, Board and professionals regarding employee issues.	1.10	1075.00	\$1,182.50
02/21/2020	JNP	GC	Conference with M. Clemente regarding postmortem on call with Committee.	0.20	1075.00	\$215.00
02/26/2020	IDK	GC	E-mails with Board, others re coordination of meeting with Committee.	0.10	1145.00	\$114.50
02/26/2020	JNP	GC	Conference with M. Clemente regarding Committee meeting.	0.10	1075.00	\$107.50
02/26/2020	JNP	GC	Emails with M. Clemente regarding Committee meeting.	0.10	1075.00	\$107.50
02/26/2020	GVD	GC	Correspondence with E. Bromagen (Sidley) re status of March 5 meetnig	0.10	825.00	\$82.50
02/27/2020	IDK	GC	Review of various draft agendas for Committee meeting.	0.20	1145.00	\$229.00
02/27/2020	JNP	GC	Conference with Ira D. Kharasch and B. Sharp regarding Agenda for meeting with Committee.	0.40	1075.00	\$430.00
02/29/2020	IDK	GC	E-mails with Committee counsel, J. Pomerantz re coordination of in person meeting with Committee, as well as call on employees (.1); Review of correspondence with Board on same (.1).	0.20	1145.00	\$229.00
				16.80		\$16,779.00

Insurance Coverage

02/03/2020	IAWN	IC	Review emails between Demo, Pomerantz and broker, exchange emails with broker re status of binder	0.40	1025.00	\$410.00
02/04/2020	IAWN	IC	Review and analyze binder and endorsements, review and respond to emails from Jeffrey N Pomerantz	1.30	1025.00	\$1,332.50
02/06/2020	IAWN	IC	Exchange emails with broker re language re professional services endorsement, analyze same	0.80	1025.00	\$820.00
02/10/2020	IAWN	IC	Review and analyze change in control endorsement and entire binder for consistency, exchange emails	1.80	1025.00	\$1,845.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			with broker and Jeffrey N Pomerantz re same			
02/13/2020	IAWN	IC	Review emails re policy from broker, analyze same, and respond to Jeffrey N Pomerantz and broke	1.30	1025.00	\$1,332.50
02/17/2020	IAWN	IC	Review email, and final wording, analyze same re Named Insured, exchange emails with broker and Jeffrey N Pomerantz re same, and re DSI	2.60	1025.00	\$2,665.00
02/19/2020	IAWN	IC	Exchange emails with Jeffrey N Pomerantz re open inquiries re board call, review emails re same, prepare for board call	1.30	1025.00	\$1,332.50
02/20/2020	IAWN	IC	Prepare for, wait for and attend board call re insurance	1.30	1025.00	\$1,332.50
02/21/2020	IAWN	IC	Review emails between Board and broker, re policy effective date	0.30	1025.00	\$307.50
02/26/2020	IAWN	IC	Exchange emails with Jeffrey N Pomerantz and Sharpe re insurance	0.10	1025.00	\$102.50
02/27/2020	IAWN	IC	Review and analyze captive policy, and exchange emails summarizing policy with Sharpe and Jeffrey N Pomerantz	1.80	1025.00	\$1,845.00
				13.00		\$13,325.00

Plan & Disclosure Stmt. [B320]

02/06/2020	IDK	PD	Emails with attorneys re plan confirmation timeline and revisions for same for Board.	0.20	1145.00	\$229.00
02/06/2020	JMF	PD	Draft timeline re plan confirmation process.	0.30	925.00	\$277.50
02/14/2020	JEO	PD	Finalize order on motion to extend exclusivity	0.30	925.00	\$277.50
02/20/2020	JMF	PD	Review background documents re disclosure statement preparation.	1.80	925.00	\$1,665.00
02/21/2020	JJK	PD	Emails Fried on plan and disclosure statement.	0.20	895.00	\$179.00
02/25/2020	JJK	PD	Review pleadings and start preparing disclosure statement sections.	2.10	895.00	\$1,879.50
				4.90		\$4,507.50

Ret. of Prof./Other

02/04/2020	JMF	RPO	Telephone call with G. Demo re Deloitte engagements.	0.20	925.00	\$185.00
02/04/2020	JMF	RPO	Draft Deloitte Retention application.	1.80	925.00	\$1,665.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/04/2020	GVD	RPO	Review CNO re Hayward retention	0.20	825.00	\$165.00
02/05/2020	JMF	RPO	Review Deloitte engagement agreements (1.2); draft retention application (2.2).	3.40	925.00	\$3,145.00
02/06/2020	JMF	RPO	Emails re Deloitte tax retention issues.	0.20	925.00	\$185.00
02/07/2020	JMF	RPO	Review Deloitte retention application.	0.40	925.00	\$370.00
02/09/2020	JNP	RPO	Emails to and from Gregory V. Demo regarding retention of Linn Pinker.	0.20	1075.00	\$215.00
02/09/2020	JMF	RPO	Review Deloitte engagements.	0.40	925.00	\$370.00
02/09/2020	GVD	RPO	Conference with M. Hurst (Lynn Pinker) re status of retention application	0.20	825.00	\$165.00
02/09/2020	GVD	RPO	Correspondence with Board of Directors summarizing call with Lynn Pinker	0.20	825.00	\$165.00
02/10/2020	JNP	RPO	Review emails from R. Patel. and M. Hurst regarding retention and discovery.	0.10	1075.00	\$107.50
02/10/2020	PJJ	RPO	Revise Deloitte retention application.	0.50	425.00	\$212.50
02/10/2020	JEO	RPO	Review correspondence re status of Lynn Pinker and Foley retention applications	0.40	925.00	\$370.00
02/10/2020	JMF	RPO	Draft Deloitte tax engagement re revised work orders from Deloitte.	0.80	925.00	\$740.00
02/11/2020	JNP	RPO	Conference with M. Hurst regarding retention issues.	0.10	1075.00	\$107.50
02/11/2020	JNP	RPO	Email to Board regarding conference with M. Hurst.	0.10	1075.00	\$107.50
02/11/2020	PJJ	RPO	Revise Deloitte retention application.	0.50	425.00	\$212.50
02/11/2020	JMF	RPO	Review Deloitte mark-up to application.	0.30	925.00	\$277.50
02/12/2020	JEO	RPO	Review draft of application to retain Deloitte and provide comments	0.40	925.00	\$370.00
02/12/2020	JMF	RPO	Review April 3 work order and edit Deloitte tax retention.	0.90	925.00	\$832.50
02/12/2020	GVD	RPO	Review and respond to correspondence re Deloitte retention application	0.20	825.00	\$165.00
02/13/2020	JNP	RPO	Emails regarding hearing on Foley retention; Conference with John A. Morris regarding same.	0.20	1075.00	\$215.00
02/13/2020	JEO	RPO	Emails with Roland Young re Deloitte retention	0.60	925.00	\$555.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/13/2020	JEO	RPO	Emails with client on Deloitte retention application	0.60	925.00	\$555.00
02/13/2020	JMF	RPO	Telephone calls with R. Young re Deloitte (.2); review engagement letter re application (.5).	0.70	925.00	\$647.50
02/13/2020	JMF	RPO	Review issues re Wilmer hale retention (.3); call to George Shuster re same.	0.30	925.00	\$277.50
02/13/2020	JAM	RPO	Prepare for 2/19 hearing (2.6); meeting with G. Demo re background to Foley retention application motion (1.0); draft witness/exhibit list for hearing (.9); e-mail to J. Pomerantz, G. Demo, R. Nelms, M. Hayward, Z. Annable re witness and exhibit list (.2).	4.70	1075.00	\$5,052.50
02/13/2020	GVD	RPO	Conference with J. Morris re preparation for retention hearing on Foley Gardere	1.00	825.00	\$825.00
02/13/2020	GVD	RPO	Prepare for hearing on Foley retention	0.80	825.00	\$660.00
02/14/2020	JNP	RPO	Conference with John A. Morris regarding Committee position on Foley.	0.10	1075.00	\$107.50
02/14/2020	JEO	RPO	Email to Deloitte re retention application	0.20	925.00	\$185.00
02/14/2020	JEO	RPO	Email client team re Deloitte retention	0.20	925.00	\$185.00
02/14/2020	JMF	RPO	Review Deloitte retention and edits to same.	0.50	925.00	\$462.50
02/14/2020	JAM	RPO	Review documents and prepare outline of issues for hearing (5.3); e-mail to R. Nelms, H. O'Neil, G. Demo re Foley motion (.2); review/revise witness and exhibit list (1.3); review Acis' proposed exhibits (.7).	7.50	1075.00	\$8,062.50
02/14/2020	LSC	RPO	Prepare retention application exhibits for attorney review.	0.60	425.00	\$255.00
02/14/2020	GVD	RPO	Prepare for hearing on Foley retention and draft witness list	2.70	825.00	\$2,227.50
02/15/2020	JAM	RPO	Draft e-mail to R. Patel re objections to exhibits and proposed stipulation (1.2); e-mail to PSZJ, R. Nelms, H. O'Neil re draft e-mail to r. Patel (.2); meet with G. Demo, R. Nelms, H. O'Neil (telephonically) re preparation for testimony (2.0); prepare for hearing (1.8).	5.20	1075.00	\$5,590.00
02/15/2020	GVD	RPO	Conference with R. Nelms, J. Morris, and H. O'Neil re preparation for retention hearing	2.90	825.00	\$2,392.50
02/16/2020	JAM	RPO	E-mail to Directors re witness list (Acis) (.1); e-mail to JP Sevilla, I. Leventon, J. Pomerantz re Acis witness list (.1).	0.20	1075.00	\$215.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/17/2020	JNP	RPO	Review and respond to emails regarding Foley order.	0.20	1075.00	\$215.00
02/17/2020	JAM	RPO	Prepare for hearing on Foley retention.	3.40	1075.00	\$3,655.00
02/17/2020	GVD	RPO	Revise proposed order on Foley retention re changes from J. Pomerantz and circulate same.	0.20	825.00	\$165.00
02/17/2020	GVD	RPO	Prepare for argument re Foley retention	4.70	825.00	\$3,877.50
02/17/2020	GVD	RPO	Revise and circulate to Committee proposed order on Foley retention	0.60	825.00	\$495.00
02/18/2020	JNP	RPO	Review direct testimony of R. Nelms and provide comments; Review revised version.	0.30	1075.00	\$322.50
02/18/2020	JNP	RPO	Review presentation on Foley application and provide comments.	0.20	1075.00	\$215.00
02/18/2020	JAM	RPO	Prepare for hearing (3.8); review/revise Nelms direct testimony (.8); e-mails with J. Pomerantz, G. Demo, H. O'Neil, I. Kharasch re Nelms testimony (.4); review/revise G. Demo opening statement re retention application (.7); e-mails with R. Nelms re testimony (.2); telephone conference with G. Demo , H. O'Neil re retention motion hearing (.3); telephone conference with G. Demo, R. Patel re retention motion hearing (.3).	6.50	1075.00	\$6,987.50
02/18/2020	GVD	RPO	Revise Foley presentation re comments from J. Morris and J. Pomerantz	2.90	825.00	\$2,392.50
02/18/2020	GVD	RPO	Review and revise direct testimony of R. Nelms	0.30	825.00	\$247.50
02/18/2020	GVD	RPO	Conference with R. Patel and J. Morris re Foley retention	0.30	825.00	\$247.50
02/18/2020	GVD	RPO	Conference with H. O'Neil and J. Morris re Foley retention	0.20	825.00	\$165.00
02/18/2020	GVD	RPO	Prepare for hearing on 2/19	1.00	825.00	\$825.00
02/19/2020	JNP	RPO	Meeting with Gregory V. Demo, John A. Morris and R. Nelms prior to hearing on Foley retention.	1.00	1075.00	\$1,075.00
02/19/2020	JNP	RPO	Meeting with H. Oneill, Gregory V. Demo, John A. Morris and R. Nelms prior to hearing on Foley retention.	1.00	1075.00	\$1,075.00
02/19/2020	JNP	RPO	Participate in hearing on Foley retention.	5.00	1075.00	\$5,375.00
02/19/2020	JMF	RPO	Review Deloitte retention edits.	0.40	925.00	\$370.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/19/2020	JAM	RPO	Prepare for hearing on Foley retention (including meetings with R. Nelms, J. Pomerantz, G. Demo, H. O'Neil for various portions) (2.5); hearing on Foley retention (4.8).	7.30	1075.00	\$7,847.50
02/19/2020	GVD	RPO	Hearing preparation for Foley retention	2.30	825.00	\$1,897.50
02/19/2020	GVD	RPO	Review results of hearing	0.50	825.00	\$412.50
02/20/2020	JEO	RPO	Review comments to Deloitte retention from client and Deloitte and review and revise retention application	1.60	925.00	\$1,480.00
02/20/2020	JEO	RPO	Email to Deloitte to follow up on status of retention application	0.20	925.00	\$185.00
02/20/2020	JEO	RPO	Email to client with revised Deloitte retention application	0.20	925.00	\$185.00
02/21/2020	JNP	RPO	Emails regarding retention of OCP counsel.	0.10	1075.00	\$107.50
02/21/2020	JEO	RPO	Review additional comments from Deloitte and incorporate into retention application	0.80	925.00	\$740.00
02/21/2020	JEO	RPO	Further edits on Deloitte Retention Application	0.40	925.00	\$370.00
02/21/2020	JEO	RPO	Email to Brad Sharp and Jack Donohue re Deloittee retention application	0.20	925.00	\$185.00
02/21/2020	JMF	RPO	Telephone call with G. Shuster re Wilmer Hale retention.	0.30	925.00	\$277.50
02/23/2020	JEO	RPO	Follow up with Josh Fried re Deloitte retention application	0.20	925.00	\$185.00
02/24/2020	JNP	RPO	Review proposed Foley order and conference with Gregory V. Demo regarding same.	0.10	1075.00	\$107.50
02/24/2020	JEO	RPO	Emails with Deloitte and Company re Deloitte retention application	0.30	925.00	\$277.50
02/24/2020	JEO	RPO	Follow up with company re Deloitte retention	0.20	925.00	\$185.00
02/24/2020	JMF	RPO	Draft Wilmer Hale application.	0.80	925.00	\$740.00
02/24/2020	JMF	RPO	Emails re Deloitte retention issues.	0.20	925.00	\$185.00
02/24/2020	GVD	RPO	Draft retention order (Foley)	0.50	825.00	\$412.50
02/25/2020	JEO	RPO	Review OCP order for allocation and reimbursement arrangement	0.30	925.00	\$277.50
02/25/2020	JEO	RPO	Review Deloitte retention application re allocation	0.30	925.00	\$277.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			and reimbursement provisions			
02/25/2020	JEO	RPO	Update Deloitte retention application and send to Deloitte and Client	0.40	925.00	\$370.00
02/25/2020	JMF	RPO	Draft Wilmer Hale application.	0.60	925.00	\$555.00
02/25/2020	GVD	RPO	Review proposed Winstead changes to Foley retention order	0.30	825.00	\$247.50
02/26/2020	JNP	RPO	Email to and from K. Irving regarding retention of counsel for Brown Rudnick litigation.	0.10	1075.00	\$107.50
02/26/2020	JNP	RPO	Review emails regarding status of Deloitte retention application.	0.10	1075.00	\$107.50
02/26/2020	JEO	RPO	Compile Deloitte Retention application and circulate	0.30	925.00	\$277.50
02/26/2020	JEO	RPO	Further edits on Deloitte retention application per client request and finalize application for filing.	2.70	925.00	\$2,497.50
02/26/2020	JEO	RPO	Call with Brad Sharp to confirm approval for filing Deloitte retention application	0.20	925.00	\$185.00
02/26/2020	JEO	RPO	Review local counsel edits to Deloitte Retention application and confirm approval for filing	0.30	925.00	\$277.50
02/26/2020	JMF	RPO	Review Deloitte retention changes.	0.40	925.00	\$370.00
02/26/2020	JMF	RPO	Draft Wilmer Hale retention.	0.50	925.00	\$462.50
02/27/2020	JEO	RPO	Review filed retention application for Deloitte	0.20	925.00	\$185.00
02/28/2020	KKY	RPO	Respond (.1) to email from James E. O'Neill re OCP report; and prepare (.2) attachment to same	0.30	425.00	\$127.50
02/28/2020	JMF	RPO	Draft Wilmer Hale application.	0.60	925.00	\$555.00
02/28/2020	GVD	RPO	Revise and circulate Foley proposed order	0.70	825.00	\$577.50
				93.20		\$89,545.00

Stay Litigation [B140]

02/03/2020	GVD	SL	Review correspondence re PensionDanmark status	0.10	825.00	\$82.50
02/04/2020	JMF	SL	Review Terry relief from stay motion.	0.30	925.00	\$277.50
02/04/2020	GVD	SL	Review Josh/Jennifer Terry retirement account litigation	0.30	825.00	\$247.50
02/06/2020	JNP	SL	Conference with John A. Morris and Ira D. Kharasch regarding Terry Relief from Stay request.	0.40	1075.00	\$430.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/11/2020	IDK	SL	Review of numerous E-mails on Acis relief from stay and related DAF litigation.	0.20	1145.00	\$229.00
02/11/2020	JMF	SL	Review Terry stay relief motion and correspondences re same.	0.40	925.00	\$370.00
02/11/2020	GVD	SL	Conference with B. Shaw re PensionDanmark; correspondence with Committee re same	0.30	825.00	\$247.50
02/12/2020	JMF	SL	Review PensioDenmark settlement issues.	0.40	925.00	\$370.00
02/13/2020	JNP	SL	Email to and from B. Shaw regarding stay relief.	0.10	1075.00	\$107.50
02/13/2020	MBL	SL	Call with G. Demo and related emails re PensionDanmark stay relief motion.	0.30	950.00	\$285.00
02/13/2020	MBL	SL	Revise PensionDanmark stay relief order.	0.40	950.00	\$380.00
02/13/2020	GVD	SL	Conference with M. Litvak re consent order for PensionDanmark	0.20	825.00	\$165.00
02/14/2020	IDK	SL	Review briefly E-mails re Terry lift stay motion and proposal to resolve.	0.20	1145.00	\$229.00
02/14/2020	MBL	SL	Follow-up with team, client and opposing counsel re PensionDanmark stay relief order.	0.20	950.00	\$190.00
02/14/2020	JEO	SL	Review motion for relief from stay filed by Josh Terry and circulate to PSZJ team	0.30	925.00	\$277.50
02/14/2020	JMF	SL	Review Terry motion for relief from stay.	0.40	925.00	\$370.00
02/18/2020	MBL	SL	Emails with opposing counsel re PensionDanmark stay order; review revisions thereto and coordinate with client and DSI.	0.50	950.00	\$475.00
02/18/2020	GVD	SL	Review changes to order settling PensionDanmark and attend to issues re calculation of amounts due	0.60	825.00	\$495.00
02/20/2020	MBL	SL	Attention to revised order re PensionDanmark stay relief.	0.10	950.00	\$95.00
02/20/2020	JMF	SL	Review PensionDenmark order & revisions.	0.20	925.00	\$185.00
02/20/2020	GVD	SL	Revise and circulate changes to PensionDanmark agreed order	0.30	825.00	\$247.50
02/21/2020	MBL	SL	Emails with team and opposing counsel re revised PensionDanmark order.	0.10	950.00	\$95.00
02/21/2020	GVD	SL	Revise and circulate revised PensionDanmark order for filing	0.10	825.00	\$82.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/21/2020	GVD	SL	Conference with Hunton re potential motion to lift stay	0.40	825.00	\$330.00
02/24/2020	JNP	SL	Review and respond to email from Gregory V. Demo regarding Hunton Relief from Stay motion.	0.10	1075.00	\$107.50
02/24/2020	GVD	SL	Correspondence with PensionDanmark counsel re revisions to order and next steps	0.40	825.00	\$330.00
02/27/2020	JAM	SL	Draft stipulation concerning Terry Lift Stay Motion (1.5); communications with C. Robinson re Terry Lift Stay Motion (.2); e-mail to J. Pomerantz, I. Kharasch, J. Fried, G. Demo re Stipulation concerning Terry Lift Stay Motion (.1).	1.80	1075.00	\$1,935.00
02/27/2020	GVD	SL	Attend to issues re PensionDanmark invoice	0.20	825.00	\$165.00
				9.30		\$8,800.50

Travel

02/12/2020	JNP	TR	Travel to Dallas for meeting on claims (billed at 1/2 rate)	5.40	537.50	\$2,902.50
02/13/2020	JNP	TR	Travel to Los Angeles from Dallas (billed at 1/2 rate)	5.30	537.50	\$2,848.75
02/18/2020	JNP	TR	Travel to Texas for hearing on Foley employment (billed at 1/2 rate)	4.00	537.50	\$2,150.00
02/18/2020	JAM	TR	Non-working travel New York to Dallas (billed at 1/2 rate)	3.20	537.50	\$1,720.00
02/18/2020	GVD	TR	Travel from NY to Dallas for hearing (billed at 1/2 rate)	5.00	412.50	\$2,062.50
02/19/2020	JNP	TR	Travel to Los Angeles from Dallas (billed at 1/2 rate)	4.80	537.50	\$2,580.00
02/19/2020	JAM	TR	Non-working travel Dallas to New York (billed at 1/2 rate)	4.20	537.50	\$2,257.50
02/19/2020	GVD	TR	Travel to NY from Dallas (billed at 1/2 rate)	6.30	412.50	\$2,598.75
				38.20		\$19,120.00

TOTAL SERVICES FOR THIS MATTER:

\$941,043.50

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Expenses

12/02/2019	AT	Auto Travel Expense [E109] KLS Transportation Services, Inv. 14533242409, from LAX to Residence, IDK	139.00
12/03/2019	AT	Auto Travel Expense [E109] KLS Transportation Services, Inv. 14533242409, from Hotel to PHL, MBL	159.48
01/03/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	2.71
01/03/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	1.82
01/06/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	3.05
01/07/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	0.64
01/07/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	10.90
01/08/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	3.70
01/10/2020	AT	Auto Travel Expense [E109] KLS Transportation Services, Inv. 15834167581, from LAX to Residence, IDK	119.00
01/10/2020	AT	Auto Travel Expense [E109] KLS Transportation Services, Inv. 15834167581, from LAX to Residence, IDK	139.00
01/12/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	15.75
01/13/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	37.05
01/14/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	41.38
01/14/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	4.38
01/14/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	44.79
01/14/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	1.79
01/15/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	6.14
01/15/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	4.12
01/15/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	10.50
01/15/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	0.90
01/15/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	0.18
01/15/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	0.48
01/15/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	1.78
01/16/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	15.35
01/17/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	0.56
01/17/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	11.16
01/17/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	0.15
01/17/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	1.49
01/17/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	1.46
01/21/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	17.69

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01/22/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	3.57
01/22/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	2.75
01/23/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	28.47
01/23/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	8.17
01/24/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	3.85
01/24/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	9.93
01/27/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	0.56
01/27/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	3.57
01/27/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	1.78
01/27/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	4.06
01/27/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	2.04
01/28/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	4.69
01/28/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	14.93
01/28/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	9.11
01/29/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	0.45
01/29/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	21.87
01/29/2020	FE	36027.00002 FedEx Charges for 01-29-20	105.89
01/30/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	34.56
01/30/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	7.42
01/30/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	5.69
01/30/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	6.69
01/31/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	1.87
01/31/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	17.71
01/31/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	1.71
02/02/2020	LN	36027.00002 Lexis Charges for 02-02-20	13.13
02/03/2020	CL	36027.00002 CourtLink charges for 02-03-20	5.41
02/03/2020	LN	36027.00002 Lexis Charges for 02-03-20	125.22
02/03/2020	RE	(437 @0.10 PER PG)	43.70
02/03/2020	RE	(7 @0.10 PER PG)	0.70
02/03/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
02/03/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
02/03/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
02/03/2020	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
02/03/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60

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02/03/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
02/03/2020	RE2	SCAN/COPY (56 @0.10 PER PG)	5.60
02/03/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
02/03/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
02/03/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
02/04/2020	LN	36027.00002 Lexis Charges for 02-04-20	25.77
02/04/2020	LN	36027.00002 Lexis Charges for 02-04-20	105.07
02/04/2020	RE	(4 @0.10 PER PG)	0.40
02/04/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
02/04/2020	RE2	SCAN/COPY (50 @0.10 PER PG)	5.00
02/04/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
02/04/2020	RE2	SCAN/COPY (44 @0.10 PER PG)	4.40
02/04/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
02/04/2020	RE2	SCAN/COPY (32 @0.10 PER PG)	3.20
02/04/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
02/04/2020	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
02/04/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
02/04/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
02/04/2020	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
02/04/2020	RE2	SCAN/COPY (55 @0.10 PER PG)	5.50
02/04/2020	RE2	SCAN/COPY (32 @0.10 PER PG)	3.20
02/05/2020	CL	36027.00002 CourtLink charges for 02-05-20	45.68
02/05/2020	LN	36027.00002 Lexis Charges for 02-05-20	25.73
02/05/2020	LN	36027.00002 Lexis Charges for 02-05-20	26.28
02/05/2020	RE	(1 @0.10 PER PG)	0.10
02/05/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
02/05/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
02/05/2020	RE2	SCAN/COPY (38 @0.10 PER PG)	3.80
02/05/2020	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
02/05/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
02/05/2020	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
02/05/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
02/05/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40

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02/05/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
02/05/2020	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
02/05/2020	RE2	SCAN/COPY (32 @0.10 PER PG)	3.20
02/05/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
02/05/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
02/05/2020	RE2	SCAN/COPY (39 @0.10 PER PG)	3.90
02/05/2020	RE2	SCAN/COPY (47 @0.10 PER PG)	4.70
02/05/2020	RE2	SCAN/COPY (40 @0.10 PER PG)	4.00
02/05/2020	RE2	SCAN/COPY (40 @0.10 PER PG)	4.00
02/05/2020	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
02/06/2020	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
02/06/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
02/06/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
02/06/2020	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
02/06/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
02/06/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
02/07/2020	BM	Business Meal [E111] The Chick Shop, Working Meal, JAM	13.88
02/07/2020	LN	36027.00002 Lexis Charges for 02-07-20	13.13
02/07/2020	RE	(1 @0.10 PER PG)	0.10
02/07/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
02/07/2020	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
02/07/2020	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
02/07/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
02/07/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
02/07/2020	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
02/07/2020	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
02/07/2020	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
02/07/2020	RE2	SCAN/COPY (32 @0.10 PER PG)	3.20
02/07/2020	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
02/07/2020	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
02/07/2020	RE2	SCAN/COPY (58 @0.10 PER PG)	5.80
02/07/2020	RE2	SCAN/COPY (38 @0.10 PER PG)	3.80
02/07/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
02/07/2020	RE2	SCAN/COPY (58 @0.10 PER PG)	5.80

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02/07/2020	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
02/07/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
02/07/2020	RE2	SCAN/COPY (34 @0.10 PER PG)	3.40
02/07/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
02/09/2020	LN	36027.00002 Lexis Charges for 02-09-20	26.28
02/10/2020	FE	36027.00002 FedEx Charges for 02-10-20	83.57
02/10/2020	LN	36027.00002 Lexis Charges for 02-10-20	91.93
02/10/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
02/10/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
02/10/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
02/10/2020	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
02/10/2020	RE2	SCAN/COPY (182 @0.10 PER PG)	18.20
02/10/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
02/10/2020	RE2	SCAN/COPY (42 @0.10 PER PG)	4.20
02/10/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
02/10/2020	RE2	SCAN/COPY (42 @0.10 PER PG)	4.20
02/11/2020	LN	36027.00002 Lexis Charges for 02-11-20	13.13
02/11/2020	RE	(7 @0.10 PER PG)	0.70
02/11/2020	RE	(7 @0.10 PER PG)	0.70
02/11/2020	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
02/11/2020	RE2	SCAN/COPY (32 @0.10 PER PG)	3.20
02/11/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
02/11/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
02/11/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
02/11/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
02/11/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
02/11/2020	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
02/11/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
02/11/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
02/11/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
02/11/2020	RE2	SCAN/COPY (190 @0.10 PER PG)	19.00
02/11/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
02/11/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30

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02/11/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
02/11/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
02/11/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
02/11/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
02/11/2020	RE2	SCAN/COPY (40 @0.10 PER PG)	4.00
02/11/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
02/11/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
02/11/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
02/11/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
02/11/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
02/11/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
02/11/2020	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
02/11/2020	RE2	SCAN/COPY (87 @0.10 PER PG)	8.70
02/11/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
02/11/2020	RE2	SCAN/COPY (96 @0.10 PER PG)	9.60
02/11/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
02/11/2020	RE2	SCAN/COPY (106 @0.10 PER PG)	10.60
02/11/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
02/11/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
02/11/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
02/11/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
02/11/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
02/11/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
02/11/2020	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
02/11/2020	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
02/11/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
02/11/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
02/11/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
02/11/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
02/12/2020	BB	36027.00002 Bloomberg Charges for 02-12-20	30.00
02/12/2020	BM	Business Meal [E111] Fresco by Scotto, working meal, RJF	416.75
02/12/2020	BM	Business Meal [E111] Silo Cafe, Working Meal, JAM	18.00
02/12/2020	RE	(13 @0.10 PER PG)	1.30
02/12/2020	RE2	SCAN/COPY (32 @0.10 PER PG)	3.20

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02/12/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
02/12/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
02/12/2020	RE2	SCAN/COPY (32 @0.10 PER PG)	3.20
02/12/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
02/12/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
02/12/2020	RE2	SCAN/COPY (39 @0.10 PER PG)	3.90
02/12/2020	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
02/12/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
02/12/2020	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
02/12/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
02/12/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
02/12/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
02/12/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
02/12/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
02/12/2020	RE2	SCAN/COPY (38 @0.10 PER PG)	3.80
02/12/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
02/12/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
02/12/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
02/12/2020	RE2	SCAN/COPY (53 @0.10 PER PG)	5.30
02/12/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
02/12/2020	RE2	SCAN/COPY (47 @0.10 PER PG)	4.70
02/12/2020	RE2	SCAN/COPY (50 @0.10 PER PG)	5.00
02/12/2020	RE2	SCAN/COPY (38 @0.10 PER PG)	3.80
02/13/2020	AF	Air Fare [E110] American Airlines, Tkt. 00174168270382, from LAX to PHL, PHL to MIA, MIA to DFW, DFW to LAX, JNP	225.00
02/13/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, JNP	3.00
02/13/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, JNP	28.75
02/13/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, JNP	15.00
02/13/2020	RE	(2 @0.10 PER PG)	0.20
02/13/2020	RE	(40 @0.10 PER PG)	4.00
02/13/2020	RE	(92 @0.10 PER PG)	9.20
02/13/2020	RE	(24 @0.10 PER PG)	2.40

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02/13/2020	RE	(92 @0.10 PER PG)	9.20
02/13/2020	RE	(12 @0.10 PER PG)	1.20
02/13/2020	RE	(44 @0.10 PER PG)	4.40
02/13/2020	RE	(136 @0.10 PER PG)	13.60
02/13/2020	RE	(56 @0.10 PER PG)	5.60
02/13/2020	RE	(92 @0.10 PER PG)	9.20
02/13/2020	RE	(56 @0.10 PER PG)	5.60
02/13/2020	RE	(40 @0.10 PER PG)	4.00
02/13/2020	RE	(48 @0.10 PER PG)	4.80
02/13/2020	RE	(48 @0.10 PER PG)	4.80
02/13/2020	RE	(1 @0.10 PER PG)	0.10
02/13/2020	RE	(12 @0.10 PER PG)	1.20
02/13/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
02/13/2020	RE2	SCAN/COPY (32 @0.10 PER PG)	3.20
02/13/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
02/13/2020	TE	Travel Expense [E110] Travel Agency Service Fee, JNP	75.00
02/14/2020	HT	Hotel Expense [E110] Crescent Hotel, 02/12/20-02/13/20, 1 night, JNP	304.52
02/14/2020	RE	(1 @0.10 PER PG)	0.10
02/14/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
02/14/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
02/14/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
02/14/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
02/14/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
02/14/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
02/14/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
02/14/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
02/14/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
02/15/2020	RE2	SCAN/COPY (53 @0.10 PER PG)	5.30
02/15/2020	RE2	SCAN/COPY (35 @0.10 PER PG)	3.50
02/15/2020	RE2	SCAN/COPY (72 @0.10 PER PG)	7.20
02/15/2020	RE2	SCAN/COPY (76 @0.10 PER PG)	7.60
02/15/2020	RE2	SCAN/COPY (51 @0.10 PER PG)	5.10
02/17/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70

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02/17/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
02/18/2020	AF	Air Fare [E110] American Airlines, Tkt. 00175013332410, From LGA to DFW, JAM	535.40
02/18/2020	AT	Auto Travel Expense [E109]Uber Transportation Services,GVD	43.54
02/18/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, GVD	27.82
02/18/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, JAM	43.29
02/18/2020	BM	Business Meal [E111] Healthy Gourmet, Working Meal, JAM	9.77
02/18/2020	RE	(13 @0.10 PER PG)	1.30
02/18/2020	RE	(5 @0.10 PER PG)	0.50
02/18/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
02/18/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
02/18/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
02/18/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
02/18/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
02/18/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
02/18/2020	RE2	SCAN/COPY (94 @0.10 PER PG)	9.40
02/18/2020	TE	Travel Expense [E110] American Airlines, WiFi, GVD	16.00
02/18/2020	TE	Travel Expense [E110] Travel Agency Fee, JAM	50.00
02/18/2020	TE	Travel Expense [E110] American Airlines, WiFi, JAM	16.00
02/19/2020	AF	Air Fare [E110] American Airlines, Tkt. 00175013332406, From DFW to LGA, JAM	535.40
02/19/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, JAM	54.27
02/19/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, JAM	56.70
02/19/2020	AT	Auto Travel Expense [E109]Uber Transportation Services, JNP	3.00
02/19/2020	AT	Auto Travel Expense [E109] KLS Transportation Services, JNP	139.00
02/19/2020	AT	Auto Travel Expense [E109] KLS Transportation Services, JNP	164.48
02/19/2020	CC	Conference Call [E105] Court Call Debit Ledger for 02/01/2020 through 02/28/2020, GVD	142.00
02/19/2020	RE	(2 @0.10 PER PG)	0.20
02/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
02/19/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
02/19/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20

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02/19/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
02/19/2020	RE2	SCAN/COPY (49 @0.10 PER PG)	4.90
02/19/2020	TE	Travel Expense [E110] American Airlines, WiFi, GVD	16.00
02/19/2020	TE	Travel Expense [E110] American Airlines, WiFi, JAM	16.00
02/19/2020	TE	Travel Expense [E110] Travel Agency Fee, JAM	50.00
02/20/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, JNP	26.49
02/20/2020	AT	Auto Travel Expense [E109] KLS Transportation Services, JNP	196.50
02/20/2020	AT	Auto Travel Expense [E109] KLS Transportation Services, JNP	196.50
02/20/2020	AT	Auto Travel Expense [E109] KLS Transportation Services, JNP	196.50
02/20/2020	BM	Business Meal [E111] International Beer Union, Working Meal, JAM	40.39
02/20/2020	HT	Hotel Expense [E110] Crescent Hotel, 02/18/20-02/19/20, 1 night, JNP	442.60
02/20/2020	HT	Hotel Expense [E110] The Crescent Hotel, 02/18/20-02/19/20, 1 night, JAM	488.71
02/20/2020	PO	36027.00002 :Postage Charges for 02-20-20	6.00
02/20/2020	RE	(2 @0.10 PER PG)	0.20
02/20/2020	RE2	SCAN/COPY (41 @0.10 PER PG)	4.10
02/20/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
02/20/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
02/20/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
02/20/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
02/20/2020	RE2	SCAN/COPY (368 @0.10 PER PG)	36.80
02/20/2020	TE	Travel Expense [E110] Travel Agency Service Fee, JNP	60.00
02/20/2020	TE	Travel Expense [E110] Airport Parking Fee, JNP	83.70
02/21/2020	RE	(1 @0.10 PER PG)	0.10
02/21/2020	RE	(31 @0.10 PER PG)	3.10
02/21/2020	RE	(10 @0.10 PER PG)	1.00
02/21/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
02/21/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
02/21/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
02/21/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
02/21/2020	RE2	SCAN/COPY (76 @0.10 PER PG)	7.60
02/21/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30

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02/21/2020	RE2	SCAN/COPY (119 @0.10 PER PG)	11.90
02/21/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
02/21/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
02/21/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
02/21/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
02/21/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
02/21/2020	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
02/21/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
02/21/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
02/21/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
02/21/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
02/21/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
02/21/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
02/21/2020	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
02/21/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
02/21/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
02/21/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
02/24/2020	CL	36027.00002 CourtLink charges for 02-24-20	1.26
02/24/2020	RE	(1 @0.10 PER PG)	0.10
02/24/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
02/24/2020	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
02/24/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
02/24/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
02/24/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
02/24/2020	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
02/24/2020	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
02/24/2020	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
02/24/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
02/24/2020	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
02/24/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
02/25/2020	LN	36027.00002 Lexis Charges for 02-25-20	33.72
02/25/2020	RE	(3 @0.10 PER PG)	0.30
02/25/2020	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
02/25/2020	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70

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02/25/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
02/25/2020	RE2	SCAN/COPY (360 @0.10 PER PG)	36.00
02/25/2020	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
02/25/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
02/25/2020	RE2	SCAN/COPY (648 @0.10 PER PG)	64.80
02/25/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
02/25/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
02/25/2020	RE2	SCAN/COPY (648 @0.10 PER PG)	64.80
02/25/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
02/25/2020	RE2	SCAN/COPY (866 @0.10 PER PG)	86.60
02/25/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
02/25/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
02/25/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
02/25/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
02/25/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
02/25/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
02/25/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
02/25/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
02/25/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
02/25/2020	RE2	SCAN/COPY (42 @0.10 PER PG)	4.20
02/25/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
02/25/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
02/25/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
02/25/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
02/25/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
02/25/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
02/25/2020	TE	Travel Expense [E110] Travel Agency Service Fee, JAM	50.00
02/25/2020	TE	Travel Expense [E110] Travel Agency Service Fee, JNP	75.00
02/26/2020	LN	36027.00002 Lexis Charges for 02-26-20	25.77
02/26/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
02/26/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
02/26/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
02/26/2020	RE2	SCAN/COPY (42 @0.10 PER PG)	4.20

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02/26/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
02/26/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
02/26/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
02/26/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
02/26/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
02/26/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
02/26/2020	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
02/26/2020	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
02/26/2020	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
02/26/2020	TE	Travel Expense [E110] Travel Agency Service Fee, JNP	75.00
02/27/2020	LN	36027.00002 Lexis Charges for 02-27-20	51.54
02/27/2020	LN	36027.00002 Lexis Charges for 02-27-20	12.87
02/27/2020	RE	(1 @0.10 PER PG)	0.10
02/27/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
02/27/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
02/27/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
02/27/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
02/27/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
02/27/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
02/27/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
02/27/2020	RE2	SCAN/COPY (178 @0.10 PER PG)	17.80
02/27/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
02/27/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
02/27/2020	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
02/27/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
02/27/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
02/27/2020	RE2	SCAN/COPY (77 @0.10 PER PG)	7.70
02/28/2020	LN	36027.00002 Lexis Charges for 02-28-20	38.65
02/28/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
02/28/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
02/28/2020	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
02/28/2020	TE	Travel Expense [E110] Gogoair, Inflight Wifi Expense, GVD	34.00
02/29/2020	PAC	Pacer - Court Research	199.20

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Total Expenses for this Matter

\$8,092.94

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REMITTANCE ADVICE

Please include this Remittance with your payment

For current services rendered through: 02/29/2020

Total Fees \$941,043.50

Total Expenses 8,092.94

Total Due on Current Invoice \$949,136.44

Outstanding Balance from prior invoices as of 02/29/2020 (May not include recent payments)

<u>Bill Number</u>	<u>Invoice Date</u>	<u>Fees Billed</u>	<u>Expenses Billed</u>	<u>Balance Due</u>
123595	10/31/2019	\$383,583.75	\$9,958.84	\$76,716.75
123711	11/30/2019	\$798,767.50	\$26,317.71	\$159,726.50
124074	12/31/2019	\$589,730.75	\$26,226.80	\$615,957.55
124288	01/31/2020	\$898,094.25	\$28,854.75	\$926,949.00

Total Amount Due on Current and Prior Invoices: \$2,728,486.24

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Pachulski Stang Ziehl & Jones LLP

10100 Santa Monica Blvd.
13th Floor
Los Angeles, CA 90067

March 31, 2020

Invoice 124646

Client 36027

Matter 00002

JNP

Board of Directors
Highland Capital Management LP
300 Crescent Court ste. 700
Dallas, TX 75201

RE: Postpetition

STATEMENT OF PROFESSIONAL SERVICES RENDERED THROUGH 03/31/2020

FEES	\$1,222,801.25
EXPENSES	\$18,747.77
TOTAL CURRENT CHARGES	\$1,241,549.02
BALANCE FORWARD	\$2,728,486.24
LAST PAYMENT	\$1,245,341.55
TOTAL BALANCE DUE	\$2,724,693.71

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Summary of Services by Professional

<u>ID</u>	<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
AJK	Kornfeld, Alan J.	Partner	1145.00	73.20	\$83,814.00
AWC	Caine, Andrew W.	Partner	1095.00	3.40	\$3,723.00
BEL	Levine, Beth E.	Counsel	825.00	23.20	\$19,140.00
EAW	Wagner, Elissa A.	Counsel	825.00	260.50	\$214,912.50
GVD	Demo, Gregory Vincent	Counsel	412.50	11.00	\$4,537.50
GVD	Demo, Gregory Vincent	Counsel	825.00	199.10	\$164,257.50
HDH	Hochman, Harry D.	Counsel	950.00	73.60	\$69,920.00
IAWN	Nasatir, Iain A. W.	Partner	1025.00	8.40	\$8,610.00
IDK	Kharasch, Ira D.	Partner	1145.00	112.10	\$128,354.50
JAM	Morris, John A.	Partner	1075.00	54.70	\$58,802.50
JEO	O'Neill, James E.	Partner	925.00	25.90	\$23,957.50
JHD	Davidson, Jeffrey H.	Partner	1495.00	7.30	\$10,913.50
JKK	Kim, Jonathan J.	Counsel	895.00	85.40	\$76,433.00
JMF	Fried, Joshua M.	Partner	925.00	111.00	\$102,675.00
JNP	Pomerantz, Jeffrey N.	Partner	537.50	25.30	\$13,598.75
JNP	Pomerantz, Jeffrey N.	Partner	1075.00	108.80	\$116,960.00
MBL	Litvak, Maxim B.	Partner	950.00	11.20	\$10,640.00
PJJ	Jeffries, Patricia J.	Paralegal	425.00	25.10	\$10,667.50
RJF	Feinstein, Robert J.	Partner	1245.00	17.10	\$21,289.50
RMS	Saunders, Robert M.	Counsel	825.00	49.70	\$41,002.50
SLP	Pitman, L. Sheryle	Case Man. Asst.	350.00	6.20	\$2,170.00
SWG	Golden, Steven W.	Associate	625.00	7.70	\$4,812.50
TCF	Flanagan, Tavi C.	Counsel	725.00	43.60	\$31,610.00
				1343.50	\$1,222,801.25

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Summary of Services by Task Code

<u>Task Code</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
AA	Asset Analysis/Recovery[B120]	168.70	\$159,205.00
BL	Bankruptcy Litigation [L430]	127.60	\$120,817.00
CA	Case Administration [B110]	49.30	\$43,646.50
CO	Claims Admin/Objections[B310]	772.60	\$703,818.50
CP	Compensation Prof. [B160]	15.40	\$9,440.00
CPO	Comp. of Prof./Others	5.90	\$4,357.50
EB	Employee Benefit/Pension-B220	19.30	\$19,013.50
EC	Executory Contracts [B185]	1.60	\$1,460.00
FF	Financial Filings [B110]	1.10	\$1,017.50
GB	General Business Advice [B410]	71.00	\$69,595.00
GC	General Creditors Comm. [B150]	17.30	\$17,950.50
PD	Plan & Disclosure Stmt. [B320]	4.90	\$2,182.50
RPO	Ret. of Prof./Other	20.90	\$18,632.50
SL	Stay Litigation [B140]	31.60	\$33,529.00
TR	Travel	36.30	\$18,136.25
		1343.50	<hr/> \$1,222,801.25

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Summary of Expenses

<u>Description</u>	<u>Amount</u>
Air Fare [E110]	\$5,970.05
Airport Parking	\$306.68
Auto Travel Expense [E109]	\$936.63
Bloomberg	\$60.70
Working Meals [E111]	\$1,965.69
Conference Call [E105]	\$708.59
CourtLink	\$3.98
Hotel Expense [E110]	\$3,720.04
Lexis/Nexis- Legal Research [E	\$3,606.29
Reproduction Expense [E101]	\$28.80
Reproduction/ Scan Copy	\$449.50
Travel Expense [E110]	\$990.82
	<hr/>
	\$18,747.77

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Asset Analysis/Recovery[B120]						
03/01/2020	IDK	AA	E-mails with DSI, J Pomerantz re open issues on distribution motion re interest acquired by related parties.	0.10	1145.00	\$114.50
03/01/2020	JNP	AA	Review emails regarding Carey loan restructuring.	0.10	1075.00	\$107.50
03/01/2020	JNP	AA	Review emails regarding Korea key man.	0.10	1075.00	\$107.50
03/01/2020	JMF	AA	Review joinder and stockholders agreement re NexPoint stock purchase.	1.30	925.00	\$1,202.50
03/01/2020	JMF	AA	Review notes payable.	0.60	925.00	\$555.00
03/01/2020	JMF	AA	Review Carey deck re loan extension.	0.80	925.00	\$740.00
03/02/2020	IDK	AA	Review of correspondence re Korea Fund and key man appointment and feedback from legal team.	0.20	1145.00	\$229.00
03/02/2020	IDK	AA	Telephone conference with J Pomerantz re status, Carey, and objections and employees (.3).	0.30	1145.00	\$343.50
03/02/2020	IDK	AA	E-mails with attorneys re open issues on Carey Fund and ordinary course re extension.	0.20	1145.00	\$229.00
03/02/2020	JMF	AA	Research re Carey loan extension issues.	2.80	925.00	\$2,590.00
03/02/2020	JMF	AA	Review Carey background re loan issues.	0.60	925.00	\$555.00
03/02/2020	JMF	AA	Review loan receivables & summary chart re HCM loans.	0.80	925.00	\$740.00
03/02/2020	JMF	AA	Review oppositions to motion to liquidate funds.	0.60	925.00	\$555.00
03/02/2020	JMF	AA	Telephone call with Tan Jeremaissen re ABC stock issues.	0.30	925.00	\$277.50
03/02/2020	GVD	AA	Review back up on Dynamic distributions; correspondence re same	0.60	825.00	\$495.00
03/03/2020	IDK	AA	E-mails with attorneys re short position purchase issue and protocols, how to amend protocols, and J Seery reach out to Sidley.	0.30	1145.00	\$343.50
03/03/2020	IDK	AA	Review and consider client legal team Deck on proposed Carey loan extension by term loan (.4); Numerous E-mails with attorneys re my questions on proposed Carey loan extension by term loan lenders, including debtor and related entities, including on extension fees, timing, legal issues on ordinary course of loan extension, giving Committee head's up and need for memo to Board asap today	1.00	1145.00	\$1,145.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			(.5); Telephone conference with J. Pomerantz re Carey transaction status (.1).			
03/03/2020	IDK	AA	E-mails and telephone conference with G Demo re same and questions re transaction (.2); E-mails and telephone conferences with T Cournoyer re Carey issues (.3); Review of draft factual background of Carey issues for memo to Board (.2); Prep of memo to Board describing Carey loan extension and next steps re same (.5); Telephone conference with J. Pomerantz re same (.1); E-mails with Board re its feedback re same, and authorizing communications with Committee (.2); E-mail and telephone conference with CRO re Carey related issues and ownership of Carey (.3); E-mails with T Cournoyer, J Seery, others on next steps with Committee(.1).	1.90	1145.00	\$2,175.50
03/03/2020	IDK	AA	Review in detail prior correspondence and background on issues re the ABNTQ stock transfer issues (.4); E-mails with attorneys re issues and open questions on same re client inquiry on status (.3); E-mails with DSI re same and DSI update to client re same (.2); Email J Fried re next steps re same (.1).	1.00	1145.00	\$1,145.00
03/03/2020	JMF	AA	Review reply to oppositions to Fund liquidation.	0.40	925.00	\$370.00
03/03/2020	JMF	AA	Review outstanding notes summaries.	0.60	925.00	\$555.00
03/03/2020	JMF	AA	Research re Carey loan issues.	1.60	925.00	\$1,480.00
03/03/2020	GVD	AA	Conference with T. Courneyor re lending issues	0.40	825.00	\$330.00
03/03/2020	GVD	AA	Multiple correspondence with I. Kharasch re lending issues	1.10	825.00	\$907.50
03/04/2020	JMF	AA	Research re ABC stock transfer issues.	3.20	925.00	\$2,960.00
03/04/2020	JMF	AA	Review loan receivable documents.	0.80	925.00	\$740.00
03/05/2020	JMF	AA	Review backstop & stock purchase documents re ABC (.7) draft memorandum re stock issue (.8).	1.50	925.00	\$1,387.50
03/06/2020	IDK	AA	E-mails with attorneys, Board on Daugherty request to bid on estate assets, and concerns on same.	0.20	1145.00	\$229.00
03/06/2020	JNP	AA	Review email regarding transaction to review for protocols.	0.10	1075.00	\$107.50
03/06/2020	JMF	AA	review multi Strat loan and draft summary re same re notes receivable analysis.	1.80	925.00	\$1,665.00
03/06/2020	JMF	AA	Review cases re ABC stock issues.	2.70	925.00	\$2,497.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/06/2020	JMF	AA	Review notes receivable deck and comments and changes to same.	0.60	925.00	\$555.00
03/06/2020	GVD	AA	Conference with F. Waterhouse and T. Surgent re distribution mechanics	0.20	825.00	\$165.00
03/06/2020	GVD	AA	Conference with G. Falls re HE Capital Asante issues; review transaction documents re same	0.80	825.00	\$660.00
03/06/2020	GVD	AA	Review potential lending issue and conference with DC Sauter re same	0.80	825.00	\$660.00
03/06/2020	GVD	AA	Review potential revisions to protocols	0.30	825.00	\$247.50
03/06/2020	GVD	AA	Conference with I. Leventon re open items and next steps	0.60	825.00	\$495.00
03/06/2020	GVD	AA	Review issues re potential winddown	0.90	825.00	\$742.50
03/07/2020	IDK	AA	E-mails with attorneys re client request for analysis on CCS Medical transaction/Multi Strat, and coordination re call re same.	0.30	1145.00	\$343.50
03/08/2020	JMF	AA	Draft memorandum re ABC stock property issues.	4.80	925.00	\$4,440.00
03/09/2020	IDK	AA	E-mail DSI re its revised presentation on notes receivable for Committee meeting, including review of same, and feedback from I Leventon.	0.20	1145.00	\$229.00
03/09/2020	IDK	AA	Numerous E-mails with DSI, G Demo on need to review Prometheus transaction re hedging, and questions on same relevant to protocols, and timing.	0.30	1145.00	\$343.50
03/09/2020	IDK	AA	E-mail and telephone conference with G Demo re new CCS Medical transaction and timing.	0.20	1145.00	\$229.00
03/09/2020	GVD	AA	Review memo re potential loan extension; conference with J. Romey re same	0.50	825.00	\$412.50
03/09/2020	GVD	AA	Review transaction re hedging of foreign currency	0.90	825.00	\$742.50
03/09/2020	GVD	AA	Conference with HCMLP on potential sale transaction; follow up with I. Kharasch re same	1.20	825.00	\$990.00
03/09/2020	GVD	AA	Conference with B. Sharp and J. Romey re series of potential transactions	0.80	825.00	\$660.00
03/10/2020	IDK	AA	Review and consider T Cournoyer's Deck on Prometheus Fund hedge position issue re Yen, as well as related correspondence from DSI, G Demo re same, re protocols (.6); Telephone conference with G Demo re same (.1); E-mails with DSI re same and getting it to Board (.1); Review of	1.10	1145.00	\$1,259.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			correspondence with Board, DSI on Prometheus transaction, including memo to Board, as well as with client employees (.3).			
03/10/2020	IDK	AA	Review and consider T Cournoyer's Deck on the proposed CCS Medical transaction re discounting of debt and loan extension, and various related HCM affiliates, as well as related correspondence re same (.5); Telephone conference with and E-mail to G Demo re issues on same (.3); Review and consider G Demo initial memo on CCS re protocol analysis (.3); Further telephone conference and E-mail to G Demo re same and need for substantial revisions, and client timing concerns (.3).	1.40	1145.00	\$1,603.00
03/10/2020	IDK	AA	Review and consider revised draft of CCS Medical transaction, and issues (.2); E-mail to G Demo with my substantial markup of same memo and further issues to address (.4); Review of correspondence with T Cournoyer re questions on CCS transaction, and T. Cournoyer's feedback re same (.2); Review of G Demo's next draft of CCS Medical memo, and consider further issues (.3); E-mail and telephone conference with G Demo re further issue to address on "Transaction" issue re discount on note and need to revise re same (.3).	1.40	1145.00	\$1,603.00
03/10/2020	JNP	AA	Conference with Joshua M. Fried regarding note analysis.	0.10	1075.00	\$107.50
03/10/2020	JMF	AA	Telephone call with J.N. Pomerantz re Hunter Mountain documents.	0.30	925.00	\$277.50
03/10/2020	JMF	AA	Review Hunter Mountain, security agreement and guaranty agreement & draft summary re same.	3.20	925.00	\$2,960.00
03/10/2020	JMF	AA	Draft memorandum re ABC stock issue.	3.40	925.00	\$3,145.00
03/10/2020	JMF	AA	Review Notes Receivable deck.	0.60	925.00	\$555.00
03/10/2020	GVD	AA	Conference with I. Kharasch re potential lending and sale transactions	0.30	825.00	\$247.50
03/10/2020	GVD	AA	Review issues re potential funding of costs	0.50	825.00	\$412.50
03/10/2020	GVD	AA	Review potential lending and sale transaction and draft memo re same	3.10	825.00	\$2,557.50
03/11/2020	IDK	AA	Review of correspondence with DSI, Board on status of bids on Multi Strat life policies and next steps.	0.20	1145.00	\$229.00
03/11/2020	IDK	AA	Review and consider T Cournoyer's various	2.30	1145.00	\$2,633.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			comments to G Demo's extensive revised CCS Medical transaction memo (.3); E-mail to G Demo re same (.1); Prep of substantially revised memo on CCS Medical transaction and analysis of related Protocols and issues (1.3); Telephone conference and e-mails with G Demo re same and revisions (.2); Telephone conference with J. Pomerantz re same (.1); Review of correspondence to T Cournoyer and Board with finalized CCS memo, including feedback from Board re same on decision (.3).			
03/11/2020	IDK	AA	E-mails with attorneys re issues on drafts of documents re Carey extension, including issues for Board to consider.	0.30	1145.00	\$343.50
03/11/2020	IDK	AA	E-mails with DSI and G Demo re need to finalize memo on Park West transaction, and relevant background (.2); Review and consider draft memo to Board re same (.3); E-mails with DSI and G Demo re need to revise same memo to Board (.2); Review of further revised memo re same (.1); E-mails with DSI and G Demo re need to finalize, and review finalized memo (.2).	1.00	1145.00	\$1,145.00
03/11/2020	JNP	AA	Review email regarding CCS Medical; Conference with Ira D. Kharasch regarding same.	0.20	1075.00	\$215.00
03/11/2020	JMF	AA	Draft summary re Hunter Mountain loan documents.	2.80	925.00	\$2,590.00
03/11/2020	JMF	AA	Telephone calls with G. Demo re notes receivable analysis.	0.20	925.00	\$185.00
03/11/2020	JMF	AA	Review CLO Holdco & HCT Holdco promissory notes.	2.30	925.00	\$2,127.50
03/11/2020	GVD	AA	Revise re comments from I. Kharasch and circulate analysis of potential sale and debt extension	0.60	825.00	\$495.00
03/11/2020	GVD	AA	Multiple conferences with I. Kharasch re potential transaction	0.70	825.00	\$577.50
03/11/2020	GVD	AA	Review loan and participation agreements re potential transaction	0.40	825.00	\$330.00
03/11/2020	GVD	AA	Revise and circulate memo re potential loan extension and sale transaction; review changes re same	1.80	825.00	\$1,485.00
03/12/2020	IDK	AA	Email and telephone conference with DSI, others re margin calls today (.2); Review of various E-mails with attorneys, DSI on market crash today and margin calls (.2).	0.40	1145.00	\$458.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/12/2020	IDK	AA	Review of draft memo from J Fried on ABC stock issues, and related correspondence from DSI re same, and consider various changes needed (.4); Telephone conferences with and E-mail to J Fried re need for further elaboration on issues (.4); Review of further revised memo from J Fried and need for more changes (.3); E-mail to J Fried re list of changes to be made to same (.2); E-mails with attorneys re status of further information for same memo (.2).	1.50	1145.00	\$1,717.50
03/12/2020	IDK	AA	Review of correspondence with DSI, Board on CCS Medical.	0.10	1145.00	\$114.50
03/12/2020	IDK	AA	Review of correspondence with Board on our joint memo with DSI on Park West proposed transaction.	0.10	1145.00	\$114.50
03/12/2020	JNP	AA	Conference with J. Seery regarding covering margin deficit.	0.10	1075.00	\$107.50
03/12/2020	JNP	AA	Conference with Gregory V. Demo regarding covering margin deficit.	0.10	1075.00	\$107.50
03/12/2020	JNP	AA	Conference with B. Sharp regarding covering margin deficit.	0.10	1075.00	\$107.50
03/12/2020	JMF	AA	Draft memo re ABC stock shares.	2.70	925.00	\$2,497.50
03/12/2020	JMF	AA	Review Hunter Mountain documents re Sale of Partnership interests.	0.80	925.00	\$740.00
03/12/2020	JMF	AA	Telephone calls with I. Kharasch re ABC stock issues.	0.30	925.00	\$277.50
03/12/2020	GVD	AA	Conference with J. Seery re margin call issues; follow up with PSZJ team re same	0.20	825.00	\$165.00
03/13/2020	IDK	AA	Numerous E-mails with J Fried, others re status on memo on ABC stock and open issues for same on legal title, recommendation, other issues (.4); Telephone conference with J Fried on same and legal title issues (.1); E-mails with J Davidson re background and issues re same on legal title question (.3); Telephone conference with J Davidson re same (.3); Review of E-mails with DSI and client legal team on same transaction, questions on stock title, including correspondence from client legal team on its views (.3).	1.40	1145.00	\$1,603.00
03/13/2020	IDK	AA	Review of J Fried's revised memo on ABC stock issues (.2); E-mails to J Fried re my further comments to memo on ABC stock issues and	0.70	1145.00	\$801.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			changes for same, including his feedback on same and timing (.3); E-mails with J Fried, DSI re further changes to same over weekend (.2).			
03/13/2020	IDK	AA	E-mails with attorneys, DSI, then with Committee, Board, others on margin calls today re market crash.	0.20	1145.00	\$229.00
03/13/2020	IDK	AA	E-mails with client, Board on CCS Medical transaction status, and re Park West further issues and changes re same and protocols.	0.30	1145.00	\$343.50
03/13/2020	IDK	AA	E-mails with attorneys re perfection of lien issues re Multi Strat policies.	0.30	1145.00	\$343.50
03/13/2020	JNP	AA	Conference with Gregory V. Demo and J. Seery regarding margin account issues and strategy.	0.40	1075.00	\$430.00
03/13/2020	JNP	AA	Conference with Ira D. Kharasch regarding margin account issues.	0.20	1075.00	\$215.00
03/13/2020	JNP	AA	Conference with FTI, Sidley, DSI and Gregory V. Demo regarding margin account issues and next steps.	0.30	1075.00	\$322.50
03/13/2020	JNP	AA	Conference with Gregory V. Demo regarding margin account issues and strategy.	0.20	1075.00	\$215.00
03/13/2020	JNP	AA	Conference with M. Clemente regarding protocols.	0.10	1075.00	\$107.50
03/13/2020	JNP	AA	Review emails regarding margin account issues.	0.10	1075.00	\$107.50
03/13/2020	JNP	AA	Review and respond to email regarding mistaken stock transaction.	0.10	1075.00	\$107.50
03/13/2020	JMF	AA	Draft memo re ABC stock issues.	3.60	925.00	\$3,330.00
03/13/2020	JHD	AA	Telephone conference with Ira D. Kharasch re ABN stock issues	0.30	1495.00	\$448.50
03/13/2020	GVD	AA	Multiple calls and emails on margin call issues	2.30	825.00	\$1,897.50
03/13/2020	GVD	AA	Conference with T. Courneyor and J. Romey re potential transaction	0.30	825.00	\$247.50
03/13/2020	GVD	AA	Review revised loan documents re potential transaction; correspondence with Board re same	0.40	825.00	\$330.00
03/14/2020	GVD	AA	Multiple emails with J. Romey re potential loan	0.20	825.00	\$165.00
03/15/2020	JNP	AA	Review and respond to emails regarding analysis of liens in connection with multi strat sale.	0.10	1075.00	\$107.50
03/15/2020	MBL	AA	Analyze and research insurance lien issues (0.9); emails with team and client re same (0.3).	1.20	950.00	\$1,140.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/15/2020	GVD	AA	Correspondence with J. Seery re potential lending issues	0.50	825.00	\$412.50
03/15/2020	GVD	AA	Review director correspondence re potential lending transaction; respond to same	0.10	825.00	\$82.50
03/15/2020	GVD	AA	Review revisions to operating protocols; correspondence with Board re same	0.20	825.00	\$165.00
03/16/2020	IDK	AA	Review briefly of numerous correspondence throughout day on margin call status and communications to Committee re same.	0.30	1145.00	\$343.50
03/16/2020	IDK	AA	Numerous E-mails with DSI, others on issues of NextBank security interest issues in Multi Strat, and coordination of call tonight (.5); E-mails and telephone conference with M Litvak and J. Pomerantz re lien issues in Multi-Strat (.3).	0.80	1145.00	\$916.00
03/16/2020	JNP	AA	Conference with Gregory V. Demo regarding margin issues and status.	0.10	1075.00	\$107.50
03/16/2020	JNP	AA	Conference with FTI, Sidley, DSI, Gregory V. Demo and J. Seery regarding margin calls and plan to respond.	0.50	1075.00	\$537.50
03/16/2020	JNP	AA	Review emails regarding Multi Strat secured creditor issues.	0.10	1075.00	\$107.50
03/16/2020	JNP	AA	Conference with Maxim B. Litvak and Ira D. Kharasch regarding Multi Strat secured creditor issues.	0.20	1075.00	\$215.00
03/16/2020	MBL	AA	Emails with client re insurance pledge issues; summarize analysis.	0.30	950.00	\$285.00
03/16/2020	MBL	AA	Call with F. Caruso re insurance sale (0.4); update team re same (0.2).	0.60	950.00	\$570.00
03/16/2020	MBL	AA	Call with team re insurance pledge issues.	0.20	950.00	\$190.00
03/16/2020	GVD	AA	Review issues re potential sublease and required consents	0.60	825.00	\$495.00
03/16/2020	GVD	AA	Conference with F. Caruso re status of life settlement auction and open items	0.30	825.00	\$247.50
03/16/2020	GVD	AA	Conference with Committee professionals re status of margin call issues	0.50	825.00	\$412.50
03/16/2020	GVD	AA	Multiple conferences re potential lending transaction	0.40	825.00	\$330.00
03/16/2020	GVD	AA	Attend to margin call issues	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/17/2020	IDK	AA	Review of numerous correspondence with DSI, Board, others on status of Jeffries' margin calls and draft memos to Committee re same (.3); E-mails with G. Demo re same, use of other cash to cover margin calls, and issues on safe harbor of same (.2).	0.50	1145.00	\$572.50
03/17/2020	IDK	AA	E-mails with DSI, M. Litvak re his conclusion on perfection of security interest in various life policies in Multi-Strat, and next steps.	0.20	1145.00	\$229.00
03/17/2020	JNP	AA	Review emails regarding margin status, communications with Committee and related.	0.20	1075.00	\$215.00
03/17/2020	MBL	AA	Review insurance policies; emails with client re same.	0.90	950.00	\$855.00
03/17/2020	MBL	AA	Call with F. Caruso re insurance pledge.	0.10	950.00	\$95.00
03/17/2020	JMF	AA	Review Multi Strat loan documents.	1.00	925.00	\$925.00
03/17/2020	GVD	AA	Conference with J. Seery re status of margin issues; follow up with J. Pomerantz and I. Kharasch re same	0.20	825.00	\$165.00
03/17/2020	GVD	AA	Conference with J. Romey re margin call issues and next steps	0.20	825.00	\$165.00
03/17/2020	GVD	AA	Review correspondence re margin call issues	0.30	825.00	\$247.50
03/17/2020	GVD	AA	Follow up on potential revisions to protocols	0.20	825.00	\$165.00
03/18/2020	IDK	AA	Review of numerous correspondence DSI, Board, others on margin calls (.2); Review briefly correspondence with attorneys on margin calls and safe harbor issues (.2).	0.40	1145.00	\$458.00
03/18/2020	IDK	AA	Review of correspondence DSI, Committee on Multi Strat sale.	0.10	1145.00	\$114.50
03/18/2020	IDK	AA	Numerous E-mails with I Leventon re ABC stock status memo, his timing concerns re NextPoint SEC filings, and his markup of same and need for call with his team and us (.4); Email and telephone conference with J Fried re same re I Leventon's markup (.2).	0.60	1145.00	\$687.00
03/18/2020	JNP	AA	Conference with Joshua M. Fried regarding ABNTQ transaction and memo; Review memo.	0.20	1075.00	\$215.00
03/18/2020	JMF	AA	Telephone calls with I. Kharasch (.3) and J.N. Pomerantz (.2) re ABC Stock issues; review revised memo (.5); research re follow up issues re same (1.3).	2.30	925.00	\$2,127.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/18/2020	JMF	AA	Review select fund documents re DSI inquiry.	0.40	925.00	\$370.00
03/18/2020	JHD	AA	Correspondence from Gregory V. Demo re margin call issues	0.20	1495.00	\$299.00
03/18/2020	JHD	AA	Preliminary research re margin call issues; prepare correspondence to Gregory V. Demo re same	0.40	1495.00	\$598.00
03/18/2020	JHD	AA	Correspondence from Gregory V. Demo re margin call issues; prepare correspondence to Gregory V. Demo re same; correspondence from Isaac M. Pachulski re same; correspondence from Jeff Pomerantz re same	0.30	1495.00	\$448.50
03/18/2020	GVD	AA	Correspondence re exemptions to automatic stay on margin accounts	1.30	825.00	\$1,072.50
03/18/2020	GVD	AA	Review governing documents re restrictions on sale; draft summary of same	4.10	825.00	\$3,382.50
03/18/2020	GVD	AA	Review and respond to issues re margin call	0.20	825.00	\$165.00
03/19/2020	IDK	AA	Review of extensive memo and correspondence re safe harbor issues on margin calls and options (.3); E-mails with G Demo re my feedback and questions re same (.3).	0.60	1145.00	\$687.00
03/19/2020	IDK	AA	Review and consider I. Leventon's extensive markup to facts of ABC corporate stock memo (.3); Attend conference call with client legal team re same (1.0); Telephone conference with J Fried re result of same and next modifications to make to memo (.1).	1.40	1145.00	\$1,603.00
03/19/2020	IDK	AA	E-mails with J Fried re his modification to ABC stock memo, including review of same (.2); E-mails with I Leventon re same, and his team's further revisions to memo, including our feedback of same (.4); E-mails with I. Leventon with further revised memo, status of comparable trades, and timing to send to Board (.2); E-mail to Board re same (.1).	0.90	1145.00	\$1,030.50
03/19/2020	JMF	AA	Telephone call with I. Leventon and I. Kharasch re ABC transfer issues (1.0); review agreements re follow up re stock issues (.8); finalize memo regarding same (1.8).	3.60	925.00	\$3,330.00
03/19/2020	JMF	AA	Multiple Telephone calls with I. Kharasch (.4) re ABC stock issues.	0.40	925.00	\$370.00
03/19/2020	GVD	AA	Conference with FTI, DSI, PSZJ, and J. Seery re margin call issues and next steps	1.20	825.00	\$990.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/19/2020	GVD	AA	Research case law on margin issues; correspondence with I. Kharasch and J. Pomerantz re same	2.80	825.00	\$2,310.00
03/20/2020	IDK	AA	E-mails with G. Demo re his further issues on safe harbor and consider, and need for further research (.2); Review of correspondence re draft e-mails to Jeffries re margin calls and automatic stay (.2).	0.50	1145.00	\$572.50
03/20/2020	IDK	AA	Review of J Seery's e-mail re ABC stock (.1); Telephone conferences with J. Pomerantz re same and consider (.2); E-mails with J. Fried and DSI re same for next steps in ABC, and need for call (.2); Attend conference call with J. Fried and T. Jeremiassen at DSI re answers to J Seery's questions (.3); Telephone conference with J. Pomerantz re further feedback from Board re same (.1).	0.90	1145.00	\$1,030.50
03/20/2020	IDK	AA	Attend call with I. Leventon and then J. Fried joining later re potential responses to J Seery's questions, and review of various documents re ABC, including shareholder and backstop agreement (.8); E-mails with I. Leventon re his further proposed revised memo to Board re same (.2); Telephone conference with J. Fried re next issues and need to add further language (.1); E-mails with J. Fried and I. Leventon re same, including proposed language (.2); Telephone conference with I. Leventon re further modifications to memo and open issues and other case issues (.6); Review of finalized memo to Board from I. Leventon re same (.1).	2.00	1145.00	\$2,290.00
03/20/2020	IDK	AA	Numerous e-mails with DSI, G. Demo re their draft memo to the Board on Park West, including review of same, issues on Committee request for conflict committee reports and next steps re same (.3); E-mails with J. Seery re his feedback, as well as I. Leventon's response on the conflict minutes, and FTI further feedback (.2).	0.50	1145.00	\$572.50
03/20/2020	JNP	AA	Review emails regarding ABNTQ issues; Conference with Ira D. Kharasch regarding same.	0.30	1075.00	\$322.50
03/20/2020	JMF	AA	Multiple telephone calls with I. Kharasch re ABC Stock transaction (.4); telephone calls with I. Leventon and L. Thedford re same (.7); review backstop agreement and sale agreement (.8); review Board response and address follow up questions re same (3).	2.20	925.00	\$2,035.00
03/20/2020	GVD	AA	Conference with J. Romey re potential lending issues	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/20/2020	GVD	AA	Conference with I. Leventon re potential lending transaction and tax refund issues	0.40	825.00	\$330.00
03/20/2020	GVD	AA	Draft memo to I. Kharasch re potential margin issues and research; follow up re same	1.80	825.00	\$1,485.00
03/20/2020	GVD	AA	Review materials re background to lending transaction; correspondence re same	0.60	825.00	\$495.00
03/20/2020	GVD	AA	Conference with B. Sharp and J. Romey re lending transaction	0.20	825.00	\$165.00
03/20/2020	GVD	AA	Multiple conferences with J. Romey and I. Leventon re lending transaction; correspondence re same	2.20	825.00	\$1,815.00
03/22/2020	JNP	AA	Conference with Gregory V. Demo and J. Seery regarding margin account issues.	0.50	1075.00	\$537.50
03/22/2020	JNP	AA	Review email regarding Cornerstone Shareholder's Agreement and respond.	0.10	1075.00	\$107.50
03/22/2020	JNP	AA	Review draft email to Jeffries; Conference with Gregory V. Demo regarding same.	0.20	1075.00	\$215.00
03/22/2020	JNP	AA	Conference with J. Dubel regarding Jeffries status.	0.10	1075.00	\$107.50
03/22/2020	GVD	AA	Conference with J. Seery and J. Pomerantz re potential issues with margin accounts	0.50	825.00	\$412.50
03/22/2020	GVD	AA	Conference with J. Pomerantz re margin issues	0.10	825.00	\$82.50
03/22/2020	GVD	AA	Draft correspondence re potential margin loan issues	1.00	825.00	\$825.00
03/22/2020	GVD	AA	Research secondary sources re potential margin issues	1.60	825.00	\$1,320.00
03/22/2020	GVD	AA	Conference with J. Seery re letter to Dentons	0.10	825.00	\$82.50
03/22/2020	GVD	AA	Revise letter to Dentons re comments from J. Seery; correspondence re same	0.50	825.00	\$412.50
03/23/2020	IDK	AA	E-mails with G. Demo and DSI re status on correspondence sent to Jeffries re margin issues, and next steps re same, as well as draft and finalized correspondence to Committee re same.	0.40	1145.00	\$458.00
03/23/2020	IDK	AA	E-mails with G. Demo, DSI re Prometheus and next steps.	0.10	1145.00	\$114.50
03/23/2020	JNP	AA	Review emails regarding communications with Jefferies and communication with Committee.	0.20	1075.00	\$215.00
03/23/2020	JNP	AA	Conference with Gregory V. Demo regarding status	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			of margin issues.			
03/23/2020	JNP	AA	Conference with DSI and Gregory V. Demo regarding margin account issues.	0.30	1075.00	\$322.50
03/23/2020	JNP	AA	Emails with J. Seery regarding call to discuss margin count.	0.10	1075.00	\$107.50
03/23/2020	JNP	AA	Conference with Gregory V. Demo and J. Seery regarding margin account tissues and same.	0.50	1075.00	\$537.50
03/23/2020	GVD	AA	Multiple conferences with counsel to Jefferies and J. Seery re margin issues	0.50	825.00	\$412.50
03/23/2020	GVD	AA	Conference with J. Romey re margin issues and next steps	0.30	825.00	\$247.50
03/23/2020	GVD	AA	Conference with I. Leventon re outstanding subsidiary payment issues	0.20	825.00	\$165.00
03/23/2020	GVD	AA	Conference with J. Pomerantz and DSI re margin issues and next steps	0.50	825.00	\$412.50
03/23/2020	GVD	AA	Review memo and correspondence re wind down issues	0.40	825.00	\$330.00
03/23/2020	GVD	AA	Multiple conferences with J. Romey re margin issues and reconciliation	0.40	825.00	\$330.00
03/23/2020	GVD	AA	Review draft correspondence from J. Romey to Committee re margin issues; correspondence with J. Pomerantz re same	0.50	825.00	\$412.50
03/23/2020	GVD	AA	Review case research re exemptions to relief from stay	0.70	825.00	\$577.50
03/23/2020	GVD	AA	Conference with J. Seery and J. Pomerantz re status of margin issues and next steps	0.40	825.00	\$330.00
03/24/2020	IDK	AA	E-mail to DSI on margin accounts status.	0.10	1145.00	\$114.50
03/24/2020	IDK	AA	E-mails with I. Leventon and J. Fried re status of ABC stock issue and next steps with Board.	0.20	1145.00	\$229.00
03/24/2020	IDK	AA	E-mails with DSI, others re DSI draft memo to Board on Prometheus transactions/protocol issues, including review of same.	0.40	1145.00	\$458.00
03/24/2020	JMF	AA	Review Rand Guaranty agreement and draft demand letter re same.	1.40	925.00	\$1,295.00
03/24/2020	JMF	AA	Review Hunter Mountain Loan agreements re note receivables.	0.40	925.00	\$370.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/24/2020	JMF	AA	Emails re ABC Stock issues.	0.20	925.00	\$185.00
03/24/2020	GVD	AA	Conference with J. Romey re margin call issues	0.30	825.00	\$247.50
03/24/2020	GVD	AA	Review and revise memo re potential wind down issues; follow up re same	0.80	825.00	\$660.00
03/24/2020	GVD	AA	Research issues re margin calls and draft memo re same	4.60	825.00	\$3,795.00
03/25/2020	IDK	AA	E-mails with Board on our Prometheus memo and next steps (.2); E-mails with I. Leventon and Board re next steps on ABC stock issue for Committee (.2); E-mails with J. Fried re same for further memo for Committee professionals, and issues re same (.2).	0.60	1145.00	\$687.00
03/25/2020	JMF	AA	Review ABC Analysis (.4); emails to I. Kharasch re same.	0.40	925.00	\$370.00
03/25/2020	JMF	AA	Review Rand guaranty.	0.30	925.00	\$277.50
03/25/2020	GVD	AA	Conference with I. Leventon and F. Caruso re redemption of equity	0.50	825.00	\$412.50
03/25/2020	GVD	AA	Review issues re potential equity redemption; conferences with J. Pomerantz and F. Caruso re same	0.70	825.00	\$577.50
03/26/2020	IDK	AA	Review of correspondence with I. Leventon, others re Multi Strat sale issues and UBS (.3); E-mails and telephone conference with I. Leventon, others re his update on insurance policy analysis re sale (.4); E-mails with G. Demo and client legal team and DSI re draft memo to Board on updated sale of policies and UBS issues, including review of same (.3).	1.00	1145.00	\$1,145.00
03/26/2020	IDK	AA	E-mails with J. Fried re his pared down version of ABC stock memo, including review of same (.3); E-mails with I. Leventon re our revised memo re same, and his new information on trading values, including review of same, and next steps (.2).	0.50	1145.00	\$572.50
03/26/2020	IDK	AA	Attend call with I. Leventon re issues on modified ABC stock memo and related memos, and then DSI, others joining call re Multi Strat sale issues (.8); Review of I. Leventon's revisions to modified ABC stock memo and his correspondence with J. Seery (.2).	1.00	1145.00	\$1,145.00
03/26/2020	JMF	AA	Review and draft summary of ABC transaction for committee.	0.40	925.00	\$370.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/26/2020	GVD	AA	Conference with F. Caruso re redemption of equities	0.60	825.00	\$495.00
03/26/2020	GVD	AA	Correspondence with E. Wagner re potential issues with sale transaction	0.30	825.00	\$247.50
03/26/2020	GVD	AA	Conference with HCMLP trading team, J. Seery, and J. Romey re margin issues	0.60	825.00	\$495.00
03/26/2020	GVD	AA	Conference with F. Caruso re potential sale of assets and related issues	0.30	825.00	\$247.50
03/26/2020	GVD	AA	Review prime brokerage agreements re debt repayment issues; correspondence with J. Pomerantz and I. Kharasch re same	1.30	825.00	\$1,072.50
03/26/2020	GVD	AA	Attend to issues re potential sale transaction and open items	2.30	825.00	\$1,897.50
03/27/2020	IDK	AA	E-mails with CRO, others on feedback on Multi Strat sale from Wilmer Hale, including review of same, and next steps (.2); Review of revised memo to Board re same, and feedback from Board (.2).	0.40	1145.00	\$458.00
03/27/2020	IDK	AA	Telephone conferences and e-mails with J. Pomerantz re ABC stock communication protocol with the Committee, and Multi Strat sale issues (.2); E-mails and telephone conference with J. Seery re his feedback on ABC memo for Committee and need to revise (.2); Telephone conferences with I. Leventon re same (.1).	0.50	1145.00	\$572.50
03/27/2020	JNP	AA	Conference with Gregory V. Demo (2x) regarding Multi Strat issues and related matters.	0.20	1075.00	\$215.00
03/27/2020	JNP	AA	Conference with Ira D. Kharasch regarding ABC transaction.	0.10	1075.00	\$107.50
03/27/2020	GVD	AA	Conference with T. Silva (WilmerHale) re transactional issues in potential sale	0.30	825.00	\$247.50
03/27/2020	GVD	AA	Conference with B. Sharp and F. Caruso re potential issues re sale	0.40	825.00	\$330.00
03/27/2020	GVD	AA	Attend to issues re potential sale and representations and warranties	0.80	825.00	\$660.00
03/30/2020	IDK	AA	E-mails with J. Seery and I. Leventon re J. Seery's further changes to ABC stock memo and review of same and I. Leventon revision (.3); Telephone conferences and e-mails with Sidley re background for same and related memo (.4); E-mails with I. Leventon re same (.1).	0.80	1145.00	\$916.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/30/2020	JNP	AA	Conference with F. Caruso and Gregory V. Demo regarding sale of Multi Strat insurance policies.	0.20	1075.00	\$215.00
03/30/2020	GVD	AA	Call with F. Caruso re status of auction	0.20	825.00	\$165.00
03/30/2020	GVD	AA	Conference with B. Sharp re status of sale and next steps	0.10	825.00	\$82.50
03/30/2020	GVD	AA	Review talking points re status of potential sale and next steps	0.30	825.00	\$247.50
03/30/2020	GVD	AA	Attend to issues re potential sale and open items	0.20	825.00	\$165.00
03/30/2020	GVD	AA	Conference with J. Seery re open items re potential sale and margin issues	0.20	825.00	\$165.00
03/30/2020	GVD	AA	Conference with T. Courneyor re follow up issues on prime brokerage agreement	0.20	825.00	\$165.00
03/31/2020	IDK	AA	Review of various correspondence from Committee, DSI, others on questions re the Multi Strat sale and UBS.	0.20	1145.00	\$229.00
03/31/2020	JNP	AA	Review emails regarding Multi Strat; Conference with B. Sharp and Ira D. Kharasch regarding same.	0.20	1075.00	\$215.00
03/31/2020	JNP	AA	Conference with J. Seery regarding margin account and related issues.	0.20	1075.00	\$215.00
03/31/2020	JNP	AA	Conference with Gregory V. Demo regarding status of margin accounts and related.	0.10	1075.00	\$107.50
03/31/2020	GVD	AA	Conference with T. Surgent, T. Courneyor, D. Klos, and WilmerHale re margin issues and partnership agreements	0.60	825.00	\$495.00
03/31/2020	GVD	AA	Conference with J. Seery, J. Sowin, and D. Klos re margin issues	0.40	825.00	\$330.00
03/31/2020	GVD	AA	Multiple conferences with J. Seery re open items to review and analyze	0.40	825.00	\$330.00
03/31/2020	GVD	AA	Attend to issues re margin loans	0.30	825.00	\$247.50
03/31/2020	GVD	AA	Attend to issues re Korea key man	0.20	825.00	\$165.00
				168.70		\$159,205.00

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03/01/2020	JNP	BL	Prepare for distribution motion including emails with Gregory V. Demo; Review of motion and certain documents.	4.60	1075.00	\$4,945.00
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/01/2020	JNP	BL	Review emails regarding status of Committee discovery.	0.10	1075.00	\$107.50
03/01/2020	GVD	BL	Prepare for hearing on motion to distribute proceeds	3.00	825.00	\$2,475.00
03/02/2020	IDK	BL	Review of revised presentation notes for March 4 hearing on distribution motion (.2); Review briefly correspondence re prep of testimony for same (.1); Review of Acis correspondence re hearing and amount of its claim, and feedback of Board re same (.2); Attend conference call with Board, others on March 4 hearing and objections (.5).	1.00	1145.00	\$1,145.00
03/02/2020	IDK	BL	Telephone conference with J Pomerantz re March 4 hearing (.1); Review of Committee opposition, Acis joinder to same, to Distribution Motion, including consider response (.6); Telephone conference with J Pomerantz re same, including in same calls with G Demo re same, and with J Morris on T Macherin motion (.5).	1.20	1145.00	\$1,374.00
03/02/2020	IDK	BL	Emails with attorneys re issues raised by Cayman counsel memo on distribution motion and feeder funds related boards, including review of memo (.3); E-mails with attorneys re issues for March 4 hearing on MGM and protocol (.2).	0.50	1145.00	\$572.50
03/02/2020	JNP	BL	Conference with John A. Morris regarding status of discovery.	0.10	1075.00	\$107.50
03/02/2020	JNP	BL	Conference with M. Hayward regarding hearing preparation for Distribution motion.	0.20	1075.00	\$215.00
03/02/2020	JNP	BL	Conference with Ira D. Kharasch regarding hearing preparation for Distribution motion.	0.10	1075.00	\$107.50
03/02/2020	JNP	BL	Conference with Gregory V. Demo regarding hearing preparation for Distribution motion.	0.20	1075.00	\$215.00
03/02/2020	JNP	BL	Review Acis and Committee opposition to Distribution motion.	0.30	1075.00	\$322.50
03/02/2020	JNP	BL	Conference with J. Dubel regarding opposition to distribution motion and strategy.	0.30	1075.00	\$322.50
03/02/2020	JNP	BL	Conference with Ira D. Kharasch and Gregory V. Demo regarding Committee and Acis opposition to Distribution motion.	0.50	1075.00	\$537.50
03/02/2020	JNP	BL	Email regarding follow-up call to discuss hearing preparation.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/02/2020	JNP	BL	Conference with M. Clemente and D. Twomey regarding distribution motion and upcoming call with Committee.	0.30	1075.00	\$322.50
03/02/2020	JNP	BL	Conference with Ira D. Kharasch and Gregory V. Demo regarding call with Sidley regarding motion.	0.20	1075.00	\$215.00
03/02/2020	JNP	BL	Conference with M. Hayward, Board, Ira D. Kharasch and Gregory V. Demo regarding preparation for hearing and oppositions.	0.50	1075.00	\$537.50
03/02/2020	JNP	BL	Review email from Cayman counsel regarding Cayman issues and Committee opposition.	0.10	1075.00	\$107.50
03/02/2020	JNP	BL	Conference with Ira D. Kharasch regarding Cayman issues in connection with Committee opposition.	0.10	1075.00	\$107.50
03/02/2020	JNP	BL	Review various emails and information in preparation for hearing.	0.90	1075.00	\$967.50
03/02/2020	JNP	BL	Review exhibit lists and emails regarding same.	0.20	1075.00	\$215.00
03/02/2020	MBL	BL	Review objections to distribution motion.	0.40	950.00	\$380.00
03/02/2020	JEO	BL	Review objections filed to distribution motion	0.40	925.00	\$370.00
03/02/2020	JEO	BL	Review updated hearing index for hearing on distribution motion	0.40	925.00	\$370.00
03/02/2020	JAM	BL	E-mail to R. Nelms, J. Pomerantz, I. Kharasch, G. Demo re discovery (.1); e-mail to DSI, Highland, R. Nelms, PSZJ re discovery (.2); telephone conference with R. Nelms re discovery (.1); e-mails to DSI, Highland, R. Nelms re discovery (.2).	0.60	1075.00	\$645.00
03/02/2020	EAW	BL	Prepare and revise work plan for further investigation of UBS litigation; and draft related email to I. Leventon re: request for information.	3.60	825.00	\$2,970.00
03/02/2020	EAW	BL	Review pleadings, motions and expert report re: UBS litigation.	2.10	825.00	\$1,732.50
03/02/2020	EAW	BL	Telephone call with A. Kornfeld re: work plan for further investigation of UBS litigation.	0.40	825.00	\$330.00
03/02/2020	GVD	BL	Review objections to motion to distribute	1.20	825.00	\$990.00
03/02/2020	GVD	BL	Draft reply to objections to motion to distribute	4.50	825.00	\$3,712.50
03/02/2020	GVD	BL	Conference with J. Seery, J. Pomerantz, and M. Hayward re reply to objections	0.60	825.00	\$495.00
03/02/2020	GVD	BL	Attend to issues re witness preparation	0.30	825.00	\$247.50

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03/03/2020	IDK	BL	Review of draft reply to Committee, Acis objection to Distribution Motion, including review of main motion re complications on feeder funds and their independent operation from Debtor (.4); E-mails with attorneys re feedback to same reply and need for revisions to same (.4).	0.80	1145.00	\$916.00
03/03/2020	IDK	BL	Review and consider revised draft reply brief to objections re distribution motion (.2); E-mails with attorneys re same and need for further revisions (.2); Review of further revised draft reply brief (.2); E-mails with R. Pachulski and J. Pomerantz re attorney client issues relevant to testimony tomorrow (.3).	0.90	1145.00	\$1,030.50
03/03/2020	IDK	BL	E-mails with CRO re witness list for tomorrow's hearing (.1); E-mails with attorneys re issues on arguments raised for tomorrow's hearing on Distribution Motion, including setoff issues (.4); Telephone conference with J. Pomerantz re issues for hearing tomorrow and arguments (.2).	0.70	1145.00	\$801.50
03/03/2020	IDK	BL	E-mails with attorneys re bullet point analysis on MGM trade, including review of same, re potential issues in testimony (.4); Telephone conferences with J. Pomerantz re same and issues for hearing tomorrow (.2); E-mails with attorneys re need for summary of 105 caselaw limitations (.2).	0.80	1145.00	\$916.00
03/03/2020	JNP	BL	Review cases, reply brief, and conference with Gregory V. Demo regarding same.	0.70	1075.00	\$752.50
03/03/2020	JNP	BL	Prepare closing documents.	0.50	1075.00	\$537.50
03/03/2020	JNP	BL	Continued preparation for Distribution motion hearing.	3.50	1075.00	\$3,762.50
03/03/2020	JNP	BL	Meeting with J. Seery, Gregory V. Demo, R. Nelms and M. Hayward regarding witness preparation for hearing.	3.00	1075.00	\$3,225.00
03/03/2020	JNP	BL	Prepare outline for Distribution motion hearing; Review materials regarding same.	3.00	1075.00	\$3,225.00
03/03/2020	JNP	BL	Conference with Ira D. Kharasch (2x) regarding Distribution motion hearing.	0.30	1075.00	\$322.50
03/03/2020	JNP	BL	Conference with B. Sharp regarding Distribution motion hearing.	0.10	1075.00	\$107.50
03/03/2020	PJJ	BL	Case law research.	0.40	425.00	\$170.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/03/2020	MBL	BL	Review draft reply re distribution motion (0.4); research relevant issues (0.5) and emails with team re same (0.4).	1.30	950.00	\$1,235.00
03/03/2020	JAM	BL	Review Celotex decision and send summary to G. Demo (re Distribution Motion hearing).	0.70	1075.00	\$752.50
03/03/2020	JAM	BL	Telephone conference with R. Nelms, J. Dubel, I. Leventon, S. Vitiello, J. Donohue re discovery issues (1.2); draft e-mail to Board, Highland, DSI, PSZJ re status of discovery issues (.8); draft e-mail to Sidley re "omnibus" response to discovery issues (.4); telephone conference with J. Pomerantz re discovery (.1); e-mail to Sidley re Rothstein meeting (.1); revise e-mail to Sidley re "omnibus" response to discovery issues (.2).	2.80	1075.00	\$3,010.00
03/03/2020	EAW	BL	Research, document review, and analysis of UBS litigation.	3.80	825.00	\$3,135.00
03/03/2020	SWG	BL	Prepare summary of cases for hearing.	2.80	625.00	\$1,750.00
03/03/2020	GVD	BL	Further draft reply to objections to motion to distribute	6.10	825.00	\$5,032.50
03/03/2020	GVD	BL	Draft summaries of transaction in advance of hearing	1.40	825.00	\$1,155.00
03/03/2020	GVD	BL	Hearing preparation with J. Pomerantz, J. Seery, and M. Hayward	3.50	825.00	\$2,887.50
03/03/2020	GVD	BL	Multiple conferences with S. Golden re case research	0.40	825.00	\$330.00
03/03/2020	GVD	BL	Research case law for reply to objections	1.10	825.00	\$907.50
03/04/2020	IDK	BL	Telephone conferences with J. Pomerantz re result of hearing today, employee bonuses, claims analyses.	0.40	1145.00	\$458.00
03/04/2020	IDK	BL	Review of correspondence with issuers re today upcoming hearing and their objection (.1); E-mails with J. Pomerantz, R. Pachulski re Dondero agreement to allow holdback on distribution motion and impact on testimony (.2); Telephone conference with J. Pomerantz re upcoming hearing (.1).	0.40	1145.00	\$458.00
03/04/2020	IDK	BL	Attend hearing on distribution motion telephonically (2.6).	2.60	1145.00	\$2,977.00
03/04/2020	IDK	BL	E-mails with M Litvak re result of today's hearing.	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/04/2020	JNP	BL	Continue preparing for Distribution motion hearing.	2.00	1075.00	\$2,150.00
03/04/2020	JNP	BL	Meeting at Highland for team preparation regarding hearing.	2.50	1075.00	\$2,687.50
03/04/2020	JNP	BL	Attendance at Distribution motion hearing.	4.70	1075.00	\$5,052.50
03/04/2020	JNP	BL	Conference with Ira D. Kharasch regarding hearing.	0.20	1075.00	\$215.00
03/04/2020	JNP	BL	Conference with John A. Morris regarding results of hearing.	0.10	1075.00	\$107.50
03/04/2020	JNP	BL	Conference with B. Sharp regarding results of hearing.	0.30	1075.00	\$322.50
03/04/2020	JAM	BL	Court hearing on Distribution Motion (telephonic) (3.0); review deposition transcripts re Distribution Motion (.6); telephone conference with J. Pomerantz re deposition transcripts (.1); e-mails with G. Demo, J. Pomerantz re deposition transcripts (.1).	3.80	1075.00	\$4,085.00
03/04/2020	JAM	BL	Review/revise responses to UCC's document requests (1.4); e-mail to DSI, Board, Highland, PSZJ re revised document requests (.3); telephone conference with B. Sharp re discovery (.1).	1.80	1075.00	\$1,935.00
03/04/2020	EAW	BL	Research, document review and analysis of UBS litigation.	7.10	825.00	\$5,857.50
03/04/2020	GVD	BL	Attend hearing on motion to distribute	3.50	825.00	\$2,887.50
03/04/2020	GVD	BL	Review as filed reply and attend to issues re hearing prep	0.40	825.00	\$330.00
03/04/2020	GVD	BL	Conference with Board re preparation for hearing	3.60	825.00	\$2,970.00
03/05/2020	JNP	BL	Conference with Gregory V. Demo regarding distribution motion order.	0.10	1075.00	\$107.50
03/05/2020	JAM	BL	E-mail to Board, DSI, Highland, PSZJ re written responses to discovery (.1); revise written responses to UCC's second set of document requests (2.5); e-mail to Board, DSI, Highland, PSZJ re revised responses (.2); e-mail to S. Vitiello, J. Donohoe re response to Request No. 1 (.2); telephone conference with J. Dubel re responses to document requests (.1); e-mail to Sidley re written responses and call with Rothstein (.2); e-mails with R. Nelms, Highland re Rothstein call (.2).	3.50	1075.00	\$3,762.50
03/06/2020	IDK	BL	Review briefly numerous correspondence with DSI, client team, Board on mechanics of funding court	0.30	1145.00	\$343.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			registry on distribution motion, as well as form of Order on Distribution Motion, including review of same.			
03/06/2020	JNP	BL	Emails regarding proposal from Okada to resolve outstanding note.	0.20	1075.00	\$215.00
03/06/2020	JNP	BL	Conference with M. Clemente regarding proposal regarding Okada note repayment.	0.20	1075.00	\$215.00
03/06/2020	JNP	BL	Review and comment on Order on Distribution motion and emails regarding same.	0.30	1075.00	\$322.50
03/06/2020	JMF	BL	Review distribution order re 3/4 hearing.	0.30	925.00	\$277.50
03/06/2020	JMF	BL	Telephone call with J.N. Pomerantz re 2/11 hearing and Plan timeline issues.	0.20	925.00	\$185.00
03/06/2020	JAM	BL	E-mails to Board, DSI, Highland, PSZJ re call re discovery (.1); telephone conference with I. Leventon, S. Vitiello, T. Jeremiassen, J. Donohoe re discovery (.5); draft e-mail to Sidley re discovery matters (.8); revise e-mail to Sidley (.1).	1.50	1075.00	\$1,612.50
03/06/2020	GVD	BL	Review issues re depositing of assets into Court Registry; conference with J. Dubel re same	0.80	825.00	\$660.00
03/06/2020	GVD	BL	Draft proposed order re distribution motion; circulate same	1.30	825.00	\$1,072.50
03/07/2020	GVD	BL	Correspondence re proposed form of order for motion to distribute	0.30	825.00	\$247.50
03/08/2020	GVD	BL	Revise and circulate proposed order on distributions	0.30	825.00	\$247.50
03/09/2020	IDK	BL	E-mails with attorneys, and then with Board on Committee demand to collect attorney's fees from Okada re distribution motion, and related feedback, including feedback from Committee counsel re same (.3); Review correspondence with Okada counsel re Committee position re fees (.1).	0.40	1145.00	\$458.00
03/09/2020	IDK	BL	Review briefly various correspondence re distribution issues related to Distribution Motion, further revised order re same.	0.20	1145.00	\$229.00
03/09/2020	JNP	BL	Review Order on Distribution motion and emails regarding use of funds to pay Okada note.	0.30	1075.00	\$322.50
03/09/2020	JNP	BL	Conference with M. Clemente regarding order on Distribution motion.	0.20	1075.00	\$215.00
03/09/2020	JNP	BL	Conference with Gregory V. Demo regarding	0.40	1075.00	\$430.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Distribution motion and related issues.			
03/09/2020	JNP	BL	Conference with J. Seery regarding Committee position on Distribution motion.	0.20	1075.00	\$215.00
03/09/2020	JNP	BL	Email to and from Board regarding order on Distribution motion.	0.10	1075.00	\$107.50
03/09/2020	JNP	BL	Email to and from Sullivan Cromwell regarding Order on Distribution motion.	0.10	1075.00	\$107.50
03/09/2020	GVD	BL	Correspondence with Board re Committee comments on proposed order to distribute funds; circulate same	0.30	825.00	\$247.50
03/09/2020	GVD	BL	Conference with J. Pomerantz re Committee issues on distribution	0.20	825.00	\$165.00
03/09/2020	GVD	BL	Conference with J. Dubel re form of order on motion to distribute and next steps	0.20	825.00	\$165.00
03/09/2020	GVD	BL	Revise and circulate order on motion to distribute; conference with Sidley re same; multiple internal conferences re same	1.40	825.00	\$1,155.00
03/10/2020	JNP	BL	Review emails regarding status of Order for Distribution motion.	0.10	1075.00	\$107.50
03/10/2020	JNP	BL	Email to and from Board regarding Distribution motion Order.	0.10	1075.00	\$107.50
03/10/2020	JNP	BL	Email to and from M. Clemente regarding Distribution motion Order.	0.10	1075.00	\$107.50
03/10/2020	JNP	BL	Conference with Gregory V. Demo regarding Distribution Order status and related issues.	0.30	1075.00	\$322.50
03/10/2020	MBL	BL	Return call to M. Roose of Ropes Gray re distribution motion.	0.10	950.00	\$95.00
03/10/2020	JAM	BL	Telephone conference with J. Pomerantz re litigation status (.1); e-mail to DSI, Highland, Board re discovery (.1).	0.20	1075.00	\$215.00
03/10/2020	GVD	BL	Conference with J Dubel re order on motion to distribute	0.20	825.00	\$165.00
03/10/2020	GVD	BL	Correspondence with M. Hayward re status of motion to distribute order	0.20	825.00	\$165.00
03/10/2020	GVD	BL	Review and finalize proposed form of order re motion to distribute; attend to items re filing of same	0.90	825.00	\$742.50
03/11/2020	IDK	BL	Review briefly numerous correspondence on status	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			of order on Distribution Motion.			
03/11/2020	JNP	BL	Review emails regarding Distribution motion.	0.10	1075.00	\$107.50
03/11/2020	JAM	BL	Telephone conference with I. Leventon, S. Vitiello, J. Rothstein, T. Jeremiassen, J. Donohoe re prep for Sidley IT call, discovery (.5); telephone conference with Sidley, FTI, DSI, Highland re IT issues (.5).	1.00	1075.00	\$1,075.00
03/11/2020	GVD	BL	Attend to issues re filing of proposed order on distribution motion	0.50	825.00	\$412.50
03/13/2020	SWG	BL	Research regarding removal of actions	1.20	625.00	\$750.00
03/14/2020	SWG	BL	Research re: removal	1.50	625.00	\$937.50
03/17/2020	JNP	BL	Review emails regarding status of Committee discovery.	0.10	1075.00	\$107.50
03/18/2020	JNP	BL	Conference with John A. Morris regarding discovery status.	0.10	1075.00	\$107.50
03/19/2020	JAM	BL	E-mails with R. Nelms re: discovery (0.1); telephone conference with R. Nelms re: discovery (0.2); e-mails with I. Leventon, S. Vitiello re: discovery (0.2).	0.50	1075.00	\$537.50
03/20/2020	HDH	BL	Research and analysis of procedural issues regarding UBS	1.40	950.00	\$1,330.00
03/20/2020	HDH	BL	Telephone conference with Alan J. Kornfeld regarding UBS issues	0.30	950.00	\$285.00
03/20/2020	HDH	BL	Review correspondence and working outline regarding UBS issues.	0.30	950.00	\$285.00
03/20/2020	JAM	BL	Telephone conference with I. Leventon, S. Vitiello re: document production (0.2).	0.20	1075.00	\$215.00
03/23/2020	PJJ	BL	Research re employee and intercompany claims.	0.40	425.00	\$170.00
03/23/2020	JAM	BL	E-mail to R. Nelms, I. Leventon, S. Vitiello re: discovery (0.1); review/revise Brown Rudnick bar date stipulation (0.4); e-mail to J. Pomerantz re: Brown Rudnick bar date stipulation (0.1).	0.60	1075.00	\$645.00
03/24/2020	JNP	BL	Conference with John A. Morris regarding discovery status and related issues.	0.20	1075.00	\$215.00
03/24/2020	PJJ	BL	Coordinate telephonic appearance for B. Levine.	0.20	425.00	\$85.00
03/28/2020	JAM	BL	Draft e-mail to Sidley re: discovery (0.4); e-mail to I. Leventon, S. Vitiello, J. Donohue, J. Pomerantz, B. Sharp, G. Demo re: discovery (0.2).	0.60	1075.00	\$645.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/30/2020	JAM	BL	Review Sidley e-mails re: discovery (0.1); telephone conference with J. Donohue, I. Leventon, S. Vitiello re: e-discovery (0.5); draft e-mail to P. Foley re: status of discovery (0.2); e-mails to P. Foley re: discovery (0.3); e-mails with J. Pomerantz, G. Demo re: Acis request re: stay relief (0.1).	1.20	1075.00	\$1,290.00
03/31/2020	JAM	BL	E-mails to I. Leventon, S. Vitiello, J. Donohue, J. Pomerantz, G. Demo, B. Sharp re: e-discovery (0.3).	0.30	1075.00	\$322.50
				127.60		\$120,817.00

Case Administration [B110]

03/02/2020	SLP	CA	Maintain document control (2) receive multiple documents to organize (1.6)	1.90	350.00	\$665.00
03/03/2020	SLP	CA	Maintain document control (2) receive multiple documents to organize (1.3)	1.50	350.00	\$525.00
03/03/2020	GVD	CA	Attend to emails re pending matters.	0.40	825.00	\$330.00
03/04/2020	JMF	CA	Review critical dates and memorandum re pending case issues & motions.	0.30	925.00	\$277.50
03/05/2020	IDK	CA	E-mails re revised WIP list, including review of same and others to attach (.2); Attend internal WIP call on all major tasks (1.1); Attend DSI/PSZJ WIP call (.5).	1.80	1145.00	\$2,061.00
03/05/2020	JNP	CA	Participate on weekly PSZJ WIP call.	1.00	1075.00	\$1,075.00
03/05/2020	JNP	CA	Participate on weekly PSZJ DSI WIP call.	0.50	1075.00	\$537.50
03/05/2020	JNP	CA	Conference with Ira D. Kharasch regarding case issues.	0.10	1075.00	\$107.50
03/05/2020	JEO	CA	Participate in PSZJ team call	1.00	925.00	\$925.00
03/05/2020	JMF	CA	Draft memorandum re pending motions & case issues (.8); telephone call with J.N. Pomerantz, J. O'Neill, G. Demo, I. Kharasch, re same (1.0); telephone call with B. Sharp, J.N. Pomerantz, G. Demo re same and 3/10 committee meeting (.4).	2.20	925.00	\$2,035.00
03/05/2020	JAM	CA	Internal WIP call.	1.10	1075.00	\$1,182.50
03/05/2020	GVD	CA	Internal WIP call	1.10	825.00	\$907.50
03/05/2020	GVD	CA	Conference with E. Bromagen re in person committee meeting	0.10	825.00	\$82.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/05/2020	GVD	CA	Internal WIP call with DSI	0.40	825.00	\$330.00
03/06/2020	SLP	CA	Maintain document control.	0.90	350.00	\$315.00
03/06/2020	GVD	CA	Attend to emails and open items	0.30	825.00	\$247.50
03/07/2020	GVD	CA	Attend to open emails	0.50	825.00	\$412.50
03/09/2020	IDK	CA	E-mails with client, M Litvak re McGlagent bill, and background (.2); E-mails and telephone conference with M Litvak re same or post-petition ordinary course or critical vendor, and his letter to client re same (.2).	0.40	1145.00	\$458.00
03/09/2020	IDK	CA	Telephone conference with J. Pomerantz re case status and issues (.2).	0.20	1145.00	\$229.00
03/09/2020	SLP	CA	Maintain document control.	0.60	350.00	\$210.00
03/09/2020	GVD	CA	Conference with M. Hayward re status of March 11 hearing	0.20	825.00	\$165.00
03/09/2020	GVD	CA	Multiple conferences with J. Pomerantz re open items and next steps	0.20	825.00	\$165.00
03/10/2020	JEO	CA	Emails with PSZJ team re responses to creditor calls	0.30	925.00	\$277.50
03/10/2020	SLP	CA	Maintain document control.	0.90	350.00	\$315.00
03/10/2020	SLP	CA	Maintain document control.	0.20	350.00	\$70.00
03/10/2020	GVD	CA	Conferences with J. Pomerantz re open items and next steps	0.40	825.00	\$330.00
03/11/2020	JNP	CA	Participate on PSZJ WIP call.	0.70	1075.00	\$752.50
03/11/2020	SLP	CA	Maintain document control.	0.20	350.00	\$70.00
03/11/2020	JMF	CA	Draft memorandum of pending motions & case issues.	0.60	925.00	\$555.00
03/11/2020	JMF	CA	Telephone calls with G. Demo, J.N. Pomerantz, I. Kharasch and J. O'Neill re pending case issues & pending motions.	0.70	925.00	\$647.50
03/11/2020	JAM	CA	Internal WIP call (partial participation).	0.20	1075.00	\$215.00
03/11/2020	GVD	CA	Conference with J. Pomerantz re status updates and open items	0.40	825.00	\$330.00
03/11/2020	GVD	CA	Conference with PSZJ re WIP	0.70	825.00	\$577.50
03/11/2020	GVD	CA	Attend to emails	0.40	825.00	\$330.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/14/2020	GVD	CA	Attend to emails	0.30	825.00	\$247.50
03/15/2020	GVD	CA	Attend to open emails	0.20	825.00	\$165.00
03/16/2020	IDK	CA	Telephone conference with J. Pomerantz re status of case and various next steps (.2).	0.20	1145.00	\$229.00
03/16/2020	GVD	CA	Attend to emails re pending matters.	0.30	825.00	\$247.50
03/17/2020	IDK	CA	E-mails with attorneys re revised WIP list for call and review same (.2); Attend internal conference call on WIP on all major issues (.7); Attend next conference call with DSI on its WIP call (.7); E-mails with J. Morris, others on Board feedback on status and claims memos and timing (.1); Telephone conference with J. Pomerantz re status of issues (.2).	1.90	1145.00	\$2,175.50
03/17/2020	IDK	CA	E-mails with attorneys and DSI re draft agenda for Board call tomorrow and changes to same.	0.20	1145.00	\$229.00
03/17/2020	JNP	CA	WIP call with PSZJ and DSI.	0.70	1075.00	\$752.50
03/17/2020	JNP	CA	Participate in part of PSZJ WIP call.	0.20	1075.00	\$215.00
03/17/2020	JMF	CA	Telephone call with G. Demo, I. Kharasch re pending case issues and motions (.8); draft memorandum re same (.6); telephone call with B. Sharp, J. Donahue, J.N. Pomarantz, I. Kharasch and G. Demo re board meeting and pending case matters (.7).	2.10	925.00	\$1,942.50
03/17/2020	JAM	CA	Internal WIP call (0.3).	0.30	1075.00	\$322.50
03/17/2020	GVD	CA	Internal conference with PSZJ and DSI re WIP list	0.60	825.00	\$495.00
03/17/2020	GVD	CA	Attend to open emails	0.10	825.00	\$82.50
03/17/2020	GVD	CA	Internal PSZJ call re WIP List	0.70	825.00	\$577.50
03/18/2020	GVD	CA	Review open emails	0.20	825.00	\$165.00
03/19/2020	GVD	CA	Attend to issues re scheduling of calls	0.30	825.00	\$247.50
03/19/2020	GVD	CA	Attend to emails re pending issues.	0.20	825.00	\$165.00
03/20/2020	GVD	CA	Attend to emails and open items	0.40	825.00	\$330.00
03/23/2020	JMF	CA	Draft memo re pending cases issues.	0.40	925.00	\$370.00
03/23/2020	JMF	CA	Review critical dates and clerk memo re Foley order.	0.20	925.00	\$185.00
03/23/2020	GVD	CA	Attend to emails re pending issues.	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/23/2020	GVD	CA	Correspondence with counsel to vendor re payment issues	0.10	825.00	\$82.50
03/24/2020	IDK	CA	Review of revised WIP list for upcoming call (.1); Attend internal conference call of all primary pending open matters (.6); Attend conference call with DSI, others on DSI related WIP list on their open tasks (.6).	1.30	1145.00	\$1,488.50
03/24/2020	JNP	CA	Participate in PSZJ WIP call.	0.70	1075.00	\$752.50
03/24/2020	JEO	CA	Participate in PSZJ team call	0.50	925.00	\$462.50
03/24/2020	JMF	CA	Telephone call with G. Demo, J.N. Pomerantz, I. Kharasch, J. O'Neill re pending case issues (.8); draft memo re same (4); telephone call with B. Sharp, J. Donahaue, J.N. Pomerantz and I. Kharasch re same (.6).	1.80	925.00	\$1,665.00
03/24/2020	GVD	CA	Conference with PSZJ and DSI re WIP list	0.60	825.00	\$495.00
03/24/2020	GVD	CA	Conference with PSZJ and DSI re employee issues	0.20	825.00	\$165.00
03/24/2020	GVD	CA	Attend internal WIP call	0.60	825.00	\$495.00
03/24/2020	GVD	CA	Attend to emails	0.30	825.00	\$247.50
03/25/2020	JEO	CA	Emails with Local Counsel re service of orders entered today	0.20	925.00	\$185.00
03/25/2020	JAM	CA	Review draft agenda for Board meeting and send e-mail to G. Demo, J. Pomerantz, DSI re: same (0.1).	0.10	1075.00	\$107.50
03/25/2020	GVD	CA	Attend to emails re pending matters.	0.30	825.00	\$247.50
03/26/2020	JNP	CA	Emails to and from M. Hankin regarding call to discuss status.	0.10	1075.00	\$107.50
03/26/2020	JNP	CA	Conference with J.Seery regarding office administration issues; Follow-up with Ira D. Kharasch regarding same.	0.20	1075.00	\$215.00
03/27/2020	JNP	CA	Conference with M. Hankin regarding general case status and emails regarding same.	0.30	1075.00	\$322.50
03/27/2020	JMF	CA	Review pending critical dates and memorandum re pending case issues.	0.30	925.00	\$277.50
03/27/2020	GVD	CA	Attend to emails	0.20	825.00	\$165.00
03/30/2020	JMF	CA	Draft memo re pending case issues and matters.	0.80	925.00	\$740.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/30/2020	GVD	CA	Attend to emails re pending matters.	0.20	825.00	\$165.00
03/31/2020	IDK	CA	Attend internal WIP call on all open issues (.9); Attend conference call with DSI, others on further open issues with DSI (.8).	1.70	1145.00	\$1,946.50
03/31/2020	JNP	CA	Weekly internal PSZJ WIP call.	1.00	1075.00	\$1,075.00
03/31/2020	JNP	CA	Weekly WIP call with PSZJ and DSI.	0.80	1075.00	\$860.00
03/31/2020	JEO	CA	Participate in team call with PSZJ team	0.70	925.00	\$647.50
03/31/2020	JMF	CA	Telephone call with I. Kharasch, J.N. Pomerantz, G. Demo, J. O'Neill re pending case and work in progress issues (.8); telephone call with B. Sharp, J. Donahue, F. Caruso re same (.6); update summary memo re same (.3).	1.70	925.00	\$1,572.50
03/31/2020	JAM	CA	Internal PSZJ WIP call (0.3).	0.30	1075.00	\$322.50
03/31/2020	GVD	CA	Internal call with PSZJ and DSI on WIP List	0.90	825.00	\$742.50
03/31/2020	GVD	CA	Internal call with PSZJ re WIP list	1.00	825.00	\$825.00
03/31/2020	GVD	CA	Conference with J. Pomerantz re status of case and next steps	0.10	825.00	\$82.50
03/31/2020	GVD	CA	Attend to emails re pending matters.	0.20	825.00	\$165.00
				49.30		\$43,646.50

Claims Admin/Objections[B310]

03/01/2020	AJK	CO	Analyze litigation issues and potential liability.	3.70	1145.00	\$4,236.50
03/02/2020	AJK	CO	Analysis re UBS claim work plan going forward.	2.60	1145.00	\$2,977.00
03/02/2020	AJK	CO	Call with E. Wagner re analysis of UBS claims.	0.40	1145.00	\$458.00
03/02/2020	AJK	CO	Review memorandum re UBS claim.	1.70	1145.00	\$1,946.50
03/02/2020	IDK	CO	E-mail and office conference with A. Kornfeld re status of UBS further analysis, and E Wagner memo re same (.2).	0.20	1145.00	\$229.00
03/02/2020	JNP	CO	Review letter from Redeemer regarding distribution.	0.10	1075.00	\$107.50
03/02/2020	JNP	CO	Review and forward email from R. Pahtel to Board; Conference with J. Dubel regarding same.	0.10	1075.00	\$107.50
03/02/2020	JEO	CO	Review entered bar date order and update bar date notice	0.50	925.00	\$462.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/03/2020	JEO	CO	Coordinate service of bar date materials	0.80	925.00	\$740.00
03/03/2020	JMF	CO	Review final bar date notice and final invoice notice.	0.40	925.00	\$370.00
03/04/2020	AJK	CO	Analysis of UBS claims issues.	2.30	1145.00	\$2,633.50
03/04/2020	RJF	CO	Review and comment on work plan.	0.30	1245.00	\$373.50
03/05/2020	AJK	CO	Review and analyze expert reports.	3.60	1145.00	\$4,122.00
03/05/2020	HDH	CO	Review memo and discuss with Ira D. Kharasch	0.30	950.00	\$285.00
03/05/2020	HDH	CO	Research standing/defenses	0.50	950.00	\$475.00
03/05/2020	IDK	CO	Telephone conference and E-mails with J. Pomerantz re status on next level analysis of UBS POC, and issues on alter ego (.3); Review of draft UBS claim work flow memo (.2); E-mails and telephone conference with A. Kornfeld re same memo, and how to reformulate to expedite on just major issues, including alter ego particular issue (.4).	0.90	1145.00	\$1,030.50
03/05/2020	IDK	CO	Review of H Hochman's extensive memo on Mirant legal issues (.4); E-mails with H Hochman re same and need to flush out various further areas addressed (.4).	0.80	1145.00	\$916.00
03/05/2020	JJK	CO	Review Acis POC related issues.	0.60	895.00	\$537.00
03/05/2020	JEO	CO	Review inquiry from claims agent re service addresses for bar date	0.60	925.00	\$555.00
03/05/2020	JEO	CO	Review issues with publication notice for bar date.	0.80	925.00	\$740.00
03/05/2020	JEO	CO	Emails with claims and noticing agent re bar date service	0.60	925.00	\$555.00
03/05/2020	JMF	CO	Review Bar Date notice correspondences re investor and several bar date issues.	0.30	925.00	\$277.50
03/05/2020	EAW	CO	Research, document review and analysis of UBS litigation.	8.80	825.00	\$7,260.00
03/05/2020	EAW	CO	Telephone calls with A. Kornfeld re: UBS litigation.	1.60	825.00	\$1,320.00
03/06/2020	AJK	CO	Review expert reports.	2.80	1145.00	\$3,206.00
03/06/2020	AJK	CO	Review trial and appellate court decisions.	2.70	1145.00	\$3,091.50
03/06/2020	AWC	CO	Emails with DSI regarding ACIS preference information status.	0.20	1095.00	\$219.00
03/06/2020	IDK	CO	Continue review of extensive revised memo on Acis	1.60	1145.00	\$1,832.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			POC re standing, Mirant, Acis plan structure and plan terms, and note numerous questions, issues to further deal with (.8); Numerous E-mails with H Hochman re further questions on same and need to expand memo (.5); Review of extensive law review article on same issues (.3).			
03/06/2020	IDK	CO	Numerous E-mails with J Kim re further questions, issues raised in Acis memo re the Acis plan or reorganization issues, plan terms, and need for further expansion re such issues (.7); E-mails and telephone conference with J. Pomerantz re same and status of expansion of memo (.3).	1.00	1145.00	\$1,145.00
03/06/2020	IDK	CO	E-mails with R Feinstein, Board, J Pomerantz re UBS proposed stipulation for relief from stay, correspondence with UBS counsel on history re same, and issues re same.	0.30	1145.00	\$343.50
03/06/2020	JJK	CO	Review transcripts, pleadings, documents re: Acis POC issues, and prepare supplemental memo for Board.	3.50	895.00	\$3,132.50
03/06/2020	JJK	CO	Research and review documents for supplemental memo for Board on Acis claim matters.	4.80	895.00	\$4,296.00
03/06/2020	JJK	CO	Emails Kharasch on Acis claim analysis matters.	0.20	895.00	\$179.00
03/06/2020	JNP	CO	Review and respond to emails regarding Acis claims research; Conference with Ira D. Kharasch regarding same.	0.30	1075.00	\$322.50
03/06/2020	JEO	CO	Email to client re bar date issues	0.40	925.00	\$370.00
03/06/2020	JEO	CO	Follow up with claims and noticing agent re publication notice	0.20	925.00	\$185.00
03/06/2020	RJF	CO	Telephone conference with Cluback regarding request for stay stipulation.	0.20	1245.00	\$249.00
03/06/2020	RJF	CO	Emails Jeffrey N. Pomerantz regarding BOD regarding Cluback request.	0.30	1245.00	\$373.50
03/06/2020	RJF	CO	Telephone conference with Jeffrey N. Pomerantz regarding Cluback request.	0.30	1245.00	\$373.50
03/06/2020	RJF	CO	Review draft stipulation and email to board regarding same.	0.30	1245.00	\$373.50
03/06/2020	RJF	CO	Further telephone conference with Jeffrey N. Pomerantz regarding stipulation.	0.20	1245.00	\$249.00
03/06/2020	EAW	CO	Telephone call with A. Kornfeld re: UBS litigation.	1.20	825.00	\$990.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/06/2020	EAW	CO	Research, document review and analysis of UBS litigation.	5.10	825.00	\$4,207.50
03/06/2020	EAW	CO	Attention to correspondence from UBS counsel re: automatic stay.	0.20	825.00	\$165.00
03/07/2020	EAW	CO	Research, document review and analysis of UBS litigation.	1.20	825.00	\$990.00
03/08/2020	HDH	CO	Revise memo regarding defenses	0.70	950.00	\$665.00
03/08/2020	JNP	CO	Email to and from Latham regarding scheduling call.	0.10	1075.00	\$107.50
03/08/2020	EAW	CO	Research, document review and analysis of UBS litigation.	10.10	825.00	\$8,332.50
03/09/2020	IDK	CO	E-mails with J Kim re issues on Acis POC as well as the Acis plan and disclosure statement/liquid analysis on issue of litigation proceeds (.4); E-mails with A Caine and J Pomerantz re status of Acis preference claim analysis (.1).	0.50	1145.00	\$572.50
03/09/2020	IDK	CO	Review of correspondence with UBS counsel, as well as its prior correspondence with S Ellington re stipulation for relief from stay, including correspondence to Board re same.	0.40	1145.00	\$458.00
03/09/2020	JJK	CO	Review Acis claim matters for potential objections.	3.00	895.00	\$2,685.00
03/09/2020	JJK	CO	Research/review documents and prepare supplemental memo for Board on Acis claim matters.	5.00	895.00	\$4,475.00
03/09/2020	JJK	CO	Review/Research Acis claim issues.	1.10	895.00	\$984.50
03/09/2020	JNP	CO	Conference with Latham and Robert J. Feinstein regarding status of settlement and request for Relief from Stay	0.30	1075.00	\$322.50
03/09/2020	JNP	CO	Conference with J. Dubel regarding call with Latham and issues relating to relief from stay matters.	0.30	1075.00	\$322.50
03/09/2020	JNP	CO	Emails to and from A. Klubock regarding request for Relief from Stay.	0.20	1075.00	\$215.00
03/09/2020	JNP	CO	Email to Board regarding UBS request for Relief from Stay.	0.10	1075.00	\$107.50
03/09/2020	JEO	CO	Review drafts of bar date publication notice and provide comments	0.30	925.00	\$277.50
03/09/2020	JEO	CO	Emails with board, client and DSI re cost of	0.40	925.00	\$370.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			publication of bar date notice			
03/09/2020	JEO	CO	Emails with KCC re publication of bar date	0.20	925.00	\$185.00
03/09/2020	RJF	CO	Call with UBS counsel, Jeffrey N. Pomerantz regarding UBS request for stay relief.	0.20	1245.00	\$249.00
03/09/2020	RJF	CO	Followup telephone conference with Jeffrey N. Pomerantz regarding call with UBS counsel, Jeffrey N. Pomerantz regarding UBS request for stay relief.	0.10	1245.00	\$124.50
03/09/2020	EAW	CO	Research, document review and analysis of UBS litigation.	11.30	825.00	\$9,322.50
03/09/2020	EAW	CO	Telephone call with A. Kornfeld re: UBS litigation.	0.40	825.00	\$330.00
03/10/2020	AJK	CO	Attention to outline of issues re UBS claim.	1.90	1145.00	\$2,175.50
03/10/2020	AWC	CO	Emails with DSI and team regarding ACIS preference data status.	0.20	1095.00	\$219.00
03/10/2020	IDK	CO	Review of correspondence with DSI re status on Acis preference analysis.	0.10	1145.00	\$114.50
03/10/2020	JNP	CO	Conference with John A. Morris regarding meeting with Redeemer.	0.10	1075.00	\$107.50
03/10/2020	JNP	CO	Emails to and from A. Klubock regarding claims and Relief from Stay.	0.20	1075.00	\$215.00
03/10/2020	JEO	CO	Review emails re calls from parties receiving bar date notices	0.40	925.00	\$370.00
03/10/2020	RJF	CO	Review Cluback emails regarding UBS.	0.20	1245.00	\$249.00
03/10/2020	EAW	CO	Research, document review and analysis of UBS litigation.	2.00	825.00	\$1,650.00
03/10/2020	EAW	CO	Draft outline of memo re: UBS litigation (6.5), and related emails to/from A. Kornfeld (0.1).	6.60	825.00	\$5,445.00
03/11/2020	AJK	CO	Call with H. Hochman re UBS legal research.	0.60	1145.00	\$687.00
03/11/2020	AJK	CO	Analysis of settlement agreements and releases.	2.30	1145.00	\$2,633.50
03/11/2020	HDH	CO	Conference with Ira D. Kharasch regarding standing memo / issues	0.20	950.00	\$190.00
03/11/2020	HDH	CO	Review memoranda regarding Asis	0.30	950.00	\$285.00
03/11/2020	HDH	CO	Review reports	0.80	950.00	\$760.00
03/11/2020	HDH	CO	Telephone conference with Alan J. Kornfeld and Elissa A. Wagner regarding UBS	0.50	950.00	\$475.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/11/2020	IDK	CO	Office conference with H Hochman re status on Acis memo on Mirant/Acis plan structure (.2); Review in detail H Hochman's revised memo re Mirant/standing (.3); E-mails with H Hochman re need to address further points for same memo (.3); Review and consider J Kim's substantial revised memo on Acis plan structure and related issues to its POC, including review of Acis disclosure statement (.4); E-mails with J Kim re questions re same memo re appeal, plan issues (.3).	1.50	1145.00	\$1,717.50
03/11/2020	IDK	CO	E-mails with J. Pomerantz re further Board feedback on Acis and UBS memos.	0.20	1145.00	\$229.00
03/11/2020	IDK	CO	E-mails with H Hochman, A Kornfeld re various issues on UBS analysis (.2); Numerous E-mails with attorneys re UBS issues on release/alter ego, Redeemer counsel as resource on theories, and key documents to get, and UBS strategy (.5); Telephone conference with A. Kornfeld re same and missing key documents on release, and consider (.2).	0.90	1145.00	\$1,030.50
03/11/2020	JJK	CO	Emails Kharasch on Acis claim issues, and supplemental research/analysis.	4.00	895.00	\$3,580.00
03/11/2020	JNP	CO	Conference with J. Dubel regarding Brown Rudnick claim and next steps.	0.20	1075.00	\$215.00
03/11/2020	JNP	CO	Meeting with Board, Redeemer Committee and counsel, and John A. Morris and Gregory V. Demo.	3.00	1075.00	\$3,225.00
03/11/2020	JNP	CO	Email to M. Hankin regarding claim issues.	0.10	1075.00	\$107.50
03/11/2020	RJF	CO	Numerous emails Jeffrey N. Pomerantz, Ira D. Kharasch and Alan J. Kornfeld regarding UBS claims, strategy.	1.00	1245.00	\$1,245.00
03/11/2020	JAM	CO	Meet with J. Dubel, R. Nelms, J. Pomerantz re preparation for meeting with Redeemer Committee (.4); meet with Board, J. Pomerantz, G. Demo, Redeemer Committee (3.0).	3.40	1075.00	\$3,655.00
03/11/2020	EAW	CO	Emails to/from I. Leventon re: additional information needed for analysis of UBS litigation.	0.20	825.00	\$165.00
03/11/2020	EAW	CO	Telephone calls with A. Kornfeld re: analysis of UBS litigation.	0.80	825.00	\$660.00
03/11/2020	EAW	CO	Emails to/from A. Kornfeld and H. Hochman re: analysis of UBS litigation.	0.20	825.00	\$165.00
03/11/2020	EAW	CO	Telephone call with A. Kornfeld and H. Hochman	0.60	825.00	\$495.00

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			re: analysis of UBS litigation.			
03/11/2020	EAW	CO	Research, document review and analysis of UBS litigation.	5.30	825.00	\$4,372.50
03/11/2020	EAW	CO	Draft memo re: UBS litigation.	2.50	825.00	\$2,062.50
03/11/2020	EAW	CO	Emails from J. Pomerantz, R. Feinstein, I. Kharasch, A. Kornfeld and G. Demo re: analysis of UBS litigation.	0.60	825.00	\$495.00
03/11/2020	GVD	CO	Attend meeting with Board and Redeemer Committee; follow up re same	4.50	825.00	\$3,712.50
03/11/2020	GVD	CO	Prepare for conference with Board and Redeemer Committee	1.50	825.00	\$1,237.50
03/12/2020	AJK	CO	Attention to Reedemer settlement issues.	1.20	1145.00	\$1,374.00
03/12/2020	AJK	CO	Review reports.	1.60	1145.00	\$1,832.00
03/12/2020	HDH	CO	Research regarding damage limitations	1.30	950.00	\$1,235.00
03/12/2020	HDH	CO	Revise memo regarding defenses	1.00	950.00	\$950.00
03/12/2020	HDH	CO	Research alter ego issue	1.20	950.00	\$1,140.00
03/12/2020	IDK	CO	E-mails with attorneys on various UBS strategy issues (.2); Telephone conference with R Feinstein and J. Pomerantz re UBS issues and strategy (.4); E-mails with team re call tomorrow on UBS re next steps (.1); Email and telephone conference with R Saunders re UBS research issues (.2).	0.90	1145.00	\$1,030.50
03/12/2020	IDK	CO	E-mails with J Davidson re background of Acis POC and our related memos re same, and need for his review (.5); Telephone conference with J Davidson re same and related legal theories (.7).	1.20	1145.00	\$1,374.00
03/12/2020	IDK	CO	E-mails with J Kim re Board feedback on Acis POC re plan issues (.2); E-mails with A Caine re Acis and preference claim issue (.1).	0.30	1145.00	\$343.50
03/12/2020	JJK	CO	Review/Research Acis claim issues and emails Kharasch on same.	0.90	895.00	\$805.50
03/12/2020	JNP	CO	Meeting with A. Klubock, UBS representatives and Board regarding status of claim and related issues.	0.50	1075.00	\$537.50
03/12/2020	JNP	CO	Conference with Ira D. Kharasch and Robert J. Feinstein regarding UBS meeting and strategy.	0.40	1075.00	\$430.00
03/12/2020	JNP	CO	Emails to and from Jenner regarding claims issues.	0.10	1075.00	\$107.50

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03/12/2020	JNP	CO	Review and respond to M. Hayward email regarding creditor inquiry.	0.10	1075.00	\$107.50
03/12/2020	MBL	CO	Address client inquiry re employee benefits issue.	0.10	950.00	\$95.00
03/12/2020	JEO	CO	Research issues for bar date notice service	0.80	925.00	\$740.00
03/12/2020	RMS	CO	Telephone conference with Ira D. Kharasch regarding estimation research assignment	0.10	825.00	\$82.50
03/12/2020	RMS	CO	Research regarding estimation of UBS claims, and review of results of research	1.30	825.00	\$1,072.50
03/12/2020	RMS	CO	Email exchanges with various firm attorneys regarding research by email	0.30	825.00	\$247.50
03/12/2020	RMS	CO	Email exchange with Leslie Forrester regarding research regarding estimation	0.20	825.00	\$165.00
03/12/2020	RJF	CO	Emails Jeffrey N. Pomerantz, Golden regarding UBS claim, research issues,	0.70	1245.00	\$871.50
03/12/2020	EAW	CO	Telephone calls with A. Kornfeld re: procedural and substantive analysis of UBS litigation.	1.40	825.00	\$1,155.00
03/12/2020	EAW	CO	Research and draft memo re: removal, remand and abstention.	9.60	825.00	\$7,920.00
03/12/2020	EAW	CO	Research, document review and analysis of claims asserted in UBS litigation.	2.30	825.00	\$1,897.50
03/12/2020	EAW	CO	Emails to/from H. Hochman and L. Canty re: UBS litigation and related claims.	0.10	825.00	\$82.50
03/12/2020	JHD	CO	Correspondence from Ira D. Kharasch re ACIS issues; prepare correspondence to Ira D. Kharasch re same	0.30	1495.00	\$448.50
03/12/2020	JHD	CO	Telephone conference with Ira D. Kharasch re ACIS issues and strategies	0.70	1495.00	\$1,046.50
03/12/2020	JHD	CO	Preliminary research re ACIS issues; prepare correspondence to Ira D. Kharasch re same	1.40	1495.00	\$2,093.00
03/13/2020	AJK	CO	Review pleadings re UBS litigation.	2.20	1145.00	\$2,519.00
03/13/2020	AJK	CO	Internal call re litigation strategy re claims.	0.70	1145.00	\$801.50
03/13/2020	AJK	CO	Call with Jenner & Block re litigation strategy.	1.00	1145.00	\$1,145.00
03/13/2020	AWC	CO	Emails with DSI regarding ACIS preference data status.	0.20	1095.00	\$219.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/13/2020	HDH	CO	Research UBS alter ego issues	1.80	950.00	\$1,710.00
03/13/2020	IDK	CO	E-mail to E Wagner re list of issues to discuss re UBS (.1); Attend most of internal conference call with attorneys re UBS claim issues and next steps (.7); E-mails with R Saunders re his draft initial memo on UBS issues and claims estimation, and feedback of others (.2).	1.00	1145.00	\$1,145.00
03/13/2020	IDK	CO	Review of numerous correspondence with Board, others on UBS stipulation re bar date, other issues.	0.30	1145.00	\$343.50
03/13/2020	JJK	CO	Research/review Acis claim issues and prepare suppl. memo.	3.50	895.00	\$3,132.50
03/13/2020	JNP	CO	Conference with R. Stark regarding Brown Rudnick claims and extension of time.	0.40	1075.00	\$430.00
03/13/2020	JNP	CO	Conference with M. Hankin regarding claims issues.	0.50	1075.00	\$537.50
03/13/2020	JNP	CO	Review and respond to email from Latham regarding UBS and forward to Board.	0.10	1075.00	\$107.50
03/13/2020	JNP	CO	Review E. Wagner summary of issues in preparation for call.	0.10	1075.00	\$107.50
03/13/2020	JNP	CO	Participate on internal call regarding strategy regarding UBS.	0.80	1075.00	\$860.00
03/13/2020	JNP	CO	Conference with Jenner and PSZJ regarding claims issues.	1.00	1075.00	\$1,075.00
03/13/2020	RMS	CO	Research and review of research regarding estimation	2.80	825.00	\$2,310.00
03/13/2020	RMS	CO	Drafting estimation memorandum	2.30	825.00	\$1,897.50
03/13/2020	RJF	CO	Call with committee member regarding claim.	1.00	1245.00	\$1,245.00
03/13/2020	RJF	CO	Internal call regarding UBS claim.	0.80	1245.00	\$996.00
03/13/2020	RJF	CO	Review Wagner email regarding UBS litigation issue.	0.40	1245.00	\$498.00
03/13/2020	RJF	CO	Review redraft of bar date extension stipulation and related emails.	0.30	1245.00	\$373.50
03/13/2020	EAW	CO	Research, document review and analysis of claims asserted in UBS litigation.	0.50	825.00	\$412.50
03/13/2020	EAW	CO	Draft memo re: analysis of claims asserted in UBS litigation.	0.60	825.00	\$495.00

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03/13/2020	EAW	CO	Revise and circulate memo re: removal, remand and abstention.	4.50	825.00	\$3,712.50
03/13/2020	EAW	CO	Emails to/from A. Kornfeld and H. Hochman re: analysis of procedural steps for UBS litigation.	0.30	825.00	\$247.50
03/13/2020	EAW	CO	Telephone call with J. Pomerantz, R. Feinstein, A. Kornfeld and S. Van Horn re: various chapter 11 issues.	1.00	825.00	\$825.00
03/13/2020	EAW	CO	Telephone calls with A. Kornfeld re: UBS litigation.	1.30	825.00	\$1,072.50
03/13/2020	EAW	CO	Internal status call with J. Pomerantz, R. Feinstein, I. Kharasch, A. Kornfeld and G. Demo re: UBS litigation.	0.80	825.00	\$660.00
03/13/2020	JHD	CO	Analyze memos re Acis issues; preliminary research re same; prepare correspondence to Ira D. Kharasch re same	2.30	1495.00	\$3,438.50
03/13/2020	JHD	CO	Correspondence from Ira D. Kharasch re ABN stock; prepare correspondence to Ira D. Kharasch re same	0.20	1495.00	\$299.00
03/13/2020	JHD	CO	Telephone conference with Ira D. Kharasch re ABN stock (voice mail); prepare correspondence to Ira D. Kharasch re same	0.10	1495.00	\$149.50
03/13/2020	GVD	CO	Conference with PSZJ internal team re claim issues	0.80	825.00	\$660.00
03/13/2020	GVD	CO	Review draft stipulation re lifting of stay	0.20	825.00	\$165.00
03/14/2020	HDH	CO	Extensive research regarding alter ego claims	3.70	950.00	\$3,515.00
03/14/2020	JNP	CO	Review UBS relief from stay/claims bar date stipulation.	0.10	1075.00	\$107.50
03/14/2020	RMS	CO	Research and review regarding estimation	2.50	825.00	\$2,062.50
03/14/2020	RMS	CO	Drafting estimation memorandum	3.40	825.00	\$2,805.00
03/14/2020	EAW	CO	Review emails from H. Hochman re: alter ego claims asserted in UBS litigation.	0.60	825.00	\$495.00
03/14/2020	GVD	CO	Review draft stipulation from UBS extending the bar date; correspondence re same	0.30	825.00	\$247.50
03/15/2020	AJK	CO	Attention to legal issues re UBS claims.	2.40	1145.00	\$2,748.00
03/15/2020	HDH	CO	Review of information regarding UBS and analysis of memos.	1.70	950.00	\$1,615.00
03/15/2020	JNP	CO	Emails to and from Robert M. Saunders regarding	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			claims estimation .			
03/15/2020	RMS	CO	Drafting estimation memorandum, including concurrent review of case law	0.20	825.00	\$165.00
03/15/2020	RMS	CO	Email exchange with Jeffrey N. Pomerantz regarding additional topics for estimation memo	0.20	825.00	\$165.00
03/15/2020	EAW	CO	Research, document review and analysis of claims asserted in UBS litigation.	3.20	825.00	\$2,640.00
03/15/2020	EAW	CO	Assemble background materials for procedural analysis of UBS litigation; and emails to/from A. Kornfeld and H. Hochman re: same.	0.50	825.00	\$412.50
03/15/2020	GVD	CO	Further revise proposed stipulation; correspondence with Board re same	0.50	825.00	\$412.50
03/16/2020	AJK	CO	Review research re UBS claim legal issues.	2.40	1145.00	\$2,748.00
03/16/2020	AJK	CO	Call with E. Wagner and H. Hochman re analysis of UBS issues.	0.80	1145.00	\$916.00
03/16/2020	HDH	CO	Telephone conference with Alan J. Kornfeld and Elissa A. Wagner regarding UBS litigation /research issues	0.90	950.00	\$855.00
03/16/2020	HDH	CO	Review and analyze memoranda regarding UBS claims	0.60	950.00	\$570.00
03/16/2020	IDK	CO	Review briefly various updated memos on Acis plan and standing issues, including feedback of J Davidson on related Acis claim issues (.5); E-mails with J Kim on status of general Acis memo and status of information from client (.2).	0.70	1145.00	\$801.50
03/16/2020	IDK	CO	Review of various correspondence on draft of revised stipulation with UBS on bar date.	0.20	1145.00	\$229.00
03/16/2020	IDK	CO	E-mails with J Morris re Redeemer claim and setoff issues.	0.20	1145.00	\$229.00
03/16/2020	JNP	CO	Review draft email regarding Brown Rudnick claim issues.	0.10	1075.00	\$107.50
03/16/2020	JNP	CO	Conference with John A. Morris regarding Brown Rudnick claim issues.	0.10	1075.00	\$107.50
03/16/2020	JNP	CO	Conference with Robert J. Feinstein regarding UBS claim issues (2x).	0.30	1075.00	\$322.50
03/16/2020	JNP	CO	Conference with J. Seery, J. Dubel, and Gregory V. Demo regarding UBS claim issues.	0.60	1075.00	\$645.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/16/2020	JNP	CO	Conference with J. Dubel regarding UBS claims issues and related matters (2x).	0.30	1075.00	\$322.50
03/16/2020	JNP	CO	Conference with Gregory V. Demo regarding UBS claim issues.	0.10	1075.00	\$107.50
03/16/2020	JNP	CO	Conference with Ira D. Kharasch regarding ACIS and related issues.	0.30	1075.00	\$322.50
03/16/2020	JNP	CO	Emails to and from Robert M. Saunders regarding research issues regarding claims analysis.	0.10	1075.00	\$107.50
03/16/2020	JNP	CO	Emails to and from Latham regarding scheduling call.	0.10	1075.00	\$107.50
03/16/2020	RMS	CO	Research, review of research and drafting parts of estimation memorandum (UBS)	5.30	825.00	\$4,372.50
03/16/2020	RMS	CO	Email exchange with Elissa A. Wagner regarding estimation memo	0.10	825.00	\$82.50
03/16/2020	RJF	CO	Review Latham markup of bar date extension stipulation and related emails.	0.30	1245.00	\$373.50
03/16/2020	RJF	CO	Telephone conference with Jeffrey N. Pomerantz regarding UBS bar date stipulation.	0.10	1245.00	\$124.50
03/16/2020	RJF	CO	Numerous internal emails regarding UBS claim.	0.80	1245.00	\$996.00
03/16/2020	RJF	CO	Telephone conference with Jeffrey N. Pomerantz regarding UBS claim.	0.30	1245.00	\$373.50
03/16/2020	EAW	CO	Draft memo re: UBS litigation.	2.30	825.00	\$1,897.50
03/16/2020	EAW	CO	Research and document review re: claims asserted in UBS litigation.	0.90	825.00	\$742.50
03/16/2020	EAW	CO	Telephone call with A. Kornfeld and H. Hochman re: procedural strategy for UBS litigation.	0.90	825.00	\$742.50
03/16/2020	EAW	CO	Telephone call with A. Kornfeld re: analysis of UBS litigation.	0.60	825.00	\$495.00
03/16/2020	EAW	CO	Analyze alter ego issues; and emails to/from A. Kornfeld re: same.	2.40	825.00	\$1,980.00
03/16/2020	EAW	CO	Analyze fraudulent transfer arguments; and emails to/from A. Kornfeld, J. Pomerantz, R. Feinstein and G. Demo re: same.	2.10	825.00	\$1,732.50
03/16/2020	EAW	CO	Emails to/from H. Hochman and R. Saunders re: procedural strategy for UBS litigation.	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/16/2020	GVD	CO	Further revise stipulation re relief from stay; conference with J. Pomerantz re same	0.70	825.00	\$577.50
03/16/2020	GVD	CO	Draft summary of potential fraudulent conveyance issues and circulate same	0.50	825.00	\$412.50
03/16/2020	GVD	CO	Conference with J. Pomerantz, J. Seery, and J. Dubel re claims issues	0.60	825.00	\$495.00
03/16/2020	GVD	CO	Correspondence re scheduling call re stipulation	0.10	825.00	\$82.50
03/17/2020	HDH	CO	Telephone conference with Robert M. Saunders regarding UBS / estimation	0.30	950.00	\$285.00
03/17/2020	IDK	CO	E-mails with J. Davidson re various issues re Acis preference and fraudulent conveyance claims, and potential ability to assert claims against Acis for return of such property and bar date issues, including review of 502(h) and related provisions (.8); E-mails with J. Kim re same for master memo on Acis POC and need to prod client on alter ego information (.3); Review of correspondence with client legal team on status of information needed (.1).	1.20	1145.00	\$1,374.00
03/17/2020	JJK	CO	Emails Seville on Acis claims matters.	0.20	895.00	\$179.00
03/17/2020	JJK	CO	Emails Kharasch on Acis/HCM preference issues and do research on same.	2.80	895.00	\$2,506.00
03/17/2020	JNP	CO	Conference with Latham, Gregory V. Demo and Robert J. Feinstein regarding stipulation regarding claims bar date.	0.40	1075.00	\$430.00
03/17/2020	JNP	CO	Conference with Robert J. Feinstein regarding conversation with Latham regarding UBS stipulation.	0.20	1075.00	\$215.00
03/17/2020	JNP	CO	Emails regarding Brown Rudnick claim and status.	0.10	1075.00	\$107.50
03/17/2020	JNP	CO	Conference with Ira D. Kharasch regarding ACIS and general case issues.	0.20	1075.00	\$215.00
03/17/2020	RMS	CO	Telephone conference with Harry D. Hochman regarding estimation memo	0.30	825.00	\$247.50
03/17/2020	RMS	CO	Work on estimation memo	4.90	825.00	\$4,042.50
03/17/2020	RJF	CO	Telephone conference with Jeffrey N. Pomerantz regarding stipulation.	0.20	1245.00	\$249.00
03/17/2020	RJF	CO	Review stipulation.	0.10	1245.00	\$124.50
03/17/2020	RJF	CO	Call with Latham, Jeffrey N. Pomerantz regarding	0.30	1245.00	\$373.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			stay relief.			
03/17/2020	RJF	CO	Telephone conference with Alan J. Kornfeld regarding UBS claim.	0.20	1245.00	\$249.00
03/17/2020	JMF	CO	Review CLO Holdco claims.	0.70	925.00	\$647.50
03/17/2020	EAW	CO	Assemble background material for alter ego analysis; and emails to/from A. Kornfeld and T. Flanagan re: same.	1.90	825.00	\$1,567.50
03/17/2020	EAW	CO	Research, document review and analysis of claims asserted in UBS litigation.	1.80	825.00	\$1,485.00
03/17/2020	EAW	CO	Draft memo re: UBS litigation.	1.10	825.00	\$907.50
03/17/2020	EAW	CO	Telephone calls with A. Kornfeld re: UBS litigation.	0.60	825.00	\$495.00
03/17/2020	JHD	CO	Correspondence from Ira D. Kharasch re Acis issues; research re same; prepare correspondence to Ira D. Kharasch re same	1.10	1495.00	\$1,644.50
03/17/2020	TCF	CO	Communications regarding UBS claims' alter-ego issues; review and analysis regarding same.	0.50	725.00	\$362.50
03/17/2020	GVD	CO	Conference with Latham re stay issues	0.30	825.00	\$247.50
03/17/2020	GVD	CO	Conference with J. Pomerantz re revisions to lift stay stipulation; follow up re same	0.40	825.00	\$330.00
03/17/2020	GVD	CO	Review revised stipulation re relief from stay	0.40	825.00	\$330.00
03/18/2020	AJK	CO	Analysis of issues raised in prior litigation re UBS claim.	3.60	1145.00	\$4,122.00
03/18/2020	AJK	CO	Call with E. Wagner and T. Flanagan re UBS claim issue.	1.00	1145.00	\$1,145.00
03/18/2020	AJK	CO	Analysis of legal issues re UBS claim.	0.90	1145.00	\$1,030.50
03/18/2020	HDH	CO	Research UBS litigation issue	3.70	950.00	\$3,515.00
03/18/2020	IDK	CO	E-mails with J Kim re further issues for Acis POC re needed info on Acis plan distributions, classification, and resulting claims vs Acis (.4); E-mails with J Kim and client legal team re same (.2); E-mail to J. Pomerantz re same (.1).	0.70	1145.00	\$801.50
03/18/2020	JNP	CO	Conference with I. Leventon regarding claims issues and related matters.	0.50	1075.00	\$537.50
03/18/2020	JNP	CO	Conference with Robert J. Feinstein regarding status of claims review.	0.20	1075.00	\$215.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/18/2020	RJF	CO	Internal call regarding USB claim.	0.40	1245.00	\$498.00
03/18/2020	JMF	CO	Telephone call with J. Donahue re claims analysis (.3); review analysis re investor claims re same (.5).	0.80	925.00	\$740.00
03/18/2020	EAW	CO	Research, document review and analysis of claims asserted in UBS litigation.	7.10	825.00	\$5,857.50
03/18/2020	EAW	CO	Draft outline of PSZJ's claim analysis for I. Leventon and J. Seery.	1.30	825.00	\$1,072.50
03/18/2020	EAW	CO	Telephone call with R. Feinstein, A. Kornfeld and G. Demo re: analysis of UBS litigation.	0.50	825.00	\$412.50
03/18/2020	EAW	CO	Telephone call with A. Kornfeld and T. Flanagan re: alter ego research and analysis.	1.10	825.00	\$907.50
03/18/2020	EAW	CO	Telephone call with A. Kornfeld re: memo and presentation to Board.	0.30	825.00	\$247.50
03/18/2020	EAW	CO	Telephone call (0.3) and related emails (0.1) with T. Flanagan re: alter ego analysis.	0.40	825.00	\$330.00
03/18/2020	EAW	CO	Telephone calls with A. Kornfeld re: analysis of UBS claims.	0.40	825.00	\$330.00
03/18/2020	TCF	CO	Communications regarding UBS claims' alter-ego issues; documents; review and analysis regarding same.	1.00	725.00	\$725.00
03/18/2020	TCF	CO	Review and analysis of documents and background material regarding UBS claims / alter-ego issues.	2.50	725.00	\$1,812.50
03/18/2020	TCF	CO	Telephone conference with team regarding UBS claims / alter-ego issues.	1.10	725.00	\$797.50
03/18/2020	TCF	CO	Telephone conference with E. Wagner regarding research regarding UBS claims.	0.20	725.00	\$145.00
03/18/2020	TCF	CO	Various communications with team regarding UBS claims.	0.20	725.00	\$145.00
03/18/2020	TCF	CO	Research regarding UBS claims.	0.60	725.00	\$435.00
03/18/2020	GVD	CO	Conference with R. Feinstein, A. Kornfeld, and E. Wagner re claims analysis and next steps	0.50	825.00	\$412.50
03/19/2020	AJK	CO	Attention to memorandum re UBS claims.	1.60	1145.00	\$1,832.00
03/19/2020	HDH	CO	Research stay/removal issues	1.70	950.00	\$1,615.00
03/19/2020	IDK	CO	Review briefly client legal team further feedback on Acis issues (.2); E-mail to I Leventon re same (.1).	0.30	1145.00	\$343.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/19/2020	IDK	CO	Review of correspondence with Board, others re UBS updates and correspondence from UBS (.2); E-mails with attorneys re same and next steps with I Leventon re same (.1).	0.30	1145.00	\$343.50
03/19/2020	JJK	CO	Review info/docs from HCM legal group on Acis related matters.	1.70	895.00	\$1,521.50
03/19/2020	JNP	CO	Email to and from R. Stark regarding extension documents.	0.10	1075.00	\$107.50
03/19/2020	JNP	CO	Multiple calls with Board Members and people with UBS stipulation status.	1.40	1075.00	\$1,505.00
03/19/2020	JNP	CO	Multiple calls with Latham regarding UBS stipulation status.	1.00	1075.00	\$1,075.00
03/19/2020	JNP	CO	Conference with Gregory V. Demo regarding UBS issues; Review of stipulation and emails regarding same.	0.50	1075.00	\$537.50
03/19/2020	JNP	CO	Conference with Robert J. Feinstein regarding UBS status and issues.	0.20	1075.00	\$215.00
03/19/2020	RMS	CO	Work on estimation memo (UBS)	1.60	825.00	\$1,320.00
03/19/2020	RJF	CO	Review revised bar date stipulation and UBS and related emails.	0.20	1245.00	\$249.00
03/19/2020	EAW	CO	Telephone call with A. Kornfeld re: analysis of UBS claims.	0.50	825.00	\$412.50
03/19/2020	EAW	CO	Research re: UBS claims.	1.90	825.00	\$1,567.50
03/19/2020	EAW	CO	Draft memo re: analysis of claims asserted in UBS litigation.	1.60	825.00	\$1,320.00
03/19/2020	EAW	CO	Draft outline of PSZJ's claim analysis for I. Leventon and J. Seery.	3.60	825.00	\$2,970.00
03/19/2020	TCF	CO	Review and analysis of issues and research regarding UBS claims / alter-ego issues.	4.60	725.00	\$3,335.00
03/19/2020	GVD	CO	Conference with J. Pomerantz re stipulation on relief from stay; correspondence re same	0.40	825.00	\$330.00
03/19/2020	GVD	CO	Review back up materials from E. Wagner re potential claims issues	0.40	825.00	\$330.00
03/19/2020	GVD	CO	Conference with J. Pomerantz re potential revisions to stipulation on motion to lift stay	0.20	825.00	\$165.00
03/19/2020	GVD	CO	Review and revise stipulation per changes from	0.50	825.00	\$412.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			counsel			
03/19/2020	GVD	CO	Conference with Directors and J. Pomerantz re stipulation on relief from stay	0.40	825.00	\$330.00
03/19/2020	GVD	CO	Conference with Latham re stipulation issues	0.20	825.00	\$165.00
03/20/2020	AJK	CO	Attention to prior litigation matter in connection with UBS claims.	2.20	1145.00	\$2,519.00
03/20/2020	AJK	CO	Attention to UBS claim analysis.	2.30	1145.00	\$2,633.50
03/20/2020	AWC	CO	Emails with DSI regarding status.	0.20	1095.00	\$219.00
03/20/2020	IDK	CO	E-mails with DSI, J. Fried on analysis of related party claims.	0.10	1145.00	\$114.50
03/20/2020	JJK	CO	Review claims related docs/info from Seville and incorporate into additional Board memo.	1.00	895.00	\$895.00
03/20/2020	JNP	CO	Conference with M. Clemente regarding UBS claim and stipulation.	0.40	1075.00	\$430.00
03/20/2020	JNP	CO	Conference with M. Hankin regarding claims issues.	0.40	1075.00	\$430.00
03/20/2020	JNP	CO	Conference with J. Seery regarding UBS stipulation.	0.10	1075.00	\$107.50
03/20/2020	JNP	CO	Review emails regarding status of UBS claim review.	0.10	1075.00	\$107.50
03/20/2020	RMS	CO	Work on estimation memo (UBS)	3.20	825.00	\$2,640.00
03/20/2020	RJF	CO	Telephone conference with Isaac regarding UBS claim issues.	0.70	1245.00	\$871.50
03/20/2020	EAW	CO	Telephone call with A. Kornfeld re: requests for I. Leventon and related memo regarding analysis of UBS litigation.	0.30	825.00	\$247.50
03/20/2020	EAW	CO	Research, document review and analysis of claims asserted in UBS litigation.	1.60	825.00	\$1,320.00
03/20/2020	EAW	CO	Emails to/from A. Kornfeld, H. Hochman and G. Demo re: procedural and substantive analysis of UBS litigation.	0.60	825.00	\$495.00
03/20/2020	EAW	CO	Draft list of requests for I. Leventon and related email to internal PSZJ team.	1.60	825.00	\$1,320.00
03/20/2020	EAW	CO	Revise outline of PSZJ's claim analysis for I. Leventon and J. Seery.	0.90	825.00	\$742.50
03/20/2020	TCF	CO	Review and analysis of issues; research regarding UBS claims / alter-ego issues.	3.00	725.00	\$2,175.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/20/2020	GVD	CO	Review materials re claim objection issues	2.60	825.00	\$2,145.00
03/21/2020	RMS	CO	Work on estimation memo (UBS)	5.50	825.00	\$4,537.50
03/21/2020	RJF	CO	Review and comment on UBS discussion outline, related emails.	0.40	1245.00	\$498.00
03/21/2020	EAW	CO	Draft memo re: analysis of claims asserted in UBS litigation.	1.20	825.00	\$990.00
03/21/2020	EAW	CO	Emails to/from R. Feinstein and A. Kornfeld re: outline of PSZJ's claim analysis.	0.20	825.00	\$165.00
03/21/2020	GVD	CO	Research issues re fraudulent conveyance	0.60	825.00	\$495.00
03/22/2020	RMS	CO	Work on estimation memo (UBS)	1.60	825.00	\$1,320.00
03/22/2020	EAW	CO	Revise and circulate outline of PSZJ's claim analysis; and emails to/from A. Kornfeld re: same.	1.10	825.00	\$907.50
03/22/2020	EAW	CO	Draft memo re: analysis of claims asserted in UBS litigation.	1.30	825.00	\$1,072.50
03/22/2020	EAW	CO	Research, document review and analysis of claims asserted in UBS litigation.	8.70	825.00	\$7,177.50
03/22/2020	EAW	CO	Telephone call with T. Flanagan re: alter ego analysis.	0.20	825.00	\$165.00
03/22/2020	TCF	CO	Research and drafting regarding UBS claims / alter-ego issues.	3.50	725.00	\$2,537.50
03/22/2020	TCF	CO	Telephone conference with E. Wagner regarding UBS claims / alter-ego issues.	0.20	725.00	\$145.00
03/22/2020	GVD	CO	Review revision to outline re potential claim objection	0.10	825.00	\$82.50
03/23/2020	AJK	CO	Review materials in preparation for conference call re UBS issues.	3.20	1145.00	\$3,664.00
03/23/2020	AJK	CO	Call with I. Pachulski and PSZJ team re litigation substance.	2.80	1145.00	\$3,206.00
03/23/2020	HDH	CO	Review UBS estimation memo and correspond regarding same	0.80	950.00	\$760.00
03/23/2020	HDH	CO	Conference call with Isaac L. Regarding UBS	2.80	950.00	\$2,660.00
03/23/2020	HDH	CO	Analyze outline / issues	0.20	950.00	\$190.00
03/23/2020	HDH	CO	Begin drafting memo regarding procedural options	1.70	950.00	\$1,615.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/23/2020	JJK	CO	Review/analyze claims related pleadings and documents from Company for possible objection arguments and related research.	2.30	895.00	\$2,058.50
03/23/2020	JNP	CO	Conference with I. Leventon regarding issues relating to proof of claims and bar date.	0.30	1075.00	\$322.50
03/23/2020	JNP	CO	Conference with Ira D. Kharasch regarding bar date related issues and employee claims.	0.20	1075.00	\$215.00
03/23/2020	JNP	CO	Conference with Ira D. Kharasch regarding ACIS status.	0.10	1075.00	\$107.50
03/23/2020	JNP	CO	Conference with Joshua M. Fried regarding issues relating to employee and affiliate claims.	0.40	1075.00	\$430.00
03/23/2020	JNP	CO	Emails to and from Gregory V. Demo regarding Moodys.	0.10	1075.00	\$107.50
03/23/2020	JNP	CO	Emails with Robert M. Saunders regarding estimation research.	0.10	1075.00	\$107.50
03/23/2020	JNP	CO	Participate on lengthy call regarding issues regarding UBS claims.	2.90	1075.00	\$3,117.50
03/23/2020	JNP	CO	Review stipulation extending bar date for Brown Rudnick.	0.10	1075.00	\$107.50
03/23/2020	MBL	CO	Emails with team re employee bonus obligations.	0.30	950.00	\$285.00
03/23/2020	RMS	CO	Work on estimation memo (UBS)	0.60	825.00	\$495.00
03/23/2020	RMS	CO	Email exchanges with Jeffrey N. Pomerantz and Robert J. Feinstein regarding estimation memorandum/USB	0.10	825.00	\$82.50
03/23/2020	RMS	CO	Email exchange with Leslie Forrester regarding estimation memorandum (UBS)	0.10	825.00	\$82.50
03/23/2020	RJF	CO	Work on UBS claim analysis.	0.80	1245.00	\$996.00
03/23/2020	RJF	CO	All hands call with Isaac regarding UBS issues.	2.80	1245.00	\$3,486.00
03/23/2020	JMF	CO	Review schedules and background re employee and related entities claims (1.4); telephone calls with Jack Donahue re same (.5); telephone call with J.N. Pomerantz re call with company to discuss same (.4).	2.30	925.00	\$2,127.50
03/23/2020	EAW	CO	Research, document review and analysis of claims asserted in UBS litigation.	4.80	825.00	\$3,960.00
03/23/2020	EAW	CO	Draft memo re: analysis of claims asserted in UBS	0.40	825.00	\$330.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			litigation.			
03/23/2020	EAW	CO	Telephone call with I. Leventon, R. Feinstein, J. Pomerantz, A. Kornfeld, H. Hochman, T. Flanagan and G. Demo re: UBS litigation.	2.80	825.00	\$2,310.00
03/23/2020	EAW	CO	Telephone call with A. Kornfeld re: UBS litigation.	0.20	825.00	\$165.00
03/23/2020	EAW	CO	Email to I. Leventon re: outline of claim analysis and requests for documents/information.	0.30	825.00	\$247.50
03/23/2020	TCF	CO	Research regarding UBS claims / alter-ego issues.	0.20	725.00	\$145.00
03/23/2020	TCF	CO	Conference call with client and team regarding UBS claim issues.	3.00	725.00	\$2,175.00
03/23/2020	GVD	CO	Review case law re claims objection issues	0.40	825.00	\$330.00
03/23/2020	GVD	CO	Conference with PSZJ and I. Leventon re claim objection issues	2.80	825.00	\$2,310.00
03/24/2020	AJK	CO	Review documents in connection with analysis of UBS claims.	2.30	1145.00	\$2,633.50
03/24/2020	AJK	CO	Continue document review in connection with UBS claim.	2.80	1145.00	\$3,206.00
03/24/2020	HDH	CO	Review and analyze estimation	0.70	950.00	\$665.00
03/24/2020	HDH	CO	Telephone conference with Robert M. Saunders regarding estimation issues	1.20	950.00	\$1,140.00
03/24/2020	HDH	CO	Research automatic stay and related issues	2.80	950.00	\$2,660.00
03/24/2020	IDK	CO	E-mails with DSI, attorneys re various issues re Schedules and related bonus issues.	0.30	1145.00	\$343.50
03/24/2020	IDK	CO	E-mails with J. Kim re status of the various Acis memos re its POC.	0.20	1145.00	\$229.00
03/24/2020	JJK	CO	Emails Caine, Kharasch on claim objection matters.	0.20	895.00	\$179.00
03/24/2020	JJK	CO	Research for claims objections.	1.80	895.00	\$1,611.00
03/24/2020	JJK	CO	Analyze/research and prepare additional Board memo on claim objection matters.	2.50	895.00	\$2,237.50
03/24/2020	JJK	CO	Analyze Acis related issues.	1.70	895.00	\$1,521.50
03/24/2020	JJK	CO	Research and analysis for advice in Board memo.	2.10	895.00	\$1,879.50
03/24/2020	JNP	CO	Review emails between John A. Morris and company regarding Brown Rudnick extensions; Review extension stipulation.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/24/2020	JNP	CO	Participate on WIP call with DSI and PSZJ.	0.60	1075.00	\$645.00
03/24/2020	JNP	CO	Conference with Joshua M. Fried and DSI regarding related party claims.	0.20	1075.00	\$215.00
03/24/2020	JNP	CO	Conference with Highland Team, DSI and Joshua M. Fried regarding claim issues and bar date.	0.80	1075.00	\$860.00
03/24/2020	PJJ	CO	Continue claims docket review/ analysis update.	6.80	425.00	\$2,890.00
03/24/2020	MBL	CO	Emails with team and DSI re employee bonus issues.	0.20	950.00	\$190.00
03/24/2020	RMS	CO	Work on estimation memo (UBS)	2.60	825.00	\$2,145.00
03/24/2020	RMS	CO	Telephone conference with Harry D. Hochman regarding his comments on draft of estimation motion (long call)	1.20	825.00	\$990.00
03/24/2020	RMS	CO	Email exchange with Leslie Forrester regarding estimation memo	0.10	825.00	\$82.50
03/24/2020	JMF	CO	Review schedules (.4); telephone call with I. Leventon, K. Irving, J.N. Pomerantz, J. Donahue and T. Jeremiassen re same (.8).	1.20	925.00	\$1,110.00
03/24/2020	JMF	CO	Analyze issues re redacted employee claims listing.	0.40	925.00	\$370.00
03/24/2020	JAM	CO	E-mails with Board, J. Pomerantz, I. Kharash, G. Demo re: Brown Rudnick bar date stipulation (0.2); e-mails with S. Vitiello, J. Pomerantz re: Brown Rudnick underlying state court action (0.3); review/revise Brown Rudnick state court stipulation (0.3); telephone conference with I. Leventon re: e-discovery (0.5); telephone conference with J. Pomerantz re: litigation matters (0.1); telephone conference with J. Dubel, I. Leventon re: e-discovery (0.3); e-mails with Board, I. Leventon, PSZJ re: e-discovery (0.3); e-mail to Board re: Sidley discovery e-mail (0.1); telephone conference with P. Foley re: discovery (0.1).	2.20	1075.00	\$2,365.00
03/24/2020	EAW	CO	Research, document review and analysis of claims asserted in UBS litigation.	8.90	825.00	\$7,342.50
03/24/2020	TCF	CO	Research and drafting memo regarding UBS claims/alter ego issues.	7.40	725.00	\$5,365.00
03/25/2020	AJK	CO	Analysis of issues re UBS claims.	1.60	1145.00	\$1,832.00
03/25/2020	AWC	CO	Emails with DSI regarding status of ACIS preference information.	0.20	1095.00	\$219.00
03/25/2020	HDH	CO	Research procedural issues	2.80	950.00	\$2,660.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/25/2020	IDK	CO	Review briefly various updated memos on Acis POC issues (.2); E-mails with attorneys re same and next steps and fraudulent conveyance concerns (.3).	0.50	1145.00	\$572.50
03/25/2020	IDK	CO	E-mails with G. Demo, DSI on pre-petition severance claims and how to classify.	0.10	1145.00	\$114.50
03/25/2020	JJK	CO	Emails Viteallo and Kharasch on Acis related matters.	0.50	895.00	\$447.50
03/25/2020	JJK	CO	Review/research claims objections issues.	2.20	895.00	\$1,969.00
03/25/2020	JJK	CO	Research/analysis and prepare additional Board memo on claims related matters.	3.50	895.00	\$3,132.50
03/25/2020	JJK	CO	Research/analysis re: claims objections.	2.60	895.00	\$2,327.00
03/25/2020	JNP	CO	Review letter to employee regarding claims.	0.20	1075.00	\$215.00
03/25/2020	JNP	CO	Conference with Gregory V. Demo regarding various asset transactions.	0.20	1075.00	\$215.00
03/25/2020	JNP	CO	Conference with Joshua M. Fried regarding issues relating to employee claims; Review emails regarding same.	0.50	1075.00	\$537.50
03/25/2020	JNP	CO	Conference with Board, Robert J. Feinstein and I. Leventon regarding UBS claim analysis.	1.00	1075.00	\$1,075.00
03/25/2020	JNP	CO	Conference with IRS counsel regarding IRS claims.	0.20	1075.00	\$215.00
03/25/2020	MBL	CO	Emails with team re employee pay issues; review applicable documents.	0.50	950.00	\$475.00
03/25/2020	RMS	CO	Work on estimation memo (UBS)	2.10	825.00	\$1,732.50
03/25/2020	RJF	CO	Call with BOD regarding UBS claim.	1.00	1245.00	\$1,245.00
03/25/2020	BEL	CO	Legal research regarding claim issues.	2.10	825.00	\$1,732.50
03/25/2020	BEL	CO	Legal research regarding claim issues.	0.90	825.00	\$742.50
03/25/2020	JMF	CO	Review scheduled claims (.3); draft letter re analysis of schedules and claims (1.2).	1.50	925.00	\$1,387.50
03/25/2020	JMF	CO	Multiple telephone call with J.N. Pomerantz re employee claims issues (.4); draft stipulation with committee for same (2.8); draft letter re employee claims (1.4).	4.60	925.00	\$4,255.00
03/25/2020	JMF	CO	Review schedules re claim analysis for employee claims and related entity issues.	0.40	925.00	\$370.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/25/2020	JAM	CO	Review and analyze documents pertaining to Brown Rudnick's alleged claims against CLOs and Highland (0.6).	0.60	1075.00	\$645.00
03/25/2020	EAW	CO	Research, document review and analysis of claims asserted in UBS litigation.	10.50	825.00	\$8,662.50
03/25/2020	EAW	CO	Telephone calls with A. Kornfeld re: analysis of UBS litigation.	1.00	825.00	\$825.00
03/25/2020	EAW	CO	Emails to/from B. Levine re: research needed regarding UBS litigation.	0.60	825.00	\$495.00
03/25/2020	EAW	CO	Emails to/from G. Demo re: recharacterization (UBS litigation).	0.30	825.00	\$247.50
03/25/2020	EAW	CO	Review research emails from R. Orgel and S. Goldich re: recharacterization (UBS litigation).	0.20	825.00	\$165.00
03/25/2020	TCF	CO	Research and drafting memo regarding UBS claims/alter ego issues.	8.20	725.00	\$5,945.00
03/25/2020	GVD	CO	Review draft letter re filing of proofs of claim	0.20	825.00	\$165.00
03/25/2020	GVD	CO	Review research and case law re potential claim objection issues; correspondence with E. Wagner re same	4.20	825.00	\$3,465.00
03/26/2020	AJK	CO	Attention to analysis of issues in connection with UBS claims.	2.30	1145.00	\$2,633.50
03/26/2020	AJK	CO	Further attention to UBS claim issues.	0.40	1145.00	\$458.00
03/26/2020	HDH	CO	Review and respond to correspondence regarding estimation supplement	0.40	950.00	\$380.00
03/26/2020	HDH	CO	Research and drafting of memo regarding BS procedural options	2.80	950.00	\$2,660.00
03/26/2020	JJK	CO	Review/research/analysis re: Acis related matters.	2.00	895.00	\$1,790.00
03/26/2020	JJK	CO	Analyze issues and prepare additional Board memo on clams matters.	4.20	895.00	\$3,759.00
03/26/2020	JNP	CO	Review employee claims letter; Conference with Joshua M. Fried regarding same.	0.40	1075.00	\$430.00
03/26/2020	JNP	CO	Conference with DSI, Joshua M. Fried and company regarding employee claim issues.	0.50	1075.00	\$537.50
03/26/2020	JNP	CO	Review and comment on Motion to Extend Bar Date for employees.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/26/2020	JNP	CO	Review and comment on employee claims stipulation.	0.30	1075.00	\$322.50
03/26/2020	JNP	CO	Conference with John A. Morris regarding extension relating to Brown Rudnick stipulation.	0.10	1075.00	\$107.50
03/26/2020	JNP	CO	Review John A. Morris email regarding Brown Rudnick claims and respond.	0.20	1075.00	\$215.00
03/26/2020	JNP	CO	Email to Board regarding employee claim issues.	0.20	1075.00	\$215.00
03/26/2020	JNP	CO	Email to and from Board regarding affiliate claim issues.	0.10	1075.00	\$107.50
03/26/2020	JEO	CO	Emails with Josh Fried re extending the bar date	0.60	925.00	\$555.00
03/26/2020	JEO	CO	Further emails with PSZJ team re bar date	0.50	925.00	\$462.50
03/26/2020	JEO	CO	Review current bar date order	0.30	925.00	\$277.50
03/26/2020	RMS	CO	Work on estimation memo (UBS)	1.10	825.00	\$907.50
03/26/2020	RJF	CO	Call regarding UBS claim with Isaac, IM, Greg and Sharp.	0.40	1245.00	\$498.00
03/26/2020	BEL	CO	Research regarding set-off and interest issues.	1.80	825.00	\$1,485.00
03/26/2020	JMF	CO	Telephone calls with J.N. Pomerantz re claims bar date issues (.4); review and revise draft letter to employees re same (1.1); telephone call with I. Leventon, K. Irving, J.N. Pomerantz, J. Donahue and B. Collins re same (.5).	2.00	925.00	\$1,850.00
03/26/2020	JMF	CO	Draft emergency motion to extend claims bar date for employees.	3.40	925.00	\$3,145.00
03/26/2020	JMF	CO	Draft stipulation with Committee re employee claims.	0.80	925.00	\$740.00
03/26/2020	JMF	CO	Telephone calls with J. Donahue re schedules and employee claims.	0.40	925.00	\$370.00
03/26/2020	JMF	CO	Review employee bonus order and authorized payments.	0.30	925.00	\$277.50
03/26/2020	JAM	CO	E-mails to R. Start, J. Pomerantz, J. Dubel, G. Demo re: Brown Rudnick stipulations (0.2); analyze Brown Rudnick claim and prepare e-mail to J. Pomerantz, I. Kharash, G. Demo re: same (1.6); review I. Leventon and S. Vitiello comments to draft e-mail to J. Seery concerning discovery, and revise same (0.2).	2.00	1075.00	\$2,150.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/26/2020	EAW	CO	Emails to/from B. Levine re: analysis of UBS litigation.	0.20	825.00	\$165.00
03/26/2020	EAW	CO	Draft memo re: analysis of claims asserted in UBS litigation; and related research and document review.	10.80	825.00	\$8,910.00
03/26/2020	EAW	CO	Telephone call with G. Demo re: asset transfers (UBS litigation).	0.10	825.00	\$82.50
03/26/2020	EAW	CO	Research, document review and related emails to/from G. Demo re: asset transfers (UBS litigation).	0.80	825.00	\$660.00
03/26/2020	TCF	CO	Preparation of memo regarding UBS claims/alter ego issues.	4.20	725.00	\$3,045.00
03/26/2020	GVD	CO	Review research re claims objection issues	1.90	825.00	\$1,567.50
03/27/2020	AWC	CO	Read and analyze data and documents regarding potential ACIS preference claim and call with DSI regarding facts/additional investigation.	2.40	1095.00	\$2,628.00
03/27/2020	HDH	CO	Telephone conference with Ira D. Kharasch regarding Terry claim/defenses	0.40	950.00	\$380.00
03/27/2020	HDH	CO	Draft UBS memo	1.80	950.00	\$1,710.00
03/27/2020	HDH	CO	Research and drafting of UBS strategy memo	4.60	950.00	\$4,370.00
03/27/2020	HDH	CO	Correspond with Elissa A. Wagner regarding UBS claims	0.20	950.00	\$190.00
03/27/2020	HDH	CO	Review documents regarding UBS claims	0.30	950.00	\$285.00
03/27/2020	IDK	CO	Review and consider in detail H. Hochman's last draft of the extensive Mirant/standing memo, and need for further expansion (.4); E-mails with H. Hochman re extensive list of areas to revise and expand memo and windfall argument (.5); Telephone conference with H. Hochman re same and timing (.2).	1.10	1145.00	\$1,259.50
03/27/2020	IDK	CO	E-mail to J. Kim re Acis plan section of memo and need for revisions to same (.2); E-mails with A. Caine, others re status of preference analysis re Acis POC and timing and form of summary for same (.2).	0.40	1145.00	\$458.00
03/27/2020	JJK	CO	Emails Caine on Acis related matters.	0.20	895.00	\$179.00
03/27/2020	JJK	CO	Additional claims objection related research per Kharasch,	4.80	895.00	\$4,296.00
03/27/2020	JJK	CO	Research and prepare inserts for two additional Board memos on claims related matters.	3.50	895.00	\$3,132.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/27/2020	JNP	CO	Conference with J. Dubel, J. Seery and R. Nelms regarding claims bar date issues.	0.10	1075.00	\$107.50
03/27/2020	JNP	CO	Conference with J. Dubel regarding claim bar date issues and related matters.	0.30	1075.00	\$322.50
03/27/2020	JNP	CO	Emails to and from R. Nelms regarding call to discuss claims bar date issues.	0.10	1075.00	\$107.50
03/27/2020	JNP	CO	Emails with Joshua M. Fried regarding bar date documents.	0.10	1075.00	\$107.50
03/27/2020	RMS	CO	Work on estimation memo (UBS)	5.10	825.00	\$4,207.50
03/27/2020	RJF	CO	Review and comment on draft procedures memo.	1.50	1245.00	\$1,867.50
03/27/2020	BEL	CO	Telephone conference with E. Wagner regarding research issue.	0.20	825.00	\$165.00
03/27/2020	BEL	CO	Research regarding state law questions.	3.40	825.00	\$2,805.00
03/27/2020	JMF	CO	Draft motion and expedited motion for emergency hearing on bar date order.	2.40	925.00	\$2,220.00
03/27/2020	JMF	CO	Review bonus calculation issues re claims inquiry.	0.40	925.00	\$370.00
03/27/2020	JAM	CO	Review documents and emails relating to potential offset claim arising from Redeemer claim (0.7); e-mail to I. Leventon, S. Vitiello, J. Pomerantz re: potential offset and Redeemer claim (0.1); e-mail to I. Leventon, S. Vitiello, J. Pomerantz re: Brown Rudnick claim analysis (0.2); e-mails with R. Stark, M. Hayward, Z. Annabelle, J. Pomerantz re: Brown Rudnick stipulations (0.2); tel c. w/ J. Dubel re: Brown Rudnick stipulation (0.1); e-mail to S. Ellington, Board, J. Pomerantz re: Brown Rudnick stipulation (0.1); e-mail to M. Hayward, Z. Annabel, Board, J. Pomerantz re: Brown Rudnick stipulation (0.1); e-mails with S. Goldsmith, R. Stark, J. Dubel, J. Pomerantz re: Brown Rudnick stipulation (0.1).	1.60	1075.00	\$1,720.00
03/27/2020	EAW	CO	Draft memo re: analysis of claims asserted in UBS litigation; and related research and document review.	7.60	825.00	\$6,270.00
03/27/2020	EAW	CO	Review and comment on research memo from T. Flanagan re: UBS litigation.	2.30	825.00	\$1,897.50
03/27/2020	EAW	CO	Telephone call with B. Levine re: analysis of UBS litigation.	0.30	825.00	\$247.50
03/27/2020	EAW	CO	Telephone call with A. Kornfeld re: analysis of UBS litigation.	0.80	825.00	\$660.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/27/2020	EAW	CO	Emails to/from H. Hochman re: claims asserted in UBS litigation, and related issues.	0.70	825.00	\$577.50
03/27/2020	EAW	CO	Review emails from R. Feinstein and H. Hochman regarding memo re: strategic options for UBS litigation.	0.20	825.00	\$165.00
03/27/2020	EAW	CO	Emails to/from B. Levine re: analysis of UBS litigation.	0.10	825.00	\$82.50
03/27/2020	TCF	CO	Preparation of short version memo regarding UBS claims/alter ego issues; various communications regarding same.	3.20	725.00	\$2,320.00
03/27/2020	GVD	CO	Research and draft insert to memo re potential claims issues	4.20	825.00	\$3,465.00
03/28/2020	HDH	CO	Telephone conference with Ira D. Kharasch regarding Terry	0.20	950.00	\$190.00
03/28/2020	HDH	CO	Review memo and correspond regarding Terry defenses	0.40	950.00	\$380.00
03/28/2020	HDH	CO	Research and drafting of memo regarding UBS.	4.30	950.00	\$4,085.00
03/28/2020	IDK	CO	Over weekend, review of current drafts of memo on the Mirant/standing issues, as well as the Acis plan structure issues and need for revisions and expansions, as well as related caselaw and briefs filed re the Acis confirmation and plan (2.8); E-mails to H. Hochman re further argument on Mirant/Windfall issues re Acis confirmation briefs (.5); E-mails with J. Pomerantz re same (.2); E-mails with J. Kim re further issues for memo on Acis causes of actions and offsets re claims vs Acis (.4).	3.90	1145.00	\$4,465.50
03/28/2020	IDK	CO	E-mails with J. Kim re status on Acis memo on numerous issues and client delay on alter ego.	0.30	1145.00	\$343.50
03/28/2020	JJK	CO	Emails Kharasch re: Acis related matters and additional research and document review per Kharasch.	2.20	895.00	\$1,969.00
03/28/2020	BEL	CO	Legal research regarding NY law issues.	2.20	825.00	\$1,815.00
03/28/2020	JAM	CO	Review Redeemer Plan and Scheme in connection with setoff analysis (0.9).	0.90	1075.00	\$967.50
03/28/2020	EAW	CO	Draft memo re: analysis of claims asserted in UBS litigation; and related research and document review.	8.90	825.00	\$7,342.50
03/28/2020	GVD	CO	Correspondence with Board re stipulation with	0.10	825.00	\$82.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Hunton re relief from stay			
03/28/2020	GVD	CO	Review engagement letter re tail period; correspondence with Board re same	0.20	825.00	\$165.00
03/29/2020	AJK	CO	Analysis of legal issue insert to memorandum.	1.60	1145.00	\$1,832.00
03/29/2020	HDH	CO	Review documents regarding Acis (Terry)	0.40	950.00	\$380.00
03/29/2020	HDH	CO	Review correspondence regarding Terry defenses	0.20	950.00	\$190.00
03/29/2020	HDH	CO	Research and drafting of UBS strategies memo	3.70	950.00	\$3,515.00
03/29/2020	HDH	CO	Review and analyze estimation memo and research	1.50	950.00	\$1,425.00
03/29/2020	JJK	CO	Emails Kharasch and related research on Acis related matters.	1.10	895.00	\$984.50
03/29/2020	JNP	CO	Email to company regarding comments to employee claims bar date documents.	0.10	1075.00	\$107.50
03/29/2020	RMS	CO	Email exchange with Harry D. Hochman regarding estimation memo	0.10	825.00	\$82.50
03/29/2020	RMS	CO	Work on estimation memo	0.80	825.00	\$660.00
03/29/2020	BEL	CO	Legal research and draft memo.	5.40	825.00	\$4,455.00
03/29/2020	JMF	CO	Review claims bar date pleadings re emergency extension.	0.40	925.00	\$370.00
03/29/2020	EAW	CO	Draft memo re: analysis of claims asserted in UBS litigation; and related research and document review.	10.90	825.00	\$8,992.50
03/29/2020	EAW	CO	Review research memo from G. Demo re: analysis of UBS litigation; and related emails to/from G. Demo.	0.80	825.00	\$660.00
03/29/2020	GVD	CO	Research case law and fact research and draft analysis of claims objection	9.40	825.00	\$7,755.00
03/30/2020	AJK	CO	Review and analyze legal issue in connection with UBS claims.	2.30	1145.00	\$2,633.50
03/30/2020	AJK	CO	Review memorandum re legal issues.	0.90	1145.00	\$1,030.50
03/30/2020	AJK	CO	Attention to board memorandum.	2.90	1145.00	\$3,320.50
03/30/2020	HDH	CO	Research and drafting of revisions to memo regarding Terry defenses	2.40	950.00	\$2,280.00
03/30/2020	HDH	CO	Correspond with Ira D. Kharasch regarding Terry defenses	0.20	950.00	\$190.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/30/2020	HDH	CO	Research and drafting of procedures memo	3.30	950.00	\$3,135.00
03/30/2020	HDH	CO	Review and revise estimation memo	2.30	950.00	\$2,185.00
03/30/2020	HDH	CO	Review recharacterization memo	0.40	950.00	\$380.00
03/30/2020	IDK	CO	Telephone conference with J. Pomerantz re status and issues of Acis claim (.1); E-mails with H. Hochman and G. Demo re same re windfall analysis and need to know economic benefits of equity in HCM (.3); E-mails with H. Hochman re further Acis issues on Mirant, Texas Rangers case (.2).	0.60	1145.00	\$687.00
03/30/2020	IDK	CO	Telephone conference with I. Leventon re various issues raised by Acis POC and status of distributions under Acis plan (.7); E-mails with both J. Kim and I. Leventon re status of information re Acis plan distributions and claims (.2).	0.90	1145.00	\$1,030.50
03/30/2020	IDK	CO	Preparation of substantial revisions to Acis memo re Acis plan structure, and issues raised prior to confirmation and on appeal.	2.20	1145.00	\$2,519.00
03/30/2020	IDK	CO	Review of correspondence with Board, others, Committee on employee bar date issues.	0.10	1145.00	\$114.50
03/30/2020	JJK	CO	Emails Kharasch on Acis related matters.	0.20	895.00	\$179.00
03/30/2020	JJK	CO	Analysis and prepare third memo for Board on claims related matters.	3.00	895.00	\$2,685.00
03/30/2020	JJK	CO	Analysis and prepare third memo for Board on claims related matters, and related research and review of documents.	4.60	895.00	\$4,117.00
03/30/2020	JNP	CO	Conference with Ira D. Kharasch regarding ACIS memo status.	0.20	1075.00	\$215.00
03/30/2020	JNP	CO	Email to Board regarding employee bar date issues; Follow-up emails relating thereto.	0.30	1075.00	\$322.50
03/30/2020	JNP	CO	Email to Sidley regarding claims bar date issues.	0.10	1075.00	\$107.50
03/30/2020	JNP	CO	Conference with J. Dubel regarding employee claims bar date materials.	0.10	1075.00	\$107.50
03/30/2020	JNP	CO	Conference with John A. Morris regarding Redeemer claim.	0.10	1075.00	\$107.50
03/30/2020	BEL	CO	Legal research and draft memo regarding NY law issues.	7.20	825.00	\$5,940.00
03/30/2020	JMF	CO	Draft emergency motion for bar date and related	1.40	925.00	\$1,295.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			pleadings.			
03/30/2020	JMF	CO	Review employee letter re claims (.3); telephone call with B. Collins, D. Klos and J. Donahue re same (.5).	0.80	925.00	\$740.00
03/30/2020	JAM	CO	Review S. Vitiello e-mail re: Brown Rudnick claim analysis (0.1); telephone conference with J. Pomerantz re: Vitiello analysis, facts (0.1).	0.20	1075.00	\$215.00
03/30/2020	EAW	CO	Draft memo re: analysis of claims asserted in UBS litigation; and related research and document review.	13.30	825.00	\$10,972.50
03/30/2020	EAW	CO	Emails to/from A. Kornfeld, G. Demo, H. Hochman and B. Levine re: analysis of UBS litigation.	0.30	825.00	\$247.50
03/30/2020	EAW	CO	Review research memo from B. Levine re: UBS litigation.	0.30	825.00	\$247.50
03/30/2020	GVD	CO	Review issues re ownership interests	0.60	825.00	\$495.00
03/30/2020	GVD	CO	Review correspondence re lifting of automatic stay	0.20	825.00	\$165.00
03/30/2020	GVD	CO	Further revise insert to analysis of claims objection	2.10	825.00	\$1,732.50
03/30/2020	GVD	CO	Review correspondence re new Acis lift stay motion; respond to same	0.30	825.00	\$247.50
03/31/2020	AJK	CO	Analyze legal issues re USB claims.	0.90	1145.00	\$1,030.50
03/31/2020	AJK	CO	Analyze procedural issues re USB claims.	0.70	1145.00	\$801.50
03/31/2020	HDH	CO	Research and drafting of memo regarding procedural options	4.30	950.00	\$4,085.00
03/31/2020	HDH	CO	Revise estimation memo	1.80	950.00	\$1,710.00
03/31/2020	HDH	CO	Finalize draft of procedures memo	1.50	950.00	\$1,425.00
03/31/2020	IDK	CO	Review of extensive Acis confirmation briefs and related documents in Acis case relevant to Acis POC issues (.6); E-mails with J. Kim re same (.2); Further revise substantially the Acis memo on the Acis plan structure issues and Terry equity (1.4).	2.20	1145.00	\$2,519.00
03/31/2020	JJK	CO	Emails Kharasch on Board memo issues.	0.30	895.00	\$268.50
03/31/2020	JJK	CO	Research/document review/draft additional memo on Acis issues.	3.50	895.00	\$3,132.50
03/31/2020	JJK	CO	Additional legal research on claims objections issues per Kharasch.	4.10	895.00	\$3,669.50
03/31/2020	JNP	CO	Email from M. Clemente regarding bar date; Emails	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			with Joshua M. Fried relating thereto.			
03/31/2020	JEO	CO	Email with Josh Fried and KCC re claim process	0.30	925.00	\$277.50
03/31/2020	RJF	CO	Internal emails regarding UBS issues.	0.30	1245.00	\$373.50
03/31/2020	JMF	CO	Finalize emergency motion re claims bar date extension.	1.60	925.00	\$1,480.00
03/31/2020	JMF	CO	Follow up re foreign employee claims inquiries re filing and KCC issues for same.	0.30	925.00	\$277.50
03/31/2020	JAM	CO	Analysis of the merits of Brown Rudnick's claim and e-mail to J. Pomerantz, I. Kharasch, G. Demo re: same (1.1); telephone conference with G. Demo re: Redeemer setoff issue (0.2); e-mail to J. Pomerantz, G. Demo re: Redeemer setoff issue (0.1).	1.40	1075.00	\$1,505.00
03/31/2020	EAW	CO	Draft memo re: analysis of claims asserted in UBS litigation; and related research.	18.50	825.00	\$15,262.50
03/31/2020	GVD	CO	Conference with J. Morris re distribution of claims proceeds	0.30	825.00	\$247.50
03/31/2020	GVD	CO	Review issues re ownership interests	0.30	825.00	\$247.50
				772.60		\$703,818.50

Compensation Prof. [B160]

03/08/2020	JNP	CP	Review February bill.	1.00	1075.00	\$1,075.00
03/10/2020	PJJ	CP	Draft February fee statement.	1.00	425.00	\$425.00
03/10/2020	PJJ	CP	Update professional fee analysis.	0.20	425.00	\$85.00
03/10/2020	PJJ	CP	Draft first interim fee application.	2.00	425.00	\$850.00
03/10/2020	JMF	CP	Review & edit PSZJ February statement.	1.20	925.00	\$1,110.00
03/10/2020	JMF	CP	Review / edit CNO re January statement & local rules re filing of same.	0.20	925.00	\$185.00
03/11/2020	PJJ	CP	Work on first interim fee application.	1.50	425.00	\$637.50
03/12/2020	JEO	CP	Review status of PSZJ January 2020 fee application	0.20	925.00	\$185.00
03/13/2020	PJJ	CP	Revise January fee statement.	2.10	425.00	\$892.50
03/13/2020	JMF	CP	Review February bill re PSZJ.	0.60	925.00	\$555.00
03/14/2020	JNP	CP	Review of February bill.	0.30	1075.00	\$322.50
03/16/2020	JNP	CP	Conference with John A. Morris and Patricia	0.30	1075.00	\$322.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Jeffries; Review emails regarding final February bill.			
03/16/2020	JNP	CP	Email to Board attaching February bill.	0.10	1075.00	\$107.50
03/16/2020	PJJ	CP	Revise January fee statement.	0.80	425.00	\$340.00
03/16/2020	PJJ	CP	Telephone call with Josh Fried and Jeff Pomerantz re January fee statement.	0.20	425.00	\$85.00
03/17/2020	PJJ	CP	Work on first quarterly fee application.	1.30	425.00	\$552.50
03/18/2020	JNP	CP	Review and comment on final fee application and emails related thereto.	0.40	1075.00	\$430.00
03/18/2020	JNP	CP	Email to Board regarding February 2020 fee statement.	0.10	1075.00	\$107.50
03/18/2020	PJJ	CP	Prepare February fee statement for filing.	0.40	425.00	\$170.00
03/18/2020	JMF	CP	Draft PSZJ February Monthly application.	0.40	925.00	\$370.00
03/19/2020	PJJ	CP	Prepare February fee statement for service and filing.	0.40	425.00	\$170.00
03/19/2020	PJJ	CP	Email re LEDES file for UST.	0.10	425.00	\$42.50
03/24/2020	PJJ	CP	Update fee analysis.	0.30	425.00	\$127.50
03/24/2020	JMF	CP	Review correspondences re professional compensation issue.	0.20	925.00	\$185.00
03/31/2020	JNP	CP	Emails regarding status of February fee application.	0.10	1075.00	\$107.50
				15.40		\$9,440.00

Comp. of Prof./Others

03/04/2020	JMF	CPO	Emails to / from J. Dempsey and Committee and Haywood fee application hearing & applications.	0.20	925.00	\$185.00
03/07/2020	GVD	CPO	Compile summary of outstanding fees and expenses	0.40	825.00	\$330.00
03/10/2020	PJJ	CPO	Prepare FTI fee analysis.	0.30	425.00	\$127.50
03/11/2020	JNP	CPO	Email to and from M. Clemente regarding payment of fees.	0.10	1075.00	\$107.50
03/11/2020	JEO	CPO	Emails with DSI re quarterly statement	0.40	925.00	\$370.00
03/11/2020	JEO	CPO	Provide precedent for quarterly fee statement for DSI	0.20	925.00	\$185.00
03/13/2020	JNP	CPO	Email to FTI regarding summary of fees due to be paid.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/13/2020	JEO	CPO	Emails with DSI re quarterly fee statement	0.40	925.00	\$370.00
03/16/2020	JNP	CPO	Emails to and from DSI regarding summary of unpaid fees.	0.10	1075.00	\$107.50
03/17/2020	JNP	CPO	Review emails regarding status of fee payments.	0.10	1075.00	\$107.50
03/19/2020	PJJ	CPO	Draft Mercer monthly fee statement.	1.30	425.00	\$552.50
03/19/2020	JEO	CPO	Review DSI quarterly compensation report and finalize for filing and service	0.60	925.00	\$555.00
03/19/2020	JMF	CPO	Review issues re Mercer fees and J Dempsey inquiries re timing of payment.	0.30	925.00	\$277.50
03/19/2020	JMF	CPO	Review DSI summary report and emails regarding same.	0.20	925.00	\$185.00
03/20/2020	JNP	CPO	Emails regarding payment of Young Conway final fees.	0.10	1075.00	\$107.50
03/20/2020	JNP	CPO	Emails regarding Foley fee statements.	0.10	1075.00	\$107.50
03/20/2020	JMF	CPO	Emails re professional fee statement re Foley and Mercer.	0.30	925.00	\$277.50
03/26/2020	PJJ	CPO	Prepare fee chart of OCP fees.	0.70	425.00	\$297.50
				5.90		\$4,357.50

Employee Benefit/Pension-B220

03/01/2020	IDK	EB	Review of DSI Deck on 2019 bonuses for Committee call tomorrow (.2); E-mails with M Litvak and J Pomerantz re status on draft motion re same if necessary to file such motion (.2).	0.40	1145.00	\$458.00
03/01/2020	JNP	EB	Review deck to be provided to Committee regarding employee issues.	0.10	1075.00	\$107.50
03/02/2020	IDK	EB	E-mails with M Litvak re status on today's upcoming Committee call on bonuses, and status of draft motion to approve, as well as need for motion to expedite same, and brief review of draft motion (.4); E-mails with M Litvak re result of Committee call on bonuses and status of filing motion re same (.1).	0.50	1145.00	\$572.50
03/02/2020	IDK	EB	E-mails with Board, others on DSI Deck for Committee call on bonuses (.1); Attend pre-call conference with Board on prep for call with Committee on employee bonuses (.3); Telephone	2.20	1145.00	\$2,519.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			conference with J Pomerantz re same (.1); Attend conference call with Committee re 2019 bonuses (1.2); Telephone conference with J Pomerantz re result of call (.1); Attend further conference call with Board re result of Committee call on bonuses and next steps (.4).			
03/02/2020	MBL	EB	Continue drafting motion to pay postpetition bonuses.	2.30	950.00	\$2,185.00
03/02/2020	MBL	EB	Draft motion to shorten time re bonus motion.	0.50	950.00	\$475.00
03/02/2020	MBL	EB	Review board presentation re pending bonuses.	0.20	950.00	\$190.00
03/02/2020	MBL	EB	Emails with I. Kharasch re Committee bonus issues.	0.10	950.00	\$95.00
03/03/2020	IDK	EB	E-mails with M Litvak re issues on ordinary course test in 5th Cir.	0.20	1145.00	\$229.00
03/04/2020	IDK	EB	Review and consider in detail draft motion to approve 2019 bonus (.4); E-mails with M Litvak re need for revisions to same and related issues (.4).	0.80	1145.00	\$916.00
03/04/2020	MBL	EB	Revise bonus motion; address I. Kharasch comments.	0.40	950.00	\$380.00
03/04/2020	JMF	EB	Review incentive payment motion.	0.70	925.00	\$647.50
03/06/2020	MBL	EB	Follow-up with team and client re pending vendor inquiries.	0.30	950.00	\$285.00
03/09/2020	JNP	EB	Emails to and from Maxim B. Litvak regarding employee bonus status.	0.10	1075.00	\$107.50
03/09/2020	MBL	EB	Follow-up emails with team re employee bonus status.	0.10	950.00	\$95.00
03/09/2020	MBL	EB	Address employee consultant issues; call with I. Kharasch re same.	0.10	950.00	\$95.00
03/12/2020	JNP	EB	Email to and from Maxim B. Litvak regarding employee inquiry regarding claims.	0.10	1075.00	\$107.50
03/25/2020	IDK	EB	E-mails with attorneys re I. Leventon's proposed release agreement with Stoops.	0.20	1145.00	\$229.00
03/26/2020	MBL	EB	Respond to inquiry from J. Fried re employee bonuses.	0.30	950.00	\$285.00
03/27/2020	IDK	EB	Numerous e-mails with attorneys re client legal teams' correspondence on the Stoops draft release agreement and issues re indemnity and severance.	0.30	1145.00	\$343.50
03/27/2020	MBL	EB	Emails with team and client re employee severance	0.30	950.00	\$285.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			claims.			
03/27/2020	MBL	EB	Call with G. Demo re employee claim issues.	0.20	950.00	\$190.00
03/27/2020	GVD	EB	Attend to issues re potential employee severance	1.00	825.00	\$825.00
03/28/2020	IDK	EB	Review of I. Leventon's extensive analysis of Stoops separation agreement, including review of separation agreement (.4); E-mails with attorneys re whether 1st day order approved similar agreements (.2); E-mails with I. Leventon on ordinary course aspects of same (.2); Telephone conference with J. Pomerantz re same (.1).	0.90	1145.00	\$1,030.50
03/29/2020	MBL	EB	Address I. Kharasch inquiry re employee issues.	0.20	950.00	\$190.00
03/29/2020	SWG	EB	Research re: employee severance.	1.20	625.00	\$750.00
03/30/2020	IDK	EB	Telephone conference with J. Pomerantz re further issues on separation agreements with employees (.1); E-mails with I. Leventon and B. Collins re same and ordinary course questions re same re pre-petition practice (.3); E-mails and telephone conference with G. Demo re same and need for memo to Board (.2).	0.60	1145.00	\$687.00
03/30/2020	JNP	EB	Conference with Ira D. Kharasch (2x) regarding Separation Agreement and related issues.	0.20	1075.00	\$215.00
03/30/2020	GVD	EB	Conference with I. Kharasch re issues re employee contracts	0.10	825.00	\$82.50
03/31/2020	IDK	EB	E-mails with attorneys and J. Fried re G. Demo's draft memo to board on Stoop separation agreement, and my concerns on same and solution going forward on severance (.4); E-mails with I. Leventon re same, and his markup to agreement (.2); Telephone conference with J. Pomerantz re same (.1).	0.70	1145.00	\$801.50
03/31/2020	JNP	EB	Review emails regarding Employee Agreement; Conference with Ira D. Kharasch regarding same.	0.10	1075.00	\$107.50
03/31/2020	JMF	EB	Research re severance claims allowance issues.	2.70	925.00	\$2,497.50
03/31/2020	JMF	EB	Review severance agreement and correspondences re same.	0.40	925.00	\$370.00
03/31/2020	GVD	EB	Review issues re severance agreements; draft correspondence re same	0.80	825.00	\$660.00
				19.30		\$19,013.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Executory Contracts [B185]						
03/12/2020	JEO	EC	Emails with client re Intralinks contract issues	0.80	925.00	\$740.00
03/12/2020	JEO	EC	Further emails with Helen Kim re Intralinks contract issues	0.60	925.00	\$555.00
03/28/2020	GVD	EC	Conference with S. Golden re research on contract enforcement	0.20	825.00	\$165.00
				1.60		\$1,460.00
Financial Filings [B110]						
03/02/2020	JEO	FF	Review and circulate January 2020 monthly operating report	0.40	925.00	\$370.00
03/02/2020	JMF	FF	Review MOR.	0.30	925.00	\$277.50
03/31/2020	JEO	FF	Review monthly operating report for February 2020 and provide comments	0.40	925.00	\$370.00
				1.10		\$1,017.50
General Business Advice [B410]						
03/01/2020	JNP	GB	Review and revise Board minutes.	0.30	1075.00	\$322.50
03/04/2020	GVD	GB	Conference with Board re post-hearing issues	0.50	825.00	\$412.50
03/05/2020	IDK	GB	Review of various correspondence with Board, local counsel, on status of certain orders, appeal, correspondence from Daugherty re bidding on assets.	0.30	1145.00	\$343.50
03/05/2020	JNP	GB	Conference with Iain A. W. Nasatir regarding D&O insurance for CRO.	0.10	1075.00	\$107.50
03/05/2020	IAWN	GB	Telephone conference with Jeff p=Pomerantz re CRO coverage; email to AON re same	0.20	1025.00	\$205.00
03/06/2020	JNP	GB	Conference with AON and Iain A. W. Nasatir regarding D&O insurance for CRO.	0.40	1075.00	\$430.00
03/06/2020	JMF	GB	Review Board minutes.	0.30	925.00	\$277.50
03/06/2020	GVD	GB	Draft minutes for February 26 board meeting	1.80	825.00	\$1,485.00
03/06/2020	IAWN	GB	Telephone conference with AON re Sharp coverage, exchange emails with Sharp for more information, review order re indemnity, review other information, send on to AON with comments	1.10	1025.00	\$1,127.50

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03/06/2020	IAWN	GB	Email to Jeffrey N. Pomerantz re open questions	0.10	1025.00	\$102.50
03/07/2020	IDK	GB	Review of various correspondence re key man for Korea fund, next steps on order re Distribution Motion.	0.30	1145.00	\$343.50
03/08/2020	IAWN	GB	Review Jeffrey N. Pomerantz response re open question	0.10	1025.00	\$102.50
03/09/2020	JNP	GB	Emails to and from insurance broker regarding coverage for CRO.	0.10	1075.00	\$107.50
03/09/2020	IAWN	GB	Review emails between Sharp, AON and Jeffrey N. Pomerantz/Demo re coverage information needed	0.20	1025.00	\$205.00
03/10/2020	IDK	GB	Review of correspondence with Board, DSI, others re further correspondence with UBS, need for Board call today on Committee presentation (.2); Review of correspondence re comments from Committee on form of distribution order, including Committee issues on "payment in full" language, and feedback from Okada counsel (.3).	0.50	1145.00	\$572.50
03/10/2020	IDK	GB	E-mail to DSI, others re revised agendas for Board call today, including other attachments for Board call (.2); Attend Board call on case primary issues, and upcoming Committee meeting (3.0).	3.20	1145.00	\$3,664.00
03/10/2020	JNP	GB	Participate on lengthy Board call.	3.00	1075.00	\$3,225.00
03/10/2020	GVD	GB	Review and revise written consent of board on funding issues	0.60	825.00	\$495.00
03/10/2020	GVD	GB	Attend board meeting	3.00	825.00	\$2,475.00
03/11/2020	IDK	GB	Attend internal conference call re WIP list on all key open issues (.7); Telephone conference with J. Pomerantz re same, and further issues, including T Mascherin new motion for relief (.2).	0.90	1145.00	\$1,030.50
03/11/2020	JNP	GB	Review and revise February 2020 Board minutes.	0.10	1075.00	\$107.50
03/11/2020	JNP	GB	Meeting with Board in preparation for meeting with Redeemer.	3.00	1075.00	\$3,225.00
03/11/2020	GVD	GB	Review and revise board minutes; circulate same	0.40	825.00	\$330.00
03/12/2020	JNP	GB	Meeting with Board and DSI after Committee meeting.	0.50	1075.00	\$537.50
03/12/2020	GVD	GB	Prepare for and attend all hands meeting with committee; follow up meetings with DSI and Board	8.00	825.00	\$6,600.00

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03/12/2020	IAWN	GB	Review AON proposal, exchange emails with AON re same, email Jeffrey N Pomerantz	0.40	1025.00	\$410.00
03/13/2020	IDK	GB	Telephone conference with J. Pomerantz re various case issues, including margin calls, T Mascherin new motion for relief stay, Acis and UBS (.4); Review of correspondence between client, DSI, Board on DSI working arrangements (.1).	0.50	1145.00	\$572.50
03/13/2020	JNP	GB	Review emails regarding status of D&O insurance; Conference with Iain A. W. Nasatir regarding same.	0.20	1075.00	\$215.00
03/13/2020	IAWN	GB	Review and analyze proposal, exchange emails with AON re. same	0.80	1025.00	\$820.00
03/14/2020	JNP	GB	Conference with J. Dubel regarding variety of issues pending in case.	0.40	1075.00	\$430.00
03/15/2020	GVD	GB	Finalize February board minutes	0.20	825.00	\$165.00
03/16/2020	IDK	GB	E-mails with attorneys re Court's new order on Covid 19 and impact on scheduling of hearings, including review of same (.2); E-mails with Board, others on scheduling of next Board call (.2).	0.40	1145.00	\$458.00
03/16/2020	JNP	GB	Review and comment on Board minutes.	0.20	1075.00	\$215.00
03/16/2020	JNP	GB	Emails regarding scheduling Board call.	0.10	1075.00	\$107.50
03/16/2020	GVD	GB	Compile minutes from board meetings	0.30	825.00	\$247.50
03/16/2020	GVD	GB	Revise March 10 minutes per comments from J. Pomerantz and circulate same	0.30	825.00	\$247.50
03/16/2020	GVD	GB	Further revise and circulate board minutes	0.30	825.00	\$247.50
03/16/2020	GVD	GB	Draft minutes for March 10 meeting	2.00	825.00	\$1,650.00
03/16/2020	IAWN	GB	Review AON summary of status, board emails	0.10	1025.00	\$102.50
03/17/2020	JMF	GB	Review board tracker and agenda and emails re additions to same.	0.30	925.00	\$277.50
03/17/2020	GVD	GB	Further revise minutes re comments from directors	0.30	825.00	\$247.50
03/17/2020	GVD	GB	Prepare and circulate agenda for board meeting	0.40	825.00	\$330.00
03/17/2020	GVD	GB	Draft board agenda; revise same per comments from PSZj and DSI	0.90	825.00	\$742.50
03/18/2020	IDK	GB	E-mails with DSI, Board, others on needed revisions to Board agenda (.2); E-mails with J. Pomerantz re need to add ABC stock issue to agenda and status re	1.60	1145.00	\$1,832.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			same (.2); Attend Board call on all primary issues (1.1); Telephone conference with J. Pomerantz re same (.1).			
03/18/2020	IDK	GB	E-mails and telephone conference with J. Pomerantz re case issues today, including UBS, and I Leventon's E-mails (.4).	0.40	1145.00	\$458.00
03/18/2020	JNP	GB	Participate in Board call.	1.10	1075.00	\$1,182.50
03/18/2020	JNP	GB	Conference with J. Dubel (several) regarding Board call and related matters.	0.50	1075.00	\$537.50
03/18/2020	GVD	GB	Review and circulate revised agenda re changes from B. Sharp	0.10	825.00	\$82.50
03/18/2020	GVD	GB	Attend board meeting	1.10	825.00	\$907.50
03/18/2020	GVD	GB	Correspondence with J. Donohue re agenda items	0.40	825.00	\$330.00
03/19/2020	IDK	GB	E-mails and telephone conference with J. Pomerantz re status, UBS.	0.20	1145.00	\$229.00
03/19/2020	IAWN	GB	Review latest AON proposal, exchange emails with Jeffrey N Pomerantz	0.40	1025.00	\$410.00
03/22/2020	JNP	GB	Review latest quote on D&O coverage.	0.10	1075.00	\$107.50
03/22/2020	IAWN	GB	Exchange emails with Jeffrey N Pomerantz re telephone call	0.10	1025.00	\$102.50
03/23/2020	IDK	GB	Telephone conference with J. Pomerantz re case status, claims issues (.2); Numerous e-mails with the Board, others re need for Board call and coordination (.2).	0.40	1145.00	\$458.00
03/23/2020	JNP	GB	Conference with Iain A. W. Nasatir regarding D&O insurance coverage.	0.20	1075.00	\$215.00
03/23/2020	JNP	GB	Emails regarding Board call.	0.10	1075.00	\$107.50
03/23/2020	JNP	GB	Conference with B. Sharp regarding D&O insurance and related issues.	0.20	1075.00	\$215.00
03/23/2020	JNP	GB	Review and revise Board minutes.	0.20	1075.00	\$215.00
03/23/2020	GVD	GB	Draft minutes re board meeting	1.60	825.00	\$1,320.00
03/23/2020	IAWN	GB	Review AON proposal, telephone conference with Jeffrey N Pomerantz re same, review emails between Jeffrey N Pomerantz and Sharp re further information. Exchange emails with Jeffrey N Pomerantz re options, email AON re need for more officers' coverage	0.80	1025.00	\$820.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/24/2020	IDK	GB	E-mails with attorneys, DSI re modifications to Board agenda for call tomorrow.	0.10	1145.00	\$114.50
03/24/2020	JNP	GB	Email to AON regarding status of D&O coverage quotation.	0.10	1075.00	\$107.50
03/24/2020	JNP	GB	Review and comment on Board agenda.	0.10	1075.00	\$107.50
03/24/2020	JMF	GB	Review board agenda and emails re same.	0.20	925.00	\$185.00
03/24/2020	GVD	GB	Revise board minutes and circulate same	0.40	825.00	\$330.00
03/24/2020	GVD	GB	Draft and circulate agenda for board meeting	0.50	825.00	\$412.50
03/24/2020	IAWN	GB	Review AON response review emails exchanged Jeffrey N Pomerantz, sharp, AON re pricing and options	0.60	1025.00	\$615.00
03/25/2020	IDK	GB	E-mails with professionals and Board re further revisions to Board agenda, as well as separate action items for the Board (.2); E-mails with attorneys, DSI re issues on agenda, including ABC stock and I. Leventon's request re same (.2); Attend conference call with Board, others on case issues (1.7).	2.10	1145.00	\$2,404.50
03/25/2020	IDK	GB	E-mails with DSI re information needed to respond to Daugherty concerns, including review of Daugherty correspondence on his various concerns.	0.30	1145.00	\$343.50
03/25/2020	JNP	GB	Participate on Board call.	1.70	1075.00	\$1,827.50
03/25/2020	JAM	GB	Prepare for Board call (litigation issues, including the status of discovery) (0.4); participation in Board meeting (telephonic, partial participation to cover litigation issues, including the status of discovery) (0.9); draft e-mail to J. Seery re: outstanding discovery issues (0.5).	1.80	1075.00	\$1,935.00
03/25/2020	GVD	GB	Revise agenda and materials for Board meeting	0.50	825.00	\$412.50
03/25/2020	GVD	GB	Attend board meeting	1.70	825.00	\$1,402.50
03/25/2020	IAWN	GB	Review AON latest proposal, exchange emails with Jeffrey N Pomerantz re same, attend board call, exchange emails with AON re pricing	0.80	1025.00	\$820.00
03/26/2020	IDK	GB	E-mails with DSI, B. Collins re extensive correspondence relating to procedures and protocols re Covid-19 response, including review of same (.4); Prepare draft response to Daugherty re same (.2); E-mails with CRO and J. Pomerantz re feedback for same (.1); Telephone conference with Dubel re same	1.30	1145.00	\$1,488.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			(.1); E-mails with Board members re same, and re J. Seery change (.2); E-mails with B. Collins re same, and to Board as well (.2); E-mail to Daughterty re same (.1).			
03/26/2020	IDK	GB	Attend conference call with Board on case issues (1.0); Telephone conferences with J. Pomerantz re same and status of other matters (.2); Review of correspondence with Sidley and J. Pomerantz re issues and meeting, and Board feedback (.2); E-mails with Board re correspondence with Redeemer counsel re its request for call tomorrow and coordinate (.1).	1.50	1145.00	\$1,717.50
03/26/2020	JNP	GB	Participate on Board call.	1.00	1075.00	\$1,075.00
03/26/2020	JNP	GB	Conference with Ira D. Kharasch following-up after Board call.	0.20	1075.00	\$215.00
03/26/2020	JNP	GB	Emails with Board regarding call to discuss status.	0.10	1075.00	\$107.50
03/26/2020	GVD	GB	Attend board meeting	1.10	825.00	\$907.50
03/27/2020	IDK	GB	Telephone conference with J. Pomerantz re case status and issues (.2); E-mails with Daugherty on his responses (.1); E-mail to Board re same (.1).	0.40	1145.00	\$458.00
03/27/2020	IDK	GB	Attend conference calls with Board on case issues, Multi Strat, Committee feedback and meeting (1.0); Telephone conference with J. Pomerantz re results of same (.1).	1.10	1145.00	\$1,259.50
03/27/2020	JNP	GB	Conference with Ira D. Kharasch regarding various pending issues.	0.20	1075.00	\$215.00
03/27/2020	JNP	GB	Participate on two Board calls regarding variety of outstanding issues.	1.00	1075.00	\$1,075.00
03/27/2020	GVD	GB	Conference with Board re next steps re reorganization	0.90	825.00	\$742.50
03/30/2020	JNP	GB	Emails with B. Sharp regarding D&O coverage.	0.10	1075.00	\$107.50
03/30/2020	GVD	GB	Draft board minutes and circulate same internally	1.30	825.00	\$1,072.50
03/30/2020	GVD	GB	Conference with I. Leventon re insurance issues	0.20	825.00	\$165.00
03/30/2020	GVD	GB	Correspondence with group re potential insureds	0.10	825.00	\$82.50
03/30/2020	GVD	GB	Revise and circulate key man letter	0.20	825.00	\$165.00
03/31/2020	JNP	GB	Email to and from Iain A. W. Nasatir regarding call to discuss D&O.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/31/2020	IAWN	GB	Review email from Jeffrey N Pomerantz re renewal quote, review same, review and analyze coverage under policy being renewed v.v. Sharp and others, draft lengthy analysis re same and send to Jeffrey N Pomerantz	2.70	1025.00	\$2,767.50
				71.00		\$69,595.00

General Creditors Comm. [B150]

03/01/2020	JNP	GC	Emails to schedule committee/debtor meeting on employment issues.	0.30	1075.00	\$322.50
03/01/2020	JNP	GC	Email to and from B. Sharp regarding meeting agenda.	0.10	1075.00	\$107.50
03/02/2020	JNP	GC	Emails regarding employee information to Committee for call.	0.10	1075.00	\$107.50
03/02/2020	JNP	GC	Pre-call with Board, DSI and Ira D. Kharasch regarding call with Committee regarding employee compensation	0.50	1075.00	\$537.50
03/02/2020	JNP	GC	Conference with Committee and professionals, Ira D. Kharasch, Board and DSI regarding proposed employee compensation	1.20	1075.00	\$1,290.00
03/02/2020	JNP	GC	Conference with Ira D. Kharasch regarding call with Committee regarding employee compensation.	0.10	1075.00	\$107.50
03/02/2020	JNP	GC	Conference with Board, Ira D. Kharasch and DSI after Committee call regarding employee compensation.	0.30	1075.00	\$322.50
03/03/2020	IDK	GC	E-mails with DSI re its draft agenda for Committee meeting next week (.1); E-mails with Committee, J. Pomerantz re coordination of Committee meeting (.1).	0.20	1145.00	\$229.00
03/03/2020	SWG	GC	Research standards for prejudgment cost of attachment.	1.00	625.00	\$625.00
03/05/2020	JMF	GC	Review response re Committee document request.	0.30	925.00	\$277.50
03/07/2020	IDK	GC	E-mails with DSI, others re DSI draft Deck for Committee meeting, and issues re same (.3); E-mails with Board re Committee draft agenda for meeting, including review of same (.2).	0.50	1145.00	\$572.50
03/08/2020	JNP	GC	Email to and from B. Sharp regarding Committee meeting.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/09/2020	JNP	GC	Conference with B. Sharp regarding Committee meeting.	0.30	1075.00	\$322.50
03/09/2020	GVD	GC	Attend to issues re coordinating committee meeting	0.70	825.00	\$577.50
03/10/2020	IDK	GC	E-mails with DSI re its revised agenda for Committee call, including review of same.	0.20	1145.00	\$229.00
03/10/2020	IDK	GC	E-mails with attorneys re logistics on Committee in person meeting this week	0.20	1145.00	\$229.00
03/11/2020	IDK	GC	E-mails with Committee counsel re request for pre-call today and coordination (.1); E-mails with attorneys re same re who would attend re Board (.1); Attend conference call with Committee professionals re tomorrow's in person meeting with Board and Committee, and issues to discuss (.5).	0.70	1145.00	\$801.50
03/11/2020	JNP	GC	Conference with Sidley, FTI, Gregory V. Demo and Ira D. Kharasch regarding Committee meeting.	0.50	1075.00	\$537.50
03/11/2020	GVD	GC	Conference with Committee professionals re committee meeting	0.50	825.00	\$412.50
03/11/2020	GVD	GC	Conference with E. Bromagen re status of meeting and next steps	0.50	825.00	\$412.50
03/12/2020	IDK	GC	Attend telephonically the in person meeting with Committee members and their professionals, Board, DSI, others (2.1).	2.10	1145.00	\$2,404.50
03/12/2020	JNP	GC	Meeting with Board and DSI in preparation for meeting with Committee.	1.80	1075.00	\$1,935.00
03/12/2020	JNP	GC	Meeting with Committee, DSI and Board.	3.00	1075.00	\$3,225.00
03/12/2020	JNP	GC	Conference with B. Sharp regarding Committee meeting.	0.20	1075.00	\$215.00
03/14/2020	JNP	GC	Email to M. Clemente following up from call regarding margin trading.	0.10	1075.00	\$107.50
03/19/2020	JNP	GC	Conference with FTI, Sidley, DSI, J. Seery and Gregory V. Demo regarding margin trading issues.	1.30	1075.00	\$1,397.50
03/26/2020	JNP	GC	Conference with M. Clemente regarding next call with Committee and employee claims issues.	0.30	1075.00	\$322.50
03/27/2020	JNP	GC	Email to M. Clemente regarding next Committee Board call.	0.10	1075.00	\$107.50
03/31/2020	JNP	GC	Email to M. Clemente regarding proposed call with J. Seery.	0.10	1075.00	\$107.50

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				17.30		\$17,950.50
Plan & Disclosure Stmt. [B320]						
03/02/2020	PJJ	PD	Prepare summary of significant motions for disclosure statement.	2.00	425.00	\$850.00
03/03/2020	PJJ	PD	Work on motion summaries for disclosure statement.	2.00	425.00	\$850.00
03/04/2020	PJJ	PD	Work on motion summaries.	0.50	425.00	\$212.50
03/06/2020	JMF	PD	Review plan process timeline & email Jack Donahue re same.	0.20	925.00	\$185.00
03/18/2020	PJJ	PD	Research regarding Plans.	0.20	425.00	\$85.00
				4.90		\$2,182.50
Ret. of Prof./Other						
03/01/2020	JMF	RPO	Draft Wilmer Hale retention.	0.60	925.00	\$555.00
03/04/2020	JMF	RPO	Review OCP payment statement.	0.30	925.00	\$277.50
03/05/2020	GVD	RPO	Review Feb. 19 hearing transcript re preparation of Foley retention order	0.80	825.00	\$660.00
03/06/2020	JNP	RPO	Conference with Gregory V. Demo regarding Foley Order.	0.10	1075.00	\$107.50
03/07/2020	GVD	RPO	Review and revise order re Foley retention; correspondence with Winstead re same	0.50	825.00	\$412.50
03/09/2020	JEO	RPO	Drafting supplemental declaration for DSI employment	0.70	925.00	\$647.50
03/09/2020	JEO	RPO	Emails with Josh Fried and Greg Demo re Wilmer Hale retention	0.30	925.00	\$277.50
03/09/2020	GVD	RPO	Conference with T. Sargent re retention of attorneys	0.20	825.00	\$165.00
03/09/2020	GVD	RPO	Conference with A. Chierello (Winstead) re resolution of Foley Gardere retention order	0.60	825.00	\$495.00
03/09/2020	GVD	RPO	Revise and circulate Foley Gardere retention order	0.60	825.00	\$495.00
03/10/2020	GVD	RPO	Review and summarize ordinary course professional issues re potential new issue	1.20	825.00	\$990.00
03/11/2020	JEO	RPO	Email with Brad Sharp re supplemental declaration for DSI retention	0.20	925.00	\$185.00
03/15/2020	GVD	RPO	Attend to issues re prepetition legal fees	0.10	825.00	\$82.50
03/17/2020	JEO	RPO	Check on status of Deloitte Retention application	0.20	925.00	\$185.00

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03/17/2020	GVD	RPO	Draft summary of OCP services	0.60	825.00	\$495.00
03/18/2020	JMF	RPO	Review and comment re DSI supplemental declaration.	0.50	925.00	\$462.50
03/18/2020	GVD	RPO	Review DSI invoices prior to filing	0.30	825.00	\$247.50
03/19/2020	JEO	RPO	Call with Elliot Brogman of Sidley re Deloitte representation	0.40	925.00	\$370.00
03/19/2020	GVD	RPO	Conference with I. Leventon and B. Sharp re outstanding ordinary course professional invoices	0.90	825.00	\$742.50
03/19/2020	GVD	RPO	Conference with B. Sharp re outstanding professional fees	0.30	825.00	\$247.50
03/19/2020	GVD	RPO	Review DSI invoices re privilege issues	0.60	825.00	\$495.00
03/19/2020	GVD	RPO	Compile summary of ordinary course professionals	0.60	825.00	\$495.00
03/20/2020	JEO	RPO	Emails with PSJZ team re Deloitte retention	0.50	925.00	\$462.50
03/20/2020	JMF	RPO	Analyze issues re Deloitte retention re Committee inquiry on application.	0.40	925.00	\$370.00
03/23/2020	JNP	RPO	Review emails regarding Deloitte retention.	0.10	1075.00	\$107.50
03/23/2020	JEO	RPO	Review issues raised by the Committee on Deloitte;s retention	0.30	925.00	\$277.50
03/23/2020	JEO	RPO	Email exchange with DSI regarding Deloitte's retention	0.40	925.00	\$370.00
03/23/2020	JEO	RPO	Email and call with Meryl Rothcihld re Deloitte's retention	0.60	925.00	\$555.00
03/23/2020	JEO	RPO	Emails with committee counsel and comments to agreed extension order	0.70	925.00	\$647.50
03/23/2020	JEO	RPO	Email to DSI re supplemental declaration for DSI retention	0.30	925.00	\$277.50
03/23/2020	JEO	RPO	Review emails re additional services to be provided by Deloitte	0.30	925.00	\$277.50
03/23/2020	JEO	RPO	Emails with PSZJ team re Deloitte retention and additional services	0.40	925.00	\$370.00
03/23/2020	JMF	RPO	Review additional Deloitte engagement and correspondences re same.	0.30	925.00	\$277.50
03/24/2020	JEO	RPO	Email with counsel for the Committee regarding the Deloitte retention	0.30	925.00	\$277.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/24/2020	JEO	RPO	Emails with client re committee comments to Deloitte retention	0.40	925.00	\$370.00
03/24/2020	JEO	RPO	Emails and calls with Deloitte re retention issues	0.40	925.00	\$370.00
03/24/2020	JMF	RPO	Review work order and emails re Deloitte retention and committee changes to order.	0.40	925.00	\$370.00
03/25/2020	JEO	RPO	Revise retention order and forward to committee counsel	0.30	925.00	\$277.50
03/25/2020	JEO	RPO	Email to local counsel rev revised retention order for Deloitte	0.20	925.00	\$185.00
03/26/2020	JEO	RPO	Confirming email with committee re changes to Deloitte retention order	0.20	925.00	\$185.00
03/26/2020	JEO	RPO	Review revised order for Deloitte Retention (showing local counsel's changes) and circulate to Committee counsel	0.40	925.00	\$370.00
03/26/2020	JEO	RPO	Finalize retention order for Deloitte	0.60	925.00	\$555.00
03/26/2020	JEO	RPO	Emails with Meryl Rothchild re Deloitte retention order and additional services	0.60	925.00	\$555.00
03/26/2020	JMF	RPO	Review draft Deloitte CNO and emails re filing of same.	0.20	925.00	\$185.00
03/27/2020	JEO	RPO	Review Deloitte retention order and circulate to clients	0.20	925.00	\$185.00
03/27/2020	JEO	RPO	Review engagement letters for additional services and draft notice for same	0.70	925.00	\$647.50
03/27/2020	JEO	RPO	Emails with local counsel Zach re Deloitte order and notice for additional services	0.60	925.00	\$555.00
03/30/2020	JEO	RPO	Review status of Deloitte retention	0.20	925.00	\$185.00
03/30/2020	JEO	RPO	Email to Zach Anabelle re Supplemental Declaration for DSI	0.30	925.00	\$277.50
				20.90		\$18,632.50

Stay Litigation [B140]

03/01/2020	IDK	SL	Review draft of stipulation with J. Terry on his stay motion and need for changes (.2); E-mails with J Morris re my list of comments to same stipulation for revisions, including his feedback (.3); E-mails with J Fried and J Pomerantz re further issues on	0.90	1145.00	\$1,030.50
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			same re further facts and process to move forward (.2); Review of revised stipulation (.1); Emails with J Morris re my further change and green light to send to Board (.1).			
03/01/2020	JNP	SL	Review emails regarding status of Terry stay stipulation.	0.10	1075.00	\$107.50
03/01/2020	JMF	SL	Review Terry stay motion, arbitration award and draft stipulation re same.	1.40	925.00	\$1,295.00
03/01/2020	JMF	SL	Review correspondences re Terry stay stipulation.	0.30	925.00	\$277.50
03/01/2020	JAM	SL	E-mails with J. Pomerantz, I. Kharasch, G. Demo, J. Fried re Terry Stipulation (.4); review/revise Terry Stipulation (.2); e-mail to Board re Terry Stipulation (.1).	0.70	1075.00	\$752.50
03/02/2020	IDK	SL	Review of correspondence with Board on draft stipulation for J. Terry relief from stay (.1); E-mail and telephone conference with J Morris re J. Terry stipulation and opposition (.1); Telephone conference with J Pomerantz re same (.1); Review further stipulation and J. Terry motion re waiver issues (.1).	0.40	1145.00	\$458.00
03/02/2020	IDK	SL	Review of draft conditional opposition to J. Terry stay motion (.1); E-mails with J Morris re same, as well as feedback from Board re same re need to change direction (.2); E-mails and telephone conference with J Morris re his further revised limited objection and cover letter to Board, and need to revise same, including review of revised letter (.4); E-mails with Board re timing of sending stipulation to J. Terry (.1); Emails with Board, others re filing of conditional opposition (.1).	0.90	1145.00	\$1,030.50
03/02/2020	JNP	SL	Conference with Ira D. Kharasch regarding Terry Relief from Stay motion.	0.10	1075.00	\$107.50
03/02/2020	JNP	SL	Emails regarding status of Terry Relief from Stay motion.	0.10	1075.00	\$107.50
03/02/2020	JMF	SL	Review response re Terry stay relief.	0.20	925.00	\$185.00
03/02/2020	JAM	SL	E-mail to Board re Terry Stipulation (.1); telephone conference with J. Dubel re Terry Stipulation (.1); draft Conditional Objection to Terry Motion (.8); e-mail to PSZJ team re Conditional Objection to Terry Motion (.1); telephone conference with I. Kharasch re Terry Motion issues (.1); e-mail to Board re response to Terry Motion (.4);	2.20	1075.00	\$2,365.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			communications with I. Kharasch re e-mail to Board (.2); draft Limited Objection to Terry Motion (.3); telephone conference with J. Dubel re response to Terry Motion (.1).			
03/03/2020	IDK	SL	E-mails with Board re Hunton Williams setoff request on retainer.	0.20	1145.00	\$229.00
03/05/2020	IDK	SL	Review of correspondence with Board on next steps in Terry stay motion.	0.20	1145.00	\$229.00
03/05/2020	JNP	SL	Conference with R. Nelms and J. Dubel regarding Terry Relief from Stay motion.	0.40	1075.00	\$430.00
03/05/2020	JAM	SL	E-mail to Board, PSZJ re Terry Stipulation (.1); telephone conference with J. Dubel re Terry, Purdue (.2); review Purdue docket re section 105(a) injunction (.4); telephone conference with J. Pomerantz re Terry Lift Stay (.1); telephone conference with J. Dubel re extension of time (.1); telephone conference with J. Pomerantz re extension of time (.1); telephone conference with B. Show re extension of time (.1); e-mail to Board re extension of time (.1).	1.20	1075.00	\$1,290.00
03/06/2020	IDK	SL	E-mails with attorneys, Board re Terry's rejection of continuance request, and next steps re hearing on same, and options on how to respond to motion.	0.40	1145.00	\$458.00
03/06/2020	JNP	SL	Emails to and from A. Clubock regarding request for Relief from Stay.	0.20	1075.00	\$215.00
03/06/2020	JNP	SL	Emails with Board regarding UBS request for Relief from Stay.	0.20	1075.00	\$215.00
03/06/2020	JNP	SL	Emails to and from Board regarding Terry Relief from Stay status.	0.20	1075.00	\$215.00
03/06/2020	JNP	SL	Conference with J. Seery and Robert J. Feinstein regarding UBS Relief from Stay.	0.20	1075.00	\$215.00
03/06/2020	JNP	SL	Conference with J. Seery regarding Terry Relief from Stay.	0.20	1075.00	\$215.00
03/06/2020	JNP	SL	Conference with John A. Morris regarding Terry Relief from Stay.	0.10	1075.00	\$107.50
03/06/2020	JAM	SL	Communications with Board, J. Pomerantz re Terry lift stay motion.	0.40	1075.00	\$430.00
03/07/2020	IDK	SL	Review of correspondence with Board on Terry motion, including options for responding and Terry's witness list.	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
03/09/2020	IDK	SL	Review of correspondence with attorneys, Board, re status on Terry relief from stay and upcoming hearing.	0.30	1145.00	\$343.50
03/09/2020	GVD	SL	Correspondence with directors re motion to lift stay	0.30	825.00	\$247.50
03/10/2020	IDK	SL	Review briefly correspondence from J. Terry counsel on next motion for relief from stay re Acis violations.	0.20	1145.00	\$229.00
03/10/2020	JNP	SL	Conference with John A. Morris regarding Terry stay relief.	0.10	1075.00	\$107.50
03/11/2020	IDK	SL	Attend J.Terry stay hearing telephonically (.3).	0.30	1145.00	\$343.50
03/11/2020	JNP	SL	Conference with J. Dubel regarding latest Relief from Stay motion from Terry.	0.10	1075.00	\$107.50
03/11/2020	JNP	SL	Review new Relief from Stay motion by J. Terry; Conference with Ira D. Kharasch regarding same.	0.40	1075.00	\$430.00
03/11/2020	JAM	SL	Review ACIS lift stay and contempt motions (1.1).	1.10	1075.00	\$1,182.50
03/11/2020	JAM	SL	E-mail to J. Pomerantz, I. Kharasch re ACIS lift stay and contempt motions (.6).	0.60	1075.00	\$645.00
03/11/2020	GVD	SL	Attend hearing on motion to lift stay (telephonic)	0.50	825.00	\$412.50
03/12/2020	JAM	SL	Telephone conference with JP Sevilla, I. Leventon, S. Vitiello re ACIS Lift Stay and Contempt Motions (.4).	0.40	1075.00	\$430.00
03/13/2020	JNP	SL	Conference with John A. Morris regarding Terry Relief from Stay issues.	0.20	1075.00	\$215.00
03/13/2020	JAM	SL	Telephone conference with I. Leventon, S. Vitiello, JP Sevilla, Guernsey counsel re: Acis lift stay and contempt motions (0.6); telephone conference with J. Pomerantz re: Acis and Brown Rudnick matters (0.1); e-mail to the Board re: Acis lift stay and contempt motions (0.5); e-mails with S. Vitiello, J. Donohue re:document production (0.1).	1.30	1075.00	\$1,397.50
03/14/2020	JAM	SL	Review documents from Guernsey/Terry action in context of Acis Lift Stay/Contempt Motion (2.2).	2.20	1075.00	\$2,365.00
03/15/2020	JNP	SL	Review and comment on versions of relief from stay stipulation with UBS.	0.20	1075.00	\$215.00
03/15/2020	JNP	SL	Emails with Board regarding UBS relief from stay issues and related.	0.20	1075.00	\$215.00
03/15/2020	JNP	SL	Review and respond to emails from John A. Morris	0.20	1075.00	\$215.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			regarding ACIS proposed relief from stay motion.			
03/15/2020	JAM	SL	Draft e-mail to Board re: Acis proposed lift stay and contempt motions (2.0); e-mails with J. Pomerantz, I. Kharash, G. Demo re: Acis lift stay and contempt motions (0.3); revise e-mail to Board re: Acis motions (0.3); e-mail to I. Leventon, JP Sevilla, J. Pomerantz, I. Kharash, G. Demo re: Acis motions (0.1)	2.70	1075.00	\$2,902.50
03/16/2020	JNP	SL	Review email regarding Terry Relief from Stay motion; Conference with John A. Morris regarding same.	0.30	1075.00	\$322.50
03/16/2020	JNP	SL	Emails with Board regarding timing for call to discuss Terry Relief from Stay.	0.10	1075.00	\$107.50
03/16/2020	JAM	SL	Review Acis amended plan and disclosure statement in connection with Acis lift stay/contempt motion analysis (0.8); revise e-mail to Board re: Acis lift stay/contempt motions (0.7); analyze and prepare e-mail concerning Brown Rudnick's purported claim against HCMLP and the CLO clients (2.3); tel c. w/ I. Leventon re: Acis lift stay/contempt motion analysis (0.5); revise analysis of Acis lift stay/contempt motions (0.5); tel c. w/ J. Pomerantz re: Brown Rudnick's purported claim (0.1).	4.90	1075.00	\$5,267.50
03/17/2020	JNP	SL	Conference with Gregory V. Demo regarding results of call regarding Terry Relief from Stay.	0.20	1075.00	\$215.00
03/17/2020	JNP	SL	Conference with John A. Morris regarding Terry Relief from Stay.	0.10	1075.00	\$107.50
03/17/2020	JAM	SL	Telephone conference with J. Pomerantz re: Acis lift stay/contempt motions (0.4); telephone conference with Board, G. Demo, I. Leventon, JP Sevilla, S. Vitiello re: Acis lift stay/contempt motions (0.9).	1.30	1075.00	\$1,397.50
03/17/2020	GVD	SL	Conference with Board and J. Morris re Terry relief from stay	1.00	825.00	\$825.00
03/18/2020	IDK	SL	Review of various correspondence re J. Terry anticipated stay motion re plan injunctions, and our response.	0.20	1145.00	\$229.00
03/18/2020	JAM	SL	Communications with B. Shaw, Board, PSZJ re: Acis proposed lift stay and contempt motions (0.2); e-mail to M. Maloney re: response to Acis on proposed lift stay and contempt motions (0.1).	0.30	1075.00	\$322.50
03/30/2020	JNP	SL	Review email from R. Patel regarding relief from stay to add Defendants; emails with Gregory V.	0.20	1075.00	\$215.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Demo regarding same.			
03/30/2020	JNP	SL	Email to Board regarding ACIS request for limited Relief from Stay and respond to email from Board.	0.20	1075.00	\$215.00
03/30/2020	JNP	SL	Review email from R. Nelms regarding ACIS Relief from Stay request.	0.10	1075.00	\$107.50
				<hr/>		<hr/>
				31.60		\$33,529.00

Travel

03/02/2020	GVD	TR	Travel from New York to Dallas	4.50	412.50	\$1,856.25
03/03/2020	JNP	TR	Travel to Dallas for hearing on Distribution motion.	2.60	537.50	\$1,397.50
03/04/2020	JNP	TR	Travel back to Los Angeles from Dallas.	6.70	537.50	\$3,601.25
03/04/2020	GVD	TR	Travel to New York from Dallas	6.50	412.50	\$2,681.25
03/09/2020	JNP	TR	Travel to East Coast for Committee meeting.	6.20	537.50	\$3,332.50
03/12/2020	JNP	TR	Travel to Los Angeles from NYC.	9.80	537.50	\$5,267.50
				<hr/>		<hr/>
				36.30		\$18,136.25

TOTAL SERVICES FOR THIS MATTER:

\$1,222,801.25

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Expenses

01/08/2020	AF	Air Fare [E110] American Airlines, Tkt. 0017488392541, from LAX to DFW, DFW to LAX, (less than full-fare coach), IDK	1,018.45
01/08/2020	TE	Travel Expense [E110] Travel Agency Service Fee, IDK	50.00
01/10/2020	AT	Auto Travel Expense [E109] Santa Monica Taxi, IDK	43.75
01/10/2020	HT	Hotel Expense [E110] Meridien Hotel, 2 nights, IDK	852.93
01/10/2020	TE	Travel Expense [E110] American Airlines Itinerary Change Fee, IDK	260.41
01/10/2020	TE	Travel Expense [E110] American Airlines Intinerary Change Fee (due to hurricane), IDK	350.34
01/20/2020	AT	Auto Travel Expense [E109] KLS Worldwide Transportation Services, Inv. 16347614266, From DFW - to Hotel Crescent Court, Dallas, MBL	196.54
02/01/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	7.83
02/03/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	5.65
02/04/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	5.84
02/04/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	19.70
02/05/2020	AT	Auto Travel Expense [E109] NYC Taxi, GVD	30.35
02/06/2020	BM	Business Meal [E111] Seamless, Chodangol, Working Meal, GVD	30.59
02/06/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	3.45
02/06/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	1.55
02/06/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	4.48
02/07/2020	AT	Auto Travel Expense [E109]NYC Taxi, GVD	30.36
02/07/2020	BM	Business Meal [E111] Seamless, Glaze Teriyaki, Working Meal, GVD	26.97
02/07/2020	CC	Conference Call [E105] AT&T Conference Call, JMF	4.38
02/07/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	41.19
02/07/2020	CC	Conference Call [E105] AT&T Conference Call, JEO	2.95
02/10/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	2.85
02/10/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	8.79
02/11/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	10.54
02/11/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	0.28
02/11/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	8.42
02/11/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	5.20
02/11/2020	CC	Conference Call [E105] AT&T Conference Call, AJK	0.12

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02/11/2020	CC	Conference Call [E105] AT&T Conference Call, AJK	0.42
02/14/2020	BM	Business Meal [E111] Seamless, Chodangol, Working Meal, GVD	67.06
02/14/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	1.39
02/14/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	1.71
02/14/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	3.84
02/15/2020	AF	Air Fare [E110] American Airlines, Tkt. 00175013332502, from LGA to DFW, DFW to LGA, GVD	1,070.80
02/15/2020	AT	Auto Travel Expense [E109] NYC Taxi, GVD	34.56
02/15/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	7.10
02/15/2020	TE	Travel Expense [E110] Travel Agency Service Fee, GVD	50.00
02/16/2020	AT	Auto Travel Expense [E109] First Citycab, GVD	27.36
02/16/2020	BM	Business Meal [E111] Seamless, Potbelly Sandwich Shop, Working Meal, GVD	43.78
02/17/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	1.82
02/18/2020	AT	Auto Travel Expense [E109] All Taxi Management, GVD	17.16
02/18/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	2.36
02/19/2020	BM	Business Meal [E111] Crescent Hotel, Business Meal, GVD	77.95
02/19/2020	BM	Business Meal [E111] au Bon Pain, GVD	2.82
02/19/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	0.11
02/19/2020	TE	Travel Expense [E110] Travel Agency Service Fee, GVD	50.00
02/20/2020	AF	Air Fare [E110] American Airlines, refundable coach LAX to PHL \$1,312.00; return flight - refundable coach JFK to LAX \$1498.00, JNP	2,810.00
02/20/2020	AT	Auto Travel Expense [E109] S and R Medallion, GVD	36.62
02/20/2020	BM	Business Meal [E111] Ascension Coffee, GVD	52.35
02/20/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	9.35
02/20/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	10.10
02/20/2020	HT	Hotel Expense [E110] Crescent Hotel, 02/18/20-02/19/20, 1 night, GVD	511.16
02/20/2020	TE	Travel Expense [E110] DFW Univision, GVD	3.00
02/21/2020	CC	Conference Call [E105] AT&T Conference Call, JMF	2.56
02/21/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	6.21
02/21/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	6.26
02/21/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	5.99
02/21/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	6.35
02/23/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	1.83

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02/24/2020	CC	Conference Call [E105] AT&T Conference Call, JMF	32.57
02/24/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	7.78
02/25/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	1.67
02/25/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	11.81
02/26/2020	AF	Air Fare [E110] American Airlines, Tkt.00175054543296, from LGA to DFW, GVD	535.40
02/26/2020	AF	Air Fare [E110] Delta Airlines, Tkt. 00675054543306, from DFW to LGA, GVD	535.40
02/26/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	0.11
02/26/2020	TE	Travel Expense [E110] Travel Agency Service Fee, GVD	50.00
02/27/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	4.76
02/27/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	4.27
03/01/2020	BM	Business Meal [E111] Artisan Market, Working Meal, JNP	9.66
03/02/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, GVD	31.86
03/02/2020	AT	Auto Travel Expense [E109] Taxi Services, GVD	46.05
03/02/2020	HT	Hotel Expense [E110] Crescent Hotel, 2 nights, GVD	912.38
03/02/2020	LN	36027.00002 Lexis Charges for 03-02-20	25.24
03/02/2020	RE	(13 @0.10 PER PG)	1.30
03/02/2020	RE	(98 @0.10 PER PG)	9.80
03/02/2020	RE	(15 @0.10 PER PG)	1.50
03/02/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/02/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
03/02/2020	RE2	SCAN/COPY (39 @0.10 PER PG)	3.90
03/02/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
03/02/2020	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
03/02/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
03/02/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
03/02/2020	RE2	SCAN/COPY (39 @0.10 PER PG)	3.90
03/02/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
03/02/2020	RE2	SCAN/COPY (92 @0.10 PER PG)	9.20
03/02/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
03/02/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
03/03/2020	BM	Business Meal [E111] La Provence, working meal, JNP	6.62
03/03/2020	HT	Hotel Expense [E110] Crescent Hotel, 1 night, JNP	537.53

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03/03/2020	LN	36027.00002 Lexis Charges for 03-03-20	58.87
03/03/2020	LN	36027.00002 Lexis Charges for 03-03-20	113.03
03/03/2020	LN	36027.00002 Lexis Charges for 03-03-20	50.46
03/03/2020	RE	(9 @0.10 PER PG)	0.90
03/03/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
03/03/2020	RE2	SCAN/COPY (56 @0.10 PER PG)	5.60
03/03/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
03/03/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
03/03/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
03/03/2020	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
03/03/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
03/03/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
03/03/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/04/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, GVD	58.43
03/04/2020	BM	Business Meal [E111] Lorena Garcia Restaurant, working meal, JNP	35.11
03/04/2020	BM	Business Meal [E111] Ascension Coffee, working meal, JNP	21.02
03/04/2020	BM	Business Meal [E111] Hokey Poke, working meal, JAM	14.97
03/04/2020	BM	Business Meal [E111] Chick-fil-A, working meal, GVD	8.45
03/04/2020	BM	Business Meal [E111] IHOP, working meal, GVD	24.47
03/04/2020	CC	Conference Call [E105] CourtCall Debit Ledger for 03/01/2020 through 03/31/2020, D. Olarou	100.00
03/04/2020	CC	Conference Call [E105] CourtCall Debit Ledger for 03/01/2020 through 03/31/2020, GVD	100.00
03/04/2020	CC	Conference Call [E105] CourtCall Debit Ledger for 03/01/2020 through 03/31/2020, IDK	100.00
03/04/2020	CC	Conference Call [E105] CourtCall Debit Ledger for 03/01/2020 through 03/31/2020, JAM	100.00
03/04/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
03/04/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
03/04/2020	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
03/04/2020	TE	Travel Expense [E110] Inflight Wifi Fee, GVD	27.07
03/05/2020	AP	LAX Parking, JNP	162.48
03/05/2020	AT	Auto Travel Expense [E109] KLS Worldwide Transportation Services, From Cresent Hotel to DFW, JNP	196.54
03/05/2020	AT	Auto Travel Expense [E109] United Westway Taxi Services, GVD	42.60

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03/05/2020	RE2	SCAN/COPY (140 @0.10 PER PG)	14.00
03/05/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
03/05/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
03/05/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
03/05/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
03/05/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/05/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
03/05/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
03/05/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
03/05/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
03/05/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
03/05/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
03/05/2020	RE2	SCAN/COPY (65 @0.10 PER PG)	6.50
03/05/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
03/05/2020	RE2	SCAN/COPY (188 @0.10 PER PG)	18.80
03/05/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
03/05/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
03/05/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
03/05/2020	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
03/06/2020	RE	(11 @0.10 PER PG)	1.10
03/06/2020	RE2	SCAN/COPY (121 @0.10 PER PG)	12.10
03/08/2020	LN	36027.00002 Lexis Charges for 03-08-20	42.06
03/08/2020	LN	36027.00002 Lexis Charges for 03-08-20	8.41
03/08/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
03/08/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
03/08/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
03/08/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
03/09/2020	BM	Business Meal [E111] Seamless, Fresco by Scotto on the Go, Business Meal, R. Cheltenham	422.01
03/09/2020	BM	Business Meal [E111] La Provence Cafe, working meal, JNP	17.79
03/09/2020	LN	36027.00002 Lexis Charges for 03-09-20	84.09
03/09/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
03/09/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
03/09/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20

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03/09/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
03/09/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
03/09/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
03/09/2020	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
03/09/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
03/09/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
03/09/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
03/09/2020	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
03/09/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
03/09/2020	TE	Travel Expense [E110]Travel Agency Service Fee, JNP	75.00
03/10/2020	AT	Auto Travel Expense [E109] 55 Stan Taxi Services, JNP	17.76
03/10/2020	AT	Auto Travel Expense [E109] CityCab Services, GVD	29.75
03/10/2020	BM	Business Meal [E111] Shun Lee Restaurant, working meal, JNP	115.51
03/10/2020	HT	Hotel Expense [E110] Lotte NY Palace, 2 nights, JNP	906.04
03/11/2020	BM	Business Meal [E111] Just Salad, working meal, JNP	13.05
03/11/2020	BM	Business Meal [E111] Cowgirl Catering, working meal, JAM	847.04
03/11/2020	BM	Business Meal [E111] Seamless, Tina's Restaurant, Deposition, D. Rivera	54.96
03/11/2020	BM	Business Meal [E111] Seamless, McDonalds, C. Naidu	26.71
03/11/2020	CC	Conference Call [E105] CourtCall Debit Ledger for 03/01/2020 through 03/31/2020, GVD	22.50
03/11/2020	CC	Conference Call [E105] CourtCall Debit Ledger for 03/01/2020 through 03/31/2020, IDK	22.50
03/11/2020	RE	(56 @0.10 PER PG)	5.60
03/11/2020	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
03/11/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
03/11/2020	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
03/11/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
03/11/2020	TE	Travel Expense [E110]Travel Agency Service Fee, JNP	75.00
03/12/2020	AP	LAX Parking, JNP	144.20
03/12/2020	AT	Auto Travel Expense [E109] NYC Taxi Services, GVD	31.55
03/12/2020	AT	Auto Travel Expense [E109] Uber Transportation Services, GVD	32.54
03/12/2020	LN	36027.00002 Lexis Charges for 03-12-20	27.57
03/12/2020	LN	36027.00002 Lexis Charges for 03-12-20	16.83

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03/12/2020	LN	36027.00002 Lexis Charges for 03-12-20	9.15
03/12/2020	LN	36027.00002 Lexis Charges for 03-12-20	54.81
03/12/2020	RE	(45 @0.10 PER PG)	4.50
03/12/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
03/12/2020	RE2	SCAN/COPY (330 @0.10 PER PG)	33.00
03/12/2020	RE2	SCAN/COPY (229 @0.10 PER PG)	22.90
03/12/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
03/12/2020	RE2	SCAN/COPY (63 @0.10 PER PG)	6.30
03/12/2020	RE2	SCAN/COPY (47 @0.10 PER PG)	4.70
03/12/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
03/13/2020	AT	Auto Travel Expense [E109] NYC Taxi Services, GVD	32.85
03/13/2020	BM	Business Meal [E111] Ess-Bagel, working meal, JNP	46.80
03/13/2020	LN	36027.00002 Lexis Charges for 03-13-20	27.45
03/13/2020	LN	36027.00002 Lexis Charges for 03-13-20	50.46
03/13/2020	LN	36027.00002 Lexis Charges for 03-13-20	85.31
03/13/2020	LN	36027.00002 Lexis Charges for 03-13-20	100.92
03/13/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
03/13/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
03/13/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/13/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
03/13/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/13/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
03/13/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
03/14/2020	LN	36027.00002 Lexis Charges for 03-14-20	28.15
03/14/2020	LN	36027.00002 Lexis Charges for 03-14-20	58.88
03/15/2020	LN	36027.00002 Lexis Charges for 03-15-20	33.64
03/16/2020	RE	(8 @0.10 PER PG)	0.80
03/16/2020	RE	(6 @0.10 PER PG)	0.60
03/16/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
03/16/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
03/16/2020	RE2	SCAN/COPY (95 @0.10 PER PG)	9.50
03/18/2020	CL	36027.00002 CourtLink charges for 03-18-20	3.98
03/18/2020	LN	36027.00002 Lexis Charges for 03-18-20	51.09
03/18/2020	LN	36027.00002 Lexis Charges for 03-18-20	8.41

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03/18/2020	LN	36027.00002 Lexis Charges for 03-18-20	33.64
03/19/2020	LN	36027.00002 Lexis Charges for 03-19-20	283.47
03/19/2020	LN	36027.00002 Lexis Charges for 03-19-20	124.14
03/19/2020	LN	36027.00002 Lexis Charges for 03-19-20	42.06
03/19/2020	RE	(10 @0.10 PER PG)	1.00
03/19/2020	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
03/19/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
03/19/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
03/19/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
03/19/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
03/19/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
03/19/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
03/19/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
03/19/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
03/19/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
03/19/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
03/19/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
03/19/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30

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03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
03/19/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/19/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
03/19/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/19/2020	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
03/19/2020	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10

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03/19/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
03/19/2020	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
03/19/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
03/19/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
03/19/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
03/19/2020	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/19/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/19/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/19/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
03/19/2020	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
03/19/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/19/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50

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03/19/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
03/20/2020	LN	36027.00002 Lexis Charges for 03-20-20	69.16
03/22/2020	LN	36027.00002 Lexis Charges for 03-22-20	165.65
03/22/2020	LN	36027.00002 Lexis Charges for 03-22-20	27.43
03/23/2020	BB	36027.00002 Bloomberg Charges for 03-23-20	30.00
03/23/2020	BB	36027.00002 Bloomberg Charges for 03-23-20	0.40
03/23/2020	BB	36027.00002 Bloomberg Charges for 03-23-20	30.00
03/23/2020	LN	36027.00002 Lexis Charges for 03-23-20	27.45
03/23/2020	LN	36027.00002 Lexis Charges for 03-23-20	41.16
03/23/2020	LN	36027.00002 Lexis Charges for 03-23-20	73.08
03/23/2020	RE2	SCAN/COPY (34 @0.10 PER PG)	3.40
03/23/2020	RE2	SCAN/COPY (52 @0.10 PER PG)	5.20
03/23/2020	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
03/23/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
03/23/2020	RE2	SCAN/COPY (55 @0.10 PER PG)	5.50
03/23/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
03/24/2020	BB	36027.00002 Bloomberg Charges for 03-24-20	0.30
03/24/2020	LN	36027.00002 Lexis Charges for 03-24-20	91.45
03/24/2020	LN	36027.00002 Lexis Charges for 03-24-20	36.75
03/24/2020	LN	36027.00002 Lexis Charges for 03-24-20	9.16
03/24/2020	LN	36027.00002 Lexis Charges for 03-24-20	117.74
03/24/2020	LN	36027.00002 Lexis Charges for 03-24-20	18.28
03/24/2020	RE	(3 @0.10 PER PG)	0.30
03/24/2020	RE	(10 @0.10 PER PG)	1.00
03/25/2020	LN	36027.00002 Lexis Charges for 03-25-20	73.17
03/25/2020	LN	36027.00002 Lexis Charges for 03-25-20	18.28
03/25/2020	LN	36027.00002 Lexis Charges for 03-25-20	46.45
03/25/2020	LN	36027.00002 Lexis Charges for 03-25-20	221.27
03/25/2020	LN	36027.00002 Lexis Charges for 03-25-20	73.09
03/26/2020	LN	36027.00002 Lexis Charges for 03-26-20	82.95
03/26/2020	LN	36027.00002 Lexis Charges for 03-26-20	9.16
03/26/2020	LN	36027.00002 Lexis Charges for 03-26-20	8.77
03/26/2020	LN	36027.00002 Lexis Charges for 03-26-20	310.56
03/26/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10

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03/26/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/26/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
03/26/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
03/26/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
03/26/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/27/2020	LN	36027.00002 Lexis Charges for 03-27-20	9.16
03/27/2020	LN	36027.00002 Lexis Charges for 03-27-20	18.28
03/27/2020	LN	36027.00002 Lexis Charges for 03-27-20	9.15
03/27/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/27/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/27/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/27/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/27/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/27/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
03/27/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
03/27/2020	RE2	SCAN/COPY (68 @0.10 PER PG)	6.80
03/27/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/27/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
03/27/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
03/27/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/27/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
03/27/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
03/27/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
03/27/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/27/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
03/27/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
03/27/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
03/27/2020	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
03/27/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/27/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
03/27/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
03/27/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
03/27/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60

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03/27/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
03/27/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
03/27/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/27/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/27/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
03/27/2020	RE2	SCAN/COPY (76 @0.10 PER PG)	7.60
03/27/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
03/27/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
03/28/2020	LN	36027.00002 Lexis Charges for 03-28-20	9.15
03/29/2020	LN	36027.00002 Lexis Charges for 03-29-20	91.48
03/29/2020	LN	36027.00002 Lexis Charges for 03-29-20	105.52
03/29/2020	LN	36027.00002 Lexis Charges for 03-29-20	123.65
03/29/2020	LN	36027.00002 Lexis Charges for 03-29-20	27.43
03/30/2020	LN	36027.00002 Lexis Charges for 03-30-20	109.61
03/30/2020	LN	36027.00002 Lexis Charges for 03-30-20	127.88
03/30/2020	RE	(4 @0.10 PER PG)	0.40
03/30/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
03/30/2020	RE2	SCAN/COPY (45 @0.10 PER PG)	4.50
03/30/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
03/30/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
03/30/2020	RE2	SCAN/COPY (165 @0.10 PER PG)	16.50
03/30/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
03/30/2020	RE2	SCAN/COPY (69 @0.10 PER PG)	6.90
03/30/2020	RE2	SCAN/COPY (45 @0.10 PER PG)	4.50
03/30/2020	RE2	SCAN/COPY (58 @0.10 PER PG)	5.80
03/31/2020	LN	36027.00002 Lexis Charges for 03-31-20	8.41
03/31/2020	LN	36027.00002 Lexis Charges for 03-31-20	27.42
03/31/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
03/31/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
03/31/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
03/31/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
03/31/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00

Total Expenses for this Matter

\$18,747.77

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REMITTANCE ADVICE

Please include this Remittance with your payment

For current services rendered through: 03/31/2020

Total Fees \$1,222,801.25

Total Expenses 18,747.77

Total Due on Current Invoice \$1,241,549.02

Outstanding Balance from prior invoices as of 03/31/2020 (May not include recent payments)

<u>Bill Number</u>	<u>Invoice Date</u>	<u>Fees Billed</u>	<u>Expenses Billed</u>	<u>Balance Due</u>
123595	10/31/2019	\$383,583.75	\$9,958.84	\$76,716.75
123711	11/30/2019	\$798,767.50	\$26,317.71	\$159,726.50
124074	12/31/2019	\$589,730.75	\$26,226.80	\$117,946.15
124288	01/31/2020	\$898,094.25	\$28,854.75	\$179,618.85
124448	02/29/2020	\$941,043.50	\$8,092.94	\$949,136.44

Total Amount Due on Current and Prior Invoices: \$2,724,693.71

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EXHIBIT C

(Proposed Order)

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§
§
§
§
§
§

Chapter 11

Case No. 19-34054-sgj11

**ORDER GRANTING FIRST INTERIM APPLICATION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF PACHULSKI STANG ZIEHL & JONES LLP,
AS COUNSEL FOR THE DEBTOR AND DEBTOR IN POSSESSION, FOR THE
PERIOD FROM OCTOBER 16, 2019 THROUGH MARCH 31, 2020**

Upon consideration of the application (“Application”)² of Pachulski Stang Ziehl & Jones LLP (“PSZ&J”) for allowance of compensation for professional services rendered in the above-captioned case during the period from October 19, 2019 through March 31, 2020 (the “Compensation Period”), it is **HEREBY ORDERED THAT:**

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

² Capitalized terms used, but not otherwise defined herein, shall have the meanings ascribed to them in the Application.

1. PSZ&J is granted interim allowance of compensation in the amount of \$4,834,021.00 for the Compensation Period.
2. PSZ&J is granted interim allowance of reimbursement for expenses incurred in the amount of \$118,198.81 for the Compensation Period.
3. The Debtor is authorized and directed to remit payment to PSZ&J of such allowed compensation and expense reimbursement amounts totaling \$4,952,219.81, less any and all amounts previously paid on account of such fees and expenses.
4. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

###END OF ORDER###

EXHIBIT D

BUDGET AND STAFFING PLAN

PROJECT CATEGORY	HOURS BUDGETED¹	FEES BUDGETED¹	HOURS BILLED	FEES SOUGHT
Appeals	10.00	\$ 10,000.00	11.40	\$ 10,118.00
Asset Analysis/ Recovery	600.00	\$ 550,000.00	566.30	\$ 526,305.00
Bankruptcy Litigation	1,500.00	\$1,500,000.00	1361.00	\$1,228,954.50
Case Administration	325.00	\$ 200,000.00	265.70	\$ 188,621.00
Cayman Bermuda Matters	20.00	\$ 15,000.00	14.80	\$ 13,483.50
Claims Administration/ Objection	1,500.00	\$1,250,000.00	1263.90	\$1,182,888.50
Compensation of Professionals	10.00	\$ 10,000.00	46.70	\$ 27,383.50
Compensation of Professionals/ Other	50.00	\$ 40,000.00	31.10	\$ 24,720.00
Corporate Governance	40.00	\$ 30,000.00	8.30	\$ 5,602.50
Employee Benefits/ Pension	250.00	\$ 250,000.00	218.60	\$ 210,393.00
Executory Contracts	30.00	\$ 25,000.00	17.90	\$ 15,047.00
Financial Filings	75.00	\$ 75,000.00	76.80	\$ 66,376.00
Financing	20.00	\$ 15,000.00	14.30	\$ 12,608.50
First Day	20.00	\$ 15,000.00	65.60	\$ 58,538.00
General Business Advice	500.00	\$ 525,000.00	550.40	\$ 537,175.00
General Creditors' Committee	80.00	\$ 75,000.00	80.70	\$ 79,092.50
Insurance Coverage	50.00	\$ 50,000.00	39.50	\$ 40,774.50
Litigation (Non-Bankruptcy)	15.00	\$ 10,000.00	14.40	\$ 10,787.00
Meeting of Creditors	20.00	\$ 15,000.00	17.70	\$ 15,801.50
Operations	150.00	\$ 100,000.00	101.20	\$ 83,703.00
Plan & Disclosure Statement	75.00	\$ 40,000.00	33.30	\$ 26,387.50
Retention of Professionals	10.00	\$ 10,000.00	9.30	\$ 8,057.50
Retention of Professionals/ Other	300.00	\$ 250,000.00	307.00	\$ 261,684.00
Stay Litigation	50.00	\$ 50,000.00	50.90	\$ 51,250.50
Travel/ Non-Working Travel Time (billed at ½ rate)	300.00	\$ 150,000.00	293.20	\$ 148,269.00
Total	6,000.00	\$5,260,000.00	5,460.00	\$4,834,021.00

Case Name: Highland Capital Management, L.P.
Case Number: 19-34054-sg11
Applicant's Name: Pachulski Stang Ziehl & Jones LLP
Date of Application: 04/28/20
Interim or Final: Interim

¹ If applicable.

BUDGET AND STAFFING PLAN

If the parties consent or the court so directs, a staffing plan approved by the client in advance should generally be attached to each interim and final fee application filed by the applicant. If the fees are sought in the fee application for a greater number of professionals than identified in the staffing plan, the fee application should explain the variance.

	CATEGORY OF TIMEKEEPER 1 (using categories maintained by the firm)	NUMBER OF TIMEKEEPERS EXPECTED TO WORK ON THE MATTER DURING THE BUDGET PERIOD	AVERAGE HOURLY RATE
	Sr./Equity Partner/Shareholder	15	\$992.40
	Of Counsel	11	\$820.75
	Associate (4-6 years since first admission)	1	\$592.93
	Law Library Director	1	\$436.57
	Paralegal	3	\$406.31
	Case Management Assistants	4	\$334.43
1 As an alternative, firms can identify attorney timekeepers by years of experience rather than category of attorney timekeeper: 0-3, 4-7, 8-14, and 15+. Non-attorney timekeepers, such as paralegals, should be identified by category.			

Case Name:	Highland Capital Management, L.P.
Case Number:	19-34054-sg11
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Date of Application:	04/28/20
Interim or Final:	Interim

EXHIBIT E
CUSTOMARY AND COMPARABLE COMPENSATION DISCLOSURES WITH FEE APPLICATIONS

(See Guidelines C.3. for definitions of terms used in this Exhibit.)

	CATEGORY OF TIMEKEEPER (using categories already maintained by the firm)	BLENDED HOURLY RATE	
		BILLED OR COLLECTED Firm or offices for preceding year, excluding bankruptcy*	BILLED In this fee application
	Sr./Equity Partner/Shareholder	\$1,012.18	\$992.40
	Of Counsel	\$832.12	\$820.75
	Associate (4-6 years since first admission)	\$615.00	\$592.93
	Law Library Director	\$450.00	\$436.57
	Paralegal	\$391.00	\$406.31
	Case Management Assistants	\$325.00	\$334.43
	All timekeepers aggregated	\$604.22	\$885.35

* Represents approximate blended hourly rate. Non-estate work for PSZ&J represents a de minimis amount of the Firm's revenues as the Firm's engagements are primarily on behalf of debtors, official committees, and other estate-billed constituencies. For the fiscal year ending 2018, non-estate work represented approximately 2-3% of the Firm's revenues. In 2019, non-estate work represented approximately 4-5% of the Firm's revenues, and in 2020, it is expected that non-estate work will represent approximately 4-5% of the Firm's revenues.

**Represents an estimate for the aggregate blended hourly rate for all timekeepers on non-estate work.

Case Name:	Highland Capital Management, L.P.
Case Number:	19-34054-sg11
Applicant's Name:	Pachulski Stang Ziehl & Jones LLP
Date of Application:	04/28/20
Interim or Final:	Interim

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Attorneys for James Dondero

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

IN RE:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

Debtor.

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Case No. 19-34054

Chapter 11

**JAMES DONDERO'S LIMITED RESPONSE TO ACIS CAPITAL MANAGEMENT,
L.P. AND ACIS CAPITAL MANAGEMENT GP, LLC'S MOTION FOR RELIEF FROM
THE AUTOMATIC STAY TO ALLOW PURSUIT OF MOTION FOR ORDER TO
SHOW CAUSE FOR VIOLATIONS OF THE ACIS PLAN INJUNCTION**

COMES NOW, James Dondero ("Dondero") and files this, his Limited Response to Acis Capital Management, L.P. and Acis Capital Management GP, LLC's (collectively, the "Movants") Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for [claimed] Violations of the Acis Plan Injunction [Docket No. 593] ("Motion"), and Dondero would respectfully show as follows:

1. Dondero denies each and every allegation or insinuation in paragraphs 1 through 21 of the Motion that he has engaged in or committed any wrongdoing, bad act, or improper act. Dondero also denies each and every allegation or insinuation in paragraphs 1 through 21 of the

Motion that he has acted, or caused actions or conduct in violation of the Court's orders in the Acis Capital Management, L.P. *et al* bankruptcy cases.

2. Attached as Exhibit 1 to the Motion is an alleged draft Show Cause Motion, which the Movants incorporate in to the Motion. Dondero denies each and every allegation or insinuation in the draft Show Cause Motion that he has engaged in or committed any wrongdoing, bad act, or improper action or conduct. Dondero also denies each and every allegation or insinuation in the draft Show Cause Motion that he has acted, or caused, actions or conduct in violation of the Court's orders in the Acis Capital Management, L.P. *et al* bankruptcy cases.

3. Dondero states that the automatic stay in the above captioned chapter 11 case is not applicable to Dondero in his individual capacity, but to the extent the automatic stay is applicable, Dondero does not oppose relief from stay being granted.

4. Movants' claims and allegations in the Show Cause Motion are without merit. However, the merits of those claims and allegations, including any and all preliminary findings necessary to reach the merits of a show cause or contempt claim, should not be discussed, litigated, debated, ruled upon, or determined by this Court during or through a lift stay proceeding. Such matters should be heard, if at all, via a separate proceeding after all targeted parties are afforded sufficient due process.

WHEREFORE, PREMISES CONSIDERED James Dondero respectfully prays that the merits of any claims or allegations asserted in the Motion or Show Cause Motion regarding any alleged wrongdoing, bad act, or improper action or conduct of Dondero not be discussed, litigated, debated, ruled upon, or determined by this Court during or through a lift stay proceeding, including any and all preliminary findings necessary to reach the merits of a show cause or contempt claim; and for any further relief that James Dondero is entitled.

Dated: May 1, 2020

Respectfully submitted,

/s/ D. Michael Lynn

D. Michael Lynn

State Bar I.D. No. 12736500

John Y. Bonds, III

State Bar I.D. No. 02589100

Bryan C. Assink

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Attorneys for James Dondero

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on May 1, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for Movants and on all other parties requesting such service in this case.

/s/ Bryan C. Assink

Bryan C. Assink

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Attorneys for the Debtor and Debtor in Possession

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

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Chapter 11

Case No. 19-34054-sgj11

Response Deadline: July 23, 2020 at 4:00 p.m. (ET)

Hearing Date: August 6, 2020 at 9:30 a.m.

**OBJECTION TO PROOF OF CLAIM OF ACIS CAPITAL MANAGEMENT L.P. AND
ACIS CAPITAL MANAGEMENT GP, LLC**

Pursuant to sections 502(b)-(d) and 558 of Title 11 of the United States Code (the

“Bankruptcy Code”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the

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

“Bankruptcy Rules”), debtor and debtor in possession Highland Capital Management, L.P. (the “Debtor”) hereby objects to Proof of Claim No. 3 (the “Acis Claim”) filed by claimants Acis Capital Management L.P. and Acis Capital Management GP, LLC (together, “Acis”).

The Debtor respectfully submits that there are numerous bases for the summary disposition of all claims for relief asserted in the Acis Claim, and represents as follows:

Preliminary Statement

1. The Acis Claim incorporates the complaint from litigation commenced by the trustee of the former estate in the Acis bankruptcy case (the “Acis Case”) at a time when Acis had unpaid creditors (the “Acis Complaint”).² The trustee sought to avoid and recover certain transfers by Acis that were allegedly intended to prevent its largest creditor, Josh Terry, from collecting his \$8.168 million arbitration award (the “Arbitration Award”). The transfers, allegedly orchestrated by James Dondero using his common control and ownership interests in Acis, the Debtor and the other Highland entities, were purportedly intended to “denude” Acis by transferring certain of its management contracts and interests in the managed assets to its affiliates, including the Debtor. Finding a likelihood of success that certain transfers were avoidable, the Court issued a preliminary injunction, which was carried over into a “Temporary Plan Injunction” that allowed Acis to manage those assets to pay creditors. Consistent with that substantive basis, the injunction expires once those creditors are paid in full. That is the operating principle of the Acis Plan: creditors are paid using assets temporarily diverted from the putative transferees that are named as defendants in the Acis Complaint.

² Specifically, the Acis Claim incorporates the *Second Amended Complaint (Including Claim Objections and Objections to Administrative Expense Claims)* filed in Adversary No. 18-03078 in the Acis Case.

2. The Acis Plan has worked as intended. The income diverted by the temporary injunction will soon have paid Mr. Terry and Acis's other creditors 102% of their claims, *plus* all of the administrative expenses incurred to achieve that result. There will no longer be an estate or estate claims to administer. Having served its purpose, the injunction dissolves and the creditor remedies asserted in the Acis Complaint become moot. But Acis is doing the opposite. It filed the Acis Claim in the amount of "at least \$75 million" and has initiated new lawsuits in federal and state court against employees, advisors and professionals for allegedly breaching duties owed not to creditors but *purportedly owed to Acis*. The sole beneficiary of these far-flung litigations would be Mr. Terry, whose claim is paid in full under the Acis Plan, except for \$1 million with which he chose to purchase Acis's equity.³ Now Mr. Terry seeks a \$75 million windfall, which would come not at Dondero's expense but from the pockets of the Debtor's innocent creditors (including unsecured trade creditors, the Redeemer Committee of the Highland Crusader Fund ("Redeemer"), with an arbitration award of \$190,824,557, and UBS Securities LLC ("UBS").

3. Attempted windfalls usually have a fallacious premise, and this one is a \$75 million whopper. The fallacy is that Reorganized Acis has greater rights than "old Acis," which at the time of the transfers was a member of the Highland related entities that Acis itself alleges were controlled and primarily owned by Dondero. Acis alleges that each was an alter ego of the others, which means that *Acis is just as culpable, and just as much an alter ego, as*

³ Inasmuch as claims against Acis are worth 102%, Terry's \$1 million reduction of his claim was the substantive equivalent of paying \$1 million, not a typical debt for equity exchange.

any of the others. Coupled with the fact that Acis's creditors are being paid in full, several things follow that are instantly fatal to the Acis Claim. None are subject to any factual dispute.

a. First, it is undisputed that at the time of the transfers, James Dondero and Mark Okada were Acis's sole owners, and it is hornbook law that sole owners do not owe fiduciary duties *to their company*. Subject of course to the rights of creditors to claw back transfers that leave a company unable to pay its debts, Dondero and Okada as Acis's sole owners were free to transfer its assets to other entities, and third parties had no duty or right to stop them. "Delaware law is clear that a company's sole owner cannot breach fiduciary duties 'owed to the companies he wholly owned.' ... [Plaintiff] has not cited legal support for the proposition that a nonowner can be liable for conspiring with the sole owner of a partnership for breaching duties that the owner owes himself." *Tow v. Amegy Bank N.A.*, 976 F. Supp. 2d 889, 906-07 (S.D. Tex. 2013) (internal citation omitted). Whatever their motive, if Acis's owners wanted to shut it down, they were free to do so, subject to the rights of creditors, who are being paid in full without any further recovery.⁴ Nor can Acis base its claims on the rights of Acis's former creditors. For one thing, they've been paid, and for another, Delaware law does not permit creditors of a limited partnership to sue third parties for breach of fiduciary duty, *nor does*

⁴ Acis relies heavily on the Arbitration Award, but the panel found no violation of any duty *to the partnership*. The only duty that the panel found was breached was between partners: it was the duty of the majority partners not to exceed the ratio of expenses to revenue while Terry was a 25% limited partner. Even that duty expired with Terry's partnership interest when his employment was terminated. About that there is no dispute: the cash-out of his partnership interest was the primary component of the Arbitration Award. The panel found that Terry was not wrongfully terminated because his employment was "at-will," but that he was entitled to payment for his partnership interest because the termination was not for cause. Most of the rest of his award was his pro rata partnership share of the alleged Overpayments (which he now seeks to recover *twice* by claiming them through Acis).

*it permit a trustee to sue on their behalf.*⁵ These claims are not and cannot as a matter of law be brought for the benefit of Acis's former creditors.

b. Second, even if fiduciary duties had been owed, Acis's duty-based claims against the Debtor and other third parties are barred by the *in pari delicto* defense. It is a paradigmatic application of the doctrine: Acis cannot sue others for participating in a scheme in which it, as one of the entities it alleges was commonly owned and controlled, was equally culpable. This fundamental defect is obscured by the subsequent appointment of a trustee and change of ownership. But while the Fifth Circuit has not decided the issue, it has affirmed that Bankruptcy Code § 541 subjects trustees and successors to whatever defenses existed against the debtor, and most courts of appeal hold that, as a result, the appointment of a trustee does not "cleanse" the *in pari delicto* defense (much less, as here, where the claims purportedly revested in the reorganized debtor). Even if the equities are applied, as this Court once held they may, there is no equity in permitting a new owner to sue persons for conspiring with the old owner, in order to parlay a \$1 million investment into \$75 million, *at the expense of this Debtor's creditors*. These facts are not in dispute, and the issue can and should be decided on the record before the Court.

c. Third, the fraudulent transfer claims fail, and may be summarily resolved, because the Debtor did not receive the benefit of the alleged fraudulent transfers since (with one exception) it was not the transferee of the transferred rights. Bankruptcy Code §

⁵ *Beskroner v. OpenGate Capital Grp. (In re Pennysaver USA Publ'g, LLC)*, 587 B.R. 445, 467 (Bankr. D. Del. 2018); *Gavin/Solmonese LLC v. Citadel Energy Partners, LLC (In re Citadel Watford City Disposal Partners, L.P.)*, 603 B.R. 897, 905 (Bankr. D. Del. 2019).

550(a) is not satisfied as to those transfers for which the Debtor was not the initial transferee: it is insufficient as a matter of law simply to allege an amorphous benefit from being part of the same corporate group. This is all that the Acis Claim alleges – the Debtor benefited solely because it was a Highland related entity. Furthermore, if the Debtor did not receive the benefit from a transfer, there are no damages in the first place. That is shown *conclusively* by the fact that the earnings derived by Acis from the enjoined transfer of the ALF PMA have already paid Acis’s creditors and administrative expenses. That is presumably why the Acis Claim lacks any damage allegations – there are none.

d. Fourth, the fraudulent transfer claims also fail, along with preference claims as well, for another reason that may also be summarily resolved: a debtor cannot recover avoidance claims for its own benefit under section 550(a) of the Bankruptcy Code. There must be a benefit to the debtor’s estate. Here, there is nothing left of the former Acis estate: creditors were paid, old equity was canceled, and the new equity is held by a purchaser who paid \$1 million, no different than if he had done so in an auction. There is no estate to benefit. Authority before and after *Mirant* holds that avoidance recoveries should be limited based on equitable considerations, which in this case are conclusively in favor of limiting any recovery to the amount required to satisfy creditors’ claims. Unlike *Mirant* and this Court’s *Texas Rangers* decision, this is not a case in which a recovery will enable a debtor to satisfy outstanding plan obligations, or one in which creditors were forced to take equity instead of cash

and are depending on its value for a recovery on their claims.⁶ There is no estate and no equities to support Mr. Terry's windfall.

e. Fifth, Acis may not assert for its own benefit any claims against prior equity holders or third parties that were not pending when Mr. Terry purchased the company. The *Bangor Punta* doctrine holds that a purchaser of controlling equity in a company may not then use the control over the corporate machinery to turn around and assert claims against the prior owners if the claims arose prior to the date when the purchaser took control.⁷ The reasons are self-evident and squarely applicable here: the purchaser paid what it considered fair value and has suffered no damage, and to permit such claims would promote the kind of litigation free-for-all in which Mr. Terry is presently engaged. This bars standing as to all claims except those the trustee had already asserted prior to Mr. Terry's purchase (relating to the ALF share transfer, ALF PMA transfer and the note transfer described herein), all of which claims fail for multiple other independent reasons.

f. Sixth, Acis's four claims seeking \$7 million in so-called "Overpayments" have no legal basis and should be summarily disallowed. These are payments for services that exceeded, in gross, the expense ratio that was permitted under Acis's limited partnership agreement (the "Acis LPA") without partner consent. The only alleged substantive basis for recovery is the claim that the Overpayments were *ultra vires* acts, which would be flatly wrong even if it applied in concept (which it does not): (i) Acis was indisputably *authorized* to

⁶ Significantly, any recovery on preference or constructive fraudulent transfer claims would be offset by the Debtor's resulting claims under Bankruptcy Code § 502(h), which would be entitled to full payment under the Acis Plan.

⁷ *Bangor Punta Operations, Inc. v. Bangor & A. R. Co.*, 417 U.S. 703, 710, 94 S. Ct. 2578 (1974); *Midland Food Servs., LLC v. Castle Hill Holdings V, LLC*, 792 A.2d 920, 929 (Del. Ch. 1999).

pay for services, which is all that matters legally; any excess was not *ultra vires* but an inter-partner issue already addressed by the Arbitration Award (through which Mr. Terry already recovered his share); (ii) turnover under Bankruptcy Code § 542(a) does not apply to disputed debts as a matter of law; and (iii) and the “money had and received” and conversion claims are equally inapplicable as a matter of law. In any event, most of the time period during which the alleged Overpayments were made is beyond the two year statute of limitations under Texas law.

g. Seventh, Acis’s civil conspiracy claim also fails as a matter of law because the claim is not recognized: section 550 provides the statutory remedies for any fraudulent transfer liabilities, and it may not be circumvented by a conspiracy claim.

h. Eighth, Acis’s tortious interference claim fails as a matter of law because it does not apply to at-will contracts, and the Debtor had the right to compete for the business.

i. Ninth, Acis’s breach of contract claim, like its claim for breach of fiduciary duty, rests on the fallacy that Acis had legal interests that were distinct from those of its sole owners, duties that parties contracting with Acis had a duty to identify and protect even though Acis’s sole owners instructed otherwise. That is not the law.

j. Tenth, alter ego liability is inadequately pled; it is a remedy and not a claim and, moreover, is unavailable on the alleged grounds. What Acis alleges is “single enterprise” liability based on common control by Mr. Dondero, a theory never adopted under Delaware law (which controls) and also rejected by the Texas Supreme Court.

k. Numerous other of the Debtor's defenses are meritorious but cannot be decided summarily, including defenses such as solvency (*Acis* was manifestly solvent without recovering *all* of the alleged fraudulent or preferential transfers), preference defenses and punitive damages (to the extent any tort claim is not dismissed; notably, such damages would be subordinated at best).

4. The rights of creditors to be paid were the legal basis of the *Acis* Plan injunction, which is why the injunction terminates once those creditors are paid in full. Mr. Terry elected to acquire new equity for \$1 million; he is not entitled to receive another \$75 million by claiming that *Acis* was damaged by those transfers, much less from the pockets of the Debtor's unpaid creditors. To impose on the former partners and third parties such as the Debtor a duty to "restore" \$75 million to the former business, not to pay its creditors but for the sole benefit of a successor owner who bought the diminished entity for \$1 million, would be a legally groundbreaking windfall, to say the least. The *Acis* Claim can and should summarily be disallowed in its entirety on the record before the Court.

Jurisdiction

5. The Court has jurisdiction over this matter under the Bankruptcy Code and pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2)(A), (B) and (L). Venue is proper in this District under 28 U.S.C. §§ 1408 and 1409.

6. The statutory predicates for the relief requested herein are 11 U.S.C. § 502(b)-(d), 11 U.S.C. § 558 and Fed. R. Bankr. P. 3007.

Factual Background

7. On October 16, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court for the District of Delaware, Case No. 19-12239 (CSS) (the “Delaware Court”).

8. On October 29, 2019, the Official Committee of Unsecured Creditors (the “Committee”) was appointed by the U.S. Trustee in the Delaware Court.

9. On December 4, 2019, the Delaware Court entered an order transferring venue of the Debtor’s Bankruptcy Case to this Court [Docket No. 186].⁸

10. On December 27, 2019, the Debtor filed that certain *Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* [Docket No. 281] (the “Settlement Motion”). This Court approved the Settlement Motion on January 9, 2020 [Docket No. 339] (the “Settlement Order”).

11. The Settlement Order approved, among other things, certain operating and reporting protocols [Docket Nos. 354, 466].

12. In connection with the Settlement Order, an independent board of directors was appointed on January 9, 2020, at the Debtor’s general partner, Strand Advisors, Inc. (the “Independent Board”)

13. The Debtor has continued in the possession of its property and has continued to operate and manage its business as a debtor-in-possession pursuant to sections

⁸ All docket numbers refer to the docket maintained by this Court.

1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this chapter 11 case.

Objection

A. Legal Standard

14. The Bankruptcy Code establishes a burden-shifting framework for proving the amount and validity of a claim. “A claim . . . , proof of which is filed under section 501 [of the Bankruptcy Code], is deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a). “A proof of claim executed and filed in accordance with the [Bankruptcy Rules] shall constitute *prima facie* evidence of the validity and amount of the claim.” Fed. R. Bankr. P. 3001(f); *see also In re Armstrong*, 347 B.R. 581, 583 (Bankr. N.D. Tex. 2006). However, the ultimate burden of proof for a claim always lies with the claimant. *Armstrong*, 347 B.R. at 583 (citing *Raleigh v. Ill. Dep’t of Rev.*, 530 U.S. 15 (2000)).

15. The Acis Claim incorporates and is expressly based upon the claims and causes of action asserted in the Acis Complaint filed in the Acis Case. It purports to assert thirty-four claims for relief, which are described and addressed *seriatim* below.

B. Claims 1-4 to Recover the Alleged Overpayments Must be Disallowed

16. The first four claims are based on service and expense payments by Acis to the Debtor that allegedly exceeded 20% of revenues, without Mr. Terry’s consent, in violation of section 3.10(a) of the Acis LPA, which provides that “the aggregate annual expenses of the Partnership . . . may not exceed 20% of Revenues without the consent of all of the members of

the Founding Partner Group.” The arbitration panel found that Mr. Terry (still a partner at that time) had not consented to these so-called “Overpayments,” which totaled \$7,021,924.

17. Acis asserts four claims: (1) the alleged Overpayments were void or voidable *ultra vires* acts because all of the partners had not consented; (2) the Overpayments are Acis’s estate property subject to turnover under Bankruptcy Code § 542(a); (3) the Debtor is liable to return the Overpayments as “money had and received”; and (4) the Debtor is liable for conversion of the alleged Overpayments.⁹

18. Each of the four claims is frivolous, and all should be summarily disallowed: (1) the Alleged Overpayments were not *ultra vires*; (2) the turnover statute does not apply when the right to the property is disputed; (3) “money had and received” does not apply as a matter of law; and (4) neither does conversion. (As discussed below, even if these claims were not frivolous, because they are brought for the benefit of Acis’s equity acquirer and not for the benefit of creditors, they are also barred by the *Bangor Punta* doctrine.)

1. The Alleged Overpayments Were Not Void or Voidable as Ultra Vires

19. Acis obviously had the *power* to make payments for services. That is all that would matter even if Delaware had not essentially abolished the *ultra vires* doctrine.¹⁰ If Acis paid more for services than the Acis LPA permitted without the partners’ consent, that is a

⁹ Acis appears to base its claims solely on allegations that the alleged Overpayment are void, not on the alleged excessive contract rates. As set forth herein, the Debtor believes all four claims may be summarily disallowed as a matter of law on undisputed facts. Nonetheless, the Debtor reserves the right to bring defenses with respect to whether the rates were reasonable or any other applicable defenses.

¹⁰ See discussion *infra*; *Carsanaro v. Bloodhound Techs., Inc.*, 65 A.3d 618, 648 (Del. Ch. 2013) (*ultra vires* applied under former law when “the corporation acted outside the scope of . . . its authorized powers.”).

matter *between partners*, not an *ultra vires* act. That is how the arbitration panel treated it for purposes of valuing Mr. Terry's partnership interest: it calculated how much Mr. Terry would have received as a 25% partner had expenses not exceeded the limit, and included it in the Arbitration Award. By necessary extension, the rest of any recovered money should be distributed to the *other* partners; instead, Mr. Terry seeks to recover it a second time.

20. Regardless, *ultra vires* is inapplicable. It formerly applied under Delaware law only when "the corporation acted outside the scope of ... its authorized powers" (which was not the case here) but the superseding statute essentially eliminated any utility the *ultra vires* doctrine had. *See* Delaware General Corporation Law, § 124 ("No act of a corporation and no conveyance of real or personal property to or by a corporation shall be invalid by reason of the fact that the corporation was without capacity or power to do such act or to make or receive such conveyance or transfer. . . ."); *see also Carsanaro v. Bloodhound Techs., Inc.*, 65 A.3d 618, 648 (Del. Ch. 2013).

21. Furthermore, contrary to Acis's suggestion, even if Delaware had not statutorily eliminated *ultra vires* as a valid concept in corporate law, the concept of *ultra vires* acts never applied to partnerships. The Acis Claim blatantly misstates the law and the cited decision in stating that corporate law on *ultra vires* applies by analogy. *In re Mesa Ltd. P'ship Preferred Unitholders Litig.*, Civil Action No. 12,243, 1991 Del. Ch. LEXIS 214, at *20 (Dec. 10, 1991) did not apply *ultra vires* to a partnership, by analogy or otherwise. In fact, it had nothing whatsoever to do with *ultra vires*. It was an unpublished decision involving a ratification issue in a breach of fiduciary duty case. *Ultra vires* was mentioned as one of several

things that can be cured by ratification, after which the court began the next paragraph with:

“Case rulings construing statutory corporation law are not necessarily binding precedents as to issues arising under contractual partnership agreements but they may often be helpful by analogy.” The Eleventh Circuit Court of Appeal has suggested that *ultra vires* does not apply to partnerships even in concept.¹¹

22. Acis does not claim that the alleged Overpayments are void or voidable on any substantive basis other than *ultra vires*, and thus has no colorable claim under state law to recover its own payments. Accordingly, claims 1-4 must be disallowed under Bankruptcy Code § 502(b)(1). A claimant may not simply venture forth recovering payments a debtor has made without some substantive basis; whether Mr. Terry was deemed to consent to them under the Acis LPA is completely irrelevant.

2. Turnover Under Bankruptcy Code § 542(a) is Inapplicable

23. It is axiomatic that turnover under Bankruptcy Code § 542(a) applies only to obtain possession of property that is indisputably property of the estate. *See, e.g., United States v. Inslaw, Inc.*, 932 F.2d 1467, 1472 (D.C. Cir. 1991) (“It is settled law that the debtor cannot use the turnover provisions to liquidate contract disputes or otherwise demand assets whose title is in dispute.”); *In re Amcast Indus. Corp.*, 365 B.R. 91, 122 (Bankr. S.D. Ohio 2007) (“Recovery under 11 U.S.C. § 542 is limited to assets that are undisputedly property of the

¹¹ *In re Sec. Grp.*, 926 F.2d 1051, 1054 n.5 (11th Cir. 1991) (“The appellants consistently cast their argument as one alleging the guaranties were *ultra vires* with respect to the partnerships. *Ultra vires* is a uniquely corporate concept, arising out of an historical fear and distrust of the corporate form. [citation omitted] Indeed, almost all of the cases cited by the appellants involve corporations, not partnerships. We do not believe that this uniquely corporate concept controls this case.”).

estate.”) (citation omitted). Here, Acis’s purported right to the property at issue is clearly in dispute, and section 542(a) is therefore inapplicable.

3. “Money Had and Received” is Also Inapplicable

24. “The quasi-contractual action for money had and received is a cause of action for a debt not evidenced by a written contract between the parties” (*MGA Ins. Co. v. Chesnutt*, 358 S.W.3d 808, 815 (Tex. App. 2012)). Here, the alleged Overpayments were made pursuant to valid contracts. Once again, therefore, Acis’s theory of relief is conceptually inapplicable.

25. Even if there were a claim for “money had and received,” a substantial portion of such a claim would be time-barred. The Arbitration Award found that the alleged Overpayments were made from 2014 to May 2016. Texas applies a two-year statute of limitations to claims for money had and received. *Merry Homes, Inc. v. Luc Dao*, 359 S.W.3d 881, 884 (Tex. App. 2012) (citing “clear precedent”). Accordingly, Acis cannot recover any alleged Overpayments that were made prior to January 31, 2016 (two years prior to the Acis petition date).

4. Conversion is Also Inapplicable

26. Conversion is another inapplicable claim. The Debtor has no identifiable, segregated money subject to recovery through a conversion cause of action, and Acis has not even attempted to identify any such money or property. *See, e.g., Lawyers Title Co. v. J.G.*

Cooper Dev., Inc., 424 S.W.3d 713, 718 (Tex. App. 2014) (“an action for conversion of money arises only where the money can be identified as a specific chattel, meaning it is (1) defined for safe keeping; (2) intended to be kept segregated; (3) substantially in the form in which it is received or an intact fund; and (4) not the subject of a title claim by the keeper”). As noted above, conversion and similar claims are subject to a two-year statute of limitations (Tex. Civ. Prac. & Rem. Code 16.003(a)). Acis cannot meet its burden of proving these requirements.

C. Claims 5-25: All Avoidance Claims Should be Disallowed Because They Seek Recovery Under Section 550(a) of Amounts in Excess of Acis’s Plan Obligations

27. Reorganized Acis will no doubt contend that it may prosecute avoidance claims and recover damages without regard to whether creditors are paid in full, because the company itself was damaged by the transfers. The argument is invalid and is based on a gross oversimplification of the law. Reorganized Acis stands in the shoes of old Acis, and debtors cannot recover transfers for their own benefit, except to the extent the recovery is effectively in payment of a claim. Acis has paid its creditors; in fact, it did so with money effectively recovered from the Debtor on one of the very claims it asserts here, by virtue of the Temporary Plan Injunction! Bankruptcy Code § 550 does not permit a debtor or anyone standing in the shoes of the debtor to recover another \$75 million for the benefit of the debtor. ***This is a summary basis for disallowance of all avoidance claims alleged in Claims 5-25.***

28. “Courts have consistently held that an avoidance action can only be pursued if there is some benefit to creditors and may not be pursued if it would only benefit the debtor.” *Balaber-Strauss v. Harrison (In re Murphy)*, 331 B.R. 107, 122 (Bankr. S.D.N.Y.

2005) (citing *Wellman v. Wellman*, 933 F.2d 215, 218 (4th Cir. 1991) (denying recovery “when the result is to benefit only the debtor rather than the estate”)). Consistent with that principle, the Acis Plan provides that “the Reorganized Debtor shall have exclusive standing . . . to prosecute . . . Estate Claims *for the benefit of the Estate*” Acis Plan, § 7.03 (emphasis added). But a recovery of “at least \$75 million” in damages demanded by Reorganized Acis will benefit only one person or entity, namely Mr. Terry, who bought the equity interests in the new Acis. Acis’s creditors will have been paid in full; none are depending for their recovery on anything more than has already been recovered by means of the Temporary Plan Injunction. Mr. Terry is among those Acis creditors who will have been paid in full. He may claim that he acquired his equity interest in the new Acis in a debt for equity exchange, *i.e.*, by shaving \$1 million off his \$8.168 million claim, but that is not a recovery on behalf of his claim, but on behalf of the new equity that he bought. There is no substantive difference between discounting a hundred cent claim and a cash purchase. Even if there was, it would not justify such a windfall, much less at the expense of *the Debtor’s creditors*. These include unsecured trade creditors, Redeemer, which has filed a proof of claim in respect of its arbitration award of \$190,824,557 in damages as of the petition date, and UBS.

29. Restoring the pre-transfer equity value of the old Acis, after its creditors have been paid in full, and the equity to be “restored” is newly issued and purchased equity, is not the kind of “benefit to the estate” contemplated by *MC Asset Recovery LLC v. Commerzbank A.G. (In re Mirant Corp.)*, 675 F.3d 530, 534 (5th Cir. 2012), as discussed below. There is no post-confirmation “estate” to benefit within the meaning of section 550(a). Unlike any decision

in which a recovery was found to at least indirectly benefit an estate, where, e.g., plan obligations were unfulfilled, or even simply to boost equity value where creditors had received new equity interests on account of their claims (as opposed to purchasing the new equity, as Mr. Terry effectively did), there is no benefit to the estate here. Creditors were paid and Acis's equityholders' interests were canceled under the Acis Plan, and with it their partnership, a relationship that dissolved by operation of law upon the bankruptcy of their general partner, Acis LLC.¹² There is only a new owner, Mr. Terry, who purchased the new equity under the Acis Plan exactly as if it were sold at auction. There is no legal basis for Mr. Terry's attempt to stand in the shoes of the preconfirmation partnership in order to recover more assets than necessary to satisfy its liabilities.

30. In fact, there is a triple irony to Reorganized Acis's demand: (i) first, Mr. Terry is already the only person who was paid for his former equity interest in Acis (the value of which was the main component of the Arbitration Award, for which he has been paid in full in cash); (ii) second, the petition-date Acis equity holders (the persons who might have benefited from Acis recovering its prepetition transfers if their interests had not been canceled) will not

¹² As a Delaware entity, Acis LP was governed by the Delaware Revised Uniform Limited Partnership Act ("DRULPA"). DRULPA specifies six different events that trigger the dissolution of a Delaware limited partnership. Pertinent here, these include a withdrawal of the general partner "upon the happening of events specified in a partnership agreement...." Article 5 of the Acis LP Agreement, captioned "Dissolution and Winding Up," provides that Acis LP "shall be dissolved" upon any of four events, which include the bankruptcy of the general partner (Sec. 5.01(a)). Here, the general partner was co-debtor Acis LLC. State law dissolution may be prevented by an election by the partners to continue the partnership, made within 90 days of the general partner's bankruptcy filing, but that did not occur. "Because these dissolution provisions have been adopted into the partnership law of almost every state, federal bankruptcy courts have generally enforced the UPA and RULPA dissolution provisions as incorporated in state law, and have held partnerships to be dissolved upon the filing of a bankruptcy petition by a general partner." Lawrence J. La Sala, *Partner Bankruptcy and Partnership Dissolution: Protecting the Terms of the Contract and Ensuring Predictability*, 59 Fordham L. Rev. 619, 621(1991) (citing cases) (available at: <https://ir.lawnet.fordham.edu/flr/vol59/iss4/5>).

only see none of any recovery, they or their affiliates are actually the ones being asked to pay it; and (iii) third, the only recipient of the \$75 million would be Mr. Terry himself! Presumably, Mr. Terry purchased Reorganized Acis in anticipation of earning money managing assets while it paid Acis creditors; if he anticipated a \$75 million return on his \$1 million investment at the expense of the Debtor's creditors, it was a gross miscalculation, inconsistent with the law.

31. *Mirant* is entirely consistent with the Debtor's position, and is not in derogation of the substantial body of authority holding that section 550 is subject to equitable limitations. In *Mirant*, the debtor had sued its lenders to avoid a guaranty and recover payments thereunder. Its plan of reorganization provided for the creation of a special litigation entity ("MCAR"). Unsecured creditors received Reorganized Mirant stock and an interest in MCAR's recoveries. The lender moved for summary judgment in part on the basis that creditors would be paid in full and so MCAR lacked standing. The district court found that MCAR had standing (while granting summary judgment on other grounds), ruling in part:

Finally, and *most importantly, the fact that the creditors were paid in New Mirant stock confers standing on MCAR to pursue the avoidance action based on the indirect benefit to the creditors from a more financially sound estate....* [S]ee also Acequia, 34 F.3d at 811-12 (discussing broad interpretations of 'benefit the estate' in context of avoidance actions and fact that equity stake to creditors results in benefit to estate)... *In the instant case, the creditors were paid in stock; thus, the prospect of a more financially sound estate would provide MCAR with standing.*

Mirant, 441 B.R. 791, 803 (N.D. Tex. 2010) (emphases added).

32. The Fifth Circuit agreed with the district court's ruling on standing (while vacating on other grounds):

A bankruptcy trustee may still have standing to avoid a fraudulent transfer after the unsecured creditors are satisfied in full. The fraudulent transfer injured the estate and § 550 ensures that the injury is redressed because a trustee may only avoid a transfer to the extent it benefits the estate. ***Therefore, to the extent that MCAR's successful avoidance of fraudulent transfers will benefit the bankruptcy estate, MCAR has Article III standing to avoid transfers that injured the estate.***

Mirant, 675 F.3d at 534 (emphasis added).

33. This Court followed *Mirant* in the *Texas Rangers* case. The former debtor, Texas Rangers Baseball Partners (“TRBP”) had sued its former ultimate parent, HSG Sports Group (“HSG”), to avoid obligations under an aircraft sharing contract signed on the eve of bankruptcy. TRBP had paid its creditors in full under a confirmed plan. HSG argued that TRBP therefore lacked standing as there would be no benefit to the estate from avoiding the contract. This Court observed *Mirant*’s broad interpretation of “benefit to the estate,” while noting two facts critical here: (1) the case at hand was for avoidance only, and not for recovery under section 550(a), and (2) TRBP still had obligations to lenders that had *not* been paid their entire prepetition indebtedness under the plan. On these facts, the Court found that TRBP had Constitutional standing to assert the fraudulent transfer claim because it would produce a plausible “benefit to the estate.”

Mirant makes clear that “benefit to the estate” does not hinge on whether a Chapter 5 action will result in a pool of assets being garnered for the benefit of unsecured creditors. Here, it is a matter of public record that the equity holders of TRBP have obligations to certain lenders that TRBP was also liable to. . . .

Thus, to the extent the equities matter here, it would seem that such equities weigh in favor of finding there to be a plausible “benefit to

the estate” argument articulated by TRBP. Accordingly, the court finds that here, TRBP does have Constitutional standing to assert a fraudulent transfer claim under section 548(a)(1)(A) of the Bankruptcy Code, even though unsecured creditors were paid in full under the Plan, and that the Avoidance Complaint should not be dismissed.

Paradigm Air Carriers, Inc. v. Tex. Rangers Baseball Partners (In re Tex. Rangers Baseball Partners), 498 B.R. 679, 709 (Bankr. N.D. Tex. 2013).

34. The great weight of authority, both pre- and post-*Mirant*, holds that recovery under section 550(a) is subject to a case-by-case analysis of the facts of the case and the equities. Section 550(a) provides that “the trustee may recover, *for the benefit of the estate*, the property transferred, or, if the court so orders, the value of such property[.]” 11 U.S.C. § 550(a) (emphasis added).

Under §550, courts have limited the recovery of pre-petition transfers on equitable principles in a manner consistent with the purposes of the Bankruptcy Code and §550, in particular. *See, e.g., In re Sawran*, 359 B.R. 348, 353 (Bankr. S.D. Fla. 2007) (citing cases). For a concise discussion of the rationales for limiting recovery under 11 U.S.C. §550 based on equitable principles, see Robert B. Bruner and Gerard G. Pecht, *The Unexplored Limits of Moore v. Bay: Statutory and Equitable Basis for Limiting Money Damage Awards on Fraudulent Transfer Claims*, 26 J. Bankr. L. & Prac. NL Art. 2 (June 2017).

Holber v. Nikparvar (In re Incare, LLC), Nos. 13-14926 ELF, 14-0248, 2018 Bankr. LEXIS 1339, at *35-36 (Bankr. E.D. Pa. May 7, 2018) (citing, among others, *Crescent Res. Litig. Tr. ex rel. Bensimon v. Duke Energy Corp.*, 500 B.R. 464, 481-82 (W.D. Tex. 2013)).

35. *Duke Energy* is an instructive, post-*Mirant* decision from the district court in the Western District of Texas, noting that the power to avoid a transfer is not the same as the

power to recover under section 550(a) and holding that while the full amount of the fraudulent transfer was legally avoidable, as per *Mirant*, the court could nonetheless consider “the equitable impact of the Trust’s potential recovery” and limit the recovery under section 550. *Id.* at 481-83.

36. In *Duke Energy*, the Crescent Resources post-confirmation Trust sued to avoid a 2006 spinoff transaction that allegedly rendered Crescent Resources insolvent while Duke received \$1.6 billion. The plan gave the original lenders all of the equity and allowed unsecured claims for the \$961 million difference between those claims and the value of their new equity interests. The Plan also formed the Trust and authorized it to pursue claims against third parties. The Trust had two classes of beneficiaries: Class A comprised creditors with \$279 million in unrelated claims and Class B included the lenders with their \$961 million in allowed claims.

37. Duke Energy defended in part on the basis that the original lenders entered into the 2006 transaction knowing how the loan proceeds would be distributed, and should not benefit from its avoidance. *Id.* at 478. The district court agreed, referring to *Mirant* and offering the following section 550(a) analysis:

There is precious little guidance from the Fifth Circuit on the scope of Section 550(a)’s “for the benefit of the estate” language. Other courts generally interpret the language broadly. *See In re Acequia, Inc.*, 34 F.3d 800, 811 (9th Cir. 1994); *In re Tronox Inc.*, 464 B.R. 606, 617 (Bankr. S.D.N.Y. 2012) (citing *Acequia*, 34 F.3d at 811). Still, there are numerous examples of cases where courts have denied or limited recovery based on the equitable principles underlying the Bankruptcy Code and Section 550(a) in particular. *See, e.g., Wellman v. Wellman*, 933 F.2d 215, 218 (4th Cir. 1991) (affirming district court’s order holding debtor’s avoidance action was not “for the benefit of” the estate); *In re Yellowstone Mountain Club, LLC*, 436 B.R. 598, 678 (Bankr. D. Mont. 2010) (refusing to

award any recovery to the original lender who was complicit in the fraudulent transfer, as well as syndicate lenders “who have speculated on a monumental award against” the plaintiff); *In re Jackson*, 318 B.R. 5, 27-28 (Bankr. D.N.H. 2004), *aff’d*, 459 F.3d 117 (1st Cir. 2006) (because “equity guards against windfalls in general,” amount of recovery through Section 550(a) on a Section 544(b) claim may be equitably adjusted); *but see Tronox*, 464 B.R. at 614 (collecting cases interpreting Section 550(a) as setting “a minimum floor for recovery in an avoidance action,” but not “any ceiling on the maximum benefits that can be obtained once that floor has been met”).

The one consistent vein traveling through all of these cases is the fact-specific nature of the inquiry. *See, e.g., Wellman*, 933 F.2d at 218 (“benefit of the estate” question requires “a case-by-case, fact-specific analysis”); *In re Murphy*, 331 B.R. 107, 121 (Bankr. S.D.N.Y. 2005) (limiting recovery under Section 550 based on the “extremely unusual” facts of the case). It is therefore instructive to consider the factual circumstances of this case, and the equitable impact of the Trust’s potential recovery.

* * *

If the Trust is allowed to recover the \$961 million of the term loan proceed transfer destined for the Class B creditors—a group of creditors who all derive their interest in the estate from the original lenders—the banks’ high risk investment will pay off in the form of a massive windfall.

Duke Energy, 500 B.R. at 481-82. The district court concluded that there was “no equitable basis” for allowing a recovery to Class B creditors, and granted summary judgment in favor of Duke Energy.

38. Where this Court found the facts and equities in *Texas Rangers* to favor finding a “benefit to the estate,” the facts and equities here point decisively to the opposite conclusion. By comparison, here: (1) Reorganized Acis is seeking not just to avoid obligations but to recover \$75 million under section 550(a), (2) Acis’s creditors will already have been paid in full at 102% (once Mr. Terry actually elects to pay creditors with the cash at Acis), (3) there

are *no* creditors relying on Reorganized Acis's equity or financial condition to recover on their claims, (4) any recovery would come at the expense of the Debtor's unsecured creditors, and (5) the person to receive the asserted \$75 million windfall (*i.e.*, Mr. Terry) paid only \$1 million to purchase Acis's interests to take a flyer on this and related litigation. As the court stated in *Blixseth v. Kirschner (In re Yellowstone Mt. Club, LLC)*, *supra*, 436 B.R. at 678 "the Court will not at this time enter an order that would in any way benefit Credit Suisse, the Prepetition Lenders or other parties who have speculated on a monumental award against Blixseth." *See also Wellman, supra*, 933 F.2d at 219 (Fourth Circuit denied recovery where the plaintiff/debtor "executed the non-recourse promissory notes to the creditors in an attempt to create a claim in the estate so that he could obtain a "massive surplus recovery" for himself in addition to the surplus distributed to him.").

39. The facts here are firmly aligned with cases dealing with recoveries under section 550(a) such as *Adelphia Recovery Trust v. Bank of America, N.A.*, 390 B.R. 80, 97 (S.D.N.Y. 2008), where the court found no benefit to the estate where all creditors were "paid in full with interest under the Plans and no creditors have been issued shares" in the Adelphia Recovery Trust. As noted, Mr. Terry did not receive the ownership interests in Acis in payment of his claim against the Acis estate (for which claim he received or will receive 102% of his claim amount); he purchased the debtor – Acis – for \$1 million, and it is only Mr. Terry who would benefit, not Acis's creditors, employees (there are none) or prior equity holders. "Courts have consistently held that an avoidance action can only be pursued if there is some benefit to creditors and may not be pursued if it would only benefit the debtor." *Balaber-Strauss v.*

Harrison (In re Murphy), 331 B.R. at 122 (citing *Wellman, supra*, 933 F.2d at 218 (no recovery “when the result is to benefit only the debtor rather than the estate”)).

40. Thus, under sections 548 and 550, “only net amounts diverted from, that is damages consequently suffered by the creditor body of, a debtor may be recovered via a fraudulent conveyance action.” *In re Foxmeyer Corp.*, 296 B.R. 327, 342 (Bankr. D. Del. 2003). To do otherwise is solely to benefit the debtor (or, as here, the debtor’s purchaser). That is inappropriate under either federal or state fraudulent transfer laws, as discussed at length in *Murphy*, 331 B.R. at 124-25. As a Minnesota bankruptcy court explained:

Whether there is a benefit to the estate depends on a case-by-case, fact-specific analysis. [] This is not the usual case in which an increase in dollars to the estate results in a patent benefit to the estate. In this case, the increase in dollars to the estate which would result from the requested relief would not provide a benefit to the estate. In this case, the trustee has advised that the amount on hand for distribution from the estate already exceeds the total amount of estimated administrative expenses and all claims. Thus, in this case, the only party to benefit from avoiding and recovering the Transfer would be the debtor.

Such a benefit to the debtor would be inappropriate. The provisions of MUFTA “protect creditors rather than transferors of debt.” *See Bartholomew v. Avalon Capital Group, Inc.*, 828 F.Supp.2d 1019, 1025 (D. Minn. 2009). “Only creditors are entitled to remedies under the UFTA.” *Id.*, citing Minn. Stat. §§ 513.47, 513.48(b).

Running v. Dolan (In re Goodspeed), 535 B.R. 302, 315-16 (Bankr. D. Minn. 2015). Noting that trustees are the exception since they sue on behalf of creditors, the court observed that nonetheless there must be a benefit to creditors, citing and extensively quoting *Murphy* and *Wellman, supra*.

41. To permit any recovery under section 550(a) beyond the amount needed to pay creditors would create a new duty under state law. Acis's former equity holders, as its sole owners, had no duty under applicable state law *to Acis*, or anyone else other than creditors, to refrain from making the transfers at issue, nor did the Debtor or any of the other related entities or professionals who are now litigation targets have any right or obligation to stop them. Thus in a trustee's lawsuit against former partners of a debtor partnership, in which the trustee alleged in part that the partners had conspired to "set into motion a series of transactions that crippled [the debtor partnership]," the district court for the Southern District of Texas explained and held in part:

Delaware law is clear that a company's sole owner cannot breach fiduciary duties "owed to the companies he wholly owned." *See Midland Food Services, LLC v. Castle Hill Holdings V, LLC*, 792 A.2d 920, n. 14 (Del. Ch. 1999) (citing *Goodman v. Futrovsky*, 42 Del. Ch. 468, 213 A.2d 899, 902 (1965) (the defendants could not defraud company since they "were the sole owners . . . and could do with it as they wished"), cert denied, 383 U.S. 946, 86 S. Ct. 1197, 16 L. Ed. 2d 209 (1966)). ***Tow has not cited legal support for the proposition that a nonowner can be liable for conspiring with the sole owner of a partnership for breaching duties that the owner owes himself.***

Tow v. Amegy Bank N.A., 976 F. Supp. 2d 889, 906-07 (S.D. Tex. 2013) (emphasis added). *See also Newman v. Toy*, 926 S.W.2d 629, 631 (Tex. App.-Austin 1996, writ denied) ("A sole shareholder or all shareholders acting in agreement, being all the beneficial owners of corporate property, may themselves deal with such property so long as the rights of creditors are not prejudiced ...").

42. Accordingly, any recoveries of the transfers sought to be avoided in the Acis Claim should be limited to any amount needed to satisfy obligations under the Acis Plan, that is to say, to pay creditors and administrative claimants in full. No creditors have a stake in restoring Acis to the financial condition it occupied prior to any of the transfers that are the subject matter of the Acis Claim, at least not on account of any unpaid claims. Upon payment of creditors in full under the Acis Plan, therefore, all avoidance claims should be dismissed as moot, and the only thing stopping the avoidance claims from actually being moot is Mr. Terry's unwillingness to pay Acis's creditors with the cash at Acis.

D. Acis is Barred Under the *Bangor Punta* Doctrine From Asserting For Its Own Benefit All Claims Not Asserted Pre-Acquisition – Claims 1-8 and 21-34 – Excepting Only Claims Related to the ALF PMA Transfer (Claims 9-12), the ALF Share Transfer (Claims 13-16), and the Note Transfer (Claims 17-20)

43. In *Bangor Punta Operations, Inc. v. Bangor & A. R. Co.*, 417 U.S. 703, 94 S. Ct. 2578, 2584-85 (1974); the Supreme Court held that a stockholder who has purchased all or substantially all of the shares of a corporation from a vendor at a fair price may not seek to have the acquired corporation recover against the vendor for prior corporate mismanagement and waste of corporate assets that may have occurred during the prior vendor's ownership. *Bangor Punta*, 417 U.S. at 710. “What the *Bangor Punta* Doctrine does prohibit is purchasers . . . from accepting their end of the bargain - - ownership and control of the corporation - - and attempting to sweeten their end of the deal by suing the seller to recover damages to the corporation allegedly caused by the seller before the sale. The *Bangor Punta* Doctrine properly prohibits as

inequitable such attempts at re-trading commercial transactions through litigation. *Midland Food Servs., LLC v. Castle Hill Holdings V, L.L.C.*, 792 A.2d 920, 933-34 (Del. Ch. 1999).

The nature of the claim does not matter. *Id.* at 930.

44. The doctrine does not apply to claims brought for the benefit of creditors. *Bangor Punta*, 417 U.S. at 715 (rejecting argument that plaintiff-corporation should be entitled to recovery since any recovery would benefit the public where the plaintiff-corporation “would be entitled to distribute the recovery in any lawful manner it may choose”); *Wieboldt Stores, Inc. v. Schottenstein*, 94 B.R. 488, 508 (N.D. Ill. 1988) (permitting debtor in possession to assert breach of fiduciary claim but only to extent of creditor injury – “The creditors cannot receive a “windfall” recovery, but may recover only to the extent of their claims.”). *Cf. Meyers v. Moody*, 693 F.2d 1196, 1207 (5th Cir. 1982) (*Bangor Punta* doctrine inapplicable to suit brought by receiver for benefit of creditors); *Think3 Litig. Tr. v. Zuccarello (In re Think3, Inc.)*, 529 B.R. 147, 185 (Bankr. W.D. Tex. 2015) (doctrine inapplicable where “Plaintiff Trust was created by a confirmed plan of reorganization in the Think3 bankruptcy case for the purpose of bringing suits for the benefit of creditors of insolvent Think3.”).

45. The doctrine also does not apply to claims that were pending when the acquisition occurred. *Meyers v. Moody*, 693 F.2d at 1208 (“Moody is thus urging us to extinguish a cause of action that both existed and was pursued long before the transfer of Empire's assets took place. Neither law nor equity permits us to do so.”); *TNS Media Research, LLC v. TiVo Research & Analytics, Inc.*, 193 F. Supp. 3d 307, 312 (S.D.N.Y. 2016) (“Once

brought, a claim is not released merely and necessarily based on a change in corporate ownership.”).

46. Mr. Terry agreed to purchase Acis’s equity on July 5, 2018 and the Acis Plan was confirmed on January 1, 2019. The only claims pending at either time were those asserted by the Acis trustee in his counterclaim filed on July 2, 2018 (Acis Adversary No. 18-03078, at Docket No. 23). That counterclaim asserted only fraudulent transfer claims for (1) the ALF Share Transfer, (2) the ALF PMA Transfer, and (3) the Note Transfer (all as described below). Acis’s amended complaint, asserting for the first time *all other claims* asserted in the Acis Claim, all of which relate to other transactions, was filed on **June 20, 2019**. The *Bangor Punta* doctrine, therefore, bars all claims other than Claims 9-20.

E. Claims 5-8: Fraudulent Transfer Claims - Sub-Advisory Agreement Modifications

47. Claims 5 through 8 are claims to avoid as fraudulent transfers and recover unspecified damages based on modifications to the Sub-Advisory Agreement by and between Acis LP and the Debtor dated January 1, 2011. The modifications were made on July 29, 2016, and raised the Debtor’s rates from 5 to 20 basis points. Those claims are: (5) for actual fraudulent transfer under section 548; (6) for actual fraudulent transfer under section 544(b) and Texas law; (7) for constructive fraudulent transfer under section 548; and (8) for constructive fraudulent transfer under section 544(b) and Texas law.

48. There are numerous bases on which Claims 5-8 can and should be disallowed entirely, some on a summary basis and others for which further factual development would be required, as follows:

a. As set forth above, Acis is not entitled to any recovery beyond that required to satisfy obligations under the Acis Plan. The Debtor believes this issue can be summarily adjudicated at this time.

b. The claims are barred by the *Bangor Punta* doctrine, which can be summarily adjudicated at this time.

c. In addition, the Debtor objects to these claims on the following grounds, which are not subject to summary adjudication at this time:

- (1) Acis cannot meet its burden of proving insolvency at the time of the modifications. In fact, Acis clearly was solvent at that time. Expert testimony will be required on this issue.
- (2) Acis received reasonably equivalent value for the modifications, in that the rates had been maintained at artificially low levels during Mr. Terry's tenure, and as modified represented reasonably equivalent value for the services rendered thereunder. In fact, the revised rates are similar to what Brigade is currently charging Acis.
- (3) The modifications, which were made prior to the commencement of litigation and which had a legitimate purpose and justification, were not undertaken to hinder or defraud creditors.
- (4) Acis has not alleged damages. The modifications gave rise to, at most, an avoidable *obligation*, not a *transfer*, and the obligation potentially subject to avoidance was rejected by

the Acis trustee and approved by an order of the Court. To the extent that Acis alleges that payments made at the modified rates were fraudulent transfers, the Debtor maintains, as alleged above, that the rates as modified constituted reasonably equivalent value for the services rendered.

- (5) The Debtor will have a claim in the Acis Case under Bankruptcy Code § 502(h) with respect to any property recovered on account of this claim.

F. Claims 9-24: Acis Has Not Alleged Facts Sufficient to Show That the Debtor is the Entity for Whose Benefit the Transfers Were Made

49. Acis claims that with respect to each alleged avoidable transfer, the Debtor was either the initial transferee or the entity for whose benefit it was made, from which the property transferred or its value may be recovered under federal or state law.¹³

50. Acis concedes, as it must, that *the Debtor was not the initial transferee of the transfers alleged in Claims 9 through 24*. As to those claims, Acis has failed to allege facts sufficient to establish, if proven, that the Debtor was “the entity for whose benefit such transfer was made.” This defense can be summarily adjudicated at this time.

¹³ Section 550(a) provides that with respect to a transfer that is avoided under sections 544, 545, 547, 548, 549, 553(b), or 724(a), “the trustee may recover, for the benefit of the estate, the property transferred, or, if the court so orders, the value of such property, from—(1) *the initial transferee of such transfer or the entity for whose benefit such transfer was made*[.]” 11 U.S.C. § 550(a)(1). Texas law is similar. See *Citizens Nat’l Bank of Tex. v. NXS Constr., Inc.*, 387 S.W.2d 74, 79-80 (Tex. App. 2012) (“the creditor may obtain a monetary judgment against the transferee of the asset, the person for whose benefit the transfer was made, or subsequent transferees.” (citing Tex. Bus. & Com. Code § 24.009(b))). Other than with respect to the sub-advisory agreement modifications, the Debtor is not alleged to have been either an immediate or subsequent transferee of any of the allegedly improper transfers, for purposes of Bankruptcy Code § 550(a) and Tex. Bus. & Com. Code § 24.009(b) (referencing the “first transferee” and “any subsequent transferee”).

51. Specifically, Acis has not identified any specific, direct benefit to the Debtor from the fraudulent transfers alleged in Claims 9-24. It only alleges an indirect benefit to the Debtor from being part of the Highland corporate group. But any transaction by a corporate group member commonly has indirect benefits for other group members, which is why as a matter of law it is insufficient simply to allege an amorphous benefit for the Debtor to be deemed a beneficiary of the putative fraudulent transfers under § 550. *See, e.g., Faulkner v. Kornman (In re Heritage Org., LLC)*, 413 B.R. 438, 495-96 (Bankr. N.D. Tex. 2009) (Judge Houser) (“an unquantifiable advantage” is not a “benefit” for purposes of § 550(a); liability will not be imposed upon a party that allegedly benefitted from the fraudulent transfer just because defendant had controlled debtor-transferor and directed the transfer; “There is simply no showing that Kornman [who allegedly benefitted] received any benefit at all from the initial transfers.”); *Peterson v. Hofmann (In re Delta Phones, Inc.)*, 2005 Bankr. LEXIS 2550, *16-*17 (Bankr. N.D. Ill. Dec. 23, 2005) (“That a shareholder holds some ownership interest in a corporation does not somehow mean that all transfers made to the corporation or by it are automatically made for the ‘benefit’ of the shareholder under § 550(a)(1). The ‘entity’ under § 550(a)(1) must benefit from the transfer ‘directly,’ not indirectly.... Taken to its logical conclusion, Peterson’s position would put average investors on the hook for all kinds of corporate transactions any time a public company sought bankruptcy protection.”); *see also In re Peregrine Fin. Group, Inc.*, 589 B.R. 360 (Bankr. N.D. Ill. 2018) (“the [defendant] cannot be the transfer beneficiary if it will get the benefit of the funds sometime later”; “[T]he [defendant] received no direct benefit at the

time the transfer was made. It had only the right to benefit from the funds in the future after [certain fees were deducted, other requirements were met, and funds were still available].”).

52. Accordingly, Reorganized Acis has not alleged facts sufficient to establish, even if proven, that the Debtor was “the entity for whose benefit such transfer was made” with respect to the transfers alleged in Claims 9-24.

G. Claims 9-12: Fraudulent Transfer Claims - ALF PMA Transfer

53. Acis alleges that its rights to direct and effectuate an optional redemption and otherwise control the assets of Acis Loan Funding Ltd. (“ALF”), pursuant to a Portfolio Services Agreement dated August 10, 2015, and a Portfolio Management Agreement dated December 22, 2016, by and between Acis and ALF (together, the “ALF PMA”), had value and were transferred for no value to Highland HCF Advisor in October 2017. The corresponding claims for relief are: (9) actual fraudulent transfer under section 548; (10) actual fraudulent transfer under section 544(b) and Texas law; (11) constructive fraudulent transfer under section 548; and (12) constructive fraudulent transfer under section 544(b) and Texas law. Acis seeks to avoid the transfer and recover unspecified damages.

54. *Acis fails to address the fact that it has been exercising the rights that it alleges were transferred and has been deriving earnings under the ALF PMA since the preliminary and plan injunctions were issued in the Acis Case, in an amount sufficient to satisfy all claims against it.* That is, the alleged transfers had no economic effect as Acis retained all rights under the contracts. Accordingly, the Debtor objects on the following bases to Claims 9-12:

a. As set forth above, Acis is not entitled to any recovery beyond that required to satisfy obligations under the Acis Plan. The Debtor believes this issue can be summarily adjudicated at this time.

b. As set forth above, the Debtor was not the transferee of the ALF PMA Transfer and an insufficient factual basis is alleged to conclude that it was the entity for whose benefit the transfer was made. The Debtor believes this issue can be summarily adjudicated at this time.

c. In addition, the Debtor objects to these claims on the following grounds, which are not subject to summary adjudication at this time:

- (1) Acis cannot meet its burden of proving insolvency at the time of the transfer. Expert testimony will be required on this issue.
- (2) Acis received reasonably equivalent value for the transfer.
- (3) The transfer had a legitimate purpose and justification, and was not undertaken to hinder or defraud creditors.
- (4) Acis has not alleged damages. In fact, Acis has continued to exercise rights and derive earnings under the ALF PMA pursuant to injunctive relief granted in the Acis Case.
- (5) The Debtor will have a claim in the Acis Case under Bankruptcy Code § 502(h) with respect to any property recovered on account of this claim.

H. Claims 13-16: Fraudulent Transfer Claims - ALF Share Transfer

55. Acis alleges that on October 24, 2017, Acis and CLO Holdco Ltd. entered into a resolution whereby Acis sold its equity interest in ALF (the "ALF Share Transfer") to Highland Funding for \$991,000. The 13th through 16th claims for relief are: (13) actual fraudulent transfer under section 548; (14) actual fraudulent transfer under section 544(b) and Texas law; (15) constructive fraudulent transfer under section 548; and (16) constructive fraudulent transfer under section 544(b) and Texas law. Acis seeks to avoid the ALF Share Transfer and recover unspecified damages.

56. The Debtor submits that there are numerous bases for disallowance of Claims 13-16 in the entirety:

a. As set forth above, Acis is not entitled to any recovery beyond that required to satisfy obligations under the Acis Plan. The Debtor believes this issue can be summarily adjudicated at this time.

b. As set forth above, the Debtor was not the transferee and an insufficient factual basis is alleged to conclude that it was the entity for whose benefit the transfer was made. The Debtor believes this issue can be summarily adjudicated at this time.

c. In addition, the Debtor objects to these claims on the following grounds, which are not subject to summary adjudication at this time:

- (1) Acis cannot meet its burden of proving insolvency at the time of the transfer. Expert testimony will be required on this issue.

- (2) Acis received reasonably equivalent value for the transfer, as the repurchase price was at their net asset value.
- (3) The transfer had a legitimate purpose and justification, and was not undertaken to hinder or defraud creditors.
- (4) Acis has not alleged damages. In fact, Acis has continued to control and derive earnings from these assets by means of the ALF PMA pursuant to injunctive relief granted in the Acis Case.
- (5) The Debtor will have a claim in the Acis Case under Bankruptcy Code § 502(h) with respect to any property recovered on account of this claim.

I. Claims 17-20: Fraudulent Transfer Claims – Note Transfer

57. Acis alleges that on November 3, 2017, Acis LP, the Debtor, and Highland Management (a Debtor affiliate) entered into an *Agreement for Assignment and Transfer of Promissory Note* (the "Note Transfer Agreement"), by which Acis transferred a \$9.5 million promissory note owed by the Debtor to Acis (the "Note") to Highland CLO Management for no material value. Based thereon it pleads the 17th through 20th claims for relief: (17) actual fraudulent transfer under section 548; (18) actual fraudulent transfer under section 544(b) and Texas law; (19) constructive fraudulent transfer under section 548; and (20) constructive fraudulent transfer under section 544(b) and Texas law. Acis seeks to avoid the transfer and recover unspecified damages.

58. Not only did the Debtor not receive the Note, it remains liable! For this and other reasons, the Debtor objects to Claims 17-20 on the following bases:

a. Since the Debtor did not receive the Note, and indeed remains liable on the Note, it is certainly not the entity for whose benefit it was made. This issue can be summarily adjudicated at this time.

b. As set forth above, Acis is not entitled to any recovery beyond that required to satisfy obligations under the Acis Plan. This issue can be summarily adjudicated at this time.

c. In addition, the Debtor objects to these claims on the following grounds, which are not subject to summary adjudication at this time:

- (1) Acis cannot meet its burden of proving insolvency at the time of the transfer. Expert testimony will be required on this issue.
- (2) Acis received reasonably equivalent value for the transfer.
- (3) The transfer had a legitimate purpose and justification, and was not undertaken to hinder or defraud creditors.
- (4) Acis has not alleged damages.
- (5) The Debtor will have a claim in the Acis Case under Bankruptcy Code § 502(h) with respect to any property recovered on account of this claim.

J. Claims 21-24: Fraudulent Transfer Claims – Acis CLO 2017-7 Agreement

59. Acis alleges that on December 19, 2017, it entered into an *Agreement for Assignment and Transfer* (the "CLO 2017-7 Agreement") by which it transferred its interests in sub-advisory and services agreements relating to Acis CLO 2017-7, by which it derived fees, to

Highland CLO Holdings (a Debtor affiliate) for no consideration, and also its indirect equity interests in the underlying CLO (the "2017-7 Equity") in exchange for the forgiveness of \$2.8 million payable owed by Acis to the Debtor. Based thereon Acis pleads the 21st through 24th claims for relief: (21) actual fraudulent transfer under section 548; (22) actual fraudulent transfer under section 544(b) and Texas law; (23) constructive fraudulent transfer under section 548; and (24) constructive fraudulent transfer under section 544(b) and Texas law. Acis seeks to avoid the transfer and recover unspecified damages.

60. The Debtor submits that Claims 21-24 can and should be disallowed on the following bases:

a. As set forth above, Acis is not entitled to any recovery beyond that required to satisfy obligations under the Acis Plan. This issue can be summarily adjudicated at this time.

b. As set forth above, the Debtor was not the transferee and an insufficient factual basis is alleged for a conclusion that it was the entity for whose benefit the transfer was made. This issue can be summarily adjudicated at this time.

c. The claims are barred by the *Bangor Punta* doctrine, which can be summarily adjudicated at this time.

d. In addition, the Debtor objects to these claims on the following grounds, which are not subject to summary adjudication at this time:

- (1) Acis cannot meet its burden of proving insolvency at the time of the transfer. Expert testimony will be required on this issue.
- (2) The Debtor did not receive any benefit from the transfer and so is not the entity for whose benefit the transfer was made.
- (3) Acis received reasonably equivalent value for the transfer.
- (4) The transfer had a legitimate purpose and justification, and was not undertaken to hinder or defraud creditors.
- (5) Acis has not alleged damages.
- (6) The Debtor will have a claim in the Acis Case under Bankruptcy Code § 502(h) with respect to any property recovered on account of this claim.

K. Claim 25: Preferences

61. Acis alleges that within one year of the Petition Date, the Debtor received payments of totaling \$16,113,790.14 from Acis on account of purported debt claims owed by Acis, comprised of approximately \$7.3 million pursuant to the Shared Services Agreement and Sub-Advisory Agreement (the “Service Payments”), over \$5 million pursuant to an October 2016 Participation Purchase Agreement (the “Participation Payments”), approximately \$3.3 million in promissory note repayments (the “Note Payments”), and approximately \$118,000 for miscellaneous expense reimbursements (“Expenses”).

62. Acis's 25th claim for relief alleges that if such transfers are not otherwise recoverable, they may be avoided and recovered as preferences under Bankruptcy Code § 547 and Texas Business and Commerce Code §§ 24.006(b) and recovered under Bankruptcy Code § 550. Acis also alleges that the 2017-7 Equity Transfer and the Note Transfer, to the extent they satisfied legitimate obligations, are avoidable as preferences.

63. Setting aside the many statutory defenses to these claims set forth below, the fact that Acis creditors are being paid in full is fatal to the preference claim. Acis tries to sidestep one consequence by asserting that whether a creditor would receive more in liquidation is measured as of the petition date. But there are at least two other consequences. One, as discussed, is that Acis cannot recover damages for its own benefit, once creditors are paid. The other is that the Debtor would receive on account of any preference recovery a general unsecured claim under the Acis Plan under Bankruptcy Code § 502(h), which would offset any liability *in full*. The Debtor objects to Claim 25 on those bases and others, as follows:

a. As set forth above, Acis is not entitled to any recovery under section 550(a) on the alleged preferences beyond that required to satisfy obligations under the Acis Plan. This issue can be summarily adjudicated at this time.

b. The claims are barred by the *Bangor Punta* doctrine, which can be summarily adjudicated at this time.

c. Acis has not alleged a factual basis for its allegation that it was insolvent at the time of the transfers. This is a pleading requirement.

d. Acis has not alleged the existence of antecedent debts, also a pleading requirement.

e. In addition, the Debtor objects to this claim on the following grounds, which are not subject to summary adjudication at this time:

- (1) Acis cannot meet its burden of proving insolvency at the time of the transfers. Expert testimony will be required on this issue.
- (2) Acis cannot meet its burden of proving that each transfer enabled the Debtor to receive more than it would have received in a hypothetical chapter 7 liquidation.
- (3) The Debtor will have a claim in the Acis Case under Bankruptcy Code § 502(h) with respect to any property recovered on account of this claim.
- (4) Within the meaning of section 547(c)(1), each alleged transfer was intended by the debtor and the creditor to or for whose benefit such transfer was made to be a contemporaneous exchange for new value given to the debtor; and was in fact a substantially contemporaneous exchange, including without limitation all Service Payments and Expenses.
- (5) Within the meaning of section 547(c)(2), each alleged transfer was made in the ordinary course of business or financial affairs of the debtor and the transferee; or made according to ordinary business terms, including without

limitation all Service Payments, all payments under Participation Payments, all Note Payments, and all Expenses.

- (6) Within the meaning of section 547(c)(4), each alleged transfer was made to or for the benefit of a creditor, to the extent that, after each such transfer, such creditor gave new value to or for the benefit of the debtor—(A) not secured by an otherwise unavoidable security interest; and (B) on account of which new value the debtor did not make an otherwise unavoidable transfer to or for the benefit of such creditor, including without limitation all Service Payments, Participation Payments, and Expenses.
- (7) Participation Payments were received as a mere conduit.
- (8) Any recovery on account of the alleged preferences would be offset by a corresponding general unsecured claim under the Acis Plan under Bankruptcy Code § 502(h).

L. Claim 26: Liability Under Section 550(a)

64. Acis alleges that the Debtor is the initial transferee within the meaning of Bankruptcy Code § 550(a) of all transfers sought to be avoided in Counts 5 – 8 and 25, and that it is the entity for whose benefit the transfers were made with respect to the transfers sought to be avoided in Counts 9-24.

a. Claim 26 can and should be disallowed in its entirety, on a summary basis. First, by operation of the statute, there is no liability under section 550 if no

transfers are avoided. Second, as discussed in Section E above, Acis concedes the Debtor was not the initial transferee of the transfers alleged in Claims 9 through 24, and it has not alleged facts sufficient to establish, if proven, that the Debtor was “the entity for whose benefit such transfer was made.” Specifically, it has not identified any specific, direct benefit to the Debtor from the fraudulent transfers alleged in Claims 9-24. It only posits an indirect benefit from being part of the Highland corporate group, which is inadequate to establish that an entity is the entity for whose benefit a transfer was made. Finally, all claims other than Claims 9-20 are barred by the *Bangor Punta* doctrine.

M. Claim 27: Civil Conspiracy to Commit Fraud, Including Fraudulent Transfers

65. Acis alleges that the Debtor, Highland Advisor, Highland Management, and Highland Holdings formed a conspiracy to “engage in a series of fraudulent transfers and other fraudulent schemes, including the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, the 2017-7 Equity transfer, the 2017-7 Agreements transfer and the thwarted Universal/BVK Agreement transfer in order to denude Acis's assets and take over Acis LP's valuable business.” Acis Claim, ¶ 246.

66. This claim fails as a matter of law, and can be adjudicated at this time. It is an impermissible end-around section 550's remedial provisions, and the inconvenient fact that the Debtor did not receive a cognizable benefit thereunder with respect to most of the fraudulent transfer claims. Section 550 provides the exclusive remedy for fraudulent transfers. Partly for that reason, there is simply no substantive legal basis for the sinister allegations of “unlawful, overt acts” to “take over Acis LP's valuable business” upon which the “conspiracy” is

predicated. As discussed above, the law is crystal clear that Acis's equity holders had no duty to Acis *not* to 'take over its valuable business' and nobody had a duty to stop them from doing so, as the Southern District of Texas court discussed thoroughly in *Tow v. Amegy Bank N.A.*, *supra*, 976 F. Supp. 2d at 906-07. They owned all of it! The only thing they could not do is transfer assets without adequate consideration if Acis were insolvent. For that, there are statutory remedies prescribed by sections 548 and 550.

67. That is why no claim for conspiracy to commit an actual or constructive fraudulent transfer (or for "aiding and abetting") exists under Texas or federal law. *Tow v. Bulmahn*, No. 15-3141, 2016 U.S. Dist. LEXIS 57396, at *91 (E.D. La. Apr. 29, 2016). *See Mack v. Newton*, 737 F.2d 1343, 1357 (5th Cir. 1984) ("[T]he general rule under the Bankruptcy Act is that one who did not actually receive any of the property fraudulently transferred (or any part of a 'preference') will not be liable for its value, even though he may have participated or conspired in the making of the fraudulent transfer (or preference)."); *Schlossberg v. Abell (In re Abell)*, 549 B.R. 631, 667 (Bankr. D. Md. 2016). A party may not be liable for more than it actually received. *D.A.N. Joint Venture III, L.P. v. Touris*, No. 18-cv-349, 2020 U.S. Dist. LEXIS 51407, at *25-26 (N.D. Ill. Mar. 25, 2020) ("Numerous courts have held that the bankruptcy court cannot invoke state law remedies to circumvent or undermine the remedy legislated by Congress for the avoidance of a fraudulent transfer [T]he trustee's remedy for an avoided transfer [is] provided for in § 550, and that provision only allows a trustee to recover up to the amount of the transfer.") (citations omitted). Allowing a trustee to recover more than the amount of the transfer would "lead to a result that expands the remedies [for a fraudulent

transfer] beyond §550." *Sherman v. FSC Realty LLC (In re Brentwood-Lexford Partners, LLC)*, 292 B.R. 255, 275 (Bankr. N.D. Tex. 2003).

68. This Court recognized but distinguished *Mack* in *Milbank v. Holmes (In re TOCFHBI, Inc.)*, 413 B.R. 523, 535 (Bankr. N.D. Tex. 2009):

[W]hile it is perfectly true that "the general rule under [the Bankruptcy Code or the old Act] is that one who did not actually receive any of the property fraudulently transferred (or any part of a 'preference') will not be liable for its value, even though he may have participated or conspired in the making of the fraudulent transfer (or preference)," (*Mack v. Newton*, 737 F.2d at 1357), the Chapter 7 Trustee, in this case, is not moving under the fraudulent transfer statute and arguing something amazingly similar such as "conversion" and "conspiracy" regarding the same acts--and, in the process, joining Defendants who would not normally have liability under the relevant fraudulent transfer statutes.

Id. at 535-36. "). The Court recognized that "liability [under most states' uniform fraudulent transfer acts] cannot be imposed on non-transferees under aiding and abetting or conspiracy theories[.]" *Id.* (citation omitted). Accordingly, the claim should be disallowed.

69. Further, this claim is barred by the *in pari delicto* defense, as discussed below in the discussion of the Thirtieth Claim for Breach of Fiduciary Duty. Acis was by its own allegations an instrumentality of Dondero, who allegedly used it to perpetrate the "scheme" characterized in the Acis Complaint. The trustee was, and Reorganized Acis is, subject to all defenses that existed against Acis. Any claim by Acis against its alleged co-conspirators would be barred by *in pari delicto*, as Acis was at least equally culpable in all of the conduct it alleges.

70. Finally, the claim is barred by the *Bangor Punta* doctrine, as the claim is being brought for the benefit of Mr. Terry, the acts occurred prior to Mr. Terry's acquisition of

the company, and this claim was not asserted in the Acis trustee's counterclaim that was pending when Mr. Terry acquired the company.

N. Claim 28: Tortious Interference with the Universal/BVK Agreement

71. Acis alleges that the Debtor tortiously interfered with its rights by seeking to replace it as manager under the Agreement for the Outsourcing of Asset Management between Acis LP and Universal-Investment-Luxembourg S.A. by which Acis provided sub-advisory services for a German fund (the "Universal/BVK agreement"), before and after the Debtor's sub-advisory services were terminated on August 1, 2018.

72. Claim 28 can and should be summarily disallowed, as there is no factual dispute on several critical issues: (1) this was an at-will contract; (2) the Debtor had no duty not to compete; and (3) no damages were sustained, as the contract was not terminated and all attorneys' fees have been paid, in fact, with money diverted from the Debtor.

73. Under Texas law, a claim for tortious interference with contract has four elements: (1) a contract subject to the alleged interference exists; (2) the alleged act of interference was willful and intentional; (3) the willful and intentional act proximately caused damage; and (4) actual damage or loss occurred. *Victoria Bank & Trust Co. v. Brady*, 811 S.W.2d 931, 939 (Tex.1991). Those requirements are not met on the undisputed facts.

74. The Universal/BVK agreement was an at-will contract. "Ordinarily, merely inducing a contract obligor to do what it has a right to do is not actionable interference." *ACS Investors, Inc. v. McLaughlin*, 943 S.W.2d 426, 430 (Tex. 1997). A defendant cannot tortiously interfere with a contract that permits the non-plaintiff contracting party to terminate

the agreement, where the defendant's actions constitute justifiable competition. *See, e.g., C.E. Servs. Inc. v. Control Data Corp.*, 759 F.2d 1241, 1248 (5th Cir. 1985); *West Tex. Gas v. 297 Gas Co.*, 864 S.W.2d 681, 686 (Tex. App. 1993) (competitor had legal right to persuade company to exercise its right to terminate at-will natural gas sale/purchase agreement with plaintiff). “[A] legal justification or excuse, which is treated as a type of privilege, is an affirmative defense to a claim of tortious interference.... Interference with a contractual relationship is privileged where it results from the bona fide exercise of a party's own rights.”; “North Texas had the legal right to persuade or attempt to persuade 297 to exercise its right to terminate the 1988 agreement and to contract with it.” *Id.*

75. Once again, until displaced, Acis's owners had every right to do as they wished with the Universal/BVK Agreement, subject to creditor rights but not subject to any duty to Acis to refrain from doing so, and the Debtor had no duty to say otherwise. After the Debtor was terminated, it had a right as a competitor to attempt to win back its business. The contention that it should have stopped after the Acis bankruptcy petition is the subject of a different claim. Further, “[t]he alleged interference generally must have induced a breach of the contract to be actionable.” *Official Brands, Inc. v. Roc Nation Sports, LLC*, 2015 U.S. Dist. LEXIS 167320, at *7 (N.D. Tex. Dec. 15, 2015). Here, that is not even alleged to have occurred.

76. Further, no damages were sustained. The contract was not terminated, and to the extent the alleged damages are administrative expenses incurred in the Acis case, not only have they been paid, they have been paid by the Debtor by virtue of the earnings derived from the enjoined putative transfer of the ALF PMA.

77. Finally, the claim is barred by the *Bangor Punta* doctrine, as the claim is being brought for the benefit of Mr. Terry and all acts occurred prior to Mr. Terry's acquisition of the company.

78. Accordingly, no claim for tortious interference has been stated, and the claim is barred in any event, and so it should be disallowed.

O. Claim 29: Breach of the Sub-Advisory Agreement and Shared Services Agreement

79. Acis claims that the Debtor breached these agreements by failing to purchase and attempting only to sell loans for the CLOs, in order to liquidate Acis for the benefit of the Debtor and the detriment of Acis. This claim should be dismissed.

80. The Debtor met its standard of care but, moreover, there is a more fundamental fallacy that is instantly fatal to this claim. As discussed, here and throughout the Acis Claim, Acis sets up a fictional jurisprudential world in which it, by virtue of its existence as a legal entity, had interests that contracting parties or managers or professionals were required to identify and protect, rather than acting as instructed by Acis's owners. It did not and they did not. The Debtor was entitled to take directions from Acis's owners. Put differently, there is no allegation whatsoever that Acis did not want the Debtor to do exactly what it did. *Ipso facto*, the Debtor did not breach the contract. The claim must be dismissed.

81. Finally, the claim is barred by the *Bangor Punta* doctrine, as the claim is being brought for the benefit of Mr. Terry and all acts occurred prior to Mr. Terry's acquisition of the company.

P. Claim 30: Breach of Fiduciary Duty

82. Acis claims that the Debtor owed it a fiduciary duty pursuant to the Sub-Advisory Agreement as its investment adviser, and that it breached that fiduciary duty by acting in a manner detrimental to Acis by increasing its fees under the Sub-Advisory Agreement, charging over-market rates in excess of the compensation limits of the Acis LPA, and being the “ringleader” and ultimate beneficiary of schemes to render Acis judgment-proof by transferring the ALF PMA, the ALF Shares, the Note, the 2017-7 Equity and the 2017-7 Agreements. Acis makes no damage allegations but seeks punitive damages.

83. This claim can and should be summarily disallowed. *First, the duty to Acis was contractual, not fiduciary.* The Debtor as portfolio manager had fiduciary duties *to investors* in the CLOs, but its duties to Acis were governed by the Shared Services Agreement which, construed with the Sub-Advisory Agreement, provides that the Debtor was an independent contractor with only a contractual obligation to act with reasonable care and no other obligations or duties.

84. *Second, regardless,* even if the Debtor had a fiduciary duty to Acis, it could not and did not violate that fiduciary duty by following directions from Acis’s sole owners. As discussed in the authorities and analysis above, such a claim is a legal impossibility. At all relevant times, Acis was by its allegations controlled and principally owned by Dondero and Okada, along with all of the other Highland related entities. It is hornbook law that sole owners do not have a fiduciary duty to their company; they could transfer away its assets without violating any duty to their company. How, then, would advisors and employees and

professionals go about protecting the interests of an entity such as Acis against the “ravages” of an owner such as Dondero, who had no such duty? The owners had a right, subject to fraudulent transfer laws, to direct Acis and transfer assets as desired. Acis did not, simply by virtue of its existence alone, have interests distinct from its owners’ interests that its fiduciaries were obligated to somehow identify and protect against the designs of its sole owners. No duty *to Acis* could be or was breached by following its owners’ directions.

85. ***Third, any fiduciary duty claim is barred by the in pari delicto defense:***

The equitable defense of *in pari delicto*, which means 'in equal fault,' is based on the common law notion that a plaintiff's recovery may be barred by his own wrongful conduct." *Howard v. Fidelity and Deposit Co. of Maryland, (In re Royale Airlines, Inc.)*, 98 F.3d 852, 855 (5th Cir. 1996). "Two fundamental premises underlie this defense: (1) that courts should not lend their good offices to mediating disputes among wrongdoers; and (2) that denying judicial relief to an admitted wrongdoer is an effective means of deterring illegality." *Murray v. Royal Alliance Assocs.*, 375 B.R. 208, 213 (M.D. La. 2007).

Milbank v. Holmes (In re TOCFHBI, Inc.), 413 B.R. 523, 536-37 (Bankr. N.D. Tex. 2009).

While this Court denied summary judgment on the defense in *Milbank* (*id.* at 537), the defense can be applied on the face of the pleadings when it is apparent that it applies. *Brickley v.*

ScanTech Identification Beams Sys., LLC, 566 B.R. 815, 842-43 (W.D. Tex. 2017) (“In sum, because applicability of the *in pari delicto* defense to parts of the trustee's breach of fiduciary duty claim is apparent on the face of the Complaint, the Court will dismiss ... the claims that the Stolzar defendants breached their fiduciary duties by assisting Barra and Vitale in their efforts to fraudulently obtain shareholder capital and debt financing, by counseling and providing legal

services assisting Barra, Vitale, and Shaw in the usurpation of corporate assets and corporate opportunities, and by aiding in the execution of the fraudulent loan agreement.”).

86. Here, it is apparent from the face of the Acis Claim that to the extent that the “scheme” of which Acis complains was orchestrated by Dondero in violation of fiduciary duties, Acis had every bit as much culpability as the Debtor or any of the other commonly controlled entities; after all, according to Acis, the same person was making the decisions for all of them. Acis is simply assuming the Court will not hold the *delicto* of “old Acis” against Reorganized Acis.

87. While the assertion of *in pari delicto* against a trustee or reorganized debtor is not a settled issue in the Fifth Circuit, it is in most others. In *Milbank*, in 2009, this Court stated: “Some courts have found that the defense may be asserted against a bankruptcy trustee, as he stands in the shoes of a debtor who may have, through its officers and directors, perpetrated bad acts. The Fifth Circuit has not addressed this issue.” The Court determined that it should “consider how the facts and equities of the individual case interact with the policy in *in pari delicto* was designed to serve,” which it found presented factual issues that could not be resolved on summary judgment. *Milbank*, 413 B.R. at 537 (internal citations omitted).

88. Subsequently, however, in 2012, in refusing to apply *in pari delicto* to a receiver, the Fifth Circuit specified that cases under the Bankruptcy Code were distinguishable because of federal law (Bankruptcy Code § 541) subjecting a trustee to whatever defenses existed against the debtor as of the petition date.

These cases, however, are plainly distinguishable because they rely upon Section 541(a) of the Bankruptcy Code, which limits the debtor estate to interests of the debtor "as of the commencement of the case." 11 U.S.C. § 541(a)(1); *see, e.g., Official Comm. of Unsecured Creditors of PSA, Inc. v. Edwards*, 437 F.3d 1145, 1150 (11th Cir. 2006) ("If a claim of [debtor] would have been subject to the defense of in pari delicto at the commencement of the bankruptcy, then the same claim, when asserted by the trustee, is subject to the same affirmative defense.") (internal quotation marks and citations omitted); *Official Comm. of Unsecured Creditors of R.F. Lafferty & Co., v. R.F. Lafferty & Co., Inc.*, 267 F.3d 340, 356 (3d Cir. 2001) ("[T]he application of the in pari delicto doctrine is affected by the rules governing bankruptcies. . . . [T]he explicit language of section 541 directs courts to evaluate defenses as they existed at the commencement of the bankruptcy."); *Matter of Pernie Bailey Drilling Co., Inc.*, 993 F.2d 67, 70 (5th Cir. 1993) (noting that bankruptcy trustee stood in pari delicto); *see also In re Hedged-Invs. Assocs., Inc.*, 84 F.3d 1281, 1285 (10th Cir. 1996) ("Though the Seventh Circuit's reasoning in *Scholes* enjoys a certain appeal, both from doctrinal and public policy perspectives, we cannot adopt it in this case. Put most simply, Mr. Sender is a bankruptcy trustee acting under 11 U.S.C. § 541, and bankruptcy law, apparently unlike the law of receivership, expressly prohibits [application of *Scholes*]"). We therefore are not persuaded by Wells Fargo's analogy to bankruptcy trustees.

Jones v. Wells Fargo Bank, N.A., 666 F.3d 955, 967-68 (5th Cir. 2012).

89. So although the Fifth Circuit has not addressed the issue directly, courts have predicted it will follow the majority rule, and ruled accordingly, as in this 2019 Western District of Texas decision:

It is an open question in the Fifth Circuit whether *in pari delicto* can be asserted as a defense to claims made by a trustee in a bankruptcy case. *In re Today's Destiny, Inc.*, 888 B.R. 737, 747 (Bankr. S.D. Tex. 2008). The majority of sister Circuits do apply the *in pari delicto* defense to claims made by trustees, however, and this Court has no reason to believe that the Fifth Circuit would depart from that majority. *See, e.g., Official Comm. of Unsecured Creditors of PSA, Inc. v. Edwards*, 437 F.3d 1145, 1151 (11th Cir. 2006) ("If a claim . . . would have been subject to the defense of in pari delicto at the commencement of the bankruptcy, then the same

claim, when asserted by the trustee, is subject to the same affirmative defense.") (citing *Grassmuck v. Am. Shorthorn Ass'n.*, 402 F.3d 833, 837 (8th Cir. 2005); *Official Comm. of Unsecured Creditors v. R.F. Lafferty & Co.*, 267 F.3d 340, 356-57 (3rd Cir. 2001); *Terlecky v. Hurd (In re Dublin Sec. Inc.)*, 133 F.3d 377, 381 (6th Cir. 1997); *Sender v. Buchanan (In re Hedged— [*17] Inv. Assocs.)*, 84 F.3d 1281, 1285 (10th Cir. 1996); *Official Comm. of Unsecured Creditors of Color Tile v. Coopers & Lybrand, LLP*, 322 F.3d 147, 158-66 (2nd Cir. 2003)). Accordingly, the Court will consider the in pari delicto defense raised by Broadway.

Osherow v. York, No. 5:17-CV-483-DAE, 2019 U.S. Dist. LEXIS 200382, at *16-17 (W.D. Tex. Aug. 5, 2019).

90. Even if, as in *Milbank*, the Court were to consider the particular facts and equities of this case, as in *Milbank, supra*, there should be only one possible conclusion on the facts of this case, and there are no additional facts that could change it: the equities favor the Debtor's creditors over a windfall to Mr. Terry, who paid \$1 million presumably on the basis of expected earnings and not tens of millions of dollars of litigation recoveries (or even if the latter, Acis (Mr. Terry) is still not entitled to a speculator's ransom at the expense of innocent creditors). No amount of factual development can or will change that conclusion.

91. Finally, no duty can be bootstrapped from the rights of Acis's (former) creditors, who will not only be paid in full but who had no such right: ***under Delaware law, creditors of a limited partnership cannot sue third parties for breach of fiduciary duty, even derivatively, nor can a trustee sue for them.*** "The claim for breach of fiduciary duties owed to the creditors fails because the Trustee does not allege that the creditors are assignees or members of the Debtors' LLCs. The creditors of the Debtors' LLC thus lack standing to sue the LLC or its members and directors for breaches of fiduciary duties. ***The Trustee does not have standing to***

sue on behalf of the creditors who themselves have no standing.” Beskrone v. OpenGate Capital Grp. (In re Pennysaver USA Publ'g, LLC), 587 B.R. 445, 467 (Bankr. D. Del. 2018) (emphasis added). The analysis and result is the same for limited partnerships. Gavin/Solmonese LLC v. Citadel Energy Partners, LLC (In re Citadel Watford City Disposal Partners, L.P.), 603 B.R. 897, 905 (Bankr. D. Del. 2019) (“Given the similarity of the relevant statutory language of the Delaware Limited Liability Company Act to that of the Delaware LP Act, the result here should be no different for limited partnerships.”).

92. Finally, the claim is barred by the *Bangor Punta* doctrine, as the claim is being brought for the benefit of Mr. Terry and all acts occurred prior to Mr. Terry’s acquisition of the company.

Q. Claim 31: Punitive Damages

93. Acis seeks punitive damages to the extent permitted by law. But, to start, there is no right to recover punitive damages under either federal or state fraudulent transfer laws:

Section 550 does not provide for the recovery of exemplary damages. The trustee has recovered under Texas fraudulent conveyance laws. Under Texas law, exemplary damages are available if the plaintiff has in fact sustained actual loss or injury. *Mack v. Newton*, 737 F.2d 1343, 1367 (5th Cir. 1984). However, as concluded above, the court cannot invoke state law remedies to circumvent or undermine the specific remedy legislated by Congress for the avoidance of a fraudulent transfer.

Sherman v. FSC Realty LLC (In re Brentwood-Lexford Partners, LLC), 292 B.R. 255, 275 (Bankr. N.D. Tex. 2003). See also Schlossberg v. Abell (In re Abell), 549 B.R. 631, 667 (Bankr.

D. Md. 2016); *Hyundai Translead, Inc. v. Jackson Truck & Trailer Repair Inc.*, 419 B.R. 749, 760 (M.D. Tenn. 2009); *In re Lexington Oil and Gas Ltd., Co.*, 423 B.R. 353, 376 (Bankr. E.D. Okla. 2010); *Tronox Inc. v. Anadarko Petroleum Corp. (In re Tronox Inc.)*, 429 B.R. 73, 111 (Bankr. S.D.N.Y. 2010) (“Persuasive authority holds that § 550 bars punitive damages notwithstanding their possible availability under state law.”).

94. As set forth herein, Acis’s state law claims can and should be summarily disallowed, which ends any issue concerning punitive damages.

95. Texas law permits punitive damages only if the plaintiff has in fact sustained actual loss on its substantive counts. *See, e.g., Sherman*, 292 B.R. at 255 (plaintiff could not recover exemplary damages since he did not recover any judgment for breach of fiduciary duty or other applicable cause of action).¹⁴ The claimant must prove by clear and convincing evidence that the harm with respect to which the claimant seeks recovery of exemplary damages results from: (1) fraud¹⁵; (2) malice¹⁶; or (3) gross negligence.¹⁷ Tex. Civ. Prac. & Rem. Code § 41.003(a). Acis cannot sustain this burden, nor would such an award be supported under the relevant factors.¹⁸

¹⁴ Texas law caps punitive damages at the greater of (1) two times economic damages plus an amount equal to noncompensatory damages found by a jury not in excess of \$750,000, or (2) \$200,000. Tex. Civ. Prac. & Rem. Code § 41.008(b).

¹⁵ Constructive fraud does not count. Tex. Civ. Prac. & Rem. Code § 41.001(6).

¹⁶ “Malice” means “a specific intent by the defendant to cause substantial injury or harm to the claimant.” Tex. Civ. Prac. & Rem. Code § 41.001(7).

¹⁷ “Gross negligence” means “an act or omission: (A) which when viewed objectively from the standpoint of the actor at the time of its occurrence involves an extreme degree of risk, considering the probability and magnitude of the potential harm to others; and (B) of which the actor has actual, subjective awareness of the risk involved, but nevertheless proceeds with conscious indifference to the rights, safety, or welfare of others.” Tex. Civ. Prac. & Rem. Code § 41.001(11).

¹⁸ “The Court weighs the following six factors in determining the reasonableness of an award: (1) the nature of the wrong; (2) the character of the conduct involved; (3) the degree of culpability of the wrongdoer; (4) the situation and sensibilities of the parties concerned; (5) the extent to which such conduct offends a public sense of justice and propriety; and (6) the net worth of the defendant.” *In re Galaz*, 2015 Bankr. LEXIS 229, at *30 (Bankr. W.D. Tex. Jan. 23, 2015) (citing Tex. Civ. Prac. & Rem. Code § 41.011(a)).

96. Finally, any claim for punitive damages is barred by the *Bangor Punta* doctrine, as the claim is being brought for the benefit of Mr. Terry and was not asserted prior to Mr. Terry's acquisition of the company.

R. Claim 32: Alter Ego Liability

97. Acis does not adequately allege a claim for alter ego, even if it was a "claim," which it is not; it is only a means of imposing liability for an underlying cause of action. *NMRO Holdings, LLC v. Williams*, 2017 Tex. App. LEXIS 9939, *6 (Tex. App. Oct. 24, 2017). Its allegations of common control by Mr. Dondero are insufficient as a matter of pleading and substantively.

98. Acis alleges that the Debtor, Highland Funding, Highland Adviser, Highland Management, and Highland Holdings (the "Alter Egos") are all controlled by Mr. Dondero, and "[e]ach of the Alter Egos should be held liable for any damages awarded under any Count in this Second Amended Complaint, as each is the alter ego of the others." It also requests that the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, and the transfer of the 2017-7 Equity and the 2017-7 Agreements be "collapsed" and treated as a scheme by which the Debtor would take over Acis's business. Although it is unclear, Acis appears to also assert under this rubric a claim for unjust enrichment, and requests that "[e]ach of the Highlands, and in particular Highland Capital and Highland Funding, benefitted from the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, and the transfer of the 2017-7 Equity and the 2017-7 Agreements even if they were not the direct transferee. Each of the Highlands should

be held liable for benefits unjustly received and make restitution to the Debtors and their estates for those benefits.” Acis Claim ¶ 280.

99. Texas law applies the alter ego rules of the state of incorporation or formation. *See, e.g., In re The Heritage Org., LLC*, 413 B.R. 438, 510 (Bankr. N.D. Tex. 2009); *The Richards Group, Inc. v. Brock*, 2008 U.S. Dist. LEXIS 55139 (N.D. Tex. July 18, 2008). The analyses are often similar. *See, e.g., Sell v. Universal Surveillance Sys., LLC*, 2017 U.S. Dist. LEXIS 219898, at *5 (W.D. Tex. July 6, 2017) (observing that the analyses undertaken by Texas courts, federal courts, and Delaware courts are similar and focus on whether the defendant abused the corporate form).

100. What Acis is essentially alleging is “single enterprise” liability based on common control by Mr. Dondero. Delaware has never recognized the “single business enterprise” theory of alter ego liability, and it was rejected under Texas law by the Texas Supreme Court in *SSP Partners v. Gladstone Invs. Corp.*, 275 S.W.3d 444, 452-54 (Tex. 2008).

101. *SSP Partners* is instructive in rejecting allegations of common control as sufficient to support alter ego liability without the use or abuse of the corporate form to perpetrate a wrong.

We disregard the corporate fiction, even though corporate formalities have been observed and corporate and individual property have been kept separately, when the corporate form has been used as part of a basically unfair device to achieve an inequitable result. Specifically, we disregard the corporate fiction:

(1) when the fiction is used as a means of perpetrating fraud;

(2) where a corporation is organized and operated as a mere tool or business conduit of another corporation;

(3) where the corporate fiction is resorted to as a means of evading an existing legal obligation;

(4) where the corporate fiction is employed to achieve or perpetrate monopoly;

(5) where the corporate fiction is used to circumvent a statute; and

(6) where the corporate fiction is relied upon as a protection of crime or to justify wrong.

Each example involved an element of abuse of the corporate structure. . .

Creation of affiliated corporations to limit liability while pursuing common goals lies firmly within the law and is commonplace. We have never held corporations liable for each other's obligations merely because of centralized control, mutual purposes, and shared finances. There must also be evidence of abuse.

Id. That is not what Acis does or can allege, *i.e.*, even if, *arguendo*, it could establish that assets were wrongfully transferred, the “wrong” did not involve any abuse of the *form* of the entities involved. They are simply a family of commonly controlled entities. As the Fifth Circuit explained in *Pan Eastern Exploration Co. v. Hufo Oils*, 855 F.2d 1106 (5th Cir. 1988):

“The focus of alter ego proper is on the legal adequacy of the corporation's existence, and the relationship between the corporation and its controlling corporation or individual. Many wholly-owned subsidiary and closely-held corporations are not factually distinct from their owners; many are in fact controlled and operated in close concert with the interests of the owners, and do not have a distinct factual existence-- separate employees, separate offices, separate properties, etc. That is perfectly natural and proper. *See, e.g., Edwards Co. v. Monogram Industries*, 730 F.2d 977 (5th Cir. 1984) (en banc) (‘shell’ subsidiary was formally distinct and creditor was not misled; corporate disregard under Texas law was therefore improper). The problem arises when such

a corporation is not treated as *legally* distinct, when, in other words, the owners neglect to maintain the *formal* existence of the corporation as required by law.”

Id. at 1131.

102. Indeed, the absence of a wrong by this Debtor involving the corporate form led the Southern District of New York district court to reject alter ego liability in *Highland CDO Opportunity Master Fund, L.P. v. Citibank, N.A.*, 270 F. Supp. 3d 716 (S.D.N.Y. 2017). Citibank had identified three acts that it asserted constituted fraudulent or wrongful conduct, for which it contended the Debtor had alter ego liability: (i) the Debtor stripped cash and assets from Highland CDO Opportunity Master Fund, L.P. (“CDO Fund”) that would have otherwise been available to satisfy the obligations to Citibank; (ii) the Debtor diverted cash distributions on certain notes (the “HFP Notes”) that would otherwise have been available to CDO Fund to meet its obligations to Citibank; and (iii) the Debtor fraudulently misrepresented the value of the HFP Notes that CDO Fund pledged to Citibank as collateral. *Id.* at 729-33. The district court held that the first prong of New York’s alter ego test – the Debtor’s control and domination of its affiliates – was satisfied, but that Citibank failed to demonstrate the second prong – a “wrong or fraud” for veil piercing purposes – and so dismissed the alter ego claims seeking to hold the Debtor liable for CDO Fund’s obligations. *Id.* at 729-33.

103. Here, the allegations are insufficient even as a matter of pleading. *See Capmark Fin. Grp. Inc. v. Goldman Sachs Credit L.P.*, 491 B.R. 335, 349 (S.D.N.Y. 2013). The pleading here is particularly inadequate because, absent “single enterprise” liability (which is unavailable), Acis would actually need to pierce the veil of each entity between the Debtor and

any entity found to bear liability. *Id.* (“[Plaintiff] fails to present facts to adequately allege the "double-pierce" required to lump together two "sister" subsidiaries, the Goldman Lenders and the PIA Funds, even under the liberal notice pleading standard.”). *See Outokumpu Eng'g Enters., Inc v. Kvaerner Enviropower, Inc.*, 685 A.2d 724, 729 (Del. Super. 1996) (stating that in order to disregard corporate formalities separating "sister" subsidiaries, a plaintiff must first pierce the veil separating one subsidiary from its corporate parent, and then surmount "another barrier" by piercing the veil separating the corporate parent from the second subsidiary).

104. Any claim for punitive damages is also barred by the *Bangor Punta* doctrine, as the claim is being brought for the benefit of Mr. Terry and was not asserted prior to Mr. Terry’s acquisition of the company.

105. Finally, to the extent that Acis is alleging in this action that Dondero is liable as an alter ego for any liability of the Debtor herein (as it does explicitly in its other newly commenced lawsuits), Acis is violating the automatic stay in this case, as any such rights is property of the bankruptcy estate.

S. Claim 33: Willful Violation of the Automatic Stay

106. Acis alleges that the Debtor and Highland Funding violated the Acis automatic stay by sending the Acis trustee Optional Redemption Notices requesting that the trustee effectuate optional redemptions, and by “demanding” that the trustee take actions to effectuate the optional redemption by the next day. Acis seeks damages, attorneys’ fees and costs, and punitive damages.

107. The claim should be disallowed. The Acis trustee declined to effectuate the redemptions. HCLOF, the equity holder of the CLO entities, took the position that the automatic stay was inapplicable, and the Debtor did not believe that it applied. In addition, the claim is untimely and/or has been waived.

108. The claim is also barred by the *Bangor Punta* doctrine, as the claim is being brought for the benefit of Mr. Terry and the acts occurred prior to Mr. Terry's acquisition of the company.

T. Claim 34: Payment of Attorneys' Fees and Costs, Including all Allowed Professionals' Fees and Expenses in the Bankruptcy Cases

109. Acis requests that the Court award attorneys' fees in the adversary proceeding under Texas Business and Commerce Code § 24.013, Civil Practice and Remedies Code § 38.001, TUFTA, and all fees in the entire Acis Case from the Debtor based on the Debtor's alleged breach of fiduciary duty. There is no basis in fact or law for such an award, and the Debtor reserves all defenses thereto.

110. Furthermore, the Debtor and/or affiliates *already* bore the fees of which "reimbursement" is sought: as they were paid by income derived from transferred assets that as a result of the injunction were utilized for the benefit of Acis rather than by the transferees.

111. Finally, the claim is also barred by the *Bangor Punta* doctrine, as the claim is being brought for the benefit of Mr. Terry and the acts occurred prior to Mr. Terry's acquisition of the company.

U. Reservation of Rights

112. The Debtor reserves its right to supplement or modify this Objection and to assert such further objections, defenses or arguments as may later become available or apparent.

WHEREFORE, the Debtor respectfully requests that the Acis Claim be disallowed in its entirety, and such other and further relief as this Court may deem just and proper.

Dated: June 23, 2020

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Jeffrey N. Pomerantz

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Motion has been served electronically via the Court's CM/ECF system upon all parties appearing on the attached service list.

/s/ Jeffrey N. Pomerantz

Jeffrey N. Pomerantz

In re Highland Capital Management, L.P.
Case No. 19-34054-sgj11

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ATTORNEYS FOR JAMES DONDERO

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

IN RE:	§	
	§	
HIGHLAND CAPITAL MANAGEMENT, L.P.,	§	Case No. 19-34054
	§	
	§	
Debtor.	§	Chapter 11

**JAMES DONDERO’S (I) OBJECTION TO PROOF OF CLAIM OF ACIS CAPITAL
MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP, LLC; AND (II)
JOINDER IN SUPPORT OF HIGHLAND CAPITAL MANAGEMENT, L.P.’S
OBJECTION TO PROOF OF CLAIM OF ACIS CAPITAL MANAGEMENT L.P.
AND ACIS CAPITAL MANAGEMENT GP, LLC
[Relates to Claim No. 3 and Docket No. 771]**

James Dondero (“Dondero”), a creditor, indirect equity security holder, and party in interest in the above-captioned bankruptcy case, hereby files this *(I) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (II) Joinder in Support of Highland Capital Management, L.P.’s Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC* and hereby objects to Proof of Claim No. 3 (the “Acis Claim”)¹ filed by claimants Acis Capital Management, L.P. and Acis Capital

¹ The Acis Claim was assigned Claim No. 23 by the Debtor’s claims’ agent.

Management GP, LLC (collectively, “Acis”) in the above-captioned chapter 11 case of Highland Capital Management, L.P. (the “Debtor”). In support thereof, Dondero respectfully represents as follows:

I. BACKGROUND

1. On October 16, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the U.S. Bankruptcy Court for the District of Delaware, Case No. 19-12239 (CSS) (the “Delaware Court”).

2. On October 29, 2019, the Official Committee of Unsecured Creditors (the “Committee”) was appointed by the U.S. Trustee in the Delaware Court.

3. On December 4, 2019, the Delaware Court entered an order transferring venue of the Debtor’s Bankruptcy Case to this Court [Docket No. 186].

4. On December 27, 2019, the Debtor filed that certain *Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* [Docket No. 281] (the “Settlement Motion”). This Court approved the Settlement Motion on January 9, 2020 [Docket No. 339] (the “Settlement Order”).

5. The Settlement Order approved, among other things, certain operating and reporting protocols [Docket Nos. 354, 466].

6. In connection with the Settlement Order, an independent board of directors was appointed on January 9, 2020, at the Debtor’s general partner, Strand Advisors, Inc. (the “Independent Board”).

7. The Acis Claim incorporates the complaint from litigation commenced by the trustee of the former estate in the Acis bankruptcy case (the “Acis Case”) at a time when Acis had

unpaid creditors (the “Acis Complaint”)².

8. On June 23, 2020, the Debtor filed its *Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC* [Docket No. 771] (the “Highland Objection”). The Highland Objection raises many issues that will potentially be litigated in connection with the Acis Complaint. The Highland Objection is set for hearing on August 6, 2020 at 9:30 a.m.

II. RELIEF REQUESTED

9. For the reasons set forth in the Highland Objection, Dondero believes that the Acis Claim should be disallowed in its entirety and therefore files this objection to the Acis Claim and joinder in support of the Highland Objection.

10. Terry, whose claim has been, or soon will be, satisfied in full under Acis’s plan, should not be granted a \$75 million (or more) windfall at the expense of this Debtor’s creditors and its estate. As detailed at length in the Highland Objection, the Acis Claim attempts to circumvent established legal principles to obtain a recovery—exponentially larger than Acis’s debt—not for the Acis estate (it no longer exists), not for Acis’s creditors (they have all been paid or will be soon satisfied), but for Terry himself. Each of Acis’s causes of action fails for a variety of independent reasons, many of which stem from the fact that Terry is ultimately seeking a personal recovery. The Court should see the Acis Claim for what it is—a vexatious attempt to obtain an undue personal windfall at the expense of the Debtor, its estate, and its creditors and equity owners. The Court should disallow the Acis Claim in full.

² Specifically, the Acis Claim incorporates the *Second Amended Complaint (Including Claim Objections and Objections to Administrative Expense Claims)* filed in Adversary No. 18-03078 in the Acis Case.

III. STANDING

11. Dondero, as a creditor, indirect equity security holder, and party in interest, has standing to file this claim objection and joinder pursuant to sections 502(a)-(b) and 1109(b) of the Bankruptcy Code and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

12. Section 502(a) of the Bankruptcy Code provides that “[a] claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest, including a creditor of a general partner in a partnership that is a debtor in a case under chapter 7 of this title, objects.” 11 U.S.C. § 502(a).

13. In the event an objection is filed by a party in interest, section 502(b) provides that the court, after notice and hearing, shall determine the allowance of such claim. 11 U.S.C. § 502(b).

14. While neither sections 101, 502, 1109 nor any other section in the Bankruptcy Code specifically define the term “party in interest,” section 1109(b) provides a non-exclusive list of constituents that fall within the meaning of “party in interest” for the purposes of a chapter 11 proceeding. *See Kipp Flores Architects, L.L.C. v. Mid-Continent Cas. Co.*, 852 F.3d 405, 413 (5th Cir. 2017) (“The Bankruptcy Code does not provide an exclusive definition of a party in interest, but the Code broadly includes debtors, creditors, trustees, indenture trustees, and equity security holders among the parties entitled, *e.g.*, to notice of proceedings in the case.”).

15. Specifically, section 1109(b) provides that “[a] party in interest, including the debtor, the trustee, a creditors’ committee, an equity security holders’ committee, a creditor, an equity security holder, or any indenture trustee may raise and may appear and be heard on any issue in a case under [Chapter 11].” 11 U.S.C. § 1109(b). This section “has been construed to create a broad right of participation in Chapter 11 cases.” *In re Global Industrial Technologies*,

Inc., 645 F.3d 201, 210 (3d Cir. 2011) (quoting *In re Combustion Engineering, Inc.*, 391 F.3d 190, 214 n.21 (3d Cir. 2004)).

16. Parties in interest for the purpose of claims objections “include not only the debtor, but anyone who has a legally protected interest that could be affected by a bankruptcy proceeding.” *Adair v. Sherman*, 230 F.3d 890, 894 n. 3 (7th Cir. 2000). “Any ‘party in interest’ may object to a proof of claim and request the court to determine its correct amount.” *Kipp Flores Architects, L.L.C. v. Mid-Continent Cas. Co.*, 852 F.3d 405, 413 (5th Cir. 2017). *See also* 4 COLLIER ON BANKRUPTCY P 502.02 (16th ed. 2020) (“In the context of a chapter 11 case in particular, the term ‘party in interest’ expressly includes the debtor, the trustee, a creditors’ committee, an equity security holders’ committee, a creditor, an equity security holder, or any indenture trustee.”).

17. Here, Dondero has standing to be heard on any issue in this Chapter 11 case, including this claim objection proceeding, because he is (i) a creditor; (ii) an equity security holder; and (iii) a party in interest as those terms are interpreted under the Bankruptcy Code.

18. Dondero is a creditor of the Debtor because he has prepetition claims against the Debtor and its estate, including, without limitation, those asserted through proofs of claim numbers 141, 142, and 145 filed by Dondero on April 8, 2020.

19. Dondero is also an equity security holder through his role as the President and sole shareholder of Debtor’s General Partner, Strand Advisors, Inc. (“Strand”). As the Debtor’s General Partner, Strand maintains a 0.2508% partnership interest in the Debtor.

20. Accordingly, as both a creditor and equity security holder, Dondero qualifies as a “party in interest” under the Bankruptcy Code and has the right to file this claim objection and be heard on any other issue in this Chapter 11 case.

IV. LEGAL STANDARD

21. Section 502 of the Bankruptcy Code provides, in pertinent part, as follows: “[a] claim or interest, proof of which is filed under section 501 of [the Bankruptcy Code], is deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502.

22. The Bankruptcy Code establishes a burden-shifting framework for proving the validity and amount of a claim. “A proof of claim executed and filed in accordance with the [Bankruptcy Rules] shall constitute *prima facie* evidence of the validity and amount of the claim.” Fed. R. Bankr. P. 3001(f); *see also In re Armstrong*, 347 B.R. 581, 583 (Bankr. N.D. Tex. 2006). A proof of claim loses the presumption of *prima facie* validity under Bankruptcy Rule 3001(f) if an objecting party produces evidence sufficient to rebut at least one of the allegations that is essential to the claim’s legal sufficiency. *See In re Fidelity Holding Co., Ltd.*, 837 F.2d 696, 698 (5th Cir. 1988); *McGee v. O’Connor (In re O’Connor)*, 153 F.3d 258, 260 (5th Cir. 1998). Once such allegations are rebutted, the burden shifts back to the claimant to prove its claim by a preponderance of the evidence. *In re Armstrong*, 347 B.R. 581, 583 (Bankr. N.D. Tex. 2006). Despite this shifting burden, “the ultimate burden of proof always lies with the claimant.” *Id.* (citing *Raleigh v. Ill. Dep’t of Rev.*, 530 U.S. 15 (2000)).

V. OBJECTION AND JOINDER

23. For the reasons set forth in the Highland Objection, Dondero hereby objects to the Acis Claim and asserts it should be disallowed as articulated in the Highland Objection.

24. Dondero hereby joins in and adopts in full, and hereby incorporates by reference, the Highland Objection and the objections and supporting legal arguments asserted therein. Without limiting the generality of the foregoing, Dondero specifically objects to the Acis Claim on the following grounds:

- a. The Acis Claim for breach of fiduciary duty should be disallowed because sole owners do not owe fiduciary duties to their company.
- b. Even if fiduciary duties had been owed, this part of the Acis Claim should be disallowed because Acis cannot sue others for participating in a scheme in which it, as one of the entities it alleges was commonly owned and controlled, was equally culpable.
- c. The fraudulent transfer claims should be disallowed because a debtor cannot recover avoidance claims for its own benefit under section 550(a) of the Bankruptcy Code.
- d. All claims asserted by Acis on its own behalf against prior equity holders or third parties that were not pending when Mr. Terry purchased the company should be disallowed under the *Bangor Punta* doctrine.

VI. RESERVATION OF RIGHTS

25. Dondero reserves the right to amend and/or supplement this objection and joinder, including to assert additional claim objections and legal arguments. Dondero further reserves the right to participate in discovery respecting and the hearing on the Highland Objection, including to make argument, present evidence, and examine witnesses.

CONCLUSION

Dondero respectfully requests that the Court enter an order disallowing the Acis Claim and granting him and the Debtor such other and further relief to which they may be justly entitled.

Dated: July 13, 2020

Respectfully submitted,

/s/ D. Michael Lynn

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ATTORNEYS FOR JAMES DONDERO

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on July 13, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, the Debtor, the Office of the U.S. Trustee, and on all other parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

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ATTORNEYS FOR JAMES DONDERO

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

IN RE:	§	
	§	
HIGHLAND CAPITAL MANAGEMENT, L.P.,	§	Case No. 19-34054
	§	
Debtor.	§	Chapter 11

**RESPONSE OF JAMES DONDERO TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS' EMERGENCY
MOTION TO COMPEL PRODUCTION BY THE DEBTOR
[Relates to Docket No. 808]**

James Dondero ("Dondero"), a party in interest, hereby files this Response to the *Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor* [Docket No. 808] (the "Motion"). In support thereof, Dondero respectfully represents as follows:

BACKGROUND

1. Through the Motion, the Committee seeks the production by the Debtor of a wide variety of documents, including emails, to aid in its investigation of potential Estate Claims¹ and other potential causes of action against third parties, which includes "any and all estate claims and causes of action against Dondero, [Mark] Okada, other insiders of the Debtor, and each of the

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

Related Entities,² including promissory notes held by any of the foregoing.” In accordance with the Final Term Sheet, the Committee also seeks “any privileged documents or communications that related to the Estate Claims.”

2. The Final Term Sheet grants the Committee access to privileged documents and communications in the Debtor’s possession, custody, or control specifically related to the investigation and pursuit of the Estate Claims. The term sheet provides that “solely with respect to the investigation and pursuit of Estate Claims, the document production protocol will acknowledge that the Committee will have access to the privileged documents and communications that are within the Debtor’s possession, custody, or control (“Shared Privilege”).”

3. Accordingly, the Proposed Protocol of the Committee seeks, among other things, documents, emails, and other electronically stored information (ESI) exchanged from or between nine different custodians, who include Dondero.³ The Committee has requested all ESI for the nine custodians, including without limitation, email, chat, text, Bloomberg messaging, or any other ESI attributable to the custodians.

4. The Debtor’s document production to the Committee in this case is subject to the terms and conditions of the Agreed Protective Order [Docket No. 382] entered into between the Committee and the Debtor on January 21, 2020. Under this protective order and the Committee’s

² As described in the Motion, “[t]he Final Term Sheet defines “Related Entities,” as, collectively, “(i) any non-publicly traded third party in which Mr. Dondero, Mr. Okada, or Mr. Grant Scott, or Mr. John Honis . . . has any direct or indirect economic or ownership interest, including as a beneficiary of a trust; (ii) any entity controlled directly or indirectly by Mr. Dondero, Mr. Okada, Mr. Grant Scott, or Mr. John Honis . . . ; (iii) MGM Holdings, Inc.; (iv) any publicly traded company with respect to which the Debtor or any Related Entity has filed a Form 13D or Form 13G; (v) any relative . . . of Mr. Dondero or Mr. Okada each solely to the extent reasonably knowable by the Debtor; (vi) the Hunter Mountain Investment Trust and Dugaboy Investment Trust; (vii) any entity or person that is an insider of the Debtor under Section 101(31) the Bankruptcy Code, . . . ; and (viii) to the extent not included in [the above], any entity included in the listing of related entities in **Schedule B** hereto (the “Related Entities Listing”).” (Dkt. 354-1, at 52.) The Related Entities Listing lists thousands of entities related to the Debtor. CLO Holdco i[s] a shareholder and limited partner of various entities on the Related Entities Listing.”

³ These nine custodians are Patrick Boyce, Jim Dondero, Scott Ellington, David Klos, Isaac Leventon, Mark Okada, Trey Parker, Tom Surgent (“Surgent”), and Frank Waterhouse.

Proposed Protocol, any document not including one of the agreed-upon set of privilege terms (that is, those likely to identify attorney-client privileged communications or attorney work product, but not those related to the Estate Claims) would be produced to the Committee for review, subject to the Agreed Protective Order's provisions on "No Waiver" and "Claw Back of Inadvertently Produced Protected Materials." Thereafter, after review by Debtor's contract attorneys, the Committee's Proposed Protocol suggests that non-privileged documents and "privileged documents related to the Estate Claims would be produced to the Committee on a rolling basis."

5. While the Agreed Protective Order provides these and other protections to the Debtor related to the production of documents and information in this proceeding, the order provides that it does not apply to any third-party beneficiaries. Specifically, the order states that it "precludes non-Debtor affiliates, and their Representatives, including any entity affiliated with, owned by, or controlled in any way, directly or indirectly, by James Dondero and his affiliates (the "Dondero Parties") from seeking to enforce or rely on this Order in any way, unless any of the Dondero Parties is asked (formally or informally) to produce or receive Discovery Materials thereby becoming a "Party" as defined herein."⁴

6. On July 9, 2020, Highland Capital Management, L.P. (the "Debtor" or "Highland") filed *Debtor's Motion for Entry of (I) A Protective Order, or, in the Alternative, (II) an Order Directing the Debtor to Comply with Certain Discovery Demands Tendered by the Official Committee of Unsecured Creditors, Pursuant to Federal Rules of Bankruptcy Procedure 7026 and 7034* [Docket No. 810].

7. Because the production of certain privileged information is implicated by the Committee's Motion, including as it relates to Dondero, both individually and in connection with

⁴ See Agreed Protective Order [Docket No. 382], para. 17.

his affiliated entities, Dondero is a Party that may seek relief with this Court in connection with the Agreed Protective Order.

RESPONSE

8. While Dondero takes no position as to the relief requested by the Committee in the Motion, he files this Response to ensure his rights are protected in connection with the production of any confidential or privileged documents and other information sought by the Committee.

9. Under the Final Term Sheet, the Committee is entitled to “privileged documents and communications that are within the Debtor’s possession, custody, or control” with respect to its investigation and pursuit of Estate Claims. In turn, members of the Committee will be entitled to access and review such information. Because of the broad scope of access granted to the Committee through the Final Term Sheet and the Shared Privilege, each of the committee members will have access to much more material than in the typical case.

10. One such member, Joshua Terry (“Terry”), along with his wholly-owned or controlled entities, Acis Capital Management GP, LLC, and Acis Capital Management, L.P. (collectively, “Acis”), would enjoy access to this privileged and confidential information. As the Court is aware, Terry and Acis have commenced a number of proceedings against Dondero, Highland, and various related parties, which are not intended to benefit Highland’s creditors generally, but are meant to benefit primarily Terry himself. Because of these pending actions, if the Court grants the Motion, the Court should restrict Terry and Acis’s access to the information sought by the Committee, especially that which is privileged or confidential.

11. While Dondero has found no case law directly on point, there is an analogous situation. Under Rule 2004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Court may order the examination of any entity. Fed. R. Bankr. P. 2004. Rule 2004

further provides that the Court may order the examination and the production of documentary evidence concerning any matter that relates “to the acts, conduct, or property or to the liabilities and financial condition of the debtor, or to any matter which may affect the administration of the debtor’s estate, or . . . any matter relevant to the case or the formulation of a plan.” Fed. R. Bankr. P. 2004(b).

12. The scope of discovery under Rule 2004 is very broad. Courts have likened the examination to be in the nature of a “fishing expedition.” *In re Countrywide Home Loans, Inc.*, 384 B.R. 373, 400 (Bankr. W.D. Pa. 2008).

13. Although discovery under Rule 2004 is extremely broad, “once an adversary proceeding or contested matter is commenced, discovery should be pursued under the Federal Rules of Civil Procedure and not by Rule 2004.” *In re SunEdison, Inc.*, 572 B.R. 482, 490 (Bankr. S.D.N.Y. 2017); *In re Enron Corp.*, 281 B.R. 836, 840 (Bankr. S.D.N.Y. 2002) (citing *Snyder v. Soc’y Bank*, 181 B.R. 40, 42 (S.D. Tex. 1994), *aff’d sub nom. In re Snyder*, 52 F.3d 1067 (5th Cir. 1995)); *In re Bennett Funding Group, Inc.*, 203 B.R. 24, 28 (Bankr. N.D.N.Y. 1996) (“The well recognized rule is that once an adversary proceeding or contested matter has been commenced, discovery is made pursuant to the Fed. R. Bankr. P. 7026 *et seq.*, rather than by a [Rule] 2004 examination.”). Because Rule 2004 is designed to provide the examining party with “broad power to investigate the estate, it does not provide the procedural safeguards offered by Fed. R. Bankr. P. 7026.” *In re Bennett Funding Grp., Inc.*, 203 B.R. 24, 28 (Bankr. N.D.N.Y. 1996).

14. In this case, the Committee and the Debtor have, through the Final Term Sheet, agreed to allow the Committee to conduct broad discovery concerning the Debtor’s assets and financial affairs (akin to a 2004 examination) to aid in the Committee’s investigation and pursuit of potential Estate Claims and other causes of action. Thus, to the extent there are pending

proceedings to which the Committee or any of its members is a party, they may be affected by this discovery.

15. While the Committee itself has not commenced an adversary proceeding or contested matter against the Debtor, Dondero, or any related entities, Terry has done so. Terry, either on behalf of himself or his wholly-owned and controlled entity, Acis, has commenced a number of adversary proceedings and state court lawsuits against the Debtor, Dondero, a number of Debtor's employees, and certain related entities. These proceedings remain pending and discovery may (for the most part) be taken by the parties.

16. Specifically, the pending proceedings commenced by Terry are (i) by Terry, related to his 401(k), in state court against Dondero and Surgent; (ii) by Acis in state court against former Highland attorneys including in-house counsel; (iii) by Acis in this Court against Highland and its related parties (stayed by Highland's chapter 11 filing); (iv) by Acis against Dondero and certain Highland employees, recently commenced in this Court; and (v) the frivolous motion for contempt by Acis against Dondero, Highland, and certain Highland employees and others, if Acis ever gets around to actually filing it (it has been before the Court as an exhibit to the motion for relief from stay filed in connection with it).

17. If the Committee and each of its members is given access to the confidential and privileged information of Dondero and his affiliates related to the Estate Claims, Terry and by extension his wholly owned and controlled entity, Acis, Highland's competitor and litigation adversary, stand to gain an unfair advantage by accessing proprietary, confidential, or privileged information of Dondero and related parties for the purposes of pending litigation. Allowing Terry to participate in such discovery in Highland's bankruptcy case would circumvent the procedural

protections provided by Bankruptcy Rule 7026 and give Terry unprecedented access to sensitive information he may use to gain undue leverage in these various actions.

18. Moreover, with the existence of the multitude of the pending actions commenced by Terry and Acis against Dondero and Highland's employees, there is another significant problem posed by Terry's service on the Committee: now that Terry has sued (sometimes in a different case) not only Dondero but numerous other Highland employees, Terry's access to the Committee's privileged information in the Highland case may create significant problems for Dondero and Highland's employees in fulfilling their duties to Highland.

19. The successful operations of Highland, especially during this critical time, require the close attention and candid disclosures of its employees, including in-house counsel, to the Independent Board and the Committee. Dondero, for example, often exchanges views with the Independent Directors. In doing so he must be cognizant of the possibility that his words may prejudice him in pending litigation.

20. The foregoing concerns were first brought to the Court's attention by Dondero in his filed Comment⁵ to the *Motion for Leave to File Redacted Quarterly Operating Reports* [Acis Docket No. 1161] (the "QOR Motion") filed by Acis in the Acis case, pursuant to which Acis seeks to conceal critical portions of its quarterly operating report from all creditors and interested parties in the Acis case while at the same time utilizing this Court's time and resources to pursue litigation against Dondero, Highland, its employees, and certain related parties. The QOR Motion remains pending. As discussed in the Comment to the QOR Motion, the advantages to Terry resulting from the Shared Privilege and access to information provided to the Committee are significant.

⁵ See Docket No. 1168 filed in the Acis case.

21. The observations and concerns raised by Dondero in that Comment are even more striking and relevant in this contested matter. If Terry and Acis are allowed access to the privileged and confidential information being sought by the Committee, such information will undoubtedly be utilized by Terry and Acis in their pursuit of Dondero and Highland. Terry, either on behalf of himself or Acis, has litigation pending against (i) Highland; (ii) Highland's founder, Mr. Dondero; (iii) various Highland related entities; (iv) Highland's former attorneys; and (v) Highland's own employees. Given the extraordinary breadth of these actions, there is an existential threat of abuse by Terry of his access to the information available to the Committee, including through the Shared Privilege, to the detriment of Dondero, the Debtor-related parties, Debtor's employees, and the Debtor's estate.

CONCLUSION

For the reasons set forth above, in the event the Court grants the Motion, Dondero respectfully requests that the Court bar Terry's access to the information sought by the Committee in the Motion. The information sought may be used by Terry and Acis to circumvent the discovery protections under Bankruptcy Rule 7026 to gain an unfair advantage in the litigation Terry has commenced against Dondero, Highland, Highland's employees, and various related parties.

Dated: July 14, 2020

Respectfully submitted,

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ATTORNEYS FOR JAMES DONDERO

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on July 14, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for the Committee, the Debtor, and on all other parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

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

-----X	
<i>In re</i>	: Chapter 11
	:
HIGHLAND CAPITAL MANAGEMENT, L.P., ¹	: Case No. 19-34054-sgj11 (SGJ)
	:
Debtor.	: Re: Docket No. 771
-----X	

**UBS (I) OBJECTION TO PROOF OF CLAIM OF
ACIS CAPITAL MANAGEMENT L.P. AND ACIS CAPITAL MANAGEMENT GP, LLC
AND (II) JOINDER IN THE DEBTOR'S OBJECTION**

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

UBS Securities LLC and UBS AG, London Branch (together, “UBS”), by and through their undersigned counsel, hereby submit this objection (the “Objection and Joinder”) to Proof of Claim No. 23 (the “Acis Claim”)² and joinder in the Debtor’s *Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC* (Dkt. No. 771, the “Debtor Objection”). In support thereof, UBS respectfully states as follows:

BACKGROUND

1. The Debtor in these proceedings is Highland Capital Management, L.P., an investment management firm that manages a variety of hedge funds, structured investment vehicles, and mutual funds.

2. On October 16, 2019, the Debtor filed a voluntary petition for chapter 11 relief in the Bankruptcy Court for the District of Delaware. Pursuant to an order dated December 4, 2019, the Debtor’s bankruptcy proceedings were transferred to this Court under the above-captioned case number.

3. On December 31, 2019, Acis filed the Acis Claim against the Debtor for “[a]t least \$75,000,000.00.” (Claim No. 23 at 2.) The Acis Claim is predicated upon Acis’s thirty-four count *Second Amended Complaint (including Claim Objections and Objections to Administrative Expense Claim)* filed on June 20, 2019 as Adversary No. 18-03078 in the Acis Case, which purports to seek unspecified compensatory damages, prejudgment and other interest, attorneys’ fees, and punitive damages against the Debtor and other non-Debtor Highland entities. (Claim No. 23 Addendum at 1.) The Acis Claim also purports to state a claim for “[p]ost-petition interest, attorneys’ fees, costs, and other expenses [that] continue to accrue” (*Id.*) Finally, Acis

² The Debtor’s Objection and the Acis Claim filing header refer to Claim No. 3. As UBS understands, however, Claim No. 3 was filed by Grayson County and the Acis Claim is listed as Claim No. 23 on the KCC Claims Register. Capitalized terms not defined herein are given the meaning assigned to them in the Debtor Objection.

reserves rights to recoupment and setoff and states that the Acis Claim is “secured to the extent permitted under Sections 506 and 553 of the Bankruptcy Code.” (*Id.* at 1-2.)

4. On June 23, 2020, the Debtor filed the Debtor Objection, requesting summary disposition of all claims asserted and for the Acis Claim to be disallowed in its entirety. (*See* Debtor Obj.). The Debtor Objection is set for hearing on September 17, 2020 (continued from the original August 6, 2020 hearing date).

RELIEF REQUESTED

5. Any party in interest may object to the allowance of a claim in a chapter 11 case. 11 U.S.C. § 502. The Court, after notice and a hearing, shall disallow a claim against the Debtor to the extent “such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law . . .” 11 U.S.C. § 502(b)(1). The “ultimate burden” of persuasion with respect to the claim’s validity and amount is on the claimant. *See In re Armstrong*, 347 B.R. 581, 583 (Bankr. N.D. Tex. 2006).

6. Pursuant to section 502 of the Bankruptcy Code, Rule 3007 of the Bankruptcy Rules, and Rule 3007-1 of the Local Rules of the United States Bankruptcy Court of the Northern District of Texas, and as a party in interest in this chapter 11 case, UBS objects to the Acis Claim, joins in the Debtor Objection, and asks this Court to disallow the Acis Claim in its entirety.

JOINDER AND OBJECTION

7. UBS joins in the legal arguments and authorities set forth in the Debtor Objection, except as described in Sections Q (punitive damages) and T (attorneys’ fees).

8. The Debtor Objection argues that Acis has no right to recover punitive damages under (i) federal or state fraudulent transfer laws, (ii) other state law, or (iii) the *Bangor Punta* doctrine. (Debtor Obj. ¶¶ 93-96, 104.) The Debtor Objection further asserts that Acis is not

entitled to attorneys' fees because (i) "[t]here is no basis in fact or law for such an award," (ii) "the Debtor and/or affiliates *already* bore the fees," and (iii) the *Bangor Punta* doctrine applies to this portion of the Acis Claim. (*Id.* ¶¶ 109-111.) UBS agrees that Acis should not be entitled to recover punitive damages or attorneys' fees here, but arrives at this conclusion through a different legal analysis.

9. *Tronox Inc. v. Anadarko Petroleum Corp. (In re Tronox Inc.)* explains that some state fraudulent transfer statutes allow punitive damages, and some do not. 429 B.R. 73, 111, n.24 (S.D.N.Y. 2010) ("Missouri and Ohio allow punitive damages for actual fraudulent transfer claims, but Connecticut does not.") Several courts have previously placed Texas among those states allowing punitive damages for successful actual fraudulent conveyance claims, holding that "TUFTA authorizes an award for punitive damages." *Nichols v. YJ USA Corp.*, 2009 U.S. Dist. LEXIS 22450, at *27 (N.D. Tex. – Dallas Div. Mar. 18, 2009); *see Mullins v. TestAmerica, Inc.*, 2006 U.S. Dist. LEXIS 53518, at *29 (N.D. Tex. – Dallas Div. Aug. 2, 2006)

10. Cases have also recognized that "[a]ttorneys' fees are specifically provided for in TUFTA." *Id.* at *30; *see also* TEX. BUS. & COM. CODE ANN. § 24.013.

11. UBS recognizes these legal bases for a fraudulent conveyance claim, when appropriate, to support an award of punitive damages and/or attorneys' fees. However, because UBS agrees that Acis's state law claims, including those under TUFTA, are subject to summary disallowance and agrees with the Debtor's arguments regarding the *Bangor Punta* doctrine, UBS concurs on these alternative grounds with the Debtor Objection's conclusion that Acis is not entitled to an award of punitive damages or attorneys' fees.

12. Except as already noted, UBS joins in the remainder of the Debtor Objection's legal arguments.³ Without limiting such arguments, UBS emphasizes the following:

13. By its own admission, Acis was equally culpable in any alleged wrongful conduct now at issue in the Acis Claim. (*See* Claim No. 23 Addendum at 24 n.15 (“[Acis GP and LLC] were also under Highland Capital and Dondero’s control at this time and were active participants in all of Highland Capital and Dondero’s schemes to denude the Debtors...”)).

14. In addition to its own wrongful conduct, Acis has successfully restructured and, on knowledge and belief, Acis’s creditors have been or are well on their way to being paid in full. These facts help to show why summary disposition of the portion of the Acis Claim predicated on counts 5-25 of the second amended complaint is appropriate, despite the fact that “recovery under section 550(a) is subject to a case-by-case analysis of the facts of the case and the equities” involved. (Debtor Obj. ¶ 34; *see also id.* ¶¶ 37, 40.) This is a case where the facts (and this Court’s familiarity with them) unquestionably negate the need for section 550(a) recovery without further factual development.

15. Josh Terry was one of only a handful of non-insider Acis creditors, and under the Acis Case restructuring plan, he and the other non-insider creditors expect to recover 102% of their claim amounts. (*See Bench Ruling and Memorandum of Law in Support of: (A) Final Approval of Disclosure Statement; and (B) Confirmation of Chapter 11 Trustee’s Third Amended Joint Plan*, Acis Case Dkt. No. 827 at 17-18.) Further, Terry negotiated a purchase of 100% of the reorganized Acis equity interests in exchange for a \$1 million reduction to his claim amount. (*Id.*) This means that Terry has already (or will soon have) recovered in full for the events at the center of his claim

³ UBS notes that the Debtor is better positioned to access and assess the facts underlying the Acis Claim and Debtor Objection. As such, UBS accepts the Debtor Objection’s factual assertions as true for purposes of this Objection and Joinder.

(and gained sole ownership of a soon-to-be reorganized entity), and he is not entitled to—nor should he receive—an additional \$75 million windfall in his favor.

16. In contrast, claims against the Debtor here are numerous and far exceed the Debtor's assets, meaning creditors are unlikely to recover in full, let alone 102% of the allowed amount of their claims, or additional future profit. (*See e.g.*, Dkt. No. 804.) As a threshold matter, these facts reveal why summary disposition of much of the Acis Claim is appropriate, and why, when coupled with the Debtor Objection's legal arguments, the Acis Claim should be disallowed in its entirety.

RESERVATION OF RIGHTS

17. UBS reserves its right to amend, modify, or supplement this Objection and Joinder and to assert any additional objections to the Acis Claim at any appropriate time, including at any related hearing.

CONCLUSION

18. For the foregoing reasons, UBS respectfully requests the Court enter an order disallowing the Acis Claim in full and award such other relief as may be just and proper.

DATED this 23 day of July, 2020.

LATHAM & WATKINS LLP

By /s/ Andrew Clubok

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CERTIFICATE OF SERVICE

I, Martin A. Sosland, certify that the foregoing pleading was filed electronically through the Court's ECF system and served electronically on all parties enlisted to receive service electronically.

Dated: July 23, 2020.

/s/ Martin A. Sosland
MARTIN A. SOSLAND

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero

Appellant

vs.

Highland Capital Management, L.P., et al

Appellee

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3:20-CV-03390-X

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLANT RECORD
VOLUME 6**

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

IN RE:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

Debtor.

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Case No. 19-34054

Chapter 11

INDEX
**APPELLANT'S SECOND AMENDED DESIGNATION OF ITEMS TO
BE INCLUDED IN THE RECORD ON APPEAL AND
STATEMENT OF ISSUES TO BE PRESENTED**

Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Appellant James Dondero ("Appellant") in this appeal as noticed by the Notice of Appeal filed by Appellant on November 9, 2020, files this *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented*¹ in the above-captioned case and requests that the Clerk prepare and forward the items listed herein to the District Court for inclusion in the record in connection with this appeal.

¹ This designation is being further amended to group together certain docket entries per the clerk's request.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL

1. Notice of Appeal filed by Appellant [Docket No. 1347];

2. *Order Approving Debtor's Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302];

3. Docket entries kept by the bankruptcy clerk in case no. 19-34054; and

4. Each of the additional documents and items designated below:

Designation No.	Docket No.	Date	Description
1.		10/25/18	<i>Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC</i> [Docket No. 660 in Case No. 18-30264]
2.		1/31/19	<i>Findings of Fact, Conclusions of Law, and Order Granting Final Approval of Disclosure Statement and Confirming the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, as Modified</i> [Docket No. 829 in Case No. 18-30264]
3.	607	4/28/20	<i>Summary of First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from October 16, 2019 through March 31, 2020</i> [Docket No. 607]
4.	617	5/1/20	<i>James Dondero's Limited Response to Acis Capital Management, L.P. and Acis Capital Management GP, LLC's Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction</i> [Docket No. 617]
5.	771	6/23/20	<i>Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC, filed by Highland Capital Management, L.P.</i> [Docket No. 771]

Vol. 5 001276 001284 001293	6.	827	7/13/20	<i>James Dondero's (i) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (ii) Joinder in Support of Highland Capital Management, L.P.'s Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 827]</i>
	7.	832	7/14/20	<i>Response of James Dondero to the Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor [Docket No. 832]</i>
	8.	891	7/23/20	<i>UBS (i) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC and (ii) Joinder in the Debtor's Objection [Docket No. 891]</i>
Vol. 6 001300	9.	908	7/31/20	<i>Omnibus Response to Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 908]</i>
Vol. 7 001571 Thru Vol. 8	10.	971	8/19/20	<i>Summary of Second Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from April 1, 2020 through July 31, 2020 [Docket No. 971]</i>
Vol. 8 001965	11.	983	8/21/20	<i>Agreed Scheduling Order Regarding Objections to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 983]</i>
001970	12.	1079	9/21/20	<i>First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1079]</i>
Vol. 9 002031	13.	1080	9/21/20	<i>Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1080]</i>
002186	14.	1087	9/23/20	<i>Debtor's Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer</i>

			<i>G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith [Docket No. 1087] (the “Acis Settlement Motion”)</i>
15.	1088	9/23/20	Declaration of Gregory V. Demo in Support of the Acis Settlement Motion [Docket No. 1088]
16.	1088-1	9/23/20	Settlement Agreement between the Debtor, Acis, and certain related parties [Docket No. 1088-1]
17.	1088-2	9/23/20	General Release between the Debtor, Acis, and certain related parties [Docket No. 1088-2]
18.	1094	9/24/20	<i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020 [Docket No. 1094]</i>
19.	1121	10/05/20	James Dondero’s Response to the Acis Settlement Motion [Docket No. 1121]
20.	1194-1	10/16/20	Proof of Claim No. 23 filed by Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively, “Acis”)
21.	1194-2	10/16/20	Proof of Claim No. 72 filed by the Redeemer Committee of the Highland Crusader Fund
22.	1194-3	10/16/20	Proof of Claim No. 81 filed by Highland Crusader Offshore Partners, L.P., et al.
23.	1194-5	10/16/20	Proof of Claim No. 77 filed by Patrick Daugherty
24.	1194-4	10/16/20	Proof of Claim No. 93 filed by Integrated Financial Associates, Inc.
25.	1194-6	10/16/20	Proof of Claim No. 190 filed by UBS
26.	1194-16	10/16/20	Expert Opinion of Nancy B. Rapoport, dated October 11, 2020, including all attachments thereto
27.	1194-17	10/16/20	Curriculum Vitae of Nancy B. Rapoport

Vol. 12 002758	28.	1201	10/16/20	Objection of Patrick Daugherty to the Acis Settlement Motion [Docket No. 1201]
002773	29.	1177	10/16/20	CLO HoldCo. Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1177]
002777	30.	1191	10/16/20	Highland CLO Funding, Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1191]
002785	31.	1195	10/16/20	HarbourVest Limited Objection and Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1195]
002791 Thru Vol. 13	32.	1271	10/20/20	Transcript of hearing conducted on October 20, 2020 [Docket No. 1271]
Vol. 13 003047	33.	1285	10/21/20	Transcript of hearing conducted on October 21, 2020 [Docket No. 1285]

STATEMENT OF ISSUES TO BE PRESENTED ON APPEAL

1. Whether the Bankruptcy Court erred in approving the settlement agreement and release entered into between Highland Capital Management, L.P. and Acis Capital Management, L.P., Acis Capital Management GP, LLC, and Joshua Terry pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure as being fair, equitable, and in the best interest of the estate.

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Dated: December 7, 2020

Respectfully submitted,

/s/ Bryan C. Assink

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ATTORNEYS FOR JAMES DONDERO

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on December 7, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for Debtor-Appellee Highland Capital Management, L.P. and on all other parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

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

IN RE:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

DEBTOR.

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CASE NO. 19-34054

Chapter 11

**OMNIBUS RESPONSE TO OBJECTION TO PROOF OF CLAIM OF ACIS CAPITAL
MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP, LLC**

Acis Capital Management, L.P ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP," together with Acis LP, "Acis" or "*Reorganized Acis*") file this Response¹ (the "Response") to the: (i) *Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC* [Docket No. 771] (the "Highland Claim Objection"), filed by Highland Capital Management, L.P. (the "Debtor" or "Highland"); (ii) *James Dondero's (I) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management*

¹ Acis reserves the right to further respond or brief any issue set forth herein.

GP, LLC; and (II) Joinder in Support of Highland Capital Management, L.P.'s Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC [Docket No. 827] (the "Dondero Claim Objection," with the Highland Claim Objection, the "Fraudsters' Claim Objection"), filed by James Dondero (individually "Dondero" and together with Highland the "Fraudsters"); and (iii) *UBS (I) Objection to Proof of Claim Acis Capital Management L.P. and Acis Capital Management GP, LLC and (II) Joinder In the Debtor's Objection* [Docket No. 891] (the "UBS Claim Objection," with the Highland Claim Objection and the Dondero Claim Objection, the "Acis Claim Objections"), filed by UBS Securities LLC and UBS AG, London Branch (together "UBS" and with Dondero and Highland, the "Objectors"), and respectfully states as follows:

I. BRIEF OVERVIEW²

1. Acting through the officers and employees it paid handsomely, including its president and in-house counsel, Highland orchestrated a blatant and obvious *actual* and constructive fraudulent transfer scheme in order to denude Acis, its own client to whom it owed fiduciary duties. Thus, it is altogether fitting to refer to those who perpetrated that fraud by what they are: "Fraudsters." The primary crux of the Fraudsters' objection to Acis's claim is that Mr. Terry, who purchased the equity in the reorganized Acis for value, post-confirmation, will receive a "windfall" if Acis is allowed to recover more than the aggregate amount of unsecured claims in Acis's bankruptcy case. The Fraudsters' argument is nothing short of breathtaking because they argue this Court should reward them for their fraud. At base, Highland argues it can plan and execute a prepetition systematic, actual fraudulent dismantling of a business—veritably picking the business's financial bones clean—solely for the benefit of the Fraudsters

² Any capitalized term not otherwise defined in this Summary of Response shall have the meaning ascribed to such term later in this Response.

themselves, all with impunity. The fact the Fraudsters owed Acis fiduciary, contractual and other duties while the Fraudsters were picking Acis's pockets compounds the injury. The Fraudsters argue that equity favors, nay demands, this result because, after two-plus years of intense, "highly contentious" litigation and through the post-confirmation management and operation of Acis by Mr. Terry, Acis's creditors may be repaid from its ordinary operations.

2. According to the Fraudsters' argument, and despite: (a) the express language of Section 550 of the Bankruptcy Code, providing for recovery of, *inter alia*, fraudulent transfers for the "benefit of the estate," (b) the Fifth Circuit's holding in *Mirant*, and (c) the fact that Mr. Terry paid \$1 million for the new equity under Acis's confirmed plan (which includes Acis's ability to recover on the Acis estate's claims), any recovery by Acis should be limited to the amount of unsecured claims and the innocent new equity holder should be stripped of the benefit of his bargain, *i.e.* excess recovery on the estate causes of action after payment of Acis's legitimate creditors. Indeed, under the Fraudsters' view of the world, old equity of Acis—Dondero and Okada—or equity of Highland—again, beneficially Dondero and Okada, should reap the rewards of their misdeeds. The Fraudsters argue the estate claims are worthless, Mr. Terry paid \$1 million simply for the privilege of laboring to be paid back part of what he was already owed, and Mr. Terry and Acis must simply sit back and wait to get sued again and again by one of the thousands of entities the Fraudsters control. The only party or parties receiving a windfall if the Fraudsters succeed in their argument are the Fraudsters themselves. The Code, and equity, demands a different result.

II. RELEVANT AND FACTUAL BACKGROUND

3. Given the long, detailed history of Acis's bankruptcy and the hundreds of pages of opinions already written by both this Court and the District Court, Acis will endeavor to keep this section of its response brief and will try to avoid repetition. To generally refresh the Court's

recollection, to compile certain of the key facts for the benefit of other parties, and because the primary thrust of the Fraudsters' Objection is focused on equity, Acis will recount certain key facts which are provided in greater detail in Acis's live complaint [Adv. No. 18-03078, Docket Nos. 157-159] (the "Complaint") against Highland *et al.* and pending in this Court under Adv. No. 18-03078 (generally referred to herein as the "Acis Adversary" or "Adversary") and attached hereto as **Exhibit "1."**³ Terms not defined herein have the meanings ascribed to such terms by the Complaint.

4. This saga began in June 2016 when Highland wrongfully terminated Joshua Terry ("Mr. Terry") and later concocted a false narrative in an attempt to deprive him of the economic benefit of his limited partnership interest in Acis because Mr. Terry "was not a 'yes man' willing to let Dondero have his wrongheaded way." *See Final Award dated October 20, 2017* (the "Terry Arbitration Award"); *see also In re Acis Capital Mgmt., L.P.*, 584 B.R. 115, 119-20 (Bankr. N.D. Tex. 2018). Highland then sued Mr. Terry, who countersued back and successfully compelled arbitration. Over 13 months later, the arbitration panel entered the Terry Arbitration Award and granted Mr. Terry an approximately \$8 million claim.

5. Within days of the Terry Arbitration Award and while Mr. Terry sought to expeditiously convert the Terry Arbitration Award into a judgment, Highland, through its officers and employees, including members of its general counsel's office, began forming Cayman offshore entities that Highland controlled, if not owned, for the sole and exclusive purpose of receiving Acis's pilfered assets. *See, e.g., Exhibit "2"* (email of J.P. Sevilla forming Highland CLO Management, Ltd.).⁴ On October 24, 2017, a mere two business days after the

³ Acis incorporates by reference all facts averred in the Complaint and reserves the right to supplement the facts in this Response.

⁴ Exhibit to be filed under seal.

Terry Arbitration Award, the post-arbitration heist began in earnest.⁵ Thereafter, the transfers proceeded at breakneck speed. The following is a brief overview of the post-arbitration transfers:

Date	Transferred Asset	Recipient
October 20, 2017		Terry Arbitration Award for approximately \$8 million
October 24, 2017	Acis Loan Funding Shares	Highland and Highland CLO Funding f/k/a Acis Loan Funding
October 27, 2017	Acis Loan Funding Portfolio Management Agreement terminated and new PMA entered in to with the newly formed Highland HCF Advisor, Ltd. (a relying adviser to Highland)	Highland and Highland HCF Advisor (est. 10/27/17 by and owned and controlled by Highland; Dondero, President)
November 3, 2017	\$9.5 million note payable to Acis	Highland CLO Management, Ltd. (est. 10/27/17 by Highland)
November 15, 2017	Fees for portfolio manager services	Highland and Highland HCF Advisor (est. 10/27/17 by and owned and controlled by Highland; Dondero, President)
December 18, 2017	Entry of Final Judgment on Terry Arbitration Award	
December 19, 2017	Acis's Risk Retention Structure	Highland and Highland CLO Holdings, Ltd. (est. 10/27/17; Highland is the sub-advisor and shared services provider)
December 19, 2017	Staff & Services Agreement and Sub-Advisory Agreement with Acis CLO Management, LLC and fee stream from the management of	Highland and Highland CLO Holdings, Ltd. (est. 10/27/17; Highland is the sub-advisor and shared services provider)

⁵ The first fraudulent transfer actually occurred in July 2016, shortly after Mr. Terry's wrongful ouster from Acis and his demand for compensation from Acis under its limited partnership agreement. Dondero, on behalf of both Acis and Highland, agreed to a retroactive exorbitant increase in fees paid under a Sub-Advisory Agreement between Acis and Highland. This increase in fees was in violation of Acis's limited partnership agreement and only benefitted Highland by transferring virtually all of Acis's cash flow to Highland.

	Acis CLO 2017-7	
December 19, 2017	Dugaboy Investment Trust (Dondero's trust) and Okada's limited partnership interests in Acis LP and member interests in Acis GP	Neutra, Ltd. (controlled by Highland and ultimately owned by Dondero and Okada)
November - January 2018	Attempted transfer of Acis portfolio management agreements	Highland, Highland CLO Management, LLC (ultimately owned and controlled by Highland)

6. At all relevant times, Dondero was the President of Acis and of Strand Partners, Inc., Highland's general partner—in other words, Dondero stood at the apex of both companies.⁶

7. This narrative may sound familiar to many of the creditors in this case because it fits with Highland's *modus operandi*. First, Highland creates an intricate multi-tentacled web of inter-related shell companies that it controls in an attempt to insulate itself liability and, using a tentacle of the web contracts with a third party. The Fraudsters are the ultimate control party, however. Second, it steals assets from the investment in which the third party has an interest and Highland is not entitled. Then, it engages in scorched earth litigation with the victim (all while stiffing its own lawyers) in an effort to abscond with the stolen asset and grind the victim into economic submission. *See, e.g.*, Case No. 19-34054, Docket No.1 (Highland's 30 Largest Creditor List). Finally, as judgment day approaches, it transfers assets away from any entity that would actually have the wherewithal to satisfy any judgment that the hapless victim has toiled for many years and spent significant monetary and non-monetary resources to recover.

8. Back to the saga. In order to thwart the transfer of the Acis PMAs through a purported "reset"—the ultimate step that would complete Highland's audacious plan—Mr. Terry filed involuntary petitions against Acis LP and Acis GP in late January 2018. Shortly after the

⁶ Frank Waterhouse ("Waterhouse") was the Treasurer of Acis and the Chief Financial Officer of Highland.

involuntary filings, this Court held its first hearing on a motion pursuant to 11 U.S.C. § 303(f). At that hearing, the Court quickly surmised some of the inherent problems: 1) that Highland and its employees had massive conflicts of interest with Acis, an entity it controlled in every way at the time; 2) that transfers of valuable assets were afoot for little to no consideration; and 3) the reset transactions that would have stripped Acis of its revenue generation should be subjected to Section 363 scrutiny. *See* Tr. 328:16-335:18, *In re Acis Capital Mgmt, L.P.*, Case No. 18-30264, Docket No. 28 (Bankr. N.D. Tex. Feb. 7, 2018). Tellingly, over the course of Acis's entire bankruptcy case, which spanned almost exactly 365 days, the Fraudsters never sought to have its purported "reset" transactions pass 363 muster.

9. Ultimately, this Court granted orders for relief in Acis's cases in April 2018,⁷ converted the cases to ones under Chapter 11, and appointed a Chapter 11 Trustee, Robin Phelan. Deeply dissatisfied that its plan to purloin with the remainder of Acis's assets via purported resets that were actually thinly disguised fraudulent transfers had been thwarted, the Fraudsters sought a different route by which to abscond with Acis's revenue stream. On April 30, 2018, Highland CLO Funding—an entity "controlled by Highland in every way"—issued the first of what would be two optional redemptions. *See In re Acis Capital Mgmt., L.P.*, No. 18-30264-SGJ-11, 2019 Bankr. LEXIS 292, at *53 (Bankr. N.D. Tex. Jan. 31, 2019). Recall that Highland continued to provide all meaningful services to Acis during this time, both sub-advisory and shared services, including legal services because Acis had no employees and no address other than Highland's corporate office at the Crescent. The purpose of the optional redemption was to liquidate the various CLOs, *i.e.* convert them to cash (in large part by selling a significant amount of the Acis

⁷ Those orders for relief remain on appeal at the Fifth Circuit Court of Appeals. The sole appellant therein is Neutra, Ltd—an entity controlled by Highland. *See In re Acis Capital Mgmt., L.P.*, No. 18-30264-SGJ-11, 2019 Bankr. LEXIS 292, at *22 (Bankr. N.D. Tex. Jan. 31, 2019); *see also* Case No. 19-10846 (5th Cir. 2019). Indeed, Highland sought to employ and compensate counsel for Neutra. *See* Case No. 19-34054, Docket No. 68.

CLO's loans into a Highland-managed vehicle to facilitate Highland's issuance of CLOs), payoff the tranches of debt, and remove Acis as portfolio manager for no consideration. *See* Preliminary Injunction Order ¶ 13. [Adv. No. 18-03212, Docket No. 21] ("[T]he Optional Redemption Notices essentially demand the liquidation of property currently under the control of Acis LP, as portfolio manager, and, in effect, the PMAs themselves, which are defined as Assets under the Indentures and are property of the Acis LP estate. Indeed, the main, if not sole, purpose of the redemptions appears to be to remove Acis LP as portfolio manager and terminate its primary asset, the PMAs.").

10. When the newly appointed Chapter 11 trustee, now the decision-maker for Acis, objected to the optional redemption pursuant to the terms of the applicable indentures, Highland and Highland CLO Funding commenced the Acis Adversary and proactively sued the Trustee to effectuate the liquidation of the Acis CLOs.⁸ When this Court learned of the redirected attack on Acis's PMAs—property of its estate—it issued the first of three TROs based, in no small part, on the obvious violations of Acis's bankruptcy stay (the "First TRO"). *See Temporary Restraining Order* [Case No. 18-30264, Docket No. 256].

11. On the eve of the hearing on a motion to extend the First TRO, Highland CLO Funding (controlled by Highland), through its newly hired separate counsel apprised this Court that the first optional redemption notices were withdrawn, in "an effort to try to bring, as I believe the Court has requested and others have, some sanity to this process."⁹ That sanity didn't last long. That sanity didn't last long. Despite the fact that Highland CLO Funding (controlled

⁸ The filing of equitable claims by Highland and Highland CLO Funding resulted in both parties being creditors of the Acis bankruptcy estate, a result that Highland CLO Funding was desperate to avoid. When they discovered their massive blunder, they withdrew their equitable claims to avoid being deemed an Acis creditor and therefore subject to being crammed down under a plan. *See* Adv. No. 18-03078, Docket Nos. 51 & 79.

⁹ *See* Tr. 7:22 *In re Acis Capital Mgmt., L.P.*, Case No. 18-30264, Docket No. 298 (June 14, 2018).

by Highland) had just withdrawn the first optional redemption notices roughly 24 hours before, again, in an effort to bring "some sanity to this process,"¹⁰ and all the parties and this Court acted in reliance on this withdrawal in not extending the First TRO, Highland CLO Funding gave notice to the Trustee that it was again demanding another optional redemption seeking the complete liquidation of the CLOs, this time into a warehouse facility to facilitate Highland's issuance of CLOs in its own name.

12. Nonplussed by the automatic stay, its duties to Acis, or this Court's TRO, Highland, through its officers and employees, nevertheless engaged in a stealth liquidation of the Acis CLOs, ultimately selling off approximately \$300 million of the approximately \$2 billion in collateralized loans and not redeploying those sale proceeds to purchase new collateral for the CLOs. In June 2018, days after the issuance of the second optional redemption notice, Highland brazenly advised the Chapter 11 trustee that it would liquidate the remaining **\$1.7 billion** in CLO assets under management in less than 20 hours into a warehouse facility to facilitate its own CLO issuance. This request resulted in a second TRO, the Ex Parte TRO. *See Ex Parte Temporary Restraining Order* [Case No. 18-30264, Docket No. 310 & Adv. No. 18-03212, Docket No. 3].

13. Ultimately, all of the Fraudsters' pre- and post-petition fraudulent acts culminated in the decision by the Chapter 11 Trustee to terminate Highland as sub-advisor and shared services provider. *See* Case No. 18-30264, Docket No. 464. In connection with the termination of Highland as sub-advisor and shared services provider, the Trustee stated "I believe that Highland Capital Management is deliberately mismanaging the CLOs to end-run your orders." Tr. 8:22-24, *In re Acis Capital Mgmt, L.P.*, Case No. 18-30264, Docket No. 469 (Bankr. N.D.

¹⁰ *See* Tr. 7:22 *In re Acis Capital Mgmt, L.P.*, Case No. 18-30264, Docket No. 298 (June 14, 2018).

Tex. Feb. 7, 2018).¹¹ Later, this Court found "it appears that Highland (prior to the Debtor-Acis's rejection of the Sub-Advisory Agreement and Shared Services Agreement), intentionally liquidated assets of the CLO SPEs and built up cash without reasonable justification." *See In re Acis Capital Mgmt., L.P.*, No. 18-30264-SGJ-11, 2019 Bankr. LEXIS 292, at *43 (Bankr. N.D. Tex. Jan. 31, 2019).

14. The following is a quick overview timeline of the various claims/causes of action between Acis and Highland:

Date	Plaintiff	Defendant	Claims
May 30, 2018 ¹²	Highland and Highland Funding	Robin Phelan, Chapter 11 Trustee for Acis	Breach of contract, declaratory and injunctive relieve to force liquidation of the Acis CLOs
June 21, 2018 ¹³	Robin Phelan, Chapter 11 Trustee for Acis	Highland, Highland Funding, and their affiliates	Injunctive relief and willful violations of the automatic stay
July 2, 2018 ¹⁴	Robin Phelan, Chapter 11 Trustee for Acis	Highland, Highland Funding, Highland HCF Advisor, and Highland CLO Management	Counterclaims for fraudulent transfer and destruction of the ecosystem
August 1, 2018 ¹⁵	Highland	Acis Estate	Proof of claims in Acis bankruptcy cases in the amount of \$4,672,140.38
August 24, 2018	Highland CLO	Joshua Terry	Highland CLO Funding

¹¹ A compendium of transcripts referenced herein is attached hereto as **Exhibit "3."**

¹² Adv. No. 18-03078, Docket No. 1.

¹³ Adv. No. 18-03212, Docket No. 1.

¹⁴ Adv. No. 18-03078, Docket No. 23.

¹⁵ Proof of Claim No. 27 in the claims register for Case No. 18 30264 30264 (the "Highland Acis LP Claim"), and Proof of Claim No. 13 in the claims register for Case No. 18 30265 (the "Highland Acis GP Claim," together with the Highland Acis LP Claim, the "Highland Claims").

	Funding (through JP Sevilla, Highland Associate General Counsel)		seeks leave in Guernsey to serve Mr. Terry from a Guernsey court (a country he has never stepped foot in) with suit relating to the Acis bankruptcy cases and seeking damages in excess of \$13.7 million
November 1, 2018 ¹⁶	Highland and Highland Funding	Robin Phelan, Chapter 11 Trustee for Acis	Voluntary dismissal of all claims without prejudice
November 13, 2018 ¹⁷	Robin Phelan, Chapter 11 Trustee for Acis	Highland, Highland Funding, Highland HCF Advisor, Highland CLO Management, and Highland CLO Holdings	Claims for fraudulent transfer and destruction of the ecosystem and claim objection to Highland Claims ¹⁸
December 11, 2018 ¹⁹	Highland	Acis Estate	Administrative expense claim in the amount of \$3,554,224.29 (the " <u>Highland Admin Claim</u> ")
January 10, 2019 ²⁰	Acis Estate	Highland	Objection to the Highland Admin Claim
January 31, 2019 ²¹			Court's Bench Ruling and Memorandum of Law (the " <u>Confirmation Opinion</u> ") and Findings of Fact and Conclusions of Law

¹⁶ Adv. No. 18-3078, Docket No. 789.

¹⁷ Adv. No. 18-03078, Docket No. 84.

¹⁸ The Trustee asserted numerous counterclaims and third-party claims against Highland and various of its affiliates in connection with, *inter alia*, their scheme to fraudulently transfer Acis LP's assets to Highland and its controlled entities and otherwise appropriate the business of Acis LP. Additionally, the Trustee included his objections to the Highland Claims pursuant to Section 502(b)(1), (b)(4), and (d) of the Bankruptcy Code, and further asserted that, to the extent allowed, the Highland Claims should be equitably subordinated pursuant to Section 510(c) of the Bankruptcy Code.

¹⁹ Case No. 18-30264, Docket No. 772.

²⁰ Case No. 18-30264, Docket No. 819.

²¹ Case No. 18-30264, Docket Nos. 829 & 830; Case No. 18-30264, Docket No. 827.

			Approving Acis's Third Amended Plan of Reorganization (the " <u>Plan</u> " and " <u>Order Confirming Plan</u> ")
February 15, 2019			Effective date of Acis's Plan; Mr. Terry acquires his new equity interest in Acis; Reorganized Acis (as defined in the Plan) substitutes for Robin Phelan, Trustee ²²
March 11, 2019 ²³			Court consolidates Adv. 18-03078 & 18-03212 and realigns the parties
May 1, 2019 ²⁴			Court converts Acis's objection to Highland Admin Claim to adversary proceeding and transferring certain causes of action from 18-3078 to new Adv. No. 19-03103
June 10, 2019			Parties agree to consolidate Adv. No. 18-3078 and 19-3103 and Court orders consolidated amend complaint filed incorporating all claims counterclaims, third-party claims against Highland and its affiliates, as well as any objections to the Highland Capital Claims

²² "Upon the Effective Date, the Reorganized Debtor (a) shall automatically be substituted in place of the Chapter 11 Trustee as the party representing the Estate in respect of any pending lawsuit, motion or other pleading pending before the Bankruptcy Court or any other tribunal, and (b) is authorized to file a notice on the docket of each adversary proceeding or the Chapter 11 Cases regarding such substitution. The Reorganized Debtor shall have exclusive standing and authority to prosecute, settle or compromise Estate Claims for the benefit of the Estate in the manner set forth in this Plan." Plan, Docket No. 829 & 830 in Case No. 18-30264 at § 7.03.

²³ Adv. No. 18-03078, Docket No. 127; Adv. No. 18-03212, Docket No. 63.

²⁴ Case No. 18-30264, Docket No. 919.

			and Administrative Claim
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15. On June 20, 2019, well prior to Highland's petition date and in compliance with this Court's order to file a consolidated complaint, Acis filed the Complaint.

16. As early as June 12, 2018, this Court suggested an alternative: that some party pay in enough value to the registry of the Court to pay all of Acis's non-Highland creditors (which categorically were either Mr. Terry, potentially the law firms hired to fight Mr. Terry, and a small handful of vendors and numerically were approximately \$11 million) pending an appeal of the Terry Arbitration Award, the victor of the appeal would be entitled to the funds in the Court's registry and the Court would dismiss the Acis bankruptcy cases (hereinafter referred to as the "Right Thing"). See Tr. 126:19-20, *In re Acis Capital Mgmt, L.P.*, Case No. 18-30264, Docket No. 289 (Bankr. N.D. Tex. June 12, 2018) ("I've never understood why someone didn't just put \$11 million in escrow."); see also Tr. 49:25-52:6, *In re Acis Capital Mgmt, L.P.*, Case No. 18-30264, Docket No. 328 (Bankr. N.D. Tex. June 22, 2018) ("Why doesn't someone just put ten or \$11 million in escrow, and make this all go away?"); Tr. 286:17-287:7, *In re Acis Capital Mgmt, L.P.*, Case No. 18-30264, Docket No. 396 (Bankr. N.D. Tex. July 6, 2018) ("So you've lost as much money as you could have put it in escrow in the beginning of the year, right, to just pay everybody in full, or almost . . .").

17. Ostensibly either 1) the Fraudsters, who stood to and actually did lose control of Acis and the assets in its estate, not only including the ultimate handsome economic benefit Highland derived from the PMAs (then, over \$8 million annually) but also each and every cause of action set forth in Acis's live complaint to which they are now defendants,²⁵ or 2) Highland

²⁵ Which include, but are not limited to, actual and constructive fraudulent conveyance, breach of fiduciary duty and breach of contract actions.

CLO Funding, again an entity controlled in every way by Highland and allegedly whose ox was purportedly getting most gored by the inability to reset the Acis CLOs, had sufficient incentive during the entire pendency of Acis's bankruptcy cases to choose the Right Thing. Indeed, as the litigation proliferated and the misdeeds continued, the Court repeatedly raised ("dangled" to use the Court's parlance) the prospect of the Right Thing as an option prior to confirmation of Acis's bankruptcy plan, particularly in light of the tremendous cost to the Fraudsters if Acis's plan was confirmed. *See* Tr. 141:12-142:16, *In re Acis Capital Mgmt, L.P.*, Case No. 18-30264, Docket No. 556 (Bankr. N.D. Tex. Aug. 29, 2018) ("Apparently, putting an escrow of, you know, back then, you know, nine million dollars would have been fine, and I'll lift the stay, you can go forward in state court and try your luck at appealing the arbitration award, for which there are very few ways you can get it overturned on an appeal."); Tr. 49:3-19, *In re Acis Capital Mgmt, L.P.*, Case No. 18-30264, Docket No. 445 (Bankr. N.D. Tex. July 25, 2018) ("You all can do whatever you want as long as there's a pot of money there that will pay all the creditors in full and then some for administrative expenses. And all of this can be over, you know have a happy summer I think I've said. I'm out of here. But that very, very easy, easy, easy cheesy solution you know no one seemed to give it one bit of thought.").

18. Despite multiple urgings by the Court and multiple mediations, the Fraudsters failed to do the Right Thing prior to the penultimate moment—confirmation of Acis's plan when all parties' rights were inextricably changed.

III. RELEVANT PROCEDURAL BACKGROUND AND BURDEN OF PROOF

19. On December 31, 2019, Acis filed its Proof of Claim at Claim No. 3-1 in this bankruptcy case (the "Proof of Claim"). The Proof of Claim asserts the claims and causes of action contained in the Complaint and incorporates the Complaint by reference. After Acis filed the Proof of Claim, Highland, Dondero, and UBS filed the Claim Objections.

20. The Proof of Claim has *prima facie* validity and the Objectors must produce evidence sufficient to overcome this presumption. *See* 11 U.S.C. §§ 501, 502 and Fed. R. Bankr. P. 3001; *see also In re Fid. Holding Co.*, 837 F.2d 696, 698 (5th Cir. 1988) ("[A] party correctly filing a proof of claim is deemed to have established a *prima facie* case against the debtor's assets."). The Objectors "must then produce evidence rebutting the claimant or else the claimant will prevail." *Id.* at 698.

IV. PROCEDURAL OBJECTIONS

21. First, Highland is barred by equitable principles, *i.e. res judica*, estoppel, waiver, etc. from now arguing that claims against it are barred in their entirety. Highland argues that permitting Acis to recover on its Proof of Claim would cause Mr. Terry (although the claimant is Acis) to receive a "windfall." However, any recovery on account of the Complaint cannot be a "windfall." Acis's claim is for the value of property wrongfully stripped from Acis and for damages suffered by Acis as a result of Highland's bad acts—for which Highland had abundant notice. Under applicable Fifth Circuit precedent, Acis's claims against Highland and other third parties were required to be (and were) specifically and unequivocally preserved as part of the Plan and Confirmation Order. *See Dynasty Oil & Gas, LLC v. Citizens Bank (In re United Operating, LLC)*, 540 F.3d 351, 355 (5th Cir. 2008); *see also In re Acis Capital Mgmt., L.P.*, Nos. 18-30264-SGJ-11, 2019 Bankr. LEXIS 294, at *167-211 (Bankr. N.D. Tex. Jan. 31, 2019). In fact, the Fifth Circuit has stated that express preservation of claims is, in part, a notice provision. *Id.*; *see also Wooley v. Haynes & Boone, L.L.P. (In re SI Restructuring Inc.)*, 714 F.3d 860, 864 (5th Cir. 2013).

22. Here, there is no question that Highland, a disputed creditor of Acis, received notice of Acis's Plan. While Highland forcefully objected to the Plan on numerous bases, at no point did Highland object to *the preserved causes of action*. Highland waived or forfeited any

argument that Acis's claims are capped pursuant to Section 550 of the Bankruptcy Code. *See Douglass v. United Services Auto. Ass'n*, 79 F.3d 1415, 1420 (5th Cir.1996) (discussing the wavier of issues contained in magistrate judge's findings of fact and conclusions of law that, "[w]aiver is different from forfeiture. Whereas forfeiture is the failure to make the timely assertion of a right, waiver is the intentional relinquishment or abandonment of a known right."); *see also* 11 U.S.C. § 1141(a) ("[P]rovisions of a confirmed plan bind the debtor, any entity issuing securities under the plan, any entity acquiring property under the plan, and any creditor, equity security holder, or general partner in the debtor, whether or not the claim or interest of such creditor, equity security holder, or general partner is impaired under the plan and whether or not such creditor, equity security holder, or general partner has accepted the plan[.]"); *Great Lakes Higher Educ. Corp. v. Pardee (In re Pardee)*, 193 F.3d 1083, 1086 (9th Cir. 1999) ("If a creditor fails to protect its interests by timely objecting to a plan or appealing the confirmation order, it cannot later complain about a certain provision contained in a confirmed plan[.]") (internal quotations omitted).

23. To the extent that Highland argues that Acis's Plan provides creditors and new equity more than they "deserve," the time to make that objection was in connection with Acis's plan confirmation, rather than a year and a half later.²⁶ "In chapter 11, even if there is a windfall

²⁶ "Proper notice allows creditors to determine whether a proposed plan resolves matters satisfactorily before they vote to approve it -- absent specific and unequivocal' retention language in the plan, creditors lack sufficient information regarding their benefits and potential liabilities to cast an intelligent vote." *Dynasty Oil & Gas, LLC v. Citizens Bank (In re United Operating, LLC)*, 540 F.3d 351, 355 (5th Cir. 2008) (internal citations omitted).

²⁶ Neutra, Ltd. and Highland argued to both this Court and the District Court that the Plan violated the absolute priority rule. The District Court stated "that Highland and Neutra argue that, without a market test of Acis' value, the bankruptcy court could not have determined whether Terry was overcompensated when he received Acis' equity in exchange for a \$1 million reduction in his claim. **But there was a market valuation in the present case.** In *LaSalle* the Supreme Court suggested (but did not decide) that the termination of exclusivity—i.e., allowing any interested person to submit a competing reorganization plan—can constitute a sufficient market test of a debtor's value." *Neutra, Ltd. v. Terry (In re Acis Capital Mgmt., L.P.)*, 604 B.R. 484, 538 (N.D. Tex. 2019) (emphasis added). If Highland, Neutra, or any other party believed under the Plan the equity or Reorganized Acis was receiving a "windfall" such party could have and should have filed a competing plan. *See id.* at 539 (there was no

after the confirmation of the plan, the plan provisions control." *Tronox Inc. v. Kerr McGee Corp.* (*In re Tronox Inc.*), 503 B.R. 239, 333 (Bankr. S.D.N.Y. 2013).

24. Second, the Objectors do not cite any *evidence* in support of the Claim Objection. Instead, the Objectors seem to argue under a summary judgment or Rule 12(b)(6) standard that the Court should disallow certain aspects of Acis's claim as a matter of law. However, Federal Rule of Bankruptcy Procedure 9014 provides that Federal Rules of Civil Procedure 8, 9, and 12 do not apply to this matter, absent order of the Court. Additionally, the Objectors have failed to provide evidence to rebut the Proof of Claim's validity, the conclusory statements about Acis's Proof of Claim should be ignored. *See In re Today's Destiny, Inc.*, No. 05-90080, 2008 Bankr. LEXIS 3577, at *13 (Bankr. S.D. Tex. Nov. 26, 2008) ("Conclusory statements are insufficient to rebut the presumption under Fed. R. Bankr. P. 3001(f)"). Nor have the Objectors properly moved for summary judgment under Federal Rule of Bankruptcy Procedure 7056. Accordingly, the Acis Claim Objection should be overruled.

V. SUBSTANTIVE RESPONSE

A. **Acis Can Seek Recovery Under Section 550(a) for Avoidable Transfers to Highland Even if All Creditors are Paid in Full Under the Plan.**

25. Contrary to applicable precedent in this Circuit and elsewhere, Highland asserts that all of Acis's avoidance claims should be summarily disallowed because Acis's plan of reorganization provides that all creditors are paid in full, and therefore there can be no "benefit to the estate" from any recovery under Section 550 of the Bankruptcy Code.²⁷ In support of its

exclusivity during Acis's bankruptcy as a Chapter 11 trustee was appointed contemporaneous with the conversion of Acis's bankruptcy from Chapter 7 to 11); *see also* 11 U.S.C. § 1121(c). Terry testified that in agreeing to reduce his claim against Acis by \$1 million in exchange for the equity in Acis, he valued the litigation. Tr.170:18-171:1, *In re Acis Capital Mgmt., L.P.*, Case No. 18-30264, Docket No. 790 (Bankr. N.D. Tex. Dec. 11, 2018).

²⁷ Notably, the Debtor asserts that "[t]his is a summary basis for disallowance of all avoidance claims alleged in Claims 5-25," which seek avoidance of numerous fraudulent transfers and preferential transfers under Sections 544, 547, 548(a)(1)(A), and 548(a)(1)(B); however, it is *Count 26* of Acis's Complaint that pleads for recovery under Section 550.

argument, Highland makes numerous specious claims, including that because there is no post-confirmation estate, there can be no benefit to the estate. The facts and relevant case law belie Highland's argument.²⁸

26. Highland further contends, ironically, that equitable principles support its position. In order to contort the equities in a light it deems favorable, Highland repeatedly conflates Mr. Terry with Reorganized Acis, claiming that Mr. Terry will somehow receive a windfall—all while turning a blind eye to the prepetition fraudulent scheme perpetrated against Acis by the Fraudsters, which is the basis of Acis's claim against Highland.

27. Acis does not seek a windfall for itself or Mr. Terry; Acis merely seeks to recover its property or the value of its property to make itself whole and (a) reconstitute its CLO "ecosystem" as it was prior to Highland's massive fraudulent transfer scheme to denude Acis after Mr. Terry's wrongful termination and in the months after Mr. Terry's arbitration award and prior to the filing of Acis's involuntary bankruptcy case and (b) remedy the damage wrought by the Fraudsters and their controlled affiliates post-petition.

28. Mr. Terry paid good money for the Acis equity—\$1 million—to obtain just that, and Highland itself had the opportunity to purchase the Acis equity, yet again failed to make the economically rational choice.

²⁸ Indeed, Highland's own director Retired Judge Russell Nelms discussed the *Mirant* case in connection with Highland's decision to continue to prosecute the appeal of Acis's Orders for Relief (through a related entity Neutra, Ltd., but Highland proposed to pay Neutra Ltd.'s legal fees related to the appeal). In sum, Retired Judge Russell Nelms testified that it was in Highland's financial interest for Acis's bankruptcy case to be "undone" (Acis disputes this is a plausible outcome of any pending appeal). Retired Judge Nelms stated "in a bankruptcy setting, as opposed to just a state court setting, that the potential recovery on account of fraudulent transfers is much broader, much more unlimited than it would be in the context of a state court lawsuit." Tr. 114:22-115:1, *In re Highland Capital Mgmt., L.P.*, Case No. 19-34054, Docket No. 479 (Bankr. N.D. Tex. Feb. 19, 2020). At no point did Retired Judge Nelms take the position that *Mirant* precluded recovery, in fact he took the opposite position, that *Mirant* increased Highland's fraudulent transfer/ litigation exposure.

1. Highland Wholly Misconstrues Fifth Circuit Law and this Court's Rulings, and Ignores Cases That Are Inapposite to Their Position to Argue What It Thinks the Law Should Be, Not What it Is.

29. The primary issue here is whether any recovery resulting from Acis's avoidance actions will be "for the benefit of the estate," within the meaning of Section 550 of the Bankruptcy Code, after creditors have been paid in full under its plan of reorganization. Under Fifth Circuit case law, including *Mirant*, *Texas Rangers*, and *Duke Energy* (all cases cited by Highland), as well as case law from the Second, Eighth and Ninth Circuits, recovery of Acis's property, which was fraudulently transferred away by Highland, would not result in a windfall or surplus recovery, but would simply make Acis whole, restoring the ecosystem as it was prior to the filing of its bankruptcy case.

30. Highland claims that *Mirant* is "entirely consistent with the Debtor's position," but the opposite is true. Even though *Mirant*'s creditors had been paid in full, the Fifth Circuit held that the post-confirmation special litigation entity created under *Mirant*'s plan (MCAR) had standing to pursue an avoidance action under Section 544(b) against *Mirant*'s lender. *MC Asset Recovery LLC v. Commerzbank A.G. (In re Mirant Corp.)*, 675 F.3d 530, 533-34 (5th Cir. 2012). In its decision, the Fifth Circuit expressly rejected the Southern District of New York's district court opinion in *Adelphia*—upon which Highland heavily relies—"that because the relevant creditors had been paid in full and would receive no benefit from avoiding a transfer, Adelphia Recovery Trust did not have standing under 544(b) to assert an avoidance claim." *Id.* at 533 (declining to follow *Adelphia Recovery Trust v. Bank of Am., N.A.*, 390 B.R. 80 (S.D.N.Y. 2008)). Rather, taking the approach of the Eighth and Ninth Circuits, the *Mirant* court held that "a trustee's right to avoid a transfer is tested *at the petition date* . . . [and] persist[s] until avoidance will no longer benefit the estate under § 550," even when unsecured creditors are paid

in full. *Mirant*, 675 F.3d at 534 (citing *Stainaker v. DLC, Ltd.*, 376 F.3d 819 (8th Cir. 2004); *Acequia, Inc. v. Clinton (In re Acequia, Inc.)*, 34 F.3d 800 (9th Cir. 1994)) (emphasis added).

31. With respect to the meaning of "benefit to the estate," in *Acequia*, followed by *Mirant*, the Ninth Circuit stated:

Courts construe the "benefit to the estate" requirement broadly, permitting recovery under section 550(a) even in cases where distribution to unsecured creditors is fixed by a plan of reorganization and in no way varies with recovery of avoidable transfers. In several cases, for example, courts have refused to dismiss avoidance actions even though the unsecured creditors had received full distributions under a plan of reorganization.

Acequia, Inc. v. Clinton (In re Acequia, Inc.), 34 F.3d 800, 811 (9th Cir. 1994.); accord *Tronox Inc. v. Anadarko Petroleum Corp. (In re Tronox Inc.)*, 464 B.R. 606, 613-14 (Bankr. S.D.N.Y. 2012) ("Faithful to the language of the statute, the courts have given a very broad construction to the phrase 'benefit of the estate.' Benefit for purposes of § 550 includes both direct benefits to the estate (*e.g.*, an increased distribution) and indirect ones (*e.g.*, an increase in the probability of a successful reorganization).").

32. Further, in *Tronox*, also following *Acequia*, the Southern District of New York bankruptcy court stated:

Once some benefit to the estate is established, the cases do not use the "benefit of the estate" clause in § 550(a) to impose a cap on recovery. In other words, the "for benefit of the estate" clause in § 550 sets a minimum floor for recovery in an avoidance action - at least some benefit to the estate - but does not impose any ceiling on the maximum benefits that can be obtained once that floor has been met. For example, in *Acequia*, the debtor was permitted to pursue the recovery of fraudulent transfers even though creditors had been paid in full because recovery would benefit the estate by aiding continued performance under the plan. This construction of § 550(a) - virtually universal among courts that have substantively considered the issue - reflects § 550's underlying purpose of restoring the estate to its position prior to the transfer.

Tronox, 464 B.R. at 614 (emphasis added); accord *Mt. McKinley Ins. Co. v. Lac D'Amiante Du Quebec Ltee (In re ASARCO LLC)*, 513 B.R. 499, 506 (S.D. Tex. 2012) (commenting that the *Tronox* court also "found no statutory support for the position that the concept of 'the estate' is limited to creditors. Instead, it found that the Bankruptcy Code authorized a broad view of what benefitted the estate."). The *Tronox* court went on to find that "the prospect of recovery in [the] adversary has already benefitted Tronox's estate." 464 B.R. at 615. Similarly, the prospect of recovery in the Acis Adversary benefitted Acis's estate when Mr. Terry agreed to provide value for the new equity issued under the plan.

33. As Highland notes, in *Texas Rangers*, this Court followed the reasoning in *Mirant*, holding that the former debtor had standing to bring an avoidance action under Section 548(a)(1)(A) of the Bankruptcy Code (rather than under Section 544 and without recovery under Section 550), when creditors were paid in full under the plan. See *Paradigm Air Carriers, Inc. v. Tex. Rangers Baseball Partners (In re Tex. Rangers Baseball Partners)*, 498 B.R. 679, 707-09 (Bankr. N.D. Tex. 2013) (Jernigan, J.). Further, commenting on the implications of Section 550, this Court stated that "*Mirant* makes clear that 'benefit to the estate' does not hinge on whether a Chapter 5 action will result in a pool of assets being garnered for the benefit of unsecured creditors," and finding that "to the extent equities matter" to a standalone 548 action, even some marginal benefit to the equity holders (not unsecured creditors) of the debtor weighed in favor of finding benefit to the estate. *Tex. Rangers Baseball Partners*, 498 B.R. at 709.

34. In *Duke Energy*, a post-confirmation litigation trust sought to recover the distributed proceeds from a leveraged buyout from the ultimate parent company for the benefit of non-lender creditors first and the original lenders second. The original lenders were also the new

equity holders under the confirmed plan. Notably, the Duke litigation trust only brought claims pursuant to Sections 544 and 550. Predictably, the parent company defendant objected and argued that the original lenders should not be able to essentially reverse the lending transaction underlying the LBO and also that recoveries should be limited to those amounts necessary to satisfy the claims of the non-lender creditors only, *i.e.* no return to new equity.

35. After holding that Section 544, in light of the Supreme Court's ruling in *Moore v. Bay*, 284, U. S. 4 (1931) and the Fifth Circuit's rulings in *In re Moore*, 608 F.3d 253, 260 (5th Cir. 2010) and *Mirant*, permitted the Duke Energy litigation trust to avoid the entirety of the fraudulent transfers uncapped by the amount of claims, the *Duke Energy* court went on to adopt cases allowing application of equitable principles under the guise of Section 550 and prohibit the original lenders, now unsecured claimholders and new equity in the reorganized debtors from "[walking] away with ownership of [debtor] and several hundred million dollars in loan payments" and "[recouping] the bulk of the loan they made with full knowledge of the risk." 500 B.R. at 482. In weighing the harms, the *Duke Energy* court noted that a balancing of equities is warranted "when the estate is comprised primarily of claims derivative of a wrongdoer with no independent right to recover, particularly when the wrongdoer has been released from liability by the confirmed plan." *Id.* at n. 11. With this view of the windfall to be received by the original lenders, now new equity, one can perhaps understand why the *Duke Energy* court departed from *Mirant's* adoption of *Acequia* and its reasoned holding.

36. Nevertheless, even assuming *Duke Energy* was rightly decided, as outlined below, the equities do not favor capping claims in the instant case. Although the *Duke Energy* court notes "examples of cases where courts have denied or limited recovery based on the equitable principles underlying the Bankruptcy Code and Section 550(a) in particular" and the court

emphasized that "[t]he one consistent vein traveling through all of these cases is the fact-specific nature of the inquiry." *Crescent Res. Litig. Trust v. Duke Energy Corp.*, 500 B.R. 464, 481-82 (W.D. Tex. 2013). Thus, this Court should "consider the factual circumstances of this case, and the equitable impact" of Acis's potential recovery. *See id.* at 482.

37. Indeed, equitably capping Acis's claim would result in the opposite of what Duke Energy stands for. It would reward the wrongdoers—here the Fraudsters—by allowing them to abscond with no liability for their fraudulent conduct and punish the non-Highland creditors and new equity purchaser who had nothing to do with the fraudulent acts and were not parties to the fraudulent transactions.

2. It is Never Equitable To Permit A Wrongdoer To Wholly Escape Liability For A Brazen Fraudulent Transfer Scheme at The Expense of the Estate

38. In its Complaint, Acis alleges in considerable detail the factual circumstances describing the ALF PMA Transfer, ALF Share Transfer, Note Transfer, 2017-7 Equity and 2017-7 Agreement Transfers, and the modifications to the Sub-Advisory Agreement, comprising Highland's massive fraudulent scheme (at Dondero's direction and in coordination with its affiliates) to dismantle and steal Acis's business. *See* Complaint ¶¶ 70-74, 79-124 (**Exhibit "1"**). All of these acts were committed by Highland employees while being paid by Highland.

39. In the Highland Claim Objection, Highland completely ignores the underlying facts supporting Acis's avoidance claims. Rather, Highland emphasizes that any perceived benefit of Mr. Terry by Acis's recovery of its property is inequitable and therefore bars avoidance or any recovery by Acis. This is wrong. First, it is the Fraudsters who were the bad actors with unclean hands that perpetuated the fraudulent scheme against Acis. Second, it is not uncommon or untoward for a creditor to accept a reduction of its claim in a chapter 11 plan for equity in the reorganized debtor, as Mr. Terry did here. Highland itself could have bid on Acis's equity, but it

chose not to do so. Highland's attempt to conflate Mr. Terry with Acis and complain of a "windfall" is not only meritless, but also misdirection from Highland's own bad acts and poor decision-making in the Acis bankruptcy.

40. Moreover, following Highland's logic, any chapter 11 plan of reorganization that resulted in full payment of creditors' claims would apparently bar any Chapter 5 causes of action by a reorganized debtor, no matter if such cause of action was specifically and expressly preserved in the plan, as was the case here. This is not and cannot be the law.

41. Through its claim, Acis is attempting to recover its property (or the value of such property)—which in large part consists of its valuable rights under the ALF PMA, the ALF Shares, the Note, the 2017-7 Equity and the 2017-7 Agreements. In other words, Acis seeks to reconstitute its ecosystem as it existed before the Fraudsters' destructive acts. Even if the Court were to find that Acis's monetary recovery under Section 550 should be limited, any such limitation should not limit Acis's ability to avoid the fraudulent and preferential transfers under 544, 547 or 548—which should result in a return of Acis's rights under such agreements and related documents, *i.e.* recreation of the Acis ecosystem that Highland sought to destroy. *Tex. Rangers Baseball Partners*, 498 B.R., at 706-07.

42. Acis's position is aptly summarized by the court in *Acequia*:

[W]e think recovery of the transfers at issue in *Acequia*'s section 544(b) actions sufficiently "benefits the estate" to enable their continued prosecution. First, recovery would secure performance of *Acequia*'s postconfirmation obligations under the plan of reorganization, including continued payments to Prudential pursuant to a long-term note. And, second, recovery would reimburse the bankruptcy estate for the costs of pursuing fraudulent conveyance litigation against Clinton.

More importantly, a contrary determination would lead to the anomalous conclusion reached by the magistrate judge that Clinton engaged in fraudulent conduct by transferring *Acequia*'s funds with the actual intent to hinder and delay creditors, but that *Acequia* has no remedy for such conduct because it would not "benefit" from recovery of the funds. The

magistrate judge was concerned about preventing a "windfall" to Acequia. **We think, however, that requiring Clinton to disgorge wrongfully-transferred funds will merely make the bankruptcy estate whole. Moreover, even if the recovery did constitute a "windfall," Acequia has a greater equitable claim to the transferred funds than does Clinton, the wrongdoer.**

Acequia, 34 F.3d at 812 (internal citations omitted) (emphasis added).

43. This is precisely what Acis is doing in asserting its claim against Highland—it is attempting to recover its property from Highland, who is the wrongdoer, and make itself whole. Leaving Acis with no remedy to do so would fail to serve any principles of equity or justice. It would deprive Acis of significant assets it had on the petition date (these claims), but it would leave Acis *subject* to myriad claims, including Highland's own pre-petition and administrative claims.²⁹ As identified in *Tronox*, there has already been benefit to Acis's estate because these very causes of action were part of the inducement for Mr. Terry to purchase the equity.

44. One final point on equity: it appears that the Fraudsters are now, post-confirmation of Acis's Plan, attempting to go backwards in time and get the benefit of the bargain they neither wanted nor made, *i.e.*, choosing the Right Thing. Unfortunately for the Fraudsters, the window on doing the Right Thing closed when this Court confirmed Acis's Plan. Further, it is wholly inequitable to allow the Fraudsters to engage in "highly contentious" litigation throughout Acis's case, including appealing three separate matters, delaying the litigation and its comeuppance while Acis shouldered the entirety of the business risk of operating and paying its legitimate creditors from operations, and then flit away with their ill-gotten goods. The Fraudsters should not be permitted, now, to engage in revisionist history.

²⁹ Curiously, Highland later argues in its Objection that it received no benefit from the audacious fraudulent transfer scheme. Plugging one's nose very hard and accepting that fallacious argument as true, for a brief moment, it is impossible to reconcile, then, Highland's position as an unsecured and administrative claimant who could benefit from recoveries in the Acis Adversary with its argument that all recoveries from all defendants therein should be capped. If Highland is correct on both counts, Highland is cutting off its nose to spite its face.

B. Acis Can and Should Recover the Overpayments

1. The Overpayments Were Unauthorized or *Ultra Vires* Acts, Such Amounts Belong to Acis, and Highland Must Return Such Amounts to Acis.

45. As it has done before, Highland attempts to frame the overpayments of at least \$7,021,924.00 to Highland (the "Overpayments"), in violation of Acis's limited partnership agreement (the "LPA"), as a contract dispute. This is not a contract dispute, and Acis did not plead the basis for return of the Overpayments in contract. Rather, Acis pleaded that the Overpayments were made to Highland without authority, or were *ultra vires*, in violation of Section 3.10(a) of the LPA, **to which Highland is not a party**. Accordingly, such Overpayments rightfully belong to Acis, and Acis properly asserted its claim against Highland for return of such amounts.

46. The gravamen of Highland's *ultra vires* objection is that Delaware essentially abolished the *ultra vires* doctrine pursuant to Delaware General Corporation Law ("DGCL") Section 124, and that the DGCL is not applicable to partnerships (or LLCs) such as Acis. This objection lacks merit because, as explained below, Section 124 of the DGCL, which pertains to *ultra vires* as defense to contract actions, is inapplicable to Acis's claim that the Overpayments were unauthorized acts, and therefore void or voidable. Further, Acis does not attempt to argue that the DGCL is also the law for partnerships in Delaware—however, Delaware courts do analogize principles from corporate law, such as whether *ultra vires* acts constitute a breach of fiduciary duty, to partnerships and LLCs. Thus, *ultra vires*, in the context pleaded by Acis, is applicable to the Overpayments and serves to render such acts as void or voidable.

47. Highland argues that the *ultra vires* doctrine was essentially eliminated by statute, under DGCL Section 124, and is therefore inapplicable. It is Section 124, however, that is inapplicable to Acis's claim. Section 124 involves the traditional use of *ultra vires* as a defense

to a contract action, which is not what Acis pleads. *See Carsanaro v. Bloodhound Techs., Inc.*, 65 A.3d 618, 653-55 (Del Ch. 2013) ("Put simply, Section 124 only addresses capacity or power. It does not address whether a corporate act was validly authorized"). Moreover, Acis did not plead that it was entitled to return of the Overpayments pursuant to the DGCL. Rather, Acis pleaded that the Overpayments were not authorized or were *ultra vires* acts under the LPA, and are therefore void or voidable. Complaint ¶ 128. (**Exhibit "1"**).

48. The court in *Carsanoro*, cited by Highland, further explains:

[J]udicial decisions have long used the Latinism "ultra vires" loosely as a more erudite synonym for "invalid" or "void," rather than confining the term to its traditional role as a defense to contract actions. . . . Delaware corporate decisions (including my own) have deployed the term colloquially by using it to describe a range of situations, such as (i) the failure of corporate action to comply with the requirements of a provision of the DGCL, (ii) the failure of corporate action to comply with the requirements of the charter, (iii) the failure of a board to comply with the terms of a stock option plan, (iv) acts of waste, and (v) acts that could be found to be breaches of fiduciary duty. None of these uses of *ultra vires* involves the issue addressed by Section 124.

Id. at 653-54 (emphasis added). Here, Acis pleaded that the Overpayments were in violation of the LPA—analogue to the failure of a corporate action to comply with the requirements of the charter. Further, such acts could be found to be breaches of fiduciary duty. It is in this context, not under Section 124, that Acis makes its *ultra vires* claim in connection with the Overpayments.

49. Again relying on the DGCL, Highland also argues that the *ultra vires* doctrine does not apply to partnerships, and therefore Acis's claim for return of the Overpayments should be disallowed. But, as Acis pleads, Delaware courts may apply doctrines, including with respect to "illegal or *ultra vires* action[s]," existing under corporate law to partnerships by analogy. *See In re Mesa Ltd. P'ship Preferred Unitholders Litig.*, Civil Action No. 12,243 (Consolidated), 1991 Del. Ch. LEXIS 214, at *20 (Dec. 10, 1991) (citing Delaware case law covering breach of

fiduciary duty under corporate law, whether an "illegal or *ultra vires* action" constitutes a breach, and commenting that "[c]ase rulings construing statutory corporation law are not necessarily binding precedents as to issues arising under contractual partnership agreements but they may often be helpful by analogy"). Acis is not asking that the Court apply the DGCL to partnerships. Rather, as discussed above, Acis contends that the *ultra vires* or unauthorized acts resulting in the Overpayments, which were in violation of the LPA, are analogous to the *ultra vires* acts of a corporation which fail to comply with the corporation's charter.

50. Aside from the issue of whether the *ultra vires* doctrine applies under Delaware law, as Acis pleaded, the Overpayments were clearly unauthorized under the LPA. Indeed, the arbitration panel expressly found that the Overpayments were "in excess of the contractual limit imposed by Section 3.10(a) of the ACIS LPA" and awarded Terry damages in the amount of \$1,755,481.00 for what his profit distributions would have been, had excess expenses not been paid. *See* Complaint ¶¶ 65-67 (**Exhibit "1"**). Consistent with the arbitration panel's findings, Acis contends that the Overpayments should now be returned to Acis—the Overpayments belong to Acis, not Highland.

51. Based on the foregoing, Highland's objection to Acis's claim (under Counts 1-4 of its Complaint) that the doctrine of *ultra vires* is inapplicable to the Overpayments, should be overruled.

2. Acis's claims of Turnover, Money Had and Received, and Conversion in Connection with the Overpayment (Counts 2-4) are Proper and Should be Allowed.

52. With respect to Acis's claim for turnover of the Overpayments, under Section 542(a) of the Bankruptcy Code, Highland argues Section 542(a) cannot apply because the issue of whether the Overpayments are property of the estate is in dispute. While Acis acknowledges that the Court must first decide whether the Overpayments resulted from

unauthorized or *ultra vires* acts and are therefore rightfully Acis's property, Acis may still plead turnover and the causes of action upon which a turnover action depends in the same adversary proceeding. Acis need not bring a turnover action only after prevailing in an avoidance action relating to the same property. *See, e.g., Olsen v. Reuter (In re Reuter)*, 499 B.R. 655, 669 (Bankr. W.D. Mo. 2013) ("[W]hile . . . a turnover action may not be appropriate if the right is disputed, that principle is not applicable here because the turnover claim is ancillary relief to the declaratory judgment claim. Once this Court resolves the dispute on the latter claim, it can then order turnover as a remedy."). Further, requiring separate adversary proceedings would counter principles of judicial economy. Accordingly, the Court should overrule Highland's objection to turnover of the Overpayments.

53. Second, with respect to Acis's claim for money had and received, Highland argues that because the Overpayments were made pursuant to valid contracts, money had and received is inapplicable. Highland fails to recognize, however, that Acis's claim that the Overpayments were improper and rightfully belong to Acis is not based on contracts between Acis and Highland (the Sub-Agreements), but is based on the LPA, which is not a contract between Acis and Highland. As Acis pleaded, even though Highland had knowledge of the LPA, it still invoiced and accepted the Overpayments from Acis. Thus, Acis properly pleaded money had and received because Highland "obtained money which in equity and good conscience belongs to" Acis. *See Amoco Prod. Co. v. Smith*, 946 S.W.2d 162, 164 (Tex. App.—El Paso 1997, no pet.).

54. Moreover, even if the Court did entertain Highland's "express contract" defense, Texas courts have specifically found that overpayments under an express contract may be recovered under equitable theories. *See Norhill Energy LLC v. McDaniel*, 517 S.W.3d. 910, 919

(Tex. App.—Fort Worth 2017, pet. denied). Accordingly, Acis's claim for money had and received (based in equity) is proper, and Highland's objection should be overruled.

55. Third, with respect to conversion, Acis specifically pleaded that Highland wrongfully exercised dominion and control over Acis's property—the Overpayments—which was inconsistent with Acis's rights. *See* Complaint ¶ 142. Further, Acis pleaded facts supporting the elements of conversion: (i) Acis had the right to possession of the Overpayments; (ii) that the Overpayments are personal property; (iii) Highland wrongfully exercised dominion and control over the Overpayments; and (iv) Acis suffered damages in the amount of at least \$7,021,924.00. *See id.* ¶¶ 140-42; *see also Lawyers Title Co. v. J.G. Cooper Dev., Inc.*, 424 S.W.3d 713, 718 (Tex. App.—Dallas 2014, pet. denied) (outlining the elements for conversion).

56. Although Acis agrees that it would need to show that such funds were segregated for purposes of conversion, and Acis does not currently have evidence showing segregation of the Overpayments, discovery has not yet commenced in the Acis Adversary. Accordingly, Acis reserves all rights with respect to its conversion claim and the ability to show, following discovery or otherwise, that such funds were segregated. And, to the extent we cannot show segregation of the Overpayments, Acis would withdraw its claim of conversion.

57. Additionally, to the extent Highland's objections to money had and received and conversion are in essence pleading objections, such as for failure to state a claim under Rule 12(b)(6), Bankruptcy Rule 9014 provides that Rules 8, 9, and 12 do not apply to contested matters, such as this. The Court may therefore also overrule Highland's objections on this basis.

58. Finally, Acis disputes Highland's argument that application of the two-year statute of limitations to its claims for money had and received and conversion precludes any recovery by Acis of damages due to Overpayments occurring prior to January 31, 2016. In the two years

prior to Acis's petition date, Acis was incapable of bringing these actions against Highland because both parties were controlled by Dondero. Indeed, Dondero, in various capacities and in coordination with other Highland employees, directed these acts against Acis. Accordingly, the limitations period should be equitably tolled from the time of the payments until the Acis's petition date—the period during which Dondero controlled Acis. In order to show that equitable tolling is warranted, Acis must show that its "failure to satisfy the statute of limitations [] result[s] from external factors beyond [its] control; delays of [its] own making do not qualify." *See Hardy v. Quarterman*, 577 F.3d 596, 598 (5th Cir. 2009) (quoting *In re Wilson*, 442 F.3d 872, 875 (5th Cir. 2006)). Acis's failure to pursue these claims is not a result of Acis sleeping on its rights—it is a result of the Fraudsters (to which Acis subcontracted its legal services) impeding Acis from exercising its rights. Accordingly, equitable tolling should apply to the statute of limitations for Acis's claims of money had and received and conversion.

C. Equitable Doctrines Are Wholly Inapplicable

59. Highland argues that certain equitable doctrines, including *in pari delicto* and the so-called *Bangor Punta* doctrine, "summarily" resolve Acis's claims in favor of Highland. However, a further examination of the facts underlying the Complaint, the Adversary and the equitable doctrines themselves demonstrate these doctrines do not act as a bar to Acis's claims, and in any event, those issues cannot be resolved "summarily" without affording Acis the opportunity to conduct discovery into Highland's manifest wrongdoing.

1. The so-called *Bangor Punta* doctrine does not apply the Complaint.

60. Highland acknowledges that under controlling Fifth Circuit precedent the so-called *Bangor Punta* doctrine does not apply to claims that were pending when Terry acquired Acis's equity. *See Meyers v. Moody*, 693 F.2d 1196, 1208 (5th Cir. 1982); *see also TNS Media Research, LLC v. TiVo Research & Analytics, Inc.*, 193 F. Supp. 3d 307, 312 (S.D.N.Y. 2016)

("It is absolutely clear that the *Bangor Punta* Doctrine does not, and could not, extinguish claims (such as those at issue here) asserted in an action pre-acquisition."). Highland mistakenly believes that the version of the Complaint pending prior to Acis's plan confirmation did not contain "a multi-faceted fraudulent transfer action." *See In re Acis Capital Mgmt., L.P.*, No. 18-30264-SGJ-11, 2019 Bankr. LEXIS 292, at *24-25 (Bankr. N.D. Tex. Jan. 31, 2019). As Highland is simply mistaken—a thirty-plus count complaint was pending in the Adversary prior to Acis's plan confirmation, *see* Adv. No. 18-03078, Docket No. 83—the *Bangor Punta* doctrine thus does not act as bar to the Complaint under controlling Fifth Circuit precedent.

61. Setting that aside, the Supreme Court in *Bangor Punta Operations, Inc. v. Bangor & A. R. Co.*, 417 U.S. 703, 710 (1974), ruled that shareholders who bought into a corporation, at what they conceded was a fair price, did not have standing to later bring an action for corporate waste against the former shareholders from whom they had acquired their shares. But "[n]o authority provides direct support for the proposition that the *Bangor Punta* principle, which relates to shareholder standing to sue for corporate waste, limits damages in a fraudulent conveyance action." *Tronox Inc. v. Kerr McGee Corp. (In re Tronox Inc.)*, 503 B.R. 239, 333 (Bankr. S.D.N.Y. 2013); *see also KSC Recovery v. First Bos. Corp. (In re Kaiser Merger Litig.)*, 168 B.R. 991, 1004 (D. Colo. 1994); *Brandt v. Hicks, Muse & Co. (In re Healthco Int'l, Inc.)*, 195 B.R. 971, 986 (Bankr. D. Mass. 1996); *Think3 Litig. Tr. v. Zuccarello (In re Think3, Inc.)*, 529 B.R. 147, 185 (Bankr. W.D. Tex. 2015). In fact, Highland does not cite a case where the doctrine has been used to estop a debtor-in-possession, reorganized debtor, post-confirmation trustee, trustee, or similar party operating under Section 544 of the Bankruptcy Code or otherwise from recovering fraudulent transfers.

62. Highland argues that Mr. Terry "agreed to purchase Acis's equity on July 5, 2018." This is simply not true.³⁰ In any event, such purchase was solicited through the approved disclosure statement in Acis's bankruptcy case [Case No. 18-30264, Docket No. 661] (the "Disclosure Statement") and effectuated through the Plan. Exhibit A to the Disclosure Statement disclosed a multitude of causes of action against Highland, including, but certainly not limited to, the complained of causes of action (the "Retained Causes of Action") (which incidentally were already on file by the time Mr. Terry voted on the Plan)³¹ and Mr. Terry would have agreed to purchase the equity at a price that included the Retained Causes of Action as an asset of Reorganized Acis. See Tr. 170:18-171:1, *In re Acis Capital Mgmt., L.P.*, Case No. 18-30264, Docket No. 790 (Bankr. N.D. Tex. Dec. 11, 2018) (Mr. Terry's testimony that in agreeing to reduce his claim against Acis by \$1 million in exchange for the equity in Acis, he valued the litigation).

63. In *Bangor Punta*, the Supreme Court prohibited a purchaser from "accepting their end of the bargain—ownership and control of the corporation—and attempting to sweeten their end of the deal by suing the seller to recover damages to the corporation allegedly caused by the seller before the sale." Highland Claim Objection ¶ 43 (citing *Midland Food Servs., LLC v. Castle Hill Holdings V, L.L.C.*, 792 A.2d 920, 933-34 (Del. Ch. 1999)). But Acis is not suing the seller of the Acis equity; Acis is pursuing litigation claims—its property rights—that Acis owned on the petition date and on the date that Mr. Terry purchased the Acis equity for \$1 million. Under Highland's view of the world, *Bangor Punta* should prevent Mr. Terry from receiving the benefit of his bargain, *i.e.* the Retained Causes of Action which constituted Reorganized Acis's

³⁰ Mr. Terry voted to accept the Plan on November 26, 2018. See Case No. 18-30264, Docket No. 746. Notwithstanding Sections 363 and 1129 of the Bankruptcy Code, this accepting vote would be the earliest date upon which Mr. Terry could arguably be considered to have agreed to purchase Acis's equity.

³¹ The prior version of the Complaint was filed on November 13, 2018. See Adv. No. 18-03078, Docket No. 84.

post-confirmation assets, and that the deal should, post-confirmation be soured. That is the polar opposite of what *Bangor Punta* holds.

2. *In Pari Delicto* Does Not Bar Acis's Claims.

64. "The equitable defense of *in pari delicto*, which means 'in equal fault,' is based on the common law notion that a plaintiff's recovery may be barred by his own wrongful conduct." *In re Royale Airlines*, 98 F.3d 852, 855 (5th Cir. 1996). Generally, courts are reluctant to allow the debtor's pre-petition conduct to hinder the trustee's ability to recover on behalf of creditors. *See Kane v. Nat'l Union Fire Ins. Co.*, 535 F.3d 380, 387 (5th Cir. 2008) ("[A] bankruptcy trustee should be able to pursue a claim on behalf of the creditors that the debtor himself would be judicially estopped from pursuing[.]"). Certain courts have found that "*in pari delicto* does not apply to avoidance actions brought pursuant to § 544." *See PM Denver, Inc. v. Porter (In re Porter McLeod, Inc.)*, 231 B.R. 786, 794 (D. Colo. 1999). This Court has noted that "courts in this district have not allowed an *in pari delicto* defense (*i.e.*, an equitable affirmative defense, that a defendant may assert against a plaintiff, if the plaintiff has acted equally or more wrongly than the defendant, through conduct relating to the plaintiff's claim) to Section 548 claims with respect to prepetition conduct." *Paradigm Air Carriers, Inc. v. Tex. Rangers Baseball Partners (In re Tex. Rangers Baseball Partners)*, 521 B.R. 134, 169 n. 185 (Bankr. N.D. Tex. 2014) (citing *Horton v. O'Cheskey (In re Am. Hous. Found.)*, No. 09-20232-RLJ-11, 2012 U.S. Dist. LEXIS 190483, at *19-20 (N.D. Tex. Sept. 14, 2012)). Even courts that believe that *in pari delicto* may be applied to fraudulent transfer claims acknowledge that it is not necessarily an absolute bar to recovery. *Floyd v. CIBC World Mkts., Inc.*, 426 B.R. 622, 642 (S.D. Tex. 2009) ("[E]ven in situations where the parties are found to be *in pari delicto*, under Texas law, 'relief will sometimes be granted if public policy demands it.'").

65. At the time of the fraudulent transfers and other claims at issue, Highland controlled Acis, or at least was controlled by the same parties as Acis. To permit Highland to escape liability because it successfully controlled Acis and forced Acis to transfer most of its assets to Highland or other Highland-affiliates, would render Chapter 5 of the Bankruptcy Code meaningless and would countenance Highland's many obvious bad acts. The Supreme Court has ruled that when analyzing an *in pari delicto* defense, a court must consider whether allowing the defense destroys the statute's purpose. *Perma Life Mufflers v. Int'l Parts Corp.*, 392 U.S. 134, 138-140 (1968). Here, Highland's request to apply *in pari delicto* renders Chapter 5 meaningless. The Court should reject Highland's invitation to render meaningless one of the most fundamental remedies in the Bankruptcy Code.

66. Even if the *in pari delicto* defense was generally applicable to bankruptcy proceedings, it is inapplicable to the cause at bar due to the Fraudsters control over Acis. *See Brickley v. ScanTech Identification Beams Sys., LLC*, 566 B.R. 815, 840-41 (W.D. Tex. 2017) (applying New York law, which unlike the law in the Fifth Circuit regularly bars debtors from suing third parties for fraud in which the debtor participated, but discussing the exception to the same under New York law, including the adverse interest exception and corporate insider exception) (internal citations omitted); *see also Asarco LLC v. Ams. Mining Corp.*, 396 B.R. 278, 430 (S.D. Tex. 2008) ("Because AMC/Grupo dominated and controlled ASARCO during the relevant time and dictated the terms of the SPCC transaction, the Court finds that ASARCO (and its creditors) were not at equal fault. Thus, AMC's *in pari delicto* defense fails.").

67. Here, there is no question that the Fraudsters acted for their own interest rather than Acis's interest, as further described by the Complaint, and this Court has determined that they were insiders of Acis. *Brickley*, 566 B.R. at 841 ("General partners, sole shareholders, and

sole decision makers clearly qualify as such insiders . . . even a third-party professional, . . . may surrender an *in pari delicto* defense where it exerts sufficient domination and control over the guilty corporation to render itself an insider."); *see also See In re Acis Capital Mgmt., L.P.*, No. 18-30264-SGJ-11, 2019 Bankr. LEXIS 292, at *17 (Bankr. N.D. Tex. Jan. 31, 2019) (finding Highland to be an insider).

68. Reorganized Acis should not be hindered by pre-petition conduct orchestrated by the Fraudsters. To this end, it is worth remembering, in the context of *in pari delicto*, an equitable and intensely factual defense, that this Court determined:

[t]he Reorganized Debtor is, in the Court's view, nothing like the old Debtors that entered bankruptcy. The Reorganized Debtor is under completely new ownership and management, and is utilizing a new submanager as well. The Reorganized Debtor is tantamount to a successor to the Debtors, rather than the original Debtors. Furthermore, the Reorganized Debtor is not an ordinary successor — while it was formerly owned by one of Highland entities, it is now owned 100% by Joshua Terry ("Terry"), who is the largest creditor in these cases.

In re Acis Capital Mgmt., L.P., 603 B.R. 300, 306 (Bankr. N.D. Tex. 2019).

3. Inequitableness is Factual.

69. Even if the so-called *Bangor Punta* doctrine and *in pari delicto* defense were applicable to the Complaint, these equitable doctrines cannot be applied without considering the facts and equities of the case. This type of factual inquiry is not appropriate for Highland's so-called "summary adjudication."³² The Adversary has not moved beyond the initial pleading stage, and there has been no discovery taken in connection with the vast majority of Acis's claim

³² *Think3 Litig. Tr. v. Zuccarello (In re Think3, Inc.)*, 529 B.R. 147, 186 (Bankr. W.D. Tex. 2015) ("[T]he *Bangor Punta* doctrine is an equitable doctrine based on unjust enrichment, and cannot be applied without considering the facts and equities of an individual case—which would not be proper in the Rule 12(b)(6) context."); *see also TNS Media Research, LLC v. TiVo Research & Analytics, Inc.*, 193 F. Supp. 3d 307, 309 (S.D.N.Y. 2016) ("[T]he *Bangor Punta* Doctrine is an equitable defense[.]"); *Milbank v. Holmes (In re TOCFHBI, Inc.)*, 413 B.R. 523, 537 (Bankr. N.D. Tex. 2009) (Jernigan, J.) ("The court determines that, even if the *in pari delicto* doctrine is available to use against a bankruptcy trustee, it is not a basis to grant summary judgment . . . because such defense is intensely factual and there are genuine issues of disputed fact relevant to this defense.").

against Highland. Therefore, any contention that Acis's recovery is barred by specific equitable doctrines—which are fact-based inquiries—is premature at best.

D. Highland Benefited From The Fraudulent Transfers Asserted In The Complaint

70. Highland was the ultimate beneficiary of the fraudulent transfers asserted in the Complaint.³³ An overview diagram depicting Highland at the fulcrum in the ruinous web that is the relevant Highland corporate structure is attached hereto as **Exhibit "4."**

71. This Court has previously described the network of agreements subject to the fraudulent transfer claims "as an 'eco-system' that allowed the Acis CLOs to be effectively and efficiently managed by the Debtor-Acis." *See In re Acis Capital Mgmt., L.P.*, No. 18-30264-SGJ-11, 2019 Bankr. LEXIS 292, at *7 (Bankr. N.D. Tex. Jan. 31, 2019). This ecosystem included the ALF PMA (by which Acis managed the equity of the Acis CLOs and which allowed Acis to control its own destiny with respect to the Acis CLOs), the ALF shares (an asset by which Acis indirectly owned a portion of the controlling equity in the Acis CLOs, which allowed Acis to comply with risk-retention requirements, which was necessary for Acis to manage additional CLOs), the Note (which entitled Acis to \$9.5 million), the 2017-7 Equity (which allowed Acis to own the controlling equity in Acis CLO 2017-7) and the 2017-7 Agreement (which permitted Acis to manage Acis CLO 2017-17 and entitled Acis to the associated fee stream). All of these items were transferred away from Acis to other Highland-affiliates, ultimately for the benefit of Highland, after the Terry Arbitration Award. The Fraudsters dismantled the Acis ecosystem and rebuilt it in offshore-affiliates. There is no doubt the Fraudsters are the ultimate beneficiaries of this scheme. This catch-me-if-you-can shell game attempted to keep assets away from Acis to

³³ Again, the parties have yet to engage in discovery in connection with the Complaint. Accordingly, Acis reserves all rights regarding the benefit to Highland.

Highland (either directly, through fee streams, or through entities ultimately controlled by the Fraudsters). For Highland to argue now that it received no benefit defies common sense.

72. By its plain language, Section 550(a)(1) provides for liability against "the entity for whose benefit such transfer was made." At a high level, Highland either was the ultimate adviser (and beneficiary of any transferred fee stream) or ultimate equity of various entities that were the direct beneficiaries of the fraudulent transfers. Additionally, Highland's conclusory statements that it was not beneficiary of the fraudulent transfers asserted in the Complaint are insufficient to rebut the presumption of the Proof of Claim's validity. *See In re Today's Destiny, Inc.*, No. 05-90080, 2008 Bankr. LEXIS 3577, at *13 (Bankr. S.D. Tex. Nov. 26, 2008) ("Conclusory statements are insufficient to rebut [Fed. R. Bankr. P.] 3001(f)'s presumption.").

73. With respect to the ALF PMA Transfer, Highland benefited as the sub-advisor to (and controlling equity voteholder of) Highland Advisor. While Highland Advisor nominally received the ALF PMA Transfer, Highland Advisor was merely a shell company set up by Highland employees that contracted out all of its operations to Highland and is owned by Highland. Hunter Covitz, a Highland employee, testified, "[b]ut HCF Advisor is Highland. . . . That's the distinction between Highland HCF Advisor could be well capitalized, the substance of Highland, its office space, employees, balance sheet, back office, legal, what [have] you, would all be incorporated with HCF Advisor, where Acis with no employees is not looked at that way." Tr. 61:5 & 11-15, *In re Acis Capital Mgmt, L.P.*, Case No. 18-30264, Docket No. 804 (Bankr. N.D. Tex. Dec. 18, 2018). Finally, Hunter Covitz testified, "there's really no differentiation between HCF Advisor and Highland." *Id.* at 62:21-23. Highland Advisor is ultimately owned and controlled by Highland. As the ALF PMA Transfer transferred control of ALF (now

Highland CLO Funding) from Acis to Highland Advisor/Highland, Highland directly benefited from the ALF PMA Transfer.

74. Similarly, Highland benefited from the ALF Share Transfer. Again, Highland is the sub-advisor to both Highland Funding and the majority of the equity holders in Highland Funding. *See* Portfolio Management Agreement by and between Highland and Highland Advisor, dated October 27, 2017 [Docket No. 859-1] & *Second Amended and Restated Service Agreement* by and between Highland and Charitable DAF Fund, L.P.³⁴ dated January 1, 2017 [Docket No. 846-1]; *see also In re Acis Capital Mgmt., L.P.*, Nos. 18-30264-SGJ-11, 2019 Bankr. LEXIS 292, at *19 (Bankr. N.D. Tex. Jan. 31 2019) ("The equity owner HCLOF Guernsey, in turn, has three equity owners: (i) a 49% equity owner that is a charitable fund (i.e., a donor advised fund or "DAF") that was seeded with contributions from Highland, is managed/advised by Highland, and whose independent trustee is a long-time friend of Highland's chief executive officer, Mr. Dondero; (ii) 2% is owned by Highland employees; and (iii) a 49% equity owner that is a third-party institutional investor[.]").

75. Additionally, Highland itself is a shareholder of Highland Funding. The ALF Share Transfer allowed Highland Funding³⁵ to complete a private placement of its equity (including, upon information and belief, the equity acquired in the ALF Share Transfer) to third-party investors. Through the ALF PMA Transfer and the ALF Share Transfer, Highland (as sub-advisor to Highland Advisor) retained effective possession and control of the property

³⁴ Upon information and belief, Charitable DAF Fund, L.P. owns a majority of CLO Holdco, Ltd. "CLO Holdco, Ltd. (the donor advised fund, seeded with Highland contributions and managed by Highland that owns 49% of HCLOF Guernsey)." *In re Acis Capital Mgmt., L.P.*, Nos. 18-30264-SGJ-11, 2019 Bankr. LEXIS 292, at *30 (Bankr. N.D. Tex. Jan. 31, 2019).

³⁵ Upon information and belief, Highland also owns an interest in Highland Funding.

transferred after the ALF Share Transfer. Stated another way, Highland maintained control over the Acis CLO ecosystem, and the fees and other benefits that came with it.

76. Although, Highland is obligor under the Note, Highland benefitted from the Note Transfer. Upon information and belief, Highland directed the Note to be transferred from Acis (which was the beneficiary under the Note) to a friendly party (controlled by Highland) Highland Management. Effectively, Highland only needs to pay the Note, if it decides to make demand on itself. Unsurprisingly, Highland has not made timely note payments to Highland Management since the fraudulent transfer of the Note. Prior to the Note Transfer, Acis (and its judgment creditors) would not have provided Highland such optionality.

77. Highland benefited from the transfers of the 2017-7 Agreements and the 2017-7 Equity. Again, contemporaneous with these transfers Highland entered into an agreement with Highland Holdings that allowed Highland to sub-advise and manage CLO 2017-7 and get paid the management fees that otherwise would have flowed to Acis LP.

78. In summary, it is perhaps easiest to consider this issue as a question: why would Highland, solely through its employees and controlled parties, engage in a pervasive fraudulent transfer scheme other than to ultimately benefit itself? The only logical answer is that it wouldn't.

E. Acis Sufficiently Pleaded Preferential Transfers to Highland Under Section 547(b) of the Bankruptcy Code and Section 24.006(b) of the Texas Business and Commerce Code.

79. Acis pleads in Count 25 of the Complaint:

Within one year of the Petition Date, Highland received the Prepetition Payments in the amount \$16,113,790.14 from Acis on account of purported debt claims owed by Acis. To the extent that the Prepetition Payments satisfied legitimate debt claims not avoided by any of the causes of action asserted herein, these transfers are avoidable under section 547(b) of the Bankruptcy Code and Texas Business and Commerce Code sections 24.006(b).

Complaint ¶ 236 (**Exhibit "1"**).

80. In the Highland Claim Objection, in addition to repeating its arguments (addressed elsewhere herein) that full payment of creditors and the *Bangor Punta* doctrine bar any preference claim, the primary substance of Highland's objection is that Acis did not allege the elements necessary for a preferential transfer, including that Acis was insolvent at the time of the transfers and that the transfers were on account of antecedent debts. This again sounds like an argument that Acis failed to state a claim, but Fed. R. Bankr. P. 7012 does not apply to contested matters absent a court ruling otherwise. Fed. R. Bankr. P. 9014(c).

81. Even if Rule 7012 applied, simply reading Acis's Complaint reveals it most certainly stated a claim upon which relief can be granted. Like Acis's factual description in the Complaint of Highland's fraudulent transfer scheme, Acis also appropriately described the basis for alleging the Prepetition Payments, in the amount of \$16,113,790.14, as preferences. *See* Complaint ¶¶ 122-24 (**Exhibit "1"**).

82. Indeed, Acis pleaded:

The Prepetition Payments were made for the benefit of Highland for or on account of an antecedent debt owed by the Debtors before the Prepetition Payments were made. Acis was insolvent at all times when the Prepetition Payments were made. Based on Terry's pending—or already decided—claims, as well as Highland's absolute operational and financial control of Acis, Highland was aware that Acis was insolvent or reasonably should have been aware Acis was insolvent at all times when the Prepetition Payments were made. The Prepetition Payments were made within one year of the Petition Date. At the time the Prepetition Payments were made Highland was an insider of the Debtors. The Prepetition Payments enabled Highland to receive more than Highland would have received if the cases were a case under chapter 7 of the Bankruptcy Code and if the Prepetition Payments had not been made. Highland received the Prepetition Payments.

Complaint ¶ 123 (**Exhibit "1"**).

83. In a conclusory fashion, Highland also pleads that Acis "cannot meet its burden of proving insolvency at the time of the transfers" or "that each transfer enabled Highland to receive more than it would have received in a hypothetical chapter 7 liquidation." Highland Claim Objection at 41. Highland further pleads in a conclusory fashion, with no underlying data or analysis, that it is entitled to defenses under Section 547(c)(1), (c)(2), (c)(4), that Highland was "a mere conduit," and that it is entitled to offset under Section 502(h). *Id.* at 41-42. In addition to the fact that Highland's argument under Section 502(h) also undercuts its separate argument that Acis's claim under Section 550 is barred, to the extent such objections are conclusory, such objections should be denied or reserved for trial on Acis's claim. Acis will show at trial all necessary elements to prove that Highland is liable for receiving preferential transfers.

84. Accordingly, Highland's objection to preference lacks merit.

F. Acis Has Adequately Pleaded the Elements of Fraudulent Transfers under Bankruptcy Law and State Law

85. Highland and the other objectors object to Counts 5-8 (related to the Sub-Advisory Agreement modifications), Counts 9-12 (related to the ALF PMA Transfer), Counts 13-16 (related to the ALF Share Transfer), Counts 17-20 (related to the Note Transfer), and Counts 21-24 (related to the 2017-7 Equity and 2017-7 Agreement Transfers) (collectively, the "Transfer Claims") on certain bases that are "not subject to summary adjudication at this time." Highland states, in a conclusory fashion, that certain elements of the Transfer Claims were not met. Mere conclusory statements by Highland related to the factual basis of the Transfer Claims are insufficient to overcome the Proof of Claim's *prima facie* validity. *See In re Today's Destiny, Inc.*, No. 05-90080, 2008 Bankr. LEXIS 3577, at *13 (Bankr. S.D. Tex. Nov. 26, 2008) ("Conclusory statements are insufficient to rebut [Fed. R. Bankr. P.] 3001(f)'s presumption."). Nor does Rule 7012 apply to contested matters. Fed. R. Bankr. P. 9014(c).

86. Nevertheless, Acis addresses these "objections" below and reserves all rights to respond more fully after Highland has answered and sufficiently briefed the issues.

1. Acis was Insolvent at the Time of the Transfers Subject to the Transfer Claims

87. Highland argues in conclusory fashion that "Acis cannot meet its burden of proving insolvency" with respect to the Transfer Claims. As Highland acknowledges, insolvency is not ripe for "summary adjudication" and subject to further discovery and potentially expert testimony. As such: Acis highlights the following statement from the Complaint:³⁶

In fact, the General Counsel of Highland [], Scott Ellington, admitted that as of February 7, 2018—one week after the Petition Date—Acis was insolvent or close to insolvent.

Complaint ¶ 317 (**Exhibit "1"**).

Acis was insolvent at all times when the Prepetition Payments were made. Based on Terry's pending—or already decided—claims, as well as Highland[]'s absolute operational and financial control of Acis, Highland [] was aware that Acis was insolvent or reasonably should have been aware Acis was insolvent at all times when the Prepetition Payments were made.

Complaint ¶ 123 (**Exhibit "1"**).

Acis was insolvent or became insolvent by the modifications to the Sub-Advisory Agreement and payments made thereunder.

Complaint ¶ 159 (**Exhibit "1"**).

88. Additionally, in connection with Acis's involuntary petition this Court determined the following:

In summary, the evidence reflects that the creditors of the Alleged Debtors are generally not being paid timely (except for perhaps four that are relatively insignificant and which may also be able to look to Highland for payment).

³⁶ Paragraph 81 of the Complaint details the changes to Acis's balance sheet before and after the Arbitration Award.

In re Acis Capital Mgmt., L.P., 584 B.R. 115, 140 (Bankr. N.D. Tex. 2018).

Mr. Leventon (Highland's in-house Assistant General Counsel) testified that 96% of bills submitted get paid more than 90 days after they are submitted, that approximately 70% of bills are later than 120 days after they are submitted, and some are even later than 150 days.

Id at 141.

89. As this Court has noted in a section of its involuntary opinion titled "Transfers and Transactions Involving the Alleged Debtors Since the Litigation with Mr. Terry Commenced—and Especially After the Arbitration Award," many of the transfers subject to the Transfer Claims took place *after* the Arbitration Award. *In re Acis Capital Mgmt., L.P.*, 584 B.R. 115, 127 (Bankr. N.D. Tex. 2018). As set forth above, Acis alleged facts to support that Acis was insolvent at the time of the transfers alleged by the Transfer Claims.

2. Acis Did Not Receive Reasonably Equivalent Value for the Transfers Subject to the Transfer Claims

90. Highland argues (again, without citing evidence) that Acis received "reasonably equivalent value" for the transfers subject to the Transfer Claims. As set forth by the Complaint, this is incorrect and as this Court knows firsthand, straight from the mouths of Highland's president and general counsel, among others, Highland's proffered "reasonably equivalent value" excuses were specious.

91. In connection with the same, Acis notes the following:

Acis LP did not earn a specific fee pursuant to the Equity/ALF PMA, but the Chapter 11 Trustee and others credibly testified during the Bankruptcy Cases that Acis LP considered the agreement valuable and very important, because it essentially gave Acis LP the ability to control the whole Acis CLO ecosystem—in other words, it gave Acis LP the ability to make substantial decisions on behalf of the CLO SPEs' equity—distinct from making decisions for the CLO SPEs themselves pursuant to the PMAs.

Acis Capital Mgmt., GP, LLC v. Highland Capital Mgmt., L.P. (*In re Acis Capital Mgmt., L.P.*), 600 B.R. 541, 548 (Bankr. N.D. Tex. 2019) (with respect to the ALF PMA Transfer); *see also In*

re Acis Capital Mgmt., L.P., Nos. 18-30264-SGJ-11, 2019 Bankr. LEXIS 292, at *9-11 (Bankr. N.D. Tex. Jan. 31. 2019).

The Second ALF PMA granted Acis LP, as the portfolio manager of ALF, extensive rights and discretion to control and manage ALF's assets, including its interests in the Acis CLOs.

Complaint ¶ 84 (**Exhibit "1"**).

The Note Transfer was also of great benefit to Highland [] because it transferred Highland []'s liability under the Note away from Acis LP (and its legal woes with Terry) and allowed Highland []'s liability under the Note, and any payments made thereunder, to stay well within the control of the Highlands. Just as importantly to Highland [] and Dondero, and in furtherance to their ongoing feud with Terry, the Note Transfer took away the Note as an asset from which Terry could collect his judgment and allowed Highland [] to argue (as repeatedly argued in the Bankruptcy Cases) that Terry got his judgment against the "wrong" entities and that Highland [] has no liability related to Terry's claim.

Complaint ¶ 96 (**Exhibit "1"**).

Highland [] entered into an agreement with Highland Holdings that allowed Highland[] to sub-advise and manage CLO 2017-7 and get paid the management fees that otherwise would have flowed to Acis LP. So, like the numerous transfers before it, Highland [] effectuated the transfer of the 2017-7 Agreements and 2017-7 Equity to cut out Acis LP, while Highland [] stayed in complete control of CLO 2017-7 and its stream of management fees.

Complaint ¶ 100 (**Exhibit "1"**); *see also In re Acis Capital Mgmt., L.P.*, 584 B.R. 115, 129 (Bankr. N.D. Tex. 2018).

92. Highland argues that the rates under the Sub-Advisory Agreement before June 2016 (under the Original Sub-Advisory Agreement) were "artificially low" and the rates charged by Highland under the modifications to the Sub-Advisory Agreement are "similar to what Brigade is currently charging Acis." First, Highland's argument runs counter to the arbitration panel's findings in the Terry Arbitration Award that Acis was overcharged under the terms of its LPA. Further, after a market test, the Trustee located Brigade "to provide the sub-advisory and

shared services going forward, for a minimum two-year term [], at a much cheaper cost than Highland." *In re Acis Capital Mgmt., L.P.*, Nos. 18-30264-SGJ-11, 2019 Bankr. LEXIS 292, at *24 (Bankr. N.D. Tex. Jan. 31, 2019). Additionally, Brigade is currently charging Acis far less than the rate charged by Highland.

93. Most dramatically, moments before the Court approved the termination of Highland as subadvisor to Acis in July 2018, one of Highland's in-house counsel, J.P. Sevilla, who is still to this day employed by Highland, testified that Highland would provide the exact same services it had been providing (albeit rife with mismanagement, conflicts of interest and breaches of duties) at rates competitive with Oaktree (who was later replaced by Brigade). The Court need nothing further than Highland's own actions before the Court to appreciate that Highland was grossly overcharging Acis.

94. Acis disputes the value of the value provided to Acis as part of the ALF Share Transfer was adequate.

3. Transfers Subject to the Transfer Claims Were Made to Hinder or Defraud Creditors

95. In a conclusory statement Highland states "[t]he transfer had a legitimate purpose and justification, and was not undertaken to hinder or defraud creditors." Not only has Highland failed to present any evidence in support of this conclusion or illustrate it in any way, Acis details in its 100-plus page Complaint Highland's intentional transfer scheme to keep assets away from creditors. This Court found that "[t]he evidence established overwhelmingly that there is a substantial likelihood that the transfers were part of an intentional scheme to keep assets away from Mr. Terry as a creditor." *In re Acis Capital Mgmt., L.P.*, Nos. 18-30264-SGJ-11, 2019 Bankr. LEXIS 292, at *36 (Bankr. N.D. Tex. Jan. 31, 2019). For further details on how the transfers subject to the Transfer Claims were made to hinder or defraud creditors, Acis points to

Section G of the Complaint (Complaint ¶¶ 79-121 (**Exhibit "1"**)) titled "The Highlands' Fraudulent Scheme to Take Over Acis's Business and Dismantle Acis's Assets."

4. Acis was Damaged by the Transfers Subject to the Transfer Claims.

96. The Proof of Claim states that Acis's claim is at least \$75,000,000.00. Clearly, Acis has alleged damages related to the transfers subject to the Transfer Claims. Highland seems to argue that because the Complaint does not allege the dollar amount of damages for each specific claim, the claim should be disallowed. However, this is not a basis to disallow the Proof of Claim. *See Ebert v. Gustin*, Civil Action No. 4:15-cv-00225-O, 2016 U.S. Dist. LEXIS 198345, at *23 (N.D. Tex. May 18, 2016) (even if the Proof of Claim was subject to the higher Federal Rule of Civil Procedural 12 standard "the amount of hypothetical damages is not properly raised in a 12(b)(6) motion to dismiss"). There will be fact and expert testimony, no doubt, with respect to the quantum of damages. The fact that such damages are not facially on the Proof of Claim, does not defeat the claim. Nevertheless, to the extent a 12(b)(6) standard is applicable and met, which it is not, Acis is entitled to amend its claim to aver damages. *See Life Partners Creditors' Tr. v. Cowley (In re Life Partners Holdings, Inc.)*, 926 F.3d 103, 125 (5th Cir. 2019).

G. The Modifications to the Sub-Advisory Agreement Are Obligations Fraudulently Incurred

97. Highland argues that the modifications to the Sub-Advisory Agreement (Counts 5-9) are obligations rather than transfers. Acis agrees with Highland's position; in fact, the Complaint states:

Plaintiffs . . . seek to avoid the modifications to the Sub-Advisory Agreement . . . , any obligations incurred by Acis in connection with these modifications to the Sub-Advisory Agreement, and any payments made (including increase in payments made) by Acis to Highland in connection with these modifications to the Sub-Advisory Agreement

Complaint ¶ 144; *see also* Complaint ¶ 149; 152, 152, & 160 (**Exhibit "1"**).

98. Under both Section 548 of the Bankruptcy Code and TUFTA, obligations fraudulently incurred are avoidable. *See* 11 U.S.C. § 548(a) ("The trustee may avoid any transfer . . . of an interest of the debtor in property, or any obligation . . . incurred by the debtor[.]"); *see also* Tex. Bus. & Com. Code § 24.005 ("A transfer made or **obligation incurred** by a debtor is fraudulent as to a creditor, whether the creditor's claim arose before or within a reasonable time after the transfer was made or the **obligation was incurred**, if the debtor made the transfer or incurred the obligation." (emphasis added)). As such, Acis has adequately alleged that the modifications to the Sub-Advisory Agreement are obligations fraudulently incurred.

H. Highland's Objection to Acis's Claim Pursuant to Section 502(h) is Frivolous.

99. Astonishingly, the Debtor also objects to Acis's claim on the theory that "any recovery on preference or constructive fraudulent transfer claims would be offset by Highland's resulting claims under Bankruptcy Code § 502(h), which would be entitled to full payment under the Acis Plan." Highland Claim Objection at n.6. Highland makes this objection based on Acis's claims in its Complaint for the fraudulent transfers of the ALF PMA, the ALF Shares, the Note, the CLO 2017-7 Agreement, modifications to the Sub-Advisory Agreement, and preferential transfers (Counts 5-25). It is breathtaking that Highland believes that it can *actually* fraudulently transfer Acis's assets to itself or its affiliates, and then turn around and make a claim *against* Acis for the value of those same fraudulently transferred assets.

100. Section 502(h) of the Bankruptcy Code provides:

A claim arising from the recovery of property under section 522, 550, or 553 of this title shall be determined, and shall be allowed under subsection (a), (b), or (c) of this section, or disallowed under subsection (d) or (e) of this section, the same as if such claim had arisen before the date of the filing of the petition.

11 U.S.C. § 502(h). Accordingly:

Section 502(h) does not create an independent claim. Rather, § 502(h) provides that the recipient of a fraudulent transfer is entitled to an allowed claim that arises from the recovery of property under § 550. The underlying principle is the equitable notion that the parties should be returned to the status quo just prior to the fraudulent transfer.

In re Solidarity Contracting, LLC, No. 17-31640, 2019 Bankr. LEXIS 3572, at *7 (Bankr. S.D. Tex. Nov. 19, 2019) (emphasis in original).

101. First, there has been no recovery yet of property Highland fraudulently transferred away from Acis pre-bankruptcy. Both avoidance and recovery of Acis's property are subject of the adversary proceeding against Highland and its affiliates in Acis's bankruptcy case. Thus, at a minimum, any claim or objection by Highland under Section 502(h) is not ripe. *See also* 11 U.S.C. § 502(d) (disallowing any claim under Section 550 "unless such entity . . . has paid the amount, or turned over any such property for which such entity . . . is liable under section . . . 550[.]"). Further, and more importantly, even if Acis were to recover its property, Acis contends that any claim under Section 502(h) would be disallowed under Section 502(b)(1) because the claim, arising from Highland's intentional fraudulent acts, would be unenforceable under state law. *See Southmark Corp. v. Schulte Roth & Zabel, (In re Southmark Corp.)*, No. 99-11401, 2000 U.S. App. LEXIS 41279, at *14-15 (5th Cir. Nov. 7, 2000) ("Having a claim . . . does not of itself entitle the [creditor] to share in the distribution of the assets of [the] estate; the claim must also be allowed. If the debtor objects to the claim, such claim is "allowable" only to the extent that it is enforceable against the debtor."). Indeed, in its Complaint (and thereby in its Proof of Claim), ***Acis already has extensively objected to Highland's proof of claim***, pursuant to Section 502(b)(1), (b)(4), and (d) of the Bankruptcy Code, based on its *ultra vires* acts and its many fraudulent transfers, among other things, against Acis. This fact apparently escaped Highland in its Objection to Acis's Proof of Claim.

102. Second, by pursuing recovery of its property, Acis seeks to return itself to the *status quo* just prior to the fraudulent transfers, which were intentionally perpetrated on Acis by Highland, at Dondero's direction, in coordination with its affiliates, many times for little to no consideration. Allowing Highland to then have a 502(h) claim would be tantamount to rewarding them for stealing Acis's property in the first place—in contravention of any equitable notion underlying the purpose of Section 502(h). As the court in *Solidarity Contracting* further stated:

In this case . . . 'there is nothing to reinstate, and the return of the fraudulently transferred . . . [property] does not give rise to an allowable claim.' Such a result is logical. Otherwise, a thief would be rewarded for thievery and a dishonest debtor could obtain a discharge while enjoying the value of its property through enterprising pre-bankruptcy transfers to friends and family members. [The creditor] is not entitled to a claim under 11 U.S.C. § 502(h).

Solidarity Contracting, 2019 Bankr. LEXIS 3572, at *8-9 (internal citations omitted). This Court should not reward a thief for its thievery. Indeed, Highland would only get a claim, at best, equal to the value of the consideration it paid for the fraudulently transferred asset(s). Recall, again, that many, most or all of the transfers were for little or no real consideration, particularly after application of all defenses, including equitable defenses, of Acis.

103. Finally, the confirmation order in Acis's bankruptcy case likely precludes any claim against Acis under Section 502(h), because such claim was discharged:

Except for the obligations expressly set forth in the Plan or this Order, on the Effective Date, the Debtors, the Reorganized Debtor and their successors in interest and assigns shall be deemed and they each are discharged and released to the fullest extent permitted by applicable law, including pursuant to section 1141(d)(1) of the Bankruptcy Code, from any and all Claims, Interests, demands, debts and liabilities that arose before the Effective Date. Without limiting the generality of the foregoing, the discharge shall apply to and cover both known and unknown Claims although the Court makes no determination in this Order as to which Creditors may constitute holders of unknown Claims.

Acis Confirmation Order ¶ 18; *see also Vanguard Operating, LLC v. Sublette Cty. Treasurer (In re Vanguard Nat. Res., LLC)*, Adv. Nos. 18-03244, 18-03245, 18-03246, 18-03247, 18-03248, 18-03249, 18-03250, 2020 Bankr. LEXIS 83, at *81 (Bankr. S.D. Tex. Jan. 14, 2020) (finding that, "even if [the claim were] 'revived' and allowed under § 502(h), [the debtor's] liability as to the claim was extinguished upon plan confirmation"). Under the language of the statute, any purported 502(h) claim Highland could have would be treated "the same as if such claim had arisen before the date of the filing of the petition." 11 U.S.C. § 502(h). Thus, any such claim would be treated as a pre-petition claim that was discharged under Acis's confirmation order.

104. Contrary to Highland's position, 502(h) is not a fait accompli. Determination of Acis's Proof of Claim (and of Highland's proof of claim in Acis's bankruptcy case) remains, and the Court has great discretion in such determinations. Accordingly, any objection to Acis's claim based on Section 502(h) of the Bankruptcy Code is frivolous and should be overruled.

I. The Injunctions Do Not "Fix" the ALF PMA Transfer

105. Highland argues that because this Court (through the Plan through the Temporary Plan Injunction (as defined by the Plan) and the *Preliminarily Injunction Order* [Adv. No. 18-03212, Docket No. 21] (collectively, the "Injunctions") prohibits (for a finite period of time)) the Highlands from using the fraudulently transferred ALF PMA to liquidate the Acis CLOs, Acis was not damaged by the ALF PMA Transfer. As a threshold matter, the magnitude of the damages suffered by Acis does not dictate whether Acis has claims against Highland related to the ALF PMA Transfer. *See Ebert v. Gustin*, Civil Action No. 4:15-cv-00225-O, 2016 U.S. Dist. LEXIS 198345, at *23 (N.D. Tex. May 18, 2016) ("The amount of hypothetical damages is not properly raised in a 12(b)(6) motion to dismiss.").

106. Additionally, the ALF PMA Transfer transferred rights of Acis under the Second ALF PMA that are not addressed by the Injunctions, as set forth below:

Certain Acis Right Under the Second ALF PMA	Acis Right Under the Second ALF PMA Addressed by the Temporary Plan Injunction (as defined by the Plan).
Appointment of Acis LP as investment manager of ALF/Highland Funding. <i>See Second ALF PMA § 2.</i>	Not addressed by the Temporary Plan Injunction (as defined by the Plan).
Power to assist ALF/Highland funding with developing its Investment Policy (as defined by the Second ALF PMA) and identify investments. <i>See Second ALF PMA § 3.</i>	Not addressed by the Temporary Plan Injunction (as defined by the Plan).
The authority to invest in all types of securities and financial instruments on behalf of ALF/Highland Funding. <i>See Second ALF PMA § 5(a).</i>	Not addressed by the Temporary Plan Injunction (as defined by the Plan).
The authority to engage in Financial Instrument (as defined by the Second ALF PMA) transactions on behalf of ALF/Highland Funding as Acis LP may determine. <i>See Second ALF PMA § 5(b).</i>	The Temporary Plan Injunction (as defined by the Plan) limits the Enjoined Parties (as defined by the Plan), including Highland, from liquidating certain (but not all) Financial Instrument (as defined by the Second ALF PMA) for a finite period of time.
Provide research in connection with investments and management of ALF/Highland Funding and direct the formulation of investment policies and strategies for ALF/Highland Funding. <i>See Second ALF PMA § 5(c).</i>	Not addressed by the Temporary Plan Injunction (as defined by the Plan).

<p>The authority to purchase and invest Financial Instruments (as defined by the Second ALF PMA), enter into contracts in connection with Financial Instruments (as defined by the Second ALF PMA), invest in other investment vehicles on behalf of ALF/Highland Funding as Acis LP may determine.</p> <p><i>See Second ALF PMA § 5(d)-(f).</i></p>	<p>Not addressed by the Temporary Plan Injunction (as defined by the Plan).</p>
<p>Exercise all rights, powers, privileges and other incidents of ownership or possession with respect to the Financial Instruments (as defined by the Second ALF PMA) and other property and funds held or owned by ALF/Highland Funding and its subsidiaries.</p> <p><i>See Second ALF PMA § 5(g).</i></p>	<p>The Temporary Plan Injunction (as defined by the Plan) limits the Enjoined Parties (as defined by the Plan), including Highland, from liquidating certain (but not all) Financial Instrument (as defined by the Second ALF PMA) for a finite period of time.</p>
<p>Lend the Financial Instruments (as defined by the Second ALF PMA) and other property of ALF/Highland Funding.</p> <p><i>See Second ALF PMA § 5(h).</i></p>	<p>Not addressed by the Temporary Plan Injunction (as defined by the Plan).</p>
<p>Maintain accounts, combine purchase and sale orders, and enter into arrangement with brokers on behalf of ALF/Highland Funding.</p> <p><i>See Second ALF PMA § 5(l)-(n).</i></p>	<p>Not addressed by the Temporary Plan Injunction (as defined by the Plan).</p>
<p>Provide ALF/Highland Funding with personnel, support, and assistance.</p> <p><i>See Second ALF PMA § 5(o)-(p).</i></p>	<p>Not addressed by the Temporary Plan Injunction (as defined by the Plan).</p>

Vote Financial Instruments (as defined by the Second ALF PMA), participate in arrangement with creditors, and compromise suits and administrative proceeds on behalf of ALF/Highland Funding. <i>See Second ALF PMA § 5(o)-(q).</i>	The Temporary Plan Injunction (as defined by the Plan) limits the Enjoined Parties (as defined by the Plan), including Highland, from liquidating certain (but not all) Financial Instrument (as defined by the Second ALF PMA) for a finite period of time.
Appointment of Acis LP as ALF/Highland Funding's attorney in fact. <i>See Second ALF PMA § 6.</i>	Not addressed by the Temporary Plan Injunction (as defined by the Plan).
Engage third party professionals on behalf of ALF/Highland Funding. <i>See Second ALF PMA § 8.</i>	Not addressed by the Temporary Plan Injunction (as defined by the Plan).

107. The Injunctions merely prevent the Fraudsters from taking limited and specific actions. As demonstrated above, the ALF PMA provided Acis rights far beyond anything provided by the Injunctions.

J. Highland is Liable for Civil Conspiracy to Commit the Fraudulent Transfers.

108. Highland contends that Acis cannot bring a claim for civil conspiracy to commit a fraudulent transfer and that Acis's argument of civil conspiracy is just an end-run around Section 550. This is not the case, and if this was not a conspiracy to commit fraudulent transfers, then nothing is.

109. As alleged in detail in the Complaint, Highland and its affiliates had a meeting of the minds on the object or course of action related to the fraudulent transfer scheme, including the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, the 2017-7 Equity transfer, the 2017-7 Agreements transfer and the thwarted Universal/BVK Agreement transfer in order to denude Acis's assets and take over Acis's valuable business. As pleaded, Acis suffered damages

as a proximate result of the fraudulent transfer scheme. Accordingly, Highland is liable with its co-conspirators for committing such fraudulent transfers.

110. Although Highland asserts that no claim for civil conspiracy to commit a fraudulent transfer exists under Texas or federal law, on numerous occasions, courts in the Fifth Circuit have allowed civil conspiracy claims to be brought by a bankruptcy trustee. *See, e.g., West v. WRH Energy Partners LLC (In re Noram Res., Inc.)*, Adv. No. 10-3703, 2011 Bankr. LEXIS 5183, at *41-42 (Bankr. S.D. Tex. Dec. 30, 2011); *Brown v. Adams (In re Fort Worth Osteopathic Hosp., Inc.)*, Adv. No. 07-04015, 2008 Bankr. LEXIS 2104, at *24-25 (Bankr. N.D. Tex. July 29, 2008); *Lexus Int'l, Inc. v. Loghry*, 512 F. Supp. 2d 647, 670-71 (N.D. Tex. 2007); *Mims v. Kennedy Capital Mgmt., Inc. (In re Performance Nutrition)*, 239 B.R. 93, 113-14 (Bankr. N.D. Tex. 1999); *cf. Tow v. Bulmahn*, No. 15-3141 Section: R, 2016 U.S. Dist. LEXIS 57396, at *91 (E.D. La. Apr. 29, 2016) (holding that a trustee's conspiracy to commit fraudulent transfer claims failed "because *constructive* fraud requires no intent to deceive, [and thus] a defendant cannot conspire to commit a *constructive* fraudulent transfer" (emphasis added)).

111. Highland also cites *Milbank v. Holmes (In re TOCFHBI, Inc.)*, 413 B.R. 523, 535 (Bankr. N.D. Tex. 2009) and *Mack v. Newton*, 737 F.2d 1343, 1357-58 (5th Cir. 1984) (analyzing under the Bankruptcy Act) for the proposition that Acis cannot bring a civil conspiracy claim against Highland in connection with its role in orchestrating and executing the numerous fraudulent transfers. A closer reading of these cases reveals that such a claim fails only when the alleged conspirator *did not receive property or a benefit from the fraudulent transfer*. *See TOCFHBI*, 413 B.R. at 535-36, 538; *Mack*, 737 F.2d at 1357. Acis plainly pleads that Highland actively participated (with its other Highland affiliates) in the slew of fraudulent transfers—for its benefit and to the detriment of Acis. *See* Complaint at ¶¶ 70-74, 79-124

(Exhibit "1"). Just like Highland's argument that it cannot be liable for fraudulent transfers because it was not a transferee, this argument just continues Highland's obfuscation of its role as the ringmaster (and primary beneficiary) of the efforts to strip Acis of its assets.

112. Accordingly, Highland's argument that Acis cannot bring a claim for civil conspiracy to commit fraudulent transfers is specious; Acis specifically alleged facts to support the elements of both the conspiracy and Highland's benefit from the fraudulent transfers.

113. Further, and more remarkable, is Highland's claim that "Acis's equity holders had no duty to Acis *not* to 'take over its valuable business' and nobody had a duty to stop them from doing so." Acis addresses the issue of Highland's fiduciary duties to Acis separately herein, but apparently, Highland argues as long as there is some connection in ownership of Highland and Acis, Highland was free to fraudulently transfer any property it wished from Acis to itself and its affiliates irrespective of the harm to its creditors. While this may explain in part Highland's brazen acts, this is not the law.

114. Highland also objects based on the *in pari delicto* defense and the *Bangor Punta* doctrine. As explained separately herein, such objections are meritless.

115. Accordingly, the Court should be overrule Highland's objection to Acis's claim for civil conspiracy to commit fraud, including the fraudulent transfers.

K. Highland Tortiously Interfered with the Universal/BVK Agreement.

116. Highland objects to Acis's claim that Highland tortuously interfered with the Universal/BVK Agreement because it claims that: (i) the agreement was an at-will contract, (ii) Highland was only competing (and was under no duty not to compete), and (iii) Acis suffered no damages as a result of Highland's tortious interference. Highland's arguments are unavailing.

117. Although Highland objects to Acis's claim for tortious interference because the Universal/BVK Agreement is an at-will contract, the Texas Supreme Court has expressly

acknowledged that an at-will contract is subject to tortious interference, like any other contract. *Sterner v. Marathon Oil Co.*, 767 S.W.2d 686 (Tex. 1989). Judge Boyle of the Northern District recognized the *Sterner* ruling and denied a motion to dismiss a tortious interference claim for an at-will contract based on facts that are very similar to the facts in this case. *Official Brands, Inc. v. Roc Nation Sports, LLC*, 2015 U.S. Dist. Lexis 167320 (N.D. Tex. Dec. 15, 2015). It simply does not matter for purposes of a tortious interference claim that it is an at-will contract.

118. Second, as pleaded in the Complaint, Highland was not simply competing for Universal/BVK's business. Rather, as the Fraudsters had planned and executed the other fraudulent transfers, Highland's plan (as outlined in an email in early February 2018 from Isaac Leventon to Mike Warner) was "to transfer the BVK investment management agreement from Acis LP to another Highland-affiliated manager." Then, in its first email with Highland after Acis's bankruptcy filing, BVK acknowledged that Highland's plan was to replace Acis. Furthermore, after the filing of Acis's bankruptcy case, in Highland's communication with BVK, among other things, Highland volunteered to pay Universal and BVK's legal costs incurred in terminating Acis LP and making Highland the new sub-advisor for Universal and BVK, Highland repeatedly criticized the Chapter 11 Trustee for his management of Acis, and Highland repeatedly expressed its desire to negotiate with Universal and to "onboard" Highland as Universal's new sub-advisor. While Acis disputes Highland's contention that it did not have a duty not to compete with Acis, as Highland owed Acis fiduciary duties, including a duty of loyalty (addressed separately herein), this was not "competing"—it was tortious interference. There is nothing that allows Highland to steal an existing Acis client and solicit termination of an existing Acis contract—this amounts to an intentional tort against Acis and its assets that occurred brazenly post-petition and during this Court's administration of Acis's chapter 11 case.

119. Third, in the Complaint, Acis specifically pleads that it has suffered proximate damages as a result of Highland's tortious interference. Contrary to Highland's assertion otherwise, the Universal/BVK Agreement *was* terminated shortly after the Court entered its agreed order lifting the stay *so that Universal/BVK could terminate its agreement with Acis*. See Case No. 18-30264, Docket No. 726. But for Highland's interference, Acis contends that it would have continued receiving revenue pursuant to its agreement with Universal/BVK. Projecting three years out, Acis estimates that it lost approximately \$8,229,652 in revenue as a result of Highland's tortious interference and the ultimate termination of the Universal/BVK Agreement.³⁷ Accordingly, in addition to the fact that Highland misstates the facts, its objection to tortious interference is meritless.

L. Highland Breached the Sub-Advisory Agreement and Shared Services Agreement

120. Highland argues that Highland did not breach the Sub-Advisory Agreement and Shared Services Agreement because "there is no allegation whatsoever that Acis did not want Highland to do exactly what it did." Highland Claim Objection ¶ 80.³⁸ Highland ignores that Acis complains of Highland's conduct after the appointment of the Trustee.³⁹ After the Trustee was appointed, Highland reported solely to the Trustee, as the representative of Acis's estate. What Acis, Dondero, Okada, or Highland wanted no longer mattered.⁴⁰ It is undisputed that Highland failed to follow the Trustee's directions.

³⁷ This is based on Acis's annualized revenue from BVK of 2,324,760.55 €, which, after applying the current exchange rate of 1.18 (as of the date of this filing), results in \$2,743,217.45 annually.

³⁸ Highland also states in a conclusory fashion that it "met the standard of care." As described by the Complaint, Acis disputes that Highland met the standard of care.

³⁹ Acis addresses the idea that Dondero and Okada as alleged "sole owners" do not have fiduciary duties is discussed elsewhere in this Response.

⁴⁰ Acis disputes the whims of Dondero or Okada dictate the terms of Highland and Acis's contractual relationship.

121. The Complaint states "[s]ince at least the time the Trustee was appointed in these Bankruptcy Cases, while acting as sub-advisor, Highland failed to purchase a single loan for the CLOs, and only provided for the sale of loans, in an attempt to complete a stealth liquidation of the CLOs for the Highlands' benefit, and to the detriment of Acis LP." Complaint ¶ 261 (**Exhibit "1"**). In fact, in connection with ruling on another matter this Court stated that the claims related to breaches of the Shared Services and Sub-Advisory Agreements are **postpetition** counts. *See In re Acis Capital Mgmt., L.P.*, Nos. 18-30264-SGJ, 2019 Bankr. LEXIS 1833, at *22-23 (Bankr. N.D. Tex. May 2, 2019) ("The other postpetition count, count 30, is a postpetition breach of contract claim against Highland under the Sub-Advisory Agreement."). As Count 29, concerns postpetition conduct, Highland was not "entitled to take direction from Acis's owners."

122. After the appointment of a Chapter 11 trustee, the "a trustee [] acts essentially as new management." 7 Collier on Bankruptcy P 1104.02 [4] (16th 2020); *see also In re Swann Land LLC*, Nos. 07-33181, 07-33182, 2007 Bankr. LEXIS 3978, at *10 (Bankr. E.D. Tenn. 2007) ("The key point in the appointment of a trustee is that by doing so, the court, in essence, 'replaces' a debtor's management."). In fact, on May 7, 2018, James Dondero and Frank Waterhouse, Acis's sole officers gave their resignation to Diane Reed, the Chapter 7 Trustee and Neutra, Ltd. (the owner of Acis LP and Acis GP). After the appointment of the Trustee and highlighted by the resignation of its management, Highland was not "entitled to take direction from Acis's owners."

M. Highland Breached its Fiduciary Duties to Acis under State and Federal Law.

123. Highland argues that, while acting as Acis's subadvisor under the Sub-Advisory Agreement, its duties to Acis were only contractual, not fiduciary, and that any fiduciary duties Highland did owe were only to the investors in the CLOs. Highland fails to recognize, however,

that under state law (Delaware and Texas) and federal law, fiduciary duties are imposed on investment advisers. The actions taken by Highland against Acis, while acting as Acis's investment adviser, before and after the filing of Acis's bankruptcy case, constitute significant and substantial breaches of Highland's fiduciary duties to Acis.

124. As pleaded in the Complaint, a principal-agent relationship existed between Acis and Highland, and Highland was Acis's investment adviser—thus Highland owed fiduciary duties to Acis. Rather than contesting these relationships, Highland instead contends that it only had contractual obligations to Acis—and by construing the Sub-Advisory Agreement and the Shared Services Agreement together, Highland claims it was just an independent contractor with minimal duties to Acis. Further, because the Sub-Advisory Agreement and the Shared Services Agreement were not executed for the same purpose or relating to the same subject matter, they cannot be construed together. As the Texas appeals court in *Lee* held:

The general rule is that separate instruments or contracts executed at the same time, *for the same purpose*, and in the course of the same transaction are to be considered as one instrument, and are to be read and construed together. *Jones v. Kelley*, 614 S.W.2d 95, 98 (Tex.1981); *see also Harris v. Rowe*, 593 S.W.2d 303, 306 (Tex.1979) ('Separate instruments contemporaneously executed as a part of the same transaction and *relating to the same subject matter* may be construed together as a single instrument.') (emphasis added).

Houston Prog. Radiology Assocs. v. Lee, 474 S.W.3d 435, 443-44 (Tex. App.—Houston [1st Dist.] 2015, no pet.); *see also Narayanan v. Sutherland Glob. Holdings, Inc.*, No. 11757-VCMR, 2016 Del. Ch. LEXIS 100, at *33 n.77 (Ch. July 5, 2016) (noting that "'instruments executed at the same time, by the same contracting parties, for the same purpose, and in the course of the same transaction'" may be construed together) (quoting 11 WILLISTON ON CONTRACTS § 30:26 (4th ed. 1999)).

125. The Sub-Advisory Agreement does not even reference the Shared Services Agreement. In fact, Section 20 of the Sub-Advisory Agreement has a merger clause that states that it and certain other defined documents (clearly not including the Shared Services Agreement) "constitute the entire agreement of the parties with respect to subject matter hereof." This underscores that these agreements do not "have the same purpose," do not relate "to the same subject matter," and are not part of "the same transaction."

126. Importantly, even in the unlikely situation that the Sub-Advisory Agreement and Shared Services Agreement could be construed together, the fiduciary relationship applicable to investment advisers cannot be waived. The SEC has stated the investment adviser "relationship in all cases remains that of a fiduciary to the client. In other words, an adviser's federal fiduciary duty may not be waived" *see* Commission Interpretation Regarding Standard of Conduct for Investment Advisers, Release No. IA-5248, 17 C.F.R. Part 276 (June 5, 2019) (available at <https://www.sec.gov/rules/interp/2019/ia-5248.pdf>) ("Because an adviser's federal fiduciary obligations are enforceable through section 206 of the Advisers Act, [the SEC] would view a waiver of enforcement of section 206 as implicating section 215(a) of the Advisers Act, which provides that 'any condition, stipulation or provision binding any person to waive compliance with any provision of this title . . . shall be void.'").

127. It is indisputable that both state-law and federal-law impose a fiduciary duty on Highland as a result of its position as Acis's investment adviser. In *Capital Gains Research Bureau*, the Supreme Court described the "fundamental purpose" of the Investment Advisers Act of 1940:

The broad proscription against "***any . . . practice . . . which operates . . . as a fraud or deceit upon any client or prospective client***" remained in the bill from beginning to end. . . . The Investment Advisers Act of 1940 thus reflects a congressional recognition "of the delicate fiduciary nature of an

investment advisory relationship," as well as a congressional intent to eliminate, or at least to expose, all conflicts of interest which might incline an investment adviser -- consciously or unconsciously -- to render advice which was not disinterested. It would defeat the manifest purpose of the Investment Advisers Act of 1940 for us to hold, therefore, that Congress, in empowering the courts to enjoin any practice which operates "as a fraud or deceit," intended to require proof of intent to injure and actual injury to clients.

SEC v. Capital Gains Research Bureau, Inc., 375 U.S. 180, 191-92 (1963) (emphasis added); *see also* Commission Interpretation Regarding Standard of Conduct for Investment Advisers, Release No. IA-5248.

128. The fiduciary standard associated with investment advisers is the very foundation upon which investment advisory services—giving investment advice—are built. The standard applicable to investment advisers is most effectively, and commonly, summarized as "the duty to act in the client's best interests." *SEC v. Tambone*, 550 F.3d 106, 146 (1st Cir. 2008) ("Section 206 [of the Investment Advisers Act of 1940] imposes a fiduciary duty on investment advisers to act at all times in the best interest of the [client]"); *SEC v. Moran*, 944 F. Supp. 286, 297 (S.D.N.Y. 1996) ("Investment advisers are entrusted with the responsibility and duty to act in the best interest of their clients."); Commission Interpretation Regarding Standard of Conduct for Investment Advisers, Release No. IA-5248, at 23, n.59 ("[A]n investment adviser's obligation to act in the best interest of its client is an overarching principle that encompasses ***both the duty of care and the duty of loyalty***." (emphasis added)).

129. Highland acted against Acis's interests, much less in its best interests. Highland cannot deny the facts. So, Highland now shifts to claiming it was not advising Acis, but instead that it was the "portfolio manager" for the investors and thus owed the investment advisory fiduciary duties only to the investors. Unfortunately for Highland, the facts along with fundamental fiduciary principles and applicable securities laws belie any such contention.

130. First, Highland's claim that its relationship with Acis was merely contractual is plainly inconsistent with the fact that it agreed to serve as Acis's "sub-adviser."⁴¹ In a sub-advisory arrangement, such as here, the adviser is entrusting the sub-advisor to provide investment advice and recommendations *to the adviser*, which would then take the trusted guidance from the sub-adviser to finalize its recommendation to its clients.

131. The Sub-Advisory Agreement terms clearly show that Highland took on the role of being an investment adviser to Acis. In exchange for the fees it would receive, among other services, Highland committed to (i) making *investment recommendations to Acis* and (ii) placing orders with respect to investments upon receiving *instruction from Acis*. Sub-Advisory Agreement, Exhibit B, at B-2.

132. Further, Highland—in a pattern that is all too familiar—wanted to avoid ultimate responsibility for management of the investors' portfolios. Thus, the Sub-Advisory Agreement makes clear that "all investment decisions will ultimately be the responsibility of, and will be made by and at the sole discretion of, [Acis]." Sub-Advisory Agreement, Exhibit B, at B-2 to 3. Either Highland was the "portfolio manager" for the investors or it was not. This provision of their agreement supports only one conclusion: Highland was only serving as Acis's investment adviser and it owed Acis the fiduciary duties borne out of the advisory relationship.

133. Moreover, in the Sub-Advisory Agreement, Acis is specifically referred to as a "client" of Highland: ". . . [Acis] and/or such Account's investments may be constrained as a consequence of [Highland]'s inability to use [certain] information for advisory purposes or

⁴¹ Notably, a common arrangement in the industry is the provision of "third-party asset management." Third-party asset management services are similar to sub-advisory services in that both involve an investment adviser utilizing a third-party to support the adviser's management of its clients' assets. But, under a third-party asset management arrangement, the third-party enters into an agreement directly with the adviser's clients in addition to a contractual relationship with the adviser. As a result, the adviser's clients form an independent relationship of trust with the third-party. Highland could have limited its fiduciary duties to the investors and not Acis. It did not.

otherwise to effect transactions that otherwise may have been initiated *on behalf of its clients, including [Acis]* and/or such Account." Sub-Advisory Agreement, Exhibit B, at B-2.

134. Delaware courts also recognize that a fiduciary duty is established by a "special relationship of trust" between the parties. *See Reybold Venture Grp. XI-A, LLC v. Atl. Meridian Crossing, LLC*, No. 08C-02-481 RRC, 2009 Del. Super. LEXIS 16, at *9 (Super. Ct. Jan. 20, 2009); *see also Grace v. Morgan*, No. 03C-05-260-JEB, 2004 Del. Super. LEXIS 2, at *7 (Super. Ct. Jan. 6, 2004) (explaining when a special relationship of trust establishes a fiduciary duty). Moreover, Texas and Delaware courts recognize a fiduciary duty on investment advisers based on a special relationship of trust and confidence. *West. Reserve Life Assur. Co. of Ohio v. Graben*, 233 S.W.3d 360, 373-74 (Tex. App.—Fort Worth 2007, no pet.) (citing *Romano v. Merrill Lynch, Pierce, Fenner & Smith*, 834 D.2d 523, 530 (5th Cir. 1987)); *Goodrich v. E. F. Hutton Grp., Inc.*, Civil Action No. 8279 - New Castle County, 1991 Del. Ch. LEXIS 93, at *3-4 (Ch. June 4, 1991).

135. In its Complaint, Acis specifically pleads that, while acting as sub-advisor to Acis, Highland's actions in connection with (i) overcharging for services provided under the Sub-Advisory Agreement and Shared Services Agreement in violation of the LPA, (ii) orchestrating the series of fraudulent schemes that terminated or transferred away Acis's rights in various investment management assets such as the ALF PMA, the 2017-7 Equity and the 2017-7 Agreements, as well as (iii) interference with, and ultimately termination of, the Universal/BVK Agreement, constituted a breach of its fiduciary duties to Acis. Further, in the preceding Count 29 of the Complaint (for breach of contract), Acis details Highland's attempted stealth liquidation of the CLOs for its benefit, and to the detriment of Acis. This final attempt by Highland while acting as sub-adviser, which continued while this Court presided over the Acis bankruptcy case,

was yet another piece of Highland's grand fraudulent transfer scheme, as detailed in the Factual Background of the Complaint. *See* Complaint ¶¶ 75-121 (**Exhibit "1"**).

136. All of the actions complained of above relate to Highland's position as investment adviser to Acis. In fact, Highland was in a position to take these actions because it was Acis's investment adviser. The breadth of an investment adviser's fiduciary duty undoubtedly applies to Highland's actions noted above. *Timbervest, LLC, et al.*, Advisers Act Release No. 4197 (Sept. 17, 2015) (Commission Opinion) ("[O]nce an investment advisory relationship is formed, the Advisers Act does not permit an adviser to exploit that fiduciary relationship by defrauding his client in any investment transaction connected to the advisory relationship."); *SEC v. Lauer*, 2008 WL 4372896, at 24 (S.D. Fla. Sept. 24, 2008) ("Unlike the antifraud provisions of the Securities Act and the Exchange Act, Section 206 of the Advisers Act does not require that the activity be 'in the offer or sale of any' security"). As well as violating the Investment Advisers Act, these actions by Highland, while acting as Acis's investment adviser, violated the special relationship of trust between Highland and Acis, and therefore constitute breaches of Highland's fiduciary duties to Acis.

137. Additionally, Highland contends that while it acted as Acis's investment adviser, it could not breach any fiduciary duty owed to Acis by causing it to fraudulently transfer its portfolio management assets to Highland's affiliates and engage in a stealth liquidation because Highland was simply "following directions from Acis's sole owners." Again, relying on *Tow v. Amegy Bank N.A.*, 976 F. Supp. 2d 889 (S.D. Tex. 2013), Highland argues that because there is common ownership, under Delaware law, Highland is immune from liability for breaching any fiduciary duties it may have had.

138. Notwithstanding that Acis pleaded Highland breached its fiduciary duties to Acis under federal law as well as state law, the ownership structure here is clearly distinguishable from that in *Tow*. Here, Neutra Ltd. is the sole member of Acis GP. Neutra Ltd., The Dugaboy Investment Trust, and Okada are the limited partners, and Acis GP is the general partner, of Acis LP. Highland's limited partners are The Dugaboy Investment Trust, Okada, Mark and Pamela Okada Family Trust, Mark and Pamela Family Trust - #2, and Hunter Mountain Investment Trust. Highland's general partner is Strand Advisors, Inc., which is wholly owned by Dondero. Highland is not an owner of Acis LP or Acis GP. Neither are Dondero or Okada directly. Accordingly, while Dondero may have certain ownership interests in the corporate structures of both Acis and Highland, this is not a case where Acis is pleading that "the sole owner of a partnership [is liable] for breaching duties that the owner owes himself." *Tow*, 9766 F. Supp. 2d at 906. Accordingly, any comparison to *Tow* is inapplicable.

139. Highland also objects based on the *in pari delicto* defense and the *Bangor Punta* doctrine. As explained separately herein, such objections lack merit.

140. The Court should therefore overrule Highland's objection to Acis's claim for breach of fiduciary duty.

N. Acis Adequately Pleaded Alter Ego.

141. In essence, the basis of Highland's objection to Acis's alter ego claim is that while Dondero may have exercised common control over Highland and its affiliates, there was no abuse of the corporate form to perpetrate a wrong. Acis considers the massive fraudulent transfer scheme perpetrated by the Fraudsters and their affiliates to be an extraordinary wrong. And contrary to Highland's assertion, Acis pleaded in detail the extraordinary and brazen nature of the wrong perpetrated by Highland and its affiliates. Acis's Complaint is replete with allegations supporting a claim for alter ego—particularly with respect to how Highland and

Dondero used the other Highland entities and abused the corporate structure to perpetrate the sweeping fraudulent scheme to denude Acis and steal its business. *See* Complaint ¶¶ 74, 79-121 (Exhibit "1").

142. In *SSP Partners* (cited by Highland), the Texas Supreme Court explained the basis for piercing the corporate veil under an alter ego theory (and thus the reason Acis cited the case). *See SSP Partners v. Gladstrong Inv. (USA) Corp.*, 275 S.W.3d 444, 451-52 (Tex. 2008). Specifically, the court in *SSP* stated:

We have held that the limitation on liability afforded by the corporate structure can be ignored only 'when the corporate form has been used as part of a basically unfair device to achieve an inequitable result.' **Examples are when the corporate structure has been abused to perpetrate a fraud, evade an existing obligation, achieve or perpetrate a monopoly, circumvent a statute, protect a crime, or justify wrong.** In some instances, the imposition of liability is limited by statute to situations involving actual fraud.

Id. (citing *Castleberry v. Branscum*, 721 S.W.2d 270, 271-72 (Tex. 1986)) (emphasis added).

143. Accordingly, Acis has more than adequately pleaded how Highland Funding's "corporate structure has been abused to perpetrate a fraud . . . or justify a wrong." *See SSP Partners*, 275 S.W.3d at 451. Such facts as pleaded more than adequately support alter ego among Highland and its affiliates.

144. Highland contends that even if Highland and its affiliates were under common control, and even if they committed the fraudulent transfers, such actions did not involve abuse of the corporate form. To show an abuse of the corporate form, "[t]he degree of control required is 'exclusive domination and control . . . to the point that [the subsidiary] no longer has legal or independent significance of [its] own.'" *Outokumpu Eng'g Enters. v. Kvaerner Enviropower*, 685 A.2d 724, 729 n.2 (Del. Super. Ct. 1996) (citing *Hart Holding Co. v. Drexel Burnham Lambert, Inc.*, C.A. No. 11514, 1992 Del. Ch. LEXIS 112, at *14 (Ch. May 28, 1992)). Acis contends that

the legal and independent significance of Highland and its affiliates disappeared under Dondero's dominion and control—this was demonstrated by, among other things, Dondero's execution of the many documents, on behalf of parties on both sides of the transactions, to effectuate the fraudulent transfers.

145. Further, bankruptcy courts have recognized the use of the collapsing doctrine, as pleaded by Acis, as "an equitable tool whereby a court can collapse multiple transactions and consider the overall financial consequences of the transactions [, but typically require] a showing of the transferee's knowledge of the fraudulent scheme." *See SB Liquidation Trust v. Preferred Bank (In re Syntax-Brilliant Corp.)*, 2016 Bankr. LEXIS 988, at *4 (Bankr. D. Del. Feb. 8, 2016). The facts as pleaded clearly reflect that all of the transactions following the Arbitration Award, which constituted the concerted scheme to fraudulently transfer the assets of Acis to other Highland entities, including offshore entities, was known by Highland and its affiliates, while under the control of Dondero.

146. Accordingly, the Court should overrule Highland's objection to Acis's claim of alter ego.

O. The Fraudsters Would Have This Court Ignore Their Blatant Violations of the Automatic Stay Despite Numerous Contemporaneous Admonishments By This Court

147. Highland argues that Acis's claims of willful violation of the automatic stay (Count 33) should be disallowed because the Trustee declined to effectuate optional redemptions.⁴² Shockingly, Highland essentially argues because this Court stepped in on **three** different occasions to stop the Highlands from liquidating the Acis CLOs, Highland should not

⁴² This claim originated in Adv. No. 18-03212. Notably, Highland filed its *Original Answer and Affirmative Defenses* [Adversary No. 18-03212, Docket No. 32]. Highland did not file a motion to dismiss for failure to state a claim.

be liable for the harm it caused Acis (including hundreds of thousands of dollars in attorneys' fees seeking multiple injunctions).⁴³

148. Highland ignores the factual background related to the **multiple** optional redemptions, the fact that this Court was required to intervene on three separate occasions (by the First TRO,⁴⁴ an *Ex Parte Temporary Restraining Order* [Case No. 18-30264, Docket No. 310 & Adv. No. 18-03212, Docket No. 3] and the *Preliminarily Injunction Order* [Adv. No. 18-03212, Docket No. 21]) during the case to stop Highland from liquidating the Acis CLOs. Highland ignores that this Court found that "the Chapter 11 Trustee credibly represented that . . . he also had begun to believe that Highland was engaging in stealth efforts to liquidate the Acis CLOs, to the detriment of the Debtor-Acis's creditors." *See In re Acis Capital Mgmt., L.P.*, Nos. 18-30264-SGJ-11, 2019 Bankr. LEXIS 292, at *9 (Bankr. N.D. Tex. Jan. 31, 2019).

149. This Court's findings in the *Ex Parte Temporary Restraining Order* [Case No. 18-30264, Docket No. 310 & Adv. No. 18-03212, Docket No. 3] and the *Preliminarily Injunction Order* [Adv. No. 18-03212, Docket No. 21] demonstrate the absurdity of Highland's "no-harm, no-foul" argument. The *Ex Parte Temporary Restraining Order* [Case No. 18-30264, Docket No. 310 & Adv. No. 18-03212, Docket No. 3] states the following:

Highland, on less than 24-hours' notice, seeks to liquidate hundreds of millions of dollars of CLO collateral, arguably in violation of the PMAs and the Indentures, and also in likely violation of Sections 362 and 363 of the Bankruptcy Code.

⁴³ There is no question that Highland knew of Acis's bankruptcy and the automatic stay. In fact, this Court asked the General Counsel of Highland, Scott Ellington, in reference to his comments that if Acis remained in bankruptcy, the equity of the Acis CLOs would "pull[] everything," "Have you looked at -- would the automatic stay preclude that?" Tr. 223:12-15, *In re Acis Capital Mgmt, L.P.*, Case No. 18-30264, Docket No. 28 (Bankr. N.D. Tex. Feb. 7, 2018).

⁴⁴ Including a classic moment where, multiple hours into a temporary injunction hearing, the so-called independent director of Highland CLO Funding discloses for the first time that the offending optional redemption notice was withdrawn that morning. This reminds the undersigned of the Peanuts comic strip, where Lucy urges Charlie Brown to kick the football, only to pull the football away at the very last moment. Unfortunately, the moment is not nearly as amusing as the comic strip moment since Highland CLO Funding, despite claiming to withdraw the optional redemption notice to "bring sanity" to the process, reissued another optional redemption notice the next day.

Ex Parte Temporary Restraining Order ¶ 2.

150. The *Preliminarily Injunction Order* [Adv. No. 18-03212, Docket No. 21] states the following:

[A]bsent affirmative relief from the automatic stay, any action to effectuate an Optional Redemption by way of any Optional Redemption notices violates the automatic stay of the Acis LP bankruptcy case because it represents an act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate.

Preliminarily Injunction Order ¶ 10.

151. Additionally, Highland cannot claim that because Highland and Highland Funding took the position the automatic stay was inapplicable, the stay was, in fact, inapplicable.⁴⁵ In connection with the May 31, 2018 hearing and the First Optional Redemption Notices, which resulted in this Court's *sua sponte* First TRO, the Court stated "I'm worried about stay violations." Tr. 54:2-3, *In re Acis Capital Mgmt, L.P.*, Case No. 18-30264, Docket No. 251 (May 31, 2018). The Trustee stated "by demanding a liquidation of the CLOs, Highland is effectively extinguishing the portfolio management agreement between the CLOs and Acis, thus exercising control over property of the estate in violation of the automatic stay." Tr. 12:19-22, *In re Acis Capital Mgmt, L.P.*, Case No. 18-30264, Docket No. 251 (May 31, 2018).

⁴⁵ This argument also ignores the Fifth Circuit law on willful violations of the automatic stay. "A willful violation does not require a specific intent to violate the automatic stay. Rather, the statute provides for damages upon a finding that the **defendant knew of the automatic stay** and that the defendant's actions which violated the stay were **intentional**. Whether the party believes in good faith that it had a right to the property is not relevant to whether the act was 'willful' or whether compensation must be awarded." *Brown v. Chesnut (In re Chesnut)*, 422 F.3d 298, 302 (5th Cir. 2005) (quoting *In re Taylor*, 884 F.2d 478, 482 (9th Cir. 1989)). Here, there is no question that the Highlands knew of the Acis bankruptcy and the automatic stay and intentionally sent Optional Redemption Notices (this is particularly clear with respect to the First Optional Redemption Notices, which were issued **after** the Court's *sua sponte* First TRO). To the extent the Highlands argue that the Optional Redemptions arguably do not violate the automatic stay, the Fifth Circuit states "in the face of uncertainty or ambiguity, courts should presume protection of arguable property." *Brown v. Chesnut (In re Chesnut)*, 422 F.3d 298, 303 (5th Cir. 2005). In *Chesnut*, the Fifth Circuit endorses the idea that for property that is "arguably" subject to the stay, creditors should ask for permission (from the bankruptcy court), rather than forgiveness. See *id.* at 304("[B]ankruptcy law demands some process prior to the seizure of arguable property[.]").

152. It strains credulity for Highland to make this argument as the Second Optional Redemption Notices were issued **after** the First TRO. The First TRO states, "[t]he Trustee has a substantial case on the merits on a serious legal question—to wit: that the threatened actions described herein, if not enjoined, will violate the automatic stay in this matter, pursuant to 11 U.S.C. § 362(a)(3)." First TRO ¶ 10. Clearly, this Court believed that the automatic stay was applicable to the optional redemptions and in connection with the Preliminary Injunction Order determined "by extinguishing the PMAs, a purported Optional Redemption in this context should be deemed prohibited because it would represent an 'act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate' in violation of 11 U.S.C. § 362(a)(3)." Preliminary Injunction Order ¶ 13.

153. Finally, Highland argues that Acis's claims of willful violation of the automatic stay are untimely and/or have been waived. Highland does not provide any further detail on these theories. Acis notes that Acis's claims of willful violation of the automatic stay were originally filed on June 21, 2018 and on March 11, 2019, the Court entered its *Order Consolidating Adversary Case Nos. 18-03078 & 18-03212* [Adv. No. 18-03078, Docket No. 127; Adv. No. 18-03212, Docket No. 63], under which the Court ordered that Adversary Nos. 18-03078 and 18-03212 are consolidated under Federal Rule of Civil Procedure 42(a), incorporated by Federal Rule of Bankruptcy Procedure 7042. *See Verified Original Complaint and Application for Temporary Restraining Order and Preliminary Injunction* [Adversary Case No. 18-03212, Docket No. 1].

P. Acis Properly Pleads for Attorney's Fees.

154. Highland claims there is no basis in law or fact for Acis to recover attorney's fees and costs incurred in bringing the adversary proceeding against Highland and its affiliates in bringing this adversary proceeding. Yet the provisions of TUFTA explicitly afford a prevailing

claimant the right to recover the claimant's reasonable and necessary attorney's fees. Tex. Bus. & Com. Code § 24.013. Given the fact that Acis adequately pleaded claims for relief pursuant to TUFTA, Acis's request for attorney's fees is proper.

155. Likewise, recovery of all allowed professionals' fees and expenses in Acis's bankruptcy case, which were losses to Acis resulting from Highland's breach of fiduciary duties is supported by applicable law. *See Meyers v. Moody*, 693 F.2d 1196, 1214 (5th Cir. 1982).

156. As explained separately herein, Highland's objection to Acis's claim based on the *Bangor Punta* doctrine lacks merit.

157. Accordingly, Highland's objection to Acis's claim for attorney's fees and costs should be overruled.

Q. Punitive Damages and Attorneys' Fees

158. As acknowledged by UBS, exemplary damages and attorneys' fees are available to Acis under applicable law. *See Rodriguez v. Ramirez (In re Ramirez)*, Nos. 09-70051, 09-7004, 2011 Bankr. LEXIS 72, at *36-45 (Bankr. S.D. Tex. Jan. 5, 2011) (awarding exemplary damages for an intentional fraudulent transfer scheme pursuant to Tex. Civ. Prac. & Rem. Code § 41.003 and Tex. Bus. & Com. Code § 24.013); *see also Clapper v. Am. Realty Inv'rs, Inc.*, Civil Action No. 3:14-CV-2970-D, 2018 U.S. Dist. LEXIS 136739, at*36 (N.D. Tex. Aug. 14, 2018) (Fitzwater, J.) ("The court thus declines to grant summary judgment to defendants on the basis that plaintiffs are not entitled to damages or injunctive relief under TUFTA."); *Nichols v. YJ USA Corp.*, Civil Action No. 3:06-CV-02366-L, 2009 U.S. Dist. LEXIS 22450, at *26 (N.D. Tex. March 18, 2009) (concluding that punitive damages are allowable under TUFTA) (citing *Mullins v. Testamerica, Inc.*, No. 3:02-CV-0106-K, 2006 U.S. Dist. LEXIS 53518, at *29 (N.D. Tex. Aug. 2, 2006) (Kinkeade, J.)); *Tronox Inc. v. Anadarko Petroleum Corp. (In re Tronox*

Inc.), 429 B.R. 73, 111 n.4 (Bankr. S.D.N.Y. 2010) (explaining that some state fraudulent transfer statutes allow punitive damages, and some do not).

159. Likewise, Tex. Civ. Prac. & Rem. Code § 38.001 clearly permits Acis to recover attorneys' fees related to any contractual claim asserted in the Complaint. *See In re Nalle Plastics Family Ltd. P'ship*, 406 S.W.3d 168, 172 (Tex. 2013) ("Civil Practice and Remedies Code chapter 38, the primary statute governing such fees, allows a prevailing party to 'recover reasonable attorney's fees . . . in addition to the amount of a valid claim and costs, if the claim is for . . . an oral or written contract.' Tex. Civ. Prac. & Rem. Code § 38.001"). The District Courts in this District and the Texas Supreme Court clearly allow exemplary damages and attorneys' fees.

VI. PRAYER

160. Acis requests: (i) this Court deny and overrule the Acis Claim Objections; (ii) sustain and allow Acis's Proof of Claim; and (iii) grant Acis such other and further relief to which it may be justly entitled, both at law and in equity.

Dated: July 31, 2020.

Respectfully submitted,

By: /s/Rakhee V. Patel

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LLC**

CERTIFICATE OF SERVICE

I hereby certify that on July 31, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this adversary proceeding pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello

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COUNSEL FOR REORGANIZED DEBTORS

COUNSEL FOR REORGANIZED DEBTORS

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

In re:	§	Case No. 18-30264-SGJ-11
	§	Case No. 18-30265-SGJ-11
ACIS CAPITAL MANAGEMENT, L.P.,	§	
ACIS CAPITAL MANAGEMENT GP,	§	(Jointly Administered Under Case
LLC,	§	No. 18-30264-SGJ-11)
	§	
Debtors.	§	Chapter 11
	§	

ACIS CAPITAL MANAGEMENT, L.P.,	§	
ACIS CAPITAL MANAGEMENT GP,	§	
LLC, Reorganized Debtors,	§	
	§	Adversary No. 18-03078
Plaintiffs,	§	
	§	(To be consolidated with Adversary
vs.	§	Nos. 18-03212 & 19-03103)
	§	
HIGHLAND CAPITAL MANAGEMENT,	§	
L.P., HIGHLAND CLO FUNDING, LTD.	§	
F/K/A ACIS LOAN FUNDING, LTD.,	§	
HIGHLAND HCF ADVISOR, LTD.,	§	
HIGHLAND CLO MANAGEMENT, LTD.,	§	
and HIGHLAND CLO HOLDINGS, LTD,	§	
	§	
Defendants.	§	

**SECOND AMENDED COMPLAINT (INCLUDING CLAIM
OBJECTIONS AND OBJECTIONS TO ADMINISTRATIVE EXPENSE CLAIM)**

Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP" together with Acis LP, the "Reorganized Debtors" or "Acis")¹ the reorganized debtors in the above-styled and jointly administered bankruptcy cases (the "Bankruptcy Cases"), and Plaintiffs in the in the above-styled adversary proceeding (the "Adversary Proceeding"), file this *Second Amended Complaint (Including Claim Objections and Objections to Administrative Expense Claim)* (this "Second Amended Complaint"), objections to the proofs of claims filed by Highland Capital Management, L.P. ("Highland Capital"), and objections to the administrative expense claim filed by Highland Capital, and respectfully state as follows:²

ANSWER AND AFFIRMATIVE DEFENSES

1. Pursuant to Federal Rule of Civil Procedure 41(a), incorporated by Federal Rule of Bankruptcy Procedure 7041, all claims asserted in the *Original Complaint and Request for Preliminary Injunction of Highland CLO Funding, Ltd. and Highland Capital Management Against Chapter 11 Trustee of Acis Capital Management, L.P. and Acis Capital Management GP, LLC* [Docket No. 1] (the "Original Complaint") by Highland Capital and Highland CLO Funding, Ltd. ("Highland Funding") have been dismissed without prejudice. *See* Adv. No. 18-03078, Docket No. 79. Accordingly, such dismissal of Highland Capital's and Highland Funding's claims obviates the Trustee's, now Acis's, answer and affirmative defenses thereto;

¹ On February 15, 2019, the date upon which the Plan (defined below) became effective, Acis was substituted for Robin Phelan, the Chapter 11 Trustee, in the above-referenced consolidated adversary cases. *See* Case No. 18-30264, Docket Nos. 829, 830, & 863. Prior to the date upon which the Plan (defined below) became effective, Acis may be referred to as the "Debtors."

² As more fully described below in the Procedural Background, this Second Amended Complaint consolidates: (i) claims, counterclaims, third-party claims, and objections to Highland Capital's proofs of claim brought by the Chapter 11 Trustee, now Acis, in this Adversary No. 18-03078; (ii) claims brought by the Chapter 11 Trustee, now Acis, in Adversary No. 18-03212, which has been consolidated under this Adversary Proceeding; and (iii) objections of the Chapter 11 Trustee, now Acis, against Highland Capital's request for an administrative expense claim, which was converted to Adversary No. 19-03103 and was ordered consolidated under this Adversary Proceeding.

however, Acis reserves all rights with respect to answering or asserting affirmative defenses to any future-filed claims by any parties in this Adversary Proceeding.

2. Additionally, pursuant to Federal Rule of Civil Procedure 41(a)(2), such dismissal of Highland Capital's and Highland Funding's claims is without prejudice to any counterclaims asserted by the Trustee, now Acis, in the *Defendant's Answer, Affirmative Defenses, Counterclaims, and Third Party Claims* [Adv. No. 18-03078, Docket No. 23] (the "Original Answer"), as may be amended, and such counterclaims remain pending for independent adjudication.

CLAIMS AND COUNTERCLAIMS

3. Acis hereby asserts the following claims for affirmative recovery against Highland Capital, Highland Funding, Highland HCF Advisor, Ltd. ("Highland Advisor"), Highland CLO Management Ltd. ("Highland Management"), and Highland CLO Holdings, Ltd. ("Highland Holdings"). Additionally, Acis asserts the following claims and counterclaims against Highland Capital and such claims and counterclaims shall also constitute recoupment or offset to any claim Highland Capital has against Acis.

I. JURISDICTION, VENUE, AND STATUTORY PREDICATE

4. This Court has subject matter jurisdiction over the Bankruptcy Cases and this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334. Venue of the Adversary Proceeding in this district is proper under 28 U.S.C. § 1409.

5. This matter arises under the laws of the United States of America and state common law. The statutory predicates for the relief sought herein are pursuant to sections 362, 502, 503, 541, 542, 544, 547, 548, 550, and 558 of 11 U.S.C. § 101 *et seq.* (the "Bankruptcy Code"), Texas Business & Commerce Code § 24.001 *et seq.* ("TUFTA"), and Federal Rules of Bankruptcy Procedure 3007(b) and 7001.

6. This Adversary Proceeding constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Acis hereby consents to the Court's entry of a final judgment resolving this Adversary Proceeding. This Adversary Proceeding includes an objection to Highland Capital's proofs of claim pursuant to Federal Rule of Bankruptcy Procedure 3007(b), and the claims and counterclaims asserted herein shall constitute recoupment and/or offset to such proofs of claim, to the extent such claims are otherwise allowed. This Adversary Proceeding also includes an objection to Highland Capital's administrative expense claim, and the claims and counterclaims asserted herein shall constitute recoupment and/or offset to such administrative expense claim, to the extent such claims are otherwise allowed.

II. PARTIES

7. Acis LP is limited partnership and Acis GP is a limited liability company, both of which were organized under the laws of the State of Delaware, and both of which may be served with pleadings and process in this Adversary Proceeding through the undersigned counsel.

8. Highland Capital is a limited partnership organized under the laws of the State of Delaware, with its principal place of business located at 300 Crescent Court, Suite 700, Dallas, Texas 75201.

9. Highland Funding is an exempted company organized with limited liability under the laws of Guernsey, with its registered office located at First Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 6HJ, Channel Islands.

10. Highland Advisor is a company organized under the laws of the Cayman Islands, with its registered office located at Maples Corporate Services Limited, P.O. Box 309 Ugland House, South Church Street, George Town, Grand Cayman KY1-1004. Highland Advisor's principal place of business is 300 Crescent Court, Suite 700 Dallas, Texas 75201. *See **Exhibit T*** at 86. Highland Advisor may be served through its President, James Dondero, at 300 Crescent

Court, Suite 700 Dallas, Texas 75201. *See id.* at 89. Highland Advisor may be served through its Secretary, Scott Ellington, at 300 Crescent Court, Suite 700 Dallas, Texas 75201. *See id.* Highland Advisor may be served through its Chief Compliance Officer, Thomas Surgent at 300 Crescent Court, Suite 700 Dallas, Texas 75201. *See id.* Highland Advisor may be served through its Executive Vice President, Mark Okada at 300 Crescent Court, Suite 700 Dallas, Texas 75201. *See id.* Highland Advisor may be served through its Treasurer, Frank Waterhouse at 300 Crescent Court, Suite 700 Dallas, Texas 75201. *See id.* Highland Advisor may be served through its Assistant Secretary, Lee "Trey" Parker at 300 Crescent Court, Suite 700 Dallas, Texas 75201. *See id.* Highland Advisor may also be served through its director Summit Management, Limited c/o John Cullinane P.O. Box 32311, Suite #4-210 Governors Square 23 Lime Tree Bay Avenue Grand Cayman KY1-1209 Cayman Islands. Highland Advisor may also be served through its director John Cullinane at 24 Windjammer Quay, George Town Grand Cayman. Highland Advisor may also be served through its director at Suite #4-210 Governors Square 23 Lime Tree Bay Avenue Grand Cayman KY1-1209 Cayman Islands. Acis reserves the right to serve Highland Advisor by any method that is reasonably calculated to give notice including, but not limited to applicable treaties and conventions between the United States and the Cayman Islands, a British overseas territory.

11. Highland Management is a company organized under the laws of the Cayman Islands, with its registered office located at P.O. Box 309 Ugland House, South Church Street, George Town, Grand Cayman KY1-1004. Upon information and belief, Highland Management principal place of business is 300 Crescent Court, Suite 700 Dallas, Texas 75201. Highland Management may also be served through its director Summit Management, Limited c/o John Cullinane P.O. Box 32311, Suite #4-210 Governors Square 23 Lime Tree Bay Avenue Grand Cayman KY1-1209 Cayman Islands. Acis reserves the right to serve Highland Management by

any method that is reasonably calculated to give notice including, but not limited to applicable treaties and conventions between the United States and the Cayman Islands, a British overseas territory.

12. Highland Holdings is a company organized under the laws of the Cayman Islands, with its registered office located at P.O. Box 309 Ugland House, South Church Street, George Town, Grand Cayman KY1-1004. Highland Holding's principal place of business is 300 Crescent Court, Suite 700 Dallas, Texas 75201. *See id.* at 103. Highland Holding's general or managing agent is James Dondero. *See id.* Highland Advisor may be served through its general or managing agent, James Dondero, at 300 Crescent Court, Suite 700 Dallas, Texas 75201. *See id.* Acis reserves the right to serve Highland Holdings by any method that is reasonably calculated to give notice including, but not limited to applicable treaties and conventions between the United States and the Cayman Islands, a British overseas territory.

III. JURISDICTIONAL BACKGROUND³

A. Highland Advisor Jurisdictional Background

13. Upon information and belief, on October 26, 2017, Jean Paul Sevilla ("Sevilla"), a Highland employee and associate general counsel, requested Maples and Calder create Highland Advisor. On information and belief, on October 27, 2017, Mr. Sevilla requested that Highland Advisor be established such that Highland is the 100% owner of the "high" share class of Highland Advisor.

14. Highland Advisor's principal place of business is 300 Crescent Court, Suite 700, Dallas, Texas 75201, Highland Capital's office and headquarters. *See Exhibit T* at 88. Highland Advisor is ultimately, directly or indirectly, owned or controlled by James Dondero

³ Any capitalized term not otherwise defined in this Jurisdictional Background shall have the meaning ascribed to it later in this Second Amended Complaint.

("Dondero") and Mark Okada ("Okada"), who ultimately, directly or indirectly, own or control Highland Capital. *See id.* at 89 and Opinion at 8.

15. Upon information and belief, the principals of Highland Capital, Dondero and Okada, serve as the president and executive vice president, respectively, of Highland Advisor. *See* Opinion at 8 and **Exhibit T** at 89. Other Highland Capital employees serve as officers of Highland Advisor including Scott Ellington, Lee "Trey" Parker, Thomas Surgent, and Frank Waterhouse. *See* **Exhibit T** at 89.

16. Dondero signed the November 15, 2017 Portfolio Management Agreement by and between Highland Advisor and Highland Funding (the "November 2017 PMA") on behalf of Highland Advisor. A true and correct copy of the November 2017 PMA is attached hereto as **Exhibit P**.

17. Attached hereto as **Exhibit Q** is the December 13, 2018 (A.M.) hearing transcript from *In re Acis Capital Management, L.P., et al.* At the December 13, 2018 hearing, Hunter Covitz, a Highland Capital employee, testified: "As I understand HCF Advisor is a relying advisor of Highland." *See* **Exhibit Q** at 78, ll. 15-16. Hunter Covitz further testified, "[b]ut HCF Advisor is Highland. . . . That's the distinction between Highland HCF Advisor could be well capitalized, the substance of Highland Capital, its office space, employees, balance sheet, back office, legal, what [have] you, would all be incorporated with HCF Advisor, where Acis with no employees is not looked at that way." *Id.* at 61, ll. 5 & 11-15. Finally, Hunter Covitz testified, "there's really no differentiation between HCF Advisor and Highland." *Id.* at 62, ll. 21-23.

18. Attached hereto as **Exhibit R** are meeting minutes of Acis Loan Funding, Ltd. and Highland Funding, which contain a Highland Funding Bates label and were produced in connection with the Bankruptcy Cases or related adversary case. These meeting minutes reflect that various Highland Capital employees, including Sevilla, Hunter Covtiz, Tim Cournoyer,

20. Attached hereto as **Exhibit T** is Highland Capital's 2019 Form ADV, which states that Highland Advisor's principal place of business is 300 Crescent Court, Suite 700, Dallas, Texas 75201—Highland Capital's office and headquarters. Highland Capital's 2019 Form ADV also states that Highland Capital is a shareholder of Highland Advisor and that Highland Advisor is another business name of Highland Capital.

B. Highland Management Jurisdictional Background

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23. Upon information and belief, Highland Management is ultimately, directly or indirectly, owned or controlled by Dondero and Okada, who ultimately, directly or indirectly, own or control Highland Capital.

24. Additionally, in connection with the hearing on the involuntary petitions, Dondero testified at great length regarding the Note Transfer to Highland Management on behalf of Highland Management.⁴ Dondero testified upon direct examination by Acis's (at the time, a putative debtor) counsel about the Note Transfer, stating:

Q: Now, if there came a time with litigation costs and other expenses where Acis was unable to pay its expenses when they became due, what was your intent in signing this as to whether or not HCLOM [Highland Management] would honor this and make the payment?

A: We would -- we would honor it and -- and pay as appropriate.

See Exhibit U (March 23, 2018 Hr'g Tr., *In re Acis Capital Management, L.P., et al.* 146:7-12) (emphasis added). When Dondero says "we," Acis contends that he is speaking on behalf of Highland Capital and Highland Management. Additionally, Dondero testified that the Note Transfer was an "economic wash" for him as "it doesn't matter which pocket it goes into." *Id.* at 152:20-24.

25. The Opinion states that, "Highland Management was registered in the Cayman Islands on October 27, 2017, roughly a week before the Note Transfer... **it appears Highland Management was an entity that was created specifically to hold the Note and eventually take possession of the CLO PMAs in an international forum that would be difficult for Mr. Terry to reach.**" Opinion at 20-21, n. 37 (emphasis added).

⁴ Dondero testified at the trial on the involuntary petitions only after Mr. Terry sought to compel Dondero's deposition and after this Court ordered Dondero to appear at the trial on the involuntary petitions.

26. Upon information and belief, Dondero is the managing or general agent of Highland Management.

27. The Confirmation Opinion states that Highland Management is "an entity registered in the Cayman Islands on October 27, 2017—seven days after Mr. Terry's Arbitration Award)." Confirmation Opinion at 19. The Confirmation Opinion further states that "it appears Highland Management was an entity that was created specifically to hold the Note and eventually take possession of the CLO PMAs in an international forum that would be difficult for Mr. Terry to reach." Opinion at 20-21, n.37. Finally, the Confirmation Opinion states that "Highland Management (the Highland-created entity that entered into a portfolio management agreement with a new Acis-CLO that was established in 2017)." Confirmation Opinion at 24.

C. Highland Holdings Jurisdictional Background

28. The Confirmation Opinion states that Highland Holdings is "(yet another entity incorporated in the Cayman Island on October 27, 2017)." Confirmation Opinion at 19.

29. Attached hereto as **Exhibit T** is Highland Capital's 2019 Form ADV, which states that Highland Holding's principal place of business is 300 Crescent Court, Suite 700, Dallas, Texas 75201, Highland Capital's office and headquarters. **Exhibit T** at 103. Highland Capital's 2019 Form ADV also states that Highland Holdings is another business name of Highland Capital. Highland Capital's 2019 Form ADV further states Highland Capital, Dondero, and other Highland affiliates are "control persons" of Highland Holdings.

IV. PROCEDURAL BACKGROUND

30. On January 30, 2018 (the "Petition Date"), Joshua N. Terry ("Terry"), as petitioning creditor, filed involuntary petitions under section 303 of the Bankruptcy Code against both Acis LP and Acis GP, thereby initiating the Bankruptcy Cases. *See* Case No. 18-30264, Docket No. 1 & Case No. 18-30265, Docket No. 1.

31. On April 13, 2018, this Court entered its *Findings of Fact and Conclusions of Law in Support of Orders for Relief Issued After Trial on Involuntary Bankruptcy Petition* [Case No. 18-30264, Docket No. 118 & Case No. 18-30265, Docket No. 113] (the "Opinion") and *Order for Relief in an Involuntary Case* in each of the Bankruptcy Cases [Case No. 18-30264, Docket No. 119 & Case No. 18-30265, Docket No. 114] (the "Orders for Relief"). The Opinion is hereby incorporated by reference as if fully set forth herein.

32. On May 14, 2018, Robin Phelan (the "Trustee") was appointed chapter 11 trustee of the Debtors' bankruptcy estates in the Bankruptcy Cases. *See* Case No. 18-30264, Docket No. 213.

33. On May 30, 2018, Highland Capital and Highland Funding filed their Original Complaint, initiating this Adversary Proceeding, in which Highland Capital and Highland Funding asserted various claims for breach of contract, declaratory relief, and injunctive relief against the Trustee. *See* Adv. No. 18-03078, Docket No. 1.

34. On June 21, 2018, the Trustee filed his *Verified Original Complaint and Application for Temporary Restraining Order and Preliminary Injunction* [Adv. No. 18-03212, Docket No. 1] ("Complaint and Application for TRO"), initiating Adversary No. 18-03212, in which the Trustee sought, *inter alia*, injunctive relief to prevent Highland Capital, Highland Funding, and their affiliates from taking any action to effectuate an optional redemption (which would result in liquidation of the Acis CLOs (defined below)), as well as relief pursuant to 11 U.S.C. § 362(k) for willful violations of the automatic stay for actions taken by Highland Capital and its affiliates, including Highland Funding, in attempting to effectuate an optional

redemption.⁵ Highland Capital and Highland Funding subsequently filed their answers to the Trustee's Complaint and Application for TRO. *See* Adv. No. 18-03212, Docket Nos. 32 & 33.

35. On July 2, 2018, the Trustee filed his Original Answer in this Adversary Proceeding, in which the Trustee asserted certain counterclaims and third-party claims against Highland Capital, Highland Funding, Highland Advisor, and Highland Management (collectively and along with Highland Holdings, the "Highlands") in connection with the Highlands' scheme, described more fully below, to fraudulently transfer Acis LP's assets to the Highlands and otherwise appropriate the business of Acis LP. *See* Adv. No. 18-03078, Docket No. 23.

36. On July 23, 2018, Highland Capital filed *Highland Capital Management, L.P.'s Motion to Dismiss Counterclaims or, Alternatively, for a More Definite Statement* [Adv. No. 18-03078, Docket No. 42] ("Highland's Motion to Dismiss"), in which Highland Capital sought, *inter alia*, to dismiss the Trustee's counterclaims pursuant to Federal Rule of Civil Procedure 12(b)(6).

37. Also on July 23, 2018, Highland Funding filed *Highland CLO Funding Ltd.'s Motion to Dismiss* [Adv. No. 18-03078, Docket No. 43] ("Highland Funding's Motion to Dismiss") and *Highland CLO Funding Ltd.'s Brief in Support of its Motion to Dismiss* [Adv. No. 18-03078, Docket No. 44], in which Highland Funding sought, *inter alia*, to dismiss the Trustee's counterclaims pursuant to Federal Rules of Civil Procedure 12(b)(2) and 12(b)(6).

38. On August 1, 2018, Highland Capital filed Proof of Claim No. 27 in the claims register for Case No. 18-30264 (the "Highland Acis LP Claim"), in the amount of \$4,672,140.38, with the basis of the claim listed as "Sub-Advisory Services and Shared Services."

⁵ Certain portions of the Complaint and Application for TRO were subsequently dismissed, ultimately leaving only: Count 1 for *Temporary Restraining Order and Preliminary Injunction* (which injunctive relief expired with confirmation of the Plan (defined below)); and Count 2 for *Willful Violation of the Automatic Stay* against Highland Capital and Highland Funding. *See* Adv. No. 18-03212, Docket Nos. 49 & 56.

39. Also on August 1, 2018, Highland Capital filed Proof of Claim No. 13 in the claims register for Case No. 18-30265 (the "Highland Acis GP Claim," together with the Highland Acis LP Claim, the "Highland Capital Claims"), in the amount of \$4,672,140.38, with the basis of the claim listed as "Sub-Advisory Services and Shared Services." The Highland Acis GP Claim is identical to the Highland Acis LP Claim.

40. On August 10, 2018, Highland Capital and Highland Funding filed *Highland Capital Management, L.P. and Highland CLO Funding Ltd.'s Motion for Leave to Amend Adversary Complaint and Brief in Support* [Docket No. 51] (the "Motion to Amend"), in which Highland Capital and Highland Funding sought to amend their Original Complaint to remove all claims against the Trustee, except for one claim by Highland Funding for a declaratory judgment that the Trustee cannot "sell or transfer Highland Funding's property without Highland Funding's consent."

41. On October 9, 2018, the Court heard Highland Capital's Motion to Dismiss, Highland Funding's Motion to Dismiss, and the Motion to Amend. Considering that the Trustee expressed his intent to amend his Original Answer, the parties agreed that all arguments made by Highland Capital and Highland Funding to dismiss the Trustee's counterclaims pursuant to Rule 12(b)(6) were moot. With respect to Highland Funding's argument to dismiss for lack of personal jurisdiction under Rule 12(b)(2), the Court ruled that Highland Funding has minimum contacts with the United States, and that the Court, has personal jurisdiction over Highland Funding in this Adversary Proceeding, and exercising personal jurisdiction over Highland Funding would not violate any traditional notions of fair play and substantial justice. Further, the Court ruled that, even if sufficient minimum contacts did not exist, Highland Funding has waived personal jurisdiction in this Adversary Proceeding.

42. With respect to the Motion to Amend, due to the change in circumstances in the Bankruptcy Cases, Highland Capital and Highland Funding agreed to voluntarily dismiss all claims asserted in the Original Complaint, without prejudice.

43. On November 13, 2018, the Trustee filed his *Defendant's Amended Answer, Counterclaims (Including Claim Objections) and Third-Party Claims* [Adv. No. 18-03078, Docket No. 84] (the "Amended Counterclaims") in this Adversary Proceeding, in which the Trustee asserted numerous counterclaims and third-party claims against Highland Capital and various of its affiliates in connection with, *inter alia*, their scheme to fraudulently transfer Acis LP's assets to the Highlands and otherwise appropriate the business of Acis LP. Additionally, with the Amended Counterclaims, the Trustee included his objections to the Highland Claims pursuant to section 502(b)(1), (b)(4), and (d) of the Bankruptcy Code (the "Objections to Claim"), and further asserted that, to the extent allowed, the Highland Claims should be equitably subordinated pursuant to section 510(c) of the Bankruptcy Code.

44. On December 11, 2018, Highland Capital filed *Highland Capital Management, L.P.'s Application for Administrative Expense Claim Pursuant to 11 U.S.C. § 503(b)* [Case No. 18-30264, Docket No. 772] (the "Application") for approval of an administrative expense claim pursuant to section 503(b)(1) of the Bankruptcy Code, in the amount of \$3,554,224.29 (the "Administrative Claim"), for purportedly providing postpetition services to the Debtors in connection with the Sub Agreements (defined below) and the Universal/BVK Agreement (defined below), which Highland Capital contends were actual, necessary costs and expenses of preserving the estate.

45. On January 10, 2019, the Trustee timely filed his *Objection to Highland Capital Management, L.P.'s Application for Administrative Expense Claim Pursuant to 11 U.S.C. § 503(b)* [Case No. 18-30264, Docket No. 772].

46. On January 31, 2019, this Court entered its *Findings of Fact, Conclusions of Law, and Order Granting Final Approval of Disclosure Statement and Confirming the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, as Modified* (the "Confirmation Order") [Case No. 18-30264, Docket Nos. 829 & 830], which approves the *Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC* (the "Plan") and is supplemented by the *Court's Bench Ruling and Memorandum of Law in Support of: (A) Final Approval of Disclosure Statement; and (B) Confirmation of Chapter 11 Trustee's Third Amended Joint Plan* (the "Confirmation Opinion") [Case No. 18-30264, Docket No. 827]. The Confirmation Opinion is hereby incorporated by reference as if fully set forth herein.

47. On February 15, 2019 (the "Effective Date"), the Trustee filed the *Notice of February 15, 2019 Effective Date for the Third Amended Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC* [Case No. 18-30264, Docket No. 863]. On the Effective Date, Acis (as the Reorganized Debtors) became substituted for the Trustee in the above-referenced consolidated adversary cases pursuant to the Plan, which provides:

Upon the Effective Date, the Reorganized Debtor (a) shall automatically be substituted in place of the Chapter 11 Trustee as the party representing the Estate in respect of any pending lawsuit, motion or other pleading pending before the Bankruptcy Court or any other tribunal, and (b) is authorized to file a notice on the docket of each adversary proceeding or the Chapter 11 Cases regarding such substitution. The Reorganized Debtor shall have exclusive standing and authority to prosecute, settle or compromise Estate Claims for the benefit of the Estate in the manner set forth in this Plan.

Plan § 7.03.

48. On March 11, 2019, the Court entered its *Order Consolidating Adversary Case Nos. 18-03078 & 18-03212* [Adv. No. 18-03078, Docket No. 127; Adv. No. 18-03212, Docket No. 63], under which the Court ordered that Adversary Nos. 18-03078 and 18-03212 are

consolidated under Federal Rule of Civil Procedure 42(a), incorporated by Federal Rule of Bankruptcy Procedure 7042. The Court further directed the Clerk to caption the case *as Robin Phelan, Chapter 11 Trustee v. Highland Capital Management, L.P., et al.*, resulting in the designation of the Trustee, now Acis, as the Plaintiff(s) and Highland Capital and its affiliates as Defendants in this Adversary Proceeding.

49. On May 1, 2019, the Court entered its *Order Addressing DE #825 and Directing that: (A) Highland Capital Management, L.P.'s Administrative Expense Request [DE #722] Be Converted from a Contested Matter to Adversary Proceeding; and (B) Counts 27-31 Be Transferred in Adversary Proceeding No. 18-03078 into a New Adversary Proceeding* [Case No. 18-30264, Docket No. 919], whereby the Court converted Highland Capital's Application into a new adversary proceeding, and thereby initiating Adversary No. 19-03103.

50. On June 10, 2019, the Court held a status conference and directed: (i) that Adversary No. 19-03103 should be consolidated under this Adversary No. 18-03078; and (ii) that Acis will file an amended complaint, consolidating all claims, counterclaims, third-party claims against Highland Capital and its affiliates, as well as any objections to the Highland Capital Claims and Administrative Claim, by June 20, 2019.

V. FACTUAL BACKGROUND

A. The Debtors' Business

51. Dondero, Okada, and Terry formed Acis LP in 2011 as a registered investment advisor to raise money from third-party investors to invest in certain collateralized loan obligation funds (the "CLOs").⁶ The CLOs are governed by certain indentures (the

⁶ The Acis CLOs include: (i) Acis CLO 2013-1 Ltd. ("CLO-1"), (ii) Acis CLO 2014-3 Ltd. ("CLO-3"), (iii) Acis CLO 2014-4 Ltd. ("CLO-4"), (iv) Acis CLO 2014-5 Ltd. ("CLO-5"), and (v) Acis CLO 2015-6 Ltd. ("CLO-6").

"Indentures").⁷ Acis LP is the portfolio manager for the CLOs and generates revenue primarily through the management of the CLOs via certain portfolio management agreements ("PMAs").⁸ See Opinion ¶¶ 22-28. While Dondero made and approved the higher-level financial strategies and decisions of Acis, Terry was responsible for the day-to-day management of Acis.

52. Acis LP's business as portfolio manager for the CLOs has been incredibly successful. Between 2011 and 2017, Acis LP distributed profits of \$11,037,445.00 to Dondero, \$4,598,935.00 to Terry, and \$2,759,361.00 to Okada, its partners. Further, on August 31, 2017, right before Highland Capital began its campaign to denude Acis LP and take over its business, Acis LP also boasted millions of dollars in investment assets and total shareholder equity of roughly \$3.4 million. Without question, Acis LP's business as portfolio manager for the CLOs and others has been very valuable and lucrative.

53. As is common with the numerous Highland Capital affiliates, Acis LP contracted out certain of its administrative functions and portfolio management responsibilities to Highland Capital pursuant to that certain *Sub-Advisory Agreement*, originally dated January 1, 2011 (as amended, the "Sub-Advisory Agreement") and that certain *Shared Services Agreement*, originally dated January 1, 2011 (as amended, the "Shared Services Agreement," and together

⁷ The Indentures include: (i) that certain Indenture, dated as of March 18, 2013, issued by CLO-1, as issuer, Acis CLO 2013-1 LLC, as co-issuer, and U.S. Bank, as trustee (the "CLO-1 Indenture"); (ii) that certain Indenture, dated as of February 25, 2014, issued by CLO-3, as issuer, Acis CLO 2014-3 LLC, as co-issuer, and U.S. Bank, as trustee (the "CLO-3 Indenture"); (iii) that certain Indenture, dated as of June 5, 2014, issued by CLO-4, as issuer, Acis CLO 2014-4 LLC, as co-issuer, and U.S. Bank, as trustee (the "CLO-4 Indenture"); (iv) that certain Indenture, dated as of November 18, 2014, issued by CLO-5, as issuer, Acis CLO 2014-5 LLC, as co-issuer, and U.S. Bank, as trustee (the "CLO-5 Indenture"); and (v) that certain Indenture, dated as of April 16, 2015, issued by CLO-6, as issuer, Acis CLO 2015-6 LLC, as co-issuer and U.S. Bank, as trustee (the "CLO-6 Indenture").

⁸ The PMAs include: (i) that certain Portfolio Management Agreement by and between Acis LP and CLO-1, dated March 18, 2013 (the "CLO-1 PMA"); (ii) that certain Portfolio Management Agreement by and between Acis LP and CLO-3, dated February 25, 2014 (the "CLO-3 PMA"); (iii) that certain Portfolio Management Agreement by and between Acis LP and CLO-4, dated June 5, 2014 (the "CLO-4 PMA"); (iv) that certain Portfolio Management Agreement by and between Acis LP and CLO-5, dated November 18, 2014 (the "CLO-5 PMA"); and (v) that certain Portfolio Management Agreement by and between Acis LP and CLO-6, dated April 16, 2015 (the "CLO-6 PMA").

with the "Sub Agreements"). The Sub-Advisory Agreement and Shared Services Agreement have each been amended multiple times.

54. As the Court explained in its Opinion:

Acis LP and Acis GP/LLC have never had any employees. Rather, all employees that work for any of the Highland family of companies (including Mr. Terry) have, almost without exception, been employees of Highland itself. Highland has approximately 150 employees in the United States. Highland provides employees to entities in the organizational structure, such as Acis LP and Acis GP/LLC, through both the mechanism of: (a) a Shared Services Agreement (herein so called), which provides "back office" personnel—such as human resources, accounting, legal and information technology to the Highland family of companies; and (b) a Sub-Advisory Agreement (herein so called), which provides "front office" personnel to entities—such as the managers of investments like Mr. Terry. The evidence indicated that this is typical in the CLO industry to have such agreements.

Opinion at 14 (footnotes omitted).

55. Prior to entry of the Orders for Relief, Dondero directed, either himself or through Highland Capital employees, all actions taken by Acis. *See* Opinion ¶ 30.

Mr. Dondero [the Chief Executive of Highland] testified that he has decision making authority for the Alleged Debtors but usually delegates that authority to Highland's in-house lawyers, Scott Ellington (General Counsel, Chief Legal Officer, and Partner of Highland) and Isaac Leventon (Assistant General Counsel of Highland) . . . Mr. Leventon is designated to be the representative for the Alleged Debtors (and testified as a Rule 30(b)(6) witness during pre-trial discovery)—he explained that this representative-authority derives from the Shared Services Agreement. Mr. Leventon testified that he takes his instructions generally through his direct supervisor, Mr. Ellington.

Id.

56. Highland Funding, formerly known as Acis Loan Funding, Ltd. ("ALF"),⁹ holds the subordinated notes issued by the CLOs and receives the "very last cash flow from the CLOs." Opinion at pp. 12-13. "It, in certain ways, controls the CLO vehicle . . . [and] was essentially the equity owner in the CLO special purpose entities." *Id.* Until the ALF PMA Transfer in the Fall of

⁹ On October 30, 2017, Acis Loan Funding, Ltd. changed its name to Highland CLO Funding, Ltd. The defined term "ALF" used herein denotes Highland CLO Funding, Ltd. f/k/a Acis Loan Funding, Ltd. before October 30, 2017.

2017 (described below), Acis LP had complete control of Highland Funding and its valuable subordinated note rights to further enhance its successful portfolio management business.

B. Section 3.10(a) of the Limited Partnership Agreement

57. In order to form Acis LP, Acis GP, the general partner, and limited partners The Dugaboy Investment Trust¹⁰ (the "Trust"), Okada, and Terry entered into that certain *Amended and Restated Agreement of Limited Partnership of Acis Capital Management, L.P.* (the "LPA"), dated to be effective as of January 21, 2011.¹¹ The LPA is attached hereto as **Exhibit A**. The LPA is governed by Delaware Law. LPA § 6.11. At all relevant times herein, the officers of Acis GP are Dondero, as President, and Frank Waterhouse ("Waterhouse")¹², as Treasurer. Further, at least between October 14, 2015, and December 19, 2017, Dondero was the sole member of Acis GP. *See* Case No. 18-30265, Docket No. 152.

58. Pursuant to the Sub Agreements, Highland Capital received compensation for providing services to Acis LP, but amounts of compensation were subject to certain terms of the LPA. Section 3.10 of the LPA directs compensation and reimbursement of the General Partner and contains subpart (a), which limits compensation and reimbursement of expenses payable to the General Partner and any Affiliate of the General Partner without proper consent:

Compensation. The General Partner and any Affiliate of the General Partner shall receive no compensation from the Partnership for services rendered pursuant to this Agreement or any other agreements unless approved by a Majority Interest; provided, however, that the aggregate annual expenses of the Partnership, inclusive of such compensation, ***may not exceed 20% of Revenues without the consent of all of the members of the Founding Partner Group.***

LPA § 3.10(a) (emphasis added).

¹⁰ Dondero was the trustee and owned 100% of the Trust, and he was President of Acis GP.

¹¹ The partnership interests of Acis LP were as follows: Acis GP owned .1%; the Trust owned 59.9%; Okada owned 15%; and Terry owned 25%.

¹² Waterhouse is a partner in Highland Capital and serves as Highland Capital's Chief Financial Officer.

59. An Affiliate under the LPA is defined as:

[A]ny [entity] that directly or indirectly controls, is controlled by, or is under common control with the [entity] in question. As used in this definition, the term "*control*" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of [an entity], whether through ownership of voting Securities, by contract, or otherwise.

Id. § 2.01.

60. Highland Capital was at all times relevant to this Second Amended Complaint, an Affiliate of Acis GP and Acis LP. Further, Highland Capital was at all times relevant to this Second Amended Complaint, an insider of Acis GP and Acis LP.

C. State Court Litigation and Arbitration

61. In June 2016, Highland Capital advised Terry that he had been terminated.

62. In September 2016, Highland Capital sued Terry in the 162nd Judicial District Court of Dallas County, Texas (the "State Court") under a variety of legal theories and causes of action, including breach of fiduciary duty/self-dealing, disparagement, and breach of contract. Terry asserted his own claims against Highland Capital, as well as claims against the Debtors, Dondero, and others, and demanded arbitration. Opinion ¶ 8.

63. On September 28, 2016, the State Court stayed the litigation and ordered the parties to arbitrate. *Id.* The parties then participated in a ten-day arbitration proceeding before JAMS, styled as *Terry v. Highland*, JAMS Arbitration No. 1310022713.

D. The Arbitration Award

64. On October 20, 2017, Terry obtained an arbitration award (the "Arbitration Award") jointly and severally against the Debtors in the amount of \$7,949,749.15, plus post-award interest at the legal rate. The Arbitration Award was based on theories of breach of contract and breach of fiduciary duties. The Arbitration Award is attached hereto as **Exhibit B**.

65. Under the Arbitration Award, the arbitration panel found that Terry's termination by Dondero/Highland Capital was without cause and that, among other things, Acis breached the LPA and breached fiduciary duties owed to Terry as Acis's limited partner. Importantly, the arbitration panel found that Highland Capital had been paid more than 20% of Revenues (as such term is understood under the LPA), without Terry's consent, in violation of Section 3.10(a) of the LPA:

It is undisputed that ACIS habitually paid more than 20% of Revenues to Highland for providing ACIS with overhead and administration. Respondents' evidence and arguments that Terry waived or consented to ACIS's payment of excess expenses is not persuasive. At most, Terry accepted his ACIS distributions without regard to the expenses paid to Highland. This is not consent contemplated by the ACIS LPA.

....

The evidence establishes that Terry did not consent to ACIS payments of expenses in excess of 20% of Revenue and Terry has not waived his right to claim damages directly resulting from ACIS's and ACIS GP's breach of contract and breach of fiduciary duty. Clearly, ACIS and ACIS GP ignored Terry's contractual rights and ACIS GP as a general partner has a fiduciary duty not to benefit itself or another at the expense of its limited partner, as they ignore and breach the terms of the partnership agreement and diminish Terry's distributions.

Arbitration Award at pp. 15-16.

66. Additionally, in the analysis of Terry's damages, the arbitration panel stated:

The evidence establishes that ACIS and ACIS GP paid excess expenses to Highland during the years of 2013, 2014, 2015 and January through May 2016. These expenses paid exceeded the 20% of Revenues cap stated in Section 3.10(a) of the ACIS LPA. The payment of these excess expenses reduced Terry's ACIS partnership distributions during this period. Had excess expenses not been paid and only the contractually capped expenses had been paid, Terry would have received additional ACIS profits distributions of \$1,755,481.00 for his 25% partnership interest in ACIS.

Arbitration Award at 20.

67. Finally, in its findings and conclusions, the arbitration panel stated: "ACIS [LP] and ACIS GP paid Highland Capital expenses in excess of the contractual limit imposed by Section 3.10(a) of the ACIS LPA." Arbitration Award at 22, ¶ 7.

68. On December 18, 2017, the 44th Judicial District Court of Dallas County, Texas, entered a final judgment confirming the Arbitration Award. Opinion ¶ 10. The judgment was abstracted in the Official Public Records of Dallas County, Texas, as Instrument No. 201800008611, and writs of garnishment were issued and served pursuant to the judgment.

69. Pursuant to the Arbitration Award, Highland Capital wrongly received at least \$7,021,924.00 (collectively, the "Expense Overpayments") in excess of the clear cap under Section 3.10(a) of the LPA.¹³ On information and belief, Highland Capital wrongfully received other overpayments of expenses for many years in excess of the express limitations contained in the LPA. The Expense Overpayments for which the Plaintiffs seek relief herein include all overpayments by Acis LP to Highland Capital in violation of the expense cap pursuant to the LPA whether or not addressed in the Arbitration Award. The Plaintiffs seek a declaratory judgment that such Expense Overpayments to Highland Capital and any agreements supporting such overpayments were *ultra vires* and, thus, void or voidable. The Plaintiffs also seek to recover from Highland Capital all such Expense Overpayments, which rightfully belong to Acis LP, as set forth below.

E. Modifications to the Sub-Advisory Agreement and Shared Services Agreement

70. The Sub-Advisory Agreement has been amended from time to time. The first iteration the Sub-Advisory Agreement by and between Acis LP and Highland Capital dated January 1, 2011 (the "Original Sub-Advisory Agreement") provided that Acis LP was to pay Highland Capital certain amounts for assisting Acis LP with the advisory services required by the PMAs. Under the Original Sub-Advisory Agreement, Acis LP paid Highland Capital 5 bps

¹³ If \$1,755,481.00 represents 25% of the amount overpaid to Highland Capital, then the total amount paid to Highland Capital in excess of the 20% cap would be at least \$7,021,924.00.

of the management fees received by Acis LP pursuant to the various PMAs for the sub-advisory services provided to Acis LP by Highland Capital.

71. On July 29, 2016, the Sub-Advisory Agreement was modified to increase the sub-advisory fee from 5 basis points to 20 basis points (the "Second Amended Sub-Advisory Agreement"). The effective date of the Second Amended Sub-Advisory Agreement was also back-dated to January 1, 2016. The fourfold increase in the sub-advisory fees via the Second Amended Sub-Advisory Agreement siphons off the funds of Acis LP and effectively gifts the additional amounts to Highland Capital. Highland Capital was already contractually obligated to provide the sub-advisory services for the lower 5 basis points fee and no legitimate justification for this fourfold increase was ever presented. Notably, Terry was unjustifiably terminated from Acis in June 2016, roughly one month before Acis and Highland Capital amended the Sub-Advisory Agreement to increase the fee paid fourfold. Further, Dondero consented to the increased sub-advisory fee on behalf of *both* Acis LP and Highland Capital. Dondero signed the Second Amended Sub-Advisory Agreement as president of Highland Capital's general partner, Strand Advisors, Inc., and as president of Acis GP, the general partner of Acis LP.¹⁴

72. The Shared Services Agreement has also been amended from time to time. The first iteration of the shared services agreement, the Shared Services Agreement by and between Acis LP and Highland Capital, dated January 1, 2011 (the "Original Shared Services Agreement"), provided that Acis LP was to pay Highland Capital certain amounts for providing Acis LP with the back-office services such as book keeping, compliance, human resources and marketing. Under the Original Shared Services Agreement, Acis LP reimbursed Highland Capital for amounts directly attributable to Acis LP for these services. The Shared Services

¹⁴ Dondero also signed the Third Amended and Restated Sub-Advisory Agreement, entered into on March 17, 2017, on behalf of both parties (Acis LP and Highland Capital) to the agreement; this amendment retained the 20 bps fee put in place by the Second Amended Sub-Advisory Agreement.

Agreement was later amended to provide compensation to Highland Capital of 15 to 20 basis points, depending on the nature of the fund for which services were provided. Thus, shortly after Terry was terminated by Acis in June 2016, Acis was paying Highland Capital a total of 35 to 40 basis points for the sub-advisory and shared services it provided.

73. Due to the retroactive nature of the amendments to the Sub-Advisory Agreement and Shared Services Agreement, Highland, at all times relevant to this proceeding, held an antecedent debt related to Acis.

74. Finally, as the Court has already found and as described in more detail below, Highland Capital, Dondero, and various of their affiliates and insiders (including Highland Funding, Highland Advisor and Highland Holdings) entered into numerous other transactions through the Fall of 2017 in an attempt to take control of Acis's assets and effectively take over Acis's business. The combination of all of these actions evidence a clear pattern of behavior by Highland Capital, Dondero, and various of their affiliates and insiders (including Highland Funding, Highland Advisor, Highland Management, and Highland Holdings)¹⁵ to hinder, delay or defraud Terry as a creditor and appropriate the going-concern business of Acis LP for the Highlands. Opinion, Section 1.C. (pp. 16-23).

F. Highland Capital's Mismanagement of the CLOs and the Trustee's Engagement of Brigade Capital Management, L.P.

75. During the pendency of these Bankruptcy Cases, while acting as sub-advisor, Highland Capital grossly mismanaged the CLOs. Following the Trustee's appointment in these Bankruptcy Cases, in disregard of its duties under the Sub-Advisory Agreement, Highland

¹⁵ The Debtors were also under Highland Capital and Dondero's control at this time and were active participants in all of Highland Capital and Dondero's schemes to denude the Debtors and make them "judgment proof" as the Debtors' own counsel, Jamie Welton, later boasted. In fact, Highland Funding has admitted that the Debtors were "no more than shell entities" in pleadings recently filed with the Court. Highland Funding's *Motion to Dissolve Preliminary Injunction and Lift the Automatic Stay* at page 21, Docket # 639 in Case No. 18-30264.

Capital failed to purchase a single loan for the CLOs. Yet, at the same time, in an apparent tactical move to accumulate cash in the CLOs (prior to an attempted liquidation), Highland Capital ordered that the Trustee sell numerous loans. Indeed, during this time, Highland Capital's own analysis showed that 19.7% to 32.4% of available loans were eligible for consideration for purchase in the CLOs. Although the Trustee expressed his concerns to Highland Capital about the accumulation of cash in the CLOs and Highland Capital's failure to recommend purchases of eligible collateral in the CLOs, Highland Capital failed to make any change or correction in its sub-advisor role, in abrogation of its duties.

76. In July 2018, considering Highland Capital's mismanagement of the CLOs and the exorbitant amounts attempted to be charged to Acis for its services under the Sub Agreements, the Trustee solicited potential third parties to provide shared services and sub-advisory services to the Debtors. After contacting over 40 parties, the Trustee received bids from nine parties to perform the services provided by Highland Capital under the Sub Agreements. Through this process, the Trustee was able to locate Brigade Capital Management, LP ("Brigade") and Cortland Capital Markets Services LLC ("Cortland") to provide such services to the Debtors at a rate far less than that charged by Highland Capital. As set forth more fully in the *Emergency Motion to Approve Replacement Sub-Advisory and Shared Services Providers, Brigade Capital Management, LP and Cortland Capital Markets Services LLC* [Case No. 18-30264, Docket No. 448] (the "Brigade Motion"), Brigade agreed to sub-advise the CLOs for 15 basis points. As further described by the Brigade Motion, Cortland agreed to provide middle and back office CLO outsourcing (previously provided by Highland Capital under the

Shared Services Agreement) for \$30,000 per month, \$250-\$350 per trade, and a one-time fee of \$75,000. Cortland's fee equates to roughly 3 basis points per month.¹⁶

77. On August 1, 2018, the Court granted the Brigade Motion, and Brigade and Cortland began performing the services previously provided by Highland Capital under the Sub Agreements. *See* Case No. 18-30264, Docket No. 464. Notably, on the record at the hearing on July 6, 2018, Highland offered to provide the same services it was providing Acis for 17.5 basis points less than it previously charged, a tacit acknowledgement that Highland had grossly overcharged Acis. *See* Case No. 18-30264, Docket No. 369 at 243-44.

78. From approximately August 2, 2018 through December 11, 2018, Brigade directed the purchase of approximately \$300 million in conforming loans for the CLOs. *See* Case No. 18-30264, Docket No. 790 at 100-01 & 134.

G. The Highlands' Fraudulent Scheme to Take Over Acis's Business and Dismantle Acis's Assets.

79. After Terry received the Arbitration Award on October 20, 2017, the Highlands immediately began work to systematically transfer the assets of Acis LP to other Highlands. This was done to denude Acis LP of value and make the Debtors "judgment proof." This was also done to ensure that Acis LP's very valuable business as portfolio manager was taken over by other Highlands and remained under Highland Capital and Dondero's control.

80. Prior to the filing of the Bankruptcy Cases, the Highlands' scheme was accomplished through, *inter alia*, the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, and the transfer of the 2017-7 Equity and the 2017-7 Agreements (as each is defined

¹⁶ Thus, the Trustee was paying roughly 18 basis points, instead of the 35 to 40 basis points charged by Highland Capital starting shortly after Terry was terminated by Acis in June 2016, for the work previously performed by Highland Capital under the Sub Agreements. The definitive agreement between the Reorganized Debtors and Brigade removes Cortland and the Reorganized Debtors pay roughly 15 basis points to Brigade for essentially the same services previously provided by Highland Capital.

below), which all occurred in the three months between October 23 and December 19, 2017. Each of these transfers followed the same pattern: Highland Capital caused Acis LP to fraudulently convey valuable economic rights away from Acis LP to offshore (often newly created) Highland Capital affiliates that were not subject to Terry's Arbitration Award and judgment, thus, safely remaining under the control of Highland Capital and Dondero. Further, the only alleged consideration for these transfers, to the extent there was any, was the satisfaction of purported debts owed to other Highlands or their representatives.

81. Reference to Acis LP's balance sheets right before and right after the Highlands began their campaign of fraud against Terry and Acis demonstrate just how effective their scheme was. On August 31, 2017—roughly 45 days before the Arbitration Award—Acis LP boasted \$15,441,551 in total assets (including nearly \$4 million in valuable portfolio management investments and the \$9.5 million note) as well as \$3,372,851 in total equity value.¹⁷ After the Arbitration Award and the judgment enforcing it, Acis presented the affidavit of David Klos, Highland Capital's Controller, to the State Court in furtherance of Highland Capital's efforts to get a pathetically small bond for Terry's judgment. The Klos affidavit and attached balance sheet demonstrate that as of February 1, 2018 (the day after the Involuntary Petitions were filed) Acis LP had only \$2,855,050 in total assets, no investment assets or notes, and a paltry \$35,709 in total equity value.¹⁸ Thus, the amount of value destruction and asset concealment caused by the Highlands' brazen fraud in just the few months immediately after the Arbitration Award is staggering.

82. Even the filing of the Bankruptcy Cases did not deter the Highlands from attempting to complete their goal of denuding Acis. During the Bankruptcy Cases, in disregard

¹⁷ The Balance Sheet as of August 31, 2017, is attached as Exhibit C.

¹⁸ The Declaration of David Klos concerning Defendants' net worth, is attached as Exhibit D.

of the automatic stay, on multiple occasions, the Highlands directed the Trustee to effectuate optional redemptions, which would result in the liquidation of the CLOs and render Acis incapable of reorganizing and paying its creditors.

1. *The ALF PMA Transfer and the ALF Share Transfer*

83. Prior to October 27, 2017, Acis LP—not ALF (or Highland Funding as it is currently named)—had authority to direct and effectuate an optional redemption and otherwise pervasively control ALF's assets. Acis LP had this authority pursuant to that certain Portfolio Services Agreement by and between Acis LP and ALF, dated August 10, 2015 (the "First ALF PMA") and that certain Portfolio Management Agreement by and between Acis LP and ALF, dated December 22, 2016 (the "Second ALF PMA"). A true and correct copy of the First ALF PMA is attached hereto as **Exhibit E**. A true and correct copy of the Second ALF PMA is attached hereto as **Exhibit F**.

84. The Second ALF PMA granted Acis LP, as the portfolio manager of ALF, extensive rights and discretion to control and manage ALF's assets, including its interests in the Acis CLOs. Section 5 of the Second ALF PMA set out Acis LP's authority, which included authority for and in the name of ALF to:

(a) invest, directly or indirectly . . . in all types of securities and other financial instruments of United States and non-U.S. entities . . . including without limitation . . . notes representing tranches of debt ('CLO Notes') issued by a special purpose vehicle which issues notes backed by a pool of collateral consisting primarily of loans (which may be represented by a debt or equity security) (a 'CLO') . . . (each of such items, 'Financial Instruments'), (c) provide credit and market research and analysis in connection with the investments and ongoing management of [ALF] and direct the formulation of investment policies and strategies for [ALF] . . . ; (g) possess, transfer, mortgage, pledge or otherwise deal in, and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to Financial Instruments and other property and funds held or owned by [ALF] ...; (n) cause [ALF] to engage in . . . agency, agency cross, related party principal transactions with affiliates of [Acis LP] . . . ; and (q) vote Financial Instruments, participate in arrangements with creditors, the

institution and settlement or compromise of suits and administrative proceedings and other like or similar matters.

Second ALF PMA § 5(a)-(q) (emphasis added).¹⁹

85. While ALF did not have authority to terminate the Second ALF PMA, Acis LP could terminate the Second ALF PMA without cause upon at least ninety (90) days' notice. *See* Second ALF PMA § 13(a)-(c). The Second ALF PMA provided that Acis LP could be removed as portfolio manager only "for cause." *See* ALF PMA § 14(a)-(e).

86. On October 27, 2017, just seven days after Terry's Arbitration Award, Acis LP ostensibly terminated its own portfolio management rights under the Second ALF PMA and transferred its authority and its valuable portfolio management rights—for no value—to Highland Advisor, an affiliate of Highland Capital.²⁰

87. This transfer of Acis LP's portfolio management rights to Highland Advisor was accomplished by way of a new Portfolio Management Agreement entered into by ALF and Highland Advisor on October 27, 2017 (the "October 2017 PMA"), which empowered Highland Advisor with the same broad authority to direct the management of ALF as was previously held by Acis LP under the ALF PMA (the "ALF PMA Transfer"). *See* October 2017 PMA §§ 1 & 5(a)-(q). A true and correct copy of the October 2017 PMA is attached hereto as **Exhibit G**.

88. As the Court explained:

On October 27, 2017 (seven days after the Arbitration Award), ALF—having purchased back the ownership interest that Acis LP had in it, just three days earlier—decided that it would no longer use Acis LP as its portfolio manager and

¹⁹ The Highlands contend that the reference to "control" in Section 6 of the Second ALF PMA negates the broad language of Section 5 of the Second ALF PMA. The Plaintiffs disagree.

²⁰ Although purportedly a Cayman Islands entity, Highland Funding's 2017 Annual Report and Audited Financials lists Highland Advisor's address as Highland Capital's address in Dallas, Texas. This same document also discloses that Highland Capital is the sub-advisor for Highland Advisor, and thus is the party actually in control of Highland Funding's assets. Finally, this same document shows that all of Highland Funding's subordinated notes issued by the CLOs (the primary assets managed by Highland Advisor) are physically held at and are pledged to NexBank, a Dallas bank that is an affiliate of Highland Capital.

entered into a new portfolio management agreement to supersede and replace the ALF Portfolio Management Agreement. Specifically, on October 27, 2017, ALF entered into a new Portfolio Management Agreement with a Cayman Island entity called Highland HCF Advisor, Ltd., replacing Acis LP in its role with ALF. This agreement appears to have been further solidified in a second portfolio management agreement dated November 15, 2017.

Opinion at 19 (footnotes omitted).

89. Under the prior ALF PMA, Acis LP's consent to the termination of the ALF PMA was required in order to effectuate the ALF PMA Transfer. So, Dondero, on behalf of Acis LP, simply signed the October 2017 PMA, consenting and agreeing to its removal and replacement, and transferring all authority and management rights as portfolio manager of ALF to Highland Advisor under the October 2017 PMA. Acis received no consideration for this transfer.

90. Without this ALF PMA Transfer, which transferred Acis LP's valuable rights under the ALF PMA to Highland Advisor, Highland Funding could not have attempted to liquidate the CLOs, by directing optional redemptions, and further deplete Acis's assets.²¹

91. On October 24, 2017, a mere four days after the Arbitration Award was entered, Waterhouse, on behalf of Acis LP, and Grant Scott, for CLO Holdco Ltd., entered into that certain special resolution whereby Highland Funding, then known as ALF, acquired back Acis's equity interest in ALF (the "ALF Share Transfer"). A true and correct copy of the special resolution is attached hereto as **Exhibit H**. Pursuant the ALF Share Transfer, ALF paid Acis LP \$991,180.13 for all of its shares of ALF.

92. Thus, by virtue of the ALF PMA Transfer and the ALF Share Transfer, by October 31, 2017, Acis LP had given up all of its shares of ALF and all of its control of ALF.

²¹ After the ALF PMA Transfer, Highland Funding and Highland Advisor have issued at least three different optional redemption notices, in an attempt to terminate the PMAs and cut off the Debtors' primary source of cash. All three notices have been withdrawn and/or enjoined by this Court.

93. On November 15, 2017 – only days after the ALF Share Transfer and ALF PMA Transfer were completed – Highland Funding,²² Highland Advisor and CLO Holdco, Ltd. (another Highland Capital affiliate) entered into a subscription agreement whereby Highland Funding completed a private placement of its equity (including, upon information and belief, the equity acquired in the ALF Share Transfer) to third-party investors. The Plaintiffs believe both the ALF PMA Transfer and the ALF Share Transfer were concocted by Highland Capital and Highland Funding to complete this private placement, which was of great value to Highland Funding (then known as Acis Loan Funding, Ltd.) and Highland Capital, but after the transfers, of no value to Acis.²³ Without the ALF PMA Transfer and the ALF Share Transfer, control of Highland Funding's assets, and the Highland Funding stock held by Acis, would be vested in an entity (Acis LP) that was subject to a looming judgment based on Terry's recently acquired Arbitration Award. That would compromise the Highlands' control of Highland Funding.

2. *The Note Transfer*

94. On November 3, 2017, Acis LP, Highland Capital, and Highland Management (a newly created, offshore Highland Capital affiliate) entered into that certain Agreement for Assignment and Transfer of Promissory Note (the "Note Assignment and Transfer Agreement"). A true and correct copy of the Note Assignment and Transfer Agreement is attached hereto as **Exhibit I**. The Note Assignment and Transfer Agreement, among other things, transferred the

²² ALF had changed its name to Highland Funding at this point.

²³ Highland Funding's (then Acis Loan Funding Ltd.) board of director minutes from October 6, 2017, disclose that the private placement investment would bring \$150 million in new investment in Highland Funding and that they were "confident that they could develop further interest and ... bring the total capital to up to around \$325 million." The Arbitration Award was issued against Acis LP exactly two weeks later, throwing a huge monkey wrench in Highland Funding's plans to raise hundreds of millions of dollars for Highland Capital and its cronies. Testimony in the bankruptcy case as well as the subscription agreement demonstrate that numerous Highland Capital executives, as well as Highland Capital itself, received Highland Funding stock in connection with this private placement. Thus, they were highly motivated to close this transaction and also deprive the Acis LP of any value in this transaction.

\$9.5 million promissory note executed by Highland Capital and payable to Acis LP (the "Note") from Acis LP to Highland Management (the "Note Transfer"). As noted in the Opinion:

The Assignment and Transfer Agreement memorializing this transaction is signed by Mr. Dondero for Acis LP and Mr. Dondero for Highland and some undecipherable name for Highland CLO Management Ltd.

The document recites that (i) Highland is no longer willing to continue providing support services to Acis LP, (ii) Acis LP, therefore, can no longer fulfill its duties as a collateral manager, and (iii) Highland CLO Management Ltd. agrees to step into the collateral manager role if Acis LP will assign to it the Acis LP Note Receivable from Highland. One more thing: since Acis LP was expected to potentially incur future legal and accounting/administrative fees, and might not have the ability to pay them when due, Highland CLO Management Ltd. agreed to reimburse Acis LP (or pays its vendors directly) up to \$2 million of future legal expenses and up to \$1 million of future accounting/administrative expenses.

Opinion at 20.

95. Acis LP received no or insufficient consideration for the Note Transfer.

96. The Note Transfer was also of great benefit to Highland Capital because it transferred Highland Capital's liability under the Note away from Acis LP (and its legal woes with Terry) and allowed Highland Capital's liability under the Note, and any payments made thereunder, to stay well within the control of the Highlands. Just as importantly to Highland Capital and Dondero, and in furtherance to their ongoing feud with Terry, the Note Transfer took away the Note as an asset from which Terry could collect his judgment and allowed Highland Capital to argue (as repeatedly argued in the Bankruptcy Cases) that Terry got his judgment against the "wrong" entities and that Highland Capital has no liability related to Terry's claim.

97. Additionally, the Note Assignment and Transfer Agreement also purports to initiate the transfer of the PMAs between Acis and the CLOs to Highland Management.²⁴ Again,

²⁴ Highland Management was registered in the Cayman Islands on October 27, 2017, roughly a week before the Note Transfer (and on the exact day of the ALF PMA Transfer). Thus, Highland Management had no portfolio or collateral management experience whatsoever when it entered the Assignment and Transfer Agreement. To the contrary, it appears Highland Management was an entity that was created specifically to hold the Note and eventually take possession of the PMAs in an international forum that would be difficult for Terry to reach, similar

Acis LP was to receive no consideration for transferring its most significant assets, the PMAs. As the Court is aware, Acis LP did not in fact transfer the PMAs pursuant to the Note Assignment and Transfer Agreement, but it was clearly the plan as outlined in that agreement and further evidence of Highland Capital's intent to steal Acis LP's valuable going-concern business.

3. *The Acis CLO 2017-7 Transfers*

98. On December 19, 2017, Acis LP and Highland Holdings (another newly created, offshore Highland Capital affiliate)²⁵ entered into that certain Agreement for Assignment and Transfer (the "2017-7 Assignment and Transfer Agreement"). A true and correct copy of the 2017-7 Assignment and Transfer Agreement is attached hereto as **Exhibit J**. The 2017-7 Assignment and Transfer Agreement focused on Acis CLO Management, LLC ("Acis CLO Management"), which is an entity that had been formed to enter into a portfolio management agreement with Acis CLO 2017-7, Ltd. ("CLO 2017-7"). CLO 2017-7 is the last CLO the Highlands formed. Acis CLO Management was indirectly owned by Acis LP, and Acis LP and Acis CLO Management had entered into a Master Sub-Advisory Agreement and a Staff and Services Agreement (the "2017-7 Agreements") that allowed Acis LP to manage the CLO 2017-7 portfolio and collect management fees for CLO 2017-7.

99. The 2017-7 Assignment and Transfer Agreement, among other things, transferred to Highland Holdings all of Acis LP's interest in the 2017-7 Agreements. The 2017-7 Assignment and Transfer Agreement also transferred to Highland Holdings all of Acis LP's

to the transferees for the ALF PMA Transfer (Highland Advisor, a Cayman Island entity) the ALF Share Transfer (Highland Funding, a Guernsey entity) and the 2017-1 Assignment and Transfer Agreement (Highland Holdings, a Cayman Island entity). Thus, not only did Highland Capital and Dondero scheme to transfer Acis LP's assets away from it, but they also slyly chose entities in offshore jurisdictions that would be hard for a judgment creditor to reach.

²⁵ Like Highland Management, Highland Holdings was registered in the Cayman Islands on October 27, 2017.

equity interests in various entities that constituted Acis LP's indirect equity interests in Acis CLO Management (the "2017-7 Equity"). Thus, similar to the ALF PMA Transfer and the ALF Share Transfer that occurred roughly two months before, Acis LP was divested of both its ownership in Acis CLO Management and its control of Acis CLO Management (and related management fee stream) in one fell swoop on December 19, 2017, which is the day after Terry received his judgment based on the Arbitration Award. Also, importantly, the 2017-7 Assignment and Transfer Agreement rendered Acis non-compliant with relevant U.S. and European risk retention requirements.

100. Significantly, also on December 19, 2017, Highland Capital entered into an agreement with Highland Holdings that allowed Highland Capital to sub-advise and manage CLO 2017-7 and get paid the management fees that otherwise would have flowed to Acis LP. So, like the numerous transfers before it, Highland Capital effectuated the transfer of the 2017-7 Agreements and 2017-7 Equity to cut out Acis LP, while Highland Capital stayed in complete control of CLO 2017-7 and its stream of management fees.

101. As the Court noted in the Opinion:

On December 19, 2017—just one day after the Arbitration Award was confirmed with the entry of the Final Judgment—the vehicle that can most easily be described as the Acis LP "risk retention structure" (necessitated by federal Dodd Frank law) was transferred away from Acis LP and into the ownership of Highland CLO Holdings, Ltd. (yet another Cayman Island entity, incorporated on October 27, 2017).

In addition to transferring Acis LP's interest in the Acis LP risk retention structure on December 19, 2017, Acis LP also transferred its contractual right to receive management fees for Acis CLO 2017-7, Ltd. (which had just closed April 10, 2017), which Mr. Terry credibly testified had a combined value of \$5 million, to Highland CLO Holdings, Ltd., another Cayman entity, purportedly in exchange for forgiveness of a \$2.8 million receivable that was owed to Highland under the most recent iteration of the Shared Services Agreement and Sub-Advisory Agreement for CLO-7. In conjunction with this transfer, Highland CLO Holdings, Ltd. then entered into new Shared Services and Sub-Advisory Agreements with Highland.

Opinion at 20-21.

102. The purported consideration for the 2017-7 Equity transferred in the 2017-7 Assignment and Transfer Agreement was the forgiveness of a \$2,804,870 payable allegedly owed by Acis LP to Highland Capital and transferred to Highland Funding sometime before the agreement was entered. According to Acis LP's financial statements, this payable to Highland Capital entirely comprises amounts due under the Sub-Advisory Agreement and Shared Services Agreement. Thus, the "consideration" provided in exchange for the 2017-7 Assignment and Transfer Agreement would suffer from the same defects as outlined throughout this Second Amended Complaint related to the Sub Agreements; i.e., Acis only "owed" Highland Capital these amounts because Highland Capital grossly overcharged Acis. Finally, like the Note Transfer, the 2017-7 Equity transfer allowed Highland Capital to effectively collect all of the \$2.8 million owed by Acis LP (assuming it is even a valid debt) through the use of an offshore intermediary.

103. Further, the 2017-7 Assignment and Transfer Agreement itself discloses that no consideration was provided for the transfer of the 2017-7 Agreements. Rather, the justification for the transfer of the 2017-7 Agreements is Highland Capital's self-serving refusal to continue to do business with Acis LP after the Arbitration Award and related judgment.

4. *Thwarted Attempts to Transfer the Universal/BVK Agreement and Force an Optional Redemption*

104. Highland Capital and the other Highlands did not stop with the transfers in the Fall of 2017. Immediately after the Involuntary Petitions were filed on January 30, 2018, Highland Capital conspired with Acis LP's own bankruptcy counsel in an effort to appropriate Acis LP's valuable sub-advisor rights under the Agreement for the Outsourcing of Asset Management (the "Universal/BVK Agreement") between Acis LP and Universal-Investment-

Luxembourg S.A. ("Universal"), which provided sub-advisory services for a German fund called BayVK R2 Lux S.A., SICAV-FIS ("BVK").²⁶ Like the many transfers before it, Highland Capital's plan (as clearly outlined in an email from Isaac Leventon to Mike Warner) was "to transfer the BVK investment management agreement from Acis LP to another Highland-affiliated manager."²⁷ Immediately after Highland Capital sought (and presumably received) advice from Acis's own counsel, Highland Capital reached out to Universal and BVK to solicit their participation in Highland Capital's scheme. In fact, BVK acknowledged in its very first email with Highland Capital after Acis LP's bankruptcy filing that Highland Capital's plan was to replace Acis LP.

105. Over the several weeks leading up to this Court's ruling on the Orders for Relief, Highland Capital and Universal/BVK did, in fact, frequently discuss replacing Acis LP, conducted extensive due diligence in order to replace Acis LP and even negotiated and prepared a new asset management agreement between Highland Capital and Universal that was to take effect once Acis LP and its bankruptcy were out of the way. But even after the Orders for Relief were entered and the Debtors were under the control of a trustee, the communications did not stop. Among other things, Highland Capital volunteered to pay Universal and BVK's legal costs incurred in terminating Acis LP and making Highland Capital the new sub-advisor for Universal and BVK, Highland Capital repeatedly criticized the Trustee for his management of Acis, and Highland Capital repeatedly expressed its desire to negotiate with Universal and to "onboard" Highland Capital as Universal's new sub-advisor. And even after Highland Capital was fired by the Trustee as Acis LP's sub-advisor and replaced with Brigade and Cortland, the

²⁶ The Court held a lengthy hearing on the Universal/BVK Agreement and related lift stay issues on September 11, 2018.

²⁷ Email chain from early February 2018 between Mike Warner (Acis's counsel), Isaac Leventon (Highland Capital's in-house counsel), Timothy Cournoyer (Highland Capital's in-house counsel) and Thomas Surgent (Highland Capital's Chief Compliance Officer), attached as Exhibit K.

communications did not stop. Highland Capital's scheme to transfer the Universal/BVK Agreement to Highland Capital or its affiliate was apparently only prevented by this Court imposing 11 U.S.C. § 363, effectively taking away Acis LP's right to operate outside the ordinary course of business without Court authority under 11 U.S.C. § 303(f) and then later not immediately lifting the automatic stay as to the Universal/BVK Agreement.

106. Finally, Highland Advisor and its sub-manager Highland Capital, used its newly acquired management rights (by way of the ALF PMA Transfer) to attempt to destroy the Debtor, as further described below.

5. *The First Optional Redemption Notices*

107. On April 30, 2018, without requesting relief from the automatic stay, Highland Funding sent five notices purportedly requesting optional redemption pursuant to Section 9.2 of each of the Indentures (the "First Optional Redemption Notices").²⁸ True and correct copies of the First Optional Redemption Notices are attached hereto as **Exhibit L**.

108. The First Optional Redemption Notices directed Acis LP to effectuate an Optional Redemption (as defined under each Indenture). Under Section 9.2 of each Indenture, upon the receipt of a notice of redemption, Acis, in its discretion, is to direct the sale of the Collateral Obligations (as defined by each Indenture) and other Assets. *See* CLO-1 Indenture, § 9.2; CLO-3 Indenture, § 9.2(b); CLO-4 Indenture, § 9.2; CLO-5 Indenture, § 9.2; & CLO-6 Indenture, § 9.2. In the Indentures, "Assets" is defined to include the PMAs. *See* CLO-1 Indenture, p. 8; CLO-3 Indenture, p. 10; CLO-4 Indenture, p. 10; CLO-5 Indenture, p. 10; & CLO-6 Indenture p. 10. Consequently, an Optional Redemption directs Acis LP to liquidate assets of the CLOs over which Acis has certain property rights, including, effectively, the PMAs.

²⁸ Nexpoint Strategic Opportunities Fund (f/k/a NexPoint Credit Strategies Fund) ("Nexpoint") and Drexel Limited ("Drexel") joined in one of the Optional Redemption Notices. Like HCLOF, Nexpoint is an affiliate of Highland.

109. The Trustee analyzed the First Optional Redemption Notices and determined there were various defects which rendered them ineffective. Therefore, on May 22, 2018, the Trustee sent his responses to the five First Optional Redemption Notices (the "Redemption Responses"). True and correct copies of the Redemption Responses are attached hereto as Exhibit M.

6. *The Temporary Restraining Order Against the Highlands*

110. On May 30, 2018, Highland Capital and Highland Funding initiated this Adversary Proceeding and alleged, among other things, that the Trustee breached the PMAs by failing to effectuate an Optional Redemption pursuant to the First Optional Redemption Notices.

111. The next day, on May 31, 2018, upon the request of the Trustee, the Court held a status conference in the Bankruptcy Cases, and the Trustee explained that, almost immediately after his appointment, he began exploring plan options regarding a potential transaction that would transfer rights under the PMAs, the Sub-Advisory Agreement, the Shared Services Agreement, and the subordinated notes, with respect to CLO-3, CLO-4, CLO-5, and CLO-6, with the goal of maximizing value for all parties. The Trustee informed the Court that he was in the process of negotiating a transaction with a party that would potentially provide enough value to pay all parties, including potentially all of Acis's creditors in full.

112. On May 31, 2018, at the conclusion of the status conference, the Court, *sua sponte*, issued a temporary restraining order, which prevented all parties from taking any action in furtherance of the Optional Redemption for fourteen (14) days.

113. On June 6, 2018 the Court entered its *Temporary Restraining Order* (the "TRO"), whereby the Restrained Parties (as defined in the TRO) were enjoined until 12:01 a.m. on June 15, 2018, from:

- a) proceeding with, effectuating, or otherwise taking any action in furtherance of the Optional Redemption, call, or other liquidation of the Acis CLOs; and
- b) sending, mailing, or otherwise distributing any notice to the holders of the Acis CLOs in connection with the Optional Redemption, call, or other liquidation of the Acis CLOs.

114. On June 11, 2018, the Trustee filed his *Motion to Extend the Temporary Restraining Order* (the "Motion to Extend the TRO"), in which the Trustee sought to extend the TRO for an additional 14 days. *See* Docket No. 275.

115. Also on June 11, 2018, Highland Funding filed its *Memorandum of Law in Opposition to the Continuance of the Temporary Restraining Order* (the "Brief in Opposition to Extending the TRO"). *See* Case No. 18-3264, Docket. No. 271. This pleading did not mention that Highland Capital apparently violated the TRO by initiating approximately \$23 million of sales of CLO assets pursuant to the Optional Redemption after the Court issued its *sua sponte* TRO on May 31.

7. *The Second Optional Redemption Notices*

116. On June 13, 2018, the day before the hearing on the Motion to Extend the TRO, Highland Funding advised the Trustee that Highland Funding would withdraw the First Optional Redemption Notices. Highland Funding's correspondence with the Trustee indicating its intent to withdraw the First Optional Redemption Notices is attached hereto as **Exhibit N** and incorporated herein for all purposes. Thereafter, the Trustee advised the Court that Highland Funding was withdrawing the First Optional Redemption Notices, and the Trustee therefore did not intend to go forward with the Motion to Extend the TRO on June 14.

117. On June 14, 2018, counsel for Highland Funding advised the Court that Highland Funding had withdrawn the First Optional Redemption Notices. Counsel for Highland Funding

further advised the Court that the First Optional Redemption Notices were withdrawn to bring "some sanity to this process":

That was done obviously for multiple reasons. My client doesn't believe that this is the appropriate time to be effectuating such a redemption for its own economic reasons, setting aside the complications it's obviously caused for others in this room. But needless to say, that, too, is an effort to try to bring, as I believe the Court has requested, and others have, some sanity to this process.²⁹

118. On June 15, 2018, at 12:01 a.m., the TRO expired.

119. Later on June 15, 2018, despite the fact that Highland Funding had just withdrawn the First Optional Redemption Notices, had advised the Court of the same, and the Trustee and the Court acted in reliance on same, (again, without requesting relief from the automatic stay) Highland Funding gave notice to the Trustee that it was again requesting an Optional Redemption pursuant to the Section 9.2 of each of the Indentures (the "Second Optional Redemption Notices," and together with the First Optional Redemption Notices, the "Optional Redemption Notices"). The Second Optional Redemption Notices are attached hereto as **Exhibit Q** and are incorporated herein for all purposes.

120. By the Second Optional Redemption Notices, Highland Funding directed the Issuers:

to effect an Optional Redemption of all Secured Notes and the Subordinated Notes in full on July 30, 2018 for the express purpose of placement of a portion of the portfolio of assets held by the Co-Issuers into a warehouse arrangement or a total return swap or other derivative arrangement with Highland Capital Management, L.P. acting as the Sub-Advisor pursuant to a Sub-Advisory Agreement.

121. On June 20, 2018, Highland Capital presented to the Trustee hundreds of millions of dollars of "proposed trades" pursuant to this second Optional Redemption. In its correspondence to the Trustee regarding such proposed trades, Highland Capital further stated:

²⁹ See Docket No. 298 at 7, ll. 16-22 (June 14, 2018 Hr'g Tr.).

In order to effectuate the Transaction and obtain best execution, Highland requests your consent by no later than 2pm tomorrow, Thursday June 21, 2018 (the "Deadline"). The Acis Accounts may incur losses as a result of your failure to respond by the Deadline.
Highland believes it has an independent fiduciary obligation to the CLOs. If you instruct Highland not to proceed to undertake the Optional Redemption, Highland reserves its rights to seek appropriate protection and redress at law or in equity.³⁰

H. Preferential Transfers Made within One Year of the Petition Date

122. Acis's Statement of Financial Affairs [Case No. 18-30264, Docket No. 165] (the "SOFA")³¹ and its general ledger disclose more than two dozen payments totaling \$16,113,790.14 made to Highland Capital within one year of the Petition Date based on four categories (the "Prepetition Payments"):

- (i) Contractual Payments: \$5,011,836.72
- (ii) Services: \$7,672,145.25³²
- (iii) Unsecured Loan Repayments Including Interest: \$3,311,497.65
- (iv) Expense Reimbursement: \$118,311.32

123. The Prepetition Payments were made for the benefit of Highland Capital for or on account of an antecedent debt owed by the Debtors before the Prepetition Payments were made. Acis was insolvent at all times when the Prepetition Payments were made. Based on Terry's pending—or already decided—claims, as well as Highland Capital's absolute operational and financial control of Acis, Highland Capital was aware that Acis was insolvent or reasonably should have been aware Acis was insolvent at all times when the Prepetition Payments were made. The Prepetition Payments were made within one year of the Petition Date. At the time the

³⁰ Emphasis in original email correspondence.

³¹ The SOFA is sworn under penalty of perjury and signed by Issac Leventon, a Highland employee and associate general counsel.

³² The Statement of Financial Affairs, filed in the bankruptcy cases by Acis while under Highland Capital control, fails to list an additional \$1,868,203.44 in transfers to Highland Capital for "Services" that were made shortly before the Petition Date.

Prepetition Payments were made Highland Capital was an insider of the Debtors. The Prepetition Payments enabled Highland Capital to receive more than Highland Capital would have received if the cases were a case under chapter 7 of the Bankruptcy Code and if the Prepetition Payments had not been made. Highland Capital received the Prepetition Payments. *See Williams v. McKesson Corp. (In re Quality Infusion Care, Inc.)*, Nos. 10-36675, 13-3056, 2013 Bankr. LEXIS 5044 (Bankr. S.D. Tex. Nov. 25, 2013) (citing *Palmer Clay Prods. Co. v. Brown*, 297 U.S. 227, 229 (1936) and stating the 547(b)(5) is to be analyzed as of the Petition Date).

124. Further, to the extent that the Acis LP payables that served as the consideration for the Note Transfer and the 2017-7 Equity transfer were valid, these transfers would also constitute preferential payments to Highland Capital, Highland Management and Highland Holdings. The SOFA discloses that Highland Management is an "affiliate" of the Debtors and the Note Transfer is included on the list of "payments, distributions, withdrawals credited, or given to insiders" within one year before filing the Bankruptcy Cases. *See* SOFA p. 12.

VI. CAUSES OF ACTION³³

Count 1: Declaratory Judgment that Expense Overpayments to Highland Capital Were Ultra Vires in Violation of the LPA [Against Highland Capital]

125. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

126. Under Delaware law, *ultra vires* corporate acts are either void or voidable. *See Klaassen v. Allegro Dev. Corp.*, C.A. No. 8626-VCL, 2013 Del. Ch. LEXIS 247, at *48-50 (Oct. 11, 2013); *see also Stephen A. Solomon v. Armstrong*, 747 A.2d 1098, 1114 n.45 (1999) (explaining the difference between void and voidable acts). Delaware courts apply the doctrine

³³ All causes of action asserted herein are also asserted as counterclaims to the Highland Capital Claims pursuant to section 16.069 of the Texas Civil Practice & Remedies Code and other applicable law.

of *ultra vires* to partnerships by analogy. See, e.g., *In re Mesa Ltd. P'ship Preferred Unitholders Litig.*, Civil Action No. 12,243, 1991 Del. Ch. LEXIS 214, at *20 (Dec. 10, 1991).

127. Highland Capital invoiced Acis for, and received payments for, at least \$7,021,924.00 in excess of 20% of Revenues, in violation of the LPA. Highland Capital, an Affiliate of Acis GP, accepted such funds in violation of Section 3.10(a) of the LPA.

128. Such Expense Overpayments, and any agreements supporting such Expense Overpayments, were economically irrational, not in the interest of Acis LP, and are therefore void; however, if not void, such actions are voidable because they were done without the consent or ratification of all members of the Founding Partner Group. The payments to Highland Capital of the Expense Overpayments in the amount of at least \$7,021,924.00 and any agreements supporting such overpayments were unauthorized or *ultra vires* acts of the partnership in violation of the LPA, and are therefore void or voidable.

***Count 2: Turnover of Property of the Estate under 11 U.S.C. § 542(a)
for Unauthorized Overpayments
[Against Highland Capital]***

129. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

130. Under section 542(a) of the Bankruptcy Code, "an entity, other than a custodian, in possession, custody, or control, during the case, of property that the trustee may use, sell, or lease under section 363 . . . shall deliver to the trustee, and account for, such property or the value of such property, unless such property is of inconsequential value or benefit to the estate." 11 U.S.C. § 542(a).

131. Under section 541(a) of the Bankruptcy Code, property of the estate includes "all legal or equitable interests of the debtor in property as of the commencement of the case." 11 U.S.C. § 541(a). Further, the "estate is comprised of [such] property, wherever located and by whomever held." *Id.*

132. Highland Capital wrongfully received Expense Overpayments of at least \$7,021,924.00 in excess of 20% of Revenues in violation of the LPA.

133. The property, or value of such property, from the overpayment of funds wrongfully transferred to Highland Capital totaling at least \$7,021,924.00, in Highland Capital's possession, custody, or control is property of the estate, and the value of such property is not of inconsequential value or benefit to the estate.

134. Pursuant to section 542(a) of the Bankruptcy Code, Highland Capital must deliver to the Trustee the property or value of such property, totaling at least \$7,021,924.00, wrongfully transferred to Highland Capital.

135. Therefore, the Plaintiffs, now vested with all claims of the Trustee, seek turnover of the funds, totaling at least \$7,021,924.00, transferred to Highland Capital, to the extent allowed pursuant to section 542 of the Bankruptcy Code.

***Count 3: Money Had and Received for Overcharges and Unauthorized Overpayments
[Against Highland Capital]***

136. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

137. "An action for money had and received arises when the defendant obtains money which in equity and good conscience belongs to the plaintiff. This action . . . looks only to the justice of the case and inquires whether the defendant has received money which rightfully belongs to another." *Amoco Prod. Co. v. Smith*, 946 S.W.2d 162, 164 (Tex. App.—El Paso 1997, no pet.) (internal citations omitted).

138. Highland Capital invoiced Acis for, and received Expense Overpayments for, at least \$7,021,924.00 in excess of 20% of Revenues in violation of the LPA. Highland Capital, an Affiliate of Acis GP, accepted such funds in violation of Section 3.10(a) of the LPA. Highland

Capital was therefore unjustly enriched in the amount of the Expense Overpayments of at least \$7,021,924.00.

139. Highland Capital invoiced Acis and accepted such Expense Overpayments from Acis despite Highland Capital's knowledge of the LPA. This money rightfully belongs to Acis, and the overpayment creates a debt in favor of Acis. Therefore, the Plaintiffs are entitled to damages on behalf of Acis in the amount of at least \$7,021,924.00. In addition, Highland Capital charged Acis more than a market rate under the Second Amended Sub-Advisory Agreement and the Third Amended Sub-Services Agreement and is liable to Acis in the amount of these overcharges.

***Count 4: Conversion for Unauthorized Overpayments
[Against Highland Capital]***

140. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

141. "Conversion is defined as the wrongful exercise of dominion and control over another's property in denial of or inconsistent with his rights." *Green Int'l v. Solis*, 951 S.W.2d 384, 391 (Tex. 1997).

142. Highland Capital wrongfully exercised dominion and control over at least \$7,021,924.00 in excess of 20% of Revenues in violation of the LPA. Highland Capital, through the common control of Dondero, was aware that it was prohibited from receiving payment in excess of 20% of Revenues without the consent of all members of the Founding Partner Group. Highland Capital also had actual notice of the Arbitration Award through Dondero (who was represented at the arbitration proceeding) that Highland Capital was wrongfully in possession of such money. Despite Highland Capital's actual knowledge that the money does not rightfully belong to Highland Capital, Highland Capital continues to improperly retain the overpaid funds. Therefore, the Plaintiffs are entitled to damages in the amount of at least \$7,021,924.00. In

addition, Highland Capital charged Acis more than a market rate under the Second Amended Sub-Advisory Agreement and the Third Amended Shared Services Agreement and is liable to Acis in the amount of these overcharges.

Count 5: Actual Fraudulent Transfer under 11 U.S.C. § 548(a)(1)(A) related to the Sub-Advisory Agreement [Against Highland Capital]

143. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

144. Section 548(a)(1)(A) of the Bankruptcy Code provides that a trustee may avoid any transfer of an interest of the debtor in property, or any obligation incurred by the debtor, if the debtor made such transfer or incurred such obligation with actual intent to hinder, delay, or defraud any entity to which the debtor was or became, on or after the date that such transfer was made or such obligation was incurred, indebted.

145. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the modifications to the Sub-Advisory Agreement made in the Second Amended Sub-Advisory Agreement and Third Amended Sub-Advisory Agreement, any obligations incurred by Acis in connection with these modifications to the Sub-Advisory Agreement, and any payments made (including increase in payments made) by Acis to Highland Capital in connection with these modifications to the Sub-Advisory Agreement because such modifications and payments were made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The modifications to the Sub-Advisory Agreement were made shortly after Terry's termination and just prior to litigation with Terry;
- (ii) The modifications to the Sub-Advisory Agreement—entered into by Dondero on behalf of Acis and Highland Capital—and payments

thereunder were made with the actual intent to divert assets to and for the benefit of Highland Capital, in fraud upon Acis's creditors, namely Terry.

- (iii) Acis was or became insolvent as a result of the modifications to the Sub-Advisory Agreement and payments thereunder;
- (iv) The modifications to the Sub-Advisory Agreement and payments thereunder occurred both before and after substantial debts were incurred by Acis;
- (v) The consideration received by Acis for the modifications to the Sub-Advisory Agreement and payments thereunder were not reasonably equivalent in value; and
- (vi) the transfer/obligation incurred was to an insider.

146. Therefore, such modifications to the Sub-Advisory Agreements and payments to Highland Capital pursuant to such modifications should be avoided to the extent avoidable under section 548(a)(1)(A) of the Bankruptcy Code.

***Count 6: Actual Fraudulent Transfer under Tex. Bus. & Com. Code § 24.005(a)(1) related to the Sub-Advisory Agreement
[Against Highland Capital]***

147. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

148. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(1) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation with an actual intent to hinder, delay or defraud any creditor of the debtor. Pursuant to section 544 of the Bankruptcy Code, the Trustee may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(1).

- SECOND AMENDED COMPLAINT (INCLUDING CLAIM OBJECTIONS AND OBJECTIONS TO ADMINISTRATIVE EXPENSE CLAIM)

150. Therefore, Acis's creditors have the right to avoid the Sub-Advisory Agreement and payments thereunder under section 24.005(a)(1) of the Texas Business and Commerce Code, and the Plaintiffs, now vested with all claims of the Trustee, can seek to enforce that right under section 544 of the Bankruptcy Code.

***Count 7: Constructive Fraudulent Transfer under 11 U.S.C. § 548(a)(1)(B) related to the Sub-Advisory Agreement
[Against Highland Capital]***

151. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

152. Section 548(a)(1)(B) of the Bankruptcy Code provides that a trustee may avoid any transfer of any interest of the debtor in property, or any obligation incurred by the debtor, if the debtor (i) received less than reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was insolvent on the date the transfer was made or the obligation was incurred, or became insolvent as the result of the transfer or obligation; (B) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; or (C) intended to incur, or believed the debtor would incur, debts that would be beyond the debtors' ability to pay such debts.

153. As described above, among other things, Acis LP:

- (i) received less than reasonably equivalent value in exchange for the modifications to the Sub-Advisory Agreement and payments made thereunder;
- (ii) was or became insolvent as the result of the modifications to the Sub-Advisory Agreement and payments made thereunder; and
- (iii) intended to incur, or believed Acis would incur, debts that would be beyond Acis's ability to pay such debts.

154. Therefore, the modifications to the Sub-Advisory Agreement made in the Second Amended Sub-Advisory Agreement and the Third Amended Sub-Advisory Agreement, any obligations incurred by Acis in connection with these modifications to the Sub-Advisory Agreement and any payments made (including increase in payments made) by Acis to Highland Capital in connection with these modifications to the Sub-Advisory Agreement are avoidable by the Plaintiffs, now vested with all claims of the Trustee, under section 548(a)(1)(B).

***Count 8: Constructive Fraudulent Transfer under Tex. Bus. & Com. Code §§ 24.005(a)(2) and 24.006(a) related to the Sub-Advisory Agreement
[Against Highland Capital]***

155. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

156. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(2) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was engaged or about to engage in a business or transaction for which the remaining assets were unreasonably small in relation to the business or transaction, or (B) intended to incur, or believed or reasonably should have believed, that the debtor would incur debts beyond the debtor's ability to pay as they became due. Similarly, Texas Business and Commerce Code section 24.006(a) provides that a current creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) the debtor was insolvent or rendered insolvent by the transfer or obligation sought to be avoided. Pursuant to section 544 of the Bankruptcy Code, the Plaintiffs, now vested with all claims of the Trustee, may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

157. As described above, Acis LP did not receive reasonably equivalent value in exchange for the modifications to the Sub-Advisory Agreement and payments made thereunder to Highland Capital, and creditors at the time of such modifications and payments could have avoided such modifications and payments under section 24.005(a)(2) of the Texas Business and Commerce Code.

158. At the time of the modifications to the Sub-Advisory Agreement and payments made thereunder to Highland Capital, Acis intended to incur, or believed or reasonably should have believed that Acis would incur, debts beyond its ability to pay as they became due, and/or was engaged, or was about to engage in a business or transaction for which the remaining assets of Acis were unreasonably small in relation to such business or transaction.

159. Moreover, as described above, Acis was insolvent or became insolvent by the modifications to the Sub-Advisory Agreement and payments made thereunder.

160. Therefore, the modifications to the Sub-Advisory Agreement made in the Second Amended Sub-Advisory Agreement and the Third Amended Sub-Advisory Agreement, any obligations incurred by Acis in connection with these modifications to the Sub-Advisory Agreement and any payments made (including increase in payments made) by Acis to Highland Capital in connection with these modifications to the Sub-Advisory Agreement are avoidable under Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

***Count 9: Actual Fraudulent Transfer under 11 U.S.C. § 548(a)(1)(A)
for the ALF PMA Transfer
[Against Highland Capital, Highland Funding, and Highland Advisor]***

161. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

162. Section 548(a)(1)(A) of the Bankruptcy Code provides that a trustee may avoid any transfer of an interest of the debtor in property, or any obligation incurred by the debtor, if the debtor made such transfer or incurred such obligation with actual intent to hinder, delay, or

defraud any entity to which the debtor was or became, on or after the date that such transfer was made or such obligation was incurred, indebted.

163. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the ALF PMA Transfer because such transfer was made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The ALF PMA Transfer was made just seven days after Terry's Arbitration Award against Acis;
- (ii) The ALF PMA Transfer was made with the actual intent to divert Acis LP's contractual rights under the ALF PMA to and for the benefit of Highland Advisor, in fraud upon Acis LP's creditors, namely Terry.
- (iii) Acis LP was insolvent at the time of the ALF PMA Transfer or became insolvent as a result of the ALF PMA Transfer;
- (iv) The ALF PMA Transfer occurred both before and after substantial debts were incurred by Acis LP;
- (v) Acis LP received less than a reasonably equivalent value in exchange for the ALF PMA Transfer;
- (vi) The transfer was made to an insider (Highland Advisor) and for the benefit of insiders (Highland Funding and Highland Capital); and
- (vii) Highland Capital (as sub-advisor to Highland Advisor) retained effective possession and control of the property transferred after the transfer.

164. Therefore, the ALF PMA Transfer should be avoided to the extent avoidable under section 548(a)(1)(A) of the Bankruptcy Code.

***Count 10: Actual Fraudulent Transfer under Tex. Bus. & Com. Code § 24.005(a)(1)
for the ALF PMA Transfer
[Against Highland Capital, Highland Funding, and Highland Advisor]***

165. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

166. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(1) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation with an actual intent to hinder, delay or defraud any creditor of the debtor. Pursuant to section 544 of the Bankruptcy Code, the Trustee may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(1).

167. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the ALF PMA Transfer because such transfer was made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The ALF PMA Transfer was made just seven days after Terry's Arbitration Award against Acis;
- (ii) The ALF PMA Transfer was made with the actual intent to divert Acis LP's contractual rights under the ALF PMA to and for the benefit of Highland Advisor, in fraud upon Acis LP's creditors, namely Terry.
- (iii) Acis LP was insolvent at the time of the ALF PMA Transfer or became insolvent as a result of the ALF PMA Transfer;
- (iv) The ALF PMA Transfer occurred both before and after substantial debts were incurred by Acis LP; and
- (v) Acis LP received less than a reasonably equivalent value in exchange for the ALF PMA Transfer;

- (vi) The transfer was made to an insider (Highland Advisor) and for the benefit of insiders (Highland Funding and Highland Capital); and
- (vii) Highland Capital (as sub-advisor to Highland Advisor) retained effective possession and control of the property transferred after the transfer.

168. Therefore, Acis's creditors have the right to avoid the ALF PMA Transfer under section 24.005(a)(1) of the Texas Business and Commerce Code, and the Plaintiffs can seek to enforce that right under section 544 of the Bankruptcy Code.

***Count 11: Constructive Fraudulent Transfers under 11 U.S.C. § 548(a)(1)(B)
for the ALF PMA Transfer
[Against Highland Capital, Highland Funding, and Highland Advisor]***

169. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

170. Section 548(a)(1)(B) of the Bankruptcy Code provides that a trustee may avoid any transfer of any interest of the debtor in property, or any obligation incurred by the debtor, if the debtor (i) received less than reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was insolvent on the date the transfer was made or the obligation was incurred, or became insolvent as the result of the transfer or obligation: (B) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; or (C) intended to incur, or believed the debtor would incur, debts that would be beyond the debtors' ability to pay such debts.

171. As described above, among other things, Acis LP:

- (i) received less than reasonably equivalent value in exchange for the ALF PMA Transfer;
- (ii) was insolvent on the date the ALF PMA Transfer was made or became insolvent as the result of the ALF PMA Transfer;

- (iii) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; and
- (iii) intended to incur, or believed Acis would incur, debts that would be beyond Acis's ability to pay such debts.

172. Therefore, ALF PMA Transfer is avoidable under section 548(a)(1)(B) of the Bankruptcy Code.

***Count 12: Constructive Fraudulent Transfer under Tex. Bus. & Com. Code §§ 24.005(a)(2) and 24.006(a) for the ALF PMA Transfer
[Against Highland Capital, Highland Funding, and Highland Advisor]***

173. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

174. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(2) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was engaged or about to engage in a business or transaction for which the remaining assets were unreasonably small in relation to the business or transaction, or (B) intended to incur, or believed or reasonably should have believed, that the debtor would incur debts beyond the debtor's ability to pay as they became due. Similarly, Texas Business and Commerce Code section 24.006(a) provides that a current creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) the debtor was insolvent or rendered insolvent by the transfer or obligation sought to be avoided. Pursuant to section 544 of the Bankruptcy Code, the Plaintiffs, now vested with all claims of the

Trustee, may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

175. As described above, Acis LP did not receive reasonably equivalent value in exchange for the ALF PMA Transfer, and creditors at the time of the ALF PMA Transfer could have avoided such transfer under section 24.005(a)(2) of the Texas Business and Commerce Code.

176. At the time of the ALF PMA Transfer, Acis intended to incur, or believed or reasonably should have believed that Acis would incur, debts beyond its ability to pay as they became due, and/or was engaged, or was about to engage in a business or transaction for which the remaining assets of Acis were unreasonably small in relation to such business or transaction.

177. Moreover, as described above, Acis was insolvent or was rendered insolvent by the ALF PMA Transfer.

178. The ALF PMA Transfer is therefore avoidable under Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

***Count 13: Actual Fraudulent Transfer under 11 U.S.C. § 548(a)(1)(A)
for the ALF Share Transfer
[Against Highland Capital and Highland Funding]***

179. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

180. Section 548(a)(1)(A) of the Bankruptcy Code provides that a trustee may avoid any transfer of an interest of the debtor in property, or any obligation incurred by the debtor, if the debtor made such transfer or incurred such obligation with actual intent to hinder, delay, or defraud any entity to which the debtor was or became, on or after the date that such transfer was made or such obligation was incurred, indebted.

181. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the ALF Share Transfer because such transfer was made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The ALF Share Transfer was made just four days after Terry's Arbitration Award against Acis;
- (ii) The ALF Share Transfer was made with the actual intent to divert Acis LP's interest and control in ALF to and for the benefit of Highland Funding, in fraud upon Acis LP's creditors, namely Terry.
- (iii) Acis LP was insolvent at the time of the ALF Share Transfer or became insolvent as a result of the ALF Share Transfer;
- (iv) The ALF Share Transfer occurred both before and after substantial debts were incurred by Acis LP; and
- (v) Acis LP received less than a reasonably equivalent value in exchange for the ALF Share Transfer;
- (vi) The transfer was made to an insider (Highland Funding) and for the benefit of an insider (Highland Capital); and
- (vii) Highland Capital (as sub-advisor to Highland Advisor) retained effective possession and control of the property transferred after the transfer.

182. Therefore, the ALF Share Transfer should be avoided to the extent avoidable under section 548(a)(1)(A) of the Bankruptcy Code.

***Count 14: Actual Fraudulent Transfer under Tex. Bus. & Com. Code § 24.005(a)(1)
for the ALF Share Transfer
[Against Highland Capital and Highland Funding]***

183. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

184. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(1) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation with an actual intent to hinder, delay or defraud any creditor of the debtor. Pursuant to section 544 of the Bankruptcy Code, the Trustee may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(1).

185. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the ALF Share Transfer because such transfer was made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The ALF Share Transfer was made just four days after Terry's Arbitration Award against Acis;
- (ii) The ALF Share Transfer was made with the actual intent to divert Acis LP's interest and control in ALF to and for the benefit of Highland Funding, in fraud upon Acis LP's creditors, namely Terry.
- (iii) Acis LP was insolvent at the time of the ALF Share Transfer or became insolvent as a result of the ALF Share Transfer;
- (iv) The ALF Share Transfer occurred both before and after substantial debts were incurred by Acis LP; and
- (v) Acis LP received less than a reasonably equivalent value in exchange for the ALF Share Transfer;
- (vi) The transfer was made to an insider (Highland Funding) and for the benefit of an insider (Highland Capital); and

- (vii) Highland Capital (as sub-advisor to Highland Advisor) retained effective possession and control of the property transferred after the transfer.

186. Therefore, Acis's creditors have the right to avoid the ALF Share Transfer under section 24.005(a)(1) of the Texas Business and Commerce Code, and the Plaintiffs can seek to enforce that right under section 544 of the Bankruptcy Code.

***Count 15: Constructive Fraudulent Transfers under 11 U.S.C. § 548(a)(1)(B)
for the ALF Share Transfer
[Against Highland Capital and Highland Funding]***

187. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

188. Section 548(a)(1)(B) of the Bankruptcy Code provides that a trustee may avoid any transfer of any interest of the debtor in property, or any obligation incurred by the debtor, if the debtor (i) received less than reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was insolvent on the date the transfer was made or the obligation was incurred, or became insolvent as the result of the transfer or obligation: (B) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; or (C) intended to incur, or believed the debtor would incur, debts that would be beyond the debtors' ability to pay such debts.

189. As described above, among other things, Acis LP:

- (i) received less than reasonably equivalent value in exchange for the ALF Share Transfer;
- (ii) was insolvent on the date the ALF Share Transfer was made or became insolvent as the result of the ALF Share Transfer;
- (iii) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; and

(iii) intended to incur, or believed Acis would incur, debts that would be beyond Acis's ability to pay such debts.

190. Therefore, ALF Share Transfer is avoidable by the Plaintiffs, now vested with all claims of the Trustee, under section 548(a)(1)(B) of the Bankruptcy Code.

***Count 16: Constructive Fraudulent Transfer under Tex. Bus. & Com. Code §§ 24.005(a)(2) and 24.006(a) for the ALF Share Transfer
[Against Highland Capital and Highland Funding]***

191. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

192. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(2) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was engaged or about to engage in a business or transaction for which the remaining assets were unreasonably small in relation to the business or transaction, or (B) intended to incur, or believed or reasonably should have believed, that the debtor would incur debts beyond the debtor's ability to pay as they became due. Similarly, Texas Business and Commerce Code section 24.006(a) provides that a current creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) the debtor was insolvent or rendered insolvent by the transfer or obligation sought to be avoided. Pursuant to section 544 of the Bankruptcy Code, the Plaintiffs, now vested with all claims of the Trustee, may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

193. As described above, Acis LP did not receive reasonably equivalent value in exchange for the ALF Share Transfer, and creditors at the time of the ALF Share Transfer could

have avoided such transfer under section 24.005(a)(2) of the Texas Business and Commerce Code.

194. At the time of the ALF Share Transfer, Acis intended to incur, or believed or reasonably should have believed that Acis would incur, debts beyond its ability to pay as they became due, and/or was engaged, or was about to engage in a business or transaction for which the remaining assets of Acis were unreasonably small in relation to such business or transaction.

195. Moreover, as described above, Acis was insolvent or rendered insolvent by the ALF Share Transfer.

196. The ALF Share Transfer is therefore avoidable under Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

***Count 17: Actual Fraudulent Transfer under 11 U.S.C. § 548(a)(1)(A)
for the Note Transfer
[Against Highland Capital and Highland Management]***

197. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

198. Section 548(a)(1)(A) of the Bankruptcy Code provides that a trustee may avoid any transfer of an interest of the debtor in property, or any obligation incurred by the debtor, if the debtor made such transfer or incurred such obligation with actual intent to hinder, delay, or defraud any entity to which the debtor was or became, on or after the date that such transfer was made or such obligation was incurred, indebted.

199. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the Note Transfer because such transfer was made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The Note Transfer was made shortly after Terry's Arbitration Award against Acis;

- (ii) The Note Transfer was made with the actual intent to divert the \$9.5 million promissory note by Highland Capital in favor of Acis LP to and for the benefit of Highland Management, in fraud upon Acis LP's creditors, namely Terry.
- (iii) Acis LP was insolvent at the time of the Note Transfer or became insolvent as a result of the Note Transfer;
- (iv) The Note Transfer occurred both before and after substantial debts were incurred by Acis LP; and
- (v) Acis LP received less than a reasonably equivalent value in exchange for the Note Transfer;
- (vi) The transfer was made to an insider (Highland Management) and for the benefit of an insider (Highland Capital); and
- (vii) Highland Capital retained effective possession and control of the property transferred after the transfer.

200. Therefore, the Note Transfer should be avoided to the extent avoidable under section 548(a)(1)(A) of the Bankruptcy Code.

***Count 18: Actual Fraudulent Transfer under Tex. Bus. & Com. Code § 24.005(a)(1)
for the Note Transfer
[Against Highland Capital and Highland Management]***

201. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

202. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(1) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation with an actual intent to hinder, delay or defraud any creditor of the debtor. Pursuant to section 544 of the Bankruptcy

Code, the Trustee may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(1).

203. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the Note Transfer because such transfer was made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The Note Transfer was made shortly after Terry's Arbitration Award against Acis;
- (ii) The Note Transfer was made with the actual intent to divert the \$9.5 million promissory note by Highland Capital in favor of Acis LP to and for the benefit of Highland Management, in fraud upon Acis LP's creditors, namely Terry.
- (iii) Acis LP was insolvent at the time of the Note Transfer or became insolvent as a result of the Note Transfer;
- (iv) The Note Transfer occurred both before and after substantial debts were incurred by Acis LP; and
- (v) Acis LP received less than a reasonably equivalent value in exchange for the Note Transfer;
- (vi) The transfer was made to an insider (Highland Management) and for the benefit of an insider (Highland Capital); and
- (vii) Highland Capital retained effective possession and control of the property transferred after the transfer.

204. Therefore, Acis's creditors have the right to avoid the ALF Share Transfer under section 24.005(a)(1) of the Texas Business and Commerce Code, and the Plaintiffs can seek to enforce that right under section 544 of the Bankruptcy Code..

***Count 19: Constructive Fraudulent Transfers under 11 U.S.C. § 548(a)(1)(B)
for the Note Transfer
[Against Highland Capital and Highland Management]***

205. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

206. Section 548(a)(1)(B) of the Bankruptcy Code provides that a trustee may avoid any transfer of any interest of the debtor in property, or any obligation incurred by the debtor, if the debtor (i) received less than reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was insolvent on the date the transfer was made or the obligation was incurred, or became insolvent as the result of the transfer or obligation: (B) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; or (C) intended to incur, or believed the debtor would incur, debts that would be beyond the debtors' ability to pay such debts.

207. As described above, among other things, Acis LP:

- (i) received less than reasonably equivalent value in exchange for the Note Transfer;
- (ii) was insolvent on the date the Note Transfer was made or became insolvent as the result of the Note Transfer;
- (iii) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; and
- (iii) intended to incur, or believed Acis would incur, debts that would be beyond Acis's ability to pay such debts.

208. Therefore, Note Transfer is avoidable by the Plaintiffs, now vested with all claims of the Trustee, under section 548(a)(1)(B) of the Bankruptcy Code.

***Count 20: Constructive Fraudulent Transfer under Tex. Bus. & Com. Code §§ 24.005(a)(2)
and 24.006(a) for the Note Transfer
[Against Highland Capital and Highland Management]***

209. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

210. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(2) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was engaged or about to engage in a business or transaction for which the remaining assets were unreasonably small in relation to the business or transaction, or (B) intended to incur, or believed or reasonably should have believed, that the debtor would incur debts beyond the debtor's ability to pay as they became due. Similarly, Texas Business and Commerce Code section 24.006(a) provides that a current creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) the debtor was insolvent or rendered insolvent by the transfer or obligation sought to be avoided. Pursuant to section 544 of the Bankruptcy Code, the Plaintiffs, now vested with all claims of the Trustee, may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

211. As described above, Acis LP did not receive reasonably equivalent value in exchange for the Note Transfer, and creditors at the time of the Note Transfer could have avoided such transfer under section 24.005(a)(2) of the Texas Business and Commerce Code.

212. At the time of the Note Transfer, Acis intended to incur, or believed or reasonably should have believed that Acis would incur, debts beyond its ability to pay as they

became due, and/or was engaged, or was about to engage in a business or transaction for which the remaining assets of Acis were unreasonably small in relation to such business or transaction.

213. Moreover, as described above, Acis was insolvent or rendered insolvent by the Note Transfer.

214. The Note Transfer is therefore avoidable under Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

***Count 21: Actual Fraudulent Transfer under 11 U.S.C. § 548(a)(1)(A)
for the 2017-7 Equity and 2017-7 Agreement Transfers
[Against Highland Capital and Highland Holdings]***

215. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

216. Section 548(a)(1)(A) of the Bankruptcy Code provides that a trustee may avoid any transfer of an interest of the debtor in property, or any obligation incurred by the debtor, if the debtor made such transfer or incurred such obligation with actual intent to hinder, delay, or defraud any entity to which the debtor was or became, on or after the date that such transfer was made or such obligation was incurred, indebted.

217. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the transfers of the 2017-7 Agreements and the 2017-7 Equity because such transfers were made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The transfers of the 2017-7 Agreements and the 2017-7 Equity were made shortly after Terry's Arbitration Award against Acis and immediately after Terry's judgment against Acis;
- (ii) The transfers of the 2017-7 Agreements and the 2017-7 Equity were made with the actual intent to divert the 2017-7 Agreements and the 2017-7

Equity from Acis LP to Highland Holdings, in fraud upon Acis LP's creditors, namely Terry;

- (iii) Acis LP was insolvent at the time of the transfers of the 2017-7 Agreements and the 2017-7 Equity or became insolvent as a result of the transfers;
- (iv) The transfers of the 2017-7 Agreements and the 2017-7 Equity occurred shortly after substantial debts were incurred by Acis LP; and
- (v) Acis LP received less than a reasonably equivalent value in exchange for the transfers of the 2017-7 Agreements and the 2017-7 Equity;
- (vi) The transfers were made to an insider (Highland Holdings) and for the benefit of an insider (Highland Capital); and
- (vii) Highland Capital retained effective possession and control of the property transferred after the transfer.

218. Therefore, the transfers of the 2017-7 Agreements and the 2017-7 Equity should be avoided under section 548(a)(1)(A) of the Bankruptcy Code.

Count 22: Actual Fraudulent Transfer under Tex. Bus. & Com. Code § 24.005(a)(1) for the 2017-7 Equity and 2017-7 Agreement Transfers [Against Highland Capital and Highland Holdings]

219. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

220. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(1) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation with an actual intent to hinder, delay or defraud any creditor of the debtor. Pursuant to section 544 of the Bankruptcy

- (i) The transfers of the 2017-7 Agreements and the 2017-7 Equity were made shortly after Terry's Arbitration Award against Acis and immediately after Terry's judgment against Acis;
- (ii) The transfers of the 2017-7 Agreements and the 2017-7 Equity were made with the actual intent to divert the 2017-7 Agreements and the 2017-7 Equity from Acis LP to Highland Holdings, in fraud upon Acis LP's creditors, namely Terry;
- (iii) Acis LP was insolvent at the time of the transfers of the 2017-7 Agreements and the 2017-7 Equity or became insolvent as a result of the transfers;
- (iv) The transfers of the 2017-7 Agreements and the 2017-7 Equity occurred shortly after substantial debts were incurred by Acis LP; and
- (v) Acis LP received less than a reasonably equivalent value in exchange for the transfers of the 2017-7 Agreements and the 2017-7 Equity;
- (vi) The transfers were made to an insider (Highland Management) and for the benefit of an insider (Highland Capital); and
- (vii) Highland Capital retained effective possession and control of the property transferred after the transfers.

222. Therefore, Acis's creditors have the right to avoid the transfers of the 2017-7 Agreements and the 2017-7 Equity under section 24.005(a)(1) of the Texas Business and Commerce Code, and the Plaintiffs can seek to enforce that right under section 544 of the Bankruptcy Code.

***Count 23: Constructive Fraudulent Transfers under 11 U.S.C. § 548(a)(1)(B)
for the 2017-7 Equity and 2017-7 Agreement Transfers
[Against Highland Capital and Highland Holdings]***

223. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

224. Section 548(a)(1)(B) of the Bankruptcy Code provides that a trustee may avoid any transfer of any interest of the debtor in property, or any obligation incurred by the debtor, if the debtor (i) received less than reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was insolvent on the date the transfer was made or the obligation was incurred, or became insolvent as the result of the transfer or obligation: (B) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; or (C) intended to incur, or believed the debtor would incur, debts that would be beyond the debtors' ability to pay such debts.

225. As described above, among other things, Acis LP:

- (i) received less than reasonably equivalent value in exchange for the transfers of the 2017-7 Agreements and the 2017-7 Equity;
- (ii) was insolvent on the date the transfers of the 2017-7 Agreements and the 2017-7 Equity were made or became insolvent as the result of the transfers;
- (iii) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; and

- (iii) intended to incur, or believed Acis would incur, debts that would be beyond Acis's ability to pay such debts.

226. Therefore, the transfers of the 2017-7 Agreements and the 2017-7 Equity are avoidable by the Plaintiffs, now vested with all claims of the Trustee, under section 548(a)(1)(B) of the Bankruptcy Code.

***Count 24: Constructive Fraudulent Transfer under Tex. Bus. & Com. Code §§ 24.005(a)(2) and 24.006(a) for the 2017-7 Equity and 2017-7 Agreement Transfers
[Against Highland Capital and Highland Holdings]***

227. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

228. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(2) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was engaged or about to engage in a business or transaction for which the remaining assets were unreasonably small in relation to the business or transaction, or (B) intended to incur, or believed or reasonably should have believed, that the debtor would incur debts beyond the debtor's ability to pay as they became due. Similarly, Texas Business and Commerce Code section 24.006(a) provides that a current creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) the debtor was insolvent or rendered insolvent by the transfer or obligation sought to be avoided. Pursuant to section 544 of the Bankruptcy Code, the Plaintiffs, now vested with all claims of the Trustee, may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

229. As described above, Acis LP did not receive reasonably equivalent value in exchange for the transfers of the 2017-7 Agreements and the 2017-7 Equity, and creditors at the time of the transfers of the 2017-7 Agreements and the 2017-7 Equity could have avoided such transfer under section 24.005(a)(2) of the Texas Business and Commerce Code.

230. At the time of the transfers of the 2017-7 Agreements and the 2017-7 Equity, Acis intended to incur, or believed or reasonably should have believed that Acis would incur, debts beyond its ability to pay as they became due, and/or was engaged, or was about to engage in a business or transaction for which the remaining assets of Acis were unreasonably small in relation to such business or transaction.

231. Moreover, as described above, Acis was insolvent or rendered insolvent by the transfers of the 2017-7 Agreements and the 2017-7 Equity.

232. The transfers of the 2017-7 Agreements and the 2017-7 Equity are therefore avoidable under Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

Count 25: Preferential Transfers to Highland Capital, Highland Holdings and Highland Management under 11 U.S.C. § 547(b) and Texas Business and Commerce Code § 24.006(b) [Against Highland Capital, Highland Holdings, and Highland Management]

233. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

234. Section 547(b) of the Bankruptcy Code provides that a trustee may avoid any transfer of any interest of the debtor in property (i) to or for the benefit of a creditor; (ii) for or on account of an antecedent debt; (iii) made while the debtor was insolvent; (iv) made within one year to an insider; and (v) that enables such creditor to receive more than such creditor would receive in a hypothetical chapter 7 liquidation.

235. Likewise, section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.006(b) provides that a current creditor may avoid a

transfer if the debtor made the transfer to an insider for an antecedent debt, the debtor was insolvent, and the insider had reasonable cause to believe that the debtor was insolvent. Pursuant to section 544 of the Bankruptcy Code, the Plaintiffs, now vested with all claims of the Trustee, may seek to avoid transfers made by Acis pursuant to Texas Business and Commerce Code section 24.006(b).

236. Within one year of the Petition Date, Highland Capital received the Prepetition Payments in the amount \$16,113,790.14 from Acis on account of purported debt claims owed by Acis. To the extent that the Prepetition Payments satisfied legitimate debt claims not avoided by any of the causes of action asserted herein, these transfers are avoidable under section 547(b) of the Bankruptcy Code and Texas Business and Commerce Code sections 24.006(b).

237. Similarly, the 2017-7 Equity transfer and the Note Transfer are purportedly in satisfaction of payables owed by Acis LP to Highland Capital (later conveyed to Highland Holdings and Highland Management). To the extent that these transfers satisfied legitimate debt claims not avoided by any of the causes of action asserted herein, these transfers are avoidable under section 547(b) of the Bankruptcy Code and Texas Business and Commerce Code sections 24.006(b).

***Count 26: Liability for Avoided Transfers under 11 U.S.C. § 550
[Against All Defendants]***

238. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

239. Section 550 of the Bankruptcy Code provides that, if a transfer is avoided under section 544, 547 or 548, the trustee may recover the property transferred or the value of the property transferred from (i) the initial transferee of such transfer or (ii) the entity for whose benefit such transfer was made.

240. Highland Capital is an initial transferee of all transfers sought to be avoided in Counts 5 – 8 and 25 above. The Plaintiffs, now vested with all claims of the Trustee, may recover all avoided transfers from Highland Capital pursuant to section 550, specifically including any transfers made in connection with any obligations avoided through Counts 5 – 8 above.

241. Highland Advisor is an initial transferee of all transfers sought to be avoided in Counts 9 – 12 above, and Highland Capital are entities for whose benefit such transfers were made. The Plaintiffs, now vested with all claims of the Trustee, may recover all avoided transfers from Highland Advisor, Highland Funding, and Highland Capital pursuant to section 550.

242. Highland Funding is an initial transferee of all transfers sought to be avoided in Counts 13 – 16 above, and Highland Capital is an entity for whose benefit such transfers were made. The Plaintiffs, now vested with all claims of the Trustee, may recover all avoided transfers from Highland Funding and Highland Capital pursuant to section 550.

243. Highland Management is an initial transferee of all transfers sought to be avoided in Counts 17 – 20 and 25 above, and Highland Capital is an entity for whose benefit such transfers were made. The Plaintiffs, now vested with all claims of the Trustee, may recover all avoided transfers from Highland Management and Highland Capital pursuant to section 550.

244. Highland Holdings is an initial transferee of all transfers sought to be avoided in Counts 21 – 25 above, and Highland Capital is an entity for whose benefit such transfers were made. The Plaintiffs, now vested with all claims of the Trustee, may recover all avoided transfers from Highland Holdings and Highland Capital pursuant to section 550.

***Count 27: Civil Conspiracy to Commit Fraud, Including Fraudulent Transfers
[Against Highland Capital, Highland Advisor, Highland Management, and Highland
Holdings]***

245. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

246. Highland Capital, Highland Advisor, Highland Management, Highland Holdings, Dondero, and Waterhouse (collectively, the "Highland Enterprise")³⁴ sought to engage in a series of fraudulent transfers and other fraudulent schemes, including the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, the 2017-7 Equity transfer, the 2017-7 Agreements transfer and the thwarted Universal/BVK Agreement transfer in order to denude Acis's assets and take over Acis LP's valuable business.

247. The Highland Enterprise, which is comprised of two or more business entities and individuals, had a meeting of the minds on the object or course of action related to the foregoing fraudulent transfers and schemes, including the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer the 2017-7 Equity transfer, the 2017-7 Agreements transfer and the thwarted Universal/BVK Agreement transfer.

248. The fraudulent transfers and schemes, including the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, the 2017-7 Equity transfer, the 2017-7 Agreements transfer and the thwarted Universal/BVK Agreement transfer, constitute one or more unlawful, overt acts.

249. The Debtors and the Debtors' estates suffered damages as a proximate result of the fraudulent transfers and schemes, including the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, the 2017-7 Equity transfer, the 2017-7 Agreements transfer and the thwarted Universal/BVK Agreement transfer.

250. The Plaintiffs, now vested with all claims of the Trustee, seek actual and exemplary damages for the Highland Enterprise's conspiracy.

³⁴ This is without limitation to other entities or individuals that may ultimately be shown to be part of Highland Enterprise.

***Count 28: Tortious Interference with the Universal/BVK Agreement
[Against Highland Capital]***

251. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

252. Under Texas law, a claim for tortious interference with contract requires: "(1) an existing contract subject to interference, (2) a willful and intentional act of interference with the contract, (3) that proximately caused the plaintiff's injury, and (4) caused actual damages or loss." *Official Brands, Inc. v. Roc Nation Sports, LLC*, 2015 U.S. Dist. LEXIS 167320 *7 (N.D. Tex.) (J. Boyle) (quoting *Prudential Ins. Co. of Am. v. Fin. Review Servs., Inc.*, 29 S.W.3d 74, 77 (Tex. 2000)). The fact that a contract is an at-will agreement is no defense to a tortious interference claim. *Id.*

253. The Universal/BVK Agreement is an existing contract to which Acis LP is a party. The Universal/BVK Agreement is an existing contract that is subject to interference.

254. From nearly day one of these Bankruptcy Cases, Highland Capital has sought to terminate Acis LP as the manager under the Universal/BVK Agreement, and replace Acis LP with Highland Capital or one of its affiliates. Highland Capital's actions involve communications over many months with Universal and BVK, including numerous communications after Highland Capital was terminated as sub-advisor on August 1, 2018 and no longer had any legitimate reason to communicate with Universal or BVK. Highland Capital even prepared and sent to Universal and BVK a new outsourcing agreement, which would be entered once Acis LP and its bankruptcy were out of the way.

255. Acis LP and its estate have suffered and will suffer actual damages as a proximate result of the interference of Highland Capital.

256. The Plaintiffs, now vested with all claims of the Trustee, seek actual and exemplary damages for Highland Capital's tortious interference with the Universal/BVK Agreement.

***Count 29: Breach of Contract by Highland Capital under the Sub-Advisory Agreement and Shared Services Agreement
[Against Highland Capital]***

257. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

258. Under Texas law, to prevail on a breach of contract claim, a party must show: "(1) the existence of a valid contract; (2) the plaintiff performed or tendered performance as the contract required; (3) the defendant breached the contract by failing to perform or tender performance as the contract required; and (4) the plaintiff sustained damages as a result of the breach." *USAA Tex. Lloyds Co. v. Menchaca*, 545 S.W.3d 479, 501 n.21 (Tex. 2018).

259. The Sub-Advisory Agreement is a valid contract between Acis LP and Highland Capital, under which Highland Capital was obligated to, *inter alia*:³⁵

- (i) make recommendations to Acis LP for the purchase, retention, or sale of specific loans or assets in the CLOs;
- (ii) place orders with respect to the purchase or sale of specific loans or assets for the CLOs, upon instruction from Acis LP;
- (iii) identify, evaluate, recommend to Acis LP, and, if applicable, negotiate the structure or terms of investment opportunities for the CLOs;
- (iv) assist Acis LP in performing its due diligence on prospective investments for the CLOs; and

³⁵ Although the Plaintiffs plead herein that certain provisions of the Sub-Advisory Agreement, which are in violation of the LPA, are unauthorized and *ultra vires*, section 15 of the Sub-Advisory Agreement provides that any such invalid provision does not affect or render "invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part."

(v) provide information to Acis LP regarding any investments in the CLOs, and, if requested by Acis LP, provide information to assist in monitoring and servicing investments by the CLOs.

See Sub-Advisory Agreement § 1(b). Further, "[n]otwithstanding the foregoing, all investment decisions will ultimately be the responsibility of, and will be made by and at the sole discretion of, [Acis LP]." *Id.*

260. Section 4(a) of the Sub-Advisory Agreement specifically provides:

[T]he Sub-Advisor will perform its obligations [under the Sub-Advisory Agreement] in good faith with reasonable care using a degree of skill and attention no less than that which the Sub-Advisor uses with respect to comparable assets that it manages for others and, without limiting the foregoing, in a manner which the Sub-Advisor reasonably believes to be consistent with the practices and procedures followed by institutional managers of national standing relating to assets of the nature and character of the Portfolios[.]

261. Since at least the time the Trustee was appointed in these Bankruptcy Cases, while acting as sub-advisor, Highland Capital failed to purchase a single loan for the CLOs, and only provided for the sale of loans, in an attempt to complete a stealth liquidation of the CLOs for the Highlands' benefit, and to the detriment of Acis LP. Such practice is inconsistent with the practices and procedures followed by institutional managers of national standing, such as Brigade, relating to assets of the nature and character of the CLOs. Highland Capital's activities are, however, completely consistent with the Highlands' ultimate goal to take away Acis LP's valuable assets and take over Acis LP's valuable business as portfolio manager of the CLOs.

262. Highland Capital grossly mismanaged the CLOs, in abrogation of its duties and disregard of the standard of care under the Sub-Advisory Agreement. Accordingly, Highland Capital has breached its obligations under the Sub-Advisory Agreement, and such breach caused economic damages to Acis LP. Acis LP is therefore entitled to recover, to the fullest extent under applicable law, the amount of such damages from Highland Capital.

excess of the compensation limits of the LPA. Highland Capital was also the ringleader, and ultimate beneficiary, for the series of fraudulent schemes executed in the Fall of 2017 that terminated or transferred away Acis LP's valuable rights in the ALF PMA, the ALF Shares, the Note, the 2017-7 Equity and the 2017-7 Agreements. This was done with the very specific intent to make Acis "judgment proof," as Acis's own counsel later boasted, and in order to ensure that Terry would never receive payment on his judgment, as Dondero has threatened. These transfers, while very damaging to Acis LP, also furthered Highland Capital's plan to take over Acis LP's very lucrative portfolio management business and keep it under the control of Highland Capital and Dondero. Finally, Highland Capital sought to transfer the Universal/BVK Agreement away from Acis LP and to itself or an affiliate, including while Highland Capital was serving as sub-advisor (and as a fiduciary) for such agreement.

267. By its actions, Highland Capital specifically intended to cause harm to Acis LP by denuding it of its assets and enriching Highland Capital. In doing so, Highland Capital breached its fiduciary duties to Acis LP.

268. As a consequence, the Plaintiffs, now vested with all claims of the Trustee, are entitled to an award of punitive damages against Highland Capital in an amount to be determined by the Court.

Count 31: Punitive Damages
[Against All Defendants]

269. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

270. The Highlands, led by Highland Capital and Dondero, engaged in fraud against Acis and its creditors, acted with malice toward Acis and its creditors, and were, at best, grossly negligent in their dealings with Acis.

271. Further, Plaintiffs are entitled to punitive damages in connection with Highland Capital's: (i) breach of fiduciary duties to Acis due to its fraudulent conduct, (ii) tortious interference, and (iii) violations of TUFTA. *See Bombardier Aerospace Corp. v. SPEP Aircraft Holdings, LLC*, 572 S.W. 3d 213, 232 (Tex. 2019) (fiduciary duties); *Texas Beef Cattle Co. v. Green*, 921 S.W.2d 203, 210 (Tex. 1996) (tortious interference); *Mullins v. Testamerica, Inc.*, CIV.A. 3:02-CV-0106-, 2006 WL 2167401, at *10 (N.D. Tex. Aug. 2, 2006) (TUFTA).

272. Thus, the Plaintiffs, now vested with all claims of the Trustee, are entitled to punitive damages, and the Plaintiffs plead for such damages in connection with each Count pleaded herein that will support a claim for punitive damages.

***Count 32: Disregarding the Corporate Form/Alter Ego/Collapsing Doctrine/Unjust Enrichment
[Against All Defendants]***

273. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

274. Under Texas law, ignoring the separateness of business entities and holding affiliated entities liable for all debts of the fraudulent enterprise is appropriate "when the corporate form has been used as part of a basically unfair device to achieve and inequitable result. Examples are when the corporate structure has been abused to perpetrate a fraud, evade an existing obligation . . . or justify a wrong." *SSP Partners v. Gladstrong Inv. (USA) Corp.*, 275 S.W.3d 444, 451 (Tex. 2008); *see also Flores v. Bodden*, 488 Fed. App'x 770, 775-76 (5th Cir. 2012) (listing "six situations in which a court may disregard the corporate form"); *Bridas S.A.P.I.C. v. Gov't of Turkmenistan*, 447 F.3d 411, 416 (5th Cir. 2006) (finding alter ego present).³⁶

³⁶ To the extent Delaware law applies to any of the alter ego claims, Delaware also recognizes alter ego on similar grounds. "Delaware does, however, recognize the traditional alter ego doctrine as grounds to pierce the corporate veil in cases involving the members of a corporate group. To state an alter ego claim under Delaware law, the [plaintiff] must plead (1) that [the] defendants 'operated as a single economic entity' and (2) that an 'overall element

275. Highland Capital, Highland Funding, Highland Adviser, Highland Management, and Highland Holdings (the "Alter Egos") are all controlled by the CEO and ultimate majority owner of Highland Capital, Dondero. Each of the Alter Egos should be held liable for any damages awarded under any Count in this Second Amended Complaint, as each is the alter ego of the others. Further, each of the Alter Egos should be held liable for any debts of the Debtors, as they are also the alter ego of the Debtors.

276. In this case, the Alter Egos unquestionably used the corporate form as a means of perpetuating the fraudulent scheme set forth above. For example, creating shell corporations in the Cayman Islands days after the Arbitration Award in order to avoid payment of Acis's creditors is precisely the type fraud or injustice that warrants disregarding the corporate form. Such actions satisfy, at a minimum, the first three situations in which a court may disregard the corporate form.

277. Further, "multistep transactions can be collapsed when the steps of the transaction are `part of one integrated transaction.'" *In re Yazoo Pipeline Co., L.P.*, 448 B.R. 163, 187 (Bankr. S.D. Tex. 2011) (J. Isgur) (internal citations omitted). The Supreme Court likewise has held that a bankruptcy court, as a court of equity, may look through form to substance when determining the true nature of a transaction as it relates to the rights of parties against a bankrupt's estate. *Pepper v. Litton*, 308 U.S. 295, 304-05 (1939).

278. The ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, and the transfer of the 2017-7 Equity and the 2017-7 Agreements should be collapsed and recognized for what they are: Highland Capital using offshore entities to take over Acis LP's assets and business while Highland Capital maintains absolute control over such assets and business, and even using

of injustice or unfairness' is present. "*Precht v. Global Tower LLC*, No. 2:14-CV-00743, 2016 U.S. Dist. LEXIS 177910, at *9 (W.D. La. Dec. 22, 2016) (internal citations omitted).

alleged debt owed to Highland Capital as the purported consideration for these transactions in order to mask Highland Capital's otherwise clear liability for avoidable transfers.

279. Finally, unjust enrichment is an equitable theory of recovery holding that one who receives benefits unjustly should make restitution for those benefits. *Bransom v. Standard Hardware, Inc.*, 874 S.W.2d 919, 927 (Tex. App.--Fort Worth 1994). A party is unjustly enriched when it obtains a "benefit from another by fraud, duress, or the taking of an undue advantage." *Heldenfels Bros., Inc. v. City of Corpus Christi*, 832 S.W.2d 39, 41 (Tex. 1992).

280. Each of the Highlands, and in particular Highland Capital and Highland Funding, benefitted from the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, and the transfer of the 2017-7 Equity and the 2017-7 Agreements even if they were not the direct transferee. Each of the Highlands should be held liable for benefits unjustly received and make restitution to the Debtors and their estates for those benefits.

***Count 33: Willful Violation of the Automatic Stay
[Against Highland Capital and Highland Funding]***

281. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

282. A willful violation of the automatic stay does not require a specific intent.

Rather, the statute provides for damages upon a finding that the defendant knew of the automatic stay and the defendant's actions which violated the stay were intentional. Whether the party believes in good faith that it had a right to the property is not relevant to whether the act was 'willful' or whether compensation must be awarded.

Campbell v. Countrywide Home Loan, Inc., 545 F.3d 348, 355 (5th Cir. 2008) (quoting *In re Chestnut*, 422 F.3d.298, 302 (5th Cir. 2005).

283. "It is not up to a party exercising a self-help remedy to determine, to the preclusion of this court, what is or is not property of the estate." *Chesnut v. Brown (In re Chesnut)*, 300 B.R. 880, 887 (Bankr. N.D. Tex. 2003).

284. Section 362(k)(1) of the Bankruptcy Code provides that "an individual injured by any willful violation of a stay provided by this section shall recover actual damages, including costs and attorneys' fees, and, in appropriate circumstances, may recover punitive damages." The Fifth Circuit has indicated that remedies under 362(k)(1) are available to trustees. *St Paul Fire & Marine Ins. Co. v. Labuzan*, 579 F.3d 533, 539-540 (5th Cir. 2009). The term "individual" is not defined by the Bankruptcy Code, but it is used throughout the Code to refer to debtors and non-debtors. *See Homer Nat'l Bank v. Namie*, 96 B.R. 652, 654 (W.D. La. 1989) (citing, *inter alia*, 11 U.S.C. §§ 522(b) (individual as debtor), 321(a)(1) (individual as trustee)).

285. Further, pursuant to section 105(a) of the Bankruptcy Code, "[t]he Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). The purpose of section 105(a) is "to assure the bankruptcy courts power to take whatever action is appropriate or necessary in aid of the exercise of their jurisdiction." 2 COLLIER ON BANKRUPTCY ¶ 105.01 (collecting cases). This is consistent with the broad equitable authority of the bankruptcy courts. *See United States v. Energy Resources Co., Inc.*, 495 U.S. 545, 549 (1990).

286. Highland Capital knew the automatic stay was in effect when it intentionally acted, without Court approval, to force the Trustee to effectuate the optional redemptions, including when it demanded on June 20, 2018, that the Trustee take actions to effectuate the optional redemption by June 21, 2018.

287. Highland Funding knew the automatic stay was in effect when it intentionally acted, without Court approval, to force the Trustee to effectuate the optional redemptions, including each occasion described herein when it sent the Trustee the Optional Redemption Notices.

288. Pursuant to section 362(k)(1), the Plaintiffs seek recovery of damages commensurate with its injury, due to Highland Capital's and Highland Funding's violations of the automatic stay. Further, given Highland Capital's and Highland Funding's blatant and willful violation of the automatic stay (as well as the TRO), the Plaintiffs seek attorneys' fees, punitive damages, and sanctions, as the Court finds appropriate, pursuant to section 105(a) of the Bankruptcy Code.

***Count 34: Attorneys' Fees and Costs,
Including all Allowed Professionals' Fees and Expenses in the Bankruptcy Cases
[Against All Defendants]***

289. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

290. Pursuant to Texas Business and Commerce Code section 24.013, Civil Practice and Remedies Code section 38.001, TUFTA, and any other applicable law, the Plaintiffs may recovery attorneys' fees and costs incurred in bringing this Adversary Proceeding.

291. Plaintiffs further seek recovery from Highland Capital of all allowed professionals' fees and expenses in the Bankruptcy Cases, which were losses to Acis resulting from Highland Capital's breach of fiduciary duties to Acis. *See Meyers v. Moody*, 693 F.2d 1196, 1214 (5th Cir. 1982).

VII. REQUEST FOR DISGORGEMENT

292. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

293. "Under the equitable remedy of disgorgement or fee forfeiture, a person who renders service to another in a relationship of trust may be denied compensation for his service if he breaches that trust." *McCullough v. Scarbrough, Medlin & Assocs.*, 435 S.W.3d 871, 904-05 (Tex. App.—Dallas 2014) (citing *Burrow v. Arce*, 997 S.W.2d 229, 237 (Tex. 1999)). "The remedy essentially returns to the principal the value of what it paid for because it did not receive the trust or loyalty." *McCullough*, 435 S.W.3d at 905 (citing *Burrow*, 997 S.W.2d at 237-38).

"The amount of disgorgement is within the trial court's discretion; the court may 'deny him all compensation or allow him a reduced compensation or allow him full compensation.'" *McCullough*, 435 S.W.3d at 905 (citing *Burrow*, 997 S.W.2d at 237 (quoting RESTATEMENT (SECOND) OF TORTS § 243 (1959))).

294. "Equitable disgorgement is distinct from an award of actual damages in that the disgorgement award 'serves a separate function of protecting fiduciary relationships.'" *McCullough*, 435 S.W.3d at 905 (quoting *Saden v. Smith*, 415 S.W.3d 450, 469 (Tex. App.—Houston [1st] Dist. 2013, pet. denied)); *see also Burrow*, 997 S.W.2d at 238 ("[T]he central purpose of the equitable remedy of [disgorgement] is to protect relationships of trust by discouraging agent's disloyalty.").

295. The basis for the disgorgement award against Highland Capital stems from its liability in connection with its breach of fiduciary duty, as pleaded herein, and should be "phrased in terms of the salary, profits or other income [Highland Capital] received during the time [it] committed the tortious conduct." *McCullough*, 435 S.W.3d at 905 (internal quotation marks omitted).

296. Accordingly, Plaintiffs request disgorgement of all funds received by Highland Capital, who breached its fiduciary duties to Acis.

VIII. REQUEST FOR IMPOSITION OF CONSTRUCTIVE TRUST

297. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

298. "A constructive trust is not a cause of action under Texas law." *In re Moore*, 608 F.3d 253, 263 (5th Cir. 2010). Rather, "[a] constructive trust is an equitable remedy used to prevent unjust enrichment." *Baxter v. PNC Bank Nat'l Ass'n*, 541 Fed. App'x 395, 398 (5th Cir. 2013) (citing *Everett v. TK-Taito, LLC*, 178 S.W.3d 844, 859 (Tex. App.—Fort Worth 2005, no pet.)); *see also Messier v. Messier*, 458 S.W.3d 155, 164 (Tex. App.—Houston [14th Dist.] 2015,

no pet.) ("A constructive trust is imposed when one party holds property that legally belongs to the other.")). "In order to establish a constructive trust, the proponent must prove: (1) breach of a special trust, fiduciary relationship, or actual fraud; (2) unjust enrichment of the wrongdoer; and, (3) tracing to an identifiable res." *Baxter*, 541 Fed. App'x at 398; *accord Clapper v. Am. Realty Inv'rs, Inc.*, 3:14-CV-2970-D, 2015 U.S. Dist. LEXIS 71543, at *26 (N.D. Tex. June 3, 2015).

299. As described herein, Highland Capital breached its fiduciary duties to Acis, and the Highlands acted in concert to perpetrate the series of fraudulent transfers in order to strip Acis of its assets for the benefit of Highlands.

300. The Highlands were unjustly enriched because they benefitted from the "fraud [and] the taking of an undue advantage" against Acis. *See Heldenfels Bros.*, 832 S.W.2d at 41. Each of the Highlands, and in particular Highland Capital and Highland Funding, benefitted from the property transferred, which is traceable and identified herein, as a result of the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, and the transfer of the 2017-7 Equity and the 2017-7 Agreements even if they were not the direct transferee.

301. Further, Highland Capital, who breached its fiduciary duties to Acis, was unjustly enriched in connection with the Expense Overpayments as well as by the payments received as a result of the modifications to the Sub Agreements, and such benefits may be traced and identified by the payments from Acis LP to Highland Capital under the modified Sub Agreements.

302. Accordingly, the Plaintiffs requests that a constructive trust is established for those benefits unjustly received by the Highlands.

IX. OBJECTIONS TO HIGHLAND CAPITAL PROOFS OF CLAIM

303. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

304. The Highland Capital Claims are allegedly based on claims arising from the Sub-Advisory Agreement and the Shared Services Agreement. The Highland Capital Claims³⁷ are summarized as follows:

Alleged Pre-Petition Claim³⁸	Alleged Claim Amount
Sub-Advisory Agreement	\$1,605,362.41
Shared Services Agreement	\$1,017,213.62
Total alleged Pre-Petition Claim	\$2,622,576.03
Alleged 502(f) Claim³⁹	Alleged 502(f) Claim Amount
Sub-Advisory Agreement	\$1,170,147.06
Shared Services Agreement	\$ 879,417.29
Total alleged 502(f) Claim	\$2,049,564.35
Total Claim Amount	\$4,672,140.38

³⁷ Highland Capital filed identical claims against both Acis LP and Acis GP. Acis GP is not a party to the Sub-Advisory Agreement or the Shared Services Agreement. Presumably, Highland Capital is relying on Delaware partnership law to argue that Acis GP is also liable under the Sub-Advisory Agreement and Shared Services Agreement. See 6 Del. C. § 17-403(b) ("Except as provided in this chapter, a general partner of a limited partnership has the liabilities of a partner in a partnership that is governed by the Delaware Uniform Partnership Law in effect on July 11, 1999 (6 Del. C. § 1501 et seq.) to persons other than the partnership and the other partners. Except as provided in this chapter or in the partnership agreement, a general partner of a limited partnership has the liabilities of a partner in a partnership that is governed by the Delaware Uniform Partnership Law in effect on July 11, 1999 (6 Del. C. § 1501 et seq.) to the partnership and to the other partners."); see also 6 Del. C. § 15-306(a) ("(a) Except as otherwise provided in subsections (b) and (c) of this section, all partners are liable jointly and severally for all obligations of the partnership unless otherwise agreed by the claimant or provided by law"). If this is the case, Acis does not dispute this basic tenet of partnership law; however, Acis disputes the Highland Capital Claims for the reasons set forth herein. Accordingly, all arguments set forth herein are applicable to both Highland Capital Claims.

³⁸ The Alleged Pre-Petition Claim relates to Highland Capital's alleged claim arising prior to the Petition Date.

³⁹ The Alleged 502(f) Claim relates to Highland Capital's alleged claim arising after the Petition Date and prior to April 13, 2018, the date the Court entered the Orders for Relief.

The Highland Capital Claims also include contingent indemnity claims arising under the Sub Agreements.

305. The Highland Capital Claims should be disallowed under (i) section 502(b)(1) of the Bankruptcy Code; (ii) section 502(b)(4) of the Bankruptcy Code; (iii) and section 502(d) of the Bankruptcy Code. The Highland Capital Claims are unenforceable against the Debtors under the LPA and applicable law. The Highland Capital Claims are for services of an insider of the Debtors and exceed the reasonable value of the services. As set forth above, Plaintiffs have asserted avoidance actions against Highland Capital such that the Highland Capital Claims should be disallowed. Finally, to the extent allowed at all, the Highland Capital Claims should be equitably subordinated under section 510(c) of the Bankruptcy Code.

306. Pursuant to section 502(b) and (d) of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 3007, the Plaintiffs seek entry of an order disallowing and expunging the Highland Capital Claims from the Debtors' claims registers.

A. The Highland Capital Claims Should be Disallowed under 11 U.S.C. § 502(b)(1).

307. "Section 502(b)(1) provides that a claim is allowed except to the extent it is unenforceable under applicable law." *In re White*, No. 06-50247-RLJ-13, 2008 Bankr. LEXIS 167, at *17-18 (Bankr. N.D. Tex. Jan. 28, 2008). "[T]he the validity of a creditor's claims against the debtor at the time the bankruptcy petition is filed 'is to be determined by reference to state law.'" *Carrieri v. Jobs.com, Inc.*, 393 F.3d 508, 529 (5th Cir. 2004) (quoting *Kellogg v. United States (In re W. Tex. Mktg. Co.)*, 54 F.3d 1194, 1196 (5th Cir. 1995)).

308. As set forth more fully above, the Highland Capital Claims are based entirely on amounts alleged to be due pursuant to the Sub Agreements. As outlined in the causes of action above, there are significant amounts due to Acis LP by Highland Capital under or in connection with the Sub Agreements, which constitute a right of recoupment and/or offset to the entirety of

the Highland Capital Claims. Further, any portion of the Highland Capital Claims that are based on *ultra vires* acts, as alleged in Count 1 above, are void or voidable. Accordingly, the Highland Capital Claims are not enforceable under applicable law, and the Highland Capital Claims should therefore be disallowed.

B. The Highland Capital Claims Should be Disallowed under 11 U.S.C. § 502(b)(4).

309. The Highland Capital Claims are claims for services by an insider, Highland Capital, and the Highland Capital Claims exceed the reasonable value of the services provided by Highland Capital. Section 502(b)(4) of the Bankruptcy Code provides, in relevant part, that a claim for services of an insider or attorney of a debtor shall not be allowed to the extent that "such claim exceeds the reasonable value of such services."

310. The purpose of section 502(b)(4) is: "(1) to prevent insiders of a debtor from extracting inflated compensation from the debtor at the expense of the debtor's creditors; and (2) to prevent over-generosity of a debtor prior to a bankruptcy filing." *Faulkner v. Canada (In re Heritage Org., L.L.C.)*, Case No. 04-35574-BJH-11, Adv. No. 04-3338, 2006 Bankr. LEXIS 4662, at *22-23 (Bankr. N.D. Tex. Jan. 5, 2006); *see also In re Allegheny Int'l*, 158 B.R. 332, 339 (Bankr. W.D. Pa. 1992) ("The purpose underlying 11 U.S.C. § 502(b)(4) is to prevent officers and directors (insiders) of a debtor from extracting inflated amounts for their services at the expense of the creditors.").

1. Highland Capital is an Insider of the Debtors.

311. Under section 101(31) of the Bankruptcy Code, an insider includes certain enumerated parties, such as an officer of the debtor, affiliate, etc. Further, the list of enumerated "insiders" is not exclusive or exhaustive. *See In re Missionary Baptist Foundation of Am., Inc.*, 712 F.2d 206, 210 (5th Cir. 1983). Recently, the United States Supreme Court stated: "Courts have additionally recognized as insiders some persons not on that [101(31)] list—commonly

known as 'nonstatutory insiders.' The conferral of that status often turns on whether the person's transactions with the debtor (or another of its insiders) were at arm's length." *U.S. Bank N.A. v. Vill. at Lakeridge, LLC*, 138 S. Ct. 960, 963 (2018).

312. The Fifth Circuit has noted that "cases which have considered whether insider status exists generally have focused on two factors in making that determination: (1) the closeness of the relationship between the parties and (2) whether the transaction . . . [was] conducted at arm's length." *In re Holloway*, 955 F.2d 1008, 1011 (5th Cir. 1992).

313. Highland Capital is a statutory insider, a non-statutory insider, an admitted insider, and an adjudicated insider. The statutory definition of "insider" includes an "affiliate" of the debtor. 11 U.S.C § 101(31)(E). Prior to the entry of the Orders for Relief, Highland Capital met the statutory definition of "affiliate" because Highland Capital "operate[d] the business or substantially all of the property of the [D]ebtor under a[n] . . . operating agreement." *See* 11 U.S.C § 101(2)(D). Under the Sub Agreements, Acis LP effectively ceded control over its operations to Highland Capital.⁴⁰

314. Highland Capital is a non-statutory insider because Dondero controlled both Acis and Highland Capital prior to the date the Court entered the Orders for Relief. The closeness of the Highland Capital-Acis relationship is demonstrated by the fact that both companies are under Dondero's common control, Acis had no employees and Acis was operated exclusively by Highland Capital employees. Transactions were not conducted at arm's length. Indeed, Dondero

⁴⁰ For purposes of section 502(b)(4), courts examine whether a party is an "insider" on the date the operative document was executed. Here, it is indisputable that Highland Capital was an insider when the Sub-Advisory Agreement and the Shared Services Agreement were executed, and Highland Capital was an insider on the Petition Date. *See Faulkner*, 2006 Bankr. LEXIS 4662, at *17 ("The determination of insider status is made as of the time the claimant provided services to the debtor."); *In re Allegheny Int'l*, 158 B.R. 332, 339 (Bankr. W.D. Pa. 1992) ("[T]he relevant time for determining one's status as an insider, under 11 U.S.C. § 502(b)(4), is the time services were rendered and when the compensation contracts for such services were formed[.]").

signed both the Sub-Advisory Agreement and the Shared Services Agreement for Highland Capital and Acis.

315. Highland Capital is an admitted insider and an adjudicated insider. During the trial on the involuntary petitions, the Debtors, controlled by Highland Capital, admitted that Highland Capital is an insider of the Debtors.⁴¹ Acis LP's SOFA lists payments to Highland Capital in the section titled "Payments or transfers of property made within 1 year before the filing of this case that benefited any insider." The SOFA is signed by Isaac Leventon, an employee of Highland Capital (who, on information and belief, had no official title or position with the Debtors). Additionally, this Court has found that Highland Capital is an insider of the Debtors, stating: "the court believes it necessary to remove certain *insider* creditor claims, which are required not to be counted pursuant to section 303(b)(2) of the Bankruptcy Code. *This would clearly include Highland Capital* (the Alleged Debtors do not dispute this)." Opinion ¶ 38 (footnotes omitted) (emphasis added).

2. The Highland Capital Claims Exceed the Reasonable Value of the Services Provided.

316. "In analyzing the reasonableness of a claim for services under § 502(b)(4), a court should consider the totality of the circumstances involved at the time that the services were rendered." *Faulkner*, 2006 Bankr. LEXIS 4662, at *23 (citing *In re Gutierrez*, 309 B.R. 488, 493 (Bankr. W.D. Tex. 2004)). "Reasonable value" under Section 502(b)(4) is "synonymous with 'market value.'" *In re Delta Air Lines, Inc.*, No. 05-17923 (cgm), 2010 Bankr. LEXIS 233, at *22 (Bankr. S.D.N.Y. Feb. 3, 2010). "The burden of proof on reasonableness under

⁴¹ Transcript of Hearing on Emergency Motion to Abrogate or Modify 11 U.S.C Section 303(f), Prohibit Transfer of Assets, and Impose, Inter Alia, 11 U.S.C Section 363 Filed by Petitioning Creditor Joshua Terry (3); Emergency Motion to Set Hearing (related to Document (8) Motion to Dismiss Case Filed by Alleged Debtor Acis Capital Management, LP (9) (Case Nos. 18-30264-SGJ7 & 18-30264-SGJ7) (the "2-7-18 Transcript"), at 246: 8-9 ("[T]here are no insiders other than Highland on the list of eighteen[.]").

§ 502(b)(4) ultimately lies with the insider." *Id.* at 24. Thus, Highland Capital has the burden to establish the reasonableness of its claims. Further, when the validity of an insider's contract with a corporation is at issue, the burden is on the insider "not only to prove the good faith of the transaction but also to show its inherent fairness from the viewpoint of the corporation and those interested therein." *In re Marquam Inv. Corp.*, 942 F.2d 1462, 1465 (9th Cir. 1991) (quoting *Pepper v. Litton*, 308 U.S. 295, 306 (1939)).

317. Together, the Sub Agreements (as amended) charge Acis LP fees far exceeding the market value of the services provided under such agreements. First, the Trustee's professionals engaged in a marketing process in connection with the Brigade Motion. After conducting a diligent search of the market, the Trustee located a replacement for Highland Capital that provided the services Highland Capital previously provided the Debtor for roughly half the cost Highland Capital charged Acis LP. The Sub Agreements also significantly contributed to rendering Acis insolvent. In fact, the General Counsel of Highland Capital, Scott Ellington, admitted that as of February 7, 2018—one week after the Petition Date—Acis was insolvent or close to insolvent.⁴²

318. Highland Capital cannot show that the exorbitant fees charged under the Sub Agreements are reasonable or that entry into such agreements was in good faith and demonstrates inherent fairness. Therefore, pursuant to section 502(b)(4), the Highland Capital Claims should be disallowed in their entirety.

C. Highland Capital Received Voidable Transfers and Holds Property of the Estate, and the Trustee is Entitled to Setoff under Section 502(d) of the Bankruptcy Code.

319. As set out more fully in the causes of action above, the Plaintiffs seek: (i) avoidance of actual and constructively fraudulent transfers and obligations pursuant to sections

⁴² 2-7-18 Transcript at 219: 22-25 (THE COURT: Do you think Acis is in the zone of insolvency? THE WITNESS: I don't know the answer to that, but I would -- I would assume that it was -- that it's close.)

544 and 548 of the Bankruptcy Code, (ii) avoidance of preferential transfers pursuant to section 547 of the Bankruptcy Code; (iii) turnover of property the estate pursuant to section 542 of the Bankruptcy Code; and (iv) liability for the foregoing under section 550 of the Bankruptcy Code.

320. "Under section 502(d), 'the court shall **disallow** any claim of any entity . . . that is a transferee of a transfer avoidable under section . . . 544 [or 548] of this title, unless such . . . transferee has paid the amount, or turned over any such property.'" *In re Consol. Capital Equities Corp.*, 143 B.R. 80, 84 (Bankr. N.D. Tex. 1992) (quoting 11 U.S.C. § 502(d)) (emphasis in original).⁴³ Application of section 502(d) is not restricted to cases where a fraudulent transfer has already been avoided, but rather applies to pending fraudulent transfer claims as well. In other words, the statute does not require that the transfer actually be avoided, only that it be "avoidable." *Id.* As a result, once a fraudulent transfer claim has been asserted, the mandatory language of section 502(d) requires bankruptcy courts to consider the fraudulent transfer issue as a component of the claims allowance process. *U.S. Bank N.A. v. Verizon Communs., Inc.*, 761 F.3d 409, 419 (5th Cir. 2014) (finding mandatory language of section 502(d) precluded the court from resolving claims where the trustee alleged the claimant was the transferee of a fraudulent transfer). Moreover, the Court may disallow the Highland Capital Claims before adjudicating the causes of action set forth herein. *See In re Heritage Org., L.L.C.*, 375 B.R. 230, 288-289 (Bankr. N.D. Tex. 2007) (finding a court order avoiding a transfer is not a prerequisite to disallowance of a claim).

321. Thus, pursuant to section 502(d) of the Bankruptcy Code, the Court should disallow the Highland Capital Claims.

⁴³ "Notwithstanding subsections (a) and (b) of this section, the court shall disallow any claim of any entity from which property is recoverable under section 542, 543, 550, or 553 of this title [11 USCS § 542, 543, 550, or 553] or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of this title, unless such entity or transferee has paid the amount, or turned over any such property, for which such entity or transferee is liable under section 522(i), 542, 543, 550, or 553 of this title." 11 U.S.C. § 502(d)

D. The Highland Capital Claims Should be Equitably Subordinated.

322. Section 510(c) of the Bankruptcy Code expressly authorizes subordination of the allowed claim of one creditor to the allowed claims of other creditors "under principles of equitable subordination."

323. In *In re Mobile Steel Co.*, 563 F.2d 692 (5th Cir. 1977), the Fifth Circuit articulated what has become the most commonly accepted standard for equitable subordination of a claim. Under the *Mobile Steel* standard, a claim can be subordinated if the claimant engaged in some type of inequitable conduct that resulted in injury to creditors (or conferred an unfair advantage on the claimant) and if equitable subordination of the claim is consistent with the provisions of the Bankruptcy Code.

324. During the time it completely dominated control of Acis, Highland Capital clearly engaged in abundant inequitable conduct related to Acis, as well as conferring numerous unfair advantages to itself, which resulted in injury to Acis's creditors. As outlined in detail above, Highland Capital increased the amount due to Highland Capital under the Sub-Advisory Agreement, including charging amounts far in excess of appropriate market rates. This has resulted in a grossly inflated claim for Highland Capital as well as significant overpayments to Highland Capital for whatever services and value it did provide to Acis under these agreements.

325. Highland Capital was also the ringleader, and ultimate beneficiary, for the series of fraudulent schemes executed in the fall of 2017 that terminated or transferred away Acis LP's valuable rights in the ALF PMA, the ALF Shares, the Note, the 2017-7 Equity and the 2017-7 Agreements. This was done with the very specific intent to make Acis "judgment proof," as

Acis's own counsel later boasted,⁴⁴ and in order to ensure that Terry and other creditors would never receive payment on his judgment, as Dondero has threatened.⁴⁵ These transfers, while very damaging to Acis LP and its creditors, also furthered Highland Capital's plan to take over Acis LP's very lucrative portfolio management business and keep it under the control of Highland Capital and Dondero. Finally, even during the Bankruptcy Cases, Highland Capital has attempted to transfer and take over Acis LP's very lucrative Universal/BVK Agreement.

326. To the extent the Highland Capital Claims are allowed in any amount, they are subject to equitable subordination and should be subordinated below all other allowed unsecured claims in the bankruptcy case.

X. OBJECTIONS TO HIGHLAND CAPITAL'S ADMINISTRATIVE CLAIM

A. Highland Capital's Administrative Claim is Subject to Disallowance for the Same Reasons the Highland Capital Claims Should be Disallowed.

1. Prevailing on the Causes of Action Set Forth Herein Mandates the Disallowance of Highland Capital's Administrative Claim.

327. In its Application, without specifically citing the causes of actions or making any reference whatsoever to the objections to the Highland Capital Claims contained herein (as they were previously asserted in the Amended Counterclaims), Highland Capital asserts that the Trustee "apparently has furthered a theory that Highland overcharged the Debtors," but must "provide evidence, not simply allegations, to rebut the prima facie case that Highland is entitled to an administrative claim." Application ¶ 33. Highland Capital then rashly contends that the Trustee "has provided no such evidence" and that "the Contracts speak for themselves and are the best evidence of the validity of the claim asserted by Highland." *Id.* A simple review of the

⁴⁴ See Plaintiff's Motion for Expedited Discovery, Ex. 1 (Declaration of Rogge Dunn) ¶ 4, *Terry v. Acis Capital Mgmt., L.P.*, Cause No. DC-17-15244, 44th District Court of Dallas County, Texas ("On October 31, 2017, counsel for Acis, Jamie Welton, called me on the telephone. In that call, Mr. Welton stated that Acis is 'judgment proof.'").

⁴⁵ See June 28, 2017 Dondero Dep. Tr. 262:2-8 (Ex. 101 from the involuntary trial) ("Nobody's going to let a dime go out of the firm that we don't have to pay ever to – to Josh, period. I mean, it's . . . I think it's personal[.]").

causes of action herein (as well as evidence presented in connection with the involuntary hearings, confirmation hearings, and other hearings during these Bankruptcy Cases) belies its position and demonstrates otherwise.

328. As is discussed below, Highland Capital must demonstrate that the services provided conferred a direct and substantial benefit on the Debtors' estates. And before Highland Capital can ask the Court to assess whether its services provided the required direct and substantial benefit, it must first demonstrate that it had the right to even charge the Debtors the amount set forth in the agreements. The causes of action asserted against Highland Capital herein, which dispute the amounts charged by Highland Capital, directly implicate the validity of, and support the disallowance of, the Administrative Claim (just as they refute Highland Capital's purported prepetition claims). The Plaintiffs therefore expressly incorporate Counts 1, 5 – 8, and 27 – 30 herein and specifically raises such Counts as objections to the Administrative Claim asserted by Highland Capital in its Application.

329. If the Plaintiffs prevail on the causes of action against Highland Capital as set forth herein, the basis for allowance of the Administrative Claim would also be invalidated. Moreover, as discussed below, based on such causes of action, the Plaintiffs are entitled to recover millions of dollars in damages, all of which may be offset against the Administrative Claim.

2. Highland Capital's Administrative Claim is Also Subject to Disallowance under Section 502(d).

330. Because Highland Capital is alleged to have received fraudulent transfers, its Administrative Claim is also subject to disallowance under section 502(d) until the property or its value has been returned to the Debtors.

331. Although Highland Capital's Application involves an administrative claim, nothing in section 502(d) limits its application to prepetition claims. *MicroAge, Inc. v. Viewsonic Corp. (In re MicroAge, Inc.)*, 291 B.R. 503, 508 (B.A.P. 9th Cir. 2002). Section 502(d) by its terms applies to "any claim" and the definition of a "claim" in section 101(5) is sufficiently broad to include requests for payment of expenses of administration. *Id.* Because the objective of section 502(d) is to encourage transferees to return avoidable transfers to the estate, a number of courts have held that section 502(d) applies to administrative claims. *See, e.g., id.* at 508-12; *In re Georgia Steel*, 38 B.R. 829, 839-40 (Bankr. M.D. Ga. 1984) (applying section 502(d) and stating, "[t]he fact that [the] claim is for an administrative expense has no bearing").

332. The Plaintiffs acknowledge that courts are split on the issue of whether section 502(d) applies to administrative expenses. *Compare MicroAge, Inc.*, 291 B.R. at 508-512 (considering split of authority and finding that "the better analysis is that § 502(d) may be raised in response to the allowance of an administrative claim"), *and Georgia Steel*, 38 B.R. at 839-40 (finding the fact that the claim "is for an administrative expense has no bearing" for purposes of section 502(d)), *with In re Plastech Engineered Prods.*, 394 B.R. 147, 164 (Bankr. E.D. Mich. 2008) (concluding that "§ 502(d) does not apply to the allowance and payment of administrative expenses under § 503(b)"). Although not binding on this Court, the Plaintiffs also note that one bankruptcy court in this district has found that section 502(d) does not apply to administrative claims. *Rand Energy Co. v. Del Mar Drilling Co. (In re Rand Energy Co.)*, 256 B.R. 712, 719 (Bankr. N.D. Tex. 2000) (Felsenthal, J.).

333. As described above, Highland Capital is the recipient of certain preferential payments and/or fraudulent transfers. Thus, while acknowledging the split of authority on the issue, the Plaintiffs assert that the plain language of section 502(d), as well as the policy

underlying section 502(d), requires that Highland Capital's Administrative Claim be disallowed in its entirety.

3. The Indemnity Provisions Relied on by Highland Capital Are Invalid and, in Any Event, Do Not Apply to Highland Capital's Intentional Torts.

334. In the Application, Highland Capital also asserts defenses against the causes of action brought herein pursuant to its purported indemnity rights against the Debtors under section 6.03 of the Shared Services Agreement and section 4(c) of the Sub-Advisory Agreement. Application ¶ 34. Any contention by Highland Capital that it is immune from liability arising from the causes of action brought against it herein due to the indemnity provisions of the Sub Agreements lacks merit. First, the indemnity provisions cited by Highland Capital were included only in the last iteration of the Sub Agreements, in March 2017. Thus, even if valid and applicable (which they are not), such provisions do not cover actions of Highland Capital prior to March 2017. Second, to the extent that the indemnity provisions in the Sub Agreements were included in an attempt to shield Highland Capital from liability in connection with its fraudulent scheme to denude Acis (and were added for no consideration), such provisions were themselves fraudulently incurred and should be avoided pursuant to section 548 of the Bankruptcy Code and sections 24.005 and 24.006 of TUFTA.⁴⁶ Further, the protection Highland Capital seeks is outside the scope of the indemnity provisions, which indemnify Highland Capital in connection with its actions taken as sub-advisor under the Sub Agreements—not in connection with torts and other wrongful conduct intentionally committed against Acis as part of Highland Capital's calculated scheme to denude the estate. Finally, it is against public policy for indemnity provisions in contract to shield a party from intentional tortious conduct. *See, e.g., Hamblin v.*

⁴⁶ Notably, all versions prior to the last iteration of the Sub-Advisory Agreement (before March 2017) contained no indemnity provision; also, it is telling that the indemnity provisions were added to the Sub-Advisory Agreement and significantly amended in the Shared Services Agreement only after arbitration had been ordered in state court.

Lamont, 433 S.W.3d 51, 55 (Tex. App.—San Antonio 2013, pet. denied); *In re Oil Spill by the Oil Rig*, 841 F. Supp. 2d 988, 1001-02 (E.D. La. 2012). Accordingly, such provisions are inapplicable as a defense to the causes of action asserted herein against Highland Capital.

B. Highland Capital Cannot Satisfy Its Burden of Proving Its Services Directly and Substantially Benefitted the Debtors' Estates.

1. Administrative Priority Status is Narrowly Construed and Only Awarded Upon a Showing of a Direct and Substantial Benefit to the Estate.

335. Under section 503(b)(1) of the Bankruptcy Code, an administrative expense claim shall be allowed for "the actual, necessary costs and expenses of preserving the estate." 11 U.S.C. § 503(b)(1)(A). The ultimate burden of proof is on Highland Capital to establish it is entitled to an administrative priority claim pursuant to 11 U.S.C. § 503(b). *See In re Transamerican Natural Gas Corp.*, 978 F.2d 1409, 1416 (5th Cir. 1992). Further, because section 503 administrative claims are priority claims, which are entitled to special treatment, section 503 must be narrowly construed. *See In re Templeton*, 154 B.R. 930, 934 (Bankr. W.D. Tex. 2009); *see also In re Federated Dep't Stores, Inc.*, 270 F.3d 994, 1000 (6th Cir. 2001) ("Claims for administrative expenses under § 503(b) are strictly construed because priority claims reduce the funds available for creditors and other claimants.").

336. At a minimum, Highland Capital must establish that "(1) the claim arises from a transaction with the [debtor]; and (2) the goods or services supplied enhanced the ability of the [debtor's] business to function." *See Total Minatome Corp. v. Jack/Wade Drilling, Inc. (In re Jack/Wade Drilling, Inc.)*, 258 F.3d 385, 387 (5th Cir. 2001) (citing *Transamerican*, 978 F.2d at 1416); *see also ASARCO, Inc. v. Elliott Mgmt. (In re ASARCO, LLC)*, 650 F.3d 593, 601 (5th Cir. 2011) ("Claim under this section 'generally stem from voluntary transactions with third parties who lend goods or services necessary to the successful reorganization of the debtor's estate.'" (quoting *Jack/Wade Drilling*, 258 F.3d at 387)).

337. Moreover, the benefit is measured from the point of view of the bankruptcy estate, not that of the applicant. *In re Premium Well Drilling, Inc.*, 2012 Bankr. LEXIS 1554, at *9 (Bankr. W.D. Tex. Apr. 10, 2012). "The focus on allowance of administrative claims which enjoy priority over other creditors is to prevent unjust enrichment of the estate. It is *not* to compensate the creditor . . . for his or her loss." *In re Am. Plumbing & Mech., Inc.*, 323 B.R. 442, 462 (Bankr. W.D. Tex. 2005) (emphasis in original).

2. Highland Capital Cannot Demonstrate It Conferred a Direct and Substantial Benefit on the Debtors' Estates.

338. As set forth herein, as it had done prior to these Bankruptcy Cases, following entry of the Orders for Relief, Highland Capital continued perpetrating its scheme to steal, and otherwise attempted to damage, Acis's business—in order to *minimize* value for creditors and ensure that Acis could not successfully reorganize—and to line its own pockets. Aside from Highland Capital's actions in sending notices of optional redemption to liquidate the CLOs (without Court approval and in violation of the automatic stay), following entry of the Orders for Relief, Highland Capital also actively mismanaged the Acis CLOs to undermine the business of the Debtors, as evidenced by, *inter alia*, the vast disparity between the trades made in CLOs 3, 4 5, and 6, as opposed to CLO 7, in 2018, as testified to by Terry at the second confirmation hearing. *See* Dec. 12, 2018 Hr'g Tr. (AM) at pp. 19-35.

339. Additionally, while mismanaging CLOs 3, 4 5, and 6, Highland Capital sought to carry out its plan "to transfer the BVK investment management agreement from Acis LP to another Highland-affiliated manager."⁴⁷ As explained herein, Highland Capital's attempt to steal BVK's business from Acis began from nearly day one of these Bankruptcy Cases and continued

⁴⁷ *See Exhibit K* (email chain from early February 2018 between Mike Warner (Acis's counsel), Isaac Leventon (Highland Capital's in-house counsel), Timothy Cournoyer (Highland Capital's in-house counsel) and Thomas Sargent (Highland Capital's Chief Compliance Officer)).

even after Highland Capital was terminated as sub-advisor on August 1, 2018—when Highland Capital no longer had any legitimate reason to communicate with Universal or BVK.

340. Highland Capital's actions during the pendency of these Bankruptcy Cases demonstrate that Highland Capital did not service the Acis CLOs in a way that "enhanced the ability of the [debtor's] business to function." *Transamerican*, 978 F.2d at 1416. Indeed, Highland Capital acted to destroy the Debtors' business—therefore, Highland Capital's request for allowance of its Administrative Claim must be denied.

341. In its Application, Highland Capital essentially asserts that it provided services to the Debtors on a postpetition basis pursuant to various prepetition agreements and, therefore, the expenses are entitled to administrative priority. In order to qualify as an administrative expense, however, Highland Capital must show that its claim arose postpetition "as a result of actions by the trustee that benefitted the estate." *Id.* Further, although the terms of the Debtors' prepetition contracts may be probative of the reasonable value of postpetition services, they are not dispositive. *In re Am. Plumbing & Mech., Inc.*, 323 B.R. at 462. Indeed, "all that the estate is required to pay is the *reasonable value* of those services which were rendered." *Id.* (emphasis in original) (citing *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 531, 104 S. Ct. 1188, 79 L. Ed. 2d 482 (1984)). Consequently, the provisions of the prepetition contracts do not automatically and dispositively translate into an allowed administrative claim. Highland Capital must still demonstrate a quantifiable benefit to the estate.

342. Highland Capital's assertion that its costs were incurred postpetition fails to satisfy its burden of proving entitlement to administrative priority. Specifically, aside from merely referencing the Sub-Agreements and the Universal/BVK Agreement, and contending that monies owed to it under such agreements are an administrative expense, Highland Capital fails to show that (i) such costs were necessary for the preservation of the Debtors' estate, and (ii) the

Debtors received any benefit, let alone a direct and substantial benefit, as a result of such services and expenses.

3. The Amount Charged by Highland Capital Was Inflated and Unnecessary.

343. Further, even if Highland Capital could show that, rather than undermining Acis's business, it provided postpetition services that enhanced the ability of Acis to function, to the extent the rates Highland Capital charged Acis were inflated or above market, the amounts charged to Acis under the Sub Agreements did not benefit the estates or its creditors, and such inflated amounts were therefore not necessary. *See NL Indus., Inc. v. GHR Energy Corp.*, 940 F.2d 957, 966 (5th Cir. 1991) ("Courts have construed the words 'actual' and 'necessary' narrowly: the debt must benefit the estate and its creditors."). Indeed, at the July 6, 2018 hearing, regarding approval of the break-up fee and replacement of Highland Capital as sub-servicer with Oaktree, J.P. Sevilla, assistant general counsel for Highland Capital, testified that Highland Capital would reduce its rates charged to Acis LP for sub-servicing from 35 basis points to 17.5 basis points, in order to match competing offers:

Q Okay. Would Highland be willing to reduce its fee during the pendency of the bankruptcy, maybe without its rights to assert the validity of the contract, but would Highland otherwise be willing to assert -- to reduce its fees during the pendency of the bankruptcy?

A I think at the very least Highland would match Saratoga or whatever the 17.5 bps offer is. Again, reserving all rights, but in order to stay in the deal and to establish Highland's commitment to this deal, we would do it for 17-1/2 basis points, no question.

July 6, 2018 Hr'g Tr. at pp. 243-44. Moreover, the effective rate for such services charged by Brigade and Cortland also approached 17.5 basis points.⁴⁸ Accordingly, notwithstanding the objections otherwise raised herein, and assuming the services provided to Acis LP enhanced,

⁴⁸ Pursuant to the Third Amended Joint Plan, Brigade agreed to provide sub-advisory and shared services to the Acis CLOs for 15 basis points (and decreasing after one year). *See* Docket No. 661 at pp. 28, 136; *see also* Dec. 11, 2018 (PM) Hr'g Tr. at 89 & Dec. 12, 2018 (AM) Hr'g Tr. at 62.

rather than undermined, the ability of Acis's business to function, such amounts should be reduced to reflect a rate of at most 17.5 basis points.

4. The Plaintiffs Dispute Highland Capital's Calculation of its Administrative Claim.

344. The Plaintiffs further object to Highland Capital's calculation of the amount of the Administrative Claim. Subject to the objections raised herein, in the *Amended Disclosure Statement Pursuant to Section 1125 of the United States Bankruptcy Code with Respect to the Second Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC* [Case No. 18-30264, Docket No. 621] (the "Disclosure Statement"), the Trustee estimated that under the terms of the Sub Agreements, Highland Capital's alleged Administrative Claim would be approximately \$2,612,574.00, rather than \$3,007,678.41. Highland Capital fails to explain or substantiate this discrepancy. The Administrative Claim also includes \$543,545.88 for expenses. Highland Capital fails to show that these alleged expenses were incurred or payable under the Sub Agreements. *See In re Packard Props., Ltd.*, 118 B.R. 61, 63 (Bankr. N.D. Tex. 1990) ("Since this claim is a request for payment of administrative expenses, the [creditor] carries the burden of proof throughout the entire proceeding."). Therefore, in addition to the objections herein, the Plaintiffs also object to Highland Capital's calculation of its purported Administrative Claim.

C. Highland Capital Is Not Entitled to Payment of Any Allowed Administrative Claim Because Acis's Right of Offset and Recoupment May Reduce or Eliminate Its Administrative Claim.

345. Even if the Court were to determine that Highland Capital is entitled to an allowed Administrative Claim, it should not be entitled to payment because Acis has rights of offset and recoupment that may be applied under section 558 of the Bankruptcy Code to reduce

or eliminate any allowed Administrative Claim.⁴⁹ As set forth above, Highland Capital charged Acis excessive and unreasonable fees for its services, and Acis has asserted a number of causes of action against Highland Capital for such overcharges, including for recovery of overcharges resulting from *ultra vires* actions, turnover of unauthorized payments, money had and received, conversion, fraudulent transfer, civil conspiracy, breach of contract, and breach of fiduciary duty. As a result of these overcharges, the Debtors' estates suffered many millions of dollars in damages which should be offset against any valid administrative claim awarded to Highland Capital. Indeed, the causes of action against Highland Capital may offset, or eliminate altogether, any right of recovery Highland Capital may have against the Debtors' estates on account of any Administrative Claim.

D. To the Extent Allowed, Highland Capital's Administrative Claim Should Also Be Equitably Subordinated.

346. In addition to applying equitable subordination to prepetition claims, courts have equitably subordinated administrative claims when the claimant acted in ways to harm the estate. *See, e.g., Principal Mut. Life Ins. Co. v. Langhorne (In re 848 Brickell Ltd.)*, 243 B.R.142, 149 (S.D. Fla. 1998) (holding that while "pursuit of one's legal rights may not be grounds for equitable subordination, the lower court's findings that [the claimant's] protracted and abusive litigation tactics harmed the estate by causing it to incur about \$400,000 in fees" justified equitable subordination of its administrative claim).

347. For the same reasons described above with respect to Highland Capital's prepetition claims, Highland Capital's Administrative Claim should also be equitably subordinated to the extent allowed. Further, during these Bankruptcy Cases, the Debtors' estates

⁴⁹ The Plan provided for the payment of allowed administrative claims on (i) the later of the effective date or the tenth business day after the administrative expense is allowed, or (ii) as otherwise agreed in writing between the Reorganized Debtor, or as otherwise ordered by the Bankruptcy Court. *See* Case No. 18-30264, Docket No. 660 at 11, § 3.01(b).

and the Reorganized Debtors have incurred substantial administrative fees in responding to the protracted and abusive litigation tactics of Highland Capital, including arguing for (and against) injunctive relief to prevent the liquidation of the CLOs and litigating the numerous appeals initiated by Highland Capital against the Trustee. Such litigation tactics by Highland Capital were attempts to thwart the reorganization of the Debtors, damage the estate, and harm its creditors. Accordingly, the Court should equitably subordinate Highland Capital's Administrative Claim. *See Principal Mut. Life Ins. Co.*, 243 B.R. at 149.

348. Thus, to the extent the Highland Capital's Administrative Claim is allowed in any amount, it should be subordinated below all other allowed claims in these Bankruptcy Cases.

VI. PRAYER

Plaintiffs respectfully request that the Court:

(i) enter judgment declaring that Expense Overpayments made to Highland Capital in excess of 20% of Revenue and any agreements supporting such overpayments were *ultra vires* and, thus, void or voidable;

(ii) enter judgment against Highland Capital for the recovery of any *ultra vires* payments made to Highland Capital;

(iii) enter judgment against Highland Capital, Highland Funding, Highland Advisor, Highland Holdings, and Highland Management for the avoidance and recovery of transfers fraudulently made and obligations fraudulently incurred and for civil conspiracy in connection with such fraudulent transfers and schemes;

(iv) enter judgment against Highland Capital, Highland Holdings, and Highland Management for avoidance and recovery of preferential transfers received;

(v) enter judgment against Highland Capital for tortious interference with contract;

(vi) enter judgment against Highland Capital for breach of contract;

(vii) enter judgment against Highland Capital for breach of its fiduciary duties and order disgorgement of all funds received by Highland Capital as a result of such breach;

(viii) enter judgment against Highland Capital and Highland Funding for willful violation of the automatic stay, pursuant to section 362(k) of the Bankruptcy Code;

(ix) enter judgment against Highland Capital, Highland Funding, Highland Advisor, Highland Management, and Highland Holdings for punitive damages;

(x) enter judgment against Highland Capital, Highland Funding, Highland Advisor, Highland Management, and Highland Holdings for pre- and post-judgment interest at the greatest amount permitted by law;

(xi) enter judgment against Highland Capital, Highland Funding, Highland Advisor, Highland Management, and Highland Holdings for all attorneys' fees and costs incurred in connection with the prosecution of this Adversary Proceeding and for all allowed professionals' fees and expenses incurred by the estates in the Bankruptcy Cases;

(xii) establish a constructive trust for all benefits unjustly received by that Highland Capital, Highland Funding, Highland Advisor, Highland Management and Highland Holdings;

(xiii) declare that Highland Capital, Highland Funding, Highland Advisor, Highland Management and Highland Holdings are alter egos of each other, or that the corporate for should otherwise be disregarded, and each is fully liable for any judgment entered for the Plaintiffs in this Adversary Proceeding;

(xiv) disallow, expunge and/or subordinate the Highland Capital Claims;

(xv) deny, disallow, and/or subordinate Highland Capital's Administrative Claim; and

(xvi) grant any other such relief that the Plaintiffs may show themselves to be justly entitled in law or in equity.

Dated: June 20, 2019.

Respectfully submitted,

By: /s/Rakhee V. Patel

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CERTIFICATE OF SERVICE

I hereby certify that on June 20, 2019, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this adversary proceeding pursuant to the Electronic Filing Procedures in this District. Service will also be made as required and allowed by Federal Rule of Bankruptcy Procedure 7004.

/s/ Annmarie Chiarello

One of Counsel

EXHIBIT TO BE FILED UNDER SEAL

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS (DALLAS)

In Re:) Case No. 18-30264-sgj7
ACIS CAPITAL MANAGEMENT, L.P.,) Dallas, Texas
Alleged Debtor.) February 7, 2018
-----) 9:36 a.m.
ACIS CAPITAL MANAGEMENT GP, LLC,) Case No. 18-30265-7-sgj7
Alleged Debtor.)
-----)

TRANSCRIPT OF HEARING ON:

AS TO CASE NO. 18-30264-sgj7:
EMERGENCY MOTION TO ABROGATE OR MODIFY 11 U.S.C. SECTION
303(F), PROHIBIT TRANSFER OF ASSETS, AND IMPOSE, INTER ALIA,
11 U.S.C. SECTION 363, FILED BY PETITIONING CREDITOR JOSHUA
TERRY (3);
EMERGENCY MOTION TO SET HEARING (RELATED DOCUMENTS 8 MOTION TO
DISMISS CASE), FILED BY ALLEGED DEBTOR ACIS CAPITAL
MANAGEMENT, L.P. (9)

AS TO CASE NO. 18-30265-7-sgj7:
EMERGENCY MOTION TO ABROGATE OR MODIFY 11 U.S.C. SECTION
303(F), PROHIBIT TRANSFER OF ASSETS, AND IMPOSE, INTER ALIA,
11 U.S.C. SECTION 363, FILED BY PETITIONING CREDITOR JOSHUA
TERRY (3);
EMERGENCY MOTION TO SET HEARING (RELATED DOCUMENTS 8 MOTION TO
DISMISS CASE), FILED BY ALLEGED DEBTOR ACIS CAPITAL MANAGEMENT
GP, LLC (9)

BEFORE THE HONORABLE STACEY G. JERNIGAN
UNITED STATES BANKRUPTCY COURT

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19 Also Present:

JOSHUA TERRY
Petitioning Creditor

SCOTT B. ELLINGTON, ESQ.
General Counsel of Highland
Capital Management

1 THE COURT: Quickly. Thirty seconds.

2 MR. SHAW: Yes, Judge. Highland offered to settle
3 for us for two million dollars.

4 THE COURT: Okay.

5 MR. SHAW: But the point of that settlement offer --

6 THE COURT: I just want know if the litigation is
7 still alive or not because he --

8 MR. SHAW: It is still alive.

9 THE COURT: -- because I understood yesterday it was
10 done, and then I understood from something today it was still
11 going on.

12 MR. SHAW: Yeah. I mean, effectively, the
13 arbitration said that Highland was not before the arbitration
14 panel, and so that's what happened. And so there are live
15 claims left.

16 THE COURT: All right. First, on the 303(f) motion,
17 the one thing that is clear is that the legal standard is not
18 absolutely certain. I mean, again, there's nothing in the
19 Bankruptcy Code that articulates when may, the Court, in its
20 discretion, order otherwise -- that is, there's language in
21 303(f) that 363 doesn't apply unless the court orders
22 otherwise. No standard in Bankruptcy Code.

23 We look at the legislative history; Ms. Patel pointed
24 out fear. When there's fear, the debtor may intend to abscond
25 with assets. While I tend to agree with Acis' counsel that

1 fear is not really a normally recognized legal standard, on
2 the other hand, cause -- the same standard as cause for a
3 trustee that the Eastern District of New York judge apparently
4 thought was appropriate, well, he's kind of plucking that,
5 perhaps, out of thin air. But even if "cause" is the current
6 standard, there's Fifth Circuit authority, the Cajun Electric
7 case. It wasn't in the context of an involuntary; it was in
8 the context of a motion for a Chapter 11 trustee, and hopeless
9 conflicts of interest were cited by the Fifth Circuit as being
10 one cause for appointment of a trustee.

11 So if Mr. Cipriani (sic) is right and that's the
12 appropriate legal standard, then I find the legal standard has
13 been met here. I have heard plenty of evidence the past two
14 days to suggest we have hopeless conflicts of interest and I
15 thus, don't understand. I'm not going to be Monday morning
16 quarterbacking decisions that were made and were not made, but
17 I cannot imagine why we didn't have an independent officer,
18 director, manager-type person put in place at Acis, again,
19 someone independent of Highland.

20 So if the cause standard under -- what is it, 1104
21 for a Chapter 11 trustee is the standard under 303(f), then
22 it's met here with abundant conflicts of interest.

23 I've always thought the appropriate standard -- and I
24 may be out there in the wilderness alone on this -- but under
25 303(f) or any kind of interim gap relief should be something

1 akin to a preliminary injunction or a temporary injunction or
2 restraining order standard. That is the whole four-prong test
3 of likelihood of success on the merits; it's necessary to
4 avoid immediate and irreparable harm; it's in the public
5 interest; and when you balance the harm the harm to the
6 alleged debtor is less than the harm to the petitioning
7 creditor if I don't grant it.

8 So assuming that four-prong test is the appropriate
9 test to use here, I find that that four-prong test is met
10 here.

11 I think there is a showing of potential immediate and
12 irreparable harm if the transaction happens February 13th and
13 Acis is thereby deprived of its management fees under CLO 3
14 without what it appears to be reasonable consideration in
15 return.

16 Two, I think it's in the public interest to preserve
17 assets for legitimate creditors, and 303(f) relief would serve
18 that public interest.

19 Balance of harms, again, I listened closely, I
20 thought hard, but I'm just not understanding why this has to
21 happen February 13 or there's going to be an immediate
22 cascading loss of value as has been described here from the
23 immediate redemption calls that are going to happen.

24 I may be wrong, and I hate to be put in a place of
25 playing a game of chicken, and that's kind of how I kind of

1 feel on this, but I just don't think I've been convinced that
2 it's going to be a terrible disaster if the February 13th
3 transaction doesn't happen on February 13.

4 Last but not least, the substantial likelihood of
5 success on the merits, I mean, I'm putting myself in the place
6 of really looking at is there going to be a substantial legal
7 question on whether this belongs in an involuntary, and I
8 think they're -- I don't know how it's going to come out, but
9 I think there is a substantial legal question here, I think.

10 The evidence has shown there is some substantial
11 possibility that maybe we don't have more than twelve, or
12 twelve or more creditors whose claims are not the subject of a
13 bona fide dispute as to liability and amount when you excise
14 insiders and people who may have gotten preferences.

15 So I don't know. I mean, I may be wrong, but there's
16 at least some substantial question, I think, on that.

17 So I am granting the 303(f) motion. 363 will apply
18 during the gap period. The debtors -- the debtors plural, may
19 not use, acquire, lease, dispose of property of the estate
20 without permission of the Court.

21 I think we have tough questions here about what is
22 ordinary course of business and what is not. And I don't
23 think, based on what I've heard, that a reissuance, a refi, a
24 termination or assignment of a portfolio-management agreement
25 would be in the ordinary course of business, okay.

1 So I'm saying no use of property -- or acquisition,
2 lease, transfer, disposal of property of the estate without
3 permission of the Court.

4 I'm not requiring a bond right now under 303(e) to
5 potentially indemnify Acis for amounts that I could allow
6 under 303(i) one day, and I think most of us know what I mean.
7 But if we have a trial on the involuntary and I decide, nope,
8 this was not appropriate after all, then I get to then have a
9 bifurcated subsequent hearing on whether Acis is entitled to
10 damages from the petitioning creditor.

11 In some circumstances, bankruptcy courts will make a
12 petitioning creditor post a bond right now in case there's
13 going to be damages down the road. I'm not going to require
14 that right now. I don't think a need has been shown.

15 And next, with regard to the motion for an expedited
16 hearing, I don't think there has been a showing that this has
17 to happen on an expedited basis from a farther out time frame
18 than the Bankruptcy Rules contemplate.

19 And Ms. Patel reminded me today of another provision
20 that's applicable here besides just the normal twenty-one days
21 to answer and then, if there's a dispute, we set it for trial.

22 The last sentence, "If it appears that there are
23 twelve or more creditors ... the Court shall afford a
24 reasonable opportunity for other creditors to join in the
25 petition before a hearing is held thereon." I mean, again, if

1 we have all of these -- if there are seventeen noninsider
2 creditors other than Mr. Terry with claims against Acis not
3 the subject of a bona fide dispute, how do I know that they
4 would not want to join in, some of them, especially if their
5 invoices are so old, as some of them seem to be. So I have to
6 stick to the due process that I think the Bankruptcy Rules
7 require in this situation.

8 I am inclined -- it's late; I don't have my courtroom
9 deputy here to know when I can give you time. I'm inclined to
10 set this, not forever out, like the middle of March. Okay?
11 So unless --

12 What? Oh, she may still be here. One moment.

13 (Clerk to Court)

14 THE COURT: Okay. So Ms. Ellison, my courtroom
15 deputy, is going to start emailing you in the morning for
16 post-trial dates. But what I'm inclined to do is set it
17 middle of February -- I mean, I'm sorry, middle of March. So
18 forty-ish days out, and if you all don't otherwise agree, I'm
19 going to say that the deadline for written discovery, instead
20 of being the usual thirty days, we'd shorten it to fifteen
21 days. And then depositions, reasonable notice, if you can't
22 otherwise agree, will be ten days.

23 I'm thinking through this; as I say this, I am
24 worried about if petitioning creditor needs discovery from
25 some of these law firms and others, that forty days might be

1 kind of tight, but we're just going to have to make it work,
2 okay.

3 So I'm going to -- again, middle of March. I'm going
4 to have my courtroom deputy email you all tomorrow. And then,
5 Ms. Patel, I'm going to look for you to do forms of order on
6 my ruling, and you'll insert the date if the hearing and the
7 ten days for written discovery -- no, what did I say -- twelve
8 and ten.

9 MS. PATEL: Ten days and fifteen for written.

10 THE COURT: You can put that in the order as well.

11 MS. PATEL: Will do, Your Honor. And we'll endeavor
12 to work with Mr. Warner on, again, a reasonable schedule, and
13 to the extent that there's any issue, we'll reach out to Your
14 Honor if there's something that we're not thinking about, for
15 example, that we may need in terms of prep. That's all.

16 THE COURT: Okay. It's been a hard two days, but I
17 want to compliment the lawyers. I mean, I think the lawyers
18 did a superb job, were well prepared. I am going to say, Mr.
19 Ellington, you ever testified in federal court before?

20 MR. ELLINGTON: I have not.

21 THE COURT: Okay. Next time, wear a tie, okay?

22 MR. ELLINGTON: Okay, I will. Thank you.

23 THE COURT: All right. Thank you.

24 MS. PATEL: Thank you, Your Honor.

25 MR. WARNER: Your Honor, before the Court leaves, I'm

1 sorry, but I think -- I just really would like to make sure
2 the record is clear on an issue.

3 The Court has granted the 303 imposing 363 on --

4 THE COURT: Yep. Um-hum.

5 MR. WARNER: -- on the alleged debtors. I'm going to
6 assume, based upon the record before the Court, that if I
7 filed a motion for 363 and asked that it be expedited and
8 heard so that we can undertake the transaction, but based upon
9 the record, this Court's not going to grant that transaction.

10 THE COURT: You mean to go forward with the February
11 13th transaction?

12 MR. WARNER: Whether it's February 13th or February
13 14th or February whenever, it's the transaction that we would
14 like to have done --

15 THE COURT: Unless you plan on putting up a big
16 adequate-protection-like escrow in connection with this, no.
17 Okay?

18 All right. Thank you.

19 MR. WARNER: Thank you, Judge.

20 MS. PATEL: Thank you, Your Honor.

21 THE CLERK: All rise.

22 (Whereupon these proceedings were concluded at 6:20 p.m.)
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C E R T I F I C A T I O N

I, Clara Rubin, the court-approved transcriber, do
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February 11, 2018

CLARA RUBIN

DATE

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:) Case No. 18-30264-sgj11
) Chapter 11
)
ACIS CAPITAL MANAGEMENT, L.P.) Courtroom 1
) 1100 Commerce Street
) Dallas, Texas 75242-1496
Debtor.)
) May 31, 2018
) 10:09 a.m.

TRANSCRIPT OF STATUS CONFERENCE
BEFORE HONORABLE JUDGE STACEY G. JERNIGAN
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

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EXHIBITS

ID

EVID

Letter (from Leventon to Reed)

45

45

1 that those transfers are avoidable as fraudulent transfers, and
2 probably avoidable under other theories.

3 The optional redemption called for by Highland is
4 just another step in Highland's plan to strip Acis of its
5 assets so that Acis can't pay its legitimate allowable claims.
6 If Highland doesn't behave in an economically rational fashion,
7 and cooperate to get everybody paid, several issues will need
8 to be resolved by this Court:

9 First, Highland doesn't have the right to call an
10 optional redemption using the sub-debt and other rights
11 fraudulently transferred from Acis. If Highland doesn't have
12 that right, then Acis can't liquidate the portfolio; Highland
13 obviously disagrees.

14 Second, we don't believe that Highland has complied
15 with the technical requirements of the indenture and the
16 portfolio management agreement regarding the optional
17 redemption. Again, if Highland hasn't done it right, I
18 shouldn't be liquidating that portfolio; Highland disagrees.

19 Fourth, by demanding a liquidation of the CLOs,
20 Highland is effectively extinguishing the portfolio management
21 agreement between the CLOs and Acis, thus exercising control
22 over property of the estate in violation of the automatic stay.
23 Liquidation of the portfolio, in light of a stay violation,
24 would potentially nullify the transactions; again, I believe
25 that Highland disagrees.

1 But at the same time, I've made my at least initial
2 thoughts. You know, I put them out there that I'm worried
3 about stay violations. And while we're at it, you know, I was
4 told before about Mr. Kotwick's client being told to hold onto
5 money, and they're holding \$4 million, or something like that.

6 While it may be complicated on the redemption call,
7 I'm not sure it's very complicated about that being an
8 interference of property of the estate. I'm still trying to
9 figure out why people feel like that's okay to do. I mean,
10 again, we're in a status conference, but I am just stunned that
11 -- I mean I don't know. Where is the thinking coming from,
12 that you can tell the indenture trustee don't pay Acis the
13 money it's owed.

14 MS. O'NEIL: Well, Your Honor, that is not what the
15 letter said, and I didn't bring a copy of the letter, but I'm
16 sure we could bring it up. It was the indenture trustee is in
17 the possession of the funds, the indenture trustee is the party
18 that actually pays the portfolio manager and the expenses
19 associated with this.

20 THE COURT: Okay.

21 MS. O'NEIL: The letter basically said, "Indenture
22 Trustee, the equity may have claims, we're putting you on
23 notice to protect our rights and seek Bankruptcy Court approval
24 because there may be offset and other rights for the portfolio
25 manager not basically fulfilling its contractual rights."

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Karen Hartmann, AAERT CET**D0475 Date: June 1, 2018
TRANSCRIPTS PLUS, INC.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:) Case No. 18-30264-sgj11
ACIS CAPITAL MANAGEMENT, L.P.) Chapter 11
Debtor.)
HIGHLAND CAPITAL) Adversary No. 18-03078-sgj
MANAGEMENT, L.P.,)
Plaintiff,)
versus) Courtroom 1
ROBIN PHELAN, Chapter 11 Trustee,) 1100 Commerce Street
Defendant.) Dallas, Texas 75242-1496
June 12, 2018
1:34 p.m.

TRANSCRIPT OF CASE NO. 18-30264-sgj11: STATUS CONFERENCE;
MOTION TO COMPEL REJECTION OF TWO EXECUTORY CONTRACTS FILED BY
CREDITOR HIGHLAND CAPITAL MANAGEMENT, L.P. (169); APPLICATION
TO EMPLOY FORSHEY & PROSTOK, LLP AS ATTORNEY TO THE CHAPTER 11
TRUSTEE (222); APPLICATION TO EMPLOY WINSTEAD PC AS SPECIAL
COUNSEL TO THE CHAPTER 11 TRUSTEE (246); MOTION TO DISQUALIFY
WINSTEAD P.C. AS PROPOSED SPECIAL COUNSEL TO ROBIN PHELAN,
CHAPTER 11 TRUSTEE FILED BY CREDITOR HIGHLAND CAPITAL
MANAGEMENT, L.P. (244)
TRANSCRIPT OF ADVERSARY NO. 18-03078-SGJ: SCHEDULING CONFERENCE
TO SET STATUS CONFERENCE REGARDING MOTION FOR WITHDRAWAL OF
REFERENCE IN HIGHLAND ADVERSARY (3)
BEFORE HONORABLE JUDGE STACEY G. JERNIGAN
UNITED STATES BANKRUPTCY JUDGE

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1 million in no time.

2 MR. NEIER: There's \$20,000 an hour in this courtroom
3 right now.

4 THE COURT: In no time.

5 MR. NEIER: So I would absolutely support the parties
6 talking. They don't have to talk about a sale. They don't
7 have to talk about a redemption. They can talk about the \$11
8 million that Your Honor just mentioned.

9 THE COURT: Put it in escrow and --

10 MR. NEIER: Mr. Phelan --

11 THE COURT: -- go fight somewhere.

12 MR. NEIER: Mr. Phelan is trying to maximize
13 recoveries to creditors. He doesn't have to take 100 cents on
14 a dollar for his creditors. He can have his creditors in his
15 room. They have risk of an admin insolvent estate, okay?
16 There is a number here that should resolve this case, and it
17 should be done as quickly as possible.

18 Thank you, Your Honor.

19 THE COURT: Thank you. I've never understood why
20 someone didn't just put \$11 million in escrow, and -- well --

21 MR. WIELEBINSKI: Your Honor, two questions I want
22 to --

23 THE COURT: Let the -- let the arbitration
24 confirmation dispute -- there was an arbitration award, and
25 there was -- there's a judgment, and then there's an appeal of

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Karen Hartmann, AAERT CET**D0475 Date: June 13, 2018
TRANSCRIPTS PLUS, INC.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:) Case No. 18-30264-sgj11
ACIS CAPITAL MANAGEMENT, L.P.) Chapter 11
Debtor.)
HIGHLAND CAPITAL) Adversary No. 18-03078-sgj
MANAGEMENT, L.P.,)
Plaintiff,)
versus) Courtroom 1
ROBIN PHELAN, Chapter 11 Trustee,) 1100 Commerce Street
Defendant.) Dallas, Texas 75242-1496
June 14, 2018
2:06 p.m.

TRANSCRIPT OF CASE NO. 18-30264-sgj11: APPLICATION TO
EMPLOY FORSHEY & PROSTOK, LLP AS ATTORNEY TO THE CHAPTER 11
TRUSTEE (222); APPLICATION TO EMPLOY WINSTEAD PC AS SPECIAL
COUNSEL TO THE CHAPTER 11 TRUSTEE (246); MOTION TO DISQUALIFY
WINSTEAD P.C. AS PROPOSED SPECIAL COUNSEL TO ROBIN
PHELAN, CHAPTER 11 TRUSTEE FILED BY CREDITOR HIGHLAND
CAPITAL MANAGEMENT, L.P. (244)
TRANSCRIPT OF ADVERSARY NO. 18-03078-SGJ: SCHEDULING CONFERENCE
(RE: RELATED DOC (3) MOTION FOR EXPEDITED HEARING (RELATED
DOC (2) MOTION FOR WITHDRAWAL OF REFERENCE)
BEFORE HONORABLE JUDGE STACEY G. JERNIGAN
UNITED STATES BANKRUPTCY JUDGE

ECRO: Cathy Ecker

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INDEX

EXHIBITS

ID EVID

Original application of Winstead (Doc 246),
with attachment/Patel declaration (Doc 246-1)

11 11*

Supplement to the Winstead employment application
(Doc 266) with Exhibit A/Patel supplemental
declaration

11 11*

*Judicial notice taken

1 being special counsel.

2 Before we turn to that, I guess some housekeeping
3 matters, for lack of a better term, might be addressed on the
4 record. As was alluded to, I think by Mr. Webster, I got word
5 through my Courtroom Deputy late yesterday that the optional
6 redemption has been revoked, or is no longer being pursued by
7 Highland CLO Fund. Do we want to get confirmation of that on
8 the record, and that, therefore, the Trustee does not desire to
9 go forward with his application to extend the TRO?

10 MR. MALONEY: Yes, Your Honor, if I may. Mark
11 Maloney on behalf of HCLOF.

12 I can confirm that the optional redemption notices
13 have been revoked -- withdrawn.

14 THE COURT: Okay.

15 MR. MALONEY: That process has, in fact, concluded.
16 That was done obviously for multiple reasons. My client
17 doesn't believe that this is the appropriate time to be
18 effectuating such a redemption for its own economic reasons,
19 setting aside the complications it's obviously caused for
20 others in this room. But needless to say, that, too, is an
21 effort to try to bring, as I believe the Court has requested,
22 and others have, some sanity to this process.

23 Needless to say, there was also some concerns brought
24 to the Court's attention by the indenture trustee. We believe
25 that this takes care of that.

1 MS. O'NEIL: Okay.
2 THE COURT: All right?
3 MS. O'NEIL: That's fine; thank you, Your Honor.
4 THE COURT: All right.
5 MR. PHELAN: Thank you, Your Honor.
6 MULTIPLE SPEAKERS: Thank you, Your Honor.
7 (Whereupon, at 4:25 p.m., the hearing was adjourned.)
8
9

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12 Transcriber, certify that the foregoing is a correct transcript
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16
17

18 Karen Hartmann, AAERT CET**D0475 Date: June 18, 2018
19 TRANSCRIPTS PLUS, INC.
20
21
22
23
24
25

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:) Case No. 18-30264-sgj11
ACIS CAPITAL MANAGEMENT, L.P.) Chapter 11
Debtor.)
ROBIN PHELAN, Chapter 11 Trustee,) Adversary No. 18-03212-sgj
Plaintiff,)
versus) Courtroom 1
HIGHLAND CAPITAL) 1100 Commerce Street
MANAGEMENT, L.P., et al.,) Dallas, Texas 75242-1496
Defendants.) June 22, 2018
10:47 a.m.

TRANSCRIPT OF CASE NO. 18-30264-sgj11: MOTION FOR EXPEDITED
HEARING RE: CHAPTER 11 TRUSTEE'S MOTION FOR ENTRY OF ORDER
ENFORCING EXECUTORY CONTRACTS AGAINST HIGHLAND CAPITAL
MANAGEMENT, LP (302)
TRANSCRIPT OF ADVERSARY NO. 18-03212-SGJ: STATUS
CONFERENCE RE: TRO
BEFORE HONORABLE JUDGE STACEY G. JERNIGAN
UNITED STATES BANKRUPTCY JUDGE

ECRO: Cathy Ecker

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* * *

1 million in escrow, and make this all go away?" I don't know if
2 people heard that, if people understood that, but stating what
3 I think was obvious, I meant that the debtor -- the debtor out
4 of possession, okay, or its equity holders, or Highland, or
5 HCLOF, they could do something like we sometimes do when
6 there's a judgment being appealed, okay? So we have -- what is
7 that Local District Court Rule? 61 something -- 62.1, okay?
8 That's the rule many of you know dealing with supersedeas
9 bonds. To stay execution of a money judgment, a judgment
10 debtor can post the amount of the monetary judgment plus 20
11 percent, plus \$250 for cost. So, you know, they automatically
12 get a stay of everything if they post that amount.

13 So I guess what I was thinking -- maybe I'm just too
14 simple-minded -- was, gosh, if this were me, and I'm not the
15 billionaire investor, but, gosh, if this was me, wouldn't it
16 make more economic -- rational economic sense to just do
17 something like 62.1 contemplates, you know, post the amount of
18 -- an amount of money equal to all the claims, okay? I said
19 ten or 11 million, but God knows we have administrative
20 expenses ratcheting up astronomically every day. So pick the
21 amount. Here's the universe of possible claims between Mr.
22 Terry, and the, you know, ten or so other creditors out there,
23 and the Trustee, and professional fees, here's an amount, plus
24 20 percent, plus \$250 so let us, Bankruptcy Court, post this
25 amount, let Mr. Phelan hold it in escrow, and ask me to lift

1 the stay so that Acis, the debtor out of possession, could
2 pursue its State Court options with regard to the arbitration
3 award, appealing it or whatever motions. I could give the
4 debtor out possession standing to do that. I could -- you
5 could ask me to grant relief from the stay to allow redemption
6 notices to go out, or terminate the PMAs, you know, so that you
7 could do a reset maybe, instead of a redemption, or a re-fi.
8 Then just stay the bankruptcy case, let Mr. Phelan hold the
9 escrow pending State Court resolution of all the arbitration.
10 You know, again, I don't know what type of legal arguments can
11 be made at this juncture in conjunction with the arbitration
12 award, but go for it.

13 And then if Acis is successful and wipes out Mr.
14 Terry's claim, or reduces it, then Mr. Phelan pays out the
15 money accordingly, or if he continues to prevail, Mr. Phelan
16 pays out the money accordingly, but meanwhile HCLOF doesn't
17 have to feel like it's being held hostage by Mr. Phelan.
18 Highland doesn't have to feel like it's being hung out there,
19 or whatever the phrase was that was used.

20 So I say that, and I don't know, you know? Mr.
21 Phelan may think, well, that's -- that's stupid, that's
22 terrible, there may be reasons why that isn't a good exercise
23 of business judgment.

24 But, again, I'm hearing this is costing the subnote
25 holders \$60,000 a day, and that's just the alleged amount of

1 staying in these existing CLOs, the legal fees probably are,
2 you know, higher than that a day, it looks like, the rate this
3 is going.

4 So anyway, I just -- I don't understand -- over this
5 amount of claims unless -- unless, it's like Mr. Phelan
6 alleges, and egos and vendettas are really what's behind every
7 legal position or business position taken.

8 I will say that if anyone considers what I'm saying,
9 you know, for a half a second, you know, at some point, it
10 would seem the window for this kind of solution closes, right?
11 You know, it -- not only is the amount that you would have to
12 put in escrow escalating each day with administrative expense
13 claims, but, you know, Oaktree is out there, presumably doing
14 their due diligence, someone else may be out there doing due
15 diligence. At some point, frankly, that's just going to be a
16 preferable solution perhaps if it can legally all be done,
17 which, again, that's the Trustee's legal risk in all of this.

18 So why wouldn't a rational person agree to this
19 approach, I don't know. But it just feels like this is really
20 getting out of control, and people involved don't care about
21 the legal cost of all of this, the out-of-whack expenditure of
22 resources versus what's at stake, and they don't care about the
23 risk. I mean, again, obviously Highland and HCLOF, they are
24 either extremely confident that they're not violating the stay,
25 extremely confident because they've got mounds of case law that

1 they think is undeniably the way I would go, and the fifth
2 circuit would go, or they just don't care. They're just so
3 arrogant, they don't care; I don't know.

4 But, again, the window is closing on when I would
5 consider such an escrow approach. Am I crazy, Mr. Phelan?
6 You'll tell me if I'm crazy. Am I crazy?

7 MR. PHELAN: Not about that.

8 THE COURT: Not about that? Okay.

9 (Laughter)

10 THE COURT: Am I crazy, Mr. Maloney? Ms. O'Neil? Am
11 I crazy about thinking -- is there a way to let everyone go do
12 what they want and not have this Bankruptcy Court process
13 getting in the way? Acis, it's not a great fit for Chapter 11.
14 So fine, I am perfectly happy to go away. Put an escrow in
15 place, let people terminate the PMAs, do a redemption. Go
16 pursue every last possible legal argument you have with regard
17 to that Terry arbitration award.

18 MR. MALONEY: Your Honor, I think from my client's
19 perspective, whether that's crazy or not is for someone other
20 than the equity noteholder to determine. I certainly
21 understand where you're coming from, and I certainly understand
22 that in a different world, or maybe in this world, that might
23 be a workable solution. But that's not a decision that my
24 clients, who are in the middle of this, are -- have a current
25 appetite to try -- that's not a problem that my clients feel

CERTIFICATE OF TRANSCRIBER

I, KAREN HARTMANN, a certified Electronic Court Transcriber, certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.



Karen Hartmann, AAERT CET**D0475 Date: June 22, 2018
TRANSCRIPTS PLUS, INC.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

IN RE: . Case Nos. 18-30264-sgj11 and
. 18-30265-sgj11
ACIS CAPITAL MANAGEMENT .
L.P. and ACIS CAPITAL .
MANAGEMENT GP, LLC, .
. .
Debtors. .
.
HIGHLAND CAPITAL . Adversary No. 18-03078-sgj
MANAGEMENT, L.P., .
. .
Plaintiff, .
. .
versus .
. .
ROBIN PHELAN, Chapter 11 .
Trustee, .
. .
Defendant. .
.
ROBIN PHELAN, Chapter 11 . Adversary No. 18-03212-sgj
Trustee, .
. .
Plaintiff, .
. .
versus . Courtroom 1
. 1100 Commerce Street
. Dallas, Texas 75242-1496
HIGHLAND CAPITAL .
MANAGEMENT, L.P., et al., .
. .
Defendants. . July 6, 2018
. 9:34 a.m.

Audio Operator: Cathy Ecker

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TRANSCRIPT OF CASE NO. 18-30264-SGJ11: MOTION TO APPROVE BREAK-UP FEE, EXPENSE REIMBURSEMENT, AND REPLACEMENT SUB-ADVISORY AND SHARED SERVICES PROVIDER, OAKTREE CAPITAL MANAGEMENT, L.P. FILED BY TRUSTEE ROBIN PHELAN (263); MOTION FOR PRELIMINARY INJUNCTION FILED BY CREDITOR HIGHLAND CLO FUNDING, LTD. (318); MOTION FOR AN ORDER (A) SHORTENING DEADLINE TO FILE NONGOVERNMENTAL PROOFS OF CLAIM; (B) SETTING BAR DATES; AND (C) APPROVING CLAIM PROCEDURES AND THE FORM AND MANNER OF SERVICE OF BAR DATE NOTICE FILED BY DEBTOR ACIS CAPITAL MANAGEMENT, L.P. (330);

TRANSCRIPT OF ADVERSARY NO. 18-3078-SGJ: MOTION FOR PRELIMINARY INJUNCTION FILED BY PLAINTIFF HIGHLAND CLO FUNDING, LTD. (18); STATUS CONFERENCE RE: MOTION FOR WITHDRAWAL OF REFERENCE BY PLAINTIFFS HIGHLAND CLO FUNDING, LTD., HIGHLAND CAPITAL MANAGEMENT, LP (2);

TRANSCRIPT OF ADVERSARY NO. 18-3212-SGJ: PRELIMINARY INJUNCTION HEARING

BEFORE HONORABLE STACEY G. JERNIGAN
UNITED STATES BANKRUPTCY COURT JUDGE

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*Stipulated into evidence

1 wasn't real clear who was paying who. Everybody comes back to
2 my client and says put \$11 million in escrow. My client
3 doesn't owe anybody \$11 million. Somebody owes my client if
4 they want to buy their property. So we're not even on the same
5 page in that respect, and that's why that fell apart. That's
6 why that fell apart. And we're still there, because they
7 believe that this is the price that they can push down on us
8 and they're just moving forward. There was -- I don't know
9 that there was every much of -- I don't know. I don't know,
10 but I do know that we were on very different planes that day
11 and -- nevertheless, Your Honor, again --

12 THE COURT: There's no point in getting even the same
13 room, is there? I mean, I'm just trying to understand.
14 Mr. Saah said that you are losing 15 something -- \$15.3 million
15 a year, 299,000 per week.

16 MR. MALONEY: 295,000, yes, Your Honor.

17 THE COURT: 299,000 per week. This has already been
18 going on almost six months. So you've lost as much money as
19 you could have put it in escrow in the beginning of the year,
20 right, to just pay everybody in full, or almost.

21 MR. MALONEY: Your Honor --

22 THE COURT: Do you understand what I'm saying?

23 MR. MALONEY: I understand what you're saying, but
24 the point is that is value that we're losing, yes, but what
25 they're asking us to do will exacerbate, not fix that problem.

1 And, yes, okay, we can always look back and say, well, you know
2 what, if I'd just been willing to foot the bill for all this,
3 it might have been worth it to me, but at any point in time my
4 client's conclusion is why am I paying to fill the Acis estate?
5 Why am I doing this?

6 THE COURT: To avoid fraudulent transfer litigation
7 for the next two, three, four years, which you might lose on.

8 MR. MALONEY: Your Honor, if we're settling
9 fraudulent transfer litigation -- and, by the way, it's just
10 now been filed, you know -- but that's not what's going on.
11 They're holding -- that's not what's going on. What they're
12 holding over us is the ability -- we're going to take your
13 property, and so they're -- that's the leverage they're using.
14 They're not saying we're going to sue you. If they want to
15 drop this business and go file lawsuits, then we'll talk about
16 settling the lawsuits. That's not what they're doing. They
17 want to take our property and they want to pay us an amount
18 that we never would have accepted if we had brought a claim for
19 damages, because that wouldn't do it, and that's why we didn't
20 file a claim for damages. We filed a claim for specific
21 performance, Your Honor.

22 THE COURT: Okay.

23 MR. MALONEY: I'll yield to --

24 THE COURT: Okay. Ms. O'Neil.

25 MS. O'NEIL: Your Honor, I only have a couple of

1 Monday morning, though. All right. Dates, we'll talk about
2 that depending on how I rule Monday morning, okay?

3 UNIDENTIFIED SPEAKER: Thank you.

4 THE COURT: Thank you.

5 THE CLERK: All rise.

6 (Recessed at 6:14 p.m.)

7 * * * * *

8 C E R T I F I C A T I O N

9 We, KAREN HARTMANN, KAREN WATSON, VIDHYA VEERAPPAN,
10 MARY POLITO, ELAINE HOWELL, and DANA J. KELLY, court approved
11 transcribers, certify that the foregoing is a correct
12 transcript from the official electronic sound recording of the
13 proceedings in the above-entitled matter to the best of our
14 ability.

15
16 /s/ Karen Hartmann /s/ Karen Watson

17 KAREN HARTNANN KAREN WATSON

18
19 /s/ Vidhya Veerappan /s/ Mary Polito

20 VIDHYA VEERAPPAN MARY POLITO

21
22 /s/ Elaine Howell /s/ Dana J. Kelly

23 ELAINE HOWELL DANA J. KELLY

24
25 J&J COURT TRANSCRIBERS, INC. DATE: July 10, 2018

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

IN RE: . Case Nos. 18-30264(SGJ) and
. 18-30265(SGJ)
ACIS CAPITAL .
MANAGEMENT, L.P. and .
ACIS CAPITAL MANAGEMENT, . Earle Cabell Federal Building
GP, LLC, . 1100 Commerce Street
. Dallas, TX 75242-1496
Debtors. .
. July 25, 2018
. 1:36 p.m.
.

TRANSCRIPT OF APPLICATION TO EMPLOY MILLER BUCKFIRE and MOTION
FOR CONDITIONAL APPROVAL OF THE TRUSTEE'S DISCLOSURE STATEMENT
BEFORE HONORABLE STACEY G. JERNIGAN
UNITED STATES BANKRUPTCY COURT JUDGE

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1 case expertise. Leif Clark has been a wonderful mediator in a
2 lot of cases for me. I just don't know his availability.

3 But I'm cynical. I'm cynical because weeks ago, I
4 said, you know I can see something being done here where we
5 cobble together a pot of money, Highland puts up some money.
6 You know I knew there was money in some bank account of this
7 debtor. And if it was a high enough number to pay everybody in
8 full, including anticipating administrative expenses, if
9 someone would put that up and put the money in escrow, I would
10 lift the stay for every conceivable purpose in this case to
11 allow redemptions to happen, to allow PMAs to be terminated,
12 to allow an appeal in the Joshua Terry arbitration award
13 scenario. You all can do whatever you want as long as there's
14 a pot of money there that will pay all the creditors in full
15 and then some for administrative expenses. And all of this can
16 be over, you know have a happy summer I think I've said. I'm
17 out of here.

18 But that very, very easy, easy, easy cheesy solution
19 you know no one seemed to give it one bit of thought. But now
20 you want to mediate when the stakes have gotten much, much
21 higher.

22 Again, if you all want to talk and you can find Leif
23 Clark or some other private mediator who's willing to do this,
24 drop his life for a week sometime in August, I would be
25 thrilled but I'm not going to slow down the time table because

C E R T I F I C A T I O N

We, MARY POLITO and VIDHYA VEERAPPAN, court approved transcribers, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter, and to the best of our ability.

/s/ Mary Polito

MARY POLITO

/s/ Vidhya Veerappan

VIDHYA VEERAPPAN

J&J COURT TRANSCRIBERS, INC.

DATE: July 27, 2018

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

IN RE: . Case No. 18-30264-11(SGJ)
.
ACIS CAPITAL . Earle Cabell Federal Building
MANAGEMENT, L.P. and . 1100 Commerce Street
ACIS CAPITAL MANAGEMENT, . Dallas, TX 75242-1496
GP, LLC, .
Debtors. . August 1, 2018
. 10:02 a.m.

TRANSCRIPT OF EMERGENCY MOTION TO APPROVE REPLACEMENT
SUB-ADVISORY AND SHARED SERVICES PROVIDERS, BRIGADE CAPITAL
MANAGEMENT, LP AND CORTLAND CAPITAL MARKETS SERVICES LLC
BEFORE HONORABLE STACEY G. JERNIGAN
UNITED STATES BANKRUPTCY COURT JUDGE

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1 recommended paying down the top tranche bonds.

2 In my estimation Highland Capital Management was
3 effectively partially liquidating the CLOs. Their excuse is
4 that there are no appropriate loans to buy. I believe that's
5 incorrect. I have a list of almost 200 loans that have been
6 available, many of them already owned by the CLOs.

7 In my estimation every day that Highland Capital
8 Management is the sub-servicer is one more day that the
9 portfolios are degraded. You don't earn enough holding piles
10 of cash. Brigade and Cortland can start tomorrow. There's
11 absolutely no reason in my estimation for Highland Capital
12 Management to continue for another week of doing nothing while
13 the portfolios get worse. We're ready to present our evidence.

14 THE COURT: All right. Before we get to that, does
15 anyone wish to make an opening statement? I want to clarify,
16 do we have objectors? This was done on short notice. I didn't
17 see any written objections, but do we have any objections?

18 MS. O'NEIL: Your Honor, I guess we had voiced on
19 Monday that we did -- we don't object -- let me be real clear.
20 We don't object to the -- instead of Oaktree, Brigade being the
21 party. What we do object to is the timing, and also,
22 obviously, the -- when I say we, Highland Capital Management --
23 obviously, the suggestion and allegation that there has been
24 mismanagement we feel compelled to address, but the -- that --
25 that's the issue that we have, is on the timing, not whether

1 THE COURT: It'll be signed in five minutes.

2 THE CLERK: All rise.

3 (Proceedings adjourned at 3:03 p.m.)

4 * * * * *

C E R T I F I C A T I O N

We, DANA KELLY, KAREN WATSON and DIPTI PATEL,
court approved transcribers, certify that the foregoing is
a correct transcript from the official electronic sound
recording of the proceedings in the above-entitled matter,
and to the best of my ability.

/s/ Dana Kelly

DANA KELLY

/s/ Karen Watson

KAREN WATSON

/s/ Dipti Patel

DIPTI PATEL

J&J COURT TRANSCRIBERS, INC.

DATE: August 2, 2018

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

IN RE: . Case No. 18-30264-11(SGJ)
. .
ACIS CAPITAL . Earle Cabell Federal Building
MANAGEMENT, L.P. and . 1100 Commerce Street
ACIS CAPITAL MANAGEMENT, . Dallas, TX 75242-1496
GP, LLC, .
Debtors. . August 29, 2018
. 9:10 a.m.

TRANSCRIPT OF HEARING
BEFORE HONORABLE STACEY G. JERNIGAN
UNITED STATES BANKRUPTCY COURT JUDGE

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Maloney - Summation

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1 MR. MALONEY: I think it's a --

2 THE COURT: I -- you know --

3 MR. MALONEY: I'm not --

4 THE COURT: Your very good witness, Mr. Leventon,
5 pretty much said, yeah, I threatened Mr. Phelan with a lawsuit,
6 and he said it will just be an admin claim, and then maybe I'll
7 sue you personally -- intentional Tort. Ouch.

8 MR. MALONEY: Your Honor, well, let's say the tables
9 seem to have turned as I stand before you today because my
10 client's, you know, staring down the possibility of literally
11 having its note sold out from under it, but --

12 THE COURT: Well, I guess my question is, why did we
13 ever come to this and what happens if I don't agree with this?

14 MR. MALONEY: Your Honor, we'll all live --

15 THE COURT: Someone reminded me of how early it was
16 that I threw out that, put some money in escrow and this all
17 goes away. I know I've said it many times. I didn't even
18 remember I said it even during the involuntary proceedings.
19 What happens?

20 MR. MALONEY: Your Honor --

21 THE COURT: Apparently, putting an escrow of, you
22 know, back then, you know, nine million dollars would have been
23 fine, and I'll lift the stay, you can go forward in state court
24 and try your luck at appealing the arbitration award, for which
25 there are very few ways you can get it overturned on an appeal.

Maloney - Summation

142

1 You know, I'll let resets happen, I will totally get out of
2 everyone's way as long as there's a pot of money so that all
3 the creditors' bases get paid in full. I'll let people do
4 whatever they want.

5 MR. MALONEY: As it relates to my --

6 THE COURT: Nix -- no, no, no, no one took that bait
7 in the three or four times it was thrown out. So I know that
8 is not palatable apparently, so what happens if I don't approve
9 this plan? I'm going to look at the law and equity and do what
10 they require, but what happens if I don't approve it?

11 MR. MALONEY: Your Honor, we've been in our fox holes
12 for so long, you know, as I noted, there's going to have to be
13 a solution. I would submit that the ultimate backstop is that
14 the trustee's got 25, #27 million worth of claims, and if he's
15 right there's going to be lots of money, including to pay his
16 lawyers.

17 THE COURT: In ten years.

18 MR. MALONEY: Excuse me?

19 THE COURT: In ten years.

20 MR. MALONEY: I don't know how to respond to that,
21 other than I've been involved in cases where the Courts seem to
22 drag their feet deliberately hard, and it didn't last ten
23 years. But I make no predictions on that, Your Honor. I just
24 can't speak to that, but I know that it doesn't have to be ten
25 years.

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C E R T I F I C A T I O N

We, LORI KNOLLMEYER, THERESA PULLAN, ANDREA FOY
and ALYCE H. STINE, court approved transcribers, certify
that the foregoing is a correct transcript from the
official electronic sound recording of the proceedings in
the above-entitled matter, and to the best of our ability.

/s/ Lori Knollmeyer

LORI KNOLLMEYER

/s/ Theresa Pullan

THERESA PULLAN

/s/ Andrea Foy

ANDREA FOY

/s/ Alyce H. Stine

ALYCE H. STINE

J&J COURT TRANSCRIBERS, INC. DATE: August 30, 2018

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

IN RE: . Case No. 18-30264-11-SGJ
. .
ACIS CAPITAL MANAGEMENT . Earle Cabell Federal Building
L.P. and ACIS CAPITAL . 1100 Commerce Street
MANAGEMENT GP, LLC, . Dallas, TX 75242
. .
Debtors. .
. December 11, 2018
. 12:48 p.m.
. P.M. SESSION

TRANSCRIPT OF CHAPTER 11 PLAN CONFIRMATION (660);
FINAL HEARING RE: AMENDED DISCLOSURE STATEMENT (661).
BEFORE HONORABLE STACEY G. JERNIGAN
UNITED STATES BANKRUPTCY COURT JUDGE

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Terry - Direct/Rosen

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1 million dollar number came out. It's the same number in this
2 current plan. So, what went through my mind at that point in
3 time was the fact that the trustee had already run a process,
4 essentially an auction, and Extra ended up winning that
5 process.

6 And when I looked at the economics of the Extra
7 proposal and how that flowed through and how that valued Acis
8 and I looked at Plans B and C and then that those were
9 confirmed and the various moving parts in B and C, and in some
10 situations creditors weren't repaid much at all. In some
11 situation there would be some cash available for the equity.
12 A million dollars on a probability weighted basis is in the
13 ballpark of reasonableness, and if anything too high.

14 You know, and obviously the backdrop at that point,
15 too, was argument from the Highlands that the PMAs weren't
16 worth anything at all. So I had that obviously in my mind as
17 well.

18 Q Right. Did you factor into account the litigation claims
19 at all?

20 A Yeah, I factored the litigation claims and when I was
21 thinking about the valuation, absolutely. You know, the issue
22 with the litigation claims is, well, number one, I'm not an
23 attorney, but number two, I don't -- there's going to be a
24 cost to collect. There's going to be a whole lot of time
25 involved, and I think there's a high risk of at the end of the

Terry - Direct/Rosen

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1 day not being able to collect.

2 MS. ROSEN: Okay. Laura, could you please pull up
3 Exhibit 713?

4 Q Mr. Terry, can you identify that document?

5 A This is my ballot from -- in relation to this plan.

6 Q Okay. And did you vote in favor of the plan?

7 A Yes, I did.

8 MS. ROSEN: Okay. Your Honor, we'd move to admit
9 Exhibit 713.

10 THE COURT: Seeing there's no objection.

11 UNIDENTIFIED ATTORNEY: No objection.

12 MS. O'NEIL: No objection.

13 MS. ROSEN: Okay.

14 THE COURT: Admitted.

15 Q Okay. If the plan is confirmed, just generally speaking,
16 what would your role be with the reorganized debtor?

17 A I'll be a hundred percent equity owner. I'll be an
18 officer of the reorganized debtor, essentially managing the
19 reorganized debtor on a go-forward basis.

20 Q Mr. Terry, I'll just clarify too, there are two debtors,
21 but we in the plan refer to them in the singular, so I'm doing
22 that meaning both debtors. Okay. So and are you prepared to
23 take on those responsibilities as of the effective date under
24 the plan?

25 A Absolutely.

* * * * *

C E R T I F I C A T I O N

We, KIMBERLY UPSHUR, MARY POLITO, ALYCE H. STINE,
ANNEMARIE DeANGELO and COLETTE MEHESKI, court approved
transcribers, certify that the foregoing is a correct
transcript from the official electronic sound recording of the
proceedings in the above-entitled matter, and to the best of
our ability.

/s/ Kimberly Upshur

KIMBERLY UPSHUR

/s/ Mary Polito

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/s/ Alyce H. Stine

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/s/ Annemarie DeAngelo

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/s/ Colette Meheski

COLETTE MEHESKI

J&J COURT TRANSCRIBERS, INC. DATE: December 13, 2018

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

IN RE: . Case No. 18-30264-11-SGJ
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ACIS CAPITAL MANAGEMENT . Earle Cabell Federal Building
L.P. and ACIS CAPITAL . 1100 Commerce Street
MANAGEMENT GP, LLC . Dallas, TX 75242
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Debtors. .
. December 18, 2018
. 10:42 a.m.

.

TRANSCRIPT OF CHAPTER 11 PLAN CONFIRMATION (660);
FINAL HEARING RE: AMENDED DISCLOSURE STATEMENT (661).
BEFORE HONORABLE STACEY G. JERNIGAN
UNITED STATES BANKRUPTCY COURT JUDGE

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1 a presentence order that says these exhibits are hereby sealed,
2 and I don't think that's controversial.

3 THE COURT: All right. So no objections, but just
4 previewing, I'm going to get a motion seal all these?

5 MR. BINFORD: Yes. I think -- this is the motion. I
6 think you're going to get an order since we have agreement from
7 the parties.

8 THE COURT: All right.

9 MR. BINFORD: I don't know if that's agreeable to the
10 Court. I'm happy to draft a motion.

11 THE COURT: Well, I just know, Cathy and Laura, it
12 seems like we have this all the time. And when I grant an oral
13 motion, people in the clerk's office go crazy. I have to have
14 something to link the order to.

15 Okay. Just prepare and agreed motion and then
16 simultaneously submit the agreed order and -- I'm sorry. I
17 don't know why we have these issues, but, ECF, we have these
18 issues. We have to have a motion.

19 MR. BINFORD: For the record, I don't know if it's an
20 efficient use of time. Do you want me to read off these
21 exhibits, the exhibit numbers? Or since it's by agreement --

22 THE COURT: Since it's by agreement, no. I'll just
23 accept it and sign the order when I get it.

24 MR. BINFORD: Thank you.

25 THE COURT: So, just to be clear, we are admitting at

1 sub-advisory services, where HCF Advisor is a relying advisor
2 of Highland. If you look on Highland's Form ADV, which is
3 accessible through SEC websites or something like that -- and
4 Highland has a number of relying advisors.

5 But HCF Advisor is Highland. It's set up for
6 whatever legal or structural reasons to be separate from
7 Highland Capital proper, but, at the same time, from a
8 regulatory perspective from -- if you look at Highland's Form
9 ADV, it's a -- HCF Advisor is a relying advisor of Highland.
10 It's one and the same.

11 That's the distinction between Highland HCF Advisor
12 could be well capitalized, the substance of Highland Capital,
13 its office space, employees, balance sheet, back office, legal,
14 what you, would all be incorporated with HCF Advisor, where
15 Acis with no employees is not looked at that way.

16 Q So the answer to my question is Highland HCF Advisor does
17 not have the \$40 million to \$50 million of capital per se? It
18 doesn't have the capital on its own balance sheet? Correct or
19 no?

20 A Well, it's a relying advisor of Highland.

21 Q I understood all that. But now I'm just asking does it
22 have --

23 A It probably -- it probably doesn't.

24 Q What does it have in assets or debts?

25 A It probably doesn't have many assets at all today.

C E R T I F I C A T I O N

We, LORI KNOLLMEYER, THERESA PULLAN and ALICIA JARRETT, court approved transcribers, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter, and to the best of our ability.

/s/ Lori Knollmeyer

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/s/ Theresa Pullan

THERESA PULLAN

/s/ Alicia Jarrett

J&J COURT TRANSCRIBERS, INC.

DATE: December 19, 2018

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

In Re:) **Case No. 19-34054-sgj-11**
)
)
HIGHLAND CAPITAL) Dallas, Texas
MANAGEMENT, L.P.,) February 19, 2020
) 9:30 a.m.
Debtor.)
) MOTIONS
)

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE STACEY G.C. JERNIGAN,
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1 of a state court lawsuit.

2 So, now, there may be things that would distinguish that,
3 but that's something to be -- that's something to be troubled
4 about if you're a director of this company.

5 Q And are these the types of things that, without, you know,
6 just divulging privileged communications, are these the type
7 of experiences and perspectives that you've shared with the
8 other board members in the context of considering the various
9 motions, the various matters for which Foley's retention is
10 sought?

11 A Yes.

12 Q Okay.

13 MR. MORRIS: Just one second, Your Honor.

14 THE COURT: Okay.

15 (Pause.)

16 MR. MORRIS: Nothing further, Your Honor.

17 THE COURT: All right. Any recross on that redirect?

18 MR. LAMBERSON: No, Your Honor.

19 THE COURT: All right. Thank you, Mr. Nelms.

20 (The witness steps down.)

21 THE COURT: Any other evidence from Highland?

22 MR. MORRIS: Your Honor, we have had admitted our
23 exhibits. Among those exhibits are two declarations from Ms.
24 O'Neil, and so she's available in the courtroom today if
25 anybody wants to cross-examine on those issues.

O'Neil - Cross

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1 THE COURT: All right. Well, I will accept those
2 declarations as direct evidence. Any desire to cross-examine
3 Ms. O'Neil?

4 MS. PATEL: Yes, Your Honor.

5 THE COURT: All right. Ms. O'Neil, we'll go ahead
6 and swear you in on this today.

7 HOLLAND O'NEIL, DEBTOR'S WITNESS, SWORN

8 THE COURT: All right. Please be seated.

9 CROSS-EXAMINATION

10 BY MS. PATEL:

11 Q Good afternoon, Ms. O'Neil.

12 A Good afternoon.

13 Q Ms. O'Neil, do you concurrently represent both Highland
14 Capital Management and Neutra, which is a Cayman entity,
15 correct?

16 A Yes.

17 Q Okay. There are other entities that you either represent
18 or have represented that are kind of affiliated or within the
19 Highland umbrella; is that correct?

20 A Yes.

21 Q Okay. And that includes, for example, CLO HoldCo was one
22 such representation. Isn't that right?

23 A Previous. Previously.

24 Q Okay.

25 A Not currently.

1 THE COURT: Okay. Thank you all.

2 (Proceedings concluded at 1:44 p.m.)

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CERTIFICATE

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I certify that the foregoing is a correct transcript from
the electronic sound recording of the proceedings in the
above-entitled matter.

23

/s/ Kathy Rehling

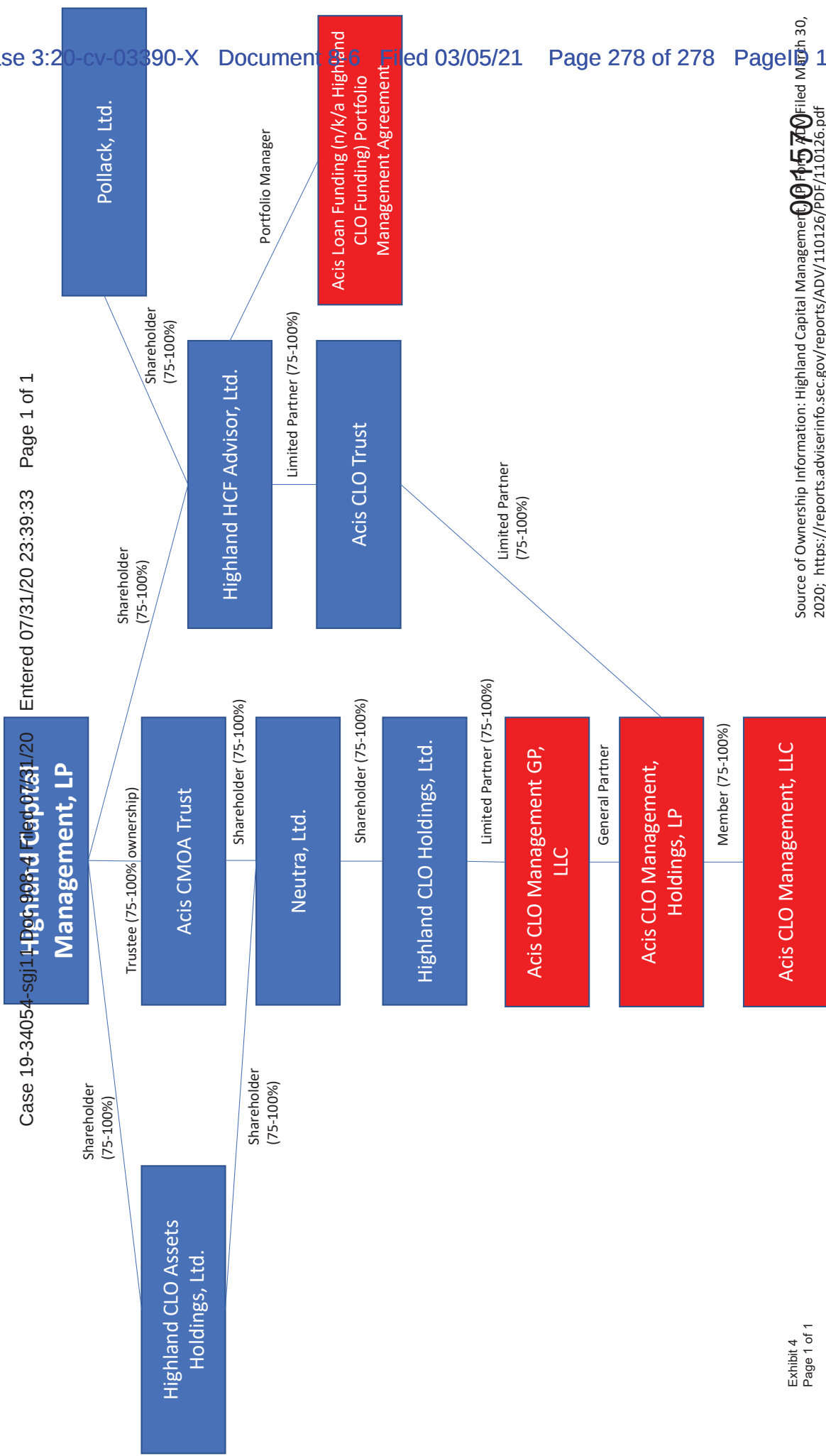
02/20/2020

24

Kathy Rehling, CETD-444
Certified Electronic Court Transcriber

Date

25



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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLANT RECORD
VOLUME 7**

D. Michael Lynn
State Bar I.D. No. 12736500
John Y. Bonds, III
State Bar I.D. No. 02589100
John T. Wilson, IV
State Bar I.D. No. 24033344
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ATTORNEYS FOR JAMES DONDERO

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

IN RE:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

Debtor.

INDEX

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Case No. 19-34054

Chapter 11

APPELLANT'S SECOND AMENDED DESIGNATION OF ITEMS TO
BE INCLUDED IN THE RECORD ON APPEAL AND
STATEMENT OF ISSUES TO BE PRESENTED

Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Appellant James Dondero ("Appellant") in this appeal as noticed by the Notice of Appeal filed by Appellant on November 9, 2020, files this *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented*¹ in the above-captioned case and requests that the Clerk prepare and forward the items listed herein to the District Court for inclusion in the record in connection with this appeal.

¹ This designation is being further amended to group together certain docket entries per the clerk's request.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL

Vol. 1
000001 1. Notice of Appeal filed by Appellant [Docket No. 1347];

000029 2. *Order Approving Debtor's Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302];

000053 3. Docket entries kept by the bankruptcy clerk in case no. 19-34054; and

4. Each of the additional documents and items designated below:

Vol. 2 000330 000392	Designation No.	Docket No.	Date	Description
	1.		10/25/18	<i>Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC</i> [Docket No. 660 in Case No. 18-30264]
	2.		1/31/19	<i>Findings of Fact, Conclusions of Law, and Order Granting Final Approval of Disclosure Statement and Confirming the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, as Modified</i> [Docket No. 829 in Case No. 18-30264]
Vol. 3 000621 THRU Vol. 5	3.	607	4/28/20	<i>Summary of First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from October 16, 2019 through March 31, 2020</i> [Docket No. 607]
Vol. 5 001208	4.	617	5/1/20	<i>James Dondero's Limited Response to Acis Capital Management, L.P. and Acis Capital Management GP, LLC's Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction</i> [Docket No. 617]
001211	5.	771	6/23/20	<i>Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC, filed by Highland Capital Management, L.P.</i> [Docket No. 771]

Vol. 5 001276	6.	827	7/13/20	<i>James Dondero's (i) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (ii) Joinder in Support of Highland Capital Management, L.P.'s Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 827]</i>
001284	7.	832	7/14/20	<i>Response of James Dondero to the Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor [Docket No. 832]</i>
001293	8.	891	7/23/20	<i>UBS (i) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC and (ii) Joinder in the Debtor's Objection [Docket No. 891]</i>
Vol. 6 001300	9.	908	7/31/20	<i>Omnibus Response to Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 908]</i>
Vol. 7 001571 Thru Vol. 8	10.	971	8/19/20	<i>Summary of Second Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from April 1, 2020 through July 31, 2020 [Docket No. 971]</i>
Vol. 8 001965	11.	983	8/21/20	<i>Agreed Scheduling Order Regarding Objections to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 983]</i>
001970	12.	1079	9/21/20	<i>First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1079]</i>
Vol. 9 002031	13.	1080	9/21/20	<i>Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1080]</i>
002186	14.	1087	9/23/20	<i>Debtor's Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer</i>

			<i>G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith [Docket No. 1087] (the “<u>Acis Settlement Motion</u>”)</i>
15.	1088	9/23/20	Declaration of Gregory V. Demo in Support of the Acis Settlement Motion [Docket No. 1088]
16.	1088-1	9/23/20	Settlement Agreement between the Debtor, Acis, and certain related parties [Docket No. 1088-1]
17.	1088-2	9/23/20	General Release between the Debtor, Acis, and certain related parties [Docket No. 1088-2]
18.	1094	9/24/20	<i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020 [Docket No. 1094]</i>
19.	1121	10/05/20	James Dondero’s Response to the Acis Settlement Motion [Docket No. 1121]
20.	1194-1	10/16/20	Proof of Claim No. 23 filed by Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively, “ <u>Acis</u> ”)
21.	1194-2	10/16/20	Proof of Claim No. 72 filed by the Redeemer Committee of the Highland Crusader Fund
22.	1194-3	10/16/20	Proof of Claim No. 81 filed by Highland Crusader Offshore Partners, L.P., et al.
23.	1194-5	10/16/20	Proof of Claim No. 77 filed by Patrick Daugherty
24.	1194-4	10/16/20	Proof of Claim No. 93 filed by Integrated Financial Associates, Inc.
25.	1194-6	10/16/20	Proof of Claim No. 190 filed by UBS
26.	1194-16	10/16/20	Expert Opinion of Nancy B. Rapoport, dated October 11, 2020, including all attachments thereto
27.	1194-17	10/16/20	Curriculum Vitae of Nancy B. Rapoport

Vol. 12 002758	28.	1201	10/16/20	Objection of Patrick Daugherty to the Acis Settlement Motion [Docket No. 1201]
002773	29.	1177	10/16/20	CLO HoldCo. Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1177]
002777	30.	1191	10/16/20	Highland CLO Funding, Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1191]
002785	31.	1195	10/16/20	HarbourVest Limited Objection and Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1195]
002791 Thru Vol. 13	32.	1271	10/20/20	Transcript of hearing conducted on October 20, 2020 [Docket No. 1271]
Vol. 13 003047	33.	1285	10/21/20	Transcript of hearing conducted on October 21, 2020 [Docket No. 1285]

STATEMENT OF ISSUES TO BE PRESENTED ON APPEAL

1. Whether the Bankruptcy Court erred in approving the settlement agreement and release entered into between Highland Capital Management, L.P. and Acis Capital Management, L.P., Acis Capital Management GP, LLC, and Joshua Terry pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure as being fair, equitable, and in the best interest of the estate.

[Remainder of Page Intentionally Left Blank]

Dated: December 7, 2020

Respectfully submitted,

/s/ Bryan C. Assink

D. Michael Lynn
State Bar I.D. No. 12736500
John Y. Bonds, III
State Bar I.D. No. 02589100
John T. Wilson, IV
State Bar I.D. No. 24033344
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ATTORNEYS FOR JAMES DONDERO

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on December 7, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for Debtor-Appellee Highland Capital Management, L.P. and on all other parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

Bryan C. Assink

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Ira D. Kharasch (CA Bar No. 109084) (*admitted pro hac vice*)

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Counsel for the Debtor and Debtor in Possession

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

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Chapter 11

Case No. 19-34054-sgj11

Objection Deadline: September 9, 2020 at 4:00 p.m. (ET)

Hearing Date: September 10, 2020 at 2:30 p.m. (CT)

**SUMMARY OF SECOND INTERIM APPLICATION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF PACHULSKI STANG ZIEHL & JONES LLP,
AS COUNSEL FOR THE DEBTOR AND DEBTOR IN POSSESSION, FOR THE
PERIOD FROM APRIL 1, 2020 THROUGH JULY 31, 2020**

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

Name of Applicant:	Pachulski Stang Ziehl & Jones LLP
Authorized to Provide Professional Services to:	Debtor and Debtor in Possession
Date of Retention:	October 16, 2019 by Order entered December 2, 2019
Total Fees Approved by Interim Order to Date:	\$4,834,021.00
Total Expenses Approved by Interim Order to Date:	\$118,198.81
Total Allowed Fees Paid to Date:	\$4,834,021.00
Total Allowed Expenses Paid to Date:	\$118,198.81
Period for Which Compensation and Reimbursement Is Sought:	April 1, 2020 – July 31, 2020
Amount of Fees Sought as Actual, Reasonable and Necessary:	\$3,475,794.50
Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$12,205.15
Blended Hourly Rate in this Application for All Attorneys:	\$965.23
Blended Hourly Rate in this Application for All Timekeepers:	\$936.82
Compensation Already Paid Pursuant to a Monthly Compensation Order But Not Yet Allowed:	\$2,188,654.80
Expenses Already Paid Pursuant to a Monthly Compensation Order But Not Yet Allowed:	\$11,016.03
Number of Professionals Included in this Application:	21
Number of Professionals Included in this Application Not Included on the Staffing Plan:	N/A
Number of Professionals Billing Fewer than 15 Hours:	7

This is an: ___ monthly x interim ___ final application.

PRIOR APPLICATIONS FILED

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
12/11/2019	10-16-19 10-31-19	\$ 383,583.75	\$ 9,958.84	\$ 383,583.75	\$ 9,958.84
12/30/2019	11-01-19 11-30-19	\$ 798,767.50	\$26,317.71	\$ 798,767.50	\$26,317.71
01/24/2020	12-01-19 12-31-19	\$ 589,730.75	\$26,226.80	\$ 589,730.75	\$26,226.80
02/20/2020	01-01-20 01-31-20	\$ 898,094.25	\$28,854.75	\$ 898,094.25	\$28,854.75
03/19/2020	02-01-20 02-29-20	\$ 941,043.50	\$ 8,092.94	\$ 941,043.50	\$ 8,092.94
04/14/2020	03-01-20 03-31-20	\$1,222,801.25	\$18,747.77	\$1,222,801.25	\$18,747.77
5/21/2020	04-01-20 04-30-20	\$1,113,522.50	\$ 3,437.28	\$1,113,522.50	\$ 3,437.28
6/23/2020	05-01-20 05-31-20	\$ 803,509.50	\$ 4,372.94	\$ 803,509.50	\$ 4,372.94
7/20/2020	06-01-20 06-30-20	\$ 818,786.50	\$ 3,205.81	\$ 818,786.50	\$ 3,205.81
8/11/2020	07-01-20- 07-31-20	\$ 739,976.00	\$ 1,189.12	\$ 739,976.00	\$ 1,189.12

PSZ&J PROFESSIONALS

Name of Professional Individual	Position of the Applicant, Number of Years in that Position, Year of Obtaining License to Practice	Hourly Billing Rate	Total Hours Billed	Total Compensation
Jeffrey H. Davidson	Partner 2014; Member CA Bar 1977	\$1,495.00	13.70	\$20,481.50
Richard M. Pachulski	Partner 1983; Member CA Bar 1979	\$1,445.00	3.70	\$5,346.50
Robert J. Feinstein	Partner 2001; Member NY Bar 1982	\$1,245.00	68.00	\$84,660.00
David J. Barton	Partner 2000; Member CA Bar 1981	\$1,195.00	33.90	\$40,510.50
Alan J. Kornfeld	Partner 1996; Member CA bar 1987; Member D.C. Bar 2002; Member NY Bar 2004	\$1,145.00	167.80	\$192,131.00
Ira D. Kharasch	Partner 1987; Member CA Bar 1982; Member NY Bar 2011	\$1,145.00	488.00	\$558,760.00

Name of Professional Individual	Position of the Applicant, Number of Years in that Position, Year of Obtaining License to Practice	Hourly Billing Rate	Total Hours Billed	Total Compensation
Andrew W. Caine	Partner 1989; Member CA Bar 1983	\$1,095.00	8.10	\$8,869.50
Debra I. Grassgreen	Partner 1997; Member FL Bar 1992; Member CA Bar 1994	\$1,095.00	6.00	\$6,570.00
John A. Morris	Partner 2008; Member NY Bar 1991	\$1,075.00	268.10	\$288,207.50
Jeffrey N. Pomerantz	Partner 1995; Member CA Bar 1989	\$1,075.00	299.40	\$321,855.00
Iain A. W. Nasatir	Partner 1999; Member NY Bar 1983; Member CA Bar 1990	\$1,025.00	8.30	\$8,507.50
Harry D. Hochman	Of Counsel 2004; Member CA Bar 1987	\$950.00	295.40	\$280,630.00
Maxim B. Litvak	Partner 2004; Member TX Bar 1997; Member CA Bar 2001	\$950.00	1.10	\$1,045.00
James E. O'Neill	Partner 2005; Member PA Bar 1985; Member DE Bar 2001	\$925.00	138.50	\$128,112.50
Joshua M. Fried	Partner 2006; Member CA Bar 1995; Member NY Bar 1999; Member NJ Bar 2000	\$925.00	295.70	\$273,522.50
Jonathan J. Kim	Of Counsel 1999; Member CA Bar 1995	\$895.00	141.40	\$126,553.00
Beth E. Levine	Of Counsel 2002; Member NY Bar 1992	\$825.00	64.80	\$53,460.00
Elissa A. Wagner	Of Counsel 2009; Member CA Bar 2001; Member AZ Bar 2009	\$825.00	380.80	\$314,160.00
Gregory V. Demo	Of Counsel 2019; Member IL Bar 2008; Member NY Bar 2015	\$825.00	781.50	\$644,737.50
Tavi C. Flanagan	Of Counsel 2018; Member CA Bar 1983	\$725.00	47.50	\$34,437.50
Steven W. Golden	Associate 2016; Member NY & MD Bars 2015; Member TX Bar 2016	\$625.00	8.70	\$5,437.50
Leslie Ann Forrester	Law Library Director	\$450.00	30.50	\$13,725.00
Karina K. Yee	Paralegal 2000	\$425.00	50.50	\$21,462.50
La Asia S. Canty	Paralegal 2017	\$425.00	44.40	\$17,680.00
Patricia J. Jeffries	Paralegal 2000	\$425.00	31.90	\$13,557.50

Name of Professional Individual	Position of the Applicant, Number of Years in that Position, Year of Obtaining License to Practice	Hourly Billing Rate	Total Hours Billed	Total Compensation
Andrea R. Paul	Case Management Assistant	\$350.00	3.20	\$1,120.00
Beatrice M. Koveleski	Case Management Assistant	\$350.00	5.70	\$1,995.00
Sheryle L. Pitman	Case Management Assistant	\$350.00	23.60	\$8,260.00

Grand Total: \$3,475,794.50
Total Hours: 3,710.20
Blended Rate: \$936.82

BLEND RATE OF PROFESSIONALS - TOTAL

Professional	Blended Rate	Total Hours Billed	Total Compensation
Partners & Counsel	\$966.07	3,511.70	\$3,392,557.00
Associates	\$625.00	8.70	\$ 5,437.50
Paralegals/Other	\$422.28	157.30	\$ 66,425.00
Case Management Assist.	\$350.00	32.50	\$ 11,375.00
Total		3,710.20	\$3,475,794.50

COMPENSATION BY CATEGORY

Project Categories	Total Hours	Total Fees
Asset Analysis/ Recovery	262.70	\$ 233,757.50
Bankruptcy Litigation	545.40	\$ 510,875.00
Case Administration	209.20	\$ 163,525.00
Claims Administration/ Objection	1219.20	\$1,172,004.50
Compensation of Professionals	49.40	\$ 36,955.00
Compensation of Professionals/ Other	39.00	\$ 29,810.00
Employee Benefits/ Pension	102.40	\$ 97,705.50
Executory Contracts	5.10	\$ 4,677.50
Financial Filings	4.60	\$ 4,170.00
General Business Advice	380.10	\$ 390,861.50
General Creditors' Committee	36.80	\$ 37,362.00
Mediation	63.00	\$ 59,975.00
Operations	1.70	\$ 1,829.50
Plan & Disclosure Statement	320.00	\$ 294,376.50
Retention of Professionals/ Other	67.10	\$ 58,974.00
Stay Litigation	398.60	\$ 373,218.50
Tax Issues	5.90	\$ 5,717.50
Total	3,710.20	\$3,475,794.50

EXPENSE SUMMARY

Expense Category	Rate	Total Expense
Bloomberg – Online Research	Actual Rate	\$ 460.39
Conference Call	Actual Rate	\$3,835.85
CourtLink – Online Research	Actual Rate	\$ 18.40
Federal Express	Actual Rate	\$ 136.57
Lexis/Nexis Legal Research	Actual Rate	\$3,888.72
Legal Vision Atty Mess. Service	Actual Rate	\$ 94.50
Pacer – Online Research	Actual Rate	\$4,134.60
Reproduction Expense	@ \$0.10 per page	\$ 368.30
Reproduction/ Scan Copy	@ \$0.10 per page	\$1,793.70
Sub-Total		\$14,731.03
Less Write-off from the 7 th Monthly Fee Application ²		<\$2,525.88>
Total		\$12,205.15

² In the Seventh Monthly Fee Statement, the Firm wrote-off \$2,525.88 in expenses that were inadvertently billed twice in the January Monthly Fee Application.

INFORMATION REGARDING PRIOR INTERIM FEE APPLICATIONS

Date Filed & Docket No.	Period Covered	Fees and Expenses Requested		Fees and Expenses Approved		Approved Fees and Expenses Paid		Approved Fees and Expenses Remaining Unpaid		Date(s) of Orders on Interim Compensation or Reimbursement of Expenses
		Fees	Expenses	Fees	Expenses	Fees	Expenses	Fees	Expenses	
607	10/16/19 03/31/20	\$4,834,021.00	\$118,198.81	\$4,834,021.00	\$118,198.81	\$4,834,021.00	\$118,198.81	\$0.00	\$0.00	05/26/20

CUMULATIVE FEE AND EXPENSE TOTAL SINCE CASE INCEPTION

Fees and Expenses Requested		Fees and Expenses Approved		Approved Fees and Expenses Paid		Approved Fees and Expenses Remaining Unpaid		Fees and Expenses Disallowed or Withdrawn	
Fees	Expenses	Fees	Expenses	Fees	Expenses	Fees	Expenses	Fees	Expenses
\$8,309,815.15	\$130,403.96	\$4,834,021.00	\$118,198.81	\$4,834,021.00	\$118,198.81	\$0.00	\$0.00	\$0.00	\$0.00

**SECOND INTERIM APPLICATION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF PACHULSKI STANG ZIEHL & JONES LLP,
AS COUNSEL FOR THE DEBTOR AND DEBTOR IN POSSESSION, FOR THE
PERIOD FROM APRIL 1, 2020 THROUGH JULY 31, 2020**

TO THE HONORABLE STACEY G. C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE:

Pursuant to sections 330 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (collectively, the “Bankruptcy Rules”), Rule 2016-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas (collectively, the “L.B.R.”), the Court’s *Guidelines for Compensation and Expense Reimbursement of Professionals* (the “Guidelines”), and the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 141] (the “Interim Compensation Procedures Order”), Pachulski Stang Ziehl & Jones LLP (“PSZ&J” or the “Firm”), as counsel for Highland Capital Management, L.P., the above-captioned debtor and debtor in possession (the “Debtor”), hereby submits its *Second Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession for the Period from April 1, 2020 through July 31, 2020* (the “Application”).

By this Application, PSZ&J seeks entry of an order, substantially in the form attached hereto as **Exhibit C**, authorizing an interim allowance of: (a) compensation for professional services rendered by PSZ&J to the Debtor in the amount of \$3,475,794.50; and (b) reimbursement of actual and necessary expenses in the amount of \$12,205.15 for the period from April 1, 2020 through July 31, 2020 (the “Compensation Period”).

This amount is net of voluntary write-offs of \$12,926.00 in fees and \$2,525.88 in expenses during the Compensation Period. In support of the Application, PSZ&J respectfully represents as follows:

I. BACKGROUND

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this district under 28 U.S.C. §§ 1408 and 1409.

2. On October 16, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Delaware Court”). The Debtor has continued in the possession of its property and has continued to operate and manage its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this chapter 11 case.

3. On October 29, 2019, the Official Committee of Unsecured Creditors (the “Committee”) was appointed by the U.S. Trustee in the Delaware Court.

4. On November 14, 2019, the Delaware Court signed the Interim Compensation Procedures Order authorizing certain professionals and members of any official committee (collectively, the “Professionals”) to submit monthly applications for interim compensation and reimbursement for expenses (each, a “Monthly Fee Application”) pursuant to the procedures specified therein. Commencing with the period ending December 31, 2019 and at three-month intervals thereafter, each of the Professionals may file with the Court an interim application for

allowance of the amounts sought in its Monthly Fee Applications for that period. All fees and expenses paid are on an interim basis until final allowance by the Court.

5. The retention of PSZ&J as counsel to the Debtor was approved effective as of October 16, 2019 by the Delaware Court's *Order Pursuant to Section 327(a) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Rule 2014-1 Authorizing the Employment and Retention of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession Nunc Pro Tunc to the Petition Date*, signed on December 2, 2019 [Docket No. 176] (the "Retention Order"). The Retention Order authorized PSZ&J to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

II. SUMMARY OF EVENTS DURING THE CHAPTER 11 CASE AND PRESENT POSTURE

A. Venue Transfer to the Northern District of Texas

6. On November 1, 2019, the Committee filed a *Motion of the Official Committee of Unsecured Creditors for an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas* [Docket No. 85] (the "Venue Transfer Motion"). Following arguments from the Debtor and the Committee, as well as brief witness testimony from the CRO, the Delaware Bankruptcy Court ruled in favor of the Committee and entered an order transferring venue [Docket No. 1].

B. The Settlement with the Committee and the Debtor's Restructuring Efforts

7. On December 27, 2019, the Debtor filed a *Motion for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* [Docket No. 281] (the "Settlement Motion").

This Court approved the Settlement Motion on January 9, 2020 [Docket No. 339] (the "Settlement Order"). The settlement (the "Settlement") came after weeks of negotiations between the Debtor and the Committee. The Settlement (i) created a new independent board of directors (the "Independent Board") at Strand Advisors, Inc., the Debtor's general partner and ultimate party in control, and (ii) implemented certain protocols governing the operation of the Debtor's business in the ordinary course.

8. Since its appointment, the Independent Board has focused on the following activities: (a) defending against the United States Trustee's motion for appointment of a chapter 11 trustee; (b) familiarizing itself with the Debtor's assets, liabilities, and operations; and (c) stabilizing the Debtor's employee base. As explained further below, the Independent Board has also devoted substantial efforts toward analyzing the claims that have been filed in this case, many of which have arisen from exceedingly long, complex, and acrimonious prepetition litigation. Because the Debtor has only minimal funded debt, the resolution of these litigation claims is key to any restructuring.

9. Since the appointment of the Independent Board, the Debtor has worked with the Committee and its creditors to obtain their input on the best way to maximize the Debtor's value and to conclude this case in an efficient manner. As part of that process, the Independent Board

has conducted multiple meetings with the full Committee and individual meetings with key creditors. On July 14, the Court entered its order [D.I. 854] appointing James Seery, Jr., one of the members of the Independent Board, as the Debtor's chief executive officer and foreign representative. The Debtor also continued to make substantial progress in analyzing and reconciling the claims against its estate and has already filed objections to large claims asserted by Acis Capital Management, UBS, and IFA.

10. On August 3, 2020, the Court entered its *Order Directing Mediation* [D.I. 912], pursuant to which the Court ordered the Debtor, the Committee, Acis Capital Management, UBS Securities LLC and UBS AG, London Branch, the Redeemer Committee of the Highland Crusader Fund; and James Dondero to mediate their various disputes pursuant to several scheduled mediation sessions to take place during August and September. On August 12, 2020, the Debtor filed its *Plan of Reorganization of Highland Capital Management, L.P.* [D.I. 944] (the "Plan") and related disclosure statement [D.I. 945] (the "Disclosure Statement").

C. Major Events Occurring During the Compensation Period

11. During the Compensation Period, the Debtor made significant strides in seeking to resolve claims against the estate and propose a plan of reorganization that will enable the Debtor to emerge from chapter 11.

12. Claims Resolution. The Debtor successfully defeated the motion for relief from the automatic stay filed by UBS Securities LLC and UBS AG, London Branch (collectively, "UBS"), which sought authority to litigate UBS' claims against the Debtor in New York State Court. The Debtor also prepared objections to claims filed by UBS, Acis Capital

Management, L.P., and Acis Capital Management GP, LLC (“Acis”). If mediation is not successful, the Debtor will ask the Court to resolve certain aspects of each of these claims at hearings scheduled in September 2020. The Debtor is also in the final stages of documentation of a settlement with the Redeemer Committee of the Highland Crusader Fund and will promptly seek Court approval of the settlement. The Debtor also filed objections to a variety of other claims against the estate and expects that all material claim objections will be filed by the end of August 2020.

13. Retention of Chief Executive Officer. In July 2020, the Court approved the Debtor's retention of James Seery as the Debtor's Chief Executive Officer (“CEO”) and Chief Restructuring Officer (“CRO”). Mr. Seery, who has been a member of the Independent Board since January 9, 2020, has been effectively acting as the Debtor's CEO and CRO since the middle of March 2020 and, in that capacity, has made substantial progress in stabilizing the Debtor's operations after the onset of the COVID 19 pandemic, monetized certain assets of the estate, maintained adequate liquidity and advanced the Debtor's efforts to market other assets of the its estate.

14. Filing of the Disclosure Statement and Plan of Reorganization. Working cooperatively both with the Committee and individual members of the Committee, the Debtor prepared and filed both the Plan and Disclosure Statement on August 12, 2020. The Debtor is a sophisticated organization with multiple subsidiaries and complicated assets. The Debtor is also an investment adviser registered with the Securities and Exchange Commission (the “SEC”) pursuant to the Investment Advisers Act of 1940 (the “Advisers Act”). In formulating the Plan

and the Disclosure Statement, the Debtor had to analyze each of the Debtor's assets and its corporate structure and to create a post-effective date structure that would allow the Debtor to preserve the value of its estate. This structuring was further complicated by the SEC overhang and the restrictions imposed by the Advisers Act on transferability and ownership.

Consequently, the structuring of the Plan and the Disclosure Statement was a multi-disciplinary exercise which required the Debtor's bankruptcy counsel to coordinate with both corporate and regulatory counsel and the negotiation of the Plan and the Disclosure Statement also required the participation of regulatory counsel for the Committee and, in certain circumstances, individual Committee members. Despite the substantial work that has been done on the Plan, certain unresolved issues between the Debtor and the Committee remain. The Debtor is confident that these issues can be resolved in advance of the September 29 hearing on the Disclosure Statement, either through direct negotiation or through mediation (discussed below). In addition to the potential restructuring contemplated by the Plan and Disclosure Statement, the Debtor also continues to work with the Committee, the Debtor's largest creditors, and Mr. Dondero in an effort to reach a consensual restructuring that will eliminate the need for ongoing costly and time consuming litigation.

15. Mediation. At the Court's suggestion, the Debtor, the Committee, UBS, Acis, the Redeemer Committee and Mr. Dondero will be participating in a mediation with Sylvia Mayer and the Honorable Allan Gropper. The Debtor has prepared an extensive mediation statement, have provided the Mediators with information relevant to the case and have otherwise been working hard to increase the chances that the mediation will be successful.

**III. PSZ&J'S APPLICATION FOR COMPENSATION
AND FOR REIMBURSEMENT OF EXPENSES**

A. Compensation Paid and Its Source

16. All services for which PSZ&J requests compensation were performed for or on behalf of the Debtor. PSZ&J has received no payment and no promises for payment from any source other than the Debtor for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between PSZ&J and any other person other than the partners of PSZ&J for the sharing of compensation to be received for services rendered in this case.

17. PSZ&J has received payments from the Debtor during the year prior to the Petition Date in the amount of \$500,000, including the Debtor's filing fee for this case, in connection with the preparation of initial documents and the prepetition representation of the Debtor. PSZ&J is current as of the Petition Date and has completed its final reconciliation of prepetition fees and expenses (subject to any prepetition expenses that have not been received to date). The retainer balance remaining from the prepetition payments to PSZ&J will be credited to the Debtor and utilized as PSZ&J's retainer to apply to postpetition fees and expenses pursuant to the compensation procedures approved by the Delaware Court.

B. Monthly Fee Statements

18. Pursuant to the Interim Compensation Procedures Order, PSZ&J has submitted the following Monthly Fee Applications (the "Monthly Fee Statements") comprising the four months within the Compensation Period, each of which is incorporated herein by reference in its entirety:

- a. For the period April 1, 2020 – April 30, 2020 - fees of \$890,818.00 (80% of allowed fees \$1,113,522.50) and reimbursement of expenses of \$3,437.28 [Docket No. 648];
- b. For the period May 1, 2020 – May 31, 2020 - fees of \$642,807.60 (80% of allowed fees \$803,509.50) and reimbursement of expenses of \$4,372.94 [Docket No. 773];
- c. For the period June 1, 2020 – June 30, 2020 – fees of \$655,029.20 (80% of allowed fees \$818,786.50) and reimbursement of expenses of \$3,205.81 [Docket No. 879]; and
- d. For the period July 1, 2020 – July 31, 2020 – fees of \$591,980.80 (80% of allowed fees \$739,976.00) and reimbursement of expenses of \$1,189.12 [Docket No. 936].

19. As of the date of this Application, no party has objected to any of PSZ&J's Monthly Fee Statements.

20. PSZ&J's itemized time records for attorneys and paraprofessionals performing services for the Debtor during the Compensation Period and PSZ&J's itemized records detailing expenses incurred on behalf of the Committee during the Compensation Period were attached as Exhibit A to each of the Monthly Fee Statements and are incorporated herein by reference. These statements contain daily time logs describing the time spent by each attorney and paraprofessional during the Compensation Period. To the best of PSZ&J's knowledge, this Application complies with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, and the Interim Compensation Procedures Order.

C. Actual and Necessary Expenses

21. PSZ&J seeks reimbursement for expenses incurred in rendering services to the Debtor during the Compensation Period in the amount of \$12,205.51. Itemized records detailing such expenses were attached as Exhibit A to each of the Monthly Fee Statements and are

incorporated herein by reference. A detailed listing of actual and necessary expenses incurred by PSZ&J during the Compensation Period is attached hereto as part of **Exhibit B**.

22. PSZ&J customarily charges \$0.10 per page for photocopying expenses and \$0.10 per page for scanning and printing charges. PSZ&J's photocopying machines automatically record the number of copies made when the person that is doing the copying enters the client's account number into a device attached to the photocopier. PSZ&J summarizes each client's photocopying charges on a daily basis.

23. PSZ&J charges \$0.25 per page for out-going facsimile transmissions. There is no additional charge for long distance telephone calls on faxes. The charge for outgoing facsimile transmissions reflects PSZ&J's calculation of the actual costs incurred by PSZ&J for the machines, supplies and extra labor expenses associated with sending telecopies and is reasonable in relation to the amount charged by outside vendors who provide similar services. PSZ&J does not charge the Debtor for the receipt of faxes in this case.

24. With respect to providers of on-line legal research services (*e.g.*, LEXIS and Westlaw), PSZ&J charges the standard usage rates these providers charge for computerized legal research. PSZ&J bills its clients the actual amounts charged by such services, with no premium. Any volume discount received by PSZ&J is passed on to the client.

25. PSZ&J believes the foregoing rates are the market rates that the majority of law firms charge clients for such services. In addition, PSZ&J believes that such charges are in accordance with the American Bar Association's ("ABA") guidelines, as set forth in the ABA's

Statement of Principles, dated January 12, 1995, regarding billing for disbursements and other charges.

IV. SUMMARY OF SERVICES RENDERED

26. The names of the timekeepers of PSZ&J who have rendered professional services in this case during the Compensation Period are set forth above. These services performed, by categories, are generally described below, with a more detailed identification of the actual services provided set forth on the attached **Exhibit B**. Exhibit B identifies the attorneys and paraprofessionals who rendered services relating to each category, along with the number of hours for each individual and the total compensation sought for each category.

27. PSZ&J, by and through such persons, has prepared and assisted in the preparation of various motions and orders submitted to the Court for consideration, advised the Debtor on a regular basis with respect to various matters in connection with the Debtor's case, and performed all necessary professional services which are described and narrated in detail below. PSZ&J's efforts have been extensive due to the size and complexity of the Debtor's case.

Summary of Services by Project

28. The services rendered by PSZ&J during the Compensation Period can be grouped into the categories set forth below. PSZ&J attempted to place the services provided in the category that best relates to such services. However, because certain services may relate to one or more categories, services pertaining to one category may in fact be included in another category. These services performed, by categories, are generally described below, with a more detailed identification of the actual services provided set forth in Exhibit A to each of the

Monthly Fee Statements. The summary charts above identify the attorneys and paraprofessionals who rendered services relating to each category, along with the number of hours for each individual and the total compensation sought for each category.

A. Asset Analysis/ Recovery

29. The Firm provided services on behalf of the Debtor relating to analysis of assets, including the wind down and distribution of certain funds managed by the Debtor. These services addressed a wide array of topics relating to the Debtor's assets, including intercompany transactions relating to funds administered by the Debtor, ordinary course governing protocols, margin accounts and the closing of the Multi-Strat sale, among others. The Firm also negotiated a settlement with UBS in connection with the Multi-Strat sale. In addition, the Firm addressed issues relating to prepetition rabbi trust agreements and certain shared services agreements.

Fees: \$233,757.50

Hours: 262.70

B. Bankruptcy Litigation

30. This category includes work related to various contested matters and hearings pending before the Court. The Firm addressed several litigation issues affecting the Debtor, including the complaints filed by Acis in the Bankruptcy Court and other courts, engaged in discovery in connection with the UBS litigation and Acis, litigation issues concerning complaints and causes of action against the Debtor in nonbankruptcy forums, responded to and addressed numerous issues in connection with the Committee's discovery requests propounded on the Debtor, and addressed issues in connection with CLO Holdco's request for distribution of proceeds from the Court Registry and several contested hearings in connection therewith. In

addition, the Firm prepared and filed various pleadings in connection with aforementioned services and prepared and appeared before the Court on the hearings related thereto.

Fees: \$510,875.00

Hours: 545.50

C. Case Administration

31. Given the breadth and complexity of the issues confronting the Debtor during this chapter 11 case, time allocated to this category is primarily attributable to the regular status calls conducted by and among Firm professionals, as well as discussions by the Firm, the Debtor and DSI regarding the issues and tasks addressed in order to advance the administration of the chapter 11 case.

Fees: \$163,525.00

Hours: 209.20

D. Claims Administration/ Objection

32. This category includes work related to various contested matters pending before the Court. A significant amount of work PSZ&J performed during the Compensation Period involved the Independent Board's request that the Firm conduct an extensive review and analysis of the largest claims asserted against the Debtor's estate by UBS, Acis, and the Redeemer Committee, which in the aggregate exceed \$1 billion. The analysis of these claims involved the review of years of litigation between the Debtor and the claimants to understand the complex factual and legal issues arising in connection therewith. Separately, the Firm also addressed other issues relating to claims analysis and administration, including the preparation of a several claim objections against UBS, Acis and Redeemer. The Firm also prepared and filed stand-alone objections to the claims of Acis, UBS and IFA as well as an omnibus objection to claims.

Fees: \$1,172,004.50

Hours: 1219.20

E. Compensation of Professionals

33. During the Compensation Period, the Firm addressed issues relating to the payment and compensation of the Firm, including the preparation of its monthly fee statements and first interim fee application, and related pleadings.

Fees: \$36,955.00 Hours: 49.40

F. Compensation of Professionals/ Others

34. The Firm assisted other estate professionals, several of whom who may not be familiar with the applicable rules governing compensation and reimbursement of expenses, with the preparation of their respective monthly and interim fee applications and staffing reports filed with the Court.

Fees: \$29,810.00 Hours: 39.00

G. Employee Benefits/ Pension

35. The Firm performed services in this category relating to severance issues, the retention of Mr. Seery as the Debtor's chief executive officer, as well as issues related to the Debtor's benefit plans.

Fees: \$97,705.50 Hours: 102.40

H. Executory Contracts

36. During the Compensation Period, the Firm negotiated several extensions of time to assume or reject its headquarters lease with the landlord.

Fees: \$4,677.50 Hours: 5.10

I. Financial Filings

37. The Firm assisted the Debtor with the preparation of its monthly operating reports filed with the Court.

Fees: \$4,170.00 Hours: 4.60

J. General Business Advice

38. The Firm prepared for and participated in numerous meetings with the Independent Board to address case issues and receive appropriate direction from the Independent Board, including insurance matters, non-debtor fund distribution issues, plan implementation strategies, claim objections and mediation. Separate from scheduled meetings, the Firm communicated extensively with members of the Independent Board regarding all aspects of the Debtor's case including proposed transactions involving the Debtor's assets and those of its managed funds, negotiations with the Committee, pending litigation, the retention of Mr. Seery as CEO and CRO, and issues relating to Directors and Officers insurance coverage and other matters.

Fees: \$390,861.50 Hours: 380.10

K. General Creditors' Committee

39. The Firm regularly met with and participated on calls and meetings with the Committee on multiple case issues.

Fees: \$37,362.00 Hours: 36.80

L. Mediation

40. Time billed to this matter relates to the Court ordered mediation in connection with the claims asserted by UBS and Acis, and a potential global resolution of matters with

all principal participants. During the Compensation Period, the Firm, with the assistance of estate professionals, selected a mediator and provided case background information, addressed discovery issues in connection with mediation, drafted a comprehensive mediation statement to provide an overview of the Debtor's proposed plan, and a summary of the claims that are the subject of the mediation.

Fees: \$59,975.00 Hours: 63.00

M. Operations

41. Time billed to this category relates to the daily business operations of the Debtor. During the Compensation Period, the Firm, among other things, analyzed the Debtor's operating protocols and cash flow projections and budget.

Fees: \$1,829.50 Hours: 1.70

N. Plan and Disclosure Statement

42. Time billed to this category relates to work performed with respect to the Plan and Disclosure Statement. In addition to formulating and drafting the Plan and researching implementation issues in connection therewith, the Firm prepared a motion to extend the Debtor's plan filing and solicitation exclusivity periods, a motion to approve the adequacy of the Disclosure Statement, the form of ballots and solicitation procedures, and the Disclosure Statement. As mentioned above, structuring the Plan and Disclosure Statement was complicated by the nature of the Debtor's business, its multiple subsidiaries, its complicated assets, and the fact that the Debtor is a registered investment adviser with the SEC under the Advisers Act. Consequently, formulating the Plan and Disclosure Statement and the structure of the post-

effective date reorganized entity was a multi-disciplinary exercise which required the Debtor's bankruptcy counsel to coordinate with both corporate and regulatory counsel and the negotiation of the Plan and Disclosure Statement also required the participation of regulatory counsel for the Committee and, in certain circumstances, individual Committee members.

Fees: \$294,376.50 Hours: 320.00

O. Retention of Professionals/ Other

43. Time billed to this category relates to the retention of estate professionals other than the Firm. During the Compensation Period, the firm addressed Committee issues in connection with Wilmer Hale and Hunton Andrews Kurth's retention applications, and prepared an application to engage a litigation support firm to assist with the Committee's discovery issues. The Firm also assisted DSI with the preparation of a supplemental disclosure declaration and prepared an application to appoint DSI as financial advisor to the Debtor.

Fees: \$58,974.00 Hours: 67.10

P. Stay Litigation

44. During the Compensation Period, the Firm, among other things, reviewed and analyzed the stay/contempt motion filed by Acis and prepared an opposition thereto. The Firm also drafted an opposition to the UBS stay relief motion and addressed numerous related issues in connection with that motion. The Firm also analyzed NexBank's purported termination of a shared services agreement and potential stay violation.

Fees: \$373,218.50 Hours: 398.60

Q. Tax Issues

45. During the Compensation Period, the Firm reviewed correspondences and decisions concerning various tax issues in connection with the Debtor's case.

Fees: \$5,717.50

Hours: 5.90

V. STATEMENT OF THE APPLICANT

46. PSZ&J makes the following statements:

- (a) PSZ&J did not agree to any variations from, or alternatives to, its standard or customary billing rates, fees or terms for services that were provided during the Compensation Period.
- (b) None of the hourly rates of PSZ&J's professionals and paraprofessionals included in this Application has been varied based on the geographic location of this case.
- (c) This Application does not include any rate increases since PSZ&J's retention, other than as allowed for pursuant to the Retention Order.

VI. BUDGET

47. The Debtor and the Firm projected that the Firm's fees and expenses during the Compensation Period would be \$3,200,000. The Firm's fees during the Compensation Period was \$3,475,794.50. The budget and staffing plan for the Compensation Period is attached hereto as **Exhibit D**, and PSZ&J's disclosures of customary and comparable compensation, including blended hourly rates, for the Compensation Period is attached hereto as **Exhibit E**.

VII. STANDARD FOR ALLOWANCE OF FEES AND EXPENSES

48. Bankruptcy Code § 330 authorizes the Court to award to professional persons who have been employed by the estate pursuant to Bankruptcy Code §§ 1103 or 327 reasonable

compensation for actual and necessary services rendered, including reimbursement of actual and necessary expenses incurred by such professional persons.

49. As more fully described below, PSZ&J submits that the elements governing awards of compensation pursuant to Bankruptcy Code § 330 justify the allowance, on an interim basis, of the fees and expenses incurred in its representation of the Debtor during the Compensation Period.

50. The Court of Appeals for the Fifth Circuit established a set of guidelines for use by lower federal courts when ruling on attorneys' fee requests in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714, 717-19 (5th Cir. 1974). Under *Johnson*, courts should consider the following factors: (a) the time and labor required; (b) the novelty and difficulty of the questions presented; (c) the skill requisite to perform the legal services properly; (d) the preclusion of other employment due to the acceptance of the case; (e) the customary fee; (f) whether the fee is fixed or contingent; (g) time limitations imposed by the client with the circumstances of the case; (h) the amount involved and the results obtained; (i) the experience, reputation, and ability of the attorney; (j) the undesirability of the case; (k) the nature and length of the professional relationship with the client; and (l) awards in similar cases. *Id.* at 717-19. In *In re First Colonial Corp. of America*, 544 F.2d 1291, 1298-99 (5th Cir. 1977), the Fifth Circuit applied the *Johnson* factors to the analysis of fee awards in bankruptcy cases. In 2005, the Fifth Circuit harmonized the provisions of section 330 and the traditional *Johnson* factors, explaining:

The Fifth Circuit has traditionally used the lodestar method to calculate "reasonable" attorneys' fees under § 330. *In re Fender*, 12 F.3d 480, 487 (5th Cir. 1994). A court computes the lodestar by multiplying the number of hours an attorney would reasonably spend for the same type of work by the

prevailing hourly rate in the community. *Shipes v. Trinity Indus.*, 987 F.2d 311, 319 (5th Cir. 1993). A court then may adjust the lodestar up or down based on the factors contained in § 330 and its consideration of the twelve factors listed in *Johnson*, 488 F.2d at 717-19. *See Fender*, 12 F.3d at 487. While the bankruptcy court has considerable discretion in applying these factors, *In re First Colonial Corp. of America*, 544 F.2d 1291, 1298 (5th Cir. 1977), it must explain the weight given to each factor that it considers and how each factor affects its award. *Fender*, 12 F.3d at 487; *Evangeline Refining Co.*, 890 F.2d at 1327-28.

In re Cahill, 428 F.3d 536, 539-40 (5th Cir. 2005).

VIII. APPLICATION OF THE JOHNSON FACTORS

51. As set forth in greater detail below, PSZ&J's request for allowance of fees and reimbursement of expenses is reasonable and proper pursuant to section 330, the lodestar, and the relevant *Johnson* factors. Accordingly, the Court should approve this Application and allow the amounts requested herein.

- (a) Time and Labor Required. PSZ&J has expended over 3,719.20 hours representing the Debtor during the Compensation Period. All of the time spent was necessary and appropriate for the representation of the Debtor in this case.
- (b) Novelty and Difficulty of Questions Presented. This case has presented several novel and difficult restructuring issues, including, among others, (i) structuring a plan for the Debtor's specialized business and addressing issues relating to non debtor affiliated entities; (ii) specialized matters relating to the alternative investment sector, (iii) issues with respect to the Debtor's management of funds, and (iv) development and use of various negotiated protocols necessary for the Debtor to continue to operate its business. PSZ&J's efforts were critical with respect to handling these complex and issues.
- (c) Skill Requisite to Perform Services Properly. Each of the PSZ&J attorneys providing services to the Debtor possesses the skills expected of a national and highly ranked restructuring practice.
- (d) Customary Fees. The hourly rates charged by each PSZ&J professional who performed services for the Debtor are

PSZ&J's normal rates for services of this kind and are comparable to those being charged by other professionals with similar qualifications and experience.

- (e) Whether the Fee is Fixed or Contingent. The fees requested in this Application represent fixed hourly rates.
- (f) Amounts Involved and Results Obtained. PSZ&J's representation of the Debtor in this case involves restructuring efforts encompassing (a) assets and liabilities of over one billion dollars and (b) the operations of an alternative investment manager. This case also involves complex issues regarding (i) the more than one billion dollars in claims collectively asserted by UBI, Acis, and the Redeemer Committee, and (ii) the Debtor's transition and ability to operate its business within the constraints of chapter 11 and to constructively engage with the Committee and other economic parties and the drafting and filing of the Plan and Disclosure Statement.
- (g) Experience, Reputation, and Ability of Counsel. PSZ&J attorneys have represented, and are sought after to represent, numerous debtors and official committees in some of the largest and most sophisticated bankruptcy cases in the country.
- (i) Awards in Similar Cases. The fees and expenses for which PSZ&J seeks compensation and reimbursement are not excessive and are substantially similar to those awarded in similar cases in this district for similar services rendered and results obtained.

52. PSZ&J respectfully submits that it has satisfied the requirements for the allowance of the compensation and reimbursement of expenses sought herein. The services described above, at the time they were provided, were necessary and beneficial to the Debtor and its estate. PSZ&J's services were consistently performed in a timely manner commensurate with the complexity of the issues facing the Debtor and the nature and importance of the problems, issues, and tasks. Furthermore, all of the services for which compensation is requested hereunder were rendered at the request of and solely on behalf of the Debtor and not on behalf of any other

entity. In accordance with the Guidelines, the *Certification of Jeffrey N. Pomerantz* is attached hereto as **Exhibit A** and incorporated herein by reference.

IX. NOTICE

53. PSZ&J will serve this Application in accordance with the Interim Compensation Procedures Order. Any objections to this Application must be in writing and filed with the Court and served upon PSZ&J so as to be received no later than September 9, 2020. PSZ&J respectfully submits that no other or further notice need be provided.

X. NO PRIOR REQUEST

54. No prior request for the relief sought in this Application has been made to this or any other court.

XI. CONCLUSION

WHEREFORE, PSZ&J respectfully requests that, pursuant to the Interim Compensation Procedures Order, the Court (i) allow on an interim basis compensation in the amount of \$3,475,794.50 for services rendered by PSZ&J during the Compensation Period; (ii) allow on an interim basis reimbursement of expenses in the amount of \$12,205.15 for expenses incurred during the Compensation Period; (iii) authorize payment of these allowed fees and expenses to PSZ&J; and (iv) grant such other and further relief as the Court may deem proper.

Dated: August 19, 2020

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Jeffrey N. Pomerantz

PACHULSKI STANG ZIEHL & JONES LLP

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EXHIBIT A
(Certification)

PACHULSKI STANG ZIEHL & JONES LLP

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Counsel for the Debtor and Debtor in Possession

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§
§
§
§
§
§

Chapter 11

Case No. 19-34054-sgj11

CERTIFICATION OF JEFFREY N. POMERANTZ

Jeffrey N. Pomerantz, under penalty of perjury, certifies as follows:

1. I am a partner with the law firm of Pachulski Stang Ziehl & Jones LLP

("PSZ&J"). I make this certification in accordance with the Court's *Guidelines for*

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

Compensation and Expense Reimbursement of Professionals (the “Guidelines”) regarding the contents of applications for compensation and expenses.

2. I have read the *Second Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel to Debtor and Debtor in Possession for the Period from April 1, 2020 through July 31, 2020* (the “Application”).

3. Pursuant to section I.G of the Guidelines, I hereby certify to the best of my knowledge, information, and belief, formed after reasonable inquiry, that (a) the compensation and expense reimbursement sought in the Application is in conformity with the Guidelines, except as specifically noted otherwise in the Application and (b) the compensation and expense reimbursement requested in the Application are billed at rates in accordance with practices no less favorable than those customarily employed by PSZ&J and generally accepted by PSZ&J’s clients.

4. I have reviewed the requirements of the Court’s Guidelines and I believe that the Application complies with the Guidelines.

Dated: August 19, 2020.

/s/ Jeffrey N. Pomerantz
Jeffrey N. Pomerantz

EXHIBIT B

(Monthly Invoices for the Period April 1, 2020 - July 31, 2020)

Pachulski Stang Ziehl & Jones LLP

10100 Santa Monica Blvd.
13th Floor
Los Angeles, CA 90067

April 30, 2020

Board of Directors
Highland Capital Management LP
300 Crescent Court ste. 700
Dallas, TX 75201

Invoice 124837
Client 36027
Matter 00002
JNP

RE: Postpetition

STATEMENT OF PROFESSIONAL SERVICES RENDERED THROUGH 04/30/2020

FEES	\$1,113,522.50
EXPENSES	\$3,437.28
TOTAL CURRENT CHARGES	\$1,116,959.78
BALANCE FORWARD	\$2,724,693.71
 LAST PAYMENT	 \$760,927.74
TOTAL BALANCE DUE	\$3,080,725.75

Pachulski Stang Ziehl & Jones LLP
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Summary of Services by Professional

<u>ID</u>	<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
AJK	Kornfeld, Alan J.	Partner	1145.00	81.80	\$93,661.00
AWC	Caine, Andrew W.	Partner	1095.00	8.10	\$8,869.50
BEL	Levine, Beth E.	Counsel	825.00	39.40	\$32,505.00
DJB	Barton, David J.	Partner	1195.00	8.70	\$10,396.50
EAW	Wagner, Elissa A.	Counsel	825.00	114.30	\$94,297.50
GVD	Demo, Gregory Vincent	Counsel	825.00	186.90	\$154,192.50
HDH	Hochman, Harry D.	Counsel	950.00	100.50	\$95,475.00
IAWN	Nasatir, Iain A. W.	Partner	1025.00	4.40	\$4,510.00
IDK	Kharasch, Ira D.	Partner	1145.00	143.30	\$164,078.50
JAM	Morris, John A.	Partner	1075.00	43.50	\$46,762.50
JEO	O'Neill, James E.	Partner	925.00	29.90	\$27,657.50
JHD	Davidson, Jeffrey H.	Partner	1495.00	7.60	\$11,362.00
JKK	Kim, Jonathan J.	Counsel	895.00	98.80	\$88,426.00
JMF	Fried, Joshua M.	Partner	925.00	94.90	\$87,782.50
JNP	Pomerantz, Jeffrey N.	Partner	1075.00	100.10	\$107,607.50
KKY	Yee, Karina K.	Paralegal	425.00	14.40	\$6,120.00
LAF	Forrester, Leslie A.	Other	450.00	13.80	\$6,210.00
LSC	Canty, La Asia S.	Paralegal	425.00	5.50	\$2,337.50
PJJ	Jeffries, Patricia J.	Paralegal	425.00	15.70	\$6,672.50
RJF	Feinstein, Robert J.	Partner	1245.00	19.70	\$24,526.50
SLP	Pitman, L. Sheryle	Case Man. Asst.	350.00	6.10	\$2,135.00
SWG	Golden, Steven W.	Associate	625.00	5.60	\$3,500.00
TCF	Flanagan, Tavi C.	Counsel	725.00	47.50	\$34,437.50
				1190.50	\$1,113,522.50

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Summary of Services by Task Code

<u>Task Code</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
AA	Asset Analysis/Recovery[B120]	109.10	\$100,448.50
BL	Bankruptcy Litigation [L430]	124.70	\$112,418.50
CA	Case Administration [B110]	48.40	\$37,013.00
CO	Claims Admin/Objections[B310]	632.90	\$605,060.50
CP	Compensation Prof. [B160]	27.00	\$20,715.00
CPO	Comp. of Prof./Others	18.00	\$13,355.00
EB	Employee Benefit/Pension-B220	24.50	\$23,923.50
EC	Executory Contracts [B185]	3.60	\$3,275.00
FF	Financial Filings [B110]	1.50	\$1,287.50
GB	General Business Advice [B410]	134.40	\$135,515.00
GC	General Creditors Comm. [B150]	10.70	\$10,402.50
OP	Operations [B210]	1.30	\$1,378.50
PD	Plan & Disclosure Stmt. [B320]	14.90	\$13,110.00
RPO	Ret. of Prof./Other	31.70	\$28,367.50
SL	Stay Litigation [B140]	5.40	\$5,032.50
TI	Tax Issues [B240]	2.40	\$2,220.00
		1190.50	\$1,113,522.50

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Summary of Expenses

<u>Description</u>	<u>Amount</u>
Bloomberg	\$54.69
Conference Call [E105]	\$524.73
Federal Express [E108]	\$9.63
Lexis/Nexis- Legal Research [E	\$1,914.61
Pacer - Court Research	\$2,873.60
Reproduction Expense [E101]	\$28.20
Reproduction/ Scan Copy	\$557.70
	<hr/>
	\$5,963.16

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Asset Analysis/Recovery[B120]						
03/24/2020	LAF	AA	Research re: NexBank.	0.80	450.00	\$360.00
04/01/2020	IDK	AA	E-mails with Sidley and I. Leventon re ABC stock issue update.	0.20	1145.00	\$229.00
04/01/2020	JNP	AA	Conference with B. Sharp regarding Multi Strat .	0.30	1075.00	\$322.50
04/01/2020	JNP	AA	Conference with Ira D. Kharasch regarding Multi Strat status.	0.10	1075.00	\$107.50
04/01/2020	JNP	AA	Review and respond to email regarding SBA loan financing; Conference with Ira D. Kharasch regarding same.	0.20	1075.00	\$215.00
04/01/2020	GVD	AA	Correspondence re Select Fund issues	0.10	825.00	\$82.50
04/01/2020	GVD	AA	Conference with DSI re analysis of Select Fund assets and liabilities	0.30	825.00	\$247.50
04/02/2020	IDK	AA	E-mails with Sidley re update on ABC stock (.1); E-mail and telephone conference with I. Leventon re same (.2).	0.30	1145.00	\$343.50
04/02/2020	JNP	AA	Conference with M. Clemente regarding Multi Sstrat and related issues.	0.30	1075.00	\$322.50
04/02/2020	JNP	AA	Emails to and from J. Seery regarding Multi Strat; Conference with regarding same.	0.20	1075.00	\$215.00
04/02/2020	JNP	AA	Review emails regarding potential trade; Conference with Gregory V. Demo regarding same.	0.10	1075.00	\$107.50
04/02/2020	JNP	AA	Conference with Gregory V. Demo regarding margin sales and related issues.	0.20	1075.00	\$215.00
04/02/2020	JNP	AA	Conference with Ira D. Kharasch regarding margin sales and related issues.	0.20	1075.00	\$215.00
04/02/2020	GVD	AA	Conference with F. Caruso and J. Donohue on analysis of Select Fund	0.70	825.00	\$577.50
04/02/2020	GVD	AA	Conference with J. Pomerantz re status of discussions with J. Seery re potential asset sale	0.20	825.00	\$165.00
04/02/2020	GVD	AA	Conference with J. Seery re potential asset sale	0.30	825.00	\$247.50
04/02/2020	GVD	AA	Review impact of CARES Act on HCMLP; conference with I. Leventon re same	0.80	825.00	\$660.00
04/02/2020	GVD	AA	Conference with J. Seery re issues with auction	0.10	825.00	\$82.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/02/2020	GVD	AA	Review analysis of fund issues from WilmerHale; correspondence re same	0.30	825.00	\$247.50
04/03/2020	IDK	AA	E-mails with Sidley re its questions on ABC stock memo, and consider response (.2); E-mails with Board and I. Leventon re same (.2); Review of draft of I. Leventon response, as well as J. Seery feedback re same (.2); E-mail to Sidley re our response to their questions on same (.1).	0.70	1145.00	\$801.50
04/03/2020	JNP	AA	Conference with Gregory V. Demo regarding margin account issues (2x).	0.20	1075.00	\$215.00
04/03/2020	JNP	AA	Conference with J. Seery regarding Multi Strat .	0.10	1075.00	\$107.50
04/03/2020	JMF	AA	Draft stipulation re ABC Stock issues.	2.70	925.00	\$2,497.50
04/03/2020	GVD	AA	Review analysis re fund issues from WilmerHale	0.50	825.00	\$412.50
04/03/2020	GVD	AA	Multiple conferences with J. Romey re margin account issues	0.70	825.00	\$577.50
04/03/2020	GVD	AA	Review protocols re potential margin account issues	0.50	825.00	\$412.50
04/03/2020	GVD	AA	Conference with I. Kharasch re status of potential asset sale	0.30	825.00	\$247.50
04/03/2020	GVD	AA	Conference with J. Pomerantz re status of potential asset sale	0.10	825.00	\$82.50
04/06/2020	IDK	AA	Telephone I. Leventon re ABC status and Committee (.1); E-mail to Sidley re same (.1).	0.20	1145.00	\$229.00
04/06/2020	IDK	AA	Review briefly correspondence with board, others on USB inquiry on sale of life policies in Multi Strat, and draft response to same.	0.20	1145.00	\$229.00
04/06/2020	IDK	AA	E-mails to client legal team on Section 16 swing trade and question on liability of Dondero legal fees (.2); Telephone conference with G Demo re same, and need for more information from Silva (.2); E-mails with G. Demo re Silva feedback and next steps re same, including review of Daugherty letter (.1).	0.50	1145.00	\$572.50
04/06/2020	JNP	AA	Emails regarding response to Latham request regarding Multi Strat and gathering information.	0.50	1075.00	\$537.50
04/06/2020	GVD	AA	Multiple conferences with F. Caruso re disclosures of materials re life settlement auction; correspondence with J. Pomerantz re same	0.90	825.00	\$742.50
04/06/2020	GVD	AA	Conference with T. Silva re potential securities law	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			issue			
04/06/2020	GVD	AA	Review and summarize CARES Act programs	0.90	825.00	\$742.50
04/07/2020	IDK	AA	E-mails and telephone conference with I. Leventon re status on ABC stock issue, as well as other issues (.4); E-mails with Sidley re ABC stock status and Committee meeting tomorrow (.2).	0.60	1145.00	\$687.00
04/07/2020	IDK	AA	E-mails with G. Demo re section 16 issues and Wilmer Hale.	0.20	1145.00	\$229.00
04/07/2020	GVD	AA	Review analysis of prime brokerage issues from WilmerHale	0.30	825.00	\$247.50
04/08/2020	IDK	AA	E-mails with Sidley re Committee decision on ABC stock issue (.10; E-mails with client re same (.1).	0.20	1145.00	\$229.00
04/08/2020	GVD	AA	Conference with G. Falls re HE Capital Asante	0.20	825.00	\$165.00
04/08/2020	GVD	AA	Conference with J. Romey re Form 4 issues	0.30	825.00	\$247.50
04/08/2020	GVD	AA	Review J. Morris analysis of merits of litigation	0.10	825.00	\$82.50
04/08/2020	GVD	AA	Conference with B. Sharp re WilmerHale analysis on fund wind down	0.10	825.00	\$82.50
04/08/2020	GVD	AA	Review WilmerHale analysis on fund wind down issues	0.20	825.00	\$165.00
04/09/2020	IDK	AA	Review of various correspondence re Carey Int. issues.	0.20	1145.00	\$229.00
04/09/2020	JNP	AA	Conference with Gregory V. Demo regarding Carey International.	0.20	1075.00	\$215.00
04/09/2020	JNP	AA	Conference with J. Seery regarding Multi Strat.	0.20	1075.00	\$215.00
04/09/2020	JNP	AA	Court appearance regarding Gregory V. Demo regarding Multi Strat.	0.30	1075.00	\$322.50
04/09/2020	GVD	AA	Conference with T. Silva (WilmerHale) and J. Romey re fund analysis	0.60	825.00	\$495.00
04/09/2020	GVD	AA	Correspondence with I. Leventon re status of HE Capital Asante analysis	0.10	825.00	\$82.50
04/09/2020	GVD	AA	Conference with T. Courneyor and JP Sevilla re potential asset sale	0.30	825.00	\$247.50
04/09/2020	GVD	AA	Review materials in advance of call with T. Courneyor on potential sale	0.20	825.00	\$165.00
04/09/2020	GVD	AA	Review fund analysis from WilmerHale;	0.40	825.00	\$330.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			correspondence with DSI re same			
04/09/2020	GVD	AA	Multiple conferences with J. Romey and B. Sharp re fund analysis from WilmerHale	0.40	825.00	\$330.00
04/09/2020	GVD	AA	Conference with T. Silva (WilmerHale) and J. Romey re waterfall issues and fund analysis	0.10	825.00	\$82.50
04/10/2020	IDK	AA	Review of various correspondence with UBS on sale and its claims to same and how to resolve.	0.20	1145.00	\$229.00
04/10/2020	GVD	AA	Review research re assets subject to potential sale; correspondence re same	0.50	825.00	\$412.50
04/10/2020	GVD	AA	Conference with J. Seery re assets subject to potential sale and next steps	0.10	825.00	\$82.50
04/10/2020	GVD	AA	Revise and circulate analysis of assets subject to potential sale	0.60	825.00	\$495.00
04/11/2020	GVD	AA	Review and respond to correspondence re potential asset sale	0.20	825.00	\$165.00
04/13/2020	IDK	AA	Review of correspondence re sale in Multi Strat, and Dondero feedback.	0.10	1145.00	\$114.50
04/13/2020	JNP	AA	Review email regarding Multi Strat.	0.10	1075.00	\$107.50
04/13/2020	JNP	AA	Conference with J. Seery regarding margin account issues.	0.10	1075.00	\$107.50
04/13/2020	JNP	AA	Conference with Gregory V. Demo regarding margin account issues.	0.10	1075.00	\$107.50
04/13/2020	GVD	AA	Conference with I. Leventon re life settlement policies	0.20	825.00	\$165.00
04/13/2020	GVD	AA	Conference with J. Pomerantz re issues with asset sales	0.10	825.00	\$82.50
04/13/2020	GVD	AA	Review correspondence re potential settlement	0.20	825.00	\$165.00
04/13/2020	GVD	AA	Review issues re ownership structure; correspondence with I. Kharasch re same	0.30	825.00	\$247.50
04/13/2020	GVD	AA	Review sales plan; conference with J. Pomerantz re same	0.50	825.00	\$412.50
04/13/2020	GVD	AA	Conference with J. Seery re life settlement policy ownership issues	0.10	825.00	\$82.50
04/13/2020	GVD	AA	Conference with J. Romey re potential asset sale and claims objection	0.20	825.00	\$165.00

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Pachulski Stang Ziehl & Jones LLP
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/13/2020	GVD	AA	Review and revise draft email re potential asset sales	0.40	825.00	\$330.00
04/14/2020	IDK	AA	E-mails with DSI, others re various correspondence with UBS, others re sale of policies and dispute with UBS and lien issues and potential new loan on same, and brief review of same.	0.20	1145.00	\$229.00
04/14/2020	JNP	AA	Review and forward emails regarding UBS response to Multi Strat proposal.	0.10	1075.00	\$107.50
04/14/2020	GVD	AA	Conference with J. Seery re issues re potential asset sale; follow up correspondence re same	0.20	825.00	\$165.00
04/14/2020	GVD	AA	Conference with J. Seery re potential asset sales; correspondence re same	0.50	825.00	\$412.50
04/15/2020	IDK	AA	E-mails with attorneys re draft correspondence with UBS re Multi Strat sale (.1); E-mails with I. Leventon and J. Pomerantz re Multi Strat sale issues and UBS (.2).	0.30	1145.00	\$343.50
04/15/2020	JNP	AA	Conference with Board, T. Cournoyer Gregory V. Demo and B. Sharp regarding Carey.	1.40	1075.00	\$1,505.00
04/15/2020	JNP	AA	Conference with M. Clemente regarding Carey.	0.20	1075.00	\$215.00
04/15/2020	JNP	AA	Conference with I. Leventon regarding Multi Strat.	0.10	1075.00	\$107.50
04/15/2020	JMF	AA	Review foreign representative motion re officer requirements.	0.50	925.00	\$462.50
04/15/2020	GVD	AA	Conference with Board and T. Courneyor re potential financing transaction	1.40	825.00	\$1,155.00
04/15/2020	GVD	AA	Conference with J. Romey re potential financing transaction	0.20	825.00	\$165.00
04/16/2020	IDK	AA	E-mails with DSI, others on Carey issues, as well as rabbi trusts.	0.20	1145.00	\$229.00
04/16/2020	IDK	AA	E-mails with DSI and others on Multi Strat and potential loan, including I. Leventon feedback re same.	0.30	1145.00	\$343.50
04/16/2020	JNP	AA	Conference with I. Leventon regarding Multi Strat issues.	0.20	1075.00	\$215.00
04/16/2020	JNP	AA	Emails to and from M. Clemente regarding Carey.	0.10	1075.00	\$107.50
04/16/2020	JMF	AA	Review Rand financial documents re guaranty.	0.80	925.00	\$740.00
04/16/2020	GVD	AA	Review financial statements re note guarantor	0.50	825.00	\$412.50

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Pachulski Stang Ziehl & Jones LLP
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/16/2020	GVD	AA	Conference with J. Seery re potential CARES Act financing; correspondence re same	0.30	825.00	\$247.50
04/16/2020	GVD	AA	Correspondence with DSI and PSZJ re conversation with J. Seery on potential resolution of issues on asset sale	0.20	825.00	\$165.00
04/16/2020	GVD	AA	Correspondence with J. Donohue re shared services agreements	0.20	825.00	\$165.00
04/17/2020	IDK	AA	E-mails with DSI, attorneys re rabbi trust issues and funds in registry.	0.20	1145.00	\$229.00
04/17/2020	JNP	AA	Emails with Gregory V. Demo regarding Rabbi trusts.	0.10	1075.00	\$107.50
04/17/2020	GVD	AA	Conference with Fred Caruso re lending arrangements at Multi Strat fund	0.20	825.00	\$165.00
04/17/2020	GVD	AA	Conference with J. Seery re life settlement policies; follow up re same	0.30	825.00	\$247.50
04/17/2020	GVD	AA	Review correspondence re rabbi trusts; correspondence with D. Grassgreen re same	0.40	825.00	\$330.00
04/20/2020	IDK	AA	Review of draft memos on Multi Strat sale issues and NextBank loan document amendments and impact (.3); Telephone conference with J. Pomerantz re issues and options re same (.2); E-mails with attorneys re need for revisions to Multi Strat memo and NextBank loan amendments (.2).	0.70	1145.00	\$801.50
04/20/2020	IDK	AA	Review of correspondence with J. Seery on options for Multi Strat sale (.1); Attend conference call with Board, DSI, others re same (.7).	0.80	1145.00	\$916.00
04/20/2020	JNP	AA	Conference with Ira D. Kharasch regarding Multi Strat loans, options and related issues (2x).	0.80	1075.00	\$860.00
04/20/2020	JNP	AA	Participate on call with Board regarding Multi Strat.	0.70	1075.00	\$752.50
04/20/2020	GVD	AA	Review NexBank loan agreements re Multi Strat; correspondence with F. Caruso re same	2.10	825.00	\$1,732.50
04/20/2020	GVD	AA	Conference with B. Sharp re noteholder financial statements and potential financing transaction	0.30	825.00	\$247.50
04/20/2020	GVD	AA	Conference with Board re potential financing transaction and sale of assets	0.70	825.00	\$577.50
04/20/2020	GVD	AA	Draft summary of NexBank loan agreements re Multi Strat	1.40	825.00	\$1,155.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/20/2020	GVD	AA	Review correspondence from Grant Thornton re information requests	0.10	825.00	\$82.50
04/20/2020	GVD	AA	Review status of portfolio company and conference with counsel to portfolio company re bankruptcy issues; multiple correspondence with client re same	1.00	825.00	\$825.00
04/21/2020	IDK	AA	E-mails with attorneys re OmniMax status and issues.	0.20	1145.00	\$229.00
04/21/2020	IDK	AA	E-mail to G. Demo re Board feedback on memo re Multi Strat loan documents (.1); Review of correspondence with UBS re sale (.1).	0.20	1145.00	\$229.00
04/21/2020	JNP	AA	Conference with J. Seery regarding Multi Strat and other issues.	0.20	1075.00	\$215.00
04/21/2020	JNP	AA	Review J. Seery email to UBS regarding Multi Strat.	0.10	1075.00	\$107.50
04/21/2020	JNP	AA	Review email regarding Omni.	0.10	1075.00	\$107.50
04/21/2020	GVD	AA	Conference with J. Seery re potential financing transaction and options	0.20	825.00	\$165.00
04/21/2020	GVD	AA	Review correspondence from J. Seery to UBS re multi strat auction	0.10	825.00	\$82.50
04/21/2020	GVD	AA	Review information re OmniMax; conference with client and J. Romey re same	1.10	825.00	\$907.50
04/21/2020	GVD	AA	Further review of NexBank loan documents	0.10	825.00	\$82.50
04/21/2020	GVD	AA	Attend to issues re deposit of assets into court registry	0.30	825.00	\$247.50
04/22/2020	IDK	AA	E-mail with J. Seery on his communications with UBS and our escrow proposal (.1); E-mails with G. Demo re status of authorization to file chapter 11 for Cayman entity in Multi Strat and Wilmer Hale (.1).	0.20	1145.00	\$229.00
04/22/2020	JNP	AA	Review and respond to Gregory V. Demo email regarding minutes regarding Carey transaction.	0.10	1075.00	\$107.50
04/22/2020	JNP	AA	Conference with J. Seery regarding Multi Strat.	0.20	1075.00	\$215.00
04/22/2020	JNP	AA	Review email from Gregory V. Demo regarding Multi Strat structural issues.	0.10	1075.00	\$107.50
04/22/2020	JMF	AA	Analyze issues re note receivables and payment issues (.7); telephone call with J. Donahue re same (.2).	0.90	925.00	\$832.50
04/22/2020	GVD	AA	Review tax allocation issues	0.40	825.00	\$330.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/22/2020	GVD	AA	Correspondence re review of Rabbi Trusts and next steps	0.10	825.00	\$82.50
04/22/2020	GVD	AA	Conference with HCMLP and J. Seery re potential restructuring transaction	1.20	825.00	\$990.00
04/22/2020	GVD	AA	Conference with J. Donohue re analysis of notes receivable; follow up research re same	0.40	825.00	\$330.00
04/22/2020	GVD	AA	Conference with J. Seery re potential restructuring transaction	0.20	825.00	\$165.00
04/22/2020	GVD	AA	Review restrictive transfer agreements re potential asset sale	0.20	825.00	\$165.00
04/22/2020	GVD	AA	Conference with J. Pomerantz and I. Kharasch re potential restructuring transaction	0.20	825.00	\$165.00
04/22/2020	GVD	AA	Conference with T. Silva and S. Davies (WilmerHale) re potential restructuring transaction; follow up correspondence re same	0.70	825.00	\$577.50
04/23/2020	IDK	AA	E-mails with G. Demo on Multi Strat and MGM shares and collateral issues re same (.1); E-mails with Wilmer Hale, G. Demo, re structural issues in Multi Strat for authorizing potential chapter 11 (.2).	0.30	1145.00	\$343.50
04/23/2020	IDK	AA	E-mails with attorneys re correspondence with UBS on potential settlement re Multi Strat and next steps re documents.	0.20	1145.00	\$229.00
04/23/2020	JNP	AA	Review various emails regarding Multi Strat.	0.10	1075.00	\$107.50
04/23/2020	JNP	AA	Review and respond to emails regarding Multi Strat status.	0.10	1075.00	\$107.50
04/23/2020	JNP	AA	Conference with Ira D. Kharasch and Gregory V. Demo regarding Multi Strat organizational issues.	0.50	1075.00	\$537.50
04/23/2020	JNP	AA	Review emails between M. Clemente and J. Seery regarding Multi Strat.	0.10	1075.00	\$107.50
04/23/2020	GVD	AA	Draft potential agreement re distribution of proceeds	1.50	825.00	\$1,237.50
04/23/2020	GVD	AA	Conference with Cayman counsel re Cayman insolvency issues	0.30	825.00	\$247.50
04/23/2020	GVD	AA	Correspondence with WilmerHale re review of governance documents	0.10	825.00	\$82.50
04/23/2020	GVD	AA	Review governance documents re potential restrictions on sale and insolvency matters	2.80	825.00	\$2,310.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/23/2020	GVD	AA	Conference with F. Caruso re review of shared services agreement	0.30	825.00	\$247.50
04/23/2020	GVD	AA	Conference with F. Caruso and J. Donohue re status of shared services analysis and next steps	0.50	825.00	\$412.50
04/23/2020	GVD	AA	Review purchase history re equity securities; correspondence with T. Surgent re same	0.20	825.00	\$165.00
04/23/2020	GVD	AA	Conference with WilmerHale/Cayman counsel re governance issues and insolvency	0.60	825.00	\$495.00
04/23/2020	GVD	AA	Conference with WilmerHale re fund governance issues and insolvency	0.30	825.00	\$247.50
04/23/2020	GVD	AA	Conference with J. Pomerantz and I. Kharasch re analysis of documents re potential insolvency	0.50	825.00	\$412.50
04/24/2020	IDK	AA	E-mails with DSI, attorneys re status of settlement agreement with UBS and DIP loan fee issues, and issues if less than all policies sell and waterfall (.4); Review of various drafts of settlement agreement with UBS (.3); E-mail and telephone conference with G. Demo re my comments to same and need for changes (.2); Telephone conference with J. Pomerantz re same (.1); Review of further modified draft settlement agreement (.1); E-mails with Board re same and next steps (.1).	1.20	1145.00	\$1,374.00
04/24/2020	IDK	AA	E-mails with Board, Surgent, others on their further feedback and changes to UBS settlement agreement (.2); E-mails with Board, others on new version of settlement agreement and timing (.2); Telephone J. Seery and G. Demo re same (.1).	0.50	1145.00	\$572.50
04/24/2020	IDK	AA	E-mails with Board re J. Seery conversation with UBS, and list of new option re same on refinance, and need for Board call tomorrow morning (.2).	0.20	1145.00	\$229.00
04/24/2020	IDK	AA	E-mails with D. Grassgreen on Cayman chapter 11 issues, Multi Strat and need for call (.2); E-mails with Wilmer Hale, Cayman counsel, others on issues of authorization of a Multi Strat chapter 11 (.3); Attend conference call with D. Grassgreen on Cayman issues re potential Multi Strat chapter 11 filing and rabbi trust issues (.5); E-mails with J. Seery, G. Demo re Cayman authorization issues and Surgent (.1).	1.10	1145.00	\$1,259.50
04/24/2020	IDK	AA	E-mails with client legal team on Cayman issues and assets of entity in the US re Multi Strat (.2); E-mails with G. Demo re his draft memo to Board re	0.60	1145.00	\$687.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Cayman concerns and Multi Strat (.2); E-mails with Board, DSI and others re correspondence from Sidley on next meeting and its concerns, and coordination of next Board meeting re same (.2).			
04/24/2020	JNP	AA	Emails regarding status of Multi Strat settlement.	0.10	1075.00	\$107.50
04/24/2020	JNP	AA	Conference with Ira D. Kharasch regarding Multi Strat settlement agreement.	0.10	1075.00	\$107.50
04/24/2020	JNP	AA	Conference with J. Seery regarding Multi Strat negotiations.	0.20	1075.00	\$215.00
04/24/2020	JNP	AA	Conference with Debra Grassgreen, Gregory V. Demo and Ira D. Kharasch regarding Multi Strat Cayman issues.	0.50	1075.00	\$537.50
04/24/2020	GVD	AA	Conference with D. Grassgreen, I. Kharasch, and J. Pomerantz re potential cross border issues	0.50	825.00	\$412.50
04/24/2020	GVD	AA	Draft and revise settlement agreement re potential sale transaction	3.10	825.00	\$2,557.50
04/24/2020	GVD	AA	Correspondence with B. Sharp re issues with escrow agreement	0.20	825.00	\$165.00
04/24/2020	GVD	AA	Correspondence with D. Grassgreen re potential cross border issues and next steps	0.10	825.00	\$82.50
04/24/2020	GVD	AA	Conference with J. Seery re potential financing issues; attend to follow up issues re same	0.40	825.00	\$330.00
04/24/2020	GVD	AA	Draft NDA re potential financing transaction	0.80	825.00	\$660.00
04/24/2020	GVD	AA	Draft escrow agreement re potential sales transaction	0.80	825.00	\$660.00
04/24/2020	GVD	AA	Conference with T. Silva (WilmerHale) re potential insolvency issues and next steps	0.50	825.00	\$412.50
04/24/2020	GVD	AA	Conference with S. Dawson (Carey Olsen) re potential cross border insolvency issues	0.20	825.00	\$165.00
04/24/2020	GVD	AA	Draft correspondence to Board re potential Cayman cross border insolvency issues	0.30	825.00	\$247.50
04/25/2020	IDK	AA	E-mails with DSI, attorneys re issues on UBS settlement and financial option (.2); Telephone conference with J. Pomerantz re upcoming Board call and plan issues (.2); E-mails with Board re coordination of call re same today, as well as brief review of numerous e-mails with UBS counsel (.2); Attend Board call re same (1.0); E-mails with G. Demo and J. Pomerantz re UBS position on options	1.80	1145.00	\$2,061.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			and financing (.2).			
04/25/2020	JNP	AA	Conference with J. Dubel regarding Multi Strat and related (several).	0.70	1075.00	\$752.50
04/25/2020	JNP	AA	Review emails regarding Multi Strat.	0.30	1075.00	\$322.50
04/25/2020	JNP	AA	Conference with Ira D. Kharasch regarding Multi Strat (multiple).	0.30	1075.00	\$322.50
04/25/2020	JNP	AA	Conference with Ira D. Kharasch and Gregory V. Demo regarding Multi Strat after Board call.	0.20	1075.00	\$215.00
04/25/2020	JNP	AA	Board call regarding Multi Strat.	1.00	1075.00	\$1,075.00
04/25/2020	GVD	AA	Review correspondence from Cayman counsel re insolvency issues	0.10	825.00	\$82.50
04/25/2020	GVD	AA	Correspondence with counsel to UBS re potential settlement issues	0.30	825.00	\$247.50
04/25/2020	GVD	AA	Correspondence with potential DIP lender re NDA	0.10	825.00	\$82.50
04/25/2020	GVD	AA	Conference with Board re potential settlement issues	1.10	825.00	\$907.50
04/25/2020	GVD	AA	Multiple calls with J. Seery re potential settlement issues and next steps	0.20	825.00	\$165.00
04/26/2020	IDK	AA	Telephone conference with J. Pomerantz re status re UBS and open issues (.1); Telephone conference with G. Demo re same (.1); E-mails with attorneys, others re new draft by UBS of escrow settlement, including review of same and my feedback to same (.4); Attend part of Board call re open issues on UBS settlement drafts (.4).	1.00	1145.00	\$1,145.00
04/26/2020	JNP	AA	Review Multi Strat settlement agreement and emails relating thereto.	0.50	1075.00	\$537.50
04/26/2020	JNP	AA	Conference with Ira D. Kharasch and Gregory V. Demo regarding Multi Strat settlement agreement.	0.30	1075.00	\$322.50
04/26/2020	JNP	AA	Conference with Board, Ira D. Kharasch and Gregory V. Demo regarding Multi Strat settlement agreement.	0.60	1075.00	\$645.00
04/26/2020	GVD	AA	Review and revise settlement agreement re changes from UBS	1.10	825.00	\$907.50
04/26/2020	GVD	AA	Conference with J. Seery re potential insolvency issues and open items	0.20	825.00	\$165.00
04/26/2020	GVD	AA	Correspondence with I. Kharasch and J. Pomerantz re potential insolvency and discussion with J. Seery	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/26/2020	GVD	AA	Conference with F. Caruso re potential asset sale and open items	0.20	825.00	\$165.00
04/26/2020	GVD	AA	Further revise UBS settlement agreement re comments from J. Pomerantz and I. Kharasch	0.40	825.00	\$330.00
04/26/2020	GVD	AA	Conference with Board re revisions to UBS settlement	0.60	825.00	\$495.00
04/26/2020	GVD	AA	Further revise UBS settlement re comments from Board and circulate same	0.40	825.00	\$330.00
04/27/2020	IDK	AA	Numerous e-mails with attorneys, DSI re liquidity status in Multi Strat to make next payment son premiums and loan, timing issues and options.	0.30	1145.00	\$343.50
04/27/2020	IDK	AA	E-mails with Board, others on UBS revisions to settlement/escrow agreement, and next steps.	0.30	1145.00	\$343.50
04/27/2020	JNP	AA	Emails regarding status of Multi Strat settlement	0.20	1075.00	\$215.00
04/27/2020	JNP	AA	Review email regarding status of margin account.	0.10	1075.00	\$107.50
04/27/2020	JNP	AA	Review liquidity of Multi Strat.	0.10	1075.00	\$107.50
04/27/2020	JNP	AA	Conference with Ira D. Kharasch regarding Multi Strat and related (3x).	0.30	1075.00	\$322.50
04/27/2020	GVD	AA	Conference with J. Seery re status of discussions with UBS	0.20	825.00	\$165.00
04/27/2020	GVD	AA	Review draft escrow agreement from Citibank/UBS	0.40	825.00	\$330.00
04/27/2020	GVD	AA	Conference with J. Romey re ownership questions	0.10	825.00	\$82.50
04/27/2020	GVD	AA	Multiple conferences with J. Seery re issues re potential settlement	0.40	825.00	\$330.00
04/27/2020	GVD	AA	Conference with F. Caruso re cash flow and liquidity issues; prepare presentation re same	1.30	825.00	\$1,072.50
04/27/2020	GVD	AA	Conference with F. Caruso re revisions to settlement agreement	0.30	825.00	\$247.50
04/27/2020	GVD	AA	Further review and revision of proposed settlement agreement; correspondence re same	1.20	825.00	\$990.00
04/28/2020	IDK	AA	E-mails with Board re notice of liquidation issue re retail Opportunistic Credit fund and impact on debtor as investor and problems with same, including review of same notice (.3); Telephone conference with J. Pomerantz re same (.1); Attend conference call with Board, others on same, and next	1.40	1145.00	\$1,603.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			steps to protect rights (.7); E-mails with DSI, G. Demo, T. Surgent re same and relation of fund advisor on Opportunistic Credit Fund, and information re same and its board members, and assets on hand (.3).			
04/28/2020	IDK	AA	E-mails with G. Demo re need for call with T. Surgent on retail fund/liquidation for Opportunistic Credit Fund, and coordinate (.2); Telephone conference with DSI and G. Demo on same (.1); Attend conference call with T. Surgent and G. Demo re same (.4); Attend call with T. Silva at Wilmer and G. Demo re same and SEC related issues (.5); Telephone conference with T. Surgent again re same and status (.1); E-mails with T. Surgent and Board re logistics of redemption for same (.2).	1.50	1145.00	\$1,717.50
04/28/2020	IDK	AA	E-mails with Wilmer Hale re need for call on Opportunistic Credit Fund (.1); Attend further conference call with Wilmer Hale on Opportunistic Credit Fund (1.0); E-mail to Wilmer Hale on SEC risks re same (.1).	1.20	1145.00	\$1,374.00
04/28/2020	JNP	AA	Conference with Board, Gregory V. Demo and Ira D. Kharasch regarding fund and redemption notice issues (2x).	0.60	1075.00	\$645.00
04/28/2020	JNP	AA	Participate on call with Board, Ira D. Kharasch and Gregory V. Demo regarding redemption notice for non-managed fund.	0.70	1075.00	\$752.50
04/28/2020	GVD	AA	Attend to issues re potential settlement with UBS	1.10	825.00	\$907.50
04/28/2020	GVD	AA	Review draft escrow agreement from UBS	0.60	825.00	\$495.00
04/28/2020	GVD	AA	Conference with J. Seery re fund liquidation issues and next steps	0.20	825.00	\$165.00
04/28/2020	GVD	AA	Conference with J. Pomerantz and I. Kharasch re fund liquidation issues and next steps	0.50	825.00	\$412.50
04/28/2020	GVD	AA	Conference with F. Caruso re potential asset sales	0.20	825.00	\$165.00
04/28/2020	GVD	AA	Conference with J. Romey re ownership questions and structure	0.10	825.00	\$82.50
04/28/2020	GVD	AA	Board meeting re potential issues regarding fund liquidation	1.00	825.00	\$825.00
04/28/2020	GVD	AA	Review asset listing for Multi Strat	0.20	825.00	\$165.00
04/28/2020	GVD	AA	Conference with F. Caruso re asset issues for Multi Strat	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/28/2020	GVD	AA	Conference with T. Surgent and I. Kharasch re wind down issues; correspondence re same	0.70	825.00	\$577.50
04/28/2020	GVD	AA	Follow up conference with T. Surgent and I. Kharasch re fund liquidation issues	0.30	825.00	\$247.50
04/28/2020	GVD	AA	Conference with WilmerHale and I. Kharasch re potential issues re redemption of assets	1.00	825.00	\$825.00
04/28/2020	GVD	AA	Conference with T. Silva and I. Kharasch re fund liquidation issues	0.60	825.00	\$495.00
04/28/2020	GVD	AA	Conference with Board re potential issues re redemption requests	0.60	825.00	\$495.00
04/28/2020	GVD	AA	Review materials re fund wind down issues	0.30	825.00	\$247.50
04/29/2020	IDK	AA	E-mails with attorneys re Opportunistic Credit Fund and status of redemption (.2); E-mails with Surgent, others re same (.1); Telephone conference with G. Demo re result of client call re same (.1).	0.40	1145.00	\$458.00
04/29/2020	JNP	AA	Emails regarding status of redemption notice to fund.	0.10	1075.00	\$107.50
04/29/2020	GVD	AA	Correspondence with UBS re potential settlement	0.80	825.00	\$660.00
04/29/2020	GVD	AA	Review revised settlement agreement from UBS; correspondence re same	0.30	825.00	\$247.50
04/29/2020	GVD	AA	Correspondence with T. Silva re governance controls	0.20	825.00	\$165.00
04/29/2020	GVD	AA	Correspondence with B. Sharp re KYC matters	0.20	825.00	\$165.00
04/29/2020	GVD	AA	Correspondence with Latham re revisions to NDA	0.10	825.00	\$82.50
04/29/2020	GVD	AA	Conference with J. Seery re potential UBS settlement	0.10	825.00	\$82.50
04/29/2020	GVD	AA	Conference with B. Sharp re KYC issues for escrow agreement	0.60	825.00	\$495.00
04/29/2020	GVD	AA	conference with Seery re settlement agreement	0.10	825.00	\$82.50
04/29/2020	GVD	AA	Review disclosure materials for UBS	0.30	825.00	\$247.50
04/29/2020	GVD	AA	Correspondence with J. Pomerantz and I. Kharasch re fund liquidation	0.40	825.00	\$330.00
04/29/2020	GVD	AA	Correspondence with F. Caruso re status of potential settlement	0.10	825.00	\$82.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/29/2020	GVD	AA	Conference with T. Surgent and T. Silva re potential fund liquidation issues	0.60	825.00	\$495.00
04/29/2020	GVD	AA	Follow up conferences with T. Silva re potential fund liquidation issue	0.40	825.00	\$330.00
04/29/2020	GVD	AA	Conference with Latham re status of settlement issues	0.20	825.00	\$165.00
04/30/2020	IDK	AA	E-mails with Surgent and G. Demo re Opportunistic Credit.	0.20	1145.00	\$229.00
04/30/2020	IDK	AA	Review briefly numerous correspondence with UBS, I. Leventon, J. Seery, others on escrow, sale issues.	0.20	1145.00	\$229.00
04/30/2020	JNP	AA	Conference with J. Seery regarding various issues relating to fund and asset issues.	0.50	1075.00	\$537.50
04/30/2020	JNP	AA	Conference with Ira D. Kharasch and Gregory V. Demo after call with J.Seery.	0.20	1075.00	\$215.00
04/30/2020	GVD	AA	Compile and circulate documents to UBS re potential settlement	1.00	825.00	\$825.00
04/30/2020	GVD	AA	Conference with T. Silva re potential liquidation issues	0.10	825.00	\$82.50
04/30/2020	GVD	AA	Review correspondence re potential fund liquidation issues	0.10	825.00	\$82.50
04/30/2020	GVD	AA	Review revised escrow agreement from UBS; correspondence with client re same	0.90	825.00	\$742.50
04/30/2020	GVD	AA	Conference with J. Romey and J. Donohue re issues re margin account and next steps	0.40	825.00	\$330.00
04/30/2020	GVD	AA	Review NDA re potential UBS settlement; correspondence re same	0.70	825.00	\$577.50
04/30/2020	GVD	AA	Conference with J. Romey re open items re UBS settlement	0.30	825.00	\$247.50
04/30/2020	GVD	AA	Conference with counsel to UBS re potential settlement issues; correspondence re same	0.20	825.00	\$165.00
04/30/2020	GVD	AA	Conference with B. Sharp re KYC issues	0.20	825.00	\$165.00
04/30/2020	GVD	AA	Conference with T. Silva and T. Surgent re issues re potential liquidation	0.30	825.00	\$247.50
				<u>109.10</u>		<u>\$100,448.50</u>

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Bankruptcy Litigation [L430]						
03/02/2020	LSC	BL	Research discovery documents.	0.40	425.00	\$170.00
03/02/2020	LSC	BL	Coordinate telephonic appearances at hearing.	0.40	425.00	\$170.00
03/03/2020	LSC	BL	Coordinate additional appearances at hearing.	0.30	425.00	\$127.50
03/04/2020	LSC	BL	Prepare and transmit document production and update production log regarding same.	0.50	425.00	\$212.50
03/04/2020	LSC	BL	Coordinate attorneys' telephonic appearance at hearing.	0.30	425.00	\$127.50
03/05/2020	LSC	BL	Prepare and transmit document production (.9); update production log (.8).	1.70	425.00	\$722.50
03/10/2020	LSC	BL	Coordinate additional telephonic appearances for hearing on 3/11.	0.30	425.00	\$127.50
03/11/2020	LSC	BL	Correspondence and coordination of additional telephonic appearances at hearing.	1.10	425.00	\$467.50
03/12/2020	LSC	BL	Research and correspondence regarding UBS Claims.	0.50	425.00	\$212.50
04/01/2020	JJK	BL	Emails Kharasch and further analysis re: Acis related matters per Kharasch.	2.00	895.00	\$1,790.00
04/01/2020	JJK	BL	Emails Kharasch and further analysis re: Acis related matters per Kharasch.	2.80	895.00	\$2,506.00
04/01/2020	JAM	BL	Revise draft e-mail to Sidley concerning discovery following Board determinations (0.1); e-mail to I. Leventon, S. Vitiello, DSI, J. Pomerantz re: Board determinations and follow up (0.1).	0.20	1075.00	\$215.00
04/02/2020	JJK	BL	Emails Kharasch re: Acis matters and additional memos for Board (0.3); research and prepare inserts for additional client memos on Acis matters.	3.80	895.00	\$3,401.00
04/02/2020	JNP	BL	Conference with John A. Morris regarding paralegal staffing on discovery.	0.10	1075.00	\$107.50
04/02/2020	JAM	BL	Telephone conference with I. Leventon re: discovery (0.1); communications with J. Pomerantz, S. Vitiello, DSI, PJ Jeffries re: document production (0.2).	0.30	1075.00	\$322.50
04/03/2020	JJK	BL	Review Caine analysis re: potential preference claims against HCM and consider issues.	0.80	895.00	\$716.00
04/03/2020	JJK	BL	Emails Vitiello re: Acis related issues.	0.20	895.00	\$179.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/03/2020	PJJ	BL	Telephone call with John Morris and Stephanie Vitiello re discovery protocol.	0.20	425.00	\$85.00
04/03/2020	PJJ	BL	Review discovery emails and prepare form protocols.	0.80	425.00	\$340.00
04/03/2020	JMF	BL	Review issues re discovery requests and production to committee.	0.30	925.00	\$277.50
04/03/2020	JAM	BL	Revise and send e-mail to Sidley on discovery issues (0.2).	0.20	1075.00	\$215.00
04/06/2020	PJJ	BL	Prepare 49th and 50th document production for circulation.	0.40	425.00	\$170.00
04/06/2020	JAM	BL	E-mails with S. Vitiello, P. Jeffries, J. Donohue re: document production (0.1).	0.10	1075.00	\$107.50
04/07/2020	JEO	BL	Emails with local counsel and PZSJ team re July hearing date	0.40	925.00	\$370.00
04/08/2020	JNP	BL	Conference with John A. Morris regarding joint defense agreement.	0.10	1075.00	\$107.50
04/09/2020	JNP	BL	Email to John A. Morris regarding Joint Interest Agreement.	0.10	1075.00	\$107.50
04/09/2020	PJJ	BL	Prepare 51st and 52nd document production for distribution.	0.30	425.00	\$127.50
04/09/2020	JAM	BL	Telephone conference with S. Vitiello re: results from e-mail searches and discovery matters (0.2); e-mails with S. Vitiello, J. Donahue, T. Jeremiassen, I. Leventon re: discovery (0.1); e-mail to Sidley, DSI, I. Leventon, S. Vitiello re: results of e-mail searches and discovery (0.2); e-mails with I. Leventon, T. Jeremiassen, J. Donohue, S. Vitiello, Sidley re: discovery, accounting system (0.3).	0.80	1075.00	\$860.00
04/10/2020	JNP	BL	Review joint interest agreement; Conference with John A. Morris regarding same.	0.10	1075.00	\$107.50
04/10/2020	JEO	BL	Email to Zach Anabele to confirm filing deadlines.	0.20	925.00	\$185.00
04/10/2020	JAM	BL	E-mail to DSI, Highland, Sidley re: "hit" chart for e-mail searches (0.1); telephone conference with DSI, Highland, Sidley, Meta-e re: e-discovery (0.4); telephone conference with T. Jeremiassen, J. Donohue, I. Leventon, S. Vitiello re: follow up to Sidley call on discovery (0.2).	0.70	1075.00	\$752.50
04/11/2020	IDK	BL	E-mails with attorneys re new Terry lawsuit filed	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			last night.			
04/11/2020	GVD	BL	Review new adversary complaint in Acis bankruptcy; correspondence re same	0.30	825.00	\$247.50
04/12/2020	JJK	BL	Emails Kharasch re Board memo on Acis/claims objection/litigation matters and addit. research/analysis.	0.40	895.00	\$358.00
04/13/2020	JJK	BL	Emails Kharasch on Acis complaint ag. Dondero, et al; review complaint and prepare memo for Kharasch on same.	3.20	895.00	\$2,864.00
04/13/2020	JJK	BL	Emails Kharasch on Acis state court action ag. lawyers and review complaint and prepare summary for Kharasch.	1.80	895.00	\$1,611.00
04/13/2020	JNP	BL	Review Joint Defense Agreement and emails with John A. Morris regarding same.	0.20	1075.00	\$215.00
04/13/2020	JNP	BL	Email to Board regarding Joint Interest Agreement.	0.10	1075.00	\$107.50
04/13/2020	JNP	BL	Review emails regarding new Acis lawsuit.	0.20	1075.00	\$215.00
04/13/2020	JEO	BL	Participate in Highland team call re open issues	0.60	925.00	\$555.00
04/13/2020	JAM	BL	E-mail to M. Hayward, J. Pomerantz, G. Demo, Z. Annable re: draft Common Interest Agreement (0.2); revise Common Interest Agreement (0.3); communications with J. Pomerantz re: Common Interest Agreement (0.2).	0.70	1075.00	\$752.50
04/14/2020	IDK	BL	E-mails with I. Leventon re his request for call and coordinate (.1); Attend conference call with I. Leventon and J. Pomerantz re case issues and 2 new Terry litigations vs employees (.5); Telephone conferences with J. Pomerantz re same and next steps and Terry new litigation vs employees of HCM (.3); E-mails and telephone conference with attorneys re same and litigation solutions (.5).	1.40	1145.00	\$1,603.00
04/14/2020	JJK	BL	Review Acis state court complaint and prepare summary for Kharasch and consider 105 issues.	2.20	895.00	\$1,969.00
04/14/2020	JNP	BL	Conference with I. Leventon and Ira D. Kharasch regarding Acis litigation.	0.50	1075.00	\$537.50
04/14/2020	JNP	BL	Conference with Ira D. Kharasch and Gregory V. Demo regarding Acis litigation.	0.50	1075.00	\$537.50
04/14/2020	JAM	BL	Telephone conference with J. Pomerantz, I. Kharasch, G. Demo re: Acis litigation, employee relations issues (0.5).	0.50	1075.00	\$537.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/14/2020	GVD	BL	Correspondence re potential issues re stay extension	0.10	825.00	\$82.50
04/15/2020	IDK	BL	Review of J. Kim's summaries of new Acis litigation in both bankruptcy and state courts (.3); E-mails with J. Kim re same and new issues re fiduciary duty arguments (.3); E-mails with G. Demo re same and Acis LP agreement (.1).	0.70	1145.00	\$801.50
04/15/2020	IDK	BL	E-mails with Board, attorneys re latest motion to reclaim funds from registry.	0.20	1145.00	\$229.00
04/15/2020	JJK	BL	Emails Kharasch on d/o complaint by Acis and consider issues.	0.70	895.00	\$626.50
04/15/2020	JNP	BL	Review Motion to Withdraw Funds from Registry.	0.10	1075.00	\$107.50
04/15/2020	JMF	BL	Review CLO Holdco motion re distribution of funds and related entities distribution motion re same.	0.80	925.00	\$740.00
04/15/2020	GVD	BL	Review Acis litigation against employees	1.50	825.00	\$1,237.50
04/15/2020	GVD	BL	Correspondence with J. Morris re Acis litigation against employees	0.10	825.00	\$82.50
04/15/2020	GVD	BL	Review motion to release funds filed by CLO Holdco; correspondence re same	0.40	825.00	\$330.00
04/16/2020	IDK	BL	E-mails with J. Morris re preliminary views on new Acis actions filed and our potential responses (.2); E-mails with attorneys re coordination of call re same (.1).	0.30	1145.00	\$343.50
04/16/2020	JJK	BL	Research/analyze aiding and abetting issues per Kharasch.	5.10	895.00	\$4,564.50
04/16/2020	JAM	BL	Review Jenner comments to Common Interest Agreement (0.1); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: Jenner comments to Common Interest Agreement (0.2); review cases re: "common interest" or "allied litigant" privilege (0.3); revise draft Common Interest Agreement (0.5); e-mails with J. Pomerantz, I. Kharasch, G. Demo re: revised Common Interest Agreement (0.4); further revisions to Common Interest Agreement (0.1).	1.60	1075.00	\$1,720.00
04/17/2020	IDK	BL	Attend conference call with attorneys re Terry's 2 new lawsuits against employees on same kind of claims in its POC (.4); E-mails with J. Kim re statute of limitation issues on new and prior Acis causes of action (.3).	0.70	1145.00	\$801.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/17/2020	JNP	BL	Conference with John A. Morris, Ira D. Kharasch and Gregory V. Demo regarding Acis litigation issues.	0.40	1075.00	\$430.00
04/17/2020	GVD	BL	Correspondence with local counsel and client re deposit of funds in court registry	0.30	825.00	\$247.50
04/17/2020	GVD	BL	Conference with J. Morris re status of Acis litigation and next steps	0.10	825.00	\$82.50
04/18/2020	IDK	BL	Extensive e-mails with H. Hochman on potential new Acis claims vs HCM and its employees and lawyers of former Acis, and consider (.5); Review briefly H. Hochman memo on procedural options to deal with new Acis actions, 105, other (.2); E-mails with attorneys re coordination of call tomorrow re same (.1).	0.80	1145.00	\$916.00
04/18/2020	IDK	BL	E-mails and telephone conference with J. Pomerantz re next steps re Acis new actions vs employees (.2).	0.20	1145.00	\$229.00
04/18/2020	GVD	BL	Conference with J. Morris and H. Hochman re motion for relief from stay and next steps	0.90	825.00	\$742.50
04/20/2020	IDK	BL	Telephone conference with J. Pomerantz re status of Terry/Acis latest actions vs employees, and Guernsey issues (.3).	0.30	1145.00	\$343.50
04/20/2020	IDK	BL	Brief review of H. Hochman memo on new Acis actions and overlap and procedural next steps (.1); Attend conference call re new Terry/Acis actions, Guernsey action (1.0); E-mails with H. Hochman on next steps and need for documents re Terry forfeiture, arbitration decision (.2).	1.30	1145.00	\$1,488.50
04/20/2020	IDK	BL	E-mails with R. Nelms re Acis and need for call (.1).	0.10	1145.00	\$114.50
04/20/2020	JJK	BL	Compile docs/cases and emails Hochman on Acis objection/litigation matters.	0.50	895.00	\$447.50
04/20/2020	JNP	BL	Conference with I. Leventon regarding Acis strategy issues.	0.10	1075.00	\$107.50
04/20/2020	JNP	BL	Conference with Ira D. Kharasch and Gregory V. Demo regarding Multi Strat and Acis.	0.50	1075.00	\$537.50
04/20/2020	JNP	BL	Conference with Ira D. Kharasch, Gregory V. Demo and Harry D. Hochman regarding Acis strategy.	0.60	1075.00	\$645.00
04/20/2020	GVD	BL	Review memo re procedural issues re Acis actions	0.30	825.00	\$247.50
04/20/2020	GVD	BL	Conference with J. Pomerantz, I. Kharasch, and H.	1.00	825.00	\$825.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Hochman re review of procedural issues re multiple Acis complaints			
04/20/2020	GVD	BL	Correspondence with H. Hochman re Acis litigation issues and status of case	0.30	825.00	\$247.50
04/20/2020	GVD	BL	Correspondence with I Kharasch re review of Guernsey action and next steps	0.20	825.00	\$165.00
04/21/2020	IDK	BL	Attend conference call with R. Nelms, J. Pomerantz re Acis new litigation and next steps (.4); E-mails with M. Lynn, J. Bonds re status and need for call (.2); Attend conference call with J. Bonds and M. Lynn re Acis litigation and plan issues (.5); Attend conference call with attorneys re results of M. Lynn and J. Bonds call and next steps (.8).	1.90	1145.00	\$2,175.50
04/21/2020	IDK	BL	Review of memos on summary of new Acis actions as well as the Acis Guernsey contempt action per its RFS motion, including review of RFS motion (.4); E-mails with attorneys re Acis new actions, fiduciary duty issues and Terry forfeiture of equity (.3).	0.70	1145.00	\$801.50
04/21/2020	JNP	BL	Conference with Gregory V. Demo regarding Acis strategy.	0.10	1075.00	\$107.50
04/21/2020	JNP	BL	Email to M. Lynn and J. Bonds regarding call to discuss outstanding litigation.	0.10	1075.00	\$107.50
04/21/2020	JNP	BL	Conference with M. Lynn, J. Bonds and Ira D. Kharasch regarding outstanding litigation.	0.50	1075.00	\$537.50
04/21/2020	JNP	BL	Conference with John A. Morris, Ira D. Kharasch, Harry D. Hochman and Gregory V. Demo regarding Acis litigation and strategy.	0.60	1075.00	\$645.00
04/21/2020	JNP	BL	Email to M. Hankin enclosing common interest agreement.	0.10	1075.00	\$107.50
04/21/2020	JNP	BL	Conference with Ira D. Kharasch and R. Nelms regarding Acis strategy.	0.50	1075.00	\$537.50
04/21/2020	JNP	BL	Emails with Gregory V. Demo regarding distribution to Court Registry in Argentina.	0.10	1075.00	\$107.50
04/21/2020	JAM	BL	Telephone conference with J. Pomerantz, I. Kharasch, G. Demo, H. Hochman re: Acis litigation (0.8); review/revise Common Interest Agreement (0.2); e-mails w/ J. Pomerantz, I. Kharasch, G. Demo re: Common Interest Agreement (0.1).	1.10	1075.00	\$1,182.50
04/21/2020	GVD	BL	Conference with J. Morris re Acis litigation and next	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			steps			
04/21/2020	GVD	BL	Conference with I. Kharasch, J. Pomerantz, J. Morris re allocation of responsive documents to Acis pleadings	0.80	825.00	\$660.00
04/21/2020	GVD	BL	Correspondence with I. Kharasch re Bonds Ellis information	0.10	825.00	\$82.50
04/22/2020	IDK	BL	E-mails with M. Lynn and J. Bonds re need for call re Acis actions (.1); Attend conference call with M. Lynn and J. Bonds re same (.2); E-mails with attorneys re issue of control on Guernsey litigation and feedback of Wilmer Hale (.2); Review of chart on defendants in all Acis actions (.1); E-mails with Acis counsel re need for call (.1).	0.70	1145.00	\$801.50
04/22/2020	IDK	BL	E-mails with B. Levine and other attorneys re need for drafting of 105 injunction re Acis new claims, and information/documents relevant for same, and general background.	0.50	1145.00	\$572.50
04/22/2020	JNP	BL	Conference with J. Bond, Ira D. Kharasch and M. Lyons regarding Acis actions.	0.20	1075.00	\$215.00
04/22/2020	JNP	BL	Conference with Ira D. Kharasch after call with J. Bond and Lyons regarding Acis actions.	0.20	1075.00	\$215.00
04/22/2020	KKY	BL	Draft 2nd removal extension motion	1.20	425.00	\$510.00
04/22/2020	BEL	BL	Telephone conference with John A. Morris regarding complaint and motion.	0.60	825.00	\$495.00
04/22/2020	BEL	BL	Review background material.	1.90	825.00	\$1,567.50
04/22/2020	JAM	BL	Analysis of merits of Guernsey lawsuit against Terry (1.2); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: overview of merits of Guernsey lawsuit (0.8).	2.00	1075.00	\$2,150.00
04/22/2020	GVD	BL	Review back up materials re Acis litigation issues	0.30	825.00	\$247.50
04/22/2020	GVD	BL	Draft analysis of defendant groups in Acis litigation	0.60	825.00	\$495.00
04/22/2020	GVD	BL	Conference with T. Silva (WilmerHale) re governance analysis; follow up correspondence re same	0.80	825.00	\$660.00
04/23/2020	IDK	BL	E-mails with Acis counsels re coordination of call today (.1); Attend conference call with Rahkee and B. Shaw, J. Pomerantz on Acis litigation (.4); E-mails with Board, others on control issue of Guernsey (.1).	0.60	1145.00	\$687.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/23/2020	JNP	BL	Conference with R. Patel, B. Shaw and Ira D. Kharasch regarding pending litigation.	0.30	1075.00	\$322.50
04/23/2020	JNP	BL	Conference with Ira D. Kharasch after call with R. Patel.	0.20	1075.00	\$215.00
04/23/2020	BEL	BL	Work on preliminary injunction motion.	6.40	825.00	\$5,280.00
04/23/2020	JAM	BL	Telephone conference with J. Pomerantz re: production of employee claims information to UCC members and Representatives (0.1); e-mail to Sidley re: disclosure of employee claims information to UCC members and Representatives (0.6).	0.70	1075.00	\$752.50
04/23/2020	GVD	BL	Correspondence with J. Morris re summary of protective order issues	0.10	825.00	\$82.50
04/24/2020	IDK	BL	E-mails with B. Levine, G. Demo on Acis new litigation and potential 105 injunction.	0.20	1145.00	\$229.00
04/24/2020	JNP	BL	Email to B. Sharp enclosing claims memo in anticipate of financial advisory assistance.	0.10	1075.00	\$107.50
04/24/2020	JNP	BL	Emails with T. Mascherin regarding pending litigation.	0.10	1075.00	\$107.50
04/24/2020	JEO	BL	Emails to local counsel re planning for 5/26 hearing	0.60	925.00	\$555.00
04/24/2020	BEL	BL	Work on complaint and brief.	5.40	825.00	\$4,455.00
04/25/2020	JJK	BL	Research/compile authorities for Acis claim objection and emails Hochman on same.	1.00	895.00	\$895.00
04/25/2020	BEL	BL	Work on complaint and brief.	3.40	825.00	\$2,805.00
04/25/2020	JAM	BL	Review UCC's proposed changes to common interest agreement and send e-mail to J. Pomerantz, I. Kharasch, G. Demo, R. Feinstein re: same (0.5).	0.50	1075.00	\$537.50
04/25/2020	GVD	BL	Correspondence with board re potential issues re Hunton relief from stay	0.30	825.00	\$247.50
04/26/2020	JNP	BL	Emails with John A. Morris regarding Redeemer non-bankruptcy litigation.	0.10	1075.00	\$107.50
04/26/2020	BEL	BL	Work on complaint and brief.	9.30	825.00	\$7,672.50
04/27/2020	JNP	BL	Review and respond to email from John A. Morris regarding Crusader non-bankruptcy litigation.	0.10	1075.00	\$107.50
04/27/2020	JAM	BL	Telephone conference with M. Maloney re: Acis lift stay motion (0.3); review/revise section 105 injunction/complaint (3.2); telephone conference	4.70	1075.00	\$5,052.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			with B. Levine re: section 105 injunction/complaint (0.1); review Bermuda litigation documents re: Crusader Fund (0.7); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: Bermuda litigation against Crusader Fund (0.3); e-mail to I. Leventon, S. Vitiello, J. Pomerantz, I. Kharasch, G. Demo re: Bermuda litigation against Crusader Fund (0.1).			
04/28/2020	JNP	BL	Conference with John A. Morris regarding pending matters.	0.10	1075.00	\$107.50
04/28/2020	BEL	BL	Review and revise complaint.	2.50	825.00	\$2,062.50
04/28/2020	JAM	BL	Review/revise section 105 complaint (2.2); e-mails with B. Levine, G. Demo re: section 105 complaint (0.1).	2.30	1075.00	\$2,472.50
04/29/2020	HDH	BL	.Review section 105 complaint	0.30	950.00	\$285.00
04/29/2020	IDK	BL	E-mails with Acis counsels re status and need for call (.1); Attend conference call with Acis counsels on new Acis actions, Guernsey action, and next steps (.5); E-mails with G. Demo and B. Shaw re Guernsey and issues on authority (.2).	0.80	1145.00	\$916.00
04/29/2020	IDK	BL	E-mails with attorneys re draft of 105 complaint re Acis, next steps, and coordinate call for same.	0.20	1145.00	\$229.00
04/29/2020	JJK	BL	Emails Kharasch, Hochman on Acis claim related matters and consider.	0.50	895.00	\$447.50
04/29/2020	JNP	BL	Conference with Ira D. Kharasch, R. Patel and B. shaw regarding call.	0.50	1075.00	\$537.50
04/29/2020	JNP	BL	Emails with R. Patel and B. Shaw regarding call.	0.10	1075.00	\$107.50
04/29/2020	BEL	BL	Review draft complaint.	0.50	825.00	\$412.50
04/29/2020	JAM	BL	Review/revise section 105 complaint (1.1); e-mail to J. Pomerantz, I. Kharasch, G. Demo, B. Levine, H. Hochman re: section 105 complaint (0.1).	1.20	1075.00	\$1,290.00
04/30/2020	HDH	BL	Telephone conference with John A. Morris regarding 105 complaint	0.10	950.00	\$95.00
04/30/2020	IDK	BL	Attend conference call with attorneys re status of 105 injunction re Acis, claim objection re Acis (.5).	0.50	1145.00	\$572.50
04/30/2020	JNP	BL	Conference with Ira D. Kharasch, John A. Morris, Gregory V. Demo, Beth E. Levine and Harry D. Hochman regarding strategy relating to Acis matters.	1.50	1075.00	\$1,612.50
04/30/2020	JNP	BL	Emails regarding Acis timing issues.	0.10	1075.00	\$107.50

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04/30/2020	BEL	BL	Internal call regarding strategy.	0.50	825.00	\$412.50
04/30/2020	BEL	BL	Research for and draft additional portion of brief and complaint.	8.90	825.00	\$7,342.50
04/30/2020	JAM	BL	Telephone conference with J. Pomerantz, I. Kharasch, G. Demo, H. Hochman, B. Levine re: litigation strategy for Acis (0.5); telephone conference with B. Levine re: section 105 injunction (0.1); telephone conference with H. Hochman re: complaint for injunctive relief (0.1).	0.70	1075.00	\$752.50
				124.70		\$112,418.50

Case Administration [B110]

03/09/2020	KKY	CA	Review and revise critical dates	1.10	425.00	\$467.50
03/09/2020	KKY	CA	Review and revise 2002 service list	0.30	425.00	\$127.50
03/13/2020	KKY	CA	Review and revise critical dates	0.70	425.00	\$297.50
03/23/2020	LAF	CA	Legal research re: Bankr ND Texas local rules.	0.30	450.00	\$135.00
03/30/2020	KKY	CA	Review and revise critical dates	0.20	425.00	\$85.00
03/30/2020	SLP	CA	Maintain docket control.	0.20	350.00	\$70.00
03/31/2020	KKY	CA	Review and revise critical dates	1.50	425.00	\$637.50
03/31/2020	KKY	CA	Review and revise 2002 service list	0.20	425.00	\$85.00
04/01/2020	JNP	CA	Emails about omnibus dates.	0.10	1075.00	\$107.50
04/01/2020	GVD	CA	Attend to emails	0.30	825.00	\$247.50
04/02/2020	GVD	CA	Attend to emails re pending matters	0.20	825.00	\$165.00
04/03/2020	SLP	CA	Maintain document control (2) receive multiple documents to organize (1.7)	1.90	350.00	\$665.00
04/03/2020	JMF	CA	Emails re omnibus hearing dates and pleading re same.	0.20	925.00	\$185.00
04/06/2020	JMF	CA	Draft memo re pending matters and case issues.	0.80	925.00	\$740.00
04/06/2020	JMF	CA	Review/updates to critical dates.	0.20	925.00	\$185.00
04/07/2020	JNP	CA	Participate in weekly WIP call with PSZJ.	0.70	1075.00	\$752.50
04/07/2020	JNP	CA	Participate in weekly WIP call with DSI.	0.60	1075.00	\$645.00
04/07/2020	JEO	CA	Call with PSZJ team to review open issues	1.00	925.00	\$925.00

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04/07/2020	JMF	CA	Telephone call with I. Kharasch, G. Demo, J.N. Pomerantz, J. O'Neill re pending case issues (.8); update call with B. Sharp, F. Caruso and J. Donahue re case issues (.6); update list of issues and memo re same (.3).	1.70	925.00	\$1,572.50
04/07/2020	JAM	CA	Internal WIP call (partial participation) (0.2).	0.20	1075.00	\$215.00
04/07/2020	GVD	CA	Attend internal WIP call	0.80	825.00	\$660.00
04/07/2020	GVD	CA	Attend WIP call with PSZJ and DSI	0.50	825.00	\$412.50
04/07/2020	GVD	CA	Review notice of hearing; correspondence with local counsel re same	0.20	825.00	\$165.00
04/09/2020	KKY	CA	Review and revise critical dates	0.30	425.00	\$127.50
04/09/2020	SLP	CA	Maintain document control (2) receive multiple documents to organize (1.30) enter documents into legal key (.3)	1.80	350.00	\$630.00
04/09/2020	GVD	CA	Conferences with J. Pomerantz re status of case and next steps	0.30	825.00	\$247.50
04/10/2020	KKY	CA	Review and revise critical dates	0.30	425.00	\$127.50
04/10/2020	SLP	CA	Maintain document control.	0.40	350.00	\$140.00
04/10/2020	JMF	CA	Draft memorandum re pending case issues and case matters.	0.40	925.00	\$370.00
04/10/2020	JMF	CA	Review and email changes re critical dates memo.	0.20	925.00	\$185.00
04/10/2020	GVD	CA	Attend to issues re organization of meetings with creditor constituencies	0.30	825.00	\$247.50
04/13/2020	IDK	CA	Attend internal WIP conference call on all open issues (.7); Attend conference call with DSI, others on DSI WIP issues and plan of reorganization issues (.7).	1.40	1145.00	\$1,603.00
04/13/2020	JNP	CA	Weekly WIP call with PSZJ.	0.70	1075.00	\$752.50
04/13/2020	JNP	CA	Weekly WIP call with PSZJ and DSI.	0.70	1075.00	\$752.50
04/13/2020	KKY	CA	Review and revise critical dates	0.20	425.00	\$85.00
04/13/2020	JMF	CA	Draft memorandum re pending case issues and motions (.4); telephone call with G. Demo, J. O'Neill, J.N. Pomerantz, I. Kharasch re same (.7).	1.10	925.00	\$1,017.50
04/13/2020	JMF	CA	Telephone call with B. Sharp, J. Romey, G. Demo, I. Kharasch and J.N. Pomerantz re weekly status call	0.70	925.00	\$647.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			of case issues.			
04/13/2020	JAM	CA	Internal WIP call (0.6).	0.60	1075.00	\$645.00
04/13/2020	GVD	CA	Attend PSZJ/DSI WIP call	0.70	825.00	\$577.50
04/13/2020	GVD	CA	Attend internal WIP call	0.70	825.00	\$577.50
04/13/2020	GVD	CA	Conference with J. Pomerantz re status of the case and next steps	0.10	825.00	\$82.50
04/14/2020	JNP	CA	Conference with Brad Sharp regarding case issues.	0.30	1075.00	\$322.50
04/14/2020	SLP	CA	Maintain document control.	0.60	350.00	\$210.00
04/15/2020	KKY	CA	Review and revise 2002 service list	0.20	425.00	\$85.00
04/15/2020	KKY	CA	Review and revise critical dates	0.50	425.00	\$212.50
04/15/2020	SLP	CA	Maintain document control.	0.70	350.00	\$245.00
04/15/2020	JMF	CA	Draft updated memo re pending case issues and motions.	0.30	925.00	\$277.50
04/15/2020	GVD	CA	Conference with J. Donohue re ability to present to board via loopedup	0.20	825.00	\$165.00
04/16/2020	GVD	CA	Correspondence with DSI and PSZJ re scheduling of call re follow up to committee meeting	0.20	825.00	\$165.00
04/17/2020	KKY	CA	Review and revise critical dates	0.10	425.00	\$42.50
04/17/2020	GVD	CA	Conference with PSZJ and DSI re status of case and next steps	0.50	825.00	\$412.50
04/20/2020	JNP	CA	Conference with B. Sharp regarding various case issues.	0.20	1075.00	\$215.00
04/20/2020	JMF	CA	Draft memo re pending case matters and issues.	0.40	925.00	\$370.00
04/20/2020	GVD	CA	Conference with J. Pomerantz re status of case and next steps	0.10	825.00	\$82.50
04/20/2020	GVD	CA	Conference with J. Pomerantz and I. Kharasch re list of open items for J. Seery	0.50	825.00	\$412.50
04/20/2020	GVD	CA	Correspondence with local counsel and client re status of deposits in court registry and next steps	0.30	825.00	\$247.50
04/21/2020	JNP	CA	Participate in PSZJ WIP call.	0.80	1075.00	\$860.00
04/21/2020	JMF	CA	Draft summary of pending case issues and matters.	0.60	925.00	\$555.00
04/21/2020	JMF	CA	Telephone call with J.N. Pomerantz, I. Kharasch, G. Demo re pending case issues and motions.	1.00	925.00	\$925.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/21/2020	JAM	CA	Internal WIP call (0.9).	0.90	1075.00	\$967.50
04/21/2020	GVD	CA	Attend PSZJ Internal WIP Call	0.90	825.00	\$742.50
04/22/2020	KKY	CA	Review and revise critical dates	0.70	425.00	\$297.50
04/22/2020	SLP	CA	Maintain document control.	0.50	350.00	\$175.00
04/22/2020	GVD	CA	Correspondence re scheduling of meetings	0.10	825.00	\$82.50
04/23/2020	JMF	CA	Update memorandum re pending motions and issues and matters re 5/26 hearing.	0.20	925.00	\$185.00
04/24/2020	JJK	CA	Conf. call Kharasch, Pomerantz, Committee counsel on claims matters.	1.50	895.00	\$1,342.50
04/24/2020	JNP	CA	Conference with Gregory V. Demo and Joshua M. Fried regarding pending motions for hearing at next omnibus hearing.	0.30	1075.00	\$322.50
04/24/2020	KKY	CA	Review and revise critical dates	0.10	425.00	\$42.50
04/24/2020	JMF	CA	Telephone call with J.N. Pomerantz and G. Demo re 4/22 hearing and case issues.	0.50	925.00	\$462.50
04/24/2020	GVD	CA	Conference with J. Fried and J. Pomerantz re outstanding motions and next steps	0.50	825.00	\$412.50
04/27/2020	KKY	CA	Review and revise critical dates	0.30	425.00	\$127.50
04/27/2020	JMF	CA	Draft memo re updated case issues and motions.	0.30	925.00	\$277.50
04/28/2020	JNP	CA	Participate on PSZJ WIP call.	0.90	1075.00	\$967.50
04/28/2020	JNP	CA	Participate on DSI PSZJ weekly WIP call.	1.00	1075.00	\$1,075.00
04/28/2020	JEO	CA	Participate in PSZJ WIP call	1.00	925.00	\$925.00
04/28/2020	JMF	CA	Telephone call with G. Demo, J.N. Pomerantz, J. O'Neill re case issues and 5/26 hearing matters.	0.80	925.00	\$740.00
04/28/2020	JMF	CA	Draft memorandum and update case issues re DSI call.	0.30	925.00	\$277.50
04/28/2020	JMF	CA	Telephone call with J.N. Pomerantz, James Romey, Jack Donahue re pending case issues.	0.70	925.00	\$647.50
04/28/2020	GVD	CA	Internal WIP Call	0.90	825.00	\$742.50
04/28/2020	GVD	CA	WIP Call with DSI and PSZJ	0.60	825.00	\$495.00
04/29/2020	KKY	CA	Review and revise critical dates	0.40	425.00	\$170.00
04/29/2020	GVD	CA	Follow up conference with I. Kharasch and J.	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Pomerantz re next steps and open items			
04/30/2020	KKY	CA	Review and revise critical dates	2.20	425.00	\$935.00
04/30/2020	JMF	CA	Review critical dates and memorandum re pending case issues.	0.20	925.00	\$185.00
				48.40		\$37,013.00

Claims Admin/Objections[B310]

03/05/2020	JKK	CO	Research per Kharasch on Board memo 3 issues re: claim matters.	0.60	895.00	\$537.00
03/12/2020	LAF	CO	Legal research re: Claims estimation for purposes of distribution.	1.30	450.00	\$585.00
03/13/2020	LAF	CO	Citecheck & edit pleading re constructive trust.	1.50	450.00	\$675.00
03/23/2020	LAF	CO	Citecheck & edit memo re 502(c).	2.30	450.00	\$1,035.00
03/24/2020	LAF	CO	Citecheck & edit claims estimation memo.	1.00	450.00	\$450.00
03/25/2020	LAF	CO	Citecheck & edit claims estimation memo.	4.30	450.00	\$1,935.00
03/26/2020	LAF	CO	Retrieve article for Saunders.	0.50	450.00	\$225.00
03/26/2020	LAF	CO	Citecheck & edit memo on claims estimation for purposes of distribution.	0.80	450.00	\$360.00
03/26/2020	LAF	CO	Legal research re: 502(c) & jury trials.	0.50	450.00	\$225.00
04/01/2020	AJK	CO	Review and analyze substantive memorandum re UBS claims.	3.80	1145.00	\$4,351.00
04/01/2020	AJK	CO	Review and analyze procedural memorandum.	1.70	1145.00	\$1,946.50
04/01/2020	AWC	CO	Review DSI revised analyses regarding ACIS matter and call with DSI thereon; research regarding preference analysis questions.	2.90	1095.00	\$3,175.50
04/01/2020	HDH	CO	Review and analyze memo regarding UBS claims	0.70	950.00	\$665.00
04/01/2020	HDH	CO	Review and revise memo regarding procedural options	2.30	950.00	\$2,185.00
04/01/2020	IDK	CO	E-mails with J. Morris re Redeemer setoff issues.	0.10	1145.00	\$114.50
04/01/2020	IDK	CO	E-mails with J. Kim re status on cause of action memo re Acis and missing pieces (.2); Revise substantially memo on Acis POC, including review of further cases (1.7); E-mail to I. Leventon and client legal team re draft of initial standing/Mirant memo (.2).	2.10	1145.00	\$2,404.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/01/2020	JNP	CO	Conference with Gregory V. Demo and John A. Morris regarding set off and Brown Rudnick issues.	0.40	1075.00	\$430.00
04/01/2020	JNP	CO	Conference with Robert J. Feinstein regarding status of UBS memo and timing for call with Board.	0.10	1075.00	\$107.50
04/01/2020	JNP	CO	Further call with John A. Morris regarding set off issues.	0.10	1075.00	\$107.50
04/01/2020	JNP	CO	Review memo regarding claims analysis.	0.20	1075.00	\$215.00
04/01/2020	JNP	CO	Conference with John A. Morris regarding claims issues.	0.20	1075.00	\$215.00
04/01/2020	RJF	CO	Telephone conference with Jeffrey N. Pomerantz regarding Highland memo.	0.10	1245.00	\$124.50
04/01/2020	RJF	CO	Review and revise process memo to BOD regarding UBS claim.	2.00	1245.00	\$2,490.00
04/01/2020	RJF	CO	Review and revise substantive memo.	2.00	1245.00	\$2,490.00
04/01/2020	JMF	CO	Review employee bonus and claims data (.8); telephone call with J. Donahue re calculation of employee claims (.3).	1.10	925.00	\$1,017.50
04/01/2020	JMF	CO	Review emails re claims extension and issues re hearing on same.	0.30	925.00	\$277.50
04/01/2020	JAM	CO	Analyze Redeemer Committee setoff issue (0.8); telephone conference with I. Leventon re: Redeemer Committee setoff issue (0.2); telephone conference with J. Pomerantz, G. Demo re: Redeemer Committee setoff issue (0.4); telephone conference with J. Pomerantz re: Redeemer Committee setoff issue (0.1); e-mails to S. Vitiello, I. Leventon, J. Sevilla, J. Pomerantz, G. Demo re: Brown Rudnick analysis (0.3); telephone conference with T. Flanagan re: legal research concerning Brown Rudnick claim (0.2); e-mails to T. Flanagan re: legal research concerning Brown Rudnick claim (0.2).	2.20	1075.00	\$2,365.00
04/01/2020	EAW	CO	Review edits and revised insert from G. Demo for memo re: analysis of UBS litigation.	0.60	825.00	\$495.00
04/01/2020	EAW	CO	Finalize and circulate draft memos to Board re: analysis of UBS litigation.	0.20	825.00	\$165.00
04/01/2020	EAW	CO	Emails to/from J. Pomerantz, R. Feinstein, A. Kornfeld and H. Hochman re: memos to Board regarding analysis of UBS litigation.	0.40	825.00	\$330.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/01/2020	EAW	CO	Revise memo re: analysis of UBS litigation; and related research and document review.	9.70	825.00	\$8,002.50
04/01/2020	EAW	CO	Telephone call with A. Kornfeld re: draft analysis of UBS litigation, and related issues.	0.30	825.00	\$247.50
04/01/2020	TCF	CO	Various communications with J. Morris regarding Brown Rudnick claim and issues with respect thereto.	0.40	725.00	\$290.00
04/01/2020	TCF	CO	Review and analysis of documents and materials regarding Brown Rudnick claim and issues with respect thereto.	0.50	725.00	\$362.50
04/01/2020	GVD	CO	Conference with J. Morris and J. Pomerantz re potential issues re claim objection	0.40	825.00	\$330.00
04/01/2020	GVD	CO	Draft insert to memo re ownership issues	0.70	825.00	\$577.50
04/01/2020	GVD	CO	Revise insert to claims memo re comments from E. Wagner	1.60	825.00	\$1,320.00
04/02/2020	AJK	CO	Analysis of claims and potential defenses (UBS).	2.90	1145.00	\$3,320.50
04/02/2020	AJK	CO	Analysis of strategic alternatives.	2.60	1145.00	\$2,977.00
04/02/2020	AWC	CO	Review updated DSI analysis of ACIS issues and underlying documents to prepare memo.	0.80	1095.00	\$876.00
04/02/2020	HDH	CO	Telephone conference with Ira D. Kharasch regarding Acis standing issue	0.40	950.00	\$380.00
04/02/2020	HDH	CO	Review UBS memos and correspondence regarding Acis	0.40	950.00	\$380.00
04/02/2020	HDH	CO	Research and drafting of memo to Ira D. Kharasch regarding Acis procedural issues	2.20	950.00	\$2,090.00
04/02/2020	IDK	CO	Telephone conference with J. Pomerantz re issues on Acis POC analysis (.2); E-mails with G. Demo re same and his breakdown of beneficiary of equity in HCM re Acis issues (.2).	0.30	1145.00	\$343.50
04/02/2020	IDK	CO	Review briefly J. Kim's new section on Acis causes of action (.2); E-mails with J. Kim re same and new issues for same and structuring (.2).	0.40	1145.00	\$458.00
04/02/2020	IDK	CO	E-mails with I. Leventon and others on Daugherty claim.	0.20	1145.00	\$229.00
04/02/2020	IDK	CO	Telephone conference with H. Hochman re need for insert on procedural options, summary judgment re the Acis analysis (.3); E-mails with H. Hochman re	0.50	1145.00	\$572.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			his draft of insert re same, including review of same (.2).			
04/02/2020	IDK	CO	Prepare substantial revisions to Acis standing/plan structure memo, including review of further cases.	2.20	1145.00	\$2,519.00
04/02/2020	JJK	CO	Analysis and prepare inserts for additional client memos on Acis claim issues.	2.90	895.00	\$2,595.50
04/02/2020	JJK	CO	Additional analysis re: Acis matters.	1.80	895.00	\$1,611.00
04/02/2020	JNP	CO	Review memo regarding ACIS claims.	0.30	1075.00	\$322.50
04/02/2020	JNP	CO	Conference with Ira D. Kharasch regarding memo regarding ACIS claims.	0.20	1075.00	\$215.00
04/02/2020	JNP	CO	Review memo regarding UBS issues; Emails with Harry D. Hochman regarding same.	0.10	1075.00	\$107.50
04/02/2020	JNP	CO	Emails with John A. Morris regarding information for analysis of Brown Rudnick claim.	0.10	1075.00	\$107.50
04/02/2020	JEO	CO	Emails with Greg Demo re claims filed	0.30	925.00	\$277.50
04/02/2020	RJF	CO	Review and comment on draft of memo, related emails.	0.90	1245.00	\$1,120.50
04/02/2020	JMF	CO	Review related entities claims background.	2.40	925.00	\$2,220.00
04/02/2020	JMF	CO	Review employee claims documents.	0.30	925.00	\$277.50
04/02/2020	EAW	CO	Emails to/from J. Pomerantz, R. Feinstein and H. Hochman re: analysis of UBS litigation.	0.30	825.00	\$247.50
04/02/2020	EAW	CO	Prepare organizational charts and attachments for Board presentation re: UBS litigation.	0.80	825.00	\$660.00
04/02/2020	TCF	CO	Research regarding Brown Rudnick claim and issues with respect thereto.	5.20	725.00	\$3,770.00
04/02/2020	GVD	CO	Conference with I. Leventon on newly filed proof of claim	0.30	825.00	\$247.50
04/02/2020	GVD	CO	Review memoranda on claims analysis	0.30	825.00	\$247.50
04/03/2020	AJK	CO	Prepare for call with Assistant General Counsel and PSZJ team re analysis of substantive and procedural issues re UBS claims.	3.70	1145.00	\$4,236.50
04/03/2020	AJK	CO	Participate on call with Assistant General Counsel and PSZJ team re analysis of substantive and procedural issues re UBS claims.	1.80	1145.00	\$2,061.00
04/03/2020	AWC	CO	Review DSI analyses and underlying documents,	4.40	1095.00	\$4,818.00

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			draft/revise memo regarding ACIS preference issues.			
04/03/2020	HDH	CO	Conference call regarding UBS memos and issues	1.70	950.00	\$1,615.00
04/03/2020	IDK	CO	E-mails with J. Kim re status on Acis distributions re Acis claim issues, as well as 502(h) claims and fraudulent conveyance (.3); E-mails with J. Davidson on 546(e) safe harbor issues re Acis claim (.2).	0.50	1145.00	\$572.50
04/03/2020	IDK	CO	Revise substantially memo re Acis POC and potential new arguments re plan structure, equity analysis.	2.20	1145.00	\$2,519.00
04/03/2020	JJK	CO	Analysis/research re: filed claims against HCM.	2.10	895.00	\$1,879.50
04/03/2020	JJK	CO	Research/analysis re: filed claims against HCM.	3.60	895.00	\$3,222.00
04/03/2020	JNP	CO	Review memo regarding UBS.	1.00	1075.00	\$1,075.00
04/03/2020	JNP	CO	Participate on call regarding UBS claims with client and PSZJ.	1.50	1075.00	\$1,612.50
04/03/2020	RJF	CO	Call with Isaac, PSZJ team regarding USB memos.	1.50	1245.00	\$1,867.50
04/03/2020	JAM	CO	Telephone conference with R. Nelms re: Guernsey action against Terry (0.2); e-mails to R. Nelms re: Guernsey action against Terry (0.2); telephone conference with J. Davidson re: Brown Rudnick claim (0.3).	0.70	1075.00	\$752.50
04/03/2020	EAW	CO	Conference call with I. Leventon and PSZJ team re: memos to Board regarding UBS litigation.	1.80	825.00	\$1,485.00
04/03/2020	EAW	CO	Revise memo re: analysis of UBS litigation; and related research and document review.	4.30	825.00	\$3,547.50
04/03/2020	EAW	CO	Draft outline of deck for Board presentation re: UBS litigation.	0.90	825.00	\$742.50
04/03/2020	EAW	CO	Telephone call with A. Kornfeld re: damages chart, revisions to memo for Board, and related issues regarding UBS litigation.	1.10	825.00	\$907.50
04/03/2020	EAW	CO	Outline inputs for proposed spreadsheet of damages calculations for UBS litigation.	3.80	825.00	\$3,135.00
04/03/2020	JHD	CO	Telephone conference with John Morris re Brown Rudnick claims	0.30	1495.00	\$448.50
04/03/2020	JHD	CO	Correspondence from Ira D. Kharasch re Acis claim; prepare correspondence to Ira D. Kharasch re same	0.20	1495.00	\$299.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/03/2020	TCF	CO	Research and preparation of memorandum regarding Brown Rudnick claim and issues with respect thereto.	4.60	725.00	\$3,335.00
04/03/2020	GVD	CO	Conference with PSZJ and I. Leventon re claims analysis and next steps	1.80	825.00	\$1,485.00
04/04/2020	AJK	CO	Attention to damages analysis.	1.30	1145.00	\$1,488.50
04/04/2020	HDH	CO	Revise memorandum regarding UBS strategy	1.30	950.00	\$1,235.00
04/04/2020	IDK	CO	E-mails with J. Kim re status of his memo on Acis causes of action and new client information, including brief review of same (.3); E-mails with J. Davidson re new issues on 550(a) benefit and definition of Estate in Acis plan (.5); Telephone conference with J. Pomerantz re same and status (.1).	0.90	1145.00	\$1,030.50
04/04/2020	IDK	CO	Further revisions to memo re Acis and research re Acis POC issues.	3.40	1145.00	\$3,893.00
04/04/2020	JJK	CO	Emails Kharasch and prepare inserts for Board memos on POC objection matters.	3.10	895.00	\$2,774.50
04/04/2020	JAM	CO	Review T. Flanagan legal research concerning Brown Rudnick claim (0.4); analyze Brown Rudnick's damages (0.4); e-mail to J. Pomerantz, I. Kharash, G. Demo, T. Flanagan re: merits of Brown Rudnick claim (0.5); e-mail to J. Pomerantz, I. Kharash, G. Demo, T. Flanagan re: Brown Rudnick damage analysis (0.2).	1.50	1075.00	\$1,612.50
04/04/2020	EAW	CO	Outline inputs for proposed spreadsheet of damages calculations for UBS litigation.	2.40	825.00	\$1,980.00
04/04/2020	EAW	CO	Telephone calls with A. Kornfeld re: damages charts for memo and Board presentation regarding UBS litigation; and related emails to/from PSZJ team re: same.	1.20	825.00	\$990.00
04/04/2020	EAW	CO	Draft and revise damages charts for memo and Board presentation regarding UBS litigation.	4.30	825.00	\$3,547.50
04/04/2020	EAW	CO	Revise memo re: analysis of UBS litigation; and related research and document review.	4.90	825.00	\$4,042.50
04/04/2020	JHD	CO	Correspondence from Ira D. Kharasch re legal arguments concerning Acis claims	0.20	1495.00	\$299.00
04/04/2020	JHD	CO	Prepare correspondence to Ira D. Kharasch re legal arguments concerning Acis claims and analysis of	0.30	1495.00	\$448.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			arguments			
04/04/2020	JHD	CO	Correspondence from Ira D. Kharasch re arguments concerning Acis claims; prepare correspondence re same	0.30	1495.00	\$448.50
04/04/2020	JHD	CO	Review memo analyzing Acis claims; analyze potential defenses; prepare correspondence to Ira D. Kharasch re same; research re same	3.10	1495.00	\$4,634.50
04/04/2020	TCF	CO	Various correspondence with J. Morris regarding Brown Rudnick claim.	0.20	725.00	\$145.00
04/05/2020	AJK	CO	Attention to revisions to claims memorandum.	1.90	1145.00	\$2,175.50
04/05/2020	AJK	CO	Attention to revisions to procedural memorandum.	1.10	1145.00	\$1,259.50
04/05/2020	HDH	CO	Revise memo regarding strategic options in UBS litigation	3.70	950.00	\$3,515.00
04/05/2020	HDH	CO	Further revisions to UBS memo	1.70	950.00	\$1,615.00
04/05/2020	IDK	CO	Review and consider J. Kim's extensive new memo on updated issues on Acis POC and all its causes of action (.4); E-mails to J. Kim re my extensive comments, proposed revisions to same, and need for call as well (1.1); Telephone conference with J. Kim re issues and structure of next update on same, issues on Acis plan waterfall, potential defenses and summary judgment on Acis claims (.8).	2.30	1145.00	\$2,633.50
04/05/2020	IDK	CO	E-mails with J. Davidson re his extensive feedback on 546(3) safe harbor on Acis and information needed, and need for call (.3); Telephone conference with J. DAvidson re same (.5); E-mail with J. Kim re question re 5456(e) re Acis (.1); E-mails with client legal team re 546(e) safe harbor issue (.2).	1.10	1145.00	\$1,259.50
04/05/2020	IDK	CO	Further revisions to Acis memo re Mirant/Standing/Acis Plan issues (.4); E-mails to client legal team re same (.1).	0.50	1145.00	\$572.50
04/05/2020	IDK	CO	Review briefly extensive memo on UBS procedural options and issues on estimation (.3); E-mails and telephone conference with R. Feinstein and J. Pomerantz re same and similar issues on Acis POC/procedure (.4).	0.70	1145.00	\$801.50
04/05/2020	JJK	CO	Call Kharasch on Board memo issues and consider same.	0.80	895.00	\$716.00
04/05/2020	JJK	CO	Analysis and substantial revisions to Board memo on claims matters.	3.00	895.00	\$2,685.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/05/2020	JJK	CO	Analysis and prepare sections on claims objection issues.	2.20	895.00	\$1,969.00
04/05/2020	JNP	CO	Conference with Ira D. Kharasch and Robert J. Feinstein regarding process related issues relating to claims objections .	0.30	1075.00	\$322.50
04/05/2020	RJF	CO	Telephone conference with Jeffrey N. Pomerantz, Ira D. Kharasch regarding UBS procedural issues.	0.30	1245.00	\$373.50
04/05/2020	RJF	CO	Review and comment on revised UBS memos.	1.50	1245.00	\$1,867.50
04/05/2020	JAM	CO	Telephone conference with T. Flanagan re: legal research concerning setoff and the Redeemer Committee claim (0.5); e-mails to T. Flanagan re: background information relating to Redeemer Committee offset issue (0.2); e-mail to J. Pomerantz, I. Kharasch, G. Demo, T. Flanagan re: legal research concerning setoff and the Redeemer Committee claim (0.5).	1.20	1075.00	\$1,290.00
04/05/2020	EAW	CO	Revise memo re: analysis of UBS litigation; and related research and document review.	10.90	825.00	\$8,992.50
04/05/2020	EAW	CO	Emails to/from H. Hochman re: claims asserted by UBS, and related issues.	0.30	825.00	\$247.50
04/05/2020	EAW	CO	Emails to/from PSZJ team re: memos to Board regarding UBS litigation.	0.20	825.00	\$165.00
04/05/2020	JHD	CO	Correspondence from Ira D. Kharasch re Acis objection; prepare correspondence to Ira D. Kharasch re same	0.20	1495.00	\$299.00
04/05/2020	JHD	CO	Telephone conference with Ira D. Kharasch re Acis claims and defenses	0.60	1495.00	\$897.00
04/05/2020	JHD	CO	Research re Acis claims issues; prepare correspondence to Ira D. Kharasch re same; correspondence from Ira D. Kharasch re same	0.70	1495.00	\$1,046.50
04/05/2020	TCF	CO	Various correspondence with J. Morris regarding setoff issues.	0.20	725.00	\$145.00
04/05/2020	TCF	CO	Review and analysis of documentation and materials; research regarding setoff issues.	6.00	725.00	\$4,350.00
04/06/2020	AJK	CO	Attention to UBS issues memorandum.	3.20	1145.00	\$3,664.00
04/06/2020	AJK	CO	Call with E. Wagner and G. Demo re damages.	0.50	1145.00	\$572.50
04/06/2020	IDK	CO	Review and revise J. Kim's modified memo on all Acis causes of action (.8); E-mails with J. Kim re	1.10	1145.00	\$1,259.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			same and next steps (.1); E-mail to client legal team with draft of such memo, and need for feedback (.1); Telephone conference with J. Pomerantz re status of same (.1).			
04/06/2020	IDK	CO	Review of Acis amended complaint re safe harbor defenses in 546(e) as well as issues re safe harbor requirements (.5); E-mails to client re same and need for documents re safe harbor issues (.3); E-mails with J. Davidson re same on safe harbor issues, and definitions of "contract" and "securities" and related articles on same (.5).	1.30	1145.00	\$1,488.50
04/06/2020	IDK	CO	Review of various transfer documents from client re Acis alleged transfers (.3); E-mails with client re same and missing documents (.2).	0.50	1145.00	\$572.50
04/06/2020	IDK	CO	Review of prior February memo on Acis claims and defenses (.3); E-mails with J. Kim re need to incorporate numerous other arguments from February memo on Acis and update recommendations (.4).	0.70	1145.00	\$801.50
04/06/2020	IDK	CO	Further research and revisions to Acis claim memo.	1.10	1145.00	\$1,259.50
04/06/2020	JJK	CO	Call Kharasch on claims matters (0.1); emails Kharasch on same and consider issues (0.4).	2.00	895.00	\$1,790.00
04/06/2020	JJK	CO	Further analysis and Board memos revisions per Kharasch comments/issues on claims matters.	4.70	895.00	\$4,206.50
04/06/2020	JJK	CO	Substantial Board memos revisions per Kharasch issues and related analysis re: claims matters.	2.00	895.00	\$1,790.00
04/06/2020	JNP	CO	Emails with M. Hankin regarding proof of claim.	0.10	1075.00	\$107.50
04/06/2020	JNP	CO	Conference with Ira D. Kharasch regarding Acis memo.	0.10	1075.00	\$107.50
04/06/2020	JNP	CO	Internal mail in response to Committee questions regarding employee claims.	0.10	1075.00	\$107.50
04/06/2020	JNP	CO	Email to Board regarding request by CLO's for extension to bar date.	0.10	1075.00	\$107.50
04/06/2020	JNP	CO	Review analysis of Brown Rudnick claims.	0.20	1075.00	\$215.00
04/06/2020	JNP	CO	Conference with John A. Morris regarding Brown Rudnick claims.	0.20	1075.00	\$215.00
04/06/2020	JEO	CO	Research status of Redeemer claim	0.40	925.00	\$370.00
04/06/2020	JEO	CO	Email to Marc Hankin, counsel for Redeemer to	0.20	925.00	\$185.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			confirm receipt of Redeemer Claim			
04/06/2020	RJF	CO	Continued work on substantive and procedural memos regarding UBS.	0.80	1245.00	\$996.00
04/06/2020	JMF	CO	Review documents re related entities and potential claims.	1.70	925.00	\$1,572.50
04/06/2020	JAM	CO	Telephone conference with G. Demo, K. George re: Crusader Plan and Redeemer Committee claim (0.4); telephone conference with J. Pomerantz re: Brown Rudnick claim (0.1).	0.50	1075.00	\$537.50
04/06/2020	EAW	CO	Revise, proofread and circulate draft memo re: analysis of claims asserted in UBS litigation.	1.60	825.00	\$1,320.00
04/06/2020	EAW	CO	Emails to/from A. Kornfeld, G. Demo and I. Leventon re: damages charts.	0.20	825.00	\$165.00
04/06/2020	EAW	CO	Telephone call with G. Demo re: standing-related argument (UBS Litigation).	0.40	825.00	\$330.00
04/06/2020	EAW	CO	Analyze potential summary judgment motions; and emails to/from PSZJ team re: same.	0.70	825.00	\$577.50
04/06/2020	EAW	CO	Telephone calls with A. Kornfeld re: standing-related argument and damages charts (UBS Litigation).	0.50	825.00	\$412.50
04/06/2020	EAW	CO	Telephone call with A. Kornfeld and G. Demo re: standing-related argument and damages charts (UBS Litigation).	0.30	825.00	\$247.50
04/06/2020	EAW	CO	Review versions of amendments to note purchase agreement and note termination agreement, and related discussions in expert reports.	0.60	825.00	\$495.00
04/06/2020	EAW	CO	Analyze HCMLP's damages spreadsheets, and make corresponding revisions to memo re: claims asserted in UBS litigation.	1.30	825.00	\$1,072.50
04/06/2020	JHD	CO	Correspondence from Ira D. Kharasch re Acis claims defenses; research re same; prepare correspondence to Ira D. Kharasch re same	0.50	1495.00	\$747.50
04/06/2020	GVD	CO	Conference with E. Wagner and A. Kornfield re damages analysis	0.50	825.00	\$412.50
04/06/2020	GVD	CO	Conference with K. George and J. Morris re analysis of claim	0.50	825.00	\$412.50
04/06/2020	GVD	CO	Conference with A. Kornfield and E. Wagner re potential revisions to claims analysis memo	0.40	825.00	\$330.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/06/2020	GVD	CO	Review memo re analysis of claims objection and back up materials re same	1.10	825.00	\$907.50
04/06/2020	GVD	CO	Conference with E. Wagner re analysis of potential litigation strategy on claims issue	0.40	825.00	\$330.00
04/07/2020	AJK	CO	Review iterations of revisions to memorandum and comments thereto.	2.80	1145.00	\$3,206.00
04/07/2020	AJK	CO	Analysis of damages issues.	2.60	1145.00	\$2,977.00
04/07/2020	AJK	CO	Review and respond to emails re damages issues.	0.30	1145.00	\$343.50
04/07/2020	HDH	CO	Telephone conference with Ira D. Kharasch regarding Acis memo and issue	0.20	950.00	\$190.00
04/07/2020	HDH	CO	Finalize memo regarding UBS option	0.50	950.00	\$475.00
04/07/2020	HDH	CO	Further telephone conference with Ira D. Kharasch regarding Acis	0.10	950.00	\$95.00
04/07/2020	HDH	CO	Review memo analyzing UBS claims	0.80	950.00	\$760.00
04/07/2020	HDH	CO	Review and revise memo regarding Acis defense	0.90	950.00	\$855.00
04/07/2020	HDH	CO	Analysis of Acis claim	1.40	950.00	\$1,330.00
04/07/2020	IDK	CO	Prepare revisions to Acis standing/Mirant memo (.4); Telephone conferences and e-mails with H. Hochman re same, and need for review of this and larger Acis memo (.4).	0.80	1145.00	\$916.00
04/07/2020	IDK	CO	Review of J. Kim's revised Acis cause of action memo (.4); E-mails with client and J. Kim on missing documents re Acis fraudulent conveyance allegations and client questions on memo (.5); Numerous e-mails with J. Kim re need for summary of Terry shareholder distribution in DS projections, including initial feedback on same (.4); E-mails with client re questions on ALF Share Transfer issues (.2).	1.50	1145.00	\$1,717.50
04/07/2020	IDK	CO	Review of all transfer documents re Acis allegations for safe harbor issues (.5); Numerous e-mails with J. Davidson re same and question re safe harbor application (.4); Preparation of insert to Acis memo re safe harbor provisions and application to causes of action (1.2); E-mails with J. Kim re his questions re safe harbor and how they fit in arguments (.3).	2.40	1145.00	\$2,748.00
04/07/2020	JJK	CO	Emails Kharasch on claims matters and consider issues (0.4); emails Leverton, Vitiello on info for	1.10	895.00	\$984.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			claims analysis (0.3); review documents/info from HCM (0.4).			
04/07/2020	JJK	CO	Analyze claims issues and review documents/info from HCM on same; prepare notes on same.	4.20	895.00	\$3,759.00
04/07/2020	JJK	CO	Analyze claims issues and prepare Board memos on same.	3.00	895.00	\$2,685.00
04/07/2020	JNP	CO	Review claims of Carey and Hunter Mountain; Email regarding same.	0.20	1075.00	\$215.00
04/07/2020	JNP	CO	Email to Committee responding to questions regarding employee claims stipulation.	0.10	1075.00	\$107.50
04/07/2020	JNP	CO	Conference with John A. Morris regarding Brown Rudnick analysis.	0.10	1075.00	\$107.50
04/07/2020	JNP	CO	Emails to I. Leventon and Robert J. Feinstein regarding timing on comments regarding UBS memo.	0.10	1075.00	\$107.50
04/07/2020	JNP	CO	Review emails regarding set-off issues.	0.10	1075.00	\$107.50
04/07/2020	JNP	CO	Review final version of UBS memo.	0.10	1075.00	\$107.50
04/07/2020	JNP	CO	Conference with Ira D. Kharasch regarding Acis issues.	0.20	1075.00	\$215.00
04/07/2020	JEO	CO	Review updated claims report and new claims and forward to PSZJ team	0.80	925.00	\$740.00
04/07/2020	JEO	CO	Further review of claims register and update email to PSZJ team	0.60	925.00	\$555.00
04/07/2020	RJF	CO	Final review of UBS memos.	0.80	1245.00	\$996.00
04/07/2020	JMF	CO	Review and analyze Hunter Mountain claims and research re issues re same.	3.30	925.00	\$3,052.50
04/07/2020	JMF	CO	Telephone call with T. Jeremiassen and J. Romney re related entities claims.	0.50	925.00	\$462.50
04/07/2020	JAM	CO	E-mail to K. George, J. Pomerantz, I. Kharash, G. Demo re: issues under Crusader Plan and Scheme relating to Redeemer Committee claim (1.2); e-mails with S. Vitiello, J. Pomerantz, I. Kharash, G. Demo re: control of HCLOF and Guernsey action against Terry (0.2).	1.40	1075.00	\$1,505.00
04/07/2020	EAW	CO	Telephone call with G. Demo and I. Leventon re: damages spreadsheets and related issues.	1.10	825.00	\$907.50
04/07/2020	EAW	CO	Telephone calls with A. Kornfeld re: revisions to	0.70	825.00	\$577.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			damages charts and memo regarding claims asserted in UBS Litigation.			
04/07/2020	EAW	CO	Analyze HCMLP's damages spreadsheets and related proposed changes to PSZJ's charts/memo(UBS Litigation).	2.40	825.00	\$1,980.00
04/07/2020	EAW	CO	Revise damages charts and memo to Board re: analysis of claims asserted in UBS litigation.	3.90	825.00	\$3,217.50
04/07/2020	EAW	CO	Finalize and circulate memos to Board re: UBS litigation; and related emails to/from PSZJ team.	0.20	825.00	\$165.00
04/07/2020	JHD	CO	Correspondence from Ira D. Kharasch re potential defenses to Acis claims; prepare correspondence to Ira D. Kharasch re same	0.30	1495.00	\$448.50
04/07/2020	JHD	CO	Correspondence from Ira D. Kharasch re potential defenses to Acis claims; analyze note transfer agreement	0.40	1495.00	\$598.00
04/07/2020	JHD	CO	Prepare correspondence to Ira D. Kharasch re potential defenses to Acis claims	0.20	1495.00	\$299.00
04/07/2020	JHD	CO	Correspondence from Ira D. Kharasch re potential defenses to Acis claims; prepare correspondence to Ira D. Kharasch re same	0.10	1495.00	\$149.50
04/07/2020	TCF	CO	Research, analysis and drafting regarding setoff issues.	9.20	725.00	\$6,670.00
04/07/2020	GVD	CO	Conference with I. Leventon and E. Wagner re claims objection analysis and next steps	1.00	825.00	\$825.00
04/07/2020	GVD	CO	Review filed proof of claim from Carey International	0.70	825.00	\$577.50
04/07/2020	GVD	CO	Review filed proof of claim from Hunter Mountain	0.50	825.00	\$412.50
04/07/2020	GVD	CO	Correspondence with CLO Issuers counsel re stipulation on proof of claim	0.10	825.00	\$82.50
04/07/2020	GVD	CO	Review draft stipulation from CLO Issuers counsel; correspondence with Board re same	0.30	825.00	\$247.50
04/08/2020	AJK	CO	Analysis of UBS claims issues.	4.60	1145.00	\$5,267.00
04/08/2020	HDH	CO	Telephone conference with Ira D. Kharasch regarding Acis memo	0.20	950.00	\$190.00
04/08/2020	HDH	CO	Review and extensive revisions to memo regarding Acis claims	5.60	950.00	\$5,320.00
04/08/2020	IDK	CO	Review of H. Hochman's edits to Acis/standing	0.60	1145.00	\$687.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			memo (.30; E-mails with H. Hochman and J. Kim re need for additional research on alter ego re Acis claims and potential application (.2); Telephone conference with H. Hochman re issues (.1).			
04/08/2020	IDK	CO	E-mails with J. Kim re his detailed summary of Acis DS projections on Terry equity distribution, including review of same and projections and assumptions (.4); Revise Acis standing memo to incorporate same and finalize same (.5); E-mail to Board re Acis standing/Mirant/Acis plan issue memo (.2).	1.10	1145.00	\$1,259.50
04/08/2020	IDK	CO	E-mails with J. Kim re his further revised large memo re Acis and questions on Note Transfer and damages re same and safe harbor (.4); Various e-mails with client legal team re their extensive feedback and their questions/issues on Acis memo re transfers, p-note issues, including response to same (.5); E-mails with attorneys re same and jury trial issues raised by client (.2).	1.10	1145.00	\$1,259.50
04/08/2020	IDK	CO	E-mails with H. Hochman re need for his edits to large Acis memo on substantive claims, and supplement on alter ego analysis (.3).	0.30	1145.00	\$343.50
04/08/2020	IDK	CO	E-mails with G. Demo re questions on other Highland defendants named in Acis POC/complaint, and economic/legal relationships to HMC (.3); E-mails with J. Kim re same and status re Acis adversary (.1).	0.40	1145.00	\$458.00
04/08/2020	IDK	CO	E-mails with attorneys re coordination of logistics for call with Board next week on Acis.	0.10	1145.00	\$114.50
04/08/2020	JJK	CO	Emails Kharasch, Hochman on Board memo on claims issues and respond (1.0); review comments/revisions to claims analysis memo and make additiional revisions.	4.00	895.00	\$3,580.00
04/08/2020	JJK	CO	Review comments on client memo on claims issues and analyze issues; revise client memo on claims objection issues.	3.70	895.00	\$3,311.50
04/08/2020	JNP	CO	Conference with Ira D. Kharasch regarding Acis and strategy regarding filing of action against non-debtors.	0.20	1075.00	\$215.00
04/08/2020	JNP	CO	Review and respond to John A. Morris email regarding Brown Rudnick.	0.20	1075.00	\$215.00
04/08/2020	JNP	CO	Conference with Robert J. Feinstein regarding	0.10	1075.00	\$107.50

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			meeting with Committee regarding claims.			
04/08/2020	JNP	CO	Partial review of Acis memo; Conference with Ira D. Kharasch regarding same.	0.30	1075.00	\$322.50
04/08/2020	JEO	CO	Review claims register and send email update to PSZJ team	0.60	925.00	\$555.00
04/08/2020	JEO	CO	Additional claim review	0.40	925.00	\$370.00
04/08/2020	RJF	CO	Prep for UBS board call.	0.50	1245.00	\$622.50
04/08/2020	JMF	CO	Review new claims re Calpers and Frontier.	0.80	925.00	\$740.00
04/08/2020	JMF	CO	Review issues re employee claims and emails re follow up on same.	0.30	925.00	\$277.50
04/08/2020	JAM	CO	Draft e-mail for Board concerning Brown Rudnick claim and confer with J. Pomerantz, I. Kharasch, G. Demo, T. Flanagan re: same (1.5); telephone conference with J. Pomerantz re: Brown Rudnick analysis (0.1).	1.60	1075.00	\$1,720.00
04/08/2020	TCF	CO	Research, analysis and drafting regarding setoff issues.	3.80	725.00	\$2,755.00
04/08/2020	GVD	CO	Revise and circulate stipulation re proof of claim for CLO issuers	0.40	825.00	\$330.00
04/08/2020	GVD	CO	Review filed proofs of claim	0.30	825.00	\$247.50
04/08/2020	GVD	CO	Review asset allocation and ownership issues for I. Kharasch	0.50	825.00	\$412.50
04/08/2020	GVD	CO	Conference with I. Kharasch on claims analysis memo	0.10	825.00	\$82.50
04/09/2020	AJK	CO	Prepare for call re UBS claims.	6.20	1145.00	\$7,099.00
04/09/2020	HDH	CO	Review final UBS memos	0.40	950.00	\$380.00
04/09/2020	HDH	CO	Review draft Acis memo	0.40	950.00	\$380.00
04/09/2020	IDK	CO	Review and consider revised memo on all Acis causes of action (.5); E-mails and telephone conferences with J. Kim re numerous questions re same, including his feedback and inserts re status of limitations for various claims and timing re overpayments (.6).	1.10	1145.00	\$1,259.50
04/09/2020	IDK	CO	Numerous e-mails with client legal team and J. Kim re open questions for information re Acis POC (.4); Prepare revisions to Acis claims memo (1.1).	1.50	1145.00	\$1,717.50

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04/09/2020	JJK	CO	Emails Kharasch on claims objections issues.	0.30	895.00	\$268.50
04/09/2020	JJK	CO	Review/revise/analyze issues in Board memo on claim objection issues; numerous emails Kharasch, HCM on same.	5.90	895.00	\$5,280.50
04/09/2020	JJK	CO	Additional claims objections analysis for Kharasch.	2.50	895.00	\$2,237.50
04/09/2020	JNP	CO	Emails regarding call with Board regarding UBS.	0.10	1075.00	\$107.50
04/09/2020	JNP	CO	Emails with Latham regarding class status.	0.10	1075.00	\$107.50
04/09/2020	JNP	CO	Emails to and from John A. Morris regarding Brown Rudnick.	0.10	1075.00	\$107.50
04/09/2020	JEO	CO	Review IRS Claims	0.30	925.00	\$277.50
04/09/2020	JEO	CO	Review claims docket	0.30	925.00	\$277.50
04/09/2020	JEO	CO	Follow up call with Jack Donohue re IRS issue	0.30	925.00	\$277.50
04/09/2020	RJF	CO	Prep for BOD meeting regarding UBS.	0.30	1245.00	\$373.50
04/09/2020	JMF	CO	Review summary re Carey claim.	0.40	925.00	\$370.00
04/09/2020	JMF	CO	Review claims register re newly entered claims.	0.80	925.00	\$740.00
04/09/2020	JAM	CO	Communications with S. Vitiello re: Brown Rudnick damage analysis (0.1); e-mails with R. Stark, J. Pomerantz re: Brown Rudnick damage analysis (0.1); telephone conference with R. Stark re: Brown Rudnick damages (0.1).	0.30	1075.00	\$322.50
04/09/2020	TCF	CO	Research, analysis and drafting regarding setoff and related issues.	5.40	725.00	\$3,915.00
04/09/2020	GVD	CO	Review memo re legal analysis of pending claims	0.80	825.00	\$660.00
04/09/2020	GVD	CO	Conference with I. Leventon re ownership issues	0.50	825.00	\$412.50
04/09/2020	GVD	CO	Review research re 9019 requirements re resolution of proof of claim	1.20	825.00	\$990.00
04/09/2020	GVD	CO	Review documents re ownership issues; correspondence with I. Kharasch re same	0.40	825.00	\$330.00
04/09/2020	GVD	CO	Multiple correspondence with T. Courneyor re resolution of proof of claim issues	0.90	825.00	\$742.50
04/10/2020	AJK	CO	Prepare for call re UBS claims.	2.40	1145.00	\$2,748.00
04/10/2020	AJK	CO	Call with PSZJ team re UBS claims.	0.50	1145.00	\$572.50
04/10/2020	AJK	CO	Call with Board re UBS claims.	1.30	1145.00	\$1,488.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/10/2020	HDH	CO	Telephone conference with Ira D. Kharasch regarding Acis issues	0.10	950.00	\$95.00
04/10/2020	HDH	CO	Research Acis fraudulent transfer issues	1.30	950.00	\$1,235.00
04/10/2020	HDH	CO	Draft insert to Acis memo	0.50	950.00	\$475.00
04/10/2020	IDK	CO	Telephone conferences and e-mails with H. Hochman re need for research on conspiracy and 550 benefit issues (.4); Review of caselaw re same (.5); Telephone conference and e-mails with J. Kim re need for further research on statute of limitations and other issues, including review of his feedback (.4).	1.30	1145.00	\$1,488.50
04/10/2020	IDK	CO	E-mails with J. Davidson on limitations on Mirant/standing to kinds of claims (.2); Revise standing/Mirant memo re same (.7); E-mails with Board re same (.2).	1.10	1145.00	\$1,259.50
04/10/2020	IDK	CO	Substantially revise extensive memo on all Acis claims in POC.	3.80	1145.00	\$4,351.00
04/10/2020	JJK	CO	Call Kharasch on claims objection issues (0.1); emails Kharasch on same and research/revise client memo on claims objections issues.	3.10	895.00	\$2,774.50
04/10/2020	JNP	CO	Email to and from Latham regarding call to discuss claims.	0.10	1075.00	\$107.50
04/10/2020	JNP	CO	Precall with PSZJ in anticipation of call with Board regarding UBS claims.	0.50	1075.00	\$537.50
04/10/2020	JEO	CO	Review claims report and email to KCC we updates	0.70	925.00	\$647.50
04/10/2020	RJF	CO	Review Highland memos.	1.00	1245.00	\$1,245.00
04/10/2020	RJF	CO	Pre-board call with PSZJ team.	0.40	1245.00	\$498.00
04/10/2020	RJF	CO	Telephonic BOD meeting regarding UBS claims.	1.80	1245.00	\$2,241.00
04/10/2020	JAM	CO	Draft Common Interest Agreement (1.5); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: Common Interest Agreement (0.1); telephone conference with J. Pomerantz re: Common Interest Agreement (0.1); revise Common Interest Agreement and send to J. Pomerantz (0.4).	2.10	1075.00	\$2,257.50
04/10/2020	EAW	CO	Participate in telephonic Board meeting re: UBS litigation.	1.30	825.00	\$1,072.50
04/10/2020	EAW	CO	Telephone call with PSZJ team re: presentation to Board regarding UBS litigation.	0.50	825.00	\$412.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/10/2020	EAW	CO	Preparation for Board meeting re: UBS litigation; and emails to/from A. Kornfeld re: same.	0.50	825.00	\$412.50
04/10/2020	EAW	CO	Telephone call with A. Kornfeld re: opposition to motion for relief from stay	0.40	825.00	\$330.00
04/10/2020	EAW	CO	Review research memo re: standing (UBS Litigation).	0.30	825.00	\$247.50
04/10/2020	EAW	CO	Attention to UBS's questions re: transfer of LSCs to Multi-Strat, and related fraudulent conveyance issues.	0.20	825.00	\$165.00
04/10/2020	JHD	CO	Correspondence from Ira D. Kharasch re Acis claim defenses; prepare correspondence to Ira D. Kharasch re same	0.20	1495.00	\$299.00
04/10/2020	TCF	CO	Research, analysis and drafting regarding setoff and related issues.	6.20	725.00	\$4,495.00
04/10/2020	GVD	CO	Attend internal PSZJ conference in preparation for conference with the Board re claims objection issues	0.50	825.00	\$412.50
04/10/2020	GVD	CO	Review draft common interest agreement	0.30	825.00	\$247.50
04/10/2020	GVD	CO	Conference with PSZJ and the Board re claims analysis	1.30	825.00	\$1,072.50
04/11/2020	IDK	CO	Various e-mails with DSI, G. Demo re HCLOM and related issues to Acis note transfer (.3); E-mails with J. Kim re questions re fact/information re Acis POC, including alter ego allegations, Texas fraudulent conveyance statute issues, and damage claim issues on transfers (.7).	1.00	1145.00	\$1,145.00
04/11/2020	IDK	CO	Further substantial revisions to extensive memo on Acis POC and substantive claim issues, including review of related documents re transfers of assets.	5.30	1145.00	\$6,068.50
04/11/2020	JJK	CO	Emails Kharasch on claims objections issues and respond to same.	0.70	895.00	\$626.50
04/11/2020	GVD	CO	Research ownership structure; correspondence with I. Kharasch re same	1.30	825.00	\$1,072.50
04/12/2020	HDH	CO	Research punitive damages - Acis claim	0.90	950.00	\$855.00
04/12/2020	HDH	CO	Draft insert to Acis memo and revise same	0.30	950.00	\$285.00
04/12/2020	IDK	CO	E-mails with attorneys re need for further research on punitive damage claim and other issues re Acis, including review of feedback (.7); Prepare substantially revised final draft of extensive memo	6.70	1145.00	\$7,671.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			to Board on Acis POC on all causes of action (5.8); E-mail to Board re same (.2).			
04/12/2020	TCF	CO	Research, analysis and drafting regarding setoff and related issues.	5.80	725.00	\$4,205.00
04/12/2020	GVD	CO	Review correspondence re claims analysis	0.20	825.00	\$165.00
04/13/2020	AJK	CO	Analysis of UBS claims issues.	2.60	1145.00	\$2,977.00
04/13/2020	IDK	CO	Various e-mails with client legal team on further information re Acis POC and answers to questions (.4); E-mails with I. Leventon re status of Acis claims memos and questions on same (.3); E-mail to H. Hochman re Acis status (.1); E-mails with J. Kim re same and need for short summary of new Acis action in bankruptcy court, including brief review of same (.2); E-mails with Board, others re another Acis action filed in state court in past few days (.1); E-mails with J. Kim re same, and re attending Board call tomorrow (.2).	1.30	1145.00	\$1,488.50
04/13/2020	IDK	CO	E-mails with teams re coordination of calls with Committee members on claims.	0.20	1145.00	\$229.00
04/13/2020	JJK	CO	Review final version of Board memo on claims issues and prepare for Board call.	1.10	895.00	\$984.50
04/13/2020	JNP	CO	Emails with to and from Latham regarding scheduling call.	0.10	1075.00	\$107.50
04/13/2020	JNP	CO	Review memo to Board regarding Acis claims	0.50	1075.00	\$537.50
04/13/2020	JNP	CO	Email to M. Clemente regarding call to discuss claims analysis.	0.10	1075.00	\$107.50
04/13/2020	KKY	CO	Respond (.1) to email from James E. O'Neill re bar date order; and prepare (.1) attachment to same	0.20	425.00	\$85.00
04/13/2020	JEO	CO	Review updated claims report	0.50	925.00	\$462.50
04/13/2020	JMF	CO	Review related entities claims filings.	0.80	925.00	\$740.00
04/13/2020	EAW	CO	Review expert reports and deposition excerpts re: allegedly fraudulent transfers, and alter ego allegations.	4.90	825.00	\$4,042.50
04/13/2020	EAW	CO	Review correspondence re: transfers of LSCs to Multi-Strat (UBS Litigation).	0.30	825.00	\$247.50
04/13/2020	EAW	CO	Review correspondence re: relief from automatic stay (UBS Litigation).	0.50	825.00	\$412.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/13/2020	GVD	CO	Review memo re potential substantive objections to claims	1.40	825.00	\$1,155.00
04/14/2020	AJK	CO	Prepare for call with UBS re claims.	5.20	1145.00	\$5,954.00
04/14/2020	IDK	CO	E-mail to J. Kim re new evidence re Acis claim (.1); E-mails with G. Demo re CLOM and note transfer and ownership (.2).	0.30	1145.00	\$343.50
04/14/2020	JNP	CO	Conference with Ira D. Kharasch in preparation for call with Board on Acis claims.	0.20	1075.00	\$215.00
04/14/2020	JNP	CO	Schedule calls. re review of claims with interested parties.	0.10	1075.00	\$107.50
04/14/2020	JNP	CO	Participate on lengthy call with Board regarding Acis claims.	2.00	1075.00	\$2,150.00
04/14/2020	JNP	CO	Emails regarding call with UBS.	0.10	1075.00	\$107.50
04/14/2020	JNP	CO	Conference with Alan J. Kornfeld regarding call with UBS.	0.10	1075.00	\$107.50
04/14/2020	JEO	CO	Review claims report prepared by DSI	0.40	925.00	\$370.00
04/14/2020	JEO	CO	Call with Jack Donohue re claims report	0.40	925.00	\$370.00
04/14/2020	JEO	CO	Emails with PSZJ team re claim analysis	0.40	925.00	\$370.00
04/14/2020	JEO	CO	Continued review of claims	0.60	925.00	\$555.00
04/14/2020	JMF	CO	Review related entities claims (1.8); telephone call with B. Sharp re same (.3); review aggregate claims analysis and edits to spreadsheet re same (1.0).	3.10	925.00	\$2,867.50
04/14/2020	JMF	CO	Review UBS and Hunton stipulations re claims.	0.40	925.00	\$370.00
04/14/2020	JAM	CO	E-mail to K. George, G. Demo re: Redeemer Arbitration Awards (0.2).	0.20	1075.00	\$215.00
04/14/2020	EAW	CO	Review expert reports and deposition excerpts re: allegedly fraudulent transfers, and alter ego allegations (UBS Litigation).	4.40	825.00	\$3,630.00
04/14/2020	EAW	CO	Draft outline of arguments in opposition to relief from automatic stay (UBS Litigation).	0.80	825.00	\$660.00
04/14/2020	EAW	CO	Review research memos re: relief from automatic stay and other procedural issues (UBS Litigation)	0.60	825.00	\$495.00
04/14/2020	GVD	CO	Further review ownership issues re claims objections and correspondence with I. Kharasch re same	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/14/2020	GVD	CO	Conference with Board and PSZJ re analysis of claims	2.30	825.00	\$1,897.50
04/14/2020	GVD	CO	Conference with I. Kharasch, J. Pomerantz, and J. Morris re issues regarding newly filed lawsuits	0.50	825.00	\$412.50
04/15/2020	AJK	CO	Prepare for call re UBS claims.	1.40	1145.00	\$1,603.00
04/15/2020	AJK	CO	Prepare for call with PSZJ team and Board re UBS.	0.50	1145.00	\$572.50
04/15/2020	AJK	CO	Call with UBS counsel and principals re claims.	1.50	1145.00	\$1,717.50
04/15/2020	HDH	CO	Review and analyze background documents regarding objection to Acis claim	2.60	950.00	\$2,470.00
04/15/2020	IDK	CO	E-mails with H. Hochman re need to start drafting objection to Acis POC, information for same, and organization of objection.	0.30	1145.00	\$343.50
04/15/2020	JJK	CO	Follow up research per Board call on claims issues.	3.50	895.00	\$3,132.50
04/15/2020	JNP	CO	Pre-call with Board regarding UBS claim.	0.40	1075.00	\$430.00
04/15/2020	JNP	CO	Conference with UBS counsel, Board and PSZJ regarding claims issues and Multi Strat.	1.50	1075.00	\$1,612.50
04/15/2020	JNP	CO	Conference with J. Seery regarding UBS related issues.	0.40	1075.00	\$430.00
04/15/2020	JNP	CO	Conference with Robert J. Feinstein after call with UBS.	0.10	1075.00	\$107.50
04/15/2020	RJF	CO	Review UBS memo in preparation for meeting.	1.00	1245.00	\$1,245.00
04/15/2020	RJF	CO	Telephonic meeting with BOD regarding call with UBS counsel.	0.40	1245.00	\$498.00
04/15/2020	RJF	CO	Call with UBS counsel, BOD regarding UBS claims.	1.50	1245.00	\$1,867.50
04/15/2020	JMF	CO	Review DSI Claims analysis.	0.50	925.00	\$462.50
04/15/2020	EAW	CO	Conference call with PSZJ team and Board members re: life insurance policies (Multi-Strat) and claims asserted by UBS.	0.30	825.00	\$247.50
04/15/2020	EAW	CO	Conference call with PSZJ team, Board members, and UBS re: life insurance policies (Multi-Strat) and claims asserted by UBS.	1.50	825.00	\$1,237.50
04/15/2020	EAW	CO	Telephone calls with A. Kornfeld re: opposition to relief from automatic stay and related issues (UBS Litigation).	0.90	825.00	\$742.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/15/2020	EAW	CO	Analysis of potential arguments re: opposition to relief from stay (UBS Litigation).	0.70	825.00	\$577.50
04/15/2020	GVD	CO	Conference with Board and J. Dondero re potential claims resolutions	2.30	825.00	\$1,897.50
04/15/2020	GVD	CO	Conference with Board and creditors re claim issues	1.50	825.00	\$1,237.50
04/15/2020	GVD	CO	Conference with Board re preparation for call with creditor on claims issues	0.30	825.00	\$247.50
04/15/2020	GVD	CO	Follow up call with Board re J. Dondero meeting	0.20	825.00	\$165.00
04/15/2020	GVD	CO	Follow up meeting with Board re conversation with creditor and next steps	0.20	825.00	\$165.00
04/16/2020	JNP	CO	Conference with DSI, Joshua M. Fried and Gregory V. Demo regarding employee claims issues.	0.30	1075.00	\$322.50
04/16/2020	JNP	CO	Conference with Joshua M. Fried regarding employee claims issues.	0.10	1075.00	\$107.50
04/16/2020	JMF	CO	Telephone call with B. Sharp, J.N. Pomerantz, J. Donahue and T. Jeremiaisan re employee claims and stipulation (.4); telephone call with J.N. Pomerantz re same (.2)	0.60	925.00	\$555.00
04/16/2020	JMF	CO	Review claims summary markup.	0.80	925.00	\$740.00
04/16/2020	JMF	CO	Review background re employee claims.	0.30	925.00	\$277.50
04/16/2020	JAM	CO	Review pleadings filed by Acis in state court and the Acis bankruptcy court and related documents (0.8); telephone conference with G. Demo re: strategy for addressing various Acis litigation as it impacts HCMLP (0.4); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: addressing various Acis litigation as it impacts HCMLP (0.8).	2.00	1075.00	\$2,150.00
04/16/2020	EAW	CO	Draft outline of opposition to relief from stay (UBS Litigation).	0.50	825.00	\$412.50
04/16/2020	EAW	CO	Telephone call with A. Kornfeld re: opposition to relief from stay (UBS Litigation).	0.20	825.00	\$165.00
04/16/2020	EAW	CO	Research re: punitive damages (UBS Litigation).	0.80	825.00	\$660.00
04/16/2020	GVD	CO	Conference with J. Morris re issues re Acis state court law suit; correspondence re same	0.60	825.00	\$495.00
04/16/2020	GVD	CO	Conference with PSZJ and DSI re employee claims issues	0.40	825.00	\$330.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/17/2020	HDH	CO	Research claim-splitting issues	0.70	950.00	\$665.00
04/17/2020	IDK	CO	Review of various issues re statute of limitations on Terry new actions.	0.30	1145.00	\$343.50
04/17/2020	JJK	CO	Emails Kharasch on Acis claims, breach of fiduciary duties, statute of limits., other litigation issues and analyze related issues.	2.00	895.00	\$1,790.00
04/17/2020	JNP	CO	Case update call with DSI and PSZJ.	0.50	1075.00	\$537.50
04/17/2020	JNP	CO	.Email to M. Clemente and M. Hankin regarding joint interest agreement.	0.10	1075.00	\$107.50
04/17/2020	JNP	CO	Review email regarding IFA claim.	0.10	1075.00	\$107.50
04/17/2020	RJF	CO	Telephone conference with Jeffrey N. Pomerantz regarding Asis claim.	0.30	1245.00	\$373.50
04/17/2020	RJF	CO	Review Acis memo.	0.30	1245.00	\$373.50
04/17/2020	JMF	CO	Review issues and summary re IFA claims.	0.80	925.00	\$740.00
04/17/2020	JAM	CO	Draft amendment to Brown Rudnick Bar Date stipulation (0.2); draft amendment to Brown Rudnick state court stipulation (0.2); e-mails to J. Pomerantz, I. Kharasch, G. Demo re: amendment to Brown Rudnick stipulations (0.2); telephone conference with J. Pomerantz, I. Kharasch, G. Demo re: Acis litigation and claims (0.4); telephone conference with H. Hochman re: Acis litigation and claims (0.4); e-mail to H. Hochman, J. Pomerantz, I. Kharasch, G. Demo re: Acis litigation and claims (0.3).	1.70	1075.00	\$1,827.50
04/17/2020	EAW	CO	Research re: availability, subordination and disallowance of punitive damages, and recovery of attorneys' fees (UBS Litigation).	0.90	825.00	\$742.50
04/17/2020	GVD	CO	Review correspondence and back up information from J. Dubel re conversation with J. Terry	0.70	825.00	\$577.50
04/17/2020	GVD	CO	Compile information re Guernsey litigation	1.20	825.00	\$990.00
04/17/2020	GVD	CO	Conference with Board and J. Pomerantz re status of claims review and indemnification issues	1.20	825.00	\$990.00
04/17/2020	GVD	CO	Conference with PSZJ team re Acis relief from stay and next steps	0.50	825.00	\$412.50
04/18/2020	HDH	CO	Draft Acis analysis	1.50	950.00	\$1,425.00
04/18/2020	HDH	CO	Telephone conference with John A. Morris and	0.90	950.00	\$855.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Gregory V. Demo regarding Acis litigation						
04/18/2020	HDH	CO	Review documents and begin research and drafting of memo regarding Acis procedural options	2.70	950.00	\$2,565.00
04/19/2020	HDH	CO	Research and drafting of memo regarding Acis procedural strategy	5.60	950.00	\$5,320.00
04/19/2020	JNP	CO	Review Harry D. Hochman memo regarding issues in connection with Acis new complaints.	0.20	1075.00	\$215.00
04/19/2020	JNP	CO	Conference with John A. Morris regarding Acis.	0.10	1075.00	\$107.50
04/19/2020	JNP	CO	Revise Brown Rudnick stipulation and email to Board regarding same.	0.20	1075.00	\$215.00
04/20/2020	HDH	CO	Prepare for call regarding Acis	0.30	950.00	\$285.00
04/20/2020	HDH	CO	Conference call with Jeffrey N. Pomerantz, Ira D. Kharasch and Gregory V. Demo regarding Acis litigation	1.00	950.00	\$950.00
04/20/2020	HDH	CO	Review and analyze Acis bankruptcy record and Acis claims	2.20	950.00	\$2,090.00
04/20/2020	JNP	CO	Emails regarding status of Brown Rudnick claim issues.	0.10	1075.00	\$107.50
04/20/2020	JNP	CO	Emails with DS:I regarding employee information.	0.10	1075.00	\$107.50
04/20/2020	JEO	CO	Emails with Highland team re IRS claim	0.40	925.00	\$370.00
04/20/2020	RJF	CO	Review Asis article and telephone conference with Jeffrey N. Pomerantz regarding same.	0.10	1245.00	\$124.50
04/20/2020	EAW	CO	Research re: availability, subordination and disallowance of punitive damages, and recovery of attorneys' fees (UBS Litigation).	6.10	825.00	\$5,032.50
04/21/2020	AJK	CO	Analysis of UBS claims issues.	2.40	1145.00	\$2,748.00
04/21/2020	HDH	CO	Further review and analysis of Acis background and issues	1.80	950.00	\$1,710.00
04/21/2020	HDH	CO	Conference call with Jeffrey N. Pomerantz, Ira D. Kharasch, John A. Morris and Gregory V. Demo regarding Acis	0.70	950.00	\$665.00
04/21/2020	IDK	CO	E-mails with I. Leventon and attorneys re Terry forfeiture issues re Acis equity and related issues on fiduciary duty breach allegations.	0.40	1145.00	\$458.00
04/21/2020	JMF	CO	Review updated claims analysis.	0.40	925.00	\$370.00

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04/21/2020	JAM	CO	Telephone conference with G. Demo re: Guernsey suit against Terry and Acis lift stay motion (0.2).	0.20	1075.00	\$215.00
04/21/2020	EAW	CO	Review additional trial and appellate court decisions and transcripts regarding TRO, alter ego and fraudulent conveyance, and related briefing.	4.30	825.00	\$3,547.50
04/21/2020	EAW	CO	Review research memos re: relief from automatic stay and other procedural issues (UBS Litigation).	1.20	825.00	\$990.00
04/21/2020	EAW	CO	Research re: punitive damages and attorneys' fees (UBS Litigation).	0.80	825.00	\$660.00
04/21/2020	GVD	CO	Conference with I. Leventon re Acis limited partnership issues	0.70	825.00	\$577.50
04/21/2020	GVD	CO	Conference with attorney for potential creditor; follow up re same	0.40	825.00	\$330.00
04/22/2020	AJK	CO	Review memoranda in preparation for UCC call.	2.20	1145.00	\$2,519.00
04/22/2020	HDH	CO	Begin drafting objection to Acis claim	3.70	950.00	\$3,515.00
04/22/2020	IDK	CO	E-mails with J. Pomerantz re coordination of memos on Acis claims for Committee members re common interest agreement and revise for same.	0.40	1145.00	\$458.00
04/22/2020	JNP	CO	Email to M. Hankin regarding information for meetings on claims.	0.10	1075.00	\$107.50
04/22/2020	JEO	CO	Email exchange with DSI team re claims	0.20	925.00	\$185.00
04/22/2020	RJF	CO	Review materials regarding indemnification.	0.40	1245.00	\$498.00
04/22/2020	RJF	CO	Participate in BOD call regarding indemnity issue.	0.30	1245.00	\$373.50
04/22/2020	EAW	CO	Review local rules re: relief from automatic stay (UBS Litigation).	0.30	825.00	\$247.50
04/22/2020	EAW	CO	Review expert reports and deposition excerpts re: allegedly fraudulent transfers, and alter ego allegations (UBS Litigation).	0.80	825.00	\$660.00
04/22/2020	EAW	CO	Review transcripts and related briefing re: preliminary injunction, trial readiness and bifurcation of claims for trial (UBS Litigation).	2.20	825.00	\$1,815.00
04/22/2020	EAW	CO	Draft outline of arguments in opposition to relief from automatic stay (UBS Litigation).	2.10	825.00	\$1,732.50
04/22/2020	EAW	CO	Draft opposition to motion for relief from automatic stay (UBS Litigation).	0.70	825.00	\$577.50

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04/22/2020	GVD	CO	Attend meeting with Board and PSZJ re response to Acis litigation	1.40	825.00	\$1,155.00
04/23/2020	AJK	CO	Prepare for call with UCC re UBS claim analysis.	1.90	1145.00	\$2,175.50
04/23/2020	AJK	CO	Participate on call with UCC re UBS claim analysis.	1.10	1145.00	\$1,259.50
04/23/2020	AJK	CO	Attention to information request.	0.40	1145.00	\$458.00
04/23/2020	HDH	CO	Research and drafting of Acis claim objection	4.40	950.00	\$4,180.00
04/23/2020	JJK	CO	Prepare for call with Committee counsel on claims issues.	0.60	895.00	\$537.00
04/23/2020	JNP	CO	Conference with Redeemer Committee and counsel regarding claim issues.	1.20	1075.00	\$1,290.00
04/23/2020	JNP	CO	Conference with John A. Morris regarding provision of employee information to Committee Members.	0.10	1075.00	\$107.50
04/23/2020	JNP	CO	Review and revise email regarding information regarding employee claims to Committee.	0.10	1075.00	\$107.50
04/23/2020	JEO	CO	Participate in claims call with DSI team	0.80	925.00	\$740.00
04/23/2020	RJF	CO	Call with committee member regarding Highland claim.	1.20	1245.00	\$1,494.00
04/23/2020	JAM	CO	Review Brown Rudnick claims information (0.2); telephone conference with S. Vitiello re: Brown Rudnick damage claim (0.2).	0.40	1075.00	\$430.00
04/23/2020	EAW	CO	Draft opposition to motion for relief from automatic stay (UBS Litigation).	2.60	825.00	\$2,145.00
04/23/2020	EAW	CO	Review transcripts and related briefing re: preliminary injunction, trial readiness and bifurcation of claims for trial (UBS Litigation).	1.70	825.00	\$1,402.50
04/23/2020	EAW	CO	Conference call with PSZJ team, Redeemer committee counsel, et al. re: UBS litigation and related issues.	1.20	825.00	\$990.00
04/23/2020	EAW	CO	Draft email to I. Leventon re: requests for information and documents (UBS Litigation).	0.50	825.00	\$412.50
04/23/2020	EAW	CO	Review research re: relief from automatic stay, abstention and related issues (UBS Litigation).	1.30	825.00	\$1,072.50
04/23/2020	GVD	CO	Conference with DSI/PSZJ team re review of filed related entity claims	0.50	825.00	\$412.50
04/24/2020	HDH	CO	Research Acis legal issues	2.00	950.00	\$1,900.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/24/2020	HDH	CO	Continue drafting Acis objection	4.70	950.00	\$4,465.00
04/24/2020	HDH	CO	Document review regarding Acis claim	0.70	950.00	\$665.00
04/24/2020	IDK	CO	Prepare for call with Redeemer team on Acis POC and related litigations (.7); Attend conference call with Redeemer team re Acis POC and litigation (1.5).	2.20	1145.00	\$2,519.00
04/24/2020	JNP	CO	Participate on call with Redeemer, Jenner and PSZJ regarding claims issues.	1.50	1075.00	\$1,612.50
04/24/2020	JNP	CO	Conference with John A. Morris regarding Brown Rudnick and review emails regarding same.	0.20	1075.00	\$215.00
04/24/2020	JNP	CO	Emails with Joshua M. Fried regarding employee claims.	0.10	1075.00	\$107.50
04/24/2020	JAM	CO	Review documents and draft e-mail to Board re: analysis of Brown Rudnick claim (3.1); e-mails to J. Pomerantz, I. Kharasch, G. Demo, J. Fried re: memo to Board concerning Brown Rudnick claim (0.1); telephone conference with J. Pomerantz re: memo to Board concerning Brown Rudnick claim (0.1).	3.30	1075.00	\$3,547.50
04/24/2020	EAW	CO	Review expert reports and deposition excerpts re: allegedly fraudulent transfers, and alter ego allegations (UBS Litigation).	1.30	825.00	\$1,072.50
04/24/2020	EAW	CO	Research regarding punitive damages, automatic stay, and attorneys' fees (UBS Litigation)	0.90	825.00	\$742.50
04/24/2020	EAW	CO	Review transactional documents related to HFP Notes (UBS Litigation).	1.10	825.00	\$907.50
04/24/2020	GVD	CO	Conference with creditors re potential claims issues	1.20	825.00	\$990.00
04/25/2020	HDH	CO	Research and drafting of objection to Acis claim	6.50	950.00	\$6,175.00
04/25/2020	HDH	CO	Research Acis fiduciary issues	1.70	950.00	\$1,615.00
04/25/2020	HDH	CO	Continue drafting objection	1.80	950.00	\$1,710.00
04/25/2020	JAM	CO	Revise and send e-mail to the Board, J. Pomerantz, I. Kharasch, G. Demo re: Brown Rudnick claim (0.3).	0.30	1075.00	\$322.50
04/26/2020	HDH	CO	Continue drafting Acis claim objection	3.70	950.00	\$3,515.00
04/26/2020	HDH	CO	Research standing issue	1.00	950.00	\$950.00
04/26/2020	HDH	CO	Complete draft of objection	3.30	950.00	\$3,135.00
04/26/2020	HDH	CO	Extensive revisions to claim objection	2.30	950.00	\$2,185.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/27/2020	HDH	CO	Telephone conference with Ira D. Kharasch regarding Acis objection	0.20	950.00	\$190.00
04/27/2020	HDH	CO	Review and analyze Acis plan injunction issues	1.40	950.00	\$1,330.00
04/27/2020	HDH	CO	Review and revise Acis claim objection	1.70	950.00	\$1,615.00
04/27/2020	IDK	CO	E-mails and telephone conference with H. Hochman re his extensive draft of objection to Acis POS, certain issues re same on fiduciary duties/damages (.5); Review briefly H. Hochman's draft of objection to Acis POC (.4); Various e-mails with H. Hochman re initial issues and questions raised in the draft objection 9.5); E-mail to D. Barton re same and fiduciary duties of Acis re zone of insolvency (.2).	1.60	1145.00	\$1,832.00
04/27/2020	IDK	CO	E-mails with G. Demo and client legal team re open issues on Acis claim and safe harbor.	0.20	1145.00	\$229.00
04/27/2020	RJF	CO	Review email regarding indemnification case law.	0.30	1245.00	\$373.50
04/27/2020	GVD	CO	Review draft claim objection	1.00	825.00	\$825.00
04/27/2020	GVD	CO	Correspondence with client re issues re Investment Company Act	0.20	825.00	\$165.00
04/28/2020	AJK	CO	Review and analyze deposition transcripts from UBS litigation.	6.10	1145.00	\$6,984.50
04/28/2020	DJB	CO	Respond to I. Kharasch re fiduciary duties of insolvent DE limited partnerships.	1.10	1195.00	\$1,314.50
04/28/2020	DJB	CO	Respond to H. Hochman re derivative claims by creditors.	1.40	1195.00	\$1,673.00
04/28/2020	HDH	CO	Extensive correspond with David J. Barton regarding Acis fiduciary defenses	0.60	950.00	\$570.00
04/28/2020	HDH	CO	Research Acis defenses	0.70	950.00	\$665.00
04/28/2020	HDH	CO	Correspond with Ira D. Kharasch regarding Acis claim objection and argument	0.40	950.00	\$380.00
04/28/2020	IDK	CO	Review briefly extensive correspondence re Acis and fiduciary duty issues.	0.20	1145.00	\$229.00
04/28/2020	JEO	CO	Review IFA Claim	0.50	925.00	\$462.50
04/28/2020	JAM	CO	Review revised stipulations concerning Brown Rudnick claim (0.1); communications with R. Stark, J. Pomerantz re: stipulation concerning Brown Rudnick claim (0.2); e-mail to S. Ellington, J. Dubel, J. Pomerantz, I. Kharasch, G. Demo re: Brown	0.50	1075.00	\$537.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Rudnick stipulation (0.1); e-mails with Z. Annable, J. Pomerantz, R. Stark re: Bar Date stipulation (0.1).			
04/28/2020	EAW	CO	Review documents provided by I. Leventon (UBS Litigation).	0.40	825.00	\$330.00
04/28/2020	EAW	CO	Review emails from A. Kornfeld and I. Leventon re: requests for information and documents (UBS Litigation).	0.20	825.00	\$165.00
04/28/2020	GVD	CO	Review draft pleadings re Acis matters	0.60	825.00	\$495.00
04/29/2020	AJK	CO	Review UBS litigation deposition transcripts.	5.50	1145.00	\$6,297.50
04/29/2020	DJB	CO	Respond to H. Hochman re standing to pursue breach of fiduciary duty claims.	0.30	1195.00	\$358.50
04/29/2020	DJB	CO	Telephone call to H. Hochman re standing issues.	0.10	1195.00	\$119.50
04/29/2020	DJB	CO	Interoffice conference call with H. Hochman re creditor standing issues.	0.80	1195.00	\$956.00
04/29/2020	HDH	CO	Analyze additional Acis defenses	0.90	950.00	\$855.00
04/29/2020	HDH	CO	Review and respond to correspondence regarding Acis	0.30	950.00	\$285.00
04/29/2020	HDH	CO	Telephone conference with David J. Barton regarding Acis defenses	0.80	950.00	\$760.00
04/29/2020	HDH	CO	Draft email to Ira D. Kharasch regarding status and arguments	0.40	950.00	\$380.00
04/29/2020	HDH	CO	Review Acis partnership documents and plan	0.50	950.00	\$475.00
04/29/2020	HDH	CO	Analyze Acis defenses	0.60	950.00	\$570.00
04/29/2020	IDK	CO	E-mails with attorneys re upcoming call with client legal team on Acis and safe harbor issues, and other entities (.3); Numerous correspondence with client legal team re same re safe harbor issues and Investment Act (.4); E-mails with G. Demo re same and next steps on safe harbor analysis, and his correspondence with client on financial participant questions (.3).	1.00	1145.00	\$1,145.00
04/29/2020	JJK	CO	Analysis and prepare additional client memos on Acis claim matters.	2.50	895.00	\$2,237.50
04/29/2020	JMF	CO	Review claims analysis update.	0.40	925.00	\$370.00
04/29/2020	EAW	CO	Review documents provided by I. Leventon (UBS Litigation).	1.50	825.00	\$1,237.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/29/2020	EAW	CO	Research re: statute of limitations (UBS Litigation).	0.30	825.00	\$247.50
04/29/2020	GVD	CO	Correspondence with S. Vitiello re Investment Company Act issues	0.10	825.00	\$82.50
04/29/2020	GVD	CO	Review back up materials re investment company status	0.40	825.00	\$330.00
04/29/2020	GVD	CO	Review draft pleadings re Acis objections	0.60	825.00	\$495.00
04/29/2020	GVD	CO	Correspondence re strategy call for Acis claims	0.20	825.00	\$165.00
04/29/2020	GVD	CO	Research safe harbor issues	0.70	825.00	\$577.50
04/29/2020	GVD	CO	Further correspondence with S. Vitiello re investment company status	0.50	825.00	\$412.50
04/30/2020	AJK	CO	Review UBS litigation deposition transcripts and briefs.	5.80	1145.00	\$6,641.00
04/30/2020	HDH	CO	Internal conference call regarding Acis issues	0.50	950.00	\$475.00
04/30/2020	HDH	CO	Revise Acis objection	1.30	950.00	\$1,235.00
04/30/2020	HDH	CO	Telephone conference with Ira D. Kharasch regarding Acis objection	0.30	950.00	\$285.00
04/30/2020	HDH	CO	Research Acis defenses	1.00	950.00	\$950.00
04/30/2020	HDH	CO	Review and revise Acis claim objection	2.20	950.00	\$2,090.00
04/30/2020	HDH	CO	Draft new sections to litigation memo	1.60	950.00	\$1,520.00
04/30/2020	IDK	CO	E-mail and telephone conference with H. Hochman re draft of Acis claim objection and issues re fiduciary duty and other actions (.4).	0.40	1145.00	\$458.00
04/30/2020	JEO	CO	Emails with DSI team re reschedule claims call	0.30	925.00	\$277.50
04/30/2020	GVD	CO	Conference re strategy re claims objections	0.50	825.00	\$412.50
04/30/2020	GVD	CO	Research issues re potential safe harbors	0.70	825.00	\$577.50
				632.90		\$605,060.50

Compensation Prof. [B160]

04/03/2020	JNP	CP	Review March bill.	0.20	1075.00	\$215.00
04/06/2020	JNP	CP	Review March bill.	1.40	1075.00	\$1,505.00
04/06/2020	JNP	CP	Emails regarding payment of February fees.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/06/2020	JMF	CP	Review PSZJ March invoice.	0.40	925.00	\$370.00
04/07/2020	JNP	CP	Finish revising March bill.	0.30	1075.00	\$322.50
04/07/2020	JNP	CP	Email to Joshua M. Fried regarding March 2020 bill.	0.10	1075.00	\$107.50
04/07/2020	PJJ	CP	Prepare February CNO.	0.30	425.00	\$127.50
04/07/2020	JMF	CP	Review PSZJ March bill and finalize same.	1.00	925.00	\$925.00
04/07/2020	JMF	CP	Review and edit CNO re Feb PSZJ statement and emails re same.	0.10	925.00	\$92.50
04/08/2020	JNP	CP	Attend to billing issues.	0.20	1075.00	\$215.00
04/08/2020	JNP	CP	Email to Board regarding payment of February fees.	0.10	1075.00	\$107.50
04/08/2020	JMF	CP	Review PSZJ bill re February statement.	0.40	925.00	\$370.00
04/09/2020	JNP	CP	Email to B. Sharp regarding payment of February fees.	0.10	1075.00	\$107.50
04/09/2020	KKY	CP	Draft certification of no objection re 5th fee app of PSZJ for February 2020	0.10	425.00	\$42.50
04/09/2020	PJJ	CP	Revise March fee statement.	0.20	425.00	\$85.00
04/09/2020	JMF	CP	Review CNO and emails re filing of same.	0.10	925.00	\$92.50
04/10/2020	KKY	CP	Review and revise fee chart	0.10	425.00	\$42.50
04/10/2020	JMF	CP	Draft monthly application for PSZJ.	1.40	925.00	\$1,295.00
04/13/2020	JNP	CP	Email to Board regarding fees.	0.10	1075.00	\$107.50
04/13/2020	JNP	CP	Review and comment on March monthly fee statement.	0.30	1075.00	\$322.50
04/14/2020	JNP	CP	Review of monthly fee statement; Email to Patricia Jeffries regarding same.	0.10	1075.00	\$107.50
04/14/2020	PJJ	CP	Revise March fee statement.	0.30	425.00	\$127.50
04/14/2020	PJJ	CP	Prepare monthly fee statement for filing; efile.	0.30	425.00	\$127.50
04/14/2020	JMF	CP	Review PSZJ March statement and edits to same.	0.50	925.00	\$462.50
04/15/2020	JNP	CP	Email to and from Joshua M. Fried regarding quarterly fee application.	0.10	1075.00	\$107.50
04/15/2020	PJJ	CP	Revise quarterly fee application.	4.00	425.00	\$1,700.00
04/17/2020	JMF	CP	Draft Interim Fee application.	1.80	925.00	\$1,665.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/20/2020	PJJ	CP	Email Mercer re interim fee application.	0.20	425.00	\$85.00
04/20/2020	PJJ	CP	Research NDTX fee applications for G. Demo.	0.50	425.00	\$212.50
04/21/2020	GVD	CP	Draft summary of case for quarterly fee application	1.50	825.00	\$1,237.50
04/22/2020	JNP	CP	Preliminary review of quarterly fee application.	0.20	1075.00	\$215.00
04/22/2020	JMF	CP	Draft PSZJ fee application.	1.20	925.00	\$1,110.00
04/23/2020	PJJ	CP	Revise interim fee application.	2.00	425.00	\$850.00
04/24/2020	JMF	CP	Draft PSZJ fee application.	2.20	925.00	\$2,035.00
04/26/2020	JNP	CP	Review and comment on interim fee application.	0.30	1075.00	\$322.50
04/26/2020	JMF	CP	Draft PSZJ fee application.	2.40	925.00	\$2,220.00
04/27/2020	PJJ	CP	Review and revise PSZJ fee application.	0.20	425.00	\$85.00
04/27/2020	JMF	CP	Review PSZJ application and edits to same.	0.40	925.00	\$370.00
04/28/2020	PJJ	CP	Review comments from local counsel to interim fee application and revise accordingly.	1.10	425.00	\$467.50
04/28/2020	JMF	CP	Review edits re PSZJ application.	0.70	925.00	\$647.50
				27.00		\$20,715.00

Comp. of Prof./Others

03/09/2020	KKY	CPO	Review and revise fee chart	0.10	425.00	\$42.50
03/11/2020	KKY	CPO	Respond (.1) to email from James E. O'Neill re DSI quarterly staffing report; and prepare (.2) attachment to same	0.30	425.00	\$127.50
03/31/2020	KKY	CPO	Review and revise fee chart	0.30	425.00	\$127.50
04/01/2020	JEO	CPO	Review DSI staffing report	0.30	925.00	\$277.50
04/01/2020	GVD	CPO	Review DSI invoices re confidentiality issue	0.30	825.00	\$247.50
04/02/2020	JEO	CPO	Email with Brad Sharpe re status of DSI Staffing Report	0.20	925.00	\$185.00
04/06/2020	JEO	CPO	Review and finalize DSI's February 2020 staffing report	0.30	925.00	\$277.50
04/07/2020	KKY	CPO	Review and revise fee chart	0.10	425.00	\$42.50
04/07/2020	JEO	CPO	Review OCP invoices	0.20	925.00	\$185.00
04/08/2020	JNP	CPO	Review chart regarding payment of professional fees	0.10	1075.00	\$107.50

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			and email to J. Donahue regarding same.			
04/08/2020	JMF	CPO	Review Mercer invoices and emails to J. Dempsey re same.	0.30	925.00	\$277.50
04/08/2020	GVD	CPO	Review Hayward invoices re privilege issues	0.30	825.00	\$247.50
04/09/2020	JNP	CPO	Emails regarding payment of interim fee for Foley.	0.10	1075.00	\$107.50
04/09/2020	KKY	CPO	Review and revise fee chart	0.20	425.00	\$85.00
04/09/2020	JEO	CPO	Email exchange with PSZJ team on fee application issues and interim fee hearing	0.30	925.00	\$277.50
04/09/2020	JMF	CPO	Review interim compensation procedures order and emails re same re monthly applications.	0.40	925.00	\$370.00
04/09/2020	JMF	CPO	Review Sidley interim application.	0.30	925.00	\$277.50
04/10/2020	PJJ	CPO	Review Mercer interim fee application.	1.00	425.00	\$425.00
04/11/2020	GVD	CPO	Review Acis objection to Foley fee applications	0.20	825.00	\$165.00
04/13/2020	JMF	CPO	Review Mercer application and time entries.	0.40	925.00	\$370.00
04/13/2020	JMF	CPO	Review ACIS opposition to Foley fees (.2) and emails and document re backup for same (.3).	0.50	925.00	\$462.50
04/13/2020	GVD	CPO	Review summary of Foley fee allocation; correspondence re same	0.50	825.00	\$412.50
04/15/2020	KKY	CPO	Review and revise fee chart	0.20	425.00	\$85.00
04/15/2020	PJJ	CPO	Revise Mercer quarterly fee application.	0.50	425.00	\$212.50
04/15/2020	JMF	CPO	Review Mercer invoice and excel list re fee application.	0.40	925.00	\$370.00
04/15/2020	GVD	CPO	Review DSI invoices re privilege issues	0.30	825.00	\$247.50
04/16/2020	JEO	CPO	Emails with PSZJ team re interim compensation issues	0.60	925.00	\$555.00
04/16/2020	JMF	CPO	Review interim compensation order and emails regarding same.	0.30	925.00	\$277.50
04/16/2020	JMF	CPO	Review first interim fee application and local guidelines.	0.70	925.00	\$647.50
04/16/2020	GVD	CPO	Review interim compensation order re notice parties; correspondence re same	0.30	825.00	\$247.50
04/16/2020	GVD	CPO	Further review DSI invoices re privilege issues; correspondence re same	0.40	825.00	\$330.00

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04/29/2020	JEO	CPO	Review OCP report	0.40	925.00	\$370.00
04/29/2020	JMF	CPO	Review Foley application and clerk's notice re same.	0.30	925.00	\$277.50
04/30/2020	JEO	CPO	Review OCP Report	0.50	925.00	\$462.50
				18.00		\$13,355.00

Employee Benefit/Pension-B220

04/01/2020	IDK	EB	E-mail re J. Fried's correspondence re 5th Circuit authority on severance re I. Leventon's issues (.3); E-mail and telephone conference to I. Leventon re same and Stoops consulting agreement (.5).	0.80	1145.00	\$916.00
04/01/2020	JMF	EB	Analyze severance issues.	0.80	925.00	\$740.00
04/02/2020	IDK	EB	E-mails and telephone conferences with I. Leventon re Stoops consulting.	0.30	1145.00	\$343.50
04/03/2020	JMF	EB	Review correspondences re employees and communications re extension of bar date.	0.60	925.00	\$555.00
04/03/2020	JMF	EB	Analyze employee severance claims issues.	0.40	925.00	\$370.00
04/06/2020	DJB	EB	Interoffice conference with J. Pomerantz, I. Kharasch and G. Demo re CEO proposal; Draft compensation committee resolutions; Transmit same internally for comment.	2.40	1195.00	\$2,868.00
04/06/2020	JMF	EB	Review stipulation and issues re committee inquiries re same.	0.40	925.00	\$370.00
04/07/2020	JNP	EB	Conference with J. Dubel regarding retention of CEO and related issues.	0.30	1075.00	\$322.50
04/07/2020	JEO	EB	Email to Hunton Williams re status of PBGC inquiry	0.20	925.00	\$185.00
04/08/2020	IDK	EB	E-mails with attorneys re issues re having CEO and changing DSI role.	0.20	1145.00	\$229.00
04/08/2020	JMF	EB	Draft CEO Retention Pleadings.	2.30	925.00	\$2,127.50
04/09/2020	JNP	EB	Email to and from Joshua M. Fried regarding CEO retention.	0.10	1075.00	\$107.50
04/09/2020	JMF	EB	Telephone call with J Donahue and Brian Collins re employee claims.	0.20	925.00	\$185.00
04/10/2020	JMF	EB	Draft letters for sets of employees re filing of claims.	0.50	925.00	\$462.50
04/10/2020	JMF	EB	Draft motion to retain Chief Executive Officer.	2.30	925.00	\$2,127.50

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04/15/2020	JMF	EB	Review employee claims information (.4); telephone call with J. Donahue re same (.2).	0.60	925.00	\$555.00
04/15/2020	JMF	EB	Draft application to appoint chief executive officer.	1.80	925.00	\$1,665.00
04/20/2020	JMF	EB	Review employee letter re claims filing and emails J. Donahue re same.	0.20	925.00	\$185.00
04/21/2020	JMF	EB	Telephone call with E. Bromagen re employee claims issues.	0.30	925.00	\$277.50
04/21/2020	JMF	EB	Draft motion to retain chief executive officer.	1.10	925.00	\$1,017.50
04/22/2020	JMF	EB	Review employee letter and email to E. Bromagan and DSI re same.	0.20	925.00	\$185.00
04/23/2020	GVD	EB	Review draft motion to appoint chief executive officer	1.60	825.00	\$1,320.00
04/24/2020	JMF	EB	Review correspondences re employee claims issues and emails to committee re same.	0.30	925.00	\$277.50
04/24/2020	JMF	EB	Draft motion to appoint chief executive officer.	0.90	925.00	\$832.50
04/27/2020	GVD	EB	Review and revise draft motion re appointment of a CEO	0.40	825.00	\$330.00
04/28/2020	JNP	EB	Review of proposed CEO Agreement and emails regarding same.	0.20	1075.00	\$215.00
04/29/2020	DJB	EB	Review and comment on CRO engagement letter.	1.30	1195.00	\$1,553.50
04/29/2020	DJB	EB	Respond to G. Demo re comments to CRO engagement letter.	0.30	1195.00	\$358.50
04/29/2020	JNP	EB	Conference with R. Nelms. and J. Dubel regarding CEO agreement.	0.30	1075.00	\$322.50
04/29/2020	JNP	EB	Review and revise CEO agreement.	0.50	1075.00	\$537.50
04/30/2020	JNP	EB	Email to Compensation Committee enclosing CEO Agreement.	0.10	1075.00	\$107.50
04/30/2020	JMF	EB	Review employee letter, stipulation and analyze issues re committee changes to same.	1.30	925.00	\$1,202.50
04/30/2020	GVD	EB	Review draft engagement letter for CEO; multiple revisions re comments	1.20	825.00	\$990.00
04/30/2020	GVD	EB	Review changes to CEO engagement letter from J. Dubel	0.10	825.00	\$82.50
				24.50		\$23,923.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Executory Contracts [B185]						
04/22/2020	JNP	EC	Emails with Joshua M. Fried regarding §365(d)(4) extension.	0.10	1075.00	\$107.50
04/22/2020	JMF	EC	Review critical dates and emails re landlord stipulation extension.	0.20	925.00	\$185.00
04/23/2020	GVD	EC	Correspondence with M. Hayward re negotiation with landlord	0.10	825.00	\$82.50
04/28/2020	JEO	EC	Review and revise agreed motion to extend 365 deadline	0.70	925.00	\$647.50
04/28/2020	JEO	EC	Emails with local counsel re Agreed Motion to Extend 365 deadline	0.30	925.00	\$277.50
04/28/2020	JMF	EC	Review agreement and order re 60 day extension of HQ lease.	0.30	925.00	\$277.50
04/28/2020	GVD	EC	Review draft papers re extension of lease rejection deadline	0.60	825.00	\$495.00
04/29/2020	JEO	EC	Correspondence with local counsel re 365 extension.	0.40	925.00	\$370.00
04/29/2020	JEO	EC	Review final drafts of Agreed Motion to Extend 365 deadline and approve for filing	0.60	925.00	\$555.00
04/29/2020	JMF	EC	Review 365 extension pleadings.	0.30	925.00	\$277.50
				3.60		\$3,275.00
Financial Filings [B110]						
04/01/2020	JEO	FF	Review updated monthly operating report for February 2020	0.20	925.00	\$185.00
04/02/2020	JEO	FF	Review February monthly operating report	0.30	925.00	\$277.50
04/07/2020	JEO	FF	Review reporting requirements	0.20	925.00	\$185.00
04/08/2020	KKY	FF	Respond (.1) to email from James E. O'Neill re 2015.3 reports; and prepare (.1) attachments to same	0.20	425.00	\$85.00
04/17/2020	JMF	FF	Review PWC financials.	0.40	925.00	\$370.00
04/21/2020	JEO	FF	Email with client team re financial reporting	0.20	925.00	\$185.00
				1.50		\$1,287.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
General Business Advice [B410]						
04/01/2020	IAWN	GB	Review James O'Neil proposal for coverage (.8), analyze and compare same against prior proposals and Governor re option (1.2), telephone conference with Jeffery N. Pomerantz and Bradley Sharp re issues for coverage (.1), create powerpoint presentation and revise for presentation with Board (1.0), attend board call re insurance (.8), review Bradley Sharp email re assets of Govenor Re (.1)	4.00	1025.00	\$4,100.00
04/01/2020	IDK	GB	Telephone conference with J. Pomerantz re upcoming Board call and related issues (.1); Telephone conference and e-mail with J. Pomerantz, I. Leventon re questions on SBA loan and Multi Strat (.2); E-mails with DSI and others on updates to agenda for Board call and action item lists (.2); Attend conference call with the Board and others on open case issues (1.8); Telephone conference with J. Pomerantz re result of same and next steps (.1).	2.40	1145.00	\$2,748.00
04/01/2020	JNP	GB	Conference with Iain A. W. Nasatir regarding D&O issues (2x), follow up with B. Sharp and review and circulate to Board summary of policies.	0.60	1075.00	\$645.00
04/01/2020	JNP	GB	Conference with Ira D. Kharasch regarding general case issues.	0.20	1075.00	\$215.00
04/01/2020	JNP	GB	Review of press releases.	0.10	1075.00	\$107.50
04/01/2020	JNP	GB	Review agenda for Board meeting.	0.10	1075.00	\$107.50
04/01/2020	JNP	GB	Participate in Board call.	1.70	1075.00	\$1,827.50
04/01/2020	JNP	GB	Conference with Ira D. Kharasch after Board call.	0.20	1075.00	\$215.00
04/01/2020	JNP	GB	Conference with Gregory V. Demo after Board call.	0.10	1075.00	\$107.50
04/01/2020	JAM	GB	Participation in Board call with J. Pomerantz, I. Kharash, G. Demo, I. Nasatir concerning discovery issues (partial participation) (0.7).	0.70	1075.00	\$752.50
04/01/2020	GVD	GB	Attend board meeting	1.80	825.00	\$1,485.00
04/01/2020	GVD	GB	Conference with I. Leventon re insurance issues	0.20	825.00	\$165.00
04/01/2020	GVD	GB	Conference with J. Pomerantz re insurance issues	0.20	825.00	\$165.00
04/02/2020	IAWN	GB	Review sharp email re Dondero as employee	0.10	1025.00	\$102.50
04/02/2020	IDK	GB	Telephone conference with J. Pomerantz re status and issues in case and claims analysis (.2).	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/03/2020	IDK	GB	Attend conference call with Board, professionals re status, and next week's call with committee (.7); Telephone conference and e-mails with J. Pomerantz, CRO re same, and draft of committee meeting agenda for next call with Board (.3); Attend conference call with Board, professionals on same issues (.6); Telephone conference with J. Pomerantz re same (.1).	1.70	1145.00	\$1,946.50
04/03/2020	IDK	GB	Telephone conferences with I. Leventon re further issues on ABC, Daugherty claim and Acis (.3).	0.30	1145.00	\$343.50
04/03/2020	JNP	GB	Participate on Board call (2x).	1.20	1075.00	\$1,290.00
04/03/2020	JNP	GB	Conference with Ira D. Kharasch and review agenda for Committee meeting.	0.20	1075.00	\$215.00
04/03/2020	JNP	GB	Conference with Ira D. Kharasch after Board call.	0.10	1075.00	\$107.50
04/03/2020	JNP	GB	Conference with B. Sharp after Board call.	0.20	1075.00	\$215.00
04/03/2020	GVD	GB	Conference with Board re preparation for Committee meeting	0.60	825.00	\$495.00
04/03/2020	GVD	GB	Follow up meeting with Board on potential meeting with Committee	0.60	825.00	\$495.00
04/06/2020	IDK	GB	E-mails with J. Pomerantz re status on Board decision to appoint CEO (.1); Telephone conference with J. Pomerantz re same and related corporate governance issues (.2)p; Attend conference call with D. Barton, others on corporate governance issues (.3); Telephone conference with J. Pomerantz re same and Board feedback (.1); Review summary of proposed CEO comp (.1).	0.80	1145.00	\$916.00
04/06/2020	IDK	GB	Review briefly correspondence with client, others on potential SBA loan to HCM and open issues re same.	0.20	1145.00	\$229.00
04/06/2020	JNP	GB	Conference with R. Nelms and J. Dubel regarding corporate governance.	0.90	1075.00	\$967.50
04/06/2020	JNP	GB	Conference with Ira D. Kharasch regarding corporate governance (2x).	0.30	1075.00	\$322.50
04/06/2020	JNP	GB	Conference with B. Sharp regarding governance structure.	0.20	1075.00	\$215.00
04/06/2020	JNP	GB	Conference with David J. Barton, Gregory V. Demo and Ira D. Kharasch regarding corporate governance issues.	0.30	1075.00	\$322.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/06/2020	JNP	GB	Emails with J. Seery regarding corporate governance.	0.10	1075.00	\$107.50
04/06/2020	JNP	GB	Conference with Joshua M. Fried regarding motions relating to revised corporate governance.	0.20	1075.00	\$215.00
04/06/2020	JNP	GB	Conference with J. Seery regarding corporate governance issues and related matters.	0.50	1075.00	\$537.50
04/06/2020	GVD	GB	Draft board minutes	1.70	825.00	\$1,402.50
04/06/2020	GVD	GB	Conference with D. Barton, J. Pomerantz, and I. Kharasch re board governance issues	0.30	825.00	\$247.50
04/07/2020	DJB	GB	Review revisions to compensation committee establishment resolutions; Comment on same.	1.00	1195.00	\$1,195.00
04/07/2020	IAWN	GB	Review emails between Jeffrey N. Pomerantz and Bradley Sharp and Highland employees re insurance	0.20	1025.00	\$205.00
04/07/2020	IDK	GB	Review of revised internal WIP (.1); Attend internal conference call re WIP open items (.8); Attend part of conference call with DSI, others on DSI related WIP items (.5); Telephone conferences with J. Pomerantz re case status issues and claims (.2).	1.60	1145.00	\$1,832.00
04/07/2020	IDK	GB	E-mails with attorneys and D. Barton re corporate governance, compensation committee and resolutions.	0.30	1145.00	\$343.50
04/07/2020	IDK	GB	E-mails with DSI, others, and board re coordination of call tomorrow and agenda for same (.3); E-mails with Board, others re same and CEO compensation issues (.2).	0.50	1145.00	\$572.50
04/07/2020	JNP	GB	Email to and from Gregory V. Demo and David J. Barton regarding establishment of compensation Committee.	0.10	1075.00	\$107.50
04/07/2020	JNP	GB	Emails regarding Board call.	0.10	1075.00	\$107.50
04/07/2020	JNP	GB	Conference with M. Clemente regarding corporate governance issues and related matters.	0.20	1075.00	\$215.00
04/07/2020	JNP	GB	Emails to and from S. Ellington regarding D&O coverage.	0.20	1075.00	\$215.00
04/07/2020	JNP	GB	Review and comment on Board minutes.	0.40	1075.00	\$430.00
04/07/2020	JNP	GB	Review of resolution re Compensation Committee	0.10	1075.00	\$107.50
04/07/2020	GVD	GB	Draft agenda for board meeting; review correspondence re same	0.40	825.00	\$330.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/07/2020	GVD	GB	Review additional information on CARES Act	0.30	825.00	\$247.50
04/07/2020	GVD	GB	Revise proposed resolutions on compensation committee per comments from D. Barton	0.30	825.00	\$247.50
04/07/2020	GVD	GB	Further revise draft resolutions on compensation committee charter re comments from J. Pomerantz	0.20	825.00	\$165.00
04/08/2020	IDK	GB	Telephone conference with J. Pomerantz re upcoming Board meeting and issues to be raised (.2); E-mails with DSI, others re revised agenda and attachments for Board meeting (.2); Attend Board meeting on open issues, as well as with special compensation committee of Board (2.4); Telephone conference with J. Pomerantz re result of same (.1).	2.90	1145.00	\$3,320.50
04/08/2020	JNP	GB	Participate in Board call.	2.00	1075.00	\$2,150.00
04/08/2020	JNP	GB	Participate in compensation Committee call.	0.50	1075.00	\$537.50
04/08/2020	JNP	GB	Conference with Ira D. Kharasch after Board call.	0.10	1075.00	\$107.50
04/08/2020	JAM	GB	Participate in Board call concerning litigation related matters (partial participation) (1.1).	1.10	1075.00	\$1,182.50
04/08/2020	GVD	GB	Attend Board Meeting	2.00	825.00	\$1,650.00
04/08/2020	GVD	GB	Attend compensation committee meeting	0.50	825.00	\$412.50
04/08/2020	GVD	GB	Prepare and circulate board materials in advance of meeting	0.60	825.00	\$495.00
04/08/2020	GVD	GB	Revise board minutes re comments from J. Pomerantz	0.40	825.00	\$330.00
04/09/2020	IDK	GB	Telephone J. Pomerantz re status and communications with Committee, claims analysis status, next Board meeting (.2).	0.20	1145.00	\$229.00
04/09/2020	JNP	GB	Review comments to minutes.	0.10	1075.00	\$107.50
04/09/2020	JNP	GB	Emails to and from Board regarding meeting to discuss plan.	0.10	1075.00	\$107.50
04/09/2020	JMF	GB	Analyze insurance issues re contractors.	0.70	925.00	\$647.50
04/09/2020	GVD	GB	Conference with J. Donohue re tax authority issues	0.10	825.00	\$82.50
04/09/2020	GVD	GB	Review governing documents re indemnification issues; correspondence with I. Leventon re same	0.30	825.00	\$247.50
04/09/2020	GVD	GB	Review revisions to board minutes from J. Dubel	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/10/2020	IDK	GB	E-mails with attorneys, Board re communications with Terry counsel and coordinate call with same (.2); E-mails with Board and others on correspondence with Sidley on CEO issues and next week call.	0.40	1145.00	\$458.00
04/10/2020	IDK	GB	E-mails with attorneys re next week call with Dondero and his counsel re his plan constructs, including problems/issues re same.	0.30	1145.00	\$343.50
04/10/2020	JNP	GB	Participate on Board call regarding claims review and related matters.	1.80	1075.00	\$1,935.00
04/10/2020	JNP	GB	Participate on compensation committee call and J.. Dempsey.	0.50	1075.00	\$537.50
04/10/2020	JNP	GB	Email with Board regarding UBS call and related issues.	0.10	1075.00	\$107.50
04/10/2020	GVD	GB	Circulate execution copies of board minutes	0.10	825.00	\$82.50
04/10/2020	GVD	GB	Conference with PSZJ and the Board on various issues relating to proofs of claim and next steps	0.50	825.00	\$412.50
04/10/2020	GVD	GB	Draft minutes for board meeting	1.40	825.00	\$1,155.00
04/10/2020	GVD	GB	Arrange board meeting with J. Seery	0.10	825.00	\$82.50
04/11/2020	IDK	GB	Review of Dondero letter to Board re Multi Strat, sale and funding, and Seery draft response to same (.4); Telephone conferences with J. Pomerantz re same and my feedback to Seery draft response (.3).	0.70	1145.00	\$801.50
04/13/2020	IDK	GB	Attend most of Board call re upcoming meetings, Dondero plan concepts (1.2); E-mails with J. Dubel re questions on memos (.1).	1.30	1145.00	\$1,488.50
04/13/2020	IDK	GB	Telephone conferences with J. Pomerantz re various open items and tomorrow's Board meeting.	0.40	1145.00	\$458.00
04/13/2020	JNP	GB	Conference with Board and Ira D. Kharasch regarding variety of topics relating to restructuring.	1.30	1075.00	\$1,397.50
04/13/2020	JNP	GB	Conference with Ira D. Kharasch after Board call regarding restructuring issues.	0.10	1075.00	\$107.50
04/13/2020	JNP	GB	Review and comment on Minutes of Compensation Committee meeting.	0.10	1075.00	\$107.50
04/13/2020	GVD	GB	Draft minutes for compensation committee	0.60	825.00	\$495.00
04/13/2020	GVD	GB	Review J. Pomerantz changes to board minutes	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/14/2020	IDK	GB	Prepare for Board call on my presentation re Acis claims (1.2); Attend conference call with Board on Acis claims (2.0).	3.20	1145.00	\$3,664.00
04/14/2020	IDK	GB	E-mails with Board and others on Terry cancellation of meeting (.1); E-mails with Board and others re drafts of tomorrow's agenda for board meeting (.2).	0.30	1145.00	\$343.50
04/14/2020	JJK	GB	Attend Board call on claims / litigation issues.	1.80	895.00	\$1,611.00
04/14/2020	JNP	GB	Review and comment on Agenda.	0.10	1075.00	\$107.50
04/14/2020	JMF	GB	Review board agenda materials and emails re same.	0.20	925.00	\$185.00
04/14/2020	GVD	GB	Revise and circulate compensation committee minutes	0.50	825.00	\$412.50
04/14/2020	GVD	GB	Revise and circulate board minutes; correspondence with board re same	0.30	825.00	\$247.50
04/14/2020	GVD	GB	Draft and circulate proposed board agenda	0.20	825.00	\$165.00
04/14/2020	GVD	GB	Review complaints re ability to get DIP loans under the CARES Act	0.50	825.00	\$412.50
04/15/2020	IDK	GB	Attend conference call with Board, Dondero and his counsel, others re Dondero plan proposal (2.3); Telephone conference with J. Pomerantz re same (.1).	2.40	1145.00	\$2,748.00
04/15/2020	IDK	GB	Attend conference call with Board on open issues and tomorrow's Committee meeting (1.7); Telephone J. Pomerantz re result of same (.1); E-mail to Sidley re its proposed agenda for tomorrow's meeting (.1).	1.90	1145.00	\$2,175.50
04/15/2020	IDK	GB	Telephone conferences with J. Pomerantz re result of call with UBS, Board and new Terry actions vs HCM employees.	0.40	1145.00	\$458.00
04/15/2020	JNP	GB	Conference with Ira D. Kharasch in preparation for Board call.	0.40	1075.00	\$430.00
04/15/2020	JNP	GB	Participate on Board call.	1.80	1075.00	\$1,935.00
04/15/2020	GVD	GB	Attend board meeting	1.70	825.00	\$1,402.50
04/15/2020	GVD	GB	Review draft agenda in preparation for board call	0.10	825.00	\$82.50
04/15/2020	GVD	GB	Prepare and circulate draft agenda for board meeting	0.30	825.00	\$247.50
04/16/2020	IDK	GB	Attend Board meeting for open issues and further preparation for upcoming Committee meeting today	4.60	1145.00	\$5,267.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			(1.5); Telephone conference with J. Pomerantz re result of call and issues for Committee call (.3); Review of DSI materials for upcoming Committee call (.2); Attend conference call with Committee, its professionals, Board, others re case issues (2.4); Telephone conferences with J. Pomerantz re result of same (.2).			
04/16/2020	JNP	GB	Participate on Board call.	1.00	1075.00	\$1,075.00
04/16/2020	JNP	GB	Conference with Ira D. Kharasch after Board call regarding miscellaneous issues (multiple).	0.40	1075.00	\$430.00
04/16/2020	JNP	GB	Conference with J. Dubel after call with Committee (2x).	0.30	1075.00	\$322.50
04/16/2020	JNP	GB	Review compensation information for CEO.	0.20	1075.00	\$215.00
04/16/2020	JNP	GB	Review and respond to emails regarding insurance.	0.10	1075.00	\$107.50
04/16/2020	GVD	GB	Attend board meeting	1.60	825.00	\$1,320.00
04/16/2020	GVD	GB	Conference with F. Caruso re presentation to committee and next steps	0.20	825.00	\$165.00
04/16/2020	GVD	GB	Conference with B. Sharp re board meeting issues	0.10	825.00	\$82.50
04/16/2020	GVD	GB	Review correspondence re board meeting issues; respond to same	0.20	825.00	\$165.00
04/17/2020	IDK	GB	Attend conference call with DSI, others on follow-up tasks from Committee call yesterday (.5); Attend conference call with Board on case issues and Terry new lawsuits and Guernsey action (1.0); Telephone conferences with J. Pomerantz re same and next steps (.2).	1.70	1145.00	\$1,946.50
04/17/2020	IDK	GB	Various e-mails with Board, Waterhouse, others on D&O issues (.2); E-mail with Dubel on his communications with Terry (.1); E-mails with attorneys re D&O and related indemnification claims (.2).	0.50	1145.00	\$572.50
04/17/2020	JNP	GB	Participate on Board call regarding variety of issues.	1.00	1075.00	\$1,075.00
04/17/2020	JNP	GB	Conference with Robert J. Feinstein regarding indemnification of officers and related issues.	0.30	1075.00	\$322.50
04/17/2020	JNP	GB	Participate on compensation committee call and follow-up with J. Dubel regarding same.	0.50	1075.00	\$537.50
04/17/2020	JNP	GB	Conference with Ira D. Kharasch regarding issues discussed on board call.	0.20	1075.00	\$215.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/17/2020	JNP	GB	Email to and from J. Dempsey regarding compensation analysis.	0.10	1075.00	\$107.50
04/17/2020	JNP	GB	Conference with Ira D. Kharasch after call with M. Clemente regarding general case issues.	0.30	1075.00	\$322.50
04/17/2020	JNP	GB	Review April 16 Board minutes.	0.10	1075.00	\$107.50
04/17/2020	GVD	GB	Draft board minutes	1.30	825.00	\$1,072.50
04/17/2020	GVD	GB	Meeting with compensation committee and J. Dempsey re CEO issues	0.40	825.00	\$330.00
04/17/2020	GVD	GB	Review employment agreement re indemnification issues; correspondence with DSI re same	0.20	825.00	\$165.00
04/17/2020	GVD	GB	Review draft resolutions re financing transaction	0.20	825.00	\$165.00
04/19/2020	GVD	GB	Correspondence with Mercer re assets under management	0.40	825.00	\$330.00
04/20/2020	IDK	GB	E-mails with attorneys re J. Seery memo on list of action items in case generally, and need for call (.2); Attend part of conference call re same and re Multi Strat loan issues (.4).	0.60	1145.00	\$687.00
04/20/2020	IDK	GB	Telephone conferences with J. Pomerantz re feedback from Sidley on Committee views of last week's meeting, Multi Strat, Acis new actions (.3).	0.30	1145.00	\$343.50
04/20/2020	JNP	GB	Conference with J. Dubel regarding various business issues, including Brown Rudnick and employee issues.	0.90	1075.00	\$967.50
04/20/2020	GVD	GB	Correspondence with J. Seery and R. Nelms re board minutes; compile same	0.20	825.00	\$165.00
04/21/2020	IDK	GB	Review of revised WIP list (.1); Attend internal conference call re WIP list (.9).	1.00	1145.00	\$1,145.00
04/21/2020	IDK	GB	Telephone conference and e-mail to J. Pomerantz re status and Committee message to Board, including review of same (.2); E-mails with DSI, Board, others re agenda and other information for board call tomorrow (.2); Telephone conference with J. Pomerantz re further issues re same (.2).	0.60	1145.00	\$687.00
04/21/2020	JNP	GB	Review emails regarding indemnification issues.	0.10	1075.00	\$107.50
04/21/2020	JNP	GB	Conference with J. Dubel regarding various issues and matters.	0.40	1075.00	\$430.00
04/21/2020	JNP	GB	Conference with Robert J. Feinstein regarding	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			participation in Board call.			
04/21/2020	JNP	GB	Review email from M. Clemente and forward to Board.	0.10	1075.00	\$107.50
04/21/2020	JNP	GB	Review and comment on Board agenda.	0.10	1075.00	\$107.50
04/21/2020	SWG	GB	Research re: indemnification and reimbursement obligations.	3.00	625.00	\$1,875.00
04/21/2020	GVD	GB	Draft agenda for board meeting	0.30	825.00	\$247.50
04/21/2020	GVD	GB	Review employment agreements re potential indemnification issues	0.90	825.00	\$742.50
04/22/2020	IDK	GB	E-mails with Board, attorneys prior to Board call re indemnification claims by employees and case law (.3); Telephone conference with J. Pomerantz re same (.10); Attend first Board call today re status, plan of reorganization issues, protocols, new Acis actions filed, and Acis motion for relief and contempt re Guernsey action (1.4).	1.80	1145.00	\$2,061.00
04/22/2020	IDK	GB	E-mails with Board and DSI re revised agenda and materials for next Board call today (.2); Telephone conference with J. Pomerantz re issues for Board call (.2); Attend next Board call on all issues and plan and problem on Multi Strat sale and options to solve (2.5); Telephone conferences with J. Pomerantz and then G. Demo re result of same call and next steps (.2).	3.10	1145.00	\$3,549.50
04/22/2020	IDK	GB	E-mails with Board and others on compensation issues and CEO status (.1); E-mails with DSI, Dubel re financial questions after Board call (.1).	0.20	1145.00	\$229.00
04/22/2020	IDK	GB	E-mails with Sidley, others on scheduling call next week on case.	0.20	1145.00	\$229.00
04/22/2020	JNP	GB	Review emails regarding indemnification issues.	0.10	1075.00	\$107.50
04/22/2020	JNP	GB	Participate on Board call.	1.50	1075.00	\$1,612.50
04/22/2020	JNP	GB	Email to J. Dubel and R. Nelms regarding compensation committee.	0.10	1075.00	\$107.50
04/22/2020	JNP	GB	Conference with J. Dubel regarding various Board related business issues.	0.40	1075.00	\$430.00
04/22/2020	JNP	GB	Participate on Board call.	2.10	1075.00	\$2,257.50
04/22/2020	JNP	GB	Conference with Gregory V. Demo and Ira D. Kharasch after Board call.	0.30	1075.00	\$322.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/22/2020	JAM	GB	Telephone conference with Board, J. Pomerantz, I. Kharasch, G. Demo re: litigation status and strategy (1.4).	1.40	1075.00	\$1,505.00
04/22/2020	SWG	GB	Continued research re: indemnification.	1.50	625.00	\$937.50
04/22/2020	SWG	GB	Continue researching issues re: indemnification.	0.90	625.00	\$562.50
04/22/2020	GVD	GB	Attend board meeting	2.50	825.00	\$2,062.50
04/22/2020	GVD	GB	Draft and circulate agenda for board meeting	0.30	825.00	\$247.50
04/22/2020	GVD	GB	Review issues re indemnification; correspondence re same	0.20	825.00	\$165.00
04/22/2020	GVD	GB	Conference with S. Golden re indemnification issues	0.20	825.00	\$165.00
04/22/2020	GVD	GB	Review draft board resolutions re potential lending transaction	0.20	825.00	\$165.00
04/23/2020	IDK	GB	Telephone conference with J. Pomerantz re status, potential resolution of Multi Strat sale, plan status (.2); Attend conference call with G. Demo, J. Pomerantz re same, alternatives of Multi Strat not resolved (.5).	0.70	1145.00	\$801.50
04/23/2020	IDK	GB	Attend conference call with Board tonight on catch up of various issues today (1.); Telephone conference with J. Pomerantz re same (.1).	1.10	1145.00	\$1,259.50
04/23/2020	JNP	GB	Conference with J. Dubel after call with Redeemer.	0.20	1075.00	\$215.00
04/23/2020	JNP	GB	Conference with Gregory V. Demo regarding scheduling Board call.	0.10	1075.00	\$107.50
04/23/2020	JNP	GB	Conference with J. Seery, J. Dubel, Ira D. Kharasch and Gregory V. Demo regarding Redeemer, call with Acis counsel and other issues.	1.00	1075.00	\$1,075.00
04/23/2020	JNP	GB	Conference with Ira D. Kharasch after Board call.	0.10	1075.00	\$107.50
04/23/2020	JMF	GB	Review strand indemnity documents.	0.80	925.00	\$740.00
04/23/2020	GVD	GB	Conference with Board re status of case and potential sale	1.00	825.00	\$825.00
04/23/2020	GVD	GB	Review draft minutes re potential financing; correspondence with board re same	0.30	825.00	\$247.50
04/24/2020	IDK	GB	E-mails and telephone conference with J. Seery, others re status on UBS settlement, next steps, result of Redeemer call and plan.	0.30	1145.00	\$343.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/24/2020	JNP	GB	Emails regarding time for Board call.	0.10	1075.00	\$107.50
04/25/2020	IDK	GB	Telephone conference with J. Pomerantz re earlier board call and next steps.	0.20	1145.00	\$229.00
04/25/2020	JNP	GB	Participate on Compensation Committee call.	0.80	1075.00	\$860.00
04/25/2020	JNP	GB	Review report to Compensation Committee from Mercer.	0.20	1075.00	\$215.00
04/25/2020	GVD	GB	Compensation committee call with Mercer	0.80	825.00	\$660.00
04/25/2020	GVD	GB	Correspondence with local counsel re landlord extension issues	0.10	825.00	\$82.50
04/25/2020	GVD	GB	Correspondence with board re potential CARES Act loan	0.20	825.00	\$165.00
04/26/2020	IDK	GB	E-mails with G. Demo re timing issues of liquidity for Multi Strat and for potential chapter 11.	0.20	1145.00	\$229.00
04/26/2020	JNP	GB	Email to and from S. Golden regarding continued indemnification research.	0.10	1075.00	\$107.50
04/26/2020	GVD	GB	Correspondence re board meeting	0.10	825.00	\$82.50
04/27/2020	IDK	GB	E-mails with DSI, G. Demo on agenda for today's board call, including review of same (.2); Attend Board meeting with DSI, others on issues for prep for Committee meeting and operations, UBS and Multi Strat (1.1); Telephone conferences with J. Pomerantz re result of same (.1).	1.40	1145.00	\$1,603.00
04/27/2020	IDK	GB	Telephone conference with J. Pomerantz re status of issues, plan of reorganization and upcoming committee meeting (.2); E-mails with internal team re coordination of WIP calls tomorrow (.1).	0.30	1145.00	\$343.50
04/27/2020	JNP	GB	Conference with Board, DSI, Gregory V. Demo and Ira D. Kharasch in preparation for Committee meeting.	1.20	1075.00	\$1,290.00
04/27/2020	JNP	GB	Conference with J. Dubel after call with Board and DSI regarding status.	0.20	1075.00	\$215.00
04/27/2020	SWG	GB	Draft email to client re: indemnification.	0.20	625.00	\$125.00
04/27/2020	GVD	GB	Draft agenda for board call	0.30	825.00	\$247.50
04/27/2020	GVD	GB	Conference with Board and DSI re preparation for meeting with committee and next steps	1.10	825.00	\$907.50
04/28/2020	IDK	GB	E-mail and telephone conference with G. Demo re	1.10	1145.00	\$1,259.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			delay on need to redeem re Credit Fund (.1); Further correspondence with T. Silva re SEC enforcement actions and remedies re Credit Fund (.3); E-mails with Board re need for immediate call on Opportunistic Fund (.1); Attend further Board call re status, update on Opportunistic Credit Fund, Multi Strat (.6).			
04/28/2020	IDK	GB	Attend part of internal team WIP call (.4); Attend part of conference call with DSI, others on DSI WIP and on status of Opportunistic Credit Fund and Board meeting tomorrow (.4).	0.80	1145.00	\$916.00
04/28/2020	JNP	GB	Review and comment on Board agenda.	0.10	1075.00	\$107.50
04/28/2020	GVD	GB	Draft agenda for board meeting	0.20	825.00	\$165.00
04/29/2020	IDK	GB	E-mails with Board and others re changes to agenda for today's call, and also DSI materials for same (.3); Attend conference call with Board on open issues (1.3); Telephone conference with J. Pomerantz re result of same (.1).	1.70	1145.00	\$1,946.50
04/29/2020	JNP	GB	Participate on Board call then follow-up with Ira D. Kharasch and Gregory V. Demo regarding same.	1.50	1075.00	\$1,612.50
04/29/2020	JNP	GB	Emails with Board regarding call to discuss plan.	0.10	1075.00	\$107.50
04/29/2020	GVD	GB	Revise and circulate board agenda	0.30	825.00	\$247.50
04/29/2020	GVD	GB	Attend board meeting	1.30	825.00	\$1,072.50
04/29/2020	GVD	GB	Review draft CEO employment agreement; correspondence re same	0.50	825.00	\$412.50
04/29/2020	GVD	GB	Draft board minutes	0.40	825.00	\$330.00
04/29/2020	GVD	GB	Conference with J. Donohue re revisions to board agenda	0.10	825.00	\$82.50
04/30/2020	IAWN	GB	Review email exchange between Jeffrey N Pomerantz and James O'Neil re insurance	0.10	1025.00	\$102.50
04/30/2020	IDK	GB	Telephone conferences with J. Pomerantz and G. Demo re indemnification of officer/employees (.2); Telephone conference with Board re same (.5); Telephone conference with J. Pomerantz re same (.1); Telephone conference with J. Pomerantz re communications with Sidley re tomorrow's canceled meeting (.1)	0.90	1145.00	\$1,030.50
04/30/2020	IDK	GB	E-mails with G. Demo re indemnification issues and relevant provisions from partnership agreement.	0.30	1145.00	\$343.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/30/2020	IDK	GB	E-mail to Sidley re its proposed agenda for call with company (.1); E-mail to Board re same and rescheduling of call (.1).	0.20	1145.00	\$229.00
04/30/2020	JNP	GB	Emails with Gregory V. Demo regarding indemnification.	0.10	1075.00	\$107.50
04/30/2020	JNP	GB	Participate on call with Board regarding Committee meeting, fund issues and related.	0.40	1075.00	\$430.00
04/30/2020	JNP	GB	Email to and from D&O agent regarding status.	0.10	1075.00	\$107.50
04/30/2020	JAM	GB	E-mails with J. Pomerantz, I. Kharasch, G. Demo re: Seery engagement letter as it relates to privileges (0.2).	0.20	1075.00	\$215.00
04/30/2020	GVD	GB	Draft board minutes (4/22)	1.20	825.00	\$990.00
04/30/2020	GVD	GB	Conference with I. Kharasch and J. Pomerantz re indemnification issues	0.40	825.00	\$330.00
04/30/2020	GVD	GB	Draft board minutes (4/29)	0.60	825.00	\$495.00
04/30/2020	GVD	GB	Conference with Board re indemnification issues	0.50	825.00	\$412.50
				134.40		\$135,515.00

General Creditors Comm. [B150]

04/01/2020	JNP	GC	Participate on call with Committee regarding margin account and sales updates.	0.90	1075.00	\$967.50
04/01/2020	GVD	GC	Conference with J. Pomerantz, J. Seery, and Committee re margin calls and other items	0.90	825.00	\$742.50
04/03/2020	JNP	GC	Conference with M. Clemente regarding request to reschedule committee call.	0.20	1075.00	\$215.00
04/09/2020	JNP	GC	Conference with M. Clemente regarding variety of issues.	0.30	1075.00	\$322.50
04/11/2020	GVD	GC	Schedule committee board meeting	0.20	825.00	\$165.00
04/14/2020	GVD	GC	Conference with E. Bromagen re technology issues for various meetings	0.20	825.00	\$165.00
04/14/2020	GVD	GC	Correspondence re scheduling meeting with creditors	0.10	825.00	\$82.50
04/16/2020	JNP	GC	Participate in call with Committee, professionals, Board and DSI.	2.40	1075.00	\$2,580.00
04/16/2020	JNP	GC	Conference with M. Clemente regarding follow-up	0.20	1075.00	\$215.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			from Committee call.			
04/16/2020	GVD	GC	Attend meeting between board and committee	2.50	825.00	\$2,062.50
04/17/2020	JNP	GC	Conference with M. Clemente regarding Committee meeting and joint interest agreement.	0.50	1075.00	\$537.50
04/20/2020	JNP	GC	Conference with M. Clemente regarding variety of outstanding issues.	0.20	1075.00	\$215.00
04/21/2020	JNP	GC	Conference with M. Clemente regarding Committee issues.	0.20	1075.00	\$215.00
04/22/2020	JNP	GC	Conference with M. Clemente regarding next Committee meeting.	0.10	1075.00	\$107.50
04/22/2020	JNP	GC	Email to M. Clemente regarding next Committee meeting with Board.	0.10	1075.00	\$107.50
04/23/2020	JNP	GC	Review materials for Committee meeting.	0.20	1075.00	\$215.00
04/24/2020	JNP	GC	Review and forward to Board email from Committee regarding next Committee meeting.	0.10	1075.00	\$107.50
04/28/2020	GVD	GC	Conference with F. Caruso re FTI requests and next steps	0.30	825.00	\$247.50
04/29/2020	JNP	GC	Conference with B. Sharp regarding Committee call.	0.10	1075.00	\$107.50
04/30/2020	JNP	GC	Conference with M. Clemente regarding Committee meeting.	0.40	1075.00	\$430.00
04/30/2020	JNP	GC	Emails with M. Clemente regarding Committee meeting.	0.10	1075.00	\$107.50
04/30/2020	JNP	GC	Conference with Ira D. Kharasch regarding Committee call rescheduling and related.	0.10	1075.00	\$107.50
04/30/2020	JNP	GC	Email to Board regarding change in Committee call time and date.	0.10	1075.00	\$107.50
04/30/2020	JNP	GC	Conference with B. Sharp regarding Committee call.	0.10	1075.00	\$107.50
04/30/2020	GVD	GC	Review proposed agenda for committee meeting	0.20	825.00	\$165.00
				10.70		\$10,402.50

Operations [B210]

04/03/2020	IDK	OP	Numerous e-mails with G. Demo re his analysis on protocols and Jeffries potential trade/Select and DAF, and my feedback (.3); Telephone conferences with G. Demo re same re J. Seery questions on same (.3); E-mails with G. Demo and J. Pomerantz re	0.70	1145.00	\$801.50
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			follow-up re same (.1).			
04/08/2020	IDK	OP	E-mail with G. Demo re operating issues (.1).	0.10	1145.00	\$114.50
04/20/2020	JMF	OP	Telephone call with J. Donahue re budget (.2); review same (.3).	0.50	925.00	\$462.50
				1.30		\$1,378.50

Plan & Disclosure Stmt. [B320]

03/13/2020	LAF	PD	Legal research re: Artificial impairment.	0.50	450.00	\$225.00
04/10/2020	JNP	PD	Emails regarding plan issues.	0.10	1075.00	\$107.50
04/13/2020	KKY	PD	Draft 2nd exclusivity extension motion	1.30	425.00	\$552.50
04/15/2020	JNP	PD	Participate on call with Board, J. Dondero and counsel, Gregory V. Demo and Ira D. Kharasch regarding Plan issues.	2.00	1075.00	\$2,150.00
04/15/2020	JNP	PD	Conference with Ira D. Kharasch after Plan call regarding status.	0.20	1075.00	\$215.00
04/21/2020	JEO	PD	Drafting exclusivity extension motion	1.60	925.00	\$1,480.00
04/22/2020	JNP	PD	Review and comment on Motion to Extend Exclusivity.	0.20	1075.00	\$215.00
04/22/2020	JEO	PD	Review and update exclusivity extension motion per Greg Demo's comments	0.40	925.00	\$370.00
04/22/2020	GVD	PD	Review and revise draft motion on extension of exclusivity	1.10	825.00	\$907.50
04/23/2020	JEO	PD	Review and update exclusivity extension motion	0.70	925.00	\$647.50
04/26/2020	JNP	PD	Review and revise exclusivity motion.	0.50	1075.00	\$537.50
04/26/2020	JEO	PD	Emails with PSZJ team re draft of motion to extend exclusivity	0.40	925.00	\$370.00
04/26/2020	JMF	PD	Review Exclusivity Motion and comments to same.	0.50	925.00	\$462.50
04/27/2020	JEO	PD	Email to Local Counsel with current draft of exclusivity extension motion	0.20	925.00	\$185.00
04/27/2020	JMF	PD	Review exclusivity motion.	0.30	925.00	\$277.50
04/27/2020	GVD	PD	Review and revise second motion to extend exclusivity; correspondence with board re same	0.50	825.00	\$412.50
04/28/2020	JJK	PD	Prepare inserts for disclosure statement.	3.50	895.00	\$3,132.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/28/2020	JEO	PD	Email with local counsel to coordinate filing of motion to extend exclusivity	0.40	925.00	\$370.00
04/28/2020	JMF	PD	Review exclusivity motion.	0.30	925.00	\$277.50
04/30/2020	JNP	PD	Brief review of Plan proposal spreadsheet.	0.20	1075.00	\$215.00
				14.90		\$13,110.00

Ret. of Prof./Other

04/01/2020	JEO	RPO	Review Deloitte's comment to notice for additional services	0.30	925.00	\$277.50
04/01/2020	JMF	RPO	Review Wilmer Hale draft application and comment re same.	0.80	925.00	\$740.00
04/02/2020	JEO	RPO	Email with Brad Sharp re status of supplemental declaration	0.20	925.00	\$185.00
04/06/2020	JEO	RPO	Review and finalize DSI's supplemental declaration	0.40	925.00	\$370.00
04/06/2020	JMF	RPO	Telephone call with J.N. Pomerantz re DSI modifications and officer appointment.	0.20	925.00	\$185.00
04/06/2020	GVD	RPO	Conference with L. Thedford and T. Silva (WilmerHale) re attorney retention re securities issues	0.20	825.00	\$165.00
04/06/2020	GVD	RPO	Review materials on Section 16 issues	0.50	825.00	\$412.50
04/07/2020	JEO	RPO	Emails with client team re Deloitte Engagement (additional services)	0.40	925.00	\$370.00
04/07/2020	JMF	RPO	Draft motion to retain DSI as financial advisor.	1.80	925.00	\$1,665.00
04/07/2020	GVD	RPO	Review and draft email re potential retention of securities counsel	1.20	825.00	\$990.00
04/08/2020	JMF	RPO	Draft DSI FA Retention.	2.10	925.00	\$1,942.50
04/09/2020	JMF	RPO	Draft DSI FA retention.	2.60	925.00	\$2,405.00
04/09/2020	JMF	RPO	Review edits to Wilmer Hale retention.	0.30	925.00	\$277.50
04/10/2020	JMF	RPO	Review and edit WilmerHale retention.	0.80	925.00	\$740.00
04/13/2020	JMF	RPO	Review foreign representative order and provisions re CRO appointment (.6); draft foreign representative authority re CEO motion (1.1).	1.70	925.00	\$1,572.50
04/14/2020	JMF	RPO	Review Hunton retention documents.	0.40	925.00	\$370.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/14/2020	GVD	RPO	Conference with J. Rovira (Hunton) re possible retention	0.80	825.00	\$660.00
04/15/2020	JMF	RPO	Draft motion to amend CRO order re DSI financial services.	1.70	925.00	\$1,572.50
04/15/2020	JMF	RPO	Emails re Hunton retention documents.	0.30	925.00	\$277.50
04/15/2020	GVD	RPO	Correspondence with J. Rovira and J. Fried re potential engagement of Hunton Andrews Kurth	0.30	825.00	\$247.50
04/16/2020	GVD	RPO	Correspondence with Board re potential retention of tax counsel	0.20	825.00	\$165.00
04/16/2020	GVD	RPO	Correspondence with Hunton, HCMLP, and J. Fried re potential retention of Hunton as tax counsel	0.20	825.00	\$165.00
04/17/2020	GVD	RPO	Correspondence with J. Seery re potential retention of special tax counsel	0.10	825.00	\$82.50
04/20/2020	JMF	RPO	Review DSI additional disclosure and emails re same.	0.20	925.00	\$185.00
04/21/2020	JNP	RPO	Review and respond to emails regarding additional DSI disclosure.	0.10	1075.00	\$107.50
04/21/2020	JMF	RPO	Draft DSI retention.	0.40	925.00	\$370.00
04/21/2020	GVD	RPO	Conference with T. Surgent and S. Vitiello re retention of law firm by Cayman fund	0.20	825.00	\$165.00
04/22/2020	KKY	RPO	Draft 2nd supplemental declaration of Brad Sharp in support of DSI retention motion	0.70	425.00	\$297.50
04/22/2020	JEO	RPO	Work on Supplemental Declaration for DSI	0.80	925.00	\$740.00
04/22/2020	JMF	RPO	Review WilmerHale order and application.	0.30	925.00	\$277.50
04/23/2020	JEO	RPO	Emails with client to check on status of Deloitte engagement letters for additional services	0.40	925.00	\$370.00
04/23/2020	JMF	RPO	Draft Chief Executive Officer and foreign representative substitution motion (1.2); research re foreign representative appointment (.4).	1.60	925.00	\$1,480.00
04/24/2020	JEO	RPO	Review status of Deloitte additional services	0.40	925.00	\$370.00
04/24/2020	JEO	RPO	Email to client re Deloitte additional services	0.30	925.00	\$277.50
04/24/2020	JEO	RPO	Finalize notice for Deloitte's additional services	0.60	925.00	\$555.00
04/24/2020	JMF	RPO	Draft application to appoint DSI as financial advisor.	0.80	925.00	\$740.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/24/2020	JMF	RPO	Draft Wilmer Hale Retention.	1.10	925.00	\$1,017.50
04/24/2020	GVD	RPO	Review revisions to DSI amended retention application	0.30	825.00	\$247.50
04/25/2020	GVD	RPO	Correspondence with Hunton and J. Fried re potential engagement	0.10	825.00	\$82.50
04/27/2020	JMF	RPO	Review and comment re Hunton Andrews Kurth retention pleadings.	1.40	925.00	\$1,295.00
04/27/2020	JMF	RPO	Review and edit applications for Wilmerhale, chief executive officer and financial advisor.	0.50	925.00	\$462.50
04/27/2020	GVD	RPO	Review and comment on proposed retention application for WilmerHale	0.40	825.00	\$330.00
04/27/2020	GVD	RPO	Review and comment on proposed amended retention application for DSI	0.40	825.00	\$330.00
04/27/2020	GVD	RPO	Correspondence with client and board re review and filing of Hunton retention application	0.40	825.00	\$330.00
04/28/2020	JEO	RPO	Revisions on Second Supplemental Declaration for DSI Retention	0.50	925.00	\$462.50
04/28/2020	JMF	RPO	Review edits to Hunton and Wilmer applications and coordinate finalization of same for filing.	0.90	925.00	\$832.50
04/28/2020	GVD	RPO	Correspondence with T. Silva re WilmerHale engagement issues	0.20	825.00	\$165.00
04/28/2020	GVD	RPO	Attend to issues re filing of retention applications	0.30	825.00	\$247.50
04/30/2020	JEO	RPO	Review supplemental declaration for DSI and forward to Brad Sharp for review	0.30	925.00	\$277.50
04/30/2020	JMF	RPO	Review supplemental DSI declaration.	0.20	925.00	\$185.00
04/30/2020	GVD	RPO	Review revised declaration re DSI engagement	0.20	825.00	\$165.00
04/30/2020	GVD	RPO	Review issues re ordinary course professional report	0.20	825.00	\$165.00
				31.70		\$28,367.50

Stay Litigation [B140]

04/02/2020	GVD	SL	Conference with H. O'Neil re status of potential lift stay action	0.30	825.00	\$247.50
04/03/2020	JNP	SL	Conference with R. Nelms regarding Acis stay relief motion.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
04/13/2020	JMF	SL	Review Hunton Stay relief motion and order.	0.20	925.00	\$185.00
04/13/2020	GVD	SL	Review as-filed Hunton relief from stay stipulation	0.10	825.00	\$82.50
04/15/2020	JMF	SL	Review correspondences re Hunton stay relief and 5/7 hearing.	0.20	925.00	\$185.00
04/17/2020	IDK	SL	E-mails with attorneys re nature of Guernsey action.	0.20	1145.00	\$229.00
04/19/2020	HDH	SL	Review Acis lift stay motion	0.40	950.00	\$380.00
04/20/2020	JMF	SL	Review Acis relief from stay and draft order to show cause pleadings.	0.80	925.00	\$740.00
04/20/2020	GVD	SL	Correspondence with Hunton re comments from Committee on relief from stay	0.20	825.00	\$165.00
04/21/2020	HDH	SL	Further review and analysis of motions for Relief from Stay	0.50	950.00	\$475.00
04/21/2020	GVD	SL	Review new Acis relief from stay motion	1.10	825.00	\$907.50
04/21/2020	GVD	SL	Correspondence with Hunton re committee questions on relief from stay	0.10	825.00	\$82.50
04/22/2020	IDK	SL	Review briefly Acis motion for relief from stay re contempt motion re Guernsey, along with summary of Guernsey action (.4); E-mails with attorneys re same and ambiguity in same (.3).	0.70	1145.00	\$801.50
04/24/2020	GVD	SL	Review items re Hunton relief from stay motion	0.20	825.00	\$165.00
04/27/2020	GVD	SL	Correspondence with Committee re questions to Hunton relief from stay motion	0.20	825.00	\$165.00
04/30/2020	IDK	SL	E-mails with attorneys re Acis stay motion and deadline.	0.10	1145.00	\$114.50
				<u>5.40</u>		<u>\$5,032.50</u>

Tax Issues [B240]

04/09/2020	JEO	TI	Review correspondence from Jack Donohue re tax issue	0.40	925.00	\$370.00
04/09/2020	JEO	TI	Emails and calls with Jack Donohue re tax issue	0.60	925.00	\$555.00
04/13/2020	JEO	TI	Participate in call with Jack Donohue and Highland team re tax issue	0.50	925.00	\$462.50
04/21/2020	JEO	TI	Email with client team re tax issue	0.20	925.00	\$185.00
04/22/2020	JMF	TI	Review Rodriguez decision and issues re tax refund	0.40	925.00	\$370.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
allocation.						
04/23/2020	JMF	TI	Review TX franchise tax report.	0.30	925.00	\$277.50
				<u>2.40</u>		<u>\$2,220.00</u>
TOTAL SERVICES FOR THIS MATTER:						\$1,113,522.50

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Expenses

03/03/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	7.29
03/05/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	13.52
03/05/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	4.98
03/06/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	2.91
03/11/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	2.93
03/11/2020	CC	Conference Call [E105] AT&T Conference Call, JMF	16.12
03/11/2020	CC	Conference Call [E105] AT&T Conference Call, JMF	6.89
03/11/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	3.72
03/11/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	7.46
03/11/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	0.07
03/11/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	24.06
03/12/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	0.08
03/12/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	144.00
03/12/2020	CC	Conference Call [E105] Loop Up Conference Call, IDS	0.63
03/13/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	7.28
03/16/2020	CC	Conference Call [E105] AT&T Conference Call, EAW	5.44
03/16/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	2.19
03/17/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	10.33
03/17/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	10.99
03/17/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	23.13
03/18/2020	CC	Conference Call [E105] AT&T Conference Call, EAW	6.84
03/18/2020	CC	Conference Call [E105] AT&T Conference Call, AJK	3.69
03/18/2020	CC	Conference Call [E105] AT&T Conference Call, AJK	3.65
03/19/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	3.84
03/19/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	6.42
03/19/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	60.27
03/23/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	4.41
03/23/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	0.07
03/23/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	4.34
03/23/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	10.93
03/24/2020	CC	Conference Call [E105] AT&T Conference Call, JMF	12.17
03/24/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	22.19

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03/25/2020	CC	Conference Call [E105] AT&T Conference Call, JMF	0.59
03/25/2020	CC	Conference Call [E105] AT&T Conference Call, JMF	9.64
03/26/2020	CC	Conference Call [E105] AT&T Conference Call, JMF	8.49
03/26/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	5.54
03/27/2020	CC	Conference Call [E105] AT&T Conference Call, JMF	8.16
03/27/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	3.44
03/27/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	0.07
03/27/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	6.44
03/27/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	0.07
03/27/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	17.92
03/30/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	3.95
03/30/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	1.89
03/31/2020	CC	Conference Call [E105] AT&T Conference Call, JMF	8.86
03/31/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	3.53
03/31/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	13.30
04/01/2020	LN	36027.00002 Lexis Charges for 04-01-20	16.46
04/01/2020	RE	(11 @0.10 PER PG)	1.10
04/01/2020	RE	(20 @0.10 PER PG)	2.00
04/02/2020	LN	36027.00002 Lexis Charges for 04-02-20	166.88
04/02/2020	LN	36027.00002 Lexis Charges for 04-02-20	30.17
04/02/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
04/02/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
04/02/2020	RE2	SCAN/COPY (81 @0.10 PER PG)	8.10
04/02/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
04/02/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
04/02/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
04/02/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
04/02/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
04/02/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
04/02/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
04/02/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
04/02/2020	RE2	SCAN/COPY (81 @0.10 PER PG)	8.10
04/02/2020	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80
04/02/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50

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04/02/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/02/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
04/02/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/02/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
04/02/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
04/02/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
04/02/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
04/02/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
04/02/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
04/02/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
04/02/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
04/02/2020	RE2	SCAN/COPY (163 @0.10 PER PG)	16.30
04/02/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/02/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
04/02/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
04/02/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/02/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
04/02/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/02/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
04/02/2020	RE2	SCAN/COPY (53 @0.10 PER PG)	5.30
04/02/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
04/02/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/02/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/02/2020	RE2	SCAN/COPY (163 @0.10 PER PG)	16.30
04/02/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/02/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/02/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
04/02/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
04/02/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
04/02/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
04/02/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/02/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/02/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50

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04/02/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
04/02/2020	RE2	SCAN/COPY (53 @0.10 PER PG)	5.30
04/02/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/02/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
04/02/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
04/02/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/02/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/02/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/02/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
04/02/2020	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80
04/02/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
04/02/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
04/02/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
04/02/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
04/02/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
04/02/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
04/02/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/02/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
04/02/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
04/02/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
04/03/2020	LN	36027.00002 Lexis Charges for 04-03-20	87.04
04/03/2020	RE	(8 @0.10 PER PG)	0.80
04/05/2020	LN	36027.00002 Lexis Charges for 04-05-20	23.85
04/06/2020	LN	36027.00002 Lexis Charges for 04-06-20	234.16
04/06/2020	RE	(25 @0.10 PER PG)	2.50
04/06/2020	RE	(22 @0.10 PER PG)	2.20
04/06/2020	RE	(2 @0.10 PER PG)	0.20
04/06/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
04/06/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/06/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
04/06/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/06/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/06/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/07/2020	LN	36027.00002 Lexis Charges for 04-07-20	196.08

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04/07/2020	LN	36027.00002 Lexis Charges for 04-07-20	22.62
04/07/2020	RE2	SCAN/COPY (190 @0.10 PER PG)	19.00
04/07/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
04/07/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
04/07/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
04/07/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
04/07/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
04/07/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
04/07/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
04/08/2020	LN	36027.00002 Lexis Charges for 04-08-20	102.78
04/08/2020	RE	(1 @0.10 PER PG)	0.10
04/08/2020	RE	(1 @0.10 PER PG)	0.10
04/08/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
04/08/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
04/08/2020	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
04/08/2020	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
04/08/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
04/08/2020	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
04/08/2020	RE2	SCAN/COPY (496 @0.10 PER PG)	49.60
04/08/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
04/08/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
04/08/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
04/08/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
04/08/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/08/2020	RE2	SCAN/COPY (220 @0.10 PER PG)	22.00
04/08/2020	RE2	SCAN/COPY (49 @0.10 PER PG)	4.90
04/08/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
04/08/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/08/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
04/08/2020	RE2	SCAN/COPY (49 @0.10 PER PG)	4.90
04/09/2020	LN	36027.00002 Lexis Charges for 04-09-20	7.58
04/09/2020	RE2	SCAN/COPY (45 @0.10 PER PG)	4.50
04/09/2020	RE2	SCAN/COPY (44 @0.10 PER PG)	4.40

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04/09/2020	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
04/09/2020	RE2	SCAN/COPY (45 @0.10 PER PG)	4.50
04/09/2020	RE2	SCAN/COPY (45 @0.10 PER PG)	4.50
04/09/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
04/09/2020	RE2	SCAN/COPY (248 @0.10 PER PG)	24.80
04/09/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
04/09/2020	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
04/09/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
04/10/2020	LN	36027.00002 Lexis Charges for 04-10-20	289.58
04/10/2020	LN	36027.00002 Lexis Charges for 04-10-20	30.17
04/10/2020	LN	36027.00002 Lexis Charges for 04-10-20	20.03
04/10/2020	RE2	SCAN/COPY (97 @0.10 PER PG)	9.70
04/11/2020	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
04/11/2020	RE2	SCAN/COPY (38 @0.10 PER PG)	3.80
04/11/2020	RE2	SCAN/COPY (35 @0.10 PER PG)	3.50
04/12/2020	LN	36027.00002 Lexis Charges for 04-12-20	7.90
04/12/2020	LN	36027.00002 Lexis Charges for 04-12-20	37.71
04/12/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
04/12/2020	RE2	SCAN/COPY (35 @0.10 PER PG)	3.50
04/12/2020	RE2	SCAN/COPY (35 @0.10 PER PG)	3.50
04/12/2020	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
04/12/2020	RE2	SCAN/COPY (35 @0.10 PER PG)	3.50
04/12/2020	RE2	SCAN/COPY (35 @0.10 PER PG)	3.50
04/13/2020	LN	36027.00002 Lexis Charges for 04-13-20	8.23
04/13/2020	RE	(14 @0.10 PER PG)	1.40
04/13/2020	RE	(19 @0.10 PER PG)	1.90
04/13/2020	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
04/13/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/13/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
04/14/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/14/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/14/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
04/15/2020	RE	(1 @0.10 PER PG)	0.10
04/15/2020	RE	(19 @0.10 PER PG)	1.90

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04/15/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
04/15/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
04/15/2020	RE2	SCAN/COPY (58 @0.10 PER PG)	5.80
04/15/2020	RE2	SCAN/COPY (58 @0.10 PER PG)	5.80
04/15/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
04/15/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
04/15/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
04/15/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
04/15/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/15/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/15/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/15/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/15/2020	RE2	SCAN/COPY (122 @0.10 PER PG)	12.20
04/15/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
04/15/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/15/2020	RE2	SCAN/COPY (34 @0.10 PER PG)	3.40
04/16/2020	LN	36027.00002 Lexis Charges for 04-16-20	7.55
04/16/2020	LN	36027.00002 Lexis Charges for 04-16-20	31.63
04/16/2020	RE	(2 @0.10 PER PG)	0.20
04/16/2020	RE2	SCAN/COPY (265 @0.10 PER PG)	26.50
04/16/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
04/16/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
04/16/2020	RE2	SCAN/COPY (265 @0.10 PER PG)	26.50
04/17/2020	FE	36027.00002 FedEx Charges for 04-17-20	9.63
04/17/2020	LN	36027.00002 Lexis Charges for 04-17-20	8.23
04/17/2020	RE2	SCAN/COPY (41 @0.10 PER PG)	4.10
04/17/2020	RE2	SCAN/COPY (41 @0.10 PER PG)	4.10
04/17/2020	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
04/17/2020	RE2	SCAN/COPY (41 @0.10 PER PG)	4.10
04/19/2020	LN	36027.00002 Lexis Charges for 04-19-20	124.13
04/20/2020	LN	36027.00002 Lexis Charges for 04-20-20	53.10
04/20/2020	LN	36027.00002 Lexis Charges for 04-20-20	47.44
04/20/2020	RE	(106 @0.10 PER PG)	10.60

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04/20/2020	RE	(16 @0.10 PER PG)	1.60
04/20/2020	RE2	SCAN/COPY (265 @0.10 PER PG)	26.50
04/20/2020	RE2	SCAN/COPY (106 @0.10 PER PG)	10.60
04/20/2020	RE2	SCAN/COPY (106 @0.10 PER PG)	10.60
04/21/2020	LN	36027.00002 Lexis Charges for 04-21-20	32.92
04/21/2020	LN	36027.00002 Lexis Charges for 04-21-20	7.90
04/21/2020	RE	(1 @0.10 PER PG)	0.10
04/21/2020	RE2	SCAN/COPY (100 @0.10 PER PG)	10.00
04/21/2020	RE2	SCAN/COPY (50 @0.10 PER PG)	5.00
04/22/2020	LN	36027.00002 Lexis Charges for 04-22-20	8.23
04/22/2020	LN	36027.00002 Lexis Charges for 04-22-20	16.46
04/22/2020	LN	36027.00002 Lexis Charges for 04-22-20	24.69
04/22/2020	RE	(2 @0.10 PER PG)	0.20
04/22/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
04/22/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/22/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/22/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
04/22/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/22/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/23/2020	LN	36027.00002 Lexis Charges for 04-23-20	22.62
04/24/2020	LN	36027.00002 Lexis Charges for 04-24-20	7.55
04/25/2020	LN	36027.00002 Lexis Charges for 04-25-20	20.88
04/25/2020	LN	36027.00002 Lexis Charges for 04-25-20	67.89
04/26/2020	LN	36027.00002 Lexis Charges for 04-26-20	15.80
04/27/2020	BB	36027.00002 Bloomberg Charges for 05-06-20	54.69
04/27/2020	RE	(2 @0.10 PER PG)	0.20
04/27/2020	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
04/27/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
04/27/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
04/27/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
04/27/2020	RE2	SCAN/COPY (54 @0.10 PER PG)	5.40
04/27/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
04/28/2020	LN	36027.00002 Lexis Charges for 04-28-20	7.55
04/28/2020	RE2	SCAN/COPY (55 @0.10 PER PG)	5.50

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04/29/2020	LN	36027.00002 Lexis Charges for 04-29-20	63.51
04/29/2020	RE	(1 @0.10 PER PG)	0.10
04/29/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/29/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
04/29/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
04/29/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
04/29/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
04/29/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
04/29/2020	RE2	SCAN/COPY (56 @0.10 PER PG)	5.60
04/29/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
04/29/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/29/2020	RE2	SCAN/COPY (118 @0.10 PER PG)	11.80
04/29/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/29/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/29/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/29/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
04/29/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
04/29/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
04/29/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
04/30/2020	LN	36027.00002 Lexis Charges for 04-30-20	7.91
04/30/2020	LN	36027.00002 Lexis Charges for 04-30-20	45.25
04/30/2020	LN	36027.00002 Lexis Charges for 04-30-20	12.13
04/30/2020	PAC	Pacer - Court Research	2,873.60
04/30/2020	RE	(8 @0.10 PER PG)	0.80
04/30/2020	RE	(1 @0.10 PER PG)	0.10
04/30/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
04/30/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80

Total Expenses for this Matter

\$5,963.16

Less write-off for expenses inadvertently billed twice in the January invoice

-\$2,525.88

Total Expenses

\$3,437.28

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REMITTANCE ADVICE

Please include this Remittance with your payment

For current services rendered through: 04/30/2020

Total Fees	\$1,113,522.50
Total Expenses	3,437.28
Total Due on Current Invoice	\$1,116,959.78

Outstanding Balance from prior invoices as of 04/30/2020 (May not include recent payments)

<u>A/R Bill Number</u>	<u>Invoice Date</u>	<u>Fees Billed</u>	<u>Expenses Billed</u>	<u>Balance Due</u>
123595	10/31/2019	\$383,583.75	\$9,958.84	\$76,716.75
123711	11/30/2019	\$798,767.50	\$26,317.71	\$159,726.50
124074	12/31/2019	\$589,730.75	\$26,226.80	\$117,946.15
124288	01/31/2020	\$898,094.25	\$28,854.75	\$179,618.85
124448	02/29/2020	\$941,043.50	\$8,092.94	\$188,208.70
124646	03/31/2020	\$1,222,801.25	\$18,747.77	\$1,239,023.14

Total Amount Due on Current and Prior Invoices:	\$3,080,725.75
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Pachulski Stang Ziehl & Jones LLP

10100 Santa Monica Blvd.
13th Floor
Los Angeles, CA 90067

May 31, 2020

Invoice 125107

Client 36027

Matter 00002

JNP

Board of Directors
Highland Capital Management LP
300 Crescent Court ste. 700
Dallas, TX 75201

RE: Postpetition

STATEMENT OF PROFESSIONAL SERVICES RENDERED THROUGH 05/31/2020

FEES \$803,509.50

EXPENSES \$4,372.94

TOTAL CURRENT CHARGES **\$807,882.44**

BALANCE FORWARD **\$3,080,725.75**

LAST PAYMENT **\$722,243.95**

TOTAL BALANCE DUE **\$3,166,364.24**

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Summary of Services by Professional

<u>ID</u>	<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
AJK	Kornfeld, Alan J.	Partner	1145.00	53.80	\$61,601.00
ARP	Paul, Andrea R.	Case Man. Asst.	350.00	3.20	\$1,120.00
BEL	Levine, Beth E.	Counsel	825.00	25.40	\$20,955.00
DG	Grassgreen, Debra I.	Partner	1095.00	5.50	\$6,022.50
DJB	Barton, David J.	Partner	1195.00	20.80	\$24,856.00
EAW	Wagner, Elissa A.	Counsel	825.00	159.00	\$131,175.00
GVD	Demo, Gregory Vincent	Counsel	825.00	190.80	\$157,410.00
HDH	Hochman, Harry D.	Counsel	950.00	45.10	\$42,845.00
IDK	Kharasch, Ira D.	Partner	1145.00	79.00	\$90,455.00
JAM	Morris, John A.	Partner	1075.00	45.30	\$48,697.50
JEO	O'Neill, James E.	Partner	925.00	42.30	\$39,127.50
JHD	Davidson, Jeffrey H.	Partner	1495.00	6.10	\$9,119.50
JKK	Kim, Jonathan J.	Counsel	895.00	12.60	\$11,277.00
JMF	Fried, Joshua M.	Partner	925.00	75.20	\$69,560.00
JNP	Pomerantz, Jeffrey N.	Partner	1075.00	58.00	\$62,350.00
KKY	Yee, Karina K.	Paralegal	425.00	13.30	\$5,652.50
LAF	Forrester, Leslie A.	Other	450.00	7.40	\$3,330.00
LSC	Canty, La Asia S.	Paralegal	425.00	2.40	\$1,020.00
PJJ	Jeffries, Patricia J.	Paralegal	425.00	10.90	\$4,632.50
RJF	Feinstein, Robert J.	Partner	1245.00	4.30	\$5,353.50
RMP	Pachulski, Richard M.	Partner	1445.00	2.50	\$3,612.50
SLP	Pitman, L. Sheryle	Case Man. Asst.	350.00	4.00	\$1,400.00
SWG	Golden, Steven W.	Associate	625.00	3.10	\$1,937.50
				870.00	\$803,509.50

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Summary of Services by Task Code

<u>Task Code</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
AA	Asset Analysis/Recovery[B120]	97.20	\$83,079.00
BL	Bankruptcy Litigation [L430]	106.00	\$98,564.00
CA	Case Administration [B110]	48.60	\$40,285.00
CO	Claims Admin/Objections[B310]	158.90	\$152,114.00
CP	Compensation Prof. [B160]	13.40	\$8,500.00
CPO	Comp. of Prof./Others	15.30	\$11,632.50
EB	Employee Benefit/Pension-B220	16.70	\$15,321.50
FF	Financial Filings [B110]	1.50	\$1,402.50
GB	General Business Advice [B410]	92.20	\$97,799.00
GC	General Creditors Comm. [B150]	13.40	\$13,722.00
PD	Plan & Disclosure Stmt. [B320]	95.60	\$90,189.50
RPO	Ret. of Prof./Other	15.80	\$13,647.50
SL	Stay Litigation [B140]	193.10	\$174,865.50
TI	Tax Issues [B240]	2.30	\$2,387.50
		870.00	\$803,509.50

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Summary of Expenses

<u>Description</u>	<u>Amount</u>
Bloomberg	\$173.10
Conference Call [E105]	\$1,612.21
CourtLink	\$18.40
Federal Express [E108]	\$65.64
Lexis/Nexis- Legal Research [E	\$1,433.69
Pacer - Court Research	\$220.10
Reproduction Expense [E101]	\$276.80
Reproduction/ Scan Copy	\$573.00
	<hr/>
	\$4,372.94

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Asset Analysis/Recovery[B120]						
04/17/2020	DG	AA	Emails with Greg Demo re: Rabbi Trust; research current treatment; review initial docs	1.00	1095.00	\$1,095.00
04/20/2020	JNP	AA	Review and respond to emails regarding lien analysis, Multi Strat analysis and related.	0.30	1075.00	\$322.50
04/22/2020	DG	AA	Review current/updated research and cases on Rabbi Trusts	1.20	1095.00	\$1,314.00
04/22/2020	LAF	AA	Legal research re: Rabbi trusts.	0.50	450.00	\$225.00
04/24/2020	DG	AA	Call re: Cayman filings (.5); confer with Leslie re: research (.2)	0.70	1095.00	\$766.50
04/24/2020	DG	AA	Review emails re: US assets; emails with Greg Demo re: same	0.20	1095.00	\$219.00
04/24/2020	LAF	AA	Legal research re: Foreign representatives and re section 109.	0.80	450.00	\$360.00
04/25/2020	DG	AA	Review 5th Circuit research re: filing eligibility	1.70	1095.00	\$1,861.50
04/25/2020	LAF	AA	Legal research re: Section 109(A) & "property in the US."	0.50	450.00	\$225.00
04/27/2020	DG	AA	Review TMT pleadings and summary of docs from Leslie Forrester	0.70	1095.00	\$766.50
04/27/2020	LAF	AA	Legal resarch re: Section 109(A) & property in US.	2.80	450.00	\$1,260.00
05/01/2020	IDK	AA	E-mails with G. Demo and J. Pomerantz re draft of memo to Board re Opportunistic Credit Fund.	0.20	1145.00	\$229.00
05/01/2020	IDK	AA	E-mails with G. Demo re draft memo to Committee re Multi Strat funding and status of deal with UBS, including my feedback on same (.4); Review of correspondence with Board on their feedback to draft of same (.2).	0.60	1145.00	\$687.00
05/01/2020	GVD	AA	Draft summary re terms of potential liquidation	0.70	825.00	\$577.50
05/01/2020	GVD	AA	Revise escrow agreement re conference with R. Swadley	0.60	825.00	\$495.00
05/01/2020	GVD	AA	Review revised settlement agreement re UBS/MSCF	0.30	825.00	\$247.50
05/01/2020	GVD	AA	Correspondence with J. Romey and J. Seery re amendment to 10b-5 plan	0.20	825.00	\$165.00
05/01/2020	GVD	AA	Conference with Latham re settlement agreement and open items	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/01/2020	GVD	AA	Correspondence with A. Clubok re status of settlement documents and next steps	0.20	825.00	\$165.00
05/01/2020	GVD	AA	Conference with J. Romey re open items and next steps re margin issues	0.30	825.00	\$247.50
05/01/2020	GVD	AA	Correspondence with J. Pomerantz and I. Kharasch re potential asset liquidation	0.10	825.00	\$82.50
05/01/2020	GVD	AA	Correspondence and conference with R. Swadley re tax allocation issues	0.30	825.00	\$247.50
05/02/2020	GVD	AA	Conference with Latham, Grant Thornton, and DSI re back up to settlement agreement	1.00	825.00	\$825.00
05/02/2020	GVD	AA	Conference with F. Caruso re follow up to call with Latham/Grant Thornton	0.20	825.00	\$165.00
05/02/2020	GVD	AA	Correspondence with J. Seery re status of meeting with UBS	0.20	825.00	\$165.00
05/04/2020	GVD	AA	Correspondence with F. Caruso re UBS requests	0.10	825.00	\$82.50
05/04/2020	GVD	AA	Correspondence with J. Seery re conference with A. Clubok	0.10	825.00	\$82.50
05/04/2020	GVD	AA	Correspondence with F. Caruso re draft settlement agreement	0.10	825.00	\$82.50
05/04/2020	GVD	AA	Correspondence with Latham re status of settlement agreement documents	0.10	825.00	\$82.50
05/04/2020	GVD	AA	Conference with F. Caruso re review of documents for UBS	0.30	825.00	\$247.50
05/04/2020	GVD	AA	Correspondence with J. Seery re production of settlement agreement to committee	0.10	825.00	\$82.50
05/04/2020	GVD	AA	Correspondence with J. Seery and F. Caruso re potential open items on UBS settlement agreement	0.30	825.00	\$247.50
05/04/2020	GVD	AA	Correspondence with I. Kharasch and J. Pomerantz re status of UBS settlement	0.20	825.00	\$165.00
05/05/2020	IDK	AA	E-mails with G. Demo re UBS renegotiating settlement over sale of Multi Strat policies.	0.10	1145.00	\$114.50
05/05/2020	GVD	AA	Conference with I. Leventon re NexBank lien issues	0.20	825.00	\$165.00
05/05/2020	GVD	AA	Follow up conference with Seery re call with UBS	0.10	825.00	\$82.50
05/05/2020	GVD	AA	Follow up conference with F. Caruso re call with UBS	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/05/2020	GVD	AA	Conference with UBS, Latham, DSI and J. Seery re potential disclosures re settlement	1.00	825.00	\$825.00
05/05/2020	GVD	AA	Review issues re allocation of tax refund	0.30	825.00	\$247.50
05/05/2020	GVD	AA	Correspondence with K. Hendrix and R. Swadley re potential tax refund issues	0.30	825.00	\$247.50
05/05/2020	GVD	AA	Conference with Latham re status of agreements	0.10	825.00	\$82.50
05/05/2020	GVD	AA	Conference with F. Caruso re additional disclosure re UBS settlement	0.20	825.00	\$165.00
05/05/2020	GVD	AA	Correspondence with J. Pomerantz and I. Kharasch re status of UBS settlement and next steps	0.30	825.00	\$247.50
05/05/2020	GVD	AA	Review schedule of current assets and values	0.20	825.00	\$165.00
05/06/2020	IDK	AA	Review briefly G. Demo's summary of Dondero entity contract language re assignability (.2); Numerous e-mails with G. Demo re same and re issues on forced assignability and personal service contract issues (.3).	0.50	1145.00	\$572.50
05/06/2020	IDK	AA	E-mails with G. Demo on protocol issues and J. Seery feedback, and his drafts of letter to Committee re same (.3); Review of correspondence with Committee, Board re same and timing (.1).	0.40	1145.00	\$458.00
05/06/2020	GVD	AA	Conference with R. Swadley, K. Hendrix, and DSI re tax return issues	0.20	825.00	\$165.00
05/06/2020	GVD	AA	Multiple correspondence with Committee re possible amendment of operating protocols	0.60	825.00	\$495.00
05/06/2020	GVD	AA	Correspondence with Latham re status of settlement documents for MSCF	0.20	825.00	\$165.00
05/06/2020	GVD	AA	Review Section 16 analysis from WilmerHale; correspondence with J. Pomerantz and I. Kharasch re same	0.20	825.00	\$165.00
05/06/2020	GVD	AA	Conference with F. Caruso re potential revisions to committee presentation	0.20	825.00	\$165.00
05/06/2020	GVD	AA	Review revisions to escrow agreement from Latham; correspondence re same	0.30	825.00	\$247.50
05/06/2020	GVD	AA	Correspondence with I. Kharasch and J. Pomerantz re review of shared services agreement	0.30	825.00	\$247.50
05/07/2020	IDK	AA	E-mails with DSI, Committee counsel on status of Committee approval of funding Multi Strat	0.30	1145.00	\$343.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			premiums, and Sidley questions re UBS deal re same (.2); E-mails with Board and Seery, DSI re confirmation of deal with UBS on Multi Strat and new terms (.1).			
05/07/2020	IDK	AA	E-mails and telephone conference with G. Demo on draft of proposed new protocols, including his correspondence with the Committee.	0.30	1145.00	\$343.50
05/07/2020	JNP	AA	Conference with Gregory V. Demo regarding Multi Strat and related.	0.20	1075.00	\$215.00
05/07/2020	JMF	AA	Review issues re related entity and shared services claims.	0.80	925.00	\$740.00
05/07/2020	GVD	AA	Review and revise protocols; correspondence re same	0.60	825.00	\$495.00
05/07/2020	GVD	AA	Multiple conferences with F. Caruso re status of life settlement policy premiums and next steps	0.60	825.00	\$495.00
05/07/2020	GVD	AA	Correspondence with M. Clemente re payment of life settlement premiums	0.20	825.00	\$165.00
05/07/2020	GVD	AA	Correspondence with M. Clemente re revisions to protocols	0.10	825.00	\$82.50
05/07/2020	GVD	AA	Conference with J. Seery re status of Multi Strat settlement and next steps	0.20	825.00	\$165.00
05/07/2020	GVD	AA	Research issues re contract assignment	0.90	825.00	\$742.50
05/08/2020	IDK	AA	Telephone J. Pomerantz re status of deal with UBS and communications with Board re same on UBS attempt to retrade, including review of same.	0.20	1145.00	\$229.00
05/08/2020	IDK	AA	E-mails with DSI, G. Demo re correspondence with UBS, Board on potential problems on UBS settlement on Multi Strat (.3); E-mails with same group over weekend re solving UBS settlement issues, including correspondence with Board (.2); E-mails with J. Pomerantz re same (.2).	0.70	1145.00	\$801.50
05/08/2020	JNP	AA	Review emails regarding Multi Strat; Conference with Gregory V. Demo regarding same.	0.10	1075.00	\$107.50
05/08/2020	JMF	AA	Review multi strat demand note.	0.30	925.00	\$277.50
05/08/2020	GVD	AA	Correspondence with L. Thedford re review of purchase agreement	0.30	825.00	\$247.50
05/08/2020	GVD	AA	Review correspondence re status of deal with UBS; multiple phone calls with J. Seery and J. Pomerantz	0.60	825.00	\$495.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			re same			
05/09/2020	GVD	AA	Prepare for and attend conference with A. Clubok, UBS, and Board re Multi Strat settlement	1.10	825.00	\$907.50
05/09/2020	GVD	AA	Attend to issues re documentation of UBS settlement re Multi Strat	2.20	825.00	\$1,815.00
05/09/2020	GVD	AA	Multiple conferences with F. Caruso re status of Multi Strat settlement	0.60	825.00	\$495.00
05/10/2020	JNP	AA	Email regarding status of Multi Strat.	0.10	1075.00	\$107.50
05/10/2020	GVD	AA	Review final settlement agreement re MSCF; correspondence with Latham re same	0.40	825.00	\$330.00
05/10/2020	GVD	AA	Conference with J. Seery re updated asset list	0.10	825.00	\$82.50
05/10/2020	GVD	AA	Conference with F. Caruso re updated asset list for MSCF settlement	0.20	825.00	\$165.00
05/10/2020	GVD	AA	Review and respond to multiple correspondences from A. Clubok and A. Attarwala re status of settlement agreement	1.10	825.00	\$907.50
05/10/2020	GVD	AA	Conference with J. Seery re status of settlement agreement and open items	0.20	825.00	\$165.00
05/10/2020	GVD	AA	Correspondence with Fred Caruso re updated asset list request from Grant Thornton	0.40	825.00	\$330.00
05/10/2020	GVD	AA	Multiple correspondence with J. Seery re status of MSCF settlement and next steps	0.30	825.00	\$247.50
05/11/2020	IDK	AA	E-mails with G. Demo re Clubok's latest correspondence on status of settlement, including his e-mails with Board re same (.2).	0.20	1145.00	\$229.00
05/11/2020	GVD	AA	Correspondence with A. Attarwala re signature page issues from UBS	0.10	825.00	\$82.50
05/11/2020	GVD	AA	Conference with F. Caruso re signature pages to Multi Strat settlement	0.10	825.00	\$82.50
05/11/2020	GVD	AA	Conference with F. Caruso re NexBank security issues and open items	0.20	825.00	\$165.00
05/11/2020	GVD	AA	Conference with F. Caruso re updated asset listing for Multi Strat settlement	0.20	825.00	\$165.00
05/11/2020	GVD	AA	Coordinate signing of UBS settlement agreement with A. Attarwala	0.40	825.00	\$330.00
05/11/2020	GVD	AA	Conference with T. Silva re regulatory structure	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/11/2020	GVD	AA	Correspondence with Committee re final settlement agreement	0.10	825.00	\$82.50
05/11/2020	GVD	AA	Correspondence with DSI re discussions with WilmerHale	0.10	825.00	\$82.50
05/11/2020	GVD	AA	Meeting with Compensation Committee re next steps	0.20	825.00	\$165.00
05/11/2020	GVD	AA	Review correspondence from A. Clubok re settlement issues	0.40	825.00	\$330.00
05/11/2020	GVD	AA	Review and attend to open items re UBS settlement	2.20	825.00	\$1,815.00
05/11/2020	GVD	AA	Correspondence with committee re potential revisions to protocols	0.20	825.00	\$165.00
05/11/2020	GVD	AA	Conference with J. Romey protocol review and issues	0.20	825.00	\$165.00
05/12/2020	JNP	AA	Review email from DSI to Board regarding operational issues.	0.10	1075.00	\$107.50
05/12/2020	JMF	AA	Review multistrat promissory notes.	0.80	925.00	\$740.00
05/12/2020	JMF	AA	Analyze issues re IFA claim (.7); telephone call with I. Kharasch re same (.2).	0.90	925.00	\$832.50
05/12/2020	GVD	AA	Correspondence with J. Seery and F. Caruso re changes to UBS settlement signature pages	0.20	825.00	\$165.00
05/12/2020	GVD	AA	Correspondence with A. Attarwala re changes to signature pages	0.10	825.00	\$82.50
05/13/2020	IDK	AA	E-mails with Board, others re SE Multifamily and status on its distributions, and related issues.	0.40	1145.00	\$458.00
05/13/2020	IDK	AA	E-mails with attorneys re problem on protocols and recent stock sales (.2); E-mail to G. Demo re Committee feedback on protocol changes and consider (.2).	0.40	1145.00	\$458.00
05/13/2020	JNP	AA	Emails and calls with J. Dubel, Ira D. Kharasch and Gregory V. Demo regarding SE Multifamily distribution issues.	0.50	1075.00	\$537.50
05/13/2020	GVD	AA	Conference with WilmerHale and DSI re regulatory tax issues	0.80	825.00	\$660.00
05/13/2020	GVD	AA	Compile and send KYC info to Citi re UBS escrow agreement	0.60	825.00	\$495.00
05/13/2020	GVD	AA	Review and attend to issues re potential SE Multi	1.20	825.00	\$990.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Family distribution			
05/13/2020	GVD	AA	Conference with J. Pomerantz re potential SE MultiFamily distribution	0.20	825.00	\$165.00
05/13/2020	GVD	AA	Correspondence with Board re potential SE Multi Family distributinos	0.40	825.00	\$330.00
05/13/2020	GVD	AA	Conference with J. Seery re notice requirements under UBS settlement agreement; correspondence re same	0.20	825.00	\$165.00
05/13/2020	GVD	AA	Conference with I. Leventon re settlement term sheet	0.40	825.00	\$330.00
05/13/2020	GVD	AA	Conference with E. Bromagen re potential revisions to protocols; follow up re same	0.30	825.00	\$247.50
05/13/2020	GVD	AA	Conference with E. Bromagen re revised proposal on protocols	0.10	825.00	\$82.50
05/13/2020	GVD	AA	Multiple conferences with J. Romey and B. Sharp re protocol issues	0.80	825.00	\$660.00
05/13/2020	GVD	AA	Correspondence with Committee re review of protocol revisions	0.10	825.00	\$82.50
05/14/2020	IDK	AA	E-mails with DSI, G. Demo on moving cash from Jeffries account and related issues on security interest.	0.20	1145.00	\$229.00
05/14/2020	GVD	AA	Conference with F. Caruso re allocation of proceeds from life settlement policies	0.30	825.00	\$247.50
05/14/2020	GVD	AA	Conference with Citi re KYC issues on UBS escrow agreement	0.40	825.00	\$330.00
05/14/2020	GVD	AA	Correspondence with A. Attarawala re escrow agreement	0.30	825.00	\$247.50
05/14/2020	GVD	AA	Conference with F. Caruso re SE Multifamily	0.60	825.00	\$495.00
05/14/2020	GVD	AA	Conference with J. Seery re SE Multi Family	0.50	825.00	\$412.50
05/14/2020	GVD	AA	Review and revise protocol revisions from J. Seery	0.40	825.00	\$330.00
05/14/2020	GVD	AA	Revise and circulate protocols to E. Bromagen	0.30	825.00	\$247.50
05/14/2020	GVD	AA	Conference with J. Seery re protocol revisions	0.10	825.00	\$82.50
05/14/2020	GVD	AA	Conference with J. Romey re protocol issues	0.10	825.00	\$82.50
05/14/2020	GVD	AA	Correspondence with Seery re status of protocol revisions	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/14/2020	GVD	AA	Correspondence with DSI re margin account issues	0.30	825.00	\$247.50
05/15/2020	IDK	AA	E-mail to G. Demo on memo re SE Multifamily and issues on distribution, Board decision, and consider (.3).	0.30	1145.00	\$343.50
05/15/2020	GVD	AA	Correspondence to J. Pomerantz and I. Kharasch re potential equity distribution	0.40	825.00	\$330.00
05/15/2020	GVD	AA	Conference with J. Romey re draft asset list re protocol amendments	0.30	825.00	\$247.50
05/15/2020	GVD	AA	Conference with E. Bromagen re revisions to protocols	0.20	825.00	\$165.00
05/15/2020	GVD	AA	Multiple correspondence with J. Romey re asset list revisions to protocols	0.30	825.00	\$247.50
05/16/2020	GVD	AA	Correspondence with J. Romey and Committee re assets subject to revised protocols	0.60	825.00	\$495.00
05/18/2020	SWG	AA	Research regarding section 365 of the Bankruptcy Code with respect to partnership interests.	3.10	625.00	\$1,937.50
05/18/2020	GVD	AA	Correspondence with A. Attarwala re status of escrow agreement for UBS settlement	0.10	825.00	\$82.50
05/18/2020	GVD	AA	Conference with J. Romey re status of margin issues	0.30	825.00	\$247.50
05/18/2020	GVD	AA	Further correspondence with A. Attarwala re status of signatures for escrow agreement	0.10	825.00	\$82.50
05/18/2020	GVD	AA	Revise protocols re comments from Committee and circulate same	0.40	825.00	\$330.00
05/18/2020	GVD	AA	Conference with J. Seery and E. Bromagen re revisions to protocols and next steps	0.40	825.00	\$330.00
05/19/2020	IDK	AA	Review of correspondence with Board, others on status of sales of Multi Strat policies and near closing.	0.20	1145.00	\$229.00
05/19/2020	IDK	AA	Attend conference call with J. Morris, J. Pomerantz re plan, shared service agreements, Dondero issues and 3rd party claims.	0.50	1145.00	\$572.50
05/19/2020	JNP	AA	Conference with Gregory V. Demo regarding portfolio investment issues.	0.10	1075.00	\$107.50
05/19/2020	GVD	AA	Conference with B. Casey re contract issues	0.30	825.00	\$247.50
05/19/2020	GVD	AA	Review correspondence re Multi Strat sale issues	0.60	825.00	\$495.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/19/2020	GVD	AA	Conference with J. Seery re waterfall of MSCF sales proceeds	0.10	825.00	\$82.50
05/19/2020	GVD	AA	Multiple conferences with F. Caruso re issues re MSCF sale	0.30	825.00	\$247.50
05/19/2020	GVD	AA	Correspondence with F. Caruso re conference with B. Casey	0.10	825.00	\$82.50
05/19/2020	GVD	AA	Conference with T. Silva re MSCF waterfall	0.20	825.00	\$165.00
05/19/2020	GVD	AA	Correspondence with E. Bromagen re revisions to operating protocols	0.10	825.00	\$82.50
05/20/2020	IDK	AA	E-mails with DSI, G. Demo on issues re moving funds in Jeffries account and protocols, and consider (.3); E-mails with Wilmer Hale, others on potential ability to reimburse HCMLP from its managed funds of Multi Strat and others for fees, and language in partnership agreement (.3).	0.60	1145.00	\$687.00
05/20/2020	IDK	AA	Review of correspondence with Board on issues on changes to protocols including Seery feedback.	0.20	1145.00	\$229.00
05/20/2020	GVD	AA	Conference with F. Caruso and Locke Lord re asset sale issues	0.50	825.00	\$412.50
05/20/2020	GVD	AA	Multiple conferences with F. Caruso re MSCF sale process	0.90	825.00	\$742.50
05/20/2020	GVD	AA	Review documents re expense reimbursement issues	0.40	825.00	\$330.00
05/20/2020	GVD	AA	Correspondence with I. Kharasch re shared services agreements	0.10	825.00	\$82.50
05/20/2020	GVD	AA	Conference with J. Romey re potential asset sales	0.20	825.00	\$165.00
05/20/2020	GVD	AA	Multiple conferences with E. Bromagen re open items re protocol revisions	0.40	825.00	\$330.00
05/20/2020	GVD	AA	Correspondence with J. Seery re margin loan issues; multiple conferences re same	0.40	825.00	\$330.00
05/20/2020	GVD	AA	Conference with J. Romey re open items and next steps	0.50	825.00	\$412.50
05/20/2020	GVD	AA	Multiple correspondence with E. Bromagen re open items on protocol revisions	0.20	825.00	\$165.00
05/21/2020	IDK	AA	E-mails with G. Demo re reimbursement from funds, including his correspondence and memo to Wilmer Hale re same (.3); Review of correspondence with Board on protocols and Committee communications	0.40	1145.00	\$458.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			re same (.1).			
05/21/2020	GVD	AA	Correspondence with broker re Multi Strat policy sales	0.30	825.00	\$247.50
05/21/2020	GVD	AA	Multiple conversations with F. Caruso re MSCF settlement and open items	0.30	825.00	\$247.50
05/21/2020	GVD	AA	Review provisions re reimbursement of expenses	0.80	825.00	\$660.00
05/21/2020	GVD	AA	Review DSI presentation on assets	0.30	825.00	\$247.50
05/21/2020	GVD	AA	Conference with DSI re presentation on assets	0.60	825.00	\$495.00
05/21/2020	GVD	AA	Correspondence with E. Bromagen re status of protocol revisions	0.10	825.00	\$82.50
05/21/2020	GVD	AA	Correspondence with Citi re escrow agreement status	0.20	825.00	\$165.00
05/21/2020	GVD	AA	Review correspondence re purchaser questions on Multi Strat agreements	0.30	825.00	\$247.50
05/21/2020	GVD	AA	Correspondence with L. Thedford re Multi Strat purchase agreements	0.40	825.00	\$330.00
05/21/2020	GVD	AA	Conference with potential purchaser on Multi Strat agreements	0.30	825.00	\$247.50
05/22/2020	GVD	AA	Correspondence with J. Seery and F. Caruso re confidentiality issues re MSCF sales process	0.20	825.00	\$165.00
05/22/2020	GVD	AA	Conference with J. Seery and F. Caruso re NexBank issues and response	0.90	825.00	\$742.50
05/22/2020	GVD	AA	Redact and circulate materials for MSCF sale	0.40	825.00	\$330.00
05/22/2020	GVD	AA	Multiple conferences with F. Caruso re issues re NexBank lien	0.50	825.00	\$412.50
05/22/2020	GVD	AA	Conference with F. Caruso re NexBank issues and next steps	0.20	825.00	\$165.00
05/22/2020	GVD	AA	Conference with F. Caruso re open items on MSCF sale	0.20	825.00	\$165.00
05/22/2020	GVD	AA	Conference with Citi re status of KYC documents	0.20	825.00	\$165.00
05/22/2020	GVD	AA	Conference with J. Romey re revisions to asset allocation presentation	0.10	825.00	\$82.50
05/24/2020	GVD	AA	Conference with potential purchaser re issues re settlement agreement	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/24/2020	GVD	AA	Further redact and circulate representation re settlement agreement; correspondence re same	0.80	825.00	\$660.00
05/24/2020	GVD	AA	Conference with F. Caruso re status of NexBank issues re life settlement policy sale	0.20	825.00	\$165.00
05/25/2020	IDK	AA	Review of correspondence re Multi Strat closing and problems re NextBank demands.	0.10	1145.00	\$114.50
05/25/2020	IDK	AA	E-mails with J. Kim re need for review of shared service agreements re obligations on claims.	0.30	1145.00	\$343.50
05/25/2020	GVD	AA	Correspondence with counsel to potential purchaser re open items and next steps	0.10	825.00	\$82.50
05/25/2020	GVD	AA	Conference with F. Caruso re Multi Strat sale waterfall	0.30	825.00	\$247.50
05/25/2020	GVD	AA	Review consent agreement re sale of MSCF life settlement policies	0.40	825.00	\$330.00
05/26/2020	IDK	AA	Review of Dondero correspondence to Board on his complaints on Multi Strat and case, and re communications with J. Terry on his requests.	0.20	1145.00	\$229.00
05/26/2020	JJK	AA	Review shared services agreements per Kharasch issues.	2.00	895.00	\$1,790.00
05/26/2020	GVD	AA	Review presentation on asset allocation and servicing	1.70	825.00	\$1,402.50
05/26/2020	GVD	AA	Multiple conferences with F. Caruso and deal team re status of Multi Strat closing	1.80	825.00	\$1,485.00
05/26/2020	GVD	AA	Conference with J. Seery re status of notes receivable	0.20	825.00	\$165.00
05/26/2020	GVD	AA	Review revisions to asset purchase agreement	0.10	825.00	\$82.50
05/26/2020	GVD	AA	Multiple conferences with F. Caruso re issues re Multi Strat auction	0.60	825.00	\$495.00
05/26/2020	GVD	AA	Correspondence with F. Caruso and team re open items on Multi Strat auction	0.50	825.00	\$412.50
05/26/2020	GVD	AA	Review additional closing documents re Multi Strat auction	0.20	825.00	\$165.00
05/27/2020	JJK	AA	Review SSAs and prepare notes/arguments re obligations and related research.	3.70	895.00	\$3,311.50
05/27/2020	GVD	AA	Conference with F. Caruso re status of MSCF auctions	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/27/2020	GVD	AA	Review revisions to MSCF sale agreements	0.20	825.00	\$165.00
05/27/2020	GVD	AA	Review Maples fees and correspondence with J. Romey re same	0.30	825.00	\$247.50
05/27/2020	GVD	AA	Conference with B. Sharp re Maples fees	0.20	825.00	\$165.00
05/27/2020	GVD	AA	Review escrow instructions from Citi	0.20	825.00	\$165.00
05/27/2020	GVD	AA	Conference with Maples re fee extensions	0.30	825.00	\$247.50
05/27/2020	GVD	AA	Multiple correspondence re MSCF sales and structure	0.50	825.00	\$412.50
05/27/2020	GVD	AA	Conference with F. Caruso and his team re closing of MSCF sales	0.60	825.00	\$495.00
05/27/2020	GVD	AA	Revise structure of MSCF sale proceeds waterfall; conference with F. Caruso re same	0.60	825.00	\$495.00
05/28/2020	IDK	AA	E-mails with attorneys re UBS settlement and buyer request for opinion letter.	0.20	1145.00	\$229.00
05/28/2020	IDK	AA	Review of J. Kim's extensive summary of shared service agreements re debtor obligations, including re assisting in claim prep and consider next steps (.5); E-mails with J. Pomerantz re same and bottom line (.2).	0.70	1145.00	\$801.50
05/28/2020	GVD	AA	Conference with J. Seery and F. Caruso re follow up to MSCF all hands call	0.20	825.00	\$165.00
05/28/2020	GVD	AA	Conference with J. Romey re analysis of assets and next steps	0.50	825.00	\$412.50
05/28/2020	GVD	AA	Conference with F. Caruso re open MSCF sale items and next steps	0.30	825.00	\$247.50
05/28/2020	GVD	AA	Draft certificate re sale	0.50	825.00	\$412.50
05/28/2020	GVD	AA	Review proposed settlement agreement re CLOs	0.20	825.00	\$165.00
05/28/2020	GVD	AA	Conference with F. Caruso re preparation for all hand's MSCF call	0.10	825.00	\$82.50
05/28/2020	GVD	AA	All hands MSCF call re status of deal	0.60	825.00	\$495.00
05/28/2020	GVD	AA	Conference with F. Caruso, J. Seery, and MSCF team re status of documents	0.30	825.00	\$247.50
05/28/2020	GVD	AA	Revise draft representation re MSCF life settlement policy sale	0.50	825.00	\$412.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/28/2020	GVD	AA	Correspondence with F. Caruso re Maple representation and waterfalls	0.20	825.00	\$165.00
05/28/2020	GVD	AA	Draft representation for Maple	0.40	825.00	\$330.00
05/28/2020	GVD	AA	Conference with Board re open items	0.60	825.00	\$495.00
05/28/2020	GVD	AA	Respond to Multi Strat request for representations	0.20	825.00	\$165.00
05/29/2020	IDK	AA	E-mails with G. Demo on assignability issues re shared service and management contracts, and consider same.	0.30	1145.00	\$343.50
05/29/2020	GVD	AA	Review and revise closing certificates re MSCF sale	0.70	825.00	\$577.50
05/29/2020	GVD	AA	Review outline of MSCF sale process from F. Caruso	0.60	825.00	\$495.00
05/29/2020	GVD	AA	Conference with F. Caruso re open items re Multi Strat sale	0.20	825.00	\$165.00
05/29/2020	GVD	AA	Review and finalize escrow agreement re UBS settlement	0.20	825.00	\$165.00
05/29/2020	GVD	AA	Review memo re analysis of shared service agreements	0.20	825.00	\$165.00
				97.20		\$83,079.00

Bankruptcy Litigation [L430]

04/16/2020	RMP	BL	Conference with I. Kharasch and review and respond to e-mails re status.	0.30	1445.00	\$433.50
05/01/2020	HDH	BL	Review and revise injunction complaint	0.40	950.00	\$380.00
05/01/2020	JNP	BL	Conference with John A. Morris regarding discovery related issues.	0.20	1075.00	\$215.00
05/01/2020	BEL	BL	Review draft complaint.	0.40	825.00	\$330.00
05/01/2020	BEL	BL	Research regarding automatic stay.	3.50	825.00	\$2,887.50
05/01/2020	JAM	BL	Review/revise section 105 injunction Complaint (0.7); communications with B. Levine re: revised section 105 injunction Complaint (0.1); e-mail to J. Pomerantz, I. Kharasch, G. Demo, H. Hochman, B. Levine re: revised section 105 injunction Complaint (0.1); further revisions to section 105 injunction complaint in light of comments by G. Demo, H. Hochman (0.3).	1.20	1075.00	\$1,290.00
05/02/2020	BEL	BL	Legal research re 105 complaint	2.30	825.00	\$1,897.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/04/2020	HDH	BL	Review brief In support of injunction	0.40	950.00	\$380.00
05/04/2020	HDH	BL	Review and respond to correspondence regarding Acis	0.20	950.00	\$190.00
05/04/2020	HDH	BL	Review revised drafts of complaint and brief regarding injunctive relief	0.50	950.00	\$475.00
05/04/2020	IDK	BL	E-mails with Acis counsel re status and need for call today (.1); E-mails and telephone conference with J. Pomerantz re his draft response to Acis counsels on Board decision re Guernsey analysis (.1); E-mails and conference call no show with Acis counsel on Guernsey (.2); E-mails with J. Pomerantz re response to Acis counsels re litigation and next steps (.1).	0.50	1145.00	\$572.50
05/04/2020	IDK	BL	E-mails with attorneys re feedback on drafts of 105 complaint re Acis and supporting brief, including brief review of same.	0.50	1145.00	\$572.50
05/04/2020	JNP	BL	Conference with Ira D. Kharasch regarding Acis and next steps.	0.10	1075.00	\$107.50
05/04/2020	JNP	BL	Emails to and from B. Shaw regarding call to discuss status.	0.10	1075.00	\$107.50
05/04/2020	JNP	BL	Review and comment on complaint for 105 injunction and motion.	1.00	1075.00	\$1,075.00
05/04/2020	JNP	BL	Email to R. Patel and B. Shaw regarding Acis litigation and participate on aborted call regarding same.	0.40	1075.00	\$430.00
05/04/2020	RMP	BL	Telephone conferences with I. Kharasch and J. Pomerantz re case issues and review e-mails re same.	0.40	1445.00	\$578.00
05/04/2020	BEL	BL	Review comments and drafting and conduct legal research.	4.20	825.00	\$3,465.00
05/04/2020	BEL	BL	Review and revise brief re 105 injunction.	1.50	825.00	\$1,237.50
05/04/2020	JAM	BL	Review/revise brief in support of motion for stay/injunction (2.1); e-mails with J. Pomerantz, I. Kharasch, H. Hochman, G. Demo, B. Levine re: revised complaint and brief in connection with 362/105 stay/injunction (0.2); further revisions to brief in support of stay/injunction in light of comments received (1.6); e-mails with J. Pomerantz, I. Kharasch, H. Hochman, D. Demo, B. Levine re revised brief in support of stay/injunction (0.3).	4.20	1075.00	\$4,515.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/04/2020	LSC	BL	Prepare and transmit document production and update log re same.	0.70	425.00	\$297.50
05/04/2020	GVD	BL	Review and revise draft motion for injunction; correspondence with J. Morris re same	1.40	825.00	\$1,155.00
05/05/2020	HDH	BL	Review and revise injunction brief	0.30	950.00	\$285.00
05/05/2020	HDH	BL	Conference call regarding Acis	0.20	950.00	\$190.00
05/05/2020	IDK	BL	Brief review of updated 105 brief/complaint, including feedback of others to same, including H. Hochman (.4); Attend internal conference call on status and needed revisions to 105 motion and objection to Acis POC (.3).	0.70	1145.00	\$801.50
05/05/2020	JNP	BL	Review complaint and 105 injunction and emails regarding same.	0.20	1075.00	\$215.00
05/05/2020	JNP	BL	Conference with John A. Morris regarding document preservation.	0.10	1075.00	\$107.50
05/05/2020	JNP	BL	Conference with J. Dubel regarding document preservation.	0.10	1075.00	\$107.50
05/05/2020	JNP	BL	Conference with B. Sharp regarding document preservation.	0.10	1075.00	\$107.50
05/05/2020	JNP	BL	Conference with PSZJ team regarding 105 injunction, complaint and objection to claim.	0.30	1075.00	\$322.50
05/05/2020	BEL	BL	Review revised drafts.	0.30	825.00	\$247.50
05/05/2020	BEL	BL	Internal call regarding pleading.	0.30	825.00	\$247.50
05/05/2020	BEL	BL	Additional research and revisions to brief.	3.50	825.00	\$2,887.50
05/05/2020	JAM	BL	Revisions to complaint and brief concerning 362/105 stay/injunction (2.1); communications with J. Pomerantz, I. Kharasch, G. Demo, B. Levine, H. Hochman re: complaint and brief concerning 362/105 stay/injunction (0.4); further revisions to complaint and brief concerning 362/105 stay/injunction (1.6); e-mail to B. Levine re: further revisions to brief in support of 362/105 stay/injunction motion (0.1); telephone conference with J. Pomerantz, I. Kharasch, G. Demo, B. Levine, H. Hochman re: litigation matters, including Terry's lift stay motion, the complaint and brief concerning 362/105 stay/injunction (0.3).	4.50	1075.00	\$4,837.50
05/05/2020	GVD	BL	Review various revisions to 105 motion	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/05/2020	GVD	BL	Conference with PSZJ team re potential issues re 105/362 motion	0.50	825.00	\$412.50
05/05/2020	GVD	BL	Correspondence re scheduling of call re 105/362	0.10	825.00	\$82.50
05/06/2020	IDK	BL	E-mails with attorneys on latest drafts of 105 injunction, brief and claim objection (.2); E-mail to Board with drafts of objection to Acis POC and of 105 injunction and brief and coordination of call re same (.2).	0.40	1145.00	\$458.00
05/06/2020	JNP	BL	Review Committee opposition to DAF motion to release funds	0.20	1075.00	\$215.00
05/06/2020	JNP	BL	Emails with John A. Morris regarding discovery.	0.10	1075.00	\$107.50
05/06/2020	BEL	BL	Review revised brief re 105	0.20	825.00	\$165.00
05/06/2020	JMF	BL	Review Committee response re CLO Holco motion re release of funds and internal emails re issues re same.	0.60	925.00	\$555.00
05/06/2020	JAM	BL	Further review and revisions to brief in support of 362/105 stay/injunction (1.4); further review and revisions to complaint for 362/105 stay/injunction (1.2); e-mails w/ J. Pomerantz, I. Kharasch, G. Demo, H. Hochman, B. Levine re: revised complaint and brief in support of 362/105 stay/injunction (0.2); communications with J. Dubel, J. Pomerantz re: document preservation (0.1); e-mails with J. Pomerantz, J. Fried re: status of discovery (0.1).	3.00	1075.00	\$3,225.00
05/07/2020	JNP	BL	Conference with Ira D. Kharasch regarding call with J. Dubel and Acis issues.	0.30	1075.00	\$322.50
05/07/2020	JNP	BL	Conference with B. Sharp and John A. Morris regarding discovery and document preservation.	0.30	1075.00	\$322.50
05/07/2020	JNP	BL	Conference with John A. Morris regarding document preservation.	0.20	1075.00	\$215.00
05/07/2020	RMP	BL	Conference with I. Kharasch and J. Pomerantz re status.	0.20	1445.00	\$289.00
05/07/2020	JAM	BL	Telephone conference with J. Dubel, R. Nelms re: document preservation (0.6); telephone conference with J. Pomerantz re: document preservation (0.2); telephone conference with I. Leventon re: motion for stay/injunction (0.3); telephone conference with J. Dubel re: Brown Rudnick claim (0.1); telephone conference with G. Demo re: status of litigation matters (0.2); telephone conference with J.	1.80	1075.00	\$1,935.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Pomerantz, B. Sharp re: document preservation (0.3); communications with J. Dubel, S. Vitiello re: Brown Rudnick claim (0.1).			
05/07/2020	GVD	BL	Review changes to Acis brief from I. Leventon; conference with J. Morris re same	0.50	825.00	\$412.50
05/08/2020	IDK	BL	E-mails with attorneys re staffing on UBS potential litigation.	0.20	1145.00	\$229.00
05/08/2020	RMP	BL	Review proposal and conference with I. Kharasch and telephone conference with J. Pomerantz re same.	0.60	1445.00	\$867.00
05/08/2020	JAM	BL	Telephone conference with J. Dubel re: document preservation issues (0.1); communications with B. Sharp re: document preservation issues (0.3); e-mail to J. Dubel, R. Nelms re: document preservation issues (0.1); review/revise NDA (0.3); e-mails with J. Pomerantz, G. Demo re: form of NDA (0.1).	0.60	1075.00	\$645.00
05/11/2020	IDK	BL	E-mail and telephone conference with I. Leventon re status of Acis new litigation and new deadlines to answer (.2).	0.20	1145.00	\$229.00
05/11/2020	JMF	BL	Draft memorandum of pending case issues and motions.	0.30	925.00	\$277.50
05/12/2020	JEO	BL	Review status matters scheduled for 5/26 hearing	0.60	925.00	\$555.00
05/12/2020	GVD	BL	Draft summaries of major litigation	1.10	825.00	\$907.50
05/13/2020	IDK	BL	E-mails with attorneys re CLO Holdco motion re funds in registry.	0.20	1145.00	\$229.00
05/13/2020	JNP	BL	Review CLO reply regarding registry funds dispute.	0.10	1075.00	\$107.50
05/13/2020	JMF	BL	Review CLO Holdco reply to distribution motion.	0.40	925.00	\$370.00
05/13/2020	JAM	BL	E-mail to S. Vitiello, I. Leventon, J. Pomerantz, G. Demo re: status of discovery (0.2); telephone conference with R. Stark re: Brown Rudnick claim against CLOs (0.3); telephone conference with J. Dubel re: conversation with R. Stark concerning Brown Rudnick claim (0.1); telephone conference with R. Stark re: Brown Rudnick claim (0.1).	0.70	1075.00	\$752.50
05/13/2020	LSC	BL	Retrieve and transmit meeting minutes to G. Demo.	0.30	425.00	\$127.50
05/14/2020	IDK	BL	Telephone R. Nelms re Acis and its stay violation (.2); E-mails with J. Morris and B. Levine re same and adding to draft complaint (.3).	0.50	1145.00	\$572.50
05/14/2020	BEL	BL	Legal research re 105 injunction	0.90	825.00	\$742.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/14/2020	JAM	BL	E-mail to J. Pomerantz, I. Kharasch, G. Demo re: discovery (0.2); e-mail to S. Vitiello, I. Leventon, B. Sharp, T. Jeremiassen, J. Pomerantz, I. Kharasch, G. Demo re: discovery (0.3); telephone conference with J. Dubel re: Brown Rudnick claim against CLOs and status of discovery (0.1); telephone conference with R. Stark re: Brown Rudnick claim (0.1); e-mail to J. Dubel, S. Vitiello, J. Pomerantz, G. Demo re: conversation with Stark concerning Brown Rudnick claim (0.2); e-mail to J. Dubel, R. Nelms, J. Pomerantz, I. Kharasch, G. Demo, B. Sharp re: engagement of iDiscovery (0.2).	1.10	1075.00	\$1,182.50
05/15/2020	IDK	BL	E-mails with attorneys tomorrow on Acis and alter ego claim issues re potential stay violations and 105 injunction, including review of memo re same.	0.40	1145.00	\$458.00
05/15/2020	JNP	BL	Email to and from John A. Morris regarding discovery.	0.10	1075.00	\$107.50
05/15/2020	BEL	BL	Research regarding alter ego claims.	2.80	825.00	\$2,310.00
05/15/2020	JMF	BL	Review CLO Holdco motion re fund registry distribution.	0.30	925.00	\$277.50
05/15/2020	JAM	BL	Telephone conference with J. Dubel, S. Vitiello re: Brown Rudnick (0.5); e-mails with J. Pomerantz, I. Kharasch, G. Demo, I. Leventon, S. Vitiello, B. Sharp, T. Jeremiassen re: discovery (0.3); draft e-mail to Sidley re: discovery (0.2).	1.00	1075.00	\$1,075.00
05/16/2020	JAM	BL	Review case law on whether Acis's alter ego claim violates the automatic stay (1.2); e-mail to I. Kharasch, B. Levine re: whether Acis's alter ego claim violates the automatic stay (0.6); telephone conference with J. Pomerantz re: discovery (0.1); revise and send e-mail to Sidley re: discovery (0.1).	2.00	1075.00	\$2,150.00
05/17/2020	JAM	BL	Telephone conference with T. Jeremiassen re: e-discovery (0.1).	0.10	1075.00	\$107.50
05/18/2020	IDK	BL	E-mails with attorneys re Acis and alter ego assertion issues and next steps.	0.20	1145.00	\$229.00
05/18/2020	JNP	BL	Consider issues regarding discovery; Conference with John A. Morris regarding same.	0.20	1075.00	\$215.00
05/18/2020	JNP	BL	Conference with Ira D. Kharasch regarding various litigation issues.	0.30	1075.00	\$322.50
05/18/2020	BEL	BL	Revisions to complaint re 105 injunction	0.90	825.00	\$742.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/18/2020	JAM	BL	E-mails with I. Leventon, S. Vitiello, T. Jeremiassen re: e-discovery and AI protocols (0.3); e-mails with PSZJ, Sidley, DSI, I. Leventon, S. Vitiello re: meet and confer call (0.2); telephone conference with J. Pomerantz, G. Demo, I. Leventon, S. Vitiello, T. Jeremiassen, Sidley re: meet and confer/status of discovery (0.3); telephone conference with J. Pomerantz, G. Demo re: meet and confer call (0.1); telephone conference with J. Dubel, J. Seery re: meet and confer call and related issues (0.2); communications with T. Jeremiassen re: e-discovery (0.2); e-mails with R. Stark re: extension of Bar Date deadline and response deadline in CLO litigation (0.1); e-mails with J. Pomerantz, G. Demo, B. Levine re: Acis complaint and potential lift stay violation (0.1); e-mails with J. Pomerantz, G. Demo re: communications with J. Seery and J. Dubel re: meet and confer call (0.1).	1.60	1075.00	\$1,720.00
05/18/2020	LSC	BL	Prepare and transmit document productionse.	0.40	425.00	\$170.00
05/18/2020	GVD	BL	Conference with PSZJ and Sidley re status of discovery	0.40	825.00	\$330.00
05/19/2020	IDK	BL	E-mails with Board, others on CLO Holdco motion re funds in court registry and its discovery issues.	0.20	1145.00	\$229.00
05/19/2020	JNP	BL	Conference with John A. Morris, Ira D. Kharasch and Gregory V. Demo regarding response to Holdco request for information in connection with Court Registry motion.	0.40	1075.00	\$430.00
05/19/2020	JEO	BL	Check on status of filing new motions for June hearing date	0.40	925.00	\$370.00
05/19/2020	JEO	BL	Review filing and service requirements under local rules	0.60	925.00	\$555.00
05/19/2020	GVD	BL	Conference with J. Morris, J. Pomerantz, and I. Kharasch re discovery requests	0.50	825.00	\$412.50
05/20/2020	KKY	BL	Draft 5/26/20 agenda	1.60	425.00	\$680.00
05/20/2020	JEO	BL	Emails with co-counsel to prepare for 5/26 hearing	0.90	925.00	\$832.50
05/20/2020	JEO	BL	Calls and emails with Karina Yee re agenda for 5/26 hearing	0.40	925.00	\$370.00
05/20/2020	JEO	BL	Prepare for 5/26 hearing	0.90	925.00	\$832.50
05/20/2020	JAM	BL	Telephone conference with I. Leventon, S. Vitiello, T. Jeremiassen, Meta-E re: process for e-discovery	2.50	1075.00	\$2,687.50

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			(1.1); telephone conference with T. Jeremiassen, J. Romey, iDiscovery re: document retention (0.5); telephone conference with J. Dubel, S. Vitiello re: Brown Rudnick settlement issues (0.4); e-mail to J. Dubel, S. Vitiello, J. Pomerantz re: settlement terms for Brown Rudnick (0.5).			
05/21/2020	KKY	BL	Review and revise 5/26/20 agenda	0.80	425.00	\$340.00
05/21/2020	KKY	BL	Correspond with team re 5/26/20 agenda	0.30	425.00	\$127.50
05/21/2020	KKY	BL	Review and revise binders for 5/26/20 hearing	0.70	425.00	\$297.50
05/21/2020	JEO	BL	Review and provide comments on hearing agenda drafts for 5/26 hearing	0.80	925.00	\$740.00
05/21/2020	JEO	BL	Hearing prep for 5/26 hearing.	0.60	925.00	\$555.00
05/21/2020	ARP	BL	Prepare hearing notebook for hearing on 5/26/20.	3.20	350.00	\$1,120.00
05/21/2020	JAM	BL	E-mails with J. Dubel, S. Vitiello, J. Pomerantz re: Brown Rudnick claim (0.3); revise and send e-mail to R. Stark, J. Pomerantz re: settlement of Brown Rudnick claim (0.1); telephone conference with R. Stark re: Brown Rudnick claim (0.2); revise settlement proposal between CLOs and Brown Rudnick (0.4).	1.00	1075.00	\$1,075.00
05/22/2020	IDK	BL	E-mails with I. Leventon re recent Acis litigation and status.	0.20	1145.00	\$229.00
05/22/2020	KKY	BL	Review and revise 5/26/20 agenda	0.50	425.00	\$212.50
05/22/2020	JEO	BL	Review status of matters scheduled for 5/26 hearing (.8); Emails UST and Holly O'Neill re status of Foley fee application (.8); (review and prepare orders for uploading to court on resolved matters (.8); prepare for hearing (1.)	3.40	925.00	\$3,145.00
05/22/2020	JEO	BL	Finalize agenda for 5/27 hearing.	0.40	925.00	\$370.00
05/23/2020	JEO	BL	Hearing prep for 5/26 hearing.	2.00	925.00	\$1,850.00
05/24/2020	JJK	BL	Emails Kharasch re HCM dispute issues and shared service agreement issues and consider same.	0.50	895.00	\$447.50
05/24/2020	JNP	BL	Begin to prepare comments from hearing.	0.30	1075.00	\$322.50
05/25/2020	JNP	BL	Prepare for hearing.	0.50	1075.00	\$537.50
05/25/2020	JEO	BL	Emails with Greg Demo and Zach Anabelle to prepare for 5/26 hearing	2.10	925.00	\$1,942.50
05/25/2020	JEO	BL	Update hearing agenda for 5/26 hearing	0.50	925.00	\$462.50

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05/25/2020	JAM	BL	E-mails to Sidley, J. Pomerantz, B. Sharp, I. Leventon, S. Vitiello, DSI re: e-discovery (0.2); e-mails to I. Leventon, S. Vitiello, J. Pomerantz re: litigation matters (0.1).	0.30	1075.00	\$322.50
05/26/2020	IDK	BL	E-mails with I. Leventon re his questions on objection to Acis POC (.2); Review briefly J. Morris memo on outstanding litigation matters including CLO Holdco demands (.1).	0.30	1145.00	\$343.50
05/26/2020	JNP	BL	Prepare for and attend hearing.	1.30	1075.00	\$1,397.50
05/26/2020	JNP	BL	Conference with Ira D. Kharasch regarding hearing.	0.10	1075.00	\$107.50
05/26/2020	JNP	BL	Conference with J. Dubel regarding hearing.	0.20	1075.00	\$215.00
05/26/2020	JEO	BL	Review entered orders and email correspondence with Greg Demo and Jeff Pomerantz re status of matters for 5/26 hearing	0.70	925.00	\$647.50
05/26/2020	JEO	BL	Review 5/26 hearing outcome	0.20	925.00	\$185.00
05/26/2020	JEO	BL	Prepare for hearing (.4); review status of matters for hearing (.4); check agenda and check link to prepare for hearing (.4)	1.20	925.00	\$1,110.00
05/26/2020	JMF	BL	Review open litigation and discovery issues and draft broad summary re same.	0.40	925.00	\$370.00
05/26/2020	JAM	BL	E-mail to J. Pomerantz, I. Kharasch, G. Demo, J. O'Neill, J. Fried re: status of litigation matters (0.5); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: solicitation of bids for document review (0.1); e-mail to B. Sharp, T. Jeremiassen, J. Pomerantz, I. Kharasch, G. Demo re: document retention (0.1); communications with J. Dubel, S. Vitiello, J. Pomerantz re: Brown Rudnick settlement terms (0.2); communications with T. Jeremiassen, J. Pomerantz, B. Sharp, I. Kharasch, G. Demo re: document preservation (0.1); telephone conference with R. Stark re: Brown Rudnick settlement (0.1); communications with J. Dubel, S. Vitiello, J. Pomerantz re: Brown Rudnick settlement (0.3); communications with B. Levine re: Brown Rudnick settlement documents (0.1); telephone conference with G. Demo re: status of open matters (0.2); review/revise draft settlement agreement for Brown Rudnick (0.7).	2.40	1075.00	\$2,580.00
05/26/2020	GVD	BL	Attend hearing (video conference)	1.00	825.00	\$825.00
05/26/2020	GVD	BL	Prepare for hearing	1.70	825.00	\$1,402.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/27/2020	IDK	BL	Review of correspondence from Neier representing individual defendants in Acis litigation re Acis and Committee, and with Board re same (.2); Telephone conference with J. Pomerantz re same and need for analysis (.1); E-mail to J. Kim re same and his research on Committee reconstitution and consider (.4).	0.70	1145.00	\$801.50
05/27/2020	IDK	BL	Review of correspondence re CLO Holdco and analysis of its rights (.2); E-mails with J. Kim re issues on shared service agreements (.1).	0.30	1145.00	\$343.50
05/27/2020	JAM	BL	Telephone conference with G. Demo re: CLO HoldCo obligations (0.3).	0.30	1075.00	\$322.50
05/27/2020	LSC	BL	Prepare and transmit document production.	0.40	425.00	\$170.00
05/27/2020	GVD	BL	Conference with J. Morris re discovery issues and next steps	0.30	825.00	\$247.50
05/27/2020	GVD	BL	Review WilmerHale correspondence re CLO Holdco	0.30	825.00	\$247.50
05/28/2020	JNP	BL	Conference with John A. Morris, regarding CLO Holdco discovery requests.	0.20	1075.00	\$215.00
05/28/2020	JNP	BL	Conference with John A. Morris and J. Kane regarding discovery issues.	0.40	1075.00	\$430.00
05/29/2020	IDK	BL	Review of correspondence from Acis state court counsel re NWCC and stay issues, including feedback from attorneys re same.	0.20	1145.00	\$229.00
05/29/2020	JMF	BL	Review NWCC complaint and issues re prepetition lawsuit.	0.30	925.00	\$277.50
05/30/2020	JAM	BL	Draft e-mail to Board for review by J. Pomerantz, I. Kharasch, G. Demo re: CLO Holco Ltd.'s information requests (0.6).	0.60	1075.00	\$645.00
05/30/2020	GVD	BL	Review J. Morris draft email re discovery issues	0.20	825.00	\$165.00
05/31/2020	JNP	BL	Conference with John A. Morris regarding various litigation issues (2x).	0.50	1075.00	\$537.50
05/31/2020	JAM	BL	E-mail to R. Kane, J. Pomerantz re: CLO Holdco Ltd. discovery (0.1); e-mail to R. Kane, Sidley, J. Pomerantz re: CLO HoldCo Ltd. informal request for information (0.1); review of documents and e-mail to J. Pomerantz, I. Kharasch, G. Demo, I. Leventon, S. Vitiello re: Acis-3's assertion that NCWW's proposed Amended Complaint violates HCMLP's automatic stay (0.9); telephone	3.10	1075.00	\$3,332.50

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conference with R. Stark re: Brown Rudnick settlement (0.1); e-mail to J. Dubel, S. Vitiello, J. Pomerantz re: Brown Rudnick settlement (0.1); review/revise e-discovery protocols (1.2); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: e-discovery protocols (0.2); e-mail to B. Sharp, T. Jeremiassen re: e-discovery protocols (0.1); telephone conference with J. Pomerantz re: NCWW and Acis-3 (0.3).				106.00		\$98,564.00
Case Administration [B110]						
05/01/2020	JMF	CA	Update memorandum re pending case and motion issues.	0.30	925.00	\$277.50
05/01/2020	JAM	CA	Telephone conference with J. Pomerantz re: access/control to Debtor's books and records (0.1).	0.10	1075.00	\$107.50
05/04/2020	KKY	CA	Review and revise critical dates	0.80	425.00	\$340.00
05/04/2020	JMF	CA	Review critical dates and memorandum re pending motions and case issues.	0.20	925.00	\$185.00
05/05/2020	IDK	CA	Review of updated WP list (.1); Attend internal WIP call (.7).	0.80	1145.00	\$916.00
05/05/2020	JEO	CA	Participate in PSZJ team call	0.70	925.00	\$647.50
05/05/2020	JMF	CA	Telephone call with G. Demo, J.N. Pomerantz re pending case issues and motions.	0.70	925.00	\$647.50
05/05/2020	JMF	CA	Draft memo re pending case issues and upcoming motions.	0.40	925.00	\$370.00
05/05/2020	GVD	CA	Internal WIP call	0.80	825.00	\$660.00
05/05/2020	GVD	CA	Correspondence re scheduling of WIP call	0.20	825.00	\$165.00
05/05/2020	GVD	CA	Multiple correspondence re scheduling of calls and open issues	0.20	825.00	\$165.00
05/06/2020	IDK	CA	E-mails with DSI, others re reschedule of DSI call (.1); Attend conference call with DSI, others on DSI WIP list (.8).	0.90	1145.00	\$1,030.50
05/06/2020	JNP	CA	Participate on weekly PSZJ DSI call.	0.90	1075.00	\$967.50
05/06/2020	KKY	CA	Review and revise critical dates	0.70	425.00	\$297.50
05/06/2020	JMF	CA	Telephone call with B. Sharp, J.N. Pomerantz, G. Demo, F. Caruso re pending case issues.	0.70	925.00	\$647.50

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05/06/2020	JMF	CA	Review agenda items re 5/6 hearing.	0.20	925.00	\$185.00
05/06/2020	GVD	CA	Attend DSI/PSZJ internal working group call	0.80	825.00	\$660.00
05/07/2020	GVD	CA	Conference with J. Pomerantz re open items and next steps	0.20	825.00	\$165.00
05/08/2020	KKY	CA	Review and revise critical dates	0.10	425.00	\$42.50
05/08/2020	JEO	CA	Review WIP list and status of pending matters	0.50	925.00	\$462.50
05/08/2020	GVD	CA	Correspondence re meetings	0.20	825.00	\$165.00
05/08/2020	GVD	CA	Conference with J. Pomerantz re status of case and open items	0.10	825.00	\$82.50
05/12/2020	IDK	CA	Review of updated WIP lists (.2); Attend initial internal WIP conference call with attorneys re same (.5); Attend conference call with DSI and others re DSI WIP (.5).	1.20	1145.00	\$1,374.00
05/12/2020	JNP	CA	Participate in PSZJ weekly WIP call.	0.50	1075.00	\$537.50
05/12/2020	JNP	CA	Participate in weekly PSZJ DSI WIP call.	0.50	1075.00	\$537.50
05/12/2020	KKY	CA	Review and revise critical dates	0.20	425.00	\$85.00
05/12/2020	JEO	CA	Participate in PSZJ team call	0.50	925.00	\$462.50
05/12/2020	SLP	CA	Maintain document control (2) receive multiple documents to organize (2.3) enter documents into legal key (.3)	2.80	350.00	\$980.00
05/12/2020	JMF	CA	Telephone call with J.N. Pomerantz, G. Demo, I. Kharasch, J. O'Neill re pending case issues.	0.30	925.00	\$277.50
05/12/2020	JMF	CA	Telephone call with B. Sharp, J.N. Pomerantz, I. Kharasch and J. Donahue re DSI issues and pending case matters.	0.80	925.00	\$740.00
05/12/2020	JMF	CA	Draft memorandum of pending case issues.	0.30	925.00	\$277.50
05/12/2020	JMF	CA	Review critical dates memorandum re upcoming case events.	0.10	925.00	\$92.50
05/12/2020	GVD	CA	Attend internal WIP call	0.60	825.00	\$495.00
05/12/2020	GVD	CA	Attend PSZJ/DSI WIP call	0.50	825.00	\$412.50
05/13/2020	JEO	CA	Research service issues and deadlines for upcoming hearing	0.40	925.00	\$370.00
05/13/2020	JMF	CA	Review local rules re setting and notice issues.	0.30	925.00	\$277.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/14/2020	KKY	CA	Review and revise critical dates	0.10	425.00	\$42.50
05/14/2020	JEO	CA	Research service issues and deadlines for up coming hearing	0.70	925.00	\$647.50
05/15/2020	KKY	CA	Review and revise critical dates	0.10	425.00	\$42.50
05/15/2020	GVD	CA	Correspondence with Board re correspondence from Committee	0.10	825.00	\$82.50
05/15/2020	GVD	CA	Prepare for meeting with I. Kharasch and J. Pomerantz re case update	0.20	825.00	\$165.00
05/15/2020	GVD	CA	Conference with J. Pomerantz and I. Kharasch re case update and next steps	0.40	825.00	\$330.00
05/19/2020	IDK	CA	Telephone conferences with J. Pomerantz re status and open issues (.2).	0.20	1145.00	\$229.00
05/19/2020	KKY	CA	Review and revise critical dates	0.40	425.00	\$170.00
05/19/2020	KKY	CA	Review and revise 2002 service list	0.20	425.00	\$85.00
05/19/2020	JMF	CA	Multiple emails re 5/26 and 6/15 hearing issues and filings.	0.20	925.00	\$185.00
05/20/2020	IDK	CA	Review of updated WIP list for call (.1); Attend internal team conference call on WIP list (.8); Attend conference call with DSI team, others re DSI WIP list items (.4).	1.30	1145.00	\$1,488.50
05/20/2020	JNP	CA	Participate on PSZJ and DSI WIP call.	0.20	1075.00	\$215.00
05/20/2020	JNP	CA	Participate on WIP call.	0.50	1075.00	\$537.50
05/20/2020	KKY	CA	Review and revise critical dates	0.20	425.00	\$85.00
05/20/2020	JEO	CA	Call with PSZJ team to review pending matters	1.00	925.00	\$925.00
05/20/2020	SLP	CA	Maintain document control.	0.50	350.00	\$175.00
05/20/2020	JMF	CA	Telephone call with J.N. Pomerantz, I. Kharasch, G. Demo, J. O'Neill re pending case issues and 5/26 hearing issues.	0.80	925.00	\$740.00
05/20/2020	JMF	CA	Draft memorandum of pending case issues.	0.40	925.00	\$370.00
05/20/2020	JMF	CA	Telephone call with B. Sharp, J.N. Pomerantz, I. Kharasch and G. Demo re 5/26 hearing and case issues.	0.40	925.00	\$370.00
05/20/2020	JAM	CA	Internal PSZJ WIP call (J. Pomerantz, I. Kharasch, G. Demo, J. Fried, J. O'Neill) (0.9).	0.90	1075.00	\$967.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/20/2020	GVD	CA	Attend internal WIP call	1.00	825.00	\$825.00
05/20/2020	GVD	CA	Attend DSI/PSZJ WIP call	0.40	825.00	\$330.00
05/20/2020	GVD	CA	Correspondence re scheduling of board meeting	0.10	825.00	\$82.50
05/21/2020	JNP	CA	Conference with Gregory V. Demo and Ira D. Kharasch regarding case issues.	0.20	1075.00	\$215.00
05/21/2020	SLP	CA	Maintain document control.	0.50	350.00	\$175.00
05/21/2020	JMF	CA	Review status and correspondences re 5/26 hearing issues and CNO status for uncontested matters.	0.20	925.00	\$185.00
05/21/2020	GVD	CA	Conference with I. Kharasch and J. Pomerantz re open items and next steps	0.10	825.00	\$82.50
05/21/2020	GVD	CA	Conference with J. Pomerantz re open items; correspondence re same	0.30	825.00	\$247.50
05/22/2020	KKY	CA	Review and revise critical dates	1.90	425.00	\$807.50
05/22/2020	SLP	CA	Maintain document control.	0.20	350.00	\$70.00
05/22/2020	GVD	CA	Correspondence with J. Pomerantz and I. Kharasch re next steps	0.20	825.00	\$165.00
05/23/2020	JMF	CA	Review orders and emails re orders for 5/26 hearing.	0.40	925.00	\$370.00
05/23/2020	GVD	CA	Status conference with J. Pomerantz and I. Kharasch	0.50	825.00	\$412.50
05/25/2020	IDK	CA	Review of updated WIP list (.1); Attend internal conference call on WIP list (1.0); Attend conference call with DSI, others on the DSI WIP list (.4); Review briefly information to Board re upcoming Board call (.1).	1.60	1145.00	\$1,832.00
05/25/2020	JNP	CA	Weekly WIP call with PSZJ team.	1.00	1075.00	\$1,075.00
05/25/2020	JNP	CA	Weekly WIP call with PSZJ and DSI.	0.50	1075.00	\$537.50
05/25/2020	JEO	CA	Participate in PSZJ call re 5/26 hearing and open issues/WIP list	1.00	925.00	\$925.00
05/25/2020	JMF	CA	Draft memorandum rep pending case issues and motions.	0.40	925.00	\$370.00
05/25/2020	JMF	CA	Telephone call with J.N. Pomerantz, G. Demo, I. Kharasch, J. O'Neill (1.1) and B. Sharp and F. Caruso re update and 5/26 hearing issues (.4).	1.50	925.00	\$1,387.50
05/25/2020	JAM	CA	Internal WIP call with J. Pomerantz, I. Kharasch, G. Demo, J. Fried, J. O'Neill (partial participation)	0.50	1075.00	\$537.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			(0.5).			
05/25/2020	GVD	CA	Review agenda for May 26 hearing and plan presentation re same	0.30	825.00	\$247.50
05/25/2020	GVD	CA	Attend internal WIP call	1.00	825.00	\$825.00
05/25/2020	GVD	CA	Attend to issues re May 26 hearing	1.10	825.00	\$907.50
05/25/2020	GVD	CA	Attend DSI/PSZJ WIP call	0.50	825.00	\$412.50
05/26/2020	JMF	CA	Review orders re 5/26 hearing.	0.30	925.00	\$277.50
05/26/2020	GVD	CA	Conference with J. Morris re status of discovery and case update	0.40	825.00	\$330.00
05/27/2020	JJK	CA	Emails Kharasch / research on committee issues.	0.50	895.00	\$447.50
05/27/2020	EAW	CA	Coordinate with G. Demo and L. Canty re: pro hac motions needed for UBS matters.	0.10	825.00	\$82.50
05/27/2020	GVD	CA	Conference with J. Pomerantz re status of case and next steps	0.20	825.00	\$165.00
05/28/2020	KKY	CA	Review and revise critical dates	1.60	425.00	\$680.00
05/28/2020	LSC	CA	Prepare pro hac vice applications fr R. Feinstein and A. Kornfeld.	0.60	425.00	\$255.00
05/28/2020	GVD	CA	review pro hac applications	0.20	825.00	\$165.00
05/29/2020	KKY	CA	Review and revise critical dates	0.20	425.00	\$85.00
05/29/2020	JMF	CA	Review critical dates memo and update memorandum re pending case issues.	0.30	925.00	\$277.50
05/30/2020	JNP	CA	Conference with M. Hankin regarding case status and related issues.	0.50	1075.00	\$537.50
				48.60		\$40,285.00

Claims Admin/Objections[B310]

04/01/2020	LAF	CO	Legal research re: 5th Circuit law on 547 & whether invoices must "remain unpaid."	0.50	450.00	\$225.00
04/07/2020	LAF	CO	Legal research re: Appointment of new CEO & demoting CRO to FA.	0.50	450.00	\$225.00
05/01/2020	AJK	CO	Analysis of UBS factual and legal issues.	9.20	1145.00	\$10,534.00
05/01/2020	HDH	CO	Revise Acis claim objection	0.50	950.00	\$475.00
05/01/2020	IDK	CO	E-mails with H. Hochman re his various revisions to	0.50	1145.00	\$572.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			objection to Acis POC, including review of same.			
05/01/2020	JEO	CO	Participate in claims call	0.50	925.00	\$462.50
05/01/2020	JEO	CO	Review claims report	0.70	925.00	\$647.50
05/01/2020	JMF	CO	Review claims analysis re related entity claims.	0.40	925.00	\$370.00
05/01/2020	JMF	CO	Review IFA claim analysis.	0.30	925.00	\$277.50
05/01/2020	JMF	CO	Review and edit employee stipulation (.5) follow up with E Bromagen re same.	0.50	925.00	\$462.50
05/01/2020	GVD	CO	Conference with J. O'Neil and DSI re review of filed proofs of claim and next steps	0.60	825.00	\$495.00
05/01/2020	GVD	CO	Review J. Morris revisions to complaint; correspondence re same	0.50	825.00	\$412.50
05/01/2020	GVD	CO	Conference with F. Caruso re claims issues	0.40	825.00	\$330.00
05/03/2020	HDH	CO	Review and revise Acis claim objection	1.10	950.00	\$1,045.00
05/03/2020	JMF	CO	Review open issues re employee claims stipulation with Committee.	0.30	925.00	\$277.50
05/03/2020	JAM	CO	Complete review/revisions to Acis claim objection (1.2).	1.20	1075.00	\$1,290.00
05/04/2020	HDH	CO	Revise Acis claim objection	1.30	950.00	\$1,235.00
05/04/2020	HDH	CO	Further revisions to claim objection.	0.60	950.00	\$570.00
05/04/2020	IDK	CO	Review of notes on Acis issues from Board call for follow up, including review of prior memo on partnership issue re Acis (.4); E-mails with J. Kim re same, and his list of further issues (.2).	0.60	1145.00	\$687.00
05/04/2020	IDK	CO	Review in detail revised objection to Acis POC, the Court's temporary and other injunctions relevant to Acis claims/damages, and note need for revisions (.8); Various e-mails with H. Hochman re my list of revisions for same, and related questions on injunctions and impact on damages (.6); E-mails with client legal team re draft of same objection (.2); Review of further revised objection to Acis POC (.2).	1.80	1145.00	\$2,061.00
05/04/2020	JJK	CO	Emails Kharasch re: follow up items from Board mtg on Acis, etc. and review notes/issues.	0.70	895.00	\$626.50
05/04/2020	JNP	CO	Review Acis claim objection.	0.20	1075.00	\$215.00
05/04/2020	JNP	CO	Emails regarding status of claims stipulation.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/04/2020	JNP	CO	Email to and from Joshua M. Fried regarding employee claims stipulation.	0.10	1075.00	\$107.50
05/04/2020	JMF	CO	Draft Stipulation, letter exhibits to employee documents re claims (2.7); multiple telephone calls with E. Bromagen re changes to same (.4).	3.10	925.00	\$2,867.50
05/04/2020	JMF	CO	Telephone call with J. Donahue re exhibit to letter re employee claims.	0.20	925.00	\$185.00
05/04/2020	JAM	CO	Review revised objection to Acis claim (0.4).	0.40	1075.00	\$430.00
05/04/2020	GVD	CO	Correspondence with H. Hochman re revisions to claim objection	0.10	825.00	\$82.50
05/04/2020	GVD	CO	Review and revise draft objection to claim	2.40	825.00	\$1,980.00
05/04/2020	GVD	CO	Correspondence with H. Hochman and I. Kharasch re additional review of claims objection	0.30	825.00	\$247.50
05/04/2020	GVD	CO	Correspondence with J. Fried re revisions to employee proof of claim letter	0.20	825.00	\$165.00
05/04/2020	GVD	CO	Review employee proof of claim material and correspondence with J. Fried re same	0.40	825.00	\$330.00
05/05/2020	AJK	CO	Factual analysis (including UBS deposition transcript review and summary).	1.90	1145.00	\$2,175.50
05/05/2020	HDH	CO	Revise Acis objection	0.30	950.00	\$285.00
05/05/2020	IDK	CO	E-mails with J. Kim on Acis plan questions re its POC and change in equity (.3); E-mails with D. Barton re same and DE law issues (.2).	0.50	1145.00	\$572.50
05/05/2020	JJK	CO	Emails Kharasch on Acis plan/claim matters and research on same for him.	1.10	895.00	\$984.50
05/05/2020	JMF	CO	Finalize employee stipulation pleadings re (1.2); telephone call with E. Bromagen re same (.1).	1.30	925.00	\$1,202.50
05/05/2020	GVD	CO	Review revised claim objection	0.60	825.00	\$495.00
05/06/2020	AJK	CO	Factual analysis (including review of deposition transcripts and UBS).	2.30	1145.00	\$2,633.50
05/06/2020	IDK	CO	E-mails with J. Kim re D. Barton memo on Acis issues and need for documents to D. Barton.	0.20	1145.00	\$229.00
05/06/2020	JJK	CO	Emails Kharasch, Barton, Demo, HCM on plan, conf. order, corporate, Acis related matters and do related review/research.	1.60	895.00	\$1,432.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/06/2020	JJK	CO	Emails Kharasch, Vitellio, Barton on corp. gov. related matters in connection with Acis.	0.30	895.00	\$268.50
05/06/2020	JNP	CO	Conference with Ira D. Kharasch regarding timing of Acis objection and related.	0.20	1075.00	\$215.00
05/06/2020	JMF	CO	Review IFA claim.	0.80	925.00	\$740.00
05/06/2020	JMF	CO	Draft memo re call with DSI and update re pending case matters.	0.30	925.00	\$277.50
05/06/2020	GVD	CO	Review stipulation re Brown Rudnick extension of bar date and correspondence with J. Morris re same	0.30	825.00	\$247.50
05/07/2020	DJB	CO	Analysis of potential dissolution of Acis LP; E-mail to I. Kharasch re same.	1.30	1195.00	\$1,553.50
05/07/2020	JEO	CO	Call with Josh Fried to review Integrated proof of claim	0.80	925.00	\$740.00
05/07/2020	JEO	CO	Participate in claims call with Greg Demo and DSI team	0.70	925.00	\$647.50
05/07/2020	JEO	CO	Prepare for claims call with DSI team	0.40	925.00	\$370.00
05/07/2020	JMF	CO	Analyze IFA claim (.8); telephone call with J. O'Neill re claims reconciliation issues (.8).	1.60	925.00	\$1,480.00
05/07/2020	JMF	CO	Review bar date notices re employee claims stipulation.	0.30	925.00	\$277.50
05/07/2020	GVD	CO	Conference with J. O'Neill and DSI re claims reconciliation issues	0.60	825.00	\$495.00
05/08/2020	JEO	CO	Review claims analysis	0.80	925.00	\$740.00
05/08/2020	JMF	CO	Review employee order, letter and stipulation re employee claims filing inquiries.	0.80	925.00	\$740.00
05/11/2020	JNP	CO	Emails to and from John A. Morris regarding Brown Rudnick.	0.10	1075.00	\$107.50
05/11/2020	JEO	CO	Review of claims analysis	0.60	925.00	\$555.00
05/11/2020	JMF	CO	Review IFA complaint and litigation claims.	1.60	925.00	\$1,480.00
05/11/2020	JAM	CO	Telephone conference with J. Dubel re: Brown Rudnick claim (0.1); telephone conference with J. Dubel, S. Vitiello re: Brown Rudnick analysis and possible settlement (0.5); telephone conference with Board, J. Pomerantz, I. Kharasch, G. Demo re: strategy for addressing UBS and Acis claims (1.1).	1.70	1075.00	\$1,827.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/11/2020	EAW	CO	Attention to status of Highland/UBS discussions, and draft related email to A. Kornfeld.	0.10	825.00	\$82.50
05/11/2020	EAW	CO	Telephone call with A. Kornfeld re: opposition to stay relief (UBS).	0.50	825.00	\$412.50
05/11/2020	EAW	CO	Review transcripts, briefs and related documents/information provided by I. Leventon (UBS).	4.30	825.00	\$3,547.50
05/11/2020	EAW	CO	Research re: relief from automatic stay (UBS).	0.40	825.00	\$330.00
05/11/2020	EAW	CO	Review alter ego research and related memo (UBS).	0.80	825.00	\$660.00
05/11/2020	GVD	CO	Conference with Board re status of claims issues and next steps	1.00	825.00	\$825.00
05/12/2020	HDH	CO	Telephone conference with Ira D. Kharasch regarding claim objection	0.30	950.00	\$285.00
05/12/2020	HDH	CO	Telephone conference with Ira D. Kharasch regarding IFA claim	0.10	950.00	\$95.00
05/12/2020	HDH	CO	Review background regarding IFA claim	0.10	950.00	\$95.00
05/12/2020	HDH	CO	Revise Acis claim objection	1.80	950.00	\$1,710.00
05/12/2020	HDH	CO	Review correspondence regarding IFA claim	0.20	950.00	\$190.00
05/12/2020	IDK	CO	E-mails with J. Seery re Acis POC (.2); Telephone conference with H. Hochman re IFA POC, and need for revisions to objection to Acis claim (.3); Telephone conference and e-mail with J. Fried re IFA claim issues, including review of memo on IFA issues and background (.4).	0.90	1145.00	\$1,030.50
05/12/2020	IDK	CO	Review briefly initial summary of Daugherty POC and exhibits (.4); E-mails with G. Demo re same and need for information (.2); E-mails with attorneys re need for analysis of Daugherty POC and related materials for same (.3).	0.90	1145.00	\$1,030.50
05/12/2020	EAW	CO	Research re: alter ego, res judicata, punitive damages and attorneys' fees (UBS).	2.20	825.00	\$1,815.00
05/12/2020	EAW	CO	Review transcripts, briefs and related documents/information provided by I. Leventon (UBS).	1.90	825.00	\$1,567.50
05/12/2020	GVD	CO	Correspondence with I. Kharasch re P. Daugherty proofs of claim	0.20	825.00	\$165.00
05/13/2020	HDH	CO	Telephone conference with John D. Fiero and James	0.40	950.00	\$380.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
E. O'Neill regarding IFA claim						
05/13/2020	HDH	CO	Review and analyze IFA proof of claim and background	2.70	950.00	\$2,565.00
05/13/2020	HDH	CO	Telephone conference with Ira D. Kharasch regarding IFA	0.10	950.00	\$95.00
05/13/2020	IDK	CO	E-mails with Russ Nelms re Acis and alter ego issues and need for call re same.	0.20	1145.00	\$229.00
05/13/2020	JEO	CO	Email to DSI team re claims issues	0.20	925.00	\$185.00
05/13/2020	JEO	CO	Call with Josh Fried and Harry Hochman re IFA Claim	0.30	925.00	\$277.50
05/13/2020	JMF	CO	Review complaint and analyze issues re IFA claim (.5) and telephone call with H. Hochman and J. O'Neill re same (.3)	0.80	925.00	\$740.00
05/13/2020	EAW	CO	Research re: alter ego, res judicata, and automatic stay (UBS).	5.60	825.00	\$4,620.00
05/14/2020	HDH	CO	Further review of background documents regarding IFA litigation and claim	1.70	950.00	\$1,615.00
05/14/2020	HDH	CO	Begin drafting memo regarding IFA claim	2.20	950.00	\$2,090.00
05/14/2020	IDK	CO	Review of H. Hochman's latest revisions to objection to Acis POC (.3); E-mails with J. Seery re same (.1).	0.40	1145.00	\$458.00
05/14/2020	IDK	CO	E-mails with H. Hochman re documents re Daugherty POC and next steps.	0.30	1145.00	\$343.50
05/15/2020	HDH	CO	Review comments to Acis objection	0.20	950.00	\$190.00
05/15/2020	HDH	CO	Analysis and drafting of IFA claim memo	1.70	950.00	\$1,615.00
05/15/2020	IDK	CO	Attend conference call with DSI, J. Pomerantz re 3rd party claims issues.	0.60	1145.00	\$687.00
05/15/2020	IDK	CO	E-mails re I. Leventon correspondence with Board on related party claims and consider logistics (.2); E-mails with DSI, J. O'Neill re related party claims and nature of same and allegations (.2); E-mail to J. Pomerantz re his correspondence with Redeemer counsel on its claim (.1).	0.50	1145.00	\$572.50
05/15/2020	JNP	CO	Conference with Ira D. Kharasch, B. Sharp and T. Jeremiassen regarding related party claims.	0.50	1075.00	\$537.50
05/15/2020	JEO	CO	Participate in Highland Claims call with DSI team	0.70	925.00	\$647.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/15/2020	JMF	CO	Telephone call with J. O'Neill, J. Romey, G. Demo re claims analysis.	0.60	925.00	\$555.00
05/15/2020	JMF	CO	Review updated claims reconciliation analysis.	1.10	925.00	\$1,017.50
05/15/2020	EAW	CO	Research re: subordination, punitive damages, fraudulent transfer and res judicata (UBS).	4.00	825.00	\$3,300.00
05/15/2020	GVD	CO	Conference with DSI and PSZJ claims team re open items and next steps	0.50	825.00	\$412.50
05/17/2020	HDH	CO	Revise Acis objection	0.90	950.00	\$855.00
05/18/2020	HDH	CO	Analyze correspondence regarding Acis argument	0.20	950.00	\$190.00
05/18/2020	HDH	CO	Research Acis partnership issues	0.80	950.00	\$760.00
05/18/2020	HDH	CO	Draft email to Ira D. Kharasch regarding Acis issue	0.10	950.00	\$95.00
05/18/2020	IDK	CO	Extensive e-mails with D. Barton re Seery argument of no estate post Acis conference for benefit, impact of change of equity and bankruptcy filing of GP and partnership issues re same, including review of D. Barton's extensive analysis re same (.8); Review of prior memo on impact of GP chapter 11 filing on LP (.2); E-mail to Seery re same on his markup and need for call (.1); E-mails with H. Hochman re need to revise objection to Acis claim re same argument, and related caselaw on same issue (.4).	1.50	1145.00	\$1,717.50
05/18/2020	IDK	CO	Telephone J. Seery re his issues and thoughts on objection to Acis POC (1.1).	1.10	1145.00	\$1,259.50
05/18/2020	IDK	CO	E-mails with attorneys re further correspondence with I. Leventon on related party claims.	0.10	1145.00	\$114.50
05/19/2020	HDH	CO	Revise Acis claim objection	1.10	950.00	\$1,045.00
05/19/2020	HDH	CO	Research alter ego regarding IFA	1.30	950.00	\$1,235.00
05/19/2020	HDH	CO	Research and drafting of memo regarding IFA claim	3.30	950.00	\$3,135.00
05/19/2020	HDH	CO	Review and revise IFA memo	0.80	950.00	\$760.00
05/19/2020	IDK	CO	E-mails with H. Hochman re J. Seery's feedback on Acis claim objection and desire for more research.	0.30	1145.00	\$343.50
05/19/2020	JNP	CO	Conference with John A. Morris and Ira D. Kharasch regarding related parties claims.	0.40	1075.00	\$430.00
05/19/2020	JNP	CO	Email to I. Leventon regarding related party claims.	0.10	1075.00	\$107.50
05/19/2020	JMF	CO	Review updated claims analysis.	0.50	925.00	\$462.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/19/2020	JAM	CO	Revise stipulations for Brown Rudnick CLO claim (0.3); e-mail to R. Stark, J. Pomerantz re: extension of Bar Date and state court deadline (0.2); telephone conference with I. Leventon, S. Vitiello, T. Jeremiassen re: e-discovery AI protocol (0.5); e-mails with S. Ellington, J. Dubel, S. Vitiello, J. Pomerantz, S. Goldsmith re: stipulations with Brown Rudnick (0.1); e-mails with Z. Annabel, J. Pomerantz, G. Demo re: Brown Rudnick Bar Date Stipulation (0.1); telephone conference with J. Pomerantz, I. Kharasch, G. Demo re: CLOs and discovery (0.1).	1.30	1075.00	\$1,397.50
05/20/2020	HDH	CO	Revise Acis objection regarding alter ego analysis	0.90	950.00	\$855.00
05/21/2020	IDK	CO	E-mails with J. Pomerantz and E. Wagner re UBS and timing re objection to its claim (.2); Telephone conference with A. Kornfeld re same (.1).	0.30	1145.00	\$343.50
05/21/2020	IDK	CO	E-mails with H. Hochman re further research on alter ego re Acis allegations.	0.20	1145.00	\$229.00
05/21/2020	JMF	CO	Research re tax and claims issues re IRS issues (2.8); telephone calls with G. Demo re same (.3).	3.20	925.00	\$2,960.00
05/22/2020	IDK	CO	E-mails with H. Hochman re J. Seery's further issues re draft objection to Acis POC re "estate" and 550a, and consider.	0.50	1145.00	\$572.50
05/22/2020	IDK	CO	E-mails with attorneys re memo on IFA claim analysis and next steps.	0.20	1145.00	\$229.00
05/22/2020	JEO	CO	Participate in claims call with DSI and PSZJ teams	0.60	925.00	\$555.00
05/22/2020	JMF	CO	Review IFA memo re asserted claim.	0.80	925.00	\$740.00
05/22/2020	JMF	CO	Review updated claims analysis re call.	0.80	925.00	\$740.00
05/22/2020	JMF	CO	Review decisions re tax claims research issues.	0.70	925.00	\$647.50
05/22/2020	JAM	CO	Review R. Stark e-mail on Brown Rudnick dispute and e-mail to J. Dubel, J. Pomerantz re: same (0.1); telephone conference with J. Dubel re: Brown Rudnick claim (0.1); e-mail to J. Dubel, S. Vitiello, J. Pomerantz re: Brown Rudnick claim (0.1).	0.30	1075.00	\$322.50
05/22/2020	GVD	CO	Conference with PSZJ and DSI re status of claims reconciliation	0.70	825.00	\$577.50
05/23/2020	JMF	CO	Review analysis and research re tax claims and pass through issues re same.	0.80	925.00	\$740.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/24/2020	JMF	CO	Analyze issues re tax liability re asserted IRS claim.	1.10	925.00	\$1,017.50
05/25/2020	HDH	CO	Research Acis defense	0.90	950.00	\$855.00
05/25/2020	HDH	CO	Revise Acis claim objection	1.30	950.00	\$1,235.00
05/25/2020	IDK	CO	E-mails with H. Hochman re IFA claim and need for objection, and his new arguments in draft Acis objection re J. Seery "estate" issues.	0.40	1145.00	\$458.00
05/26/2020	HDH	CO	Telephone conference with Ira D. Kharasch regarding Acis	0.20	950.00	\$190.00
05/26/2020	IDK	CO	E-mails with I. Leventon, DSI, others re I. Leventon questions and concerns on deadline for employees to file POCs and explanation of prior stipulation/letter re same (.3); Telephone conference with J. Fried and J. Pomerantz re same, and J. Fried's follow up to client (.2).	0.50	1145.00	\$572.50
05/26/2020	JNP	CO	Conference with John A. Morris regarding implementation of settlement with Brown Rudnick.	0.10	1075.00	\$107.50
05/26/2020	BEL	CO	Telephone conference with John A. Morris regarding settlement.	0.10	825.00	\$82.50
05/26/2020	BEL	CO	Draft settlement agreement and confession of judgment.	3.60	825.00	\$2,970.00
05/26/2020	BEL	CO	Review and revise settlement agreement.	0.90	825.00	\$742.50
05/26/2020	JMF	CO	Review employee stipulation and emails to B. Collins and DSI re bar date issues.	0.40	925.00	\$370.00
05/26/2020	JAM	CO	Review Redeemer Award and prepare e-mail for J. Pomerantz, I. Kharasch, G. Demo concerning issues that may reduce the value of the Award (0.7); review research memos concerning setoff and Redeemer Committee claims and send e-mails to J. Pomerantz, I. Kharasch, G. Demo concerning the same (0.4).	1.10	1075.00	\$1,182.50
05/27/2020	HDH	CO	Review documents regarding Hinter Mountain and IFA claims	1.00	950.00	\$950.00
05/27/2020	IDK	CO	Review and consider further revised objection to Acis POC re J. Seery requests for further analysis (.5); E-mail to Board re same (.1).	0.60	1145.00	\$687.00
05/27/2020	IDK	CO	Review of correspondence re claims filed by key employees.	0.20	1145.00	\$229.00
05/27/2020	IDK	CO	E-mails with attorneys re need for objection to claim of Hunter Mountain, and IFA, and related material.	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/27/2020	JEO	CO	Review new claims filed and email to PSZJ team re same.	0.50	925.00	\$462.50
05/27/2020	JMF	CO	Research re Hunter Mountain Claim.	2.40	925.00	\$2,220.00
05/27/2020	JMF	CO	Review recently filed employee claims.	0.80	925.00	\$740.00
05/27/2020	JMF	CO	Review issues re IFA claim.	0.70	925.00	\$647.50
05/28/2020	HDH	CO	Begin drafting objection to IFA claim	1.50	950.00	\$1,425.00
05/28/2020	HDH	CO	Review and analyze Hunter Mountain documents	2.30	950.00	\$2,185.00
05/28/2020	IDK	CO	Review of correspondence and term sheet from Redeemer on its claim and consider same.	0.20	1145.00	\$229.00
05/28/2020	JJK	CO	Emails Kharasch on Acis related matters.	0.20	895.00	\$179.00
05/28/2020	JEO	CO	Calls and emails with DSI team regarding claim analysis	1.30	925.00	\$1,202.50
05/28/2020	JMF	CO	Review claims analysis re objections to disputed claims.	0.50	925.00	\$462.50
05/28/2020	JAM	CO	Review/revise Brown Rudnick settlement agreement (0.6); e-mail to G. Demo, J. Pomerantz, I. Kharasch re: Brown Rudnick settlement agreement (0.1); telephone conference with J. Pomerantz re: CLO HoldCo inquiries (0.1); telephone conference with J. Pomerantz, J. Kane re: CLO HoldCo inquiries (0.3); further revisions to Brown Rudnick settlement agreement (0.2); e-mail to J. Dubel, S. Vitiello re: Brown Rudnick settlement agreement (0.1); telephone conference with J. Dubel re: Brown Rudnick Settlement Agreement (0.1); further revisions to Brown Rudnick settlement agreement (0.1).	1.60	1075.00	\$1,720.00
05/29/2020	HDH	CO	Research HMT subordination issues	1.20	950.00	\$1,140.00
05/29/2020	HDH	CO	Telephone conference with Sharp regarding Hunter Mountain	0.20	950.00	\$190.00
05/29/2020	HDH	CO	Draft HMT subordination complaint	1.30	950.00	\$1,235.00
05/29/2020	IDK	CO	Review of correspondence with DSI, J. O'Neill re employee claim issues.	0.20	1145.00	\$229.00
05/29/2020	IDK	CO	E-mail to J. Fried re Hunter Mountain subordination issues and next steps re same, including correspondence from others.	0.20	1145.00	\$229.00
05/29/2020	JEO	CO	Emails with Jack Donohue re claims analysis	0.60	925.00	\$555.00

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				Hours	Rate	Amount
05/29/2020	JEO	CO	Call with Jack Donohue re claims	0.50	925.00	\$462.50
05/29/2020	JEO	CO	Review materials re employee claims	0.40	925.00	\$370.00
05/29/2020	JMF	CO	Review updated claims analysis and employee claims.	0.50	925.00	\$462.50
05/29/2020	JAM	CO	E-mail to R. Stark re: settlement agreement with Brown Rudnick (0.1); review e-mail from ACIS CLO 2014-3 concerning NWCC lawsuit (0.2); e-mails with G. Demo, I. Kharasch, S. Vitiello re: NWCC lawsuit (0.1); e-mails with DSI, Sidley, Highland re: discovery (0.2); telephone conference with J. Dubel, S. Vitiello re: Brown Rudnick (0.3); telephone conference with J. Dubel re: Brown Rudnick (0.1); telephone conference with J. Dubel, S. Vitiello re: Brown Rudnick (0.2).	1.20	1075.00	\$1,290.00
05/29/2020	GVD	CO	Conference with J. Donohue re status of claims analysis and next steps	0.30	825.00	\$247.50
05/29/2020	GVD	CO	Draft response letter re employee request	0.70	825.00	\$577.50
05/30/2020	HDH	CO	Research and analysis of HMT issues	1.30	950.00	\$1,235.00
05/30/2020	HDH	CO	Draft HMT objection	1.50	950.00	\$1,425.00
05/31/2020	HDH	CO	Draft HMT claim objection	5.70	950.00	\$5,415.00
05/31/2020	JNP	CO	Review memo regarding set-off issues.	0.20	1075.00	\$215.00
05/31/2020	JAM	CO	Telephone conference with J. Pomerantz re: Redeemer Committee claim and setoff (0.1); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: analyses of Redeemer Arbitration Award (0.2).	0.30	1075.00	\$322.50
				158.90		\$152,114.00

Compensation Prof. [B160]

04/07/2020	PJJ	CP	Review and revise March invoice in preparation of monthly fee statement.	0.50	425.00	\$212.50
04/08/2020	PJJ	CP	Prepare March fee statement.	4.00	425.00	\$1,700.00
05/01/2020	JNP	CP	Email regarding U.S. Trustee request for LEEDS information.	0.10	1075.00	\$107.50
05/05/2020	PJJ	CP	Prepare CNO re PSZJ March fee statement.	0.40	425.00	\$170.00
05/05/2020	JMF	CP	Review application and edits to CNO and emails re same re PSZJ monthly app.	0.30	925.00	\$277.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/11/2020	JNP	CP	Review and revise April pre-bill.	1.00	1075.00	\$1,075.00
05/13/2020	JNP	CP	Email to board enclosing CNO for March fees and expenses.	0.10	1075.00	\$107.50
05/16/2020	PJJ	CP	Draft April fee statement.	2.00	425.00	\$850.00
05/18/2020	JNP	CP	Emails regarding bill.	0.10	1075.00	\$107.50
05/18/2020	JMF	CP	Review April bill and emails re same (.4); Draft April monthly fee application (1.8).	2.20	925.00	\$2,035.00
05/19/2020	JNP	CP	Review April fee statement.	0.30	1075.00	\$322.50
05/19/2020	JMF	CP	Review April statement and PSZJ bill.	0.50	925.00	\$462.50
05/20/2020	JNP	CP	Email to Board regarding April fees.	0.10	1075.00	\$107.50
05/20/2020	PJJ	CP	Revise April fee statement.	0.80	425.00	\$340.00
05/21/2020	KKY	CP	Draft certification of no objection re 1st interim fee app of PSZJ for 10/16/19 through 3/31/20	0.10	425.00	\$42.50
05/21/2020	PJJ	CP	Prepare April fee statement for filing.	0.50	425.00	\$212.50
05/21/2020	JMF	CP	Finalize April PSZJ application.	0.40	925.00	\$370.00
				13.40		\$8,500.00

Comp. of Prof./Others

04/24/2020	PJJ	CPO	Review comments from local counsel to Mercer interim fee application (.2); revise same (.8).	1.00	425.00	\$425.00
05/01/2020	JEO	CPO	Email to DSI team re OCP Payment report	0.20	925.00	\$185.00
05/01/2020	JEO	CPO	Follow up with client and local counsel re OCP report	0.40	925.00	\$370.00
05/01/2020	GVD	CPO	Review ordinary course professionals report	0.10	825.00	\$82.50
05/05/2020	JEO	CPO	Confirm client sign off for OCP payment report and organize filing of same	0.40	925.00	\$370.00
05/06/2020	KKY	CPO	Review and revise fee chart	0.10	425.00	\$42.50
05/11/2020	JMF	CPO	Review OCP order and Carey invoices.	0.30	925.00	\$277.50
05/11/2020	JMF	CPO	Review OCP order and Carey invoices.	0.30	925.00	\$277.50
05/12/2020	KKY	CPO	Review and revise fee chart	0.10	425.00	\$42.50
05/12/2020	PJJ	CPO	Review ordinary course professionals monthly fee caps re Carey Olsen.	0.30	425.00	\$127.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/12/2020	PJJ	CPO	Draft Mercer 2nd monthly fee statement.	1.40	425.00	\$595.00
05/12/2020	JMF	CPO	Review Carey invoices and order re same.	0.40	925.00	\$370.00
05/12/2020	JMF	CPO	Review Mercer application.	0.30	925.00	\$277.50
05/13/2020	JMF	CPO	Review Mercer fee app (.4); telephone call with P. Jeffries re edits to same (.1).	0.50	925.00	\$462.50
05/13/2020	JMF	CPO	Emails re Carey invoices an payment of same.	0.10	925.00	\$92.50
05/19/2020	GVD	CPO	Review correspondence btwn Foley and UST re redaction issues	0.20	825.00	\$165.00
05/19/2020	GVD	CPO	Conference with E. Bromagen re UST issues re fee redaction	0.10	825.00	\$82.50
05/20/2020	KKY	CPO	Review and revise fee chart	0.20	425.00	\$85.00
05/20/2020	KKY	CPO	Respond (.1) to email from James E. O'Neill re OCP reports; and prepare (.1) attachments to same	0.20	425.00	\$85.00
05/20/2020	JEO	CPO	Call with Holly O'Neil to prepare for fee application hearing	0.30	925.00	\$277.50
05/20/2020	JEO	CPO	Review OCP reports	0.20	925.00	\$185.00
05/20/2020	JEO	CPO	Research local rules question regarding interim compensation procedures and email to PSZJ team re same	0.60	925.00	\$555.00
05/20/2020	JEO	CPO	Emails with Holly O'Neil to prepare for fee hearing on Foley fee application	0.90	925.00	\$832.50
05/21/2020	JNP	CPO	Review emails regarding Foley compensation application.	0.20	1075.00	\$215.00
05/21/2020	KKY	CPO	Draft certification of no objection re 1st interim fee app of Mercer for 11/15/19 through 2/29/20	0.10	425.00	\$42.50
05/21/2020	KKY	CPO	Prepare fee orders re 5/26/20 hearing	0.20	425.00	\$85.00
05/21/2020	JEO	CPO	Emails with PSZJ team re possible resolution of pending objection to Foley fee application scheduled for hearing on 5/26	0.80	925.00	\$740.00
05/21/2020	JEO	CPO	Emails with committee counsel re fee app status and requirements for hearing	0.60	925.00	\$555.00
05/21/2020	JEO	CPO	Review witness and exhibit list for hearing on Foley fee application	0.60	925.00	\$555.00
05/21/2020	JMF	CPO	Review Foley invoices and emails re issues re 5/26	0.20	925.00	\$185.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			hearing.			
05/22/2020	KKY	CPO	Review and revise fee orders for 5/26/20 hearing	0.30	425.00	\$127.50
05/22/2020	KKY	CPO	Review and revise fee chart	0.30	425.00	\$127.50
05/22/2020	JEO	CPO	Review status of fee applications for professionals in preparation for 5/26 hearing	0.60	925.00	\$555.00
05/22/2020	GVD	CPO	Multiple conferences with Winstead re Foley fees	0.40	825.00	\$330.00
05/22/2020	GVD	CPO	Conference with H. O'Neil re Winstead fee issues	0.20	825.00	\$165.00
05/24/2020	GVD	CPO	Multiple correspondence with H. O'Neil re payment of Foley fees	0.30	825.00	\$247.50
05/24/2020	GVD	CPO	Review revisions to proposed language to Foley interim payment from R. Patel	0.20	825.00	\$165.00
05/25/2020	JMF	CPO	Review guidelines and interim compensation order re 5/26 hearing issues.	0.30	925.00	\$277.50
05/25/2020	GVD	CPO	Attend to issues re payment of Foley fees	0.30	825.00	\$247.50
05/28/2020	KKY	CPO	Review and revise fee chart	0.30	425.00	\$127.50
05/28/2020	GVD	CPO	Review DSI invoices for privilege	0.60	825.00	\$495.00
05/28/2020	GVD	CPO	Correspondence with B. Sharp re Maples fee payment	0.10	825.00	\$82.50
05/29/2020	KKY	CPO	Review and revise fee chart	0.10	425.00	\$42.50
				15.30		\$11,632.50

Employee Benefit/Pension-B220

05/01/2020	JNP	EB	Conference with J. Dubel regarding CEO Agreement.	0.10	1075.00	\$107.50
05/01/2020	JNP	EB	Email revised CEO Agreement to J. Seery for comment.	0.10	1075.00	\$107.50
05/04/2020	JMF	EB	Draft motion to appoint chief executive officer and chief restructuring officer application.	0.80	925.00	\$740.00
05/04/2020	GVD	EB	Review draft CEO agreement re withholding tax	0.10	825.00	\$82.50
05/11/2020	JNP	EB	Review and comment on CEO motion.	0.30	1075.00	\$322.50
05/11/2020	JNP	EB	Conference with Compensation Committee regarding status of CEO Agreement.	0.20	1075.00	\$215.00
05/11/2020	JMF	EB	Review engagement agreement and draft motion to	3.40	925.00	\$3,145.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			retain James Seery as CEO and CRO.			
05/11/2020	GVD	EB	Review and revise draft engagement letter for CEO	0.10	825.00	\$82.50
05/11/2020	GVD	EB	Correspondence with J. Fried re updated engagement letter for CEO; review motion re same	0.60	825.00	\$495.00
05/12/2020	IDK	EB	Review of correspondence with Board on J. Seery compensation and status of Committee communications re same.	0.20	1145.00	\$229.00
05/12/2020	JMF	EB	Review employee letter and exhibits re claims.	0.30	925.00	\$277.50
05/12/2020	JMF	EB	Review final term sheet and global settlement re CEO appointment issues (1.1); draft pleading to appoint CEO (.8).	1.90	925.00	\$1,757.50
05/12/2020	GVD	EB	Review and circulate changes to motion to appoint CEO/CRO	0.70	825.00	\$577.50
05/12/2020	GVD	EB	Correspondence with J. Fried re revisions to motion to appoint CEO/CRO	0.30	825.00	\$247.50
05/13/2020	GVD	EB	Revise draft CEO retention letter re comments from J. Dubel	0.20	825.00	\$165.00
05/13/2020	GVD	EB	Revise CEO retention motion; correspondence with J. Fried re same	0.20	825.00	\$165.00
05/15/2020	JNP	EB	Conference with J. Dubel regarding Jim Seery retention agreement.	0.20	1075.00	\$215.00
05/18/2020	JMF	EB	Review employee bonus motion and draft summary of programs (.8); telephone call with Brian Collins re same and employee inquiry (.3).	1.10	925.00	\$1,017.50
05/19/2020	JNP	EB	Emails regarding CEO motion and review charges.	0.20	1075.00	\$215.00
05/19/2020	JNP	EB	Email to Committee advisors compensation report.	0.10	1075.00	\$107.50
05/19/2020	JMF	EB	Review CEO application and edits to same.	0.40	925.00	\$370.00
05/19/2020	GVD	EB	Revise draft CEO retention agreement	0.50	825.00	\$412.50
05/19/2020	GVD	EB	Conference with J. Dubel re revisions to CEO retention motion	0.20	825.00	\$165.00
05/20/2020	JNP	EB	Conference with J. Dubel regarding call with FTI regarding CEO compensation.	0.20	1075.00	\$215.00
05/20/2020	JMF	EB	Review CEO motion and engagement letter.	0.60	925.00	\$555.00
05/20/2020	GVD	EB	Further review and revise motion re retention of CEO	0.50	825.00	\$412.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/21/2020	JNP	EB	Conference with Gregory V. Demo regarding CEO retention and related issues.	0.20	1075.00	\$215.00
05/21/2020	JMF	EB	Review CEO application and edits to same.	0.40	925.00	\$370.00
05/21/2020	GVD	EB	Correspondence with Committee re CEO/CRO retention agreement	0.20	825.00	\$165.00
05/21/2020	GVD	EB	Review and revise motion to retain CEO/CRO re comments from J. Seery	0.30	825.00	\$247.50
05/21/2020	GVD	EB	Conference with J. Seery re CEO retention application	0.10	825.00	\$82.50
05/26/2020	JMF	EB	Draft motion to shorten time for hearing on CEO/CRO and DSI motions.	1.90	925.00	\$1,757.50
05/28/2020	GVD	EB	Correspondence with J. Pomerantz re status of CEO retention motion	0.10	825.00	\$82.50
				16.70		\$15,321.50

Financial Filings [B110]

05/01/2020	JEO	FF	Email with Jack Donohue re March 2020 MOR	0.20	925.00	\$185.00
05/05/2020	JNP	FF	Emails regarding filing of Monthly Operating Report.	0.10	1075.00	\$107.50
05/05/2020	JEO	FF	Email to client and DSI team re monthly operating report	0.20	925.00	\$185.00
05/05/2020	JEO	FF	Call with Frank Waterhouse re monthly operating report	0.20	925.00	\$185.00
05/05/2020	JEO	FF	Further emails with PSZJ team re monthly operating report	0.30	925.00	\$277.50
05/13/2020	JEO	FF	Email to Jack Donohue re monthly operating report.	0.20	925.00	\$185.00
05/14/2020	JEO	FF	Review final version of operating report and arrange for filing and service.	0.30	925.00	\$277.50
				1.50		\$1,402.50

General Business Advice [B410]

05/01/2020	IDK	GB	Attend conference call with Board on open issues and plan concepts.	2.40	1145.00	\$2,748.00
05/01/2020	IDK	GB	E-mails with attorneys re J. Seery correspondence with Frank and I. Leventon on his views on pre and	0.50	1145.00	\$572.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			post-petition indemnity obligations of debtor, relevant portions of LP and charter agreements and issues (.5).			
05/01/2020	IDK	GB	Telephone conference with both J. Pomerantz and R. Pachulski re board call, plan, indemnification claims (.5); Telephone conference with J. Pomerantz re status on same issues (.1); E-mails and telephone conference with J. Pomerantz re my draft letter to Board on indemnity issues and updates from Dubel on Board response to same (.4).	1.00	1145.00	\$1,145.00
05/01/2020	IDK	GB	Review of DSI Deck for Committee meeting (.2); Telephone conferences with J. Pomerantz re his conversation with Redeemer counsel on next steps in case (.2); E-mails with Redeemer counsels re coordination of call next week (.1).	0.50	1145.00	\$572.50
05/01/2020	JNP	GB	Conference with J. Dubel regarding status of various matters (several).	0.50	1075.00	\$537.50
05/01/2020	JNP	GB	Participate on lengthy call with Board, DSI, Gregory V. Demo and Ira D. Kharasch regarding variety of issues.	2.20	1075.00	\$2,365.00
05/01/2020	JNP	GB	Conference with Richard M. Pachulski and Ira D. Kharasch regarding variety of pending issues.	0.50	1075.00	\$537.50
05/01/2020	JNP	GB	Conference with Gregory V. Demo after Board call.	0.10	1075.00	\$107.50
05/01/2020	RMP	GB	Conference call with I. Kharasch and J. Pomerantz re indemnification issues.	0.20	1445.00	\$289.00
05/01/2020	RMP	GB	Follow-up with I. Kharasch re indemnity issues.	0.20	1445.00	\$289.00
05/01/2020	GVD	GB	Draft board minutes	0.40	825.00	\$330.00
05/01/2020	GVD	GB	Conference with Board, PSZJ, and DSI re status of case and next steps	2.20	825.00	\$1,815.00
05/01/2020	GVD	GB	Review correspondence re indemnification issues; respond to same	0.40	825.00	\$330.00
05/01/2020	GVD	GB	Correspondence with I. Kharasch re research re indemnification issues	0.30	825.00	\$247.50
05/01/2020	GVD	GB	Conference with I. Kharasch and J. Pomerantz re status of the case and next steps	0.20	825.00	\$165.00
05/01/2020	GVD	GB	Correspondence re scheduling of board meetings	0.20	825.00	\$165.00
05/03/2020	JNP	GB	Address issues relating to indemnification.	0.50	1075.00	\$537.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/04/2020	IDK	GB	Attend conference call with Redeemer legal team of Terry, Mark and Michael, on overall case issues (.8); Telephone J. Pomerantz re same as well as Acis objection (.2).	1.00	1145.00	\$1,145.00
05/04/2020	IDK	GB	Review of correspondence with Board re Committee meeting and UBS settlement to Committee (.1); E-mails with DSI, Board re Committee feedback on meeting (.1)	0.20	1145.00	\$229.00
05/04/2020	IDK	GB	E-mail and telephone conference with J. Pomerantz re Board issues, Dubel memo on indemnity claims, Terry litigation.	0.20	1145.00	\$229.00
05/04/2020	IDK	GB	E-mails with DSI, Board re need for call later today on Committee presentation (.1); Attend Board call re same and re plan options (1.5); Review and revise plan term sheet re same for UCC presentation (.5); Telephone conferences with J. Pomerantz re same, changes to term sheet, and next steps (.3).	2.40	1145.00	\$2,748.00
05/04/2020	JNP	GB	Review email from J. Dubel regarding indemnification.	0.10	1075.00	\$107.50
05/04/2020	JNP	GB	Participate on call with Board in preparation for call with Committee.	1.50	1075.00	\$1,612.50
05/04/2020	GVD	GB	Conference with Board re preparation for committee meeting	1.50	825.00	\$1,237.50
05/05/2020	IDK	GB	Telephone conference with J. Pomerantz re communications with Board re plan term sheet, Redeemer, and tomorrow's Committee call (.2); E-mails with attorneys re issues of indemnity memo re officers, employees (.2); E-mail to attorneys re Dondero valuation of assets, including review of same (.2).	0.60	1145.00	\$687.00
05/05/2020	IDK	GB	E-mails with Board re need for call on status (.1); Review of DSI revised Deck for committee meeting (.2); Attend part of Board call (.3); Telephone conference with J. Pomerantz re same and summary of Board call with Redeemer and next steps (.2); Attend continued Board call re Committee ;meeting tomorrow (.7); Telephone conference with J. Pomerantz re result of same (.1).	1.60	1145.00	\$1,832.00
05/05/2020	JNP	GB	Conference with J. Dubel regarding case issues.	0.40	1075.00	\$430.00
05/05/2020	JNP	GB	Conference with I. Leventon regarding indemnification and related issues.	0.20	1075.00	\$215.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/05/2020	JNP	GB	Conference with Ira D. Kharasch regarding call with J. Dubel.	0.10	1075.00	\$107.50
05/05/2020	JNP	GB	Calls with Board regarding materials for Committee presentation.	1.00	1075.00	\$1,075.00
05/05/2020	JNP	GB	Conference with J. Dubel regarding Plan and business issues.	0.20	1075.00	\$215.00
05/05/2020	JNP	GB	Participate on call with DSI, Ira D. Kharasch, Gregory V. Demo and Board regarding Committee presentation.	0.40	1075.00	\$430.00
05/05/2020	JNP	GB	Conference with J. Dubel regarding Committee presentation.	0.30	1075.00	\$322.50
05/05/2020	GVD	GB	Conference with Board re preparation for Committee meeting	1.30	825.00	\$1,072.50
05/06/2020	JNP	GB	Conference with J. Dubel regarding various business related and Plan issues.	0.60	1075.00	\$645.00
05/07/2020	IDK	GB	E-mail and telephone conference with Dubel re general case issues and J. Terry/Acis (.6); E-mails with Board members re scheduling call on Acis issues (.1).	0.70	1145.00	\$801.50
05/07/2020	IDK	GB	Telephone conference with J. Pomerantz re general issues and case and plan (.3).	0.30	1145.00	\$343.50
05/07/2020	JNP	GB	Conference with J. Dubel (several) regarding status of variety of business issues.	0.40	1075.00	\$430.00
05/08/2020	IDK	GB	E-mails with attorneys re Wilmer Hale and indemnification issues and next steps.	0.20	1145.00	\$229.00
05/08/2020	JNP	GB	Conference with J. Dubel regarding Plan, Multi Strat and various related issues.	1.00	1075.00	\$1,075.00
05/08/2020	GVD	GB	Review issues re authorized signer	0.20	825.00	\$165.00
05/09/2020	JAM	GB	Review form of NDA and make further revisions to DSI form of NDA agreement (0.4); e-mails to J. Pomerantz, G. Demo re: revisions to DSI's form of NDA agreement (0.2); e-mail to B. Sharp, J. Pomerantz re: form of NDA agreement (0.1).	0.70	1075.00	\$752.50
05/11/2020	IDK	GB	Attend Board call on various matters and Acis/UBS litigation (1.1); E-mails with Board, DSI, re coordination of next Board call (.2).	1.30	1145.00	\$1,488.50
05/11/2020	IDK	GB	Review of DSI correspondence to Board re employees.	0.10	1145.00	\$114.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/11/2020	JNP	GB	Participate on Board call regarding litigation strategy.	1.00	1075.00	\$1,075.00
05/12/2020	JNP	GB	Emails to and from J. Dubel regarding communications with committee.	0.10	1075.00	\$107.50
05/12/2020	JNP	GB	Review 4-29 Board minutes.	0.10	1075.00	\$107.50
05/12/2020	GVD	GB	Review and circulate board minutes for signature	0.10	825.00	\$82.50
05/13/2020	IDK	GB	Telephone conferences with J. Pomerantz re status, case issues, Terry, Committee and compensation for CEO.	0.20	1145.00	\$229.00
05/13/2020	IDK	GB	Emails with Board on revised compensation for J. Seery (.1); E-mails with Board, DSI, others re revised agenda and updated cash flow forecast for Board call, including review of same (.4); Attend conference call with Board, DSI, others on all open issues (1.5); Telephone conference with J. Pomerantz re result of same (.1).	2.10	1145.00	\$2,404.50
05/13/2020	IDK	GB	E-mail to G. Demo and J. Pomerantz on indemnification update and Wilmer Hale (.2); Review of correspondence with Committee re protocol change status and compensation (.1).	0.30	1145.00	\$343.50
05/13/2020	JNP	GB	Reviews agenda for Board call; Conference with Gregory V. Demo regarding same.	0.30	1075.00	\$322.50
05/13/2020	JNP	GB	Participate on Board call.	1.50	1075.00	\$1,612.50
05/13/2020	JNP	GB	Conference with J. Dubel after Board call.	0.10	1075.00	\$107.50
05/13/2020	JNP	GB	Conference with Ira D. Kharasch after Board call.	0.10	1075.00	\$107.50
05/13/2020	JNP	GB	Conference with J. Dubel regarding exclusivity and related issues; Follow-up call regarding call with M. Clemente (2x).	0.50	1075.00	\$537.50
05/13/2020	GVD	GB	Attend board meeting	1.50	825.00	\$1,237.50
05/13/2020	GVD	GB	Draft and circulate agenda for board meeting	0.40	825.00	\$330.00
05/13/2020	GVD	GB	Review resolutions from WilmerHale; correspondence re same	0.20	825.00	\$165.00
05/13/2020	GVD	GB	Correspondence with R. Nelms re revisions to board minutes	0.10	825.00	\$82.50
05/14/2020	IDK	GB	Telephone conferences with J. Pomerantz re status and next steps and consider.	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/15/2020	IDK	GB	Attend Board call on status, Committee update on exclusivity, issues and consider (.8); Review of correspondence to Committee tomorrow re feedback on protocol changes (.1).	0.90	1145.00	\$1,030.50
05/15/2020	JNP	GB	Participate on call with Board, DSI, Gregory V. Demo and Ira D. Kharasch regarding outstanding issues.	0.80	1075.00	\$860.00
05/15/2020	GVD	GB	Conference with Board and PSZJ re committee requests and next steps	0.70	825.00	\$577.50
05/15/2020	GVD	GB	Conference with T. Silva re general fiduciary duty issues	0.20	825.00	\$165.00
05/17/2020	JNP	GB	Conference with Ira D. Kharasch regarding call with J. Dubel regarding various issues.	0.20	1075.00	\$215.00
05/17/2020	JNP	GB	Conference with J. Dubel regarding variety of pending issues.	0.50	1075.00	\$537.50
05/18/2020	DJB	GB	Respond to I. Kharasch re fiduciary and dissolution issues.	0.80	1195.00	\$956.00
05/18/2020	IDK	GB	Telephone conference with G. Demo re fiduciary duty issues for presentation (.1); E-mails with D. Barton re same, including review of his prior Declaration on post-petition fiduciary duties and questions (.5); Telephone conference with J. Pomerantz re same (.10; E-mails with D. Barton, J. Pomerantz re need for call on same (.10; E-mails with L. Forester re same (.1).	0.90	1145.00	\$1,030.50
05/18/2020	IDK	GB	Telephone conference with J. Pomerantz re status and next steps on calls, issues (.1); E-mails with J. Morris re same and need for call on issues, tasks (.1).	0.20	1145.00	\$229.00
05/18/2020	IDK	GB	E-mails with G. Demo and Board re further revised protocols with Committee feedback for changes, including review of same and Board questions.	0.20	1145.00	\$229.00
05/18/2020	JNP	GB	Conference with J. Dubel regarding pending matters.	0.10	1075.00	\$107.50
05/18/2020	GVD	GB	Conference with I. Kharasch re fiduciary duty issues	0.10	825.00	\$82.50
05/18/2020	GVD	GB	Draft correspondence to D. Barton re fiduciary duty presentation	0.30	825.00	\$247.50
05/18/2020	GVD	GB	Correspondence with J. Seery re presentation of plan structure to the board	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/19/2020	DJB	GB	Prepare for conference call re client's fiduciary duties; Conference call re same; Consider DE law; Conference call with internal group re same.	2.30	1195.00	\$2,748.50
05/19/2020	DJB	GB	Begin preparation of board declarations.	1.50	1195.00	\$1,792.50
05/19/2020	IDK	GB	E-mails with attorneys re issues on fiduciary duties and cases (.2); Attend initial conference call with D. Barton, others on fiduciary duty presentation for Board (.5); Telephone conference with J. Pomerantz and G. Demo on CLO Holdco demand, on plan and other related issues, and then J. Morris joining re CLO Holdco discovery request (.4); Attend second conference call with D. Barton, others on fiduciary duty presentation (.3); Telephone conference and e-mail with J. Pomerantz re status and Committee re Seery compensation and Board feedback to expert, and correspondence to Committee re comps (.3).	1.70	1145.00	\$1,946.50
05/19/2020	JNP	GB	Conference with J. Dubel regarding Plan and other related issues.	0.20	1075.00	\$215.00
05/19/2020	JNP	GB	Conference with Ira D. Kharasch, Gregory V. Demo and David J. Barton regarding fiduciary duty issues.	0.90	1075.00	\$967.50
05/19/2020	JNP	GB	Conference with J. Dubel regarding various Plan and business issues.	0.30	1075.00	\$322.50
05/19/2020	JNP	GB	Conference with Ira D. Kharasch regarding CEO comp, Plan issues and related.	0.20	1075.00	\$215.00
05/19/2020	JAM	GB	Telephone conference with J. Pomerantz, I. Kharasch re: assessing related-party/affiliate claims (0.5).	0.50	1075.00	\$537.50
05/19/2020	GVD	GB	Multiple conferences with D. Barton, J. Pomerantz, and I. Kharasch re fiduciary issues	0.90	825.00	\$742.50
05/19/2020	GVD	GB	Conference with J. Seery re open items and next steps	0.40	825.00	\$330.00
05/20/2020	DJB	GB	Work on board presentation re fiduciary duties; Transmit draft to internal group.	5.20	1195.00	\$6,214.00
05/20/2020	DJB	GB	Review comments; Revise board presentation.	0.50	1195.00	\$597.50
05/20/2020	IDK	GB	Telephone conference with J. Pomerantz re status and communications with board and Committee re J. Seery compensation (.1); E-mails with Board re coordination of board call (.1).	0.20	1145.00	\$229.00
05/20/2020	IDK	GB	E-mails with J. Morris, others re his draft e-mail to	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Dondero counsel re their concerns and timing and need for Board approval.			
05/20/2020	IDK	GB	Review and consider D. Barton draft presentation to Board re fiduciary duty issues and impact of LP/LLC structure on standing re same (.4); E-mails with D. Barton re my feedback for changes to same (.3); E-mails with J. Pomerantz re same (.1).	0.80	1145.00	\$916.00
05/20/2020	JNP	GB	Conference with Board regarding Plan issues.	1.50	1075.00	\$1,612.50
05/20/2020	JNP	GB	Conference with J. Dubel regarding Plan issues after Board call.	0.30	1075.00	\$322.50
05/20/2020	JMF	GB	Analyze open officer insurance questions and email G. Demo re same.	0.40	925.00	\$370.00
05/20/2020	JAM	GB	Draft e-mail to M. Lynn re: fiduciary duties (0.3).	0.30	1075.00	\$322.50
05/20/2020	GVD	GB	Review D. Barton presentation on fiduciary duties	0.40	825.00	\$330.00
05/21/2020	DJB	GB	Transmit revised PowerPoint to internal team.	0.20	1195.00	\$239.00
05/21/2020	IDK	GB	E-mails and telephone conference with J. Pomerantz re discussions with Committee re compensation, fiduciary duty (.3); Review of D. Barton's revised memo to Board o fiduciary duties and consider need for revisions (.3); E-mails with D. Barton re same on issues to address (.2); E-mails with Board, others on proposed agenda for Board call tomorrow (.2).	1.00	1145.00	\$1,145.00
05/21/2020	JNP	GB	Conference with J. Dubel regarding CEO,Plan and other issues.	0.20	1075.00	\$215.00
05/21/2020	GVD	GB	Draft board minutes	0.30	825.00	\$247.50
05/21/2020	GVD	GB	Correspondence with insurance broker re open items	0.20	825.00	\$165.00
05/21/2020	GVD	GB	Correspondence with board re board materials	0.20	825.00	\$165.00
05/21/2020	GVD	GB	Review fiduciary duty presentation from WilmerHale	0.40	825.00	\$330.00
05/21/2020	GVD	GB	Revise and circulate response to D&O provider	0.20	825.00	\$165.00
05/21/2020	GVD	GB	Draft board agenda for meeting	0.50	825.00	\$412.50
05/21/2020	GVD	GB	Conference with T. Silva re fiduciary duty issues	0.10	825.00	\$82.50
05/22/2020	DJB	GB	Revise declaration re fiduciary duty; Transmit revised declaration to G. Demo; Prepare for board meeting.	2.40	1195.00	\$2,868.00
05/22/2020	DJB	GB	Participate in board call.	2.80	1195.00	\$3,346.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/22/2020	IDK	GB	E-mails with Board, others, re revised plan and fiduciary duty memos for board call and various agenda items (.2); Prepare for Board call on all open issues, operations, and fiduciary duty presentation, plan, Acis, other (.4); Attend conference call with Board, DSI, others re same (2.5); Telephone J. Pomerantz re result of call (.1).	3.20	1145.00	\$3,664.00
05/22/2020	JNP	GB	Participate on Board call.	0.50	1075.00	\$537.50
05/22/2020	JNP	GB	Conference with J. Dubel regarding results of Board call.	0.40	1075.00	\$430.00
05/22/2020	GVD	GB	Attend board call	2.50	825.00	\$2,062.50
05/22/2020	GVD	GB	Draft board minutes	0.70	825.00	\$577.50
05/22/2020	GVD	GB	Correspondence with Board re fiduciary duty issues	0.10	825.00	\$82.50
05/23/2020	IDK	GB	Telephone conferences with J. Pomerantz re status and communications with Board members today.	0.20	1145.00	\$229.00
05/23/2020	JNP	GB	Conference with J. Dubel regarding professional fees, plan and related issues.	0.30	1075.00	\$322.50
05/23/2020	JNP	GB	Conference with Ira D. Kharasch and Gregory V. Demo regarding results of Board call.	0.50	1075.00	\$537.50
05/24/2020	JNP	GB	Review Board meeting minutes.	0.10	1075.00	\$107.50
05/25/2020	GVD	GB	Correspondence with board re minutes from meeting	0.10	825.00	\$82.50
05/25/2020	GVD	GB	Correspondence with Board re materials for meeting	0.10	825.00	\$82.50
05/26/2020	IDK	GB	Office conference with J. Pomerantz re upcoming Board call today (.1); Attend conference call with Board on open issues, plan, other (1.1).	1.20	1145.00	\$1,374.00
05/26/2020	JNP	GB	Participate in Board call.	1.00	1075.00	\$1,075.00
05/26/2020	JNP	GB	Conference with Ira D. Kharasch after Board call regarding miscellaneous issues.	0.20	1075.00	\$215.00
05/26/2020	JAM	GB	Board call with J. Pomerantz, G. Demo, B. Sharp, Board members re: updates on discovery, Brown Rudnick and CLO issues (partial participation) (0.5).	0.50	1075.00	\$537.50
05/26/2020	GVD	GB	Attend board call	1.10	825.00	\$907.50
05/27/2020	IDK	GB	E-mails with attorneys re J. Terry and issues on management/shared service contracts.	0.20	1145.00	\$229.00
05/27/2020	JNP	GB	Email to Board regarding upcoming call.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/28/2020	IDK	GB	E-mails with Board, others re today's Board call and changing agenda, and re changes to plan structure for Committee preview (.3); Telephone conference with J. Pomerantz re upcoming Board call today, CEO compensation communications from Committee and consider (.2); Further telephone conference with J. Pomerantz re upcoming board call (.1); Attend Board call on status (.6).	1.20	1145.00	\$1,374.00
05/28/2020	JNP	GB	Conference with J. Dubel regarding upcoming Board call (2x).	0.20	1075.00	\$215.00
05/28/2020	JNP	GB	Conference with Ira D. Kharasch regarding upcoming Board call.	0.10	1075.00	\$107.50
05/28/2020	JNP	GB	Participate in Board call regarding Committee composition, discovery issues and related.	0.50	1075.00	\$537.50
05/28/2020	JMF	GB	Review issues re tax audit (.8); telephone call with A. McGeoch, J. Rovira, T. Jacobs, and G. Demo re same (.9); follow up telephone call with G. Demo re tax issues (.1).	1.80	925.00	\$1,665.00
05/29/2020	IDK	GB	E-mails with attorneys re need to expand Board call on Monday for my Acis issues.	0.20	1145.00	\$229.00
05/29/2020	JNP	GB	Conference with J. Dubel regarding claims, Brown Rudnick, UBS.	0.30	1075.00	\$322.50
05/29/2020	JMF	GB	Telephone call with J Hogan and G. Demo re audit issues (.8); follow up call with G. Demo re same (.2); review analysis re TMP partner issues (.9).	1.90	925.00	\$1,757.50
				92.20		\$97,799.00

General Creditors Comm. [B150]

05/01/2020	JNP	GC	Conference with M. Hankin regarding case status.	0.40	1075.00	\$430.00
05/01/2020	JNP	GC	Conference with Ira D. Kharasch regarding call with M. Hankin regarding case status.	0.20	1075.00	\$215.00
05/04/2020	JNP	GC	Email to and from M. Clemente regarding timing for call with Committee.	0.10	1075.00	\$107.50
05/04/2020	JNP	GC	Email to Board regarding Committee call.	0.10	1075.00	\$107.50
05/04/2020	JNP	GC	Conference with Jenner, Gibson Dunn and Ira D. Kharasch regarding upcoming Committee meeting.	0.80	1075.00	\$860.00
05/04/2020	JNP	GC	Follow-up call with Ira D. Kharasch regarding call with Jenner and Gibson Dunn.	0.20	1075.00	\$215.00

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05/04/2020	GVD	GC	Draft term sheet re committee meeting	0.60	825.00	\$495.00
05/05/2020	JNP	GC	Conference with B. Sharp regarding Committee call.	0.20	1075.00	\$215.00
05/06/2020	IDK	GC	Attend conference call with Committee, Board on case issues and next steps (2.0); Telephone conferences with J. Pomerantz re result of call and next steps (.2).	2.20	1145.00	\$2,519.00
05/06/2020	JNP	GC	Review Committee presentation.	0.20	1075.00	\$215.00
05/06/2020	JNP	GC	Participate in Committee call.	2.00	1075.00	\$2,150.00
05/06/2020	JNP	GC	Conference with J.. Dubel and R. Nelms after Committee call.	0.20	1075.00	\$215.00
05/06/2020	JNP	GC	Conference with Ira D. Kharasch after Committee call.	0.20	1075.00	\$215.00
05/06/2020	GVD	GC	Attend meeting between Committee and Board re status of case	2.00	825.00	\$1,650.00
05/06/2020	GVD	GC	Correspondence with Board re delivery of presentation to committee	0.20	825.00	\$165.00
05/06/2020	GVD	GC	Review final presentation materials for committee; correspondence with E. Bromagen re same	0.30	825.00	\$247.50
05/06/2020	GVD	GC	Prepare for meeting with committee re status of case	0.20	825.00	\$165.00
05/07/2020	JNP	GC	Conference with M. Clemente regarding follow-up from Committee call.	0.40	1075.00	\$430.00
05/07/2020	JNP	GC	Conference with Ira D. Kharasch regarding call with M. Clemente regarding Committee call.	0.20	1075.00	\$215.00
05/12/2020	JNP	GC	Email to board regarding call with M. Clemente.	0.10	1075.00	\$107.50
05/13/2020	JNP	GC	Conference with M. Clemente regarding pending matters including CEO and exclusivity.	0.30	1075.00	\$322.50
05/13/2020	JNP	GC	Conference with Ira D. Kharasch regarding call with M. Clemente.	0.20	1075.00	\$215.00
05/20/2020	JNP	GC	Email to M. Clemente regarding call to discuss issues.	0.10	1075.00	\$107.50
05/27/2020	JNP	GC	Review letter from D. Nier regarding Committee composition; Conference with Ira D. Kharasch regarding same.	0.20	1075.00	\$215.00
05/28/2020	IDK	GC	Review of correspondence from counsels to individuals re committee concerns (.1); E-mails with	0.40	1145.00	\$458.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			J. Kim re his memo on changing committee membership and need for update (.2); E-mail with J. Pomerantz re same (.1).			
05/28/2020	JNP	GC	Conference with M. Clemente regarding Plan, CEO and related issues.	0.30	1075.00	\$322.50
05/28/2020	GVD	GC	Review research re committee membership	0.20	825.00	\$165.00
05/28/2020	GVD	GC	Draft response letter re committee issues	0.10	825.00	\$82.50
05/29/2020	IDK	GC	E-mails with attorneys re our draft letter in response to Neir re Acis/committee membership, and my feedback (.3); Review of correspondence re same with Board, including Board feedback and issue with letter (.2).	0.50	1145.00	\$572.50
05/30/2020	JNP	GC	Review draft letter regarding Committee composition and email letter to Board regarding same.	0.20	1075.00	\$215.00
05/31/2020	JNP	GC	Email to and from J. Dubel regarding letter regarding Committee issues.	0.10	1075.00	\$107.50
				13.40		\$13,722.00

Plan & Disclosure Stmt. [B320]

04/15/2020	RMP	PD	Conference with I. Kharasch and review and respond to e-mails re litigation and plan.	0.60	1445.00	\$867.00
04/21/2020	LAF	PD	Legal research re: Second extension of exclusivity examples.	1.30	450.00	\$585.00
05/04/2020	JNP	PD	Work on Plan term sheet and time line; Conference with Ira D. Kharasch regarding same.	0.50	1075.00	\$537.50
05/05/2020	IDK	PD	E-mails with Board, others re revised plan term sheet and feedback form Board members.	0.20	1145.00	\$229.00
05/05/2020	JNP	PD	Review and revise Plan term sheet.	0.20	1075.00	\$215.00
05/05/2020	JNP	PD	Review asset values in connection with possible Plan proposal.	0.20	1075.00	\$215.00
05/05/2020	GVD	PD	Review revised term sheet re potential plan	0.20	825.00	\$165.00
05/05/2020	GVD	PD	Revise draft term sheet re changes from J. Dubel	0.30	825.00	\$247.50
05/05/2020	GVD	PD	Further revise and circulate revisions to plan term sheet	0.20	825.00	\$165.00
05/06/2020	DJB	PD	Review plan, DE law and disclosure statement;	3.00	1195.00	\$3,585.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Analysis of partnership dissolution triggers.			
05/06/2020	IDK	PD	E-mails with attorneys re coordination of drafting plan and disclosure statement.	0.30	1145.00	\$343.50
05/06/2020	JJK	PD	Emails Kharach on plan related matters and review issues, and emails back to Kharasch on same.	1.90	895.00	\$1,700.50
05/06/2020	GVD	PD	Correspondence with R. Feinstein and B. Sandler re liquidation trust issues	0.20	825.00	\$165.00
05/07/2020	IDK	PD	E-mails with DSI, attorneys re plan status and need for call.	0.20	1145.00	\$229.00
05/07/2020	GVD	PD	Draft disclosure statement	2.90	825.00	\$2,392.50
05/07/2020	GVD	PD	Conference with F. Caruso re plan structure	0.30	825.00	\$247.50
05/08/2020	IDK	PD	Attend conference call with DSI, others, re case issues and plan of reorganization issues and terms (.7).	0.70	1145.00	\$801.50
05/08/2020	IDK	PD	Review of correspondence from Dondero to Committee re his proposal (.2); Office conferences with attorneys re same and the proposal (.2); E-mail and telephone conference with J. Pomerantz over weekend re same, including his correspondence to Committee counsel re Dondero proposal (.2).	0.60	1145.00	\$687.00
05/08/2020	JJK	PD	Emails Demo on plan related matters.	0.10	895.00	\$89.50
05/08/2020	JNP	PD	Review draft Plan proposal from J. Dondero.	0.20	1075.00	\$215.00
05/08/2020	JNP	PD	Conference with DSI and PSZJ regarding Plan issues.	0.80	1075.00	\$860.00
05/08/2020	JMF	PD	Research re litigation claims issues re disclosure statement.	3.40	925.00	\$3,145.00
05/08/2020	JMF	PD	Research re partnership plan documents.	0.70	925.00	\$647.50
05/08/2020	GVD	PD	Further revise draft disclosure statement	3.60	825.00	\$2,970.00
05/08/2020	GVD	PD	Conference with PSZJ and DSI re outline of plan and next steps	0.70	825.00	\$577.50
05/08/2020	GVD	PD	Review precedent for draft plan	0.90	825.00	\$742.50
05/08/2020	GVD	PD	Correspondence with L. Cantor re plan research	0.10	825.00	\$82.50
05/10/2020	JNP	PD	Email to M. Clemente regarding Plan proposal from J. Dondero.	0.20	1075.00	\$215.00
05/11/2020	IDK	PD	E-mails with G. Demo re plan structure issues and	0.30	1145.00	\$343.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			issues on classification memo, including brief review of same.			
05/11/2020	JMF	PD	Research re disclosure statement litigation claims issues.	1.70	925.00	\$1,572.50
05/11/2020	GVD	PD	Review draft plans from L. Forester	0.30	825.00	\$247.50
05/11/2020	GVD	PD	Conference with WilmerHale and DSI re regulatory tax issues	0.90	825.00	\$742.50
05/11/2020	GVD	PD	Review research re classification issues	0.70	825.00	\$577.50
05/11/2020	GVD	PD	Conference with B. Sharp re follow up to conference with WilmerHale	0.20	825.00	\$165.00
05/12/2020	IDK	PD	E-mails with G. Demo re status on plan and coordination of structure with Wilmer Hale and tax issues.	0.20	1145.00	\$229.00
05/12/2020	JNP	PD	Review and respond to email from Gregory V. Demo regarding status of Plan structuring issues.	0.10	1075.00	\$107.50
05/12/2020	GVD	PD	Further revise and draft disclosure statement	3.80	825.00	\$3,135.00
05/12/2020	GVD	PD	Correspondence with WilmerHale and DSI re regulatory issues	0.20	825.00	\$165.00
05/13/2020	IDK	PD	E-mails with Board and J. Pomerantz re communications with Committee counsel feedback on exclusivity motion and its demands, and potential resolution.	0.20	1145.00	\$229.00
05/13/2020	JNP	PD	Email from M. Clemente regarding Plan exclusivity and response relating thereto.	0.10	1075.00	\$107.50
05/13/2020	GVD	PD	Further revise draft disclosure statement	1.70	825.00	\$1,402.50
05/13/2020	GVD	PD	Draft bankruptcy plan	1.70	825.00	\$1,402.50
05/13/2020	GVD	PD	Conference with B. Sharp re potential plan structuring issues	0.70	825.00	\$577.50
05/14/2020	IDK	PD	Review of memo on plan summary structure and plan issues (.4); E-mails with Board on exclusivity and Committee and need for call (.1).	0.50	1145.00	\$572.50
05/14/2020	JMF	PD	Analyze exclusivity issues re committee.	0.30	925.00	\$277.50
05/14/2020	GVD	PD	Revise and circulate plan structure proposal to WilmerHale	0.30	825.00	\$247.50
05/14/2020	GVD	PD	Conference with F. Caruso re revisions to plan structure	0.20	825.00	\$165.00

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				Hours	Rate	Amount
05/14/2020	GVD	PD	Further revise plan	1.60	825.00	\$1,320.00
05/14/2020	GVD	PD	Correspondence with B. Sharp and F. Caruso re potential plan structures	0.20	825.00	\$165.00
05/14/2020	GVD	PD	Draft outline of potential plan structures	1.30	825.00	\$1,072.50
05/15/2020	IDK	PD	E-mails with attorneys re status on exclusivity and committee and next steps.	0.10	1145.00	\$114.50
05/15/2020	JNP	PD	Conference with M. Clemente regarding exclusivity and related issues.	0.20	1075.00	\$215.00
05/15/2020	JNP	PD	Conference with Gregory V. Demo and Ira D. Kharasch regarding Plan issues.	0.40	1075.00	\$430.00
05/15/2020	JEO	PD	Emails with PSZJ team regarding agreed order on exclusivity extension	0.40	925.00	\$370.00
05/15/2020	JMF	PD	Review exclusivity order and emails re incorporation of agreement with committee.	0.20	925.00	\$185.00
05/15/2020	JAM	PD	Telephone conference with J. Pomerantz, G. Demo, B. Sharp, Board re: exclusivity and discovery (0.7).	0.70	1075.00	\$752.50
05/15/2020	GVD	PD	Further revise disclosure statement	1.70	825.00	\$1,402.50
05/15/2020	GVD	PD	Correspondence with T. Silva re settlement issues	0.10	825.00	\$82.50
05/15/2020	GVD	PD	Draft presentation to Board re potential plan structures	1.90	825.00	\$1,567.50
05/15/2020	GVD	PD	Correspondence with PSZJ re draft agreed order re exclusivity extension	0.20	825.00	\$165.00
05/16/2020	GVD	PD	Review revisions to plan structuring memo from WilmerHale; revise same	2.50	825.00	\$2,062.50
05/16/2020	GVD	PD	Conference with T. Silva re plan structuring issues	1.00	825.00	\$825.00
05/17/2020	GVD	PD	Review issues re plan structure	2.10	825.00	\$1,732.50
05/18/2020	IDK	PD	E-mails with attorneys re plan/trust issues and upcoming call (.1); Review of draft declaration on plan structure for upcoming calls (.2); Attend conference call with DSI, Wilmer Hale, others on plan structure issues and trust vehicle issues (1.2); Telephone conference with J. Pomerantz re same and next steps (.1); Telephone conference and e-mails with G. Demo re same and J. Davidson and his draft e-mail to J. Davidson (.3); E-mails with J. Davidson re need for oversight on plan trust/distribution vehicle issues (.2).	2.10	1145.00	\$2,404.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/18/2020	IDK	PD	E-mails with G. Demo, J. Pomerantz on plan structure issues, and communications with Board and J. Seery re same re timing for call on same.	0.30	1145.00	\$343.50
05/18/2020	JNP	PD	Conference with T. Silva, Gregory V. Demo, B. Sharp and Ira D. Kharasch regarding Plan issues.	1.50	1075.00	\$1,612.50
05/18/2020	KKY	PD	Draft agreed order extending exclusive periods	0.70	425.00	\$297.50
05/18/2020	JHD	PD	Correspondence from Ira D. Kharasch re plan issues; prepare correspondence to Ira D. Kharasch re same	0.20	1495.00	\$299.00
05/18/2020	JHD	PD	Correspondence from Gregory V. Demo re plan issues; prepare correspondence to Gregory V. Demo re same	0.20	1495.00	\$299.00
05/18/2020	GVD	PD	Conference with PSZJ, WilmerHale and DSI re plan structuring	1.40	825.00	\$1,155.00
05/18/2020	GVD	PD	Conference with B. Sharp re revisions to presentation on plan structure	0.10	825.00	\$82.50
05/18/2020	GVD	PD	Correspondence with J. Davidson re plan structure issues	0.30	825.00	\$247.50
05/18/2020	GVD	PD	Prepare draft presentation re plan structure	5.40	825.00	\$4,455.00
05/18/2020	GVD	PD	Revise presentation on plan structure re comments from team	0.70	825.00	\$577.50
05/19/2020	IDK	PD	E-mails with attorneys re upcoming call on plan structure with J. Seery and issues, and consider (.2); E-mails with G. Demo re plan memo, including review of plan structure and revised dec (.4); Attend conference call with J. Seery, DSI, others on plan structure issues (1.1).	1.70	1145.00	\$1,946.50
05/19/2020	IDK	PD	E-mails with Board, others re need for plan call tomorrow (.1); E-mails with attorneys re exculpation issues for plan (.2).	0.30	1145.00	\$343.50
05/19/2020	JNP	PD	Conference with J. Seery, B. Sharp, Gregory V. Demo and Ira D. Kharasch regarding Plan structure issues.	1.20	1075.00	\$1,290.00
05/19/2020	JEO	PD	Draft exclusivity order	0.60	925.00	\$555.00
05/19/2020	JHD	PD	Correspondence from Gregory V. Demo re plan structure issues; analyze draft presentation to board re same; preliminary research re same	1.10	1495.00	\$1,644.50
05/19/2020	JHD	PD	Telephone conference with Gregory V. Demo re plan structure issues	0.80	1495.00	\$1,196.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/19/2020	JHD	PD	Correspondence from Gregory V. Demo re plan structure issues; prepare correspondence to Les Forrester re same	0.20	1495.00	\$299.00
05/19/2020	JHD	PD	Research and analysis of plan structure issues; prepare correspondence to Gregory V. Demo re same	1.80	1495.00	\$2,691.00
05/19/2020	JHD	PD	Correspondence from Gregory V. Demo re plan structure issues	0.10	1495.00	\$149.50
05/19/2020	JHD	PD	Correspondence from Les Forrester re plan structure issues	0.10	1495.00	\$149.50
05/19/2020	JHD	PD	Review documents re plan structure issues; prepare correspondence to Gregory V. Demo re same; correspondence from Gregory V. Demo re same	1.60	1495.00	\$2,392.00
05/19/2020	GVD	PD	Conference with J. Davidson re plan structuring issues and next steps	0.80	825.00	\$660.00
05/19/2020	GVD	PD	Further revise presentation re potential plan structure	2.70	825.00	\$2,227.50
05/19/2020	GVD	PD	conference with T. Silva (WilmerHale) re regulatory issues on plan structure	0.50	825.00	\$412.50
05/19/2020	GVD	PD	Conference with J. Seery, DSI, and PSZJ re potential plan structure and next steps	1.40	825.00	\$1,155.00
05/19/2020	GVD	PD	Conference with B. Sharp re follow up to meeting with J. Seery re plan structure	0.20	825.00	\$165.00
05/19/2020	GVD	PD	Revise presentation re call with J. Seery; correspondence with Board re same	0.40	825.00	\$330.00
05/19/2020	GVD	PD	Review agreed order on extension of exclusivity	0.30	825.00	\$247.50
05/20/2020	IDK	PD	Review of further memo on tax issues on plan structure (.2); Attend Board call on plan structure proposal and related issues (1.4); Telephone conference with J. Pomerantz re same and next Board call (.1).	1.70	1145.00	\$1,946.50
05/20/2020	IDK	PD	Review of limitations on standing re fiduciary duties for LP entity and impact on plan structure (.2); E-mails with attorneys re same and need to amend plan structure to preserve fiduciary duty claims for estate (.3).	0.50	1145.00	\$572.50
05/20/2020	JEO	PD	Review and draft motion to approve agreed order on exclusivity	0.40	925.00	\$370.00
05/20/2020	JEO	PD	Draft motion for approval of agreed order on	0.50	925.00	\$462.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			exclusivity.			
05/20/2020	GVD	PD	Conference with Board, DSI, PSZJ, and WilmerHale re potential plan structures	1.60	825.00	\$1,320.00
05/20/2020	GVD	PD	Review and further revise presentation on plan structure	0.40	825.00	\$330.00
05/20/2020	GVD	PD	Prepare for meeting with board re plan structure issues	0.20	825.00	\$165.00
05/21/2020	IDK	PD	E-mails with Board, attorneys re draft order on exclusivity re Committee deal (.2); Review of further revised plan structure memo (.3); E-mails with G. Demo re further issues on plan structure re preserving fiduciary duty actions and standing issues re same (.3).	0.80	1145.00	\$916.00
05/21/2020	JEO	PD	Prepare and circulate agreed order on exclusivity to committee for review	0.60	925.00	\$555.00
05/21/2020	GVD	PD	Correspondence with team re exclusivity extension	0.20	825.00	\$165.00
05/21/2020	GVD	PD	Revise and circulate plan presentation	0.80	825.00	\$660.00
05/21/2020	GVD	PD	Review case research re standing issues	0.70	825.00	\$577.50
05/22/2020	IDK	PD	E-mails with G. Demo on plan issues and next steps, and consider.	0.20	1145.00	\$229.00
05/22/2020	JEO	PD	Finalize form of agreed order on exclusivity extension with Committee	0.40	925.00	\$370.00
05/22/2020	GVD	PD	Conference with T. Silva re next steps on plan structure	0.30	825.00	\$247.50
05/23/2020	IDK	PD	Attend conference call with attorneys re plan issues and next steps.	0.40	1145.00	\$458.00
05/26/2020	GVD	PD	Conference with DSI team re open items on plan process	0.40	825.00	\$330.00
05/26/2020	GVD	PD	Prepare for call with DSI team re open items on plan process	0.50	825.00	\$412.50
05/27/2020	IDK	PD	E-mails to attorneys re J. Seery modifications to plan declaration and review of same.	0.30	1145.00	\$343.50
05/27/2020	JNP	PD	Conference with Gregory V. Demo regarding Plan issues and related.	0.20	1075.00	\$215.00
05/27/2020	JNP	PD	Review J. Seery comments to Plan power point.	0.10	1075.00	\$107.50
05/27/2020	GVD	PD	Conference with J. Seery re plan structure revisions	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			and protocols			
05/27/2020	GVD	PD	Review plan classification; correspondence with J. Donohue re same	0.20	825.00	\$165.00
05/27/2020	GVD	PD	Revise presentation re plan structure re comments from J. Seery	0.60	825.00	\$495.00
05/28/2020	GVD	PD	Review and finalize presentation re plan vehicle; circulate same to Committee	0.50	825.00	\$412.50
05/28/2020	GVD	PD	Correspondence with WilmerHale re open items and next steps	0.40	825.00	\$330.00
05/29/2020	IDK	PD	Numerous e-mails Saturday 5/30, Committee counsel, others on coordination of call on plan structure.	0.30	1145.00	\$343.50
05/29/2020	GVD	PD	Correspondence with WilmerHale re general partner issues	0.20	825.00	\$165.00
05/30/2020	GVD	PD	Correspondence with Sidley re discussion on plan structure	0.10	825.00	\$82.50
				95.60		\$90,189.50

Ret. of Prof./Other

04/16/2020	LAF	RPO	Citecheck & edit DSI motion.	0.50	450.00	\$225.00
05/01/2020	JEO	RPO	Email with Brad Sharp re Supplemental Declaration for DSI retention	0.40	925.00	\$370.00
05/04/2020	JMF	RPO	Draft DSI amendment retention pleadings.	0.60	925.00	\$555.00
05/05/2020	KKY	RPO	Respond (.1) to email from James E. O'Neill re objection to Harder retention; and prepare (.1) attachment to same	0.20	425.00	\$85.00
05/11/2020	JEO	RPO	Drafting supplemental declaration for DSI retention	0.80	925.00	\$740.00
05/12/2020	JNP	RPO	Review motion to amend DSI retention.	0.20	1075.00	\$215.00
05/12/2020	JMF	RPO	Review DSI supplemental declaration and emails re same.	0.20	925.00	\$185.00
05/13/2020	JEO	RPO	Edits on Brad Sharp's Second Declaration In Support of DSI retention	0.40	925.00	\$370.00
05/13/2020	JMF	RPO	Review DSI declaration.	0.20	925.00	\$185.00
05/14/2020	JMF	RPO	Draft DSI amended engagement application.	1.80	925.00	\$1,665.00
05/15/2020	GVD	RPO	Review and revise draft motion to amend DSI	1.20	825.00	\$990.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			engagement			
05/19/2020	JMF	RPO	Review Hunton and Wilmer application inquiries from committee.	0.40	925.00	\$370.00
05/20/2020	JMF	RPO	Telephone call with E. Bromagen re Hunton and Wilmer applications (.1); review correspondences regarding committee questions re same (.3).	0.40	925.00	\$370.00
05/20/2020	JMF	RPO	Review DSI motion and proposed order.	0.60	925.00	\$555.00
05/20/2020	GVD	RPO	Correspondence with J. Fried re Hunton/WilmerHale retention applications	0.10	825.00	\$82.50
05/21/2020	GVD	RPO	Correspondence with Committee re motion to shorten time	0.10	825.00	\$82.50
05/21/2020	GVD	RPO	Conference with Winstead re Foley fee application	0.20	825.00	\$165.00
05/21/2020	GVD	RPO	Conference with H. O'Neill re Foley fee application	0.30	825.00	\$247.50
05/21/2020	GVD	RPO	Correspondence with Hunton re retention application and continuance	0.10	825.00	\$82.50
05/21/2020	GVD	RPO	Conference with E. Bromagen re potential objection to Hunton retention application	0.30	825.00	\$247.50
05/21/2020	GVD	RPO	Review issues re Hunton retention application	0.40	825.00	\$330.00
05/21/2020	GVD	RPO	Conference with J. Rovira re Hunton retention	0.80	825.00	\$660.00
05/21/2020	GVD	RPO	Conference with J. Fried re issues re Hunton retention application	0.30	825.00	\$247.50
05/22/2020	JEO	RPO	Emails with Greg Demo regarding Hunton retention	0.40	925.00	\$370.00
05/22/2020	JEO	RPO	Review and make arrangements for filing and service of Brad Sharp's Second Declaration in support of DSI retention	0.30	925.00	\$277.50
05/22/2020	JMF	RPO	Emails re Hunton and Wilmer open issues re 5/26 hearing.	0.40	925.00	\$370.00
05/22/2020	JMF	RPO	Review final DSI supplemental declaration.	0.10	925.00	\$92.50
05/22/2020	GVD	RPO	Correspondence with E. Bromagen re Hunton retention continuance	0.10	825.00	\$82.50
05/22/2020	GVD	RPO	Conference with E. Bromagen re status of WilmerHale retention application	0.10	825.00	\$82.50
05/22/2020	GVD	RPO	Correspondence with E. Bromagen re reply and response deadlines for Hunton retention	0.10	825.00	\$82.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/22/2020	GVD	RPO	Conference with T. Silva re WilmerHale budget for retention	0.20	825.00	\$165.00
05/23/2020	JNP	RPO	Conference with Ira D. Kharasch regarding fee application hearing.	0.20	1075.00	\$215.00
05/23/2020	JNP	RPO	Conference with M. Clemente regarding fee application hearing.	0.20	1075.00	\$215.00
05/23/2020	GVD	RPO	Attend to issues re WilmerHale filing	0.20	825.00	\$165.00
05/24/2020	GVD	RPO	Correspondence with US Trustee re retention of WilmerHale and Hunton	0.20	825.00	\$165.00
05/27/2020	JMF	RPO	Review edits re DSI amended engagement.	0.30	925.00	\$277.50
05/27/2020	GVD	RPO	Conference with E. Bromagen re Hunton retention	0.40	825.00	\$330.00
05/28/2020	GVD	RPO	Conference with Hunton and J. Fried re tax issues	1.10	825.00	\$907.50
05/29/2020	GVD	RPO	Conference with J. Fried and WilmerHale re claim issue	0.60	825.00	\$495.00
05/29/2020	GVD	RPO	Conference with J. Fried re retention of Hunton and next steps	0.20	825.00	\$165.00
05/29/2020	GVD	RPO	Correspondence with Hunton re open issues and time line	0.20	825.00	\$165.00
				15.80		\$13,647.50

Stay Litigation [B140]

05/05/2020	GVD	SL	Review and circulate Dondero opposition to Acis relief from stay	0.30	825.00	\$247.50
05/05/2020	GVD	SL	Correspondence with Hunton re order on motion for relief from stay	0.20	825.00	\$165.00
05/06/2020	GVD	SL	Correspondence with Hunton re hearing on motion to lift stay	0.20	825.00	\$165.00
05/11/2020	AJK	SL	Review deposition re motion for relief from stay.	6.70	1145.00	\$7,671.50
05/12/2020	AJK	SL	Further review of depositions re motion for relief from stay in UBS litigation.	6.10	1145.00	\$6,984.50
05/12/2020	EAW	SL	Research re: relief from automatic stay (UBS).	4.60	825.00	\$3,795.00
05/13/2020	EAW	SL	Draft opposition to motion for relief from stay (UBS).	1.80	825.00	\$1,485.00
05/14/2020	EAW	SL	Research re: offset, alter ego, res judicata, and	5.80	825.00	\$4,785.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			automatic stay (UBS).			
05/14/2020	EAW	SL	Draft opposition to motion for relief from stay (UBS).	3.20	825.00	\$2,640.00
05/15/2020	EAW	SL	Draft opposition to motion for relief from stay (UBS).	0.40	825.00	\$330.00
05/18/2020	EAW	SL	Telephone call with A. Kornfeld re: opposition to stay relief motion.	0.20	825.00	\$165.00
05/18/2020	EAW	SL	Draft opposition to motion for relief from stay (UBS).	4.50	825.00	\$3,712.50
05/18/2020	EAW	SL	Review transcripts, briefs and related documents/information provided by I. Leventon (UBS).	1.20	825.00	\$990.00
05/18/2020	EAW	SL	Research re: automatic stay and abstention (UBS).	4.60	825.00	\$3,795.00
05/19/2020	EAW	SL	Draft opposition to motion for relief from automatic stay, with related research (UBS).	4.50	825.00	\$3,712.50
05/20/2020	AJK	SL	Review and analyze relief from stay motion (including review of authorities).	4.30	1145.00	\$4,923.50
05/20/2020	AJK	SL	Call with E. Wagner re relief from stay motion.	0.80	1145.00	\$916.00
05/20/2020	AJK	SL	Further analysis of stay litigation issues.	1.30	1145.00	\$1,488.50
05/20/2020	IDK	SL	E-mails with Board and attorneys re correspondence from Latham re UBS and timing on UBS filing motion probably today (.2); E-mails with E. Wagner and others re her short summary of UBS motion (.2).	0.40	1145.00	\$458.00
05/20/2020	JNP	SL	Emails regarding UBS Relief from Stay motion.	0.10	1075.00	\$107.50
05/20/2020	EAW	SL	Telephone call with A. Kornfeld re: opposition to motion for relief from stay (UBS).	0.80	825.00	\$660.00
05/20/2020	EAW	SL	Research and draft opposition to motion for relief from stay (UBS).	4.60	825.00	\$3,795.00
05/20/2020	EAW	SL	Review and analyze UBS's motion for relief from stay (UBS).	1.70	825.00	\$1,402.50
05/20/2020	GVD	SL	Review UBS motion to lift stay	0.40	825.00	\$330.00
05/21/2020	RJF	SL	Initial review of UBS lift stay motion and related emails.	0.50	1245.00	\$622.50
05/21/2020	EAW	SL	Analyze and draft opposition to motion for relief from stay (UBS).	5.50	825.00	\$4,537.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/21/2020	EAW	SL	Research re: opposition to motion for relief from stay (UBS).	3.60	825.00	\$2,970.00
05/21/2020	GVD	SL	Correspondence with E. Wagner re potential research needs	0.10	825.00	\$82.50
05/21/2020	GVD	SL	Review case law re automatic stay issues	0.80	825.00	\$660.00
05/22/2020	EAW	SL	Analyze, research and draft opposition to motion for relief from stay (UBS).	9.20	825.00	\$7,590.00
05/23/2020	AJK	SL	Analysis of legal authorities re lift of stay.	2.30	1145.00	\$2,633.50
05/23/2020	EAW	SL	Analyze, research and draft opposition to motion for relief from stay (UBS).	5.90	825.00	\$4,867.50
05/24/2020	EAW	SL	Analyze, research and draft opposition to motion for relief from stay (UBS).	7.80	825.00	\$6,435.00
05/25/2020	JMF	SL	Review UBS stay relief motion.	0.40	925.00	\$370.00
05/25/2020	EAW	SL	Analyze, research and draft opposition to motion for relief from stay (UBS).	8.90	825.00	\$7,342.50
05/26/2020	AJK	SL	Work on opposition to relief from stay motion (including analysis of multiple exhibits).	5.40	1145.00	\$6,183.00
05/26/2020	AJK	SL	Attention to draft opposition.	3.70	1145.00	\$4,236.50
05/26/2020	JNP	SL	Conference with Alan J. Kornfeld regarding Relief from Stay.	0.10	1075.00	\$107.50
05/26/2020	RJF	SL	Internal emails regarding stay relief motion.	0.30	1245.00	\$373.50
05/26/2020	RJF	SL	Telephone conference with Jeffrey N. Pomerantz regarding internal emails regarding stay relief motion.	0.10	1245.00	\$124.50
05/26/2020	EAW	SL	Analyze, research and draft opposition to motion for relief from stay (UBS).	14.50	825.00	\$11,962.50
05/26/2020	EAW	SL	Telephone call with A. Kornfeld re: opposition to motion for relief from stay (UBS).	0.30	825.00	\$247.50
05/26/2020	EAW	SL	Emails to/from PSZJ team re: opposition to motion for relief from stay (UBS).	0.40	825.00	\$330.00
05/26/2020	GVD	SL	Conference with A. Kornfeld re UBS relief from stay motion	0.30	825.00	\$247.50
05/26/2020	GVD	SL	Correspondence re factual background for UBS motion	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/27/2020	AJK	SL	Review and analyze draft opposition to relief from stay motion.	3.40	1145.00	\$3,893.00
05/27/2020	JNP	SL	Review UBS Relief from Stay motion and draft response.	0.50	1075.00	\$537.50
05/27/2020	EAW	SL	Analyze, research and draft opposition to motion for relief from stay (UBS).	9.70	825.00	\$8,002.50
05/27/2020	EAW	SL	Telephone calls with A. Kornfeld re: opposition to motion for relief from stay (UBS).	1.00	825.00	\$825.00
05/27/2020	EAW	SL	Emails to/from PSZJ team re: opposition to motion for relief from stay (UBS).	0.30	825.00	\$247.50
05/27/2020	EAW	SL	Review potential exhibits to opposition to motion for relief from stay (UBS).	1.20	825.00	\$990.00
05/28/2020	AJK	SL	Attention to opposition to relief from stay motion.	1.60	1145.00	\$1,832.00
05/28/2020	IDK	SL	E-mails with attorneys re draft opposition to UBS stay relief, including brief review of same (.4); Telephone conference with J. Pomerantz re same (.1)	0.50	1145.00	\$572.50
05/28/2020	JNP	SL	Emails regarding call to discuss opposition to UBS stay motion.	0.10	1075.00	\$107.50
05/28/2020	JNP	SL	Conference with Alan J. Kornfeld, E. Wagner and Gregory V. Demo regarding comments to Relief from Stay opposition.	0.40	1075.00	\$430.00
05/28/2020	JNP	SL	Email to I. Leventon and S. Ellington regarding UBS Relief from Stay motion.	0.10	1075.00	\$107.50
05/28/2020	RJF	SL	Review UBS motion for stay relief.	0.80	1245.00	\$996.00
05/28/2020	RJF	SL	Review and comment on draft response.	1.80	1245.00	\$2,241.00
05/28/2020	EAW	SL	Analyze, research and draft opposition to motion for relief from stay (UBS).	9.90	825.00	\$8,167.50
05/28/2020	EAW	SL	Emails to/from PSZJ team re: opposition to motion for relief from stay (UBS).	0.70	825.00	\$577.50
05/28/2020	EAW	SL	Telephone calls with A. Kornfeld re: opposition to motion for relief from stay (UBS).	0.30	825.00	\$247.50
05/28/2020	EAW	SL	Review edits/comments provided by PSZJ team on draft opposition (UBS).	0.90	825.00	\$742.50
05/28/2020	EAW	SL	Telephone call with A. Kornfeld and J. Pomerantz re: opposition to motion for relief from stay (UBS).	0.40	825.00	\$330.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/28/2020	GVD	SL	Review draft opposition papers to UBS relief from stay motion	1.60	825.00	\$1,320.00
05/28/2020	GVD	SL	Conference with PSZJ re status of UBS relief from stay response and next steps	0.10	825.00	\$82.50
05/29/2020	AJK	SL	Call with S. Ellington and I. Leventon re issue for opposition to stay relief.	0.70	1145.00	\$801.50
05/29/2020	IDK	SL	E-mails with Board, attorneys re issues on draft opposition to UBS motion, and issues re allegations re Ellington and need for his feedback.	0.30	1145.00	\$343.50
05/29/2020	JNP	SL	Conference with Robert J. Feinstein regarding UBS stay motion.	0.10	1075.00	\$107.50
05/29/2020	RJF	SL	Review of revised opposition to stay relief motion.	0.50	1245.00	\$622.50
05/29/2020	RJF	SL	Telephone conference with Jeffrey N. Pomerantz regarding stay relief motion.	0.30	1245.00	\$373.50
05/29/2020	EAW	SL	Analyze, research and draft opposition to motion for relief from stay; and prepare exhibits to opposition (UBS).	11.90	825.00	\$9,817.50
05/29/2020	EAW	SL	Emails to/from PSZJ team re: opposition to motion for relief from stay (UBS).	1.30	825.00	\$1,072.50
05/29/2020	EAW	SL	Telephone call with A. Kornfeld, S. Ellington and I. Leventon re: correspondence with UBS.	0.70	825.00	\$577.50
05/29/2020	EAW	SL	Telephone calls with A. Kornfeld and J. Pomerantz re: opposition to motion to relief from stay (UBS).	0.50	825.00	\$412.50
05/29/2020	EAW	SL	Review emails provided by I. Leventon re: correspondence with UBS.	0.80	825.00	\$660.00
05/29/2020	GVD	SL	Conference with I. Leventon re evidentiary background for relief from stay	0.30	825.00	\$247.50
05/29/2020	GVD	SL	Review revised objection to relief from stay; correspondence re same	1.30	825.00	\$1,072.50
05/29/2020	GVD	SL	Review issues re potential breach of automatic stay	0.30	825.00	\$247.50
05/30/2020	JNP	SL	Review revised opposition to Relief from Stay motion.	0.20	1075.00	\$215.00
05/31/2020	AJK	SL	Review lift stay motion and opposition in preparation for board call.	3.20	1145.00	\$3,664.00
05/31/2020	AJK	SL	Analysis of additional factual issues re stay motion litigation.	0.90	1145.00	\$1,030.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/31/2020	EAW	SL	Draft oral argument outline (UBS).	0.60	825.00	\$495.00
05/31/2020	EAW	SL	Research re: opposition to motion for stay relief (UBS).	1.60	825.00	\$1,320.00
05/31/2020	EAW	SL	Revise, proofread and cite-check opposition to motion for stay relief, and prepare exhibits to opposition brief (UBS).	3.20	825.00	\$2,640.00
05/31/2020	EAW	SL	Emails to/from A. Kornfeld and I. Leventon re: call with A. Somers.	0.10	825.00	\$82.50
				<u>193.10</u>		<u>\$174,865.50</u>

Tax Issues [B240]

05/05/2020	DJB	TI	Respond to I. Kharasch re tax terminations.	0.80	1195.00	\$956.00
05/21/2020	IDK	TI	Review of numerous correspondence on need for audit re tax returns, cost and consequences of not performing.	0.20	1145.00	\$229.00
05/29/2020	JMF	TI	Review partnership agreement re tax issues.	0.50	925.00	\$462.50
05/30/2020	JMF	TI	Review additional analysis re tax member partner and tax audit issues.	0.80	925.00	\$740.00
				<u>2.30</u>		<u>\$2,387.50</u>

TOTAL SERVICES FOR THIS MATTER:

\$803,509.50

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Expenses

04/01/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	2.65
04/01/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	8.07
04/03/2020	CC	Conference Call [E105] AT&T Conference Call, EAW	6.75
04/03/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	1.27
04/03/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	21.59
04/03/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	26.30
04/05/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	56.08
04/05/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	5.11
04/06/2020	CC	Conference Call [E105] AT&T Conference Call, EAW	1.88
04/06/2020	CC	Conference Call [E105] AT&T Conference Call, EAW	3.32
04/06/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	9.54
04/06/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	5.70
04/06/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	5.63
04/07/2020	CC	Conference Call [E105] AT&T Conference Call, EAW	6.99
04/07/2020	CC	Conference Call [E105] AT&T Conference Call, JMF	0.04
04/07/2020	CC	Conference Call [E105] AT&T Conference Call, AJK	3.37
04/07/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	19.25
04/09/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	9.12
04/09/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	3.97
04/10/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	2.50
04/10/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	10.16
04/13/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	17.22
04/13/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	22.90
04/14/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	69.72
04/14/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	6.66
04/14/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	1.45
04/15/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	44.87
04/15/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	73.96
04/15/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	14.40
04/15/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	70.70
04/15/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	1.12
04/16/2020	CC	Conference Call [E105] AT&T Conference Call, JMF	6.31

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04/16/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	60.20
04/16/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	344.36
04/17/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	13.58
04/17/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	30.10
04/17/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	6.86
04/18/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	10.85
04/20/2020	CC	Conference Call [E105] AT&T Conference Call, JMF	1.96
04/20/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	5.53
04/20/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	16.38
04/20/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	3.36
04/20/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	26.95
04/21/2020	CC	Conference Call [E105] AT&T Conference Call, JMF	13.27
04/21/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	19.25
04/21/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	16.73
04/21/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	8.33
04/22/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	55.65
04/22/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	80.99
04/22/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	3.22
04/23/2020	CC	Conference Call [E105] AT&T Conference Call, JEO	5.09
04/23/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	5.88
04/23/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	2.16
04/23/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	6.51
04/23/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	19.39
04/23/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	6.16
04/24/2020	CC	Conference Call [E105] AT&T Conference Call, JMF	0.04
04/24/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	9.59
04/24/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	0.21
04/24/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	5.60
04/25/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	24.82
04/26/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	14.91
04/27/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	48.16
04/27/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	6.81
04/28/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	19.11
04/28/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	5.38

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04/28/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	16.66
04/28/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	14.98
04/28/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	14.98
04/28/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	4.83
04/28/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	23.80
04/29/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	8.05
04/29/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	69.33
04/30/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	11.62
04/30/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	0.21
04/30/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	11.76
05/01/2020	LN	36027.00002 Lexis Charges for 05-01-20	10.19
05/01/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
05/02/2020	LN	36027.00002 Lexis Charges for 05-02-20	10.19
05/04/2020	LN	36027.00002 Lexis Charges for 05-04-20	30.57
05/04/2020	RE2	SCAN/COPY (56 @0.10 PER PG)	5.60
05/04/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
05/05/2020	LN	36027.00002 Lexis Charges for 05-05-20	21.50
05/05/2020	LN	36027.00002 Lexis Charges for 05-05-20	132.40
05/05/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
05/06/2020	LN	36027.00002 Lexis Charges for 05-06-20	21.50
05/06/2020	RE	(41 @0.10 PER PG)	4.10
05/06/2020	RE	(10 @0.10 PER PG)	1.00
05/06/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
05/06/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
05/06/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/06/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/06/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
05/06/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
05/06/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/06/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
05/06/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/06/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/07/2020	RE2	SCAN/COPY (64 @0.10 PER PG)	6.40

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05/07/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
05/07/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
05/07/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
05/08/2020	LN	36027.00002 Lexis Charges for 05-08-20	51.67
05/08/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
05/11/2020	LN	36027.00002 Lexis Charges for 05-11-20	30.99
05/12/2020	LN	36027.00002 Lexis Charges for 05-12-20	20.37
05/12/2020	RE2	SCAN/COPY (64 @0.10 PER PG)	6.40
05/13/2020	LN	36027.00002 Lexis Charges for 05-13-20	61.11
05/13/2020	RE	(1 @0.10 PER PG)	0.10
05/13/2020	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
05/14/2020	LN	36027.00002 Lexis Charges for 05-14-20	21.40
05/14/2020	LN	36027.00002 Lexis Charges for 05-14-20	20.37
05/14/2020	LN	36027.00002 Lexis Charges for 05-14-20	61.11
05/14/2020	RE	(1 @0.10 PER PG)	0.10
05/14/2020	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
05/14/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
05/14/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
05/15/2020	LN	36027.00002 Lexis Charges for 05-15-20	50.93
05/15/2020	LN	36027.00002 Lexis Charges for 05-15-20	101.45
05/15/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
05/18/2020	LN	36027.00002 Lexis Charges for 05-18-20	86.75
05/18/2020	LN	36027.00002 Lexis Charges for 05-18-20	10.34
05/18/2020	LN	36027.00002 Lexis Charges for 05-18-20	42.22
05/18/2020	LN	36027.00002 Lexis Charges for 05-18-20	20.37
05/18/2020	RE	(1 @0.10 PER PG)	0.10
05/18/2020	RE2	SCAN/COPY (99 @0.10 PER PG)	9.90
05/18/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
05/18/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
05/18/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
05/19/2020	BB	36027.00002 Bloomberg Charges for 06-04-20	173.10
05/19/2020	LN	36027.00002 Lexis Charges for 05-19-20	32.26
05/19/2020	LN	36027.00002 Lexis Charges for 05-19-20	30.59
05/20/2020	LN	36027.00002 Lexis Charges for 05-20-20	86.31

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05/20/2020	LN	36027.00002 Lexis Charges for 05-20-20	10.19
05/20/2020	RE	(1 @0.10 PER PG)	0.10
05/20/2020	RE	(3 @0.10 PER PG)	0.30
05/21/2020	CL	36027.00002 CourtLink charges for 05-21-20	18.40
05/21/2020	FE	36027.00002 FedEx Charges for 05-21-20	65.64
05/21/2020	LN	36027.00002 Lexis Charges for 05-21-20	41.33
05/21/2020	LN	36027.00002 Lexis Charges for 05-21-20	71.30
05/21/2020	RE	(1414 @0.10 PER PG)	141.40
05/21/2020	RE	(59 @0.10 PER PG)	5.90
05/21/2020	RE	(1 @0.10 PER PG)	0.10
05/21/2020	RE	(1229 @0.10 PER PG)	122.90
05/21/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
05/21/2020	RE2	SCAN/COPY (62 @0.10 PER PG)	6.20
05/21/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
05/21/2020	RE2	SCAN/COPY (385 @0.10 PER PG)	38.50
05/21/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
05/21/2020	RE2	SCAN/COPY (1184 @0.10 PER PG)	118.40
05/21/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
05/21/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
05/21/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
05/21/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
05/21/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
05/21/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
05/21/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/21/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
05/21/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
05/21/2020	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
05/21/2020	RE2	SCAN/COPY (34 @0.10 PER PG)	3.40
05/21/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
05/21/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
05/21/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
05/21/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
05/21/2020	RE2	SCAN/COPY (74 @0.10 PER PG)	7.40

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05/21/2020	RE2	SCAN/COPY (226 @0.10 PER PG)	22.60
05/21/2020	RE2	SCAN/COPY (376 @0.10 PER PG)	37.60
05/21/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
05/21/2020	RE2	SCAN/COPY (508 @0.10 PER PG)	50.80
05/21/2020	RE2	SCAN/COPY (73 @0.10 PER PG)	7.30
05/21/2020	RE2	SCAN/COPY (112 @0.10 PER PG)	11.20
05/21/2020	RE2	SCAN/COPY (46 @0.10 PER PG)	4.60
05/21/2020	RE2	SCAN/COPY (30 @0.10 PER PG)	3.00
05/21/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
05/21/2020	RE2	SCAN/COPY (172 @0.10 PER PG)	17.20
05/21/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
05/21/2020	RE2	SCAN/COPY (34 @0.10 PER PG)	3.40
05/21/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
05/21/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
05/21/2020	RE2	SCAN/COPY (164 @0.10 PER PG)	16.40
05/21/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
05/21/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
05/21/2020	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80
05/21/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
05/21/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
05/21/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
05/21/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
05/22/2020	RE2	SCAN/COPY (127 @0.10 PER PG)	12.70
05/23/2020	LN	36027.00002 Lexis Charges for 05-23-20	40.75
05/24/2020	LN	36027.00002 Lexis Charges for 05-24-20	10.19
05/25/2020	LN	36027.00002 Lexis Charges for 05-25-20	41.33
05/25/2020	LN	36027.00002 Lexis Charges for 05-25-20	38.51
05/25/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
05/25/2020	RE2	SCAN/COPY (373 @0.10 PER PG)	37.30
05/26/2020	LN	36027.00002 Lexis Charges for 05-26-20	118.95
05/26/2020	RE	(2 @0.10 PER PG)	0.20
05/26/2020	RE	(2 @0.10 PER PG)	0.20
05/26/2020	RE2	SCAN/COPY (373 @0.10 PER PG)	37.30
05/26/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40

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05/26/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
05/26/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
05/26/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
05/26/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
05/26/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/26/2020	RE2	SCAN/COPY (52 @0.10 PER PG)	5.20
05/26/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
05/26/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/26/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
05/26/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/26/2020	RE2	SCAN/COPY (51 @0.10 PER PG)	5.10
05/26/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
05/26/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/26/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
05/26/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/26/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/26/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
05/26/2020	RE2	SCAN/COPY (89 @0.10 PER PG)	8.90
05/26/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
05/26/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/27/2020	LN	36027.00002 Lexis Charges for 05-27-20	30.99
05/27/2020	LN	36027.00002 Lexis Charges for 05-27-20	29.35
05/27/2020	RE	(2 @0.10 PER PG)	0.20
05/27/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
05/27/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
05/28/2020	LN	36027.00002 Lexis Charges for 05-28-20	10.19
05/28/2020	LN	36027.00002 Lexis Charges for 05-28-20	25.83
05/29/2020	RE	(1 @0.10 PER PG)	0.10
05/29/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
05/29/2020	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
05/29/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
05/29/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/29/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20

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05/29/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
05/29/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
05/29/2020	RE2	SCAN/COPY (40 @0.10 PER PG)	4.00
05/29/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
05/29/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
05/29/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/29/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/29/2020	RE2	SCAN/COPY (40 @0.10 PER PG)	4.00
05/29/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
05/31/2020	LN	36027.00002 Lexis Charges for 05-31-20	10.19
05/31/2020	PAC	Pacer - Court Research	220.10

Total Expenses for this Matter

\$4,372.94

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Pachulski Stang Ziehl & Jones LLP

10100 Santa Monica Blvd.
13th Floor
Los Angeles, CA 90067

June 30, 2020

Invoice 125290

Client 36027

Matter 00002

JNP

Board of Directors
Highland Capital Management LP
300 Crescent Court ste. 700
Dallas, TX 75201

RE: Postpetition

STATEMENT OF PROFESSIONAL SERVICES RENDERED THROUGH 06/30/2020

FEES	\$818,786.50
EXPENSES	\$3,205.81
TOTAL CURRENT CHARGES	\$821,992.31
BALANCE FORWARD	\$1,030,559.94
TOTAL BALANCE DUE	\$1,852,552.25

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Summary of Services by Professional

<u>ID</u>	<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
AJK	Kornfeld, Alan J.	Partner	1145.00	30.80	\$35,266.00
BMK	Koveleski, Beatrice M.	Case Man. Asst.	350.00	2.70	\$945.00
DG	Grassgreen, Debra I.	Partner	1095.00	0.50	\$547.50
EAW	Wagner, Elissa A.	Counsel	825.00	106.30	\$87,697.50
GVD	Demo, Gregory Vincent	Counsel	825.00	205.20	\$169,290.00
HDH	Hochman, Harry D.	Counsel	950.00	69.50	\$66,025.00
IAWN	Nasatir, Iain A. W.	Partner	1025.00	3.90	\$3,997.50
IDK	Kharasch, Ira D.	Partner	1145.00	127.60	\$146,102.00
JAM	Morris, John A.	Partner	1075.00	67.80	\$72,885.00
JEO	O'Neill, James E.	Partner	925.00	30.60	\$28,305.00
JKK	Kim, Jonathan J.	Counsel	895.00	6.90	\$6,175.50
JMF	Fried, Joshua M.	Partner	925.00	65.50	\$60,587.50
JNP	Pomerantz, Jeffrey N.	Partner	1075.00	74.00	\$79,550.00
KKY	Yee, Karina K.	Paralegal	425.00	9.30	\$3,952.50
LAF	Forrester, Leslie A.	Other	450.00	7.30	\$3,285.00
LSC	Canty, La Asia S.	Paralegal	425.00	8.40	\$3,570.00
MBL	Litvak, Maxim B.	Partner	950.00	1.10	\$1,045.00
PJJ	Jeffries, Patricia J.	Paralegal	425.00	4.00	\$1,700.00
RJF	Feinstein, Robert J.	Partner	1245.00	35.70	\$44,446.50
RMP	Pachulski, Richard M.	Partner	1445.00	1.20	\$1,734.00
SLP	Pitman, L. Sheryle	Case Man. Asst.	350.00	4.80	\$1,680.00
				863.10	\$818,786.50

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Summary of Services by Task Code

<u>Task Code</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
AA	Asset Analysis/Recovery[B120]	40.90	\$36,293.50
BL	Bankruptcy Litigation [L430]	138.20	\$131,380.00
CA	Case Administration [B110]	47.00	\$37,227.50
CO	Claims Admin/Objections[B310]	193.80	\$190,594.50
CP	Compensation Prof. [B160]	4.20	\$3,665.00
CPO	Comp. of Prof./Others	3.20	\$2,660.00
EB	Employee Benefit/Pension-B220	22.00	\$21,598.50
FF	Financial Filings [B110]	0.80	\$740.00
GB	General Business Advice [B410]	85.30	\$87,191.50
GC	General Creditors Comm. [B150]	6.40	\$6,830.00
OP	Operations [B210]	0.40	\$451.00
PD	Plan & Disclosure Stmt. [B320]	109.60	\$97,748.50
RPO	Ret. of Prof./Other	17.10	\$14,861.50
SL	Stay Litigation [B140]	193.00	\$186,435.00
TI	Tax Issues [B240]	1.20	\$1,110.00
		863.10	\$818,786.50

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Summary of Expenses

<u>Description</u>	<u>Amount</u>
Bloomberg	\$188.20
Conference Call [E105]	\$1,369.36
Lexis/Nexis- Legal Research [E	\$513.75
Legal Vision Atty Mess Service	\$34.50
Pacer - Court Research	\$645.60
Reproduction Expense [E101]	\$29.20
Reproduction/ Scan Copy	\$425.20
	<hr/>
	\$3,205.81

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Asset Analysis/Recovery[B120]						
06/01/2020	GVD	AA	Multiple conferences with J. Seery re revisions to protocols and next steps	0.30	825.00	\$247.50
06/01/2020	GVD	AA	Conference with F. Caruso re time line for MSCF sales	0.20	825.00	\$165.00
06/01/2020	GVD	AA	Further revise protocols and correspondence with E. Bromagen re same	0.80	825.00	\$660.00
06/01/2020	GVD	AA	Conference with J. Romey and J. Donohue re asset sales	0.20	825.00	\$165.00
06/02/2020	GVD	AA	Review asset analysis spreadsheet	0.30	825.00	\$247.50
06/02/2020	GVD	AA	Conference with J. Romey re potential capital contribution and protocol issues	0.80	825.00	\$660.00
06/02/2020	GVD	AA	Conference with J. Romey re asset review spreadsheet	0.30	825.00	\$247.50
06/03/2020	IDK	AA	E-mails with DSI, others on capital call re Petro Cap.	0.10	1145.00	\$114.50
06/03/2020	JNP	AA	Review proposal email from J. seery regarding multi strat.	0.10	1075.00	\$107.50
06/03/2020	GVD	AA	Conference with J. Donohue re consent request under protocols	0.10	825.00	\$82.50
06/04/2020	IDK	AA	Review of correspondence with Board on Korea capital call.	0.10	1145.00	\$114.50
06/05/2020	IDK	AA	Review of correspondence to Committee re Korea Fund capital call.	0.10	1145.00	\$114.50
06/05/2020	GVD	AA	Conference with E. Bromagen re potential transaction	0.20	825.00	\$165.00
06/08/2020	DG	AA	Review documents and call with Brad Sharp re: Rabbi Trusts	0.50	1095.00	\$547.50
06/08/2020	GVD	AA	Review documents re potential capital contribution	0.20	825.00	\$165.00
06/08/2020	GVD	AA	Conference with J. Donohue re potential capital contribution	0.20	825.00	\$165.00
06/09/2020	GVD	AA	Correspondence re Moody's invoices	0.10	825.00	\$82.50
06/09/2020	GVD	AA	Conference with HCMLP re investment management issues	0.50	825.00	\$412.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/10/2020	IDK	AA	E-mails with attorneys re J. Seery request re Multi Strat and information for billing allocation to same for reimbursement.	0.20	1145.00	\$229.00
06/10/2020	JNP	AA	Conference with Gregory V. Demo regarding Korea and Argentina and Dynamic.	0.20	1075.00	\$215.00
06/10/2020	JNP	AA	Conference with Ira D. Kharasch regarding Korea and Argentina and Dynamic.	0.20	1075.00	\$215.00
06/10/2020	GVD	AA	Attend to issues re capital call	1.60	825.00	\$1,320.00
06/10/2020	GVD	AA	Conference with E. Bromagen re status of capital contribution review	0.20	825.00	\$165.00
06/10/2020	GVD	AA	Conference with J. Seery re MSCF legal bills	0.20	825.00	\$165.00
06/11/2020	IDK	AA	Review of DSI materials on Korea Fund capital call and extensive correspondence with Korean counsel re relevant issues (.3); Attend conference call with attorneys re Korea Fund capital call, Argentina distribution and upcoming Board meeting today re same (.4).	0.70	1145.00	\$801.50
06/11/2020	IDK	AA	E-mails with DSI, others on need for call re same, including review of updated materials for call re value issues in Korea Fund (.4); Attend conference call with DSI, others re same for upcoming board call (.6); Telephone conference with J. Pomerantz re same (.1); Review of correspondence with J. Seery, others on same issues and penalties of not funding (.2); E-mails with DSI, others re further information on immediate distribution to debtor from Korea fund (.2).	1.50	1145.00	\$1,717.50
06/11/2020	JNP	AA	Conference with Gregory V. Demo and .id regarding Korea and Dynamic.	0.50	1075.00	\$537.50
06/11/2020	JNP	AA	Conference with Ira D. Kharasch, Gregory V. Demo and DSI regarding Korea.	0.60	1075.00	\$645.00
06/11/2020	GVD	AA	Correspondence with P. Jefferies re expense allocation issues	0.10	825.00	\$82.50
06/11/2020	GVD	AA	Conference with T. Surgent and J. Seery re potential issues re distributions	0.20	825.00	\$165.00
06/11/2020	GVD	AA	Review and attend to multiple issues re Korean capital contributions	3.50	825.00	\$2,887.50
06/11/2020	GVD	AA	Conference with J. Seery re capital contribution issues	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/11/2020	GVD	AA	Conference with J. Romey re asset allocation analysis	0.20	825.00	\$165.00
06/12/2020	IDK	AA	Numerous e-mails with attorneys and then with DSI on Argentina/RCP distribution and timing of getting notice to committee re same (.4); Telephone conferences with J. Pomerantz re same and timing of distributions, his communications with Committee re Korea Fund capital call (.3); E-mails with Dubel re Argentina/RCP distribution timing and notice (.2).	0.90	1145.00	\$1,030.50
06/12/2020	IDK	AA	Numerous e-mails with Board, DSI, others today and tomorrow on Argentina/RCP timing on making distributions, court's prior ruling, protocols and content of notice to Committee re same (.4); Telephone conferences with J. Pomerantz re same (.2).	0.60	1145.00	\$687.00
06/12/2020	IDK	AA	Numerous e-mails with attorneys re status of Korea Fund capital call and company internal legal team questions re same (.3); Numerous e-mails with Korea counsel, DSI, others re same on legal and economic issues re Korea Fund capital call, and various revised drafts of notice to Committee re same (.4); E-mails with Board re same (.1).	0.80	1145.00	\$916.00
06/12/2020	JNP	AA	Review email regarding Argentina and Dynamic; Conference with J. Dubel regarding same.	0.10	1075.00	\$107.50
06/12/2020	PJJ	AA	Review billing excerpts regarding professional fee allocation.	2.30	425.00	\$977.50
06/12/2020	GVD	AA	Review correspondence with Korean counsel re capital contributions	0.90	825.00	\$742.50
06/12/2020	GVD	AA	Review transcript and background re issues on distribution	1.10	825.00	\$907.50
06/12/2020	GVD	AA	Conference with J. Donohue re follow up to Korean issues	0.20	825.00	\$165.00
06/12/2020	GVD	AA	Review ability to make distributions under protocols	0.40	825.00	\$330.00
06/12/2020	GVD	AA	Conference with J. Seery re potential distributions	0.40	825.00	\$330.00
06/12/2020	GVD	AA	Conference with J. Romey re asset chart	0.20	825.00	\$165.00
06/14/2020	GVD	AA	Conference with J. Pomerantz re issues re distributions; follow up re same	0.20	825.00	\$165.00
06/15/2020	IDK	AA	Review of correspondence to Committee professionals from CEO on liquidated securities and	0.30	1145.00	\$343.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			protocols, as well as re Omnimax issues and consider.			
06/15/2020	GVD	AA	Conference with Board on distribution issues; follow up re same	1.00	825.00	\$825.00
06/15/2020	GVD	AA	Correspondence with M. Clemente re distributions	0.20	825.00	\$165.00
06/16/2020	JNP	AA	Email to and from Ira D. Kharasch regarding Korea.	0.10	1075.00	\$107.50
06/16/2020	GVD	AA	Conference with Board re status of capital contribution issues	0.80	825.00	\$660.00
06/16/2020	GVD	AA	Conference with Board and HCMLP re capital contribution issues	0.70	825.00	\$577.50
06/16/2020	GVD	AA	Conference with J. Romey re open items re capital contribution issues	0.30	825.00	\$247.50
06/16/2020	GVD	AA	Conference with J.Romey and J. Donohue re communications with FTI on capital contribution	0.30	825.00	\$247.50
06/17/2020	IDK	AA	E-mails with DSI, others re its draft memo to Committee on Korea Fund capital call status and protocols (.2); Review of correspondence with Board re same, and suggested revisions (.1); E-mails with DSI on Korea Fund distribution funding, as well as correspondence to Committee re same (.1).	0.40	1145.00	\$458.00
06/17/2020	GVD	AA	call with HCMLP re status of distributions	0.30	825.00	\$247.50
06/18/2020	IDK	AA	E-mails with attorneys re draft memo to Committee counsel re distribution to Okada re Argentina, as well as feedback of Russ Nelms re call to Lynn.	0.30	1145.00	\$343.50
06/18/2020	GVD	AA	Correspondence with DSI re status of protocol revisions	0.10	825.00	\$82.50
06/18/2020	GVD	AA	Correspondence with Board re distributions	0.10	825.00	\$82.50
06/18/2020	GVD	AA	Draft email to Committee re potential distributions	0.30	825.00	\$247.50
06/19/2020	IDK	AA	E-mails with Board re draft correspondence to Committee re Okada and Argentina and final to Committee re same.	0.20	1145.00	\$229.00
06/19/2020	PJJ	AA	Review billing excerpts regarding professional fee allocation.	1.00	425.00	\$425.00
06/19/2020	GVD	AA	Correspondence with Committee re distributions to Related Entities	0.20	825.00	\$165.00
06/19/2020	GVD	AA	Conference with J. Seery re distributions to Related Entities	0.10	825.00	\$82.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/19/2020	GVD	AA	Review allocation of MSCF fees	1.40	825.00	\$1,155.00
06/22/2020	GVD	AA	Draft notice of distributions to Court in advance of June 30 hearing	1.20	825.00	\$990.00
06/23/2020	IDK	AA	Review of revised draft notice of debtor's position to be filed re distributions from Argentina/RCP re debtor's position (.2); E-mails with G. Demo re same and board input, including board feedback on status of feedback from Mike Lynn on court registry (.2).	0.40	1145.00	\$458.00
06/23/2020	GVD	AA	Conference with F. Caruso re disclosure issues re assets	0.10	825.00	\$82.50
06/23/2020	GVD	AA	Conference with J. Seery re liquidating distributions	0.10	825.00	\$82.50
06/23/2020	GVD	AA	Correspondence with Board re payment of liquidating distributions	0.20	825.00	\$165.00
06/23/2020	GVD	AA	Draft and circulate statement re additional distributions	0.60	825.00	\$495.00
06/24/2020	IDK	AA	E-mails re Dondero decision on court registry re distribution, and re issue of deducting certain professional fees from such distributions.	0.30	1145.00	\$343.50
06/24/2020	GVD	AA	Correspondence with J. Seery re distribution issues	0.20	825.00	\$165.00
06/24/2020	GVD	AA	Correspondence with J. Pomerantz and I. Kharasch re distribution issues	0.10	825.00	\$82.50
06/24/2020	GVD	AA	Revise and circulate notice re distributions	0.20	825.00	\$165.00
06/25/2020	GVD	AA	Review fund documents re tax advance issues	0.40	825.00	\$330.00
06/25/2020	GVD	AA	Conference with client and DSI re tax advance issues	0.20	825.00	\$165.00
06/26/2020	IDK	AA	E-mails with G. Demo re his analysis on allocation of Multi Strat fees, and next steps for same.	0.20	1145.00	\$229.00
06/26/2020	JNP	AA	Review and respond to Gregory V. Demo email regarding Multi Strat reimbursements.	0.10	1075.00	\$107.50
06/26/2020	GVD	AA	Review expense allocation	0.60	825.00	\$495.00
06/27/2020	IDK	AA	E-mails with G. Demo, Wilmer on allocation of expenses to funds, as well as memo to Board re allocation re Multi Strat expenses.	0.20	1145.00	\$229.00
06/27/2020	IDK	AA	E-mails with J. Pomerantz re Board correspondence re Omnimax transaction.	0.20	1145.00	\$229.00

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				Hours	Rate	Amount
06/27/2020	JNP	AA	Review emails regarding Omnimax.	0.10	1075.00	\$107.50
06/27/2020	GVD	AA	Correspondence with client and T. Silva re allocation of fees	0.20	825.00	\$165.00
06/27/2020	GVD	AA	Correspondence with Board re payment of fees by investment funds	0.10	825.00	\$82.50
06/29/2020	IDK	AA	E-mails with DSI on rabbi trust open issues (.2); E-mails with D. Grassgreen and J. Pomerantz re rabbi trust and coordination of call re same, and related documents (.3)	0.50	1145.00	\$572.50
06/29/2020	IDK	AA	Review of correspondence with DSI, Board on how to respond to UCC re various fund issues (.2); E-mails with DSI, others re Omnimax proposed notice to UCC, and feedback for revisions (.3).	0.50	1145.00	\$572.50
06/29/2020	JNP	AA	Review emails regarding Omni Max.	0.10	1075.00	\$107.50
06/29/2020	GVD	AA	Conference with J. Romey re protocol review	0.20	825.00	\$165.00
06/29/2020	GVD	AA	Conference with J. Seery re potential asset sale and protocol issues	0.20	825.00	\$165.00
06/29/2020	GVD	AA	Review notice to committee re potential sale; correspondence re same	0.30	825.00	\$247.50
06/29/2020	GVD	AA	Correspondence with J. Pomerantz re Related Entity distributions	0.20	825.00	\$165.00
06/30/2020	IDK	AA	Review of relevant documents re Rabbi trust issues and life insurance (.3); Attend conference call on Rabbi trust issue, and consider related documents (.5); Review of latest counter proposal re Omni Max (.2).	1.00	1145.00	\$1,145.00
06/30/2020	IDK	AA	E-mails with DSI, others on Committee/FTI and their issues with OmniMax deal and Board feedback.	0.30	1145.00	\$343.50
06/30/2020	JNP	AA	Conference with Ira D. Kharasch and Debra Grassgreen regarding Rabbi Trusts.	0.30	1075.00	\$322.50
06/30/2020	GVD	AA	Correspondence with J. Romey re potential sale and related issues	0.20	825.00	\$165.00
				40.90		\$36,293.50

Bankruptcy Litigation [L430]

03/13/2020	LSC	BL	Prepare and serve document production.	0.60	425.00	\$255.00
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				Hours	Rate	Amount
03/16/2020	LSC	BL	Prepare and transmit document production.	0.50	425.00	\$212.50
03/17/2020	LSC	BL	Prepare and transmit document production (.8); update production log (1.3).	2.10	425.00	\$892.50
03/18/2020	LSC	BL	Prepare and transmit document production.	0.60	425.00	\$255.00
04/29/2020	LSC	BL	Prepare and transmit document production and update production log.	1.40	425.00	\$595.00
05/12/2020	LSC	BL	Correspondence with J. Morris regarding document productions.	0.30	425.00	\$127.50
05/15/2020	RMP	BL	Conference with I. Kharasch and telephone conference with J. Pomerantz re case issues.	0.40	1445.00	\$578.00
06/01/2020	IDK	BL	E-mails with DSI, others re reschedule of WIP calls tomorrow, and review of latest WIP list (.3); Review of numerous correspondence from Holly to Acis on Acis plan status conference and information needed, and Acis counsel response re its refusal and intent to file protective motion re its QOR and Board feedback (.4).	0.70	1145.00	\$801.50
06/01/2020	RMP	BL	Conference with Ira D. Kharasch and telephone conference with Jeffrey N. Pomerantz regarding litigation issues.	0.40	1445.00	\$578.00
06/01/2020	JAM	BL	Revise Bar Date and state court Stipulations with Brown Rudnick (0.2); e-mails to R. Stark, J. Pomerantz, J. Dubel, S. Vitiello re: Brown Rudnick stipulations (0.2); telephone conference with G. Demo re: e-discovery protocol (0.5); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: when are alter ego claims property of the estate (0.3); e-mails to E. Ellington, Z. Annable, J. Dubel, J. Pomerantz re: stipulations with Brown Rudnick (0.1); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: disclosure of e-discovery memo (0.1); telephone conference with I. Leventon, S. Vitiello, T. Jeremiassen, G. Demo re: e-discovery protocols (0.9); e-mails with Sidley re: meet and confer call and e-discovery memo (0.1); e-mail to I. Leventon, S. Vitiello, T. Jeremiassen, G. Demo re: e-discovery memo (0.1); telephone conference with G. Demo, T. Jeremiassen, I. Leventon, S. Vitiello, Sidley re: e-discovery (0.4); e-mail to I. Leventon, S. Vitiello, T. Jeremiassen re: comments to e-discovery protocols (0.1).	3.00	1075.00	\$3,225.00
06/01/2020	LSC	BL	Prepare and transmit document production.	0.60	425.00	\$255.00
06/01/2020	GVD	BL	Review e-discovery protocols; correspondence with	1.10	825.00	\$907.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			J. Morris re same			
06/01/2020	GVD	BL	Conference with J. Morris, HCMLP, and Sidley re status of discovery issues and next steps	0.30	825.00	\$247.50
06/01/2020	GVD	BL	Conference with HCMLP and J. Morris re discovery memo and next steps	0.90	825.00	\$742.50
06/01/2020	GVD	BL	Conference with J. Pomerantz re Acis requests	0.10	825.00	\$82.50
06/01/2020	GVD	BL	Conference with H. O'Neil re status conference in Acis bankruptcy	0.20	825.00	\$165.00
06/01/2020	GVD	BL	Correspondence with J. Morris re discovery conference	0.10	825.00	\$82.50
06/01/2020	GVD	BL	Correspondence with H. O'Neil re Acis status conference and next steps	0.30	825.00	\$247.50
06/02/2020	IDK	BL	Review and consider numerous 5th Circuit cases on ownership of alter ego claims re both NWCC litigation and Acis new claims alleging such claims, as well as NWCC motion to amend complaint vs Acis-3 (1.4); E-mails with L. Forester re need for further research on related issues (.2); Prepare memo on 5th Circuit view on ownership of alter ego claims, and how applied in these circumstances (.4).	2.00	1145.00	\$2,290.00
06/02/2020	JAM	BL	Review revised e-discovery protocols (0.1); e-mails with I. Leventon re: e-discovery protocols (0.1); work related to revising the e-discovery protocols (0.3); e-mail to Sidley re: e-discovery protocols (0.1).	0.60	1075.00	\$645.00
06/02/2020	GVD	BL	Conference with H. O'Neil re Acis status conference and preparation for same	0.40	825.00	\$330.00
06/02/2020	GVD	BL	Review materials in advance of Acis status conference	0.60	825.00	\$495.00
06/02/2020	GVD	BL	Conference with R. Patel re potential motion to seal Acis QOR	0.70	825.00	\$577.50
06/02/2020	GVD	BL	Correspondence with R. Patel re Acis QOR and other matters	0.50	825.00	\$412.50
06/02/2020	GVD	BL	Correspondence with R. Patel re Section 107 issues	0.20	825.00	\$165.00
06/02/2020	GVD	BL	Correspondence with J. Morris re mutuality issues for set off	0.40	825.00	\$330.00
06/03/2020	LAF	BL	Legal research re: Alter ego in the Fifth Circuit.	1.80	450.00	\$810.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/03/2020	IDK	BL	Numerous e-mails with J. Morris on analysis of NWCC litigation and issues on its alter ego allegations and complaint (.5); E-mails with L. Forrester re her research on same, and other related issues (.3); Attend conference call with attorneys on alter ego issues in Acis litigation and NWCC (.4).	1.20	1145.00	\$1,374.00
06/03/2020	IDK	BL	E-mails with attorneys re draft letter to Court re today's hearing and confusion on Acis litigation as well as J. Terry's letter to Board re same hearing.	0.30	1145.00	\$343.50
06/03/2020	JNP	BL	Review emails regarding alter ego claims and issues.	0.10	1075.00	\$107.50
06/03/2020	JNP	BL	Conference with John A. Morris and Ira D. Kharasch regarding alter ego issues.	0.40	1075.00	\$430.00
06/03/2020	JNP	BL	Review 107 motion by Acis.	0.10	1075.00	\$107.50
06/03/2020	JNP	BL	Review letter to Judge regarding Acis litigation and provide comments.	0.10	1075.00	\$107.50
06/03/2020	JAM	BL	E-mail to J. Pomerantz, I. Kharasch, G. Demo re: alter ego, veil piercing, Packer, and NCWW litigation (1.0); e-mails with I. Kharasch re: alter ego/veil piercing (0.3); telephone conference with J. Pomerantz, I. Kharasch re: alter ego/veil piercing (0.3).	1.60	1075.00	\$1,720.00
06/03/2020	GVD	BL	Attend Acis status conference	1.30	825.00	\$1,072.50
06/03/2020	GVD	BL	Prepare for Acis status conference	0.40	825.00	\$330.00
06/03/2020	GVD	BL	Conference with J. Dubel and J. Pomerantz re draft response re motion for relief from stay	0.20	825.00	\$165.00
06/03/2020	GVD	BL	Conference with R. Patel re Acis proposed motion to seal QOR	0.40	825.00	\$330.00
06/03/2020	GVD	BL	Review Acis motion to seal QOR	0.20	825.00	\$165.00
06/03/2020	GVD	BL	Conference with client re Acis status conference and follow up items re same	0.50	825.00	\$412.50
06/03/2020	GVD	BL	Attend to follow up items re Acis status conference	0.20	825.00	\$165.00
06/04/2020	IDK	BL	Numerous e-mails with Board, others re Terry message and how to respond, including revised letter to Judge re same and Nelm's feedback.	0.40	1145.00	\$458.00
06/04/2020	JNP	BL	Review letter and conference with John A. Morris regarding response regarding Acis.	0.20	1075.00	\$215.00
06/04/2020	JNP	BL	Conference with Gregory V. Demo regarding letter	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			regarding Acis.			
06/04/2020	JNP	BL	Review and respond to emails regarding letter regarding Acis.	0.10	1075.00	\$107.50
06/04/2020	JAM	BL	Revise draft letter to Court re: litigation with Acis and Terry (0.7); e-mails with Sidley, DSI, Highland, PSZJ re: e-discovery (0.2); telephone conference with J. Pomerantz re: letter concerning Acis litigation (0.1); telephone conferences with G. Demo re: letter concerning Acis litigation (0.1); revise letter concerning Acis litigation (0.4); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: letter concerning Acis litigation (0.1); telephone conference with J. Dubel, S. Vitiello, Hunter, Stenson re: CLOs' cash flow and Brown Rudnick settlement payment terms (0.7); revisions to Brown Rudnick settlement agreement (0.2); e-mails to J. Dubel, S. Vitiello, J. Pomerantz re: Brown Rudnick agreement (0.1); revisions to letter to Judge Jurnigan concerning Acis litigation (0.2); telephone conference with G. Demo, I. Leventon re: letter to Court concerning Acis litigation (0.2); analysis and draft e-mail to the Board concerning alter ego claims (1.4); telephone conferences with J. Dubel, S. Vitiello, Hunter, Stetson re: CLOs' cash flow and Brown Rudnick settlement (0.2); e-mail to R. Stark, J. Pomerantz re: settlement (0.2); complete e-mail to J. Pomerantz, I. Kharasch, G. Demo re: open issues in Redeemer Committee settlement negotiations (0.2).	5.00	1075.00	\$5,375.00
06/04/2020	GVD	BL	Draft letter re response to status conference	2.50	825.00	\$2,062.50
06/05/2020	IDK	BL	Review of draft analysis to Board by J. Morris on alter ego issues re NCWW vs Acis-3, including review of NCWW amended complaint, and Acis litigation against HCM employees, and issues re same (.4); E-mails with I. Leventon re same on Acis-3 entity (.2); E-mails with J. Morris re my initial comments for changes to same (.4); Prepare substantially revised memo to Board re same (.7).	1.70	1145.00	\$1,946.50
06/05/2020	IDK	BL	On Sunday, review J. Morris draft of response to NCWW letter re alter ego and our position (.2); E-mails with J. Morris, others re my suggested changes re same (.2).	0.40	1145.00	\$458.00
06/05/2020	JNP	BL	Conference with John A. Morris regarding discovery issues.	0.10	1075.00	\$107.50
06/05/2020	JAM	BL	E-mail to DSI, PSZJ, Highland re: e-discovery and	2.80	1075.00	\$3,010.00

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			protocols (0.2); telephone conference with J. Dubel re: e-discovery (0.1); revise Brown Rudnick settlement agreement in light of Stark comments (0.4); communications with R. Stark, J. Dubel, S. Vitiello, J. Pomerantz re: Brown Rudnick settlement (0.1); e-mails with Sidley, DSI, PSZJ, Highland re: meet and confer concerning e-discovery (0.1); further revisions to Brown Rudnick settlement agreement (0.2); e-mail to J. Dubel, S. Vitiello, J. Pomerantz re: revised Brown Rudnick settlement agreement (0.1); revise draft e-mail to the Board re: alter ego issues in light of I. Kharasch comments (0.2); communications with R. Stark, J. Dubel, S. Vitiello, J. Pomerantz re: Brown Rudnick settlement (0.3); review/revise form of Affidavit of Confession of Judgment for Brown Rudnick settlement (0.3); telephone conference with T. Jeremiassen, I. Leventon, S. Vitiello (partial) re: discovery protocols (0.8).			
06/06/2020	JAM	BL	Review/revise Acis's proposed lift stay order (on motion for contempt) and e-mail to J. Pomerantz, I. Kharasch, G. Demo concerning the same (0.3); analysis of Related Party agreements concerning confidentiality issues and send e-mail to J. Pomerantz, I. Kharasch, G. Demo concerning the same (2.4).	2.70	1075.00	\$2,902.50
06/07/2020	JNP	BL	Review John A. Morris response regarding discovery status with Committee.	0.10	1075.00	\$107.50
06/07/2020	JEO	BL	Review and update draft of motion to extend removal deadline	0.60	925.00	\$555.00
06/07/2020	JAM	BL	Draft letter to NWCC's counsel re: stay violation (1.9); draft response to Sidley re: e-discovery and document review Protocols (2.1); e-mail to B. Shaw, M. Lynn re: proposed order on Acis lift stay motion (0.1); e-mails with R. Stark, J. Dubel, S. Vitiello, J. Pomerantz re: Brown Rudnick settlement (including revision to draft agreement) (0.2).	4.30	1075.00	\$4,622.50
06/07/2020	GVD	BL	Review J. Morris comments to order re lifting of stay	0.10	825.00	\$82.50
06/07/2020	GVD	BL	Review draft letter re potential stay violation; correspondence re same	0.20	825.00	\$165.00
06/08/2020	IDK	BL	Telephone conference with J. Morris re discovery dispute with Sidley and other issues (.2); Review of correspondence with Sidley on discovery issues (.2).	0.40	1145.00	\$458.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/08/2020	IDK	BL	E-mails with attorneys and Board re status on NCWW and our draft letter, including feedback of Board.	0.30	1145.00	\$343.50
06/08/2020	JMF	BL	Review comment re removal extension.	0.40	925.00	\$370.00
06/08/2020	JAM	BL	Draft responsive e-mail to CLO Holdco, UCC, J. Pomerantz re: status of discovery (0.6); e-mails with R. Stark, J. Pomerantz, J. Dubel, S. Vitiello re: Brown Rudnick settlement (0.1); revise draft e-mail to UCC in light of comments received (1.3); telephone conference with I. Leventon, T. Jeremiassen, S. Vitiello re: e-discovery protocols (0.3); communications with J. Dubel, R. Stark, Highland, J. Pomerantz re: Brown Rudnick settlement (0.2); revise/complete Affidavits of Confession of Judgment concerning Brown Rudnick settlement (0.2); telephone conference with T. Jeremiassen, I. Leventon, S. Vitiello, G. Demo, Sidley re: meet and confer concerning e-discovery (0.4); revise and send letter to M. Gottschlich re: NWCC and stay violation (0.2).	3.30	1075.00	\$3,547.50
06/08/2020	GVD	BL	Pre-call with client team re discovery matters	0.30	825.00	\$247.50
06/08/2020	GVD	BL	Conference with Committee re discovery matters	0.50	825.00	\$412.50
06/09/2020	JAM	BL	Communications with J. Dubel, J. Pomerantz, R. Stark, Z. Annabel, M. Heyward, G.Demo re: Brown Rudnick settlement and bar date extension (0.3).	0.30	1075.00	\$322.50
06/09/2020	GVD	BL	Correspondence with Board re analysis of plan discharge issues	0.10	825.00	\$82.50
06/09/2020	GVD	BL	Review letter re plan discharge issues	0.20	825.00	\$165.00
06/10/2020	IDK	BL	E-mails with J. Morris re communications with NCWW and call tomorrow.	0.20	1145.00	\$229.00
06/10/2020	IDK	BL	E-mails with Board, attorneys re 6/15 hearing prep, status on other motions to file.	0.30	1145.00	\$343.50
06/10/2020	JEO	BL	Review and update drafts of removal extension motion and exclusivity extension motion and circulate to PSZJ team	0.50	925.00	\$462.50
06/10/2020	JEO	BL	Follow up email with Greg Demo re status of exclusivity and removal motions	0.20	925.00	\$185.00
06/10/2020	JMF	BL	Review CLO Holdco motion (.3) and subpoena re same.	0.30	925.00	\$277.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/10/2020	JAM	BL	Communications with S. Vitiello, J. Pomerantz re: CLO Holdco discovery requests (0.2); communications with M. Gottschlich re: NWCC (0.1); communications with I. Leventon, S. Vitiello, J. Pomerantz re: bids for contract attorneys (0.2); communications with S. Vitiello, Z. Annabel, R. Stark, J. Dubel, J. Pomerantz re: completion of settlement documentation (0.2).	0.70	1075.00	\$752.50
06/10/2020	GVD	BL	Review draft motion to seal; prepare response re same	1.30	825.00	\$1,072.50
06/10/2020	GVD	BL	Review draft letter to Acis; correspondence with H. O'Neil re same	0.20	825.00	\$165.00
06/10/2020	GVD	BL	Conference with J. Dubel re revisions to letter to J. Terry; follow up re same	0.20	825.00	\$165.00
06/10/2020	GVD	BL	Conference with J. Dubel re response to J. Terry; draft correspondence re same	0.80	825.00	\$660.00
06/11/2020	AJK	BL	Prepare for hearing re evidentiary issues.	2.70	1145.00	\$3,091.50
06/11/2020	IDK	BL	E-mails with J. Morris re summary of communications with NCWW re its amended complaint and alter ego.	0.30	1145.00	\$343.50
06/11/2020	JAM	BL	Revise e-mail to CLO Holdco re: status of discovery and e-mail to J. Pomerantz, I. Kharasch, G. Demo concerning the same (0.3); review CLO Holdco subpoena for deposition by written questions and document production (0.3); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: CLO Holdco subpoena (0.2); e-mail to Board re: CLO Holdco subpoena (0.1); e-mail to I. Leventon, S. Vitiello re: CLO Holdco subpoena (0.1); telephone conference with I. Leventon, S. Vitiello re: CLO Holdco subpoena and bids for contract vendors for document review (0.3); telephone conference with NWCC's counsel re: asserted stay violation (0.3); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: NWCC and next steps (0.2).	1.80	1075.00	\$1,935.00
06/12/2020	IDK	BL	Review of correspondence from NWCC to court on alter ego and amendment.	0.10	1145.00	\$114.50
06/14/2020	JNP	BL	Conference with J. Dubel regarding Argentina and Dynamic distributions.	0.20	1075.00	\$215.00
06/14/2020	JNP	BL	Review email from M. Clemente regarding Argentina and Dynamic distributions.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/14/2020	JNP	BL	Conference with Gregory V. Demo regarding Argentina and Dynamic distributions.	0.10	1075.00	\$107.50
06/14/2020	JNP	BL	Conference with Ira D. Kharasch (2x) regarding Argentina and Dynamic distributions.	0.20	1075.00	\$215.00
06/14/2020	JNP	BL	Review of emails among Board regarding Argentina and Dynamic distributions.	0.20	1075.00	\$215.00
06/14/2020	JNP	BL	Review John A. Morris response to CLO Holdco regarding discovery issues with the Committee.	0.10	1075.00	\$107.50
06/14/2020	JAM	BL	E-mails to J. Pomerantz, I. Kharasch, G. Demo re: discovery (0.1); revise e-mail to the Board re: retention of contract attorneys (0.3).	0.40	1075.00	\$430.00
06/15/2020	LAF	BL	Legal research re: Objection to motion to seal.	0.80	450.00	\$360.00
06/15/2020	JNP	BL	Email to and from John A. Morris regarding discovery.	0.10	1075.00	\$107.50
06/15/2020	RMP	BL	Conferences with J. Pomerantz and I. Kharasch re status.	0.40	1445.00	\$578.00
06/15/2020	JEO	BL	Review and finalize removal extension motion	0.70	925.00	\$647.50
06/15/2020	JMF	BL	Review removal extension.	0.30	925.00	\$277.50
06/15/2020	JAM	BL	Finalize and send e-mail to J. Kane, J. Pomerantz, Sidley re: status of discovery (0.2); e-mails with I. Leventon, J. Pomerantz, I. Kharasch, G. Demo re: retention of contract attorneys (0.2).	0.40	1075.00	\$430.00
06/15/2020	GVD	BL	Correspondence with board re discovery issues	0.20	825.00	\$165.00
06/15/2020	GVD	BL	Draft response to motion to seal	2.30	825.00	\$1,897.50
06/16/2020	JAM	BL	E-mails with Board, I. Leventon, PSZJ re: engagement of contract attorneys to review production of e-mails (0.2); telephone conferenced with J. Dubel, R. Nelms, I. Leventon, S. Vitiello re: engagement of contract attorneys to review production of e-mails (0.4); e-mail to J. Fried re: retention of contract attorneys to conduct document review (0.1).	0.70	1075.00	\$752.50
06/16/2020	GVD	BL	Further review and revise response to motion to seal	2.10	825.00	\$1,732.50
06/17/2020	IDK	BL	E-mails with attorneys re status on Committee discovery issues and upcoming call re same.	0.20	1145.00	\$229.00
06/17/2020	IDK	BL	E-mail to I. Leventon and others re UBS and non-debtor defendants.	0.20	1145.00	\$229.00

001800

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLANT RECORD
VOLUME 8**

D. Michael Lynn
State Bar I.D. No. 12736500
John Y. Bonds, III
State Bar I.D. No. 02589100
John T. Wilson, IV
State Bar I.D. No. 24033344
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ATTORNEYS FOR JAMES DONDERO

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

IN RE:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

Debtor.

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Case No. 19-34054

Chapter 11

APPELLANT'S SECOND AMENDED DESIGNATION OF ITEMS TO
BE INCLUDED IN THE RECORD ON APPEAL AND
STATEMENT OF ISSUES TO BE PRESENTED

Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Appellant James Dondero ("Appellant") in this appeal as noticed by the Notice of Appeal filed by Appellant on November 9, 2020, files this *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented*¹ in the above-captioned case and requests that the Clerk prepare and forward the items listed herein to the District Court for inclusion in the record in connection with this appeal.

¹ This designation is being further amended to group together certain docket entries per the clerk's request.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL

1. Notice of Appeal filed by Appellant [Docket No. 1347];

2. *Order Approving Debtor's Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302];

3. Docket entries kept by the bankruptcy clerk in case no. 19-34054; and

4. Each of the additional documents and items designated below:

Designation No.	Docket No.	Date	Description
1.		10/25/18	<i>Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC</i> [Docket No. 660 in Case No. 18-30264]
2.		1/31/19	<i>Findings of Fact, Conclusions of Law, and Order Granting Final Approval of Disclosure Statement and Confirming the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, as Modified</i> [Docket No. 829 in Case No. 18-30264]
3.	607	4/28/20	<i>Summary of First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from October 16, 2019 through March 31, 2020</i> [Docket No. 607]
4.	617	5/1/20	<i>James Dondero's Limited Response to Acis Capital Management, L.P. and Acis Capital Management GP, LLC's Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction</i> [Docket No. 617]
5.	771	6/23/20	<i>Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC, filed by Highland Capital Management, L.P.</i> [Docket No. 771]

Vol. 5 001276	6.	827	7/13/20	<i>James Dondero's (i) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (ii) Joinder in Support of Highland Capital Management, L.P.'s Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 827]</i>
001284	7.	832	7/14/20	<i>Response of James Dondero to the Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor [Docket No. 832]</i>
001293	8.	891	7/23/20	<i>UBS (i) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC and (ii) Joinder in the Debtor's Objection [Docket No. 891]</i>
Vol. 6 001300	9.	908	7/31/20	<i>Omnibus Response to Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 908]</i>
Vol. 7 001571 Thru Vol. 8	10.	971	8/19/20	<i>Summary of Second Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from April 1, 2020 through July 31, 2020 [Docket No. 971]</i>
Vol. 8 001965	11.	983	8/21/20	<i>Agreed Scheduling Order Regarding Objections to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 983]</i>
001970	12.	1079	9/21/20	<i>First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1079]</i>
Vol. 9 002031	13.	1080	9/21/20	<i>Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1080]</i>
002186	14.	1087	9/23/20	<i>Debtor's Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer</i>

			<i>G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith [Docket No. 1087] (the “Acis Settlement Motion”)</i>
15.	1088	9/23/20	Declaration of Gregory V. Demo in Support of the Acis Settlement Motion [Docket No. 1088]
16.	1088-1	9/23/20	Settlement Agreement between the Debtor, Acis, and certain related parties [Docket No. 1088-1]
17.	1088-2	9/23/20	General Release between the Debtor, Acis, and certain related parties [Docket No. 1088-2]
18.	1094	9/24/20	<i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020 [Docket No. 1094]</i>
19.	1121	10/05/20	James Dondero’s Response to the Acis Settlement Motion [Docket No. 1121]
20.	1194-1	10/16/20	Proof of Claim No. 23 filed by Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively, “Acis”)
21.	1194-2	10/16/20	Proof of Claim No. 72 filed by the Redeemer Committee of the Highland Crusader Fund
22.	1194-3	10/16/20	Proof of Claim No. 81 filed by Highland Crusader Offshore Partners, L.P., et al.
23.	1194-5	10/16/20	Proof of Claim No. 77 filed by Patrick Daugherty
24.	1194-4	10/16/20	Proof of Claim No. 93 filed by Integrated Financial Associates, Inc.
25.	1194-6	10/16/20	Proof of Claim No. 190 filed by UBS
26.	1194-16	10/16/20	Expert Opinion of Nancy B. Rapoport, dated October 11, 2020, including all attachments thereto
27.	1194-17	10/16/20	Curriculum Vitae of Nancy B. Rapoport

Vol. 12 002758	28.	1201	10/16/20	Objection of Patrick Daugherty to the Acis Settlement Motion [Docket No. 1201]
002773	29.	1177	10/16/20	CLO HoldCo. Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1177]
002777	30.	1191	10/16/20	Highland CLO Funding, Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1191]
002785	31.	1195	10/16/20	HarbourVest Limited Objection and Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1195]
002791 Thru Vol. 13	32.	1271	10/20/20	Transcript of hearing conducted on October 20, 2020 [Docket No. 1271]
Vol. 13 003047	33.	1285	10/21/20	Transcript of hearing conducted on October 21, 2020 [Docket No. 1285]

STATEMENT OF ISSUES TO BE PRESENTED ON APPEAL

1. Whether the Bankruptcy Court erred in approving the settlement agreement and release entered into between Highland Capital Management, L.P. and Acis Capital Management, L.P., Acis Capital Management GP, LLC, and Joshua Terry pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure as being fair, equitable, and in the best interest of the estate.

[Remainder of Page Intentionally Left Blank]

Dated: December 7, 2020

Respectfully submitted,

/s/ Bryan C. Assink

D. Michael Lynn
State Bar I.D. No. 12736500
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State Bar I.D. No. 02589100
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ATTORNEYS FOR JAMES DONDERO

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on December 7, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for Debtor-Appellee Highland Capital Management, L.P. and on all other parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

Bryan C. Assink

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/17/2020	IDK	BL	E-mails with G. Demo re his draft opposition to Acis 107 motion to seal QORs, including review of same and issues.	0.30	1145.00	\$343.50
06/17/2020	JNP	BL	Conference with Gregory V. Demo and John A. Morris regarding discovery issue.	0.30	1075.00	\$322.50
06/17/2020	JMF	BL	Review background and deck and draft motion to retain Robert Half (2.1) and research re ordinary course of business engagement of same (.8).	2.90	925.00	\$2,682.50
06/17/2020	JAM	BL	Review discovery emails and prepare (a) further response to UCC with respect to CLO Holdco queries, and (b) chronology of substantive developments in discovery (1.5); telephone conference with J. Pomerantz, G. Demo re: discovery (0.3); review/revise opposition to Acis sealing motion (1.8).	3.60	1075.00	\$3,870.00
06/17/2020	GVD	BL	Conference with J. Morris re revisions to seal objection	0.20	825.00	\$165.00
06/17/2020	GVD	BL	Draft response re motion to seal	5.10	825.00	\$4,207.50
06/17/2020	GVD	BL	Conference with J. Morris and J. Pomerantz re status of discovery	0.20	825.00	\$165.00
06/17/2020	GVD	BL	Conference with I. Leventon re discovery issues	0.70	825.00	\$577.50
06/18/2020	IDK	BL	E-mails with J. Morris re NCWW motion for leave to amend, and brief review (.2); Brief review of numerous correspondence re discovery issues with Committee (.2).	0.40	1145.00	\$458.00
06/18/2020	IDK	BL	E-mails with client, Holley, attorneys re revised objection to Acis 107/seal motion re its QORs, including review of same (.4); E-mails with client, others re my comments to same objections (.4).	0.80	1145.00	\$916.00
06/18/2020	JNP	BL	Emails regarding retention of contract attorneys to do document review.	0.10	1075.00	\$107.50
06/18/2020	JMF	BL	Review OCP order and issues re contractor re committee discovery (.4) and proposed protocols re same (.3).	0.70	925.00	\$647.50
06/18/2020	JAM	BL	E-mails with NWCC counsel, J. Pomerantz, I. Kharasch, G. Demo re: revised proposed amended complaint (0.1); e-mail to I. Leventon, J. Pomerantz, G. Demo, I. Kharasch, J. Fried re: retention of contact attorneys and UCC comments to document review memorandum (0.1); telephone conference	0.70	1075.00	\$752.50

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			with I. Leventon re: discovery issues (0.3); e-mail with J. Fried re: Robert Haft retention (0.2).			
06/18/2020	GVD	BL	Review and revise objection to motion to seal re comments from J. Morris	1.80	825.00	\$1,485.00
06/18/2020	GVD	BL	Review further revisions to objection to seal	0.20	825.00	\$165.00
06/19/2020	IDK	BL	E-mails with G. Demo re his revised objection to Acis 107 motion, my issues re same, including review of same (.4); E-mails with H. O'Neill re same, along with her further information for objection (.2); Review of further revised objection (.1); E-mails with H. O'Neill and G. Demo re same and sending to Board, including Board initial feedback (.2).	0.90	1145.00	\$1,030.50
06/19/2020	IDK	BL	E-mails with attorneys re R. Nelms correspondence from Lynn re statute of limitation on Acis claims vs employees and section 108, and next steps.	0.30	1145.00	\$343.50
06/19/2020	IDK	BL	E-mails to attorneys re I. Leventon's correspondence on UBS litigation vs other debtor related entities.	0.30	1145.00	\$343.50
06/19/2020	JNP	BL	Review memo regarding 108 and statute of limitations, and email regarding same.	0.10	1075.00	\$107.50
06/19/2020	JMF	BL	Review RLH stipulation and agreement edits.	0.60	925.00	\$555.00
06/19/2020	JAM	BL	Review/revise draft Stipulation concerning engagement of Robert Half to conduct document review (0.6); e-mail to J. Fried, J. Pomerantz, I. Kharasch, G. Demo re: revised Stipulation concerning engagement of Robert Half (0.1); review e-mails from UCC and I. Leventon re: document review Memorandum and prepare e-mail for P. Montgomery, P. Reid, P. Foley, G. Demo concerning the same (0.4); communications with W. Hotze re: Robert Half engagement (0.3); e-mail to UCC, G. Demo, J. Fried re: Robert Half engagement (0.2).	1.60	1075.00	\$1,720.00
06/19/2020	GVD	BL	Further revise motion to seal re comments from working group	2.30	825.00	\$1,897.50
06/20/2020	JAM	BL	Attention to issues concerning retention of Robert Half, including revising proposed OCP stipulation and e-mails with I. Leventon, G. Demo (0.2).	0.20	1075.00	\$215.00
06/20/2020	GVD	BL	Correspondence with Board re objection to motion to seal	0.20	825.00	\$165.00
06/21/2020	JNP	BL	Review opposition to Acis 1017 motion.	0.30	1075.00	\$322.50

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06/21/2020	GVD	BL	Correspondence with J. Dubel re motion to seal	0.10	825.00	\$82.50
06/21/2020	GVD	BL	Revise objection to motion to seal from R. Nelms comments	0.20	825.00	\$165.00
06/21/2020	GVD	BL	Conference with J. Dubel re comments to objection to motion to seal	0.30	825.00	\$247.50
06/21/2020	GVD	BL	Revise objection to motion to seal re comments from board; circulate same	1.80	825.00	\$1,485.00
06/22/2020	IDK	BL	E-mails re further issues on response to Acis 107 motion to seal (.1); E-mails with Foley, others on Acis withdrawal of same motion, status of QOR (.2); E-mails re draft correspondence to Acis re same and response of Acis counsel (.2).	0.50	1145.00	\$572.50
06/22/2020	JAM	BL	Communications with I. Leventon, S. Vitiello re: discovery (0.1); telephone conference with W. Hotze re: Robert Half retention (0.1).	0.20	1075.00	\$215.00
06/22/2020	GVD	BL	Correspondence with H. O'Neil re objection to motion to seal and next steps	0.30	825.00	\$247.50
06/22/2020	GVD	BL	Attend to issues re Acis withdrawal of motion to seal	0.30	825.00	\$247.50
06/23/2020	JAM	BL	E-mail to P. Jeffries, L. Canty re: draft responses to CLO Holdco subpoena (0.1); telephone conference with P. Montgomery re: discovery (0.2); e-mail to P. Montgomery, P. Reid, P. Foley, G. Demo re: discovery (0.3); e-mails with I. Leventon, S. Vitiello, J. Pomerantz, I. Kharasch, G. Demo re: discovery (0.2); review/revise written responses to CLO Holdco's discovery requests (0.7); e-mail to I. Leventon, S. Vitiello, J. Pomerantz, I. Kharasch, G. Demo re: written responses to CLO Holdco's discovery requests (0.1).	1.60	1075.00	\$1,720.00
06/23/2020	GVD	BL	Further review and revise objection to motion to seal in anticipation of re-filing	0.20	825.00	\$165.00
06/24/2020	IDK	BL	E-mails with G. Demo on revised notice of debtor position on distribution from Argentina/RCP, including Board's feedback.	0.20	1145.00	\$229.00
06/24/2020	JAM	BL	Revise written responses to CLO Holdco discovery requests (0.3); e-mails with I. Leventon, S. Vitiello, G. Demo re: written responses to CLO Holdco discovery requests (0.2); e-mail to J. Kane, J. Pomerantz, I. Kharasch, G. Demo re: HCMLP's responses to CLO Holdco's discovery requests (0.2); telephone conference with L. Canty re: document	1.20	1075.00	\$1,290.00

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			production with respect to CLO Holdco subpoena (0.1); e-mail to J. Kane, Sidney, J. Pomerantz, I. Kharasch, G. Demo re: supplemental production (0.2); telephone conference with J. Kane re: need for witness at 6/30 hearing on CLO Holdco motion (0.2).			
06/25/2020	JAM	BL	E-mail to I. Leventon, D. Klos, S. Vitiello re: CLO Holdco trial subpoena (0.1); telephone conference with P. Montgomery re: e-discovery (0.1).	0.20	1075.00	\$215.00
06/26/2020	IDK	BL	Review of correspondence with Committee on diligence items and discovery and protective order issues.	0.20	1145.00	\$229.00
06/26/2020	IDK	BL	E-mails with Board re Acis' refiled motion to file under seal plan related information, and brief review of same, as well as review of comparison of new motion to prior (.3); E-mail to G. Demo on draft opposition to same, including brief review (.2).	0.50	1145.00	\$572.50
06/26/2020	IDK	BL	E-mails with J. Morris re his draft response to NCWW attempt to amend and keep alter ego type claims.	0.20	1145.00	\$229.00
06/26/2020	JJK	BL	Emails Kharasch on points/info for Acis settlement discussions and related review/research.	0.90	895.00	\$805.50
06/26/2020	JNP	BL	Review email from Sidney regarding PEO designation; Forward to Board.	0.10	1075.00	\$107.50
06/26/2020	JNP	BL	Conference with John A. Morris regarding email from Sidney regarding PEO designation and status of discovery.	0.10	1075.00	\$107.50
06/26/2020	JAM	BL	Review UCC e-mail re: e-discovery (0.1); e-mail to I. Leventon, S. Vitiello, J. Pomerantz, I. Kharasch, G. Demo re: same (0.1); e-mails with J. Kane, J. Pomerantz, Sidney re: CLO Holdco discovery and protective order (0.3); review NWCC's revised proposed Amended Complaint and draft e-mail to NWCC's counsel re: stay violation (1.1); review Protective Order and send e-mail to J. Pomerantz, I. Kharasch, G. Demo re: UCC's request to re-designate certain documents as "confidential" (0.2).	1.80	1075.00	\$1,935.00
06/26/2020	GVD	BL	Revise objection to motion to seal	2.30	825.00	\$1,897.50
06/26/2020	GVD	BL	Review revisions to Acis motion to seal; correspondence re same	1.20	825.00	\$990.00
06/27/2020	IDK	BL	E-mails with Board, attorneys re our draft objection	0.30	1145.00	\$343.50

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			to Acis new motion to seal, including review of same and feedback of others.			
06/27/2020	JAM	BL	E-mail to J. Kane, J. Pomerantz, I. Kharasch, G. Demo re: CLO Holdco's trial exhibits (0.1); e-mail to Board, J. Pomerantz, I. Kharasch, G. Demo re: UCC's designation challenges (0.4).	0.50	1075.00	\$537.50
06/27/2020	GVD	BL	Revise objection to motion to seal re comments from J. Seery	0.80	825.00	\$660.00
06/28/2020	JNP	BL	Review and comment on 107 motion and emails regarding same.	0.30	1075.00	\$322.50
06/28/2020	JNP	BL	Review email from John A. Morris to Board regarding Committee request to declassify documents.	0.10	1075.00	\$107.50
06/28/2020	GVD	BL	Revise objection to motion to seal re comments from J. Pomerantz	1.10	825.00	\$907.50
06/28/2020	GVD	BL	Attend to issues re preparing objection to motion to seal for filing	0.30	825.00	\$247.50
06/28/2020	GVD	BL	Correspondence re scheduling diligence calls	0.10	825.00	\$82.50
06/29/2020	IDK	BL	E-mails with Board, others on further proposed modification to objection to Acis motion to seal.	0.20	1145.00	\$229.00
06/29/2020	IDK	BL	Review of correspondence with Latham on discovery issues.	0.10	1145.00	\$114.50
06/29/2020	IDK	BL	Review of correspondence with attorneys, client on upcoming CLO Holdco hearing.	0.20	1145.00	\$229.00
06/29/2020	JJK	BL	Emails Kharasch on Acis settlement discussion info/points and related review/research.	0.60	895.00	\$537.00
06/29/2020	JNP	BL	Email to and from Sidley regarding declassification of documents.	0.10	1075.00	\$107.50
06/29/2020	JNP	BL	Review email regarding Committee discovery.	0.10	1075.00	\$107.50
06/29/2020	JNP	BL	Conference with Gregory V. Demo and Ira D. Kharasch regarding discovery issues.	0.60	1075.00	\$645.00
06/29/2020	JNP	BL	Review briefing regarding Holdco motion regarding registry funds.	0.50	1075.00	\$537.50
06/29/2020	JAM	BL	Prepare for hearing on CLO Holdco motion to obtain monies in registry (0.9); telephone conference with J. Pomerantz, G. Demo re: CLO Holdco hearing, e-discovery, and UCC's request for the re-designation of certain documents (0.6); telephone	3.40	1075.00	\$3,655.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			conference with D. Klos, I. Leventon, S. Vitiello re: preparation for 6/30 hearing on CLO Holdco motion (1.0); telephone conference with I. Leventon, S. Vitiello re: discovery (0.5); telephone conference with J. Kane re: hearing on CLO Holdco motion (0.1); e-mail to D. Klos, I. Leventon, S. Vitiello re: testimony for CLO Holdco hearing (0.1); e-mail to I Leventon, S. Vitiello re: UCC request for re-designation of certain documents (0.1); communications with D. Klos, J. Pomerantz, I. Kharasch, G. Demo re: additional distributions for the benefit of CLO Holdco to the Court Registry (0.1).			
06/29/2020	GVD	BL	Finalize and file objection to Acis motion to seal	2.50	825.00	\$2,062.50
06/29/2020	GVD	BL	Conference with J. Pomerantz and J. Morris potential re-designation of discovery; follow up re same	0.90	825.00	\$742.50
06/30/2020	IDK	BL	Numerous E-mails with Board, attorneys on next steps with NWCC, and draft response to same.	0.30	1145.00	\$343.50
06/30/2020	IDK	BL	E-mails with I. Leventon re status of Acis new litigation vs employees, others.	0.20	1145.00	\$229.00
06/30/2020	IDK	BL	E-mails with attorneys re Dondero joinder in opposition to Acis motion to seal, review of same, and issues re same.	0.30	1145.00	\$343.50
06/30/2020	IDK	BL	E-mails with attorneys re draft order on payments into court registry, including review of same.	0.20	1145.00	\$229.00
06/30/2020	JNP	BL	Participate in hearing regarding Holdco motion to distribute funds.	2.90	1075.00	\$3,117.50
06/30/2020	JNP	BL	Review Dondero response to Acis 107 motion.	0.20	1075.00	\$215.00
06/30/2020	JMF	BL	Review Dondero opposition re Acis motion re quarterly reports.	0.40	925.00	\$370.00
06/30/2020	JAM	BL	Hearing on CLO Holdco motion to obtain funds from Court Registry (2.7); e-mails with I. Leventon, S. Vitiello re: UCC's request for documents and re-designations (0.2); e-mail to Board, J. Pomerantz, I. Kharasch, G. Demo re: NWCC proposed amended complaint and stay violation (0.2); revise/send e-mail to counsel for NWCC, J. Pomerantz re: stay violation (0.1).	3.20	1075.00	\$3,440.00
06/30/2020	GVD	BL	Prepare summary of distributions and other issues in advance of hearing	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/30/2020	GVD	BL	Correspondence with Sidley re Acis's motion to seal	0.20	825.00	\$165.00
06/30/2020	GVD	BL	Review J. Dondero objection to Acis motion to seal	0.40	825.00	\$330.00
06/30/2020	GVD	BL	Draft agreed order on deposit of distributions into Court Registry	0.60	825.00	\$495.00
06/30/2020	GVD	BL	Conference with I. Leventon re hearing on distributions	0.20	825.00	\$165.00
06/30/2020	GVD	BL	Attend hearing re CLO Holdco motion for distribtutions	2.70	825.00	\$2,227.50
				138.20		\$131,380.00

Case Administration [B110]

06/01/2020	JNP	CA	Emails regarding status of WIP call and claims issues.	0.10	1075.00	\$107.50
06/01/2020	KKY	CA	Review and revise critical dates	0.10	425.00	\$42.50
06/01/2020	SLP	CA	Maintain document control.	0.40	350.00	\$140.00
06/01/2020	JMF	CA	Draft updated work in progress memo re 6/2 calls.	0.30	925.00	\$277.50
06/02/2020	JNP	CA	WIP with PSZJ.	0.60	1075.00	\$645.00
06/02/2020	JNP	CA	Conference with DSI and PSZJ regarding DIP call.	0.70	1075.00	\$752.50
06/02/2020	KKY	CA	Review and revise critical dates	0.20	425.00	\$85.00
06/02/2020	JEO	CA	Participate in Highland WIP calls	0.50	925.00	\$462.50
06/02/2020	JMF	CA	Telephone calls with J.N. Pomerantz, G. Demo, J. O'Neill, I. Kharasch re case issues and pending matters (.6) and J.N. Pomerantz, G. Demo, J. Donahue and B. Sharp re same (8)	1.40	925.00	\$1,295.00
06/02/2020	JAM	CA	Internal WIP call with J. Pomerantz, G. Demo, J. Fried, DSI (0.7).	0.70	1075.00	\$752.50
06/02/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
06/02/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
06/02/2020	GVD	CA	Attend DSI/PSZJ WIP Call	0.50	825.00	\$412.50
06/02/2020	GVD	CA	Attend internal WIP call	0.60	825.00	\$495.00
06/02/2020	GVD	CA	Correspondence re scheduling weekly plan meetings	0.10	825.00	\$82.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/03/2020	KKY	CA	Review and revise critical dates	0.60	425.00	\$255.00
06/03/2020	RJF	CA	Attention to pro hac vice motion.	0.10	1245.00	\$124.50
06/04/2020	SLP	CA	Maintain document control.	0.50	350.00	\$175.00
06/04/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.20	350.00	\$70.00
06/05/2020	KKY	CA	Review and revise critical dates	1.60	425.00	\$680.00
06/05/2020	KKY	CA	Review and revise 2002 service list	0.20	425.00	\$85.00
06/05/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
06/05/2020	GVD	CA	Conference with E. Bromagen re open items and next steps	0.40	825.00	\$330.00
06/08/2020	SLP	CA	Maintain document control (2) receive multiple documents to organize (.90)	1.10	350.00	\$385.00
06/08/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
06/08/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.20	350.00	\$70.00
06/09/2020	JNP	CA	Emails with client regarding status and call.	0.10	1075.00	\$107.50
06/09/2020	JNP	CA	Participate in weekly WIP call with PSZJ.	0.70	1075.00	\$752.50
06/09/2020	JNP	CA	Participate in weekly WIP call with PSZJ and DSI.	0.50	1075.00	\$537.50
06/09/2020	JEO	CA	Participate in PSZJ work in progress call.	0.80	925.00	\$740.00
06/09/2020	JMF	CA	Draft memorandum of pending case issues and motions (.3); telephone call with G. Demo, J.N. Pomerantz, I. Kharasch and J. O'Neill re same (.8).	1.10	925.00	\$1,017.50
06/09/2020	JMF	CA	Telephone call with G. Demo, B. Sharp, J.N. Pomerantz and J. Donahue re board meeting and case issues.	0.40	925.00	\$370.00
06/09/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
06/09/2020	GVD	CA	Attend WIP call	0.80	825.00	\$660.00
06/09/2020	GVD	CA	Conference with B. Sharp re status of case and next steps	0.20	825.00	\$165.00
06/09/2020	GVD	CA	Attend DSI/PSZJ WIP Call	0.40	825.00	\$330.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/10/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
06/10/2020	GVD	CA	Correspondence with J. Pomerantz and I. Kharasch re open items and next steps	0.10	825.00	\$82.50
06/10/2020	GVD	CA	Correspondence with J. Pomerantz re potential trip to Dallas	0.20	825.00	\$165.00
06/10/2020	GVD	CA	Conference with J. Pomerantz re open items and next steps	0.20	825.00	\$165.00
06/11/2020	KKY	CA	Review and revise critical dates	0.70	425.00	\$297.50
06/11/2020	SLP	CA	Maintain document control.	0.50	350.00	\$175.00
06/12/2020	KKY	CA	Review and revise critical dates	0.40	425.00	\$170.00
06/12/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.50	350.00	\$175.00
06/13/2020	GVD	CA	Conference with J. Pomerantz re open items and next steps	0.20	825.00	\$165.00
06/15/2020	SLP	CA	Maintain document control.	0.30	350.00	\$105.00
06/15/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.20	350.00	\$70.00
06/16/2020	IDK	CA	Review of updated WIP (.1); E-mails with attorneys re reschedule of WIP call (.1); Attend internal WIP call on open issues (.7); Attend DSI WIP call (.3).	1.20	1145.00	\$1,374.00
06/16/2020	JNP	CA	Weekly PSZJ WIP call.	0.60	1075.00	\$645.00
06/16/2020	JNP	CA	Participate on part of WIP call with DSI and PSZJ.	0.20	1075.00	\$215.00
06/16/2020	JEO	CA	Participate in PSZJ team call	0.50	925.00	\$462.50
06/16/2020	SLP	CA	Maintain document control (2) receive multiple documents to organize (2.0)	2.00	350.00	\$700.00
06/16/2020	JMF	CA	Telephone call with J.N. Pomerantz, I. Kharasch, J. O'Neill, G. Demo re pending case issues and motions (.8); draft summary memo re same (.4).	1.20	925.00	\$1,110.00
06/16/2020	JMF	CA	Telephone call with G. Demo, I. Kharasch, F. Caruso, J. Romey re case issues and pending matters.	0.40	925.00	\$370.00
06/16/2020	JAM	CA	Internal WIP call (0.7).	0.70	1075.00	\$752.50
06/16/2020	BMK	CA	Prepared daily memo narrative and coordinated	0.10	350.00	\$35.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			client distribution.			
06/16/2020	GVD	CA	Attend to follow up items from WIP call	0.20	825.00	\$165.00
06/16/2020	GVD	CA	Attend WIP call	0.80	825.00	\$660.00
06/16/2020	GVD	CA	Attend DSI/PSZJ WIP call	0.50	825.00	\$412.50
06/17/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
06/17/2020	GVD	CA	Conference with J. Pomerantz re open items and next steps	0.20	825.00	\$165.00
06/18/2020	GVD	CA	Review and circulate transcript from June 15 hearing	0.20	825.00	\$165.00
06/19/2020	KKY	CA	Review and revise critical dates	1.80	425.00	\$765.00
06/19/2020	JMF	CA	Review work in progress memo and critical dates re case issues.	0.30	925.00	\$277.50
06/19/2020	GVD	CA	Correspondence with local counsel re omnibus dates	0.10	825.00	\$82.50
06/22/2020	JMF	CA	Draft memorandum of pending case issues and litigation issues.	0.30	925.00	\$277.50
06/22/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
06/22/2020	GVD	CA	Correspondence with L. Canty re preparation of pro hac and notices of appearance	0.10	825.00	\$82.50
06/23/2020	IDK	CA	E-mails re updated WIP materials, and review same (.2); Attend internal WIP call (.8); Attend conference call with DSI, others re DSI WIP (.3); Telephone J. Pomerantz re next steps, Redeemer (.1).	1.40	1145.00	\$1,603.00
06/23/2020	JNP	CA	Participate on PSZJ WIP call.	0.90	1075.00	\$967.50
06/23/2020	JNP	CA	Participate in PSZJ DSI WIP call.	0.40	1075.00	\$430.00
06/23/2020	JNP	CA	Conference with Gregory V. Demo and James E. O'Neill regarding local motion practice.	0.20	1075.00	\$215.00
06/23/2020	KKY	CA	Review and revise critical dates	0.20	425.00	\$85.00
06/23/2020	JEO	CA	Participate in PSZJ team call	0.80	925.00	\$740.00
06/23/2020	JMF	CA	Telephone call with G. Demo, I. Kharasch, J.N. Pomerantz, J. O'Neill re pending case issues and motions (.8); telephone call with B Sharp, F Caruso, J Donahue, G. Demo, J.N. Pomerantz and I. Kharasch re weekly update call (.4).	1.20	925.00	\$1,110.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/23/2020	JMF	CA	Update memorandum of pending case issues.	0.30	925.00	\$277.50
06/23/2020	JAM	CA	Internal WIP call (with J. Pomerantz, I. Kharasch, G. Demo, J. Fried (0.9).	0.90	1075.00	\$967.50
06/23/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
06/23/2020	GVD	CA	Multiple conferences with J. O'Neill re filing deadlines	0.60	825.00	\$495.00
06/23/2020	GVD	CA	Attend WIP call	0.90	825.00	\$742.50
06/23/2020	GVD	CA	Attend DSI/PSZJ WIP Call	0.30	825.00	\$247.50
06/24/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
06/25/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
06/26/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
06/29/2020	KKY	CA	Review and revise critical dates	0.70	425.00	\$297.50
06/29/2020	JEO	CA	Review case deadlines and email DSI re same	0.40	925.00	\$370.00
06/29/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.30	350.00	\$105.00
06/29/2020	GVD	CA	Correspondence re meetings	0.20	825.00	\$165.00
06/30/2020	IDK	CA	E-mails with attorneys re rescheduling of WIP, including review of revised WIP (.2); Attend internal WIP call on status (.8); Office conference with J. Pomerantz re same and Dubel call (.1); E-mails with DSI, others on rescheduling of DSI WIP call (.2).	1.30	1145.00	\$1,488.50
06/30/2020	JNP	CA	Participate on PSZJ WIP call.	0.80	1075.00	\$860.00
06/30/2020	JMF	CA	Telephone call with G. Demo, J.N. Pomerantz, I. Kharsch and J. O'Neil re pending case issues.	0.80	925.00	\$740.00
06/30/2020	JMF	CA	Draft memorandum re pending case issues and motions.	0.30	925.00	\$277.50
06/30/2020	JAM	CA	Internal WIP call (with J. Pomerantz, I. Kharasch, J. Fried, G. Demo) (0.8).	0.80	1075.00	\$860.00
06/30/2020	GVD	CA	Review WIP list	0.10	825.00	\$82.50

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				Hours	Rate	Amount
06/30/2020	GVD	CA	Attend WIP Call	0.80	825.00	\$660.00
06/30/2020	GVD	CA	Conference with Court clerk re administrative items; follow up re same	0.30	825.00	\$247.50
06/30/2020	GVD	CA	Correspondence re scheduling conferences	0.10	825.00	\$82.50
				47.00		\$37,227.50

Claims Admin/Objections[B310]

03/17/2020	LSC	CO	Retrieve and transmit Acis proof of claim for G. Demo.	0.20	425.00	\$85.00
04/28/2020	LSC	CO	Prepare and transmit document production and update production log.	2.10	425.00	\$892.50
06/01/2020	HDH	CO	Review and respond to alter ego analysis	0.30	950.00	\$285.00
06/01/2020	HDH	CO	Research HMT setoff issues	1.00	950.00	\$950.00
06/01/2020	IDK	CO	E-mails with I. Leventon, others on NWCC, Acis, and alter ego issues and stay.	0.30	1145.00	\$343.50
06/01/2020	IDK	CO	Review correspondence from Redeemer on its claim issues and its UBS opposition brief (.4); E-mails with attorneys re Redeemer and need for call (.1); E-mails with J. Pomerantz and J. O'Neill on other claim objection issues re Daugherty, others (.2).	0.70	1145.00	\$801.50
06/01/2020	IDK	CO	E-mail to H. Hochman re Acis and further issues on alter ego facts and factors and consider same.	0.40	1145.00	\$458.00
06/01/2020	JNP	CO	Conference with Gregory V. Demo and J. Dubel regarding Acis and information requests.	0.40	1075.00	\$430.00
06/01/2020	JNP	CO	Conference with Ira D. Kharasch regarding Redeemer claim.	0.10	1075.00	\$107.50
06/01/2020	JNP	CO	Review proposal from Redeemer Committee.	0.10	1075.00	\$107.50
06/01/2020	JEO	CO	Review DSI claims analysis.	0.70	925.00	\$647.50
06/01/2020	JEO	CO	Participate in Highland Capital Claims call with DSI team	0.50	925.00	\$462.50
06/01/2020	JMF	CO	Review updated spreadsheet re claims (.4); telephone call with J. O'Neill, T. Jeremissen, J. Romey and J. Donahue re same (.5); review Hunter Mountain contribution agreement and note (.6).	1.50	925.00	\$1,387.50
06/02/2020	HDH	CO	Research and analysis regarding Hunter Mountain claim	0.70	950.00	\$665.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/02/2020	HDH	CO	Draft objection to HM claim	3.80	950.00	\$3,610.00
06/02/2020	IDK	CO	Review of various memos on Redeemer setoff issues and related problems, as well as J. Morris' initial feedback on Redeemer memo re same (.7); Attend conference call re Redeemer counsel's memo on its claim and setoff issues (.8); Review of correspondence with offshore counsel on Redeemer setoff issues (.2).	1.70	1145.00	\$1,946.50
06/02/2020	IDK	CO	E-mails with I. Leventon re his questions on Acis POC objection status and draft, as well as his revisions to draft objection to same.	0.40	1145.00	\$458.00
06/02/2020	IDK	CO	E-mails with H. Hochman, others re his initial analysis of objection to Hunter Mountain claim and related subordination issues.	0.40	1145.00	\$458.00
06/02/2020	JNP	CO	Review emails regarding Hunter Mountain claim.	0.10	1075.00	\$107.50
06/02/2020	JNP	CO	Review M. Hankin email regarding set-off issues.	0.10	1075.00	\$107.50
06/02/2020	JNP	CO	Conference with Ira D. Kharasch, John A. Morris and Gregory V. Demo regarding Redeemer claim issues and alter ego issues.	0.90	1075.00	\$967.50
06/02/2020	JEO	CO	Review claims	0.80	925.00	\$740.00
06/02/2020	JMF	CO	Analyze issues re hunter mountain claim (.8); review H. Hochman write up re same (.3).	1.10	925.00	\$1,017.50
06/02/2020	JMF	CO	Review litigation claims analysis.	0.40	925.00	\$370.00
06/02/2020	JMF	CO	Review NWCC motion and complaint.	0.70	925.00	\$647.50
06/02/2020	JAM	CO	Review setoff/recoupment analysis with respect to Deferred Fee and Cornerstone shares (Redeemer Arbitration Award) (0.8); review analysis of Bermuda issues, Plan, and Scheme relative to setoff and the Redeemer Award (0.4); e-mails with G. Demo re: setoff issues (0.2); analyze the Redeemer Committee's Amended Claim for Arbitration, the arbitration awards, and prepare a preliminary repose to the Redeemer Committee's settlement e-mail concerning set off (2.1); telephone conference with J. Pomerantz, I. Kharasch, G. Demo re: Redeemer Committee claim, defenses, set off issues (0.9).	4.40	1075.00	\$4,730.00
06/02/2020	GVD	CO	Conference with I. Kharasch, J. Pomerantz, and J. Morris re status of claims analysis	0.90	825.00	\$742.50
06/02/2020	GVD	CO	Review analysis from H. Hochman re outstanding	0.80	825.00	\$660.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			claim			
06/02/2020	GVD	CO	Review correspondence re claim and set off issues	0.10	825.00	\$82.50
06/02/2020	GVD	CO	Conference with I. Leventon re objection to claims	0.30	825.00	\$247.50
06/03/2020	HDH	CO	Revise Acis objection	0.20	950.00	\$190.00
06/03/2020	HDH	CO	Draft analysis regarding Hunter Mountain claim	0.30	950.00	\$285.00
06/03/2020	HDH	CO	Draft Hunter Mountain complaint	2.20	950.00	\$2,090.00
06/03/2020	IDK	CO	E-mails with attorneys re Crusader's POC and difference vs Redeemer POC (.2); Review of memo re Redeemer and Crusader stockholder agreement summary and related issues (.2).	0.40	1145.00	\$458.00
06/03/2020	IDK	CO	E-mails with H. Hochman re further issues on Acis POC and alter ego issues, as well as CEO's issues on draft opposition to same (.3); Review of Acis motion to seal its post-confirmation reports, relevant to our objection.	0.50	1145.00	\$572.50
06/03/2020	IDK	CO	E-mails with H. Hochman re his further analysis of subordination issues on Hunter Mountain claim.	0.20	1145.00	\$229.00
06/03/2020	JNP	CO	Emails with Jenner regarding scheduling time to discuss claim.	0.10	1075.00	\$107.50
06/03/2020	JEO	CO	Participate in claims call	0.60	925.00	\$555.00
06/03/2020	JEO	CO	Review claims	1.10	925.00	\$1,017.50
06/03/2020	JEO	CO	Email to DSI team re claims report	0.60	925.00	\$555.00
06/03/2020	JMF	CO	Telephone call with J. O'Neill, J. Donahue and J. Romey re claims analysis (.8); review tracking sheet and designation re filed claims re same (.5).	1.30	925.00	\$1,202.50
06/03/2020	JMF	CO	Review Motion to file UBS documents under seal (.3) and Acis seal motion re quarterly reports (.3).	0.60	925.00	\$555.00
06/03/2020	JMF	CO	Review Debtor and Committee's oppositions to UBS oppositions to stay relief motion.	0.40	925.00	\$370.00
06/03/2020	JAM	CO	Review Redeemer Committee settlement offer and related documents in preparation for Board call (0.7); draft e-mail concerning analysis of issues for Redeemer Committee negotiations (0.7).	1.40	1075.00	\$1,505.00
06/03/2020	GVD	CO	Conference with Board re review of claims and next steps	0.90	825.00	\$742.50
06/04/2020	HDH	CO	Continue drafting Hunter Mountain subordination	2.60	950.00	\$2,470.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			complaint/claim objection			
06/04/2020	HDH	CO	Research Hunter Mountain defenses/claims	0.50	950.00	\$475.00
06/04/2020	HDH	CO	Complete draft of Hunter Mountain objection and complaint	1.80	950.00	\$1,710.00
06/04/2020	IDK	CO	E-mails with attorneys re NCWW counsel's letter in response to Acis-3 letter re alter ego and stay violation, and J. Morris' draft of letter to Board re same and re Acis stay violation.	0.40	1145.00	\$458.00
06/04/2020	IDK	CO	E-mails with attorneys re draft of issue list of Redeemer open issues on its claim and potential resolution.	0.20	1145.00	\$229.00
06/04/2020	JJK	CO	Emails Fried re: Acis chapter 11 case related issues.	0.10	895.00	\$89.50
06/04/2020	GVD	CO	Conference with J. Romey and J. Donohue re analysis of claims	0.50	825.00	\$412.50
06/05/2020	HDH	CO	Research new issue regarding Hunter Mountain claim	1.30	950.00	\$1,235.00
06/05/2020	HDH	CO	Revise objection / complaint v. HMT	1.40	950.00	\$1,330.00
06/05/2020	HDH	CO	IFA Review and analyze IFA materials and background pleadings	2.40	950.00	\$2,280.00
06/05/2020	IDK	CO	E-mails with attorneys re further issues on draft objection to Hunter Mountain and consider.	0.20	1145.00	\$229.00
06/05/2020	IDK	CO	E-mails with attorneys re status on memo to Board re related claims.	0.20	1145.00	\$229.00
06/05/2020	JNP	CO	Conference with Jenner, Gibson and John A. Morris regarding Redeemer claim.	1.00	1075.00	\$1,075.00
06/05/2020	JEO	CO	Review DSI Claims report and provide comments	0.50	925.00	\$462.50
06/05/2020	JMF	CO	Review deck re claims classification and open issues.	0.70	925.00	\$647.50
06/05/2020	JAM	CO	Telephone conference with J. Pomerantz, Jenner, Gibson re: Redeemer Committee claim (1.0).	1.00	1075.00	\$1,075.00
06/05/2020	GVD	CO	Conference with J. Donohue re analysis of claims and next steps	0.30	825.00	\$247.50
06/05/2020	GVD	CO	Review draft objection to claim	1.00	825.00	\$825.00
06/08/2020	HDH	CO	Research and drafting of IFA claim objection	2.60	950.00	\$2,470.00
06/08/2020	HDH	CO	Revise Hunter Mountain objection	0.20	950.00	\$190.00

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				Hours	Rate	Amount
06/08/2020	IDK	CO	E-mails with attorneys re further changes to objection to Hunter Mountain.	0.20	1145.00	\$229.00
06/08/2020	IDK	CO	E-mails with attorneys re H. Hochman's draft objection to IFA claim, and issues on alter ego.	0.30	1145.00	\$343.50
06/08/2020	JNP	CO	Review of DSI claims report.	0.10	1075.00	\$107.50
06/08/2020	JNP	CO	Review IFA objection and email regarding same.	0.20	1075.00	\$215.00
06/08/2020	GVD	CO	Further review and revise claim objection from H. Hochman	0.40	825.00	\$330.00
06/09/2020	HDH	CO	Review and analyze Daugherty claim	3.20	950.00	\$3,040.00
06/09/2020	IDK	CO	Review of correspondence from J. Morris on Redeemer claim issues and settlement discussions re same (.2); Numerous e-mails with H. Hochman re Daugherty claim status, issues, estimation and timing, including consider same (.5).	0.70	1145.00	\$801.50
06/09/2020	IDK	CO	Review and consider draft of objection to IFA claim and concerns on alter ego issues (.4); Numerous e-mails with H. Hochman, others re my comments to same draft, and need for further draft on other substantive issues beyond alter ego, and next steps with client/I. Leventon team, including correspondence to I. Leventon (1.1).	1.50	1145.00	\$1,717.50
06/09/2020	JNP	CO	Conference with Ira D. Kharasch regarding claims objections.	0.10	1075.00	\$107.50
06/09/2020	JMF	CO	Review IFA objection.	0.40	925.00	\$370.00
06/09/2020	JMF	CO	Review PBGC claims and issues re pension plan treatment.	0.30	925.00	\$277.50
06/09/2020	JAM	CO	Analyze settlement positions of HCMLP and Redeemer Committee/Crusader Fund with respect to their respective claims (0.4); draft e-mail to Gibson Dunn, J. Pomerantz, I. Kharasch, G. Demo re: follow up questions concerning the Crusader Funds' claim (1.5); e-mail with J. Pomerantz, I. Kharasch, G. Demo re: Redeemer/Crusader Claims (0.2).	2.10	1075.00	\$2,257.50
06/09/2020	GVD	CO	Conference with Board re claims analysis	1.00	825.00	\$825.00
06/09/2020	GVD	CO	Attend to follow up issues re claims call	0.20	825.00	\$165.00
06/10/2020	HDH	CO	Conferences with Ira D. Kharasch regarding IFA and Daugherty claims	0.70	950.00	\$665.00
06/10/2020	HDH	CO	Review and analyze IFA documents and pleadings	2.80	950.00	\$2,660.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/10/2020	HDH	CO	Draft correspondence to client regarding claims	0.10	950.00	\$95.00
06/10/2020	IDK	CO	E-mails with I. Leventon re his feedback on IFA underlying litigations, including brief review of same (.4); Office conferences with H. Hochman on claim objection issues re IFA, Daugherty, others (.7); E-mails with I. Leventon and H. Hochman re need for call tomorrow on same claims and issue list (.3); E-mails with J. Pomerantz re status on same (.1).	1.50	1145.00	\$1,717.50
06/10/2020	IDK	CO	E-mails with attorneys, DSI re status and drafts of claim objection.	0.20	1145.00	\$229.00
06/10/2020	JNP	CO	Review email exchange with Josh Terry.	0.10	1075.00	\$107.50
06/10/2020	JEO	CO	Email with Jack Donohue re claims analysis	0.30	925.00	\$277.50
06/10/2020	JEO	CO	Review claims analysis	0.60	925.00	\$555.00
06/11/2020	HDH	CO	Telephone conference with Isaac L. and Ira D. Kharasch regarding claims	0.50	950.00	\$475.00
06/11/2020	HDH	CO	Further conference call regarding IFA and Daugherty claims	1.40	950.00	\$1,330.00
06/11/2020	HDH	CO	Review and analyze Daugherty materials	1.00	950.00	\$950.00
06/11/2020	IDK	CO	Attend initial conference call with I. Leventon, H. Hochman on IFA and Daugherty claims (.5); Attend second conference call with I. Leventon and H. Hochman re IFA and Daugherty claims (1.5); E-mails with I. Leventon re his research on libel, and his further materials re Daugherty claim (.2).	2.20	1145.00	\$2,519.00
06/11/2020	JEO	CO	Email with DSI team to set up claims call	0.20	925.00	\$185.00
06/12/2020	HDH	CO	Review Daugherty objection	0.30	950.00	\$285.00
06/12/2020	HDH	CO	Conferences with Ira D. Kharasch regarding Daugherty claim	0.30	950.00	\$285.00
06/12/2020	IDK	CO	E-mails with I. Leventon re further information re IFA and re Daugherty claims (.3); Office conferences and e-mails with H. Hochman re same (.2).	0.50	1145.00	\$572.50
06/12/2020	GVD	CO	Conference with DSI re claims analysis	0.50	825.00	\$412.50
06/13/2020	JAM	CO	Review IFA draft claim objection and related e-mails (0.4).	0.40	1075.00	\$430.00
06/15/2020	HDH	CO	Review objection	0.20	950.00	\$190.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/15/2020	IDK	CO	E-mails re I. Leventon's response to questions on IFA claim objection and his revisions to same.	0.40	1145.00	\$458.00
06/15/2020	IDK	CO	E-mails with Acis counsel re latest draft of objection to Acis POC, including brief review of same (.2).	0.20	1145.00	\$229.00
06/16/2020	HDH	CO	Telephone conference with Isaac L. and Mark P. Regarding Daugherty tax distribution claim	0.30	950.00	\$285.00
06/16/2020	IDK	CO	Telephone conferences last night with attorneys, J. Pomerantz, A. Kornfeld, R. Pachulski re issues and logistics on preparing objection to anticipated POC of UBS (.5).	0.50	1145.00	\$572.50
06/16/2020	IDK	CO	E-mails with attorneys re Redeemer counsel correspondence on its claim resolution process.	0.20	1145.00	\$229.00
06/16/2020	IDK	CO	E-mail and office conference with H. Hochman re Daugherty claim issues and consider.	0.30	1145.00	\$343.50
06/16/2020	IDK	CO	Consider issues for tomorrow's meeting with Acis group, and further information needed by Acis (.4); E-mail to Acis counsel re punitive damage claim and subordination under plan (.2).	0.60	1145.00	\$687.00
06/16/2020	JJK	CO	Review filings/docs re: Trustee fees in Acis case and related info; email notes to Pomerantz/Kharasch on same.	2.40	895.00	\$2,148.00
06/16/2020	JMF	CO	Review claims analysis and issues re draft objections to same.	0.80	925.00	\$740.00
06/17/2020	HDH	CO	Conference with Ira D. Kharasch regarding UBS	0.20	950.00	\$190.00
06/17/2020	HDH	CO	Review UBS background	0.70	950.00	\$665.00
06/17/2020	IDK	CO	Prepare for Acis/Board call on its POC to give Acis legal team overview of claim objection (1.3); Telephone conference with J. Dubel and then with J. Pomerantz re upcoming call with Acis on its POC and need for Board call (.4); E-mails with Board re same (.1); Attend Board call re upcoming Acis meeting (.3); Attend conference call with Acis team and J. Terry, Board, others (1.4); Telephone J. Pomerantz re result of same (.1); E-mails with Board re need for follow-up call as well as on updated issues on distribution from Argentina/RCP funds (.2).	3.80	1145.00	\$4,351.00
06/17/2020	IDK	CO	E-mails and telephone conference with J. Morris re Redeemer claim and need for settlement history, including pre-petition status, and later re comparison	0.80	1145.00	\$916.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			of settlement constructs (.6); E-mails with J. Morris and Surgent re same (.2).			
06/17/2020	JNP	CO	Review email from I. Leventon regarding UBS and email PSZJ team regarding same.	0.10	1075.00	\$107.50
06/17/2020	JNP	CO	Conference with J. Dubel and Ira D. Kharasch in anticipation of call with Acis.	0.30	1075.00	\$322.50
06/17/2020	JNP	CO	Conference with Board, Ira D. Kharasch and Gregory V. Demo in preparation for call with Acis.	0.30	1075.00	\$322.50
06/17/2020	JNP	CO	Participate in call with Acis and counsel, Board, Gregory V. Demo and Ira D. Kharasch regarding claim.	1.50	1075.00	\$1,612.50
06/17/2020	JNP	CO	Conference with Ira D. Kharasch regarding Acis claim objection and strategy.	0.20	1075.00	\$215.00
06/17/2020	JNP	CO	Review email regarding employee claims.	0.10	1075.00	\$107.50
06/17/2020	KKY	CO	Respond (.1) to email from James E. O'Neill re claim documents; and prepare (.3) attachments to same	0.40	425.00	\$170.00
06/17/2020	JEO	CO	Review status of claims analysis	1.20	925.00	\$1,110.00
06/17/2020	JMF	CO	Review employee claims analysis (1.1); draft analysis for DSI re issues re same (.4).	1.50	925.00	\$1,387.50
06/17/2020	GVD	CO	Conference with J. Terry, R. Patel, B. Shaw, Board and PSZJ team re claims	1.30	825.00	\$1,072.50
06/17/2020	GVD	CO	Conference with Board re follow up to claims call	0.90	825.00	\$742.50
06/17/2020	GVD	CO	Conference with Board and PSZJ re preparation for claims call	0.30	825.00	\$247.50
06/17/2020	GVD	CO	Attend to follow up matters re claims call	0.30	825.00	\$247.50
06/18/2020	HDH	CO	Conference with Ira D. Kharasch regarding claims	0.40	950.00	\$380.00
06/18/2020	HDH	CO	Proofread Acis claim objection	0.40	950.00	\$380.00
06/18/2020	IDK	CO	Office conference with H. Hochman re status of various claim objections, including UBS (.4); E-mails with H. Hochman re timing for filing objection to Acis POC and status (.2).	0.60	1145.00	\$687.00
06/18/2020	IDK	CO	Prepare draft of settlement proposal to Acis and Terry (.8); E-mails to attorneys re same and their various feedback on further issues (.4); Prepare revised draft of same settlement agreement (.4); E-mail Board re same, and Seery feedback (.3);	2.10	1145.00	\$2,404.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			E-mail and telephone conference with J. Pomerantz re issue on proposal to Acis (.2).			
06/18/2020	IDK	CO	Review of correspondence with REdeemer counsel re our settlement proposal, and Redeemer immediate feedback.	0.40	1145.00	\$458.00
06/18/2020	JNP	CO	Review spreadsheet regarding Redeemer settlement and historical documents; Conference with John A. Morris regarding same.	0.20	1075.00	\$215.00
06/18/2020	JNP	CO	Conference with Ira D. Kharasch regarding call with J. Dubel regarding Acis objection.	0.10	1075.00	\$107.50
06/18/2020	JNP	CO	Email regarding comments to Acis proposal.	0.20	1075.00	\$215.00
06/18/2020	JEO	CO	Review precedent for claim objections and send to DSI team	0.80	925.00	\$740.00
06/18/2020	JAM	CO	E-mail to M. Hankin, T. Mascherin, J. Pomerantz re: Redeemer Committee settlement proposal (0.1); review/revise settlement proposal for Acis (0.4); review schedules with respect to interests in Crusader funds held by HCMLP and related entities (0.3).	0.80	1075.00	\$860.00
06/18/2020	GVD	CO	Review draft email re potential resolution	0.20	825.00	\$165.00
06/19/2020	HDH	CO	Research regarding Acis claim	1.40	950.00	\$1,330.00
06/19/2020	HDH	CO	Correspond with I. Leventon regarding Acis	0.20	950.00	\$190.00
06/19/2020	HDH	CO	Further research regarding Acis defense	0.90	950.00	\$855.00
06/19/2020	IDK	CO	Numerous e-mails with I. Leventon and H. Hochman's re I. Leventon's research/new case law on Acis POC issues re potential further limits on Acis ability to assert claims, as well as H. Hochman's memo in response on such law (.6); E-mails with H. Hochman re same tomorrow (.1).	0.70	1145.00	\$801.50
06/19/2020	IDK	CO	E-mails with G. Demo re information needed for Acis settlement offer, including review of same.	0.40	1145.00	\$458.00
06/19/2020	IDK	CO	Prepare substantially revised settlement proposal to Acis/Terry on different construct.	1.20	1145.00	\$1,374.00
06/19/2020	IDK	CO	Office conference with H. Hochman on 6/21, Sunday, on issues on various claims, including new theory on objection to Acis POC on Texas S. Ct. doctrine (.5); Review of H. Hochman's revisions to objection re same (.4).	0.90	1145.00	\$1,030.50

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06/19/2020	JMF	CO	Review Acis motion re reporting (.3); telephone call with G. Demo re response to same (.2).	0.50	925.00	\$462.50
06/19/2020	GVD	CO	Conference with Board re next step re claims review and objection	0.80	825.00	\$660.00
06/19/2020	GVD	CO	Review claims docket re Terry claim	0.10	825.00	\$82.50
06/21/2020	HDH	CO	Revise Acis claim objection	2.80	950.00	\$2,660.00
06/21/2020	HDH	CO	Conference with Ira D. Kharasch regarding Acis and related issues	0.50	950.00	\$475.00
06/21/2020	HDH	CO	Revise IFA claim objection	0.50	950.00	\$475.00
06/21/2020	JNP	CO	Emails regarding rescheduling call with Redeemer and Jenner.	0.20	1075.00	\$215.00
06/22/2020	HDH	CO	Review Acis objection	0.20	950.00	\$190.00
06/22/2020	HDH	CO	Correspond with Ira D. Kharasch regarding Acis	0.20	950.00	\$190.00
06/22/2020	IDK	CO	E-mails with attorneys re their feedback on revised settlement letter to Acis/Terry (.3); Review of Terry pleadings re claims vs HCM, others re retirement plan conversion re settlement offer (.4); E-mails and telephone conferences with G. Demo on further information for settlement re exclusions from waivers re Dondero entities, including review of DSI related chart and DSI explanations for same (.4); Prepare further revised proposal to Acis/Terry (.5); E-mails with Board re proposed settlement with Acis/Terry and feedback (.2).	1.80	1145.00	\$2,061.00
06/22/2020	IDK	CO	E-mails with H. Hochman re new draft of objection to Acis claim based on new caselaw, and issues on same (.3); E-mails with Board re same revised objection, including its feedback on same (.4).	0.70	1145.00	\$801.50
06/22/2020	IDK	CO	Various e-mails with Acis/Terry counsels, J. Pomerantz re settlement proposal and scheduled call tomorrow re same.	0.40	1145.00	\$458.00
06/22/2020	IDK	CO	E-mails with attorneys, including local, re possible need to file objection to Acis claim today or tomorrow and next steps for same.	0.30	1145.00	\$343.50
06/22/2020	IDK	CO	E-mails re Sidley request for call on IFA claim and our analysis.	0.30	1145.00	\$343.50
06/22/2020	JNP	CO	Conference with Ira D. Kharasch regarding Acis proposal.	0.10	1075.00	\$107.50

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06/22/2020	JNP	CO	Review settlement proposal to Acis.	0.10	1075.00	\$107.50
06/22/2020	JNP	CO	Conference with Ira D. Kharasch regarding Acis claim objection and related.	0.20	1075.00	\$215.00
06/22/2020	JEO	CO	Review intercompany/related company claims	2.00	925.00	\$1,850.00
06/22/2020	JEO	CO	Participate in claims call with DSI team	0.50	925.00	\$462.50
06/22/2020	JEO	CO	Emails with PSZJ team re claim objection	0.40	925.00	\$370.00
06/22/2020	JEO	CO	Emails with local counsel re filing claim objection	0.80	925.00	\$740.00
06/22/2020	JEO	CO	Review local rules regarding requirements for claim objection	0.40	925.00	\$370.00
06/22/2020	JMF	CO	Review updated claims analysis spreadsheet.	0.70	925.00	\$647.50
06/22/2020	JAM	CO	Review/revise draft settlement proposal concerning Terry/Acis (0.2).	0.20	1075.00	\$215.00
06/22/2020	GVD	CO	Review potential claims settlement; correspondence with I. Kharasch re same	0.40	825.00	\$330.00
06/22/2020	GVD	CO	Conference with DSI and PSZJ teams re claims analysis and next steps	0.60	825.00	\$495.00
06/22/2020	GVD	CO	Correspondence with I. Kharasch re Terry 401(k) claim	0.20	825.00	\$165.00
06/22/2020	GVD	CO	Conference with Board in preparation for claims objection call	0.60	825.00	\$495.00
06/22/2020	GVD	CO	Review revised objection to Acis claim	0.20	825.00	\$165.00
06/22/2020	GVD	CO	Conference with J. Romey re entities re potential settlement agreement	0.40	825.00	\$330.00
06/22/2020	GVD	CO	Conference with I. Kharasch re revisions to settlement agreement	0.10	825.00	\$82.50
06/23/2020	AJK	CO	Call re litigation strategy with PSZJ team.	0.40	1145.00	\$458.00
06/23/2020	HDH	CO	Review and revise Acis objection	0.30	950.00	\$285.00
06/23/2020	HDH	CO	Conference with Ira D. Kharasch regarding Acis	0.30	950.00	\$285.00
06/23/2020	HDH	CO	Review correspondence and claim regarding affirmative claims	0.50	950.00	\$475.00
06/23/2020	IDK	CO	E-mails with attorneys re Committee's request for call on analysis of IFA claim, plan issues re same, and status of draft objection re same and coordinate call (.4); E-mails with Board re draft memo re IFA,	0.90	1145.00	\$1,030.50

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			and Board feedback on same (.3); E-mails and telephone conferences with J. Pomerantz re same (.2).			
06/23/2020	IDK	CO	E-mails with J. O'Neill re final objection to Acis POC and need to file (.3); Attend conference call with Acis counsels on settlement proposal (.3); Telephone conference with J. Pomerantz re same (.1); Revise settlement proposal to Acis (.2); E-mail to Acis counsel re same (.1); E-mails with local counsel, others on filed objection to Acis POC (.1).	1.10	1145.00	\$1,259.50
06/23/2020	IDK	CO	Numerous e-mails with J. Kim, H. Hochman on issues raised by Acis counsel on settlement offer and administrative claim of HCM in Acis (.6); Office conferences with H. Hochman re same (.2).	0.80	1145.00	\$916.00
06/23/2020	JJK	CO	Emails Kharasch on HCM claim issues (against Acis) and related documents/filings review and research.	2.20	895.00	\$1,969.00
06/23/2020	JNP	CO	Conference with Ira D. Kharasch regarding Acis objection.	0.10	1075.00	\$107.50
06/23/2020	JNP	CO	Lengthy zoom meeting with Board, Redeemer, Jenner, John A. Morris and Gregory V. Demo.	1.50	1075.00	\$1,612.50
06/23/2020	JNP	CO	Conference with Ira D. Kharasch in anticipation of call regarding Acis.	0.10	1075.00	\$107.50
06/23/2020	JNP	CO	Conference with Ira D. Kharasch, R. Patel, and B. Shaw regarding Acis claim.	0.40	1075.00	\$430.00
06/23/2020	JNP	CO	Conference with Ira D. Kharasch after call with R. Patel and B. Shaw.	0.10	1075.00	\$107.50
06/23/2020	JEO	CO	Work to finalize and file Acis claim objection	1.90	925.00	\$1,757.50
06/23/2020	RJF	CO	Call with Jeffrey N. Pomerantz, Alan J. Kornfeld and EW regarding Highland claims.	0.30	1245.00	\$373.50
06/23/2020	JMF	CO	Review Acis objection to claim.	0.80	925.00	\$740.00
06/23/2020	JAM	CO	Telephone conference with J. Pomerantz, G. Demo, Board, Redeemer Committee re: settlement of Redeemer Claim (1.4).	1.40	1075.00	\$1,505.00
06/23/2020	GVD	CO	Correspondence with Board re potential claim objection and next steps	0.20	825.00	\$165.00
06/23/2020	GVD	CO	Review draft objection to claim	0.20	825.00	\$165.00
06/23/2020	GVD	CO	Conference with claimant re potential resolution and	1.70	825.00	\$1,402.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
follow up re same						
06/23/2020	GVD	CO	Correspondence with H. Hochman re draft objection to claim	0.10	825.00	\$82.50
06/24/2020	HDH	CO	Conference with Ira D. Kharasch regarding various claim objections	0.50	950.00	\$475.00
06/24/2020	HDH	CO	IFA analysis	0.50	950.00	\$475.00
06/24/2020	HDH	CO	Telephone conference with Gregory V. Demo regarding IFA	0.10	950.00	\$95.00
06/24/2020	HDH	CO	Revise IFA objection	0.80	950.00	\$760.00
06/24/2020	HDH	CO	Draft correspondence regarding IFA options	0.20	950.00	\$190.00
06/24/2020	HDH	CO	Further revisions to IFA objection	0.40	950.00	\$380.00
06/24/2020	HDH	CO	Review and respond to correspondence regarding IFA	0.20	950.00	\$190.00
06/24/2020	HDH	CO	Conference with Ira D. Kharasch regarding Acis	0.20	950.00	\$190.00
06/24/2020	HDH	CO	Review Acis materials	0.30	950.00	\$285.00
06/24/2020	IDK	CO	E-mail and office conference with H. Hochman re status of claims IFA, Daugherty, UBS, Carey and next steps (.5); E-mails and telephone conference with J. Pomerantz re same, including IFA issues and alter ego (.3).	0.80	1145.00	\$916.00
06/24/2020	IDK	CO	E-mails with attorneys re coordination of call with Committee on IFA today and logistics, including correspondence from Sidley/FTI re same (.3); Review of revised objections to IFA claim (.2).	0.50	1145.00	\$572.50
06/24/2020	IDK	CO	E-mails with H. Hochman and J. Pomerantz re various issues on 4 different alternative objections to make vs IFA, and recommendations, including mine and J. Pomerantz' re same (.6); Review of further revised objection to IFA based on same (.2).	0.80	1145.00	\$916.00
06/24/2020	JNP	CO	Review and respond to email from Harry D. Hochman regarding IDF claim objection.	0.10	1075.00	\$107.50
06/24/2020	GVD	CO	Conference with H. Hochman re status of claim objection	0.20	825.00	\$165.00
06/24/2020	GVD	CO	Review draft objection to claim	1.00	825.00	\$825.00
06/25/2020	HDH	CO	Conference with Ira D. Kharasch regarding Acis	0.20	950.00	\$190.00
06/25/2020	HDH	CO	Review IFA correspondence and markup	0.10	950.00	\$95.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/25/2020	IDK	CO	E-mails with attorneys re revised IFA objection and need to revise re Board feedback.	0.20	1145.00	\$229.00
06/25/2020	JEO	CO	Participate in claims call update with DSI	0.70	925.00	\$647.50
06/25/2020	JEO	CO	Review claims analysis and provide comments	0.40	925.00	\$370.00
06/25/2020	JEO	CO	Follow up email to DSI team re claims analysis	0.50	925.00	\$462.50
06/25/2020	JMF	CO	Review updated claims register analysis re disputed claims.	0.40	925.00	\$370.00
06/25/2020	GVD	CO	Conference with DSI and PSZJ team re claims analysis	0.80	825.00	\$660.00
06/25/2020	GVD	CO	Conference with J. Donohue re claims issues	0.10	825.00	\$82.50
06/25/2020	GVD	CO	Conference with J. Seery re Redeemer issues	0.20	825.00	\$165.00
06/26/2020	HDH	CO	Review memos and claims regarding Acis	0.40	950.00	\$380.00
06/26/2020	HDH	CO	Conference with Ira D. Kharasch regarding Acis issues	0.50	950.00	\$475.00
06/26/2020	HDH	CO	Further Acis analysis	0.20	950.00	\$190.00
06/26/2020	HDH	CO	Revise IFA objection	0.50	950.00	\$475.00
06/26/2020	HDH	CO	Review Daugherty materials	0.50	950.00	\$475.00
06/26/2020	HDH	CO	Begin drafting memo regarding Daugherty claim	2.40	950.00	\$2,280.00
06/26/2020	IDK	CO	Office conferences with H. Hochman re various issues on objection to various claims (.5).	0.50	1145.00	\$572.50
06/26/2020	IDK	CO	Review of prior Acis memos, related documents re issues including claims vs Acis, and administrative claim (.5); Extensive e-mails with J. Kim re same, and his breakdown of claim into various categories, and Acis position on each (.5); E-mail to Acis counsel re status and mediation (.2).	1.20	1145.00	\$1,374.00
06/26/2020	IDK	CO	Review of correspondence with I. Leventon, H. Hochman on IFA claim questions.	0.20	1145.00	\$229.00
06/26/2020	JNP	CO	Review Harborvest claim.	0.10	1075.00	\$107.50
06/26/2020	JNP	CO	Conference with Ira D. Kharasch regarding Acis and related issues.	0.20	1075.00	\$215.00
06/26/2020	JEO	CO	Review Highland Claims	0.50	925.00	\$462.50
06/26/2020	JAM	CO	Review CLO Holdco proof of claim (0.4); e-mail to T. Jeremiassen, J. Donohoe, G. Demo re: CLO	0.50	1075.00	\$537.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Holdco proof of claim (0.1).			
06/26/2020	GVD	CO	Review proof of claim; correspondence with I. Kharasch re same	0.20	825.00	\$165.00
06/27/2020	HDH	CO	Continue work on memo regarding Daugherty claims	2.20	950.00	\$2,090.00
06/27/2020	HDH	CO	Review additional Daugherty documents	0.90	950.00	\$855.00
06/27/2020	IDK	CO	E-mails with attorneys re UBS just filed POC.	0.20	1145.00	\$229.00
06/27/2020	JNP	CO	Emails with Gregory V. Demo regarding UBS claim.	0.10	1075.00	\$107.50
06/27/2020	GVD	CO	Circulate and review UBS proof of claim	0.50	825.00	\$412.50
06/28/2020	HDH	CO	Work on Daugherty claim memo	2.70	950.00	\$2,565.00
06/28/2020	HDH	CO	Correspondence to Leventon regarding Daugherty	0.20	950.00	\$190.00
06/28/2020	HDH	CO	Conference with Ira D. Kharasch regarding Daugherty	0.10	950.00	\$95.00
06/28/2020	HDH	CO	Draft claim memo	1.10	950.00	\$1,045.00
06/28/2020	EAW	CO	Review UBS's proofs of claim.	0.50	825.00	\$412.50
06/29/2020	HDH	CO	Review UBS proof of claim and related materials	1.20	950.00	\$1,140.00
06/29/2020	HDH	CO	Research indemnity issues	0.80	950.00	\$760.00
06/29/2020	HDH	CO	Research and drafting of memo regarding Daugherty	4.30	950.00	\$4,085.00
06/29/2020	HDH	CO	Revise Daugherty memo	0.60	950.00	\$570.00
06/29/2020	HDH	CO	Revise IFA objection	0.10	950.00	\$95.00
06/29/2020	IDK	CO	Telephone conference with J. Pomerantz re case issues on mediation, UBS feedback, and objection to UBS claim (.2).	0.20	1145.00	\$229.00
06/29/2020	IDK	CO	E-mails with J. Pomerantz re status of Acis feedback (.1); E-mails with Acis counsels, J. Pomerantz re status, mediation, and need for immediate call to discuss (.2); Attend conference call with Acis counsels re status and mediation concepts (.4); Telephone conference with J. Pomerantz re result of same and UBS (.1).	0.80	1145.00	\$916.00
06/29/2020	IDK	CO	Prepare draft memo to Board on Acis issues, and HCM claims vs Acis, including review of various related documents (1.2); Telephone conferences with J. Pomerantz re same (.1); E-mails with Board	1.90	1145.00	\$2,175.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			re same, and its questions re same (.3); E-mails with J. Kim re need for responses to Board re same (.2); E-mails with Board re same (.1).			
06/29/2020	IDK	CO	E-mails with I. Leventon and H. Hochman re numerous questions on Daugherty issues and related tax indemnification issues (.3); E-mail to H. Hochman re his Daugherty memo and brief review (.3).	0.60	1145.00	\$687.00
06/29/2020	IDK	CO	E-mail with G. Demo with prior memo on Redeemer Cornerstone analysis, and brief review.	0.20	1145.00	\$229.00
06/29/2020	IDK	CO	E-mails with J. Pomerantz, Redeemer on negotiation/mediation status.	0.20	1145.00	\$229.00
06/29/2020	IDK	CO	E-mails with attorneys re further revised objection to IFA claim.	0.30	1145.00	\$343.50
06/29/2020	JNP	CO	Conference with Ira D. Kharasch regarding Acis offer.	0.10	1075.00	\$107.50
06/29/2020	JNP	CO	Review IFA claim objection.	0.10	1075.00	\$107.50
06/29/2020	JNP	CO	Conference with Gregory V. Demo regarding provision of information to Committee.	0.10	1075.00	\$107.50
06/29/2020	JNP	CO	Email to R. Patel and B. Shaw regarding call to discuss status.	0.10	1075.00	\$107.50
06/29/2020	JNP	CO	Review memo regarding Daugherty claim.	0.10	1075.00	\$107.50
06/29/2020	JNP	CO	Review email regarding claims analysis shared with Committee.	0.10	1075.00	\$107.50
06/29/2020	GVD	CO	Review claims summary re circulation to Committee	0.30	825.00	\$247.50
06/30/2020	HDH	CO	Review and respond to correspondence regarding Daugherty	0.30	950.00	\$285.00
06/30/2020	HDH	CO	.Continued review and analysis of UBS claim	5.20	950.00	\$4,940.00
06/30/2020	HDH	CO	Analysis and correspondence regarding IFA claim	0.20	950.00	\$190.00
06/30/2020	IDK	CO	E-mails with G Demo re status of various objections to claims and timing to Board (.2).	0.20	1145.00	\$229.00
06/30/2020	IDK	CO	E-mails with E Wagner re need for analysis re UBS POC and comparison (.3); E-mails with H Hochman re same (.2); Telephone conference with A. Kornfeld re same (.1).	0.60	1145.00	\$687.00
06/30/2020	IDK	CO	E-mails with H Hochman re need for IFA insert for Board, including review of same, and need for UBS	0.40	1145.00	\$458.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			summary judgment motion.			
06/30/2020	IDK	CO	E-mails with DSI, others re CLO Holdco claim.	0.20	1145.00	\$229.00
06/30/2020	IDK	CO	Review of extensive correspondence re issues on Daugherty claim re tax indemnification issues.	0.40	1145.00	\$458.00
06/30/2020	IDK	CO	E-mails with attorneys re documents re Carey Inter'l claim, and need for analysis.	0.40	1145.00	\$458.00
06/30/2020	JJK	CO	Emails Demo on Carey claim matters and review related documents/ifno.	0.70	895.00	\$626.50
06/30/2020	JEO	CO	Review claims information	1.00	925.00	\$925.00
06/30/2020	JEO	CO	Review status of Acis Claim Objection	0.20	925.00	\$185.00
06/30/2020	RJF	CO	Telephone conference with Jeffrey N. Pomerantz regarding UBS claims mediation.	0.20	1245.00	\$249.00
06/30/2020	GVD	CO	Review memo re potential claims objection; correspondence re same	0.40	825.00	\$330.00
06/30/2020	GVD	CO	Correspondence with J. Kim re back up material for potential objection	0.20	825.00	\$165.00
06/30/2020	GVD	CO	Correspondence with J. Donohue re disclosure of claims analysis	0.10	825.00	\$82.50
06/30/2020	GVD	CO	Review draft objection to claim	0.30	825.00	\$247.50
				193.80		\$190,594.50

Compensation Prof. [B160]

06/12/2020	KKY	CP	Draft certification of no objection re 7th fee app of PSZJ for April 2020	0.10	425.00	\$42.50
06/12/2020	PJJ	CP	Preparation of Certification of No Objection regarding April fee application for filing (.2); efile (.1).	0.30	425.00	\$127.50
06/13/2020	JNP	CP	Beginning to review May bill.	0.50	1075.00	\$537.50
06/14/2020	JNP	CP	Finalized review of May bill.	0.50	1075.00	\$537.50
06/22/2020	JNP	CP	Review and comment on monthly statement for May.	0.10	1075.00	\$107.50
06/22/2020	JNP	CP	Email to Board enclosing May 2020 fee statement.	0.10	1075.00	\$107.50
06/22/2020	JMF	CP	Draft May PSZJ Monthly statement.	1.80	925.00	\$1,665.00
06/23/2020	PJJ	CP	Prepare May fee statement for filing.	0.40	425.00	\$170.00

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				Hours	Rate	Amount
06/26/2020	JEO	CP	Review and finalize DSI fee application	0.40	925.00	\$370.00
				4.20		\$3,665.00

Comp. of Prof./Others

06/01/2020	JEO	CPO	Review DSI fee application and arrange for filing	0.40	925.00	\$370.00
06/03/2020	JEO	CPO	Review OCP report	0.40	925.00	\$370.00
06/03/2020	JEO	CPO	Review OCP report with notice and circulate to DSI team for review	0.40	925.00	\$370.00
06/05/2020	JEO	CPO	Review and arrange for filing of OCP compensation report	0.30	925.00	\$277.50
06/11/2020	KKY	CPO	Review and revise fee chart	0.10	425.00	\$42.50
06/15/2020	JNP	CPO	Email to and from H. Oneill regarding payment of fees.	0.10	1075.00	\$107.50
06/16/2020	KKY	CPO	Review and revise fee chart	0.10	425.00	\$42.50
06/16/2020	GVD	CPO	Correspondence with Board re issues re payment of Foley's fees	0.20	825.00	\$165.00
06/19/2020	JNP	CPO	Conference with Joshua M. Fried regarding retention of ordinary course professional to assist with discovery.	0.10	1075.00	\$107.50
06/19/2020	KKY	CPO	Review and revise fee chart	0.20	425.00	\$85.00
06/23/2020	KKY	CPO	Review and revise fee chart	0.10	425.00	\$42.50
06/23/2020	JMF	CPO	Review PSZJ May statement.	0.20	925.00	\$185.00
06/26/2020	GVD	CPO	Review DSI fees for privilege issues	0.40	825.00	\$330.00
06/28/2020	GVD	CPO	Review Hayward fees for privilege issues	0.20	825.00	\$165.00
				3.20		\$2,660.00

Employee Benefit/Pension-B220

06/13/2020	JNP	EB	Conference with Ira D. Kharasch regarding status of CEO discussions.	0.20	1075.00	\$215.00
06/13/2020	JNP	EB	Conference with Gregory V. Demo regarding CEO discussions and related.	0.10	1075.00	\$107.50
06/13/2020	JNP	EB	Conference with J. Dubel regarding CEO and related issues.	0.30	1075.00	\$322.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/15/2020	IDK	EB	E-mails with G. Demo re draft of motion to appoint CEO and compensation, including review of same (.4); E-mails with Board re revised motion re same, and comments of J. Dubel re same (.2).	0.60	1145.00	\$687.00
06/15/2020	JMF	EB	Review CEO engagement and application.	0.40	925.00	\$370.00
06/16/2020	IDK	EB	E-mails with Board re further questions on CEO retention motion (.2); E-mails with attorneys re Committee's response to proposal on J. Seery compensation proposal, including review of same (.2); E-mails with local counsel and others on hearing availability for motion re CEO (.1); E-mails with attorneys re compensation related issues for same re Phelan (.2).	0.70	1145.00	\$801.50
06/16/2020	JNP	EB	Emails to and from R. Nelms and then J. Kim regarding CEO comp issues.	0.10	1075.00	\$107.50
06/16/2020	JMF	EB	Review settlement re CEO retention application issues.	0.30	925.00	\$277.50
06/18/2020	IDK	EB	E-mails with attorneys re CEO appointment/compensation issues and January settlement order with Committee re same, and impact on negotiations.	0.40	1145.00	\$458.00
06/18/2020	JNP	EB	Emails with Gregory V. Demo regarding language in settlement regarding CEO retention.	0.10	1075.00	\$107.50
06/18/2020	JNP	EB	Conference with Ira D. Kharasch regarding CEO retention.	0.10	1075.00	\$107.50
06/19/2020	JMF	EB	Review global settlement procedures re CEO motion.	0.40	925.00	\$370.00
06/22/2020	IDK	EB	E-mails with Board, others re Seery further suggested changes to motion re CEO appointment, summary of compensation points re Committee position and success fee articulation, and timing for hearing (.3); E-mails with Board re same and need for meeting re compensation (.1); E-mails re further revisions to CEO motion and provision re Committee rights, including review of same (.2).	0.60	1145.00	\$687.00
06/22/2020	IDK	EB	Review of correspondence with Board, others on profit sharing plan funding issues.	0.30	1145.00	\$343.50
06/22/2020	JNP	EB	Conference with Gregory V. Demo regarding Seery CEO motion. (2x).	0.30	1075.00	\$322.50
06/22/2020	JNP	EB	Review proposed revisions to CEO Agreement.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/22/2020	JNP	EB	Review pleadings and agreement regarding Seery CEO.	0.50	1075.00	\$537.50
06/22/2020	JNP	EB	Conference with J. Dubel regarding Seery CEO issues.	0.30	1075.00	\$322.50
06/22/2020	JNP	EB	Conference with M. Clemente regarding Seery CEO motion.	0.30	1075.00	\$322.50
06/22/2020	JNP	EB	Conference with J. Dubel regarding call with M. Clemente regarding Seery CEO motion.	0.20	1075.00	\$215.00
06/22/2020	MBL	EB	Attention to issues re employee comp; emails with team re same.	0.30	950.00	\$285.00
06/22/2020	JMF	EB	Review wage motion re 401k profit sharing issues.	0.30	925.00	\$277.50
06/22/2020	JMF	EB	Review DSI (.3) and CEO/CRO pleadings (.4).	0.70	925.00	\$647.50
06/22/2020	JMF	EB	Review 401k plan.	0.70	925.00	\$647.50
06/22/2020	GVD	EB	Review revisions to motion to retain CEO/CRO from J. Seery	0.40	825.00	\$330.00
06/22/2020	GVD	EB	Further review and revise motion to retain CEO/CRO re comments from J. Pomerantz	1.50	825.00	\$1,237.50
06/22/2020	GVD	EB	Conference with J. Pomerantz re revisions to motion to retain CEO/CRO	0.20	825.00	\$165.00
06/22/2020	GVD	EB	Correspondence with M. Litvak re employee benefits analysis	0.10	825.00	\$82.50
06/23/2020	IDK	EB	E-mails re new draft of CEO retention application, including review of same, and feedback of Seery, Board.	0.30	1145.00	\$343.50
06/23/2020	JEO	EB	Work to finalize and file Seery retention application	2.00	925.00	\$1,850.00
06/23/2020	GVD	EB	Prepare CEO retention motion for filing	0.50	825.00	\$412.50
06/23/2020	GVD	EB	Correspondence with J. Donohue re treatment of employee benefit plans	0.20	825.00	\$165.00
06/24/2020	GVD	EB	Review filed CEO retention materials	0.20	825.00	\$165.00
06/24/2020	GVD	EB	Conference with J. Donohue and F. Caruso re CEO retention	0.10	825.00	\$82.50
06/25/2020	IDK	EB	E-mails with DSI, others on further issues on 401(k) funding, and relation to prior bonus issues, including memos (.4); E-mails with attorneys re need for call tomorrow on same (.1).	0.50	1145.00	\$572.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/25/2020	JNP	EB	Emails regarding Profit Sharing Plan issues.	0.10	1075.00	\$107.50
06/25/2020	JNP	EB	Review email from J. Seery regarding employee benefit issues.	0.10	1075.00	\$107.50
06/25/2020	JNP	EB	Conference with J. Dubel regarding employee benefit issues.	0.10	1075.00	\$107.50
06/25/2020	JMF	EB	Review wage motion and ordinary course motion and issues re same (.8) emails re same (.2); telephone call with I. Kharasch and G. Demo re same.	1.00	925.00	\$925.00
06/26/2020	IDK	EB	Attend conference call on profit sharing plan funding issues (.4); Review of prior correspondence on related bonus issues, including forward to M. Litvak (.2); Further e-mails with attorneys on 401(k) funding issues (.2).	0.80	1145.00	\$916.00
06/26/2020	JNP	EB	Conference with PSZJ team regarding employee benefit issues.	0.40	1075.00	\$430.00
06/26/2020	JNP	EB	Conference with Gregory V. Demo regarding ERISA assistance from Wilmer Hale.	0.10	1075.00	\$107.50
06/26/2020	MBL	EB	Call with team re profit sharing plan.	0.40	950.00	\$380.00
06/26/2020	MBL	EB	Draft email to client re profit sharing plan.	0.40	950.00	\$380.00
06/26/2020	JMF	EB	Telephone call with J.N. Pomerantz, I. Kharasch, M. Litvak, G. Demo re 401k benefit issues (.4); review issues regarding same (1.1)	1.50	925.00	\$1,387.50
06/26/2020	GVD	EB	Conference with PSZJ re employee issues	0.40	825.00	\$330.00
06/27/2020	JNP	EB	Email to and from Gregory V. Demo regarding ERISA question.	0.10	1075.00	\$107.50
06/29/2020	IDK	EB	E-mails with attorneys re Wilmer Hale ERISA counsel feedback on profit sharing and need for further analysis.	0.30	1145.00	\$343.50
06/29/2020	JMF	EB	Telephone call with A. Null and T. Silva re 401(k) plan issues (.4) review plan summary re same (.7); follow up questions to company and Wilmer Hale re same (.2).	1.30	925.00	\$1,202.50
06/30/2020	IDK	EB	Review of memo from Wilmer Hale on profit sharing ERISA issues.	0.30	1145.00	\$343.50
06/30/2020	JMF	EB	Follow up with A. Null re 401k plan distributions and ERISA questions and review analysis re same.	0.40	925.00	\$370.00

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				22.00		\$21,598.50
Financial Filings [B110]						
06/01/2020	JEO	FF	Review April monthly operating report and arrange for filing	0.40	925.00	\$370.00
06/02/2020	JEO	FF	Confirm approval to file monthly operating report	0.40	925.00	\$370.00
				0.80		\$740.00
General Business Advice [B410]						
05/19/2020	LAF	GB	Legal research re: Corporate governance.	0.30	450.00	\$135.00
05/20/2020	LAF	GB	Legal research re: Board of director' postpetition fiduciary duties.	1.30	450.00	\$585.00
06/01/2020	IDK	GB	Telephone conference with J. Pomerantz re status of calls today (.1); E-mails with Board re upcoming call re various items and my issues for same (.1); Attend part of board call re my report on some issues (.3).	0.50	1145.00	\$572.50
06/01/2020	JNP	GB	Conference with J. Dubel in preparation for call with Board.	0.30	1075.00	\$322.50
06/01/2020	JNP	GB	Email to Board regarding call to discuss Acis.	0.10	1075.00	\$107.50
06/01/2020	JNP	GB	Participate on call with Board regarding UBS, Acis and related matters.	0.70	1075.00	\$752.50
06/01/2020	GVD	GB	Conference with Board re status of June 15 hearing items and next steps	0.80	825.00	\$660.00
06/02/2020	IDK	GB	E-mails with attorneys re upcoming WIP call and open issues on Terry claims (.2); Attend initial internal WIP call on open issues (.5); Attend 2nd internal and DSI WIP call on open issues (.7).	1.40	1145.00	\$1,603.00
06/02/2020	IDK	GB	Review of correspondence to Acis re information needed by Board re its plan of reorganization status, as well as Board feedback on tomorrow's Acis status conference re same, and subsequent communications from Acis re same.	0.40	1145.00	\$458.00
06/03/2020	IDK	GB	Attend conference call with Board, others on issues with Redeemer claim, its term sheet and memo on setoff and Acis status conference (1.1).	1.10	1145.00	\$1,259.50
06/03/2020	IDK	GB	Review of correspondence with CEO, DSI on movement of cash and cash flows (.2); E-mails with CEO, others on further revised letter to Dondero re his allegations re Multi Strat (.2).	0.40	1145.00	\$458.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/03/2020	JNP	GB	Participate on call with Board regarding Redeemer and Acis.	1.00	1075.00	\$1,075.00
06/03/2020	JNP	GB	Conference with J. Dubel regarding Acis Status Conference, response, Plan issues and CEO status.	0.30	1075.00	\$322.50
06/03/2020	JNP	GB	Conference with Gregory V. Demo regarding call with J. Dubel regarding Acis Status Conference.	0.10	1075.00	\$107.50
06/03/2020	JAM	GB	Telephone conference with Board, J. Pomerantz, G. Demo re: Redeemer Committee offer and related issues, and Acis litigation issues (1.1).	1.10	1075.00	\$1,182.50
06/03/2020	GVD	GB	Review correspondence from J. Dubel re creditor issues; conference with J. Pomerantz re same	0.20	825.00	\$165.00
06/03/2020	GVD	GB	Correspondence re insurance coverage	0.10	825.00	\$82.50
06/04/2020	IDK	GB	E-mails with M. Lynn and others re Lynn's letter to Board re UBS, as well as Lynn's letter to Judge re fee examiner.	0.30	1145.00	\$343.50
06/04/2020	GVD	GB	Correspondence with insurance broker re open items	0.30	825.00	\$247.50
06/04/2020	GVD	GB	Review article re Highland and status of case	0.20	825.00	\$165.00
06/05/2020	IDK	GB	Numerous correspondence with DSI, others on draft agenda for today's Board call and changes, including review of DSI declaration on claims presentation (.4); Attend Board call on case status, issues (1.6).	2.00	1145.00	\$2,290.00
06/05/2020	JNP	GB	Participate in Board call.	1.70	1075.00	\$1,827.50
06/05/2020	JAM	GB	Board call with J. Pomerantz, I. Kharasch, G Demo and Board members (1.6).	1.60	1075.00	\$1,720.00
06/05/2020	GVD	GB	Draft agenda for board meeting	0.40	825.00	\$330.00
06/05/2020	GVD	GB	Prepare for board meeting	0.40	825.00	\$330.00
06/05/2020	GVD	GB	Attend board meeting	1.70	825.00	\$1,402.50
06/05/2020	GVD	GB	Revise and circulate agenda re comments from team	0.20	825.00	\$165.00
06/05/2020	GVD	GB	Conference with B. Sharp re follow up from board meeting	0.10	825.00	\$82.50
06/05/2020	GVD	GB	Conference with J. Seery re follow up to board meeting	0.30	825.00	\$247.50
06/08/2020	IDK	GB	E-mails with Board and others on issues on Gov Re and letter re same (.2); E-mails with DSI, others on issues for Board call tomorrow (.2).	0.40	1145.00	\$458.00

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				Hours	Rate	Amount
06/08/2020	IDK	GB	E-mails re status of Seery compensation, D&O policy related issues.	0.30	1145.00	\$343.50
06/08/2020	JNP	GB	Email to and from Gregory V. Demo regarding response to insurance broker.	0.10	1075.00	\$107.50
06/08/2020	GVD	GB	Correspondence with broker re additional insurance	0.20	825.00	\$165.00
06/09/2020	IDK	GB	Review of updated WIP lists for upcoming calls and consider items (.2); Attend internal WIP call on open issues (.7); Telephone conference with J. Pomerantz re case status, IFA claim issues (.2); Attend conference call with DSI on its WIP open items (.4).	1.50	1145.00	\$1,717.50
06/09/2020	IDK	GB	Attend conference call with Board on numerous issues, including plan, claims, Acis (.9); Telephone conference with J. Pomerantz re result of same (.1); E-mails with Board, others on coordination of next Board meeting and Redeemer issue (.2).	1.20	1145.00	\$1,374.00
06/09/2020	IDK	GB	E-mails with attorneys re status of draft letter to Acis re need to pay its plan claims (.3); E-mails with Board and I. Leventon re same and goals for same (.2).	1.50	1145.00	\$1,717.50
06/09/2020	JNP	GB	Conference with Board regarding claims issues and related matters.	1.00	1075.00	\$1,075.00
06/09/2020	JNP	GB	Conference with J. Dubel regarding case issues and professional compensation.	0.20	1075.00	\$215.00
06/10/2020	IDK	GB	E-mails with attorneys re case issues and potential travel to Dallas to assist on issues and plan.	0.20	1145.00	\$229.00
06/10/2020	IDK	GB	E-mails with Board, others on draft memo response to J. Terry re status conference last week, and J. Terry communications with Dubel re same.	0.30	1145.00	\$343.50
06/10/2020	IDK	GB	Numerous e-mails with DSI, Tim, G. Demo re need for emergency board call tomorrow re Korea Fund capital call and Argentina/RCP distribution issues, need for Korean counsel, position of J. Seery and Committee re same, and background for same issues (.6); E-mails with Board, others re same and scheduling (.2); Telephone conference with J. Pomerantz re same and how to advise Board (.2); E-mails with G. Demo, J. Pomerantz re need for pre-call tomorrow re same (.1).	1.10	1145.00	\$1,259.50
06/10/2020	GVD	GB	Conference with J. Seery re status of protocols and hunton retention	0.50	825.00	\$412.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/11/2020	IDK	GB	E-mails with DSI, others on draft agenda for upcoming board call and consider (.2); Attend part of Board call on open items, including Korea Fund capital call and Argentina Fund distribution (.8).	1.00	1145.00	\$1,145.00
06/11/2020	IDK	GB	E-mails with J. Terry and Dubel re need for information requests.	0.20	1145.00	\$229.00
06/11/2020	IDK	GB	E-mails with Dubel, others on D&O and J. Seery compensation.	0.20	1145.00	\$229.00
06/11/2020	JNP	GB	Conference with J. Dubel regarding Korea, Dynamic and Plan issues.	0.40	1075.00	\$430.00
06/11/2020	JNP	GB	Participate in Board call.	1.20	1075.00	\$1,290.00
06/11/2020	JNP	GB	Conference with J. Dubel after Board call.	0.10	1075.00	\$107.50
06/11/2020	JAM	GB	Board call with J. Pomerantz, I. Kharasch, G. Demo re: litigation update (partial participation) (0.4).	0.40	1075.00	\$430.00
06/11/2020	EAW	GB	Prepare and circulate UBS-related materials to Board.	0.90	825.00	\$742.50
06/11/2020	GVD	GB	Attend board call	1.10	825.00	\$907.50
06/11/2020	GVD	GB	Conference with I. Kharasch and J. Pomerantz re open items and next steps	0.40	825.00	\$330.00
06/11/2020	GVD	GB	Conference with DSI and PSZJ in preparation for board meeting; follow up re same	1.00	825.00	\$825.00
06/12/2020	IDK	GB	E-mails with Board, re its communications with J. Terry re meeting/call, including review of same, as well as communications with Dondero.	0.30	1145.00	\$343.50
06/12/2020	IDK	GB	Numerous e-mails today and over weekend with Board, attorneys re Committee request for board resolution on indemnification.	0.20	1145.00	\$229.00
06/12/2020	JNP	GB	Conference with J. Dubel regarding call with M. Clemente, Argentina and Dynamic and related.	0.40	1075.00	\$430.00
06/12/2020	EAW	GB	Emails to/from Board re: documents filed in connection with motion for stay relief (UBS).	0.20	825.00	\$165.00
06/14/2020	IDK	GB	Extensive correspondence with Board on issues re Committee's demand for delay of distributions re Argentina/RCP, and consider same (.4); Telephone conferences and e-mails yesterday and today with J. Pomerantz re same, and re other issues on Acis meeting next week, and consider next steps (.6).	1.00	1145.00	\$1,145.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/14/2020	JNP	GB	Emails regarding request by Committee for indemnification resolution.	0.10	1075.00	\$107.50
06/15/2020	IDK	GB	E-mails with Board, attorneys re need for immediate Board call (.1); Attend Board call on Argentina/RCP distributions (.6); E-mails with attorneys re need for draft to Committee re decision, including Board's feedback re same on drafts (.2); E-mails with attorneys re draft of board minutes for same, and my feedback re same (.3).	1.20	1145.00	\$1,374.00
06/15/2020	IDK	GB	E-mails with Board re upcoming Terry/Acis meeting and draft objection (.2); E-mail and telephone conference with J. Dubel re same (.2).	0.40	1145.00	\$458.00
06/15/2020	IDK	GB	Telephone conference with J. Pomerantz re result of tonight's board call and next steps in UBS.	0.20	1145.00	\$229.00
06/15/2020	JNP	GB	Conference with J. Dubel regarding Dynamic and Argentina distributions.	0.10	1075.00	\$107.50
06/15/2020	JNP	GB	Conference with Board, Gregory V. Demo and Ira D. Kharasch regarding Dynamic and Argentina distributions..	0.60	1075.00	\$645.00
06/15/2020	JNP	GB	Conference with Ira D. Kharasch after Board call regarding Dynamic and Argentina distributions.	0.10	1075.00	\$107.50
06/15/2020	JNP	GB	Review email after Board call regarding Dynamic and Argentina distributions.	0.10	1075.00	\$107.50
06/15/2020	JNP	GB	Conference with J. Dubel regarding Acis, distributions and related.	0.10	1075.00	\$107.50
06/15/2020	JNP	GB	Participate in Board call regarding UBS, potential mediation and related.	0.80	1075.00	\$860.00
06/15/2020	JNP	GB	Review minutes of Board meeting.	0.10	1075.00	\$107.50
06/15/2020	JMF	GB	Review protocols re plan and officer appointment.	0.50	925.00	\$462.50
06/15/2020	GVD	GB	Draft minutes re board meeting; revise same per comments from J. Pomerantz	0.70	825.00	\$577.50
06/15/2020	GVD	GB	Conference with Board re follow up to relief from stay hearing	0.80	825.00	\$660.00
06/16/2020	IDK	GB	Attend Board meeting with DSI, G. Demo on Korea Fund capital call issues (.8); E-mails with J. Pomerantz re result of same call and protocol issue (.2); E-mails with G. Demo re next call with client group on Korea Fund (.1).	1.10	1145.00	\$1,259.50

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				Hours	Rate	Amount
06/16/2020	IDK	GB	E-mails with Board re Acis meeting tomorrow and objection to its claim (.2).	0.20	1145.00	\$229.00
06/16/2020	IDK	GB	Attend Board meeting on plan of reorganization discussion.	0.80	1145.00	\$916.00
06/16/2020	IDK	GB	E-mails with Board re further modifications to minutes to meeting yesterday.	0.20	1145.00	\$229.00
06/16/2020	JNP	GB	Conference with J. Dubel regarding Plan issues and related.	0.20	1075.00	\$215.00
06/16/2020	JNP	GB	Board call regarding Plan with Ira D. Kharasch and Gregory V. Demo.	0.80	1075.00	\$860.00
06/16/2020	JNP	GB	Conference with Ira D. Kharasch after Board call.	0.10	1075.00	\$107.50
06/16/2020	GVD	GB	Revise and circulate board minutes for signature	0.40	825.00	\$330.00
06/17/2020	IDK	GB	E-mail J. Dubel re his correspondence with J. Terry (.1); Attend Board meeting re case issues and Acis next steps (.8); Telephone G. Demo re same (.1); Review of draft agenda for tomorrow's Board call and feedback re revisions (.2).	1.20	1145.00	\$1,374.00
06/17/2020	IDK	GB	Telephone conference with J. Pomerantz re result of follow-up Board call and next steps re Acis negotiations (.2); Telephone J. Pomerantz later re call with Sidley on indemnification questions (.2); E-mails with Board re Committee request for weekly meetings (.1).	0.50	1145.00	\$572.50
06/17/2020	JNP	GB	Conference with J. Dubel regarding CEO issues and related.	0.10	1075.00	\$107.50
06/17/2020	JNP	GB	Conference with J. Dubel regarding conference with M. Clemente regarding variety of topics.	0.10	1075.00	\$107.50
06/17/2020	JNP	GB	Conference with Board after call with Acis regarding variety of topics.	0.50	1075.00	\$537.50
06/17/2020	JNP	GB	Email to Board regarding Committee request for weekly meetings.	0.10	1075.00	\$107.50
06/17/2020	JNP	GB	Review and comment on Board agenda.	0.10	1075.00	\$107.50
06/17/2020	JNP	GB	Review email from AON regarding Strand and forward to board.	0.10	1075.00	\$107.50
06/17/2020	GVD	GB	Compile board minutes	0.20	825.00	\$165.00
06/17/2020	GVD	GB	Draft board agenda	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/17/2020	IAWN	GB	Exchange emails with Jeffrey N. Pomerantz re broker emails	0.10	1025.00	\$102.50
06/18/2020	IDK	GB	Telephone conference with J. Pomerantz re status, Acis negotiations, CEO compensation issues and how to resolve, and consider.	0.30	1145.00	\$343.50
06/18/2020	IDK	GB	E-mails with professionals and Board re various amended agendas (.2); Attend Board call (1.5); Telephone conference with J. Pomerantz re result of same (.1).	1.80	1145.00	\$2,061.00
06/18/2020	IDK	GB	E-mails and telephone conference with J. Pomerantz re Sidley call and e-mail re questions on indemnification ratification re certain employee claims, and draft e-mail to Board re same.	0.30	1145.00	\$343.50
06/18/2020	JNP	GB	Conference with J. Dubel (2x) regarding Acis, CEO issues and related.	0.50	1075.00	\$537.50
06/18/2020	JNP	GB	Participate on Board call.	1.00	1075.00	\$1,075.00
06/18/2020	JNP	GB	Conference with Ira D. Kharasch after Board call.	0.10	1075.00	\$107.50
06/18/2020	JNP	GB	Conference with J. Dubel regarding CEO issues.	0.10	1075.00	\$107.50
06/18/2020	JNP	GB	Email from M. Clemente regarding indemnification issues and forward to board.	0.10	1075.00	\$107.50
06/18/2020	JAM	GB	Board meeting with J. Pomerantz, I. Kharasch, G. Demo, DSI, Board concerning Redeemer settlement proposal, litigation update, and related matters (1.0).	1.00	1075.00	\$1,075.00
06/18/2020	GVD	GB	Draft board minutes	1.40	825.00	\$1,155.00
06/18/2020	GVD	GB	Revise and circulate board agenda	0.20	825.00	\$165.00
06/18/2020	GVD	GB	Attend board meeting	1.10	825.00	\$907.50
06/18/2020	GVD	GB	Conference with J. Romey re follow up to Board meeting	0.10	825.00	\$82.50
06/18/2020	IAWN	GB	Review broker emails and attachments, analyze and respond to broker re concern wrong policy language	1.20	1025.00	\$1,230.00
06/19/2020	IDK	GB	Attend Board call on Acis negotiation (.7).	0.70	1145.00	\$801.50
06/19/2020	IDK	GB	Review of correspondence with Board re Committee position on protocol changes (.1); Review of correspondence with Board, Silva re Sidley and issue on indemnification re employees, as well as Sidley request for copy of resolution re same and how to respond (.3).	0.40	1145.00	\$458.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/19/2020	JNP	GB	Conference with Board, Ira D. Kharasch and Gregory V. Demo regarding Acis issues.	0.70	1075.00	\$752.50
06/19/2020	JNP	GB	Review emails relating to Committee request for resolution.	0.10	1075.00	\$107.50
06/19/2020	GVD	GB	Research into fiduciary duties post-confirmation	1.90	825.00	\$1,567.50
06/19/2020	IAWN	GB	Review and analyze proposal from broker (.8), exchange emails with broker re telephone conference re same (.1), telephone conference with broker re language (.3), draft and send summary of telephone call to Jeffrey N. Pomerantz (.1)	1.30	1025.00	\$1,332.50
06/22/2020	IDK	GB	Telephone J. Pomerantz re upcoming Board call and Acis and CEO compensation (.2); Attend Board meeting (.7); Telephone J. Pomerantz re result of same, and various next steps (.2).	1.10	1145.00	\$1,259.50
06/22/2020	IDK	GB	Review of correspondence with Board on further calls this week, Redeemer, feedback on draft of opposition to Acis 107 seal motion.	0.20	1145.00	\$229.00
06/22/2020	JNP	GB	Participate on call with Board regarding Acis, Redeemer and UBS.	0.70	1075.00	\$752.50
06/22/2020	JNP	GB	Conference with Iain A. W. Nasatir regarding status of D&O insurance.	0.10	1075.00	\$107.50
06/22/2020	JAM	GB	Call with J. Pomerantz, I. Kharasch, G. Demo, Board re: claims resolutions (0.6).	0.60	1075.00	\$645.00
06/23/2020	JNP	GB	Email to and from Iain A. W. Nasatir regarding D&O insurance.	0.10	1075.00	\$107.50
06/23/2020	JNP	GB	Conference with Compensation Committee and Gregory V. Demo regarding CEO engagement.	0.50	1075.00	\$537.50
06/23/2020	JNP	GB	Email to Board regarding status of additional D&O insurance.	0.10	1075.00	\$107.50
06/23/2020	GVD	GB	Correspondence with insurance providers re indemnification issues	0.20	825.00	\$165.00
06/23/2020	GVD	GB	Attend compensation committee meeting	0.30	825.00	\$247.50
06/23/2020	IAWN	GB	Review broker email with proposal (.2), summarize proposal for boards (.1), exchange emails and telephone calls with Jeffrey N Pomerantz re summary (.2), review emails between broker and demo re indemnity document request (.1) , review Jeffrey N. Pomerantz email to board (.1)	0.70	1025.00	\$717.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/24/2020	IDK	GB	E-mails with Russ Nelms, J. Pomerantz re need for call re mediation issues (.1); Attend conference call with Nelms, J. Pomerantz re same (.4); Attend Board call re mediation issues and next steps in case and plan (.8); Telephone conference with J. Pomerantz re same (.1).	1.40	1145.00	\$1,603.00
06/24/2020	IDK	GB	E-mails with professionals re need for Board call early next week and coordinate (.2); E-mail and telephone conferences with J. Pomerantz re Committee, case issues and communications with Committee, Jenner and Dubel (.3).	0.50	1145.00	\$572.50
06/24/2020	IDK	GB	E-mails re Sidley further request re indemnification resolution and consider.	0.20	1145.00	\$229.00
06/24/2020	JNP	GB	Conference with Board, Gregory V. Demo and Ira D. Kharasch regarding mediation.	0.90	1075.00	\$967.50
06/24/2020	JNP	GB	Conference with Ira D. Kharasch after call with Board regarding mediation.	0.10	1075.00	\$107.50
06/24/2020	JNP	GB	Conference with J. Dubel regarding calls with M. Clemente and M. Hankin regarding various issues (2x).	0.50	1075.00	\$537.50
06/25/2020	JNP	GB	Conference with J. Dubel after call with M. Hankin and M. Clemente.	0.40	1075.00	\$430.00
06/25/2020	JNP	GB	Email to Board regarding status of D&O insurance.	0.10	1075.00	\$107.50
06/25/2020	GVD	GB	Correspondence with Board re potential meetings and next steps	0.30	825.00	\$247.50
06/25/2020	IAWN	GB	Review broker email re changed language (.1), review and analyze changed language (.2), email Jeffrey N Pomerantz re changed language per Iain Nasatir (.1), exchange emails with broker re board presentation (.1), review email to Board re status of Seery insurance (.1)	0.60	1025.00	\$615.00
06/26/2020	IDK	GB	Attend Board call on mediation and other case issues.	0.80	1145.00	\$916.00
06/26/2020	JNP	GB	Email to and from James E. O'Neill regarding D&O insurance.	0.10	1075.00	\$107.50
06/26/2020	JNP	GB	Conference with R. Nelms regarding upcoming Board call.	0.20	1075.00	\$215.00
06/26/2020	JNP	GB	Conference with J. Dubel regarding Plan issues, mediation and related issues.	0.70	1075.00	\$752.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/26/2020	JNP	GB	Conference with Ira D. Kharasch regarding upcoming Board call.	0.10	1075.00	\$107.50
06/26/2020	JNP	GB	Conference with Board regarding mediation and related issues.	0.80	1075.00	\$860.00
06/26/2020	JNP	GB	Conference with J. Dubel after Board call.	0.10	1075.00	\$107.50
06/26/2020	GVD	GB	Conference with Board re open items and next steps re plan	0.70	825.00	\$577.50
06/26/2020	GVD	GB	Conference with J. Dubel re open items	0.10	825.00	\$82.50
06/29/2020	IDK	GB	E-mails with DSI, others re proposed agenda for today's Board call, including modifications (.2); Attend Board call re updates (1.0).	1.20	1145.00	\$1,374.00
06/29/2020	JNP	GB	Emails regarding agenda for Board call.	0.10	1075.00	\$107.50
06/29/2020	JNP	GB	Participate on Board call.	1.00	1075.00	\$1,075.00
06/29/2020	JAM	GB	Telephone conference with Board, J. Pomerantz, I. Kharasch, G. Demo, DSI re: discovery and litigation issues and other matters on the agenda (1.0).	1.00	1075.00	\$1,075.00
06/29/2020	GVD	GB	Draft agenda for board meeting	0.40	825.00	\$330.00
06/29/2020	GVD	GB	Attend board conference	1.00	825.00	\$825.00
06/30/2020	JNP	GB	Conference with Ira D. Kharasch after Board call.	0.10	1075.00	\$107.50
06/30/2020	JAM	GB	Board call with J. Pomerantz, I. Kharasch, G. Demo (1.0).	1.00	1075.00	\$1,075.00
06/30/2020	GVD	GB	Conference with Board re open items and next steps	0.90	825.00	\$742.50
06/30/2020	GVD	GB	Draft board minutes	0.20	825.00	\$165.00
06/30/2020	GVD	GB	Conference with Board re follow up to Committee meetings	0.40	825.00	\$330.00
06/30/2020	GVD	GB	Attend meeting with Board and Committee members	0.80	825.00	\$660.00
				85.30		\$87,191.50

General Creditors Comm. [B150]

06/01/2020	GVD	GC	Review correspondence re response to issues re committee	0.20	825.00	\$165.00
06/08/2020	GVD	GC	Conference with E. Bromagen re open items and next steps	0.70	825.00	\$577.50

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				Hours	Rate	Amount
06/17/2020	JNP	GC	Conference with M. Clemente regarding Committee issues.	0.20	1075.00	\$215.00
06/18/2020	JNP	GC	Conference with M. Clemente regarding various issues.	0.30	1075.00	\$322.50
06/18/2020	JNP	GC	Conference with Ira D. Kharasch regarding call with M. Clemente regarding various issues.	0.20	1075.00	\$215.00
06/27/2020	IDK	GC	E-mails with G. Demo re correspondence from Sidley on upcoming UCC meeting.	0.10	1145.00	\$114.50
06/30/2020	IDK	GC	Attend conference call with Committee and Board on case issues and plan (1.0); Office conference with J. Pomerantz re result of call and court hearing (.1); E-mails with attorneys re coordination with Board on next call re same (.2); Attend next conference call with Board on issues, including plan and Redeemer offer (.9); Telephone conference with J. Pomerantz re result of same and next steps and consider (.2).	2.40	1145.00	\$2,748.00
06/30/2020	JNP	GC	Participate in Board call regarding variety of issues.	1.00	1075.00	\$1,075.00
06/30/2020	JNP	GC	Conference with J. Dubel after Board call.	0.10	1075.00	\$107.50
06/30/2020	JNP	GC	Conference with J. Dubel regarding Committee call.	0.10	1075.00	\$107.50
06/30/2020	JNP	GC	Participate on call with Committee and Board.	0.90	1075.00	\$967.50
06/30/2020	JNP	GC	Conference with Ira D. Kharasch after call with Committee and Board.	0.10	1075.00	\$107.50
06/30/2020	JNP	GC	Conference with J. Dubel regarding Committee call.	0.10	1075.00	\$107.50
				6.40		\$6,830.00

Operations [B210]

06/24/2020	IDK	OP	E-mails with DSI re its latest 13 week cash flow, including review of same.	0.30	1145.00	\$343.50
06/24/2020	JNP	OP	Review budget and email regarding same.	0.10	1075.00	\$107.50
				0.40		\$451.00

Plan & Disclosure Stmt. [B320]

05/11/2020	LAF	PD	Legal research re: Limited partnerships chapter 11s.	0.50	450.00	\$225.00
05/12/2020	LAF	PD	Legal research re: Plans & DSs in lp cases.	0.30	450.00	\$135.00
05/19/2020	LAF	PD	Locate template plan and disclosure statement	0.50	450.00	\$225.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/01/2020	IDK	PD	Attend conference call with committee professionals and members' counsels re plan of reorganization structure issues (1.0); E-mails with G. Demo re same and standing issue (.1).	1.10	1145.00	\$1,259.50
06/01/2020	JNP	PD	Conference with Sidley, FTI, DSI, Gregory V. Demo and Ira D. Kharasch regarding Plan issues.	1.00	1075.00	\$1,075.00
06/01/2020	GVD	PD	Conference with Committee and PSZJ/DSI re potential plan structure	1.10	825.00	\$907.50
06/01/2020	GVD	PD	Conference with E. Bromagen re derivative standing under Delaware law	0.30	825.00	\$247.50
06/01/2020	GVD	PD	Correspondence with T. Silva re status of back up material for plan discussions	0.10	825.00	\$82.50
06/01/2020	GVD	PD	Correspondence with T. Silva re meeting on next steps	0.20	825.00	\$165.00
06/02/2020	IDK	PD	Review of correspondence with Committee counsel and others on tax issues under plan structure.	0.20	1145.00	\$229.00
06/02/2020	JEO	PD	Review initial draft of exclusivity extension motion	0.20	925.00	\$185.00
06/02/2020	GVD	PD	Review structure of managed funds re potential plan	0.60	825.00	\$495.00
06/02/2020	GVD	PD	Conference with T. Silva re open items and next steps	0.30	825.00	\$247.50
06/02/2020	GVD	PD	Correspondence with WilmerHale re tax issues	0.10	825.00	\$82.50
06/02/2020	GVD	PD	Correspondence with T. Silva re plan structuring issues	0.10	825.00	\$82.50
06/02/2020	GVD	PD	Conference with J. Donohue re potential classification of scheduled claims	0.20	825.00	\$165.00
06/03/2020	IDK	PD	E-mails with Sidley, others on article on tax issues re plan and grantor's trusts, and Sidley's feedback on overall plan structure, and next steps re same.	0.40	1145.00	\$458.00
06/03/2020	KKY	PD	Draft 3rd motion to extend exclusivity deadlines	1.00	425.00	\$425.00
06/03/2020	GVD	PD	Conference with J. Fried re additional research into plan structure	0.20	825.00	\$165.00
06/03/2020	GVD	PD	Correspondence with Carey Olsen re plan issues	0.40	825.00	\$330.00
06/03/2020	GVD	PD	Conference with J. Romey re review of assets in support of plan	0.40	825.00	\$330.00
06/03/2020	GVD	PD	Conference with Sidley and client team re tax	0.50	825.00	\$412.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			structure of the plan			
06/03/2020	GVD	PD	Follow up conference with B. Sharp re tax implications of plan	0.20	825.00	\$165.00
06/03/2020	GVD	PD	Conference with WilmerHale, J. Fried, and B. Sharp re tax issues re plan	0.50	825.00	\$412.50
06/03/2020	GVD	PD	Review email from WilmerHale re partnership tax issues	0.20	825.00	\$165.00
06/03/2020	GVD	PD	Prepare for call with team on tax issues	0.20	825.00	\$165.00
06/03/2020	GVD	PD	Correspondence with A. Russell re plan structure issues and next steps	0.20	825.00	\$165.00
06/03/2020	GVD	PD	Draft outline re asset and ownership review for plan structure	0.40	825.00	\$330.00
06/04/2020	KKY	PD	Review and revise 3rd exclusivity extension motion	0.50	425.00	\$212.50
06/04/2020	JMF	PD	Research re partnership agreement disposition issues in 5th Circuit.	1.60	925.00	\$1,480.00
06/04/2020	JMF	PD	Review Acis plan re implementation and treatment issues.	1.80	925.00	\$1,665.00
06/04/2020	GVD	PD	Further review and revise plan	4.80	825.00	\$3,960.00
06/04/2020	GVD	PD	Conference with DSI re review of assets and other open items re plan	0.60	825.00	\$495.00
06/05/2020	JMF	PD	Review Acis plan and implementation issues.	0.80	925.00	\$740.00
06/05/2020	JMF	PD	Review plan structure deck.	0.40	925.00	\$370.00
06/05/2020	GVD	PD	Further review and revise draft plan	4.50	825.00	\$3,712.50
06/06/2020	GVD	PD	Further review and revise plan	0.30	825.00	\$247.50
06/07/2020	JEO	PD	Review and update draft of exclusivity extension motion	0.70	925.00	\$647.50
06/08/2020	IDK	PD	E-mail to G. Demo re his issue list on revised plan, including brief overview of same (.5); E-mails with J. Pomerantz re same and timing for Board (.1).	0.60	1145.00	\$687.00
06/08/2020	JNP	PD	Email to and from Gregory V. Demo regarding Plan issues.	0.10	1075.00	\$107.50
06/08/2020	JMF	PD	Review exclusivity motion.	0.40	925.00	\$370.00
06/08/2020	JMF	PD	Review plan structure issues.	0.50	925.00	\$462.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/08/2020	GVD	PD	Further revise and circulate bankruptcy plan	6.20	825.00	\$5,115.00
06/09/2020	JMF	PD	Review and edit Plan draft.	2.80	925.00	\$2,590.00
06/09/2020	GVD	PD	Conference with J. Dubel re plan discharge issues	0.20	825.00	\$165.00
06/09/2020	GVD	PD	Conference with I. Leventon re plan discharge	0.40	825.00	\$330.00
06/09/2020	GVD	PD	Revise disclosure statement	3.40	825.00	\$2,805.00
06/09/2020	GVD	PD	Review presentation re asset servicing	0.40	825.00	\$330.00
06/10/2020	JMF	PD	Review and comment re draft plan.	2.70	925.00	\$2,497.50
06/10/2020	GVD	PD	Review and circulate draft motions on exclusivity and removal	0.50	825.00	\$412.50
06/10/2020	GVD	PD	Conference with J. Romey re asset allocation issues and next steps	0.60	825.00	\$495.00
06/10/2020	GVD	PD	Review revisions to plan from J. Fried	1.00	825.00	\$825.00
06/10/2020	GVD	PD	Further review and revise draft disclosure statement; circulate same	2.10	825.00	\$1,732.50
06/10/2020	GVD	PD	Conference with DSI re preparation for plan implementation and next steps	0.40	825.00	\$330.00
06/11/2020	JNP	PD	Conference with Gregory V. Demo regarding Plan status.	0.10	1075.00	\$107.50
06/11/2020	JMF	PD	Analyze plan structural issues re draft plan.	0.40	925.00	\$370.00
06/11/2020	GVD	PD	Conference with A. Russell re potential structural changes to the plan	0.50	825.00	\$412.50
06/11/2020	GVD	PD	Correspondence to PSZJ team re conference with A. Russell	0.50	825.00	\$412.50
06/11/2020	GVD	PD	Further revise plan re comments from J. Fried	3.10	825.00	\$2,557.50
06/12/2020	IDK	PD	Review and consider latest draft plan with feedback of others (1.4); Prepare numerous e-mails with substantial changes/comments to plan (1.5); Telephone conference and e-mails with G. Demo re same, and his new changes in response (.6).	3.50	1145.00	\$4,007.50
06/12/2020	IDK	PD	E-mails with attorneys, others re exclusivity extension motion status.	0.20	1145.00	\$229.00
06/12/2020	JNP	PD	Conference with Ira D. Kharasch regarding Plan and call with J. Dubel.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/12/2020	JNP	PD	Conference with M. Clemente regarding Plan exclusivity and related issues.	0.40	1075.00	\$430.00
06/12/2020	JEO	PD	Coordinate filing of exclusivity motion with local counsel	0.80	925.00	\$740.00
06/12/2020	JMF	PD	Review plan (1.7); telephone call with G. Demo re changes to same (.5).	2.20	925.00	\$2,035.00
06/12/2020	GVD	PD	Attend to issues re filing of exclusivity extension	0.20	825.00	\$165.00
06/12/2020	GVD	PD	Further revise plan re comments from J. Fried and I. Kharasch	1.90	825.00	\$1,567.50
06/12/2020	GVD	PD	Conference with J. Fried re revisions to the plan	0.40	825.00	\$330.00
06/15/2020	JMF	PD	Review plan.	0.60	925.00	\$555.00
06/15/2020	JMF	PD	Review exclusivity extension motion.	0.30	925.00	\$277.50
06/15/2020	GVD	PD	Conference with DSI and Committee on tax issues for plan	0.30	825.00	\$247.50
06/15/2020	GVD	PD	Conference with WilmerHale and DSI re tax issues	0.20	825.00	\$165.00
06/16/2020	LAF	PD	Legal research re: Motion to terminate exclusivity & draft plan.	1.30	450.00	\$585.00
06/16/2020	IDK	PD	Review of correspondence with committee re revised draft plan.	0.20	1145.00	\$229.00
06/16/2020	JNP	PD	Conference with Gregory V. Demo regarding operational analysis to support Plan.	0.10	1075.00	\$107.50
06/16/2020	GVD	PD	Conference with Board re draft plan and open items	0.80	825.00	\$660.00
06/16/2020	GVD	PD	Correspondence with Sidley re draft plan	0.30	825.00	\$247.50
06/16/2020	GVD	PD	Review correspondence from T. Silva re plan revisions and next steps	0.20	825.00	\$165.00
06/17/2020	IDK	PD	Review of correspondence with Committee, G. Demo on plan issues and process for next steps.	0.20	1145.00	\$229.00
06/17/2020	JNP	PD	Review emails between Gregory V. Demo and Sidley regarding Plan issues.	0.10	1075.00	\$107.50
06/17/2020	GVD	PD	Correspondence with A. Russell on status of plan and work flow	0.30	825.00	\$247.50
06/18/2020	IDK	PD	Review of correspondence with Sidley re plan formulation.	0.10	1145.00	\$114.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/18/2020	GVD	PD	Revise and circulate draft disclosure statement	1.10	825.00	\$907.50
06/19/2020	IDK	PD	E-mail to Sidley re plan status and information.	0.20	1145.00	\$229.00
06/19/2020	JMF	PD	Review plan definition and construction terms.	0.50	925.00	\$462.50
06/22/2020	GVD	PD	Correspondence with T. Silva re plan milestones	0.10	825.00	\$82.50
06/22/2020	GVD	PD	Conference with J. Romey re analysis of assets for plan	0.20	825.00	\$165.00
06/23/2020	IDK	PD	Telephone conference with J. Pomerantz re case issues, Acis negotiations, CEO compensation (.2); Telephone conference with J. Pomerantz re same, mediation issues (.1); E-mails and telephone conference with J. Pomerantz re same and mediation issues and individuals to potential serve as mediator (.4).	0.70	1145.00	\$801.50
06/23/2020	IDK	PD	Review of correspondence with board, others on plan formulation and need for information from internal team.	0.20	1145.00	\$229.00
06/23/2020	IDK	PD	E-mails with Sidley re its new issue list for plan and request for call (.2); E-mails with Board, DSI and others re same (.1).	0.30	1145.00	\$343.50
06/23/2020	JNP	PD	Consider issues regarding potential mediation.	0.40	1075.00	\$430.00
06/23/2020	JNP	PD	Conference with Ira D. Kharasch regarding potential mediation (2x).	0.60	1075.00	\$645.00
06/23/2020	JNP	PD	Review Committee issue list regarding Plan.	0.10	1075.00	\$107.50
06/23/2020	JMF	PD	Review disclosure statement.	1.60	925.00	\$1,480.00
06/23/2020	GVD	PD	Review issues list from Committee	0.30	825.00	\$247.50
06/23/2020	GVD	PD	Conference with J. Donohue re claims classification	0.70	825.00	\$577.50
06/24/2020	JNP	PD	Conference with Richard M. Pachulski regarding mediation.	0.10	1075.00	\$107.50
06/24/2020	JNP	PD	Conference with Ira D. Kharasch regarding mediation and related issues.	0.20	1075.00	\$215.00
06/24/2020	JNP	PD	Conference with Ira D. Kharasch and R. Nelms regarding Plan mediation.	0.40	1075.00	\$430.00
06/24/2020	JNP	PD	Email to and from M. Hankin regarding mediation.	0.10	1075.00	\$107.50
06/24/2020	JNP	PD	Conference with M. Hankin regarding Plan mediation and related.	0.60	1075.00	\$645.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/24/2020	JNP	PD	Conference with M. Clemente regarding mediation and related issues.	0.50	1075.00	\$537.50
06/24/2020	JNP	PD	Conference with Ira D. Kharasch regarding calls with M. Hankin and M. Clemente regarding Plan issues.	0.30	1075.00	\$322.50
06/24/2020	JMF	PD	Review and edit disclosure statement.	4.40	925.00	\$4,070.00
06/24/2020	GVD	PD	Conference with J. Donohue re claims analysis issues	0.20	825.00	\$165.00
06/24/2020	GVD	PD	Conference with J Seery re plan diligence	0.30	825.00	\$247.50
06/24/2020	GVD	PD	Conference with Board re plan issues and next steps	0.90	825.00	\$742.50
06/25/2020	IDK	PD	E-mails with Sidley, Jenner on mediation and need for call (.1); Attend conference call with Sidley, Jenner and J. Pomerantz re mediation of case issues (.5); E-mails with Hankin re further issues on timing of filing plan and mediation and consider (.2).	0.80	1145.00	\$916.00
06/25/2020	IDK	PD	E-mails with professionals re plan status, need for calls for final issues (.2); Attend conference call with G. Demo and J. Pomerantz re open plan issues raised by Sidley, and consider next steps (.8); Review of correspondence with Sidley on need for call tomorrow on plan (.1).	1.10	1145.00	\$1,259.50
06/25/2020	JNP	PD	Emails to and from M. Clemente and M. Hankin regarding Plan issues and mediation.	0.10	1075.00	\$107.50
06/25/2020	JNP	PD	Conference with Ira D. Kharasch in preparation for call with M. Clemente and M. Hankin.	0.10	1075.00	\$107.50
06/25/2020	JNP	PD	Conference with Ira D. Kharasch, M. Hankin and M. Clemente regarding Plan and mediation.	0.50	1075.00	\$537.50
06/25/2020	JNP	PD	Conference with Ira D. Kharasch and Gregory V. Demo regarding Plan issues.	0.80	1075.00	\$860.00
06/25/2020	JNP	PD	Email to and from M. Hankin regarding Plan.	0.10	1075.00	\$107.50
06/25/2020	JMF	PD	Review disclosure statement.	0.80	925.00	\$740.00
06/25/2020	GVD	PD	Review and revise disclosure statement re comments from J. Fried	3.10	825.00	\$2,557.50
06/25/2020	GVD	PD	Review and comment on issues list from Committee	0.50	825.00	\$412.50
06/25/2020	GVD	PD	Conference with J. Pomerantz and I. Kharasch re plan and next steps	0.80	825.00	\$660.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/26/2020	IDK	PD	Review of correspondence with Committee on plan progress, and coordinate call with tax lawyers and Wilmer Hale (.2); E-mails with G. Demo on disclosure statement, need for related motion, including brief review of disclosure statement and consider issues (.5).	0.70	1145.00	\$801.50
06/26/2020	JNP	PD	Consider issues regarding Plan and claim mediation.	0.20	1075.00	\$215.00
06/26/2020	JNP	PD	Conference with M. Clemente regarding Plan and mediation issues.	0.30	1075.00	\$322.50
06/26/2020	JMF	PD	Analyze proposed voting procedures (.7) review new version of Disclosure Statement (.6).	1.30	925.00	\$1,202.50
06/26/2020	GVD	PD	Conference with Committee re plan issues and open items	1.10	825.00	\$907.50
06/26/2020	GVD	PD	Correspondence with Sidley re tax issues	0.30	825.00	\$247.50
06/26/2020	GVD	PD	Conference with WilmerHale re plan structure and next steps	0.90	825.00	\$742.50
06/27/2020	IDK	PD	Review of memo from G. Demo on plan work flow issues, as well as DS motion.	0.30	1145.00	\$343.50
06/27/2020	GVD	PD	Correspondence with P. Jefferies re solicitation procedures motion	0.10	825.00	\$82.50
06/28/2020	JNP	PD	Email to and from J. Bjork regarding call to discuss status.	0.10	1075.00	\$107.50
06/28/2020	JNP	PD	Email to and from J. Moldovan to discuss status,.	0.10	1075.00	\$107.50
06/28/2020	GVD	PD	Draft list of plan open items	0.50	825.00	\$412.50
06/28/2020	GVD	PD	Correspondence with Committee re scheduling tax issues call	0.20	825.00	\$165.00
06/29/2020	IDK	PD	Attend conference call with DSI (on for only part of call) and others on result of call with regulatory counsel on plan structure issues on change of control, and chart of open plan issues for Board to consider (.5).	0.50	1145.00	\$572.50
06/29/2020	IDK	PD	E-mails with attorneys re Redeemer counsel list of plan demands and how to respond (.3); E-mail with Sidley re agenda list for plan call (.1); Review of internal plan to do list for Board (.2)	0.60	1145.00	\$687.00
06/29/2020	JNP	PD	Conference with J. Moldovan regarding Plan mediation.	0.30	1075.00	\$322.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/29/2020	JNP	PD	Email to and from M. Hankin regarding Plan and mediation.	0.10	1075.00	\$107.50
06/29/2020	JNP	PD	Conference with J. Dubel regarding Plan mediation.	0.10	1075.00	\$107.50
06/29/2020	JNP	PD	Conference with R. Patel, B. Shaw and Ira D. Kharasch regarding potential claims and Plan mediation.	0.40	1075.00	\$430.00
06/29/2020	JNP	PD	Conference with J. Bjork regarding potential mediation.	0.40	1075.00	\$430.00
06/29/2020	JNP	PD	Conference with J. Dubel regarding call with J. Bjork.	0.10	1075.00	\$107.50
06/29/2020	JNP	PD	Conference with M. Clemente regarding calls regarding Plan mediation.	0.20	1075.00	\$215.00
06/29/2020	JNP	PD	Conference with Ira D. Kharasch regarding calls regarding Plan mediation.	0.10	1075.00	\$107.50
06/29/2020	JNP	PD	Conference with Ira D. Kharasch, Gregory V. Demo and B. sharp regarding Plan issues.	0.60	1075.00	\$645.00
06/29/2020	GVD	PD	Correspondence with Sidley re agenda for plan discussion call	0.10	825.00	\$82.50
06/29/2020	GVD	PD	Conference with J. Romey re outline of open items for plan	0.30	825.00	\$247.50
06/29/2020	GVD	PD	Update and circulate list of open items for plan	1.60	825.00	\$1,320.00
06/29/2020	GVD	PD	Conference with Sidley, WilmerHale, DSI, and FTI re open plan items	1.20	825.00	\$990.00
06/29/2020	GVD	PD	Conference with J. Pomerantz, I. Kharasch, and B. Sharp re conference with Sdiley re plan issues	0.50	825.00	\$412.50
06/29/2020	GVD	PD	Draft memo to Board re open items on plan	1.10	825.00	\$907.50
06/30/2020	LAF	PD	Legal resarch re: Disclosure statement & solicitation motions.	0.50	450.00	\$225.00
06/30/2020	IDK	PD	Review of memo to Committee professionals re summary of plan changes to make (.3); Review of correspondence with Board on internal help on plan (.2); E-mails with attorneys on disclosure statement draft, including memo to Board re same (.4).	0.90	1145.00	\$1,030.50
06/30/2020	JNP	PD	Conference with Ira D. Kharasch regarding mediation.	0.10	1075.00	\$107.50
06/30/2020	JMF	PD	Review solicitation procedures re disclosure	0.40	925.00	\$370.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			statement approval.			
06/30/2020	GVD	PD	Correspondence with J. Pomerantz re re projected recoveries under plan	0.10	825.00	\$82.50
06/30/2020	GVD	PD	Conference with J. Pomerantz re Redeemer issues re plan	0.10	825.00	\$82.50
06/30/2020	GVD	PD	Correspondence with J. Pomerantz re status of the plan	0.10	825.00	\$82.50
06/30/2020	GVD	PD	Correspondence with T. Silva re issues re closing funds	0.20	825.00	\$165.00
06/30/2020	GVD	PD	Correspondence with Sidley plan working group re plan mechanics	0.10	825.00	\$82.50
06/30/2020	GVD	PD	Conference with B. Sharp re plan due diligence	0.10	825.00	\$82.50
				109.60		\$97,748.50

Ret. of Prof./Other

06/01/2020	JMF	RPO	Review DSI Staffing report.	0.20	925.00	\$185.00
06/01/2020	GVD	RPO	Conference with E. Bromagen re Hunton retention	0.20	825.00	\$165.00
06/03/2020	JNP	RPO	Review recap of professionals fees.	0.10	1075.00	\$107.50
06/03/2020	KKY	RPO	Draft notice re OCP monthly report (April 2020)	0.20	425.00	\$85.00
06/03/2020	GVD	RPO	Correspondence with team re Hunton retention application	0.10	825.00	\$82.50
06/05/2020	KKY	RPO	Review and revise OCP monthly report (April 2020)	0.10	425.00	\$42.50
06/05/2020	GVD	RPO	Follow up conference with E. Bromagen re Hunton retention	0.20	825.00	\$165.00
06/08/2020	JMF	RPO	Review OCP monthly filing.	0.10	925.00	\$92.50
06/09/2020	GVD	RPO	Conference with M. Clemente re Hunton retention	0.40	825.00	\$330.00
06/09/2020	GVD	RPO	Correspondence with E. Bromagen re retention of Hunton	0.10	825.00	\$82.50
06/09/2020	GVD	RPO	Conference with E. Bromagen re Hunton retention	0.40	825.00	\$330.00
06/10/2020	IDK	RPO	E-mails with Board, G. Demo on how to respond to Committee's issues on Hunton retention for tax work.	0.20	1145.00	\$229.00
06/10/2020	JMF	RPO	Review Hunton motion and propose settlement terms re same.	0.40	925.00	\$370.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/10/2020	GVD	RPO	Attend to matters re Hunton retention	0.20	825.00	\$165.00
06/10/2020	GVD	RPO	Conference with Hunton re retention issues	0.60	825.00	\$495.00
06/10/2020	GVD	RPO	Correspondence with E. Bromagen re Hunton retention	0.10	825.00	\$82.50
06/11/2020	GVD	RPO	Multiple correspondence with Hunton re retention issues	0.20	825.00	\$165.00
06/11/2020	GVD	RPO	Conference and multiple correspondence with E. Bromagen re Hunton retention	0.50	825.00	\$412.50
06/11/2020	GVD	RPO	Conference with Hunton re potential agreed order	0.40	825.00	\$330.00
06/12/2020	JMF	RPO	Review changes to Hunton retention.	0.30	925.00	\$277.50
06/12/2020	GVD	RPO	Draft agreed order re Hunton retention	0.80	825.00	\$660.00
06/12/2020	GVD	RPO	Attend to issues re Hunton retention and finalize agreed order	0.90	825.00	\$742.50
06/13/2020	GVD	RPO	Finalize and send Hunton retention order	0.20	825.00	\$165.00
06/14/2020	GVD	RPO	Attend to issues re Hunton retention	0.20	825.00	\$165.00
06/15/2020	JNP	RPO	Email to and from Gregory V. Demo regarding Hunton application and hearing.	0.10	1075.00	\$107.50
06/15/2020	GVD	RPO	Further revise motion to retain CEO re comments from J. Dubel	0.90	825.00	\$742.50
06/15/2020	GVD	RPO	Review and finalize agreed order on Hunton retention	0.30	825.00	\$247.50
06/15/2020	GVD	RPO	Revise and circulate motion to appoint CEO	1.00	825.00	\$825.00
06/16/2020	JMF	RPO	Review staffing proposals re discovery (.4) and research re prior applications re same (.3).	0.70	925.00	\$647.50
06/16/2020	GVD	RPO	Further review and revise motion to appoint CEO; correspondence re same	0.40	825.00	\$330.00
06/18/2020	JMF	RPO	Draft stipulation re Robert Half engagement (1.5); review engagement agreement and statement of work re same (1.1)	2.60	925.00	\$2,405.00
06/20/2020	JMF	RPO	Draft OCP declaration for RLH.	0.50	925.00	\$462.50
06/20/2020	JMF	RPO	Review changes to RLH agreement and stipulation modifications.	0.40	925.00	\$370.00
06/23/2020	JEO	RPO	Work to finalize and file motion to modify DSI retention	2.00	925.00	\$1,850.00

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06/23/2020	JMF	RPO	Draft DSI amended retention application.	0.40	925.00	\$370.00
06/23/2020	GVD	RPO	Attend to issues re filing of CEO retention application and DSI amendment	0.70	825.00	\$577.50
				17.10		\$14,861.50

Stay Litigation [B140]

06/01/2020	AJK	SL	Review and analyze draft opposition brief.	2.30	1145.00	\$2,633.50
06/01/2020	AJK	SL	Call with Assistant General Counsel and Reid Collins re stay issue.	0.40	1145.00	\$458.00
06/01/2020	AJK	SL	Call with PSZJ and Levenston re stay.	0.20	1145.00	\$229.00
06/01/2020	AJK	SL	Call with E. Wagner and G. Demo re stay.	0.40	1145.00	\$458.00
06/01/2020	AJK	SL	Call with board re litigation issues.	0.30	1145.00	\$343.50
06/01/2020	JNP	SL	Review email from M.Hankin and forward pleading.	0.10	1075.00	\$107.50
06/01/2020	JNP	SL	Review opposition to Relief from Stay.	0.10	1075.00	\$107.50
06/01/2020	RJF	SL	Review Redeemer draft opposition to UBS stay relief motion.	0.50	1245.00	\$622.50
06/01/2020	RJF	SL	Board call regarding opposition to stay motion.	0.80	1245.00	\$996.00
06/01/2020	RJF	SL	Telephone conference with Jeffrey N. Pomerantz regarding UBS issues.	0.30	1245.00	\$373.50
06/01/2020	EAW	SL	Emails to/from A. Kornfeld, G. Demo and I. Leventon re: call with A. Somers.	0.10	825.00	\$82.50
06/01/2020	EAW	SL	Telephone call with A. Kornfeld, G. Demo, I. Leventon and A. Somers re: UBS.	0.50	825.00	\$412.50
06/01/2020	EAW	SL	Participate on Board call re: opposition to stay relief (UBS).	0.80	825.00	\$660.00
06/01/2020	EAW	SL	Telephone call with A. Kornfeld and G. Demo re: opposition to motion for stay relief (UBS).	0.60	825.00	\$495.00
06/01/2020	EAW	SL	Revise opposition to motion for stay relief, and prepare exhibits to opposition brief (UBS).	9.70	825.00	\$8,002.50
06/01/2020	EAW	SL	Research re: opposition to motion for stay relief (UBS).	1.60	825.00	\$1,320.00
06/01/2020	EAW	SL	Draft oral argument outline (UBS).	0.20	825.00	\$165.00
06/01/2020	EAW	SL	Telephone calls with A. Kornfeld re: opposition to	0.50	825.00	\$412.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			motion for stay relief (UBS).			
06/01/2020	EAW	SL	Review Redeemer Committee's opposition to motion for relief from stay (UBS).	0.60	825.00	\$495.00
06/01/2020	EAW	SL	Review Board comments on opposition to motion for relief from stay (UBS).	0.30	825.00	\$247.50
06/01/2020	GVD	SL	Review draft creditor response to lift stay motion	0.70	825.00	\$577.50
06/01/2020	GVD	SL	Follow up conference with A. Kornfield and E. Wagner re evidentiary background to relief from stay	0.50	825.00	\$412.50
06/01/2020	GVD	SL	Conference with team re evidentiary background to relief from stay	0.50	825.00	\$412.50
06/01/2020	GVD	SL	Review correspondence re evidentiary material for relief from stay	0.10	825.00	\$82.50
06/02/2020	AJK	SL	Call with E. Wagner re opposition to stay relief issues.	0.20	1145.00	\$229.00
06/02/2020	AJK	SL	Attention to revisions and edits to opposition to stay litigation.	3.40	1145.00	\$3,893.00
06/02/2020	AJK	SL	Further attention to finalization of filings.	0.70	1145.00	\$801.50
06/02/2020	IDK	SL	Review of correspondence from Dondero counsel re position not to oppose UBS motion, and feedback from others and Board re same as how to respond.	0.30	1145.00	\$343.50
06/02/2020	JNP	SL	Review i. Leventon comment to UBS stay opposition and emails regarding same.	0.10	1075.00	\$107.50
06/02/2020	JNP	SL	Review letter from M. Lynn and email to Board.	0.10	1075.00	\$107.50
06/02/2020	JNP	SL	Conference with J. Dubel regarding J. Dondero letter regarding Relief from Stay.	0.20	1075.00	\$215.00
06/02/2020	EAW	SL	Revise opposition to motion for stay relief, and prepare exhibits to opposition brief (UBS).	9.70	825.00	\$8,002.50
06/02/2020	EAW	SL	Research and draft motion to seal, and prepare related appendix of exhibits (UBS).	3.40	825.00	\$2,805.00
06/02/2020	EAW	SL	Emails to/from Board and I. Leventon re: opposition to motion for relief from stay (UBS).	0.20	825.00	\$165.00
06/02/2020	EAW	SL	Emails to/from PSZJ team re: opposition to motion for relief from stay (UBS).	0.60	825.00	\$495.00
06/02/2020	EAW	SL	Telephone calls with A. Kornfeld re: opposition to motion for relief from stay, and motion to seal	1.20	825.00	\$990.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			(UBS).			
06/02/2020	EAW	SL	Telephone call with J. Seery re: opposition to motion for stay relief (UBS).	0.10	825.00	\$82.50
06/02/2020	EAW	SL	Emails to/from Z. Annable re: opposition to motion for relief from stay and motion to seal (UBS).	0.20	825.00	\$165.00
06/02/2020	EAW	SL	Review correspondence from counsel to J. Dondero; and related emails from Board and PSZJ team (UBS).	0.20	825.00	\$165.00
06/02/2020	GVD	SL	Draft response letter re UBS relief from stay motion	0.40	825.00	\$330.00
06/02/2020	GVD	SL	Review revised objection to relief from stay motion	0.30	825.00	\$247.50
06/02/2020	GVD	SL	Correspondence with constituents re issues re relief from stay	0.10	825.00	\$82.50
06/03/2020	AJK	SL	Attention to issues re opposition to stay relief motion.	0.60	1145.00	\$687.00
06/03/2020	AJK	SL	Attention to final filing issues.	0.80	1145.00	\$916.00
06/03/2020	IDK	SL	E-mails with attorneys re draft and letter to Dondero counsel on its concerns on UBS motion and our response, including finalized letter with Board feedback.	0.20	1145.00	\$229.00
06/03/2020	JNP	SL	Conference with J. Dubel and Gregory V. Demo regarding response to M. Lynne regarding UBS.	0.10	1075.00	\$107.50
06/03/2020	JNP	SL	Review and revise letter to M. Lynne regarding UBS motion.	0.30	1075.00	\$322.50
06/03/2020	JNP	SL	Review Committee opposition to Relief from Stay motion.	0.10	1075.00	\$107.50
06/03/2020	JNP	SL	Email to and from B. Shaw regarding Order on Relief from Stay motion.	0.10	1075.00	\$107.50
06/03/2020	EAW	SL	Draft oral argument outline (UBS).	0.30	825.00	\$247.50
06/03/2020	EAW	SL	Telephone calls with A. Kornfeld re: opposition to motion for relief from stay, and motion to seal (UBS).	0.70	825.00	\$577.50
06/03/2020	EAW	SL	Coordinate with Z. Annable to file and serve opposition to motion for relief from stay and motion to seal (UBS).	1.70	825.00	\$1,402.50
06/03/2020	EAW	SL	Emails to/from PSZJ team re: opposition to motion for relief from stay (UBS).	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/03/2020	EAW	SL	Telephone call with Z. Annable re: opposition to motion for relief from stay, and motion to seal (UBS).	0.10	825.00	\$82.50
06/03/2020	EAW	SL	Revise, proofread and cite-check opposition to motion for stay relief and motion to seal, and prepare exhibits to opposition brief and motion to seal (UBS).	5.30	825.00	\$4,372.50
06/03/2020	EAW	SL	Review comments from Z. Annable on opposition to motion for stay relief, and motion to seal (UBS).	0.50	825.00	\$412.50
06/03/2020	EAW	SL	Emails to/from UBS's counsel re: exhibits to opposition brief (UBS).	0.10	825.00	\$82.50
06/03/2020	GVD	SL	Draft response letter re relief from stay; revise same per comments from J. Pomerantz	0.80	825.00	\$660.00
06/03/2020	GVD	SL	Finalize and send letter re relief from stay	0.30	825.00	\$247.50
06/03/2020	GVD	SL	Review creditor and committee objections to UBS relief from stay motion	0.40	825.00	\$330.00
06/05/2020	JNP	SL	Emails regarding Relief from Stay Order.	0.10	1075.00	\$107.50
06/05/2020	EAW	SL	Draft oral argument outline (UBS).	2.40	825.00	\$1,980.00
06/05/2020	GVD	SL	Review proposed order re relief from stay	0.20	825.00	\$165.00
06/06/2020	JNP	SL	Emails with John A. Morris regarding lift Stay Order.	0.10	1075.00	\$107.50
06/07/2020	JNP	SL	Review John A. Morris email regarding violation of the Stay.	0.10	1075.00	\$107.50
06/08/2020	EAW	SL	Draft oral argument outline (UBS).	5.80	825.00	\$4,785.00
06/08/2020	EAW	SL	Emails to/from Z. Annable re: hearing preparation (UBS).	0.30	825.00	\$247.50
06/08/2020	EAW	SL	Coordinate with C. Kras to access and review documents filed under seal by Redeemer Committee.	0.70	825.00	\$577.50
06/08/2020	EAW	SL	Review proposed edits to Appendix B (UBS).	0.10	825.00	\$82.50
06/08/2020	GVD	SL	Correspondence re sealed exhibits to opposition to relief from stay	0.20	825.00	\$165.00
06/09/2020	AJK	SL	Review argument outline and case authorities.	0.80	1145.00	\$916.00
06/09/2020	RJF	SL	Prepare for argument on UBS lift stay motion.	3.50	1245.00	\$4,357.50
06/09/2020	EAW	SL	Draft oral argument outline and case summaries	5.70	825.00	\$4,702.50

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(UBS).						
06/09/2020	EAW	SL	Research re: evidentiary issues (UBS).	1.70	825.00	\$1,402.50
06/09/2020	EAW	SL	Draft exhibit list; and emails to/from PSZJ team re: same (UBS).	1.40	825.00	\$1,155.00
06/10/2020	JNP	SL	Review emails regarding admission of stay exhibits.	0.10	1075.00	\$107.50
06/10/2020	RJF	SL	Telephone conference with Jeffrey N. Pomerantz regarding lift stay hearing.	0.10	1245.00	\$124.50
06/10/2020	EAW	SL	Prepare materials for hearing binders (UBS).	3.10	825.00	\$2,557.50
06/10/2020	EAW	SL	Review proposed exhibits; and related research re: evidentiary issues.	3.40	825.00	\$2,805.00
06/10/2020	EAW	SL	Emails to/from Z. Annable re: sealed exhibits.	0.10	825.00	\$82.50
06/10/2020	EAW	SL	Telephone call with A. Kornfeld re: hearing on motion for stay relief (UBS).	0.50	825.00	\$412.50
06/11/2020	AJK	SL	Review and analyze UBS reply.	1.60	1145.00	\$1,832.00
06/11/2020	AJK	SL	Further preparation for UBS stay relief hearing (including review of documents and evidentiary issues).	1.30	1145.00	\$1,488.50
06/11/2020	JNP	SL	Review Relief from Stay reply.	0.10	1075.00	\$107.50
06/11/2020	RJF	SL	Prepare for argument on UBS stay motion.	0.80	1245.00	\$996.00
06/11/2020	RJF	SL	Initial review of UBS reply.	0.50	1245.00	\$622.50
06/11/2020	EAW	SL	Revise exhibit list (UBS).	0.40	825.00	\$330.00
06/11/2020	EAW	SL	Telephone call with A. Kornfeld re: hearing on motion for stay relief (UBS).	0.30	825.00	\$247.50
06/11/2020	EAW	SL	Emails to/from PSZJ team and counsel for Redeemer Committee re: hearing exhibits (UBS).	0.20	825.00	\$165.00
06/11/2020	EAW	SL	Prepare materials for additional hearing binders (UBS).	2.10	825.00	\$1,732.50
06/11/2020	EAW	SL	Review proposed exhibits; and related research re: evidentiary issues.	3.40	825.00	\$2,805.00
06/11/2020	EAW	SL	Review proposed reply brief; and draft outline of arguments in response (UBS).	4.00	825.00	\$3,300.00
06/11/2020	GVD	SL	Review UBS omnibus reply to motion for relief from stay	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/12/2020	AJK	SL	Review UBS reply.	1.30	1145.00	\$1,488.50
06/12/2020	IDK	SL	Review of correspondence with attorneys re upcoming UBS hearing and UBS reply argument, and with J. Seery on witness list and issue of appearance.	0.40	1145.00	\$458.00
06/12/2020	JNP	SL	Conference with Robert J. Feinstein regarding UBS stay hearing.	0.10	1075.00	\$107.50
06/12/2020	JNP	SL	Emails regarding exhibits for hearing.	0.10	1075.00	\$107.50
06/12/2020	JNP	SL	Conference with Jenner and PSZJ regarding stay motion.	0.40	1075.00	\$430.00
06/12/2020	RJF	SL	Review reply, oral argument prep.	3.00	1245.00	\$3,735.00
06/12/2020	EAW	SL	Research and draft responses to UBS's reply arguments.	4.80	825.00	\$3,960.00
06/12/2020	EAW	SL	Telephone call with J. Pomerantz, A. Kornfeld and counsel for Redeemer Committee re: hearing on motion for stay relief (UBS).	0.30	825.00	\$247.50
06/12/2020	EAW	SL	Telephone call with A. Kornfeld re: hearing on motion for stay relief (UBS).	0.90	825.00	\$742.50
06/12/2020	EAW	SL	Emails to/from PSZJ team re: proposed reply ISO motion for relief from stay (UBS).	0.30	825.00	\$247.50
06/12/2020	EAW	SL	Review proposed reply exhibits (UBS).	1.20	825.00	\$990.00
06/12/2020	EAW	SL	Revise and coordinate filing of exhibit list (UBS).	1.40	825.00	\$1,155.00
06/12/2020	EAW	SL	Emails to/from OCUC and UBS re: sealed exhibits.	0.40	825.00	\$330.00
06/12/2020	EAW	SL	Emails to/from Redeemer Committee and UBS re: objections to exhibits (UBS).	0.10	825.00	\$82.50
06/12/2020	EAW	SL	Coordinate preparation of additional hearing binders re: proposed reply ISO motion for stay relief (UBS).	1.30	825.00	\$1,072.50
06/12/2020	GVD	SL	Review unredacted UBS response to lift stay	0.80	825.00	\$660.00
06/13/2020	AJK	SL	Analysis of legal and factual issues.	1.10	1145.00	\$1,259.50
06/13/2020	AJK	SL	Conference call with R. Feinstein, J. Pomerantz and E. Wagner re hearing strategy.	0.60	1145.00	\$687.00
06/13/2020	AJK	SL	Analysis of evidentiary issues.	1.30	1145.00	\$1,488.50
06/13/2020	JNP	SL	Call regarding preparation for relief for UBS stay hearing.	0.80	1075.00	\$860.00

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06/13/2020	JNP	SL	Conference with Robert J. Feinstein regarding Relief from Stay motion.	0.10	1075.00	\$107.50
06/13/2020	JNP	SL	Review Robert J. Feinstein proposed argument for UBS Relief from Stay motion.	0.50	1075.00	\$537.50
06/13/2020	RJF	SL	Prepare for argument on stay relief motion.	8.00	1245.00	\$9,960.00
06/13/2020	RJF	SL	Internal call regarding argument.	0.80	1245.00	\$996.00
06/13/2020	RJF	SL	Telephone conferences with Alan J. Kornfeld regarding hearing on stay motion.	0.20	1245.00	\$249.00
06/13/2020	RJF	SL	Telephone conference with Jeffrey N. Pomerantz regarding hearing.	0.20	1245.00	\$249.00
06/13/2020	RJF	SL	Telephone conferences with Jeffrey N. Pomerantz regarding oral argument.	0.70	1245.00	\$871.50
06/13/2020	RJF	SL	Telephone conference with Seery regarding hearing on stay motion.	0.50	1245.00	\$622.50
06/13/2020	EAW	SL	Draft slides for hearing on motion for stay relief; and emails to/from PSZJ team re: same (UBS).	6.70	825.00	\$5,527.50
06/13/2020	EAW	SL	Telephone calls with A. Kornfeld re: hearing on motion for stay relief (UBS).	0.30	825.00	\$247.50
06/13/2020	EAW	SL	Telephone call with PSZJ team re: hearing on motion for stay relief (UBS).	0.80	825.00	\$660.00
06/13/2020	EAW	SL	Preparation for Webex slide presentation re: hearing on motion for stay relief (UBS).	1.40	825.00	\$1,155.00
06/13/2020	EAW	SL	Review transaction documents re: 2007 warehouse agreements (UBS).	1.20	825.00	\$990.00
06/13/2020	EAW	SL	Review witness/exhibit lists filed by UBS and Redeemer Committee; and emails to/from PSZJ team re: same.	0.20	825.00	\$165.00
06/13/2020	GVD	SL	Conference re preparation for hearing on UBS motion for relief from stay	0.70	825.00	\$577.50
06/13/2020	GVD	SL	Correspondence re exhibit list	0.20	825.00	\$165.00
06/14/2020	AJK	SL	Prepare for hearing, including call with R. Feinstein and E. Wagner.	3.60	1145.00	\$4,122.00
06/14/2020	AJK	SL	Further preparation for hearing.	1.80	1145.00	\$2,061.00
06/14/2020	JNP	SL	Review emails regarding J. Seery participation in hearing.	0.10	1075.00	\$107.50

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06/14/2020	JNP	SL	Review updated outline of argument.	0.10	1075.00	\$107.50
06/14/2020	RJF	SL	Prepare for UBS oral argument.	6.00	1245.00	\$7,470.00
06/14/2020	EAW	SL	Revise and proofread slide presentation for hearing on motion for stay relief (UBS).	2.00	825.00	\$1,650.00
06/14/2020	EAW	SL	Preparation with R. Feinstein and A. Kornfeld for hearing on motion for stay relief (UBS).	0.80	825.00	\$660.00
06/15/2020	AJK	SL	Prepare for hearing on UBS relief from stay motion.	1.60	1145.00	\$1,832.00
06/15/2020	AJK	SL	Attend UBS relief from stay hearing.	3.40	1145.00	\$3,893.00
06/15/2020	IDK	SL	Attend telephonically hearing on UBS motion for relief from stay (3.2); E-mails and telephone conference with team re next steps for drafting objection to claim of UBS, including office conference with H. Hochman (.4).	3.60	1145.00	\$4,122.00
06/15/2020	JNP	SL	Participate in UBS Relief from Stay hearing.	3.70	1075.00	\$3,977.50
06/15/2020	RJF	SL	Prepare for oral argument.	4.00	1245.00	\$4,980.00
06/15/2020	RJF	SL	Attend hearing on stay motion.	3.20	1245.00	\$3,984.00
06/15/2020	RJF	SL	Calls with Alan, Elisa and Ira post-hearing.	0.70	1245.00	\$871.50
06/15/2020	RJF	SL	Post mortem call with Jeffrey N. Pomerantz, Denis, Alan J. Kornfeld.	0.50	1245.00	\$622.50
06/15/2020	EAW	SL	Telephone call with I. Kharasch, R. Feinstein and A. Kornfeld re: objection to UBS's claim and related issues.	0.40	825.00	\$330.00
06/15/2020	EAW	SL	Hearing on motion for stay relief (UBS).	3.40	825.00	\$2,805.00
06/15/2020	EAW	SL	Preparation for hearing on motion for stay relief (UBS).	0.50	825.00	\$412.50
06/15/2020	GVD	SL	Attend hearing on motion for relief from stay	3.60	825.00	\$2,970.00
06/15/2020	GVD	SL	Review presentation for hearing on relief from stay	0.40	825.00	\$330.00
06/15/2020	GVD	SL	Follow up conference with PSZJ re outcome of hearing on relief from stay	0.80	825.00	\$660.00
06/15/2020	GVD	SL	Conference with I. Kharasch on preparation for hearing	0.10	825.00	\$82.50
06/16/2020	IDK	SL	E-mails with attorneys re preparation of order on UBS motion.	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/16/2020	JNP	SL	Emails regarding stay relief order.	0.10	1075.00	\$107.50
06/16/2020	JNP	SL	Review UBS stay order and email to team regarding same.	0.10	1075.00	\$107.50
06/16/2020	RJF	SL	Draft order denying stay relief motion, related emails.	0.80	1245.00	\$996.00
06/17/2020	EAW	SL	Review email from I. Leventon re: NY state court action against non-debtors (UBS).	0.10	825.00	\$82.50
06/17/2020	GVD	SL	Review and circulate draft order re UBS relief from stay; follow up re same	0.40	825.00	\$330.00
06/18/2020	GVD	SL	Revise objection to motion for relief from stay re docket research	0.20	825.00	\$165.00
06/18/2020	GVD	SL	Finalize and file order on UBS motion to lift stay	0.10	825.00	\$82.50
06/20/2020	JNP	SL	Conference with Robert J. Feinstein regarding strategy issues in connection with pending UBS litigation.	0.10	1075.00	\$107.50
06/20/2020	EAW	SL	Draft summary of UBS's claims against non-Debtor defendants; and emails to/from J. Pomerantz and R. Feinstein re: same.	0.30	825.00	\$247.50
06/22/2020	JNP	SL	Emails regarding call to discuss strategy issues regarding UBS.	0.10	1075.00	\$107.50
06/22/2020	EAW	SL	Emails to/from PSZJ team re: UBS claims against non-debtors.	0.10	825.00	\$82.50
06/23/2020	JNP	SL	Conference with Alan J. Kornfeld, Gregory V. Demo Robert J. Feinstein and E. Wagner regarding strategy and remaining claims regarding UBS.	0.40	1075.00	\$430.00
06/23/2020	EAW	SL	Telephone call with PSZJ team re: UBS claims against non-debtors.	0.40	825.00	\$330.00
06/23/2020	EAW	SL	Review damages chart (UBS Litigation).	0.20	825.00	\$165.00
06/23/2020	GVD	SL	Conference with PSZJ re potential to stay underlying actions	0.30	825.00	\$247.50
06/26/2020	EAW	SL	Coordinate with L. Canty re: hearing exhibits mailed to Court (UBS Litigation).	0.10	825.00	\$82.50
				193.00		\$186,435.00

Tax Issues [B240]

06/03/2020	JMF	TI	Telephone call with J. Hogan, G. Demo, J. Hogan re	1.20	925.00	\$1,110.00
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	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
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audit and plan issues (.4); follow up call with G. Demo re same (.3); review and analyze Wilmer analysis re tax audit issues (.5).			
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1.20

\$1,110.00

TOTAL SERVICES FOR THIS MATTER:

\$818,786.50

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Expenses

05/01/2020	CC	Conference Call [E105] AT&T Conference Call, RMP	4.78
05/01/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	105.71
05/01/2020	CC	Conference Call [E105] Loop Up Conference Call, JEO	9.80
05/04/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	62.51
05/04/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	6.30
05/05/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	2.59
05/05/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	0.07
05/05/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	26.11
05/05/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	6.44
05/05/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	0.63
05/05/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	15.33
05/06/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	3.49
05/06/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	334.66
05/06/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	27.84
05/07/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	2.76
05/07/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	1.84
05/07/2020	CC	Conference Call [E105] Loop Up Conference Call, JEO	9.73
05/08/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	21.28
05/11/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	2.89
05/11/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	34.44
05/11/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	18.13
05/12/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	9.87
05/12/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	12.74
05/13/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	16.80
05/13/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	32.72
05/15/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	2.84
05/15/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	26.46
05/15/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	6.72
05/15/2020	CC	Conference Call [E105] Loop Up Conference Call, JEO	14.14
05/16/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	7.98
05/18/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	5.99
05/18/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	24.99

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05/19/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	4.36
05/19/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	3.71
05/19/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	6.82
05/19/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	37.66
05/19/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	6.37
05/19/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	14.07
05/19/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	5.95
05/20/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	6.10
05/20/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	22.61
05/20/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	12.11
05/20/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	59.29
05/21/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	7.52
05/21/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	0.07
05/22/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	110.04
05/22/2020	CC	Conference Call [E105] Loop Up Conference Call, JEO	12.25
05/23/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	0.14
05/23/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	5.11
05/25/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	36.25
05/26/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	9.17
05/26/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	40.74
05/28/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	2.12
05/28/2020	CC	Conference Call [E105] AT&T Conference Call, EAW	2.67
05/28/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	15.47
05/29/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	1.80
05/29/2020	CC	Conference Call [E105] AT&T Conference Call, EAW	5.89
05/29/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	7.49
06/02/2020	LN	36027.00002 Lexis Charges for 06-02-20	89.06
06/02/2020	RE	(1 @0.10 PER PG)	0.10
06/02/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
06/02/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
06/02/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
06/02/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
06/03/2020	LN	36027.00002 Lexis Charges for 06-03-20	11.12
06/03/2020	LN	36027.00002 Lexis Charges for 06-03-20	33.39

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06/03/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
06/03/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
06/03/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
06/03/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
06/04/2020	LN	36027.00002 Lexis Charges for 06-04-20	44.53
06/04/2020	RE	(204 @0.10 PER PG)	20.40
06/04/2020	RE	(5 @0.10 PER PG)	0.50
06/04/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
06/04/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
06/04/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
06/04/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
06/04/2020	RE2	SCAN/COPY (229 @0.10 PER PG)	22.90
06/04/2020	RE2	SCAN/COPY (112 @0.10 PER PG)	11.20
06/04/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
06/04/2020	RE2	SCAN/COPY (44 @0.10 PER PG)	4.40
06/04/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
06/04/2020	RE2	SCAN/COPY (41 @0.10 PER PG)	4.10
06/04/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
06/04/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
06/04/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
06/04/2020	RE2	SCAN/COPY (67 @0.10 PER PG)	6.70
06/04/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
06/05/2020	LN	36027.00002 Lexis Charges for 06-05-20	111.34
06/05/2020	RE	(4 @0.10 PER PG)	0.40
06/05/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
06/08/2020	RE	(1 @0.10 PER PG)	0.10
06/08/2020	RE	(5 @0.10 PER PG)	0.50
06/08/2020	RE	(1 @0.10 PER PG)	0.10
06/08/2020	RE	(3 @0.10 PER PG)	0.30
06/08/2020	RE2	SCAN/COPY (55 @0.10 PER PG)	5.50
06/08/2020	RE2	SCAN/COPY (47 @0.10 PER PG)	4.70
06/08/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
06/08/2020	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80

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06/08/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
06/08/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
06/08/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
06/08/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
06/08/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
06/09/2020	LN	36027.00002 Lexis Charges for 06-09-20	22.94
06/09/2020	RE	(1 @0.10 PER PG)	0.10
06/09/2020	RE2	SCAN/COPY (80 @0.10 PER PG)	8.00
06/09/2020	RE2	SCAN/COPY (80 @0.10 PER PG)	8.00
06/09/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
06/09/2020	RE2	SCAN/COPY (80 @0.10 PER PG)	8.00
06/09/2020	RE2	SCAN/COPY (80 @0.10 PER PG)	8.00
06/09/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
06/10/2020	RE	(1 @0.10 PER PG)	0.10
06/10/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
06/10/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/10/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
06/10/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/10/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/10/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/11/2020	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
06/11/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
06/11/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
06/11/2020	RE2	SCAN/COPY (149 @0.10 PER PG)	14.90
06/11/2020	RE2	SCAN/COPY (183 @0.10 PER PG)	18.30
06/11/2020	RE2	SCAN/COPY (131 @0.10 PER PG)	13.10
06/11/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
06/11/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
06/11/2020	RE2	SCAN/COPY (31 @0.10 PER PG)	3.10
06/11/2020	RE2	SCAN/COPY (186 @0.10 PER PG)	18.60
06/11/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
06/11/2020	RE2	SCAN/COPY (135 @0.10 PER PG)	13.50
06/11/2020	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
06/11/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30

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06/11/2020	RE2	SCAN/COPY (62 @0.10 PER PG)	6.20
06/11/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
06/11/2020	RE2	SCAN/COPY (28 @0.10 PER PG)	2.80
06/11/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
06/11/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
06/11/2020	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80
06/11/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
06/11/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
06/11/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
06/11/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
06/11/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
06/11/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
06/11/2020	RE2	SCAN/COPY (130 @0.10 PER PG)	13.00
06/11/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
06/11/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
06/12/2020	LN	36027.00002 Lexis Charges for 06-12-20	22.94
06/12/2020	LV	Legal Vision Atty/Mess. Service- Inv. 50880, AJK Residence	34.50
06/12/2020	RE	(1 @0.10 PER PG)	0.10
06/12/2020	RE	(4 @0.10 PER PG)	0.40
06/12/2020	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
06/12/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
06/12/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
06/12/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
06/12/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
06/12/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
06/12/2020	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
06/12/2020	RE2	SCAN/COPY (63 @0.10 PER PG)	6.30
06/12/2020	RE2	SCAN/COPY (34 @0.10 PER PG)	3.40
06/12/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/12/2020	RE2	SCAN/COPY (79 @0.10 PER PG)	7.90
06/12/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
06/12/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
06/12/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/12/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10

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06/12/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
06/12/2020	RE2	SCAN/COPY (32 @0.10 PER PG)	3.20
06/12/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
06/12/2020	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
06/12/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/12/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
06/12/2020	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
06/12/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
06/12/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
06/12/2020	RE2	SCAN/COPY (49 @0.10 PER PG)	4.90
06/12/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
06/12/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
06/12/2020	RE2	SCAN/COPY (52 @0.10 PER PG)	5.20
06/12/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
06/12/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
06/12/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
06/12/2020	RE2	SCAN/COPY (38 @0.10 PER PG)	3.80
06/12/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/12/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/12/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
06/12/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/12/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
06/12/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/12/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/12/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
06/12/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
06/12/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
06/12/2020	RE2	SCAN/COPY (70 @0.10 PER PG)	7.00
06/13/2020	LN	36027.00002 Lexis Charges for 06-13-20	11.46
06/15/2020	CC	Conference Call [E105] CourtCall Debit Ledger for 06/01/2020 through 06/30/2020, GVD	75.00
06/15/2020	RE	(34 @0.10 PER PG)	3.40
06/15/2020	RE	(3 @0.10 PER PG)	0.30
06/15/2020	RE	(1 @0.10 PER PG)	0.10

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06/15/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
06/15/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
06/16/2020	BB	36027.00002 Bloomberg Charges for 07-02-20	188.20
06/16/2020	LN	36027.00002 Lexis Charges for 06-16-20	22.26
06/16/2020	RE	(2 @0.10 PER PG)	0.20
06/16/2020	RE2	SCAN/COPY (61 @0.10 PER PG)	6.10
06/16/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
06/16/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/17/2020	RE	(1 @0.10 PER PG)	0.10
06/17/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/18/2020	RE	(4 @0.10 PER PG)	0.40
06/18/2020	RE	(1 @0.10 PER PG)	0.10
06/18/2020	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
06/18/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
06/18/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/19/2020	LN	36027.00002 Lexis Charges for 06-19-20	22.26
06/19/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
06/19/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
06/19/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
06/22/2020	RE	(7 @0.10 PER PG)	0.70
06/22/2020	RE2	SCAN/COPY (80 @0.10 PER PG)	8.00
06/23/2020	RE	(2 @0.10 PER PG)	0.20
06/23/2020	RE2	SCAN/COPY (87 @0.10 PER PG)	8.70
06/23/2020	RE2	SCAN/COPY (42 @0.10 PER PG)	4.20
06/23/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
06/24/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
06/24/2020	RE2	SCAN/COPY (33 @0.10 PER PG)	3.30
06/24/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/24/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/25/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
06/27/2020	LN	36027.00002 Lexis Charges for 06-27-20	89.06
06/29/2020	LN	36027.00002 Lexis Charges for 06-29-20	33.39
06/29/2020	RE	(4 @0.10 PER PG)	0.40
06/29/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30

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06/29/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/29/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/29/2020	RE2	SCAN/COPY (438 @0.10 PER PG)	43.80
06/29/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/29/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/29/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
06/30/2020	PAC	Pacer - Court Research	645.60
06/30/2020	RE	(2 @0.10 PER PG)	0.20

Total Expenses for this Matter

\$3,205.81

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Pachulski Stang Ziehl & Jones LLP

10100 Santa Monica Blvd.
13th Floor
Los Angeles, CA 90067

July 31, 2020

Invoice 125553

Client 36027

Matter 00002

JNP

Board of Directors
Highland Capital Management LP
300 Crescent Court ste. 700
Dallas, TX 75201

RE: Postpetition

STATEMENT OF PROFESSIONAL SERVICES RENDERED THROUGH 07/31/2020

FEES \$739,976.00

EXPENSES \$1,189.12

TOTAL CURRENT CHARGES **\$741,165.12**

BALANCE FORWARD **\$1,852,552.25**

LAST PAYMENT **\$647,180.54**

TOTAL BALANCE DUE **\$1,946,536.83**

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Summary of Services by Professional

<u>ID</u>	<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
AJK	Kornfeld, Alan J.	Partner	1145.00	1.40	\$1,603.00
BMK	Koveleski, Beatrice M.	Case Man. Asst.	350.00	3.00	\$1,050.00
DJB	Barton, David J.	Partner	1195.00	4.40	\$5,258.00
EAW	Wagner, Elissa A.	Counsel	825.00	1.20	\$990.00
GVD	Demo, Gregory Vincent	Counsel	825.00	198.60	\$163,845.00
HDH	Hochman, Harry D.	Counsel	950.00	80.30	\$76,285.00
IDK	Kharasch, Ira D.	Partner	1145.00	138.10	\$158,124.50
JAM	Morris, John A.	Partner	1075.00	111.50	\$119,862.50
JEO	O'Neill, James E.	Partner	925.00	35.70	\$33,022.50
JKK	Kim, Jonathan J.	Counsel	895.00	23.10	\$20,674.50
JMF	Fried, Joshua M.	Partner	925.00	60.10	\$55,592.50
JNP	Pomerantz, Jeffrey N.	Partner	1075.00	67.30	\$72,347.50
KKY	Yee, Karina K.	Paralegal	425.00	13.50	\$5,737.50
LAF	Forrester, Leslie A.	Other	450.00	2.00	\$900.00
LSC	Canty, La Asia S.	Paralegal	425.00	28.10	\$10,752.50
PJJ	Jeffries, Patricia J.	Paralegal	425.00	1.30	\$552.50
RJF	Feinstein, Robert J.	Partner	1245.00	8.30	\$10,333.50
SLP	Pitman, L. Sheryle	Case Man. Asst.	350.00	8.70	\$3,045.00
				<u>786.60</u>	<u>\$739,976.00</u>

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Summary of Services by Task Code

<u>Task Code</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
AA	Asset Analysis/Recovery[B120]	15.50	\$13,936.50
BL	Bankruptcy Litigation [L430]	176.50	\$168,512.50
CA	Case Administration [B110]	65.20	\$48,999.50
CO	Claims Admin/Objections[B310]	233.60	\$224,235.50
CP	Compensation Prof. [B160]	4.80	\$4,075.00
CPO	Comp. of Prof./Others	2.50	\$2,162.50
EB	Employee Benefit/Pension-B220	39.20	\$36,862.00
EC	Executory Contracts [B185]	1.50	\$1,402.50
FF	Financial Filings [B110]	0.80	\$740.00
GB	General Business Advice [B410]	68.20	\$70,356.00
GC	General Creditors Comm. [B150]	6.30	\$6,407.50
ME	Mediation	63.00	\$59,975.00
PD	Plan & Disclosure Stmt. [B320]	99.90	\$93,328.50
RPO	Ret. of Prof./Other	2.50	\$2,097.50
SL	Stay Litigation [B140]	7.10	\$6,885.50
		786.60	<hr/> \$739,976.00

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Summary of Expenses

<u>Description</u>	<u>Amount</u>
Bloomberg	\$44.40
Conference Call [E105]	\$329.55
Federal Express [E108]	\$61.30
Lexis/Nexis- Legal Research [E	\$26.67
Legal Vision Atty Mess Service	\$60.00
Pacer - Court Research	\$395.30
Reproduction Expense [E101]	\$34.10
Reproduction/ Scan Copy	\$237.80
	<hr/>
	\$1,189.12

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Asset Analysis/Recovery[B120]						
07/01/2020	IDK	AA	E-mails with attorneys, client group re Multi Strat proceeds and reimbursement of expenses to Debtor (.3); E-mails with Board re same and timing on doing allocation (.1).	0.40	1145.00	\$458.00
07/01/2020	GVD	AA	Review presentation re potential asset sale	0.40	825.00	\$330.00
07/01/2020	GVD	AA	Conference with J. Romey re potential asset sale	0.30	825.00	\$247.50
07/01/2020	GVD	AA	Review MSCF settlement agreement re waterfall provisions	0.70	825.00	\$577.50
07/01/2020	GVD	AA	Review DSI memo re application of protocols	0.30	825.00	\$247.50
07/02/2020	JNP	AA	Conference with Gregory V. Demo regarding Omnimax.	0.10	1075.00	\$107.50
07/02/2020	GVD	AA	Correspondence with J. Pomerantz and I. Kharasch re agreed order on distributions	0.10	825.00	\$82.50
07/02/2020	GVD	AA	Multiple conferences with J. Romey re potential asset sale and related discovery	0.50	825.00	\$412.50
07/03/2020	JNP	AA	Review of emails regarding interpretation of Multi Strat settlement.	0.10	1075.00	\$107.50
07/03/2020	GVD	AA	Revise and circulate order on distributions to CLO Holdco and HCM Services; conference with J. Dubel re same; review comments from local counsel re same	1.00	825.00	\$825.00
07/03/2020	GVD	AA	Correspondence with J. Seery re order on distributions to CLO Holdco and HCM Services	0.30	825.00	\$247.50
07/05/2020	GVD	AA	Correspondence with counsel to CLO Holdco and HCM Services re agreed order on distributions	0.30	825.00	\$247.50
07/07/2020	IDK	AA	E-mails re Board and Omnimax status.	0.10	1145.00	\$114.50
07/07/2020	GVD	AA	Review deal document re potential sale	0.60	825.00	\$495.00
07/08/2020	IDK	AA	E-mails with D. Grassgreen re next steps in Rabbi trust investing.	0.20	1145.00	\$229.00
07/08/2020	IDK	AA	Review of extensive memo from Board re OmniMax transaction status and timing and issues.	0.20	1145.00	\$229.00
07/08/2020	JNP	AA	Review emails regarding Omnimax.	0.10	1075.00	\$107.50
07/08/2020	GVD	AA	Conference with F. Caruso re waterfall under MSCF settlement agreement	0.30	825.00	\$247.50
07/08/2020	GVD	AA	Conference with J. Donohue re Rabbi trusts	0.10	825.00	\$82.50
07/09/2020	GVD	AA	Correspondence with E. Bromagen re order on distributions	0.10	825.00	\$82.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/10/2020	IDK	AA	E-mails with DSI re its memo on Rabbi trust and need for our additional language.	0.20	1145.00	\$229.00
07/11/2020	GVD	AA	Correspondence with Committee re order on distributions into court registry	0.10	825.00	\$82.50
07/13/2020	IDK	AA	E-mails with DSI, D. Grassgreen re revised memo on Rabbi trust and timing.	0.30	1145.00	\$343.50
07/15/2020	IDK	AA	E-mails with DSI and others on Rabbi trust memo, UCC and Board.	0.30	1145.00	\$343.50
07/15/2020	GVD	AA	Review shareholder agreement re transfer restrictions	0.20	825.00	\$165.00
07/15/2020	GVD	AA	Conference with J. Seery re shareholder agreement	0.20	825.00	\$165.00
07/16/2020	GVD	AA	Review stockholder agreement; correspondence with J. Seery re same	0.80	825.00	\$660.00
07/16/2020	GVD	AA	Correspondence with D. Barton re stockholder agreement issues	0.20	825.00	\$165.00
07/17/2020	GVD	AA	Conference re securing D&O insurance	0.40	825.00	\$330.00
07/23/2020	GVD	AA	Review documents re potential transaction	0.20	825.00	\$165.00
07/24/2020	GVD	AA	review portfolio company governing documents	1.40	825.00	\$1,155.00
07/24/2020	GVD	AA	Conference with HCMLP and J. Romey re potential asset recovery	0.60	825.00	\$495.00
07/27/2020	IDK	AA	Review of correspondence with DSI, others on Park West refinance and Nextpoint Adversary.	0.20	1145.00	\$229.00
07/27/2020	GVD	AA	Review correspondence from F. Caruso re MSCF fees	0.10	825.00	\$82.50
07/27/2020	GVD	AA	Conference with F. Caruso re life settlement policy settlement	0.20	825.00	\$165.00
07/27/2020	GVD	AA	Conference with T. Silva re potential asset sale and next steps	0.30	825.00	\$247.50
07/28/2020	IDK	AA	Review and consider DSI Trussway official notice to UCC and its Trussway declaration prior to UCC call, and FTI feedback re same (.5); E-mails with Board, others on Dondero letter re opposition to same transaction and issues on grand bargain (3.).	0.80	1145.00	\$916.00
07/28/2020	JNP	AA	Review write-up regarding Trussway transaction.	0.10	1075.00	\$107.50
07/28/2020	GVD	AA	Conference re potential loan restructuring	0.50	825.00	\$412.50
07/28/2020	GVD	AA	Conference with J. Donohue and B. Sharp re tax refund	0.20	825.00	\$165.00
07/28/2020	GVD	AA	Conference with J. Seery re potential asset sale	0.10	825.00	\$82.50

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				Hours	Rate	Amount
07/28/2020	GVD	AA	Review investor letter re MSCF	0.10	825.00	\$82.50
07/28/2020	GVD	AA	Review asset analysis and follow up with B. Sharp re same	0.20	825.00	\$165.00
07/29/2020	IDK	AA	Review of correspondence with CEO and Trussway board re sale, and re CEO communication to relevant parties re his new trading authority, and consider.	0.20	1145.00	\$229.00
07/29/2020	IDK	AA	E-mails re Redeemer and Cornerstone sale issues.	0.20	1145.00	\$229.00
07/29/2020	JNP	AA	Review letter form Multi Strat investors.	0.10	1075.00	\$107.50
07/29/2020	GVD	AA	Compile documents re authorized traders	0.60	825.00	\$495.00
07/29/2020	GVD	AA	Correspondence with J. Seery re authorized trader resolutions	0.10	825.00	\$82.50
07/29/2020	GVD	AA	Conference with J. Seery re authorized trader issues and next steps	0.30	825.00	\$247.50
07/31/2020	IDK	AA	Review of DSI notice to UCC professionals re Trussway and waterfall.	0.10	1145.00	\$114.50
				15.50		\$13,936.50

Bankruptcy Litigation [L430]

06/11/2020	LSC	BL	Prepare and transmit document production.	0.50	425.00	\$212.50
06/11/2020	LSC	BL	Coordinate appearances at June 15 hearing.	0.30	425.00	\$127.50
06/11/2020	LSC	BL	Prepare hearing binder.	2.30	425.00	\$977.50
06/12/2020	LSC	BL	Prepare and transmit document production and correspondence regarding the same.	0.50	425.00	\$212.50
06/12/2020	LSC	BL	Prepare additional materials for 6/15/20 hearing.	1.60	425.00	\$0.00
06/17/2020	LSC	BL	Prepare and transmit document production.	0.60	425.00	\$0.00
06/22/2020	LSC	BL	Prepare and transmit document production.	0.60	425.00	\$0.00
06/22/2020	LSC	BL	ACIS Bankruptcy - Prepare notice of appearance and pro hac vice applications for G. Demo. I. Kharasch, and J. Pomerantz.	0.70	425.00	\$297.50
06/23/2020	LSC	BL	Prepare response to subpoena and document requests for J. Morris.	1.30	425.00	\$552.50
06/26/2020	LSC	BL	Research and correspondence with J. Morris regarding prior document productions.	0.30	425.00	\$127.50
06/26/2020	LSC	BL	Prepare files of exhibits received from opposing counsel.	1.10	425.00	\$467.50
06/29/2020	LSC	BL	Prepare and revise binder for 6/30/20 hearing, including exhibits and confer and correspond	2.50	425.00	\$1,062.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			regarding the same.			
06/29/2020	LSC	BL	Coordinate attorney's telephonic appearance at hearing.	0.20	425.00	\$85.00
07/01/2020	IDK	BL	E-mails with J Morris re today?s correspondence with NWCC counsel on dispute over stipulation on litigation and how to resolve.	0.30	1145.00	\$343.50
07/01/2020	JAM	BL	E-mail to E. Bromagen, M. Clemente, J. Pomerantz, I. Kharasch, G. Demo re: re-designation of documents (0.4); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: NWCC response to Debtor?s assertion of stay violation (0.2); communications with B. Sharp, G. Demo, J. Donohue re: document production (0.3).	0.90	1075.00	\$967.50
07/01/2020	GVD	BL	Review information request list issues; conference with B. Sharp re same	0.40	825.00	\$330.00
07/02/2020	IDK	BL	E-mails re J. Morris summary of Sidley's challenge to discovery protocol and his draft response as well as his correspondence with Sidley.	0.30	1145.00	\$343.50
07/02/2020	IDK	BL	E-mails with G. Demo re status of proposed order re court registry.	0.20	1145.00	\$229.00
07/02/2020	JNP	BL	Review Order regarding disbursement of funds into registry; Email to Gregory V. Demo regarding same.	0.10	1075.00	\$107.50
07/02/2020	JNP	BL	Conference with John A. Morris regarding discovery issues and response to Committee.	0.20	1075.00	\$215.00
07/02/2020	JAM	BL	Draft e-mail to Sidley/UCC re: e-discovery and threatened motion to compel (1.3); e-mails with J. Pomerantz, I. Kharasch, G. Demo re: draft e-mail to Sidley/UCC re: e-discovery and threatened motion to compel (0.2); revisions to draft e-mail to Sidley/UCC re: e-discovery and threatened motion to compel (0.3); telephone conference with J. Pomerantz re: e-discovery, possible mediation (0.1); e-mail to Board, J. Pomerantz, I. Kharasch, G. Demo re: e-discovery and UCC?s threatened motion to compel (0.3).	2.20	1075.00	\$2,365.00
07/02/2020	GVD	BL	Review proposed response to Committee email on discovery	0.30	825.00	\$247.50
07/03/2020	IDK	BL	E-mails with attorneys, Board re latest revisions to order on court registry and issues.	0.20	1145.00	\$229.00
07/03/2020	IDK	BL	E-mails with attorneys re prep for July 8 hearing, and issues on witnesses, exhibits.	0.20	1145.00	\$229.00
07/03/2020	JNP	BL	Review emails regarding order on distribution of AROF, Dynamic and RCP funds to related parties.	0.10	1075.00	\$107.50

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				Hours	Rate	Amount
07/03/2020	JAM	BL	Revise and send e-mail to Sidley re: e-discovery (0.1).	0.10	1075.00	\$107.50
07/06/2020	IDK	BL	E-mails with attorneys re form of order on court registry payments and feedback from Dondero and Committee counsel.	0.30	1145.00	\$343.50
07/06/2020	JAM	BL	Draft discovery motion (3.2).	3.20	1075.00	\$3,440.00
07/06/2020	GVD	BL	Finalize draft order on distributions; correspondence with Committee re same	0.30	825.00	\$247.50
07/06/2020	GVD	BL	Review E. Bromagen changes to draft order on distributions	0.10	825.00	\$82.50
07/07/2020	IDK	BL	Review of correspondence re latest draft on our discovery motion.	0.20	1145.00	\$229.00
07/07/2020	IDK	BL	E-mails with Foley and attorneys re Acis subpoena on Debtor re different Acis litigation re Simek, and nature of same, including brief review of complaint (.4); E-mails with G. Demo, Foley re need for monitoring of new Acis litigation re Debtor employees in state and bankruptcy court (.3); E-mails with attorneys re employee motion to dismiss Acis adversary (.2).	0.90	1145.00	\$1,030.50
07/07/2020	IDK	BL	E-mails with J. Pomerantz re his draft outline argument/presentation to Court for tomorrow, including my feedback for changes (.5); Review of correspondence with Board re same, and re discovery issues (.1).	0.60	1145.00	\$687.00
07/07/2020	JNP	BL	Review of discovery motion.	0.20	1075.00	\$215.00
07/07/2020	JNP	BL	Conference with John A. Morris regarding discovery motion.	0.10	1075.00	\$107.50
07/07/2020	JAM	BL	Continued work on draft discovery motion (2.7); telephone conference with J. Pomerantz re: discovery motion (0.1); further revisions to discovery motion (0.2); e-mail to Board, J. Pomerantz, I. Kharasch, G. Demo re: discovery motion (0.1).	3.10	1075.00	\$3,332.50
07/07/2020	GVD	BL	Review draft motion on protective order on discovery	0.30	825.00	\$247.50
07/07/2020	GVD	BL	Correspondence with H. O'Neil re filed documents in Acis adversary proceedings	0.30	825.00	\$247.50
07/07/2020	GVD	BL	Review Acis adversary proceedings	0.40	825.00	\$330.00
07/08/2020	IDK	BL	E-mails with attorneys re mediation and status on possible judges.	0.20	1145.00	\$229.00
07/08/2020	IDK	BL	E-mails with attorneys re Acis and subpoena re	0.20	1145.00	\$229.00

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				Hours	Rate	Amount
			Semik actions.			
07/08/2020	IDK	BL	E-mails with Board, others re Committee's motion to compel re document production (.2); E-mail with J. Morris re initial testimony outline for 7/14 hearing (.1).	0.30	1145.00	\$343.50
07/08/2020	IDK	BL	Attend telephonically omnibus hearing (1.5); Office conference with J. Pomerantz re result of same (.1); E-mails with DSI, others re PPP payments, relevant information on same (.2); E-mail re Sylvia Mayer bio for mediator, and consider (.2).	2.00	1145.00	\$2,290.00
07/08/2020	JNP	BL	Review Committee motion to compel.	0.10	1075.00	\$107.50
07/08/2020	JNP	BL	Conference with John A. Morris regarding Motion to Compel and emails regarding same.	0.30	1075.00	\$322.50
07/08/2020	JNP	BL	Review pleadings for hearing.	0.20	1075.00	\$215.00
07/08/2020	JEO	BL	Email with Greg Demo re outcome of 7/8 hearing and review orders needed	0.40	925.00	\$370.00
07/08/2020	JMF	BL	Review committee motion to compel discovery production.	0.40	925.00	\$370.00
07/08/2020	JAM	BL	Draft JAM declaration in support of discovery motion (0.4); review/revise discovery motion (0.7); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: revised discovery motion (0.1); e-mail to I. Leventon, S. Vitiello, G. Demo re: discovery motion (0.2); review filings in Acis adversary proceedings (0.8); telephone conference with G. Demo re: filings in Acis adversary proceedings (0.3); telephone conference with J. Pomerantz re: motion to compel (0.1); telephone conference with Court, J. Pomerantz, UCC, other parties re: case status, mediation, and claims resolutions (1.5); telephone conference with J. Pomerantz re: motion to compel/discovery motion (0.1); revise discovery motion (0.4); e-mail to Board, J. Pomerantz, I. Kharasch. G. Demo re: discovery motion (0.1); e-mails to Z. Annabel, G. Demo re: exhibits to discovery motion (0.2); telephone conference with G. Demo re: Seery and DSI motions, evidence, proof (0.3); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: Seery and DSI motion (0.2); revisions to discovery motion (0.1); communications w/ Z. Annabel re: discovery motion (0.1); e-mail to Board re: discovery motion (0.1)	5.70	1075.00	\$6,127.50
07/08/2020	GVD	BL	Attend hearing	2.00	825.00	\$1,650.00
07/08/2020	GVD	BL	Review J. Pomerantz presentation for hearing	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/08/2020	GVD	BL	Review Texas state court litigation document; correspondence with L. Canty re same	0.30	825.00	\$247.50
07/08/2020	GVD	BL	Conference with J. Morris re Acis subpoena and other issues	0.30	825.00	\$247.50
07/08/2020	GVD	BL	Correspondence with J. Pomerantz re preparation for hearing	0.20	825.00	\$165.00
07/08/2020	GVD	BL	Review correspondence from A. Clubok re UBS issues	0.30	825.00	\$247.50
07/08/2020	GVD	BL	Correspondence with E. Bromagen re order on distributions	0.10	825.00	\$82.50
07/09/2020	IDK	BL	Attend internal conference call for preparation re 7/14 hearing on CEO, and evidence, and re UBS document requests (.5); E-mails with attorneys re PPP loans re same and hearing, as well as draft timeline of case for hearing prep for same hearing (.3); E-mail to Board, others re need for call tomorrow on prep (.2); Emails with G. Demo re his preparation outline for Seery for hearing, including review of same and my feedback for changes (.4); E-mails with attorneys re Sidley feedback on proposed order on CEO and its requested changes (.1).	1.50	1145.00	\$1,717.50
07/09/2020	JNP	BL	Conference with John A. Morris regarding response to Redeemer settlement terms.	0.20	1075.00	\$215.00
07/09/2020	JEO	BL	Finalize Removal extension order and circulate to co-counsel for submission to court	0.40	925.00	\$370.00
07/09/2020	JMF	BL	Review exclusivity and removal orders.	0.30	925.00	\$277.50
07/09/2020	JAM	BL	Telephone conference with I. Leventon re: discovery matters (0.4); e-mail to Board re: discovery matters (0.4); e-mails with Z. Annabel re: UCC?s request for expedited hearing (0.1); e-mail to P. Montgomery, J. Pomerantz, G. Demo, M. Clemente, P. Reid re: UCC?s request for expedited hearing (0.1); e-mail to Board, J. Pomerantz, G. Demo re: Acis subpoena concerning Simek (0.1); review Simek/Acis subpoena (0.1); telephone conference with J. Pomerantz re: discovery (0.2); telephone conference with I. Leventon re: confidentiality obligations (0.1); telephone conference with P. Montgomery re: competing motions and document production (0.5); e-mail to P. Montgomery re: briefing schedule on discovery motions (0.1); e-mail to Board on briefing schedule on discovery motions (0.1); e-mail to I. Leventon, S. Vitiello, G. Demo re: contract counterparties and discovery motions (0.2); e-mail to	3.40	1075.00	\$3,655.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Acis counsel, G. Demo re: subpoena served on Debtor (0.1); telephone conference with J. Seery re: discovery, Redeemer Committee settlement issues (0.1); telephone conference with J. Pomerantz, I. Kharasch, G. Demo re: preparation for Seery/DSI motions (0.5); telephone conference with G. Demo re: Seery/DSI motions, discovery (0.3).			
07/09/2020	GVD	BL	Review proposed order on removal extension	0.10	825.00	\$82.50
07/09/2020	GVD	BL	Conference with J. Romey re UBS discovery requests	0.20	825.00	\$165.00
07/10/2020	IDK	BL	Review of correspondence with UBS counsel re its new request for information, as well as our responsive documents to part of earlier request, and how to handle new request, including with board re same.	0.40	1145.00	\$458.00
07/10/2020	IDK	BL	E-mail G. Demo re employee motion to dismiss Acis complaint, and Acis motion re abatement, and brief review.	0.20	1145.00	\$229.00
07/10/2020	IDK	BL	Review of correspondence with UBS counsel re its new request for information, as well as our responsive documents to part of earlier request, and how to handle new request, including with board re same.	0.40	1145.00	\$458.00
07/10/2020	IDK	BL	E-mails with DSI re its memo on Rabbi trust and need for our additional language.	0.20	1145.00	\$229.00
07/10/2020	JNP	BL	Conference with Gregory V. Demo regarding discovery.	0.10	1075.00	\$107.50
07/10/2020	JNP	BL	Review and respond to J. Seery email regarding discovery.	0.10	1075.00	\$107.50
07/10/2020	JNP	BL	Conference with John A. Morris regarding discovery and litigation issues.	0.20	1075.00	\$215.00
07/10/2020	JNP	BL	Review transcript of July 8, 2020 hearing.	0.20	1075.00	\$215.00
07/10/2020	JEO	BL	Review and circulate entered orders on exclusivity, removal and funds in court registry	0.40	925.00	\$370.00
07/10/2020	JMF	BL	Review motion for protective order re committee discovery.	0.50	925.00	\$462.50
07/10/2020	JAM	BL	Telephone conference with J. Dubel re: document preservation (0.1); communications with Board, DSI, J. Pomerantz, I. Kharasch, G. Demo re: document preservation (0.2); telephone conference with I. Leventon re: UCC's fourth set of document requests (0.9); draft stipulation resolving UCC's motion to expedite (0.8); e-mails to Z. Annabel, P.	4.00	1075.00	\$4,300.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Montgomery re: draft stipulation resolving UCC's motion to expedite (0.1); draft Exhibit and Witness list for July 14 hearing (0.6); review potential exhibits for substance and redactions (0.6); communications with G. Demo, I. Canty re: exhibits and witness and exhibit list (0.3); e-mail to M. Heyward, Z. Annabel re: witness and exhibit list (0.1); telephone conference with B. Sharp re: testimony at July 14 hearing (0.1); e-mails with J. Pomerantz, G. Demo re: document production to UBS (0.2).			
07/10/2020	LSC	BL	Prepare and transmit document production.	0.60	425.00	\$255.00
07/10/2020	GVD	BL	Review additional document requests from UBS; correspondence with R. Feinstein re same	0.20	825.00	\$165.00
07/10/2020	GVD	BL	Work with J. Romey to distribute additional UBS requests	0.60	825.00	\$495.00
07/10/2020	GVD	BL	Review transcript from July 8 hearing	0.20	825.00	\$165.00
07/10/2020	GVD	BL	Review and compile exhibits for July 14 hearing	1.60	825.00	\$1,320.00
07/10/2020	GVD	BL	Review and finalize issues re UBS production	0.40	825.00	\$330.00
07/10/2020	GVD	BL	Conference with Board re preparation for July 14 hearing	1.40	825.00	\$1,155.00
07/10/2020	GVD	BL	Correspondence re revisions to distributions order and next steps	0.10	825.00	\$82.50
07/11/2020	IDK	BL	E-mails with J. Morris re Acis vs Simek action and subpoena, and re summary of status of Acis action vs employees.	0.30	1145.00	\$343.50
07/11/2020	IDK	BL	Attend conference call with Board, attorneys re preparation for testimony for 7/14 hearing (2.0); E-mails with DSI, others on its various drafts of organizational chart for Court on 7/14 (.3).	2.30	1145.00	\$2,633.50
07/11/2020	JAM	BL	Review Acis/Simek complaint and subpoena to HCMLP (0.2); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: Acis/Simek complaint and subpoena served on HCMLP (0.2); review answers and motions to dismiss filed by the defendants in the Acis adversary proceeding commenced in the Acis bankruptcy case against Dondero and others relating to the alleged fraudulent transfer of assets (0.7); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: the answers and motions to dismiss filed by the defendants in the Acis adversary proceeding commenced in the Acis bankruptcy case against Dondero and others relating to the alleged fraudulent transfer of assets (0.4); review pleadings and	2.70	1075.00	\$2,902.50

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			motions filed in the Texas state court action commenced by Acis against in-house and outside counsel (0.5); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: status of Texas state court action commenced by Acis against in-house and outside counsel (0.3); telephone conference with G. Demo re: document preservation issues, July 14 hearing (0.3); revise e-mail to I. Leventon re: discovery motions (0.1).			
07/11/2020	GVD	BL	Review summaries of Acis litigation from J. Morris	0.10	825.00	\$82.50
07/11/2020	GVD	BL	Conference with Board, J. Morris, and DSI re discovery issues	0.30	825.00	\$247.50
07/11/2020	GVD	BL	Conference with J. Morris re discovery issues	0.40	825.00	\$330.00
07/12/2020	IDK	BL	Brief review of substantial preparatory correspondence and documents for 7/14 hearing.	0.60	1145.00	\$687.00
07/12/2020	JNP	BL	Conference with John A. Morris regarding discovery issues.	0.10	1075.00	\$107.50
07/12/2020	JNP	BL	Emails regarding status of discovery.	0.10	1075.00	\$107.50
07/12/2020	JAM	BL	E-mail to Acis? counsel, G. Demo re: abatement of litigation against Debtor and its current and former employees and counsel (0.1); draft response to Jason Rothstein re: document preservation (0.3); draft Seery direct testimony (1.5); communications with G. Demo re: chronology of events leading to Seery appointment as CEO (0.2); telephone conference with J. Pomerantz re: open litigation issues (0.1); review e-mails among J. Seery, B. Sharp, I. Leventon re: document preservation issues (0.2); revise e-mail to Sidley re: resolution of UCC motion to compel discovery (0.1); review notices to third-parties re: discovery motions, and e-mail to Board, J. Pomerantz, I. Kharasch, G. Demo re: same (0.2); work on direct testimony for John Dubel (1.7); e-mail to P. Montgomery, Z. Annabel, G. Demo, P. Reid re: stipulation resolving UCC motion to expedite (0.1); revisions to Seery direct (0.2); e-mails to J. Pomerantz, I. Kharasch, G. Demo re: Seery and Dubel testimony (0.1).	4.80	1075.00	\$5,160.00
07/13/2020	IDK	BL	E-mails with Acis counsels re their request for call (.1); Attend conference call with Acis counsels re claim objection, mediation possibilities (.4).	0.50	1145.00	\$572.50
07/13/2020	IDK	BL	Telephone conferences with J. Pomerantz re hearing tomorrow and prepare issues for same, and mediation issues (.2); Brief review of revised testimony prep documents, timeline documents re same (.4); E-mails with DSI and others re my	1.90	1145.00	\$2,175.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			suggested revisions to Organizational Chart for Court, including review of various versions (.5); E-mails with attorneys re my suggested changes to Seery testimony outline including on Multi Strat (.4); Review of revised testimony preparation (.4).			
07/13/2020	IDK	BL	E-mails with attorneys re status on responding to UBS document request.	0.20	1145.00	\$229.00
07/13/2020	JNP	BL	Review email regarding status of UBS discovery.	0.10	1075.00	\$107.50
07/13/2020	JNP	BL	Emails regarding UBS discovery request.	0.10	1075.00	\$107.50
07/13/2020	JMF	BL	Review discovery stipulation re committee document request.	0.20	925.00	\$185.00
07/13/2020	JAM	BL	Review J. Pomerantz comments re: direct testimony (0.1); revised direct testimony for J. Dubel (0.8); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: direct testimony for J. Dubel (0.1); e-mail to Board, J. Pomerantz, I. Kharasch, G. Demo re: direct testimony for J. Dubel (0.1); telephone conferences with J. Pomerantz re: Seery CEO motion (0.1); telephone conference with I. Leventon re: discovery motions and notice to third parties (0.2); telephone conference with G. Zornada, I. Leventon re: HCM Fund Advisors and discovery motions (0.5); review e-mails re: third party notice and discovery motions (0.2); prepare for hearing on Seery discovery motion (2.2); telephone conference with M. Maloney, R. Matsamuro re: CLO Funding, Ltd and the discovery motions (0.7); telephone conference with J. Seery re: direct testimony (0.1); tel cs. w/ G. Demo re: discovery issues (0.1); telephone conference with I. Leventon, G. Demo, counsel for Rand re: discovery motions (0.6); further revisions to Seery direct (1.1); communications with Henkle re: JHT and the discovery motions (0.1); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: Seery direct testimony (0.1); communications with Z. Annabel, Sidley, G. Demo, court clerk re: scheduling on discovery motions and exhibits for July 14 hearing (0.2).	7.30	1075.00	\$7,847.50
07/13/2020	LSC	BL	Preparation of Debtor's 65th document production and transmit same.	0.50	425.00	\$212.50
07/13/2020	LSC	BL	Coordinate attorney's appearance at hearing (.2); participate in trial webex in preparation for hearing (.8).	1.00	425.00	\$425.00
07/13/2020	GVD	BL	Correspondence with UBS re additional discovery requests	0.10	825.00	\$82.50
07/13/2020	GVD	BL	Conference with counsel to Rand re document production; follow up with J. Morris re same	0.80	825.00	\$660.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/13/2020	GVD	BL	Conference with J. Morris re discovery issues	0.10	825.00	\$82.50
07/13/2020	GVD	BL	Prepare documents in response to UBS additional discovery request; multiple correspondences with J. Romey re same	1.30	825.00	\$1,072.50
07/13/2020	GVD	BL	Review e-discovery protocols re privilege issues	0.10	825.00	\$82.50
07/14/2020	IDK	BL	Review of J. Pomerantz's draft presentation to Court for today's hearing, including giving my suggested changes to same, and feedback of others (.7); Office conference with J. Pomerantz re upcoming hearing and issues re same (.2); Attend telephonic hearing on CEO retention (3.4).	4.30	1145.00	\$4,923.50
07/14/2020	IDK	BL	E-mails re status on motion to dismiss on new Acis litigation.	0.10	1145.00	\$114.50
07/14/2020	JMF	BL	Review Dondero opposition to debtor stipulation with committee re discovery.	0.30	925.00	\$277.50
07/14/2020	JAM	BL	Review DSI motion and prepare Sharp direct testimony (1.1); review/revise Dubel testimony (0.9); e-mails with Board, B. Sharp, J. Pomerantz, I. Kharasch, G. Demo re: Sharp testimony (0.1); review J. Pomerantz opening statement and send e-mail to J. Pomerantz, I. Kharasch, G. Demo concerning the same (0.2); telephone conference with J. Pomerantz re: hearing, discovery issues (0.1); telephone conference with J. Dubel re: Seery/DSI motions (0.1); telephone conference with G. Demo re: discovery motions, hearing on Seery/DSI motions (0.1); telephone conference with I. Leventon, G. Demo re: discovery motions (0.7); telephone conference with G. Demo re: discovery motions (0.1); telephone conference with B. Sharp re: testimony (0.1); e-mail to Board re: CRO decision making role (0.1); prepare for hearing on Seery/DSI retention motions (1.6); court hearing on Seery/DSI retention motions, mediation, discovery motions, and related matters (3.7); telephone conference with attorneys for MGM re: discovery motions (0.6).	9.50	1075.00	\$10,212.50
07/14/2020	LSC	BL	Prepare for and assist at hearing.	6.60	425.00	\$2,805.00
07/14/2020	GVD	BL	Review letter objecting to production	0.20	825.00	\$165.00
07/14/2020	GVD	BL	Conference with E. Bromagen re status of meeting	0.10	825.00	\$82.50
07/14/2020	GVD	BL	Conference with J. Donohue re presentation materials for hearing	0.30	825.00	\$247.50
07/14/2020	GVD	BL	Conference with J. Morris re demonstratives for hearing and next steps	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/14/2020	GVD	BL	Conference with J. Morris re additional discovery issues	0.10	825.00	\$82.50
07/14/2020	GVD	BL	Conference with J. Morris and I. Leventon re discovery issues	0.70	825.00	\$577.50
07/14/2020	GVD	BL	Follow up conference with J. Morris re call with I. Leventon	0.10	825.00	\$82.50
07/15/2020	JNP	BL	Review response to Committee's Motion to Compel Discovery.	0.10	1075.00	\$107.50
07/15/2020	JNP	BL	Review CLO Holdco opposition to Committee motion to compel.	0.10	1075.00	\$107.50
07/15/2020	JNP	BL	Review Committee opposition to Protective Order motion.	0.10	1075.00	\$107.50
07/15/2020	JMF	BL	Review pleadings re oppositions to committee discovery request.	0.80	925.00	\$740.00
07/15/2020	JAM	BL	Draft objection to UCC emergency motion to compel (4.1); telephone conference with J. Rudd, L. Drawhorn, G. Demo re: NexBank and discovery motions (0.4); telephone conference with G. Demo re: July 14 hearing, discovery motions (0.1); e-mails with I. Leventon, G. Demo re: objection to UCC's emergency motion to compel (0.1); e-mail to Board, J. Pomerantz, I. Kharasch, G. Demo re: objection to UCC's emergency motion to compel (0.1); revisions to draft objection to UCC's emergency motion to compel (0.7); telephone conference with P. Montgomery re: discovery motions (0.3); telephone conference with I. Leventon re: objection to UCC emergency motion to compel (0.1); e-mails with M. Heyward, Z. Annabel, G. Demo re: notice of hearing and related matters (0.2); further revisions to draft objection to UCC's emergency motion to compel (0.9); draft JAM Declaration in support of objection to UCC's emergency motion to compel (0.2); e-mail to Board, J. Pomerantz, I. Kharasch, G. Demo re: objection to UCC's emergency motion to compel (0.1); telephone conference with J. Seery re: authority to file objection to UCC emergency motion for protective order (0.1); review docket concerning objections to discovery motions (0.3); communications with Z. Annabel re: filing of objection to UCC motion to compel (0.2); telephone conference with MGM counsel re: extension of time/objection to UCC motion (0.1).	8.00	1075.00	\$8,600.00
07/15/2020	GVD	BL	Review objection to Committee's motion to compel	0.60	825.00	\$495.00
07/16/2020	IDK	BL	E-mails with J. Pomerantz re need for call with Acis	1.00	1145.00	\$1,145.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			(.1); E-mails with Acis counsels re same for 7/21 status conference and coordinate (.2); Attend conference call with Acis counsels re issues for 7/21 on claim objection (.5); Telephone conference with J. Pomerantz re same and other issues (.2).			
07/16/2020	JNP	BL	Review MGM response to Motion to Compel.	0.10	1075.00	\$107.50
07/16/2020	JNP	BL	Review email from J. Seery to M. Clemente regarding proposed disposition of CLO Holdco funds in registry.	0.10	1075.00	\$107.50
07/16/2020	JMF	BL	Review multiple objections and responses re discovery disputes.	0.50	925.00	\$462.50
07/16/2020	JAM	BL	Review docket and send e-mail to L. Canty, J. Pomerantz, I. Kharasch, G. Demo re: objections to discovery motions (0.3); draft e-mail to Sidley re: contacts with third parties concerning discovery motions (0.2); review/analyze objections to discovery motions (3.3); telephone conference with Sidley, MGM's counsel re: discovery motion (0.5); telephone conference with D. Ennist re: Carey and the discovery motions (0.1); e-mails with S. Vitiello, Sidley re: computer policies (0.1); telephone conference with J. Pomerantz, G. Demo, J. Rovira, G. Hesse re: NexBank letter and Hunton (0.2).	4.70	1075.00	\$5,052.50
07/16/2020	LSC	BL	Retrieve and transmit documents in connection with Motion to compel for J. Morris.	0.50	425.00	\$212.50
07/17/2020	JNP	BL	Review reply to motion regarding discovery and email regarding same,	0.20	1075.00	\$215.00
07/17/2020	JAM	BL	Draft Reply to UCC's response to Debtor's motion for Protective Order (2.6); communications with J. Pomerantz, G. Demo re: reply to UCC's response to Debtor's motion for Protective Order (0.2); revisions to draft Reply to UCC's response to Debtor's motion for Protective Order (0.4); e-mail to Board re: draft Reply to UCC's response to Debtor's motion for Protective Order (0.1); telephone conference with B. Sharp, J. Donohue re: document production (0.3); telephone conference with I. Leventon re: UCC's fourth set of document requests (0.5); draft JAM declaration in support of Reply (0.2); e-mails with Z. Annabel, M. Heyward, G. Demo re: reply papers on discovery motion (0.2); e-mail to Board, J. Pomerantz, I. Kharasch, G. Demo re: revised papers in support of Reply on discovery motion (0.1); further revisions to Reply on discovery motion (0.2); review/revise draft letter to NexBank re: stay violation (0.1); telephone conference with G. Demo re: reply papers on discovery motion (0.1);	5.30	1075.00	\$5,697.50

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			revise reply papers on discovery motions (0.1); telephone conference with M. Maloney re: CLO Funding Ltd. and the discovery motions (0.2)			
07/17/2020	GVD	BL	Review draft reply to motion to compel discovery	0.40	825.00	\$330.00
07/17/2020	GVD	BL	Review revised objection to motion to compel; conference with Seery re same	0.40	825.00	\$330.00
07/18/2020	JAM	BL	E-mail to P. Montgomery re: UCC?s Fourth Request for Documents (0.2).	0.20	1075.00	\$215.00
07/19/2020	JAM	BL	Review/revise proposed amended Complaint in NWCC matter (1.4); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: revised NWCC Complaint (0.2); review UCC?s reply brief in connection with UCC?s motion to compel (0.5); draft overview of parties? positions with respect to discovery motions (0.7); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: overview of parties? positions with respect to discovery motions (0.1).	2.90	1075.00	\$3,117.50
07/20/2020	IDK	BL	E-mails with G. Demo, Seery, others re tomorrow's hearing and Seery appearance, as well as agenda for hearing (.3); E-mails with J. Morris re update re hearing tomorrow and negotiations with UCC to resolve (.2).	0.50	1145.00	\$572.50
07/20/2020	IDK	BL	E-mails with G. Demo re status on Acis seal motion and timing (.2); E-mails with Acis counsels, G. Demo re Acis seal motion and our attempt to get hearing on it, and coordination of call today (.3); Telephone conference and e-mails with J. Pomerantz re same (.2); Attend conference call with Acis re same, and consider proposal (.4); Telephone G. Demo re same (.1).	1.20	1145.00	\$1,374.00
07/20/2020	IDK	BL	Extensive e-mails with Acis counsels re dispute over agreement on what to present to Court tomorrow at status conference on claim objection and consider.	0.70	1145.00	\$801.50
07/20/2020	JNP	BL	Emails with Ira D. Kharasch regarding Acis 107 motion.	0.10	1075.00	\$107.50
07/20/2020	JMF	BL	Review Debtor and committee responses re discovery demand disputes re 7/21 hearing.	0.80	925.00	\$740.00
07/20/2020	JAM	BL	Communications with G. Demo, J. Pomerantz, I. Kharasch re: NexBank (0.2); communications with J. Dubel re: NexBank issues (0.1); telephone conference with D. Neirs re: discovery motions (0.4); telephone conference with P. Montgomery, P. Foley re: potential resolution of UCC?s motion to compel (0.4); telephone conference with S. Vitiello re: Brown Rudnick settlement (0.2); telephone	1.90	1075.00	\$2,042.50

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			conference with I. Leventon, B. Sharp re: UCC's Fourth Request for Production of Documents (0.5); e-mails with P. Montgomery re: MGM objection to motion to compel (0.1).			
07/20/2020	LSC	BL	Coordinate attorney's appearance at hearing.	0.20	425.00	\$85.00
07/20/2020	GVD	BL	Conference with J. Seery re conference with NexBank; follow up with J. Morris re same	0.20	825.00	\$165.00
07/20/2020	GVD	BL	Correspondence with I. Kharasch re Acis motion to seal	0.20	825.00	\$165.00
07/20/2020	GVD	BL	Prepare for conference with Winstead re motion to seal QOR	0.20	825.00	\$165.00
07/20/2020	GVD	BL	Conference with Winstead re motion to seal QOR; follow up re same	0.40	825.00	\$330.00
07/21/2020	IDK	BL	E-mails and telephone conference with G Demo re issues for upcoming hearing (.2); E-mails with Board, J Morris re same, including his correspondence with UCC counsel on potential resolution of the discovery dispute before court today (.3).	0.50	1145.00	\$572.50
07/21/2020	IDK	BL	Prep for court hearing today on Acis status conference on HCM claim objection re summary of deal with Acis (.4); Attend court hearing today on same and discovery matters and mediation update (3.8); E-mails with J. Pomerantz re result of hearing, and next step with mediators (.3).	4.50	1145.00	\$5,152.50
07/21/2020	IDK	BL	Review of UBS correspondence to mediators re its issues with Redeemer participation (.1); Numerous E-mails with Board and others re same and relevance to upcoming hearing today, and my feedback re same and re Redeemer separate opposition to UBS stay motion (.4); E-mails with J. Pomerantz re same on our position to mediators re Redeemer participation (.3); E-mails with CEO re same and prior position to mediator on Redeemer participation on all issues, and CEO correspondence with UBS counsel re same (.3).	1.10	1145.00	\$1,259.50
07/21/2020	JAM	BL	Prepare for hearing on discovery motions (1.2); revise settlement proposal on discovery motions (0.1); telephone conference with J. Seery re: discovery issues, Redeemer Committee issues (0.2); communications with P. Montgomery re: resolution of discovery motions (0.2); court hearing on discovery motions, mediation, Acis hearing (4.0).	5.70	1075.00	\$6,127.50
07/21/2020	LSC	BL	Research and correspondence regarding prior document productions.	0.40	425.00	\$170.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/21/2020	GVD	BL	Attend hearing	4.10	825.00	\$3,382.50
07/21/2020	GVD	BL	Correspondence with Acis re status of proposal on motion to seal	0.20	825.00	\$165.00
07/21/2020	GVD	BL	Multiple communications with I. Kharasch re hearing prep	0.20	825.00	\$165.00
07/21/2020	GVD	BL	Multiple correspondences with L. Canty re hearing prep	0.20	825.00	\$165.00
07/22/2020	IDK	BL	E-mails with J Morris re my feedback to his draft response to NWCC on its amended complaint, including review of our markup.	0.40	1145.00	\$458.00
07/22/2020	IDK	BL	Review of Acis counsel's proposal to resolve its motion to seal the Acis plan status info (.2); E-mails with Board re their feedback on same (.2).	0.40	1145.00	\$458.00
07/22/2020	IDK	BL	E-mails with Acis counsels re whether further court order necessary and issue re answer to complaint.	0.20	1145.00	\$229.00
07/22/2020	JAM	BL	E-mail to P. Montgomery, P. Foley, G. Demo re: discovery agenda (0.1) telephone conference with I. Leventon, S. Vitiello, T. Jeremiassen re: e-discovery and UCC's Fourth Set of Requests (0.5); telephone conference with P. Montgomery, P. Foley re: e-discovery and UCC's Fourth Set of Requests (0.4); e-mail to Board, J. Pomerantz, I. Kharasch, G. Demo re: potential third party neutral (0.2); e-mail to NWCC counsel re: proposed amended Complaint (0.2).	1.40	1075.00	\$1,505.00
07/22/2020	LSC	BL	Research and correspondence regarding prior document productions.	0.50	425.00	\$212.50
07/22/2020	GVD	BL	Review Acis proposal re motion to seal; correspondence with Board re same	0.30	825.00	\$247.50
07/22/2020	GVD	BL	Correspondence with J. Morris re discovery issues	0.10	825.00	\$82.50
07/22/2020	GVD	BL	Correspondence with Winstead re abatement issues	0.10	825.00	\$82.50
07/23/2020	IDK	BL	E-mails with G Demo re next steps on Acis seal motion re its plan (.1); E-mails with J. Pomerantz re same (.1).	0.20	1145.00	\$229.00
07/23/2020	GVD	BL	Review J. Morris comments on potential resolution re sealing motion	0.10	825.00	\$82.50
07/23/2020	GVD	BL	Correspondence with PSZJ re Board response to Acis proposal	0.10	825.00	\$82.50
07/23/2020	GVD	BL	Draft correspondence re proposal re sealing motion	0.50	825.00	\$412.50
07/24/2020	JAM	BL	E-mails with P. Montgomery, P. Foley, G Demo re: status of discovery issues (0.2).	0.20	1075.00	\$215.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/24/2020	LSC	BL	Begin compiling documents in connection with mediation for . Demo.	0.60	425.00	\$255.00
07/24/2020	GVD	BL	Conference with I. Kharasch re Acis proposal	0.10	825.00	\$82.50
07/25/2020	JAM	BL	Review/revise proposed Order resolving discovery motions (1.8); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: revised proposed Order resolving discovery motions (0.1).	1.90	1075.00	\$2,042.50
07/27/2020	IDK	BL	E-mails with G. Demo re Acis proposal on seal motion, including considering need for revised counter proposal (.4); Review and consider further draft settlement counter re same and problems (.3); Review of QOR format for consideration of information needed (.2); E-mails with G. Demo re his revised settlement proposal to Acis re same, and need to send to Board (.3); E-mails with Board re its feedback and approval of same (.2).	1.40	1145.00	\$1,603.00
07/27/2020	JAM	BL	E-mail to Board concerning proposed Order on discovery motions and potential third-party neutrals (0.2); e-mails with I. Leventon, S. Vitiello, B. Sharp, T. Jeremiassen, G. Demo re: proposed order and discovery (0.2); telephone conference with I. Leventon re: list of privilege terms (0.3); e-mails with P. Montgomery, P. Foley, P. Reid, G. Demo re: proposed order on discovery motions (0.2); e-mails with I. Leventon, S. Vitiello, DSI re: privilege terms (0.1).	1.00	1075.00	\$1,075.00
07/27/2020	GVD	BL	Review correspondence re discovery issues	0.10	825.00	\$82.50
07/27/2020	GVD	BL	Conference with I. Kharasch re potential settlement on QOR	0.30	825.00	\$247.50
07/27/2020	GVD	BL	Further conference with I. Kharasch re Acis QOR issues	0.20	825.00	\$165.00
07/27/2020	GVD	BL	Revise settlement proposal to Acis; correspondence with board re same	0.30	825.00	\$247.50
07/28/2020	IDK	BL	Review final counter to Acis on seal motion (.1); E-mails with Acis counsel re same, hearing on seal motion, and its intent to serve substantial discovery on us, and our questions (.1); E-mails with DSI, G. Demo re CEO discussion with J. Terry re same and questions on Acis counter proposal on same (.2).	0.40	1145.00	\$458.00
07/28/2020	IDK	BL	E-mails with G. Demo, DSI on UBS continued request for discovery items and need for response, including e-mails with Latham re same.	0.20	1145.00	\$229.00
07/28/2020	JAM	BL	Telephone conference with B. Sharp re: UCC?s Fourth Request for Documents (0.1); e-mails with I.	1.00	1075.00	\$1,075.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Leventon, S. Vitiello, G. Demo, B. Sharp re: document production and UCC's Fourth Request for Production (0.4); e-mail to P. Montgomery, P. Foley, G. Demo re: search terms for the UCC's Fourth Request for Production (0.1); review e-mails re: privilege search terms (0.2); review UCC's proposed changes to Order on discovery motions (0.2).			
07/28/2020	GVD	BL	Correspondence with Acis re potential settlement on QORs	0.30	825.00	\$247.50
07/29/2020	IDK	BL	E-mails with dSI, others on proposed settlement re Acis seal motion and issues on employees being excluded (.2); Numerous e-mails with G. Demo and also with Acis counsels on coordination of needed call today re same (.2); Attend conference call with Acis counsels on its seal motion, and potential settlement, and issues on claim objection (.4).	0.80	1145.00	\$916.00
07/29/2020	IDK	BL	E-mails with attorneys re UBS further demand today re its discovery requests, issues on same, and our response to same.	0.20	1145.00	\$229.00
07/29/2020	JAM	BL	Review/revise proposed order on discovery motions (0.3); e-mail to P. Montgomery, P. Reid, P. Foley, G. Demo re: revised proposed order concerning discovery motions (0.1); telephone conference with P. Montgomery re: discovery issues (0.2); telephone conference with I. Leventon re: UCC's Fourth Request for documents and related matters (0.2); meet and confer call with I. Leventon, S. Vitiello, B. Sharp (partial), FTI, Sidley re: Fourth Request for Documents and related discovery matters (0.9); review/analyze status of discovery issues (0.4).	2.10	1075.00	\$2,257.50
07/29/2020	GVD	BL	Conference with I. Kharasch and Acis re QOR settlement	0.40	825.00	\$330.00
07/30/2020	JAM	BL	Review/revise proposed order on discovery motions (0.3); e-mail to I. Leventon, S. Vitiello, G. Demo, B. Sharp re: revised proposed order on discovery motions (0.1); e-mails with S. Vitiello, J. Seery, J. Dubel, J. Pomerantz re: Brown Rudnick settlement (0.1); telephone conference with J. Sundheimer re: NWCC proposed amended complaint (0.2).	0.70	1075.00	\$752.50
07/31/2020	JAM	BL	Review/revise proposed Order resolving discovery motions (0.4); e-mail to I. Leventon, S. Vitiello, G. Demo, B. Sharp re: revised proposed Order resolving discovery motions (0.5); e-mail to P. Montgomery, P. Reid, P. Foley, G. Demo re: revised proposed Order resolving discovery motions (0.2); communications with J. Dubel, S. Vitiello, R. Stark,	3.00	1075.00	\$3,225.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
J. Pomerantz re: Brown Rudnick settlement (0.3); communications with L. Canty re: document production (0.2); review list of proposed privilege filters (0.2); telephone conference with I. Leventon re: privilege search terms and related matters (0.3); e-mail to P. Montgomery, P. Reid, P. Foley, G. Demo re: privilege search terms and related matters (0.2); e-mail to P. Montgomery, P. Reid, P. Foley re: e-mail searches (0.4); e-mails with P. Montgomery, P. McAvoy, I. Leventon re: document production (0.3).				176.50		\$168,512.50
Case Administration [B110]						
06/26/2020	LSC	CA	Revise pro hac vice motions and coordinate finalization of same.	0.30	425.00	\$127.50
06/29/2020	LSC	CA	Coordinate finalizing of pro hac vice motions for filing.	0.30	425.00	\$127.50
07/01/2020	IDK	CA	E-mail re updated WIP for DSI call (.1); Attend conference call re DSI WIP and on plan of reorganization issues (.5).	0.60	1145.00	\$687.00
07/01/2020	JNP	CA	Participate in PSZJ DSI WIP call.	0.50	1075.00	\$537.50
07/01/2020	JMF	CA	Telephone call with B. Sharp, J. Donahue, J.N. Pomerantz, I. Kharasch, and G. Demo re pending case issues and disclosure statement.	0.50	925.00	\$462.50
07/01/2020	GVD	CA	Attend DSI/PSZJ WIP Call	0.50	825.00	\$412.50
07/02/2020	JNP	CA	Review and respond to emails regarding omnibus dates.	0.10	1075.00	\$107.50
07/02/2020	SLP	CA	Maintain document control.	0.10	350.00	\$35.00
07/02/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
07/03/2020	IDK	CA	Telephone conferences with J. Pomerantz re case issues and today's schedule (.2).	0.20	1145.00	\$229.00
07/03/2020	GVD	CA	Correspondence with PSZJ team re Witness & Exhibit list for exclusivity motion; conference with J. Morris re same	0.30	825.00	\$247.50
07/06/2020	KKY	CA	Review and revise critical dates	0.50	425.00	\$212.50
07/06/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
07/06/2020	GVD	CA	Review notice of hearing; correspondence with local counsel re same	0.10	825.00	\$82.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/06/2020	GVD	CA	Correspondence with Board re potential meeting	0.10	825.00	\$82.50
07/07/2020	JNP	CA	Participate on weekly PSZJ WIP call.	0.90	1075.00	\$967.50
07/07/2020	JNP	CA	Participate on weekly PSZJ DSI WIP call.	0.50	1075.00	\$537.50
07/07/2020	JEO	CA	Participate in PSZJ team call	0.80	925.00	\$740.00
07/07/2020	SLP	CA	Maintain document control.	0.70	350.00	\$245.00
07/07/2020	JMF	CA	Draft memorandum re pending case issues (.3); telephone call with J.N. Pomerantz, J. O'Neill, G. Demo re same (.8).	1.10	925.00	\$1,017.50
07/07/2020	JMF	CA	Telephone call with G. Demo, I. Kharasch, J.N. Pomerantz and B. Sharp re case issues.	0.50	925.00	\$462.50
07/07/2020	JAM	CA	Internal WIP call with J. Pomerantz, I. Kharasch, G. Demo, J. Fried, J. O'Neill (0.8).	0.80	1075.00	\$860.00
07/07/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
07/07/2020	GVD	CA	Attend WIP Call	0.80	825.00	\$660.00
07/07/2020	GVD	CA	Attend DSI/PSZJ WIP call	0.50	825.00	\$412.50
07/07/2020	GVD	CA	Correspondence with PSZJ re schedule of hearings	0.10	825.00	\$82.50
07/08/2020	JNP	CA	Review press articles regarding Highland case.	0.20	1075.00	\$215.00
07/08/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
07/08/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
07/08/2020	LSC	CA	Monitor docket and retrieve and circulate new filings.	0.90	425.00	\$382.50
07/08/2020	GVD	CA	Correspondence with J. O'Neill re agreed orders for exclusivity and removal motions	0.10	825.00	\$82.50
07/09/2020	JEO	CA	Participate in PSZJ update call	0.40	925.00	\$370.00
07/09/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.20	350.00	\$70.00
07/09/2020	LSC	CA	Check state court docket for filings and transmit correspondence regarding the same.	0.10	425.00	\$42.50
07/09/2020	GVD	CA	Correspondence with Board re scheduling calls	0.20	825.00	\$165.00
07/09/2020	GVD	CA	Attend to issues re filing of agreed order on distributions	0.30	825.00	\$247.50
07/10/2020	SLP	CA	Maintain document control.	0.20	350.00	\$70.00
07/10/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00

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				Hours	Rate	Amount
07/10/2020	LSC	CA	Check state court docket for filings and transmit correspondence regarding the same.	0.10	425.00	\$42.50
07/10/2020	GVD	CA	Conference with J. Seery re open items and next steps	0.30	825.00	\$247.50
07/10/2020	GVD	CA	Conference with J. Pomerantz re open items and next steps	0.10	825.00	\$82.50
07/13/2020	SLP	CA	Maintain document control.	0.30	350.00	\$105.00
07/13/2020	SLP	CA	Maintain document control.	0.30	350.00	\$105.00
07/13/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
07/14/2020	SLP	CA	Maintain document control.	0.20	350.00	\$70.00
07/14/2020	SLP	CA	Maintain document control.	0.20	350.00	\$70.00
07/14/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
07/14/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
07/14/2020	LSC	CA	Monitor ACIS v Cruciani docket and transmit pleadings.	0.40	425.00	\$170.00
07/15/2020	IDK	CA	Attend internal WIP call on all open issues (1.1); E-mails re WIP list for upcoming DSI call (.2); Attend DSI WIP call (.4).	1.70	1145.00	\$1,946.50
07/15/2020	IDK	CA	Attend conference call with G. Demo and J. Pomerantz re need for section on mediation brief, outline of same, other case issues (.5)	0.50	1145.00	\$572.50
07/15/2020	JNP	CA	Participate on weekly WIP call with PSZJ.	1.00	1075.00	\$1,075.00
07/15/2020	KKY	CA	Review and revise critical dates	2.70	425.00	\$1,147.50
07/15/2020	JEO	CA	Participate in PSZJ team call we open issues	1.20	925.00	\$1,110.00
07/15/2020	JMF	CA	Draft summary of pending case issues and motions (.7); telephone call with J.N. Pomerantz, G. Demo, J. O'Neill, I. Kharasch and J. Morris re same (1.2); telephone call with B. Sharp, G. Demo, J.N. Pomerantz re weekly status call (.3).	2.20	925.00	\$2,035.00
07/15/2020	JAM	CA	Internal WIP call (J. Pomerantz, I. Kharasch, G. Demo, J. Fried, J. O'Neill) (1.0).	1.00	1075.00	\$1,075.00
07/15/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
07/15/2020	LSC	CA	Monitor docket and retrieve and circulate new filings.	0.40	425.00	\$170.00
07/15/2020	GVD	CA	Attend PSZJ/DSI WIP Call	0.40	825.00	\$330.00

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07/15/2020	GVD	CA	Attend WIP Call	1.00	825.00	\$825.00
07/15/2020	GVD	CA	Attend to issues re filing of orders for CEO and DSI retention	0.30	825.00	\$247.50
07/16/2020	JNP	CA	Conference with Gregory V. Demo regarding list of disclosures for mediators.	0.10	1075.00	\$107.50
07/16/2020	KKY	CA	Review and revise critical dates	0.30	425.00	\$127.50
07/16/2020	KKY	CA	Review and revise 2002 service list	0.30	425.00	\$127.50
07/16/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.40	350.00	\$140.00
07/16/2020	GVD	CA	Review PSZJ invoice	0.10	825.00	\$82.50
07/16/2020	GVD	CA	Correspondence with J. O'Neill and J. Fried re case administration matters	0.30	825.00	\$247.50
07/17/2020	KKY	CA	Review and revise critical dates	0.60	425.00	\$255.00
07/17/2020	KKY	CA	Review and revise 2002 service list	0.20	425.00	\$85.00
07/17/2020	SLP	CA	Maintain document control.	0.30	350.00	\$105.00
07/17/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
07/17/2020	LSC	CA	Check state court docket for filings and transmit correspondence regarding the same.	0.10	425.00	\$42.50
07/20/2020	SLP	CA	Maintain document control (2) receive multiple documents to organize (1.4)	1.60	350.00	\$560.00
07/20/2020	JMF	CA	Draft memorandum of motions and pending case issues.	0.40	925.00	\$370.00
07/20/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.60	350.00	\$210.00
07/20/2020	GVD	CA	Correspondence with M. Clemente re status of Committee/Board meeting	0.20	825.00	\$165.00
07/20/2020	GVD	CA	Conference with I. Kharasch re preparation for hearing	0.10	825.00	\$82.50
07/20/2020	GVD	CA	Correspondence with L. Canty re scheduling hearings	0.20	825.00	\$165.00
07/21/2020	IDK	CA	E-mails with attorneys re need to reschedule WIP call and coordinate.	0.20	1145.00	\$229.00
07/21/2020	SLP	CA	Maintain document control.	0.40	350.00	\$140.00
07/21/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
07/21/2020	LSC	CA	Monitor docket and retrieve and circulate new filings.	0.20	425.00	\$85.00

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07/22/2020	IDK	CA	Review of updated WIP list, and consider missing items (.2); Attend internal conference call on WIP list and next steps on open items (1.0); Review of updated DSI WIP list (.1); Attend part of DSI WIP call (.4).	1.70	1145.00	\$1,946.50
07/22/2020	JEO	CA	Participate in PSZJ team call.	1.00	925.00	\$925.00
07/22/2020	SLP	CA	Maintain document control.	0.60	350.00	\$210.00
07/22/2020	SLP	CA	Maintain document control.	0.40	350.00	\$140.00
07/22/2020	JMF	CA	Call with I. Kharasch, G. Demo, J. O'Neill re pending case issues (1.3); call with B. Sharp, I. Kharasch, J. Donahue re same (.5)	1.80	925.00	\$1,665.00
07/22/2020	JMF	CA	Draft memorandum re pending case issues.	0.40	925.00	\$370.00
07/22/2020	JAM	CA	Internal WIP call (partial participation) with I. Kharasch, G. Demo, J. O'Neill, J. Fried (0.7).	0.70	1075.00	\$752.50
07/22/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
07/22/2020	LSC	CA	Check state court docket for filings and transmit correspondence regarding the same.	0.10	425.00	\$42.50
07/22/2020	GVD	CA	Review notice of hearing; correspondence with local counsel re same	0.10	825.00	\$82.50
07/22/2020	GVD	CA	review notice of hearing	0.10	825.00	\$82.50
07/22/2020	GVD	CA	Attend WIP call	1.00	825.00	\$825.00
07/22/2020	GVD	CA	Attend DSI/PSZJ WIP Call	0.50	825.00	\$412.50
07/22/2020	GVD	CA	Review issues re extension of deadline to accept or reject leases	0.30	825.00	\$247.50
07/22/2020	GVD	CA	Attend to follow up items from WIP Call	0.20	825.00	\$165.00
07/23/2020	JEO	CA	Review critical dates and WIP list	0.50	925.00	\$462.50
07/23/2020	SLP	CA	Maintain document control.	0.40	350.00	\$140.00
07/23/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
07/23/2020	LSC	CA	Check state court docket for filings and transmit correspondence regarding the same.	0.10	425.00	\$42.50
07/23/2020	GVD	CA	Conference with I. Kharasch re open items and next steps	0.30	825.00	\$247.50
07/23/2020	GVD	CA	Correspondence with DSI re open items and next steps	0.20	825.00	\$165.00
07/24/2020	LSC	CA	Check state court docket for filings and transmit correspondence regarding the same.	0.10	425.00	\$42.50

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07/24/2020	GVD	CA	Review cover letters re deposit of assets into court registry	0.20	825.00	\$165.00
07/27/2020	IDK	CA	Review of updated WIP list for call tomorrow.	0.10	1145.00	\$114.50
07/27/2020	KKY	CA	Review and revise critical dates	1.70	425.00	\$722.50
07/27/2020	SLP	CA	Maintain document control.	0.20	350.00	\$70.00
07/27/2020	SLP	CA	Maintain document control (2) receive multiple documents to organize (1.7)	1.90	350.00	\$665.00
07/27/2020	JMF	CA	Draft memorandum re pending case issues and motions.	0.30	925.00	\$277.50
07/27/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.30	350.00	\$105.00
07/27/2020	GVD	CA	Conference with J. Romey re open items and next steps	0.50	825.00	\$412.50
07/27/2020	GVD	CA	Conference with I. Kharasch re open items and next steps	0.20	825.00	\$165.00
07/27/2020	GVD	CA	Conference with J. Seery re open items and next steps	0.60	825.00	\$495.00
07/28/2020	IDK	CA	Attend brief WIP call (.2); E-mails with attorneys re reschedule of WIP and coordinate (.2); Attend continued WIP call (.5); Review DSI WIP update (.1); Attend DSI WIP call (.4).	1.40	1145.00	\$1,603.00
07/28/2020	JEO	CA	Participate in PSZJ team call on open issues	0.90	925.00	\$832.50
07/28/2020	SLP	CA	Maintain document control.	0.90	350.00	\$315.00
07/28/2020	JMF	CA	Telephone call with I. Kharasch, G. Demo, J. O'Neill re pending case issues and motions (.8); telephone call with B. Sharp, G. Demo, I. Kharasch re weekly update call (.4); draft memorandum re same (.3).	1.50	925.00	\$1,387.50
07/28/2020	LSC	CA	Check state court docket for filings and transmit correspondence regarding the same.	0.10	425.00	\$42.50
07/28/2020	GVD	CA	Attend DSI/PSZJ WIP Call	0.40	825.00	\$330.00
07/28/2020	GVD	CA	Attend WIP Call	0.90	825.00	\$742.50
07/29/2020	KKY	CA	Review and revise critical dates	0.50	425.00	\$212.50
07/29/2020	JEO	CA	Review critical dates and send reminders/updates to DSI team	0.30	925.00	\$277.50
07/29/2020	JEO	CA	Review open issues list	0.50	925.00	\$462.50
07/29/2020	GVD	CA	Conference with J. Romey re open items and next steps	0.10	825.00	\$82.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/29/2020	GVD	CA	Conference with J. Romey re daily item update	0.20	825.00	\$165.00
07/29/2020	GVD	CA	Conference with I. Kharasch re open items and next steps	0.20	825.00	\$165.00
07/29/2020	GVD	CA	Conference with J. Romey re end of day summary	0.30	825.00	\$247.50
07/30/2020	LSC	CA	Monitor docket and retrieve and circulate new filings.	0.30	425.00	\$127.50
07/30/2020	GVD	CA	Daily conference with J. Romey re open items and next steps	0.70	825.00	\$577.50
07/31/2020	IDK	CA	E-mails with J. Pomerantz and G. Demo re open issues and need for call (.1); Attend conference call with J. Pomerantz and G. Demo on open tasks in case, mediation, plan issues (.6).	0.70	1145.00	\$801.50
07/31/2020	JNP	CA	Catch up with Ira D. Kharasch and Gregory V. Demo.	0.70	1075.00	\$752.50
07/31/2020	KKY	CA	Review and revise critical dates	0.80	425.00	\$340.00
07/31/2020	KKY	CA	Review and revise 2002 service list	0.20	425.00	\$85.00
07/31/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
07/31/2020	LSC	CA	Check state court docket for filings and transmit correspondence regarding the same.	0.10	425.00	\$42.50
07/31/2020	GVD	CA	Conference with J. Romey re work flows and next steps	0.50	825.00	\$412.50
07/31/2020	GVD	CA	Conference with I. Kharasch and J. Pomerantz re open items and issues	0.70	825.00	\$577.50
				<u>65.20</u>		<u>\$48,999.50</u>

Claims Admin/Objections[B310]

07/01/2020	HDH	CO	Review and analyze UBS claim	1.80	950.00	\$1,710.00
07/01/2020	HDH	CO	Review correspondence regarding POC v. complaint	0.10	950.00	\$95.00
07/01/2020	HDH	CO	Analyze UBS research memorandum	2.70	950.00	\$2,565.00
07/01/2020	IDK	CO	E-mails with attorneys re status on Redeemer settlement negotiations and next steps in pushing forward and J Seery status on same with Redeemer.	0.30	1145.00	\$343.50
07/01/2020	IDK	CO	E-mails with R Feinstein re UBS POC and need for analysis on comparison to litigation assertions (.2); E-mails with attorneys re R Feinstein's analysis re same, including feedback of E Wagner (.4).	0.60	1145.00	\$687.00
07/01/2020	IDK	CO	E-mails and telephone conference with H Hochman re claims issues on IFA and UBS (.3).	0.30	1145.00	\$343.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/01/2020	IDK	CO	Telephone conference with J. Pomerantz re status, mediation and timing and feedback from Houston judges, settlement negotiations (.2).	0.20	1145.00	\$229.00
07/01/2020	JNP	CO	Conference with Ira D. Kharasch regarding claim objection and related.	0.20	1075.00	\$215.00
07/01/2020	JNP	CO	Review Robert J. Feinstein email regarding UBS claim.	0.10	1075.00	\$107.50
07/01/2020	JEO	CO	Review DSI data on BRG and Stinson Leonard claims	0.50	925.00	\$462.50
07/01/2020	JEO	CO	Call with Isaac Leventon and Jack Donohue re Stinson Leonard and BRG claims	0.50	925.00	\$462.50
07/01/2020	RJF	CO	Review UBS POC and memo regarding same.	1.50	1245.00	\$1,867.50
07/01/2020	EAW	CO	Emails to/from PSZJ team re: analysis of UBS proofs of claim.	0.60	825.00	\$495.00
07/01/2020	EAW	CO	Assemble materials for H. Hochman re: objection to UBS proofs of claim.	0.50	825.00	\$412.50
07/01/2020	GVD	CO	Review R. Feinstein summary of claim issues	0.20	825.00	\$165.00
07/01/2020	GVD	CO	Conference with J. Seery re Redeemer claim issues	0.10	825.00	\$82.50
07/02/2020	HDH	CO	Conference with Ira D. Kharasch regarding UBS	0.30	950.00	\$285.00
07/02/2020	HDH	CO	Continue review and analysis of UBS - related pleadings	3.80	950.00	\$3,610.00
07/02/2020	IDK	CO	E-mails with Redeemer, J. Pomerantz re settlement timing (.1); Review of correspondence with Board, others on draft settlement proposal to Redeemer, issues re same, and next steps (.3).	0.40	1145.00	\$458.00
07/02/2020	IDK	CO	Office conference with H. Hochman on claims objection status.	0.30	1145.00	\$343.50
07/02/2020	IDK	CO	Telephone conference with J. Pomerantz re case status, mediation message from Committee members, and consider (.2); E-mails with Board, others re Committee feedback on mediation process and choice of mediator (.2).	0.40	1145.00	\$458.00
07/02/2020	IDK	CO	Telephone conference with J. Pomerantz re Dondero and mediation (.1); E-mails with M. Lynn, J. Pomerantz re same and coordination of call (.2).	0.30	1145.00	\$343.50
07/02/2020	JNP	CO	Conference with Robert J. Feinstein regarding call with M. Hankin regarding UBS claim and related issues.	0.20	1075.00	\$215.00
07/02/2020	JNP	CO	Conference with John A. Morris regarding Redeemer; Review various emails regarding same.	0.30	1075.00	\$322.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/02/2020	KKY	CO	Draft claims procedures motion	1.70	425.00	\$722.50
07/02/2020	JEO	CO	Participate in Highland Claims Call	0.50	925.00	\$462.50
07/02/2020	JMF	CO	Review claims deck and spreadsheet re objections.	0.60	925.00	\$555.00
07/02/2020	JAM	CO	Review/revise settlement proposal to Redeemer Committee (0.3); telephone conference with J. Pomerantz re: revised settlement proposal for Redeemer Committee (0.1); revise settlement proposal to Redeemer Committee and send e-mail to Board, J. Pomerantz, I. Kharasch, G. Demo concerning the same (0.2); review documents re: interests in Crusader Funds and send e-mail to Board, J. Pomerantz, I. Kharasch, G. Demo concerning the same (0.4).	1.00	1075.00	\$1,075.00
07/02/2020	GVD	CO	Conference with J. Seery re claims issues	0.10	825.00	\$82.50
07/02/2020	GVD	CO	Conference with DSI and PSZJ re claims analysis	0.60	825.00	\$495.00
07/03/2020	IDK	CO	E-mail to J. Morris re information, prior correspondence on claim of CLO Holdco.	0.30	1145.00	\$343.50
07/03/2020	IDK	CO	Attend conference call with M. Lynn, J. Pomerantz re mediation (.4); E-mails with Board re same (.1).	0.50	1145.00	\$572.50
07/03/2020	IDK	CO	E-mails with J. Kim re issues on Carey International claim and need for memo re same.	0.30	1145.00	\$343.50
07/03/2020	JAM	CO	Revise and send e-mail to Jenner & Block and Gibson Dunn, J. Pomerantz, I. Kharasch, G. Demo re: settlement proposal for Redeemer Committee (0.1).	0.10	1075.00	\$107.50
07/04/2020	HDH	CO	Review UBS documents and draft objection	4.70	950.00	\$4,465.00
07/06/2020	HDH	CO	Review documents and continue work on UBS	7.60	950.00	\$7,220.00
07/06/2020	HDH	CO	Review and revise Daugherty memo	0.40	950.00	\$380.00
07/06/2020	IDK	CO	E-mails with attorneys re detailed comparison of UBS POC to prior litigation and memos (.1); E-mails with H. Hochman re same (.2).	0.50	1145.00	\$572.50
07/06/2020	IDK	CO	Review of correspondence with Redeemer counsel, others on Redeemer latest counter proposal.	0.20	1145.00	\$229.00
07/06/2020	JJK	CO	Review Carey POC and related matters	1.50	895.00	\$1,342.50
07/06/2020	JNP	CO	Review and respond to M. Hankin email regarding settlement offer.	0.10	1075.00	\$107.50
07/06/2020	JNP	CO	Review response to proposal regarding Redeemer claim.	0.20	1075.00	\$215.00
07/06/2020	JNP	CO	Conference with John A. Morris regarding Redeemer counter settlement proposal.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/06/2020	JNP	CO	Conference with John A. Morris regarding Redeemer counter proposal.	0.30	1075.00	\$322.50
07/06/2020	KKY	CO	Review and revise claims procedures motion	0.30	425.00	\$127.50
07/06/2020	JEO	CO	Review and revise claims procedures motion	1.60	925.00	\$1,480.00
07/06/2020	JEO	CO	Review precedent for omnibus claim objections	1.30	925.00	\$1,202.50
07/06/2020	JMF	CO	Review updated claims analysis.	0.40	925.00	\$370.00
07/06/2020	JAM	CO	Review Redeemer Committee counterproposal (0.3); telephone conference with J. Pomerantz re: Redeemer Committee counterproposal (0.2).	0.50	1075.00	\$537.50
07/06/2020	GVD	CO	Correspondence with J. Kim re potential claims objection	0.20	825.00	\$165.00
07/07/2020	HDH	CO	Draft UBS claim objection	7.60	950.00	\$7,220.00
07/07/2020	IDK	CO	E-mails with attorneys re draft of claims procedures motion, including review of same, and issues raised by others.	0.30	1145.00	\$343.50
07/07/2020	IDK	CO	E-mails with J. Pomerantz re Redeemer issues on objection to UBS claim and timing (.2); E-mail and telephone conferences with H. Hochman re same and his drafting (.3).	0.50	1145.00	\$572.50
07/07/2020	JNP	CO	Emails and conference with John A. Morris regarding Redeemer claim discussions.	0.10	1075.00	\$107.50
07/07/2020	JNP	CO	Emails to and from M. Hankin regarding claims status.	0.10	1075.00	\$107.50
07/07/2020	JNP	CO	Email to and from Ira D. Kharasch regarding UBS claims objection.	0.10	1075.00	\$107.50
07/07/2020	KKY	CO	Review and revise claims procedures motion	0.80	425.00	\$340.00
07/07/2020	JEO	CO	Review claims issues with DSI team	0.50	925.00	\$462.50
07/07/2020	JEO	CO	Email to DSI team re additional language for exhibits to claim objection	0.40	925.00	\$370.00
07/07/2020	JMF	CO	Review and edit claims procedures and motion.	0.80	925.00	\$740.00
07/07/2020	JAM	CO	Telephone conference with J. Pomerantz re: Redeemer Committee proposed settlement (0.1); telephone conference with M. Hankin re: Redeemer Committee settlement (0.1); telephone conference with J. Seery, S. Ellington, I. Leventon, D. Klos re: retained interests in Crusader Funds (0.6); telephone conference with J. Seery re: Redeemer Committee claim (0.1).	0.90	1075.00	\$967.50
07/07/2020	GVD	CO	Multiple calls with J. Romey re asset analysis for claims objection	0.30	825.00	\$247.50

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				Hours	Rate	Amount
07/07/2020	GVD	CO	Review motion for procedure to object to claims	0.50	825.00	\$412.50
07/08/2020	IDK	CO	E-mails with attorneys re Carey International claim and potential issues and settlement options re same (.3); E-mails with H. Hochman re need for UBS mediation brief (.1).	0.40	1145.00	\$458.00
07/08/2020	JJK	CO	Review/research re Carey POC.	2.40	895.00	\$2,148.00
07/08/2020	JNP	CO	Emails to and from A. Clubock regarding various issues regarding claim.	0.30	1075.00	\$322.50
07/08/2020	KKY	CO	Review and revise 1st omnibus objection to claims (non-substantive)	0.50	425.00	\$212.50
07/08/2020	JEO	CO	Work on claim objections	2.50	925.00	\$2,312.50
07/08/2020	JEO	CO	Review updated exhibits for claims from DSI	0.50	925.00	\$462.50
07/09/2020	HDH	CO	Research and drafting of UBS objection	4.60	950.00	\$4,370.00
07/09/2020	HDH	CO	Continue work on UBS	3.20	950.00	\$3,040.00
07/09/2020	IDK	CO	Attend internal conference call on claims objection, further discussion on responses to UBS document requests (.3).	0.30	1145.00	\$343.50
07/09/2020	IDK	CO	E-mails with Acis counsels, J. Pomerantz re Acis request for call on claim objection (.2); Attend conference call with Acis counsels on process on claim objection (.5); E-mails with Acis counsel re its language for proposed continuance (.1).	0.80	1145.00	\$916.00
07/09/2020	IDK	CO	E-mails with H. Hochman re Daugherty claim and memo, and need for client internal legal team feedback (.3); E-mails with I. Leventon re same (.2).	0.50	1145.00	\$572.50
07/09/2020	IDK	CO	E-mails with attorneys re potential settlement re Carey claim.	0.20	1145.00	\$229.00
07/09/2020	IDK	CO	Review of correspondence with Board, attorneys re latest issues in Redeemer negotiation.	0.20	1145.00	\$229.00
07/09/2020	JJK	CO	Emails Demo on Carey POC matters.	0.20	895.00	\$179.00
07/09/2020	JNP	CO	Emails with John A. Morris regarding response to Redeemer settlement terms.	0.10	1075.00	\$107.50
07/09/2020	JNP	CO	Conference with Latham and Ira D. Kharasch regarding claims issues and related.	0.50	1075.00	\$537.50
07/09/2020	JNP	CO	Draft proposed email to Latham regarding discovery and related issues.	0.30	1075.00	\$322.50
07/09/2020	JNP	CO	Conference with James E. O'Neill, Ira D. Kharasch and Gregory V. Demo regarding claims issues and related.	0.40	1075.00	\$430.00

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07/09/2020	JNP	CO	Conference with J. Dubel regarding call with R. Patel regarding Acis.	0.10	1075.00	\$107.50
07/09/2020	JNP	CO	Email to and from R. Patel regarding Acis.	0.10	1075.00	\$107.50
07/09/2020	JNP	CO	Conference with R. Patel, B. Shaw and Ira D. Kharasch regarding Acis claim scheduling issues.	0.50	1075.00	\$537.50
07/09/2020	JNP	CO	Email to Board regarding Acis claims scheduling issues.	0.10	1075.00	\$107.50
07/09/2020	KKY	CO	Review and revise 1st omnibus objection to claims (non-substantive)	2.00	425.00	\$850.00
07/09/2020	JEO	CO	Review and revise claims procedures motion and update	0.30	925.00	\$277.50
07/09/2020	JAM	CO	Draft e-mail to Board re: comments to Redeemer Committee's revised settlement proposal (1.0); communications with J. Pomerantz re: draft e-mail to the Board re: comments to Redeemer Committee's revised settlement proposal (0.1); revisions to e-mail to Board re: comments to Redeemer Committee's revised settlement proposal (0.3).	1.40	1075.00	\$1,505.00
07/09/2020	GVD	CO	Conference with J. Pomerantz, I. Kharasch, and J. O'Neill re claims issues	0.40	825.00	\$330.00
07/10/2020	HDH	CO	Research and drafting of UBS claim objection	3.50	950.00	\$3,325.00
07/10/2020	IDK	CO	E-mails with H. Hochman re procedural aspects of our objection to UBS claim re estimation vs SJ and consider.	0.40	1145.00	\$458.00
07/10/2020	IDK	CO	E-mails and telephone conference with J. Pomerantz re status on getting settlement offer to UBS and nature of same, and Board feedback.	0.30	1145.00	\$343.50
07/10/2020	IDK	CO	E-mails with H. Hochman re procedural aspects of our objection to UBS claim re estimation vs SJ and consider.	0.40	1145.00	\$458.00
07/10/2020	IDK	CO	E-mails and telephone conference with J. Pomerantz re status on getting settlement offer to UBS and nature of same, and Board feedback.	0.30	1145.00	\$343.50
07/10/2020	JNP	CO	Conference with Robert J. Feinstein regarding UBS issues regarding discovery and objection.	0.20	1075.00	\$215.00
07/10/2020	RJF	CO	Review emails regarding UBS information requests.	0.30	1245.00	\$373.50
07/10/2020	RJF	CO	Telephone conference with Jeffrey N. Pomerantz regarding UBS issues.	0.30	1245.00	\$373.50
07/11/2020	IDK	CO	Review briefly of correspondence with Board on settlement offer to UBS and correspondence with UBS re same and case issues (.2); E-mails and	0.80	1145.00	\$916.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			telephone conference with J. Pomerantz re issues on draft proposed settlement offer to UBS, and my issues and language on releases, and UBS response to same (.6).			
07/11/2020	IDK	CO	E-mails with Acis counsel re our clarification to the agreement to continue hearing on our objection, and issues for court on 7/14, and also re need for call tomorrow.	0.40	1145.00	\$458.00
07/11/2020	JNP	CO	Review proposed comments to Redeemer offer; Conference with John A. Morris regarding same.	0.10	1075.00	\$107.50
07/11/2020	JNP	CO	Draft proposed settlement offer to UBS.	0.30	1075.00	\$322.50
07/11/2020	JNP	CO	Conference with Ira D. Kharasch regarding email to R. Patel regarding status.	0.10	1075.00	\$107.50
07/11/2020	JNP	CO	Review and respond to J. Seery email regarding settlement offer to UBS.	0.10	1075.00	\$107.50
07/11/2020	JAM	CO	Revise e-mail concerning Debtor's comments to Redeemer Committee settlement offer (0.5).	0.50	1075.00	\$537.50
07/11/2020	GVD	CO	Review correspondence from J. Seery on potential settlement discussions	0.10	825.00	\$82.50
07/12/2020	HDH	CO	Work on UBS claim objection	4.70	950.00	\$4,465.00
07/12/2020	IDK	CO	E-mails and telephone conference with J. Pomerantz re upcoming call with Acis counsels on upcoming 7/14 hearing.	0.30	1145.00	\$343.50
07/12/2020	JNP	CO	Conference with various parties regarding Plan mediation (2x) and emails regarding same.	1.00	1075.00	\$1,075.00
07/13/2020	HDH	CO	Research and drafting of UBS claim objection	4.30	950.00	\$4,085.00
07/13/2020	HDH	CO	Edit draft of UBS objection	1.80	950.00	\$1,710.00
07/13/2020	IDK	CO	E -mails with G. Demo re status of IFA claim objection, others and timing.	0.20	1145.00	\$229.00
07/13/2020	IDK	CO	Brief review of Dondero objection to Acis POC (.3); E-mails with attorneys re same and press article (.2).	0.50	1145.00	\$572.50
07/13/2020	IDK	CO	E-mails with H. Hochman re his draft objection to UBS proof of claim, including brief review of same (.4); E-mails with attorneys re same and next steps for same (.1).	0.50	1145.00	\$572.50
07/13/2020	JJK	CO	Research/memo on Carey POC issues.	2.20	895.00	\$1,969.00
07/13/2020	JNP	CO	Email to Ducera regarding request for late claim.	0.10	1075.00	\$107.50
07/13/2020	JNP	CO	Emails regarding Dondero objection to Acis claim.	0.10	1075.00	\$107.50
07/13/2020	JEO	CO	Review and revise claims procedures motion	0.60	925.00	\$555.00

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				Hours	Rate	Amount
07/13/2020	RJF	CO	Emails regarding UBS discovery requests.	0.30	1245.00	\$373.50
07/13/2020	JMF	CO	Review Claims objection motion.	0.40	925.00	\$370.00
07/13/2020	JMF	CO	Review Dondero objection to Acis claim.	0.40	925.00	\$370.00
07/13/2020	GVD	CO	Review Dondero objection to Acis claim	0.20	825.00	\$165.00
07/13/2020	GVD	CO	Review draft omnibus claims objection	0.60	825.00	\$495.00
07/14/2020	HDH	CO	Research rules and procedures regarding UBS objection	0.30	950.00	\$285.00
07/14/2020	HDH	CO	Draft correspondence to team regarding UBS approach	0.10	950.00	\$95.00
07/14/2020	IDK	CO	E-mails with Board re Ducera request for late claim filing and issues on its claim.	0.20	1145.00	\$229.00
07/14/2020	IDK	CO	E-mails with R. Feinstein re need for review of draft objection to UBS claim (.1); E-mails with G. Demo re his comments to same (.3); E-mails with H. Hochman re SJ issues and related procedural issues and timing on objection (.3).	0.70	1145.00	\$801.50
07/14/2020	JJK	CO	Emails Demo on, and research/memo re: Carey POC; call Demo on same (0.2).	2.80	895.00	\$2,506.00
07/14/2020	JEO	CO	Further work on claim objections (.6) and emails with counsel re format for claim objections (.6)	1.20	925.00	\$1,110.00
07/14/2020	JEO	CO	review and respond to questions form Jack Donohue on claims	0.50	925.00	\$462.50
07/14/2020	JMF	CO	Review claims objection analysis update re objections to claims.	0.80	925.00	\$740.00
07/14/2020	GVD	CO	Conference with J. Kim re potential claims objection	0.50	825.00	\$412.50
07/14/2020	GVD	CO	Review draft objection to claim	1.10	825.00	\$907.50
07/15/2020	HDH	CO	Analyze Acis materials and draft summary regarding certain issues	0.90	950.00	\$855.00
07/15/2020	HDH	CO	Telephone conference with Ira D. Kharasch regarding Acis	0.10	950.00	\$95.00
07/15/2020	HDH	CO	Prepare for board call regarding claims	0.60	950.00	\$570.00
07/15/2020	IDK	CO	Telephone H. Hochman re Acis upcoming status conference (.1); E-mails with H. Hochman re his list of summary judgment issues for Acis claim litigation, including review of same, and need to add further information on evidentiary issues (.5); Further telephone conference with J. Pomerantz re draft SJ list of issues (.1); Review of H. Hochman's list of evidentiary issues on Acis and consider (.3); Prepare draft memo to Board on list of	1.90	1145.00	\$2,175.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			SJ/evidentiary Acis litigation issues and tomorrow's call (.5); E-mails with J. Pomerantz re same and his feedback and how to present to Acis counsels (.3); E-mail to Board re same memo (.1).			
07/15/2020	IDK	CO	E-mails with UCC counsel on status of other claim objections including IFA.	0.10	1145.00	\$114.50
07/15/2020	IDK	CO	E-mails with attorneys re claims procedure motion and issues re same.	0.30	1145.00	\$343.50
07/15/2020	IDK	CO	E-mails with R. Feinstein re UBS draft objection and timing of review, and G. Demo's feedback (.3).	0.30	1145.00	\$343.50
07/15/2020	JNP	CO	Conference with Ira D. Kharasch regarding claims issues and related.	0.40	1075.00	\$430.00
07/15/2020	JNP	CO	Emails with James E. O'Neill regarding status of claims objections.	0.10	1075.00	\$107.50
07/15/2020	JNP	CO	Review and comment on proposal regarding objection; Conference with Ira D. Kharasch regarding same.	0.20	1075.00	\$215.00
07/15/2020	JNP	CO	Email to Ducera regarding filing late claim.	0.20	1075.00	\$215.00
07/15/2020	JMF	CO	Review omnibus objection procedures.	0.60	925.00	\$555.00
07/15/2020	GVD	CO	Further review objection to proof of claim	0.30	825.00	\$247.50
07/16/2020	HDH	CO	Prepare for Board call regarding claims	0.50	950.00	\$475.00
07/16/2020	IDK	CO	E-mails with G. Demo re next steps re IFA claim objection and UCC counsel, and his review of latest draft.	0.40	1145.00	\$458.00
07/16/2020	IDK	CO	E-mails with J. Kim re status on analysis of Carey International claim and coordination of call on next steps.	0.30	1145.00	\$343.50
07/16/2020	IDK	CO	E-mails with Ducera and others re issues on its claim.	0.30	1145.00	\$343.50
07/16/2020	JNP	CO	Review and respond to email from Ducera regarding late claim and analyze agreement regarding same.	0.40	1075.00	\$430.00
07/16/2020	JNP	CO	Email to S. Ellington regarding Ducera claim.	0.10	1075.00	\$107.50
07/16/2020	JNP	CO	Conference with J. Seery, R. Nelms, Gregory V. Demo and John A. Morris in preparation for settlement call with Redeemer .	0.60	1075.00	\$645.00
07/16/2020	JNP	CO	Conference with R. Patel, B. Shaw and Ira D. Kharasch regarding Acis scheduling issues on claim objection.	0.50	1075.00	\$537.50
07/16/2020	JNP	CO	Email to and from Ducera regarding request to file late claim.	0.10	1075.00	\$107.50

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07/16/2020	JEO	CO	Review claims information	0.80	925.00	\$740.00
07/16/2020	JEO	CO	Participate in claims call.	0.70	925.00	\$647.50
07/16/2020	JEO	CO	Review publication of bar date notice and notices to claimant	0.80	925.00	\$740.00
07/16/2020	JMF	CO	Review claims objections.	0.80	925.00	\$740.00
07/16/2020	GVD	CO	Conference with PSZJ and DSI re claims resolution process	0.50	825.00	\$412.50
07/16/2020	GVD	CO	Revise draft claim objection	0.30	825.00	\$247.50
07/17/2020	IDK	CO	E-mails with attorneys re upcoming call on Carey claim (.1); Attend conference call with attorneys on Carey International claim and potential resolution (.2).	0.30	1145.00	\$343.50
07/17/2020	IDK	CO	E-mails with Ducera GC, J. Pomerantz re claim issues and call (.2).	0.20	1145.00	\$229.00
07/17/2020	IDK	CO	E-mails re G. Demo revisions to objection to UBS claim, including brief review of same.	0.30	1145.00	\$343.50
07/17/2020	IDK	CO	E-mails with attorneys re status of IFA claim objection and timing for filing.	0.30	1145.00	\$343.50
07/17/2020	IDK	CO	Prepare draft memo of understanding with Acis on points for 7/21 status conference on Acis claim objection (.4); E-mails with J. Pomerantz re needed revisions and include (.2); E-mails to Acis counsel re same (.1).	0.70	1145.00	\$801.50
07/17/2020	JJK	CO	Emails Demo, conf. Demo and Kharasch on Carey POC (0.1); conf. with Demo on same (0,3).	0.40	895.00	\$358.00
07/17/2020	JJK	CO	Revise memo re Carey POC.	1.90	895.00	\$1,700.50
07/17/2020	JNP	CO	Conference with J. Seery, John A. Morris and Gregory V. Demo regarding IFA, Ducera, Acis and Redeemer issues.	0.70	1075.00	\$752.50
07/17/2020	JNP	CO	Conference with Redeemer, Jenner, Gibson, J. Seery, Gregory V. Demo and John A. Morris regarding claims resolution.	1.00	1075.00	\$1,075.00
07/17/2020	JNP	CO	Review emails regarding Crusader retained interests and emails regarding same.	0.10	1075.00	\$107.50
07/17/2020	JNP	CO	Email to and from S. Ellington regarding Ducera.	0.10	1075.00	\$107.50
07/17/2020	JEO	CO	Review noticing for objection to IFA claim	0.40	925.00	\$370.00
07/17/2020	RJF	CO	Review Demo emails regarding UBS memo.	0.20	1245.00	\$249.00
07/17/2020	JAM	CO	T J. Seery, J. Pomerantz, G. Demo re: Redeemer Committee settlement, Acis claims/issues (0.7);	1.70	1075.00	\$1,827.50

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			telephone conference with J. Seery, J. Pomerantz, M. Henkin, T. Mascherin, M. Rosenthal re: Redeemer settlement (1.0).			
07/17/2020	GVD	CO	Revise and circulate revisions to objection to claim	0.30	825.00	\$247.50
07/17/2020	GVD	CO	Prepare for meeting re claim objection and settlement	0.60	825.00	\$495.00
07/17/2020	GVD	CO	Attend to matters re filing IFA claim objection	0.30	825.00	\$247.50
07/17/2020	GVD	CO	Conference re claim objection and settlement	1.10	825.00	\$907.50
07/17/2020	GVD	CO	Conference with I. Kharasch and J. Kim re potential settlement of claim	0.20	825.00	\$165.00
07/17/2020	GVD	CO	Review correspondence re late filing of claim	0.20	825.00	\$165.00
07/18/2020	RJF	CO	Review and revise draft objection to UBS claims.	2.80	1245.00	\$3,486.00
07/19/2020	HDH	CO	Review and analyze UBS objection markups and comments	0.50	950.00	\$475.00
07/19/2020	JNP	CO	Review and respond to emails from S. Ellington and J. Seery regarding Ducera.	0.10	1075.00	\$107.50
07/19/2020	GVD	CO	Review R. Feinstein revisions to objection to claim; correspondence re same	0.30	825.00	\$247.50
07/20/2020	HDH	CO	Prepare for call regarding UBS	0.50	950.00	\$475.00
07/20/2020	HDH	CO	UBS Conference call with Ira D. Kharasch, Robert J. Feinstein and GMD	0.40	950.00	\$380.00
07/20/2020	HDH	CO	Analyze Daugherty memo and issues	0.70	950.00	\$665.00
07/20/2020	HDH	CO	Conference call with Daugherty with Ira D. Kharasch, GMD and Isaac L.	1.00	950.00	\$950.00
07/20/2020	IDK	CO	Review and consider extensive revised memo on Daugherty claim (.8); E-mails to client, others re list of my questions and proposed changes to same memo, and need for call on same (.6); Attend conference call with I. Leventon, others re same (1.0).	2.40	1145.00	\$2,748.00
07/20/2020	IDK	CO	Prepare for call with Ducera on its issues and desire to file late claim, and underlying aspects of its claim (.4); Attend conference call with Ducera re same (.3); E-mails with S. Ellington re same and next steps (.3); E-mails with Ducera and Ellington re same (.3).	1.30	1145.00	\$1,488.50
07/20/2020	IDK	CO	Attend conference call on draft objection to UBS claim, next steps on summary judgment and related procedural process, and substantive issues.	0.30	1145.00	\$343.50
07/20/2020	JJK	CO	Research/memo re Carey POC.	1.50	895.00	\$1,342.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/20/2020	JNP	CO	Emails to and from Ducera regarding status of call.	0.10	1075.00	\$107.50
07/20/2020	JNP	CO	Email to Ira D. Kharasch regarding covering call with Ducera.	0.10	1075.00	\$107.50
07/20/2020	RJF	CO	Call with Ira D. Kharasch and Harry regarding UBS claim objection.	0.30	1245.00	\$373.50
07/20/2020	JMF	CO	Review IFA claim objection.	0.40	925.00	\$370.00
07/20/2020	GVD	CO	Conference with H. Hochman, I. Kharasch, and I. Leventon re claims memo	1.00	825.00	\$825.00
07/20/2020	GVD	CO	Meeting with PSZJ team on claim objection and next steps	0.30	825.00	\$247.50
07/21/2020	IDK	CO	E-mails re open points on Redeemer claim negotiations and differences between parties.	0.30	1145.00	\$343.50
07/21/2020	IDK	CO	E-mails with G Demo, local counsel re need to renotice Acis objection new hearing.	0.20	1145.00	\$229.00
07/21/2020	IDK	CO	E-mails with Board, attorneys re UBS response to settlement offer, and draft response to same and feedback.	0.40	1145.00	\$458.00
07/21/2020	JJK	CO	Research/memo on Carey POC.	2.70	895.00	\$2,416.50
07/21/2020	JEO	CO	Review claims of Debevoise, Brownstein, Lynn Pinker and Chubb and emails to parties regarding additional information	1.80	925.00	\$1,665.00
07/21/2020	RJF	CO	Review emails regarding UBS negotiations.	0.20	1245.00	\$249.00
07/21/2020	RJF	CO	Telephone conference with Jeffrey N. Pomerantz regarding UBS negotiations.	0.10	1245.00	\$124.50
07/21/2020	RJF	CO	Internal emails regarding UBS settlement proposal.	0.30	1245.00	\$373.50
07/21/2020	JMF	CO	Review Crescent claims and emails re same.	0.30	925.00	\$277.50
07/21/2020	JAM	CO	Review T. Mascherin e-mail concerning Redeemer Committee settlement (0.3); telephone conference with T. Mascherin re: Redeemer Committee settlement and issues concerning Deferred Fees (0.5); e-mail to J. Seery re: Redeemer Committee settlement and issues concerning Deferred Fees (0.2).	1.00	1075.00	\$1,075.00
07/21/2020	GVD	CO	Correspondence with J. Romey on status of claim objection	0.10	825.00	\$82.50
07/21/2020	GVD	CO	Correspondence with J. O'Neill re status of Lynn Pinker claim	0.10	825.00	\$82.50
07/22/2020	HDH	CO	Revise UBS claim objection	3.30	950.00	\$3,135.00
07/22/2020	IDK	CO	E-mails with Acis counsels re whether court ordered	0.30	1145.00	\$343.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			a stipulation to file from hearing yesterday (.2); E-mails with local counsel and G Demo re need to correct court's calendar on Acis matters (.1).			
07/22/2020	IDK	CO	E-mails with I Leventon re Daugherty issues (.2); E-mails and telephone conference with H Hochman re same and re other claim issues (.3).	0.50	1145.00	\$572.50
07/22/2020	JEO	CO	Contact claimants regarding questions on proofs of claim	0.90	925.00	\$832.50
07/22/2020	JEO	CO	Email to Melissa Hayward re landlords claims	0.20	925.00	\$185.00
07/22/2020	JEO	CO	Email to DSI team re claims update	0.50	925.00	\$462.50
07/22/2020	JMF	CO	Review update claims analysis and issues re omnibus objections.	0.70	925.00	\$647.50
07/22/2020	JAM	CO	Telephone conference with J. Seery, D. Klos, T. Mascherin, A&M re: Deferred Fees and Redeemer Committee settlement (1.0); telephone conference with J. Seery, D. Klos re: Deferred Fees/LP interests and Redeemer Committee settlement (0.5); telephone conference with J. Seery re: Redeemer Committee settlement (0.1).	1.60	1075.00	\$1,720.00
07/22/2020	GVD	CO	Review draft memo re claim issues from J. Kim	0.30	825.00	\$247.50
07/22/2020	GVD	CO	Attend conference re claim resolution issues	2.00	825.00	\$1,650.00
07/22/2020	GVD	CO	Conference with J. Romey re status of claim resolution	0.10	825.00	\$82.50
07/23/2020	HDH	CO	Revise UBS	0.40	950.00	\$380.00
07/23/2020	HDH	CO	Review and analyze Daugherty memo and issues	0.60	950.00	\$570.00
07/23/2020	HDH	CO	Review research re indemnity	0.50	950.00	\$475.00
07/23/2020	IDK	CO	E-mails with Ducera GC re next steps on its claim issues (.3).	0.30	1145.00	\$343.50
07/23/2020	IDK	CO	Review briefly UBS objection to Acis claim (.3); Email G Demo re same (.1).	0.40	1145.00	\$458.00
07/23/2020	IDK	CO	E-mails with attorneys re final revisions to objection to UBS claim, including brief review of same, and feedback or R Feinstein, summary adjudication issues, and next steps with Board.	0.40	1145.00	\$458.00
07/23/2020	IDK	CO	E-mails with I Leventon and H Hochman re I Leventon's latest issues and turn of the objection to Daugherty claim and open legal/factual issues re same.	0.40	1145.00	\$458.00
07/23/2020	IDK	CO	Telephone conference with J Morris re outstanding disputes with Redeemer on claim resolution (.2).	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/23/2020	JJK	CO	Emails Demo on Carey POC issues and review his comments.	0.90	895.00	\$805.50
07/23/2020	JEO	CO	Review claims	0.50	925.00	\$462.50
07/23/2020	RJF	CO	Review revised UBS objection.	0.30	1245.00	\$373.50
07/23/2020	JMF	CO	Review Acis claim objection by UBS	0.40	925.00	\$370.00
07/23/2020	JAM	CO	Telephone conference with J. Seery re: Redeemer Committee Settlement (0.1); telephone conference with T. Mascherin, M. Hankin re: Redeemer Committee settlement (0.3); telephone conference with J. Seery re: Redeemer Committee settlement (0.3); telephone conference with G. Demo re: Redeemer Committee settlement (0.2); telephone conference with I. Kharasch re: Redeemer Committee settlement (0.2); e-mails with T. Mascherin, J. Seery re: Redeemer Committee settlement (0.1).	1.20	1075.00	\$1,290.00
07/23/2020	GVD	CO	Review and revise memo re potential claim resolution	1.70	825.00	\$1,402.50
07/23/2020	GVD	CO	Conference with T. Courneyor and J. Romey re potential claim resolution; follow up with J. Romey re same	0.40	825.00	\$330.00
07/23/2020	GVD	CO	Correspondence with J. Romey and T. Courneyor re meeting on claim	0.10	825.00	\$82.50
07/23/2020	GVD	CO	Multiple conferences with J. Morris re status of Redeemer issues	0.30	825.00	\$247.50
07/23/2020	GVD	CO	Review stockholder agreement re revisions	0.20	825.00	\$165.00
07/23/2020	GVD	CO	Correspondence with HCMLP re status of governing documents	0.20	825.00	\$165.00
07/23/2020	GVD	CO	Review revised objection to proof of claim	0.90	825.00	\$742.50
07/23/2020	GVD	CO	Conference with J. Seery re Redeemer issues and next steps	0.30	825.00	\$247.50
07/24/2020	HDH	CO	Telephone conference with Isaac L. Regarding Daugherty	0.40	950.00	\$380.00
07/24/2020	HDH	CO	Revise Daugherty claim memo	3.50	950.00	\$3,325.00
07/24/2020	IDK	CO	E-mails with attorneys re finalized omnibus claim objection and next steps with Board.	0.20	1145.00	\$229.00
07/24/2020	JJK	CO	Conf. Demo, DSI on Carey matters (0.2); revise memo on same (2.8).	3.00	895.00	\$2,685.00
07/24/2020	JEO	CO	Participate in Highland claims call	0.30	925.00	\$277.50
07/24/2020	JEO	CO	Email to PSZJ team re Highland claim objection	0.20	925.00	\$185.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/24/2020	JMF	CO	Review claims objections re omnibus claims.	0.80	925.00	\$740.00
07/24/2020	JAM	CO	Telephone conference with J. Seery re: Redeemer Committee settlement (0.1); telephone conference with M. Hankin re: Redeemer Committee settlement (0.2); telephone conference with M. Hankin re: Redeemer Committee settlement (0.1).	0.40	1075.00	\$430.00
07/24/2020	GVD	CO	Review J. Kim revisions to claim objection memo	0.40	825.00	\$330.00
07/24/2020	GVD	CO	Correspondence with J. Romey re claim objection memo	0.20	825.00	\$165.00
07/24/2020	GVD	CO	Attend claims call	0.10	825.00	\$82.50
07/24/2020	GVD	CO	Revise claim objection memo re comments from J. Romey	0.50	825.00	\$412.50
07/24/2020	GVD	CO	Follow up with J. Romey on claims memo	0.30	825.00	\$247.50
07/24/2020	GVD	CO	Conference with J. Romey and J. Kim re revisions to claim objection memo and next steps	0.30	825.00	\$247.50
07/25/2020	HDH	CO	Research and drafting of memo regarding Daugherty claim	2.70	950.00	\$2,565.00
07/25/2020	IDK	CO	E-mail to J. Kim re Carey memo and brief review.	0.30	1145.00	\$343.50
07/25/2020	IDK	CO	Office conferences with H. Hochman re Daugherty issues and I. Leventon feedback.	0.20	1145.00	\$229.00
07/25/2020	JJK	CO	Emails Demo on Carey POC issues.	0.20	895.00	\$179.00
07/27/2020	HDH	CO	Review and respond to claim correspondence	0.20	950.00	\$190.00
07/27/2020	IDK	CO	E-mails with attorneys re status and next steps on omnibus claim objection, including memo to CEO re same.	0.30	1145.00	\$343.50
07/27/2020	IDK	CO	E-mails with Russ Nelms, others on issue of UBS fraudulent transfer claim and potential other steps re same.	0.50	1145.00	\$572.50
07/27/2020	IDK	CO	E-mail to Ducera re status on its claim/payment.	0.20	1145.00	\$229.00
07/27/2020	IDK	CO	Review and consider IFA counsel request for 6 month continuance of claim objection (.1); E-mails with attorneys re issues on same (.2).	0.30	1145.00	\$343.50
07/27/2020	IDK	CO	E-mails with G. Demo and internal client team re Carey International memo and next steps re same, and feedback of CEO re same on altering deal structure, and internal team markup of memo.	0.50	1145.00	\$572.50
07/27/2020	IDK	CO	Further telephone conference with G. Demo on Carey International developments, mediation order draft, other issues (.3).	0.30	1145.00	\$343.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/27/2020	JNP	CO	Review email from R. Nelms regarding UBS; Follow-up with Robert J. Feinstein and Ira D. Kharasch regarding same.	0.20	1075.00	\$215.00
07/27/2020	JNP	CO	Review email regarding IFA request for continuance and email Ira D. Kharasch regarding same.	0.10	1075.00	\$107.50
07/27/2020	JEO	CO	Work on claims objection	0.90	925.00	\$832.50
07/27/2020	RJF	CO	Emails regarding UBS matters.	0.30	1245.00	\$373.50
07/27/2020	JMF	CO	Review first omnibus objection (.5); internal emails re related entity claims.	0.50	925.00	\$462.50
07/27/2020	LAF	CO	Legal research re: Motions for settlement resolving claim.	1.50	450.00	\$675.00
07/27/2020	JAM	CO	Telephone conference with M. Hankin re: Redeemer Settlement (0.1); review proposed settlement agreement with Redeemer Committee (0.8); e-mails with G. Demo re: IFA objection (0.1).	1.00	1075.00	\$1,075.00
07/27/2020	GVD	CO	Correspondence with J. Romey re potential claim settlement	0.20	825.00	\$165.00
07/27/2020	GVD	CO	Correspondence with T. Courneyor re memo on potential claim settlement	0.10	825.00	\$82.50
07/27/2020	GVD	CO	Draft 9019 motion re potential claim settlement	2.70	825.00	\$2,227.50
07/27/2020	GVD	CO	Review back up information on potential claim objection	0.20	825.00	\$165.00
07/27/2020	GVD	CO	Conference with J. Morris re potential settlement	0.10	825.00	\$82.50
07/27/2020	GVD	CO	Review correspondence from claimant re proposed continuation	0.20	825.00	\$165.00
07/27/2020	GVD	CO	Review correspondence from J. Morris re potential continuance for claim objection	0.10	825.00	\$82.50
07/27/2020	GVD	CO	Revise mediation notice re comments from Sidley	0.20	825.00	\$165.00
07/27/2020	GVD	CO	Conference with J. Romey re status of potential claim settlement	0.20	825.00	\$165.00
07/28/2020	HDH	CO	Research and drafting of memo regarding Daugherty	1.90	950.00	\$1,805.00
07/28/2020	HDH	CO	Complete draft of Daugherty memo	2.20	950.00	\$2,090.00
07/28/2020	HDH	CO	Review and respond to claim correspondence	0.20	950.00	\$190.00
07/28/2020	HDH	CO	Review and revise Daugherty memo	0.30	950.00	\$285.00
07/28/2020	IDK	CO	E-mails with J. Morris re his correspondence with Redeemer on claim settlement and more open issues, as well as his correspondence with Board re same.	0.30	1145.00	\$343.50
07/28/2020	IDK	CO	E-mails with CEO, Board on IFA continuance	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			request.			
07/28/2020	IDK	CO	Prepare response to IFA counsels re our rejection of continuance and reasons therefor.	0.30	1145.00	\$343.50
07/28/2020	JJK	CO	Emails Demo on Carey status/issues.	0.10	895.00	\$89.50
07/28/2020	JMF	CO	Review updated omnibus objection.	0.40	925.00	\$370.00
07/28/2020	JAM	CO	Review/revise draft stipulation of settlement with Redeemer Committee (2.2); e-mails with J. Pomerantz, I. Kharasch, G. Demo re: revised version of the draft stipulation of settlement with Redeemer Committee (0.2); telephone conference with J. Seery re: Redeemer Committee settlement (0.1); telephone conference with G. Demo re: Cornerstone and Redeemer Committee settlement (0.1); edit e-mail for J. Seery re: settlement of Redeemer Claim and comments to stipulation (0.2).	2.80	1075.00	\$3,010.00
07/28/2020	GVD	CO	Conference with J. Seery re potential claim resolution issues and next steps	0.60	825.00	\$495.00
07/28/2020	GVD	CO	Conference with HCMLP, J. Romey and J. Seery re potential claim resolution	0.30	825.00	\$247.50
07/28/2020	GVD	CO	Correspondence with PSZJ/DSI re potential claims resolution	0.20	825.00	\$165.00
07/29/2020	HDH	CO	Review and revise Daugherty memo	0.20	950.00	\$190.00
07/29/2020	IDK	CO	E-mails with attorneys re further feedback on R. Nelm's suggestion re UBS.	0.20	1145.00	\$229.00
07/29/2020	IDK	CO	E-mails with H. Hochman re latest version of Daugherty memo, and need for draft objection re same.	0.30	1145.00	\$343.50
07/29/2020	JNP	CO	Review emails regarding Gray Looper claim; Email to J. Brookner regarding same.	0.20	1075.00	\$215.00
07/29/2020	JNP	CO	Review UBS comments to statement of case for mediator and Gregory V. Demo mark-up regarding same.	0.20	1075.00	\$215.00
07/29/2020	JNP	CO	Review UBS email regarding mediation statement and allegedly unfilled discovery requests and email relating thereto.	0.10	1075.00	\$107.50
07/29/2020	JEO	CO	Prepare for claims call with Jim Seery	0.50	925.00	\$462.50
07/29/2020	JEO	CO	Participate in claims call with Jim Seery	0.50	925.00	\$462.50
07/29/2020	JEO	CO	Revisions on first omnibus claim objection	0.70	925.00	\$647.50
07/29/2020	JEO	CO	Email exchange with local counsel re claim objection	0.40	925.00	\$370.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/29/2020	RJF	CO	Attend board meeting regarding UBS claim, etc.	0.50	1245.00	\$622.50
07/29/2020	GVD	CO	Review precedent re settlement for potential claim	0.20	825.00	\$165.00
07/29/2020	GVD	CO	Conference with J. Seery, PSZJ, and DSI re omnibus claims objection	0.80	825.00	\$660.00
07/29/2020	GVD	CO	Review documents re potential settlement of claim	0.40	825.00	\$330.00
07/29/2020	GVD	CO	Conference re potential claim settlement and next steps	0.40	825.00	\$330.00
07/30/2020	HDH	CO	Review correspondence regarding Harbourvest	0.10	950.00	\$95.00
07/30/2020	HDH	CO	Review comments and correspondence regarding USB memo	0.30	950.00	\$285.00
07/30/2020	IDK	CO	Review briefly correspondence with DSI, others on questions re draft objection to UBS claim and I. Leventon's concerns, as well as CEO questions on same objection, and how to answer.	0.40	1145.00	\$458.00
07/30/2020	IDK	CO	Extensive e-mails with G. Demo and DSI on HarborVest POC and problems with same.	0.30	1145.00	\$343.50
07/30/2020	JJK	CO	Emails Demo on Carey settlement and review same.	0.60	895.00	\$537.00
07/30/2020	JNP	CO	Review email form Gregory V. Demo regarding call with Debevoise regarding Harborvest claim.	0.10	1075.00	\$107.50
07/30/2020	JNP	CO	Emails to and from Joshua M. Fried regarding omnibus claims objections.	0.10	1075.00	\$107.50
07/30/2020	JEO	CO	Finalize First Omnibus Objection to Claims	3.00	925.00	\$2,775.00
07/30/2020	JEO	CO	Call to review Harbourvest claims	0.40	925.00	\$370.00
07/30/2020	RJF	CO	Telephone conference with Seery regarding claim objection.	0.40	1245.00	\$498.00
07/30/2020	JMF	CO	Review claims objection and emails re edits to same.	0.50	925.00	\$462.50
07/30/2020	EAW	CO	Emails to/from PSZJ team re: claim objection (UBS).	0.10	825.00	\$82.50
07/30/2020	GVD	CO	Review memo re potential claim objection	0.30	825.00	\$247.50
07/30/2020	GVD	CO	Draft settlement agreement re potential claim	1.40	825.00	\$1,155.00
07/30/2020	GVD	CO	Multiple conferences with E. Weisgerber re potential claim issues; attend to follow up re same	1.20	825.00	\$990.00
07/30/2020	GVD	CO	Conference with J. Romey re end of day items and next steps	0.20	825.00	\$165.00
07/30/2020	GVD	CO	Correspondence re timing of meeting with Redeemer Committee	0.10	825.00	\$82.50
07/31/2020	HDH	CO	Begin drafting objection to Daugherty claim	2.70	950.00	\$2,565.00

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				Hours	Rate	Amount
07/31/2020	HDH	CO	Revise UBS objection	2.20	950.00	\$2,090.00
07/31/2020	IDK	CO	E-mails with attorneys re further revisions to objection to UBS claim and questions raised by CEO.	0.30	1145.00	\$343.50
07/31/2020	JNP	CO	Review emails regarding settlement payments to Brown Rudnick.	0.10	1075.00	\$107.50
				233.60		\$224,235.50

Compensation Prof. [B160]

07/06/2020	JNP	CP	Review of June bill.	0.50	1075.00	\$537.50
07/10/2020	JNP	CP	Continued review of June bill.	0.70	1075.00	\$752.50
07/11/2020	JNP	CP	Final review of June bill.	0.30	1075.00	\$322.50
07/12/2020	PJJ	CP	Prepare June fee statement.	0.50	425.00	\$212.50
07/14/2020	JNP	CP	Email regarding CNO for May 2020 fees.	0.10	1075.00	\$107.50
07/14/2020	PJJ	CP	Draft CNO regarding May fees.	0.20	425.00	\$85.00
07/14/2020	JMF	CP	Draft June PSZJ Statement.	1.30	925.00	\$1,202.50
07/15/2020	JNP	CP	Review and revise June 2020 statement.	0.20	1075.00	\$215.00
07/15/2020	JNP	CP	Email to J. Seery regarding PSZJ June 2020 bill	0.10	1075.00	\$107.50
07/16/2020	JMF	CP	Review PSZJ monthly application.	0.30	925.00	\$277.50
07/20/2020	PJJ	CP	Prepare June fees for filing.	0.60	425.00	\$255.00
				4.80		\$4,075.00

Comp. of Prof./Others

07/01/2020	JEO	CPO	Review OCP monthly payment statement and provide comments	0.50	925.00	\$462.50
07/01/2020	JMF	CPO	Emails re fee application payments and Wilmer application.	0.20	925.00	\$185.00
07/02/2020	JEO	CPO	Review and finalize OCP compensation report and arrange for filing and service	0.50	925.00	\$462.50
07/02/2020	JMF	CPO	Review wire transfers and email to J Dempsey at Mercer re inquiry re same.	0.20	925.00	\$185.00
07/06/2020	KKY	CPO	Review and revise fee chart	0.10	425.00	\$42.50
07/13/2020	JEO	CPO	Email to Greg Demo re status of Foley monthly fee application	0.20	925.00	\$185.00
07/14/2020	JMF	CPO	Review Mercer spreadsheet re fee application.	0.30	925.00	\$277.50
07/15/2020	KKY	CPO	Review and revise fee chart	0.20	425.00	\$85.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/28/2020	JMF	CPO	Emails re omnibus hearing date re fee applications (.1); follow up with P. Jeffries re preparation of Mercer application and review prior app (.2).	0.30	925.00	\$277.50
				2.50		\$2,162.50

Employee Benefit/Pension-B220

07/01/2020	IDK	EB	Numerous correspondence with attorneys re issues on funding profit sharing plan, including structure and post-petition obligation issues, insider issues and 503 restrictions and ERISA issues (.8); Telephone conference with J. Pomerantz re same (.1); E-mails with J. Pomerantz re my various draft memos to Board re same, including his feedback re same (.7); E-mails with J Kim re need for research on related issues (.2); Finalize memo to Board re same and recommendation (.3).	2.10	1145.00	\$2,404.50
07/01/2020	JJK	EB	Emails Kharasch on employee benefits issues and research on same.	2.00	895.00	\$1,790.00
07/01/2020	JNP	EB	Conference with Ira D. Kharasch regarding Profit Sharing Plan.	0.20	1075.00	\$215.00
07/01/2020	JNP	EB	Review and comment on Ira D. Kharasch email regarding Profit Sharing Plan.	0.20	1075.00	\$215.00
07/01/2020	JMF	EB	Analyze 401k distribution issues (.4); internal emails with M. Litvak and I. Kharsch re same (.2).	0.60	925.00	\$555.00
07/02/2020	JMF	EB	Telephone call with Brian Collins re employee claims issues.	0.20	925.00	\$185.00
07/02/2020	JMF	EB	Review 401(k) plan profit sharing issues.	0.40	925.00	\$370.00
07/06/2020	IDK	EB	E-mails with J. Kim re profit sharing plan legal issues and consider (.2).	0.20	1145.00	\$229.00
07/08/2020	IDK	EB	E-mails with Board re my memo on profit sharing distribution and Seery's draft memo to Committee re same.	0.30	1145.00	\$343.50
07/08/2020	GVD	EB	Draft outline re presentation for Seery appointment as CEO	0.40	825.00	\$330.00
07/08/2020	GVD	EB	Conference with J. Morris re preparations for Seery retention hearing	0.30	825.00	\$247.50
07/08/2020	GVD	EB	Conference with J Pomerantz re Seery retention and next steps	0.20	825.00	\$165.00
07/09/2020	IDK	EB	E-mails with Board re CEO feedback on profit sharing plan.	0.20	1145.00	\$229.00
07/09/2020	JNP	EB	Conference with John A. Morris, Gregory V. Demo	0.50	1075.00	\$537.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			and Ira D. Kharasch regarding preparation for hearing on Seery employment.			
07/09/2020	JNP	EB	Review Committee revisions to Seery CEO order and email regarding same.	0.10	1075.00	\$107.50
07/09/2020	GVD	EB	Prepare outline re testimony in support of CEO retention	3.50	825.00	\$2,887.50
07/09/2020	GVD	EB	Conference with E. Bromagen re CEO retention order	0.20	825.00	\$165.00
07/09/2020	GVD	EB	Conference with J. Pomerantz, I. Kharasch, and J. Morris re preparation for hearing on CEO retention	0.70	825.00	\$577.50
07/09/2020	GVD	EB	Correspondence with Board re preparation of witnesses for hearing on CEO retention	0.70	825.00	\$577.50
07/09/2020	GVD	EB	Review Sidley revisions to order approving CEO retention	0.10	825.00	\$82.50
07/10/2020	IDK	EB	E-mails re Board on status of profit sharing funding.	0.20	1145.00	\$229.00
07/10/2020	IDK	EB	E-mails re Board on status of profit sharing funding.	0.20	1145.00	\$229.00
07/10/2020	JNP	EB	Review and respond to emails regarding Seery CEO order.	0.10	1075.00	\$107.50
07/10/2020	GVD	EB	Review revisions to CEO retention order from Sidley; correspondence with Board re same	0.30	825.00	\$247.50
07/10/2020	GVD	EB	Conference with J. Seery re revisions to CEO retention order and next steps	0.20	825.00	\$165.00
07/10/2020	GVD	EB	Conference with J. Dubel re CEO retention order and next steps	0.20	825.00	\$165.00
07/11/2020	JNP	EB	Review demonstrative for hearing on CEO retention.	0.10	1075.00	\$107.50
07/11/2020	GVD	EB	Prepare organizational chart for July 14 hearing	0.50	825.00	\$412.50
07/12/2020	JNP	EB	Review direct testimony for hearing on CEO compensation motion and related emails regarding same.	0.50	1075.00	\$537.50
07/12/2020	GVD	EB	Draft exhibits re Dubel direct testimony on Seery retention; revise same	1.40	825.00	\$1,155.00
07/12/2020	GVD	EB	Multiple revisions of demonstrative for Seery testimony on CEO retention	0.50	825.00	\$412.50
07/12/2020	GVD	EB	Review draft of direct testimony of J. Seery re CEO retention	0.30	825.00	\$247.50
07/12/2020	GVD	EB	Review draft of direct testimony of J. Dubel re CEO retention	0.20	825.00	\$165.00
07/13/2020	JNP	EB	Review time line for Seery retention.	0.10	1075.00	\$107.50
07/13/2020	JNP	EB	Prepare for hearing on CEO retention.	2.40	1075.00	\$2,580.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/13/2020	JNP	EB	Review revised Seery testimony.	0.10	1075.00	\$107.50
07/13/2020	JNP	EB	Conference with John A. Morris regarding Seery testimony.	0.10	1075.00	\$107.50
07/13/2020	JNP	EB	Participate on hearing planning call with Board, PSZJ and B. Sharp.	1.00	1075.00	\$1,075.00
07/13/2020	GVD	EB	Conference with Board re preparation for CEO retention hearing	1.00	825.00	\$825.00
07/13/2020	GVD	EB	Prepare demonstrative re hearing on CEO retention; multiple correspondence with J. Donohue re same	0.50	825.00	\$412.50
07/13/2020	GVD	EB	Prepare for hearing on CEO retention; multiple correspondences re same	0.30	825.00	\$247.50
07/13/2020	GVD	EB	Conference with IT re ability to present exhibits on WeBex	0.30	825.00	\$247.50
07/13/2020	GVD	EB	Conference with IT and client re preparation for CEO retention hearing	0.90	825.00	\$742.50
07/13/2020	GVD	EB	Revise draft of direct testimony re comments from board	0.50	825.00	\$412.50
07/13/2020	GVD	EB	Review case law re nunc pro tunc relief	0.70	825.00	\$577.50
07/14/2020	JNP	EB	Conference with John A. Morris regarding evidentiary issues in connection with upcoming hearing.	0.20	1075.00	\$215.00
07/14/2020	JNP	EB	Conference with Gregory V. Demo regarding nunc pro tunc issues.	0.10	1075.00	\$107.50
07/14/2020	JNP	EB	Prepare for hearing on Seery retention and calls with various parties regarding same.	2.00	1075.00	\$2,150.00
07/14/2020	JNP	EB	Participate in hearing on Seery retention.	3.80	1075.00	\$4,085.00
07/14/2020	GVD	EB	Prepare for 7/14 hearing	0.20	825.00	\$165.00
07/14/2020	GVD	EB	Attend hearing	3.70	825.00	\$3,052.50
07/14/2020	GVD	EB	Conference with J. Pomerantz re nunc pro tunc issues	0.20	825.00	\$165.00
07/14/2020	GVD	EB	Draft memo re nunc pro tunc research	1.80	825.00	\$1,485.00
07/14/2020	GVD	EB	Review J. Pomerantz's presentation re July 14 hearing	0.30	825.00	\$247.50
07/16/2020	IDK	EB	E-mails re status on profit sharing plan funding.	0.10	1145.00	\$114.50
07/16/2020	JNP	EB	Conference with Hunton, John A. Morris and Gregory V. Demo regarding retention issues.	0.30	1075.00	\$322.50
07/20/2020	IDK	EB	Review of final notice to UCC professionals on 401(k) profit sharing funding.	0.10	1145.00	\$114.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/23/2020	IDK	EB	Telephone conference with G Demo re status re Cornerstone board issues, sale of stock, Dondero related issues (.3).	0.30	1145.00	\$343.50
07/29/2020	IDK	EB	E-mails and telephone conference with CEO re status on prior 401(k) pension funding notice to UCC, including review of prior correspondence re same.	0.40	1145.00	\$458.00
				<u>39.20</u>		<u>\$36,862.00</u>

Executory Contracts [B185]

07/11/2020	JEO	EC	Email to Co-counsel Melissa Hayward re 365(d)(4) extension from landlord	0.20	925.00	\$185.00
07/18/2020	JNP	EC	Review emails regarding 365(d)(4) extension.	0.10	1075.00	\$107.50
07/21/2020	JEO	EC	Initial review of 365(d)(4) Extension motion (.4); review of landlord's claims (.4); and email to Melissa Hayward re same (.2)	1.00	925.00	\$925.00
07/22/2020	JEO	EC	Review status of 365(d)(4) extension with landlord	0.20	925.00	\$185.00
				<u>1.50</u>		<u>\$1,402.50</u>

Financial Filings [B110]

07/02/2020	JEO	FF	Review and arrange for filing of monthly operating report	0.40	925.00	\$370.00
07/30/2020	JEO	FF	Review and make arrangements to file amended monthly operating report for May 2020	0.40	925.00	\$370.00
				<u>0.80</u>		<u>\$740.00</u>

General Business Advice [B410]

07/01/2020	IDK	GB	E-mail to G Demo on his draft board minutes and review of same.	0.30	1145.00	\$343.50
07/01/2020	JNP	GB	Review and revise Board minutes.	0.50	1075.00	\$537.50
07/01/2020	JNP	GB	Conference with J. Seery regarding Redeemer, Plan and related.	0.50	1075.00	\$537.50
07/01/2020	JNP	GB	Conference with Ira D. Kharasch after call with J. Seery.	0.20	1075.00	\$215.00
07/01/2020	GVD	GB	Draft board minutes	3.10	825.00	\$2,557.50
07/02/2020	JNP	GB	Several calls with J. Dubel regarding Plan and claims mediation, Redeemer issues and case issues.	0.70	1075.00	\$752.50
07/02/2020	JNP	GB	Email to Board regarding mediation.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/02/2020	JNP	GB	Conference with J. Seery regarding Redeemer, Plan mediation and related (2x).	0.40	1075.00	\$430.00
07/02/2020	GVD	GB	Review revisions to board minutes from J. Pomerantz	0.40	825.00	\$330.00
07/03/2020	JNP	GB	Review drafts of Board minutes and suggest comments.	0.30	1075.00	\$322.50
07/04/2020	GVD	GB	Review minutes re comments from J. Pomerantz to board minutes and circulate same	0.30	825.00	\$247.50
07/05/2020	GVD	GB	Review revisions to minutes; revise and circulate same	0.50	825.00	\$412.50
07/06/2020	IDK	GB	Telephone conference with J. Pomerantz re status and grand bargain discussion needed (.1); E-mails with DSI, others re same for coordination (.2); E-mails with Board, others re need for call on various issues ASAP (.2); Attend board call re same (.7); Telephone J. Pomerantz re same (.1).	1.30	1145.00	\$1,488.50
07/06/2020	JNP	GB	Conference with J. Dubel regarding Plan, UBS and related.	0.30	1075.00	\$322.50
07/06/2020	JNP	GB	Participate on Board call.	0.80	1075.00	\$860.00
07/06/2020	JNP	GB	Conference with Ira D. Kharasch after Board call.	0.10	1075.00	\$107.50
07/06/2020	JNP	GB	Conference with J. Dubel after Board call.	0.10	1075.00	\$107.50
07/06/2020	JAM	GB	Telephone conference with Board, J. Pomerantz, G. Demo re: Redeemer Committee counterproposal and related matters (0.7).	0.70	1075.00	\$752.50
07/06/2020	GVD	GB	Review J. Seery comments to minutes; revise same	0.20	825.00	\$165.00
07/06/2020	GVD	GB	Conference with Board re preparation for meeting with Committee and next steps	0.60	825.00	\$495.00
07/07/2020	IDK	GB	Review of updated WIP list (.1); Attend conference call on internal WIP list and open items (.8); Attend DSI WIP call on open items (.5).	1.40	1145.00	\$1,603.00
07/07/2020	JNP	GB	Conference with J. Dubel regarding Plan, call with Redeemer and related issues.	0.50	1075.00	\$537.50
07/08/2020	IDK	GB	E-mails and telephone conference with Board re result of hearing, general case status, and next hearing on CEO retention (.6); Telephone conference with J. Pomerantz re same and next hearing issues (.1).	0.70	1145.00	\$801.50
07/08/2020	JNP	GB	Conference with J. Dubel regarding upcoming hearing.	0.10	1075.00	\$107.50
07/08/2020	JNP	GB	Conference with Board regarding mediation issues after hearing.	0.50	1075.00	\$537.50

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07/08/2020	GVD	GB	Conference with Board re follow up to status hearing	0.60	825.00	\$495.00
07/09/2020	IDK	GB	E-mails with Board and others re Acis litigation vs employees and proposed abatement of same.	0.30	1145.00	\$343.50
07/09/2020	JNP	GB	Conference with J. Dubel regarding call with A. Klubock.	0.20	1075.00	\$215.00
07/10/2020	IDK	GB	E-mails re draft agenda for today's Board call (.2); Attend part of conference call with Board, attorneys on UBS, upcoming hearing on 7/14, case status (1.0).	1.20	1145.00	\$1,374.00
07/10/2020	IDK	GB	E-mails re Committee feedback on CEO retention, including Board feedback.	0.20	1145.00	\$229.00
07/10/2020	IDK	GB	E-mails re draft agenda for today's Board call (.2); Attend part of conference call with Board, attorneys on UBS, upcoming hearing on 7/14, case status (1.0).	1.20	1145.00	\$1,374.00
07/10/2020	JNP	GB	Participate on Board call to discuss mediation, Redeemer and CEO hearing.	0.80	1075.00	\$860.00
07/10/2020	JNP	GB	Conference with J. Dubel regarding mediation and related (2x).	0.60	1075.00	\$645.00
07/10/2020	JAM	GB	Telephone conference with Board, J. Pomerantz, I. Kharasch, G. Demo, B. Sharp re: mediation, UBS, Redeemer Committee and July 14 hearing (1.0); telephone conference with G. Demo, J. Dubel, J. Seery re: July 14 hearing, Redeemer Committee claim (0.3).	1.30	1075.00	\$1,397.50
07/11/2020	IDK	GB	Telephone conference with J. Pomerantz re Board call and case status, and Acis.	0.10	1145.00	\$114.50
07/11/2020	JNP	GB	Participate on call with Board regarding variety of issues including UBS, Redeemer and upcoming hearing.	2.00	1075.00	\$2,150.00
07/11/2020	JAM	GB	Telephone conference with Board, G. Demo, B. Sharp, T. Jeremiassen re: document preservation (0.3); review Document Preservation Protocols (0.1); e-mail to B. Sharp, T. Jeremiassen, G. Demo re: document preservation (0.1); telephone conference with Board, J. Pomerantz, I. Kharasch, G. Demo, B. Sharp re: mediation, UBS settlement issues, discovery motions, Redeemer Committee settlement status, July 14 hearing (2.0).	2.50	1075.00	\$2,687.50
07/11/2020	GVD	GB	Board call re preparation for July 14 hearing	2.00	825.00	\$1,650.00
07/13/2020	IDK	GB	Attend conference call with Board, others on preparation of testimony, other questions, for	1.00	1145.00	\$1,145.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			tomorrow's hearing on CEO retention (1.0).			
07/13/2020	IDK	GB	E-mails with attorneys re reschedule of WIP call tomorrow, as well as call with UCC and Board.	0.20	1145.00	\$229.00
07/13/2020	JNP	GB	Conference with J. Seery regarding Plan mediation.	0.20	1075.00	\$215.00
07/13/2020	JNP	GB	Conference with R. Nelms regarding Plan mediation.	0.10	1075.00	\$107.50
07/13/2020	JNP	GB	Conference with J. Dubel regarding Plan mediation.	0.40	1075.00	\$430.00
07/13/2020	JAM	GB	Board call with J. Pomerantz, I. Kharasch, G. Demo, B. Sharp re: preparation for Seery CEO hearing, status of UBS, Redeemer Committee and Acis settlement issues (1.0).	1.00	1075.00	\$1,075.00
07/13/2020	GVD	GB	Revise minutes re comments from R. Nelms	0.20	825.00	\$165.00
07/14/2020	IDK	GB	E-mails with attorneys re need for follow-up after hearing on next steps, and with Board (.2); E-mails with Board re need for follow-up call on hearing today and next steps and coordinate (.2); Attend conference call with Board, others re same (.3).	0.70	1145.00	\$801.50
07/14/2020	JNP	GB	Conference with Board, Gregory V. Demo, Ira D. Kharasch and John A. Morris regarding hearing and next steps.	0.30	1075.00	\$322.50
07/14/2020	JAM	GB	Board call with J. Pomerantz, I. Kharasch, G. Demo re: court hearing, next steps (0.3).	0.30	1075.00	\$322.50
07/14/2020	GVD	GB	Conference with Board re follow up to hearing	0.20	825.00	\$165.00
07/15/2020	IDK	GB	Telephone conference with J. Pomerantz re tomorrow's Board call and issues for same and next steps (.4); E-mails with DSI, others re draft agenda for same and consider feedback from others on additions (.2); E-mail with Board re reminders on IFA claim for tomorrow's call (.2); E-mails with H. Hochman re need for him on call (.2).	1.00	1145.00	\$1,145.00
07/15/2020	JNP	GB	Conference with J. Dubel regarding Hunton issues and related (2x).	0.60	1075.00	\$645.00
07/15/2020	JNP	GB	Conference with R Nelms regarding Hunton and variety of issues.	0.30	1075.00	\$322.50
07/15/2020	GVD	GB	Draft agenda for board meeting	0.40	825.00	\$330.00
07/16/2020	DJB	GB	Interoffice conference with J. Pomerantz re appointment of chairman of the board.	0.20	1195.00	\$239.00
07/16/2020	HDH	GB	Board call (certain claims only)	0.20	950.00	\$190.00
07/16/2020	IDK	GB	E-mails with Board re revised agenda for call today (.1); E-mails to J. Pomerantz re issues for upcoming call (.2); E-mails with G. Demo, J. Pomerantz on	1.70	1145.00	\$1,946.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			upcoming call and mediation outline (.2); Attend part of Board call on open issues (1.1); E-mails re result of call and new Board procedures (.1).			
07/16/2020	JNP	GB	Participate on Board call.	1.50	1075.00	\$1,612.50
07/16/2020	JNP	GB	Conference with J. Dubel regarding corporate governance issues.	0.10	1075.00	\$107.50
07/16/2020	JNP	GB	Conference with David J. Barton regarding corporate governance.	0.10	1075.00	\$107.50
07/16/2020	JAM	GB	Telephone conference with Board, J. Pomerantz, I. Kharasch, G. Demo re: discovery motions and related matters (partial participation) (0.6).	0.60	1075.00	\$645.00
07/16/2020	JAM	GB	Telephone conference with J. Seery, R. Nelms, J. Pomerantz, G. Demo re: Redeemer Committee settlement (0.6).	0.60	1075.00	\$645.00
07/16/2020	GVD	GB	Revise agenda re comments from J. Pomerantz	0.10	825.00	\$82.50
07/16/2020	GVD	GB	Prepare for and attend board meeting	1.50	825.00	\$1,237.50
07/16/2020	GVD	GB	Conference with Board re new reporting procedures; correspondence with PSZJ re same	0.60	825.00	\$495.00
07/16/2020	GVD	GB	Conference with PSZJ and Board re claims resolutions	0.80	825.00	\$660.00
07/17/2020	DJB	GB	Analysis of authority and fiduciary issues re Cornerstone.	1.70	1195.00	\$2,031.50
07/17/2020	IDK	GB	E-mails with Board, G. Demo re draft of letter to NextBank re their termination notice, and feedback of others re revisions to same.	0.40	1145.00	\$458.00
07/20/2020	GVD	GB	Follow up call with J. Seery re status of NexBank and mediation issues	0.40	825.00	\$330.00
07/21/2020	DJB	GB	Continued analysis of consent authority re Cornerstone.	2.50	1195.00	\$2,987.50
07/21/2020	IDK	GB	Telephone conference with each member of Board on upcoming hearing today, and J. Pomerantz health issues (.6).	0.60	1145.00	\$687.00
07/21/2020	GVD	GB	Conference with J. Seery re status of mediation discussions and next steps	0.20	825.00	\$165.00
07/22/2020	IDK	GB	E-mails with CEO, others re stipulation to extend time to assume or reject office lease.	0.20	1145.00	\$229.00
07/22/2020	GVD	GB	Conference with J. Seery re open items and next steps	0.10	825.00	\$82.50
07/23/2020	JAM	GB	Telephone conference with J. Seery re: discovery, Redeemer Committee settlement (0.3).	0.30	1075.00	\$322.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/23/2020	GVD	GB	Conference with J. Seery re status of NexBank	0.10	825.00	\$82.50
07/24/2020	IDK	GB	Attend call with CEO on case issues, including Redeemer remaining dispute, and upcoming call with mediators (.4); Attend conference call with Mediators (1.3); Telephone conference with CEO and G. Demo re result of call and next steps (.30).	2.00	1145.00	\$2,290.00
07/25/2020	JNP	GB	Conference with J. Dubel regarding variety of business issues.	0.50	1075.00	\$537.50
07/27/2020	IDK	GB	Telephone conference with G. Demo re various issues for Board and updates, and consider open issues.	0.30	1145.00	\$343.50
07/27/2020	IDK	GB	E-mail to G. Demo re new board resolution re trading authority to CEO, including review of same.	0.20	1145.00	\$229.00
07/27/2020	IDK	GB	E-mails with Board re need for Board call and items for agenda, and coordination of same.	0.30	1145.00	\$343.50
07/27/2020	GVD	GB	Correspondence with Board re authorized trader resolutions	0.10	825.00	\$82.50
07/27/2020	GVD	GB	Conference with J. Seery re corporate governance issues	0.20	825.00	\$165.00
07/27/2020	GVD	GB	Draft resolutions re authorized trader	0.30	825.00	\$247.50
07/27/2020	GVD	GB	Correspondence re potential board meeting	0.10	825.00	\$82.50
07/27/2020	GVD	GB	Conference with T. Silva re corporate governance issues	0.10	825.00	\$82.50
07/28/2020	IDK	GB	Telephone conferences with G. Demo re mediation open issues on dates, board meeting tomorrow, plan discussion with CEO (.3); Review of correspondence from mediation parties on dates, deadlines, and our response to mediator re deadline and then re dates for mediation (.4).	0.70	1145.00	\$801.50
07/28/2020	IDK	GB	E-mails with CEO re request for follow up call (.1); Attend follow up Board call after meeting with UCC on next steps (.4).	0.50	1145.00	\$572.50
07/28/2020	IDK	GB	E-mails with Board re revised resolution on new authority for CEO to trade.	0.10	1145.00	\$114.50
07/28/2020	IDK	GB	E-mails with J. Pomerantz re mediation dates and who is attending and need for R. Feinstein for UBS issues and logistics for same (.3); E-mails with R. Feinstein re same and proposed mediation dates (.2).	0.50	1145.00	\$572.50
07/28/2020	IDK	GB	Review of correspondence with client team re need to restructure partnerships and board.	0.10	1145.00	\$114.50
07/28/2020	IDK	GB	E-mails with Board re mediation dates and	1.00	1145.00	\$1,145.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			attendance issues, including Board feedback (.2); Review of Mediators' e-mail and markup of mediation order (.2); E-mails with Board re same (.1); E-mails with mediator re our feedback to same, as well as from others (.2); E-mails with UBS on its new changes to "nature of dispute" section re mediation, and revised separate draft of same by us and feedback of others (.3).			
07/28/2020	GVD	GB	Draft resolutions re authorized traders	0.70	825.00	\$577.50
07/28/2020	GVD	GB	Conference with J. Romey re daily status and next steps	0.30	825.00	\$247.50
07/28/2020	GVD	GB	Conference with Board re follow up to Board/Committee meeting	0.50	825.00	\$412.50
07/28/2020	GVD	GB	Correspondence with Board re mediation issues and potential dates	0.40	825.00	\$330.00
07/28/2020	GVD	GB	Correspondence with Brad Sharp re board agenda	0.10	825.00	\$82.50
07/29/2020	IDK	GB	Telephone G. Demo re open items for today.	0.20	1145.00	\$229.00
07/29/2020	IDK	GB	Numerous e-mails with DSI, others re draft agenda for Board meeting today, questions on release issues re plan, and my proposed revisions (.4); E-mails with Board re upcoming board call and potential change (.2); Attend Board call on open issues (1.1); E-mail J. Pomerantz re same and plan release issue (.1).	1.80	1145.00	\$2,061.00
07/29/2020	JMF	GB	Review agenda re board meeting and emails re same.	0.20	925.00	\$185.00
07/29/2020	JAM	GB	Board call (partial participation) with I. Kharasch, G, Demo (0.7).	0.70	1075.00	\$752.50
07/29/2020	GVD	GB	Conference with J. Romey and J. Seery re board agenda	0.80	825.00	\$660.00
07/29/2020	GVD	GB	Draft agenda for board meeting	0.30	825.00	\$247.50
07/29/2020	GVD	GB	Attend Board meeting	1.10	825.00	\$907.50
07/30/2020	IDK	GB	Telephone conference with J. Pomerantz re case status, plan/mediation (.1); Review of correspondence re CEO draft memo to Dondero in response to concerns on asset sale (.1).	0.20	1145.00	\$229.00
07/30/2020	GVD	GB	Review J. Seery response to email	0.20	825.00	\$165.00
07/31/2020	IDK	GB	Attend conference call with CEO, DSI, G. Demo on open issues on plan structure, operational issues (1.8); Telephone conferences with G. Demo, J. Pomerantz re result of same (.2).	2.00	1145.00	\$2,290.00
07/31/2020	JNP	GB	Conference with J. Dubel regarding Plan issues.	0.20	1075.00	\$215.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/31/2020	GVD	GB	Conference with T. Silva and J. Romey re corporate governance issues	0.40	825.00	\$330.00
07/31/2020	GVD	GB	Conference with J. Seery, I. Kharasch, and J. Romey re preparation for all hands meeting; follow up re same	2.10	825.00	\$1,732.50
				<u>68.20</u>		<u>\$70,356.00</u>

General Creditors Comm. [B150]

07/02/2020	JNP	GC	Review emails regarding notice to Committee regarding critical vendor payment.	0.10	1075.00	\$107.50
07/06/2020	JNP	GC	Emails regarding UBS information request status.	0.10	1075.00	\$107.50
07/06/2020	JNP	GC	Email to M. Clemente regarding committee call.	0.10	1075.00	\$107.50
07/07/2020	IDK	GC	Telephone conference and e-mails with J. Pomerantz re upcoming call with Committee and Board (.2); Attend conference call with Committee and Board, and all professional groups (.3); Telephone conferences with J. Pomerantz re same and hearing tomorrow (.1).	0.60	1145.00	\$687.00
07/07/2020	JNP	GC	Participate on weekly Committee and Board call.	0.30	1075.00	\$322.50
07/07/2020	JNP	GC	Call with J. Dubel and J. Seery after Committee call.	0.30	1075.00	\$322.50
07/07/2020	GVD	GC	Attend weekly conference with Committee	0.30	825.00	\$247.50
07/16/2020	JNP	GC	Email regarding call to discuss D&O insurance.	0.10	1075.00	\$107.50
07/20/2020	IDK	GC	E-mails with UCC counsel, others on whether to go forward with UCC/Board call tomorrow (.3); Telephone conferences with G. Demo re same (.1).	0.40	1145.00	\$458.00
07/21/2020	IDK	GC	Prep for and attend conference call with UCC, its professionals, the Board on case issues (.9).	0.90	1145.00	\$1,030.50
07/21/2020	GVD	GC	Prepare for and attend weekly Committee/Board meeting	0.90	825.00	\$742.50
07/28/2020	IDK	GC	Attend weekly call with UCC and Board on case issues.	1.10	1145.00	\$1,259.50
07/28/2020	GVD	GC	Attend weekly board/committee conference	1.10	825.00	\$907.50
				<u>6.30</u>		<u>\$6,407.50</u>

Mediation

07/03/2020	JNP	ME	Conference with Ira D. Kharasch and M. Lynn regarding Plan mediation.	0.50	1075.00	\$537.50
07/06/2020	JNP	ME	Conference with M. Lynn regarding potential mediation.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/08/2020	IDK	ME	Review of numerous correspondence with UBS counsel, Board, others on UBS issues on its claim, mediation, and lack of settlement offer (.3); E-mail and office conference with J. Pomerantz re same and how to respond (.2).	0.50	1145.00	\$572.50
07/08/2020	IDK	ME	Telephone conference with J. Pomerantz re UBS reach out for call and related issues on mediation and hearing next week (.2); Further telephone conference with Jeffrey N. Pomerantz re latest status on mediation issues (.10; E-mails with UBS counsel re coordination of call tomorrow re status, mediation, document requests (.2).	0.50	1145.00	\$572.50
07/08/2020	IDK	ME	Review of extensive correspondence with Board re correspondence with UBS counsel, others on UBS recent discovery demands, mediation issues, and settlement process (.4); E-mails and telephone conference with J. Pomerantz re same and potential settlement construct with UBS, and consider amount (.3).	0.70	1145.00	\$801.50
07/08/2020	JNP	ME	Conference with Richard M. Pachulski and Ira D. Kharasch regarding Plan mediation issues and related matters.	0.80	1075.00	\$860.00
07/08/2020	JNP	ME	Research regarding potential mediator suggested by Judge.	0.10	1075.00	\$107.50
07/08/2020	JNP	ME	Prepare for hearing on Plan mediation related issues.	0.20	1075.00	\$215.00
07/08/2020	JNP	ME	Conference with Robert J. Feinstein regarding status of Plan mediation.	0.20	1075.00	\$215.00
07/08/2020	JNP	ME	Consider issues regarding Plan mediation.	0.50	1075.00	\$537.50
07/08/2020	RJF	ME	Telephone conference with Jeffrey N. Pomerantz regarding mediation, etc.	0.30	1245.00	\$373.50
07/08/2020	GVD	ME	Conference with J. Romey re potential settlement issues	0.20	825.00	\$165.00
07/08/2020	GVD	ME	Correspondence with J. Kim re potential settlement of claims objection	0.20	825.00	\$165.00
07/09/2020	IDK	ME	Attend conference call with UBS lawyers, 3 of them, with J. Pomerantz on mediation and documents requested (.4); Telephone conference with J. Pomerantz re same and upcoming hearing (.1).	0.50	1145.00	\$572.50
07/09/2020	IDK	ME	E-mails with attorneys, DSI re coordination of documents to UBS tomorrow re UBS request (.2); E-mails with attorneys re Clubock further extensive correspondence re same, mediation, settlement, and J. Pomerantz draft response (.2); Further e-mails re	0.60	1145.00	\$687.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			same and revisions to Clubock response letter (.2).			
07/09/2020	JNP	ME	Conference with D. Neier regarding status of litigation and potential mediation.	0.30	1075.00	\$322.50
07/09/2020	JNP	ME	Email to Board regarding proposal from D. Neier regarding litigation abatement.	0.10	1075.00	\$107.50
07/09/2020	GVD	ME	Review correspondence from R. Patel re abatement of litigation	0.10	825.00	\$82.50
07/10/2020	IDK	ME	Telephone conference with J. Pomerantz re upcoming hearing, mediation and other options, and case status (.2); Telephone conference with J. Pomerantz re result of call with Committee re same (.1); Telephone conferences with J. Pomerantz later re latest developments on mediation, other issues (.2); E-mails with parties and others re feedback on potential mediators (.2).	0.70	1145.00	\$801.50
07/10/2020	IDK	ME	Telephone conference with J. Pomerantz re upcoming hearing, mediation and other options, and case status (.2); Telephone conference with J. Pomerantz re result of call with Committee re same (.1); Telephone conferences with J. Pomerantz later re latest developments on mediation, other issues (.2); E-mails with parties and others re feedback on potential mediators (.2).	0.70	1145.00	\$801.50
07/10/2020	JNP	ME	Conference with Elkin regarding mediators.	0.20	1075.00	\$215.00
07/10/2020	JNP	ME	Conference with Richard M. Pachulski and Ira D. Kharasch regarding mediation.	0.20	1075.00	\$215.00
07/10/2020	JNP	ME	Conference with various parties regarding mediation (2x).	0.60	1075.00	\$645.00
07/10/2020	JNP	ME	Conference with Ira D. Kharasch regarding mediation issues and calls with parties.	0.20	1075.00	\$215.00
07/11/2020	IDK	ME	E-mails with J. Pomerantz re Committee feedback on Sylvia as mediator and others.	0.10	1145.00	\$114.50
07/11/2020	JNP	ME	Emails to various parties regarding mediation.	0.20	1075.00	\$215.00
07/11/2020	JNP	ME	Conference with M. Clemente regarding mediation and related issues.	0.40	1075.00	\$430.00
07/12/2020	JNP	ME	Conference with J. Dubel regarding Plan mediation.	0.20	1075.00	\$215.00
07/12/2020	JNP	ME	Conference with M. Clemente regarding Plan mediation.	0.20	1075.00	\$215.00
07/12/2020	JNP	ME	Conference with Ira D. Kharasch regarding calls regarding Plan mediation.	0.20	1075.00	\$215.00
07/13/2020	JNP	ME	Conference with Ira D. Kharasch regarding Plan mediation.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/13/2020	JNP	ME	Conference with R. Patel, B. Shaw and Ira D. Kharasch regarding Plan mediation; Follow-up with R. Patel regarding same.	0.50	1075.00	\$537.50
07/13/2020	JNP	ME	Conference with M. Clemente regarding Plan mediation (2x).	0.40	1075.00	\$430.00
07/14/2020	JNP	ME	Consider issues regarding Plan mediation.	0.20	1075.00	\$215.00
07/15/2020	IDK	ME	E-mails with attorneys re draft extensive mediation brief background of case outline, including review of same and mine and J. Pomerantz' s feedback to same (.4); Review of revised memo re same, and G. Demo comments to same (.3).	0.70	1145.00	\$801.50
07/15/2020	JNP	ME	Conference with Gregory V. Demo and Ira D. Kharasch regarding Plan mediation.	0.60	1075.00	\$645.00
07/15/2020	JNP	ME	Review outline of Plan mediation brief.	0.10	1075.00	\$107.50
07/15/2020	GVD	ME	Draft outline for mediation	2.10	825.00	\$1,732.50
07/15/2020	GVD	ME	Conference with J. Pomerantz and I. Kharasch re mediation outline	0.50	825.00	\$412.50
07/15/2020	GVD	ME	Conference with J. Morris and counsel re discovery issues	0.40	825.00	\$330.00
07/16/2020	IDK	ME	E-mails re Court's memo to all re its initial view of how mediation should proceed, and feedback of J. Pomerantz and from UCC counsel to Court re same and re Redeemer and Okada.	0.40	1145.00	\$458.00
07/16/2020	JNP	ME	Conference with M. Hankin regarding mediation.	0.10	1075.00	\$107.50
07/16/2020	GVD	ME	Review correspondence re potential mediators and next steps	0.20	825.00	\$165.00
07/17/2020	IDK	ME	Review of correspondence with mediator and Dondero counsel, feedback of CEO (.3); E-mails with G. Demo re mediation brief outline and message to Board re same (.3).	0.60	1145.00	\$687.00
07/17/2020	JNP	ME	Review J. Bonds email and J. Seery response regarding Okada participation in mediation.	0.10	1075.00	\$107.50
07/17/2020	GVD	ME	Correspondence with J. Seery re outline for mediation brief	0.20	825.00	\$165.00
07/21/2020	IDK	ME	Review correspondence from Sylvia Meyer, mediator, re next steps, disclosures, and other form.	0.20	1145.00	\$229.00
07/21/2020	GVD	ME	Review multiple emails from A. Clubok re status of claim and mediation issues	0.30	825.00	\$247.50
07/22/2020	IDK	ME	E-mails with Mediator re their request for call, and our response (.3); Telephone conference with J. Pomerantz re same (.1).	0.40	1145.00	\$458.00

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07/22/2020	IDK	ME	Email H Hochman re UBS next steps and mediation (.1); E-mails with G Demo and H Hochman re status of next draft of objection to UBS claim (.1).	0.20	1145.00	\$229.00
07/22/2020	IDK	ME	Review of correspondence from Mediators with proposed forms for us to fill out including statement of dispute (.2); Email Board on information from mediators and next steps re same (.2); E-mails with G Demo re my changes to his draft statement of dispute re mediation to mediators, including review of same (.4).	0.80	1145.00	\$916.00
07/22/2020	IDK	ME	E-mails with J. Pomerantz re his feedback on our draft ?nature of mediation? for mediators and need for more on ?grand bargain,? including review of prior draft (.4); E-mails with Board and G Demo re my further markup of same for mediators, as well as review of finalized version (.4); E-mails with Board re their further markup of ?nature of mediation? (.3); Review of correspondence to all mediation parties re our draft of mediation docs and ?nature of mediation,? as well as UCC comments to same (.2).	1.30	1145.00	\$1,488.50
07/22/2020	IDK	ME	Numerous E-mails re mediators' request for call on Friday, along with attached form orders on mediation, and coordinate call with CEO (.4); E-mails with CEO, others on coordination of pre-call re same (.2).	0.60	1145.00	\$687.00
07/22/2020	IDK	ME	Review of correspondence to all mediation parties on mediator disclosure/conflict information.	0.20	1145.00	\$229.00
07/22/2020	GVD	ME	Revise and circulate draft mediation notice	0.40	825.00	\$330.00
07/22/2020	GVD	ME	Correspondence with mediator re initial conference	0.20	825.00	\$165.00
07/22/2020	GVD	ME	Review mediator disclosure form	0.10	825.00	\$82.50
07/22/2020	GVD	ME	Draft notice of mediation; correspondence with mediators re same	2.10	825.00	\$1,732.50
07/23/2020	IDK	ME	E-mails with Board, others on Board feedback on UCC ?s changes to mediation statement, including CEO further revisions (.3); E-mails with G Demo on mediator disclosures and need to respond to all re same, including review of Dondero attorney correspondence to mediator re same (.2); E-mails with mediator rep re status (.1).	0.60	1145.00	\$687.00
07/23/2020	IDK	ME	Review of further correspondence to all mediation parties re our further revised mediation statement on issues presented.	0.20	1145.00	\$229.00
07/23/2020	IDK	ME	Telephone conference with J. Pomerantz re case status and mediation (.2).	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/23/2020	GVD	ME	Revise mediation notice re comments from J. Seery; multiple conferences with J. Romey re same	1.30	825.00	\$1,072.50
07/23/2020	GVD	ME	Conference with J. Romey and J. Donohue (DSI) re mediation statement	0.20	825.00	\$165.00
07/23/2020	GVD	ME	Conference with J. Seery re revisions to mediation notice	0.10	825.00	\$82.50
07/23/2020	GVD	ME	Review disclosures; correspondence with mediators re disclosures	0.20	825.00	\$165.00
07/23/2020	GVD	ME	Review Sidley revisions to mediation notice	0.20	825.00	\$165.00
07/23/2020	GVD	ME	Review Redeemer correspondence re mediation notice	0.10	825.00	\$82.50
07/24/2020	HDH	ME	Conference with Ira D. Kharasch regarding HCM claims/mediation	0.20	950.00	\$190.00
07/24/2020	IDK	ME	Office conferences with H. Hochman re status on claims of Daugherty, and issues on mediation briefing (.2); E-mail to H. Hochman re Daugherty claim objection (.1); E-mails with I. Leventon re his further markup on same and H. Hochman feedback (.2).	0.50	1145.00	\$572.50
07/24/2020	IDK	ME	E-mails with Redeemer re UBS claim objection and outstanding issues on Redeemer claim dispute, and impact on mediation statement.	0.30	1145.00	\$343.50
07/24/2020	IDK	ME	E-mail to Board re proposed objection to UBS claim and timing issues re mediation.	0.30	1145.00	\$343.50
07/24/2020	IDK	ME	E-mails with mediation parties re our revised nature of dispute to mediators, and feedback of same (.3); E-mails with G. Demo re my changes to mediation order, including review of same (.4).	0.70	1145.00	\$801.50
07/24/2020	GVD	ME	Draft order re mediation	1.30	825.00	\$1,072.50
07/24/2020	GVD	ME	Internal preparation call in advance of call with mediators	0.50	825.00	\$412.50
07/24/2020	GVD	ME	Call with mediators	1.30	825.00	\$1,072.50
07/24/2020	GVD	ME	Follow up to call re mediators and next steps	0.30	825.00	\$247.50
07/24/2020	GVD	ME	Attend to follow up items from mediation call	0.30	825.00	\$247.50
07/25/2020	IDK	ME	Review memo from mediator re order, potential mediation dates, and other issues.	0.30	1145.00	\$343.50
07/25/2020	GVD	ME	Review revisions to memo re potential claim resolution	0.30	825.00	\$247.50
07/25/2020	GVD	ME	Revise mediation order re comments from I. Kharasch; circulate same	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/27/2020	IDK	ME	Telephone conferences with G. Demo re mediation e-mail from Meyer over weekend and related issues, and Acis seal issues (.3); E-mails with G. Demo re changes to draft memo to mediators with relevant materials for them (.2); Review of Redeemer e-mail to mediators (.1); Telephone H. Hochman re need for mediation briefs asap (.1); E-mails with E. Wagner re same (.2).	0.90	1145.00	\$1,030.50
07/27/2020	IDK	ME	E-mails with G. Demo re mediator feedback on changing deadline to file mediation briefs (.2); Review of our revised mediation notice including statement re issues, as well as Redeemer new changes, and final memo to mediators and all parties 9.4); E-mail UCC counsel re its feedback to same and its changes to issues statement (.2); E-mails with G. Demo re latest change to mediation order, including review of same and ok to circulate to parties (.2); E-mails with Mediator re its decision to change deadline re briefing (.1).	1.10	1145.00	\$1,259.50
07/27/2020	GVD	ME	Revise mediation materials	0.60	825.00	\$495.00
07/27/2020	GVD	ME	Correspondence with mediator re background information	1.30	825.00	\$1,072.50
07/27/2020	GVD	ME	Correspondence with mediator re mediation notice	0.40	825.00	\$330.00
07/27/2020	GVD	ME	Conference with S. Mayer re mediation dates	0.20	825.00	\$165.00
07/28/2020	HDH	ME	Conference with Ira D. Kharasch regarding HCM mediation	0.30	950.00	\$285.00
07/28/2020	IDK	ME	Office conference with H. Hochman re Daugherty claim memo, mediation brief re Acis and UBS (.3); E-mails with G. Demo re same and CEO feedback for mediation brief on UBS (.2); E-mails with H. Hochman re his revised Daugherty memo, I. Leventon's new markup and review of same (.4).	0.90	1145.00	\$1,030.50
07/28/2020	JNP	ME	Emails with Ira D. Kharasch regarding UBS mediation.	0.10	1075.00	\$107.50
07/28/2020	JNP	ME	Review revised Order for mediation.	0.10	1075.00	\$107.50
07/28/2020	LSC	ME	Begin preparation of materials in connection with mediation.	1.10	425.00	\$467.50
07/28/2020	GVD	ME	Revise and circulate mediation notice	0.10	825.00	\$82.50
07/28/2020	GVD	ME	Review revision to mediation order from S. Mayer	0.40	825.00	\$330.00
07/28/2020	GVD	ME	Conference with I. Kharasch re status of mediation documents and next steps	0.50	825.00	\$412.50
07/28/2020	GVD	ME	Correspondence with I. Kharash and H. Hochman re	0.10	825.00	\$82.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			mediation brief			
07/29/2020	IDK	ME	Review of numerous correspondence with mediator rep, other mediation parties, re deposits and proposed compensation of mediators and re AAA fee, more changes to draft mediation order by UCC, UBS, our feedback to same potential changes by parties (.5); E-mails with mediators, all parties re our latest revisions to mediation order, and parties feedback (.2); E-mails with all parties re status of draft "dispute resolution," and feedback of other parties and their position vs UBS proposed language (.3).	1.00	1145.00	\$1,145.00
07/29/2020	IDK	ME	E-mails with Board re UBS proposed revisions to "dispute resolution" (.1); E-mails with G. Demo, others re our further revisions to same re UBS (.2); Review of correspondence with mediators, other parties re our new language, and feedback of parties to same, including UBS rejection of our language and our proposed resolution of UBS language, including resolution with UBS (.4); Review of further correspondence with mediators on our proposed final mediation order, and also UBS new proposed changes re same and our questions on UBS settlement authority rep at mediation (.4).	1.10	1145.00	\$1,259.50
07/29/2020	GVD	ME	Review UBS submissions to mediator and revise same	0.80	825.00	\$660.00
07/29/2020	GVD	ME	Revise outline re mediation statement and correspondence re same	0.80	825.00	\$660.00
07/29/2020	GVD	ME	Review contact list for mediation and correspondence re same	0.30	825.00	\$247.50
07/29/2020	GVD	ME	Review changes to mediation order from UBS	0.20	825.00	\$165.00
07/29/2020	GVD	ME	Conference with K. Posin re mediation order	0.20	825.00	\$165.00
07/29/2020	GVD	ME	Correspondence with K. Posin re mediation order	0.20	825.00	\$165.00
07/29/2020	GVD	ME	Correspondence with group re final mediation order	0.40	825.00	\$330.00
07/29/2020	GVD	ME	Correspondence with mediation group re mediation statement	0.10	825.00	\$82.50
07/29/2020	GVD	ME	Conference with AAA re mediation issues	0.30	825.00	\$247.50
07/30/2020	HDH	ME	Analyze mediation outline and respond to correspondence regarding same	0.40	950.00	\$380.00
07/30/2020	HDH	ME	Conference call regarding mediation brief	0.30	950.00	\$285.00
07/30/2020	IDK	ME	Review briefly numerous correspondence with CEO, attorneys re UBS issue of its limited settlement authority at mediation, including UBS	0.40	1145.00	\$458.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			correspondence to mediators re same (.3); Review of correspondence with mediators (.1).			
07/30/2020	IDK	ME	E-mails with H. Hochman re his feedback on mediation brief outline and next steps for same, including brief review of outline.	0.40	1145.00	\$458.00
07/30/2020	JNP	ME	Conference with Gregory V. Demo and Harry D. Hochman regarding mediation brief.	0.30	1075.00	\$322.50
07/30/2020	RJF	ME	Emails regarding mediation.	0.20	1245.00	\$249.00
07/30/2020	GVD	ME	Attend to issues re finalizing mediation notice and order	0.30	825.00	\$247.50
07/30/2020	GVD	ME	Correspondence re mediation time line	0.10	825.00	\$82.50
07/30/2020	GVD	ME	Compile mediation submission; correspondence with J. Seery re issues re mediation	0.60	825.00	\$495.00
07/30/2020	GVD	ME	Draft mediation brief	6.50	825.00	\$5,362.50
07/30/2020	GVD	ME	Conference with J. Pomerantz and H. Hochman re status of mediation brief	0.30	825.00	\$247.50
07/31/2020	IDK	ME	Review of numerous correspondence with and re UBS, Debtor, Redeemer on dispute with UBS on authorization issue, and resolution re same, including sign off by all parties.	0.40	1145.00	\$458.00
07/31/2020	JNP	ME	Review emails regarding UBS authority at mediation.	0.10	1075.00	\$107.50
07/31/2020	JNP	ME	Review email from mediator regarding authority of parties at mediation.	0.10	1075.00	\$107.50
07/31/2020	GVD	ME	Draft mediation statement	4.90	825.00	\$4,042.50
07/31/2020	GVD	ME	Conference re mediation issues	0.20	825.00	\$165.00
				63.00		\$59,975.00

Plan & Disclosure Stmt. [B320]

07/01/2020	IDK	PD	E-mails with G Demo re Redeemer issues on plan and his response to same (.3); Review of DSI extensive Excel chart re potential plan with grand bargain settlement (.4).	0.70	1145.00	\$801.50
07/01/2020	JNP	PD	Review emails with Jenner regarding Plan structuring.	0.10	1075.00	\$107.50
07/01/2020	GVD	PD	Correspondence with T. Silva re proposed structure from Redeemer Committee	0.40	825.00	\$330.00
07/01/2020	GVD	PD	Correspondence with J. Fried re issues on solicitation	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/01/2020	GVD	PD	Conference with DSI re plan due diligence and next steps	0.20	825.00	\$165.00
07/01/2020	GVD	PD	Revise disclosure statement and circulate same to Board	0.50	825.00	\$412.50
07/01/2020	GVD	PD	Conference with T. Silva re regulatory issues re transferability	0.40	825.00	\$330.00
07/02/2020	JNP	PD	Emails to and from M. Lynn regarding call to discuss case status.	0.10	1075.00	\$107.50
07/02/2020	JNP	PD	Conference with Ira D. Kharasch (several) regarding mediation issues.	0.80	1075.00	\$860.00
07/02/2020	JNP	PD	Conference with M. Hankin regarding Plan and claims mediation.	0.30	1075.00	\$322.50
07/02/2020	JNP	PD	Email to J. Jones clerk regarding Plan and claims mediation.	0.10	1075.00	\$107.50
07/02/2020	JNP	PD	Conference with M. Clemente regarding Plan and claims mediation (2x).	0.30	1075.00	\$322.50
07/02/2020	JNP	PD	Email to and from M. Clemente regarding Plan and claims mediation.	0.10	1075.00	\$107.50
07/02/2020	GVD	PD	Revise disclosure statement risk factors	0.60	825.00	\$495.00
07/02/2020	GVD	PD	Review WilmerHale memo on transferability of advisory contracts	1.10	825.00	\$907.50
07/02/2020	GVD	PD	Correspondence with WilmerHale re analysis of memo on transferability	0.60	825.00	\$495.00
07/02/2020	GVD	PD	Conference with J. Romey re issues with plan structure	0.60	825.00	\$495.00
07/03/2020	JNP	PD	Review Committee's statement on exclusivity motion.	0.10	1075.00	\$107.50
07/03/2020	JNP	PD	Begin to review asset analysis and proposed Plan spreadsheet.	0.10	1075.00	\$107.50
07/03/2020	JNP	PD	Email to Board regarding call with M. Lynn regarding Plan mediation.	0.10	1075.00	\$107.50
07/03/2020	JMF	PD	Review committee response re exclusivity.	0.30	925.00	\$277.50
07/04/2020	GVD	PD	Review Committee statement on exclusivity motion	0.20	825.00	\$165.00
07/06/2020	IDK	PD	E-mails with attorneys re disclosure statement information and inserts needed re litigation including review of e-mails on draft of Daugherty claim insert (.4); E-mails with Redeemer counsel and G. Demo re coordination of call on plan structure (.2); Review of correspondence with Sidley on draft DS (.2).	0.80	1145.00	\$916.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/06/2020	IDK	PD	Review DSI updated plan spreadsheet on potential grand bargain plan (.4); Attend conference call with DSI, others on plan structure for potential grand bargain settlement (.8).	1.20	1145.00	\$1,374.00
07/06/2020	JJK	PD	Draft inserts for discl. statement and emails Demo on same	0.70	895.00	\$626.50
07/06/2020	JNP	PD	Conference with Ira D. Kharasch regarding call regarding Plan structure and email regarding same.	0.10	1075.00	\$107.50
07/06/2020	JNP	PD	Review and respond to emails regarding litigation inserts for Disclosure Statement.	0.10	1075.00	\$107.50
07/06/2020	JNP	PD	Review spreadsheet in anticipation of call with DSI regarding Plan issues.	0.20	1075.00	\$215.00
07/06/2020	JNP	PD	Review description of Daugherty litigation for disclosure statement.	0.10	1075.00	\$107.50
07/06/2020	JNP	PD	Conference with DSI, Gregory V. Demo and Ira D. Kharasch regarding potential plan structure.	0.80	1075.00	\$860.00
07/06/2020	JNP	PD	Conference with M. Clemente regarding status and hearing.	0.20	1075.00	\$215.00
07/06/2020	JMF	PD	Review disclosure statement.	1.10	925.00	\$1,017.50
07/06/2020	GVD	PD	Revise disclosure statement re comments from PSZJ team	0.80	825.00	\$660.00
07/06/2020	GVD	PD	Review tax inserts to plan; revise same	2.00	825.00	\$1,650.00
07/06/2020	GVD	PD	Correspondence with Sidley re draft disclosure statement	0.20	825.00	\$165.00
07/06/2020	GVD	PD	Conference with B. Sharp re status of due diligence review and next steps	0.10	825.00	\$82.50
07/06/2020	GVD	PD	Attend DSI/PSZJ meeting re potential plan structures	0.90	825.00	\$742.50
07/06/2020	GVD	PD	Conference with J. Donohue re potential changes to plan structure	0.20	825.00	\$165.00
07/07/2020	IDK	PD	Attend conference call with Redeemer/Crusader legal teams, others on plan structure issues (1.3); Telephone J. Pomerantz re same (.1); E-mail G. Demo, DSI on open issues on DS (.2).	1.60	1145.00	\$1,832.00
07/07/2020	IDK	PD	E-mails with attorneys re draft correspondence to Sidley re need for its input on DS re retained actions vs Dondero, others.	0.20	1145.00	\$229.00
07/07/2020	JNP	PD	Conference with Jenner, Gibson, Wilmer Hale, Gregory V. Demo, Ira D. Kharasch and B. Sharp regarding Plan structuring issues.	1.40	1075.00	\$1,505.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/07/2020	JNP	PD	Conference with Ira D. Kharasch after call with Jenner, Gibson and Wilmer Hale regarding Plan structuring issues.	0.10	1075.00	\$107.50
07/07/2020	JNP	PD	Prepare comments regarding hearing on Plan issues.	1.00	1075.00	\$1,075.00
07/07/2020	JNP	PD	Emails regarding Committee Notice of Disclosure required of related claims.	0.10	1075.00	\$107.50
07/07/2020	JNP	PD	Email to J. Dubel regarding comments at hearing.	0.10	1075.00	\$107.50
07/07/2020	JMF	PD	Telephone call with G. Demo re disclosure statement (.2); draft voting procedures motion and ballots re same (4.7).	4.90	925.00	\$4,532.50
07/07/2020	GVD	PD	Prepare for and attend call with Redeemer Committee re potential plan structuring issues	1.50	825.00	\$1,237.50
07/07/2020	GVD	PD	Conference with J. Fried re solicitation of disclosure statement	0.20	825.00	\$165.00
07/08/2020	IDK	PD	E-mails with G. Demo re draft communications to Sidley re plan as well as re correspondence re retained actions, and also his correspondence with Sidley later today re same and Redeemer issues re plan.	0.30	1145.00	\$343.50
07/08/2020	IDK	PD	E-mails with G. Demo re revised plan, including brief review of same, and with others re feedback on next steps.	0.40	1145.00	\$458.00
07/08/2020	JNP	PD	Emails regarding Plan and claims mediation.	0.10	1075.00	\$107.50
07/08/2020	JNP	PD	Participate in hearing regarding Plan exclusivity and related issues.	1.90	1075.00	\$2,042.50
07/08/2020	JMF	PD	Draft ballots, notices and procedures re disclosure statement approval.	2.80	925.00	\$2,590.00
07/08/2020	JMF	PD	Draft contract assumption/rejection section re plan (1.0) review revised plan (.6).	1.60	925.00	\$1,480.00
07/08/2020	GVD	PD	Correspondence with Sidley re retained causes of action and next steps on the plan	0.20	825.00	\$165.00
07/08/2020	GVD	PD	Further revise and circulate draft plan	1.90	825.00	\$1,567.50
07/09/2020	IDK	PD	E-mails with attorneys re revised draft of exclusivity order (.1); E-mails with attorneys re plan structure issues re partnership issues, as well as executory contract issues (.3); E-mails with Board re new plan version and new changes summary, and need to send to UCC, including correspondence to UCC re same (.4).	0.80	1145.00	\$916.00
07/09/2020	JEO	PD	Review and revise form of exclusivity order after hearing (.4) and circulate to committee to review (.2)	0.60	925.00	\$555.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/09/2020	JMF	PD	Draft voting procedures motion, order and related pleadings.	3.30	925.00	\$3,052.50
07/09/2020	JMF	PD	Review Plan.	0.80	925.00	\$740.00
07/09/2020	GVD	PD	Review comments to the plan from J. Fried; communications with committee re same	0.30	825.00	\$247.50
07/09/2020	GVD	PD	Conference with DSI to prepare for HCMLP call on due diligence	0.30	825.00	\$247.50
07/09/2020	GVD	PD	Conference with HCMLP/DSI on plan due diligence issues	0.30	825.00	\$247.50
07/09/2020	GVD	PD	Follow up conference with DSI on plan due diligence meeting	0.20	825.00	\$165.00
07/10/2020	IDK	PD	E-mails with J. Fried re draft of voting procedure motion and brief review.	0.30	1145.00	\$343.50
07/10/2020	IDK	PD	E-mails with J. Fried re draft of voting procedure motion and brief review.	0.30	1145.00	\$343.50
07/10/2020	JNP	PD	Conference with Ira D. Kharasch regarding Plan mediation and emails regarding same.	0.30	1075.00	\$322.50
07/10/2020	JEO	PD	Follow up with committee on form of exclusivity order (.3) and finalize order and send to co-counsel for submission to court (.2)	0.50	925.00	\$462.50
07/10/2020	JMF	PD	Draft voting procedures, ballots, order and notices.	4.10	925.00	\$3,792.50
07/10/2020	LAF	PD	Legal research re: Revoting procedures.	0.50	450.00	\$225.00
07/12/2020	IDK	PD	Review of correspondence with Redeemer re need for call on plan structure.	0.20	1145.00	\$229.00
07/12/2020	GVD	PD	Correspondence with M. Hankin re plan structure issues	0.10	825.00	\$82.50
07/13/2020	JMF	PD	Review and revise ballots and DS procedures re solicitation and address G. Demo comments re same.	1.60	925.00	\$1,480.00
07/13/2020	GVD	PD	Review draft motion to approve disclosure statement; correspondence with J. Fried re same	1.50	825.00	\$1,237.50
07/14/2020	HDH	PD	Draft Draft Disclosure Statement insert regarding UBS	0.50	950.00	\$475.00
07/14/2020	JNP	PD	Conference with Gregory V. Demo regarding call with Redeemer regarding Plan issues.	0.10	1075.00	\$107.50
07/14/2020	JMF	PD	Review solicitation procedures.	1.20	925.00	\$1,110.00
07/14/2020	JMF	PD	Review revised plan.	1.10	925.00	\$1,017.50
07/14/2020	GVD	PD	Conference with M. Hankin (Jenner) re plan structure issues	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/14/2020	GVD	PD	Conference with J. Pomerantz re plan structure issues	0.10	825.00	\$82.50
07/15/2020	IDK	PD	Attend conference call with Redeemer professionals on plan structure and transferability/regulatory problems (1.1); E-mails with UCC counsel re plan status (.1); E-mails with attorneys re my issues on exculpation and debtor related releases (.4).	1.60	1145.00	\$1,832.00
07/15/2020	JNP	PD	Conference with Jenner, Gibson, Wilmer Hale, Ira D. Kharasch and Gregory V. Demo regarding Plan structuring issues.	1.20	1075.00	\$1,290.00
07/15/2020	JMF	PD	Review release provisions and outstanding issues re plan.	1.50	925.00	\$1,387.50
07/15/2020	GVD	PD	Conference with Jenner/Gibson re plan transfer issues	1.10	825.00	\$907.50
07/15/2020	GVD	PD	Revise disclosure statement re prepetition litigation	0.30	825.00	\$247.50
07/15/2020	GVD	PD	Review J. Fried comments to DS motion	0.10	825.00	\$82.50
07/15/2020	GVD	PD	Conference with B. Sharp re status of due diligence	0.20	825.00	\$165.00
07/15/2020	GVD	PD	Correspondence with A. Russel re status of plan	0.10	825.00	\$82.50
07/15/2020	GVD	PD	Follow up conference with B. Sharp re discussions on due diligence	0.20	825.00	\$165.00
07/15/2020	GVD	PD	Prepare for meeting with WilmerHale on plan issues	0.20	825.00	\$165.00
07/15/2020	GVD	PD	Conference with WilmerHale on transfer issues	0.80	825.00	\$660.00
07/16/2020	IDK	PD	E-mails re Wilmer Hale feedback on his call with Redeemer on plan structure.	0.20	1145.00	\$229.00
07/16/2020	JNP	PD	Conference with T. Silva, Gregory V. Demo and B Sharp regarding Plan structuring issues.	0.30	1075.00	\$322.50
07/16/2020	JMF	PD	Review plan and issues re releases.	0.80	925.00	\$740.00
07/16/2020	GVD	PD	Correspondence with J. Donohue re RFP process	0.10	825.00	\$82.50
07/16/2020	GVD	PD	Conference with J. Pomerantz and T. Silva re regulatory issues on plan	0.30	825.00	\$247.50
07/16/2020	GVD	PD	Correspondence with T. Silva re follow up to conference with Gibson Dunn	0.20	825.00	\$165.00
07/17/2020	IDK	PD	E-mails to UCC counsel re plan status.	0.10	1145.00	\$114.50
07/17/2020	JMF	PD	Review voting procedures and issues and timing re treatment of assumed/rejected contracts.	0.70	925.00	\$647.50
07/17/2020	GVD	PD	Correspondence re revisions to plan	0.10	825.00	\$82.50
07/20/2020	IDK	PD	E-mail to G. Demo re his summary of new revisions to plan in light of UCC comments, including brief	0.70	1145.00	\$801.50

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			review of plan (.5); E-mail to J. Fried re his list of comments to same (.2).			
07/20/2020	JMF	PD	Review committee markup to plan and draft comments and edits to same.	2.20	925.00	\$2,035.00
07/20/2020	GVD	PD	Review comments to plan from Committee and revise same; correspondence with PSZJ team re same	4.20	825.00	\$3,465.00
07/20/2020	GVD	PD	Review revisions to plan from J. Fried; correspondence re same	1.10	825.00	\$907.50
07/21/2020	IDK	PD	E-mails with Silva, G Demo re Redeemer memo on alteration of plan structure on trusts re transferability issues, including brief review of same.	0.40	1145.00	\$458.00
07/21/2020	GVD	PD	Conference with T. Silva re discussions with Gibson and next steps	0.30	825.00	\$247.50
07/21/2020	GVD	PD	Conference with T. Silva re status of regulatory analysis re plan structure	0.50	825.00	\$412.50
07/21/2020	GVD	PD	Review comments to plan from J. Donohue	0.20	825.00	\$165.00
07/21/2020	GVD	PD	Conversations with J. Romey re status of exhibits to plan	0.30	825.00	\$247.50
07/21/2020	GVD	PD	Correspondence with B. Sharp re status of diligence items for plan	0.20	825.00	\$165.00
07/21/2020	GVD	PD	Draft outline of issues re governing documents; correspondence with WilmerHale re same	1.80	825.00	\$1,485.00
07/21/2020	GVD	PD	Review Gibson revisions to plan structure; multiple correspondences with T. Silva re same	0.40	825.00	\$330.00
07/22/2020	IDK	PD	E-mails with J. Pomerantz re concern about incorrect docket item on motion to extend exclusivity.	0.20	1145.00	\$229.00
07/22/2020	IDK	PD	E-mails with G Demo re his draft memo to Redeemer re Wilmer Hale feedback on plan structure issues, including review of Wilmer Hale's analysis of same (.4); Review of G Demo memo to Board re numerous open items on Plan and plan structure issues & transferability issues (.3).	0.70	1145.00	\$801.50
07/22/2020	JMF	PD	Analyze plan implementation issues re post confirmation structure.	1.10	925.00	\$1,017.50
07/22/2020	GVD	PD	Conference with J. Dubel re mediation notice; revise notice re same	0.30	825.00	\$247.50
07/22/2020	GVD	PD	Conference with S. Ellington and DSI re status of diligence	0.10	825.00	\$82.50
07/22/2020	GVD	PD	Correspondence with Gibson re plan proposal	0.10	825.00	\$82.50

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07/22/2020	GVD	PD	Correspondence with board re status of revisions to plan and next steps	0.40	825.00	\$330.00
07/22/2020	GVD	PD	Review proposal re plan structure; correspondence with PSZJ re same	0.80	825.00	\$660.00
07/22/2020	GVD	PD	Review revisions to proposal on plan structure from T. Silva	0.20	825.00	\$165.00
07/22/2020	GVD	PD	Review proposed revisions to stockholder agreement from Jenner	0.30	825.00	\$247.50
07/23/2020	JMF	PD	Review plan and conforming disclosure statement edits	0.80	925.00	\$740.00
07/23/2020	JMF	PD	Analyze issues post confirmation interest rate in 5th Circuit	0.50	925.00	\$462.50
07/24/2020	JMF	PD	Review plan and disclosure statement edits.	0.70	925.00	\$647.50
07/24/2020	GVD	PD	Review and revise disclosure statement	1.00	825.00	\$825.00
07/27/2020	JMF	PD	Review voting procedures re updated DS and plan edits.	0.80	925.00	\$740.00
07/27/2020	GVD	PD	Review presentation on fund structures re plan implementation	0.10	825.00	\$82.50
07/28/2020	IDK	PD	E-mails re Wilmer Hale declaration on plan and related changes to partnership agreements, including with Board (.2); E-mails with Redeemer group on plan structure and coordinate call (.1); E-mail with CEO, G. Demo re same and decision issues re same (.1).	0.40	1145.00	\$458.00
07/28/2020	IDK	PD	E-mail J. Fried re issues on 3rd party releases in 5th circuit, and brief review of material on same (.3); E-mails with J. Pomerantz re 3rd party release issues (.2); Review of correspondence with Sidley on our latest plan draft, including brief review of redline, and Sidley's feedback on 3rd party release (.4).	0.90	1145.00	\$1,030.50
07/28/2020	JNP	PD	Review email from S. Ellington regarding Plan structures.	0.10	1075.00	\$107.50
07/28/2020	JNP	PD	Review email regarding Plan releases and emails with Ira D. Kharasch regarding same.	0.20	1075.00	\$215.00
07/28/2020	JMF	PD	Research re third party release issues re plan.	2.10	925.00	\$1,942.50
07/28/2020	JMF	PD	Review voting procedure (.5) follow up with P Leathem at KCC re electronic voting procedures.	0.50	925.00	\$462.50
07/28/2020	GVD	PD	Revise plan re comments from J. Seery; correspondence with Committee re same	1.20	825.00	\$990.00
07/28/2020	GVD	PD	Conference with J. Seery and J. Romey re revisions to plan and next steps	1.00	825.00	\$825.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/28/2020	GVD	PD	Review presentation from WilmerHale re governance and structural issues	0.60	825.00	\$495.00
07/28/2020	GVD	PD	Correspondence with Redeemer re potential plan structure issues	0.10	825.00	\$82.50
07/29/2020	IDK	PD	E-mails with Redeemer committee and Crusader professionals re plan structure issues and need for further call next week.	0.20	1145.00	\$229.00
07/29/2020	IDK	PD	Numerous e-mails with J. Pomerantz re UCC and release issues, what is provided in plan, and next steps (.4); E-mails with G. Demo re same re releases and potential re 3rd party or debtor releases, and relevant language in plan (.3); E-mails with UCC counsel re its latest plan revisions and its view of need for call with clients to resolve disputed concepts (.4); E-mails with UCC counsel, others on coordination of call this weekend re same (.2).	1.30	1145.00	\$1,488.50
07/29/2020	JNP	PD	Emails with Ira D. Kharasch regarding Plan releases.	0.10	1075.00	\$107.50
07/29/2020	GVD	PD	Multiple correspondence with A. Russell re plan issues	0.30	825.00	\$247.50
07/29/2020	GVD	PD	Conference with DSI re asset analysis for plan	0.40	825.00	\$330.00
07/29/2020	GVD	PD	Attend to matters re scheduling of plan calls	0.20	825.00	\$165.00
07/30/2020	IDK	PD	E-mails with CEO, Wilmer Hale, others re coordination of call next week on governance issues on plan.	0.20	1145.00	\$229.00
07/31/2020	IDK	PD	E-mails with UCC counsel, G. Demo re upcoming call (.1); Attend conference call with UCC counsel on plan open issues and concerns of UCC re same (.8).	0.90	1145.00	\$1,030.50
07/31/2020	JNP	PD	Conference with Gregory V. Demo regarding outstanding Plan issues.	0.30	1075.00	\$322.50
07/31/2020	JMF	PD	Review solicitation procedures re KCC initial comments	0.30	925.00	\$277.50
07/31/2020	GVD	PD	Prepare for and attend meeting with Committee counsel and I. Kharasch re plan issues	0.80	825.00	\$660.00
07/31/2020	GVD	PD	Conference with J. Romey re structure of presentation for all hands meeting	0.30	825.00	\$247.50
				99.90		\$93,328.50
Ret. of Prof./Other						
07/01/2020	KKY	RPO	Draft notice re OCP monthly statement (May 2020)	0.10	425.00	\$42.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/16/2020	JNP	RPO	Review footnote to reply motion regarding Hunton retention.	0.10	1075.00	\$107.50
07/16/2020	JNP	RPO	Email to Board regarding Hunton retention issues.	0.10	1075.00	\$107.50
07/16/2020	GVD	RPO	Draft insert to objection re Hunton issues	0.70	825.00	\$577.50
07/16/2020	GVD	RPO	Conference with J. Pomerantz about Hunton issues	0.10	825.00	\$82.50
07/16/2020	GVD	RPO	Conference with Hunton re potential disclosure issues	0.20	825.00	\$165.00
07/17/2020	GVD	RPO	Review supplemental declaration re HuntonAK retention	0.30	825.00	\$247.50
07/17/2020	GVD	RPO	Review revisions to insert to objection from HuntonAK	0.30	825.00	\$247.50
07/29/2020	JNP	RPO	Email to and from J. Bienstock regarding PWC retention issues.	0.10	1075.00	\$107.50
07/30/2020	GVD	RPO	Conference with PWC re retention issues	0.40	825.00	\$330.00
07/30/2020	GVD	RPO	Follow up with DSI re PWC retention emails	0.10	825.00	\$82.50
				2.50		\$2,097.50

Stay Litigation [B140]

06/02/2020	AJK	SL	Review revised opposition to stay relief motion.	1.40	1145.00	\$1,603.00
07/15/2020	JNP	SL	Review letter from Hunton regarding Next Bank and emails regarding same.	0.20	1075.00	\$215.00
07/15/2020	GVD	SL	Revise outline for mediation re comments from I. Kharasch and J. Pomerantz	0.40	825.00	\$330.00
07/16/2020	IDK	SL	E-mails re NextBank correspondence re its notice of termination of shared services and re discovery issues, and feedback on same and potential stay violation.	0.40	1145.00	\$458.00
07/16/2020	JNP	SL	Review purported termination of shared service agreements.	0.10	1075.00	\$107.50
07/16/2020	GVD	SL	Review termination letter; correspondence re same	0.20	825.00	\$165.00
07/17/2020	JNP	SL	Review draft of letter to Next Bank regarding violation of stay..	0.10	1075.00	\$107.50
07/17/2020	GVD	SL	Draft response to purported termination letter	1.40	825.00	\$1,155.00
07/18/2020	IDK	SL	Review of correspondence with CEO, G. Demo on response to NextBank notice of termination and revisions to our response re same.	0.30	1145.00	\$343.50
07/18/2020	GVD	SL	Review revisions to NexBank violation letters from J. Seery	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/19/2020	GVD	SL	Revise and circulate letter re violation of automatic stay	1.00	825.00	\$825.00
07/20/2020	IDK	SL	E-mails with G. Demo re his draft response to NextBank re its violation of stay, including feedback from Board (.3); E-mails with attorneys re same and re NextBank's counsel's feedback on backing off threat of termination of contracts (.2); E-mails with attorneys re NextBank withdrawal of termination and its next steps, and summary of call with NextBank's counsels (.2).	0.70	1145.00	\$801.50
07/20/2020	GVD	SL	Review correspondence from NexBank re automatic stay issues	0.20	825.00	\$165.00
07/20/2020	GVD	SL	Conference with counsel to NexBank and J. Morris; follow up re same	0.40	825.00	\$330.00
07/23/2020	IDK	SL	Review of correspondence from CRO re communications with NextBank re its attempt to terminate contracts.	0.10	1145.00	\$114.50
				<u>7.10</u>		<u>\$6,885.50</u>

TOTAL SERVICES FOR THIS MATTER:

\$739,976.00

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Expenses

05/29/2020	FE	Federal Express [E108]	61.30
06/01/2020	CC	Conference Call [E105] AT&T Conference Call, EAW	5.64
06/01/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	10.04
06/01/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	8.01
06/04/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	8.04
06/04/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	1.48
06/05/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	5.86
06/08/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	2.79
06/08/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	7.58
06/11/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	2.02
06/11/2020	LV	Legal Vision Atty/Mess. Service- Inv. 50932, From PSZJ L.A. office to AJK resident, AJK	60.00
06/12/2020	CC	Conference Call [E105] AT&T Conference Call, EAW	3.47
06/15/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	1.98
06/15/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	2.40
06/15/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	17.85
06/16/2020	CC	Conference Call [E105] AT&T Conference Call, IDK	1.77
06/16/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	4.50

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06/29/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	12.42
06/30/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	3.45
07/01/2020	RE	(10 @0.10 PER PG)	1.00
07/02/2020	RE	(1 @0.10 PER PG)	0.10
07/02/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
07/02/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
07/02/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
07/02/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
07/02/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
07/03/2020	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
07/05/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
07/06/2020	RE	(19 @0.10 PER PG)	1.90
07/06/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
07/07/2020	LN	36027.00002 Lexis Charges for 07-07-20	8.73
07/07/2020	RE	(1 @0.10 PER PG)	0.10
07/07/2020	RE2	SCAN/COPY (90 @0.10 PER PG)	9.00
07/07/2020	RE2	SCAN/COPY (62 @0.10 PER PG)	6.20
07/07/2020	RE2	SCAN/COPY (168 @0.10 PER PG)	16.80

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07/07/2020	RE2	SCAN/COPY (91 @0.10 PER PG)	9.10
07/07/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
07/08/2020	CC	Conference Call [E105] CourtCall Debit Ledger 07/01/20 - 07/31/20, GVD	48.75
07/08/2020	LN	36027.00002 Lexis Charges for 07-08-20	8.73
07/08/2020	RE	(18 @0.10 PER PG)	1.80
07/08/2020	RE2	SCAN/COPY (79 @0.10 PER PG)	7.90
07/08/2020	RE2	SCAN/COPY (61 @0.10 PER PG)	6.10
07/08/2020	RE2	SCAN/COPY (81 @0.10 PER PG)	8.10
07/08/2020	RE2	SCAN/COPY (95 @0.10 PER PG)	9.50
07/08/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
07/08/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
07/08/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
07/09/2020	RE	(8 @0.10 PER PG)	0.80
07/09/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
07/10/2020	RE	(1 @0.10 PER PG)	0.10
07/10/2020	RE	(3 @0.10 PER PG)	0.30
07/10/2020	RE	(1 @0.10 PER PG)	0.10
07/10/2020	RE2	SCAN/COPY (89 @0.10 PER PG)	8.90

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07/10/2020	RE2	SCAN/COPY (96 @0.10 PER PG)	9.60
07/10/2020	RE2	SCAN/COPY (83 @0.10 PER PG)	8.30
07/10/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
07/13/2020	RE	(1 @0.10 PER PG)	0.10
07/13/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
07/13/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
07/14/2020	CC	Conference Call [E105] CourtCall Debit Ledger 07/01/20 - 07/31/20, GVD	85.50
07/14/2020	RE	(34 @0.10 PER PG)	3.40
07/14/2020	RE2	SCAN/COPY (95 @0.10 PER PG)	9.50
07/14/2020	RE2	SCAN/COPY (98 @0.10 PER PG)	9.80
07/14/2020	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
07/15/2020	RE	(12 @0.10 PER PG)	1.20
07/15/2020	RE	(1 @0.10 PER PG)	0.10
07/15/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
07/15/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
07/16/2020	RE	(8 @0.10 PER PG)	0.80
07/16/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
07/16/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00

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07/16/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
07/16/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
07/16/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
07/16/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
07/16/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
07/16/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
07/16/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
07/16/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
07/16/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
07/16/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
07/16/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
07/16/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
07/16/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
07/16/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
07/17/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
07/17/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
07/17/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
07/17/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60

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07/17/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
07/17/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
07/20/2020	RE	(113 @0.10 PER PG)	11.30
07/20/2020	RE2	SCAN/COPY (65 @0.10 PER PG)	6.50
07/20/2020	RE2	SCAN/COPY (50 @0.10 PER PG)	5.00
07/20/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
07/20/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
07/20/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
07/20/2020	RE2	SCAN/COPY (97 @0.10 PER PG)	9.70
07/20/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
07/20/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
07/20/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
07/20/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
07/20/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
07/20/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
07/20/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
07/20/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
07/20/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50

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07/20/2020	RE2	SCAN/COPY (17 @0.10 PER PG)	1.70
07/20/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
07/20/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
07/21/2020	CC	Conference Call [E105] CourtCall Debit Ledger 07/01/20 - 07/31/20, GVD	96.00
07/21/2020	RE	(19 @0.10 PER PG)	1.90
07/21/2020	RE	(1 @0.10 PER PG)	0.10
07/21/2020	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
07/22/2020	RE	(1 @0.10 PER PG)	0.10
07/22/2020	RE	(23 @0.10 PER PG)	2.30
07/22/2020	RE2	SCAN/COPY (98 @0.10 PER PG)	9.80
07/23/2020	RE	(11 @0.10 PER PG)	1.10
07/23/2020	RE	(1 @0.10 PER PG)	0.10
07/23/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
07/23/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
07/23/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
07/23/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
07/23/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
07/24/2020	RE	(4 @0.10 PER PG)	0.40

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07/24/2020	RE	(6 @0.10 PER PG)	0.60
07/24/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
07/24/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
07/24/2020	RE2	SCAN/COPY (9 @0.10 PER PG)	0.90
07/24/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
07/25/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
07/27/2020	BB	36027.00002 Bloomberg Charges for 08-06-20	44.40
07/27/2020	RE	(1 @0.10 PER PG)	0.10
07/27/2020	RE	(4 @0.10 PER PG)	0.40
07/27/2020	RE2	SCAN/COPY (114 @0.10 PER PG)	11.40
07/27/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
07/27/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
07/27/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
07/27/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
07/27/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
07/27/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
07/27/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
07/28/2020	LN	36027.00002 Lexis Charges for 07-28-20	9.21

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07/29/2020	RE2	SCAN/COPY (63 @0.10 PER PG)	6.30
07/30/2020	RE	(12 @0.10 PER PG)	1.20
07/31/2020	PAC	Pacer - Court Research	395.30
07/31/2020	RE	(27 @0.10 PER PG)	2.70
Total Expenses for this Matter			\$1,189.12

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REMITTANCE ADVICE

Please include this Remittance with your payment

For current services rendered through: 07/31/2020

Total Fees **\$739,976.00**

Total Expenses **1,189.12**

Total Due on Current Invoice **\$741,165.12**

Outstanding Balance from prior invoices as of 07/31/2020 (May not include recent payments)

<u>A/R Bill Number</u>	<u>Invoice Date</u>	<u>Fees Billed</u>	<u>Expenses Billed</u>	<u>Balance Due</u>
124837	04/30/2020	\$1,113,522.50	\$5,963.16	\$222,677.50
125107	05/31/2020	\$803,509.50	\$4,372.94	\$160,701.90
125290	06/30/2020	\$818,786.50	\$3,205.81	\$821,992.31

Total Amount Due on Current and Prior Invoices: **\$1,946,536.83**

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EXHIBIT C

(Proposed Order)

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§
§
§
§
§
§

Chapter 11

Case No. 19-34054-sgj11

**ORDER GRANTING SECOND INTERIM APPLICATION FOR COMPENSATION
AND REIMBURSEMENT OF EXPENSES OF PACHULSKI STANG ZIEHL & JONES
LLP, AS COUNSEL FOR THE DEBTOR AND DEBTOR IN POSSESSION, FOR THE
PERIOD FROM APRIL 1, 2020 THROUGH JULY 31, 2020**

Upon consideration of the application (“Application”)² of Pachulski Stang Ziehl
& Jones LLP (“PSZ&J”) for allowance of compensation for professional services rendered in
the above-captioned case during the period from April 1, 2020 through July 31, 2020 (the
“Compensation Period”), it is **HEREBY ORDERED THAT:**

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

² Capitalized terms used, but not otherwise defined herein, shall have the meanings ascribed to them in the Application.

1. PSZ&J is granted interim allowance of compensation in the amount of \$3,475,794.50 for the Compensation Period.
2. PSZ&J is granted interim allowance of reimbursement for expenses incurred in the amount of \$12,205.15 for the Compensation Period.
3. The Debtor is authorized and directed to remit payment to PSZ&J of such allowed compensation and expense reimbursement amounts totaling \$2,199,670.83, less any and all amounts previously paid on account of such fees and expenses.
4. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

###END OF ORDER###

EXHIBIT D

BUDGET AND STAFFING PLAN

PROJECT CATEGORY	HOURS BUDGETED	FEES BUDGETED	HOURS BILLED	FEES SOUGHT
Asset Analysis/ Recovery	260.00	\$ 225,000.00	262.70	\$ 233,757.50
Bankruptcy Litigation	550.00	\$ 500,000.00	545.40	\$ 510,875.00
Case Administration	200.00	\$ 145,000.00	209.20	\$ 163,525.00
Claims Administration/ Objection	1200.00	\$1,000,000.00	1219.20	\$1,172,004.50
Compensation of Professionals	50.00	\$ 35,000.00	49.40	\$ 36,955.00
Compensation of Professionals/ Other	40.00	\$ 25,000.00	39.00	\$ 29,810.00
Employee Benefits/ Pension	100.00	\$ 90,000.00	102.40	\$ 97,705.50
Executory Contracts	5.00	\$ 2,500.00	5.10	\$ 4,677.50
Financial Filings	5.00	\$ 2,500.00	4.60	\$ 4,170.00
General Business Advice	370.00	\$ 350,000.00	380.10	\$ 390,861.50
General Creditors' Committee	40.00	\$ 35,000.00	36.80	\$ 37,362.00
Mediation	70.00	\$ 60,000.00	63.00	\$ 59,975.00
Operations	0.00	\$ 0.00	1.70	\$ 1,829.50
Plan & Disclosure Statement	340.00	\$ 325,000.00	320.00	\$ 294,376.50
Retention of Professionals/ Other	65.00	\$ 50,000.00	67.10	\$ 58,974.00
Stay Litigation	400.00	\$ 350,000.00	398.60	\$ 373,218.50
Tax Issues	5.00	\$ 5,000.00	5.90	\$ 5,717.50
Total	3,700.00	\$3,200,000.00	3,710.20	\$3,475,794.50

Case Name: Highland Capital Management, L.P.
Case Number: 19-34054-sg11
Applicant's Name: Pachulski Stang Ziehl & Jones LLP
Date of Application: 08/19/20
Interim or Final: Interim

BUDGET AND STAFFING PLAN

If the parties consent or the court so directs, a staffing plan approved by the client in advance should generally be attached to each interim and final fee application filed by the applicant. If the fees are sought in the fee application for a greater number of professionals than identified in the staffing plan, the fee application should explain the variance.

	CATEGORY OF TIMEKEEPER 1 (using categories maintained by the firm)	NUMBER OF TIMEKEEPERS EXPECTED TO WORK ON THE MATTER DURING THE BUDGET PERIOD	AVERAGE HOURLY RATE
	Sr./Equity Partner/Shareholder	14	\$1,074.64
	Of Counsel	6	\$849.58
	Associate (4-6 years since first admission)	1	\$625.00
	Law Library Director	1	\$450.00
	Paralegal	3	\$425.00
	Case Management Assistants	3	\$350.00
1 As an alternative, firms can identify attorney timekeepers by years of experience rather than category of attorney timekeeper: 0-3, 4-7, 8-14, and 15+. Non-attorney timekeepers, such as paralegals, should be identified by category.			

Case Name:	Highland Capital Management, L.P.
Case Number:	19-34054-sgj11
Applicant's Name:	Pachulski Stang Ziehl & Jones LLP
Date of Application:	08/19/20
Interim or Final:	Interim

EXHIBIT E**CUSTOMARY AND COMPARABLE COMPENSATION DISCLOSURES WITH FEE APPLICATIONS**

(See Guidelines C.3. for definitions of terms used in this Exhibit.)

	CATEGORY OF TIMEKEEPER (using categories already maintained by the firm)	BLENDED HOURLY RATE	
		BILLED OR COLLECTED Firm or offices for preceding year, excluding bankruptcy*	BILLED In this fee application
	Sr./Equity Partner/Shareholder	\$1,025.00	\$1,074.64
	Of Counsel	\$825.00	\$849.58
	Associate (4-6 years since first admission)	\$675.00	\$625.00
	Law Library Director	\$450.00	\$450.00
	Paralegal	\$450.00	\$425.00
	Case Management Assistants	\$300.00	\$350.00
	All timekeepers aggregated		\$936.82

* Represents approximate blended hourly rate. Non-estate work for PSZ&J represents a de minimis amount of the Firm's revenues as the Firm's engagements are primarily on behalf of debtors, official committees, and other estate-billed constituencies. For the fiscal year ending 2018, non-estate work represented approximately 2-3% of the Firm's revenues. In 2019, non-estate work represented approximately 4-5% of the Firm's revenues, and in 2020, it is expected that non-estate work will represent approximately 4-5% of the Firm's revenues.

**Represents an estimate for the aggregate blended hourly rate for all timekeepers on non-estate work.

Case Name:	Highland Capital Management, L.P.
Case Number:	19-34054-sg11
Applicant's Name:	Pachulski Stang Ziehl & Jones LLP
Date of Application:	08/19/20
Interim or Final:	Interim



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

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

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

Signed August 21, 2020


United States Bankruptcy Judge

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

)
) Chapter 11
)

)
) Case No. 19-34054-sgj11
)
)
)
)

**AGREED SCHEDULING ORDER
REGARDING OBJECTIONS TO PROOF OF CLAIM OF ACIS CAPITAL
MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP, LLC**

On August 19, 2020, the Court held a status conference (the "Status Conference") on the *Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC* [Docket No. 771] (the "Debtor's Objection") filed by Highland Capital Management, L.P. (the "Debtor"), the debtor and debtor-in-possession in the above-captioned bankruptcy case (the "Bankruptcy Case"). Through the Debtor's Objection, the Debtor has objected to Proof of

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

Claim No. 3 (the “Acis Claim”) filed by claimants Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively, “Acis”) in the Bankruptcy Case. Subsequent to the filing of the Debtor’s Objection, James Dondero (“Dondero”) filed *James Dondero’s (i) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (ii) Joinder in Support of Highland Capital Management, L.P.’s Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC* [Docket No. 827] (the “Dondero Objection”), and UBS Securities LLC and UBS AG, London Branch (collectively, “UBS”, and collectively with the Debtor, Acis, and Dondero, the “Parties”) filed the *UBS (i) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC and (ii) Joinder in the Debtor’s Objection* [Docket No. 891] (the “UBS Objection”, and collectively with the Dondero Objection and the Debtor Objection, the “Claim Objections”). In response to the Claim Objections, Acis filed the *Omnibus Response to Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC* [Docket No. 908] (the “Acis Response”). At the Status Conference, the Parties’ respective counsel discussed with the Court the terms of a proposed scheduling order governing the filing and litigation of certain dispositive motions related to the Claim Objections, the terms of which are set forth in this Order (the “Scheduling Order”) and have been agreed to by the Parties as evidenced by the signatures of the Parties’ respective counsel as set forth below. Based on the agreement of the Parties, the Court finds there is good cause to enter this Scheduling Order. It is therefore **ORDERED** that:

1. On or before September 16, 2020, both the Debtor and Acis shall file with the Court their respective motions for summary judgment (each, a “Summary Judgment Motion”), if any, on the Debtor’s Objection to the Acis Claim.

2. Any of the Parties—including both UBS and Dondero—may file a response (each, a “Summary Judgment Response”), if any, to a Summary Judgment Motion no later than 21 days after the date the Summary Judgment Motion is filed with the Court.

3. Except as otherwise expressly stated in this Scheduling Order, any Summary Judgment Motion or Summary Judgment Response filed with the Court must comply with the deadlines, requirements, and limitations set forth in the applicable Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas (the “Local Rules”).

4. The Court will hold a hearing on any timely filed Summary Judgment Motion and Summary Judgment Response on **Tuesday, October 20, 2020 at 9:30 a.m. (Central Time)**.

5. The Court shall retain jurisdiction over all matters arising from or related to the interpretation or implementation of this Scheduling Order.

###End of Order###

AGREED AS TO FORM, ENTRY, AND SUBSTANCE:

**PACHULSKI STANG ZIEHL & JONES
LLP**

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*Counsel for Acis Capital Management,
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LLC*

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

)
) Chapter 11
)
) Case No. 19-34054-sgj11
)
)
)
)

**FIRST AMENDED PLAN OF REORGANIZATION OF HIGHLAND
CAPITAL MANAGEMENT, L.P.**

PACHULSKI STANG ZIEHL & JONES LLP

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Counsel for the Debtor and Debtor-in-Possession

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

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DEBTOR'S CHAPTER 11 PLAN OF REORGANIZATION

HIGHLAND CAPITAL MANAGEMENT, L.P., as debtor and debtor-in-possession in the above-captioned case (the “Debtor”), proposes the following chapter 11 plan of reorganization (the “Plan”) for, among other things, the resolution of the outstanding Claims against, and Equity Interests in, the Debtor. Unless otherwise noted, capitalized terms used in this Plan have the meanings set forth in Article I of this Plan. The Debtor is the proponent of this Plan within the meaning of section 1129 of the Bankruptcy Code.

Reference is made to the Disclosure Statement (as such term is defined herein and distributed contemporaneously herewith) for a discussion of the Debtor's history, business, results of operations, historical financial information, projections and assets, and for a summary and analysis of this Plan and the treatment provided for herein. There also are other agreements and documents that may be Filed with the Bankruptcy Court that are referenced in this Plan or the Disclosure Statement as Exhibits and Plan Documents. All such Exhibits and Plan Documents are incorporated into and are a part of this Plan as if set forth in full herein. Subject to the other provisions of this Plan, and in accordance with the requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, the Debtor reserves the right to alter, amend, modify, revoke, or withdraw this Plan prior to the Effective Date.

If this Plan cannot be confirmed, for any reason, then subject to the terms set forth herein, this Plan may be revoked.

ARTICLE I. **RULES OF INTERPRETATION, COMPUTATION OF TIME,** **GOVERNING LAW AND DEFINED TERMS**

A. Rules of Interpretation, Computation of Time and Governing Law

For purposes hereof: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter gender; (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document, as previously amended, modified or supplemented, if applicable, shall be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document or exhibit having been Filed or to be Filed shall mean that document or exhibit, as it may thereafter be amended, modified or supplemented in accordance with its terms; (d) unless otherwise specified, all references herein to “Articles,” “Sections,” “Exhibits” and “Plan Documents” are references to Articles, Sections, Exhibits and Plan Documents hereof or hereto; (e) unless otherwise stated, the words “herein,” “hereof,” “hereunder” and “hereto” refer to this Plan in its entirety rather than to a particular portion of this Plan; (f) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (g) any reference to an Entity as a Holder of a Claim or Equity Interest includes such Entity's successors and assigns;

(h) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (i) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; and (j) “\$” or “dollars” means Dollars in lawful currency of the United States of America. The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein.

B. Defined Terms

Unless the context otherwise requires, the following terms shall have the following meanings when used in capitalized form herein:

1. “*Acis*” means collectively Acis Capital Management, L.P. and Acis Capital Management GP, LLP.

2. “*Administrative Expense Claim*” means any Claim for costs and expenses of administration of the Chapter 11 Case that is Allowed pursuant to sections 503(b), 507(a)(2), 507(b) or 1114(2) of the Bankruptcy Code, including, without limitation, (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estate and operating the business of the Debtor; and (b) all fees and charges assessed against the Estate pursuant to sections 1911 through 1930 of chapter 123 of title 28 of the United States Code, and that have not already been paid by the Debtor during the Chapter 11 Case and a Professional Fee Claim.

3. “*Administrative Expense Claims Bar Date*” means, with respect to any Administrative Expense Claim (other than a Professional Fee Claim) becoming due on or prior to the Effective Date, on [REDACTED] at 5:00 p.m. (prevailing Central Time).

4. “*Administrative Expense Claims Objection Deadline*” means, with respect to any Administrative Expense Claim, the later of (a) ninety (90) days after the Effective Date and (b) sixty (60) days after the timely Filing of the applicable request for payment of such Administrative Expense Claim; *provided, however*, that the Administrative Expense Claims Objection Deadline may be extended by the Bankruptcy Court upon a motion by the Claimant Trustee.

5. “*Affiliate*” means an “affiliate” as defined in section 101(2) of the Bankruptcy Code and also includes any other Entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such affiliate. For the purposes of this definition, the term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

6. “*Allowed*” means, with respect to any Claim, except as otherwise provided in the Plan: (a) any Claim that is evidenced by a Proof of Claim that has been timely Filed by the Bar Date, or that is not required to be evidenced by a Filed Proof of Claim under the Bankruptcy Code or a Final Order; (b) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed and for which no Proof of Claim has been timely filed; (c) a

Claim Allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; or (d) a Claim that is not Disputed (including for which a Proof of Claim has been timely filed in a liquidated and noncontingent amount that has not been objected to by the Claims Objection Deadline or as to which any such objection has been overruled by Final Order); *provided, however*, that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that, with respect to such Claim, no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim shall have been Allowed by a Final Order.

7. “*Allowed Claim or Equity Interest*” means a Claim or an Equity Interest of the type that has been Allowed.

8. “*Assets*” means all of the rights, titles, and interest of the Debtor, Reorganized Debtor, or Claimant Trust, in and to property of whatever type or nature, including, without limitation, real, personal, mixed, intellectual, tangible, and intangible property, the Debtor’s books and records, and the Causes of Action.

9. “*Available Cash*” means any Cash in excess of the amount needed for the Claimant Trust and Reorganized Debtor to maintain business operations as determined in the sole discretion of the Claimant Trustee.

10. “*Avoidance Actions*” means any and all avoidance, recovery, subordination or other actions or remedies that may be brought by and on behalf of the Debtor or its Estate under the Bankruptcy Code or applicable nonbankruptcy law, including, without limitation, actions or remedies arising under sections 502, 510, 544, 545, and 547-553 of the Bankruptcy Code or under similar state or federal statutes and common law, including fraudulent transfer laws

11. “*Ballot*” means the form(s) distributed to holders of Impaired Claims or Equity Interests entitled to vote on the Plan on which to indicate their acceptance or rejection of the Plan.

12. “*Bankruptcy Code*” means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended from time to time and as applicable to the Chapter 11 Case.

13. “*Bankruptcy Court*” means the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, or any other court having jurisdiction over the Chapter 11 Case.

14. “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, in each case as amended from time to time and as applicable to the Chapter 11 Case.

15. “*Bar Date*” means the applicable deadlines set by the Bankruptcy Court for the filing of Proofs of Claim against the Debtor as set forth in the Bar Date Order, which deadlines may be or have been extended for certain Claimants by order of the Bankruptcy Court.

16. “*Bar Date Order*” means the *Order (I) Establishing Bar Dates for Filing Proofs of Claim and (II) Approving the Form and Manner of Notice Thereof* [D.I. 488].

17. “*Business Day*” means any day, other than a Saturday, Sunday or “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

18. “*Cash*” means the legal tender of the United States of America or the equivalent thereof.

19. “*Causes of Action*” means any action, claim, cross-claim, third-party claim, cause of action, controversy, demand, right, Lien, indemnity, contribution, guaranty, suit, obligation, liability, debt, damage, judgment, account, defense, remedy, offset, power, privilege, license and franchise of any kind or character whatsoever, in each case whether known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, secured or unsecured, assertable directly or derivatively (including, without limitation, under alter ego theories), whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity or pursuant to any other theory of law. For the avoidance of doubt, Cause of Action includes, without limitation,: (a) any right of setoff, counterclaim or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity; (b) the right to object to Claims or Equity Interests; (c) any claim pursuant to section 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; (e) any claims under any state or foreign law, including, without limitation, any fraudulent transfer or similar claims; (f) the Avoidance Actions, and (g) the Estate Claims. The Causes of Action include, without limitation, the Causes of Action belonging to the Debtor’s Estate listed on the schedule of Causes of Action to be filed with the Plan Supplement.

20. “*CEO/CRO*” means James P. Seery, Jr., the Debtor’s chief executive officer and chief restructuring officer.

21. “*Chapter 11 Case*” means the Debtor’s case under chapter 11 of the Bankruptcy Code commenced on the Petition Date in the Delaware Bankruptcy Court and transferred to the Bankruptcy Court on December 4, 2019, and styled *In re Highland Capital Management, L.P.*, Case No. 19-34054-sgj-11.

22. “*Claim*” means any “claim” against the Debtor as defined in section 101(5) of the Bankruptcy Code.

23. “*Claims Objection Deadline*” means the date that is 180 days after the Confirmation Date; *provided, however*, the Claims Objection Deadline may be extended by the Bankruptcy Court upon a motion by the Claimant Trustee.

24. “*Claimant Trust*” means the trust established for the benefit of the Claimant Trust Beneficiaries on the Effective Date in accordance with the terms of this Plan and the Claimant Trust Agreement.

25. “*Claimant Trust Agreement*” means the agreement Filed in the Plan Supplement establishing and delineating the terms and conditions of the Claimant Trust.

26. “*Claimant Trust Assets*” means (i) all Assets of the Estate other than the Reorganized Debtor Assets, including, but not limited to, the Causes of Action, Available Cash, any proceeds realized or received from such Assets, all rights of setoff, recoupment, and other defenses with respect, relating to, or arising from such Assets, (ii) any Assets received from the Reorganized Debtor on or after the Effective Date, (iii) the limited partnership interests in the Reorganized Debtor, and (iv) the ownership interests in New GP LLC.

27. “*Claimant Trust Beneficiaries*” means the Holders of Allowed General Unsecured Claims, Holders of Allowed Subordinated Claims, and, only upon certification by the Claimant Trustee that the Holders of such Claims have been paid indefeasibly in full plus, to the extent applicable, post-petition interest at the federal judgment rate in accordance with the terms and conditions set forth in the Claimant Trust Agreement, Holders of Allowed Class B/C Limited Partnership Interests, and Holders of Allowed Class A Limited Partnership Interests.

28. “*Claimant Trustee*” means James P. Seery, Jr., the Debtor’s chief executive officer and chief restructuring officer, or such other Person identified in the Plan Supplement who will act as the trustee of the Claimant Trust in accordance with the Plan, the Confirmation Order, and Claimant Trust Agreement or any replacement trustee pursuant to (and in accordance with) the Claimant Trust Agreement. The Claimant Trustee shall be responsible for, among other things, monetizing the Estate’s investment assets, resolving Claims, and, as the sole officer of New GP LLC, winding down the Reorganized Debtor’s business operations.

29. “*Claimant Trust Expenses*” means all reasonable legal and other reasonable professional fees, costs, and expenses incurred by the Trustees on account of administration of the Claimant Trust, including any reasonable administrative fees and expenses, reasonable attorneys’ fees and expenses, reasonable insurance costs, taxes, reasonable escrow expenses, and other expenses.

30. “*Claimant Trust Interests*” means the non-transferable interests in the Claimant Trust that are issued to the Claimant Trust Beneficiaries pursuant to this Plan; *provided, however*, Holders of Class A Limited Partnership Interests, Class B Limited Partnership Interests, and Class C Limited Partnership Interests will not be deemed to hold Claimant Trust Interests unless and until the Contingent Claimant Trust Interests distributed to such Holders vest in accordance with the terms of this Plan and the Claimant Trust Agreement.

31. “*Claimant Trust Oversight Committee*” means the committee of five Persons established pursuant to ARTICLE IV of this Plan to oversee the Claimant Trustee’s performance of its duties and otherwise serve the functions described in this Plan and the Claimant Trust Agreement.

32. “*Class*” means a category of Holders of Claims or Equity Interests as set forth in ARTICLE III hereof pursuant to section 1122(a) of the Bankruptcy Code.

33. “*Class A Limited Partnership Interest*” means the Class A Limited Partnership Interests as defined in the Limited Partnership Agreement held by The Dugaboy Investment

Trust, Mark and Pamela Okada Family Trust – Exempt Trust 2, Mark and Pamela Okada – Exempt Descendants’ Trust, and Mark Kiyoshi Okada, and the General Partner Interest.

34. “*Class B Limited Partnership Interest*” means the Class B Limited Partnership Interests as defined in the Limited Partnership Agreement held by Hunter Mountain Investment Trust.

35. “*Class B/C Limited Partnership Interests*” means, collectively, the Class B Limited Partnership and Class C Limited Partnership Interests.

36. “*Class C Limited Partnership Interest*” means the Class C Limited Partnership Interests as defined in the Limited Partnership Agreement held by Hunter Mountain Investment Trust.

37. “*Committee*” means the Official Committee of Unsecured Creditors appointed by the U.S. Trustee pursuant to 11 U.S.C. § 1102(a)(1) on October 29, 2019 [D.I. 65], consisting of (i) Redeemer Committee of Highland Crusader Fund, (ii) Meta-e Discovery, (iii) UBS, and (iv) Acis.

38. “*Confirmation Date*” means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

39. “*Confirmation Hearing*” means the hearing held by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of this Plan, as such hearing may be adjourned or continued from time to time.

40. “*Confirmation Order*” means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

41. “*Convenience Claim*” means any prepetition unsecured Claim against the Debtor other than an Unpaid Employee Claim that is less than or equal to \$2,500,000 or any General Unsecured Claim that is voluntarily reduced to an Allowed amount less than or equal to \$2,500,000.

42. “*Convenience Claim Pool*” means the \$15,000,000 in Cash that shall be available upon the Effective Date for distribution to Holders of Convenience Claims under the Plan as set forth herein. If the total amount of Allowed Convenience Claims is less than \$15,000,000, any Cash remaining in the Convenience Claim Pool after all distributions to Allowed Holders of Convenience Claims have been made will be transferred to the Claimant Trust and administered as a Claimant Trust Asset.

43. “*Contingent Claimant Trust Interests*” means the contingent Claimant Trust Interests to be distributed to Holders of Class A Limited Partnership Interests, Holders of Class B Limited Partnership Interests, and Holders of Class C Limited Partnership Interests in accordance with this Plan, the rights of which shall not vest, and consequently convert to Claimant Trust Interests, unless and until the Claimant Trustee Files a certification that all holders of Allowed General Unsecured Claims have been paid indefeasibly in full, including, to the extent applicable, all accrued and unpaid post-petition interest at the federal judgment rate.

As set forth in the Claimant Trust Agreement, the Contingent Claimant Trust Interests distributed to the Holders of Class A Limited Partnership Interests will be subordinated to the Contingent Claimant Trust Interests distributed to the Holders of Class B/C Limited Partnership Interests.

44. “*Debtor*” means Highland Capital Management, L.P. in its capacity as debtor and debtor in possession in the Chapter 11 Case.

45. “*Delaware Bankruptcy Court*” means the United States Bankruptcy Court for the District of Delaware.

46. “*Disclosure Statement*” means that certain *Disclosure Statement for Debtor’s Chapter 11 Plan of Reorganization*, as amended, supplemented, or modified from time to time, which describes this Plan, including all exhibits and schedules thereto and references therein that relate to this Plan.

47. “*Disputed*” means with respect to any Claim or Equity Interest, any Claim or Equity Interest that is not yet Allowed.

48. “*Distribution Agent*” means the Claimant Trustee, or any party designated by the Claimant Trustee to serve as distribution agent under this Plan.

49. “*Distribution Record Date*” means the date for determining which Holders of Claims and Equity Interests are eligible to receive distributions hereunder, which date shall be the Effective Date or such later date determined by the Bankruptcy Court.

50. “*Effective Date*” means the Business Day that this Plan becomes effective as provided in ARTICLE VIII hereof.

51. “*Entity*” means any “entity” as defined in section 101(15) of the Bankruptcy Code and also includes any Person or any other entity.

52. “*Equity Interest*” means any Equity Security in the Debtor, including, without limitation, all issued, unissued, authorized or outstanding partnership interests, shares, of stock or limited company interests, the Class A Limited Partnership Interests, the Class B Limited Partnership Interests, and the Class C Limited Partnership Interests.

53. “*Equity Security*” means an “equity security” as defined in section 101(16) of the Bankruptcy Code.

54. “*Estate*” means the bankruptcy estate of the Debtor created by virtue of section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Case.

55. “*Estate Claims*” has the meaning given to it in Exhibit A to the *Notice of Final Term Sheet* [D.I. 354].

56. “*Exculpated Parties*” means, collectively, (i) the Debtor, (ii) the Independent Directors, (iii) the Committee, (iv) the members of the Committee (in their official capacities), (v) the Professionals retained by the Debtor in the Chapter 11 Case, (vi) Strand (solely from the

date of appointment of the Independent Directors), (vii) the CEO/CRO; and (viii) the Related Persons of each of the parties listed in (i) through (vii); *provided, however*, that neither James Dondero nor Mark Okada is included in the term “Exculpated Party.”

57. “*Executory Contract*” means a contract to which the Debtor is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

58. “*Exhibit*” means an exhibit annexed hereto or to the Disclosure Statement (as such exhibits are amended, modified or otherwise supplemented from time to time), which are incorporated by reference herein.

59. “*File*” or “*Filed*” or “*Filing*” means file, filed or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Case.

60. “*Final Order*” means an order or judgment of the Bankruptcy Court, which is in full force and effect, and as to which the time to appeal, petition for *certiorari*, or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for *certiorari*, or other proceedings for a new trial, reargument or rehearing shall then be pending or as to which any right to appeal, petition for *certiorari*, new trial, reargument, or rehearing shall have been waived in writing in form and substance satisfactory to the Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable, or, in the event that an appeal, writ of *certiorari*, new trial, reargument, or rehearing thereof has been sought, such order of the Bankruptcy Court shall have been determined by the highest court to which such order was appealed, or *certiorari*, new trial, reargument or rehearing shall have been denied and the time to take any further appeal, petition for *certiorari*, or move for a new trial, reargument or rehearing shall have expired; *provided, however*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be Filed with respect to such order shall not preclude such order from being a Final Order.

61. “*Frontier Secured Claim*” means the loan from Frontier State Bank to the Debtor in the principal amount of \$7,879,688.00 made pursuant to that certain First Amended and Restated Loan Agreement, dated March 29, 2018.

62. “*General Partner Interest*” means the Class A Limited Partnership Interest held by Strand, as the Debtor’s general partner.

63. “*General Unsecured Claim*” means (1) any prepetition Claim against the Debtor that is not Secured and is not a/an: (a) Administrative Expense Claim; (b) Professional Fee Claim; (c) Priority Tax Claim; (d) Priority Non-Tax Claim; (e) Convenience Claim; (f) Unpaid Employee Claim; or (g) Subordinated Claim and (2) any Convenience Claim or Unpaid Employee Claim that makes the GUC Election.

64. “*Governmental Unit*” means a “governmental unit” as defined in section 101(27) of the Bankruptcy Code.

65. “*GUC Election*” means the option provided to each Holder of a Convenience Claim or Unpaid Employee Claim on their Ballot to elect to be treated as a General Unsecured Claim for all purposes under this Plan, including for purposes of voting on this Plan.

66. “*Holder*” means an Entity holding a Claim against, or Equity Interest in, the Debtor.

67. “*Impaired*” means, when used in reference to a Claim or Equity Interest, a Claim or Equity Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

68. “*Independent Directors*” means John S. Dubel, James P. Seery, Jr., and Russell Nelms, the independent directors of Strand appointed on January 9, 2020, and any additional or replacement directors of Strand appointed after January 9, 2020.

69. “*Initial Distribution Date*” means, subject to the “Treatment” sections in ARTICLE III hereof, the date that is on or as soon as reasonably practicable after the Effective Date, when distributions under this Plan shall commence to Holders of Allowed Claims and Equity Interests.

70. “*Insurance Policies*” means all insurance policies maintained by the Debtor as of the Petition Date.

71. “*Jefferies Secured Claim*” means any Claim in favor of Jefferies, LLC, arising under that certain Prime Brokerage Customer Agreement, dated May 24, 2013, between the Debtor and Jefferies, LLC, that is secured by the assets, if any, maintained in the prime brokerage account created by such Prime Brokerage Customer Agreement.

72. “*Lien*” means a “lien” as defined in section 101(37) of the Bankruptcy Code and, with respect to any asset, includes, without limitation, any mortgage, lien, pledge, charge, security interest or other encumbrance of any kind, or any other type of preferential arrangement that has the practical effect of creating a security interest, in respect of such asset.

73. “*Limited Partnership Agreement*” means that certain Fourth Amended and Restated Agreement of Limited Partnership of Highland Capital Management, L.P., dated December 24, 2015, as amended.

74. “*Litigation Sub-Trust*” means a sub-trust that may be established within the Claimant Trust or a wholly –owned subsidiary of the Claimant Trust in each case in accordance with the terms and conditions set forth in the Claimant Trust Agreement. The Litigation Sub-Trust, if created, shall hold the Claimant Trust Assets that are Causes of Action.

75. “*Litigation Trustee*” means the trustee appointed by the Committee who shall be responsible for investigating, litigating, and settling the Estate Claims for the benefit of the Claimant Trust in accordance with the terms and conditions set forth in the Claimant Trust Agreement. For avoidance of doubt, the Claimant Trustee may also serve as the Litigation Trustee.

76. “*Managed Funds*” means Highland Multi-Strategy Credit Fund, L.P., Highland Restoration Capital Partners, L.P., and any other investment vehicle managed by the Debtor pursuant to an Executory Contract assumed pursuant to this Plan.

77. “*New GP LLC*” means a limited liability company incorporated in the State of Delaware pursuant to the New GP LLC Documents to serve as the general partner of the Reorganized Debtor on the Effective Date.

78. “*New GP LLC Documents*” means the charter, operating agreement, and other formational documents of New GP LLC.

79. “*Ordinary Course Professionals Order*” means that certain *Order Pursuant to Sections 105(a), 327, 328, and 330 of the Bankruptcy Code Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtor in the Ordinary Course* [D.I. 176].

80. “*Outside Closing Date*” means [REDACTED] at 12:00 noon (prevailing Central time).

81. “*Person*” means a “person” as defined in section 101(41) of the Bankruptcy Code and also includes any natural person, individual, corporation, company, general or limited partnership, limited liability company, unincorporated organization firm, trust, estate, business trust, association, joint stock company, joint venture, government, governmental agency, Governmental Unit or any subdivision thereof, the United States Trustee, or any other entity, whether acting in an individual, fiduciary or other capacity.

82. “*Petition Date*” means October 16, 2019.

83. “*Plan*” means this *Debtor’s First Amended Chapter 11 Plan of Reorganization*, including the Exhibits and the Plan Documents and all supplements, appendices, and schedules thereto, either in its present form or as the same may be altered, amended, modified or otherwise supplemented from time to time.

84. “*Plan Distribution*” means the payment or distribution of consideration to Holders of Allowed Claims and Allowed Equity Interests under this Plan.

85. “*Plan Documents*” means any of the documents, other than this Plan, but including, without limitation, the documents to be filed with the Plan Supplement, to be executed, delivered, assumed, or performed in connection with the occurrence of the Effective Date, and as may be modified consistent with the terms hereof with the consent of the Committee.

86. “*Plan Supplement*” means the ancillary documents necessary for the implementation and effectuation of the Plan, including, without limitation, (i) the form of Claimant Trust Agreement, (ii) the forms of New GP LLC Documents, (iii) the form of Reorganized Limited Partnership Agreement, (iv) the Sub-Servicer Agreement (if applicable), (v) the identity of the initial members of the Claimant Trust Oversight Committee, (vi) the schedule of Causes of Action; and (vii) the schedule of Executory Contracts and Unexpired Leases to be assumed pursuant to this Plan, which, in each case, will be in form and substance reasonably acceptable to the Debtor and the Committee.

87. “*Priority Non-Tax Claim*” means a Claim entitled to priority pursuant to section 507(a) of the Bankruptcy Code other than a Priority Tax Claim or an Administrative Claim.

88. “*Pro Rata*” means the proportion that (a) the Allowed amount of a Claim or Equity Interest in a particular Class bears to (b) the aggregate Allowed amount of all Claims or Equity Interests in such Class.

89. “*Professional*” means (a) any Entity employed in the Chapter 11 Case pursuant to section 327, 328 363 or 1103 of the Bankruptcy Code or otherwise and (b) any Entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Case pursuant to sections 327, 328, 330, 331, 363, 503(b), 503(b)(4) and 1103 of the Bankruptcy Code.

90. “*Professional Fee Claim*” means a Claim under sections 328, 330(a), 331, 363, 503 or 1103 of the Bankruptcy Code, with respect to a particular Professional, for compensation for services rendered or reimbursement of costs, expenses or other charges incurred after the Petition Date and prior to and including the Effective Date.

91. “*Professional Fee Claims Bar Date*” means with respect to Professional Fee Claims, the Business Day which is sixty (60) days after the Effective Date or such other date as approved by order of the Bankruptcy Court.

92. “*Professional Fee Claims Objection Deadline*” means, with respect to any Professional Fee Claim, thirty (30) days after the timely Filing of the applicable request for payment of such Professional Fee Claim.

93. “*Proof of Claim*” means a written proof of Claim or Equity Interest Filed against the Debtor in the Chapter 11 Case.

94. “*Priority Tax Claim*” means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

95. “*Protected Parties*” means, collectively, (i) the Debtor, (ii) Strand (solely from the date of the appointment of the Independent Directors), (iii) the Reorganized Debtor, (iv) the Independent Directors, (v) the Committee, (vi) the members of the Committee (in their official capacities), (vii) the Claimant Trust, (viii) the Claimant Trustee, (ix) the Litigation Trustee, (x) the members of the Claimant Trust Oversight Committee (in their official capacities), (xi) New GP LLC, (xii) the Professionals retained by the Debtor in the Chapter 11 Case, (xiii) the CEO/CRO; and (xiv) the Related Persons of each of the parties listed in (i) through (xii); *provided, however*, that neither James Dondero nor Mark Okada is included in the term “Protected Party.”

96. “*Reinstated*” means, with respect to any Claim or Equity Interest, (a) leaving unaltered the legal, equitable, and contractual rights to which a Claim entitles the Holder of such Claim or Equity Interest in accordance with section 1124 of the Bankruptcy Code or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim or Equity Interest to demand or receive accelerated payment of such Claim or Equity

Interest after the occurrence of a default: (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) of the Bankruptcy Code expressly does not require to be cured; (ii) reinstating the maturity of such Claim or Equity Interest as such maturity existed before such default; (iii) compensating the Holder of such Claim or Equity Interest for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law; (iv) if such Claim or Equity Interest arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a non-residential real property lease subject to section 365(b)(1)(A) of the Bankruptcy Code, compensating the Holder of such Claim or Equity Interest (other than any Debtor or an insider of any Debtor) for any actual pecuniary loss incurred by such Holder as a result of such failure; and (v) not otherwise altering the legal, equitable, or contractual rights to which such Claim entitles the Holder of such Claim.

97. “*Rejection Claim*” means any Claim for monetary damages as a result of the rejection of an executory contract or unexpired lease pursuant to the Confirmation Order.

98. “*Related Entity*” means, without duplication, (a) James Dondero, (b) Mark Okada, (c) Grant Scott, (d) Hunter Covitz, (e) any entity or person that was an insider of the Debtor on the Petition Date under Section 101(31) of the Bankruptcy Code, including any non-statutory insider, (f) any entity that, after the Effective Date, is controlled directly or indirectly by James Dondero, including, without limitation, The Dugaboy Investment Trust, (g) the Hunter Mountain Investment Trust and any of its direct or indirect parents, and (h) the Charitable Donor Advised Fund, L.P., and any of its direct or indirect subsidiaries.

99. “*Related Persons*” means, with respect to any Person, such Person’s predecessors, successors, assigns (whether by operation of law or otherwise), and each of their respective present and former officers, directors, employees, managers, managing members, members, financial advisors, attorneys, accountants, investment bankers, consultants, professionals, advisors, shareholders, principals, partners, employees, subsidiaries, divisions, management companies, and other representatives, in each case solely in their capacity as such .

100. “*Released Parties*” means, collectively, (i) the Reorganized Debtor, (ii) the Claimant Trust, (iii) the Litigation Trust, (iv) the Independent Directors, (v) Strand (solely from the date of appointment of the Independent Directors), (vi) the Committee, (vii) the officers, directors, employees, and agents of the Debtor and Strand in each case (a) as are employed as of the Effective Date or (b) as are employed as of the date hereof and subsequently transferred by the Debtor or terminated by the Debtor without cause prior to the Effective Date, (viii) the CEO/CRO; and (ix) the Related Persons of each of the parties listed in (i) through (vi); *provided, however*, that neither James Dondero nor Mark Okada is included in the term “Released Party.”

101. “*Reorganized Debtor*” means the Debtor, as reorganized pursuant to this Plan on and after the Effective Date.

102. “*Reorganized Debtor Assets*” means, without limitation, any limited and general partnership interests held by the Debtor, and any other Assets, including Causes of

Action (including, without limitation, claims for breach of fiduciary duty), that have not been, or cannot be, for any reason, transferred to the Claimant Trust.

103. “*Reorganized Limited Partnership Agreement*” means that certain Fifth Amended and Restated Agreement of Limited Partnership of Highland Capital Management, L.P., by and among the Claimant Trust, as limited partner, and New GP LLC, as general partner, Filed with the Plan Supplement.

104. “*Restructuring*” means the restructuring of the Debtor, the principal terms of which are set forth in this Plan and the Disclosure Statement.

105. “*Retained Employee Claim*” means any Claim filed by a current employee of the Debtor who will be employed by the Reorganized Debtor upon the Effective Date.

106. “*Schedules*” means the schedules of Assets and liabilities, statements of financial affairs, lists of Holders of Claims and Equity Interests and all amendments or supplements thereto Filed by the Debtor with the Bankruptcy Court [D.I. 247].

107. “*Secured*” means, when referring to a Claim: (a) secured by a Lien on property in which the Debtor’s Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor’s interest in the interest of the Debtor’s Estate in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code or (b) Allowed pursuant to the Plan as a Secured Claim.

108. “*Security*” or “*security*” means any security as such term is defined in section 101(49) of the Bankruptcy Code.

109. “*Stamp or Similar Tax*” means any stamp tax, recording tax, personal property tax, conveyance fee, intangibles or similar tax, real estate transfer tax, sales tax, use tax, transaction privilege tax (including, without limitation, such taxes on prime contracting and owner-builder sales), privilege taxes (including, without limitation, privilege taxes on construction contracting with regard to speculative builders and owner builders), and other similar taxes imposed or assessed by any Governmental Unit.

110. “*Statutory Fees*” means fees payable pursuant to 28 U.S.C. § 1930.

111. “*Strand*” means Strand Advisors, Inc., the Debtor’s general partner.

112. “*Sub-Servicer*” means a third-party selected by the Claimant Trustee to service or sub-service the Reorganized Debtor Assets.

113. “*Sub-Servicer Agreement*” means the agreement that may be entered into providing for the servicing of the Reorganized Debtor Assets by the Sub-Servicer.

114. “*Subordinated Claim*” means any Claim that is subordinated to the Convenience Claims, Unpaid Employee Claims, and General Unsecured Claims pursuant to 11 U.S.C. § 510 or Final Order of the Bankruptcy Court.

115. “*Subordinated Claimant Trust Interests*” means the Claimant Trust Interests to be distributed to Holders of Allowed Subordinated Claims under the Plan, which such interests shall be subordinated in right and priority to the Claimant Trust Interests distributed to Holders of Allowed General Unsecured Claims as provided in the Claimant Trust Agreement.

116. “*Trust Distribution*” means the transfer of Cash or other property by the Claimant Trustee to the Claimant Trust Beneficiaries.

117. “*Trustees*” means, collectively, the Claimant Trustee and Litigation Trustee.

118. “*UBS*” means, collectively, UBS Securities LLC and UBS AG London Branch.

119. “*Unexpired Lease*” means a lease to which the Debtor is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

120. “*Unimpaired*” means, with respect to a Class of Claims or Equity Interests that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

121. “*Unpaid Employee Claim*” means any Claim filed by Scott Ellington, Thomas Sargent, Frank Waterhouse, Hunter Covitz, Jean Paul Sevilla, or Isaac Leventon; *provided, however*, that if any such Claim or portion of such Claim is entitled to priority pursuant to section 507(a) of the Bankruptcy Code, such Claim or portion of such Claim will be a Priority Non-Tax Claim.

122. “*Unpaid Employee Claim Pool*” means the \$3,000,000 in Cash that shall be available upon the Effective Date for distribution to Holders of Unpaid Employee Claims under the Plan as set forth herein. If the total amount of Allowed Unpaid Employee Claims is less than \$3,000,000, any Cash remaining in the Unpaid Employee Claim Pool after all distributions to Allowed Holders of Unpaid Employee Claims have been made will be transferred to the Claimant Trust and administered as a Claimant Trust Asset.

123. “*Voting Deadline*” means the date and time by which all Ballots to accept or reject the Plan must be received in order to be counted under the under the Order of the Bankruptcy Court approving the Disclosure Statement as containing adequate information pursuant to section 1125(a) of the Bankruptcy Code and authorizing the Debtor to solicit acceptances of the Plan.

124. “*Voting Record Date*” means [REDACTED].

ARTICLE II.
ADMINISTRATIVE EXPENSES AND PRIORITY TAX CLAIMS

A. Administrative Expense Claims

On the later of the Effective Date or the date on which an Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or, in each such case, as soon as practicable thereafter, each Holder of an Allowed Administrative Expense Claim (other than Professional Fee Claims) will receive, in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Administrative Expense Claim either (i) payment in full in Available Cash for the unpaid portion of such Allowed Administrative Expense Claim; or (ii) such other less favorable treatment as agreed to in writing by the Debtor or the Reorganized Debtor, as applicable, and such Holder; *provided, however*, that Administrative Expense Claims incurred by the Debtor in the ordinary course of business may be paid in the ordinary course of business in the discretion of the Debtor in accordance with such applicable terms and conditions relating thereto without further notice to or order of the Bankruptcy Court. All statutory fees payable under 28 U.S.C. § 1930(a) shall be paid as such fees become due.

If an Administrative Expense Claim (other than a Professional Fee Claim) is not paid by the Debtor in the ordinary course, the Holder of such Administrative Expense Claim must File, on or before the applicable Administrative Expense Claims Bar Date, and serve on the Debtor or Reorganized Debtor, as applicable, and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Bankruptcy Court, an application for allowance and payment of such Administrative Expense Claim.

Objections to any Administrative Expense Claim (other than a Professional Fee Claim) must be Filed and served on the Debtor or the Reorganized Debtor, as applicable, and the party asserting such Administrative Expense Claim by the Administrative Expense Claims Objection Deadline.

B. Professional Fee Claims

Professionals or other Entities asserting a Professional Fee Claim for services rendered through the Effective Date must submit fee applications under sections 327, 328, 329, 330, 331, 503(b) or 1103 of the Bankruptcy Code and, upon entry of an order of the Bankruptcy Court granting such fee applications, such Professional Fee Claim shall promptly be paid in Cash in full to the extent provided in such order.

Professionals or other Entities asserting a Professional Fee Claim for services rendered on or prior to the Effective Date must File, on or before the Professional Fee Claims Bar Date, and serve on the Debtor or Reorganized Debtor, as applicable, and such other Entities who are designated as requiring such notice by the Bankruptcy Rules, the Confirmation Order or other order of the Bankruptcy Court, an application for final allowance of such Professional Fee Claim.

Objections to any Professional Fee Claim must be Filed and served on the Debtor or Reorganized Debtor, as applicable, and the party asserting the Professional Fee Claim by the Professional Fee Claim Objection Deadline. Each Holder of an Allowed Professional Fee Claim

will be paid by the Debtor or the Claimant Trust, as applicable, in Cash within ten (10) Business Days of entry of the order approving such Allowed Professional Fee Claim.

C. Priority Tax Claims

On or as soon as reasonably practicable after the later of (i) the Initial Distribution Date if such Priority Tax Claim is an Allowed Priority Tax Claim as of the Effective Date or (ii) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Priority Tax Claim, at the election of the Debtor: (a) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, or (b) such other less favorable treatment as agreed to in writing by the Debtor and such Holder. Payment of statutory fees due pursuant to 28 U.S.C. § 1930(a)(6) will be made at all appropriate times until the entry of a final decree; *provided, however*, that the Debtor may prepay any or all such Claims at any time, without premium or penalty.

**ARTICLE III.
CLASSIFICATION AND TREATMENT OF
CLASSIFIED CLAIMS AND EQUITY INTERESTS**

A. Summary

All Claims and Equity Interests, except Administrative Expense Claims and Priority Tax Claims, are classified in the Classes set forth below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims, and Priority Tax Claims have not been classified.

The categories of Claims and Equity Interests listed below classify Claims and Equity Interests for all purposes including, without limitation, confirmation and distribution pursuant to the Plan and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. The Plan deems a Claim or Equity Interest to be classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and will be deemed classified in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that any such Claim or Equity Interest is Allowed in that Class and has not been paid, released or otherwise settled (in each case, by the Debtor or any other Entity) prior to the Effective Date.

B. Summary of Classification and Treatment of Classified Claims and Equity Interests

Class	Claim	Status	Voting Rights
1	Jefferies Secured Claim	Unimpaired	Deemed to Accept
2	Frontier Secured Claim	Unimpaired	Deemed to Accept
3	Priority Non-Tax Claim	Unimpaired	Deemed to Accept
4	Retained Employee Claim	Unimpaired	Deemed to Accept
5	Convenience Claims	Impaired	Entitled to Vote
6	Unpaid Employee Claims	Impaired	Entitled to Vote
7	General Unsecured Claims	Impaired	Entitled to Vote
8	Subordinated Claims	Impaired	Entitled to Vote
9	Class B/C Limited Partnership Interests	Impaired	Entitled to Vote
10	Class A Limited Partnership Interests	Impaired	Entitled to Vote

C. Elimination of Vacant Classes

Any Class that, as of the commencement of the Confirmation Hearing, does not have at least one Holder of a Claim or Equity Interest that is Allowed in an amount greater than zero for voting purposes shall be considered vacant, deemed eliminated from the Plan for purposes of voting to accept or reject the Plan, and disregarded for purposes of determining whether the Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to such Class.

D. Impaired/Voting Classes

Claims and Equity Interests in Class 5 through Class 10 are Impaired by the Plan, and only the Holders of Claims or Equity Interests in those Classes are entitled to vote to accept or reject the Plan.

E. Unimpaired/Non-Voting Classes

Claims in Class 1 through Class 4 are Unimpaired by the Plan, and such Holders are deemed to have accepted the Plan and are therefore not entitled to vote on the Plan.

F. Impaired/Non-Voting Classes

There are no Classes under the Plan that will not receive or retain any property and no Classes are deemed to reject the Plan.

G. Cramdown

If any Class of Claims or Equity Interests is deemed to reject this Plan or does not vote to accept this Plan, the Debtor may (i) seek confirmation of this Plan under section 1129(b) of the Bankruptcy Code or (ii) amend or modify this Plan in accordance with the terms hereof and the Bankruptcy Code. If a controversy arises as to whether any Claims or Equity Interests, or any

class of Claims or Equity Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

H. Classification and Treatment of Claims and Equity Interests

1. Class 1 – Jefferies Secured Claim

- *Classification:* Class 1 consists of the Jefferies Secured Claim.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 1 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 1 Claim, at the election of the Debtor: (A) Cash equal to the amount of such Allowed Class 1 Claim; (B) such other less favorable treatment as to which the Debtor and the Holder of such Allowed Class 1 Claim will have agreed upon in writing; or (C) such other treatment rendering such Claim Unimpaired. Each Holder of an Allowed Class 1 Claim will retain the Liens securing its Allowed Class 1 Claim as of the Effective Date until full and final payment of such Allowed Class 1 Claim is made as provided herein.
- *Impairment and Voting:* Class 1 is Unimpaired, and the Holders of Class 1 Claims are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 1 Claims are not entitled to vote to accept or reject this Plan and will not be solicited.

2. Class 2 – Frontier Secured Claim

- *Classification:* Class 2 consists of the Frontier Secured Claim.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 2 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 2 Claim, at the election of the Debtor: (A) Cash equal to the amount of such Allowed Class 2 Claim; (B) such other less favorable treatment as to which the Debtor and the Holder of such Allowed Class 2 Claim will have agreed upon in writing; or (C) such other treatment rendering such Claim Unimpaired. Except with respect to Claims that are treated in accordance with the preceding clause (C), each Holder of an Allowed Class 2 Claim will retain the Liens securing its Allowed Class 2 Claim as of the Effective Date until full and final payment of such Allowed Class 2 Claim is made as provided herein.
- *Impairment and Voting:* Class 2 is Unimpaired, and the Holders of Class 2 Claims are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the

Holders of Class 2 Claims are not entitled to vote to accept or reject this Plan and will not be solicited.

3. Class 3 – Priority Non-Tax Claims

- *Classification:* Class 3 consists of the Priority Non-Tax Claims.
- *Allowance and Treatment:* On or as soon as reasonably practicable after the later (i) the Initial Distribution Date if such Class 3 Claim is Allowed on the Effective Date or (ii) the date on which such Class 3 Claim becomes an Allowed Class 3 Claim, each Holder of an Allowed Class 3 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, its Allowed Class 3 Claim Cash equal to the amount of such Allowed Class 3 Claim.
- *Impairment and Voting:* Class 3 is Unimpaired, and the Holders of Class 3 Claims are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 3 Claims are not entitled to vote to accept or reject this Plan and will not be solicited.

4. Class 4 – Retained Employee Claims

- *Classification:* Class 4 consists of the Retained Employee Claims.
- *Allowance and Treatment:* On or as soon as reasonably practicable after the Effective Date, each Allowed Class 4 Claim will be Reinstated.
- *Impairment and Voting:* Class 4 is Unimpaired, and the Holders of Class 4 Claims are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 4 Claims are not entitled to vote to accept or reject this Plan and will not be solicited.

5. Class 5 – Convenience Claims

- *Classification:* Class 5 consists of the Convenience Claims.
- *Allowance and Treatment:* On or as soon as reasonably practicable after the later (i) the Initial Distribution Date if such Class 5 Claim is Allowed on the Effective Date or (ii) the date on which such Class 5 Claim becomes an Allowed Class 5 Claim, each Holder of an Allowed Class 5 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, its Allowed Class 5 Claim (1) the treatment provided to Allowed Holders of Class 7 General Unsecured Claims if the Holder of such Class 5 Claim makes the GUC Election or (2) an amount in Cash equal to either (a) 75% of the Allowed amount of such Holder's Class 5

Claim or (b) if the total amount of Allowed Class 5 Claims exceeds \$15,000,000, such Holder's Pro Rata share of the Convenience Claims Cash Pool.

- *Impairment and Voting:* Class 5 is Impaired, and the Holders of Class 5 Claims are entitled to vote to accept or reject this Plan.

6. *Class 6 – Unpaid Employee Claims*

- *Classification:* Class 6 consists of the Unpaid Employee Claims.
- *Allowance and Treatment:* On or as soon as reasonably practicable after the later (i) the Initial Distribution Date if such Class 6 Claim is Allowed on the Effective Date or (ii) the date on which such Class 6 Claim becomes an Allowed Class 6 Claim, each Holder of an Allowed Class 6 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, its Allowed Class 6 Claim (1) the treatment provided to Allowed Holders of Class 7 General Unsecured Claims if the Holder of such Class 6 Claim makes the GUC Election or (2) an amount in Cash equal to either (a) 75% of the Allowed amount of such Holder's Class 6 Claim or (b) if the total amount of Allowed Class 6 Claims exceeds \$3,000,000, such Holder's Pro Rata share of the Unpaid Employee Claims Cash Pool.
- *Impairment and Voting:* Class 6 is Impaired, and the Holders of Class 6 Claims are entitled to vote to accept or reject this Plan.

7. *Class 7 – General Unsecured Claims*

- *Classification:* Class 7 consists of the General Unsecured Claims.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 7 Claim, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim shall receive (i) its Pro Rata share of the Claimant Trust Interests or (ii) such other less favorable treatment as to which such Holder and the Claimant Trustee shall have agreed upon in writing.

Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of this Plan, the Debtor, the Reorganized Debtor, and the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any General Unsecured Claim, except with respect to any General Unsecured Claim Allowed by Final Order of the Bankruptcy Court.

- *Impairment and Voting:* Class 7 is Impaired, and the Holders of Class 7 Claims are entitled to vote to accept or reject this Plan.

8. *Class 8 – Subordinated Claims*

- *Classification:* Class 8 consists of the Subordinated Claims.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 8 Claim, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim shall receive (i) its Pro Rata share of the Subordinated Claimant Trust Interests or (ii) such other less favorable treatment as to which such Holder and the Claimant Trustee shall have agreed upon in writing.

Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of this Plan, the Debtor, the Reorganized Debtor, and the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any Subordinated Claim, except with respect to any Subordinated Claim Allowed by Final Order of the Bankruptcy Court.

- *Impairment and Voting:* Class 8 is Impaired, and the Holders of Class 8 Claims are entitled to vote to accept or reject this Plan.

9. *Class 9 – Class B/C Limited Partnership Interests*

- *Classification:* Class 9 consists of the Class B/C Limited Partnership Interests.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 9 Claim, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim shall receive (i) its Pro Rata share of the Contingent Claimant Trust Interests or (ii) such other less favorable treatment as to which such Holder and the Claimant Trustee shall have agreed upon in writing.

Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of this Plan, the Debtor, the Reorganized Debtor, and the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any Class B/C Limited Partnership Interest Claim, except with respect to any Class B/C Limited Partnership Interest Claim Allowed by Final Order of the Bankruptcy Court.

- *Impairment and Voting:* Class 9 is Impaired, and the Holders of Class 9 Claims are entitled to vote to accept or reject this Plan.

10. Class 10 – Class A Limited Partnership Interests

- *Classification:* Class 10 consists of the Class A Limited Partnership Interests.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 10 Claim, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim shall receive (i) its Pro Rata share of the Contingent Claimant Trust Interests or (ii) such other less favorable treatment as to which such Holder and the Claimant Trustee shall have agreed upon in writing.

Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of this Plan, the Debtor, the Reorganized Debtor, and the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any Class A Limited Partnership Interest, except with respect to any Class A Limited Partnership Interest Allowed by Final Order of the Bankruptcy Court.

- *Impairment and Voting:* Class 10 is Impaired, and the Holders of Class 10 Claims are entitled to vote to accept or reject this Plan.

I. Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan will affect the Debtor's rights in respect of any Unimpaired Claims, including, without limitation, all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claims.

J. Subordinated Claims

The allowance, classification, and treatment of all Claims under the Plan shall take into account and conform to the contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Under section 510 of the Bankruptcy Code, upon written notice, the Debtor the Reorganized Debtor, and the Claimant Trustee reserve the right to re-classify, or to seek to subordinate, any Claim in accordance with any contractual, legal, or equitable subordination relating thereto, and the treatment afforded any Claim under the Plan that becomes a subordinated Claim at any time shall be modified to reflect such subordination.

ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THIS PLAN

A. Summary

As discussed in the Disclosure Statement, the Plan will be implemented through (i) the Claimant Trust and (ii) the Reorganized Debtor.

On the Effective Date, all Class A Limited Partnership Interests, including the Class A Limited Partnership Interests held by Strand, as general partner, and Class B/C Limited Partnerships in the Debtor will be cancelled, and new Class A Limited Partnership Interests in the Reorganized Debtor will be issued to the Claimant Trust and New GP LLC – a newly-chartered limited liability company wholly-owned by the Claimant Trust. The Claimant Trust, as limited partner, will ratify New GP LLC’s appointment as general partner of the Reorganized Debtor, and on and following the Effective Date, the Claimant Trust will be the Reorganized Debtor’s limited partner and New GP LLC will be its general partner. The Claimant Trust, as limited partner, and New GP LLC, as general partner, will execute the Reorganized Limited Partnership Agreement, which will amend and restate, in all respects, the Debtor’s current Limited Partnership Agreement. Following the Effective Date, the Reorganized Debtor will be managed consistent with the terms of the Reorganized Limited Partnership Agreement by New GP LLC. The sole managing member of New GP LLC will be the Claimant Trust, and the Claimant Trustee will be the sole officer of New GP LLC on the Effective Date.

Following the Effective Date, the Claimant Trust will administer the Claimant Trust Assets pursuant to this Plan and the Claimant Trust Agreement. The Reorganized Debtor will administer the Reorganized Debtor Assets and, if needed, with the utilization of a Sub-Servicer, which administration will include, among other things, managing the wind down of the Managed Funds.

The Reorganized Debtor will distribute all proceeds from the wind down to the Claimant Trust, as its limited partner, and New GP LLC, as its general partner, in each case in accordance with the Reorganized Limited Partnership Agreement. Such proceeds, along with the proceeds of the Claimant Trust Assets, will ultimately be distributed to the Claimant Trust Beneficiaries as set forth in this Plan and the Claimant Trust Agreement.

B. The Claimant Trust

1. Creation and Governance of the Claimant Trust and Litigation Sub-Trust.

On or prior to the Effective Date, the Debtor and the Claimant Trustee shall execute the Claimant Trust Agreement and shall take all steps necessary to establish the Claimant Trust and, if applicable, the Litigation Sub-Trust in accordance with the Plan and the beneficial interests therein, which shall be for the benefit of the Claimant Trust Beneficiaries. Additionally, on or prior to the Effective Date the Debtor shall irrevocably transfer and shall be deemed to have irrevocably transferred to the Claimant Trust all of its rights, title, and interest in and to all of the Claimant Trust Assets, and in accordance with section 1141 of the Bankruptcy Code, the Claimant Trust Assets shall automatically vest in the Claimant Trust free and clear of all Claims, Liens, encumbrances, or interests subject only to the Claimant Trust Interests and the Claimant

Trust Expenses, as provided for in the Claimant Trust Agreement, and such transfer shall be exempt from any stamp, real estate transfer, mortgage from any stamp, transfer, reporting, sales, use, or other similar tax.

The Claimant Trustee shall be the exclusive trustee of the Claimant Trust Assets, excluding the Estate Claims if the Litigation Sub-Trust is established, for purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3), as well as the representative of the Estate appointed pursuant to section 1123(b)(3)(B) of the Bankruptcy Code with respect to the Claimant Trust Assets. The Claimant Trust shall also be responsible for resolving all Disputed or disallowed Claims. The Claimant Trust shall be governed by the Claimant Trust Agreement and administered by the Claimant Trustee. The powers, rights, and responsibilities of the Claimant Trustee shall be specified in the Claimant Trust Agreement and shall include the authority and responsibility to, among other things, take the actions set forth in ARTICLE IV, subject to any required reporting to the Claimant Trust Oversight Committee as may be set forth in the Claimant Trust Agreement. The Claimant Trust shall hold and distribute the Claimant Trust Assets in accordance with the provisions of the Plan and the Claimant Trust Agreement. Other rights and duties of the Claimant Trustee and the Claimant Trust Beneficiaries shall be as set forth in the Claimant Trust Agreement. After the Effective Date, neither the Debtor nor the Reorganized Debtor shall have any interest in the Claimant Trust Assets.

If applicable, on or after the Effective Date, the Claimant Trustee and Litigation Trustee may enter into a separate agreement that shall delineate the powers, rights, and responsibilities of the Litigation Trustee and administration and governance of the Litigation Sub-Trust in a manner consistent with the Claimant Trust Agreement.

2. Claimant Trust Oversight Committee

The Claimant Trust, the Claimant Trustee, the management and monetization of the Claimant Trust Assets, and the management of the Reorganized Debtor (through the Claimant Trust's role as managing member of New GP LLC) will be overseen by the Claimant Trust Oversight Committee, subject to the terms of the Claimant Trust Agreement.

The Claimant Trust Oversight Committee will initially consist of five members. Four of the five members will be representatives of the members of the Committee: (i) the Redeemer Committee of Highland Crusader Fund, (ii) UBS, (iii) Acis, and (iv) Meta-e Discovery. The fifth member will be an independent, natural Person chosen by the Committee and reasonably acceptable to the Debtor. The members of the Claimant Trust Oversight Committee may be replaced as set forth in the Claimant Trust Agreement. The identity of the members of the Claimant Trust Oversight Committee will be disclosed in the Plan Supplement.

As set forth in the Claimant Trust Agreement, in no event will any member of the Claimant Trust Oversight Committee with a Claim against the Estate be entitled to vote, opine, or otherwise be involved in any matters related to such member's Claim.

The members of the Claimant Trust Oversight Committee may be entitled to compensation for their services as set forth in the Claimant Trust Agreement. Any member of

the Claimant Trust Oversight Committee may be removed, and successor chosen, in the manner set forth in the Claimant Trust Agreement.

3. Purpose of the Claimant Trust.

The Claimant Trust shall be established for the purpose of (i) managing and monetizing the Claimant Trust Assets, subject to the terms of the Claimant Trust Agreement and the oversight of the Claimant Trust Oversight Committee, (ii) serving as the limited partner of, and holding the limited partnership interests in, the Reorganized Debtor, (iii) serving as the sole member and manager of New GP LLC, the Reorganized Debtor's general partner, (iv) in its capacity as the sole member and manager of New GP LLC, overseeing the management and monetization of the Reorganized Debtor Assets pursuant to the terms of the Reorganized Limited Partnership Agreement; and (v) administering the Disputed Claims Reserve and serving as Distribution Agent.

In its management of the Claimant Trust Assets, the Claimant Trust will also reconcile and object to the General Unsecured Claims, Subordinated Claims, Class B/C Limited Partnership Interests, and Class A Limited Partnership Interests, as provided for in the Plan, and make Trust Distributions to the Claimant Trust Beneficiaries in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

The purpose of the Reorganized Debtor is discussed at greater length in ARTICLE IV.C.

4. Claimant Trustee and Claimant Trust Agreement.

The Claimant Trust Agreement generally will provide for, among other things:

- (i) the payment of the Claimant Trust Expenses;
- (ii) the payment of other reasonable expenses of the Claimant Trust;
- (iii) the retention of employees, counsel, accountants, financial advisors, or other professionals and the payment of their reasonable compensation;
- (iv) the investment of Cash by the Claimant Trustee within certain limitations, including those specified in the Plan;
- (v) the orderly monetization of the Claimant Trust Assets;
- (vi) litigation of any Causes of Action, which may include the prosecution, settlement, abandonment, or dismissal of any such Causes of Action, subject to reporting and oversight by the Claimant Trust Oversight Committee;
- (vii) the resolution of Disputed or disallowed Claims and the allowance, prosecution, and resolution of objections to Claims and Equity Interests, subject to reporting and oversight by the Claimant Trust Oversight Committee;

(viii) the administration of the Disputed Claims Reserve and distributions to be made therefrom; and

(ix) the management of the Reorganized Debtor, including the utilization of a Sub-Servicer, with the Claimant Trust serving as the managing member of New GP LLC.

Except as otherwise ordered by the Bankruptcy Court, the Claimant Trust Expenses shall be paid from the Claimant Trust Assets in accordance with the Plan and Claimant Trust Agreement. The Claimant Trustee may establish a reserve for the payment of Claimant Trust Expenses and shall periodically replenish such reserve, as necessary.

The Trustees, on behalf of the Claimant Trust, may each employ, without further order of the Bankruptcy Court, employees and other professionals (including those previously retained by the Debtor and the Committee) to assist in carrying out the Trustees' duties hereunder and may compensate and reimburse the reasonable expenses of these professionals without further Order of the Bankruptcy Court from the Claimant Trust Assets in accordance with the Plan and the Claimant Trust Agreement.

The Claimant Trust Agreement may include reasonable and customary provisions that allow for indemnification by the Claimant Trust in favor of the Claimant Trustee, Litigation Trustee, and the Claimant Trust Oversight Committee. Any such indemnification shall be the sole responsibility of the Claimant Trust and payable solely from the Claimant Trust Assets.

In furtherance of, and consistent with the purpose of, the Claimant Trust and the Plan, the Trustees, for the benefit of the Claimant Trust, shall, subject to reporting and oversight by the Claimant Trust Oversight Committee as set forth in the Claimant Trust Agreement: (i) hold the Claimant Trust Assets for the benefit of the Claimant Trust Beneficiaries, (ii) make Distributions to the Claimant Trust Beneficiaries as provided herein and in the Claimant Trust Agreement, and (iii) have the sole power and authority to prosecute and resolve any Causes of Action and objections to Claims and Equity Interests, without approval of the Bankruptcy Court. Except as otherwise provided in the Claimant Trust Agreement, the Claimant Trustee shall be responsible for all decisions and duties with respect to the Claimant Trust and the Claimant Trust Assets; *provided, however*, that if a Litigation Sub-Trust is created upon or after the Effective Date, the prosecution and resolution of any Estate Claims included in the Claimant Trust Assets shall be the responsibility of the Litigation Trustee. In all circumstances, the Trustees shall act in the best interests of the Claimant Trust Beneficiaries and with the same fiduciary duties as a chapter 7 trustee.

5. *Compensation and Duties of Trustees.*

The salient terms of each Trustee's employment, including such Trustee's duties and compensation shall be set forth in the Claimant Trust Agreement. The Trustees shall each be entitled to reasonable compensation in an amount consistent with that of similar functionaries in similar types of bankruptcy cases.

6. Cooperation of Debtor and Reorganized Debtor.

To effectively investigate, prosecute, compromise and/or settle the Claims and/or Causes of Action that constitute Claimant Trust Assets on behalf of the Claimant Trust, the Claimant Trustee, Litigation Trustee, and each of their counsel may require reasonable access to the Debtor's and Reorganized Debtor's documents, information, and work product relating to the Claimant Trust Assets. Accordingly, the Claimant Trustee and Litigation Trustee shall have reasonable access to copies of the Debtor's and Reorganized Debtor's records and information relating to the Claimant Trust Assets, including electronic records, documents or work product related to the Claims and/or Causes of Action that constitute Claimant Trust Assets.

The Debtor and Reorganized Debtor shall preserve all records, documents or work product (including all electronic records, documents, or work product) related to the Claims and/or Causes of Action that constitute Claimant Trust Assets until the earlier of (a) the dissolution of the Reorganized Debtor or (b) termination of the Claimant Trust.

7. United States Federal Income Tax Treatment of the Claimant Trust.

Unless the IRS requires otherwise, for all United States federal income tax purposes, the parties shall treat the transfer of the Claimant Trust Assets to the Claimant Trust as: (a) a transfer of the Claimant Trust Assets (other than the amounts set aside in the Disputed Claim Reserve, if the Claimant Trustee makes the election described in Section 7 below) directly to the applicable Claimant Trust Beneficiaries followed by (b) the transfer by the such Claimant Trust Beneficiaries to the Claimant Trust of such Claimant Trust Assets in exchange for the Claimant Trust Interests. Accordingly, the applicable Claimant Trust Beneficiaries shall be treated for United States federal income tax purposes as the grantors and owners of their respective share of the Claimant Trust Assets. The foregoing treatment shall also apply, to the extent permitted by applicable law, for state and local income tax purposes.

8. Tax Reporting.

(a) The Claimant Trustee shall file tax returns for the Claimant Trust treating the Claimant Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a). The Claimant Trustee may file an election pursuant to Treasury Regulation 1.468B-9(c) to treat the Disputed Claims Reserve as a disputed ownership fund, in which case the Claimant Trustee will file federal income tax returns and pay taxes for the Disputed Claim Reserve as a separate taxable entity.

(b) The Claimant Trustee shall be responsible for payment, out of the Claimant Trust Assets, of any taxes imposed on the Claimant Trust or its assets.

(c) The Claimant Trustee shall determine the fair market value of the Claimant Trust Assets as of the Effective Date and notify the applicable Claimant Trust Beneficiaries of such valuation, and such valuation shall be used consistently for all federal income tax purposes.

(d) The Claimant Trustee shall distribute such tax information to the applicable Claimant Trust Beneficiaries as the Claimant Trustee determines is required by applicable law.

9. Claimant Trust Assets.

The Claimant Trustee shall have the exclusive right, on behalf of the Claimant Trust, to institute, file, prosecute, enforce, abandon, settle, compromise, release, or withdraw any and all Causes of Action included in the Claimant Trust Assets (except for the Estate Claims) without any further order of the Bankruptcy Court, and the Claimant Trustee shall have the exclusive right, on behalf of the Claimant Trust, to sell, liquidate, or otherwise monetize all Claimant Trust Assets, except as otherwise provided in this Plan or in the Claimant Trust Agreement, without any further order of the Bankruptcy Court. Notwithstanding anything herein to the contrary, the Litigation Trustee shall have the exclusive right to institute, file, prosecute, enforce, abandon, settle, compromise, release, or withdraw any and all Estate Claims included in the Claimant Trust Assets without any further order of the Bankruptcy Court.

From and after the Effective Date, the Trustees, in accordance with section 1123(b)(3) and (4) of the Bankruptcy Code, and on behalf of the Claimant Trust, shall each serve as a representative of the Estate with respect to any and all Claimant Trust Assets, including the Causes of Action and Estate Claims, as appropriate, and shall retain and possess the right to (a) commence, pursue, settle, compromise, or abandon, as appropriate, any and all Causes of Action in any court or other tribunal and (b) sell, liquidate, or otherwise monetize all Claimant Trust Assets.

10. Claimant Trust Expenses.

From and after the Effective Date, the Claimant Trust shall, in the ordinary course of business and without the necessity of any approval by the Bankruptcy Court, pay the reasonable professional fees and expenses incurred by the Claimant Trust and any professionals retained by the Claimant Trust from the Claimant Trust Assets, except as otherwise provided in the Claimant Trust Agreement.

11. Trust Distributions to Claimant Trust Beneficiaries.

The Claimant Trustee, in its discretion, may make Trust Distributions to the Claimant Trust Beneficiaries at any time and/or use the Claimant Trust Assets or proceeds thereof, *provided* that such Trust Distributions or use is otherwise permitted under the terms of the Plan, the Claimant Trust Agreement, and applicable law.

12. Cash Investments.

With the consent of the Claimant Trust Oversight Committee, the Claimant Trustee may invest Cash (including any earnings thereon or proceeds therefrom) in a manner consistent with the terms of the Claimant Trust Agreement; *provided, however*, that such investments are investments permitted to be made by a “liquidating trust” within the meaning of Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable IRS guidelines, rulings or other controlling authorities.

13. Dissolution of the Claimant Trust.

The Trustees and the Claimant Trust shall be discharged or dissolved, as the case may be, at such time as: (a) the Litigation Trustee determines that the pursuit of additional Causes of Action is not likely to yield sufficient additional proceeds to justify further pursuit of such Causes of Action, (b) the Claimant Trustee determines that the pursuit of sales of other Claimant Trust Assets is not likely to yield sufficient additional proceeds to justify further pursuit of such sales of Claimant Trust Assets, (c) all objections to Disputed Claims and Equity Interests are fully resolved, (d) the Reorganized Debtor is dissolved, and (e) all Distributions required to be made by the Claimant Trustee to the Claimant Trust Beneficiaries under the Plan have been made, but in no event shall the Claimant Trust be dissolved later than three years from the Effective Date unless the Bankruptcy Court, upon motion made within the six-month period before such third anniversary (and, in the event of further extension, by order of the Bankruptcy Court, upon motion made at least six months before the end of the preceding extension), determines that a fixed period extension (not to exceed two years, together with any prior extensions, without a favorable letter ruling from the Internal Revenue Service or an opinion of counsel that any further extension would not adversely affect the status of the Claimant Trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery on, and liquidation of, the Claimant Trust Assets.

Upon dissolution of the Claimant Trust, and pursuant to the Claimant Trust Agreement, any remaining Claimant Trust Assets that exceed the amounts required to be paid under the Plan will be transferred (in the sole discretion of the Claimant Trustee) in Cash or in-kind to the Holders of the Claimant Trust Interests as provided in the Claimant Trust Agreement.

C. The Reorganized Debtor

1. Corporate Existence

The Debtor will continue to exist after the Effective Date, with all of the powers of partnerships pursuant to the law of the State of Delaware and as set forth in the Reorganized Limited Partnership Agreement.

2. Cancellation of Equity Interests and Release

On the Effective Date, (i) all prepetition Equity Interests, including the Class A Limited Partnership Interests and the Class B/C Limited Partnership Interests, in the Debtor shall be canceled, and (ii) all obligations or debts owed by, or Claims against, the Debtor on account of, or based upon, the Interests shall be deemed as cancelled, released, and discharged, including all obligations or duties by the Debtor relating to the Equity Interests in any of the Debtor's formation documents, including the Limited Partnership Agreement.

3. Issuance of New Partnership Interests

On the Effective Date, the Debtor or the Reorganized Debtor, as applicable, will issue new Class A Limited Partnership Interests to (i) the Claimant Trust, as limited partner, and (ii) New GP LLC, as general partner, and will admit (a) the Claimant Trust as the limited partner of the Reorganized Debtor, and (b) New GP LLC as the general partner of the Reorganized Debtor.

The Claimant Trust, as limited partner, will ratify New GP LLC's appointment as general partner of the Reorganized Debtor. Also, on the Effective Date, the Claimant Trust, as limited partner, and New GP LLC, as general partner, will execute the Reorganized Limited Partnership Agreement and receive partnership interests in the Reorganized Debtor consistent with the terms of the Reorganized Limited Partnership Agreement.

4. Management of the Reorganized Debtor

Subject to and consistent with the terms of the Reorganized Limited Partnership Agreement, the Reorganized Debtor shall be managed by its general partner, New GP LLC. The initial officers and employees of the Reorganized Debtor shall be selected by the Debtor. The Reorganized Debtor may, in its discretion, also utilize a Sub-Servicer in addition to or in lieu of the retention of officers and employees.

As set forth in the Reorganized Limited Partnership Agreement, New GP LLC will receive a fee for managing the Reorganized Debtor. Although New GP LLC will be a limited liability company, it will elect to be treated as a C-Corporation for tax purposes. Therefore, New GP LLC (and any taxable income attributable to it) will be subject to corporate income taxation on a standalone basis, which may reduce the return to Claimants.

5. Vesting of Assets in the Reorganized Debtor

Except as otherwise provided in this Plan or the Confirmation Order, on or after the Effective Date, all Reorganized Debtor Assets will vest in the Reorganized Debtor, free and clear of all Liens, Claims, charges or other encumbrances pursuant to section 1141(c) of the Bankruptcy Code except with respect to such Liens, Claims, charges and other encumbrances that are specifically preserved under this Plan upon the Effective Date.

The Reorganized Debtor shall be the exclusive trustee of the Reorganized Debtor Assets for purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3), as well as the representative of the Estate appointed pursuant to section 1123(b)(3)(B) of the Bankruptcy Code with respect to the Reorganized Debtor Assets.

Except as may be otherwise provided in this Plan or the Confirmation Order, the Reorganized Debtor will continue to manage the Reorganized Debtor Assets (which shall include, for the avoidance of doubt, serving as the investment manager of the Managed Funds) and may use, acquire or dispose of the Reorganized Debtor Assets and compromise or settle any Claims with respect to the Reorganized Debtor Assets without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

Without limiting the foregoing, the Reorganized Debtor will pay the charges that it incurs after the Effective Date for Professionals' fees, disbursements, expenses or related support services (including reasonable fees relating to the preparation of Professional fee applications) in the ordinary course of business and without application or notice to, or order of, the Bankruptcy Court.

6. *Distribution of Proceeds from the Reorganized Debtor Assets; Transfer of Reorganized Debtor Assets*

Any proceeds received by the Reorganized Debtor will be distributed to the Claimant Trust, as limited partner, and New GP LLC, as general partner, in the manner set forth in the Reorganized Limited Partnership Agreement. As set forth in the Reorganized Limited Partnership Agreement, the Reorganized Debtor may, from time to time distribute Reorganized Debtor Assets to the Claimant Trust either in Cash or in-kind, including to institute the wind-down and dissolution of the Reorganized Debtor. Any assets distributed to the Claimant Trust will be (i) deemed transferred in all respects as forth in ARTICLE IV.B.1, (ii) deemed Claimant Trust Assets, and (iii) administered as Claimant Trust Assets.

D. Company Action

Each of the Debtor, the Reorganized Debtor, and the Trustees, as applicable, may take any and all actions to execute, deliver, File or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of this Plan, the Claimant Trust Agreement, the Reorganized Limited Partnership Agreement, or the New GP LLC Documents, as applicable, in the name of and on behalf of the Debtor, the Reorganized Debtor, or the Trustees, as applicable, and in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by the security holders, officers, or directors of the Debtor or the Reorganized Debtor, as applicable, or by any other Person.

Prior to, on or after the Effective Date (as appropriate), all matters provided for pursuant to this Plan that would otherwise require approval of the stockholders, partners, directors, managers, or members of the Debtor, any Related Entity, or any Affiliate thereof (as of prior to the Effective Date) will be deemed to have been so approved and will be in effect prior to, on or after the Effective Date (as appropriate) pursuant to applicable law and without any requirement of further action by the stockholders, partners, directors, managers or members of such Persons, or the need for any approvals, authorizations, actions or consents of any Person.

All matters provided for in this Plan involving the legal or corporate structure of the Debtor, the Reorganized Debtor, or the Claimant Trust, as applicable, and any legal or corporate action required by the Debtor, the Reorganized Debtor, or the Claimant Trust, as applicable, in connection with this Plan, will be deemed to have occurred and will be in full force and effect in all respects, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by the security holders, partners, directors, managers, or members of the Debtor, the Reorganized Debtor, or the Claimant Trust, as applicable, or by any other Person. On the Effective Date, the appropriate officers of the Debtor and the Reorganized Debtor, as applicable, as well as the Trustees, are authorized to issue, execute, deliver, and consummate the transactions contemplated by, the contracts, agreements, documents, guarantees, pledges, consents, securities, certificates, resolutions and instruments contemplated by or described in this Plan in the name of and on behalf of the Debtor and the Reorganized Debtor, as well as the Trustees, in each case without further notice to or order of the Bankruptcy Court, act or action

under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by any Person. The appropriate officer of the Debtor, the Reorganized Debtor, as well as the Trustees, will be authorized to certify or attest to any of the foregoing actions.

E. Release of Liens, Claims and Equity Interests

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, from and after the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all Liens, Claims, Equity Interests, mortgages, deeds of trust, or other security interests against the property of the Estate will be fully released, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Entity. Any Entity holding such Liens or Equity Interests extinguished pursuant to the prior sentence will, pursuant to section 1142 of the Bankruptcy Code, promptly execute and deliver to the Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable, such instruments of termination, release, satisfaction and/or assignment (in recordable form) as may be reasonably requested by the Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable. For the avoidance of doubt, this section is in addition to, and shall not be read to limit in any respects, ARTICLE IV.C.2.

F. Cancellation of Notes, Certificates and Instruments

Except for the purpose of evidencing a right to a distribution under this Plan and except as otherwise set forth in this Plan, on the Effective Date, all agreements, instruments, Securities and other documents evidencing any prepetition Claim or Equity Interest and any rights of any Holder in respect thereof shall be deemed cancelled, discharged, and of no force or effect. The holders of or parties to such cancelled instruments, Securities, and other documentation will have no rights arising from or related to such instruments, Securities, or other documentation or the cancellation thereof, except the rights provided for pursuant to this Plan, and the obligations of the Debtor thereunder or in any way related thereto will be fully released, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by any Person. For the avoidance of doubt, this section is in addition to, and shall not be read to limit in any respects, ARTICLE IV.C.2.

G. Cancellation of Existing Instruments Governing Security Interests

Upon payment or other satisfaction of an Allowed Class 1 or Allowed Class 2 Claim, or promptly thereafter, the Holder of such Allowed Class 1 or Allowed Class 2 Claim shall deliver to the Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable, any collateral or other property of the Debtor held by such Holder, together with any termination statements, instruments of satisfaction, or releases of all security interests with respect to its Allowed Class 1 or Allowed Class 2 Claim that may be reasonably required to terminate any related financing statements, mortgages, mechanics' or other statutory Liens, or *lis pendens*, or similar interests or documents.

H. Control Provisions

To the extent that there is any inconsistency between this Plan as it relates to the Claimant Trust, the Claimant Trust Agreement, the Reorganized Debtor, or the Reorganized Limited Partnership Agreement, this Plan shall control.

I. Treatment of Vacant Classes

Any Claim or Equity Interest in a Class considered vacant under ARTICLE III.C of this Plan shall receive no Plan Distributions.

J. Plan Documents

The documents, if any, to be Filed as part of the Plan Documents, including any documents filed with the Plan Supplement, and any amendments, restatements, supplements, or other modifications to such documents, and any consents, waivers, or other deviations under or from any such documents, shall be incorporated herein by this reference (including to the applicable definitions in ARTICLE I hereof) and fully enforceable as if stated in full herein.

The Debtor and the Committee are currently working to finalize the forms of certain of the Plan Documents to be filed with the Plan Supplement. To the extent that the Debtor and the Committee cannot agree as to the form and content of such Plan Documents, they intend to submit the issue to non-binding mediation pursuant to the *Order Directing Mediation* entered on August 3, 2020 [D.I. 912].

ARTICLE V.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption, Assignment, or Rejection of Executory Contracts and Unexpired Leases

Unless an Executory Contract or Unexpired Lease: (i) was previously assumed or rejected by the Debtor pursuant to a Final Order of the Bankruptcy Court entered prior to the Effective Date; (ii) previously expired or terminated pursuant to its own terms or by agreement of the parties thereto; (iii) is the subject of a motion to assume filed by the Debtor on or before the Confirmation Date; (iv) contains a change of control or similar provision that would be triggered by the Chapter 11 Case (unless such provision has been irrevocably waived); or (v) is specifically designated as a contract or lease to be assumed in the Plan Supplement, on the Effective Date, each Executory Contract and Unexpired Lease shall be deemed rejected pursuant to section 365 of the Bankruptcy Code, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, unless such Executory Contract or Unexpired Lease is listed in the Plan Supplement.

At any time on or prior to the Effective Date, the Debtor or the Reorganized Debtor, as applicable, may assign (subject to applicable law) any Executory Contract or Unexpired Lease, as determined by the Debtor in consultation with the Committee, or the Reorganized Debtor, as applicable.

The Confirmation Order will constitute an order of the Bankruptcy Court approving the above-described assumptions, rejections, and assumptions and assignments. Except as otherwise provided herein or agreed to by the Debtor and the applicable counterparty, each assumed Executory Contract or Unexpired Lease shall include all modifications, amendments, supplements, restatements, or other agreements related thereto, and all rights related thereto. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtor during the Chapter 11 Case shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease or the validity, priority, or amount of any Claims that may arise in connection therewith. To the extent applicable, no change of control (or similar provision) will be deemed to occur under any such Executory Contract or Unexpired Lease.

If certain, but not all, of a contract counterparty's Executory Contracts and/or Unexpired Leases are rejected pursuant to the Plan, the Confirmation Order shall be a determination that such counterparty's Executory Contracts and/or Unexpired Leases that are being assumed pursuant to the Plan are severable agreements that are not integrated with those Executory Contracts and/or Unexpired Leases that are being rejected pursuant to the Plan. Parties seeking to contest this finding with respect to their Executory Contracts and/or Unexpired Leases must file a timely objection to the Plan on the grounds that their agreements are integrated and not severable, and any such dispute shall be resolved by the Bankruptcy Court at the Confirmation Hearing (to the extent not resolved by the parties prior to the Confirmation Hearing).

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Any Executory Contract or Unexpired Lease not assumed or rejected on or before the Effective Date shall be deemed rejected, pursuant to the Confirmation Order. Any Person asserting a Rejection Claim shall File a proof of claim within thirty days of the Effective Date. Any Rejection Claims that are not timely Filed pursuant to this Plan shall be forever disallowed and barred. If one or more Rejection Claims are timely Filed, the Claimant Trustee may File an objection to any Rejection Claim.

Rejection Claims shall be classified as Convenience Claims or General Unsecured Claims, as applicable, and shall be treated in accordance with ARTICLE III of this Plan.

C. Cure of Defaults for Assumed or Assigned Executory Contracts and Unexpired Leases

Any monetary amounts by which any Executory Contract or Unexpired Lease to be assumed or assigned hereunder is in default shall be satisfied, under section 365(b)(1) of the Bankruptcy Code, by the Debtor upon assumption or assignment thereof, by payment of the default amount in Cash as and when due in the ordinary course or on such other terms as the parties to such Executory Contracts may otherwise agree. The Debtor may serve a notice on the Committee and parties to Executory Contracts or Unexpired Leases to be assumed or assigned reflecting the Debtor's or Reorganized Debtor's intention to assume or assign the Executory Contract or Unexpired Lease in connection with this Plan and setting forth the proposed cure amount (if any).

If a dispute regarding (1) the amount of any payments to cure a default, (2) the ability of the Debtor, the Reorganized Debtor, or any assignee to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed or assigned or (3) any other matter pertaining to assumption or assignment, the cure payments required by section 365(b)(1) of the Bankruptcy Code will be made following the entry of a Final Order or orders resolving the dispute and approving the assumption or assignment.

Assumption or assignment of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise and full payment of any applicable cure amounts pursuant to this ARTICLE V.C shall result in the full release and satisfaction of any cure amounts, Claims, or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed or assigned Executory Contract or Unexpired Lease at any time prior to the effective date of assumption or assignment. Any and all Proofs of Claim based upon Executory Contracts or Unexpired Leases that have been assumed or assigned in the Chapter 11 Case, including pursuant to the Confirmation Order, and for which any cure amounts have been fully paid pursuant to this ARTICLE V.C, shall be deemed disallowed and expunged as of the Effective Date without the need for any objection thereto or any further notice to or action, order, or approval of the Bankruptcy Court.

D. Assumption of Insurance Policies

Upon the Effective Date, the Reorganized Debtor will assume all of the Insurance Policies pursuant to section 365(a) of the Bankruptcy Code and all such Insurance Policies shall vest in the Reorganized Debtor. Unless previously effectuated by separate order entered by the Bankruptcy Court, entry of the Confirmation Order will constitute the Bankruptcy Court’s approval of the Debtor’s foregoing assumption of each of the Insurance Policies and all such Insurance Policies shall continue in full force and effect thereafter in accordance with their respective terms. Notwithstanding anything to the contrary contained in this Plan, confirmation of this Plan will not impair or otherwise modify any rights of the Debtor or the Reorganized Debtor under the Insurance Policies. To the extent that any Insurance Policy is not assumable, it will be Reinstated.

ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS

A. Dates of Distributions

Except as otherwise provided in this Plan, on the Effective Date or as soon as reasonably practicable thereafter (or if a Claim is not an Allowed Claim or Equity Interest on the Effective Date, on the date that such Claim or Equity Interest becomes an Allowed Claim or Equity Interest, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim or Equity Interest against the Debtor shall receive the full amount of the distributions that this Plan provides for Allowed Claims or Allowed Equity Interests in the applicable Class and in the manner provided herein. If any payment or act under this Plan is required to be made or performed on a date that is not on a Business Day, then the making of such payment or the

performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent there are Disputed Claims or Equity Interests, distributions on account of any such Disputed Claims or Equity Interests shall be made pursuant to the provisions provided in this Plan. Except as otherwise provided in this Plan, Holders of Claims and Equity Interests shall not be entitled to interest, dividends or accruals on the distributions provided for therein, regardless of whether distributions are delivered on or at any time after the Effective Date.

Upon the Effective Date, all Claims and Equity Interests against the Debtor shall be deemed fixed and adjusted pursuant to this Plan and none of the Debtor, the Reorganized Debtor, or the Claimant Trust will have liability on account of any Claims or Equity Interests except as set forth in this Plan and in the Confirmation Order. All payments and all distributions made by the Distribution Agent under this Plan shall be in full and final satisfaction, settlement and release of all Claims and Equity Interests against the Debtor and the Reorganized Debtor.

At the close of business on the Distribution Record Date, the transfer ledgers for the Claims against the Debtor and the Equity Interests in the Debtor shall be closed, and there shall be no further changes in the record holders of such Claims and Equity Interests. The Debtor, the Reorganized Debtor, the Trustees, and the Distribution Agent, and each of their respective agents, successors, and assigns shall have no obligation to recognize the transfer of any Claims against the Debtor or Equity Interests in the Debtor occurring after the Distribution Record Date and shall be entitled instead to recognize and deal for all purposes hereunder with only those record holders stated on the transfer ledgers as of the close of business on the Distribution Record Date irrespective of the number of distributions to be made under this Plan to such Persons or the date of such distributions.

B. Distribution Agent

Except as provided herein, all distributions under this Plan shall be made by the Claimant Trustee, as Distribution Agent, or by such other Entity designated by the Claimant Trustee, as a Distribution Agent on the Effective Date or thereafter. The Claimant Trustee, or such other Entity designated by the Claimant Trustee to be the Distribution Agent, shall not be required to give any bond or surety or other security for the performance of such Distribution Agent's duties unless otherwise ordered by the Bankruptcy Court.

The Distribution Agent shall be empowered to (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under this Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Distribution Agent by order of the Bankruptcy Court, pursuant to this Plan, or as deemed by the Distribution Agent to be necessary and proper to implement the provisions hereof.

The Distribution Agent shall not have any obligation to make a particular distribution to a specific Holder of an Allowed Claim if such Holder is also the Holder of a Disputed Claim.

C. Cash Distributions

Distributions of Cash may be made by wire transfer from a domestic bank, except that Cash payments made to foreign creditors may be made in such funds and by such means as the Distribution Agent determines are necessary or customary in a particular foreign jurisdiction.

D. Disputed Claims Reserve

As set forth in the Claimant Trust Agreement, the Claimant Trustee, as Distribution Agent, shall establish, fund, and maintain a reserve at the Claimant Trust. Any payments to be made under this Plan after the Effective Date shall be paid from the Disputed Claims Reserve as set forth in the Claimant Trust Agreement. Upon the resolution of all Disputed Claims, funds remaining in the Disputed Claims Reserve shall be allocated in the manner set forth in the Claimant Trust Agreement.

E. Rounding of Payments

Whenever this Plan would otherwise call for, with respect to a particular Person, payment of a fraction of a dollar, the actual payment or distribution shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down. To the extent that Cash to be distributed under this Plan remains undistributed as a result of the aforementioned rounding, such Cash or stock shall be treated as “Unclaimed Property” under this Plan.

F. De Minimis Distribution

Except as to any Allowed Claim that is Unimpaired under this Plan, none of the Debtor, the Reorganized Debtor, or the Distribution Agent shall have any obligation to make any Plan Distributions with a value of less than \$100, unless a written request therefor is received by the Distribution Agent from the relevant recipient at the addresses set forth in ARTICLE VI.I hereof within 120 days after the later of the (i) Effective Date and (ii) the date such Claim becomes an Allowed Claim. *De minimis* distributions for which no such request is timely received shall revert to the Claimant Trust. Upon such reversion, the relevant Allowed Claim (and any Claim on account of missed distributions) shall be automatically deemed satisfied, discharged and forever barred, notwithstanding any federal or state escheat laws to the contrary.

G. Distributions on Account of Allowed Claims

Except as otherwise agreed by the Holder of a particular Claim or as provided in this Plan, all distributions shall be made pursuant to the terms of this Plan and the Confirmation Order. Except as otherwise provided in this Plan, distributions to any Holder of an Allowed Claim shall, to the extent applicable, be allocated first to the principal amount of any such Allowed Claim, as determined for U.S. federal income tax purposes and then, to the extent the consideration exceeds such amount, to the remainder of such Claim comprising accrued but unpaid interest, if any (but solely to the extent that interest is an allowable portion of such Allowed Claim).

H. General Distribution Procedures

The Distribution Agent, shall make all distributions of Cash or other property required under this Plan, unless this Plan specifically provides otherwise. All Cash and other property held by the Debtor, the Reorganized Debtor, or the Claimant Trust, as applicable, for ultimate distribution under this Plan shall not be subject to any claim by any Person.

I. Address for Delivery of Distributions

Distributions to Holders of Allowed Claims, to the extent provided for under this Plan, shall be made (1) at the addresses set forth in any written notices of address change delivered to the Debtor and the Distribution Agent; (2) at the address set forth on any Proofs of Claim Filed by such Holders (to the extent such Proofs of Claim are Filed in the Chapter 11 Case), (2), or (3) at the addresses in the Debtor's books and records.

If there is any conflict or discrepancy between the addresses set forth in (1) through (3) in the foregoing sentence, then (i) the address in Section (2) shall control; (ii) if (2) does not apply, the address in (1) shall control, and (iii) if (1) does not apply, the address in (3) shall control.

J. Undeliverable Distributions and Unclaimed Property

If the distribution to the Holder of any Allowed Claim is returned to the Reorganized Debtor or the Claimant Trust as undeliverable, no further distribution shall be made to such Holder, and Distribution Agent shall not have any obligation to make any further distribution to the Holder, unless and until the Distribution Agent is notified in writing of such Holder's then current address.

Any Entity that fails to claim any Cash within six months from the date upon which a distribution is first made to such Entity shall forfeit all rights to any distribution under this Plan and such Cash shall thereafter be deemed an Claimant Trust Asset in all respects and for all purposes. Entities that fail to claim Cash shall forfeit their rights thereto and shall have no claim whatsoever against the Debtor's Estate, the Reorganized Debtor, the Claimant Trust, or against any Holder of an Allowed Claim to whom distributions are made by the Distribution Agent.

K. Withholding Taxes

In connection with this Plan, to the extent applicable, the Distribution Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions made pursuant to this Plan shall be subject to such withholding and reporting requirements. The Distribution Agent shall be entitled to deduct any U.S. federal, state or local withholding taxes from any Cash payments made with respect to Allowed Claims, as appropriate. As a condition to receiving any distribution under this Plan, the Distribution Agent may require that the Holder of an Allowed Claim entitled to receive a distribution pursuant to this Plan provide such Holder's taxpayer identification number and such other information and certification as may be deemed necessary for the Distribution Agent to comply with applicable tax reporting and withholding laws. If a Holder fails to comply with such a request within one year, such distribution shall be deemed an unclaimed distribution. Any amounts withheld

pursuant hereto shall be deemed to have been distributed to and received by the applicable recipient for all purposes of this Plan.

L. Setoffs

The Distribution Agent may, to the extent permitted under applicable law, set off against any Allowed Claim and any distributions to be made pursuant to this Plan on account of such Allowed Claim, the claims, rights and causes of action of any nature that the Debtor, the Reorganized Debtor, or the Distribution Agent may hold against the Holder of such Allowed Claim that are not otherwise waived, released or compromised in accordance with this Plan; *provided, however*, that neither such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor, the Reorganized Debtor, or the Claimant Trustee of any such claims, rights and causes of action that the Debtor, the Reorganized Debtor, or Claimant Trustee possesses against such Holder. Any Holder of an Allowed Claim subject to such setoff reserves the right to challenge any such setoff in the Bankruptcy Court or any other court with jurisdiction with respect to such challenge.

M. Surrender of Cancelled Instruments or Securities

As a condition precedent to receiving any distribution pursuant to this Plan on account of an Allowed Claim evidenced by negotiable instruments, securities, or notes canceled pursuant to ARTICLE IV of this Plan, the Holder of such Claim will tender the applicable negotiable instruments, securities, or notes evidencing such Claim (or a sworn affidavit identifying the negotiable instruments, securities, or notes formerly held by such Holder and certifying that they have been lost), to the Distribution Agent unless waived in writing by the Distribution Agent.

N. Lost, Stolen, Mutilated or Destroyed Securities

In addition to any requirements under any applicable agreement and applicable law, any Holder of a Claim or Equity Interest evidenced by a security or note that has been lost, stolen, mutilated, or destroyed will, in lieu of surrendering such security or note to the extent required by this Plan, deliver to the Distribution Agent: (i) evidence reasonably satisfactory to the Distribution Agent of such loss, theft, mutilation, or destruction; and (ii) such security or indemnity as may be required by the Distribution Agent to hold such party harmless from any damages, liabilities, or costs incurred in treating such individual as a Holder of an Allowed Claim or Equity Interest. Upon compliance with ARTICLE VI.N of this Plan as determined by the Distribution Agent, by a Holder of a Claim evidenced by a security or note, such Holder will, for all purposes under this Plan, be deemed to have surrendered such security or note to the Distribution Agent.

ARTICLE VII.
PROCEDURES FOR RESOLVING CONTINGENT,
UNLIQUIDATED AND DISPUTED CLAIMS

A. Filing of Proofs of Claim

Unless such Claim appeared in the Schedules and is not listed as disputed, contingent, or unliquidated, or such Claim has otherwise been Allowed or paid, each Holder of a Claim was required to file a Proof of Claim on or prior to the Bar Date.

B. Disputed Claims

Following the Effective Date, each of the Reorganized Debtor or the Claimant Trustee, as applicable, may File with the Bankruptcy Court an objection to the allowance of any Disputed Claim or Disputed Equity Interest or any other appropriate motion or adversary proceeding with respect thereto, which shall be litigated to Final Order or, at the discretion of the Reorganized Debtor or Claimant Trustee, as applicable, compromised, settled, withdrew or resolved without further order of the Bankruptcy Court, and (ii) unless otherwise provided in the Confirmation Order, the Reorganized Debtor or the Claimant Trust, as applicable, are authorized to settle, or withdraw any objections to, any Disputed Claim or Disputed Equity Interests following the Effective Date without further notice to creditors (other than the Entity holding such Disputed Claim or Disputed Equity Interest) or authorization of the Bankruptcy Court, in which event such Claim or Equity Interest shall be deemed to be an Allowed Claim or Equity Interest in the amount compromised for purposes of this Plan.

C. Procedures Regarding Disputed Claims or Disputed Equity Interests

No payment or other distribution or treatment shall be made on account of a Disputed Claim or Disputed Equity Interest, even if a portion of the Claim is not disputed, unless and until such Disputed Claim or Disputed Equity Interest becomes an Allowed Claim or Equity Interests and the amount of such Allowed Claim or Equity Interest, as applicable, is determined by order of the Bankruptcy Court or by stipulation between the Reorganized Debtor or Claimant Trust, as applicable, and the Holder of the Claim or Equity Interest.

D. Allowance of Claims and Equity Interests

Following the date on which a Disputed Claim or Disputed Equity Interest becomes an Allowed Claim or Equity Interest after the Distribution Date, the Distribution Agent shall make a distribution to the Holder of such Allowed Claim or Equity Interest in accordance with the Plan.

1. Allowance of Claims

After the Effective Date and subject to the other provisions of this Plan, the Reorganized Debtor or the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any Claim. Except as expressly provided in this Plan or in any order entered in the Chapter 11 Case prior to the Effective Date (including, without limitation, the Confirmation Order), no Claim or Equity Interest will become an Allowed Claim or Equity Interest unless and until such Claim or Equity

Interest is deemed Allowed under this Plan or the Bankruptcy Code or the Bankruptcy Court has entered an order, including, without limitation, the Confirmation Order, in the Chapter 11 Case allowing such Claim or Equity Interest.

2. Estimation

Subject to the other provisions of this Plan, the Debtor, prior to the Effective Date, and the Reorganized Debtor or the Claimant Trustee, as applicable, after the Effective Date, may, at any time, request that the Bankruptcy Court estimate (a) any Disputed Claim or Disputed Equity Interest pursuant to applicable law and (b) any contingent or unliquidated Claim pursuant to applicable law, including, without limitation, section 502(c) of the Bankruptcy Code, and the Bankruptcy Court will retain jurisdiction under 28 U.S.C. §§ 157 and 1334 to estimate any Disputed Claim or Disputed Equity Interest, contingent Claim or unliquidated Claim, including during the litigation concerning any objection to any Claim or Equity Interest or during the pendency of any appeal relating to any such objection. All of the aforementioned objection, estimation and resolution procedures are cumulative and not exclusive of one another. Claims or Equity Interests may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court. The rights and objections of all parties are reserved in connection with any such estimation proceeding.

3. Disallowance of Claims

Any Claims or Equity Interests held by Entities from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code, or that are a transferee of a transfer avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and holders of such Claims or Interests may not receive any distributions on account of such Claims or Interests until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court Order with respect thereto has been entered and all sums due, if any, to the Reorganized Debtor or the Claimant Trust, as applicable, by that Entity have been turned over or paid to the Reorganized Debtor or the Claimant Trust, as applicable.

EXCEPT AS OTHERWISE PROVIDED HEREIN OR AS AGREED TO BY THE DEBTOR, REORGANIZED DEBTOR, OR CLAIMANT TRUSTEE, AS APPLICABLE, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE BAR DATE SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE BANKRUPTCY COURT, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS SUCH LATE PROOF OF CLAIM HAS BEEN DEEMED TIMELY FILED BY A FINAL ORDER.

ARTICLE VIII.
EFFECTIVENESS OF THIS PLAN

A. Conditions Precedent to the Effective Date

The Effective Date of this Plan will be conditioned upon the satisfaction or waiver by the

Debtor (and, to the extent such condition requires the consent of the Committee, the consent of the Committee with such consent not to be unreasonably withheld), pursuant to the provisions of ARTICLE VIII.B of this Plan of the following:

- This Plan and the Plan Documents, including the Claimant Trust Agreement and the Reorganized Limited Partnership Agreement, and all schedules, documents, supplements and exhibits to this Plan shall have been Filed in form and substance reasonably acceptable to the Debtor and the Committee.
- The Confirmation Order shall have been entered, not subject to stay pending appeal, and shall be in form and substance reasonably acceptable to the Debtor and the Committee. The Confirmation Order shall provide that, among other things, (i) the Debtor, the Reorganized Debtor, the Claimant Trustee, or the Litigation Trustee are authorized to take all actions necessary or appropriate to effectuate and consummate this Plan, including, without limitation, (a) entering into, implementing, effectuating, and consummating the contracts, instruments, releases, and other agreements or documents created in connection with or described in this Plan, (b) assuming the Executory Contracts and Unexpired Leases set forth in the Plan Supplement, (c) making all distributions and issuances as required under this Plan; and (d) entering into any transactions as set forth in the Plan Documents; (ii) the provisions of the Confirmation Order and this Plan are nonseverable and mutually dependent; (iii) the implementation of this Plan in accordance with its terms is authorized; (iv) pursuant to section 1146 of the Bankruptcy Code, the delivery of any deed or other instrument or transfer order, in furtherance of, or in connection with this Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition or transfer of Assets contemplated under this Plan, shall not be subject to any Stamp or Similar Tax; and (v) the vesting of the Claimant Trust Assets in the Claimant Trust and the Reorganized Debtor Assets in the Reorganized Debtor, in each case as of the Effective Date free and clear of liens and claims to the fullest extent permissible under applicable law pursuant to section 1141(c) of the Bankruptcy Code except with respect to such Liens, Claims, charges and other encumbrances that are specifically preserved under this Plan upon the Effective Date.
- All documents and agreements necessary to implement this Plan, including without limitation, the Reorganized Limited Partnership Agreement, the Claimant Trust Agreement, and the New GP LLC Documents, in each case in form and substance reasonably acceptable to the Debtor and the Committee, shall have (a) been tendered for delivery, and (b) been effected by, executed by, or otherwise deemed binding upon, all Entities party thereto and shall be in full force and effect. All conditions precedent to such documents and agreements shall have been satisfied or waived pursuant to the terms of such documents or agreements.
- All authorizations, consents, actions, documents, approvals (including any governmental approvals), certificates and agreements necessary to implement this Plan, including, without limitation, the Reorganized Limited Partnership Agreement, the Claimant Trust Agreement, and the New GP LLC Documents, shall have been obtained, effected or executed and delivered to the required parties and, to the extent

required, filed with the applicable governmental units in accordance with applicable laws and any applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain or prevent effectiveness or consummation of the Restructuring.

B. Waiver of Conditions

The conditions to effectiveness of this Plan set forth in this ARTICLE VIII (other than that the Confirmation Order shall have been entered) may be waived in whole or in part by the Debtor (and, to the extent such condition requires the consent of the Committee, the consent of the Committee), without notice, leave or order of the Bankruptcy Court or any formal action other than proceeding to confirm or effectuate this Plan. The failure to satisfy or waive a condition to the Effective Date may be asserted by the Debtor regardless of the circumstances giving rise to the failure of such condition to be satisfied. The failure of the Debtor to exercise any of the foregoing rights will not be deemed a waiver of any other rights, and each right will be deemed an ongoing right that may be asserted at any time by the Debtor, the Reorganized Debtor, or the Claimant Trust, as applicable.

C. Effect of Non-Occurrence of Conditions to Effectiveness

Unless waived as set forth in ARTICLE VIII.B, if the Effective Date of this Plan does not occur within twenty calendar days of entry of the Confirmation Order, the Debtor may withdraw this Plan and, if withdrawn, the Plan shall be of no further force or effect.

D. Dissolution of the Committee

On the Effective Date, the Committee will dissolve, and the members of the Committee and the Committee's Professionals will cease to have any role arising from or relating to the Chapter 11 Case, except in connection with final fee applications of Professionals for services rendered prior to the Effective Date (including the right to object thereto). The Professionals retained by the Committee and the members thereof will not be entitled to assert any fee claims for any services rendered to the Committee or expenses incurred in the service of the Committee after the Effective Date, except for reasonable fees for services rendered, and actual and necessary costs incurred, in connection with any applications for allowance of Professional Fees pending on the Effective Date or filed and served after the Effective Date pursuant to the Plan. Nothing in the Plan shall prohibit or limit the ability of the Debtor's or Committee's Professionals to represent either of the Trustees or to be compensated or reimbursed per the Plan and the Claimant Trust Agreement in connection with such representation.

ARTICLE IX.

EXCULPATION, INJUNCTION AND RELATED PROVISIONS

A. General

Notwithstanding anything contained in the Plan to the contrary, the allowance, classification and treatment of all Allowed Claims and Equity Interests and their respective distributions and treatments under the Plan shall take into account the relative priority and rights of the Claims and the Equity Interests in each Class in connection with any contractual, legal and

equitable subordination rights relating thereto whether arising under general principles of equitable subordination, section 510 of the Bankruptcy Code, or otherwise.

B. Discharge of Claims

To the fullest extent provided under section 1141(d)(1)(A) and other applicable provisions of the Bankruptcy Code, except as otherwise expressly provided by this Plan or the Confirmation Order, all consideration distributed under this Plan will be in exchange for, and in complete satisfaction, settlement, discharge, and release of, all Claims and Equity Interests of any kind or nature whatsoever against the Debtor or any of its Assets or properties, and regardless of whether any property will have been distributed or retained pursuant to this Plan on account of such Claims or Equity Interests. Except as otherwise expressly provided by this Plan or the Confirmation Order, upon the Effective Date, the Debtor and its Estate will be deemed discharged and released under and to the fullest extent provided under section 1141(d)(1)(A) and other applicable provisions of the Bankruptcy Code from any and all Claims and Equity Interests of any kind or nature whatsoever, including, but not limited to, demands and liabilities that arose before the Confirmation Date, and all debts of the kind specified in section 502(g), 502(h), or 502(i) of the Bankruptcy Code.

C. Exculpation

To the maximum extent permitted by applicable law, no Exculpated Party will have or incur, and each Exculpated Party is hereby exculpated from, any claim, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, remedy, loss, and liability for conduct occurring on or after the Petition Date in connection with or arising out of (i) the filing and administration of the Chapter 11 Case; (ii) the negotiation and pursuit of the Disclosure Statement, the Plan, or the solicitation of votes for, or confirmation of, the Plan; (iii) the funding or consummation of the Plan (including the Plan Supplement) or any related agreements, instruments, or other documents, the solicitation of votes on the Plan, the offer, issuance, and Plan Distribution of any securities issued or to be issued pursuant to the Plan, including the Claimant Trust Interests, whether or not such Plan Distributions occur following the Effective Date; (iv) the implementation of the Plan; and (v) any negotiations, transactions, and documentation in connection with the foregoing clauses (i)-(v); *provided, however*, the foregoing will not apply to any acts or omissions of an Exculpated Party arising out of or related to acts or omissions that constitute bad faith, fraud, gross negligence, criminal misconduct, or willful misconduct. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations, any other applicable law or rules, or any other provisions of this Plan, including ARTICLE IV.C.2, protecting such Exculpated Parties from liability.

D. Releases by the Debtor

On and after the Effective Date, each Released Party is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by the Debtor and the Estate, in each case on behalf of themselves and their respective successors, assigns, and representatives, including, but not limited to, the Claimant Trust and the Litigation Sub-Trust from any and all Causes of Action, including any derivative claims, asserted on behalf of the Debtor, whether known or unknown, foreseen or unforeseen, matured or unmatured,

existing or hereafter arising, in law, equity, contract, tort or otherwise, that the Debtor or the Estate would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim against, or Interest in, a Debtor or other Person. Notwithstanding anything contained herein to the contrary, the foregoing release does not release (i) any obligations of any party under the Plan or any document, instrument, or agreement executed to implement the Plan, (ii) the rights or obligations of any current employee of the Debtor under any employment agreement or plan, (iii) the rights of the Debtor with respect to any confidentiality provisions or covenants restricting competition in favor of the Debtor under any employment agreement with a current or former employee of the Debtor, or (iv) any Causes of Action arising from willful misconduct, criminal misconduct, actual fraud, or gross negligence of such applicable Released Party as determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction.

E. Preservation of Rights of Action

1. Maintenance of Causes of Action

Except as otherwise provided in this Plan, after the Effective Date, the Reorganized Debtor or the Claimant Trust will retain all rights to commence, pursue, litigate or settle, as appropriate, any and all Causes of Action included in the Reorganized Debtor Assets or Claimant Trust Assets, as applicable, whether existing as of the Petition Date or thereafter arising, in any court or other tribunal including, without limitation, in an adversary proceeding Filed in the Chapter 11 Case and, as the successors in interest to the Debtor and the Estate, may, and will have the exclusive right to, enforce, sue on, settle, compromise, transfer or assign (or decline to do any of the foregoing) any or all of the Causes of Action without notice to or approval from the Bankruptcy Court.

2. Preservation of All Causes of Action Not Expressly Settled or Released

Unless a Cause of Action against a Holder of a Claim or an Equity Interest or other Entity is expressly waived, relinquished, released, compromised or settled in this Plan or any Final Order (including, without limitation, the Confirmation Order), such Cause of Action is expressly reserved for later adjudication by the Reorganized Debtor or Claimant Trust, as applicable (including, without limitation, Causes of Action not specifically identified or of which the Debtor may presently be unaware or that may arise or exist by reason of additional facts or circumstances unknown to the Debtor at this time or facts or circumstances that may change or be different from those the Debtor now believes to exist) and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches will apply to such Causes of Action as a consequence of the confirmation, effectiveness, or consummation of this Plan based on the Disclosure Statement, this Plan or the Confirmation Order, except where such Causes of Action have been expressly released in this Plan or any other Final Order (including, without limitation, the Confirmation Order). In addition, the right of the Reorganized Debtor or the Claimant Trust to pursue or adopt any claims alleged in any lawsuit in which the Debtor is a plaintiff, defendant or an interested party, against any Entity, including, without limitation, the plaintiffs or co-defendants in such lawsuits, is expressly reserved.

F. Injunction

Upon entry of the Confirmation Order, all holders of Claims and Equity Interests and other parties in interest, along with their respective Related Persons, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

Except as expressly provided in the Plan, the Confirmation Order, or a separate order of the Bankruptcy Court, all Entities who have held, hold, or may hold Claims against or Equity Interests in the Debtor (whether proof of such Claims or Equity Interests has been filed or not and whether or not such Entities vote in favor of, against or abstain from voting on the Plan or are presumed to have accepted or deemed to have rejected the Plan) and other parties in interest, along with their respective Related Persons, are permanently enjoined, on and after the Effective Date, with respect to such Claims and Equity Interests, from (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust or the property of any of the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust, (ii) enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust or the property of any of the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust, (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust or the property of any of the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust, (iv) asserting any right of setoff, directly or indirectly, against any obligation due from the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust or against property or interests in property of any of the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust; and (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan.

The injunctions set forth herein shall extend to any successors of the Debtor, the Reorganized Debtor, and the Claimant Trust and their respective property and interests in property.

No Entity may commence or pursue a claim or cause of action of any kind against any Protected Party that arose from or is related to the Chapter 11 Case, the negotiation of this Plan, the administration of the Plan or property to be distributed under the Plan, the wind down of the business of the Debtor or Reorganized Debtor, the administration of the Claimant Trust, or the transactions in furtherance of the foregoing without the Bankruptcy Court (i) first determining, after notice, that such claim or cause of action represents a colorable claim of bad faith, criminal misconduct, willful misconduct, fraud, or gross negligence against a Protected Party and (ii) specifically authorizing such Entity to bring such claim against any such Plan Party. As set forth in ARTICLE XI, the Bankruptcy Court will have sole jurisdiction to adjudicate any such claim for which approval of the Bankruptcy Court to commence or pursue has been granted.

G. Term of Injunctions or Stays

Unless otherwise provided in this Plan, the Confirmation Order, or in a Final Order of the Bankruptcy Court, all injunctions or stays arising under or entered during the Chapter 11 Case under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

**ARTICLE X.
BINDING NATURE OF PLAN**

On the Effective Date, and effective as of the Effective Date, the Plan, including, without limitation, the provisions in ARTICLE IX, will bind, and will be deemed binding upon, all Holders of Claims against and Equity Interests in the Debtor and such Holder's respective successors and assigns, to the maximum extent permitted by applicable law, notwithstanding whether or not such Holder will receive or retain any property or interest in property under the Plan. All Claims and Debts shall be fixed and adjusted pursuant to this Plan. The Plan shall also bind any taxing authority, recorder of deeds, or similar official for any county, state, Governmental Unit or parish in which any instrument related to the Plan or related to any transaction contemplated thereby is to be recorded with respect to any taxes of the kind specified in Bankruptcy Code section 1146(a).

**ARTICLE XI.
RETENTION OF JURISDICTION**

Pursuant to sections 105 and 1142 of the Bankruptcy Code and notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall, after the Effective Date, retain such jurisdiction over the Chapter 11 Case and all Entities with respect to all matters related to the Chapter 11 Case, the Reorganized Debtor, the Claimant Trust, and this Plan as legally permissible, including, without limitation, jurisdiction to:

- allow, disallow, determine, liquidate, classify, estimate or establish the priority, secured, unsecured, or subordinated status of any Claim or Equity Interest, including, without limitation, the resolution of any request for payment of any Administrative Expense Claim and the resolution of any and all objections to the allowance or priority of any Claim or Equity Interest;
- grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or this Plan, for periods ending on or before the Effective Date; *provided, however*, that, from and after the Effective Date, the Reorganized Debtor shall pay Professionals in the ordinary course of business for any work performed after the Effective Date subject to the terms of this Plan and the Confirmation Order, and such payment shall not be subject to the approval of the Bankruptcy Court;
- resolve any matters related to the assumption, assignment or rejection of any Executory Contract or Unexpired Lease to which the Debtor is party or with respect

- to which the Debtor, Reorganized Debtor, or Claimant Trust may be liable and to adjudicate and, if necessary, liquidate, any Claims arising therefrom, including, without limitation, any dispute regarding whether a contract or lease is or was executory or expired;
- make any determination with respect to a claim or cause of action against a Plan Party as set forth in ARTICLE IX;
 - resolve any claim or cause of action against an Exculpated Party or Plan Party arising from or related to the Chapter 11 Case, the negotiation of this Plan, the administration of the Plan or property to be distributed under the Plan, the wind down of the business of the Debtor or Reorganized Debtor, or the transactions in furtherance of the foregoing;
 - if requested by the Reorganized Debtor or the Claimant Trustee, authorize, approve, and allow any sale, disposition, assignment or other transfer of the Reorganized Debtor Assets or Claimant Trust Assets, including any break-up compensation or expense reimbursement that may be requested by a purchaser thereof; *provided, however*, that neither the Reorganized Debtor nor the Claimant Trustee shall be required to seek such authority or approval from the Bankruptcy Court unless otherwise specifically required by this Plan or the Confirmation Order;
 - if requested by the Reorganized Debtor or the Claimant Trustee, authorize, approve, and allow any borrowing or the incurrence of indebtedness, whether secured or unsecured by the Reorganized Debtor or Claimant Trust; *provided, however*, that neither the Reorganized Debtor nor the Claimant Trustee shall be required to seek such authority or approval from the Bankruptcy Court unless otherwise specifically required by this Plan or the Confirmation Order;
 - resolve any issues related to any matters adjudicated in the Chapter 11 Case;
 - ensure that distributions to Holders of Allowed Claims and Allowed Equity Interests are accomplished pursuant to the provisions of this Plan;
 - decide or resolve any motions, adversary proceedings, contested or litigated matters and any other Causes of Action that are pending as of the Effective Date or that may be commenced in the future, including approval of any settlements, compromises, or other resolutions as may be requested by the Debtor, the Reorganized Debtor, or the Litigation Trustee whether under Bankruptcy Rule 9019 or otherwise, and grant or deny any applications involving the Debtor that may be pending on the Effective Date or instituted by the Reorganized Debtor or Litigation Trustee after the Effective Date, provided that the Reorganized Debtor and the Litigation Trustee shall reserve the right to commence actions in all appropriate forums and jurisdictions;
 - enter such orders as may be necessary or appropriate to implement, effectuate, or consummate the provisions of this Plan, the Plan Documents, and all other contracts,

instruments, releases, and other agreements or documents adopted in connection with this Plan, the Plan Documents, or the Disclosure Statement;

- resolve any cases, controversies, suits or disputes that may arise in connection with the implementation, effectiveness, consummation, interpretation, or enforcement of this Plan or any Entity's obligations incurred in connection with this Plan;
- issue injunctions and enforce them, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with implementation, effectiveness, consummation, or enforcement of this Plan, except as otherwise provided in this Plan;
- enforce the terms and conditions of this Plan and the Confirmation Order;
- resolve any cases, controversies, suits or disputes with respect to the release, exculpation, indemnification, and other provisions contained herein and enter such orders or take such others actions as may be necessary or appropriate to implement or enforce all such releases, injunctions and other provisions;
- enter and implement such orders or take such others actions as may be necessary or appropriate if the Confirmation Order is modified, stayed, reversed, revoked or vacated;
- resolve any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement, the Confirmation Order, the Plan Documents, or any contract, instrument, release, indenture or other agreement or document adopted in connection with this Plan or the Disclosure Statement; and
- enter an order concluding or closing the Chapter 11 Case after the Effective Date.

ARTICLE XII.

MISCELLANEOUS PROVISIONS

A. Payment of Statutory Fees and Filing of Reports

All outstanding Statutory Fees shall be paid on the Effective Date. All such fees payable, and all such fees that become due and payable, after the Effective Date shall be paid by the Reorganized Debtor when due or as soon thereafter as practicable until the Chapter 11 Case is closed, converted, or dismissed. The Claimant Trustee shall File all quarterly reports due prior to the Effective Date when they become due, in a form reasonably acceptable to the U.S. Trustee. After the Effective Date, the Claimant Trustee shall File with the Bankruptcy Court quarterly reports when they become due, in a form reasonably acceptable to the U.S. Trustee. The Reorganized Debtor shall remain obligated to pay Statutory Fees to the Office of the U.S. Trustee until the earliest of the Debtor's case being closed, dismissed, or converted to a case under chapter 7 of the Bankruptcy Code.

B. Modification of Plan

Effective as of the date hereof and subject to the limitations and rights contained in this Plan: (a) the Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify this Plan prior to the entry of the Confirmation Order with the consent of the Committee, such consent not to be unreasonably withheld; and (b) after the entry of the Confirmation Order, the Debtor may, after notice and hearing and entry of an order of the Bankruptcy Court, amend or modify this Plan, in accordance with section 1127(b) of the Bankruptcy Code or remedy any defect or omission or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan.

C. Revocation of Plan

The Debtor reserves the right to revoke or withdraw this Plan prior to the Confirmation Date and to File a subsequent chapter 11 plan with the consent of the Committee. If the Debtor revokes or withdraws this Plan prior to the Confirmation Date, then: (i) this Plan shall be null and void in all respects; (ii) any settlement or compromise embodied in this Plan, assumption of Executory Contracts or Unexpired Leases effected by this Plan and any document or agreement executed pursuant hereto shall be deemed null and void except as may be set forth in a separate order entered by the Bankruptcy Court; and (iii) nothing contained in this Plan shall: (a) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtor or any other Entity; (b) prejudice in any manner the rights of the Debtor or any other Entity; or (c) constitute an admission, acknowledgement, offer or undertaking of any sort by the Debtor or any other Entity.

D. Entire Agreement

Except as otherwise described herein, this Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into this Plan.

E. Closing of Chapter 11 Case

The Claimant Trustee shall, after the Effective Date and promptly after the full administration of the Chapter 11 Case, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the Chapter 11 Case.

F. Successors and Assigns

This Plan shall be binding upon and inure to the benefit of the Debtor and its successors and assigns, including, without limitation, the Reorganized Debtor and the Claimant Trustee. The rights, benefits, and obligations of any Person or Entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of such Person or Entity.

G. Reservation of Rights

Except as expressly set forth herein, this Plan shall have no force or effect unless and until the Bankruptcy Court enters the Confirmation Order and the Effective Date occurs. Neither the filing of this Plan, any statement or provision contained herein, nor the taking of any action by the Debtor, the Reorganized Debtor, the Claimant Trustee, or any other Entity with respect to this Plan shall be or shall be deemed to be an admission or waiver of any rights of: (1) the Debtor, the Reorganized Debtor, or the Claimant Trustee with respect to the Holders of Claims or Equity Interests or other Entity; or (2) any Holder of a Claim or an Equity Interest or other Entity prior to the Effective Date.

Neither the exclusion or inclusion by the Debtor of any contract or lease on any exhibit, schedule, or other annex to this Plan or in the Plan Documents, nor anything contained in this Plan, will constitute an admission by the Debtor that any such contract or lease is or is not an executory contract or lease or that the Debtor, the Reorganized Debtor, the Claimant Trustee, or their respective Affiliates has any liability thereunder.

Except as explicitly provided in this Plan, nothing herein shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, claims, Causes of Action, or other rights of the Debtor, the Reorganized Debtor, or the Claimant Trustee under any executory or non-executory contract.

Nothing in this Plan will increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable, under any executory or non-executory contract or lease.

If there is a dispute regarding whether a contract or lease is or was executory at the time of its assumption under this Plan, the Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter their treatment of such contract.

H. Further Assurances

The Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable, all Holders of Claims and Equity Interests receiving distributions hereunder, and all other Entities shall, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of this Plan or the Confirmation Order. On or before the Effective Date, the Debtor shall File with the Bankruptcy Court all agreements and other documents that may be necessary or appropriate to effectuate and further evidence the terms and conditions hereof.

I. Severability

If, prior to the Confirmation Date, any term or provision of this Plan is determined by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision will then be applicable as altered

or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

J. Service of Documents

All notices, requests, and demands to or upon the Debtor, the Reorganized Debtor, or the Claimant Trustee to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Claimant Trust:

[_____]
Telephone: [_____]
Facsimile: [_____]
Attention: [_____]

If to the Debtor:

Highland Capital Management, L.P.
300 Crescent Court, Suite 700
Dallas, Texas 75201
Telephone: [_____]
Facsimile: [_____]
Attention: James P. Seery, Jr.

with copies to:

Pachulski Stang Ziehl & Jones LLP
10100 Santa Monica Blvd., 13th Floor
Los Angeles, CA 90067
Telephone: (310) 277-6910
Facsimile: (310) 201-0760
Attn: Jeffrey N. Pomerantz, Esq.
Ira D. Kharasch, Esq.
Gregory V. Demo, Esq.

If to the Reorganized Debtor:

Highland Capital Management, L.P.
Telephone: [_____]
Facsimile: [_____]
Attention: James P. Seery, Jr.

with copies to:

Pachulski Stang Ziehl & Jones LLP
10100 Santa Monica Blvd., 13th Floor
Los Angeles, CA 90067
Attn: Jeffrey N. Pomerantz, Esq.
Ira D. Kharasch, Esq.
Gregory V. Demo, Esq.

K. Exemption from Certain Transfer Taxes Pursuant to Section 1146(a) of the Bankruptcy Code

To the extent permitted by applicable law, pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any Stamp or Similar Tax or governmental assessment in the United States, and the Confirmation Order shall direct the appropriate federal, state or local governmental officials or agents or taxing authority to forego the collection of any such Stamp or Similar Tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such Stamp or Similar Tax or governmental assessment. Such exemption specifically applies, without limitation, to (i) all actions, agreements and documents necessary to evidence and implement the provisions of and the distributions to be made under this Plan; (ii) the maintenance or creation of security or any Lien as contemplated by this Plan; and (iii) assignments, sales, or transfers executed in connection with any transaction occurring under this Plan.

L. Governing Law

Except to the extent that the Bankruptcy Code, the Bankruptcy Rules or other federal law is applicable, or to the extent that an exhibit or schedule to this Plan provides otherwise, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of Texas, without giving effect to the principles of conflicts of law of such jurisdiction; *provided, however*, that corporate governance matters relating to the Debtor, the Reorganized Debtor, New GP LLC, or the Claimant Trust, as applicable, shall be governed by the laws of the state of organization of the Debtor, the Reorganized Debtor, New GP LLC, or the Claimant Trustee, as applicable.

M. Tax Reporting and Compliance

The Debtor is hereby authorized to request an expedited determination under section 505(b) of the Bankruptcy Code of the tax liability of the Debtor is for all taxable periods ending after the Petition Date through, and including, the Effective Date.

N. Exhibits and Schedules

All exhibits and schedules to this Plan, if any, including the Exhibits and the Plan Documents, are incorporated and are a part of this Plan as if set forth in full herein.

O. Controlling Document

In the event of an inconsistency between this Plan and any other instrument or document created or executed pursuant to this Plan, or between this Plan and the Disclosure Statement, this Plan shall control. The provisions of this Plan, the Disclosure Statement, and any Plan Document, on the one hand, and of the Confirmation Order, on the other hand, shall be construed in a manner consistent with each other so as to effectuate the purposes of each; *provided, however*, that if there is determined to be any inconsistency between any provision of this Plan, the Disclosure Statement, and any Plan Document, on the one hand, and any provision of the Confirmation Order, on the other hand, that cannot be so reconciled, then, solely to the extent of such inconsistency, the provisions of the Confirmation Order shall govern, and any such provisions of the Confirmation Order shall be deemed a modification of this Plan, the Disclosure Statement, and the Plan Documents, as applicable.

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Dated: September 21, 2020

Respectfully submitted,

HIGHLAND CAPITAL MANAGEMENT, L.P.

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Chief Executive Officer and Chief
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Prepared by:

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLANT RECORD
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FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

Debtor.

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Case No. 19-34054

Chapter 11

APPELLANT'S SECOND AMENDED DESIGNATION OF ITEMS TO
BE INCLUDED IN THE RECORD ON APPEAL AND
STATEMENT OF ISSUES TO BE PRESENTED

Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Appellant James Dondero ("Appellant") in this appeal as noticed by the Notice of Appeal filed by Appellant on November 9, 2020, files this *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented*¹ in the above-captioned case and requests that the Clerk prepare and forward the items listed herein to the District Court for inclusion in the record in connection with this appeal.

¹ This designation is being further amended to group together certain docket entries per the clerk's request.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL

Vol. 1
000001 1. Notice of Appeal filed by Appellant [Docket No. 1347];

000029 2. *Order Approving Debtor's Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302];

000053 3. Docket entries kept by the bankruptcy clerk in case no. 19-34054; and

4. Each of the additional documents and items designated below:

Vol. 2 000330 000392	Designation No.	Docket No.	Date	Description
	1.		10/25/18	<i>Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC</i> [Docket No. 660 in Case No. 18-30264]
	2.		1/31/19	<i>Findings of Fact, Conclusions of Law, and Order Granting Final Approval of Disclosure Statement and Confirming the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, as Modified</i> [Docket No. 829 in Case No. 18-30264]
Vol. 3 000621 THRU Vol. 5	3.	607	4/28/20	<i>Summary of First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from October 16, 2019 through March 31, 2020</i> [Docket No. 607]
Vol. 5 001208	4.	617	5/1/20	<i>James Dondero's Limited Response to Acis Capital Management, L.P. and Acis Capital Management GP, LLC's Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction</i> [Docket No. 617]
001211	5.	771	6/23/20	<i>Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC, filed by Highland Capital Management, L.P.</i> [Docket No. 771]

Vol. 5 001276	6.	827	7/13/20	<i>James Dondero's (i) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (ii) Joinder in Support of Highland Capital Management, L.P.'s Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 827]</i>
001284	7.	832	7/14/20	<i>Response of James Dondero to the Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor [Docket No. 832]</i>
001293	8.	891	7/23/20	<i>UBS (i) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC and (ii) Joinder in the Debtor's Objection [Docket No. 891]</i>
Vol. 6 001300	9.	908	7/31/20	<i>Omnibus Response to Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 908]</i>
Vol. 7 001571 Thru Vol. 8	10.	971	8/19/20	<i>Summary of Second Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from April 1, 2020 through July 31, 2020 [Docket No. 971]</i>
Vol. 8 001965	11.	983	8/21/20	<i>Agreed Scheduling Order Regarding Objections to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 983]</i>
001970	12.	1079	9/21/20	<i>First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1079]</i>
Vol. 9 002031	13.	1080	9/21/20	<i>Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1080]</i>
002186	14.	1087	9/23/20	<i>Debtor's Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer</i>

			<i>G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith [Docket No. 1087] (the “Acis Settlement Motion”)</i>
15.	1088	9/23/20	Declaration of Gregory V. Demo in Support of the Acis Settlement Motion [Docket No. 1088]
16.	1088-1	9/23/20	Settlement Agreement between the Debtor, Acis, and certain related parties [Docket No. 1088-1]
17.	1088-2	9/23/20	General Release between the Debtor, Acis, and certain related parties [Docket No. 1088-2]
18.	1094	9/24/20	<i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020</i> [Docket No. 1094]
19.	1121	10/05/20	James Dondero’s Response to the Acis Settlement Motion [Docket No. 1121]
20.	1194-1	10/16/20	Proof of Claim No. 23 filed by Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively, “Acis”)
21.	1194-2	10/16/20	Proof of Claim No. 72 filed by the Redeemer Committee of the Highland Crusader Fund
22.	1194-3	10/16/20	Proof of Claim No. 81 filed by Highland Crusader Offshore Partners, L.P., et al.
23.	1194-5	10/16/20	Proof of Claim No. 77 filed by Patrick Daugherty
24.	1194-4	10/16/20	Proof of Claim No. 93 filed by Integrated Financial Associates, Inc.
25.	1194-6	10/16/20	Proof of Claim No. 190 filed by UBS
26.	1194-16	10/16/20	Expert Opinion of Nancy B. Rapoport, dated October 11, 2020, including all attachments thereto
27.	1194-17	10/16/20	Curriculum Vitae of Nancy B. Rapoport

Vol. 12 002758	28.	1201	10/16/20	Objection of Patrick Daugherty to the Acis Settlement Motion [Docket No. 1201]
002773	29.	1177	10/16/20	CLO HoldCo. Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1177]
002777	30.	1191	10/16/20	Highland CLO Funding, Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1191]
002785	31.	1195	10/16/20	HarbourVest Limited Objection and Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1195]
002791 Thru Vol. 13	32.	1271	10/20/20	Transcript of hearing conducted on October 20, 2020 [Docket No. 1271]
Vol. 13 003047	33.	1285	10/21/20	Transcript of hearing conducted on October 21, 2020 [Docket No. 1285]

STATEMENT OF ISSUES TO BE PRESENTED ON APPEAL

1. Whether the Bankruptcy Court erred in approving the settlement agreement and release entered into between Highland Capital Management, L.P. and Acis Capital Management, L.P., Acis Capital Management GP, LLC, and Joshua Terry pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure as being fair, equitable, and in the best interest of the estate.

[Remainder of Page Intentionally Left Blank]

Dated: December 7, 2020

Respectfully submitted,

/s/ Bryan C. Assink

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ATTORNEYS FOR JAMES DONDERO

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on December 7, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for Debtor-Appellee Highland Capital Management, L.P. and on all other parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

Bryan C. Assink

THIS IS NOT A SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN IN ACCORDANCE WITH BANKRUPTCY CODE SECTION 1125 AND WITHIN THE MEANING OF BANKRUPTCY CODE SECTION 1126, 11 U.S.C. §§ 1125, 1126. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT HAS BEEN SUBMITTED TO THE BANKRUPTCY COURT FOR APPROVAL UNDER CHAPTER 11 OF THE BANKRUPTCY CODE. THE INFORMATION IN THIS DISCLOSURE STATEMENT IS SUBJECT TO CHANGE.

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

)
) Chapter 11
)
) Case No. 19-34054-sgj11
)
)
)
)

**DISCLOSURE STATEMENT FOR THE FIRST AMENDED PLAN OF
REORGANIZATION OF HIGHLAND CAPITAL MANAGEMENT, L.P.**

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

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HIGHLAND CAPITAL MANAGEMENT, L.P., as debtor and debtor-in-possession in the above-captioned cases (the “Debtor”), is sending you this document and the accompanying materials (the “Disclosure Statement”) because you are a creditor or interest holder in connection with the *First Amended Chapter 11 Plan of Reorganization of Highland Capital Management, L.P.*, dated September 21, 2020, as the same may be amended from time to time (the “Plan”).² The Debtor has filed a voluntary petition under chapter 11 of title 11 of the United States Code, as amended (the “Bankruptcy Code”).

This Disclosure Statement has not yet been approved by the Bankruptcy Court as containing adequate information within the meaning of section 1125(a) of the Bankruptcy Code. The Debtor intends to seek an order or orders of the Bankruptcy Court (a) approving this Disclosure Statement as containing adequate information and (b) confirming the Plan.

A copy of the Plan is attached hereto as Exhibit A.

The Debtor believes that the Plan is fair and equitable, will maximize the value of the Debtor’s Estate, and is in the best interests of the Debtor and its constituents. Notably, the Plan provides for the transfer of the majority of the Debtor’s Assets to a Claimant Trust. The balance of the Debtor’s Assets, including the management of the Managed Funds, will remain with the Reorganized Debtor. The Reorganized Debtor will be managed by New GP LLC – a wholly-owned subsidiary of the Claimant Trust. This structure will allow for continuity in the Managed Funds and an orderly and efficient monetization of the Debtor’s Assets.

The Claimant Trust, the Litigation Trust, or the Reorganized Debtor, as applicable, will institute, file, prosecute, enforce, abandon, settle, compromise, release, or withdraw any and all Causes of Action without any further order of the Bankruptcy Court, and the Claimant Trust and Reorganized Debtor, as applicable, will sell, liquidate, or otherwise monetize all Claimant Trust Assets and Reorganized Debtor Assets and resolve all Claims, except as otherwise provided in the Plan, the Claimant Trust Agreement, or the Reorganized Limited Partnership Agreement.

<p style="text-align: center;">IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT FOR YOU TO READ</p>

The Debtor is providing the information in this Disclosure Statement to Holders of Claims and Equity Interests in connection with the Debtor’s Plan. Nothing in this Disclosure Statement may be relied upon or used by any Entity for any purpose other than with respect to confirmation of the Plan. The information contained in this Disclosure Statement is included for purposes of soliciting acceptances to, and confirmation of, the Plan and may not be relied on for any other purpose.

This Disclosure Statement has not been filed for approval with the Securities and Exchange Commission (“SEC”) or any state authority and neither the SEC nor any state authority has passed upon the accuracy or adequacy of this Disclosure Statement or upon

² All capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan. To the extent that a definition of a term in the text of this Disclosure Statement and the definition of such term in the Plan are inconsistent, the definition included in the Plan shall control and govern.

the merits of the Plan. Any representation to the contrary is a criminal offense. This Disclosure Statement does not constitute an offer to sell or the solicitation of an offer to buy securities in any state or jurisdiction.

This Disclosure Statement contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward-looking terminology such as “may,” “expect,” “anticipate,” “estimate” or “continue” or the negative thereof or other variations thereon or comparable terminology. The Debtor considers all statements regarding anticipated or future matters to be forward-looking statements. Forward-looking statements may include statements about:

- the effects of insolvency proceedings on the Debtor’s business and relationships with its creditors;
- business strategy;
- financial condition, revenues, cash flows, and expenses;
- financial strategy, budget, projections, and operating results;
- variation from projected operating and financial data;
- substantial capital requirements;
- availability and terms of capital;
- plans, objectives, and expectations;
- the adequacy of the Debtor’s capital resources and liquidity; and
- the Claimant Trust’s or the Reorganized Debtor’s ability to satisfy future cash obligations.

Statements concerning these and other matters are not guarantees of the Claimant Trust’s or Reorganized Debtor’s future performance. There are risks, uncertainties, and other important factors that could cause the Claimant Trust’s or Reorganized Debtor’s actual performance or achievements to be different from those that may be projected. The reader is cautioned that all forward-looking statements are necessarily speculative and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements. Therefore, any analyses, estimates, or recovery projections may or may not turn out to be accurate.

This Disclosure Statement has been prepared pursuant to section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016 and is not necessarily in accordance with federal or state securities laws or other similar laws.

No legal or tax advice is provided to you by this Disclosure Statement. The Debtor urges each Holder of a Claim or an Equity Interest to consult with its own advisers with respect to any legal, financial, securities, tax or business advice in reviewing this Disclosure Statement, the Plan and each of the proposed transactions contemplated thereby. Further, the Bankruptcy Court's approval of the adequacy of disclosures contained in this Disclosure Statement does not constitute the Bankruptcy Court's approval of the merits of the Plan or a guarantee by the Bankruptcy Court of the accuracy or completeness of the information contained herein.

Pachulski Stang Ziehl & Jones LLP ("PSZ&J") is general insolvency counsel to the Debtor. Development Specialists, Inc. ("DSI") is the Debtor's financial advisor. PSZ&J, DSI, and the Independent Board (as defined below) have relied upon information provided by the Debtor in connection with preparation of this Disclosure Statement. PSZ&J has not independently verified the information contained herein.

This Disclosure Statement contains, among other things, summaries of the Plan, the management of the Reorganized Debtor, the Claimant Trust, certain statutory provisions, certain events in the Debtor's Chapter 11 Case, and certain documents related to the Plan that are attached hereto and incorporated herein by reference or that may be filed later with the Plan Supplement. Although the Debtor believes that these summaries are fair and accurate, these summaries are qualified in their entirety to the extent that the summaries do not set forth the entire text of such documents or statutory provisions or every detail of such events. In the event of any conflict, inconsistency or discrepancy between a description in this Disclosure Statement and the terms and provisions of the Plan or any other documents incorporated herein by reference, the Plan or such other documents will govern and control for all purposes. Except where otherwise specifically noted, factual information contained in this Disclosure Statement has been provided by the Debtor's management. The Debtor does not represent or warrant that the information contained herein or attached hereto is without any material inaccuracy or omission.

In preparing this Disclosure Statement, the Debtor relied on financial data derived from the Debtor's books and records and on various assumptions regarding the Debtor's business. The Debtor's management has reviewed the financial information provided in this Disclosure Statement. Although the Debtor has used its reasonable business judgment to ensure the accuracy of this financial information, the financial information contained in, or incorporated by reference into, this Disclosure Statement has not been audited (unless otherwise expressly provided herein) and no representations or warranties are made as to the accuracy of the financial information contained herein or assumptions regarding the Debtor's business and its, the Reorganized Debtor's, and the Claimant Trust's future results. The Debtor expressly cautions readers not to place undue reliance on any forward-looking statements contained herein.

This Disclosure Statement does not constitute, and may not be construed as, an admission of fact, liability, stipulation or waiver. Rather, this Disclosure Statement shall constitute a statement made in settlement negotiations related to potential contested matters, potential adversary proceedings and other pending or threatened litigation or actions.

No reliance should be placed on the fact that a particular litigation claim or projected objection to a particular Claim or Equity Interest is, or is not, identified in the Disclosure Statement. Except as provided under the Plan, the Debtor, the Reorganized Debtor, or the Claimant Trust, as applicable, may seek to investigate, file and prosecute Claims and Causes of Action and may object to Claims or Equity Interests after the Confirmation Date or Effective Date of the Plan irrespective of whether the Disclosure Statement identifies any such Claims or Equity Interests or objections to Claims or Equity Interests on the terms specified in the Plan.

The Debtor is generally making the statements and providing the financial information contained in this Disclosure Statement as of the date hereof where feasible, unless otherwise specifically noted. Although the Debtor may subsequently update the information in this Disclosure Statement, the Debtor has no affirmative duty to do so. Holders of Claims and Equity Interests reviewing this Disclosure Statement should not infer that, at the time of their review, the facts set forth herein have not changed since the Disclosure Statement was sent. Information contained herein is subject to completion, modification, or amendment. The Debtor reserves the right to file an amended or modified Plan and related Disclosure Statement from time to time.

The Debtor has not authorized any Entity to give any information about or concerning the Plan other than that which is contained in this Disclosure Statement. The Debtor has not authorized any representations concerning the Debtor or the value of its property other than as set forth in this Disclosure Statement.

Holders of Claims or Equity Interests must rely on their own evaluation of the Debtor and their own analyses of the terms of the Plan in considering the Plan. Importantly, each Holder of a Claim should review the Plan in its entirety and consider carefully all of the information in this Disclosure Statement and any exhibits hereto, including the risk factors described in greater detail in ARTICLE IV herein, "Risk Factors."

If the Plan is confirmed by the Bankruptcy Court and the Effective Date occurs, all Holders of Claims against, and Holders of Equity Interests in, the Debtor will be bound by the terms of the Plan and the transactions contemplated thereby.

The effectiveness of the Plan is subject to certain material conditions precedent described herein and set forth in Article IX of the Plan. There is no assurance that the Plan will be confirmed, or if confirmed, that the conditions required to be satisfied for the Plan to become effective will be satisfied (or waived).

EXHIBITS

EXHIBIT A – Plan of Reorganization

EXHIBIT B – Organizational Chart of the Debtor

EXHIBIT C – Liquidation Analysis

EXHIBIT D – Financial Projections

THE DEBTOR HEREBY ADOPTS AND INCORPORATES EACH EXHIBIT
ATTACHED TO THIS DISCLOSURE STATEMENT BY REFERENCE AS THOUGH
FULLY SET FORTH HEREIN.

ARTICLE I.
EXECUTIVE SUMMARY

This Disclosure Statement is provided for informational purposes only.

In the opinion of the Debtor, the Plan is preferable to the alternatives described in this Disclosure Statement because it provides for the highest distributions to the Debtor's creditors and interest holders. The Debtor believes that any delay in confirmation of the Plan would result in significant administrative expenses resulting in less value available to the Debtor's constituents. In addition, any alternative other than confirmation of the Plan could result in extensive delays and increased administrative expenses resulting in smaller distributions to Holders of Allowed Claims and Equity Interests than that which is proposed under the Plan. Accordingly, the Debtor recommends that all Holders of Claims and Equity Interests support confirmation of the Plan.

This Executive Summary is being provided to Holders of Allowed Claims and Equity Interests as an overview of the material items addressed in the Disclosure Statement and the Plan, which is qualified by reference to the entire Disclosure Statement and by the actual terms of the Plan (including all exhibits attached hereto and to the Plan and the Plan Supplement), and should not be relied upon for a comprehensive discussion of the Disclosure Statement and/or the Plan. Section 1125 of the Bankruptcy Code requires a debtor to prepare a disclosure statement containing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance or rejection of the plan of reorganization or liquidation. As such, this Disclosure Statement is being submitted in accordance with the requirements of section 1125 of the Bankruptcy Code. This Disclosure Statement includes, without limitation, information about:

- the Debtor's operating and financial history;
- the significant events that have occurred to date;
- the Confirmation process; and
- the terms and provisions of the Plan, including key aspects of the Claimant Trust and the Reorganized Debtor, certain effects of Confirmation of the Plan, certain risk factors relating to the Plan, and the manner in which distributions will be made under the Plan.

The Debtor believes that any alternative to Confirmation of the Plan would result in significant delays, litigation, and additional costs, and ultimately would diminish the Debtor's value. **Accordingly, the Debtor strongly supports confirmation of the Plan.**

A. Summary of the Plan

The Plan represents a significant achievement for the Debtor. Through the Plan, the Debtor's Secured Creditors will be paid in full, and certain of the Debtor's unsecured creditors will receive Cash on or soon after the Effective Date. The balance of the Debtor's unsecured

creditors – representing primarily litigation claims – and the Debtor’s limited and general partners will receive contingent beneficial interests in the Claimant Trust.

The Claimant Trust, through the Plan, will receive the majority of the Debtor’s assets, including Causes of Action. The assets being transferred to the Claimant Trust are referred to, collectively, as the Claimant Trust Assets. The Claimant Trust will – for the benefit of the Claimant Trust Beneficiaries – monetize the Claimant Trust Assets, pursue the Causes of Action, and work to conclude the various lawsuits and litigation claims pending against the Estate.

The Plan also provides for the reorganization of the Debtor. This will be accomplished by the cancellation of the Debtor’s current Equity Interests, which consist of partnership interests held by: The Dugaboy Investment Trust;³ the Hunter Mountain Investment Trust (“Hunter Mountain”); Mark Okada, personally and through family trusts; and Strand, the Debtor’s general partner. On the Effective Date, the Debtor or the Reorganized Debtor, as applicable, will issue new Class A Limited Partnership Interests to (i) the Claimant Trust, as limited partner, and (ii) New GP LLC, as general partner, and will admit (a) the Claimant Trust as the limited partner of the Reorganized Debtor, and (b) New GP LLC as the general partner of the Reorganized Debtor. The Claimant Trust, as limited partner, will ratify New GP LLC’s appointment as general partner of the Reorganized Debtor. The Reorganized Debtor will be managed by the Claimant Trust, as the managing member of New GP LLC.

The Reorganized Debtor will oversee the monetization of the Reorganized Debtor Assets, which consist of, among other Assets, the management of the Managed Funds. The net proceeds from the Reorganized Debtor Assets will ultimately be distributed to the Claimant Trust and available for distribution to the Claimant Trust Beneficiaries.

The following is an overview of certain other material terms of the Plan:

- Allowed Priority Non-Tax Claims will be paid in full;
- Allowed Retained Employee Claims will be Reinstated;
- Allowed Convenience Claims will receive either (i) 75% of their Allowed Claim or (ii) if the total amount of Allowed Convenience Claims exceeds \$15,000,000, such Holder’s Pro Rata share of the Convenience Claims Cash Pool (*i.e.*, \$15,000,000). Holders of Convenience Claims can elect to be treated for all purposes as General Unsecured Claims by making the GUC Election on their Ballots.
- Allowed Unpaid Employee Claims will receive either (i) 75% of their Allowed Claim or (ii) if the total amount of Allowed Unpaid Employee Claims exceeds \$3,000,000, such Holder’s Pro Rata share of the Unpaid Employee Claims Cash Pool (*i.e.*, \$3,000,000). Holders of Unpaid Employee Claims can elect to be

³ The Dugaboy Investment Trust is a Delaware trust created to manage the assets of James Dondero and his family.

treated for all purposes as General Unsecured Claims by making the GUC Election on their Ballots.

- Allowed General Unsecured Claims and Allowed Subordinated Claims will receive their Pro Rata share of Claimant Trust Interests. The Claimant Trust Interests distributed to Allowed General Unsecured Claims will be senior to those distributed to Allowed Subordinated Claims as set forth in the Claimant Trust Agreement; and
- Allowed Class B/C Limited Partnership Interests and Allowed Class A Limited Partnership Interests will receive their Pro Rata share of the Contingent Claimant Trust Interests.

B. An Overview of the Chapter 11 Process

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Pursuant to chapter 11 of the Bankruptcy Code, a debtor may remain in possession of its assets and business and attempt to reorganize its business for the benefit of such debtor, its creditors, and other parties in interest. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by a bankruptcy court makes the plan binding upon the debtor and any creditor of or interest holder in the debtor, whether or not such creditor or interest holder (i) is impaired under or has accepted the plan or (ii) receives or retains any property under the plan.

The commencement of a Chapter 11 case creates an estate comprised of all of the legal and equitable interests of a debtor in property as of the date that the bankruptcy petition is filed. Sections 1107 and 1108 of the Bankruptcy Code provide that a debtor may continue to operate its business and remain in possession of its property as a “debtor-in-possession,” unless the bankruptcy court orders the appointment of a trustee. The filing of a bankruptcy petition also triggers the automatic stay provisions of section 362 of the Bankruptcy Code which provide, among other things, for an automatic stay of all attempts to collect prepetition claims from a debtor or otherwise interfere with its property or business. Except as otherwise ordered by the bankruptcy court, the automatic stay generally remains in full force and effect until the consummation of a plan of reorganization or liquidation, following confirmation of such plan of reorganization.

The Bankruptcy Code provides that upon commencement of a chapter 11 bankruptcy case, the Office of the United States Trustee may appoint a committee of unsecured creditors and may, in its discretion, appoint additional committees of creditors or of equity interest holders if necessary to assure adequate representation. Please see ARTICLE II for a discussion of the U.S. Trustee and the statutory committees.

Upon the commencement of a chapter 11 bankruptcy case, all creditors and equity interest holders generally have standing to be heard on any issue in the chapter 11 proceedings pursuant to section 1109(b) of the Bankruptcy Code.

The formulation and confirmation of a plan is the principal objective of a chapter 11 case. The plan sets forth the means of satisfying the claims against and equity interests in the debtor.

C. Purpose and Effect of the Plan

1. The Plan of Reorganization

The Debtor is reorganizing pursuant to chapter 11 of the Bankruptcy Code. As a result, the Confirmation of the Plan means that the Debtor's business will continue to operate following confirmation of the Plan through the Claimant Trust and the Reorganized Debtor to monetize assets for distribution to Holders of Allowed Claims. The Claimant Trust will hold, and manage the efficient monetization of, the Claimant Trust Assets. The Claimant Trust will also manage the Reorganized Debtor through the Claimant Trust's ownership of the Reorganized Debtor's general partner, New GP LLC. The Claimant Trust will also be the sole limited partner in the Reorganized Debtor. The Reorganized Debtor will manage the wind down of the Managed Funds as well as the monetization of the balance of the Reorganized Debtor Assets. The Claimant Trust may also establish a Litigation Sub-Trust in accordance with the Plan, which will also be for the benefit of the Claimant Trust Beneficiaries. If established, the Litigation Sub-Trust will receive the Estate Claims and a Litigation Trustee will be appointed by the Committee. The Litigation Trustee shall be the exclusive trustee of the Estate Claims included in the Claimant Trust Assets subject to oversight by the Claimant Trust Oversight Committee

A bankruptcy court's confirmation of a plan binds the debtor, any entity acquiring property under the plan, any holder of a claim or an equity interest in a debtor and all other entities as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code to the terms and conditions of the confirmed plan, whether or not such Entity voted on the plan or affirmatively voted to reject the plan.

2. Plan Overview

The Plan provides for the classification and treatment of Claims against and Equity Interests in the Debtor. For classification and treatment of Claims and Equity Interests, the Plan designates Classes of Claims and Classes of Equity Interests. These Classes and Plan treatments take into account the differing nature and priority under the Bankruptcy Code of the various Claims and Equity Interests.

The following chart briefly summarizes the classification and treatment of Claims and Equity Interests under the Plan.⁴ Amounts listed below are estimated.

In accordance with section 1122 of the Bankruptcy Code, the Plan provides for eight Classes of Claims against and/or Equity Interests in the Debtor.

The projected recoveries set forth in the table below are estimates only and therefore are subject to change. For a complete description of the Debtor's classification

⁴ This chart is only a summary of the classification and treatment of Claims and Equity Interests under the Plan. References should be made to the entire Disclosure Statement and the Plan for a complete description.

and treatment of Claims or Equity Interests, reference should be made to the entire Plan and the risk factors described in ARTICLE IV below. For certain classes of Claims, the actual amount of Allowed Claims could be materially different than the estimated amounts shown in the table below.

Class	Type of Claim or Interest	Estimated Prepetition Claim Amount	Impaired	Entitled to Vote	Estimated Recovery
1	Jefferies Secured Claim	\$0.00	No	No	100%
2	Frontier Secured Claim	\$5,209,964	No	No	100%
3	Priority Non-Tax Claim	\$11,839	No	No	100%
4	Retained Employee Claim	TBD	No	No	100%
5	Convenience Claims	TBD	Yes	Yes	75%
6	Unpaid Employee Claims	TBD	Yes	Yes	75%
7	General Unsecured Claims	TBD	Yes	Yes	TBD
8	Subordinated Claims	TBD	Yes	Yes	TBD
9	Class B/C Limited Partnership Interests	N/A	Yes	Yes	TBD
10	Class A Limited Partnership Interests	N/A	Yes	Yes	TBD

3. Voting on the Plan

Under the Bankruptcy Code, acceptance of a plan by a Class of Claims or Equity Interests is determined by calculating the number and the amount of Claims voting to accept, based on the actual total Allowed Claims or Equity Interests voting on the Plan. Acceptance by a Class of Claims requires more than one-half of the number of total Allowed Claims in the Class to vote in favor of the Plan and at least two-thirds in dollar amount of the total Allowed Claims in the Class to vote in favor of the Plan. Acceptance by a Class of Equity Interests requires at least two-thirds in amount of the total Allowed Equity Interests in the Class to vote in favor of the Plan.

Under the Bankruptcy Code, only Classes of Claims or Equity Interests that are “Impaired” and that are not deemed as a matter of law to have rejected a plan under Section 1126 of the Bankruptcy Code are entitled to vote to accept or reject the Plan. Any Class that is “Unimpaired” is not entitled to vote to accept or reject a plan and is conclusively presumed to have accepted the Plan. As set forth in Section 1124 of the Bankruptcy Code, a Class is

“Impaired” if the legal, equitable, or contractual rights attaching to the claims or equity interests of that Class are modified or altered.

Pursuant to the Plan, Claims and Equity Interests in Class 5 through Class 10 are Impaired by the Plan, and only the Holders of Claims and Equity Interests in those Classes are entitled to vote to accept or reject the Plan. Whether a Holder of a Claim or Equity Interest in Class 5 through Class 10 may vote to accept or reject the Plan will also depend on whether the Holder held such Claim or Equity Interest as of [REDACTED] (the “Voting Record Date”). The Voting Record Date and all of the Debtor’s solicitation and voting procedures shall apply to all of the Debtor’s Creditors and other parties in interest.

Pursuant to the Plan, Claims in Class 1 through Class 4 are Unimpaired by the Plan, and such Holders are deemed to have accepted the Plan and are therefore not entitled to vote on the Plan.

Pursuant to the Plan, there are no Classes that will not receive or retain any property and no Classes are deemed to reject the Plan.

4. Confirmation of the Plan

(a) Confirmation Generally

“Confirmation” is the technical term for the Bankruptcy Court’s approval of a plan of reorganization or liquidation. The timing, standards and factors considered by the Bankruptcy Court in deciding whether to confirm a plan of reorganization are discussed below.

The confirmation of a plan by the Bankruptcy Court binds the debtor, any issuer of securities under a plan, any person acquiring property under a plan, any creditor or equity interest holder of a debtor, and any other person or entity as may be ordered by the Bankruptcy Court in accordance with the applicable provisions of the Bankruptcy Code. Subject to certain limited exceptions, the order issued by the Bankruptcy Court confirming a plan discharges a debtor from any debt that arose before the confirmation of such plan and provides for the treatment of such debt in accordance with the terms of the confirmed plan.

(b) The Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on Confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to Confirmation of the Plan.

The Debtor will provide notice of the Confirmation Hearing to all necessary parties. The Confirmation Hearing may be adjourned from time to time without further notice except for an announcement of the adjourned date made at the Confirmation Hearing of any adjournment thereof.

5. Confirming and Effectuating the Plan

It is a condition to the Effective Date of the Plan that the Bankruptcy Court shall have entered the Confirmation Order in form and substance reasonably acceptable to the Debtor and the Committee. Certain other conditions contained in the Plan must be satisfied or waived pursuant to the provisions of the Plan.

6. Rules of Interpretation

The following rules for interpretation and construction shall apply to this Disclosure Statement: (1) capitalized terms used in the Disclosure Statement and not otherwise defined shall have the meaning ascribed to such terms in the Plan; (2) unless otherwise specified, any reference in this Disclosure Statement to a contract, instrument, release, indenture, or other agreement or document shall be a reference to such document in the particular form or substantially on such terms and conditions described; (3) unless otherwise specified, any reference in this Disclosure Statement to an existing document, schedule, or exhibit, whether or not filed, shall mean such document, schedule, or exhibit, as it may have been or may be amended, modified, or supplemented; (4) any reference to an entity as a Holder of a Claim or Equity Interest includes that Entity's successors and assigns; (5) unless otherwise specified, all references in this Disclosure Statement to Sections are references to Sections of this Disclosure Statement; (6) unless otherwise specified, all references in this Disclosure Statement to exhibits are references to exhibits in this Disclosure Statement; (7) unless otherwise set forth in this Disclosure Statement, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (8) any term used in capitalized form in this Disclosure Statement that is not otherwise defined in this Disclosure Statement or the Plan but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

7. Distribution of Confirmation Hearing Notice and Solicitation Package to Holders of Claims and Equity Interests

As set forth above, Holders of Claims in Class 1 through Class 4 are not entitled to vote on the Plan. As a result, such parties will not receive solicitation packages or ballots but, instead, will receive this a notice of non-voting status, a notice of the Confirmation Hearing, and instructions on how to receive a copy of the Plan and Disclosure Statement.

The Debtor, with the approval of the Bankruptcy Court, has engaged Kurtzman Carson Consultants LLC (the "Voting Agent") to serve as the voting agent to process and tabulate Ballots for each Class entitled to vote on the Plan and to generally oversee the voting process. The following materials shall constitute the solicitation package (the "Solicitation Package"):

- This Disclosure Statement, including the Plan and all other Exhibits annexed thereto;
- The Bankruptcy Court order approving this Disclosure Statement (the "Disclosure Statement Order") (excluding exhibits);

- The notice of, among other things, (i) the date, time, and place of the hearing to consider Confirmation of the Plan and related matters and (ii) the deadline for filing objections to Confirmation of the Plan (the “Confirmation Hearing Notice”);
- A single Ballot, to be used in voting to accept or to reject the Plan and applicable instructions with respect thereto (the “Voting Instructions”);
- A pre-addressed, postage pre-paid return envelope; and
- Such other materials as the Bankruptcy Court may direct or approve.

The Debtor, through the Voting Agent, will distribute the Solicitation Package in accordance with the Disclosure Statement Order. The Solicitation Package is also available at the Debtor’s restructuring website at www.kccllc.net/hcmlp.

Not less than one week prior to the Confirmation Hearing, the Debtor intends to file a Plan Supplement that includes, among other things, the form of Claimant Trust Agreement, Reorganized Limited Partnership Agreement, New GP LLC Documents, and the identity of the initial members of the Claimant Trust Oversight Committee. The Plan Supplement will also include a schedule of the Causes of Action belonging to the Debtor’s Estate. As the Plan Supplement is supplemented, such supplemented documents will be made available on the Debtor’s restructuring website at www.kccllc.net/hcmlp.

If you are the Holder of a Claim or Equity Interest and believe that you are entitled to vote on the Plan, but you did not receive a Ballot or your Ballot is damaged or illegible, or if you have any questions concerning voting procedures, you should contact the Voting Agent by writing to Kurtzman Carson Consultants LLC, via email at HighlandInfo@kccllc.com and reference “Highland Capital Management, L.P.” in the subject line or by telephone at toll free: (877) 573-3984, or international: (310) 751-1829. If your Claim or Equity Interest is subject to a pending claim objection and you wish to vote on the Plan, you must file a motion pursuant to Bankruptcy Rule 3018 with the Bankruptcy Court for the temporary allowance of your Claim or Equity Interest for voting purposes or you will not be entitled to vote to accept or reject the Plan. Any such motion must be filed so that it is heard in sufficient time prior to the Voting Deadline to allow for your vote to be tabulated.

THE DEBTOR, THE REORGANIZED DEBTOR, AND THE CLAIMANT TRUSTEE, AS APPLICABLE, RESERVE THE RIGHT THROUGH THE CLAIM OBJECTION PROCESS TO OBJECT TO OR SEEK TO DISALLOW ANY CLAIM OR EQUITY INTEREST FOR DISTRIBUTION PURPOSES.

8. Instructions and Procedures for Voting

All votes to accept or reject the Plan must be cast by using the Ballots enclosed with the Solicitation Packages or otherwise provided by the Debtor or the Voting Agent. No votes other than ones using such Ballots will be counted, except to the extent the Bankruptcy Court orders otherwise. The Bankruptcy Court has fixed [REDACTED] as the Voting Record Date for the

determination of the Holders of Claims and Equity Interests who are entitled to (a) receive a copy of this Disclosure Statement and all of the related materials and (b) vote to accept or reject the Plan. The Voting Record Date and all of the Debtor's solicitation and voting procedures shall apply to all of the Debtor's Creditors and other parties in interest.

After carefully reviewing the Plan, this Disclosure Statement, and the detailed instructions accompanying your Ballot, you are asked to indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the accompanying Ballot.

The deadline to vote on the Plan is [REDACTED] at 4:00 p.m. (prevailing Central Time) (the "Voting Deadline"). In order for your vote to be counted, your Ballot must be properly completed in accordance with the Voting Instructions on the Ballot, and received no later than the Voting Deadline at the following address, as applicable:

If by first class mail, personal delivery, or overnight mail to:

**HCMLP Ballot Processing Center
c/o KCC
222 N. Pacific Coast Highway, Suite 300
El Segundo, CA 90245**

If by electronic voting:

You may submit your Ballot via the Balloting Agent's online portal. Please visit <http://www.kecllc.net/hcmlp> and click on the "Submit Electronic Ballot" section of the website and follow the instructions to submit your Ballot. IMPORTANT NOTE: You will need the Unique Electronic Ballot ID Number and the Unique Electronic Ballot PIN Number set forth on your customized ballot in order to vote via the Balloting Agent's online portal. Each Electronic Ballot ID Number is to be used solely for voting on those Claims or Interests on your electronic ballot. You must complete and submit an electronic ballot for each Electronic Ballot ID Number you receive, as applicable. Parties who cast a Ballot using the Balloting Agent's online portal should NOT also submit a paper Ballot.

Only the Holders of Claims and Equity Interests in Class 5 through Class 10 as of the Voting Record Date are entitled to vote to accept or reject the Plan, and they may do so by completing the appropriate Ballots and returning them in the envelope provided to the Voting Agent so as to be actually received by the Voting Agent by the Voting Deadline. Each Holder of a Claim and Equity Interest must vote its entire Claim or Equity Interest, as applicable, within a particular Class either to accept or reject the Plan and may not split such votes. If multiple Ballots are received from the same Holder with respect to the same Claim or Equity Interest prior to the Voting Deadline, the last timely received, properly executed Ballot will be deemed to reflect that voter's intent and will supersede and revoke any prior Ballot. The Ballots will clearly indicate the appropriate return address. It is important to follow the specific instructions provided on each Ballot.

ALL BALLOTS ARE ACCOMPANIED BY VOTING INSTRUCTIONS. IT IS IMPORTANT THAT THE HOLDER OF A CLAIM OR EQUITY INTEREST IN THE

CLASSES ENTITLED TO VOTE FOLLOW THE SPECIFIC INSTRUCTIONS PROVIDED WITH EACH BALLOT.

If you have any questions about (a) the procedure for voting your Claim or Equity Interest, (b) the Solicitation Package that you have received, or (c) the amount of your Claim or Equity Interest, or if you wish to obtain an additional copy of the Plan, this Disclosure Statement, or any appendices or Exhibits to such documents, please contact the Voting Agent at the address specified above. Copies of the Plan, Disclosure Statement and other documents filed in these Chapter 11 Case may be obtained free of charge on the Voting Agent's website at www.kccllc.net/hcmlp or by calling toll free at: (877) 573-3984, or international at: (310) 751-1829. You may also obtain copies of pleadings filed in the Debtor's case for a fee via PACER at pacer.uscourts.gov. Subject to any rules or procedures that have or may be implemented by the Court as a result of the COVID 19 Pandemic, documents filed in this case may be examined between the hours of 8:00 a.m. and 4:00 p.m., prevailing Central Time, Monday through Friday, at the Office of the Clerk of the Bankruptcy Court, Earle Cabell Federal Building, 1100 Commerce Street, Room 1254, Dallas, Texas 75242-1496.

The Voting Agent will process and tabulate Ballots for the Classes entitled to vote to accept or reject the Plan and will file a voting report (the "Voting Report") by [REDACTED]. The Voting Report will, among other things, describe every Ballot that does not conform to the Voting Instructions or that contains any form of irregularity, including, but not limited to, those Ballots that are late, illegible (in whole or in material part), unidentifiable, lacking signatures, lacking necessary information, or damaged.

THE DEBTOR URGES HOLDERS OF CLAIMS AND EQUITY INTERESTS WHO ARE ENTITLED TO VOTE TO TIMELY RETURN THEIR BALLOTS AND TO VOTE TO ACCEPT THE PLAN BY THE VOTING DEADLINE.

9. The Confirmation Hearing

The Bankruptcy Court has scheduled Confirmation Hearing Dates on December 3 and December 4, 2020, at 9:30 a.m. prevailing Central time. The Confirmation Hearing may be continued from time to time by the Bankruptcy Court or the Debtor without further notice other than by such adjournment being announced in open court or by a notice of adjournment filed with the Bankruptcy Court and served on such parties as the Bankruptcy Court may order. Moreover, the Plan may be modified or amended, if necessary, pursuant to section 1127 of the Bankruptcy Code, prior to, during or as a result of the Confirmation Hearing, without further notice to parties-in-interest.

10. The Deadline for Objecting to Confirmation of the Plan

The Bankruptcy Court has set a deadline of [REDACTED] at 4:00 p.m. prevailing Central time, for the filing of objections to confirmation of the Plan (the "Confirmation Objection Deadline"). Any objection to confirmation of the Plan must: (i) be in writing; (ii) conform to the Bankruptcy Rules and the Local Rules; (iii) state the name of the objecting party and the amount and nature of the Claim of such Entity or the amount of Equity Interests held by such Entity; (iv) state with particularity the legal and factual bases and nature of any objection to the

Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and (v) be filed, contemporaneously with a proof of service, with the Bankruptcy Court and served so that it is **actually received** no later than the Confirmation Objection Deadline by the parties set forth below (the “Notice Parties”).

CONFIRMATION OBJECTIONS NOT TIMELY FILED AND SERVED IN THE MANNER SET FORTH HEREIN MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND MAY BE OVERRULED WITHOUT FURTHER NOTICE. INSTRUCTIONS WITH RESPECT TO THE CONFIRMATION HEARING AND DEADLINES WITH RESPECT TO CONFIRMATION WILL BE INCLUDED IN THE NOTICE OF CONFIRMATION HEARING APPROVED BY THE BANKRUPTCY COURT.

11. Notice Parties

- Debtor: Highland Capital Management, L.P., 300 Crescent Court, Suite 700, Dallas, Texas 75201 (Attn: James P. Seery, Jr.);
- Counsel to the Debtor: Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Boulevard, 13th Floor, Los Angeles, California 90067-4003 (Attn: Jeffrey Pomerantz, Esq.; Ira Kharasch, Esq., and Gregory Demo, Esq.);
- Counsel to the Committee: Sidley Austin, LLP, One South Dearborn, Chicago, Illinois 60603 (Attn: Matthew Clemente, Esq., and Alyssa Russell, Esq.); and
- Office of the United States Trustee, 1100 Commerce Street, Room 976, Dallas, Texas 75242 (Attn: Lisa Lambert, Esq.).

12. Effect of Confirmation of the Plan

The Plan contains certain provisions relating to (a) the compromise and settlement of Claims and Equity Interests and (b) exculpation of certain parties.

The Plan shall bind all Holders of Claims against and Equity Interests in the Debtor to the maximum extent permitted by applicable law, notwithstanding whether or not such Holder (i) will receive or retain any property or interest in property under the Plan, (ii) has filed a proof of claim in the Chapter 11 Case, or (iii) did not vote to accept or reject the Plan.

D. Effectiveness of the Plan

It will be a condition to the Effective Date of the Plan that all provisions, terms and conditions of the Plan are approved in the Confirmation Order unless otherwise satisfied or waived pursuant to the provisions of Article IX of the Plan. Following confirmation, the Plan will go into effect on the Effective Date.

E. RISK FACTORS

Each Holder of a Claim or an Equity Interest is urged to consider carefully all of the information in this Disclosure Statement, including the risk factors described in ARTICLE IV herein titled, “Risk Factors.”

ARTICLE II. BACKGROUND TO THE CHAPTER 11 CASE AND SUMMARY OF BANKRUPTCY PROCEEDINGS TO DATE

A. Description and History of the Debtor’s Business

Prior to the Petition Date, the Debtor was a multibillion-dollar global alternative investment manager founded in 1993 by James Dondero and Mark Okada. A pioneer in the leveraged loan market, the firm evolved over twenty-five years, building on its credit expertise and value-based approach to expand into other asset classes.

As of the Petition Date, the Debtor operated a diverse investment platform, serving both institutional and retail investors worldwide. In addition to high-yield credit, the Debtor’s investment capabilities include public equities, real estate, private equity and special situations, structured credit, and sector- and region-specific verticals built around specialized teams. Additionally, the Debtor provided shared services to its affiliated registered investment advisers.

B. The Debtor’s Corporate Structure

The Debtor is headquartered in Dallas, Texas. The Debtor itself is a Delaware limited partnership and one of the principal operating arms of the Debtor’s business. As of the Petition Date, the Debtor employed approximately 76 people, including executive-level management employees, finance and legal staff, investment professionals, and back-office accounting and administrative personnel.

Pursuant to various contractual arrangements, the Debtor, as of the Petition Date, provided money management and advisory services for approximately \$2.5 billion of assets under management shared services for approximately \$7.5 billion of assets managed by a variety of affiliated and unaffiliated entities, including other affiliated registered investment advisers. None of these affiliates filed for Chapter 11 protection. As of June 30, 2020, the Debtor provided money management and advisory services for approximately \$1.725 billion of assets under management and shared services for approximately \$7.115 billion of assets managed by a variety of affiliated and unaffiliated entities, including other affiliated registered investment advisers. Further, on the Petition Date, the value of the Debtor’s Assets totaled approximately \$566.5 million. As of June 30, 2020, the Debtor’s Assets totaled approximately \$351.7 million. The drop in the value of the Debtor’s Assets and assets under management was caused, in part, by the COVID-19 global pandemic.

The Debtor’s organizational chart is attached hereto as Exhibit B. The organizational chart is not all inclusive and certain entities have been excluded for the sake of brevity.

C. Business Overview

The Debtor's primary means of generating revenue has historically been from fees collected for the management and advisory services provided to funds that it manages, plus fees generated for services provided to its affiliates. For additional liquidity, the Debtor, prior to the Petition Date, would sell liquid securities in the ordinary course held through its prime brokerage account at Jefferies, LLC ("Jefferies"), as described in additional detail below. The Debtor would also, from time to time, sell assets at non-Debtor subsidiaries and distribute those proceeds to the Debtor in the ordinary course of business. During calendar year 2018, the Debtor's stand-alone annual revenue totaled approximately \$50 million. During calendar year 2019, the Debtor's stand-alone revenue totaled approximately \$36.1 million.

D. Prepetition Capital Structure

1. Jefferies Margin Borrowings (Secured)

The Debtor is party to that certain *Prime Brokerage Customer Agreement* with Jefferies dated May 24, 2013 (the "Brokerage Agreement"). Pursuant to the terms of the Brokerage Agreement and related documents, the Debtor maintains a prime brokerage account with Jefferies (the "Prime Account"). A prime brokerage account is a unique type of brokerage account that allows sophisticated investors to, among other things, borrow both money on margin to purchase securities and common stock to facilitate short positions. A prime brokerage account also serves as a custodial account and holds client securities in the prime broker's street name.

As of the Petition Date, the Debtor held approximately \$57 million of equity in the liquid and illiquid securities (the "Securities") in the Prime Account. Pursuant to the Brokerage Agreement, the Debtor granted a lien in favor of Jefferies in the Securities and all of the proceeds thereof.

However, because of the economic distress caused by the COVID-19 global pandemic, the value of the Securities held in the Prime Account dropped since the Petition Date, and Jefferies has exerted significant pressure on the Debtor to liquidate the Securities to satisfy margin calls. As of June 30, 2020, the equity value of the Securities in the Prime Account was approximately \$26.5 million, and the Debtor owed no amounts to Jefferies.

2. The Frontier Bank Loan (Secured)

The Debtor and Frontier State Bank ("Frontier Bank") are parties to that certain *Loan Agreement* dated as of August 17, 2015 (the "Original Frontier Loan Agreement"), pursuant to which Frontier Bank loaned to the Debtor the aggregate principal amount of \$9.5 million. On March 29, 2018, the Debtor and Frontier Bank entered into that certain First Amended and Restated Loan Agreement (the "Amended Frontier Loan Agreement"), amending and superseding the Original Frontier Loan Agreement. Pursuant to the Amended Frontier Loan Agreement, Frontier Bank made an additional \$1 million loan to the Debtor (together with the borrowings under the Original Frontier Loan Agreement, the "Frontier Loan"). The Frontier Loan matures on August 17, 2021.

Pursuant to that certain Security and Pledge Agreement dated August 17, 2015, between Frontier Bank and the Debtor, as amended by the Amended Frontier Loan Agreement, the Debtor's obligations under the Frontier Loan are secured by 171,724 shares of voting common stock of MGM Holdings, Inc. (collectively, the "Frontier Collateral").

The aggregate principal balance of the Frontier Loan was approximately \$5.2 million. As of June 30, 2020, the value of the Frontier Collateral was approximately \$14.1 million, and approximately \$235,000 in postpetition interest had accrued.

3. Other Unsecured Obligations

As discussed below, the Plan provides for four Classes of unsecured claims: (i) the Convenience Claims, (ii) the Unpaid Employee Claims, (iii) the General Unsecured Claims, and (iv) the Subordinated Claims.

The Debtor has various substantial litigation claims asserted against it, which have been classified as General Unsecured Claims. In addition, as of the Petition Date, the Debtor had ordinary course trade debt, unaccrued employee bonus obligations and loan repayment, and contractual commitments to various affiliated and unaffiliated non-Debtor entities for capital calls, contributions, and other potential reimbursement or funding obligations that were potentially in the tens of millions of dollars. The Debtor is still assessing these claims and its liability for such amounts. These Claims have been classified as Convenience Claims and Subordinated Claims.

Based on the Schedules (as defined below) and the proofs of claim that have been filed, the Debtor estimates that non-subordinated, unsecured Claims against the Debtor, including claims filed by certain Related Entities and affiliates but excluding claims filed by Acis, UBS, the Redeemer Committee, Patrick Daugherty, Integrated Financial Associates, Inc. ("IFA"), Hunter Mountain, and the HarbourVest Entities⁵ should total approximately \$26.1 million. This estimate, however, does not account for any additional General Unsecured Claims against the Debtor arising from the rejection of executory contracts and leases pursuant to the Plan. Further, the Debtor anticipates that the Claimant Trustee or the Reorganized Debtor, as applicable, will object to a number of the filed proofs of claim. Thus, the total amount of Allowed unsecured Claims may vary substantially from the estimates set forth herein.

4. Equity Interests

The Debtor is a Delaware limited partnership. As of the Petition Date, the Debtor had three classes of limited partnership interest (Class A, Class B, and Class C). The Class A interests were held by The Dugaboy Investment Trust, Mark Okada, personally and through family trusts, and Strand, the Debtor's general partner. The Class B and C interests were held by Hunter Mountain.

⁵ "HarbourVest Entities" means HarbourVest 2017 Global Fund, L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment, L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners, L.P.

In the aggregate, the Debtor's limited partnership interests were held: (a) 99.5% by Hunter Mountain; (b) 0.1866% by The Dugaboy Investment Trust, (c) 0.0627% by Mark Okada, personally and through family trusts, and (d) 0.25% by Strand.

E. SEC Filings

The Debtor is an investment adviser registered with the SEC as required by the Investment Advisers Act of 1940. As a registered investment adviser, the Debtor is required to file (at least annually) a Form ADV. The Debtor's current Form ADV is available at <https://adviserinfo.sec.gov/>.

Following the Effective Date, it is anticipated that the Reorganized Debtor will maintain its registration with the SEC as a registered investment adviser.

F. Events Leading Up to the Debtor's Bankruptcy Filings

The Chapter 11 Case was precipitated by the rendering of an Arbitration Award (as that term is defined below) against the Debtor on May 9, 2019, by a panel of the American Arbitration Association (the "Panel"), in favor of the Redeemer Committee of the Highland Crusader Fund (the "Redeemer Committee").

The Debtor was formerly the investment manager for the Highland Crusader Funds (the "Crusader Funds") that were formed between 2000 and 2002. In September and October 2008, as the financial markets in the United States began to fail, the Debtor was flooded with redemption requests from Crusader Funds' investors, as the Crusader Funds' assets lost significant value.

On October 15, 2008, the Debtor placed the Crusader Funds in wind-down, thereby compulsorily redeeming the Crusader Funds' limited partnership interests. The Debtor also declared that it would liquidate the Crusader Funds' remaining assets and distribute the proceeds to investors.

However, disputes concerning the distribution of the assets arose among certain investors. After several years of negotiations, a Joint Plan of Distribution of the Crusader Funds (the "Crusader Plan"), and the Scheme of Arrangement between Highland Crusader Fund and its Scheme Creditors (the "Crusader Scheme"), were adopted in Bermuda and became effective in August 2011. As part of the Crusader Plan and the Crusader Scheme, the Redeemer Committee was elected from among the Crusader Funds' investors to oversee the Debtor's management of the Crusader Funds.

Between October 2011 and January 2013, in accordance with the Crusader Plan and the Crusader Scheme, the Debtor distributed in excess of \$1.2 billion to the Crusader Funds' investors. The Debtor distributed a further \$315.3 million through June 2016.

However, disputes subsequently arose between the Redeemer Committee and the Debtor. On July 5, 2016, the Redeemer Committee (a) terminated and replaced the Debtor as investment manager of the Crusader Fund, (b) commenced an arbitration against the Debtor (the

“Arbitration”), and (c) commenced litigation in Delaware Chancery Court, to, among other things, obtain a status quo order in aid of the arbitration, which order was subsequently entered.

Following an evidentiary hearing, the Panel issued (a) a *Partial Final Award*, dated March 6, 2019 (the “March Award”), (b) a *Disposition of Application for Modification of Award*, dated March 14, 2019 (the “Modification Award”), and (c) a *Final Award*, dated May 9, 2019 (the “Final Award” and together with the March Award and the Modification Award, the “Arbitration Award”). Pursuant to the Arbitration Award, the Redeemer Committee was awarded gross damages against the Debtor in the aggregate amount of \$136,808,302; as of the Petition Date, the total value of the Arbitration Award was \$190,824,557, inclusive of interest

Prior to the Petition Date, the Redeemer Committee moved in the Chancery Court to confirm the Arbitration Award. For its part, the Debtor moved to vacate parts of the Final Award contending that certain aspects were procedurally improper. The Redeemer Committee’s motion to confirm the Arbitration Award and the Debtor’s motion to vacate were fully briefed and were scheduled to be heard by the Chancery Court on the day the Debtor filed for bankruptcy

On the Petition Date, the Debtor believed that the aggregate value of its assets exceeded the amount of its liabilities; however, the Debtor filed the Chapter 11 Case because it did not have sufficient liquidity to immediately satisfy the Award or post a supersedeas bond necessary to pursue an appeal.

G. Additional Prepetition Litigation

In addition to the litigation with the Redeemer Committee described above, the Debtor, both directly and through certain subsidiaries, affiliates, and related entities, was party to substantial prepetition litigation. Although the Debtor disputes the allegations raised in this litigation and believes it has substantial defenses, this litigation has resulted in substantial Claims against the Debtor’s Estate, each of which has been classified as a General Unsecured Claim. To the extent that these litigation Claims cannot be resolved consensually, they will be litigated by the Claimant Trustee or Reorganized Debtor, as applicable. The Debtor’s major prepetition litigation is as follows:

- Redeemer Committee: The dispute with the Redeemer Committee is described in ARTICLE II.F above. As discussed in ARTICLE II.R, the Debtor and the Redeemer Committee have reached a settlement, which, if approved by the Bankruptcy Court, will resolve the Redeemer Committee’s claims against the Estate.
- Acis Capital Management, L.P., & Acis Capital Management GP, LLC: On January 30, 2018, Joshua Terry filed involuntary bankruptcy petitions against both Acis Capital Management, L.P. (“Acis LP”) and its general partner, Acis Capital Management GP, LLC (“Acis GP,” and collectively with Acis LP, “Acis”) in the Bankruptcy Court for the Northern District of Texas, Dallas Division, the Honorable Judge Jernigan presiding (the same judge presiding over the Chapter 11 Case), Case No. 18-30264-SGJ (the “Acis Case”). Mr. Terry had

been an employee of the Debtor and a limited partner of Acis LP. Mr. Terry was terminated in June 2016, and obtained a multi-million dollar arbitration award against Acis. Overruling various objections, the Bankruptcy Court entered the orders for relief for the Acis debtors in April 2018, and a chapter 11 trustee was appointed. The Debtor filed a proof of claim against Acis and an administrative claim. Acis disputes the Debtor's claim, and the Debtor has not received any distributions on its claim to date. On January 31, 2019, Acis's chapter 11 plan was confirmed, and Mr. Terry become the sole owner of reorganized Acis. Several appeals remain pending, including an appeal of the entry of the Acis orders for relief and the Acis confirmation order.

The Acis trustee commenced a lawsuit against the Debtor, among others, alleging fraudulent conveyance and other causes of action in relation to the Debtor's alleged prepetition effort to control and transfer away Acis's assets to avoid paying Mr. Terry's claim. After the confirmation of the Acis plan, reorganized Acis allegedly supplanted the Acis Trustee as plaintiff and filed an amended complaint against the Debtor and other defendants, which claims comprise Acis's pending proof of claim against the Debtor.

As discussed in ARTICLE II.R, the Debtor and Acis have reached a settlement, which, if approved by the Bankruptcy Court, will resolve Acis's claims against the Estate.

- UBS Securities LLC and UBS AG London Branch: UBS Securities LLC ("UBS Securities") filed a proof of claim in the amount of \$1,039,957,799.40 [Claim No. 190] (the "UBS Securities Claim"), and UBS AG, London Branch ("UBS London," and together with UBS Securities, "UBS") filed a substantively identical proof of claim in the amount of \$1,039,957,799.40 [Claim No. 191] (the "UBS London Claim" and together with the UBS Securities Claim, the "UBS Claim"). The UBS Claim was based on the amount of a judgment UBS received on a breach of contract claim against funds related to the Debtor that were unable to honor margin calls in 2008. Although the Debtor had no obligation under UBS's contracts with the funds, UBS alleges the Debtor is liable for the judgment because it (i) breached an alleged duty to ensure that the funds could pay UBS, (ii) caused or permitted \$233 million in alleged fraudulent transfers to be made by Highland Financial Partners, L.P. ("HFP") in March 2009, and (iii) is an alter ego of the funds. The Debtor believes there are meritorious defenses to most, if not all, of the UBS Claim for numerous reasons, including: (i) decisions by the New York Appellate Division that limited UBS's claims to the March 2009 transfers that it alleges were fraudulent; (ii) those decisions should also apply to any alter ego claim (which at this time has not been formally asserted against the Debtor); (iii) UBS settled claims relating to \$172 million of the \$233 million in alleged fraudulent transfers and the Debtor is covered by the release; and (iv) the March 2009 transfers were in any event part of a wholly legitimate transaction that did not target UBS and for which HFP received fair consideration. Those and several additional defenses are described in the *Debtor's Objection to Proofs of Claim 190 and 191 of UBS Securities LLC and UBS AG, London Branch* [D.I. 928].

- Patrick Daugherty: Patrick Daugherty has Filed a Proof of Claim for “at least \$37,483,876.62” [Claim Nos. 67; 77] (the “Daugherty Claim”). Mr. Daugherty is a former limited partner and employee of the Debtor. The Daugherty Claim has three components, and Mr. Daugherty asserts claims: (1) for indemnification for any taxes Mr. Daugherty is required to pay as a result of the IRS audit of the Debtor’s 2008-2009 tax return; (2) for defamation arising from a 2017 press release posted by the Debtor; and (3) arising from a pending Delaware lawsuit against the Debtor, which seeks to recover a judgment of \$2.6 million in respect of Highland Employee Retention Assets (“HERA”), plus interest, from assets Mr. Daugherty claims were fraudulently transferred to the Debtor. The Daugherty Claim also seeks (a) the value of Mr. Daugherty’s asserted interest in HERA, which he values at approximately \$26 million; and (b) indemnification for fees incurred in the Delaware action and in previous litigation in Texas State Court. The Debtor believes that the Daugherty Claim should be allowed in the amount of \$3,722,019; however, the Debtor believes, for various reasons, that the balance of the Daugherty Claim lacks merit. The Debtor’s defenses to the Daugherty Claim are described in the *Debtor’s (i) Objection to Claim No. 77 of Patrick Hagaman Daugherty and (ii) Complaint to Subordinate Claim of Patrick Hagaman Daugherty* [Docket No. 1008].

H. The Debtor’s Bankruptcy Proceeding

On October 16, 2019, the Debtor commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Delaware Bankruptcy Court”). On December 4, 2019, the Delaware Bankruptcy Court entered an order transferring venue of the Chapter 11 Case to the Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Bankruptcy Court”).⁶ The Debtor continues to operate its business and manage its properties as debtor-in-possession under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court.

An immediate effect of commencement of the Chapter 11 Case was the imposition of the automatic stay under the Bankruptcy Code which, with limited exceptions, enjoins the commencement or continuation of all collection efforts, the enforcement of liens against property of the Debtor, and the continuation of litigation against the Debtor during the pendency of the Chapter 11 Case. The automatic stay will remain in effect, unless modified by the Bankruptcy Court, until the later of the Effective Date and the date indicated in any order providing for the implementation of such stay or injunction.

I. First Day Orders

On or about the Petition Date, the Debtor filed certain “first day” motions and applications with the Delaware Bankruptcy Court seeking certain immediate relief to aid in the efficient administration of this Chapter 11 Case and to facilitate the Debtor’s transition to debtor-

⁶ All docket reference numbers refer to the docket maintained by the Bankruptcy Court.

in-possession status. The Delaware Bankruptcy Court held a hearing on these first-day motions on October 18, 2019. Following the first day hearing, the Delaware Bankruptcy Court entered the following orders:

- Order (I) Authorizing the Debtor to (a) Pay and Honor Prepetition Compensation, Reimbursable Business Expenses, and Employee Benefit Obligations and (b) Maintain and Continue Certain Compensation and Benefit Programs Postpetition; and (II) Granting Related Relief [D.I. 39];
- Interim Order (a) Authorizing the Debtor to Pay Certain Prepetition Claims of Critical Vendors and (b) Granting Related Relief [D.I. 40];
- Interim Order Authorizing (a) Continuance of Existing Cash Management System, (b) Continued Use of the Prime Account, (c) Limited Waiver of Section 345(b) Deposit and Investment Requirements, and (d) Granting Related Relief [D.I. 42];
- Order Appointing Kurtzman Carson Consultants LLC as Claims and Noticing Agent for the Debtor Pursuant to 28 U.S.C. § 156(c), 11 U.S.C. § 105(a), and Local Rule 2002-1(f) [D.I. 43]; and
- Interim Order Authorizing Debtor to File Under Seal Portions of the Creditor Matrix Containing Employee Address Information [D.I. 44].

The Delaware Bankruptcy Court subsequently entered the following order on a final basis:

- Final Order (a) Authorizing the Debtor to Pay Certain Prepetition Claims of Critical Vendors and (b) Granting Related Relief [D.I. 168].

Following the transfer of the Chapter 11 Case to the Bankruptcy Court, the Bankruptcy Court entered the following order on a final basis:

- Final Order Authorizing (a) Continuance of Existing Cash Management System, (b) Continued Use of the Prime Account and Maxim Prime Account, (c) Limited Waiver of Section 345(b) Deposit and Investment Requirements, and (d) Granting Related Relief [D.I. 379].

J. Additional Orders

On and after the Petition Date, the Debtor filed a number of motions and applications to retain professionals and to streamline the administration of the Chapter 11 Case. The Delaware Bankruptcy Court and the Bankruptcy Court entered the following orders granting the foregoing motions and applications:

- Order Pursuant to Section 327(a) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Rule 2014-1 Authorizing the Employment and Retention of Pachulski Stang Ziehl & Jones LLP as Counsel for

the Debtor and Debtor in Possession *Nunc Pro Tunc* to the Petition Date [D.I. 183];

- Order (I) Extending Time to File Schedules of Assets and Liabilities, Schedules of Executory Contracts and Unexpired Leases, and Statement of Financial Affairs, and (II) Granting Related Relief [D.I. 143];
- Order Authorizing the Debtor to Employ and Retain Kurtzman Carson Consultants LLC as Administrative Advisor Effective *Nunc Pro Tunc* to the Petition Date [D.I. 74];
- Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals [D.I. 141];
- Order Pursuant to 11 U.S.C. § 105(a) and 363(b) Authorizing the Debtor to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services for Such Debtor, *Nunc Pro Tunc* as of the Petition Date [D.I. 342];
- Order Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code Authorizing the Employment of Mercer (US) Inc. as Compensation Consultant to the Debtor [D.I. 381];
- Order Authorizing and Approving Debtor's Application Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016 for an Order Authorizing the Employment of Hayward & Associates PLLC As Local Counsel [D.I. 435];
- Order (I) Establishing Bar Dates for Filing Claims and (II) Approving the Form and Manner of Notice Thereof [D.I. 488];
- Order Authorizing the Retention and Employment of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel, *Nunc Pro Tunc* to the Petition Date [D.I. 513];
- Agreed Order: (a) Authorizing the Employment and Retention of Deloitte Tax LLP as Tax Services Provider *Nunc Pro Tunc* to the Petition Date; and (b) Granting Related Relief [D.I. 551];
- Order Authorizing and Approving Debtor's Application Pursuant to Sections 327(e) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016 for an Order Authorizing the Employment of Wilmer Cutler Pickering Hale and Dorr LLP as Regulatory and Compliance Counsel *Nunc Pro Tunc* to the Petition Date [D.I. 669]; and

- Agreed Order Authorizing the Retention and Employment of Hunton Andrews Kurth LLP as Special Counsel *Nunc Pro Tunc* to the Petition Date [D.I. 763].

In addition, the Committee filed applications to retain professionals and the Bankruptcy Court entered the following orders granting such applications:

- Order Authorizing and Approving the Retention of Sidley Austin LLP as Counsel to the Official Committee of Unsecured Creditors *Nunc Pro Tunc* to October 29, 2019 [D.I. 334];
- Order Authorizing and Approving the Employment of FTI Consulting, Inc. as Financial Advisor to the Official Committee of Unsecured Creditors [D.I. 336]; and
- Order Authorizing the Retention and Employment of Young Conaway Stargatt & Taylor, LLP as Co-Counsel to the Official Committee of Unsecured Creditors, *Nunc Pro Tunc* to November 8, 2019 [D.I. 337].

K. United States Trustee

While the Chapter 11 Case was pending in the Delaware Bankruptcy Court, the U.S. Trustee for Region 3 appointed Jane Leamy as the attorney for the U.S. Trustee in connection with this Chapter 11 Case (the “Delaware U.S. Trustee”). Following the transfer of the Chapter 11 Case to the Bankruptcy Court, the Delaware U.S. Trustee no longer represented the U.S. Trustee, and the U.S. Trustee for Region 6 appointed Lisa Lambert as the attorney for the U.S. Trustee in connection with this Chapter 11 Case (the “Texas U.S. Trustee,” and together with the Delaware U.S. Trustee, the “U.S. Trustee”). The Debtor has worked cooperatively to address concerns and comments from the U.S. Trustee’s office during this Chapter 11 Case.

L. Appointment of Committee

On October 29, 2019, the Delaware U.S. Trustee appointed the Committee in this Chapter 11 Case [D.I. 65]. The members of the Committee are (a) Redeemer Committee of Highland Crusader Fund, (b) Meta-e Discovery, (c) UBS Securities LLC and UBS AG London Branch, and (d) Acis Capital Management, L.P. and Acis Capital Management GP, LLP. Meta-E Discovery is a vendor to the Debtor. The other members of the Committee are litigants in prepetition litigation with the Debtor as described in ARTICLE II.G. The counsel to the Committee is Sidley Austin LLP and the financial advisor to the Committee is FTI Consulting, Inc.

M. Meeting of Creditors

The meeting of creditors under section 341(a) of the Bankruptcy Code was initially scheduled for November 20, 2019, at 9:30 a.m. (prevailing Eastern Time) at the J. Caleb Boggs Federal Building, 844 N. King Street, Room 3209, Wilmington, Delaware 19801, and was rescheduled to December 3, 2019, at 10:30 a.m. (prevailing Eastern Time). At the meeting of creditors, the Delaware U.S. Trustee and creditors asked questions of a representative of the Debtor.

Following the transfer of the Chapter 11 Case to the Bankruptcy Court, the Texas U.S. Trustee scheduled an additional meeting of creditors under section 341(a) for January 9, 2020, at 11:00 a.m. (prevailing Central Time) at the Office of the U.S. Trustee, 1100 Commerce Street, Room 976, Dallas, Texas 75242, at the conclusion of that meeting, the Texas U.S. Trustee continued the meeting to January 22, 2020. The Texas U.S. Trustee and creditors asked questions of a representative of the Debtor at the January 9 and January 22, 2020 meetings.

N. Schedules, Statements of Financial Affairs, and Claims Bar Date

The Debtor filed its Schedules of Assets and Liabilities and Statements of Financial Affairs (the “Schedules”) on December 19, 2019 [D.I. 247-248]. A creditor whose Claim is set forth in the Schedules and not identified as contingent, unliquidated or disputed may have elected to file a proof of claim against the Debtor.

The Bankruptcy Court established (i) April 8, 2020 as the deadline for Creditors (other than governmental units) to file proofs of claim against the Debtor; (ii) April 13, 2020, as the deadline for any governmental unit (as such term is defined in section 101(27) of the Bankruptcy Code), (iii) April 23, 2020, and as the deadline for any investors in any fund managed by the Debtor to file proofs of claim against the Debtor; and (iv) May 26, 2020 as the deadline for the Debtor’s employees to file proofs of claim against the Debtor pursuant to and accordance with Court’s order entered on April 3, 2020 [D.I. 560].⁷ Consequently, the bar date for filing proofs of claims has passed and any claims filed after the applicable bar date will be considered late filed.

O. Settlement with the Committee

On January 9, 2020, the Bankruptcy Court entered the *Order Approving Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* [D.I. 339] (the “Settlement Order”).

Among other things, the Settlement Order approved a term sheet (the “Term Sheet”) agreed to by the Debtor and the Committee pursuant to which the Debtor agreed to abide by certain protocols governing the production of documents and certain protocols governing the operation of the Debtor’s business (the “Operating Protocols”). Under the Operating Protocols, the Debtor agreed to seek consent from the Committee prior to entering into certain “Transactions” (as defined in the Operating Protocols. The Operating Protocols were amended on February 21, 2020, with the consent of the Committee [D.I. 466].

Pursuant to the Term Sheet, the Debtor also granted the Committee standing to pursue certain estate claims and causes of action against Mr. Dondero, Mr. Okada, other insiders of the Debtor, and the Related Entities (as defined in the Operating Protocols) (collectively, the “Estate Claims”). To the extent permitted, the Estate Claims and the ability to pursue the Estate Claims are being transferred to either the Claimant Trust or Litigation Sub-Trust pursuant to the Plan.

⁷ During the course of its Chapter 11 Case, the Debtor entered into stipulations to extend the Bar Date for certain other claimants or potential claimants.

In connection with the Settlement Order, an independent board of directors was also appointed at Strand, the Debtor's general partner (the "Independent Board"). The members of the Independent Board are John S. Dubel, James P. Seery, Jr., and Russell Nelms. The Independent Board was tasked with managing the Debtor's operations during the Chapter 11 Case and facilitating a reorganization or orderly liquidation of the Debtor's Estate.

P. Appointment of James P. Seery, Jr., as Chief Executive Officer and Chief Restructuring Officer

Following their appointment in January 2020, the Independent Board determined that it would be more efficient for the Debtor to have a traditional corporate management structure, i.e. a fully engaged chief executive officer supervised by the Independent Board. The Independent Board ultimately determined that Mr. Seery – a member of the Independent Board – had the requisite experience and expertise to lead the Debtor. On June 23, 2020, the Debtor filed *Debtor's Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020* [D.I. 774] (the "Seery Retention Motion") to retain Mr. Seery as chief executive officer, chief restructuring officer, and foreign representative.

The Bankruptcy Court entered an order approving the Seery Retention Motion on July 16, 2020 [D.I. 854]. Mr. Seery was retained as the Debtor's chief executive officer and the duties of Bradley Sharp of DSI as the Debtor's chief restructuring officer and foreign representative were transferred to Mr. Seery.

Q. Mediation

On August 3, 2020, the Bankruptcy Court entered the *Order Directing Mediation* [D.I. 912] pursuant to which the Bankruptcy Court ordered the Debtor, the Committee, UBS, Acis, the Redeemer Committee, and Mr. Dondero into mediation and appointed Sylvia Mayer and Allan Gropper as the mediators (the "Mediators"). The goal of the mediation is to resolve the outstanding Claims of UBS and Acis and to negotiate the terms of a plan of reorganization. The mediation began on August 27, 2020, and is still ongoing as of the date of this Disclosure Statement. This Disclosure Statement and the Plan will be amended to account for the outcome of the mediation to the extent necessary.

R. Postpetition Settlements

1. Settlement with Acis and the Terry Parties

With the assistance of the Mediators, on September 9, 2020, (i) the Debtor, (ii) Acis LP, (iii) Acis GP, and (iv) Joshua N. Terry, individually and for the benefit of his individual retirement accounts, and Jennifer G. Terry, individually and for the benefit of her individual retirement accounts and as trustee of the Terry Family 401-K Plan (together, the "Terry Parties") executed that certain Settlement Agreement and General Release. The Debtor intends to file a motion with the Bankruptcy Court seeking approval of the Settlement Agreement and General Release (the "Acis Settlement Motion"). If the Acis Settlement Motion is approved by the Bankruptcy Court, it will fully resolve Acis's and the Terry Parties' claims against the Estate and grant, with certain material exceptions, mutual releases to the Debtor, Acis, and the Terry Parties, among others.

The Settlement Agreement and General Release contain the following material terms, among others:

- The proof of claim filed by Acis [Claim No. 23] will be Allowed in the amount of \$23,000,000 as a General Unsecured Claim.
- On the Effective Date of the Plan (or any other plan of reorganization confirmed by the Bankruptcy Court), the Debtor will pay in cash to:
 - Mr. and Mrs. Terry in the amount of \$425,000 plus 10% simple interest (calculated on the basis of a 360-day year from and including June 30, 2016), in full and complete satisfaction of the proof of claim filed by the Terry Parties [Claim No. 156];
 - Acis LP in the amount of \$97,000, which amount represents the legal fees incurred by Acis LP with respect to the *NWCC, LLC v. Highland CLO Management, LLC, et al.*, Index No. 654195/2018 (N.Y. Sup. Ct. 2018), in full and complete satisfaction of the proof of claim filed by Acis LP [Claim No. 159]; and
 - Mr. Terry in the amount of \$355,000 in full and complete satisfaction of the legal fees assessed against Highland CLO Funding, Ltd., in *Highland CLO Funding v. Joshua Terry*, [No Case Number], pending in the Royal Court of the Island of Guernsey;

The Settlement Agreement also provides that within five days of the Bankruptcy Court's approval of the Settlement Agreement and the General Release, the Debtor will move to withdraw, with prejudice, the proofs of claim that the Debtor filed in the Acis bankruptcy cases and the motion filed by the Debtor in the Acis bankruptcy cases seeking an administrative claim for postpetition services provided to Acis.

The foregoing is a summary only, and all parties are encouraged to review the Acis Settlement Motion when filed for additional information on the Settlement Agreement and General Release.

2. Settlement with the Redeemer Committee

Although not yet executed, the Debtor, Eames, Ltd., the Redeemer Committee, and the Crusader Funds (collectively, the "Settling Parties") have agreed to the terms of a settlement (the "Redeemer Stipulation"). It is anticipated that the Redeemer Stipulation will also be executed, solely with respect to paragraphs 10 through 15 thereof, by Hockney, Ltd., Strand, Highland Special Opportunities Holding Company, Highland CDO Opportunity Master Fund, L.P., Highland Financial Partners, L.P., Highland Credit Strategies Master Fund, L.P., Highland Credit Opportunities CDO, L.P., House Hanover, LLC, and Alvarez & Marsal CRF Management, LLC (collectively, the "Additional Release Parties"). The Debtor intends to file a motion with the Bankruptcy Court seeking approval of the Redeemer Stipulation (the "Redeemer Settlement Motion"). If the Redeemer Settlement Motion is approved by the Bankruptcy Court, it will fully resolve the claims filed by the Redeemer Committee and the Crusader Funds.

The Redeemer Stipulation contains the following material terms, among others:

- The proof of claim filed by the Redeemer Committee [Claim No. 72] will be Allowed in the amount of \$136,696,610 as a General Unsecured Claim;
- The proof of claim filed by the Crusader Funds [Claim No. 81] will be Allowed in the amount of \$50,000 as a General Unsecured Claim;
- The Debtor and Eames, Ltd., each (a) consented to the cancellation of certain interests in the Crusader Funds held by them, and (b) agreed that they will not object to the cancellation of certain interests in the Crusader Funds held by the Charitable Donor Advised Fund;
- The Debtor and Eames each acknowledged that they will not receive any portion of certain reserved distributions, and the Debtor further acknowledged that it will not receive any payments from the Crusader Funds in respect of any deferred fees, distribution fees, or management fees;
- The Debtor and the Redeemer Committee agreed to a form of amendment to the shareholders' agreement for Cornerstone Healthcare Group and to a process to monetize Cornerstone Healthcare Group;
- Upon the effective date of the Redeemer Stipulation, the Settling Parties and the Additional Release Parties shall exchange releases as set forth in the Redeemer Stipulation; and
- All litigation between the Debtor, Eames, Ltd., and the Additional Highland Release Parties (as defined in the Redeemer Stipulation) on the one hand, and the Redeemer Committee and the Crusader Funds, on the other hand, will cease.

The foregoing is a summary only and subject in all respects to the execution of the Redeemer Stipulation. All parties are encouraged to review the Redeemer Settlement Motion when filed for additional information on the Redeemer Stipulation.

S. Certain Outstanding Material Claims

As discussed above, April 8, 2020, was the general bar date for filing proofs of claim. The Debtor has begun the process of resolving those Claims. Although each Claim represents a potential liability of the Estate, the Debtor believes that, in addition to UBS's Claim, the Claims filed by IFA, the HarbourVest Entities, and Hunter Mountain represent the largest unresolved Claims against the Estate.

- IFA Proof of Claim. IFA filed a proof of claim [Claim No. 93] seeking damages in the amount of \$241,002,696.73 arising from the purported joint control of the Debtor and NexBank, SSB, and the Debtor's management of various lenders to IFA. The Debtor believes that IFA's claim should be disallowed in its entirety. IFA's claim and the Debtor's defenses thereto are described in greater detail in

the *Objection to Proof of Claim No. 93 of Integrated Financial Associates, Inc.* [Docket No. 868].

- HarbourVest Entities Proofs of Claim. The HarbourVest Entities are investors in Highland CLO Funding, Ltd. (“HCLOF”) and filed proofs of claim against the Debtor’s Estate [Claim No. 143, 147, 149, 150, 153, 154]. Because the Debtor believed that it had no liability to the HarbourVest Entities and that the HarbourVest Entities’ proofs of claim did not state a basis for liability, the Debtor objected to those proofs of claim on the *Debtor’s First Omnibus Objection to Certain (a) Duplicate Claims; (b) Overstated Claims; (c) Late-Filed Claims; (d) Satisfied Claims; (e) No-Liability Claims; and (f) Insufficient Documentation Claims* [Docket No. 906]. In response, the HarbourVest Entities filed the *HarbourVest Response to Debtor’s First Omnibus Objection to Certain (a) Duplicate Claims; (b) Overstated Claims; (c) Late-Filed Claims; (d) Satisfied Claims; (e) No-Liability Claims; and (f) Insufficient Documentation Claims* [Docket No. 1057] in which the HarbourVest Entities alleged that they are owed in excess of \$100 million for damages to the HarbourVest Entities’ investment in HCLOF. The Debtor disputes the allegations raised by the HarbourVest Entities and intends to contest the HarbourVest Entities’ proofs of claim. The Debtor believes that the HarbourVest Entities’ proofs of claim should be disallowed in their entirety.
- Hunter Mountain Proof of Claim. Hunter Mountain is one of the Debtor’s limited partners. Hunter Mountain filed a proof of claim [Claim No. 152] seeking a \$60,298,739 indemnification claim against the Debtor because of the Debtor’s alleged failures to make priority distributions to Hunter Mountain under the Debtor’s Partnership Agreement. The Debtor believes that it has meritorious defenses to Hunter Mountain’s claim. Hunter Mountain’s claim and the Debtor’s defenses to such claim are described in greater detail in the *Debtor’s (i) Objection to Claim No. 152 of Hunter Mountain Investment Trust and (ii) Complaint to Subordinate Claim of Hunter Mountain Investment Trust and for Declaratory Relief* [Docket No. 995]. The Debtor believes that Hunter Mountain’s proof of claim should either be disallowed in its entirety or subordinated in its entirety.

In addition to the foregoing, the UBS Claim (in the amount of \$1,039,957,799.40) and the Daugherty Claim (in the amount of at least \$37,483,876.62) remain outstanding.

T. Exclusive Periods for Filing a Plan and Soliciting Votes

Under the Bankruptcy Code, a debtor has the exclusive right to file and solicit acceptance of a plan or plans of reorganization for an initial period of 120 days from the date on which the debtor filed for voluntary relief. If a debtor files a plan within this exclusive period, then the debtor has the exclusive right for 180 days from the petition date to solicit acceptances to the plan. During these exclusive periods, no other party in interest may file a competing plan of reorganization; however, a court may extend these periods upon request of a party in interest and “for cause.”

The Debtor filed motions to extend the exclusive period, and the Bankruptcy Court entered the following orders granting such applications:

- Order Granting Debtor's Motion for Entry of an Order Pursuant to 11 U.S.C. § 1121(d) and Local Rule 3016-1 Extending the Exclusivity Periods for the Filing and Solicitation of Acceptances of a Chapter 11 Plan [D.I. 460];
- Agreed Order Extending Exclusive Periods by Thirty Days [D.I. 668]; and
- Order Granting Debtor's Third Motion for Entry of an Order Pursuant to 11 U.S.C. § 1121(d) and Local Rule 3016-1 Further Extending the Exclusivity Periods for the Filing and Solicitation of Acceptances of a Chapter 11 Plan [D.I. 820].

Pursuant to the foregoing orders, the Bankruptcy Court extended the exclusivity period through June 12, 2020, for the filing of a plan, which was subsequently extended through July 13, 2020, and again through August 12, 2020. The Bankruptcy Court also extended the exclusivity period for the solicitation of votes to accept such plan through August 11, 2020, which was subsequently extended through September 10, 2020, and again through October 13, 2020.

On August 13, 2020, the Debtor filed *Debtor's Fourth Motion for Entry of an Order Pursuant to 11 U.S.C. § 1121(d) and Local Rule 3016-1 Further Extending the Exclusivity Periods for the Filing and Solicitation of Acceptances of a Chapter 11 Plan* [Docket No. 949] pursuant to which the Debtor sought a further extension of the exclusivity period for the filing of a plan through September 11, 2020, and the exclusivity period for the solicitation of votes to accept such plan through November 12, 2020. The Debtor filed for a further extension of the exclusivity periods at the request of the Mediators. The Bankruptcy Court has not yet ruled on this motion.

U. Negotiations with Constituents

The Debtor has engaged with the Committee in negotiating the terms of the Plan, but such negotiations have not yet produced a Plan that the Committee supports.

The Debtor, Mr. Dondero, and certain of the creditors have been negotiating a consensual reorganization plan for the Debtor that contemplates the Debtor continuing its business largely in its current form. Those negotiations have yet to reach conclusion but are continuing, and the negotiations were as part of the previously discussed mediation. There is no certainty that those negotiations will reach a consensual resolution of the Debtor's bankruptcy case.

he Plan is the Debtor's plan of reorganization in the event that it is unable to reach a consensual settlement plan with Mr. Dondero and the creditors of the estate.

**ARTICLE III.
SUMMARY OF THE PLAN**

THIS ARTICLE III IS INTENDED ONLY TO PROVIDE A SUMMARY OF THE MATERIAL TERMS OF THE PLAN AND IS QUALIFIED BY REFERENCE TO THE ENTIRE DISCLOSURE STATEMENT AND THE PLAN AND SHOULD NOT BE RELIED ON FOR A COMPREHENSIVE DISCUSSION OF THE PLAN. TO THE EXTENT THERE ARE ANY INCONSISTENCIES OR CONFLICTS BETWEEN THIS ARTICLE III AND THE PLAN, THE TERMS AND CONDITIONS SET FORTH IN THE PLAN SHALL CONTROL AND GOVERN.

A. Administrative and Priority Tax Claims

1. Administrative Expense Claims

On the later of the Effective Date or the date on which an Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or, in each such case, as soon as practicable thereafter, each Holder of an Allowed Administrative Expense Claim (other than Professional Fee Claims) will receive, in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Administrative Expense Claim either (i) payment in full in Available Cash for the unpaid portion of such Allowed Administrative Expense Claim; or (ii) such other less favorable treatment as agreed to in writing by the Debtor or the Reorganized Debtor, as applicable, and such Holder; *provided, however*, that Administrative Expense Claims incurred by the Debtor in the ordinary course of business may be paid in the ordinary course of business in the discretion of the Debtor in accordance with such applicable terms and conditions relating thereto without further notice to or order of the Bankruptcy Court. All statutory fees payable under 28 U.S.C. § 1930(a) shall be paid as such fees become due.

If an Administrative Expense Claim (other than a Professional Fee Claim) is not paid by the Debtor in the ordinary course, the Holder of such Administrative Expense Claim must File, on or before the applicable Administrative Expense Claims Bar Date, and serve on the Debtor or Reorganized Debtor, as applicable, and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Bankruptcy Court, an application for allowance and payment of such Administrative Expense Claim.

Objections to any Administrative Expense Claim (other than a Professional Fee Claim) must be Filed and served on the Debtor or the Reorganized Debtor, as applicable, and the party asserting such Administrative Expense Claim by the Administrative Expense Claims Objection Deadline.

2. Professional Fee Claims

Professionals or other Entities asserting a Professional Fee Claim for services rendered through the Effective Date must submit fee applications under sections 327, 328, 329, 330, 331, 503(b) or 1103 of the Bankruptcy Code and, upon entry of an order of the Bankruptcy Court granting such fee applications, such Professional Fee Claim shall promptly be paid in Cash in full to the extent provided in such order.

Professionals or other Entities asserting a Professional Fee Claim for services rendered on or prior to the Effective Date must File, on or before the Professional Fee Claims Bar Date, and serve on the Debtor or Reorganized Debtor, as applicable, and such other Entities who are designated as requiring such notice by the Bankruptcy Rules, the Confirmation Order or other order of the Bankruptcy Court, an application for final allowance of such Professional Fee Claim.

Objections to any Professional Fee Claim must be Filed and served on the Debtor or Reorganized Debtor, as applicable, and the party asserting the Professional Fee Claim by the Professional Fee Claim Objection Deadline. Each Holder of an Allowed Professional Fee Claim will be paid by the Debtor or the Claimant Trust, as applicable, in Cash within ten (10) Business Days of entry of the order approving such Allowed Professional Fee Claim.

3. Priority Tax Claims

On or as soon as reasonably practicable after the later of (i) the Initial Distribution Date if such Priority Tax Claim is an Allowed Priority Tax Claim as of the Effective Date or (ii) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Priority Tax Claim, at the election of the Debtor: (a) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, or (b) such other less favorable treatment as agreed to in writing by the Debtor and such Holder. Payment of statutory fees due pursuant to 28 U.S.C. § 1930(a)(6) will be made at all appropriate times until the entry of a final decree; *provided, however*, that the Debtor may prepay any or all such Claims at any time, without premium or penalty.

B. Classification and Treatment of Classified Claims and Equity Interests

1. Summary

All Claims and Equity Interests, except Administrative Expense Claims and Priority Tax Claims, are classified in the Classes set forth below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims, and Priority Tax Claims have not been classified.

The categories of Claims and Equity Interests listed below classify Claims and Equity Interests for all purposes including, without limitation, confirmation and distribution pursuant to the Plan and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. The Plan deems a Claim or Equity Interest to be classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and will be deemed classified in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that any such Claim or Equity Interest is Allowed in that Class and has not been paid, released or otherwise settled (in each case, by the Debtor or any other Entity) prior to the Effective Date.

Summary of Classification and Treatment of Classified Claims and Equity Interests

Class	Claim	Status	Voting Rights
1	Jefferies Secured Claim	Unimpaired	Deemed to Accept
2	Frontier Secured Claim	Unimpaired	Deemed to Accept
3	Priority Non-Tax Claim	Unimpaired	Deemed to Accept
4	Retained Employee Claim	Unimpaired	Deemed to Accept
5	Convenience Claims	Impaired	Entitled to Vote
6	Unpaid Employee Claims	Impaired	Entitled to Vote
7	General Unsecured Claims	Impaired	Entitled to Vote
8	Subordinated Claims	Impaired	Entitled to Vote
9	Class B/C Limited Partnership Interests	Impaired	Entitled to Vote
10	Class A Limited Partnership Interests	Impaired	Entitled to Vote

2. Elimination of Vacant Classes

Any Class that, as of the commencement of the Confirmation Hearing, does not have at least one Holder of a Claim or Equity Interest that is Allowed in an amount greater than zero for voting purposes shall be considered vacant, deemed eliminated from the Plan for purposes of voting to accept or reject the Plan, and disregarded for purposes of determining whether the Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to such Class.

3. Impaired/Voting Classes

Claims and Equity Interests in Class 5 through Class 10 are Impaired by the Plan, and only the Holders of Claims or Equity Interests in those Classes are entitled to vote to accept or reject the Plan.

Please refer to “Distribution of Confirmation Hearing Notice and Solicitation Package to Holders of Claims and Equity Interests” and “Instructions and Procedures for Voting” in ARTICLE I.C.7 and ARTICLE I.C.8 for a discussion of how the how votes on the Plan will be solicited and tabulated.

4. Unimpaired/Non-Voting Classes

Claims in Class 1 through Class 4 are Unimpaired by the Plan, and such Holders are deemed to have accepted the Plan and are therefore not entitled to vote on the Plan.

5. Impaired/Non-Voting Classes

There are no Classes under the Plan that will not receive or retain any property and no Classes are deemed to reject the Plan.

6. Cramdown

If any Class of Claims or Equity Interests is deemed to reject the Plan or does not vote to accept the Plan, the Debtor may (i) seek confirmation of the Plan under section 1129(b) of the Bankruptcy Code or (ii) amend or modify the Plan in accordance with the terms of the Plan and the Bankruptcy Code. If a controversy arises as to whether any Claims or Equity Interests, or any class of Claims or Equity Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

C. **Classification and Treatment of Claims and Equity Interests**

1. Class 1 – Jefferies Secured Claim

- *Classification:* Class 1 consists of the Jefferies Secured Claim.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 1 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 1 Claim, at the election of the Debtor: (A) Cash equal to the amount of such Allowed Class 1 Claim; (B) such other less favorable treatment as to which the Debtor and the Holder of such Allowed Class 1 Claim will have agreed upon in writing; or (C) such other treatment rendering such Claim Unimpaired. Each Holder of an Allowed Class 1 Claim will retain the Liens securing its Allowed Class 1 Claim as of the Effective Date until full and final payment of such Allowed Class 1 Claim is made as provided herein.
- *Impairment and Voting:* Class 1 is Unimpaired, and the Holders of Class 1 Claims are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 1 Claims are not entitled to vote to accept or reject the Plan and will not be solicited.

2. Class 2 – Frontier Secured Claim

- *Classification:* Class 2 consists of the Frontier Secured Claim.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 2 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 2 Claim, at the election of the Debtor: (A) Cash equal to the amount of such Allowed Class 2 Claim; (B) such other less favorable treatment as to which the Debtor and the Holder of such Allowed Class 2 Claim will have agreed upon in writing; or (C) such other treatment rendering such Claim Unimpaired. Except with respect to Claims that are treated in accordance with the preceding clause (C), each Holder of an Allowed Class 2 Claim will retain the Liens securing its

Allowed Class 2 Claim as of the Effective Date until full and final payment of such Allowed Class 2 Claim is made as provided herein.

- *Impairment and Voting:* Class 2 is Unimpaired, and the Holders of Class 2 Claims are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 2 Claims are not entitled to vote to accept or reject the Plan and will not be solicited.

3. Class 3 – Priority Non-Tax Claims

- *Classification:* Class 3 consists of the Priority Non-Tax Claims.
- *Allowance and Treatment:* On or as soon as reasonably practicable after the later (i) the Initial Distribution Date if such Class 3 Claim is Allowed on the Effective Date or (ii) the date on which such Class 3 Claim becomes an Allowed Class 3 Claim, each Holder of an Allowed Class 3 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, its Allowed Class 3 Claim Cash equal to the amount of such Allowed Class 3 Claim.
- *Impairment and Voting:* Class 3 is Unimpaired, and the Holders of Class 3 Claims are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 3 Claims are not entitled to vote to accept or reject the Plan and will not be solicited.

4. Class 4 – Retained Employee Claims

- *Classification:* Class 4 consists of the Retained Employee Claims.
- *Allowance and Treatment:* On or as soon as reasonably practicable after the Effective Date, each Allowed Class 4 Claim will be Reinstated.
- *Impairment and Voting:* Class 4 is Unimpaired, and the Holders of Class 4 Claims are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 4 Claims are not entitled to vote to accept or reject the Plan and will not be solicited.

5. Class 5 – Convenience Claims

- *Classification:* Class 5 consists of the Convenience Claims.
- *Allowance and Treatment:* On or as soon as reasonably practicable after the later (i) the Initial Distribution Date if such Class 5 Claim is Allowed on the Effective Date or (ii) the date on which such Class 5 Claim

becomes an Allowed Class 5 Claim, each Holder of an Allowed Class 5 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, its Allowed Class 5 Claim (1) the treatment provided to Allowed Holders of Class 7 General Unsecured Claims if the Holder of such Class 5 Claim makes the GUC Election or (2) an amount in Cash equal to either (a) 75% of the Allowed amount of such Holder's Class 5 Claim or (b) if the total amount of Allowed Class 5 Claims exceeds \$15,000,000, such Holder's Pro Rata share of the Convenience Claims Cash Pool.

- *Impairment and Voting:* Class 5 is Impaired, and the Holders of Class 5 Claims are entitled to vote to accept or reject the Plan.

"Convenience Claim" means any prepetition unsecured Claim against the Debtor other than an Unpaid Employee Claim that is less than or equal to \$2,500,000 or any General Unsecured Claim that is voluntarily reduced to an Allowed amount less than or equal to \$2,500,000.

"Convenience Claim Pool" means the \$15,000,000 in Cash that shall be available upon the Effective Date for distribution to Holders of Convenience Claims under the Plan as set forth herein. If the total amount of Allowed Convenience Claims is less than \$15,000,000, any Cash remaining in the Convenience Claim Pool after all distributions to Allowed Holders of Convenience Claims have been made will be transferred to the Claimant Trust and administered as a Claimant Trust Asset.

By making the GUC Election on their Ballots, each Holder of a Convenience Claim can elect to be treated as a Class 7 General Unsecured Claim for all purposes, including voting.

6. *Class 6 – Unpaid Employee Claims*

- *Classification:* Class 6 consists of the Unpaid Employee Claims.
- *Allowance and Treatment:* On or as soon as reasonably practicable after the later (i) the Initial Distribution Date if such Class 6 Claim is Allowed on the Effective Date or (ii) the date on which such Class 6 Claim becomes an Allowed Class 6 Claim, each Holder of an Allowed Class 6 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, its Allowed Class 6 Claim (1) the treatment provided to Allowed Holders of Class 7 General Unsecured Claims if the Holder of such Class 6 Claim makes the GUC Election or (2) an amount in Cash equal to either (a) 75% of the Allowed amount of such Holder's Class 6 Claim or (b) if the total amount of Allowed Class 6 Claims exceeds \$3,000,000, such Holder's Pro Rata share of the Unpaid Employee Claims Cash Pool.

- *Impairment and Voting:* Class 6 is Impaired, and the Holders of Class 6 Claims are entitled to vote to accept or reject the Plan.

“*Unpaid Employee Claim*” means any Claim filed by Scott Ellington, Thomas Surgent, Frank Waterhouse, Hunter Covitz, Jean Paul Sevilla, or Isaac Leventon; *provided, however*, that if any such Claim or portion of such Claim is entitled to priority pursuant to section 507(a) of the Bankruptcy Code, such Claim or portion of such Claim will be a Priority Non-Tax Claim.

“*Unpaid Employee Claim Pool*” means the \$3,000,000 in Cash that shall be available upon the Effective Date for distribution to Holders of Unpaid Employee Claims under the Plan as set forth herein. If the total amount of Allowed Unpaid Employee Claims is less than \$3,000,000, any Cash remaining in the Unpaid Employee Claim Pool after all distributions to Allowed Holders of Unpaid Employee Claims have been made will be transferred to the Claimant Trust and administered as a Claimant Trust Asset.

By making the GUC Election on their Ballots, each Holder of a Unpaid Employee Claim can elect to be treated as a Class 7 General Unsecured Claim for all purposes, including voting.

7. *Class 7 – General Unsecured Claims*

- *Classification:* Class 7 consists of the General Unsecured Claims.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 7 Claim, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim shall receive (i) its Pro Rata share of the Claimant Trust Interests or (ii) such other less favorable treatment as to which such Holder and the Claimant Trustee shall have agreed upon in writing.

Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of the Plan, the Debtor, the Reorganized Debtor, and the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any General Unsecured Claim, except with respect to any General Unsecured Claim Allowed by Final Order of the Bankruptcy Court.

- *Impairment and Voting:* Class 7 is Impaired, and the Holders of Class 7 Claims are entitled to vote to accept or reject the Plan.

“*General Unsecured Claim*” means (1) any prepetition Claim against the Debtor that is not Secured and is not a/an: (a) Administrative Expense

Claim; (b) Professional Fee Claim; (c) Priority Tax Claim; (d) Priority Non-Tax Claim; (e) Convenience Claim; (f) Unpaid Employee Claim; or (g) Subordinated Claim and (2) any Convenience Claim or Unpaid Employee Claim that makes the GUC Election. For the avoidance of doubt, any Unpaid Employee Claim that is not a Unpaid Employee Claim will be a General Unsecured Claim.

8. Class 8 – Subordinated Claims

- *Classification:* Class 8 consists of the Subordinated Claims.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 8 Claim, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim shall receive (i) its Pro Rata share of the Subordinated Claimant Trust Interests or (ii) such other less favorable treatment as to which such Holder and the Claimant Trustee shall have agreed upon in writing.

Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of the Plan, the Debtor, the Reorganized Debtor, and the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any Subordinated Claim, except with respect to any Subordinated Claim Allowed by Final Order of the Bankruptcy Court.

- *Impairment and Voting:* Class 8 is Impaired, and the Holders of Class 8 Claims are entitled to vote to accept or reject the Plan.

“*Subordinated Claim*” means any other Claim that is subordinated to the Convenience Claims, Unpaid Employee Claims, and General Unsecured Claims pursuant to 11 U.S.C. § 510 or Final Order of the Bankruptcy Court.

9. Class 9 – Class B/C Limited Partnership Interests

- *Classification:* Class 9 consists of the Class B/C Limited Partnership Interests.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 9 Claim, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim shall receive (i) its Pro Rata share of the Contingent Claimant Trust Interests or (ii) such other less favorable treatment as to which such Holder and the Claimant Trustee shall have agreed upon in writing.

Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of the Plan, the Debtor, the Reorganized Debtor, and the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any Class B/C Limited Partnership Interest Claim, except with respect to any Class B/C Limited Partnership Interest Claim Allowed by Final Order of the Bankruptcy Court.

- *Impairment and Voting:* Class 9 is Impaired, and the Holders of Class 9 Claims are entitled to vote to accept or reject the Plan.

10. *Class 10 – Class A Limited Partnership Interests*

- *Classification:* Class 10 consists of the Class A Limited Partnership Interests.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 10 Claim, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim shall receive (i) its Pro Rata share of the Contingent Claimant Trust Interests or (ii) such other less favorable treatment as to which such Holder and the Claimant Trustee shall have agreed upon in writing.

Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of the Plan, the Debtor, the Reorganized Debtor, and the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any Class A Limited Partnership Interest, except with respect to any Class A Limited Partnership Interest Allowed by Final Order of the Bankruptcy Court.

- *Impairment and Voting:* Class 10 is Impaired, and the Holders of Class 10 Claims are entitled to vote to accept or reject the Plan.

D. Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan will affect the Debtor's rights in respect of any Unimpaired Claims, including, without limitation, all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claims.

E. Subordinated Claims

The allowance, classification, and treatment of all Claims under the Plan shall take into account and conform to the contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Under section 510 of the Bankruptcy Code, upon written notice, the Debtor the Reorganized Debtor, and the Claimant Trustee reserve the right to re-classify, or

to seek to subordinate, any Claim in accordance with any contractual, legal, or equitable subordination relating thereto, and the treatment afforded any Claim under the Plan that becomes a subordinated Claim at any time shall be modified to reflect such subordination.

F. Means for Implementation of the Plan

1. Summary

The Plan will be implemented through (i) the Claimant Trust and (ii) the Reorganized Debtor.

On the Effective Date, all Class A Limited Partnership Interests, including the Class A Limited Partnership Interests held by Strand, as general partner, and Class B/C Limited Partnerships in the Debtor will be cancelled, and new Class A Limited Partnership Interests in the Reorganized Debtor will be issued to the Claimant Trust and New GP LLC – a newly-chartered limited liability company wholly-owned by the Claimant Trust. The Claimant Trust, as limited partner, will ratify New GP LLC's appointment as general partner of the Reorganized Debtor, and on and following the Effective Date, the Claimant Trust will be the Reorganized Debtor's limited partner and New GP LLC will be its general partner. The Claimant Trust, as limited partner, and New GP LLC, as general partner, will execute the Reorganized Limited Partnership Agreement, which will amend and restate, in all respects, the Debtor's current Limited Partnership Agreement. Following the Effective Date, the Reorganized Debtor will be managed consistent with the terms of the Reorganized Limited Partnership Agreement by New GP LLC. The sole managing member of New GP LLC will be the Claimant Trust, and the Claimant Trustee will be the sole officer of New GP LLC on the Effective Date.

Following the Effective Date, the Claimant Trust will administer the Claimant Trust Assets pursuant to the Plan and the Claimant Trust Agreement. The Reorganized Debtor will administer the Reorganized Debtor Assets and, if needed, with the utilization of a Sub-Servicer, which administration will include, among other things, managing the wind down of the Managed Funds.

The Reorganized Debtor will distribute all proceeds from the wind down to the Claimant Trust, as its limited partner, and New GP LLC, as its general partner, in each case in accordance with the Reorganized Limited Partnership Agreement. Such proceeds, along with the proceeds of the Claimant Trust Assets, will ultimately be distributed to the Claimant Trust Beneficiaries as set forth in the Plan and the Claimant Trust Agreement.

2. The Claimant Trust

(a) *Creation and Governance of the Claimant Trust and Litigation Sub-Trust.*

On or prior to the Effective Date, the Debtor and the Claimant Trustee shall execute the Claimant Trust Agreement and shall take all steps necessary to establish the Claimant Trust and, if applicable, the Litigation Sub-Trust in accordance with the Plan and the beneficial interests therein, which shall be for the benefit of the Claimant Trust Beneficiaries. Additionally, on or prior to the Effective Date the Debtor shall irrevocably transfer and shall be deemed to have irrevocably transferred to the Claimant Trust all of its rights, title, and interest in and to all of the

Claimant Trust Assets, and in accordance with section 1141 of the Bankruptcy Code, the Claimant Trust Assets shall automatically vest in the Claimant Trust free and clear of all Claims, Liens, encumbrances, or interests subject only to the Claimant Trust Interests and the Claimant Trust Expenses, as provided for in the Claimant Trust Agreement, and such transfer shall be exempt from any stamp, real estate transfer, mortgage from any stamp, transfer, reporting, sales, use, or other similar tax.

The Claimant Trustee shall be the exclusive trustee of the Claimant Trust Assets, excluding the Estate Claims if the Litigation Sub-Trust is established, for purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3), as well as the representative of the Estate appointed pursuant to section 1123(b)(3)(B) of the Bankruptcy Code with respect to the Claimant Trust Assets. The Claimant Trust shall also be responsible for resolving all Disputed or disallowed Claims. The Claimant Trust shall be governed by the Claimant Trust Agreement and administered by the Claimant Trustee. The powers, rights, and responsibilities of the Claimant Trustee shall be specified in the Claimant Trust Agreement and shall include the authority and responsibility to, among other things, take the actions set forth in Article IV of the Plan, subject to any required reporting to the Claimant Trust Oversight Committee as may be set forth in the Claimant Trust Agreement. The Claimant Trust shall hold and distribute the Claimant Trust Assets in accordance with the provisions of the Plan and the Claimant Trust Agreement. Other rights and duties of the Claimant Trustee and the Claimant Trust Beneficiaries shall be as set forth in the Claimant Trust Agreement. After the Effective Date, neither the Debtor nor the Reorganized Debtor shall have any interest in the Claimant Trust Assets.

If applicable, on or after the Effective Date, the Claimant Trustee and Litigation Trustee may enter into a separate agreement that shall delineate the powers, rights, and responsibilities of the Litigation Trustee and administration and governance of the Litigation Sub-Trust in a manner consistent with the Claimant Trust Agreement.

The Claimant Trustee will be James P. Seery, Jr., the Debtor's chief executive officer and chief restructuring officer, or such other Person identified in the Plan Supplement who will act as the trustee of the Claimant Trust in accordance with the Plan, the Confirmation Order, and Claimant Trust Agreement or any replacement trustee pursuant to (and in accordance with) the Claimant Trust Agreement.

(b) *Claimant Trust Oversight Committee*

The Claimant Trust, the Claimant Trustee, the management and monetization of the Claimant Trust Assets, and the management of the Reorganized Debtor (through the Claimant Trust's role as managing member of New GP LLC) will be overseen by the Claimant Trust Oversight Committee, subject to the terms of the Claimant Trust Agreement.

The Claimant Trust Oversight Committee will initially consist of five members. Four of the five members will be representatives of the members of the Committee: (i) the Redeemer Committee of Highland Crusader Fund, (ii) UBS, (iii) Acis, and (iv) Meta-e Discovery. The fifth member will be an independent, natural Person chosen by the Committee and reasonably acceptable to the Debtor. The members of the Claimant Trust Oversight Committee may be

replaced as set forth in the Claimant Trust Agreement. The identity of the members of the Claimant Trust Oversight Committee will be disclosed in the Plan Supplement.

As set forth in the Claimant Trust Agreement, in no event will any member of the Claimant Trust Oversight Committee with a Claim against the Estate be entitled to vote, opine, or otherwise be involved in any matters related to such member's Claim.

The members of the Claimant Trust Oversight Committee may be entitled to compensation for their services as set forth in the Claimant Trust Agreement. Any member of the Claimant Trust Oversight Committee may be removed, and successor chosen, in the manner set forth in the Claimant Trust Agreement.

(c) *Purpose of the Claimant Trust.*

The Claimant Trust shall be established for the purpose of (i) managing and monetizing the Claimant Trust Assets, subject to the terms of the Claimant Trust Agreement and the oversight of the Claimant Trust Oversight Committee, (ii) serving as the limited partner of, and holding the limited partnership interests in, the Reorganized Debtor, (iii) serving as the sole member and manager of New GP LLC, the Reorganized Debtor's general partner, (iv) in its capacity as the sole member and manager of New GP LLC, overseeing the management and monetization of the Reorganized Debtor Assets pursuant to the terms of the Reorganized Limited Partnership Agreement, and (v) administering the Disputed Claims Reserve and serving as Distribution Agent.

In its management of the Claimant Trust Assets, the Claimant Trust will also reconcile and object to the General Unsecured Claims, Subordinated Claims, Class B/C Limited Partnership Interests, and Class A Limited Partnership Interests, as provided for in the Plan, and make Trust Distributions to the Claimant Trust Beneficiaries in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

The purpose of the Reorganized Debtor is discussed at greater length below and in Article IV.C of the Plan.

(d) *Claimant Trustee and Claimant Trust Agreement.*

The Claimant Trust Agreement generally will provide for, among other things:

- (i) the payment of the Claimant Trust Expenses;
- (ii) the payment of other reasonable expenses of the Claimant Trust;
- (iii) the retention of employees, counsel, accountants, financial advisors, or other professionals and the payment of their reasonable compensation;
- (iv) the investment of Cash by the Claimant Trustee within certain limitations, including those specified in the Plan;

- (v) the orderly monetization of the Claimant Trust Assets;
- (vi) litigation of any Causes of Action, which may include the prosecution, settlement, abandonment, or dismissal of any such Causes of Action, subject to reporting and oversight by the Claimant Trust Oversight Committee;
- (vii) the resolution of Disputed or disallowed Claims and the allowance, prosecution, and resolution of objections to Claims and Equity Interests, subject to reporting and oversight by the Claimant Trust Oversight Committee;
- (viii) the administration of the Disputed Claims Reserve and distributions to be made therefrom; and
- (ix) the management of the Reorganized Debtor, including the utilization of a Sub-Servicer, with the Claimant Trust serving as the managing member of New GP LLC.

Except as otherwise ordered by the Bankruptcy Court, the Claimant Trust Expenses shall be paid from the Claimant Trust Assets in accordance with the Plan and Claimant Trust Agreement. The Claimant Trustee may establish a reserve for the payment of Claimant Trust Expenses and shall periodically replenish such reserve, as necessary.

The Trustees, on behalf of the Claimant Trust, may each employ, without further order of the Bankruptcy Court, employees and other professionals (including those previously retained by the Debtor and the Committee) to assist in carrying out the Trustees' duties hereunder and may compensate and reimburse the reasonable expenses of these professionals without further Order of the Bankruptcy Court from the Claimant Trust Assets in accordance with the Plan and the Claimant Trust Agreement.

The Claimant Trust Agreement may include reasonable and customary provisions that allow for indemnification by the Claimant Trust in favor of the Claimant Trustee, Litigation Trustee, and the Claimant Trust Oversight Committee. Any such indemnification shall be the sole responsibility of the Claimant Trust and payable solely from the Claimant Trust Assets.

In furtherance of, and consistent with the purpose of, the Claimant Trust and the Plan, the Trustees, for the benefit of the Claimant Trust, shall, subject to reporting and oversight by the Claimant Trust Oversight Committee as set forth in the Claimant Trust Agreement: (i) hold the Claimant Trust Assets for the benefit of the Claimant Trust Beneficiaries, (ii) make Distributions to the Claimant Trust Beneficiaries as provided herein and in the Claimant Trust Agreement, and (iii) have the sole power and authority to prosecute and resolve any Causes of Action and objections to Claims and Equity Interests, without approval of the Bankruptcy Court. Except as otherwise provided in the Claimant Trust Agreement, the Claimant Trustee shall be responsible for all decisions and duties with respect to the Claimant Trust and the Claimant Trust Assets; *provided, however*, that if a Litigation Sub-Trust is created upon or after the Effective Date, the prosecution and resolution of any Estate Claims included in the Claimant Trust Assets shall be the responsibility of the Litigation Trustee. In all circumstances, the Trustees shall act in the best interests of the Claimant Trust Beneficiaries and with the same fiduciary duties as a chapter 7 trustee.

(e) *Compensation and Duties of Trustees.*

The salient terms of each Trustee's employment, including such Trustee's duties and compensation shall be set forth in the Claimant Trust Agreement. The Trustees shall each be entitled to reasonable compensation in an amount consistent with that of similar functionaries in similar types of bankruptcy cases.

(f) *Cooperation of Debtor and Reorganized Debtor.*

To effectively investigate, prosecute, compromise and/or settle the Claims and/or Causes of Action that constitute Claimant Trust Assets on behalf of the Claimant Trust, the Claimant Trustee, Litigation Trustee, and each of their counsel may require reasonable access to the Debtor's and Reorganized Debtor's documents, information, and work product relating to the Claimant Trust Assets. Accordingly, the Claimant Trustee and Litigation Trustee shall have reasonable access to copies of the Debtor's and Reorganized Debtor's records and information relating to the Claimant Trust Assets, including electronic records, documents or work product related to the Claims and/or Causes of Action that constitute Claimant Trust Assets.

The Debtor and Reorganized Debtor shall preserve all records, documents or work product (including all electronic records, documents, or work product) related to the Claims and/or Causes of Action that constitute Claimant Trust Assets until the earlier of (a) the dissolution of the Reorganized Debtor or (b) termination of the Claimant Trust.

(g) *United States Federal Income Tax Treatment of the Claimant Trust.*

Unless the IRS requires otherwise, for all United States federal income tax purposes, the parties shall treat the transfer of the Claimant Trust Assets to the Claimant Trust as: (a) a transfer of the Claimant Trust Assets (other than the amounts set aside in the Disputed Claim Reserve, if the Claimant Trustee makes the election described in Section 7 below) directly to the applicable Claimant Trust Beneficiaries followed by (b) the transfer by the such Claimant Trust Beneficiaries to the Claimant Trust of such Claimant Trust Assets in exchange for the Claimant Trust Interests. Accordingly, the applicable Claimant Trust Beneficiaries shall be treated for United States federal income tax purposes as the grantors and owners of their respective share of the Claimant Trust Assets. The foregoing treatment shall also apply, to the extent permitted by applicable law, for state and local income tax purposes.

(h) *Tax Reporting.*

(a) The Claimant Trustee shall file tax returns for the Claimant Trust treating the Claimant Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a). The Claimant Trustee may file an election pursuant to Treasury Regulation 1.468B-9(c) to treat the Disputed Claims Reserve as a disputed ownership fund, in which case the Claimant Trustee will file federal income tax returns and pay taxes for the Disputed Claim Reserve as a separate taxable entity.

(b) The Claimant Trustee shall be responsible for payment, out of the Claimant Trust Assets, of any taxes imposed on the Claimant Trust or its assets.

(c) The Claimant Trustee shall determine the fair market value of the Claimant Trust Assets as of the Effective Date and notify the applicable Claimant Trust Beneficiaries of such valuation, and such valuation shall be used consistently for all federal income tax purposes.

(d) The Claimant Trustee shall distribute such tax information to the applicable Claimant Trust Beneficiaries as the Claimant Trustee determines is required by applicable law.

(i) *Claimant Trust Assets.*

The Claimant Trustee shall have the exclusive right, on behalf of the Claimant Trust, to institute, file, prosecute, enforce, abandon, settle, compromise, release, or withdraw any and all Causes of Action included in the Claimant Trust Assets (except for the Estate Claims) without any further order of the Bankruptcy Court and the Claimant Trustee shall have the exclusive right, on behalf of the Claimant Trust, to sell, liquidate, or otherwise monetize all Claimant Trust Assets, except as otherwise provided in the Plan or in the Claimant Trust Agreement, without any further order of the Bankruptcy Court. Notwithstanding anything herein to the contrary, the Litigation Trustee shall have the exclusive right to institute, file, prosecute, enforce, abandon, settle, compromise, release, or withdraw any and all Estate Claims included in the Claimant Trust Assets without any further order of the Bankruptcy Court.

From and after the Effective Date, the Trustees, in accordance with section 1123(b)(3) and (4) of the Bankruptcy Code, and on behalf of the Claimant Trust, shall each serve as a representative of the Estate with respect to any and all Claimant Trust Assets, including the Causes of Action and Estate Claims, as appropriate, and shall retain and possess the right to (a) commence, pursue, settle, compromise, or abandon, as appropriate, any and all Causes of Action in any court or other tribunal and (b) sell, liquidate, or otherwise monetize all Claimant Trust Assets.

(j) *Claimant Trust Expenses.*

From and after the Effective Date, the Claimant Trust shall, in the ordinary course of business and without the necessity of any approval by the Bankruptcy Court, pay the reasonable professional fees and expenses incurred by the Claimant Trust and any professionals retained by the Claimant Trust from the Claimant Trust Assets, except as otherwise provided in the Claimant Trust Agreement.

(k) *Trust Distributions to Claimant Trust Beneficiaries.*

The Claimant Trustee, in its discretion, may make Trust Distributions to the Claimant Trust Beneficiaries at any time and/or use the Claimant Trust Assets or proceeds thereof, *provided* that such Trust Distributions or use is otherwise permitted under the terms of the Plan, the Claimant Trust Agreement, and applicable law.

(l) *Cash Investments.*

With the consent of the Claimant Trust Oversight Committee, the Claimant Trustee may invest Cash (including any earnings thereon or proceeds therefrom) in a manner consistent with the terms of the Claimant Trust Agreement; *provided, however*, that such investments are

investments permitted to be made by a “liquidating trust” within the meaning of Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable IRS guidelines, rulings or other controlling authorities.

(m) *Dissolution of the Claimant Trust.*

The Trustees and the Claimant Trust shall be discharged or dissolved, as the case may be, at such time as: (a) the Litigation Trustee determines that the pursuit of additional Causes of Action is not likely to yield sufficient additional proceeds to justify further pursuit of such Causes of Action, (b) the Claimant Trustee determines that the pursuit of sales of other Claimant Trust Assets is not likely to yield sufficient additional proceeds to justify further pursuit of such sales of Claimant Trust Assets, (c) all objections to Disputed Claims and Equity Interests are fully resolved, (d) the Reorganized Debtor is dissolved, and (e) all Distributions required to be made by the Claimant Trustee to the Claimant Trust Beneficiaries under the Plan have been made, but in no event shall the Claimant Trust be dissolved later than three years from the Effective Date unless the Bankruptcy Court, upon motion made within the six-month period before such third anniversary (and, in the event of further extension, by order of the Bankruptcy Court, upon motion made at least six months before the end of the preceding extension), determines that a fixed period extension (not to exceed two years, together with any prior extensions, without a favorable letter ruling from the Internal Revenue Service or an opinion of counsel that any further extension would not adversely affect the status of the Claimant Trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery on, and liquidation of, the Claimant Trust Assets.

Upon dissolution of the Claimant Trust, and pursuant to the Claimant Trust Agreement, any remaining Claimant Trust Assets that exceed the amounts required to be paid under the Plan will be transferred (in the sole discretion of the Claimant Trustee) in Cash or in-kind to the Holders of the Claimant Trust Interests as provided in the Claimant Trust Agreement.

3. The Reorganized Debtor

(a) *Corporate Existence*

The Debtor will continue to exist after the Effective Date, with all of the powers of partnerships pursuant to the law of the State of Delaware and as set forth in the Reorganized Limited Partnership Agreement.

(b) *Cancellation of Equity Interests and Release*

On the Effective Date, (i) all prepetition Equity Interests, including the Class A Limited Partnership Interests and the Class B/C Limited Partnership Interests, in the Debtor shall be canceled, and (ii) all obligations or debts owed by, or Claims against, the Debtor on account of, or based upon, the Interests shall be deemed as cancelled, released, and discharged, including all obligations or duties by the Debtor relating to the Equity Interests in any of the Debtor’s formation documents, including the Limited Partnership Agreement.

(c) *Issuance of New Partnership Interests*

On the Effective Date, the Debtor or the Reorganized Debtor, as applicable, will issue new Class A Limited Partnership Interests to (i) the Claimant Trust, as limited partner, and (ii) New GP LLC, as general partner, and will admit (a) the Claimant Trust as the limited partner of the Reorganized Debtor, and (b) New GP LLC as the general partner of the Reorganized Debtor. The Claimant Trust, as limited partner, will ratify New GP LLC's appointment as general partner of the Reorganized Debtor. Also, on the Effective Date, the Claimant Trust, as limited partner, and New GP LLC, as general partner, will execute the Reorganized Limited Partnership Agreement and receive partnership interests in the Reorganized Debtor consistent with the terms of the Reorganized Limited Partnership Agreement.

(d) *Management of the Reorganized Debtor*

Subject to and consistent with the terms of the Reorganized Limited Partnership Agreement, the Reorganized Debtor shall be managed by its general partner, New GP LLC. The initial officers and employees of the Reorganized Debtor shall be selected by the Debtor. The Reorganized Debtor may, in its discretion, also utilize a Sub-Servicer in addition to or in lieu of the retention of officers and employees.

As set forth in the Reorganized Limited Partnership Agreement, New GP LLC will receive a fee for managing the Reorganized Debtor. Although New GP LLC will be a limited liability company, it will elect to be treated as a C-Corporation for tax purposes. Therefore, New GP LLC (and any taxable income attributable to it) will be subject to corporate income taxation on a standalone basis, which may reduce the return to Claimants.

(e) *Vesting of Assets in the Reorganized Debtor*

Except as otherwise provided in the Plan or the Confirmation Order, on or after the Effective Date, all Reorganized Debtor Assets will vest in the Reorganized Debtor, free and clear of all Liens, Claims, charges or other encumbrances pursuant to section 1141(c) of the Bankruptcy Code except with respect to such Liens, Claims, charges and other encumbrances that are specifically preserved under the Plan upon the Effective Date.

The Reorganized Debtor shall be the exclusive trustee of the Reorganized Debtor Assets for purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3), as well as the representative of the Estate appointed pursuant to section 1123(b)(3)(B) of the Bankruptcy Code with respect to the Reorganized Debtor Assets.

Except as may be otherwise provided in the Plan or the Confirmation Order, the Reorganized Debtor will continue to manage the Reorganized Debtor Assets (which shall include, for the avoidance of doubt, serving as the investment manager of the Managed Funds) and may use, acquire or dispose of the Reorganized Debtor Assets and compromise or settle any Claims with respect to the Reorganized Debtor Assets without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

Without limiting the foregoing, the Reorganized Debtor will pay the charges that it incurs after the Effective Date for Professionals' fees, disbursements, expenses or related support

services (including reasonable fees relating to the preparation of Professional fee applications) in the ordinary course of business and without application or notice to, or order of, the Bankruptcy Court.

(f) *Distribution of Proceeds from the Reorganized Debtor Assets; Transfer of Reorganized Debtor Assets*

Any proceeds received by the Reorganized Debtor will be distributed to the Claimant Trust, as limited partner, and New GP LLC, as general partner, in the manner set forth in the Reorganized Limited Partnership Agreement. As set forth in the Reorganized Limited Partnership Agreement, the Reorganized Debtor may, from time to time distribute Reorganized Debtor Assets to the Claimant Trust either in Cash or in-kind, including to institute the wind-down and dissolution of the Reorganized Debtor. Any assets distributed to the Claimant Trust will be (i) deemed transferred in all respects as forth in Article IV.B.1 of the Plan, (ii) deemed Claimant Trust Assets, and (iii) administered as Claimant Trust Assets.

4. Company Action

Each of the Debtor, the Reorganized Debtor, and the Trustees, as applicable, may take any and all actions to execute, deliver, File or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan, the Claimant Trust Agreement, the Reorganized Limited Partnership Agreement, or the New GP LLC Documents, as applicable, in the name of and on behalf of the Debtor, the Reorganized Debtor, or the Trustees, as applicable, and in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by the security holders, officers, or directors of the Debtor or the Reorganized Debtor, as applicable, or by any other Person.

Prior to, on or after the Effective Date (as appropriate), all matters provided for pursuant to the Plan that would otherwise require approval of the stockholders, partners, directors, managers, or members of the Debtor, any Related Entity, or any Affiliate thereof (as of prior to the Effective Date) will be deemed to have been so approved and will be in effect prior to, on or after the Effective Date (as appropriate) pursuant to applicable law and without any requirement of further action by the stockholders, partners, directors, managers or members of such Persons, or the need for any approvals, authorizations, actions or consents of any Person.

All matters provided for in the Plan involving the legal or corporate structure of the Debtor, the Reorganized Debtor, or the Claimant Trust, as applicable, and any legal or corporate action required by the Debtor, the Reorganized Debtor, or the Claimant Trust, as applicable, in connection with the Plan, will be deemed to have occurred and will be in full force and effect in all respects, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by the security holders, partners, directors, managers, or members of the Debtor, the Reorganized Debtor, or the Claimant Trust, as applicable, or by any other Person. On the Effective Date, the appropriate officers of the Debtor and the Reorganized Debtor, as applicable, as well as the Trustees, are authorized to issue, execute, deliver, and consummate the

transactions contemplated by, the contracts, agreements, documents, guarantees, pledges, consents, securities, certificates, resolutions and instruments contemplated by or described in the Plan in the name of and on behalf of the Debtor and the Reorganized Debtor, as well as the Trustees, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by any Person. The appropriate officer of the Debtor, the Reorganized Debtor, as well as the Trustees, will be authorized to certify or attest to any of the foregoing actions.

5. Release of Liens, Claims and Equity Interests

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, from and after the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all Liens, Claims, Equity Interests, mortgages, deeds of trust, or other security interests against the property of the Estate will be fully released, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Entity. Any Entity holding such Liens or Equity Interests extinguished pursuant to the prior sentence will, pursuant to section 1142 of the Bankruptcy Code, promptly execute and deliver to the Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable, such instruments of termination, release, satisfaction and/or assignment (in recordable form) as may be reasonably requested by the Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable. For the avoidance of doubt, this section is in addition to, and shall not be read to limit in any respects, Article IV.C.2 of the Plan.

6. Cancellation of Notes, Certificates and Instruments

Except for the purpose of evidencing a right to a distribution under the Plan and except as otherwise set forth in the Plan, on the Effective Date, all agreements, instruments, Securities and other documents evidencing any prepetition Claim or Equity Interest and any rights of any Holder in respect thereof shall be deemed cancelled, discharged, and of no force or effect. The holders of or parties to such cancelled instruments, Securities, and other documentation will have no rights arising from or related to such instruments, Securities, or other documentation or the cancellation thereof, except the rights provided for pursuant to the Plan, and the obligations of the Debtor thereunder or in any way related thereto will be fully released, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by any Person. For the avoidance of doubt, this section is in addition to, and shall not be read to limit in any respects, Article IV.C.2 of the Plan.

7. Cancellation of Existing Instruments Governing Security Interests

Upon payment or other satisfaction of an Allowed Class 1 or Allowed Class 2 Claim, or promptly thereafter, the Holder of such Allowed Class 1 or Allowed Class 2 Claim shall deliver to the Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable, any collateral or other property of the Debtor held by such Holder, together with any termination statements,

instruments of satisfaction, or releases of all security interests with respect to its Allowed Class 1 or Allowed Class 2 Claim that may be reasonably required to terminate any related financing statements, mortgages, mechanics' or other statutory Liens, or *lis pendens*, or similar interests or documents.

8. Control Provisions

To the extent that there is any inconsistency between the Plan as it relates to the Claimant Trust, the Claimant Trust Agreement, the Reorganized Debtor, or the Reorganized Limited Partnership Agreement, the Plan shall control.

9. Treatment of Vacant Classes

Any Claim or Equity Interest in a Class considered vacant under Article III.C of the Plan shall receive no Plan Distributions.

10. Plan Documents

The documents, if any, to be Filed as part of the Plan Documents, including any documents filed with the Plan Supplement, and any amendments, restatements, supplements, or other modifications to such documents, and any consents, waivers, or other deviations under or from any such documents, shall be incorporated herein by this reference (including to the applicable definitions in Article I of the Plan) and fully enforceable as if stated in full herein.

The Debtor and the Committee are currently working to finalize the forms of certain of the Plan Documents to be filed with the Plan Supplement. To the extent that the Debtor and the Committee cannot agree as to the form and content of such Plan Documents, they intend to submit the issue to non-binding mediation pursuant to the *Order Directing Mediation* entered on August 3, 2020 [D.I. 912].

A. Treatment of Executory Contracts and Unexpired Leases

1. Assumption, Assignment, or Rejection of Executory Contracts and Unexpired Leases

Unless an Executory Contract or Unexpired Lease: (i) was previously assumed or rejected by the Debtor pursuant to a Final Order of the Bankruptcy Court entered prior to the Effective Date; (ii) previously expired or terminated pursuant to its own terms or by agreement of the parties thereto; (iii) is the subject of a motion to assume filed by the Debtor on or before the Confirmation Date; (iv) contains a change of control or similar provision that would be triggered by the Chapter 11 Case (unless such provision has been irrevocably waived); or (v) is specifically designated as a contract or lease to be assumed in the Plan Supplement, on the Effective Date, each Executory Contract and Unexpired Lease shall be deemed rejected pursuant to section 365 of the Bankruptcy Code, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, unless such Executory Contract or Unexpired Lease is listed in the Plan Supplement.

At any time on or prior to the Effective Date, the Debtor or the Reorganized Debtor, as applicable, may assign (subject to applicable law) any Executory Contract or Unexpired Lease, as determined by the Debtor in consultation with the Committee, or the Reorganized Debtor, as applicable.

The Confirmation Order will constitute an order of the Bankruptcy Court approving the above-described assumptions, rejections, and assumptions and assignments. Except as otherwise provided herein or agreed to by the Debtor and the applicable counterparty, each assumed Executory Contract or Unexpired Lease shall include all modifications, amendments, supplements, restatements, or other agreements related thereto, and all rights related thereto. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtor during the Chapter 11 Case shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease or the validity, priority, or amount of any Claims that may arise in connection therewith. To the extent applicable, no change of control (or similar provision) will be deemed to occur under any such Executory Contract or Unexpired Lease.

If certain, but not all, of a contract counterparty's Executory Contracts and/or Unexpired Leases are rejected pursuant to the Plan, the Confirmation Order shall be a determination that such counterparty's Executory Contracts and/or Unexpired Leases that are being assumed pursuant to the Plan are severable agreements that are not integrated with those Executory Contracts and/or Unexpired Leases that are being rejected pursuant to the Plan. Parties seeking to contest this finding with respect to their Executory Contracts and/or Unexpired Leases must file a timely objection to the Plan on the grounds that their agreements are integrated and not severable, and any such dispute shall be resolved by the Bankruptcy Court at the Confirmation Hearing (to the extent not resolved by the parties prior to the Confirmation Hearing).

2. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Any Executory Contract or Unexpired Lease not assumed or rejected on or before the Effective Date shall be deemed rejected, pursuant to the Confirmation Order. Any Person asserting a Rejection Claim shall File a proof of claim within thirty days of the Effective Date. Any Rejection Claims that are not timely Filed pursuant to the Plan shall be forever disallowed and barred. If one or more Rejection Claims are timely Filed, the Claimant Trustee may File an objection to any Rejection Claim.

Rejection Claims shall be classified as Convenience Claims or General Unsecured Claims, as applicable, and shall be treated in accordance with Article III of the Plan.

3. Cure of Defaults for Assumed or Assigned Executory Contracts and Unexpired Leases

Any monetary amounts by which any Executory Contract or Unexpired Lease to be assumed or assigned hereunder is in default shall be satisfied, under section 365(b)(1) of the Bankruptcy Code, by the Debtor upon assumption or assignment thereof, by payment of the default amount in Cash as and when due in the ordinary course or on such other terms as the parties to such Executory Contracts may otherwise agree. The Debtor may serve a notice on the

Committee and parties to Executory Contracts or Unexpired Leases to be assumed or assigned reflecting the Debtor's or Reorganized Debtor's intention to assume or assign the Executory Contract or Unexpired Lease in connection with the Plan and setting forth the proposed cure amount (if any).

If a dispute regarding (1) the amount of any payments to cure a default, (2) the ability of the Debtor, the Reorganized Debtor, or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed or assigned or (3) any other matter pertaining to assumption or assignment, the cure payments required by section 365(b)(1) of the Bankruptcy Code will be made following the entry of a Final Order or orders resolving the dispute and approving the assumption or assignment.

Assumption or assignment of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise and full payment of any applicable cure amounts pursuant to Article V.C of the Plan shall result in the full release and satisfaction of any cure amounts, Claims, or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed or assigned Executory Contract or Unexpired Lease at any time prior to the effective date of assumption or assignment. Any and all Proofs of Claim based upon Executory Contracts or Unexpired Leases that have been assumed or assigned in the Chapter 11 Case, including pursuant to the Confirmation Order, and for which any cure amounts have been fully paid pursuant to Article V.C of the Plan, shall be deemed disallowed and expunged as of the Effective Date without the need for any objection thereto or any further notice to or action, order, or approval of the Bankruptcy Court.

4. Assumption of Insurance Policies

Upon the Effective Date, the Reorganized Debtor will assume all of the Insurance Policies pursuant to section 365(a) of the Bankruptcy Code and all such Insurance Policies shall vest in the Reorganized Debtor. Unless previously effectuated by separate order entered by the Bankruptcy Court, entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Debtor's foregoing assumption of each of the Insurance Policies and all such Insurance Policies shall continue in full force and effect thereafter in accordance with their respective terms. Notwithstanding anything to the contrary contained in the Plan, confirmation of the Plan will not impair or otherwise modify any rights of the Debtor or the Reorganized Debtor under the Insurance Policies. To the extent that any Insurance Policy is not assumable, it will be Reinstated.

B. Provisions Governing Distributions

1. Dates of Distributions

Except as otherwise provided in the Plan, on the Effective Date or as soon as reasonably practicable thereafter (or if a Claim is not an Allowed Claim or Equity Interest on the Effective Date, on the date that such Claim or Equity Interest becomes an Allowed Claim or Equity Interest, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim or Equity Interest against the Debtor shall receive the full amount of the distributions that the Plan

provides for Allowed Claims or Allowed Equity Interests in the applicable Class and in the manner provided herein. If any payment or act under the Plan is required to be made or performed on a date that is not on a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent there are Disputed Claims or Equity Interests, distributions on account of any such Disputed Claims or Equity Interests shall be made pursuant to the provisions provided in the Plan. Except as otherwise provided in the Plan, Holders of Claims and Equity Interests shall not be entitled to interest, dividends or accruals on the distributions provided for therein, regardless of whether distributions are delivered on or at any time after the Effective Date.

Upon the Effective Date, all Claims and Equity Interests against the Debtor shall be deemed fixed and adjusted pursuant to the Plan and none of the Debtor, the Reorganized Debtor, or the Claimant Trust will have liability on account of any Claims or Equity Interests except as set forth in the Plan and in the Confirmation Order. All payments and all distributions made by the Distribution Agent under the Plan shall be in full and final satisfaction, settlement and release of all Claims and Equity Interests against the Debtor and the Reorganized Debtor.

At the close of business on the Distribution Record Date, the transfer ledgers for the Claims against the Debtor and the Equity Interests in the Debtor shall be closed, and there shall be no further changes in the record holders of such Claims and Equity Interests. The Debtor, the Reorganized Debtor, the Trustees, and the Distribution Agent, and each of their respective agents, successors, and assigns shall have no obligation to recognize the transfer of any Claims against the Debtor or Equity Interests in the Debtor occurring after the Distribution Record Date and shall be entitled instead to recognize and deal for all purposes hereunder with only those record holders stated on the transfer ledgers as of the close of business on the Distribution Record Date irrespective of the number of distributions to be made under the Plan to such Persons or the date of such distributions.

2. Distribution Agent

Except as provided herein, all distributions under the Plan shall be made by the Claimant Trustee, as Distribution Agent, or by such other Entity designated by the Claimant Trustee, as a Distribution Agent on the Effective Date or thereafter. The Claimant Trustee, or such other Entity designated by the Claimant Trustee to be the Distribution Agent, shall not be required to give any bond or surety or other security for the performance of such Distribution Agent's duties unless otherwise ordered by the Bankruptcy Court.

The Distribution Agent shall be empowered to (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Distribution Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Distribution Agent to be necessary and proper to implement the provisions of the Plan.

The Distribution Agent shall not have any obligation to make a particular distribution to a specific Holder of an Allowed Claim if such Holder is also the Holder of a Disputed Claim.

3. Cash Distributions

Distributions of Cash may be made by wire transfer from a domestic bank, except that Cash payments made to foreign creditors may be made in such funds and by such means as the Distribution Agent determines are necessary or customary in a particular foreign jurisdiction.

4. Disputed Claims Reserve

As set forth in the Claimant Trust Agreement, the Claimant Trustee, as Distribution Agent, shall establish, fund, and maintain a reserve at the Claimant Trust. Any payments to be made under the Plan after the Effective Date shall be paid from the Disputed Claims Reserve as set forth in the Claimant Trust Agreement. Upon the resolution of all Disputed Claims, funds remaining in the Disputed Claims Reserve shall be allocated in the manner set forth in the Claimant Trust Agreement.

5. Rounding of Payments

Whenever the Plan would otherwise call for, with respect to a particular Person, payment of a fraction of a dollar, the actual payment or distribution shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down. To the extent that Cash to be distributed under the Plan remains undistributed as a result of the aforementioned rounding, such Cash or stock shall be treated as "Unclaimed Property" under the Plan.

6. *De Minimis* Distribution

Except as to any Allowed Claim that is Unimpaired under the Plan, none of the Debtor, the Reorganized Debtor, or the Distribution Agent shall have any obligation to make any Plan Distributions with a value of less than \$100, unless a written request therefor is received by the Distribution Agent from the relevant recipient at the addresses set forth in Article VI.I of the Plan within 120 days after the later of the (i) Effective Date and (ii) the date such Claim becomes an Allowed Claim. *De minimis* distributions for which no such request is timely received shall revert to the Claimant Trust. Upon such reversion, the relevant Allowed Claim (and any Claim on account of missed distributions) shall be automatically deemed satisfied, discharged and forever barred, notwithstanding any federal or state escheat laws to the contrary.

7. Distributions on Account of Allowed Claims

Except as otherwise agreed by the Holder of a particular Claim or as provided in the Plan, all distributions shall be made pursuant to the terms of the Plan and the Confirmation Order. Except as otherwise provided in the Plan, distributions to any Holder of an Allowed Claim shall, to the extent applicable, be allocated first to the principal amount of any such Allowed Claim, as determined for U.S. federal income tax purposes and then, to the extent the consideration exceeds such amount, to the remainder of such Claim comprising accrued but unpaid interest, if any (but solely to the extent that interest is an allowable portion of such Allowed Claim).

8. General Distribution Procedures

The Distribution Agent, shall make all distributions of Cash or other property required under the Plan, unless the Plan specifically provides otherwise. All Cash and other property held by the Debtor, the Reorganized Debtor, or the Claimant Trust, as applicable, for ultimate distribution under the Plan shall not be subject to any claim by any Person.

9. Address for Delivery of Distributions

Distributions to Holders of Allowed Claims, to the extent provided for under the Plan, shall be made (1) at the addresses set forth in any written notices of address change delivered to the Debtor and the Distribution Agent; (2) at the address set forth on any Proofs of Claim Filed by such Holders (to the extent such Proofs of Claim are Filed in the Chapter 11 Case), (2), or (3) at the addresses in the Debtor's books and records.

If there is any conflict or discrepancy between the addresses set forth in (1) through (3) in the foregoing sentence, then (i) the address in Section (2) shall control; (ii) if (2) does not apply, the address in (1) shall control, and (iii) if (1) does not apply, the address in (3) shall control.

10. Undeliverable Distributions and Unclaimed Property

If the distribution to the Holder of any Allowed Claim is returned to the Reorganized Debtor or the Claimant Trust as undeliverable, no further distribution shall be made to such Holder, and Distribution Agent shall not have any obligation to make any further distribution to the Holder, unless and until the Distribution Agent is notified in writing of such Holder's then current address.

Any Entity that fails to claim any Cash within six months from the date upon which a distribution is first made to such Entity shall forfeit all rights to any distribution under the Plan and such Cash shall thereafter be deemed an Claimant Trust Asset in all respects and for all purposes. Entities that fail to claim Cash shall forfeit their rights thereto and shall have no claim whatsoever against the Debtor's Estate, the Reorganized Debtor, the Claimant Trust, or against any Holder of an Allowed Claim to whom distributions are made by the Distribution Agent.

11. Withholding Taxes

In connection with the Plan, to the extent applicable, the Distribution Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions made pursuant to the Plan shall be subject to such withholding and reporting requirements. The Distribution Agent shall be entitled to deduct any U.S. federal, state or local withholding taxes from any Cash payments made with respect to Allowed Claims, as appropriate. As a condition to receiving any distribution under the Plan, the Distribution Agent may require that the Holder of an Allowed Claim entitled to receive a distribution pursuant to the Plan provide such Holder's taxpayer identification number and such other information and certification as may be deemed necessary for the Distribution Agent to comply with applicable tax reporting and withholding laws. If a Holder fails to comply with such a request within one year, such distribution shall be deemed an unclaimed distribution. Any amounts withheld

pursuant hereto shall be deemed to have been distributed to and received by the applicable recipient for all purposes of the Plan.

12. Setoffs

The Distribution Agent may, to the extent permitted under applicable law, set off against any Allowed Claim and any distributions to be made pursuant to the Plan on account of such Allowed Claim, the claims, rights and causes of action of any nature that the Debtor, the Reorganized Debtor, or the Distribution Agent may hold against the Holder of such Allowed Claim that are not otherwise waived, released or compromised in accordance with the Plan; *provided, however*, that neither such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor, the Reorganized Debtor, or the Claimant Trustee of any such claims, rights and causes of action that the Debtor, the Reorganized Debtor, or Claimant Trustee possesses against such Holder. Any Holder of an Allowed Claim subject to such setoff reserves the right to challenge any such setoff in the Bankruptcy Court or any other court with jurisdiction with respect to such challenge.

13. Surrender of Cancelled Instruments or Securities

As a condition precedent to receiving any distribution pursuant to the Plan on account of an Allowed Claim evidenced by negotiable instruments, securities, or notes canceled pursuant to Article IV of the Plan, the Holder of such Claim will tender the applicable negotiable instruments, securities, or notes evidencing such Claim (or a sworn affidavit identifying the negotiable instruments, securities, or notes formerly held by such Holder and certifying that they have been lost), to the Distribution Agent unless waived in writing by the Distribution Agent.

14. Lost, Stolen, Mutilated or Destroyed Securities

In addition to any requirements under any applicable agreement and applicable law, any Holder of a Claim or Equity Interest evidenced by a security or note that has been lost, stolen, mutilated, or destroyed will, in lieu of surrendering such security or note to the extent required by the Plan, deliver to the Distribution Agent: (i) evidence reasonably satisfactory to the Distribution Agent of such loss, theft, mutilation, or destruction; and (ii) such security or indemnity as may be required by the Distribution Agent to hold such party harmless from any damages, liabilities, or costs incurred in treating such individual as a Holder of an Allowed Claim or Equity Interest. Upon compliance with Article VI.N of the Plan as determined by the Distribution Agent, by a Holder of a Claim evidenced by a security or note, such Holder will, for all purposes under the Plan, be deemed to have surrendered such security or note to the Distribution Agent.

C. Procedures for Resolving Contingent, Unliquidated and Disputed Claims

1. Filing of Proofs of Claim

Unless such Claim appeared in the Schedules and is not listed as disputed, contingent, or unliquidated, or such Claim has otherwise been Allowed or paid, each Holder of a Claim was required to file a Proof of Claim on or prior to the Bar Date.

2. Disputed Claims

Following the Effective Date, each of the Reorganized Debtor or the Claimant Trustee, as applicable, may File with the Bankruptcy Court an objection to the allowance of any Disputed Claim or Disputed Equity Interest or any other appropriate motion or adversary proceeding with respect thereto, which shall be litigated to Final Order or, at the discretion of the Reorganized Debtor or Claimant Trustee, as applicable, compromised, settled, withdrew or resolved without further order of the Bankruptcy Court, and (ii) unless otherwise provided in the Confirmation Order, the Reorganized Debtor or the Claimant Trust, as applicable, are authorized to settle, or withdraw any objections to, any Disputed Claim or Disputed Equity Interests following the Effective Date without further notice to creditors (other than the Entity holding such Disputed Claim or Disputed Equity Interest) or authorization of the Bankruptcy Court, in which event such Claim or Equity Interest shall be deemed to be an Allowed Claim or Equity Interest in the amount compromised for purposes of the Plan.

3. Procedures Regarding Disputed Claims or Disputed Equity Interests

No payment or other distribution or treatment shall be made on account of a Disputed Claim or Disputed Equity Interest, even if a portion of the Claim is not disputed, unless and until such Disputed Claim or Disputed Equity Interest becomes an Allowed Claim or Equity Interests and the amount of such Allowed Claim or Equity Interest, as applicable, is determined by order of the Bankruptcy Court or by stipulation between the Reorganized Debtor or Claimant Trust, as applicable, and the Holder of the Claim or Equity Interest.

4. Allowance of Claims and Equity Interests

Following the date on which a Disputed Claim or Disputed Equity Interest becomes an Allowed Claim or Equity Interest after the Distribution Date, the Distribution Agent shall make a distribution to the Holder of such Allowed Claim or Equity Interest in accordance with the Plan.

Allowance of Claims

After the Effective Date and subject to the other provisions of the Plan, the Reorganized Debtor or the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any Claim. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Case prior to the Effective Date (including, without limitation, the Confirmation Order), no Claim or Equity Interest will become an Allowed Claim or Equity Interest unless and until such Claim or Equity Interest is deemed Allowed under the Plan or the Bankruptcy Code or the Bankruptcy Court has entered an order, including, without limitation, the Confirmation Order, in the Chapter 11 Case allowing such Claim or Equity Interest.

Estimation

Subject to the other provisions of the Plan, the Debtor, prior to the Effective Date, and the Reorganized Debtor or the Claimant Trustee, as applicable, after the Effective Date, may, at any time, request that the Bankruptcy Court estimate (a) any Disputed Claim or Disputed Equity Interest pursuant to applicable law and (b) any contingent or unliquidated Claim pursuant to

applicable law, including, without limitation, section 502(c) of the Bankruptcy Code, and the Bankruptcy Court will retain jurisdiction under 28 U.S.C. §§ 157 and 1334 to estimate any Disputed Claim or Disputed Equity Interest, contingent Claim or unliquidated Claim, including during the litigation concerning any objection to any Claim or Equity Interest or during the pendency of any appeal relating to any such objection. All of the aforementioned objection, estimation and resolution procedures are cumulative and not exclusive of one another. Claims or Equity Interests may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court. The rights and objections of all parties are reserved in connection with any such estimation proceeding.

Disallowance of Claims

Any Claims or Equity Interests held by Entities from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code, or that are a transferee of a transfer avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and holders of such Claims or Interests may not receive any distributions on account of such Claims or Interests until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court Order with respect thereto has been entered and all sums due, if any, to the Reorganized Debtor or the Claimant Trust, as applicable, by that Entity have been turned over or paid to the Reorganized Debtor or the Claimant Trust, as applicable.

EXCEPT AS OTHERWISE PROVIDED HEREIN OR AS AGREED TO BY THE DEBTOR, REORGANIZED DEBTOR, OR CLAIMANT TRUSTEE, AS APPLICABLE, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE BAR DATE SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE BANKRUPTCY COURT, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS SUCH LATE PROOF OF CLAIM HAS BEEN DEEMED TIMELY FILED BY A FINAL ORDER.

D. Effectiveness of the Plan

1. Conditions Precedent to the Effective Date

The Effective Date of the Plan will be conditioned upon the satisfaction or waiver by the Debtor (and, to the extent such condition requires the consent of the Committee, the consent of the Committee with such consent not to be unreasonably withheld), pursuant to the provisions of Article VIII.B of the Plan of the following:

- the Plan and the Plan Documents, including the Claimant Trust Agreement and the Reorganized Limited Partnership Agreement, and all schedules, documents, supplements and exhibits to the Plan shall have been Filed in form and substance reasonably acceptable to the Debtor and the Committee.
- The Confirmation Order shall have been entered, not subject to stay pending appeal, and shall be in form and substance reasonably acceptable to the Debtor and the

Committee. The Confirmation Order shall provide that, among other things, (i) the Debtor, the Reorganized Debtor, the Claimant Trustee, or the Litigation Trustee are authorized to take all actions necessary or appropriate to effectuate and consummate the Plan, including, without limitation, (a) entering into, implementing, effectuating, and consummating the contracts, instruments, releases, and other agreements or documents created in connection with or described in the Plan, (b) assuming the Executory Contracts and Unexpired Leases set forth in the Plan Supplement, (c) making all distributions and issuances as required under the Plan; and (d) entering into any transactions as set forth in the Plan Documents; (ii) the provisions of the Confirmation Order and the Plan are nonseverable and mutually dependent; (iii) the implementation of the Plan in accordance with its terms is authorized; (iv) pursuant to section 1146 of the Bankruptcy Code, the delivery of any deed or other instrument or transfer order, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition or transfer of Assets contemplated under the Plan, shall not be subject to any Stamp or Similar Tax; and (v) the vesting of the Claimant Trust Assets in the Claimant Trust and the Reorganized Debtor Assets in the Reorganized Debtor, in each case as of the Effective Date free and clear of liens and claims to the fullest extent permissible under applicable law pursuant to section 1141(c) of the Bankruptcy Code except with respect to such Liens, Claims, charges and other encumbrances that are specifically preserved under the Plan upon the Effective Date.

- All documents and agreements necessary to implement the Plan, including without limitation, the Reorganized Limited Partnership Agreement, the Claimant Trust Agreement, and the New GP LLC Documents, in each case in form and substance reasonably acceptable to the Debtor and the Committee, shall have (a) been tendered for delivery, and (b) been effected by, executed by, or otherwise deemed binding upon, all Entities party thereto and shall be in full force and effect. All conditions precedent to such documents and agreements shall have been satisfied or waived pursuant to the terms of such documents or agreements.
- All authorizations, consents, actions, documents, approvals (including any governmental approvals), certificates and agreements necessary to implement the Plan, including, without limitation, the Reorganized Limited Partnership Agreement, the Claimant Trust Agreement, and the New GP LLC Documents, shall have been obtained, effected or executed and delivered to the required parties and, to the extent required, filed with the applicable governmental units in accordance with applicable laws and any applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain or prevent effectiveness or consummation of the Restructuring.

2. Waiver of Conditions

The conditions to effectiveness of the Plan set forth in Article VIII of the Plan (other than that the Confirmation Order shall have been entered) may be waived in whole or in part by the Debtor (and, to the extent such condition requires the consent of the Committee, the consent of the Committee), without notice, leave or order of the Bankruptcy Court or any formal action

other than proceeding to confirm or effectuate the Plan. The failure to satisfy or waive a condition to the Effective Date may be asserted by the Debtor regardless of the circumstances giving rise to the failure of such condition to be satisfied. The failure of the Debtor to exercise any of the foregoing rights will not be deemed a waiver of any other rights, and each right will be deemed an ongoing right that may be asserted at any time by the Debtor, the Reorganized Debtor, or the Claimant Trust, as applicable.

3. Effect of Non-Occurrence of Conditions to Effectiveness

Unless waived as set forth in Article VIII.B of the Plan, if the Effective Date of the Plan does not occur within twenty calendar days of entry of the Confirmation Order, the Debtor may withdraw the Plan and, if withdrawn, the Plan shall be of no further force or effect.

4. Dissolution of the Committee

On the Effective Date, the Committee will dissolve, and the members of the Committee and the Committee's Professionals will cease to have any role arising from or relating to the Chapter 11 Case, except in connection with final fee applications of Professionals for services rendered prior to the Effective Date (including the right to object thereto). The Professionals retained by the Committee and the members thereof will not be entitled to assert any fee claims for any services rendered to the Committee or expenses incurred in the service of the Committee after the Effective Date, except for reasonable fees for services rendered, and actual and necessary costs incurred, in connection with any applications for allowance of Professional Fees pending on the Effective Date or filed and served after the Effective Date pursuant to the Plan. Nothing in the Plan shall prohibit or limit the ability of the Debtor's or Committee's Professionals to represent either of the Trustees or to be compensated or reimbursed per the Plan and the Claimant Trust Agreement in connection with such representation.

E. Exculpation, Injunction, and Related Provisions

1. General

Notwithstanding anything contained in the Plan to the contrary, the allowance, classification and treatment of all Allowed Claims and Equity Interests and their respective distributions and treatments under the Plan shall take into account the relative priority and rights of the Claims and the Equity Interests in each Class in connection with any contractual, legal and equitable subordination rights relating thereto whether arising under general principles of equitable subordination, section 510 of the Bankruptcy Code, or otherwise.

For purposes of the following provisions:

- “*Exculpated Parties*” means, collectively, (i) the Debtor, (ii) the Independent Directors, (iii) the Committee, (iv) the members of the Committee (in their official capacities), (v) the Professionals retained by the Debtor in the Chapter 11 Case, (vi) Strand (solely from the date of appointment of the Independent Directors), (vii) the CEO/CRO; and (viii) the Related Persons of each of the parties listed in (i) through (vii); *provided, however*, that neither James Dondero nor Mark Okada is included in the term “Exculpated Party.”

- “*Released Parties*” means, collectively, (i) the Reorganized Debtor, (ii) the Claimant Trust, (iii) the Litigation Trust, (iv) the Independent Directors, (v) Strand (solely from the date of appointment of the Independent Directors), (vi) the Committee, (vii) the officers, directors, employees, and agents of the Debtor and Strand in each case (a) as are employed as of the Effective Date or (b) as are employed as of the date hereof and subsequently transferred by the Debtor or terminated by the Debtor without cause prior to the Effective Date, (viii) the CEO/CRO, and (ix) the Related Persons of each of the parties listed in (i) through (vi); *provided, however*, that neither James Dondero nor Mark Okada is included in the term “Released Party.”
- “*Protected Parties*” means, collectively, (i) the Debtor, (ii) Strand (solely from the date of the appointment of the Independent Directors), (iii) the Reorganized Debtor, (iv) the Independent Directors, (v) the Committee, (vi) the members of the Committee (in their official capacities), (vii) the Claimant Trust, (viii) the Claimant Trustee, (ix) the Litigation Trustee, (x) the members of the Claimant Trust Oversight Committee (in their official capacities), (xi) New GP LLC, (xii) the Professionals retained by the Debtor in the Chapter 11 Case, (xiii) the CEO/CRO, and (xiv) the Related Persons of each of the parties listed in (i) through (xii); *provided, however*, that neither James Dondero nor Mark Okada is included in the term “Protected Party.”

2. Discharge of Claims

To the fullest extent provided under section 1141(d)(1)(A) and other applicable provisions of the Bankruptcy Code, except as otherwise expressly provided by the Plan or the Confirmation Order, all consideration distributed under the Plan will be in exchange for, and in complete satisfaction, settlement, discharge, and release of, all Claims and Equity Interests of any kind or nature whatsoever against the Debtor or any of its Assets or properties, and regardless of whether any property will have been distributed or retained pursuant to the Plan on account of such Claims or Equity Interests. Except as otherwise expressly provided by the Plan or the Confirmation Order, upon the Effective Date, the Debtor and its Estate will be deemed discharged and released under and to the fullest extent provided under section 1141(d)(1)(A) and other applicable provisions of the Bankruptcy Code from any and all Claims and Equity Interests of any kind or nature whatsoever, including, but not limited to, demands and liabilities that arose before the Confirmation Date, and all debts of the kind specified in section 502(g), 502(h), or 502(i) of the Bankruptcy Code.

3. Exculpation

To the maximum extent permitted by applicable law, no Exculpated Party will have or incur, and each Exculpated Party is hereby exculpated from, any claim, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, remedy, loss, and liability for conduct occurring on or after the Petition Date in connection with or arising out of (i) the filing and administration of the Chapter 11 Case; (ii) the negotiation and pursuit of the Disclosure Statement, the Plan, or the solicitation of votes for, or confirmation of, the Plan; (iii) the funding or consummation of the Plan (including the Plan Supplement) or any related agreements, instruments, or other documents, the solicitation of votes on the Plan, the offer, issuance, and Plan Distribution of any securities issued or to be issued pursuant to the Plan, including the

Claimant Trust Interests, whether or not such Plan Distributions occur following the Effective Date; (iv) the implementation of the Plan; and (v) any negotiations, transactions, and documentation in connection with the foregoing clauses (i)-(v); *provided, however*, the foregoing will not apply to any acts or omissions of an Exculpated Party arising out of or related to acts or omissions that constitute bad faith, fraud, gross negligence, criminal misconduct, or willful misconduct. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations, any other applicable law or rules, or any other provisions of the Plan, including Article IV.C.2 of the Plan, protecting such Exculpated Parties from liability.

4. Releases by the Debtor

On and after the Effective Date, each Released Party is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by the Debtor and the Estate, in each case on behalf of themselves and their respective successors, assigns, and representatives, including, but not limited to, the Claimant Trust and the Litigation Sub-Trust from any and all Causes of Action, including any derivative claims, asserted on behalf of the Debtor, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, contract, tort or otherwise, that the Debtor or the Estate would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim against, or Interest in, a Debtor or other Person. Notwithstanding anything contained herein to the contrary, the foregoing release does not release (i) any obligations of any party under the Plan or any document, instrument, or agreement executed to implement the Plan, (ii) the rights or obligations of any current employee of the Debtor under any employment agreement or plan, (iii) the rights of the Debtor with respect to any confidentiality provisions or covenants restricting competition in favor of the Debtor under any employment agreement with a current or former employee of the Debtor, or (iv) any Causes of Action arising from willful misconduct, criminal misconduct, actual fraud, or gross negligence of such applicable Released Party as determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction.

5. Preservation of Rights of Action

Maintenance of Causes of Action

Except as otherwise provided in the Plan, after the Effective Date, the Reorganized Debtor or the Claimant Trust will retain all rights to commence, pursue, litigate or settle, as appropriate, any and all Causes of Action included in the Reorganized Debtor Assets or Claimant Trust Assets, as applicable, whether existing as of the Petition Date or thereafter arising, in any court or other tribunal including, without limitation, in an adversary proceeding Filed in the Chapter 11 Case and, as the successors in interest to the Debtor and the Estate, may, and will have the exclusive right to, enforce, sue on, settle, compromise, transfer or assign (or decline to do any of the foregoing) any or all of the Causes of Action without notice to or approval from the Bankruptcy Court.

Preservation of All Causes of Action Not Expressly Settled or Released

Unless a Cause of Action against a Holder of a Claim or an Equity Interest or other Entity is expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order (including, without limitation, the Confirmation Order), such Cause of Action is expressly reserved for later adjudication by the Reorganized Debtor or Claimant Trust, as applicable (including, without limitation, Causes of Action not specifically identified or of which the Debtor may presently be unaware or that may arise or exist by reason of additional facts or circumstances unknown to the Debtor at this time or facts or circumstances that may change or be different from those the Debtor now believes to exist) and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches will apply to such Causes of Action as a consequence of the confirmation, effectiveness, or consummation of the Plan based on the Disclosure Statement, the Plan or the Confirmation Order, except where such Causes of Action have been expressly released in the Plan or any other Final Order (including, without limitation, the Confirmation Order). In addition, the right of the Reorganized Debtor or the Claimant Trust to pursue or adopt any claims alleged in any lawsuit in which the Debtor is a plaintiff, defendant or an interested party, against any Entity, including, without limitation, the plaintiffs or co-defendants in such lawsuits, is expressly reserved.

6. Injunction

Upon entry of the Confirmation Order, all holders of Claims and Equity Interests and other parties in interest, along with their respective Related Persons, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

Except as expressly provided in the Plan, the Confirmation Order, or a separate order of the Bankruptcy Court, all Entities who have held, hold, or may hold Claims against or Equity Interests in the Debtor (whether proof of such Claims or Equity Interests has been filed or not and whether or not such Entities vote in favor of, against or abstain from voting on the Plan or are presumed to have accepted or deemed to have rejected the Plan) and other parties in interest, along with their respective Related Persons, are permanently enjoined, on and after the Effective Date, with respect to such Claims and Equity Interests, from (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust or the property of any of the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust, (ii) enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust or the property of any of the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust, (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust or the property of any of the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust, (iv) asserting any right of setoff, directly or indirectly, against any obligation due from the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust or against property or

interests in property of any of the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust; and (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan.

The injunctions set forth herein shall extend to any successors of the Debtor, the Reorganized Debtor, and the Claimant Trust and their respective property and interests in property.

No Entity may commence or pursue a claim or cause of action of any kind against any Protected Party that arose from or is related to the Chapter 11 Case, the negotiation of the Plan, the administration of the Plan or property to be distributed under the Plan, the wind down of the business of the Debtor or Reorganized Debtor, the administration of the Claimant Trust, or the transactions in furtherance of the foregoing without the Bankruptcy Court (i) first determining, after notice, that such claim or cause of action represents a colorable claim of bad faith, criminal misconduct, willful misconduct, fraud, or gross negligence against a Protected Party and (ii) specifically authorizing such Entity to bring such claim against any such Plan Party. As set forth in Article XI of the Plan, the Bankruptcy Court will have sole jurisdiction to adjudicate any such claim for which approval of the Bankruptcy Court to commence or pursue has been granted.

7. Term of Injunctions or Stays

Unless otherwise provided in the Plan, the Confirmation Order, or in a Final Order of the Bankruptcy Court, all injunctions or stays arising under or entered during the Chapter 11 Case under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

F. Binding Nature of Plan

On the Effective Date, and effective as of the Effective Date, the Plan, including, without limitation, the provisions in Article IX of the Plan, will bind, and will be deemed binding upon, all Holders of Claims against and Equity Interests in the Debtor and such Holder's respective successors and assigns, to the maximum extent permitted by applicable law, notwithstanding whether or not such Holder will receive or retain any property or interest in property under the Plan. All Claims and Debts shall be fixed and adjusted pursuant to the Plan. The Plan shall also bind any taxing authority, recorder of deeds, or similar official for any county, state, Governmental Unit or parish in which any instrument related to the Plan or related to any transaction contemplated thereby is to be recorded with respect to any taxes of the kind specified in Bankruptcy Code section 1146(a)

G. Statutory Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the requirements of section 1129 of the Bankruptcy Code. The Debtor believes that: (i) the Plan satisfies or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code; (ii) the Debtor has complied or will have complied with all of the requirements of chapter 11 of the Bankruptcy Code; and (iii) the Plan has been proposed in good faith. Specifically, the

Debtor believes that the Plan satisfies or will satisfy the applicable confirmation requirements of section 1129 of the Bankruptcy Code set forth below.

- The Plan complies with the applicable provisions of the Bankruptcy Code;
- The Debtor has complied and will comply with the applicable provisions of the Bankruptcy Code;
- The Plan has been proposed in good faith and not by any means forbidden by law;
- Any payment made or promised under the Plan for services or for costs and expenses in, or in connection with, the Debtor's bankruptcy case, or in connection with the Plan and incident to the case, has been or will be disclosed to the Bankruptcy Court, and any such payment: (i) made before the confirmation of the Plan is reasonable; or (ii) is subject to the approval of the Bankruptcy Court as reasonable if it is to be fixed after confirmation of the Plan;
- Each Class of Claims or Equity Interests that is entitled to vote on the Plan will have accepted the Plan, or the Plan can be confirmed without the approval of such voting Class pursuant to section 1129(b) of the Bankruptcy Code;
- Except to the extent that the Holder of a particular Claim will agree to a different treatment of its Claim, the Plan provides that Administrative Expense Claims and Priority Claims will be paid in full in Cash on the Effective Date, or as soon thereafter as is reasonably practicable;
- Confirmation of the Plan will not likely be followed by the liquidation or the need for further financial reorganization of the Debtor or any successor thereto under the Plan;
- The Debtor has paid or will pay all fees payable under section 1930 of title 28, and the Plan provides for the payment of all such fees on the Effective Date; and
- The Plan provides for the continuation after the Effective Date of payment of all retiree benefits, if applicable.

1. Best Interests of Creditors Test

Often called the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires that the bankruptcy court find, as a condition to confirmation of a chapter 11 plan, that each holder of a claim or equity interest in each impaired class: (i) has accepted the plan; or (ii) among other things, will receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than the amount that such Person would receive if the debtor

were liquidated under chapter 7 of the Bankruptcy Code. To make these findings, the Bankruptcy Court must: (a) estimate the net Cash proceeds (the “Liquidation Proceeds”) that a chapter 7 trustee would generate if the Debtor’s Chapter 11 Case were converted to a chapter 7 case on the Effective Date and the assets of such Debtor’s Estate were liquidated; (b) determine the distribution (the “Liquidation Distribution”) that each non-accepting Holder of a Claim or Equity Interest would receive from the Liquidation Proceeds under the priority scheme dictated in chapter 7; and (c) compare each Holder’s Liquidation Distribution to the distribution under the Plan that such Holder would receive if the Plan were confirmed and consummated.

2. Liquidation Analysis

Any liquidation analysis, including the estimation of Liquidation Proceeds and Liquidation Distributions, with respect to the Debtor (the “Liquidation Analysis”) is subject to numerous assumptions and there can be no guarantee that the Liquidation Analysis will be accurate. No order or finding has been entered by the Bankruptcy Court estimating or otherwise fixing the amount of Claims and Equity Interests at the projected amounts of Allowed Claims and Equity Interests set forth in the Liquidation Analysis. In preparing the Liquidation Analysis, the Debtor has projected an amount of Allowed Claims and Equity Interests that represents its best estimate of the chapter 7 liquidation dividend to Holders of Allowed Claims and Equity Interests. The estimate of the amount of Allowed Claims and Equity Interests set forth in the Liquidation Analysis should not be relied on for any other purpose, including, without limitation, any determination of the value of any Plan Distribution to be made on account of Allowed Claims and Equity Interests under the Plan and Disclosure Statement.

The full Liquidation Analysis is attached hereto as Exhibit C.

Furthermore, any chapter 7 trustee appointed in a chapter 7 liquidation would have to confront all of the issues described in this Disclosure Statement, including the prepetition litigation claims. This process would be significantly time-consuming and costly, and reduce any recoveries available to the Debtor’s Estate. The Debtor believes that liquidation under chapter 7 would result in (i) smaller distributions being made to creditors than those provided for in the Plan because of the additional administrative expenses involved in the appointment of a trustee and attorneys and other professionals to assist such trustee, (ii) additional expenses and claims, some of which would be entitled to priority, which would be generated during the liquidation and from the rejection of executory contracts in connection with the cessation of the Debtor’s operations, and (iii) the failure to realize greater value from all of the Debtor’s assets.

Therefore, the Debtor believes that confirmation of the Plan will provide each Holder of a Claim with a greater recovery than such Holder would receive pursuant to the liquidation of the Debtor under chapter 7 of the Bankruptcy Code.

3. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that the bankruptcy court find that confirmation is not likely to be followed by the liquidation, or the need for further financial reorganization of the Debtor, or any successor to the Debtor, unless the plan contemplates such liquidation or reorganization. For purposes of demonstrating that the Plan meets this

“feasibility” standard, the Debtor has analyzed the ability of the Claimant Trust and the Reorganized Debtor to meet their obligations under the Plan and to retain sufficient liquidity and capital resources to conduct their business. A copy of the financial projections prepared by the Debtor is attached hereto as **Exhibit D**.

The Debtor believes that the Plan meets the feasibility requirement set forth in section 1129(a)(11) of the Bankruptcy Code. In connection with the development of the Plan and for the purposes of determining whether the Plan satisfies this feasibility standard, the Debtor analyzed their ability to satisfy their financial obligations while maintaining sufficient liquidity and capital resources. The Debtor believes that its available Cash and any additional proceeds from the Debtor’s Assets will be sufficient to allow the Debtor, the Reorganized Debtor, and the Claimant Trust, as applicable, to make all payments required to be made under the Plan. Accordingly, the Debtor believes that the Plan is feasible.

4. Valuation

In order to provide information and full disclosure to parties in interest regarding the Debtor’s assets, the Debtor estimates that its value and the value of its Assets, as of June 30, 2020, total approximately \$351.7 million.

5. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, that, except as described in the following section, each class of claims or equity interests that is impaired under a plan, accepts the plan. A class that is not “impaired” under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. A class is “impaired” unless the plan: (i) leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder of such claim or interest; or (ii) notwithstanding any contractual provision or applicable law that entitles the holder of such claim or interest to demand or receive accelerated payment of such claim or interest after the occurrence of a default— (a) cures any such default that occurred before or after the commencement of the Chapter 11 Case, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) expressly does not require to be cured; (b) reinstates the maturity of such claim or interest as such maturity existed before such default; (c) compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; (d) if such claim or such interest arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A), compensates the holder of such claim or such interest (other than the debtor or an insider) for any actual pecuniary loss incurred by such holder as a result of such failure; and (e) does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder of such claim or interest.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of claims in that class, but for that purpose counts only those who actually vote to accept or to reject the plan and are not insiders. Section 1126(d) of the Bankruptcy Code

defines acceptance of a plan by a class of equity interests as acceptance by holders of at least two-thirds in amount of the allowed interests of such class. Thus, a class of claims will have voted to accept the plan only if two-thirds in amount and a majority in number actually voting cast their ballots in favor of acceptance. Section 1126(d) of the Bankruptcy Code, except as otherwise provided in section 1126(e) of the Bankruptcy Code, defines acceptance of a plan by a class of impaired equity interests as acceptance by holders of at least two-thirds in amount of equity interests in that class actually voting to accept or to reject the plan.

Pursuant to section 1129 of the Bankruptcy Code, the Holders of Claims or Equity Interests in any voting class must accept the Plan for the Plan to be confirmed without application of the “fair and equitable test” to such Class, and without considering whether the Plan “discriminates unfairly” with respect to such Class, as both standards are described herein.

6. Confirmation Without Acceptance by Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if less than all impaired classes entitled to vote on the plan have accepted it, *provided* that the plan has been accepted by at least one impaired class of claims. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired Class’s rejection or deemed rejection of the Plan, the Plan will be confirmed, at the Debtor’s request, in a procedure commonly known as “cram down,” so long as the Plan does not “discriminate unfairly” and is “fair and equitable” with respect to each Class of Claims or Equity Interests that is impaired under, and has not accepted, the Plan.

7. No Unfair Discrimination

This test applies to classes of claims or equity interests that are of equal priority and are receiving different treatment under the Plan. The test does not require that the treatment be the same or equivalent, but that such treatment be “fair.” In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims of equal rank (e.g., classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly and, accordingly, a plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

8. Fair and Equitable Test

This test applies to classes of different priority and status (e.g., secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in such class. As to the dissenting class, the test sets different standards depending on the type of claims or equity interests in such class:

The condition that a plan be “fair and equitable” to a non-accepting Class of Secured Claims includes the requirements that: (a) the Holders of such Secured Claims retain the liens securing such Claims to the extent of the Allowed amount of the Claims, whether the property subject to the liens is retained by the debtor or transferred to another entity under the Plan; and (b) each Holder of a Secured Claim in the Class receives deferred Cash payments totaling at least the Allowed amount of such Claim with a present value, as of the Effective Date of the Plan, at

least equivalent to the value of the secured claimant's interest in the debtor's property subject to the liens.

The condition that a plan be "fair and equitable" with respect to a non-accepting Class of unsecured Claims includes the requirement that either: (a) the plan provides that each Holder of a Claim of such Class receive or retain on account of such Claim property of a value, as of the Effective Date of the plan, equal to the allowed amount of such Claim; or (b) the Holder of any Claim or Equity Interest that is junior to the Claims of such Class will not receive or retain under the plan on account of such junior Claim or Equity Interest any property.

The condition that a plan be "fair and equitable" to a non-accepting Class of Equity Interests includes the requirements that either: (a) the plan provides that each Holder of an Equity Interest in that Class receives or retains under the plan, on account of that Equity Interest, property of a value, as of the Effective Date of the plan, equal to the greater of (i) the allowed amount of any fixed liquidation preference to which such Holder is entitled, (ii) any fixed redemption price to which such Holder is entitled, or (iii) the value of such interest; or (b) if the Class does not receive such an amount as required under (a), no Class of Equity Interests junior to the non-accepting Class may receive a distribution under the plan.

To the extent that any class of Claims or Class of Equity Interests rejects the Plan, the Debtor reserves the right to seek (a) confirmation of the Plan under section 1129(b) of the Bankruptcy Code and/or (b) modify the Plan in accordance with Article XIII.C of the Plan.

The Debtor believes that the Plan and the treatment of all Classes of Claims and Equity Interests under the Plan satisfy the foregoing requirements for non-consensual confirmation of the Plan.

ARTICLE IV. RISK FACTORS

ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD READ AND CONSIDER CAREFULLY THE RISK FACTORS SET FORTH HEREIN, AS WELL AS ALL OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT. THESE FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS PRESENT IN CONNECTION WITH THE DEBTOR'S BUSINESS OR THE PLAN AND ITS IMPLEMENTATION.

H. Certain Bankruptcy Law and Other Considerations

1. Parties in Interest May Object to the Debtor's Classification of Claims and Equity Interests, or Designation as Unimpaired.

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtor believes that the classification of Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtor created Classes of Claims and Equity Interests, each

encompassing Claims or Equity Interests, as applicable, that are substantially similar to the other Claims and Equity Interests in each such Class. Nevertheless, there can be no assurance that the Holders of Claims or Equity Interests or the Bankruptcy Court will reach the same conclusion.

There is also a risk that the Holders of Claims or Equity Interests could object to the Debtor's designation of Claims or Equity Interests as Unimpaired, and the Bankruptcy Court could reach the same conclusion.

2. The Debtor May Not Be Able to Secure Confirmation of the Plan.

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan and requires, among other things, findings by the bankruptcy court that: (i) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (ii) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to Holders of Claims within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtor was liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the Bankruptcy Court will confirm the Plan. The Bankruptcy Court could decline to confirm the Plan if it found that any of the statutory requirements for confirmation had not been met.

If the Plan is not confirmed by the Bankruptcy Court, there can be no assurance that any alternative plan of reorganization or liquidation would be on terms as favorable to Holders of Claims as the terms of the Plan. In addition, there can be no assurance that the Debtor will be able to successfully develop, prosecute, confirm and consummate an alternative plan that is acceptable to the Bankruptcy Court and the Debtor's creditors.

3. The Conditions Precedent to the Effective Date of the Plan May Not Occur.

As more fully set forth in Article IX of the Plan, the Effective Date of the Plan is subject to a number of conditions precedent. If such conditions precedent are not waived or not met, the Effective Date will not take place.

4. Continued Risk Following Effectiveness.

Even if the Effective Date of the Plan occurs, the Debtor, the Reorganized Debtor, and Claimant Trust will continue to face a number of risks, including certain risks that are beyond its control, such as changes in assets, asset values, and increasing expenses. Some of these concerns and effects typically become more acute when a case under the Bankruptcy Code continues for a protracted period without indication of how or when the case may be completed. As a result of these risks and others, there is no guarantee that a chapter 11 plan of liquidation reflecting the Plan will achieve the Debtor's stated goals.

In addition, at the outset of the Chapter 11 Case, the Bankruptcy Code provides the Debtor with the exclusive right to propose the Plan and prohibits creditors and others from proposing a plan. The Debtor will have retained the exclusive right to propose the Plan upon

filing its petition. If the Bankruptcy Court terminates that right, however, or the exclusivity period expires, there could be a material adverse effect on the Debtor's ability to achieve confirmation of the Plan in order to achieve the Debtor's stated goals.

5. The Effective Date May Not Occur.

Although the Debtor believes that the Effective Date may occur quickly after the Confirmation Date, there can be no assurance as to such timing or as to whether the Effective Date will, in fact, occur.

6. The Chapter 11 Case May Be Converted to Cases Under Chapter 7 of the Bankruptcy Code

If the Bankruptcy Court finds that it would be in the best interest of creditors and/or the debtor in a chapter 11 case, the Bankruptcy Court may convert a chapter 11 bankruptcy case to a case under chapter 7 of the Bankruptcy Code. In such event, a chapter 7 trustee would be appointed or elected to liquidate the debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtor believes that liquidation under chapter 7 would result in significantly smaller distributions being made to creditors than those provided for in the Plan because of (a) the likelihood that the assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time, rather than selling the assets in an orderly and controlled manner, (b) additional administrative expenses involved in the appointment of a chapter 7 trustee, and (c) additional expenses and Claims, some of which would be entitled to priority, that would be generated during the liquidation.

7. Claims Estimation

There can be no assurance that the estimated Claim amounts set forth herein are correct, and the actual amount of Allowed Claims may differ from the estimates. The estimated amounts are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the actual amount of Allowed Claims may vary from those estimated herein.

8. The Financial Information Contained Herein is Based on the Debtor's Books and Records and, Unless Otherwise Stated, No Audit was Performed.

The financial information contained in this Disclosure Statement has not been audited. In preparing this Disclosure Statement, the Debtor relied on financial data derived from their books and records that was available at the time of such preparation. Although the Debtor has used its reasonable business judgment to ensure the accuracy of the financial information provided in this Disclosure Statement and, while the Debtor believes that such financial information fairly reflects its financial condition, the Debtor is unable to warrant or represent that the financial information contained herein and attached hereto is without inaccuracies.

I. Disclosure Statement Disclaimer

1. The Information Contained Herein is for Disclosure Purposes Only.

The information contained in this Disclosure Statement is for purposes of disclosure in connection with the Plan and may not be relied upon for any other purposes.

2. This Disclosure Statement was Not Approved by the SEC.

Neither the SEC nor any state regulatory authority has passed upon the accuracy or adequacy of this Disclosure Statement, or the exhibits or the statements contained herein, and any representation to the contrary is unlawful.

3. This Disclosure Statement Contains Forward-Looking Statements.

This Disclosure Statement contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward looking terminology such as “may,” “expect,” “anticipate,” “estimate” or “continue” or the negative thereof or other variations thereon or comparable terminology. The reader is cautioned that all forward-looking statements are necessarily speculative and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements.

4. No Legal or Tax Advice is Provided to You by This Disclosure Statement.

This Disclosure Statement is not legal or tax advice to you. The contents of this Disclosure Statement should not be construed as legal, business or tax advice, and are not personal to any person or entity. Each Holder of a Claim or an Equity Interest should consult his or her own legal counsel and accountant with regard to any legal, tax and other matters concerning his or her Claim or Equity Interest. This Disclosure Statement may not be relied upon for any purpose other than as a disclosure of certain information to determine how to vote on the Plan or object to confirmation of the Plan.

5. No Admissions Are Made by This Disclosure Statement.

The information and statements contained in this Disclosure Statement will neither (i) constitute an admission of any fact or liability by any Entity (including, without limitation, the Debtor) nor (ii) be deemed evidence of the tax or other legal effects of the Plan on the Debtor, the Reorganized Debtor, the Claimant Trust, Holders of Allowed Claims or Equity Interests, or any other parties in interest.

6. No Reliance Should Be Placed on Any Failure to Identify Litigation Claims or Projected Objections.

No reliance should be placed on the fact that a particular litigation claim or projected objection to a particular Claim or Equity Interest is, or is not, identified in this Disclosure Statement. The Debtor or the Reorganized Debtor or Claimant Trustee, as applicable, may seek

to investigate, file and prosecute litigation rights and claims against any third parties and may object to Claims after the Confirmation Date or Effective Date of the Plan irrespective of whether the Disclosure Statement identifies such litigation claims or objections to Claims or Equity Interests.

7. Nothing Herein Constitutes a Waiver of Any Right to Object to Claims or Equity Interests or Recover Transfers and Assets.

The Debtor, the Reorganized Debtor, the Claimant Trustee, or any party in interest, as the case may be, reserve any and all rights to object to that Holder's Allowed Claim regardless of whether any Claims or Causes of Action of the Debtor or its Estate are specifically or generally identified herein.

8. The Information Used Herein was Provided by the Debtor and was Relied Upon by the Debtor's Advisors.

Counsel to and other advisors retained by the Debtor have relied upon information provided by the Debtor in connection with the preparation of this Disclosure Statement. Although counsel to and other advisors retained by the Debtor have performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not verified independently the information contained herein.

9. The Disclosure Statement May Contain Inaccuracies.

The statements contained in this Disclosure Statement are made by the Debtor as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has not been a change in the information set forth herein since that date. While the Debtor has used its reasonable business judgment to ensure the accuracy of all of the information provided in this Disclosure Statement and in the Plan, the Debtor nonetheless cannot, and does not, confirm the current accuracy of all statements appearing in this Disclosure Statement. Further, the information contained in this Disclosure Statement is as of the date of the Disclosure Statement and does not address events that may occur after such date. The Debtor may update this Disclosure Statement but is not required to do so.

10. No Representations Made Outside the Disclosure Statement Are Authorized.

No representations concerning or relating to the Debtor, the Chapter 11 Case, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. You should promptly report unauthorized representations or inducements to the counsel to the Debtor and the U.S. Trustee.

J. Investment Risk Disclaimer

1. Investment Risks in General.

The Reorganized Debtor is and will remain a registered investment adviser under the Investment Advisers Act of 1940, and the Reorganized Debtor will continue advising the Managed Funds. No guarantee or representation is made that the Reorganized Debtor's or the

Managed Funds' investment strategy will be successful, and investment results may vary substantially over time.

2. General Economic and Market Conditions and Issuer Risk.

Any investment in securities carries certain market risks. Investments by the Reorganized Debtor, the Managed Funds, or the Claimant Trust may decline in value for any number of reasons over which none of the Managed Funds, the Reorganized Debtor, the Claimant Trust, or the Claimant Trustee may have control, including changes in the overall market and other general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, currency exchange rates and controls and national, international political circumstances (including wars and security operations), and acts of God (including pandemics). The value of the Managed Funds or the assets held by the Reorganized Debtor or Claimant Trust may also decline as a result of factors pertaining to particular securities held by the Managed Funds, Reorganized Debtor, or Claimant Trust, as applicable, such as perception or changes in the issuer's management, the market for the issuer's products or services, sources of supply, technological changes within the issuer's industry, the availability of additional capital and labor, general economic conditions, political conditions, acts of God, and other similar conditions. All of these factors may affect the level and volatility of security prices and the liquidity and the value of the securities held by the Managed Fund, Reorganized Debtor, or Claimant Trust. Unexpected volatility or illiquidity could impair the Managed Funds', Reorganized Debtor's, or Claimant Trust's profitability or result in it suffering losses.

ARTICLE II.

ALTERNATIVES TO CONFIRMATION AND EFFECTIVENESS OF THE PLAN

If no chapter 11 plan can be confirmed, the Chapter 11 Case may be converted to a case under chapter 7 of the Bankruptcy Code in which case, a trustee would be elected or appointed to liquidate the Debtor's assets. If the Plan is not confirmed by the Bankruptcy Court, there can be no assurance that any alternative plan of reorganization or liquidation would be on terms as favorable to Holders of Claims as the terms of the Plan. In addition, there can be no assurance that the Debtor will be able to successfully develop, prosecute, confirm and consummate an alternative plan that is acceptable to the Bankruptcy Court and the Debtor's creditors.

ARTICLE V.

U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

Implementation of the Plan will have federal, state, local or foreign tax consequences to the Debtor and Holders of Equity Interests as well as Holders of Claims. No tax opinion or ruling has been sought or will be obtained with respect to any tax consequences of the Plan, and the following discussion does not constitute and is not intended to constitute either a tax opinion or tax advice to any person.

The following discussion summarizes certain U.S. federal income tax consequences of the Plan to the Debtor and to Holders of Claims. This discussion assumes that each Holder of Claims is for United States federal income tax purposes:

- An individual who is a citizen or resident of the United States for federal income tax purposes;
- a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- any other person that is subject to U.S. federal income taxation on a net income basis.
- an estate the income of which is subject to United States federal income tax without regard to its source; or
- a trust (1) that is subject to the primary supervision of a United States court and the control of one or more United States persons or (2) that has a valid election in effect under applicable treasury regulations to be treated as a United States person.

This discussion also assumes that each Holder holds the Claims as capital assets under Section 1221 of the Internal Revenue Code.

The summary provides general information only and does not purport to address all of the federal income tax consequences that may be applicable to the Debtor or to any particular Holder of Claims in light of such Holder's own individual circumstances. In particular, the summary does not address the federal income tax consequences of the Plan to Holders of Claims that may be subject to special rules, such as non-U.S. persons, insurance companies, financial institutions, regulated investment companies, broker-dealers, persons who acquired Claims as part of a straddle, hedge, conversion transaction or other integrated transaction, or persons who acquired Claims in connection with the performance of services; persons who hold Claims through a partnership or other pass-through entity and tax-exempt organizations. The summary does not address foreign, state, local, estate or gift tax consequences of the Plan, nor does it address the federal income tax consequences to Holders of Equity Interests.

This summary is based on the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), the final, temporary and proposed Treasury regulations promulgated thereunder, judicial decisions and administrative rulings and pronouncements of the Internal Revenue Service ("IRS"), all as in effect on the date hereof and all of which are subject to change (possibly with retroactive effect) by legislation, judicial decision or administrative action. Moreover, due to a lack of definitive authority, substantial uncertainties exist with respect to various tax consequences of the Plan.

THE TAX CONSEQUENCES TO THE HOLDERS OF CLAIMS OR EQUITY INTERESTS MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER. MOREOVER, THE TAX CONSEQUENCES OF CERTAIN ASPECTS OF THE PLAN ARE UNCERTAIN DUE TO THE LACK OF APPLICABLE LEGAL PRECEDENT AND THE POSSIBILITY OF CHANGES IN THE APPLICABLE TAX LAW. THERE CAN BE NO ASSURANCE THAT THE IRS WILL NOT CHALLENGE

ANY OF THE TAX CONSEQUENCES DESCRIBED HEREIN, OR THAT SUCH A CHALLENGE, IF ASSERTED, WOULD NOT BE SUSTAINED. ACCORDINGLY, EACH HOLDER OF A CLAIM OR EQUITY INTEREST SHOULD CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE FOREIGN, FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF THE PLAN.

A. Consequences to the Debtor

It is anticipated that the consummation of the Plan will not result in any federal income tax liability to the Debtor. The Debtor is a partnership for federal income tax purposes. Therefore, the income and loss of the Debtor is passed-through to the Holders of its Equity Interests, and the Debtor does not pay federal income tax.

1. Cancellation of Debt

Generally, the discharge of a debt obligation of a debtor for an amount less than the adjusted issue price (in most cases, the amount the debtor received on incurring the obligation, with certain adjustments) creates cancellation of indebtedness (“COD”) income that must be included in the debtor’s income. Due to the nature of the Impaired Claims, it is anticipated that the Debtor will not recognize any material amount of COD income. If any such COD income is recognized, it will be passed-through to the Holders of its Equity Interests, and the Holders of such Equity Interest generally will be required to include such amounts in income, unless a Holder is entitled to exclude such amounts from income under Section 108 of the Internal Revenue Code, based on the Holder’s individual circumstances.

2. Transfer of Assets

Pursuant to the Plan, the Debtor’s assets (including the Claimant Trust Assets and Reorganized Debtor Assets) will be transferred directly or indirectly to the Claimant Trust. For federal income tax purposes, any such assets transferred to the Claimant Trust will be deemed to have been transferred to the Claimant Trust Beneficiaries followed by the transfer by such Holders to the Claimant Trust of such assets in exchange for the respective Holders’ beneficial interests in the Claimant Trust. The Claimant Trust thereafter will be treated as a grantor trust for federal income tax purposes. See U.S. Federal Income Tax Treatment of the Claimant Trust, below.

The Debtor’s transfer of its assets pursuant to the Plan will constitute a taxable disposition of such assets. As discussed above, the Debtor is a partnership for federal income tax purposes. Any gain or loss recognized as a result of the taxable disposition of such assets will be passed through to the Holders of Equity Interests in the Debtor. The Debtor will not be required to pay any tax as a result of such disposition.

B. U.S. Federal Income Tax Treatment of the Claimant Trust

It is intended that the Claimant Trust will be treated as a “grantor trust” for U.S. federal income tax purposes. In general, a grantor trust is not a separate taxable entity. The IRS, in Revenue Procedure 94-45, 1994-2 C.B. 684, set forth the general criteria for obtaining an advanced ruling as to the grantor trust status of a liquidating trust under a chapter 11 plan.

Consistent with the requirements of Revenue Procedure 94-45, the Claimant Trust Agreement requires all relevant parties to treat, for U.S. federal income tax purposes, the transfer of the Debtor's assets to the Claimant Trust as (i) a transfer of such assets to the Claimant Trust Beneficiaries (to the extent of the value of their respective interests in the applicable Claimant Trust Assets) followed by (ii) a transfer of such assets by such beneficiaries to the Claimant Trust (to the extent of the value of their respective interests in the applicable Claimant Trust Assets), with the beneficiaries being treated as the grantors and owners of the Claimant Trust.

The Plan and the Claimant Trust Agreement generally provide that the Claimant Trust Beneficiaries must value the assets of the Claimant Trust consistently with the values determined by the Claimant Trustee for all U.S. federal income tax purposes. As soon as possible after the Effective Date, the Claimant Trustee, based upon his good faith determination after consultation with his counsel and other advisors, shall inform the beneficiaries in writing as to his estimate of the value of the assets transferred to the Claimant Trust and the value of such assets allocable to each Class of beneficiaries.

Consistent with the treatment of the Claimant Trust as a grantor trust, the Claimant Trust Agreement will require each beneficiary to report on its U.S. federal income tax return its allocable share of the Claimant Trust's income, gain, loss or deduction that reflects the beneficiary's interest in the interim and final distributions to be made by the Claimant Trust. Furthermore, certain of the assets of the Claimant Trust will be interests in the Reorganized Debtor, which will be a partnership for U.S. federal income tax purposes. The income, gain, loss or deduction of the Reorganized Debtor will also flow through the Claimant Trust to the beneficiaries of the Claimant Trust. Therefore, a beneficiary may incur a federal income tax liability with respect to its allocable share of the income of the Claimant Trust (including the income of the Reorganized Debtor) whether or not the Claimant Trust has made any distributions to such beneficiary. The character of items of income, gain, deduction, and credit to any beneficiary and the ability of such beneficiary to benefit from any deduction or losses will depend on the particular situation of such beneficiary. The interests of the beneficiaries may shift from time to time as the result of the allowance or disallowance of claims that have not been allowed at the Effective Date, which could give rise to tax consequences both to the Holders of claims that have, and have not been, allowed at the Effective Date. The Claimant Trustee will file with the IRS tax returns for the Claimant Trust as a grantor trust pursuant to Treasury Regulation Section 1.671-4(a) and will also send to each beneficiary a separate statement setting forth such beneficiary's share of items of Trust income, gain, loss, deduction, or credit. Each beneficiary will be required to report such items on its U.S. federal income tax return. Holders are urged to consult their tax advisors regarding the appropriate federal income tax treatment of distributions from the Claimant Trust.

The discussion above assumes that the Claimant Trust will be respected as a grantor trust for U.S. federal income tax purposes. If the IRS were to challenge successfully such classification, the U.S. federal income tax consequences to the Claimant Trust and the beneficiaries could differ materially from those discussed herein (including the potential for an entity level tax to be imposed on all income of the Claimant Trust).

C. Consequences to Holders of Allowed Claims

1. Recognized Gain or Loss

In general, each Holder of an Allowed Claim will recognize gain or loss in an amount equal to the difference between (i) the “amount realized” by such Holder in satisfaction of its Claim (other than any Claim for accrued but unpaid interest) and (ii) such holder’s adjusted tax basis in such Claim (other than any Claim for accrued but unpaid interest). In general, the “amount realized” by a Holder will equal the sum of any cash and the aggregate fair market value of any property received by such Holder pursuant to the Plan (for example, such Holder’s undivided beneficial interest in the assets of the Claimant Trust). A Holder that receives or is deemed to receive for U.S. federal income tax purposes a non-cash asset under the Plan in respect of its Claim should generally have a tax basis in such asset in an amount equal to the fair market value of such asset on the date of its receipt or deemed receipt. See U.S. Federal Income Tax Treatment of the Claimant Trust, above for more information regarding the tax treatment of the Claimant Trust Interests.

Where gain or loss is recognized by a Holder, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the Holder, whether the claim constitutes a capital asset in the hands of the Holder and how long it has been held, whether the claim was acquired at a market discount, and whether and to what extent the Holder had previously claimed a bad debt deduction.

A Holder who, under the Plan, receives in respect of an Allowed Claim an amount less than the Holder's tax basis in the Allowed Claim may be entitled to a deduction for U.S. federal income tax purposes. The rules governing the character, timing and amount of such a deduction place considerable emphasis on the facts and circumstances of the Holder, the obligor and the instrument with respect to which a deduction is claimed. Holders of Allowed Claims, therefore, are urged to consult their tax advisors with respect to their ability to take such a deduction.

2. Distribution in Discharge of Accrued Unpaid Interest

Pursuant to the Plan, a distribution received in respect of Allowed Claims will be allocated first to the principal amount of such Claims, with any excess allocated to unpaid accrued interest. However, there is no assurance that the IRS would respect such allocation for federal income tax purposes. In general, to the extent that an amount received (whether cash or other property) by a Holder of a claim is received in satisfaction of interest that accrued during its holding period, such amount will be taxable to the Holder as interest income if not previously included in the Holder’s gross income. Conversely, a Holder generally recognizes a deductible loss to the extent that it does not receive payment of interest that has previously been included in its income. Holders of Claims are urged to consult their tax advisors regarding the allocation of consideration and the deductibility of unpaid interest for tax purposes.

3. Information Reporting and Withholding

All distributions to Holders of Allowed Claims under the Plan are subject to any applicable withholding tax requirements. Under federal income tax law, interest, dividends, and

other reportable payments, may, under certain circumstances, be subject to “backup withholding” (currently at a rate of up to 24%). Backup withholding generally applies if the Holder (a) fails to furnish its social security number or other taxpayer identification number (“TIN”), (b) furnishes an incorrect TIN, (c) fails properly to report interest or dividends, or (d) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct number and that it is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax. Certain persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions.

D. Treatment of the Disputed Claims Reserve

Pursuant to the Plan, the Claimant Trustee may file an election pursuant to Treasury Regulation 1.468B-9(c) to treat the Disputed Claims Reserve as a disputed ownership fund, in which case the Claimant Trustee will file federal income tax returns and pay taxes for the Disputed Claim Reserve as a separate taxable entity. Such taxes will be paid out of the Disputed Claims Reserve and therefore may reduce amounts paid to Holders of Allowed Claims from the Claimant Trust. If the Claimant Trustee does not make such an election to treat the Disputed Claim Reserve as a separate taxable entity, the net income, if any, earned in the Disputed Claims Reserve will be taxable to the Holders of Allowed Claims in accordance with the principles discussed above under the heading “U.S. Federal Income Tax Treatment of the Claimant Trust”, possibly in advance of any distributions to the Holders.

AS INDICATED ABOVE, THE FOREGOING IS INTENDED TO BE A SUMMARY ONLY AND NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. ACCORDINGLY, EACH HOLDER OF A CLAIM OR EQUITY INTEREST IS STRONGLY URGED TO CONSULT WITH HIS OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF THE PLAN.


ARTICLE VI. RECOMMENDATION

In the opinion of the Debtor, the Plan is preferable to the alternatives described in this Disclosure Statement because it provides for the highest distribution to the Debtor’s creditors and interest holders. In addition, any alternative other than confirmation of the Plan could result in extensive delays and increased administrative expenses resulting in smaller distributions to Holders of Allowed Claims and Equity Interests than that which is proposed under the Plan. Accordingly, the Debtor recommends that all Holders of Claims and Equity Interests support confirmation of the Plan.

Dated: September 21, 2020

Respectfully submitted,

HIGHLAND CAPITAL MANAGEMENT, L.P.



James P. Seery, Jr.
Chief Executive Officer and Chief Restructuring
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Prepared by:

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EXHIBIT A

PLAN OF REORGANIZATION

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

)
) Chapter 11
)
) Case No. 19-34054-sgj11
)
)
)
)

**FIRST AMENDED PLAN OF REORGANIZATION OF HIGHLAND
CAPITAL MANAGEMENT, L.P.**

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

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DEBTOR'S CHAPTER 11 PLAN OF REORGANIZATION

HIGHLAND CAPITAL MANAGEMENT, L.P., as debtor and debtor-in-possession in the above-captioned case (the “Debtor”), proposes the following chapter 11 plan of reorganization (the “Plan”) for, among other things, the resolution of the outstanding Claims against, and Equity Interests in, the Debtor. Unless otherwise noted, capitalized terms used in this Plan have the meanings set forth in Article I of this Plan. The Debtor is the proponent of this Plan within the meaning of section 1129 of the Bankruptcy Code.

Reference is made to the Disclosure Statement (as such term is defined herein and distributed contemporaneously herewith) for a discussion of the Debtor's history, business, results of operations, historical financial information, projections and assets, and for a summary and analysis of this Plan and the treatment provided for herein. There also are other agreements and documents that may be Filed with the Bankruptcy Court that are referenced in this Plan or the Disclosure Statement as Exhibits and Plan Documents. All such Exhibits and Plan Documents are incorporated into and are a part of this Plan as if set forth in full herein. Subject to the other provisions of this Plan, and in accordance with the requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, the Debtor reserves the right to alter, amend, modify, revoke, or withdraw this Plan prior to the Effective Date.

If this Plan cannot be confirmed, for any reason, then subject to the terms set forth herein, this Plan may be revoked.

ARTICLE I. **RULES OF INTERPRETATION, COMPUTATION OF TIME,** **GOVERNING LAW AND DEFINED TERMS**

A. Rules of Interpretation, Computation of Time and Governing Law

For purposes hereof: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter gender; (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document, as previously amended, modified or supplemented, if applicable, shall be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document or exhibit having been Filed or to be Filed shall mean that document or exhibit, as it may thereafter be amended, modified or supplemented in accordance with its terms; (d) unless otherwise specified, all references herein to “Articles,” “Sections,” “Exhibits” and “Plan Documents” are references to Articles, Sections, Exhibits and Plan Documents hereof or hereto; (e) unless otherwise stated, the words “herein,” “hereof,” “hereunder” and “hereto” refer to this Plan in its entirety rather than to a particular portion of this Plan; (f) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (g) any reference to an Entity as a Holder of a Claim or Equity Interest includes such Entity's successors and assigns;

(h) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (i) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; and (j) “\$” or “dollars” means Dollars in lawful currency of the United States of America. The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein.

B. Defined Terms

Unless the context otherwise requires, the following terms shall have the following meanings when used in capitalized form herein:

1. “*Acis*” means collectively Acis Capital Management, L.P. and Acis Capital Management GP, LLP.

2. “*Administrative Expense Claim*” means any Claim for costs and expenses of administration of the Chapter 11 Case that is Allowed pursuant to sections 503(b), 507(a)(2), 507(b) or 1114(2) of the Bankruptcy Code, including, without limitation, (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estate and operating the business of the Debtor; and (b) all fees and charges assessed against the Estate pursuant to sections 1911 through 1930 of chapter 123 of title 28 of the United States Code, and that have not already been paid by the Debtor during the Chapter 11 Case and a Professional Fee Claim.

3. “*Administrative Expense Claims Bar Date*” means, with respect to any Administrative Expense Claim (other than a Professional Fee Claim) becoming due on or prior to the Effective Date, on [REDACTED] at 5:00 p.m. (prevailing Central Time).

4. “*Administrative Expense Claims Objection Deadline*” means, with respect to any Administrative Expense Claim, the later of (a) ninety (90) days after the Effective Date and (b) sixty (60) days after the timely Filing of the applicable request for payment of such Administrative Expense Claim; *provided, however*, that the Administrative Expense Claims Objection Deadline may be extended by the Bankruptcy Court upon a motion by the Claimant Trustee.

5. “*Affiliate*” means an “affiliate” as defined in section 101(2) of the Bankruptcy Code and also includes any other Entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such affiliate. For the purposes of this definition, the term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

6. “*Allowed*” means, with respect to any Claim, except as otherwise provided in the Plan: (a) any Claim that is evidenced by a Proof of Claim that has been timely Filed by the Bar Date, or that is not required to be evidenced by a Filed Proof of Claim under the Bankruptcy Code or a Final Order; (b) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed and for which no Proof of Claim has been timely filed; (c) a

Claim Allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; or (d) a Claim that is not Disputed (including for which a Proof of Claim has been timely filed in a liquidated and noncontingent amount that has not been objected to by the Claims Objection Deadline or as to which any such objection has been overruled by Final Order); *provided, however*, that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that, with respect to such Claim, no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim shall have been Allowed by a Final Order.

7. “*Allowed Claim or Equity Interest*” means a Claim or an Equity Interest of the type that has been Allowed.

8. “*Assets*” means all of the rights, titles, and interest of the Debtor, Reorganized Debtor, or Claimant Trust, in and to property of whatever type or nature, including, without limitation, real, personal, mixed, intellectual, tangible, and intangible property, the Debtor’s books and records, and the Causes of Action.

9. “*Available Cash*” means any Cash in excess of the amount needed for the Claimant Trust and Reorganized Debtor to maintain business operations as determined in the sole discretion of the Claimant Trustee.

10. “*Avoidance Actions*” means any and all avoidance, recovery, subordination or other actions or remedies that may be brought by and on behalf of the Debtor or its Estate under the Bankruptcy Code or applicable nonbankruptcy law, including, without limitation, actions or remedies arising under sections 502, 510, 544, 545, and 547-553 of the Bankruptcy Code or under similar state or federal statutes and common law, including fraudulent transfer laws

11. “*Ballot*” means the form(s) distributed to holders of Impaired Claims or Equity Interests entitled to vote on the Plan on which to indicate their acceptance or rejection of the Plan.

12. “*Bankruptcy Code*” means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended from time to time and as applicable to the Chapter 11 Case.

13. “*Bankruptcy Court*” means the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, or any other court having jurisdiction over the Chapter 11 Case.

14. “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, in each case as amended from time to time and as applicable to the Chapter 11 Case.

15. “*Bar Date*” means the applicable deadlines set by the Bankruptcy Court for the filing of Proofs of Claim against the Debtor as set forth in the Bar Date Order, which deadlines may be or have been extended for certain Claimants by order of the Bankruptcy Court.

16. “*Bar Date Order*” means the *Order (I) Establishing Bar Dates for Filing Proofs of Claim and (II) Approving the Form and Manner of Notice Thereof* [D.I. 488].

17. “*Business Day*” means any day, other than a Saturday, Sunday or “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

18. “*Cash*” means the legal tender of the United States of America or the equivalent thereof.

19. “*Causes of Action*” means any action, claim, cross-claim, third-party claim, cause of action, controversy, demand, right, Lien, indemnity, contribution, guaranty, suit, obligation, liability, debt, damage, judgment, account, defense, remedy, offset, power, privilege, license and franchise of any kind or character whatsoever, in each case whether known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, secured or unsecured, assertable directly or derivatively (including, without limitation, under alter ego theories), whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity or pursuant to any other theory of law. For the avoidance of doubt, Cause of Action includes, without limitation,: (a) any right of setoff, counterclaim or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity; (b) the right to object to Claims or Equity Interests; (c) any claim pursuant to section 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; (e) any claims under any state or foreign law, including, without limitation, any fraudulent transfer or similar claims; (f) the Avoidance Actions, and (g) the Estate Claims. The Causes of Action include, without limitation, the Causes of Action belonging to the Debtor’s Estate listed on the schedule of Causes of Action to be filed with the Plan Supplement.

20. “*CEO/CRO*” means James P. Seery, Jr., the Debtor’s chief executive officer and chief restructuring officer.

21. “*Chapter 11 Case*” means the Debtor’s case under chapter 11 of the Bankruptcy Code commenced on the Petition Date in the Delaware Bankruptcy Court and transferred to the Bankruptcy Court on December 4, 2019, and styled *In re Highland Capital Management, L.P.*, Case No. 19-34054-sgj-11.

22. “*Claim*” means any “claim” against the Debtor as defined in section 101(5) of the Bankruptcy Code.

23. “*Claims Objection Deadline*” means the date that is 180 days after the Confirmation Date; *provided, however*, the Claims Objection Deadline may be extended by the Bankruptcy Court upon a motion by the Claimant Trustee.

24. “*Claimant Trust*” means the trust established for the benefit of the Claimant Trust Beneficiaries on the Effective Date in accordance with the terms of this Plan and the Claimant Trust Agreement.

25. “*Claimant Trust Agreement*” means the agreement Filed in the Plan Supplement establishing and delineating the terms and conditions of the Claimant Trust.

26. “*Claimant Trust Assets*” means (i) all Assets of the Estate other than the Reorganized Debtor Assets, including, but not limited to, the Causes of Action, Available Cash, any proceeds realized or received from such Assets, all rights of setoff, recoupment, and other defenses with respect, relating to, or arising from such Assets, (ii) any Assets received from the Reorganized Debtor on or after the Effective Date, (iii) the limited partnership interests in the Reorganized Debtor, and (iv) the ownership interests in New GP LLC.

27. “*Claimant Trust Beneficiaries*” means the Holders of Allowed General Unsecured Claims, Holders of Allowed Subordinated Claims, and, only upon certification by the Claimant Trustee that the Holders of such Claims have been paid indefeasibly in full plus, to the extent applicable, post-petition interest at the federal judgment rate in accordance with the terms and conditions set forth in the Claimant Trust Agreement, Holders of Allowed Class B/C Limited Partnership Interests, and Holders of Allowed Class A Limited Partnership Interests.

28. “*Claimant Trustee*” means James P. Seery, Jr., the Debtor’s chief executive officer and chief restructuring officer, or such other Person identified in the Plan Supplement who will act as the trustee of the Claimant Trust in accordance with the Plan, the Confirmation Order, and Claimant Trust Agreement or any replacement trustee pursuant to (and in accordance with) the Claimant Trust Agreement. The Claimant Trustee shall be responsible for, among other things, monetizing the Estate’s investment assets, resolving Claims, and, as the sole officer of New GP LLC, winding down the Reorganized Debtor’s business operations.

29. “*Claimant Trust Expenses*” means all reasonable legal and other reasonable professional fees, costs, and expenses incurred by the Trustees on account of administration of the Claimant Trust, including any reasonable administrative fees and expenses, reasonable attorneys’ fees and expenses, reasonable insurance costs, taxes, reasonable escrow expenses, and other expenses.

30. “*Claimant Trust Interests*” means the non-transferable interests in the Claimant Trust that are issued to the Claimant Trust Beneficiaries pursuant to this Plan; *provided, however*, Holders of Class A Limited Partnership Interests, Class B Limited Partnership Interests, and Class C Limited Partnership Interests will not be deemed to hold Claimant Trust Interests unless and until the Contingent Claimant Trust Interests distributed to such Holders vest in accordance with the terms of this Plan and the Claimant Trust Agreement.

31. “*Claimant Trust Oversight Committee*” means the committee of five Persons established pursuant to ARTICLE IV of this Plan to oversee the Claimant Trustee’s performance of its duties and otherwise serve the functions described in this Plan and the Claimant Trust Agreement.

32. “*Class*” means a category of Holders of Claims or Equity Interests as set forth in ARTICLE III hereof pursuant to section 1122(a) of the Bankruptcy Code.

33. “*Class A Limited Partnership Interest*” means the Class A Limited Partnership Interests as defined in the Limited Partnership Agreement held by The Dugaboy Investment

Trust, Mark and Pamela Okada Family Trust – Exempt Trust 2, Mark and Pamela Okada – Exempt Descendants’ Trust, and Mark Kiyoshi Okada, and the General Partner Interest.

34. “*Class B Limited Partnership Interest*” means the Class B Limited Partnership Interests as defined in the Limited Partnership Agreement held by Hunter Mountain Investment Trust.

35. “*Class B/C Limited Partnership Interests*” means, collectively, the Class B Limited Partnership and Class C Limited Partnership Interests.

36. “*Class C Limited Partnership Interest*” means the Class C Limited Partnership Interests as defined in the Limited Partnership Agreement held by Hunter Mountain Investment Trust.

37. “*Committee*” means the Official Committee of Unsecured Creditors appointed by the U.S. Trustee pursuant to 11 U.S.C. § 1102(a)(1) on October 29, 2019 [D.I. 65], consisting of (i) Redeemer Committee of Highland Crusader Fund, (ii) Meta-e Discovery, (iii) UBS, and (iv) Acis.

38. “*Confirmation Date*” means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

39. “*Confirmation Hearing*” means the hearing held by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of this Plan, as such hearing may be adjourned or continued from time to time.

40. “*Confirmation Order*” means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

41. “*Convenience Claim*” means any prepetition unsecured Claim against the Debtor other than an Unpaid Employee Claim that is less than or equal to \$2,500,000 or any General Unsecured Claim that is voluntarily reduced to an Allowed amount less than or equal to \$2,500,000.

42. “*Convenience Claim Pool*” means the \$15,000,000 in Cash that shall be available upon the Effective Date for distribution to Holders of Convenience Claims under the Plan as set forth herein. If the total amount of Allowed Convenience Claims is less than \$15,000,000, any Cash remaining in the Convenience Claim Pool after all distributions to Allowed Holders of Convenience Claims have been made will be transferred to the Claimant Trust and administered as a Claimant Trust Asset.

43. “*Contingent Claimant Trust Interests*” means the contingent Claimant Trust Interests to be distributed to Holders of Class A Limited Partnership Interests, Holders of Class B Limited Partnership Interests, and Holders of Class C Limited Partnership Interests in accordance with this Plan, the rights of which shall not vest, and consequently convert to Claimant Trust Interests, unless and until the Claimant Trustee Files a certification that all holders of Allowed General Unsecured Claims have been paid indefeasibly in full, including, to the extent applicable, all accrued and unpaid post-petition interest at the federal judgment rate.

As set forth in the Claimant Trust Agreement, the Contingent Claimant Trust Interests distributed to the Holders of Class A Limited Partnership Interests will be subordinated to the Contingent Claimant Trust Interests distributed to the Holders of Class B/C Limited Partnership Interests.

44. “*Debtor*” means Highland Capital Management, L.P. in its capacity as debtor and debtor in possession in the Chapter 11 Case.

45. “*Delaware Bankruptcy Court*” means the United States Bankruptcy Court for the District of Delaware.

46. “*Disclosure Statement*” means that certain *Disclosure Statement for Debtor’s Chapter 11 Plan of Reorganization*, as amended, supplemented, or modified from time to time, which describes this Plan, including all exhibits and schedules thereto and references therein that relate to this Plan.

47. “*Disputed*” means with respect to any Claim or Equity Interest, any Claim or Equity Interest that is not yet Allowed.

48. “*Distribution Agent*” means the Claimant Trustee, or any party designated by the Claimant Trustee to serve as distribution agent under this Plan.

49. “*Distribution Record Date*” means the date for determining which Holders of Claims and Equity Interests are eligible to receive distributions hereunder, which date shall be the Effective Date or such later date determined by the Bankruptcy Court.

50. “*Effective Date*” means the Business Day that this Plan becomes effective as provided in ARTICLE VIII hereof.

51. “*Entity*” means any “entity” as defined in section 101(15) of the Bankruptcy Code and also includes any Person or any other entity.

52. “*Equity Interest*” means any Equity Security in the Debtor, including, without limitation, all issued, unissued, authorized or outstanding partnership interests, shares, of stock or limited company interests, the Class A Limited Partnership Interests, the Class B Limited Partnership Interests, and the Class C Limited Partnership Interests.

53. “*Equity Security*” means an “equity security” as defined in section 101(16) of the Bankruptcy Code.

54. “*Estate*” means the bankruptcy estate of the Debtor created by virtue of section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Case.

55. “*Estate Claims*” has the meaning given to it in Exhibit A to the *Notice of Final Term Sheet* [D.I. 354].

56. “*Exculpated Parties*” means, collectively, (i) the Debtor, (ii) the Independent Directors, (iii) the Committee, (iv) the members of the Committee (in their official capacities), (v) the Professionals retained by the Debtor in the Chapter 11 Case, (vi) Strand (solely from the

date of appointment of the Independent Directors), (vii) the CEO/CRO; and (viii) the Related Persons of each of the parties listed in (i) through (vii); *provided, however*, that neither James Dondero nor Mark Okada is included in the term “Exculpated Party.”

57. “*Executory Contract*” means a contract to which the Debtor is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

58. “*Exhibit*” means an exhibit annexed hereto or to the Disclosure Statement (as such exhibits are amended, modified or otherwise supplemented from time to time), which are incorporated by reference herein.

59. “*File*” or “*Filed*” or “*Filing*” means file, filed or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Case.

60. “*Final Order*” means an order or judgment of the Bankruptcy Court, which is in full force and effect, and as to which the time to appeal, petition for *certiorari*, or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for *certiorari*, or other proceedings for a new trial, reargument or rehearing shall then be pending or as to which any right to appeal, petition for *certiorari*, new trial, reargument, or rehearing shall have been waived in writing in form and substance satisfactory to the Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable, or, in the event that an appeal, writ of *certiorari*, new trial, reargument, or rehearing thereof has been sought, such order of the Bankruptcy Court shall have been determined by the highest court to which such order was appealed, or *certiorari*, new trial, reargument or rehearing shall have been denied and the time to take any further appeal, petition for *certiorari*, or move for a new trial, reargument or rehearing shall have expired; *provided, however*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be Filed with respect to such order shall not preclude such order from being a Final Order.

61. “*Frontier Secured Claim*” means the loan from Frontier State Bank to the Debtor in the principal amount of \$7,879,688.00 made pursuant to that certain First Amended and Restated Loan Agreement, dated March 29, 2018.

62. “*General Partner Interest*” means the Class A Limited Partnership Interest held by Strand, as the Debtor’s general partner.

63. “*General Unsecured Claim*” means (1) any prepetition Claim against the Debtor that is not Secured and is not a/an: (a) Administrative Expense Claim; (b) Professional Fee Claim; (c) Priority Tax Claim; (d) Priority Non-Tax Claim; (e) Convenience Claim; (f) Unpaid Employee Claim; or (g) Subordinated Claim and (2) any Convenience Claim or Unpaid Employee Claim that makes the GUC Election.

64. “*Governmental Unit*” means a “governmental unit” as defined in section 101(27) of the Bankruptcy Code.

65. “*GUC Election*” means the option provided to each Holder of a Convenience Claim or Unpaid Employee Claim on their Ballot to elect to be treated as a General Unsecured Claim for all purposes under this Plan, including for purposes of voting on this Plan.

66. “*Holder*” means an Entity holding a Claim against, or Equity Interest in, the Debtor.

67. “*Impaired*” means, when used in reference to a Claim or Equity Interest, a Claim or Equity Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

68. “*Independent Directors*” means John S. Dubel, James P. Seery, Jr., and Russell Nelms, the independent directors of Strand appointed on January 9, 2020, and any additional or replacement directors of Strand appointed after January 9, 2020.

69. “*Initial Distribution Date*” means, subject to the “Treatment” sections in ARTICLE III hereof, the date that is on or as soon as reasonably practicable after the Effective Date, when distributions under this Plan shall commence to Holders of Allowed Claims and Equity Interests.

70. “*Insurance Policies*” means all insurance policies maintained by the Debtor as of the Petition Date.

71. “*Jefferies Secured Claim*” means any Claim in favor of Jefferies, LLC, arising under that certain Prime Brokerage Customer Agreement, dated May 24, 2013, between the Debtor and Jefferies, LLC, that is secured by the assets, if any, maintained in the prime brokerage account created by such Prime Brokerage Customer Agreement.

72. “*Lien*” means a “lien” as defined in section 101(37) of the Bankruptcy Code and, with respect to any asset, includes, without limitation, any mortgage, lien, pledge, charge, security interest or other encumbrance of any kind, or any other type of preferential arrangement that has the practical effect of creating a security interest, in respect of such asset.

73. “*Limited Partnership Agreement*” means that certain Fourth Amended and Restated Agreement of Limited Partnership of Highland Capital Management, L.P., dated December 24, 2015, as amended.

74. “*Litigation Sub-Trust*” means a sub-trust that may be established within the Claimant Trust or a wholly –owned subsidiary of the Claimant Trust in each case in accordance with the terms and conditions set forth in the Claimant Trust Agreement. The Litigation Sub-Trust, if created, shall hold the Claimant Trust Assets that are Causes of Action.

75. “*Litigation Trustee*” means the trustee appointed by the Committee who shall be responsible for investigating, litigating, and settling the Estate Claims for the benefit of the Claimant Trust in accordance with the terms and conditions set forth in the Claimant Trust Agreement. For avoidance of doubt, the Claimant Trustee may also serve as the Litigation Trustee.

76. “*Managed Funds*” means Highland Multi-Strategy Credit Fund, L.P., Highland Restoration Capital Partners, L.P., and any other investment vehicle managed by the Debtor pursuant to an Executory Contract assumed pursuant to this Plan.

77. “*New GP LLC*” means a limited liability company incorporated in the State of Delaware pursuant to the New GP LLC Documents to serve as the general partner of the Reorganized Debtor on the Effective Date.

78. “*New GP LLC Documents*” means the charter, operating agreement, and other formational documents of New GP LLC.

79. “*Ordinary Course Professionals Order*” means that certain *Order Pursuant to Sections 105(a), 327, 328, and 330 of the Bankruptcy Code Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtor in the Ordinary Course* [D.I. 176].

80. “*Outside Closing Date*” means [REDACTED] at 12:00 noon (prevailing Central time).

81. “*Person*” means a “person” as defined in section 101(41) of the Bankruptcy Code and also includes any natural person, individual, corporation, company, general or limited partnership, limited liability company, unincorporated organization firm, trust, estate, business trust, association, joint stock company, joint venture, government, governmental agency, Governmental Unit or any subdivision thereof, the United States Trustee, or any other entity, whether acting in an individual, fiduciary or other capacity.

82. “*Petition Date*” means October 16, 2019.

83. “*Plan*” means this *Debtor’s First Amended Chapter 11 Plan of Reorganization*, including the Exhibits and the Plan Documents and all supplements, appendices, and schedules thereto, either in its present form or as the same may be altered, amended, modified or otherwise supplemented from time to time.

84. “*Plan Distribution*” means the payment or distribution of consideration to Holders of Allowed Claims and Allowed Equity Interests under this Plan.

85. “*Plan Documents*” means any of the documents, other than this Plan, but including, without limitation, the documents to be filed with the Plan Supplement, to be executed, delivered, assumed, or performed in connection with the occurrence of the Effective Date, and as may be modified consistent with the terms hereof with the consent of the Committee.

86. “*Plan Supplement*” means the ancillary documents necessary for the implementation and effectuation of the Plan, including, without limitation, (i) the form of Claimant Trust Agreement, (ii) the forms of New GP LLC Documents, (iii) the form of Reorganized Limited Partnership Agreement, (iv) the Sub-Servicer Agreement (if applicable), (v) the identity of the initial members of the Claimant Trust Oversight Committee, (vi) the schedule of Causes of Action; and (vii) the schedule of Executory Contracts and Unexpired Leases to be assumed pursuant to this Plan, which, in each case, will be in form and substance reasonably acceptable to the Debtor and the Committee.

87. “*Priority Non-Tax Claim*” means a Claim entitled to priority pursuant to section 507(a) of the Bankruptcy Code other than a Priority Tax Claim or an Administrative Claim.

88. “*Pro Rata*” means the proportion that (a) the Allowed amount of a Claim or Equity Interest in a particular Class bears to (b) the aggregate Allowed amount of all Claims or Equity Interests in such Class.

89. “*Professional*” means (a) any Entity employed in the Chapter 11 Case pursuant to section 327, 328 363 or 1103 of the Bankruptcy Code or otherwise and (b) any Entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Case pursuant to sections 327, 328, 330, 331, 363, 503(b), 503(b)(4) and 1103 of the Bankruptcy Code.

90. “*Professional Fee Claim*” means a Claim under sections 328, 330(a), 331, 363, 503 or 1103 of the Bankruptcy Code, with respect to a particular Professional, for compensation for services rendered or reimbursement of costs, expenses or other charges incurred after the Petition Date and prior to and including the Effective Date.

91. “*Professional Fee Claims Bar Date*” means with respect to Professional Fee Claims, the Business Day which is sixty (60) days after the Effective Date or such other date as approved by order of the Bankruptcy Court.

92. “*Professional Fee Claims Objection Deadline*” means, with respect to any Professional Fee Claim, thirty (30) days after the timely Filing of the applicable request for payment of such Professional Fee Claim.

93. “*Proof of Claim*” means a written proof of Claim or Equity Interest Filed against the Debtor in the Chapter 11 Case.

94. “*Priority Tax Claim*” means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

95. “*Protected Parties*” means, collectively, (i) the Debtor, (ii) Strand (solely from the date of the appointment of the Independent Directors), (iii) the Reorganized Debtor, (iv) the Independent Directors, (v) the Committee, (vi) the members of the Committee (in their official capacities), (vii) the Claimant Trust, (viii) the Claimant Trustee, (ix) the Litigation Trustee, (x) the members of the Claimant Trust Oversight Committee (in their official capacities), (xi) New GP LLC, (xii) the Professionals retained by the Debtor in the Chapter 11 Case, (xiii) the CEO/CRO; and (xiv) the Related Persons of each of the parties listed in (i) through (xii); *provided, however*, that neither James Dondero nor Mark Okada is included in the term “Protected Party.”

96. “*Reinstated*” means, with respect to any Claim or Equity Interest, (a) leaving unaltered the legal, equitable, and contractual rights to which a Claim entitles the Holder of such Claim or Equity Interest in accordance with section 1124 of the Bankruptcy Code or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim or Equity Interest to demand or receive accelerated payment of such Claim or Equity

Interest after the occurrence of a default: (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) of the Bankruptcy Code expressly does not require to be cured; (ii) reinstating the maturity of such Claim or Equity Interest as such maturity existed before such default; (iii) compensating the Holder of such Claim or Equity Interest for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law; (iv) if such Claim or Equity Interest arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a non-residential real property lease subject to section 365(b)(1)(A) of the Bankruptcy Code, compensating the Holder of such Claim or Equity Interest (other than any Debtor or an insider of any Debtor) for any actual pecuniary loss incurred by such Holder as a result of such failure; and (v) not otherwise altering the legal, equitable, or contractual rights to which such Claim entitles the Holder of such Claim.

97. “*Rejection Claim*” means any Claim for monetary damages as a result of the rejection of an executory contract or unexpired lease pursuant to the Confirmation Order.

98. “*Related Entity*” means, without duplication, (a) James Dondero, (b) Mark Okada, (c) Grant Scott, (d) Hunter Covitz, (e) any entity or person that was an insider of the Debtor on the Petition Date under Section 101(31) of the Bankruptcy Code, including any non-statutory insider, (f) any entity that, after the Effective Date, is controlled directly or indirectly by James Dondero, including, without limitation, The Dugaboy Investment Trust, (g) the Hunter Mountain Investment Trust and any of its direct or indirect parents, and (h) the Charitable Donor Advised Fund, L.P., and any of its direct or indirect subsidiaries.

99. “*Related Persons*” means, with respect to any Person, such Person’s predecessors, successors, assigns (whether by operation of law or otherwise), and each of their respective present and former officers, directors, employees, managers, managing members, members, financial advisors, attorneys, accountants, investment bankers, consultants, professionals, advisors, shareholders, principals, partners, employees, subsidiaries, divisions, management companies, and other representatives, in each case solely in their capacity as such .

100. “*Released Parties*” means, collectively, (i) the Reorganized Debtor, (ii) the Claimant Trust, (iii) the Litigation Trust, (iv) the Independent Directors, (v) Strand (solely from the date of appointment of the Independent Directors), (vi) the Committee, (vii) the officers, directors, employees, and agents of the Debtor and Strand in each case (a) as are employed as of the Effective Date or (b) as are employed as of the date hereof and subsequently transferred by the Debtor or terminated by the Debtor without cause prior to the Effective Date, (viii) the CEO/CRO; and (ix) the Related Persons of each of the parties listed in (i) through (vi); *provided, however*, that neither James Dondero nor Mark Okada is included in the term “Released Party.”

101. “*Reorganized Debtor*” means the Debtor, as reorganized pursuant to this Plan on and after the Effective Date.

102. “*Reorganized Debtor Assets*” means, without limitation, any limited and general partnership interests held by the Debtor, and any other Assets, including Causes of

Action (including, without limitation, claims for breach of fiduciary duty), that have not been, or cannot be, for any reason, transferred to the Claimant Trust.

103. “*Reorganized Limited Partnership Agreement*” means that certain Fifth Amended and Restated Agreement of Limited Partnership of Highland Capital Management, L.P., by and among the Claimant Trust, as limited partner, and New GP LLC, as general partner, Filed with the Plan Supplement.

104. “*Restructuring*” means the restructuring of the Debtor, the principal terms of which are set forth in this Plan and the Disclosure Statement.

105. “*Retained Employee Claim*” means any Claim filed by a current employee of the Debtor who will be employed by the Reorganized Debtor upon the Effective Date.

106. “*Schedules*” means the schedules of Assets and liabilities, statements of financial affairs, lists of Holders of Claims and Equity Interests and all amendments or supplements thereto Filed by the Debtor with the Bankruptcy Court [D.I. 247].

107. “*Secured*” means, when referring to a Claim: (a) secured by a Lien on property in which the Debtor’s Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor’s interest in the interest of the Debtor’s Estate in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code or (b) Allowed pursuant to the Plan as a Secured Claim.

108. “*Security*” or “*security*” means any security as such term is defined in section 101(49) of the Bankruptcy Code.

109. “*Stamp or Similar Tax*” means any stamp tax, recording tax, personal property tax, conveyance fee, intangibles or similar tax, real estate transfer tax, sales tax, use tax, transaction privilege tax (including, without limitation, such taxes on prime contracting and owner-builder sales), privilege taxes (including, without limitation, privilege taxes on construction contracting with regard to speculative builders and owner builders), and other similar taxes imposed or assessed by any Governmental Unit.

110. “*Statutory Fees*” means fees payable pursuant to 28 U.S.C. § 1930.

111. “*Strand*” means Strand Advisors, Inc., the Debtor’s general partner.

112. “*Sub-Servicer*” means a third-party selected by the Claimant Trustee to service or sub-service the Reorganized Debtor Assets.

113. “*Sub-Servicer Agreement*” means the agreement that may be entered into providing for the servicing of the Reorganized Debtor Assets by the Sub-Servicer.

114. “*Subordinated Claim*” means any Claim that is subordinated to the Convenience Claims, Unpaid Employee Claims, and General Unsecured Claims pursuant to 11 U.S.C. § 510 or Final Order of the Bankruptcy Court.

115. “*Subordinated Claimant Trust Interests*” means the Claimant Trust Interests to be distributed to Holders of Allowed Subordinated Claims under the Plan, which such interests shall be subordinated in right and priority to the Claimant Trust Interests distributed to Holders of Allowed General Unsecured Claims as provided in the Claimant Trust Agreement.

116. “*Trust Distribution*” means the transfer of Cash or other property by the Claimant Trustee to the Claimant Trust Beneficiaries.

117. “*Trustees*” means, collectively, the Claimant Trustee and Litigation Trustee.

118. “*UBS*” means, collectively, UBS Securities LLC and UBS AG London Branch.

119. “*Unexpired Lease*” means a lease to which the Debtor is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

120. “*Unimpaired*” means, with respect to a Class of Claims or Equity Interests that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

121. “*Unpaid Employee Claim*” means any Claim filed by Scott Ellington, Thomas Surgent, Frank Waterhouse, Hunter Covitz, Jean Paul Sevilla, or Isaac Leventon; *provided, however*, that if any such Claim or portion of such Claim is entitled to priority pursuant to section 507(a) of the Bankruptcy Code, such Claim or portion of such Claim will be a Priority Non-Tax Claim.

122. “*Unpaid Employee Claim Pool*” means the \$3,000,000 in Cash that shall be available upon the Effective Date for distribution to Holders of Unpaid Employee Claims under the Plan as set forth herein. If the total amount of Allowed Unpaid Employee Claims is less than \$3,000,000, any Cash remaining in the Unpaid Employee Claim Pool after all distributions to Allowed Holders of Unpaid Employee Claims have been made will be transferred to the Claimant Trust and administered as a Claimant Trust Asset.

123. “*Voting Deadline*” means the date and time by which all Ballots to accept or reject the Plan must be received in order to be counted under the under the Order of the Bankruptcy Court approving the Disclosure Statement as containing adequate information pursuant to section 1125(a) of the Bankruptcy Code and authorizing the Debtor to solicit acceptances of the Plan.

124. “*Voting Record Date*” means [REDACTED].

ARTICLE II.
ADMINISTRATIVE EXPENSES AND PRIORITY TAX CLAIMS

A. Administrative Expense Claims

On the later of the Effective Date or the date on which an Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or, in each such case, as soon as practicable thereafter, each Holder of an Allowed Administrative Expense Claim (other than Professional Fee Claims) will receive, in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Administrative Expense Claim either (i) payment in full in Available Cash for the unpaid portion of such Allowed Administrative Expense Claim; or (ii) such other less favorable treatment as agreed to in writing by the Debtor or the Reorganized Debtor, as applicable, and such Holder; *provided, however*, that Administrative Expense Claims incurred by the Debtor in the ordinary course of business may be paid in the ordinary course of business in the discretion of the Debtor in accordance with such applicable terms and conditions relating thereto without further notice to or order of the Bankruptcy Court. All statutory fees payable under 28 U.S.C. § 1930(a) shall be paid as such fees become due.

If an Administrative Expense Claim (other than a Professional Fee Claim) is not paid by the Debtor in the ordinary course, the Holder of such Administrative Expense Claim must File, on or before the applicable Administrative Expense Claims Bar Date, and serve on the Debtor or Reorganized Debtor, as applicable, and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Bankruptcy Court, an application for allowance and payment of such Administrative Expense Claim.

Objections to any Administrative Expense Claim (other than a Professional Fee Claim) must be Filed and served on the Debtor or the Reorganized Debtor, as applicable, and the party asserting such Administrative Expense Claim by the Administrative Expense Claims Objection Deadline.

B. Professional Fee Claims

Professionals or other Entities asserting a Professional Fee Claim for services rendered through the Effective Date must submit fee applications under sections 327, 328, 329, 330, 331, 503(b) or 1103 of the Bankruptcy Code and, upon entry of an order of the Bankruptcy Court granting such fee applications, such Professional Fee Claim shall promptly be paid in Cash in full to the extent provided in such order.

Professionals or other Entities asserting a Professional Fee Claim for services rendered on or prior to the Effective Date must File, on or before the Professional Fee Claims Bar Date, and serve on the Debtor or Reorganized Debtor, as applicable, and such other Entities who are designated as requiring such notice by the Bankruptcy Rules, the Confirmation Order or other order of the Bankruptcy Court, an application for final allowance of such Professional Fee Claim.

Objections to any Professional Fee Claim must be Filed and served on the Debtor or Reorganized Debtor, as applicable, and the party asserting the Professional Fee Claim by the Professional Fee Claim Objection Deadline. Each Holder of an Allowed Professional Fee Claim

will be paid by the Debtor or the Claimant Trust, as applicable, in Cash within ten (10) Business Days of entry of the order approving such Allowed Professional Fee Claim.

C. Priority Tax Claims

On or as soon as reasonably practicable after the later of (i) the Initial Distribution Date if such Priority Tax Claim is an Allowed Priority Tax Claim as of the Effective Date or (ii) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Priority Tax Claim, at the election of the Debtor: (a) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, or (b) such other less favorable treatment as agreed to in writing by the Debtor and such Holder. Payment of statutory fees due pursuant to 28 U.S.C. § 1930(a)(6) will be made at all appropriate times until the entry of a final decree; *provided, however*, that the Debtor may prepay any or all such Claims at any time, without premium or penalty.

**ARTICLE III.
CLASSIFICATION AND TREATMENT OF
CLASSIFIED CLAIMS AND EQUITY INTERESTS**

A. Summary

All Claims and Equity Interests, except Administrative Expense Claims and Priority Tax Claims, are classified in the Classes set forth below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims, and Priority Tax Claims have not been classified.

The categories of Claims and Equity Interests listed below classify Claims and Equity Interests for all purposes including, without limitation, confirmation and distribution pursuant to the Plan and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. The Plan deems a Claim or Equity Interest to be classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and will be deemed classified in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that any such Claim or Equity Interest is Allowed in that Class and has not been paid, released or otherwise settled (in each case, by the Debtor or any other Entity) prior to the Effective Date.

B. Summary of Classification and Treatment of Classified Claims and Equity Interests

Class	Claim	Status	Voting Rights
1	Jefferies Secured Claim	Unimpaired	Deemed to Accept
2	Frontier Secured Claim	Unimpaired	Deemed to Accept
3	Priority Non-Tax Claim	Unimpaired	Deemed to Accept
4	Retained Employee Claim	Unimpaired	Deemed to Accept
5	Convenience Claims	Impaired	Entitled to Vote
6	Unpaid Employee Claims	Impaired	Entitled to Vote
7	General Unsecured Claims	Impaired	Entitled to Vote
8	Subordinated Claims	Impaired	Entitled to Vote
9	Class B/C Limited Partnership Interests	Impaired	Entitled to Vote
10	Class A Limited Partnership Interests	Impaired	Entitled to Vote

C. Elimination of Vacant Classes

Any Class that, as of the commencement of the Confirmation Hearing, does not have at least one Holder of a Claim or Equity Interest that is Allowed in an amount greater than zero for voting purposes shall be considered vacant, deemed eliminated from the Plan for purposes of voting to accept or reject the Plan, and disregarded for purposes of determining whether the Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to such Class.

D. Impaired/Voting Classes

Claims and Equity Interests in Class 5 through Class 10 are Impaired by the Plan, and only the Holders of Claims or Equity Interests in those Classes are entitled to vote to accept or reject the Plan.

E. Unimpaired/Non-Voting Classes

Claims in Class 1 through Class 4 are Unimpaired by the Plan, and such Holders are deemed to have accepted the Plan and are therefore not entitled to vote on the Plan.

F. Impaired/Non-Voting Classes

There are no Classes under the Plan that will not receive or retain any property and no Classes are deemed to reject the Plan.

G. Cramdown

If any Class of Claims or Equity Interests is deemed to reject this Plan or does not vote to accept this Plan, the Debtor may (i) seek confirmation of this Plan under section 1129(b) of the Bankruptcy Code or (ii) amend or modify this Plan in accordance with the terms hereof and the Bankruptcy Code. If a controversy arises as to whether any Claims or Equity Interests, or any

class of Claims or Equity Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

H. Classification and Treatment of Claims and Equity Interests

1. Class 1 – Jefferies Secured Claim

- *Classification:* Class 1 consists of the Jefferies Secured Claim.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 1 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 1 Claim, at the election of the Debtor: (A) Cash equal to the amount of such Allowed Class 1 Claim; (B) such other less favorable treatment as to which the Debtor and the Holder of such Allowed Class 1 Claim will have agreed upon in writing; or (C) such other treatment rendering such Claim Unimpaired. Each Holder of an Allowed Class 1 Claim will retain the Liens securing its Allowed Class 1 Claim as of the Effective Date until full and final payment of such Allowed Class 1 Claim is made as provided herein.
- *Impairment and Voting:* Class 1 is Unimpaired, and the Holders of Class 1 Claims are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 1 Claims are not entitled to vote to accept or reject this Plan and will not be solicited.

2. Class 2 – Frontier Secured Claim

- *Classification:* Class 2 consists of the Frontier Secured Claim.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 2 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 2 Claim, at the election of the Debtor: (A) Cash equal to the amount of such Allowed Class 2 Claim; (B) such other less favorable treatment as to which the Debtor and the Holder of such Allowed Class 2 Claim will have agreed upon in writing; or (C) such other treatment rendering such Claim Unimpaired. Except with respect to Claims that are treated in accordance with the preceding clause (C), each Holder of an Allowed Class 2 Claim will retain the Liens securing its Allowed Class 2 Claim as of the Effective Date until full and final payment of such Allowed Class 2 Claim is made as provided herein.
- *Impairment and Voting:* Class 2 is Unimpaired, and the Holders of Class 2 Claims are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the

Holders of Class 2 Claims are not entitled to vote to accept or reject this Plan and will not be solicited.

3. Class 3 – Priority Non-Tax Claims

- *Classification:* Class 3 consists of the Priority Non-Tax Claims.
- *Allowance and Treatment:* On or as soon as reasonably practicable after the later (i) the Initial Distribution Date if such Class 3 Claim is Allowed on the Effective Date or (ii) the date on which such Class 3 Claim becomes an Allowed Class 3 Claim, each Holder of an Allowed Class 3 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, its Allowed Class 3 Claim Cash equal to the amount of such Allowed Class 3 Claim.
- *Impairment and Voting:* Class 3 is Unimpaired, and the Holders of Class 3 Claims are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 3 Claims are not entitled to vote to accept or reject this Plan and will not be solicited.

4. Class 4 – Retained Employee Claims

- *Classification:* Class 4 consists of the Retained Employee Claims.
- *Allowance and Treatment:* On or as soon as reasonably practicable after the Effective Date, each Allowed Class 4 Claim will be Reinstated.
- *Impairment and Voting:* Class 4 is Unimpaired, and the Holders of Class 4 Claims are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 4 Claims are not entitled to vote to accept or reject this Plan and will not be solicited.

5. Class 5 – Convenience Claims

- *Classification:* Class 5 consists of the Convenience Claims.
- *Allowance and Treatment:* On or as soon as reasonably practicable after the later (i) the Initial Distribution Date if such Class 5 Claim is Allowed on the Effective Date or (ii) the date on which such Class 5 Claim becomes an Allowed Class 5 Claim, each Holder of an Allowed Class 5 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, its Allowed Class 5 Claim (1) the treatment provided to Allowed Holders of Class 7 General Unsecured Claims if the Holder of such Class 5 Claim makes the GUC Election or (2) an amount in Cash equal to either (a) 75% of the Allowed amount of such Holder's Class 5

Claim or (b) if the total amount of Allowed Class 5 Claims exceeds \$15,000,000, such Holder's Pro Rata share of the Convenience Claims Cash Pool.

- *Impairment and Voting:* Class 5 is Impaired, and the Holders of Class 5 Claims are entitled to vote to accept or reject this Plan.

6. *Class 6 – Unpaid Employee Claims*

- *Classification:* Class 6 consists of the Unpaid Employee Claims.
- *Allowance and Treatment:* On or as soon as reasonably practicable after the later (i) the Initial Distribution Date if such Class 6 Claim is Allowed on the Effective Date or (ii) the date on which such Class 6 Claim becomes an Allowed Class 6 Claim, each Holder of an Allowed Class 6 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, its Allowed Class 6 Claim (1) the treatment provided to Allowed Holders of Class 7 General Unsecured Claims if the Holder of such Class 6 Claim makes the GUC Election or (2) an amount in Cash equal to either (a) 75% of the Allowed amount of such Holder's Class 6 Claim or (b) if the total amount of Allowed Class 6 Claims exceeds \$3,000,000, such Holder's Pro Rata share of the Unpaid Employee Claims Cash Pool.
- *Impairment and Voting:* Class 6 is Impaired, and the Holders of Class 6 Claims are entitled to vote to accept or reject this Plan.

7. *Class 7 – General Unsecured Claims*

- *Classification:* Class 7 consists of the General Unsecured Claims.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 7 Claim, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim shall receive (i) its Pro Rata share of the Claimant Trust Interests or (ii) such other less favorable treatment as to which such Holder and the Claimant Trustee shall have agreed upon in writing.

Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of this Plan, the Debtor, the Reorganized Debtor, and the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any General Unsecured Claim, except with respect to any General Unsecured Claim Allowed by Final Order of the Bankruptcy Court.

- *Impairment and Voting:* Class 7 is Impaired, and the Holders of Class 7 Claims are entitled to vote to accept or reject this Plan.

8. *Class 8 – Subordinated Claims*

- *Classification:* Class 8 consists of the Subordinated Claims.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 8 Claim, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim shall receive (i) its Pro Rata share of the Subordinated Claimant Trust Interests or (ii) such other less favorable treatment as to which such Holder and the Claimant Trustee shall have agreed upon in writing.

Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of this Plan, the Debtor, the Reorganized Debtor, and the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any Subordinated Claim, except with respect to any Subordinated Claim Allowed by Final Order of the Bankruptcy Court.

- *Impairment and Voting:* Class 8 is Impaired, and the Holders of Class 8 Claims are entitled to vote to accept or reject this Plan.

9. *Class 9 – Class B/C Limited Partnership Interests*

- *Classification:* Class 9 consists of the Class B/C Limited Partnership Interests.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 9 Claim, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim shall receive (i) its Pro Rata share of the Contingent Claimant Trust Interests or (ii) such other less favorable treatment as to which such Holder and the Claimant Trustee shall have agreed upon in writing.

Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of this Plan, the Debtor, the Reorganized Debtor, and the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any Class B/C Limited Partnership Interest Claim, except with respect to any Class B/C Limited Partnership Interest Claim Allowed by Final Order of the Bankruptcy Court.

- *Impairment and Voting:* Class 9 is Impaired, and the Holders of Class 9 Claims are entitled to vote to accept or reject this Plan.

10. *Class 10 – Class A Limited Partnership Interests*

- *Classification:* Class 10 consists of the Class A Limited Partnership Interests.
- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 10 Claim, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim shall receive (i) its Pro Rata share of the Contingent Claimant Trust Interests or (ii) such other less favorable treatment as to which such Holder and the Claimant Trustee shall have agreed upon in writing.

Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of this Plan, the Debtor, the Reorganized Debtor, and the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any Class A Limited Partnership Interest, except with respect to any Class A Limited Partnership Interest Allowed by Final Order of the Bankruptcy Court.

- *Impairment and Voting:* Class 10 is Impaired, and the Holders of Class 10 Claims are entitled to vote to accept or reject this Plan.

I. Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan will affect the Debtor's rights in respect of any Unimpaired Claims, including, without limitation, all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claims.

J. Subordinated Claims

The allowance, classification, and treatment of all Claims under the Plan shall take into account and conform to the contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Under section 510 of the Bankruptcy Code, upon written notice, the Debtor the Reorganized Debtor, and the Claimant Trustee reserve the right to re-classify, or to seek to subordinate, any Claim in accordance with any contractual, legal, or equitable subordination relating thereto, and the treatment afforded any Claim under the Plan that becomes a subordinated Claim at any time shall be modified to reflect such subordination.

ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THIS PLAN

A. Summary

As discussed in the Disclosure Statement, the Plan will be implemented through (i) the Claimant Trust and (ii) the Reorganized Debtor.

On the Effective Date, all Class A Limited Partnership Interests, including the Class A Limited Partnership Interests held by Strand, as general partner, and Class B/C Limited Partnerships in the Debtor will be cancelled, and new Class A Limited Partnership Interests in the Reorganized Debtor will be issued to the Claimant Trust and New GP LLC – a newly-chartered limited liability company wholly-owned by the Claimant Trust. The Claimant Trust, as limited partner, will ratify New GP LLC’s appointment as general partner of the Reorganized Debtor, and on and following the Effective Date, the Claimant Trust will be the Reorganized Debtor’s limited partner and New GP LLC will be its general partner. The Claimant Trust, as limited partner, and New GP LLC, as general partner, will execute the Reorganized Limited Partnership Agreement, which will amend and restate, in all respects, the Debtor’s current Limited Partnership Agreement. Following the Effective Date, the Reorganized Debtor will be managed consistent with the terms of the Reorganized Limited Partnership Agreement by New GP LLC. The sole managing member of New GP LLC will be the Claimant Trust, and the Claimant Trustee will be the sole officer of New GP LLC on the Effective Date.

Following the Effective Date, the Claimant Trust will administer the Claimant Trust Assets pursuant to this Plan and the Claimant Trust Agreement. The Reorganized Debtor will administer the Reorganized Debtor Assets and, if needed, with the utilization of a Sub-Servicer, which administration will include, among other things, managing the wind down of the Managed Funds.

The Reorganized Debtor will distribute all proceeds from the wind down to the Claimant Trust, as its limited partner, and New GP LLC, as its general partner, in each case in accordance with the Reorganized Limited Partnership Agreement. Such proceeds, along with the proceeds of the Claimant Trust Assets, will ultimately be distributed to the Claimant Trust Beneficiaries as set forth in this Plan and the Claimant Trust Agreement.

B. The Claimant Trust

1. Creation and Governance of the Claimant Trust and Litigation Sub-Trust.

On or prior to the Effective Date, the Debtor and the Claimant Trustee shall execute the Claimant Trust Agreement and shall take all steps necessary to establish the Claimant Trust and, if applicable, the Litigation Sub-Trust in accordance with the Plan and the beneficial interests therein, which shall be for the benefit of the Claimant Trust Beneficiaries. Additionally, on or prior to the Effective Date the Debtor shall irrevocably transfer and shall be deemed to have irrevocably transferred to the Claimant Trust all of its rights, title, and interest in and to all of the Claimant Trust Assets, and in accordance with section 1141 of the Bankruptcy Code, the Claimant Trust Assets shall automatically vest in the Claimant Trust free and clear of all Claims, Liens, encumbrances, or interests subject only to the Claimant Trust Interests and the Claimant

Trust Expenses, as provided for in the Claimant Trust Agreement, and such transfer shall be exempt from any stamp, real estate transfer, mortgage from any stamp, transfer, reporting, sales, use, or other similar tax.

The Claimant Trustee shall be the exclusive trustee of the Claimant Trust Assets, excluding the Estate Claims if the Litigation Sub-Trust is established, for purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3), as well as the representative of the Estate appointed pursuant to section 1123(b)(3)(B) of the Bankruptcy Code with respect to the Claimant Trust Assets. The Claimant Trust shall also be responsible for resolving all Disputed or disallowed Claims. The Claimant Trust shall be governed by the Claimant Trust Agreement and administered by the Claimant Trustee. The powers, rights, and responsibilities of the Claimant Trustee shall be specified in the Claimant Trust Agreement and shall include the authority and responsibility to, among other things, take the actions set forth in ARTICLE IV, subject to any required reporting to the Claimant Trust Oversight Committee as may be set forth in the Claimant Trust Agreement. The Claimant Trust shall hold and distribute the Claimant Trust Assets in accordance with the provisions of the Plan and the Claimant Trust Agreement. Other rights and duties of the Claimant Trustee and the Claimant Trust Beneficiaries shall be as set forth in the Claimant Trust Agreement. After the Effective Date, neither the Debtor nor the Reorganized Debtor shall have any interest in the Claimant Trust Assets.

If applicable, on or after the Effective Date, the Claimant Trustee and Litigation Trustee may enter into a separate agreement that shall delineate the powers, rights, and responsibilities of the Litigation Trustee and administration and governance of the Litigation Sub-Trust in a manner consistent with the Claimant Trust Agreement.

2. Claimant Trust Oversight Committee

The Claimant Trust, the Claimant Trustee, the management and monetization of the Claimant Trust Assets, and the management of the Reorganized Debtor (through the Claimant Trust's role as managing member of New GP LLC) will be overseen by the Claimant Trust Oversight Committee, subject to the terms of the Claimant Trust Agreement.

The Claimant Trust Oversight Committee will initially consist of five members. Four of the five members will be representatives of the members of the Committee: (i) the Redeemer Committee of Highland Crusader Fund, (ii) UBS, (iii) Acis, and (iv) Meta-e Discovery. The fifth member will be an independent, natural Person chosen by the Committee and reasonably acceptable to the Debtor. The members of the Claimant Trust Oversight Committee may be replaced as set forth in the Claimant Trust Agreement. The identity of the members of the Claimant Trust Oversight Committee will be disclosed in the Plan Supplement.

As set forth in the Claimant Trust Agreement, in no event will any member of the Claimant Trust Oversight Committee with a Claim against the Estate be entitled to vote, opine, or otherwise be involved in any matters related to such member's Claim.

The members of the Claimant Trust Oversight Committee may be entitled to compensation for their services as set forth in the Claimant Trust Agreement. Any member of

the Claimant Trust Oversight Committee may be removed, and successor chosen, in the manner set forth in the Claimant Trust Agreement.

3. Purpose of the Claimant Trust.

The Claimant Trust shall be established for the purpose of (i) managing and monetizing the Claimant Trust Assets, subject to the terms of the Claimant Trust Agreement and the oversight of the Claimant Trust Oversight Committee, (ii) serving as the limited partner of, and holding the limited partnership interests in, the Reorganized Debtor, (iii) serving as the sole member and manager of New GP LLC, the Reorganized Debtor's general partner, (iv) in its capacity as the sole member and manager of New GP LLC, overseeing the management and monetization of the Reorganized Debtor Assets pursuant to the terms of the Reorganized Limited Partnership Agreement; and (v) administering the Disputed Claims Reserve and serving as Distribution Agent.

In its management of the Claimant Trust Assets, the Claimant Trust will also reconcile and object to the General Unsecured Claims, Subordinated Claims, Class B/C Limited Partnership Interests, and Class A Limited Partnership Interests, as provided for in the Plan, and make Trust Distributions to the Claimant Trust Beneficiaries in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

The purpose of the Reorganized Debtor is discussed at greater length in ARTICLE IV.C.

4. Claimant Trustee and Claimant Trust Agreement.

The Claimant Trust Agreement generally will provide for, among other things:

- (i) the payment of the Claimant Trust Expenses;
- (ii) the payment of other reasonable expenses of the Claimant Trust;
- (iii) the retention of employees, counsel, accountants, financial advisors, or other professionals and the payment of their reasonable compensation;
- (iv) the investment of Cash by the Claimant Trustee within certain limitations, including those specified in the Plan;
- (v) the orderly monetization of the Claimant Trust Assets;
- (vi) litigation of any Causes of Action, which may include the prosecution, settlement, abandonment, or dismissal of any such Causes of Action, subject to reporting and oversight by the Claimant Trust Oversight Committee;
- (vii) the resolution of Disputed or disallowed Claims and the allowance, prosecution, and resolution of objections to Claims and Equity Interests, subject to reporting and oversight by the Claimant Trust Oversight Committee;

(viii) the administration of the Disputed Claims Reserve and distributions to be made therefrom; and

(ix) the management of the Reorganized Debtor, including the utilization of a Sub-Servicer, with the Claimant Trust serving as the managing member of New GP LLC.

Except as otherwise ordered by the Bankruptcy Court, the Claimant Trust Expenses shall be paid from the Claimant Trust Assets in accordance with the Plan and Claimant Trust Agreement. The Claimant Trustee may establish a reserve for the payment of Claimant Trust Expenses and shall periodically replenish such reserve, as necessary.

The Trustees, on behalf of the Claimant Trust, may each employ, without further order of the Bankruptcy Court, employees and other professionals (including those previously retained by the Debtor and the Committee) to assist in carrying out the Trustees' duties hereunder and may compensate and reimburse the reasonable expenses of these professionals without further Order of the Bankruptcy Court from the Claimant Trust Assets in accordance with the Plan and the Claimant Trust Agreement.

The Claimant Trust Agreement may include reasonable and customary provisions that allow for indemnification by the Claimant Trust in favor of the Claimant Trustee, Litigation Trustee, and the Claimant Trust Oversight Committee. Any such indemnification shall be the sole responsibility of the Claimant Trust and payable solely from the Claimant Trust Assets.

In furtherance of, and consistent with the purpose of, the Claimant Trust and the Plan, the Trustees, for the benefit of the Claimant Trust, shall, subject to reporting and oversight by the Claimant Trust Oversight Committee as set forth in the Claimant Trust Agreement: (i) hold the Claimant Trust Assets for the benefit of the Claimant Trust Beneficiaries, (ii) make Distributions to the Claimant Trust Beneficiaries as provided herein and in the Claimant Trust Agreement, and (iii) have the sole power and authority to prosecute and resolve any Causes of Action and objections to Claims and Equity Interests, without approval of the Bankruptcy Court. Except as otherwise provided in the Claimant Trust Agreement, the Claimant Trustee shall be responsible for all decisions and duties with respect to the Claimant Trust and the Claimant Trust Assets; *provided, however*, that if a Litigation Sub-Trust is created upon or after the Effective Date, the prosecution and resolution of any Estate Claims included in the Claimant Trust Assets shall be the responsibility of the Litigation Trustee. In all circumstances, the Trustees shall act in the best interests of the Claimant Trust Beneficiaries and with the same fiduciary duties as a chapter 7 trustee.

5. *Compensation and Duties of Trustees.*

The salient terms of each Trustee's employment, including such Trustee's duties and compensation shall be set forth in the Claimant Trust Agreement. The Trustees shall each be entitled to reasonable compensation in an amount consistent with that of similar functionaries in similar types of bankruptcy cases.

6. Cooperation of Debtor and Reorganized Debtor.

To effectively investigate, prosecute, compromise and/or settle the Claims and/or Causes of Action that constitute Claimant Trust Assets on behalf of the Claimant Trust, the Claimant Trustee, Litigation Trustee, and each of their counsel may require reasonable access to the Debtor's and Reorganized Debtor's documents, information, and work product relating to the Claimant Trust Assets. Accordingly, the Claimant Trustee and Litigation Trustee shall have reasonable access to copies of the Debtor's and Reorganized Debtor's records and information relating to the Claimant Trust Assets, including electronic records, documents or work product related to the Claims and/or Causes of Action that constitute Claimant Trust Assets.

The Debtor and Reorganized Debtor shall preserve all records, documents or work product (including all electronic records, documents, or work product) related to the Claims and/or Causes of Action that constitute Claimant Trust Assets until the earlier of (a) the dissolution of the Reorganized Debtor or (b) termination of the Claimant Trust.

7. United States Federal Income Tax Treatment of the Claimant Trust.

Unless the IRS requires otherwise, for all United States federal income tax purposes, the parties shall treat the transfer of the Claimant Trust Assets to the Claimant Trust as: (a) a transfer of the Claimant Trust Assets (other than the amounts set aside in the Disputed Claim Reserve, if the Claimant Trustee makes the election described in Section 7 below) directly to the applicable Claimant Trust Beneficiaries followed by (b) the transfer by the such Claimant Trust Beneficiaries to the Claimant Trust of such Claimant Trust Assets in exchange for the Claimant Trust Interests. Accordingly, the applicable Claimant Trust Beneficiaries shall be treated for United States federal income tax purposes as the grantors and owners of their respective share of the Claimant Trust Assets. The foregoing treatment shall also apply, to the extent permitted by applicable law, for state and local income tax purposes.

8. Tax Reporting.

(a) The Claimant Trustee shall file tax returns for the Claimant Trust treating the Claimant Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a). The Claimant Trustee may file an election pursuant to Treasury Regulation 1.468B-9(c) to treat the Disputed Claims Reserve as a disputed ownership fund, in which case the Claimant Trustee will file federal income tax returns and pay taxes for the Disputed Claim Reserve as a separate taxable entity.

(b) The Claimant Trustee shall be responsible for payment, out of the Claimant Trust Assets, of any taxes imposed on the Claimant Trust or its assets.

(c) The Claimant Trustee shall determine the fair market value of the Claimant Trust Assets as of the Effective Date and notify the applicable Claimant Trust Beneficiaries of such valuation, and such valuation shall be used consistently for all federal income tax purposes.

(d) The Claimant Trustee shall distribute such tax information to the applicable Claimant Trust Beneficiaries as the Claimant Trustee determines is required by applicable law.

9. Claimant Trust Assets.

The Claimant Trustee shall have the exclusive right, on behalf of the Claimant Trust, to institute, file, prosecute, enforce, abandon, settle, compromise, release, or withdraw any and all Causes of Action included in the Claimant Trust Assets (except for the Estate Claims) without any further order of the Bankruptcy Court, and the Claimant Trustee shall have the exclusive right, on behalf of the Claimant Trust, to sell, liquidate, or otherwise monetize all Claimant Trust Assets, except as otherwise provided in this Plan or in the Claimant Trust Agreement, without any further order of the Bankruptcy Court. Notwithstanding anything herein to the contrary, the Litigation Trustee shall have the exclusive right to institute, file, prosecute, enforce, abandon, settle, compromise, release, or withdraw any and all Estate Claims included in the Claimant Trust Assets without any further order of the Bankruptcy Court.

From and after the Effective Date, the Trustees, in accordance with section 1123(b)(3) and (4) of the Bankruptcy Code, and on behalf of the Claimant Trust, shall each serve as a representative of the Estate with respect to any and all Claimant Trust Assets, including the Causes of Action and Estate Claims, as appropriate, and shall retain and possess the right to (a) commence, pursue, settle, compromise, or abandon, as appropriate, any and all Causes of Action in any court or other tribunal and (b) sell, liquidate, or otherwise monetize all Claimant Trust Assets.

10. Claimant Trust Expenses.

From and after the Effective Date, the Claimant Trust shall, in the ordinary course of business and without the necessity of any approval by the Bankruptcy Court, pay the reasonable professional fees and expenses incurred by the Claimant Trust and any professionals retained by the Claimant Trust from the Claimant Trust Assets, except as otherwise provided in the Claimant Trust Agreement.

11. Trust Distributions to Claimant Trust Beneficiaries.

The Claimant Trustee, in its discretion, may make Trust Distributions to the Claimant Trust Beneficiaries at any time and/or use the Claimant Trust Assets or proceeds thereof, *provided* that such Trust Distributions or use is otherwise permitted under the terms of the Plan, the Claimant Trust Agreement, and applicable law.

12. Cash Investments.

With the consent of the Claimant Trust Oversight Committee, the Claimant Trustee may invest Cash (including any earnings thereon or proceeds therefrom) in a manner consistent with the terms of the Claimant Trust Agreement; *provided, however*, that such investments are investments permitted to be made by a “liquidating trust” within the meaning of Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable IRS guidelines, rulings or other controlling authorities.

13. Dissolution of the Claimant Trust.

The Trustees and the Claimant Trust shall be discharged or dissolved, as the case may be, at such time as: (a) the Litigation Trustee determines that the pursuit of additional Causes of Action is not likely to yield sufficient additional proceeds to justify further pursuit of such Causes of Action, (b) the Claimant Trustee determines that the pursuit of sales of other Claimant Trust Assets is not likely to yield sufficient additional proceeds to justify further pursuit of such sales of Claimant Trust Assets, (c) all objections to Disputed Claims and Equity Interests are fully resolved, (d) the Reorganized Debtor is dissolved, and (e) all Distributions required to be made by the Claimant Trustee to the Claimant Trust Beneficiaries under the Plan have been made, but in no event shall the Claimant Trust be dissolved later than three years from the Effective Date unless the Bankruptcy Court, upon motion made within the six-month period before such third anniversary (and, in the event of further extension, by order of the Bankruptcy Court, upon motion made at least six months before the end of the preceding extension), determines that a fixed period extension (not to exceed two years, together with any prior extensions, without a favorable letter ruling from the Internal Revenue Service or an opinion of counsel that any further extension would not adversely affect the status of the Claimant Trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery on, and liquidation of, the Claimant Trust Assets.

Upon dissolution of the Claimant Trust, and pursuant to the Claimant Trust Agreement, any remaining Claimant Trust Assets that exceed the amounts required to be paid under the Plan will be transferred (in the sole discretion of the Claimant Trustee) in Cash or in-kind to the Holders of the Claimant Trust Interests as provided in the Claimant Trust Agreement.

C. The Reorganized Debtor

1. Corporate Existence

The Debtor will continue to exist after the Effective Date, with all of the powers of partnerships pursuant to the law of the State of Delaware and as set forth in the Reorganized Limited Partnership Agreement.

2. Cancellation of Equity Interests and Release

On the Effective Date, (i) all prepetition Equity Interests, including the Class A Limited Partnership Interests and the Class B/C Limited Partnership Interests, in the Debtor shall be canceled, and (ii) all obligations or debts owed by, or Claims against, the Debtor on account of, or based upon, the Interests shall be deemed as cancelled, released, and discharged, including all obligations or duties by the Debtor relating to the Equity Interests in any of the Debtor's formation documents, including the Limited Partnership Agreement.

3. Issuance of New Partnership Interests

On the Effective Date, the Debtor or the Reorganized Debtor, as applicable, will issue new Class A Limited Partnership Interests to (i) the Claimant Trust, as limited partner, and (ii) New GP LLC, as general partner, and will admit (a) the Claimant Trust as the limited partner of the Reorganized Debtor, and (b) New GP LLC as the general partner of the Reorganized Debtor.

The Claimant Trust, as limited partner, will ratify New GP LLC's appointment as general partner of the Reorganized Debtor. Also, on the Effective Date, the Claimant Trust, as limited partner, and New GP LLC, as general partner, will execute the Reorganized Limited Partnership Agreement and receive partnership interests in the Reorganized Debtor consistent with the terms of the Reorganized Limited Partnership Agreement.

4. Management of the Reorganized Debtor

Subject to and consistent with the terms of the Reorganized Limited Partnership Agreement, the Reorganized Debtor shall be managed by its general partner, New GP LLC. The initial officers and employees of the Reorganized Debtor shall be selected by the Debtor. The Reorganized Debtor may, in its discretion, also utilize a Sub-Servicer in addition to or in lieu of the retention of officers and employees.

As set forth in the Reorganized Limited Partnership Agreement, New GP LLC will receive a fee for managing the Reorganized Debtor. Although New GP LLC will be a limited liability company, it will elect to be treated as a C-Corporation for tax purposes. Therefore, New GP LLC (and any taxable income attributable to it) will be subject to corporate income taxation on a standalone basis, which may reduce the return to Claimants.

5. Vesting of Assets in the Reorganized Debtor

Except as otherwise provided in this Plan or the Confirmation Order, on or after the Effective Date, all Reorganized Debtor Assets will vest in the Reorganized Debtor, free and clear of all Liens, Claims, charges or other encumbrances pursuant to section 1141(c) of the Bankruptcy Code except with respect to such Liens, Claims, charges and other encumbrances that are specifically preserved under this Plan upon the Effective Date.

The Reorganized Debtor shall be the exclusive trustee of the Reorganized Debtor Assets for purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3), as well as the representative of the Estate appointed pursuant to section 1123(b)(3)(B) of the Bankruptcy Code with respect to the Reorganized Debtor Assets.

Except as may be otherwise provided in this Plan or the Confirmation Order, the Reorganized Debtor will continue to manage the Reorganized Debtor Assets (which shall include, for the avoidance of doubt, serving as the investment manager of the Managed Funds) and may use, acquire or dispose of the Reorganized Debtor Assets and compromise or settle any Claims with respect to the Reorganized Debtor Assets without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

Without limiting the foregoing, the Reorganized Debtor will pay the charges that it incurs after the Effective Date for Professionals' fees, disbursements, expenses or related support services (including reasonable fees relating to the preparation of Professional fee applications) in the ordinary course of business and without application or notice to, or order of, the Bankruptcy Court.

6. *Distribution of Proceeds from the Reorganized Debtor Assets; Transfer of Reorganized Debtor Assets*

Any proceeds received by the Reorganized Debtor will be distributed to the Claimant Trust, as limited partner, and New GP LLC, as general partner, in the manner set forth in the Reorganized Limited Partnership Agreement. As set forth in the Reorganized Limited Partnership Agreement, the Reorganized Debtor may, from time to time distribute Reorganized Debtor Assets to the Claimant Trust either in Cash or in-kind, including to institute the wind-down and dissolution of the Reorganized Debtor. Any assets distributed to the Claimant Trust will be (i) deemed transferred in all respects as forth in ARTICLE IV.B.1, (ii) deemed Claimant Trust Assets, and (iii) administered as Claimant Trust Assets.

D. Company Action

Each of the Debtor, the Reorganized Debtor, and the Trustees, as applicable, may take any and all actions to execute, deliver, File or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of this Plan, the Claimant Trust Agreement, the Reorganized Limited Partnership Agreement, or the New GP LLC Documents, as applicable, in the name of and on behalf of the Debtor, the Reorganized Debtor, or the Trustees, as applicable, and in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by the security holders, officers, or directors of the Debtor or the Reorganized Debtor, as applicable, or by any other Person.

Prior to, on or after the Effective Date (as appropriate), all matters provided for pursuant to this Plan that would otherwise require approval of the stockholders, partners, directors, managers, or members of the Debtor, any Related Entity, or any Affiliate thereof (as of prior to the Effective Date) will be deemed to have been so approved and will be in effect prior to, on or after the Effective Date (as appropriate) pursuant to applicable law and without any requirement of further action by the stockholders, partners, directors, managers or members of such Persons, or the need for any approvals, authorizations, actions or consents of any Person.

All matters provided for in this Plan involving the legal or corporate structure of the Debtor, the Reorganized Debtor, or the Claimant Trust, as applicable, and any legal or corporate action required by the Debtor, the Reorganized Debtor, or the Claimant Trust, as applicable, in connection with this Plan, will be deemed to have occurred and will be in full force and effect in all respects, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by the security holders, partners, directors, managers, or members of the Debtor, the Reorganized Debtor, or the Claimant Trust, as applicable, or by any other Person. On the Effective Date, the appropriate officers of the Debtor and the Reorganized Debtor, as applicable, as well as the Trustees, are authorized to issue, execute, deliver, and consummate the transactions contemplated by, the contracts, agreements, documents, guarantees, pledges, consents, securities, certificates, resolutions and instruments contemplated by or described in this Plan in the name of and on behalf of the Debtor and the Reorganized Debtor, as well as the Trustees, in each case without further notice to or order of the Bankruptcy Court, act or action

under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by any Person. The appropriate officer of the Debtor, the Reorganized Debtor, as well as the Trustees, will be authorized to certify or attest to any of the foregoing actions.

E. Release of Liens, Claims and Equity Interests

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, from and after the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all Liens, Claims, Equity Interests, mortgages, deeds of trust, or other security interests against the property of the Estate will be fully released, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Entity. Any Entity holding such Liens or Equity Interests extinguished pursuant to the prior sentence will, pursuant to section 1142 of the Bankruptcy Code, promptly execute and deliver to the Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable, such instruments of termination, release, satisfaction and/or assignment (in recordable form) as may be reasonably requested by the Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable. For the avoidance of doubt, this section is in addition to, and shall not be read to limit in any respects, ARTICLE IV.C.2.

F. Cancellation of Notes, Certificates and Instruments

Except for the purpose of evidencing a right to a distribution under this Plan and except as otherwise set forth in this Plan, on the Effective Date, all agreements, instruments, Securities and other documents evidencing any prepetition Claim or Equity Interest and any rights of any Holder in respect thereof shall be deemed cancelled, discharged, and of no force or effect. The holders of or parties to such cancelled instruments, Securities, and other documentation will have no rights arising from or related to such instruments, Securities, or other documentation or the cancellation thereof, except the rights provided for pursuant to this Plan, and the obligations of the Debtor thereunder or in any way related thereto will be fully released, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by any Person. For the avoidance of doubt, this section is in addition to, and shall not be read to limit in any respects, ARTICLE IV.C.2.

G. Cancellation of Existing Instruments Governing Security Interests

Upon payment or other satisfaction of an Allowed Class 1 or Allowed Class 2 Claim, or promptly thereafter, the Holder of such Allowed Class 1 or Allowed Class 2 Claim shall deliver to the Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable, any collateral or other property of the Debtor held by such Holder, together with any termination statements, instruments of satisfaction, or releases of all security interests with respect to its Allowed Class 1 or Allowed Class 2 Claim that may be reasonably required to terminate any related financing statements, mortgages, mechanics' or other statutory Liens, or *lis pendens*, or similar interests or documents.

H. Control Provisions

To the extent that there is any inconsistency between this Plan as it relates to the Claimant Trust, the Claimant Trust Agreement, the Reorganized Debtor, or the Reorganized Limited Partnership Agreement, this Plan shall control.

I. Treatment of Vacant Classes

Any Claim or Equity Interest in a Class considered vacant under ARTICLE III.C of this Plan shall receive no Plan Distributions.

J. Plan Documents

The documents, if any, to be Filed as part of the Plan Documents, including any documents filed with the Plan Supplement, and any amendments, restatements, supplements, or other modifications to such documents, and any consents, waivers, or other deviations under or from any such documents, shall be incorporated herein by this reference (including to the applicable definitions in ARTICLE I hereof) and fully enforceable as if stated in full herein.

The Debtor and the Committee are currently working to finalize the forms of certain of the Plan Documents to be filed with the Plan Supplement. To the extent that the Debtor and the Committee cannot agree as to the form and content of such Plan Documents, they intend to submit the issue to non-binding mediation pursuant to the *Order Directing Mediation* entered on August 3, 2020 [D.I. 912].

ARTICLE V.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption, Assignment, or Rejection of Executory Contracts and Unexpired Leases

Unless an Executory Contract or Unexpired Lease: (i) was previously assumed or rejected by the Debtor pursuant to a Final Order of the Bankruptcy Court entered prior to the Effective Date; (ii) previously expired or terminated pursuant to its own terms or by agreement of the parties thereto; (iii) is the subject of a motion to assume filed by the Debtor on or before the Confirmation Date; (iv) contains a change of control or similar provision that would be triggered by the Chapter 11 Case (unless such provision has been irrevocably waived); or (v) is specifically designated as a contract or lease to be assumed in the Plan Supplement, on the Effective Date, each Executory Contract and Unexpired Lease shall be deemed rejected pursuant to section 365 of the Bankruptcy Code, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, unless such Executory Contract or Unexpired Lease is listed in the Plan Supplement.

At any time on or prior to the Effective Date, the Debtor or the Reorganized Debtor, as applicable, may assign (subject to applicable law) any Executory Contract or Unexpired Lease, as determined by the Debtor in consultation with the Committee, or the Reorganized Debtor, as applicable.

The Confirmation Order will constitute an order of the Bankruptcy Court approving the above-described assumptions, rejections, and assumptions and assignments. Except as otherwise provided herein or agreed to by the Debtor and the applicable counterparty, each assumed Executory Contract or Unexpired Lease shall include all modifications, amendments, supplements, restatements, or other agreements related thereto, and all rights related thereto. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtor during the Chapter 11 Case shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease or the validity, priority, or amount of any Claims that may arise in connection therewith. To the extent applicable, no change of control (or similar provision) will be deemed to occur under any such Executory Contract or Unexpired Lease.

If certain, but not all, of a contract counterparty's Executory Contracts and/or Unexpired Leases are rejected pursuant to the Plan, the Confirmation Order shall be a determination that such counterparty's Executory Contracts and/or Unexpired Leases that are being assumed pursuant to the Plan are severable agreements that are not integrated with those Executory Contracts and/or Unexpired Leases that are being rejected pursuant to the Plan. Parties seeking to contest this finding with respect to their Executory Contracts and/or Unexpired Leases must file a timely objection to the Plan on the grounds that their agreements are integrated and not severable, and any such dispute shall be resolved by the Bankruptcy Court at the Confirmation Hearing (to the extent not resolved by the parties prior to the Confirmation Hearing).

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Any Executory Contract or Unexpired Lease not assumed or rejected on or before the Effective Date shall be deemed rejected, pursuant to the Confirmation Order. Any Person asserting a Rejection Claim shall File a proof of claim within thirty days of the Effective Date. Any Rejection Claims that are not timely Filed pursuant to this Plan shall be forever disallowed and barred. If one or more Rejection Claims are timely Filed, the Claimant Trustee may File an objection to any Rejection Claim.

Rejection Claims shall be classified as Convenience Claims or General Unsecured Claims, as applicable, and shall be treated in accordance with ARTICLE III of this Plan.

C. Cure of Defaults for Assumed or Assigned Executory Contracts and Unexpired Leases

Any monetary amounts by which any Executory Contract or Unexpired Lease to be assumed or assigned hereunder is in default shall be satisfied, under section 365(b)(1) of the Bankruptcy Code, by the Debtor upon assumption or assignment thereof, by payment of the default amount in Cash as and when due in the ordinary course or on such other terms as the parties to such Executory Contracts may otherwise agree. The Debtor may serve a notice on the Committee and parties to Executory Contracts or Unexpired Leases to be assumed or assigned reflecting the Debtor's or Reorganized Debtor's intention to assume or assign the Executory Contract or Unexpired Lease in connection with this Plan and setting forth the proposed cure amount (if any).

If a dispute regarding (1) the amount of any payments to cure a default, (2) the ability of the Debtor, the Reorganized Debtor, or any assignee to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed or assigned or (3) any other matter pertaining to assumption or assignment, the cure payments required by section 365(b)(1) of the Bankruptcy Code will be made following the entry of a Final Order or orders resolving the dispute and approving the assumption or assignment.

Assumption or assignment of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise and full payment of any applicable cure amounts pursuant to this ARTICLE V.C shall result in the full release and satisfaction of any cure amounts, Claims, or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed or assigned Executory Contract or Unexpired Lease at any time prior to the effective date of assumption or assignment. Any and all Proofs of Claim based upon Executory Contracts or Unexpired Leases that have been assumed or assigned in the Chapter 11 Case, including pursuant to the Confirmation Order, and for which any cure amounts have been fully paid pursuant to this ARTICLE V.C, shall be deemed disallowed and expunged as of the Effective Date without the need for any objection thereto or any further notice to or action, order, or approval of the Bankruptcy Court.

D. Assumption of Insurance Policies

Upon the Effective Date, the Reorganized Debtor will assume all of the Insurance Policies pursuant to section 365(a) of the Bankruptcy Code and all such Insurance Policies shall vest in the Reorganized Debtor. Unless previously effectuated by separate order entered by the Bankruptcy Court, entry of the Confirmation Order will constitute the Bankruptcy Court’s approval of the Debtor’s foregoing assumption of each of the Insurance Policies and all such Insurance Policies shall continue in full force and effect thereafter in accordance with their respective terms. Notwithstanding anything to the contrary contained in this Plan, confirmation of this Plan will not impair or otherwise modify any rights of the Debtor or the Reorganized Debtor under the Insurance Policies. To the extent that any Insurance Policy is not assumable, it will be Reinstated.

**ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS**

A. Dates of Distributions

Except as otherwise provided in this Plan, on the Effective Date or as soon as reasonably practicable thereafter (or if a Claim is not an Allowed Claim or Equity Interest on the Effective Date, on the date that such Claim or Equity Interest becomes an Allowed Claim or Equity Interest, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim or Equity Interest against the Debtor shall receive the full amount of the distributions that this Plan provides for Allowed Claims or Allowed Equity Interests in the applicable Class and in the manner provided herein. If any payment or act under this Plan is required to be made or performed on a date that is not on a Business Day, then the making of such payment or the

performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent there are Disputed Claims or Equity Interests, distributions on account of any such Disputed Claims or Equity Interests shall be made pursuant to the provisions provided in this Plan. Except as otherwise provided in this Plan, Holders of Claims and Equity Interests shall not be entitled to interest, dividends or accruals on the distributions provided for therein, regardless of whether distributions are delivered on or at any time after the Effective Date.

Upon the Effective Date, all Claims and Equity Interests against the Debtor shall be deemed fixed and adjusted pursuant to this Plan and none of the Debtor, the Reorganized Debtor, or the Claimant Trust will have liability on account of any Claims or Equity Interests except as set forth in this Plan and in the Confirmation Order. All payments and all distributions made by the Distribution Agent under this Plan shall be in full and final satisfaction, settlement and release of all Claims and Equity Interests against the Debtor and the Reorganized Debtor.

At the close of business on the Distribution Record Date, the transfer ledgers for the Claims against the Debtor and the Equity Interests in the Debtor shall be closed, and there shall be no further changes in the record holders of such Claims and Equity Interests. The Debtor, the Reorganized Debtor, the Trustees, and the Distribution Agent, and each of their respective agents, successors, and assigns shall have no obligation to recognize the transfer of any Claims against the Debtor or Equity Interests in the Debtor occurring after the Distribution Record Date and shall be entitled instead to recognize and deal for all purposes hereunder with only those record holders stated on the transfer ledgers as of the close of business on the Distribution Record Date irrespective of the number of distributions to be made under this Plan to such Persons or the date of such distributions.

B. Distribution Agent

Except as provided herein, all distributions under this Plan shall be made by the Claimant Trustee, as Distribution Agent, or by such other Entity designated by the Claimant Trustee, as a Distribution Agent on the Effective Date or thereafter. The Claimant Trustee, or such other Entity designated by the Claimant Trustee to be the Distribution Agent, shall not be required to give any bond or surety or other security for the performance of such Distribution Agent's duties unless otherwise ordered by the Bankruptcy Court.

The Distribution Agent shall be empowered to (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under this Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Distribution Agent by order of the Bankruptcy Court, pursuant to this Plan, or as deemed by the Distribution Agent to be necessary and proper to implement the provisions hereof.

The Distribution Agent shall not have any obligation to make a particular distribution to a specific Holder of an Allowed Claim if such Holder is also the Holder of a Disputed Claim.

C. Cash Distributions

Distributions of Cash may be made by wire transfer from a domestic bank, except that Cash payments made to foreign creditors may be made in such funds and by such means as the Distribution Agent determines are necessary or customary in a particular foreign jurisdiction.

D. Disputed Claims Reserve

As set forth in the Claimant Trust Agreement, the Claimant Trustee, as Distribution Agent, shall establish, fund, and maintain a reserve at the Claimant Trust. Any payments to be made under this Plan after the Effective Date shall be paid from the Disputed Claims Reserve as set forth in the Claimant Trust Agreement. Upon the resolution of all Disputed Claims, funds remaining in the Disputed Claims Reserve shall be allocated in the manner set forth in the Claimant Trust Agreement.

E. Rounding of Payments

Whenever this Plan would otherwise call for, with respect to a particular Person, payment of a fraction of a dollar, the actual payment or distribution shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down. To the extent that Cash to be distributed under this Plan remains undistributed as a result of the aforementioned rounding, such Cash or stock shall be treated as “Unclaimed Property” under this Plan.

F. De Minimis Distribution

Except as to any Allowed Claim that is Unimpaired under this Plan, none of the Debtor, the Reorganized Debtor, or the Distribution Agent shall have any obligation to make any Plan Distributions with a value of less than \$100, unless a written request therefor is received by the Distribution Agent from the relevant recipient at the addresses set forth in ARTICLE VI.I hereof within 120 days after the later of the (i) Effective Date and (ii) the date such Claim becomes an Allowed Claim. *De minimis* distributions for which no such request is timely received shall revert to the Claimant Trust. Upon such reversion, the relevant Allowed Claim (and any Claim on account of missed distributions) shall be automatically deemed satisfied, discharged and forever barred, notwithstanding any federal or state escheat laws to the contrary.

G. Distributions on Account of Allowed Claims

Except as otherwise agreed by the Holder of a particular Claim or as provided in this Plan, all distributions shall be made pursuant to the terms of this Plan and the Confirmation Order. Except as otherwise provided in this Plan, distributions to any Holder of an Allowed Claim shall, to the extent applicable, be allocated first to the principal amount of any such Allowed Claim, as determined for U.S. federal income tax purposes and then, to the extent the consideration exceeds such amount, to the remainder of such Claim comprising accrued but unpaid interest, if any (but solely to the extent that interest is an allowable portion of such Allowed Claim).

H. General Distribution Procedures

The Distribution Agent, shall make all distributions of Cash or other property required under this Plan, unless this Plan specifically provides otherwise. All Cash and other property held by the Debtor, the Reorganized Debtor, or the Claimant Trust, as applicable, for ultimate distribution under this Plan shall not be subject to any claim by any Person.

I. Address for Delivery of Distributions

Distributions to Holders of Allowed Claims, to the extent provided for under this Plan, shall be made (1) at the addresses set forth in any written notices of address change delivered to the Debtor and the Distribution Agent; (2) at the address set forth on any Proofs of Claim Filed by such Holders (to the extent such Proofs of Claim are Filed in the Chapter 11 Case), (2), or (3) at the addresses in the Debtor's books and records.

If there is any conflict or discrepancy between the addresses set forth in (1) through (3) in the foregoing sentence, then (i) the address in Section (2) shall control; (ii) if (2) does not apply, the address in (1) shall control, and (iii) if (1) does not apply, the address in (3) shall control.

J. Undeliverable Distributions and Unclaimed Property

If the distribution to the Holder of any Allowed Claim is returned to the Reorganized Debtor or the Claimant Trust as undeliverable, no further distribution shall be made to such Holder, and Distribution Agent shall not have any obligation to make any further distribution to the Holder, unless and until the Distribution Agent is notified in writing of such Holder's then current address.

Any Entity that fails to claim any Cash within six months from the date upon which a distribution is first made to such Entity shall forfeit all rights to any distribution under this Plan and such Cash shall thereafter be deemed an Claimant Trust Asset in all respects and for all purposes. Entities that fail to claim Cash shall forfeit their rights thereto and shall have no claim whatsoever against the Debtor's Estate, the Reorganized Debtor, the Claimant Trust, or against any Holder of an Allowed Claim to whom distributions are made by the Distribution Agent.

K. Withholding Taxes

In connection with this Plan, to the extent applicable, the Distribution Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions made pursuant to this Plan shall be subject to such withholding and reporting requirements. The Distribution Agent shall be entitled to deduct any U.S. federal, state or local withholding taxes from any Cash payments made with respect to Allowed Claims, as appropriate. As a condition to receiving any distribution under this Plan, the Distribution Agent may require that the Holder of an Allowed Claim entitled to receive a distribution pursuant to this Plan provide such Holder's taxpayer identification number and such other information and certification as may be deemed necessary for the Distribution Agent to comply with applicable tax reporting and withholding laws. If a Holder fails to comply with such a request within one year, such distribution shall be deemed an unclaimed distribution. Any amounts withheld

pursuant hereto shall be deemed to have been distributed to and received by the applicable recipient for all purposes of this Plan.

L. Setoffs

The Distribution Agent may, to the extent permitted under applicable law, set off against any Allowed Claim and any distributions to be made pursuant to this Plan on account of such Allowed Claim, the claims, rights and causes of action of any nature that the Debtor, the Reorganized Debtor, or the Distribution Agent may hold against the Holder of such Allowed Claim that are not otherwise waived, released or compromised in accordance with this Plan; *provided, however*, that neither such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor, the Reorganized Debtor, or the Claimant Trustee of any such claims, rights and causes of action that the Debtor, the Reorganized Debtor, or Claimant Trustee possesses against such Holder. Any Holder of an Allowed Claim subject to such setoff reserves the right to challenge any such setoff in the Bankruptcy Court or any other court with jurisdiction with respect to such challenge.

M. Surrender of Cancelled Instruments or Securities

As a condition precedent to receiving any distribution pursuant to this Plan on account of an Allowed Claim evidenced by negotiable instruments, securities, or notes canceled pursuant to ARTICLE IV of this Plan, the Holder of such Claim will tender the applicable negotiable instruments, securities, or notes evidencing such Claim (or a sworn affidavit identifying the negotiable instruments, securities, or notes formerly held by such Holder and certifying that they have been lost), to the Distribution Agent unless waived in writing by the Distribution Agent.

N. Lost, Stolen, Mutilated or Destroyed Securities

In addition to any requirements under any applicable agreement and applicable law, any Holder of a Claim or Equity Interest evidenced by a security or note that has been lost, stolen, mutilated, or destroyed will, in lieu of surrendering such security or note to the extent required by this Plan, deliver to the Distribution Agent: (i) evidence reasonably satisfactory to the Distribution Agent of such loss, theft, mutilation, or destruction; and (ii) such security or indemnity as may be required by the Distribution Agent to hold such party harmless from any damages, liabilities, or costs incurred in treating such individual as a Holder of an Allowed Claim or Equity Interest. Upon compliance with ARTICLE VI.N of this Plan as determined by the Distribution Agent, by a Holder of a Claim evidenced by a security or note, such Holder will, for all purposes under this Plan, be deemed to have surrendered such security or note to the Distribution Agent.

ARTICLE VII.
PROCEDURES FOR RESOLVING CONTINGENT,
UNLIQUIDATED AND DISPUTED CLAIMS

A. Filing of Proofs of Claim

Unless such Claim appeared in the Schedules and is not listed as disputed, contingent, or unliquidated, or such Claim has otherwise been Allowed or paid, each Holder of a Claim was required to file a Proof of Claim on or prior to the Bar Date.

B. Disputed Claims

Following the Effective Date, each of the Reorganized Debtor or the Claimant Trustee, as applicable, may File with the Bankruptcy Court an objection to the allowance of any Disputed Claim or Disputed Equity Interest or any other appropriate motion or adversary proceeding with respect thereto, which shall be litigated to Final Order or, at the discretion of the Reorganized Debtor or Claimant Trustee, as applicable, compromised, settled, withdrew or resolved without further order of the Bankruptcy Court, and (ii) unless otherwise provided in the Confirmation Order, the Reorganized Debtor or the Claimant Trust, as applicable, are authorized to settle, or withdraw any objections to, any Disputed Claim or Disputed Equity Interests following the Effective Date without further notice to creditors (other than the Entity holding such Disputed Claim or Disputed Equity Interest) or authorization of the Bankruptcy Court, in which event such Claim or Equity Interest shall be deemed to be an Allowed Claim or Equity Interest in the amount compromised for purposes of this Plan.

C. Procedures Regarding Disputed Claims or Disputed Equity Interests

No payment or other distribution or treatment shall be made on account of a Disputed Claim or Disputed Equity Interest, even if a portion of the Claim is not disputed, unless and until such Disputed Claim or Disputed Equity Interest becomes an Allowed Claim or Equity Interests and the amount of such Allowed Claim or Equity Interest, as applicable, is determined by order of the Bankruptcy Court or by stipulation between the Reorganized Debtor or Claimant Trust, as applicable, and the Holder of the Claim or Equity Interest.

D. Allowance of Claims and Equity Interests

Following the date on which a Disputed Claim or Disputed Equity Interest becomes an Allowed Claim or Equity Interest after the Distribution Date, the Distribution Agent shall make a distribution to the Holder of such Allowed Claim or Equity Interest in accordance with the Plan.

1. Allowance of Claims

After the Effective Date and subject to the other provisions of this Plan, the Reorganized Debtor or the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any Claim. Except as expressly provided in this Plan or in any order entered in the Chapter 11 Case prior to the Effective Date (including, without limitation, the Confirmation Order), no Claim or Equity Interest will become an Allowed Claim or Equity Interest unless and until such Claim or Equity

Interest is deemed Allowed under this Plan or the Bankruptcy Code or the Bankruptcy Court has entered an order, including, without limitation, the Confirmation Order, in the Chapter 11 Case allowing such Claim or Equity Interest.

2. Estimation

Subject to the other provisions of this Plan, the Debtor, prior to the Effective Date, and the Reorganized Debtor or the Claimant Trustee, as applicable, after the Effective Date, may, at any time, request that the Bankruptcy Court estimate (a) any Disputed Claim or Disputed Equity Interest pursuant to applicable law and (b) any contingent or unliquidated Claim pursuant to applicable law, including, without limitation, section 502(c) of the Bankruptcy Code, and the Bankruptcy Court will retain jurisdiction under 28 U.S.C. §§ 157 and 1334 to estimate any Disputed Claim or Disputed Equity Interest, contingent Claim or unliquidated Claim, including during the litigation concerning any objection to any Claim or Equity Interest or during the pendency of any appeal relating to any such objection. All of the aforementioned objection, estimation and resolution procedures are cumulative and not exclusive of one another. Claims or Equity Interests may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court. The rights and objections of all parties are reserved in connection with any such estimation proceeding.

3. Disallowance of Claims

Any Claims or Equity Interests held by Entities from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code, or that are a transferee of a transfer avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and holders of such Claims or Interests may not receive any distributions on account of such Claims or Interests until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court Order with respect thereto has been entered and all sums due, if any, to the Reorganized Debtor or the Claimant Trust, as applicable, by that Entity have been turned over or paid to the Reorganized Debtor or the Claimant Trust, as applicable.

EXCEPT AS OTHERWISE PROVIDED HEREIN OR AS AGREED TO BY THE DEBTOR, REORGANIZED DEBTOR, OR CLAIMANT TRUSTEE, AS APPLICABLE, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE BAR DATE SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE BANKRUPTCY COURT, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS SUCH LATE PROOF OF CLAIM HAS BEEN DEEMED TIMELY FILED BY A FINAL ORDER.

ARTICLE VIII.
EFFECTIVENESS OF THIS PLAN

A. Conditions Precedent to the Effective Date

The Effective Date of this Plan will be conditioned upon the satisfaction or waiver by the

Debtor (and, to the extent such condition requires the consent of the Committee, the consent of the Committee with such consent not to be unreasonably withheld), pursuant to the provisions of ARTICLE VIII.B of this Plan of the following:

- This Plan and the Plan Documents, including the Claimant Trust Agreement and the Reorganized Limited Partnership Agreement, and all schedules, documents, supplements and exhibits to this Plan shall have been Filed in form and substance reasonably acceptable to the Debtor and the Committee.
- The Confirmation Order shall have been entered, not subject to stay pending appeal, and shall be in form and substance reasonably acceptable to the Debtor and the Committee. The Confirmation Order shall provide that, among other things, (i) the Debtor, the Reorganized Debtor, the Claimant Trustee, or the Litigation Trustee are authorized to take all actions necessary or appropriate to effectuate and consummate this Plan, including, without limitation, (a) entering into, implementing, effectuating, and consummating the contracts, instruments, releases, and other agreements or documents created in connection with or described in this Plan, (b) assuming the Executory Contracts and Unexpired Leases set forth in the Plan Supplement, (c) making all distributions and issuances as required under this Plan; and (d) entering into any transactions as set forth in the Plan Documents; (ii) the provisions of the Confirmation Order and this Plan are nonseverable and mutually dependent; (iii) the implementation of this Plan in accordance with its terms is authorized; (iv) pursuant to section 1146 of the Bankruptcy Code, the delivery of any deed or other instrument or transfer order, in furtherance of, or in connection with this Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition or transfer of Assets contemplated under this Plan, shall not be subject to any Stamp or Similar Tax; and (v) the vesting of the Claimant Trust Assets in the Claimant Trust and the Reorganized Debtor Assets in the Reorganized Debtor, in each case as of the Effective Date free and clear of liens and claims to the fullest extent permissible under applicable law pursuant to section 1141(c) of the Bankruptcy Code except with respect to such Liens, Claims, charges and other encumbrances that are specifically preserved under this Plan upon the Effective Date.
- All documents and agreements necessary to implement this Plan, including without limitation, the Reorganized Limited Partnership Agreement, the Claimant Trust Agreement, and the New GP LLC Documents, in each case in form and substance reasonably acceptable to the Debtor and the Committee, shall have (a) been tendered for delivery, and (b) been effected by, executed by, or otherwise deemed binding upon, all Entities party thereto and shall be in full force and effect. All conditions precedent to such documents and agreements shall have been satisfied or waived pursuant to the terms of such documents or agreements.
- All authorizations, consents, actions, documents, approvals (including any governmental approvals), certificates and agreements necessary to implement this Plan, including, without limitation, the Reorganized Limited Partnership Agreement, the Claimant Trust Agreement, and the New GP LLC Documents, shall have been obtained, effected or executed and delivered to the required parties and, to the extent

required, filed with the applicable governmental units in accordance with applicable laws and any applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain or prevent effectiveness or consummation of the Restructuring.

B. Waiver of Conditions

The conditions to effectiveness of this Plan set forth in this ARTICLE VIII (other than that the Confirmation Order shall have been entered) may be waived in whole or in part by the Debtor (and, to the extent such condition requires the consent of the Committee, the consent of the Committee), without notice, leave or order of the Bankruptcy Court or any formal action other than proceeding to confirm or effectuate this Plan. The failure to satisfy or waive a condition to the Effective Date may be asserted by the Debtor regardless of the circumstances giving rise to the failure of such condition to be satisfied. The failure of the Debtor to exercise any of the foregoing rights will not be deemed a waiver of any other rights, and each right will be deemed an ongoing right that may be asserted at any time by the Debtor, the Reorganized Debtor, or the Claimant Trust, as applicable.

C. Effect of Non-Occurrence of Conditions to Effectiveness

Unless waived as set forth in ARTICLE VIII.B, if the Effective Date of this Plan does not occur within twenty calendar days of entry of the Confirmation Order, the Debtor may withdraw this Plan and, if withdrawn, the Plan shall be of no further force or effect.

D. Dissolution of the Committee

On the Effective Date, the Committee will dissolve, and the members of the Committee and the Committee's Professionals will cease to have any role arising from or relating to the Chapter 11 Case, except in connection with final fee applications of Professionals for services rendered prior to the Effective Date (including the right to object thereto). The Professionals retained by the Committee and the members thereof will not be entitled to assert any fee claims for any services rendered to the Committee or expenses incurred in the service of the Committee after the Effective Date, except for reasonable fees for services rendered, and actual and necessary costs incurred, in connection with any applications for allowance of Professional Fees pending on the Effective Date or filed and served after the Effective Date pursuant to the Plan. Nothing in the Plan shall prohibit or limit the ability of the Debtor's or Committee's Professionals to represent either of the Trustees or to be compensated or reimbursed per the Plan and the Claimant Trust Agreement in connection with such representation.

ARTICLE IX.

EXCULPATION, INJUNCTION AND RELATED PROVISIONS

A. General

Notwithstanding anything contained in the Plan to the contrary, the allowance, classification and treatment of all Allowed Claims and Equity Interests and their respective distributions and treatments under the Plan shall take into account the relative priority and rights of the Claims and the Equity Interests in each Class in connection with any contractual, legal and

equitable subordination rights relating thereto whether arising under general principles of equitable subordination, section 510 of the Bankruptcy Code, or otherwise.

B. Discharge of Claims

To the fullest extent provided under section 1141(d)(1)(A) and other applicable provisions of the Bankruptcy Code, except as otherwise expressly provided by this Plan or the Confirmation Order, all consideration distributed under this Plan will be in exchange for, and in complete satisfaction, settlement, discharge, and release of, all Claims and Equity Interests of any kind or nature whatsoever against the Debtor or any of its Assets or properties, and regardless of whether any property will have been distributed or retained pursuant to this Plan on account of such Claims or Equity Interests. Except as otherwise expressly provided by this Plan or the Confirmation Order, upon the Effective Date, the Debtor and its Estate will be deemed discharged and released under and to the fullest extent provided under section 1141(d)(1)(A) and other applicable provisions of the Bankruptcy Code from any and all Claims and Equity Interests of any kind or nature whatsoever, including, but not limited to, demands and liabilities that arose before the Confirmation Date, and all debts of the kind specified in section 502(g), 502(h), or 502(i) of the Bankruptcy Code.

C. Exculpation

To the maximum extent permitted by applicable law, no Exculpated Party will have or incur, and each Exculpated Party is hereby exculpated from, any claim, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, remedy, loss, and liability for conduct occurring on or after the Petition Date in connection with or arising out of (i) the filing and administration of the Chapter 11 Case; (ii) the negotiation and pursuit of the Disclosure Statement, the Plan, or the solicitation of votes for, or confirmation of, the Plan; (iii) the funding or consummation of the Plan (including the Plan Supplement) or any related agreements, instruments, or other documents, the solicitation of votes on the Plan, the offer, issuance, and Plan Distribution of any securities issued or to be issued pursuant to the Plan, including the Claimant Trust Interests, whether or not such Plan Distributions occur following the Effective Date; (iv) the implementation of the Plan; and (v) any negotiations, transactions, and documentation in connection with the foregoing clauses (i)-(v); *provided, however*, the foregoing will not apply to any acts or omissions of an Exculpated Party arising out of or related to acts or omissions that constitute bad faith, fraud, gross negligence, criminal misconduct, or willful misconduct. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations, any other applicable law or rules, or any other provisions of this Plan, including ARTICLE IV.C.2, protecting such Exculpated Parties from liability.

D. Releases by the Debtor

On and after the Effective Date, each Released Party is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by the Debtor and the Estate, in each case on behalf of themselves and their respective successors, assigns, and representatives, including, but not limited to, the Claimant Trust and the Litigation Sub-Trust from any and all Causes of Action, including any derivative claims, asserted on behalf of the Debtor, whether known or unknown, foreseen or unforeseen, matured or unmatured,

existing or hereafter arising, in law, equity, contract, tort or otherwise, that the Debtor or the Estate would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim against, or Interest in, a Debtor or other Person. Notwithstanding anything contained herein to the contrary, the foregoing release does not release (i) any obligations of any party under the Plan or any document, instrument, or agreement executed to implement the Plan, (ii) the rights or obligations of any current employee of the Debtor under any employment agreement or plan, (iii) the rights of the Debtor with respect to any confidentiality provisions or covenants restricting competition in favor of the Debtor under any employment agreement with a current or former employee of the Debtor, or (iv) any Causes of Action arising from willful misconduct, criminal misconduct, actual fraud, or gross negligence of such applicable Released Party as determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction.

E. Preservation of Rights of Action

1. Maintenance of Causes of Action

Except as otherwise provided in this Plan, after the Effective Date, the Reorganized Debtor or the Claimant Trust will retain all rights to commence, pursue, litigate or settle, as appropriate, any and all Causes of Action included in the Reorganized Debtor Assets or Claimant Trust Assets, as applicable, whether existing as of the Petition Date or thereafter arising, in any court or other tribunal including, without limitation, in an adversary proceeding Filed in the Chapter 11 Case and, as the successors in interest to the Debtor and the Estate, may, and will have the exclusive right to, enforce, sue on, settle, compromise, transfer or assign (or decline to do any of the foregoing) any or all of the Causes of Action without notice to or approval from the Bankruptcy Court.

2. Preservation of All Causes of Action Not Expressly Settled or Released

Unless a Cause of Action against a Holder of a Claim or an Equity Interest or other Entity is expressly waived, relinquished, released, compromised or settled in this Plan or any Final Order (including, without limitation, the Confirmation Order), such Cause of Action is expressly reserved for later adjudication by the Reorganized Debtor or Claimant Trust, as applicable (including, without limitation, Causes of Action not specifically identified or of which the Debtor may presently be unaware or that may arise or exist by reason of additional facts or circumstances unknown to the Debtor at this time or facts or circumstances that may change or be different from those the Debtor now believes to exist) and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches will apply to such Causes of Action as a consequence of the confirmation, effectiveness, or consummation of this Plan based on the Disclosure Statement, this Plan or the Confirmation Order, except where such Causes of Action have been expressly released in this Plan or any other Final Order (including, without limitation, the Confirmation Order). In addition, the right of the Reorganized Debtor or the Claimant Trust to pursue or adopt any claims alleged in any lawsuit in which the Debtor is a plaintiff, defendant or an interested party, against any Entity, including, without limitation, the plaintiffs or co-defendants in such lawsuits, is expressly reserved.

F. Injunction

Upon entry of the Confirmation Order, all holders of Claims and Equity Interests and other parties in interest, along with their respective Related Persons, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

Except as expressly provided in the Plan, the Confirmation Order, or a separate order of the Bankruptcy Court, all Entities who have held, hold, or may hold Claims against or Equity Interests in the Debtor (whether proof of such Claims or Equity Interests has been filed or not and whether or not such Entities vote in favor of, against or abstain from voting on the Plan or are presumed to have accepted or deemed to have rejected the Plan) and other parties in interest, along with their respective Related Persons, are permanently enjoined, on and after the Effective Date, with respect to such Claims and Equity Interests, from (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust or the property of any of the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust, (ii) enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust or the property of any of the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust, (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust or the property of any of the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust, (iv) asserting any right of setoff, directly or indirectly, against any obligation due from the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust or against property or interests in property of any of the Debtor, the Independent Directors, the Reorganized Debtor, or the Claimant Trust; and (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan.

The injunctions set forth herein shall extend to any successors of the Debtor, the Reorganized Debtor, and the Claimant Trust and their respective property and interests in property.

No Entity may commence or pursue a claim or cause of action of any kind against any Protected Party that arose from or is related to the Chapter 11 Case, the negotiation of this Plan, the administration of the Plan or property to be distributed under the Plan, the wind down of the business of the Debtor or Reorganized Debtor, the administration of the Claimant Trust, or the transactions in furtherance of the foregoing without the Bankruptcy Court (i) first determining, after notice, that such claim or cause of action represents a colorable claim of bad faith, criminal misconduct, willful misconduct, fraud, or gross negligence against a Protected Party and (ii) specifically authorizing such Entity to bring such claim against any such Plan Party. As set forth in ARTICLE XI, the Bankruptcy Court will have sole jurisdiction to adjudicate any such claim for which approval of the Bankruptcy Court to commence or pursue has been granted.

G. Term of Injunctions or Stays

Unless otherwise provided in this Plan, the Confirmation Order, or in a Final Order of the Bankruptcy Court, all injunctions or stays arising under or entered during the Chapter 11 Case under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

**ARTICLE X.
BINDING NATURE OF PLAN**

On the Effective Date, and effective as of the Effective Date, the Plan, including, without limitation, the provisions in ARTICLE IX, will bind, and will be deemed binding upon, all Holders of Claims against and Equity Interests in the Debtor and such Holder's respective successors and assigns, to the maximum extent permitted by applicable law, notwithstanding whether or not such Holder will receive or retain any property or interest in property under the Plan. All Claims and Debts shall be fixed and adjusted pursuant to this Plan. The Plan shall also bind any taxing authority, recorder of deeds, or similar official for any county, state, Governmental Unit or parish in which any instrument related to the Plan or related to any transaction contemplated thereby is to be recorded with respect to any taxes of the kind specified in Bankruptcy Code section 1146(a).

**ARTICLE XI.
RETENTION OF JURISDICTION**

Pursuant to sections 105 and 1142 of the Bankruptcy Code and notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall, after the Effective Date, retain such jurisdiction over the Chapter 11 Case and all Entities with respect to all matters related to the Chapter 11 Case, the Reorganized Debtor, the Claimant Trust, and this Plan as legally permissible, including, without limitation, jurisdiction to:

- allow, disallow, determine, liquidate, classify, estimate or establish the priority, secured, unsecured, or subordinated status of any Claim or Equity Interest, including, without limitation, the resolution of any request for payment of any Administrative Expense Claim and the resolution of any and all objections to the allowance or priority of any Claim or Equity Interest;
- grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or this Plan, for periods ending on or before the Effective Date; *provided, however*, that, from and after the Effective Date, the Reorganized Debtor shall pay Professionals in the ordinary course of business for any work performed after the Effective Date subject to the terms of this Plan and the Confirmation Order, and such payment shall not be subject to the approval of the Bankruptcy Court;
- resolve any matters related to the assumption, assignment or rejection of any Executory Contract or Unexpired Lease to which the Debtor is party or with respect

- to which the Debtor, Reorganized Debtor, or Claimant Trust may be liable and to adjudicate and, if necessary, liquidate, any Claims arising therefrom, including, without limitation, any dispute regarding whether a contract or lease is or was executory or expired;
- make any determination with respect to a claim or cause of action against a Plan Party as set forth in ARTICLE IX;
 - resolve any claim or cause of action against an Exculpated Party or Plan Party arising from or related to the Chapter 11 Case, the negotiation of this Plan, the administration of the Plan or property to be distributed under the Plan, the wind down of the business of the Debtor or Reorganized Debtor, or the transactions in furtherance of the foregoing;
 - if requested by the Reorganized Debtor or the Claimant Trustee, authorize, approve, and allow any sale, disposition, assignment or other transfer of the Reorganized Debtor Assets or Claimant Trust Assets, including any break-up compensation or expense reimbursement that may be requested by a purchaser thereof; *provided, however*, that neither the Reorganized Debtor nor the Claimant Trustee shall be required to seek such authority or approval from the Bankruptcy Court unless otherwise specifically required by this Plan or the Confirmation Order;
 - if requested by the Reorganized Debtor or the Claimant Trustee, authorize, approve, and allow any borrowing or the incurrence of indebtedness, whether secured or unsecured by the Reorganized Debtor or Claimant Trust; *provided, however*, that neither the Reorganized Debtor nor the Claimant Trustee shall be required to seek such authority or approval from the Bankruptcy Court unless otherwise specifically required by this Plan or the Confirmation Order;
 - resolve any issues related to any matters adjudicated in the Chapter 11 Case;
 - ensure that distributions to Holders of Allowed Claims and Allowed Equity Interests are accomplished pursuant to the provisions of this Plan;
 - decide or resolve any motions, adversary proceedings, contested or litigated matters and any other Causes of Action that are pending as of the Effective Date or that may be commenced in the future, including approval of any settlements, compromises, or other resolutions as may be requested by the Debtor, the Reorganized Debtor, or the Litigation Trustee whether under Bankruptcy Rule 9019 or otherwise, and grant or deny any applications involving the Debtor that may be pending on the Effective Date or instituted by the Reorganized Debtor or Litigation Trustee after the Effective Date, provided that the Reorganized Debtor and the Litigation Trustee shall reserve the right to commence actions in all appropriate forums and jurisdictions;
 - enter such orders as may be necessary or appropriate to implement, effectuate, or consummate the provisions of this Plan, the Plan Documents, and all other contracts,

instruments, releases, and other agreements or documents adopted in connection with this Plan, the Plan Documents, or the Disclosure Statement;

- resolve any cases, controversies, suits or disputes that may arise in connection with the implementation, effectiveness, consummation, interpretation, or enforcement of this Plan or any Entity's obligations incurred in connection with this Plan;
- issue injunctions and enforce them, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with implementation, effectiveness, consummation, or enforcement of this Plan, except as otherwise provided in this Plan;
- enforce the terms and conditions of this Plan and the Confirmation Order;
- resolve any cases, controversies, suits or disputes with respect to the release, exculpation, indemnification, and other provisions contained herein and enter such orders or take such others actions as may be necessary or appropriate to implement or enforce all such releases, injunctions and other provisions;
- enter and implement such orders or take such others actions as may be necessary or appropriate if the Confirmation Order is modified, stayed, reversed, revoked or vacated;
- resolve any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement, the Confirmation Order, the Plan Documents, or any contract, instrument, release, indenture or other agreement or document adopted in connection with this Plan or the Disclosure Statement; and
- enter an order concluding or closing the Chapter 11 Case after the Effective Date.

ARTICLE XII.

MISCELLANEOUS PROVISIONS

A. Payment of Statutory Fees and Filing of Reports

All outstanding Statutory Fees shall be paid on the Effective Date. All such fees payable, and all such fees that become due and payable, after the Effective Date shall be paid by the Reorganized Debtor when due or as soon thereafter as practicable until the Chapter 11 Case is closed, converted, or dismissed. The Claimant Trustee shall File all quarterly reports due prior to the Effective Date when they become due, in a form reasonably acceptable to the U.S. Trustee. After the Effective Date, the Claimant Trustee shall File with the Bankruptcy Court quarterly reports when they become due, in a form reasonably acceptable to the U.S. Trustee. The Reorganized Debtor shall remain obligated to pay Statutory Fees to the Office of the U.S. Trustee until the earliest of the Debtor's case being closed, dismissed, or converted to a case under chapter 7 of the Bankruptcy Code.

B. Modification of Plan

Effective as of the date hereof and subject to the limitations and rights contained in this Plan: (a) the Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify this Plan prior to the entry of the Confirmation Order with the consent of the Committee, such consent not to be unreasonably withheld; and (b) after the entry of the Confirmation Order, the Debtor may, after notice and hearing and entry of an order of the Bankruptcy Court, amend or modify this Plan, in accordance with section 1127(b) of the Bankruptcy Code or remedy any defect or omission or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan.

C. Revocation of Plan

The Debtor reserves the right to revoke or withdraw this Plan prior to the Confirmation Date and to File a subsequent chapter 11 plan with the consent of the Committee. If the Debtor revokes or withdraws this Plan prior to the Confirmation Date, then: (i) this Plan shall be null and void in all respects; (ii) any settlement or compromise embodied in this Plan, assumption of Executory Contracts or Unexpired Leases effected by this Plan and any document or agreement executed pursuant hereto shall be deemed null and void except as may be set forth in a separate order entered by the Bankruptcy Court; and (iii) nothing contained in this Plan shall: (a) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtor or any other Entity; (b) prejudice in any manner the rights of the Debtor or any other Entity; or (c) constitute an admission, acknowledgement, offer or undertaking of any sort by the Debtor or any other Entity.

D. Entire Agreement

Except as otherwise described herein, this Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into this Plan.

E. Closing of Chapter 11 Case

The Claimant Trustee shall, after the Effective Date and promptly after the full administration of the Chapter 11 Case, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the Chapter 11 Case.

F. Successors and Assigns

This Plan shall be binding upon and inure to the benefit of the Debtor and its successors and assigns, including, without limitation, the Reorganized Debtor and the Claimant Trustee. The rights, benefits, and obligations of any Person or Entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of such Person or Entity.

G. Reservation of Rights

Except as expressly set forth herein, this Plan shall have no force or effect unless and until the Bankruptcy Court enters the Confirmation Order and the Effective Date occurs. Neither the filing of this Plan, any statement or provision contained herein, nor the taking of any action by the Debtor, the Reorganized Debtor, the Claimant Trustee, or any other Entity with respect to this Plan shall be or shall be deemed to be an admission or waiver of any rights of: (1) the Debtor, the Reorganized Debtor, or the Claimant Trustee with respect to the Holders of Claims or Equity Interests or other Entity; or (2) any Holder of a Claim or an Equity Interest or other Entity prior to the Effective Date.

Neither the exclusion or inclusion by the Debtor of any contract or lease on any exhibit, schedule, or other annex to this Plan or in the Plan Documents, nor anything contained in this Plan, will constitute an admission by the Debtor that any such contract or lease is or is not an executory contract or lease or that the Debtor, the Reorganized Debtor, the Claimant Trustee, or their respective Affiliates has any liability thereunder.

Except as explicitly provided in this Plan, nothing herein shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, claims, Causes of Action, or other rights of the Debtor, the Reorganized Debtor, or the Claimant Trustee under any executory or non-executory contract.

Nothing in this Plan will increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable, under any executory or non-executory contract or lease.

If there is a dispute regarding whether a contract or lease is or was executory at the time of its assumption under this Plan, the Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter their treatment of such contract.

H. Further Assurances

The Debtor, the Reorganized Debtor, or the Claimant Trustee, as applicable, all Holders of Claims and Equity Interests receiving distributions hereunder, and all other Entities shall, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of this Plan or the Confirmation Order. On or before the Effective Date, the Debtor shall File with the Bankruptcy Court all agreements and other documents that may be necessary or appropriate to effectuate and further evidence the terms and conditions hereof.

I. Severability

If, prior to the Confirmation Date, any term or provision of this Plan is determined by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision will then be applicable as altered

or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

J. Service of Documents

All notices, requests, and demands to or upon the Debtor, the Reorganized Debtor, or the Claimant Trustee to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Claimant Trust:

[_____]
Telephone: [_____]
Facsimile: [_____]
Attention: [_____]

If to the Debtor:

Highland Capital Management, L.P.
300 Crescent Court, Suite 700
Dallas, Texas 75201
Telephone: [_____]
Facsimile: [_____]
Attention: James P. Seery, Jr.

with copies to:

Pachulski Stang Ziehl & Jones LLP
10100 Santa Monica Blvd., 13th Floor
Los Angeles, CA 90067
Telephone: (310) 277-6910
Facsimile: (310) 201-0760
Attn: Jeffrey N. Pomerantz, Esq.
Ira D. Kharasch, Esq.
Gregory V. Demo, Esq.

If to the Reorganized Debtor:

Highland Capital Management, L.P.
Telephone: [_____]
Facsimile: [_____]
Attention: James P. Seery, Jr.

with copies to:

Pachulski Stang Ziehl & Jones LLP
10100 Santa Monica Blvd., 13th Floor
Los Angeles, CA 90067
Attn: Jeffrey N. Pomerantz, Esq.
Ira D. Kharasch, Esq.
Gregory V. Demo, Esq.

K. Exemption from Certain Transfer Taxes Pursuant to Section 1146(a) of the Bankruptcy Code

To the extent permitted by applicable law, pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any Stamp or Similar Tax or governmental assessment in the United States, and the Confirmation Order shall direct the appropriate federal, state or local governmental officials or agents or taxing authority to forego the collection of any such Stamp or Similar Tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such Stamp or Similar Tax or governmental assessment. Such exemption specifically applies, without limitation, to (i) all actions, agreements and documents necessary to evidence and implement the provisions of and the distributions to be made under this Plan; (ii) the maintenance or creation of security or any Lien as contemplated by this Plan; and (iii) assignments, sales, or transfers executed in connection with any transaction occurring under this Plan.

L. Governing Law

Except to the extent that the Bankruptcy Code, the Bankruptcy Rules or other federal law is applicable, or to the extent that an exhibit or schedule to this Plan provides otherwise, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of Texas, without giving effect to the principles of conflicts of law of such jurisdiction; *provided, however*, that corporate governance matters relating to the Debtor, the Reorganized Debtor, New GP LLC, or the Claimant Trust, as applicable, shall be governed by the laws of the state of organization of the Debtor, the Reorganized Debtor, New GP LLC, or the Claimant Trustee, as applicable.

M. Tax Reporting and Compliance

The Debtor is hereby authorized to request an expedited determination under section 505(b) of the Bankruptcy Code of the tax liability of the Debtor is for all taxable periods ending after the Petition Date through, and including, the Effective Date.

N. Exhibits and Schedules

All exhibits and schedules to this Plan, if any, including the Exhibits and the Plan Documents, are incorporated and are a part of this Plan as if set forth in full herein.

O. Controlling Document

In the event of an inconsistency between this Plan and any other instrument or document created or executed pursuant to this Plan, or between this Plan and the Disclosure Statement, this Plan shall control. The provisions of this Plan, the Disclosure Statement, and any Plan Document, on the one hand, and of the Confirmation Order, on the other hand, shall be construed in a manner consistent with each other so as to effectuate the purposes of each; *provided, however*, that if there is determined to be any inconsistency between any provision of this Plan, the Disclosure Statement, and any Plan Document, on the one hand, and any provision of the Confirmation Order, on the other hand, that cannot be so reconciled, then, solely to the extent of such inconsistency, the provisions of the Confirmation Order shall govern, and any such provisions of the Confirmation Order shall be deemed a modification of this Plan, the Disclosure Statement, and the Plan Documents, as applicable.

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Dated: September 21, 2020

Respectfully submitted,

HIGHLAND CAPITAL MANAGEMENT, L.P.

By: 

James P. Seery, Jr.

Chief Executive Officer and Chief
Restructuring Officer

Prepared by:

PACHULSKI STANG ZIEHL & JONES LLP

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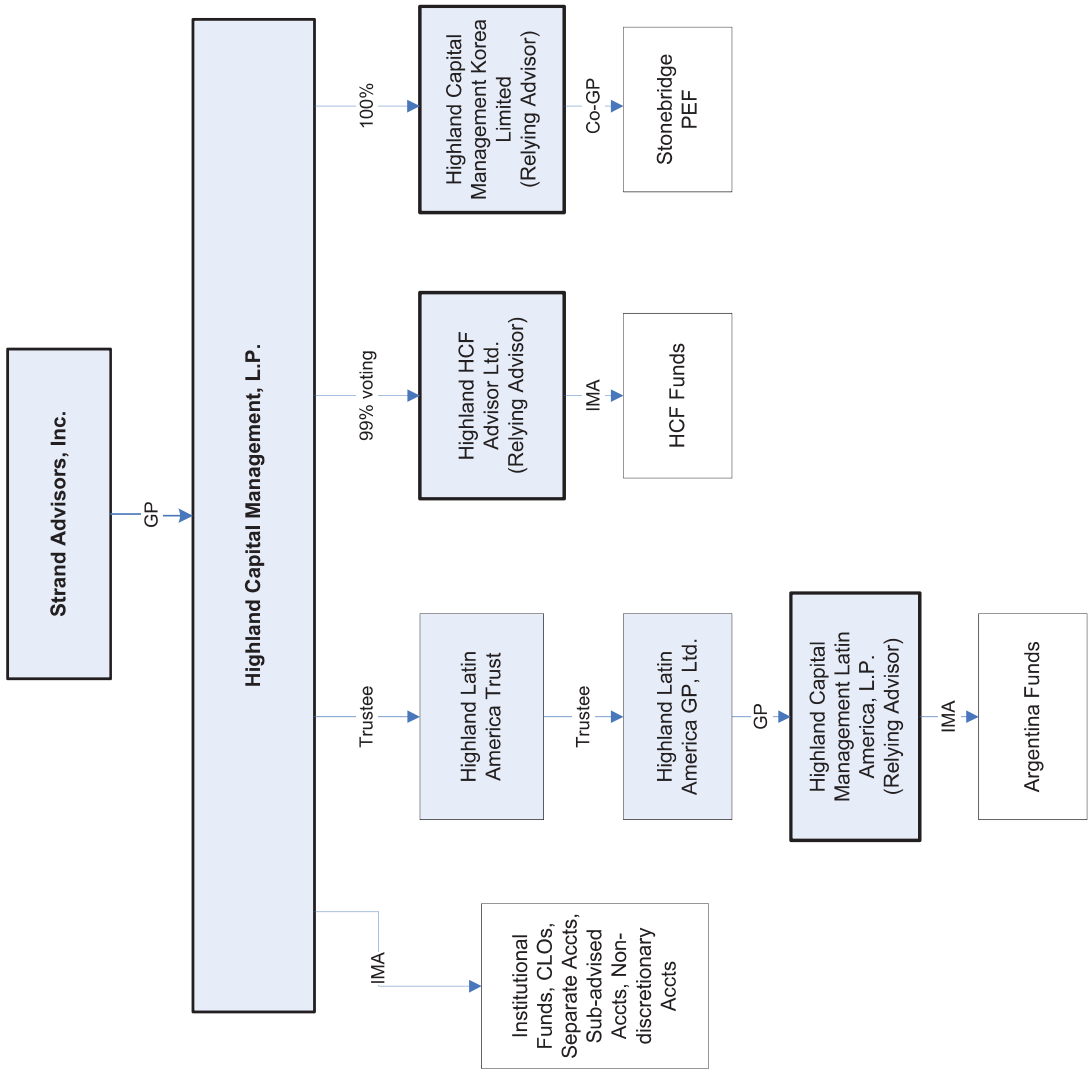
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Counsel for the Debtor and Debtor-in-Possession

EXHIBIT B

ORGANIZATIONAL CHART OF THE DEBTOR



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Counsel for the Debtor and Debtor-in-Possession

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§
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§

Chapter 11

Case No. 19-34054-sgj11

**DEBTOR'S MOTION FOR ENTRY OF AN ORDER APPROVING SETTLEMENT
WITH (A) ACIS CAPITAL MANAGEMENT, L.P. AND ACIS CAPITAL
MANAGEMENT GP LLC (CLAIM NO. 23), (B) JOSHUA N. TERRY AND JENNIFER G.
TERRY (CLAIM NO. 156), AND (C) ACIS CAPITAL MANAGEMENT, L.P. (CLAIM NO.
159), AND AUTHORIZING ACTIONS CONSISTENT THEREWITH**

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

TO THE HONORABLE STACEY G. C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE:

The above-captioned debtor and debtor-in-possession (the “Debtor”) files this motion (the “Motion”) for entry of an order, substantially in the form attached hereto as **Exhibit A**, pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), approving a settlement agreement (the “Settlement Agreement”) and a general release (the “Release”),² copies of which are attached as **Exhibit 1** and **Exhibit 2**, respectively, to the *Declaration of Gregory V. Demo in Support of the Debtor’s Motion for Entry of an Order Approving Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith*, executed on September 23, 2020 (the “Demo Declaration”), that, among other things, fully and finally resolve the proofs of claim filed by (A) Acis Capital Management, L.P. (“Acis LP”), (B) Acis Capital Management GP LLC (“Acis GP” and together with Acis LP, “Acis”), and (C) Joshua N. Terry, individually and for the benefit of his individual retirement accounts, and Jennifer G. Terry, individually and for the benefit of her individual retirement accounts and as trustee of the Terry Family 401-K Plan (together, the “Terry Parties” and together with Acis, the “Acis Parties”). In support of this Motion, the Debtor represents as follows:

Jurisdiction

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

² All capitalized terms used but not defined herein shall have the meanings given to them in the Release.

2. The statutory predicates for the relief sought herein are sections 105(a) and 363 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 9019 of the Bankruptcy Rules.

Relevant Background

A. Procedural Background

3. On October 16, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court for the District of Delaware, Case No. 19-12239 (CSS) (the “Delaware Court”).

4. On October 29, 2019, the official committee of unsecured creditors (the “Committee”) was appointed by the U.S. Trustee in the Delaware Court.

5. On December 4, 2019, the Delaware Court entered an order transferring venue of the Debtor’s case to this Court [Docket No. 186].³

6. On December 27, 2019, the Debtor filed that certain *Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* [Docket No. 281] (the “Settlement Motion”). This Court approved the Settlement Motion on January 9, 2020 [Docket No. 339] (the “Settlement Order”).

7. In connection with the Settlement Order, an independent board of directors was constituted at the Debtor’s general partner, Strand Advisors, Inc., and certain operating protocols were instituted.

8. On July 16, 2020, this Court entered an order appointing James P. Seery, Jr., as the Debtor’s chief executive officer and chief restructuring officer [Docket No. 854].

³ All docket numbers refer to the docket maintained by this Court.

9. On August 3, 2020, this Court entered the *Order Directing Mediation* [Docket No. 912] pursuant to which the Debtor and Acis, among others, were directed to mediate their disputes before Retired Judge Allan Gropper and Sylvia Mayer (together, the “Mediators”).

10. The Debtor has continued in the possession of its property and has continued to operate and manage its business as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this chapter 11 case.

B. The Parties’ Claims

11. The factual background related to this Motion is well known to this Court. The genesis of the Acis Parties’ claims against the Debtor’s estate is a dispute, highly contentious at times, between the Debtor and James Dondero, on the one hand, and Acis and Joshua Terry on the other hand. Mr. Terry is a former employee of the Debtor and limited partner in Acis LP, a portfolio management company previously ultimately owned by Mr. Dondero and Mark Okada and advised by the Debtor.

12. In June 2016, Mr. Terry claimed that he was wrongfully terminated from the Debtor and that his ownership interest in Acis LP was taken with no compensation. The Debtor commenced suit in Texas state court and thereafter the matter was referred to mandatory arbitration. The arbitrators ultimately awarded Mr. Terry approximately \$8 million. A judgment was entered on the arbitration award on December 18, 2017.

13. Mr. Terry, however, claimed that he could not collect because Mr. Dondero orchestrated a scheme to “denude” Acis of assets by transferring virtually all of its assets and attempting to transfer its profitable portfolio management contracts to non-Acis, Debtor-related entities. Mr. Terry filed involuntary bankruptcy petitions against Acis LP and Acis GP. *See In re Acis Capital Management, L.P.*, Case No. 18-30264-sgj11 (Bankr. N.D. Tex. 2018) and *In re Acis Capital Management GP, LLC*, Case No. 18-30265-sgj11 (Bankr. N.D. Tex. 2018)

(collectively, the “Acis Bankruptcy Case”). The Court, overruling then involuntary debtor Acis’s objections, granted Mr. Terry’s petition for relief and appointed a chapter 11 trustee.

14. The Acis Bankruptcy Case was “highly contentious.” The Debtor and Highland CLO Funding, Ltd. (“Highland Funding”), the predominant subordinated noteholder in the Acis CLOs, commenced litigation by suing the chapter 11 trustee. The chapter 11 trustee countersued to recover allegedly fraudulent transfers and to stop the Debtor (which continued for a time to manage Acis) from taking actions that the trustee alleged were harmful to Acis and the CLOs it managed. This adversary complaint forms the basis of Acis’s proof of claim against the Debtor [Claim No. 23] (the “Acis Proof of Claim”).

15. The Debtor, in turn, filed the following claims in the Acis Bankruptcy Case against Acis LP: 1) a prepetition unsecured proof of claim [Claim No. 27] and against Acis GP [Claim No. 13] (the “HCMLP Proofs of Claim”) for alleged unpaid management fees; and 2) a postpetition administrative claim [Docket No. 772] (the “HCMLP Administrative Claim”). Acis objected to both claims. Those claim objections were eventually converted into adversary proceedings, consolidated, by agreement, with the adversary proceeding originally commenced by the Debtor, and the parties were realigned such that Acis was now the plaintiff. All told, after consolidation, amendments and realignment, Acis’s complaint and claim objection against the Debtor and various other related entities includes 34 separate counts as well as objections grounded in various provisions of the Bankruptcy Code, *e.g.* Section 502.

16. In or around August 29, 2018, during a very active period of litigation in the Acis Bankruptcy Case, Highland Funding initiated litigation against Mr. Terry in the Royal Court of Guernsey (the “Guernsey Suit”). Mr. Terry incurred significant expenses in defending the Guernsey Suit. On August 5, 2020, Sir Richard Collas, Lieutenant Bailiff, handed down a

judgment that granted Terry's application to set aside the leave to serve out of the jurisdiction, resulting in the dismissal of the Guernsey Suit (subject to a determination of attorneys' fees and expenses owed to Terry under Guernsey's "loser pays" regime, which has not yet been determined as of the submission of this Motion).

17. Ultimately, on January 31, 2019, a chapter 11 plan of reorganization was confirmed in the Acis Bankruptcy Case. The Acis plan provided for, among other things, payment to Acis's creditors, the retention and maintenance of the Acis estate's causes of action, and also authorized the purchase by Mr. Terry of the equity interests in reorganized Acis for \$1 million. Mr. Terry paid the purchase price by reducing his claim.

18. In addition to the Acis Proof of Claim:

- Mr. and Mrs. Terry filed a proof of claim [Claim No. 156] (the "Terry Proof of Claim") relating to damages arising from the alleged conversion of Mr. and Mrs. Terry's retirement accounts, which were the subject of an action captioned *Joshua and Jennifer Terry v. Highland Capital Management, L.P., James Dondero and Thomas Surgent*, Case No. DC-16-11396, pending in the 162nd District Court of Dallas County Texas (the "Terry Action"); and
- Acis LP filed a proof of claim [Claim No. 159] (the "Acis LP Proof of Claim") relating to alleged damages arising from *NWCC, LLC v. Highland CLO Management, LLC, et al.*, Index No. 654195/2018 (N.Y. Sup. Ct. 2018) (the "NWCC Litigation").

19. A separate adversary proceeding was filed against Mr. Dondero, Frank Waterhouse (the Debtor's CFO and Acis's former treasurer), Scott Ellington (the Debtor's general counsel), other Debtor employees, and CLO Holdco, Ltd. Further, certain state court litigation was commenced against, amongst others, certain in-house attorneys employed by the Debtor (collectively, the "Acis Suits").

20. In addition to the foregoing, the Acis Parties believe that they may have additional claims against the Debtor, its employees, and certain of its affiliates and related entities. For

example, Acis asserted violations of injunctive provisions in its plan of reorganization by the Debtor, certain of its employees, and certain of its affiliates and related entities. For additional detail and background, *see* Mot. for Relief from Stay [Docket No. 593]. By further example, Mr. Terry asserts breaches of a Rule 11 agreement entered in to between, among others, Mr. Terry, the Debtor, Mr. Dondero and Mr. Surgent in the Terry Action.

21. The Debtor, as well as its employees and certain of its affiliates and related entities, believe that they may have additional claims against the Acis Parties.

C. Objections to the Acis Proof of Claim

22. As mentioned above, the Acis Proof of Claim contained 34 separate counts, all of which were extremely complex both factually and legally. In response, on June 23, 2020, the Debtor filed its *Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC* [Docket No. 771] (the “Debtor Objection”). On July 13, 2020, Mr. Dondero filed *James Dondero’s (i) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (ii) Joinder in Support of Highland Capital Management, L.P.’s Objection to Proof of Claim of Acis Capital Management, L.P., and Acis Capital Management GP, LLC* [Docket No. 827] (the “Dondero Objection”). On July 23, 2020, UBS Securities LLC and UBS AG, London Branch filed *UBS (i) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC and (ii) Joinder in the Debtor’s Objection* [Docket No. 891] (the “UBS Objection” and together with the Debtor Objection and the Dondero Objection, the “Objections”).⁴ The Debtor Objection was, by necessity, also extremely complex and spanned over 60 pages.

⁴ Although each is marginally different, the Dondero Objection and the UBS Objection can be considered joinders to the Debtor Objection and substantively the same as the Debtor Objection.

23. On July 31, 2020, Acis responded to each Objection in its *Omnibus Response to Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC* [Docket No. 908] (the “Omnibus Response”).

D. The Mediation

24. As part of the Mediation, Acis and the Debtor, among others, were directed to mediate Acis’s claims and to work towards a resolution. Through the Mediation, and with the assistance of the Mediators, Acis and the Debtor were able to negotiate and enter into both the Settlement Agreement and the Release on September 9, 2020. The Debtor informed this Court of the parties’ settlement on September 10, 2020.

25. The Settlement Agreement and the Release⁵ provide for the resolution and mutual release of all the “Acis Released Claims” and the “HCMLP Released Claims” (each as defined in the Release), including the Acis Proof of Claim, the Terry Proof of Claim, the Acis LP Proof of Claim, the HCMLP Proofs of Claim, the HCMLP Administrative Claim, and certain claims in the Acis Suits. However, these documents also provide, with certain exceptions,⁶ for the release of any and all claims that the Acis Parties (among others) may have against the Debtor’s employees, managed funds, and related entities, among others, and for reciprocal releases from such parties in favor of the Acis Parties (among others).

⁵ For convenience purposes, this Motion contains a summary of the material terms of the Settlement Agreement and the Release. If there is an actual or perceived conflict or inconsistency between this Motion and the Settlement Agreement or the Release, the terms of the Settlement Agreement and the Release will govern.

⁶ Specifically, the Release does not release any claims in favor of or against: (i) NexPoint Advisors (and any of its subsidiaries), (ii) the Charitable Donor Advised Fund, L.P. (and any of its subsidiaries, including CLO Holdco, Ltd.), (iii) Highland CLO Funding, Ltd. (and any of its subsidiaries), (iv) NexBank, SSB (and any of its subsidiaries), (v) James Dondero, (vi) Hunter Mountain Investment Trust (or any trustee acting for the trust), (vii) Dugaboy Investment Trust (or any trustee acting for the trust), (viii) Grant Scott, (ix) David Simek, (x) William Scott, (xi) Heather Bestwick, (xii) Mark Okada and his family trusts (and the trustees for such trusts in their representative capacities), (xiii) McKool Smith, PC, (xiv) Gary Cruciani, (xv) Lackey Hershman, LLP, (xvi) Jamie Welton, or (xvii) Paul Lackey.

26. The Release also provides that certain “HCMLP Specified Employees”⁷ will only receive the benefit of the Release if they execute the Release on or before the date that the Release is approved by this Court. The Release further provides that any “HCMLP Released Party” (as defined in the Release), and only such HCMLP Released Party, will be deemed to have waived its rights under the Release and any release contained in the *Plan of Reorganization of Highland Capital Management, L.P.* [Docket No. 956], as may be amended or restated (the “Plan”) if he, she, or it (i) sues, attempts to sue, or threatens or works with or assists any entity or person to sue, attempt to sue, or threaten any “Acis Released Party” (as defined in the Release) on or in connection with any HCMLP Released Claim or any other claim or cause of action arising prior to the date of the Release; (ii) takes any action that, in the Debtor’s reasonable judgment, impairs or harms the value of the Debtor, its estate, and its assets; or (iii) in the Debtor’s reasonable judgment, fails to use commercially reasonable efforts to support confirmation of the Plan and/or monetize the Debtor’s assets at their maximum value.

E. Summary of Settlement Terms

27. The Settlement Agreement contains the following material terms, among others:

- The Acis Proof of Claim will be allowed in the amount of \$23,000,000 as a general unsecured claim.
- On the effective date of a plan of reorganization confirmed by this Court, the Debtor will pay in cash to:
 - Mr. and Mrs. Terry the amount of \$425,000 plus 10% simple interest (calculated on the basis of a 360-day year from and including June 30, 2016), in full and complete satisfaction of the Terry Proof of Claim;

⁷ The “HCMLP Specified Employees” are Scott Ellington, Isaac Leventon, Thomas Surgent, Frank Waterhouse, Jean Paul Sevilla, David Klos, Kristin Hendrix, Timothy Cournoyer, Stephanie Vitiello, Katie Irving, Jon Poglitsch, and Hunter Covitz.

- Acis LP the amount of \$97,000, which amount represents the legal fees incurred by Acis LP with respect to the NWCC Litigation, in full and complete satisfaction of the Acis LP Proof of Claim; and
- Mr. Terry the amount of \$355,000 in full and complete satisfaction of the legal fees assessed against Highland CLO Funding, Ltd., in the Guernsey Suit.

The Settlement Agreement also provides that, within five days of this Court's approval of the Settlement Agreement and the Release, the Debtor will move to withdraw, with prejudice, the HCMLP Proofs of Claim and the HCMLP Administrative Claim.

28. As discussed above, the Release, which is an integral component of the Settlement Agreement, contains a broad, mutual, and general release of the Acis Released Claims and the HCMLP Released Claims (with certain exceptions). The Release also provides that within five days of this Court's approval of the Settlement Agreement and the Release, that each Acis Released Party and HCMLP Released Party, to the extent applicable, will coordinate to cause the "Filed Cases,"⁸ including any appeals of any Filed Cases, to be dismissed with prejudice as to any Acis Released Party or HCMLP Released Party; *provided, however*, that there is no obligation to dismiss or withdraw the Debtor's bankruptcy case. The Debtor will also direct Neutra, Ltd., to dismiss all of its appeals arising from the Acis Bankruptcy Case if the Debtor receives written advice from nationally recognized external counsel that it is legally permissible consistent with the Debtor's contractual and legal duties to do so and that doing so would not reasonably subject HCMLP to liability.

⁸ "Filed Cases" is defined in the Release as (i) the HCMLP Bankruptcy Case; (ii) *Acis Capital Management, L.P., et al. v. Highland Capital Management, L.P., et al*, Case No. 18-03078 (Bankr. N.D. Tex. 2018); (iii) *Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction*, Case No. 19-34054-sgj-11 [Docket No. 593] (Bankr. N.D. Tex. 2020); (iv) *Joshua and Jennifer Terry v. Highland Capital Management, L.P., James Dondero and Thomas Surgent*, Case No. DC-16-11396, pending in the 162nd District Court of Dallas County Texas; (v) *Acis Capital Management, L.P., et al v. James Dondero, et al.*, Case No. 20-0360 (Bankruptcy N.D. Tex. 2020); (vi) *Acis Capital Management, L.P., et al v. Gary Cruciani, et al.*, Case No. DC-20-05534, pending in the 162nd District Court of Dallas County Texas; (vii) *Highland CLO Funding v. Joshua Terry*, [No Case Number], pending in the Royal Court of the Island of Guernsey; and (viii) the Acis Bankruptcy Case.

Basis for Relief Requested

29. Bankruptcy Rule 9019 governs the procedural prerequisites to approval of a settlement, providing that:

On motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Notice shall be given to creditors, the United States trustee, the debtor, and indenture trustees as provided in Rule 2002 and to any other entity as the court may direct.

FED. R. BANKR. P. 9019(a).

30. Settlements in bankruptcy are favored as a means of minimizing litigation, expediting the administration of the bankruptcy estate, and providing for the efficient resolution of bankruptcy cases. *Myers v. Martin (In re Martin)*, 91 F.3d 389, 393 (3d Cir. 1996); *see also Rivercity v. Herpel (In re Jackson Brewing Co.)*, 624 F.2d 599, 602 (5th Cir. 1980). Pursuant to Bankruptcy Rule 9019(a), a bankruptcy court may approve a compromise or settlement as long as the proposed settlement is fair, reasonable, and in the best interest of the estate. *See In re Age Ref. Inc.*, 801 F.3d 530, 540 (5th Cir. 2015). Ultimately, “approval of a compromise is within the sound discretion of the bankruptcy court.” *See United States v. AWECO, Inc. (In re AWECO, Inc.)*, 725 F.2d 293, 297 (5th Cir. 1984); *Jackson Brewing*, 624 F.2d at 602–03.

31. In making this determination, the United States Court of Appeals for the Fifth Circuit applies a three-part test, “with a focus on comparing ‘the terms of the compromise with the rewards of litigation.’” *Official Comm. of Unsecured Creditors v. Cajun Elec. Power Coop. (In re Cajun Elec. Power Coop.)*, 119 F.3d 349, 356 (5th Cir. 1997) (citing *Jackson Brewing*, 624 F.2d at 602). The Fifth Circuit has instructed courts to consider the following factors: “(1) The probability of success in the litigation, with due consideration for the uncertainty of law and fact, (2) The complexity and likely duration of the litigation and any attendant expense, inconvenience and delay, and (3) All other factors bearing on the wisdom of the compromise.”

Id. Under the rubric of the third factor referenced above, the Fifth Circuit has specified two additional factors that bear on the decision to approve a proposed settlement. First, the court should consider “the paramount interest of creditors with proper deference to their reasonable views.” *Id.*; *Conn. Gen. Life Ins. Co. v. United Cos. Fin. Corp. (In re Foster Mortgage Corp.)*, 68 F.3d 914, 917 (5th Cir. 1995). Second, the court should consider the “extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion.” *Age Ref. Inc.*, 801 F.3d at 540; *Foster Mortgage Corp.*, 68 F.3d at 918 (citations omitted).

32. There is ample basis to approve the proposed Settlement Agreement and the Release based on the Rule 9019 factors set forth by the Fifth Circuit.

33. First, although the Debtor believes that it has valid defenses to the Acis Proof of Claim as set forth in the Debtor Objection, there is no guarantee that the Debtor would be successful in its litigation with Acis. Further, the second factor—the complexity, duration, and costs of litigation—weighs heavily in favor of approving the Settlement Agreement and the Release. As this Court well knows, the litigation between Acis, the Terry Parties, and the Debtor has been proceeding *for years* in this Court and elsewhere and has cost the parties millions in legal fees and untold amounts of time and energy that could have (and should have) been better focused elsewhere. If the Settlement Agreement and the Release are not approved, then the parties will revert to the status quo ante. In this case, the status quo ante is constant, perpetual, costly, and acrimonious litigation that stands to derail not only the confirmation of the Plan in this case but the closing of the Acis Bankruptcy Case. Approving the Settlement Agreement and the Release will resolve the Objections and certain of the satellite litigation that revolves around this case and the Acis Bankruptcy Case. This settlement—together with the hopeful settlement

of other claims in this case—will pave the way for a full resolution of this case and the confirmation of the Plan.

34. Finally, approval of the Settlement Agreement and the Release is justified by the paramount interest of the Debtor’s creditors and the arms-length nature of the settlement (the factors falling under the rubric of the third factor “all other factors bearing on the wisdom of the compromise”). As an initial matter, the Settlement Agreement and the Release are the result of the Mediation. As such, there can be no colorable argument that the Settlement Agreement and the Release were not negotiated at arms-length. Any such argument is further belied by the long and very well-documented history of the parties’ acrimony and inability to work cooperatively.

35. Furthermore, the settlement embodied in the Settlement Agreement and the Release is in the best interests of *all* creditors. The Acis Proof of Claim was filed for “at least” \$75 million, and that \$75 million was substantially below what Acis contended its claim was actually worth (which, on information and belief, was in excess of \$200 million with punitive damages). Furthermore, Acis’s ongoing lawsuits against the Debtor and its employees were a costly and time-intensive endeavor and a substantial impediment to the Debtor’s restructuring. Resolving the Acis Proof of Claim—not to mention the Terry Proof of Claim, the Acis LP Proof of Claim, and the various claims against the Debtor’s employees—for a \$23-million allowed claim plus approximately \$1 million in cash payments on the effective date of a plan and the waiver of the Debtor’s *disputed* claims in the Acis Bankruptcy Case represents a substantial benefit to the Debtor’s estate and a huge step towards confirmation of the Plan and the Debtor’s exit from bankruptcy.

No Prior Request

36. No previous request for the relief sought herein has been made to this, or any other, Court.

Notice

37. Notice of this Motion shall be given to the following parties or, in lieu thereof, to their counsel, if known: (a) counsel for Acis; (b) counsel for the Terry Parties, (c) the Office of the United States Trustee; (d) the Office of the United States Attorney for the Northern District of Texas; (e) the Debtor's principal secured parties; (f) counsel to the Committee; (g) counsel to UBS, (h) counsel to Mr. Dondero, and (i) parties requesting notice pursuant to Bankruptcy Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

Prayer

WHEREFORE, the Debtor respectfully requests entry of an order, substantially in the form attached hereto as **Exhibit A**, (a) granting the relief requested herein, and (b) granting such other relief as is just and proper.

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Dated: September 23, 2020.

PACHULSKI STANG ZIEHL & JONES LLP

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(*admitted pro hac vice*)

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Counsel for the Debtor and Debtor-in-Possession

EXHIBIT A

Proposed Order

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§
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§
§

Chapter 11

Case No. 19-34054-sgj11

Related to Docket No. _____

**ORDER APPROVING DEBTOR’S SETTLEMENT WITH (A) ACIS CAPITAL
MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP LLC
(CLAIM NO. 23), (B) JOSHUA N. TERRY AND JENNIFER G. TERRY (CLAIM NO.
156), AND (C) ACIS CAPITAL MANAGEMENT, L.P. (CLAIM NO. 159) AND
AUTHORIZING ACTIONS CONSISTENT THEREWITH**

Having considered the *Debtor’s Motion for Entry of an Order Approving Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* (the “Motion”)² filed by the above-captioned debtor and debtor-in-possession (the “Debtor”); and this Court having

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

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtor's estate, its creditors, and other parties-in-interest; and this Court having found that the Debtor's notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and that no other notice need be provided; and this Court having reviewed the Motion, any and all other documents filed in support of the Motion, the Debtor Objection, the UBS Objection, and the Dondero Objection, and the Omnibus Response; and this Court having determined that the legal and factual bases set forth in the Motion establish good cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The Motion is granted as set forth herein.
2. The Settlement and the Release, attached as **Exhibit 1** and **Exhibit 2** to the Demo Declaration, are approved in all respects pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure.
3. The Debtor Objection is overruled in its entirety.
4. The UBS Objection is overruled in its entirety.
5. The Dondero Objection is overruled in its entirety.
6. The Debtor and its agents are authorized to take any and all actions necessary or desirable to implement the Settlement Agreement and the Release without need of further Court approval or notice.

7. The Court shall retain jurisdiction with respect to all matters arising from or relating to the implementation, interpretation, and enforcement of this Order

END OF ORDER

PACHULSKI STANG ZIEHL & JONES LLP

Jeffrey N. Pomerantz (CA Bar No.143717) (*admitted pro hac vice*)

Ira D. Kharasch (CA Bar No. 109084) (*admitted pro hac vice*)

John A. Morris (NY Bar No. 2405397) (*admitted pro hac vice*)

Gregory V. Demo (NY Bar No. 5371992) (*admitted pro hac vice*)

10100 Santa Monica Blvd., 13th Floor

Los Angeles, CA 90067

Telephone: (310) 277-6910

Facsimile: (310) 201-0760

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ZAnnable@HaywardFirm.com

10501 N. Central Expy, Ste. 106

Dallas, TX 75231

Tel: (972) 755-7100

Fax: (972) 755-7110

Counsel for the Debtor and Debtor-in-Possession

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

)
) Chapter 11
)
) Case No. 19-34054-sgj11
)
)
)
)

**DECLARATION OF GREGORY V. DEMO IN SUPPORT OF THE DEBTOR'S
MOTION FOR ENTRY OF AN ORDER APPROVING SETTLEMENT WITH (A) ACIS
CAPITAL MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP LLC
(CLAIM NO. 23), (B) JOSHUA N. TERRY AND JENNIFER G. TERRY (CLAIM
NO. 156), AND (C) ACIS CAPITAL MANAGEMENT, L.P. (CLAIM NO. 159), AND
AUTHORIZING ACTIONS CONSISTENT THEREWITH**

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

I, Gregory V. Demo, pursuant to 28 U.S.C. § 1746(a), under penalty of perjury, declare as follows:

1. I am an attorney at the law firm Pachulski, Stang, Ziehl & Jones LLP, counsel to the above-referenced Debtor, and I submit this Declaration in support of the *Debtor's Motion for Entry of an Order Approving Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* being filed concurrently with this Declaration. I submit this Declaration based on my personal knowledge and review of the documents listed below.

2. Attached as **Exhibit 1** is a true and correct copy of a Settlement Agreement entered into as of September 9, 2020, by and among (i) Highland Capital Management, L.P. ("**HCMLP**"), (ii) Acis Capital Management L.P. ("**Acis LP**"), (iii) Acis Capital Management GP, LLC ("**Acis GP**"), (iv) Joshua N. Terry, individually and for the benefit of his retirement accounts, and (v) Jennifer G. Terry, individually and for the benefit of her individual accounts and as trustee of the Terry Family 401-k Plan.

3. Attached as **Exhibit 2** is a true and correct copy of a General Release entered into by and among (i) HCMLP, (ii) Joshua N. Terry, individually and for the benefit of his retirement accounts, and Jennifer G. Terry, individually and for the benefit of her individual accounts and as trustee of the Terry Family 401-k Plan, (iii) Acis LP and Acis GP, and (iv) certain employees.

[Signature Page Follows]

I declare under penalty of perjury of the laws of the United States that the foregoing is true and correct.

Dated: September 23, 2020.

/s/ Gregory V. Demo

Gregory V. Demo

EXHIBIT 1

SETTLEMENT AGREEMENT

This Settlement Agreement, including all attachments, (the “Agreement”) is entered into as of September 9, 2020, by and among (i) Highland Capital Management, L.P. (“HCMLP”); (ii) Acis Capital Management, L.P. (“Acis LP”); (iii) Acis Capital Management GP LLC (“Acis GP” and together with Acis LP, “Acis”); (iv) Joshua N. Terry, individually and for the benefit of his individual retirement accounts, and (v) Jennifer G. Terry, individually and for the benefit of her individual retirement accounts and as trustee of the Terry Family 401-K Plan

Each of the foregoing are sometimes referred to herein collectively as the “Parties” and individually as a “Party.”

RECITALS

WHEREAS, on August 3, 2020, the United States Bankruptcy Court for the Northern District of Texas (the “Bankruptcy Court”) entered an *Order Directing Mediation* [Docket No. 912] pursuant to which HCMLP, Acis Capital Management L.P., and Acis Capital Management GP, LLC (together, the “Mediation Parties”), among others, were directed to mediate their disputes before Retired Judge Allan Gropper and Sylvia Mayer (together, the “Mediators”); and

WHEREAS, during the mediation, the Mediators made an economic proposal to resolve the Claims (the “Mediators’ Economic Proposal”), and each of the Mediation Parties accepted the Mediators’ Economic Proposal; and

WHEREAS, the Parties have negotiated and executed that certain General Release, dated as of even date herewith (the “Release”),¹ which, among other things, releases the Acis Released Claims and the HCMLP Released Claims; and

WHEREAS, the Parties desire to enter into this Agreement which incorporates, formalizes, and finalizes the Mediators’ Economic Proposal and which, when combined with the Release, will fully and finally resolve the Claims; and

WHEREAS, this Agreement and the Release attached hereto will be presented to the Bankruptcy Court for approval pursuant to Federal Rule of Bankruptcy Procedure 9019 (“Rule 9019”);

NOW THEREFORE, in consideration of the above recitals, the covenants, conditions, and promises made herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. **Settlement of Claims.** In full and complete satisfaction of the Claims:

(a) The proof of claim filed by Acis in the HCMLP Bankruptcy Case on December 31, 2019 [Claim No. 23] will be allowed in the amount of \$23,000,000 as a general unsecured claim;

¹ All capitalized terms used but not defined herein have the meanings given to them in the Release.

(b) On the effective date of a plan of reorganization and confirmed by the Bankruptcy Court, HCMLP will pay in cash to:

(i) Joshua N. Terry and Jennifer G. Terry \$425,000, plus 10% simple interest (calculated on the basis of a 360-day year from and including June 30, 2016), in full and complete satisfaction of the proof of claim filed in the HCMLP Bankruptcy Case by Joshua N. Terry and Jennifer G. Terry on April 8, 2020 [Claim No. 156];

(ii) Acis LP \$97,000, which amount represents the legal fees incurred by Acis LP with respect to *NWCC, LLC v. Highland CLO Management, LLC, et al.*, Index No. 654195-2018 (N.Y. Sup. Ct. 2018), in full and complete satisfaction of the proof of claim filed by Acis LP in the HCMLP Bankruptcy Case on April 8, 2020 [Claim No. 159];

(iii) Joshua N. Terry \$355,000 in full and complete satisfaction of the legal fees assessed against Highland CLO Funding, Ltd., in *Highland CLO Funding v. Joshua Terry*, [No Case Number], pending in the Royal Court of the Island of Guernsey;

(c) On the effective date of a plan of reorganization proposed by HCMLP and confirmed by the Bankruptcy Court, if HCMLP receives written advice of nationally recognized external counsel that it is legally permissible consistent with HCMLP's contractual and legal duties to transfer all of its direct and indirect right, title and interest in Highland HCF Advisor, Ltd. to Acis or its nominee and that doing so would not reasonably subject HCMLP to liability, HCMLP shall transfer all of its right, title and interest in Highland HCF Advisor, Ltd., whether its ownership is direct or indirect, to Acis or its nominee, subject at all times to Acis's right to unilaterally reject the transfer in its sole and absolute discretion;

(d) Within five (5) days of the Agreement Effective Date, HCMLP shall:

(i) Move to withdraw, with prejudice, its proof of claim [Claim No. 27] filed in *In re Acis Capital Management, L.P.*, Case No. 18-30264-sgj11 (Bankr. N.D. Tex. 2018), and its proof of claim [Claim No. 13] filed in *In re Acis Capital Management GP, LLC*, Case No. 18-30265-sgj11 (Bankr. N.D. Tex. 2018);

(ii) Move to withdraw, with prejudice, Highland Capital Management, L.P.'s Application for Administrative Expense Claim Pursuant to 11 U.S.C. § 503(b) filed in the Acis Bankruptcy Case [Docket No. 772];

(e) At all times after the execution of this Agreement:

(i) Only to the extent reasonably necessary to maintain the status quo in the Acis Appeals, the Parties shall cooperate in seeking to abate or otherwise stay the Acis Appeals vis-à-vis the Parties pending the occurrence of the Agreement Effective Date; and

(ii) HCMLP shall cooperate in good faith to promptly return to Acis all property of Acis that is in HCMLP's possession, custody, or control, including but not limited to e-mail communications.

2. **Releases.** The Release is (a) attached to this Agreement as **Appendix A**; (b) an integral component of the Mediator's Economic Proposal and (c) incorporated by reference into this Agreement as if fully set forth herein.

3. **Agreement Subject to Bankruptcy Court Approval.**

(a) The effectiveness of this Agreement and the Parties' obligations hereunder are conditioned in all respects on the approval of this Agreement and the Release by the Bankruptcy Court. The Parties agree to use reasonable efforts to have this Agreement and the Release expeditiously approved by the Bankruptcy Court by cooperating in the preparation and prosecution of a mutually agreeable motion and proposed order. The "Agreement Effective Date" will be the date of an order entered by the Bankruptcy Court approving this Agreement pursuant to a motion filed under Rule 9019.

(b) The Parties acknowledge and agree that the terms and conditions of this Agreement are conditioned, in all respects, on the execution of the Release by the Parties and the approval of the Release and this Agreement by the Bankruptcy Court. If either the Release or this Settlement Agreement are not approved by the Bankruptcy Court for any reason, this Agreement and the Release will be immediately null and void and of no further force and effect.

4. **Representations and Warranties.** Subject in all respects to Section 3, each Party represents and warrants to the other Party that such Party is fully authorized to enter into and perform the terms of this Agreement and that, as of the Agreement Effective Date, this Agreement and the Release will be fully binding upon each Party in accordance with their terms.

5. **No Admission of Liability.** The Parties acknowledge that there is a bona fide dispute with respect to the Claims. Nothing in this Agreement will imply, an admission of liability, fault or wrongdoing by HCMLP, the Acis Parties, or any other person, and the execution of this Agreement does not constitute an admission of liability, fault, or wrongdoing on the part of HCMLP, the Acis Parties, or any other person.

6. **Successors-in-Interest.** This Agreement shall be binding upon and shall inure to the benefit of each of the Parties and their representatives, successors, and assigns, including but not limited to any Chapter 7 trustee appointed for HCMLP.

7. **Notice.** Each notice and other communication hereunder will be in writing and will be sent by email and delivered or mailed by registered mail, receipt requested, and will be deemed to have been given on the date of its delivery, if delivered, and on the fifth full business day following the date of the mailing, if mailed to each of the Parties thereto at the following respective addresses or such other address as may be specified in any notice delivered or mailed as set forth below:

Acis

Acis Capital Management, LP
4514 Cole Avenue
Suite 600
Dallas, Texas 75205

Attention: Joshua N. Terry
Email: josh@aciscm.com

with a copy (which shall not constitute notice) to:

ROGGE DUNN GROUP, P.C.
500 N. Akard Street, Suite 1900
Dallas, Texas 75201
Attention: Brian P. Shaw
Telephone No.: 214.239.2707
E-mail: shaw@roggedunnngroup.com

Joshua N. Terry and Jennifer G. Terry

25 Highland Park Village, Suite 100-848
Dallas TX 75205
Attention: Joshua N. Terry
Email: joshuanterry@gmail.com

with a copy (which shall not constitute notice) to:

ROGGE DUNN GROUP, P.C.
500 N. Akard Street, Suite 1900
Dallas, Texas 75201
Attention: Brian P. Shaw
Telephone No.: 214.239.2707
E-mail: shaw@roggedunnngroup.com

HCMLP

Highland Capital Management, L.P.
300 Crescent Court, Suite 700
Dallas, Texas 75201
Attention: Legal Department
Telephone No.: 972-628-4100
Facsimile No.: 972-628-4147
E-mail: notices@HighlandCapital.com

with a copy (which shall not constitute notice) to:

Pachulski Stang Ziehl & Jones LLP
Attention: Jeffrey Pomerantz, Esq.
10100 Santa Monica Blvd., 13th Floor
Los Angeles, CA 90067
Telephone No.: 310-277-6910

Facsimile No.: 310-201-0760
E-mail: jpomerantz@pszjlaw.com

8. **Advice of Counsel.** Each of the Parties represents that such Party has: (a) been adequately represented by independent legal counsel of its own choice, throughout all of the negotiations that preceded the execution of this Agreement; (b) executed this Agreement upon the advice of such counsel; (c) read this Agreement, and understands and assents to all the terms and conditions contained herein without any reservations; and (d) had the opportunity to have this Agreement and all the terms and conditions contained herein explained by independent counsel, who has answered any and all questions asked of such counsel, or which could have been asked of such counsel, including, but not limited to, with regard to the meaning and effect of any of the provisions of this Agreement.

9. **Entire Agreement.** This Agreement contains the entire agreement and understanding concerning the subject matter of this Agreement, and supersedes and replaces all prior negotiations and agreements, written or oral and executed or unexecuted, concerning such subject matter. Each of the Parties acknowledges that no other Party, nor any agent of or attorney for any such Party, has made any promise, representation or warranty, express or implied, written or oral, not otherwise contained in this Agreement to induce any Party to execute this Agreement. The Parties further acknowledge that they are not executing this Agreement in reliance on any promise, representation or warranty not contained in this Agreement, and that any such reliance would be unreasonable. This Agreement will not be waived or modified except by an agreement in writing signed by each Party or duly authorized representative of each Party.

10. **No Party Deemed Drafter.** The Parties acknowledge that the terms of this Agreement are contractual and are the result of arms'-length negotiations between the Parties and their chosen counsel. Each Party and its counsel cooperated in the drafting and preparation of this Agreement. In any construction to be made of this Agreement, the Agreement will not be construed against any Party.

11. **Future Cooperation.** The Parties agree to cooperate and execute such further documentation as is reasonably necessary to effectuate the intent of this Agreement.

12. **Counterparts.** This Agreement may be executed in counterparts with the same force and effect as if executed in one complete document. Each Party's signature hereto will signify acceptance of, and agreement to, the terms and provisions contained in this Agreement. Photographic, electronic, and facsimile copies of signed counterparts may be used in lieu of the originals of this Agreement for any purpose.


13. **Governing Law; Venue; Attorneys' Fees and Costs.** The Parties agree that this Agreement will be governed by and will be construed according to the laws of the State of Texas without regard to conflict-of-law principles. Each of the Parties hereby submits to the exclusive jurisdiction of the Bankruptcy Court during the pendency of the HCMLP Bankruptcy Case and thereafter to the exclusive jurisdiction of the state and federal courts located in the Northern District of Texas, Dallas Division, with respect to any disputes arising from or out of this

Agreement. In any action to enforce this Agreement, the prevailing party shall be entitled to recover its reasonable and necessary attorneys' fees and costs (including experts).

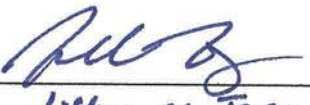
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IT IS HEREBY AGREED.


ACIS CAPITAL MANAGEMENT, L.P.

By: 
Name: Joshua N. Terry
Its: President

ACIS CAPITAL MANAGEMENT GP LLC

By: 
Name: Joshua N. Terry
Its: President

JOSHUA N. TERRY

By: 
Name: Joshua N. Terry
Its: Self

JENNIFER G. TERRY

By: 
Name: Jennifer G. Terry
Its: Self

HIGHLAND CAPITAL MANAGEMENT, L.P.

By: _____
Name: _____
Its: _____

IT IS HEREBY AGREED.

ACIS CAPITAL MANAGEMENT, L.P.

By: _____
Name: _____
Its: _____

ACIS CAPITAL MANAGEMENT GP LLC

By: _____
Name: _____
Its: _____

JOSHUA N. TERRY

By: _____
Name: _____
Its: _____

JENNIFER G. TERRY

By: _____
Name: _____
Its: _____

HIGHLAND CAPITAL MANAGEMENT, L.P.


By:  _____
Name: JAMES P. SORELY, JR.
Its: CEO/COO

EXHIBIT 2

GENERAL RELEASE

This GENERAL RELEASE (this “Release”), effective on the Effective Date (as defined below), is entered into by and among (i) Highland Capital Management, L.P. (“HCMLP”), (ii) Joshua N. Terry, individually and for the benefit of his individual retirement accounts, Jennifer G. Terry, individually and for the benefit of her individual retirement accounts and as trustee of the Terry Family 401-K Plan (collectively, the “Terry Parties”), (iii) Acis Capital Management L.P., and Acis Capital Management GP, LLC (collectively, “Acis”) (the Terry Parties and Acis, collectively, the “Acis Parties”), and (iii) those HCMLP Specified Parties (as defined below) who execute this Release (together, the “Parties”).

RECITALS

WHEREAS, the Parties have asserted or may assert claims that are defined in Section 1 below as the “Acis Released Claims” and the “HCMLP Released Claims” (collectively, the “Claims”); and

WHEREAS, on August 3, 2020, the United States Bankruptcy Court for the Northern District of Texas (the “Court”) entered an *Order Directing Mediation* [Docket No. 912] pursuant to which HCMLP, Acis Capital Management L.P., and Acis Capital Management GP, LLC (together, the “Mediation Parties”), among others, were directed to mediate their disputes before Retired Judge Allan Gropper and Sylvia Mayer (together, the “Mediators”); and

WHEREAS, during the mediation, the Mediators made an economic proposal to resolve the Claims (the “Mediators’ Economic Proposal”), and each of the Mediation Parties accepted the Mediators’ Economic Proposal; and

WHEREAS, the Parties desire to enter into a general release of all Claims which, when combined with the Mediators’ Economic Proposal, will fully and finally resolve the Claims; and

WHEREAS, except in Section 1.c below, this is a general release, meaning the Parties intend hereby to release any and all Claims which the Parties can release, and the Parties are unaware of any Claims between them which are not being released herein; and

WHEREAS, this Release will be appended or otherwise incorporated into a written settlement agreement (the “Settlement Agreement”) that will include the terms of the Mediators’ Economic Proposal and will be presented to the Court for approval pursuant to Federal Rule of Bankruptcy Procedure 9019 (“Rule 9019”), and is only effective upon the Effective Date.

NOW, THEREFORE, after good-faith, arms-length negotiations, and in consideration of the promises made herein and in the Mediators’ Economic Proposal, the Parties agree to release each other pursuant to and in accordance with the terms and conditions set forth below.

AGREEMENT

1. Releases.

a. Upon the Effective Date, and to the maximum extent permitted by law, and except as set forth in Section 1d below, each of the Acis Parties on behalf of himself, herself, or itself and each of their respective current or former advisors, trustees, directors, officers, managers, members, partners, employees, beneficiaries, shareholders, agents, participants, subsidiaries, parents, affiliates, successors, designees, and assigns hereby forever, finally, fully, unconditionally, and completely releases, relieves, acquits, remises, and exonerates, and covenants never to sue, (A)(i) HCMLP; (ii) Strand; (iii) any entity of which greater than fifty percent of the voting ownership is held directly or indirectly by HCMLP and any entity otherwise controlled by HCMLP; and (iv) any entity managed by either HCMLP or a direct or indirect subsidiary of HCMLP (the foregoing (A)(i) through (A)(iv) the “HCMLP Entities”) and (B) with respect to each such HCMLP Entity, such HCMLP Entity’s respective current advisors, trustees, directors, officers, managers, members, partners, current or former employees, beneficiaries, shareholders, agents, participants, subsidiaries, parents, affiliates, successors, designees, and assigns, except as expressly set forth below (the “HCMLP Parties,” and together with the HCMLP Entities, the “HCMLP Released Parties”), for and from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, liens, losses, costs and expenses (including, without limitation, attorney’s fees and related costs), damages, injuries, suits, actions, and causes of action of whatever kind or nature, whether known or unknown, suspected or unsuspected, matured or unmatured, liquidated or unliquidated, contingent or fixed, at law or in equity, statutory or otherwise, including, without limitation, any claims, defenses, and affirmative defenses, whether known or unknown, including, without limitation, those which were or could have been asserted in, in connection with, or with respect to the Filed Cases, including the proofs of claim [Claim No. 23; 156; 159] filed by the Acis Parties in the HCMLP Bankruptcy Case and any objections or potential objections to the Plan or the confirmation thereof (collectively, the “Acis Released Claims”). This release is intended to be general. Notwithstanding anything contained herein to the contrary, the term HCMLP Released Parties **shall not** include NexPoint Advisors (and any of its subsidiaries), the Charitable Donor Advised Fund, L.P. (and any of its subsidiaries, including CLO Holdco, Ltd.), Highland CLO Funding, Ltd. (and any of its subsidiaries), NexBank, SSB (and any of its subsidiaries), James Dondero, Hunter Mountain Investment Trust (or any trustee acting for the trust), Dugaboy Investment Trust (or any trustee acting for the trust), Grant Scott, David Simek, William Scott, Heather Bestwick, Mark Okada and his family trusts (and the trustees for such trusts in their representative capacities), McKool Smith, PC, Gary Cruciani, Lackey Hershman, LLP, Jamie Welton, or Paul Lackey.

b. Upon the Effective Date, and to the maximum extent permitted by law, each HCMLP Released Party hereby forever, finally, fully, unconditionally, and completely releases, relieves, acquits, remises, and exonerates, and covenants never to sue the (A) Acis Parties, (B) Acis CLO 2013-1 Ltd., Acis CLO 2014-3 Ltd., Acis CLO 2014-4 Ltd., Acis CLO 2014-5 Ltd., Acis CLO 2015-6 Ltd. (collectively, the “Acis CLOs”), and (C) with respect to each such Acis Party and Acis CLO, to the extent applicable, such Acis Party and Acis CLO, their respective current advisors, trustees, directors, officers, managers, members, partners, current or former employees, beneficiaries, shareholders, agents, participants, subsidiaries, parents,

affiliates, successors, designees, and assigns (the foregoing (A), (B), and (C), the “Acis Released Parties”), for and from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, liens, losses, costs and expenses (including, without limitation, attorney’s fees and related costs), damages, injuries, suits, actions, and causes of action of whatever kind or nature, whether known or unknown, suspected or unsuspected, matured or unmatured, liquidated or unliquidated, contingent or fixed, at law or in equity, statutory or otherwise, including, without limitation, any claims, defenses, and affirmative defenses, whether known or unknown, which were or could have been asserted in, in connection with, or with respect to the Filed Cases (collectively, the “HCMLP Released Claims”). This release is intended to be general. Notwithstanding anything contained herein to the contrary, this Section 1.b will not affect any right to payment under any notes, debt, equity, or other security issued by any Acis CLO and held by any HCMLP Released Party.

c. The HCMLP Released Parties shall also hereby forever, finally, fully, unconditionally, and completely release, relieve, acquit, remise, and exonerate, and covenant never to sue (A) U.S. Bank National Association, Moody’s Investor Services, Inc., and Brigade Capital Management, Inc. and (B) with respect to each such DAF Suit Defendant, to the extent applicable, such DAF Suit Defendant, their respective current advisors, trustees, directors, officers, managers, members, partners, current or former employees, beneficiaries, shareholders, agents, participants, subsidiaries, parents, affiliates, successors, designees, and assigns (the foregoing (A) and (B), the “DAF Suit Defendants”), for and from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, liens, losses, costs and expenses (including, without limitation, attorney’s fees and related costs), damages, injuries, suits, actions, and causes of action of whatever kind or nature, whether known or unknown, suspected or unsuspected, matured or unmatured, liquidated or unliquidated, contingent or fixed, at law or in equity, statutory or otherwise, which were or could have been asserted in, in connection with, or with respect to the DAF Lawsuits. This release is not intended to be general.

d. Notwithstanding anything herein to the contrary, if (A) any HCMLP Specified Party has not executed this Release on or before the Effective Date or (B) any HCMLP Released Party, including any HCMLP Specified Party, (i) sues, attempts to sue, or threatens or works with or assists any entity or person to sue, attempt to sue, or threaten any Acis Released Party on or in connection with any HCMLP Released Claim or any other claim or cause of action arising prior to the date of this Release, (ii) takes any action that, in HCMLP’s reasonable judgment, impairs or harms the value of HCMLP, its estate, and its assets; or (iii) in HCMLP’s reasonable judgment fails to use commercially reasonable efforts to support confirmation of the Plan and/or the monetization of HCMLP’s assets at their maximum value, then (a) such HCMLP Released Party (and only such HCMLP Released Party) will be deemed to have waived (x) the release and all other protections set forth in Section 1a hereof and will have no further rights, duties, or protections under this Release and (y) any releases set forth in the Plan, (b) the Acis Released Parties, as applicable, may, in their discretion, assert any and all Acis Released Claims against such HCMLP Released Party (and only such HCMLP Released Party), and (c) any statutes of limitation or other similar defenses are tolled against such HCMLP Released Party (and only such HCMLP Released Party) from the execution of this Release until ninety (90) days after the Acis Released Parties receive actual written notice of any violation of this Section 1d. For the avoidance of doubt, by signing this Release each of the HCMLP Specified Parties is

acknowledging and agreeing, without limitation, to the terms of this Section 1.d and the tolling agreement set forth herein.

2. Withdrawal/Dismissal of Filed Cases. Within five days of the Effective Date, each Acis Released Party and HCMLP Released Party, to the extent applicable, will coordinate to cause the Filed Cases, including any appeals of any Filed Cases, to be dismissed with prejudice as to any Acis Released Party or HCMLP Released Party; *provided, however*, that there is no obligation to dismiss or withdraw the HCMLP Bankruptcy Case. For the avoidance of doubt, and consistent with this Section, (a) if HCMLP receives written advice of nationally recognized external counsel that it is legally permissible consistent with HCMLP's contractual and legal duties to direct Neutra, Ltd. to move to dismiss all of their appeals arising from the Acis Bankruptcy and that doing so would not reasonably subject HCMLP to liability, HCMLP shall direct Neutra, Ltd. to move to dismiss all of their appeals arising from the Acis Bankruptcy and (b) Acis shall move to dismiss with prejudice its claims against HCMLP asserted in any adversary proceeding in the Acis Bankruptcy Case. To the extent reasonably necessary to maintain the status quo in the Filed Cases, including any appeals thereof, prior to the Effective Date, each Acis Released Party and HCMLP Released Party shall reasonably cooperate in seeking to abate or otherwise stay the Filed Cases vis-à-vis the Parties.

3. Representations and Warranties.

a. Each of the Acis Parties represents and warrants to each of the HCMLP Released Parties and each of the HCMLP Specified Parties who have signed this Release that (a) he, she or it has full authority to release the Acis Released Claims and has not sold, transferred, or assigned any Acis Released Claim to any other person or entity, and that (b) to the best of his, her or its current knowledge, no person or entity other than the Acis Parties has been, is, or will be authorized to bring, pursue, or enforce any Acis Released Claim on behalf of, for the benefit of, or in the name of (whether directly or derivatively) any of the Acis Parties.

b. Each of HCMLP and each HCMLP Specified Party who has signed this Release represents and warrants to each of the Acis Parties that he, she or it has not sold, transferred, pledged, assigned or hypothecated any HCMLP Released Claim to any other person or entity.

c. Each HCMLP Specified Party and each of HCMLP and Strand represents and warrants to each of the Acis Parties that he, she, or it has full authority to release any HCMLP Released Claims that such HCMLP Specified Party, HCMLP, or Strand personally has against any Acis Party.

d. HCMLP represents and warrants that it is releasing the HCMLP Released Claims on behalf of the HCMLP Entities to the maximum extent permitted by any contractual or other legal rights HCMLP possesses. To the extent any of the HCMLP Entities dispute HCMLP's right to release the HCMLP Released Claims on behalf of any of the HCMLP Entities, HCMLP shall use commercially reasonable efforts to support the Acis Parties' position, if any, that such claims were released herein. For the avoidance of doubt, HCMLP will have no obligations to assist the Acis Parties under this Section if HCMLP has been advised by external counsel that such assistance could subject HCMLP to liability to any third party or if such

assistance would require HCMLP to expend material amounts of time or money. HCMLP shall not argue in any forum that the non-signatory status of any of the HCMLP Entities to this Release shall in any way affect the enforceability of this Release vis-à-vis any of the HCMLP Entities. The Parties agree that all of the HCMLP Entities are intended third-party beneficiaries of this Release.

Notwithstanding anything herein to the contrary, the Acis Parties acknowledge and agree that their sole and exclusive remedy for the breach of the foregoing Sections 3b, 3c, and 3d will be that set forth in Section 1.d hereof.

4. Additional Definitions.

a. “Acis Bankruptcy Case” means, collectively, *In re Acis Capital Management, L.P.*, Case No. 18-30264-sgj11 (Bankr. N.D. Tex. 2018) and *In re Acis Capital Management GP, LLC*, Case No. 18-30265-sgj11 (Bankr. N.D. Tex. 2018)

b. “DAF Lawsuits” means (a) Case No. 1:19-cv-09857-NRB; *The Charitable Donor Advised Fund, L.P. v. U.S. Bank National Association, et al*, formerly pending in the United States District Court for the Southern District of New York; and (b) Case No. 1:20-cv-01036-LGS; *The Charitable Donor Advised Fund, L.P. and CLO Holdco, Ltd. v. U.S. Bank National Association, et al*, formerly pending in the United States District Court for the Southern District of New York.

c. “Effective Date” means the date of an order of the Court approving the Settlement Agreement pursuant to a motion filed under Rule 9019.

d. “Filed Cases” means (a) the HCMLP Bankruptcy Case, (b) *Acis Capital Management, L.P., et al. v. Highland Capital Management, L.P., et al*, Case No. 18-03078 (Bankr. N.D. Tex. 2018); (c) *Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction*, Case No. 19-34054-sgj-11 [Docket No. 593] (Bankr. N.D. Tex. 2020); (d) *Joshua and Jennifer Terry v. Highland Capital Management, L.P., James Dondero and Thomas Surgent*, Case No. DC-16-11396, pending in the 162nd District Court of Dallas County Texas; (e) *Acis Capital Management, L.P., et al v. James Dondero, et al.*, Case No. 20-0360 (Bankruptcy N.D. Tex. 2020); (f) *Acis Capital Management, L.P., et al v. Gary Cruciani, et al.*, Case No. DC-20-05534, pending in the 162nd District Court of Dallas County Texas; (g) *Highland CLO Funding v. Joshua Terry*, [No Case Number], pending in the Royal Court of the Island of Guernsey; and (h) the Acis Bankruptcy Case.

e. “HCMLP Bankruptcy Case” means *In re Highland Capital Management, L.P.*, Case No. 19-34054-sgj11 (Bankr. N.D. Tex. 2019).

f. “HCMLP Specified Party” means Scott Ellington, Isaac Leventon, Thomas Surgent, Frank Waterhouse, Jean Paul Sevilla, David Klos, Kristin Hendrix, Timothy Cournoyer, Stephanie Vitiello, Katie Irving, Jon Poglitsch, or Hunter Covitz. For the avoidance of doubt, each HCMLP Specified Party is a HCMLP Released Party.

g. “Plan” means the *Plan of Reorganization of Highland Capital Management, L.P.*, filed in the HCMLP Bankruptcy Case [Docket No. 956] as may be amended or restated.

h. “Strand” means Strand Advisors, Inc.

5. Miscellaneous.

a. For the avoidance of doubt, all rights, duties, and obligations of any HCMLP Released Party or Acis Released Party created by this Release or the Settlement Agreement shall survive its execution.

b. This Release, together with the Settlement Agreement and any exhibits thereto, contains the entire agreement between the Parties as to its subject matter and supersedes and replaces any and all prior agreements and undertakings between the Parties relating thereto.

c. This Release may not be modified other than by a signed writing executed by the Parties.

d. The effectiveness of this Release is subject in all respects to entry of an order of the Court approving this Release and the Settlement Agreement and authorizing HCMLP’s execution thereof.


e. This Release may be executed in counterparts (including facsimile and electronic transmission counterparts), each of which will be deemed an original but all of which together constitute one and the same instrument, and shall be effective against a Party upon the Effective Date.

f. This Release will be exclusively governed by and construed and enforced in accordance with the laws of the State of Texas, without regard to its conflicts of law principles, and all claims relating to or arising out of this Release, or the breach thereof, whether sounding in contract, tort, or otherwise, will likewise be governed by the laws of the State of Texas, excluding Texas’s conflicts of law principles. The Court will retain exclusive jurisdiction over all disputes relating to this Release. In any action to enforce this Release, the prevailing party shall be entitled to recover its reasonable and necessary attorneys’ fees and costs (including experts).

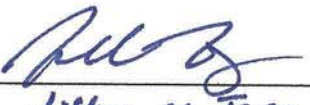
[SIGNATURE PAGE FOLLOWS]

IT IS HEREBY AGREED.


ACIS CAPITAL MANAGEMENT, L.P.

By: 
Name: Joshua N. Terry
Its: President

ACIS CAPITAL MANAGEMENT GP LLC

By: 
Name: Joshua N. Terry
Its: President

JOSHUA N. TERRY

By: 
Name: Joshua N. Terry
Its: Self

JENNIFER G. TERRY

By: 
Name: Jennifer G. Terry
Its: Self

HIGHLAND CAPITAL MANAGEMENT, L.P.

By: _____
Name: _____
Its: _____

IT IS HEREBY AGREED.

ACIS CAPITAL MANAGEMENT, L.P.

By: _____
Name: _____
Its: _____

ACIS CAPITAL MANAGEMENT GP LLC

By: _____
Name: _____
Its: _____


JOSHUA N. TERRY

By: _____
Name: _____
Its: _____

JENNIFER G. TERRY

By: _____
Name: _____
Its: _____

HIGHLAND CAPITAL MANAGEMENT, L.P.

By:  _____
Name: JAMES P. SEERY, JR.
Its: CEO/CFO

HCMLP SPECIFIED PARTIES

SCOTT ELLINGTON

ISAAC LEVENTON

THOMAS SURGENT

FRANK WATERHOUSE

JEAN PAUL SEVILLA

DAVID KLOS

KRISTIN HENDRIX

TIMOTHY COURNOYER

STEPHANIE VITIELLO

KATIE IRVING

JON POGLITSCH

HUNTER COVITZ

PACHULSKI STANG ZIEHL & JONES LLP
Jeffrey N. Pomerantz (CA Bar No.143717) (*admitted pro hac vice*)
Ira D. Kharasch (CA Bar No. 109084) (*admitted pro hac vice*)
Gregory V. Demo (NY Bar 5371992) (*admitted pro hac vice*)
10100 Santa Monica Blvd., 13th Floor
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Telephone: (310) 277-6910
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HAYWARD & ASSOCIATES PLLC
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Dallas, Texas 75231
Tel: (972) 755-7100
Fax: (972) 755-7110

Counsel for the Debtor and Debtor in Possession

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§
§
§
§
§
§

Chapter 11

Case No. 19-34054-sgj11

Objection Deadline: October 15, 2020 at 4:00 p.m. (ET)
Hearing Date: Scheduled only if necessary

**ELEVENTH MONTHLY APPLICATION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF PACHULSKI STANG
ZIEHL & JONES LLP AS COUNSEL TO THE DEBTOR FOR
THE PERIOD FROM AUGUST 1, 2020 THROUGH AUGUST 31, 2020**

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

Name of Applicant:	Pachulski Stang Ziehl & Jones LLP
Authorized to Provide Professional Services to:	Debtor and Debtor in Possession
Date of Retention:	October 16, 2019 by Order entered December 2, 2019
Period for which Compensation and Reimbursement is Sought:	August 1, 2020 – August 31, 2020
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$672,815.00
Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$3,428.14

This is a: ☒ monthly ☐ interim ☐ final application.

The total time expended for preparation of this monthly fee application is approximately 4.0 hours and the corresponding compensation requested is approximately \$2,500.00.

PRIOR MONTHLY APPLICATIONS FILED

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
12/11/19	10.16.19 – 10.31.19	\$ 383,583.75	\$ 9,958.84	\$ 383,583.75	\$ 9,958.84
12/30/19	11.01.19 – 11.30.19	\$ 798,767.50	\$26,317.71	\$ 798,767.50	\$26,317.71
01/24/20	12.01.19 – 12.31.19	\$ 589,730.75	\$26,266.80	\$ 589,730.75	\$26,266.80
02/20/20	01.01.20 – 01.31.20	\$ 898,094.25	\$28,854.75	\$ 898,094.25	\$28,854.75
03/19/20	02.01.20 – 02.29.20	\$ 941,043.50	\$ 8,092.94	\$ 941,043.50	\$ 8,092.94
04/14/20	03.01.20 – 03.31.20	\$1,222,801.25	\$18,747.77	\$1,222,801.25	\$18,747.77
05/21/20	04.01.20 – 04.30.20	\$1,113,522.50	\$ 3,437.28	\$1,113,522.50	\$ 3,437.28
06/23/20	05.01.20 – 05.31.20	\$ 803,509.50	\$ 4,372.94	\$ 803,509.50	\$ 4,372.94
07/20/20	06.01.20 – 06.30.20	\$ 818,786.50	\$ 3,205.81	\$ 818,786.50	\$ 3,205.81
08/11/20	07.01.20 – 07.31.20	\$ 739,976.00	\$ 1,189.12	\$ 739,976.00	\$ 1,189.12

PSZ&J PROFESSIONALS

Name of Professional Individual	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Richard M. Pachulski	Partner 1983; Member CA Bar 1979	1,445.00	0.40	\$578.00
Robert J. Feinstein	Partner 2001; Member NY Bar 1982	1,245.00	17.10	\$21,289.50

Name of Professional Individual	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Alan J. Kornfeld	Partner 1996; Member CA Bar 1987q; Member D.C. Bar 2002; Member NY Bar 2004	1,145.00	6.70	\$7,671.50
David J. Barton	Partner 2000; Member CA Bar 1981	1,145.00	2.00	\$2,390.00
Ira D. Kharasch	Partner 1987; Member CA Bar 1982; Member NY Bar 2011	1,145.00	118.20	\$135,339.00
Debra Grassgreen	Partner 1997; Member FL Bar 1992; Member CA Bar 1994	1095.00	2.30	\$2,518.50
John A. Morris	Partner 2008; Member NY Bar 1991	1,075.00	53.40	\$57,405.00
Jeffrey N. Pomerantz	Partner 1995; Member CA Bar 1989	1,075.00	64.50	\$69,337.50
Iain A. W. Nasatir	Partner 1999; Member NY Bar 1983; member CA Bar 1990	1,025.00	2.70	\$2,767.50
Harry D. Hochman	Of Counsel 2004; Member of CA Bar 1987	950.00	44.20	\$41,990.00
James E. O'Neill	Partner 2005; Member PA Bar 1985; Member DE Bar 2001	925.00	25.50	\$23,587.50
Joshua M. Fried	Partner 2006; Member CA Bar 1995; Member NY Bar 1999	925.00	62.80	\$58,090.00
Jonathan J. Kim	Of Counsel 1999; Member CA Bar 1995	895.00	19.30	\$17,273.50
Elissa A. Wagner	Of Counsel 2009; Member CA Bar 2001; Member AZ Bar 2009	825.00	51.00	\$42,075.00
Gregory V. Demo	Of Counsel 2019; Member IL Bar 2008; Member NY Bar 2015	825.00	207.50	\$171,187.50
Karina K. Yee	Paralegal	425.00	13.30	\$5,652.50
La Asia S. Canty	Paralegal	425.00	11.10	\$4,717.50
Patricia J. Jeffries	Paralegal	425.00	15.20	\$6,460.00
Beatrice M. Koveleski	Case Management Assistant	350.00	4.40	\$1,540.00
Karen S. Neil	Case Management Assistant	350.00	2.70	\$945.00

Grand Total: \$672,815.00
Total Hours: 724.30
Blended Rate: \$928.92

COMPENSATION BY CATEGORY

Project Categories	Total Hours	Total Fees
Asset Analysis/ Recovery	21.30	\$18,570.50
Bankruptcy Litigation	61.50	\$54,947.00
Case Administration	57.70	\$44,518.00
Claims Administration/ Objections	226.70	\$216,854.00
Compensation of Professionals	26.60	\$19,353.00
Compensation of Professionals/ Other	10.70	\$6,877.50
Employee Benefit/ Pension	5.10	\$4,707.50
Executory Contracts	1.80	\$1,655.00
Financial Filings	0.30	\$277.50
General Business Advice	41.30	\$42,481.50
General Creditors' Committee	16.00	\$16,105.00
Mediation	152.90	\$150,765.50
Plan & Disclosure Statement	100.80	\$94,383.00
Retention of Professionals/ Other	1.60	\$1,320.00
Total	724.30	\$672,815.00

EXPENSE SUMMARY

Expense Category	Service Provider (if applicable)	Total Expenses
Auto Travel Expense		\$ 135.17
Bloomberg – Online Research		\$ 80.70
Conference Call	AT&T, Loop Up	\$2,072.11
Delivery/ Courier Service	Legal Vision Atty Mess Service	\$ 15.00
Federal Express		\$ 87.89
Lexis/Nexis – Online Research		\$ 240.47
Pacer – Court Research		\$ 171.60
Reproduction Expense		\$ 128.30
Reproduction/ Scan Copy		\$ 496.90
Grand Total		\$3,428.14

PACHULSKI STANG ZIEHL & JONES LLP

Jeffrey N. Pomerantz (CA Bar No.143717) (*admitted pro hac vice*)

Ira D. Kharasch (CA Bar No. 109084) (*admitted pro hac vice*)

Gregory V. Demo (NY Bar 5371992) (*admitted pro hac vice*)

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Zachary Z. Annable

Texas Bar No. 24053075

ZAnnable@HaywardFirm.com

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Tel: (972) 755-7100

Fax: (972) 755-7110

Counsel for the Debtor and Debtor in Possession

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

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Chapter 11

Case No. 19-34054-sgj11

Objection Deadline: October 15, 2020 at 4:00 p.m. (ET)
Hearing Date: Scheduled only if necessary

**ELEVENTH MONTHLY APPLICATION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF PACHULSKI STANG
ZIEHL & JONES LLP AS COUNSEL TO THE DEBTOR FOR
THE PERIOD FROM AUGUST 1, 2020 THROUGH AUGUST 31, 2020**

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

Pursuant to sections 330 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (collectively, the “Bankruptcy Rules”), Rule 2016-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas (collectively, the “LBR”), and the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 141] (the “Administrative Order”), Pachulski Stang Ziehl & Jones LLP (“PSZ&J” or the “Firm”), counsel for the above-captioned debtor and debtor in possession (the “Debtor”) hereby submits its *Eleventh Monthly Application for Compensation and for Reimbursement of Expenses for the Period from August 1, 2020 through August 31, 2020* (the “Application”).

By this Application, PSZ&J seeks (i) a monthly interim allowance of compensation in the amount of \$672,815.00 and actual and necessary expenses in the amount of \$3,428.14 for a total allowance of \$676,243.14, and (ii) payment of \$538,252.00 (80% of the allowed fees pursuant to the Administrative Order) and reimbursement of \$3,428.14 (100% of the allowed expenses pursuant to the Administrative Order) for a total payment of \$541,680.14 for the period August 1, 2020 through August 31, 2020 (the “Interim Period”). In support of this Application, PSZ&J respectfully represents as follows:

Background

1. On October 16, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Delaware Court”). The Debtor has continued in the

possession of its property and has continued to operate and manage its business as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this chapter 11 case.

2. On October 29, 2019, the Official Committee of Unsecured Creditors (the “Committee”) was appointed by the U.S. Trustee in the Delaware Court.

3. On November 14, 2019, the Delaware Court entered the Administrative Order authorizing certain professionals and members of any official committee (collectively referred to hereafter as “Professionals”) to submit monthly applications for interim compensation and reimbursement of expenses pursuant to the procedures specified therein. The Administrative Order provides, among other things, that (i) a Professional may submit monthly fee applications and (ii) if no objections are made within twenty-one (21) days after service of the monthly fee application, the Debtor is authorized to pay the Professional eighty percent (80%) of its requested fees and one hundred percent (100%) of its requested expenses. The Administrative Order further provides that, beginning with the period ending December 31, 2019, and at three-month intervals thereafter—or such other intervals convenient to the Court—each Professional may file an interim application with seeking Court-approval and allowance of the amounts sought in the Professional’s monthly fee applications for that period. The Administrative Order further provides that all fees and expenses paid during the pendency of the Debtor’s case are on an interim basis until final allowance by the Court.

4. On December 4, 2019, the Delaware Court entered an Order [Docket No. 186] transferring venue of the Debtor’s bankruptcy case to this Court.

5. The retention of PSZ&J, as counsel to the Debtor, was approved effective as of October 16, 2019, by the Delaware Court's *Order Pursuant to Section 327(a) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Rule 2014-1 Authorizing the Employment and Retention of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtor and Debtor in Possession Nunc Pro Tunc to the Petition Date*, signed on December 2, 2019 [Docket No. 183] (the "Retention Order"). The Retention Order authorized PSZ&J to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

**PSZ&J'S APPLICATION FOR COMPENSATION AND
FOR REIMBURSEMENT OF EXPENSES**

Compensation Paid and Its Source

6. All services for which PSZ&J requests compensation were performed for or on behalf of the Debtor. PSZ&J has received no payment and no promises for payment from any source other than the Debtor for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between PSZ&J and any other person other than the partners of PSZ&J for the sharing of compensation to be received for services rendered in this case.

7. PSZ&J had received payments from the Debtor during the year prior to the Petition Date in the amount of \$500,000, including the Debtor's filing fee for this case, in connection with the preparation of initial documents and the prepetition representation of the Debtor. PSZ&J is current as of the Petition Date and has completed its final reconciliation of prepetition fees and expenses (subject to any prepetition expenses that have not been received to

date). The retainer balance remaining from the prepetition payments to PSZ&J will be credited to the Debtor and utilized as PSZ&J's retainer to apply to post-petition fees and expenses pursuant to the approved compensation procedures.

Fee Statements

8. The fee statements for the Interim Period are attached hereto as **Exhibit A**. These statements contain daily time logs describing the time spent by each attorney and paraprofessional during the Interim Period. To the best of PSZ&J's knowledge, this Application complies with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules and the Administrative Order. PSZ&J's time reports are entered by or at the direction of the attorney or paralegal performing the described services. The time reports are organized on a daily basis. PSZ&J is particularly sensitive to issues of "lumping" and, unless time was spent in one time frame on a variety of different matters for a particular client, separate time entries are set forth in the time reports. PSZ&J's charges for its professional services are based upon the time, nature, extent and value of such services and the cost of comparable services other than in a case under the Bankruptcy Code. PSZ&J has reduced its charges related to any non-working travel time to fifty percent (50%) of PSZ&J's standard hourly rate. To the extent it is feasible, PSZ&J professionals attempt to work during travel.

Actual and Necessary Expenses

9. A summary of actual and necessary expenses incurred by PSZ&J for the Interim Period is attached hereto as part of **Exhibit A**. PSZ&J customarily charges \$0.10 per page for photocopying expenses related to cases, such as this, arising in Delaware. PSZ&J's

photocopying machines automatically record the number of copies made when the person that is doing the copying enters the client's account number into a device attached to the photocopier.

PSZ&J summarizes each client's photocopying charges on a daily basis.

10. PSZ&J charges \$0.25 per page for out-going facsimile transmissions.

There is no additional charge for long distance telephone calls on faxes. The charge for outgoing facsimile transmissions reflects PSZ&J's calculation of the actual costs incurred by PSZ&J for the machines, supplies and extra labor expenses associated with sending telecopies and is reasonable in relation to the amount charged by outside vendors who provide similar services.

PSZ&J does not charge the Debtor for the receipt of faxes in this case.

11. With respect to providers of on-line legal research services (e.g., LEXIS and WESTLAW), PSZ&J charges the standard usage rates these providers charge for computerized legal research. PSZ&J bills its clients the actual amounts charged by such services, with no premium. Any volume discount received by PSZ&J is passed on to the client.

12. PSZ&J believes the foregoing rates are the market rates that the majority of law firms charge clients for such services. In addition, PSZ&J believes that such charges are in accordance with the American Bar Association's ("ABA") guidelines, as set forth in the ABA's Statement of Principles, dated January 12, 1995, regarding billing for disbursements and other charges.

Summary of Services Rendered

13. The names of the timekeepers of PSZ&J who have rendered professional services in this case during the Interim Period are set forth in the attached **Exhibit A**. PSZ&J, by

and through such persons, has prepared and assisted in the preparation of various motions and orders submitted to the Court for consideration, advised the Debtor on a regular basis with respect to various matters in connection with the Debtor's case, and performed all necessary professional services which are described and narrated in detail below. PSZ&J's efforts have been extensive due to the size and complexity of the Debtor's case.

Summary of Services by Project

14. The services rendered by PSZ&J during the Interim Period can be grouped into the categories set forth below. PSZ&J attempted to place the services provided in the category that best relates to such services. However, because certain services may relate to one or more categories, services pertaining to one category may in fact be included in another category. These services performed, by categories, are generally described below, with a more detailed identification of the actual services provided set forth on the attached **Exhibit A**. Exhibit A identifies the attorneys and paraprofessionals who rendered services relating to each category, along with the number of hours for each individual and the total compensation sought for each category.

A. Asset Analysis/ Recovery

15. Time billed to this category relates to the analysis of the Debtor's assets and issues relating to the distribution of assets of funds managed by the Debtor. During the Interim Period, the Firm, among other things, reviewed a variety of potential transactions involving investment funds, and consulted with the Debtor, its professionals and the Committee's professionals in connection therewith. In addition, the Firm also (i) consulted with

the Debtor and its professionals regarding asset issues and next steps; (ii) analyzed and addressed issues relating to the Company's non-debtor affiliate entities; (iii) consulted with the Debtor and its professionals regarding various potential asset sales of non-debtor entities; and (iv) analyzed issues regarding certain prepetition rabbi trust agreements related to the Debtor.

Fees: \$18,570.50

Hours: 21.30

B. Bankruptcy Litigation

16. During the Application Period, the Firm: (i) addressed issues concerning the Committee's discovery requests, document preservation, and related discovery issues; (ii) coordinated hearing appearances and prepared hearing binders; (iii) addressed issues in connection with a potential settlement of the Acis litigation; (iv) addressed litigation issues in connection with Acis' quarterly operating reports; (v) prepared responses to a subpoena issued by Acis; and (vi) reviewed additional discovery productions and third party review of documents and emails.

Fees: \$54,947.00

Hours: 61.50

C. Case Administration

17. This category relates to work regarding administration of this case. During the Interim Period, the Firm, among other things: (i) reviewed correspondences and pleadings and forwarded them to appropriate parties; (ii) maintained a memorandum of critical dates and drafted memoranda of pending core issues and activities; (iii) maintained service lists; and (iv) conferred and corresponded with parties in interest regarding case status and

administration issues; and (v) participated on regular internal status calls and calls with DSI regarding case issues and pending matters.

Fees: \$44,518.00

Hours: 57.70

D. Claims Administration/ Objections

18. A significant amount of work PSZ&J performed during the Interim Period involved the continued review and analysis of the largest claims asserted against the Debtor's estate. In addition, during the Interim Period, the Firm, among other things: (i) reviewed and analyzed Acis's response to the Debtor's claim objection and motion for summary judgment; (ii) continued analyses regarding potential claim objections; (iii) prepared objections and related adversary proceedings to the Daugherty and Hunter Mountain claims; (iv) finalized the objection to the UBS proof of claim; (v) drafted the settlement agreements to the Redeemer claim; (vi) drafted the Carey settlement motion; (vii) researched issues relating to objections to Debtor related entity claims; and (viii) conferred with estate professionals regarding other claims objections and potential resolutions.

Fees: \$216,854.00

Hours: 226.70

E. Compensation of Professionals

19. Time billed to this category relates to compensation of the Firm. During the Interim Period, the Firm (i) prepared its July fee statement; (ii) prepared its second interim fee application; and (iii) prepared certifications of counsel regarding prior monthly fee statements.

Fees: \$19,353.00

Hours: 26.60

F. Compensation of Professionals/ Others

20. Time billed to this category relates to compensation of estate professionals, other than the Firm. During the Interim Period, the Firm, among other things, (i) reviewed fee applications of estate professionals; (ii) assisted Mercer with the preparation and filing of its interim application; and (iii) prepared an omnibus notice of interim fee applications.

Fees: \$6,877.50 Hours: 10.70

G. Employee Benefit/ Pension

21. During the Interim Period, the Firm addressed issues in connection with the Debtor's benefits plans and conferred with estate professionals regarding same.

Fees: \$4,707.50 Hours: 5.10

H. Executory Contracts

22. During the Interim Period, the Firm assisted in obtaining an additional extension of time to assume or reject its office lease with the applicable landlord.

Fees: \$1,655.00 Hours: 1.80

I. Financial Filings

23. The Firm spent minimal time in this category in assisting with the filing the June monthly operating report.

Fees: \$277.50

Hours: .30

J. General Business Advice

24. During the Interim Period, the Firm primarily spent time preparing for and participating in weekly telephonic meetings with the Debtor's independent board of directors and also regularly communicated with members of the Board regarding a variety of general business matters, including claims reconciliation and objections, plan structure issues, and mediation.

Fees: \$42,481.50

Hours: 41.30

K. General Creditors Committee

25. During the Interim Period, the Firm conducted regular status and update calls with the Committee concerning plan and disclosure statement issues and case status issues

Fees: \$16,105.00

Hours: 16.00

L. Mediation

26. Time billed to this matter relates to the Court ordered mediation in connection with the claims asserted by UBS and Acis and a potential global resolution of matters with all principal constituents, which ultimately resulted in the settlement of the Acis claims. During the Interim Period, the Firm, among other things: (i) continued work on a comprehensive mediation statement; (ii) prepared exhibits and other materials for the mediators; (iii) addressed confidentiality issues with mediators; (iv) participated in conference with the mediators; (v) analyzed claims in connection with the mediation; (vi) conferred with estate professionals regarding mediation strategy; and (vii) prepared for and attended the first day of the mediation.

Fees: \$150,765.50

Hours: 152.90

M. Plan & Disclosure Statement

27. Time billed to this category relates to the formulation and drafting of a plan of reorganization and related disclosure statement. During the Interim Period, the Firm, among other things, (i) continued work on a plan and disclosure statement and conferred with estate professionals regarding same; and (ii) addressed various plan and disclosure statement issues with estate professionals; (iii) researched plan issues; (iv) prepared a motion to seal the proposed plan and disclosure statement; (v) reviewed and analyzed plan assumptions and financial projections; (vi) reviewed and revised a plan solicitation procedures motion; and prepared notices regarding the confirmation hearing and assumption and assignment of contracts.

Fees: \$94,383.00

Hours: 100.80

N. Retention of Professionals/ Others

28. Time billed to this category relates to the retention of estate professionals other than the Firm. During the Interim Period, the Firm, among other things, conferred with PricewaterhouseCoopers regarding its potential engagement by the Debtor.

Fees: \$1,320.00

Hours: 1.60

Valuation of Services

29. Attorneys and paraprofessionals of PSZ&J expended a total 724.30 hours in connection with their representation of the Committee during the Interim Period, as follows:

Name of Professional Individual	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Richard M. Pachulski	Partner 1983; Member CA Bar 1979	1,445.00	0.40	\$578.00
Robert J. Feinstein	Partner 2001; Member NY Bar 1982	1,245.00	17.10	\$21,289.50
Alan J. Kornfeld	Partner 1996; Member CA Bar 1987q; Member D.C. Bar 2002; Member NY Bar 2004	1,145.00	6.70	\$7,671.50
David J. Barton	Partner 2000; Member CA Bar 1981	1,145.00	2.00	\$2,390.00
Ira D. Kharasch	Partner 1987; Member CA Bar 1982; Member NY Bar 2011	1,145.00	118.20	\$135,339.00
Debra Grassgreen	Partner 1997; Member FL Bar 1992; Member CA Bar 1994	1095.00	2.30	\$2,518.50
John A. Morris	Partner 2008; Member NY Bar 1991	1,075.00	53.40	\$57,405.00
Jeffrey N. Pomerantz	Partner 1995; Member CA Bar 1989	1,075.00	64.50	\$69,337.50
Iain A. W. Nasatir	Partner 1999; Member NY Bar 1983; member CA Bar 1990	1,025.00	2.70	\$2,767.50
Harry D. Hochman	Of Counsel 2004; Member of CA Bar 1987	950.00	44.20	\$41,990.00
James E. O'Neill	Partner 2005; Member PA Bar 1985; Member DE Bar 2001	925.00	25.50	\$23,587.50
Joshua M. Fried	Partner 2006; Member CA Bar 1995; Member NY Bar 1999	925.00	62.80	\$58,090.00
Jonathan J. Kim	Of Counsel 1999; Member CA Bar 1995	895.00	19.30	\$17,273.50
Elissa A. Wagner	Of Counsel 2009; Member CA Bar 2001; Member AZ Bar 2009	825.00	51.00	\$42,075.00
Gregory V. Demo	Of Counsel 2019; Member IL Bar 2008; Member NY Bar 2015	825.00	207.50	\$171,187.50
Karina K. Yee	Paralegal	425.00	13.30	\$5,652.50
La Asia S. Canty	Paralegal	425.00	11.10	\$4,717.50
Patricia J. Jeffries	Paralegal	425.00	15.20	\$6,460.00
Beatrice M. Koveleski	Case Management Assistant	350.00	4.40	\$1,540.00
Karen S. Neil	Case Management Assistant	350.00	2.70	\$945.00

Grand Total: \$672,815.00
Total Hours: 724.30
Blended Rate: \$928.92

30. The nature of work performed by these persons is fully set forth in **Exhibit A** attached hereto. These are PSZ&J's normal hourly rates for work of this character. The reasonable value of the services rendered by PSZ&J for the Debtor during the Interim Period is \$672,815.00.

31. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by PSZ&J is fair and reasonable given (a) the complexity of this case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under the Bankruptcy Code. Moreover, PSZ&J has reviewed the requirements of the Administrative Order and the *Guidelines for Reviewing Applications for Compensation and Expense Reimbursement of Professionals*, effective January 1, 2001 (the "Guidelines") and believes that this Application complies with such Order and Guidelines.

WHEREFORE, PSZ&J respectfully requests that, for the period of August 1, 2020 through August 31, 2020, (i) an interim allowance be made to PSZ&J for compensation in the amount \$672,815.00 and actual and necessary expenses in the amount of \$3,428.14 for a total allowance of \$,676,243.14 and (ii) payment of \$538,252 (80% of the allowed fees pursuant to the Administrative Order) and reimbursement of \$3,428.14 (100% of the allowed expenses pursuant to the Administrative Order) for a total payment of \$541,680.14, and for such other and further relief as this Court may deem just and proper.

Dated: September 24, 2020

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Jeffrey N. Pomerantz

PACHULSKI STANG ZIEHL & JONES LLP

Jeffrey N. Pomerantz (CA Bar No.143717)

(admitted pro hac vice)

Ira D. Kharasch (CA Bar No. 109084)

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-and-

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Counsel for the Debtor and

Debtor in Possession

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Application has been served electronically via the Court's CM/ECF system upon all parties appearing on the attached service list.

/s/ Jeffrey N. Pomerantz

Jeffrey N. Pomerantz

In re Highland Capital Management, L.P.

Case No. 19-34054-sgj11

ECF Recipients:

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- •Megan Young-John myoung-john@porterhedges.com

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Fax: (972) 755-7110

Counsel for the Debtor and Debtor in Possession

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§
§
§
§
§
§

Chapter 11

Case No. 19-34054-sgj11

CERTIFICATION OF JEFFREY N. POMERANTZ

Jeffrey N. Pomerantz, under penalty of perjury, certifies as follows:

1. I am a partner with the law firm of Pachulski Stang Ziehl & Jones LLP

(“PSZ&J”). I make this certification in accordance with *Appendix F of the Local Bankruptcy*

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

Rules of the United States Bankruptcy Court for the Northern District of Texas (“Appendix F”)

regarding the contents of applications for compensation and expenses.

2. I have read the *Eleventh Monthly Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020* (the “Application”).

3. Pursuant to section I.G. of Appendix F, I hereby certify that, to the best of my knowledge, information, and belief, formed after reasonable inquiry, that (a) the compensation and expense reimbursement sought in the Application is in conformity with Appendix F, except as specifically noted in the Application, and (b) the compensation and expense reimbursement requested are billed at rates in accordance with practices no less favorable than those customarily employed by PSZ&J and generally accepted by PSZ&J’s clients.

4. I have reviewed the requirements of the *Guidelines for Reviewing Applications for Compensation and Expense Reimbursement of Professionals* effective January 1, 2001 (the “Guidelines”) and I believe that the Application complies with such Guidelines

Dated: September 24, 2020

/s/ Jeffrey N. Pomerantz
Jeffrey N. Pomerantz

Exhibit A

August 2020 Invoice

Pachulski Stang Ziehl & Jones LLP

10100 Santa Monica Blvd.
13th Floor
Los Angeles, CA 90067

August 31, 2020

Invoice 125803

Client 36027

Matter 00002

JNP

Board of Directors
Highland Capital Management LP
300 Crescent Court ste. 700
Dallas, TX 75201

RE: Postpetition

STATEMENT OF PROFESSIONAL SERVICES RENDERED THROUGH 08/31/2020

FEES \$672,815.00

EXPENSES \$3,428.14

TOTAL CURRENT CHARGES **\$676,243.14**

BALANCE FORWARD **\$1,946,536.83**

LAST PAYMENT **\$658,235.01**

TOTAL BALANCE DUE **\$1,964,544.96**

002253

Pachulski Stang Ziehl & Jones LLP
Highland Capital Management LP
36027 -00002

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Invoice 125803
August 31, 2020

Summary of Services by Professional

<u>ID</u>	<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
AJK	Kornfeld, Alan J.	Partner	1145.00	6.70	\$7,671.50
BMK	Koveleski, Beatrice M.	Case Man. Asst.	350.00	4.40	\$1,540.00
DG	Grassgreen, Debra I.	Partner	1095.00	2.30	\$2,518.50
DJB	Barton, David J.	Partner	1195.00	2.00	\$2,390.00
EAW	Wagner, Elissa A.	Counsel	825.00	51.00	\$42,075.00
GVD	Demo, Gregory Vincent	Counsel	825.00	207.50	\$171,187.50
HDH	Hochman, Harry D.	Counsel	950.00	44.20	\$41,990.00
IAWN	Nasatir, Iain A. W.	Partner	1025.00	2.70	\$2,767.50
IDK	Kharasch, Ira D.	Partner	1145.00	118.20	\$135,339.00
JAM	Morris, John A.	Partner	1075.00	53.40	\$57,405.00
JEO	O'Neill, James E.	Partner	925.00	25.50	\$23,587.50
JKK	Kim, Jonathan J.	Counsel	895.00	19.30	\$17,273.50
JMF	Fried, Joshua M.	Partner	925.00	62.80	\$58,090.00
JNP	Pomerantz, Jeffrey N.	Partner	1075.00	64.50	\$69,337.50
KKY	Yee, Karina K.	Paralegal	425.00	13.30	\$5,652.50
KSN	Neil, Karen S.	Case Man. Asst.	350.00	2.70	\$945.00
LSC	Canty, La Asia S.	Paralegal	425.00	11.10	\$4,717.50
PJJ	Jeffries, Patricia J.	Paralegal	425.00	15.20	\$6,460.00
RJF	Feinstein, Robert J.	Partner	1245.00	17.10	\$21,289.50
RMP	Pachulski, Richard M.	Partner	1445.00	0.40	\$578.00
				724.30	\$672,815.00

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Pachulski Stang Ziehl & Jones LLP
Highland Capital Management LP
36027 -00002

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August 31, 2020

Summary of Services by Task Code

<u>Task Code</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
AA	Asset Analysis/Recovery[B120]	21.30	\$18,570.50
BL	Bankruptcy Litigation [L430]	61.50	\$54,947.00
CA	Case Administration [B110]	57.70	\$44,518.00
CO	Claims Admin/Objections[B310]	226.70	\$216,854.00
CP	Compensation Prof. [B160]	26.60	\$19,353.00
CPO	Comp. of Prof./Others	10.70	\$6,877.50
EB	Employee Benefit/Pension-B220	5.10	\$4,707.50
EC	Executory Contracts [B185]	1.80	\$1,655.00
FF	Financial Filings [B110]	0.30	\$277.50
GB	General Business Advice [B410]	41.30	\$42,481.50
GC	General Creditors Comm. [B150]	16.00	\$16,105.00
ME	Mediation	152.90	\$150,765.50
PD	Plan & Disclosure Stmt. [B320]	100.80	\$94,383.00
RPO	Ret. of Prof./Other	1.60	\$1,320.00
		724.30	<hr/> \$672,815.00

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Pachulski Stang Ziehl & Jones LLP
Highland Capital Management LP
36027 -00002

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Invoice 125803
August 31, 2020

Summary of Expenses

<u>Description</u>	<u>Amount</u>
Auto Travel Expense [E109]	\$135.17
Bloomberg	\$80.70
Conference Call [E105]	\$2,072.11
Delivery/Courier Service	\$15.00
Federal Express [E108]	\$87.89
Lexis/Nexis- Legal Research [E	\$240.47
Pacer - Court Research	\$171.60
Reproduction Expense [E101]	\$128.30
Reproduction/ Scan Copy	\$496.90
	<hr/>
	\$3,428.14

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36027 -00002

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August 31, 2020

				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Asset Analysis/Recovery[B120]						
07/11/2020	DG	AA	Work on Rabbi Trust Memo	2.30	1095.00	\$2,518.50
08/03/2020	IDK	AA	E-mails with G. Demo re Carey draft settlement and getting to Board.	0.10	1145.00	\$114.50
08/03/2020	GVD	AA	Correspondence with group in advance of WilmerHale call	0.10	825.00	\$82.50
08/03/2020	GVD	AA	Conference with T. Silva, J. Seery, DSI, and PSZJ re governance issues	1.30	825.00	\$1,072.50
08/03/2020	GVD	AA	Follow up conference with T. Silva re governance issues	0.10	825.00	\$82.50
08/05/2020	GVD	AA	Conference with WilmerHale and J. Romey re open items re portfolio company	0.50	825.00	\$412.50
08/05/2020	GVD	AA	Conference with J. Romey re open items re portfolio company	0.20	825.00	\$165.00
08/06/2020	GVD	AA	Conference with J. Romey and I. Leventon re asset issues and next steps	0.20	825.00	\$165.00
08/06/2020	GVD	AA	Conference with I. Leventon re asset issues and next steps	0.60	825.00	\$495.00
08/06/2020	GVD	AA	Conference with J. Romey re asset issues and next steps	0.40	825.00	\$330.00
08/06/2020	GVD	AA	Correspondence with group re asset issues	0.20	825.00	\$165.00
08/06/2020	GVD	AA	Conference with WilmerHale and J. Seery re corporate governance issues	0.30	825.00	\$247.50
08/12/2020	IDK	AA	E-mail to DSI re documents re non-demand notes and issues on pre-payment.	0.20	1145.00	\$229.00
08/13/2020	GVD	AA	Multiple conferences with J. Romey re open issues re potential sale	0.40	825.00	\$330.00
08/13/2020	GVD	AA	Multiple conferences with J. Pomerantz and I. Kharasch re status of plan and asset issues	0.60	825.00	\$495.00
08/14/2020	GVD	AA	Prepare for and attend meeting re potential asset sale	0.50	825.00	\$412.50
08/14/2020	GVD	AA	Conference with J. Romey re follow up to asset sale	0.40	825.00	\$330.00
08/16/2020	GVD	AA	Correspondence with T. Silva re potential governance issues and next steps	0.20	825.00	\$165.00
08/17/2020	GVD	AA	Conference with J. Romey re potential asset sale and	0.50	825.00	\$412.50

002257

Pachulski Stang Ziehl & Jones LLP
Highland Capital Management LP
36027 -00002

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August 31, 2020

				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			follow up items			
08/17/2020	GVD	AA	Conference with J. Romey re potential settlement and asset sale	0.10	825.00	\$82.50
08/17/2020	GVD	AA	Conference with T. Courneyor re potential asset sale	0.10	825.00	\$82.50
08/18/2020	GVD	AA	Follow up conference with J. Romey re status of asset sale	0.30	825.00	\$247.50
08/19/2020	GVD	AA	Conference with J. Seery re corporate governance changes; coordinate same	0.40	825.00	\$330.00
08/19/2020	GVD	AA	Review application of principal under Texas state law; draft memo re same	1.90	825.00	\$1,567.50
08/19/2020	GVD	AA	Conference with J. Morris re portfolio company issues	0.10	825.00	\$82.50
08/19/2020	GVD	AA	Follow up conference with J. Romey re Carey	0.20	825.00	\$165.00
08/19/2020	GVD	AA	Conference with HCMLP, J. Seery, and J. Romey re revised asset sale transaction	0.40	825.00	\$330.00
08/19/2020	GVD	AA	Review revised documents re governance change	0.10	825.00	\$82.50
08/19/2020	GVD	AA	Conference with J. Seery re governance issues at portfolio company	0.20	825.00	\$165.00
08/19/2020	GVD	AA	Correspondence with WilmerHale re governance issues at portfolio company	0.10	825.00	\$82.50
08/19/2020	GVD	AA	Coordinate change in governance issues; multiple conferences with J. Seery re same	0.30	825.00	\$247.50
08/19/2020	GVD	AA	Conference with WilmerHale re necessary changes to corporate governance documents	0.20	825.00	\$165.00
08/19/2020	GVD	AA	Review revised documents re change in officers	0.30	825.00	\$247.50
08/20/2020	IDK	AA	E-mail to CEO re his memo re Restoration Capital.	0.10	1145.00	\$114.50
08/20/2020	IDK	AA	Review of memo on allocation on prepayments on promissory notes.	0.20	1145.00	\$229.00
08/20/2020	JNP	AA	Review Gregory V. Demo email regarding prepayment issues.	0.10	1075.00	\$107.50
08/20/2020	GVD	AA	Draft summary of Texas law re application of principal and interest	1.50	825.00	\$1,237.50
08/20/2020	GVD	AA	Review correspondence with investors in Restoration Capital	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/20/2020	GVD	AA	Coordinate with WilmerHale re providing notice to portfolio company	0.40	825.00	\$330.00
08/20/2020	GVD	AA	Conference with WilmerHale and J. Romey re open items and next steps	0.70	825.00	\$577.50
08/20/2020	GVD	AA	Review issues re service of process on portfolio company	0.40	825.00	\$330.00
08/21/2020	GVD	AA	Review and revise materials from WilmerHale on asset transferability	0.60	825.00	\$495.00
08/25/2020	GVD	AA	Conference with J. Romey re analysis of insider trading policy	0.10	825.00	\$82.50
08/25/2020	GVD	AA	Review MSCF governance documents and ownership records	0.30	825.00	\$247.50
08/25/2020	GVD	AA	Conference with WilmerHale and J. Seery re transfer restriction analysis	0.50	825.00	\$412.50
08/25/2020	GVD	AA	Conference with J. Romey and J. Seery re MSCF governance and ownership issues	0.20	825.00	\$165.00
08/26/2020	GVD	AA	Conference with J. Donohue re amendments to schedules and next steps	0.20	825.00	\$165.00
08/27/2020	IDK	AA	E-mails with G Demo and J Kim re Carey settlement status and need for motion to approve same.	0.20	1145.00	\$229.00
08/28/2020	GVD	AA	Review draft amendments to governing documents; correspondence with WilmerHale re same	0.70	825.00	\$577.50
08/28/2020	GVD	AA	Conference with J. Romey re asset allocation and next steps	0.40	825.00	\$330.00
08/31/2020	IDK	AA	E-mails re revised draft of Carey settlement motion, including review of same.	0.30	1145.00	\$343.50
08/31/2020	GVD	AA	Compile and review documents re change in corporate structure	0.30	825.00	\$247.50
08/31/2020	GVD	AA	Conference with WilmerHale re tax issues	0.10	825.00	\$82.50
				21.30		\$18,570.50

Bankruptcy Litigation [L430]

07/07/2020	LSC	BL	Coordinate attorney appearances at hearing.	0.20	425.00	\$85.00
07/08/2020	LSC	BL	Research prior document productions, retrieval of documents, and correspondence regarding the same.	1.40	425.00	\$595.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/10/2020	LSC	BL	Preparation of witness and exhibit list and compile exhibits, including redaction of same; serve same.	3.40	425.00	\$1,445.00
07/29/2020	LSC	BL	Assist with preparation of materials for mediation, including contact list and exhibits.	2.90	425.00	\$1,232.50
07/31/2020	LSC	BL	research and correspondence regarding prior productions (.3); prepare and transmit 66th production to Committee (.5).	0.80	425.00	\$340.00
08/01/2020	JAM	BL	E-mails to counsel for James Dondero and NexBank concerning the proposed form of Order resolving the discovery motions (0.2); e-mail to Board, J. Pomerantz, I. Kharasch, G. Demo re: resolution of discovery motions (0.1); e-mail to I. Leventon, S. Vitiello, B. Sharp re: resolution of discovery motions (0.1); e-mail to P. Montgomery, P. Reid, P. Foley re: resolution of discovery motions (0.1).	0.50	1075.00	\$537.50
08/02/2020	JNP	BL	Conference with John A. Morris regarding discovery, Redeemer negotiations and other issues.	0.30	1075.00	\$322.50
08/02/2020	JAM	BL	E-mails with M. Lynn re: draft order resolving discovery motions and related matters (0.3); telephone conference with J. Pomerantz re: Redeemer Committee settlement and status of discovery (0.1).	0.40	1075.00	\$430.00
08/03/2020	JNP	BL	Review CLO Holdco motion for clarification.	0.10	1075.00	\$107.50
08/03/2020	JMF	BL	Review CLO Holdco motion for clarification re discovery.	0.40	925.00	\$370.00
08/03/2020	JAM	BL	E-mail to Sidley re: discovery issues (0.1); telephone conference with P. Montgomery re: discovery issues, including status of order (0.2); e-mails with C. McWright, P. McAvoy re: searches for Fund Advisors (0.1).	0.40	1075.00	\$430.00
08/03/2020	GVD	BL	Review motion for clarification from CLO Holdco	0.20	825.00	\$165.00
08/03/2020	GVD	BL	Correspondence with J. Romey and J. Donohue re Acis plan	0.30	825.00	\$247.50
08/04/2020	JAM	BL	E-mails with I. Leventon, S. Vitiello, Sidley re; Robert Half stipulation (0.1); e-mails with M. Heyward, S. Vitiello re: payment to Brown Rudnick (0.1); review/revise Robert Half stipulation (0.3); e-mails with I. Leventon, S. Vitiello re: Robert Half stipulation and related discovery matters (0.1); e-mails with HCLOF's counsel re: search terms (0.1); e-mails with P. McVoy, J. Wright, P.	1.70	1075.00	\$1,827.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Montgomery re: results of searches (0.1); telephone conference with P. Montgomery, J. Kaplan re: potential third-party neutral (0.3); telephone conference with P. Montgomery re: call with Kaplan, order resolving discovery motions and related matters (0.1); e-mails with R. Stark, S. Vitiello, M. Heyward's office re: payment to Brown Rudnick (0.1); e-mails with HCLOF's counsel re: Acis litigation matters and discovery (0.2); review revised form of order resolving discovery motions (0.2).			
08/05/2020	IDK	BL	E-mails with attorneys re problems in settlement documents re Acis QOR/seal issues.	0.20	1145.00	\$229.00
08/05/2020	JNP	BL	Review email regarding UBS discovery.	0.10	1075.00	\$107.50
08/05/2020	JNP	BL	Conference with John A. Morris, J. Donahue and Gregory V. Demo regarding UBS discovery.	0.30	1075.00	\$322.50
08/05/2020	JAM	BL	E-mails with R. Stark, S. Vitiello re: Brown Rudnick settlement (0.1); telephone conference with M. Lynn re: order resolving discovery motions (0.2); telephone conference with P. Montgomery re: order on discovery motions (0.1); e-mail to P. Montgomery, M. Lynn re: proposed changes to order resolving discovery motions (0.2); telephone conference with G. Demo re: Acis motion concerning disclosures in Acis bankruptcy case (0.1); e-mail to P. Montgomery, P. Reid re: revised order on discovery motions (0.2); telephone conference with J. Pomerantz, G. Demo, J. Donohue re: UBS discovery (0.3).	1.20	1075.00	\$1,290.00
08/05/2020	GVD	BL	Conference with A. Chiarello re potential revisions to Acis settlement structure; follow up with J. Morris re same	0.60	825.00	\$495.00
08/05/2020	GVD	BL	Review proposed settlement materials from Acis	0.80	825.00	\$660.00
08/05/2020	GVD	BL	Correspondence with PSZJ working group re open discovery items	0.10	825.00	\$82.50
08/05/2020	GVD	BL	Conference with PSZJ and J. Romey re open discovery issues	0.30	825.00	\$247.50
08/06/2020	JAM	BL	Review documents and draft Stipulation resolving Highland's objection to Acis motion to file QORs under seal (1.0); e-mails with P. McVoy, I. Leventon re: e-mail searches (0.2); prepare conflict check for Jeff Kaplan (potential third-party neutral) and send e-mail to JAMS re: same (0.4); review revised draft	2.90	1075.00	\$3,117.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Stipulation resolving Highland's objection to Acis motion to file QORs under seal (0.1); telephone conference with J. Pomerantz, I. Kharasch, R. Feinstein, G. Demo, J. Seery re: document production to UBS (0.5); telephone conference with M. Lynn re: proposed order on discovery motions (0.1); e-mail to P. Montgomery, M. Lynn, M. Clemente re: proposed order on discovery motions (0.3); further e-mails with P. Montgomery, M. Lynn, M. Clemente re: proposed order on discovery motions (0.3).			
08/06/2020	GVD	BL	Conference with PSZJ and DSI re discovery requests	0.60	825.00	\$495.00
08/06/2020	GVD	BL	Conference with J. Morris re discovery issues and next steps	0.20	825.00	\$165.00
08/06/2020	GVD	BL	Review and revise draft Acis settlement; correspondence with Acis re same	1.10	825.00	\$907.50
08/07/2020	HDH	BL	Review Declarations and brief	0.30	950.00	\$285.00
08/07/2020	JNP	BL	Review Committee response to Holdco motion for clarification.	0.10	1075.00	\$107.50
08/07/2020	JMF	BL	Review Nexbank joinder (.2) and committee reply (.3) re open discovery issues.	0.50	925.00	\$462.50
08/07/2020	JAM	BL	Telephone conference with P. Montgomery re: proposed order resolving discovery motions (0.1); e-mails with P. Montgomery, M. Lynn re: proposed order resolving discovery motions (0.4); telephone conference with P. Montgomery re: proposed order resolving discovery motions (0.1); e-mails with M. Lynn re: revisions to proposed order resolving discovery motions (0.3); review/revise stipulation resolving objection to sealing motion on Acis QORs (0.5); e-mails with G. Demo re: stipulation resolving objection to sealing motion on Acis QORs (0.1).	1.50	1075.00	\$1,612.50
08/07/2020	GVD	BL	Review revised stipulation settling QORs	0.30	825.00	\$247.50
08/08/2020	JAM	BL	E-mails with I. Leventon, P. McVoy, S. Vitiello re: results of deployment of privilege terms (0.2).	0.20	1075.00	\$215.00
08/08/2020	GVD	BL	Correspondence re Acis settlement on QORs	0.20	825.00	\$165.00
08/09/2020	IDK	BL	E-mails and telephone conference with J. Pomerantz and H Hochman re need for call on Acis summary adjudication memo.	0.20	1145.00	\$229.00
08/10/2020	JAM	BL	E-mails to J. Seery, G. Demo re: NWCC litigation status (0.3); e-mails with I. Leventon, S. Vitiello, P.	1.20	1075.00	\$1,290.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			McVoy re: e-discovery (0.1); telephone conference with I. Leventon, S. Vitiello, P. McVoy re: e-discovery (0.8).			
08/10/2020	LSC	BL	Check state court docket for filings and transmit correspondence regarding the same.	0.10	425.00	\$42.50
08/10/2020	GVD	BL	Draft order re Acis settlement	0.30	825.00	\$247.50
08/11/2020	IDK	BL	E-mails with attorneys re Court's ruling on discovery and court's views on conflicts re shared services.	0.20	1145.00	\$229.00
08/11/2020	JNP	BL	Review order regarding clarification motion.	0.20	1075.00	\$215.00
08/11/2020	JAM	BL	E-mail to J. Seery, I. Leventon, S. Vitiello re: cost of delivery of e-mails to Meta-e (0.3); review/revise Stipulation on Robert Half retention (0.6); review/revise e-mails from Meta-e and prepare e-mail for UCC concerning e-discovery and privilege terms (0.6); telephone conference with I. Leventon, S. Vitiello re: e-discovery and Robert Half retention (0.2); further revisions to stipulation concerning Robert Half retention (0.3); e-mail to Sidley re: Robert Half retention (0.2); review Court's order on CLO HoldCo motion for clarification (0.3).	2.50	1075.00	\$2,687.50
08/11/2020	GVD	BL	Conference with Winstead re QOR settlement	0.10	825.00	\$82.50
08/12/2020	JMF	BL	Review order re discovery dispute.	0.20	925.00	\$185.00
08/13/2020	JNP	BL	Emails regarding motions to seal and related.	0.10	1075.00	\$107.50
08/13/2020	JAM	BL	Telephone conference with P. Montgomery, P. Foley, C. Rognes re: discovery issues (0.5); telephone conference with G. Demo re: Seery meeting with in-house lawyers and impact on discovery issues (0.1); revise Robert Half stipulation (0.1); e-mail to Sidley re: revised stipulation for retention of Robert Half (0.1); e-mail to Board, J. Pomerantz, I. Kharasch, G. Demo re: third-party neutral (0.1); communications with W. Hotze re: Robert Half retention (0.2); communications w/ Board, J. Pomerantz, I. Kharasch, G. Demo re: third-party neutral (0.2); telephone conference with J. Seery re: meeting with internal counsel re: duties/responsibilities (0.2).	1.50	1075.00	\$1,612.50
08/13/2020	GVD	BL	Review order on motion to clarify	0.60	825.00	\$495.00
08/14/2020	IDK	BL	E-mail with G. Demo re copies of Acis QORs for its plan, including brief review, as well as CEO and	0.30	1145.00	\$343.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			DSI communications on next steps re same.			
08/14/2020	JAM	BL	Review e-mails among J. Seery, I. Leventon, P. McVoy re: production and delivery of e-mails (0.2); e-mails with P. Montgomery, P. Foley re: discovery (0.1); e-mails with P. Montgomery re: third-party neutral (0.1).	0.40	1075.00	\$430.00
08/14/2020	GVD	BL	Review Acis QORs	0.30	825.00	\$247.50
08/14/2020	GVD	BL	Review letter re Highland CDO Funding	0.40	825.00	\$330.00
08/16/2020	GVD	BL	Review and respond to correspondence with S. Ellington re discovery issues	0.20	825.00	\$165.00
08/17/2020	JAM	BL	Review Acis motion to file a document under seal and related materials (0.2); e-mails with G. Demo, A. Chiarello re: sealing motion (0.2); e-mails with P. Montgomery, P. McVoy re: privilege terms and hit results (0.2).	0.60	1075.00	\$645.00
08/17/2020	GVD	BL	Review issues re Acis disclosures	0.20	825.00	\$165.00
08/17/2020	GVD	BL	Additional conference with F. Caruso re revisions to analysis of Acis QOR	0.60	825.00	\$495.00
08/17/2020	GVD	BL	Conference with F. Caruso re analysis of Acis QORs and next steps; follow up re same	0.80	825.00	\$660.00
08/18/2020	IDK	BL	Review of DSI analysis of Acis QOR for call (.2); Attend conference call with DSI, G. Demo on Acis QORs on its plan (.5); E-mails with DSI, G. Demo re DSI draft letter to Acis re QOR, and review of same (.2).	0.90	1145.00	\$1,030.50
08/18/2020	JAM	BL	Telephone conference with I. Leventon, S. Vitiello re: discovery (0.5); e-mail to P. Montgomery, P. Reid, P. Foley re: conferring on search terms (0.2); e-mail to P. Montgomery, P. Reid, P. Foley re: NexPoint e-discovery (0.2); revise e-mails to Sidley re: discovery (0.1).	1.00	1075.00	\$1,075.00
08/18/2020	LSC	BL	Coordinate attorney's telephonic appearance at upcoming hearing.	0.20	425.00	\$85.00
08/18/2020	GVD	BL	Conference with F. Caruso and I. Kharasch re Acis QOR analysis	0.50	825.00	\$412.50
08/18/2020	GVD	BL	Review revised analysis re Acis QOR; conference with F. Caruso re same	0.40	825.00	\$330.00
08/19/2020	IDK	BL	E-mails with CEO and attorneys re NWCC status and negotiations.	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/19/2020	IDK	BL	E-mail to DSI re its revised draft letter to Acis re QOR.	0.20	1145.00	\$229.00
08/19/2020	JAM	BL	Telephone conference with J. Seery re: discovery (0.1); telephone conference with P. Montgomery, P. Foley, C. Rognes re: discovery (0.5); e-mails with Z. Annable, G. Demo re: Robert Half stipulation (0.2).	0.80	1075.00	\$860.00
08/19/2020	LSC	BL	Check state court docket for filings and transmit pleadings.	0.30	425.00	\$127.50
08/19/2020	GVD	BL	Attend status conference re Acis proof of claim; prepare for same	0.80	825.00	\$660.00
08/19/2020	GVD	BL	Conference with I. Leventon re discovery issues	0.40	825.00	\$330.00
08/19/2020	GVD	BL	Conference with F. Caruso re review of Acis QORs	0.20	825.00	\$165.00
08/20/2020	IDK	BL	E-mails with DSI re status of its draft letter on Acis QOR and information needed.	0.20	1145.00	\$229.00
08/20/2020	JAM	BL	E-mails with P. Foley, P. Montgomery, C. Rognes re; third-party neutral (0.1); review Acis complaint and document requests concerning David Simek (0.3); telephone conference with I. Leventon, S. Vitiello re: Simek and document search/production (0.4); telephone conference with P. Foley, Judge LaPorte re: third-party neutral (0.5).	1.30	1075.00	\$1,397.50
08/21/2020	IDK	BL	E-mails with CEO re UBS discovery and claim.	0.10	1145.00	\$114.50
08/21/2020	JAM	BL	E-mails with P. Montgomery, Z. Annabel, W. Hotze re: Robert Half stipulation for retention of contract attorneys to conduct document review (0.2).	0.20	1075.00	\$215.00
08/21/2020	LSC	BL	Check state court docket for filings and transmit pleadings.	0.30	425.00	\$127.50
08/21/2020	GVD	BL	Review correspondence from J. O'Neill re procedural issues	0.10	825.00	\$82.50
08/21/2020	GVD	BL	Conference with J. Seery, J. Romey, and HCMLP on discovery issues; attend to follow up issues re same	1.30	825.00	\$1,072.50
08/21/2020	GVD	BL	Conference with B. Sharp re sealing issues	0.20	825.00	\$165.00
08/21/2020	GVD	BL	Conference with I. Leventon re discovery issues	0.30	825.00	\$247.50
08/22/2020	GVD	BL	Conference with J. Romey re discovery	0.20	825.00	\$165.00
08/23/2020	GVD	BL	Correspondence with J. Seery re back up documents	0.10	825.00	\$82.50
08/23/2020	GVD	BL	Correspondence with I. Kharasch re sealing	0.10	825.00	\$82.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			documents			
08/24/2020	IDK	BL	E-mail to DSI and G Demo re my feedback on DSI list of missing information to request from Acis on its QORs, and alternative methods of getting information (.3); Review of correspondence with Acis re same (.1).	0.40	1145.00	\$458.00
08/24/2020	JNP	BL	Review Acis request to declassify email and email to John A. Morris regarding same.	0.10	1075.00	\$107.50
08/24/2020	JAM	BL	Telephone conference with P. Montgomery, (former) Judge Schenkier re: third-party neutral (0.5).	0.50	1075.00	\$537.50
08/24/2020	GVD	BL	Review J. Morris revisions to letter re settlement	0.30	825.00	\$247.50
08/24/2020	GVD	BL	Correspondence with local counsel re motion to seal	0.10	825.00	\$82.50
08/24/2020	GVD	BL	Review document production	0.30	825.00	\$247.50
08/24/2020	GVD	BL	Conference with J. Romey and I. Leventon re document production	0.40	825.00	\$330.00
08/24/2020	GVD	BL	Correspondence with A. Chiarello re additional materials from Acis	0.10	825.00	\$82.50
08/24/2020	GVD	BL	Conference with I. Leventon re document production	0.20	825.00	\$165.00
08/24/2020	GVD	BL	Attend to issues re discovery	0.40	825.00	\$330.00
08/25/2020	IDK	BL	E-mails with Acis counsel re their response to our request for more info on QORs, and consider (.2); E-mail to G Demo re same and his draft response (.1).	0.30	1145.00	\$343.50
08/25/2020	JAM	BL	Communications with A. Chiarello re: request for re-designation of document produced in Acis suit against Simek (0.1); draft written responses to discovery for Acis/Simek subpoena (2.2).	2.30	1075.00	\$2,472.50
08/25/2020	GVD	BL	Correspondence with I. Kharasch re follow up to Acis diligence request	0.30	825.00	\$247.50
08/25/2020	GVD	BL	Conference with J. Romey and I. Leventon re discovery issues	0.50	825.00	\$412.50
08/25/2020	GVD	BL	Conference with I. Leventon re follow up to discovery items	0.70	825.00	\$577.50
08/26/2020	AJK	BL	Review litigation issues memorandum.	0.40	1145.00	\$458.00
08/26/2020	AJK	BL	Attention to additional litigation issues.	0.60	1145.00	\$687.00

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08/26/2020	JAM	BL	Complete draft responses to Acis subpoena (Simek adversary proceeding) (1.4); e-mail to I. Leventon, S. Vitiello re: responses and document production concerning Acis subpoena served in Simek adversary proceeding (0.2); e-mail to J. Seery, J. Pomerantz, I. Kharasch, G. Demo re: responses and document production concerning Acis subpoena served in Simek adversary proceeding (0.2); e-mails with C. Rognes, I. Leventon, S. Vitiello re: privilege search terms (0.1).	1.90	1075.00	\$2,042.50
08/26/2020	LSC	BL	Check state court docket for filings and transmit pleadings.	0.30	425.00	\$127.50
08/26/2020	GVD	BL	Conference with I. Kharasch re review of motion to seal	0.10	825.00	\$82.50
08/26/2020	GVD	BL	Review memo re settlement issues	0.30	825.00	\$247.50
08/26/2020	GVD	BL	Review UBS objection to Redeemer's proof of claim	0.30	825.00	\$247.50
08/27/2020	JAM	BL	Review of e-mails concerning document production (0.2); e-mails with I. Leventon, S. Vitiello re: discovery, privilege search terms and related matters (0.2).	0.40	1075.00	\$430.00
08/27/2020	GVD	BL	Revise and circulate for filing motion to seal exhibits	0.40	825.00	\$330.00
08/28/2020	JAM	BL	E-mails with I. Leventon, S. Vitiello, Z. Annabel, L. Canty re: written responses to Acis subpoena and document production (0.3); review/revise written responses and objections to Acis subpoena (in Simek adversary proceeding) (0.1); e-mail to A. Chiarello, R. Patel, B. Shaw, J. Pomerantz re: responses/objections to Acis subpoena (Simek matter) (0.2); e-mail to I. Leventon, S. Vitiello re: e-mail to Sidley concerning revised privilege terms (0.1).	0.70	1075.00	\$752.50
08/28/2020	GVD	BL	Correspondence with local counsel re service of Hunter Mountain complaint	0.10	825.00	\$82.50
08/28/2020	GVD	BL	Conference with I. Leventon and J. Romey re additional discovery	0.50	825.00	\$412.50
08/28/2020	GVD	BL	Review additional discovery	0.10	825.00	\$82.50
08/28/2020	GVD	BL	Correspondence re extension of objection deadlines	0.20	825.00	\$165.00
08/29/2020	JNP	BL	Emails to and from Gregory V. Demo regarding hearing regarding Abatement Motion.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/29/2020	JAM	BL	E-mails with S. Vitiello, L. Canty re: document production in response to Acis subpoena (Simek) (0.1); e-mail to P. Montgomery, P. Foley, C. Rognes re: privilege search terms (0.1).	0.20	1075.00	\$215.00
08/29/2020	GVD	BL	Correspondence re abatement hearing	0.10	825.00	\$82.50
08/30/2020	GVD	BL	Correspondence re status of additional discovery	0.20	825.00	\$165.00
08/31/2020	AJK	BL	Analyze potential summary judgment issue.	0.40	1145.00	\$458.00
08/31/2020	JNP	BL	Review emails with Acis counsel regarding discovery issues.	0.10	1075.00	\$107.50
08/31/2020	JMF	BL	Review Half stipulation and emails re same.	0.50	925.00	\$462.50
08/31/2020	JAM	BL	E-mails with A. Chiarello, J. Pomerantz, R. Patel re: Simek document production (0.2).	0.20	1075.00	\$215.00
08/31/2020	GVD	BL	Correspondence with UBS re delivery of additional discovery	0.30	825.00	\$247.50
08/31/2020	GVD	BL	Correspondence re confidentially designation on discovery	0.20	825.00	\$165.00
08/31/2020	GVD	BL	Conference with J. Romey re additional discovery issues and next steps	0.20	825.00	\$165.00
				61.50		\$54,947.00

Case Administration [B110]

06/30/2020	JEO	CA	Participate in Highland PSZJ team call	0.50	925.00	\$462.50
08/03/2020	IDK	CA	E-mails with DSI, others on rescheduling of WIP calls.	0.10	1145.00	\$114.50
08/03/2020	JMF	CA	Review filings and draft memorandum re case issues and upcoming motions and hearings.	0.30	925.00	\$277.50
08/03/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
08/03/2020	GVD	CA	Conference with J. Romey re open items and next steps	0.20	825.00	\$165.00
08/04/2020	IDK	CA	E-mails with G Demo, others on rescheduling of WIP calls today (.1); Review of updated WIP list (.1); Attend internal WIP call (.9).	1.10	1145.00	\$1,259.50
08/04/2020	IDK	CA	E-mails and telephone conference with J. Pomerantz re case issues, plan UCC discussion tomorrow, UBS (.4).	0.40	1145.00	\$458.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/04/2020	JNP	CA	Participate on DSI PSZJ weekly WIP call.	0.50	1075.00	\$537.50
08/04/2020	JEO	CA	Email with UST re quarterly fee payments	0.20	925.00	\$185.00
08/04/2020	JEO	CA	Partial participation in WIP call with PSZJ team	0.50	925.00	\$462.50
08/04/2020	JMF	CA	Update memorandum re updated case issues re weekly call.	0.30	925.00	\$277.50
08/04/2020	JMF	CA	Telephone calls with G. Demo, I. Kharasch, J. O'Neill, J. Morris re pending case issues and matters (.8); telephone with B. Sharp, F. Caruso G. Demo, J.N. Pomperantz re operational update (.6).	1.40	925.00	\$1,295.00
08/04/2020	JAM	CA	Internal WIP call (J. Fried, I. Kharasch (partial), G. Demo (partial), J. O'Neill (partial)) (0.9).	0.90	1075.00	\$967.50
08/04/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
08/04/2020	GVD	CA	Attend WIP Call	0.50	825.00	\$412.50
08/04/2020	GVD	CA	Attend DSI/PSZJ WIP Call	0.60	825.00	\$495.00
08/05/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
08/05/2020	GVD	CA	Review open items and attend to same	0.30	825.00	\$247.50
08/06/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.20	350.00	\$70.00
08/06/2020	GVD	CA	Correspondence with J. Morris re parties in interest list	0.10	825.00	\$82.50
08/06/2020	GVD	CA	Daily stand up call with J. Romey re open items	0.30	825.00	\$247.50
08/07/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
08/07/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
08/10/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.50	350.00	\$175.00
08/10/2020	GVD	CA	Conference with J. Romey re open items and next steps	0.40	825.00	\$330.00
08/10/2020	GVD	CA	Conference with J. Seery re open items and next steps	0.30	825.00	\$247.50
08/11/2020	IDK	CA	E-mails with attorneys re need to reschedule WIP	0.20	1145.00	\$229.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			calls and coordinate.			
08/11/2020	KKY	CA	Review and revise critical dates	2.50	425.00	\$1,062.50
08/11/2020	KKY	CA	Review and revise 2002 service list	0.10	425.00	\$42.50
08/11/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
08/11/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
08/11/2020	GVD	CA	Conference with J. Romey re case updates and next steps	0.40	825.00	\$330.00
08/12/2020	JEO	CA	Review critical dates memo and provide updates	0.70	925.00	\$647.50
08/12/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.30	350.00	\$105.00
08/12/2020	GVD	CA	Conference with J. Romey re open items and next steps	0.30	825.00	\$247.50
08/13/2020	IDK	CA	Review of updated WIP list (.1); Attend internal WIP call on next steps in case (.8); Attend part of conference call with DSI, others on DSI WIP list (.4).	1.30	1145.00	\$1,488.50
08/13/2020	JNP	CA	Participate in weekly PSZJ DSI WIP call.	0.50	1075.00	\$537.50
08/13/2020	JNP	CA	Participate in PSZJ weekly WIP call .	0.80	1075.00	\$860.00
08/13/2020	KKY	CA	Review and revise critical dates	2.80	425.00	\$1,190.00
08/13/2020	JEO	CA	Participate in PSZJ WIP Call	0.80	925.00	\$740.00
08/13/2020	JEO	CA	Review critical dates document and solicit comments from PSZJ team	0.80	925.00	\$740.00
08/13/2020	JMF	CA	Telephone call with J. Pomerantz, G. Demo, I. Kharasch and J. O'Neill re pending case issues (.8); telephone call with B. Sharp, J.N. Pomerantz, I. Kharasch, G. Demo re update call (.4); draft memorandum re pending case issues and matters and update re claims status (.5)	1.70	925.00	\$1,572.50
08/13/2020	JMF	CA	Review and revise critical dates memorandum.	0.20	925.00	\$185.00
08/13/2020	JAM	CA	Internal WIP call (J. Pomerantz, I. Kharasch, G. Demo, J. Fried) (partial participation) (0.5).	0.50	1075.00	\$537.50
08/13/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/13/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	1.00	350.00	\$350.00
08/13/2020	GVD	CA	Attend WIP Call	0.80	825.00	\$660.00
08/13/2020	GVD	CA	Attend DSI/PSZJ WIP Call	0.50	825.00	\$412.50
08/14/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.20	350.00	\$70.00
08/14/2020	GVD	CA	Conference with J. Romey re open items and next steps	0.20	825.00	\$165.00
08/14/2020	GVD	CA	Conference with I. Kharasch re open items and status updates	0.20	825.00	\$165.00
08/15/2020	GVD	CA	Prepare and review open items and compile spreadsheet re same	0.30	825.00	\$247.50
08/15/2020	GVD	CA	Multiple correspondences re open items and status of same	0.40	825.00	\$330.00
08/17/2020	IDK	CA	E-mails with attorneys re critical date updates, questions, including review of same.	0.20	1145.00	\$229.00
08/17/2020	JNP	CA	Conference with Ira D. Kharasch and Gregory V. Demo regarding various pending matters.	0.70	1075.00	\$752.50
08/17/2020	KKY	CA	Review and revise critical dates	0.40	425.00	\$170.00
08/17/2020	JMF	CA	Review and comment re critical dates memorandum and upcoming case issues.	0.30	925.00	\$277.50
08/17/2020	KSN	CA	Maintain document control.	0.20	350.00	\$70.00
08/17/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
08/17/2020	GVD	CA	Review and revise critical dates list	0.30	825.00	\$247.50
08/17/2020	GVD	CA	Conference with J. Romey re daily open items and next steps	0.30	825.00	\$247.50
08/17/2020	GVD	CA	Conference with J. Seery re open issues	0.20	825.00	\$165.00
08/18/2020	IDK	CA	E-mails re rescheduling of WIP (.1); Attend conference call with internal team on WIP list of open items and next steps (.8).	0.90	1145.00	\$1,030.50
08/18/2020	JNP	CA	Participate on PSZJ WIP call.	0.80	1075.00	\$860.00
08/18/2020	JNP	CA	Participate in PSZJ DSI WIP call.	0.30	1075.00	\$322.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/18/2020	JEO	CA	Call with PSZJ team to review open issues (partial)	0.60	925.00	\$555.00
08/18/2020	JMF	CA	Telephone call with J.N. Pomerantz, G. Demo, I. Kharasch, J. O'Neill re case issues (.8); telephone call with B. Sharp, J.N. Pomerantz, G. Demo, J. Donahue re case status issues (.4); draft memorandum re upcoming hearing and outstanding deliverables (.5).	1.70	925.00	\$1,572.50
08/18/2020	KSN	CA	Maintain document control.	0.20	350.00	\$70.00
08/18/2020	JAM	CA	Internal WIP call (J. Pomerantz, I. Kharasch, G. Demo, J. Fried, J. O'Neill) (0.8).	0.80	1075.00	\$860.00
08/18/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
08/18/2020	GVD	CA	Attend WIP Call	0.80	825.00	\$660.00
08/18/2020	GVD	CA	Attend DSI/PSZJ WIP Call	0.50	825.00	\$412.50
08/19/2020	KSN	CA	Maintain document control.	0.20	350.00	\$70.00
08/19/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
08/19/2020	GVD	CA	Review notice re change to court date; correspondence re same	0.20	825.00	\$165.00
08/19/2020	GVD	CA	Conference with J. Romey re open items and next steps	0.30	825.00	\$247.50
08/19/2020	GVD	CA	Review scheduling order	0.10	825.00	\$82.50
08/20/2020	KKY	CA	Review and revise critical dates	1.80	425.00	\$765.00
08/20/2020	KKY	CA	Serve (.1) and prepare for service (.1) corporate documents (Cornerstone Healthcare Group Holdings)	0.20	425.00	\$85.00
08/20/2020	KSN	CA	Maintain document control.	0.40	350.00	\$140.00
08/20/2020	JAM	CA	Telephone conference with G. Demo re: case status, Dondero, governance (0.1).	0.10	1075.00	\$107.50
08/20/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.50	350.00	\$175.00
08/20/2020	GVD	CA	Multiple conferences with J. Seery re open items and next steps	0.30	825.00	\$247.50
08/20/2020	GVD	CA	Review open items; correspondence re same	0.20	825.00	\$165.00

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLANT RECORD
VOLUME 10**

D. Michael Lynn
State Bar I.D. No. 12736500
John Y. Bonds, III
State Bar I.D. No. 02589100
John T. Wilson, IV
State Bar I.D. No. 24033344
Bryan C. Assink
State Bar I.D. No. 24089009
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ATTORNEYS FOR JAMES DONDERO

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

IN RE:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

Debtor.

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Case No. 19-34054

Chapter 11

APPELLANT'S SECOND AMENDED DESIGNATION OF ITEMS TO
BE INCLUDED IN THE RECORD ON APPEAL AND
STATEMENT OF ISSUES TO BE PRESENTED

Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Appellant James Dondero ("Appellant") in this appeal as noticed by the Notice of Appeal filed by Appellant on November 9, 2020, files this *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented*¹ in the above-captioned case and requests that the Clerk prepare and forward the items listed herein to the District Court for inclusion in the record in connection with this appeal.

¹ This designation is being further amended to group together certain docket entries per the clerk's request.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL

1. Notice of Appeal filed by Appellant [Docket No. 1347];

2. *Order Approving Debtor's Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302];

3. Docket entries kept by the bankruptcy clerk in case no. 19-34054; and

4. Each of the additional documents and items designated below:

Designation No.	Docket No.	Date	Description
1.		10/25/18	<i>Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC</i> [Docket No. 660 in Case No. 18-30264]
2.		1/31/19	<i>Findings of Fact, Conclusions of Law, and Order Granting Final Approval of Disclosure Statement and Confirming the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, as Modified</i> [Docket No. 829 in Case No. 18-30264]
3.	607	4/28/20	<i>Summary of First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from October 16, 2019 through March 31, 2020</i> [Docket No. 607]
4.	617	5/1/20	<i>James Dondero's Limited Response to Acis Capital Management, L.P. and Acis Capital Management GP, LLC's Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction</i> [Docket No. 617]
5.	771	6/23/20	<i>Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC, filed by Highland Capital Management, L.P.</i> [Docket No. 771]

Vol. 5 001276	6.	827	7/13/20	<i>James Dondero's (i) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (ii) Joinder in Support of Highland Capital Management, L.P.'s Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 827]</i>
001284	7.	832	7/14/20	<i>Response of James Dondero to the Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor [Docket No. 832]</i>
001293	8.	891	7/23/20	<i>UBS (i) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC and (ii) Joinder in the Debtor's Objection [Docket No. 891]</i>
Vol. 6 001300	9.	908	7/31/20	<i>Omnibus Response to Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 908]</i>
Vol. 7 001571 Thru Vol. 8	10.	971	8/19/20	<i>Summary of Second Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from April 1, 2020 through July 31, 2020 [Docket No. 971]</i>
Vol. 8 001965	11.	983	8/21/20	<i>Agreed Scheduling Order Regarding Objections to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 983]</i>
001970	12.	1079	9/21/20	<i>First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1079]</i>
Vol. 9 002031	13.	1080	9/21/20	<i>Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1080]</i>
002186	14.	1087	9/23/20	<i>Debtor's Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer</i>

			<i>G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith [Docket No. 1087] (the “Acis Settlement Motion”)</i>
15.	1088	9/23/20	Declaration of Gregory V. Demo in Support of the Acis Settlement Motion [Docket No. 1088]
16.	1088-1	9/23/20	Settlement Agreement between the Debtor, Acis, and certain related parties [Docket No. 1088-1]
17.	1088-2	9/23/20	General Release between the Debtor, Acis, and certain related parties [Docket No. 1088-2]
18.	1094	9/24/20	<i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020 [Docket No. 1094]</i>
19.	1121	10/05/20	James Dondero’s Response to the Acis Settlement Motion [Docket No. 1121]
20.	1194-1	10/16/20	Proof of Claim No. 23 filed by Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively, “Acis”)
21.	1194-2	10/16/20	Proof of Claim No. 72 filed by the Redeemer Committee of the Highland Crusader Fund
22.	1194-3	10/16/20	Proof of Claim No. 81 filed by Highland Crusader Offshore Partners, L.P., et al.
23.	1194-5	10/16/20	Proof of Claim No. 77 filed by Patrick Daugherty
24.	1194-4	10/16/20	Proof of Claim No. 93 filed by Integrated Financial Associates, Inc.
25.	1194-6	10/16/20	Proof of Claim No. 190 filed by UBS
26.	1194-16	10/16/20	Expert Opinion of Nancy B. Rapoport, dated October 11, 2020, including all attachments thereto
27.	1194-17	10/16/20	Curriculum Vitae of Nancy B. Rapoport

Vol. 12 002758	28.	1201	10/16/20	Objection of Patrick Daugherty to the Acis Settlement Motion [Docket No. 1201]
002773	29.	1177	10/16/20	CLO HoldCo. Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1177]
002777	30.	1191	10/16/20	Highland CLO Funding, Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1191]
002785	31.	1195	10/16/20	HarbourVest Limited Objection and Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1195]
002791 Thru Vol. 13	32.	1271	10/20/20	Transcript of hearing conducted on October 20, 2020 [Docket No. 1271]
Vol. 13 003047	33.	1285	10/21/20	Transcript of hearing conducted on October 21, 2020 [Docket No. 1285]

STATEMENT OF ISSUES TO BE PRESENTED ON APPEAL

1. Whether the Bankruptcy Court erred in approving the settlement agreement and release entered into between Highland Capital Management, L.P. and Acis Capital Management, L.P., Acis Capital Management GP, LLC, and Joshua Terry pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure as being fair, equitable, and in the best interest of the estate.

[Remainder of Page Intentionally Left Blank]

Dated: December 7, 2020

Respectfully submitted,

/s/ Bryan C. Assink

D. Michael Lynn
State Bar I.D. No. 12736500
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State Bar I.D. No. 02589100
John T. Wilson, IV
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ATTORNEYS FOR JAMES DONDERO

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on December 7, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for Debtor-Appellee Highland Capital Management, L.P. and on all other parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

Bryan C. Assink

Pachulski Stang Ziehl & Jones LLP
Highland Capital Management LP
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/21/2020	KSN	CA	Maintain document control.	0.40	350.00	\$140.00
08/21/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
08/21/2020	GVD	CA	Coordinate completion of open items	0.20	825.00	\$165.00
08/23/2020	JAM	CA	Telephone conference with G. Demo re: mediation and related matters.	0.30	1075.00	\$322.50
08/24/2020	KSN	CA	Maintain document control.	0.40	350.00	\$140.00
08/24/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
08/24/2020	GVD	CA	Daily status conference with J. Romey	0.30	825.00	\$247.50
08/24/2020	GVD	CA	Conference with J. Seery re open items and next steps	0.30	825.00	\$247.50
08/25/2020	IDK	CA	E-mails re updated WIP list (.1); Attend conference call re internal WIP and next steps (.5); Attend conference call with DSI on its WIP issues (.4).	1.00	1145.00	\$1,145.00
08/25/2020	JNP	CA	Participate on weekly PSZJ WIP call.	0.60	1075.00	\$645.00
08/25/2020	JEO	CA	WIP call with PSZJ team	0.60	925.00	\$555.00
08/25/2020	JMF	CA	Draft memorandum re pending case, mediation and upcoming issues (.5); telephone call with G. Demo, J.N. Pomerantz, I. Kharasch, J. O'Neill re same (.8); telephone call with B. Sharp, G. Demo, I. Kharasch, J. Donahue re work in progress issues (.5).	1.80	925.00	\$1,665.00
08/25/2020	JMF	CA	Review critical dates and discovery and mediation deadlines.	0.30	925.00	\$277.50
08/25/2020	KSN	CA	Maintain document control.	0.30	350.00	\$105.00
08/25/2020	JAM	CA	Telephone conference with J. Pomerantz re: status of discovery, mediation, Redeemer Committee settlement, and related matters (0.2); internal WIP call (with J. Pomerantz, I. Kharasch, G. Demo, J. Fried) (partial participation) (0.4).	0.60	1075.00	\$645.00
08/25/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
08/25/2020	GVD	CA	Attend WIP Call	0.60	825.00	\$495.00
08/25/2020	GVD	CA	Attend DSI/PSZJ WIP Call	0.40	825.00	\$330.00
08/25/2020	GVD	CA	Daily conference with J. Romey re open items and	0.40	825.00	\$330.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			next steps			
08/26/2020	KSN	CA	Maintain document control.	0.30	350.00	\$105.00
08/26/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
08/26/2020	GVD	CA	Conference with J. Romey re daily needs	0.20	825.00	\$165.00
08/27/2020	KKY	CA	Review and revise critical dates	3.80	425.00	\$1,615.00
08/27/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
08/27/2020	GVD	CA	Review open items and prepare to address same	0.10	825.00	\$82.50
08/28/2020	IDK	CA	E-mails with J. Pomerantz and G Demo re status re events today (.2).	0.20	1145.00	\$229.00
08/28/2020	JNP	CA	Email to and from Gregory V. Demo regarding status of various issues.	0.10	1075.00	\$107.50
08/28/2020	JMF	CA	Update memorandum re pending case issues and motions.	0.30	925.00	\$277.50
08/28/2020	KSN	CA	Maintain document control.	0.30	350.00	\$105.00
08/28/2020	BMK	CA	Prepared daily memo narrative and coordinated client distribution.	0.10	350.00	\$35.00
08/28/2020	GVD	CA	Conference with J. Seery re open items and next steps	0.20	825.00	\$165.00
08/28/2020	GVD	CA	Daily call re James Romey re open items and next steps	0.30	825.00	\$247.50
08/31/2020	JNP	CA	Conference with Gregory V. Demo regarding Harborvest claim.	0.10	1075.00	\$107.50
08/31/2020	GVD	CA	Conference with J. Seery re open items and next steps	0.20	825.00	\$165.00
08/31/2020	GVD	CA	Daily status call with J. Romey	0.50	825.00	\$412.50
08/31/2020	GVD	CA	Attend to issues re scheduling calls	0.30	825.00	\$247.50
				57.70		\$44,518.00

Claims Admin/Objections[B310]

08/01/2020	HDH	CO	Review and analyze Acis response to claim objection	0.60	950.00	\$570.00
08/01/2020	JNP	CO	Begin to review Acis response to objection.	0.30	1075.00	\$322.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/01/2020	JEO	CO	Participate in claims call with DSI	0.50	925.00	\$462.50
08/01/2020	JEO	CO	Review status of claims	1.50	925.00	\$1,387.50
08/02/2020	IDK	CO	E-mails re Acis just filed response to claim objection, including brief review.	0.40	1145.00	\$458.00
08/02/2020	JNP	CO	Continued review of Acis objection.	0.30	1075.00	\$322.50
08/02/2020	JEO	CO	Participate in claims call with DSI	0.50	925.00	\$462.50
08/02/2020	GVD	CO	Review claim analysis	0.20	825.00	\$165.00
08/03/2020	HDH	CO	Work on Daugherty claim objection	1.80	950.00	\$1,710.00
08/03/2020	IDK	CO	E-mails with H. Hochman re redrafting Daugherty memo into claim objection.	0.20	1145.00	\$229.00
08/03/2020	IDK	CO	Telephone conference with G. Demo re status on CEO questions on draft objection to UBS claim (.1); Telephone A. Kornfeld re same (.1); E-mails with E. Wagner re same and list of CEO questions on same (.2).	0.40	1145.00	\$458.00
08/03/2020	IDK	CO	Telephone conferences and e-mails with G. Demo and J. Kim re need for memos on various significant related party claims re CLO Holdco and CLO Management, and various issues re same, including re Redeemer/Crusader issues.	0.40	1145.00	\$458.00
08/03/2020	IDK	CO	E-mails with attorneys re claims of employees and need for breakdown and analysis.	0.20	1145.00	\$229.00
08/03/2020	IDK	CO	E-mails with Redeemer counsel re status on our objection to UBS, and its request for copy of draft.	0.20	1145.00	\$229.00
08/03/2020	JJK	CO	Email Demo on CLO Holdco and HCLOM claim issues and review.	0.30	895.00	\$268.50
08/03/2020	JJK	CO	Email Demo on CLO Holdco claim matters and review.	0.20	895.00	\$179.00
08/03/2020	JMF	CO	Review updated claims analysis.	0.80	925.00	\$740.00
08/03/2020	JMF	CO	Review omnibus objection to claims re 9/10 hearing.	0.30	925.00	\$277.50
08/03/2020	JAM	CO	E-mail to J. Seery re: Redeemer Committee settlement (0.1); telephone conference with J. Seery re: issues concerning settlement of Redeemer Committee claim (0.3); telephone conference with G. Demo re: Redeemer Committee claim and follow up needed on settlement (0.2); telephone conference with G. Demo re: Redeemer Committee settlement	0.70	1075.00	\$752.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			(0.1).			
08/03/2020	EAW	CO	Review questions and comments re: draft claim objection (UBS); and emails to/from I. Kharasch and H. Hochman re: same.	0.30	825.00	\$247.50
08/03/2020	EAW	CO	Document review re: draft claim objection (UBS).	1.10	825.00	\$907.50
08/03/2020	EAW	CO	Draft and circulate revisions/inserts to draft claim objection (UBS).	5.20	825.00	\$4,290.00
08/03/2020	GVD	CO	Correspondence with J. Kim re potential claim objection	0.20	825.00	\$165.00
08/03/2020	GVD	CO	Correspondence with T. Courneyor re settlement agreement	0.20	825.00	\$165.00
08/04/2020	HDH	CO	Conference with Ira D. Kharasch regarding Daugherty	0.10	950.00	\$95.00
08/04/2020	HDH	CO	Revise memo regarding Daugherty claim	0.40	950.00	\$380.00
08/04/2020	HDH	CO	Review comments and markup regarding UBS	0.30	950.00	\$285.00
08/04/2020	HDH	CO	Review and analyze appendix and logistics and exhibit issue	0.40	950.00	\$380.00
08/04/2020	IDK	CO	E-mails with attorneys re E Wagner various markups of objection to UBS claim and need to expedite to client, including brief review of same (.3); E-mails and telephone conference with G Demo re same and exhibit issues (.2); Telephone conference with J Seery re UBS (.1).	0.60	1145.00	\$687.00
08/04/2020	IDK	CO	Review and consider further substantially revised memo on Daugherty claim (.4); E-mails with I Leventon and H Hochman re same and 502 (e) issues (.3); Telephone conference with I Leventon re same (.2); E-mails with I Leventon and H Hochman re I Leventon's further feedback re same, and re need for modification of memo (.3); Review of modified memo re same with 502 analysis (.2); E-mails with H Hochman re problem re same on 502 analysis and need for further revisions (.3); E-mail to Board re Daugherty memo and next steps (.1).	1.80	1145.00	\$2,061.00
08/04/2020	IDK	CO	E-mails with DSI, others re questions on CLO Holdco claim.	0.20	1145.00	\$229.00
08/04/2020	IDK	CO	E-mails with G Demo re his revised objection to UBS claim, including review of same (.4); E-mails with CEO with objection to UBS claim, and need to discuss today and Redeemer request re same (.1);	1.00	1145.00	\$1,145.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Telephone conference with CEO re same (.1); E-mails with I Leventon re need for his feedback on objection to UBS claim and timing re same (.2); E-mails with Redeemer counsel with draft objection to UBS claim and timing (.2).			
08/04/2020	IDK	CO	E-mails with J Pomerantz re Acis claim objection and coordination of call tomorrow with Acis re same and status report.	0.30	1145.00	\$343.50
08/04/2020	JNP	CO	Conference with Ira D. Kharasch regarding Acis upcoming hearing and related.	0.30	1075.00	\$322.50
08/04/2020	JEO	CO	Review CLO Holdco claim and related email and respond to DSI team	0.60	925.00	\$555.00
08/04/2020	JAM	CO	Draft timeline/milestones for sale and marketing of Cornerstone (0.4); e-mail to G. Demo, J. Pomerantz, I. Kharasch re: timeline/milestones for sale and marketing of Cornerstone (0.1).	0.50	1075.00	\$537.50
08/04/2020	EAW	CO	Draft and circulate revisions/inserts to draft claim objection (UBS).	4.50	825.00	\$3,712.50
08/04/2020	GVD	CO	Conference with J. Donohue re open claim and potential resolution	0.10	825.00	\$82.50
08/04/2020	GVD	CO	Review and revise objection to claim for filing	1.30	825.00	\$1,072.50
08/04/2020	GVD	CO	Revise and circulate draft settlement agreement re proof of claim	0.20	825.00	\$165.00
08/05/2020	HDH	CO	Review turns of UBS objection	0.40	950.00	\$380.00
08/05/2020	HDH	CO	Review correspondence regarding UBS	0.10	950.00	\$95.00
08/05/2020	IDK	CO	E-mails with J. Pomerantz re information for upcoming call with Acis on claim objection and need for status report (.2); Telephone J. Pomerantz re same (.3); Attend conference call with Acis counsels re same (.4); E-mails with H. Hochman re same and need for call on updated list of issues subject to summary adjudication in light of Acis response brief (.2).	1.10	1145.00	\$1,259.50
08/05/2020	IDK	CO	E-mail with G. Demo re latest revision to objection to UBS claim, including brief review of same (.3); Review of latest correspondence with UBS on its discovery requests and timing (.1); E-mails with I. Leventon re status of his feedback on objection to UBS claim (.2); Telephone conference and e-mails with G. Demo re issue of whether UBS hearing is status conference, including his correspondence with	0.90	1145.00	\$1,030.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			our local counsel re same (.3).			
08/05/2020	IDK	CO	E-mails with I. Leventon re his changes to objection to UBS claim, as well as e-mails with others re same.	0.40	1145.00	\$458.00
08/05/2020	JNP	CO	Conference with Ira D. Kharasch in preparation for call with R. Patel and B. Shaw.	0.50	1075.00	\$537.50
08/05/2020	JNP	CO	Conference with Ira D. Kharasch, R. Patel and B. Shaw regarding Acis claim objection.	0.50	1075.00	\$537.50
08/05/2020	JMF	CO	Review memo re Daugherty claim analysis.	0.80	925.00	\$740.00
08/05/2020	EAW	CO	Review 2007 and 2008 warehouse agreements in connection with UBS's implied covenant claim.	2.30	825.00	\$1,897.50
08/05/2020	GVD	CO	Revise draft objection to claim and circulate same	0.20	825.00	\$165.00
08/05/2020	GVD	CO	Correspondence with group re open objection issues	0.20	825.00	\$165.00
08/05/2020	GVD	CO	Correspondence with local counsel re notice of hearing	0.20	825.00	\$165.00
08/06/2020	HDH	CO	Review and respond to correspondence regarding UBS	0.30	950.00	\$285.00
08/06/2020	IDK	CO	Telephone conference with G Demo re new issues on objection to UBS claim (.1); Attend conference call with others re same and next steps re referred to 2 entities (.2).	0.30	1145.00	\$343.50
08/06/2020	IDK	CO	Review of UBS issues for objection to claim, including prior reps re opposition to stay motion on 2 foreign entities and issue of solvency of same and nature of assets of same (.4); E-mails with attorneys re same, as well as prior correspondence to UBS counsel re same, and new info and need for further call (.4); attend further conference call re same on how to modify UBS claim objection (.4); E-mails with G Demo re further revised objection to UBS and questions re I. Leventon proposed changes to same (.2); E-mails with R Feinstein re timing on his feedback re same (.1).	1.50	1145.00	\$1,717.50
08/06/2020	IDK	CO	Numerous E-mails with G Demo re his multiple proposed changes to objection to UBS to "fix" the prior language re solvency of foreign entities, and my feedback re same (.4); E-mails with attorneys re same and timing on doing due diligence on nature of assets in foreign entities (.3); E-mails with attorneys re feedback of CEO to objection as well as R Feinstein to same (.2).	0.90	1145.00	\$1,030.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/06/2020	IDK	CO	E-mails with CEO, others re Daugherty correspondence re Acis and Josh Terry.	0.10	1145.00	\$114.50
08/06/2020	IDK	CO	Attend conference call with H Hochman and J. Pomerantz re mediation statement re Acis response and Acis status conference report (.2).	0.20	1145.00	\$229.00
08/06/2020	JNP	CO	Conference with J. Romey, Ira D. Kharasch and Gregory V. Demo regarding UBS opposition.	0.20	1075.00	\$215.00
08/06/2020	JNP	CO	Conference with J. Seery, Ira D. Kharasch, Gregory V. Demo and Robert J. Feinstein regarding UBS opposition.	0.60	1075.00	\$645.00
08/06/2020	JNP	CO	Emails regarding UBS opposition.	0.10	1075.00	\$107.50
08/06/2020	JNP	CO	Conference with Robert J. Feinstein regarding call to discuss UBS opposition.	0.10	1075.00	\$107.50
08/06/2020	JNP	CO	Conference with Ira D. Kharasch and Gregory V. Demo regarding UBS opposition.	0.30	1075.00	\$322.50
08/06/2020	JNP	CO	Review proposed footnote for UBS opposition and various versions and emails regarding same.	0.30	1075.00	\$322.50
08/06/2020	JNP	CO	Conference with Ira D. Kharasch and Harry D. Hochman regarding Acis issues.	0.20	1075.00	\$215.00
08/06/2020	JNP	CO	Email regarding status of UBS discovery request.	0.10	1075.00	\$107.50
08/06/2020	RJF	CO	Telephone conference with Seery, Jeffrey N. Pomerantz et al regarding UBS.	0.50	1245.00	\$622.50
08/06/2020	RJF	CO	Revise objections.	0.50	1245.00	\$622.50
08/06/2020	JMF	CO	Review UBS draft claim objection.	1.20	925.00	\$1,110.00
08/06/2020	JAM	CO	E-mail to J. Seery re: Redeemer Committee settlement status (0.1); review organizational charts with reference to "Highland Additional Release Parties" under the proposed settlement with the Redeemer Committee (0.2); telephone conference with J. Seery, G. Demo (partial participation) re: Redeemer Committee settlement issues (0.3); telephone conference with M. Hankin re: Redeemer Committee settlement issues (0.2); telephone conference with G. Demo re: UBS and Redeemer Committee settlement issues (0.2).	1.00	1075.00	\$1,075.00
08/06/2020	GVD	CO	Conference with J. Morris and J. Seery re potential settlement	0.10	825.00	\$82.50
08/06/2020	GVD	CO	Further revise objection to claim and attend to issues	2.00	825.00	\$1,650.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			re assets			
08/06/2020	GVD	CO	conference with Ira re UBS issues	0.10	825.00	\$82.50
08/06/2020	GVD	CO	Review and revise objection to proof of claim	0.20	825.00	\$165.00
08/07/2020	HDH	CO	Telephone conference with Ira D. Kharasch and Jeffrey N. Pomerantz regarding Acis	0.30	950.00	\$285.00
08/07/2020	HDH	CO	Research Acis summary judgment issues	1.00	950.00	\$950.00
08/07/2020	HDH	CO	Draft memo regarding Acis motion for summary judgment issues	3.30	950.00	\$3,135.00
08/07/2020	IDK	CO	E-mails with Board, G Demo on revised objection to UBS claim, including brief review of same, and his issues on fiduciary duties re Acis portion and feedback re same (.4); Telephone conference with J. Pomerantz and then G Demo re status on filing UBS objection and issues on Acis response (.3); E-mails and telephone conference with Marc Hankin of Redeemer on UBS objection issues (.3); Telephone conferences with G Demo re open issues on filing UBS objection (.2).	1.20	1145.00	\$1,374.00
08/07/2020	IDK	CO	Attend conference call with H Hochman and J. Pomerantz re Acis status conference report re issues capable of summary adjudication (.3); Review briefly H Hochman's memo on revised list of issues for adjudication in light of Acis response (.2).	0.50	1145.00	\$572.50
08/07/2020	JJK	CO	Review/research CLO Holdco POC and HCM prom. note issues; emails Romey, Demo on same.	2.90	895.00	\$2,595.50
08/07/2020	JNP	CO	Conference with Ira D. Kharasch and Gregory V. Demo regarding UBS claim objection and related.	0.30	1075.00	\$322.50
08/07/2020	JNP	CO	Conference with Ira D. Kharasch and Harry D. Hochman regarding Acis claim objection issues (2x).	0.60	1075.00	\$645.00
08/07/2020	JNP	CO	Review Harry D. Hochman memo regarding preparation for upcoming Status Conference on Acis claim objection.	0.20	1075.00	\$215.00
08/07/2020	JEO	CO	Emails with local counsel re filing and service of UBS claim objection (.5) and review and comment on notice of hearing (.4)	0.90	925.00	\$832.50
08/07/2020	JMF	CO	Review UBS objection.	0.80	925.00	\$740.00
08/07/2020	JAM	CO	Review/revise Redeemer Settlement agreement (0.8); communications with J. Donohue, G. Demo	1.20	1075.00	\$1,290.00

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			re: "Highland Additional Release Parties" under the proposed Redeemer Settlement agreement (0.2); e-mail to J. Seery, J. Pomerantz, I. Kharasch, G. Demo re: revisions to Redeemer Committee settlement agreement (0.2).			
08/07/2020	EAW	CO	Review proposed additional exhibits to claim objection (UBS); and emails to/from G. Demo re: same.	0.90	825.00	\$742.50
08/07/2020	GVD	CO	Finalize and file UBS claim objection	1.70	825.00	\$1,402.50
08/08/2020	IDK	CO	E-mails re CEO comments on filed objection to UBS, as well as Redeemer's objection to UBS.	0.30	1145.00	\$343.50
08/08/2020	GVD	CO	Review and circulate the objection to UBS's proof of claim	0.20	825.00	\$165.00
08/08/2020	GVD	CO	Review and circulate Redeemer objection to UBS proof of claim	0.40	825.00	\$330.00
08/09/2020	JAM	CO	Telephone conference with J. Seery re: status of UBS claim and potential resolution of Redeemer Committee claim (0.2).	0.20	1075.00	\$215.00
08/09/2020	GVD	CO	Correspondence re UBS objection	0.10	825.00	\$82.50
08/09/2020	GVD	CO	Review correspondence re NWCC proof of claim	0.20	825.00	\$165.00
08/10/2020	HDH	CO	Prepare for call regarding Acis	0.10	950.00	\$95.00
08/10/2020	HDH	CO	Telephone conference with Ira D. Kharasch and Jeffrey N. Pomerantz regarding Acis	0.40	950.00	\$380.00
08/10/2020	HDH	CO	Revise memo regarding Acis issues	0.40	950.00	\$380.00
08/10/2020	HDH	CO	Draft issues for status report	0.30	950.00	\$285.00
08/10/2020	IDK	CO	Prep for upcoming call on Acis status report and issues (.2); Attend conference call with H Hochman, J. Pomerantz re Acis litigation and list of issues for summary adjudication (.4); Review of H Hochman's revised issue list (.1); E-mail and telephone conference with J. Pomerantz re same and next steps and need to continue status conference (.2); E-mails with H Hochman re need for abbreviated version of summary adjudication issues for Board and Acis, including review of same (.3); E-mails with CEO, Board re proposed list of summary adjudication issues and commentary (.2).	1.40	1145.00	\$1,603.00
08/10/2020	IDK	CO	E-mails with Acis counsels re need to kick status conference hearing on claim objection and next steps	0.50	1145.00	\$572.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			for same (.3); E-mails with local counsel re same, and his feedback on how to approach clerk, as well as Rakhee's feedback re same (.2).			
08/10/2020	JJK	CO	Review HCM claims against Acis and email Demo on same.	2.90	895.00	\$2,595.50
08/10/2020	JNP	CO	Conference with Ira D. Kharasch and Harry D. Hochman regarding summary judgment issues for Acis claim objection.	0.40	1075.00	\$430.00
08/10/2020	JNP	CO	Conference with Ira D. Kharasch regarding information to Board regarding Acis claim objection.	0.10	1075.00	\$107.50
08/10/2020	JAM	CO	E-mail to J. Seery re: action items to resolve Redeemer Committee claim (0.7); e-mails with G. Demo re: HCMLP's ability to bind the "Highland Additional Release Parties" for purposes of proposed settlement with Redeemer Committee (0.1); e-mail to J. Seery re: sales and marketing timeline for Cornerstone (0.1); telephone conference with J. Seery re: Redeemer Committee settlement terms (0.1); e-mail to M. Hankin, T. Mascherin, J. Pomerantz re: Debtor's response to proposal to resolve Redeemer Committee claim (0.5); revise Exhibit B to Redeemer Committee settlement (sales and marketing timeline for Cornerstone) (0.4).	1.90	1075.00	\$2,042.50
08/10/2020	GVD	CO	Review ownership issues re Redeemer settlement	0.10	825.00	\$82.50
08/11/2020	IDK	CO	E-mails with local counsel re status, next steps in continuing status conference hearing on Acis claim objection, including his correspondence with court clerk.	0.20	1145.00	\$229.00
08/11/2020	JJK	CO	Research CLO Holdco POC issues and memo on same (2.1); research re: HCM prom. note defenses (1.9).	4.00	895.00	\$3,580.00
08/11/2020	JJK	CO	Emails Romey, Demo on POC objection issues.	0.50	895.00	\$447.50
08/11/2020	RJF	CO	Emails Jeffrey N. Pomerantz, Ira D. Kharasch regarding mediation.	0.30	1245.00	\$373.50
08/11/2020	GVD	CO	Review legal entities for settlement issues	0.20	825.00	\$165.00
08/12/2020	IDK	CO	E-mails with Acis counsels, court clerk, local counsel on potential new dates for status conference (.2); E-mails with J. Pomerantz re same (.1); E-mails with Acis counsel re timing on our summary adjudication list (.1); E-mails with Acis counsels with our summary adjudication list, and potential	0.90	1145.00	\$1,030.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			date for next status conference hearing on same (.3); Further E-mails with local counsel and court clerk re new hearing date, and logistics of preparing motion to continue, and further correspondence with Acis on confirming continuance with clerk (.2).			
08/12/2020	JJK	CO	Research re: CLO Holding / HCLOM claims matters.	1.00	895.00	\$895.00
08/12/2020	JJK	CO	Emails Romey on CLO Holdco claim issues and review info. (0.2); emails Romey on HCM note issues (0.4).	0.60	895.00	\$537.00
08/12/2020	JNP	CO	Emails regarding continued date for Acis Status Conference.	0.10	1075.00	\$107.50
08/12/2020	JEO	CO	Participate in claims call with DSI	0.80	925.00	\$740.00
08/12/2020	JEO	CO	Investigate correspondence re possible creditor Marcal	0.40	925.00	\$370.00
08/12/2020	JAM	CO	Telephone conference with M. Hankin re: Redeemer Committee settlement (0.3).	0.30	1075.00	\$322.50
08/12/2020	GVD	CO	Multiple conferences with J. Donohue re plan classification items	0.40	825.00	\$330.00
08/12/2020	GVD	CO	Conference with J. Donohue and J. O'Neill re claims classification	0.20	825.00	\$165.00
08/13/2020	IDK	CO	Review of correspondence with Zach and Court clerk re status on motion to continue tomorrow status conference on Acis claim objection, including feedback from Acis (.3); E-mails with Acis counsels re need for call tomorrow on status conference next week (.3).	0.60	1145.00	\$687.00
08/13/2020	JEO	CO	Review issues re claims	0.70	925.00	\$647.50
08/13/2020	JEO	CO	Email to counsel re Andrew Parmentier Claim	0.20	925.00	\$185.00
08/13/2020	JAM	CO	Review e-mail re: NWCC claim and proposed resolution (0.1).	0.10	1075.00	\$107.50
08/14/2020	HDH	CO	Conferences with Ira D. Kharasch regarding Acis and Daugherty	0.50	950.00	\$475.00
08/14/2020	IDK	CO	Attend conference call with Acis counsel re status conference hearing and status report (.6); Telephone conference with J. Pomerantz re same (.1).	0.70	1145.00	\$801.50
08/14/2020	IDK	CO	Office conferences with H. Hochman re potential SJ motion for Acis claim objection, and status of	0.70	1145.00	\$801.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			objection to Daugherty claims (.5); E-mails with H. Hochman re same and logistics for 9/17 hearing on same (.2).			
08/14/2020	JNP	CO	Conference with R. Patel, B. Shaw and Ira D. Kharasch regarding upcoming Status Conference.	0.60	1075.00	\$645.00
08/14/2020	JEO	CO	Review issues re late claim of Andrew Parmentier (.4) and email to PSZJ team re same (.3)	0.70	925.00	\$647.50
08/16/2020	HDH	CO	Work on Daugherty claim objection	4.40	950.00	\$4,180.00
08/16/2020	JJK	CO	Prepare notes on HCM claims for Demo.	1.20	895.00	\$1,074.00
08/16/2020	JAM	CO	Review/revise settlement agreement with Redeemer Committee and Crusader Funds (1.7); e-mail to J. Pomerantz, I. Kharasch, G. Demo re: revised settlement with Redeemer Committee and Crusader Funds (0.2).	1.90	1075.00	\$2,042.50
08/16/2020	GVD	CO	Correspondence with J. Kim re proof of claims issues	0.10	825.00	\$82.50
08/16/2020	GVD	CO	Correspondence with J. Pomerantz and I. Kharasch re proofs of claim issues	0.20	825.00	\$165.00
08/16/2020	GVD	CO	Review claim settlement agreement; correspondence with J. Morris re same	0.80	825.00	\$660.00
08/17/2020	IDK	CO	E-mails with Acis counsels re timing of receiving and then review and consider draft of their proposed status conference report for claim objection (.4); E-mails and telephone conference with J. Pomerantz re same and problems with same (.3); E-mails with J. Morris re need for his involvement and call for tomorrow (.2).	0.90	1145.00	\$1,030.50
08/17/2020	IDK	CO	Review of J. Kim memo on CLO Holdco claim issues.	0.20	1145.00	\$229.00
08/17/2020	IDK	CO	E-mails with I. Leventon and H. Hochman re damage issues on Daugherty, as well as revised draft objection to same.	0.40	1145.00	\$458.00
08/17/2020	JJK	CO	Call Demo on CLO Holdco / HCLOM claim issues (0.2); emails Morris, et al., on claim objection/settlement matters (0.5).	0.70	895.00	\$626.50
08/17/2020	JNP	CO	Review Daugherty claim objection.	0.30	1075.00	\$322.50
08/17/2020	JEO	CO	Respond to inquires on omnibus claim objection	1.50	925.00	\$1,387.50
08/17/2020	GVD	CO	Correspondence with DSI re claims analysis and	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
next steps						
08/17/2020	GVD	CO	Conference with J. Kim re analysis of two proofs of claim	0.30	825.00	\$247.50
08/17/2020	GVD	CO	Correspondence with J. Donohue re claims resolution issues	0.10	825.00	\$82.50
08/17/2020	GVD	CO	Review and revise memo on potential claim settlement	0.60	825.00	\$495.00
08/17/2020	GVD	CO	Conference with J. Donohue re potential claim resolutions	0.10	825.00	\$82.50
08/18/2020	IDK	CO	E-mails with J. Morris and J. Pomerantz re J. Morris' extensive feedback on Acis proposal on summary judgment, evidence on status report re claim objection, and rules on summary judgment motions (.4); Attend conference call with J. Morris and J. Pomerantz re same on how to approach 9/17 hearing and tomorrow's status conference hearing (.5).	0.90	1145.00	\$1,030.50
08/18/2020	IDK	CO	E-mails with attorneys re need for call with Acis and coordination of same with Acis (.3); Attend conference call with Acis counsels on tomorrow's status conference hearing on claim objection (.6); Prepare memo summarizing agreement with Acis for tomorrow's hearing (.4); E-mails with Acis counsels re my draft memo re summary for court presentation tomorrow and Acis feedback on changes to same and our problems with same (.3); E-mails with J. Pomerantz re same (.1).	1.70	1145.00	\$1,946.50
08/18/2020	IDK	CO	E-mails with attorneys re need for objection to CLO Holdco claim.	0.10	1145.00	\$114.50
08/18/2020	IDK	CO	Review of memo from IFA counsel re status and its requests re continuance and extension of time to respond and consider (.2); E-mails with attorneys re same and need for Board feedback (.2).	0.40	1145.00	\$458.00
08/18/2020	JNP	CO	Conference with John A. Morris and Ira D. Kharasch regarding Acis scheduling issues.	0.50	1075.00	\$537.50
08/18/2020	JNP	CO	Conference with R. Patel, B. Shaw and Ira D. Kharasch regarding schedule for Acis claim objection.	0.60	1075.00	\$645.00
08/18/2020	JNP	CO	Review email regarding IFA claim status.	0.10	1075.00	\$107.50
08/18/2020	JNP	CO	Review email form Ira D. Kharasch and B. Shaw regarding Status Conference.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/18/2020	JEO	CO	Participate in claims call with DSI	0.50	925.00	\$462.50
08/18/2020	JMF	CO	Review updated claims analysis.	0.50	925.00	\$462.50
08/18/2020	JAM	CO	E-mail to J. Pomerantz, I. Kharasch re: Acis's proposed litigation calendar (0.4); review NWCC proof of claim and judgment (0.3); telephone conference with J. Seery re: Redeemer settlement (0.1); telephone conference with J. Pomerantz, I. Kharasch re: Acis claim resolution process (0.4); review rules applicable to summary judgment motions(Acis), and e-mail to J. Pomerantz, I. Kharasch re: same (0.4); telephone conference with G. Demo re: Redeemer Committee settlement (0.1); revise Redeemer Committee settlement agreement (0.5);draft e-mail to J. Seery, J. Pomerantz, I. Kharasch, G. Demo re: status/revisions concerning Redeemer Committee (0.3).	2.50	1075.00	\$2,687.50
08/18/2020	GVD	CO	Conference with J. Morris re Redeemer settlement issues	0.10	825.00	\$82.50
08/18/2020	GVD	CO	Correspondence with J. Kim re draft objection to claim	0.10	825.00	\$82.50
08/18/2020	GVD	CO	Conference with PSZJ and DSI re claims analysis	0.50	825.00	\$412.50
08/18/2020	GVD	CO	Review correspondence from J. Donohue on status of claims objection	0.10	825.00	\$82.50
08/19/2020	IDK	CO	E-mail to Acis counsel re today's hearing (.1); Prep for status conference hearing on Acis claim objection (.2); Telephone conferences with J. Pomerantz re upcoming hearing and logistics of same (.2); E-mails with J Morris re upcoming hearing, and proposed solution and need for his involvement (.2); E-mails with attorneys re upcoming hearing and other objections to Acis (.2); Attend hearing on same via Zoom (.5); Telephone conference with J. Pomerantz re result of same (.1); E-mail to Acis counsels re timing on their sending over proposed stipulation facts (.1).	1.60	1145.00	\$1,832.00
08/19/2020	IDK	CO	E-mails with attorneys and local counsel re Acis hearing and need for scheduling order re result of hearing (.2); Review of Zach's draft scheduling order and my feedback re same, as well as Zach's correspondence to parties re same (.2).	0.40	1145.00	\$458.00
08/19/2020	IDK	CO	Numerous E-mails with IFA counsel re their request to continue the hearing or extend time to file response, and proposed stipulation to extend	1.10	1145.00	\$1,259.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			deadline to respond (.5); Telephone conference with J. Pomerantz re same (.1); E-mails and telephone conferences with CEO re same and background and next steps with Ellington (.3); E-mails with IFA and our local counsel re our willingness to sign stipulation with changes, and Zach's modifications to stipulation and his finalization of same (.2).			
08/19/2020	IDK	CO	E-mails with Board and attorneys and DSI re Parmenier late filed claim and issue of whether to object.	0.30	1145.00	\$343.50
08/19/2020	IDK	CO	E-mail to G Demo re Harbourvest update on its claim.	0.10	1145.00	\$114.50
08/19/2020	IDK	CO	Attend part of conference call on UBS claim and upcoming mediation and need for memo to client.	0.30	1145.00	\$343.50
08/19/2020	JNP	CO	Prepare for and participate in Acis Status Conference.	0.80	1075.00	\$860.00
08/19/2020	JNP	CO	Review emails regarding NW claim and status.	0.10	1075.00	\$107.50
08/19/2020	JNP	CO	Review emails regarding Parmentier claim and letter.	0.20	1075.00	\$215.00
08/19/2020	JNP	CO	Review letter from UBS regarding releases and emails regarding same.	0.20	1075.00	\$215.00
08/19/2020	JNP	CO	Conference with Ira D. Kharasch regarding IFA request for extension of time to respond.	0.10	1075.00	\$107.50
08/19/2020	JAM	CO	Analyze issues concerning NWCC proof of claim and draft e-mail to J. Seery, J. Pomerantz, I. Kharasch, G. Demo concerning the same (0.6); analyze proof of claim of Acis CLO 2014-3 and draft e-mail to J. Donohue, J. Romey, G. Demo concerning the same (0.3); telephone conference with J. Seery re: open issues on Redeemer Settlement (0.1); telephone conferences with M. Hankin re: Redeemer Settlement (0.1); telephone conference with J. Donohue re: open issues on Redeemer Settlement (0.1); revisions to Redeemer Settlement (in light of J. Seery comments) (0.2); telephone conference with J. Seery re: Redeemer Settlement and Cornerstone (0.1); telephone conference with G. Demo re: court hearing and related matters (0.3); communications with J. Donohue, G. Demo re: Highland Additional Release Parties (for Redeemer Committee settlement) (0.2); telephone conference with G. Demo re: Redeemer Committee settlement (0.1).	2.10	1075.00	\$2,257.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/19/2020	EAW	CO	Review and analyze UBS's "notice of breach" to Redeemer Committee; and emails to/from PSZJ team re: same.	0.50	825.00	\$412.50
08/19/2020	GVD	CO	Review contracts re allowance of proof of claim	0.20	825.00	\$165.00
08/19/2020	GVD	CO	Review Parmentier release agreement	0.20	825.00	\$165.00
08/19/2020	GVD	CO	Review revised settlement materials	0.20	825.00	\$165.00
08/19/2020	GVD	CO	Conference with counsel to HarbourVest about proof of claim	0.20	825.00	\$165.00
08/19/2020	GVD	CO	Conference with J. Morris re open claim items	0.20	825.00	\$165.00
08/20/2020	IDK	CO	Review of revised objection to Hunter Mountain claim (.2); Telephone conference and E-mails with G Demo re same on needed changes and to get to Board (.2); E-mails with G Demo and DSI re further information needed on same (.1).	0.50	1145.00	\$572.50
08/20/2020	IDK	CO	E-mails re court's continuance of our claim objection to UBS, and UBS feedback.	0.20	1145.00	\$229.00
08/20/2020	IDK	CO	E-mail to IFA counsel re status (.1); E-mails with S Ellington and I Leventon re IFA issues on their grounds for requested continuance and status of its mediation with NexBank (.3); Telephone conference with S Ellington re history of same and recommendation (.4); E-mail to Board setting forth background and recommendation on continuance of IFA hearing (.3).	1.00	1145.00	\$1,145.00
08/20/2020	IDK	CO	Numerous E-mails with Zach, others on getting parties to agree to scheduling order on Acis claim objections, and feedback of other parties as well.	0.20	1145.00	\$229.00
08/20/2020	JNP	CO	Emails regarding IFC claim objection and request for continuance.	0.10	1075.00	\$107.50
08/20/2020	JEO	CO	Correspondence with DSI team re claim updates	0.50	925.00	\$462.50
08/20/2020	JMF	CO	Review employee benefit plan documents.	0.80	925.00	\$740.00
08/20/2020	JMF	CO	Review Claims analysis (.4).	0.40	925.00	\$370.00
08/20/2020	JAM	CO	Draft e-mail to M. Hankin re: Redeemer Committee settlement (0.4); telephone conference with J. Sundheimer re: NWCC claim (0.1); telephone conference with J. Seery re: Redeemer Settlement (0.2); revise draft settlement agreement with Redeemer Committee (0.1); telephone conference	1.30	1075.00	\$1,397.50

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			with M. Hankin re: Redeemer Committee settlement (0.1); revise and send e-mail to M. Hankin, J. Pomerantz and others concerning Redeemer Committee settlement (0.1); telephone conference with G. Demo, J. Donohue re: NWCC claim and related matters (0.3).			
08/20/2020	EAW	CO	Research re: UBS's allegations regarding settlement agreement.	3.70	825.00	\$3,052.50
08/20/2020	EAW	CO	Draft memo re: UBS's allegations regarding settlement agreement.	1.40	825.00	\$1,155.00
08/20/2020	GVD	CO	Review draft objection to proof of claim; correspondence with J. Morris and J. Kim re same	0.60	825.00	\$495.00
08/20/2020	GVD	CO	Conference with B. Collins re late filed claim	0.10	825.00	\$82.50
08/20/2020	GVD	CO	Claims call with DSI and J. O'Neill	0.50	825.00	\$412.50
08/20/2020	GVD	CO	Conference with counsel to Jefferies re resolution of proof of claim	0.10	825.00	\$82.50
08/20/2020	GVD	CO	Conference with Carey special committee counsel re potential settlement	0.40	825.00	\$330.00
08/20/2020	GVD	CO	Review correspondence from Denton's re resolution of Jefferies proof of claim	0.20	825.00	\$165.00
08/20/2020	GVD	CO	Review proposed revisions to settlement agreement from counsel to Carey	0.20	825.00	\$165.00
08/20/2020	GVD	CO	Review and revise proposed objection to claim	0.60	825.00	\$495.00
08/20/2020	GVD	CO	Conference with J. Morris and J. Donohue re treatment of proof of claim	0.30	825.00	\$247.50
08/21/2020	IDK	CO	E-mails with DSI and G. Demo re Hunter Mountain claim questions.	0.20	1145.00	\$229.00
08/21/2020	IDK	CO	E-mails with Zach, local and his correspondence with UBS, others on consent to form of scheduling order re Acis claim objections, including court, and calendar of new dates, deadlines.	0.30	1145.00	\$343.50
08/21/2020	IDK	CO	E-mails with IFA counsel re delay in Board meeting and extension of deadline to respond.	0.20	1145.00	\$229.00
08/21/2020	JEO	CO	Emails with DSI team re claims/objections/resolutions	0.70	925.00	\$647.50
08/21/2020	JMF	CO	Review claims analysis.	0.40	925.00	\$370.00
08/21/2020	JAM	CO	Telephone conference with J. Sundheimer re:	0.70	1075.00	\$752.50

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			NWCC claim (0.1); review e-mail, revised settlement agreement and revised sales and marketing schedule from counsel to the Redeemer Committee (0.4); e-mail to J. Seery, J. Pomerantz, I. Kharasch, G. Demo re: Redeemer Committee counterproposal (0.2).			
08/21/2020	EAW	CO	Draft memo re: UBS's allegations regarding settlement agreement.	2.70	825.00	\$2,227.50
08/21/2020	EAW	CO	Research re: UBS's allegations regarding settlement agreement.	1.50	825.00	\$1,237.50
08/21/2020	GVD	CO	Review and revise claims presentation	0.50	825.00	\$412.50
08/21/2020	GVD	CO	Review back up information for claims objection	0.20	825.00	\$165.00
08/21/2020	GVD	CO	Review and revise Carey settlement agreement	0.50	825.00	\$412.50
08/21/2020	GVD	CO	Conference with J. Romey re next steps on settlement agreement	0.50	825.00	\$412.50
08/22/2020	IDK	CO	E-mail IFA re its draft stipulation to extend deadline.	0.20	1145.00	\$229.00
08/22/2020	IDK	CO	E-mails with G. Demo re issues on exhibits to objection to UBS claim.	0.20	1145.00	\$229.00
08/22/2020	GVD	CO	Correspondence with DSI re amending schedules	0.10	825.00	\$82.50
08/22/2020	GVD	CO	Conference with J. Donohue re back up information re claims objection	0.10	825.00	\$82.50
08/23/2020	JNP	CO	Emails with E. Wagner regarding UBS claims issues.	0.10	1075.00	\$107.50
08/23/2020	JNP	CO	Emails regarding Parmentier claim.	0.10	1075.00	\$107.50
08/23/2020	JAM	CO	Review/revise draft letter to Grant Scott re: Redeemer Settlement, Dondero, and CLO HoldCo (0.7); review objection to Acis claim for purposes of summary judgment facts (1.1).	1.80	1075.00	\$1,935.00
08/23/2020	EAW	CO	Review research re: UBS's allegations regarding settlement agreement; and draft email to PSZJ team re: same.	0.30	825.00	\$247.50
08/23/2020	EAW	CO	Draft memo re: UBS's allegations regarding settlement agreement.	0.60	825.00	\$495.00
08/23/2020	GVD	CO	Conference with J. Morris re Redeemer settlement; draft correspondence re same	1.10	825.00	\$907.50
08/24/2020	AJK	CO	Attention to settlement emails.	0.30	1145.00	\$343.50

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08/24/2020	AJK	CO	Analyze UBS claim documents.	0.80	1145.00	\$916.00
08/24/2020	IDK	CO	E-mails with IFA counsels and Zach re need for further extension of time to respond, including review of IFA's next stipulation re same, and Zach's correspondence re same (.3); E-mails with IFA counsel and local re Board agreement to continue hearing and potential dates (.2).	0.50	1145.00	\$572.50
08/24/2020	IDK	CO	E-mails with G Demo re his revised objection to Hunter Mountain claim, and issues on damages.	0.30	1145.00	\$343.50
08/24/2020	IDK	CO	Attend conference call on UBS claim and upcoming mediation.	0.40	1145.00	\$458.00
08/24/2020	IDK	CO	Numerous e-mails with Board, others re reaction to just received UBS settlement proposal, and how to respond.	0.40	1145.00	\$458.00
08/24/2020	JNP	CO	Review proposed letter to CLO Holdco and emails regarding same.	0.10	1075.00	\$107.50
08/24/2020	JNP	CO	Emails regarding call to discuss Harborvest claim.	0.10	1075.00	\$107.50
08/24/2020	JNP	CO	Review UBS response to settlement offer and emails regarding same.	0.20	1075.00	\$215.00
08/24/2020	JNP	CO	Draft proposed response to UBS.	0.20	1075.00	\$215.00
08/24/2020	JEO	CO	Email to IRS lawyer re claim objection	0.20	925.00	\$185.00
08/24/2020	JEO	CO	Follow up with claimants on claim objections	0.80	925.00	\$740.00
08/24/2020	RJF	CO	Internal call regarding UBS claim.	0.90	1245.00	\$1,120.50
08/24/2020	JMF	CO	Review Daugherty claims analysis.	0.60	925.00	\$555.00
08/24/2020	JAM	CO	Telephone conference with M. Hankin re: DAF, CLO HoldCo and the Redeemer Committee settlement (0.1); revise letter to J. Kane re: DAF, CLO Holdco, Redeemer Committee settlement (0.3); telephone conference with M. Hankin re: mediation and the Redeemer Committee settlement (0.1).	0.50	1075.00	\$537.50
08/24/2020	EAW	CO	Review memo and damages charts re: analysis of UBS's claims.	0.70	825.00	\$577.50
08/24/2020	EAW	CO	Telephone call with PSZJ team re: settlement discussions and related issues.	1.00	825.00	\$825.00
08/24/2020	EAW	CO	Draft memo re: UBS's allegations regarding settlement agreement.	2.30	825.00	\$1,897.50

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08/24/2020	EAW	CO	Research and related document review re: UBS's allegations regarding settlement agreement.	0.70	825.00	\$577.50
08/24/2020	EAW	CO	Review 2007 and 2008 warehouse agreements; and draft related email memo to PSZJ team.	3.90	825.00	\$3,217.50
08/24/2020	GVD	CO	Correspondence with J. Seery re back up to claim objection	0.10	825.00	\$82.50
08/24/2020	GVD	CO	Conference with DSI re Hunter Mountain proof of claim and next steps	0.40	825.00	\$330.00
08/24/2020	GVD	CO	Review and revise objection to Hunter Mountain proof of claim	0.50	825.00	\$412.50
08/24/2020	GVD	CO	Review and further revise Hunter Mountain claim objection	0.50	825.00	\$412.50
08/25/2020	IDK	CO	E-mails with Board, others re drafts of response to UBS re its settlement proposal (.3); E-mail to G Demo re draft motion to seal exhibits re objection to UBS claim (.2); Review of final letter to UBS re settlement (.1).	0.60	1145.00	\$687.00
08/25/2020	IDK	CO	E-mails with re CLO Holdco and DAF.	0.20	1145.00	\$229.00
08/25/2020	IDK	CO	E-mail to Acis counsels on status of their fact stipulation list.	0.10	1145.00	\$114.50
08/25/2020	IDK	CO	E-mails with Redeemer, Board, others re status and coordination of call on remaining claims issues and mediation and timing of same (.3).	0.30	1145.00	\$343.50
08/25/2020	IDK	CO	E-mails with local counsel re need to kick IFA hearing and options, as well as IFA counsels preferences, and correspondence with court clerk re same.	0.30	1145.00	\$343.50
08/25/2020	JNP	CO	Review and revise email to A. Clubock and review changes thereto.	0.20	1075.00	\$215.00
08/25/2020	JNP	CO	Review emails regarding UBS claim.	0.10	1075.00	\$107.50
08/25/2020	JNP	CO	Emails to and from E. Wagner regarding UBS claim.	0.10	1075.00	\$107.50
08/25/2020	JNP	CO	Email to A. Clubock in response to settlement offer.	0.10	1075.00	\$107.50
08/25/2020	JEO	CO	Review and update claim statuses and emails with PSZJ and DSI teams re open issues	1.30	925.00	\$1,202.50
08/25/2020	RJF	CO	Telephone conferences with Seery, emails regarding UBS claim.	0.80	1245.00	\$996.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/25/2020	JMF	CO	Review updated claims document.	0.80	925.00	\$740.00
08/25/2020	JAM	CO	Telephone conference with J. Seery re: Redeemer Committee settlement and related matters (0.2).	0.20	1075.00	\$215.00
08/25/2020	EAW	CO	Telephonic meeting with PSZJ team and Board re: mediation, settlement discussions and related issues (UBS).	1.00	825.00	\$825.00
08/25/2020	EAW	CO	Review emails re: UBS settlement proposal.	0.10	825.00	\$82.50
08/25/2020	EAW	CO	Research and related document review re: UBS's allegations regarding settlement agreement.	1.60	825.00	\$1,320.00
08/25/2020	EAW	CO	Draft memo re: UBS's allegations regarding settlement agreement.	4.10	825.00	\$3,382.50
08/25/2020	EAW	CO	Review and analyze trial and appellate decisions; and emails to/from PSZJ team and J. Seery re: same (UBS).	1.70	825.00	\$1,402.50
08/25/2020	EAW	CO	Attention to request for updated analysis re: UBS claims; and emails to/from J. Pomerantz and R. Feinstein re: same.	0.80	825.00	\$660.00
08/25/2020	GVD	CO	Draft motion to seal UBS exhibits	1.30	825.00	\$1,072.50
08/25/2020	GVD	CO	Review claim re priority treatment	0.20	825.00	\$165.00
08/25/2020	GVD	CO	Review proposed response re settlement offer	0.20	825.00	\$165.00
08/25/2020	GVD	CO	Correspondence with Debevoise re proposed claim presentation	0.10	825.00	\$82.50
08/25/2020	GVD	CO	Conference with B. Sharp re amendment to schedules	0.10	825.00	\$82.50
08/25/2020	GVD	CO	Correspondence with counsel re revision to schedules	0.20	825.00	\$165.00
08/26/2020	HDH	CO	Review and respond to correspondence regarding Daugherty	0.10	950.00	\$95.00
08/26/2020	HDH	CO	Telephone conference with Gregory V. Demo regarding Daugherty	0.10	950.00	\$95.00
08/26/2020	IDK	CO	Telephone conferences with G Demo re CEO questions on Daugherty and Hunter Mountain, as well as Harborvest issues (.3); E-mails with G Demo and CEO on website issues and re need to revise Daugherty as complaint re subordination (.2); Review of numerous E-mails with local counsel re combining complaint for subordination and claim	1.00	1145.00	\$1,145.00

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			objection in one pleading, and issues on 9/17 hearing date (.2); E-mails with H Hochman and G Demo re whether to segregate subordination from claim objection (.2); E-mails re Harborvest request for extension and conditions for same (.1).			
08/26/2020	IDK	CO	Review of correspondence re Dondero request for extension to respond to related claim objection.	0.20	1145.00	\$229.00
08/26/2020	IDK	CO	E-mails with attorneys re UBS just filed objection to Redeemer claim, including review of same.	0.40	1145.00	\$458.00
08/26/2020	IDK	CO	Numerous E-mails with local counsel, IFA counsel re court's feedback on next hearing dates, and deadline to object.	0.30	1145.00	\$343.50
08/26/2020	JNP	CO	Review revised claims schedule.	0.10	1075.00	\$107.50
08/26/2020	JNP	CO	Review UBS objection to Redeemer claim and email regarding same.	0.10	1075.00	\$107.50
08/26/2020	RJF	CO	Call with Redeemer regarding UBS.	1.20	1245.00	\$1,494.00
08/26/2020	JAM	CO	Telephone conference with J. Kane re: DAF, CLO Holdco, and Redeemer Settlement (0.1); e-mail to J. Seery, J. Pomerantz, I. Kharasch, G. Demo re: communications with Kane (0.1); telephone conference with J. Seery, PSZJ, Jenner & Block re: Redeemer Settlement and mediation issues (1.2).	1.40	1075.00	\$1,505.00
08/26/2020	EAW	CO	Revise, finalize and circulate memo re: UBS's allegations regarding settlement agreement.	0.60	825.00	\$495.00
08/26/2020	EAW	CO	Draft and circulate analysis re: UBS claim.	0.80	825.00	\$660.00
08/26/2020	GVD	CO	Correspondence with Debevoise re status of claim presentation	0.10	825.00	\$82.50
08/26/2020	GVD	CO	Revise memo re potential claim resolution and restructuring	1.90	825.00	\$1,567.50
08/26/2020	GVD	CO	Conference with counsel to claimant re amendment of schedules	0.20	825.00	\$165.00
08/26/2020	GVD	CO	Correspondence with counsel to HarbourVest re extensions	0.20	825.00	\$165.00
08/26/2020	GVD	CO	Conference with I. Kharasch re claim objections and next steps	0.10	825.00	\$82.50
08/26/2020	GVD	CO	Review revisions to Hunter Mountain claim objection; attend to filing of same	0.60	825.00	\$495.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/26/2020	GVD	CO	Review revised claim chart and materials	0.60	825.00	\$495.00
08/26/2020	GVD	CO	Review revised draft objection to claim	0.20	825.00	\$165.00
08/26/2020	GVD	CO	Conference with J. Seery re revisions to claim objection	0.10	825.00	\$82.50
08/27/2020	IDK	CO	E-mails re Holly questions on Acis response to claim objection, and our potential reply.	0.20	1145.00	\$229.00
08/27/2020	IDK	CO	Review of J Morris' analysis of UBS objection to Redeemer claim.	0.20	1145.00	\$229.00
08/27/2020	IDK	CO	Further correspondence with Board, others re Dondero request for extension to respond to objection.	0.10	1145.00	\$114.50
08/27/2020	IDK	CO	Further E-mails with local counsel, IFA counsel, and court clerk re determining next hearing date for IFA claim continuance, and time needed for same, and deadline to object (.3); E-mails with Zach re same and issues on timing for IFA to respond and opportunity for reply (.2).	0.50	1145.00	\$572.50
08/27/2020	IDK	CO	E-mail to G Demo re revised Daugherty objection and subordination count in complaint.	0.20	1145.00	\$229.00
08/27/2020	JJK	CO	Review docs and prepare Carey settlement motion, and emails Demo, client, DSI on same.	2.00	895.00	\$1,790.00
08/27/2020	JEO	CO	Work on claims	0.60	925.00	\$555.00
08/27/2020	RJF	CO	Follow-up call with BOD.	0.60	1245.00	\$747.00
08/27/2020	JAM	CO	Review UBS objection to Redeemer Committee claim (0.6); e-mail to J. Pomerantz, I. Kharasch, G. Demo, R. Feinstein analyzing UBS objection and arbitration award in Redeemer mediation (1.3); e-mails with G. Demo, DSI re: summary of Redeemer settlement for mediators (0.4); telephone conference with M. Hankin re: Redeemer settlement (0.1).	2.40	1075.00	\$2,580.00
08/27/2020	EAW	CO	Review organizational charts, settlement agreements, and expert reports re: allegedly fraudulent transfers; and emails to/from J. Seery re: same.	0.90	825.00	\$742.50
08/27/2020	GVD	CO	Revise and circulate memo re potential settlement	0.20	825.00	\$165.00
08/27/2020	GVD	CO	Conference with J. Seery re settlement of Carey claim	0.10	825.00	\$82.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/27/2020	GVD	CO	Correspondence with Debevoise re extension on claim objection	0.10	825.00	\$82.50
08/27/2020	GVD	CO	Revise and prepare for filing objection to claim and complaint	1.40	825.00	\$1,155.00
08/27/2020	GVD	CO	Prepare final Carey settlement agreement	0.20	825.00	\$165.00
08/27/2020	GVD	CO	Correspondence with local counsel re revisions to Hunter Mountain complaint	0.10	825.00	\$82.50
08/28/2020	IDK	CO	E-mails re problems on objection to Hunter Mountain claim and how to fix.	0.30	1145.00	\$343.50
08/28/2020	IDK	CO	E-mails with G Demo and local counsel re status on review and filing of objection to Daugherty claim, including local counsel suggested revisions.	0.30	1145.00	\$343.50
08/28/2020	JJK	CO	Emails Demo on Carey POC settlement matters.	0.20	895.00	\$179.00
08/28/2020	KKY	CO	Respond (.1) to email from James E. O'Neill re response to claims objection; and prepare (.1) attachment to same	0.20	425.00	\$85.00
08/28/2020	JEO	CO	Review response to claim objection by Paul Adkins.	0.40	925.00	\$370.00
08/28/2020	JEO	CO	Emails with Jack Donohue of DSI regarding claim objection	0.40	925.00	\$370.00
08/28/2020	JMF	CO	Review objection to Redeemer claim.	0.80	925.00	\$740.00
08/28/2020	JMF	CO	Review hunter mountain claims objection and complaint.	1.30	925.00	\$1,202.50
08/28/2020	JMF	CO	Review Adkins response and emails re same.	0.20	925.00	\$185.00
08/28/2020	JAM	CO	Telephone conference with J. Seery re: Redeemer Settlement (0.1); telephone conference with M. Hankin re: Redeemer Settlement (0.1); e-mail to the Board, J. Pomerantz, I. Kharasch, G Demo re: Redeemer Settlement (0.4).	0.60	1075.00	\$645.00
08/28/2020	GVD	CO	Review and revise draft 9019	2.40	825.00	\$1,980.00
08/28/2020	GVD	CO	Review and revise Hunter Mountain complaint; attend to issues re service of same	0.90	825.00	\$742.50
08/29/2020	IDK	CO	E-mails with Board re Hunter Mountain filed objection and timing issues.	0.20	1145.00	\$229.00
08/29/2020	IDK	CO	E-mails with IFA counsel re continuance and new deadline issues.	0.20	1145.00	\$229.00

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08/29/2020	GVD	CO	Correspondence with counsel to Hunter Mountain re extension on answer deadline	0.20	825.00	\$165.00
08/29/2020	GVD	CO	Review and revise complaint re claim objection; attend to filing r esame	0.60	825.00	\$495.00
08/29/2020	GVD	CO	Revise and circulate Carey settlement agreement	0.20	825.00	\$165.00
08/30/2020	RJF	CO	Emails and telephone conference with Seery regarding UBS claims.	0.40	1245.00	\$498.00
08/31/2020	IDK	CO	Review of DEC on Harborvest claim from its rep (.2); Attend conference call re Harborvest claims and new related info (.7); E-mails with Board re summary of status of Harborvest, as well as its new position on the nature of its claim (.2).	1.10	1145.00	\$1,259.50
08/31/2020	IDK	CO	E-mail with CEO re Acis attachment setting forth new damage claim calculation, including review of same.	0.30	1145.00	\$343.50
08/31/2020	IDK	CO	E-mails with IFA and client re IFA correspondence re its pending issues with NextBank in their litigation, and potential impact on HCMLP case (.3); E-mails and telephone conference with JP Sevilla re same (.4); E-mails with local counsel re his draft of notice of continuance of IFA objection (.2).	0.90	1145.00	\$1,030.50
08/31/2020	IDK	CO	E-mails with IFA counsels re continued hearing and issues on when IFA should file its response (.2); E-mails with Zach, local, re same and next steps in stipulation/court (.2).	0.40	1145.00	\$458.00
08/31/2020	IDK	CO	E-mails with E Wagner re UBS issues, including summary judgment issues and pre-judgment interest issues impacting mediation.	0.30	1145.00	\$343.50
08/31/2020	JJK	CO	Prepare notes on HCM note defenses issues and research.	2.80	895.00	\$2,506.00
08/31/2020	JNP	CO	Review article regarding Citibank claim and emails regarding same.	0.10	1075.00	\$107.50
08/31/2020	JNP	CO	Review Harborvest presentation in support of claims.	0.20	1075.00	\$215.00
08/31/2020	JNP	CO	Conference with John A. Morris, Gregory V. Demo and Ira D. Kharasch regarding Harborvest claim.	0.70	1075.00	\$752.50
08/31/2020	JEO	CO	Continued work on claim objections(.4); review amended response filed by Paul Adkins(.3); email to DSI team re Adkins claim(.2); Call with Jack	1.30	925.00	\$1,202.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Donohue re amended schedules(.2)			
08/31/2020	RJF	CO	Telephone conference with Alan J. Kornfeld regarding UBS claim.	0.30	1245.00	\$373.50
08/31/2020	RJF	CO	Telephone conference with Elissa regarding UBS claim.	0.30	1245.00	\$373.50
08/31/2020	RJF	CO	Telephone conference with Seery regarding UBS claim.	0.30	1245.00	\$373.50
08/31/2020	JMF	CO	Review Daugherty complaint.	0.90	925.00	\$832.50
08/31/2020	JMF	CO	Review open claims update.	0.40	925.00	\$370.00
08/31/2020	JAM	CO	Telephone conference with J. Pomerantz, I. Kharasch. G. Demo re: HarborVest claim (0.7).	0.70	1075.00	\$752.50
08/31/2020	EAW	CO	Telephone call with A. Kornfeld re: summary judgment motion and related issues.	0.20	825.00	\$165.00
08/31/2020	EAW	CO	Telephone call with R. Feinstein re: summary judgment motion and related issues.	0.10	825.00	\$82.50
08/31/2020	EAW	CO	Research re: prejudgment interest (UBS).	2.60	825.00	\$2,145.00
08/31/2020	GVD	CO	Review background information on Acis proof of claim	0.10	825.00	\$82.50
08/31/2020	GVD	CO	Conference with J. Pomerantz and I. Kharasch re settlement of Carey claim	0.20	825.00	\$165.00
08/31/2020	GVD	CO	Review revisions to Daugherty objection from local counsel; attend to filing same	0.30	825.00	\$247.50
08/31/2020	GVD	CO	Further revise Carey settlement motion re changes from local counsel	0.70	825.00	\$577.50
08/31/2020	GVD	CO	Review materials from Claimant re proof of claim; conference with counsel to claimant re same	1.90	825.00	\$1,567.50
08/31/2020	GVD	CO	Conference with J. Pomerantz, J. Morris, and I. Kharasch re conference with claimant re proof of claim and next steps	0.80	825.00	\$660.00
08/31/2020	GVD	CO	Correspondence with client re revisions to settlement motion and next steps	0.30	825.00	\$247.50
				226.70		\$216,854.00

Compensation Prof. [B160]

08/03/2020	JNP	CP	Email to and from Joshua M. Fried regarding July bill.	0.10	1075.00	\$107.50
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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/04/2020	JNP	CP	Emails with Joshua M. Fried regarding bill.	0.10	1075.00	\$107.50
08/04/2020	JMF	CP	Review and edit PSZJ July statement.	1.80	925.00	\$1,665.00
08/05/2020	JNP	CP	Review and edit July bill.	0.60	1075.00	\$645.00
08/05/2020	JMF	CP	Review PSZJ July statement (.3); emails to J Pomerantz and J Hoffman re 9/10 fee app hearing questions (.2).	0.50	925.00	\$462.50
08/06/2020	PJJ	CP	Prepare July fee statement.	2.00	425.00	\$850.00
08/07/2020	JMF	CP	Draft fee statement for July for PSZJ.	1.40	925.00	\$1,295.00
08/07/2020	JMF	CP	Review bill re edits and additional entries (WRITE OFF).	2.10	925.00	\$1,942.50
08/08/2020	PJJ	CP	Email Joshua M. Fried regarding revised invoice.	0.20	425.00	\$85.00
08/10/2020	JNP	CP	Email to J. Seery enclosing July 2020 bill.	0.10	1075.00	\$107.50
08/10/2020	PJJ	CP	Revise monthly fee statement.	1.00	425.00	\$425.00
08/11/2020	KKY	CP	Draft certification of no objection re amended 9th fee app of PSZJ for June 2020	0.10	425.00	\$42.50
08/11/2020	PJJ	CP	Prepare July fees for filing.	0.30	425.00	\$127.50
08/11/2020	PJJ	CP	File CNO regarding June fees.	0.20	425.00	\$85.00
08/11/2020	JEO	CP	Review status of PSZJ June 2020 fee application(.1), review Certificate of No Objection (.1) and make arrangements for filing same (.2).	0.40	925.00	\$370.00
08/13/2020	PJJ	CP	Prepare Q3 fee application.	2.30	425.00	\$977.50
08/14/2020	PJJ	CP	Telephone conference with Joshua M. Fried regarding interim fee application.	0.20	425.00	\$85.00
08/14/2020	PJJ	CP	Work on interim fee application.	3.30	425.00	\$1,402.50
08/15/2020	PJJ	CP	Update interim fee application.	0.50	425.00	\$212.50
08/16/2020	JNP	CP	Brief review of quarterly fee application.	0.10	1075.00	\$107.50
08/16/2020	JMF	CP	Draft 2nd interim fee application.	2.70	925.00	\$2,497.50
08/17/2020	JNP	CP	Review and revise quarterly fee application.	0.50	1075.00	\$537.50
08/18/2020	IDK	CP	E-mails with attorneys re draft of quarterly fee app and various changes thereto.	0.40	1145.00	\$458.00
08/18/2020	PJJ	CP	Prepare exhibits to 2nd interim fee application.	0.60	425.00	\$255.00

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08/18/2020	JMF	CP	Draft 2nd interim fee application.	2.10	925.00	\$1,942.50
08/18/2020	GVD	CP	Revise PSZJ quarterly fee application	0.80	825.00	\$660.00
08/19/2020	PJJ	CP	Review/revise 2nd interim fee application.	0.30	425.00	\$127.50
08/19/2020	JMF	CP	Finalize PSZJ application.	1.80	925.00	\$1,665.00
08/21/2020	JNP	CP	Review email from U. S. Trustee regarding fee application and forward for handling.	0.10	1075.00	\$107.50
				26.60		\$19,353.00

Comp. of Prof./Others

08/04/2020	JEO	CPO	Email with Brad Sharp re OCP Report	0.20	925.00	\$185.00
08/04/2020	GVD	CPO	Review Hayward invoices for privilege issues	0.30	825.00	\$247.50
08/05/2020	KKY	CPO	Draft notice re OCP monthly statement (June 2020)	0.20	425.00	\$85.00
08/05/2020	JEO	CPO	Review finalized OCP report and related notice and coordinate filing and service of same.	0.50	925.00	\$462.50
08/05/2020	GVD	CPO	Review Hayward invoice for privilege issues	0.20	825.00	\$165.00
08/06/2020	PJJ	CPO	Prepare Mercer interim fee application.	1.30	425.00	\$552.50
08/11/2020	KKY	CPO	Review and revise fee chart	0.30	425.00	\$127.50
08/11/2020	GVD	CPO	Review DSI invoice for privilege issues	0.30	825.00	\$247.50
08/12/2020	KKY	CPO	Respond (.1) to email from James E. O'Neill re DSI staffing report; and prepare (.2) attachment to same	0.30	425.00	\$127.50
08/13/2020	KKY	CPO	Review and revise fee chart	0.20	425.00	\$85.00
08/17/2020	JMF	CPO	Review Mercer fee application issues.	0.30	925.00	\$277.50
08/18/2020	PJJ	CPO	Prepare omnibus notice of fee hearing.	0.70	425.00	\$297.50
08/18/2020	PJJ	CPO	Review Mercer fee application.	0.40	425.00	\$170.00
08/18/2020	JMF	CPO	Review and email edits re Mercer fee application.	0.40	925.00	\$370.00
08/18/2020	JMF	CPO	Review draft omnibus notice and emails re same.	0.20	925.00	\$185.00
08/19/2020	PJJ	CPO	Revise omnibus fee hearing notice.	0.20	425.00	\$85.00
08/19/2020	PJJ	CPO	Review/revise Mercer fee application.	0.50	425.00	\$212.50
08/19/2020	PJJ	CPO	Prepare fee applications for service and filing (.5) and e-file (.3).	0.80	425.00	\$340.00

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08/19/2020	PJJ	CPO	Revise and file Notice of Hearing on fee applications.	0.40	425.00	\$170.00
08/19/2020	JMF	CPO	Edits to omnibus notice and address issues re Wilmer and Mercer applications.	0.40	925.00	\$370.00
08/19/2020	JMF	CPO	Review and comment re Mercer applications.	0.30	925.00	\$277.50
08/19/2020	GVD	CPO	Correspondence with WilmerHale re budget issues	0.10	825.00	\$82.50
08/20/2020	KKY	CPO	Review and revise fee chart	0.20	425.00	\$85.00
08/21/2020	JMF	CPO	Emails re fee application issues and data for UST.	0.20	925.00	\$185.00
08/21/2020	GVD	CPO	Conference with A. Chiarello re Foley fee application	0.20	825.00	\$165.00
08/21/2020	GVD	CPO	Correspondence with H. O'Neil re Acis issues with fee application	0.20	825.00	\$165.00
08/24/2020	GVD	CPO	Correspondence with A. Chiarello re Foley fees	0.10	825.00	\$82.50
08/25/2020	JMF	CPO	Review LEDEs and issues re 2nd interim fee apps.	0.30	925.00	\$277.50
08/25/2020	GVD	CPO	Correspondence with Acis re objection to Foley Gardere fees	0.20	825.00	\$165.00
08/26/2020	GVD	CPO	Correspondence re draft agreed order on Foley fees	0.10	825.00	\$82.50
08/27/2020	KKY	CPO	Respond to email from James E. O'Neill re 9/10/20 fee hearing	0.20	425.00	\$85.00
08/27/2020	JEO	CPO	Review status of fee applications for 9/10 hearing	0.50	925.00	\$462.50
				10.70		\$6,877.50

Employee Benefit/Pension-B220

08/03/2020	GVD	EB	Correspondence with M. Litvak re employee issues	0.10	825.00	\$82.50
08/05/2020	JMF	EB	Review employee 401(k) and benefits documents.	1.10	925.00	\$1,017.50
08/06/2020	JMF	EB	Review contingent award plan documents.	1.40	925.00	\$1,295.00
08/10/2020	JEO	EB	Review correspondence from PBGC	0.40	925.00	\$370.00
08/14/2020	JEO	EB	Review email from PBGC and forward to PSZJ team with comments	0.40	925.00	\$370.00
08/21/2020	JMF	EB	Telephone call with B. Collins and J. Donahue re employee benefit programs (.2).	0.20	925.00	\$185.00
08/24/2020	JMF	EB	Review 401k plan.	0.30	925.00	\$277.50

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08/25/2020	JMF	EB	Review issues re bonus payment accrual.	0.40	925.00	\$370.00
08/27/2020	JMF	EB	Review award letter and wage motion re bonus program issues.	0.80	925.00	\$740.00
				5.10		\$4,707.50

Executory Contracts [B185]

08/10/2020	JEO	EC	Review status of lease extension for headquarters	0.40	925.00	\$370.00
08/13/2020	JNP	EC	Emails regarding contact with landlord regarding additional extension of §365(d)(3).	0.10	1075.00	\$107.50
08/19/2020	JNP	EC	Review and respond to emails regarding landlord and extension request.	0.10	1075.00	\$107.50
08/19/2020	JEO	EC	Email exchange with co-counsel Melissa Hayward re 365 extension	0.40	925.00	\$370.00
08/20/2020	GVD	EC	Conference with F. Caruso re treatment of lease damages	0.20	825.00	\$165.00
08/22/2020	GVD	EC	Correspondence with PSZJ team re lease rejection issues; follow up correspondence with F. Caruso re same	0.20	825.00	\$165.00
08/27/2020	JEO	EC	Check on status of headquarters lease and possibility of extension of 365(d)(4) deadline and emails with PSZJ team and co-counsel on the issue	0.40	925.00	\$370.00
				1.80		\$1,655.00

Financial Filings [B110]

08/03/2020	JEO	FF	Review and arrange for filing of June 2020 monthly operating report	0.30	925.00	\$277.50
				0.30		\$277.50

General Business Advice [B410]

07/16/2020	IAWN	GB	Exchange emails with broker and client re timing for call	0.10	1025.00	\$102.50
07/17/2020	IAWN	GB	Review materials and file in preparation for call (.3), exchange emails with Aon re timing of call (.1); telephone call with Aon and Dubel re insurance for Seeley (.3)	0.70	1025.00	\$717.50
07/27/2020	IAWN	GB	Review broker emails re Seery	0.10	1025.00	\$102.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/03/2020	IDK	GB	Telephone conferences with J. Pomerantz re general case issues.	0.20	1145.00	\$229.00
08/04/2020	IDK	GB	E-mails with Board re need for plan call today and coordination (.2); Email and telephone conference with G Demo re upcoming board call (.1); Attend Board call on case items and plan issues (1.0).	1.30	1145.00	\$1,488.50
08/04/2020	JNP	GB	Conference with J. Dubel regarding Committee presentation and related Plan issues.	0.50	1075.00	\$537.50
08/04/2020	JNP	GB	Participate on Board call regarding Plan and related issues.	1.00	1075.00	\$1,075.00
08/05/2020	IDK	GB	E-mails re CEO request for follow up call after UCC call earlier (.1); Attend board call after earlier UCC call on next steps and plan issues (.4); Telephone conference with J. Pomerantz re status (.1).	0.60	1145.00	\$687.00
08/05/2020	JNP	GB	Conference with J. Dubel regarding call with M. Clemente regarding Plan issues.	0.20	1075.00	\$215.00
08/05/2020	JNP	GB	Call with Board in anticipation of Committee Plan call.	0.50	1075.00	\$537.50
08/05/2020	JNP	GB	Conference with J. Dubel after call with Committee.	0.30	1075.00	\$322.50
08/05/2020	JNP	GB	Conference with Ira D. Kharasch after call with Committee.	0.10	1075.00	\$107.50
08/05/2020	JNP	GB	Conference with Board after call with Committee.	0.50	1075.00	\$537.50
08/06/2020	IDK	GB	Telephone conference with G Demo re status, UBS issues (.1); Telephone conference with J. Pomerantz re same and plan issues (.2).	0.30	1145.00	\$343.50
08/06/2020	IDK	GB	Attend conference call with CEO, others on issues re UBS new discovery re entities, impact on other pleadings (.5); Telephone conference with J. Pomerantz re same (.1).	0.60	1145.00	\$687.00
08/06/2020	JNP	GB	Review email from P. Daughtery to Board.	0.10	1075.00	\$107.50
08/07/2020	GVD	GB	Conference with J. Seery re open items and next steps	0.20	825.00	\$165.00
08/10/2020	IDK	GB	E-mails with Board, others re need for board call and coordination (.2); E-mails with G Demo, DSI re proposed agenda for same, and feedback of others on changes needed (.2).	0.40	1145.00	\$458.00
08/10/2020	JNP	GB	Review and comment on proposed press release.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/10/2020	GVD	GB	Draft agenda for board meeting	0.20	825.00	\$165.00
08/11/2020	IAWN	GB	Review endorsement and exchange emails with Jeffrey N Pomerantz after review of file	0.80	1025.00	\$820.00
08/11/2020	IDK	GB	E-mails and telephone conference with J. Pomerantz re case issues (.2); E-mails with Board, others re revised agenda for today's Board call (.1); E-mails with G Demo re updated list of open plan items for today's call with Board (.2); attend Board meeting on open issues (1.5); Telephone conference with J. Pomerantz re result of same (.1).	2.10	1145.00	\$2,404.50
08/11/2020	IDK	GB	E-mails with G Demo re changes to press release bullet points and CEO next steps re same.	0.20	1145.00	\$229.00
08/11/2020	JNP	GB	Conference with J. Seery regarding preparation for call with Committee.	0.10	1075.00	\$107.50
08/11/2020	JNP	GB	Participate on Board call regarding Plan and related issues.	1.50	1075.00	\$1,612.50
08/11/2020	JNP	GB	Conference with B. Sharp after Board call.	0.10	1075.00	\$107.50
08/11/2020	JNP	GB	Conference with J. Dubel regarding Plan related issues.	0.20	1075.00	\$215.00
08/11/2020	GVD	GB	Attend board meeting	1.50	825.00	\$1,237.50
08/12/2020	IDK	GB	E-mails with Board re need for urgent call re mediators request to extend exclusivity (.2); Attend Board call re same (.5); E-mails with Board, mediators, others, re status of getting UCC feedback on mediators' request to not file plan today (.2); E-mails with UCC re proposed motions to file under seal and exclusivity, and then their feedback to same (.3); E-mails with mediators re same and status of filing redacted versions today and related motions (.2); E-mails and telephone conferences with G Demo and J. Pomerantz re same, whether shorted time needed, and next steps on redactions (.4); E-mails with Board, J. Pomerantz re same and not asking for shorted time (.1).	1.90	1145.00	\$2,175.50
08/12/2020	JNP	GB	Review proposed press release and talking points.	0.10	1075.00	\$107.50
08/13/2020	IAWN	GB	Review policy and file and exchange emails with Jeffrey N Pomerantz re same	0.80	1025.00	\$820.00
08/13/2020	IDK	GB	Review of Court's opinion on CLO Holdco and UCC motion for clarification (.2); Review of correspondence from CEO, others re same,	0.70	1145.00	\$801.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			including CEO correspondence to employees (.2); E-mail to G. Demo re result of meeting with CEO and employees re same (.1); Telephone conference with G. Demo and J. Pomerantz re same and next steps (.2).			
08/13/2020	JNP	GB	Email to and from Iain A. W. Nasatir regarding D&O insurance.	0.10	1075.00	\$107.50
08/13/2020	GVD	GB	Attend HCMLP all hand's call with legal and compliance	0.50	825.00	\$412.50
08/13/2020	GVD	GB	Attend HCMLP employee call	0.30	825.00	\$247.50
08/13/2020	GVD	GB	Multiple conferences with J. Seery re open issues	0.30	825.00	\$247.50
08/14/2020	IAWN	GB	Telephone conference with Caruso re insurance issues	0.20	1025.00	\$205.00
08/14/2020	IDK	GB	Telephone conferences with G. Demo re status and CEO issues with Dondero.	0.20	1145.00	\$229.00
08/14/2020	GVD	GB	Conference with J. Seery re open issues	0.20	825.00	\$165.00
08/17/2020	IDK	GB	E-mails with Board re Guernsy litigation ruling and re upcoming status conference on Acis and perhaps on other issues and need for call.	0.30	1145.00	\$343.50
08/17/2020	IDK	GB	E-mails with Board re coordination of meeting for next week.	0.20	1145.00	\$229.00
08/17/2020	GVD	GB	Conference with J. Romey, J. Seery, and WilmerHale re corporate governance issues	0.50	825.00	\$412.50
08/17/2020	GVD	GB	Attend to follow up items from call with J. Pomerantz and I. Kharasch	0.50	825.00	\$412.50
08/18/2020	IDK	GB	E-mails re agenda for upcoming Board call and changes (.1); Attend Board call re status issues, earlier UCC meeting, Acis claim objection process issues (.5).	0.60	1145.00	\$687.00
08/18/2020	IDK	GB	E-mails with Board, others on rescheduling of Board call on 8/21, and re UBS accusation of breach vs Redeemer, and reasons therefor.	0.30	1145.00	\$343.50
08/18/2020	JNP	GB	Conference with Board, Ira D. Kharasch, John A. Morris and Gregory V. Demo regarding Acis and other claims issues.	0.50	1075.00	\$537.50
08/18/2020	JAM	GB	Board meeting with J. Pomerantz, I. Kharasch re: Acis litigation issues (0.5).	0.50	1075.00	\$537.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/18/2020	GVD	GB	Conference with Board re agenda for status conference	0.60	825.00	\$495.00
08/19/2020	IDK	GB	E-mails with attorneys re Redeemer correspondence on UBS accusations vs Redeemer on breach, CEO desire for analysis of same, and also re removing Dondero from Cornerstone.	0.30	1145.00	\$343.50
08/19/2020	JNP	GB	Conference with J. Dubel regarding Acis conference and related issues.	0.30	1075.00	\$322.50
08/20/2020	IDK	GB	E-mail to Board on status and continuances (.1); E-mails with Board on Daugherty memo update and re draft objection to Daugherty claim (.4).	0.50	1145.00	\$572.50
08/20/2020	JNP	GB	Conference with J. Dubel in advance of Board call.	0.30	1075.00	\$322.50
08/20/2020	GVD	GB	Multiple correspondence from local counsel re notice requirements for plan and disclosure statement	0.40	825.00	\$330.00
08/20/2020	GVD	GB	Multiple conferences with J. Romey re open items on plan implementation, claims, and asset monetization	0.70	825.00	\$577.50
08/21/2020	IDK	GB	E-mails with DSI, others on draft agenda and claims analysis for Board call later today (.2); Prepare for Board call today on decisions re Daugherty claim, pending objection to IFA and its new position, and Hunter Mountain claim (.5); Numerous e-mails with CEO and I. Leventon re same and need for I. Leventon's limited attendance, including sending I. Leventon relevant documents (.4); E-mails with Board and I. Leventon re rescheduling of Board meeting today (2.); Telephone conference with J. Pomerantz re next steps for Board call on Monday (.1).	1.40	1145.00	\$1,603.00
08/21/2020	JNP	GB	Conference with J. Seery regarding mediation call and related.	0.60	1075.00	\$645.00
08/21/2020	GVD	GB	Conference with DSI re prepayment allocation and budget issues	0.30	825.00	\$247.50
08/21/2020	GVD	GB	Conference with J. Romey re prepayment allocation	0.10	825.00	\$82.50
08/21/2020	GVD	GB	Draft agenda for Board meeting	0.30	825.00	\$247.50
08/22/2020	GVD	GB	Conference with J. Seery re open items and next steps	0.80	825.00	\$660.00
08/22/2020	GVD	GB	Follow up correspondence with team re conversation	0.40	825.00	\$330.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			with J. Seery			
08/24/2020	IDK	GB	E-mails with Board re rescheduling of call today, as well as agenda for same (.2); E-mails with I. Leventon re upcoming Board call and need for his attendance (.2); Prepare for Board call today, including on Daugherty and IFA (.4); Attend Board call today (2.0).	2.80	1145.00	\$3,206.00
08/24/2020	JNP	GB	Conference with Gregory V. Demo in preparation for Board call.	0.20	1075.00	\$215.00
08/24/2020	JNP	GB	Participate in lengthy Board call.	2.00	1075.00	\$2,150.00
08/24/2020	JNP	GB	Review Board emails regarding UBS offer.	0.10	1075.00	\$107.50
08/24/2020	JNP	GB	Conference with Ira D. Kharasch in preparation for Board call.	0.10	1075.00	\$107.50
08/24/2020	GVD	GB	Conference with J. Romey re status of board meeting	0.10	825.00	\$82.50
08/24/2020	GVD	GB	Correspondence with S. Davies re corporate documents	0.10	825.00	\$82.50
08/24/2020	GVD	GB	Conference with J. Romey and J. Seery re board preparation	0.50	825.00	\$412.50
08/24/2020	GVD	GB	Attend Board Meeting	2.50	825.00	\$2,062.50
08/25/2020	IDK	GB	E-mails with Board re status and numerous authorization documents to authorize and appoint CEO.	0.20	1145.00	\$229.00
08/25/2020	JNP	GB	Review email to Board regarding authorization for CEO to execute corporate documents.	0.10	1075.00	\$107.50
08/25/2020	GVD	GB	Draft email to board re authorization to sign resolutions	0.30	825.00	\$247.50
08/26/2020	GVD	GB	Conference with J. Seery about corporate actions and next steps	0.30	825.00	\$247.50
08/28/2020	GVD	GB	Conference with J. Dubel re workflow issues	0.10	825.00	\$82.50
08/29/2020	GVD	GB	Conference with J. Seery re corporate authority issues	0.10	825.00	\$82.50
08/31/2020	IDK	GB	Attend conference call with Board on status and mediation and settlement discussions (1.4); Telephone conferences with J. Pomerantz and R. Feinstein re result of same, and next steps re UBS and SJ motion (.2).	1.60	1145.00	\$1,832.00

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				41.30		\$42,481.50
General Creditors Comm. [B150]						
08/02/2020	IDK	GC	Review of correspondence with Sidley re UCC/Board meeting and reschedule (.1); E-mail to DSI re its draft of DEC for UCC/Board meeting including review of same (.4).	0.50	1145.00	\$572.50
08/03/2020	IDK	GC	Review and consider draft extensive DEC by DSI for UCC tomorrow re assets, claims, plan terms and need for changes (.4); E-mail and telephone conference with G. Demo re my issues/changes for same (.4).	0.80	1145.00	\$916.00
08/03/2020	IDK	GC	Review of various revised DSI DEC to UCC for tomorrow meeting, including Board feedback on same.	0.40	1145.00	\$458.00
08/04/2020	IDK	GC	Prepare for call with UCC & Board, and all professionals (.2); Attend conference call with UCC/Board and all professionals re same (1.4); Telephone conference with J Pomerantz re same (.1).	1.70	1145.00	\$1,946.50
08/04/2020	JNP	GC	Participate on weekly call with Board and Committee.	1.40	1075.00	\$1,505.00
08/04/2020	GVD	GC	Prepare for weekly board/committee call	0.20	825.00	\$165.00
08/04/2020	GVD	GC	Attend weekly board/committee call	1.40	825.00	\$1,155.00
08/05/2020	IDK	GC	Attend pre-call with Board on upcoming call with UCC on plan issues (.5); E-mails with UCC counsel re our list of agenda plan of reorganization items to discuss, and its feedback on governance proposal (.3); Attend conference call with UCC, its professionals, DSI, others on plan and other issues (.8); Telephone conference with J. Pomerantz re status (.1).	1.70	1145.00	\$1,946.50
08/05/2020	JNP	GC	Conference with Committee regarding Plan issues.	0.80	1075.00	\$860.00
08/05/2020	GVD	GC	Draft agenda for Board/Committee meeting	0.20	825.00	\$165.00
08/05/2020	GVD	GC	Conference with B. Sharp re Board committee meeting	0.10	825.00	\$82.50
08/05/2020	GVD	GC	Conference with Board re preparation for Board/Committee call	0.50	825.00	\$412.50
08/05/2020	GVD	GC	Conference with Board/Committee re plan issues	0.80	825.00	\$660.00
08/05/2020	GVD	GC	Conference with J. Seery re follow up to	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Board/Committee call						
08/05/2020	GVD	GC	Conference with Board re follow up to Board/Committee call	0.50	825.00	\$412.50
08/10/2020	IDK	GC	E-mails with DSI re draft agenda for tomorrow's call with UCC, including review of same.	0.20	1145.00	\$229.00
08/10/2020	GVD	GC	Draft agenda for board/committee meeting	0.20	825.00	\$165.00
08/10/2020	GVD	GC	Conference with J. Romey re board/committee meeting preparation	0.30	825.00	\$247.50
08/11/2020	IDK	GC	E-mails with Board re revised agenda for today's UCC call (.1); Attend conference call with UCC and its professionals, DSI, Board, others re case status and plan (.5).	0.60	1145.00	\$687.00
08/11/2020	JNP	GC	Participate on weekly Committee Board call.	0.50	1075.00	\$537.50
08/11/2020	GVD	GC	Correspondence re board/committee meeting	0.20	825.00	\$165.00
08/11/2020	GVD	GC	Attend Board/Committee meeting	0.40	825.00	\$330.00
08/17/2020	GVD	GC	Conference with J. Romey re agenda for board/committee meeting	0.20	825.00	\$165.00
08/18/2020	IDK	GC	Attend conference call with UCC and its professionals, and Board and others on weekly meeting with UCC (.4).	0.40	1145.00	\$458.00
08/18/2020	JNP	GC	Participate on weekly call with Debtor and Committee.	0.40	1075.00	\$430.00
08/18/2020	JNP	GC	Conference with J. Seery after call with Committee.	0.10	1075.00	\$107.50
08/18/2020	GVD	GC	Attend weekly board/committee meeting	0.40	825.00	\$330.00
08/18/2020	GVD	GC	Conference with J. Romey and J. Seery re committee/board meeting prep	0.50	825.00	\$412.50
08/24/2020	IDK	GC	E-mails re tomorrow's meeting with UCC, and decision to cancel.	0.20	1145.00	\$229.00
08/24/2020	JNP	GC	Conference with Gregory V. Demo regarding weekly calls with Committee.	0.10	1075.00	\$107.50
				16.00		\$16,105.00

Mediation

08/01/2020	HDH	ME	Review initial draft of mediation statement	0.40	950.00	\$380.00
08/01/2020	RJF	ME	Review draft mediation statement.	0.50	1245.00	\$622.50

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08/01/2020	GVD	ME	Attend to issues re mediation order and submission to start mediation	0.20	825.00	\$165.00
08/01/2020	GVD	ME	Draft mediation statement	5.90	825.00	\$4,867.50
08/02/2020	HDH	ME	Telephone conferences with Ira D. Kharasch regarding mediation statement	0.20	950.00	\$190.00
08/02/2020	HDH	ME	Work on mediation statement regarding UBS & Acis	5.70	950.00	\$5,415.00
08/02/2020	IDK	ME	E-mails re draft of mediation statement, including brief review of same, and note problems re Acis discussion (.5); Telephone conferences with H. Hochman, J. Pomerantz and G. Demo re same and need to substantially revise re same (.6); E-mails with attorneys re same and how to fix (.2).	1.30	1145.00	\$1,488.50
08/02/2020	GVD	ME	Conference with I. Kharasch re revisions to mediation statement; correspondence re same	0.20	825.00	\$165.00
08/03/2020	HDH	ME	Review new draft of mediation statements	0.20	950.00	\$190.00
08/03/2020	HDH	ME	Conference with Ira D. Kharasch regarding mediation statement	0.10	950.00	\$95.00
08/03/2020	HDH	ME	Work in mediation statement	0.80	950.00	\$760.00
08/03/2020	HDH	ME	Review comments and markup to mediation statement	0.20	950.00	\$190.00
08/03/2020	IDK	ME	Review of mediator's e-mails re sending order to judge and other matters, and then re mediator notice of their 4 dates for mediation, and feedback on dates from other parties (.3); Review and consider revisions to draft of mediation statement (.4); E-mails with attorneys re my list of proposed changes to mediation brief, as well as J. Pomerantz's list of revisions (.4); Office conference with H. Hochman re same (.1).	1.20	1145.00	\$1,374.00
08/03/2020	JNP	ME	Review mediation brief and provide comments.	1.50	1075.00	\$1,612.50
08/03/2020	JNP	ME	Conference with Ira D. Kharasch regarding mediation brief.	0.20	1075.00	\$215.00
08/03/2020	RJF	ME	Review draft UBS mediation statement, revised objection.	0.80	1245.00	\$996.00
08/03/2020	JAM	ME	Review/revise Statement (0.7).	0.70	1075.00	\$752.50
08/03/2020	GVD	ME	Review and revise mediation statement re changes from PSZJ	4.90	825.00	\$4,042.50

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08/03/2020	GVD	ME	Conference with J. Morris re potential settlement and open items	0.20	825.00	\$165.00
08/04/2020	HDH	ME	Draft mediation statement section	5.50	950.00	\$5,225.00
08/04/2020	IDK	ME	Review of further revised mediation statement (.3); E-mails with attorneys re need to get Board draft of unfinished mediation statement today (.1); E-mails with G Demo re need for E Wagner review of mediation statement re UBS issues (.1).	0.50	1145.00	\$572.50
08/04/2020	IDK	ME	E-mails with mediator rep re their proposed initial schedule of mediation dates, including feedback from UBS rejecting those dates, and Redeemer concerns re same.	0.30	1145.00	\$343.50
08/04/2020	JNP	ME	Emails regarding mediation brief.	0.10	1075.00	\$107.50
08/04/2020	RJF	ME	Further review of UBS mediation statement and UBS objection.	0.50	1245.00	\$622.50
08/04/2020	JAM	ME	Review/revise mediation statement (1.8); e-mail to G. Demo, J. Pomerantz, I. Kharasch, H. Hochman re: revisions to mediation statement (0.1).	1.90	1075.00	\$2,042.50
08/04/2020	GVD	ME	Further revise and circulate draft mediation statement	2.90	825.00	\$2,392.50
08/05/2020	HDH	ME	Continue work on mediation statement claim analysis	5.30	950.00	\$5,035.00
08/05/2020	IDK	ME	Review of further correspondence with mediators and parties on agreeing to final dates of mediation, including from ADR rep re same, test run dates and logistics of mediation (.4); E-mails with Board re same on dates (.1); E-mails with Mediators re our feedback on dates, as well as other parties (.2).	0.70	1145.00	\$801.50
08/05/2020	IDK	ME	E-mails with G. Demo re status on others' inserts to mediation statement and issue of getting internal client legal team feedback (.2); E-mails with Board re updated draft of mediation statement, including brief review of same (.3).	0.50	1145.00	\$572.50
08/05/2020	EAW	ME	Review and comment on draft mediation brief; and emails to/from G. Demo re: same.	2.90	825.00	\$2,392.50
08/05/2020	GVD	ME	Conference with DSI re revisions to mediation statement	1.20	825.00	\$990.00
08/05/2020	GVD	ME	Revise and circulate draft of mediation statement	0.70	825.00	\$577.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/05/2020	GVD	ME	Correspondence re scheduling of mediation and next steps	0.30	825.00	\$247.50
08/06/2020	HDH	ME	Draft mediation brief sections	2.80	950.00	\$2,660.00
08/06/2020	HDH	ME	Review markups of mediation briefs	0.20	950.00	\$190.00
08/06/2020	HDH	ME	Conference with Ira D. Kharasch regarding mediation statement	0.20	950.00	\$190.00
08/06/2020	HDH	ME	Begin drafting extensive revision to mediation statement claim analysis	3.30	950.00	\$3,135.00
08/06/2020	IDK	ME	E-mails with mediator re change in scheduling, as well as our correspondence to same on contacts (.2); E-mails with G Demo re status of mediation brief and timing re further changes (.1); review of H Hochman's further changes to same on Acis (.2); E-mails with H Hochman, others on my view of need to significantly expand discussion on Acis, and feedback of others (.4).	0.90	1145.00	\$1,030.50
08/06/2020	JNP	ME	Review J. Seery comments to mediation statement.	0.20	1075.00	\$215.00
08/06/2020	GVD	ME	Conference with DSI re mediation statement issues	0.80	825.00	\$660.00
08/06/2020	GVD	ME	Revise and circulate mediation statement re changes from parties	6.40	825.00	\$5,280.00
08/06/2020	GVD	ME	Review and revise contact list for mediation	0.60	825.00	\$495.00
08/06/2020	GVD	ME	Review comments to mediation statement from E. Wagner	0.50	825.00	\$412.50
08/07/2020	DJB	ME	Respond to H. Hochman re mediation brief; Interoffice conference with I. Kharasch re same.	2.00	1195.00	\$2,390.00
08/07/2020	HDH	ME	Work on mediation statement	3.70	950.00	\$3,515.00
08/07/2020	IDK	ME	E-mails with J. Pomerantz re issues on mediation brief and fiduciary duty section on Acis, and need for feedback from D Barton (.3); Further E-mails with H Hochman re same on fiduciary duties and creditor issues (.3); Telephone conferences and E-mails with D Barton re same on fiduciary duties (.3); E-mails with H Hochman and D Barton re fiduciary duty issues re Acis, and new language re same for mediation statement (.3).	1.20	1145.00	\$1,374.00
08/07/2020	IDK	ME	Numerous E-mails re CEO further feedback, changes to mediation statement, and further feedback from H Hochman re same re Bangor Punta	0.80	1145.00	\$916.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			doctrine (.4); Telephone conference with initial conference with H Hochman on mediation brief and related Acis issues (.4).			
08/07/2020	IDK	ME	E-mails with re Redeemer requests on filing its exhibits to mediation statement re confidentiality issues, including feedback of UBS to same (.2); Numerous E-mails with J Morris, Board, others re same and need for our feedback to Redeemer and mediators on same (.4); E-mails with G Demo re logistics on filing mediation statement, as well as UBS objection and status conference issues for initial hearing, including E-mails with local counsel re same (.4); E-mails with G Demo re date for UBS objection hearing (.1).	1.10	1145.00	\$1,259.50
08/07/2020	IDK	ME	E-mails with Board re its feedback on proposed final version of mediation statement (.2); E-mails with G Demo re CEO further markup to mediation statement and his feedback (.2); Review of correspondence with mediators on our final mediation statement (.1).	0.50	1145.00	\$572.50
08/07/2020	JNP	ME	Email regarding mediation brief.	0.20	1075.00	\$215.00
08/07/2020	JNP	ME	Review Redeemer statement.	0.20	1075.00	\$215.00
08/07/2020	RJF	ME	Emails regarding mediation.	0.30	1245.00	\$373.50
08/07/2020	JAM	ME	E-mail to Board, J. Pomerantz, I. Kharasch, G. Demo re: confidentiality and mediation (0.4).	0.40	1075.00	\$430.00
08/07/2020	GVD	ME	Prepare mediation statement for filing and file same	7.80	825.00	\$6,435.00
08/08/2020	IDK	ME	Review of correspondence with mediators re our further materials (.1); E-mails with attorneys re Redeemer public mediation statement and issues (.2).	0.30	1145.00	\$343.50
08/08/2020	GVD	ME	Prepare materials for Judge Gropper	0.40	825.00	\$330.00
08/09/2020	JMF	ME	Review mediation statement.	0.80	925.00	\$740.00
08/09/2020	GVD	ME	Correspondence with J. Seery re mediation statement	0.10	825.00	\$82.50
08/10/2020	LSC	ME	Retrieve mediation exhibits and prepare files for same.	1.20	425.00	\$510.00
08/10/2020	GVD	ME	Attend to issues re delivery of mediation materials	0.20	825.00	\$165.00
08/11/2020	IDK	ME	E-mails with attorneys re today's email from mediators requesting call to discuss mediation later,	0.40	1145.00	\$458.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			including coordination re same (.3); E-mails with mediator rep on billing issues (.1).			
08/11/2020	JNP	ME	Conference with Gregory V. Demo regarding Plan issues and emails regarding same.	0.30	1075.00	\$322.50
08/12/2020	IDK	ME	E-mails with attorneys re need for internal call re mediators reach out this morning (.1); Attend internal conference call re same and upcoming call with mediators (.3); Attend conference call with mediators re their concern on filing plan today (.7); Telephone conference with J. Pomerantz re next steps with Board (.1); Telephone conferences with G Demo and J. Pomerantz re same and next steps (.3).	1.50	1145.00	\$1,717.50
08/12/2020	IDK	ME	E-mails with mediators and team re coordination next week call with mediators.	0.30	1145.00	\$343.50
08/12/2020	JNP	ME	Conference with mediators, Gregory V. Demo and Ira D. Kharasch regarding Plan.	0.70	1075.00	\$752.50
08/12/2020	JNP	ME	Conference with J. Dubel regarding call with mediators.	0.20	1075.00	\$215.00
08/12/2020	JNP	ME	Conference with Ira D. Kharasch after call with mediators.	0.10	1075.00	\$107.50
08/12/2020	JNP	ME	Conference with Gregory V. Demo regarding call with mediators.	0.20	1075.00	\$215.00
08/12/2020	JNP	ME	Conference with Board regarding request from mediators.	0.50	1075.00	\$537.50
08/12/2020	JNP	ME	Conference with M. Clemente regarding request from mediators to extend exclusivity (2x).	0.20	1075.00	\$215.00
08/12/2020	JNP	ME	Conference with J. Seery, Gregory V. Demo, J. Dubel and Ira D. Kharasch regarding mediator issues and next steps (multiple).	1.00	1075.00	\$1,075.00
08/12/2020	JNP	ME	Conference with A. Gropper and S. Mayer regarding status of Plan and Committee position.	0.20	1075.00	\$215.00
08/12/2020	GVD	ME	Conference with mediators re plan confidentiality issues	0.70	825.00	\$577.50
08/13/2020	IDK	ME	Review of communications to mediators re the filing of our plan as heavily redacted and related motions.	0.20	1145.00	\$229.00
08/13/2020	JNP	ME	Emails to and from mediator regarding status.	0.10	1075.00	\$107.50
08/13/2020	GVD	ME	Correspondence with mediators re plan and disclosure statement	0.20	825.00	\$165.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/21/2020	IDK	ME	Attend conference call with mediators (3.3); Telephone conference with J. Pomerantz re result of same (.1).	3.40	1145.00	\$3,893.00
08/21/2020	JNP	ME	Participate in lengthy call with mediators, Gregory V. Demo, Robert J. Feinstein, and Ira D. Kharasch.	3.30	1075.00	\$3,547.50
08/21/2020	JNP	ME	Conference with Gregory V. Demo regarding call with mediators and related issues.	0.20	1075.00	\$215.00
08/21/2020	JNP	ME	Conference with Ira D. Kharasch regarding call with mediators and related issues.	0.30	1075.00	\$322.50
08/21/2020	JNP	ME	Conference with J. Dubel regarding call with mediators and related issues.	0.50	1075.00	\$537.50
08/21/2020	RJF	ME	Call with mediators, Ira D. Kharasch, Jeffrey N. Pomerantz and Gregory V. Demo.	3.30	1245.00	\$4,108.50
08/21/2020	GVD	ME	Conference with mediators	3.30	825.00	\$2,722.50
08/21/2020	GVD	ME	Follow up conferences with J. Pomerantz and I. Kharasch re mediation	0.30	825.00	\$247.50
08/22/2020	IDK	ME	Numerous correspondence re CEO view on mediation conference yesterday, approach to mediation on various claims, and coordination of call for Monday.	0.40	1145.00	\$458.00
08/22/2020	JNP	ME	Emails with Gregory V. Demo regarding mediation and conference with J. Seery.	0.10	1075.00	\$107.50
08/22/2020	GVD	ME	Prepare notes from mediation	0.60	825.00	\$495.00
08/24/2020	AJK	ME	Analyze claims in connection with preparation for mediation.	2.30	1145.00	\$2,633.50
08/24/2020	AJK	ME	Call with PSZJ team re mediation strategy.	0.90	1145.00	\$1,030.50
08/24/2020	IDK	ME	Telephone conference with J. Pomerantz re upcoming mediation and CEO position (.1); Telephone conference with J. Pomerantz re Redeemer settlement and mediation (.1); E-mails with DSI re mediation and coordination of call on same (.2).	0.40	1145.00	\$458.00
08/24/2020	JNP	ME	Conference with J. Dubel regarding mediation.	0.20	1075.00	\$215.00
08/24/2020	JNP	ME	Conference with Ira D. Kharasch regarding mediation.	0.20	1075.00	\$215.00
08/24/2020	JNP	ME	Conference with PSZJ team regarding UBS claim in advance of mediation.	1.00	1075.00	\$1,075.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/24/2020	JNP	ME	Review Tronox opinion.	0.20	1075.00	\$215.00
08/24/2020	GVD	ME	Attend PSZJ team call re mediation strategy	1.00	825.00	\$825.00
08/25/2020	AJK	ME	Call with Directors re mediation issue.	1.00	1145.00	\$1,145.00
08/25/2020	IDK	ME	Telephone conference with J. Pomerantz re mediation issues (.1); Attend conference call with DSI and others on mediation, and further information requested by mediators (.5); Attend part of conference call with Board, others on prep for mediation and UBS issues for same (1.0); Telephone conference with J. Pomerantz re mediation issues (.1).	1.70	1145.00	\$1,946.50
08/25/2020	IDK	ME	E-mails with mediators re tomorrow's test run, as well as schedule for official 1st day of mediation.	0.20	1145.00	\$229.00
08/25/2020	JNP	ME	Conference with Ira D. Kharasch regarding mediation.	0.10	1075.00	\$107.50
08/25/2020	JNP	ME	Conference with J. Dubel regarding mediation issues and UBS claim.	0.40	1075.00	\$430.00
08/25/2020	JNP	ME	Conference with DSI, Ira D. Kharasch and Gregory V. Demo in preparation for mediation.	0.50	1075.00	\$537.50
08/25/2020	JNP	ME	Conference with Board and PSZJ regarding UBS claim in advance of mediation.	1.00	1075.00	\$1,075.00
08/25/2020	JNP	ME	Conference with J. Dubel regarding mediation.	0.50	1075.00	\$537.50
08/25/2020	JNP	ME	Review email from mediator regarding mediation schedule.	0.10	1075.00	\$107.50
08/25/2020	GVD	ME	Conference with PSZJ and Board re mediation strategy re claims	1.20	825.00	\$990.00
08/25/2020	GVD	ME	Conference with J. Romey re preparation for mediation	0.10	825.00	\$82.50
08/25/2020	GVD	ME	Conference with DSI/PSZJ re preparation for mediation	0.50	825.00	\$412.50
08/26/2020	IDK	ME	E-mails with Redeemer re reschedule of today's call (.1); Attend conference call with Redeemer group on mediation (1.2); Office conference with J. Pomerantz re same (.1); Telephone conference with CEO and J. Pomerantz re same (.2).	1.60	1145.00	\$1,832.00
08/26/2020	IDK	ME	E-mails with mediators re status and contact info during mediation, as well as mediators bills (.2); Attend mediation test run with mediators (.6);	1.10	1145.00	\$1,259.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			E-mail to DSI re its claims analysis for mediators (.2); E-mails with Board re mediation and UBS (.1).			
08/26/2020	JNP	ME	Email to and from mediator regarding contact information.	0.10	1075.00	\$107.50
08/26/2020	JNP	ME	Conference with Robert J. Feinstein regarding call with Redeemer.	0.10	1075.00	\$107.50
08/26/2020	JNP	ME	Participate in mediation test call.	0.70	1075.00	\$752.50
08/26/2020	JNP	ME	Participate in call with Redeemer, Jenner, Board and PSZJ regarding mediation	0.80	1075.00	\$860.00
08/26/2020	JNP	ME	Conference with J. Seery regarding mediation.	0.30	1075.00	\$322.50
08/26/2020	JNP	ME	Conference with J. Dubel regarding mediation (several).	0.50	1075.00	\$537.50
08/26/2020	JNP	ME	Conference with John A. Morris regarding mediation and related issues.	0.20	1075.00	\$215.00
08/26/2020	JNP	ME	Review Plan proposal from J. Dondero.	0.20	1075.00	\$215.00
08/26/2020	JNP	ME	Review mediator fee statements and emails regarding same.	0.30	1075.00	\$322.50
08/26/2020	RMP	ME	Conference with I. Kharasch and telephone conferences with J. Pomerantz re mediation issues.	0.40	1445.00	\$578.00
08/26/2020	RJF	ME	Mediation test call.	0.50	1245.00	\$622.50
08/26/2020	GVD	ME	Review and finalize open items re mediation	0.40	825.00	\$330.00
08/26/2020	GVD	ME	Attend mediation training session	0.60	825.00	\$495.00
08/26/2020	GVD	ME	Conference with team re mediation and next steps	1.20	825.00	\$990.00
08/27/2020	IDK	ME	Attend initial opening mediation meeting with mediators and all parties and then moving to most of mediator meeting with debtor (2.5); E-mail to mediators re change in today's schedule (.1); E-mails with attorneys re draft of cheat sheet for mediators on Redeemer claim issues, and changes on same, as well as correspondence with mediators on same (.4).	3.00	1145.00	\$3,435.00
08/27/2020	IDK	ME	E-mails with DSI, Board, others on DSI proposed docs/info to send to mediators re requested info, including review of same.	0.40	1145.00	\$458.00
08/27/2020	JNP	ME	Emails regarding additional information to mediators.	0.10	1075.00	\$107.50
08/27/2020	JNP	ME	Review John A. Morris email regarding UBS	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			objection to Redeemer claim.			
08/27/2020	JNP	ME	Participate in mediation.	2.70	1075.00	\$2,902.50
08/27/2020	JNP	ME	Conference with Gregory V. Demo, R. Helms, Robert J. Feinstein and J. Seery after mediation session.	0.50	1075.00	\$537.50
08/27/2020	JNP	ME	Conference with J. Dubel regarding mediation.	0.20	1075.00	\$215.00
08/27/2020	JNP	ME	Conference with Ira D. Kharasch regarding mediation results for the day.	0.10	1075.00	\$107.50
08/27/2020	RJF	ME	Attend Day 1 of Mediation.	3.50	1245.00	\$4,357.50
08/27/2020	JAM	ME	Telephone conference with G. Demo re: mediation status, arguments, process (0.2).	0.20	1075.00	\$215.00
08/27/2020	GVD	ME	Draft summary of terms of settlement	0.50	825.00	\$412.50
08/27/2020	GVD	ME	Conference with J. Dubel re status of mediation	0.20	825.00	\$165.00
08/27/2020	GVD	ME	Conference with J. Morris re status of mediation	0.20	825.00	\$165.00
08/27/2020	GVD	ME	Correspondence re payment of mediators fees	0.10	825.00	\$82.50
08/27/2020	GVD	ME	Prepare for mediation	0.30	825.00	\$247.50
08/27/2020	GVD	ME	Attend mediation	3.90	825.00	\$3,217.50
08/27/2020	GVD	ME	Attend call re follow up to mediation	0.70	825.00	\$577.50
08/27/2020	GVD	ME	Conference with J. Seery re mediation issues	0.20	825.00	\$165.00
08/30/2020	IDK	ME	E-mail with mediators re request for call early this week (.1); E-mails with Board, others re same and timing (.3); E-mail with mediators re next steps (.1).	0.50	1145.00	\$572.50
08/30/2020	JNP	ME	Email to Board regarding mediator request for update call.	0.10	1075.00	\$107.50
08/30/2020	JNP	ME	Email to and from mediator regarding scheduling additional session.	0.10	1075.00	\$107.50
08/31/2020	IDK	ME	E-mails with mediators re status and coordination of call for tomorrow.	0.20	1145.00	\$229.00
08/31/2020	JNP	ME	Conference with Board, Ira D. Kharasch, Gregory V. Demo and Robert J. Feinstein regarding mediation status.	1.30	1075.00	\$1,397.50
08/31/2020	JNP	ME	Conference with Robert J. Feinstein and Ira D. Kharasch after call regarding mediation.	0.20	1075.00	\$215.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/31/2020	JNP	ME	Review email from E. Wagner and Robert J. Feinstein regarding interest issues.	0.10	1075.00	\$107.50
08/31/2020	JNP	ME	Conference with J. Dubel regarding mediation status.	0.50	1075.00	\$537.50
08/31/2020	JNP	ME	Conference with Ira D. Kharasch regarding mediation.	0.10	1075.00	\$107.50
08/31/2020	RJF	ME	Call with BOD regarding mediation.	1.30	1245.00	\$1,618.50
08/31/2020	GVD	ME	Conference with client re preparation for mediation	1.00	825.00	\$825.00
				152.90		\$150,765.50

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08/01/2020	GVD	PD	Conference with J. Donohue re claim treatment	0.20	825.00	\$165.00
08/01/2020	GVD	PD	Correspondence with DSI re claim treatment and next steps	0.20	825.00	\$165.00
08/02/2020	IDK	PD	Review of numerous e-mails from DSI, others on draft of RFP for plan on litigation trust and changes to make.	0.30	1145.00	\$343.50
08/02/2020	JNP	PD	Review and comment on request for proposal for litigation trustee.	0.20	1075.00	\$215.00
08/02/2020	GVD	PD	Review and circulate draft RFP	0.90	825.00	\$742.50
08/02/2020	GVD	PD	Conference with J. Romey re presentation to committee	0.40	825.00	\$330.00
08/02/2020	GVD	PD	Conference with J. O'Neill, J. Romey, and J. Donohue re claims issues and presentation to board	1.10	825.00	\$907.50
08/02/2020	GVD	PD	Revise and circulate changes to committee presentation	0.40	825.00	\$330.00
08/03/2020	IDK	PD	Prepare for calls today on plan structure/transferability/governance issues, including review of today's DEC from Wilmer Hale re same issues (.4); Attend conference call with CEO, DSI, Wilmer Hale, G. Demo on corporate governance issues in plan (1.0); Attend conference call with Redeemer/Crusader professional group re plan issues (1.2); E-mails with UCC counsel on their updated list of plan issues, and our presentation tomorrow (.2).	2.80	1145.00	\$3,206.00
08/03/2020	IDK	PD	Numerous e-mails with CEO, DSI, others on	0.50	1145.00	\$572.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			questions re draft RFP for litigation trustee, including review of same, and my feedback, and feedback of Board re funding of litigation trust.			
08/03/2020	JNP	PD	Review Committee issues list in anticipation of meeting.	0.20	1075.00	\$215.00
08/03/2020	GVD	PD	Conference with I. Kharasch re plan presentation to Committee	0.40	825.00	\$330.00
08/03/2020	GVD	PD	Conference with J. Romey re plan presentation and claim analysis	0.30	825.00	\$247.50
08/03/2020	GVD	PD	Conference with J. Romey re revisions to presentation	0.20	825.00	\$165.00
08/03/2020	GVD	PD	Conference with J. Romey and J. Seery re final board presentation re plan	0.40	825.00	\$330.00
08/03/2020	GVD	PD	Conference with Redeemer/Crusader, J. Seery, and I. Kharasch re transferability issues; follow up conference with j. Seery re same	1.30	825.00	\$1,072.50
08/04/2020	IDK	PD	Email G Demo re Wilmer Hale new proposal on plan and transferability issues of trust interests, and consider (.2); Review article on post-petition interest rate calculation (.2).	0.40	1145.00	\$458.00
08/04/2020	JNP	PD	Conference with Ira D. Kharasch and Gregory V. Demo regarding interest rate in a solvent estate.	0.20	1075.00	\$215.00
08/04/2020	JNP	PD	Research regarding interest in a solvent estate.	0.10	1075.00	\$107.50
08/04/2020	JNP	PD	Conference with Gregory V. Demo and M. Clemente regarding Plan issues.	0.40	1075.00	\$430.00
08/04/2020	GVD	PD	Correspondence with T. Silva and working group re transferability issues	0.50	825.00	\$412.50
08/04/2020	GVD	PD	Conference with J. Romey re open plan items and next steps	0.60	825.00	\$495.00
08/04/2020	GVD	PD	Revise Sidley open items list and case law re postpetition interest	0.80	825.00	\$660.00
08/04/2020	GVD	PD	Conference with I. Kharasch re Sidley open plan items list	0.30	825.00	\$247.50
08/04/2020	GVD	PD	Conference with Board re Sidley open plan items list	1.00	825.00	\$825.00
08/04/2020	GVD	PD	Conference with J. Pomerantz and M. Clemente re open plan items	0.40	825.00	\$330.00
08/04/2020	GVD	PD	Conference with DSI team re open plan items and	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
timing of effective date						
08/05/2020	IDK	PD	Attend part of conference call with Sidley, others on plan issues (.9); Telephone G. Demo re same (.1); E-mail re further research on post-petition interest and Dow Corning v. Ultra, as well as memo to UCC counsel re same (.3).	1.30	1145.00	\$1,488.50
08/05/2020	JNP	PD	Conference with Sidley and Gregory V. Demo regarding Plan issues.	1.00	1075.00	\$1,075.00
08/05/2020	GVD	PD	Review research on postpetition interest and open plan items	1.40	825.00	\$1,155.00
08/05/2020	GVD	PD	Conference with Committee and PSZJ re open plan items	1.20	825.00	\$990.00
08/05/2020	GVD	PD	Revise plan re comments from Committee	0.40	825.00	\$330.00
08/05/2020	GVD	PD	Correspondence with committee re postpetition interest research	0.30	825.00	\$247.50
08/06/2020	JNP	PD	Conference with J. Dubel regarding Plan and related issues (2x).	0.60	1075.00	\$645.00
08/06/2020	GVD	PD	Conference with F. Caruso and J. Romey re financial projections for plan	0.40	825.00	\$330.00
08/07/2020	JNP	PD	Conference with J. Dubel regarding Plan related issues.	0.20	1075.00	\$215.00
08/07/2020	RJF	PD	Telephone conference with Pesce, related emails regarding adjournment of confirmation.	0.30	1245.00	\$373.50
08/08/2020	IDK	PD	E-mails with attorneys re CEO draft of press bullet points on our upcoming plan of reorganization, including review of same and feedback of others (.3); Telephone conference with J. Pomerantz re same (.1); E-mails with G Demo re various revised bullet points re same (.2); Telephone conference with attorneys re bullet points and how to respond (.4).	1.00	1145.00	\$1,145.00
08/08/2020	JNP	PD	Review proposed bullets points regarding Plan description.	0.20	1075.00	\$215.00
08/08/2020	JNP	PD	Conference with Ira D. Kharasch and Gregory V. Demo regarding proposed bullet points regarding Plan description.	0.50	1075.00	\$537.50
08/08/2020	GVD	PD	Conference with J. Romey re bullet points re plan and open items	0.40	825.00	\$330.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/08/2020	GVD	PD	Conference with J. Seery re open plan items and next steps	0.50	825.00	\$412.50
08/08/2020	GVD	PD	Revise and circulate bullet points re plan	1.10	825.00	\$907.50
08/08/2020	GVD	PD	Conference with I. Kharasch and J. Pomerantz re bullet points re plan	0.40	825.00	\$330.00
08/09/2020	IDK	PD	Numerous E-mails re further issues and concerns on bullet points for press release type statement re our plan of reorganization, issues on shared services and transfer of services, next steps re Board re same (.4); E-mails re need for call with Board to approve last issues on plan given 8/12 deadline to file (.2).	0.60	1145.00	\$687.00
08/09/2020	IDK	PD	E-mails with attorneys re Wilmer Hale proposal on transferability of trust interests under plan (.3); Various E-mails re CEO desire to send draft plan to Dondero, and status of most recent changes to plan (.3); E-mails with attorneys re issues on current draft language re releases under plan (.3); Review of revised language re releases (.2).	1.10	1145.00	\$1,259.50
08/09/2020	IDK	PD	E-mails with attorneys re latest draft of plan, including review of same changes, and feedback of others.	0.40	1145.00	\$458.00
08/09/2020	JNP	PD	Email to and from Gregory V. Demo regarding Plan.	0.10	1075.00	\$107.50
08/09/2020	JNP	PD	Email to and from Gregory V. Demo regarding talking points on Plan.	0.10	1075.00	\$107.50
08/09/2020	JNP	PD	Email to and from Gregory V. Demo regarding Plan structuring issues.	0.10	1075.00	\$107.50
08/09/2020	JNP	PD	Review Plan definition.	0.10	1075.00	\$107.50
08/09/2020	JNP	PD	Conference with J.Dubel regarding Plan structuring issues.	0.20	1075.00	\$215.00
08/09/2020	JMF	PD	Review plan and release provisions (1.8); multiple emails with G. Demo re plan comments (.3).	2.10	925.00	\$1,942.50
08/09/2020	GVD	PD	Review bullet points for plan communications	0.20	825.00	\$165.00
08/09/2020	GVD	PD	Review correspondence re plan correspondence issues	0.10	825.00	\$82.50
08/09/2020	GVD	PD	Correspondence with Sidley re changes to plan	0.10	825.00	\$82.50
08/09/2020	GVD	PD	Revise plan re comments from the Committee and circulate same	1.80	825.00	\$1,485.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/09/2020	GVD	PD	Review comments from J. Fried on releases and revise same	0.80	825.00	\$660.00
08/10/2020	IDK	PD	E-mails with DSI, others on coordination of call on DS (.1); Attend conference call with DSI, others re DS, liquidation analysis (.8).	0.90	1145.00	\$1,030.50
08/10/2020	IDK	PD	Review briefly Sidley changes to Plan, and further changes to our plan including UCC comments (.4); Review and consider release sections of plan, and need for substantial changes re same (.4); E-mails with G Demo, others re my list of substantial revisions to various "release" sections of plan (.4); Telephone conference with s G Demo re same (.2).	1.40	1145.00	\$1,603.00
08/10/2020	IDK	PD	E-mail to G Demo re revised DS, along with a list of open items, questions, including review of revised DS and questions.	0.50	1145.00	\$572.50
08/10/2020	IDK	PD	Review of today's revised plan, changes to convenience class treatment (.3); E-mails with G Demo re his revised release sections, and my feedback on further revisions to same (.4); Review of G Demo's last changes re same and correspondence to CEO re same, and to Sidley re our revised plan (.4).	1.10	1145.00	\$1,259.50
08/10/2020	IDK	PD	Review of Sidley's initial feedback on revised plan and release section.	0.20	1145.00	\$229.00
08/10/2020	JNP	PD	Conference with Ira D. Kharasch regarding Plan and review emails regarding same.	0.20	1075.00	\$215.00
08/10/2020	JNP	PD	Call with PSZJ and DSI regarding Plan and Disclosure Statement issues.	0.90	1075.00	\$967.50
08/10/2020	JEO	PD	Email with PBGD counsel re language for plan and disclosure statement	0.40	925.00	\$370.00
08/10/2020	JMF	PD	Review Plan (.5); draft voting procedures motion and ballots re updated plan (2.2).	2.70	925.00	\$2,497.50
08/10/2020	GVD	PD	Review additional revisions to the plan from Sidley	0.30	825.00	\$247.50
08/10/2020	GVD	PD	Conference with F. Caruso re forecasts for plan	0.30	825.00	\$247.50
08/10/2020	GVD	PD	Revise release provisions in plan; correspondence with I. Kharasch re same	0.90	825.00	\$742.50
08/10/2020	GVD	PD	Conference with PSZJ and DSI re open items and plan issues	0.80	825.00	\$660.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/10/2020	GVD	PD	Review disclosure statement motion	0.40	825.00	\$330.00
08/10/2020	GVD	PD	Revise and circulate plan of reorganization and disclosure statement	4.30	825.00	\$3,547.50
08/11/2020	IDK	PD	Review of G Demo's list of plan open issues and consider (.1); Review of current plan re same list of open issues (.3); E-mails with attorneys re which law firm is preparing partner documents re plan issues and re trust agreement (.3).	0.70	1145.00	\$801.50
08/11/2020	IDK	PD	Review of Sidley's list of requested changes to plan (.2); E-mails with attorneys re same and which to incorporate (.2); Review of numerous E-mails re correspondence with Dondero counsel re plan issues, and CEO and Russ Nelms feedback re same re their request to get exclusivity extended, as well as draft responses to Dondero counsel (.4).	0.80	1145.00	\$916.00
08/11/2020	IDK	PD	E-mails with CEO re Sidley's latest feedback on plan issues and how to respond (.2); E-mails with attorneys re I. Leventon concerns on plan changes (.2).	0.40	1145.00	\$458.00
08/11/2020	JNP	PD	Conference with Gregory V. Demo regarding Plan issues.	0.10	1075.00	\$107.50
08/11/2020	JNP	PD	Conference with Ira D. Kharasch regarding Plan issues.	0.10	1075.00	\$107.50
08/11/2020	JNP	PD	Conference with Ira D. Kharasch regarding Plan issues.	0.20	1075.00	\$215.00
08/11/2020	JNP	PD	Conference with J. Seery regarding Plan issues.	0.20	1075.00	\$215.00
08/11/2020	JNP	PD	Email to and from Gregory V. Demo regarding call with D. Neier regarding Plan.	0.10	1075.00	\$107.50
08/11/2020	JNP	PD	Review and respond to J. Gropper email regarding dates and times and coordinate with team regarding same.	0.20	1075.00	\$215.00
08/11/2020	JNP	PD	Lynn email regarding plan, prepare response and emails regarding same.	0.40	1075.00	\$430.00
08/11/2020	JNP	PD	Conference with J. Dubel regarding Plan issues and related.	0.30	1075.00	\$322.50
08/11/2020	JEO	PD	Review Solicitation Motion and email to Jack Donohue re voting issues	0.50	925.00	\$462.50
08/11/2020	JMF	PD	Review revisions to Plan.	0.80	925.00	\$740.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/11/2020	JMF	PD	Review proposed voting procedures order	0.30	925.00	\$277.50
08/11/2020	GVD	PD	Conference with Seery re open plan items and next steps	0.60	825.00	\$495.00
08/11/2020	GVD	PD	Conference with DSI re factual information for the plan and disclosure statement	0.50	825.00	\$412.50
08/11/2020	GVD	PD	Review PR materials; correspondence with J. Pomerantz re same	0.40	825.00	\$330.00
08/11/2020	GVD	PD	Correspondence with J. Fried re disclosure statement motion	0.20	825.00	\$165.00
08/11/2020	GVD	PD	Correspondence with Sidley re postpetition interest	0.10	825.00	\$82.50
08/11/2020	GVD	PD	Multiple conferences with J. Pomerantz re open plan and disclosure statement items	0.20	825.00	\$165.00
08/11/2020	GVD	PD	Review additional Sidley comments re plan and disclosure statement	0.40	825.00	\$330.00
08/11/2020	GVD	PD	Correspondence with Board re follow up to call with Sidley on plan issues	0.30	825.00	\$247.50
08/11/2020	GVD	PD	Conference with Sidley re open items on plan and disclosure statement and revise same	1.80	825.00	\$1,485.00
08/12/2020	IDK	PD	E-mails with Board, others re Dondero counsel communications today re requesting language on grand bargain in plan/DS, and next steps re same (.3); E-mails with local counsel, others on need to file plan and DS under seal today, and feedback re also filing emergency motion to extend exclusivity (.2); Telephone conference with G Demo re same and drafting of seal and extension motions today (.1); Telephone conferences with attorneys and local counsel and CEO re problem of filing plan and DS under seal, and need to redact plan and DS (.5).	1.10	1145.00	\$1,259.50
08/12/2020	IDK	PD	Review and consider drafts of motion to file plan/DS under seal, and to extend exclusivity, and also re redacted versions of plan and DS (.4); E-mails with G Demo re my changes to same motions (.2); Review of further revised motions re same, as well as further changes to DS, and correspondence to Board re same motions (.3).	0.90	1145.00	\$1,030.50
08/12/2020	IDK	PD	E-mails with local counsel, others re problem of filing under seal re Dallas local rules and potential of losing exclusivity, including review of local rule (.3); Review of correspondence with local counsel	0.50	1145.00	\$572.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			on delay of filing seal and exclusivity motions until tomorrow (.2).			
08/12/2020	IDK	PD	E-mails with attorneys re PBGC comments to plan and how to handle & timing (.2); E-mails with Board re revised plan of today, including brief review of same (.3).	0.50	1145.00	\$572.50
08/12/2020	JNP	PD	Emails to and from M. Clemente regarding scheduling for sealing and exclusivity motions.	0.20	1075.00	\$215.00
08/12/2020	JNP	PD	Conference with Gregory V. Demo, Ira D. Kharasch and local counsel regarding filing of Plan; Follow-up with J. Seery regarding same.	0.50	1075.00	\$537.50
08/12/2020	JNP	PD	Conference with J. Seery regarding timing for hearing on seal and exclusivity motion.	0.10	1075.00	\$107.50
08/12/2020	JNP	PD	Review and revise motion to file Plan and Disclosure Statement under seal.	0.30	1075.00	\$322.50
08/12/2020	JMF	PD	Review PBGC requested insert and issues regarding same.	0.70	925.00	\$647.50
08/12/2020	GVD	PD	Conference with D. Neier and employees re plan	0.50	825.00	\$412.50
08/12/2020	GVD	PD	Meeting with Board of directors re plan confidentiality issues	0.70	825.00	\$577.50
08/12/2020	GVD	PD	Multiple conferences with J. Pomerantz and I. Kharasch re plan and disclosure statement	0.40	825.00	\$330.00
08/12/2020	GVD	PD	Conference with J. Seery re plan and disclosure statement and next steps	0.40	825.00	\$330.00
08/12/2020	GVD	PD	Draft motion to seal plan and disclosure statement	1.80	825.00	\$1,485.00
08/12/2020	GVD	PD	Draft motion to extend exclusivity	1.80	825.00	\$1,485.00
08/12/2020	GVD	PD	Review press release re plan and disclosure statement	0.20	825.00	\$165.00
08/12/2020	GVD	PD	Further revise plan and disclosure statement and prepare same for filing	4.90	825.00	\$4,042.50
08/13/2020	IDK	PD	E-mails with G. Demo re latest revised motions re filing plan under seal and to extend exclusivity, including review of same and green lighting to file now (.4); E-mails with attorneys re court signing order re our seal motion and getting plan and disclosure statement filed unredacted (.2).	0.60	1145.00	\$687.00
08/13/2020	JNP	PD	Conference with Gregory V. Demo regarding Plan and related issues.	0.10	1075.00	\$107.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/13/2020	JEO	PD	Review notice of hearing for seal motion and exclusivity extension motion and provide comments	0.40	925.00	\$370.00
08/13/2020	JMF	PD	Review KCC comments to voting procedures.	0.40	925.00	\$370.00
08/13/2020	JMF	PD	Review exclusivity extension motion.	0.30	925.00	\$277.50
08/13/2020	GVD	PD	Revise motion to seal and motion to extend exclusivity; file same	1.00	825.00	\$825.00
08/13/2020	GVD	PD	Conference with I. Leventon re plan issues	0.20	825.00	\$165.00
08/13/2020	GVD	PD	Correspondence with WilmerHale re open plan issues and documentation	0.40	825.00	\$330.00
08/14/2020	IDK	PD	E-mails with DSI, others on need for cost projection analysis for pre- and post-confirmation in plan, including review of DSI model re same, and coordination of call on same.	0.40	1145.00	\$458.00
08/14/2020	JMF	PD	Draft voting procedures motion.	1.10	925.00	\$1,017.50
08/14/2020	GVD	PD	Correspondence with Sidley re changes to plan and disclosure statement	0.30	825.00	\$247.50
08/14/2020	GVD	PD	Conference with F. Caruso re open items re plan projections	0.30	825.00	\$247.50
08/15/2020	GVD	PD	Conference with J. Seery re open plan items	0.60	825.00	\$495.00
08/16/2020	JNP	PD	Review email regarding Plan projections and respond.	0.10	1075.00	\$107.50
08/16/2020	GVD	PD	Review assumptions re financial projections	0.20	825.00	\$165.00
08/17/2020	IDK	PD	Attend conference call with G. Demo and J. Pomerantz re DSI list of questions on cost projections for DS and for pre-conference, claims objection process, next Board meeting (.6); E-mails with attorneys re next draft of voting/solicitation procedures motion, including review of same (.3); E-mails with attorneys on various plan mechanics (.2).	1.10	1145.00	\$1,259.50
08/17/2020	JNP	PD	Email to and from Joshua M. Fried regarding convenience class.	0.10	1075.00	\$107.50
08/17/2020	JMF	PD	Review employee bonus plan documents.	1.70	925.00	\$1,572.50
08/17/2020	JMF	PD	Review changes to voting procedures and to ballots.	0.80	925.00	\$740.00
08/17/2020	JMF	PD	Review convenience and guc treatment issues.	0.50	925.00	\$462.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/17/2020	GVD	PD	Review and revise solicitation procedures motion	1.30	825.00	\$1,072.50
08/17/2020	GVD	PD	Conference with J. Pomerantz and I. Kharasch re budget and financial projections	0.60	825.00	\$495.00
08/18/2020	IDK	PD	E-mails re further plan issues and convenience class issues.	0.10	1145.00	\$114.50
08/18/2020	JMF	PD	Review employee plan documents.	0.60	925.00	\$555.00
08/18/2020	GVD	PD	Conference with WilmerHale re open items and next steps on plan documents	0.50	825.00	\$412.50
08/18/2020	GVD	PD	Attend to issues re Plan and DS signature pages; conference with J. Dubel re same	0.40	825.00	\$330.00
08/19/2020	IDK	PD	E-mails re Court's desire to reschedule DS hearing and issues re same.	0.20	1145.00	\$229.00
08/19/2020	JMF	PD	Review voting procedures and plan.	0.80	925.00	\$740.00
08/19/2020	GVD	PD	Correspondence with board re solicitation procedures motion	0.20	825.00	\$165.00
08/20/2020	IDK	PD	E-mails re potential new date of DS hearing and notice issues for same (.2); E-mail to UCC counsel re same and draft solicitation motion (.2).	0.40	1145.00	\$458.00
08/24/2020	JEO	PD	Review Highland plan	0.60	925.00	\$555.00
08/24/2020	JMF	PD	Review plan implementation and balloting procedures.	0.80	925.00	\$740.00
08/25/2020	JMF	PD	Review DS voting instructions and updates re KCC comments.	0.80	925.00	\$740.00
08/26/2020	IDK	PD	Review of Dondero's new term sheet for grand bargain plan, including correspondence from Board re same.	0.40	1145.00	\$458.00
08/26/2020	JMF	PD	Draft disclosure statement.	2.30	925.00	\$2,127.50
08/26/2020	GVD	PD	Correspondence with DSI re plan projections	0.10	825.00	\$82.50
08/27/2020	JMF	PD	Review cases and language re PBGC issues and resolutions.	1.50	925.00	\$1,387.50
08/27/2020	JMF	PD	Review claims re plan classification and issues re convenience class treatment.	0.70	925.00	\$647.50
08/27/2020	GVD	PD	Review term sheet re proposed plan structure	0.20	825.00	\$165.00
08/28/2020	JMF	PD	Review cases and language re PBGC issues and	1.70	925.00	\$1,572.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
resolutions.						
08/31/2020	JMF	PD	Draft notices re confirmation hearing and assumed/assigned contracts.	1.80	925.00	\$1,665.00
				100.80		\$94,383.00
Ret. of Prof./Other						
08/09/2020	GVD	RPO	Correspondence re potential PWC retention	0.10	825.00	\$82.50
08/12/2020	GVD	RPO	Conference with J. Bienstock re PWC issues	0.20	825.00	\$165.00
08/13/2020	GVD	RPO	Conference with PWC re potential engagement	0.30	825.00	\$247.50
08/13/2020	GVD	RPO	Prepare for meeting with PWC re potential engagement	0.50	825.00	\$412.50
08/18/2020	GVD	RPO	review PWC engagement letter	0.20	825.00	\$165.00
08/19/2020	GVD	RPO	Correspondence with B. Collins re PWC Engagement	0.10	825.00	\$82.50
08/19/2020	GVD	RPO	Correspondence with B. Collins re PWC engagement and next steps	0.20	825.00	\$165.00
				1.60		\$1,320.00
TOTAL SERVICES FOR THIS MATTER:						\$672,815.00

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Expenses

06/01/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	24.99
06/01/2020	CC	Conference Call [E105] Loop Up Conference Call, JNP	0.08
06/02/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	13.09
06/02/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	2.87
06/02/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	14.91
06/02/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	24.99
06/03/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	33.18
06/03/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	9.73
06/03/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	0.14
06/03/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	0.49
06/03/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	0.07
06/04/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	14.42
06/05/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	68.46
06/05/2020	CC	Conference Call [E105] Loop Up Conference Call, JNP	0.08
06/09/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	15.05
06/09/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	12.32
06/09/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	32.97
06/10/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	8.33
06/11/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	5.39
06/11/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	14.42
06/11/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	38.57
06/11/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	6.46
06/11/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	19.43
06/13/2020	CC	Conference Call [E105] Loop Up Conference Call, JNP	0.91
06/15/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	14.35
06/15/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	2.80
06/15/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	9.59
06/15/2020	CC	Conference Call [E105] Loop Up Conference Call, JNP	9.66
06/16/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	29.23
06/16/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	17.31
06/16/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	0.08
06/16/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	8.89

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06/16/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	27.86
06/16/2020	CC	Conference Call [E105] Loop Up Conference Call, JNP	10.01
06/17/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	1.83
06/17/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	2.52
06/17/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	19.39
06/17/2020	CC	Conference Call [E105] Loop Up Conference Call, JNP	4.49
06/18/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	42.42
06/19/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	16.59
06/22/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	0.14
06/22/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	1.61
06/22/2020	CC	Conference Call [E105] Loop Up Conference Call, JNP	6.38
06/23/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	12.49
06/23/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	21.49
06/23/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	9.38
06/23/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	8.47
06/23/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	5.95
06/24/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	21.91
06/24/2020	CC	Conference Call [E105] Loop Up Conference Call, JNP	3.78
06/25/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	10.01
06/25/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	1.47
06/25/2020	CC	Conference Call [E105] Loop Up Conference Call, IDS	35.62
06/26/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	9.10
06/26/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	9.10
06/26/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	19.32
06/26/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	36.58
06/29/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	8.12
06/29/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	38.71
06/29/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	7.63
06/29/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	6.51
06/30/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	133.96
06/30/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	4.97
06/30/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	19.46
06/30/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	27.37
06/30/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	6.16

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07/01/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	3.15
07/01/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	0.07
07/01/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	14.56
07/03/2020	CC	Conference Call [E105] Loop Up Conference Call, JNP	7.93
07/06/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	36.80
07/06/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	0.42
07/06/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	24.99
07/07/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	37.76
07/07/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	21.91
07/07/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	14.63
07/07/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	58.98
07/07/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	0.21
07/08/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	60.57
07/08/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	11.97
07/08/2020	CC	Conference Call [E105] Loop Up Conference Call, JNP	8.05
07/09/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	9.23
07/09/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	3.29
07/09/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	2.73
07/09/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	8.40
07/09/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	4.97
07/09/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	4.18
07/10/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	9.35
07/10/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	41.79
07/11/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	4.98
07/13/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	33.60
07/14/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	0.70
07/14/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	7.56
07/14/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	4.35
07/15/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	44.10
07/15/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	10.36
07/16/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	60.27
07/16/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	4.48
07/16/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	3.74

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07/16/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	2.38
07/16/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	12.81
07/16/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	10.44
07/16/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	9.17
07/17/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	11.11
07/17/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	9.30
07/17/2020	CC	Conference Call [E105] AT&T Conference Call, JJK	1.41
07/20/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	7.76
07/20/2020	CC	Conference Call [E105] Loop Up Conference Call, IDK	15.91
07/20/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	2.73
07/21/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	91.58
07/21/2020	CC	Conference Call [E105] AT&T Conference Call, GVD	44.16
07/22/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	13.93
07/22/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	23.63
07/22/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	3.09
07/22/2020	CC	Conference Call [E105] AT&T Conference Call, JAM	2.26
07/24/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	26.77
07/24/2020	CC	Conference Call [E105] AT&T Conference Call, JJK	3.44
07/28/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	134.61
07/28/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	10.64
07/29/2020	CC	Conference Call [E105] Loop Up Conference Call, GVD	3.09
08/03/2020	RE	(284 @0.10 PER PG)	28.40
08/03/2020	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
08/04/2020	RE	(2 @0.10 PER PG)	0.20
08/04/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
08/04/2020	RE2	SCAN/COPY (126 @0.10 PER PG)	12.60
08/04/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
08/04/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
08/04/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
08/04/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
08/05/2020	RE	(17 @0.10 PER PG)	1.70
08/05/2020	RE	(163 @0.10 PER PG)	16.30
08/05/2020	RE	(27 @0.10 PER PG)	2.70
08/05/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30

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08/05/2020	RE2	SCAN/COPY (26 @0.10 PER PG)	2.60
08/05/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
08/05/2020	RE2	SCAN/COPY (36 @0.10 PER PG)	3.60
08/05/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
08/05/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
08/05/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
08/06/2020	RE	(24 @0.10 PER PG)	2.40
08/06/2020	RE	(59 @0.10 PER PG)	5.90
08/06/2020	RE	(24 @0.10 PER PG)	2.40
08/06/2020	RE	(59 @0.10 PER PG)	5.90
08/06/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
08/06/2020	RE2	SCAN/COPY (16 @0.10 PER PG)	1.60
08/07/2020	LN	36027.00002 Lexis Charges for 08-07-20	97.77
08/07/2020	RE	(3 @0.10 PER PG)	0.30
08/07/2020	RE	(8 @0.10 PER PG)	0.80
08/07/2020	RE2	SCAN/COPY (177 @0.10 PER PG)	17.70
08/07/2020	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
08/07/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
08/07/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
08/07/2020	RE2	SCAN/COPY (18 @0.10 PER PG)	1.80
08/07/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
08/07/2020	RE2	SCAN/COPY (61 @0.10 PER PG)	6.10
08/07/2020	RE2	SCAN/COPY (89 @0.10 PER PG)	8.90
08/08/2020	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
08/09/2020	RE2	SCAN/COPY (63 @0.10 PER PG)	6.30
08/10/2020	FE	36027.00002 FedEx Charges for 08-10-20	87.89
08/10/2020	RE	(6 @0.10 PER PG)	0.60
08/10/2020	RE	(437 @0.10 PER PG)	43.70
08/10/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
08/10/2020	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
08/10/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
08/10/2020	RE2	SCAN/COPY (104 @0.10 PER PG)	10.40
08/10/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10

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08/10/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
08/10/2020	RE2	SCAN/COPY (29 @0.10 PER PG)	2.90
08/10/2020	RE2	SCAN/COPY (63 @0.10 PER PG)	6.30
08/10/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
08/10/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
08/10/2020	RE2	SCAN/COPY (205 @0.10 PER PG)	20.50
08/10/2020	RE2	SCAN/COPY (152 @0.10 PER PG)	15.20
08/10/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
08/10/2020	RE2	SCAN/COPY (61 @0.10 PER PG)	6.10
08/10/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
08/10/2020	RE2	SCAN/COPY (21 @0.10 PER PG)	2.10
08/10/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
08/10/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
08/10/2020	RE2	SCAN/COPY (27 @0.10 PER PG)	2.70
08/10/2020	RE2	SCAN/COPY (44 @0.10 PER PG)	4.40
08/10/2020	RE2	SCAN/COPY (59 @0.10 PER PG)	5.90
08/10/2020	RE2	SCAN/COPY (37 @0.10 PER PG)	3.70
08/10/2020	RE2	SCAN/COPY (48 @0.10 PER PG)	4.80
08/10/2020	RE2	SCAN/COPY (42 @0.10 PER PG)	4.20
08/10/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
08/10/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
08/10/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
08/10/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
08/10/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
08/10/2020	RE2	SCAN/COPY (64 @0.10 PER PG)	6.40
08/10/2020	RE2	SCAN/COPY (122 @0.10 PER PG)	12.20
08/10/2020	RE2	SCAN/COPY (41 @0.10 PER PG)	4.10
08/10/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
08/10/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
08/10/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
08/10/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
08/10/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
08/10/2020	RE2	SCAN/COPY (64 @0.10 PER PG)	6.40
08/11/2020	LN	36027.00002 Lexis Charges for 08-11-20	7.59

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08/11/2020	RE	(35 @0.10 PER PG)	3.50
08/11/2020	RE2	SCAN/COPY (25 @0.10 PER PG)	2.50
08/11/2020	RE2	SCAN/COPY (96 @0.10 PER PG)	9.60
08/11/2020	RE2	SCAN/COPY (177 @0.10 PER PG)	17.70
08/11/2020	RE2	SCAN/COPY (63 @0.10 PER PG)	6.30
08/11/2020	RE2	SCAN/COPY (39 @0.10 PER PG)	3.90
08/11/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
08/12/2020	LN	36027.00002 Lexis Charges for 08-12-20	7.51
08/12/2020	RE	(1 @0.10 PER PG)	0.10
08/12/2020	RE	(19 @0.10 PER PG)	1.90
08/12/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
08/12/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
08/12/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
08/12/2020	RE2	SCAN/COPY (112 @0.10 PER PG)	11.20
08/12/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
08/12/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
08/13/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
08/13/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
08/13/2020	RE2	SCAN/COPY (146 @0.10 PER PG)	14.60
08/13/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
08/13/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
08/13/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
08/13/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
08/13/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
08/14/2020	RE	(8 @0.10 PER PG)	0.80
08/14/2020	RE	(1 @0.10 PER PG)	0.10
08/14/2020	RE	(11 @0.10 PER PG)	1.10
08/14/2020	RE	(7 @0.10 PER PG)	0.70
08/14/2020	RE	(17 @0.10 PER PG)	1.70
08/14/2020	RE2	SCAN/COPY (84 @0.10 PER PG)	8.40
08/17/2020	BB	36027.00002 Bloomberg Charges for 09-04-20	80.70
08/17/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
08/17/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70

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08/17/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
08/18/2020	AT	Auto Travel Expense [E109] Elite Transportation Services, Inv. 1817246, JAM	135.17
08/18/2020	RE	(4 @0.10 PER PG)	0.40
08/18/2020	RE2	SCAN/COPY (65 @0.10 PER PG)	6.50
08/18/2020	RE2	SCAN/COPY (271 @0.10 PER PG)	27.10
08/18/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
08/18/2020	RE2	SCAN/COPY (65 @0.10 PER PG)	6.50
08/18/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
08/18/2020	RE2	SCAN/COPY (271 @0.10 PER PG)	27.10
08/18/2020	RE2	SCAN/COPY (65 @0.10 PER PG)	6.50
08/18/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
08/18/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
08/19/2020	CC	Conference Call [E105] CourtCall Debit Ledger for 08/01/2020 through 08/31/2020, GVD	27.75
08/19/2020	LN	36027.00002 Lexis Charges for 08-19-20	7.59
08/19/2020	RE	(1 @0.10 PER PG)	0.10
08/19/2020	RE2	SCAN/COPY (8 @0.10 PER PG)	0.80
08/20/2020	DC	36027.00002 Advita Charges for 08-20-20	7.50
08/20/2020	LN	36027.00002 Lexis Charges for 08-20-20	28.86
08/20/2020	LN	36027.00002 Lexis Charges for 08-20-20	38.00
08/20/2020	RE	(1 @0.10 PER PG)	0.10
08/20/2020	RE	(9 @0.10 PER PG)	0.90
08/20/2020	RE2	SCAN/COPY (394 @0.10 PER PG)	39.40
08/20/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
08/20/2020	RE2	SCAN/COPY (148 @0.10 PER PG)	14.80
08/20/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30
08/20/2020	RE2	SCAN/COPY (57 @0.10 PER PG)	5.70
08/20/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
08/20/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
08/20/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
08/20/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
08/21/2020	DC	36027.00002 Advita Charges for 08-21-20	7.50
08/21/2020	LN	36027.00002 Lexis Charges for 08-21-20	22.79
08/21/2020	RE	(3 @0.10 PER PG)	0.30

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08/21/2020	RE	(5 @0.10 PER PG)	0.50
08/21/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
08/21/2020	RE2	SCAN/COPY (42 @0.10 PER PG)	4.20
08/21/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
08/21/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
08/21/2020	RE2	SCAN/COPY (24 @0.10 PER PG)	2.40
08/21/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
08/21/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
08/21/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
08/21/2020	RE2	SCAN/COPY (20 @0.10 PER PG)	2.00
08/21/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
08/21/2020	RE2	SCAN/COPY (22 @0.10 PER PG)	2.20
08/21/2020	RE2	SCAN/COPY (61 @0.10 PER PG)	6.10
08/21/2020	RE2	SCAN/COPY (4 @0.10 PER PG)	0.40
08/21/2020	RE2	SCAN/COPY (15 @0.10 PER PG)	1.50
08/21/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
08/21/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
08/24/2020	LN	36027.00002 Lexis Charges for 08-24-20	7.59
08/24/2020	RE	(3 @0.10 PER PG)	0.30
08/24/2020	RE	(5 @0.10 PER PG)	0.50
08/24/2020	RE2	SCAN/COPY (6 @0.10 PER PG)	0.60
08/24/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
08/24/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
08/24/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
08/24/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
08/25/2020	LN	36027.00002 Lexis Charges for 08-25-20	7.59
08/25/2020	RE	(1 @0.10 PER PG)	0.10
08/25/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
08/25/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
08/25/2020	RE2	SCAN/COPY (1 @0.10 PER PG)	0.10
08/25/2020	RE2	SCAN/COPY (5 @0.10 PER PG)	0.50
08/26/2020	RE	(1 @0.10 PER PG)	0.10
08/26/2020	RE	(3 @0.10 PER PG)	0.30
08/26/2020	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90

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08/26/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
08/26/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
08/26/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
08/26/2020	RE2	SCAN/COPY (7 @0.10 PER PG)	0.70
08/26/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
08/27/2020	RE	(1 @0.10 PER PG)	0.10
08/27/2020	RE2	SCAN/COPY (13 @0.10 PER PG)	1.30
08/27/2020	RE2	SCAN/COPY (19 @0.10 PER PG)	1.90
08/27/2020	RE2	SCAN/COPY (34 @0.10 PER PG)	3.40
08/27/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
08/27/2020	RE2	SCAN/COPY (3 @0.10 PER PG)	0.30
08/28/2020	RE	(3 @0.10 PER PG)	0.30
08/28/2020	RE	(1 @0.10 PER PG)	0.10
08/28/2020	RE2	SCAN/COPY (10 @0.10 PER PG)	1.00
08/28/2020	RE2	SCAN/COPY (14 @0.10 PER PG)	1.40
08/28/2020	RE2	SCAN/COPY (11 @0.10 PER PG)	1.10
08/28/2020	RE2	SCAN/COPY (12 @0.10 PER PG)	1.20
08/31/2020	LN	36027.00002 Lexis Charges for 08-31-20	7.59
08/31/2020	LN	36027.00002 Lexis Charges for 08-31-20	7.59
08/31/2020	PAC	Pacer - Court Research	171.60
08/31/2020	RE	(29 @0.10 PER PG)	2.90
08/31/2020	RE	(1 @0.10 PER PG)	0.10
08/31/2020	RE2	SCAN/COPY (2 @0.10 PER PG)	0.20
08/31/2020	RE2	SCAN/COPY (23 @0.10 PER PG)	2.30

Total Expenses for this Matter

\$3,428.14

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ATTORNEYS FOR JAMES DONDERO

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

IN RE:	§	
	§	
HIGHLAND CAPITAL MANAGEMENT, L.P.,	§	Case No. 19-34054
	§	
	§	
Debtor.	§	Chapter 11

**JAMES DONDERO’S RESPONSE TO DEBTOR’S MOTION FOR ENTRY
OF AN ORDER APPROVING SETTLEMENT WITH (A) ACIS CAPITAL
MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP LLC
(CLAIM NO. 23), (B) JOSHUA N. TERRY AND JENNIFER G. TERRY
(CLAIM NO. 156), AND (C) ACIS CAPITAL MANAGEMENT, L.P.
(CLAIM NO. 159), AND AUTHORIZING ACTIONS CONSISTENT THEREWITH
[Relates to Docket No. 1087]**

James Dondero (“Respondent”), a creditor, indirect equity security holder, and party in interest in the above-captioned bankruptcy case, hereby files this Response to *Debtor’s Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith* [Docket No. 1087] (the “Motion”) filed by Highland Capital Management, L.P. (the “Debtor”). Through the Motion, the Debtor seeks approval of its compromise with Acis Capital

Management, L.P. and Acis Capital Management GP LLC (collectively, “Acis”) pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). In support of this response, Respondent respectfully represents as follows:

I. INTRODUCTION

1. Under Bankruptcy Rule 9019, the Bankruptcy Court is tasked with making an independent judgment on the merits of a proposed settlement to ensure that the proposed settlement is “fair, equitable, and in the best interest of the estate.”¹ While Respondent appreciates the apparent lengths the Debtor went through in coming to terms of a settlement with Acis, Respondent believes it is critical that the Court be as fully informed as possible concerning why and how the settlement was arrived at. Given that just three months ago the Debtor asserted that Acis’s claim “should summarily be disallowed in its entirety”² as a “\$75 million windfall,”³ it is appropriate for the Court to independently assess the merits of the settlement to understand why the Debtor now believes paying Acis millions of dollars “from the pockets of the Debtor’s innocent creditors”⁴ to be in the best interest of the estate.

II. BACKGROUND

2. On October 16, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the U.S. Bankruptcy Court for the District of Delaware, Case No. 19-12239 (CSS) (the “Delaware Court”).

3. On October 29, 2019, the Official Committee of Unsecured Creditors (the “Committee”) was appointed by the U.S. Trustee in Delaware.

¹ See *In re Jackson Brewing Co.*, 624 F.2d 599, 602 (5th Cir. 1980).

² See Debtor Objection, p. 9.

³ *Id.* p. 3, para. 2.

⁴ *Id.*

4. On December 4, 2019, the Delaware Court entered an order transferring venue of the Debtor's Bankruptcy Case to this Court [Docket No. 186].

5. On December 27, 2019, the Debtor filed that certain *Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* [Docket No. 281] (the "Settlement Motion"). This Court approved the Settlement Motion on January 9, 2020 [Docket No. 339] (the "Settlement Order").

6. In connection with the Settlement Order, an independent board of directors was appointed on January 9, 2020, for the Debtor's general partner, Strand Advisors, Inc. (the "Independent Board"). The members of the Independent Board are James P. Seery, Jr., John S. Dubel, and Russell F. Nelms.

7. On July 16, 2020, this Court entered an order authorizing the Debtor to employ James P. Seery, Jr. as Chief Executive Officer and Chief Restructuring Officer of the Debtor. *See* Docket No. 854.

8. On December 31, 2019, Acis filed its Proof of Claim Number 23 with the Bankruptcy Court (the "Acis Claim").

9. The Acis Claim incorporates the complaint from litigation commenced by the trustee of the former estate in the Acis bankruptcy case (the "Acis Case").

10. In response, on June 23, 2020, the Debtor filed its *Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC* [Docket No. 771] (the "Debtor Objection").

11. On July 13, 2020, Respondent filed *James Dondero's (i) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (ii) Joinder*

in Support of Highland Capital Management, L.P.’s Objection to Proof of Claim of Acis Capital Management, L.P., and Acis Capital Management GP, LLC [Docket No. 827].

12. On July 23, 2020, UBS Securities LLC and UBS AG, London Branch filed *UBS (i) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC and (ii) Joinder in the Debtor’s Objection* [Docket No. 891].

13. On July 31, 2020, Acis responded to each objection in its *Omnibus Response to Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC* [Docket No. 908].

14. On September 23, 2020, the Debtor filed the Motion seeking approval of a proposed settlement of the Acis Claim under Rule 9019.

III. STANDING

15. Respondent, as a creditor, indirect equity security holder, and party in interest, has standing to file this response and be heard on the Motion pursuant to section 1109(b) of the Bankruptcy Code and Rule 9019 of the Bankruptcy Rules.

16. While neither section 1109 nor any other section in the Bankruptcy Code specifically defines the term “party in interest,” section 1109(b) provides a non-exclusive list of entities that fall within the meaning of “party in interest” for the purposes of a chapter 11 proceeding. *See Kipp Flores Architects, L.L.C. v. Mid-Continent Cas. Co.*, 852 F.3d 405, 413 (5th Cir. 2017) (“The Bankruptcy Code does not provide an exclusive definition of a party in interest, but the Code broadly includes debtors, creditors, trustees, indenture trustees, and equity security holders among the parties entitled, *e.g.*, to notice of proceedings in the case.”).

17. Specifically, section 1109(b) provides that “[a] party in interest, including the debtor, the trustee, a creditors’ committee, an equity security holders’ committee, a creditor, an

equity security holder, or any indenture trustee may raise and may appear and be heard on any issue in a case under [Chapter 11].” 11 U.S.C. § 1109(b). This section “has been construed to create a broad right of participation in Chapter 11 cases.” *In re Global Industrial Technologies, Inc.*, 645 F.3d 201, 210 (3d Cir. 2011) (quoting *In re Combustion Engineering, Inc.*, 391 F.3d 190, 214 n.21 (3d Cir. 2004)). Parties in interest “include not only the debtor, but anyone who has a legally protected interest that could be affected by a bankruptcy proceeding.” *Adair v. Sherman*, 230 F.3d 890, 894 n. 3 (7th Cir. 2000). *See also* 4 COLLIER ON BANKRUPTCY P 502.02 (16th ed. 2020) (“In the context of a chapter 11 case in particular, the term ‘party in interest’ expressly includes the debtor, the trustee, a creditors’ committee, an equity security holders’ committee, a creditor, an equity security holder, or any indenture trustee.”).

18. Further, in the context of a court’s evaluation of a proposed settlement under Rule 9019, the input and interests of creditors are of particular importance. *See In re Foster Mortgage Corp.*, 68 F.3d 914, 917 (5th Cir. 1996).

19. Here, Respondent has standing to be heard on any issue in this Chapter 11 case, including related to the Motion, because he is (i) a creditor; (ii) an indirect equity security holder; and (iii) a party in interest as those terms are interpreted under the Bankruptcy Code.

20. Respondent is a creditor of the Debtor because he has prepetition claims against the Debtor and its estate, including those asserted through proof of claim number 138 filed by Respondent on April 8, 2020. None of those claims has been objected to as of this writing.

21. Respondent is also an indirect equity security holder through his role as the sole shareholder of Debtor’s General Partner, Strand Advisors, Inc. (“Strand”). As the Debtor’s General Partner, Strand maintains a 0.2508% partnership interest in the Debtor.

22. Accordingly, as both a creditor and equity security holder, Respondent qualifies as a “party in interest” under the Bankruptcy Code and has the right to file this response and be heard on Debtor’s Motion.

IV. LEGAL STANDARD

23. The merits of a proposed compromise should be judged under the criteria set forth in *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414 (1968). *TMT Trailer* requires that a compromise must be “fair and equitable.” *TMT Trailer*, 390 U.S. at 424; *In re AWECO, Inc.*, 725 F.2d 293, 298 (5th Cir. 1984). The terms “fair and equitable,” commonly referred to as the “absolute priority rule,” mean that (i) senior interests are entitled to full priority over junior interests; and (ii) the compromise is reasonable in relation to the likely rewards of litigation. *In re Cajun Electric Power Coop.*, 119 F.3d 349, 355 (5th Cir. 1997); *In re Jackson Brewing Co.*, 624 F.2d 599, 602 (5th Cir. 1980).

24. In determining whether a proposed compromise is fair and equitable, a Court should consider the following factors:

- (i) the probabilities of ultimate success should the claim be litigated;
- (ii) the complexity, expense, and likely duration of litigating the claim;
- (iii) the difficulties of collecting a judgment rendered from such litigation; and,
- (iv) all other factors relevant to a full and fair assessment of the wisdom of the compromise.

TMT Trailer, 390 U.S. at 424.

25. In considering whether to approve a proposed compromise, the bankruptcy judge “may not simply accept the trustee’s word that the settlement is reasonable, nor may he [or she] merely ‘rubber stamp’ the trustee’s proposal.” *In re Am. Res. Corp.*, 841 F.2d 159, 162 (7th Cir. 1987). “[T]he bankruptcy judge must apprise himself of all facts necessary to evaluate the

settlement and make an informed and independent judgment about the settlement.” *See TMT Trailer*, 390 U.S. at 424, 434.

26. While the trustee’s business judgment is entitled to a certain deference, “business judgment is not alone determinative of the issue of court approval.” *See In re Endoscopy Ctr. of S. Nev., LLC*, 451 B.R. 527, 536 (Bankr. D. Nev. 2011). Further, the business judgment rule does not provide a debtor with “unfettered freedom” to do as it wishes. *See In re Pilgrim’s Pride Corp.*, 403 B.R. 413, 426 (Bankr. N.D. Tex. 2009) (“[A]s a fiduciary holding its estate in trust and responsible to the court, a debtor in possession must administer its case and conduct its business in a fashion amenable to the scrutiny to be expected from creditor and court oversight.”). The Court must conduct an “intelligent, objective and educated evaluation”⁵ of the proposed settlement “to ensure that the settlement is fair, equitable, and in the best interest of the estate and creditors.” *See In re Mirant Corp.*, 348 B.R. 725, 739 (Bankr. N.D. Tex. 2006) (quoting *Conn. Gen. Life Ins. Co. v. Foster Mortgage Corp. (In re Foster Mortgage Corp.)*, 68 F.3d 914, 917 (5th Cir. 1995)).

V. ANALYSIS OF PROPOSED COMPROMISE

27. It is Respondent’s belief that, in order for the Court to be fully informed regarding the settlement proposed by the Motion, it is critical that the facts be explored through the adversarial process. To that end, Respondent intends to assist the Court by presenting evidence that addresses the advisability of granting or denying the Motion and that, in turn, addresses the merits of the Acis Claim and the merits of the objections to it.

28. First, the Motion appears to rely heavily on the fact that the settlement will resolve complex litigation that has been pending for years. While all parties can appreciate a settlement

⁵ *In re Jackson Brewing Co.*, 624 F.2d 599, 602 (5th Cir. 1980) (“To assure a proper compromise the bankruptcy judge, must be apprised of all the necessary facts for an intelligent, objective and educated evaluation. He must compare the terms of the compromise with the likely rewards of litigation.”).

that resolves a number of long-running disputes, Rule 9019 requires an analysis as to whether the probability of success in litigation is outweighed by the consideration achieved under the settlement. *See In re Jackson Brewing Co.*, 624 F.2d 599, 602 (5th Cir. 1980) (The Court must “compare the terms of the compromise with the likely rewards of litigation.”). Here, the Debtor’s Motion does not appear to address this factor in any detail. If the Acis Claim is indeed based upon a “fallacious premise”⁶ as the Debtor and others have asserted in their objections, then there may be a strong chance that the Debtor ultimately succeeds on the merits of the litigation.

29. Further, while the expeditious administration of a claim is a laudable goal, that, standing alone, may not justify a proposed settlement. *See In re Alfonso*, No. 16-51448-RBK, 2019 Bankr. LEXIS 2816, at *11 (Bankr. W.D. Tex. Sep. 6, 2019) (“to the extent that this settlement does facilitate expeditious administration of the remaining claim, such benefits are outweighed by the large discrepancy between the potential significant recovery if the case were to proceed and the \$105,000 Proposed Settlement amount”).

30. To be sure, as noted by the Debtor in the Motion, the litigation between Acis and the Debtor is complex. But the Motion does not appear to address the fact that many of the claims may be subject to summary adjudication. The Debtor Objection, for example, asserts that many of the causes of action underlying the Acis Claim (at least twenty-five separate counts) are subject to summary adjudication based on the current record before the Court. If that is true, a resolution of at least some of these issues could reduce the Acis Claim substantially. In fact, the parties themselves apparently contemplated that not only would a number of issues be promptly brought before the Court for summary adjudication,⁷ but that there would be an “expeditious trial setting”

⁶ *See* Debtor Objection, p. 3, para. 3 (“Attempted windfalls usually have a fallacious premise, and this one is a \$75 million whopper.”).

⁷ *See* HCMLP Hearing Transcript, July 21, 2020, p. 111, lines 6-8, 10-14.

where the remaining issues would be determined by the Court.⁸ In late July, the Debtor anticipated that such trial setting could even happen before Plan confirmation.⁹ And this Court previously entered a scheduling order directing the parties to file motions for summary judgment by September 17, 2020.

31. Even if not all claims are subject to summary disposition, because of this Court's familiarity with the litigation, an adjudication of the Acis Claim may not be needlessly lengthy. There is no question that this Court already has a unique understanding of the claims and facts underlying the litigation. For example, prior to the Debtor's bankruptcy filing, the Court prepared a lengthy report and recommendations to the District Court as to the pending motions to withdraw the reference.¹⁰ While the Debtor Objection raises new legal theories and defenses to the Acis Claim, the Court should be able to analyze those relatively promptly due to its familiarity with the parties, facts, and causes of action involved.

32. Another factor not directly addressed by the Debtor in the Motion is the expense of litigating the claim. The amount to be paid on account of the Acis Claim—as much as approximately \$27 million—is likely exponentially higher than the cost to litigate the claim. If indeed many of the claims can be adjudicated through the summary judgment process, the initial cost to trim down the basis of the Acis Claim should not be substantial relative to the potential benefit.

33. Based on the foregoing issues, Respondent believes it is appropriate for the Court to independently address the merits of the proposed settlement.

⁸ See HCMLP Hearing Transcript, July 21, 2020, p. 113, lines 19-20.

⁹ *Id.* at lines 22-24.

¹⁰ See HCMLP Hearing Transcript, July 21, 2020, p. 117, lines 21-24.

CONCLUSION

Respondent respectfully requests that the Court independently assess the merits of the proposed settlement and provide him such other and further relief to which he may be justly entitled.

Dated: October 5, 2020

Respectfully submitted,

/s/ D. Michael Lynn

D. Michael Lynn

State Bar I.D. No. 12736500

John Y. Bonds, III

State Bar I.D. No. 02589100

John T. Wilson, IV

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ATTORNEYS FOR JAMES DONDERO

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on October 5, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for the Debtor and on all other parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

Bryan C. Assink

Debtor 1 Highland Capital Management, L.P.

Debtor 2 _____
(Spouse, if filing)

United States Bankruptcy Court for the: Northern District of Texas, Dallas Division

Case number 19-34054

Official Form 410

Proof of Claim

12/15

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor? Acis Capital Management L.P. and Acis Capital Management GP, LLC
Name of the current creditor (the person or entity to be paid for this claim)

Other names the creditor used with the debtor _____

2. Has this claim been acquired from someone else? ☒ No
☐ Yes. From whom? _____

3. Where should notices and payments to the creditor be sent? **Where should notices to the creditor be sent?** **Where should payments to the creditor be sent?**
(if different)

Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

Acis Capital Management, L.P. and Acis Capital Management GP, LLC
c/o Winstead PC Attn: Annmarie Chiarello
Name

500 Winstead Building, 2728 N. Harwood Street
Number Street

Dallas TX 75201
City State ZIP Code

Contact phone (214) 745-5410

Contact email achiarello@winstead.com

Acis Capital Management, L.P. and Acis Capital Management GP, LLC
Name

3110 Webb Ave., Suite 203
Number Street

Dallas TX 75205
City State ZIP Code

Contact phone (214) 556-3405

Contact email josh@shorewoodmgmt.com

Uniform claim identifier for electronic payments in chapter 13 (if you use one):

4. Does this claim amend one already filed? ☒ No
☐ Yes. Claim number on court claims registry (if known) _____ Filed on _____
MM / DD / YYYY

5. Do you know if anyone else has filed a proof of claim for this claim? ☒ No
☐ Yes. Who made the earlier filing? _____

Dondero Ex. A



Part 2:

Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? ☒ No
☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____
7. How much is the claim? At least \$75,000,000.00
(see attached addendum) Does this amount include interest or other charges?
☐ No
☒ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.
Various litigation claims (See attached addendum)
9. Is all or part of the claim secured? ☐ No
☒ Yes. The claim is secured by a lien on property.
Nature of property:
☐ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
☐ Motor vehicle
☒ Other. Describe: See attached addendum
Basis for perfection: See attached addendum
Attach redacted copies of document, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
Value of Property: See attached addendum
Amount of the claim that is secured: See attached addendum
Amount of the claim that is unsecured: See attached addendum
Amount necessary to cure any default as of the date of the petition: See attached addendum
Annual Interest Rate (when case was filed) See attached addendum
☐ Fixed
☐ Variable
10. Is this claim based on a lease? ☒ No
☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11. Is this claim subject to a right of setoff? ☐ No
☒ Yes. Identify the property: See attached addendum

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)? ☒ No ☐ Yes. Check all that apply:

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). \$ _____

☐ Up to \$2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). \$ _____

☐ Wages, salaries, or commissions (up to \$12,475*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). \$ _____

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). \$ _____

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). \$ _____

☐ Other. Specify subsection of 11 U.S.C. § 507(a)(2) that applies. \$ _____

* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☐ I am the creditor.
☒ I am the creditor's attorney or authorized agent.
☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 12/31/2019
MM / DD / YYYY

Signature [Signature]

Print the name of the person who is completing and signing this claim:

Name Joshua N. Terry
First name Middle name Last name

Title President of Acis Capital Management GP, LLC, General Partner of Acis Capital Management L.P.

Company Acis Capital Management GP, LLC, General Partner of Acis Capital Management L.P.
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 3110 Webb Ave., Suite 203

Dallas TX 75205
City State ZIP Code

Contact phone (214) 556-3405 Email josh@shorewoodmgmt.com

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

IN RE:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

DEBTOR.

§
§
§
§
§
§
§

CASE NO. 19-34054

Chapter 11

ADDENDUM TO PROOF OF CLAIM FILED BY
ACIS CAPITAL MANAGEMNT, L.P. AND
ACIS CAPITAL MANAGEMENT GP, LLC

Claimant:

Acis Capital Management, L.P ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP," together with Acis LP, "Acis") file this addendum in support of their proof of claim against Highland Capital Management, L.P (the "Debtor").

Basis, Description of Claim, and Amount of Claim:

On October 16, 2019 (the "Petition Date"), the Debtor commenced the above-styled and numbered bankruptcy case under Chapter 11 of 11 U.S.C §§ 101 *et seq.* (the "Bankruptcy Code")

Acis's claim against the Debtor, as of the Petition Date, consists of at least **\$75,000,000.00** as further described by the Complaint (as hereinafter defined) (the "Claim"). Post-petition interest, attorneys' fees, costs, and other expenses continue to accrue on the Claim against the Debtor to the extent allowable under applicable law. The Claim includes pre-judgment interest on certain claims asserted in the Complaint, interest on certain claims asserted in the Complaint, attorneys' fees, and punitive damages, as further described by the Complaint.

The Claim is based on the claims and causes of action asserted in the *Second Amended Complaint (Including Claim Objections and Objections to Administrative Expense Claims)* filed by Acis in Adversary No. 18-03078 pending in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (including all attachments referenced therein, the "Complaint"). A true and correct copy of the Complaint is attached hereto as **Exhibit "A."**¹

Other Rights:

¹ **Exhibit "A"** does not include the attachments to the Complaint as the attachments are voluminous. The attachments to the Complaint are incorporated by reference and can be found at Docket Nos. 157-159 in Adversary No. 18-03078 pending in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division or by contacting the undersigned counsel.

Acis reserves all rights with respect to recoupment and setoff, including, but not limited to, Acis's rights under Section 553 of the Bankruptcy Code. Acis's claim against the Debtor is accordingly secured to the extent permitted under Sections 506 and 553 of the Bankruptcy Code.

In addition to the foregoing claims, Acis reserves the right in the future to amend, if necessary, and assert any and all claims that Acis may have against the Debtor under both federal and state law, including, without limitation, any legal or equitable remedies to which Acis may be entitled. Acis additionally claims the benefit of (a) all renewals, extensions, ratifications, supplements, amendments, corrections, and other prior or subsequent documentation evidencing or relating to the claims of Acis; (b) all applicable rights under the Bankruptcy Code; and (c) any other filed or recorded documents. The filing of this Proof of Claim is not to be construed as an election of remedies.

Notices: All notices to Acis in connection with this Proof of Claim shall be sent to:

Annmarie Chiarello
WINSTEAD PC
500 Winstead Building
2728 N. Harwood Street
Dallas, Texas 75201
(214) 745-5400 (Telephone)
achiarello@winstead.com

Payments: Please submit any payments and distributions to Acis with respect to this Proof of Claim to:

Acis Capital Management, L.P. and Acis Capital Management GP, LLC
Attention: Joshua N. Terry
3110 Webb Avenue, Suite 203
Dallas, Texas 75205

Amendments: Acis reserves the right to amend and/or supplement this Proof of Claim, the Addendum to the Proof of Claim, and any other attachments to its Proof of Claim.

DATED: December 31, 2019.

Counsel:

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COUNSEL FOR REORGANIZED DEBTORS

COUNSEL FOR REORGANIZED DEBTORS

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

In re:	§	Case No. 18-30264-SGJ-11
	§	Case No. 18-30265-SGJ-11
ACIS CAPITAL MANAGEMENT, L.P.,	§	
ACIS CAPITAL MANAGEMENT GP,	§	(Jointly Administered Under Case
LLC,	§	No. 18-30264-SGJ-11)
	§	
Debtors.	§	Chapter 11
	§	
<hr/>		
ACIS CAPITAL MANAGEMENT, L.P.,	§	
ACIS CAPITAL MANAGEMENT GP,	§	
LLC, Reorganized Debtors,	§	
	§	Adversary No. 18-03078
Plaintiffs,	§	
	§	(To be consolidated with Adversary
vs.	§	Nos. 18-03212 & 19-03103)
	§	
HIGHLAND CAPITAL MANAGEMENT,	§	
L.P., HIGHLAND CLO FUNDING, LTD.	§	
F/K/A ACIS LOAN FUNDING, LTD.,	§	
HIGHLAND HCF ADVISOR, LTD.,	§	
HIGHLAND CLO MANAGEMENT, LTD.,	§	
and HIGHLAND CLO HOLDINGS, LTD,	§	
	§	
Defendants.	§	

**SECOND AMENDED COMPLAINT (INCLUDING CLAIM
OBJECTIONS AND OBJECTIONS TO ADMINISTRATIVE EXPENSE CLAIM)**

Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP" together with Acis LP, the "Reorganized Debtors" or "Acis")¹ the reorganized debtors in the above-styled and jointly administered bankruptcy cases (the "Bankruptcy Cases"), and Plaintiffs in the in the above-styled adversary proceeding (the "Adversary Proceeding"), file this *Second Amended Complaint (Including Claim Objections and Objections to Administrative Expense Claim)* (this "Second Amended Complaint"), objections to the proofs of claims filed by Highland Capital Management, L.P. ("Highland Capital"), and objections to the administrative expense claim filed by Highland Capital, and respectfully state as follows:²

ANSWER AND AFFIRMATIVE DEFENSES

1. Pursuant to Federal Rule of Civil Procedure 41(a), incorporated by Federal Rule of Bankruptcy Procedure 7041, all claims asserted in the *Original Complaint and Request for Preliminary Injunction of Highland CLO Funding, Ltd. and Highland Capital Management Against Chapter 11 Trustee of Acis Capital Management, L.P. and Acis Capital Management GP, LLC* [Docket No. 1] (the "Original Complaint") by Highland Capital and Highland CLO Funding, Ltd. ("Highland Funding") have been dismissed without prejudice. *See* Adv. No. 18-03078, Docket No. 79. Accordingly, such dismissal of Highland Capital's and Highland Funding's claims obviates the Trustee's, now Acis's, answer and affirmative defenses thereto;

¹ On February 15, 2019, the date upon which the Plan (defined below) became effective, Acis was substituted for Robin Phelan, the Chapter 11 Trustee, in the above-referenced consolidated adversary cases. *See* Case No. 18-30264, Docket Nos. 829, 830, & 863. Prior to the date upon which the Plan (defined below) became effective, Acis may be referred to as the "Debtors."

² As more fully described below in the Procedural Background, this Second Amended Complaint consolidates: (i) claims, counterclaims, third-party claims, and objections to Highland Capital's proofs of claim brought by the Chapter 11 Trustee, now Acis, in this Adversary No. 18-03078; (ii) claims brought by the Chapter 11 Trustee, now Acis, in Adversary No. 18-03212, which has been consolidated under this Adversary Proceeding; and (iii) objections of the Chapter 11 Trustee, now Acis, against Highland Capital's request for an administrative expense claim, which was converted to Adversary No. 19-03103 and was ordered consolidated under this Adversary Proceeding.

however, Acis reserves all rights with respect to answering or asserting affirmative defenses to any future-filed claims by any parties in this Adversary Proceeding.

2. Additionally, pursuant to Federal Rule of Civil Procedure 41(a)(2), such dismissal of Highland Capital's and Highland Funding's claims is without prejudice to any counterclaims asserted by the Trustee, now Acis, in the *Defendant's Answer, Affirmative Defenses, Counterclaims, and Third Party Claims* [Adv. No. 18-03078, Docket No. 23] (the "Original Answer"), as may be amended, and such counterclaims remain pending for independent adjudication.

CLAIMS AND COUNTERCLAIMS

3. Acis hereby asserts the following claims for affirmative recovery against Highland Capital, Highland Funding, Highland HCF Advisor, Ltd. ("Highland Advisor"), Highland CLO Management Ltd. ("Highland Management"), and Highland CLO Holdings, Ltd. ("Highland Holdings"). Additionally, Acis asserts the following claims and counterclaims against Highland Capital and such claims and counterclaims shall also constitute recoupment or offset to any claim Highland Capital has against Acis.

I. JURISDICTION, VENUE, AND STATUTORY PREDICATE

4. This Court has subject matter jurisdiction over the Bankruptcy Cases and this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334. Venue of the Adversary Proceeding in this district is proper under 28 U.S.C. § 1409.

5. This matter arises under the laws of the United States of America and state common law. The statutory predicates for the relief sought herein are pursuant to sections 362, 502, 503, 541, 542, 544, 547, 548, 550, and 558 of 11 U.S.C. § 101 *et seq.* (the "Bankruptcy Code"), Texas Business & Commerce Code § 24.001 *et seq.* ("TUFTA"), and Federal Rules of Bankruptcy Procedure 3007(b) and 7001.

6. This Adversary Proceeding constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Acis hereby consents to the Court's entry of a final judgment resolving this Adversary Proceeding. This Adversary Proceeding includes an objection to Highland Capital's proofs of claim pursuant to Federal Rule of Bankruptcy Procedure 3007(b), and the claims and counterclaims asserted herein shall constitute recoupment and/or offset to such proofs of claim, to the extent such claims are otherwise allowed. This Adversary Proceeding also includes an objection to Highland Capital's administrative expense claim, and the claims and counterclaims asserted herein shall constitute recoupment and/or offset to such administrative expense claim, to the extent such claims are otherwise allowed.

II. PARTIES

7. Acis LP is limited partnership and Acis GP is a limited liability company, both of which were organized under the laws of the State of Delaware, and both of which may be served with pleadings and process in this Adversary Proceeding through the undersigned counsel.

8. Highland Capital is a limited partnership organized under the laws of the State of Delaware, with its principal place of business located at 300 Crescent Court, Suite 700, Dallas, Texas 75201.

9. Highland Funding is an exempted company organized with limited liability under the laws of Guernsey, with its registered office located at First Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 6HJ, Channel Islands.

10. Highland Advisor is a company organized under the laws of the Cayman Islands, with its registered office located at Maples Corporate Services Limited, P.O. Box 309 Ugland House, South Church Street, George Town, Grand Cayman KY1-1004. Highland Advisor's principal place of business is 300 Crescent Court, Suite 700 Dallas, Texas 75201. *See **Exhibit T*** at 86. Highland Advisor may be served through its President, James Dondero, at 300 Crescent

Court, Suite 700 Dallas, Texas 75201. *See id.* at 89. Highland Advisor may be served through its Secretary, Scott Ellington, at 300 Crescent Court, Suite 700 Dallas, Texas 75201. *See id.* Highland Advisor may be served through its Chief Compliance Officer, Thomas Surgent at 300 Crescent Court, Suite 700 Dallas, Texas 75201. *See id.* Highland Advisor may be served through its Executive Vice President, Mark Okada at 300 Crescent Court, Suite 700 Dallas, Texas 75201. *See id.* Highland Advisor may be served through its Treasurer, Frank Waterhouse at 300 Crescent Court, Suite 700 Dallas, Texas 75201. *See id.* Highland Advisor may be served through its Assistant Secretary, Lee "Trey" Parker at 300 Crescent Court, Suite 700 Dallas, Texas 75201. *See id.* Highland Advisor may also be served through its director Summit Management, Limited c/o John Cullinane P.O. Box 32311, Suite #4-210 Governors Square 23 Lime Tree Bay Avenue Grand Cayman KY1-1209 Cayman Islands. Highland Advisor may also be served through its director John Cullinane at 24 Windjammer Quay, George Town Grand Cayman. Highland Advisor may also be served through its director at Suite #4-210 Governors Square 23 Lime Tree Bay Avenue Grand Cayman KY1-1209 Cayman Islands. Acis reserves the right to serve Highland Advisor by any method that is reasonably calculated to give notice including, but not limited to applicable treaties and conventions between the United States and the Cayman Islands, a British overseas territory.

11. Highland Management is a company organized under the laws of the Cayman Islands, with its registered office located at P.O. Box 309 Ugland House, South Church Street, George Town, Grand Cayman KY1-1004. Upon information and belief, Highland Management principal place of business is 300 Crescent Court, Suite 700 Dallas, Texas 75201. Highland Management may also be served through its director Summit Management, Limited c/o John Cullinane P.O. Box 32311, Suite #4-210 Governors Square 23 Lime Tree Bay Avenue Grand Cayman KY1-1209 Cayman Islands. Acis reserves the right to serve Highland Management by

any method that is reasonably calculated to give notice including, but not limited to applicable treaties and conventions between the United States and the Cayman Islands, a British overseas territory.

12. Highland Holdings is a company organized under the laws of the Cayman Islands, with its registered office located at P.O. Box 309 Ugland House, South Church Street, George Town, Grand Cayman KY1-1004. Highland Holding's principal place of business is 300 Crescent Court, Suite 700 Dallas, Texas 75201. *See id.* at 103. Highland Holding's general or managing agent is James Dondero. *See id.* Highland Advisor may be served through its general or managing agent, James Dondero, at 300 Crescent Court, Suite 700 Dallas, Texas 75201. *See id.* Acis reserves the right to serve Highland Holdings by any method that is reasonably calculated to give notice including, but not limited to applicable treaties and conventions between the United States and the Cayman Islands, a British overseas territory.

III. JURISDICTIONAL BACKGROUND³

A. Highland Advisor Jurisdictional Background

13. Upon information and belief, on October 26, 2017, Jean Paul Sevilla ("Sevilla"), a Highland employee and associate general counsel, requested Maples and Calder create Highland Advisor. On information and belief, on October 27, 2017, Mr. Sevilla requested that Highland Advisor be established such that Highland is the 100% owner of the "high" share class of Highland Advisor.

14. Highland Advisor's principal place of business is 300 Crescent Court, Suite 700, Dallas, Texas 75201, Highland Capital's office and headquarters. *See Exhibit T* at 88. Highland Advisor is ultimately, directly or indirectly, owned or controlled by James Dondero

³ Any capitalized term not otherwise defined in this Jurisdictional Background shall have the meaning ascribed to it later in this Second Amended Complaint.

("Dondero") and Mark Okada ("Okada"), who ultimately, directly or indirectly, own or control Highland Capital. *See id.* at 89 and Opinion at 8.

15. Upon information and belief, the principals of Highland Capital, Dondero and Okada, serve as the president and executive vice president, respectively, of Highland Advisor. *See* Opinion at 8 and **Exhibit T** at 89. Other Highland Capital employees serve as officers of Highland Advisor including Scott Ellington, Lee "Trey" Parker, Thomas Surgent, and Frank Waterhouse. *See* **Exhibit T** at 89.

16. Dondero signed the November 15, 2017 Portfolio Management Agreement by and between Highland Advisor and Highland Funding (the "November 2017 PMA") on behalf of Highland Advisor. A true and correct copy of the November 2017 PMA is attached hereto as **Exhibit P**.

17. Attached hereto as **Exhibit Q** is the December 13, 2018 (A.M.) hearing transcript from *In re Acis Capital Management, L.P., et al.* At the December 13, 2018 hearing, Hunter Covitz, a Highland Capital employee, testified: "As I understand HCF Advisor is a relying advisor of Highland." *See* **Exhibit Q** at 78, ll. 15-16. Hunter Covitz further testified, "[b]ut HCF Advisor is Highland. . . . That's the distinction between Highland HCF Advisor could be well capitalized, the substance of Highland Capital, its office space, employees, balance sheet, back office, legal, what [have] you, would all be incorporated with HCF Advisor, where Acis with no employees is not looked at that way." *Id.* at 61, ll. 5 & 11-15. Finally, Hunter Covitz testified, "there's really no differentiation between HCF Advisor and Highland." *Id.* at 62, ll. 21-23.

18. Attached hereto as **Exhibit R** are meeting minutes of Acis Loan Funding, Ltd. and Highland Funding, which contain a Highland Funding Bates label and were produced in connection with the Bankruptcy Cases or related adversary case. These meeting minutes reflect that various Highland Capital employees, including Sevilla, Hunter Covitz, Tim Cournoyer,

David Wilmore, Issace Leventon, and Thomas Surgent appeared at Highland Funding's board meeting on behalf of Highland Advisor. The parties that conduct the day-to-day operations of Highland Advisor are Highland Capital employees that office in Dallas, Texas.

19. Attached hereto as **Exhibit S** is Highland Capital's 2017 Form ADV, which states that Highland Advisor is another business name of Highland Capital.

20. Attached hereto as **Exhibit T** is Highland Capital's 2019 Form ADV, which states that Highland Advisor's principal place of business is 300 Crescent Court, Suite 700, Dallas, Texas 75201—Highland Capital's office and headquarters. Highland Capital's 2019 Form ADV also states that Highland Capital is a shareholder of Highland Advisor and that Highland Advisor is another business name of Highland Capital.

21. The Confirmation Opinion states that "Dondero, in addition to being the chief executive of Highland and the Debtor-Acis, also became the president of the newly formed Highland [Advisor]." Confirmation Opinion at 8. Additionally, the Confirmation Opinion states that "Highland [Advisor] (i.e., the Cayman Island entity that was recently formed to essentially replace the Debtor-Acis under the Equity/ALF PMA)." Confirmation Opinion at 19. Additionally, the Confirmation Opinion states that Highland Advisor is an affiliate of Highland Capital. Confirmation Opinion at 21.

B. Highland Management Jurisdictional Background

22. Upon information and belief, on or about October 27, 2017 (7 days after the Arbitration Award), Highland Management was created at the direction of Sevilla, a Highland lawyer and employee, using the same structure as Highland Advisor. Upon information and belief, Highland Management's mailing address is 300 Crescent Court, Suite 700, Dallas, Texas 75201, Highland's Dallas office and headquarters.

23. Upon information and belief, Highland Management is ultimately, directly or indirectly, owned or controlled by Dondero and Okada, who ultimately, directly or indirectly, own or control Highland Capital.

24. Additionally, in connection with the hearing on the involuntary petitions, Dondero testified at great length regarding the Note Transfer to Highland Management on behalf of Highland Management.⁴ Dondero testified upon direct examination by Acis's (at the time, a putative debtor) counsel about the Note Transfer, stating:

Q: Now, if there came a time with litigation costs and other expenses where Acis was unable to pay its expenses when they became due, what was your intent in signing this as to whether or not HCLOM [Highland Management] would honor this and make the payment?

A: We would -- we would honor it and -- and pay as appropriate.

See **Exhibit U** (March 23, 2018 Hr'g Tr., *In re Acis Capital Management, L.P., et al.* 146:7-12) (emphasis added). When Dondero says "we," Acis contends that he is speaking on behalf of Highland Capital and Highland Management. Additionally, Dondero testified that the Note Transfer was an "economic wash" for him as "it doesn't matter which pocket it goes into." *Id.* at 152:20-24.

25. The Opinion states that, "Highland Management was registered in the Cayman Islands on October 27, 2017, roughly a week before the Note Transfer... **it appears Highland Management was an entity that was created specifically to hold the Note and eventually take possession of the CLO PMAs in an international forum that would be difficult for Mr. Terry to reach.**" Opinion at 20-21, n. 37 (emphasis added).

⁴ Dondero testified at the trial on the involuntary petitions only after Mr. Terry sought to compel Dondero's deposition and after this Court ordered Dondero to appear at the trial on the involuntary petitions.

26. Upon information and belief, Dondero is the managing or general agent of Highland Management.

27. The Confirmation Opinion states that Highland Management is "an entity registered in the Cayman Islands on October 27, 2017—seven days after Mr. Terry's Arbitration Award)." Confirmation Opinion at 19. The Confirmation Opinion further states that "it appears Highland Management was an entity that was created specifically to hold the Note and eventually take possession of the CLO PMAs in an international forum that would be difficult for Mr. Terry to reach." Opinion at 20-21, n.37. Finally, the Confirmation Opinion states that "Highland Management (the Highland-created entity that entered into a portfolio management agreement with a new Acis-CLO that was established in 2017)." Confirmation Opinion at 24.

C. **Highland Holdings Jurisdictional Background**

28. The Confirmation Opinion states that Highland Holdings is "(yet another entity incorporated in the Cayman Island on October 27, 2017)." Confirmation Opinion at 19.

29. Attached hereto as **Exhibit T** is Highland Capital's 2019 Form ADV, which states that Highland Holding's principal place of business is 300 Crescent Court, Suite 700, Dallas, Texas 75201, Highland Capital's office and headquarters. **Exhibit T** at 103. Highland Capital's 2019 Form ADV also states that Highland Holdings is another business name of Highland Capital. Highland Capital's 2019 Form ADV further states Highland Capital, Dondero, and other Highland affiliates are "control persons" of Highland Holdings.

IV. **PROCEDURAL BACKGROUND**

30. On January 30, 2018 (the "Petition Date"), Joshua N. Terry ("Terry"), as petitioning creditor, filed involuntary petitions under section 303 of the Bankruptcy Code against both Acis LP and Acis GP, thereby initiating the Bankruptcy Cases. *See* Case No. 18-30264, Docket No. 1 & Case No. 18-30265, Docket No. 1.

31. On April 13, 2018, this Court entered its *Findings of Fact and Conclusions of Law in Support of Orders for Relief Issued After Trial on Involuntary Bankruptcy Petition* [Case No. 18-30264, Docket No. 118 & Case No. 18-30265, Docket No. 113] (the "Opinion") and *Order for Relief in an Involuntary Case* in each of the Bankruptcy Cases [Case No. 18-30264, Docket No. 119 & Case No. 18-30265, Docket No. 114] (the "Orders for Relief"). The Opinion is hereby incorporated by reference as if fully set forth herein.

32. On May 14, 2018, Robin Phelan (the "Trustee") was appointed chapter 11 trustee of the Debtors' bankruptcy estates in the Bankruptcy Cases. *See* Case No. 18-30264, Docket No. 213.

33. On May 30, 2018, Highland Capital and Highland Funding filed their Original Complaint, initiating this Adversary Proceeding, in which Highland Capital and Highland Funding asserted various claims for breach of contract, declaratory relief, and injunctive relief against the Trustee. *See* Adv. No. 18-03078, Docket No. 1.

34. On June 21, 2018, the Trustee filed his *Verified Original Complaint and Application for Temporary Restraining Order and Preliminary Injunction* [Adv. No. 18-03212, Docket No. 1] ("Complaint and Application for TRO"), initiating Adversary No. 18-03212, in which the Trustee sought, *inter alia*, injunctive relief to prevent Highland Capital, Highland Funding, and their affiliates from taking any action to effectuate an optional redemption (which would result in liquidation of the Acis CLOs (defined below)), as well as relief pursuant to 11 U.S.C. § 362(k) for willful violations of the automatic stay for actions taken by Highland Capital and its affiliates, including Highland Funding, in attempting to effectuate an optional

redemption.⁵ Highland Capital and Highland Funding subsequently filed their answers to the Trustee's Complaint and Application for TRO. *See* Adv. No. 18-03212, Docket Nos. 32 & 33.

35. On July 2, 2018, the Trustee filed his Original Answer in this Adversary Proceeding, in which the Trustee asserted certain counterclaims and third-party claims against Highland Capital, Highland Funding, Highland Advisor, and Highland Management (collectively and along with Highland Holdings, the "Highlands") in connection with the Highlands' scheme, described more fully below, to fraudulently transfer Acis LP's assets to the Highlands and otherwise appropriate the business of Acis LP. *See* Adv. No. 18-03078, Docket No. 23.

36. On July 23, 2018, Highland Capital filed *Highland Capital Management, L.P.'s Motion to Dismiss Counterclaims or, Alternatively, for a More Definite Statement* [Adv. No. 18-03078, Docket No. 42] ("Highland's Motion to Dismiss"), in which Highland Capital sought, *inter alia*, to dismiss the Trustee's counterclaims pursuant to Federal Rule of Civil Procedure 12(b)(6).

37. Also on July 23, 2018, Highland Funding filed *Highland CLO Funding Ltd.'s Motion to Dismiss* [Adv. No. 18-03078, Docket No. 43] ("Highland Funding's Motion to Dismiss") and *Highland CLO Funding Ltd.'s Brief in Support of its Motion to Dismiss* [Adv. No. 18-03078, Docket No. 44], in which Highland Funding sought, *inter alia*, to dismiss the Trustee's counterclaims pursuant to Federal Rules of Civil Procedure 12(b)(2) and 12(b)(6).

38. On August 1, 2018, Highland Capital filed Proof of Claim No. 27 in the claims register for Case No. 18-30264 (the "Highland Acis LP Claim"), in the amount of \$4,672,140.38, with the basis of the claim listed as "Sub-Advisory Services and Shared Services."

⁵ Certain portions of the Complaint and Application for TRO were subsequently dismissed, ultimately leaving only: Count 1 for *Temporary Restraining Order and Preliminary Injunction* (which injunctive relief expired with confirmation of the Plan (defined below)); and Count 2 for *Willful Violation of the Automatic Stay* against Highland Capital and Highland Funding. *See* Adv. No. 18-03212, Docket Nos. 49 & 56.

39. Also on August 1, 2018, Highland Capital filed Proof of Claim No. 13 in the claims register for Case No. 18-30265 (the "Highland Acis GP Claim," together with the Highland Acis LP Claim, the "Highland Capital Claims"), in the amount of \$4,672,140.38, with the basis of the claim listed as "Sub-Advisory Services and Shared Services." The Highland Acis GP Claim is identical to the Highland Acis LP Claim.

40. On August 10, 2018, Highland Capital and Highland Funding filed *Highland Capital Management, L.P. and Highland CLO Funding Ltd.'s Motion for Leave to Amend Adversary Complaint and Brief in Support* [Docket No. 51] (the "Motion to Amend"), in which Highland Capital and Highland Funding sought to amend their Original Complaint to remove all claims against the Trustee, except for one claim by Highland Funding for a declaratory judgment that the Trustee cannot "sell or transfer Highland Funding's property without Highland Funding's consent."

41. On October 9, 2018, the Court heard Highland Capital's Motion to Dismiss, Highland Funding's Motion to Dismiss, and the Motion to Amend. Considering that the Trustee expressed his intent to amend his Original Answer, the parties agreed that all arguments made by Highland Capital and Highland Funding to dismiss the Trustee's counterclaims pursuant to Rule 12(b)(6) were moot. With respect to Highland Funding's argument to dismiss for lack of personal jurisdiction under Rule 12(b)(2), the Court ruled that Highland Funding has minimum contacts with the United States, and that the Court, has personal jurisdiction over Highland Funding in this Adversary Proceeding, and exercising personal jurisdiction over Highland Funding would not violate any traditional notions of fair play and substantial justice. Further, the Court ruled that, even if sufficient minimum contacts did not exist, Highland Funding has waived personal jurisdiction in this Adversary Proceeding.

42. With respect to the Motion to Amend, due to the change in circumstances in the Bankruptcy Cases, Highland Capital and Highland Funding agreed to voluntarily dismiss all claims asserted in the Original Complaint, without prejudice.

43. On November 13, 2018, the Trustee filed his *Defendant's Amended Answer, Counterclaims (Including Claim Objections) and Third-Party Claims* [Adv. No. 18-03078, Docket No. 84] (the "Amended Counterclaims") in this Adversary Proceeding, in which the Trustee asserted numerous counterclaims and third-party claims against Highland Capital and various of its affiliates in connection with, *inter alia*, their scheme to fraudulently transfer Acis LP's assets to the Highlands and otherwise appropriate the business of Acis LP. Additionally, with the Amended Counterclaims, the Trustee included his objections to the Highland Claims pursuant to section 502(b)(1), (b)(4), and (d) of the Bankruptcy Code (the "Objections to Claim"), and further asserted that, to the extent allowed, the Highland Claims should be equitably subordinated pursuant to section 510(c) of the Bankruptcy Code.

44. On December 11, 2018, Highland Capital filed *Highland Capital Management, L.P.'s Application for Administrative Expense Claim Pursuant to 11 U.S.C. § 503(b)* [Case No. 18-30264, Docket No. 772] (the "Application") for approval of an administrative expense claim pursuant to section 503(b)(1) of the Bankruptcy Code, in the amount of \$3,554,224.29 (the "Administrative Claim"), for purportedly providing postpetition services to the Debtors in connection with the Sub Agreements (defined below) and the Universal/BVK Agreement (defined below), which Highland Capital contends were actual, necessary costs and expenses of preserving the estate.

45. On January 10, 2019, the Trustee timely filed his *Objection to Highland Capital Management, L.P.'s Application for Administrative Expense Claim Pursuant to 11 U.S.C. § 503(b)* [Case No. 18-30264, Docket No. 772].

46. On January 31, 2019, this Court entered its *Findings of Fact, Conclusions of Law, and Order Granting Final Approval of Disclosure Statement and Confirming the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, as Modified* (the "Confirmation Order") [Case No. 18-30264, Docket Nos. 829 & 830], which approves the *Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC* (the "Plan") and is supplemented by the *Court's Bench Ruling and Memorandum of Law in Support of: (A) Final Approval of Disclosure Statement; and (B) Confirmation of Chapter 11 Trustee's Third Amended Joint Plan* (the "Confirmation Opinion") [Case No. 18-30264, Docket No. 827]. The Confirmation Opinion is hereby incorporated by reference as if fully set forth herein.

47. On February 15, 2019 (the "Effective Date"), the Trustee filed the *Notice of February 15, 2019 Effective Date for the Third Amended Joint Plan for Acis Capital Management, LP and Acis Capital Management GP, LLC* [Case No. 18-30264, Docket No. 863]. On the Effective Date, Acis (as the Reorganized Debtors) became substituted for the Trustee in the above-referenced consolidated adversary cases pursuant to the Plan, which provides:

Upon the Effective Date, the Reorganized Debtor (a) shall automatically be substituted in place of the Chapter 11 Trustee as the party representing the Estate in respect of any pending lawsuit, motion or other pleading pending before the Bankruptcy Court or any other tribunal, and (b) is authorized to file a notice on the docket of each adversary proceeding or the Chapter 11 Cases regarding such substitution. The Reorganized Debtor shall have exclusive standing and authority to prosecute, settle or compromise Estate Claims for the benefit of the Estate in the manner set forth in this Plan.

Plan § 7.03.

48. On March 11, 2019, the Court entered its *Order Consolidating Adversary Case Nos. 18-03078 & 18-03212* [Adv. No. 18-03078, Docket No. 127; Adv. No. 18-03212, Docket No. 63], under which the Court ordered that Adversary Nos. 18-03078 and 18-03212 are

consolidated under Federal Rule of Civil Procedure 42(a), incorporated by Federal Rule of Bankruptcy Procedure 7042. The Court further directed the Clerk to caption the case *as Robin Phelan, Chapter 11 Trustee v. Highland Capital Management, L.P., et al.*, resulting in the designation of the Trustee, now Acis, as the Plaintiff(s) and Highland Capital and its affiliates as Defendants in this Adversary Proceeding.

49. On May 1, 2019, the Court entered its *Order Addressing DE #825 and Directing that: (A) Highland Capital Management, L.P.'s Administrative Expense Request [DE #722] Be Converted from a Contested Matter to Adversary Proceeding; and (B) Counts 27-31 Be Transferred in Adversary Proceeding No. 18-03078 into a New Adversary Proceeding* [Case No. 18-30264, Docket No. 919], whereby the Court converted Highland Capital's Application into a new adversary proceeding, and thereby initiating Adversary No. 19-03103.

50. On June 10, 2019, the Court held a status conference and directed: (i) that Adversary No. 19-03103 should be consolidated under this Adversary No. 18-03078; and (ii) that Acis will file an amended complaint, consolidating all claims, counterclaims, third-party claims against Highland Capital and its affiliates, as well as any objections to the Highland Capital Claims and Administrative Claim, by June 20, 2019.

V. FACTUAL BACKGROUND

A. The Debtors' Business

51. Dondero, Okada, and Terry formed Acis LP in 2011 as a registered investment advisor to raise money from third-party investors to invest in certain collateralized loan obligation funds (the "CLOs").⁶ The CLOs are governed by certain indentures (the

⁶ The Acis CLOs include: (i) Acis CLO 2013-1 Ltd. ("CLO-1"), (ii) Acis CLO 2014-3 Ltd. ("CLO-3"), (iii) Acis CLO 2014-4 Ltd. ("CLO-4"), (iv) Acis CLO 2014-5 Ltd. ("CLO-5"), and (v) Acis CLO 2015-6 Ltd. ("CLO-6").

"Indentures").⁷ Acis LP is the portfolio manager for the CLOs and generates revenue primarily through the management of the CLOs via certain portfolio management agreements ("PMAs").⁸ See Opinion ¶¶ 22-28. While Dondero made and approved the higher-level financial strategies and decisions of Acis, Terry was responsible for the day-to-day management of Acis.

52. Acis LP's business as portfolio manager for the CLOs has been incredibly successful. Between 2011 and 2017, Acis LP distributed profits of \$11,037,445.00 to Dondero, \$4,598,935.00 to Terry, and \$2,759,361.00 to Okada, its partners. Further, on August 31, 2017, right before Highland Capital began its campaign to denude Acis LP and take over its business, Acis LP also boasted millions of dollars in investment assets and total shareholder equity of roughly \$3.4 million. Without question, Acis LP's business as portfolio manager for the CLOs and others has been very valuable and lucrative.

53. As is common with the numerous Highland Capital affiliates, Acis LP contracted out certain of its administrative functions and portfolio management responsibilities to Highland Capital pursuant to that certain *Sub-Advisory Agreement*, originally dated January 1, 2011 (as amended, the "Sub-Advisory Agreement") and that certain *Shared Services Agreement*, originally dated January 1, 2011 (as amended, the "Shared Services Agreement," and together

⁷ The Indentures include: (i) that certain Indenture, dated as of March 18, 2013, issued by CLO-1, as issuer, Acis CLO 2013-1 LLC, as co-issuer, and U.S. Bank, as trustee (the "CLO-1 Indenture"); (ii) that certain Indenture, dated as of February 25, 2014, issued by CLO-3, as issuer, Acis CLO 2014-3 LLC, as co-issuer, and U.S. Bank, as trustee (the "CLO-3 Indenture"); (iii) that certain Indenture, dated as of June 5, 2014, issued by CLO-4, as issuer, Acis CLO 2014-4 LLC, as co-issuer, and U.S. Bank, as trustee (the "CLO-4 Indenture"); (iv) that certain Indenture, dated as of November 18, 2014, issued by CLO-5, as issuer, Acis CLO 2014-5 LLC, as co-issuer, and U.S. Bank, as trustee (the "CLO-5 Indenture"); and (v) that certain Indenture, dated as of April 16, 2015, issued by CLO-6, as issuer, Acis CLO 2015-6 LLC, as co-issuer and U.S. Bank, as trustee (the "CLO-6 Indenture").

⁸ The PMAs include: (i) that certain Portfolio Management Agreement by and between Acis LP and CLO-1, dated March 18, 2013 (the "CLO-1 PMA"); (ii) that certain Portfolio Management Agreement by and between Acis LP and CLO-3, dated February 25, 2014 (the "CLO-3 PMA"); (iii) that certain Portfolio Management Agreement by and between Acis LP and CLO-4, dated June 5, 2014 (the "CLO-4 PMA"); (iv) that certain Portfolio Management Agreement by and between Acis LP and CLO-5, dated November 18, 2014 (the "CLO-5 PMA"); and (v) that certain Portfolio Management Agreement by and between Acis LP and CLO-6, dated April 16, 2015 (the "CLO-6 PMA").

with the "Sub Agreements"). The Sub-Advisory Agreement and Shared Services Agreement have each been amended multiple times.

54. As the Court explained in its Opinion:

Acis LP and Acis GP/LLC have never had any employees. Rather, all employees that work for any of the Highland family of companies (including Mr. Terry) have, almost without exception, been employees of Highland itself. Highland has approximately 150 employees in the United States. Highland provides employees to entities in the organizational structure, such as Acis LP and Acis GP/LLC, through both the mechanism of: (a) a Shared Services Agreement (herein so called), which provides "back office" personnel—such as human resources, accounting, legal and information technology to the Highland family of companies; and (b) a Sub-Advisory Agreement (herein so called), which provides "front office" personnel to entities—such as the managers of investments like Mr. Terry. The evidence indicated that this is typical in the CLO industry to have such agreements.

Opinion at 14 (footnotes omitted).

55. Prior to entry of the Orders for Relief, Dondero directed, either himself or through Highland Capital employees, all actions taken by Acis. *See* Opinion ¶ 30.

Mr. Dondero [the Chief Executive of Highland] testified that he has decision making authority for the Alleged Debtors but usually delegates that authority to Highland's in-house lawyers, Scott Ellington (General Counsel, Chief Legal Officer, and Partner of Highland) and Isaac Leventon (Assistant General Counsel of Highland) . . . Mr. Leventon is designated to be the representative for the Alleged Debtors (and testified as a Rule 30(b)(6) witness during pre-trial discovery)—he explained that this representative-authority derives from the Shared Services Agreement. Mr. Leventon testified that he takes his instructions generally through his direct supervisor, Mr. Ellington.

Id.

56. Highland Funding, formerly known as Acis Loan Funding, Ltd. ("ALF"),⁹ holds the subordinated notes issued by the CLOs and receives the "very last cash flow from the CLOs." Opinion at pp. 12-13. "It, in certain ways, controls the CLO vehicle . . . [and] was essentially the equity owner in the CLO special purpose entities." *Id.* Until the ALF PMA Transfer in the Fall of

⁹ On October 30, 2017, Acis Loan Funding, Ltd. changed its name to Highland CLO Funding, Ltd. The defined term "ALF" used herein denotes Highland CLO Funding, Ltd. f/k/a Acis Loan Funding, Ltd. before October 30, 2017.

2017 (described below), Acis LP had complete control of Highland Funding and its valuable subordinated note rights to further enhance its successful portfolio management business.

B. Section 3.10(a) of the Limited Partnership Agreement

57. In order to form Acis LP, Acis GP, the general partner, and limited partners The Dugaboy Investment Trust¹⁰ (the "Trust"), Okada, and Terry entered into that certain *Amended and Restated Agreement of Limited Partnership of Acis Capital Management, L.P.* (the "LPA"), dated to be effective as of January 21, 2011.¹¹ The LPA is attached hereto as **Exhibit A**. The LPA is governed by Delaware Law. LPA § 6.11. At all relevant times herein, the officers of Acis GP are Dondero, as President, and Frank Waterhouse ("Waterhouse")¹², as Treasurer. Further, at least between October 14, 2015, and December 19, 2017, Dondero was the sole member of Acis GP. *See* Case No. 18-30265, Docket No. 152.

58. Pursuant to the Sub Agreements, Highland Capital received compensation for providing services to Acis LP, but amounts of compensation were subject to certain terms of the LPA. Section 3.10 of the LPA directs compensation and reimbursement of the General Partner and contains subpart (a), which limits compensation and reimbursement of expenses payable to the General Partner and any Affiliate of the General Partner without proper consent:

Compensation. The General Partner and any Affiliate of the General Partner shall receive no compensation from the Partnership for services rendered pursuant to this Agreement or any other agreements unless approved by a Majority Interest; provided, however, that the aggregate annual expenses of the Partnership, inclusive of such compensation, ***may not exceed 20% of Revenues without the consent of all of the members of the Founding Partner Group.***

LPA § 3.10(a) (emphasis added).

¹⁰ Dondero was the trustee and owned 100% of the Trust, and he was President of Acis GP.

¹¹ The partnership interests of Acis LP were as follows: Acis GP owned .1%; the Trust owned 59.9%; Okada owned 15%; and Terry owned 25%.

¹² Waterhouse is a partner in Highland Capital and serves as Highland Capital's Chief Financial Officer.

59. An Affiliate under the LPA is defined as:

[A]ny [entity] that directly or indirectly controls, is controlled by, or is under common control with the [entity] in question. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of [an entity], whether through ownership of voting Securities, by contract, or otherwise.

Id. § 2.01.

60. Highland Capital was at all times relevant to this Second Amended Complaint, an Affiliate of Acis GP and Acis LP. Further, Highland Capital was at all times relevant to this Second Amended Complaint, an insider of Acis GP and Acis LP.

C. State Court Litigation and Arbitration

61. In June 2016, Highland Capital advised Terry that he had been terminated.

62. In September 2016, Highland Capital sued Terry in the 162nd Judicial District Court of Dallas County, Texas (the "State Court") under a variety of legal theories and causes of action, including breach of fiduciary duty/self-dealing, disparagement, and breach of contract. Terry asserted his own claims against Highland Capital, as well as claims against the Debtors, Dondero, and others, and demanded arbitration. Opinion ¶ 8.

63. On September 28, 2016, the State Court stayed the litigation and ordered the parties to arbitrate. *Id.* The parties then participated in a ten-day arbitration proceeding before JAMS, styled as *Terry v. Highland*, JAMS Arbitration No. 1310022713.

D. The Arbitration Award

64. On October 20, 2017, Terry obtained an arbitration award (the "Arbitration Award") jointly and severally against the Debtors in the amount of \$7,949,749.15, plus post-award interest at the legal rate. The Arbitration Award was based on theories of breach of contract and breach of fiduciary duties. The Arbitration Award is attached hereto as **Exhibit B**.

65. Under the Arbitration Award, the arbitration panel found that Terry's termination by Dondero/Highland Capital was without cause and that, among other things, Acis breached the LPA and breached fiduciary duties owed to Terry as Acis's limited partner. Importantly, the arbitration panel found that Highland Capital had been paid more than 20% of Revenues (as such term is understood under the LPA), without Terry's consent, in violation of Section 3.10(a) of the LPA:

It is undisputed that ACIS habitually paid more than 20% of Revenues to Highland for providing ACIS with overhead and administration. Respondents' evidence and arguments that Terry waived or consented to ACIS's payment of excess expenses is not persuasive. At most, Terry accepted his ACIS distributions without regard to the expenses paid to Highland. This is not consent contemplated by the ACIS LPA.

....

The evidence establishes that Terry did not consent to ACIS payments of expenses in excess of 20% of Revenue and Terry has not waived his right to claim damages directly resulting from ACIS's and ACIS GP's breach of contract and breach of fiduciary duty. Clearly, ACIS and ACIS GP ignored Terry's contractual rights and ACIS GP as a general partner has a fiduciary duty not to benefit itself or another at the expense of its limited partner, as they ignore and breach the terms of the partnership agreement and diminish Terry's distributions.

Arbitration Award at pp. 15-16.

66. Additionally, in the analysis of Terry's damages, the arbitration panel stated:

The evidence establishes that ACIS and ACIS GP paid excess expenses to Highland during the years of 2013, 2014, 2015 and January through May 2016. These expenses paid exceeded the 20% of Revenues cap stated in Section 3.10(a) of the ACIS LPA. The payment of these excess expenses reduced Terry's ACIS partnership distributions during this period. Had excess expenses not been paid and only the contractually capped expenses had been paid, Terry would have received additional ACIS profits distributions of \$1,755,481.00 for his 25% partnership interest in ACIS.

Arbitration Award at 20.

67. Finally, in its findings and conclusions, the arbitration panel stated: "ACIS [LP] and ACIS GP paid Highland Capital expenses in excess of the contractual limit imposed by Section 3.10(a) of the ACIS LPA." Arbitration Award at 22, ¶ 7.

68. On December 18, 2017, the 44th Judicial District Court of Dallas County, Texas, entered a final judgment confirming the Arbitration Award. Opinion ¶ 10. The judgment was abstracted in the Official Public Records of Dallas County, Texas, as Instrument No. 201800008611, and writs of garnishment were issued and served pursuant to the judgment.

69. Pursuant to the Arbitration Award, Highland Capital wrongly received at least \$7,021,924.00 (collectively, the "Expense Overpayments") in excess of the clear cap under Section 3.10(a) of the LPA.¹³ On information and belief, Highland Capital wrongfully received other overpayments of expenses for many years in excess of the express limitations contained in the LPA. The Expense Overpayments for which the Plaintiffs seek relief herein include all overpayments by Acis LP to Highland Capital in violation of the expense cap pursuant to the LPA whether or not addressed in the Arbitration Award. The Plaintiffs seek a declaratory judgment that such Expense Overpayments to Highland Capital and any agreements supporting such overpayments were *ultra vires* and, thus, void or voidable. The Plaintiffs also seek to recover from Highland Capital all such Expense Overpayments, which rightfully belong to Acis LP, as set forth below.

E. Modifications to the Sub-Advisory Agreement and Shared Services Agreement

70. The Sub-Advisory Agreement has been amended from time to time. The first iteration the Sub-Advisory Agreement by and between Acis LP and Highland Capital dated January 1, 2011 (the "Original Sub-Advisory Agreement") provided that Acis LP was to pay Highland Capital certain amounts for assisting Acis LP with the advisory services required by the PMAs. Under the Original Sub-Advisory Agreement, Acis LP paid Highland Capital 5 bps

¹³ If \$1,755,481.00 represents 25% of the amount overpaid to Highland Capital, then the total amount paid to Highland Capital in excess of the 20% cap would be at least \$7,021,924.00.

of the management fees received by Acis LP pursuant to the various PMAs for the sub-advisory services provided to Acis LP by Highland Capital.

71. On July 29, 2016, the Sub-Advisory Agreement was modified to increase the sub-advisory fee from 5 basis points to 20 basis points (the "Second Amended Sub-Advisory Agreement"). The effective date of the Second Amended Sub-Advisory Agreement was also back-dated to January 1, 2016. The fourfold increase in the sub-advisory fees via the Second Amended Sub-Advisory Agreement siphons off the funds of Acis LP and effectively gifts the additional amounts to Highland Capital. Highland Capital was already contractually obligated to provide the sub-advisory services for the lower 5 basis points fee and no legitimate justification for this fourfold increase was ever presented. Notably, Terry was unjustifiably terminated from Acis in June 2016, roughly one month before Acis and Highland Capital amended the Sub-Advisory Agreement to increase the fee paid fourfold. Further, Dondero consented to the increased sub-advisory fee on behalf of *both* Acis LP and Highland Capital. Dondero signed the Second Amended Sub-Advisory Agreement as president of Highland Capital's general partner, Strand Advisors, Inc., and as president of Acis GP, the general partner of Acis LP.¹⁴

72. The Shared Services Agreement has also been amended from time to time. The first iteration of the shared services agreement, the Shared Services Agreement by and between Acis LP and Highland Capital, dated January 1, 2011 (the "Original Shared Services Agreement"), provided that Acis LP was to pay Highland Capital certain amounts for providing Acis LP with the back-office services such as book keeping, compliance, human resources and marketing. Under the Original Shared Services Agreement, Acis LP reimbursed Highland Capital for amounts directly attributable to Acis LP for these services. The Shared Services

¹⁴ Dondero also signed the Third Amended and Restated Sub-Advisory Agreement, entered into on March 17, 2017, on behalf of both parties (Acis LP and Highland Capital) to the agreement; this amendment retained the 20 bps fee put in place by the Second Amended Sub-Advisory Agreement.

Agreement was later amended to provide compensation to Highland Capital of 15 to 20 basis points, depending on the nature of the fund for which services were provided. Thus, shortly after Terry was terminated by Acis in June 2016, Acis was paying Highland Capital a total of 35 to 40 basis points for the sub-advisory and shared services it provided.

73. Due to the retroactive nature of the amendments to the Sub-Advisory Agreement and Shared Services Agreement, Highland, at all times relevant to this proceeding, held an antecedent debt related to Acis.

74. Finally, as the Court has already found and as described in more detail below, Highland Capital, Dondero, and various of their affiliates and insiders (including Highland Funding, Highland Advisor and Highland Holdings) entered into numerous other transactions through the Fall of 2017 in an attempt to take control of Acis's assets and effectively take over Acis's business. The combination of all of these actions evidence a clear pattern of behavior by Highland Capital, Dondero, and various of their affiliates and insiders (including Highland Funding, Highland Advisor, Highland Management, and Highland Holdings)¹⁵ to hinder, delay or defraud Terry as a creditor and appropriate the going-concern business of Acis LP for the Highlands. Opinion, Section 1.C. (pp. 16-23).

F. Highland Capital's Mismanagement of the CLOs and the Trustee's Engagement of Brigade Capital Management, L.P.

75. During the pendency of these Bankruptcy Cases, while acting as sub-advisor, Highland Capital grossly mismanaged the CLOs. Following the Trustee's appointment in these Bankruptcy Cases, in disregard of its duties under the Sub-Advisory Agreement, Highland

¹⁵ The Debtors were also under Highland Capital and Dondero's control at this time and were active participants in all of Highland Capital and Dondero's schemes to denude the Debtors and make them "judgment proof" as the Debtors' own counsel, Jamie Welton, later boasted. In fact, Highland Funding has admitted that the Debtors were "no more than shell entities" in pleadings recently filed with the Court. Highland Funding's *Motion to Dissolve Preliminary Injunction and Lift the Automatic Stay* at page 21, Docket # 639 in Case No. 18-30264.

Capital failed to purchase a single loan for the CLOs. Yet, at the same time, in an apparent tactical move to accumulate cash in the CLOs (prior to an attempted liquidation), Highland Capital ordered that the Trustee sell numerous loans. Indeed, during this time, Highland Capital's own analysis showed that 19.7% to 32.4% of available loans were eligible for consideration for purchase in the CLOs. Although the Trustee expressed his concerns to Highland Capital about the accumulation of cash in the CLOs and Highland Capital's failure to recommend purchases of eligible collateral in the CLOs, Highland Capital failed to make any change or correction in its sub-advisor role, in abrogation of its duties.

76. In July 2018, considering Highland Capital's mismanagement of the CLOs and the exorbitant amounts attempted to be charged to Acis for its services under the Sub Agreements, the Trustee solicited potential third parties to provide shared services and sub-advisory services to the Debtors. After contacting over 40 parties, the Trustee received bids from nine parties to perform the services provided by Highland Capital under the Sub Agreements. Through this process, the Trustee was able to locate Brigade Capital Management, LP ("Brigade") and Cortland Capital Markets Services LLC ("Cortland") to provide such services to the Debtors at a rate far less than that charged by Highland Capital. As set forth more fully in the *Emergency Motion to Approve Replacement Sub-Advisory and Shared Services Providers, Brigade Capital Management, LP and Cortland Capital Markets Services LLC* [Case No. 18-30264, Docket No. 448] (the "Brigade Motion"), Brigade agreed to sub-advise the CLOs for 15 basis points. As further described by the Brigade Motion, Cortland agreed to provide middle and back office CLO outsourcing (previously provided by Highland Capital under the

Shared Services Agreement) for \$30,000 per month, \$250-\$350 per trade, and a one-time fee of \$75,000. Cortland's fee equates to roughly 3 basis points per month.¹⁶

77. On August 1, 2018, the Court granted the Brigade Motion, and Brigade and Cortland began performing the services previously provided by Highland Capital under the Sub Agreements. *See* Case No. 18-30264, Docket No. 464. Notably, on the record at the hearing on July 6, 2018, Highland offered to provide the same services it was providing Acis for 17.5 basis points less than it previously charged, a tacit acknowledgement that Highland had grossly overcharged Acis. *See* Case No. 18-30264, Docket No. 369 at 243-44.

78. From approximately August 2, 2018 through December 11, 2018, Brigade directed the purchase of approximately \$300 million in conforming loans for the CLOs. *See* Case No. 18-30264, Docket No. 790 at 100-01 & 134.

G. The Highlands' Fraudulent Scheme to Take Over Acis's Business and Dismantle Acis's Assets.

79. After Terry received the Arbitration Award on October 20, 2017, the Highlands immediately began work to systematically transfer the assets of Acis LP to other Highlands. This was done to denude Acis LP of value and make the Debtors "judgment proof." This was also done to ensure that Acis LP's very valuable business as portfolio manager was taken over by other Highlands and remained under Highland Capital and Dondero's control.

80. Prior to the filing of the Bankruptcy Cases, the Highlands' scheme was accomplished through, *inter alia*, the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, and the transfer of the 2017-7 Equity and the 2017-7 Agreements (as each is defined

¹⁶ Thus, the Trustee was paying roughly 18 basis points, instead of the 35 to 40 basis points charged by Highland Capital starting shortly after Terry was terminated by Acis in June 2016, for the work previously performed by Highland Capital under the Sub Agreements. The definitive agreement between the Reorganized Debtors and Brigade removes Cortland and the Reorganized Debtors pay roughly 15 basis points to Brigade for essentially the same services previously provided by Highland Capital.

below), which all occurred in the three months between October 23 and December 19, 2017. Each of these transfers followed the same pattern: Highland Capital caused Acis LP to fraudulently convey valuable economic rights away from Acis LP to offshore (often newly created) Highland Capital affiliates that were not subject to Terry's Arbitration Award and judgment, thus, safely remaining under the control of Highland Capital and Dondero. Further, the only alleged consideration for these transfers, to the extent there was any, was the satisfaction of purported debts owed to other Highlands or their representatives.

81. Reference to Acis LP's balance sheets right before and right after the Highlands began their campaign of fraud against Terry and Acis demonstrate just how effective their scheme was. On August 31, 2017—roughly 45 days before the Arbitration Award—Acis LP boasted \$15,441,551 in total assets (including nearly \$4 million in valuable portfolio management investments and the \$9.5 million note) as well as \$3,372,851 in total equity value.¹⁷ After the Arbitration Award and the judgment enforcing it, Acis presented the affidavit of David Klos, Highland Capital's Controller, to the State Court in furtherance of Highland Capital's efforts to get a pathetically small bond for Terry's judgment. The Klos affidavit and attached balance sheet demonstrate that as of February 1, 2018 (the day after the Involuntary Petitions were filed) Acis LP had only \$2,855,050 in total assets, no investment assets or notes, and a paltry \$35,709 in total equity value.¹⁸ Thus, the amount of value destruction and asset concealment caused by the Highlands' brazen fraud in just the few months immediately after the Arbitration Award is staggering.

82. Even the filing of the Bankruptcy Cases did not deter the Highlands from attempting to complete their goal of denuding Acis. During the Bankruptcy Cases, in disregard

¹⁷ The Balance Sheet as of August 31, 2017, is attached as Exhibit C.

¹⁸ The Declaration of David Klos concerning Defendants' net worth, is attached as Exhibit D.

of the automatic stay, on multiple occasions, the Highlands directed the Trustee to effectuate optional redemptions, which would result in the liquidation of the CLOs and render Acis incapable of reorganizing and paying its creditors.

1. *The ALF PMA Transfer and the ALF Share Transfer*

83. Prior to October 27, 2017, Acis LP—not ALF (or Highland Funding as it is currently named)—had authority to direct and effectuate an optional redemption and otherwise pervasively control ALF's assets. Acis LP had this authority pursuant to that certain Portfolio Services Agreement by and between Acis LP and ALF, dated August 10, 2015 (the "First ALF PMA") and that certain Portfolio Management Agreement by and between Acis LP and ALF, dated December 22, 2016 (the "Second ALF PMA"). A true and correct copy of the First ALF PMA is attached hereto as **Exhibit E**. A true and correct copy of the Second ALF PMA is attached hereto as **Exhibit F**.

84. The Second ALF PMA granted Acis LP, as the portfolio manager of ALF, extensive rights and discretion to control and manage ALF's assets, including its interests in the Acis CLOs. Section 5 of the Second ALF PMA set out Acis LP's authority, which included authority for and in the name of ALF to:

(a) invest, directly or indirectly . . . in all types of securities and other financial instruments of United States and non-U.S. entities . . . including without limitation . . . notes representing tranches of debt ('CLO Notes') issued by a special purpose vehicle which issues notes backed by a pool of collateral consisting primarily of loans (which may be represented by a debt or equity security) (a 'CLO') . . . (each of such items, 'Financial Instruments'), (c) provide credit and market research and analysis in connection with the investments and ongoing management of [ALF] and direct the formulation of investment policies and strategies for [ALF] . . . ; (g) possess, transfer, mortgage, pledge or otherwise deal in, and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to Financial Instruments and other property and funds held or owned by [ALF] . . . ; (n) cause [ALF] to engage in . . . agency, agency cross, related party principal transactions with affiliates of [Acis LP] . . . ; and (q) vote Financial Instruments, participate in arrangements with creditors, the

institution and settlement or compromise of suits and administrative proceedings and other like or similar matters.

Second ALF PMA § 5(a)-(q) (emphasis added).¹⁹

85. While ALF did not have authority to terminate the Second ALF PMA, Acis LP could terminate the Second ALF PMA without cause upon at least ninety (90) days' notice. *See* Second ALF PMA § 13(a)-(c). The Second ALF PMA provided that Acis LP could be removed as portfolio manager only "for cause." *See* ALF PMA § 14(a)-(e).

86. On October 27, 2017, just seven days after Terry's Arbitration Award, Acis LP ostensibly terminated its own portfolio management rights under the Second ALF PMA and transferred its authority and its valuable portfolio management rights—for no value—to Highland Advisor, an affiliate of Highland Capital.²⁰

87. This transfer of Acis LP's portfolio management rights to Highland Advisor was accomplished by way of a new Portfolio Management Agreement entered into by ALF and Highland Advisor on October 27, 2017 (the "October 2017 PMA"), which empowered Highland Advisor with the same broad authority to direct the management of ALF as was previously held by Acis LP under the ALF PMA (the "ALF PMA Transfer"). *See* October 2017 PMA §§ 1 & 5(a)-(q). A true and correct copy of the October 2017 PMA is attached hereto as **Exhibit G**.

88. As the Court explained:

On October 27, 2017 (seven days after the Arbitration Award), ALF—having purchased back the ownership interest that Acis LP had in it, just three days earlier—decided that it would no longer use Acis LP as its portfolio manager and

¹⁹ The Highlands contend that the reference to "control" in Section 6 of the Second ALF PMA negates the broad language of Section 5 of the Second ALF PMA. The Plaintiffs disagree.

²⁰ Although purportedly a Cayman Islands entity, Highland Funding's 2017 Annual Report and Audited Financials lists Highland Advisor's address as Highland Capital's address in Dallas, Texas. This same document also discloses that Highland Capital is the sub-advisor for Highland Advisor, and thus is the party actually in control of Highland Funding's assets. Finally, this same document shows that all of Highland Funding's subordinated notes issued by the CLOs (the primary assets managed by Highland Advisor) are physically held at and are pledged to NexBank, a Dallas bank that is an affiliate of Highland Capital.

entered into a new portfolio management agreement to supersede and replace the ALF Portfolio Management Agreement. Specifically, on October 27, 2017, ALF entered into a new Portfolio Management Agreement with a Cayman Island entity called Highland HCF Advisor, Ltd., replacing Acis LP in its role with ALF. This agreement appears to have been further solidified in a second portfolio management agreement dated November 15, 2017.

Opinion at 19 (footnotes omitted).

89. Under the prior ALF PMA, Acis LP's consent to the termination of the ALF PMA was required in order to effectuate the ALF PMA Transfer. So, Dondero, on behalf of Acis LP, simply signed the October 2017 PMA, consenting and agreeing to its removal and replacement, and transferring all authority and management rights as portfolio manager of ALF to Highland Advisor under the October 2017 PMA. Acis received no consideration for this transfer.

90. Without this ALF PMA Transfer, which transferred Acis LP's valuable rights under the ALF PMA to Highland Advisor, Highland Funding could not have attempted to liquidate the CLOs, by directing optional redemptions, and further deplete Acis's assets.²¹

91. On October 24, 2017, a mere four days after the Arbitration Award was entered, Waterhouse, on behalf of Acis LP, and Grant Scott, for CLO Holdco Ltd., entered into that certain special resolution whereby Highland Funding, then known as ALF, acquired back Acis's equity interest in ALF (the "ALF Share Transfer"). A true and correct copy of the special resolution is attached hereto as **Exhibit H**. Pursuant the ALF Share Transfer, ALF paid Acis LP \$991,180.13 for all of its shares of ALF.

92. Thus, by virtue of the ALF PMA Transfer and the ALF Share Transfer, by October 31, 2017, Acis LP had given up all of its shares of ALF and all of its control of ALF.

²¹ After the ALF PMA Transfer, Highland Funding and Highland Advisor have issued at least three different optional redemption notices, in an attempt to terminate the PMAs and cut off the Debtors' primary source of cash. All three notices have been withdrawn and/or enjoined by this Court.

93. On November 15, 2017 – only days after the ALF Share Transfer and ALF PMA Transfer were completed – Highland Funding,²² Highland Advisor and CLO Holdco, Ltd. (another Highland Capital affiliate) entered into a subscription agreement whereby Highland Funding completed a private placement of its equity (including, upon information and belief, the equity acquired in the ALF Share Transfer) to third-party investors. The Plaintiffs believe both the ALF PMA Transfer and the ALF Share Transfer were concocted by Highland Capital and Highland Funding to complete this private placement, which was of great value to Highland Funding (then known as Acis Loan Funding, Ltd.) and Highland Capital, but after the transfers, of no value to Acis.²³ Without the ALF PMA Transfer and the ALF Share Transfer, control of Highland Funding's assets, and the Highland Funding stock held by Acis, would be vested in an entity (Acis LP) that was subject to a looming judgment based on Terry's recently acquired Arbitration Award. That would compromise the Highlands' control of Highland Funding.

2. The Note Transfer

94. On November 3, 2017, Acis LP, Highland Capital, and Highland Management (a newly created, offshore Highland Capital affiliate) entered into that certain Agreement for Assignment and Transfer of Promissory Note (the "Note Assignment and Transfer Agreement"). A true and correct copy of the Note Assignment and Transfer Agreement is attached hereto as **Exhibit I**. The Note Assignment and Transfer Agreement, among other things, transferred the

²² ALF had changed its name to Highland Funding at this point.

²³ Highland Funding's (then Acis Loan Funding Ltd.) board of director minutes from October 6, 2017, disclose that the private placement investment would bring \$150 million in new investment in Highland Funding and that they were "confident that they could develop further interest and ... bring the total capital to up to around \$325 million." The Arbitration Award was issued against Acis LP exactly two weeks later, throwing a huge monkey wrench in Highland Funding's plans to raise hundreds of millions of dollars for Highland Capital and its cronies. Testimony in the bankruptcy case as well as the subscription agreement demonstrate that numerous Highland Capital executives, as well as Highland Capital itself, received Highland Funding stock in connection with this private placement. Thus, they were highly motivated to close this transaction and also deprive the Acis LP of any value in this transaction.

\$9.5 million promissory note executed by Highland Capital and payable to Acis LP (the "Note") from Acis LP to Highland Management (the "Note Transfer"). As noted in the Opinion:

The Assignment and Transfer Agreement memorializing this transaction is signed by Mr. Dondero for Acis LP and Mr. Dondero for Highland and some undecipherable name for Highland CLO Management Ltd.

The document recites that (i) Highland is no longer willing to continue providing support services to Acis LP, (ii) Acis LP, therefore, can no longer fulfill its duties as a collateral manager, and (iii) Highland CLO Management Ltd. agrees to step into the collateral manager role if Acis LP will assign to it the Acis LP Note Receivable from Highland. One more thing: since Acis LP was expected to potentially incur future legal and accounting/administrative fees, and might not have the ability to pay them when due, Highland CLO Management Ltd. agreed to reimburse Acis LP (or pays its vendors directly) up to \$2 million of future legal expenses and up to \$1 million of future accounting/administrative expenses.

Opinion at 20.

95. Acis LP received no or insufficient consideration for the Note Transfer.

96. The Note Transfer was also of great benefit to Highland Capital because it transferred Highland Capital's liability under the Note away from Acis LP (and its legal woes with Terry) and allowed Highland Capital's liability under the Note, and any payments made thereunder, to stay well within the control of the Highlands. Just as importantly to Highland Capital and Dondero, and in furtherance to their ongoing feud with Terry, the Note Transfer took away the Note as an asset from which Terry could collect his judgment and allowed Highland Capital to argue (as repeatedly argued in the Bankruptcy Cases) that Terry got his judgment against the "wrong" entities and that Highland Capital has no liability related to Terry's claim.

97. Additionally, the Note Assignment and Transfer Agreement also purports to initiate the transfer of the PMAs between Acis and the CLOs to Highland Management.²⁴ Again,

²⁴ Highland Management was registered in the Cayman Islands on October 27, 2017, roughly a week before the Note Transfer (and on the exact day of the ALF PMA Transfer). Thus, Highland Management had no portfolio or collateral management experience whatsoever when it entered the Assignment and Transfer Agreement. To the contrary, it appears Highland Management was an entity that was created specifically to hold the Note and eventually take possession of the PMAs in an international forum that would be difficult for Terry to reach, similar

Acis LP was to receive no consideration for transferring its most significant assets, the PMAs. As the Court is aware, Acis LP did not in fact transfer the PMAs pursuant to the Note Assignment and Transfer Agreement, but it was clearly the plan as outlined in that agreement and further evidence of Highland Capital's intent to steal Acis LP's valuable going-concern business.

3. *The Acis CLO 2017-7 Transfers*

98. On December 19, 2017, Acis LP and Highland Holdings (another newly created, offshore Highland Capital affiliate)²⁵ entered into that certain Agreement for Assignment and Transfer (the "2017-7 Assignment and Transfer Agreement"). A true and correct copy of the 2017-7 Assignment and Transfer Agreement is attached hereto as **Exhibit J**. The 2017-7 Assignment and Transfer Agreement focused on Acis CLO Management, LLC ("Acis CLO Management"), which is an entity that had been formed to enter into a portfolio management agreement with Acis CLO 2017-7, Ltd. ("CLO 2017-7"). CLO 2017-7 is the last CLO the Highlands formed. Acis CLO Management was indirectly owned by Acis LP, and Acis LP and Acis CLO Management had entered into a Master Sub-Advisory Agreement and a Staff and Services Agreement (the "2017-7 Agreements") that allowed Acis LP to manage the CLO 2017-7 portfolio and collect management fees for CLO 2017-7.

99. The 2017-7 Assignment and Transfer Agreement, among other things, transferred to Highland Holdings all of Acis LP's interest in the 2017-7 Agreements. The 2017-7 Assignment and Transfer Agreement also transferred to Highland Holdings all of Acis LP's

to the transferees for the ALF PMA Transfer (Highland Advisor, a Cayman Island entity) the ALF Share Transfer (Highland Funding, a Guernsey entity) and the 2017-1 Assignment and Transfer Agreement (Highland Holdings, a Cayman Island entity). Thus, not only did Highland Capital and Dondero scheme to transfer Acis LP's assets away from it, but they also slyly chose entities in offshore jurisdictions that would be hard for a judgment creditor to reach.

²⁵ Like Highland Management, Highland Holdings was registered in the Cayman Islands on October 27, 2017.

equity interests in various entities that constituted Acis LP's indirect equity interests in Acis CLO Management (the "2017-7 Equity"). Thus, similar to the ALF PMA Transfer and the ALF Share Transfer that occurred roughly two months before, Acis LP was divested of both its ownership in Acis CLO Management and its control of Acis CLO Management (and related management fee stream) in one fell swoop on December 19, 2017, which is the day after Terry received his judgment based on the Arbitration Award. Also, importantly, the 2017-7 Assignment and Transfer Agreement rendered Acis non-compliant with relevant U.S. and European risk retention requirements.

100. Significantly, also on December 19, 2017, Highland Capital entered into an agreement with Highland Holdings that allowed Highland Capital to sub-advise and manage CLO 2017-7 and get paid the management fees that otherwise would have flowed to Acis LP. So, like the numerous transfers before it, Highland Capital effectuated the transfer of the 2017-7 Agreements and 2017-7 Equity to cut out Acis LP, while Highland Capital stayed in complete control of CLO 2017-7 and its stream of management fees.

101. As the Court noted in the Opinion:

On December 19, 2017—just one day after the Arbitration Award was confirmed with the entry of the Final Judgment—the vehicle that can most easily be described as the Acis LP "risk retention structure" (necessitated by federal Dodd Frank law) was transferred away from Acis LP and into the ownership of Highland CLO Holdings, Ltd. (yet another Cayman Island entity, incorporated on October 27, 2017).

In addition to transferring Acis LP's interest in the Acis LP risk retention structure on December 19, 2017, Acis LP also transferred its contractual right to receive management fees for Acis CLO 2017-7, Ltd. (which had just closed April 10, 2017), which Mr. Terry credibly testified had a combined value of \$5 million, to Highland CLO Holdings, Ltd., another Cayman entity, purportedly in exchange for forgiveness of a \$2.8 million receivable that was owed to Highland under the most recent iteration of the Shared Services Agreement and Sub-Advisory Agreement for CLO-7. In conjunction with this transfer, Highland CLO Holdings, Ltd. then entered into new Shared Services and Sub-Advisory Agreements with Highland.

Opinion at 20-21.

102. The purported consideration for the 2017-7 Equity transferred in the 2017-7 Assignment and Transfer Agreement was the forgiveness of a \$2,804,870 payable allegedly owed by Acis LP to Highland Capital and transferred to Highland Funding sometime before the agreement was entered. According to Acis LP's financial statements, this payable to Highland Capital entirely comprises amounts due under the Sub-Advisory Agreement and Shared Services Agreement. Thus, the "consideration" provided in exchange for the 2017-7 Assignment and Transfer Agreement would suffer from the same defects as outlined throughout this Second Amended Complaint related to the Sub Agreements; i.e., Acis only "owed" Highland Capital these amounts because Highland Capital grossly overcharged Acis. Finally, like the Note Transfer, the 2017-7 Equity transfer allowed Highland Capital to effectively collect all of the \$2.8 million owed by Acis LP (assuming it is even a valid debt) through the use of an offshore intermediary.

103. Further, the 2017-7 Assignment and Transfer Agreement itself discloses that no consideration was provided for the transfer of the 2017-7 Agreements. Rather, the justification for the transfer of the 2017-7 Agreements is Highland Capital's self-serving refusal to continue to do business with Acis LP after the Arbitration Award and related judgment.

4. *Thwarted Attempts to Transfer the Universal/BVK Agreement and Force an Optional Redemption*

104. Highland Capital and the other Highlands did not stop with the transfers in the Fall of 2017. Immediately after the Involuntary Petitions were filed on January 30, 2018, Highland Capital conspired with Acis LP's own bankruptcy counsel in an effort to appropriate Acis LP's valuable sub-advisor rights under the Agreement for the Outsourcing of Asset Management (the "Universal/BVK Agreement") between Acis LP and Universal-Investment-

Luxembourg S.A. ("Universal"), which provided sub-advisory services for a German fund called BayVK R2 Lux S.A., SICAV-FIS ("BVK").²⁶ Like the many transfers before it, Highland Capital's plan (as clearly outlined in an email from Isaac Leventon to Mike Warner) was "to transfer the BVK investment management agreement from Acis LP to another Highland-affiliated manager."²⁷ Immediately after Highland Capital sought (and presumably received) advice from Acis's own counsel, Highland Capital reached out to Universal and BVK to solicit their participation in Highland Capital's scheme. In fact, BVK acknowledged in its very first email with Highland Capital after Acis LP's bankruptcy filing that Highland Capital's plan was to replace Acis LP.

105. Over the several weeks leading up to this Court's ruling on the Orders for Relief, Highland Capital and Universal/BVK did, in fact, frequently discuss replacing Acis LP, conducted extensive due diligence in order to replace Acis LP and even negotiated and prepared a new asset management agreement between Highland Capital and Universal that was to take effect once Acis LP and its bankruptcy were out of the way. But even after the Orders for Relief were entered and the Debtors were under the control of a trustee, the communications did not stop. Among other things, Highland Capital volunteered to pay Universal and BVK's legal costs incurred in terminating Acis LP and making Highland Capital the new sub-advisor for Universal and BVK, Highland Capital repeatedly criticized the Trustee for his management of Acis, and Highland Capital repeatedly expressed its desire to negotiate with Universal and to "onboard" Highland Capital as Universal's new sub-advisor. And even after Highland Capital was fired by the Trustee as Acis LP's sub-advisor and replaced with Brigade and Cortland, the

²⁶ The Court held a lengthy hearing on the Universal/BVK Agreement and related lift stay issues on September 11, 2018.

²⁷ Email chain from early February 2018 between Mike Warner (Acis's counsel), Isaac Leventon (Highland Capital's in-house counsel), Timothy Cournoyer (Highland Capital's in-house counsel) and Thomas Surgent (Highland Capital's Chief Compliance Officer), attached as Exhibit K.

communications did not stop. Highland Capital's scheme to transfer the Universal/BVK Agreement to Highland Capital or its affiliate was apparently only prevented by this Court imposing 11 U.S.C. § 363, effectively taking away Acis LP's right to operate outside the ordinary course of business without Court authority under 11 U.S.C. § 303(f) and then later not immediately lifting the automatic stay as to the Universal/BVK Agreement.

106. Finally, Highland Advisor and its sub-manager Highland Capital, used its newly acquired management rights (by way of the ALF PMA Transfer) to attempt to destroy the Debtor, as further described below.

5. *The First Optional Redemption Notices*

107. On April 30, 2018, without requesting relief from the automatic stay, Highland Funding sent five notices purportedly requesting optional redemption pursuant to Section 9.2 of each of the Indentures (the "First Optional Redemption Notices").²⁸ True and correct copies of the First Optional Redemption Notices are attached hereto as **Exhibit L**.

108. The First Optional Redemption Notices directed Acis LP to effectuate an Optional Redemption (as defined under each Indenture). Under Section 9.2 of each Indenture, upon the receipt of a notice of redemption, Acis, in its discretion, is to direct the sale of the Collateral Obligations (as defined by each Indenture) and other Assets. *See* CLO-1 Indenture, § 9.2; CLO-3 Indenture, § 9.2(b); CLO-4 Indenture, § 9.2; CLO-5 Indenture, § 9.2; & CLO-6 Indenture, § 9.2. In the Indentures, "Assets" is defined to include the PMAs. *See* CLO-1 Indenture, p. 8; CLO-3 Indenture, p. 10; CLO-4 Indenture, p. 10; CLO-5 Indenture, p. 10; & CLO-6 Indenture p. 10. Consequently, an Optional Redemption directs Acis LP to liquidate assets of the CLOs over which Acis has certain property rights, including, effectively, the PMAs.

²⁸ Nexpoint Strategic Opportunities Fund (f/k/a NexPoint Credit Strategies Fund) ("Nexpoint") and Drexel Limited ("Drexel") joined in one of the Optional Redemption Notices. Like HCLOF, Nexpoint is an affiliate of Highland.

109. The Trustee analyzed the First Optional Redemption Notices and determined there were various defects which rendered them ineffective. Therefore, on May 22, 2018, the Trustee sent his responses to the five First Optional Redemption Notices (the "Redemption Responses"). True and correct copies of the Redemption Responses are attached hereto as **Exhibit M.**

6. *The Temporary Restraining Order Against the Highlands*

110. On May 30, 2018, Highland Capital and Highland Funding initiated this Adversary Proceeding and alleged, among other things, that the Trustee breached the PMAs by failing to effectuate an Optional Redemption pursuant to the First Optional Redemption Notices.

111. The next day, on May 31, 2018, upon the request of the Trustee, the Court held a status conference in the Bankruptcy Cases, and the Trustee explained that, almost immediately after his appointment, he began exploring plan options regarding a potential transaction that would transfer rights under the PMAs, the Sub-Advisory Agreement, the Shared Services Agreement, and the subordinated notes, with respect to CLO-3, CLO-4, CLO-5, and CLO-6, with the goal of maximizing value for all parties. The Trustee informed the Court that he was in the process of negotiating a transaction with a party that would potentially provide enough value to pay all parties, including potentially all of Acis's creditors in full.

112. On May 31, 2018, at the conclusion of the status conference, the Court, *sua sponte*, issued a temporary restraining order, which prevented all parties from taking any action in furtherance of the Optional Redemption for fourteen (14) days.

113. On June 6, 2018 the Court entered its *Temporary Restraining Order* (the "TRO"), whereby the Restrained Parties (as defined in the TRO) were enjoined until 12:01 a.m. on June 15, 2018, from:

- a) proceeding with, effectuating, or otherwise taking any action in furtherance of the Optional Redemption, call, or other liquidation of the Acis CLOs; and
- b) sending, mailing, or otherwise distributing any notice to the holders of the Acis CLOs in connection with the Optional Redemption, call, or other liquidation of the Acis CLOs.

114. On June 11, 2018, the Trustee filed his *Motion to Extend the Temporary Restraining Order* (the "Motion to Extend the TRO"), in which the Trustee sought to extend the TRO for an additional 14 days. *See* Docket No. 275.

115. Also on June 11, 2018, Highland Funding filed its *Memorandum of Law in Opposition to the Continuance of the Temporary Restraining Order* (the "Brief in Opposition to Extending the TRO"). *See* Case No. 18-3264, Docket. No. 271. This pleading did not mention that Highland Capital apparently violated the TRO by initiating approximately \$23 million of sales of CLO assets pursuant to the Optional Redemption after the Court issued its *sua sponte* TRO on May 31.

7. *The Second Optional Redemption Notices*

116. On June 13, 2018, the day before the hearing on the Motion to Extend the TRO, Highland Funding advised the Trustee that Highland Funding would withdraw the First Optional Redemption Notices. Highland Funding's correspondence with the Trustee indicating its intent to withdraw the First Optional Redemption Notices is attached hereto as **Exhibit N** and incorporated herein for all purposes. Thereafter, the Trustee advised the Court that Highland Funding was withdrawing the First Optional Redemption Notices, and the Trustee therefore did not intend to go forward with the Motion to Extend the TRO on June 14.

117. On June 14, 2018, counsel for Highland Funding advised the Court that Highland Funding had withdrawn the First Optional Redemption Notices. Counsel for Highland Funding

further advised the Court that the First Optional Redemption Notices were withdrawn to bring "some sanity to this process":

That was done obviously for multiple reasons. My client doesn't believe that this is the appropriate time to be effectuating such a redemption for its own economic reasons, setting aside the complications it's obviously caused for others in this room. But needless to say, that, too, is an effort to try to bring, as I believe the Court has requested, and others have, some sanity to this process.²⁹

118. On June 15, 2018, at 12:01 a.m., the TRO expired.

119. Later on June 15, 2018, despite the fact that Highland Funding had just withdrawn the First Optional Redemption Notices, had advised the Court of the same, and the Trustee and the Court acted in reliance on same, (again, without requesting relief from the automatic stay) Highland Funding gave notice to the Trustee that it was again requesting an Optional Redemption pursuant to the Section 9.2 of each of the Indentures (the "Second Optional Redemption Notices," and together with the First Optional Redemption Notices, the "Optional Redemption Notices"). The Second Optional Redemption Notices are attached hereto as **Exhibit Q** and are incorporated herein for all purposes.

120. By the Second Optional Redemption Notices, Highland Funding directed the Issuers:

to effect an Optional Redemption of all Secured Notes and the Subordinated Notes in full on July 30, 2018 for the express purpose of placement of a portion of the portfolio of assets held by the Co-Issuers into a warehouse arrangement or a total return swap or other derivative arrangement with Highland Capital Management, L.P. acting as the Sub-Advisor pursuant to a Sub-Advisory Agreement.

121. On June 20, 2018, Highland Capital presented to the Trustee hundreds of millions of dollars of "proposed trades" pursuant to this second Optional Redemption. In its correspondence to the Trustee regarding such proposed trades, Highland Capital further stated:

²⁹ See Docket No. 298 at 7, ll. 16-22 (June 14, 2018 Hr'g Tr.).

In order to effectuate the Transaction and obtain best execution, Highland requests your consent by no later than 2pm tomorrow, Thursday June 21, 2018 (the "Deadline"). The Acis Accounts may incur losses as a result of your failure to respond by the Deadline.
Highland believes it has an independent fiduciary obligation to the CLOs. If you instruct Highland not to proceed to undertake the Optional Redemption, Highland reserves its rights to seek appropriate protection and redress at law or in equity.³⁰

H. Preferential Transfers Made within One Year of the Petition Date

122. Acis's Statement of Financial Affairs [Case No. 18-30264, Docket No. 165] (the "SOFA")³¹ and its general ledger disclose more than two dozen payments totaling \$16,113,790.14 made to Highland Capital within one year of the Petition Date based on four categories (the "Prepetition Payments"):

- (i) Contractual Payments: \$5,011,836.72
- (ii) Services: \$7,672,145.25³²
- (iii) Unsecured Loan Repayments Including Interest: \$3,311,497.65
- (iv) Expense Reimbursement: \$118,311.32

123. The Prepetition Payments were made for the benefit of Highland Capital for or on account of an antecedent debt owed by the Debtors before the Prepetition Payments were made. Acis was insolvent at all times when the Prepetition Payments were made. Based on Terry's pending—or already decided—claims, as well as Highland Capital's absolute operational and financial control of Acis, Highland Capital was aware that Acis was insolvent or reasonably should have been aware Acis was insolvent at all times when the Prepetition Payments were made. The Prepetition Payments were made within one year of the Petition Date. At the time the

³⁰ Emphasis in original email correspondence.

³¹ The SOFA is sworn under penalty of perjury and signed by Issac Leventon, a Highland employee and associate general counsel.

³² The Statement of Financial Affairs, filed in the bankruptcy cases by Acis while under Highland Capital control, fails to list an additional \$1,868,203.44 in transfers to Highland Capital for "Services" that were made shortly before the Petition Date.

Prepetition Payments were made Highland Capital was an insider of the Debtors. The Prepetition Payments enabled Highland Capital to receive more than Highland Capital would have received if the cases were a case under chapter 7 of the Bankruptcy Code and if the Prepetition Payments had not been made. Highland Capital received the Prepetition Payments. *See Williams v. McKesson Corp. (In re Quality Infusion Care, Inc.)*, Nos. 10-36675, 13-3056, 2013 Bankr. LEXIS 5044 (Bankr. S.D. Tex. Nov. 25, 2013) (citing *Palmer Clay Prods. Co. v. Brown*, 297 U.S. 227, 229 (1936) and stating the 547(b)(5) is to be analyzed as of the Petition Date).

124. Further, to the extent that the Acis LP payables that served as the consideration for the Note Transfer and the 2017-7 Equity transfer were valid, these transfers would also constitute preferential payments to Highland Capital, Highland Management and Highland Holdings. The SOFA discloses that Highland Management is an "affiliate" of the Debtors and the Note Transfer is included on the list of "payments, distributions, withdrawals credited, or given to insiders" within one year before filing the Bankruptcy Cases. *See* SOFA p. 12.

VI. CAUSES OF ACTION³³

Count 1: Declaratory Judgment that Expense Overpayments to Highland Capital Were Ultra Vires in Violation of the LPA [Against Highland Capital]

125. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

126. Under Delaware law, *ultra vires* corporate acts are either void or voidable. *See Klaassen v. Allegro Dev. Corp.*, C.A. No. 8626-VCL, 2013 Del. Ch. LEXIS 247, at *48-50 (Oct. 11, 2013); *see also Stephen A. Solomon v. Armstrong*, 747 A.2d 1098, 1114 n.45 (1999) (explaining the difference between void and voidable acts). Delaware courts apply the doctrine

³³ All causes of action asserted herein are also asserted as counterclaims to the Highland Capital Claims pursuant to section 16.069 of the Texas Civil Practice & Remedies Code and other applicable law.

of *ultra vires* to partnerships by analogy. See, e.g., *In re Mesa Ltd. P'ship Preferred Unitholders Litig.*, Civil Action No. 12,243, 1991 Del. Ch. LEXIS 214, at *20 (Dec. 10, 1991).

127. Highland Capital invoiced Acis for, and received payments for, at least \$7,021,924.00 in excess of 20% of Revenues, in violation of the LPA. Highland Capital, an Affiliate of Acis GP, accepted such funds in violation of Section 3.10(a) of the LPA.

128. Such Expense Overpayments, and any agreements supporting such Expense Overpayments, were economically irrational, not in the interest of Acis LP, and are therefore void; however, if not void, such actions are voidable because they were done without the consent or ratification of all members of the Founding Partner Group. The payments to Highland Capital of the Expense Overpayments in the amount of at least \$7,021,924.00 and any agreements supporting such overpayments were unauthorized or *ultra vires* acts of the partnership in violation of the LPA, and are therefore void or voidable.

***Count 2: Turnover of Property of the Estate under 11 U.S.C. § 542(a)
for Unauthorized Overpayments
[Against Highland Capital]***

129. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

130. Under section 542(a) of the Bankruptcy Code, "an entity, other than a custodian, in possession, custody, or control, during the case, of property that the trustee may use, sell, or lease under section 363 . . . shall deliver to the trustee, and account for, such property or the value of such property, unless such property is of inconsequential value or benefit to the estate." 11 U.S.C. § 542(a).

131. Under section 541(a) of the Bankruptcy Code, property of the estate includes "all legal or equitable interests of the debtor in property as of the commencement of the case." 11 U.S.C. § 541(a). Further, the "estate is comprised of [such] property, wherever located and by whomever held." *Id.*

132. Highland Capital wrongfully received Expense Overpayments of at least \$7,021,924.00 in excess of 20% of Revenues in violation of the LPA.

133. The property, or value of such property, from the overpayment of funds wrongfully transferred to Highland Capital totaling at least \$7,021,924.00, in Highland Capital's possession, custody, or control is property of the estate, and the value of such property is not of inconsequential value or benefit to the estate.

134. Pursuant to section 542(a) of the Bankruptcy Code, Highland Capital must deliver to the Trustee the property or value of such property, totaling at least \$7,021,924.00, wrongfully transferred to Highland Capital.

135. Therefore, the Plaintiffs, now vested with all claims of the Trustee, seek turnover of the funds, totaling at least \$7,021,924.00, transferred to Highland Capital, to the extent allowed pursuant to section 542 of the Bankruptcy Code.

***Count 3: Money Had and Received for Overcharges and Unauthorized Overpayments
[Against Highland Capital]***

136. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

137. "An action for money had and received arises when the defendant obtains money which in equity and good conscience belongs to the plaintiff. This action . . . looks only to the justice of the case and inquires whether the defendant has received money which rightfully belongs to another." *Amoco Prod. Co. v. Smith*, 946 S.W.2d 162, 164 (Tex. App.—El Paso 1997, no pet.) (internal citations omitted).

138. Highland Capital invoiced Acis for, and received Expense Overpayments for, at least \$7,021,924.00 in excess of 20% of Revenues in violation of the LPA. Highland Capital, an Affiliate of Acis GP, accepted such funds in violation of Section 3.10(a) of the LPA. Highland

Capital was therefore unjustly enriched in the amount of the Expense Overpayments of at least \$7,021,924.00.

139. Highland Capital invoiced Acis and accepted such Expense Overpayments from Acis despite Highland Capital's knowledge of the LPA. This money rightfully belongs to Acis, and the overpayment creates a debt in favor of Acis. Therefore, the Plaintiffs are entitled to damages on behalf of Acis in the amount of at least \$7,021,924.00. In addition, Highland Capital charged Acis more than a market rate under the Second Amended Sub-Advisory Agreement and the Third Amended Sub-Services Agreement and is liable to Acis in the amount of these overcharges.

***Count 4: Conversion for Unauthorized Overpayments
[Against Highland Capital]***

140. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

141. "Conversion is defined as the wrongful exercise of dominion and control over another's property in denial of or inconsistent with his rights." *Green Int'l v. Solis*, 951 S.W.2d 384, 391 (Tex. 1997).

142. Highland Capital wrongfully exercised dominion and control over at least \$7,021,924.00 in excess of 20% of Revenues in violation of the LPA. Highland Capital, through the common control of Dondero, was aware that it was prohibited from receiving payment in excess of 20% of Revenues without the consent of all members of the Founding Partner Group. Highland Capital also had actual notice of the Arbitration Award through Dondero (who was represented at the arbitration proceeding) that Highland Capital was wrongfully in possession of such money. Despite Highland Capital's actual knowledge that the money does not rightfully belong to Highland Capital, Highland Capital continues to improperly retain the overpaid funds. Therefore, the Plaintiffs are entitled to damages in the amount of at least \$7,021,924.00. In

addition, Highland Capital charged Acis more than a market rate under the Second Amended Sub-Advisory Agreement and the Third Amended Shared Services Agreement and is liable to Acis in the amount of these overcharges.

***Count 5: Actual Fraudulent Transfer under 11 U.S.C. § 548(a)(1)(A) related to
the Sub-Advisory Agreement
[Against Highland Capital]***

143. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

144. Section 548(a)(1)(A) of the Bankruptcy Code provides that a trustee may avoid any transfer of an interest of the debtor in property, or any obligation incurred by the debtor, if the debtor made such transfer or incurred such obligation with actual intent to hinder, delay, or defraud any entity to which the debtor was or became, on or after the date that such transfer was made or such obligation was incurred, indebted.

145. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the modifications to the Sub-Advisory Agreement made in the Second Amended Sub-Advisory Agreement and Third Amended Sub-Advisory Agreement, any obligations incurred by Acis in connection with these modifications to the Sub-Advisory Agreement, and any payments made (including increase in payments made) by Acis to Highland Capital in connection with these modifications to the Sub-Advisory Agreement because such modifications and payments were made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The modifications to the Sub-Advisory Agreement were made shortly after Terry's termination and just prior to litigation with Terry;
- (ii) The modifications to the Sub-Advisory Agreement—entered into by Dondero on behalf of Acis and Highland Capital—and payments

thereunder were made with the actual intent to divert assets to and for the benefit of Highland Capital, in fraud upon Acis's creditors, namely Terry.

- (iii) Acis was or became insolvent as a result of the modifications to the Sub-Advisory Agreement and payments thereunder;
- (iv) The modifications to the Sub-Advisory Agreement and payments thereunder occurred both before and after substantial debts were incurred by Acis;
- (v) The consideration received by Acis for the modifications to the Sub-Advisory Agreement and payments thereunder were not reasonably equivalent in value; and
- (vi) the transfer/obligation incurred was to an insider.

146. Therefore, such modifications to the Sub-Advisory Agreements and payments to Highland Capital pursuant to such modifications should be avoided to the extent avoidable under section 548(a)(1)(A) of the Bankruptcy Code.

***Count 6: Actual Fraudulent Transfer under Tex. Bus. & Com. Code § 24.005(a)(1) related to the Sub-Advisory Agreement
[Against Highland Capital]***

147. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

148. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(1) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation with an actual intent to hinder, delay or defraud any creditor of the debtor. Pursuant to section 544 of the Bankruptcy Code, the Trustee may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(1).

149. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the modifications to the Sub-Advisory Agreement made in the Second Amended Sub-Advisory Agreement and Third Amended Sub-Advisory Agreement, any obligations incurred by Acis in connection with these modifications to the Sub-Advisory Agreement, and any payments made (including increase in payments made) by Acis to Highland Capital in connection with these modifications to the Sub-Advisory Agreement because such modifications and payments were made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The modifications to the Sub-Advisory Agreement were made shortly after Terry's termination and just prior to litigation with Terry;
- (ii) The modifications to the Sub-Advisory Agreement—entered into by Dondero on behalf of Acis and Highland Capital—and payments thereunder were made with the actual intent to divert assets to and for the benefit of Highland Capital, in fraud upon Acis's creditors, namely Terry.
- (iii) Acis was or became insolvent as a result of the modifications to the Sub-Advisory Agreement and payments thereunder;
- (iv) The modifications to the Sub-Advisory Agreement and payments thereunder occurred both before and after substantial debts were incurred by Acis;
- (v) The consideration received by Acis for the modifications to the Sub-Advisory Agreement and payments thereunder were not reasonably equivalent in value; and
- (vi) The transfer/obligation incurred was to an insider.

150. Therefore, Acis's creditors have the right to avoid the Sub-Advisory Agreement and payments thereunder under section 24.005(a)(1) of the Texas Business and Commerce Code, and the Plaintiffs, now vested with all claims of the Trustee, can seek to enforce that right under section 544 of the Bankruptcy Code.

Count 7: Constructive Fraudulent Transfer under 11 U.S.C. § 548(a)(1)(B) related to the Sub-Advisory Agreement [Against Highland Capital]

151. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

152. Section 548(a)(1)(B) of the Bankruptcy Code provides that a trustee may avoid any transfer of any interest of the debtor in property, or any obligation incurred by the debtor, if the debtor (i) received less than reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was insolvent on the date the transfer was made or the obligation was incurred, or became insolvent as the result of the transfer or obligation; (B) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; or (C) intended to incur, or believed the debtor would incur, debts that would be beyond the debtors' ability to pay such debts.

153. As described above, among other things, Acis LP:

- (i) received less than reasonably equivalent value in exchange for the modifications to the Sub-Advisory Agreement and payments made thereunder;
- (ii) was or became insolvent as the result of the modifications to the Sub-Advisory Agreement and payments made thereunder; and
- (iii) intended to incur, or believed Acis would incur, debts that would be beyond Acis's ability to pay such debts.

154. Therefore, the modifications to the Sub-Advisory Agreement made in the Second Amended Sub-Advisory Agreement and the Third Amended Sub-Advisory Agreement, any obligations incurred by Acis in connection with these modifications to the Sub-Advisory Agreement and any payments made (including increase in payments made) by Acis to Highland Capital in connection with these modifications to the Sub-Advisory Agreement are avoidable by the Plaintiffs, now vested with all claims of the Trustee, under section 548(a)(1)(B).

***Count 8: Constructive Fraudulent Transfer under Tex. Bus. & Com. Code §§ 24.005(a)(2) and 24.006(a) related to the Sub-Advisory Agreement
[Against Highland Capital]***

155. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

156. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(2) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was engaged or about to engage in a business or transaction for which the remaining assets were unreasonably small in relation to the business or transaction, or (B) intended to incur, or believed or reasonably should have believed, that the debtor would incur debts beyond the debtor's ability to pay as they became due. Similarly, Texas Business and Commerce Code section 24.006(a) provides that a current creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) the debtor was insolvent or rendered insolvent by the transfer or obligation sought to be avoided. Pursuant to section 544 of the Bankruptcy Code, the Plaintiffs, now vested with all claims of the Trustee, may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

157. As described above, Acis LP did not receive reasonably equivalent value in exchange for the modifications to the Sub-Advisory Agreement and payments made thereunder to Highland Capital, and creditors at the time of such modifications and payments could have avoided such modifications and payments under section 24.005(a)(2) of the Texas Business and Commerce Code.

158. At the time of the modifications to the Sub-Advisory Agreement and payments made thereunder to Highland Capital, Acis intended to incur, or believed or reasonably should have believed that Acis would incur, debts beyond its ability to pay as they became due, and/or was engaged, or was about to engage in a business or transaction for which the remaining assets of Acis were unreasonably small in relation to such business or transaction.

159. Moreover, as described above, Acis was insolvent or became insolvent by the modifications to the Sub-Advisory Agreement and payments made thereunder.

160. Therefore, the modifications to the Sub-Advisory Agreement made in the Second Amended Sub-Advisory Agreement and the Third Amended Sub-Advisory Agreement, any obligations incurred by Acis in connection with these modifications to the Sub-Advisory Agreement and any payments made (including increase in payments made) by Acis to Highland Capital in connection with these modifications to the Sub-Advisory Agreement are avoidable under Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

***Count 9: Actual Fraudulent Transfer under 11 U.S.C. § 548(a)(1)(A)
for the ALF PMA Transfer
[Against Highland Capital, Highland Funding, and Highland Advisor]***

161. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

162. Section 548(a)(1)(A) of the Bankruptcy Code provides that a trustee may avoid any transfer of an interest of the debtor in property, or any obligation incurred by the debtor, if the debtor made such transfer or incurred such obligation with actual intent to hinder, delay, or

defraud any entity to which the debtor was or became, on or after the date that such transfer was made or such obligation was incurred, indebted.

163. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the ALF PMA Transfer because such transfer was made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The ALF PMA Transfer was made just seven days after Terry's Arbitration Award against Acis;
- (ii) The ALF PMA Transfer was made with the actual intent to divert Acis LP's contractual rights under the ALF PMA to and for the benefit of Highland Advisor, in fraud upon Acis LP's creditors, namely Terry.
- (iii) Acis LP was insolvent at the time of the ALF PMA Transfer or became insolvent as a result of the ALF PMA Transfer;
- (iv) The ALF PMA Transfer occurred both before and after substantial debts were incurred by Acis LP;
- (v) Acis LP received less than a reasonably equivalent value in exchange for the ALF PMA Transfer;
- (vi) The transfer was made to an insider (Highland Advisor) and for the benefit of insiders (Highland Funding and Highland Capital); and
- (vii) Highland Capital (as sub-advisor to Highland Advisor) retained effective possession and control of the property transferred after the transfer.

164. Therefore, the ALF PMA Transfer should be avoided to the extent avoidable under section 548(a)(1)(A) of the Bankruptcy Code.

***Count 10: Actual Fraudulent Transfer under Tex. Bus. & Com. Code § 24.005(a)(1)
for the ALF PMA Transfer
[Against Highland Capital, Highland Funding, and Highland Advisor]***

165. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

166. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(1) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation with an actual intent to hinder, delay or defraud any creditor of the debtor. Pursuant to section 544 of the Bankruptcy Code, the Trustee may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(1).

167. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the ALF PMA Transfer because such transfer was made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The ALF PMA Transfer was made just seven days after Terry's Arbitration Award against Acis;
- (ii) The ALF PMA Transfer was made with the actual intent to divert Acis LP's contractual rights under the ALF PMA to and for the benefit of Highland Advisor, in fraud upon Acis LP's creditors, namely Terry.
- (iii) Acis LP was insolvent at the time of the ALF PMA Transfer or became insolvent as a result of the ALF PMA Transfer;
- (iv) The ALF PMA Transfer occurred both before and after substantial debts were incurred by Acis LP; and
- (v) Acis LP received less than a reasonably equivalent value in exchange for the ALF PMA Transfer;

- (vi) The transfer was made to an insider (Highland Advisor) and for the benefit of insiders (Highland Funding and Highland Capital); and
- (vii) Highland Capital (as sub-advisor to Highland Advisor) retained effective possession and control of the property transferred after the transfer.

168. Therefore, Acis's creditors have the right to avoid the ALF PMA Transfer under section 24.005(a)(1) of the Texas Business and Commerce Code, and the Plaintiffs can seek to enforce that right under section 544 of the Bankruptcy Code.

***Count 11: Constructive Fraudulent Transfers under 11 U.S.C. § 548(a)(1)(B)
for the ALF PMA Transfer
[Against Highland Capital, Highland Funding, and Highland Advisor]***

169. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

170. Section 548(a)(1)(B) of the Bankruptcy Code provides that a trustee may avoid any transfer of any interest of the debtor in property, or any obligation incurred by the debtor, if the debtor (i) received less than reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was insolvent on the date the transfer was made or the obligation was incurred, or became insolvent as the result of the transfer or obligation: (B) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; or (C) intended to incur, or believed the debtor would incur, debts that would be beyond the debtors' ability to pay such debts.

171. As described above, among other things, Acis LP:

- (i) received less than reasonably equivalent value in exchange for the ALF PMA Transfer;
- (ii) was insolvent on the date the ALF PMA Transfer was made or became insolvent as the result of the ALF PMA Transfer;

- (iii) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; and
- (iii) intended to incur, or believed Acis would incur, debts that would be beyond Acis's ability to pay such debts.

172. Therefore, ALF PMA Transfer is avoidable under section 548(a)(1)(B) of the Bankruptcy Code.

***Count 12: Constructive Fraudulent Transfer under Tex. Bus. & Com. Code §§ 24.005(a)(2) and 24.006(a) for the ALF PMA Transfer
[Against Highland Capital, Highland Funding, and Highland Advisor]***

173. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

174. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(2) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was engaged or about to engage in a business or transaction for which the remaining assets were unreasonably small in relation to the business or transaction, or (B) intended to incur, or believed or reasonably should have believed, that the debtor would incur debts beyond the debtor's ability to pay as they became due. Similarly, Texas Business and Commerce Code section 24.006(a) provides that a current creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) the debtor was insolvent or rendered insolvent by the transfer or obligation sought to be avoided. Pursuant to section 544 of the Bankruptcy Code, the Plaintiffs, now vested with all claims of the

Trustee, may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

175. As described above, Acis LP did not receive reasonably equivalent value in exchange for the ALF PMA Transfer, and creditors at the time of the ALF PMA Transfer could have avoided such transfer under section 24.005(a)(2) of the Texas Business and Commerce Code.

176. At the time of the ALF PMA Transfer, Acis intended to incur, or believed or reasonably should have believed that Acis would incur, debts beyond its ability to pay as they became due, and/or was engaged, or was about to engage in a business or transaction for which the remaining assets of Acis were unreasonably small in relation to such business or transaction.

177. Moreover, as described above, Acis was insolvent or was rendered insolvent by the ALF PMA Transfer.

178. The ALF PMA Transfer is therefore avoidable under Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

***Count 13: Actual Fraudulent Transfer under 11 U.S.C. § 548(a)(1)(A)
for the ALF Share Transfer
[Against Highland Capital and Highland Funding]***

179. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

180. Section 548(a)(1)(A) of the Bankruptcy Code provides that a trustee may avoid any transfer of an interest of the debtor in property, or any obligation incurred by the debtor, if the debtor made such transfer or incurred such obligation with actual intent to hinder, delay, or defraud any entity to which the debtor was or became, on or after the date that such transfer was made or such obligation was incurred, indebted.

181. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the ALF Share Transfer because such transfer was made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The ALF Share Transfer was made just four days after Terry's Arbitration Award against Acis;
- (ii) The ALF Share Transfer was made with the actual intent to divert Acis LP's interest and control in ALF to and for the benefit of Highland Funding, in fraud upon Acis LP's creditors, namely Terry.
- (iii) Acis LP was insolvent at the time of the ALF Share Transfer or became insolvent as a result of the ALF Share Transfer;
- (iv) The ALF Share Transfer occurred both before and after substantial debts were incurred by Acis LP; and
- (v) Acis LP received less than a reasonably equivalent value in exchange for the ALF Share Transfer;
- (vi) The transfer was made to an insider (Highland Funding) and for the benefit of an insider (Highland Capital); and
- (vii) Highland Capital (as sub-advisor to Highland Advisor) retained effective possession and control of the property transferred after the transfer.

182. Therefore, the ALF Share Transfer should be avoided to the extent avoidable under section 548(a)(1)(A) of the Bankruptcy Code.

***Count 14: Actual Fraudulent Transfer under Tex. Bus. & Com. Code § 24.005(a)(1)
for the ALF Share Transfer
[Against Highland Capital and Highland Funding]***

183. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

184. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(1) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation with an actual intent to hinder, delay or defraud any creditor of the debtor. Pursuant to section 544 of the Bankruptcy Code, the Trustee may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(1).

185. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the ALF Share Transfer because such transfer was made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The ALF Share Transfer was made just four days after Terry's Arbitration Award against Acis;
- (ii) The ALF Share Transfer was made with the actual intent to divert Acis LP's interest and control in ALF to and for the benefit of Highland Funding, in fraud upon Acis LP's creditors, namely Terry.
- (iii) Acis LP was insolvent at the time of the ALF Share Transfer or became insolvent as a result of the ALF Share Transfer;
- (iv) The ALF Share Transfer occurred both before and after substantial debts were incurred by Acis LP; and
- (v) Acis LP received less than a reasonably equivalent value in exchange for the ALF Share Transfer;
- (vi) The transfer was made to an insider (Highland Funding) and for the benefit of an insider (Highland Capital); and

- (vii) Highland Capital (as sub-advisor to Highland Advisor) retained effective possession and control of the property transferred after the transfer.

186. Therefore, Acis's creditors have the right to avoid the ALF Share Transfer under section 24.005(a)(1) of the Texas Business and Commerce Code, and the Plaintiffs can seek to enforce that right under section 544 of the Bankruptcy Code.

***Count 15: Constructive Fraudulent Transfers under 11 U.S.C. § 548(a)(1)(B)
for the ALF Share Transfer
[Against Highland Capital and Highland Funding]***

187. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

188. Section 548(a)(1)(B) of the Bankruptcy Code provides that a trustee may avoid any transfer of any interest of the debtor in property, or any obligation incurred by the debtor, if the debtor (i) received less than reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was insolvent on the date the transfer was made or the obligation was incurred, or became insolvent as the result of the transfer or obligation: (B) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; or (C) intended to incur, or believed the debtor would incur, debts that would be beyond the debtors' ability to pay such debts.

189. As described above, among other things, Acis LP:

- (i) received less than reasonably equivalent value in exchange for the ALF Share Transfer;
- (ii) was insolvent on the date the ALF Share Transfer was made or became insolvent as the result of the ALF Share Transfer;
- (iii) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; and

- (iii) intended to incur, or believed Acis would incur, debts that would be beyond Acis's ability to pay such debts.

190. Therefore, ALF Share Transfer is avoidable by the Plaintiffs, now vested with all claims of the Trustee, under section 548(a)(1)(B) of the Bankruptcy Code.

***Count 16: Constructive Fraudulent Transfer under Tex. Bus. & Com. Code §§ 24.005(a)(2) and 24.006(a) for the ALF Share Transfer
[Against Highland Capital and Highland Funding]***

191. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

192. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(2) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was engaged or about to engage in a business or transaction for which the remaining assets were unreasonably small in relation to the business or transaction, or (B) intended to incur, or believed or reasonably should have believed, that the debtor would incur debts beyond the debtor's ability to pay as they became due. Similarly, Texas Business and Commerce Code section 24.006(a) provides that a current creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) the debtor was insolvent or rendered insolvent by the transfer or obligation sought to be avoided. Pursuant to section 544 of the Bankruptcy Code, the Plaintiffs, now vested with all claims of the Trustee, may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

193. As described above, Acis LP did not receive reasonably equivalent value in exchange for the ALF Share Transfer, and creditors at the time of the ALF Share Transfer could

have avoided such transfer under section 24.005(a)(2) of the Texas Business and Commerce Code.

194. At the time of the ALF Share Transfer, Acis intended to incur, or believed or reasonably should have believed that Acis would incur, debts beyond its ability to pay as they became due, and/or was engaged, or was about to engage in a business or transaction for which the remaining assets of Acis were unreasonably small in relation to such business or transaction.

195. Moreover, as described above, Acis was insolvent or rendered insolvent by the ALF Share Transfer.

196. The ALF Share Transfer is therefore avoidable under Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

***Count 17: Actual Fraudulent Transfer under 11 U.S.C. § 548(a)(1)(A)
for the Note Transfer
[Against Highland Capital and Highland Management]***

197. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

198. Section 548(a)(1)(A) of the Bankruptcy Code provides that a trustee may avoid any transfer of an interest of the debtor in property, or any obligation incurred by the debtor, if the debtor made such transfer or incurred such obligation with actual intent to hinder, delay, or defraud any entity to which the debtor was or became, on or after the date that such transfer was made or such obligation was incurred, indebted.

199. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the Note Transfer because such transfer was made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The Note Transfer was made shortly after Terry's Arbitration Award against Acis;

- (ii) The Note Transfer was made with the actual intent to divert the \$9.5 million promissory note by Highland Capital in favor of Acis LP to and for the benefit of Highland Management, in fraud upon Acis LP's creditors, namely Terry.
- (iii) Acis LP was insolvent at the time of the Note Transfer or became insolvent as a result of the Note Transfer;
- (iv) The Note Transfer occurred both before and after substantial debts were incurred by Acis LP; and
- (v) Acis LP received less than a reasonably equivalent value in exchange for the Note Transfer;
- (vi) The transfer was made to an insider (Highland Management) and for the benefit of an insider (Highland Capital); and
- (vii) Highland Capital retained effective possession and control of the property transferred after the transfer.

200. Therefore, the Note Transfer should be avoided to the extent avoidable under section 548(a)(1)(A) of the Bankruptcy Code.

***Count 18: Actual Fraudulent Transfer under Tex. Bus. & Com. Code § 24.005(a)(1)
for the Note Transfer
[Against Highland Capital and Highland Management]***

201. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

202. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(1) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation with an actual intent to hinder, delay or defraud any creditor of the debtor. Pursuant to section 544 of the Bankruptcy

Code, the Trustee may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(1).

203. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the Note Transfer because such transfer was made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The Note Transfer was made shortly after Terry's Arbitration Award against Acis;
- (ii) The Note Transfer was made with the actual intent to divert the \$9.5 million promissory note by Highland Capital in favor of Acis LP to and for the benefit of Highland Management, in fraud upon Acis LP's creditors, namely Terry.
- (iii) Acis LP was insolvent at the time of the Note Transfer or became insolvent as a result of the Note Transfer;
- (iv) The Note Transfer occurred both before and after substantial debts were incurred by Acis LP; and
- (v) Acis LP received less than a reasonably equivalent value in exchange for the Note Transfer;
- (vi) The transfer was made to an insider (Highland Management) and for the benefit of an insider (Highland Capital); and
- (vii) Highland Capital retained effective possession and control of the property transferred after the transfer.

204. Therefore, Acis's creditors have the right to avoid the ALF Share Transfer under section 24.005(a)(1) of the Texas Business and Commerce Code, and the Plaintiffs can seek to enforce that right under section 544 of the Bankruptcy Code..

***Count 19: Constructive Fraudulent Transfers under 11 U.S.C. § 548(a)(1)(B)
for the Note Transfer
[Against Highland Capital and Highland Management]***

205. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

206. Section 548(a)(1)(B) of the Bankruptcy Code provides that a trustee may avoid any transfer of any interest of the debtor in property, or any obligation incurred by the debtor, if the debtor (i) received less than reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was insolvent on the date the transfer was made or the obligation was incurred, or became insolvent as the result of the transfer or obligation: (B) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; or (C) intended to incur, or believed the debtor would incur, debts that would be beyond the debtors' ability to pay such debts.

207. As described above, among other things, Acis LP:

- (i) received less than reasonably equivalent value in exchange for the Note Transfer;
- (ii) was insolvent on the date the Note Transfer was made or became insolvent as the result of the Note Transfer;
- (iii) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; and
- (iii) intended to incur, or believed Acis would incur, debts that would be beyond Acis's ability to pay such debts.

208. Therefore, Note Transfer is avoidable by the Plaintiffs, now vested with all claims of the Trustee, under section 548(a)(1)(B) of the Bankruptcy Code.

***Count 20: Constructive Fraudulent Transfer under Tex. Bus. & Com. Code §§ 24.005(a)(2) and 24.006(a) for the Note Transfer
[Against Highland Capital and Highland Management]***

209. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

210. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(2) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was engaged or about to engage in a business or transaction for which the remaining assets were unreasonably small in relation to the business or transaction, or (B) intended to incur, or believed or reasonably should have believed, that the debtor would incur debts beyond the debtor's ability to pay as they became due. Similarly, Texas Business and Commerce Code section 24.006(a) provides that a current creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) the debtor was insolvent or rendered insolvent by the transfer or obligation sought to be avoided. Pursuant to section 544 of the Bankruptcy Code, the Plaintiffs, now vested with all claims of the Trustee, may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

211. As described above, Acis LP did not receive reasonably equivalent value in exchange for the Note Transfer, and creditors at the time of the Note Transfer could have avoided such transfer under section 24.005(a)(2) of the Texas Business and Commerce Code.

212. At the time of the Note Transfer, Acis intended to incur, or believed or reasonably should have believed that Acis would incur, debts beyond its ability to pay as they

became due, and/or was engaged, or was about to engage in a business or transaction for which the remaining assets of Acis were unreasonably small in relation to such business or transaction.

213. Moreover, as described above, Acis was insolvent or rendered insolvent by the Note Transfer.

214. The Note Transfer is therefore avoidable under Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

***Count 21: Actual Fraudulent Transfer under 11 U.S.C. § 548(a)(1)(A)
for the 2017-7 Equity and 2017-7 Agreement Transfers
[Against Highland Capital and Highland Holdings]***

215. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

216. Section 548(a)(1)(A) of the Bankruptcy Code provides that a trustee may avoid any transfer of an interest of the debtor in property, or any obligation incurred by the debtor, if the debtor made such transfer or incurred such obligation with actual intent to hinder, delay, or defraud any entity to which the debtor was or became, on or after the date that such transfer was made or such obligation was incurred, indebted.

217. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the transfers of the 2017-7 Agreements and the 2017-7 Equity because such transfers were made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The transfers of the 2017-7 Agreements and the 2017-7 Equity were made shortly after Terry's Arbitration Award against Acis and immediately after Terry's judgment against Acis;
- (ii) The transfers of the 2017-7 Agreements and the 2017-7 Equity were made with the actual intent to divert the 2017-7 Agreements and the 2017-7

Equity from Acis LP to Highland Holdings, in fraud upon Acis LP's creditors, namely Terry;

- (iii) Acis LP was insolvent at the time of the transfers of the 2017-7 Agreements and the 2017-7 Equity or became insolvent as a result of the transfers;
- (iv) The transfers of the 2017-7 Agreements and the 2017-7 Equity occurred shortly after substantial debts were incurred by Acis LP; and
- (v) Acis LP received less than a reasonably equivalent value in exchange for the transfers of the 2017-7 Agreements and the 2017-7 Equity;
- (vi) The transfers were made to an insider (Highland Holdings) and for the benefit of an insider (Highland Capital); and
- (vii) Highland Capital retained effective possession and control of the property transferred after the transfer.

218. Therefore, the transfers of the 2017-7 Agreements and the 2017-7 Equity should be avoided under section 548(a)(1)(A) of the Bankruptcy Code.

Count 22: Actual Fraudulent Transfer under Tex. Bus. & Com. Code § 24.005(a)(1) for the 2017-7 Equity and 2017-7 Agreement Transfers [Against Highland Capital and Highland Holdings]

219. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

220. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(1) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation with an actual intent to hinder, delay or defraud any creditor of the debtor. Pursuant to section 544 of the Bankruptcy

Code, the Trustee may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(1).

221. The Plaintiffs, now vested with all claims of the Trustee, seek to avoid the transfers of the 2017-7 Agreements and the 2017-7 Equity because such transfers were made with an actual intent to hinder, delay, or defraud Terry, a creditor of Acis, demonstrated by, among other things, that:

- (i) The transfers of the 2017-7 Agreements and the 2017-7 Equity were made shortly after Terry's Arbitration Award against Acis and immediately after Terry's judgment against Acis;
- (ii) The transfers of the 2017-7 Agreements and the 2017-7 Equity were made with the actual intent to divert the 2017-7 Agreements and the 2017-7 Equity from Acis LP to Highland Holdings, in fraud upon Acis LP's creditors, namely Terry;
- (iii) Acis LP was insolvent at the time of the transfers of the 2017-7 Agreements and the 2017-7 Equity or became insolvent as a result of the transfers;
- (iv) The transfers of the 2017-7 Agreements and the 2017-7 Equity occurred shortly after substantial debts were incurred by Acis LP; and
- (v) Acis LP received less than a reasonably equivalent value in exchange for the transfers of the 2017-7 Agreements and the 2017-7 Equity;
- (vi) The transfers were made to an insider (Highland Management) and for the benefit of an insider (Highland Capital); and
- (vii) Highland Capital retained effective possession and control of the property transferred after the transfers.

222. Therefore, Acis's creditors have the right to avoid the transfers of the 2017-7 Agreements and the 2017-7 Equity under section 24.005(a)(1) of the Texas Business and Commerce Code, and the Plaintiffs can seek to enforce that right under section 544 of the Bankruptcy Code.

***Count 23: Constructive Fraudulent Transfers under 11 U.S.C. § 548(a)(1)(B)
for the 2017-7 Equity and 2017-7 Agreement Transfers
[Against Highland Capital and Highland Holdings]***

223. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

224. Section 548(a)(1)(B) of the Bankruptcy Code provides that a trustee may avoid any transfer of any interest of the debtor in property, or any obligation incurred by the debtor, if the debtor (i) received less than reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was insolvent on the date the transfer was made or the obligation was incurred, or became insolvent as the result of the transfer or obligation: (B) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; or (C) intended to incur, or believed the debtor would incur, debts that would be beyond the debtors' ability to pay such debts.

225. As described above, among other things, Acis LP:

- (i) received less than reasonably equivalent value in exchange for the transfers of the 2017-7 Agreements and the 2017-7 Equity;
- (ii) was insolvent on the date the transfers of the 2017-7 Agreements and the 2017-7 Equity were made or became insolvent as the result of the transfers;
- (iii) was engaged in business or a transaction, or was about to engage in business or a transaction for which any remaining property was unreasonably small capital; and

- (iii) intended to incur, or believed Acis would incur, debts that would be beyond Acis's ability to pay such debts.

226. Therefore, the transfers of the 2017-7 Agreements and the 2017-7 Equity are avoidable by the Plaintiffs, now vested with all claims of the Trustee, under section 548(a)(1)(B) of the Bankruptcy Code.

***Count 24: Constructive Fraudulent Transfer under Tex. Bus. & Com. Code §§ 24.005(a)(2) and 24.006(a) for the 2017-7 Equity and 2017-7 Agreement Transfers
[Against Highland Capital and Highland Holdings]***

227. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

228. Section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers or obligations that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.005(a)(2) provides that a current or future creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) (A) was engaged or about to engage in a business or transaction for which the remaining assets were unreasonably small in relation to the business or transaction, or (B) intended to incur, or believed or reasonably should have believed, that the debtor would incur debts beyond the debtor's ability to pay as they became due. Similarly, Texas Business and Commerce Code section 24.006(a) provides that a current creditor may avoid a transfer if the debtor made the transfer or incurred the obligation (i) without receiving reasonably equivalent value in exchange for the transfer or obligation; and (ii) the debtor was insolvent or rendered insolvent by the transfer or obligation sought to be avoided. Pursuant to section 544 of the Bankruptcy Code, the Plaintiffs, now vested with all claims of the Trustee, may seek to avoid transfers made by Acis, or obligations incurred by Acis, pursuant to Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

229. As described above, Acis LP did not receive reasonably equivalent value in exchange for the transfers of the 2017-7 Agreements and the 2017-7 Equity, and creditors at the time of the transfers of the 2017-7 Agreements and the 2017-7 Equity could have avoided such transfer under section 24.005(a)(2) of the Texas Business and Commerce Code.

230. At the time of the transfers of the 2017-7 Agreements and the 2017-7 Equity, Acis intended to incur, or believed or reasonably should have believed that Acis would incur, debts beyond its ability to pay as they became due, and/or was engaged, or was about to engage in a business or transaction for which the remaining assets of Acis were unreasonably small in relation to such business or transaction.

231. Moreover, as described above, Acis was insolvent or rendered insolvent by the transfers of the 2017-7 Agreements and the 2017-7 Equity.

232. The transfers of the 2017-7 Agreements and the 2017-7 Equity are therefore avoidable under Texas Business and Commerce Code sections 24.005(a)(2) and 24.006(a).

Count 25: Preferential Transfers to Highland Capital, Highland Holdings and Highland Management under 11 U.S.C. § 547(b) and Texas Business and Commerce Code § 24.006(b) [Against Highland Capital, Highland Holdings, and Highland Management]

233. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

234. Section 547(b) of the Bankruptcy Code provides that a trustee may avoid any transfer of any interest of the debtor in property (i) to or for the benefit of a creditor; (ii) for or on account of an antecedent debt; (iii) made while the debtor was insolvent; (iv) made within one year to an insider; and (v) that enables such creditor to receive more than such creditor would receive in a hypothetical chapter 7 liquidation.

235. Likewise, section 544 of the Bankruptcy Code provides the Trustee with the ability to avoid transfers that would be avoidable by certain prepetition creditors of Acis. Texas Business and Commerce Code section 24.006(b) provides that a current creditor may avoid a

transfer if the debtor made the transfer to an insider for an antecedent debt, the debtor was insolvent, and the insider had reasonable cause to believe that the debtor was insolvent. Pursuant to section 544 of the Bankruptcy Code, the Plaintiffs, now vested with all claims of the Trustee, may seek to avoid transfers made by Acis pursuant to Texas Business and Commerce Code section 24.006(b).

236. Within one year of the Petition Date, Highland Capital received the Prepetition Payments in the amount \$16,113,790.14 from Acis on account of purported debt claims owed by Acis. To the extent that the Prepetition Payments satisfied legitimate debt claims not avoided by any of the causes of action asserted herein, these transfers are avoidable under section 547(b) of the Bankruptcy Code and Texas Business and Commerce Code sections 24.006(b).

237. Similarly, the 2017-7 Equity transfer and the Note Transfer are purportedly in satisfaction of payables owed by Acis LP to Highland Capital (later conveyed to Highland Holdings and Highland Management). To the extent that these transfers satisfied legitimate debt claims not avoided by any of the causes of action asserted herein, these transfers are avoidable under section 547(b) of the Bankruptcy Code and Texas Business and Commerce Code sections 24.006(b).

Count 26: Liability for Avoided Transfers under 11 U.S.C. § 550
[Against All Defendants]

238. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

239. Section 550 of the Bankruptcy Code provides that, if a transfer is avoided under section 544, 547 or 548, the trustee may recover the property transferred or the value of the property transferred from (i) the initial transferee of such transfer or (ii) the entity for whose benefit such transfer was made.

240. Highland Capital is an initial transferee of all transfers sought to be avoided in Counts 5 – 8 and 25 above. The Plaintiffs, now vested with all claims of the Trustee, may recover all avoided transfers from Highland Capital pursuant to section 550, specifically including any transfers made in connection with any obligations avoided through Counts 5 – 8 above.

241. Highland Advisor is an initial transferee of all transfers sought to be avoided in Counts 9 – 12 above, and Highland Capital are entities for whose benefit such transfers were made. The Plaintiffs, now vested with all claims of the Trustee, may recover all avoided transfers from Highland Advisor, Highland Funding, and Highland Capital pursuant to section 550.

242. Highland Funding is an initial transferee of all transfers sought to be avoided in Counts 13 – 16 above, and Highland Capital is an entity for whose benefit such transfers were made. The Plaintiffs, now vested with all claims of the Trustee, may recover all avoided transfers from Highland Funding and Highland Capital pursuant to section 550.

243. Highland Management is an initial transferee of all transfers sought to be avoided in Counts 17 – 20 and 25 above, and Highland Capital is an entity for whose benefit such transfers were made. The Plaintiffs, now vested with all claims of the Trustee, may recover all avoided transfers from Highland Management and Highland Capital pursuant to section 550.

244. Highland Holdings is an initial transferee of all transfers sought to be avoided in Counts 21 – 25 above, and Highland Capital is an entity for whose benefit such transfers were made. The Plaintiffs, now vested with all claims of the Trustee, may recover all avoided transfers from Highland Holdings and Highland Capital pursuant to section 550.

***Count 27: Civil Conspiracy to Commit Fraud, Including Fraudulent Transfers
[Against Highland Capital, Highland Advisor, Highland Management, and Highland
Holdings]***

245. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

246. Highland Capital, Highland Advisor, Highland Management, Highland Holdings, Dondero, and Waterhouse (collectively, the "Highland Enterprise")³⁴ sought to engage in a series of fraudulent transfers and other fraudulent schemes, including the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, the 2017-7 Equity transfer, the 2017-7 Agreements transfer and the thwarted Universal/BVK Agreement transfer in order to denude Acis's assets and take over Acis LP's valuable business.

247. The Highland Enterprise, which is comprised of two or more business entities and individuals, had a meeting of the minds on the object or course of action related to the foregoing fraudulent transfers and schemes, including the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer the 2017-7 Equity transfer, the 2017-7 Agreements transfer and the thwarted Universal/BVK Agreement transfer.

248. The fraudulent transfers and schemes, including the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, the 2017-7 Equity transfer, the 2017-7 Agreements transfer and the thwarted Universal/BVK Agreement transfer, constitute one or more unlawful, overt acts.

249. The Debtors and the Debtors' estates suffered damages as a proximate result of the fraudulent transfers and schemes, including the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, the 2017-7 Equity transfer, the 2017-7 Agreements transfer and the thwarted Universal/BVK Agreement transfer.

250. The Plaintiffs, now vested with all claims of the Trustee, seek actual and exemplary damages for the Highland Enterprise's conspiracy.

³⁴ This is without limitation to other entities or individuals that may ultimately be shown to be part of Highland Enterprise.

***Count 28: Tortious Interference with the Universal/BVK Agreement
[Against Highland Capital]***

251. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

252. Under Texas law, a claim for tortious interference with contract requires: "(1) an existing contract subject to interference, (2) a willful and intentional act of interference with the contract, (3) that proximately caused the plaintiff's injury, and (4) caused actual damages or loss." *Official Brands, Inc. v. Roc Nation Sports, LLC*, 2015 U.S. Dist. LEXIS 167320 *7 (N.D. Tex.) (J. Boyle) (quoting *Prudential Ins. Co. of Am. v. Fin. Review Servs., Inc.*, 29 S.W.3d 74, 77 (Tex. 2000)). The fact that a contract is an at-will agreement is no defense to a tortious interference claim. *Id.*

253. The Universal/BVK Agreement is an existing contract to which Acis LP is a party. The Universal/BVK Agreement is an existing contract that is subject to interference.

254. From nearly day one of these Bankruptcy Cases, Highland Capital has sought to terminate Acis LP as the manager under the Universal/BVK Agreement, and replace Acis LP with Highland Capital or one of its affiliates. Highland Capital's actions involve communications over many months with Universal and BVK, including numerous communications after Highland Capital was terminated as sub-advisor on August 1, 2018 and no longer had any legitimate reason to communicate with Universal or BVK. Highland Capital even prepared and sent to Universal and BVK a new outsourcing agreement, which would be entered once Acis LP and its bankruptcy were out of the way.

255. Acis LP and its estate have suffered and will suffer actual damages as a proximate result of the interference of Highland Capital.

256. The Plaintiffs, now vested with all claims of the Trustee, seek actual and exemplary damages for Highland Capital's tortious interference with the Universal/BVK Agreement.

***Count 29: Breach of Contract by Highland Capital under the Sub-Advisory Agreement and Shared Services Agreement
[Against Highland Capital]***

257. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

258. Under Texas law, to prevail on a breach of contract claim, a party must show: "(1) the existence of a valid contract; (2) the plaintiff performed or tendered performance as the contract required; (3) the defendant breached the contract by failing to perform or tender performance as the contract required; and (4) the plaintiff sustained damages as a result of the breach." *USAA Tex. Lloyds Co. v. Menchaca*, 545 S.W.3d 479, 501 n.21 (Tex. 2018).

259. The Sub-Advisory Agreement is a valid contract between Acis LP and Highland Capital, under which Highland Capital was obligated to, *inter alia*:³⁵

- (i) make recommendations to Acis LP for the purchase, retention, or sale of specific loans or assets in the CLOs;
- (ii) place orders with respect to the purchase or sale of specific loans or assets for the CLOs, upon instruction from Acis LP;
- (iii) identify, evaluate, recommend to Acis LP, and, if applicable, negotiate the structure or terms of investment opportunities for the CLOs;
- (iv) assist Acis LP in performing its due diligence on prospective investments for the CLOs; and

³⁵ Although the Plaintiffs plead herein that certain provisions of the Sub-Advisory Agreement, which are in violation of the LPA, are unauthorized and *ultra vires*, section 15 of the Sub-Advisory Agreement provides that any such invalid provision does not affect or render "invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part."

(v) provide information to Acis LP regarding any investments in the CLOs, and, if requested by Acis LP, provide information to assist in monitoring and servicing investments by the CLOs.

See Sub-Advisory Agreement § 1(b). Further, "[n]otwithstanding the foregoing, all investment decisions will ultimately be the responsibility of, and will be made by and at the sole discretion of, [Acis LP]." *Id.*

260. Section 4(a) of the Sub-Advisory Agreement specifically provides:

[T]he Sub-Advisor will perform its obligations [under the Sub-Advisory Agreement] in good faith with reasonable care using a degree of skill and attention no less than that which the Sub-Advisor uses with respect to comparable assets that it manages for others and, without limiting the foregoing, in a manner which the Sub-Advisor reasonably believes to be consistent with the practices and procedures followed by institutional managers of national standing relating to assets of the nature and character of the Portfolios[.]

261. Since at least the time the Trustee was appointed in these Bankruptcy Cases, while acting as sub-advisor, Highland Capital failed to purchase a single loan for the CLOs, and only provided for the sale of loans, in an attempt to complete a stealth liquidation of the CLOs for the Highlands' benefit, and to the detriment of Acis LP. Such practice is inconsistent with the practices and procedures followed by institutional managers of national standing, such as Brigade, relating to assets of the nature and character of the CLOs. Highland Capital's activities are, however, completely consistent with the Highlands' ultimate goal to take away Acis LP's valuable assets and take over Acis LP's valuable business as portfolio manager of the CLOs.

262. Highland Capital grossly mismanaged the CLOs, in abrogation of its duties and disregard of the standard of care under the Sub-Advisory Agreement. Accordingly, Highland Capital has breached its obligations under the Sub-Advisory Agreement, and such breach caused economic damages to Acis LP. Acis LP is therefore entitled to recover, to the fullest extent under applicable law, the amount of such damages from Highland Capital.

263. Further, to the extent any of the above-mentioned acts constitute services Highland Capital asserts it provided pursuant to the Shared Services Agreement, such services failed to meet the "Standard of Care" set forth in the Shared Services Agreement and were committed in bad faith or were the result of gross negligence, fraud, and/or willful misconduct. Highland Capital's breach of the Shared Services Agreement caused economic damages to Acis LP. Acis LP is therefore entitled to recover, to the fullest extent under applicable law, the amount of such damages from Highland Capital.

***Count 30: Breach of Fiduciary Duties by Highland Capital
[Against Highland Capital]***

264. The Plaintiffs incorporate the preceding paragraphs as if fully set forth herein.

265. Pursuant to the Sub-Advisory Agreement, a principal-agent relationship existed between Acis LP and Highland Capital. As its investment adviser, Highland Capital owed Acis LP fiduciary duties. *See Sec. & Exch. Comm'n v. Capital Gains Research Bureau, Inc.*, 375 U.S. 180, 191, (1963); Commission Interpretation Regarding Standard of Conduct for Investment Advisers, Release No. IA-5248. 17, C.F.R. Part 276 (June 5, 2019). Further, based on Highland Capital's role as sub-advisor and investment adviser to Acis LP, a special relationship of trust and confidence existed between Acis LP and Highland Capital. *See W. Reserve Life Assur. Co. of Ohio v. Graben*, 233 S.W.3d 360, 373-74 (Tex. App.—Fort Worth 2007, no pet.). Accordingly, in its capacity of sub-advisor to Acis LP, Highland Capital owed fiduciary duties to Acis LP.

266. Highland Capital, while acting as sub-advisor for Acis LP, purposefully engaged in conduct that was detrimental to Acis LP in order to enrich itself. As outlined in detail above, Highland Capital increased the amount due to Highland Capital under the Sub-Advisory Agreement, including charging amounts far in excess of appropriate market rates and amounts in

excess of the compensation limits of the LPA. Highland Capital was also the ringleader, and ultimate beneficiary, for the series of fraudulent schemes executed in the Fall of 2017 that terminated or transferred away Acis LP's valuable rights in the ALF PMA, the ALF Shares, the Note, the 2017-7 Equity and the 2017-7 Agreements. This was done with the very specific intent to make Acis "judgment proof," as Acis's own counsel later boasted, and in order to ensure that Terry would never receive payment on his judgment, as Dondero has threatened. These transfers, while very damaging to Acis LP, also furthered Highland Capital's plan to take over Acis LP's very lucrative portfolio management business and keep it under the control of Highland Capital and Dondero. Finally, Highland Capital sought to transfer the Universal/BVK Agreement away from Acis LP and to itself or an affiliate, including while Highland Capital was serving as sub-advisor (and as a fiduciary) for such agreement.

267. By its actions, Highland Capital specifically intended to cause harm to Acis LP by denuding it of its assets and enriching Highland Capital. In doing so, Highland Capital breached its fiduciary duties to Acis LP.

268. As a consequence, the Plaintiffs, now vested with all claims of the Trustee, are entitled to an award of punitive damages against Highland Capital in an amount to be determined by the Court.

***Count 31: Punitive Damages
[Against All Defendants]***

269. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

270. The Highlands, led by Highland Capital and Dondero, engaged in fraud against Acis and its creditors, acted with malice toward Acis and its creditors, and were, at best, grossly negligent in their dealings with Acis.

271. Further, Plaintiffs are entitled to punitive damages in connection with Highland Capital's: (i) breach of fiduciary duties to Acis due to its fraudulent conduct, (ii) tortious interference, and (iii) violations of TUFTA. *See Bombardier Aerospace Corp. v. SPEP Aircraft Holdings, LLC*, 572 S.W. 3d 213, 232 (Tex. 2019) (fiduciary duties); *Texas Beef Cattle Co. v. Green*, 921 S.W.2d 203, 210 (Tex. 1996) (tortious interference); *Mullins v. Testamerica, Inc.*, CIV.A. 3:02-CV-0106-, 2006 WL 2167401, at *10 (N.D. Tex. Aug. 2, 2006) (TUFTA).

272. Thus, the Plaintiffs, now vested with all claims of the Trustee, are entitled to punitive damages, and the Plaintiffs plead for such damages in connection with each Count pleaded herein that will support a claim for punitive damages.

***Count 32: Disregarding the Corporate Form/Alter Ego/Collapsing Doctrine/Unjust
Enrichment
[Against All Defendants]***

273. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

274. Under Texas law, ignoring the separateness of business entities and holding affiliated entities liable for all debts of the fraudulent enterprise is appropriate "when the corporate form has been used as part of a basically unfair device to achieve and inequitable result. Examples are when the corporate structure has been abused to perpetrate a fraud, evade an existing obligation . . . or justify a wrong." *SSP Partners v. Gladstrong Inv. (USA) Corp.*, 275 S.W.3d 444, 451 (Tex. 2008); *see also Flores v. Bodden*, 488 Fed. App'x 770, 775-76 (5th Cir. 2012) (listing "six situations in which a court may disregard the corporate form"); *Bridas S.A.P.I.C. v. Gov't of Turkmenistan*, 447 F.3d 411, 416 (5th Cir. 2006) (finding alter ego present).³⁶

³⁶ To the extent Delaware law applies to any of the alter ego claims, Delaware also recognizes alter ego on similar grounds. "Delaware does, however, recognize the traditional alter ego doctrine as grounds to pierce the corporate veil in cases involving the members of a corporate group. To state an alter ego claim under Delaware law, the [plaintiff] must plead (1) that [the] defendants 'operated as a single economic entity' and (2) that an 'overall element

275. Highland Capital, Highland Funding, Highland Adviser, Highland Management, and Highland Holdings (the "Alter Egos") are all controlled by the CEO and ultimate majority owner of Highland Capital, Dondero. Each of the Alter Egos should be held liable for any damages awarded under any Count in this Second Amended Complaint, as each is the alter ego of the others. Further, each of the Alter Egos should be held liable for any debts of the Debtors, as they are also the alter ego of the Debtors.

276. In this case, the Alter Egos unquestionably used the corporate form as a means of perpetuating the fraudulent scheme set forth above. For example, creating shell corporations in the Cayman Islands days after the Arbitration Award in order to avoid payment of Acis's creditors is precisely the type fraud or injustice that warrants disregarding the corporate form. Such actions satisfy, at a minimum, the first three situations in which a court may disregard the corporate form.

277. Further, "multistep transactions can be collapsed when the steps of the transaction are `part of one integrated transaction.'" *In re Yazoo Pipeline Co., L.P.*, 448 B.R. 163, 187 (Bankr. S.D. Tex. 2011) (J. Isgur) (internal citations omitted). The Supreme Court likewise has held that a bankruptcy court, as a court of equity, may look through form to substance when determining the true nature of a transaction as it relates to the rights of parties against a bankrupt's estate. *Pepper v. Litton*, 308 U.S. 295, 304-05 (1939).

278. The ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, and the transfer of the 2017-7 Equity and the 2017-7 Agreements should be collapsed and recognized for what they are: Highland Capital using offshore entities to take over Acis LP's assets and business while Highland Capital maintains absolute control over such assets and business, and even using

of injustice or unfairness' is present. "*Precht v. Global Tower LLC*, No. 2:14-CV-00743, 2016 U.S. Dist. LEXIS 177910, at *9 (W.D. La. Dec. 22, 2016) (internal citations omitted).

alleged debt owed to Highland Capital as the purported consideration for these transactions in order to mask Highland Capital's otherwise clear liability for avoidable transfers.

279. Finally, unjust enrichment is an equitable theory of recovery holding that one who receives benefits unjustly should make restitution for those benefits. *Bransom v. Standard Hardware, Inc.*, 874 S.W.2d 919, 927 (Tex. App.--Fort Worth 1994). A party is unjustly enriched when it obtains a "benefit from another by fraud, duress, or the taking of an undue advantage." *Heldenfels Bros., Inc. v. City of Corpus Christi*, 832 S.W.2d 39, 41 (Tex. 1992).

280. Each of the Highlands, and in particular Highland Capital and Highland Funding, benefitted from the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, and the transfer of the 2017-7 Equity and the 2017-7 Agreements even if they were not the direct transferee. Each of the Highlands should be held liable for benefits unjustly received and make restitution to the Debtors and their estates for those benefits.

***Count 33: Willful Violation of the Automatic Stay
[Against Highland Capital and Highland Funding]***

281. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

282. A willful violation of the automatic stay does not require a specific intent.

Rather, the statute provides for damages upon a finding that the defendant knew of the automatic stay and the defendant's actions which violated the stay were intentional. Whether the party believes in good faith that it had a right to the property is not relevant to whether the act was 'willful' or whether compensation must be awarded.

Campbell v. Countrywide Home Loan, Inc., 545 F.3d 348, 355 (5th Cir. 2008) (quoting *In re Chestnut*, 422 F.3d.298, 302 (5th Cir. 2005).

283. "It is not up to a party exercising a self-help remedy to determine, to the preclusion of this court, what is or is not property of the estate." *Chesnut v. Brown (In re Chesnut)*, 300 B.R. 880, 887 (Bankr. N.D. Tex. 2003).

284. Section 362(k)(1) of the Bankruptcy Code provides that "an individual injured by any willful violation of a stay provided by this section shall recover actual damages, including costs and attorneys' fees, and, in appropriate circumstances, may recover punitive damages." The Fifth Circuit has indicated that remedies under 362(k)(1) are available to trustees. *St Paul Fire & Marine Ins. Co. v. Labuzan*, 579 F.3d 533, 539-540 (5th Cir. 2009). The term "individual" is not defined by the Bankruptcy Code, but it is used throughout the Code to refer to debtors and non-debtors. *See Homer Nat'l Bank v. Namie*, 96 B.R. 652, 654 (W.D. La. 1989) (citing, *inter alia*, 11 U.S.C. §§ 522(b) (individual as debtor), 321(a)(1) (individual as trustee)).

285. Further, pursuant to section 105(a) of the Bankruptcy Code, "[t]he Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). The purpose of section 105(a) is "to assure the bankruptcy courts power to take whatever action is appropriate or necessary in aid of the exercise of their jurisdiction." 2 COLLIER ON BANKRUPTCY ¶ 105.01 (collecting cases). This is consistent with the broad equitable authority of the bankruptcy courts. *See United States v. Energy Resources Co., Inc.*, 495 U.S. 545, 549 (1990).

286. Highland Capital knew the automatic stay was in effect when it intentionally acted, without Court approval, to force the Trustee to effectuate the optional redemptions, including when it demanded on June 20, 2018, that the Trustee take actions to effectuate the optional redemption by June 21, 2018.

287. Highland Funding knew the automatic stay was in effect when it intentionally acted, without Court approval, to force the Trustee to effectuate the optional redemptions, including each occasion described herein when it sent the Trustee the Optional Redemption Notices.

288. Pursuant to section 362(k)(1), the Plaintiffs seek recovery of damages commensurate with its injury, due to Highland Capital's and Highland Funding's violations of the automatic stay. Further, given Highland Capital's and Highland Funding's blatant and willful violation of the automatic stay (as well as the TRO), the Plaintiffs seek attorneys' fees, punitive damages, and sanctions, as the Court finds appropriate, pursuant to section 105(a) of the Bankruptcy Code.

***Count 34: Attorneys' Fees and Costs,
Including all Allowed Professionals' Fees and Expenses in the Bankruptcy Cases
[Against All Defendants]***

289. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

290. Pursuant to Texas Business and Commerce Code section 24.013, Civil Practice and Remedies Code section 38.001, TUFTA, and any other applicable law, the Plaintiffs may recovery attorneys' fees and costs incurred in bringing this Adversary Proceeding.

291. Plaintiffs further seek recovery from Highland Capital of all allowed professionals' fees and expenses in the Bankruptcy Cases, which were losses to Acis resulting from Highland Capital's breach of fiduciary duties to Acis. *See Meyers v. Moody*, 693 F.2d 1196, 1214 (5th Cir. 1982).

VII. REQUEST FOR DISGORGEMENT

292. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

293. "Under the equitable remedy of disgorgement or fee forfeiture, a person who renders service to another in a relationship of trust may be denied compensation for his service if he breaches that trust." *McCullough v. Scarbrough, Medlin & Assocs.*, 435 S.W.3d 871, 904-05 (Tex. App.—Dallas 2014) (citing *Burrow v. Arce*, 997 S.W.2d 229, 237 (Tex. 1999)). "The remedy essentially returns to the principal the value of what it paid for because it did not receive the trust or loyalty." *McCullough*, 435 S.W.3d at 905 (citing *Burrow*, 997 S.W.2d at 237-38).

"The amount of disgorgement is within the trial court's discretion; the court may 'deny him all compensation or allow him a reduced compensation or allow him full compensation.'" *McCullough*, 435 S.W.3d at 905 (citing *Burrow*, 997 S.W.2d at 237 (quoting RESTATEMENT (SECOND) OF TORTS § 243 (1959))).

294. "Equitable disgorgement is distinct from an award of actual damages in that the disgorgement award 'serves a separate function of protecting fiduciary relationships.'" *McCullough*, 435 S.W.3d at 905 (quoting *Saden v. Smith*, 415 S.W.3d 450, 469 (Tex. App.—Houston [1st] Dist. 2013, pet. denied)); *see also Burrow*, 997 S.W.2d at 238 ("[T]he central purpose of the equitable remedy of [disgorgement] is to protect relationships of trust by discouraging agent's disloyalty.").

295. The basis for the disgorgement award against Highland Capital stems from its liability in connection with its breach of fiduciary duty, as pleaded herein, and should be "phrased in terms of the salary, profits or other income [Highland Capital] received during the time [it] committed the tortious conduct." *McCullough*, 435 S.W.3d at 905 (internal quotation marks omitted).

296. Accordingly, Plaintiffs request disgorgement of all funds received by Highland Capital, who breached its fiduciary duties to Acis.

VIII. REQUEST FOR IMPOSITION OF CONSTRUCTIVE TRUST

297. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

298. "A constructive trust is not a cause of action under Texas law." *In re Moore*, 608 F.3d 253, 263 (5th Cir. 2010). Rather, "[a] constructive trust is an equitable remedy used to prevent unjust enrichment." *Baxter v. PNC Bank Nat'l Ass'n*, 541 Fed. App'x 395, 398 (5th Cir. 2013) (citing *Everett v. TK-Taito, LLC*, 178 S.W.3d 844, 859 (Tex. App.—Fort Worth 2005, no pet.)); *see also Messier v. Messier*, 458 S.W.3d 155, 164 (Tex. App.—Houston [14th Dist.] 2015,

no pet.) ("A constructive trust is imposed when one party holds property that legally belongs to the other.")). "In order to establish a constructive trust, the proponent must prove: (1) breach of a special trust, fiduciary relationship, or actual fraud; (2) unjust enrichment of the wrongdoer; and, (3) tracing to an identifiable res." *Baxter*, 541 Fed. App'x at 398; *accord Clapper v. Am. Realty Inv'rs, Inc.*, 3:14-CV-2970-D, 2015 U.S. Dist. LEXIS 71543, at *26 (N.D. Tex. June 3, 2015).

299. As described herein, Highland Capital breached its fiduciary duties to Acis, and the Highlands acted in concert to perpetrate the series of fraudulent transfers in order to strip Acis of its assets for the benefit of Highlands.

300. The Highlands were unjustly enriched because they benefitted from the "fraud [and] the taking of an undue advantage" against Acis. *See Heldenfels Bros.*, 832 S.W.2d at 41. Each of the Highlands, and in particular Highland Capital and Highland Funding, benefitted from the property transferred, which is traceable and identified herein, as a result of the ALF PMA Transfer, the ALF Share Transfer, the Note Transfer, and the transfer of the 2017-7 Equity and the 2017-7 Agreements even if they were not the direct transferee.

301. Further, Highland Capital, who breached its fiduciary duties to Acis, was unjustly enriched in connection with the Expense Overpayments as well as by the payments received as a result of the modifications to the Sub Agreements, and such benefits may be traced and identified by the payments from Acis LP to Highland Capital under the modified Sub Agreements.

302. Accordingly, the Plaintiffs requests that a constructive trust is established for those benefits unjustly received by the Highlands.

IX. OBJECTIONS TO HIGHLAND CAPITAL PROOFS OF CLAIM

303. The Plaintiffs incorporate the preceding paragraphs as if set forth fully herein.

304. The Highland Capital Claims are allegedly based on claims arising from the Sub-Advisory Agreement and the Shared Services Agreement. The Highland Capital Claims³⁷ are summarized as follows:

Alleged Pre-Petition Claim³⁸	Alleged Claim Amount
Sub-Advisory Agreement	\$1,605,362.41
Shared Services Agreement	\$1,017,213.62
Total alleged Pre-Petition Claim	\$2,622,576.03
Alleged 502(f) Claim³⁹	Alleged 502(f) Claim Amount
Sub-Advisory Agreement	\$1,170,147.06
Shared Services Agreement	\$ 879,417.29
Total alleged 502(f) Claim	\$2,049,564.35
Total Claim Amount	\$4,672,140.38

³⁷ Highland Capital filed identical claims against both Acis LP and Acis GP. Acis GP is not a party to the Sub-Advisory Agreement or the Shared Services Agreement. Presumably, Highland Capital is relying on Delaware partnership law to argue that Acis GP is also liable under the Sub-Advisory Agreement and Shared Services Agreement. See 6 Del. C. § 17-403(b) ("Except as provided in this chapter, a general partner of a limited partnership has the liabilities of a partner in a partnership that is governed by the Delaware Uniform Partnership Law in effect on July 11, 1999 (6 Del. C. § 1501 et seq.) to persons other than the partnership and the other partners. Except as provided in this chapter or in the partnership agreement, a general partner of a limited partnership has the liabilities of a partner in a partnership that is governed by the Delaware Uniform Partnership Law in effect on July 11, 1999 (6 Del. C. § 1501 et seq.) to the partnership and to the other partners."); see also 6 Del. C. § 15-306(a) ("(a) Except as otherwise provided in subsections (b) and (c) of this section, all partners are liable jointly and severally for all obligations of the partnership unless otherwise agreed by the claimant or provided by law"). If this is the case, Acis does not dispute this basic tenet of partnership law; however, Acis disputes the Highland Capital Claims for the reasons set forth herein. Accordingly, all arguments set forth herein are applicable to both Highland Capital Claims.

³⁸ The Alleged Pre-Petition Claim relates to Highland Capital's alleged claim arising prior to the Petition Date.

³⁹ The Alleged 502(f) Claim relates to Highland Capital's alleged claim arising after the Petition Date and prior to April 13, 2018, the date the Court entered the Orders for Relief.

The Highland Capital Claims also include contingent indemnity claims arising under the Sub Agreements.

305. The Highland Capital Claims should be disallowed under (i) section 502(b)(1) of the Bankruptcy Code; (ii) section 502(b)(4) of the Bankruptcy Code; (iii) and section 502(d) of the Bankruptcy Code. The Highland Capital Claims are unenforceable against the Debtors under the LPA and applicable law. The Highland Capital Claims are for services of an insider of the Debtors and exceed the reasonable value of the services. As set forth above, Plaintiffs have asserted avoidance actions against Highland Capital such that the Highland Capital Claims should be disallowed. Finally, to the extent allowed at all, the Highland Capital Claims should be equitably subordinated under section 510(c) of the Bankruptcy Code.

306. Pursuant to section 502(b) and (d) of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 3007, the Plaintiffs seek entry of an order disallowing and expunging the Highland Capital Claims from the Debtors' claims registers.

A. The Highland Capital Claims Should be Disallowed under 11 U.S.C. § 502(b)(1).

307. "Section 502(b)(1) provides that a claim is allowed except to the extent it is unenforceable under applicable law." *In re White*, No. 06-50247-RLJ-13, 2008 Bankr. LEXIS 167, at *17-18 (Bankr. N.D. Tex. Jan. 28, 2008). "[T]he the validity of a creditor's claims against the debtor at the time the bankruptcy petition is filed 'is to be determined by reference to state law.'" *Carrieri v. Jobs.com, Inc.*, 393 F.3d 508, 529 (5th Cir. 2004) (quoting *Kellogg v. United States (In re W. Tex. Mktg. Co.)*, 54 F.3d 1194, 1196 (5th Cir. 1995)).

308. As set forth more fully above, the Highland Capital Claims are based entirely on amounts alleged to be due pursuant to the Sub Agreements. As outlined in the causes of action above, there are significant amounts due to Acis LP by Highland Capital under or in connection with the Sub Agreements, which constitute a right of recoupment and/or offset to the entirety of

the Highland Capital Claims. Further, any portion of the Highland Capital Claims that are based on *ultra vires* acts, as alleged in Count 1 above, are void or voidable. Accordingly, the Highland Capital Claims are not enforceable under applicable law, and the Highland Capital Claims should therefore be disallowed.

B. The Highland Capital Claims Should be Disallowed under 11 U.S.C. § 502(b)(4).

309. The Highland Capital Claims are claims for services by an insider, Highland Capital, and the Highland Capital Claims exceed the reasonable value of the services provided by Highland Capital. Section 502(b)(4) of the Bankruptcy Code provides, in relevant part, that a claim for services of an insider or attorney of a debtor shall not be allowed to the extent that "such claim exceeds the reasonable value of such services."

310. The purpose of section 502(b)(4) is: "(1) to prevent insiders of a debtor from extracting inflated compensation from the debtor at the expense of the debtor's creditors; and (2) to prevent over-generosity of a debtor prior to a bankruptcy filing." *Faulkner v. Canada (In re Heritage Org., L.L.C.)*, Case No. 04-35574-BJH-11, Adv. No. 04-3338, 2006 Bankr. LEXIS 4662, at *22-23 (Bankr. N.D. Tex. Jan. 5, 2006); *see also In re Allegheny Int'l*, 158 B.R. 332, 339 (Bankr. W.D. Pa. 1992) ("The purpose underlying 11 U.S.C. § 502(b)(4) is to prevent officers and directors (insiders) of a debtor from extracting inflated amounts for their services at the expense of the creditors.").

1. Highland Capital is an Insider of the Debtors.

311. Under section 101(31) of the Bankruptcy Code, an insider includes certain enumerated parties, such as an officer of the debtor, affiliate, etc. Further, the list of enumerated "insiders" is not exclusive or exhaustive. *See In re Missionary Baptist Foundation of Am., Inc.*, 712 F.2d 206, 210 (5th Cir. 1983). Recently, the United States Supreme Court stated: "Courts have additionally recognized as insiders some persons not on that [101(31)] list—commonly

known as 'nonstatutory insiders.' The conferral of that status often turns on whether the person's transactions with the debtor (or another of its insiders) were at arm's length." *U.S. Bank N.A. v. Vill. at Lakeridge, LLC*, 138 S. Ct. 960, 963 (2018).

312. The Fifth Circuit has noted that "cases which have considered whether insider status exists generally have focused on two factors in making that determination: (1) the closeness of the relationship between the parties and (2) whether the transaction . . . [was] conducted at arm's length." *In re Holloway*, 955 F.2d 1008, 1011 (5th Cir. 1992).

313. Highland Capital is a statutory insider, a non-statutory insider, an admitted insider, and an adjudicated insider. The statutory definition of "insider" includes an "affiliate" of the debtor. 11 U.S.C § 101(31)(E). Prior to the entry of the Orders for Relief, Highland Capital met the statutory definition of "affiliate" because Highland Capital "operate[d] the business or substantially all of the property of the [D]ebtor under a[n] . . . operating agreement." *See* 11 U.S.C § 101(2)(D). Under the Sub Agreements, Acis LP effectively ceded control over its operations to Highland Capital.⁴⁰

314. Highland Capital is a non-statutory insider because Dondero controlled both Acis and Highland Capital prior to the date the Court entered the Orders for Relief. The closeness of the Highland Capital-Acis relationship is demonstrated by the fact that both companies are under Dondero's common control, Acis had no employees and Acis was operated exclusively by Highland Capital employees. Transactions were not conducted at arm's length. Indeed, Dondero

⁴⁰ For purposes of section 502(b)(4), courts examine whether a party is an "insider" on the date the operative document was executed. Here, it is indisputable that Highland Capital was an insider when the Sub-Advisory Agreement and the Shared Services Agreement were executed, and Highland Capital was an insider on the Petition Date. *See Faulkner*, 2006 Bankr. LEXIS 4662, at *17 ("The determination of insider status is made as of the time the claimant provided services to the debtor."); *In re Allegheny Int'l*, 158 B.R. 332, 339 (Bankr. W.D. Pa. 1992) ("[T]he relevant time for determining one's status as an insider, under 11 U.S.C. § 502(b)(4), is the time services were rendered and when the compensation contracts for such services were formed[.]").

signed both the Sub-Advisory Agreement and the Shared Services Agreement for Highland Capital and Acis.

315. Highland Capital is an admitted insider and an adjudicated insider. During the trial on the involuntary petitions, the Debtors, controlled by Highland Capital, admitted that Highland Capital is an insider of the Debtors.⁴¹ Acis LP's SOFA lists payments to Highland Capital in the section titled "Payments or transfers of property made within 1 year before the filing of this case that benefited any insider." The SOFA is signed by Isaac Leventon, an employee of Highland Capital (who, on information and belief, had no official title or position with the Debtors). Additionally, this Court has found that Highland Capital is an insider of the Debtors, stating: "the court believes it necessary to remove certain *insider* creditor claims, which are required not to be counted pursuant to section 303(b)(2) of the Bankruptcy Code. *This would clearly include Highland Capital* (the Alleged Debtors do not dispute this)." Opinion ¶ 38 (footnotes omitted) (emphasis added).

2. The Highland Capital Claims Exceed the Reasonable Value of the Services Provided.

316. "In analyzing the reasonableness of a claim for services under § 502(b)(4), a court should consider the totality of the circumstances involved at the time that the services were rendered." *Faulkner*, 2006 Bankr. LEXIS 4662, at *23 (citing *In re Gutierrez*, 309 B.R. 488, 493 (Bankr. W.D. Tex. 2004)). "Reasonable value" under Section 502(b)(4) is "synonymous with 'market value.'" *In re Delta Air Lines, Inc.*, No. 05-17923 (cgm), 2010 Bankr. LEXIS 233, at *22 (Bankr. S.D.N.Y. Feb. 3, 2010). "The burden of proof on reasonableness under

⁴¹ Transcript of Hearing on Emergency Motion to Abrogate or Modify 11 U.S.C Section 303(f), Prohibit Transfer of Assets, and Impose, Inter Alia, 11 U.S.C Section 363 Filed by Petitioning Creditor Joshua Terry (3); Emergency Motion to Set Hearing (related to Document (8) Motion to Dismiss Case Filed by Alleged Debtor Acis Capital Management, LP (9) (Case Nos. 18-30264-SGJ7 & 18-30264-SGJ7) (the "2-7-18 Transcript"), at 246: 8-9 ("[T]here are no insiders other than Highland on the list of eighteen[.]").

§ 502(b)(4) ultimately lies with the insider." *Id.* at 24. Thus, Highland Capital has the burden to establish the reasonableness of its claims. Further, when the validity of an insider's contract with a corporation is at issue, the burden is on the insider "not only to prove the good faith of the transaction but also to show its inherent fairness from the viewpoint of the corporation and those interested therein." *In re Marquam Inv. Corp.*, 942 F.2d 1462, 1465 (9th Cir. 1991) (quoting *Pepper v. Litton*, 308 U.S. 295, 306 (1939)).

317. Together, the Sub Agreements (as amended) charge Acis LP fees far exceeding the market value of the services provided under such agreements. First, the Trustee's professionals engaged in a marketing process in connection with the Brigade Motion. After conducting a diligent search of the market, the Trustee located a replacement for Highland Capital that provided the services Highland Capital previously provided the Debtor for roughly half the cost Highland Capital charged Acis LP. The Sub Agreements also significantly contributed to rendering Acis insolvent. In fact, the General Counsel of Highland Capital, Scott Ellington, admitted that as of February 7, 2018—one week after the Petition Date—Acis was insolvent or close to insolvent.⁴²

318. Highland Capital cannot show that the exorbitant fees charged under the Sub Agreements are reasonable or that entry into such agreements was in good faith and demonstrates inherent fairness. Therefore, pursuant to section 502(b)(4), the Highland Capital Claims should be disallowed in their entirety.

C. Highland Capital Received Voidable Transfers and Holds Property of the Estate, and the Trustee is Entitled to Setoff under Section 502(d) of the Bankruptcy Code.

319. As set out more fully in the causes of action above, the Plaintiffs seek: (i) avoidance of actual and constructively fraudulent transfers and obligations pursuant to sections

⁴² 2-7-18 Transcript at 219: 22-25 (THE COURT: Do you think Acis is in the zone of insolvency? THE WITNESS: I don't know the answer to that, but I would -- I would assume that it was -- that it's close.)

544 and 548 of the Bankruptcy Code, (ii) avoidance of preferential transfers pursuant to section 547 of the Bankruptcy Code; (iii) turnover of property the estate pursuant to section 542 of the Bankruptcy Code; and (iv) liability for the foregoing under section 550 of the Bankruptcy Code.

320. "Under section 502(d), 'the court shall **disallow** any claim of any entity . . . that is a transferee of a transfer avoidable under section . . . 544 [or 548] of this title, unless such . . . transferee has paid the amount, or turned over any such property.'" *In re Consol. Capital Equities Corp.*, 143 B.R. 80, 84 (Bankr. N.D. Tex. 1992) (quoting 11 U.S.C. § 502(d)) (emphasis in original).⁴³ Application of section 502(d) is not restricted to cases where a fraudulent transfer has already been avoided, but rather applies to pending fraudulent transfer claims as well. In other words, the statute does not require that the transfer actually be avoided, only that it be "avoidable." *Id.* As a result, once a fraudulent transfer claim has been asserted, the mandatory language of section 502(d) requires bankruptcy courts to consider the fraudulent transfer issue as a component of the claims allowance process. *U.S. Bank N.A. v. Verizon Communs., Inc.*, 761 F.3d 409, 419 (5th Cir. 2014) (finding mandatory language of section 502(d) precluded the court from resolving claims where the trustee alleged the claimant was the transferee of a fraudulent transfer). Moreover, the Court may disallow the Highland Capital Claims before adjudicating the causes of action set forth herein. *See In re Heritage Org., L.L.C.*, 375 B.R. 230, 288-289 (Bankr. N.D. Tex. 2007) (finding a court order avoiding a transfer is not a prerequisite to disallowance of a claim).

321. Thus, pursuant to section 502(d) of the Bankruptcy Code, the Court should disallow the Highland Capital Claims.

⁴³ "Notwithstanding subsections (a) and (b) of this section, the court shall disallow any claim of any entity from which property is recoverable under section 542, 543, 550, or 553 of this title [11 USCS § 542, 543, 550, or 553] or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of this title, unless such entity or transferee has paid the amount, or turned over any such property, for which such entity or transferee is liable under section 522(i), 542, 543, 550, or 553 of this title." 11 U.S.C. § 502(d)

D. The Highland Capital Claims Should be Equitably Subordinated.

322. Section 510(c) of the Bankruptcy Code expressly authorizes subordination of the allowed claim of one creditor to the allowed claims of other creditors "under principles of equitable subordination."

323. In *In re Mobile Steel Co.*, 563 F.2d 692 (5th Cir. 1977), the Fifth Circuit articulated what has become the most commonly accepted standard for equitable subordination of a claim. Under the *Mobile Steel* standard, a claim can be subordinated if the claimant engaged in some type of inequitable conduct that resulted in injury to creditors (or conferred an unfair advantage on the claimant) and if equitable subordination of the claim is consistent with the provisions of the Bankruptcy Code.

324. During the time it completely dominated control of Acis, Highland Capital clearly engaged in abundant inequitable conduct related to Acis, as well as conferring numerous unfair advantages to itself, which resulted in injury to Acis's creditors. As outlined in detail above, Highland Capital increased the amount due to Highland Capital under the Sub-Advisory Agreement, including charging amounts far in excess of appropriate market rates. This has resulted in a grossly inflated claim for Highland Capital as well as significant overpayments to Highland Capital for whatever services and value it did provide to Acis under these agreements.

325. Highland Capital was also the ringleader, and ultimate beneficiary, for the series of fraudulent schemes executed in the fall of 2017 that terminated or transferred away Acis LP's valuable rights in the ALF PMA, the ALF Shares, the Note, the 2017-7 Equity and the 2017-7 Agreements. This was done with the very specific intent to make Acis "judgment proof," as

Acis's own counsel later boasted,⁴⁴ and in order to ensure that Terry and other creditors would never receive payment on his judgment, as Dondero has threatened.⁴⁵ These transfers, while very damaging to Acis LP and its creditors, also furthered Highland Capital's plan to take over Acis LP's very lucrative portfolio management business and keep it under the control of Highland Capital and Dondero. Finally, even during the Bankruptcy Cases, Highland Capital has attempted to transfer and take over Acis LP's very lucrative Universal/BVK Agreement.

326. To the extent the Highland Capital Claims are allowed in any amount, they are subject to equitable subordination and should be subordinated below all other allowed unsecured claims in the bankruptcy case.

X. OBJECTIONS TO HIGHLAND CAPITAL'S ADMINISTRATIVE CLAIM

A. Highland Capital's Administrative Claim is Subject to Disallowance for the Same Reasons the Highland Capital Claims Should be Disallowed.

1. Prevailing on the Causes of Action Set Forth Herein Mandates the Disallowance of Highland Capital's Administrative Claim.

327. In its Application, without specifically citing the causes of actions or making any reference whatsoever to the objections to the Highland Capital Claims contained herein (as they were previously asserted in the Amended Counterclaims), Highland Capital asserts that the Trustee "apparently has furthered a theory that Highland overcharged the Debtors," but must "provide evidence, not simply allegations, to rebut the prima facie case that Highland is entitled to an administrative claim." Application ¶ 33. Highland Capital then rashly contends that the Trustee "has provided no such evidence" and that "the Contracts speak for themselves and are the best evidence of the validity of the claim asserted by Highland." *Id.* A simple review of the

⁴⁴ See Plaintiff's Motion for Expedited Discovery, Ex. 1 (Declaration of Rogge Dunn) ¶ 4, *Terry v. Acis Capital Mgmt., L.P.*, Cause No. DC-17-15244, 44th District Court of Dallas County, Texas ("On October 31, 2017, counsel for Acis, Jamie Welton, called me on the telephone. In that call, Mr. Welton stated that Acis is 'judgment proof.'").

⁴⁵ See June 28, 2017 Dondero Dep. Tr. 262:2-8 (Ex. 101 from the involuntary trial) ("Nobody's going to let a dime go out of the firm that we don't have to pay ever to – to Josh, period. I mean, it's . . . I think it's personal[.]").

causes of action herein (as well as evidence presented in connection with the involuntary hearings, confirmation hearings, and other hearings during these Bankruptcy Cases) belies its position and demonstrates otherwise.

328. As is discussed below, Highland Capital must demonstrate that the services provided conferred a direct and substantial benefit on the Debtors' estates. And before Highland Capital can ask the Court to assess whether its services provided the required direct and substantial benefit, it must first demonstrate that it had the right to even charge the Debtors the amount set forth in the agreements. The causes of action asserted against Highland Capital herein, which dispute the amounts charged by Highland Capital, directly implicate the validity of, and support the disallowance of, the Administrative Claim (just as they refute Highland Capital's purported prepetition claims). The Plaintiffs therefore expressly incorporate Counts 1, 5 – 8, and 27 – 30 herein and specifically raises such Counts as objections to the Administrative Claim asserted by Highland Capital in its Application.

329. If the Plaintiffs prevail on the causes of action against Highland Capital as set forth herein, the basis for allowance of the Administrative Claim would also be invalidated. Moreover, as discussed below, based on such causes of action, the Plaintiffs are entitled to recover millions of dollars in damages, all of which may be offset against the Administrative Claim.

2. Highland Capital's Administrative Claim is Also Subject to Disallowance under Section 502(d).

330. Because Highland Capital is alleged to have received fraudulent transfers, its Administrative Claim is also subject to disallowance under section 502(d) until the property or its value has been returned to the Debtors.

331. Although Highland Capital's Application involves an administrative claim, nothing in section 502(d) limits its application to prepetition claims. *MicroAge, Inc. v. Viewsonic Corp. (In re MicroAge, Inc.)*, 291 B.R. 503, 508 (B.A.P. 9th Cir. 2002). Section 502(d) by its terms applies to "any claim" and the definition of a "claim" in section 101(5) is sufficiently broad to include requests for payment of expenses of administration. *Id.* Because the objective of section 502(d) is to encourage transferees to return avoidable transfers to the estate, a number of courts have held that section 502(d) applies to administrative claims. *See, e.g., id.* at 508-12; *In re Georgia Steel*, 38 B.R. 829, 839-40 (Bankr. M.D. Ga. 1984) (applying section 502(d) and stating, "[t]he fact that [the] claim is for an administrative expense has no bearing").

332. The Plaintiffs acknowledge that courts are split on the issue of whether section 502(d) applies to administrative expenses. *Compare MicroAge, Inc.*, 291 B.R. at 508-512 (considering split of authority and finding that "the better analysis is that § 502(d) may be raised in response to the allowance of an administrative claim"), *and Georgia Steel*, 38 B.R. at 839-40 (finding the fact that the claim "is for an administrative expense has no bearing" for purposes of section 502(d)), *with In re Plastech Engineered Prods.*, 394 B.R. 147, 164 (Bankr. E.D. Mich. 2008) (concluding that "§ 502(d) does not apply to the allowance and payment of administrative expenses under § 503(b)"). Although not binding on this Court, the Plaintiffs also note that one bankruptcy court in this district has found that section 502(d) does not apply to administrative claims. *Rand Energy Co. v. Del Mar Drilling Co. (In re Rand Energy Co.)*, 256 B.R. 712, 719 (Bankr. N.D. Tex. 2000) (Felsenthal, J.).

333. As described above, Highland Capital is the recipient of certain preferential payments and/or fraudulent transfers. Thus, while acknowledging the split of authority on the issue, the Plaintiffs assert that the plain language of section 502(d), as well as the policy

underlying section 502(d), requires that Highland Capital's Administrative Claim be disallowed in its entirety.

3. The Indemnity Provisions Relied on by Highland Capital Are Invalid and, in Any Event, Do Not Apply to Highland Capital's Intentional Torts.

334. In the Application, Highland Capital also asserts defenses against the causes of action brought herein pursuant to its purported indemnity rights against the Debtors under section 6.03 of the Shared Services Agreement and section 4(c) of the Sub-Advisory Agreement. Application ¶ 34. Any contention by Highland Capital that it is immune from liability arising from the causes of action brought against it herein due to the indemnity provisions of the Sub Agreements lacks merit. First, the indemnity provisions cited by Highland Capital were included only in the last iteration of the Sub Agreements, in March 2017. Thus, even if valid and applicable (which they are not), such provisions do not cover actions of Highland Capital prior to March 2017. Second, to the extent that the indemnity provisions in the Sub Agreements were included in an attempt to shield Highland Capital from liability in connection with its fraudulent scheme to denude Acis (and were added for no consideration), such provisions were themselves fraudulently incurred and should be avoided pursuant to section 548 of the Bankruptcy Code and sections 24.005 and 24.006 of TUFTA.⁴⁶ Further, the protection Highland Capital seeks is outside the scope of the indemnity provisions, which indemnify Highland Capital in connection with its actions taken as sub-advisor under the Sub Agreements—not in connection with torts and other wrongful conduct intentionally committed against Acis as part of Highland Capital's calculated scheme to denude the estate. Finally, it is against public policy for indemnity provisions in contract to shield a party from intentional tortious conduct. *See, e.g., Hamblin v.*

⁴⁶ Notably, all versions prior to the last iteration of the Sub-Advisory Agreement (before March 2017) contained no indemnity provision; also, it is telling that the indemnity provisions were added to the Sub-Advisory Agreement and significantly amended in the Shared Services Agreement only after arbitration had been ordered in state court.

Lamont, 433 S.W.3d 51, 55 (Tex. App.—San Antonio 2013, pet. denied); *In re Oil Spill by the Oil Rig*, 841 F. Supp. 2d 988, 1001-02 (E.D. La. 2012). Accordingly, such provisions are inapplicable as a defense to the causes of action asserted herein against Highland Capital.

B. Highland Capital Cannot Satisfy Its Burden of Proving Its Services Directly and Substantially Benefitted the Debtors' Estates.

1. Administrative Priority Status is Narrowly Construed and Only Awarded Upon a Showing of a Direct and Substantial Benefit to the Estate.

335. Under section 503(b)(1) of the Bankruptcy Code, an administrative expense claim shall be allowed for "the actual, necessary costs and expenses of preserving the estate." 11 U.S.C. § 503(b)(1)(A). The ultimate burden of proof is on Highland Capital to establish it is entitled to an administrative priority claim pursuant to 11 U.S.C. § 503(b). *See In re Transamerican Natural Gas Corp.*, 978 F.2d 1409, 1416 (5th Cir. 1992). Further, because section 503 administrative claims are priority claims, which are entitled to special treatment, section 503 must be narrowly construed. *See In re Templeton*, 154 B.R. 930, 934 (Bankr. W.D. Tex. 2009); *see also In re Federated Dep't Stores, Inc.*, 270 F.3d 994, 1000 (6th Cir. 2001) ("Claims for administrative expenses under § 503(b) are strictly construed because priority claims reduce the funds available for creditors and other claimants.").

336. At a minimum, Highland Capital must establish that "(1) the claim arises from a transaction with the [debtor]; and (2) the goods or services supplied enhanced the ability of the [debtor's] business to function." *See Total Minatome Corp. v. Jack/Wade Drilling, Inc. (In re Jack/Wade Drilling, Inc.)*, 258 F.3d 385, 387 (5th Cir. 2001) (citing *Transamerican*, 978 F.2d at 1416); *see also ASARCO, Inc. v. Elliott Mgmt. (In re ASARCO, LLC)*, 650 F.3d 593, 601 (5th Cir. 2011) ("Claim under this section 'generally stem from voluntary transactions with third parties who lend goods or services necessary to the successful reorganization of the debtor's estate.'" (quoting *Jack/Wade Drilling*, 258 F.3d at 387)).

337. Moreover, the benefit is measured from the point of view of the bankruptcy estate, not that of the applicant. *In re Premium Well Drilling, Inc.*, 2012 Bankr. LEXIS 1554, at *9 (Bankr. W.D. Tex. Apr. 10, 2012). "The focus on allowance of administrative claims which enjoy priority over other creditors is to prevent unjust enrichment of the estate. It is *not* to compensate the creditor . . . for his or her loss." *In re Am. Plumbing & Mech., Inc.*, 323 B.R. 442, 462 (Bankr. W.D. Tex. 2005) (emphasis in original).

2. Highland Capital Cannot Demonstrate It Conferred a Direct and Substantial Benefit on the Debtors' Estates.

338. As set forth herein, as it had done prior to these Bankruptcy Cases, following entry of the Orders for Relief, Highland Capital continued perpetrating its scheme to steal, and otherwise attempted to damage, Acis's business—in order to *minimize* value for creditors and ensure that Acis could not successfully reorganize—and to line its own pockets. Aside from Highland Capital's actions in sending notices of optional redemption to liquidate the CLOs (without Court approval and in violation of the automatic stay), following entry of the Orders for Relief, Highland Capital also actively mismanaged the Acis CLOs to undermine the business of the Debtors, as evidenced by, *inter alia*, the vast disparity between the trades made in CLOs 3, 4 5, and 6, as opposed to CLO 7, in 2018, as testified to by Terry at the second confirmation hearing. *See* Dec. 12, 2018 Hr'g Tr. (AM) at pp. 19-35.

339. Additionally, while mismanaging CLOs 3, 4 5, and 6, Highland Capital sought to carry out its plan "to transfer the BVK investment management agreement from Acis LP to another Highland-affiliated manager."⁴⁷ As explained herein, Highland Capital's attempt to steal BVK's business from Acis began from nearly day one of these Bankruptcy Cases and continued

⁴⁷ *See Exhibit K* (email chain from early February 2018 between Mike Warner (Acis's counsel), Isaac Leventon (Highland Capital's in-house counsel), Timothy Cournoyer (Highland Capital's in-house counsel) and Thomas Surgent (Highland Capital's Chief Compliance Officer)).

even after Highland Capital was terminated as sub-advisor on August 1, 2018—when Highland Capital no longer had any legitimate reason to communicate with Universal or BVK.

340. Highland Capital's actions during the pendency of these Bankruptcy Cases demonstrate that Highland Capital did not service the Acis CLOs in a way that "enhanced the ability of the [debtor's] business to function." *Transamerican*, 978 F.2d at 1416. Indeed, Highland Capital acted to destroy the Debtors' business—therefore, Highland Capital's request for allowance of its Administrative Claim must be denied.

341. In its Application, Highland Capital essentially asserts that it provided services to the Debtors on a postpetition basis pursuant to various prepetition agreements and, therefore, the expenses are entitled to administrative priority. In order to qualify as an administrative expense, however, Highland Capital must show that its claim arose postpetition "as a result of actions by the trustee that benefitted the estate." *Id.* Further, although the terms of the Debtors' prepetition contracts may be probative of the reasonable value of postpetition services, they are not dispositive. *In re Am. Plumbing & Mech., Inc.*, 323 B.R. at 462. Indeed, "all that the estate is required to pay is the *reasonable value* of those services which were rendered." *Id.* (emphasis in original) (citing *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 531, 104 S. Ct. 1188, 79 L. Ed. 2d 482 (1984)). Consequently, the provisions of the prepetition contracts do not automatically and dispositively translate into an allowed administrative claim. Highland Capital must still demonstrate a quantifiable benefit to the estate.

342. Highland Capital's assertion that its costs were incurred postpetition fails to satisfy its burden of proving entitlement to administrative priority. Specifically, aside from merely referencing the Sub-Agreements and the Universal/BVK Agreement, and contending that monies owed to it under such agreements are an administrative expense, Highland Capital fails to show that (i) such costs were necessary for the preservation of the Debtors' estate, and (ii) the

Debtors received any benefit, let alone a direct and substantial benefit, as a result of such services and expenses.

3. The Amount Charged by Highland Capital Was Inflated and Unnecessary.

343. Further, even if Highland Capital could show that, rather than undermining Acis's business, it provided postpetition services that enhanced the ability of Acis to function, to the extent the rates Highland Capital charged Acis were inflated or above market, the amounts charged to Acis under the Sub Agreements did not benefit the estates or its creditors, and such inflated amounts were therefore not necessary. *See NL Indus., Inc. v. GHR Energy Corp.*, 940 F.2d 957, 966 (5th Cir. 1991) ("Courts have construed the words 'actual' and 'necessary' narrowly: the debt must benefit the estate and its creditors."). Indeed, at the July 6, 2018 hearing, regarding approval of the break-up fee and replacement of Highland Capital as sub-servicer with Oaktree, J.P. Sevilla, assistant general counsel for Highland Capital, testified that Highland Capital would reduce its rates charged to Acis LP for sub-servicing from 35 basis points to 17.5 basis points, in order to match competing offers:

Q Okay. Would Highland be willing to reduce its fee during the pendency of the bankruptcy, maybe without its rights to assert the validity of the contract, but would Highland otherwise be willing to assert -- to reduce its fees during the pendency of the bankruptcy?

A I think at the very least Highland would match Saratoga or whatever the 17.5 bps offer is. Again, reserving all rights, but in order to stay in the deal and to establish Highland's commitment to this deal, we would do it for 17-1/2 basis points, no question.

July 6, 2018 Hr'g Tr. at pp. 243-44. Moreover, the effective rate for such services charged by Brigade and Cortland also approached 17.5 basis points.⁴⁸ Accordingly, notwithstanding the objections otherwise raised herein, and assuming the services provided to Acis LP enhanced,

⁴⁸ Pursuant to the Third Amended Joint Plan, Brigade agreed to provide sub-advisory and shared services to the Acis CLOs for 15 basis points (and decreasing after one year). *See* Docket No. 661 at pp. 28, 136; *see also* Dec. 11, 2018 (PM) Hr'g Tr. at 89 & Dec. 12, 2018 (AM) Hr'g Tr. at 62.

rather than undermined, the ability of Acis's business to function, such amounts should be reduced to reflect a rate of at most 17.5 basis points.

4. The Plaintiffs Dispute Highland Capital's Calculation of its Administrative Claim.

344. The Plaintiffs further object to Highland Capital's calculation of the amount of the Administrative Claim. Subject to the objections raised herein, in the *Amended Disclosure Statement Pursuant to Section 1125 of the United States Bankruptcy Code with Respect to the Second Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC* [Case No. 18-30264, Docket No. 621] (the "Disclosure Statement"), the Trustee estimated that under the terms of the Sub Agreements, Highland Capital's alleged Administrative Claim would be approximately \$2,612,574.00, rather than \$3,007,678.41. Highland Capital fails to explain or substantiate this discrepancy. The Administrative Claim also includes \$543,545.88 for expenses. Highland Capital fails to show that these alleged expenses were incurred or payable under the Sub Agreements. *See In re Packard Props., Ltd.*, 118 B.R. 61, 63 (Bankr. N.D. Tex. 1990) ("Since this claim is a request for payment of administrative expenses, the [creditor] carries the burden of proof throughout the entire proceeding."). Therefore, in addition to the objections herein, the Plaintiffs also object to Highland Capital's calculation of its purported Administrative Claim.

C. Highland Capital Is Not Entitled to Payment of Any Allowed Administrative Claim Because Acis's Right of Offset and Recoupment May Reduce or Eliminate Its Administrative Claim.

345. Even if the Court were to determine that Highland Capital is entitled to an allowed Administrative Claim, it should not be entitled to payment because Acis has rights of offset and recoupment that may be applied under section 558 of the Bankruptcy Code to reduce

or eliminate any allowed Administrative Claim.⁴⁹ As set forth above, Highland Capital charged Acis excessive and unreasonable fees for its services, and Acis has asserted a number of causes of action against Highland Capital for such overcharges, including for recovery of overcharges resulting from *ultra vires* actions, turnover of unauthorized payments, money had and received, conversion, fraudulent transfer, civil conspiracy, breach of contract, and breach of fiduciary duty. As a result of these overcharges, the Debtors' estates suffered many millions of dollars in damages which should be offset against any valid administrative claim awarded to Highland Capital. Indeed, the causes of action against Highland Capital may offset, or eliminate altogether, any right of recovery Highland Capital may have against the Debtors' estates on account of any Administrative Claim.

D. To the Extent Allowed, Highland Capital's Administrative Claim Should Also Be Equitably Subordinated.

346. In addition to applying equitable subordination to prepetition claims, courts have equitably subordinated administrative claims when the claimant acted in ways to harm the estate. *See, e.g., Principal Mut. Life Ins. Co. v. Langhorne (In re 848 Brickell Ltd.)*, 243 B.R.142, 149 (S.D. Fla. 1998) (holding that while "pursuit of one's legal rights may not be grounds for equitable subordination, the lower court's findings that [the claimant's] protracted and abusive litigation tactics harmed the estate by causing it to incur about \$400,000 in fees" justified equitable subordination of its administrative claim).

347. For the same reasons described above with respect to Highland Capital's prepetition claims, Highland Capital's Administrative Claim should also be equitably subordinated to the extent allowed. Further, during these Bankruptcy Cases, the Debtors' estates

⁴⁹ The Plan provided for the payment of allowed administrative claims on (i) the later of the effective date or the tenth business day after the administrative expense is allowed, or (ii) as otherwise agreed in writing between the Reorganized Debtor, or as otherwise ordered by the Bankruptcy Court. *See* Case No. 18-30264, Docket No. 660 at 11, § 3.01(b).

and the Reorganized Debtors have incurred substantial administrative fees in responding to the protracted and abusive litigation tactics of Highland Capital, including arguing for (and against) injunctive relief to prevent the liquidation of the CLOs and litigating the numerous appeals initiated by Highland Capital against the Trustee. Such litigation tactics by Highland Capital were attempts to thwart the reorganization of the Debtors, damage the estate, and harm its creditors. Accordingly, the Court should equitably subordinate Highland Capital's Administrative Claim. *See Principal Mut. Life Ins. Co.*, 243 B.R. at 149.

348. Thus, to the extent the Highland Capital's Administrative Claim is allowed in any amount, it should be subordinated below all other allowed claims in these Bankruptcy Cases.

VI. PRAYER

Plaintiffs respectfully request that the Court:

(i) enter judgment declaring that Expense Overpayments made to Highland Capital in excess of 20% of Revenue and any agreements supporting such overpayments were *ultra vires* and, thus, void or voidable;

(ii) enter judgment against Highland Capital for the recovery of any *ultra vires* payments made to Highland Capital;

(iii) enter judgment against Highland Capital, Highland Funding, Highland Advisor, Highland Holdings, and Highland Management for the avoidance and recovery of transfers fraudulently made and obligations fraudulently incurred and for civil conspiracy in connection with such fraudulent transfers and schemes;

(iv) enter judgment against Highland Capital, Highland Holdings, and Highland Management for avoidance and recovery of preferential transfers received;

(v) enter judgment against Highland Capital for tortious interference with contract;

(vi) enter judgment against Highland Capital for breach of contract;

(vii) enter judgment against Highland Capital for breach of its fiduciary duties and order disgorgement of all funds received by Highland Capital as a result of such breach;

(viii) enter judgment against Highland Capital and Highland Funding for willful violation of the automatic stay, pursuant to section 362(k) of the Bankruptcy Code;

(ix) enter judgment against Highland Capital, Highland Funding, Highland Advisor, Highland Management, and Highland Holdings for punitive damages;

(x) enter judgment against Highland Capital, Highland Funding, Highland Advisor, Highland Management, and Highland Holdings for pre- and post-judgment interest at the greatest amount permitted by law;

(xi) enter judgment against Highland Capital, Highland Funding, Highland Advisor, Highland Management, and Highland Holdings for all attorneys' fees and costs incurred in connection with the prosecution of this Adversary Proceeding and for all allowed professionals' fees and expenses incurred by the estates in the Bankruptcy Cases;

(xii) establish a constructive trust for all benefits unjustly received by that Highland Capital, Highland Funding, Highland Advisor, Highland Management and Highland Holdings;

(xiii) declare that Highland Capital, Highland Funding, Highland Advisor, Highland Management and Highland Holdings are alter egos of each other, or that the corporate for should otherwise be disregarded, and each is fully liable for any judgment entered for the Plaintiffs in this Adversary Proceeding;

(xiv) disallow, expunge and/or subordinate the Highland Capital Claims;

(xv) deny, disallow, and/or subordinate Highland Capital's Administrative Claim; and

(xvi) grant any other such relief that the Plaintiffs may show themselves to be justly entitled in law or in equity.

Dated: June 20, 2019.

Respectfully submitted,

By: /s/Rakhee V. Patel

Rakhee V. Patel
State Bar No. 00797213
Phillip Lamberson
State Bar No. 00794134
Jason A. Enright
State Bar No. 24087475
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**COUNSEL FOR REORGANIZED
DEBTORS**

-and-

By: /s/Brian P. Shaw

Brian P. Shaw
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Dallas, Texas 75201
Telephone: (214) 888-5000
Facsimile: (214) 220-3833
shaw@roggedunnngroup.com

**COUNSEL FOR REORGANIZED
DEBTORS**

CERTIFICATE OF SERVICE

I hereby certify that on June 20, 2019, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this adversary proceeding pursuant to the Electronic Filing Procedures in this District. Service will also be made as required and allowed by Federal Rule of Bankruptcy Procedure 7004.

/s/ Annmarie Chiarello

One of Counsel

Fill in this information to identify the case:

Debtor Highland Capital Management, L.P.

United States Bankruptcy Court for the: Northern District of Texas
(State)

Case number 19-34054

Official Form 410
Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Redeemer Committee Highland Crusader Fund</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? See summary page	Where should payments to the creditor be sent? (if different)
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)		
Contact phone _____	Contact phone _____	Contact phone _____
Contact email <u>TMascherin@jenner.com</u>	Contact email _____	Contact email _____
Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____		
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Dondero Ex. B



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____
7. How much is the claim? \$ <u>See attached rider</u>	Does this amount include interest or other charges? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8. What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>See attached rider</u>
9. Is all or part of the claim secured?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. Nature or property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
10. Is this claim based on a lease?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11. Is this claim subject to a right of setoff?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

☒ No

☐ Yes. Check all that apply:

	Amount entitled to priority
<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$ _____
<input type="checkbox"/> Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$ _____
<input type="checkbox"/> Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	\$ _____
<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____
<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____
<input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.	\$ _____

* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?

☒ No

☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☐ I am the creditor.
- ☒ I am the creditor's attorney or authorized agent.
- ☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- ☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 04/03/2020
MM / DD / YYYY

/s/Terri L. Mascherin
Signature

Print the name of the person who is completing and signing this claim:

Name Terri L. Mascherin
First name Middle name Last name

Title Partner

Company Jenner and Block LLP
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____ Email _____



For phone assistance: Domestic (877) 573-3984 | International (310) 751-1829

Debtor: 19-34054 - Highland Capital Management, L.P.		
District: Northern District of Texas, Dallas Division		
Creditor: Redeemer Committee Highland Crusader Fund c/o Terri Mascherin, Esq. Jenner and Block 353 N. Clark Street Chicago, IL, 60654-3456 Phone: Phone 2: Fax: Email: TMascherin@jenner.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Authorized agent	
	Other Names Used with Debtor:	
Amends Claim: No Acquired Claim: No		
Basis of Claim: See attached rider	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: See attached rider	Includes Interest or Charges: Yes	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Terri L. Mascherin on 03-Apr-2020 1:51:56 p.m. Eastern Time Title: Partner Company: Jenner and Block LLP		

ID: 24788159

PIN: wZvUm7fb

Fill in this information to identify the case:

Debtor Highland Capital Management, L.P.

United States Bankruptcy Court for the Northern District of Texas, Dallas Division

Case number 19-34054-sgj11

Official Form 410
Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Other than a claim under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for an administrative expense arising after the commencement of the case.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Part 1: Identify the Claim

NameID: 13930498

1. Who is the current creditor?		<u>Redeemer Cmmttee Highland Crusader Fund</u> Name of the current creditor (the person or entity to be paid for this claim)	
		Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent?		Where should payments to the creditor be sent? (if different)
	Redeemer Cmmttee Highland Crusader Fund c/o Terri Mascherin, Esq. Jenner & Block 353 N. Clark Street Chicago, IL 60654-3456		Name _____
			Number _____ Street _____
			City _____ State _____ ZIP Code _____
	Address _____		Country _____
	Contact phone _____ Contact email _____		Contact phone _____ Contact email _____
Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____			
4. Does this claim amend one already filed?		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on <u>MM / DD / YYYY</u>	
5. Do you know if anyone else has filed a proof of claim for this claim?		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____
7. How much is the claim?	\$ <u>See attached rider.</u> Does this amount include interest or other charges? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8. What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>See attached rider.</u>
9. Is all or part of the claim secured?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. Nature of property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principal residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
10. Is this claim based on a lease?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11. Is this claim subject to a right of setoff?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)? ☒ No ☐ Yes. Check all that apply:

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

	Amount entitled to priority
<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$ _____
<input type="checkbox"/> Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$ _____
<input type="checkbox"/> Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	\$ _____
<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____
<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____
<input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.	\$ _____

* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)? ☒ No ☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☐ I am the creditor.
- ☒ I am the creditor's attorney or authorized agent.
- ☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- ☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 04 / 02 / 2020
MM / DD / YYYY


Signature

Print the name of the person who is completing and signing this claim:

Name	Terri	L.	Mascherin
	First name	Middle name	Last name

Title Partner

Company Jenner & Block LLP

Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 353 N. Clark Street
Number Street

Chicago
City

IL
State

60654-3456
ZIP Code

USA
Country

Contact phone (312) 222-9350

Email tmascherin@jenner.com



**RIDER TO THE PROOFS OF CLAIM OF THE REDEEMER
COMMITTEE OF THE HIGHLAND CRUSADER FUND**

This Rider is part of the proof of claim (the “**Proof of Claim**”) filed by the Redeemer Committee of the Highland Crusader Fund (the “**Redeemer Committee**”) against Highland Capital Management, L.P. (“**HCM**” or the “**Debtor**”).

On March 6, 2019, a panel of arbitrators issued a Partial Final Award (the “**March Award**”) in favor of the Redeemer Committee against HCM. On April 29, 2019, the panel issued a Final Award (the “**Final Award**,” and together with the March Award, the “**Arbitration Award**”) in favor of the Redeemer Committee against HCM.¹ The Arbitration Award is subject to the Federal Arbitration Act and The Convention on the Recognition and Enforcement of Foreign Arbitral Awards. The Redeemer Committee timely moved to confirm the Award in the Delaware Chancery Court. HCM moved for partial vacatur of the Arbitration Award in June 2019. The time period to move to vacate the Arbitration Award expired prior to the Petition Date (as defined below). All capitalized terms that are not defined herein have the meanings given to such terms in the Arbitration Award.

The Redeemer Committee files this Proof of Claim out of an abundance of caution. The Arbitration Award is an executory contract under section 365 of the Bankruptcy Code. HCM has not yet moved to assume or reject the contract. Accordingly, the deadline to file a proof of claim remains undetermined. By filing the Proof of Claim, the Redeemer Committee does not concede that the amounts awarded under the Arbitration Award are prepetition claims or that it is required to file a proof of claim to be entitled to the amounts described herein. The Redeemer Committee reserves all rights to amend or modify this Proof of Claim in any respect, including to assert other or additional claims, or for the purpose of fixing or liquidating any contingent or unliquidated claims. This Proof of Claim is without prejudice to any other rights the Redeemer Committee may have against the Debtor, its officers, employees, successors, or assigns.

This Proof of Claim includes the following components, and each is based on the Arbitration Award (together, the “**Claim**”):

1. **Damage Claim.** The Redeemer Committee asserts a liquidated claim for at least \$190,824,557 plus interest that is accruing beginning as of October 16, 2019, the date that HCM filed its bankruptcy case (the “**Petition Date**”). As set forth in the Final Award, the separate components of the Damage Claim are as follows, and the amounts set forth below are as of the Petition Date, including prepetition interest awarded under the Arbitration Award accrued to the Petition Date:
 - a. Deferred Fee Claim: \$43,105,395 (Final Award ¶ F.a.ii.1)
 - b. Distribution Fee Claim: \$22,922,608 (Final Award ¶ F.a.ii.2)

¹ Copies of the Arbitral Award have previously been provided the Debtor, the Official Committee of Unsecured Creditors, and the Office of the United States Trustee. The Redeemer Committee reserves the right to file a copy of the Arbitral Award with the Bankruptcy Court.

- c. Taking of Plan Claims: \$3,277,991 (Final Award ¶ F.a.v)
- d. CLO Trades Claim: \$685,195 (Final Award ¶ F.a.vi)
- e. Credit Suisse Claim: \$3,660,130 (Final Award ¶ F.a.vii)
- f. UBS Claim: \$2,600,968 (Final Award ¶ F.a.viii)
- g. Barclays Claim: \$30,811,366 (Final Award ¶ F.a.ix)
- h. Legal Fees, Costs, and Expenses: \$11,351,850 (Final Award ¶ F.a.xi)
- i. Administrative Fees: \$514,164 (Final Award ¶ F.a.xii)
- j. Cornerstone Award: \$71,894,891 (Final Award ¶ F.a.ix)

The Redeemer Committee also asserts an unliquidated claim for post-petition interest, attorneys' fees, costs, and other expenses that continue to accrue in connection with the Damage Claim.

2. **Cancellation of Limited Partnership Interests.** The Final Award provides, in relevant part, for the cancellation of the limited partnership interests in the Crusader Fund that are (i) held by HCM and Charitable DAF Fund, L.P. that are identified in RC411, and (ii) held by Eames, Ltd. (Final Award ¶¶ F.a.v and F.a.x). The Final Award provides for HCM to transfer, or take all necessary steps to cause the transfer of, such interests to the Redeemer Committee for the benefit of the Crusader Fund. The Final Award also provides that the Redeemer Committee has the independent right to cause the Crusader Fund to cancel such limited partnership interests. The Redeemer Committee reserves the right, to the extent required under applicable law, to seek relief from the Bankruptcy Court in order to cancel such limited partnership interests in accordance with the Final Award. The Redeemer Committee asserts a claim in an unliquidated amount in the event all such limited partnership interests are not cancelled in accordance with the Final Award.
3. **Deferred Fee Account.** The Arbitration Award granted the Redeemer Committee's request for a declaratory judgment with respect to the immediate distribution of the Deferred Fee Account, which the Crusader Fund continues to hold, and ordered the payment of the funds in such account to the Redeemer Committee for disbursement to the Consenting Compulsory Redeemers (March Award ¶ VII.D; Final Award ¶ F.a). The Redeemer Committee reserves the right, to the extent required under applicable law, to seek relief from the Bankruptcy Court in order to cause the distribution of the funds held in the Deferred Fee Account in accordance with the Arbitration Award. The Redeemer Committee asserts a claim in an unliquidated amount in the event all such funds are not distributed in accordance with the Arbitration Award.

The Redeemer Committee expressly reserves all of its procedural and substantive defenses and rights with respect to any claim that may be asserted against the Redeemer Committee by the Debtor, including any rights of setoff or recoupment.

The filing of this Claim shall not constitute: (i) an admission of liability by the Redeemer Committee to any party; (ii) a waiver or release of the Redeemer Committee's rights against any person, entity, or property; (iii) a consent by the Redeemer Committee to the jurisdiction of the Bankruptcy Court with respect to the subject matter of this Claim, any objection or other proceeding commenced with respect thereto, or any other proceeding commenced in these cases or otherwise involving the Redeemer Committee; (iv) a waiver of the right to move to withdraw the reference to the subject matter of this Claim, any objection or other proceeding commenced with respect thereto, or any other proceeding commenced in these cases against or otherwise involving any claimant; (v) a waiver of the right to have final orders entered only after *de novo* review by a United States Judge; (vi) its right to trial by jury in any proceeding so triable in these cases or any case, controversy, or proceeding related to these cases; (vii) its right to arbitration under the Plan and Scheme; (viii) an election of remedies; or (ix) any other rights, claims, actions, defenses, setoffs, or recoupments to which it is or may be entitled under agreements, in law, in equity, or otherwise, all of which rights, claims, actions, defenses, setoffs, and recoupments are expressly reserved.

Fill in this information to identify the case:

Debtor Highland Capital Management, L.P.

United States Bankruptcy Court for the: Northern District of Texas
(State)

Case number 19-34054

Official Form 410
Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>See summary page</u> Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? See summary page Federal Rule of Bankruptcy Procedure (FRBP) 2002(g) Contact phone <u>212-351-3969</u> Contact email <u>mrosenthal@gibsondunn.com</u> Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	Where should payments to the creditor be sent? (if different) Alvarez and Marsal CRF Management, LLC 2029 Century Park East, Suite 2060 Los Angeles, CA 90067, United States Contact phone <u>310-975-2600</u> Contact email <u>svarner@alvarezandmarsal.com</u>
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Dondero Ex. C



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____
7. How much is the claim? \$ <u>see attached rider</u>	Does this amount include interest or other charges? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8. What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>See attached rider</u>
9. Is all or part of the claim secured?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. Nature or property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
10. Is this claim based on a lease?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11. Is this claim subject to a right of setoff?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Identify the property: <u>See attached rider</u>



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)? A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.	<table style="width: 100%;"><tr><td style="width: 20%;"><input checked="" type="checkbox"/> No</td><td style="width: 80%;"></td></tr><tr><td><input type="checkbox"/> Yes. Check all that apply:</td><td style="text-align: right; background-color: #f2f2f2;">Amount entitled to priority</td></tr><tr><td><input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).</td><td style="text-align: right;">\$ _____</td></tr><tr><td><input type="checkbox"/> Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).</td><td style="text-align: right;">\$ _____</td></tr><tr><td><input type="checkbox"/> Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).</td><td style="text-align: right;">\$ _____</td></tr><tr><td><input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).</td><td style="text-align: right;">\$ _____</td></tr><tr><td><input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).</td><td style="text-align: right;">\$ _____</td></tr><tr><td><input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)(____) that applies.</td><td style="text-align: right;">\$ _____</td></tr></table> <p style="font-size: small; text-align: center;">* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.</p>	<input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes. Check all that apply:	Amount entitled to priority	<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$ _____	<input type="checkbox"/> Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$ _____	<input type="checkbox"/> Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	\$ _____	<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____	<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____	<input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)(____) that applies.	\$ _____
<input checked="" type="checkbox"/> No																	
<input type="checkbox"/> Yes. Check all that apply:	Amount entitled to priority																
<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$ _____																
<input type="checkbox"/> Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$ _____																
<input type="checkbox"/> Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	\$ _____																
<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____																
<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____																
<input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)(____) that applies.	\$ _____																

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?	<table style="width: 100%;"><tr><td style="width: 20%;"><input checked="" type="checkbox"/> No</td><td style="width: 80%;"></td></tr><tr><td><input type="checkbox"/> Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.</td><td></td></tr><tr><td></td><td style="text-align: right;">\$ _____</td></tr></table>	<input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.			\$ _____
<input checked="" type="checkbox"/> No							
<input type="checkbox"/> Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.							
	\$ _____						

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☐ I am the creditor.
- ☒ I am the creditor's attorney or authorized agent.
- ☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- ☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 04/06/2020
MM / DD / YYYY

/s/Michael A. Rosenthal
Signature

Print the name of the person who is completing and signing this claim:

Name Michael A. Rosenthal
First name Middle name Last name

Title Counsel to Alvarez and Marsal CRF Management, LLC, as Investment Manager

Company Gibson, Dunn and Crutcher LLP
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____ Email _____



For phone assistance: Domestic (877) 573-3984 | International (310) 751-1829

Debtor: 19-34054 - Highland Capital Management, L.P. District: Northern District of Texas, Dallas Division		
Creditor: Highland Crusader Offshore Partners, L.P., et al., see rider for all names of creditors Michael A. Rosenthal, Gibson, Dunn and Crutcher LLP 200 Park Avenue New York, NY, 10166 United States Phone: 212-351-3969 Phone 2: Fax: Email: mrosenthal@gibsondunn.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Authorized agent	
Disbursement/Notice Parties: Alvarez and Marsal CRF Management, LLC 2029 Century Park East, Suite 2060 Los Angeles, CA, 90067 United States Phone: 310-975-2600 Phone 2: Fax: E-mail: svarner@alvarezandmarsal.com DISBURSEMENT ADDRESS		
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: See attached rider	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: see attached rider	Includes Interest or Charges: Yes	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: Yes, See attached rider	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Michael A. Rosenthal on 06-Apr-2020 4:27:48 p.m. Eastern Time Title: Counsel to Alvarez and Marsal CRF Management, LLC, as Investment Manager Company: Gibson, Dunn and Crutcher LLP		

Fill in this information to identify the case:

Debtor 1 Highland Capital Management, L.P.

Debtor 2
(Spouse, if filing) _____

United States Bankruptcy Court for the: Northern District of Texas

Case number 19-34054-sgj11

Official Form 410

Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Highland Crusader Offshore Partners, L.P., et al. (see rider for all names of creditors)</u> Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent? <u>Michael A. Rosenthal, Gibson, Dunn & Crutcher</u> Name <u>200 Park Avenue</u> Number Street <u>New York NY 10166</u> City State ZIP Code Contact phone <u>(212) 351-3969</u> Contact email <u>mrosenthal@gibsondunn.com</u> Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	Where should payments to the creditor be sent? (if different) <u>Alvarez & Marsal CRF Management, LLC</u> Name <u>2029 Century Park East, Suite 2060</u> Number Street <u>Los Angeles CA 90067</u> City State ZIP Code Contact phone <u>310-975-2600</u> Contact email <u>SVarner@alvarezandmarsal.com</u>
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____
7. How much is the claim?	\$ <u>See attached rider</u> . Does this amount include interest or other charges? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8. What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>See attached rider</u>
9. Is all or part of the claim secured?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. Nature of property: <input type="checkbox"/> Real estate. If the claim is secured by the debtor's principal residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
10. Is this claim based on a lease?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11. Is this claim subject to a right of setoff?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Identify the property: <u>See attached rider</u>

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

☒ No

☐ Yes. Check one:

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

☐ Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

☐ Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.

Amount entitled to priority

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☐ I am the creditor.

☒ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 04/06/2020
MM / DD / YYYY

Signature

Print the name of the person who is completing and signing this claim:

Name Michael A. Rosenthal
First name Middle name Last name

Title Counsel to Alvarez & Marsal CRF Management, LLC, as Investment Manager

Company Gibson, Dunn & Crutcher LLP
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 200 Park Avenue
Number Street
New York NY 10166
City State ZIP Code

Contact phone (212) 351-3969 Email mrosenthal@gibsondunn.com

RIDER TO THE PROOF OF CLAIM OF THE CRUSADER FUNDS

Dated: April 6, 2020

This Rider is part of the proof of claim (the “**Proof of Claim**”) filed by Highland Crusader Offshore Partners, L.P. (“**Master Fund**”), Highland Crusader Fund, L.P. (“**Onshore Fund**”), Highland Crusader Fund, Ltd. (“**Offshore Fund I**”), and Highland Crusader Fund II, Ltd. (“**Offshore Fund II**” and together with the Master Fund, Onshore Fund, and Offshore Fund I, the “**Crusader Funds**”), by and through their authorized investment manager, Alvarez & Marsal CRF Management, LLC, against Highland Capital Management, L.P. (“**HCM**” or the “**Debtor**”).

The Crusader Funds’ claim against HCM contains two components (which partially overlap) and a number of sub-components, described below.

I. FORFEITURE OF COMPENSATION

At all relevant times prior to August 4, 2016, HCM served as the investment manager for each of the Crusader Funds, pursuant to the terms of (a) the Joint Plan of Distribution of the Crusader Funds (the “**Plan**”); (b) the Scheme of Arrangement (the “**Scheme**”); (c) the Amended and Restated Investment Management Agreement between the Master Fund and HCM, dated as of June 1, 2006 (the “**Master Fund IMA**”); (d) the Amended and Restated Investment Management Agreement between Onshore Fund and HCM, dated as of June 1, 2006 (the “**Onshore IMA**”); (e) the Amended and Restated Investment Management Agreement between Offshore Fund I and HCM, dated as of September 1, 2006 (the “**Offshore I IMA**”); and (f) the Third Amended and Restated Investment Management Agreement between Offshore Fund II and HCM, dated as of September 1, 2006 (the “**Offshore II IMA**” and together with the Master Fund IMA, the Onshore IMA, and the Offshore I IMA, the “**IMAs**”). The Plan, the Scheme, and the IMAs are collectively referred to as the “**Fund Documents**.”

Pursuant to the Fund Documents, HCM received compensation from the Crusader Funds in the form of Management Fees, Distribution Fees, and rights to Deferred Fees (each as defined in the Plan, the Scheme, or the IMAs). However, by no later than January 2012, HCM willfully and deliberately breached its obligations under the Fund Documents and breached its duty of loyalty to the Crusader Funds. At that time, HCM caused the Crusader Funds to borrow on margin from a trading account at Jefferies, and used the borrowings to inflate the amount of distributions being made, so as to inflate the amount of HCM’s Distribution Fee. Following that date, HCM committed other acts of disloyalty and further breached its obligations to the Crusader Funds, as described in the Arbitration Award (as defined below) and as shown by the evidence presented at the arbitration hearing that led to the Arbitration Award.

As a result, pursuant to the “faithless servant” doctrine, HCM forfeited any right it had to compensation for its services from the Crusader Funds, from the date of HCM’s first disloyal act onward. *See, e.g., Phansalkar v. Andersen Weinroth & Co., L.P.*, 344 F.3d 184, 188 (2d Cir. 2003) (“We hold that New York’s faithless servant doctrine requires Phansalkar to forfeit all compensation received after his first disloyal act.”). As a “faithless servant,” HCM is obligated to disgorge all compensation received from the Crusader Funds from the date of HCM’s first disloyal act, and has no right to any further compensation from the Crusader Funds. The Crusader Funds thus assert a claim in the following amounts:

1. Management Fees: \$8,233,337
2. Distribution Fees: \$15,250,109
3. Deferred Fees: \$32,313,000¹
4. Other Fees: In the amount of any other compensation, fees or distributions which may now or in the future otherwise be owing to HCM

The Crusader Funds also assert an unliquidated claim for pre- and post-petition interest, attorneys' fees, costs, and other expenses in connection with recovering such amounts. The Crusader Funds also assert a claim in an unliquidated amount for any Deferred Fees to which HCM might otherwise become entitled in the future under the Fund Documents.

The Crusader Funds currently hold, and may in the future hold, amounts that HCM may claim are, either now or in the future, due to it as a result of services provided by HCM to the Crusader Funds (the “Withheld Amounts”). As a result of the claims detailed in the Arbitration Award and this Proof of Claim (including without limitation, the faithless servant claim), the Crusader Funds dispute that any such amounts are due. However, to the extent that HCM prevails on an entitlement to a claim against the Crusader Funds, the Crusader Funds have a right of setoff against any such claim to the extent of its claims against HCM and such right of setoff is further secured by the Withheld Amounts.

II. ARBITRATION AWARD

This component of the claim is asserted in the alternative to the claim asserted by the Redeemer Committee of the Crusader Funds (the “**Redeemer Committee**”). The Crusader Funds would withdraw this portion of their claim if and to the extent that the Redeemer Committee’s claim is allowed.

On March 6, 2019, a panel of arbitrators issued a Partial Final Award (the “**March Award**”) in favor of the Redeemer Committee against HCM. On April 29, 2019, the panel issued a Final Award (the “**Final Award**,” and together with the March Award, the “**Arbitration Award**”) in favor of the Redeemer Committee against HCM.² Substantially all of the relief awarded by the panel was expressly noted to be “for the benefit of the Fund.” Final Award ¶¶ F.a.iii-x. The Arbitration Award is subject to the Federal Arbitration Act and The Convention on the Recognition and Enforcement of Foreign Arbitral Awards. The Redeemer Committee timely moved to confirm the Award in the Delaware Chancery Court. HCM moved for partial vacatur of the Arbitration Award in June 2019. The time period to move to vacate the Arbitration Award expired prior to the Petition Date (as defined below). All capitalized terms that are not defined below have the meanings given to such terms in the Arbitration Award.

¹ This element of the claim for forfeiture of compensation overlaps in part with a component of the Arbitration Award claim, described in Section II below.

² Copies of the Arbitral Award have previously been provided the Debtor, the Official Committee of Unsecured Creditors, and the Office of the United States Trustee. The Crusader Funds reserve the right to file a copy of the Arbitral Award with the Bankruptcy Court.

The Arbitration Award component of the Crusader Funds' claim includes the following sub-components, and each is based on the Arbitration Award:

1. **Damage Claim.** The Crusader Funds assert a liquidated claim for at least \$190,824,557 plus interest that is accruing beginning as of October 16, 2019, the date that HCM filed its bankruptcy case the (the "**Petition Date**"). As set forth in the Final Award, the separate components of the Damage Claim are as follows, and the amounts set forth below are as of the Petition Date, including prepetition interest awarded under the Arbitration Award accrued to the Petition Date:
 - a. Deferred Fee Claim: \$43,105,395 (Final Award ¶ F.a.ii.1)
 - b. Distribution Fee Claim: \$22,922,608 (Final Award ¶ F.a.ii.2)
 - c. Taking of Plan Claims: \$3,277,991 (Final Award ¶ F.a.v)
 - d. CLO Trades Claim: \$685,195 (Final Award ¶ F.a.vi)
 - e. Credit Suisse Claim: \$3,660,130 (Final Award ¶ F.a.vii)
 - f. UBS Claim: \$2,600,968 (Final Award ¶ F.a.viii)
 - g. Barclays Claim: \$30,811,366 (Final Award ¶ F.a.ix)
 - h. Legal Fees, Costs, and Expenses: \$11,351,850 (Final Award ¶ F.a.xi)
 - i. Administrative Fees: \$514,164 (Final Award ¶ F.a.xii)
 - j. Cornerstone Award: \$71,894,891 (Final Award ¶ F.a.ix)

The Crusader Funds also assert an unliquidated claim for post-petition interest, attorneys' fees, costs, and other expenses that continue to accrue in connection with the Damage Claim.

2. **Cancellation of Limited Partnership Interests.** The Final Award provides, in relevant part, for the cancellation of the limited partnership interests in the Crusader Funds that are (i) held by HCM and Charitable DAF Fund, L.P. that are identified in RC411, and (ii) held by Eames, Ltd. (Final Award ¶¶ F.a.v and F.a.x). The Final Award provides for HCM to transfer, or take all necessary steps to cause the transfer of, such interests to the Redeemer Committee for the benefit of the Crusader Funds. The Final Award also provides that the Redeemer Committee has the independent right to cause the Crusader Funds to cancel such limited partnership interests. The Crusader Funds reserve the right, to the extent required under applicable law, to seek relief from the Bankruptcy Court in order to cancel such limited partnership interests in accordance with the Final Award. The Crusader Funds assert a claim in an unliquidated amount in the event all such limited partnership interests are not cancelled in accordance with the Final Award.
3. **Deferred Fee Account.** The Arbitration Award granted the Redeemer Committee's request for a declaratory judgment with respect to the immediate distribution of the

Deferred Fee Account, which the Crusader Funds continue to hold, and ordered the payment of the funds in such account to the Redeemer Committee for disbursement to the Consenting Compulsory Redeemers (March Award ¶ VII.D; Final Award ¶ F.a). The Crusader Funds reserve the right, to the extent required under applicable law, to seek relief from the Bankruptcy Court in order to cause the distribution of the funds held in the Deferred Fee Account in accordance with the Arbitration Award. The Crusader Funds assert a claim in an unliquidated amount in the event all such funds are not distributed in accordance with the Arbitration Award.

The Crusader Funds file this portion of the Proof of Claim out of an abundance of caution and in the event that the Arbitration Award is determined not to be an executory contract. However, the Arbitration Award may be an executory contract under section 365 of the Bankruptcy Code. HCM has not yet moved to assume or reject such contract. The Crusader Funds reserve the right to dispute whether the Arbitration Award is an executory contract and, if so, HCM's decision to reject such contract. If the Arbitration Award is determined to be an executory contract and is allowed to be rejected by the Bankruptcy Court, the Crusader Funds reserve the right to file an amended proof of claim by the bar date for the filing of rejection damages claims; if no such amended proof of claim is filed, then, this claim shall serve as the Crusader Funds' rejection damages claim. By filing this Proof of Claim, the Crusader Funds do not concede that the Arbitration Award is an executory contract, that amounts awarded under the Arbitration Award are prepetition claims or that they are now required to file a proof of claim to be entitled to the amounts described in the Arbitration Award.

* * *

The Crusader Funds reserve all rights to amend or modify this Proof of Claim in any respect, including, without limitation, to assert other or additional claims, or for the purpose of fixing or liquidating any contingent or unliquidated claims. This Proof of Claim is without prejudice to any other rights the Crusader Funds may have against the Debtor, its officers, employees, successors, or assigns.

The Crusader Funds expressly reserve all of their procedural and substantive defenses and rights with respect to any claim that may be asserted against the Crusader Funds by the Debtor, including, without limitation, any rights of setoff or recoupment.

The filing of this Proof of Claim shall not constitute: (i) an admission of liability by the Crusader Funds to any party; (ii) a waiver or release of the Crusader Funds' rights against any person, entity, or property; (iii) a consent by the Crusader Funds to the jurisdiction of the Bankruptcy Court with respect to the subject matter of this Proof of Claim, any objection or other proceeding commenced with respect thereto, or any other proceeding commenced in these cases or otherwise involving the Crusader Funds; (iv) a waiver or release of the right to move to withdraw the reference to the subject matter of this Proof of Claim, any objection or other proceeding commenced with respect thereto, or any other proceeding commenced in these cases against or otherwise involving any claimant; (v) a waiver or release of the right to seek to have the Bankruptcy Court abstain with respect to the subject matter of this Proof of Claim, any objection or other proceeding commenced with respect thereto, or any other proceeding commenced in these cases against or otherwise involving any claimant, (vi) a waiver or release of the right to have final

orders entered only after *de novo* review by a United States District Judge; (vii) a waiver or release of their right to trial by jury in any proceeding so triable in these cases or any case, controversy, or proceeding related to these cases; (viii) a consent to a jury trial in any proceeding so triable in these cases or any case, controversy or proceeding related to these cases, (ix) a waiver or release of their right to arbitration under the Plan and Scheme; (x) an election of remedies or limitation of rights or remedies; or (xi) a waiver or release of any other rights, claims, actions, defenses, setoffs, or recoupments to which they are or may be entitled under agreements, in law, in equity, or otherwise, all of which rights, claims, actions, defenses, setoffs, and recoupments are expressly reserved.

Fill in this information to identify the case:

Debtor Highland Capital Management, L.P.

United States Bankruptcy Court for the: Northern District of Texas
(State)

Case number 19-34054

Official Form 410
Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Patrick Hagaman Daugherty</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? Patrick Hagaman Daugherty 3621 Cornell Ave. Suite 830 Dallas, Texas 75205, United States Contact phone <u>972-679-7487</u> Contact email <u>pdaugherty@glacierlakecap.com</u>	Where should payments to the creditor be sent? (if different) Contact phone _____ Contact email _____
	(see summary page for notice party information) Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
4. Does this claim amend one already filed?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Claim number on court claims registry (if known) <u>67</u> Filed on <u>04/01/2020</u> MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Who made the earlier filing? <u>Patrick Hagaman Daugherty</u>	

Dondero Ex. E



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____
7. How much is the claim? \$ <u>At least 37,483,876.62</u>	Does this amount include interest or other charges? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8. What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>See attached addendum, various litigation claims and services</u>
9. Is all or part of the claim secured?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. Nature or property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
10. Is this claim based on a lease?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11. Is this claim subject to a right of setoff?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____



<p>12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?</p> <p>A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.</p>	<div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Check all that apply: </div> <div style="text-align: right; font-weight: bold;">Amount entitled to priority</div> </div> <div style="margin-top: 10px;"> <input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). \$ _____ </div> <div style="margin-top: 10px;"> <input type="checkbox"/> Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). \$ _____ </div> <div style="margin-top: 10px;"> <input type="checkbox"/> Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). \$ _____ </div> <div style="margin-top: 10px;"> <input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). \$ _____ </div> <div style="margin-top: 10px;"> <input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). \$ _____ </div> <div style="margin-top: 10px;"> <input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)() that applies. \$ _____ </div> <p style="font-size: small; margin-top: 10px;">* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.</p>
<p>13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?</p>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim. \$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☒ I am the creditor.
☐ I am the creditor's attorney or authorized agent.
☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 04/06/2020
MM / DD / YYYY

/s/Patrick Hagaman Daugherty
Signature

Print the name of the person who is completing and signing this claim:

Name Patrick Hagaman Daugherty
First name Middle name Last name

Title _____

Company _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____ Email _____



For phone assistance: Domestic (877) 573-3984 | International (310) 751-1829

Debtor: 19-34054 - Highland Capital Management, L.P. District: Northern District of Texas, Dallas Division		
Creditor: Patrick Hagaman Daugherty 3621 Cornell Ave. Suite 830 Dallas, Texas, 75205 United States Phone: 972-679-7487 Phone 2: Fax: Email: pdaugherty@glacierlakecap.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: Yes Related Claim Filed By: Patrick Hagaman Daugherty	
	Filing Party: Creditor	
Disbursement/Notice Parties: Jason Kathman 2701 Dallas Parkway Suite 590 Plano, Texas, 75093 United States Phone: 214-658-6500 Phone 2: Fax: E-mail: jkathman@pronskepc.com		
Other Names Used with Debtor:	Amends Claim: Yes - 67, 04/01/2020 Acquired Claim: No	
Basis of Claim: See attached addendum, various litigation claims and services	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: At least 37,483,876.62	Includes Interest or Charges: Yes	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Patrick Hagaman Daugherty on 06-Apr-2020 5:04:16 p.m. Eastern Time Title: Company:		

Fill in this information to identify the case:

Debtor 1 Highland Capital Management, L.P.

Debtor 2
(Spouse, if filing) _____

United States Bankruptcy Court for the: Northern District of Texas

Case number 19-34054

Official Form 410

Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Patrick Hagaman Daugherty</u> Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent? <u>Patrick Hagaman Daugherty</u> Name <u>3621 Cornell Ave., Suite 830</u> Number Street <u>Dallas TX 75205</u> City State ZIP Code Contact phone <u>972-679-7487</u> Contact email <u>pdaugherty@gacierlakecap.com</u> see summary page for notice party information Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	Where should payments to the creditor be sent? (if different) _____ Name _____ Number Street _____ City State ZIP Code Contact phone _____ Contact email _____
4. Does this claim amend one already filed?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Claim number on court claims registry (if known) <u>67</u> Filed on <u>04/01/2020</u> MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? ☒ No
☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is the claim? \$ At least \$37,483,876.62. Does this amount include interest or other charges?
☐ No
☒ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.

See attached addendum, various litigation claims and services

9. Is all or part of the claim secured? ☒ No
☐ Yes. The claim is secured by a lien on property.
Nature of property:
☐ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
☐ Motor vehicle
☐ Other. Describe: _____

Basis for perfection: _____
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ _____
Amount of the claim that is secured: \$ _____
Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ _____

Annual Interest Rate (when case was filed) _____ %
☐ Fixed
☐ Variable

10. Is this claim based on a lease? ☒ No
☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? ☒ No
☐ Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

☒ No

☐ Yes. Check one:

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

☐ Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

☐ Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.

Amount entitled to priority

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.

☐ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 04/06/2020
MM / DD / YYYY

/s/ Patrick Hagaman Daugherty

Signature

Print the name of the person who is completing and signing this claim:

Name Patrick Hagaman Daugherty
First name Middle name Last name

Title _____

Company _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 3621 Cornell Ave., Suite 830
Number Street
Dallas TX 75205
City State ZIP Code

Contact phone 927-679-7487 Email pdaugherty@glacierlakecap.com

Print

Save As...

Add Attachment

Reset

ADDENDUM TO PROOF OF CLAIM FILED BY PATRICK H DAUGHERTY

1. Claimant: Patrick H Daugherty ("Daugherty") files this proof of claim against Highland Capital Management, L.P. (the "Debtor").
2. Description and Amount of the Claim(s): On October 16, 2019 (the "Petition Date"), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the "Bankruptcy Code") on the third day of trial with Daugherty in Delaware Chancery Court.

Daugherty's claims against Debtor (the "Claim"), as of the Petition Date, consists of at least **\$37,483,876.62** More specifically, the Claim consists of the following items and calculations:

Highland Employee Retention Assets Award	\$	2,600,000.00
Highland Employee Retention Assets Award (Interest)	\$	1,129,611.04
HERA Cash	\$	6,338,702.41
HERA Interest	\$	3,114,752.48
HERA Restoration Capital Partners	\$	16,443,221.45
HERA NHF	\$	26,632.46
HERA NXRT	\$	86,263.97
Highland Capital Indemnification	\$	6,751,902.41
40act duties	\$	3,139,452.05
Fee Shifting	\$	3,479,318.50
IRA Penalties	\$	106,279.13
Interest on Loans	\$	26,852.73
Highland Capital Indemnification (Interest)	\$	992,790.40
TOTAL	\$	37,483,876.62

3. The Claim arises pursuant to the following:
 - i) The causes of action asserted in *Second Amended Verified Complaint* filed by Daugherty in The Court of Chancery of the State of Delaware C.A. No. 2017-0488-MTZ including all attachments referenced therein, (the "Complaint"). Post-petition interest, attorneys' fees, costs, and other expenses continue to accrue on the claim associated with the Complaint against the Debtor to the extent allowable under applicable law. The Claim includes prejudgment interest on certain claims asserted in the Complaint, interest on certain claims asserted in the Complaint, and attorneys' fees, as further described by the Complaint. A true and correct copy of the

Complaint is attached hereto as EXHIBIT "A". Daugherty has supplemented Exhibit A with publicly available transcripts, documents and exhibits as represented by Exhibit B, C, and D

NOTE: The Debtor has elected to redact or classify as "Highly Confidential" numerous pleadings, documents and exhibits that support Daugherty's claim. Daugherty will amend and provide additional supporting information to the extent the Debtor removes these restrictions.

- ii) The IRS related claim as Daugherty is a former senior partner of Highland Capital Management, LP. and this claim arises out of a 2008/2009 pending undecided audit/dispute (06252018 0028) between the Debtor and the Internal Revenue Service that remains unresolved.
 - iii) Daugherty's request of Debtor to cease defaming him on its website pursuant to its November 30, 2017 press release titled *Matt Wirz, Wall Street Journal Fake News, Sloppy and Malicious Reporting*. Otherwise, Daugherty intends to pursue legal action against the Debtor to the extent allowable under applicable law.
4. Reservation of Rights: In addition to the foregoing Claim, Daugherty reserves the right in the future to assert any and all additional claims that Daugherty may have against the Debtor under both state and federal law, including, without limitation, any legal or equitable remedies to which Daugherty may be entitled. Daugherty further reserves his right to (a) amend, modify, or supplement this proof of claim, including any exhibit, schedule or annex, or to file an amended proof of claim for the purpose of modifying or liquidating the amount of any interest, fees, costs and expenses incurred subsequent to the Petition Date or any contingent or unliquidated claims or rights of Daugherty set forth herein; (b) file additional proofs of claims; and (c) pursue actions against third parties. The filing of this Proof of Claim is in no way intended to be (i) a waiver or release of any rights, claims or defenses against any person, entity or property that Daugherty may have, (ii) a waiver or release of Daugherty's right to have any applicable final orders entered by an Article III judge, (iii) a consent by Daugherty to the jurisdiction of this Court for any purpose other than the adjudication of this Proof of Claim; (iv) an election of remedy, (v) a waiver or release of any right Daugherty may have to a jury trial, (vi) a waiver of any right to withdraw the reference with respect to the subject matter of this Proof of Claim, any objection thereto or any other proceeds which may be commenced in this case against or otherwise involving Daugherty, including without any limitation, any adversary proceeding that was or may be commenced by any party or committee in this case.

5. Notices: All notices to Daugherty for this proof of claim shall be sent to:

Jason P. Kathman
Pronske & Kathman, P.C.
2701 Dallas Parkway
Suite 590
Plano, Texas 75093
Office (214) 658-6511
jkathman@pronskepc.com

and

Patrick H Daugherty
3621 Cornell Ave
Dallas, Texas 75205
Cell (972) 679-7487
pdaugherty@glacierlakecap.com

6. Payments: Please remit all payments and distributions related to this proof of claim to:

Patrick H Daugherty
3621 Cornell Ave
Dallas, Texas 75205

Dated: April 1, 2020

/s/ Patrick H Daugherty

Fill in this information to identify the case:

Debtor Highland Capital Management, L.P.

United States Bankruptcy Court for the: Northern District of Texas
(State)

Case number 19-34054

Official Form 410
Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Integrated Financial Associates, Inc.</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? <u>Integrated Financial Associates, Inc.</u> <u>3111 S. Rainbow Blvd., Suite 209</u> <u>Las Vegas, NV 89146</u> Federal Rule of Bankruptcy Procedure (FRBP) 2002(g) Contact phone <u>702-257-0021</u> Contact email <u>Bill_IFA@yahoo.com</u>	Where should payments to the creditor be sent? (if different) Contact phone _____ Contact email _____ Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Dondero Ex. D



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____
7. How much is the claim? \$ <u>241,002,696.73</u>	Does this amount include interest or other charges? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8. What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>Tort and contract damages</u>
9. Is all or part of the claim secured?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. Nature or property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
10. Is this claim based on a lease?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11. Is this claim subject to a right of setoff?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

☒ No

☐ Yes. Check all that apply:

	Amount entitled to priority
<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$ _____
<input type="checkbox"/> Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$ _____
<input type="checkbox"/> Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	\$ _____
<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____
<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____
<input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.	\$ _____

* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?

☒ No

☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☒ I am the creditor.
- ☐ I am the creditor's attorney or authorized agent.
- ☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- ☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 04/08/2020
MM / DD / YYYY

/s/William Dyer
Signature

Print the name of the person who is completing and signing this claim:

Name William Dyer
First name Middle name Last name

Title President

Company Integrated Financial Associates, Inc.
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____ Email _____




For phone assistance: Domestic (877) 573-3984 | International (310) 751-1829

Debtor: 19-34054 - Highland Capital Management, L.P.		
District: Northern District of Texas, Dallas Division		
Creditor: Integrated Financial Associates, Inc. 3111 S. Rainbow Blvd., Suite 209 Las Vegas, NV, 89146 Phone: 702-257-0021 Phone 2: Fax: Email: Bill_IFA@yahoo.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded	
	Related Document Statement:	
	Has Related Claim: No	
	Related Claim Filed By:	
	Filing Party: Creditor	
Other Names Used with Debtor:	Amends Claim: No	
	Acquired Claim: No	
Basis of Claim: Tort and contract damages	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: 241,002,696.73	Includes Interest or Charges: Yes	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No	Nature of Secured Amount:	
Amount of 503(b)(9): No	Value of Property:	
Based on Lease: No	Annual Interest Rate:	
Subject to Right of Setoff: No	Arrearage Amount:	
	Basis for Perfection:	
	Amount Unsecured:	
Submitted By: William Dyer on 08-Apr-2020 1:31:30 p.m. Eastern Time		
Title: President		
Company: Integrated Financial Associates, Inc.		

Fill in this information to identify the case:

Debtor 1 Highland Capital Management, L.P.

Debtor 2
(Spouse, if filing) _____

United States Bankruptcy Court for the: Northern District of Texas 

Case number 19-34045-sgj11

Official Form 410

Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Integrated Financial Associates, Inc.</u> Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent? <u>Carlyon Cica Chtd</u> Name <u>265 E. Warm Springs Road, Suite 1-7</u> Number Street <u>Las Vegas</u> <u>NV</u> <u>89119</u> City State ZIP Code Contact phone <u>702-684-4444</u> Contact email <u>ccarlyon@carlyoncica.com</u> Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	Where should payments to the creditor be sent? (if different) <u>Integrated Financial Associates, Inc.</u> Name <u>3111 S. Rainbow Blvd., Suite 209</u> Number Street <u>Las Vegas</u> <u>NV</u> <u>89146</u> City State ZIP Code Contact phone _____ Contact email <u>Bill_IFA@yahoo.com</u>
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? ☒ No
☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is the claim? \$ 241,002,696.73. Does this amount include interest or other charges?
☐ No
☒ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.

Tort and contract damages

9. Is all or part of the claim secured? ☒ No
☐ Yes. The claim is secured by a lien on property.
Nature of property:
☐ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
☐ Motor vehicle
☐ Other. Describe: _____

Basis for perfection: _____
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ _____
Amount of the claim that is secured: \$ _____
Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ _____

Annual Interest Rate (when case was filed) _____ %
☐ Fixed
☐ Variable

10. Is this claim based on a lease? ☒ No
☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? ☒ No
☐ Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

☒ No

☐ Yes. Check one:

- ☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).
- ☐ Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).
- ☐ Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).
- ☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).
- ☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).
- ☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.

Amount entitled to priority

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☒ I am the creditor.
- ☐ I am the creditor's attorney or authorized agent.
- ☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- ☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 04/07/2020

MM / DD / YYYY

Signature

Print the name of the person who is completing and signing this claim:

Name William Dyer
First name Middle name Last name

Title President

Company Integrated Financial Associates, Inc.
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 3111 S. Rainbow Blvd., Suite 209
Number Street

Las Vegas NV 89146
City State ZIP Code

Contact phone 702-257-0021 Email Bill_IFA@yahoo.com

STATEMENT TO ACCOMPANY PROOF OF CLAIM

IFA is the payee under a November 29, 2007 note (the “IFA Note”) in the original principal amount of \$23,100,000 (attached hereto as Exhibit 1¹) executed by Essex Real Estate Partners, LLC (“Essex”). A second note (the “Highland Note”) in the original principal amount of \$42,900,000 was executed by Essex payable to The Foothill Group, Inc., but subsequently assigned, first to Highland Crusader Holdings Corporation and Highland Credit Opportunities Holding Corporation and then to various CLO entities, Westchester CLO, Ltd, Gleneagles CLO, Ltd, Stratford CLO, Ltd, Greenbriar CLO, Ltd, Eastland CLO, Ltd, Brentwood CLO, Ltd, Jasper CLO, Ltd, Longhorn Credit Funding LLC, Grayson CLO, Ltd., and Red River CLO, Ltd. (collectively, the “Highland Investors” and, together with IFA, the “Lenders”). Pursuant to the underlying Term Loan Agreement, NexBank, LLC (“NexBank”) is the Agent for the Lenders under the Term Loan Agreement. Debtor, which is jointly controlled with NexBank, acts on behalf of the Lenders. As detailed by the complaint attached hereto as Exhibit 2 (without its exhibits), NexBank has not fulfilled its duties to IFA, to IFA’s expense and detriment. Further, Essex has alleged in a separate complaint, which is attached hereto as Exhibit 3 (without Exhibits) that, as a result of NexBank’s failure to foreclose on the collateral for the IFA Note and the Highland Note, those notes are uncollectible and the related deed of trust unenforceable. Essex further alleges that NexBank’s refusal to release the deed of trust entitles Essex to an award of damages.

NexBank has asserted that all of its actions (and inactions) which are the subject of the Complaints were undertaken pursuant to directions and control of the “Required Lenders.” Debtor has, at all times, acted on behalf of the Highland Lenders and asserted that such directions constitute directions from the “Required Lenders”.

As a result of the allegations of the two complaints, IFA has incurred significant attorneys’ fees and damages, and faces the risk of losing its ability to collect on the IFA Note and/or to realize upon the deed of trust securing the IFA Note. NexBank asserts that the total amount due is \$584,462,133.68. *See* NexBank Proof of Claim and Exhibit E thereto, attached hereto as Exhibit 4. IFA’s portion of that amount, less interest accruing on the IFA Note between Debtor’s bankruptcy filing and the Essex bankruptcy filing, plus estimated fees and expenses incurred and to be incurred by IFA as a result of the wrongful conduct of Debtor and NexBank, totals approximately \$241,002,696.73.²

IFA reserves the right to amend this claim, including upon completion of the underlying litigation referenced herein.

¹ Copies of all Exhibits are available upon request from Claimant’s counsel and are also available to the public via the various courts before whom the matters have been filed.

² 41.06% of \$584,462,122.88 (= \$243,136,247.61), less approximately \$3,133,550.88 in interest accrued between October 16, 2019 (Debtor’s petition date) and December 27, 2019 (the Essex Petition Date), plus \$1,000,000 estimated attorneys’ fees and expenses incurred, and which will be incurred, by IFA as a result of the wrongful conduct of Debtor and NexBank.

EXHIBIT “1”

EXHIBIT “1”

002504

DEED OF TRUST NOTE

\$23,100,000

November 29, 2007

FOR VALUE RECEIVED, ESSEX REAL ESTATE PARTNERS, LLC, a Nevada limited-liability company ("Borrower," whether one or more) hereby promises to pay to the order of INTEGRATED FINANCIAL ASSOCIATES, INC., a Nevada corporation ("Lender") under that certain Loan Agreement (defined below) among Borrower, NEXBANK, SSB, as the collateral agent and administrative agent (together with any and all of its successors and assigns, "Agent") as agent for the benefit of the lenders (collectively, "Lenders") from time to time a party to that certain Term Loan Agreement (the "Loan Agreement") dated November 29, 2007, without offset, in immediately available funds in lawful money of the United States of America, at Agent's Office as defined in the Loan Agreement, the principal sum of TWENTY THREE MILLION ONE HUNDRED THOUSAND AND 00/100 DOLLARS (\$23,100,000) (or the unpaid balance of all principal advanced against this Note, if that amount is less), together with interest on the unpaid principal balance of this Note from day to day outstanding as hereinafter provided.

1. Note; Interest; Payment Schedule and Maturity Date. This Note is the Note referred to in the Loan Agreement and is entitled to the benefits thereof and subject to prepayment in whole or in part as provided therein. The entire principal balance of this Note then unpaid shall be due and payable at the times set forth in the Loan Agreement. Accrued unpaid interest shall be due and payable at the times and at the interest rate(s) set forth in the Loan Agreement until all principal and accrued interest owing on this Note shall have been fully paid and satisfied. Any amount not paid when due and payable hereunder shall, to the extent permitted by applicable Law, bear interest and, if applicable, a late charge as set forth in the Loan Agreement.

2. Security; Loan Documents. The security for this Note includes a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (which, as it may have been or may be amended, restated, modified or supplemented from time to time, is herein called the "Deed of Trust") dated November 29, 2007 herewith from Borrower to Chicago Title Company, Trustee, covering certain property in the City of Henderson County of Clark, State of Nevada, described therein (the "Property"). This Note, the Deed of Trust, the Loan Agreement and all other documents now or hereafter securing, guaranteeing or executed in connection with the loan evidenced by this Note (the "Loan"), as the same have been or may be amended, restated, modified or supplemented from time to time, are herein sometimes called individually a "Loan Document" and together the "Loan Documents." Notwithstanding the foregoing, the Environmental Indemnity Agreement dated November 29, 2007 ("Environmental Indemnity Agreement") is not a Loan Document.

3. Defaults.

(a) It shall be a default ("Default") under this Note and each of the other Loan Documents if (i) any principal, interest or other amount of money due under this Note is not paid in full within ten (10) days of the date when due, regardless of how such amount may have become due, (ii) any covenant, agreement, condition, representation or warranty herein or in any other Loan Document is not fully and timely performed, observed or kept, subject to any

applicable grace or cure periods, or (iii) there shall occur any default or event of default under the Deed of Trust or any other Loan Document, subject to any applicable grace or cure periods. Upon the occurrence of a Default, Agent on behalf of Lenders shall have the rights to declare the unpaid principal balance and accrued but unpaid interest on this Note, and all other amounts due hereunder and under the other Loan Documents, at once due and payable (and upon such declaration, the same shall be at once due and payable), to foreclose any liens and security interests securing payment hereof and to exercise any of its other rights, powers and remedies under this Note, under any other Loan Document, or at Law or in equity.

(b) All of the rights, remedies, powers and privileges (together, "Rights") of Agent on behalf of Lenders provided for in this Note and in any other Loan Document are cumulative of each other and of any and all other Rights at Law or in equity. The resort to any Right shall not prevent the concurrent or subsequent employment of any other appropriate Right. No single or partial exercise of any Right shall exhaust it or preclude any other or further exercise thereof, and every Right may be exercised at any time and from time to time. No failure by Agent or Lenders to exercise, and no delay in exercising any Right, including the right to accelerate the maturity of this Note, shall be construed as a waiver of any Default or as a waiver of any Right. Without limiting the generality of the foregoing provisions, the acceptance by Lender from time to time of any payment under this Note which is past due or which is less than the payment in full of all amounts due and payable at the time of such payment, shall not (i) constitute a waiver of or impair or extinguish the right of Agent or Lenders to accelerate the maturity of this Note or to exercise any other Right at the time or at any subsequent time, or nullify any prior exercise of any such Right, (ii) constitute a waiver of the requirement of punctual payment and performance or a novation in any respect, or (iii) in any way excuse the existence of a Default.

(c) If there is a prevailing party in any lawsuit, reference or arbitration arising out of or relating to this Note, the Loan Documents or the Loan, such prevailing party shall be entitled to recover from each other party such sums as the court, referee or arbitrator may adjudge to be reasonable attorneys' fees in the action, reference or arbitration, including the market value of services of in-house counsel, in addition to costs and expenses otherwise allowed by law. In all other situations, Borrower agrees to pay all costs and expenses of the holder of this Note which may be incurred in enforcing or protecting the rights or interests of such holder, including attorneys' fees and expenses (including the market value of services of in-house counsel), investigation costs and all court costs, whether or not suit is filed hereon, whether before or after the Maturity Date defined in the Loan Agreement, or whether in connection with bankruptcy, insolvency or appeal, or whether collection is made against Borrower or any guarantor or endorser or any other person primarily or secondarily liable hereunder. From the time(s) incurred until paid in full to the holder of this Note, all such sums shall bear interest at the Past Due Rate defined in the Loan Agreement.

4. Heirs, Successors and Assigns. The terms of this Note and of the other Loan Documents shall bind and inure to the benefit of the heirs, devisees, representatives, successors and assigns of the parties. The foregoing sentence shall not be construed to permit Borrower to assign the Loan except as otherwise permitted under the Loan Documents. As further provided in the Loan Agreement, a Lender may, at any time, sell, transfer, or assign all or a portion of its interest in this Note, the Deed of Trust and the other Loan Documents, as set forth in the Loan Agreement.

5. General Provisions. Time is of the essence with respect to Borrower's obligations under this Note. If more than one person or entity executes this Note as Borrower, all of said parties shall be jointly and severally liable for payment of the indebtedness evidenced hereby. Borrower and all sureties, endorsers, guarantors and any other party now or hereafter liable for the payment of this Note in whole or in part, hereby severally (a) waive demand, presentment for payment, notice of dishonor and of nonpayment, protest, notice of protest, notice of intent to accelerate, notice of acceleration and all other notices (except any notices which are specifically required by this Note or any other Loan Document), filing of suit and diligence in collecting this Note or enforcing any of the security herefor; (b) agree to any substitution, subordination, exchange or release of any such security or the release of any party primarily or secondarily liable hereon; (c) agree that neither Agent nor any Lender shall be required first to institute suit or exhaust its remedies hereon against Borrower or others liable or to become liable hereon or to perfect or enforce its rights against them or any security herefor; (d) consent to any extensions or postponements of time of payment of this Note for any period or periods of time and to any partial payments, before or after maturity, and to any other indulgences with respect hereto, without notice thereof to any of them; and (e) submit (and waive all rights to object) to non-exclusive personal jurisdiction of any state or federal court sitting in the city and county, and venue in the city or county, in which payment is to be made as specified in Section 1 of this Note, for the enforcement of any and all obligations under this Note and the Loan Documents; (f) waive the benefit of all homestead and similar exemptions as to this Note; (g) agree that their liability under this Note shall not be affected or impaired by any determination that any security interest or lien taken by Lender to secure this Note is invalid or unperfected; and (h) hereby subordinate any and all rights against Borrower and any of the security for the payment of this Note, whether by subrogation, agreement or otherwise, until this Note is paid in full. A determination that any provision of this Note is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Note to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances. This Note may not be amended except in a writing specifically intended for such purpose and executed by the party against whom enforcement of the amendment is sought. Captions and headings in this Note are for convenience only and shall be disregarded in construing it. The words "include" and "including" shall be interpreted as if followed by the words "without limitation." THIS NOTE, AND ITS VALIDITY, ENFORCEMENT AND INTERPRETATION, SHALL BE GOVERNED BY NEVADA LAW (WITHOUT REGARD TO ANY CONFLICT OF LAWS PRINCIPLES) AND APPLICABLE UNITED STATES FEDERAL LAW.

6. Notices. Any notice, request, or demand to or upon Borrower or Lender shall be deemed to have been properly given or made when delivered in accordance with the Loan Agreement.

THE WRITTEN LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN AND AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

(Reminder of page left intentionally blank – Signatures follow on next page)

IN WITNESS WHEREOF, Borrower has duly executed this Note as of the date first above written.

BORROWER:

ESSEX REAL ESTATE PARTNERS, LLC,
a Nevada limited liability company

By: Las Vegas Development Associates, LLC,
a Nevada limited liability company
Its: Manager

By: 

Name: George F. Holman

Its: Managing Member

S-1
Deed of Trust Note -
Integrated Financial Associates, Inc.

002508

EXHIBIT “2”

EXHIBIT “2”

002509

Electronically Filed
4/5/2018 3:04 PM
Steven D. Grierson
CLERK OF THE COURT



1 **COMPB**
2 CLARK HILL, PLLC
3 CANDACE C. CARLYON, ESQ.
4 Nevada Bar No. 2666
5 3800 Howard Hughes Parkway, Suite 500
6 Las Vegas, NV 89169
7 Telephone No. (702) 862-8300
8 Facsimile No. (702) 862-8400
9 Email: ccarlyon@clarkhill.com
10 *Counsel for Integrated Financial Associates, Inc.*

11 **EIGHTH JUDICIAL DISTRICT COURT**
12 **CLARK COUNTY, NV**

13 **INTEGRATED FINANCIAL**
14 **ASSOCIATES, INC.,**

15 **Plaintiff.**

16 **vs.**

17 **NEXBANK, SSB, DOES 1-X; ROES XI-XX**
18 **Defendants.**

19 **Case #:** A-18-772359-B

20 **Department 27**

21 **COMPLAINT**

22 Debtor, Integrated Financial Associates, Inc. ("IFA"), by and through its undersigned
23 counsel, hereby complains and alleges against Defendants as follows:

24 **I.**

25 **PARTIES, JURISDICTION AND VENUE**

A. The Parties.

1. Plaintiff, Integrated Financial Associates, Inc. ("IFA") is a Nevada
Corporation.

2. Defendant, NexBank, SSB ("NexBank" or "Agent"), is a Texas Chartered
State Savings Bank, and the Agent for IFA as well as participating lenders Westchester CLO,
Ltd., Gleneagles CLO, Ltd., Stratford CLO, Ltd., Greenbriar CLO, Ltd., Eastland CLO, Ltd.,

1 Brentwood CLO, Ltd., Jasper CLO, Ltd., Longhorn Credit Funding LLC, Grayson CLO, Ltd.,
2 and Red River CLO, Ltd. (collectively, the "Highland Lenders") pursuant to the term loan
3 agreement between and among certain parties, including IFA, NexBank, Highland Financial
4 Corp. ("HC"); and Essex Real Estate Partners, LLC ("Essex"), dated November 29, 2007 (the
5 "Loan Agreement").

6 3. The Loan Agreement is governed by Nevada law, and the parties to the Loan
7 Agreement, including NexBank, have agreed that any proceeding arising in connection with
8 the Loan Agreement will be litigated in Clark County, Nevada.

9 4. Does I-X are individuals who, upon information and belief, participated or
10 assisted Defendant in the actions complained of herein; and/or caused or contributed to
11 Plaintiff's damages as alleged herein.

12 5. Roes XI-XX are corporate entities which, upon information and belief,
13 participated or assisted Defendant in the actions complained of herein; and/or caused or
14 contributed to Plaintiff's damages as alleged herein.

15 II.

16 COMMON FACTS

17 A. IFA's Operation as a Licensed Mortgage Broker

18 6. IFA is a licensed mortgage broker whose business has, throughout its history,
19 included the origination, brokering, and servicing of loans secured by real property.

20 7. The average loan brokered by IFA ranged between \$500,000 - \$10,000,000,

21 8. IFA would identify lending opportunities, with funding to come primarily from
22 investors who would purchase undivided fractional interests in the loan.

23 9. Each investor was assigned a beneficial interest in the loan they desired to
24 invest in, and that assignment was recorded with the county recorder's office in the county
25 where the property was located.

1 10. In many cases IFA was also an investor and held a fractional interest in the
2 loan along with other investors.

3 11. IFA also serviced the loans it originated, and typically received an annual loan
4 servicing fee equal to 0.5% of the loan amount.

5 **B. IFA is Approached to Assist With Funding the Essex Loan**

6 12. IFA was approached by George Holman ("Holman") in July 2007 about a land
7 deal he was structuring with KB Home Nevada, Inc. ("KB Home") to acquire 100+ acres in
8 the Inspirada Town Center project located in Henderson, NV.

9 13. IFA reviewed the proposal but determined that IFA was not in a position to
10 fund such a large loan.

11 14. Holman went back to KB Home and reduced the acquisition to 83.8 acres for
12 \$62 million. The purchase agreement provided that KB Home would receive \$55 million at
13 the close of escrow and accept a subordinated note for \$7 million.

14 15. IFA was still not able to raise sufficient investor funds to finance the 83.8 acre
15 acquisition.

16 **C. Highland Capital Is Approached to Provide Additional Investors for the**
17 **Essex Loan; NexBank and Highland are Aware That IFA is Providing Investor**
18 **Funding**

19 16. Holman met with Highland Capital Management, L.P. ("Highland Capital"), a
20 multi-billion dollar, Dallas based, hedge fund that was, at the time, very aggressively lending
21 in the Las Vegas area.

22 17. Highland Capital was co-founded by James Dondero and Mark Okada.

23 18. The terms of the loan provided for \$55 million to be paid to KB Home and an
24 additional \$11 million be held to provide for an interest reserve, closing costs and origination
25

1 fees for a total of \$66 million. Highland Capital agreed to fund 65% of the transaction in the
2 sum of \$42.5 Million, so long as IFA funded the remaining 35% in the sum of \$23.1M.

3 19. Upon information and belief, the funding provided by Highland Capital was
4 provided by investors in various funds which are affiliates of, and managed by, Highland
5 Capital (the "Highland Funds").

6 20. The Highland Funds are identified as Brentwood CLO, Ltd.; Eastland CLO,
7 Ltd.; Gleneagles CLO, Ltd.; Grayson CLO, Ltd.; Greenbriar CLO, Ltd.; Jasper CLO, Ltd.;
8 Longhorn Credit Funding, LLC; Red River CLO, Ltd.; Stratford CLO, Ltd.; and Westchester
9 CLO, Ltd.

10 21. Highland Capital and Highland Financial were advised and aware, from the
11 very beginning of their discussions with IFA, that IFA was a Nevada licensed mortgage
12 broker under NRS 645B and had to comply with Nevada law relative to this loan.

13 **D. Highland Requires that the Participation Agent be NexBank**

14 22. Highland Capital required that NexBank be used as the Administrative Agent
15 for the Essex Loan.

16 23. James Dondero, in addition to being a principal in and President of Highland
17 Capital, is the Chairman of the Board of NexBank, and Mark Okada, a principal in Highland
18 Capital, sits on the Board of Directors of NexBank.

19 24. Scott Ellington is the Secretary and General Counsel of Highland Capital.

20 25. Plaintiff is informed and believes, and thereon alleges, that Highland Capital
21 owns a substantial interest in NexBank.

22 26. Plaintiff is informed and believes, and thereon alleges, that Highland Capital
23 exerts control over NexBank.

24 27. IFA provided a form participation agreement in connection with the Essex
25 Loan. Highland Capital and NexBank refused to utilize the form of agreement proposed by

1 IFA. Instead, they provided their own form of agreement, which was wholly drafted by
2 NexBank and/or Highland Capital.

3 **E. IFA and Highland Provide Investor Funding for the Essex Loan**

4 28. Holman formed Essex to acquire 83.39 acres of real property (the "Essex
5 Property" or the "Collateral") in the "Town Center" portion of the Inspirada development in
6 Henderson, NV from KB Home.

7 29. In or around November of 2007, IFA and the Highland Lenders and/or other
8 affiliates of Highland Capital collectively loaned Essex approximately \$66 million (the
9 "Essex Loan") to finance the purchase of the Essex Property, taking a deed of trust on the
10 Essex Property (the "Deed of Trust").

11 30. The Highland Lenders loaned \$42.5 million and the Foothill Group, Inc.,
12 another Highland affiliate, received a note for that amount (the "Highland Note"). IFA and its
13 investors loaned \$23.1 million and received a separate Note for that amount (the "IFA Note").

14 31. Plaintiff is informed and believes, and thereon alleges, that the Foothill Group,
15 Inc. assigned its interest in the Highland Note to Highland Crusader Holding Corporation and
16 Highland Credit Opportunities Holding Corporation on or about April 14, 2008.

17 32. The Highland Note and the IFA Note are both secured by the Deed of Trust.

18 33. Of the \$23.1 million representing the consideration for the IFA Note,
19 approximately \$5.8 million was funded by IFA with its own money.

20 34. Approximately \$14.3 million of the funds comprising the IFA Note came from
21 monies which had been provided by investors specifically for the purpose of funding the
22 Essex Loan. Those funds were invested in exchange for assignments of undivided beneficial
23 interests in a portion of the IFA Note.

24 35. Vestin Realty Mortgage Inc., II ("Vestin"), as an additional investor in IFA's
25 portion of the loan, separately funded \$3 million directly into the loan escrow.

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLANT RECORD
VOLUME 11**

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State Bar I.D. No. 12736500
John Y. Bonds, III
State Bar I.D. No. 02589100
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ATTORNEYS FOR JAMES DONDERO

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

IN RE:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

Debtor.

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Case No. 19-34054

Chapter 11

APPELLANT'S SECOND AMENDED DESIGNATION OF ITEMS TO
BE INCLUDED IN THE RECORD ON APPEAL AND
STATEMENT OF ISSUES TO BE PRESENTED

Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Appellant James Dondero ("Appellant") in this appeal as noticed by the Notice of Appeal filed by Appellant on November 9, 2020, files this *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented*¹ in the above-captioned case and requests that the Clerk prepare and forward the items listed herein to the District Court for inclusion in the record in connection with this appeal.

¹ This designation is being further amended to group together certain docket entries per the clerk's request.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL

1. Notice of Appeal filed by Appellant [Docket No. 1347];

2. *Order Approving Debtor's Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302];

3. Docket entries kept by the bankruptcy clerk in case no. 19-34054; and

4. Each of the additional documents and items designated below:

Designation No.	Docket No.	Date	Description
1.		10/25/18	<i>Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC</i> [Docket No. 660 in Case No. 18-30264]
2.		1/31/19	<i>Findings of Fact, Conclusions of Law, and Order Granting Final Approval of Disclosure Statement and Confirming the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, as Modified</i> [Docket No. 829 in Case No. 18-30264]
3.	607	4/28/20	<i>Summary of First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from October 16, 2019 through March 31, 2020</i> [Docket No. 607]
4.	617	5/1/20	<i>James Dondero's Limited Response to Acis Capital Management, L.P. and Acis Capital Management GP, LLC's Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction</i> [Docket No. 617]
5.	771	6/23/20	<i>Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC, filed by Highland Capital Management, L.P.</i> [Docket No. 771]

Vol. 5 001276	6.	827	7/13/20	<i>James Dondero's (i) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (ii) Joinder in Support of Highland Capital Management, L.P.'s Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 827]</i>
001284	7.	832	7/14/20	<i>Response of James Dondero to the Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor [Docket No. 832]</i>
001293	8.	891	7/23/20	<i>UBS (i) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC and (ii) Joinder in the Debtor's Objection [Docket No. 891]</i>
Vol. 6 001300	9.	908	7/31/20	<i>Omnibus Response to Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 908]</i>
Vol. 7 001571 Thru Vol. 8	10.	971	8/19/20	<i>Summary of Second Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from April 1, 2020 through July 31, 2020 [Docket No. 971]</i>
Vol. 8 001965	11.	983	8/21/20	<i>Agreed Scheduling Order Regarding Objections to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 983]</i>
001970	12.	1079	9/21/20	<i>First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1079]</i>
Vol. 9 002031	13.	1080	9/21/20	<i>Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1080]</i>
002186	14.	1087	9/23/20	<i>Debtor's Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer</i>

				G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith [Docket No. 1087] (the “Acis Settlement Motion”)
Vol. 9 002205	15.	1088	9/23/20	Declaration of Gregory V. Demo in Support of the Acis Settlement Motion [Docket No. 1088]
002208	16.	1088-1	9/23/20	Settlement Agreement between the Debtor, Acis, and certain related parties [Docket No. 1088-1]
002217	17.	1088-2	9/23/20	General Release between the Debtor, Acis, and certain related parties [Docket No. 1088-2]
002228 Thru Vol. 10	18.	1094	9/24/20	Eleventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020 [Docket No. 1094]
Vol. 10 002340	19.	1121	10/05/20	James Dondero’s Response to the Acis Settlement Motion [Docket No. 1121]
002350	20.	1194-1	10/16/20	Proof of Claim No. 23 filed by Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively, “Acis”)
002464	21.	1194-2	10/16/20	Proof of Claim No. 72 filed by the Redeemer Committee of the Highland Crusader Fund
002474	22.	1194-3	10/16/20	Proof of Claim No. 81 filed by Highland Crusader Offshore Partners, L.P., et al.
002486	23.	1194-5	10/16/20	Proof of Claim No. 77 filed by Patrick Daugherty
002496	24.	1194-4	10/16/20	Proof of Claim No. 93 filed by Integrated Financial Associates, Inc.
Vol. 11 002560	25.	1194-6	10/16/20	Proof of Claim No. 190 filed by UBS
002681	26.	1194-16	10/16/20	Expert Opinion of Nancy B. Rapoport, dated October 11, 2020, including all attachments thereto
002730	27.	1194-17	10/16/20	Curriculum Vitae of Nancy B. Rapoport

Vol. 12 002758	28.	1201	10/16/20	Objection of Patrick Daugherty to the Acis Settlement Motion [Docket No. 1201]
002773	29.	1177	10/16/20	CLO HoldCo. Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1177]
002777	30.	1191	10/16/20	Highland CLO Funding, Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1191]
002785	31.	1195	10/16/20	HarbourVest Limited Objection and Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1195]
002791 Thru Vol. 13	32.	1271	10/20/20	Transcript of hearing conducted on October 20, 2020 [Docket No. 1271]
Vol. 13 003047	33.	1285	10/21/20	Transcript of hearing conducted on October 21, 2020 [Docket No. 1285]

STATEMENT OF ISSUES TO BE PRESENTED ON APPEAL

1. Whether the Bankruptcy Court erred in approving the settlement agreement and release entered into between Highland Capital Management, L.P. and Acis Capital Management, L.P., Acis Capital Management GP, LLC, and Joshua Terry pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure as being fair, equitable, and in the best interest of the estate.

[Remainder of Page Intentionally Left Blank]

Dated: December 7, 2020

Respectfully submitted,

/s/ Bryan C. Assink

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ATTORNEYS FOR JAMES DONDERO

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on December 7, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for Debtor-Appellee Highland Capital Management, L.P. and on all other parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

Bryan C. Assink

1 36. As per IFA's business model, the assignments of the undivided interests in the
2 IFA Note (the "Assignments") included assignments of an undivided interest in IFA's
3 beneficial interest under the Deed of Trust securing the IFA Note.

4 **F. As Required by Law, IFA Recorded the Investor Assignments**

5 37. NRS 645B.310(3) requires that, in connection with an assignment of an
6 interest in a loan by a licensed Mortgage Broker, the Mortgage Broker must record the
7 assignment in the office of the county recorder of the county in which the real property is
8 located.

9 38. Thus, pursuant to Nevada law, IFA was required to record the Assignments of
10 the percentage beneficial interests in the IFA Note secured by the Deed of Trust.

11 39. IFA recorded the Assignments with the Clark County Recorder.

12 **G. KB Home Undermines the Value of the Collateral**

13 40. The value of the Essex Property was derived in part from an existing obligation
14 of KB Home and others to construct major infrastructure improvements on the Town Center
15 project pursuant to an approved schedule and budget.

16 41. However, within three months following the purchase by Essex of the Essex
17 Property, KB Home purported to enter into a contract, or contract revision, to relieve itself of
18 its obligation to build the infrastructure, decimating the value of the Essex Property.

19 **H. Essex, NexBank, Highland, and IFA Sue KB Home**

20 42. On June 30, 2008, Essex, *et. al*, commenced a lawsuit against KB Home, as
21 Case #08A566442 in the Eighth Judicial District Court, Clark County, Nevada (along with the
22 additional claims discussed in this section, the "Essex Litigation").

23 43. On November 4, 2008, Integrated Financial Associates, Inc. commenced a
24 separate lawsuit against KB Home, as Case #08A574976 in the Eighth Judicial District Court,
25 Clark County, Nevada (the "Court").

1 44. On or about July 7, 2009, the Court issued an order consolidating Case
2 #08A566442 with Case #08A574976.

3 45. IFA is informed and believes, and thereon alleges, that Essex assigned the
4 beneficial interest in its claims against KB Home to IFA and the Highland Lenders.

5 46. On or about July 30, 2010, the Court granted a motion to intervene in the
6 consolidated Essex Litigation filed by NexBank, SSB; Westchester CLO, Ltd.; Gleneagles
7 CLO, Ltd.; Stratford CLO, Ltd.; Greenbriar CLO, Ltd.; Eastland CLO, Ltd.; Brentwood CLO,
8 Ltd.; Jasper CLO, Ltd.; Longhorn Credit Funding LLC; Grayson CLO, Ltd.; and Red River
9 CLO, Ltd. (collectively, the "Highland Plaintiffs").

10 47. The law firms of Lackey Hershman and Hutchison & Steffan (collectively, the
11 Law Firms") represented IFA, the Highland Plaintiffs, and NexBank with regard to the Essex
12 Litigation, pursuant to contingency fee agreements with respect to any actual recovery from
13 KB Home in the Essex Litigation.

14 **I. IFA Files Bankruptcy; NexBank Accepts the Benefit of the Automatic**
15 **Stay to Stop a Tax Sale of the Essex Property; NexBank is Again Informed of the**
16 **Assignments During the Bankruptcy.**

17 48. Although the funds provided by Vestin to fund its percentage interest in the
18 IFA Note were intended to be short term bridge funds, IFA was unable to raise the capital to
19 repay Vestin in a timely manner, and Vestin brought suit against IFA, resulting in a
20 substantial judgment. This led IFA to file for chapter 11 bankruptcy protection in 2011 (the
21 "Bankruptcy").

22 49. Throughout IFA's Bankruptcy, IFA disclosed to Highland Capital and
23 NexBank that it had issued and recorded Assignments to the investors in the Essex Loan.
24
25

1 50. In addition to disclosing the Assignments in its Disclosure Statement, IFA had
2 numerous communications about this issue with the principals of NexBank and Highland
3 Capital during the Bankruptcy.

4 51. One of the issues which arose during the Bankruptcy was Clark County's
5 purported commencement of foreclosure proceedings for delinquent taxes on the Real
6 Property securing the Essex Loan. IFA argued, to the benefit of NexBank and the Highland
7 Lenders, that such foreclosure was a violation of the automatic stay, since IFA retained an
8 approximate \$5.8 million interest in the Deed of Trust.

9 52. On March 16, 2012, IFA's counsel wrote to Clark County's attorney
10 specifying that "IFA assigned beneficial interests totaling \$17,289,622.57".

11 53. A true and correct copy of the letter referenced in the preceding paragraph is
12 attached hereto as Exhibit 1.

13 54. A copy of Exhibit 1 was also sent to Jeff Scott of NexBank and Jim Pfertner of
14 Highland Capital.

15 55. Both NexBank and Highland Capital also received a copy of IFA's Motion for
16 Order Enforcing Automatic Stay and for Sanctions filed in its Bankruptcy, which reflected
17 that IFA retained a \$5.8 million interest in the Essex Loan.

18 56. IFA coordinated its efforts to reverse the tax sale not only with NexBank and
19 Highland, but with Kennedy Barnes of the Lackey Hershman firm, which represented
20 NexBank and the Highland Plaintiffs (and IFA) in the Essex Litigation. In May 2012, as a
21 direct result of IFA's involvement, the Clark County Treasurer reversed the foreclosure
22 proceedings and deeded title to the Real Property back to Essex.

23 57. In short, NexBank had actual knowledge about the assignments, and accepted
24 the benefits of IFA's Bankruptcy, all while never raising any concerns regarding whether it
25 received "prior" notice of the Assignments or whether the Assignments were proper.

J. The Firms Representing IFA, NexBank and the Highland Plaintiffs Against KB Home Are Employed by the Bankruptcy Court, With Expenses to be Paid By the Other Plaintiffs

58. The employment of the Law Firms in IFA's Bankruptcy was approved by Bankruptcy Court orders which included: "the express condition that all expenses incurred with the employment of [Lackey Hershman, LLP and Hutchison & Steffen, LLC] be paid by other plaintiffs and/or the promissory note beneficiaries and not by the Debtor in this action."

K. NexBank Falsely Asserts that IFA is Required to Pay Costs, and Grossly Inflates the Numbers, as a Pretext to Disenfranchising IFA

59. Notwithstanding the agreement, which was incorporated into the Bankruptcy Court orders that NexBank and the Highland Plaintiffs would pay expenses associated with the Essex Litigation, on July 1, 2014, Brian Wick, Counsel for NexBank, demanded payment from IFA in violation of the Bankruptcy Court's orders.

60. A true and correct copy of Mr. Wick's July 1, 2014 Correspondence (the "Demand Letter") is attached hereto as Exhibit 2.

61. The Demand Letter states, in part, "NexBank hereby makes demand that IFA immediately pay to NexBank for IFA's share of all legal fees and costs incurred in the Litigation."

62. The Demand Letter, while providing no legal invoices, backup, or proof of payments advanced, asserted that legal "fees" (notwithstanding that counsel is on a contingency) and costs had been incurred in the amount of \$1,164,291.40.

63. In the Demand Letter Mr. Wick "demanded" that IFA pay sums to NexBank on or before July 1, 2014 (the same day that the letter was written).

64. The Demand Letter was sent on behalf of NexBank

65. The Demand Letter was sent by NexBank's authorized Agent.

1 66. IFA made at least six separate requests over 2 ½ years, commencing in July of
2 2014, for copies of invoices and other documents demonstrating amounts that NexBank
3 asserted were due from IFA.

4 67. No report or detail of any purported fees or expenses was provided to IFA until
5 a partial invoice (the "Invoice") was attached to correspondence from LH sent on February 8,
6 2017.

7 68. A true and correct copy of the February 8, 2017 correspondence, with the
8 enclosed Invoice, is attached hereto as Exhibit 3.

9 69. When the Invoice was finally provided on February 8, 2017, the total expenses
10 were \$835,526.22 (not over \$1.164 million as had been represented by NexBank).

11 70. The purported expenses listed in the Invoice include routine charges of what
12 appear to be excessive/luxury travel expenses, including over \$100,000 in what appears to be
13 first class air fare, with such air fare charges ranging from over two thousand dollars to over
14 \$11,000 for a single trip.

15 71. The Invoice reflected numerous payments to third parties with no explanation
16 of the basis, including (but not limited to) payments to HS totaling approximately \$42,108.10;
17 payments to Duff & Phelps totaling approximately \$185,952.55 (including two identical
18 payments of \$13,430 on 1/31/14 and 3/31/14); payments to George Smith Partners, Inc. of
19 approximately \$70,177.54; payment to Bell Nunnally & Martin LLP of \$6,038.89; and a
20 payment to Keith Beckman of \$6,000 (labeled only "reimbursement").

21 72. With the exception of HS, none of the payees listed in the preceding paragraph
22 were employed or authorized by the Bankruptcy Court to perform services on behalf of, or at
23 the expense of, IFA.

24 73. Although HS was employed by order of the Bankruptcy Court, IFA still has
25 never received any detail explaining the basis for the charges or expenses purportedly

1 incurred by, or any payments allegedly made to, that firm, which is required under
2 Bankruptcy Law.

3 74. IFA is informed and believes, and thereon alleges, that NexBank is in
4 possession of the information described in this Section but, in violation of the Loan
5 Agreement and of its duties to IFA as Agent, NexBank has refused to provide it to IFA.

6 **L. NexBank Excludes IFA From Efforts to Realize the Full Value of the**
7 **Collateral, and Refuses to Inform IFA of its Activities Relative to the Essex**
8 **Litigation and the Essex Loan.**

9 75. On May 30, 2014, Agent, via Mr. Wick, sent correspondence to IFA
10 demanding that it “cease and desist” from engaging in any settlement communications with
11 respect to the Essex Litigation.

12 76. IFA responded on June 27, 2014, advising Agent that IFA had not been
13 involved in any such communications other than those involving representatives of Highland
14 Capital, LH and HS. IFA also pointed out that Agent was to act with the consent of the
15 lenders, including IFA.

16 77. Instead of recognizing its obligations to IFA, Agent responded by purporting to
17 “instruct IFA to cease and desist from further attempts to direct, control or otherwise
18 influence matters relating to the Loan Agreement, the underlying property, and the KB Home
19 litigation”, threatening to, *inter alia*, seek injunctive relief and recovery of attorneys’ fees”
20 against IFA.

21 78. Agent’s actions toward IFA were inappropriately hostile, and in complete
22 derogation of its duties as IFA’s agent.

23 79. Agent’s improper conduct, in violation of both the express and implied terms
24 of the Loan Agreement and in violation of the Bankruptcy Court orders, required IFA to
25 engage counsel, who wrote to Agent, via its counsel, on July 9, 2014.

1 80. By that correspondence IFA requested, *inter alia*, that Agent confirm that it
2 was not engaging in settlement discussions without consultation of IFA, reminding Agent of
3 the provisions of the Loan Agreement providing for IFA to have the right to investigate and
4 consult with respect to the Essex Loan, and suggesting that Agent adopt a cooperative
5 relationship with IFA.

6 81. A true and correct copy of IFA's July 9, 2014 correspondence to NexBank is
7 attached hereto as Exhibit 4.

8 82. NexBank refused to respond to or comply with IFA's July 9, 2014 requests.

9 83. On July 30, 2014, IFA, via its counsel, reminded Agent in writing that IFA was
10 entitled to participate in any settlement discussions, and reminded Agent that IFA had not
11 received the accounting previously requested.

12 84. A true and correct copy of IFA's July 30, 2014 correspondence to NexBank is
13 attached hereto as Exhibit 5.

14 85. Agent refused to respond to or comply with IFA's July 30, 2014 requests.

15 86. On September 3, 2014, without consulting with IFA, and in violation of the
16 provisions of the Loan Agreement setting forth the process of foreclosure and subsequent
17 marketing of the Collateral, NexBank offered to sell the Collateral (which it did not own) to
18 KB Home for the amount of \$21,750,000, and also offered to "finance" the purchase price for
19 one year (by extending the time for payment to IFA, also in contravention of the terms of the
20 Loan Agreement).

21 87. Via correspondence dated September 9, 2014, IFA again requested that
22 NexBank consult with IFA prior to taking any action which could impair or materially affect
23 IFA's interests in connection with the Essex Loan or the Essex Litigation, and provide copies
24 of all documents and communications (past or future) with respect thereto.

1 88. A true and correct copy of IFA's September 9, 2014 correspondence is
2 attached hereto as Exhibit 6.

3 89. NexBank refused to respond to or comply with IFA's September 9, 2014
4 requests.

5 90. On March 4, 2016, IFA, via counsel, requested that Mr. Wick withdraw his
6 "Cease and Desist" demand of May 30, 2014, in order to permit IFA to discuss a possible sale
7 of the Essex Property with local builders and developers in order to obtain a greater return
8 than would be obtainable via the proposed settlement with KB Home.

9 91. A true and correct copy of IFA's March 4, 2016 correspondence is attached
10 hereto as Exhibit 7.

11 92. Agent refused to respond to or comply with IFA's March 4, 2016 request.

12 **M. NexBank "Settles" With KB Home, in a Manner Which Restricts the Ability**
13 **of IFA and its Investors to Realize the Full Value of the Collateral.**

14 93. On or about November 24, 2015, NexBank, via its EVP and General Counsel,
15 Dierk Hohman, Esq., sent IFA a "Notice Concerning Settlement with KB Home Nevada, Inc.
16 and Application of Payments Received from Settlement Agreement" (the "11/15
17 Correspondence").

18 94. Despite knowing that IFA was represented by counsel, attorney Hohman sent
19 the 11/15 Correspondence directly to IFA and did not copy IFA's counsel.

20 95. The 11/15 Correspondence informed IFA that its Agent had negotiated a
21 "settlement in principal" with KB Home, and attached a document labeled "Estimated
22 settlement payouts (in millions)" which asserted that Agent would make a payment to LH and
23 HS of \$4.2 million in connection with the "settlement", would establish a 2.5 million "legal
24 reserve", and would pay over to the "Highland Lenders" \$4.2 million, "Inclusive of estimated
25 \$204,000 advanced on behalf of IFA plus interest...."

1 96. The proposed "Settlement" did not call for any material payment from KB
2 Home as a result of the Essex Litigation; instead, the "Settlement" called for NexBank to
3 agree to foreclose on the Collateral and then sell it to KB Home for a price that IFA believes
4 is significantly below its current value.

5 97. IFA objected to the proposal to pay attorneys' fees which were not based upon
6 recovery on the litigation claims, but instead on the proposed purchase price of the Collateral,
7 and further objected to the proposal to pre-negotiate a sale price without following the
8 procedures in the Loan Agreement which governed the method of foreclosure and sale of the
9 Collateral.

10 98. In addition, the proposed "Settlement" constituted a transaction that is
11 governed by NRS 645B, which includes the requirements of Section 645B.340 that:

12 2. A person designated to act pursuant to subsection 1 on behalf of the holders of the
13 beneficial interest in a loan or the ownership interest in real property shall, not later
14 than 30 days before the date on which the holders will determine whether or not to act
15 pursuant to subsection 1, send a written notice of the action to each holder of a
16 beneficial interest or ownership interest at the holder's last-known address, by a
17 delivery service that provides proof of delivery or evidence that the notice was sent.
18 The written notice must state:

19 (a) The actions that will be taken on behalf of the holders who consent to
20 an action pursuant to this section, if the holders of the beneficial interest in a
21 loan whose interests represent 51 percent or more of the outstanding principal
22 balance of the loan or the holders of 51 percent or more of the ownership
23 interest in the real property act pursuant to subsection 1;

24 (b) The actions that will be taken on behalf of the holders who do not
25 consent to an action pursuant to this section, if the holders of the beneficial
interest in a loan whose interests represent 51 percent or more of the
outstanding principal balance of the loan or the holders of 51 percent or more
of the ownership interest in the real property act pursuant to subsection 1; and

 (c) The amount of the costs or, if an amount is unknown, an estimate of
the amount of the costs that will be allocated to, or due from, the holder and
deducted from any proceeds owed to the holder.

 3. If real property is sold, transferred, encumbered or leased pursuant to
paragraph (c) of subsection 1, any beneficial interest in the loan or ownership
interest in the real property of a holder who does not consent to the sale,
transfer, encumbrance or lease, including, without limitation, any interest of a
tenant in common who does not consent to the sale, transfer, encumbrance or
lease, must be sold, transferred, encumbered or leased by a reference to this
section and by the signatures on the necessary documents of the holders

1 consenting to the sale, transfer, encumbrance or lease of the real property. The
2 holders consenting to the sale, transfer, encumbrance or lease of the real
3 property shall designate a representative to sign any necessary documents on
4 behalf of the holders who do not consent to the sale, transfer, encumbrance or
5 lease and, if the representative maintains written evidence of the consent of the
6 number of holders described in subsection 1, the representative is not liable for
7 any action taken pursuant to this subsection.

8 99. IFA requested that NexBank provide an explanation of the proposed fee
9 payments and reserves, and an estimate of the costs which would be allocated to, or due from,
10 IFA and its Investors, in order for IFA to provide the notice required by NRS 645B.340.

11 100. NexBank repeatedly refused to provide the information requested by IFA,
12 despite the requirement of Section 6.6(b) of the Loan Agreement that it do so.

13 101. On December 14, 2015, LH wrote to IFA encouraging IFA to accept the
14 "settlement offer", voicing concern with regard to the "significant ☐ litigation risk of losing
15 on liability...."

16 102. IFA responded to LH on January 25, 2016, noting, *inter alia*, that other
17 purchase offers for the Essex Property were being received from qualified and bona fide
18 buyers, and that a higher price could be obtained for the Essex Property.

19 103. On April 6, 2016, IFA again requested that Agent provide an explanation of
20 the purported legal fees and legal reserve, and again requested that Mr. Wick withdraw his
21 "Cease and Desist" demand of May 30, 2014.

22 104. Agent refused to respond to or comply with IFA's April 6, 2016 requests.

23 105. On July 1, 2016, IFA, via counsel, wrote to Agent and LH expressing its
24 significant concerns with regard to any proposed KB Home settlement. IFA requested that
25 there be an adequate marketing of the Essex Property to third parties; that Agent and LH
respond to IFA's request to explain the purported payments to be made to LH and the
purported legal reserve; and that IFA be included in all settlement negotiations, including
meetings and emails.

1 106. Agent and LH refused to respond to or comply with IFA's July 1, 2016
2 requests.

3 107. In its December 3, 2016 correspondence to Michael Warner, counsel for
4 NexBank, IFA advised NexBank that, in order to send the Investor Notice and request for
5 consent, IFA required information which had been repeatedly requested, "including a detailed
6 estimate of the proceeds of the proposed settlement including project[ed] distribution to the
7 IFA Investors. The information regarding past and future legal fees is an essential component
8 of such calculations."

9 108. Agent refused to respond to or comply with IFA's December 3, 2016 request.

10 109. IFA's request for information regarding fees and costs incurred and anticipated
11 to be incurred, and estimated distributions based on the proposed settlement was repeated,
12 *inter alia*, on March 7, 2017, in correspondence to Mr. Warner and other counsel, advising
13 again that "IFA requires a breakdown of the economic impact of the settlement, including the
14 net distribution to IFA (and its assignees), in order to request approval from the investors as
15 required by Nevada law."

16 110. Agent refused to respond to or comply with IFA's March 7, 2017 requests and,
17 upon information and belief, instructed LH and HS not to comply with IFA's March 7, 2017
18 requests.

19 111. On April 3, 2017, IFA wrote to the Agent again expressing concerns with the
20 structure of the proposed settlement, and requesting that the Agent "facilitate a meaningful
21 discussion involving the lenders and the attorneys in order to attempt to resolve the fee issue,
22 so that we can move forward cooperatively..."

23 112. Agent refused to respond to or comply with IFA's April 3, 2017 request.
24
25

1 113. On January 23, 2017, IFA, via counsel, wrote to Agent, LH and HS, requesting
2 that each of them comply with their duties to IFA "by working cooperatively with IFA toward
3 a mutually agreeable resolution to the KB Home litigation matter."

4 114. Agent, LH and HS refused to respond to or comply with IFA's January 23,
5 2017 request.

6 115. Eventually, the reason became clear-NexBank and the attorneys, in violation of
7 the express directive of IFA, dismissed the KB Home Litigation, and entered into an
8 agreement to sell the Property (following foreclosure) to KB Home for a specified price (the
9 "KB Agreement").

10 116. The KB Agreement violates the Loan Agreement in numerous respects,
11 including (i) operating as a prohibited release of the liability of the borrower and guarantor;
12 (ii) violation of the requirement that, on default, the Agent foreclose in its own name or in the
13 name of an affiliate; (iii) that, following foreclosure, a property manager be retained; (iv) that
14 following foreclosure, after consultation with the property manager, Agent prepare a written
15 plan for operation, management, maintenance, repair, sale and disposition of the property; (v)
16 the requirement that such plan be provided to each Lender prior to voting for approval; (vi)
17 the agreement to finance the purchase price; and (vii) the agreement to indemnify KB Home
18 for certain matters.

19 **III.**

20 **FIRST CAUSE OF ACTION**

21 **FOR DECLARATORY RELIEF**

22 117. IFA hereby incorporates each and every allegation made above as though
23 fully set forth in this paragraph.

24 118. Under NRS 30.010 *et. seq.*, the Uniform Declaratory Judgment Act, any
25 person interested under a written contract or other writings constituting a contract, or whose

1 rights, status or other legal relations are affected by a contract, may have determined any
2 question of construction or validity arising under the contract and obtain a declaration of
3 rights, status or other legal relations thereunder.

4 119. A justiciable controversy exists between IFA and NexBank regarding their
5 respective rights pursuant to the Loan Agreement.

6 120. Plaintiff seeks, and is entitled to, a judicial determination that IFA validly
7 assigned undivided percentage interests in its interest in the IFA Note.

8 121. Plaintiff seeks, and is entitled to, a judicial determination that NexBank is
9 equitably estopped from denying the validity of the assignments made by IFA with regard to
10 IFA's interest in the IFA Note.

11 122. Plaintiff seeks, and is entitled to, a judicial determination that NexBank cannot
12 require IFA or its assignees to transfer their interests in the IFA note to a Nevada Business
13 Trust as contemplated by the Settlement.

14 123. Plaintiff seeks, and is entitled to, a judicial determination that IFA is not a
15 "Defaulting Lender" under the Loan Agreement.

16 124. Plaintiff seeks, and is entitled to, a judicial determination that there are no
17 Defaulting Lender Payment Amounts owed by IFA under the Loan Agreement or,
18 alternatively, for a determination of such amounts.

19 125. Plaintiff seeks, and is entitled to, a judicial determination that IFA is entitled to
20 receive from NexBank all information provided to Agent pursuant to the Loan Agreement.

21 126. Plaintiff seeks, and is entitled to, a judicial determination that NexBank's
22 actions as alleged herein constituted willful misconduct or gross negligence, such that
23 NexBank is not protected by any disclaimer of duty or indemnity provision of the Loan
24 Agreement.

25

IV.

SECOND CAUSE OF ACTION

FOR BREACH OF DUTY BY NEXBANK

127. IFA hereby incorporates each and every allegation made above as though fully set forth in this paragraph.

128. NexBank, as the administrative agent, had a fiduciary relationship with IFA as NexBank was bound to act for the benefit of IFA and the other Lenders.

129. NexBank, as the administrative agent, also had contractual duties to IFA, including the duty not to take actions inconsistent with the terms or purposes of the Loan Agreement.

130. These duties included the duty to maximize the return to IFA and its investors; to provide information to IFA; to include IFA in matters relating to the subject matter of the Loan Agreement; to be honest in its communications with IFA; to treat IFA on par with the other Lenders, and not to prefer Lenders whose interests were managed by Highland Capital or its affiliates over IFA and its investors.

131. Rather than complying with its duties to IFA, NexBank repeatedly acted against IFA's express wishes, and in blatant derogation of IFA's interests.

132. As a lender under the Loan Agreement, IFA was entitled to be kept informed by NexBank, the Agent of IFA, with respect to the Essex Loan, including the Essex Litigation.

133. Agent refused to provide IFA with current information regarding the Essex Loan, the purported fees and costs incurred and/or paid, and its negotiations on behalf of the Lenders, in derogation of its duties and obligations to IFA.

134. Agent acted throughout the course of the Essex Litigation to exclude IFA from discussions, refused IFA the opportunity to participate in settlement negotiations, denied

1 IFA's right to input with regard to the Essex Litigation, the proposed settlement, and the
2 realization upon the Collateral of the Essex Loan, entered into a settlement which violated the
3 terms of the Loan Agreement, and agreed to payment of sums to the obligors under the Essex
4 Loan prior to payment in full of the IFA Note, all in derogation of Agents duties and
5 obligations to IFA.

6 135. IFA is informed and believes, and thereon alleges, that Agent acted exclusively
7 in furtherance of the interests of NexBank and its affiliates, the Highland Lenders, to the
8 exclusion of, and detriment to, the rights and interests of IFA, and in derogation of NexBank's
9 duties and obligations to IFA.

10 136. IFA is informed and believes, and thereon alleges, that in undermining the
11 rights of IFA in favor of the Highland Lenders, Agent acted to further its own economic
12 interests, including its interest in maintaining and expanding upon its economic relationship
13 with Highland and its affiliates, in derogation of its duties and obligations to IFA.

14 137. IFA is informed and believes, and thereon alleges, that NexBank did so in
15 order to benefit its affiliates and others with whom NexBank had preexisting (and, in many
16 cases, undisclosed) relationships, rather than to act in order to maximize return to IFA and the
17 investors in the Essex Loan.

18 138. NexBank's actions as alleged herein, including, without limitation, NexBank's
19 refusing to comply with IFA's numerous requests, as well as in acting in contravention to
20 IFA's interests in order to further its own and its affiliates' interests to the detriment of IFA,
21 constituted willful and intentional misconduct.

22 139. This is not the only instance of Mr. Dondero (NexBank's Chairman of the
23 Board and Highland Capital's co-founder and president) acting in violation of duties to
24 investors. In a JAMS arbitration hearing held in Dallas County, Texas in September, 2017
25 (Arbitration No. 1310022713) (the "Arbitration"), a panel of three retired judges concluded

1 that Highland's founder, James Dondero, fired the firm's most productive portfolio manager,
2 Josh Terry, in June 2016 after Mr. Terry opposed a plan by Mr. Dondero to transfer funds
3 between Highland investment vehicles and to delay repaying money owed to Highland
4 investors. Mr. Terry believed the plan was a breach of his fiduciary duty to Highland clients
5 and an external lawyer hired by the firm sided with him against Mr. Dondero, according to the
6 panel. The Panel concluded that "Highland's termination of Terry's employment was not, in
7 fact, 'for cause.' Highland's stated 'for cause' termination of Terry's employment was, in
8 fact, pre-textual and for the purpose of denying Terry's benefits of employment payable at his
9 termination.."

10 140. The Arbitration panel further reported that "The evidence establishes that
11 Highland's termination of Terry was, in fact, pre-textual, without cause and only because
12 Dondero wanted him gone." The arbitrators awarded Mr. Terry \$7.9 million in damages and
13 interest.

14 141. A Wall Street Journal article, dated December 1, 2017, reporting on the
15 Arbitration, also reported that "Highland also lost arbitration in 2016 against investors in one
16 of its hedge funds who alleged they had been cheated out of millions of dollars. The firm
17 subsequently reached an agreement with the investors."

18 142. As a direct result of NexBank's failure to act in accordance with its fiduciary
19 and contractual duties to IFA, IFA has suffered damage including, but not limited to, the
20 difference in price between the actual value of the Collateral and the sale price to KB Home,
21 and excessive attorney's fees and costs and other damages in excess of \$10,000.

22 ...

23 ...

VI.

THIRD CAUSE OF ACTION

FOR BREACH OF CONTRACT BY NEXBANK

143. IFA hereby incorporates each and every allegation made above as though fully set forth in this paragraph.

144. NexBank has repeatedly and materially breached its contractual obligations to IFA, including, without limitation:

- a. By refusing to provide information to IFA, despite IFA's numerous requests;
- b. By demanding payment from IFA of sums not owed by IFA;
- c. By utilizing a pretext in an effort to declare IFA a "Defaulting Lender" when IFA was in compliance with its duties under the Loan Agreement;
- d. By negotiating a collusive purchase arrangement with KB Home over IFA's objection;
- e. By agreeing on foreclosure procedures in contravention of the express provisions of the Loan Agreement.
- f. By dispensing with the agreed upon method of determining the value, management and marketing of the property following foreclosure.
- g. By permitting the distribution of funds to the obligors under the Loan Agreement prior to payment in full of amounts due to IFA.
- h. By exposing the Lenders to claims for contingency fees based upon the sale price of the Collateral.
- i. By agreeing to finance the purchase of the Collateral with the monies owed to IFA and its investors.

1 j. By agreeing to indemnify KB Home for certain matters, creating an
2 additional liability against the proceeds of the Collateral.

3 145. All conditions precedent to NexBank's obligations under the Loan Agreement
4 have been performed or have occurred.

5 146. IFA has been damaged as a direct and proximate result of NexBank's actions

6 147. IFA has been damaged in a sum in excess of \$10,000

7 148. In order to pursue its claims and as a direct and proximate result of the
8 Defendants' conduct outlined herein, IFA has incurred attorneys' fees as special damages in
9 the approximate sum in excess of \$50,000 as of the date of this pleading and increasing up to
10 and through trial and appeal, if any.

11 **VI.**

12 **FOURTH CAUSE OF ACTION**

13 **FOR BREACH OF THE DUTY OF GOOD FAITH AND FAIR DEALING AGAINST**
14 **NEXBANK**

15 149. IFA hereby incorporates each and every allegation made above as though
16 fully set forth in this paragraph.

17 150. Inherent in every contract is the duty of good faith and fair dealing, such that
18 the parties are prevented from contravening the intention and spirit of the contract.

19 151. NexBank repeatedly acted in derogation of its duties to IFA.

20 152. NexBank's failure to comply with its duties to IFA included, but is not
21 limited to:

- 22 a. Refusal to provide IFA with copies of documents and communications.
23 b. Refusal to include IFA in settlement discussions.
24 c. Failure to provide IFA with timely accounting of purported advances.
25 d. Misrepresentation of advances.

- 1 e. Making demand upon IFA for payment which was not owed by IFA.
- 2 f. Making demand upon IFA for payment without providing written notice.
- 3 g. Making demand upon IFA for payment without providing details of
- 4 invoices or proof of advances.
- 5 h. Utilizing a pretext for purportedly declaring IFA a "Defaulting Lender".
- 6 i. Refusing to market the Essex Property for fair value.
- 7 j. Threatening IFA in order to prevent IFA from marketing of the Essex
- 8 Property for fair value.
- 9 k. Bypassing the safeguards provided in the Loan Agreement for professional
- 10 management of the property and development of a marketing plan with the
- 11 advice of a disinterested professional.
- 12 l. Threatening to dilute IFA's recovery with improper deductions and
- 13 reserves.
- 14 m. Agreeing to a collusive foreclosure bid and resale for less than the amount
- 15 bid.
- 16 n. Permitting the distribution of funds to the obligors prior to payment in full
- 17 of the Lenders.
- 18 o. Exposing the Lenders and the Collateral proceeds to claims for
- 19 contingency fees based on the sale price of the Collateral.
- 20 p. Agreeing to finance the purchase of the Collateral with the monies owed to
- 21 IFA and its investors.
- 22 q. Agreeing to indemnify KB Home for certain matters, creating an additional
- 23 liability against the proceeds of the Collateral.

24 153. As a result of NexBank's conduct in violation of the implied covenant of
25 good faith and fair dealing, IFA has suffered damages in a sum in excess of \$10,000.

154. In order to pursue its claims and as a direct and proximate result of the Defendants' conduct outlined herein, IFA has incurred attorneys' fees as special damages in the approximate amount in excess of \$50,000 as of the date of this pleading and increasing up to and through trial and appeal, if any.

VII.

FIFTH CAUSE OF ACTION

FOR COLLUSIVE FORECLOSURE

155. IFA hereby incorporates each and every allegation made above as though fully set forth in this paragraph.

156. In entering into the Settlement, NexBank agreed to bid at the foreclosure sale up to an amount in excess of what KB Home would pay for the Essex Property, and then turn the property over to Essex for an amount less than the credit bid (the "Bid Agreement").

157. The purpose of the Bid Agreement was to provide that the Essex Property would be sold to KB Home for a predetermined price, even if a free and fair foreclosure sale would result in a higher price than KB Home would pay.

158. The result of the Bid Agreement is to chill any bidding at the sale, as well as to deprive IFA and the investors of the full value of the Essex Property via a fair and open foreclosure process, as required by Nevada Law.

159. IFA has been materially damaged by the difference in the settlement value and the fair market value which damages are believed to be in excess of \$10,000.

WHEREFORE, IFA prays for relief as follows:

1. That there be a determination that no money is due and owing from IFA to NexBank.
2. For recovery of damages against NexBank in an amount to be proven at trial.
3. For punitive and exemplary damages as permitted by law.

- 1 4. For an accounting of the assets and liabilities associated with the Essex Loan.
- 2 5. For determination of the reasonableness of any fees and costs claimed by Plaintiff
- 3 with respect to the Essex Loan.
- 4 6. For equitable relief.
- 5 7. For recovery of attorney's fees and costs.
- 6 8. For costs of suit.
- 7 9. For any other relief which this Court deems fair and just.

8 Respectfully submitted this 5th day of April, 2018.

9 CLARK HILL, PLLC

10 
CANDACE C. CARLYON, ESQ.

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15 Facsimile No. (702) 862-8400

16 Email: ccarlyon@clarkhill.com

17 *Counsel for Plaintiff, Integrated Financial*
18 *Associates, Inc.*

EXHIBIT “3”

EXHIBIT “3”

STEPHEN R. HARRIS, ESQ.
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Attorney for Debtor/ Plaintiff

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

IN RE: Case No. 19-51486-btb
(Chapter 11)
ESSEX REAL ESTATE PARTNERS,
LLC, Adv. No.

Debtor.

COMPLAINT

ESSEX REAL ESTATE PARTNERS,
LLC,

Plaintiff,

v.

INTEGRATED FINANCIAL
ASSOCIATES, INC., a Nevada
corporation; and NEXBANK, SSB, a Texas
chartered state savings bank,

Defendants.

Plaintiff ESSEX REAL ESTATE PARTNERS, LLC ("Plaintiff," "Debtor" or "Essex"),
Debtor in the above-captioned Chapter 11 case, by and through its attorney STEPHEN R.
HARRIS, ESQ. of HARRIS LAW PRACTICE LLC, hereby complains against Defendants

1 INTEGRATED FINANCIAL ASSOCIATES, INC. and NEXBANK, SSB, and their successors
2 and assigns, and states and alleges as follows:

3 **JURISDICTIONAL STATEMENT**

4 1. This Court has jurisdiction over this adversary proceeding and pendent jurisdiction
5 over related state law claims hereinafter set forth pursuant to 28 U.S.C. §§ 157(a) and (b), 28
6 U.S.C. § 1334, Federal Rule of Bankruptcy Procedure 7001 and Local Rule 1001(b)(1). The
7 Court also has jurisdiction to grant the relief requested herein pursuant to 11 U.S.C. §§ 323, 502
8 and 105.

9 2. Venue in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

10 3. This adversary proceeding arises under Title 11 of the United States Code (the
11 “Bankruptcy Code”), and arises in or is related to the above captioned Chapter 11 case filed in
12 the United States Bankruptcy Court for the District of Nevada, as Case No. BK-19-51486-btb.

13 4. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(B), (K) and (O).
14 However, if the Court finds one or all, or less than all causes of action to be non-core, then Plaintiff
15 does consent to entry of final order or judgment by the United States Bankruptcy Court, pursuant
16 to Fed. R. Bankr. P. 7008.

17 **PARTIES**

18 5. Essex Real Estate Partners, LLC is a Nevada limited liability company conducting
19 business in the state of Nevada at all relevant times herein. On December 27, 2019 (the “Petition
20 Date”), Essex filed its voluntary petition under Chapter 11 of the United States Bankruptcy Code
21 (the “Bankruptcy Case”), as related to the Chapter 7 bankruptcy case of George F. Holman, Sr.
22 (“Holman”) pending in this Court as Case No. 13-52092-btb. No trustee has been appointed in
23 the Chapter 11 Bankruptcy Case and Essex remains a debtor-in-possession herein.

24 6. Jeri Coppa-Knudson is the duly appointed Trustee for Holman’s Chapter 7
25 bankrupt estate, and Holman’s .67 of one percent (.67%) member’s interest in Essex is property
26 of Holman’s bankrupt estate pursuant to 11 U.S.C. §541. The other members in Essex are
27 identified in the List of Equity Holders filed as DE 1 in the Debtor’s Chapter 11 case. Jeri Coppa-
28 Knudson is also the duly appointed Manager of Essex.

7. Defendant NEXBANK, SSB, is a Texas chartered state savings bank ("NexBank"), doing business in the state of Nevada at times relevant to the claims detailed in this Complaint.

8. Defendant INTEGRATED FINANCIAL ASSOCIATES, INC., is a Nevada corporation ("IFA"), doing business in the state of Nevada at times relevant to the claims detailed in this Complaint.

9. The identities of other potential Defendants are unknown at this time, but will be named specifically at a later date as their identities become known to Plaintiff.

GENERAL ALLEGATIONS

10. Plaintiff realleges and incorporates herein by this reference, the allegations of paragraphs 1 through 9, inclusive, as though fully set forth herein.

11. As of November 29, 2007, and through the present, Essex was and is the owner of that certain commercial real property located in Henderson, Clark County, Nevada identified as APNs: 191-15-811-001; 191-15-711-022; 191-23-211-003; 191-23-211-004; and 191-14-311-002 (collectively the "Property").

12. On November 29, 2007, Essex borrowed the total principal sum of Sixty-Six Million Dollars (\$66,000,000) under a Term Loan Agreement dated November 29, 2007, and a Deed of Trust Note in the amount of \$42,900,000 payable to The Foothill Group, Inc. (the "Foothill Note") and a Deed of Trust Note in the principal amount of \$23,100,000 payable to IFA (the "IFA Note") (the Foothill Note and IFA Note are collectively referred to as the "Notes"). Copies of both Notes, which collectively total \$66,000,000, are attached hereto as **Exhibit A**. The Term Loan Agreement is attached hereto as **Exhibit B**.

13. At all relevant times, NexBank was and is the duly appointed collateral agent and administrative agent for the lenders under the Notes and the Term Loan Agreement.

14. Concurrent with execution of the Notes and the Term Loan Agreement, Essex executed a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing ("Deed of Trust"), for the purpose of securing the obligations under the Notes and Term Loan Agreement. The Deed of Trust was recorded on December 4, 2007, in the Official Records

1 of the Clark County Recorder as Inst.# 20071204-0001853, thus encumbering Essex's Property
2 at the time of recordation. A copy of the Deed of Trust is attached hereto as **Exhibit C**.

3 15. On November 29, 2007, Holman executed a Guaranty Agreement pursuant to
4 which Holman guaranteed payment of all amounts due under the Notes and the Term Loan
5 Agreement.

6 16. Essex is informed and believes, and on that basis alleges, that NexBank, as
7 collateral agent and administrative agent for the lenders, is the beneficiary of the Term Loan
8 Agreement, Notes and other related documents relevant to the \$66 million loan (the "Loan").

9 17. The purpose of the Loan was to finance the purchase and development of the
10 Property based on a Development Agreement dated November 29, 2007, between Essex and KB
11 Home Nevada, Inc.

12 18. The entire principal and accrued interest owing under the Notes and Term Loan
13 Agreement was due and payable by Essex on the initial Maturity Date of December 1, 2008.

14 19. Essex had the option to exercise a six month first extension of the initial Maturity
15 Date under the Notes and Loan Agreement to June 1, 2009 (the "First Extended Maturity Date"),
16 under certain conditions.

17 20. Essex had the option to exercise an additional six month second extension of the
18 initial Maturity Date under the Notes and Loan Agreement to December 1, 2009 (the "Second
19 Extended Maturity Date"), under certain conditions.

20 21. Essex did not exercise the First Extended Maturity Date or the Second Extended
21 Maturity Date.

22 22. Even if Essex had exercised the First Extended Maturity Date and the Second
23 Extended Maturity Date, the final date that the Notes and Term Loan Agreement would mature
24 and become wholly due and payable under both extensions was December 1, 2009.

25 23. Essex is informed and believes, and on that basis alleges, that in or about April
26 2008, The Foothill Group, Inc. assigned its rights and obligations under the Term Loan
27 Agreement and the Foothill Note to Highland Crusader Holdings Corporation and Highland
28 Credit Opportunities Holding Corporation. Approximately one day later, each of those entities

1 assigned their respective rights and obligations to the Highland Funds.

2 24. Additionally, Essex is informed and believes, and on that basis alleges, that at
3 various times after November 29, 2007, fractional beneficial interests under the Notes and the
4 Deed of Trust were assigned to numerous other parties.

5 25. Notwithstanding the numerous alleged assignments of interests under the Notes
6 and Deed of Trust, NexBank remains the duly appointed collateral agent and administrative agent
7 for all lenders under the Notes and Term Loan Agreement, including all parties receiving
8 fractional beneficial interests under the Notes and the Deed of Trust.

9 26. Based on NexBank's appointment as collateral agent and administrative agent for
10 all lenders, Essex has not named all of the numerous lender parties as defendants in this action.
11 In the event it is determined at a later date that each and every beneficiary under the Notes or
12 Deed of Trust must be named as defendants in this action, Essex reserves its right to amend this
13 Complaint and identify each of those defendants.

14 27. NexBank is also the agent for IFA under the Notes, Term Loan Agreement and the
15 Deed of Trust. However, because NexBank and IFA are currently involved in certain litigation
16 between themselves, Essex has named IFA as a Defendant in this action out of an abundance of
17 caution.

18 28. As a result of the Great Financial Recession that commenced in 2008 and the
19 subsequent breach of the Development Agreement by KB Home Nevada, Inc., the principal and
20 accrued interest under the Notes and the Term Loan Agreement was not timely paid by Essex on
21 or before the Maturity Date of December 1, 2008.

22 29. On or about June 30, 2008, certain litigation ensued between Essex, Las Vegas
23 Development Associates, LLC, and KB Home Nevada, Inc., in the Eighth Judicial District Court,
24 Clark County, Nevada, as Case No. A566442.

25 30. Other litigation was initiated on or about November 4, 2008, by IFA against KB
26 Home Nevada, Inc., also in the Eighth Judicial District Court, Clark County, Nevada, as Case No.
27 A574976 (Case No. A566442 and Case No. A574976 collectively referred to as the "KB Home
28 Litigations").

1 31. Nothing in the KB Home Litigations changed the Maturity Date under the Notes
2 and the Term Loan Agreement, and at all times herein, the Notes and the Term Loan Agreement
3 fully matured and became wholly due on December 1, 2008.

4 32. On June 6, 2016, pursuant to N.R.S. § 361.570, the Ex Officio Tax Receiver for
5 Clark County prepared a certificate for each parcel of the Property on which delinquent taxes had
6 not been paid, authorizing the Clark County Treasurer to hold each parcel of the property
7 described in the certificates for a period of two (2) years unless sooner redeemed by payment of
8 the taxes and accruing taxes, penalties and costs, together with interest on the taxes at the rate of
9 10 percent (10%) per annum from the date due until paid.

10 33. Because neither Essex, NexBank, IFA or any of the lenders redeemed the Property
11 by paying all past due taxes, on July 2, 2018, Tax Trustee Deeds with respect to each parcel of
12 the Property were recorded by the Clark County Treasurer in the records of the Clark County
13 Recorder as Instrument Numbers 20180702-0000741, 20180702-0000742, 20180702-0000743,
14 20180702-0000744 and 20180702-0000745.

15 34. The effect of the Tax Trustee Deeds is that title to the Property is held in trust by
16 the Clark County Treasurer with Essex as the owner of said Property, until such time as the
17 Property is sold at a public sale or otherwise conveyed pursuant to N.R.S. § 361.595.

18 35. As of Essex's Petition Date, no sale or conveyance of the Property had occurred
19 by Clark County, and title of the Property remains vested in Essex and Laura B. Fitzpatrick, the
20 Treasurer of Clark County. Attached hereto as **Exhibit D** is a copy of a Commitment for Title
21 Insurance issued by Fidelity National Title Group on October 10, 2019, reflecting the vested title
22 and encumbrances recorded against the Property.

23 36. Pursuant to N.R.S. §§ 361.585(3) and (4), the Property may be reconveyed out of
24 trust from the Clark County Treasurer to the legal owner, Essex, upon payment equal to all taxes
25 accrued, together with any costs, penalties and interest legally chargeable against the Property.

26 37. Essex is informed and believes, and on that basis alleges, that the total amount due
27 to the Clark County Treasurer in order to reconvey the Property from trust under the Tax Trustee
28 Deeds, is approximately \$2,600,000. In fact, the Clark County Treasurer filed a Proof of Claim

1 in the Bankruptcy Case on January 15, 2020 (Claim 2-1), attesting to the fact that the Clark County
2 Treasurer is owed \$2,597,004.72. Attached hereto as **Exhibit E** is a copy of Claim 2-1.

3 38. On October 30, 2013, Holman filed his Voluntary Petition for Chapter 7 relief in
4 this Bankruptcy Court, as Case No. 13-52092-btb.

5 39. On October 16, 2014, NexBank filed an unsecured Proof of Claim (Claim 4-1) in
6 the amount of \$174,096,328.82 in Holman's Chapter 7 case. NexBank's Proof of Claim in
7 Holman's case was based on Holman's Guaranty Agreement.

8 40. On July 3, 2014, an Order Discharging Debtor was entered in Holman's Chapter
9 7 case, at which time his personal liability under the Guaranty Agreement was discharged
10 pursuant to 11 U.S.C. §727.

11 41. On January 27, 2016, a Final Decree, Discharge of Trustee and Closing of Chapter
12 7 Case was entered in Holman's Chapter 7 case.

13 42. On March 13, 2019, the United States Trustee filed her Ex Parte Motion to Reopen
14 Chapter 7 Case in Holman's Chapter 7 case, for the purpose of administering Holman's ownership
15 interest in Essex.

16 43. On March 18, 2019, Jeri Coppa-Knudson was once again appointed as Trustee of
17 Holman's re-opened Chapter 7 case.

18 44. Harris Law Practice LLC was appointed as bankruptcy counsel for Jeri Coppa-
19 Knudson ("Trustee") in Holman's re-opened Chapter 7 case, pursuant to an order entered March
20 29, 2019.

21 45. In the course of carrying out her duties in Holman's re-opened Chapter 7 case, the
22 Trustee and her counsel became aware that more than ten (10) years had elapsed since the Notes
23 and the Term Loan Agreement became wholly due and payable on December 1, 2008.

24 46. N.R.S. § 106.240, colloquially known as Nevada's "Ancient Mortgage Statute,"
25 states the following:

26 The lien heretofore or hereafter created of any mortgage or deed of trust upon any
27 real property, appearing of record, and not otherwise satisfied and discharged of
28 record, shall at the expiration of 10 years after the debt secured by the mortgage or

1 deed of trust according to the terms thereof or any recorded written extension
2 thereof become wholly due, terminate, and it shall be conclusively presumed that
3 the debt has been regularly satisfied and the lien discharged.

4 N.R.S. § 106.240.

5 47. In the ten (10) years since the Notes and the Term Loan Agreement became wholly
6 due and payable by their own terms, neither NexBank, IFA or any of the lenders foreclosed on
7 the Deed of Trust.

8 48. Based on the Ancient Mortgage Statute provisions of N.R.S. § 106.240, as of
9 December 2, 2018, the Notes, the Term Loan Agreement and the Deed of Trust are conclusively
10 presumed to be satisfied and the lien discharged.

11 49. On January 6, 2020, NexBank filed a secured Proof of Claim (Claim No. 1) in this
12 Bankruptcy Case alleging that the sum of \$584,462,133.58 is due and owing under the Notes, the
13 Term Loan Agreement and the Deed of Trust.

14 50. Essex intends to sell all or a portion of the Property or to borrow the necessary
15 funds in its Bankruptcy Case, after seeking Court approval, to pay all amounts due and owing to
16 the Clark County Treasurer in order to reconvey the Property from trust under the Tax Trust
17 Deeds pursuant to N.R.S. §§ 361.585(3) and (4).

18 51. The unpaid taxes owing to the Clark County Treasurer in the approximate sum of
19 \$2,600,000 are the only valid claims secured by the Property as of the Petition Date.

20 **FIRST CLAIM FOR RELIEF**

21 **Quiet Title (N.R.S. § 40.010) (All Defendants)**

22 52. Plaintiff realleges and incorporates herein by this reference the allegations
23 contained in the preceding paragraphs as though fully set forth herein.

24 53. As stated previously above, the Notes and the Term Loan Agreement became
25 wholly due and payable on the Maturity Date of December 1, 2008, and no agreements or
26 extensions exist that extended the Maturity Date.

27 54. Based on N.R.S. § 106.240, the Notes, the Term Loan Agreement and the Deed of
28 Trust became conclusively satisfied, discharged and the liens released ten (10) years after

1 December 1, 2008.

2 55. N.R.S. § 106.240 is a statute of repose, not a statute of limitations, and is not
3 subject to equitable tolling. There is no other statute under Nevada law to revive an obligation
4 that has been terminated and discharged pursuant to N.R.S. § 106.240.

5 56. Notwithstanding the plain and unambiguous reading of N.R.S. § 106.240 and the
6 Maturity Date under the Notes and the Term Loan Agreement, IFA and NexBank, on behalf of
7 all lenders and beneficiaries under the Note and the Deed of Trust, have refused and failed to
8 voluntarily reconvey and release the Deed of Trust to clear title on Essex's Property.

9 57. As evidenced by the Deed of Trust that remains on record against the Property and
10 has not been reconveyed by NexBank, IFA or the other lenders and beneficiaries, said parties are
11 claiming an adverse interest in the Property.

12 58. N.R.S. § 40.010 provides that: "An action may be brought by any person against
13 another who claims an estate or interest in real property, adverse to the person bringing the action,
14 for the purpose of determining such adverse claim."

15 59. Additionally, 11 U.S.C. § 323(b), provides that "[t]he trustee in a case under this
16 title has capacity to sue and be sued." 11 U.S.C. § 323(b). Finally, 11 U.S.C. § 1107(a) provides
17 that "... a debtor in possession shall have all the rights . . . and powers, and shall perform all the
18 functions and duties, except the duties specified in sections 1106(a)(2), (3) and (4) of this title, of
19 a trustee serving in a case under this chapter." 11 U.S.C. § 1107(a).

20 60. Based on N.R.S. § 40.010, 11 U.S.C. §§ 323(b) and 1107(a), Essex is entitled to a
21 judgment quieting title in the Property by expunging and extinguishing any obligations or liens
22 under the Notes, the Term Loan Agreement and the Deed of Trust, because those are conclusively
23 deemed satisfied, and the lien(s) discharged, pursuant to Nevada's Ancient Mortgage Statute
24 codified as N.R.S. § 106.240.

25 **SECOND CLAIM FOR RELIEF**

26 **Wrongful Disparagement/Slander of Title (All Defendants)**

27 61. Plaintiff realleges and incorporates herein by this reference the allegations
28 contained in the preceding paragraphs as though fully set forth herein.

1 62. IFA and NexBank are under a duty not to publish disparaging matter that
2 disparages another's title to real property.

3 63. Based on N.R.S. § 106.240, the Notes, the Term Loan Agreement and the Deed of
4 Trust became conclusively satisfied, discharged and the liens released ten (10) years after
5 December 1, 2008.

6 64. N.R.S. § 106.240 is a statute of repose, not a statute of limitations, and is not
7 subject to equitable tolling. There is no other statute under Nevada law to revive an obligation
8 that has been terminated and discharged pursuant to N.R.S. § 106.240.

9 65. On January 23, 2020, counsel for Essex sent written notice to IFA and NexBank
10 pursuant to N.R.S. § 107.077 that informed them that the Deed of Trust has been discharged and
11 they were obligated to reconvey the estate to Essex.

12 66. Prior to the filing of this Complaint, IFA and NexBank had actual knowledge that
13 the Deed of Trust has been discharged and that they were under a duty to execute a deed of
14 reconveyance pursuant to N.R.S. § 107.077.

15 67. Defendants' actions in failing to voluntarily reconvey the Deed of Trust in
16 contravention of N.R.S. § 106.240 constitutes false statements that disparage and slander
17 Plaintiff's interest in the Property.

18 68. Defendants' failure to reconvey the Deed of Trust creates the perception that the
19 Notes and Term Loan Agreement remain due and owing and/or that the Property is encumbered
20 by liens even though the obligations and liens are no longer valid or enforceable based on N.R.S.
21 § 106.240.

22 69. Defendants' Deed of Trust recorded against the Property prevents the Plaintiff
23 from selling or otherwise monetizing the value of its Property.

24 70. The recovery of damages for recording of a slanderous document without seeking
25 expungement of that document for the public records would not give the Plaintiff complete relief.
26 The title to the Property would be clouded as long as the Deed of Trust is a public record and its
27 nullity not declared.

28 71. The Plaintiff is entitled to declaratory relief from this Court that the document or

1 documents that cloud title to the Property are a nullity and that they be expunged from the public
2 record.

3 72. Plaintiff is informed, believes and thereon alleges that Defendants' actions in
4 maintaining false documents against the Property and/or failing to release and reconvey the
5 invalid Deed of Trust in a timely manner, were done with a willful and conscious disregard for
6 Plaintiff's rights and interests in the Property. As such, Plaintiff is entitled to a judgment finding
7 that Defendants have slandered Plaintiff's title in the Property and that Plaintiff is entitled to an
8 award of compensatory and punitive damages against Defendants in an amount to be proven at
9 the time of trial.

10 THIRD CLAIM FOR RELIEF

11 **Extent, Priority and Validity of Liens (All Defendants)**

12 73. Plaintiff realleges and incorporates herein by this reference the allegations
13 contained in the preceding paragraphs as though fully set forth herein.

14 74. The Property at issue here is property of the Plaintiff Debtor's estate under 11
15 U.S.C. § 541.

16 75. This is an action brought pursuant to Fed. R. Bankr. P. 7001(2) to determine the
17 validity, priority and extent of any purported liens under the Deed of Trust recorded against the
18 Property. This action seeks to determine the validity, extent, and priority of any legal, equitable,
19 or adverse claims or interest asserted therein by Defendants or anyone else laying claim to the
20 Property under the Deed of Trust.

21 76. As stated previously, the Notes, the Term Loan Agreement and the Deed of Trust
22 previously encumbering the Property are conclusively presumed satisfied and discharged ten (10)
23 years after December 1, 2008, pursuant to N.R.S. § 106.240.

24 77. As of December 2, 2018, none of the Defendants have any enforceable liens or
25 secured claims against the Property.

26 78. As stated previously, prior to the filing of this Complaint, IFA and NexBank have
27 failed to execute a deed of reconveyance, the effect of which was to allow a false statement
28 concerning the encumbrances against this Property to continue in the public record.

1 79. Based on the foregoing, an actual present dispute and controversy exists and,
2 therefore, a declaration, judgment, and/or order from this Court is necessary to determine that
3 Essex owns its interest in the Property free and clear of Defendants' Deed of Trust; that
4 Defendants' Notes are conclusively presumed to be regularly satisfied and the Deed of Trust
5 discharged and of no force and effect.

6 **FOURTH CLAIM FOR RELIEF**

7 **Cancellation of Instrument (All Defendants)**

8 80. Plaintiff realleges and incorporates herein by this reference the allegations
9 contained in the preceding paragraphs as though fully set forth herein.

10 81. The Notes, the Term Loan Agreement and the Deed of Trust previously
11 encumbering the Property are conclusively presumed satisfied and discharged ten (10) years after
12 December 1, 2008, pursuant to N.R.S. § 106.240.

13 82. As of December 2, 2018, none of the Defendants have any enforceable liens or
14 secured claims against the Property.

15 83. There is a reasonable and actual cause that the unenforceable Deed of Trust
16 remaining on record will cause serious injury to Plaintiff because it clouds the title and wrongly
17 presents the appearance that the Property is greatly encumbered. The Deed of Trust will prevent
18 Plaintiff from selling or otherwise monetizing the value in its Property.

19 84. Based on the foregoing, Plaintiff is entitled to a judgment and/or order cancelling
20 or reconveying Defendants' Deed of Trust to remove the effect of the unenforceable Deed of
21 Trust from the Property's title.

22 85. In the absence of the Court cancelling or reconveying Defendants' Deed of Trust,
23 Plaintiff is without adequate remedy at law.

24 **FIFTH CLAIM FOR RELIEF**

25 **Objection to Proof of Claim (11 U.S.C. § 502(a)) (All Defendants)**

26 86. Plaintiff realleges and incorporates herein by this reference the allegations
27 contained in the preceding paragraphs as though fully set forth herein.

28 87. The Notes, the Term Loan Agreement and the Deed of Trust previously

1 encumbering the Property are conclusively presumed satisfied and discharged ten (10) years after
2 December 1, 2008, pursuant to N.R.S. § 106.240.

3 88. As of December 2, 2018, none of the Defendants have any enforceable loans or
4 claims against Plaintiff or liens or secured claims against the Property.

5 89. Notwithstanding the foregoing, NexBank filed a Proof of Claim on January 6,
6 2020, in the Bankruptcy Case as Claim No. 1 ("NexBank's POC"), alleging a secured claim
7 against the Property in the amount of \$584,462,133.58, based on the Notes, the Term Loan
8 Agreement and the Deed of Trust.

9 90. NexBank, in its capacity as collateral agent and administrative agent for the
10 lenders, filed its Proof of Claim on behalf of all lenders and beneficiaries under the Notes, the
11 Term Loan Agreement and the Deed of Trust.

12 91. NexBank's POC was signed under penalty of perjury by NexBank's counsel even
13 though the plain and unambiguous Maturity Date under the Notes and the Term Loan Agreement,
14 in conjunction with N.R.S. § 106.240, make it evident that the Notes, the Term Loan Agreement
15 and the Deed of Trust are conclusively presumed satisfied and discharged and no longer due or
16 enforceable as of December 2, 2018.

17 92. Based on the foregoing, Plaintiff objects to NexBank's POC in its entirety,
18 pursuant to 11 U.S.C. § 502(a), and requests a judgment or order finding that NexBank's Proof
19 of Claim No. 1 is disallowed in its entirety, and the Defendants have no valid or allowed claims
20 in Plaintiff's Bankruptcy Case. NexBank's POC is attached hereto as Exhibit F, without
21 duplicate exhibits, because most of the exhibits to NexBank's POC are the Loan documents that
22 are already attached to this Complaint.

23 **SIXTH CLAIM FOR RELIEF**

24 **Attorney Fees (All Defendants)**

25 93. Plaintiff realleges and incorporates herein by this reference the allegations
26 contained in the preceding paragraphs as though fully set forth herein.

27 94. Prior to the filing of this complaint, IFA and NexBank had actual knowledge that
28 the deed of trust has been discharged and that they were each under a duty to execute a deed of

1 reconveyance pursuant to NRS 107.077.

2 95. Defendants' actions in failing to voluntarily reconvey the Deed of Trust in
3 contravention of N.R.S. §106.240, constitutes false statements that disparage and slander
4 Plaintiff's interest in the Property.

5 96. Defendants' failure to reconvey the Deed of Trust creates the perception that the
6 Notes and Term Loan Agreement remain due and owing and/or that the Property is encumbered
7 by liens even though the obligations and liens are no longer valid or enforceable based on N.R.S.
8 §106.240.

9 97. Based upon the slander of title caused by the Defendants, it is impossible for the
10 Plaintiff to remove the cloud upon the title of its property without retaining an attorney.

11 98. The only way in which the cloud upon the title to the Property can be removed and
12 the slander of title remedied is by an order of this Court

13 99. In order to remove the cloud of title, Plaintiff has been forced to retain counsel to
14 file this Complaint.

15 100. Undersigned counsel is experienced in matters of liens and litigation, and he
16 charges \$550.00 per hour.

17 101. Plaintiff is entitled to an award of attorney fees for the necessity in retaining
18 counsel to remove the invalid lien as special damages

19 **PRAYER FOR RELIEF**

20 WHEREFORE, Plaintiff Essex Real Estate Partners, LLC, prays for judgment against
21 Defendants, and each of them, as follows:

- 22 1. For a judgment to quiet title in the Property by expunging the Deed of Trust
23 currently recorded in the title record of the Property;
- 24 2. For a judgment finding and concluding that Defendants have slandered, and are
25 continuing to slander Plaintiff's title by willfully and consciously maintaining the
26 false and unenforceable Deed of Trust on the Property's record title;
- 27 3. For a judgment determining that the validity, extent and priority of Defendants'
28 purported lien against the Property is such that Essex owns its interest in the

1 Property free and clear of Defendants' Deed of Trust, and that Defendants' Deed
2 of Trust is, by operation of law, satisfied, terminated, discharged and released and
3 of no force and effect;

- 4 4. For a judgment and/or order cancelling or reconveying Defendants' Deed of Trust
5 to remove the effect of the unenforceable Deed of Trust from the Property's title;
6 5. For a judgment or order finding that NexBank's Proof of Claim No. 1 filed in the
7 Bankruptcy Case on January 6, 2020, is disallowed in its entirety, and Defendants
8 have no valid or allowed claims in Plaintiff's Bankruptcy Case;
9 6. For an award of Plaintiff's reasonable attorneys' fees and costs incurred herein;
10 7. For an award of compensatory and punitive damages in an amount to be proven at
11 the time of trial; and
12 8. For such other and further relief as this Court may deem just and proper.

13 DATED this 28th day of January, 2020.

14 STEPHEN R. HARRIS, ESQ.
15 HARRIS LAW PRACTICE LLC

16 
17 _____
18 Attorney for Debtor/Plaintiff
19 Essex Real Estate Partners, LLC
20
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EXHIBIT “4”

EXHIBIT “4”

002552

Fill in this information to identify the case:

Debtor 1 Essex Real Estate Partners, LLC

Debtor 2
(Spouse, if filing)

United States Bankruptcy Court for the: District of Nevada

Case number 19-51486-btb

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Nexbank, SSB</u> Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent? <u>William M. Noall, Garman Turner Gordon LLP</u> Name <u>650 White Dr., Suite 100</u> Number Street <u>Las Vegas</u> <u>NV</u> <u>89119</u> City State ZIP Code Contact phone <u>(725) 777-3000</u> Contact email <u>wnoall@gtg.legal</u>	Where should payments to the creditor be sent? (if different) Name _____ Number Street _____ City State ZIP Code _____ Contact phone _____ Contact email _____
Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____		
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? ☒ No
☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is the claim? \$ 584,462,133.58 Does this amount include interest or other charges?
☐ No
☒ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.
See Description of Claim Attached Hereto

9. Is all or part of the claim secured? ☐ No
☒ Yes. The claim is secured by a lien on property.
Nature of property:
☒ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
☐ Motor vehicle
☐ Other. Describe: _____
Basis for perfection: Deed of Trust
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
Value of property: \$ _____
Amount of the claim that is secured: \$ _____
Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)
Amount necessary to cure any default as of the date of the petition: \$ _____
Annual Interest Rate (when case was filed) 19.50 %
☒ Fixed
☐ Variable

10. Is this claim based on a lease? ☒ No
☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? ☒ No
☐ Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

☒ No

☐ Yes. Check one:

Amount entitled to priority

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

\$ _____

☐ Up to \$2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

\$ _____

☐ Wages, salaries, or commissions (up to \$12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

\$ _____

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

\$ _____

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

\$ _____

☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.

\$ _____

* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☐ I am the creditor.

☒ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 01/06/2020
MM / DD / YYYY

/s/ William M. Noall
Signature

Print the name of the person who is completing and signing this claim:

Name William M. Noall
First name Middle name Last name

Title _____

Company Garman Turner Gordon LLP
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 650 White Dr., Suite 100
Number Street
Las Vegas NV 89119
City State ZIP Code

Contact phone (725) 777-3000 Email wnoall@gtg.legal

SUMMARY OF CLAIM OF NEXBANK, SSB AGAINST ESSEX REAL ESTATE

PARTNERS, LLC

1. On December 27, 2019 (the “Petition Date”), Essex Real Estate Partners, LLC (the “Debtor”) filed a petition for relief under Chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101 – 1532, commencing Case No. 19-51486-BTB in the U.S. Bankruptcy Court for the District of Nevada.

2. The Debtor borrowed \$66 million under a Term Loan Agreement dated November 29, 2007, attached hereto as **Exhibit A**, pursuant to which NexBank, SSB (“NexBank”) serves as collateral agent and administrative agent for the lenders.

3. On November 29, 2007, George F. Holman, Sr., (“Holman”) executed a Guaranty Agreement attached hereto as **Exhibit B**, pursuant to which Holman guaranteed Debtor’s payment of all amounts due under the Term Loan Agreement and related documents. Holman is a debtor in a separate chapter 7 case, and NexBank has filed a claim in that case.

4. Certain amounts due under the Term Loan Agreement are also reflected in the Deed of Trust Notes attached hereto as **Exhibit C**.

5. The obligations due under the Term Loan Agreement and certain other documents evidencing or related to the loan (collectively with the Guarantee and Deed of Trust as hereafter defined, the “Loan Documents”) are secured by that certain Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing recorded on December 4, 2007, in the Official Records of the Clark County Nevada Recorder’s Office (“Deed of Trust”) attached hereto as **Exhibit D**. The recording information is reflected on Exhibit D.

6. NexBank, as collateral agent and administrative agent for the lenders, is the beneficiary of the Term Loan Agreement and certain other Loan Documents.

7. As of the Petition Date, Debtor owed \$584,462,133.58 in principal, interest and other fees, costs and expenses, including attorney’s fees and costs, under the Loan Documents, See **Exhibit E** attached hereto, and Debtor owes certain additional fees, costs and expenses, including attorney fees and costs, that are being determined.

8. Debtor and certain other parties entered into a Joint Litigation Agreement in March 2010, a true and correct copy of which is attached hereto as Exhibit F. Pursuant to sections II 2 and VII, the Joint Litigation Agreement tolled statutes of limitations for filing claims as provided therein, which includes the Debtor's obligations under the Loan Documents.

9. NexBank reserves its rights to amend, modify, supplement, or withdraw this proof of claim in any respect, including, without limitation, to file additional or supplemental proofs of claim for claims that are not ascertainable or liquidated at this time as further information becomes available, including to recognize payments that may be made on any claim asserted herein by a third party or for any other reason in its discretion. NexBank also reserves its rights to assert additional claims, including those for allowance and payment of administrative expenses, as NexBank deems necessary or appropriate within its discretion.

EXHIBIT E

SUMMARY OF CLAIM

Category	Amount
Unpaid Principal	\$ 66,000,000.00
Unpaid Interest	\$ 506,342,131.92
Costs and Expenses Advanced by Agent	\$ 2,365,780.04
Agent Fee	\$ 450,000.00
Exit Fee	\$ 9,232,767.12
Deed of Trust Fees and Expenses	\$ 71,454.50
	\$ 584,462,133.58

Fill in this information to identify the case:

Debtor Highland Capital Management, L.P.

United States Bankruptcy Court for the: Northern District of Texas
(State)

Case number 19-34054

Official Form 410
Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>UBS Securities LLC</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	<u>UBS Securities LLC</u> <u>Attn: Suzanne Forster</u> <u>1285 Avenue of the Americas</u> <u>New York, New York 10019</u>	
	Contact phone <u>2127133432</u>	Contact phone _____
	Contact email <u>suzanne.forster@ubs.com</u>	Contact email _____
	(see summary page for notice party information)	
	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Who made the earlier filing? <u>UBS AG, London Branch</u> - this is a joint litigation claim.	

Dondero Ex. F



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____
7. How much is the claim? \$ <u>1,039,957,799.40</u>	Does this amount include interest or other charges? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8. What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>Litigation - See attached addendum</u>
9. Is all or part of the claim secured?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. Nature or property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
10. Is this claim based on a lease?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11. Is this claim subject to a right of setoff?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No

☐ Yes. Check all that apply:

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

Amount entitled to priority

\$ _____

☐ Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

\$ _____

☐ Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

\$ _____

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

\$ _____

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

\$ _____

☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.

\$ _____

* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?

☒ No

☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☐ I am the creditor.

☒ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 06/26/2020
MM / DD / YYYY

/s/Asif Attarwala
Signature

Print the name of the person who is completing and signing this claim:

Name Asif Attarwala
First name Middle name Last name

Title Associate

Company Latham and Watkins LLP
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 330 North Wabash Ave., Suite 2800, Chicago, IL, 60611

Contact phone 3128767667 Email asif.attarwala@lw.com



For phone assistance: Domestic (877) 573-3984 | International (310) 751-1829

Debtor: 19-34054 - Highland Capital Management, L.P. District: Northern District of Texas, Dallas Division		
Creditor: UBS Securities LLC Attn: Suzanne Forster 1285 Avenue of the Americas New York, New York, 10019 Phone: 2127133432 Phone 2: Fax: Email: suzanne.forster@ubs.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: Yes Related Claim Filed By: UBS AG, London Branch - this is a joint litigation claim. See attached addendum	
	Filing Party: Authorized agent	
Disbursement/Notice Parties: Latham and Watkins LLP Andrew Clubok 555 Eleventh Street, NW Washington, D.C., 2004-1304 Phone: 2026373323 Phone 2: Fax: E-mail: andrew.clubok@lw.com		
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: Litigation - See attached addendum	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: 1,039,957,799.40	Includes Interest or Charges: Yes	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Asif Attarwala on 26-Jun-2020 5:10:38 p.m. Eastern Time Title: Associate Company: Latham and Watkins LLP		

Optional Signature Address:

Asif Attarwala
330 North Wabash Ave.
Suite 2800
Chicago, IL, 60611

Telephone Number:

3128767667

Email:

asif.attarwala@lw.com

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

<p>In re:</p> <p>HIGHLAND CAPITAL MANAGEMENT, L.P.,¹</p> <p style="text-align: center;">Debtor.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>Chapter 11</p> <p>Case No. 19-34054-sgj11 (SGJ)</p>
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**ADDENDUM TO PROOF OF CLAIM FILED BY
UBS AG, LONDON BRANCH**

1. UBS Securities LLC hereby submits this addendum to its proof of claim (together, the “**Proof of Claim**”) against Highland Capital Management, L.P. (the “**Debtor**”) in the above-captioned chapter 11 case (the “**Chapter 11 Case**”).

2. UBS Securities LLC and UBS AG, London Branch (together, the “**Claimant**” or “**UBS**”) each have claims against the Debtor and each is filing a proof of claim in this Chapter 11 Case. Because their claims arise from the same set of factual events, including the same failed transaction, misconduct involving the Debtor and its affiliates, and subsequent litigation, the UBS claims overlap and their proof of claim forms and addendums are substantially the same.

3. This addendum is attached to, incorporated into, and constitutes an integral part of Claimant’s Proof of Claim against the Debtor. Claimant files this Proof of Claim under compulsion of the *Order (I) Establishing Bar Dates for Filing Claims and (II) Approving the Form and Manner of Notice Thereof* [Docket No. 488], as extended by the *Joint Stipulation and Order Extending Bar Date* [Docket No. 547] and modified by the *Order Denying UBS’s Motion for Relief*

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

from the Automatic Stay to Proceed with State Court Action [Docket No. 765], solely for the purpose of asserting Claimant's claims against the Debtor, as more particularly described and subject to any limitations set forth below.

Factual Background

A. The Knox Transaction

2. Claimant's claims arise out of a failed transaction dating back thirteen years ago and the state court action (the "**State Court Action**") that followed between Claimant, the Debtor, Highland CDO Opportunity Master Fund, L.P. ("**CDO Fund**") and Highland Special Opportunities Holding Company ("**SOHC**") (together with CDO Fund, the "**Fund Counterparties**," and the Fund Parties and the Debtor collectively, "**Highland**"), among other parties.²

3. In early 2007, Claimant and Highland agreed to pursue a complex form of securitization transaction known as a "CLO Squared" (the "**Knox Transaction**"). (Ex. B, Decision at 2.) The purpose of the Knox Transaction was to acquire and securitize a series of collateralized loan obligation ("**CLO**") securities and credit default swap ("**CDS**") assets (the "**Knox Assets**"). To that end, the Debtor agreed to be the "Servicer" of the Knox Transaction, and as such was responsible for identifying the specific CLO and CDS assets to be securitized. Claimant agreed to finance the acquisition of the CLO and CDS assets identified by Highland. Claimant would then hold, or "warehouse," the assets until the securitization was completed (the "**Knox Warehouse**"). Under this arrangement, Claimant financed the acquisition of \$818 million in Knox Assets. (*Id.*)

² The procedural history of the State Court Action is incorporated by reference, but is voluminous. The operative Second Amended Complaint and Phase I Decision and Order are attached as **Exhibit A** and **Exhibit B**, respectively. Additional pleadings and orders can be found on the State Court docket for Index No. 650097/2009 or by contacting Claimant's counsel. Claimant reserves the right to file a copy of additional pleadings or orders with this Court.

4. The parties' first attempt at the Knox Transaction was not completed successfully and the relevant agreements expired in August 2007 without the contemplated securitization having occurred. (*Id.* at 3.) Rather than end their relationship, however, Highland and Claimant continued to consider the possibility of pursuing the contemplated securitization in 2008 under restructured versions of the prior agreements. Highland and Claimant always understood that—if the securitization were not successful—the Fund Counterparties would be obligated to pay Claimant for 100% of the losses on any CLO or CDS assets that been acquired and warehoused for the securitization. In order to convince Claimant to agree to enter restructured versions of those agreements and to finance the acquisition of the CLO and CDS assets, Highland assured Claimant that the Fund Counterparties had sufficient assets to cover any losses. It did so by providing Claimant with false, incomplete, and otherwise misleading information concerning the Fund Counterparties' finances and assets. (Ex. A, Compl. ¶¶ 47-61.)

5. In addition, Claimant specifically conditioned its agreement to enter the restructured agreements on the Fund Counterparties' ability to post an additional \$70 million in cash and securities as collateral (the "**Initial Restructuring Collateral**"), in which Claimant would hold a security interest. (*Id.* ¶¶ 56-59; Ex. B, Decision at 3.) Highland assembled \$70 million in such Initial Restructuring Collateral. But what Highland did not tell Claimant—and what is now clear was omitted on purpose—was that the Fund Counterparties did not own all of the Initial Restructuring Collateral they were expected to post. Instead, to meet this obligation, the Debtor exercised its control over other Highland affiliates, transferring and redirecting assets from such other entities that it controlled to assemble the Initial Restructuring Collateral. (Ex. A, Compl. ¶¶ 56-59.)

6. Similarly, while negotiating the restructured transaction, Highland provided Claimant with financial reports and statements that contained materially false and misleading information and omissions concerning the financial condition of the Fund Counterparties. (*Id.* ¶¶ 47-52.) The Debtor itself had prepared these financial statements and knew they contained material misstatements. (*Id.* ¶¶ 48-50, 54.) Among other things, Highland misrepresented the amount of cash held by CDO Fund. (*Id.* ¶ 52.) Highland also failed to disclose that many of the assets on the Fund Counterparties' financial statements already had been encumbered. (*Id.* ¶¶ 51, 53.) These misrepresentations not only evince a specific intent by Highland to induce Claimant into entering the restructured agreements, but a longstanding willingness to prevent Claimant from ever recovering the amounts owed under the parties' proposed agreements in the event the Knox Assets suffered any losses. In addition, these events show the Debtor's singular control over—and ability to move—assets from one Highland affiliate to another at will.

7. Based on Highland's material misstatements and omissions, Claimant agreed to pursue the restructured transaction and once more attempt the securitization, and the parties executed three new written agreements: an Engagement Letter, a Cash Warehouse Agreement, and a Synthetic Warehouse Agreement (collectively, the "**Warehouse Agreements**"). (*See* Ex. B, Decision at 3.) The Engagement Letter was executed by Claimant and the Debtor; the Fund Counterparties were not parties to the Engagement Letter. (Ex. A, Compl. ¶ 62.) The Cash Warehouse and Synthetic Warehouse Agreements were executed by Claimant and the Debtor, along with the Fund Counterparties. (*Id.* ¶¶ 64-65.)

8. As described above, Claimant agreed to finance the acquisition of the CLO and CDS assets that the parties planned to securitize. In so doing, the key risk Claimant faced was the possibility that the Knox Assets would lose value while securitization was pending. To address

this risk, Claimant and the Debtor agreed in the Engagement Letter that the Fund Counterparties would bear this risk. Notably, at the time, the Debtor was the Investment Manager to the Fund Counterparties under agreements that gave the Debtor total control over those entities. (Ex. A, Compl. ¶¶ 24, 26.)

9. The Warehouse Agreements reiterated that the Fund Counterparties (as controlled by the Debtor) would bear the risk, specifying that if the Knox Assets lost value while securitization was pending, the Fund Counterparties “will in aggregate bear 100% of the risk” for the Knox Assets—with CDO Fund bearing 51% of any losses and SOHC bearing the remaining 49%.

10. To further protect Claimant in the event that the Knox Assets lost value, the Warehouse Agreements provided for recurring measurements of mark-to-market losses on all assets in the Knox Warehouse and required the Fund Counterparties to post collateral in the event the Knox Assets lost a set amount of value. Specifically, the parties agreed that the Fund Counterparties would post an additional \$10 million in collateral for each \$100 million in losses to the overall value of the Knox Assets. (Ex. B, Decision at 4.)

11. In September and October 2008, amid the global economic recession, the value of the Knox Assets dropped by \$100 million, twice. Thus, Claimant twice exercised its contractual right to demand additional collateral. And twice Highland posted the required collateral. (*Id.*) Although the Warehouse Agreements specified that it was the Fund Counterparties who would post collateral, the Debtor moved assets around from other entities it controlled to make the first two collateral calls (without disclosing this practice to Claimant). (Ex. A, Compl. ¶ 79.) On or about November 7, 2008, Claimant issued a third margin call, because the value of the Knox Assets suffered additional losses of \$200 million (bringing the aggregate losses to over \$400 million).

(Ex. B, Decision at 4.) This time, Highland refused to provide the additional collateral required under the Warehouse Agreements.

12. Highland's default on Claimant's third margin call triggered a termination event under the Warehouse Agreements. (*Id.*) On December 5, 2008, Claimant gave Highland formal notice of default and demanded the Fund Counterparties pay Claimant for 100% of the losses incurred on the Knox Assets—which had, by then, grown to over \$520 million.

13. There is no question that the Debtor knew the Fund Counterparties were liable for the losses under the Warehouse Agreements. Indeed, the Highland officer who executed the Warehouse Agreements admitted under oath that, “as of the end of the year 2008,” Highland knew that the Fund Counterparties owed Claimant “hundreds of millions of dollars in connection with the Knox Warehouse Agreements.” (Travers Dep. at 261:8-20.) But rather than paying Claimant what it was owed, the Debtor, with Mr. Dondero at the helm, “devised a strategy to delay the resolution of that obligation [to pay Claimant] for as long as possible.” (*Id.*) To that end, Highland devised and subsequently deployed a multifaceted strategy—one that would last for many years thereafter—to intentionally frustrate and prevent Claimant from recovering any of the amounts that both the Debtor and the Fund Counterparties knew were rightfully owed to Claimant under the Warehouse Agreements.

14. First, the Debtor directed the Fund Counterparties to withhold any payment to Claimant—a position that the Fund Counterparties maintained (again, under the specific direction of the Debtor) for more than a decade. (*See id.*) The Debtor did so not only with the specific knowledge that the Fund Counterparties owed hundreds of millions of dollars to Claimant for the losses on the Knox Assets, but with the knowledge that Claimant would come seeking payment

for such losses and, in particular, to look toward any and all collateral owned by the Fund Counterparties as one source of payment. As one of Highland's officers stated in an internal email to Mr. Dondero in an internal email dated January 16, 2009: "[UBS] is going to be calling [] today asking for all additional collateral that cdo and sohc have left to cover the obligation left by the knox transaction." But rather than turning over the collateral in question to Claimant or, at the very least, securing such assets so that they could be used to pay Claimant, the Debtor directed the Fund Counterparties to withhold such assets and payments from Claimant: "[T]hey can see us in court for their additional collateral." True to that promise, even after Claimant filed suit and laid out the amounts due under the contracts, the Debtor forced the Fund Counterparties to launch an affirmative, multi-year campaign—one which would consume much of the cash and assets belonging to the Fund Counterparties themselves—to stave off any payment from the Fund Counterparties to force Claimant to try to recover such claims through litigation and, once in litigation, devising knowingly baseless defenses and arguments for the Fund Counterparties to assert in such litigation.

15. On top of directing the Fund Counterparties to withhold payment and force Claimant to litigate for amounts the Debtor already knew they rightfully owed to Claimant, the Debtor undertook a litany of other actions to ensure that, even if Claimant were successful in the litigation it had been forced to initiate against the Fund Counterparties, it would not be able to collect any judgment arising out of the litigation. Such actions included, but were not limited to, a series of fraudulent transfers out of, and away from, an alter ego of SOHC, Highland Financial Partners, L.P. ("**HFP**"). (Ex. A, Compl. ¶ 109.) These internal transfers of funds—all overseen by James Dondero, the Debtor's founder and president—were designed to prevent Claimant from ever collecting the millions of dollars it was owed under the Warehouse Agreements.

16. In addition to such fraudulent transfers, the Debtor also took steps after the lawsuit was filed to ensure that no additional value would be transferred *to* the Fund Counterparties—deliberately taking steps to keep both SOHC and CDO Fund undercapitalized. Not only did the Debtor prevent additional value from being transferred to the Fund Counterparties, it is clear that the Debtor also failed to ensure that the Fund Counterparties retained assets that could be used to pay any such judgment. Quite to the contrary, it is now clear that any and all assets of any value that once belonged to the Fund Counterparties have, in one way or another, been transferred away, drained, or otherwise wasted by the Fund Counterparties, the Debtor itself, or the Debtor’s affiliates—all at the Debtor’s direction. Indeed, in a recent filing before this Court, the Debtor recently disclosed that both of the Fund Counterparties are completely “insolvent.” (Docket No. 687 at 1.) This means that—separate and apart from the transfers of assets out of, and away from, HFP that occurred in 2009—the Debtor has directed, or otherwise permitted, the Fund Counterparties to engage in acts that have left these once marque investment funds with literally *no* assets that can be used to pay Claimant. All such actions and omissions by the Debtor were performed with either the specific intent to prevent or frustrate Claimant’s ability to recover the amounts owed under the Warehouse Agreements, or a wanton and reckless disregard of Claimant’s rights to those amounts. Such actions and omissions constitute breaches of the Debtor’s duty of good faith and fair dealing under the Warehouse Agreements.

B. The State Court Action and the Debtor’s Efforts to Avoid Paying Claimant

17. On February 24, 2009, Claimant filed a complaint in the Supreme Court of the State of New York (the “State Court”) against the Debtor and the Fund Counterparties. With knowledge of Claimant’s lawsuit, the Debtor exercised its control over the Fund Counterparties to ensure they would not meet their obligations and to impede Claimant’s ability to recover the

amounts owed by those entities. (*Id.* ¶¶ 112, 114.) Rather than paying Claimant what it was owed, and as discussed above, the Debtor orchestrated an extensive multi-part strategy to delay resolution of Claimant's claims for as long as possible. As a result, the Debtor further interfered with Claimant's contractual rights, thereby breaching the covenants of good faith and fair dealing inherent in the Warehouse Agreements. (*Id.*)

18. By this time, the Fund Counterparties and SOHC's alter ego, HFP, had become insolvent, although they still owned significant assets. (*Id.* ¶ 108.) Nonetheless, the Debtor failed to act in good faith to cause HFP to satisfy the debts, as much as possible, then owed to Claimant. Instead, the Debtor caused HFP to make additional improper and fraudulent asset transfers, deliberately kept the Fund Counterparties undercapitalized, and allowed all assets of any value to be drained from the Fund Counterparties—acts which not only impaired Claimant's ability to recover anything from the Fund Counterparties, but precluded it altogether. (*Id.* ¶ 111.) In March 2009, conscious that Claimant had commenced an action against Highland a few weeks earlier, and in breach of their continuing duty of good faith and fair dealing, and with actual fraudulent intent, the Debtor and HFP caused asset transfers of millions of dollars of assets to the Debtor, Highland Credit Strategies Master Fund, L.P., Highland Crusader Offshore Partners, L.P., and Highland Credit Opportunities CDO, L.P. (now Highland Multi Strategy Credit Fund, L.P.) (collectively, the "**Affiliated Transferee Defendants**"), among others, thereby further reducing Highland's abilities to meet their obligations to Claimant. (*Id.* ¶¶ 111, 113.) The Debtor and its principals exercised domination over the Fund Counterparties to improperly transfer substantial assets from the Fund Counterparties and HFP for their own personal gain, *i.e.*, solely and improperly to protect and enhance the value of the Debtor and its principals by wrongful and improper means. In the

process, the Debtor and its principals made it impossible for the Fund Counterparties to pay Claimant the losses that they and the Debtor had agreed they would pay under the Warehouse Agreements. (*Id.* ¶¶ 112-114.)

19. As Claimant learned about Highland's conduct through discovery, Claimant amended its complaint to assert additional claims and name additional Highland entities, including HFP, the Affiliated Transferee Defendants, and Strand Advisors, Inc. As amended and stated in its Second Amended Complaint (attached hereto as Exhibit A) in the State Court Action, filed on May 11, 2011, Claimant's claims include breach of contract claims directly against the Fund Counterparties, as well as claims for fraudulent inducement, breach of the duty of good faith and fair dealing, fraudulent conveyance, tortious interference, and declaratory judgments for alter ego liability against HFP and general partner liability against Strand Advisors, Inc. The Debtor subsequently brought counterclaims against Claimant for breach of contract and unjust enrichment. (*See* Ex. B, Decision at 35-37.)

20. The procedural history of the State Court Action is complex. The Debtor and its affiliates and Claimant filed, and the State Court ruled on, four sets of motions to dismiss. The Debtor and its affiliates then filed two sets of summary judgment motions, which led to a series of complex rulings by the State Court in 2017. The parties filed various interlocutory appeals of the State Court's rulings on the motions to dismiss and for summary judgment. Those appeals were heard by the Appellate Division for the First Judicial Department in the County of New York, with the Appellate Division issuing five decisions over this suit's protracted history (some of which are still subject to further appellate rights).

21. Also included in the Appellate Division's decisions was an order arising from an appeal of the State Court's ruling on Claimant's motion to restrain Defendants Highland Credit

Strategies Master Fund, L.P. and Highland Crusader Partners, L.P. from disposing of property received through the fraudulent transfers orchestrated by the Debtor. Claimant showed it had a likelihood of success on the merits of its fraudulent transfer claims, and the Appellate Division enjoined both Highland entities from disposing of their assets. Ultimately, these injunctions resulted in partial settlements between Claimant and Highland Credit Strategies Master Fund, L.P. and Highland Crusader Partners, L.P.

22. By early 2018, more than nine years after Claimant first filed suit, the parties were finally ready to proceed to trial. Due to a jury waiver clause in the Warehouse Agreements, however, and after related pre-trial briefing, the State Court bifurcated Claimant's claims into two distinct phases for trial: Phase I, consisting of a bench trial on Claimant's claims against the Fund Counterparties for breach of the Cash Warehouse and Synthetic Warehouse Agreements, as well as the Debtor's counterclaims; and Phase II, consisting of a jury trial on Claimant's remaining claims against all remaining Highland entities, including the Debtor.³ (Ex. B, Decision at 2 n.1, 38.)

23. The State Court presided over a thirteen-day bench trial for Phase I from July 9 through July 27, 2018. (*Id.* at 1.) On November 14, 2019, the State Court entered a Decision and Order on Phase I (attached hereto as Exhibit B), ruling in favor of Claimant on almost every issue presented in Phase I. In particular, the court found the Fund Counterparties liable to Claimant for breach of the Cash Warehouse and Synthetic Warehouse Agreements, found no liability on the part of Claimant for either of the Debtor's counterclaims, and rejected almost every one of the Debtor's offset arguments with the only remaining issue (affecting approximately \$70,500,000) to

³ Remaining claims are to be tried to a jury, with the court deciding liability as to the breach of the implied covenant of good faith and fair dealing claim and the jury deciding all remaining issues.

be determined after Phase II. (*Id.* at 39.) An Entry of Judgment on Phase I was entered on February 10, 2020. Under that Phase I final judgment, Claimant is entitled to \$1,039,957,799.44, consisting of \$519,374,149.00 in damages and \$520,583,650.44 in pre-judgment interest as of January 22, 2020, with additional interest of \$128,065 having accrued daily until the Entry of Judgment.

24. The next step in the State Court Action is Phase II of the trial, where Claimant's remaining claims against not only the Debtor, but also against other Highland affiliates are to be tried to a jury, with the court deciding liability as to the breach of the implied covenant of good faith and fair dealing claim and the jury deciding all remaining claims. (*Id.* at 2 n.1, 38.) The claims to be tried in Phase II include claims for breach of the implied covenant of good faith and fair dealing, fraudulent conveyances, and alter-ego liability. The specific amounts the two non-Debtor affiliates owe to Claimant for their breach of the Warehouse Agreements are now set forth and embodied in the final \$1 billion judgment from Phase I. And Claimant has stated claims against the Debtor—which was also a party to the same contract and exercised complete control over the two liable affiliates—under which Claimant is entitled to damages that are at least as much as the Phase I judgment amount. Claimant will seek damages for the Debtor's various breaches of the implied covenant as well as its specific role in the fraudulent transfer scheme, and pre-judgment interest and attorneys' fees where available. In addition, Claimant will seek punitive damages against the Debtor for its role in orchestrating the extended efforts to prevent Claimant from collecting the amounts owed under the Warehouse Agreements.

25. Currently, Phase II of the State Court Action is stayed against the Debtor by the automatic stay imposed pursuant to section 362 of the Bankruptcy Code when the Debtor commenced this Chapter 11 Case.

26. Claimant hereby asserts a claim, pending litigation of Phase II, for damages arising from the Debtor's breach of the implied covenant of good faith and fair dealing, its specific role in directing the fraudulent transfers of assets involving HFP, additional interest, further damages (including punitive damages), and attorneys' fees that may be awarded by any court at the conclusion of Phase II.

Reservation of Rights

27. Claimant does not waive or release, and expressly reserves, all rights and remedies at law or in equity that it has or may have against the Debtor, the Fund Counterparties, Strand Advisors, Inc., other non-Debtor Highland Defendants, or any other Debtor affiliate, subsidiary, person, or entity.

28. Claimant expressly reserves all of its rights to assert any additional claims, defenses, remedies, and causes of action, including without limitation, claims for fraudulent inducement, breach of contract, tortious interference with contractual relations, fraudulent conveyances, or alter ego recovery. Claimant further reserves all rights to amend, modify, supplement, reclassify, or otherwise revise its Proof of Claim at any time and in any respect, including, without limitation, as necessary or appropriate to amend, quantify or correct amounts, to provide additional detail regarding the claims set forth herein, to assert additional grounds for any of the claims, to seek reconsideration under section 502(j) of the Bankruptcy Code or otherwise of any disallowance of any amounts claimed hereunder, or to reflect any and all additional claims of whatever kind or nature that Claimant has or may have against the Debtor.

29. To the extent any payment to Claimant based on this Proof of Claim, or any portion thereof, is clawed back from Claimant, avoided, or set aside, for any reason whatsoever, or Claimant is required to disgorge any such payment, or any portion thereof, Claimant hereby reserves its rights to amend this Proof of Claim accordingly.

30. The execution and filing of this Proof of Claim is not intended as, nor should it be construed as or deemed to be any of the following: (i) a waiver of the right to seek withdrawal of the reference, or to otherwise challenge the jurisdiction of this Court, with respect to the subject matter of the claims asserted herein, any objection or other proceeding commenced with respect thereto, or any other action or proceeding commenced in this Chapter 11 Case against or otherwise involving Claimant; (ii) an admission that any matter is a core matter for purposes of 28 U.S.C. § 157(b) or is a matter as to which this Court can enter a final order or judgment consistent with Article III of the United States Constitution; (iii) a waiver of the right to *de novo* review by the district court of any order or judgment for which this Court, absent Claimant's consent, lacks authority to enter a final order or judgment; (iv) a consent to the entry by this Court of a final order or judgment with respect to the claims asserted herein or any other matter; (v) a waiver of Claimant's right to a jury trial against the Debtor, as applicable, or waiver of Claimant's right to a jury trial against any of the non-Debtor Defendants; (vi) a waiver or release of the claims or rights of Claimant against any other entity or person that may be liable for all or any part of the claims or any matters related to the claims asserted herein; (vii) a waiver of any rights and remedies Claimant has or may have under the Cash Warehouse and Synthetic Warehouse Agreements, Engagement Letter, or any other contract, whether mentioned in this Proof of Claim or not; (viii) a waiver of Claimant's contractual right to seek to have these or any other claims settled by binding arbitration; (ix) a waiver of any right related to the confirmation of any plan of reorganization proposed in this

Chapter 11 Case, or any other insolvency-related proceeding that may be commenced, either in the United States or abroad, by or against the Debtor, or any non-Debtor affiliate; (x) a waiver or agreement granting any party relief; or (xi) an election of remedies.

31. Neither this Proof of Claim nor any of its contents shall be deemed or construed as an acknowledgment or admission of any liability or obligation on the part of Claimant. Claimant specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its rights with respect to any claim that may be asserted against Claimant by the Debtor, the Fund Counterparties, or any affiliate of the Debtor, and its rights to enforce the Cash Warehouse or Synthetic Warehouse Agreements, Engagement Letter, or any other contract.

Right of Setoff and Recoupment

32. Claimant reserves all rights of setoff and recoupment that it may have. To the extent the Debtor or any non-Debtor affiliate asserts any claim against Claimant, Claimant shall have a secured claim to the extent of its right of setoff under section 553 of the Bankruptcy Code or right of recoupment against such claim with respect to the claims asserted herein and any amendments thereto.

Notice

33. Copies of all notices and communications concerning this Proof of Claim should be sent to:

UBS Securities LLC
1285 Avenue of the Americas
New York, NY 10019
Attn: Suzanne Forster
Telephone: (212) 713-3432
Email: suzanne.forster@ubs.com

With a copy to:

John Lantz
UBS Securities LLC
1285 Avenue of the Americas
New York, NY 10019
Telephone: (212) 713-1371
Email: john.lantz@ubs.com

Andrew Clubok
Sarah Tomkowiak
LATHAM & WATKINS LLP
555 Eleventh Street, NW, Suite 1000
Washington, District of Columbia 20004
Telephone: (202) 637-2200
Email: andrew.clubok@lw.com
sarah.tomkowiak@lw.com

Jeffrey E. Bjork
Kimberly A. Posin
LATHAM & WATKINS LLP
355 South Grand Avenue, Ste. 100
Los Angeles, California 90071
Telephone: (213) 485-1234
Email: jeff.bjork@lw.com
kim.posin@lw.com

Asif Attarwala
LATHAM & WATKINS LLP
330 N. Wabash Avenue, Ste. 2800
Chicago, Illinois 60611
Telephone: (312) 876-7700
Email: asif.attarwala@lw.com

Exhibit A

Second Amended Complaint

**CONFIDENTIAL MATERIAL SUBJECT TO THE STIPULATION
AND ORDER FOR THE PRODUCTION AND EXCHANGE
OF CONFIDENTIAL INFORMATION HAS BEEN REDACTED**

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

UBS SECURITIES LLC and UBS AG, LONDON BRANCH,

Plaintiffs,

-against-

HIGHLAND CAPITAL MANAGEMENT, L.P., HIGHLAND
SPECIAL OPPORTUNITIES HOLDING COMPANY,
HIGHLAND CDO OPPORTUNITY MASTER FUND, L.P.,
HIGHLAND FINANCIAL PARTNERS, L.P., HIGHLAND
CREDIT STRATEGIES MASTER FUND, L.P., HIGHLAND
CRUSADER OFFSHORE PARTNERS, L.P., HIGHLAND
CREDIT OPPORTUNITIES CDO, L.P., and STRAND
ADVISORS, INC.,

Defendants.

Index No. 650097/2009
(I.A.S. Part 60, Fried, J.)

**SECOND AMENDED
COMPLAINT**


Plaintiffs, UBS Securities LLC ("UBSS") and UBS AG, London Branch ("UBS AG") (collectively, "UBS"), for their Second Amended Complaint allege against defendants Highland Special Opportunities Holding Company ("SOHC"), Highland CDO Opportunity Master Fund, L.P. ("CDO Fund," and together with SOHC, the "Fund Counterparties"), Highland Financial Partners, L.P. ("Highland Financial"), Highland Credit Strategies Master Fund, L.P. ("Credit Strategies"), Highland Crusader Offshore Partners, L.P. (the "Crusader Fund"), Highland Credit Opportunities CDO, L.P. (the "Credit Opp. Fund"), and Strand Advisors, Inc. ("Strand"), as follows:

NATURE OF THE ACTION

1. UBS brings this action to recover damages in excess of \$686 million resulting from the wrongful conduct of defendants, based on causes of action for fraudulent inducement, breach of contract, fraudulent conveyances, and declaratory judgment.

2. Counterclaim-plaintiff Highland Capital Management, L.P. (“Highland Capital”) is a defendant in the action commenced by UBS (the “Highland Capital Action”) concurrently with the filing of the First Amended Complaint in this action. The Highland Capital Action was consolidated with this action by a Decision and Order, entered by this Court on October 7, 2010 (this action and the Highland Capital Action are referred to herein as the “Consolidated Action”). Together with Highland Capital, the Fund Counterparties fraudulently induced UBS to restructure a transaction to avoid Highland Capital’s and the Fund Counterparties’ contractual obligation to pay UBS over \$86 million. Once Highland Capital and the Fund Counterparties succeeded in misleading UBS into restructuring the original transaction, Highland Capital and its affiliates made it impossible for the Fund Counterparties to meet their obligations to UBS by stripping the Fund Counterparties of their valuable assets through fraudulent conveyances and otherwise dealing in bad faith with their contractual obligations to UBS.

3. When UBS finally terminated the restructured transaction and demanded payment from Highland Capital and the Fund Counterparties, it was owed in excess of \$686 million that the Fund Counterparties could not pay because of the misappropriations and improper transfers of assets directed by Highland Capital and the Fund Counterparties. Even after UBS demanded payment, Highland Capital and defendants engaged in further unlawful conduct that harmed UBS by



SUMMARY OF THE ACTION

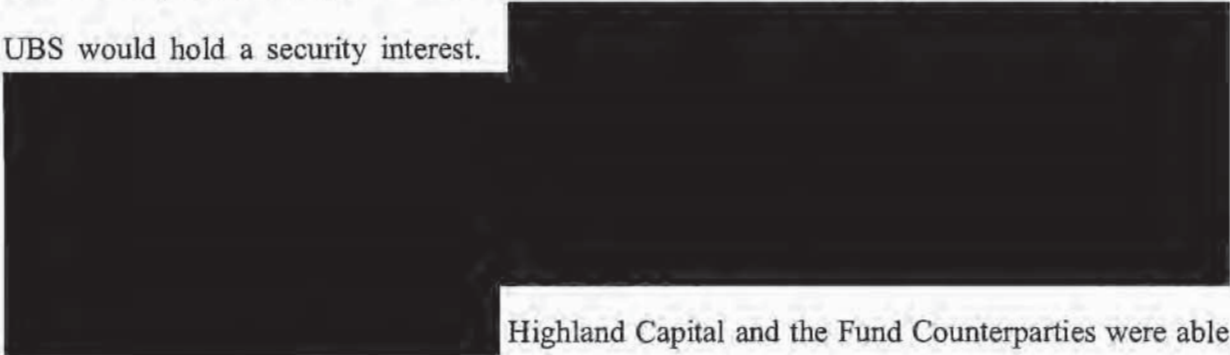
4. This action arises out of Highland Capital's efforts in the Spring of 2007 to sponsor a collateralized debt obligation ("CDO") securitization (the "Original Engagement"). In connection with the Original Engagement, UBS agreed to finance the purchase of various collateralized loan obligation ("CLO") securities, as well as credit default swap obligations that referenced similar CLO securities. UBS agreed to hold or "warehouse" the CLO securities and credit default swaps (collectively, the "Warehouse Assets" or "Warehouse Facility") for Highland Capital's benefit.

5. On or about August 15, 2007, the Original Engagement terminated by its terms without the contemplated securitization having occurred. As a result of the termination, Highland Capital and two of its affiliates, the Fund Counterparties, owed UBS in excess of \$86 million related to the decline in the value of the Warehouse Assets.

6. Instead of paying UBS what it was owed, Highland Capital and the Fund Counterparties fraudulently induced UBS to restructure the Original Engagement by providing UBS with false, incomplete and otherwise misleading information concerning the Fund Counterparties' finances and assets. Using both affirmative material misrepresentations and omissions (material facts or information needed to be disclosed to make the statements actually made not misleading, and which were not disclosed, are referred to hereinafter as "Omissions"), Highland Capital, its principals and the Fund Counterparties misled UBS regarding the financial health of the Fund Counterparties and their creditworthiness, thereby causing UBS to forego recovering its losses from Highland Capital in favor of agreeing to restructure the terms of the parties' prior agreements (the "Restructured Transaction").


7. For example, the strength of the Fund Counterparties' financial statements, and their purported ability to use the hundreds of millions of dollars worth of assets

reflected therein to satisfy future obligations to UBS under the Warehouse Agreements were material to UBS's decision to agree to the restructuring. Consequently, in connection with negotiating the Restructured Transaction, UBS conditioned any restructuring on the Fund Counterparties' ability to post \$70 million in cash and securities as collateral (the "Initial Restructuring Collateral") with State Street Bank and Trust Company ("State Street"), in which UBS would hold a security interest.



Highland Capital and the Fund Counterparties were able to conceal important information about the Fund Counterparties' financial weakness that was both quantitatively and qualitatively material to UBS, and which would have caused UBS not to enter the Restructured Transaction.

8. Similarly, while negotiating the Restructured Transaction, Highland Capital and the Fund Counterparties provided UBS with financial reports and statements for the Fund Counterparties. The financial information that Highland Capital and the Fund Counterparties provided to UBS contained materially false and misleading information and Omissions concerning the financial condition of the Fund Counterparties. Among other things,



9. In reliance on material misstatements and Omissions made by Highland Capital and the Fund Counterparties, UBS agreed to restructure the Original Engagement, and

thereby were fraudulently induced to give up contractual rights under the terms of the Original Engagement. In particular, UBS reasonably and justifiably relied on misrepresentations and Omissions of facts and information solely and peculiarly within the knowledge of Highland Capital and the Fund Counterparties. Given UBS's prior dealings with Highland Capital and its affiliates, as well as Highland Capital's size and presence in the market, UBS had no reason to believe that Highland Capital and its affiliates would provide it with false, incomplete or otherwise misleading information about the Fund Counterparties' finances and assets, as they in fact did.

10. Had UBS known that the Fund Counterparties could not [REDACTED]
[REDACTED], it would not have gone forward with the Restructured Transaction. UBS never would have agreed to the Restructured Transaction had it known prior to entering the Restructured Transaction the true status of the Fund Counterparties' financial condition and the true fair market value of the Fund Counterparties' holdings that would have been available to satisfy their then-existing and future obligations to UBS. UBS's losses described herein were directly and proximately caused by the conduct of Highland Capital and the defendants as described herein.


11. Almost immediately after UBS agreed to the Restructured Transaction, Highland Capital began the process of making it impossible for the Fund Counterparties to ever repay UBS what they owed. In particular, exercising its control over the Fund Counterparties, Highland Capital caused the Fund Counterparties to transfer cash for the benefit of Highland Capital and its principals, and, separately, in violation of UBS's rights, [REDACTED]
[REDACTED], all during a time when the Fund Counterparties owed UBS hundreds of millions of dollars.


12. For example, in or around May 2008, Highland Capital caused the dissipation of approximately \$100 million in cash that CDO Fund held after it sold a long position in a company called SunCom Wireless. Highland Capital drained CDO Fund's cash resources despite CDO Fund's ever-increasing obligations to UBS. Highland Capital's bad faith conduct caused injury to UBS by making it impossible for the Fund Counterparties to satisfy their contractual obligations to UBS.

13. In September 2008, as losses in the Warehouse Facility continued to grow, UBS began to exercise its contractual rights and make margin calls demanding additional collateral from the Fund Counterparties. Because Highland Capital had routinely taken cash out of the Fund Counterparties, the Fund Counterparties were undercapitalized and lacked assets and liquidity to meet UBS's demands for additional collateral.

14. Highland Capital and its principals, including its president and founder, James D. Dondero, knew that if the Fund Counterparties defaulted on their obligations to UBS (or any other creditor), Highland Capital's ability to conduct business in the financial community and to keep or solicit investors would be harmed. Investors in Highland Capital's hedge fund family would withdraw their investments. In addition, creditors would take actions to protect themselves, including foreclosing on collateral and aggressively enforcing their contractual rights. Highland Capital and its principals were concerned that upon the disclosure of the true state of their affairs, their business would collapse.

15. To avoid that result, Highland Capital and its principals resorted to

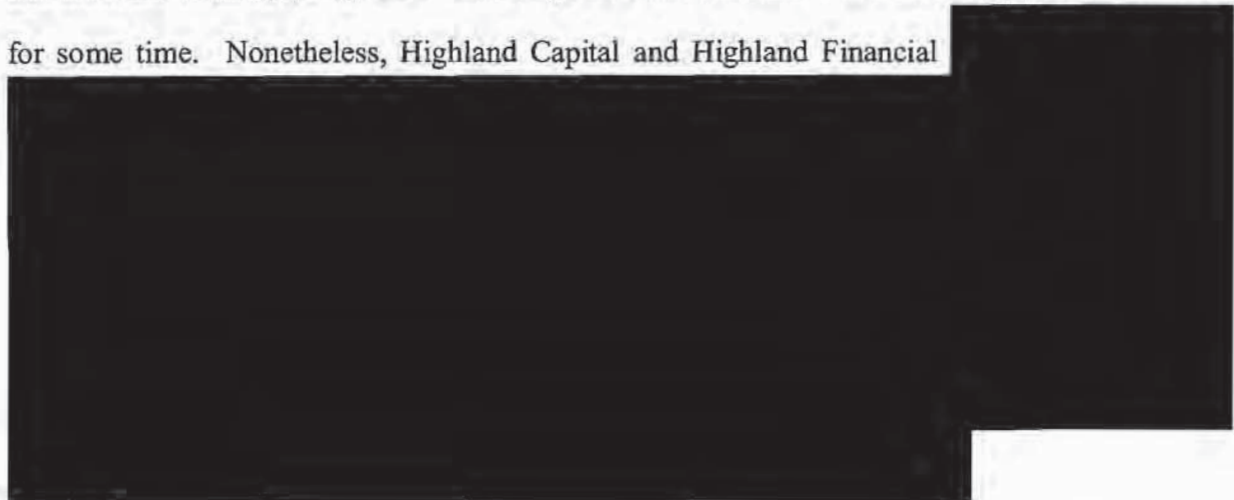




16. Highland Capital's and its principals' belated attempt to protect their reputation by continuing to fraudulently portray the Fund Counterparties as viable independent entities was ultimately unsuccessful. By late October 2008, Highland Capital could no longer continue to prop up the Fund Counterparties.

17. On or about November 11, 2008, UBS demanded additional collateral from the Fund Counterparties. The Fund Counterparties defaulted. On December 3, 2008, UBS terminated the Restructured Transaction. As a result of UBS's termination of the Restructured Transaction, the Fund Counterparties were contractually obligated to pay UBS in excess of \$686 million.

18. On or about February 24, 2009, UBS filed the original complaint in this Court against the Fund Counterparties for breach of the Warehouse Agreements that had been entered in connection with the Restructured Transaction. By that time, the Fund Counterparties and SOHC's alter ego, Highland Financial, had been insolvent and unable to pay their creditors for some time. Nonetheless, Highland Capital and Highland Financial



19. In sum, after fraudulently inducing UBS to agree to the Restructured Transaction, Highland Capital and its principals exercised their domination over the Fund Counterparties to improperly transfer substantial assets from the Fund Counterparties for their own personal gain, *i.e.*, solely and improperly to protect and enhance the value of Highland Capital and its principals by wrongful and improper means. In the process, they made it impossible for the Fund Counterparties to pay UBS the losses they had agreed to pay on the Warehouse Facility.

THE PARTIES

A. The Plaintiffs

20. Plaintiff UBS AG, London Branch, is a banking corporation organized under the laws of Switzerland with its principal place of business at Finsbury Avenue, London, United Kingdom.

21. Plaintiff UBSS is a limited liability company organized under the laws of Delaware with its principal places of business at 677 Washington Blvd., Stamford, Connecticut, and 299 Park Avenue, New York, New York.

B. Highland Capital

22. Highland Capital Management, L.P. (“Highland Capital”) is a limited partnership organized under the laws of Delaware, with its principal place of business at 13455 Noel Road, Suite 800, Dallas, Texas 75240, and an office at 9 West 57th Street, New York, New York. Highland Capital is registered to do business in New York. Highland Capital describes itself as a 100% employee-owned partnership. Highland Capital is an investment adviser that manages a large number of investment entities that operate as hedge funds for Highland Capital’s principals and affiliates, as well as unaffiliated investors. Highland Capital currently manages

over \$25 billion in various assets, including structured financial products. Highland Capital also holds direct and indirect equity and ownership interests in the entities that it manages, including in Highland Financial, the Fund Counterparties and the Affiliated Transferee Defendants. James D. Dondero is the President of Highland Capital, as well as one of its founders. Concurrently with filing the First Amended Complaint in this Action, UBS commenced a separate action against Highland Capital (the “Highland Capital Action”). The Highland Capital Action was later consolidated with this action by a Decision and Order, entered by this Court on October 7, 2010 (this action and the Highland Capital Action are referred to herein as the “Consolidated Action”).

C. The Defendants

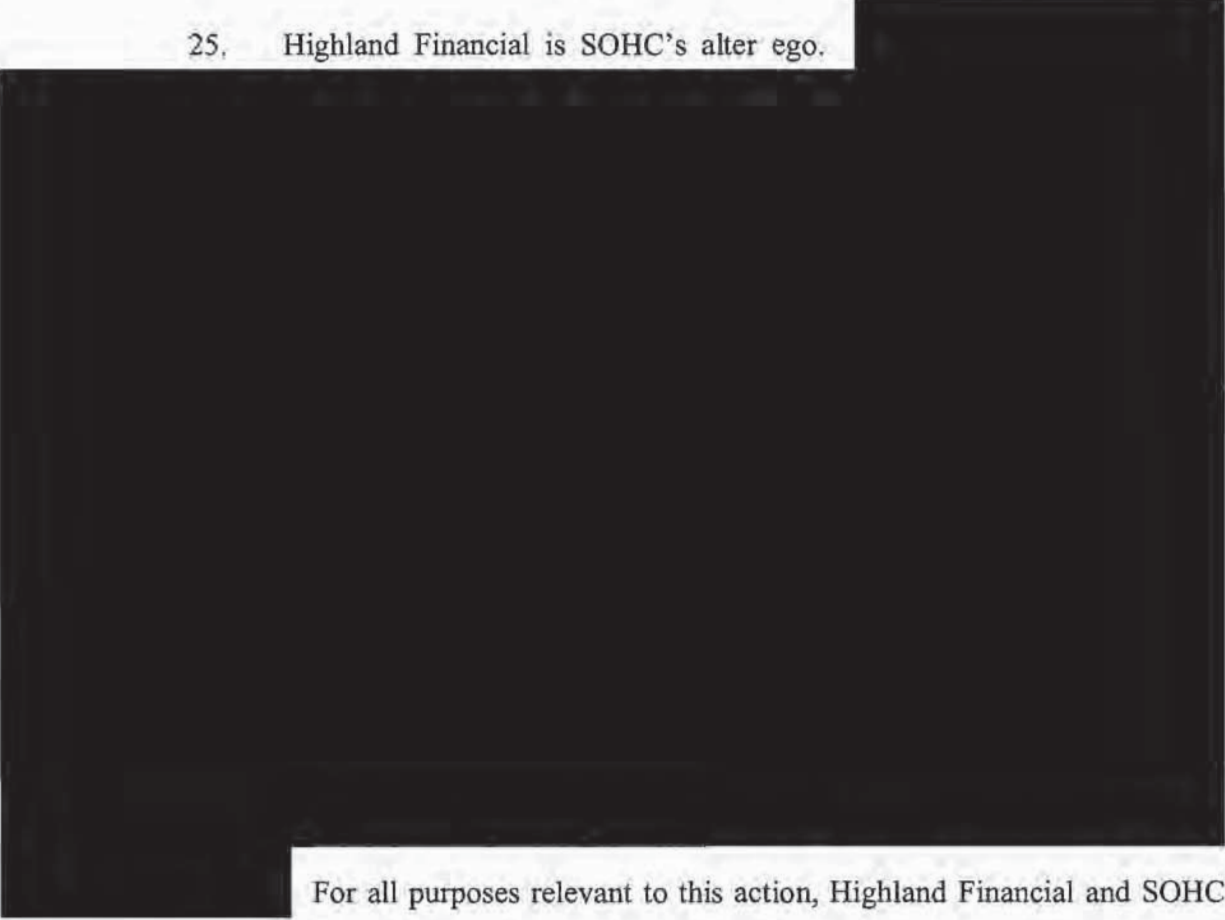
1. Defendant Strand

23. Defendant Strand Advisors, Inc. (“Strand”) is Highland Capital’s general partner. Strand is a Delaware corporation principally engaged in the business of serving as the general partner of Highland Capital. As Highland Capital’s general partner, Strand is responsible for Highland Capital’s liabilities and obligations and regularly conducts business in New York, or causes its affiliates to conduct business in New York.

2. Defendants Highland Financial and SOHC

24. Highland Special Opportunities Holding Company (“SOHC”) is a company organized under the laws of the Cayman Islands, with its offices at Walker House, PO Box 908GT, Mary Street, George Town, Grand Cayman, Cayman Islands. SOHC is a wholly-owned subsidiary of defendant Highland Financial Partners, L.P. (a Delaware limited partnership) (“Highland Financial”). SOHC has six sister subsidiaries, all of which are owned in whole or in part by Highland Financial. Highland Capital serves as investment manager to defendant Highland Financial, SOHC and its sister subsidiaries.

25. Highland Financial is SOHC's alter ego.



For all purposes relevant to this action, Highland Financial and SOHC should be treated as a single entity and as alter egos of one another.

3. Defendant CDO Fund

26. Defendant Highland CDO Opportunity Master Fund, L.P. ("CDO Fund") is a Bermuda exempted limited partnership, with its principal place of business at 52 Reid Street, Hamilton, Bermuda. Highland Capital controls CDO Fund's investment decisions through an investment management agreement. Between January 31, 2007 and August 31, 2008, Highland Capital's and its affiliates' aggregate ownership interest in CDO Fund ranged between 43.36% and 56.44%. Highland CDO Opportunity Fund, L.P. and Highland CDO Opportunity Fund, Ltd. serve as so-called "feeder funds" for defendant CDO Fund.

4. The Affiliated Transferee Defendants [REDACTED]

27. Defendant Highland Credit Strategies Master Fund, L.P. (“Credit Strategies”) is a Bermuda limited partnership organized with its principal place of business at Victoria Place, 31 Victoria Street, Hamilton HM10, Bermuda. Credit Strategies transacts business within New York, and derives substantial revenue from interstate and international commerce.

28. Defendant Highland Crusader Offshore Partners, L.P. (the “Crusader Fund”) is a Bermuda limited partnership with its principal place of business at Victoria Place, 31 Victoria Street, Hamilton HM10, Bermuda. The Crusader Fund also has an office located at 13455 Noel Road, Suite 800, Dallas, Texas 75240. The Crusader Fund transacts business within New York, and derives substantial revenue from interstate and international commerce.

29. Defendant Highland Credit Opportunities CDO, L.P. (the “Credit Opp. Fund”) is a Delaware limited partnership with its principal place of business at 13455 Noel Road, Suite 800, Dallas, Texas 75240.

30. Credit Strategies, the Crusader Fund and the Credit Opp. Fund are referred to herein collectively as the “Affiliated Transferee Defendants” [REDACTED]

D. Non-Parties Affiliated With Highland Capital In Which The Fund Counterparties Invested

31. The Fund Counterparties held investments in several Highland Capital-affiliated funds, including Highland Credit Opportunities CDO, L.P., Highland Legacy, Highland Loan Funding V, Highland Park CDO I, Ltd., Highlander Euro CDO B.V. and Highlander Euro

CDO III B.V. Highland Capital served as the investment manager for these affiliated funds, and received valuable fees derived from the valuations of these funds' assets, which it managed.

JURISDICTION AND VENUE

32. Venue in this Court is proper under CPLR 503 because plaintiff UBSS has a principal place of business in New York County.

33. Venue is also proper under CPLR 501, and this Court may exercise jurisdiction over the Fund Counterparties because UBS, Highland Capital and the Fund Counterparties all agreed in writing, before this action was commenced, to submit to such jurisdiction and venue, in connection with any dispute that may arise out of, in connection with, or related to, the Agreements (defined below), or any of the matters contemplated thereby. This Court also may exercise jurisdiction over Highland Financial because it is the alter ego of SOHC.

34. This Court also may exercise jurisdiction over all defendants pursuant to CPLR 301 and 302(a)(1) and (3), because defendants regularly transact and solicit business in New York, committed tortious acts causing injury in New York, should reasonably have expected that their tortious acts would have consequences in New York, the effect of their wrongful conduct was felt in New York, and/or derive substantial revenue from interstate or international commerce. Additionally, Highland Capital has an office in New York and is a foreign limited partnership registered to do business in New York.

FACTUAL BACKGROUND

A. The Original Engagement

35. In or around April 2007, Highland Capital approached UBS for short-term financing in connection with a securitization that Highland Capital wanted to sponsor. UBS agreed to do so (the "Original Engagement").

36. On or about April 20, 2007, UBSS and Highland Capital entered into an engagement letter (the “Original Engagement Letter”), which contemplated that UBSS would act as the exclusive financial arranger and placement agent for a type of collateralized debt obligation transaction (“CDO”), known as a collateralized loan obligation (“CLO”) squared or “CLO Squared” transaction. (A copy of the Original Engagement Letter is annexed hereto as Exhibit A.)

37. CLOs are a form of securitization where interest and principal payments on corporate loans made to multiple mid-sized and large businesses are pooled together by a lender or the owner of the loans, and then passed on through a securitization structure to investors. CLOs typically involve multi-million dollar loans known as syndicated loans, or leveraged loans made to new businesses or existing businesses, often to acquire other companies. The loan originators are able to spread risk through the CLO securitization, and simultaneously free up capital to make new loans to other businesses. The Original Engagement contemplated the securitization of CLO securities. Thus, the securitization contemplated by Highland Capital would have been a “CLO Squared” transaction.

38. On or about May 22, 2007, as contemplated by the Original Engagement Letter, UBSS and Highland Capital entered into a warehouse agreement (the “Original Cash Warehouse Agreement”). (A copy of the Original Cash Warehouse Agreement is annexed hereto as Exhibit B.) In accordance with the terms of the Original Engagement Letter and the Original Cash Warehouse Agreement, UBSS agreed to acquire securities as directed by Highland Capital. Highland Capital instructed UBS to acquire various CLO securities issued in connection with prior CLO transactions involving other sponsors and issuers (the “Cash Portfolio”).

39. In a separate but related synthetic warehouse agreement (the “Original Synthetic Warehouse Agreement,” and together with the “Original Cash Warehouse

Agreement,” the “Original Warehouse Agreements”), UBS AG agreed to enter into credit default swaps (the “CDS Portfolio,” and together with the Cash Portfolio, the “Warehouse Assets”), pursuant to which UBS AG sold credit protection to various third parties. (A copy of the Original Synthetic Warehouse Agreement is annexed hereto as Exhibit C.)

40. For Highland Capital’s benefit, UBS held the Warehouse Assets on its balance sheet (the “Warehouse Facility”). UBS was expected to hold the Warehouse Assets until such time as the parties could arrange for the assets to be securitized as part of the contemplated securitization. In particular, if the parties believed that a securitization was economically feasible, they would create a special purpose entity that would acquire the Warehouse Assets from UBS using the proceeds from the sale of securities to investors. The special purpose entity’s debt securities would be secured by those Warehouse Assets.

41. Under the Original Warehouse Agreements, if the Original Engagement terminated without a securitization, Highland Capital and the Fund Counterparties were obligated to pay UBS for losses on the Warehouse Assets. In particular, under the terms of the Original Cash Warehouse Agreement, Highland Capital was directly responsible for the first \$50 million in losses in the Cash Portfolio, and under the terms of the Original Synthetic Warehouse Agreement, the Fund Counterparties were obligated to pay UBS for any and all losses suffered on the CDS Portfolio.

42. The Original Engagement Letter expired by its terms on August 15, 2007 without a securitization occurring. The Original Warehouse Agreements expired on the same date in accordance with their respective terms.

43. As of August 15, 2007, the Warehouse Assets in the Warehouse Facility had lost in excess of \$86 million in value. Although they had sufficient capital to do so,

Highland Capital and the Fund Counterparties failed and refused to pay UBS what it was owed under the Original Warehouse Agreements.

44. As a result of extensive negotiations as well as representations and warranties made by Highland Capital on its own behalf, and on behalf of the Fund Counterparties as their investment manager, UBS agreed to restructure the terms of the Original Engagement.

B. Highland Capital And The Fund Counterparties Resort To Fraud To Avoid Highland Capital's Obligations To UBS

45. As alleged above, as a result of the termination of the Original Engagement, Highland Capital was directly liable to UBS under the Original Warehouse Agreement for in excess of \$86 million.

46. Between August 2007 and March 14, 2008, UBS, Highland Capital and the Fund Counterparties had discussions and negotiations concerning a restructuring of the terms of the Original Engagement. Those negotiations resulted in agreements to restructure the Original Engagement (the "Restructured Transaction"), including a release by UBS of its claims against Highland Capital and the Fund Counterparties arising out of the Original Engagement. (The terms of the Restructured Transaction are set forth in the Engagement Letter and Warehouse Agreements described below (collectively, the "Agreements"), which are annexed hereto as Exhibits D, E and F, respectively.)

47. During the course of negotiations and before March 14, 2008, Highland Capital and Fund Counterparties made several material misrepresentations to UBS concerning the creditworthiness of the Fund Counterparties. Dondero, Highland Capital and the Fund Counterparties also failed to disclose to UBS information which would have been material to UBS's decision to enter the Restructured Transaction ("Omissions," as defined above). As

Highland Capital and the Fund Counterparties knew, UBS reasonably relied upon those material misrepresentations and, due to the Omissions, a misstated assessment of the Fund Counterparties, all to its detriment in deciding whether to enter the Restructured Transaction. UBS reasonably and justifiably relied on these misrepresentations and Omissions of facts and information that were solely and peculiarly within the knowledge of Highland Capital and the Fund Counterparties. Given UBS's prior dealings with Highland Capital and its affiliates, as well as Highland Capital's size and presence in the market, UBS reasonably believed that Highland Capital and the Fund Counterparties would not provide it with false, incomplete or otherwise misleading information about the Fund Counterparties' finances and assets as it in fact did.

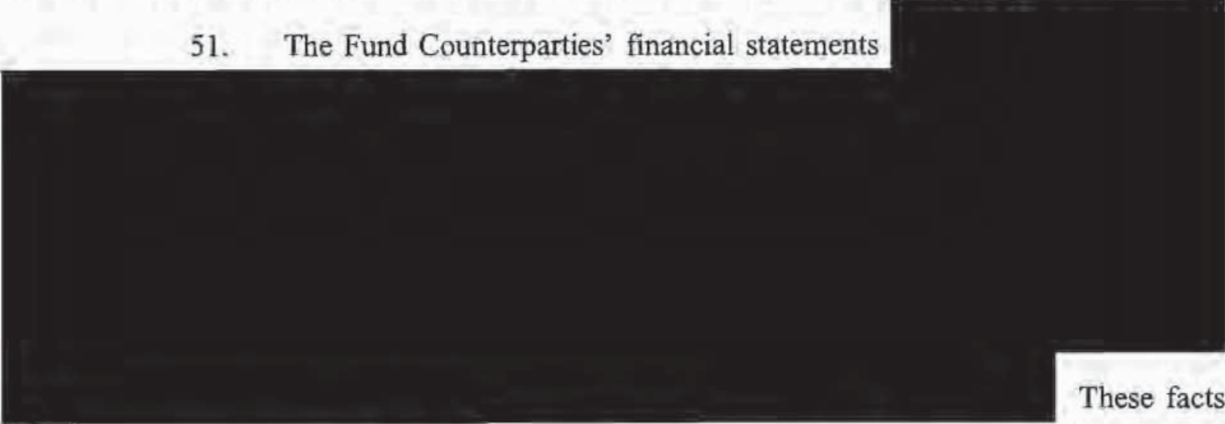
48. For example, on or about December 28, 2007, to induce UBS to enter the Restructured Transaction and related Agreements, Gibran Mahmud of Highland Capital sent SOHC financial statements to UBS. On or about January 29, 2008, UBS requested additional financial information related to SOHC. Later that same day, to induce UBS to enter the Restructured Transaction and related Agreements, Phil Braner of Highland Capital emailed UBS a copy of SOHC's Statement of Financial Condition, dated December 31, 2007.

49. As described with more particularity below, the SOHC financial information that Highland Capital and the Fund Counterparties provided to UBS, which Highland Capital was responsible for preparing, was materially false and misleading. Highland Capital and the Fund Counterparties knew that UBS would rely upon SOHC's financial information in connection with deciding whether to agree to the Restructured Transaction and the terms of the Agreements being negotiated.

50. On or about February 4, 2008, Matt Killebrew of Highland Capital provided UBS with financial reports via email that reflected financial summaries, and aggregate

valuations for CDO Fund's assets as of December 31, 2007. On or about March 4, 2008, Mr. Killebrew sent UBS similar reports for the period ended January 31, 2008. As described with more particularity below, these financial reports, which Highland Capital prepared, also were materially false and misleading. Highland Capital and the Fund Counterparties knew that UBS would rely upon CDO Fund's financial information in connection with deciding whether to agree to the Restructured Transaction and the terms of the Agreements being negotiated.

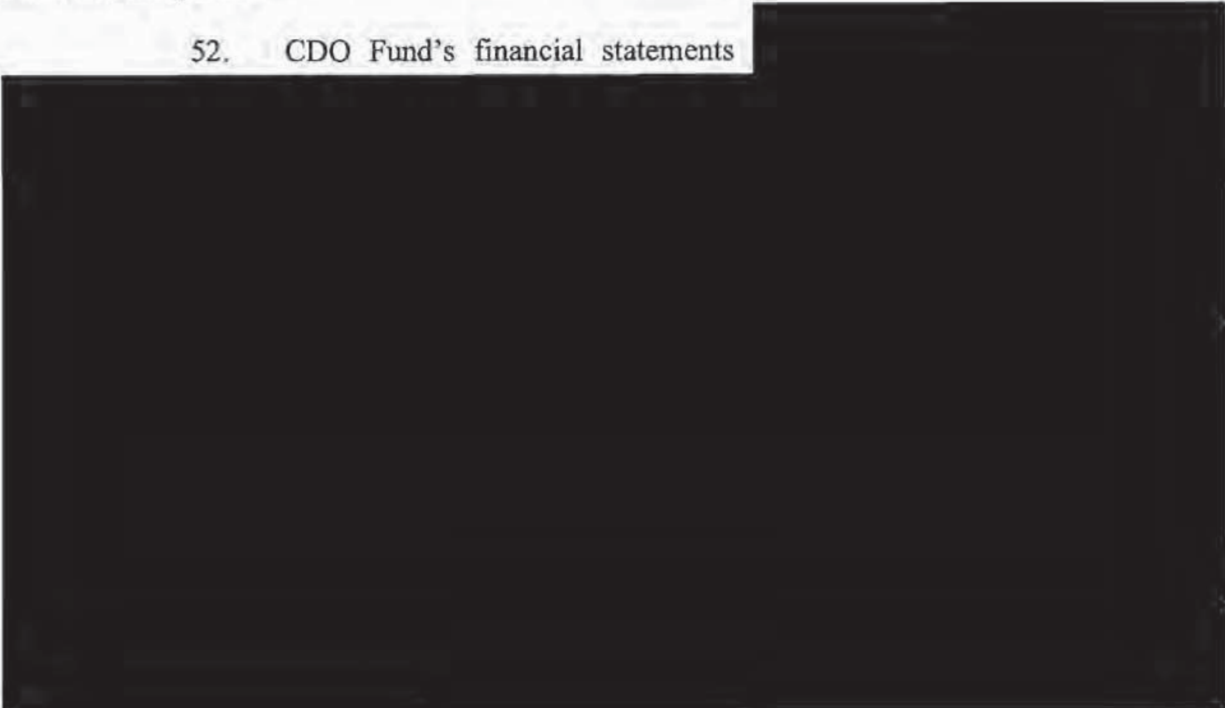
51. The Fund Counterparties' financial statements



These facts

and information were solely and peculiarly within the knowledge of Highland Capital and the Fund Counterparties.

52. CDO Fund's financial statements



[REDACTED]

53. Similarly, Highland Capital and the Fund Counterparties concealed from UBS the fact that the Fund Counterparties [REDACTED]

[REDACTED]

54. In addition, the Fund Counterparties' financial statements that Highland Capital and the Fund Counterparties provided to UBS in advance of the Restructured Transaction contained [REDACTED]

[REDACTED]

[REDACTED]

55. During the course of negotiations concerning the restructuring, UBS also insisted that the Fund Counterparties have the ability to post \$70 million in cash and securities as collateral, which would be held at State Street Bank (the "Initial Restructured Transaction Collateral"), and in which UBS would hold a security interest. The Fund Counterparties' ability to do so using their own assets was qualitatively and quantitatively material to UBS. Among other things, it demonstrated the strength of their balance sheets, and by extension, their ability to satisfy future obligations to UBS.

56. Highland Capital and the Fund Counterparties agreed that the Fund Counterparties would post \$70 million in Initial Restructuring Collateral.

[REDACTED]

57.

[REDACTED]

[REDACTED]

58. [REDACTED]

[REDACTED] As the Fund Counterparties' investment manager, Highland Capital maintained the Fund Counterparties' accounting records, and knew [REDACTED]

[REDACTED] Given UBS's prior dealings with Highland Capital and its affiliates, as well as Highland Capital's size and presence in the market, UBS had no reason to believe, and reasonably did not believe, that Highland Capital would provide it with false, incomplete or otherwise misleading information about [REDACTED]

59. If UBS had known that the Fund Counterparties [REDACTED]

[REDACTED]

[REDACTED] It also
would have drawn into question the Fund Counterparties' liquidity.
[REDACTED]

60. But for Dondero's, Highland Capital's and the Fund Counterparties' false and misleading statements and Omissions concerning the Fund Counterparties' finances and assets, and [REDACTED] UBS would not have entered into the Restructured Transaction or the Agreements that memorialized its terms. Given the Fund Counterparties' weak credit quality, additional adverse information about their collective or individual creditworthiness would have deterred UBS from going forward with the Restructured Transaction and putting more assets at risk. These misrepresentations and Omissions proximately caused harm to UBS.

61. UBS would not have entered into a transaction with parties that made misrepresentations as Highland Capital and the Fund Counterparties did. UBS also would not have agreed to release its valuable claims arising out of the Original Engagement under such circumstances. Because of, and in reliance on, the false and misleading information about the Fund Counterparties provided by Dondero, Highland Capital and the Fund Counterparties, UBS entered into the Restructured Transaction memorialized in the Agreements. Because each of the misrepresentations and Omissions identified above disguised the Fund Counterparties' inability to satisfy their obligations to UBS, the misrepresentations and Omissions proximately caused harm to UBS.

C. The Restructured Transaction Agreements

1. The Engagement Letter

62. On or about March 14, 2008, the parties reached agreement on the terms of a restructured engagement, which were memorialized in a new engagement letter (the “Engagement Letter,” annexed hereto as Exhibit D). Pursuant to the Engagement Letter, Highland Capital re-engaged UBSS to act as placement agent in the event that market conditions improved, and the parties could go forward with securitizing the Warehouse Assets already held by UBS in the Warehouse Facility. UBS agreed to continue holding the Warehouse Assets in the Warehouse Facility, which had a notional value of approximately \$818 million.

63. Under the terms of the Engagement Letter, UBS released claims against Highland Capital and the Fund Counterparties arising out of the Original Engagement.

2. The Restructured Warehouse Agreements

64. On March 14, 2008, UBSS, the Fund Counterparties and Highland Capital also entered into a cash warehouse agreement (the “Cash Warehouse Agreement”), pursuant to which UBSS agreed to continue to hold the Cash Portfolio. (A true and correct copy of the Cash Warehouse Agreement is annexed hereto as Exhibit E.)

65. UBS AG, the Fund Counterparties and Highland Capital also entered into a synthetic warehouse agreement, dated as of March 14, 2008 (the “Synthetic Warehouse Agreement,” and together with the Cash Warehouse Agreement, the “Warehouse Agreements”), pursuant to which UBS AG agreed to continue warehousing credit protection that it sold, *i.e.*, the CDS Portfolio. (A true and correct copy of the Synthetic Warehouse Agreement is annexed hereto as Exhibit F.)

66. Section 13(B) of the Cash Warehouse Agreement and § 11(B) of the Synthetic Warehouse Agreement make Highland Capital liable for losses, including losses in the

Warehouse Facility, by reason of acts or omissions constituting bad faith, willful misconduct, or gross negligence.

67. Under § 12 of the Synthetic Warehouse Agreement, the Fund Counterparties agreed to transfer to State Street the Initial Restructuring Collateral to partially secure their respective obligations to UBS under the Warehouse Agreements. Annex C to the Synthetic Warehouse Agreement identified the six assets that the Fund Counterparties purportedly transferred to State Street to satisfy their Initial Restructuring Collateral obligations, along with \$20 million in cash.

68. The Warehouse Agreements also contained releases whereby UBS agreed to release claims it had against Highland Capital and the Fund Counterparties for losses arising out of the Original Engagement.

D. Highland Capital Uses Its Control Over The Fund Counterparties To Dissipate Their Assets Without Regard For The Fund Counterparties' Growing Obligations To UBS

69. Almost immediately after the Restructured Transaction Agreements were executed, Highland Capital and the Fund Counterparties knowingly began to dissipate the Fund Counterparties' assets and make it impossible for the Fund Counterparties to ever repay UBS what they owed. Highland Capital and the Fund Counterparties did so at various times when the Fund Counterparties owed UBS hundreds of millions of dollars.

70. For example, on or about March 26, 2008, just days after entering the Restructured Transaction, Highland Capital caused certain SOHC assets to be encumbered by entering into a transaction with Barclays Bank, plc. ("Barclays"). At or around the same time, CDO Fund was negotiating financing arrangements with Morgan Stanley & Co. International Ltd. and Highland Capital IV SPC, whereby it granted a security interest in its assets to those entities. By granting a security interest in the Fund Counterparties' assets to other creditors,

Highland Capital unfairly and improperly reduced the assets available to satisfy the Fund Counterparties' obligations to UBS in bad faith and in violation of UBS's rights.

71. Similarly, on or about April 2, 2008, Highland Capital advised UBS that defendant CDO Fund had recently monetized a \$129 million long position in SunCom Wireless. When Highland Capital and CDO Fund subsequently provided UBS with additional financial information about CDO Fund, however, UBS discovered that Highland Capital had caused CDO Fund to transfer approximately \$100 million of the cash proceeds from the SunCom Wireless sale out of CDO Fund.

72. By improperly removing such a substantial amount of cash from CDO Fund, Highland Capital interfered in bad faith with CDO Fund's ability to satisfy its steadily increasing financial obligations to UBS. In particular, in or around May 2008, when the cash proceeds from the SunCom Wireless position were siphoned off, the Fund Counterparties owed UBS in excess of \$166 million related to losses in the Warehouse Facility, approximately 50% of which CDO Fund was obligated to pay.

73. Highland Capital also repeatedly caused SOHC's cash to be transferred by defendant Highland Financial. In particular, during the first five months of 2008, SOHC's cash position was reduced by over \$10 million at a time when its obligations to UBS were increasing substantially.

E. In the Fall of 2008, Losses Mount And The Fund Counterparties Face Collateral Calls From Creditors Including UBS That They Cannot Meet Despite Highland Capital's Belated Efforts To Do So [REDACTED]

74. Under the terms of the Warehouse Agreements, the Fund Counterparties were required to post additional collateral with UBS if the combined market value of (a) the

Warehouse Assets and (b) the Initial Restructured Transaction Collateral, declined below a certain amount.


75. By September 2008, losses in the Warehouse Facility had increased significantly. At the same time, the value of the Initial Restructuring Collateral had declined substantially, as had the value of the assets held by the Fund Counterparties.

76. Highland Capital was desperate to avoid a default by any of its affiliates, including the Fund Counterparties. If a Highland Capital affiliate defaulted on its obligations to a creditor, Highland Capital's reputation in the investment community would be damaged, and there was a risk that Highland Capital's business would collapse. Highland Capital feared that a public default would lead investors in Highland Capital's hedge fund family to withdraw their capital, and lead creditors to take aggressive actions to protect themselves, including foreclosing on collateral and aggressively enforcing their contractual rights.

1. The First Margin Call

77. On or about September 16, 2008, as losses in the Warehouse Facility continued to grow, UBS began to exercise its contractual rights and make margin calls demanding additional collateral from the Fund Counterparties. Specifically, UBS notified Highland Capital and the Fund Counterparties that, pursuant to § 12(C) of the Synthetic Warehouse Agreement, the Fund Counterparties were each required to post \$10 million in cash or equivalent securities (the "First Margin Call").

78. Because Highland Capital had routinely drained cash from the Fund Counterparties, the Fund Counterparties lacked the liquidity to meet UBS's demands using their own assets.

79. On or about September 19, 2008, the Fund Counterparties satisfied the First Margin Call by together posting \$20 million in cash as additional collateral. 

[REDACTED]

2. UBS Is Harmed By Highland Capital's Response To The Fund Counterparties' Liquidity Crisis

80. In the wake of the First Margin Call, the Fund Counterparties remained starved for liquidity. Still desperate to avoid defaults to creditors and the consequences described above, Highland Capital resorted to

[REDACTED]

81. Highland Capital and the individuals that directed the Fund Counterparties knew that they had caused the Fund Counterparties to become incapable of satisfying their obligations to all of their respective creditors when they came due, and that they were insolvent or, at the very least, within the zone of insolvency.

82. For example, on or about September 26, 2008, Dondero and Highland Capital improperly

[REDACTED]

83.

84.

85.

[REDACTED]

86.

[REDACTED]

[REDACTED] Highland Capital executed this plan at UBS's expense to protect their substantial personal stake in Highland Financial and prevent negative publicity associated with defaulting [REDACTED]. Implementing this plan, however, caused SOHC (and its alter ego, Highland Financial) to improperly and in bad faith breach duties and obligations to UBS.

87.

[REDACTED]

[REDACTED] SOHC's expected obligations to UBS were well in excess of \$250 million, which were due and owing to UBS no later than March 14, 2009. Thus, by [REDACTED], Highland Capital and the Fund Counterparties made a fraudulent conveyance and interfered in bad faith with the Fund Counterparties' ability to meet their contractual obligations to UBS.

88. Given the state of the financial markets at the time, Highland Capital, Highland Financial and SOHC had no expectation that SOHC would be able to satisfy its

obligations to UBS when they came due.



89.



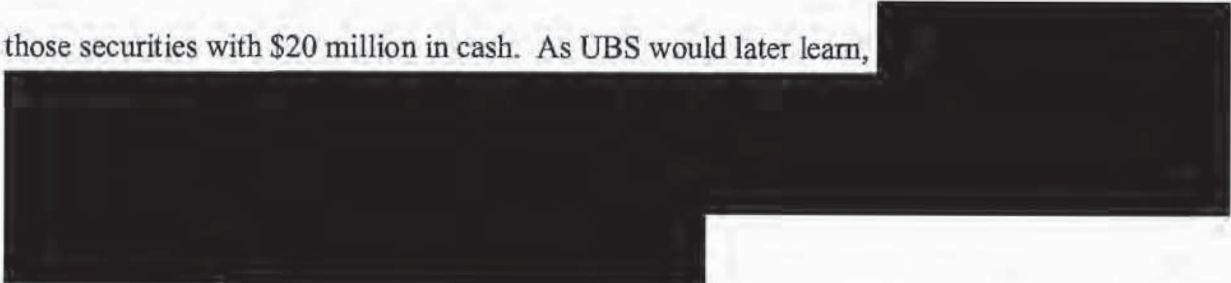
3. The Second Margin Call

90. On or about October 21, 2008, UBS notified Highland Capital that, pursuant to § 12(C) of the Synthetic Warehouse Agreement, the Fund Counterparties each owed another \$10 million (the “Second Margin Call”).


91. In response to the Second Margin Call, Highland Capital offered UBS numerous assets as collateral. UBS rejected those offers for various business-related reasons. As UBS would later learn, however, at the time Highland Capital was offering the assets to UBS, the Fund Counterparties did not own them.

92. On or about October 24, 2008, the Fund Counterparties satisfied the Second Margin Call by together posting assets with a notional value of \$49.97 million (but a market value of approximately \$20 million), with the understanding that UBS would authorize State Street to return the securities if and when the Fund Counterparties were able to replace

those securities with \$20 million in cash. As UBS would later learn,



93. Moreover, at the same time that Highland Capital was telling UBS that the Fund Counterparties did not have sufficient cash assets to meet the Second Margin call,



4. The Third Margin Call

94. On or about November 7, 2008, UBS notified Highland Capital and the Fund Counterparties that, pursuant to § 12(C) of the Synthetic Warehouse Agreement, the Fund Counterparties had an obligation to post another \$10 million as collateral (the “Third Margin Call”).

95. On or about November 11, 2008, Highland Capital and the Fund Counterparties offered to post various securities to satisfy the Third Margin Call. In response to the Third Margin Call, Phil Braner of Highland Capital emailed UBS a list of proposed collateral including eight securities with a purported market value of approximately \$20 million (i.e., twice the amount of cash due to satisfy the Third Margin Call).

96. Pursuant to the Warehouse Agreements, UBS was authorized to reject proposed collateral. UBS determined that the proposed additional collateral offered by Highland Capital and the Fund Counterparties was unacceptable. On or after November 13, 2008, UBS formally rejected the offered securities, and requested that the Fund Counterparties provide cash

or cash equivalent collateral to satisfy their obligations under § 12(C) of the Synthetic Warehouse Agreement.

97. UBS would later learn that [REDACTED]

98. When UBS confronted Highland Capital about this issue Mr. Braner of Highland Capital explained that [REDACTED]

F. Termination Of The Agreements And Demand For Payment Of Losses

99. As of December 3, 2008, the Fund Counterparties still had not met the Third Margin Call in accordance with § 12(C) of the Synthetic Warehouse Agreement. This failure resulted in UBS's declaration of a termination date ("Termination Date") under the Agreements.

100. On December 3, 2008, UBS delivered a letter (the "Termination Date Letter") to Highland Capital and the Fund Counterparties notifying them of such failure and the

occurrence of a Termination Date under each Agreement. (A true and correct copy of the Termination Date Letter is annexed hereto as Exhibit G.)

101. Sections 5 and 7 of the Cash Warehouse Agreement provided that if the closing date of the securitization contemplated by the Restructured Transaction failed to occur on or prior to March 14, 2009, UBSS could, in its sole discretion, retain any of the securities in the Warehouse Facility or sell such securities to one of UBSS's affiliates or an unaffiliated party.

102. Pursuant to the terms of the Agreements, if the closing date of the securitization contemplated by the Restructured Transaction failed to occur on or prior to March 14, 2009, each of the Fund Counterparties was obligated to pay to UBS its pro rata share of any market value losses on the Warehouse Assets, which UBS determined it had experienced and so notified Highland Capital and the Fund Counterparties.

103. On December 19, 2008, UBSS delivered a letter (the "Cash Warehouse Demand Letter") to Highland Capital and the Fund Counterparties demanding payment for its losses. (A true and correct copy of the Cash Warehouse Demand Letter is annexed hereto as Exhibit H.) UBSS demanded that Highland Capital and the Fund Counterparties wire that required amount to UBSS no later than 5:00 pm on December 24, 2008 (i.e., the third business day after the date of the Cash Warehouse Demand Letter) (the "Final Payment Date"). Highland Capital and the Fund Counterparties failed to make the required payment to UBSS.

104. The Synthetic Warehouse Agreement provided that in the event the closing date of the securitization contemplated by the Restructured Transaction failed to occur on or prior to March 14, 2009, the Fund Counterparties would be collectively responsible for 100% of the aggregate amount of losses on the CDS Portfolio and each of the Fund Counterparties would pay, after notice of such amount due from UBS, its pro rata share of such amount to UBS within three business days.

105. On December 19, 2008, UBS AG delivered a letter (the “Synthetic Warehouse Demand Letter”) to Highland Capital and the Fund Counterparties demanding payment for its losses. (A true and correct copy of the Synthetic Warehouse Demand Letter is annexed hereto as Exhibit I.) UBS AG demanded that the Highland Capital and the Fund Counterparties wire the required amount to UBS AG no later than 5:00 PM on the Final Payment Date (i.e., December 24, 2008 — the third business day after the date of the Synthetic Warehouse Demand Letter). Highland Capital and the Fund Counterparties failed to make the required payment to UBS AG.

G. Notice Of Failure to Pay, Auction And Final Accounting Letter

106. On January 5, 2009, UBS notified Highland Capital and the Fund Counterparties of the failure to make the requisite payments when due pursuant to the Agreements and the applicable demand letters. On or about January 16, 2009, in connection with unwinding the Warehouse Facility, UBS conducted the auction contemplated by the Warehouse Agreements.

107. On or about March 19, 2009, UBS delivered a letter to Highland Capital and the Fund Counterparties concerning a final accounting concerning the auction and the losses in the Warehouse Facility. UBS determined that Highland Capital and the Fund Counterparties owed it \$686,853,290.26.

H. Highland Capital



108.

109. In December 2008, immediately after UBS terminated the Restructured Transaction, Dondero and Highland Capital



110. On or about February 24, 2009, UBS commenced this action against Highland Capital and the Fund Counterparties. At the time, SOHC and Highland Financial, as its alter ego, owed UBS approximately \$345 million.

111. Undeterred, on or about March 17, 2009, Dondero and Highland Capital



•

[REDACTED]

•

[REDACTED]

112. As a result, Highland Capital (a) further interfered in bad faith with UBS's contractual rights and the Fund Counterparties' contractual obligations under the Warehouse Agreements, thereby breaching the covenants of good faith and fair dealing inherent in the Warehouse Agreements; and (b)

[REDACTED]

[REDACTED]

113.

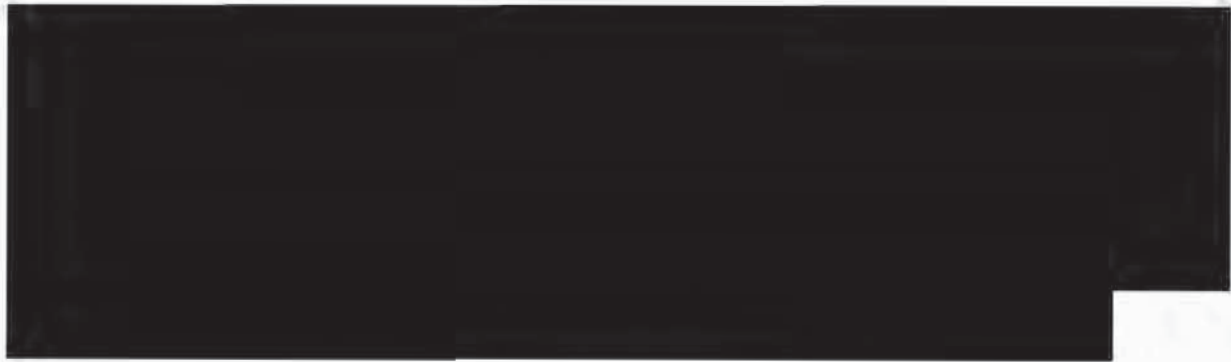
[REDACTED]

The full extent of UBS's

injury should be determined at trial.

114.

[REDACTED]



FIRST CAUSE OF ACTION
(Fraud Against The Fund Counterparties)

115. UBS repeats and realleges the allegations set forth in paragraphs 1 through 114 of this Second Amended Complaint as if fully set forth herein.

116. In connection with restructuring the Original Engagement, and negotiating the terms of the Agreements and Restructured Transaction, Highland Capital and the Fund Counterparties had a duty to communicate accurate and complete information to UBS.

117. As alleged above, in connection with negotiating the Restructured Transaction, Highland Capital and the Fund Counterparties intentionally misrepresented material facts and made Omissions (as defined earlier herein).

118. As set forth in more detail above, prior to the restructuring being completed, and the Agreements being executed, Highland Capital and the Fund Counterparties misrepresented information and made Omissions to UBS concerning the creditworthiness of the Fund Counterparties as well as information about their finances and assets, including, but not limited to, information regarding the following:

- (a) 
- (b) 
- (c) 

119. Highland Capital and the Fund Counterparties acted knowingly and purposefully in making the materially false representations and Omissions to UBS in connection with negotiating the Restructured Transaction to induce UBS to enter the Agreements. Highland Capital and the Fund Counterparties knew that their representations and Omissions were materially false and misleading. Knowingly using material misrepresentations and Omissions, Highland Capital and the Fund Counterparties intended to induce, and fraudulently induced UBS into entering the Agreements.


120. Highland Capital and the Fund Counterparties also knew that their false representations and Omissions were material to and caused UBS's decision to enter the Agreements. In particular, the misrepresentations and Omissions were both quantitatively and qualitatively material to UBS inasmuch as UBS would have acted differently had it known the truth about the Fund Counterparties' finances and assets when UBS made the decision to go forward with the restructuring and releasing, among other things, valuable claims against Highland Capital.

121. UBS was not aware and could not have been aware of the falsity and misleading nature of Highland Capital's and the Fund Counterparties' misrepresentations and Omissions. The facts and information underlying the false, inaccurate and incomplete financial reports that Highland Capital provided to UBS in connection with negotiating the Restructured Transaction were peculiarly within Highland Capital's and the Fund Counterparties' knowledge.

122. Highland Capital and the Fund Counterparties had superior knowledge compared to UBS about Highland Capital's and the Fund Counterparties' finances and assets. Indeed, such facts and information were solely and peculiarly within the knowledge of Highland Capital and the Fund Counterparties. Moreover, it was necessary for Highland Capital and the Fund Counterparties to complete or clarify the information that it provided to UBS concerning

the Fund Counterparties' finances and assets. Consequently, Highland Capital's and the Fund Counterparties' concealment of the Fund Counterparties' finances and assets was fraudulent.

123. UBS reasonably and justifiably relied to its detriment on Highland Capital's and the Fund Counterparties' misrepresentations and Omissions regarding the Fund Counterparties' financial condition and assets. In particular, UBS reasonably and justifiably relied on misrepresentations and Omissions of facts and information solely and peculiarly within the knowledge of Highland Capital and the Fund Counterparties. Given UBS's prior dealings with Highland Capital and its affiliates, as well as Highland Capital's size and presence in the market, UBS had no reason to question the veracity and completeness of the financial information that Highland Capital provided to UBS about the Fund Counterparties' finances and assets. UBS also had no reason to believe that the financial information that Highland Capital provided to it to induce UBS to enter the Restructured Transaction would be false, incomplete or otherwise misleading. When UBS evaluated the Fund Counterparties' financial statements in early 2008,



124. But for Highland Capital's and the Fund Counterparties' material misrepresentations and Omissions, UBS would not have entered the Agreements, or released its claims against Highland Capital and the Fund Counterparties arising out of the Original Engagement.

125. In reasonable and justifiable reliance on the foregoing material misrepresentations and Omissions, UBS also surrendered and released valuable claims against Highland Capital and the Fund Counterparties at a time when UBS could have been made whole for the losses that it had suffered to that point as a result of the Original Engagement. Nor would UBS have suffered the additional losses in the Warehouse Facility.

126. UBS reasonably relied to its detriment on Highland Capital's and the Fund Counterparties' material misrepresentations and Omissions. As a direct and proximate result of Highland Capital's and the Fund Counterparties' misrepresentations and Omissions, UBS continued to maintain the Warehouse Facility through, at least, December 3, 2008, suffering in excess of \$686 million in losses that the Fund Counterparties cannot pay to UBS.

127. Highland Capital's and the Fund Counterparties' material misrepresentations and Omissions were the direct and proximate cause of UBS's losses complained of herein. As a direct result of, and in reliance upon, Highland Capital's and the Fund Counterparties' material misrepresentations and Omissions, UBS was induced to, among other things, (a) enter the Agreements; (b) release its pre-existing claims against Highland Capital and the Fund Counterparties related to the Original Engagement; and (c) assume the credit-risk of the Fund Counterparties; and as a direct result, caused UBS to incur substantial losses and damages in an amount to be determined at trial.

SECOND CAUSE OF ACTION
(Fraud Against The Fund Counterparties)
(Pled Solely To Preserve For Appeal)

128. UBS repeats and realleges the allegations set forth in paragraphs 1 through 127 of this Second Amended Complaint as if fully set forth herein.

129. In connection with restructuring the Original Engagement, and negotiating the terms of the Agreements and Restructured Transaction, Highland Capital and the Fund Counterparties had a duty to communicate accurate and complete information to UBS.

130. As alleged above, in connection with negotiating the Restructured Transaction, Highland Capital and the Fund Counterparties intentionally misrepresented material facts and made Omissions (as defined earlier herein).

131. As set forth in more detail above, prior to the restructuring being completed, and the Agreements being executed, Highland Capital and the Fund Counterparties misrepresented information and made Omissions to UBS concerning the creditworthiness of the Fund Counterparties and information about their finances, assets and business practices, including, but not limited to, information regarding the following:

- (a) [REDACTED]
- (b) [REDACTED]
- (c) [REDACTED]
- (d) [REDACTED]
- (e) [REDACTED]
- (f) [REDACTED]

(g)



132. Highland Capital and the Fund Counterparties acted knowingly and purposefully in making the materially false representations and Omissions to UBS in connection with negotiating the Restructured Transaction to induce UBS to enter the Agreements. Highland Capital and the Fund Counterparties knew that their representations and Omissions were materially false and misleading. Knowingly using material misrepresentations and Omissions, Highland Capital and the Fund Counterparties intended to induce, and fraudulently induced UBS into entering the Agreements.

133. These Omissions rendered the Fund Counterparties' representations, statements and financial statements materially misleading. Because Highland Capital and the Fund Counterparties concealed this information from UBS, UBS could not properly evaluate SOHC's ability to satisfy its obligations to UBS. For instance, UBS received financial reports from Highland Capital for the Fund Counterparties that suggested that the Fund Counterparties held hundreds of millions of dollars worth of assets that could be used to satisfy their obligations to UBS. However, a substantial portion of the assets that UBS reasonably believed would be available, were, in fact, not going to be available to pay UBS because they were going to be encumbered as a result of other transactions. In other words, because Highland Capital concealed its intentions, the financial reports that it provided to UBS were misleading as they provided UBS with false and illusory comfort regarding the Fund Counterparties' capacity to fulfill their contractual obligations to UBS. As the Fund Counterparties' investment manager, Highland Capital would have led the negotiations related to the other financing arrangements.

134. Similarly, during negotiations concerning the Initial Restructuring Collateral, Highland Capital and SOHC made an additional Omission by not disclosing to UBS

the fact that SOHC had a serious liquidity problem. SOHC had to borrow cash from Highland Capital to satisfy the cash portion of its Initial Restructuring Collateral obligation. On or about December 18, 2007, while the parties were negotiating the restructuring, Highland Capital loaned \$30 million to SOHC, which Highland Capital and SOHC's alter ego, Highland Financial, earmarked for SOHC to use as collateral in connection with negotiating extensions of warehouse facilities, including the one with UBS. As Highland Financial's and SOHC's investment manager, Highland Capital knew about SOHC's liquidity problems since they were discussed openly at Highland Financial board meetings attended by Highland Capital. The failure to fully disclose SOHC's liquidity problem, and its inability to meet the Initial Restructuring Collateral obligation using its own cash assets was an Omission, because it was indicative of the strength of SOHC's finances and assets, and SOHC's ability to satisfy obligations to UBS.

135. Highland Capital and Fund Counterparties also concealed from UBS that Highland Capital had to commingle assets among its various affiliates and disregard corporate formalities to satisfy the Fund Counterparties' liquidity needs. Facts and information concerning these business practices, including Highland Capital's commingling of assets and disregard of corporate formalities was information solely and peculiarly within the knowledge of Highland Capital and its affiliates. As the investment manager to Highland Financial, SOHC and CDO Fund (as well as the Affiliated Transferee Defendants), Highland Capital knowingly arranged and caused the asset transfers between and among the various affiliates in disregard of corporate formalities.

136. Highland Capital and the Fund Counterparties also knew that their false representations and Omissions were material to and caused UBS's decision to enter the Agreements. In particular, the misrepresentations and Omissions were both quantitatively and

qualitatively material to UBS inasmuch as UBS would have acted differently had it known the truth about the Fund Counterparties' finances, assets and business practices when UBS made the decision to go forward with the restructuring and releasing, among other things, valuable claims against Highland Capital.

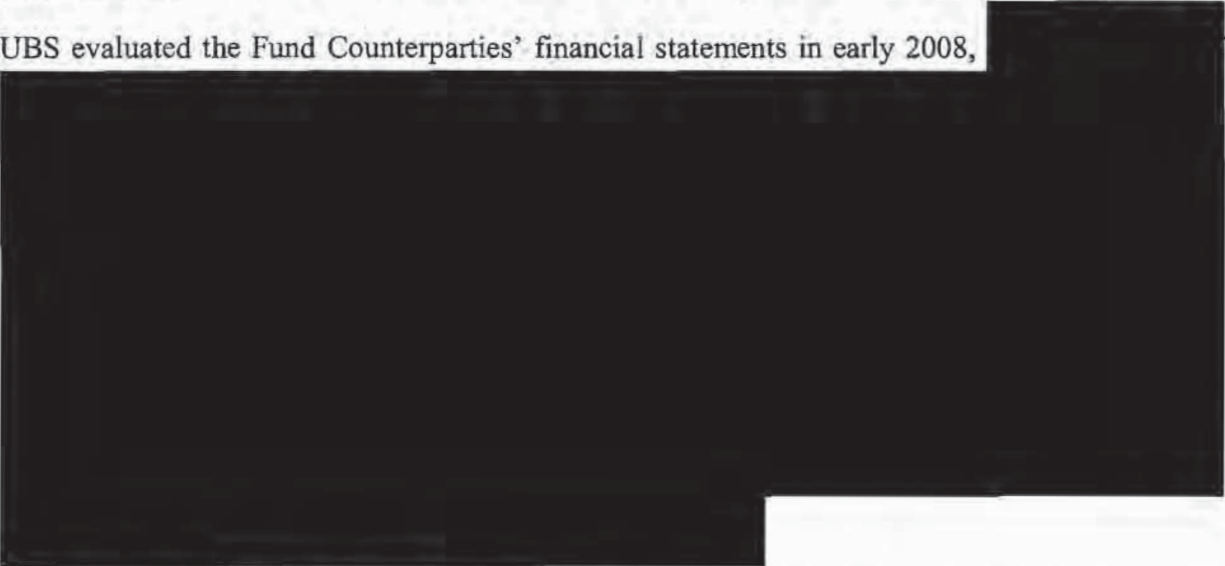
137. In addition, if UBS had known that Highland Capital and the Fund Counterparties ignored corporate formalities or that Highland Capital freely transferred assets among its controlled entities, UBS would not have entered the Restructured Transaction. These misrepresentations and Omissions proximately caused harm to UBS.

138. UBS was not aware and could not have been aware of the falsity and misleading nature of Highland Capital's and the Fund Counterparties' misrepresentations and Omissions. The facts and information underlying the false, inaccurate and incomplete financial reports that Highland Capital and the Fund Counterparties provided to UBS in connection with negotiating the Restructured Transaction were peculiarly within Highland Capital's and the Fund Counterparties' knowledge.

139. Highland Capital and the Fund Counterparties had superior knowledge compared to UBS about Highland Capital's and the Fund Counterparties' finances, assets and business practices. Indeed, such facts and information were solely and peculiarly within the knowledge of Highland Capital and the Fund Counterparties. Moreover, it was necessary for Highland Capital and the Highland Entities to complete or clarify the information that it provided to UBS concerning the Fund Counterparties' finances, assets and business practices. Consequently, Highland Capital's and the Fund Counterparties' concealment about the Fund Counterparties' finances, assets and business practices was fraudulent.

140. UBS reasonably and justifiably relied to its detriment on Highland Capital's and the Fund Counterparties' misrepresentations and Omissions regarding the Fund

Counterparties' financial condition, assets and business practices. In particular, UBS reasonably and justifiably relied on misrepresentations and Omissions of facts and information solely and peculiarly within the knowledge of Highland Capital and the Fund Counterparties. Given UBS's prior dealings with Highland Capital and its affiliates, as well as Highland Capital's size and presence in the market, UBS had no reason to question the veracity and completeness of the financial information that Highland Capital provided to UBS about the Fund Counterparties' finances, assets and business practices. UBS also had no reason to believe that the financial information that Highland Capital and the Fund Counterparties provided to it to induce UBS to enter the Restructured Transaction would be false, incomplete or otherwise misleading. When UBS evaluated the Fund Counterparties' financial statements in early 2008,



141. But for Highland Capital's and the Fund Counterparties' material misrepresentations and Omissions, UBS would not have entered the Agreements, or released its claims against Highland Capital and the Fund Counterparties arising out of the Original Engagement.

142. In reasonable and justifiable reliance on the foregoing material misrepresentations and Omissions, UBS also surrendered and released valuable claims against Highland Capital and the Fund Counterparties at a time when UBS could have been made whole

for the losses that it had suffered to that point as a result of the Original Engagement. Nor would UBS have suffered the additional losses in the Warehouse Facility.

143. UBS reasonably relied to its detriment on Highland Capital's and the Fund Counterparties' material misrepresentations and Omissions. As a direct and proximate result of Highland Capital's and the Fund Counterparties' misrepresentations and Omissions, UBS continued to maintain the Warehouse Facility through, at least, December 3, 2008, suffering in excess of \$686 million in losses that the Fund Counterparties cannot pay to UBS.

144. Highland Capital's and the Fund Counterparties' material misrepresentations and Omissions were the direct and proximate cause of UBS's losses complained of herein. As a direct result of, and in reliance upon, Highland Capital's and the Fund Counterparties' material misrepresentations and Omissions, UBS was induced to, among other things, (a) enter the Agreements; (b) release its pre-existing claims against Highland Capital and the Fund Counterparties related to the Original Engagement; and (c) assume the credit-risk of the Fund Counterparties; and as a direct result, caused UBS to incur substantial losses and damages in an amount to be determined at trial.

THIRD CAUSE OF ACTION
(Breach of Contract Under the Cash Warehouse Agreement Against The Fund Counterparties)

145. Plaintiff UBSS repeats and realleges the allegations set forth in paragraphs I through 144 of this Second Amended Complaint as if fully set forth herein.

146. The Cash Warehouse Agreement is a valid and binding contract.

147. UBSS has performed all of its obligations under the Cash Warehouse Agreement.

148. Pursuant to the Cash Warehouse Agreement, each of the Fund Counterparties was required to transfer their respective pro rata shares of additional collateral to satisfy the Third Margin Call within two business days of November 7, 2008. The Fund Counterparties failed to make the required transfer. The Fund Counterparties' failure to make such transfer is a breach under the Cash Warehouse Agreement, and resulted in a Termination Date under the Cash Warehouse Agreement.

149. In accordance with the terms of the Cash Warehouse Agreement, UBSS demanded that each of the Fund Counterparties pay to UBS their respective pro rata shares of the amount of losses on the Cash Portfolio and estimated expenses by 5 P.M. on the Final Payment Date (i.e., December 24, 2008 – the third business day after the date of the Cash Warehouse Demand Letter). The Fund Counterparties failed to pay this amount to UBSS. The failure to pay these amounts to UBSS when due under the Cash Warehouse Agreement constituted a further breach under the Cash Warehouse Agreement.

150. By reason of the foregoing, UBSS has suffered and will continue to suffer damages in an amount to be determined at trial.

FOURTH CAUSE OF ACTION
(Breach of Contract Under the Synthetic Warehouse Agreement Against The Fund Counterparties)

151. Plaintiff UBS AG, repeats and realleges the allegations set forth in paragraphs 1 through 150 of this Second Amended Complaint as if fully set forth herein.

152. The Synthetic Warehouse Agreement is a valid and binding contract.

153. UBS AG has performed all of its obligations under the Synthetic Warehouse Agreement.

154. Pursuant to the Synthetic Warehouse Agreement, each of the Fund Counterparties were required to transfer their respective pro rata shares of additional collateral to satisfy the Third Margin Call within two business days of November 7, 2008. The Fund Counterparties failed to make the requisite transfer. The failure to make such transfer resulted in a breach and a Termination Date under the Synthetic Warehouse Agreement.

155. UBS AG demanded that each of the Fund Counterparties pay to UBS AG their pro rata share of losses on the CDS Portfolio and estimated expenses by 5 P.M. on the Final Payment Date (i.e., December 24, 2008 – the third business day after the date of the Synthetic Warehouse Demand Letter). The Fund Counterparties failed to pay this amount to UBS. The failure to pay these amounts when due under the Agreements was a further breach under the Synthetic Warehouse Agreement.

156. By reason of the foregoing, UBS AG has suffered and will continue to suffer damages in an amount to be determined at trial.

157. Paragraphs 157 to 166 have been intentionally left blank.

FIFTH CAUSE OF ACTION
(Fraudulent Conveyances Against All Defendants)

167. UBS repeats and realleges the allegations set forth in paragraphs 1 through 166 of this Second Amended Complaint as if fully set forth herein.

168. Between March 14, 2008 and December 3, 2008, as losses in the Warehouse Facility grew, Highland Capital exercised its control over the Fund Counterparties and caused the Fund Counterparties to transfer valuable cash and assets out of the Fund Counterparties, thereby impairing their ability to bear losses in the Warehouse Facility, and otherwise satisfy their obligations to creditors, including UBS. [REDACTED]

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179. As a result of the foregoing fraudulent conveyances, the Fund Counterparties were unable to satisfy their obligations to UBS. As a result of the foregoing fraudulent conveyances, UBS has been harmed in an amount to be determined at trial.

SIXTH CAUSE OF ACTION
(Tortious Interference With Contractual Relations
Against The Affiliated Transferee Defendants)
(Pled Solely To Preserve For Appeal)

180. UBS repeats and realleges the allegations set forth in paragraphs 1 through 179 of this Second Amended Complaint as if fully set forth herein.

181. The Agreements are valid and binding contracts.


182. The parties agreed that UBS would not bear the risk of any losses in connection with the Restructured Transaction. As a direct result of the Fund Counterparties' breach of the Warehouse Agreements, UBS suffered no less than \$686,853,290.26 in damages. Under the terms of the Warehouse Agreements, the Fund Counterparties' obligation to pay UBS for losses in the Warehouse Facility expressly survived the termination of the Agreements.

183. Highland Capital knew of the Agreements, and were familiar with their terms, including the Fund Counterparties' obligations to UBS thereunder. The Affiliated


Transferee Defendants, also knew of the Agreements, and their terms, including the Fund Counterparties' obligations to UBS thereunder.

184. Highland Capital and the Affiliated Transferee Defendants intentionally and improperly caused and ensured a breach of the Warehouse Agreements by the Fund Counterparties, thereby tortiously interfering with UBS's rights under the Agreements.

185. Specifically, in 2008 and 2009 Highland Capital wrongfully caused the improper and fraudulent asset transfers, payments, distributions and dividends described above, and thereby tortiously interfered with UBS's contractual relationship with the Fund Counterparties by knowingly impairing UBS's contractual right under the Warehouse Agreements to be reimbursed by the Fund Counterparties for the losses on the Warehouse Assets. For example, Highland Capital wrongfully caused the March 2009 Fraudulent Conveyance for which there was no legitimate purpose. The Affiliated Transferee Defendants



186. Highland Capital and the Affiliated Transferee Defendants



187. Highland Capital and the Affiliated Transferee Defendants engaged in the foregoing unlawful and improper conduct, and tortiously interfered with UBS's contractual rights under the Warehouse Agreements, for their own improper personal gain by knowingly violating UBS's rights and making it impossible for the Fund Counterparties to perform under the Warehouse Agreements. In particular, the foregoing conduct constitutes independent torts

and predatory acts directed at UBS for Highland Capital's and the Affiliated Transferee Defendants' own personal gain.

188. As a direct and proximate result of Highland Capital's and the Affiliated Transferee Defendants' tortious interference with UBS's contractual rights under the Agreements, UBS has suffered damages in an amount to be determined at trial. Had Highland Capital and the Affiliated Transferee Defendants not tortiously interfered with UBS's contractual rights, the Fund Counterparties would have been able to make payments to UBS of the amount they owed to UBS under the Warehouse Agreements.

SEVENTH CAUSE OF ACTION
(Declaratory Judgment For General
Partner Liability Against Strand)

189. UBS repeats and realleges the allegations set forth in paragraphs 1 through 188 of this Second Amended Complaint as if fully set forth herein.

190. A limited partnership's general partner is personally liable for the partnership obligations of the limited partnership.

191. Highland Capital is a Delaware limited partnership. Defendant Strand is Highland Capital's general partner. As such, Strand is personally liable for the liability, debts and obligations of Highland Capital, including but not limited to Highland Capital's liabilities to UBS arising out of the Consolidated Action.

192. A justiciable controversy exists as to whether Strand is liable to UBS for the injuries caused by Highland Capital complained of in the Consolidated Action as a result of Strand being Highland Capital's general partner.

EIGHTH CAUSE OF ACTION
(Declaratory Judgment For Alter Ego Liability
Against Highland Financial)

193. UBS repeats and realleges the allegations set forth in paragraphs 1 through 192 of this Second Amended Complaint as if fully set forth herein.

194. As alleged above, SOHC breached the Warehouse Agreements and otherwise harmed UBS by engaging in fraudulent misconduct. Highland Financial is SOHC's alter ego and should be held responsible and liable for SOHC's breach of the Warehouse Agreements and fraudulent misconduct.

195. SOHC is a mere instrumentality of Highland Financial. SOHC had no independence and could not exercise any business discretion whatsoever. [REDACTED]

[REDACTED] SOHC did not have its own offices, officers or employees. Rather, it shared common officers, directors and employees, as well as common office space, with Highland Financial.

196. As alleged in detail above, Highland Financial completely dominated the day-to-day operations of SOHC as well as SOHC's sister-affiliates. In particular, Highland Financial operated Highland Financial and its subsidiaries, including SOHC, as a single entity, [REDACTED]

[REDACTED]

197. A justiciable controversy exists as to whether Highland Financial is liable to UBS as SOHC's alter ego for the losses and harm that UBS suffered that were caused by SOHC's breach of the Warehouse Agreements, and the fraudulent and tortious conduct complained of herein.

RELIEF DEMANDED

WHEREFORE, plaintiffs UBSS and UBS AG demand judgment:

(a) On the first cause of action, as against the Fund Counterparties, declaring that UBS was induced to enter the Agreements as a result of fraud committed by the Fund Counterparties, and awarding damages to UBS for all losses and liabilities incurred by UBS, and that UBS incurs, with respect to the Agreements and the Warehouse Facility, including, without limitation, interest, reasonable attorneys' and accountants' fees and expenses and any other losses, fees and expenses that UBS incurred or incurs, in an amount to be determined at trial but in any event, no less than \$686,853,290.26;

(b) On the second cause of action, which is pled solely to preserve UBS's appellate rights, as against the Fund Counterparties, declaring that UBS was induced to enter the Agreements as a result of fraud committed by the Fund Counterparties, and awarding damages to UBS for all losses and liabilities incurred by UBS, and that UBS incurs, with respect to the Agreements and the Warehouse Facility, including, without limitation, interest, reasonable attorneys' and accountants' fees and expenses and any other losses, fees and expenses that UBS incurred or incurs, in an amount to be determined at trial but in any event, no less than \$686,853,290.26;

(c) On the third cause of action, as against the Fund Counterparties, declaring that the Fund Counterparties breached the Cash Warehouse Agreement, and awarding UBS an amount to be determined at trial;

(d) On the fourth cause of action, as against the Fund Counterparties, declaring that the Fund Counterparties breached the Synthetic Warehouse Agreement, and awarding UBS an amount to be determined at trial;

(e) On the fifth cause of action, as against all defendants, (i) declaring that the dispositions of the Fund Counterparties' and Highland Financial's assets, as directed by Highland Capital, constituted fraudulent conveyances; (ii) appointing a receiver over defendants; (iii) directing that a full accounting be had of defendants' affairs and finances; (iv) imposing a constructive trust over defendants' assets until such an accounting is completed; and/or (v) awarding UBS damages in an amount to be determined at trial, but no less than the value of the assets fraudulently and improperly transferred, or, alternatively, directing that defendants and their partners, members or shareholders return to the Fund Counterparties any assets or consideration received from Highland Financial or the Fund Counterparties, directly or indirectly, as distributions, dividends, consideration, compensation, fees, interest, principal or otherwise, between March 14, 2008 and the present.

(f) On the sixth cause of action, as against the Affiliated Transferee Defendants, which is pled solely to preserve UBS's appellate rights, declaring that each of those defendants is liable for tortiously interfering with UBS's contractual rights under the Warehouse Agreements, and awarding UBS an amount to be determined at trial;

(g) On the seventh cause of action, as against defendant Strand, declaring that Strand is responsible for Highland Capital's liability and obligations arising out of the Consolidated Action;

(h) On the eighth cause of action, as against defendant Highland Financial, declaring that Highland Financial is SOHC's alter ego, and that as such, Highland Financial is responsible for SOHC's liability and obligations to UBS arising out of this action;

(i) Awarding UBS punitive damages in an amount to be determined at trial;

(j) Granting UBS its costs and disbursements, including reasonable attorneys' fees and expenses of this action;

(k) Granting UBS pre-judgment interest; and

(l) Granting such other and further relief as the Court deems just and proper.

Dated: New York, New York
May 11, 2011

CADWALADER, WICKERSHAM & TAFT LLP

By: /s/ Gregory A. Markel
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*Attorneys for Plaintiffs UBS Securities LLC and
UBS AG, London Branch*

Exhibit B

Phase I Decision and Order

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: COMMERCIAL DIVISION PART 60

-----X
UBS SECURITIES LLC and UBS AG, LONDON BRANCH,

INDEX NO.

650097/2009

Plaintiff,

- v -

HIGHLAND CAPITAL MANAGEMENT, L.P., HIGHLAND
SPECIAL OPPORTUNITIES HOLDING COMPANY,
HIGHLAND CDO OPPORTUNITY MASTER FUND, L.P.,
HIGHLAND FINANCIAL PARTNERS, L.P., HIGHLAND
CREDIT STRATEGIES MASTER FUND, L.P., HIGHLAND
CRUSADER OFFSHORE PARTNERS, L.P., HIGHLAND
CREDIT OPPORTUNITIES CDO, L.P., STRAND ADVISORS,
INC.,

DECISION AND ORDER AFTER
TRIAL

Defendant.
-----X

This action arises out of a failed restructured transaction between plaintiffs UBS Securities LLC and UBS AG, London Branch (collectively, UBS) and defendants Highland CDO Opportunity Master Fund, L.P. (CDO Fund) and Highland Special Opportunities Holding Company (SOHC) (together, the Fund Counterparties), and defendant Highland Capital Management, L.P. (Highland Capital) (together with the Fund Counterparties, Highland), for the securitization of collateralized loan obligations (CLOs) and credit default swaps (CDSs).

The court conducted a bench trial from July 9 through July 27, 2018 on plaintiffs' third and fourth causes of action in the second amended complaint for breach of contract, and on defendant Highland Capital's first and second counterclaims against plaintiff UBS Securities

LLC for breach of contract and unjust enrichment, respectively.¹ Based on the credible evidence at trial, the court now makes the following determination as to the breach of contract causes of action and counterclaims.²

In April and May 2007, the parties agreed to pursue a collateralized debt obligations transaction governed by an Engagement Letter, a Synthetic Warehouse Agreement for CDSs, and a Warehouse Agreement for CLOs (Original Agreements). (DX 4, DX 5, DX 6.)³ It is undisputed that UBS acted as the “financial arranger” for the transaction and was responsible for financing the acquisition of assets, which would then be held in portfolios, which the parties refer to as the Cash Warehouse and the Synthetic Warehouse or collectively as the Knox Warehouse. (Ps.’s Findings, ¶ 4; Ds.’s Findings, ¶ 5.)⁴ Highland Capital acted as the “Servicer” and was responsible for identifying the specific CLOs to be securitized and the Reference Obligations for the CDSs to be securitized. (Ps.’s Findings, ¶¶ 3, 4; Ds.’s Findings, ¶¶ 6, 8.)

In furtherance of the transaction, UBS acquired assets with a notional value of \$818 million. (Ps.’s Findings, ¶ 6; Ds.’s Findings, ¶ 5.) There were 33 CLO tranches in the Cash Warehouse, with a notional value of \$174 million. UBS paid \$170 or \$170.5 million to acquire the CLOs because the bonds were purchased at a slight discount on their par value. (Ds.’ Findings, ¶ 6; Ps.’s Findings, ¶ 6.) The Synthetic Warehouse contained 87 credit default swaps,

¹ By decision on the record on May 1, 2018 (NYSCEF Doc. No. 494), the court bifurcated the trial. The decision held that the breach of contract claims, which were to be heard by the court, would be determined prior to claims, including fraudulent conveyance claims, which were to be heard by a jury.

² At the trial, the parties agreed to the submission of extensive evidence, subject to standing objections. This decision is not based on such evidence, unless the decision expressly states otherwise.

³ Defendants’ and plaintiffs’ trial exhibits will be referred to as DX _ and PX _, respectively. The parties’ demonstrative exhibits will be referred to as DX Demo. _ and PX Demo. _

⁴ The Fund Counterparties’ and Highland Capital Management, L.P.’s Proposed Findings of Fact and Conclusions of Law will be referred to as Ds.’s Findings. Plaintiffs’ Proposed Findings of Fact and Conclusions of Law will be referred to as Ps.’s Findings. Defendants’ Findings are all identified by paragraph number. Plaintiffs’ Findings of Fact are identified by paragraph number, while their Findings of Law are identified only by page number.

with a notional value of \$644 million. (Ds.'s Findings, ¶ 7; Ps.'s Findings, ¶ 6.). UBS served as the protection seller on all of the CDSs. (Ps.'s Findings, ¶ 4; Ds.'s Findings, ¶ 8.) For five of the CDSs, with a notional value of \$45 million, Lehman Brothers Special Financing, Inc. (Lehman) acted as the protection buyer (Lehman Swaps). (Ps.'s Findings, ¶ 8; Ds.'s Findings, ¶ 9; PX 755⁵, at 1.) For 20 of the CDSs, with a notional value of \$124 million, UBS acted as both protection seller and protection buyer (the Internal Swaps). (Ds.'s Findings, ¶ 10; Ps.'s Findings, ¶ 9; PX 755, at 4-5.)

The Original Agreements expired by their terms on August 15, 2007. (PX 1, at 1.) The parties agreed to restructure the transaction, signing a new Engagement Letter, the 2008 Cash Warehouse Agreement (CWA), and the 2008 Synthetic Warehouse Agreement (SWA), as of March 14, 2008. (See PX 1, PX 2, PX 3.) As of March 14, 2008, the Knox assets had lost significant value and the parties agreed that, given the market conditions existing as of the date of the restructured transaction, it was not then feasible to sell the securities and close the transaction. (Ps.'s Findings, ¶ 20; 2008 Engagement Letter [PX 1, at 8].)

As discussed further below, the Synthetic Warehouse Agreement provided for the roll-over of the Existing Credit Default Swaps and the Existing Collateral Portfolio into the warehouses created under the 2008 restructured transaction. (See SWA, Whereas Clause 5.) Section 12 of the Synthetic Warehouse Agreement provided that the Fund Counterparties would transfer additional cash and securities "to secure its obligations to UBS" under the SWA and the CWA. In particular, this Section required the Fund Counterparties to make an Initial Deposit of \$20 million in cash and approximately \$54 million in Eligible Securities on the date of the

⁵ PX 755 is a document that that was jointly prepared by plaintiffs' and defendants' counsel so that specific information regarding the Knox Warehouse assets could be found in one place. (Trial Tr. at 858.)

execution of the SWA. (Id., § 12 [A].) The SWA contained a collateral call provision under which UBS was required to track its CDS and Cash Exposure to losses, as defined under the Agreement, on a semi-monthly basis, and the Fund Counterparties were required to deposit an additional \$10 million in collateral (cash and/or Eligible Securities) for every \$100 million increase in the defined Deposit Threshold Exposure Amount. (Id., §§ 12 [B], [C].)

It is undisputed that, pursuant to Section 12 (C) of the SWA, UBS made a first collateral call for \$10 million on September 17, 2008 (PX 4), and a second collateral call for \$10 million on October 21, 2008 (PX 5), both of which were satisfied by the Fund Counterparties. (Testimony of Keith Grimaldi, Former Head of UBS's CDO Secondary Trading Desk, Trial Transcript (Tr.) at 81, 112, 119.)

On November 7, 2008, UBS issued the third, and final, collateral call to the Fund Counterparties for an additional \$10 million. (PX 6.) It is undisputed that the Fund Counterparties did not meet this collateral call. (Ds.'s Findings, ¶ 17; Ps.'s Findings, ¶¶ 43-47).⁶

On December 3, 2008, UBS sent a notice to Highland stating that, to date, no deposits have been made in response to the November collateral call, and that "a Termination Date has occurred under the Warehouse Agreements and a termination date has occurred under the Engagement Letter." (PX 7; PX 9.) The notice further stated that "UBS is forbearing from exercising its remedies [under the Agreements] for a period of two Business Days from the date hereof in order to permit [the Fund Counterparties] to pay the Additional Deposits by 5 pm New York time on December 5, 2008." (Id.) On December 5, 2008, UBS sent an additional notice to

⁶ It is undisputed that the Fund Counterparties offered to post CLO assets to satisfy the third collateral call and that UBS did not accept that collateral. UBS's Keith Grimaldi testified that UBS rejected the CLOs because "at that time the marketplace was declining and declining rapidly. We thought there would be more declines, so we collectively made a decision that we wanted cash or government securities ... that would be easily liquid and reflect better value." (Trial Tr. at 122.) Defendants stipulated that UBS had the right to insist on cash. (See Statement of Andrew Cruciani [Ds.'s Atty.], Trial Tr. at 1736.)

Highland stating that the Additional Deposit has not been made, and that “[c]onsequently, UBS will proceed to exercise the rights and remedies available to it under the Warehouse Agreements, the Engagement Letter, at law and otherwise.” (PX 8.)

THIRD COLLATERAL CALL

As a threshold matter, the parties dispute whether the third collateral call was proper. Highland argues that UBS should not have included the 20 Internal Swaps in calculating the Deposit Threshold Exposure Amount “because the Intradesk [i.e., Internal] Swaps were not Existing Credit Default Swaps under the SWA” (Ds.’s Findings, ¶ 28.) Highland also claims that the Lehman Swaps were not properly included in the calculation because they had been terminated prior to the third collateral call. (See id., ¶ 27.)

More particularly, Highland claims that the Internal Swaps were not Existing Credit Default Swaps because they were not documented, as allegedly required by Section 3 of the SWA, in the form of an ISDA Master Agreement and ISDA Confirmation. (Ds.’s Findings, ¶¶ 28, 30-31.) UBS does not dispute that the Internal Swaps were not documented by the ISDA Master Agreement and Confirmation, but argues that Section 3 does not require such documentation for the Internal Swaps. (Ps.’s Findings, at 24-25.)⁷

Resolution of this dispute involves an issue of contract interpretation. It is well settled that the determination of whether a contract is ambiguous is one of law to be resolved by the court. (Matter of Wallace v 600 Partners Co., 86 NY2d 543, 548 [1995]; W.W.W. Assocs., Inc. v Giancontieri, 77 NY2d 157, 162 [1990].) Written agreements are to be construed in accordance with the parties’ intent, and “the best evidence of what parties to a written agreement

⁷ It is undisputed that the Internal Swaps were documented by electronic trading tickets but not by ISDA Master Agreements or ISDA trade confirmations. (Ds.’s Findings, ¶ 10; Ps.’s Findings, ¶¶ 16-17; PX 29 [electronic trading tickets].)

intend is what they say in their writing.” (Schron v Troutman Sanders LLP, 20 NY3d 430, 436 [2013] [internal quotation marks, brackets, and citation omitted].) The court should determine from contractual language, without regard to extrinsic evidence, whether there is any ambiguity. (Chimart Assocs. v Paul, 66 NY2d 570, 573 [1986].) Extrinsic or parol evidence “may not be considered when the intent of the parties can be gleaned from the face of the instrument.” (Id. at 572-573.) “Extrinsic evidence of the parties’ intent may be considered only if the agreement is ambiguous. . . .” (Greenfield v Philles Records, Inc., 98 NY2d 562, 569 [2002].) “Ambiguity in a contract arises when the contract, read as a whole, fails to disclose its purpose and the parties’ intent, or where its terms are subject to more than one reasonable interpretation.” (Universal Am. Corp. v National Union Fire Ins. Co. of Pittsburgh, Pa., 25 NY3d 675, 680 [2015] [internal quotation marks and citation omitted].)

It is also well settled that a court should “construe the [contract] so as to give full meaning and effect to the material provisions. A reading of the contract should not render any portion meaningless. Further, a contract should be read as a whole, and every part will be interpreted with reference to the whole; and if possible it will be so interpreted as to give effect to its general purpose.” (Beal Sav. Bank v Sommer, 8 NY3d 318, 324-25 [2007] [internal quotation marks and citations omitted]; National Conversion Corp. v Cedar Bldg. Corp., 23 NY2d 621, 625 [1969] [holding that “[a]ll parts of an agreement are to be reconciled, if possible, in order to avoid inconsistency”].)

Applying these precepts, the court holds that the SWA is not ambiguous with respect to the requirements for documentation of CDSs, that Section 3 of the SWA only applies to CDSs in which a third party is the protection buyer, and that this Section does not require ISDA documentation for the Internal Swaps.

The SWA defines “Existing Credit Default Swap[s]” as the CDSs “that were the subject of the Original Synthetic Warehouse Agreement.” (SWA, Whereas Clause 5.) Section 3 of the SWA provides, in pertinent part:

“Form of Documentation. Each Existing Credit Default Swap between UBS, acting as Seller, and a counterparty, acting as Buyer, has been documented in the form of (i) the ISDA Master Agreement and Schedule currently in effect between UBS and the related counterparty, which documents are confidential between UBS and such counterparty and (ii) an ISDA published confirmation. . . . Each Additional Credit Default Swap between UBS, acting as Seller, and a counterparty, acting as Buyer, will be documented in the form of (i) the ISDA Master Agreement and Schedule currently in effect between UBS and the related counterparty, which documents are confidential between UBS and such counterparty and (ii) the Confirmation attached [to the SWA]”

As the Agreement that governs the securitization of Existing and Additional Credit Default Swaps, the SWA contains numerous detailed provisions regarding the accumulation and disposition of these financial instruments. Section 3, which pertains to documentation of the swaps, is the only provision in the SWA that is limited to CDSs in which UBS is the Seller and a counterparty is the Buyer. All of the other provisions of the SWA refer to CDSs without such limitation.

Moreover, like SWA Section 3, the Original SWA provided: “Each Credit Default Swap between UBS, acting as Seller, and a counterparty, acting as Buyer, will be documented in the form of (i) the ISDA Master Agreement and Schedule currently in effect between UBS and the counterparty, which documents are confidential between UBS and each counterparty and (ii) the Confirmation attached hereto. . . .” (Original SWA, § 3 [NYSCEF Doc. No. 626].) It is undisputed, however, that the Internal Swaps were included in the Original SWA portfolio but were not documented by the ISDA Master Agreement or Confirmation. It is also undisputed that the Internal Swaps were nevertheless again included in the Initial Net Exposure Amount in the SWA for the restructured transaction. (Testimony of Peter Vinella [Highland’s expert in

structured financial products], Trial Tr. at 1097, 1124-1125 [acknowledging that the Internal Swaps were included in the Initial Net Exposure Amount].)

Initial Net Exposure Amount is defined in the SWA⁸ as “111,767,486.88, being the amount by which the Aggregate Net Exposure Amount as of the date hereof [i.e., the March 14, 2008 “as of” date of the SWA] exceeds the Initial Deposit.” As defined in SWA Section 12 (A), the Initial Deposit is the deposit of approximately \$74,000,000 in cash and Eligible Securities made on the date of execution of the SWA. Aggregate Net Exposure Amount is defined as the amount by which CDS Exposure and Cash Exposure, as of the date of the collateral calculation, exceed the balance on deposit in the Deposit Account plus Positive Carry with respect to each Collateral Obligation.⁹ As discussed above, Section 12 (C) of the SWA requires a deposit of \$10 million in additional collateral when the Deposit Threshold Exposure Amount is greater than or equal to \$100 million. The Deposit Threshold Exposure Amount is defined in the SWA as “the amount, if any, by which (i) the Aggregate Net Exposure Amount as of [the date of the collateral calculation] exceeds (ii) the Initial Net Exposure Amount.” The Initial Net Exposure Amount, which includes the Internal Swaps, is thus integral to the calculation of the Deposit Threshold Exposure Amount.

Based on this reading of the SWA as a whole, the court concludes that the Internal Swaps were Existing Credit Default Swaps within the meaning of the SWA. The lack of ISDA documentation was therefore not a bar to their inclusion in the collateral call calculation.

The court rejects Highland’s further contention that the Internal Swaps should not have been included because there was “no economic consequence” to UBS from these swaps. (Ds.’s

⁸ Definitions are found in the Definitions section of the SWA (SWA, Ex. A), unless the term is defined in a particular provision of the SWA, in which case the provision will be cited.

⁹ Positive Carry is defined in the CWA. As explained by Adam Warren, Highland’s damages expert, carry includes interest payments from the CLOs. (Warren Testimony, Trial Tr. at 1299.)

Findings, ¶ 33.) The complex formula set forth in Section 12 for calculating the exposure of UBS on the assets in the warehouse that would trigger a collateral call does not contain any requirement that UBS include in the calculation only assets for which it was at risk of sustaining actual losses.¹⁰

The court further holds that, although the Internal Swaps were properly included in the third collateral call calculation, the Lehman Swaps were not. The parties do not dispute that the Lehman Swaps had been terminated based on the Event of Default that occurred upon Lehman's filing for bankruptcy on September 15, 2008. (DX 87 [UBS Default Notice].) Highland asserts, and UBS does not persuasively counter, that the Lehman Swaps should not have been included in the third collateral call. Indeed, UBS's Grimaldi forthrightly acknowledged that, given the termination, there should not have been "markdowns" on the Lehman Swaps. (Grimaldi Testimony, Trial Tr. at 297-298.).

Highland contends, based on the inclusion of the Lehman Swaps and Internal Swaps in the third collateral call calculation, that UBS "committed a prior material breach by failing to

¹⁰ In view of this holding that the Internal Swaps were properly included in the collateral call calculation pursuant to the unambiguous terms of the SWA, the court has not considered parol evidence on the issue.

The court thus rejects Highland's request for a finding that UBS admitted that the SWA required ISDA documentation of the Internal Swaps. (See Ds.'s Findings, ¶¶ 30-31.) This request is based on testimony of UBS's Keith Grimaldi who, when shown Section 3 during cross-examination and asked if every CDS was required to have ISDA documentation, responded: "According to the language, yes." (Grimaldi Testimony, Trial Tr. at 262-264.) Even if this evidence were properly considered, Highland's reliance on this answer ignores that Mr. Grimaldi further testified that ISDA documentation would not be "filled out" until the assets were transferred in the securitization. (*Id.* at 267-270.)

The court further notes that Highland requests a finding, arguably in support of its claim that the CDSs were not Existing Credit Default Swaps, that a CDS "cannot be created with the same legal entity on both sides of the transaction. . . ." (Ds.'s Findings, ¶ 29.) Even if parol evidence were properly considered, there was substantial evidence in the record that internal swaps were common in securitizations of synthetic assets. (LeRoux Testimony, Trial Tr. at 1673-1676; (Vinella Testimony, Trial Tr. at 1158-1162 [denying that intracompany swaps are "economic transactions" but acknowledging their use in CLO securitizations].)

properly calculate the collateral call[].” (Ds.’s Findings, ¶¶ 23, 27-28.) In support of this contention, Highland relies on the testimony of its expert Peter Vinella. According to Mr. Vinella’s own analysis, however, if the Lehman swaps are excluded from the calculation for the third collateral call, but the Internal Swaps are included, the total increase in the Deposit Threshold Exposure Amount as of November 4, 2008 is \$328.62 million—an amount greater than the \$300 million required to authorize the third collateral call pursuant to Section 12 of the SWA. (Vinella Testimony, Trial Tr. at 1122-1139; DX Demo. 8.) Louis Dudney, UBS’s expert in forensic accounting and damages (Trial Tr. at 824), analyzed Mr. Vinella’s testimony and confirmed, using the same numbers as Mr. Vinella, that the Deposit Threshold Exposure Amount still exceeded \$300 million on November 4, 2008, after excluding the Lehman Swaps but including the Internal Swaps. (PX Demo. 20 [accepted without objection in lieu of Dudney rebuttal testimony, Trial Tr. at 1870-1871].)

Based on this credible testimony that the threshold for the collateral call was met without the Lehman Swaps, the court holds that the third collateral call did not constitute a material breach of the contract, notwithstanding UBS’s improper inclusion of the Lehman Swaps in the calculation.¹¹ (See generally Awards.Com v Kinko’s, Inc., 42 AD3d 178, 187 [1st Dept 2007], affd 14 NY3d 791, 793 [2010]; Frank Felix Assocs., Ltd. v Austin Drugs, Inc., 111 F3d 284, 289 [2d Cir 1997] [under New York law, for a breach to be material, “it must go to the root of the agreement between the parties”] [internal quotation marks and citations omitted].)

¹¹ In view of this holding that the Deposit Threshold Exposure Amount exceeded \$300 million as of November 7, 2008, the court need not reach UBS’s contention that the collateral call was proper because the Deposit Threshold Exposure Amount exceeded \$300 million as of December 2, 2008, prior to the termination of the transaction. (Ps.’s Findings, at 15 n 10.)

As discussed above, there is no dispute that the Fund Counterparties failed to meet the third collateral call. The court accordingly finds that the Fund Counterparties breached the SWA and turns to the issue of damages.

DAMAGES

Designation of Ineligible Securities

A critical issue in determining UBS's damages is whether UBS may recover damages for CDSs that UBS retained after its termination of the 2008 transaction, under these circumstances in which UBS did not designate the underlying reference obligations for any of the CDSs as "Ineligible Securities." Resolution of this issue requires interpretation of the SWA. Highland and UBS both contend that the SWA is unambiguous as to whether Ineligible Securities must be designated, but assert fundamentally inconsistent readings of the Agreement. (Ds.'s Findings, ¶¶ 44-49; see Ps.'s Findings, at 29 n 21.)

As held above, the determination of whether a contract is ambiguous is one of law to be resolved by the court. (Matter of Wallace, 86 NY2d at 548.) Ambiguity will be found to arise where the terms of a contract are "subject to more than one reasonable interpretation." (Universal Am. Corp., 25 NY3d at 680 [internal quotation marks and citation omitted].) As also held above, a court should construe a contract so as to give full meaning and effect to its material provisions, and should read the contract as a whole and so as not to render any portion meaningless, if possible. (See Beal Sav. Bank, 8 NY3d at 324-25.)

Sections 5 (A), 5 (B), and 6 of the SWA are relevant to the calculation of CDS damages: Section 5 (A) provides for the calculation of losses with respect to CDSs removed from the warehouse during the term of the Agreement or "otherwise pursuant to Section 6"; Section 5 (B) (2) governs the calculation of losses upon a closing; and Section 6 governs this calculation in the event of a failure to close, incorporating terms from Sections 5 (A) and 5 (B).

Section 6 provides in pertinent part:

- “(A) If the Closing Date fails to occur on or prior to the Termination Date, then UBS may, with the consent of the related counterparty, either (at the election of the Servicer; provided that notice of such election is received on or prior to the Termination Date) (i) terminate each Credit Default Swap or (ii) novate each Credit Default Swap to a third party or to the Servicer (or any Affiliate of the Servicer designated by the Servicer), in each case, on the Termination Date.
- “(C) To the extent there are any CDS Losses, the CDO Fund and SOHC shall collectively be responsible for 100% of any such CDS Losses. Such CDS Losses shall be allocated between the CDO Fund and SOHC on the basis of their respective Allocation Percentages. Each of the CDO Fund and SOHC shall, after notice of the amount due from UBS, remit such amounts by wire transfer in immediately available funds to UBS within three Business Days after the Termination Date.”

CDS Losses are in turn defined in Section 5 (B) (2), the closing

provision, as:

“(x) the sum of (1) the aggregate Floating Amount payments and Physical Settlement Amount payments made by UBS with respect to all of the Credit Default Swaps as to which a Floating Amount Event or a Credit Event occurred under the terms thereof, plus (2) the aggregate amount of Net Hedging Payments made by UBS with respect to all Hedging Transactions related to the Credit Default Swaps, plus (3) the aggregate Replacement Losses determined with respect to all of the Credit Default Swaps and the related Hedging Transactions that were terminated or novated or as to which the exposure was retained by UBS, in each case upon the designation of the Reference Obligation relating to such Credit Default Swap as an Ineligible Security (such amount in this clause (x), the ‘CDS Losses’)”

Relying on the requirement in the definition of CDS Losses that Reference Obligations be designated as Ineligible Securities, Highland argues that “[t]he term ‘CDS Losses’

unambiguously limits UBS's recovery for unrealized (mark-to-market) losses to securities designated as 'Ineligible Securities,' and the Court is bound to enforce the agreement pursuant to its unambiguous terms." (Ds.'s Findings, ¶ 46.) Put another way, Highland argues that UBS may recover mark-to-market losses only on CDSs that have been designated Ineligible Securities. (*Id.*, ¶ 53.)¹² UBS asserts, among other things, that under Section 6, UBS may terminate, novate, or retain CDSs regardless of eligibility, that ineligibility designations are not relevant absent a closing, and that Highland's reading renders meaningless other provisions of the SWA. (Ps.'s Findings, at 29 n 21.)

Upon close reading of the SWA, the court concludes that the SWA is not ambiguous with respect to ineligibility designations and that, under Section 6, upon the failure to close UBS is entitled to retain CDSs and to recover losses for the retained CDSs, without first designating the underlying Reference Obligations as Ineligible Securities. Section 6 (A) expressly provides for UBS to terminate or novate the CDSs, and does not require UBS to first make such designation. Although Section 6 (A) does not also, by its terms, provide for UBS to retain CDSs, a reading of the contract as a whole leaves no question that UBS was not only entitled to retain the CDSs upon the failure to close, but also that it was entitled to recover losses on the retained CDSs without first designating the underlying Reference Obligations as Ineligible.¹³

¹² Highland's damages expert, Adam Warren, testified that realized losses are losses sustained where a transaction has been closed out and an actual cash payment has been made. (Warren Testimony, Trial Tr. at 1249, 1253.) He also testified that, in his opinion, there were no unrealized losses in the Synthetic Warehouse because no assets had been designated as ineligible. (*Id.* at 1257 ["[O]ur computation is that there are no unrealized losses in the Synthetic Warehouse because of the need to . . . create a designation of ineligible. And we saw no evidence of any Synthetic Warehouse asset being designated ineligible".])

¹³ In its decision of defendants' motion for summary judgment, this court held that it could not determine on the record of that motion whether the SWA was ambiguous with respect to UBS's entitlement to recover losses on retained CDSs, pursuant to Section 6, without a prior designation of such assets as Ineligible Securities. (2017 NY Slip Op. 30546[U], 2017 WL 1103879, * 4-7 [Sup Ct, NY County Mar. 13 2017], aff'd 159 AD3d 512, lv dismissed 32 NY3d 1080.) With the benefit of the parties' extensive trial briefing on this issue, the court now concludes, for the reasons discussed further in the text, that the agreement is not ambiguous.

As the above-quoted definition of CDS Losses in Section 5 (B) (2) shows, this definition relates to Credit Default Swaps which, upon a closing, have been “terminated or novated or as to which the exposure was retained by UBS, in each case upon the designation of the Reference Obligation relating to such Credit Default Swap as an Ineligible Security” After setting forth the definition of CDS Losses (and CDS Gains) in the context of a closing, Section 5 (B) (2) further provides: “To the extent the Closing Date fails to occur, allocation of CDS Losses, CDS Gains and any other amounts payable hereunder will be determined in accordance with the provisions of Section 6 hereof.”

Significantly, while Section 6 (C) incorporates the defined term CDS Losses, the term CDS Losses also incorporates both the definition of Ineligible Security and the term Replacement Losses from Section 5 (A). These incorporated terms modify the definition of CDS Losses where a closing does not occur.

The definition of Ineligible Security pertains to securities that are ineligible for securitization upon a closing. The SWA thus defines Ineligible Security, in pertinent part, as “any Reference Obligation in the CDS Portfolio which has become ineligible for sale to the Issuer on the Closing Date as a result of the failure of such Reference Obligation to conform to the Eligibility Criteria as it exists at such time of determination” (SWA, Exhibit A-2 [emphasis added].)

Section 5 (A), which defines the term Replacement Losses, distinguishes between such Losses sustained during the term of the Agreement and those sustained upon termination in the event of a failure to close pursuant to Section 6. Section 5 (A) primarily addresses the removal of CDSs from the warehouse “during the term of this [the SWA] Agreement” where “a Reference Obligation or the related Credit Default Swap does not conform to the Eligibility Criteria” that must be met for securitization. This section provides that “UBS shall be entitled in

good faith to designate any Reference Obligation (and the related Credit Default Swap) as an Ineligible Security and (ii) in its sole discretion to remove any such Reference Obligation (and the related Credit Default Swap) from the CDS Portfolio.” Section 5 (A), however, continues:

“To the extent any such Credit Default Swaps are terminated or novated, or at UBS’s discretion, such exposure is retained following the designation of such Reference Obligations as Ineligible Securities or otherwise pursuant to Section 6, UBS shall determine the Replacement Gain or Replacement Loss relating to such Credit Default Swaps [according to the formula that follows].”

(emphasis added). Section 5 (A) then sets forth a formula for calculating Replacement Gain and Replacement Loss, which specifically provides for such calculation not only upon termination or novation but also upon UBS’s retention of the CDSs. (SWA § 5 [A] [1] – [3].)

Section 5 (A) thus clearly contemplates that UBS may novate, terminate, or retain CDSs both during the term of the Agreement and in the event of a failure to close. The Section affords UBS the discretion to terminate, novate, or retain CDSs “pursuant to Section 6,” as distinct from its discretion to do so upon a designation of the underlying Reference Obligation as Ineligible during the term of the Agreement. Any other reading would render meaningless the Section 5 (A) provision “or otherwise pursuant to Section 6.”

Moreover, in order to reconcile all of the provisions of the SWA, the Section 5 (B) (2) definition of CDS Losses, when used in Section 6, cannot be construed as requiring a designation of Ineligible Securities. As discussed above, Ineligible Securities are defined as securities ineligible for sale at a closing. Section 5 (B) (2), which governs the calculation of losses where a closing will occur, requires the designation of Ineligible Securities to facilitate the parties’ calculation of losses on assets deemed ineligible for inclusion in the securitization that will occur upon the closing. When a closing will not occur, none of the CDSs or other assets will be securitized, and there is no need to distinguish between eligible and ineligible assets. While the

definition of CDS Losses with the Ineligible Security designation requirement serves the purposes of Section 5 (B) (2) in the event of a closing, it is inconsistent with the CDS Loss calculation required in Section 6 where the closing does not occur.

Contrary to Highland's apparent contention (Ds.'s Findings, ¶ 46), a reading of the CDS Loss provision in Section 6 to permit calculation of losses on retained assets without an Ineligible Security designation does not violate the fundamental precept that a defined term in a contract must be given effect. (See generally Mionis v Bank Julius Baer & Co., 301 AD2d 104, 109 [1st Dept 2002].) Rather, the CDS Loss definition, as used in Section 6, is modified by the contractual provisions discussed above.

Although inartfully drafted, the SWA is not ambiguous. If the contract is read as a whole, and all of the provisions are given meaning, it is reasonably susceptible to only one meaning—namely, that CDS Losses for retained assets may be recovered without a designation of the underlying Reference Obligations as Ineligible Securities where, as here, the contract has been terminated before the closing.¹⁴ The court accordingly holds that UBS is entitled to recover damages for the retained CDSs in the Synthetic Warehouse.¹⁵

Calculation of Damages

As discussed above, UBS terminated the transaction based on the Fund Counterparties'

¹⁴ The court notes that the SWA and the Cash Warehouse Agreement (CWA) both contain provisions which state that the two agreements "set forth the entire understanding of the parties hereto relating to the subject matter hereof" (SWA, § 18; CWA, § 18.) Assuming, without deciding, that these agreements should be read together in construing the SWA, the court finds that, although the assets at issue in the SWA and the CWA have markedly different attributes, the CWA is consistent with the SWA to the extent that the CWA permits UBS, in the event a closing does not occur, to retain and recover for losses on the CLOs that are the subject of the CWA, without a designation of the CLOs as Ineligible Securities. (See CWA, §§ 5 [A], 7 [A].)

¹⁵ In view of this holding that the SWA is not ambiguous as to whether CDS losses may be recovered without designation of the underlying Reference Obligations as Ineligible Securities, the court has not considered any parol evidence, either documentary or testimonial, in construing the SWA in this regard. Without limiting the foregoing, the court has not considered prior drafts of the SWA, which Highland offered in the event parol evidence were to be admitted. (See Ds.'s Findings, ¶ 53.)

failure to meet the third collateral call. UBS sent Highland a notice, dated December 3, 2008, stating that a Termination Date had occurred under the Warehouse Agreements but that it would forbear from exercising its remedies for two days to permit the Fund Counterparties to meet this collateral call. (PX 7.) UBS then sent a further notice to Highland, dated December 5, 2008, stating that it would exercise its remedies as the call had not been met. (PX 8.) UBS held a public auction of the assets in the Knox Warehouse on December 16, 2008. By notice dated December 19, 2008, UBS demanded payment for its claimed losses based on the results of the auction—\$157,949,885.47 for the assets in the Cash Warehouse (PX 10) and \$587,357,060.59 for the assets in the Synthetic Warehouse. (PX 11.) UBS also notified Highland that it elected to retain the Collateral Obligations in the Cash Warehouse. (PX 10.)

CDS Damages

Highland argues that even if the recovery of damages for the CDSs is not barred by UBS's failure to designate the Reference Obligations for the CDSs as Ineligible Securities (a claim this court has rejected above), UBS has not proved damages for these CDSs. Specifically, Highland contends that UBS did not comply with the contractual requirements for calculation of losses because its post-termination auction was untimely and otherwise improper. (Ds.'s Findings, ¶¶ 57-59.) Highland also contends that UBS's marks do not otherwise "establish a reasonable connection between the asset value and UBS's alleged damages." (*Id.*, ¶¶ 60-65.) UBS disputes these assertions. (Ps.'s Findings, at 29-31.)

Sections 6 (C), 5 (B) (2), and 5 (A) (3) are the provisions of the SWA that govern the calculation of CDS Losses upon termination. Section 6 (C) provides in full:

"To the extent there are any CDS Losses, the CDO Fund and SOHC shall collectively be responsible for 100% of any such CDS Losses. Such CDS Losses shall be allocated between the CDO Fund and SOHC on the basis of their respective Allocation Percentages. Each of the CDO Fund and SOHC shall, after notice of the amount due from UBS, remit such

amounts by wire transfer in immediately available funds to UBS within three Business Days after the Termination Date.”

As discussed above, the definition of CDS Losses in Section 5 (B) (2) includes Replacement Loss, the calculation of which is governed by Section 5 (A). With respect to Replacement Loss relating to CDSs that are retained, Section 5 (A) (3) provides in full:

“To the extent UBS retains such exposure, the Replacement Gain and Replacement Loss will be imputed based on the arithmetic average of at least three bids (or, if UBS is unable to obtain three such bids having made commercially reasonable efforts, such lesser number of bids as UBS is able to obtain) obtained by or on behalf of UBS from nationally recognized derivatives dealers in the relevant market (no more than one of which may be UBS or any of its Affiliates; provided that any such bid must be provided in good faith) to assume UBS’s position under such Credit Default Swap.”

The SWA, by its terms, thus contemplated that payment would be made within three days after the Termination Date, subject to notice from UBS. As the SWA provided for an auction to calculate the amount of the losses, it also contemplated that an auction could or would occur within that three day period.

By the terms of UBS’s notices to Highland, although a Termination Date had occurred as of December 3, UBS extended the Fund Counterparties’ time to meet the third collateral call until December 5. The court thus finds that the Fund Counterparties’ breach of the Agreements for failure to meet the third collateral call occurred on December 5. UBS did not conduct the auction to calculate the CDS Losses until December 16.

UBS’s delay of approximately 11 days in conducting the auction, while seemingly de minimis, in fact had momentous financial consequences, given that the delay occurred in the wake of the September 15, 2008 Lehman bankruptcy filing and at the height of the financial crisis. With the market spiraling downward, the CDS losses ascertained through the auction process were approximately \$117 million more than the losses calculated by using UBS’s marks

on either December 3 or December 5. (PX Demo. 21; DX Demo. 12 [showing UBS and Highland marks as of December 3 and 5; PX Demo. 28 at 60 [Ps.'s Closing Statement Demonstrative Exhibit, acknowledging that CDS damages, as calculated based on the auction, exceeded the losses calculated using UBS's marks on December 3 and 5 by over \$117 million].)¹⁶

UBS contends that the three day payment period was for its benefit and that it "could exercise its right to get paid after three business days without waiver." (Ps.'s Findings, at 28.) The court agrees that UBS's delay in demanding payment or holding the auction did not result in a waiver of its right to seek payment of its damages resulting from the Fund Counterparties' breach. (See SWA § 20 ["Neither the failure nor any delay on the part of any party hereto to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver hereof. . . ."].) Highland correctly contends, however, that the delayed auction could not serve as a basis for calculating UBS's damages because the results of the auction did not reflect market conditions as of the date of termination or breach. (See Ds.'s Findings, ¶ 57.)

As explained by the Court of Appeals:

"It has long been recognized that the theory underlying damages is to make good or replace the loss caused by the breach of contract. Damages are intended to return the parties to the point at which the breach arose and to place the nonbreaching party in as good a position as it would have been had the contract been performed. Thus, damages for breach of contract are ordinarily ascertained as of the date of the breach."

(Brushton-Moira Cent. Sch. Dist. v Fred H. Thomas Assocs., P.C., 91 NY2d 256, 261

[1998] [internal citations omitted].)

¹⁶ At the trial, the parties stipulated to dispense with rebuttal testimony from plaintiffs' damages expert, Louis Dudney and, in lieu of such testimony, to the admission into evidence of plaintiffs' Demonstrative Exhibits 20 and 21, and defendants' Demonstrative Exhibit 12. (Trial Tr. at 1868, 1870 [Stipulation].) PX Demo. 21 and DX Demo. 12, which were prepared by Mr. Dudney, calculated damages using plaintiffs' and defendants' marks, respectively, on December 3 and 5, 2008. (Trial Tr. at 1870-1877.)

It is further settled that damages need not be proven with mathematical certainty. It is sufficient that a reasonable basis for the calculation of damages be shown. (See generally J.R. Loftus, Inc. v White, 85 NY2d 874, 877 [1995] [“While a plaintiff may recover damages when the measure of damages is unavoidably uncertain or difficult to ascertain, a reasonable connection between a plaintiff’s proof and a [] determination of damages is nevertheless necessary”]; CDO Plus Master Fund Ltd. v Wachovia Bank, N.A., No. 07 Civ. 11078 [LTS], 2011 WL 4526132, *2 [US Dist Ct SD NY, Sept. 29, 2011] [“The law of New York is clear that once the fact of damage has been established, the non-breaching party need only provide a stable foundation for a reasonable estimate [of damages]” [internal quotation marks and citations omitted, brackets in original].)

UBS’s December 16, 2008 auction cannot satisfy either of these standards because, as held above, the auction did not provide a reliable basis for determining UBS’s losses at, or even shortly after, the breach, due to the exceptional circumstances presented by the financial crisis.¹⁷ The court accordingly turns to the alternative basis advanced by UBS for the calculation of damages—its marks on December 5, 2008. (Ps.’s Findings, at 29.)

It is well settled that “where the breach involves the deprivation of an item with a determinable market value, the market value at the time of the breach is the measure of damages.” (Sharma v Skaarup Ship Mgt. Corp., 916 F2d 820, 825 [2d Cir 1990], cert denied 499 US 907 [1991] [applying New York law and citing Simon v Electrospace

¹⁷ There is authority that “in accordance with the objective that a party seeking recovery for breach of contract is entitled ‘to be made whole’ as of the time of the breach, the [factfinder] should be able to make its valuation determination on all relevant elements of the case, whether dated prebreach, on the date of breach, or ‘some short time period thereafter.’” (Credit Suisse First Boston v Utrecht-America Fin. Co., 84 AD3d 579, 580 [1st Dept 2011] [quoting Boyce v Soundview Tech. Group, Inc., 464 F3d 376, 389 [2d Cir 2006] [other internal quotation marks and citations omitted].) Although the auction was held shortly after the breach, this authority does not support calculation of damages based on the auction results, as the auction did not provide a reliable basis for assessing the losses.

Corp., 28 NY2d 136, 145-146 [1971], motion to amend remittitur and clarify denied 28 NY2d 809].) In accordance with the objective that the injured party be made whole, “damages for breach of contract are ordinarily ascertained as of the date of the breach.” (Brushton-Moira Cent. Sch. Dist., 91 NY2d at 261.)

UBS offered credible testimony that its December 5, 2008 marks reasonably reflected the market value of the CDSs as of the December 5 breach date. In particular, Timothy LeRoux, who at the time of the transaction was second in command to Mr. Grimaldi on the UBS trading desk (LeRoux Testimony, Trial Tr. at 1640), gave credible testimony that, in the regular course of business, the trading desk “marked to market” hundreds of CLO assets, and every week or two was required to assign values on every one of the assets, both cash and synthetic, in the Knox Warehouse. (Id. at 1724.) Mr. LeRoux also described the marking process and identified information, including public information as to offers and bids on CDSs in the marketplace, that UBS considered in developing “objective” prices. (Id. at 1727, 1745-1750.) Mr. Grimaldi also testified that, although the trading desk performed the mark-to-market valuation of the assets in the Knox Warehouse, the UBS valuation group established oversight due to the volatility of the market and “would look at other market observations and make sure that those [the trading desk marks] were in line with the marketplace.” (Grimaldi Testimony, Trial Tr. at 207-208.)

Highland does not dispute that the mark-to-market process is a methodology for determining loss in market value of retained assets. (See e.g. Testimony of Adam Warren [Highland’s damages expert], Trial Tr. at 1268-1269; Testimony of Philip Braner [Highland former executive], Trial Tr. at 469-472; Testimony of UBS’s Timothy LeRoux, Trial Tr. at 1640, 1727-1729.)

Rather, in claiming that UBS’s marks are not competent evidence on which to award damages, Highland suggests that the setting of marks by the trading group involved a conflict of

interest, because the trading group's bonuses were based on the performance of the mark-to-mark assets and the group had the incentive to inflate the value of the assets. (Ds.s' Findings, ¶¶ 61-62.) Highland makes no showing that UBS inflated the value of the CDSs or that trading groups do not routinely develop marks. Moreover, Highland's assertion that "UBS's trading group alone set the marks for the Knox Warehouse assets" (Ds.'s Findings, ¶ 62) ignores UBS's credible testimony, discussed above, that the valuation group exercised oversight in connection with the development of the marks.

Highland's further assertion that its own marks are more reliable (Ds.'s Findings, ¶ 65) is unsupported by persuasive evidence. Philip Braner, who ultimately became Chief Operating Officer of the Highland Capital Management CLO Group and COO of Highland Financial Partners (Braner Testimony, Trial Tr. at 397), testified that Highland was itself tracking marks on the assets in the Knox Warehouse (id. at 615) and had an "internal valuation team that was responsible for accumulating marks" in a process in which portfolio managers of the Highland funds participated. (See id. at 467.) While Highland appears to assert that its marks are more reliable than UBS's because they were set by a valuation team, Highland fails to show that the role of its valuation team differed in any material respect from that of the UBS valuation group that performed oversight on its trading group in the marking process.

Notably, Highland fails to explain how its methodology in setting marks was more reliable than UBS's. Adam Warren, Highland's damages expert, forthrightly testified that he was not opining on the reasonableness of any marks in this case (Warren Testimony, Trial Tr. at 1247-1248), and he did not in fact give any testimony on whether UBS's or Highland's marks were more reliable.

The evidence at trial also demonstrated that Highland, like UBS, set marks on the CDSs on an asset by asset basis from March 2008 through October 2008. While there were differences

between Highland's and UBS's marks during this period, the Highland and UBS marks in the month of October were substantially similar. The difference in the marks did not escalate substantially until November 2008. (PX Demo. 9, at 4.) Mr. Dudney gave testimony, which was not disputed, that although Highland, like UBS, had been setting marks on an asset by asset basis, Highland stopped doing so as of October 2008 and, in a November 30, 2008 calculation of damages, attributed the same mark (37) to each asset. (Dudney Testimony, Trial Tr. at 883-884, 905-909, DX 116.) Highland offered no explanation for this change in methodology. Mr. Dudney, in contrast, gave plausible testimony that this use of the same mark did not make sense given the deterioration of the market. (*Id.* at 908.)

In sum, based on the credible evidence at the trial, the court holds that UBS has met its burden of demonstrating that its December 5, 2008 marks provide a reasonable basis, under the circumstances, for the calculation of damages at the time of the breach. In so holding, the court rejects Highland's not fully articulated contention that only an auction, and not a mark-to-market methodology, is a reliable method for calculating damages. (*See* Ds.'s Findings, ¶ 59.) Highland's reliance on the testimony of its damages expert, Adam Warren, in support of this contention (*see id.*) is misplaced. While Mr. Warren testified that CDSs are "bespoke contracts," he did not give any testimony that an auction was required to ascertain their value.

Further, as held above, the auction did not provide a reliable basis for determining UBS's damages due to the volatility of the market at the time of the auction. It bears emphasis that, although the market was also volatile at the time the December 5, 2008 marks were accumulated, Highland has not advanced an alternative, other than the non-viable auction, to the mark-to-market valuation methodology. Nor has Highland made any showing that the market value of

the CDSs was not reasonably determinable as of the date of breach using the mark-to-market valuation methodology.¹⁸

The court further holds that UBS has met its burden of demonstrating the reasonableness of its calculation of damages using those marks. UBS's and Highland's experts both provided the court with calculations of damages using UBS's and Highland's marks, respectively, as of December 5, 2008. Mr. Warren confirmed that his main differences with Mr. Dudney regarding the calculation of damages for the Synthetic Warehouse were that Mr. Dudney considered it appropriate, and he did not, to include damages for unrealized CDS losses and for the 20 Internal Swaps in which UBS was both the protection seller and the protection buyer. (Warren Testimony, Trial Tr. at 1298; DX Demo. 12; PX Demo. 21; see also Dudney Testimony, Trial Tr. at 1004.)

Mr. Warren excluded from his damages calculation unrealized CDS losses for all CDSs as to which a designation of ineligibility had not been made. He testified that his basis for doing so was his understanding of the contract—i.e, his understanding that the SWA required such designation—and not industry custom. (Warren Testimony, Trial Tr. at 1281-1282.) For the reasons discussed above, this court has rejected Highland's position that the SWA should be

¹⁸ In its post-trial briefing, Highland sought a finding that if UBS is held to be entitled to recover damages for CDS losses, Highland's marks are more reliable than UBS's for determining those damages. (Ds.'s Findings, ¶ 65.) Highland did not argue that the market value of the losses could not reasonably be determined by using marks. In contrast, in support of its claim that it is entitled to an offset against CDS damages for post-breach termination payments received by UBS on the CDSs, Highland questioned the accuracy of the market valuation at the time of the breach. Highland thus asserted in a footnote: "Given the scant market pricing data available at the time of the breach, post-termination payments and asset dispositions are relevant for the additional reason that they provide a more accurate measurement of the actual value of the Knox assets." (Ds.'s Post-Trial Memo., at 8 n 5.) This assertion is unsupported by any citation to trial testimony. More important, at the trial Highland did not offer any expert testimony that the mark-to-market methodology was not a reliable basis for calculating the CDS damages. For the additional reasons set forth in the section of this decision on Highland's requested Offset for Post-Breach Appreciation In CDS Asset Value, the court finds that offset of post-breach payments received by UBS on the CDSs would be inconsistent with calculation of UBS's damages based on their market value at the time of the breach.

construed as requiring ineligibility designations as a condition of the inclusion of unrealized losses on the CDSs in the calculation of damages. Also for the reasons discussed above, the court has rejected Highland's position that the losses on the Internal Swaps should not be included in this calculation.

Review of the experts' calculations shows, moreover, that when such losses are included in the calculations, the difference between Highland's and UBS's totals is substantially reduced. As previously noted, the parties stipulated to the introduction into evidence of charts prepared by Mr. Dudney comparing his and Mr. Warren's calculations of CDS damages using UBS's and Highland's marks as of December 5, 2008. Using Highland's marks, Mr. Dudney calculated CDS mark-to-market losses of \$388,284,750, compared to Mr. Warren's calculation of \$26,952,895—a difference of \$361,331,855. (DX Demo. 12.) Using UBS's marks, Mr. Dudney calculated losses of \$470,113,605, compared to Mr. Warren's calculation of \$26,952,895—a difference of \$443,160,710. (PX Demo. 21.)

The difference in the totals is largely due to Mr. Warren's exclusion from his calculation of all unrealized CDS losses and all losses for the Internal Swaps. (Warren Testimony, Trial Tr. at 1296-1299.) His calculation of \$26,952,895 for CDS losses includes only realized CDS losses. (*Id.* at 1250.) According to Mr. Warren, the Internal Swaps account for \$93,952,173 of the CDS damages using UBS's marks, or \$68,801,027 using Highland's marks. (*Id.* at 1269.) Although Mr. Warren disputed UBS's entitlement to unrealized CDS losses, he performed a calculation including such losses. Using UBS's marks as of December 5, 2008, these losses totaled \$355,487,606. (DX Demo. 10, at 14.) Using Highland's marks as of that date, these losses totaled \$299,118,973. (Warren Testimony, Trial Tr. at 1269; DX Demo. 10, at 14.) Mr. Warren's total, using UBS's marks, for the Internal Swaps (\$93,952.173) and the unrealized CDS losses (\$355,487,606) was \$449,439,779. (DX Demo. 10, at 14.) As stated above, Mr. Dudney's

calculation of total Synthetic Warehouse losses, using UBS's December 5, 2008 marks, was \$470,113,605. Given the magnitude of the damages, this disparity is not material.

The court accordingly holds that UBS incurred losses in the Synthetic Warehouse of \$470,113,605 as of December 5, 2008, the date of the breach, subject to the adjustments discussed below.

CLO Damages

Highland does not dispute that unrealized losses are recoverable for the CLO assets. (Warren Testimony, Trial Tr. at 1293.) Moreover, UBS's (Mr. Dudney's) and Highland's (Mr. Warren's) calculations of the CLO losses as of December 5, 2008 are the same: Using Highland's marks, these losses were \$106,157,101. (DX Demo. 12, at 2.) Using UBS's marks, the losses were \$128,848,101. (PX Demo. 21.) Having concluded that UBS's damages were properly calculated based on UBS's marks as of December 5, 2008, the date of the breach, the court holds that UBS incurred losses in the Cash Warehouse of \$128,848,101, subject to the adjustments discussed below.

Adjustments to Damages Calculation

In calculating the Synthetic and Cash Warehouse losses, Mr. Dudney and Mr. Warren made adjustments for the same items: carry (premiums and interest), collateral value, financing fees, and financing savings. Mr. Dudney's adjustment of \$79,587,557 and Mr. Warren's adjustment of \$76,632,634 did not differ materially. (PX Demo. 21.) According to Mr. Warren, the difference of approximately \$3 million is due to Mr. Warren's exclusion of the Internal Swaps in calculating the carry. (Warren Testimony, Trial Tr. at 1298-1299.) As the court has held that the Internal Swaps were properly included in the damages calculation, Mr. Dudney's adjustments will be accepted.

Reducing UBS's damages by the adjustments, the court holds that UBS sustained total

damages of \$519,374,149 (Cash Warehouse Losses of \$128,848,101 plus Synthetic Warehouse Losses of \$470,113,605 minus \$79,587,557).

OFFSETS

Offset for Post-Breach Appreciation In CDS Asset Value

A central issue in this action is whether Highland is entitled to an offset against UBS's damages for appreciation in the value of the CDSs after the breach. The parties stipulated that UBS received post-breach termination payments net of carry on the CDSs, including the Internal Swaps, in the amount of \$202,223,059. (DX 491.) It is undisputed that these payments were received months and, for many of the CDSs, years after the termination of the transaction. (Ds.'s Post-Trial Memo., at 10 [acknowledging that UBS "liquidated the assets years later"]; PX 335 [spreadsheet showing termination dates for CDSs through 2011].)

Highland argues that, at the time the transaction was terminated, "frozen credit markets had created a severe mismatch between the assets' alleged market value and their actual value based on their cash flows." (Ds.'s Post-Trial Memo., at 10.) Highland further argues that UBS was able to sell these assets for hundreds of millions of dollars more than their December 2008 marks and that, while UBS is entitled to retain the sale proceeds, "it cannot ignore these monies in calculating the harm it actually suffered." (*Id.* at 11.) According to Highland, if disposition of the assets after the termination is not considered, UBS will receive "an enormous windfall." (*Id.*) UBS acknowledges that if a non-breaching party obtains a benefit "because of the breach," the benefit must be offset against the non-breaching party's damages. (Ps.'s Post-Trial Memo., at 6 [emphasis UBS's].) UBS argues, however, that the Fund Counterparties' breach was not a but for cause of the post-breach payments UBS received for the CDSs. (*Id.* at 7.) Rather, subsequent gains that resulted from UBS's disposition of the assets were "the result of UBS's contractual rights [to retain the assets] in the event of any termination and of its subsequent

investment strategy.” (*Id.* at 14.) According to UBS, the Fund Counterparties’ proposed offset would deprive UBS of the benefit of the bargain and result in a windfall for the Fund Counterparties. (*Id.*)

As discussed above, contract damages are intended to make “good or replace the loss” caused to a party by the breach of contract and “to place the nonbreaching party in as good a position as it would have been had the contract been performed. Thus, damages for breach of contract are ordinarily ascertained as of the date of the breach.” (*Brushton-Moira Cent. Sch. Dist.*, 91 NY2d at 261.) Further, “where the breach involves the deprivation of an item with a determinable market value, the market value at the time of the breach is the measure of damages.” (*Sharma*, 916 F2d at 825 [applying New York law and citing *Simon*, 28 NY2d at 145-146].)

The calculation of damages is also subject to the fundamental precept that where a non-breaching party acquires a “benefit or opportunity for benefit . . . because of the breach, a balance must be struck between benefit and loss” and the benefit must be offset against the non-breaching party’s damages. (*Indu Craft, Inc. v Bank of Baroda*, 47 F3d 490, 495 [2d Cir 1995] [applying New York law]; accord *Aristocrat Leisure Ltd. v Deutsche Bank Trust Co. Americas*, 727 F Supp 2d 256, 289 [SD NY 2010] [“[I]f a victim derives a benefit from the breaching party’s breach of contract, the breaching party only is responsible for the victim’s net loss”], *reconsideration denied* 2010 WL 3431132; *Fertico Belgium S.A. v Phosphate Chemicals Export Assn., Inc.*, 70 NY2d 76, 84 [1987], *rearg denied* 70 NY2d 694 [holding, in a “cover” action governed by the Uniform Commercial Code, that “[g]ains made by the injured party on other transactions after the breach are never to be deducted from the damages that are otherwise recoverable, unless such gains could not have been made, had there been no breach”] [quoting 5 *Corbin, Contracts* § 1041].)

Here, although UBS and Highland agree that any benefit derived by UBS because of the breach must be offset against its losses, neither party has cited, and the court's own research has not located, any case in which a court has considered how to apply this precept to a non-breaching party's retention of assets upon a failed securitization transaction and realization of subsequent gains. There is, however, a substantial body of law involving a breaching party's failure to deliver or purchase assets subject to fluctuations in value, in which the courts have assessed damages based on the market value of the assets at the time of breach and have declined to consider any subsequent increases or decreases in value of the assets. As discussed further below, the court concludes that these cases are inconsistent with the offset sought by Highland.

As the Second Circuit has explained in reviewing this body of law, New York courts reject damage awards "based on what 'the actual economic conditions and performance' were in light of hindsight." (Sharma, 916 F2d at 826, quoting Aroneck v Atkin, 90 AD2d 966, 967 [4th Dept 1982], lv denied 59 NY2d 601 [1983].) "They have explicitly rejected the use of subsequent changes in value or profits where they would increase an award, and where they would decrease the award." (Sharma, 916 F2d at 826 [internal citations omitted].)

In the securities context, courts have repeatedly held that the damages for failure to deliver or purchase shares of stock should be based on their market value at the time of breach, and not on any subsequent increase or decrease in their value. (Simon, 28 NY2d at 145-146 [where the seller breached a contract to deliver shares, holding: "The proper measure of damages for breach of contract is determined by the loss sustained or gain prevented at the time and place of breach. The rule is precisely the same when the breach of contract is nondelivery of shares of stock"] [internal citations omitted]; Aroneck, 90 AD2d at 967 [where the buyer breached a contract to purchase shares, holding that

damages should be based on market value at the time of breach, and rejecting the buyer's theory that the "value should be based on the actual economic conditions and performance" of the company post-breach]; Emposimato v CIFIC Acquisition Corp., 89 AD3d 418, 421 [1st Dept 2011] [quoting Aroneck and citing Simon in holding that "[i]n the case of a breach of contract to sell securities, expectation damages are calculated as 'the difference between the agreed price of the shares and the fair market value at the time of the breach'"]; Oscar Gruss & Son, Inc. v Hollander, 337 F3d 186, 197 [2d Cir 2003] [following Simon and Aroneck in a case involving the defendant's breach of a contract to deliver warrants]; see also Kaminsky v Herrick Feinstein LLP, 59 AD3d 1, 11-12 [1st Dept 2008], lv denied 12 NY3d 715 [2009] [holding that damages for breach of contract to deliver shares prior to an initial public offering (IPO) should be awarded based on the value of the shares at time of the breach, not their higher value post-IPO].)

The court holds that these cases involve transactions that are analogous to (although far less complex than) the transaction at issue, and apply the same measure of damages that this court has adopted above—namely, the measure of damages based on the market value of the assets on the date of the breach. These cases accordingly govern the calculation of damages here. The court notes, moreover, that sound reasons support the application of this measure of damages without consideration of post-breach fluctuations in the value of the assets.

As the Second Circuit reasoned, a contrary rule that would permit calculation of damages at the time of trial "would be a two-edged sword, because courts would have to diminish damage awards where the value of the item decreased or where losses were encountered subsequent to the breach as well as enhance them where conditions improve. However, New York courts have expressly refused to adopt this 'wait and see' theory of

damages.” (Sharma, 916 F2d at 826.) In addition, although the court does not adjust for changes in the value of the shares when calculating damages according to the date of breach measure, the parties themselves can protect against changes in value by hedging or acquiring shares in the market. As the Second Circuit further reasoned: “To be sure, uncertainties about the future and lack of perfect information may cause an asset to be under- or over-valued at any particular time. At that time, however, either party has an opportunity to hedge according to his or her judgment about the future stream of income.” (Sharma, 916 F2d at 826; see also Simon, 28 NY2d at 146 [where the seller breached a contract to deliver shares, reasoning that “[i]f plaintiff were anxious to own the shares rather than obtain their value, he was free to purchase them in the market. His cause of action should not and may not be converted into carrying a market ‘call’ or ‘warrant’ to acquire the stock on demand if the price rose above its value as reflected in his cause of action”].)

The court further holds that application of the date of breach measure of damages, without adjustments for fluctuations in the value of the assets, will serve the objective of putting UBS in the position it would have been in had the contract been performed. If the securitization had closed, UBS would have been entitled, under the express terms of the SWA, to novate to the Issuer its positions as protection seller on all of the eligible Knox CDSs. (SWA § 5 [B] [1].) As a result of the breach, UBS was forced to assume a substantial risk of loss under the CDSs that would have been novated to the Issuer had the closing occurred. As discussed above, the loss in market value of the retained CDSs as of the date of breach was determined using the mark-to-market methodology. More specifically, as confirmed by both UBS’s and Highland’s experts, the mark-to-market losses calculated as of the date of breach represent the cost to UBS to exit the CDSs—

that is, the payments to be made to third-parties so that they would take on, and UBS could extricate itself from, the risk. (Warren Testimony, Trial Tr. at 1304-1306; Dudney Testimony, Trial Tr. at 894-895.) A damage award for these mark-to-market losses will therefore compensate UBS for the exposure to risk that it would not have faced had the contract been performed.

To the extent that Highland contends that a damage award is not appropriate for these mark-to-market losses because the losses were not realized, the court rejects that contention. The damage award is appropriate, notwithstanding that the losses were not realized, because, as held above, the contract affords UBS the right of recovery for such losses. (See CDO Plus Master Fund Ltd. v Wachovia Bank, N.A., No. 07 Civ. 11078 [LTS], 2011 WL 4526132, * 2 [US Dist Ct SD NY, Sept. 29, 2011] [reasoning that, where the contractual definition of loss for the purpose of calculating damages did not require the CDS protection buyer to sustain “actual loss,” “[t]he absence of an actual loss on a Reference Obligation transaction, thus, is not a barrier to [the protection buyer’s] recovery. . .”] [emphasis in original].)

The court further holds that the record does not support Highland’s contention that UBS’s post-breach gains were realized because of the breach, and that this case therefore falls under the line of authority that requires an offset for such gains. Highland in effect contends that because UBS retained the CDSs as a result of the breach, it also realized the post-breach gains because of the breach.¹⁹ That conclusion does not follow. As held

¹⁹ In so holding, the court rejects UBS’s contention that it would have been entitled to retain the CDS assets, regardless of the Fund Counterparties’ breach, because the Agreements would have terminated in any event as of March 14, 2009, at which point UBS would have had the contractual right to retain the assets. (Ps.’s Post-Trial Memo., at 8.) This assertion is not only speculative but ignores that UBS did in fact acquire the right to retain the assets upon the Fund Counterparties’ breach of the Agreements as a result of their failure to meet the third collateral call. For the reasons discussed in the text, however, the court cannot accept Highland’s further contention that UBS realized gains on the retained CDSs because of the breach.

above, UBS had a contractual right to retain the CDSs upon the termination of the transaction based on the Fund Counterparties' breach of the SWA by failing to meet the collateral call. The SWA does not contain any provision that limited UBS's discretion as to when to dispose of the assets after termination. Rather, as UBS persuasively argues, the gains realized as a result of the post-breach disposition of assets were attributable not to the breach itself but to UBS's assumption of the risk of loss on the CDSs and its investment strategy as to when to dispose of them based on its assessment of the market. (See G & R Corp. v American Sec. Trust Co., 523 F2d 1164, 1175 [DC Cir 1975] [holding that while the transfer of property to the plaintiffs was caused by the defendant's breach, the profit realized by the plaintiffs from a post-breach sale was not "caused by the breach" but was "attributable to the [plaintiffs'] decision to hold [the property] until [its] condition and the market were favorable for sale"].)

Nor does Highland successfully argue that the gains realized by UBS on the post-breach disposition of the assets must be offset under general principles which require a party who suffers damages as a result of another's breach to take reasonable steps to mitigate its damages. (See Ds.'s Post-Trial Memo., at 5-9.) Highland cites cases requiring mitigation in connection with the purchase and sale of securities and transactions in other markets. (See e.g. Drummond v Morgan Stanley & Co., Inc., No. 95 Civ. 2011 [DC], 1996 WL 631723, * 2-3 [US Dist Ct SD NY, Oct. 31, 1996] [holding that where the buyer breached a contract to purchase securities, the seller must take steps to mitigate its damages by selling the securities within "a reasonable period of time"]; Saboundjian v Bank Audi (USA), 157 AD2d 278, 284-285 [1st Dept 1990] [holding that where a broker failed to execute a customer's speculative currency exchange order, the customer was required to direct execution of the trade "within a reasonable time after he learned that it had not been effected earlier"].)

These cases are inapposite, as the SWA affords UBS the contractual right to retain the securities upon the Fund Counterparties' breach. Ironically, although purporting to rely on these cases, which in fact require that the non-breaching party mitigate within a reasonable period of time, Highland argues not that UBS was required to dispose of the CDSs within a reasonable period of time after the breach but that it was required to hold them for months and, indeed, years, until the market improved. Highland thus asserts that UBS reasonably mitigated by "holding (as opposed to fire selling) fully performing interest and premium-bearing assets in the face of a dysfunctional market. . .," and that "UBS's mitigation was not only reasonable, but required by law." (Ds.'s Post-Trial Memo., at 7.) Put another way, Highland does not identify a specific date or dates by which UBS was required to mitigate. To the contrary, without citation to any legal authority, Highland argues that UBS was required to hold the assets for an indefinite period, until the market improved, to minimize its losses.

The mitigation cases provide no support for Highland's assertion that UBS's disposition, months and years after the breach, of assets that it had a contractual right to retain, constitutes mitigation.²⁰ Rather, in claiming that it is entitled to "offsets" for the post-breach gains realized by UBS, Highland appears in effect to advance a measure of damages that is patently inconsistent with the fundamental tenet of the date of breach measure of damages—namely, that a non-breaching party's damages for assets with a determinable market value must be calculated

²⁰ Nor does Highland cite any other authority that supports its claim that it is entitled to offsets for post-breach gains realized by UBS. Cases in which a party has a duty to cover (see e.g. Fertico Belgium S.A. v Phosphate Chemicals Export Assn., Inc., 70 NY2d 76, supra) are inapposite, given UBS's contractual right to retain the CDSs upon the breach. Cases in which a party is on both sides of a securities transaction are factually dissimilar. (See Aristocrat Leisure Ltd. v Deutsche Bank Trust Co. Americas, 727 F Supp 2d 256, supra [where the plaintiff company breached a contract affording the defendant bondholders the right to convert their bonds to the company's stock, and the bondholders held open existing short positions in the company's stock on which they realized post-breach gains, the company was entitled to an offset]; see also Minpeco, S.A. v Conticommodity Servs., Inc., 676 F Supp 486, 490 [SD NY 1987] [holding that the plaintiff's losses on short futures positions on silver as a result of the defendants' manipulation of the market were required to be offset by the plaintiff's profits on physical silver positions also then held by the plaintiff].)

at the date of breach, not based on hindsight, and that neither party can select the date on which the damages calculation will be most favorable to it. Thus, a non-breaching buyer cannot select the date on which the assets “had their highest value or a period of time that was profitable but that excludes periods when losses occurred.” (See Sharma, 916 F2d at 826.) Similarly, a breaching buyer cannot avoid or reduce the damages caused by its breach by invoking post-breach decreases in the value of the assets. (See id.)

The court accordingly holds that Highland’s request for an offset for UBS’s post-breach gains from the disposition of the CDSs must be denied.

Offset for Right of First Refusal Counterclaim

Highland Capital Management, L.P. (Highland Capital) seeks judgment on its first counterclaim against plaintiff UBS Securities LLC for breach of the Cash Warehouse Agreement provision affording it the right to purchase CLO assets in the event UBS elected to retain such assets upon the termination of the Agreement. Section 5 (A) of the CWA provides that in event of failure to close, “UBS shall be authorized (but not required) to sell each Collateral Obligation then in the Warehouse Account in accordance with the Liquidation Procedures.” The Liquidation Procedures set forth in section 7 (A) of the CWA provide in pertinent part:

“If any Collateral Obligation is to be sold, UBS shall have the right to direct such sale on such terms and in such manner and at such time that it deems appropriate in its sole discretion. UBS may, in its sole discretion, elect to retain any such Collateral Obligation or to sell such Collateral Obligation to one of UBS’s Affiliates in which event, for purposes of determining Net Collateral Gain and Net Collateral Loss, such Collateral Obligation shall be deemed to have been liquidated at a price equal to its Market Value. To the extent that UBS in its sole discretion elects to retain such Collateral Obligation, the Servicer will have the right to purchase such Collateral Obligation at its Market Value.”

Section 7 (A) further provides that if UBS elects to sell CLOs upon termination, “the Servicer will have the right to bid for and purchase such Collateral Obligation at a purchase price equal to

the highest third party bid received by UBS for the purchase of such Collateral Obligation.”

It is undisputed that Highland Capital notified UBS that it sought to purchase six of the CLOs with a bid price of \$1.9 million and a notional value of \$44 million, but that it sought to provide the funds for the purchase, and to settle the trades, in the name of one of its affiliates, CLO Value Fund. (Ds.’s Findings, ¶ 21.) UBS declined to agree to the sale to the Highland Capital affiliate. (Id.; DX 72; PX 292.)

The court is unpersuaded that a Highland Capital affiliate had the right, under the CWA, to purchase the CLOs. Section 7 (A), which governs the disposition of the CLO assets upon termination, expressly affords one UBS Affiliate the right to purchase CLOs. In contrast, this Section affords the right to purchase only to the Servicer, and not to any other Highland entity. The Servicer is defined as Highland Capital Management, L.P. (CWA, First Paragraph.) Reading the CWA as a whole, the court further finds that no other provision modifies or is inconsistent with this limitation. On the contrary, where the acts of Highland Capital’s Affiliates were implicated, the CWA expressly referred to the Affiliates. (CWA, § 13 [B] [limiting the liability of the “Servicer” “for any acts or omissions by the Servicer or any Affiliate of the Servicer, or any of their directors, officers, members, agents, equity holders [and others] under or in connection with this Agreement, or for any decrease in the value of the Collateral Portfolio”].)²¹ The court accordingly holds that the CWA unambiguously provides that the right to purchase retained CLOs is limited, among the Highland entities, to Highland Capital.

In view of this holding that the CWA is not ambiguous with respect to Highland’s post-

²¹ The parties to the transaction knew how to afford rights to purchase assets to Affiliates of the Servicer. The SWA provides that if the closing fails to occur, UBS may, with the consent of the related counterparty, novate CDSs “to a third party or to the Servicer (or any Affiliate of the Servicer designated by the Servicer). . . .” (SWA § 6 [A].) The omission from the CWA of authorization to Affiliate(s) of the Servicer to purchase CLOs is therefore notable. Moreover, Highland Capital does not claim that the concerns—regulatory and other—that are implicated in novating CDSs are comparable to those in selling CLOs.

termination right to purchase CLOs, the court rejects Highland's contention that the court should consider evidence allegedly showing that UBS and Highland Capital had a prior course of conduct in which UBS permitted Highland Capital to settle trades "at its fund level." (Ds.'s Findings, ¶¶ 80-81.) Parol evidence of course of conduct is not admissible to construe an unambiguous contract. (See e.g. Sigismondi v Queens Transit Corp., 38 AD2d 71, 73 [2d Dept 1971], affd no opinion 32 NY2d 745 [1973]; Evans v Famous Music Corp., 1 NY3d 452, 459 [2004].)

The court further notes that even if Highland Capital could recover on its counterclaim, the damages it seeks are not recoverable. Highland Capital seeks a finding that because the CLOs continued to perform until maturity, "it would have profited \$46 million" if it had been permitted to exercise its right of first refusal to purchase the CLOs. (Ds.'s Findings, ¶ 82; DX Demo. 9.) As Highland Capital acknowledges, however, the market value of the CLOs at the time of breach was \$1,934,214. (DX Demo. 9.) The measure of damages, as explained above in connection with Highland Capital's claim for offsets against UBS's damages, is the market value of the assets as of the date of breach, not the increase in their value in the indefinite future.

Offset for Unjust Enrichment

Highland Capital also seeks judgment on its second counterclaim alleging that UBS was unjustly enriched by its failure to permit Highland Capital, through its affiliate CLO Value Fund, to purchase the Collateral Obligations upon termination. This claim for unjust enrichment is not maintainable as the right to purchase is governed by contract—the CWA. (See generally Pappas v Tzolis, 20 NY3d 228, 234 [2012], rearg denied 20 NY3d 1075 [2013]; Clark-Fitzpatrick, Inc. v Long Is. R.R. Co., 70 NY2d 382, 388-389 [1987].)

Offset for Settlements with Highland Affiliates

Highland also requests an offset for settlements with three Highland Affiliates—Highland Credit Strategies Master Fund, L.P. (Credit Strategies), Highland Crusader Offshore Partners, L.P. (Crusader Offshore), and Highland Crusader Holding Corporation (Crusader Holding) (collectively, the Settling Highland Affiliates). Credit Strategies and Crusader Offshore were defendants in this action. UBS asserted its fraudulent conveyance cause of action against them as well as all of the other defendants. (Second Am Compl., Fifth Cause of Action.) Crusader Holding was a defendant in a separate complaint, which asserted a fraudulent conveyance cause of action against it. (UBS Secs. LLC v Highland Crusader Holding Corp., Sup Ct, NY County, Index No. 652646/11, Compl., First Cause of Action; Ps.'s Letters, dated July 21, 2015 [NYSCEF Doc. No. 397]; Jan. 7, 2016 [NYSCEF Doc. No. 398].) This court bifurcated the trial of this action, directing that it would first hold a bench trial on the breach of contract claims, which were triable by the court and are the subject of this decision, and that the fraudulent conveyance and other claims, which are triable by a jury, would be heard subsequently. (May 1, 2018 Decision on the Record [NYSCEF Doc. No. 494].)

The parties dispute whether the confidential settlements (DX 76 id and DX 77 id) may be considered in this action. They also dispute whether the settlements may be offset, pursuant to statute or case law, against the damages awarded by this decision to UBS against the Fund Counterparties on the breach of contract causes of action. (See Ps.'s Post-Trial Memo., at 14-21; Ds.'s Post-Trial Memo., at 15-19, 21-24.)

Even assuming, without deciding, that the damages may be subject to offset by the settlements, the determination of whether or to what extent the offset should be allowed must await determination of the jury trial. Where an offset for a settlement is sought, "the damages against which the settlement is sought to be applied should be determined so a proper comparison can be made between them and the damages covered by the settlement." (Carter v.

State of New York, 139 Misc 2d 423, 429 [Ct Cl, 1988], affd 154 AD2d 642 [2d Dept 1989];
accord Moller v North Shore Univ. Hosp., 12 F3d 13, 16 [2d Cir 1993] [applying New York
law].)

Here, Highland argues that the causes of action against the settling defendants are
“wholly derivative of its breach-of-contract claims against the Fund counterparties.” (Ds.’s Post-
Trial Memo., at 16.) UBS persuasively argues, in opposition, that the fraudulent conveyance
causes of action seek relief in addition to compensatory damages, including imposition of a
constructive trust and punitive damages. (Ps.’s Post-Trial Memo, at 22-24; Second Am. Compl.,
at 57-58.) Moreover, the damages, if any, that will be awarded against the Fund Counterparties
and Highland Capital on the fraudulent conveyance cause of action remain to be determined at
the jury trial. On this record the court accordingly cannot compare the settlements with the
fraudulent conveyance damages. Nor is there any basis for the court to determine the extent to
which the settlements cover the same damages, or damages that overlap with, the breach of
contract damages awarded to UBS against the Fund Counterparties by this decision. The
determination of the offset issue will therefore be deferred pending the jury trial. As it appears,
however, that Highland may be entitled to an offset for some or all of the settlement amounts, the
court will stay enforcement, to the extent of the settlement amount (\$70.5 million), of the
judgment to be awarded to UBS against the Fund Counterparties for the damages for breach of
contract.

Conclusion

UBS is entitled to damages for \$519,374,149 on the third and fourth causes of action
against the Fund Counterparties for breach of the Cash Warehouse and Synthetic Warehouse
Agreements. Enforcement of the judgment for this amount will be stayed up to \$70.5 million,
the amount of the settlements with the Settling Highland Affiliates.

ORDER

It is hereby ORDERED that the parties shall meet and confer with a view to reaching agreement on the form of the judgment, including but not limited to the Allocation Percentages of CDO Fund and SOHC, and the award of interest. If the parties are unable to reach such agreement, they shall promptly settle judgment; and it is further

ORDERED that this decision shall be filed under seal for ten business days from the date hereof to afford the parties the opportunity to confer and to advise the court as to whether there is any information in the decision which is claimed by any party to be confidential. The parties shall, within five business days of the date hereof, submit a joint letter of no more than three pages, advising the court of their positions on this issue. The letter should be accompanied by a joint copy of the decision, highlighting the portion(s) of the decision which each party claims is confidential and should be redacted in the decision that will be publicly filed; and it is further

ORDERED that the parties shall telephone the court on a conference call within five business days of the date hereof (at a specific date and time to be arranged with the Clerk of Part 60) to discuss the above confidentiality issue as well as the jury trial phase of this action. The parties should be prepared to address whether, or to what extent, the jury trial may proceed in light of Highland Capital's filing of a bankruptcy petition.²²

This constitutes the decision and order of the court.

Dated: New York, New York
November 14, 2019


MARCY FRIEDMAN, J.S.C.

²² By letter dated October 17, 2019 (NYSCEF Doc. No. 640), counsel (Reid Collins & Tsai LLP) for Highland Capital, the Fund Counterparties and other Highland defendants, advised the court of Highland Capital's bankruptcy filing, and represented that the automatic stay does not preclude decision of the causes of action against the Fund Counterparties or the counterclaim by Highland Capital. This letter sought to reserve defendants' position on the effect of the bankruptcy filing on subsequent proceedings in this action.

Nancy B. Rapoport
5841 Magini Avenue
Las Vegas, NV 89141
October 11, 2020

John Y. Bonds III
Bonds Ellis Eppich Schafer Jones LLP
420 Throckmorton St., Suite 1000
Fort Worth, TX 76102

Re: Opinion in *In re Highland Capital Management, L.P.*, Case No. 19-34054, United States Bankruptcy Court, Northern District of Texas

Dear Mr. Bonds:

You have asked me the following questions:

1. What is the likelihood that the Acis claim will be allowed for \$23 million or more if the objections are pursued?
2. How much will it cost to pursue the objections through to the 5th Circuit?
3. Does the proposed settlement advance the reorganization process through improving the likelihood of confirmation of the plan or otherwise?

My answers to your questions, and the assumptions on which my answers are based, are set forth below. First, however, I will set forth my qualifications.

Professional background. I am the Garman Turner Gordon Professor of Law at the William S. Boyd School of Law at UNLV and an Affiliate Professor of Business Law and Ethics at UNLV's Lee Business School. My work address is University of Nevada, Las Vegas, Mail Stop 1003, 4505 S. Maryland Parkway, Las Vegas, NV 89154-1003. I have been admitted and am in good standing in the following jurisdictions: United States District Court, District of Nevada (2009); Nevada Supreme Court (2008); United States District Court, Northern District of Texas (2003); Texas Supreme Court (2001); United States Supreme Court (2000); Nebraska Supreme Court (1999; inactive status); Ohio Supreme Court (1993; inactive status); United States District Court for the District of Hawaii (1988); California Supreme Court (1987; inactive status); and United States Court of Appeals for the Ninth Circuit (1987). I have been employed at UNLV and the Boyd School of Law since 2007. Prior to my work there, I served as a Professor of Law at the University of Houston Law Center (2006-07), as Dean and Professor of Law at the University of Houston Law Center (2000-06), as Dean and Professor of Law at the University of Nebraska College of Law (1998-2000), as Associate Professor¹ and Associate Dean for Student Affairs at The Ohio State University College of Law (now the Moritz College of Law) (1996-98), as an Associate Professor of Law at Ohio State (1995-98), and as an Assistant Professor of Law at Ohio State (1991-95). Before I entered academia, I was an associate attorney at Morrison & Foerster (1986-91) and a law clerk to the Hon. Joseph T. Sneed III, U.S. Court of Appeals for the Ninth Circuit (1985-86). I received my undergraduate degree from Rice University (B.A., *summa cum laude*, 1982) and my law degree from

¹ My promotion to Professor at The Ohio State University College of Law occurred as I was transitioning to the University of Nebraska College of Law.

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Stanford Law School (J.D., 1985). In 2012-2013, I served as the Interim Dean of the William S. Boyd School of Law. In 2014-2015, I served as the Senior Advisor to the President of UNLV. From July 2015-May 2016, I served as the Acting Executive Vice President and Provost of UNLV, and during July-August 2017, I served as the Acting Senior Vice President for Finance and Business of UNLV. From May 1, 2016 to July 1, 2018, I served as the Special Counsel to the President of UNLV.

As a professor, my research areas all involve the intersection of ethics with various fields: bankruptcy ethics, fees in chapter 11 cases, the behavior of lawyers generally, the ways that lawyers and legal ethics are portrayed in popular culture, the changes in the legal profession, the dynamics of law firms, the relationship of social science to the behavior of lawyers and other professionals, possible changes to legal education, and the ethics of corporate governance. I have served as one of two Reporters for the American Bankruptcy Institute's Task Force on National Ethics Rules, and I am also the Secretary and Reporter for the American Bankruptcy Institute's Task Force on Veterans and Servicemembers Affairs. In terms of my familiarity with bankruptcy law, I have testified in several bankruptcy cases, I have been a bankruptcy lawyer, and I have taught bankruptcy law. I am a Fellow of the American College of Bankruptcy and a Fellow of the American Bar Foundation. I am also a member of the American Law Institute. A true and correct copy of my expert CV is attached hereto as Attachment A.

Assumptions. In forming my opinion, you have asked me to make the following assumptions:

1. That the "convenience" class will accept the filed plan;
2. That the convenience class, administrative expenses, and other financial requirements are as set out in the Disclosure Statement [Docket No. 1080];
3. That the debtor's asset values are as set out in the Disclosure Statement;
4. That Mr. Dondero will pay all of the legal fees and expenses of Debtor's counsel that are associated with litigating the Acis claim objection; and
5. That the unsecured class of creditors, which includes the Acis claim, will consist of Pat Daugherty, Acis, UBS, and the Redeemer Committee. For the purposes of this assumption, I will also assume that the two UBS claims are really just one claim, filed in duplicate.

The documents that I have reviewed are set forth in Attachment B.

Questions presented. I have been asked to opine on the following issues:

1. What is the likelihood that the Acis claim will be allowed for \$23 million or more if the objections are pursued?
2. How much will it cost to pursue the objections through to the 5th Circuit?
3. Does the proposed settlement advance the reorganization process through improving the likelihood of confirmation of the plan or otherwise?

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Question 1. It is my opinion that, if the assumptions that I have been asked to make are correct, then the likelihood that the Acis claim will be allowed for \$23 million or more if the objections are pursued depends on a mix of questions of law that the Court can determine (without the need for any expert opinions) and questions of fact that will come into play, depending on how the Court rules on the questions of law.

In terms of answering this question, I found it helpful to break down the parties' various arguments about the Acis proof of claim into questions of law and questions of fact. My analysis of the arguments, on a point-by-point basis, is set forth in Attachment C. I am assuming that the following questions of law are "gating" questions, in that, depending on how the Court rules, any related fact-based issues either would or would not need to be litigated.

The following issues can be resolved as questions of law:

- Whether Acis's sole owners owed a fiduciary duty to their company;
- Whether Delaware law lets creditors of a limited partnership sue third parties for breach of a fiduciary duty or allow a trustee to sue on their behalf;
- Whether the doctrine of *in pari delicto* bars Acis's duty-based claims against the Debtor and other third parties;
- Whether Acis properly pleaded the preference cause of action (or, if the preference claim was not properly pleaded, whether the Omnibus Response [Docket No. 908] cured any mistakes in pleading);
- Whether, under sec. 550, a debtor can recover avoidance claims for its own benefit, or whether the benefit must inure to the estate (i.e., to the creditors of the estate);
- Whether *Bangor Punta Operations, Inc. v. Bangor & A. R. Co.*, 417 U.S. 703 (1974), prevents Acis from asserting claims against prior equity holders or third parties that were not pending when Mr. Terry purchased Acis as part of the Acis reorganization;
- Whether Acis's four claims seeking \$7 million in "Overpayments" have a legal basis (and whether those claims belong to Reorganized Acis);
- Whether Acis can maintain a civil conspiracy claim if that claim is not recognized as a statutory remedy for fraudulent transfers under Section 550;
- Whether Acis can maintain a tortious interference claim w/r/t at-will employment contracts;
- Whether Acis's breach of contract claim fails as a matter of law;
- Whether Acis's alter ego claim can go forward as a matter of law;
- Whether Acis is entitled to punitive damages under any theory of law;
- Whether, as a matter of law, Highland violated the automatic stay (based on the issue of the Court's interpretation of the Temporary Injunction);
- Whether Acis is entitled to any attorney fees;
- Whether, if Highland didn't timely object to the preserved causes of action in the Acis plan,² Highland is now barred from raising objections to the Acis claim in Highland's case; and

² Whether Highland objected to the preserved causes of action in the Acis plan is a question of fact, but it is one that does not require a hearing. The Court could take judicial notice of whether or not Highland lodged such an objection.

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- Whether any claim by Highland against Acis can be set off against the Acis claim;

The following issues are predominately fact-based but are first dependent on how the Court rules on the related questions of law:

- The value of any claims for breach of fiduciary duty;
- The value of the avoidance claims;³
- The value of any claims against prior equity holders or third parties that were not pending when Mr. Terry purchased Acis as part of the Acis reorganization;
- The value of the “overpayments” claim;
- The value of the civil conspiracy claim;
- The value of the tortious interference claim;
- The value of the breach of contract claim;
- The value of the alter ego claim;
- The amount of any punitive damages claim;
- The amount of any reasonable attorney fees;
- Whether Acis can establish that Highland violated the automatic stay and, if so, what the appropriate damages would be; and
- If the claim by Highland against Acis can be set off against the Acis claim, the resulting amount after a setoff.

As is clear from the Objections⁴ and from the Omnibus Response to the Objections,⁵ the questions of law have been thoroughly briefed. With respect to any questions of law, the Court certainly does not need to hear from an expert as to what the answers to those questions might be, though my own opinion as to the ultimate threshold question (whether there must be a benefit to the estate in order to pursue the Acis claim, or whether there need be only a benefit to Reorganized Acis, in order to maintain the various causes of action) is that, if the Acis creditors have been paid in full, Reorganized Acis has no standing to pursue its claim in Highland Capital Management’s bankruptcy case.⁶ If the Court agrees with my interpretation, then many, if not all, of the other issues would

³ And if Highland received any benefit from the alleged fraudulent transfers, then the value of the benefit to Highland.

⁴ Docket Nos. 771, 827, and 891.

⁵ Docket No. 908.

⁶ See, e.g., *Running v. Dolan (In re Goodspeed)*, 535 B.R. 302, 314-16 (Bankr. D. Minn. 2015) (Because “the amount on hand for distribution from the estate already exceeds the total amount of estimated administrative expenses and all claims [. . .] the only party to benefit from avoiding and recovering the Transfer would be the debtor.... ‘Courts have consistently held that an avoidance action can only be pursued if there is some benefit to creditors and may not be pursued if it would only benefit the debtor.’”) (citations omitted; emphasis in original); *Adelphia Recovery Trust v. Bank of America*, 390 B.R. 80, 91-95 (S.D.N.Y. 2008) (“Given that the creditors of the Obligor Debtors have received full payment with interest under the Plans, it follows that these creditors do not stand to benefit from recovery on the Bankruptcy Claims at issue here, and the ART does not have standing to bring these claims on their behalf.”); *id.* at 97 (“The Court finds as a matter of law that the terms of the Plans establish that all creditors of the Obligor Debtors have been paid in full and would not benefit from the ART’S recovery on the Fraudulent Transfer Claims under the facts alleged in the Amended Complaint, and that the ART therefore lacks standing to assert these claims.”); *Balaber-Strauss v. Harrison (In re Murphy)*, 331 B.R. 107, 122 (Bankr. S.D.N.Y. 2005) (“Courts have consistently held that an avoidance action can only be pursued if there is some benefit to creditors and may not be pursued if it would only benefit the debtor.”) (citations omitted); *cf. In re*

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fall away, causing the Acis claim to be worthless (and thus not worthwhile to compromise). On the other hand, if the Court finds that Highland is not able to lodge objections to the Acis claim, based on a theory of Highland's waiver, then the Acis claim, valued by Acis at "at least \$75 million," could possibly have significant value.⁷ Still, that value would depend on how the facts fall, after the Court hears testimony and is able to weigh the evidence.

Question 2. It is my opinion that, if the assumptions that I have been asked to make are correct, then the range of likely fees to pursue the objections through to the 5th Circuit is between approximately \$350,000 and just over \$1.1 million.

For purposes of this question, I am making some additional assumptions. I am assuming that the team that would be arguing the objections would consist of Jeffrey N. Pomerantz (hourly rate of \$1,075), Beth E. Levine (hourly rate of \$825), Steven W. Golden (hourly rate of \$625), and Karina K. Yee (hourly rate of \$400).⁸ Naturally, Pachulski Stang Ziehl & Jones LLP could choose any combination of partners, attorneys who are listed as Of Counsel, associates, and paralegals to litigate these issues. I assume, however, that the firm would not use everyone who is listed in its fee applications. I thus chose Mr. Pomerantz because I have known him for several years (and I have a great deal of respect for him), Ms. Levine because of her relative seniority, Mr. Golden because most litigation teams need an associate, and Ms. Yee because virtually every good team needs a paralegal. My additional assumption is that Mr. Pomerantz would act primarily in a supervisory role, dealing only with the most complex issues and ensuring that the litigation is effective (and that the fees are reasonable), that he and Ms. Levine would take the depositions of any key personnel, given the high stakes involved, that Mr. Golden would be asked to do any less-than-key depositions and would do any additional legal research, and that Ms. Yee would organize any exhibits, prepare trial binders, handle any technology issues at trial, and generally ensure that the day-to-day issues were managed appropriately.

With those assumptions in mind, I will make the following additional assumptions:

At the trial level.

- The questions of law have already been adequately researched, and thus, Mr. Golden might spend 10-20 hours translating that research into a trial brief (or any dispositive motions), Ms. Yee might spend 5-10 hours assisting him; and Mr. Pomerantz might spend 5-10 hours reviewing any such brief or dispositive motions;
- The entire team would have regular meetings to discuss strategy and determine which

Mirant Corp., 348 B.R. 725, 733 (Bankr. N.D. Tex. 2006) ("[W]hether a creditor whose claim has been discharged and who has received distributions (*other than full cash payment*) the value of which distributions may be affected by proposed actions brought before the court for its consideration is otherwise represented or not should not affect that creditor's right to appear and be heard.") (emphasis added); see also *In re Mirant Corp.*, 675 F.3d 530, 533-34 (2012) (holding that MC Asset Recovery did have standing to pursue an avoidance action, even though Mirant's creditors had been paid in full, because "[o]nce a trustee's avoidance rights are triggered at the time of filing, they persist *until avoidance will no longer benefit the estate* under § 550.") (emphasis added).

⁷ If the Court so finds, then it might not be worthwhile to Acis to settle the claim for \$23 million.

⁸ Docket No. 971 at 4 (listing the hourly rates of the firm).

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member of the team would have which responsibilities, with those meetings perhaps ranging from 1-2 hours per week for up to eight weeks;

- For the various depositions relating to the various fact-based issues, I am assuming that Mr. Pomerantz might take between two and four 10-hour depositions of some witnesses, Ms. Levine might take another two and four 10-hour depositions of some witnesses, and Mr. Golden might take two and four 10-hour depositions of some witnesses;
- In order to prepare for any such depositions, the various professionals would have to review documents, develop theories, think about the order of questions, and determine which exhibits would be used, so the low end for each of the professionals might be 20 hours per witness, and the high end might be 50 hours per witness;
- There are always miscellaneous activities necessary to prepare for trial, so I am assuming another 10-20 hours per professional for those activities (including the preparation of any pretrial briefs and trial notebooks, plus gaining familiarity with the trial notebooks); and
- The trial itself might take between three and five eight-hour days, plus an extra 2-4 hours per day for post-trial recap and next-day planning; and
- Any post-trial briefing might take 5-10 hours of Mr. Pomerantz's time, 5-10 hours of Ms. Levine's time, 10-20 hours of Mr. Golden's time, and 10-20 hours of Ms. Yee's time.

Based on these admittedly ballpark estimates, the trial phase might cost between approximately \$300,000 and \$975,000:⁹

⁹ As an intellectual exercise, I also considered the possibility of bifurcating a trial so that the Court first considered just the issue of whether, under sec. 550, a debtor can recover avoidance claims for its own benefit, or whether the benefit must inure to the estate (i.e., to the creditors of the estate). That question would involve the briefing of a question of law, and my estimate of the possible fees for just that portion of any trial ranged from approximately \$20,000 to approximately \$33,000:

If just the sec. 550 issue is argued:	Jeffrey N. Pomerantz (\$1,075/hour)	Beth E. Levine (\$825/hour)	Steven W. Golden (\$625/hour)	Karina K. Yee (\$400/hour)	Total
Low end of creating briefs on just sec. 550 issue (3 hrs for JP, 3 hrs for SG, 3 hrs for KY)	\$3,225.00	\$0	\$1,875.00	\$1,200.00	\$6,300.00
High end of creating briefs on just sec. 550 issue (5 hrs for JP, 5 hrs for SG, 5 hrs for KY)	\$5,375.00	\$0	\$3,125.00	\$2,000.00	\$10,500.00
Team meetings (assume 2 weeks)	\$2,150.00	\$1,650.00	\$1,250.00	\$800.00	\$5,850.00
Assume a one-day, 4-hour trial on the Sec. 550 issue	\$4,300.00	\$3,300.00	\$2,500.00	\$1,600.00	\$11,700.00
Total, low end	\$9,675.00	\$4,950.00	\$5,625.00	\$3,600.00	\$23,850.00
Total, high end	\$10,025.00	\$3,250.00	\$16,075.00	\$2,800.00	\$32,150.00

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	Jeffrey N. Pomerantz (\$1,075/hour)	Beth E. Levine (\$825/hour)	Steven W. Golden (\$625/hour)	Karina K. Yee (\$400/hour)	Total
Low end of creating briefs	\$5,375.00	\$0	\$6,250.00	\$2,000.00	\$13,625.00
High end of creating briefs	\$10,750.00	\$0	\$12,500.00	\$4,000.00	\$27,250.00
Low end of team meetings	\$8,600.00	\$6,600.00	\$5,000.00	\$3,200.00	\$23,400.00
High end of team meetings	\$17,200.00	\$13,200.00	\$10,000.00	\$6,400.00	\$46,800.00
Low end of depositions	\$21,500.00	\$16,500.00	\$12,500.00	\$0	\$50,500.00
High end of depositions	\$43,000.00	\$33,000.00	\$25,000.00	\$0	\$101,000.00
Low end of depo prep	\$43,000.00	\$33,000.00	\$25,000.00	\$16,000.00	\$117,000.00
High end of depo prep	\$215,000.00	\$165,000.00	\$125,000.00	\$80,000.00	\$585,000.00
Low end of trial plus recap/planning	\$32,250.00	\$24,750.00	\$18,750.00	\$12,000.00	\$87,750.00
High end of trial plus recap/planning	\$64,500.00	\$49,500.00	\$37,500.00	\$24,000.00	\$175,500.00
Low end of post-trial briefing	\$5,375.00	\$4,125.00	\$6,250.00	\$4,000.00	\$19,750.00
High end of post-trial briefing	\$10,750.00	\$8,250.00	\$12,500.00	\$8,000.00	\$39,500.00
Total, low end	\$116,100.00	\$84,975.00	\$73,750.00	\$37,200.00	\$312,025.00
Total, high end	\$361,200.00	\$268,950.00	\$222,500.00	\$122,400.00	\$975,050.00

The appeal(s). Because any appeals would focus more on errors of law than on attempts to argue that the Court made clearly erroneous findings of fact, if I assume an intermediate level of appeal (to the District Court or the Bankruptcy Appellate Panel), then I would assume:

- For the preparation and drafting of briefs, 3-5 hours for Mr. Pomerantz, 3-5 hours for Ms. Levine, 10-20 hours for Mr. Golden, and 5-10 hours for Ms. Yee;
- For the preparation for argument and the argument itself, 10-15 hours for Mr. Pomerantz and 5-10 hours for some additional research or factual questions for which Mr. Pomerantz might want Mr. Golden's assistance;
- For post-argument team meetings, 1 hour per professional; and
- A built-in "miscellaneous" of two hours a week per professional.

Based on these admittedly ballpark estimates, the first appeal phase might cost between approximately \$36,000 and \$60,000:

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	Jeffrey N. Pomerantz (\$1,075/hour)	Beth E. Levine (\$825/hour)	Steven W. Golden (\$625/hour)	Karina K. Yee (\$400/hour)	Total
Low end for preparation and drafting of briefs	\$3,225.00	\$2,475.00	\$6,250.00	\$2,000.00	\$13,950.00
High end for preparation and drafting of briefs	\$5,375.00	\$4,125.00	\$12,500.00	\$4,000.00	\$26,000.00
Low end for preparation of argument and argument	\$10,750.00	\$0	\$3,125.00	\$0	\$13,875.00
High end for preparation and argument	\$16,125.00	\$0	\$6,250.00	\$0	\$22,375.00
Post-argument team meetings	\$1,075.00	\$825.00	\$625.00	\$400.00	\$2,925.00
Misc., including team meetings of an hour a week for a month and "other" of an hour a week	\$2,150.00	\$1,650.00	\$1,250.00	\$800.00	\$5,850.00
Low-end total for appeal to District Court or BAP	\$17,200.00	\$4,950.00	\$11,250.00	\$3,200.00	\$36,600.00
High-end total for appeal to District Court or BAP	\$24,725.00	\$6,600.00	\$20,625.00	\$5,200.00	\$57,150.00

I would assume roughly the same expense for an additional appeal to the 5th Circuit. If the appeal went straight from the Bankruptcy Court to the 5th Circuit, per the 5th Circuit Court of Appeals Procedures for 28 U.S.C. 158(d) Appeals, then there would be only one layer of costs for an appeal. Thus, my estimate for the total work would range from approximately \$350,000 to just over \$1.1 million.¹⁰

¹⁰ Thus, one of the factors that the Court might consider is the relative cost of determining if Acis's claim has any value versus the proposed settlement's probable net benefit to the estate stemming from avoiding the costs of litigation. *See, e.g., Mohns, Inc. v. Wilson*, 498 B.R. 907, 911 (E.D. Wis. 2013) (in a chapter 13 case, the District Court stated that "the correct standard is whether it is *probable* that rejecting the settlement and litigating to judgment will net more for the estate"); *id.* at 910 ("Determining the reasonableness of a settlement requires comparing the amount of the settlement to the net expected gain of seeking a litigated judgment. The 'expected gain' is the gain if the judgment is favorable, discounted (that is, multiplied) by the probability of a favorable judgment. The qualification 'net' signals the need to subtract the cost of pressing ahead to judgment in order to estimate the value of litigating to judgment rather than of settling.").

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Low-end trial	\$312,025.00	High-end trial	\$975,050.00
Low-end first appeal	\$36,600.00	High-end first appeal	\$57,150.00
Low-end second appeal	\$36,600.00	High-end second appeal	\$57,150.00
Sum of low-end trial and two appeals	\$385,225.00	Sum of high-end trial and two appeals	\$1,089,350.00
Sum of low-end trial and just one appeal	\$348,625.00	Sum of high-end trial and just one appeal	\$1,032,200.00

Therefore, if the estate were to litigate all the way to the 5th Circuit, it is possible that the cost would be anywhere from approximately \$350,000 to just over \$1.1 million, with one possible outcome to be the reduction of Acis's claim from \$75 million to \$0. A second possible outcome would be that the litigation resulted in an Acis claim higher than the \$23 million suggested in the proposed settlement. But if the assumption about Mr. Dondero's willingness to reimburse the Debtor's legal expenses for such litigation is correct, then—other than time—there is no downside to postponing any consideration of a settlement and pursuing such litigation.¹¹

Question 3. It is my opinion that, even if the assumptions that I have been asked to make are correct, it is impossible, at this point, to tell whether the proposed settlement advances the reorganization process through improving the likelihood of confirmation of the plan or otherwise. It is impossible to tell because there are still too many unknowns.¹²

¹¹ See, e.g., *Conn. Gen'l Life Ins. Co. v. United Companies Financial Corp. (Matter of Foster Mortgage Corp.)*, 68 F.3d 914, 918 (5th Cir. 1996) (vacating the approval of a settlement where, among other things, objecting parties agreed to cover the costs of litigation); *Matter of Marshall*, 33 B.R. 42, 45 (Bankr. D. Conn. 1983) ("I conclude that the trustee's application should be denied. The legal issues, despite their novelty, do not appear to require an extended trial. First Bank is willing to cover the cost of litigation and a full trial will not deplete any other assets of the estate."); *In re Wells*, 26 B.R. 150, 152 (Bankr. D.R.I. 1983) (rejecting proposed compromise where "[n]ot only does the objecting creditor represent 80 percent of the interest of all creditors, but he has agreed to advance the costs to continue the state court action."); cf. *In re Qmect, Inc.*, 359 B.R. 270, 272-73 (Bankr. N.D. Cal. 2007) ("Given the availability of counsel willing to handle the litigation on a contingent fee basis, the expense to the estate of continuing the litigation does not weigh heavily in the Court's consideration.").

¹² The Debtor bears the burden of proof in terms of establishing that the proposed settlement is in the best interest of the estate. See, e.g., *Official Comm. of Unsecured Creditors v. Moeller (Matter of Age Refining, Inc.)* 801 F.3d 530, 540 (5th Cir. 2015) ("A bankruptcy court must evaluate: (1) the probability of success in litigating the claim subject to settlement, with due consideration for the uncertainty in fact and law; (2) the complexity and likely duration of litigation and any attendant expense, inconvenience, and delay; and (3) all other factors bearing on the wisdom of the compromise. These 'other' factors ... include: (i) 'the best interests of the creditors, with proper deference to their reasonable views'; and (ii) 'the extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion.'" (footnotes and citations omitted); *Comm. of Unsecured Creditors v. Cajun Elec. Power Coop., Inc. (Matter of Cajun Elec. Power Coop., Inc.)*, 119 F.3d 349, 356 (5th Cir. 1997) ("[The judge] must evaluate and set forth in a comprehensible fashion: (1) The probability of success in the litigation, with due consideration for the uncertainty in fact and law, (2) The complexity and likely duration of the litigation and any attendant expense, inconvenience and delay, and (3) All other factors bearing on the wisdom of the compromise' ... [and, in addition,] 'the court should consider the best interests of the creditors, "with proper deference to their reasonable views..." and 'the extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion'" (citations omitted); *In re*

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Insufficient information for a conclusion as to whether reducing the Acis claim changes the voting dynamics on the proposed Plan of Reorganization. Paragraph 35 of the Debtor's Motion to Compromise re Acis Claim [Docket No. 1087] states:

35. Furthermore, the settlement embodied in the Settlement Agreement and the Release is in the best interests of *all* creditors. The Acis Proof of Claim was filed for "at least" \$75 million, and that \$75 million was substantially below what Acis contended its claim was actually worth (which, on information and belief, was in excess of \$200 million with punitive damages). Furthermore, Acis's ongoing lawsuits against the Debtor and its employees were a costly and time-intensive endeavor and a substantial impediment to the Debtor's restructuring. Resolving the Acis Proof of Claim—not to mention the Terry Proof of Claim, the Acis LP Proof of Claim, and the various claims against the Debtor's employees—for a \$23-million allowed claim plus approximately \$1 million in cash payments on the effective date of a plan and the waiver of the Debtor's *disputed* claims in the Acis Bankruptcy Case represents a substantial benefit to the Debtor's estate and a huge step towards confirmation of the Plan and the Debtor's exit from bankruptcy.

I find it impossible to conclude, one way or another, whether the proposed settlement constitutes "a huge step towards confirmation of the Plan" based on the information contained in the Disclosure Statement.¹³

Based on the Disclosure Statement [Docket No. 1080], the Convenience Claims Class (Class 5) is impaired, and the holders of claims in that class are thus entitled to vote. The Disclosure

Roquemore, 393 B.R. 474, 480 (Bankr. S.D. Tex. 2008) ("The Trustee bears the burden of establishing that the balance of the above factors supports a finding that the compromise is fair, equitable and in the best interest of the estate.") (citation omitted); *id.* at 479-80 ("Within the 5th Circuit, courts must consider: (1) The probability of success in the litigation, with due consideration for the uncertainty in fact and law, (2) The complexity and likely duration of the litigation and any attendant expense, inconvenience and delay, and (3) All other factors bearing on the wisdom of the compromise ... [as well as (4)] "Whether the compromise serves "the paramount interest of creditors with proper deference to their reasonable views" ... [and (5)] "[T]he extent to which the settlement is truly the product of arms-length bargaining and not of fraud or collusion.") (citations omitted); *In re* Final Analysis, Inc., 417 B.R. 332, 341-42 (Bankr. D. Md. 2009); *cf.* United States v. AWECO (Matter of AWECO), 725 F.2d 293 (5th Cir. 1984) (in a case involving former Rule 919(a), 5th Circuit applies the "fair and equitable" standard in reviewing approval of a proposed settlement); *but see* Motorola, Inc. v. Official Comm. of Unsecured Creditors (*In re* Iridium Op., LLC, 478 F.3d 452, 464-65 (2d Cir. 2007) (rejecting AWECO's *per se* rule requiring compliance with absolute priority rule but observing that "whether a particular settlement's distribution scheme complies with the Code's priority scheme must be the most important factor for the bankruptcy court to consider when determining whether a settlement is 'fair and equitable under Rule 9019.'")

¹³ In order to calculate whether a particular class has voted to accept the plan, one would start with 11 U.S.C. § 1126(c): "A class of claims has accepted a plan if such plan has been accepted by creditors, other than any entity designated under subsection (e) of this section, that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors, other than any entity designated under subsection (e) of this section, that have accepted or rejected such plan."

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Statement estimates that the Convenience Claims Class is likely to recover 75% of the claim value for the claims in that class.¹⁴ A Convenience Claim is defined as “any prepetition unsecured Claim against the Debtor other than an Unpaid Employee Claim that is voluntarily reduced to an Allowed amount less than or equal to \$2,500,000.”¹⁵ Based on my experience,¹⁶ including the fact that the Convenience Claim definition is based on a seven-figure amount, I would assume that the Convenience Class will vote to accept the plan.

The General Unsecured Class (Class 7) is also impaired, and the holders of claims in that class are thus entitled to vote.¹⁷ The Disclosure Statement estimates that “the non-subordinated, unsecured Claims against the Debtor, including claims filed by certain Related Entities and affiliates but excluding claims filed by Acis, UBS, the Redeemer Committee, Patrick Daugherty, Integrated Financial Associates, Inc. (“IFA”), Hunter Mountain, and the HarbourVest Entities should total approximately \$26.1 million.”¹⁸

Claim	Estimated or potentially compromised claim value	Original amount of POC
Non-subordinated, unsecured Claims against the Debtor, including claims filed by certain Related Entities and affiliates but excluding claims filed by Acis, UBS, the Redeemer Committee, Patrick Daugherty, Integrated Financial Associates, Inc. (“IFA”), Hunter Mountain, and the HarbourVest Entities	\$26.1 million	\$26.1 million
Acis	\$23 million ¹⁹	At least \$75 million ²⁰
UBS Securities Claim	Unknown—Debtor has objected to the claim ²¹	\$1,039,957,799.40 ²²
UBS Claim	Unknown—Debtor has objected to the claim ²³	\$1,039,957,799.40 ²⁴

¹⁴ Docket No. 1080 at 19; *see also id.* at 44.

¹⁵ *Id.* at 47.

¹⁶ And that experience is in line with the assumption that you have asked me to make about the Convenience Class accepting the plan.

¹⁷ *Id.* at 19; *see also id.* at 44.

¹⁸ *Id.* at 28.

¹⁹ Docket No. 1087 at 9.

²⁰ Acis Proof of Claim (Claim No. 23).

²¹ Docket No. 1080 at 31.

²² *Id.*

²³ *Id.*

²⁴ *Id.*

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Redeemer Committee	\$136,696,610 ²⁵	At least \$190,824,557 ²⁶
Crusader Funds	\$50,000 ²⁷	\$55,796,446 ²⁸
Patrick Daugherty	"[T]he Debtor believes that the Daugherty Claim should be allowed in the amount of \$3,722,019...." ²⁹	Unliquidated, but Disclosure Statement states that the amount is at least \$37,483,876.62 ³⁰
IFA	Unknown—Debtor has objected to the claim ³¹	\$241,002,696.73 ³²
Hunter Mountain	Unknown—Debtor has objected to the claim ³³	\$60,298,739 ³⁴
HarbourVest Entities	Unknown—Debtor has objected to the claim ³⁵	Over \$100,000,000 ³⁶
Estimated totals, <u>including</u> the \$26.1 million of the rest of the GUC	Unknown—will depend on claims estimation or results of claims objection litigation ³⁷	\$2,866,421,905.15

The claims to which the Debtor has filed objections are the UBS Securities Claim (\$1,039,957,799.40), the UBS Claim (\$1,039,957,799.40), IFA (\$241,002,696.73), Hunter Mountain (\$60,298,739), and HarbourVest Entities (over \$100,000,000). Even assuming that the HarbourVest Entities Claim is *at most* \$100,000,000, the total of those remaining claims is \$2,481,217,034.53. I have no way of knowing if the Debtor will be successful in its objections to these claims. I also have no way of knowing what the Debtor might estimate the amounts of these disputed claims to be for voting purposes.³⁸ But unless the Debtor provides the Court with information about (1) the likely

²⁵ Per Docket No. 1080, the Debtor will be seeking approval of a settlement that values this claim at \$136,696,610. *Id.* at 39.

²⁶ Claim No. 72.

²⁷ Per Docket No. 1080, the Debtor will be seeking approval of a settlement that values this claim at \$50,000. *Id.* at 39.

²⁸ Claim No. 81.

²⁹ Docket No. 1080 at 32.

³⁰ *Id.*

³¹ Docket No. 1080 at 39-40.

³² Claim No. 93.

³³ Docket No. 1080 at 40.

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

³⁷ If I were to add up the values of only those claims that have been estimated or for which proposed compromises are before the Court, that total is only \$189,568,629.

³⁸ Based on assumption #6, above, I have calculated the size of the UBS claim that would have to be estimated for voting purposes in order to avoid having UBS's vote carry the class of general unsecured claims. Using only the claims that you've asked me to consider, then the Debtor could estimate the UBS claim at \$82,320,000 and still have an

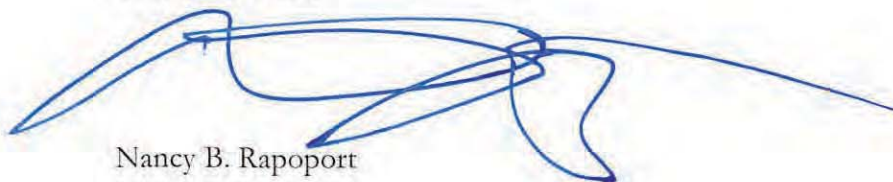
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values for claims estimation and (2) the likely cost of actually litigating the Acis claim, the Debtor cannot make a viable argument as to whether reducing the Acis claim changes the voting dynamics on the proposed Plan of Reorganization and whether the proposed settlement with Acis is in the best interests of all of the creditors. If I were to assume that the general unsecured class votes in favor of the plan, the Debtor would still have to establish that the plan is confirmable pursuant to 11 U.S.C. § 1129(a). If the general unsecured class votes to reject the plan, the Debtor would still have to establish that the plan is confirmable pursuant to 11 U.S.C. § 1129(b). An analysis of the ability of the Debtor to meet the requirements of Section 1129 is beyond the scope of this opinion.

Because the Debtor has not yet valued the remaining disputed claims (thus making the evaluation of the \$23 million settlement amount of the Acis claim, in terms of voting power among the total general unsecured claims, impossible), then the only other way to evaluate the proposed settlement is in terms of whether it is better to settle the Acis claim or litigate it. If my assumptions as to the potential fees involved in any litigation of the Acis claim are correct, then determining the value of the claim, from initial trial through an appeal to the 5th Circuit, might range from approximately \$350,000 to \$1.1 million.³⁹ It is my opinion that spending up to approximately \$1.1 million to determine whether the value of the Acis claim is \$0, \$23 million, \$75 million, or some other figure would be a reasonable use of estate funds.

I hold the foregoing opinions to a reasonable degree of professional certainty.

Very truly yours,



Nancy B. Rapoport

accepting impaired class:

Acis's settled claim is \$23 million, and Acis votes in favor of the plan	\$23,000,000.00	
Estimated UBS claim is estimated at \$82 million (for voting purposes) and UBS votes to reject	\$82,320,000.00	
Redeemer Committee votes in favor of the plan	\$136,696,610	
Dougherty votes in favor of the plan	\$3,722,019	
Total amount of claims being considered	\$245,418,629	
Amount voting to accept the plan	\$163,418,629	67%
Amount voting to reject the plan	\$82,320,000	33%

In contrast, if the UBS claim is estimated at, say, \$82,325,000, and it votes to reject the plan, then that vote to reject would cause there to be only 66% in favor of the plan, leading to cramdown considerations under Section 1129(b).

³⁹ Or, if the parties chose to bifurcate the trial in order to determine whether, under sec. 550, a debtor can recover avoidance claims for its own benefit, or whether the benefit must inure to the estate (i.e., to the creditors of the estate), then the estimate for just that portion of the trial would likely range from approximately \$20,000 to approximately \$33,000, given that that portion of the trial would simply involve the adjudication of a question of law. See n.9, *supra*.

NANCY B. RAPOPORT, J.D.

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IMDB.com page: <http://imdb.com/name/nm1904564/>
Blog: <https://nancyrapoport.blog/>

EDUCATION

Stanford Law School, J.D. (1985)

Selected activities and honors:

- Note Editor, STANFORD LAW REVIEW (1984-85).
- Thesis: *Computer Program for Secured Transactions* (1985).
- Technical assistant in various law school and all-university plays (1983-85)
- First Place, Stanford Women's Intramural Powerlifting Competition (1985).

Rice University, B.A., *summa cum laude*, Legal Studies and Honors Psychology (1982)

Selected activities, honors, and scholarships:

- Senior Thesis: *The Effects of Time of Day on Cognitive Performance*, Psychology Department (1982).
- Phi Beta Kappa (1981).
- Houston Psychological Association Award for Excellence in Psychology (1982).
- Jones College Scholar (1981-82) and Academic Coordinator, Jones College (1980-82).
- President, Rice Hillel (1980-82).
- Student Advisor, Lovett College (1979-80).
- Member, Student Admissions Committee (1979-82).
- Founder, Rapoport Prize in Legal Studies (1982).
- Scholarships: Max Roy Scholarship (1979-80, 1981-82); Jones College Scholarship (1981-82); Board of Governors Scholarship (1980-81).

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EMPLOYMENT

University of Nevada, Las Vegas

- **Special Counsel to the President (2016-18).**
- **Acting Senior Vice President for Finance and Business (summer of 2017).**
- **Acting Executive Vice President & Provost (2015-16).**
- **Senior Advisor to the UNLV President (2014-15) (member of UNLV's Cabinet).**
- **Provost's Leadership Development Academy Coordinator (2013-14); Co-Coordinator (2014-15).**

- **William S. Boyd School of Law, University of Nevada, Las Vegas**
 - **Garman Turner Gordon Professor of Law (2007-present) (formerly the Gordon Silver Professor of Law).**
 - **Interim Dean (2012-13).**

Courses: Basic Bankruptcy Law; Contracts; Professional Responsibility; Seminar on Corporate Scandals; Colloquium on Lawyers in Pop Culture; Business Law & Ethics; Bankruptcy Ethics.

- **Affiliate Professor of Business Law and Ethics, Lee Business School (renewable; 2014-present)**
 - **Co-Chair, Task Force on Scholarship, Lee Business School Strategic Planning Team (2014).**

Responsibilities and Accomplishments as Special Counsel to the President:

- The Executive Director of the Office of Compliance, the Ombuds Panel, the Special Projects Director, and the Interim Executive Director of the Office of Community Engagement reported to me.
- Coordinated, with Kyle Kaalberg (Special Projects Director), the continued implementation of UNLV's strategic plan (Top Tier). In late 2018, UNLV was added to the list of Carnegie R1 institutions.
- Served as a member of the President's Cabinet.
- Coordinated and monitored compliance activities across UNLV.
- Interacted frequently with members of the Board of Regents and the Nevada System of Higher Education.

Responsibilities and Accomplishments as Acting Executive Vice President and Provost:

- The deans of the School of Allied Health Sciences, the Lee Business School, the School of Community Health Sciences (now the School of Public Health), the School of Dental Medicine, the College of Education, the Howard R. Hughes College of Engineering, the College of Fine Arts, the Graduate College, the Honors College, the William F. Harrah College of Hotel Administration, the William S. Boyd School of Law, the College of Liberal

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Arts, the School of Medicine (co-reporting to the President), the School of Nursing, the College of Sciences, and the Greenspun College of Urban Affairs reported to me, as did the Senior Vice Provost, the Vice Provost for Information Technology, the Assistant Vice President of Academic Resources, the Associate Vice Provost for the Office of Decision Support, and the Special Assistant to the Executive Vice President and Provost.

- Chaired the board of directors of UNLV Singapore Ltd.
- Worked with President Jessup, two co-chairs of the Top Tier Plan, and the chairs and co-chairs of five committees, to implement year one of the Top Tier strategic plan.
- Repaired relationships with the Faculty Senate.
- Hired three new deans (Liberal Arts, Fine Arts, and Allied Health) and one acting dean (Sciences).
- Reinstated the three-year dean review process and provided more autonomy to the deans of schools and colleges.

Responsibilities and Accomplishments as Acting Senior Vice President for Finance & Business:

- The departments of Planning and Construction, Budgets, Campus Audit, Human Resources, Facilities Management, Administration (Delivery Service, Telecommunication Services, Parking Services, and Real Estate), Risk Management and Safety, Purchasing, and the Controller reported to me.
- Served as a member of the negotiating team for the Las Vegas Stadium (Las Vegas Raiders).
- Repaired a challenging set of internal management issues.

Responsibilities and Accomplishments as Senior Advisor to the UNLV President:

- Developed the strategic plan (Top Tier) by working in concert with former Presidents Donald Snyder and Len Jessup, Jim Thomson (the Special Advisor to the President for Regional Development and also the former CEO of the RAND Corp.), our consultants (Academic Leadership Associates), Kyle Kaalberg (then the Special Assistant to the President's Chief of Staff), over 200 stakeholders inside and outside UNLV.
- Continued to serve as the point person for the execution of UNLV's strategic plan during all other central administration roles.

Responsibilities and Accomplishments as Interim Dean of Boyd School of Law:

- The Associate Dean for Academic Affairs, the Associate Dean for Student Affairs, the Associate Dean for Administration and External Affairs, the Associate Dean for Faculty Development and Research, the Director of the Wiener-Rogers Law Library, the Director of Information Technology and the Budget Director all reported to me.
- Managed a budget of roughly \$20 million.
- Facilitated the conversion process for legal writing professors to move from long-term contracts to tenure-track positions and facilitated the hiring of two new tenure-track professors.
- Significant fundraising success; systematized certain internal functions; and facilitated a review of our curriculum.

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- *Honors:* Named “Dean of the Year” by Boyd law students in 2013.

University of Houston Law Center

Professor of Law (2006-07).

Dean (2000-06).

Responsibilities and Accomplishments as Dean:

- The Associate Dean for Academic Affairs, the Associate Dean for Student Affairs, the Director of the O’Quinn Law Library, the Associate Dean for Information Technology, the Associate Dean for Finance and Administration and Chief Operating Officer of the Law Foundation, the Associate Dean for External Affairs and Executive Director of the Law Foundation, and the Director of CLE all reported to me.
- Presided over a record increase in the amount and size of gifts to the Law Center, even during a downturn in the economy; raised seven new Law Center professorships, in partnership with a special campaign of the University of Houston, in under two months.
- Facilitated the establishment of several new centers, programs, and institutes, including the Criminal Justice Institute, the Institute for Energy, Law & Enterprise (now the Program in Energy, Environment & Natural Resources), and the Center for Consumer Law.
- Reinvigorated the Blakely Advocacy Institute (BAI) and acquired the A.A. White Center for Dispute Resolution as part of the BAI.
- Encouraged the first major revamping of the Law Center’s curriculum in twenty years.
- Hired fourteen new faculty members (three of which hold endowed chairs at the Law Center).
- Facilitated the Law Center’s recovery from the devastation caused by Tropical Storm Allison on June 9, 2001, which poured over 12 feet of water into the Law Center’s sub-basement and destroyed much of its library collection (over 175,000 volumes and 1,000,000 microfiche lost) and all of the Law Center’s facilities. As part of the lessons learned during our recovery, hosted Loyola University New Orleans College of Law after Hurricane Katrina, until it could recover and return to New Orleans.

University of Nebraska College of Law

Dean and Professor of Law (1998-00).

Responsibilities and Accomplishments as Dean:

- The Associate Dean, the Assistant Dean for Administration and Student Services, the Assistant Dean for Career Services and Alumni Relations, the Director of the Law Library, the Director of Development, the Office Manager, and the Acting Head of the Nebraska Institute for Technology in the Practice of Law all reported to me.
- Instituted the creation of a new Access database to enable all Law College administrative units to organize and share information; improved our systems for the scheduling of Law College events, the timely review of employees, and the cultivation and stewardship of donors; initiated the design of the new “image” of the Law College; and revamped the furnishings of the student lounge (at zero cost to the Law College).

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- Raised significant funds for such needs as scholarships and professorships.
- Encouraged the establishment of new student organizations (including an organization for law students who preferred non-traditional career paths and a GLBT student organization).
- Encouraged the development of a link between an undergraduate “learning community” and the Law College.

Moritz College of Law, The Ohio State University

Professor (1998).

Associate Dean for Student Affairs (1996-98).

Associate Professor (with tenure) (1995-98).

Assistant Professor (1991-95).

Responsibilities and Accomplishments as Associate Dean for Student Affairs:

- Assistant Dean of Admissions and Financial Aid, the Financial Aid Counselor and Staff Assistant, and the Placement Director reported to me.
- Counseled potential applicants regarding admission to College of Law and counseled existing students on academic and non-academic issues.
- With our Development Director, facilitated the establishment and maintenance of scholarships and other relationships with donors.

Morrison & Foerster LLP

Associate, Bankruptcy and Workouts Group, Business Department (1986-91).

- Bankruptcy cases included *In re Toy Liquidating Co. (Worlds of Wonder)*, *Plexus*, *Greyhound*, *Nucorp*, and *California Land & Cattle Co.*
- Significant experience in bankruptcies involving industries such as toy manufacturers, computers, livestock, and television stations.

**The Hon. Joseph T. Sneed, United States Court of Appeals for the Ninth Circuit
Judicial Clerk (1985-86).**

PUBLICATIONS, GRANTS, SPECIAL TRAINING, AND PRESENTATIONS

Works in progress

- Nancy B. Rapoport & Joseph R. Tiano, Jr., *Using Data Analytics to Predict an Individual Lawyer's Legal Malpractice Risk Profile (Becoming an LPL "Precog")*, ____ U. PA. J. L. & PUB. AFF. ____ (forthcoming 2020).
- Nancy B. Rapoport & Joseph R. Tiano, Jr., *The Legal Industry's Second Chance To Get It Right*, ____ WILLAMETTE L. REV. ____ (forthcoming 2020).
- Nancy B. Rapoport, *Help Your Provost Help You During Promotion and Tenure Decisions*, ____ THE GREEN BAG ____ (forthcoming 2020).

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- BERNARD A. BURK, VERONICA J. FINKELSTEIN & NANCY B. RAPOPORT, *ETHICAL LAWYERING: A GUIDE FOR THE WELL-INTENTIONED* (Wolters Kluwer, forthcoming 2021).

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- NANCY B. RAPOPORT & JEFFREY D. VAN NIEL, *CORPORATE SCANDALS AND THEIR IMPLICATIONS* (3d ed.) (West Academic 2018).
- BLOOMBERG BNA BANKRUPTCY LAW TREATISE, *A TREATISE WITH REAL-TIME UPDATES* (contributing editor) (Bloomberg BNA 2014).
- NANCY B. RAPOPORT & JEFFREY D. VAN NIEL, *LAW FIRM JOB SURVIVAL MANUAL: FROM FIRST INTERVIEW TO PARTNERSHIP* (Wolters Kluwer 2014).
- NANCY B. RAPOPORT & JEFFREY D. VAN NIEL, *LAW SCHOOL SURVIVAL MANUAL: FROM LSAT TO BAR EXAM* (Aspen Publishers / Wolters Kluwer 2010).
- NANCY B. RAPOPORT, JEFFREY D. VAN NIEL & BALA G. DHARAN, *ENRON AND OTHER CORPORATE FIASCOS: THE CORPORATE SCANDAL READER* (Foundation Press 2d ed. 2009).
- STEVEN L. EMANUEL, *STRATEGIES & TACTICS FOR THE MBE* (Aspen Publishers / Wolters Kluwer 2009) (one of several revision authors).
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- LOIS R. LUPICA & NANCY B. RAPOPORT, CO-REPORTERS, *FINAL REPORT OF THE ABI NATIONAL ETHICS TASK FORCE* (2013), available at https://abi-org-corp.s3.amazonaws.com/materials/Final_Report_ABI_Ethics_Task_Force.pdf.

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- Nancy B. Rapoport, *Compromising One's Principles: The Lesson of Mahlon Perkins and the Berkey-Kodak Case*, in NANCY B. RAPOPORT & JEFFREY D. VAN NIEL, *CORPORATE SCANDALS AND THEIR IMPLICATIONS* 545 (3d ed.) (West Academic 2018).
- Nancy B. Rapoport, *Social Media Ethics Missteps for Lawyers (and Others)*, *PROCEEDINGS OF THE SIXTIETH ANNUAL ROCKY MOUNTAIN MINERAL LAW INSTITUTE* 3-1 (July 2014), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2557095.
- Nancy B. Rapoport, *Analysis and the Arts*, in ZENON BANKOWSKI, MAKSYMILIAN DEL MAR & PAUL MAHARG, *THE ARTS AND THE LEGAL ACADEMY: BEYOND TEXT IN LEGAL EDUCATION* 101 (Ashgate Press 2012) (solicited essay), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2464202.
- COLLIER COMPENSATION, EMPLOYMENT AND APPOINTMENT OF TRUSTEES AND PROFESSIONALS IN BANKRUPTCY CASES (Lexis-Nexis 2009) (one of several revision authors).

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- Nancy B. Rapoport & Jeffrey D. Van Niel, *Dr. Jekyll & Mr. Skilling: How Enron's Public Image Morphed from the Most Innovative Company in the Fortune 500 to the Most Notorious Company Ever*, in *ENRON: CORPORATE FIASCOS AND THEIR IMPLICATIONS* 77 (Nancy B. Rapoport & Bala G. Dharan, eds.) (Foundation Press 2004), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=505662.

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- Nancy B. Rapoport, *Using General Counsel to Set the Tone for Work in Large Chapter 11 Cases*, 88 FORDHAM L. REV. 1727 (2020) (solicited manuscript) (presented at the Stein Center for Law and Ethics Colloquium on Corporate Lawyers (October 2019)), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3591118.
- Nancy B. Rapoport, *Client-Focused Management of Expectations for Legal Fees in Large Chapter 11 Cases*, 28 AM. BANKR. INST. L. REV. 39 (2020), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3541347.

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- Nancy B. Rapoport & Joseph R. Tiano, Jr., *Leveraging Legal Analytics and Spend Data as a Law Firm Self-Governance Tool*, XIII J. BUS., ENTREPRENEURSHIP & L. 71 (2019) (presented at Arizona State University's 7th Annual Conference on the Governance of Emerging Technologies & Science: Law, Policy & Ethics (May 2019)), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3525660.
- Nancy B. Rapoport & Joseph R. Tiano, Jr., *Legal Analytics, Social Science, and Legal Fees: Reimagining "Legal Spend" Decisions in an Evolving Industry*, Georgia State Symposium on Legal Analytics, 35 GA. ST. U. L. REV. 1269 (2019), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3418465.
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- Nancy B. Rapoport, *How Teams Can Help You (or Hurt You) When It Comes to Ethics*, December 2017 ABI J. 24, available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3085229.
- Nancy B. Rapoport & Charlie Douglas, *High Performance Organizational Teams*, LISI Estate Planning Newsletter #2563 (July 3, 2017), available at <http://www.leimbergservices.com> and at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2998424.
- Nancy B. Rapoport, *In Praise of Margaret Howard*, 74 WASH. & LEE L. REV. 641 (2017), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2981404.
- Nancy B. Rapoport, *Ethics: Why We Must Play Well with Others (and Why We Don't)*, Rocky Mountain Mineral Law Foundation, MANUAL OF THE ADVANCED PUBLIC LANDS SPECIAL INSTITUTE 587 (2017), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2917346.
- Nancy B. Rapoport, *On Shared Governance, Missed Opportunities, and Student Protests*, 17 NEV. L.J. 1 (2016), available at <http://ssrn.com/abstract=2885539>.
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- Nancy B. Rapoport, "Nudging" Better Lawyer Behavior: Using Default Rules and Incentives to Change Behavior in Law Firms, 4 ST. MARY'S J. L. ETHICS & MALP. 42 (2014) (solicited manuscript for symposium on Legal Malpractice and Ethics), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2460078.
- Nancy B. Rapoport, *The Client Who Did Too Much*, 47 AKRON L. REV. 121 (2014) (solicited as part of the Joseph G. Miller and William C. Becker Center for Professional Responsibility's Symposium on Navigating the Practice of Law in the Wake of Ethics 20/20), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2412496.
- Nancy B. Rapoport, *Plus Ça Change, Plus C'est La Même Chose*, 17 GREEN BAG 55 (2013) (solicited manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2404069.
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- Nancy B. Rapoport, *Rethinking U.S. Legal Education: No More "Same Old, Same Old,"* 45 CONN. L. REV. 1409 (2013), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2275315.

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- Nancy B. Rapoport, Book Review, Brian Z. Tamanaha, *Failing Law Schools* (2012), 47 L. & SOC. REV. 229 (2013) (solicited review), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2233617.
- Nancy B. Rapoport, *Black Swans, Ostriches, and Ponzi Schemes*, 42 GOLDEN GATE L. REV. 627 (2012) (solicited manuscript for symposium), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2131393.
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- Nancy B. Rapoport, *Changing the Modal Law School: Rethinking U.S. Legal Education in (Most) Schools*, 116 PENN ST. L. REV. 1119 (2012), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2038409 (republished at 122 DICKINSON L. REV. 189 (2017)).
- Jennifer Gross & Nancy B. Rapoport, *Is the Attorney-Client Privilege Under Attack?*, GP | SOLO MAGAZINE 47 (October-November 2010), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1704026.
- Nancy B. Rapoport, *Rethinking Fees in Chapter 11 Bankruptcy Cases*, 5 J. BUS. & TECH. LAW 263 (2010) (solicited manuscript for University of Maryland School of Law's symposium on *Examining Government Reform in the Financial Crisis*), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1625102.
- Nancy B. Rapoport, *Through Gritted Teeth and Clenched Jaw: Court-Initiated Sanctions Opinions in Bankruptcy Courts*, 41 ST. MARY'S L.J. 701 (2010) (solicited manuscript for St. Mary's 9th Annual Symposium on *Legal Malpractice and Professional Responsibility*), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1628275.
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- Nancy B. Rapoport, *Academic Freedom and Academic Responsibility* (reviewing MATTHEW W. FINKIN & ROBERT C. POST, *FOR THE COMMON GOOD: PRINCIPLES OF AMERICAN ACADEMIC FREEDOM* (Yale University Press 2009)), in 13 GREEN BAG 2D 189 (Winter 2010) (solicited manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1544932.
- Eric Van Horn & Nancy B. Rapoport, *Restructuring the Misperception of Lawyers: Another Task for Bankruptcy Professionals*, 28 AM. BANKR. INST. JOURNAL 44 (2009), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1472211.
- Nancy B. Rapoport, *Where Have All the (Legal) Stories Gone?*, M/E INSIGHTS 7 (Fall 2009) (publication of the Association of Media and Entertainment Counsel), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1545443.
- Nancy B. Rapoport, *The real reason why businesses make bad decisions* (reviewing JONATHAN R. MACEY, *CORPORATE GOVERNANCE: PROMISES KEPT, PROMISES BROKEN* (Princeton University Press 2008)), in 18 BUS. LAW TODAY 52 (July/Aug. 2009) (solicited manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1425118.

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- Nancy B. Rapoport & Roland Bernier III, *(Almost) Everything We Learned About Pleasing Bankruptcy Judges, We Learned in Kindergarten*, 27 AM. BANKR. INST. J. 16 (July/August 2008), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1157103.
- Nancy B. Rapoport, *The Curious Incident of the Law Firm That Did Nothing in the Night-Time* (reviewing MILTON C. REGAN, JR., *EAT WHAT YOU KILL: THE FALL OF A WALL STREET LAWYER* (Univ. of Michigan Press 2004)), in 10 LEGAL ETHICS 98 (2007), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1017627 and at <http://www.tandfonline.com/doi/abs/10.1080/1460728X.2007.11423884>.
- Nancy B. Rapoport & Roland Bernier, *Bankruptcy Pro Bono Representation of Consumers: The Seven Deadly Sins*, 44 HOUS. LAWYER 18 (June 2007), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1051221.
- Nancy B. Rapoport, *Not Quite "Them," Not Quite "Us": Why It's Difficult for Former Deans to Go Home Again*, 38 U. TOLEDO L. REV. 581 (2006) (solicited manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=936251.
- Nancy B. Rapoport, *Eating Our Cake and Having It, Too: Why Real Change Is So Difficult in Law Schools*, 81 IND. L.J. 359 (2006) (solicited manuscript) (symposium at Indiana University-Bloomington School of Law—*The Next Generation of Law School Rankings*), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=703843.
- Nancy B. Rapoport, *Enron and the New Disinterestedness—The Foxes Are Guarding the Henhouse*, 13 AM. BANKR. INST. L. REV. 521 (2005) (solicited manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=936167.
- Nancy B. Rapoport, *Decanal Haiku*, 37 U. TOLEDO L. REV. 131 (2005) (solicited manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=936166.
- Nancy B. Rapoport, *Recent Developments in Bankruptcy Law*, 35 TEXAS TECH. L. REV. 543 (2004) (solicited manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=938551.
- Nancy B. Rapoport, *"Venn" and the Art of Shared Governance*, 35 U. TOLEDO L. REV. 169 (2003) (solicited manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=936247.
- Nancy B. Rapoport, *Examining Enron's enablers: Watkins' perspective makes Swartz's account stand out*, HOUSTON CHRONICLE, March 23, 2003, at Zest 15 (solicited book review).
- Nancy B. Rapoport, *Enron, Titanic, and the Perfect Storm*, 71 FORDHAM L. REV. 1373 (2003) (solicited manuscript for a special issue on ethics), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=498122; also included as an essay in ENRON: CORPORATE FIASCOS AND THEIR IMPLICATIONS 927 (Nancy B. Rapoport & Bala G. Dharan, eds.) (Foundation Press 2004).
- Nancy B. Rapoport, *The Intractable Problem of Bankruptcy Ethics: Square Peg, Round Hole*, 30 HOFSTRA L. REV. 977 (2002) (solicited manuscript for ethics symposium), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=936235.

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- Nancy B. Rapoport & Jeffrey D. Van Niel, “Retail Choice” Is Coming: Have You Hugged Your Utilities Lawyer Today? (Part II), August 2002 NORTON BANKRUPTCY LAW ADVISER 2, available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=963913.
- Nancy B. Rapoport, *Multidisciplinary Practice After In Re Enron: Should the Debate on MDP Change At All?*, TEXAS BAR JOURNAL 446 (May 2002), available at <http://www.texasbar.com/Template.cfm?Section=Home&Template=/ContentManagement/ContentDisplay.cfm&ContentID=5999>.
- Nancy B. Rapoport & Jeffrey D. Van Niel, “Retail Choice” Is Coming: Have You Hugged Your Utilities Lawyer Today? (Part I), February 2002 NORTON BANKRUPTCY LAW ADVISER 4, available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=963912.
- Nancy B. Rapoport, *Is “Thinking Like a Lawyer” Really What We Want to Teach?*, in *Erasing Lines: Integrating the Law School Curriculum*, 2001 ALWD CONF. PROCEEDINGS 91, available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=936248.
- Nancy B. Rapoport, *When Local IS Global: Using a Consortium of Law Schools to Encourage Global Thinking*, 20 PENN STATE INT’L LAW REVIEW 19 (2001) (transcript of AALS Annual Meeting session).
- Nancy B. Rapoport, *Of Cat-Herders, Conductors, Fearless Leaders, and Tour Guides*, 33 U. TOLEDO L. REV. 161 (2001) (solicited manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=936245.
- Nancy B. Rapoport, *Presidential Ethics: Should a Law Degree Make a Difference?*, 14 GEO. J. L. ETHICS 725 (2001), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=260021.
- Nancy B. Rapoport, *Going from “Us” to “Them” in Sixty Seconds*, 31 U. TOLEDO L. REV. 703 (2000) (solicited manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=936171.
- Nancy B. Rapoport, *Dressed for Excess: How Hollywood Affects the Professional Behavior of Lawyers*, 14 NOTRE DAME J. OF LAW, ETHICS & PUBLIC POLICY 49 (2000) (solicited manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=936188.
- Nancy B. Rapoport, *Ratings, Not Rankings: Why U.S. News & World Report Shouldn’t Want To Be Compared To Time and Newsweek—or The New Yorker*, 60 OHIO ST. L.J. 1097 (1999), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=936246.
- Nancy B. Rapoport, *Living “Top-Down” in a “Bottom-Up” World: Musings on the Relationship Between Jewish Ethics and Legal Ethics*, 78 NEB. L. REV. 18 (1999), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=936241.
- Nancy B. Rapoport, *Moral Bankruptcy: Modeling Appropriate Attorney Behavior in Bankruptcy Cases*, THE NEBRASKA LAWYER 14 (March 1999) (solicited manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1598447.
- Nancy B. Rapoport, *The Need For New Bankruptcy Ethics Rules: How Can “One Size Fits All” Fit Anybody?*, 10 PROFESSIONAL LAWYER 20 (1998) (solicited manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=939448.

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- Nancy B. Rapoport, *Our House, Our Rules: The Need for a Uniform Code of Bankruptcy Ethics*, 6 AM. BANKR. INST. L. REV. 45 (1998) (solicited manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=936343.
- C.R. Bowles & Nancy B. Rapoport, *Has the DIP's Attorney Become the Ultimate Creditors' Lawyer in Bankruptcy Reorganization Proceedings?*, 5 AM. BANKR. INST. L. REV. 47 (1997) (symposium manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=936240.
- Nancy B. Rapoport, *Ethics: Is Disinterestedness Still a Viable Concept? A Roundtable Discussion*, 5 AM. BANKR. INST. L. REV. 201 (1997) (solicited transcript) (with co-panelists John D. Ayer, the Hon. Charles N. Clevert, the Hon. Joel Pelofsky & Bettina Whyte), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=936340.
- Nancy B. Rapoport, *Turning the Microscope on Ourselves: Self-Assessment by Bankruptcy Lawyers of Potential Conflicts of Interest in Columbus, Ohio*, 58 OHIO ST. L.J. 1421 (1997), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=938611.
- Nancy B. Rapoport, *Avoiding Judicial Wrath: The Ten Commandments for Bankruptcy Practitioners*, 5 J. BANKR. L. & PRAC. 615 (September/October 1996) (solicited manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=940769.
- Nancy B. Rapoport, *Seeing the Forest and The Trees: The Proper Role of the Bankruptcy Attorney*, 70 IND. L.J. 783 (1995), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=938527.
- Nancy B. Rapoport, *Worth Reading: Review of Annual Survey of Bankruptcy Law*, TURNAROUNDS AND WORKOUTS (Beard Group, Inc.), January 15, 1995, at 6 (solicited book review).
- Nancy B. Rapoport, *Turning and Turning in the Widening Gyre: The Problem of Potential Conflicts of Interest in Bankruptcy*, 26 CONN. L. REV. 913 (1994), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=936337.

Op-eds

- Nancy Rapoport & Mary Langsner, *Why does the bankruptcy code discriminate against disabled veterans?*, THE HILL (Jan. 24, 2019), available at <https://thehill.com/opinion/finance/426854-why-does-the-bankruptcy-code-discriminate-against-disabled-veterans>.
- Lois R. Lupica & Nancy Rapoport, *Consumer Debtors Should Not Have To Go It Alone*, DOW JONES DAILY BANKRUPTCY REVIEW (May 1, 2013), available at <http://bankruptcynews.dowjones.com/article?an=DJFDBR0020130501e951qbfa8&from=alert&pid=10&ReturnUrl=http%3a%2f%2fbankruptcynews.dowjones.com%3a80%2farticle%3fan%3dDJFDBR0020130501e951qbfa8%26from%3dalert%26pid%3d10>.
- Nancy Rapoport, *Board Smart Not to Raise the Superintendent Salary Stakes*, LAS VEGAS SUN, September 5, 2010, available at <http://www.lasvegassun.com/news/2010/sep/05/board-smart-not-raise-superintendent-salary-stakes/>.
- Nancy B. Rapoport, *Enron an Example: Grads Lost in Trees*, HOUSTON CHRONICLE, February 24, 2002, at 4H.
- Nancy B. Rapoport, *Wrestling with the Problem of Potential Conflicts of Interest in Bankruptcy*, 26 BANKRUPTCY COURT DECISIONS WEEKLY NEWS AND COMMENT (LRP Publications), March 7, 1995, at A3 (solicited editorial).

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Grants

- 2002 participant, Harvard Institutes for Higher Education Management and Leadership in Education (MLE) Program (partial scholarship from Harvard, \$1,000 in 2001—had to withdraw, due to the aftermath of Tropical Storm Allison, but returned to participate in 2002).
- 1999 participant, Harvard Institutes for Higher Education Management Development Program (MDP) (partial scholarship from Harvard, \$1,000).
- 1995 Instructional Technology Small Grant (Ohio State funds; \$850).
- 1995 West Publishing/NCAIR Fellow (\$15,000 grant for developing a computer program that teaches law students about conflicts of interest in bankruptcy law).
- 1994 participant in Summer Institute of the Law & Society Association (Wellesley, Massachusetts).
- 1993 University Seed Grant for the study of creditor representation in bankruptcy (1993 grant from Ohio State University's Office of Research & the College of Law).

Podcasts (as guest speaker)

- Jay Edelson, NON-COMPLIANT, *Episode 13: The One Where Professor Nancy Rapoport Discusses the Future of Law Firms*, July 1, 2020, available at <https://podcasts.apple.com/us/podcast/episode-13-one-where-professor-nancy-raपोपोर्ट-discusses/id1491233296?i=1000481718338>.
- Jay Edelson, NON-COMPLIANT, *Episode 14: The (Second) One Where Professor Nancy Rapoport Discusses the Future of Law Firms*, July 13, 2020, available at <https://podcasts.apple.com/us/podcast/episode-14-second-one-where-professor-nancy-raपोपोर्ट/id1491233296?i=1000484787064>.

Selected academic presentations

Anthropology of higher education / higher education generally

- Society for Applied Anthropology's 79th annual meeting, *Moving Seamlessly From Faculty Status to Administrator and Then Back Again* (March 2019).
- Society for Applied Anthropology's 78th annual meeting, *Concentric and Overlapping Circles of Leadership in Higher Education* (April 2018).
- Society for Applied Anthropology's 77th annual meeting, *Women and Diversity: Being a "First"* (March 2017).
- Presentation at 2010 Annual Meeting of Association of American Law Schools, Section on Women in Legal Education, *Succeeding in Legal Education* (January 2010).
- Presentation at 2009 Annual Meeting of Association of American Law Schools, Committee on Curriculum Issues, *Redesigning Legal Education* (January 2009).
- Presentations at the 2007 Annual Meeting of Association of American Law Schools:
 - *Workshop on the Ratings Game (or Not!): The Search for Sensible Assessment*, moderator for plenary discussion, *We Didn't Even Bring the Box: A Roundtable Discussion on Creative Alternatives*, <http://www.aals.org/am2007/wednesday/ratings.html>.

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- Panelist, Section on Continuing Legal Education, Co-Sponsored by Section on Professional Responsibility, *Legal Ethics CLE in the Law School Setting: Can It Be Practical, Academic, and Interesting at the Same Time?*
- Panelist, Section for the Law School Dean, *What I Wish I Had Known Then: A Conversation Among Deans*.
- Symposium at Indiana University-Bloomington School of Law, *Eating Our Cake and Having It, Too: Why Real Change Is So Difficult in Law Schools* (March 2005).
- “Better Learning, Better Lawyers” Conference, *Legal Education in the 21st Century: Radical Design for a Changing Profession* (August 2002).
- Moderator of plenary session of the Annual Meeting of Association of American Law Schools, *Mini-Workshop on Major Issues of the 21st Century: The Impact on the Legal Academy and Law Students* (January 2000).

Social science and ethics / social science and governance / social science and lawyer behavior / bankruptcy law

- The Stein Center for Law and Ethics, Fordham University School of Law, Colloquium on Corporate Lawyers, *Using General Counsel to Set the Tone for Work in Large Chapter 11 Cases* (October 2019).
- Pontificia Universidad Javeriana Cali (Colombia)’s International Congress of Corporate Law, *Corporate Social Responsibility and Social Science* (November 2017) (invited speaker).
- Colombia’s Superintendency of Companies, *Corporate Governance, Compliance and Business Ethics* (May 2016) (invited speaker).
- Colombia’s Superintendency of Companies, Responsibility of Administrators and Business Ethics Seminar, *Why Smart People Make Bad Decisions* (March 2015) (invited speaker).
- Boyd School of Law, Conference on Psychology and Lawyering: Coalescing the Field, *Using Psychology to Change Law Firms’ Default Incentive Structures* (with Randy D. Gordon) (invited panelist) (February 2014).
- The Ohio State University Moritz College of Law, faculty workshop presentation on “Nudging” Better Lawyer Behavior: *Using Default Rules and Incentives to Change Behavior in Law Firms* (November 2013).
- The Joseph G. Miller and William C. Becker Center for Professional Responsibility’s Symposium on Navigating the Practice of Law in the Wake of Ethics 20/20, *What It Means To Be a Lawyer in These Uncertain Times (Part I)* (invited panelist) (April 2013).
- Roger Williams University School of Law, Women Who Lead Series, *Why the World Needs Nay-Sayers* (keynote speaker) (March 2010).
- Distinguished Lecturer, The Chapman Dialogue Series, Chapman University School of Law, *Why No Amount of Regulation Is Likely to Prevent Corporate Scandals* (February 2010).
- Presentation at Fordham Law School’s Colloquium, *The Lawyers’ Role in a Contemporary Democracy* (with Colin Marks) (September 2008).
- Adjunct professor, St. John’s University School of Law, LL.M. in Bankruptcy Program (Enron seminar), St. John’s University School of Law Faculty, *Enron: Is It Still Relevant?* (March 2006 & March-April 2007).
- The 2001 Legal Ethics Conference, Hofstra University School of Law, *Legal Ethics—What Needs Fixing?* (September 2001).

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- AALS Bankruptcy Workshop, *Teaching Bankruptcy as a Vehicle for Teaching Other Values* (May 2001).
- Annual Meeting of the Association of American Law Schools, Creditors' & Debtors' Rights Section, *Local Cultures + Judicial Discretion = National Confusion?: Equities, Equations, and the "Uniformity" of the Bankruptcy Code* (January 1998).
- Annual Meeting of National Conference of Bankruptcy Judges, *Disinterestedness and the Chapter 11 Professional* (October 1997).
- Eastern District of Pennsylvania Bankruptcy Conference, *Bankruptcy Issues* (January 1996, January 1997, January 1998, and January 1999).

Selected continuing legal education programs and other professional presentations

Legal education and the legal profession generally

- Nancy B. Rapoport & Joseph R. Tiano, Jr., *Leveraging Legal Analytics and Spend Data as a Law Firm Self-Governance Tool*, Arizona State University's 7th Annual Conference on the Governance of Emerging Technologies & Science: Law, Policy & Ethics (May 2019).
- 2019 Mid-Year Meeting, National Organization of Bar Counsel, *A Look Inside the Incubator—The Challenges Facing Today's Law Students, Law Schools, and Newly-Minted Lawyers* (with Nelson Page and Ari Telisman) (January 2019).
- Law School Admission Council's Annual Meeting, *"Soothing the Savage Beast": The Art of Working Effectively With Difficult People* (with Floyd Weatherspoon) (June 2011).
- Association of American Law Schools, Annual Meeting, Section on Continuing Legal Education (co-sponsored by Section for the Law School Dean), *Exploring the Options for the Future of Legal Education* (with Kellye Y. Teste, Daniel McCarroll, Gary A. Munneke, and Ellen Y. Suni) (January 2010).
- Houston Bar Minority Opportunities in the Legal Profession Committee & Minority Corporate Counsel Association: *Business Development in a Belt-Tightening Economy, Overcoming Barriers and Opening Doors to Your Personal Success* (February 2002).
- AALS Workshop—Do You Know Where Your Students Are? Langdell Logs On to the 21st Century, AALS Annual Meeting, *The Changing Face of the Deanship* (January 2002).
- ALWD (Association of Legal Writing Directors) Biennial Conference, *Do "Best Practices" in Legal Education Include an Obligation to the Legal Profession to Integrate Theory, Skills, and Doctrine in the Law School Curriculum?* (July 2001).
- AALS Workshop for New Law Teachers, *Satisfying Your Multiple Constituencies (How Your Dean Can Help)* (July 2000 & July 1999).
- LSAC Academic Support Conference, *Why Support Academic Support Programs?* (June 2000).
- LSAC Annual Meeting, *Establishing a Partnership With a New Dean* (June 2000).
- American Bar Association's Workshop for New Law Deans, *Reflections of an Ex-Novice Dean* (June 1999).
- Annual Conference of the National Association for Law Placement, *Reliable Evaluation of Law Schools: Going Beyond Law School Rankings* (April 1999).

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Bankruptcy

- AMERICAN BANKRUPTCY INSTITUTE LAW REVIEW panel discussion, *Professional Fees in Bankruptcy* (with co-panelists Judge Kevin Carey, attorney Douglas Deutsch, Professor Stephen Lubben, and Professor John Pottow) (April 2019).
- National Conference of Bankruptcy Judges, *NCBJ Plenary: Broken Bench Awards Show: The Best Little Show in Texas* (October 2018).
- ABI 38th Annual Midwestern Bankruptcy Institute, *Sanctions and Social Science* (October 2018) (with Adam Miller).
- Fifth Annual James T. King Bankruptcy Symposium, *Ethics and Getting Paid* (July 2018) (with the Hon. Erithe A. Smith and M. Jonathan Hayes).
- American Bankruptcy Institute, VALCON 2018, *Special Problems Presenting Financial Consultants as Expert Witnesses and Ethics Hot Topics* (May 2018) (with Michael Richman, George Angelich, and Ted Gavin).
- American Bankruptcy Institute's Annual Spring Meeting, *Ethics Jeopardy* (with Nan Roberts Eitel, Lois Lupica, and Bill Rochelle) (April 2017).
- American Bankruptcy Institute's Annual Spring Meeting, *A Primer on Dealing with Fee Examiners* (with Van Durrer, II, William K. Harrington, Robert J. Keach, and John F. Theil) (April 2016).
- 29th Annual Central California Bankruptcy Institute, *How to Use Social Science to Improve Ethics in a Law Firm* (September 2015).
- 89th Annual National Conference of Bankruptcy Judges, *Ethics and Social Media* (panel discussion with the Hon. Hannah Blumenstiel and Peter Fessenden) (September 2015).
- National Association of Legal Fee Analysis (NALFA) webinar, *Bankruptcy Fee Examiners in Large Chapter 11 Cases* (panel discussion with Walter W. Theus, Jr., Senior Trial Attorney, USDOJ U.S. Trustee Program and Jeffrey L. Cohen, Partner, Cooley, LLP) (May 2015).
- Bankruptcy Section of the Federal Bar Association and the Los Angeles Chapter of the Federal Bar Association, 11th Annual Bankruptcy Ethics Symposium, *An Ethics Conversation* (with Gillian N. Brown) (November 2014).
- Texas Bankruptcy Law Section Bench/Bar Conference, *Recent Attorney Fee Issues* (June 2013).
- Rocky Mountain Bankruptcy Conference: IWIRC session on bankruptcy ethics; keynote speaker on *Bankruptcy Ethics in Pop Culture* (January 2013).
- Speaker at three sessions of the 86th Annual National Conference of Bankruptcy Judges: ABA session on *Ethical Issues Involving Pro Bono Representation: Spotting the Issues, Solving the Problems*; NCBJ session on *The Ethics of Organizers—Ethical Challenges in Forming Official and Unofficial Committees*; and CLLA session on *Pre-Bankruptcy Ethics—How to Avoid the Minefields Before Battle Begins* (October 2012).
- Sacramento Valley Bankruptcy Forum's 11th Annual Northern California Bankruptcy Conference, *Stupid Lawyer Tricks* (March 2012).
- National Association of Bankruptcy Trustees' Spring Meeting, panelist on *Friend Me? Ethics and Professionalism Issues Related to the Use of Social Media* (March 2012).
- ABA Business Law Section's Annual Spring Meeting, panelist for the sessions on *Ethical Issues in Commercial Transactions*, *Should In-House Counsel Be Navigating in the Choppy Waters of Corporate Compliance?*, and *Consumer Bankruptcy Clinics for Law Schools* (March 2012).

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- Southeastern Bankruptcy Law Institute, SBLI Visiting Scholar Presentation, *The Case for Value Billing in Chapter 11* (October 2011).
- Bankruptcy Law Section of the State Bar of Texas Bench/Bar Conference, “Money, Money, Money” -- *Red Flags to Fee Examiners and Solutions to Those Red Flags* (with the Hon. H. Christopher Mott, Kemp Sawers, and Warren H. Smith) (June 2011).
- American Bankruptcy Institute’s Annual Spring Meeting, *Fulfilling the Fiduciary Duty in a Complex Commercial World* (with Richard M. Meth & Judith Greenstone Miller (plenary session) (April 2011).
- Annual Meeting of National Conference of Bankruptcy Judges, *(Almost) Everything You Wanted to Know About...Getting Retained and Committee Solicitation Issues – The Problems, the Rules and the Enforcers* (October 2009).
- ABI Southwest Bankruptcy Conference, *Multimedia Ethics Presentation; Perspectives from the Bench and Ethical Issues*; and *Ethics—Walking in the Grey Areas: Advising Clients and Avoiding Pitfalls in Ethically Unsettled Areas* (September 2009).
- ALI-ABI Live Telephone Seminar and Audio Webcast: Ethics and Professionalism Series, *When Bankruptcy Comes Calling on Your Client: Five Common Ethical Mistakes* (April 2009).
- ABI Annual Spring Meeting, *Multimedia Ethics Presentation* (plenary session) (April 2009).
- Alaska Bar Association and Alaska Bankruptcy Bar, *Ethics and Popular Culture and Issues in Bankruptcy Ethics* (March 2009).
- National Conference of Bankruptcy Judges, 82d Annual Conference, *Ethical Fee Limits: Getting Paid and Getting What You Deserve* (Sept. 2008).
- American Bankruptcy Institute’s 16th Annual Southwest Bankruptcy Conference, *Multimedia Ethics Extravaganza* (plenary speaker) (Sept. 2008).
- National Conference of Consumer Bankruptcy Attorneys, 16th Annual Conference, *Ethics Issues* (May 2008).
- American Bankruptcy Institute’s 26th Anniversary Annual Spring Meeting, *Beyond Ethics: The Coexistence of Zealousness, Professionalism and Civility in the Insolvency Community* (April 2008).
- American Bankruptcy Institute’s 19th Annual Winter Leadership Conference, *Presentation of Fee Study* (February 2008).
- National Conference of Bankruptcy Judges, 81st Annual Conference, Commercial Law League of America’s 22nd Annual Educational Program’s panel on *Preemption and Federalism Issues in Bankruptcy* (October 2007).
- American Bankruptcy Institute’s 15th Annual Southwest Bankruptcy Conference, *Ethics: Negotiating the Sanctions Minefield* (September 2007).
- American Bankruptcy Institute’s 25th Annual Spring Meeting, *The Application of State Ethics Rules in Bankruptcy: Are We Just Holding Our Noses and Looking the Other Way?* (April 2007).
- 25th Anniversary Jay L. Westbrook Bankruptcy Conference, University of Texas CLE (with Martin Bienenstock), *Conflicts Writ Large: Intercreditor Issues and Issues with Fees and Overbilling* (November 2006).
- Annual Meeting of National Conference of Bankruptcy Judges, ABA Luncheon Meeting, *Examining the Examiner* (October 2004).
- Annual Meeting of National Conference of Bankruptcy Judges, *Current Bankruptcy Ethics Issues: It’s Not That You Ought To! It’s That You “Got To!”* (October 2004).
- Commercial Law League of America, Annual Meeting, *Bankruptcy Ethics* (April 2003).

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- 4th Annual Barry L. Zaretsky Roundtable, Brooklyn Law School, *Ethics, Governance, and Bankruptcy After Enron* (April 2003).
- The University of Texas School of Law CLE: The 21st Annual Bankruptcy Conference & Personal Injury Conference, *Debtor Wrongdoing: Ethical Implications for Lawyers* (November 2002).
- National Association of Bankruptcy Trustees, Annual Conference, *What's Wrong With Us??!!—A Fascinating Look at Ourselves, Through the Eyes of Judges and Others* (August 2002).
- 10th Annual Southwest Bankruptcy Conference, American Bankruptcy Institute, *A Look Inside the Mega-Case* (September 2002).
- 20th Annual Bankruptcy Conference, University of Texas Law School, *Bankruptcy Ethics—How Do We Find Out What We're Doing Wrong (Or Right)?* (November 2001).
- Annual Meeting of National Conference of Bankruptcy Judges, *Tell Me What You Really Want—How Behavior (On Both Sides of the Bench) Can Impact Your Case* (October 2001).
- Winter Leadership Conference, American Bankruptcy Institute, *Bankruptcy Ethics* (December 2000).
- Twenty-Fourth Annual Bankruptcy Law & Practice Seminar, Stetson University College of Law, *Ethical Problems: Dual Representation in Chapter 11*, and *Ethics: Pre-Bankruptcy Planning and Ethical Limitations* (December 1999).

Social science generally

- Plenary session, *Ethics and Professionalism: Why Lawyers Do Dumb Things—The Social Science Reasons*, National Association of Chapter 13 Trustees, 54th Annual Meeting (with Mary K. Viegelahn (July 2019).
- *What Social Science Can Teach Us About Good People and Bad Choices and Images of Lawyers in Film: Legal Ethics and the Movies*, 2018 American Bankruptcy Institute Midwest Regional Seminar (August 2018).
- 2017 Mutual Funds and Investment Management Conference, *Building Successful and Ethical Teams* (March 2017).
- National Association of Estate Planners' 52nd Annual Conference, *Nudging More Ethical Behavior Through Incentives and Checklists* (November 2015).
- The Eugene Kuntz Conference on Natural Resources Law and Policy, *Nudging Better Behavior: How Social Science Can Help Us Make Better Decisions* (November 2015).
- Institute for Energy Law, 66th Annual Oil & Gas Conference, "Nudging" Better Behavior (February 2015).
- National Association of Estate Planners and Councils, 50th Annual Conference, *Social Science, Human Error & Behavior* (November 2013).
- ABA Annual Meeting, Business Law Section, *Cognitive Biases, Blind Spots, and Other Impairments of Ethical Vision: How Good Lawyers Can Go Astray* (with Dr. Larry Richard, James Jones, and Charles McCallum) (August 2013).

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Judicial ethics

- Federal Judicial Center, *Judicial Ethics* (with the Hon. Peter Bowie, the Hon. Arthur Federman, and Prof. Elizabeth Thornburg) (April 2013 and August 2013).
- College for New Judges, Texas Center for the Judiciary, *Images of Judges in Movies* (December 2002 & November 2003).

Corporate ethics

- Boyd School of Law Summit on Corporate Governance, in partnership with Greenberg Traurig, LLP: as a moderator, *Asleep at the Switch: Lessons Learned from the Failure of Board Oversight In Recent Corporate Scandals and Cybersecurity Gaffes* (with panelists Cuneyt Akay, Paul Ferrillo, and Jordan Kelly, and as a panelist, *Not Too Much, Not Too Little: What is Just Right?: Challenges Faced in Executive and Board Compensation* (with co-panelist Laura Wanlass and moderator Flora Perez (November 2019).
- Department of Energy & Contractor Attorneys' Association, Inc.'s Annual Meeting, *Ethics in the Corporate World* (May 2009).
- *Lessons To Be Learned From the Rise and Fall of High-Profile Corporate Entities—The Scandals—How to Identify Red Flags in Revenue Reporting and Financial Statements* (NACD Houston Chapter, Sept. 2004) (with Bala G. Dharan and Steven C. Currall).
- State Bar of Texas Annual Meeting, Business Law & Corporate Counsel Sections, *Moral Independence of Lawyers vs. Moral Interdependence* (June 2003).
- Southeastern Finance Association and Southern Academy of Legal Studies, *Corporate Scandals (Enron, Andersen, Tyco & World Com)—What Went Wrong?* (keynote speaker) (March 2003).
- The University of Texas School of Law CLE: The 24th Annual Corporate Counsel Institute, *Conflicts, Ethical Duties and Independence: Lessons from Enron* (August 2002).
- NASA National Managers Association, *Lessons in Character from Enron* (April 2002).
- The University of Texas School of Law CLE: The 25th Annual Page Keeton Products Liability & Personal Injury Conference, *Dressed for Excess* (November 2001).

Women

- Gardere Women's Council Ethics CLE, keynote speaker, *Women on Boards* (June 2013).
- State Bar of Texas Annual Meeting, Women & the Law Section, *Images of Women Lawyers in the Media* (June 2003).

Miscellaneous

- Emanuel Bar Review Lecturer (2008-2010).
- BAR/BRI, lecturer on *Succeeding in Law School* (2002-2006).

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Selected media appearances

- Appearances on a variety of local, national, and international news broadcasts, and in local, national, and international news articles, on various bankruptcy, corporate law, and other legal issues, including the Enron bankruptcy case, the Arthur Andersen trial, and the Anna Nicole death (December 2001-present).
- Appeared in Academy Award®-nominated documentary, *Enron: The Smartest Guys in the Room* (Magnolia Pictures 2005).

Special training

- Attended three Harvard Institutes of Higher Education leadership programs (IEM in 2016, MLE in 2002, and MDP in 1999).
- Attended STAR: A Systematic Approach to Mediation Strategies, Straus Institute for Dispute Resolution, Pepperdine University School of Law (June 2008) (attended on a grant from Pepperdine).

Contributor to the following blogs

- ABOVE THE LAW, <https://abovethelaw.com/>.
- NANCY RAPOPORT'S BLOG, <https://nancyrapoport.blog/>.
- NANCY RAPOPORT'S BLOGSPOT (former blog), <http://nancyrapoport.blogspot.com/>.
- LAW SCHOOL SURVIVAL MANUAL, <http://lawschoolsurvivalmanual.blogspot.com/>.
- CORPORATE SCANDAL WATCH, <http://corporatescandalwatch.blogspot.com/>.
- UNLV LAW BLOG, Contributing Editor, <http://unlvlawblog.blogspot.com>.
- MONEYLAW, Contributing Editor, <http://money-law.blogspot.com/>.
- LEGAL PROFESSION, Contributing Editor: http://lawprofessors.typepad.com/legal_profession/.
- JURIST, Contributing Editor, <http://jurist.law.pitt.edu/>.
- CREDIT SLIPS, Guest Blogger, <http://www.creditslips.org/>.
- THE FACULTY LOUNGE, Guest Blogger, <http://www.thefacultylounge.org/>.
- THE CONGLOMERATE, Guest Blogger, <http://www.theconglomerate.org/>.
- FEMINIST LAW PROFESSORS, Guest Blogger, <http://feministlawprofs.law.sc.edu/>.
- RACE TO THE BOTTOM, Guest Blogger, <http://www.theracetothetbottom.org/home/>.

HONORS, BAR ADMISSIONS, MEMBERSHIPS, AND COMMUNITY SERVICE

Selected honors

- Recipient of one of the NAACP Legacy Builder Awards (Las Vegas Branch #1111) (2018).
- Commercial Law League of America's Lawrence P. King Award for Excellence in Bankruptcy (2017).
- Inducted into Phi Kappa Phi, Chapter 100 (2017).

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- Southeastern Bankruptcy Law Institute Distinguished Visiting Scholar (week-long visits at Georgia State College of Law) (2011).
- 2008 Public Service Counsel of the Year, 4th annual event, Association of Media and Entertainment Counsel (2009).
- Fellow, American College of Bankruptcy (2005-present) (Class 16).
- Named a “Woman of Vision” by the Houston Delta Gamma Foundation (2004).
- Admitted to American Leadership Forum, Class XXII (2004). Withdrew due to family illness.
- Named “Best Local Girl Made Good,” HOUSTON PRESS, September 25, 2003, at 24.
- Fellow, American Bar Foundation (2002-present; Life Fellow since 2015).
- Rice University Distinguished Alumna (2002).
- Named by the Greater Houston Area Chapter of the National Council of Jewish Women as a “Woman of Influence” (2001).
- Elected to membership in the American Law Institute (2001).
- Named a Legal Pioneer for Women in the Law (first woman to serve as the dean of a Nebraska law school), Nebraska State Bar Association (2000).
- Louis Nemzer Memorial Lecture (yearly lecture honoring a Jewish member of the Ohio State faculty) (1998).
- Outstanding Professor of the Year, The Ohio State University College of Law (third-year students voting) (co-winner, with Professor Barbara Rook Snyder) (1997).

Bar admissions

- United States District Court, District of Nevada (2009).
- Nevada Supreme Court (2007).
- United States District Court, Northern District of Texas (2003).
- Texas Supreme Court (2001).
- United States Supreme Court (2000).
- Nebraska Supreme Court (1999).
- Ohio Supreme Court (1993).
- United States District Court for the District of Hawaii (1988).
- California Supreme Court (1987).
- United States Court of Appeals for the Ninth Circuit (1987).
- United States District Courts for the Northern, Eastern, Central, and Southern Districts of California (1987).

Editorial boards

- THE BUSINESS LAWYER (2014-present).
- REYNOLDS COURTS & MEDIA LAW JOURNAL (2011-2013).
- Association of American Law Schools, JOURNAL OF LEGAL EDUCATION (2007-2010).
- State Bar of Texas, TEXAS BAR JOURNAL Board of Editors (2003-06); State Bar of Texas, TEXAS BAR JOURNAL, Editorial Board Committee (2001-2004).

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- CALIFORNIA BANKRUPTCY JOURNAL (1995-2002).

Selected board memberships

- Rice University, External Advisory Board, Center for Teaching Excellence (2019-present).
- Nevada Board of Bar Examiners (2018-2020).
- Economic Club of Las Vegas (2017-present).
- National Museum of Organized Crime & Law Enforcement (“The Mob Museum”) (2013-present); Secretary of the Board (2016-present).
- JURIST Board of Directors (<http://jurist.law.pitt.edu/>) (2008-2014).
- American Bankruptcy Institute Board of Directors (2008-2017); Executive Committee (2012-2016); Vice President of Research Grants (2013-2016).
- American Board of Certification (board certification for bankruptcy lawyers) (2007-2014) (Dean of Faculty, 2011-2013).
- Association of Rice Alumni (2006-2009).
- NALP Foundation for Law Career Research and Education (2005-2009).
- Texas Center for Legal Ethics (2004-2006).
- Texas Supreme Court Historical Society (2004); Advisory Board (2004-2006).
- Vinson & Elkins Women’s Initiative Advisory Board (2003-2010).
- Houston Area Women’s Center (2003-2006).
- Advisory Council Member, WWW United, Inc. (2002-2006).
- Texas Environmental Health Institute (a joint project of the Texas Department of Health & the Texas Natural Resource Conservation Commission, which is the Texas Commission on Environmental Quality (TCEQ)) (2002-2004).
- Houston World Affairs Council (2002-2005).
- Houston Hillel (2002-2007).
- Mayor’s Advisory Board of World Energy Cities Partnership (2001-2004).
- Houston Disaster Relief Advisory Board (2001-2004).
- Houston Chapter of the Texas General Counsel Forum (2001-2005).
- Anti-Defamation League Southwest Regional Board (2001-2006).
- Law School Admission Council Board of Trustees (2001-2004).

Selected national service activities and memberships

- Secretary and Reporter, American Bankruptcy Institute’s Task Force for Veterans and Servicemembers Affairs (2018-present).
- Member, Federal Bar Association’s Professional Ethics Committee (2018-present); Ethics Hotline subcommittee (2018-2019); Co-Chair, Speakers’ Bureau, 2019-present).
- Member, Heterodox Academy (2017-present).
- Member, Society for Applied Anthropology (2017-present).
- Member, National Association of Legal Fee Analysis (2014-2018).
- Member, Association of Professional Responsibility Lawyers (2014-2016).

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- Member, Law School Admission Council Diversity Retention Workshop 2015 Planning Work Group (2014-2015).
- Member, Federalist Society (2013-present).
- Member, Federal Bar Association (2012-present).
- Member, Advisory Committee to the American Bankruptcy Institute's Commission to Study the Reform of Chapter 11 (2012-2015) (Governance Subcommittee).
- Co-Reporter, American Bankruptcy Institute's National Ethics Standards Task Force (2011-2013).
- Co-Chair, American Bankruptcy Institute's Task Force on Young and New Members (2011-2012).
- Association of Media and Entertainment Counsel, Law School Section (Co-Chair, 2010-2011; member and temporary Co-Chair, 2012-2013); member, Law School Advisory Board (2014); Chair, Law School Advisory Board (January 2018-present).
- American Bar Association, Section on Legal Education, Committee on Law School Administration (2008-2010); Chair-Elect (2010); Chair (2011-2013).
- American Bar Association, Section on Business Law, Committee on Corporate Counsel, Subcommittee on Corporate Governance (co-chair, with Roberta Torian) (2007-2010).
- Advisory Committee, American Bankruptcy Institute's consumer bankruptcy fee study (advisor to Professor Lois Lupica) (2008-2011).
- Rice Alumni Volunteers for Admission (2007-present) and liaison for RAVA to Association of Rice Alumni Board (2007-2009); involved in Rice Annual Fund solicitations since 2007.
- Advisory Committee, American Bankruptcy Institute's Chapter 11 fee study (advisor to Professor Stephen Lubben) (2005-2007).
- American Bankruptcy Institute's Task Force on Pro Bono (2007).
- American Bar Association's Task Force on Attorney Discipline (2005).
- Planning committee for 2007 Annual Meeting of Association of American Law Schools, *Workshop on The Ratings Game* (2006-2007).
- City of Houston Mayor's Pension Governance Advisory Committee (2004-2006).
- American Bar Association, Advisory Group on Loan Repayment, Standing Committee on Legal Aid & Indigent Defendants (SCLAID) (2003-2006).
- Faculty member, ABA New Deans' School (May-June 2003, June 2004, and June 2005).
- Advisory Committee, Baylor College of Medicine-UH Law Center MD/JD Program (2004-2006).
- Academic advisor, National Governmental Affairs Committee, Commercial Law League of America (CLLA) (2002-2006).
- Co-chair (with Dean Stuart Deutsch), ABA Deans' Workshop (for mid-year ABA meeting in 2003).
- Advisory Committee, *The Birth of the Dot-Com Era*, project for the Library of Congress (Project Manager, Prof. David Kirsch, University of Maryland) (advising the Library of Congress on what to do with the records of now-defunct law firm of Brobeck, Phleger & Harrison) (2004-2007).
- National Association of Corporate Directors (2004-2006).
- Commercial Law League of America, Professional Responsibility Committee (2003-2005).

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- Member, ABA Commission on Loan Repayment & Forgiveness (2001-2003).
- Member, AALS Professional Development Committee (2000-2003).
- Communication Skills Committee, ABA Section of Legal Education and Admissions to the Bar (1998-2002).
- Chair, AALS Planning Committee for the *Mini-Workshop on Major Issues of the 21st Century: the Impact on the Legal Academy and Law Students* (1999-2000).
- Member, Law School Admission Council (LSAC) Services & Programs Committee (1999-2000), Workgroup on Alternative Admissions Models (2000-2003), and Gay, Lesbian, Bisexual & Transgendered Issues Workgroup (2000-2001).
- Nebraska State Bar Association (1999-present).
- National Association of College & University Attorneys (1998-2006).
- Commercial Law League of America (1998-present).
- Ohio State Bar Association (1997-present).
- American Bankruptcy Institute (1994-present).
- AIDS Legal Referral Panel of the Bar Association of San Francisco (1989-91).
- Bar Association of San Francisco (1987-91).
- American Bar Association (1987-present).

EXPERT AND EXPERT WITNESS ACTIVITY

- Expert for Bonds Ellis Eppich Schafer Jones LLP in *In re* Highland Capital Management, L.P., Case No. 19-34054, United States Bankruptcy Court for the Northern District of Texas (2020-present).
- Fee examiner in *In re* Zetta Jet USA, Inc. (2:17-bk-21386-SK) and *In re* Zetta Jet PTE, Ltd., Case No. 2:17-bk-21387-SK, United States Bankruptcy Court for the Central District of California—Los Angeles Division (2020-present).
- Expert for Sidley Austin LLP in *In re* Boy Scouts of America and Delaware BSA, LLC, United States Bankruptcy Court for the District of Delaware, Case No. 20-10343 (LSS) (2020) (testified at hearing).
- Expert for Porter Hedges LLP in *In re* McDermott Int'l, United States Bankruptcy Court for the Southern District of Texas, Case No. 20-30336 (DRJ) (2020-present).
- Expert for Diamond McCarthy LLP and Snow Covered Capital, LLC in *Snow Covered Capital, LLC v. Weidner*, United States District Court for the District of Nevada, Case No. 2:19-cv-00595-JAD-NJK (2019-present).
- Expert for The Richter Firm and Shumaker, Loop & Kendrick in *Wise v. Smith et al.*, Court of Common Pleas, State of South Carolina, Case No. 2019-CP-3300017 (2019-present) (testified at deposition).
- Independent monitor for UpRight Law (2018-present).
- Fee examiner in *In re* Toys “R” Us Property Company I, LLC, United States Bankruptcy Court for the Eastern District of Virginia, Case No. 18-31429 (KLP) (2018-2019).
- Fee examiner in *In re* Toys “R” Us, Inc., United States Bankruptcy Court for the Eastern District of Virginia, Case No. 17-34665 (KLP) (2018-2019).

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- Expert for the Trustee in two *In re* ICPW Liquidation Corp. cases, United States Bankruptcy Court for the Central District of California, Case Nos. 1:17-bk-12408-MB and 1:17-bk-12409-MB (2018).
- Expert for Hoover Slovacek LLP in *Midstates Petroleum Company v. Production Specialists, Inc. dba Regal Oilfield Sup.*, United States Bankruptcy Court for the Southern District of Texas, Case No. 4:16-bk-32237 (2017-2019).
- Expert for Panish Shea & Boyle LLP in *Moradi v. Nevada Property 1, LLC*, District Court, Clark County, Nevada, Case No. A-14-698824-C (2017).
- Expert for Diamond State Insurance Company in *Gieseke v. Diamond State Insurance Company*, U.S. District Court for the District of Nevada, Case No. 3:16-cv-00103-MMD-WGC (2016).
- Expert for Mar-Bow Value Partners, LLC, and Lakeview Capital, Inc., on a confidential matter involving Federal Rule of Bankruptcy Procedure 2014 (2016-present).
- Independent member of Fee Committee, *In re* Caesars Entertainment Operating Co., Inc., U.S. Bankruptcy Court, Northern District of Illinois, Case No. 15-01145 (ABG) (2015-2018).
- Expert for Craig Marquiz in *Home Gambling Network, Inc. v. Piche*, United States District Court for the District of Nevada, Case No. 2:05-cv-00610-DAE-VCF (2015).
- Expert for the Debtor in *In re* The Catholic Bishop of Spokane, a/k/a The Catholic Diocese of Spokane, United States Bankruptcy Court, Eastern District of Washington, Case No. 04-08822-FPC11 (2014).
- Expert for the Trustee in *In re* Fundamental Long Term Care, Inc., United States Bankruptcy Court, Middle District of Florida, Case No. 8:11-bk-22258-MGW (2014-2015) (testified at deposition and at trial).
- Expert for the Liquidating Trustee in *Mukamal v. Fulbright & Jaworski L.L.P. (In re Palm Beach Finance Partners, L.P. and Palm Beach Finance Partners II, L.P.)*, United States Bankruptcy Court, Southern District of Florida, Case No. 09-36379-BKC-PGH (2014) (withdrew due to scheduling issues).
- Expert for the law firm of Lipson Neilson Cole Seltzer Garin, P.C. in a case involving conflicts of interest (2014).
- Consultant for the Liquidating Trust for *In re* Residential Capital, LLC, United States Bankruptcy Court, Southern District of New York, Case No. 12-12020 (MG), regarding the reasonableness of fees (2014).
- Expert for the law firm of Frank J. Cremen in Grievance File #SG 1-1156, State Bar of Nevada (2013-2014) (testified at hearing).
- Expert for Irell & Manella LLP, in *State of Nevada v. Gary Trafford, et al.*, Clark County District Court, Case No. C-11-277573-1 (2013).
- Expert for a Nevada law firm (firm and client names kept confidential) in a matter involving attorney disciplinary procedures (2012).
- Expert for the Fee Examiner in *Matter of Lehman Brothers Holdings, Inc.*, U.S. Bankruptcy Court, Southern District of New York, Case No. 08-13555-jmp (2012).
- Expert for the Fee Examiner in *In re* Motors Liquidation Co. (f/k/a General Motors Corp.), U.S. Bankruptcy Court, Southern District of New York, Case No. 09-50026 (2011-2012).

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- Expert for Alverson Taylor Mortensen & Sanders in Stanish et al. v. Catholic Healthcare West, Nevada District Court, Clark County, Case No. A-11-639674-C (2011).
- Fee examiner in *In re* Station Casinos, Inc., U.S. Bankruptcy Court, District of Nevada, Case Nos. BK-09-52477 through BK-11-51219 (2011).
- Expert for the Office of the United States Trustee in three cases: *In re* Mark Andrew Brown, U.S. Bankruptcy Court, Western District of Maryland, Case No. 09-44254-jwv7; *In re* Tracy L. Quarm, U.S. Bankruptcy Court, Northern District of Ohio, Case No. 09-20498; and *In re* John W. Young, U.S. Bankruptcy Court, Northern District of Ohio, Case No. 10-11404 (2010) (testified in discovery depositions and at trial; deposition and trial testimony done via videotape).
- Expert for the Trustee in The Pappg Grantor Trust v. Scott (*In re* Baltimore Emergency Services II, LLC, et al.), U.S. Bankruptcy Court, District of Maryland, Adversary No. 03-8294-esd (2010).
- Expert for Lionel, Sawyer & Collins in Michael Racusin v. Lionel Sawyer & Collins, American Arbitration Association, Case No. 79 194 Y 00108 08 (2009-2010) (testified in arbitration).
- Expert for the Reorganized Debtor in *In re* ASARCO, LLC, et al., U.S. Bankruptcy Court, Southern District of Texas, Case No. 05-21207 (2010) (testified at trial).
- Expert for BuckleySandler LLP in Pulte Homes, Inc. v. Terry Goddard, In His Official Capacity as Attorney General for the State of Arizona and Catherine Cortez Masto, In Her Official Capacity as Attorney General for the State of Nevada, D.C. Circuit, Civil Action No. 1:10-cv-00377 (2010).
- Court's fee expert and chair of the Fee Review Committee in *In re* Pilgrim's Pride Corp., U.S. Bankruptcy Court, Northern District of Texas, Case No. 08-45664 (DML) (2009-2010) (testified at hearing).
- Expert for plaintiff in Judy M. Jackson, M.D. v. Ira Levine et al., Nevada District Court, Clark County, Case No. A538983 (2009-2010) (testified in deposition and at trial).
- Expert for the Trustee in Asset Funding Group, L.L.C., Scobar Adventures, L.L.C., AFG Investment Fund 2, L.L.C., and HW Burbank, L.L.C. v. Adams and Reese, L.L.P., U.S. District Court, Eastern District of Louisiana, Case No. 07-2965 (2009) (testified in deposition; made available for trial, but case settled).
- Expert for Clausen Miller in *In re* Raymond Professional Group, Inc. (Raymond Professional Group, Inc. v. William A. Pope Company), Adv. No. 07-A-00639, U.S. Bankruptcy Court, Northern District of Illinois (2008-2009) (testified in deposition and at hearing).
- Expert for the plaintiff in Todd v. Guidance Software, Inc., U.S. District Court, Central District of California, Case No. SACV 08-1354 JVS (ANx) (2008-2009).
- Expert for the Debtor in Sports Shinko Co. v. Franklin K. Mukai, U.S. District Court, D. Hawaii, Case No. CV 04-00127 ACK/BMK (2007-2008).
- Expert for the Trustee in *In re* Mego Financial Corp., et al., U.S. Bankruptcy Court, D. Nev., Case Nos. BK-N-03-52300-GWZ through BK-N-03-52304-GWZ and BK-N-03-52470-GWZ through BK-N-03-52474-GWZ (2007-2008) (testified at deposition).
- Expert for Pillsbury Winthrop in *In re* SONICBlue Incorporated, U.S. Bankruptcy Court, Northern District of California, Case Nos. 03-51775 through 03-51778 MM (2007) (made available to testify in court early in the case; did not testify).

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- Expert for the Trustee in *In re* Southwest Florida Heart Group, P.A., U.S. Bankruptcy Court, Middle District of Florida, Case No. 9:05-bk-17167-ALP (2007) (testified in deposition).
- Expert for Beirne, Maynard & Parsons in Brazos Electric Power Cooperative, Inc. v. Tenaska IV Texas Partners and related cases (2003-2004; 2006-2007) (testified in depositions).
- Expert for Beirne, Maynard & Parsons in Hicks v. Charles Pfizer & Co., U.S. District Court, Eastern District of Texas, Civil Action No. 1:04CV201 (2006).
- Expert for Benjamin Hall, Esq., in Costilla Energy, Inc., by and through its litigation trustee, George Hicks v. Joint Energy Development Investments II, 49th Judicial District, Zapata County, Texas (2006-2008) (testified in deposition).
- Expert for Winstead, Secrest & Minick in an issue involving conflicts of interest (2005).
- Expert for Beckley, Singleton in Fremont Investment & Loan v. Beckley Singleton, Chtd. and Sidney Bailey, U.S. District Court, D. Nevada, Case No. CV-S-03-1406-JCM-RJJ (2003) (2005-2006) (testified in deposition).
- Expert for the debtor in *In re* ACandS, Inc., U.S. Bankruptcy Court, D. Delaware, Case No. 02-12687 (2004-2005) (testified at hearing).
- Court's fee expert and chair of the Fee Review Committee in *In re* Mirant Corporation, U.S. Bankruptcy Court, Northern District of Texas, Case No. 03-46590 (2003-2006; 2011-2012) (testified in deposition and at hearing).
- Expert witness for Latham & Watkins regarding Section 414 of H.R. 333 (changes in "disinterestedness" standard of 11 U.S.C. § 101(14)) (March-April 2003).
- Expert witness for the Office of Disciplinary Counsel, *In re* Charles William Ewing, Case No. 97-5, before the Board of Commissioners on Grievances and Discipline of the Bar of the Supreme Court of Ohio (1998).

PUBLIC TESTIMONY

- Testified at the June 2012 public meeting of the United States Trustee Program regarding the proposed new fee guidelines for larger chapter 11 cases (testimony available at http://www.justice.gov/ust/eo/rules_regulations/guidelines/docs/proposed/Prof_Rapoport_Comment.pdf, http://www.justice.gov/ust/eo/rules_regulations/guidelines/docs/proposed/Prof_Rapoport_SupplementalComment.pdf, and http://www.justice.gov/ust/eo/rules_regulations/guidelines/docs/proposed/Prof_Rapoport_Comment2.pdf; transcript available at http://www.justice.gov/ust/eo/rules_regulations/guidelines/docs/proposed/Transcript_June4_Public_Meeting.pdf; Director Clifford J. White III's statement on the adopted guidelines, available at http://www.justice.gov/ust/eo/rules_regulations/guidelines/docs/Fee_Guidelines_Clifford_White_Statement.pdf).

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ADVICE COLUMN

- “Ms. Ps and Qs”: ethics advice column for the National Association of Chapter 13 Trustees (2011-present).

SELECTED AMICUS BRIEFS

- *Brief of 83 Legal Ethics Professors as Amici Curiae in Support of Hearing En Banc*, United States v. Varner, United States Court of Appeals for the Fifth Circuit, Case No. 19-40016 (Mar. 20, 2020).
- *Amicus Brief of Neutral Fee Examiners Supporting Neither Party*, Baker Botts L.L.P. v. ASARCO LLC, Case No. 14-103, United States Supreme Court (Dec. 10, 2014).
- *Brief of Amici Curiae, In re David Marshall Brown*, Case No. 12-Cv-60016-KAM, United States District Court, Southern District of Florida (filed by co-counsel George Castrataro) (April 11, 2012), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2038267.
- *Brief in Support of Respondent for Amici Curiae Professors Richard Aaron, Laura Beth Bartell, Jagdeep S. Bhandari, Susan Block-Lieb, Robert D’Agostino, Jessica Dawn Gabel, Kenneth N. Klee, George W. Kuney, C. Scott Pryor, Nancy B. Rapoport, Marie T. Reilly, Lynne F. Riley, Keith Sharfman, and Michael Sousa*, RadLAX Gateway Hotel, LLC and RadLAX Gateway Deck, LLC v. Amalgamated Bank, Case No. 11-166, United States Supreme Court (March 5, 2012).
- *Brief of Legal Ethics Professors and Practitioners and the Ethics Bureau at Yale as Amici Curiae in Support of Petitioner*, Maples v. Thomas, Case No. 10-63, United States Supreme Court (May 25, 2011).
- *Brief of Amicus Curiae*, Warren v. Seidel, United States District Court for the District of Ohio, Case No. 2:10-cv-01049-MHW (2010), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1843496.
- *Brief of 30 Leading Ethicists as Amici Curiae in Support of the Petitioner*, Charles Dean Hood v. State of Texas, Case No. 09-8610, United States Supreme Court (February 18, 2010), available at 2010 WL 638469.
- *Brief of Amicus Curiae*, Danny Joe McClure and Kimberly Deskins McClure, Plaintiffs, v. Bank of America, Creditors Financial Group, LLC, and Peter Rebelo, Defendants, Bankr. N.D. Tex. 2010, Adv. No. 08-04000-DML, available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1550353.

PERSONAL INFORMATION

- Native Texan (born in Bryan, Texas).
- Married to Jeffrey D. Van Niel; no children; two cats (Diana Prince and Shadow Grace).

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Attachment B—Documents Reviewed

1. OBJECTION TO PROOF OF CLAIM OF ACIS CAPITAL MANAGEMENT L.P. AND ACIS CAPITAL MANAGEMENT GP, LLC [Docket No. 771]
2. JAMES DONDERO'S (I) OBJECTION TO PROOF OF CLAIM OF ACIS CAPITAL MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP, LLC; AND (II) JOINDER IN SUPPORT OF HIGHLAND CAPITAL MANAGEMENT, L.P.'S OBJECTION TO PROOF OF CLAIM OF ACIS CAPITAL MANAGEMENT L.P. AND ACIS CAPITAL MANAGEMENT GP, LLC [Docket No. 827]
3. UBS (I) OBJECTION TO PROOF OF CLAIM OF ACIS CAPITAL MANAGEMENT L.P. AND ACIS CAPITAL MANAGEMENT GP, LLC AND (II) JOINDER IN THE DEBTOR'S OBJECTION [Docket No. 891]
4. OMNIBUS RESPONSE TO OBJECTION TO PROOF OF CLAIM OF ACIS CAPITAL MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP, LLC [Docket No. 908]
5. ACIS PROOF OF CLAIM [Claim No. 23]
6. REDEEMER COMMITTEE PROOF OF CLAIM [Claim No. 72]
7. CRUSADER FUNDS PROOF OF CLAIM [Claim No. 81]
8. IFA PROOF OF CLAIM [Claim No. 93]
9. DAUGHERTY PROOFS OF CLAIM [Claims No. 67 and 77]
10. UBS SECURITIES PROOF OF CLAIM [Claim No. 190]
11. UBS AG PROOF OF CLAIM [Claim No. 191]
12. DISCLOSURE STATEMENT FOR THE FIRST AMENDED PLAN OF REORGANIZATION OF HIGHLAND CAPITAL MANAGEMENT, L.P. [Docket No. 1080]
13. FIRST AMENDED PLAN OF REORGANIZATION OF HIGHLAND CAPITAL MANAGEMENT, L.P. [Docket No. 1079; also Docket No. 1080-1]
14. JAMES DONDERO'S LIMITED RESPONSE TO ACIS CAPITAL MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP, LLC'S MOTION FOR RELIEF FROM THE AUTOMATIC STAY TO ALLOW PURSUIT OF MOTION FOR ORDER TO SHOW CAUSE FOR VIOLATIONS OF THE ACIS PLAN INJUNCTION [Docket No. 617]

15. RESPONSE OF JAMES DONDERO TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS' EMERGENCY MOTION TO COMPEL PRODUCTION BY THE DEBTOR [Docket No. 832]
16. SUMMARY OF FIRST INTERIM APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES OF PACHULSKI STANG ZIEHL & JONES LLP, AS COUNSEL FOR THE DEBTOR AND DEBTOR IN POSSESSION, FOR THE PERIOD FROM OCTOBER 16, 2019 THROUGH MARCH 31, 2020 [Docket No. 607]
17. SUMMARY OF SECOND INTERIM APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES OF PACHULSKI STANG ZIEHL & JONES LLP, AS COUNSEL FOR THE DEBTOR AND DEBTOR IN POSSESSION, FOR THE PERIOD FROM APRIL 1, 2020 THROUGH JULY 31, 2020 [Docket No. 971]
18. ELEVENTH MONTHLY APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES OF PACHULSKI STANG ZIEHL & JONES LLP AS COUNSEL TO THE DEBTOR FOR THE PERIOD FROM AUGUST 1, 2020 THROUGH AUGUST 31, 2020 [Docket No. 1094]
19. JAMES DONDERO'S RESPONSE TO DEBTOR'S MOTION FOR ENTRY OF AN ORDER APPROVING SETTLEMENT WITH (A) ACIS CAPITAL MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP LLC (CLAIM NO. 23), (B) JOSHUA N. TERRY AND JENNIFER G. TERRY (CLAIM NO. 156), AND (C) ACIS CAPITAL MANAGEMENT, L.P. (CLAIM NO. 159), AND AUTHORIZING ACTIONS CONSISTENT THEREWITH [Docket No. 1121]
20. DEBTOR'S MOTION FOR ENTRY OF AN ORDER APPROVING SETTLEMENT WITH (A) ACIS CAPITAL MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP LLC (CLAIM NO. 23), (B) JOSHUA N. TERRY AND JENNIFER G. TERRY (CLAIM NO. 156), AND (C) ACIS CAPITAL MANAGEMENT, L.P. (CLAIM NO. 159), AND AUTHORIZING ACTIONS CONSISTENT THEREWITH [Docket No. 1087, plus 1087-1 and 1087-2].
21. DECLARATION OF GREGORY V. DEMO IN SUPPORT OF THE DEBTOR'S MOTION FOR ENTRY OF AN ORDER APPROVING SETTLEMENT WITH (A) ACIS CAPITAL MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP LLC (CLAIM NO. 23), (B) JOSHUA N. TERRY AND JENNIFER G. TERRY (CLAIM NO. 156), AND (C) ACIS CAPITAL MANAGEMENT, L.P. (CLAIM NO. 159), AND AUTHORIZING ACTIONS CONSISTENT THEREWITH [Docket No. 1088, plus 1088-1 and 1088-2].

Attachment C

Highland Obj to POC [Docket No. 771]

Issue/argument	Q of law or Q of fact	Specifics (in the Objs. and with cited authority)
Whether Acis's sole owners owed a fiduciary duty to their company	Law	<i>Tow v. Amegy Bank N.A.</i> , 976 F. Supp. 2d 889, 906-07 (S.D. Tex. 2013) [Obj. at 4]; <i>see also</i> Obj. at 49-54.
Whether Delaware law lets creditors of a limited p'ship sue 3d parties for breach of a fiduciary duty or allow a trustee to sue on their behalf	Law	<i>Beskrone v. OpenGate Capital Grp. (In re Pennysaver USA)</i> , 441 B.R. 445, 467 (Bankr. D. Del. 2018); <i>Gavin/Solmonese I Energy Partners, LLC (In re Citadel Watford City Disposal)</i> , 441 B.R. 897, 905 (Bankr. D. Del. 2019) [Obj. at 5].
Whether <i>in pari delicto</i> bars Acis's duty-based claims against the Debtor and other 3d parties	Law, though the Court might consider issues of equity	<i>See</i> Obj. at 50-53; <i>see also</i> <i>Jones v. Wells Fargo Bank, N.A.</i> , 666 F.3d 955 (5th Cir. 2012); <i>Osherow v. York</i> , No. 5:17-CV-483-DAE, 2019 U.S. Dist. LEXIS 200382, at *16-17 (W.D. Tex. Aug. 5, 2019).
Whether the fraudulent transfer claims are tenable (whether the Debtor received the benefit of the alleged fraudulent transfers)	Could be a question of both law and fact	<i>See generally</i> Obj. at 31-34; <i>but see</i> Obj. at 34-39 (remaining Qs of fact across a variety of sub-claims); <i>see also</i> Obj. at 42-43.
Whether the preference claims are tenable	Could be a question of both law and fact	<i>See generally</i> Obj. at 39-41; <i>but see</i> Obj. at 41-42 (remaining Qs of fact).
Whether, under sec. 550, a debtor can recover avoidance claims for its own benefit, or whether the benefit must inure to the estate (i.e., to the creditors of the estate)	Law, though the Court might consider what, if any, benefits might inure to the estate (Q of fact)	<i>See generally</i> Obj. at 16-27 for legal arguments, including discussions of <i>Mirant</i> , 441 B.R. 791 (N.D. Tex. 2010), <i>Mirant</i> , 675 F.3d 530 (5th Cir. 2012), <i>Bensimon v. Duke Energy Corp.</i> , 500 B.R. 464 (W.D. Tex. 2013); <i>Paradigm Air Carriers, Inc. v. Tex. Rangers Baseball Partners (In re Tex. Rangers Baseball Partners)</i> , 498 B.R. 679 (Bankr. N.D. Tex. 2013); <i>Adelphia Recovery Trust v. Bank of America, N.A.</i> , 390 B.R. 80, 97 (S.D.N.Y. 2008); <i>In re Foxmeyer Corp.</i> , 296 B.R. 327, 342 (Bankr. D. Del. 2003); <i>Running v. Dolan (In re Goodspeed)</i> , 535 B.R. 302, 315-16 (Bankr. D. Minn. 2015); <i>In re Murphy</i> , 331 B.R. 107 (Bankr. S.D.N.Y. 2005); <i>see especially</i> the summary of the argument on p. 27: "Accordingly, any recoveries of the transfers sought to be avoided in the Acis Claim should be limited to any amount needed to satisfy obligations under the Acis Plan, that is to say, to pay creditors and administrative claimants in full. No

		creditors have a stake in restoring Acis to the financial condition it occupied prior to any of the transfers that are the subject matter of the Acis Claim, at least not on account of any unpaid claims. Upon payment of creditors in full under the Acis Plan, therefore, all avoidance claims should be dismissed as moot, and the only thing stopping the avoidance claims from actually being moot is Mr. Terry's unwillingness to pay Acis's creditors with the cash at Acis."
Whether <i>Bangor Punta Operations, Inc. v. Bangor & A. R. Co.</i> , 417 U.S. 703, 710, 94 S. Ct. 2578 (1974), prevents Acis from asserting claims against prior equity holders or 3d parties that were not pending when Mr. Terry purchased Acis	Law	<i>Bangor Punta Operations, Inc. v. Bangor & A. R. Co.</i> , 417 U.S. 703, 710, 94 S. Ct. 2578 (1974); <i>Midland Food Servs., LLC v. Castle Hill Holdings V, LLC</i> , 792 A.2d 920, 929 (Del. Ch. 1999) [Obj. at 7; <i>see also</i> Obj. at 27-29].
Whether Acis's four claims seeking \$7 million in "Overpayments" have a legal basis	Law	Including whether Delaware still uses the ultra vires doctrine [Obj. at 12-14]; whether turnover applies in this situation [Obj. at 14-15]; whether "money had and received" applies in this situation [Obj. at 15]; whether conversion is a viable theory [Obj. at 15-16].
Whether Acis can maintain a civil conspiracy claim if that claim is not recognized as a statutory remedy for fraudulent transfers under Section 550	Law	<i>See</i> Obj. at 43-46.
Whether Acis can maintain a tortious interference claim w/r/t at-will employment contracts	Law	<i>See</i> Obj. at 46-48.
Whether Acis's breach of contract claim fails as a matter of law	Law (but if Acis can then go forward with the claim, then it will involve Qs of fact)	<i>See</i> Obj. at 48.
Whether Acis's alter ego claim can go forward as a matter of law (i.e., single enterprise	Law (but if Acis can then go	Obj. at 56-60.

liability based on common control by Mr. Dondero)	forward with the claim, then a Q of fact)	
Whether Acis is entitled to punitive damages	Q of law (and only if Court decides that a claim for punitive damages can go forward would there be a Q of fact)	Obj. at 54-56.
Whether Acis can establish a willful violation of the automatic stay	Initial argument involves a Q of law	Obj. at 60-61.
Whether Acis can establish a right to payment of attorney fees	Initially a Q of law	Obj. at 61.
Any defenses, including solvency	Q of fact	See, e.g., Qs of fact listed at Obj. at 30-31.

UBS's Objection to Acis POC and Joinder in Debtor's Objection to same [Docket No. 891] adds consideration of *Tronox Inc. v. Anadarko Petroleum Corp. (In re Tronox Inc.)*, 429 B.R. 73, 111, n.24 (S.D.N.Y. 2010) (some state fraudulent transfer statutes allow punitive damages, and some do not). See para. 11:

UBS recognizes these legal bases for a fraudulent conveyance claim, when appropriate, to support an award of punitive damages and/or attorneys' fees. However, because UBS agrees that Acis's state law claims, including those under TUFTA, are subject to summary disallowance and agrees with the Debtor's arguments regarding the *Bangor Punta* doctrine, UBS concurs on these alternative grounds with the Debtor Objection's conclusion that Acis is not entitled to an award of punitive damages or attorneys' fees.

See also para. 14:

In addition to its own wrongful conduct, Acis has successfully restructured and, on knowledge and belief, Acis's creditors have been or are well on their way to being paid in full.

These facts help to show why summary disposition of the portion of the Acis Claim predicated on counts 5-25 of the second amended complaint is appropriate, despite the fact that “recovery under section 550(a) is subject to a case-by-case analysis of the facts of the case and the equities” involved. (Debtor Obj. ¶ 34; *see also id.* ¶¶ 37, 40.) This is a case where the facts (and this Court’s familiarity with them) unquestionably negate the need for section 550(a) recovery without further factual development.

James Dondero’s Objection to Acis POC and Joinder in Debtor’s Objection to same [Docket No. 827] reiterates certain legal arguments in para. 24 [pp. 6-7]:

- a. The Acis Claim for breach of fiduciary duty should be disallowed because sole owners do not owe fiduciary duties to their company.
- b. Even if fiduciary duties had been owed, this part of the Acis Claim should be disallowed because Acis cannot sue others for participating in a scheme in which it, as one of the entities it alleges was commonly owned and controlled, was equally culpable.
- c. The fraudulent transfer claims should be disallowed because a debtor cannot recover avoidance claims for its own benefit under section 550(a) of the Bankruptcy Code.
- d. All claims asserted by Acis on its own behalf against prior equity holders or third parties that were not pending when Mr. Terry purchased the company should be disallowed under the *Bangor Punta* doctrine.

Acis Omnibus Response to Objections [Docket No. 908]

Issue/argument	Q of law or Q of fact	Specifics (in the Obj. and with cited authority)
Whether Highland objected to the preserved causes of action in the Acis plan	Q of fact, but it’s one that doesn’t require anything more than the Court taking judicial notice of whether or not Highland objected to the preserved causes of action	Omnibus Resp. at 15.
Whether, if Highland didn’t timely object to the preserved causes of action in the Acis plan, Highland is now barred from raising objections to the Acis claim in Highland’s case	Law	Omnibus Resp. at 16-17.

Whether Acis's claim in Highland is for the benefit of the estate in Reorganized Acis	Law, in terms of what "benefit to the estate" entails	Omnibus Resp. at 17-23, citing, e.g., Acequia, Inc. v. Clinton (In re Acequia, Inc.), 34 F.3d 800 (9th Cir. 1994.); Tronox Inc. v. Anadarko Petroleum Corp. (In re Tronox Inc.), 464 B.R. 606 (Bankr. S.D.N.Y. 2012); Paradigm Air Carriers, Inc. v. Tex. Rangers Baseball Partners (In re Tex. Rangers Baseball Partners), 498 B.R. 679 (Bankr. N.D. Tex. 2013); Crescent Res. Litig. Trust v. Duke Energy Corp., 500 B.R. 464, 481-82 (W.D. Tex. 2013).
Whether the alleged overpayments belong to Reorganized Acis	Law	Omnibus Resp. at 26-31
Applicability of the <i>Bangor Points</i> and <i>in pari delicto</i> doctrines to Acis claim	Law	Omnibus Resp. at 31-36; see also Omnibus Resp. at 36-37 (listing the facts not appropriate for summary adjudication).
Whether Highland benefitted from the fraudulent transfers asserted in the complaint	Q of fact	Omnibus Resp. at 37-40
Did Acis plead the preference causes of actions appropriately?	Law	Omnibus Resp. at 40-42
Did Acis plead the fraudulent transfer causes of actions appropriately? In the alternative, may Acis plead any missing elements in its Omnibus Objection as a way of satisfying any missing elements?	Law	Omnibus Resp. at 42-48
Setoff of Highland's claim against Acis's claim	Law first, and depending on how the Court decides, then a Q of fact	Omnibus Resp. at 48-51
Whether Acis has claims against Highland related to the ALF PMA Transfer	Law	Omnibus Resp. at 51-54

Whether Acis can bring a claim for civil conspiracy to commit a fraudulent transfer	Law	Omnibus Resp. at 54-56
Whether Highland tortiously interfered with the Universal/BVK Agreement	First, a Q of law (whether Acis can maintain a tortious interference claim w/r/t an at-will contract) and then Qs of fact	Omnibus Resp. at 56-58
Whether Highland breached the Sub-Advisory Agreement and Shared Services Agreement	Q of fact (involving a legal interpretation of the agreements)	Omnibus Resp. at 58-59
Whether Highland breached its fiduciary duties to Acis	Q of law as to whether a fiduciary relationship existed (and then a Q of fact about a potential breach of any such duty)	Omnibus Resp. at 59-66
Whether Acis adequately pleaded alter ego	Law	Omnibus Resp. at 66-68
Whether Highland violated the automatic stay	Q of law as to whether the stay applied; then Q of fact about alleged violations	Omnibus Resp. at 68-71
Whether Acis is entitled to attorney fees	Q of law as to whether Acis can include attorney fees as a matter of law, then a Q of fact as to any amounts	Omnibus Resp. at 71-72
Whether Acis is entitled to punitive damages and attorney fees	Q of law as to whether Acis is entitled to seek such damages, and then a Q of fact as to any amounts (plus attorney fees)	Omnibus Resp. at 72-73

NANCY B. RAPOPORT, J.D.

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IMDB.com page: <http://imdb.com/name/nm1904564/>
Blog: <https://nancyrapoport.blog/>

EDUCATION

Stanford Law School, J.D. (1985)

Selected activities and honors:

- Note Editor, STANFORD LAW REVIEW (1984-85).
- Thesis: *Computer Program for Secured Transactions* (1985).
- Technical assistant in various law school and all-university plays (1983-85)
- First Place, Stanford Women's Intramural Powerlifting Competition (1985).

Rice University, B.A., *summa cum laude*, Legal Studies and Honors Psychology (1982)

Selected activities, honors, and scholarships:

- Senior Thesis: *The Effects of Time of Day on Cognitive Performance*, Psychology Department (1982).
- Phi Beta Kappa (1981).
- Houston Psychological Association Award for Excellence in Psychology (1982).
- Jones College Scholar (1981-82) and Academic Coordinator, Jones College (1980-82).
- President, Rice Hillel (1980-82).
- Student Advisor, Lovett College (1979-80).
- Member, Student Admissions Committee (1979-82).
- Founder, Rapoport Prize in Legal Studies (1982).
- Scholarships: Max Roy Scholarship (1979-80, 1981-82); Jones College Scholarship (1981-82); Board of Governors Scholarship (1980-81).

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EMPLOYMENT

University of Nevada, Las Vegas

- **Special Counsel to the President (2016-18).**
- **Acting Senior Vice President for Finance and Business (summer of 2017).**
- **Acting Executive Vice President & Provost (2015-16).**
- **Senior Advisor to the UNLV President (2014-15) (member of UNLV's Cabinet).**
- **Provost's Leadership Development Academy Coordinator (2013-14); Co-Coordinator (2014-15).**
- **William S. Boyd School of Law, University of Nevada, Las Vegas**
 - **Garman Turner Gordon Professor of Law (2007-present) (formerly the Gordon Silver Professor of Law).**
 - **Interim Dean (2012-13).**

Courses: Basic Bankruptcy Law; Contracts; Professional Responsibility; Seminar on Corporate Scandals; Colloquium on Lawyers in Pop Culture; Business Law & Ethics; Bankruptcy Ethics.

- **Affiliate Professor of Business Law and Ethics, Lee Business School (renewable; 2014-present)**
 - **Co-Chair, Task Force on Scholarship, Lee Business School Strategic Planning Team (2014).**

Responsibilities and Accomplishments as Special Counsel to the President:

- The Executive Director of the Office of Compliance, the Ombuds Panel, the Special Projects Director, and the Interim Executive Director of the Office of Community Engagement reported to me.
- Coordinated, with Kyle Kaalberg (Special Projects Director), the continued implementation of UNLV's strategic plan (Top Tier). In late 2018, UNLV was added to the list of Carnegie R1 institutions.
- Served as a member of the President's Cabinet.
- Coordinated and monitored compliance activities across UNLV.
- Interacted frequently with members of the Board of Regents and the Nevada System of Higher Education.

Responsibilities and Accomplishments as Acting Executive Vice President and Provost:

- The deans of the School of Allied Health Sciences, the Lee Business School, the School of Community Health Sciences (now the School of Public Health), the School of Dental Medicine, the College of Education, the Howard R. Hughes College of Engineering, the College of Fine Arts, the Graduate College, the Honors College, the William F. Harrah College of Hotel Administration, the William S. Boyd School of Law, the College of Liberal

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Arts, the School of Medicine (co-reporting to the President), the School of Nursing, the College of Sciences, and the Greenspun College of Urban Affairs reported to me, as did the Senior Vice Provost, the Vice Provost for Information Technology, the Assistant Vice President of Academic Resources, the Associate Vice Provost for the Office of Decision Support, and the Special Assistant to the Executive Vice President and Provost.

- Chaired the board of directors of UNLV Singapore Ltd.
- Worked with President Jessup, two co-chairs of the Top Tier Plan, and the chairs and co-chairs of five committees, to implement year one of the Top Tier strategic plan.
- Repaired relationships with the Faculty Senate.
- Hired three new deans (Liberal Arts, Fine Arts, and Allied Health) and one acting dean (Sciences).
- Reinstated the three-year dean review process and provided more autonomy to the deans of schools and colleges.

Responsibilities and Accomplishments as Acting Senior Vice President for Finance & Business:

- The departments of Planning and Construction, Budgets, Campus Audit, Human Resources, Facilities Management, Administration (Delivery Service, Telecommunication Services, Parking Services, and Real Estate), Risk Management and Safety, Purchasing, and the Controller reported to me.
- Served as a member of the negotiating team for the Las Vegas Stadium (Las Vegas Raiders).
- Repaired a challenging set of internal management issues.

Responsibilities and Accomplishments as Senior Advisor to the UNLV President:

- Developed the strategic plan (Top Tier) by working in concert with former Presidents Donald Snyder and Len Jessup, Jim Thomson (the Special Advisor to the President for Regional Development and also the former CEO of the RAND Corp.), our consultants (Academic Leadership Associates), Kyle Kaalberg (then the Special Assistant to the President's Chief of Staff), over 200 stakeholders inside and outside UNLV.
- Continued to serve as the point person for the execution of UNLV's strategic plan during all other central administration roles.

Responsibilities and Accomplishments as Interim Dean of Boyd School of Law:

- The Associate Dean for Academic Affairs, the Associate Dean for Student Affairs, the Associate Dean for Administration and External Affairs, the Associate Dean for Faculty Development and Research, the Director of the Wiener-Rogers Law Library, the Director of Information Technology and the Budget Director all reported to me.
- Managed a budget of roughly \$20 million.
- Facilitated the conversion process for legal writing professors to move from long-term contracts to tenure-track positions and facilitated the hiring of two new tenure-track professors.
- Significant fundraising success; systematized certain internal functions; and facilitated a review of our curriculum.

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- *Honors:* Named “Dean of the Year” by Boyd law students in 2013.

University of Houston Law Center

Professor of Law (2006-07).

Dean (2000-06).

Responsibilities and Accomplishments as Dean:

- The Associate Dean for Academic Affairs, the Associate Dean for Student Affairs, the Director of the O’Quinn Law Library, the Associate Dean for Information Technology, the Associate Dean for Finance and Administration and Chief Operating Officer of the Law Foundation, the Associate Dean for External Affairs and Executive Director of the Law Foundation, and the Director of CLE all reported to me.
- Presided over a record increase in the amount and size of gifts to the Law Center, even during a downturn in the economy; raised seven new Law Center professorships, in partnership with a special campaign of the University of Houston, in under two months.
- Facilitated the establishment of several new centers, programs, and institutes, including the Criminal Justice Institute, the Institute for Energy, Law & Enterprise (now the Program in Energy, Environment & Natural Resources), and the Center for Consumer Law.
- Reinvigorated the Blakely Advocacy Institute (BAI) and acquired the A.A. White Center for Dispute Resolution as part of the BAI.
- Encouraged the first major revamping of the Law Center’s curriculum in twenty years.
- Hired fourteen new faculty members (three of which hold endowed chairs at the Law Center).
- Facilitated the Law Center’s recovery from the devastation caused by Tropical Storm Allison on June 9, 2001, which poured over 12 feet of water into the Law Center’s sub-basement and destroyed much of its library collection (over 175,000 volumes and 1,000,000 microfiche lost) and all of the Law Center’s facilities. As part of the lessons learned during our recovery, hosted Loyola University New Orleans College of Law after Hurricane Katrina, until it could recover and return to New Orleans.

University of Nebraska College of Law

Dean and Professor of Law (1998-00).

Responsibilities and Accomplishments as Dean:

- The Associate Dean, the Assistant Dean for Administration and Student Services, the Assistant Dean for Career Services and Alumni Relations, the Director of the Law Library, the Director of Development, the Office Manager, and the Acting Head of the Nebraska Institute for Technology in the Practice of Law all reported to me.
- Instituted the creation of a new Access database to enable all Law College administrative units to organize and share information; improved our systems for the scheduling of Law College events, the timely review of employees, and the cultivation and stewardship of donors; initiated the design of the new “image” of the Law College; and revamped the furnishings of the student lounge (at zero cost to the Law College).

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- Raised significant funds for such needs as scholarships and professorships.
- Encouraged the establishment of new student organizations (including an organization for law students who preferred non-traditional career paths and a GLBT student organization).
- Encouraged the development of a link between an undergraduate “learning community” and the Law College.

Moritz College of Law, The Ohio State University

Professor (1998).

Associate Dean for Student Affairs (1996-98).

Associate Professor (with tenure) (1995-98).

Assistant Professor (1991-95).

Responsibilities and Accomplishments as Associate Dean for Student Affairs:

- Assistant Dean of Admissions and Financial Aid, the Financial Aid Counselor and Staff Assistant, and the Placement Director reported to me.
- Counseled potential applicants regarding admission to College of Law and counseled existing students on academic and non-academic issues.
- With our Development Director, facilitated the establishment and maintenance of scholarships and other relationships with donors.

Morrison & Foerster LLP

Associate, Bankruptcy and Workouts Group, Business Department (1986-91).

- Bankruptcy cases included *In re Toy Liquidating Co. (Worlds of Wonder)*, *Plexus*, *Greyhound*, *Nucorp*, and *California Land & Cattle Co.*
- Significant experience in bankruptcies involving industries such as toy manufacturers, computers, livestock, and television stations.

**The Hon. Joseph T. Sneed, United States Court of Appeals for the Ninth Circuit
Judicial Clerk (1985-86).**

PUBLICATIONS, GRANTS, SPECIAL TRAINING, AND PRESENTATIONS

Works in progress

- Nancy B. Rapoport & Joseph R. Tiano, Jr., *Using Data Analytics to Predict an Individual Lawyer's Legal Malpractice Risk Profile (Becoming an LPL "Precog")*, ____ U. PA. J. L. & PUB. AFF. ____ (forthcoming 2020).
- Nancy B. Rapoport & Joseph R. Tiano, Jr., *The Legal Industry's Second Chance To Get It Right*, ____ WILLAMETTE L. REV. ____ (forthcoming 2020).
- Nancy B. Rapoport, *Help Your Provost Help You During Promotion and Tenure Decisions*, ____ THE GREEN BAG ____ (forthcoming 2020).

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- Nancy Rapoport, *Board Smart Not to Raise the Superintendent Salary Stakes*, LAS VEGAS SUN, September 5, 2010, available at <http://www.lasvegassun.com/news/2010/sep/05/board-smart-not-raise-superintendent-salary-stakes/>.
- Nancy B. Rapoport, *Enron an Example: Grads Lost in Trees*, HOUSTON CHRONICLE, February 24, 2002, at 4H.
- Nancy B. Rapoport, *Wrestling with the Problem of Potential Conflicts of Interest in Bankruptcy*, 26 BANKRUPTCY COURT DECISIONS WEEKLY NEWS AND COMMENT (LRP Publications), March 7, 1995, at A3 (solicited editorial).

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Grants

- 2002 participant, Harvard Institutes for Higher Education Management and Leadership in Education (MLE) Program (partial scholarship from Harvard, \$1,000 in 2001—had to withdraw, due to the aftermath of Tropical Storm Allison, but returned to participate in 2002).
- 1999 participant, Harvard Institutes for Higher Education Management Development Program (MDP) (partial scholarship from Harvard, \$1,000).
- 1995 Instructional Technology Small Grant (Ohio State funds; \$850).
- 1995 West Publishing/NCAIR Fellow (\$15,000 grant for developing a computer program that teaches law students about conflicts of interest in bankruptcy law).
- 1994 participant in Summer Institute of the Law & Society Association (Wellesley, Massachusetts).
- 1993 University Seed Grant for the study of creditor representation in bankruptcy (1993 grant from Ohio State University's Office of Research & the College of Law).

Podcasts (as guest speaker)

- Jay Edelson, NON-COMPLIANT, *Episode 13: The One Where Professor Nancy Rapoport Discusses the Future of Law Firms*, July 1, 2020, available at <https://podcasts.apple.com/us/podcast/episode-13-one-where-professor-nancy-raपोपोर्ट-discusses/id1491233296?i=1000481718338>.
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Selected academic presentations

Anthropology of higher education / higher education generally

- Society for Applied Anthropology's 79th annual meeting, *Moving Seamlessly From Faculty Status to Administrator and Then Back Again* (March 2019).
- Society for Applied Anthropology's 78th annual meeting, *Concentric and Overlapping Circles of Leadership in Higher Education* (April 2018).
- Society for Applied Anthropology's 77th annual meeting, *Women and Diversity: Being a "First"* (March 2017).
- Presentation at 2010 Annual Meeting of Association of American Law Schools, Section on Women in Legal Education, *Succeeding in Legal Education* (January 2010).
- Presentation at 2009 Annual Meeting of Association of American Law Schools, Committee on Curriculum Issues, *Redesigning Legal Education* (January 2009).
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- Panelist, Section on Continuing Legal Education, Co-Sponsored by Section on Professional Responsibility, *Legal Ethics CLE in the Law School Setting: Can It Be Practical, Academic, and Interesting at the Same Time?*
- Panelist, Section for the Law School Dean, *What I Wish I Had Known Then: A Conversation Among Deans*.
- Symposium at Indiana University-Bloomington School of Law, *Eating Our Cake and Having It, Too: Why Real Change Is So Difficult in Law Schools* (March 2005).
- “Better Learning, Better Lawyers” Conference, *Legal Education in the 21st Century: Radical Design for a Changing Profession* (August 2002).
- Moderator of plenary session of the Annual Meeting of Association of American Law Schools, *Mini-Workshop on Major Issues of the 21st Century: The Impact on the Legal Academy and Law Students* (January 2000).

Social science and ethics / social science and governance / social science and lawyer behavior / bankruptcy law

- The Stein Center for Law and Ethics, Fordham University School of Law, Colloquium on Corporate Lawyers, *Using General Counsel to Set the Tone for Work in Large Chapter 11 Cases* (October 2019).
- Pontificia Universidad Javeriana Cali (Colombia)’s International Congress of Corporate Law, *Corporate Social Responsibility and Social Science* (November 2017) (invited speaker).
- Colombia’s Superintendency of Companies, *Corporate Governance, Compliance and Business Ethics* (May 2016) (invited speaker).
- Colombia’s Superintendency of Companies, Responsibility of Administrators and Business Ethics Seminar, *Why Smart People Make Bad Decisions* (March 2015) (invited speaker).
- Boyd School of Law, Conference on Psychology and Lawyering: Coalescing the Field, *Using Psychology to Change Law Firms’ Default Incentive Structures* (with Randy D. Gordon) (invited panelist) (February 2014).
- The Ohio State University Moritz College of Law, faculty workshop presentation on “Nudging” Better Lawyer Behavior: *Using Default Rules and Incentives to Change Behavior in Law Firms* (November 2013).
- The Joseph G. Miller and William C. Becker Center for Professional Responsibility’s Symposium on Navigating the Practice of Law in the Wake of Ethics 20/20, *What It Means To Be a Lawyer in These Uncertain Times (Part I)* (invited panelist) (April 2013).
- Roger Williams University School of Law, Women Who Lead Series, *Why the World Needs Nay-Sayers* (keynote speaker) (March 2010).
- Distinguished Lecturer, The Chapman Dialogue Series, Chapman University School of Law, *Why No Amount of Regulation Is Likely to Prevent Corporate Scandals* (February 2010).
- Presentation at Fordham Law School’s Colloquium, *The Lawyers’ Role in a Contemporary Democracy* (with Colin Marks) (September 2008).
- Adjunct professor, St. John’s University School of Law, LL.M. in Bankruptcy Program (Enron seminar), St. John’s University School of Law Faculty, *Enron: Is It Still Relevant?* (March 2006 & March-April 2007).
- The 2001 Legal Ethics Conference, Hofstra University School of Law, *Legal Ethics—What Needs Fixing?* (September 2001).

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- AALS Bankruptcy Workshop, *Teaching Bankruptcy as a Vehicle for Teaching Other Values* (May 2001).
- Annual Meeting of the Association of American Law Schools, Creditors' & Debtors' Rights Section, *Local Cultures + Judicial Discretion = National Confusion?: Equities, Equations, and the "Uniformity" of the Bankruptcy Code* (January 1998).
- Annual Meeting of National Conference of Bankruptcy Judges, *Disinterestedness and the Chapter 11 Professional* (October 1997).
- Eastern District of Pennsylvania Bankruptcy Conference, *Bankruptcy Issues* (January 1996, January 1997, January 1998, and January 1999).

Selected continuing legal education programs and other professional presentations

Legal education and the legal profession generally

- Nancy B. Rapoport & Joseph R. Tiano, Jr., *Leveraging Legal Analytics and Spend Data as a Law Firm Self-Governance Tool*, Arizona State University's 7th Annual Conference on the Governance of Emerging Technologies & Science: Law, Policy & Ethics (May 2019).
- 2019 Mid-Year Meeting, National Organization of Bar Counsel, *A Look Inside the Incubator—The Challenges Facing Today's Law Students, Law Schools, and Newly-Minted Lawyers* (with Nelson Page and Ari Telisman) (January 2019).
- Law School Admission Council's Annual Meeting, *"Soothing the Savage Beast": The Art of Working Effectively With Difficult People* (with Floyd Weatherspoon) (June 2011).
- Association of American Law Schools, Annual Meeting, Section on Continuing Legal Education (co-sponsored by Section for the Law School Dean), *Exploring the Options for the Future of Legal Education* (with Kellye Y. Teste, Daniel McCarroll, Gary A. Munneke, and Ellen Y. Suni) (January 2010).
- Houston Bar Minority Opportunities in the Legal Profession Committee & Minority Corporate Counsel Association: *Business Development in a Belt-Tightening Economy, Overcoming Barriers and Opening Doors to Your Personal Success* (February 2002).
- AALS Workshop—Do You Know Where Your Students Are? Langdell Logs On to the 21st Century, AALS Annual Meeting, *The Changing Face of the Deanship* (January 2002).
- ALWD (Association of Legal Writing Directors) Biennial Conference, *Do "Best Practices" in Legal Education Include an Obligation to the Legal Profession to Integrate Theory, Skills, and Doctrine in the Law School Curriculum?* (July 2001).
- AALS Workshop for New Law Teachers, *Satisfying Your Multiple Constituencies (How Your Dean Can Help)* (July 2000 & July 1999).
- LSAC Academic Support Conference, *Why Support Academic Support Programs?* (June 2000).
- LSAC Annual Meeting, *Establishing a Partnership With a New Dean* (June 2000).
- American Bar Association's Workshop for New Law Deans, *Reflections of an Ex-Novice Dean* (June 1999).
- Annual Conference of the National Association for Law Placement, *Reliable Evaluation of Law Schools: Going Beyond Law School Rankings* (April 1999).

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Bankruptcy

- AMERICAN BANKRUPTCY INSTITUTE LAW REVIEW panel discussion, *Professional Fees in Bankruptcy* (with co-panelists Judge Kevin Carey, attorney Douglas Deutsch, Professor Stephen Lubben, and Professor John Pottow) (April 2019).
- National Conference of Bankruptcy Judges, *NCBJ Plenary: Broken Bench Awards Show: The Best Little Show in Texas* (October 2018).
- ABI 38th Annual Midwestern Bankruptcy Institute, *Sanctions and Social Science* (October 2018) (with Adam Miller).
- Fifth Annual James T. King Bankruptcy Symposium, *Ethics and Getting Paid* (July 2018) (with the Hon. Erithe A. Smith and M. Jonathan Hayes).
- American Bankruptcy Institute, VALCON 2018, *Special Problems Presenting Financial Consultants as Expert Witnesses and Ethics Hot Topics* (May 2018) (with Michael Richman, George Angelich, and Ted Gavin).
- American Bankruptcy Institute's Annual Spring Meeting, *Ethics Jeopardy* (with Nan Roberts Eitel, Lois Lupica, and Bill Rochelle) (April 2017).
- American Bankruptcy Institute's Annual Spring Meeting, *A Primer on Dealing with Fee Examiners* (with Van Durrer, II, William K. Harrington, Robert J. Keach, and John F. Theil) (April 2016).
- 29th Annual Central California Bankruptcy Institute, *How to Use Social Science to Improve Ethics in a Law Firm* (September 2015).
- 89th Annual National Conference of Bankruptcy Judges, *Ethics and Social Media* (panel discussion with the Hon. Hannah Blumenstiel and Peter Fessenden) (September 2015).
- National Association of Legal Fee Analysis (NALFA) webinar, *Bankruptcy Fee Examiners in Large Chapter 11 Cases* (panel discussion with Walter W. Theus, Jr., Senior Trial Attorney, USDOJ U.S. Trustee Program and Jeffrey L. Cohen, Partner, Cooley, LLP) (May 2015).
- Bankruptcy Section of the Federal Bar Association and the Los Angeles Chapter of the Federal Bar Association, 11th Annual Bankruptcy Ethics Symposium, *An Ethics Conversation* (with Gillian N. Brown) (November 2014).
- Texas Bankruptcy Law Section Bench/Bar Conference, *Recent Attorney Fee Issues* (June 2013).
- Rocky Mountain Bankruptcy Conference: IWIRC session on bankruptcy ethics; keynote speaker on *Bankruptcy Ethics in Pop Culture* (January 2013).
- Speaker at three sessions of the 86th Annual National Conference of Bankruptcy Judges: ABA session on *Ethical Issues Involving Pro Bono Representation: Spotting the Issues, Solving the Problems*; NCBJ session on *The Ethics of Organizers—Ethical Challenges in Forming Official and Unofficial Committees*; and CLLA session on *Pre-Bankruptcy Ethics—How to Avoid the Minefields Before Battle Begins* (October 2012).
- Sacramento Valley Bankruptcy Forum's 11th Annual Northern California Bankruptcy Conference, *Stupid Lawyer Tricks* (March 2012).
- National Association of Bankruptcy Trustees' Spring Meeting, panelist on *Friend Me? Ethics and Professionalism Issues Related to the Use of Social Media* (March 2012).
- ABA Business Law Section's Annual Spring Meeting, panelist for the sessions on *Ethical Issues in Commercial Transactions*, *Should In-House Counsel Be Navigating in the Choppy Waters of Corporate Compliance?*, and *Consumer Bankruptcy Clinics for Law Schools* (March 2012).

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- Southeastern Bankruptcy Law Institute, SBLI Visiting Scholar Presentation, *The Case for Value Billing in Chapter 11* (October 2011).
- Bankruptcy Law Section of the State Bar of Texas Bench/Bar Conference, “Money, Money, Money” -- *Red Flags to Fee Examiners and Solutions to Those Red Flags* (with the Hon. H. Christopher Mott, Kemp Sawers, and Warren H. Smith) (June 2011).
- American Bankruptcy Institute’s Annual Spring Meeting, *Fulfilling the Fiduciary Duty in a Complex Commercial World* (with Richard M. Meth & Judith Greenstone Miller (plenary session) (April 2011).
- Annual Meeting of National Conference of Bankruptcy Judges, *(Almost) Everything You Wanted to Know About...Getting Retained and Committee Solicitation Issues – The Problems, the Rules and the Enforcers* (October 2009).
- ABI Southwest Bankruptcy Conference, *Multimedia Ethics Presentation; Perspectives from the Bench and Ethical Issues*; and *Ethics—Walking in the Grey Areas: Advising Clients and Avoiding Pitfalls in Ethically Unsettled Areas* (September 2009).
- ALI-ABI Live Telephone Seminar and Audio Webcast: Ethics and Professionalism Series, *When Bankruptcy Comes Calling on Your Client: Five Common Ethical Mistakes* (April 2009).
- ABI Annual Spring Meeting, *Multimedia Ethics Presentation* (plenary session) (April 2009).
- Alaska Bar Association and Alaska Bankruptcy Bar, *Ethics and Popular Culture and Issues in Bankruptcy Ethics* (March 2009).
- National Conference of Bankruptcy Judges, 82d Annual Conference, *Ethical Fee Limits: Getting Paid and Getting What You Deserve* (Sept. 2008).
- American Bankruptcy Institute’s 16th Annual Southwest Bankruptcy Conference, *Multimedia Ethics Extravaganza* (plenary speaker) (Sept. 2008).
- National Conference of Consumer Bankruptcy Attorneys, 16th Annual Conference, *Ethics Issues* (May 2008).
- American Bankruptcy Institute’s 26th Anniversary Annual Spring Meeting, *Beyond Ethics: The Coexistence of Zealousness, Professionalism and Civility in the Insolvency Community* (April 2008).
- American Bankruptcy Institute’s 19th Annual Winter Leadership Conference, *Presentation of Fee Study* (February 2008).
- National Conference of Bankruptcy Judges, 81st Annual Conference, Commercial Law League of America’s 22nd Annual Educational Program’s panel on *Preemption and Federalism Issues in Bankruptcy* (October 2007).
- American Bankruptcy Institute’s 15th Annual Southwest Bankruptcy Conference, *Ethics: Negotiating the Sanctions Minefield* (September 2007).
- American Bankruptcy Institute’s 25th Annual Spring Meeting, *The Application of State Ethics Rules in Bankruptcy: Are We Just Holding Our Noses and Looking the Other Way?* (April 2007).
- 25th Anniversary Jay L. Westbrook Bankruptcy Conference, University of Texas CLE (with Martin Bienenstock), *Conflicts Writ Large: Intercreditor Issues and Issues with Fees and Overbilling* (November 2006).
- Annual Meeting of National Conference of Bankruptcy Judges, ABA Luncheon Meeting, *Examining the Examiner* (October 2004).
- Annual Meeting of National Conference of Bankruptcy Judges, *Current Bankruptcy Ethics Issues: It’s Not That You Ought To! It’s That You “Got To!”* (October 2004).
- Commercial Law League of America, Annual Meeting, *Bankruptcy Ethics* (April 2003).

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- 4th Annual Barry L. Zaretsky Roundtable, Brooklyn Law School, *Ethics, Governance, and Bankruptcy After Enron* (April 2003).
- The University of Texas School of Law CLE: The 21st Annual Bankruptcy Conference & Personal Injury Conference, *Debtor Wrongdoing: Ethical Implications for Lawyers* (November 2002).
- National Association of Bankruptcy Trustees, Annual Conference, *What's Wrong With Us??!!—A Fascinating Look at Ourselves, Through the Eyes of Judges and Others* (August 2002).
- 10th Annual Southwest Bankruptcy Conference, American Bankruptcy Institute, *A Look Inside the Mega-Case* (September 2002).
- 20th Annual Bankruptcy Conference, University of Texas Law School, *Bankruptcy Ethics—How Do We Find Out What We're Doing Wrong (Or Right)?* (November 2001).
- Annual Meeting of National Conference of Bankruptcy Judges, *Tell Me What You Really Want—How Behavior (On Both Sides of the Bench) Can Impact Your Case* (October 2001).
- Winter Leadership Conference, American Bankruptcy Institute, *Bankruptcy Ethics* (December 2000).
- Twenty-Fourth Annual Bankruptcy Law & Practice Seminar, Stetson University College of Law, *Ethical Problems: Dual Representation in Chapter 11*, and *Ethics: Pre-Bankruptcy Planning and Ethical Limitations* (December 1999).

Social science generally

- Plenary session, *Ethics and Professionalism: Why Lawyers Do Dumb Things—The Social Science Reasons*, National Association of Chapter 13 Trustees, 54th Annual Meeting (with Mary K. Viegelahn (July 2019).
- *What Social Science Can Teach Us About Good People and Bad Choices and Images of Lawyers in Film: Legal Ethics and the Movies*, 2018 American Bankruptcy Institute Midwest Regional Seminar (August 2018).
- 2017 Mutual Funds and Investment Management Conference, *Building Successful and Ethical Teams* (March 2017).
- National Association of Estate Planners' 52nd Annual Conference, *Nudging More Ethical Behavior Through Incentives and Checklists* (November 2015).
- The Eugene Kuntz Conference on Natural Resources Law and Policy, *Nudging Better Behavior: How Social Science Can Help Us Make Better Decisions* (November 2015).
- Institute for Energy Law, 66th Annual Oil & Gas Conference, "Nudging" Better Behavior (February 2015).
- National Association of Estate Planners and Councils, 50th Annual Conference, *Social Science, Human Error & Behavior* (November 2013).
- ABA Annual Meeting, Business Law Section, *Cognitive Biases, Blind Spots, and Other Impairments of Ethical Vision: How Good Lawyers Can Go Astray* (with Dr. Larry Richard, James Jones, and Charles McCallum) (August 2013).

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Judicial ethics

- Federal Judicial Center, *Judicial Ethics* (with the Hon. Peter Bowie, the Hon. Arthur Federman, and Prof. Elizabeth Thornburg) (April 2013 and August 2013).
- College for New Judges, Texas Center for the Judiciary, *Images of Judges in Movies* (December 2002 & November 2003).

Corporate ethics

- Boyd School of Law Summit on Corporate Governance, in partnership with Greenberg Traurig, LLP: as a moderator, *Asleep at the Switch: Lessons Learned from the Failure of Board Oversight In Recent Corporate Scandals and Cybersecurity Gaffes* (with panelists Cuneyt Akay, Paul Ferrillo, and Jordan Kelly, and as a panelist, *Not Too Much, Not Too Little: What is Just Right?: Challenges Faced in Executive and Board Compensation* (with co-panelist Laura Wanlass and moderator Flora Perez (November 2019).
- Department of Energy & Contractor Attorneys' Association, Inc.'s Annual Meeting, *Ethics in the Corporate World* (May 2009).
- *Lessons To Be Learned From the Rise and Fall of High-Profile Corporate Entities—The Scandals—How to Identify Red Flags in Revenue Reporting and Financial Statements* (NACD Houston Chapter, Sept. 2004) (with Bala G. Dharan and Steven C. Currall).
- State Bar of Texas Annual Meeting, Business Law & Corporate Counsel Sections, *Moral Independence of Lawyers vs. Moral Interdependence* (June 2003).
- Southeastern Finance Association and Southern Academy of Legal Studies, *Corporate Scandals (Enron, Andersen, Tyco & World Com)—What Went Wrong?* (keynote speaker) (March 2003).
- The University of Texas School of Law CLE: The 24th Annual Corporate Counsel Institute, *Conflicts, Ethical Duties and Independence: Lessons from Enron* (August 2002).
- NASA National Managers Association, *Lessons in Character from Enron* (April 2002).
- The University of Texas School of Law CLE: The 25th Annual Page Keeton Products Liability & Personal Injury Conference, *Dressed for Excess* (November 2001).

Women

- Gardere Women's Council Ethics CLE, keynote speaker, *Women on Boards* (June 2013).
- State Bar of Texas Annual Meeting, Women & the Law Section, *Images of Women Lawyers in the Media* (June 2003).

Miscellaneous

- Emanuel Bar Review Lecturer (2008-2010).
- BAR/BRI, lecturer on *Succeeding in Law School* (2002-2006).

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Selected media appearances

- Appearances on a variety of local, national, and international news broadcasts, and in local, national, and international news articles, on various bankruptcy, corporate law, and other legal issues, including the Enron bankruptcy case, the Arthur Andersen trial, and the Anna Nicole death (December 2001-present).
- Appeared in Academy Award®-nominated documentary, *Enron: The Smartest Guys in the Room* (Magnolia Pictures 2005).

Special training

- Attended three Harvard Institutes of Higher Education leadership programs (IEM in 2016, MLE in 2002, and MDP in 1999).
- Attended STAR: A Systematic Approach to Mediation Strategies, Straus Institute for Dispute Resolution, Pepperdine University School of Law (June 2008) (attended on a grant from Pepperdine).

Contributor to the following blogs

- ABOVE THE LAW, <https://abovethelaw.com/>.
- NANCY RAPOPORT'S BLOG, <https://nancyrapoport.blog/>.
- NANCY RAPOPORT'S BLOGSPOT (former blog), <http://nancyrapoport.blogspot.com/>.
- LAW SCHOOL SURVIVAL MANUAL, <http://lawschoolsurvivalmanual.blogspot.com/>.
- CORPORATE SCANDAL WATCH, <http://corporatescandalwatch.blogspot.com/>.
- UNLV LAW BLOG, Contributing Editor, <http://unlvlawblog.blogspot.com>.
- MONEYLAW, Contributing Editor, <http://money-law.blogspot.com/>.
- LEGAL PROFESSION, Contributing Editor: http://lawprofessors.typepad.com/legal_profession/.
- JURIST, Contributing Editor, <http://jurist.law.pitt.edu/>.
- CREDIT SLIPS, Guest Blogger, <http://www.creditslips.org/>.
- THE FACULTY LOUNGE, Guest Blogger, <http://www.thefacultylounge.org/>.
- THE CONGLOMERATE, Guest Blogger, <http://www.theconglomerate.org/>.
- FEMINIST LAW PROFESSORS, Guest Blogger, <http://feministlawprofs.law.sc.edu/>.
- RACE TO THE BOTTOM, Guest Blogger, <http://www.theracetothebottom.org/home/>.

HONORS, BAR ADMISSIONS, MEMBERSHIPS, AND COMMUNITY SERVICE

Selected honors

- Recipient of one of the NAACP Legacy Builder Awards (Las Vegas Branch #1111) (2018).
- Commercial Law League of America's Lawrence P. King Award for Excellence in Bankruptcy (2017).
- Inducted into Phi Kappa Phi, Chapter 100 (2017).

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- Southeastern Bankruptcy Law Institute Distinguished Visiting Scholar (week-long visits at Georgia State College of Law) (2011).
- 2008 Public Service Counsel of the Year, 4th annual event, Association of Media and Entertainment Counsel (2009).
- Fellow, American College of Bankruptcy (2005-present) (Class 16).
- Named a “Woman of Vision” by the Houston Delta Gamma Foundation (2004).
- Admitted to American Leadership Forum, Class XXII (2004). Withdrew due to family illness.
- Named “Best Local Girl Made Good,” HOUSTON PRESS, September 25, 2003, at 24.
- Fellow, American Bar Foundation (2002-present; Life Fellow since 2015).
- Rice University Distinguished Alumna (2002).
- Named by the Greater Houston Area Chapter of the National Council of Jewish Women as a “Woman of Influence” (2001).
- Elected to membership in the American Law Institute (2001).
- Named a Legal Pioneer for Women in the Law (first woman to serve as the dean of a Nebraska law school), Nebraska State Bar Association (2000).
- Louis Nemzer Memorial Lecture (yearly lecture honoring a Jewish member of the Ohio State faculty) (1998).
- Outstanding Professor of the Year, The Ohio State University College of Law (third-year students voting) (co-winner, with Professor Barbara Rook Snyder) (1997).

Bar admissions

- United States District Court, District of Nevada (2009).
- Nevada Supreme Court (2007).
- United States District Court, Northern District of Texas (2003).
- Texas Supreme Court (2001).
- United States Supreme Court (2000).
- Nebraska Supreme Court (1999).
- Ohio Supreme Court (1993).
- United States District Court for the District of Hawaii (1988).
- California Supreme Court (1987).
- United States Court of Appeals for the Ninth Circuit (1987).
- United States District Courts for the Northern, Eastern, Central, and Southern Districts of California (1987).

Editorial boards

- THE BUSINESS LAWYER (2014-present).
- REYNOLDS COURTS & MEDIA LAW JOURNAL (2011-2013).
- Association of American Law Schools, JOURNAL OF LEGAL EDUCATION (2007-2010).
- State Bar of Texas, TEXAS BAR JOURNAL Board of Editors (2003-06); State Bar of Texas, TEXAS BAR JOURNAL, Editorial Board Committee (2001-2004).

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- CALIFORNIA BANKRUPTCY JOURNAL (1995-2002).

Selected board memberships

- Rice University, External Advisory Board, Center for Teaching Excellence (2019-present).
- Nevada Board of Bar Examiners (2018-2020).
- Economic Club of Las Vegas (2017-present).
- National Museum of Organized Crime & Law Enforcement (“The Mob Museum”) (2013-present); Secretary of the Board (2016-present).
- JURIST Board of Directors (<http://jurist.law.pitt.edu/>) (2008-2014).
- American Bankruptcy Institute Board of Directors (2008-2017); Executive Committee (2012-2016); Vice President of Research Grants (2013-2016).
- American Board of Certification (board certification for bankruptcy lawyers) (2007-2014) (Dean of Faculty, 2011-2013).
- Association of Rice Alumni (2006-2009).
- NALP Foundation for Law Career Research and Education (2005-2009).
- Texas Center for Legal Ethics (2004-2006).
- Texas Supreme Court Historical Society (2004); Advisory Board (2004-2006).
- Vinson & Elkins Women’s Initiative Advisory Board (2003-2010).
- Houston Area Women’s Center (2003-2006).
- Advisory Council Member, WWW United, Inc. (2002-2006).
- Texas Environmental Health Institute (a joint project of the Texas Department of Health & the Texas Natural Resource Conservation Commission, which is the Texas Commission on Environmental Quality (TCEQ)) (2002-2004).
- Houston World Affairs Council (2002-2005).
- Houston Hillel (2002-2007).
- Mayor’s Advisory Board of World Energy Cities Partnership (2001-2004).
- Houston Disaster Relief Advisory Board (2001-2004).
- Houston Chapter of the Texas General Counsel Forum (2001-2005).
- Anti-Defamation League Southwest Regional Board (2001-2006).
- Law School Admission Council Board of Trustees (2001-2004).

Selected national service activities and memberships

- Secretary and Reporter, American Bankruptcy Institute’s Task Force for Veterans and Servicemembers Affairs (2018-present).
- Member, Federal Bar Association’s Professional Ethics Committee (2018-present); Ethics Hotline subcommittee (2018-2019); Co-Chair, Speakers’ Bureau, 2019-present).
- Member, Heterodox Academy (2017-present).
- Member, Society for Applied Anthropology (2017-present).
- Member, National Association of Legal Fee Analysis (2014-2018).
- Member, Association of Professional Responsibility Lawyers (2014-2016).

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- Member, Law School Admission Council Diversity Retention Workshop 2015 Planning Work Group (2014-2015).
- Member, Federalist Society (2013-present).
- Member, Federal Bar Association (2012-present).
- Member, Advisory Committee to the American Bankruptcy Institute's Commission to Study the Reform of Chapter 11 (2012-2015) (Governance Subcommittee).
- Co-Reporter, American Bankruptcy Institute's National Ethics Standards Task Force (2011-2013).
- Co-Chair, American Bankruptcy Institute's Task Force on Young and New Members (2011-2012).
- Association of Media and Entertainment Counsel, Law School Section (Co-Chair, 2010-2011; member and temporary Co-Chair, 2012-2013); member, Law School Advisory Board (2014); Chair, Law School Advisory Board (January 2018-present).
- American Bar Association, Section on Legal Education, Committee on Law School Administration (2008-2010); Chair-Elect (2010); Chair (2011-2013).
- American Bar Association, Section on Business Law, Committee on Corporate Counsel, Subcommittee on Corporate Governance (co-chair, with Roberta Torian) (2007-2010).
- Advisory Committee, American Bankruptcy Institute's consumer bankruptcy fee study (advisor to Professor Lois Lupica) (2008-2011).
- Rice Alumni Volunteers for Admission (2007-present) and liaison for RAVA to Association of Rice Alumni Board (2007-2009); involved in Rice Annual Fund solicitations since 2007.
- Advisory Committee, American Bankruptcy Institute's Chapter 11 fee study (advisor to Professor Stephen Lubben) (2005-2007).
- American Bankruptcy Institute's Task Force on Pro Bono (2007).
- American Bar Association's Task Force on Attorney Discipline (2005).
- Planning committee for 2007 Annual Meeting of Association of American Law Schools, *Workshop on The Ratings Game* (2006-2007).
- City of Houston Mayor's Pension Governance Advisory Committee (2004-2006).
- American Bar Association, Advisory Group on Loan Repayment, Standing Committee on Legal Aid & Indigent Defendants (SCLAID) (2003-2006).
- Faculty member, ABA New Deans' School (May-June 2003, June 2004, and June 2005).
- Advisory Committee, Baylor College of Medicine-UH Law Center MD/JD Program (2004-2006).
- Academic advisor, National Governmental Affairs Committee, Commercial Law League of America (CLLA) (2002-2006).
- Co-chair (with Dean Stuart Deutsch), ABA Deans' Workshop (for mid-year ABA meeting in 2003).
- Advisory Committee, *The Birth of the Dot-Com Era*, project for the Library of Congress (Project Manager, Prof. David Kirsch, University of Maryland) (advising the Library of Congress on what to do with the records of now-defunct law firm of Brobeck, Phleger & Harrison) (2004-2007).
- National Association of Corporate Directors (2004-2006).
- Commercial Law League of America, Professional Responsibility Committee (2003-2005).

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- Member, ABA Commission on Loan Repayment & Forgiveness (2001-2003).
- Member, AALS Professional Development Committee (2000-2003).
- Communication Skills Committee, ABA Section of Legal Education and Admissions to the Bar (1998-2002).
- Chair, AALS Planning Committee for the *Mini-Workshop on Major Issues of the 21st Century: the Impact on the Legal Academy and Law Students* (1999-2000).
- Member, Law School Admission Council (LSAC) Services & Programs Committee (1999-2000), Workgroup on Alternative Admissions Models (2000-2003), and Gay, Lesbian, Bisexual & Transgendered Issues Workgroup (2000-2001).
- Nebraska State Bar Association (1999-present).
- National Association of College & University Attorneys (1998-2006).
- Commercial Law League of America (1998-present).
- Ohio State Bar Association (1997-present).
- American Bankruptcy Institute (1994-present).
- AIDS Legal Referral Panel of the Bar Association of San Francisco (1989-91).
- Bar Association of San Francisco (1987-91).
- American Bar Association (1987-present).

EXPERT AND EXPERT WITNESS ACTIVITY

- Expert for Bonds Ellis Eppich Schafer Jones LLP in *In re* Highland Capital Management, L.P., Case No. 19-34054, United States Bankruptcy Court for the Northern District of Texas (2020-present).
- Fee examiner in *In re* Zetta Jet USA, Inc. (2:17-bk-21386-SK) and *In re* Zetta Jet PTE, Ltd., Case No. 2:17-bk-21387-SK, United States Bankruptcy Court for the Central District of California—Los Angeles Division (2020-present).
- Expert for Sidley Austin LLP in *In re* Boy Scouts of America and Delaware BSA, LLC, United States Bankruptcy Court for the District of Delaware, Case No. 20-10343 (LSS) (2020) (testified at hearing).
- Expert for Porter Hedges LLP in *In re* McDermott Int'l, United States Bankruptcy Court for the Southern District of Texas, Case No. 20-30336 (DRJ) (2020-present).
- Expert for Diamond McCarthy LLP and Snow Covered Capital, LLC in *Snow Covered Capital, LLC v. Weidner*, United States District Court for the District of Nevada, Case No. 2:19-cv-00595-JAD-NJK (2019-present).
- Expert for The Richter Firm and Shumaker, Loop & Kendrick in *Wise v. Smith et al.*, Court of Common Pleas, State of South Carolina, Case No. 2019-CP-3300017 (2019-present) (testified at deposition).
- Independent monitor for UpRight Law (2018-present).
- Fee examiner in *In re* Toys “R” Us Property Company I, LLC, United States Bankruptcy Court for the Eastern District of Virginia, Case No. 18-31429 (KLP) (2018-2019).
- Fee examiner in *In re* Toys “R” Us, Inc., United States Bankruptcy Court for the Eastern District of Virginia, Case No. 17-34665 (KLP) (2018-2019).

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- Expert for the Trustee in two *In re* ICPW Liquidation Corp. cases, United States Bankruptcy Court for the Central District of California, Case Nos. 1:17-bk-12408-MB and 1:17-bk-12409-MB (2018).
- Expert for Hoover Slovacek LLP in *Midstates Petroleum Company v. Production Specialists, Inc. dba Regal Oilfield Sup.*, United States Bankruptcy Court for the Southern District of Texas, Case No. 4:16-bk-32237 (2017-2019).
- Expert for Panish Shea & Boyle LLP in *Moradi v. Nevada Property 1, LLC*, District Court, Clark County, Nevada, Case No. A-14-698824-C (2017).
- Expert for Diamond State Insurance Company in *Gieseke v. Diamond State Insurance Company*, U.S. District Court for the District of Nevada, Case No. 3:16-cv-00103-MMD-WGC (2016).
- Expert for Mar-Bow Value Partners, LLC, and Lakeview Capital, Inc., on a confidential matter involving Federal Rule of Bankruptcy Procedure 2014 (2016-present).
- Independent member of Fee Committee, *In re* Caesars Entertainment Operating Co., Inc., U.S. Bankruptcy Court, Northern District of Illinois, Case No. 15-01145 (ABG) (2015-2018).
- Expert for Craig Marquiz in *Home Gambling Network, Inc. v. Piche*, United States District Court for the District of Nevada, Case No. 2:05-cv-00610-DAE-VCF (2015).
- Expert for the Debtor in *In re* The Catholic Bishop of Spokane, a/k/a The Catholic Diocese of Spokane, United States Bankruptcy Court, Eastern District of Washington, Case No. 04-08822-FPC11 (2014).
- Expert for the Trustee in *In re* Fundamental Long Term Care, Inc., United States Bankruptcy Court, Middle District of Florida, Case No. 8:11-bk-22258-MGW (2014-2015) (testified at deposition and at trial).
- Expert for the Liquidating Trustee in *Mukamal v. Fulbright & Jaworski L.L.P. (In re Palm Beach Finance Partners, L.P. and Palm Beach Finance Partners II, L.P.)*, United States Bankruptcy Court, Southern District of Florida, Case No. 09-36379-BKC-PGH (2014) (withdrew due to scheduling issues).
- Expert for the law firm of Lipson Neilson Cole Seltzer Garin, P.C. in a case involving conflicts of interest (2014).
- Consultant for the Liquidating Trust for *In re* Residential Capital, LLC, United States Bankruptcy Court, Southern District of New York, Case No. 12-12020 (MG), regarding the reasonableness of fees (2014).
- Expert for the law firm of Frank J. Cremen in *Grievance File #SG 1-1156*, State Bar of Nevada (2013-2014) (testified at hearing).
- Expert for Irell & Manella LLP, in *State of Nevada v. Gary Trafford, et al.*, Clark County District Court, Case No. C-11-277573-1 (2013).
- Expert for a Nevada law firm (firm and client names kept confidential) in a matter involving attorney disciplinary procedures (2012).
- Expert for the Fee Examiner in *Matter of Lehman Brothers Holdings, Inc.*, U.S. Bankruptcy Court, Southern District of New York, Case No. 08-13555-jmp (2012).
- Expert for the Fee Examiner in *In re* Motors Liquidation Co. (f/k/a General Motors Corp.), U.S. Bankruptcy Court, Southern District of New York, Case No. 09-50026 (2011-2012).

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Nancy B. Rapoport

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- Expert for Alverson Taylor Mortensen & Sanders in Stanish et al. v. Catholic Healthcare West, Nevada District Court, Clark County, Case No. A-11-639674-C (2011).
- Fee examiner in *In re* Station Casinos, Inc., U.S. Bankruptcy Court, District of Nevada, Case Nos. BK-09-52477 through BK-11-51219 (2011).
- Expert for the Office of the United States Trustee in three cases: *In re* Mark Andrew Brown, U.S. Bankruptcy Court, Western District of Maryland, Case No. 09-44254-jwv7; *In re* Tracy L. Quarm, U.S. Bankruptcy Court, Northern District of Ohio, Case No. 09-20498; and *In re* John W. Young, U.S. Bankruptcy Court, Northern District of Ohio, Case No. 10-11404 (2010) (testified in discovery depositions and at trial; deposition and trial testimony done via videotape).
- Expert for the Trustee in The Pappg Grantor Trust v. Scott (*In re* Baltimore Emergency Services II, LLC, et al.), U.S. Bankruptcy Court, District of Maryland, Adversary No. 03-8294-esd (2010).
- Expert for Lionel, Sawyer & Collins in Michael Racusin v. Lionel Sawyer & Collins, American Arbitration Association, Case No. 79 194 Y 00108 08 (2009-2010) (testified in arbitration).
- Expert for the Reorganized Debtor in *In re* ASARCO, LLC, et al., U.S. Bankruptcy Court, Southern District of Texas, Case No. 05-21207 (2010) (testified at trial).
- Expert for BuckleySandler LLP in Pulte Homes, Inc. v. Terry Goddard, In His Official Capacity as Attorney General for the State of Arizona and Catherine Cortez Masto, In Her Official Capacity as Attorney General for the State of Nevada, D.C. Circuit, Civil Action No. 1:10-cv-00377 (2010).
- Court's fee expert and chair of the Fee Review Committee in *In re* Pilgrim's Pride Corp., U.S. Bankruptcy Court, Northern District of Texas, Case No. 08-45664 (DML) (2009-2010) (testified at hearing).
- Expert for plaintiff in Judy M. Jackson, M.D. v. Ira Levine et al., Nevada District Court, Clark County, Case No. A538983 (2009-2010) (testified in deposition and at trial).
- Expert for the Trustee in Asset Funding Group, L.L.C., Scobar Adventures, L.L.C., AFG Investment Fund 2, L.L.C., and HW Burbank, L.L.C. v. Adams and Reese, L.L.P., U.S. District Court, Eastern District of Louisiana, Case No. 07-2965 (2009) (testified in deposition; made available for trial, but case settled).
- Expert for Clausen Miller in *In re* Raymond Professional Group, Inc. (Raymond Professional Group, Inc. v. William A. Pope Company), Adv. No. 07-A-00639, U.S. Bankruptcy Court, Northern District of Illinois (2008-2009) (testified in deposition and at hearing).
- Expert for the plaintiff in Todd v. Guidance Software, Inc., U.S. District Court, Central District of California, Case No. SACV 08-1354 JVS (ANx) (2008-2009).
- Expert for the Debtor in Sports Shinko Co. v. Franklin K. Mukai, U.S. District Court, D. Hawaii, Case No. CV 04-00127 ACK/BMK (2007-2008).
- Expert for the Trustee in *In re* Mego Financial Corp., et al., U.S. Bankruptcy Court, D. Nev., Case Nos. BK-N-03-52300-GWZ through BK-N-03-52304-GWZ and BK-N-03-52470-GWZ through BK-N-03-52474-GWZ (2007-2008) (testified at deposition).
- Expert for Pillsbury Winthrop in *In re* SONICBlue Incorporated, U.S. Bankruptcy Court, Northern District of California, Case Nos. 03-51775 through 03-51778 MM (2007) (made available to testify in court early in the case; did not testify).

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Nancy B. Rapoport

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- Expert for the Trustee in *In re* Southwest Florida Heart Group, P.A., U.S. Bankruptcy Court, Middle District of Florida, Case No. 9:05-bk-17167-ALP (2007) (testified in deposition).
- Expert for Beirne, Maynard & Parsons in Brazos Electric Power Cooperative, Inc. v. Tenaska IV Texas Partners and related cases (2003-2004; 2006-2007) (testified in depositions).
- Expert for Beirne, Maynard & Parsons in Hicks v. Charles Pfizer & Co., U.S. District Court, Eastern District of Texas, Civil Action No. 1:04CV201 (2006).
- Expert for Benjamin Hall, Esq., in Costilla Energy, Inc., by and through its litigation trustee, George Hicks v. Joint Energy Development Investments II, 49th Judicial District, Zapata County, Texas (2006-2008) (testified in deposition).
- Expert for Winstead, Secrest & Minick in an issue involving conflicts of interest (2005).
- Expert for Beckley, Singleton in Fremont Investment & Loan v. Beckley Singleton, Chtd. and Sidney Bailey, U.S. District Court, D. Nevada, Case No. CV-S-03-1406-JCM-RJJ (2003) (2005-2006) (testified in deposition).
- Expert for the debtor in *In re* ACandS, Inc., U.S. Bankruptcy Court, D. Delaware, Case No. 02-12687 (2004-2005) (testified at hearing).
- Court's fee expert and chair of the Fee Review Committee in *In re* Mirant Corporation, U.S. Bankruptcy Court, Northern District of Texas, Case No. 03-46590 (2003-2006; 2011-2012) (testified in deposition and at hearing).
- Expert witness for Latham & Watkins regarding Section 414 of H.R. 333 (changes in "disinterestedness" standard of 11 U.S.C. § 101(14)) (March-April 2003).
- Expert witness for the Office of Disciplinary Counsel, *In re* Charles William Ewing, Case No. 97-5, before the Board of Commissioners on Grievances and Discipline of the Bar of the Supreme Court of Ohio (1998).

PUBLIC TESTIMONY

- Testified at the June 2012 public meeting of the United States Trustee Program regarding the proposed new fee guidelines for larger chapter 11 cases (testimony available at http://www.justice.gov/ust/eo/rules_regulations/guidelines/docs/proposed/Prof_Rapoport_Comment.pdf, http://www.justice.gov/ust/eo/rules_regulations/guidelines/docs/proposed/Prof_Rapoport_SupplementalComment.pdf, and http://www.justice.gov/ust/eo/rules_regulations/guidelines/docs/proposed/Prof_Rapoport_Comment2.pdf; transcript available at http://www.justice.gov/ust/eo/rules_regulations/guidelines/docs/proposed/Transcript_June4_Public_Meeting.pdf; Director Clifford J. White III's statement on the adopted guidelines, available at http://www.justice.gov/ust/eo/rules_regulations/guidelines/docs/Fee_Guidelines_Clifford_White_Statement.pdf).

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ADVICE COLUMN

- “Ms. Ps and Qs”: ethics advice column for the National Association of Chapter 13 Trustees (2011-present).

SELECTED AMICUS BRIEFS

- *Brief of 83 Legal Ethics Professors as Amici Curiae in Support of Hearing En Banc*, United States v. Varner, United States Court of Appeals for the Fifth Circuit, Case No. 19-40016 (Mar. 20, 2020).
- *Amicus Brief of Neutral Fee Examiners Supporting Neither Party*, Baker Botts L.L.P. v. ASARCO LLC, Case No. 14-103, United States Supreme Court (Dec. 10, 2014).
- *Brief of Amici Curiae, In re David Marshall Brown*, Case No. 12-Cv-60016-KAM, United States District Court, Southern District of Florida (filed by co-counsel George Castrataro) (April 11, 2012), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2038267.
- *Brief in Support of Respondent for Amici Curiae Professors Richard Aaron, Laura Beth Bartell, Jagdeep S. Bhandari, Susan Block-Lieb, Robert D’Agostino, Jessica Dawn Gabel, Kenneth N. Klee, George W. Kuney, C. Scott Pryor, Nancy B. Rapoport, Marie T. Reilly, Lynne F. Riley, Keith Sharfman, and Michael Sousa*, RadLAX Gateway Hotel, LLC and RadLAX Gateway Deck, LLC v. Amalgamated Bank, Case No. 11-166, United States Supreme Court (March 5, 2012).
- *Brief of Legal Ethics Professors and Practitioners and the Ethics Bureau at Yale as Amici Curiae in Support of Petitioner*, Maples v. Thomas, Case No. 10-63, United States Supreme Court (May 25, 2011).
- *Brief of Amicus Curiae*, Warren v. Seidel, United States District Court for the District of Ohio, Case No. 2:10-cv-01049-MHW (2010), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1843496.
- *Brief of 30 Leading Ethicists as Amici Curiae in Support of the Petitioner*, Charles Dean Hood v. State of Texas, Case No. 09-8610, United States Supreme Court (February 18, 2010), available at 2010 WL 638469.
- *Brief of Amicus Curiae*, Danny Joe McClure and Kimberly Deskins McClure, Plaintiffs, v. Bank of America, Creditors Financial Group, LLC, and Peter Rebelo, Defendants, Bankr. N.D. Tex. 2010, Adv. No. 08-04000-DML, available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1550353.

PERSONAL INFORMATION

- Native Texan (born in Bryan, Texas).
- Married to Jeffrey D. Van Niel; no children; two cats (Diana Prince and Shadow Grace).

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero

Appellant

vs.

Highland Capital Management, L.P., et al

Appellee

§

§

§

§

§

3:20-CV-03390-X

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLANT RECORD
VOLUME 12**

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State Bar I.D. No. 02589100
John T. Wilson, IV
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ATTORNEYS FOR JAMES DONDERO

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

IN RE:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

Debtor.

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Case No. 19-34054

Chapter 11

INDEX
**APPELLANT'S SECOND AMENDED DESIGNATION OF ITEMS TO
BE INCLUDED IN THE RECORD ON APPEAL AND
STATEMENT OF ISSUES TO BE PRESENTED**

Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Appellant James Dondero ("Appellant") in this appeal as noticed by the Notice of Appeal filed by Appellant on November 9, 2020, files this *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented*¹ in the above-captioned case and requests that the Clerk prepare and forward the items listed herein to the District Court for inclusion in the record in connection with this appeal.

¹ This designation is being further amended to group together certain docket entries per the clerk's request.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL

Vol. 1
000001 1. Notice of Appeal filed by Appellant [Docket No. 1347];

000029 2. *Order Approving Debtor's Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302];

000053 3. Docket entries kept by the bankruptcy clerk in case no. 19-34054; and

4. Each of the additional documents and items designated below:

Vol. 2 000330 000392	Designation No.	Docket No.	Date	Description
	1.		10/25/18	<i>Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC</i> [Docket No. 660 in Case No. 18-30264]
	2.		1/31/19	<i>Findings of Fact, Conclusions of Law, and Order Granting Final Approval of Disclosure Statement and Confirming the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, as Modified</i> [Docket No. 829 in Case No. 18-30264]
Vol. 3 000621 THRU Vol. 5	3.	607	4/28/20	<i>Summary of First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from October 16, 2019 through March 31, 2020</i> [Docket No. 607]
Vol. 5 001208	4.	617	5/1/20	<i>James Dondero's Limited Response to Acis Capital Management, L.P. and Acis Capital Management GP, LLC's Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction</i> [Docket No. 617]
001211	5.	771	6/23/20	<i>Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC, filed by Highland Capital Management, L.P.</i> [Docket No. 771]

Vol. 5 001276	6.	827	7/13/20	<i>James Dondero's (i) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (ii) Joinder in Support of Highland Capital Management, L.P.'s Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 827]</i>
001284	7.	832	7/14/20	<i>Response of James Dondero to the Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor [Docket No. 832]</i>
001293	8.	891	7/23/20	<i>UBS (i) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC and (ii) Joinder in the Debtor's Objection [Docket No. 891]</i>
Vol. 6 001300	9.	908	7/31/20	<i>Omnibus Response to Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 908]</i>
Vol. 7 001571 Thru Vol. 8	10.	971	8/19/20	<i>Summary of Second Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from April 1, 2020 through July 31, 2020 [Docket No. 971]</i>
Vol. 8 001965	11.	983	8/21/20	<i>Agreed Scheduling Order Regarding Objections to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 983]</i>
001970	12.	1079	9/21/20	<i>First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1079]</i>
Vol. 9 002031	13.	1080	9/21/20	<i>Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1080]</i>
002186	14.	1087	9/23/20	<i>Debtor's Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer</i>

			<i>G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith [Docket No. 1087] (the “Acis Settlement Motion”)</i>
15.	1088	9/23/20	Declaration of Gregory V. Demo in Support of the Acis Settlement Motion [Docket No. 1088]
16.	1088-1	9/23/20	Settlement Agreement between the Debtor, Acis, and certain related parties [Docket No. 1088-1]
17.	1088-2	9/23/20	General Release between the Debtor, Acis, and certain related parties [Docket No. 1088-2]
18.	1094	9/24/20	<i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020 [Docket No. 1094]</i>
19.	1121	10/05/20	James Dondero’s Response to the Acis Settlement Motion [Docket No. 1121]
20.	1194-1	10/16/20	Proof of Claim No. 23 filed by Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively, “Acis”)
21.	1194-2	10/16/20	Proof of Claim No. 72 filed by the Redeemer Committee of the Highland Crusader Fund
22.	1194-3	10/16/20	Proof of Claim No. 81 filed by Highland Crusader Offshore Partners, L.P., et al.
23.	1194-5	10/16/20	Proof of Claim No. 77 filed by Patrick Daugherty
24.	1194-4	10/16/20	Proof of Claim No. 93 filed by Integrated Financial Associates, Inc.
25.	1194-6	10/16/20	Proof of Claim No. 190 filed by UBS
26.	1194-16	10/16/20	Expert Opinion of Nancy B. Rapoport, dated October 11, 2020, including all attachments thereto
27.	1194-17	10/16/20	Curriculum Vitae of Nancy B. Rapoport

Vol. 12 002758	28.	1201	10/16/20	Objection of Patrick Daugherty to the Acis Settlement Motion [Docket No. 1201]
002773	29.	1177	10/16/20	CLO HoldCo. Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1177]
002777	30.	1191	10/16/20	Highland CLO Funding, Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1191]
002785	31.	1195	10/16/20	HarbourVest Limited Objection and Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1195]
002791 Thru Vol. 13	32.	1271	10/20/20	Transcript of hearing conducted on October 20, 2020 [Docket No. 1271]
Vol. 13 003047	33.	1285	10/21/20	Transcript of hearing conducted on October 21, 2020 [Docket No. 1285]

STATEMENT OF ISSUES TO BE PRESENTED ON APPEAL

1. Whether the Bankruptcy Court erred in approving the settlement agreement and release entered into between Highland Capital Management, L.P. and Acis Capital Management, L.P., Acis Capital Management GP, LLC, and Joshua Terry pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure as being fair, equitable, and in the best interest of the estate.

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Dated: December 7, 2020

Respectfully submitted,

/s/ Bryan C. Assink

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ATTORNEYS FOR JAMES DONDERO

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on December 7, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for Debtor-Appellee Highland Capital Management, L.P. and on all other parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

Bryan C. Assink

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**COUNSEL FOR
PATRICK DAUGHERTY**

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

In re:	§	
	§	CASE NO. 19-34054-SGJ-11
HIGHLAND CAPITAL MANAGEMENT, L.P	§	
	§	CHAPTER 11
	§	
Debtor.	§	

**PATRICK HAGAMAN DAUGHERTY’S
(I) OBJECTION TO DEBTOR’S MOTION FOR ENTRY OF AN ORDER APPROVING
SETTLEMENT WITH (A) ACIS CAPITAL MANAGEMENT, L.P. AND ACIS CAPITAL
MANAGEMENT GP LLC (CLAIM NO. 23), (B) JOSHUA N. TERRY AND JENNIFER
G. TERRY (CLAIM NO. 156), AND (C) ACIS CAPITAL MANAGEMENT, L.P. (CLAIM
NO. 159), AND AUTHORIZING ACTIONS CONSISTENT THEREWITH, AND (II)
JOINDER TO JAMES DONDERO’S RESPONSE**

Patrick Hagaman Daugherty (“**Daugherty**”) a creditor and party-in-interest in the above-captioned bankruptcy case, files this Objection (the “**Objection and Joinder**”) to the Debtor’s *Motion for Entry of an Order Approving Settlement with (A) ACIS Capital Management, L.P. and ACIS Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) ACIS Capital Management, L.P. (Claim No. 159), and Authorizing*

PATRICK HAGAMAN DAUGHERTY’S OBJECTION DEBTOR’S MOTION FOR ENTRY OF AN ORDER APPROVING SETTLEMENT WITH (A) ACIS CAPITAL MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP LLC (CLAIM NO. 23), (B) JOSHUA N. TERRY AND JENNIFER G. TERRY (CLAIM NO. 156), AND (C) ACIS CAPITAL MANAGEMENT, L.P. (CLAIM NO. 159), AND AUTHORIZING ACTIONS THEREWITH, AND (II) JOINDER TO JAMES DONDERO’S RESPONSE – Page 1

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Actions Consistent Therewith (the “**ACIS 9019 Motion**”) [Docket No. 1087], and joinder in James Dondero’s Response to the ACIS 9019 Motion (the “**Dondero ACIS 9019 Objection**”)[Docket No. 1121] and represents as follows:

Background

1. On October 16, 2019 (the “**Petition Date**”), Highland Capital Management, L.P. (the “**Debtor**” or “**Highland**”), filed its voluntary petition for bankruptcy under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Delaware.

2. On October 29, 2019, the Official Committee of Unsecured Creditors (the “**Committee**”) was appointed by the United States Trustee for in Delaware.

3. On September 23, 2020, the Debtor filed the ACIS 9019 Motion seeking *inter alia* to approve a settlement with ACIS Capital Management L.P. (“**ACIS**”), ACIS Capital Management GP LLC, and Joshua N. Terry and Jennifer G. Terry (the “**Terrys**”). The settlement proposed in the ACIS 9019 Motion (the “**ACIS Settlement**”) provides *inter alia* for (i) cash payments to (a) the Terrys in the amount of \$425,000, (b) ACIS Capital Management L.P. in the amount of \$97,000, and (c) Mr. Terry in the amount of \$355,000 (collectively the “**Cash Payments**”), and (ii) provides general releases to Mr. Terry and other “ACIS Parties”).¹

Relief Requested

4. In pertinent part, Bankruptcy Rule 9019(a) provides “[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement.” FED. R. BANKR. P. 9019(a). Under Bankruptcy Rule 9019(a), this Court may approve a compromise or settlement

¹ See ACIS 9019 Motion at ¶¶ 27-28.

“on motion by the trustee and after a hearing on notice to creditors, the debtor and indenture trustee” *Protective Comm. For Indep. Stockholders of TMT Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968). “In conducting a hearing under Rule 9019(a), the bankruptcy court is to determine whether the proposed compromise is fair and equitable, and in the best interests of the bankruptcy estate.” *Id.* In making this determination, a bankruptcy court is required to apprise itself “of all facts necessary for an intelligent and objective opinion of the probabilities of ultimate success should the claim be litigated.” *Id.* To determine whether a settlement should be approved under 9019, the Court should:

[F]orm an educated estimate of the complexity, expense, and likely duration of such litigation, the possible difficulties of collecting on any judgment which might be obtained, and all other factors relevant to a full and fair assessment of the wisdom of the proposed compromise. Basic to this process in every instance, of course, is the need to compare the terms of the compromise with the likely rewards of the litigation.

Id. at 424-25.

5. For the reasons specified in the Dondero ACIS 9019 Objection, and the reasons separately specified herein, the Court should deny approval of the proposed ACIS 9019 Settlement.

Argument and Authority

6. Daugherty joins in the legal arguments and authorities set forth in the Dondero ACIS 9019 Objection.

7. In addition to the objections raised in the Dondero ACIS 9019 Objection, Daugherty raises two additional objections: (1) the proposed ACIS 9019 Settlement purports to pay prepetition claims outside the confines of a plan of reorganization in violation of the Bankruptcy Code and Fifth Circuit law, and (2) the releases provided in the ACIS 9019 Settlement are premature when there is pending litigation that would be affected by the releases.

8. The ACIS 9019 Settlement proposes “on the effective date of the plan of reorganization...the Debtor will pay in cash” approximately \$877,000 to the Terrys and ACIS LP.² The Debtor’s proposed Plan³ does not separately classify or specifically treat the Terrys’ claims. The only three classes that purport to pay cash are Class 3 (Priority Non-Tax Claims), Class 5 (Convenience Claims), and Class 6 (Unpaid Employee Claims). The Terrys’ claims don’t fall within the definition of “Priority Non-Tax Claims”⁴ or “Unpaid Employee Claim.”⁵ As such, the only potential class their claims could fall into, would be Class 5 (Convenience Claims), which is defined to include “any prepetition unsecured Claim against the Debtor other than an Unpaid Employee Claim that is less than or equal to \$2,500,000 or any General Unsecured Claim that is voluntarily reduced to an Allowed amount less than or equal to \$2,500,000.00.”⁶ At first blush, this would seem to fit. However, the proposed settlement of Terrys’ claims (payment of 100% of what they are owed and a definitive cash amount) is not consistent with the treatment provided to Class 5 creditors under the Plan. Class 5 Claims are treated as follows:

On or as soon as reasonably practicable after the later (i) the Initial Distribution Date if such Class 5 Claim is Allowed on the Effective Date or (ii) the date on which such Class 5 Claim becomes an Allowed Class 5 Claim, each Holder of an Allowed Class 5 Claims will receive in full satisfaction, settlement, discharge and release of, and in exchange for, its Allowed Class 5 Claim (1) the treatment provided to Allowed Holders of Class 7 General Unsecured Claims if the Holder of such Class 5 Claim makes the GUC Election or (2) an amount in Cash equal to either (a) 75% of the Allowed amount of such Holder’s Class 5 Claim or (b) if the total amount of Allowed Class 5 Claims exceeds \$15,000, such Holder’s Pro

² ACIS 9019 Motion at 27.

³ Docket No. 1079

⁴ Plan at 11 (“a claim entitled to priority pursuant to section 507(a) of the Bankruptcy Code other than a Priority Tax Claim or an Administrative Claim.”).

⁵ Plan at 14 (“any Claim filed by Scott Ellington, Thomas Surgent, Frank Waterhouse, Hunter Covitz, Jean Paul Sevilla, or Isaac Leventon; provided, however, that is any such Claim or portion of such Claim is entitled to priority pursuant to section 507(a) of the Bankruptcy Code, such Claim or portion of such Claim will be a Priority Non-Tax Claim.”).

⁶ Plan at 6.

Rata share of the Convenience Claims Cash Pool.⁷

9. The Cash Payments to the Terrys is inconsistent with Class 5 treatment on multiple fronts. First, the payments made to holders of Class 5 Claims are made on the “Initial Distribution Date,” not the “Effective Date” as the ACIS 9019 Settlement proposes. Second, Class 5 Claims receive either 75% of the “Allowed” amount of such Holder’s claim or their Pro Rata portion of the Convenience Claims Cash Pool; whereas, the Terrys appear to receive 100% of their Claims in a sum certain.⁸

10. Courts in this district have held payment of general unsecured claims other than under a plan is inconsistent with Fifth Circuit precedent. *See In re CoServ, L.L.C.*, 273 B.R. 487, 495 (Bankr. N.D. Tex. 2002)(citing *In re AWECO*, 725 F.2d 293 (5th Cir. 1984)). The Fifth Circuit in *AWECO* reversed the approval of a settlement that paid a general unsecured creditor outside the confines of a plan of reorganization because the payment violated the “fair and equitable” standards of the Bankruptcy Code. *See In re AWECO*, 725 F.2d at 298-300. Similar to how the settlement in *AWECO* violated the “fair and equitable” principles of the Bankruptcy Code (*i.e.*, the absolute priority rule), here, the proposed ACIS 9019 Settlement would violate section 1123(a)(4) of the Bankruptcy Code, which requires that a plan *shall* “provide the same treatment for each claim or interest of a particular class, unless the holder of a particular claim or interest agrees to a less favorable treatment of such particular claim or interest.” 11 U.S.C. § 1123(a)(3). Further, the violations of section 1123(a)(4) would prohibit confirmation of the Debtor’s plan. *See* 11 U.S.C. § 1129(a)(1)(the plan complies with the applicable provisions of this title). Consequently, the

⁷ Plan at 19-20.

⁸ A review of the ACIS 9019 Motion and the attached settlement reveals nowhere in any of the documents are Terrys’ Claim(s) actually “allowed.”

Court should deny the proposed ACIS 9019 Settlement because the Cash Payments to the Terrys are impermissible payments to a general unsecured creditor outside the confines of a plan of reorganization in violation of the Bankruptcy Code and Fifth Circuit precedent.

11. Daugherty also objects that the releases provided to ACIS and Terry are premature.⁹ As this Court is well-aware, Mr. Terry emerged as the post-confirmation owner of ACIS Capital Management, LP, which is the portfolio manager for CLOs where Highland CLO Funding, Ltd (f/k/a Acis Loan Funding, Ltd.) (“**HCLOF**”) maintains ownership of the controlling class subordinate notes. After confirmation of ACIS’s plan, counsel for ACIS wrote to counsel for HCLOF and expressed ACIS’s desire to “reset or refinance” the relevant CLOs in the portfolio.¹⁰ HCLOF declined the invitation and responded that it was “constrained under its governing Investment Policy from authorizing a reset transaction with Acis and Brigade.”¹¹

12. HarbourVest¹² as filed a number of proofs of claim in the Debtor’s case that, upon information and belief, aggregate to over \$100 Million in claims related to its ownership in HCLOF and the Debtor’s feud with ACIS and Mr. Terry.¹³

13. As the Debtor’s CEO/CRO in this case, James Seery, has stated on the record in this case, under the Adviser’s Act, an advisor (like Terry and ACIS) must subordinate his own interests to the interests of the investors. Specifically, Seery stated:

And what’s important in the Adviser’s Act, and its an interesting part of

⁹ At the outset, Daugherty notes that a significant amount of the facts underlying the objection to the releases proposed to Terry and ACIS are contained in HarbourVest Response to Debtor’s First Omnibus Objection to Certain (A) Duplicate Claims; (B) Overstated Claims; (C) Late-Filed Claims; (D) Satisfied Claims; (E) No-Liability Claims; and (F) Insufficient-Documentation Claims (the “**HarbourVest Objection Response**”)[Docket No. 1057]

¹⁰ See Corr. from B. Shaw to M. Maloney and H. O’Neil dated Feb. 26, 2019, attached hereto as **Exhibit A**.

¹¹ See Corr. From M. Maloney to B. Shaw dated March 20, 2019, attached hereto as **Exhibit B**.

¹² Collectively, HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., Harbourest Skew Base AIF L.P., and HarbourVest Partners L.P.

¹³ See generally HarbourVest Objection Response at ¶ 1.

U.S. law. At least my understanding, its been confirmed by outside counsel, is if the manager, which would be Highland, has an interest, its actually required to subordinate that interest to the interest of the investors in the funds it managed.¹⁴

In the case of ACIS/Terry and HCLOF, substitute “ACIS” for “Highland” and the Debtor’s own CEO/CRO (the individual advocating the proposed ACIS 9019 Settlement) is as follows:

if the manager, which would be *ACIS/Terry*, has an interest (i.e., Portfolio management fees), ACIS/Terry is actually required to subordinate that interest to the interest of the investors (HCLOF) in the funds it managed.

Put differently, when HCLOF responded that its “Investment Policy” prohibited it from authorizing a reset with ACIS/Brigade, ACIS/Terry likely had a duty under the Adviser’s Act to withdraw as manager of the fund. Whether and what amount of culpability ACIS/Terry may have as a result of their acts, is beyond the purview of this Objection. However, the issue is raised herein as result of the broad general releases proposed in the ACIS 9019 Settlement. Until there is a final resolution to the litigation with HarbourVest, and any claims arising therefrom, a broad general release of ACIS and Terry is premature.

WHEREFORE, Daugherty respectfully requests that the Court enter an order (i) denying the ACIS 9019 Settlement proposed in the ACIS 9019 Motion, and (ii) granting Daugherty such other and further relief, legal or equitable, special or general, to which he may show himself justly entitled.

¹⁴ See Tr. of Hr’g held March 4, 2020, 65:21.

Dated: October 16, 2020.

Respectfully submitted,

/s/ Jason P. Kathman

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- And -

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**COUNSEL FOR DEFENDANT,
PATRICK HAGAMAN DAUGHERTY**

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on October 16, 2020 a copy of the attached Objection was served via First Class United States Mail upon the parties listed on the attached service list, via the Court's electronic transmission facilities upon all parties receiving notice, and via e-mail upon counsel for the Debtor and the Committee.

/s/ Jason P. Kathman

Jason P. Kathman

PATRICK HAGAMAN DAUGHERTY'S OBJECTION DEBTOR'S MOTION FOR ENTRY OF AN ORDER APPROVING SETTLEMENT WITH (A) ACIS CAPITAL MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP LLC (CLAIM NO. 23), (B) JOSHUA N. TERRY AND JENNIFER G. TERRY (CLAIM NO. 156), AND (C) ACIS CAPITAL MANAGEMENT, L.P. (CLAIM NO. 159), AND AUTHORIZING ACTIONS THEREWITH, AND (II) JOINDER TO JAMES DONDERO'S RESPONSE – Page 8

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EXHIBIT A



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TRIAL ATTORNEYS

BRIAN P. SHAW
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February 26, 2019

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Holland N. O'Neil
FOLEY GARDERE
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☐ VIA ECF
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☐ VIA FIRST CLASS MAIL
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honeil@foley.com
☐ VIA CERTIFIED MAIL:

Re: Resets or refinancings of Acis CLOs

Dear Counsel:

I represent Acis Capital Management, L.P. ("Acis"). I write to you as counsel for Highland CLO Funding, Ltd. ("HCLOF"), Highland Capital Management, L.P., and Highland HCF Advisor, Ltd., respectively.

I assume HCLOF still maintains its position in the subordinated notes of CLOs for which Acis presently serves as portfolio manager. If so, Acis desires to work with HCLOF to attempt a reset or refinance of the relevant CLOs, as provided in the plan of reorganization for Acis (the "Plan"). This desire is constrained, of course, by market conditions, the governing documents of the CLOs, the Plan, as well as any other applicable law or contractual limitation.

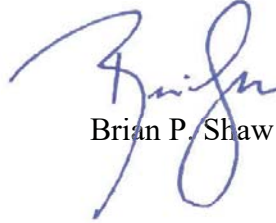
HCLOF and its directors have repeatedly stated that a reset or refinance of the relevant CLOs is in HCLOF's best interests. Acis wants to do everything reasonably practicable to accomplish that goal.

Acis notes that while it is not presently a shareholder in HCLOF, Acis believes its status as a shareholder will be recognized in the future by courts in the United States, and that recognition will be retroactive.

Please contact me as soon as possible so we can get this process moving. My hope is that the attorneys can step aside and we can let the business people get to business.

Mark M. Maloney
Holland N. O'Neil
February 26, 2019
Page 2

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Shaw", with a large, stylized loop at the end.

Brian P. Shaw

BPS

EXHIBIT B

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March 20, 2019

VIA ELECTRONIC MAIL

Brian P. Shaw
Rogge Dunn Group
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DALLAS, TEXAS 75270-2142

Re: Resets or refinancings of Acis CLOs

Dear Counsel,

I am responding to your letter of February 26, attached, which I have discussed with Highland CLO Funding Limited ("HCLOF").

As you know, Highland CLO Funding Limited ("HCLOF") is appealing the bankruptcy court's confirmation order. As you also know, HCLOF has repeatedly denied that a reset transaction led by Acis and Brigade is either feasible, or in HCLOF's best interests, and HCLOF has received and continued to rely on independent advice to that effect. Further, as also noted in connection with HCLOF's objections to confirmation of the plan of reorganization, HCLOF is constrained under its governing Investment Policy from authorizing a reset transaction with Acis and Brigade.

For the above reasons, while HCLOF will continue to evaluate all options and alternatives, at present HCLOF is neither interested in pursuing, nor able to pursue, a reset transaction.

Sincerely,



Mark M. Maloney

cc: William Scott
Heather Bestwick

HIGHLAND CAPITAL MANAGEMENT, L.P.;

Case No. 19-34054-SGJ-11

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and Jennifer G. Terry on behalf of her IRA
and The Terry Family 401-K Plan
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ATTORNEYS FOR CLO HOLDCO, LTD.

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

IN RE:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

DEBTOR.

§
§
§
§
§
§
§
§

CHAPTER 11

CASE No. 19-34054-SGJ

**CLO HOLDCO, LTD.'S RESERVATION OF RIGHTS AND RESPONSE TO
DEBTOR'S MOTION FOR ENTRY OF ORDER APPROVING SETTLEMENT WITH
(A) ACIS CAPITAL MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP
LLC; (B) JOSHUA N. TERRY AND JENNIFER G. TERRY; AND (C) ACIS CAPITAL
MANAGEMENT, LP**

CLO Holdco, Ltd. ("**CLO**"), a creditor and party-in-interest in this case, files this *Reservation of Rights and Response* (the "**Response**") to the Debtor's *Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC, (B) Joshua N. Terry and Jennifer G. Terry, and (C) Acis Capital Management, L.P., and Authorizing Actions Consistent Therewith* (the "**Acis Settlement Motion**") [Dkt. No. 1087]. In support of this Response, CLO states:

RESERVATION OF RIGHTS & RESPONSE

1. CLO's Response is limited in scope. CLO does not generally oppose the Debtor's settlement of claims and causes of action involving the Acis parties. CLO notes, however, that the

Acis Settlement Motion fails to reference a portion of the proposed settlement that could materially affect numerous non-debtor parties who may not have received notice of the proposed settlement.

2. Exhibit 1 to the *Declaration of Gregory V. Demo* in support of the Acis Settlement Motion (the "**Settlement Agreement**") [Dkt. No. 1088-1] contains the following material provision:

On the effective date of a plan of reorganization proposed by HCMLP and confirmed by the Bankruptcy Court, if HCMLP receives written advise of nationally recognized external counsel that it is legally permissible consistent with HCMLP's contractual and legal duties to transfer all of its direct and indirect right, title and interest in Highland HCF Advisor, Ltd. to Acis or its nominee and that doing so would not reasonably subject HCMLP to liability, HCMLP shall transfer all of its right, title and interest in Highland HCF Advisor, Ltd., whether its ownership is direct or indirect, to Acis or its nominee, subject at all times to Acis's right to unilaterally reject the transfer in its sole and absolute discretion;

Settlement Agreement, ¶ 1.(c).

3. Highland HCF Advisor, Ltd. serves as a fund advisor and portfolio manager to numerous parties-in-interest, including funds in which CLO owns a material interest. The Debtor's representatives have noted, on many occasions, Acis's atrocious performance managing CLO funds during the period following Acis' plan confirmation in February, 2019. From CLO's perspective, Acis's performance conclusively validates the Debtor's representatives' allegations. CLO has suffered dearly from Acis's mismanagement of CLO funds in which it owns an interest, and has seen its interests decline in value by tens of millions of dollars since Acis began managing certain fund portfolios.

4. By this Response, CLO reserves its rights against the Debtor should the Debtor effectuate a transfer of Highland HCF Advisor, Ltd. to Acis or its nominee. Given the Debtor's prior representations, CLO questions how the Debtor could effectuate such a transfer in good faith and whether such a transfer would violate its fiduciary duties. Moreover, given the potential change-in-control of Highland HCF Advisor, Ltd., CLO reserves the right to exercise all rights and remedies against Highland HCF Advisor, Ltd., any proposed successor-in-interest, and against the Debtor

arising from any breach of any applicable advisory or portfolio management agreement to which CLO, the Debtor, and Highland HCF Advisor, Ltd. are parties.

WHEREFORE, CLO reserves all rights against the Debtor, Highland HCF Advisor, Ltd., and Acis or its nominee should the Debtor attempt to or effectuate a transfer of its interests in Highland HCF Advisor, Ltd. to Acis or its nominee.

DATED: October 16, 2020

Respectfully submitted,

KANE RUSSELL COLEMAN LOGAN PC

By: /s/John J. Kane
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State Bar No. 0456610
John J. Kane
State Bar No. 24066794

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ATTORNEYS FOR CLO HOLDCO, LTD.

CERTIFICATE OF SERVICE

This is to certify that service of the foregoing document was effected through the Court's Electronic Case Filing system, and, has been sent to counsel for the Debtor and Committee by e-mail on the 16th day of October, 2020.

/s/ John J. Kane

John J. Kane

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Rebecca Matsumura (TX 24098053)
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COUNSEL FOR HIGHLAND CLO FUNDING LTD.

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

IN RE:	§	Chapter 11
	§	
HIGHLAND CAPITAL MANAGEMENT,	§	
L.P.	§	Case No. 19-34054-sgj11
	§	
	§	
DEBTOR	§	

**HIGHLAND CLO FUNDING, LTD.’S RESERVATION OF RIGHTS REGARDING
DEBTOR’S MOTION FOR ENTRY OF AN ORDER APPROVING SETTLEMENT WITH
(A) ACIS CAPITAL MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP LLC
(CLAIM NO. 23), (B) JOSHUA N. TERRY AND JENNIFER G. TERRY (CLAIM NO. 156),
AND (C) ACIS CAPITAL MANAGEMENT, L.P. (CLAIM NO. 159), AND AUTHORIZING
ACTIONS CONSISTENT THEREWITH**

TO THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE:

Highland CLO Funding, Ltd. (“HCLOF” or the “Fund”) files this Reservation of Rights regarding the *Debtor’s Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistently Therewith*, ECF No. 1087 (the “Motion”), the *Declaration of Gregory V. Demo in Support of the Debtor’s Motion for Entry of an Order Approving Settlement*

*with (a) Acis Capital Management, L.P. Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistently Therewith (the “Demo Decl.”), Demo Decl. Ex. 1 (the “Settlement”), and Demo Decl. Ex. 2 (the “Release”).*¹ The Fund respectfully states as follows:

I. Introduction

The Debtor and Acis have mediated their disputes, but the Settlement does not resolve the pending and threatened claims against the Fund. Acis, apparently, intends to continue its aggressive litigation strategy against the Fund and certain other parties expressly carved out from the Release. The Fund therefore files this Reservation of Rights to dispel any claim that it has provided consent or otherwise agreed to the Settlement, and to reserve all its rights, including all rights and remedies under applicable non-bankruptcy law. The Settlement and the recently proposed Plan may have far-reaching consequences affecting the Fund and other parties’ rights under non-bankruptcy law. The Fund is seeking input from its investors on these issues.

For example, a component of the Settlement that is not even mentioned in the Motion is the requirement (subject to certain conditions) that the Debtor “transfer all of its right, title and interest in Highland HCF Advisor, Ltd., [“HCF Advisor”] whether its ownership is direct or indirect to Acis or its nominee.” Settlement § 1(c). The Settlement provides that this transfer will occur in the future (on the effective date of the Debtor’s plan of reorganization) but only if the Debtor receives legal advice that the transfer is “legally permissible consistent with [the Debtor’s]

¹ For the avoidance of doubt, HCLOF files this Reservation of Rights for the limited purpose set forth herein. HCLOF does not seek relief from the Court given the procedural posture of matters at issue and does not submit to the jurisdiction of the Bankruptcy Court. HCLOF does not consent to the entry of final orders by the Bankruptcy Court with respect to any of the legal or factual questions on which it reserves its rights.

contractual and legal duties” and “would not reasonably subject [the Debtor] to liability.” *Id.* As such, the proposed transfer is prospective in nature and is not before the Court. Nonetheless, the Fund notes that it has not consented to this proposed transfer, or to the undertaking by the Debtor to execute this transfer. Nor is the Fund consenting to be bound by any legal advice received by the Debtor concerning the proposed transfer. The Fund reserves all rights.

Further, the Release requires the parties to “coordinate to cause . . . to be dismissed with prejudice” the Fifth Circuit appeal of Acis’s Plan of Reorganization. Release § 2. The Fund is a party to that appeal and states that it does not consent to a dismissal.

II. Relevant Background

A. Relationship between the Fund, the Debtor, and Acis

The Fund is a Guernsey closed-end investment fund governed by two directors wholly independent of HCM and Acis. It relies on its service providers to perform certain operational tasks. One of these service providers is its portfolio manager, HCF Advisor. Pursuant to sub-advisory and sub-service contracts with HCF Advisor, the Debtor performs portfolio management functions for the Fund. The individuals employed by the Debtor who provide portfolio management services for the Fund include but are not limited to Hunter Covitz, Isaac Leventon, and Jean Paul Sevilla.

Acis serves as portfolio manager to certain collateralized loan obligations (“CLOs”), in which the Fund holds a majority of the subordinated notes. As representatives of the Debtor have testified, Acis has mismanaged the CLOs to the detriment of the subordinated notes. *See, e.g.*, Dkt. No. 18-3078, Aug. 1, 2018 Hr’g Tr. at 121:6–124:8 (Test. of H. Covitz); Dkt. No. 18-3078, Dec. 13, 2018 (AM) Hr’g Tr. at 25:5–27:25. The value of the Fund’s investments in the CLOs has decreased dramatically since August 2018. Pursuant to Acis’s Plan, the Fund is prohibited

from exercising contractual rights that would provide a mechanism for the Fund to replace Acis as manager of the CLOs.

The Fund has also been very materially prejudiced by the acrimonious, multi-front litigation between the Debtor and Acis. First, the Fund opposed four proposed plans in the Acis bankruptcy. The confirmed plan is on appeal to the Fifth Circuit. Second, Acis has sued the Fund in an adversary proceeding pending before this Court, but stayed by the Debtor's automatic stay. Every count of that thirty-five-count complaint that names the Fund is also brought against the Debtor. *See Second Amended Complaint (Including Claim Objections and Objections to Administrative Expense Claims)*, Dkt. No. 18-3078, ECF No. 157. Third, Acis has threatened to file a sanctions motion against the Fund, its former directors, and certain Debtor employees who provide services to the Fund. *See Order Lifting the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of Acis Plan Injunction*, Dkt. No. 19-34054, ECF No. 764. Fourth, Acis has sued the Fund's former directors and certain Debtor employees who provide services to the Fund in another adversary proceeding pending before this Court, which has recently been abated. *See Motion to Abate Adversary Proceeding and Pending Deadlines*, Dkt. No. 20-03060, ECF No. 27. Fifth, some individuals employed by the Debtor who provide services to the Fund are also named in yet another lawsuit recently brought by Acis, captioned *Acis Capital Management, L.P. v. Cruciani*, Case No. DC-20-055354, pending in the 162nd District Court of Dallas County Texas.

B. Summary of the Settlement and Release

As relevant to this Reservation of Rights, the Settlement provides for the transfer of the Debtor's interest in HCF Advisor to Acis:

(c) On the effective date of a plan of reorganization proposed by HCMLP and confirmed by the Bankruptcy Court, if HMCLP receives written advice of

nationally recognized external counsel that it is legally permissible consistent with HCMLP's contractual and legal duties to transfer all of its direct and indirect right, title and interest in Highland HCF Advisor, Ltd. to Acis or its nominee and that doing so would not reasonably subject HCMLP to liability, HCMLP shall transfer all of its right, title and interest in Highland HCF Advisor, Ltd., whether its ownership is direct or indirect, to Acis or its nominee, subject at all times to Acis's right to unilaterally reject the transfer in its sole and absolute discretion;

Settlement § 1(c).

The Release does not resolve the pending and threatened litigation involving the Fund. *See* Release § 1(a) ("Notwithstanding anything contained herein to the contrary, the term HCMLP Released Parties shall not include . . . Highland CLO Funding, Ltd. . . ."). However, it contains several provisions affecting the Fund. First, it provides that Acis and the Debtor will attempt to cause the dismissal with prejudice of the Fifth Circuit appeal:

Within five days of the Effective Date, each Acis Released Party and HCMLP Released Party, to the extent applicable, will coordinate to cause the Filed Cases, including any appeals of any Filed Cases, to be dismissed with prejudice as to any Acis Released Party or HCMLP Released Party

Release § 2.

Second, the Release provides that Acis's claims pending against certain Debtor employees (referred to as "HCMLP Specified Parties" in the Release), including those employees that provide portfolio management and other services to the Fund, will be released only if those parties take no action that impairs the Settlement:

Notwithstanding anything herein to the contrary, if (A) any HCMLP Specified Party has not executed this Release on or before the Effective Date or (B) any HCMLP Released Party, including any HCMLP Specified Party, (i) sues, attempts to sue, or threatens or works with or assists any entity or person to sue, attempt to sue, or threaten any Acis Released Party on or in connection with any HCMLP Released Claim or any other claim or cause of action arising prior to the date of this Release, (ii) takes any action that, in HCMLP's reasonable judgment, impairs or harms the value of HCMLP, its estate, and its assets; or (iii) in HCMLP's reasonable judgment fails to use commercially reasonable efforts to support confirmation of the Plan and/or the monetization of HCMLP's assets at their maximum value, then (a) such HCMLP Released Party (and only such HCMLP

Released Party) will be deemed to have waived (x) the release and all other protections set forth in Section 1a hereof and will have no further rights, duties, or protections under this Release and (y) any releases set forth in the Plan, (b) the Acis Released Parties, as applicable, may, in their discretion, assert any and all Acis Released Claims against such HCMLP Released Party (and only such HCMLP Released Party), and (c) any statutes of limitation or other similar defenses are tolled against such HCMLP Released Party (and only such HCMLP Released Party) from the execution of this Release until ninety (90) days after the Acis Released Parties receive actual written notice of any violation of this Section 1d. For the avoidance of doubt, by signing this Release each of the HCMLP Specified Parties is acknowledging and agreeing, without limitation, to the terms of this Section 1.d and the tolling agreement set forth herein.

Id. § 1(d).

III. Reservation of Rights

A. Applicable law and the contracts governing the relationship between the Debtor and the Fund bear upon the proposed transfer of HCF Advisor.

By the express terms of the Settlement, the proposed transfer of HCF Advisor will occur only upon the following conditions: (1) the occurrence of the effective date of a plan of reorganization proposed by the Debtor and confirmed by the Court; and (2) the Debtor “receives written advice of nationally recognized external counsel that [i] it is legally permissible consistent with [the Debtor’s] contractual and legal duties” to effectuate the transfer and [ii] “doing so would not reasonably subject [the Debtor] to liability.” Therefore, the legality of this potential transfer is not currently before the Court, and the Court’s approval of the Settlement under Rule 9019 does not insulate the transfer from later legal challenge. *See Van Curen v. Escamilla (In re Vec Farms, LLC)*, 395 B.R. 674, 683 (Bankr. N.D. Cal. 2008) (“[A]pproval by court does not immunize [a] clause in settlement agreement that is otherwise illegal.” (citation omitted)).

Without limitation, the Fund observes that multiple provisions of the Fund’s governing documents and third-party contracts, as well as provisions of applicable non-bankruptcy law, including the Investment Advisers Act, bear upon the legality of, and the consequences flowing

from, the transfer of ownership of HCF Advisor without the Fund's consent. Presumably these and other issues are to be addressed in the legal opinion anticipated by the Settlement. The Fund has never been consulted on any of these issues and does not consent to, or agree in any way to be bound by, any determination by the Debtor or its legal advisors that it can properly transfer ownership of the Fund's portfolio manager without its consent. The Fund expressly reserves its right to challenge the legality of this transfer, should it occur, on any and all available legal or equitable grounds, and/or to exercise any remedy available to the Fund as a result of the transfer should it occur without its consent.

B. The Fund does not consent to dismissal of its Fifth Circuit appeal.

The Release provides that Acis and the Debtor will attempt to cause the dismissal with prejudice of the Fifth Circuit appeal of the Acis plan of reorganization. Release § 2. The Fund is also a party to that appeal. The Fund recognizes that the Release contemplates dismissal efforts with the Fifth Circuit and that this Court is not being asked to, nor could it, take action on this contemplated future event. Nonetheless, to avoid any inference that the Fund consents to these futures events, the Fund states that it does not consent to dismissal of its appeal.

IV. Conclusion

The Fund therefore reserves all rights to challenge potential transactions or actions described in the Settlement and Release, should those events come to pass, and to pursue any rights and remedies available to it if these events occur without its consent.

Dated: October 16, 2020

Respectfully submitted,

KING & SPALDING LLP

/s/ Mark M. Maloney

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CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing document was served electronically by the Court's PACER system on October 16, 2020.

/s/ Mark M. Maloney

Mark M. Maloney

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

-----	X	
	:	
In re:	:	Chapter 11
	:	
HIGHLAND CAPITAL MANAGEMENT, L.P.,	:	Case No. 19-34054
	:	
Debtor.	:	
	:	
	:	
-----	X	

**HARBOURVEST LIMITED OBJECTION AND RESERVATION OF RIGHTS TO DEBTOR'S
MOTION FOR ENTRY OF AN ORDER APPROVING SETTLEMENT WITH (A) ACIS
CAPITAL MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP LLC (CLAIM
NO. 23), (B) JOSHUA N. TERRY AND JENNIFER G. TERRY (CLAIM NO. 156), AND (C)
ACIS CAPITAL MANAGEMENT, L.P. (CLAIM NO. 159), AND AUTHORIZING ACTIONS
CONSISTENT THEREWITH**

HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover
Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and

HarbourVest Partners L.P., on behalf of funds and accounts under management (collectively, “**HarbourVest**”) hereby files this limited objection (the “**Objection**”) to the *Debtor’s Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith* (Docket No. 1087) (the “**Acis Settlement**”) by Highland Capital Management, L.P. (the “**Debtor**” or “**Highland**”). In support of the Objection, the HarbourVest respectfully represents the following:

I. PRELIMINARY STATEMENT

1. HarbourVest objects to the Acis Settlement, on which it otherwise takes no position, to the extent that it attempts to infringe upon HarbourVest’s claims or other rights. Specifically, HarbourVest objects to those portions of the Acis Settlement that purport to (i) to release HarbourVest’s claims without the consent or involvement of HarbourVest or (ii) mandate the transfer of Highland HCF Advisor, Ltd. (“**Advisor**”) to Acis Capital Management, L.P. (“**Acis**”) without the consent of HCLOF or its investors, including HarbourVest, in violation of the Investment Advisers Act of 1940 and its applicable agreements.

II. RELEVANT BACKGROUND

2. HarbourVest owns an approximately 49% interest in Highland CLO Funding, f/k/a Acis Loan Funding, Ltd. (“**HCLOF**”). Advisor, a subsidiary of the Debtor, is the current portfolio manager of HCLOF. As described in its proofs of claim, listed in the Debtor’s claim register as claims number 143, 147, 149, 150, 153, and 154 (the “**Proofs of Claim**”) and further detailed in the *HarbourVest Response to Debtor’s First Omnibus Objection to Certain (A) Duplicate Claims; (B) Overstated Claims; (C) Late-Filed Claims; (D) Satisfied Claims; (E) No-Liability Claims; and (F) Insufficient-*

Documentation Claims [Docket No. 1057] HarbourVest also has significant claims against the Debtor (the “**HarbourVest Claims**”).

3. The Acis Settlement was negotiated without any input from, or involvement of, HarbourVest, and HarbourVest has not consented to any of its terms or to the transactions contemplated thereby.

III. LIMITED OBJECTION

A. The Acis Settlement Purports to Release HarbourVest’s Claims

4. The General Release, attached Exhibit 2 to the *Declaration of Gregory V. Demo in Support of the Debtor’s Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith* [Docket No.1088] (the “**General Release**”) included in the Acis Settlement purports to release the claims of, and provide releases to, a wide variety of parties – none of whom were party to the settlement – including HarbourVest.

5. The General Release provides for each “HCMLP Released Party” to mutually release all claims against each “Acis Party.” General Release at §1(b). “HCMLP Released Parties” include, but are not limited to, entities “managed by either [the Debtor] or a direct or indirect subsidiary of [the Debtor]” and members of such managed entities. General Release at §1(a). As HarbourVest is a member of HCLOF, which in turn is an entity for which Advisor—a subsidiary of the Debtor—acts as portfolio manager, it is arguably included in the definition of HCMLP Released Parties. While HCLOF is expressly excluded as an HCMLP Released Party, HarbourVest is not.

6. It is not clear whether the Debtor intended to attempt to release HarbourVest’s claims through this settlement, and nor can the Debtor purport to do so in the context of a settlement between

itself and Acis. Nonetheless, out of an abundance of caution, HarbourVest files this limited objection to ensure all of its rights and claims are preserved and unaffected by the Acis Settlement.

7. For the avoidance of doubt, HarbourVest did not and does not consent to this release. An involuntary release of this nature is beyond the proper scope of the Acis Settlement. To the extent the Release, or any other provision of the Acis Settlement or the proposed order approving the same, purports to release any HarbourVest Claims, or any other claims or rights of HarbourVest, HarbourVest objects. HarbourVest respectfully requests that the Court make clear that the rights, and claims, of HarbourVest and its employees and affiliates remain unaffected.

B. The Acis Settlement Purports to Unlawfully Transfer Highland HCF Advisor to Acis

8. The Acis Settlement purports to require the Debtor to “transfer all of its right, title and interest in Highland HCF Advisor, Ltd., whether its ownership is direct or indirect to Acis or its nominee.” Exhibit 1 to the *Declaration of Gregory V. Demo*, § 1(c) (the “**Settlement Agreement**”). Any such transfer, absent the consent of, among others, HarbourVest as an investor in HCLOF, would violate Advisor’s portfolio management agreement as well as the Investment Advisers Act of 1940. To the extent that the Acis Settlement purports to authorize any such transfer absent HarbourVest’s express consent, HarbourVest objects. HarbourVest respectfully requests that the Court make clear that all of its rights under applicable non-bankruptcy law (including those which arise under contract or under the Investment Advisers Act of 1940) are expressly preserved.

Dated: Dallas, Texas

October 16, 2020

Respectfully submitted,

/s/ Vickie Driver

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Secondary L.P., HarbourVest Skew Base AIF L.P., and
HarbourVest Partners L.P., on behalf of funds and
accounts under managemen*

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

In Re:) **Case No. 19-34054-sgj-11**
) Chapter 11
)
HIGHLAND CAPITAL) Dallas, Texas
MANAGEMENT, L.P.,) Tuesday, October 20, 2020
) 9:30 a.m. Docket
Debtor.)
) MOTIONS TO COMPROMISE
) CONTROVERSY WITH ACIS CAPITAL
) MANAGEMENT [1087] AND THE
) REDEEMER COMMITTEE OF THE
) HIGHLAND CRUSADER FUND [1089]

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE.

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1 DALLAS, TEXAS - OCTOBER 20, 2020 - 9:41 A.M.

2 THE COURT: A little bit of a wait. I was trying to
3 make sure I was caught up on all of the late-day filings
4 yesterday. There were a few of them.

5 All right. This is Judge Jernigan, and we're ready to
6 start our setting in Highland Capital Management, Case No. 19-
7 34054. We have two motions set today where the Debtor is
8 seeking approval for compromise and settlement agreements, one
9 with Acis and related parties and one with Redeemer Committee
10 and the Crusader Fund.

11 All right. We have 70 or so people on the line, so we
12 have put you all on mute. But I am going to now take a roll
13 call, so you'll have to take yourself off mute when I call
14 your name for an appearance.

15 All right. First, for the Debtor team, do we have Mr.
16 Pomerantz and a team of others? Would you appear at this
17 time?

18 MR. KHARASCH: Good morning, Your Honor. Ira
19 Kharasch of Pachulski Stang Ziehl & Jones on behalf of the
20 Debtor and Debtor-in-Possession.

21 I'd first like to let the Court know that Mr. Pomerantz is
22 on the phone in a listening mode. He will not be appearing
23 today as he's still recuperating from successful surgery last
24 week, but glad to say that he's improving daily and looking
25 forward to appearing in front of Your Honor again in the very

1 near future.

2 THE COURT: All right.

3 MR. KHARASCH: I have with me today John Morris as
4 well as Greg Demo.

5 THE COURT: All right. Good morning to all of you.
6 And we wish Mr. Pomerantz well.

7 All right. For the Redeemer Committee, Crusader Funds, do
8 we have a team appearing for them this morning? Go ahead.

9 MS. MASCHERIN: Yes, Your Honor. Terri Mascherin of
10 Jenner & Block. I'm appearing today on behalf of both The
11 Redeemer Committee of the Crusader Funds and also the Crusader
12 Funds, --

13 THE COURT: Okay.

14 MS. MASCHERIN: -- whose claim is likewise resolved
15 in the settlement.

16 With me today on the line are my partner Mark Hankin, and
17 Mark Platt of Frost Brown Todd.

18 THE COURT: All right. Good morning to all of you.

19 All right. For Acis, do we have Ms. Patel and others
20 appearing this morning?

21 MS. PATEL: Yes. Good morning, Your Honor. Rakhee
22 Patel on behalf of Acis Capital Management, LP, with the
23 Winstead firm. Also on the line is Brian Shaw of the Rogge
24 Dunn Group, also counsel for Acis and counsel for Mr. Terry.
25 I'll let him announce if he has additional parties.

1 THE COURT: All right. Mr. Shaw, are you there with
2 us?

3 MR. SHAW: (no response)

4 THE COURT: Okay. Maybe technical --

5 MS. PATEL: Brian, we can't hear you.

6 (No response.)

7 THE COURT: All right. Well, Mr. Shaw, --

8 MS. PATEL: Well, --

9 THE COURT: -- we put -- the Court put everyone on
10 mute, so if you could take yourself off mute if you are trying
11 to appear. (No response.) Well, maybe we'll get him at some
12 point when -- if he wants to speak up.

13 All right. We have several objecting parties this
14 morning. I'll start with Mr. Dondero's counsel. Do we have
15 Mr. Lynn or someone from his team on the phone or on the
16 video?

17 MR. WILSON: Yes, Your Honor. This is John Wilson
18 with Bonds Ellis Eppich Schafer Jones, LLP. I am joined today
19 by John Bonds, Michael Lynn, and Bryan Assink.

20 THE COURT: All right. Good morning to all of you.
21 All right.

22 MR. WILSON: Thank you.

23 THE COURT: We had Patrick Daugherty as an objecting
24 party to the Acis settlement. Do we have Mr. Kathman and his
25 team?

1 MR. KATHMAN: Good morning, Your Honor. Jason
2 Kathman on behalf of Mr. Daugherty.

3 THE COURT: Okay. Good morning.

4 All right. We had UBS objecting to the Redeemer
5 Committee/Crusader Fund settlement. Do we have Mr. Clubok or
6 others appearing for UBS?

7 MR. CLUBOK: Good morning, Your Honor. This is
8 Andrew Clubok from Latham & Watkins, LLP on behalf of UBS.
9 I'm here with Sarah Tomkowiak, who will actually be leading
10 the proceedings for us today, and also Kimberly Posin.

11 THE COURT: All right. Good morning to all of you.
12 We had a few reservation of rights type limited
13 objections, so I'll check now on these parties. CLO Holdco:
14 Do we have Mr. Kane or others appearing?

15 MR. KANE: Yes, Your Honor. John Kane on behalf of
16 CLO Holdco, specifically related to the Acis settlement.

17 THE COURT: Okay. Thank you, Mr. Kane.

18 All right. HCLO Funding: Do we have either Mr. Maloney
19 or Ms. Matsumora on the line?

20 MS. MATSUMORA: Yes, Your Honor. This is Rebecca
21 Matsumora from King & Spalding. And Mr. Maloney may be
22 joining us later, once we turn to the Acis settlement.

23 THE COURT: All right. Thank you.

24 HarbourVest filed a limited objection to the Acis
25 settlement. Do we have Ms. Driver or others appearing for

1 HarbourVest?

2 MS. WEISGERBER: Good morning, Your Honor. Erica
3 Weisgerber from Debevoise & Plimpton appearing for HarbourVest
4 this morning.

5 THE COURT: Okay. Good morning.

6 All right. Well, I think I've covered all of the parties
7 who filed a pleading today. I suspect the Unsecured
8 Creditors' Committee is out there. Do we have someone
9 appearing for them?

10 MR. CLEMENTE: Good morning, Your Honor. Matthew
11 Clemente from Sidley Austin on behalf of the Unsecured
12 Creditors' Committee.

13 THE COURT: All right. Good morning, Mr. Clemente.

14 All right. Is there anyone else who wishes to appear that
15 I did not hear from?

16 All right. Well, Mr. Kharasch, do you want to start us
17 off this morning?

18 MR. KHARASCH: I would like to, Your Honor, just very
19 briefly, before I turn it over to my partner, John Morris.

20 As you know, Your Honor, we're down to two motions to
21 approve the separate settlements, one with Acis and Josh and
22 Jennifer Terry on the one hand, as well as the Redeemer
23 Committee and the Highland Crusader Funds on the other.

24 There's one significant update in the case that may come
25 up during today's proceeding, it may not, but it's that Mr.

1 James Dondero has resigned from his position where he held the
2 title of Portfolio Manager where he managed certain assets
3 under the direction of the Independent Directors, and all
4 actions were subject to the protocols and director oversight.

5 Here's how we'd like to proceed, Your Honor, today. John
6 Morris of our firm, senior bankruptcy litigator, will be the
7 one to primarily handle most aspects of the 9019 settlement
8 motions, including putting on the testimony of our CEO, Mr.
9 James Seery, and responding to the objections. However, Greg
10 Demo will deal with the response to the technical arguments
11 raised by Mr. Daugherty.

12 If that works with the Court, I would now turn the floor
13 over to John Morris to present the motions.

14 THE COURT: All right. Let me just ask one
15 clarification on the Dondero announcement. Does that mean he
16 has no role at all with the Debtor only, or does it mean he
17 has no role with the various affiliates out there as well?

18 MR. KHARASCH: Your Honor, certainly, I mean, I would
19 defer to Mr. Seery when he gets on the stand, --

20 THE COURT: Okay.

21 MR. KHARASCH: -- but there's no role with the
22 Debtor. In terms of the word affiliates, Your Honor, that
23 gets a little tricky in the Highland case. Certainly, you
24 know, it's no -- no role with the controlled entities,
25 Highland's -- the Debtor's controlled entities. But,

1 obviously, the word affiliates could spill over to other
2 entities that are truly managed and owned by Mr. Dondero or
3 his various companies.

4 THE COURT: Okay. I know folks tend to bristle when
5 I use that word affiliate. I know there's nuance in some
6 situations. But all right.

7 Well, let's go ahead, then, and hear from Mr. Morris. And
8 I'll just say right now I don't think I need lengthy opening
9 statements. I don't know if that was your intention, to go
10 straight to the evidence. Certainly, if people feel like
11 they've got to say a word or two, I'll let that happen, but
12 we've done our best to read all the pleadings so I don't
13 really think I need much of an opening statement. I'd rather
14 go to evidence pretty quickly. Mr. Morris?

15 MR. MORRIS: Good morning, Your Honor. Can you hear
16 me?

17 THE COURT: I can. Uh-huh.

18 OPENING STATEMENT ON BEHALF OF THE DEBTORS

19 MR. MORRIS: Thank you. John Morris from Pachulski
20 Stang Ziehl & Jones for the Debtor. Thank you for the
21 guidance, Your Honor. I'll probably cut considerably on what
22 I had been prepared to say, but I appreciate the time that the
23 Court has taken to review our papers. I know that we didn't
24 get them in until last evening, although they weren't
25 particularly voluminous.

1 We're really pleased to be here today, Your Honor. This
2 case has just recently passed its one-year anniversary. We're
3 here today, really, quite excited to resolve two of the most
4 contentious, litigious cases that the Debtor has faced, both
5 on a pre-petition basis, and frankly, in certain respects, on
6 a post-petition basis. These cases with Acis -- and Acis, in
7 particular, Your Honor, you're very familiar with, and I just
8 wanted to let the Court know that our plan here is to proceed
9 first with the Redeemer settlement.

10 THE COURT: Okay.

11 MR. MORRIS: And so let me just say a few words about
12 that. (garbled) I've shared with all of the objecting
13 parties, so there's no surprise here. I think everybody is
14 prepared for the path that we're going to go down. I'd like
15 to do my short opening. Ms. Patel and Mr. Shaw may -- I
16 apologize, Ms. Mascherin may speak on behalf of the Redeemer
17 Committee. Somebody may speak on behalf of the Crusader
18 Funds. UBS, who is the only objecting party, may choose to
19 make an opening. And I'll call Mr. Seery. And I'll do my
20 direct of Mr. Seery. I've got just a few exhibits to put into
21 the record, and we expect to rest. And I'll leave it to Mr.
22 Clubok and the Latham firm to decide how they want to respond.

23 So, once that's completed, we will shift to the Acis
24 settlement. I would propose to proceed in the same manner,
25 with a very short opening, put Mr. Seery on the stand to

1 testify as to the issues and the facts relating to the Acis
2 settlement, and hopefully we'll be done.

3 THE COURT: All right. So, in both situations, Mr.
4 Seery would be the only witness for --

5 MR. KHARASCH: Yes.

6 THE COURT: -- the Debtor. And I guess with regard
7 to the UBS objection to the Redeemer Committee/Crusader Fund
8 settlement, there is a person that was identified for UBS:
9 Moentmann. I'm not sure if I'm saying that correctly. Are we
10 anticipating having him as a witness? I guess I need to hear
11 from Mr. Clubok, but --

12 MR. CLUBOK: Yeah. Yeah, I don't -- I don't --

13 MS. TOMKOWIAK: I think --

14 MR. CLUBOK: -- I'll speak.

15 MS. TOMKOWIAK: Good morning, Your Honor. This this
16 is Sarah Tomkowiak on behalf of UBS.

17 THE COURT: Okay. Good morning.

18 MS. TOMKOWIAK: Yes, we do intend to present Mr.
19 Moentmann as a witness today.

20 THE COURT: All right. Well, I'm getting ahead on
21 this because what I want to know is, do people -- can people
22 give me a time estimate at least of your direct? Okay? I'm
23 trying to figure out, are we going to need to put any time
24 limitations, reasonable time limitations on witnesses?

25 Mr. Morris, you acted like Mr. Seery would be fairly quick

1 in both situations.

2 MR. MORRIS: Yeah, I would appreciate 10 minutes for
3 an opening, and then certainly no more than 30 but hopefully
4 closer to 20 minutes for direct.

5 THE COURT: All right. Ms. Tomkowiak, what do you
6 think as far as time?

7 MS. TOMKOWIAK: Yeah. We would like about the same,
8 approximately 10 minutes for our opening and about 20 minutes
9 to cross-examine Mr. Seery. And then I expect that our direct
10 of Mr. Moentmann would take about the same amount of time.

11 THE COURT: All right . Well, I've got some loose
12 estimates. If you start going well beyond those estimates,
13 I'm going to kind of rein it in, but I think this all sounds
14 very reasonable.

15 All right. Mr. Morris, you may make your opening
16 statement.

17 MR. MORRIS: Thank you very much, Your Honor. What I
18 want to do with my opening is just describe at a very high
19 level what we expect the evidence to show today. The Court is
20 obviously familiar with the settlement terms, so I'm not going
21 to spend any time with that. They're set forth both in our
22 papers and in the agreement itself. The Court is familiar
23 with the legal standard. So I'd like to spend a few minutes
24 at the end talking about the UBS objection and why the Debtor
25 firmly believes that it ought to be overruled.

1 As Your Honor is aware, the Debtor had served as the
2 investment manager of the Crusader Funds. In 2008, following
3 the stock market and financial crisis, the Debtor put the
4 Crusader Funds into (garbled). Disputes arose among the
5 interest holders of the Crusader Funds, and they spent a few
6 years fighting among themselves. And a few years later, they
7 came up with a plan and scheme, pursuant to which the Redeemer
8 Committee was formed. The Redeemer Committee had the -- had
9 the right, the unfettered right to decide when, how, and
10 whether the Debtor would continue on as its financial manager.
11 And in the summer of 2016, it decided to terminate the
12 Debtor's position as investment manager.

13 An arbitration ensued. Litigation, frankly, throughout --
14 throughout numerous countries and numerous courts ensued.
15 There were two cases in Aruba, I believe. There was a case in
16 the Cayman Islands. There was a case filed in the Delaware
17 Chancery Court. You had the arbitration. So I think there
18 was litigation going on on five different fronts.

19 The parties spent two years in arbitration, engaged in
20 extensive discovery and motion practice. They had a nine-day
21 trial in September of 2018, and ultimately the panel issued an
22 award, and that award came in three parts. The first part was
23 called a partial final award, which was rendered in March of
24 2019. That was followed, I think, about eight days later with
25 a modification award. And finally, in May, they issued their

1 final award.

2 All three awards are attached to my declaration. They
3 have been offered into evidence under seal. The sealing order
4 has already been entered, and that sealing order, I think, is
5 also one of our exhibits. I'm not moving them into evidence
6 yet. We'll get to that point. But I just wanted Your Honor
7 to know that the arbitration awards are very much part of the
8 record.

9 That award, I don't think there's any dispute that,
10 pursuant to the award, the Debtor was obligated to pay
11 approximately \$190 million. Shortly after the award was
12 filed, the Redeemer Committee and the Crusader Funds moved to
13 have the arbitration award confirmed in the Delaware Chancery
14 Court, and Highland moved for partial -- for a partial
15 vacation of that award.

16 Notably, Highland did not challenge any of the Court --
17 any of the arbitration panel's factual findings. They didn't
18 challenge any substance of the award. But they raised a
19 number of procedural defects that primarily went to the
20 overarching argument that the partial final award should have
21 been treated as the final award, such that any relief granted
22 in the modification award and the actual final award was
23 impermissible.

24 I think UBS has calculated the value of the awards given
25 post those two documents as approximately \$36 million.

1 So, you've -- the Redeemer Committee has filed their claim
2 in this case of \$490 million. The Crusader Funds have filed a
3 separate proof of claim for approximately \$23 million, if I
4 remember correctly. And their basis for the Crusader's Fund
5 claim is that they sued to claw back certain fees that had
6 been paid to Highland in its role as investment manager.
7 Admittedly, I think -- I don't want to speak for the Crusader
8 Funds -- but I do think they acknowledge that there is some
9 overlap in those amounts.

10 You will hear from Mr. Seery today. Mr. Seery will
11 describe for you what he and an independent board of directors
12 did to educate themselves about the scope, nature, and value
13 of the Redeemer Committee's claim. They will -- Mr. Seery
14 will discuss the extensive advice that the board was given
15 with respect to these matters. Mr. Seery will also describe
16 for you the extensive negotiations that took place between the
17 Debtor and representatives of the Redeemer Committee and the
18 Crusader Funds. You will hear about communications between
19 and among lawyers, communications between and among
20 principals.

21 I recall, Your Honor, back in June, when we I think first
22 alerted to the Court that we were negotiating the settlement,
23 you expressed some mild surprise, because, after all, this is
24 an arbitration award, so what -- what, in fact, was there to
25 settle? And it was a very fair point, and we appreciated the

1 fact that you didn't have visibility into the specifics. But
2 lo and behold, there were really -- let's just call them very
3 two -- two very large issues.

4 And Mr. Seery will describe this in more detail for the
5 Court so it's part of the evidentiary record, but the first
6 issue related to something called deferred fees. Pursuant to
7 the plan and scheme that were agreed upon, Highland was
8 entitled to recover its fees as investment manager only upon
9 the completion of the Crusader Funds' liquidation. But in the
10 early part of 2016, as the panel found, Highland had helped
11 itself to approximately \$32 million in deferred fees, and that
12 was one of the claims that the Crusader Fund and the Redeemer
13 Committee brought in the arbitration, and the arbitration
14 required that Highland return that \$32 million plus interest.

15 So why is that an issue now in the settlement? It's an
16 issue because the Debtor chose a different path. Rather than
17 paying that money now and waiting for some time in the future
18 to seek to collect that money, it compromised. And it's a
19 very reasonable and fair and rational compromise, Your Honor.
20 They took two-thirds of the value of the deferred fee today
21 instead of having no settlement, continuing with the
22 litigation, having a fight on setoff issues, because
23 undoubtedly the Redeemer Committee would argue that they ought
24 to get paid a hundred-cent dollars. So we'd have another
25 litigation over setoff. We would have to wait until the

1 completion of the Crusader Funds' liquidation before we could
2 even make a demand for the deferred fee. And as Your Honor
3 knows, the Crusader Funds are going to have and the Redeemer
4 Committee will have an allowed claim in this case, and that
5 claim won't be satisfied until all distributions are made, and
6 those distributions won't be completed until all estate claims
7 are pursued.

8 It may be many years before this happens. And so the
9 Debtor, I think rationally, chose to take two-thirds now
10 rather than fight over setoff issues, rather than wait what
11 would likely be many years to even apply for it. And then
12 once they did that, we'd be litigating over the Redeemer
13 Committee's faithless servant defense, one that, if you read
14 the -- if you read the partial final award, I think it's fair
15 to say there would be risk here that the Debtor would get
16 nothing on the deferred fee. So that was one big issue that
17 we dealt with.

18 The other one related to Cornerstone. Under the terms of
19 the final order by the Court -- the panel, not the Court, but
20 the panel -- but the panel found that Highland acted
21 improperly and was required to buy -- basically buy out the
22 Redeemer Committee and the Crusader Funds' interest in
23 Cornerstone. They would have been required to pay \$48 million
24 to do that.

25 Again, issues of setoff would have abounded. And frankly,

1 the Debtor doesn't have the money to pay that, doesn't think
2 it's, frankly, worth that price.

3 So, instead, negotiations, very, very solid negotiations,
4 the Debtor chose to allow the Redeemer Committee and the
5 Crusader Funds to retain those Cornerstone shares and instead
6 give us a credit of \$30.5 million against the gross value of
7 the arbitration award.

8 So the \$190 million is reduced first by \$21 million for
9 the deferred fee; then, second, by \$30-1/2 million for the
10 Cornerstone issue.

11 How did they arrive at the \$30.5 million figure? We'll
12 hear Mr. Seery testify about the diligence that he did and
13 about how he relied in substantial part on certain valuation
14 reports that the Debtor receives in the ordinary course of
15 business from Houlihan Lokey.

16 He will tell you that these reports are provided by
17 Houlihan for a fee. They're provided not just with respect to
18 Cornerstone but with respect to lots of other assets that the
19 Debtor either owns or manages.

20 He will tell you that the Debtor relies on the Houlihan
21 reports for setting the marks on their books and for all kinds
22 of other reasons.

23 We believe that that, again, is a perfectly rational
24 statement, and we want to emphasize to the Court that we're
25 not here today to tell you that this is the absolute best

1 result that the Debtor could obtain, because no settlement can
2 ever represent that.

3 Instead, this is a compromise, where everybody gives a
4 little and everybody gets a little. And within that context,
5 no expert that comes in here after having spent 20 or 30 hours
6 doing their own analysis should be able to upset this apple
7 cart. And that's what you're going to hear from UBS's expert.
8 This is the only point that they really make, is that he did
9 his analysis and he thinks that the value is higher. And I
10 don't think that's the corpus of Rule 9019. It's the Debtor's
11 judgment. Is what the Debtor doing fair and reasonable? Has
12 the Debtor engaged in a process to educate itself? Has the
13 Debtor thoughtfully gone through negotiations? Is there a
14 rational basis for where the Debtor is coming out with? There
15 is no question as to all of those things.

16 And so those are the two big adjustments. Mr. Seery will
17 tell you that there was one other more modest adjustment that
18 was made, another million dollars in favor of the Debtor. But
19 that is the evidence that we plan on presenting, Your Honor.

20 We think that there will be no dispute that this
21 negotiation was arm's length, it was not the product of fraud
22 or collusion, and that it is in the paramount interest of the
23 Debtor and its estates and all constituents that this
24 litigation with the Redeemer Committee finally be brought to
25 an end.

1 I have no further comment, unless you have any questions,
2 Your Honor.

3 THE COURT: Thank you. I guess I should ask Ms.
4 Mascherin, before I go to Ms. Tomkowiak: Did you have
5 anything you wanted to say, as you represent the settling
6 party, obviously?

7 MS. MASCHERIN: Yes, Your Honor, I would appreciate
8 it if you'd allow me just a brief set of remarks.

9 THE COURT: Okay.

10 OPENING STATEMENT ON BEHALF OF THE REDEEMER COMMITTEE

11 MS. MASCHERIN: The standard, of course, that governs
12 us today is a familiar standard under Fifth Circuit law. In
13 the Debtor's papers, the Debtor has cited to *In re Cajun*
14 *Electric Power Co-Op, Incorporated*, 119 F.3d 349, a Fifth
15 Circuit decision from 1997. And the Fifth Circuit tells us
16 that approval is to be given to a settlement if it is fair and
17 equitable and in the best interest of the estate. And the
18 Fifth Circuit has guided courts to consider such issues as
19 probability of success in litigation, taking into account any
20 uncertainties in fact and in law; the complexity and likely
21 duration of a litigated resolution of the dispute, and any
22 attendant expense, inconvenience, and delay; and other
23 factors, such as whether the settlement would be in the best
24 interest of all creditors and whether the settlement was the
25 result of arm's-length negotiation.

1 Your Honor, I would -- I will submit that after you hear
2 Mr. Seery's testimony, and even in light of the Debtor's -- or
3 UBS's, rather -- effort now to turn this into a valuation
4 dispute over Cornerstone, that the Court will agree that this
5 settlement was in the reasonable business judgment of the
6 Debtor and is in the best interest of the creditors.

7 Just very briefly, Your Honor, the current state of
8 affairs is that the Redeemer Committee holds an arbitration
9 award entitling it to almost \$190 million in damages. As part
10 of that award, as Mr. Morris said, the Debtor is required to
11 pay \$48 million in principal plus an additional \$21 million in
12 pre-judgment interest to purchase the 42 percent minority
13 interest in Cornerstone that's held by the Crusader Fund.

14 In addition, under that award, the Redeemer Committee is
15 entitled to the cancellation of several limited partnership
16 interests in Crusader Funds which the panel found Highland
17 Capital Management had obtained by way of breaching the
18 Crusader Fund plan of liquidation and breaching its fiduciary
19 duties.

20 Only one small piece of that limited partnership interest
21 relief was challenged by the Debtor in the action to confirm
22 or vacate the award, and only one small piece of that, which
23 we'll refer to, I think, in arguments later, perhaps, is the
24 Barclay's claim for a limited partnership interest which
25 Highland transferred to its wholly-owned affiliate Eames,

1 E-A-M-E-S, is at issue in UBS's objection.

2 In addition to the relief that the Redeemer Committee was
3 granted in the arbitration award, Your Honor, the Crusader
4 Fund, as Mr. Morris says, has asserted its own separate claim
5 to claw back certain fees paid in the past to the Debtor and
6 also to avoid the payment of any further fees under what New
7 York law recognizes as the Faithless Servant Doctrine, which I
8 will submit there is ample findings in the arbitration awards
9 in this case of breaches of fiduciary duty, and New York law
10 holds that when a servant has been found to have breached its
11 fiduciary duties and acted unfaithfully, that servant is not
12 entitled to further compensation from the client -- in this
13 case, the Crusader Fund.

14 Now, all of that, as Mr. Morris notes, would be for
15 litigation many years from now upon complete liquidation of
16 the Crusader Fund, because the deferred fees that the Crusader
17 Fund would seek to avoid paying would not be payable in any
18 event unless and until the Fund -- the Crusader Fund was
19 completely liquidated, which, as Mr. Morris notes, could not
20 happen until this claim is fully paid, because this claim now
21 is -- will be the single largest claim -- the single largest
22 asset, rather -- of the Crusader Fund.

23 Your Honor, this compromise, this settlement, would be to
24 the benefit of the Debtor's estate for several reasons. First
25 and foremost, as Mr. Morris emphasized, it will end all

1 disputes between the Redeemer Committee and the Crusader Fund
2 on one hand and Highland Capital Management, the Debtor, on
3 the other, and would provide for releases of the Debtor and
4 several of its affiliates and employees in connection with the
5 settlement.

6 As a net matter, this compromise would reduce the amount
7 of the Redeemer Committee's damages claim to an allowed claim
8 of just over \$137 million, a reduction of over \$54 million
9 from the amount of the arbitration award.

10 This settlement would also allow a very modest claim to
11 the Crusader Funds of only \$15,000, Your Honor.

12 It would provide for the same relief as the arbitration
13 panel ordered with respect to the disputed limited partnership
14 interests, including the interests that is currently held by
15 the Debtor's wholly-owned affiliate, Eames.

16 And, significantly, it would also relieve the Debtor of
17 its obligation to purchase the shares of Cornerstone that are
18 held by the Crusader Fund -- as I mentioned, a 42 percent
19 minority interest in that company -- which otherwise, under
20 the terms of the award, the Debtor would be required to pay a
21 total of \$79 million to acquire. As Mr. Morris said and as I
22 believe Mr. Seery will testify, the Debtor doesn't have that
23 kind of money and has no interest in buying those shares. The
24 Debtor is in liquidation, and its interest is in monetizing
25 the 58 percent majority interest that it owns or controls in

1 Cornerstone.

2 And significantly, Your Honor, to that end, this
3 settlement also includes an agreement by my clients, the
4 Redeemer Committee and the Crusader Fund, to cooperate with
5 the Debtor so that the Cornerstone asset, the company as a
6 whole, can be monetized jointly. And we've even agreed upon
7 some terms, which I won't get into because they are
8 confidential, given that this is an asset that the Debtor will
9 be seeking to deal with in the future, but under those terms,
10 faithfully cooperate and will attempt to achieve a
11 monetization that would bring in substantial value of what the
12 Debtor could otherwise achieve holding a 58 percent interest
13 rather than a 100 percent interest in that asset.

14 So, Your Honor, in sum, I submit that this settlement was
15 in the reasonable business judgment of the Debtor and it amply
16 meets the requirements for approval that the Fifth Circuit set
17 forth in *In re Cajun Electric Power Co-Op*. Thank you.

18 THE COURT: All right. Thank you.

19 All right. Now I will go back to UBS. Ms. Tomkowiak? Am
20 I saying your name correctly? Correct me if I'm not.

21 MS. TOMKOWIAK: It's pretty close for a first try.

22 THE COURT: Okay.

23 MS. TOMKOWIAK: It's Tomkowiak.

24 THE COURT: Tomkowiak? Okay. Thank you. You may
25 proceed.

1 MS. TOMKOWIAK: Thank you, Your Honor. Before I
2 proceed, I did want to raise one housekeeping issue that
3 hopefully will not count against my time, but I think it's
4 important to resolve it before I do my opening statement.

5 As you just heard from both the Debtor and Redeemer's
6 counsel, part of the -- one of two very large issues in this
7 settlement relate to the value of Cornerstone, and
8 specifically the value of Crusader's ownership interest in
9 Cornerstone. The Debtor put -- assigned a value to that of
10 \$30.5 million, and they put that in their papers, they filed
11 that in court, they've said it here again here today, and
12 they've said that Mr. Seery intends to testify as to the
13 diligence that he purportedly did in order to arrive at that
14 number.

15 We've, you know, received documents from the Debtor and
16 Redeemer showing the valuations that were alluded to. The
17 numbers in those valuations are substantially higher. Our own
18 expert has also performed his own analysis of the valuations,
19 and his own valuation analysis, and we would like to be able
20 to testify to those numbers and talk about them.

21 Frankly, we're surprised that the Debtor doesn't want to
22 put those valuations into evidence, considering that it is the
23 Debtor's burden to show that the settlement had some rational
24 basis, as they just said.

25 But, and we have previewed that to the Debtor, and they

1 have expressed their views that those values and those
2 valuation reports are confidential and should not be part of
3 the public record. We think that is prejudicial. We think it
4 is prejudicial to put the lowest of the low of any of these
5 ranges into the public record without also being allowed --
6 allowing us to put on evidence that the true valuation is, in
7 fact, much higher.

8 Again, they put into the record that the perceived fair
9 market value of this asset, which is critical and central to
10 our objection and to their -- the value of the settlement and
11 whether or not it's fair and equitable, they've put that into
12 the record, and we would like to be able to get evidence into
13 the record relating to that number and relating to our
14 analysis of it and why we believe it's well, you know, below
15 any range of reasonableness.

16 We don't think it's confidential. We think it should all
17 be part of the public record. We do not object if the Court
18 wishes to proceed in some other manner, such as, you know,
19 sealing the courtroom, although, again, that's not our
20 preference. We would prefer to just be able to talk about the
21 evidence and the numbers. But we would welcome your Court's
22 guidance on this. You know, I believe, and I won't speak for
23 the Debtor's counsel, but I believe that that is -- was their
24 preference.

25 MR. MORRIS: May I be heard, Your Honor?

1 THE COURT: You may.

2 MR. MORRIS: Okay. Your Honor, the reports that are
3 being referred to are reports that were provided on a
4 confidential basis. They're stamped confidential. They were
5 produced pursuant to the protective order.

6 I'm a little confused as to why no effort has been made to
7 deal with the issue prior to the last 12 hours or so, because
8 (garbled). They received the documents as confidential
9 documents. There's no question about that.

10 And the important point here, Your Honor, is why are they
11 marked confidential. It's one thing to disclose a settlement
12 number. It's very different to disclose the analyses. There
13 may be discounts. There may be adjustments. We're about to
14 embark, if this settlement is approved, the Debtor and the
15 Redeemer Committee and the Crusader Funds are about to embark
16 on a sales and marketing process. That part is known to the
17 public. But the value, if the value -- I'm stunned that UBS
18 is surprised that we care. There's probably not many things
19 that we care about more than maintaining the confidence of the
20 value -- of our perception of value, how we get there, the
21 methodologies that were employed, and particularly when we're
22 about to go into the marketplace. And we believe this
23 information really does need to be kept confidential for that
24 reason.

25 The option that I can think of, Your Honor, and I know it

1 may not be popular with everybody here, but there is only one
2 objecting party. There's nobody else here. You've got your
3 statutory committee. You've got the U.S. Trustee. They've
4 got statutory obligations to continue to be part of the
5 process. You've got UBS and you've got the Debtor. I would
6 respectfully request that this part of the proceeding be
7 limited, or at least the portion when their expert witness is
8 testifying, because -- well, be limited to those folks, and
9 everybody else just has to go off the line. That would be my
10 proposal, Your Honor.

11 If this information gets into the marketplace, not only
12 the Debtor but the other stockholders, including the Crusader
13 Funds, will be harmed.

14 MS. MASCHERIN: Your Honor, may I speak?

15 THE COURT: You may.

16 MS. MASCHERIN: May I, just briefly?

17 THE COURT: You may.

18 MS. MASCHERIN: On behalf of the Crusader Funds and
19 the Redeemer Committee, Your Honor, I join in Mr. Morris's
20 objection. We have produced in discovery and UBS has included
21 on its exhibit list the independent third-party valuations
22 that the Crusader Fund has obtained, pursuant to strict
23 confidentiality obligations, with respect to the Crusader
24 Funds' shares in the Cornerstone asset, as well as highly
25 confidential portions of reports by the Crusader Funds'

1 manager to the Redeemer Committee concerning its opinions
2 regarding the value of that asset.

3 And we share the concern. And there should be a concern,
4 I think, Your Honor, with respect to anyone who cares about
5 the Debtor's ability to maximize the value of the Cornerstone
6 asset. The market should not see the confidential valuation
7 reports and other advice that the Debtor and my clients
8 considered when we negotiated this compromise.

9 THE COURT: Okay. Let me --

10 MS. TOMKOWIAK: Your Honor, may I --

11 THE COURT: Let me think about --

12 MS. TOMKOWIAK: May I briefly make just a couple
13 points?

14 THE COURT: Well, just a minute. Let me think about
15 the mechanics here. I know there was a declaration of your
16 expert submitted ahead of time. Have you filed under seal --
17 I've granted lots of sealing motions and I'm losing track --
18 have you filed under seal a valuation report of your expert?

19 MS. TOMKOWIAK: Your Honor, we have filed these
20 papers under seal, to be cautious. Again, we view that
21 differently than an open proceeding. These documents were on
22 our exhibit list. No one objected to them. Some of these
23 documents we did not have a chance to file because, although
24 we've been asking for them for a very long time, we've only
25 received them in the last, you know, 36, 24 hours.

1 So while some of them are under seal, there are other more
2 recent valuations that would not be. And, again, we have a
3 very different view here of what would or would not be harmful
4 to a sales process.

5 We believe it is incredibly more harmful and prejudicial
6 to have put in their motion, and I'm looking at it -- Page 10,
7 Paragraph 31 -- to say that there's a \$30.5 million perceived
8 fair market value of Crusader's 42 percent ownership in
9 Cornerstone, and then not be able to put into the public
10 record all of the numbers in these, you know, secret
11 valuations that suggest that it should be much, much higher
12 than that. Substantially higher than that. Double, triple
13 higher than that.

14 So that's our view. And, you know, again, we're willing
15 to proceed as the Court wishes, but, you know, we have a very
16 different view of who's really being harmed here, and, you
17 know, we think it's the estate and we think it's us.

18 THE COURT: All right. Well, what I was thinking is,
19 because this is going to be mechanically cumbersome and we're
20 not going to have complete certainty about the integrity of
21 the process if I say everyone has to leave the call except
22 UBS, Redeemer, the Debtor, and the Committee, there's always a
23 risk of someone somehow slipping by, I'm wondering if we can
24 have your witness later and he can testify about the under-
25 seal document without -- I don't know, can we have testimony

1 with him just referring to page whatever for the Court to look
2 at, without saying the numbers out loud? Is that a ridiculous
3 thought, or is that possible, do we all think?

4 MS. TOMKOWIAK: That might be possible, Your Honor,
5 when it comes to our witness. And it might be possible to,
6 for example, share slides with you in advance with respect to
7 both my opening and our experts so that only you could see
8 them but then we would talk about them vaguely.

9 I do, you know, I hesitate because we'd also like to use
10 these documents potentially in our cross-examination of Mr.
11 Seery. Again, we literally got some of these, you know,
12 yesterday. And so I'm not sure that that's -- entirely solves
13 the problem.

14 I mean, one other suggestion is that we could pause here
15 and switch to the Acis claim and try in the meantime to work
16 something out. You know, we've already proceeded down this
17 road, though.

18 MS. LAMBERT: Judge Jernigan?

19 THE COURT: Yes.

20 MS. LAMBERT: This is Lisa Lambert for the United
21 States Trustee. I had not anticipated needing to make an
22 appearance in this hearing, but the U.S. Trustee has asked for
23 sealed documents in this case, some of which have not been
24 sent. And in addition, we'd ask to be excluded specifically
25 as contemplated in the argument, but I wasn't sure the Court

1 was aware that we were on the call.

2 THE COURT: Okay. You're saying that if we have
3 sealed testimony or documents, the U.S. Trustee wants to be
4 included?

5 MS. LAMBERT: Yes.

6 THE COURT: Okay.

7 MS. LAMBERT: And for those who have not e-mailed
8 those documents, we would be grateful if there were e-mailed,
9 because I do not have all of them yet.

10 THE COURT: Okay. All right. This is a little bit
11 --

12 MR. MORRIS: Your Honor?

13 THE COURT: -- challenging -- Mr. Morris, I'm going
14 to go to you -- in a vacuum. I mean, I don't know what the
15 whole set of documents are. I mean, a part of me is torn
16 here. If we have the UBS expert's information out there for
17 public consumption, will that alone, in the Debtor's view,
18 chill the bidding process? I mean, this is one objecting
19 party's view of the world, and, you know, perhaps it would
20 simply be perceived as one objecting party's view of the world
21 and not the end-all be-all on value. What do you think?

22 MR. MORRIS: Yeah. You know, I know this is a little
23 unusual, Your Honor, but can Mr. Seery be heard since he is
24 the CEO? I don't want to put him under oath and do -- but I
25 think he can probably articulate much better than I can as to

1 the Debtor's concern. He's very familiar with the documents.
2 He's reviewed them. And I don't know if -- Mr. Seery, are you
3 able to hear me? Do you want to speak up on this particular
4 topic?

5 MR. SEERY: I can hear you, yes. If the Court can
6 hear me, if the Court wants to hear me, I'm happy to --

7 THE COURT: I would like --

8 MR. SEERY: -- describe what these documents are and
9 how they derive into this issue.

10 THE COURT: Please. Go ahead.

11 MR. SEERY: Your Honor, each month -- and this is not
12 unique to the Debtor -- with respect to what our view is of --
13 of the three -- two or three assets, the Debtor gets
14 valuations from a third-party service, in this case Houlihan
15 Lokey, which is probably the most prominent valuator of these
16 assets, these types of assets. They set a -- well, what we
17 call fair value. We use it for our NAV. Doesn't mean that
18 it's fair market value. It's their perception of what value
19 can be for these assets using various models and comparisons.

20 And we use those every month, we try to do it on a
21 consistent basis, and that's how we value all our liquid
22 assets.

23 Houlihan also does this service for a myriad of funds,
24 investment funds, as well as the retail funds that are smaller
25 affiliated with the Debtor but we don't control. So these

1 valuations for various assets go into the NAVs that those
2 entities produce.

3 Again, they're not fair market value, but perception using
4 models and desktop analysis as to what the value is, to allow
5 investors in the funds to understand movements in the value of
6 assets and get a sense of what the value may be.

7 In this case, the Debtor owns around three percent of
8 Cornerstone. RCP owns --

9 THE COURT: I'm sorry.

10 MR. SEERY: -- around 55 --

11 THE COURT: I got the math wrong. What is the
12 Debtor's ownership?

13 MR. SEERY: About three percent, Your Honor.

14 THE COURT: Okay.

15 MR. SEERY: RCP, which is a fund called Restoration
16 Capital Partners, --

17 THE COURT: Uh-huh.

18 MR. SEERY: -- we've dealt with a little bit in the
19 case before, is a fund with third-party investors mostly, a --
20 an interest by some Dondero-affiliated entities, and about 16
21 percent owned by the Debtor. That owns 55 percent of
22 Cornerstone.

23 So, roughly, the Debtor's derivative interest in the asset
24 is around 11 percent, 12 percent. In that neighborhood. The
25 rest is owned by Crusader.

1 UBS -- we provide these documents on a regular basis to
2 the Unsecured Creditors' Committee. UBS sits on that
3 Committee. Our confidential information we provide to the
4 Debtor and provide to the Committee, and have been doing
5 exclusively for months, contains various valuations using
6 these marks, and then what we think we can achieve for various
7 outcomes.

8 We're working with Cornerstone management to put in a
9 management retention program and enhance that opportunity for
10 them so that interests are aligned. We think that's in the
11 best interest of RCP, with whom -- manage the asset. We think
12 it's in the best interest for the estate and our interest.
13 Also in the best interest for Crusader.

14 We hope to then be able to go to the market. We may or
15 may not be able to go to the market. The market may not be
16 ready. It may not be the right time. We may have to do
17 different things to the asset to get it in the best condition
18 to sell it. We may have to even think about (inaudible) to
19 get the best value. Because we have a duty to RCP as well.
20 Releasing the detail that's in these NAV valuations that we
21 get from Houlihan every month would be extremely detrimental
22 to that process.

23 The interests of the Debtor, as I said, it's material, but
24 there's significant third-party interests here. Significant
25 third-party interests. For UBS -- these are not the types of

1 reports that ever are or should be released generally, and
2 they will have an effect on the sale process.

3 MR. MORRIS: Thank you, Mr. Seery.

4 THE COURT: All right. Well, let me go back.

5 MS. TOMKOWIAK: Your Honor, may I -- may I just real
6 briefly reply to that?

7 THE COURT: Let me ask you this first. Are we -- I
8 want to make sure I understand the universe of documents we're
9 talking about. Is it just your expert plus these Houlihan
10 documents?

11 MS. TOMKOWIAK: Well, yes, and a couple of other
12 documents that were produced by the Redeemer Committee. The
13 -- those documents, I think what's confidential about them is
14 that they refer back to these Houlihan valuations.

15 THE COURT: Okay. Isn't there a simpler answer to
16 all of this, and that is, if I don't have a Houlihan person,
17 if I don't have the person who created these documents, then
18 they're hearsay I shouldn't allow in.

19 MS. TOMKOWIAK: Well, Your Honor, but we're not --
20 we're not necessarily putting them in for the truth of what's
21 in them. In fact, we think what's in them is unreasonably low
22 and significantly flawed and inaccurate. But, you know, they
23 are relevant for other purposes, including the fact that they
24 are much, much higher than the perceived fair market value
25 that the Debtor put into their motion.

1 I was confused to hear Mr. Seery say that these don't show
2 anything about fair market value, and those were their words,
3 not ours. It's their burden to show that they had a rational
4 basis and sound business judgment in entering into this
5 settlement, so we are -- we should be allowed to explore with
6 Mr. Seery what, to quote the Debtor's counsel, what diligence
7 he did, including if he looked at these reports; why he didn't
8 accept the higher values that are in these reports; why he
9 took a value as of March, over six months ago, as opposed to
10 the much more recent values in these reports that show that
11 Cornerstone has continued to improve its performance. So, and
12 the -- of our expert, who is allowed to rely on hearsay and
13 allowed to explain what he did and what he reviewed in coming
14 to his own analysis that this asset is worth, you know, two to
15 three times the value that it's been assigned to it, the value
16 that the Debtor's estate is giving up and that Redeemer is
17 getting as part of this deal, which we just think is a
18 windfall. And I don't understand how the Court can have all
19 of the information available to make that independent judgment
20 without --

21 THE COURT: Okay.

22 MS. TOMKOWIAK: -- without seeking that information.

23 THE COURT: Okay. So I'm going to take --

24 MS. TOMKOWIAK: I mean, we want these assets to be
25 worth more. We want them to be able to monetize them and

1 maximize their recovery. We just -- we, again, disagree as to
2 what's more harmful, having one very low, incredibly low,
3 unreasonable number out in the public, or having, you know,
4 the -- all of the information out there in the public that
5 shows that the value of these assets is much higher.

6 THE COURT: Okay. Well, let's take this in chunks.
7 I'm not going to allow any evidence in regarding these
8 Houlihan reports. There was a way to do this, and I may or
9 may not have been amenable to this way, but you could have
10 subpoenaed the Houlihan person. I don't know what kind of
11 fight you would have had on your hand. Probably would have
12 had one. But without a Houlihan person to testify about this,
13 this is hearsay and I think it would be offered to prove the
14 truth of the matter asserted. So I'm not allowing the
15 Houlihan information in for that reason.

16 I'll say a couple of additional things. We have a
17 longstanding rule in this District that the Debtor can always
18 testify about value. Okay? So, it goes to, obviously, the
19 weight and credibility I give it, but -- so if he speaks about
20 value, he's entitled to speak about value. It's just how much
21 weight do I give it. He has the burden of proof.

22 The last thing I want to say on this topic is we all know
23 that, in a 9019 context, the Court is not technically required
24 to have a mini-trial. It needs to consider all facts and
25 circumstances that "bear on the wisdom of the settlement

1 proposed." But I think that is probably yet another reason to
2 keep this information out, that it's going a little bit beyond
3 what I think is necessary today. And, again, the Debtor is
4 either going to meet its burden or not. It has the burden.
5 So that's the Houlihan-related stuff.

6 You've alluded to Redeemer Committee or Crusader Fund
7 information. That's another category of stuff we're talking
8 about?

9 MS. TOMKOWIAK: Yes and no, Your Honor. I think we
10 also have presentations that were provided to the Crusader
11 Fund, I believe by Alvarez & Marsal, that show -- again,
12 discuss the valuation of Cornerstone as of particular dates,
13 and frankly, we believe, directly contradicts the testimony
14 that the Debtor has indicated that they intend to elicit from
15 Mr. Seery and shows how unreasonable the efforts were here.

16 THE COURT: All right. Well, I think my ruling needs
17 to be consistent, then, with the ruling with regard to the
18 Houlihan information. I don't have an Alvarez & Marsal
19 witness. It would be hearsay without the Alvarez & Marsal
20 person here to testify about it. I think it would be offered
21 for the truth of the matter asserted. And so I'm not going to
22 allow that.

23 So, does that bring us down to just this one category of
24 Mr. Moentmann and his work product?

25 MS. TOMKOWIAK: I believe so, Your Honor, in terms

1 of, you know, can he testify about his, you know, his own
2 valuation, his own analysis of what he believes that these
3 assets are worth and the flaws that he's identified in the
4 Houlihan valuations as well, which I think, with respect to
5 his own analysis, you know, I believe it would be helpful for
6 the Court to hear the numbers and, you know, the flaws in what
7 Houlihan has done. That's part of his opinions. And I think
8 he could do that without, you know, referencing specific
9 numbers, if that's what the Court would prefer.

10 THE COURT: All right. So I'm going to go back again
11 to Mr. Morris and Ms. Mascherin. I'm inclined to let Mr.
12 Moentmann testify, and I can -- he can refer to his report
13 that's here under seal. And as long as he doesn't make
14 references to numbers of Houlihan, Alvarez & Marsal, I'm not
15 sure I'm convinced it would hurt the future marketing effort.
16 Again, wouldn't the market just say this is one objector's
17 opinion and they either give it weight or not?

18 MR. MORRIS: Your Honor, I probably should have said
19 this earlier. I am going to have a very short *voir dire*. And
20 I think, you know, if you would allow me to do that, the
21 Debtor expects to move to exclude this witness in its
22 entirety, in his entirety. He's a lovely man, I'm sure he
23 knows his work very well, but I don't think it's worth the
24 time, money, and effort to continue down this path on a 9019
25 motion. And so we will be making that motion.

1 I suppose if that motion is denied, you know, if he can be
2 limited in the manner you're describing, we could probably
3 live with that. But we do intend to make that motion.

4 THE COURT: All right. Ms. Mascherin, anything to
5 add?

6 MS. MASCHERIN: No, Your Honor.

7 THE COURT: Okay. So that is the path we'll take.
8 We'll let Ms. Tomkowiak call Mr. Moentmann. We'll either
9 allow it or exclude it depending on where I go on that
10 request. And then, if he does testify, he will be directed to
11 just cross-reference his report that's here under seal and not
12 mention numbers of other experts that he may be critical of.

13 All right. So, with that, Ms. Tomkowiak, you may make
14 your opening statement.

15 OPENING STATEMENT ON BEHALF OF UBS SECURITIES, LLC

16 MS. TOMKOWIAK: Okay. Thank you, Your Honor. And to
17 -- just to be crystal clear, I do intend in that statement to
18 refer to the conclusions, his own, not those of anybody else.

19 THE COURT: All right.

20 (Pause.)

21 MS. TOMKOWIAK: Your Honor, as I -- I also appreciate
22 you taking the time to read all of our papers. As you know,
23 UBS strongly believes that the settlement is not fair, it is
24 not equitable, and it is not in the best interest of the
25 estate.

1 It is the Debtor's burden, that nobody disagrees about
2 that, to show that it has exercised business judgment within a
3 range of reasonableness. And the Debtor has not submitted to
4 this Court any evidence whatsoever to meet that burden. The
5 Debtor -- Mr. Seery testified at his deposition that he agreed
6 that the only thing before the Court to determine whether or
7 not the settlement is fair and equitable is their motion and
8 that's it.

9 As you've observed, no one from Houlihan Lokey intends to
10 come here and testify today. There is no evidence before you
11 to independently evaluate the true value of these two very
12 large issues, as the Debtor's counsel described them. It's
13 just Mr. Seery and his say so of what he thinks is reasonable.
14 And we don't think that that is enough to show that the
15 settlement is reasonable, we think there's been a complete
16 abdication of business judgment here, and we don't think this
17 is in the best interest of the estate.

18 We believe that the Debtor and Redeemer have negotiated a
19 sweetheart deal, frankly, that gives Redeemer a ginormous
20 windfall and deprives the estate of its right to these
21 meaningful assets that could be available to UBS and to other
22 creditors.

23 And, so, yes, in addition to harming the estate, this deal
24 is absolutely to the detriment of UBS, and we are a
25 significant unsecured creditor whose rights are affected by

1 this deal. Our views must be taken into consideration under
2 the Fifth Circuit law that Ms. Mascherin cited to. And
3 respectfully, we just don't think that the Debtor has met its
4 burden for giving Your Honor the full picture necessary to
5 fully understand the value of this settlement compared to the
6 arbitration award on which it's supposedly based.

7 I wanted to briefly talk a little bit about that
8 arbitration award, if you can go to the next slide. So,
9 again, that we all agree that the claim is based upon an
10 arbitration award. No court has ever confirmed this award.
11 It's not a final judgment. I want to walk you briefly through
12 the components of that award as they're relevant here. So,
13 Gail, if you could pull that up.

14 You know, Redeemer asserted a number of claims against
15 Highland and they're laid out here, including the panel's
16 findings. The first row is the uncontested claims. And by
17 that, I mean that, you know, no one has disputed that portions
18 of them should be subject to vacatur in Delaware law.

19 The next component, there are legal fees and costs that
20 the panel awarded to Redeemer. Next, we have the deferred fee
21 claim. And this was alluded to in the openings of the Debtor
22 and Redeemer as well. And the panel agreed with Redeemer that
23 Highland had, to quote the Debtor's counsel, helped itself to
24 over \$32 million in fees that were supposed to be deferred
25 until the end of liquidation of the Crusader Fund.

1 The panel awarded Redeemer damages, but it did not relieve
2 Redeemer of its obligation to pay the Debtor those fees in the
3 future when they are due. And I don't think that is
4 reasonably in dispute here.

5 The Cornerstone award, as we've all acknowledged, that was
6 a finding by the panel that Highland did not act appropriately
7 in liquidating Cornerstone and Crusader's interest in
8 Cornerstone. And so the panel awarded Redeemer nearly \$70
9 million for that claim. Or, I'm sorry, over \$70 million for
10 that claim. And that was based on the panel's view at the
11 time, around a year or so ago, that the fair market value of
12 Crusader's interest in Cornerstone was \$48 million,
13 approximately, and then plus pre-judgment interest, for a
14 total of \$71 million.

15 And then there was also this claim relating to the
16 Barclay's interest. This particular award was included by the
17 panel as a modification to its first final award. That second
18 final award also increased the amount of pre-judgment interest
19 that Redeemer was receiving under the arbitration award by
20 extending the period of time by which they could receive that.

21 It's that portion of the Barclay's claim here, which is
22 approximately \$30 million, and then another \$6 million of pre-
23 judgment interest. That is the subject of the motion to
24 vacate that was filed in Delaware a long time ago and was set
25 to be heard the day that the Debtor filed this case for

1 bankruptcy.

2 So, the sum of these components, in terms of what Redeemer
3 was owed, is approximately \$190 million, but the story does
4 not end there, as the Debtor and Redeemer would like you to
5 believe. And I think, in fact, they acknowledge, you know,
6 this is not a straightforward arbitration award, because there
7 are reciprocal obligations that Redeemer still owed to the
8 Debtor. And Gail, if you could click here.

9 So, what's reflected here are the various setoffs and
10 other issues that we believe you need to consider when you
11 think about the true value of the arbitration award. So the
12 first one is the Cornerstone shares. We all agree that the
13 arbitration award required -- required Redeemer,
14 simultaneously with payment of the damages award, to give
15 back, to tender back to the Debtor, absolutely no question,
16 not in dispute, they were required to give those shares back
17 to the Debtor.

18 And so we've assigned here, just for purposes about
19 thinking about the arbitration award at the time it was
20 issued, a value of \$48 million, which, again, is the fair
21 market value that the panel concluded was appropriate for
22 Cornerstone at the time this award was issued, which, again,
23 was a long time ago.

24 And then there was the payment of deferred fees. I think
25 you heard a lot about those today. These are the fees that,

1 again, the panel found that Highland took them too soon, but
2 they are required to get -- they are -- they have a right to
3 get them at some future point in time when the Crusader Funds
4 are fully liquidated. And so nothing about the arbitration
5 award relieved Redeemer of its obligation to pay those fees,
6 even though, necessarily, and as you can see by their name,
7 they were deferred until some future point in time.

8 And then finally here, you know, any -- we -- there's a
9 certain amount of contested claims. And, again, that relates
10 to the Barclay's claim and with respect to the amount of pre-
11 judgment interest that was included in the second final award.

12 That -- you know, Mr. Seery, I think, testified at his
13 deposition that he believed they had little chance of
14 succeeding on that motion, and they've assigned that zero
15 value in their settlement and gave one hundred percent of the
16 value of that to Redeemer. We believe that's inappropriate
17 and we believe that even if you take 50-50, although, you
18 know, we think it should be higher than that, but even if you
19 just assume for settlement purposes that they might win that
20 issue, they might lose that issue, and you take 50 percent of
21 those contested amounts that are subject to vacatur by the
22 Delaware Court, or frankly, by this Court, then, accounting
23 for that litigation risk, you should remove another \$18
24 million from the value of this arbitration award.

25 And so, at the end of the day, you've got an adjusted

1 award of around \$90 million, and that's what we believe is the
2 true value of the award.

3 If you go to the next slide. We really just have two
4 large problems with the proposed settlement. The first is the
5 Cornerstone shares. And, again, without getting into the
6 numbers, they are -- indisputably, the Debtor's fair market
7 value calculation is based on the very lowest end of the
8 valuation range prepared by Houlihan Lokey for Crusader, not
9 the Debtor. It's a bit confusing, but Houlihan Lokey actually
10 provided two different valuations: one for Crusader, one for
11 the Debtor. They used the one provided for Crusader, and they
12 took the very lowest end of that range as of March 2020. They
13 did it despite having a different valuation that had a higher
14 range and despite the Debtor's own policy of typically marking
15 assets at the mid-point.

16 They provided no basis for using a valuation in March,
17 when the COVID pandemic was in its very initial stages. The
18 market was very, very low. They've only said and we expect
19 Mr. Seery to testify that, well, that's when the parties first
20 started negotiating this deal. But the settlement wasn't
21 finalized until, you know, six months later, and the Debtor is
22 not bound by that valuation or some handshake deal. They
23 could have but they did not insist that more current numbers
24 were used.

25 And our expert, you know, we intend to offer his testimony

1 that they've used some very flawed assumptions and that the
2 30.5 is well below any range of reasonableness that you could
3 assign to the shares.

4 And then really the -- you know, we don't think that the
5 Debtor has appropriately taken litigation risk into account.
6 You know, they've given a very large litigation discount for a
7 claim regarding the deferred fees and this applicability of
8 the Faithless Servant Doctrine that hasn't even been filed. I
9 mean, that -- that litigation is hypothetical. It's not
10 pending. It's a future dispute that isn't even ripe yet. And
11 yet they've applied a very large litigation discount for that
12 claim.

13 Conversely, they've applied a zero litigation discount for
14 a claim that has been fully briefed to the Delaware court in
15 the form of a motion to vacate. And again, inexplicably, they
16 just (inaudible) amount and provided Redeemer with a hundred
17 percent of the value of that claim.

18 Can you go to the next slide?

19 You will hear from our expert, Mr. Moentmann. He's a
20 principal at Grant Thornton. He has over 30 years of
21 experience in valuations. He specializes in healthcare
22 valuations.

23 I heard Ms. Mascherin say that we would like to turn this
24 into a valuation case. Well, frankly, we don't see how
25 valuation is not relevant when the settlement includes the

1 forfeiture of a very, very meaningful asset such as
2 Cornerstone.

3 He's going to testify, again, that, in his opinion, when
4 he has looked at all of the information and corrected for
5 these assumptions, that the true value of Crusader's ownership
6 in Cornerstone as of June is, you know, as great as -- as much
7 as triple the value that has been assigned to it by Highland
8 as the "perceived fair market value."

9 We believe that this is the value that the estate is
10 giving up. The estate has the right to those shares, and we
11 believe that in forfeiting the right to them they're giving up
12 a meaningful asset that -- that's -- has a much greater value
13 than the amount taken into account by -- in the settlement.

14 And by the way, no one disputes that this asset is
15 performing better today than it was in June, and certainly
16 than it was in March, when they took the very, very lowest of
17 the range of valuations done at that time.

18 What that means is that, under the proposed settlement,
19 Redeemer actually does far better than it ever could under the
20 underlying arbitration award.

21 And if we can go to the next slide, where I have hopefully
22 provided redacted -- yep. And what that means is what the
23 Debtor has said and what Mr. Seery has testified is that he
24 expects the Debtor to be solvent. He expects that Redeemer
25 will recover one hundred percent of its allowed claim in real

1 or one hundred dollars. And so what that means here is that
2 they get to keep their \$137 million allowed claim. They're
3 receiving a release of their obligation to pay \$32.3 million
4 in deferred fees --

5 MS. MASCHERIN: I'm sorry, Your Honor. I must
6 object. This line I believe at the bottom essentially
7 includes the same, if you do the math, the very same values
8 that are discussed in the confidential documents that were
9 just the subject of their sidebar discussion.

10 THE COURT: All right. That does seem to be the
11 case, Ms. Tomkowiak. Agree? I can go backwards and figure
12 out --

13 MS. TOMKOWIAK: Yes, I do apologize. We --

14 THE COURT: -- what that redacted number is. So,
15 yes, move on to another screen, please.

16 MS. TOMKOWIAK: We redacted these on the fly, Your
17 Honor, and we just didn't redact the full column.

18 THE COURT: Okay.

19 MS. TOMKOWIAK: So we apologize for that. I believe
20 it has now been fixed.

21 THE COURT: Okay.

22 MS. TOMKOWIAK: Sarah, does that address your
23 concern? So, --

24 MS. MASCHERIN: No, that's -- no, you're -- you still
25 have a reference in the last column, Counsel.

1 MS. TOMKOWIAK: The 30.5? That's public. That is --

2 MS. MASCHERIN: No, the other number, Counsel. The
3 other number comes from confidential documents.

4 THE COURT: Okay. I thought the --

5 MS. MASCHERIN: Unless I was misreading it.

6 THE COURT: I think it was Grant Thornton. There was
7 a -- there was the public number, the 30.5 March number, and
8 then there was the Grant Thornton number. I think she revised
9 it where those were the only two remaining, correct?

10 MS. TOMKOWIAK: Correct.

11 THE COURT: Okay.

12 MS. MASCHERIN: I apologize, Your Honor. I misread
13 it.

14 THE COURT: Okay. Go ahead.

15 MS. TOMKOWIAK: Okay. Gail, if you could put that
16 back up.

17 The bottom line, then, Your Honor, is that when you take
18 into account one hundred percent recovery in real dollars on
19 the allowed claim, release of the obligation to pay \$32.3
20 million in deferred fees in the future, retaining Crusader's
21 interest in Cornerstone as opposed to giving it back to the
22 estates, we believe that Redeemer could be receiving an actual
23 recovery of over one hundred percent of its filed claim under
24 the arbitration award. Grant Thornton's estimate, you know,
25 over \$60 million -- \$60 million over its allowed claim.

1 But even, even using the 30.5 perceived market value that
2 the Debtor assigned to Cornerstone in the settlement, they
3 still recover more than one hundred percent on their claim, as
4 reflected in that Final column.

5 THE COURT: All right. Ms. Tomkowiak, we have gone
6 well over the ten minutes. I know there have been lots of
7 starts and stops, but you need to wrap it up pretty soon.
8 Okay?

9 MS. TOMKOWIAK: Will do. Absolutely. All right.
10 And I guess I'll just -- I don't -- I don't have any more
11 slides.

12 I will just say that there's a genuine dispute, I think
13 that is apparent now, about the value of Cornerstone. We
14 don't think the Debtor has provided the Court with any
15 evidence, let alone sufficient evidence to accept their
16 valuation of this asset. We don't think Mr. Seery will
17 testify that he's ever talked to Houlihan about this
18 valuation. Houlihan is not here to defend their methodology.
19 And we, fundamentally, we agree that settlement is desirable,
20 we understand that, particularly here in this complex case,
21 and that it is tempting to approve and allow all of this
22 litigation to go away.

23 Quite frankly, UBS still believes that its claim can be
24 settled and the mediation is still open and we're hopeful that
25 we can resolve our claim, too, and we're making every effort

1 to do that. But this, this settlement is designed to overpay
2 Redeemer, frankly. We feel like it has bought their support
3 and they're working together with the Debtor to object to our
4 claim.

5 We think that, at minimum, the settlement should not be
6 approved without further information being provided to the
7 Court in the form of real evidence or an independent valuation
8 of Cornerstone being done.

9 Alternatively, Your Honor, the final thing I will say is
10 that, in the alternative, if Your Honor is inclined to approve
11 the settlement, the -- one of the terms of the settlement
12 requires the -- Redeemer and the Debtor to work together to
13 sell Cornerstone over a period of time. In the event that
14 sale occurs and the purchase price is, as UBS suspects it will
15 be, well above the value that's been calculated by the Debtor,
16 then we believe that it would be appropriate for the Court to
17 take Crusader's proceeds of that sale into consideration at
18 the time of plan confirmation, when distributions are to be
19 made, and any upside should be taken into account when
20 calculating Redeemer's actual recovery.

21 THE COURT: All right.

22 MS. TOMKOWIAK: I appreciate your indulgence, Your
23 Honor, and that's all I have.

24 THE COURT: All right. Thank you. Mr. Morris, shall
25 we go ahead and have Mr. Seery testify now?

Seery - Direct

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1 MR. MORRIS: I'd be delighted.

2 THE COURT: All right. Mr. Seery, welcome back. I
3 need to swear you in. Please raise your right hand.

4 JAMES P. SEERY, DEBTOR'S WITNESS, SWORN

5 THE COURT: All right. Thank you. You may proceed.

6 THE WITNESS: Can you hear me, Your Honor?

7 THE COURT: We can hear you loud and clear. Thank
8 you.

9 MR. MORRIS: Thank you.

10 DIRECT EXAMINATION

11 BY MR. MORRIS:

12 Q Good morning, Mr. Seery. Before we get into the
13 substance, let me just ask you. Is it your -- have you rolled
14 over here?

15 A I'm not known for that. The answer is no.

16 Q Okay. When were you appointed an independent director?

17 A In January of this year.

18 Q Okay. And you were appointed as the CEO in July; is that
19 right?

20 A That's correct.

21 Q And the Court approved that in the form of an order; is
22 that right?

23 A Yes, it is.

24 Q Okay. I want to move this along as efficiently as I can,
25 so let me ask you an open-ended question: Can you describe

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Seery - Direct

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1 for the Court the diligence that you and the independent
2 directors did to familiarize yourself with the claims that are
3 being made by the Redeemer Committee and the Crusader Funds?

4 A Yes. From the start, and obviously we have several
5 litigation claims, but Redeemer was a significant litigation
6 claim and they sit on the Committee. So right from the start,
7 even before the appointment as an independent director, I and
8 I'm relatively certain Mr. Dubel, read the Redeemer partial
9 arbitration award and then the final arbitration award. After
10 our appointment and our selection of Mr. Nelms as the third
11 director, I am quite sure that Mr. Nelms did the same thing.

12 So we looked at the awards, investigated with the Debtor's
13 team the underlying nature of the awards, what led to the
14 disputes. Then we worked with counsel, going through the
15 underlying case issues that the arbitration raised. And in
16 particular, the disputes between the partial final award and
17 the final award.

18 And that took place through our initial appointment, after
19 we got our feet wet, as I said, early in February and in
20 March, because we thought this was one of the key issues we
21 had to determine: Would we continue to litigate with Redeemer
22 or would we seek to reach an accommodation and a compromise
23 with respect to their arbitration award?

24 Q And did counsel provide you with written analyses,
25 including advice concerning the nature and scope of the

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1 Redeemer Committee's arbitration award?

2 A As with each of the claims that we've looked at, we've had
3 counsel, and I think the time records reflect it, do
4 significant work researching the underlying claims, getting to
5 know the underlying case law. In this case, looking at the
6 arbitration awards. Thinking about the defenses. Thinking
7 about and analyzing the issues that Highland raised,
8 challenging the final award. Analyzing the situation of the
9 Delaware Chancery Court, including the appeals. And then
10 report to us as an independent board on those issues.

11 Our practice -- you know, I don't have a specific
12 recollection if this is the case of every one of the claims --
13 our practice is to have a board meeting after those documents
14 that counsel's produced have been reviewed. Our practice is
15 to challenge them. Our practice is to challenge them quite
16 vigorously and send counsel back to do more work and hopefully
17 educate us in a way that we have a good understanding of the
18 risks and rewards with respect to various options with respect
19 to each of the litigation claims.

20 Q And did the board spend time and did you personally spend
21 time considering and getting advice on the issue of the
22 Faithless Servant defense?

23 A We did. To be frank, it's one that, despite having a lot
24 of experience in these areas, I had not heard of it before.
25 So the board requested that counsel do research and provide

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1 additional written information regarding the defense, its
2 likelihood of success, and particularly with respect to the
3 facts that are outlined in the partial award and in the final
4 award and how those might impact attempts that we would have
5 to get around that defense.

6 Q All right. Let's shift from the diligence that you and
7 your fellow board members did to the manner of the
8 negotiations. Did you (audio gap) participate in the
9 negotiations?

10 A I'm sorry. There was a -- there was a beep.

11 Q Did you -- do you have personal knowledge as to the
12 negotiations that led to the agreement?

13 A I did, yes.

14 Q All right. Again, can you just describe in general terms
15 for the Court the process that the Debtor undertook in
16 negotiating the agreement that led to this motion?

17 A Well, there was extensive back and forth, as I think
18 everyone in the case knows, that we started with a hundred
19 percent case, and we negotiated that with Redeemer very
20 aggressively. Redeemer brought in Crusader at times. We
21 negotiated various points to -- where they gave and we did,
22 back and forth. We went back and did additional research on
23 some of their claims with respect to -- and particularly with
24 respect to the interests, which we can get into in detail,
25 that are extinguished in the award. We spent a ton of time

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1 not only with our counsel but also with the Highland team to
2 understand the underlying history, how those interests were
3 obtained, whether they -- what did they cost when they
4 originally purchased them, how they potentially were found to
5 violate the -- the scheme. And then negotiated those points
6 with Redeemer.

7 Q And just to complete the record, did you personally speak
8 with one or more principals who were representing the
9 interests of the Redeemer Committee to negotiate any aspect of
10 the settlement?

11 A I did. We had many discussions, all telephonic,
12 negotiating the particular terms. We also had a number of
13 meetings with counsel with the entire board, with the
14 professional -- the personnel who represented Redeemer plus
15 their professionals, plus counsel and representatives of
16 Crusader in Zoom calls. So there were multiple sessions, both
17 on the phone directly with the Redeemer principal who sits on
18 the Committee as well as with the Redeemer principal and his
19 counsel.

20 Q All right. Let's talk about the adjustments that were
21 made to the gross value of the arbitration award of \$190
22 million. Just to identify them, they include the issue of the
23 deferred fee. Do I have that right?

24 A Yes. I think you summarized it in the opening quite well.
25 Highland had, in the scheme that was approved originally to

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1 liquidate the Crusader Fund, Highland had agreed to a fee
2 arrangement where the vast majority of the fees were deferred,
3 and they were deferred until the end of the liquidation --
4 i.e., until all of the assets in the Crusader Fund had been
5 liquidated and funds were distributed, and then Highland would
6 be entitled to receive its fees. And along the lines, for a
7 variety of reasons that the arbitration panel did not give
8 much credence to, Highland took them before the end of the
9 liquidation.

10 Q And did the Debtor decide to reach a compromise with
11 respect to the amount of fees that it might have been owed had
12 it successfully requested them at the end of the day?

13 A We did. We obviously, or maybe not so obviously, but we
14 did start with asking for the full reduction, with the
15 argument that this liquidation will get done quickly, we've
16 only got a couple assets left in Crusader, and we should be
17 entitled to the full setoff.

18 Redeemer's position and Crusader's position was, wait a
19 second, you're asking us to pay you fees on account of a
20 scheme that you were breaching while you were supposedly
21 earning these fees, and then you took the fees that you earned
22 while you breached it early. And they were of the belief that
23 they did not have to pay any of those fees. So we negotiated
24 off of those two positions.

25 The arbitration award does not deal with the fees. It

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1 talks about the repayment of the \$32 million plus the
2 interest, but it doesn't say what happens later. And it's a
3 -- it's a failing or (inaudible) in this, you know, for
4 Highland, but it doesn't -- it certainly doesn't give Highland
5 the award of the fees.

6 And we had similar arguments with respect to briefing
7 before the panel, arguments before the panel, where we were
8 arguing that we were -- we'd be entitled to get those fees at
9 the end, and that Redeemer and Crusader knew it, but there
10 were some holes in those arguments.

11 Q Let's see if we can identify that. Ultimately, the board
12 agreed with the Redeemer Committee and the Crusader Fund to
13 accept a credit today for two-thirds the value of the total
14 deferred fee; is that right?

15 A That's the math in terms of what the reduction in the
16 claim is. It was hard-fought in that we wanted to make a
17 decision if we could get a full settlement with a number of
18 components or whether we would try to get pieces and litigate
19 the other piece. Redeemer wasn't interested in a partial
20 settlement. It was either full or litigate. And that left
21 us, we thought, exposed, both with respect to the time and
22 cost as well as the risk of a complete loss, which we factored
23 into our settlement.

24 Among other things, you know, and this will permeate the
25 case, and we'll talk about it with Acis as well, this case,

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1 the business runs the way it runs. It does have revenues and
2 the team does provide service to a number of counterparties
3 and they do a great job. So the employees of Highland are
4 able to execute and perform a valuable service to their shared
5 service counterparties and the funds to which they provide
6 investment management services. But these litigations have
7 been hanging over this case for most of ten years. And it's
8 remarkable in that, every time we try to settle one, someone
9 else wants to keep them going.

10 Q All right. Let's just talk about some of the factors that
11 the Debtor considered or may have considered in agreeing to
12 the compromise that you've described. Did the Debtor take
13 into account the possibility that if there was no agreement
14 that there would be a separate litigation on the question of
15 setoff and how the compensation would have been -- how the
16 compensation would go back and forth?

17 A Certainly. And we considered -- we considered whether
18 that litigation would happen in the Bankruptcy Court in front
19 of Judge Jernigan or whether we would be sent back to the
20 aforementioned Chancery Court, which as counsel for UBS noted,
21 those arguments have already been briefed. And the risks with
22 respect to both avenues in terms of pursuing a -- either a
23 knockout win or a partial win, the time delay, and then the
24 risk of a knockout loss or a partial loss.

25 And so we thought about that with respect to each of the

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1 settlement components.

2 Q All right. So, under the agreement, will the Debtor get
3 the value of \$21 million with respect to the deferred fees
4 immediately upon the allowance of the claim?

5 A Well, it reduces the claim. So I think that that's a fair
6 -- that's a fair way to look at it. And each of the board
7 members analyzed it with that perspective.

8 Q And did you and the board members try to make any
9 determination as to how long the Debtor would have to wait
10 before it had the opportunity to request or demand the
11 deferred fee?

12 A We did. It's hard to estimate. So I think that it's, in
13 a vacuum, the Crusader Fund should be able to liquidate pretty
14 quickly. The problem is that the Crusader Fund's liquidation
15 are tied to Highland's liquidation or monetization. And the
16 timing on that, depending on the parties, can be uncertain.
17 We would hope to be able to monetize the assets quickly, but
18 we also are contemplating a litigation trustee. And as we've
19 seen, that -- that litigation can take some time with these
20 parties.

21 In addition, while we -- we had a grand bargain
22 opportunity, we continue to negotiate with Mr. Dondero, who's
23 made a material effort with his counsel on an ongoing but
24 certainly a recent movement. And that could expedite it.
25 It's very uncertain as to how long -- how long a complete

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1 liquidation would take. If we -- if we were able to reach an
2 agreement with Mr. Dondero, we hopefully can, at least with
3 respect to part of the case, resolve it quickly. And I think
4 that that would be more of a pot plan type approach.

5 The problem with a pot plan is that we still have a number
6 of unresolved litigation claims that will take time to
7 resolve.

8 Q All right. So let's just focus on what would happen if we
9 didn't have the agreement. And just assume for the sake of
10 argument that at some point in the future, however many years
11 that may be, the Crusader Fund has completed its liquidation.
12 Do you have any reason to believe that at that time the
13 Crusader Fund would roll over and no longer assert the
14 Faithless Servant defense in the face of a demand for the
15 deferred fee?

16 A Well, I guess you'd have to look at it two ways. If -- if
17 the fees do not reduce the Crusader claim, Redeemer's claim,
18 then there would be nothing to roll over on. Because what's
19 really important that everybody has to understand is Highland
20 got the fees. It took them. It took the cash. And so the
21 only -- the only way that you have a deferral of recovery of
22 that fees, those fees, is if you pay back hundred-cent dollars
23 to Redeemer and Crusader, which would include the \$32 million
24 plus the interest.

25 Q Okay. Are there any other reasons that you can think of

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1 at this time that the board and you as CEO took into account
2 in deciding on the compromise of the deferred fee issue?

3 A Of the fee component? Well, I think -- I think that --
4 that really summarized it. It's not that complex. The only
5 -- the complexity is really if you consider not settling, what
6 are your avenues to, if you will, be able to keep the full
7 amount of the fees and interest.

8 Q So, would it be fair to describe it as taking a certain
9 two-thirds of the fee today rather than a speculative chance
10 of getting a full fee at some undetermined time in the future,
11 after spending money to litigate the Faithless Servant
12 defense?

13 A I think that that -- that's very -- to be honest, it may
14 cabin it too much. We looked at this as a total settlement.
15 And so it's not just one piece. And in an effort to move this
16 case forward, we looked for the reasonableness of each
17 transaction as a whole, and I think that's a more full way to
18 look at it. We could litigate with Redeemer and Crusader for
19 another two years, maybe. I'm sure that there's ways to keep
20 it going and diminish all the assets of the estate in
21 litigation costs. But we thought that this was a fair and
22 equitable settlement as a whole, and this component we thought
23 was pretty straightforward. Getting the full amount of fees,
24 which we would have liked, we thought was not something that
25 we had much success -- much chance of a success if we

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1 litigated this.

2 Q Okay. Let's shift to Cornerstone. Can you just describe
3 for the Court what Cornerstone is and who the stakeholders
4 are. I think you -- I think you may have (garbled), but just
5 for context.

6 A Cornerstone is a portfolio company. It's Cornerstone
7 Healthcare Group. It's a portfolio company of Highland, in
8 that Highland owns about three percent of the equity.
9 Restoration Capital Partners, which is a liquidating fund, and
10 Highland, as the advisor to that fund, owns about 55 percent,
11 and Crusader owns about 52 [sic] percent. Cornerstone
12 operates in the LTAC space, which is Long Term Acute Care,
13 Senior, and Behavior Health. Senior living. And it has a
14 home hospice, a smaller home hospice and home -- home business
15 that also helps with rehab, and which -- and some of those are
16 newer acquisitions.

17 It's a -- it's a company that I believe Highland first got
18 involved with in 2007, I believe. And so it's been another
19 asset that's a long-term holding. We have a solid management
20 team. We like the -- we like the team a lot. We think that
21 they've performed and done a great job in incredibly difficult
22 circumstances, you know, through the first half of this year.
23 Against -- against that, some of the related entities, the
24 CLOs, have a loan, a term loan, and there's also other
25 mortgage debt and equipment financing at Cornerstone.

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1 Q And do you understand that the Crusader Fund's interest in
2 Cornerstone is a subject of the arbitration award?

3 A Yes.

4 Q And can you describe for the Court your understanding of
5 what the panel found and determined with respect to that
6 asset?

7 A The panel found that basically Highland has an obligation
8 to purchase Cornerstone back from -- those Cornerstone shares
9 back from Crusader. And it assigned a value of \$48 million to
10 those shares, which was considerably in excess of fair market
11 value at the time of the award, we believed, as well as at all
12 times since then.

13 Q And you reached an agreement with the Redeemer Committee
14 on the treatment of the Crusader Fund's interest in
15 Cornerstone; is that right?

16 A Yes.

17 Q Can you describe the treatment of that interest for the
18 Court?

19 A What we agreed with Crusader is that we wouldn't buy back
20 the shares, because we don't have the capital to do that, that
21 we would reduce their total claim by about \$30 million.

22 Q Okay. Before we get to that specific point, are there
23 other aspects of the settlement agreement that concern the
24 Cornerstone asset?

25 A Well, we -- the other piece of Cornerstone is really a

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1 Crusader issue. As I laid out the share holdings, the
2 combined Highland interest, if you will, is about 58 percent.
3 Crusader's is 42 percent. This is a private company. It does
4 not trade. It -- it is -- it was controlled by the majority
5 shareholders. And Crusader was interested in trying to find
6 some liquidity in either their shares --

7 (Audio cuts out.)

8 THE COURT: Uh-huh. Mr. Seery?

9 THE WITNESS: And so we --

10 THE COURT: Mr. Seery, we lost you for about 20
11 seconds there. You were speaking but we couldn't hear you.
12 So repeat the last 20 seconds, please.

13 THE WITNESS: I'm sorry. I'm sorry, Your Honor.
14 That cut out. Highland owns or controls 58 percent, with RCP
15 as the main holder in Highland holding about three percent.
16 Highland's the manager for RCP. Crusader is a minority
17 holder. It has 42 percent. It really has no say or control
18 over the company and what it does.

19 Crusader was looking to create the opportunity to either
20 get real liquidity in for this interest, not just us reducing
21 our claim, or -- or at least the appearance of that, frankly.
22 And so what we have agreed is that, since RCP is actually a
23 liquidating fund and we want to monetize the asset, that we
24 will work with Crusader to try to monetize Cornerstone in
25 2021.

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1 Now, it -- there's -- the way the agreement works is that
2 we'll work in good faith to try to do that. If we're not able
3 to do that, there's really no -- there's no breach. There's
4 no -- there's no damages. There's no -- no penalty. And the
5 reason for that is that monetizing this asset may take work.
6 The management team, as I mentioned, is excellent. They're
7 doing a great job. And we're working with the management team
8 to assure their long-term commitment to the business and the
9 line of interests.

10 But there may be different ways to monetize this asset.
11 It may be that we sell parts of it. May be that we invest in
12 parts of it. It may be that we sell the whole company. It
13 may be that we would go to meet a banker with the management
14 team, that the banker says don't do it now, you should do x,
15 y, and z in order to enhance the value. While RCP is
16 liquidating, we are looking to procure value for their stake
17 in -- in Cornerstone. And we'll take all of those issues into
18 account. And even if Redeemer wants -- or Crusader wants to
19 sell but RCP doesn't and management doesn't, it's unlikely
20 that this asset will trade.

21 That said, as I mentioned, we are looking to see if we can
22 monetize it, and we are looking to try to cash out and
23 liquidate Redeemer -- RCP's interests as well.

24 Q As part of the negotiations that -- the board has agreed
25 to certain milestones and a schedule for the sale and

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1 marketing of the asset?

2 A We did. But as I mentioned earlier, I think this had a
3 lot more lead for Crusader than it exactly had for -- for me
4 and for Highland. We've talked to RCP about it and we talked
5 to management at Cornerstone about it.

6 Milestones with respect to a sale process, you know,
7 usually, the only thing you know for certain is that they
8 likely won't be met. And, really, they depend on the market.
9 If you tried to do the same milestones in 2020 as are -- our
10 aspiration to put up for 2021, there's no chance of that. And
11 so we'll have to see what the market looks like, and most
12 importantly, what the management team thinks is in the best
13 interest of the enterprise and what the bankers think is in
14 the best interest of the enterprise and then -- and question
15 -- equally importantly is what RCP wants to do.

16 Q All right. Now let's turn to the \$30.5 million value. I
17 think you heard counsel for UBS refer to our pleading as -- I
18 forget what the exact term was, but an indicator or predictor
19 of -- of fair market value. Did you hear her in that
20 commentary?

21 A I heard it, yes.

22 Q Okay. And do you have a view as to whether that was
23 necessarily the best characterization of the -- of the --

24 A Yeah, I -- I think the reports that we get monthly and
25 that all investment firms get monthly are where they're

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1 referred to as fair value valuations. And they help set the
2 NAV.

3 There's a reason they're not called fair market value.
4 There's no market test whatsoever. And so they are -- they
5 are -- they are desktop model-driven valuations. You look for
6 comparables. You look for a DCF. You do a bottoms-up in
7 terms of asset value, depending on the type of asset. And you
8 try to come up with a reasonable way to assess the value of
9 the asset.

10 They are not market tests. So, and I can give you dozens
11 of examples of why they're not, really simple examples of why
12 they're not, as to -- as to fair market.

13 Nevertheless, we use them and rely on them. And investors
14 use them and rely on them. And Houlihan Lokey is probably the
15 preeminent firm doing this in the U.S.

16 Q Do you believe, if 30.5 doesn't represent a fair market
17 value, do you believe that it is nevertheless a fair and
18 reasonable place to come for purposes of the negotiation with
19 the Redeemer Committee?

20 A Certainly. It's typically within our range of
21 reasonableness. We look at, you know, where we have NAVs. We
22 considered the issues with respect to the business. You know,
23 we -- we thought about the total of 48. We considered where
24 third parties, you know, might want to purchase it. But we
25 did not go get a market test.

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1 I'm quite certain that if UBS wanted to make a bid because
2 they thought it was so low, that if they took the advice of
3 their expert, they would have a willing seller, and -- and
4 Crusader would sell. We would certainly have a willing seller
5 in RCP. We'd -- happy to negotiate in the range that they
6 threw out. It's a giant bank. They should probably buy it if
7 it's that cheap.

8 Q Do you communicate with either officers or directors of
9 Cornerstone on a regular basis?

10 A I wouldn't say on a regular basis. I do -- I do
11 communicate with them. We have a team that serves as the
12 board of directors at Cornerstone, and they -- they deal on a
13 regular daily and weekly basis with the Cornerstone team, and
14 then they feed me the information and we analyze it and we
15 send them back.

16 So I have talked to the team at Cornerstone. I've
17 discussed the business with them and the approach we're taking
18 in the case, because it's obviously important to them. Their
19 -- their stock is -- it's a -- it's a big company. Their
20 stock is owned by a liquidating fund managed by Highland, a
21 liquidating fund suing Highland, and a small amount by
22 Highland. So I've tried to keep them up to speed. As I -- as
23 I said, we like the team. We think they're -- they're good
24 and we want to see them stay.

25 Q And does your work with the team and the communications

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1 that you've just described, do they help to inform you as to
2 the fairness and the reasonableness of the number that you
3 arrived at with the Redeemer Committee?

4 A It certainly -- it certainly factored in. Yeah. We
5 looked at the overall quality of the business, where it was in
6 the -- in cycle, the market that we're in now in terms of
7 where they have to perform, and considered the NAVs that we
8 have as well as the litigation risk with respect to -- with
9 respect to Crusader.

10 Q Do you have a view as to whether Cornerstone has done
11 anything in terms of its business model or business generally
12 that would cause valuation to fluctuate, or is it more
13 attributable to the fluctuations of the marketplace?

14 A Oh, well, I don't think that the value of Cornerstone has
15 moved or should move materially through the year. It probably
16 was depressed from a perception standpoint early, and I think
17 the team has done a good job. They've grown EBITDA from where
18 it was on a trailing basis to, you know, I think quite well.
19 And so the business is in a good, steady place.

20 The LTAC business is performing very well and I think is
21 -- is -- has proven itself to be a valuable asset in the -- in
22 the COVID. The senior living business is more challenged.
23 That business relies on a lot of capital, which we are
24 capital-constrained compared to some of the competitors. And
25 if we look at the public comps for those, those businesses, I

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1 think it's fair to say that some of the larger ones are
2 challenged. And I think the company has done a nice job.

3 But if -- I guess the question is, has -- do I think it's
4 materially different than it was early in the year? Depending
5 on perceptions, just like the market, you know, there's highs
6 and lows, but the company is doing a nice job. I think
7 they're planning on a steady pace.

8 Q Did -- you testified to it just a moment ago, but let's
9 talk about the Houlihan Lokey reports. Without going into any
10 substance, can you tell me how many assets or portfolio
11 companies does the Debtor commission Houlihan Lokey to produce
12 valuation reports similar to the one that's been described
13 there?

14 A Yeah. I don't have the exact number, because the Debtor
15 doesn't just do it for its portfolio companies. We have to
16 perform shared services for a myriad of funds, including
17 public funds, and Houlihan provides the -- the NAVs with
18 respect to their Level 2 and 3 assets as well.

19 Q And does the Debtor rely on those reports in the ordinary
20 course of its business?

21 A It does, yes.

22 Q Can you describe for the Court how the Debtor relies on
23 the Houlihan Lokey reports?

24 A In front of -- you know, Level -- Level 1 are assets that
25 have a market that you can look to directly to figure out the

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1 value of your asset. Think about Apple stock.

2 Level 2 assets are there is a market, but it may be more
3 -- more of a trade-by-appointment market. Think about not the
4 bigger high-yields, but high-yield loans, distressed or
5 stressed names where there's not a ton of market activity.

6 And Level 3 assets are ones where there's not real good
7 discernible market inputs and you try to value those on a
8 market -- on a model basis.

9 So, we use Houlihan reports in order to set the exit value
10 of various funds. We use it to report to the creditors in our
11 case. We use it for, as I said, like RCP, which is a fund
12 that gets -- strikes a NAV every month. And we use it with
13 respect to the CLO assets that we manage.

14 Q And to the best of your recollection, was the \$30.5
15 million number that has been agreed upon, was that within the
16 range of any of the Houlihan Lokey reports that you reviewed
17 as you were considering whether or not to enter into the
18 agreement?

19 A The number we agreed, the 30.5, was in the range, and it
20 was in the range when we -- when we struck this deal, which I
21 think was April-May. So I think it would fit in the range in
22 the May Houlihan valuation. I don't know about each month.
23 As I said, there are -- because it's a desktop and model-
24 driven valuation, there are anomalies that show up. And we
25 try to review those with Houlihan to try to make it as

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1 accurate -- use as accurate information as they can. But
2 that, you know, their numbers in their model over model, we
3 like to use it consistently. And you'll see that with respect
4 to any kind of assets that get this type of valuation before
5 the -- as opposed to a market valuation.

6 Q Okay. Before we leave the topic, let me just ask you: Is
7 there anything else that you recall taking into account when
8 -- when you and the board decided to accept the \$30.5 million
9 number?

10 A Well, we -- we didn't just -- we didn't just accept it.
11 As I say, we negotiated starting at 48, which we didn't think
12 there was a chance that we could sell it for that value. And
13 we negotiated with the Crusader and Redeemer interests to try
14 to come up with a settled amount.

15 So the same issues with respect to the deferred fees
16 factored in here. Again, it's a package deal, so we looked at
17 the litigation, the timing, the risk of not being able to get
18 a deal done and the damages that we would have, the potential
19 impact on RCP and Highland's interest in Cornerstone, the
20 impact on the management team at Cornerstone, the litigation
21 about the -- of who owns the equity interests. And so all of
22 those factors in trying to get to a deal weigh in as we
23 analyzed whether to do this transaction.

24 Q All right. I want to shift gears to one argument that has
25 been made by --

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1 THE COURT: Mr. Morris? I'm just letting you know,
2 you've gone 35 minutes. And I said I wouldn't, like, get the
3 shepherd hooks out after 30 minutes, but let's try to wrap it
4 up so we finish today. Okay?

5 MR. MORRIS: Yeah. No problem, Your Honor. I really
6 appreciate it. In fact, I'm going to wait and let UBS
7 question Mr. Seery on its theory concerning going back to
8 Chancery Court and I'll just skip that, because it's not --
9 it's not -- not my -- it's not our issue anyway.

10 BY MR. MORRIS:

11 Q Mr. Seery, let me just finish up, then, and see if we can
12 identify the various litigations that are being resolved if
13 this settlement approved. Would the settlement resolve the
14 Delaware Chancery Court litigation, to the best of your
15 knowledge?

16 A Yes, it would.

17 Q Are you aware that there's litigation pending between the
18 Redeemer Committee and the Debtor in the Cayman Islands?

19 A I -- I've heard of it. To be frank, we haven't looked at
20 it. It was part of the original discussions around all of the
21 open issues, but we expect that will be resolved as well.

22 Q And are you aware that there are two pending litigations
23 in Bermuda between the Redeemer Committee and the Debtor?

24 A Same -- same answer. We looked at those. We understood
25 what they -- you know, in terms of a board perspective.

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Seery - Direct

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1 Counsel spent time on them. From a board perspective, it was
2 more of a sideshow. Those will be resolved. We thought the
3 main event was the arbitration award and the issues in
4 Delaware.

5 Q Okay. And did the -- did the elimination of the -- of all
6 of those litigations, the fees that might be incurred with
7 respect to them, the litigation risk, was that also a factor
8 in the board's determination to accept this settlement?

9 A Yeah, it always is. And again, not just the fees with
10 respect to this particular litigation but the overall case.
11 So it factors into analyzing whether this is a good, fair deal
12 for the entire estate and whether each component works to
13 support that overall thesis.

14 Q Okay. Last question. Can you explain to the Court why
15 the Debtor believes that this settlement is in the best
16 interest of the Debtor's estate?

17 A Hopefully, I've encapsulated that in the prior testimony,
18 but I think that, with respect to settling this claim, this
19 one was more straightforward than many of them,
20 notwithstanding the complexity of the arbitration award,
21 because there was an arbitration award. And it had been
22 litigated in front of the arbitration panel, which was an
23 esteemed panel, for a couple years, with tons of testimony,
24 tons of documents, and a partial finding and then a final
25 award that really hit on all the various issues with respect

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Seery - Direct

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1 to disputes among the parties.

2 And if we don't settle it at all, I think we're going to
3 be back in for potentially a lengthy litigation, depending on
4 what happens in the Chancery Court. If we lose in the
5 Chancery Court, it's a significant impact to the estate. So
6 we viewed this as reasonable. We continually updated it and
7 -- our analysis, and, you know, feel confident that this is in
8 the best interest of the estate, the Highland interests, the
9 creditors, the investors.

10 MR. MORRIS: I have no further questions, Your Honor.

11 THE COURT: All right. Pass the witness.

12 Ms. Mascherin, when I was doing my time calculations
13 earlier, I didn't take you into account. Do you have any
14 examination that's not duplicative of Mr. Morris?

15 MS. MASCHERIN: I'll make this easy, Your Honor. No.

16 THE COURT: Thank you. Ms. Tomkowiak, it is your
17 turn to examine Mr. Seery. Go ahead.

18 MR. CLUBOK: Your Honor?

19 MS. TOMKOWIAK: Thank you, Your Honor. My colleague,
20 Andy Clubok, will be cross-examining. Appreciate it.

21 THE COURT: All right. Mr. Clubok, go ahead.

22 MR. CLUBOK: Yes, Your Honor. Ms. Tomkowiak is going
23 to let me do this part of the proceeding.

24 CROSS-EXAMINATION

25 BY MR. CLUBOK:

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Seery - Cross

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1 Q Mr. Seery, you just testified that the \$30.5 million
2 assigned credit for Cornerstone was within the range of the
3 Houlihan Lokey reports that you get on a monthly basis.

4 Correct?

5 A Yes.

6 Q Okay. And, in fact, the -- have you reviewed the latest
7 Houlihan Lokey reports?

8 A I have.

9 Q Okay. And isn't it the case that -- or, what's the date
10 of that report, by the way?

11 A There's a draft in for September and there was one for
12 August.

13 Q So, that draft report for September has not been provided
14 to us, and certainly not been submitted to the Court.

15 Let me ask you, then, about the August valuation. It's
16 fair to say that \$30.5 -- well, what Houlihan does is that
17 they give you a low and a high, and that's the so-called range
18 in the value of Cornerstone, in their valuation reports.

19 Correct?

20 A They do.

21 Q And typically what Highland does is it assumes the
22 midpoint is the best number to use for that -- for what it
23 uses those reports for. Correct?

24 A Yes. Yeah.

25 Q Okay. And in the August 2020 Houlihan report, there is a

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Seery - Cross

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1 low to high range, and in fact, 30.5 falls below the lowest
2 point in that range. Isn't that true?

3 A I don't recall the specifics of the report.

4 Q Well, you said that 30.5 falls within the range, and my
5 question to you, sir, is would you agree that, at least in the
6 August report, which is the latest that has been provided to
7 us, just, actually, about 24 hours ago, that 30.5 is below the
8 lowest point of the range and not within the range? Would you
9 agree with that?

10 A I don't know the answer off the top of my head. If I had
11 the report, I could look at it.

12 Q Yes, please. If you could look at the report and confirm
13 that.

14 A I don't have it.

15 Q Oh, I'm sorry. You said you don't have it? I see.

16 MR. CLUBOK: Your Honor, I'm mindful of your order
17 and I don't want to run afoul of it, but Mr. Seery testified
18 under oath that he believes that 30.5 is in the range of the
19 Houlihan report, which I will proffer to you that it is not.
20 It is below the range. I would like to present the report to
21 show at least Mr. Seery that contention. I'm not using it for
22 hearsay to prove the truth. Frankly, I think the Houlihan
23 reports (echo) themselves what a reasonable expert will say.
24 But they certainly are in a range that is above the 30.5.

25 THE COURT: All right.

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Seery - Cross

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1 MR. CLUBOK: So I'd like to --

2 THE COURT: Let me start with your premise that he
3 testified inconsistently. My notes are that he said at the
4 time they struck the deal in April or May that this value was
5 within the range of the Houlihan modeling. Okay? So is
6 someone able to correct me one way or another? That -- I may
7 have written it down wrong, but that's what I thought I heard
8 and wrote down. Mr. --

9 MR. MORRIS: Your Honor?

10 THE COURT: Go ahead.

11 MR. MORRIS: Very briefly.

12 THE COURT: Go ahead.

13 MR. CLUBOK: If I may, I believe that is -- Your
14 Honor, I do believe that's what he said on the direct, but I
15 think under cross I asked him if it was in the range of the
16 most -- for the most recent report, and he said it was.
17 That's what I thought he just testified to in response to my
18 question. And if -- if that's the -- if -- Your Honor, if
19 there was a court reporter -- I don't have a real-time
20 transcript, so maybe I misheard it. But --

21 THE COURT: Well, Mr. Seery, why don't you just say
22 again what the answer to that question is, if we're confused
23 what you said. Go ahead.

24 THE WITNESS: Yeah. I think Your Honor had it
25 correctly. When we struck the deal, this was within the

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1 range, because I checked.

2 The ranges do move, and they have moved considerably,
3 which is one of the interesting things about these kinds of
4 valuations. Because it's model-input, it does move around
5 even though there's not a market to say that someone would pay
6 more or less for their stock. So, there would be times during
7 2020 that that number would be outside of the range. And even
8 in the -- in the May time frame, the April-May, I don't
9 remember exact numbers off the top of my head, it would be in
10 the -- in the lower end of the range.

11 THE COURT: Okay. Proceed.

12 MR. CLUBOK: Okay. I'll proceed with that, Your
13 Honor.

14 THE COURT: Okay.

15 BY MR. CLUBOK:

16 Q So we're clear, Mr. Seery, as we sit here today, the last
17 completed valuation, the most recent completed final
18 valuation, which was during August, for Houlihan Lokey has a
19 current range such that the lowest point of that range is
20 above the \$30.5 million number, correct?

21 A I don't recall off the top of my head. You've represented
22 it. I wouldn't quibble with it.

23 Q And, in fact, the midpoint of the most current Houlihan
24 Lokey valuation is significantly higher than \$30.5 million;
25 isn't that true?

Seery - Cross

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1 MR. MORRIS: Objection to the form of the question.

2 THE COURT: Sustained.

3 MR. CLUBOK: Your Honor, I -- this is where I would
4 like the read the exact numbers. I have the exact numbers
5 right here. I'm looking at them.

6 THE COURT: We --

7 MR. CLUBOK: And I -- I'm going -- I can impeach him.

8 THE COURT: We've already addressed this issue that
9 we would need a Houlihan witness if you're going to give
10 details about a Houlihan report. And he testified he didn't
11 know. He wouldn't quibble with you. So I think that was sort
12 of a lack of foundation objection Mr. Morris waged, and I'm
13 sustaining it. Okay.

14 MR. CLUBOK: Okay.

15 BY MR. CLUBOK:

16 Q Did you, before submitting the settlement to the Court,
17 check the range of the most current available Houlihan Lokey
18 report before the settlement was submitted to the Court?

19 A I -- I think I may have. I don't -- I don't recall
20 specifically.

21 Q Okay. If we compare to the motion that you submitted, and
22 I think you explained that before the motion was filed you
23 read it carefully and discussed it with your lawyers and had
24 opportunity to ask questions with the other directors about
25 the entirety of the motion. Is that correct?

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1 A I think -- I think we -- we fought about the word
2 carefully. I try to read everything carefully, but I assumed
3 you were trying to pin me down to some -- some super-fine
4 reading. I did read the motion. I did comment on the motion.
5 Yes.

6 Q Okay. Now, if we can put the motion up, please. This is
7 Debtor's motion. It's Docket No. 1099, I believe. Yes. You
8 were asked by Mr. Morris about the language that was
9 supposedly used in the motion that my colleague, Ms.
10 Tomkowiak, referenced in her opening. I just want to turn to
11 that exact language that was used in your motion. It's on
12 Page 10, Paragraph 31. And what it said in your motion is
13 that the damage award will be reduced by approximately \$30.5
14 million to account for the perceived fair market value of
15 those shares.

16 Well, the first question I have is, before this was
17 submitted -- well, strike that. Fair to say you have not
18 performed what you would consider to be a fair market
19 valuation of the shares, or caused that to be performed before
20 filing this motion, correct?

21 A Yes.

22 Q Okay. But you did have documents from Houlihan Lokey that
23 reports a -- what they called a fair valuation, and that gives
24 a range of what Houlihan Lokey calls a fair valuation, and you
25 have them -- have available to you every month for the

1 Cornerstone shares, correct?

2 A Yes.

3 Q And do you know whether or not the fair valuation of the
4 most current Houlihan Lokey report that you had in your
5 possession prior to causing this to be submitted to the Court
6 put that fair valuation at, say, at least 50 percent higher
7 than 30.5?

8 A I don't know and I -- off the top of my head, I don't have
9 in front of me. I said I wouldn't quibble with you, but I
10 don't want to accede to your math.

11 Q You wouldn't -- but you wouldn't quibble, based on your --
12 you know enough to know about Cornerstone today that you
13 wouldn't quibble with that rough math? Correct?

14 A Without -- without -- I believe that the valuation in the
15 more current Houlihan values is higher than it was in May. I
16 don't know if it's higher than it was at the beginning of the
17 year off the top of my head. And I don't know whether 50
18 percent is the right number or 40 percent or 52 percent. I
19 take you at your word that it's higher and that this number
20 doesn't fall within the range.

21 Q Okay. Now let's go back, because you said, well, it did
22 fall within the range at one point. I guess you said back in
23 May it fell within the range. Is that correct?

24 A I believe that's correct, yes.

25 Q Okay. So there was a Houlihan Lokey report that was

Seery - Cross

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1 available to you in May of 2020 that had a range where \$30.5
2 million fell within, correct?

3 A There's a report every month. I'm not sure exactly which
4 report we looked at.

5 Q Well, the point on the -- I believe you did testify, this
6 is what the Judge heard, too, that there is a report that you
7 looked at around April or May that had a range from Houlihan
8 Lokey, and 30.5 fell within that range, and that's what you
9 used to in your mind justify the reasonableness of the \$30.5
10 million at that time. Is that correct?

11 MR. MORRIS: Objection to the form of the question.

12 THE COURT: Overruled.

13 MR. MORRIS: Mischaracterizes.

14 THE COURT: Overruled. He can answer.

15 THE WITNESS: The answer is to, with respect to that
16 piece of the discussion, which went along with Mr. Morris's
17 analysis, yes. And it did fall the within the range.

18 BY MR. CLUBOK:

19 Q Right. And, in fact, --

20 MR. CLUBOK: Your Honor, I would like to proffer that
21 the Houlihan Lokey report that was dated -- that was available
22 in April and May had a range that was, in fact, higher at the
23 low point than 30.5. And if we could use that document to
24 impeach Mr. Seery, or we could demonstrate, proffer evidence
25 that's not for hearsay but they're offering it for the truth

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Seery - Cross

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1 of the matter asserted. We think that (inaudible) and
2 certainly shows -- it impeaches Mr. Seery telling you
3 repeatedly that 30.5 at least fell within that range.

4 THE COURT: Well, I --

5 MR. MORRIS: Your Honor, may I be heard?

6 THE COURT: I overrule -- I heard him say that at
7 various points during 2020 the modeling of Houlihan would go
8 to different points. I'm not sure what you think you're
9 impeaching. What --

10 MR. MORRIS: Your Honor, may I --

11 THE COURT: Okay. Mr. Morris, go ahead.

12 MR. CLUBOK: Well, Your Honor, I mean, --

13 THE COURT: Mr. Morris, go ahead.

14 MR. MORRIS: Your Honor, I would also point out, Your
15 Honor, consistent with exactly what you just said, that UBS's
16 witness, expert witness, which is one of the reasons why I
17 think he ought to be excluded, expressly says in his report
18 that the value came within the range of the Houlihan Lokey
19 valuation. I think it was from March. But he makes the
20 admission expressly. Expressly. It's --

21 MR. CLUBOK: That is not true. There is a Houlihan
22 Lokey report that I'm looking at right now that was for March
23 of 20 -- I know Mr. Seery just said off the top of his head
24 that the values fluctuate. There is -- I will represent there
25 is no Houlihan Lokey report since March, which was the lowest

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Seery - Cross

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1 point of COVID, through today, that ever had a range that was
2 provided to Highland where 30.5 falls within, as opposed to
3 below the range. So we have the reports. We have every
4 report they produced to us. We asked for all of them. We've
5 got them. We could offer them to the Court and you would see
6 that Mr. Seery's statement off the top of his head that it is
7 in the middle or that it varies or have been telling you that
8 it fluctuates and the ranges go up and down is just not true,
9 --

10 THE COURT: All right.

11 MR. CLUBOK: -- based on the actual Houlihan reports
12 that we have that they just provided to us a few days ago.

13 THE COURT: Okay. Let me take this in parts. I've
14 already ruled that the Houlihan reports will not get in, the
15 main reason out of two or three reasons being that it's
16 hearsay without a Houlihan person here. Okay? And someone
17 could have subpoenaed a Houlihan person and maybe I would have
18 been enforced that subpoena. All right?

19 But second, I just want to be clear what I'm hearing.
20 What I heard -- again, I've taken notes occasionally. The
21 testimony that I guess you're wanting to use the Houlihan
22 reports to impeach is that Mr. -- I heard Mr. Seery say that
23 when the deal was struck, the proposed compromise with the
24 Redeemer Committee was struck in April or May, that he thought
25 this \$30.5 million value was in the range of the modeling --

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Seery - Cross

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1 the models or the valuations that Houlihan had done. And I
2 have inferred from other comments and testimony that it was a
3 March -- it was March Houlihan modeling that he was looking at
4 at that point.

5 As for anything else, I'm not sure he used the word -- the
6 words ups and downs. I think he used the words that if you
7 would check at various points in time during 2020, Houlihan's
8 modeling showed different numbers for valuation, but he relied
9 on the information in the April-May time frame when the deal
10 was struck.

11 All right. So, based on what I've heard, I don't think
12 there is some independent grounds to try to get the Houlihan
13 reports in now as impeachment.

14 All right. So that's the ruling. Continue.

15 MR. CLUBOK: Okay.

16 BY MR. CLUBOK:

17 Q Today's fair market value of Cornerstone, in your best
18 judgment, with all the information you have available to you,
19 for 42 percent, is significantly above \$30.5 million, correct?

20 A Fair market value? I don't have that information. I
21 don't -- I don't think that today, if you wanted to transact
22 those shares, in my opinion, other than an insider, that you
23 could sell those shares today for \$30.5 million.

24 Q If the shares were being marketed and sold together, as
25 the settlement requires the Debtor to do in good faith over

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1 the next year, the fair value estimates currently today
2 available to the Debtor show that it's worth significantly
3 more than \$30.5 million; isn't that true?

4 A The Houlihan share value marks show a higher value, yes.
5 They're not fair market. Let's make sure we are precise.

6 Q Understood. Houlihan uses the phrase "fair value" in its
7 reports. And the current marks that you pay Houlihan to
8 provide to Highland shows today, October 20th, 2020, that the
9 value of 42 percent of Cornerstone is significantly higher
10 than \$30.5 million, correct? The fair value? Whether or not
11 --

12 A I believe it's -- I believe it's higher. And the last one
13 we have is 8/31. I just don't remember the amount that it is.

14 Q Okay. You did not offer that information into evidence in
15 support of your motion? You chose not to do that, correct?

16 A I -- I chose -- I think -- I don't know what counsel put
17 in other than -- than me.

18 Q Well, you are aware, actually, that the only evidence that
19 counsel put in the record to support this motion is the motion
20 itself and your testimony?

21 MR. MORRIS: Objection, Your Honor. He -- he's here
22 testifying. And --

23 (Audio interruption.)

24 MR. MORRIS: We'll -- we'll be putting our exhibits
25 in as well. But to continually refer to the motion itself as

1 the only evidence is just not right.

2 THE COURT: Okay. Overruled.

3 MR. CLUBOK: I'll move on, Your Honor.

4 THE COURT: Okay.

5 MR. MORRIS: Thank you.

6 BY MR. CLUBOK:

7 Q You said in your direct that Houlihan -- you called them
8 the premier -- you used some superlative. Said they're the
9 premier valuation experts or something for -- for modeling or
10 -- some superlative about Houlihan. Do you recall that?

11 A Yes, I do. In terms of providing third-party valuations
12 to investment funds and others, I think they are the premier
13 firm.

14 Q Okay. Who -- you don't know who at Houlihan actually
15 works on the valuations for Cornerstone, correct?

16 A I don't, no.

17 Q You have no idea what the credentials are of anybody at
18 Houlihan who have done any work to help prepare those
19 valuations that you've got other than from them, correct?

20 A That's not true.

21 Q You're -- do you know the names of any of these -- their
22 people?

23 A No.

24 Q Okay. You've never spoken to any of them, correct?

25 A In regard to this assignment? No.

Seery - Cross

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1 Q Yeah. You've never asked for anyone at Houlihan who works
2 on valuing Cornerstone to be available to you as part of due
3 diligence in preparing for this settlement review, though.

4 Correct?

5 A I -- I have not, no.

6 Q You yourself have never done a valuation of a health
7 company, healthcare company on your own, correct?

8 A On my own? No.

9 Q You have -- you've never heard -- I asked you on Saturday,
10 but before Saturday, at least, you'd never heard of something
11 called the Gordon Growth Model for estimating terminal value
12 with respect to healthcare funds. That is correct?

13 A I had not heard of it before Saturday, no.

14 Q You have no idea whether or not the choice of using a low
15 exit multiple as compared to using a Gordon Growth method
16 would affect a proper DCF analysis for analyzing a healthcare
17 company like Cornerstone, correct?

18 A No. That's not true.

19 Q Well, you don't know that the Gordon Growth method -- you
20 don't know how the Gordon Growth method factors into any
21 analysis of DCF, correct?

22 A That's not true.

23 MR. CLUBOK: Could we put up Mr. Seery's deposition?

24 BY MR. CLUBOK:

25 Q Well, you certainly don't know how the Gordon Growth

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1 method factors into Houlihan's analysis of Cornerstone,
2 correct?

3 A I don't think they use it. They show on their valuations
4 a terminal multiple. And they do a DCF and do a terminal
5 multiple, which is the way virtually everybody does it in
6 these kinds of assets, because Gordon Growth focuses on
7 continued growth businesses that continually grow their
8 dividends.

9 Q Well, now, that -- that statement you gave about Gordon
10 Growth method, that's something you just learned between
11 Saturday and today, correct?

12 A That is correct.

13 Q Okay. Who told you that?

14 A I both looked it up and talked to professionals.

15 Q Who, exactly?

16 A I'd rather not say the names of my friends who provide me
17 help on these things.

18 Q Well, with all due respect, Mr. Seery, if it relates to
19 the basis for a statement you make, I'd just like the source
20 of that statement.

21 MS. LAMBERT: Your Honor, I object on the ground of
22 relevance. I've -- I've held my tongue for overall, but I
23 don't think this is really germane to the issues.

24 THE COURT: Sustained.

25 MR. MORRIS: I join in the objection.

1 THE COURT: I sustain.

2 BY MR. CLUBOK:

3 Q You expect, Mr. Seery -- well, per the settlement,
4 proposed settlement, Crusader would have (garbled) that a
5 claim valued -- a stipulated claim of about \$137 million.
6 Correct?

7 A That's correct.

8 Q And also Redeemer would be allowed to keep their 42
9 percent interest in Cornerstone that the arbitration award had
10 otherwise said needed to be tendered to Highland, correct?

11 A That's correct.

12 Q You, based on your current analysis, expect that the --
13 Redeemer would be fully paid in the full amount of that
14 allowed claim of roughly \$137 million, according to current
15 thinking of the Debtors and creditors in the estate. Is that
16 correct?

17 A I can only speak to my thinking, and that we put forth
18 relatively conservative numbers in our projections, that
19 assuming that the denominator ends up where I believe it
20 should end up, which is the number of claims in the case,
21 which assumes UBS has a zero claim, and that Mr. Daugherty's
22 claim is capped at the amount that we've -- we've agreed to in
23 our papers, which I believe is around \$3.7 million, and that
24 HarbourVest has a zero claim, and then there are some
25 assumptions around operating costs, I believe that we will be

1 able to pay these claims in full.

2 Q Well, but you've made it clear to Redeemer that your
3 current expectation is to be able to pay that \$137 million
4 allowed claim in full, if everything goes the way you just
5 described you think it should go or you believe it will go?

6 A I've never had that discussion with Redeemer.

7 Q You have advised Redeemer in words or substance that you
8 expect there to be full payment of a \$137 million allowed
9 claim under the settlement? Is that true?

10 A I don't believe I have.

11 Q You don't believe you've ever (inaudible) that, in words
12 or substance, with either Redeemer or any of its counsel?

13 A I don't believe I have, no.

14 Q Okay.

15 MR. CLUBOK: Just one moment, Your Honor, while I
16 (inaudible).

17 (Pause.)

18 BY MR. CLUBOK:

19 Q Mr. Morris asked you, asked you whether you roll over.
20 You said no. Then he asked you whether you thought that
21 Redeemer would roll over on one of their claims completely,
22 and you said no.

23 With respect to one point in the settlement, the EERS
24 (phonetic) interest, those (inaudible) that Highland currently
25 holds, if there was a settlement it would it extinguish

1 roughly five to six million dollars of your current
2 valuations. Is that right?

3 A I think that's about right.

4 Q And those -- that five to six million in value is one of
5 the issues that would be subject to a ruling on the vacatur
6 motion that we talked about, the idea that -- that additional
7 substantive elements were added to the arbitration award after
8 the first part of the award. Is that correct?

9 A I believe that's one of the issues that -- that I am
10 briefed.

11 Q Yeah. And on that issue, under this settlement, you're
12 giving a hundred percent credit to Crusader's or Redeemer's
13 claims with respect to that particular element. Correct?

14 A That's correct.

15 Q And, in fact, you're giving a hundred percent credit to
16 all of Redeemer's claims with respect to the amounts that were
17 disputed under the argument that claims added after the first
18 final arbitration award are impermissible, correct?

19 A I'm -- I just -- I'm not -- I'm not sure what you're
20 asking me there. I'm sorry.

21 Q Well, for example, that Barclay's claim is another claim
22 that's worth about \$30 million in total. And that's -- that's
23 about \$21 million awarded, about \$9 million pre-judgment
24 interest. That \$30 million, like the EERS, is subject to this
25 argument that it shouldn't be properly -- it was impermissibly

Seery - Cross

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1 awarded by the arbitration panel because it came after the
2 first final award. Correct?

3 A I think that there's an argument to that effect, correct.

4 Q Yeah. And under the proposed settlement, you're giving it
5 a hundred percent -- you're giving a zero percent settlement
6 discount, or a very -- a zero percent settlement discount for
7 Highland, correct?

8 A That's correct.

9 Q Thank you.

10 MR. CLUBOK: I have nothing further.

11 THE COURT: All right. Redirect?

12 MR. MORRIS: Just a few questions, Your Honor.

13 THE COURT: Okay.

14 REDIRECT EXAMINATION

15 BY MR. MORRIS:

16 Q Mr. Seery, if the Debtor walks away from this agreement,
17 has the Debtor done any analysis and taken advice on the
18 likelihood of succeeding in Chancery Court?

19 A The Debtor has, yes.

20 Q And can you share with the Court the Debtor's view as to
21 the likelihood of success in the Chancery Court?

22 MR. CLUBOK: Objection. Objection, Your Honor.

23 Just, number one, I don't think that's -- to the extent that
24 that's going to rely on advice of counsel, I just (inaudible).
25 We're going to get a -- the percentage that's based on --

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Seery - Redirect

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1 waiving the privilege. I raised that ahead of time.

2 MR. MORRIS: I appreciate that, counsel. We're
3 certainly not intending to waive the privilege. I'm just
4 asking for a statement as to the Debtor's position as to why
5 it does not believe it is likely to succeed in Chancery Court.
6 I'm not asking him to share any confidential communications,
7 but thank you for the comment.

8 THE COURT: Okay. Please proceed.

9 MR. CLUBOK: Um, --

10 THE COURT: Mr. Seery, you can answer.

11 THE WITNESS: Thank you, Your Honor. When we looked
12 at the Chancery Court, there is a number of the issues the
13 Debtor raised previously in the arbitration. There was a
14 partial award that clearly says it's a partial award. And
15 then the Debtor raised a number of procedural issues that
16 there were additions to the partial award between the partial
17 and the final. And the final goes through those in detail
18 with this panel that, as we said, is -- was esteemed and had
19 lot of work on it.

20 For example, in one section, they gave the whole rationale
21 in the partial and they left out the damage number. So they
22 -- they had ruled basically fully against the Debtor, but
23 without giving a number. And so Highland attempted to argue
24 that to the arbitration panel in between the partial and the
25 final. The arbitration panel said that's a scrivener's error,

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1 we're allowed to do this, and they went through the analysis.

2 Our counsel looked at these issues again. And we thought
3 that the likelihood of success at the Chancery Court to re-
4 raise these issues was very low. So we did factor it in and
5 we did analyze it. It wasn't something that we missed. We
6 just didn't think it was a fruitful opportunity to litigate in
7 the Chancery Court.

8 MR. MORRIS: I have no further questions, Your Honor.

9 THE COURT: All right. Any recross?

10 MR. CLUBOK: No, Your Honor.

11 THE COURT: All right.

12 MR. MORRIS: Your Honor, may I just move my exhibits
13 into evidence, and then I'll rest?

14 THE COURT: Okay. You may.

15 MR. MORRIS: Okay. The Debtor would like, then, to
16 move into evidence exhibits that are marked 1 through 4. And
17 to be specific, and we can take them one at a time, Exhibit 1
18 is Proof of Claim #72. That was filed, I believe, on behalf
19 of the Crusader Funds.

20 MR. CLUBOK: Your Honor, objection on hearsay
21 grounds, Your Honor. It has been offered into evidence.

22 THE COURT: All right.

23 MR. CLUBOK: It's the proof of claim.

24 MR. MORRIS: Object to the compromise. I'm not -- it
25 is the proof -- I'm not offering it for the truth of the

1 matter asserted at all, actually.

2 THE COURT: Okay.

3 MR. CLUBOK: That's fine. If it's not being offered
4 for the truth of the matter asserted, but just for those
5 purposes, then we have no objection.

6 THE COURT: Okay. So that --

7 MR. MORRIS: Correct.

8 THE COURT: -- is admitted. And to be clear where
9 this appears in the Court record, Docket Entry #1178, Debtor's
10 witness and exhibit list, I think it was attached to that as
11 Exhibit 1. That's admitted.

12 (Debtor's Exhibit 1 is received into evidence.)

13 MR. MORRIS: Exhibit 2 is Proof of Claim #81, is the
14 proof of claim filed by the Redeemer Committee. The Debtor
15 respectfully moves that exhibit into evidence as well.

16 THE COURT: Okay. Same sort of concept, for notice
17 purposes only, it's admitted.

18 (Debtor's Exhibit 2 is received into evidence.)

19 MR. MORRIS: Okay. And the Debtor also moves into
20 evidence the declaration of John Morris submitted in support
21 of the 9019 motion and the exhibits annexed thereto. To be
22 clear, Exhibit 1 to my declaration is the stipulation of
23 settlement. Exhibits 2, 3, and 4 are the partial final award,
24 the modification award, and the final award. Those three
25 documents have been filed under seal pursuant to a sealing

1 motion which is on our exhibit list as Exhibit #4. And I
2 think there might also be duplicate copies of the proofs of
3 claim attached to my declaration as well. But we'd move all
4 of those documents into evidence, subject to the sealing
5 order.

6 THE COURT: All right. Any objection? All right.

7 MR. CLUBOK: No objection, for the non-hearsay
8 purposes of those.

9 THE COURT: All right. So, Exhibit 3, with all of
10 those subparts, some of which are under seal, are admitted.

11 (Debtor's Exhibit 3, including subparts, is received into
12 evidence.)

13 MR. MORRIS: I do want to clarify, Your Honor, that
14 with respect to the three parts of the award, we're offering
15 them for the truth of the matter asserted insofar as they are
16 the findings of fact and the conclusions of law of the
17 arbitration panel.

18 MR. CLUBOK: No objection.

19 THE COURT: Okay.

20 MR. MORRIS: Thank you, Your Honor.

21 THE COURT: Thank you.

22 MR. CLUBOK: Your Honor, and I do have a -- also
23 similar housekeeping. And I raise this with a trembling voice
24 because I really am -- very respectfully. I'd just like to
25 make a proffer that there are four Houlihan Lokey exhibits

1 that have been recently produced to us in the last few days.

2 THE COURT: Okay.

3 MR. CLUBOK: If I can just make my proffer, then I'll
4 stop.

5 THE COURT: Let me -- let me stop -- let me stop you.
6 I'm not sure Mr. Morris was finished yet with the exhibits he
7 was going to offer. Let me clarify.

8 Are you finished, Mr. Morris?

9 MR. CLUBOK: Oh, I apologize.

10 MR. MORRIS: Just -- just to be clear, I think I was,
11 but Exhibit #4, which is the sealing order, we also offer into
12 evidence, just to support the sealing of Exhibits 2, 3, and 4
13 to my declaration.

14 THE COURT: All right. Well, I can certainly take
15 judicial notice of that and we'll go ahead for clarity and
16 admit that as a witness -- as an exhibit.

17 (Debtor's Exhibit 4 is received into evidence.)

18 THE COURT: All right. So, with that, you rest, Mr.
19 Morris?

20 MR. MORRIS: Yes, Your Honor.

21 THE COURT: All right. Now, Mr. Clubok, you were
22 saying?

23 MR. CLUBOK: I appreciate it, Your Honor. There are
24 -- we had a document request. We were provided four Bates-
25 labeled productions within the last few days of Houlihan Lokey

1 reports that are dated March 2020, June 2020, July 2020, and
2 August 2020, the only ones that they've been -- have been
3 provided to us during that time period.

4 I understand Your Honor ruled that they are hearsay and
5 can't come in for the truth of the matter, but we believe that
6 they should properly be admitted for the purpose of notice,
7 the fact that that information is available to Mr. Seery, and
8 also, frankly, for impeachment if we are allowed to present
9 that for the Court's view, at least under seal. I believe
10 we've already submitted two of them under seal on Friday
11 night. The other two, we just got like last night or the wee
12 hours of the morning yesterday. And we would like to proffer
13 that there are four Houlihan Lokey exhibits that were made
14 available to us that should be admitted for non-hearsay
15 purposes.

16 THE COURT: All right. Well, I once again will make
17 clear for the record that I am not admitting those. I think
18 they are hearsay. I think you would need the creator or
19 supervisor of the reports here to properly offer them into
20 evidence.

21 I also think that, as I said earlier, I'm not required to
22 conduct a mini-trial and accept every piece of possible
23 evidence of valuation. I am supposed to, you know, consider
24 facts and circumstances that bear on the wisdom of the
25 compromise. And so I've heard valuation testimony from Mr.

1 Seery and what he considered the range of reasonableness.

2 Anyway, I primarily rely on the hearsay problem here in
3 not admitting these four exhibits. So that is the ruling.

4 If you want to put them into the record under seal for
5 purposes of maybe appeal purposes -- he or she made an error,
6 she didn't accept this stuff -- then obviously you can submit
7 them under seal for the court reporter to keep them in the
8 record. So I assume you'll coordinate after the hearing
9 getting those into the court reporter's hands under seal.

10 Okay?

11 MR. CLUBOK: Thank you, Your Honor. Thank you very
12 much. Appreciate it.

13 THE COURT: Okay. So, I guess at this point we've
14 had the Debtor rest and we're going to go to UBS's evidence.
15 I want to make the most efficient use of time possible. And
16 let me clarify. I had told you all I would stop at 12:30
17 Central time. It's 12:19. My quandary is that I have a 1:30
18 status conference in an adversary proceeding in another case,
19 and then I have a 2:30 hearing that should not last very long
20 in yet another case. So I have told you all you can come back
21 at 3:00 o'clock.

22 Is there anything worthwhile you think we can accomplish
23 in ten minutes, or shall we just break? What do you all
24 think?

25 MR. CLUBOK: What I do think, Your Honor, is if we

1 have the ten minutes, maybe we can work to make sure that we
2 have addressed any other confidentiality issues and make sure
3 that Mr. Morris and his law firm are comfortable with what
4 we're going to do with our next witness so we don't have an
5 accidental foot fault. I think that can be useful. We'll
6 spend the time doing that to make sure that --

7 THE COURT: Okay. You mean talk offline?

8 MR. CLUBOK: Yeah. The attorneys will talk amongst
9 themselves and just --

10 THE COURT: Okay.

11 MR. CLUBOK: We don't want to accidentally put
12 something up that is going to be objected to. We'd rather
13 show it -- now show it to Mr. Morris in advance and hopefully
14 work it out so that we don't have to accidentally put
15 something in the record they're, you know, going to object to.

16 THE COURT: All right. Well, I am good with that.
17 And so let's talk about a couple of additional things. My
18 courtroom deputy I think has put up the instructions for how
19 to reconnect at 3:00 o'clock, because obviously we're going to
20 have to break this off and I have other video hearings. So,
21 you know, contact my courtroom deputy if you don't see those
22 instructions. The instructions should be on the website, as
23 far as numbers and passwords and whatnot to use for the new
24 setting or the new resumption of this hearing at 3:00 o'clock.

25 The next thing I will say is I think I told you all we

1 could go until 5:00 or 5:30-ish. I do want to again be
2 efficient and break when it makes sense to break. I have
3 availability to come back tomorrow at 9:30 in the morning. So
4 maybe you all could be thinking ahead with regard to the Acis
5 motion. You know, do you want to start late today and do your
6 darnedest to finish, or is that a pipe dream and we'll have to
7 come back tomorrow?

8 MR. MORRIS: Your Honor, just speaking for the
9 Debtor, I don't think that we're going to have -- I don't
10 anticipate having any of the same confidentiality issues.

11 THE COURT: Uh-huh.

12 MR. MORRIS: I think that this was handled as
13 efficiently as it could under the circumstances. I have a
14 better sense of how to get this done. I'm hopeful that we
15 won't need but a few more minutes to finish the Redeemer, and
16 I'd like to try to get to as much of the Acis part as we can.

17 THE COURT: Okay. Well, we will shoot to try to get
18 it done today if we can. And if that means we need to go a
19 little later than I've projected, we will, if we can avoid
20 coming back tomorrow.

21 All right. So I shall see you all at 3:00 o'clock Central
22 time. Okay.

23 MS. PATEL: Your Honor, if I -- this is Rakhee Patel.
24 If I could, just quickly on the Acis issue, I am unavailable
25 tomorrow morning, so I just wanted to put everybody -- to put

1 that out there. I haven't discussed that with either Mr.
2 Morris or Mr. Demo. But unfortunately, I've got an unmovable
3 conflict tomorrow morning. So, if it did run over, I wouldn't
4 be available. So if we could finish it today, that would be
5 greatly appreciated.

6 THE COURT: All right. Well, I have in my notes that
7 we'll have Mr. Seery again. And Mr. Daugherty was listed as a
8 witness, possible witness, by his lawyer. And then Ms.
9 Rappaport as a possible expert witness. I'm not a hundred
10 percent clear what the scope of that testimony would be. I
11 don't know if there are objections. But if we do in fact have
12 three witnesses, it may be a challenge finishing tonight.
13 But, you know, I will go past 5:00 or 5:30, but not insanely
14 past those hours. Okay? I don't want to be up here at 9:00
15 o'clock when we have staff who isn't getting paid overtime.
16 So, all right.

17 MR. MORRIS: We're grateful, Your Honor.

18 THE COURT: Okay. Thank you. We stand adjourned.

19 MS. PATEL: Thank you, Your Honor.

20 THE CLERK: All rise.

21 (A recess ensued from 12:24 p.m. until 3:01 p.m.)

22 THE CLERK: All rise.

23 THE COURT: All right. Please be seated. Welcome
24 back. We are going to resume our Highland hearing. It looks
25 like we've got a lot of folks on the phone once again.

1 When we broke at 12:20, the Debtor had rested on the
2 motion to approve the compromise with the Redeemer Committee
3 and the Crusader Fund, and we were about to hear from UBS and
4 their evidence objecting to the settlement.

5 Any housekeeping matters before we turn it over to Mr.
6 Clubok?

7 All right. Well, Mr. Clubok, are you there? Are you
8 ready to call your witness?

9 MR. CLUBOK: Your Honor, it's actually Ms. Tomkowiak.

10 THE COURT: Oh.

11 MS. TOMKOWIAK: I going to handle this portion of the
12 hearing.

13 THE COURT: Okay.

14 MS. TOMKOWIAK: And we are ready to call Mr. (audio
15 gap).

16 THE COURT: Mr. Moentmann? Is that how you say the
17 name? Is it Mr. Moentmann?

18 MS. TOMKOWIAK: Yes, Your Honor.

19 THE COURT: All right.

20 MR. MOENTMANN: That's -- yes, that's correct.

21 THE COURT: All right. Mr. Moentmann, I need to
22 swear you in. So there you are. I can see you now. Please
23 raise your right hand.

24 W. KEVIN MOENTMANN, UBS SECURITIES, LLC'S WITNESS, SWORN

25 THE COURT: All right. You may proceed.

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1 MS. TOMKOWIAK: Great.

2 DIRECT EXAMINATION

3 BY MS. TOMKOWIAK:

4 Q And Mr. Moentmann, I understand that you've prepared some
5 demonstratives to assist with your testimony; is that correct?

6 A That is correct.

7 Q Okay.

8 MR. MORRIS: Excuse me. May I -- as I previewed
9 earlier, I have a motion. I'd like to *voir dire*. It'll be
10 about 12 questions, and then I'd like to make a motion to
11 exclude the witness's testimony. May I?

12 THE COURT: All right. Well, Ms. Tomkowiak, you knew
13 this was coming. Anything you want to say at this point?

14 MS. TOMKOWIAK: I don't think this is the motion. I
15 mean, I haven't -- I haven't -- I heard that earlier, but no
16 preview as to the grounds for a motion were provided.

17 THE COURT: All right. Mr. Morris, what about that?

18 MR. MORRIS: It's *voir dire*, Your Honor. I would
19 just like to ask questions to see if this witness can provide
20 testimony consistent with Federal Rule of Evidence 702. I
21 just took his deposition yesterday.

22 THE COURT: Okay. You may proceed with *voir dire*.

23 MR. MORRIS: Okay. Thank you.

24 VOIR DIRE EXAMINATION

25 BY MR. MORRIS:

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1 Q Sir, you had never heard of Cornerstone before this case;
2 is that right?

3 A That's correct.

4 Q And you were retained just a couple of weeks ago; is that
5 right?

6 A Yes.

7 Q And you spent approximately 20 or 30 hours preparing your
8 analysis, right?

9 A Yes. Up until my deposition on Saturday, yes.

10 Q Yes. And without getting into the details, one of the
11 biggest drivers in the difference between the values that you
12 come up with and the values that Houlihan Lokey comes up with
13 is a difference in one aspect of the methodology, whereby you
14 use what's called the Growth Model and Houlihan Lokey uses
15 exit -- exit multiples. Do I have that right?

16 A That is one area, yes.

17 Q And it's one of the biggest areas; isn't that right?

18 A It's -- yes and no.

19 Q Okay. But you'll agree that the use of exit multiples in
20 the manner that Houlihan Lokey has done is an accepted
21 practice in the valuation industry; isn't that right?

22 A If the multiples selected are reasonable, yes.

23 Q Okay. The methodology is certainly accepted; is that
24 right?

25 A It's -- it's not the prevalent one that is accepted.

1 Q Okay. And your firm is Grant Thornton; is that right?

2 A Yes. That's right.

3 Q And Grant Thornton prepares valuation reports similar in
4 nature to the ones that Houlihan Lokey prepares; is that
5 right?

6 A Yes, we do.

7 Q And in fact, you personally consider Houlihan Lokey to be
8 a competitor; is that fair?

9 A Yes.

10 Q And you've reviewed Houlihan Lokey reports before being
11 engaged in this matter, haven't you?

12 A I have.

13 Q And based on your professional experience, you believe
14 Houlihan Lokey has a good reputation in the field of
15 valuation; isn't that correct?

16 A I believe it is a reputable firm, yes.

17 Q In fact, you're aware that from time to time Grant
18 Thornton's own audit clients have used Houlihan Lokey's
19 valuation services; isn't that right?

20 A I couldn't tell you specifically which clients, but I'm
21 sure they have, given the large number of audit clients that
22 we have, yes.

23 Q And those audit clients use Houlihan Lokey even though
24 Houlihan Lokey uses a methodology different from the one
25 employed by Grant Thornton; isn't that right?

1 A I couldn't say that affirmatively. I don't know if they
2 use a different methodology when they're performing the
3 valuation for our audit client.

4 Q Okay. You're aware, though, that your audit clients not
5 only use Houlihan Lokey but they actually rely on Houlihan
6 Lokey's valuation services; is that fair?

7 A Again, I'm assuming they do, just given the large number
8 of audit clients. We have, you know, thousand plus audit
9 clients, I would imagine, so I would assume that Houlihan is
10 doing some of them.

11 Q Okay. And --

12 A (overspoken)

13 Q I'm sorry to interrupt.

14 A Yeah. I was just -- I was actually just getting to answer
15 your question. So I'm sure they do and rely on Houlihan for
16 valuation.

17 Q Okay. Thank you, sir. Putting aside your own personal
18 views as reflected in your declaration, you have no reason to
19 believe that it was unreasonable for the Debtor to utilize
20 Houlihan Lokey's reports in this instance; isn't that correct?

21 A Well, I think I've pointed out several areas where I
22 think, given the assumptions made, that it -- it is
23 unreasonable.

24 Q Okay. I'm going to ask the question one more time and ask
25 you to listen very carefully. Putting aside your own personal

1 views as reflected in your declaration, you have no reason to
2 believe that it was unreasonable for the Debtor to utilize
3 Houlihan Lokey's reports in this instance; isn't that correct?

4 A Putting aside my -- my different viewpoint from a
5 valuation -- as a valuation professional, yes.

6 Q Okay.

7 MR. MORRIS: Your Honor, Rule 702 requires that
8 qualified experts may only offer opinion testimony if four
9 specific conditions are satisfied.

10 One of those conditions is that the opinion testimony will
11 help a trier of fact understand the evidence or determine a
12 fact at issue. The only issue in this case is whether or not
13 this settlement is fair or reasonable. This is not a
14 valuation fight. This is not a fight over whether or not the
15 Debtor is maximizing value. This is a dispute over whether or
16 not the Debtor is properly exercising its business judgment,
17 whether it's done a fair and reasonable investigation and
18 diligence of the matters at issue. And I think, given the
19 witness's testimony just now that his own clients use Houlihan
20 Lokey and that he has no reason to believe that it would be
21 unreasonable for the Debtor to use Houlihan Lokey in this
22 instance, I don't see (garbled) respect to the witness.
23 Because I'm not challenging his qualifications. This is not a
24 *Daubert* motion. I just don't see how this is at all useful to
25 you as the trier of fact to understand the evidence and

1 determine a fact at issue.

2 Thank you, Your Honor.

3 THE COURT: Okay. Your response, Ms. Tomkowiak?

4 MS. TOMKOWIAK: Well, Your Honor, I feel like it's
5 important to acknowledge that -- he's saying this is not a
6 *Daubert* motion. This is not a 702 issue. This witness is
7 extremely qualified to provide his opinion on the valuation of
8 Cornerstone, which is an issue in the settlement. It does go
9 exactly to the question that Your Honor is being asked to
10 evaluate, which is, you know, is this settlement fair,
11 equitable, and in the best interest of the estates?

12 I don't understand this hypothetical about, putting aside
13 your opinion, do you have a view? I mean, his opinion is his
14 view. And I believe that it is absolutely relevant. He
15 should be allowed to testify to it. His testimony is based on
16 facts and data. It's the product of a reliable methodology
17 that everybody agrees, you know, can be applied to value an
18 asset. Is to apply that methodology to the facts of this
19 case.

20 So, you know, I understand that the Debtor chose not to
21 put on any evidence regarding the value of this incredibly
22 meaningful asset that they decided to give up in this
23 settlement, but that doesn't mean that UBS shouldn't be
24 allowed to do so in support of its valid objection to the
25 settlement.

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1 THE COURT: Okay.

2 MS. TOMKOWIAK: So, I object and I believe we should
3 be allowed to proceed with our examination of Mr. Moentmann.

4 THE COURT: Okay. I overrule the objection. I'm
5 going to allow some testimony. Go ahead.

6 MS. TOMKOWIAK: Thank you. Okay.

7 DIRECT EXAMINATION, RESUMED

8 BY MS. TOMKOWIAK:

9 Q And Mr. Moentmann, I think you prepared some slides to
10 assist with your testimony today; is that correct?

11 A That's correct.

12 Q Can you pull those up? All right. So, very briefly,
13 let's just go to the first slide. Please tell the Court,
14 where do you currently work?

15 A Yes. I work at Grant Thornton.

16 Q How long have you worked at Grant Thornton?

17 A For just over four years.

18 Q Briefly, what are your responsibilities at Grant Thornton?

19 A I'm the principal in the firm responsible for providing
20 valuation services. I provide those services extensively in
21 the healthcare industry to a variety of healthcare entities.

22 Q Where were you employed prior to (garbled)?

23 A I believe the question was prior employment. Was at a --
24 was at another professional services firm, CBIZ.

25 Q And what was your role at CBIZ?

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1 A My role at CBIZ, which is publicly-traded professional
2 services firm, was similar. I was a managing director
3 responsible for the Central Region, but provided valuation
4 services really across the country, and, again, extensively in
5 the healthcare industry.

6 Q What's your educational background?

7 A Yes. I'm -- my undergraduate degree was -- was a finance
8 degree from University of Missouri Columbia. I received my
9 MBA, again with a finance emphasis, from Washington University
10 in St. Louis.

11 Q Do you have any professional certifications?

12 A Yes. Two. One, the CFA. And the second, the CEIV.
13 That's a newer designation. I received it through the AICPA.
14 It's Certified -- as you can see there, it's Certified in
15 Entity and Intangible Valuations. But it addresses
16 specifically fair value determinations for publicly-traded
17 entities.

18 Q Over the course of your career, how many valuations have
19 you performed?

20 A I wish I'd kept a log, but over the course of thirty-plus
21 years, you know, maybe fifty or so a year, so well over a
22 thousand. Maybe close to two thousand.

23 Q How many of those have involved healthcare companies?

24 A My focus has been on healthcare really since the early
25 '90s, so maybe two-thirds of my valuation work and experience

1 has been healthcare-related.

2 Q Broadly speaking, when performing a valuation, what do you
3 do?

4 A Yes. All valuations, whether it's on a business or an
5 asset, regardless of the industry, we're looking at three
6 approaches to value: An income approach, a market approach,
7 and an asset or cost approach.

8 Q Are these methodologies commonly used and accepted by your
9 peers as well?

10 A Yes. Yes, they're widely accepted.

11 Q And when you're performing a valuation of a healthcare
12 company, in your day-to-day -- your role at your job, what is
13 the purpose of that valuation work?

14 A It ranges. Oftentimes, we're brought in pre-transaction
15 to assist healthcare entities with their M&A activity. If
16 we're assisting not-for-profits, it's a combination of their
17 M&A activity as well as providing regulatory support if that
18 valuation is ever challenged. We also provide valuations
19 post-transaction for financial reporting purposes.

20 Q And did you apply those same methodologies that you use in
21 your ordinary job to the assignment in this case?

22 A Yes, I did.

23 Q How many times have you testified under oath as an expert?

24 A Probably over -- over the last thirty years, maybe every
25 other year, so maybe -- maybe fifteen times.

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1 Q Has any court ever rejected you as an expert?

2 A No.

3 MS. TOMKOWIAK: Your Honor, at this time, pursuant to
4 Rule 702, I'd just like to tender Mr. Moentmann as an expert
5 in the field of valuation.

6 THE COURT: Any comment?

7 MR. MORRIS: No objection.

8 THE COURT: All right.

9 MR. MORRIS: No objection.

10 THE COURT: He is so accepted.

11 BY MS. TOMKOWIAK:

12 Q Mr. Moentmann, what were you asked to do in this case?

13 A Yes. I was asked to assess the valuation of Cornerstone
14 based on the most recent information available, which in this
15 case were certain valuation reports that were prepared for
16 2020. The latest available up until a few days ago were the
17 June 30 reports.

18 Q Have you -- have you formed any opinions?

19 A Yes. We have.

20 Q Let's talk about your opinions. So if you can go to the
21 next slide. Can you please explain to the Court what your
22 first opinion is?

23 A Yes. The first opinion reflects my calculation of
24 Crusader's ownership interest in Cornerstone. It shows, as
25 presented in the second bullet on the slide here, that the

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1 subject equity interest ranges in value from \$48 through \$87
2 million.

3 Q If you can go to the next slide. Can you walk the Court
4 through your second opinion that's reflected on this slide?

5 A Yes. Yes, the -- the second opinion here focuses on
6 various issues that we identified in our review of the
7 information that was made available.

8 The first issue was the selection of very low market
9 multiples. The multiples used in the -- in the valuations
10 relative to what we observed in the marketplace were low, and
11 we did not see any explanatory information as to the selection
12 of those multiples.

13 The second, it was previewed a few minutes ago, and I
14 don't want to get too complex here, but involved the use of
15 the -- or, the estimate of the terminal value, their
16 methodology. And this was in the income approach that was
17 referenced earlier. The methodology that was used was market
18 multiples. They were essentially the same market multiples
19 that were applied in the market approach, rather than a Gordon
20 Growth method. And as I mentioned a few minutes ago, the
21 Gordon Growth method is what we typically see. It is the more
22 common of its -- in my experience.

23 I answered a question both yes and no because one could
24 use the market approach, an exit multiple, I think it was --
25 as it was called in the question. But that exit multiple

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1 still needs to be consistent with market data, and to the
2 first point here, we think that -- you know, I think -- I feel
3 the exit multiples is -- is low, in my opinion.

4 The third issue here involves a CARES Act loan that the
5 company has on its books. It's a \$30 million liability. The
6 observation here is that, based on the information available,
7 we don't know to what extent, if any, this CARES Act loan is
8 forgivable.

9 Q Okay. And then I see the last bullet there references
10 inconsistencies between valuations. What do you mean by that?

11 A Yeah. The last bullet applies less to our conclusion and
12 more our observation of -- Houlihan had prepared reports as of
13 the same date for different clients, for Highland as well as
14 Crusader. And we're observing that they had a different value
15 opinion depending upon -- a different value range depending on
16 who the client was, even though the valuation was performed as
17 of the same date.

18 Q And I think you said you reviewed multiple valuations
19 provided by Houlihan. Were the issues you identified here --
20 in particular, the first and second issues -- present in all
21 of the valuations that you reviewed for Houlihan, regardless
22 of the particular time period?

23 A Yes. They were prevalent in all. I would say the CARES
24 Act loan I believe did not hit the books until April, so may
25 not have been prevalent in the early -- the early -- the

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1 valuations prior to them.

2 Q What happens when you use, in your opinion, the right
3 assumptions?

4 A The use of the -- the right assumptions, is your question?
5 Right. I -- the use of the right -- could you repeat the
6 question?

7 THE COURT: Yes. Could you repeat your answer? You
8 broke off a little bit, sir.

9 MR. MORRIS: Your Honor, I've -- I've objected to the
10 question.

11 THE COURT: Oh. I didn't hear you were -- okay. You
12 objected to the question. And what is your basis?

13 MR. MORRIS: Just the use of the phrase the right
14 approach. Don't know if his opinion is any or more less valid
15 than any other opinion.

16 THE COURT: All right.

17 MS. TOMKOWIAK: Your Honor, I'm -- I can -- I'm happy
18 to rephrase the question.

19 THE COURT: Okay.

20 BY MS. TOMKOWIAK:

21 Q What happens when you use the approaches that you use, Mr.
22 Moentmann?

23 A Yes. The use of the assumptions that -- that I believe
24 are reasonable result in a valuation range -- actually, the
25 valuation range presented earlier.

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1 Q You listened to Mr. Seery testify both at his deposition
2 and in court today; is that right?

3 A Yes, I did.

4 Q What are your reactions to his testimony as it relates to
5 the Cornerstone value?

6 A I've -- I had a handful of reactions to the testimony.
7 One was with regard to fair value and fair market value. And
8 as someone who's been in the valuation industry for over
9 thirty years, both premises of value, fair value and fair
10 market value, represent a valuation firm's, whether it's
11 Houlihan or Grant Thornton, it is that firm's opinion and best
12 estimate of a market participant value. Both definitions,
13 whether it's fair value or fair market value, focuses on
14 market participant, market participant concepts.

15 Another observation was the -- the use of -- the Gordon
16 Growth method only being applicable for dividend-paying
17 companies. And I can assure you, that's -- that is not the
18 case. This -- there are some methods, the discounted cash
19 flow method and -- and/or the Gordon Growth method, the use of
20 the Gordon Growth method to calculate a residual value or a
21 terminal value is used for all companies, regardless of
22 whether they're dividend-paying or not.

23 Q What is the most -- and by what, I mean by -- not the
24 information itself, but the date -- what is the most recent
25 value -- valuation information that you've been provided with

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1 respect to Cornerstone?

2 A We -- we recently received a valuation, I think within the
3 last day or two, as of August 31st.

4 Q And so that was after you prepared and submitted the
5 declaration that you submitted in this case?

6 A Yes.

7 Q If we could go to that slide.

8 MS. TOMKOWIAK: So, consistent with Your Honor's
9 rulings, you know, we would proffer that we have this
10 information, the valuation performed by Houlihan in August,
11 but we have redacted it per this morning's rulings regarding
12 confidentiality.

13 BY MS. TOMKOWIAK:

14 Q Mr. Moentmann, my question is, without talking about the
15 numbers themselves, based on your of view of that valuation,
16 you know, what did it show in terms of, you know, trends in
17 the -- or performance with respect to the valuation of
18 Cornerstone?

19 A The valuation reflected an upward trend. Really, a
20 continued upward trend in the valuation of Cornerstone.

21 Q Were you able to tell if that was -- what that was based
22 on? Again, broadly speaking.

23 A Based on a quick review of it, yes. The -- that upward
24 trend in value was being driven primarily by the company's
25 continued strong performance and improvement in -- in

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1 earnings.

2 Q If you took this latest valuation information, this latest
3 valuation into account in your own analysis, what impact would
4 it have?

5 A It would have a positive impact. The August information
6 reflecting the company's performance through August was
7 strengthening and is -- it would increase our valuation.

8 Q Let's go to the next point on the slide. So, I know that
9 you had summarized the various valuations that you have
10 reviewed. And, again, we have all of these valuations. We
11 have all of these numbers. Pursuant with the Court's rulings
12 this morning, we have redacted the numbers themselves except
13 for the \$30.5 million that the Debtor has already put in the
14 public record and your own valuation. Do you understand --
15 have you reviewed the Debtor's motion for approval of the
16 settlement that we've been discussing today?

17 A Yes.

18 Q And you understand that in that motion they've represented
19 that, for settlement purposes, they valued Crusader's
20 ownership interest in Cornerstone at a perceived fair market
21 value of \$30.5 million?

22 MR. MORRIS: Objection to the form of the question.

23 THE COURT: Okay. What exactly was it about the
24 question that you found objectionable?

25 MR. MORRIS: The number is the result of

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1 negotiations. And I think Mr. Seery testified quite clearly
2 that the notion of perceived market value, you know, probably
3 was a little bit misstated. It's -- it's a negotiated number.
4 That's where we are. That's all.

5 THE COURT: Okay. If you could rephrase, I sustain
6 that objection.

7 BY MS. TOMKOWIAK:

8 Q You understand that the damage award in this case is,
9 according to the Debtor in the motion that it's filed, it's
10 reducing the Redeemer award by approximately \$30.5 million to
11 account for the value that they've assigned to the Cornerstone
12 shares owned by Crusader, right?

13 A Yes. That's my understanding.

14 Q In your opinion and based on the accepted valuation
15 methodologies and standards in your field, is \$30.5 million
16 within the range of reasonable valuation of Crusader's
17 interest in Cornerstone today, based on the information
18 available to you?

19 MR. MORRIS: Objection to the form of the question.

20 THE COURT: Overruled.

21 MR. MORRIS: The use of the phrase --

22 THE COURT: Okay.

23 MR. MORRIS: Thank you.

24 THE COURT: I overrule.

25 THE WITNESS: No. As shown here, our opinion of

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1 value is presented at the bottom here. I found \$48 to \$87
2 million, I mean, is significantly in excess of the agreed-to
3 amount.

4 BY MS. TOMKOWIAK:

5 Q Right. And then the same question as of June 30, 2020.
6 In your opinion and based on the accepted methodologies and
7 valuation standards in your field, is \$30.5 million within any
8 range of a reasonable valuation of Crusader's interest in
9 Cornerstone, even as of June 30, 2020?

10 A Again, though, I misspoke on the earlier question. I was
11 referencing June on the earlier question. The August
12 valuation, as mentioned earlier, I think it would be only
13 higher than this. In both cases, no.

14 MS. TOMKOWIAK: Subject to redirect, I don't have any
15 further questions.

16 THE COURT: All right. Pass the witness. Mr.
17 Morris, any questions?

18 MR. MORRIS: Just a few, Your Honor.

19 CROSS-EXAMINATION

20 BY MR. MORRIS:

21 Q Your valuation hasn't been market-tested, has it, sir?

22 A I'm not sure I understand the question of market testing.

23 Q It's not the result of any negotiation, is it?

24 A No, it is not.

25 Q Okay. And your valuation was prepared for purposes of

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1 this motion; isn't that right?

2 A Yes, it was.

3 Q And you understand that the reports that were prepared by
4 Houlihan Lokey were prepared for the client's sole benefit,
5 not for purposes of litigation; is that right?

6 A Well, I'm not sure I understand that. I did not review
7 the engagement letter.

8 Q Okay. But you do understand that they -- because you
9 reviewed a number of monthly reports, you -- withdrawn. You
10 do understand that these reports are prepared monthly for the
11 benefit of Highland; is that right?

12 MS. TOMKOWIAK: Objection. This witness lacks
13 foundation on that.

14 THE COURT: Overruled. He can answer if he knows.

15 THE WITNESS: That's my understanding from the
16 testimony of Mr. Seery.

17 BY MR. MORRIS:

18 Q And in fact, you said that your firm prepares reports
19 similar in nature to the Houlihan reports, right?

20 A Yes.

21 Q And you don't prepare them in the ordinary course of your
22 business for purposes of litigation; is that right?

23 A Can you repeat the question?

24 Q Do you -- do you participate in the preparation of monthly
25 reports on behalf of clients?

1 A No, not in the context of -- of establishing an NAV.

2 Q Okay. I believe you testified that you could use a market
3 approach; there's nothing in the rules or principles of
4 valuation methodology that prohibits the use of a market
5 approach; is that right?

6 A Yes. I testified that a market approach is one of the
7 three primary approaches to value.

8 Q And I think -- I think on one of the slides there were a
9 couple of issues that were raised, and I think you testified
10 or you were asked whether the issues identified were prevalent
11 in each of the Houlihan Lokey reports. Do you remember that?

12 A Yes.

13 Q And that's -- they were prevalent because Houlihan Lokey
14 used consistently the same methodology; is that right?

15 A Yes. They used the same methodology.

16 Q And that's the methodology that you don't think they
17 should use but they think they should use; is that fair?

18 A With respect to the income approach, that's -- that is
19 correct.

20 Q Okay. Have you ever seen anybody publicly criticize
21 Houlihan Lokey for using a market approach as a methodology?

22 A Again, the question -- I think your question is
23 specifically to the use of the market approach within the
24 income approach and calculation of an exit multiple. I have
25 not seen any public statements regarding that topic.

1 Q And in fact, you can't identify any peer-reviewed article
2 or industry publication that specifically says that the Gordon
3 Growth Model is the preferred methodology as opposed to the
4 one employed by Houlihan Lokey; isn't that right?

5 A I can't point you to a peer-reviewed article, but I can
6 tell you from our review of peers what is the prevalent
7 methodology.

8 Q Okay. But nobody's out there writing that; that's your
9 interpretation of the marketplace. Is that fair?

10 A Well, I would say if the marketplace -- there are
11 publications that state how a discounted cash flow analysis is
12 to be performed. There's courses out there that address this.
13 So, --

14 Q Did you ever -- did you ever tell any of your clients who
15 use Houlihan Lokey that they shouldn't do it because Houlihan
16 Lokey uses a flawed methodology?

17 A I've never been asked or had the opportunity to comment on
18 Houlihan's valuation work.

19 Q In the competitive nature, in the competitive field of
20 competing for clients, you never tried to tell you clients,
21 don't use Houlihan, use Grant Thornton, we've got a better
22 method?

23 A I don't run into Houlihan that often in the healthcare
24 industry. I've got too much work myself to -- I find it poor
25 practice to badmouth my competition.

1 Q Good for you. I'm not surprised. Do you think -- do you
2 think Houlihan Lokey artificially manipulated their analysis
3 to come up with a lowball number?

4 A I don't -- I don't know what Houlihan -- I have no idea
5 what Houlihan was thinking with regard to their assumptions in
6 their analysis.

7 Q Did you make any attempt to reach out to anybody at
8 Houlihan to speak to them about their methodologies and the
9 areas that you claim to have identified?

10 A No, I did not contact Houlihan.

11 Q Can you think of -- does Houlihan have a reputation in the
12 industry for undervaluing assets?

13 A I'm not aware of Houlihan's reputation for overvaluing or
14 undervaluing assets.

15 Q So you, in your thirty years of practice, you've never
16 heard anything that causes you to conclude that Houlihan has a
17 reputation for undervaluing assets; is that fair?

18 A That's fair.

19 Q Okay. Can you think of any motivation that Houlihan Lokey
20 would have to undervalue the assets that are reflected in
21 Cornerstone?

22 A No, I'm not aware of Houlihan's motivations.

23 Q Okay. You said that the company was on an upward trend;
24 is that right?

25 A Yes. Specifically, the LTAC business, yes.

1 Q And do you recall yesterday I asked you about the cause of
2 any fluctuation in the value of Cornerstone and you told me
3 that it was the result of market forces and maybe COVID
4 issues?

5 A Yes. The upward trend could be attributed to market
6 forces, including COVID issues.

7 Q Right. Do you remember yesterday I'd asked you whether,
8 since coming to your conclusions, you've gone to your clients
9 and -- or informed your colleagues to try to find a buyer of
10 this grossly-undervalued asset? Remember I asked you about
11 that?

12 A Yes. I recall the question very well.

13 Q And you hadn't done so, right?

14 A I think it would be against our ethical guidelines, so I
15 have not done that.

16 Q Have you made any attempt to confer with either the
17 Redeemer Committee or the Debtor to see if you could, you
18 know, maybe Grant Thornton could act as a broker to, you know,
19 use their valuation report to sell this asset?

20 A No. We are not in the brokerage business.

21 Q Okay.

22 MR. MORRIS: I have no further questions, Your Honor.

23 MS. MASCHERIN: Your Honor, I have just a few
24 questions --

25 THE COURT: Okay.

1 MS. MASCHERIN: -- on cross, if I may.

2 THE COURT: You may. Go ahead, Ms. Mascherin.

3 MS. MASCHERIN: Thank you, Your Honor.

4 CROSS-EXAMINATION

5 BY MS. MASCHERIN:

6 Q Mr. Moentmann, am I correct that the earliest numbers that
7 you've referred to in the two different value estimates that
8 you gave on your last slide, the earliest of those dates was
9 June 30th of 2020? Is that correct?

10 A Yes, that is correct.

11 Q And that was based upon your review of Houlihan Lokey
12 valuation reports dated as -- for -- for the date as June
13 30th, 2020, correct?

14 A Yes. It was their reports as of that same date.

15 Q And would you agree, sir, based on your experience in
16 performing valuations, that that likely indicates a valuation
17 report that was prepared sometime after June 30th of 2020, so
18 as to take into consideration the company's performance during
19 the month of June?

20 A Yes, I would agree.

21 Q And do you have any idea, sir, when it was that either the
22 Crusader Fund or Highland Capital Management received
23 valuation reports for the Cornerstone asset valued as of June
24 30th of 2020?

25 A I don't recall specifically. I thought it was in -- in

1 July. It ought to have been subsequent to the June 30 date.

2 Q And you heard Mr. Seery testify this morning that the
3 negotiations that led to the compromised setoff for the value
4 of the Cornerstone asset took place in the March/April/May
5 time frame? Did you hear that testimony?

6 A Yes.

7 Q Now, in your report, sir, your declaration, and in your
8 testimony today, you made reference to certain different
9 reports that were prepared by Houlihan Lokey for different
10 clients. Do you recall that testimony, sir?

11 A Yes.

12 Q And what you meant by that is that, on the one hand, a
13 team from Houlihan Lokey does regular valuation reports under
14 contract for the Debtor, valuing the 50 -- approximately 58
15 percent or so interest that the Debtor owns or manages in
16 Cornerstone; is that correct?

17 A Yes.

18 Q And would you agree that the Debtor and its managed fund,
19 Restoration Capital Partners, together own the majority
20 interest of the shares in Cornerstone?

21 A Yes. I believe I even pointed that out in my declaration,
22 yes.

23 Q Right. And Crusader, on the other hand, owns something in
24 the low forty percents of the shares of Cornerstone, correct?

25 A Correct.

1 Q And would you agree, sir, that the -- based upon the
2 documents you've seen, the Crusader Fund's manager, Alvarez &
3 Marsal, contracts as well with a team from Houlihan Lokey to
4 value Cornerstone's interest in the Crusader -- or, in the
5 Cornerstone asset?

6 A Could you -- could you repeat the question?

7 Q Sure. You've seen documents that lead you to know, sir,
8 that Crusader likewise uses Houlihan Lokey to value Crusader's
9 low forty percent share of the Cornerstone asset, correct?

10 A Yes.

11 Q And you would agree that Cornerstone -- or, that
12 Crusader's interest in Cornerstone is a minority position?

13 A Yes.

14 Q And you would agree that the Houlihan Lokey valuations
15 that are provided to Crusader value Crusader's interest in
16 Cornerstone on a non-marketable minority interest basis,
17 correct?

18 A That's right.

19 Q And wouldn't you expect, sir, based upon your experience,
20 that there would be a difference in the value of -- in the
21 fair value estimate for a minority position in a privately-
22 traded company as compared to an estimate of value of a
23 majority interest in that same company?

24 A Generally speaking, yes.

25 MS. MASCHERIN: No further questions, Your Honor.

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1 THE COURT: All right. Redirect?

2 MS. TOMKOWIAK: Yes.

3 THE COURT: Okay.

4 MS. TOMKOWIAK: I just have one, one question.

5 REDIRECT EXAMINATION

6 BY MS. TOMKOWIAK:

7 Q Sir, even setting aside your opinion regarding the errors
8 and the flawed methodologies in the Houlihan reports, is it
9 fair to say that, just looking at the most recent valuation
10 that you were provided, in your opinion is \$30.5 million
11 within any reasonable range of valuation for Crusader's share
12 of Cornerstone?

13 MR. MORRIS: Objection to the form of the question.

14 THE COURT: Overruled.

15 THE WITNESS: No.

16 BY MS. TOMKOWIAK:

17 Q So, your answer?

18 A Yes. My response was no. Again, based on our analysis
19 and the valuation range that was presented, we don't -- I
20 don't believe it would be reasonable.

21 Q Okay.

22 MS. TOMKOWIAK: I have no further questions.

23 THE COURT: Any recross on that --

24 MR. MORRIS: Nothing, Your Honor.

25 THE COURT: -- question?

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1 MR. MORRIS: Nothing, Your Honor.

2 THE COURT: I have one follow-up question.

3 EXAMINATION BY THE COURT

4 THE COURT: I tend to think, and maybe I'm being
5 affected by certain healthcare Chapter 11s I've had in recent
6 months, but is it a tough time to value a healthcare business
7 like Cornerstone in 2020, with COVID? Are there challenges,
8 or am I making something up here?

9 THE WITNESS: I'd say it depends on the segment
10 within the healthcare industry. Some segments are of benefit.
11 I recently called three or four public companies in the
12 healthcare industry on behalf of a client that was selling
13 with -- a business within -- a segment of those within the
14 healthcare industry, and found all four public companies to be
15 highly interested and still very active in their acquisition
16 process.

17 THE COURT: Okay.

18 THE WITNESS: But I am aware there are some companies
19 that have been impacted. And that's -- that's the appearance
20 people --

21 THE COURT: Okay. Well, and maybe I asked it in too
22 general a way. I mean, the understanding I have of
23 Cornerstone is there's the long-term acute care business,
24 which you said is on an upward track, but then we have senior
25 living facilities as another big segment. So, focusing not

1 generally but more on private company in these segments in
2 healthcare, are there challenges with a company like this,
3 valuing it in a post-COVID/still under COVID times?

4 THE WITNESS: I think this is a segment with the
5 healthcare industry that -- where that challenge does not
6 exist. They're well-positioned for what's happening to the
7 population demographically within the United States. I think
8 the performance of the company during this time period is
9 reflective of the ability to continue to perform well and make
10 the evaluation process easier, if you will, or less -- less
11 impacted as compared to some of the other healthcare industry
12 peers.

13 THE COURT: So your answer is no, you don't think
14 there's any challenge valuing Cornerstone right now because of
15 the pandemic?

16 THE WITNESS: That's correct.

17 THE COURT: Okay. How big a segment of its revenue
18 is the senior care segment?

19 THE WITNESS: From a valuation perspective, on an
20 enterprise level, I believe it accounted for 10 to 20 percent
21 --

22 THE COURT: Okay.

23 THE WITNESS: -- of the aggregate enterprise value.

24 THE COURT: Okay.

25 THE WITNESS: That's including all the real estate.

1 Yes.

2 THE COURT: Okay. All right. Thank you.

3 I always give the lawyers a chance, if they want to ask
4 any follow-up questions, only based on the Court's question, I
5 think that's fair. So, anyone feel the need to ask a follow-
6 up question based on my questions?

7 MR. MORRIS: Just one, Your Honor.

8 THE COURT: Okay.

9 RE CROSS EXAMINATION

10 BY MR. MORRIS:

11 Q And that is, talking about COVID, does your valuation
12 assume that Cornerstone has received cash from the government
13 that is forgivable?

14 A We presented our value in a range to reflect that the cash
15 that was received, the \$30 million that I referenced, could be
16 completely repayable or could be completely forgivable. We
17 weren't privy to information with regard to the forgiveness of
18 that liability.

19 Q Okay. But that, that liability and that influx of cash is
20 something that is unique to the COVID period. Is that fair?

21 A It's -- it's fair. The cash is, or was, at least in the
22 -- in the company, although, as mentioned earlier, so is the
23 liability. So, on the one hand, it's neutral. I received \$30
24 million of cash; I have a liability for \$30 million --

25 Q Certainly --

1 A -- (overspoken).

2 Q Certainly helps cash flow, doesn't it?

3 A Yes. And that's why I made the statement about -- it does
4 help liquidity, yeah.

5 MR. MORRIS: Okay. No further questions, Your Honor.

6 THE COURT: All right. Either Ms. Mascherin or
7 Tomkowiak?

8 All right. Well, thank you, Mr. Moentmann. We appreciate
9 your testimony.

10 THE WITNESS: Thank you.

11 THE COURT: All right. Ms. Tomkowiak, do you have
12 any other evidence?

13 MS. TOMKOWIAK: I don't have any other witnesses,
14 Your Honor. Give me one moment, Your Honor, to confer with my
15 colleagues.

16 THE COURT: Okay.

17 (Pause.)

18 MR. CLUBOK: Your Honor, I don't know if this is
19 particularly out of order, but I'm going to just ask Your
20 Honor if we may also proffer. There were two Houlihan Lokey
21 valuations that were prepared for Redeemer and also a
22 presentation that was produced to us by Redeemer, all of those
23 excluded by your order this morning. We just would like to be
24 able to offer them under the same terms that we offered the
25 Houlihan valuations for -- that were prepared for Highland.

1 We'll put them under seal and just proffer them for the
2 record. We think the collection of all that shows a very
3 different story than what Mr. Seery described. But we would
4 get that for the time being, yes, Your Honor, as to avoid
5 that.

6 THE COURT: All right. So, just to be clear, you've
7 offered those and I have declined to admit those for reasons
8 I've stated earlier today. But you can put them in the record
9 as an offer of proof under seal, so that if there's any appeal
10 the higher court can see what it was that I refused to allow.
11 Okay? So you're going to have to get with the courtroom
12 deputy later and submit those under seal to be kept in the
13 record in case there's an appeal, okay?

14 MR. CLUBOK: Thank you, Your Honor.

15 THE COURT: All right. Any other evidence from UBS,
16 then? I think that's it, right?

17 MR. MORRIS: Your Honor, I would just -- I'd just ask
18 that it change sides to (garbled). In fairness (garbled), put
19 them all in, rather than being selective.

20 THE COURT: Okay. So you're saying that if -- you
21 want all --

22 MR. MORRIS: Otherwise (inaudible) better.

23 THE COURT: -- all of the Houlihan -- all of the
24 Houlihan reports should go in as part of the offer for proof?
25 Because your argument is if some of them were allowed in and

1 it was error, then all of them should go in. Is that your
2 point?

3 MR. MORRIS: Correct.

4 THE COURT: Okay.

5 MR. MORRIS: Correct.

6 THE COURT: So I don't know how far you mean to go
7 back in the past.

8 MR. MORRIS: Sure. Just to be very specific, from
9 March, I think, until August is the last one that has been
10 prepared by Houlihan, and it's been provided to UBS.

11 THE COURT: All right. So, Mr. Clubok, that is what
12 you're going to submit to the courtroom deputy to be your
13 offer of proof on this, March through August.

14 MR. CLUBOK: And first, Your Honor, that's fine, Your
15 Honor, with also the clear intention by doing that it reflects
16 that information, then -- and since -- now, since Mr. Morris
17 added that, then I'd (inaudible) there's also some sealed
18 testimony of Mr. Seery during his deposition that I didn't get
19 into because it was all, I thought, excluded under the same
20 rubric. And so the point-counterpoint, if Mr. Morris has an
21 offer of proof, that's fine, but if we just pull the whole
22 record in, the whole line, everything we got into, we could
23 put it in as an offer of proof and combine the information Mr.
24 Morris said and then the deposition testimony of Mr. Seery's
25 deposition. I would have explored all of this had I been

1 allowed to get into it. We make that as an offer of proof.

2 THE COURT: Okay.

3 MR. MORRIS: Your Honor?

4 THE COURT: I'm very confused.

5 MR. MORRIS: Yeah, the Debtor -- this is -- this is
6 -- they offered the reports, Your Honor made the ruling, and
7 they're doing this because they actually made an offer of
8 proof. They actually sought to introduce this into evidence.
9 They had Mr. Seery on the stand. They could have done the
10 exact same thing. They can't clean it up now.

11 THE COURT: Agree.

12 MR. CLUBOK: We -- hold on a second.

13 THE COURT: I sustain that objection.

14 MR. CLUBOK: Your Honor, if I can just respond here.

15 THE COURT: I sustain that objection, okay?

16 All right. Anything else?

17 All right. Anything in rebuttal, Mr. Morris?

18 MR. MORRIS: No, Your Honor.

19 THE COURT: All right. I'll hear closing arguments.

20 CLOSING ARGUMENT ON BEHALF OF THE DEBTOR

21 MR. MORRIS: Your Honor, I do want to keep this
22 relatively brief because I think the Debtor was easily -- are
23 you hearing background?

24 THE COURT: We're hearing a little bit of background.
25 Is that -- was that on Mr. Morris's end?

1 THE CLERK: Yes, because he's moving around.

2 THE COURT: Okay. I think it was just because you
3 were moving around, according to the court reporter. So,
4 anyway, but --

5 MR. MORRIS: I apologize.

6 THE COURT: -- I'm timing. Let's keep it within --

7 MR. MORRIS: It's five minutes.

8 THE COURT: -- you know, five to ten minutes per
9 argument, okay? You may proceed.

10 MR. MORRIS: Yeah. Thank you very much, Your Honor.
11 I think this is a very, very simple case under the standards
12 of 9019, a standard the Court is quite familiar with. And I
13 don't think there's any dispute between or among the parties
14 is focusing on the terms of the compromise, determining the
15 probability of success in litigation, the complexity and
16 likely duration of the litigation, other factors that courts
17 in the Fifth Circuit have interpreted to mean the paramount
18 interests of creditors, with proper deference to their
19 reasonable views, and the extent to which the settlement is
20 truly the product of arm's-length bargaining and not fraud or
21 collusion.

22 I'll take the last point first, Your Honor, because it's
23 just so simple. There's absolutely compelling evidence that
24 this settlement was the product of lengthy negotiations
25 between counsel, between principals, between counsel and

1 principals. You've heard Mr. Seery testify quite credibly
2 that there was a lot of back and forth. And obviously, there
3 is no evidence of fraud and collusion. So I think we get a
4 hundred percent on that prong of the ledger.

5 With respect to the paramount interests of creditors, Your
6 Honor, as the evidence shows, the Debtor, in choosing to
7 exercise its judgment to enter into this settlement, will be
8 ending litigation, I think, in five different courts in three
9 different countries, litigation that has cost the estate an
10 enormous amount of money, and they're doing so on terms that
11 are really fair and reasonable. And that is the standard,
12 Your Honor. It is not, is the Debtor maximizing value? While
13 you always hope to do so, that's really difficult when you're
14 in a 9019 motion. I've never heard of a movant either have
15 the burden or even suggest that somehow they're entering into
16 a compromise that maximizes value.

17 We've heard from the one witness that UBS offered. I --
18 there's no reason to challenge his qualifications. I'm sure
19 that he's a perfectly able professional. But I think the
20 Court should take into account the context in which he
21 prepared his analysis. That analysis was prepared in a mere
22 20 or 30 hours. It was prepared solely for purposes of this
23 litigation. And to his credit, the witness testified
24 unambiguously that his own clients rely on Houlihan Lokey.
25 There's nothing -- fraud in the methodology that Houlihan

1 Lokey employs. And the ultimate question is that he has no
2 reason to believe that it was unreasonable for the Debtor to
3 rely on the Houlihan Lokey report.

4 The evidence also showed, Your Honor, though, that the
5 Houlihan Lokey report was not the only data point that Mr.
6 Seery considered. He testified unambiguously and unchallenged
7 that he also communicated with Cornerstone's management, with
8 Cornerstone's board of directors, that he gets regular updates
9 about the financial condition and the performance of the
10 business, and that he specifically used that information to
11 validate the (garbled) further negotiation on this (echoing).

12 With respect to the reasonable deference of creditors,
13 Your Honor -- I don't know if somebody's -- can put their
14 phone on mute.

15 With respect to the reasonable deference of creditors,
16 Your Honor, there's only one creditor here who is challenging
17 the Debtor's motion, and not surprisingly, that creditor, UBS,
18 has had a very longstanding dispute itself with -- with the
19 Redeemer Committee. And I think it would be fair if the Court
20 took that into account in terms of litigation and perhaps
21 prejudice and bias.

22 The likelihood of success, I think, goes to UBS's argument
23 that the Debtor really should walk away from this deal and go
24 back to Chancery Court to relitigate the issues that the panel
25 has already decided with respect to whether the procedural

1 issues and the rendering of the award were proper.

2 You know, we've had a chance to analyze. Mr. Seery
3 actually, I think, described in some detail how the panel came
4 about, about its decision. I think he testified quite clearly
5 that Highland would be a particularly unsympathetic litigant
6 in the Chancery Court, having voluntarily participated in
7 arbitration for years, an arbitration pursuant to which the
8 parties engaged in substantial discovery.

9 Your Honor has the evidentiary -- not the evidentiary
10 record, but Your Honor has the very extraordinarily detailed
11 findings of the panel. Those findings refer to substantial
12 evidence, both documented and testimonial evidence. The
13 findings made severe credibility findings, a lot of which,
14 quite frankly, are not flattering to the Debtor. And Mr.
15 Seery specifically testified that he took all of that into
16 account in assessing the probability or the likelihood of
17 success of going back to Chancery Court and prevailing.

18 With respect to the compromise that was made on the
19 deferred fees, in all honesty, Your Honor, I don't see how
20 that can be challenged on any rational basis. If you followed
21 UBS's path, we would have, in the first instance, another
22 litigation over setoff. And once that litigation was
23 resolved, whether it's hundred-cent dollars or bankruptcy
24 dollars, the Debtor would have to return that to Redeemer
25 Committee and then wait until this bankruptcy is over before

1 it can even ask for the deferred fee.

2 You've heard very, very clear, unambiguous testimony,
3 unchallenged testimony, from Mr. Seery that when they finally
4 do get around to making that request, they're going to be
5 involved in another litigation. Why? Because during the
6 negotiations, the Redeemer Committee made it crystal clear
7 that it was relying on the Faithless Servant defense. Is it
8 one that is, you know, common? It's not common, but it has
9 been used successfully. And the fear that Mr. Seery
10 specifically described is that the findings in the arbitration
11 award might give credence to the Faithless Servant defense.
12 And having gone through the setoff litigation, having paid the
13 money, having waited the time, having spent the cost to
14 litigate the issue again, they might lose. And I think if
15 Your Honor reads the partial final award, you may come to the
16 same conclusion.

17 Whether you do or you don't, Your Honor, the point is that
18 the evidence is crystal clear that there is a very strong
19 foundational evidentiary basis for the Debtor's decision to
20 enter into this award, and there's no question that it meets
21 the standard of 9019.

22 Again, Your Honor, we would remind the Court, not that I
23 need to, but that the test here isn't maximization of value.
24 It's not getting the most that you possibly can. It's taking
25 everything into account. Is this in the best interest of the

1 estate? And I do not think this is a close call.

2 Unless Your Honor has any questions, I have nothing
3 further.

4 THE COURT: I did have one follow-up question on the
5 deferred fee compromise. I'm wondering if you could generally
6 quantify: Assuming a hundred percent success for UBS, I'm
7 trying to figure out how big a discount the 20 percent -- I
8 mean, the \$20 million number was. Because I understand \$32
9 million is what Highland paid itself early. But then I
10 understand the component, the award component of the \$190
11 million arbitration award, it was \$43.105 million because of,
12 I guess, interest, calculating interest from the date they
13 paid themselves the \$32 million until the time of the award.
14 Right? And the award, was it March of 2018 or September 2018?

15 MR. MORRIS: The partial final award was March.

16 THE COURT: Yes.

17 MR. MORRIS: The final award was May.

18 THE COURT: Okay. So I assume, then, we keep
19 calculating interest post --

20 MR. MORRIS: Until the petition date.

21 THE COURT: Until the petition date.

22 MR. MORRIS: Yeah.

23 THE COURT: So we're at -- and it was a high interest
24 rate, right? Nine percent? High these days, right? Nine
25 percent?

1 MR. MORRIS: Well, just to be clear, Your Honor,
2 you're absolutely right, you have a great memory, it is nine
3 percent. But that's statutory interest in New York.

4 THE COURT: Right.

5 MR. MORRIS: Those of us who live in New York always
6 call it the absolute best investment you could make if you
7 actually have a liquid defendant. I mean, nine percent
8 guaranteed.

9 THE COURT: I'd rather have that --

10 MR. MORRIS: No doubt --

11 THE COURT: I'd rather have that than my mutual fund
12 right now. So, --

13 MR. MORRIS: Yeah.

14 THE COURT: So we're talking close to \$50 million.
15 But that's not even the whole story, right? Because they,
16 they'll get it -- not only would they maybe never have to pay
17 it back because of this Faithless Servant award, but even if
18 they did have to pay it back, it wouldn't be until the
19 Crusader Fund was liquidated, --

20 MR. MORRIS: Correct.

21 THE COURT: -- and litigation?

22 MR. MORRIS: Which can't happen until this -- which
23 can't happen until this case is completed, --

24 THE COURT: So, --

25 MR. MORRIS: -- which means the estate claims that

1 are going to be prosecuted by the UCC and any of its
2 successors against Mr. Dondero and his affiliates, all of that
3 has to play out. And UBS, more than anybody in this
4 courtroom, should know how long it takes to litigate with Mr.
5 Dondero. Maybe he'll have a change of heart. Maybe something
6 different will happen. But based on prior experience, I don't
7 think this Court or anybody should make any assumptions as to
8 this case being ended quickly.

9 THE COURT: Okay.

10 MR. MORRIS: Just based on history.

11 THE COURT: All right. Thank you. I'll go to
12 friendly parties next.

13 Ms. Mascherin, anything you wanted to say as far as
14 closing argument?

15 MS. MASCHERIN: Yes, Your Honor. Thank you.

16 CLOSING ARGUMENT ON BEHALF OF THE REDEEMER COMMITTEE

17 MS. MASCHERIN: First of all, with regard to the
18 deferred fees, I think Your Honor has already made all the
19 points that I would have made had I argued that. Suffice it
20 to say that I think any reasonable person would conclude that
21 it is a reasonable compromise for the Debtor to retain two-
22 thirds of the \$32.3 million that the Debtor, as the panel
23 found, as Mr. Seery testified, helped itself to in early 2016.
24 That amount -- there's no assurance that that amount would
25 ever come back to the estate upon complete liquidation of the

1 Fund, and the Redeemer Committee at least is quite confident
2 that, whether or not a settlement here, the factual findings
3 that were made in that arbitration certainly were replete with
4 findings of breaches of fiduciary duty, of willful misconduct,
5 and of other misconduct which would provide a firm basis for
6 showing that Highland was, in fact, a faithless servant.

7 I would submit that's why the Redeemer Committee fired
8 them as manager of the Fund when it -- when the Committee
9 learned that they had taken the \$32.3 million without the
10 right to take it.

11 With regard to the likelihood of success assessment, Your
12 Honor, I would submit that the record is likewise clear. The
13 only issue that UBS raises with regard to the litigation, the
14 compromise of the litigation, has to do with two procedural
15 challenges that the Debtor had raised when -- in the
16 proceedings to confirm the award in Delaware. As Your Honor
17 knows, arbitration awards under the Federal Arbitration Act
18 are pretty close to sacrosanct. The grounds on which an
19 arbitration award can be challenged are quite limited.

20 The two procedural arguments that the Debtor made, one
21 having to do with whether pre-judgment interest should
22 continue to run after the date of partial final award, and the
23 other dealing with the relief that the panel, as Mr. Seery
24 testified, inadvertently omitted due to a scrivener's error
25 with respect to what was referred to in the arbitration as the

1 Barclay's claim, both of those procedural issues were raised
2 by the Debtor and were ruled upon by the arbitration panel.
3 And the panel found that it -- that because its first award
4 was specifically denominated as a partial award and not a
5 final award, that the panel had jurisdiction to award
6 additional pre-judgment interest for the small period between
7 March and May, which is all that was at issue with respect to
8 that disputed pre-judgment interest amount.

9 And likewise, the panel found that it had the power under
10 the AAA rules to correct the scrivener's error, the clerical
11 error that resulted in the omission -- the inadvertent
12 omission from the partial final award of the damages amount
13 that the panel was awarding for the finding it made in the
14 partial final award that Highland Capital Management had taken
15 -- had improperly taken for its own account any of the
16 partnership's interest that had belonged to Barclay's, and
17 Highland had done that despite the Committee's express
18 disapproval of the terms of a settlement with Barclay's.

19 Importantly, Your Honor, the AAA rules specifically
20 allocate to the panel the jurisdiction to interpret the AAA
21 rules. And the Fifth Circuit has held that in circumstances
22 like this, where the applicable arbitration awards -- or
23 arbitration rules give the arbitrator the jurisdiction to
24 interpret the rules, the arbitrator's findings bind the
25 parties to the arbitrator's interpretation, so long as it is

1 within reasonable limits, even where reasonable judges and
2 arbitrators could interpret the AAA rules differently.
3 That's coming from the *Communication Workers of America, AFL-*
4 *CIO v. Southwestern Bell Telephone Company* case, 953 F.3d 822,
5 a Fifth Circuit decision from this year, 2020, Your Honor.
6 And that's cited in our -- in the Debtor's motion to approve
7 the settlement.

8 So I think it certainly is the case that the Debtor made a
9 reasonable assessment that it would be unlikely to succeed if
10 it continued to prosecute in Delaware that motion to vacate
11 those two small parts of the arbitration award.

12 Finally, Your Honor, with regard to the Cornerstone asset,
13 let me review what the current state of facts is with regard
14 to that asset. And I feel that I must need to -- I must do
15 this this because Ms. Tomkowiak, if I said that correctly, Ms.
16 Tomkowiak suggested a couple of times that the Cornerstone
17 asset somehow is an asset of the Debtor's estate. She made
18 reference to the Debtor forfeiting the Cornerstone asset or
19 giving up the Cornerstone asset. That is, simply put, Your
20 Honor, a fallacy.

21 As things stand right now, the Crusader Fund owns
22 approximately 42 percent of the shares of Cornerstone. The
23 Debtor and its managed fund, Restoration Capital Partners,
24 owns the rest. The panel ordered the Debtor, as part of its
25 award, to pay the Crusader Fund \$48 million in principal plus

1 approximately \$24 million in pre-judgment interest on that
2 amount, for a total of \$72 million. And the award
3 specifically provides that, upon payment of that amount to the
4 Crusader Fund, the Crusader Fund should transfer its 42
5 percent interest in Cornerstone to the Debtor.

6 Your Honor, it is undisputed that the Debtor doesn't have
7 \$72 million to pay to purchase those shares. We heard Mr.
8 Seery today testify that the Debtor doesn't want to acquire
9 those shares. The Debtor is in liquidation. So what the
10 parties did here was reach a compromise.

11 In addition to the substantial offset of the arbitration
12 award relating to the two-thirds of the deferred fees that I
13 already spoke about, the parties also agreed to offset a
14 negotiated amount for a fair market value of Crusader's
15 minority 42 percent shares in Cornerstone as of the time of
16 the negotiations, as Mr. Seery testified, in the spring, late
17 spring of 2020. That offset that the parties agreed to as a
18 compromise was \$30.5 million.

19 Now, to be clear, Crusader and the Redeemer Committee
20 would have the right not to enter into any settlement and to
21 ask Your Honor to confirm the arbitration award or to go back
22 to Delaware and seek to lift the stay to have the award
23 confirmed there. And if we did that, then we would continue
24 to hold a claim for seventy -- you know, a portion of which
25 \$72 million would be for, for sale of that -- of those

1 Cornerstone shares to the Debtor.

2 But Your Honor, that's a fantasy. We much prefer to enter
3 into a settlement here. We think that the -- I would submit
4 that the compromise that my clients and the Debtor reached to
5 allow the Debtor not to have to purchase those shares, to
6 allow for what the parties agreed to as a reasonable offset to
7 the claim amount to account for the fact that the Debtor will
8 not be purchasing their shares, is eminently fair. And it's
9 of great value to the estate. The estate doesn't have to pay
10 to buy those shares and the Debtor gets, in addition, the
11 benefit of the Redeemer Committee and the Crusader Fund
12 agreeing to compromise to try to monetize its minority
13 position in Cornerstone, along with the majority position
14 that's held by Highland Capital Management and its managed
15 fund, Restoration Capital Partners.

16 And as Mr. Seery testified, there are -- Restoration
17 Capital Partners is majority-owned by a number of independent
18 investors. They're entitled to the best value for their
19 shares in Cornerstone. My clients are entitled to the best
20 value for its shares in Cornerstone. And Highland is entitled
21 to the best value for the shares it owns in Cornerstone. And
22 that value can only be maximized, Your Honor, if the company
23 is available to be monetized as a whole.

24 So I would submit, Your Honor, the compromise is eminently
25 reasonable. The Debtor, I believe, has met its burden of,

1 under the applicable Fifth Circuit case law, of demonstrating
2 that the compromise is reasonable and is fair to the estate
3 and to the creditors of the estate. And we would ask that
4 Your Honor approve the settlement. Thank you.

5 THE COURT: Thank you. Ms. Tomkowiak, you're next.

6 MS. TOMKOWIAK: Thank you, Your Honor.

7 CLOSING ARGUMENT ON BEHALF OF UBS SECURITIES, LLC

8 MS. TOMKOWIAK: I'll try to keep (garbled) I'm
9 responding to two.

10 Your Honor, the -- this settlement is not fair, equitable,
11 or (garbled). We don't think it's a close call, either.
12 Whether you look at each component or you evaluate it as a
13 whole, as Mr. Seery purports to do, we think that the Debtor
14 did in fact roll over. The bottom line there is that the
15 compromises made by the Debtor result in Redeemer getting more
16 than a hundred percent recovery on their claim, in real
17 hundred-dollars, even using the very lowest possible value
18 that anybody has calculated for Crusader's Cornerstone shares,
19 as the Debtor did.

20 It's the Debtor's burden to show that it exercised
21 business judgment here within a range of reasonableness. They
22 haven't submitted any evidence to meet that burden or to allow
23 this Court to conduct the independent analysis that it's
24 supposed to do before approving this deal.

25 Again, the analysis of problems with it -- including with

1 respect to the way that the parties have allocated litigation
2 risk, giving a lot of value to claims which have not even
3 begun to be litigated and giving zero value to claims which,
4 in fact, are at the very late stages of litigation in Delaware
5 and could be dealt with in short order.

6 But the biggest problem, again, with the settlement is
7 that instead of the estate getting a meaningful asset that
8 could be worth up to \$80 million, Redeemer effectively gets to
9 keep it and -- for \$30 million.

10 We believe that the Debtor has grossly undervalued those
11 shares. Their fair market value calculation, or whatever they
12 want to call it -- they called it in their motion their fair
13 market value calculation -- is based on the very lowest end of
14 a valuation range prepared by Houlihan Lokey back in the
15 spring, despite the availability of much more recent
16 information.

17 Mr. Seery has provided no basis for using a valuation
18 back in March, and particularly in the midst of the
19 uncertainty caused by the developing pandemic at the time.
20 The testimony was, so that's when we started to negotiate this
21 deal. But the settlement was not finalized until six months
22 later. And so if there was a lot of back and forth, as Mr.
23 Morris just said in his closing, well, I guess that happened,
24 you know, six months ago, when apparently the Debtor has
25 chosen to freeze inexplicably the value of this asset.

1 Again, there is no evidence that that \$30.5 million is
2 fair or within any range of reasonableness. Not only did the
3 Debtor not put in any evidence, it was successful in excluding
4 evidence that went directly to the valuation of this asset.

5 Despite succeeding on that, Mr. Seery did not quibble with
6 my colleague Mr. Clubok's questioning. He agreed with the
7 general proposition that the current value of Cornerstone is
8 higher today than what's been taken account into the
9 settlement.

10 This is a settlement of a, you know, a \$190 million claim,
11 and UBS notes that the Debtor has scores of financial advisors
12 who are being paid tens of millions of dollars every month to
13 analyze claims and assets. We see their fee statements. And
14 not a single one of them, including Houlihan Lokey, anyone at
15 the premier firm of Houlihan Lokey whose names Mr. Seery did
16 not even know, are here to testify today. Or any of the other
17 financial advisors.

18 According to our expert, who is, you know, the only
19 evidence that is before this Court, Mr. Moentmann -- he does
20 this for a living; he values healthcare companies in the real
21 world, unlike Mr. Seery, who does not -- the value assigned to
22 Cornerstone in the settlement falls below any reasonable range
23 of what Cornerstone is worth today or even what it was worth
24 back in June, let alone back in March.

25 And yes, he prepared his opinion for purposes of this

1 litigation, but he's not a professional testifier. This is
2 what he does for a living. He testifies once every couple of
3 years. And he did a valuation analysis exactly like what he
4 would do in the real world for a healthcare company, as he's
5 done for the past 30 years.

6 And when he corrects for the significant flaws in the
7 assumptions used by Houlihan Lokey, the true value of the
8 asset that the Debtor is giving up -- they're giving up the
9 right to receive it. I understand that they don't have it,
10 but they -- the arbitration award explicitly said that they
11 have the right to get it. It is -- it should be theirs. And
12 they're giving up that asset. And according to Mr. Moentmann,
13 when he accounts for all of the significant flaws in the
14 assumptions used, that asset is worth double or triple what
15 the Debtor has assigned to it for settlement purposes.

16 Now, again, Mr. Seery testified today that he expects
17 Redeemer will recover one hundred percent of its allowed \$137
18 million claim in real dollars. I don't -- based on those
19 numbers alone, I don't understand, respectfully, Ms.
20 Mascherin's argument that the Debtor somehow doesn't have the
21 ability to purchase the shares for \$48 million.

22 I also, frankly, don't understand the argument that the
23 value can only be maximized when monetizing this asset as a
24 whole. And to be clear, I understand that argument, but I
25 don't get why that can only happen in a settlement where

1 Redeemer and the Debtor agree to work together to do that, as
2 opposed to the Debtor getting Crusader's portion of the
3 Cornerstone shares, as it was required to, and then working to
4 monetize that asset as a whole.

5 My final few points, Your Honor. I think the value of
6 Cornerstone -- it's been said a lot today that this is not a
7 valuation case, but it matters when you are looking at an
8 asset with potentially a \$50 million swing in the true value
9 of it. That matters in the context of a case where the Debtor
10 has said that they expect to distribute \$195 million to
11 creditors. So giving -- giving up the right to this asset
12 matters. And yes, it hurts the remaining major creditor,
13 which is UBS.

14 Now, Mr. Morris talked about, you know, UBS's motive and
15 our supposed prejudice and bias. And we have no longstanding
16 dispute with the Redeemer Committee. Ironically, it's
17 actually the Debtor and Redeemer who have had their
18 longstanding dispute. But now they've teamed up to object to
19 our claim and to, you know, strike this deal that we believe
20 provides Redeemer with a more than one hundred percent
21 recovery windfall.

22 So, Your Honor, we think the settlement should not be
23 approved, and we only -- don't think it should be approved
24 without holding the Debtor to its burden to provide actual
25 evidence, including evidence of the value of the Cornerstone

1 shares that are forfeited in this settlement.

2 And alternatively, I would just reiterate what I said in
3 my opening, that if you are inclined to approve the settlement
4 anyways, in the event that a sale of Cornerstone does occur in
5 the future and the purchase price is well above the value that
6 that asset has been assigned here, then we request that the
7 Court take the proceeds of that sale into consideration at the
8 time of plan confirmation when the distributions are to be
9 made. And it should -- the outcome of that sale should be
10 taken into account when calculating Redeemer's recovery.

11 THE COURT: Okay.

12 MS. TOMKOWIAK: Thank you, Your Honor.

13 THE COURT: Thank you.

14 Well, I thank you all for your hard work in the pleadings
15 as well as the presentations here today. I assure you that
16 we've read the paperwork very carefully and considered all
17 your evidence carefully today.

18 As we know, with regard to this motion to approve
19 compromise of controversy, the Court is guided by Bankruptcy
20 Rule 9019. And that rule does not say a heck of a lot, but
21 we've got lots of jurisprudence to guide the Court. Cases
22 such as the *AWECO* case, the *Jackson Brewing* case, the *TMT*
23 *Trailer Ferry* case, *Cajun Electric*, *Foster Mortgage*, all of
24 these were cited in the papers. And the legal standards that
25 those cases instruct this Court to use are the Court has to

1 evaluate whether the compromise and settlement is fair and
2 equitable and in the best interest of creditors when
3 considering three things: One, the probability of success on
4 the merits in future litigation, with due consideration for
5 uncertainty of law and fact; two, the complexity and likely
6 duration of litigation and any attendant inconvenience and
7 delay; and three, all other factors bearing on the wisdom of
8 the compromise.

9 The Court is also supposed to consider the paramount
10 interests of the creditors.

11 So I will back up and find that we have had all required
12 notice of this motion. And when applying those legal
13 standards I just outlined, the Court finds that this
14 settlement is eminently reasonable, fair and equitable, in the
15 best interest of creditors, and so therefore I am approving
16 it.

17 I will note a couple of pieces of evidence, or more than a
18 couple, a few pieces of evidence that were especially
19 persuasive to me. First, I will say that Mr. Seery's
20 testimony was very credible to me. And I do believe that he
21 did not consider this a laydown by any means, and I don't
22 think it was by any means. The facts are that this settles
23 many, many years of litigation, as someone said, in five
24 different fora, in three different countries. And there was a
25 nine-day trial in front of a very respected arbitration panel.

1 And I agree with the verbiage of Ms. Mascherin that the
2 arbitration award is very much sacrosanct. This isn't a
3 situation where, you know, if I lifted the stay and allowed
4 things to go forward in the Delaware Court to see if they
5 would confirm the arbitration award, it's not a situation
6 where there would be a heck of a lot of arguments the Debtor
7 could make to refute the \$190 million award or knock it down
8 very much. Things like fraud, misconduct, a very narrow set
9 of circumstances would have to be demonstrated. It certainly
10 wouldn't sit in the shoes of an appellate court.

11 So I think that is a very relevant factor that certainly
12 shows the Debtor didn't lay down here. The Debtor's options
13 were narrow with regard to challenging very many aspects of
14 the arbitration award.

15 I believe that Mr. Seery and the board did a lot of due
16 diligence as far as evaluating their options here. I believe
17 that there were good-faith arm's-length negotiations. And
18 specifically, the reductions, if you will, seem extremely
19 reasonable to this Court.

20 With regard to the \$20 million credit on the \$190 million
21 award for the deferred fees, it appears to me the Debtor got a
22 pretty good deal on that one. You know, it looks like to me
23 we really started at a number around \$43 million that would
24 have gone up with time in interest. And there was a strong
25 argument that, once the Debtor paid that back, that there

1 would be no obligation to ever kick in under the Faithful
2 Servant Doctrine for the Redeemer Committee/Crusader to ever
3 have to pay it back again to the Debtor. So I think that \$20
4 million number settled on is a very fair number.

5 With regard to the \$30.5 million number for the
6 Cornerstone credit that has been so contentious today, I
7 respect the arguments, but ultimately it bears emphasizing
8 this was a negotiated amount, not a situation where there was
9 a precise valuation that was even required.

10 And I think it is very significant that we're talking
11 about a minority interest, a 42 percent minority interest that
12 Highland was required to buy back. And one could almost take
13 judicial notice that minority interests in private companies
14 are darn hard to value, and some might say should be
15 discounted.

16 And while I found Mr. Moentmann to certainly be well
17 qualified and explained well his different views, at bottom, I
18 don't find them to be as persuasive as Mr. Seery, in that he
19 has spent two weeks on the assignment and 20 to 30 hours. You
20 know, certainly, I think reasonable minds can differ, but at
21 bottom the \$30.5 million number was within the range of
22 reasonableness for a compromise on this amount.

23 I'll just emphasize further that, with regard to
24 Cornerstone, I felt like the \$30 million CARES Act loan should
25 be regarded as a huge question mark, uncertainty, as far as

1 affected value. The fact that no one knows if it's forgivable
2 or not, well, that's a pretty big deal. And it's just one of
3 many reasons I think there's a big range of possibilities
4 here, so that the number that the Debtor settled on is
5 certainly within the range of reasonableness.

6 All right. So, with that, I approve the compromise and
7 will look to Debtor's counsel to submit a form of order. All
8 right. Thank you again.

9 We now are going to turn to Acis, and let's talk about
10 timing. Mr. Morris, are you the key presenter on this one or
11 is Mr. Demo going to be?

12 MR. MORRIS: No, I will be the presenter on this one,
13 though Mr. Demo will address the Court certainly with respect
14 to two of the legal issues on the Daugherty objection. But
15 otherwise this one is all mine as well.

16 THE COURT: All right. So, shall we roll to
17 extremely brief opening statements? I guess one thing I'll
18 need you to tell me is, do we really have five objections, or
19 do we have two? Have the sort of limited objections been
20 resolved, or no?

21 MR. MORRIS: Your Honor, that is an excellent
22 question. They haven't been resolved consensually, but they
23 ought to be, based on the testimony from Saturday's
24 deposition. And if I can, I'd be happy to just start with
25 that issue first, if you'll just give me a moment.

1 (Pause.)

2 THE COURT: Okay.

3 OPENING STATEMENT ON BEHALF OF THE DEBTOR

4 MR. MORRIS: Okay. Putting aside Mr. Dondero and Mr.
5 Daugherty for the moment, there are three other objections:
6 One by CLO (garbled). That was filed at Docket No. 1177. One
7 by Highland CLO Funding Limited, filed at Docket No. 1191.
8 And one filed by HarbourVest at Docket No. 1195.

9 I believe all three of these objections or responses
10 either objected to or reserved their right to object to one
11 provision of the settlement agreement pursuant to which the
12 Debtor would have the obligation to transfer its rights in an
13 entity called Highland HCF Advisors Limited to Acis if the
14 Debtor had received written advice from nationally-recognized
15 external counsel that it is even permissive -- permissible to
16 make that transfer.

17 That can be found, Your Honor -- the settlement agreement
18 is Exhibit 1 to my declaration, and I believe when I offer
19 that into evidence it'll be Exhibit #3. But that's where the
20 settlement can be found, and this is Paragraph 1(c). And that
21 matter really, from the Debtor's perspective, has been
22 resolved. Mr. Seery testified on Saturday and he will testify
23 again today that the Debtor has obtained the advice of the
24 WilmerHale firm, I believe, and that advice is that it is --
25 they cannot give the comfort that if they transferred that

1 asset that it would be legally permissible and that the Debtor
2 would bear no risk.

3 So, from my perspective, that objection or reservation of
4 rights, depending on the party, should be resolved.

5 There were two other issues, I think, raised. I know it
6 was HarbourVest. I'm not sure who the other one was. But
7 they're both related to whether or not the release applied to
8 them. HarbourVest in particular objected on the ground that
9 the release -- to make sure that the release doesn't release
10 any claims that HarbourVest may have. It does not, Your
11 Honor. I think a plain reading of the release shows that
12 HarbourVest is not implicated.

13 In addition, HCLOF also -- HarbourVest is an investor in
14 HCLOF. And HarbourVest -- HCLOF, rather, Your Honor, is
15 specifically excluded from the release. So HarbourVest is not
16 included, and HCLOF, the entity in which HarbourVest invested,
17 is actually specifically carved out of the release, so that
18 there's no ambiguity.

19 So I think, on that basis, Your Honor, perhaps it would be
20 most efficient to hear from those three particular parties.
21 You know, Mr. Seery will testify, and if you want to take him
22 out of turn and do that now on the issue of the advisors and
23 the advice that he's received, I'd be happy to do that.

24 THE COURT: All right. Well, maybe we should first
25 hear from our objectors.

1 Let me start with HarbourVest. I have misplaced for a
2 minute my appearance. I think it was Ms. Weisgerber. Was it
3 Ms. Weisgerber who was appearing for HarbourVest?

4 MS. WEISGERBER: Yes.

5 THE COURT: Okay.

6 MS. WEISGERBER: Yes, Your Honor.

7 THE COURT: Do you -- have you heard what you need to
8 hear to withdraw your limited objection, or no?

9 MS. WEISGERBER: Your Honor, I think we're -- we're
10 pleased to hear those updates from the Debtor. I think, from
11 our perspective, we'd just look to a couple of housekeeping
12 matters regarding documentation of this. Specifically with
13 respect to the release point, in the settlement itself there
14 are certain entities that are explicitly carved out of the
15 release, and we would ask that HarbourVest be included as an
16 explicitly carved-out party, for the avoidance of doubt,
17 whether that appears in the settlement agreement or in the
18 order approving the settlement.

19 So, I'll pause on that, and then I'll just turn to the
20 second issue, to confirm if the Debtors are amenable to that.

21 MR. MORRIS: Well, we don't have the exclusive right
22 in this regard. If you'll give me one moment, I'm going to
23 just confer --

24 (Pause.)

25 MR. MORRIS: -- the Court to the next issue, if you

1 may, while I'm trying to resolve this. Because that is
2 certainly our intent. We never intended HarbourVest to be
3 part of this. And we would have no objection if the Court,
4 either through an order or otherwise, made it clear that
5 HarbourVest is not subject to the release.

6 MS. PATEL: Well, let me chime in. Mr. Morris, if
7 it's me that you're looking to confer with, I'm not sure, or
8 if it's Mr. Seery, but I think I can go ahead and address
9 this.

10 And, Your Honor, just to back up for a quick second on
11 this issue, I wanted to just, of course, remind not only the
12 Court but the other parties of the overall structure here.
13 And as Your Honor may remember, Acis is the portfolio manager
14 for certain CLOs in which Highland CLO Funding owns the --
15 either the majority or all of the equity strip and equity
16 piece.

17 Separate and apart from that, Highland CLO Funding's
18 investors, conversely, are an entity by the name of CLO
19 Holdco, who has filed a limited reservation of rights, solely,
20 frankly, on the HCF Advisor transfer piece. More on that in a
21 minute, if you care to hear it. But, and also HarbourVest.
22 And HarbourVest, just to refresh the Court's recollection and
23 the other parties, was the secret third-party investor that
24 you heard oodles and oodles and oodles of testimony regarding
25 during the Acis bankruptcy case.

1 And then Highland and certain Highland employees'
2 retirement funds own the other remaining two percent equity
3 interest in Highland CLO Funding.

4 So what we're really talking about here, Your Honor, in
5 connection with HarbourVest, is something that is one step
6 removed from even the equity piece. So I just want to be on
7 record as saying, number one, Acis would dispute very hotly
8 that any duties -- and whether any duties are owed to entities
9 such as CLO Holdco or HarbourVest or HCLOF. There is -- it's
10 frankly beyond the scope of the hearing today. And our
11 position is that, certainly as it relates to HarbourVest or
12 CLO Holdco, Acis owes no duties by virtue of its role as
13 portfolio manager to the Acis CLOs.

14 Secondly, Your Honor, let's go to the issue of whether
15 there are even any potential claims. And with respect to
16 that, you know, there's at least, if not by implication, and
17 perhaps not in connection directly with HarbourVest, but
18 others that are objecting, so I'll just go ahead and address
19 the issue now: There are implications of some sort of
20 mismanagement. And I and Acis want to be clear on record as
21 saying those are obviously hotly-disputed issues as well.
22 Your Honor, frankly, those types of implications or claims are
23 unfounded and specious with respect to any mismanagement
24 allegations, and are frankly offensive, given the facts here.
25 Many are based by certain of the objectors and have -- on

1 prior -- testimony provided prior to the confirmation and have
2 been soundly rejected by this Bankruptcy Court.

3 Second, these Acis CLOs, frankly, Your Honor, have
4 performed either as well or better than the broad CLO market
5 since Brigade took over from Highland. And as you may recall,
6 Your Honor, Brigade started behind a \$300 million eight-ball
7 created by former Highland Capital Management leadership. So
8 to argue that there is some form of Acis mismanagement is
9 frankly just jaw-dropping.

10 All of this, Your Honor, is particularly remarkable in
11 light of the fact that these deals are some of the only deals
12 now -- and by deals, I mean, the Acis CLOs -- passed through
13 the investment period. They haven't been reset. Acis has
14 tried to engage in reset discussions, and Your Honor heard
15 about this in the Acis status conference and in the Acis
16 bankruptcy, but I want to make sure it's on the record here:
17 Acis tried to engage in reset discussions with HCLOF -- again,
18 the entity in which HarbourVest, et al. have the investments
19 -- but they've been rebuffed, and in fact have been sued by
20 HCLOF's investor once removed, CLO Holdco, and then ultimately
21 the DAF (phonetic), and been named in all the scorched-earth
22 litigation that HCLOF has brought against Acis and Mr. Terry
23 in this Court and all around the world.

24 So, this allegation that there is some form of
25 mismanagement and that there are claims that need to be

1 reserved, again, I think are angels on the heads of pins.

2 Nevertheless, I think, to the extent it makes somebody
3 feel better to include that language in there, I think
4 HarbourVest's rights -- and I'll be specific to HarbourVest
5 here, since they're the party raising the issue -- to the
6 extent that they are concerned that the release somehow
7 impacts them, to the extent that they flow through HCLOF, I
8 think that they're already covered. But if you want some
9 belt-and-suspenders language that they're not included either,
10 that their rights that flow through HCLOF are also excluded
11 from release, then I suppose that's okay.

12 THE COURT: All right. So, we got the agreement of
13 Acis that, for belts and suspenders, they are agreeable to
14 language in any order approving this settlement, if there
15 should be one, they're agreeable to clarification that
16 HarbourVest claims are not released pursuant to this
17 settlement.

18 So, Mr. Morris, back to you.

19 Mr. Seery, you all would be good with that extra language?

20 MR. MORRIS: Yes, Your Honor.

21 THE COURT: All right. So, with that assurance, Ms.
22 -- I'm sorry, Ms. Weisgerber, you are withdrawing the
23 HarbourVest objection. Is that correct?

24 MS. WEISGERBER: I just wanted to address briefly the
25 other issue regarding the transfer of Highland HCF Advisor and

1 confirm, so it will not go forward, whether it will either be
2 carved out of the settlement agreement or whether the Court
3 will not be approving that transfer as part of the settlement
4 order. Again, just confirm that it's been excepted, it's not
5 going forward, but we just want to be -- it to be confirmed
6 that, with our concerns if later the Debtors got subsequent
7 legal advice and attempted to engage in a transfer. I think,
8 again, we always say belts and suspenders, Your Honor, but,
9 you know, my client has a history here that we'd like to be
10 certain about what we're getting when dealing with all the
11 parties here.

12 THE COURT: Well, Mr. Morris, --

13 MR. MORRIS: Your Honor?

14 THE COURT: -- we heard you say that you didn't get
15 the legal advice you needed and so you aren't going to be
16 transferring direct or indirect interests in HHCF pursuant to
17 the settlement agreement. Is there something you can add to
18 -- I don't know. This is it. There's --

19 MR. MORRIS: Your Honor?

20 THE COURT: Go ahead.

21 MR. MORRIS: If you want to put it in an order,
22 that's fine, but I don't see any reason to go and tinker over
23 language in the settlement agreement. If Your Honor, you'll
24 make a finding based on Mr. Seery's testimony that the Debtor
25 has received advice, and based on that advice, the asset will

1 not be transferred. And that'll be part of the order, it
2 seems to me. We don't need to do this.

3 THE COURT: All right. So, Ms. Patel, you agree?
4 It's not happening?

5 MS. PATEL: That's -- that is correct, Your Honor.
6 We understand that the Debtor attempted to and has otherwise
7 complied with the terms of the settlement agreement. They had
8 -- they did not get that opinion from nationally-recognized
9 counsel. And Acis understands where that ended up.

10 THE COURT: Okay.

11 MS. PATEL: So, no. No problem.

12 THE COURT: All right. So there, there's your
13 answer, Ms. Weisgerber, on both of your points.

14 So I'll move on, I guess, to Highland CLO Funding now.
15 Are you in a position to say if your objections are resolved
16 by these announcements? Ms. Matsumura, are you there?

17 MS. MATSUMURA: Your Honor, my colleague, Mr.
18 Maloney, had joined the call, but perhaps he's having
19 technical difficulties.

20 Our -- based on what's been said here, our reservation or
21 rights has been resolved.

22 Of course, the other issue that we had that I don't think
23 Mr. Morris addressed was the business of the appeal. I don't
24 think we need anything else said on that. We just wanted to
25 note for the record that we don't consent to dismissing our

1 portion of that appeal.

2 THE COURT: Okay. Well, let's turn, then, to Mr.
3 Kane, CLO Holdco. Have you heard what you needed to hear to
4 get comfortable?

5 MR. KANE: Yes, Your Honor. John Kane for CLO
6 Holdco. The discussion about the satisfaction of our concerns
7 on Section 1(c) of the settlement agreement has resolved our
8 concerns.

9 THE COURT: Okay. Very good.

10 All right. So we're down, I guess, to Mr. Dondero and Mr.
11 Daugherty. All right. Mr. Morris, did you want to make
12 anything further as far as an opening statement, or call your
13 witness?

14 MR. MORRIS: Yes. You know what, I'm happy to call
15 the witness, and then I'll reserve my time for closing
16 argument, if Your Honor (garbled).

17 MR. DEMO: Mr. Morris, this is Greg Demo. Just as
18 one more brief item before we do that, certain of the
19 employees are also being released by this agreement. We've
20 had conversations with their counsel. They didn't file a
21 formal reservation, but they asked a few clarifying questions,
22 which I believe that we and Ms. Patel are in agreement with.
23 And so those employees who are being released by the
24 settlement with Acis, we did want to clarify on the record
25 that the release does not affect any of their rights against

1 -- to assert a claim against the estate. Some of these
2 employees have filed proofs of claim. Others may have
3 administrative claims. And the settlement does not affect
4 their rights under those claims.

5 The settlement also does not affect their rights under the
6 -- to vote for or against the plan.

7 And then, finally, if any of those employees are
8 subpoenaed or subject to discovery requests, it does not
9 affect their right to truthfully respond to those.

10 THE COURT: All right. Anyone disagree with that
11 announcement? (No response.) All right.

12 MS. PATEL: Acis confirms, confirms the agreement,
13 Your Honor.

14 THE COURT: Okay. Thank you.

15 All right. So I promised people you will get ample time
16 to do closing arguments, but I think, given how late in the
17 day it is, we need to just go to the evidence. And so, Mr.
18 Morris, you call Mr. Seery?

19 MR. MORRIS: Yes, Your Honor. The Debtor calls James
20 Seery.

21 THE COURT: All right. Mr. Seery, are you there?
22 Can you hear me?

23 MR. SEERY: I am, Your Honor. Can you hear me?

24 THE COURT: We can hear you. We can't see you yet,
25 but if you'll say "Testing 1, 2" it'll pick you up.

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1 MR. SEERY: Testing 1, 2.

2 THE COURT: All right. There you are. All right.

3 Well, I've sworn you in once today. Do you understand you're
4 still under oath?

5 MR. SEERY: I do, Your Honor.

6 THE COURT: All right. You may proceed.

7 MR. MORRIS: All right. Thank you very much, Your
8 Honor.

9 I don't know if anybody else has had the issue, but there
10 were a couple of times when the screen froze for a second or
11 three. So we'll just see how it goes.

12 THE COURT: Okay.

13 JAMES P. SEERY, DEBTOR'S WITNESS, PREVIOUSLY SWORN

14 DIRECT EXAMINATION

15 BY MR. MORRIS:

16 Q Good afternoon, Mr. Seery. We're here on the 9019 motion
17 for Acis. Can you describe for the Court generally the
18 diligence that you and the independent board members did to
19 educate yourself about the claims that the Debtor had against
20 Acis and the claims that Acis had against the Debtor?

21 A Yes. Recognizing that we're making a separate record, I
22 will -- I'll do all the points, but I'll try to do them
23 slightly more quickly, since it's very similar to what I
24 testified with respect to Redeemer.

25 When we were appointed as directors, we initially did a

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1 lot of work around various claimants and what claims they had,
2 particularly those who were on the Creditors' Committee. And
3 that necessarily led us to dig into the Acis bankruptcy case
4 and the issues surrounding both Mr. Terry and Acis, of which
5 the Court is very familiar.

6 Starting on the very first day of the case, when -- first
7 day that we were appointed, we actually met with Mr. Terry and
8 his counsel, discussed the issues that they raised with
9 respect to their claims and what they thought were substantial
10 claims coming out of the Acis bankruptcy against the Highland
11 estate.

12 After that, we engaged our counsel to research the claims,
13 to do significant work around the legal issues.

14 Early on, as those -- as that work was going on, Mr. Nelms
15 and I ended up going to a meeting with Mr. Terry and Ms.
16 Patel, extensive debriefing on their claims and challenging a
17 number of the positions that they had. We took that back and
18 did extensive work with the team, which is the team at both
19 Highland, in terms of the underlying factual issues related to
20 the Acis case, as well as the legal issues both from Acis and
21 as were articulated by Ms. Patel and Mr. Terry.

22 When they filed their claim, we dug into that completely
23 and analyzed it both with respect to the legal and factual
24 issues, and had numerous meetings with the board and with
25 counsel with respect to each and every section of the

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1 complaint, as well as the -- how that would dovetail into our
2 case.

3 Q Did you have an opportunity to review any of the Court's
4 decisions in the Acis bankruptcy case?

5 A Yes, we did. We -- I did, and I know that each Mr. Nelms
6 and Mr. Dubel did as well.

7 There were numerous decisions, including the confirmation
8 of orders and the (inaudible) that started, you know, back in
9 the arbitration decision, which we also all read, and then
10 right into the case, into the plan of reorganization, and the
11 specifics with respect to the various transfers that were
12 articulated or laid out in the Acis complaint.

13 Q Did you receive advice and review yourself the advice on
14 issues, on legal issues such as those arising out of the
15 *Mirant* decision, and did you read that case?

16 A I read -- I read *Mirant*. I read all of the cases cited in
17 *Mirant*. I think I read most of its progeny, although it's got
18 a lot of different avenues that courts have taken. I was
19 familiar with the case as an investor because we invested in
20 the *Mirant* debt back in -- when *Mirant* had filed, and so I was
21 familiar and aware of it.

22 I think the issues with respect to *Mirant* are some of the
23 things that I was already familiar with, but we dug in again,
24 and I certainly reread the cases.

25 Q And did the board request and did (inaudible) extensive

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1 analyses, written memorandum covering the issues surrounding
2 the Acis claims?

3 A Like the Redeemer case, the Redeemer issues, we requested
4 memoranda from the Debtor's counsel. Debtor's counsel did
5 extensive work on the issues, both with respect to the Acis
6 case as well as the complaint coming out of the case. We had
7 extensive meetings regarding that memoranda, and then sent
8 counsel back to work harder and to come back, challenging
9 their assumptions and some of their conclusions. So it was --
10 it was an aggressive effort by the team.

11 In addition, we incorporated the Highland team because
12 they had the factual underpinnings. We had our own analysis,
13 but we wanted to see if there was something we were missing to
14 really challenge some of the assumptions that we were making
15 with respect to the claims.

16 Q Thank you.

17 MR. MORRIS: Your Honor, a lot of the factual
18 background is really contained in the Court's own rulings from
19 the Acis case, so we're not going to spend any time on that.
20 I would ask the Court to take judicial notice of its own
21 decisions, including the decisions not of this Court but of
22 the District Court on appeal with respect to the matters that
23 were handled in the Acis bankruptcy.

24 THE COURT: Okay. I'll do that.

25 MR. MORRIS: Is that --

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1 THE COURT: I'll do that.

2 MR. MORRIS: Okay. Thank you.

3 BY MR. MORRIS:

4 Q Mr. Seery, during the course of your diligence, did you
5 learn that Acis and the Debtor and related parties were
6 litigating in different forums?

7 A It didn't -- yeah, the answer is yes. We understood that.
8 We also, you know, received copies of litigation, and even
9 from related-party litigation, from my lawyer, Ms. Patel, the
10 lawyer for Mr. Terry, with respect to various litigations,
11 including the Guernsey litigation and litigation initiated in
12 New York. Obviously, the underlying pleadings from the
13 bankruptcy adversary proceeding in Acis that became the basis
14 of the proof of claim in this case.

15 Q And did you learn that there were also proceedings that
16 were pending, or frankly, that were commenced after you were
17 appointed, in the Texas state court system related to certain
18 of Highland's employees?

19 A Yes, and those, those we learned from the employees.
20 Basically, I think coming out of the Acis case and the
21 positions that Mr. Terry had, litigation was initiated against
22 certain employees that we thought was pretty aggressive
23 litigation, frankly. And it was certainly disturbing, even if
24 -- even if one is indemnified as an employee and there is some
25 insurance, it's unsettling to be sued. So it's certainly sent

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1 a ripple through the organization.

2 Q And under the proposed settlement that the Debtor has
3 negotiated with Acis and (garbled), is the litigation that
4 you've just described going to end, at least for the Debtor,
5 the employees that signed the releases, and the affiliates
6 that are specifically identified in the release?

7 A Yes. As a management team and a board of directors, but
8 also as a CEO, it's critical to us to try to get as much of
9 this litigation resolved as possible.

10 As the Court is aware, this is some other litigation
11 that's gone on for a really long time. It's multi-front. It
12 involves multiple parties. It has collateral damage like the
13 employees. And we wanted to try to resolve all of that
14 litigation, to the extent that we could. We can't bind this,
15 as the Court heard earlier some of the -- those who had
16 reservation of rights. We can't bind entities that we don't
17 own or control. And if it's an entity that we manage, it
18 would have to be in the best interests of that entity in order
19 for us to bind that entity.

20 So we wanted it to be as full as possible. We wanted it
21 to be -- if we were going to have a settlement, that it had to
22 be obviously fair and beneficial to the estate. And if we
23 weren't, we were going to take a pretty aggressive litigation
24 posture vis-à-vis the claims.

25 Q All right. Let's shift from -- well, before I shift, is

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1 there anything that you think the Court wants to hear in
2 regard to the diligence that you and the board did to educate
3 yourself about the nature, scope, and value of the Acis
4 claims, Mr. and Mrs. Terry's claims, and the Debtor's claims
5 against Acis?

6 A I think the one additional factor that we have in this
7 claim as opposed to Redeemer -- because Redeemer, although it
8 wasn't completely done before the mediation, and there were
9 certainly hard negotiations after the mediation started, it
10 was outside of mediation. In addition to all the work that we
11 did leading up to our objection to claim, our initial
12 negotiations with Ms. Patel as counsel for Acis, and then Mr.
13 Terry and his own counsel, we also prepared for the mediation.
14 And that was an incredible amount of work, to really examine
15 our own positions, understanding the failings, the weaknesses,
16 and also the strengths, set up what we thought was the most
17 appropriate way to proceed in a mediation there. We hoped to
18 come out with a settlement, if possible, but knowing
19 (inaudible). So we had an additional step with respect to the
20 Acis claim that we didn't have in the Redeemer.

21 Q Well, let's talk about the period prior to the mediation,
22 because obviously you weren't able to, as in your testimony,
23 you weren't able to reach an agreement prior to that. But can
24 you describe for the Court in general terms how the
25 negotiations went, who took part in the negotiations, so the

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1 Court has a good mindset as to the level of arm's length of
2 discussions that took place?

3 A Well, in the pre-mediation negotiations, we, as I said,
4 had had extensive dealings with and among counsel, and the
5 board was kept regularly informed of any of those discussions.
6 In addition, each of the board members -- Mr. Dubel, Mr.
7 Nelms, and myself -- had direct negotiations with Mr. Terry
8 regarding the very specific pieces of his complaint or of the
9 Acis complaint. And those were numerous, and they went on for
10 a considerable amount of time.

11 We initially made settlement offers to Acis and to Mr.
12 Terry, really, around the -- around the crucible of what this
13 -- monetization plan. As I mentioned earlier this morning, we
14 still hoped to have a more grand bargain, and maybe that will
15 get rid of more litigation. As I mentioned further, Mr.
16 Dondero' has made a proposal that I think is -- certainly
17 merits additional work. But we, we set up the plan that is on
18 file that will in front of the Court on Thursday, and it's the
19 alternative plan, but it sets up a crucible that if you are --
20 if we're unable to settle, we're going to litigate claims.
21 And we're still going to be open to settling. I think that --
22 that sort of fostered some early pre-mediation dialogue with
23 Acis and Mr. Terry to set up a possibility that something
24 could get done.

25 Q Is it fair to say that at certain points during these

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1 negotiations frustration set in? Did they -- were they
2 difficult negotiations? Were they -- how would you
3 characterize them?

4 A I would say, to be perfectly fair, and not at all
5 aggrandizing to anybody or flattering, they were arm's length
6 and they were hard negotiations, but they were extremely
7 professional. So I don't think there was, you know, ever any
8 particular difficulty, animus, you know, pre-mediation. The
9 mediation might have gotten a little hot, but at the
10 mediation, we don't want to go into details, but it was very
11 -- it was very professional. It was very arm's-length but it
12 was very professional. It was -- it was slow going.

13 Q I do want to spend just a moment talking about the
14 objection that the Debtor filed to the Acis claim. Do you
15 recall that the Debtor filed an objection to the Acis claim?

16 A Yes.

17 Q Do you recall the arguments? You know, in general, what
18 was the position that the Debtor took with respect to the Acis
19 claim in its objection?

20 A I think our objection had three main components. Number
21 one, and maybe it had good merit, it's legally valid, but some
22 very technical objections. So, we objected to some specific
23 allegations regarding either constructive fraudulent
24 conveyances or fraudulent conveyances, whereas the Acis
25 complaint alleges that the Debtor got them, and some of our

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1 objections were things like no, we didn't get them, a
2 subsidiary got it. And so that would be a technical
3 objection, which I think has merit. You know, as an equitable
4 argument, it could certainly be argued that, well, you control
5 that a hundred percent or 99-1/2 percent, so how do you say
6 you didn't get the benefit? So there were those types of
7 issues.

8 Some of them were, I think, what I would call (inaudible),
9 that they were excellent arguments and they would have been
10 very difficult for Acis and Mr. Terry to ever overcome.

11 The other big overriding objection that we had was that we
12 -- we wanted to get around the *Mirant* holding and really lean
13 on the equities of the case. And so our position was that,
14 while -- while Acis and Mr. Terry had gone through a difficult
15 time, they had a plan of reorganization, and ultimately --
16 ultimately, Mr. Terry would receive the full amount of his
17 original arbitration award, less the amount he paid for the
18 equity, and that that should probably be enough from an
19 equitable perspective to satisfy him, as opposed to having
20 claims against our estate. Our estate.

21 And the third, which ties into this, was an interesting
22 Supreme Court case, and it just -- *Punta* -- it'll come back to
23 me. Which was an argument, I think it's a good argument,
24 hasn't been really applied in bankruptcy often, but that the
25 buyer of an estate doesn't get to get the benefit of claims

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1 because -- against the former owners of the estate or the
2 company because that was factored into the price.

3 I think the challenge with that is, in the bankruptcy
4 context, these claims are often preserved and always pursued.
5 Or often pursued. So there was a challenge to that part of
6 it. But I think we were -- you know, we had solid technical
7 grounds on many of the objections, and we had, I think, a
8 good, creative argument on merit -- on *Mirant* that really was
9 dependent, though, on the perception of the equities of the
10 case.

11 Q Okay. There is a mediation privilege here, so I don't
12 want to divulge anything about the mediation or the end -- the
13 following. Just some very specific questions. Did the -- was
14 -- did the Court enter an order pursuant to which the Debtor,
15 Acis, and others participated in the mediation?

16 A Yes.

17 Q Did the Debtor submit a mediation statement in connection
18 with the mediation?

19 A Yes, an extensive one.

20 Q And was the agreement -- I think it's already been
21 revealed to the Court, but we'll do it again -- was the
22 settlement -- were the settlement terms agreed upon during the
23 mediation?

24 A Yes. And the -- just to be clear and not to reveal the
25 specifics, that part of mediation was very hard-fought. And

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1 then in order to get the actual terms of the deal done, which
2 was exceedingly difficult -- were just good negotiations on
3 each side, I think -- that was done just directly between the
4 parties without the mediators. The actual drafting of the
5 provisions, the structuring of the releases, the limitations
6 on those releases, those were negotiated by the parties
7 without the mediators. The product -- the settlement is a
8 product of the mediation, but those specific pieces were
9 actually done between the parties directly, without the
10 mediators.

11 Q Thank you for the clarification. So, at some point early
12 in the summer, the Debtor files an objection, pursuant to
13 which it claims it has no liability. Is that fair?

14 A I -- I think that's fair, yeah. I think we -- we believed
15 we had a defense to -- at least some defense to every one of
16 their points.

17 Q And then you come out of the mediation and you have this
18 agreement that we're now asking the Court to approve; is that
19 right?

20 A That's correct.

21 Q Okay. Can you just explain to the Court the factors that
22 you and your fellow board members took into account,
23 considered, debated, in deciding that this was a fair and
24 reasonable deal?

25 A Sure. We -- we did believe we had good, meritorious

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1 defenses, and certainly defenses that we put up in good faith,
2 but we had a lot of risk. And so when we went through each
3 count, we thought about the risks that the prior rulings of
4 the Court were in the Acis case and how that might affect our
5 own attempt to deflect our liability.

6 Some of them, we looked at and we thought those were
7 actually, if we could get that settlement as part of it, it
8 would be a pretty straightforward trade. So with respect to
9 an intercompany note that's about \$10 million, it was arguably
10 (inaudible) transferred from -- from Acis, it was transferred
11 -- its claim was it was transferred to Highland. Highland
12 paid on the note. It was actually transferred to an entity
13 that Highland owns and controls. That transfer was done
14 without consideration, was about \$10 million. We would have
15 been liable on that note.

16 We now believe that, for example, that one, we had very
17 little defense on other than a technical defense, and that we
18 would have -- we'd have -- not going to have any liability on
19 it because we effectively owe it to ourself, and now we
20 believe it can be recharacterized or should have been
21 recharacterized as equity in the first instance.

22 So, there are a number of provisions like that. And it's
23 a long complaint. There are a number of allegations that are
24 duplicative, but things like changing the fees. We thought
25 that you could argue that the fee change was a market change

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1 and made sense in the context of what Highland was doing, and
2 I think that's a good, valid defense. The problem with it was
3 the timing. And like a lot of the things in the Acis case,
4 the timing did not help with respect to the equities tilting
5 in favor of Highland. They tilted more towards Acis and Mr.
6 Terry.

7 So when we went through count by count, we put risk
8 probabilities and thought about whether we would be able to
9 prevail or whether there was an opportunity to settle.

10 In addition, you know, just like Redeemer, if this case is
11 going to get resolved, we're going to have to reach
12 settlements. They're not going to be our opportune -- not
13 going to be the best outcome that we would hope. Our best
14 outcome was zero. Our best outcome with Redeemer would have
15 been to deduct everything. But these are settlements that we
16 think are fair and reasonable based upon the risks of -- the
17 likelihood of success, the risks and the rewards of the -- the
18 timing, and the cost.

19 Q And the cost that we're referring to is the cost of
20 litigation; do I have that right?

21 A That's correct.

22 Q Okay.

23 A But by the way, just the cost on these settlements is not
24 just the cost of the two sides' litigation. It's we have a
25 bankruptcy case that, you know, as I've testified before,

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1 Highland's employees do a really good job doing the job they
2 do. The company has a small operating burn. The case is just
3 chewing up the value of the assets. And if everything
4 litigates until the end, we're not going to be in a position
5 to make very good distributions at all.

6 So there's a compelling argument that we should be trying
7 to settle any claims that are meritorious. We have no reason
8 to settle claims that are not meritorious, but claims that are
9 meritorious, we should try to settle if we can.

10 Q Okay. Let's talk for a moment about some of the claims
11 other than the main Acis claims, because there's a few, and I
12 just -- quickly. Claim No. 156 is characterized in our -- as
13 the Terry claim. That's the claim that relates to the taking
14 of the retirement funds. Can you just explain to the Court
15 the board's rationale and their reasoning in deciding to treat
16 the claim in the manner that is being proposed under the
17 settlement?

18 A Yeah, I think this one is again pretty straightforward,
19 that Highland, you know, had arguable justification for the
20 treatment of that account. We went through it pretty closely.
21 It ended up with Mr. Terry and Mrs. Terry receiving no value
22 from the -- the value from his -- from his 401(k). And we
23 thought that this was a claim that was pretty straightforward
24 that should have been settled years ago. And that -- and it's
25 not a large amount of money, but it's, we think, in the

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1 context of the case, the right answer was to simply settle
2 that one for the full value of the claim.

3 Q Thank you. And Claim #155 is defined as the Acis, LP
4 claim. I think that's the claim arising out of the NWCC
5 litigation in New York. Can you just describe briefly for the
6 Court what that -- your understanding of what that claim is
7 and why the Debtor has chosen to enter into the agreement for
8 the settlement of that claim?

9 A Yeah. And this is another one. It's not as personal and
10 difficult in terms of settling it, but it is one that's
11 nettlesome. Highland -- it's a long saga, but Highland had
12 retained a party to assist with some (inaudible) kind of
13 financing. It turned out it didn't either want or need it.
14 It turned over the contract. It owed a small amount of money
15 under the contract. And then it just didn't pay. And that
16 party sued in New York Supreme Court, and then Highland was
17 deleterious. Its counsel just failed to respond.

18 Ultimately, after getting an extension, its counsel
19 responded. Its counsel responded, including with respect to
20 Acis. Unfortunately, Acis was controlled by a trustee, so
21 Acis then never -- never got the proper notices. And the case
22 proceeded to Acis's detriment, and this is the cost of the
23 fees to try to undo that, which ultimately Acis was able to
24 do. It's still, I believe, a defendant in the case, but was
25 able to -- to separate from default-type judgments and risks

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1 it had incurred because Highland's counsel had not properly
2 dealt with the case.

3 Ultimately, the case went against Highland. I think it's
4 one that should not have gone against it. And what was a very
5 small amount that was owed is now a few hundred grand.

6 Q Hmm. And then the last piece of the puzzle, I believe, is
7 the satisfaction of the fees incurred in connection with
8 Guernsey. Can you describe for the Court your understanding
9 of what that provision of the settlement pertains to and why
10 the Debtor believes it's in the best interests of creditors to
11 do that?

12 A Yes. The Guernsey litigation was brought by HCLOF in
13 Guernsey. The Debtor was not part of it. However, the Debtor
14 has an advisory agreement through HCF that we talked about
15 earlier. And Acis and Mr. Terry took the view that we had the
16 ability to stop that litigation. We actually went out and had
17 outside counsel tell us we did not have that ability. And
18 after doing -- doing work on it. But it was one of those
19 issues, again, a nettlesome one, where HCLOF lost in Guernsey.
20 Guernsey is a loser-pays jurisdiction. And this is one of
21 those items that I suspect that, because of our case as a
22 manager, it was something that was really important to Mr.
23 Terry. And for the amount of the settlement, in order to get
24 the overall deal done, we agreed that we would compromise that
25 amount, his statutory amount, and then he could litigate for

1 his full fees.

2 So, rather than have either HCLOF or Acis go and spend
3 additional dollars to litigate in Guernsey to determine the
4 fees -- which we don't really know how that would have come
5 out, but there's at least a minimum, the statutory amount --
6 we compromised it.

7 Q Last question, as I did with the earlier settlement:
8 We've touched, I think, on all of the factors at play under a
9 9019 analysis, but can you just explain to the Court in your
10 own words why you and the Debtor and the independent board
11 members believe that this settlement is in the paramount
12 interests of creditors?

13 A Well, we, again, we went through a rigorous examination of
14 the risks and rewards of the litigation. The timing, the
15 costs overall to the estate, and the claims that Acis and Mr.
16 Terry had. The challenge that we had is that, where we are in
17 the case, it's not just creditors that are at -- potentially
18 on the other side, the creditors of Highland on the other
19 side. And that means that there's a risk that a finder of
20 fact, looking at the totality here, based upon *Mirant* and the
21 subsequent cases, when you balance the equities, they may not
22 always find that they tilt in Highland's favor. So the risks
23 that they would tilt against us was material, and that left us
24 open to potentially a significant award.

25 In addition, as I mentioned, of the total amount, we think

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1 that the note was one that we actually owe, and we owe it to
2 somebody, but now we owe it to ourselves. So of the total
3 settlement amount, \$10 million really is self-funding because
4 we're not going to have to pay that obligation.

5 So our view is that, overall, this is a -- like the
6 Redeemer. It's a fair total settlement that we can reach with
7 Acis and Mr. Terry. We can wrap up a number of litigations,
8 including litigations against the employees, and that is --
9 even though I think it's got good, meritorious defenses,
10 having that over one settlement, harder to bring this case to
11 a close, and we'd be -- we'd be relying every day on those
12 very employees. And I can tell you for certain that it was
13 important to them to eliminate that risk from their day-to-day
14 lives.

15 Q You know, I apologize, there was one other question I
16 wanted to ask with respect to the probability of success on
17 the merits. Did you and the independent board take into
18 account the credibility findings that this Court made in prior
19 decisions and the equities that the Court might interpret
20 based on the Court's prior findings in assessing the
21 likelihood of success on the merits?

22 A Yes. And the risk that we saw, frankly, is that if we
23 were just dealing in the pure world of constructive fraudulent
24 conveyance and we were dealing in a pure world where equities
25 were balanced and didn't tilt against us, then we would be

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1 more likely to push the litigation angle of it. I think this
2 case still should settle, but it would give us more likelihood
3 that we would have a probability of winning.

4 With the prior decisions, it puts a significant amount of
5 risk on the *Mirant* equities argument. And once we -- if we
6 were to lose that, or if it was to be found that these were
7 actual fraudulent conveyances, and based upon some of the
8 prior testimony, one might assess that there were some risks
9 there, that certainly leads us to believe that this is a fair
10 settlement.

11 MR. MORRIS: Your Honor, I have no further questions
12 and no further witnesses. But I would like at this time to
13 move for the introduction -- for the admission into evidence
14 of certain exhibits.

15 THE COURT: All right. Point me to where those
16 appear on the docket again.

17 MR. MORRIS: Yeah. I really apologize. That's the
18 one docket number I don't have. I think we filed it on Friday
19 evening, if that helps.

20 THE COURT: Okay. Just a moment. Okay. Let me back
21 up. Your witness and exhibit list is at Docket 1202.

22 MR. MORRIS: Okay.

23 THE COURT: And I'm sorry, you're wanting to move
24 into evidence all of the items on here, or no?

25 MR. MORRIS: The four items, the first four items on

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1 there.

2 THE COURT: All right. So the three proofs of claim
3 at issue and then the declaration of Mr. Demo that I think was
4 just attaching the settlement agreement and related items,
5 correct?

6 MR. MORRIS: That's exactly right, Your Honor. Mr.
7 Demo's declaration can be found at Docket No. 1088.

8 THE COURT: All right.

9 MR. MORRIS: And there was just the two exhibits, the
10 settlement agreement and the release. And the Debtor
11 respectfully moves for the admission into evidence of those
12 documents.

13 THE COURT: All right. Any objection? (No
14 response.) All right. Those four exhibits are admitted.
15 Again, they are found at Docket Entry 1202.

16 (Debtor's Exhibits are received into evidence.)

17 THE COURT: All right. So you have the passed the
18 witness. First, any friendly examination that is not
19 duplicative? Ms. Patel, anything from you?

20 MS. PATEL: No, Your Honor. We'd reserve anything
21 for redirect, if at all.

22 THE COURT: All right. So I'll turn now to counsel,
23 I guess, for Mr. Dondero first. Any cross-examination?

24 MR. WILSON: Yes, Your Honor. This is John Wilson
25 for Mr. Dondero.

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1 THE COURT: Mr. Wilson, you have cross?

2 MR. WILSON: Yes, ma'am.

3 THE COURT: All right. Go ahead.

4 CROSS-EXAMINATION

5 BY MR. WILSON:

6 Q Good afternoon, Mr. Seery. Can you hear me?

7 A I can, yes.

8 Q All right. And we met over Zoom on Saturday, but again,
9 I'm John Wilson and I represent James Dondero. I just wanted
10 to ask you a few questions. And we -- Mr. Dondero and I don't
11 want to re-plow a lot of ground, but you described earlier
12 about how, when you were appointed to the independent board,
13 you began meeting with members of the Official Committee of
14 Unsecured Creditors and then to try to determine what their
15 claims were and began to undertake an analysis of those.

16 Would that be fair?

17 A Yes.

18 Q And in the process of doing so, the board instructed the
19 Pachulski firm to undertake specific legal analysis of the
20 Acis claims and all the causes of action asserted therein; is
21 that correct?

22 A That's correct.

23 Q And in fact, the board worked closely with counsel to
24 analyze the Acis proof of claim, correct?

25 A I -- you broke up. Did we work closely?

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1 Q Yes.

2 A Yes, we did.

3 Q All right. And you described that you requested memoranda
4 and conducted meetings with counsel, instructed counsel to go
5 back and work harder. Is that a fair characterization of what
6 you testified to a minute ago?

7 A I think that is part of it, yes.

8 Q Okay. So, through this process, when you were analyzing
9 the Acis proof of claim and becoming familiar with the
10 particular claims asserted therein, you became aware that this
11 was the subject of an adversary proceeding in the Acis
12 bankruptcy, correct?

13 A Yes.

14 Q And in fact, that there is -- the Acis proof of claim
15 attaches the second amended claim from the Acis versus
16 Highland adversary proceeding; is that correct?

17 A You broke up at the end, but I think the answer is yes, if
18 it was that it attaches the second amended complaint. I
19 believe that's correct.

20 Q Right. And that Acis v. Highland adversary proceeding had
21 been the subject of litigation at the time the Highland
22 bankruptcy was filed, right?

23 A I believe yes, it had commenced.

24 Q And that litigation had been proceeding for actually many
25 months, correct?

1 A Yeah. The Acis case and the adversary had been initiated
2 well before our filing.

3 Q Right. And you became aware through your analysis and
4 attempts to discover information about this claim that
5 discovery was being conducted in that adversary proceeding;
6 that's correct?

7 A I don't know that I ever saw any of the specifics of
8 discovery. I assume there was discovery.

9 Q Well, and I think you testified on Saturday that you were
10 aware that discovery was being conducted in the adversary
11 proceeding.

12 A I mean, I'm sure -- I'm sure I knew that there was
13 discovery in the adversary, but I don't -- I don't have a
14 specific recollection of what the discovery was. That's not
15 something --

16 Q Right. And my question wasn't whether you reviewed all
17 the discovery. It was just that you were aware that it was
18 being conducted, correct?

19 A I was aware that it had. I don't know that it was current
20 at the time that we got involved.

21 Q Now, I think that -- I think you've offered testimony that
22 you worked with the Pachulski firm in developing the written
23 objection that was ultimately filed to the Acis proof of
24 claim?

25 A That's correct.

1 Q And before that objection was filed, you and the other
2 members of the board reviewed it, right?

3 A Yes.

4 Q And the other members -- you and the other members of the
5 board took the position or agreed with the position taken in
6 the written objection, correct?

7 A Yes.

8 Q And the board approved the written objection before it was
9 filed?

10 A That's correct.

11 Q And so ultimately the Pachulski firm filed Highland's
12 objection to Acis' proof of claim on June 23rd, 2020?

13 A I believe that's correct. I don't know the date off the
14 top of my head.

15 Q And would you agree with me that the Highland objection
16 took a pretty aggressive stance with regard to the Acis proof
17 of claim?

18 A I agree, yes.

19 Q And in fact, the Highland objection took the position that
20 the Acis claim should be disallowed in its entirety; is that
21 right?

22 A That's correct.

23 Q I've got Bryan Assink from my firm here with me, and he's,
24 excuse me, going to try to share a document on -- on the
25 webcam. What we're going to look at is Exhibit G, which is

1 actually -- it's Dondero Exhibit G, which is actually the
2 Highland objection to the Acis proof of claim. Can you see
3 that on your screen?

4 A I can, yes.

5 Q All right. And if you look at the top of that, the very
6 top where it has the file stamp that shows that -- it shows
7 that it was indeed filed on 6/23/20, and it's Docker No. 771.
8 Can you go to Page 3 now? And I don't want to work through
9 the entire 65 pages of this document, but I'd like to kind of
10 work through some of the -- some of the statements made in the
11 preliminary statement that I think are intended as a --
12 somewhat of a summary of the positions taken in the document.

13 But if you look on Page -- if you look on Page 3, about
14 halfway down, the beginning of that Paragraph No. 2, where it
15 says, (inaudible) Terry keeps a \$75 million windfall, which
16 would come not at Dondero's expense but from the pockets of
17 the Debtor's innocent creditors, including unsecured trade
18 creditors, the Redeemer Committee, the Highland Crusader Fund,
19 with an arbitration award of \$191,824,557, and UBS Securities
20 (inaudible).

21 And so Highland took the position on June 23rd that Mr.
22 Terry was seeking a \$75 million windfall, correct?

23 A That's correct.

24 Q And they took the position that that windfall was not
25 going to come at Mr. Dondero's expense but instead at the

1 expense of Debtor's innocent creditors, correct?

2 A That's what we said, yes.

3 MR. WILSON: All right. Can you go to Page --

4 BY MR. WILSON:

5 Q Now, this is the next page of the document, Page 4, where
6 it says that James Dondero and Mark Okada were Acis's sole
7 owners, and it's hornbook law that sole owners do not owe
8 fiduciary duties to their company.

9 MR. WILSON: Can we go to the top of Page 5?

10 (Pause.)

11 MR. WILSON: Sorry. Having technical difficulties.

12 BY MR. WILSON:

13 Q And starting at the bottom of that paragraph, it says that
14 Delaware law does not permit creditors of a limited
15 partnership to sue third parties for breach of fiduciary
16 duties, nor does it permit a trustee to sue on their behalf.
17 These claims are not and cannot as a matter of law be brought
18 for the benefit of Acis's foreign creditors.

19 And so on June 23rd, 2020, Highland was thinking that the
20 breach of the -- the breach of fiduciary duty claims could not
21 be brought as valid claims in the Highland bankruptcy,
22 correct?

23 A Yes.

24 MR. WILSON: And then go to the bottom of Paragraph

25 B.

1 BY MR. WILSON:

2 Q It says -- the last sentence of Paragraph B says that even
3 if the equities are applied as this Court once held they may,
4 there is no equity in permitting a new owner to sue persons
5 for conspiring with the old owner in order to parlay a \$1
6 million investment into \$75 million, at the expense of this
7 Debtor's creditors.

8 And once again, you're taking the -- I'm sorry -- Highland
9 is taking the position that there is no equity in Acis's claim
10 because they're parlaying a \$1 million investment into \$75
11 million at the expense of Debtor's creditors. And that was
12 Highland's position on June 23rd, 2020, correct?

13 A That's correct.

14 MR. WILSON: Go to Page -- actually, just go down a
15 little bit.

16 BY MR. WILSON:

17 Q And then with respect to the fraudulent transfer claims,
18 Highland took the position that, third, the fraudulent
19 transfer claims fail and may be summarily resolved because the
20 Debtor did not receive the benefit of the alleged fraudulent
21 transfers since, with one exception, it was not the transferee
22 of the transferred rights.

23 So Highland had taken the position on June 23rd, 2020 that
24 the fraudulent transfer claims must be fail and can be
25 summarily resolved, correct?

1 A That's correct.

2 MR. WILSON: All right. Go to D on the next page.

3 BY MR. WILSON:

4 Q And here in Paragraph D, it says there is nothing left of
5 the former Acis estate. Creditors were paid, Old Equity was
6 cancelled, and New Equity is held by a purchaser who paid \$1
7 million, no different than if he had done so at an auction.
8 There is no estate to benefit.

9 So, and then it continues on, authorities before and after
10 *Mirant* hold that the (inaudible) recovery should be limited
11 based on equitable considerations. Unlike *Mirant*, in this
12 Court's *Texas Rangers* decision, this is not a case in which
13 the recovery will enable the debtor to satisfy outstanding
14 claims, obligations, or one in which creditors are forced to
15 take equity instead of cash and are depending on its value for
16 recovery on their claims. There is no estate and no equity to
17 support Mr. Terry's windfall.

18 So, Highland, on June 23rd, 2020, was taking the position
19 that there was no estate to benefit because all the creditors
20 have been paid and Old Equity was transferred and New Equity
21 was held by Josh Terry; is that correct?

22 A That's correct.

23 Q In Paragraph E, that's where Highland discusses how the
24 (inaudible) Doctrine holds that the purchase of controlling
25 equity in a company may not be used to control through

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLANT RECORD
VOLUME 13**

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

IN RE:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

Debtor.

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Case No. 19-34054

Chapter 11

APPELLANT'S SECOND AMENDED DESIGNATION OF ITEMS TO
BE INCLUDED IN THE RECORD ON APPEAL AND
STATEMENT OF ISSUES TO BE PRESENTED

Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Appellant James Dondero ("Appellant") in this appeal as noticed by the Notice of Appeal filed by Appellant on November 9, 2020, files this *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented*¹ in the above-captioned case and requests that the Clerk prepare and forward the items listed herein to the District Court for inclusion in the record in connection with this appeal.

¹ This designation is being further amended to group together certain docket entries per the clerk's request.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL

Vol. 1
000001 1. Notice of Appeal filed by Appellant [Docket No. 1347];

000029 2. *Order Approving Debtor's Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302];

000053 3. Docket entries kept by the bankruptcy clerk in case no. 19-34054; and

4. Each of the additional documents and items designated below:

Vol. 2 000330 000392	Designation No.	Docket No.	Date	Description
	1.		10/25/18	<i>Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC</i> [Docket No. 660 in Case No. 18-30264]
	2.		1/31/19	<i>Findings of Fact, Conclusions of Law, and Order Granting Final Approval of Disclosure Statement and Confirming the Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC, as Modified</i> [Docket No. 829 in Case No. 18-30264]
Vol. 3 000621 THRU Vol. 5	3.	607	4/28/20	<i>Summary of First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from October 16, 2019 through March 31, 2020</i> [Docket No. 607]
Vol. 5 001208	4.	617	5/1/20	<i>James Dondero's Limited Response to Acis Capital Management, L.P. and Acis Capital Management GP, LLC's Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause for Violations of the Acis Plan Injunction</i> [Docket No. 617]
001211	5.	771	6/23/20	<i>Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC, filed by Highland Capital Management, L.P.</i> [Docket No. 771]

Vol. 5 001276	6.	827	7/13/20	<i>James Dondero's (i) Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC; and (ii) Joinder in Support of Highland Capital Management, L.P.'s Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 827]</i>
001284	7.	832	7/14/20	<i>Response of James Dondero to the Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor [Docket No. 832]</i>
001293	8.	891	7/23/20	<i>UBS (i) Objection to Proof of Claim of Acis Capital Management L.P. and Acis Capital Management GP, LLC and (ii) Joinder in the Debtor's Objection [Docket No. 891]</i>
Vol. 6 001300	9.	908	7/31/20	<i>Omnibus Response to Objection to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 908]</i>
Vol. 7 001571 Thru Vol. 8	10.	971	8/19/20	<i>Summary of Second Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Debtor and Debtor in Possession, for the Period from April 1, 2020 through July 31, 2020 [Docket No. 971]</i>
Vol. 8 001965	11.	983	8/21/20	<i>Agreed Scheduling Order Regarding Objections to Proof of Claim of Acis Capital Management, L.P. and Acis Capital Management GP, LLC [Docket No. 983]</i>
001970	12.	1079	9/21/20	<i>First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1079]</i>
Vol. 9 002031	13.	1080	9/21/20	<i>Disclosure Statement for the First Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1080]</i>
002186	14.	1087	9/23/20	<i>Debtor's Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer</i>

			<i>G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith [Docket No. 1087] (the “Acis Settlement Motion”)</i>
15.	1088	9/23/20	Declaration of Gregory V. Demo in Support of the Acis Settlement Motion [Docket No. 1088]
16.	1088-1	9/23/20	Settlement Agreement between the Debtor, Acis, and certain related parties [Docket No. 1088-1]
17.	1088-2	9/23/20	General Release between the Debtor, Acis, and certain related parties [Docket No. 1088-2]
18.	1094	9/24/20	<i>Eleventh Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP as Counsel to the Debtor for the Period from August 1, 2020 through August 31, 2020 [Docket No. 1094]</i>
19.	1121	10/05/20	James Dondero’s Response to the Acis Settlement Motion [Docket No. 1121]
20.	1194-1	10/16/20	Proof of Claim No. 23 filed by Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively, “Acis”)
21.	1194-2	10/16/20	Proof of Claim No. 72 filed by the Redeemer Committee of the Highland Crusader Fund
22.	1194-3	10/16/20	Proof of Claim No. 81 filed by Highland Crusader Offshore Partners, L.P., et al.
23.	1194-5	10/16/20	Proof of Claim No. 77 filed by Patrick Daugherty
24.	1194-4	10/16/20	Proof of Claim No. 93 filed by Integrated Financial Associates, Inc.
25.	1194-6	10/16/20	Proof of Claim No. 190 filed by UBS
26.	1194-16	10/16/20	Expert Opinion of Nancy B. Rapoport, dated October 11, 2020, including all attachments thereto
27.	1194-17	10/16/20	Curriculum Vitae of Nancy B. Rapoport

Vol. 12 002758	28.	1201	10/16/20	Objection of Patrick Daugherty to the Acis Settlement Motion [Docket No. 1201]
002773	29.	1177	10/16/20	CLO HoldCo. Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1177]
002777	30.	1191	10/16/20	Highland CLO Funding, Ltd's Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1191]
002785	31.	1195	10/16/20	HarbourVest Limited Objection and Reservation of Rights relating to the Acis Settlement Motion [Docket No. 1195]
002791 Thru Vol. 13	32.	1271	10/20/20	Transcript of hearing conducted on October 20, 2020 [Docket No. 1271]
Vol. 13 003047	33.	1285	10/21/20	Transcript of hearing conducted on October 21, 2020 [Docket No. 1285]

STATEMENT OF ISSUES TO BE PRESENTED ON APPEAL

1. Whether the Bankruptcy Court erred in approving the settlement agreement and release entered into between Highland Capital Management, L.P. and Acis Capital Management, L.P., Acis Capital Management GP, LLC, and Joshua Terry pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure as being fair, equitable, and in the best interest of the estate.

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Dated: December 7, 2020

Respectfully submitted,

/s/ Bryan C. Assink

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ATTORNEYS FOR JAMES DONDERO

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on December 7, 2020, a true and correct copy of the foregoing document was served via the Court's CM/ECF system on counsel for Debtor-Appellee Highland Capital Management, L.P. and on all other parties requesting or consenting to such service in this case.

/s/ Bryan C. Assink

Bryan C. Assink

Seery - Cross

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1 corporate machinery to turn around and assert claims against
2 the prior owners if the claims arose prior to the date when
3 the purchaser took control.

4 So Highland was saying on June 23rd, 2020 that the
5 (inaudible) Doctrine prohibited many of Terry's claims? Or
6 Acis's claims, I'm sorry. Is that correct?

7 A That's correct.

8 Q All right. Now, on Paragraph F. Acis (inaudible) seeking
9 \$7 million in so-called overpayments have no legal basis and
10 should be summarily disallowed.

11 So Highland took the position on June 23rd, 2020 that the
12 overpayment claims can be summarily disposed and had no legal
13 basis, correct?

14 A That's correct, sir.

15 Q And 11G says that Acis's civil conspiracy claim also fails
16 as a matter of law because that claim is not recognized. So
17 now -- H. Acis's tortious interference claim fails as a
18 matter of law because it does not apply to at-will contracts.
19 I, Acis's breach of contract claim, like its claim for breach
20 of fiduciary duty, rests on the fallacy that Acis had legal
21 interests that were distinct from those of its sole owners.
22 J, alter ego liability was inadequately pled (inaudible)
23 claim, and moreover, is unavailable on the alleged grounds.

24 MR. WILSON: The top of the next page.

25 BY MR. WILSON:

002998

1 Q And then K, you talk about Debtor's defenses that are
2 meritorious but may not be able to be decided summarily.

3 So, on these 55 pages of this claim, there's a lot of
4 legal argument and briefing over the objections, but I think
5 you would have to agree with me that Highland asserted the
6 position that every single one of the 34 Acis claims could be
7 resolved by summary disposition, correct?

8 A I don't -- I don't think that's correct. I think we said
9 that numerous of the claims could be dealt with by summary
10 disposition, and certain other ones we had meritorious
11 defenses that would have to be litigated because they were
12 fact-based.

13 Q But in any event, you would agree with me that the bulk of
14 this claim was argued could be disposed by summary
15 disposition, correct?

16 A That's correct.

17 MR. WILSON: All right. Now --

18 BY MR. WILSON:

19 Q And I think you told me on Saturday that, with respect to
20 your -- Highland's claim that there's no estate to benefit in
21 Acis, that if there was an estate it would be Josh Terry; is
22 that correct?

23 A I don't believe that's correct, no.

24 Q You don't believe that that's correct or you don't believe
25 that you testified to that?

Seery - Cross

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1 A I'd probably say both.

2 Q Well, maybe I can refresh your recollection as to that.

3 MR. WILSON: Page --

4 BY MR. WILSON:

5 Q We've produced the infamous video. I'm going to try to
6 pull up Page 38 of the deposition that you gave on October 17,
7 2020.

8 MR. WILSON: It's at the top.

9 BY MR. WILSON:

10 Q So starting at Line 3, where it says, I don't think that
11 will be necessary, but in practical terms it's Acis's estate,
12 now just Terry. Mr. Morris asserted an objection. And the
13 answer was, Yeah, I think we would certainly from a litigation
14 perspective try to cabin it that way. And there are a bunch
15 of technical reasons for that, but it's certainly a bit
16 broader than that. There's not a big creditor body, but there
17 are still a few creditors. He is, in my understanding, the
18 only shareholder -- there are, you know, in fact, customers,
19 albeit the management of the investment outsourced some of the
20 funds, so we would -- you know, we tried and attempted to
21 draft it in a way that cabined it to a couple different
22 creditors that could be paid off in --

23 MR. MORRIS: And Your Honor? Your Honor, if I may,
24 just in the future I would respectfully request that if my
25 witness or my client is going to be cross-examined with

003000

Seery - Cross

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1 deposition testimony, and I've lodged an objection
2 specifically to preserve the objection, that the Court rule on
3 the objection before the answer is read into the record.
4 Thank you.

5 THE COURT: All right. So, I'm sorry, you had --

6 MR. MORRIS: Yeah.

7 THE COURT: Let me be clear if you have a pending
8 objection at the moment.

9 MR. MORRIS: If it's not -- if the Court doesn't deem
10 it too late, since it's already been read into the record,
11 yes, I would just ask the Court to rule on the objection that
12 I made during the deposition. That's why we do that.

13 THE COURT: Okay. Well, I got lost, I suppose, on
14 what the objection was that was lodged during the deposition.

15 MR. MORRIS: I objected to the form of the question
16 to the extent it calls for a legal conclusion.

17 THE COURT: All right.

18 MR. WILSON: And Your Honor, I'm --

19 MR. MORRIS: I just want it to be clear that if the
20 Court sustains the objection, that whatever Mr. Seery
21 testified to is not going to be somehow binding as some kind
22 of legal conclusion. That's all.

23 THE COURT: All right.

24 MR. WILSON: Your Honor, my response to that --

25 THE COURT: Response, Mr. Wilson?

003001

Seery - Cross

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1 MR. WILSON: Yes. My response to that objection will
2 be that I did not ask him for a legal conclusion. I asked him
3 a question in practical terms, if Acis's estate now is just
4 Terry.

5 THE COURT: Okay. I overrule the objection.

6 MR. MORRIS: All right. Thank you, Your Honor.

7 THE WITNESS: So I think I answered it correctly.
8 You asked me what I thought, and I said, from a -- this answer
9 is from a litigation perspective. That's the position we
10 took, yes. I think a moment ago you asked me what I thought
11 now from a factual perspective. Most of the issues are laid
12 out in my answer.

13 BY MR. WILSON:

14 Q Turn with me to -- on Page 9. I'm now going to direct
15 your attention to Paragraph 4 of the Highland objection on
16 Page 9, which says, The rights of creditors to be paid were
17 the legal basis of the Acis plan injunction, which is why the
18 injunction terminates once those creditors are paid in full.
19 Mr. Terry elected to acquire new equity for \$1 million. He is
20 not entitled to receive another \$75 million by claiming that
21 Acis was damaged by those transfers, much less from the
22 pockets of the Debtor's unpaid creditors. To impose on the
23 former partners and third parties such as the Debtor a duty to
24 restore \$75 million to the former business, not to pay its
25 creditors but for the sole benefit of successor owner who

003002

1 bought the diminished entity for \$1 million, would be a
2 legally groundbreaking windfall, to say the least. The Acis
3 claim can and should summarily be disallowed in its entirety
4 on the record before the Court.

5 And so does that paragraph to you pretty much sum up
6 Highland's position on the Acis claim as of June 23rd, 2020?

7 A Yes. That's the position we took.

8 Q And the board believed in good faith that these arguments
9 it was making were meritorious, correct?

10 A That's correct.

11 Q And the board had a good faith belief that the legal
12 contentions made in Highland's objection were warranted by
13 existing law, correct?

14 A The legal what?

15 Q The legal contentions were warranted by existing law.

16 A Yes.

17 Q And the board had a good faith belief that the factual
18 contentions in Highland's objection had evidentiary support,
19 correct?

20 A That's correct.

21 Q And so Highland had a good faith belief that Acis's claim
22 could be disposed of, disposed of in its entirety on summary
23 judgment. Correct?

24 A Largely, yes.

25 Q And you agree with me that if claims can be disposed of

Seery - Cross

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1 summarily, that would be a shorter and less expensive legal
2 process than a trial on those issues?

3 A If they are summarily dismissed, that is correct.

4 Q And in fact, an agreement was reached by the parties in
5 this case that Highland and Acis would file motions for
6 summary judgment regarding the Highland objection to the Acis
7 claim by September 16th, 2020, and that those motions would be
8 heard on October 20th, which is today. Do you recall that?

9 MR. MORRIS: Objection, --

10 MR. WILSON: I'm sorry, go ahead.

11 THE WITNESS: That's fine. We don't need to agree.
12 We took a very aggressive position that we wanted to get to
13 court as quickly as we could to put pressure on the Acis side.

14 BY MR. WILSON:

15 Q But my point in asking you these questions is -- so they
16 took the position that there was summary adjudication
17 available for these claims in the -- in the Bankruptcy Court.
18 Is that correct? Would you agree with that?

19 A We were definitely scheduled to have that, yes.

20 Q Okay. Because I read the Debtor's omnibus reply that came
21 in yesterday. And on Page 7, it says there was no indication
22 that summary adjudication is available in this Court. And I
23 just wanted to make that clear, that there was actually an
24 agreed-upon procedure that was approved by the Court. So
25 Highland's initial position was that if Highland paid the Acis

003004

1 claim they were going to give a \$75 million windfall to Terry,
2 correct? And we've just gone through reading a few times in
3 the objection. Can you agree with that?

4 A Yes.

5 Q But I think that you have previously described how there's
6 a counterargument to that windfall from Terry's perspective.
7 Is that right?

8 A There is a counterargument, yes.

9 Q And what would that counterargument be?

10 A In sum, when you look at *Mirant* and the related cases,
11 they do talk about restoring the estate. And so while we --
12 we believed an argument was I think strong that the initial
13 injunction in *Acis* quote/unquote made Mr. Terry whole, there's
14 a strong argument to be made that the estate has claims and
15 that the owner of an estate who buys it through a plan open to
16 everybody is entitled to try to benefit from those claims. So
17 the recovery for the benefit of that enterprise is permitted,
18 and that just happens to be what the law is.

19 Moreover, while we said it was inequitable, there's a
20 counterargument that Mr. Terry would make, which is that he's
21 been -- he had a claim that could have been settled easily and
22 could have been paid off and it wasn't. Instead, there was a
23 long litigation. And it came about because assets from *Acis*
24 were pulled out of *Acis*. It's a pretty straightforward
25 factual recitation that we get from the prior decisions of

Seery - Cross

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1 this Court. And there's a strong equitable argument that Mr.
2 Terry makes that his life has been turned upside down and
3 there's a lot of damage that comes from that. Now, we have,
4 as we lay out, what we thought were meritorious defenses, but
5 they do rely a lot on the equities.

6 Q Right. And we'll get to it now. In your deposition on
7 Saturday, I think you described this with a little more color.

8 (Pause.)

9 BY MR. WILSON:

10 Q On Lines 7 through 13, you were discussing the Highland
11 position related to the windfall, but starting I think and you
12 said equally on the other side, we could say that the man's
13 life was ripped out from him, that his position was taken
14 away, that he got an arbitration award that arguably the
15 Debtor and the Debtor's management at the time stripped away
16 all the assets (inaudible) to try to leave him with no
17 recovery. And then when he sought a recovery, they sought to
18 sue him in every jurisdiction in the world to make sure to
19 ruin the guy's life and put him in a position where, while for
20 some it might seem a windfall, to him it might seem just.

21 MR. WILSON: And skip down toward -- go on to that
22 next answer.

23 BY MR. WILSON:

24 Q Where it says, that it took a bunch of years of his life
25 and destroyed his career is not really our issue.

003006

Seery - Cross

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1 So these are the equities that you were considering when
2 you -- when the board decided to settle this claim, this Acis
3 claim?

4 A Overall. This is my summation. I wouldn't want to
5 engraft it necessarily on Mr. Dubel and Mr. Nelms. But
6 certainly this general position. I'm not quite sure why you
7 read it out. But yes, that's the other side, in a nutshell.

8 MR. MORRIS: Your Honor, this is -- this is John
9 Morris. Mr. Seery made a point, frankly, that I was thinking
10 of, but it is an important point. There's really, in my
11 experience, no need to go to a deposition transcript unless
12 it's being used for impeachment purposes. If Counsel has a
13 question of my witness, I would -- I would respectfully
14 request that he simply ask it.

15 THE COURT: All right.

16 MR. MORRIS: Thank you.

17 THE COURT: Mr. Wilson, what do you have to say about
18 that?

19 MR. WILSON: Yes, Your Honor.

20 THE COURT: I think he's correct. Anything you want
21 to challenge about that point?

22 MR. WILSON: Well, not really, Your Honor. I could
23 -- I could ask the questions, but I just, in that instance, I
24 thought it was easier to get the exact testimony on the
25 record. I don't think it's inadmissible for any purpose. And

003007

Seery - Cross

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1 he's, you know, he's welcome to comment on it if he needs to
2 or put it in context or -- I mean, if there's a (inaudible) or
3 something else, you know, I'll live with that. I was just
4 doing it for ease, instead of having to ask him a bunch of
5 individual pointed questions.

6 THE COURT: Okay. Well, we've got him here, so let's
7 just -- you know, we've got him here so we don't need to use
8 the deposition unless, you know, there's some impeachment
9 purpose.

10 So let me just ask you. You have -- you've been going 27
11 minutes on cross. I really want to break tonight at a point
12 that makes sense, which to me suggests we should finish this
13 witness. How much longer do you feel like you need?

14 MR. WILSON: I believe I'm at least halfway done, if
15 not further along, Your Honor.

16 THE COURT: All right. Well, hmm. I'm going to ask
17 you to just speed it up. I'm going to stop -- well, here's
18 the deal. We have maybe two more witnesses, right? You all
19 have named Professor Rappaport, and Mr. Daugherty is named as
20 a witness. And I said I would come back tomorrow, but I'm
21 trying to respect the fact that Acis's counsel, their lead
22 counsel is not available tomorrow. So add to this
23 complication that, as we have been conducting this hearing
24 this afternoon, four objections to the disclosure statement
25 have been filed that at some point -- that at some I need to

003008

Seery - Cross

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1 read and a lot of other lawyers in the room need to read. And
2 I'm -- what is our hearing? It's Thursday. Is it 9:30 in the
3 morning Thursday? Yes. My law clerk is saying yes. So we're
4 running --

5 MS. MASCHERIN: I believe that's right.

6 THE COURT: We're running out of available hours
7 here. So, with respect, Mr. Wilson, I'm going to give you 15
8 more minutes. So we're going to pass the witness --

9 MR. KATHMAN: Your Honor, this is --

10 THE COURT: Yes?

11 MR. KATHMAN: Your Honor, this is Jason Kathman. And
12 I don't know if this helps or makes things more difficult, but
13 I think my cross of Mr. Seery is at least probably 20 or 30
14 minutes, and so I'm just telling you now, if the Court's
15 thinking about breaking now, and to give Mr. Wilson another 15
16 minutes, I'm not a five-minute cross-examination. I don't
17 think I'm an hour, but it's certainly more than five minutes.
18 So, again, I say that. I don't know if that helps or hurts,
19 but I wanted to pass that information if it affects the
20 Court's decision-making.

21 THE COURT: Okay. Mr. Wilson, continue. You've got
22 15 minutes to wrap it up.

23 MR. WILSON: Thank you, Your Honor.

24 BY MR. WILSON:

25 Q Now, Mr. Seery, is it true that prior to filing that

003009

1 Highland objection that we just reviewed that Highland made an
2 offer to settle the Acis claim for \$4 million?

3 A We did. We made an initial settlement offer to Acis for
4 \$4 million plus withdrawing our claims in the Acis case.

5 Q Okay. And around that same time, did Highland make an
6 offer to settle UBS's \$1 billion proof of claim for
7 approximately \$20 million?

8 A I think that's about the right amount, yes.

9 Q Okay. And you believe the Debtor in this case is solvent,
10 correct?

11 A Yeah. I believe, and I think I testified earlier, and
12 also on Saturday, that I believe that we have projections
13 that, if we are able to hit them, we have to improve on them,
14 and we have to keep our costs down, and if we have a claim
15 amount for UBS which we think is zero, and we do believe
16 that's the case, as well as zero for HarbourVest, which I
17 argue is the same, and Mr. Daugherty I believe it's 3.7, that
18 we would be very close to paying claims in full, yes.

19 Q So, based on those assumptions, you believe there'll be
20 room for equity to participate under the currently-filed plan?

21 A It would be -- it would be close, yeah, but there's a
22 potential, certainly. It would be close. But again, to --
23 again, there's -- again, there's -- these are not -- it's not
24 a matter of distributing a sack of cash. These are assets
25 that we have to manage and then sell into the market. And as

1 we had testimony earlier on Cornerstone, these are not big,
2 giant high-grade companies. These are private, smaller
3 companies with issues and risks.

4 Q Okay. And it's your information that the allowed amount
5 of the UBS claims should be zero, right?

6 A Yes.

7 Q And I won't ask you again to give your reasons for that.
8 And can you -- there's been lots of argument and talk about
9 this all day today, but I think it's a pretty simple question.
10 But you would agree with me that, in the Fifth Circuit, and
11 that's based on U.S. Supreme Court precedent, that a
12 bankruptcy court should not approve a settlement unless it's
13 fair and equitable and in the best interest of the estate,
14 correct?

15 A I think that's generally the standard, yes.

16 Q Right. And you believe that, although Highland's 9019
17 motion to approve the Acis settlement doesn't actually use the
18 phrase "fair and equitable," I believe you testified that you
19 believe the Acis settlement is fair and equitable; is that
20 correct?

21 A Yes, I do believe that.

22 Q And can you briefly describe for me why that is that you
23 have that belief?

24 A Yeah. I believe I testified earlier that a lot of our
25 defenses were, you know, technical defenses, or that we have

1 the -- we had some straight legal defenses which we think are
2 very good, and then a lot of them rested on *Mirant* and the
3 equities. And that we felt strongly about the legal defenses.
4 The technicals are more difficult because I think a court of
5 equity could look through them. And the *Mirant* was really a
6 question of the -- of the equities and how they tilt.

7 And so you have to think your way through those based upon
8 the prior experience of this Court and Acis's prior
9 litigation, and there's, frankly, prior rulings talking about
10 certain of the valuations and the transfers. And the risks on
11 those were significant.

12 If we could win on *Mirant* and argue that there is no real
13 estate, I think that would be -- would have been an
14 interesting argument, and in a different circuit we may have
15 had a stronger argument. I think that *Mirant* in particular,
16 which, although I guess not for me to say, but I don't think
17 it's the right law, but it's the law. And so we have to -- we
18 have to adhere to the legal framework that we have, as well as
19 the factual underpinnings of the case, including the history
20 in Acis.

21 And so we think that, in the context of this case,
22 settling this multi-year litigation that involves a myriad of
23 different parties, a myriad of different courts, is a fair and
24 equitable settlement for this estate to try to move it
25 forward.

1 Q And you believe that the equities in this case tilt
2 heavily in favor of Terry and heavily against Highland,
3 correct?

4 A I wouldn't -- I wouldn't -- I wouldn't want to say that
5 directly. I don't think that that's necessarily the case. I
6 think that they tilt -- they tilt in Mr. -- in Acis's favor
7 and Mr. Terry's favor on a lot of the key issues. And I think
8 one could argue that they're heavily -- they heavily tilt on
9 -- you know, I think that there's a lot of -- there are
10 certainly equities in Highland's favor in terms of the
11 Highland team and what they do and how they perform, and the
12 creditors in the Highland estate and their claims against
13 Highland, but there are certainly -- certain of the equities
14 tilt very favorably towards Mr. Terry and Acis.

15 Q And in applying those standards that the Fifth Circuit
16 sets for approving a 9019 motion, do you understand that the
17 Fifth Circuit has instructed courts to consider certain
18 factors such as the probability of success on the litigation?
19 Is that correct?

20 A Yes.

21 Q And did you consider that factor in reaching a settlement
22 with Acis?

23 A We did, yes.

24 Q And we've talked about how Highland maintained the
25 position as of June 23rd, 2020 that the Acis claims should be

1 disallowed in its entirety, correct?

2 A That's correct.

3 Q All right. And the next factor that the Court is supposed
4 to consider is the expected duration and expense of
5 litigation. Did you consider that factor?

6 A We did.

7 Q And we talked about how it was Highland's position on June
8 23rd, 2020 that all of Acis's claims were amenable to summary
9 disposition, which is, as you agree, substantially less
10 expensive and time-consuming than a full trial, correct?

11 A Yes. If you are successful, it's much more efficient,
12 yes.

13 Q And did the board conduct a specific analysis as to the
14 time and expense that the litigation -- of the litigation
15 anticipated to resolve the Acis claim would require?

16 A I'm not sure what you mean by a specific analysis. It was
17 certainly part of our analysis that if we went forward with
18 summary judgment, we felt strongly that we had a real
19 opportunity to prevail on a certain number of the claims.
20 However, if we lost, we were going to be at a significant
21 disadvantage because that would have meant most likely then
22 showing that there were factual issues and most likely would
23 have hinted that there were some equitable issues. And that
24 would have put us in a very difficult position both in
25 litigating those claims and pushing the case forward.

1 Q Did the board come up with a specific number or a range of
2 numbers that it considered?

3 A I don't recall a specific number. I think at the
4 deposition you asked me what I thought it would cost to try
5 these claims. And from probably just one side I could come up
6 with that number. But as I testified before, there's multiple
7 sides here. And the case also continues to burn, from a legal
8 and professional fee perspective, additional overhead as that
9 trial would go on.

10 Q Okay. And even if the Acis settlement is approved, and we
11 know now that the Redeemer settlement is approved, the UBS
12 claim remains outstanding, which will require lengthy
13 litigation, correct?

14 A I disagree with that. The UBS claim does remain
15 outstanding, but we have summary judgment papers in front of
16 the Court, and they're very narrow issues. We think that the
17 vast majority of UBS's claims, which are against foreign
18 subsidiaries with no recourse to the Debtor whatsoever, are
19 going to be disposed of. So we're going to be down to what we
20 think are equally weak or unfortunately factual claims on
21 fraudulent conveyances. And -- but they're minimal dollar
22 amounts.

23 Q And did the board conduct an analysis of how long that
24 litigation is going to take?

25 A A specific analysis to how long a fraudulent conveyance

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1 litigation would take? We haven't done a specific one, but
2 we've thought about it. This one's pretty straightforward
3 because it's not going to be real complicated in order to
4 value the assets because the assets that were returned by HFP
5 -- there's a much more difficult process for UBS because they
6 don't have a claim against HFP, which is the transferor. They
7 have a -- they have to get an alter ego first. So it is -- it
8 is -- there's a number of steps. But the defenses and the
9 valuation is very easy because these are assets that were,
10 just prior to the -- in the same year as the fraudulent
11 conveyance, I think, or maybe 14 months after, had been
12 purchased by Multi Strat, which was a firm that had third-
13 party investors as well.

14 Q Okay. And I just want to ask a handful more questions,
15 because I think I'm running out of time. But one of the other
16 factors that the Fifth Circuit looks at is whether the
17 settlement was reached by an arm's-length transaction. And I
18 would ask what you believe arm's-length bargaining means.

19 A What I think arm's-length bargaining means?

20 Q Yes.

21 A I think it's two parties that are on opposite sides, that
22 do not have undue influence on each other, that do not have --
23 there's no collusion. There's no side deals. That they're
24 negotiating fairly and they're negotiating in their own
25 interests. That is the typical definition of arm's length.

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1 Q And I believe that Highland has maintained a mediation
2 privilege as to the specific negotiations that were undertaken
3 in this case, but it's your position that this settlement was
4 conducted pursuant to an arm's-length bargaining?

5 A Absolutely. With or without the mediation. We have no --
6 no interests in -- nor does anyone else -- with Acis or with
7 Mr. Terry or his counsel. These were hard-fought. They were
8 multifaceted. They involved a lot of analysis. They did
9 involve the mediators and their -- their leaning on one side
10 or the other. We don't what they said specifically to Acis.
11 I only know what they said to our side. But it was the
12 product of a mediation.

13 But even without the mediation, this was -- this would
14 have been arm's length because it's folks without undue
15 influence on each other and no interests in each other's
16 sides.

17 Q Okay. If this settlement is approved, will it end all the
18 litigation regarding Acis's claims?

19 A Unfortunately, I don't think so. And we had a little bit
20 of a preview of that earlier. And frankly, unfortunately for
21 our cases, is limited by what we can do in our own case. But
22 it will end all litigation with respect to Acis and Mr. Terry
23 and Highland and the entities owned by Highland more than 51
24 percent, or more than 50 -- 50 or more percent, I think it is.
25 Anyone that we directly manage. And all of the employees at

1 Highland. So, in retrospect, it does solve all the
2 litigations related to Highland vis-à-vis Acis, Highland
3 employees, Mr. Terry and Mrs. Terry.

4 Q All right. But you'd agree with me that the substance of
5 many of these claims have been asserted against other parties
6 and they're pending in other places, including an adversary
7 proceeding in the Acis bankruptcy case?

8 A There are some. And to be fair, you know, we considered
9 whether we should try to involve third parties. There's
10 lawsuits against law firms that Acis and Mr. Terry have
11 brought. I don't know who brought each one. There's against
12 individual lawyers. We just -- we can only solve the problems
13 that we have control over and we can solve. I would love to
14 have been more expansive, but we didn't have, you know, the
15 facility or the legal right to do those, and we didn't want to
16 try to bring in more parties than we could or we would never
17 get this done.

18 Q Okay. Is it your position that we need the -- that any
19 two of the three large unsecured creditors who are members of
20 the Creditors' Committee, which you probably know them,
21 referring to Acis, UBS, and Redeemer, that you need the
22 support of two of those three to support the plan?

23 A I would say to do -- to do any kind of grand bargain, we
24 would need at least two of those three. And to have the
25 Committee not object, because it's a four-person Committee, we

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1 would need two of four.

2 But I do think that, you know, with respect to the plan
3 that we have, we're going to need probably two of those
4 creditors, at least two of those creditors to support it. And
5 those negotiations are equally hard-fought, and the positions
6 that we're taking, you know, we're -- we feel very confident
7 in and we intend to pursue them.

8 THE COURT: All right.

9 BY MR. WILSON:

10 Q And so was that one of the motives --

11 THE COURT: Last question.

12 BY MR. WILSON:

13 Q -- for settling the Acis claim?

14 THE COURT: Last question, Mr. Wilson. It's been 15
15 minutes.

16 MR. WILSON: Okay. Thank you, Your Honor.

17 THE COURT: Last question.

18 BY MR. WILSON:

19 Q Yes. So my question was: Was that part of your motive
20 for settling with Acis?

21 A Certainly, settling with Acis, settling with everybody,
22 you know, to try to resolve the case, if they're fair
23 settlements and in the best interest of the estate, we would
24 do it. We obviously are not settling with everybody. There
25 are claims that we think are (inaudible) and don't merit real

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1 dollars, and we've been unable to settle those claims because
2 of that.

3 But yes, settling -- settling with Acis, settling with,
4 you know, any of the creditors, we think is critical to try
5 and move this case forward. You know, we would love to have
6 everybody settle. As I said, there are some claims we think
7 are worth zero and we would love to settle them at a dollar.
8 That may require some judicial intervention.

9 Q All right. Thank you, Mr. Seery.

10 MR. WILSON: That was my last question.

11 THE COURT: All right. Let's talk about whether
12 we're going to break or not.

13 Mr. Morris, is there any way you can predict how long your
14 redirect might take, not knowing what Mr. Kathman is going to
15 ask?

16 MR. MORRIS: At the moment, I have none, Your Honor.

17 THE COURT: Okay. Then I'm going to ask -- Mr.
18 Seery, I'm going to put your opinion above all others because
19 you have been testifying --

20 THE WITNESS: Sure.

21 THE COURT: -- a long time. If I cut -- if I limit
22 Mr. Daugherty's cross to 20 minutes, would you rather do that
23 and be done tonight or do you need to break? It's late,
24 obviously.

25 THE WITNESS: Your Honor, I'm open. I do most of my

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1 work for the estate, and so it's really your call and your
2 staff's call. If you want to do it tomorrow, I'm certainly
3 ready to do that. If you want to do it tonight, we'll just
4 keep going. Either way.

5 THE COURT: All right.

6 THE WITNESS: I'm completely open. And I didn't mean
7 to throw it back at you like that, but, you know, you have a
8 staff and I -- I just have a small abode here.

9 THE COURT: Okay. Mr. Kathman, you've got 20 minutes
10 for your cross. And, you know, I'm sorry. We've just been
11 going a long time today and we just had a very extensive cross
12 by Mr. Wilson, so I'm hoping you can give some non-duplicative
13 cross for us. All right.

14 CROSS-EXAMINATION

15 BY MR. KATHMAN:

16 Q Mr. Seery, like Mr. Wilson, we met on Saturday at your
17 deposition, correct?

18 A That's correct.

19 MR. KATHMAN: And for the record, Jason Kathman for
20 Patrick Daugherty.

21 BY MR. KATHMAN:

22 Q Mr. Seery, Acis makes its money from managing CLOs,
23 correct?

24 A That's my understanding, yes.

25 Q Okay. And Acis was essentially Highland's CLO business;

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1 isn't that right?

2 A I think that's fair, yes.

3 Q Okay. In fact, I think your words were Acis was just a
4 shell for Highland; isn't that right?

5 A I don't know if I said -- I think Acis as a corp was a
6 shell. I don't -- so I want to make sure we're not saying
7 shill. But having a shell corporation, there's nothing wrong
8 with it, that's where the Acis -- that's where the Highland
9 business was moved to, into the Acis corporate loan, and Acis
10 then took off from there. But it's the Highland -- it was the
11 Highland business, my understanding.

12 Q Highland's CLO business was moved to Acis and Acis ran
13 Highland's CLO business, correct?

14 A That's correct.

15 Q Okay. In fact, I think your testimony on Saturday was
16 Acis was Highland, right?

17 A Well, they're two -- they're two separate corporations.
18 There's nothing -- there's nothing wrong with being two
19 separate corporations. But Acis was Highland in that Highland
20 provided the employees. I don't believe at the time -- there
21 were partners in Acis, but I don't think there were employees
22 in Acis. I think they were all from -- from the Highland
23 business. And the payroll, everybody who worked there I
24 believe was on the Highland payroll.

25 Q Acis is the manager of certain CLOs, right?

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1 A That's correct.

2 Q Okay. And as the manager of those CLOs, it owes certain
3 fiduciary duties to its client, the CLOs, correct?

4 A Yes. I think that's a fair assessment.

5 Q Okay. Under the Advisors Act, right?

6 A Yeah. That's correct.

7 Q And not just the CLOs, but also the investors in those
8 CLOs, correct?

9 A Well, I think it's actually more (garbled). I think it's
10 actually more the investors. The CLO is just a thing, so it's
11 sort of hard to owe a fiduciary duty to just a thing which is
12 just an investment vehicle.

13 Q Understood. So you would agree with me, then, Acis, as
14 the manager of the CLOs, owed fiduciary duties to the
15 investors in those CLOs.

16 A That's my understanding, yes.

17 Q Okay. And in exercising those duties, the manager, under
18 the Advisors Act, has a duty to subordinate its interest to
19 the interests of those investors in the CLOs, correct?

20 A I think, I think generally when you think about the
21 fiduciary duty, and I think that we -- I want to make sure I'm
22 very specific about this -- is that the manager has a duty --
23 fiduciary duties -- there's a whole bunch of legal analysis of
24 what they are -- but they are significant, serious (inaudible)
25 that the manager owes to the investors. And to the extent

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1 that the manager's interests would somehow be -- somehow
2 interfere with the investors in the CLO, he's supposed to --
3 he or she is supposed to subordinate those to the benefit of
4 the investors.

5 Q Okay. So I think your answer, I think the answer to my
6 question was yes, the manager has to subordinate its interests
7 to the interests of the investors in the CLO, correct?

8 A Yeah. But your problem -- words was pretty loaded.
9 That's why I had to -- no self-interest. Not fees. There's a
10 whole bunch of different analysis. So I think it's fair to
11 say yes. I don't want to quibble with you about your
12 presentation. But we had a long discussion about this on
13 Saturday.

14 MR. MORRIS: Your Honor, if I may, I don't want to
15 interrupt Counsel's flow, but I'm not sure what the purpose of
16 this is, but I just want to make it clear that Mr. Seery is
17 not being offered as an expert on fiduciary duties, and to the
18 extent any of these questions are designed to elicit some type
19 of binding result on the Debtor, I would object.

20 THE COURT: What about that, Mr. Kathman?

21 MR. KATHMAN: Your Honor, may I respond?

22 THE COURT: Please.

23 MR. KATHMAN: I would like to respond to that, Your
24 Honor. There was a hearing held on March 4th in this hearing
25 where the Debtor put Mr. Seery on the stand and he testified

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1 pretty extensively about what his duties are under the
2 Advisors Act. They were trying to pay people. Ms. Hayward
3 had him under direct examination and Mr. Seery testified there
4 about what the duties are under the Advisors Act.

5 So to the extent that Mr. Seery has already been asked
6 questions in this case about what an advisor's duties are
7 under the Advisors Act, I think that that has opened the door
8 and he can answer questions on what his understanding and
9 belief is under the Advisors Act.

10 MR. MORRIS: Your Honor?

11 MS. MASCHERIN: Your Honor, I'm going to also join in
12 with a relevance objection, and I fail to see how testimony at
13 a March hearing that was not a 9019 motion, what possible
14 relevance that has here.

15 THE COURT: Okay. How about the relevance objection,
16 Mr. Kathman? I'm a little concerned.

17 MR. KATHMAN: Sure, I'll answer the relevance
18 objection, Your Honor. The main thrust of one of our
19 objections is that the Acis releases are too -- are
20 essentially premature at this point. And the testimony I
21 think you're going to hear from Mr. Seery is that he didn't
22 consider at all whether Acis had violated its own Advisors Act
23 obligation to any of its investors. He's going to testify he
24 doesn't know who the investors are in the Acis CLOs and
25 whether Acis may have liability for violation of the Advisors

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1 Act. That just purely wasn't something that he considered in
2 determining whether to grant these releases that are -- or
3 agree to these releases that were included in the settlement
4 agreement.

5 And so what I want to know, Your Honor, is, is there
6 potential liability that's there? And I'm getting at the
7 question, I'm asking Mr. Seery, did he consider those things?
8 His answer is going to be no. I took his deposition on
9 Saturday. And that's relevant, Your Honor, because as Mr.
10 Clemente -- and I'm almost done, Your Honor. As Mr. Clemente
11 said a couple of months ago, these things all looked at
12 individually can a lot of time be justified, but when you put
13 it in context and you look at the broader scope of things, you
14 have to examine all of these settlements and all of these
15 motions in the broader context.

16 And our argument, Your Honor, is that there's a whole lot
17 of litigation pending right now. We have the Committee that
18 has a deadline to potentially bring causes of action against
19 Highland CLO Funding. There's a HarbourVest objection on file
20 right now that involves stuff going on with Highland CLO
21 Funding. And all of those facts relate to potential
22 obligations that Acis has to Highland CLO Funding. You heard
23 Ms. Patel talk about that relation earlier when she was
24 speaking.

25 And so, Your Honor, part of our argument is that until we

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1 know what the result of all of that litigation is, that these
2 releases are just a little premature. And Mr. Seery's
3 testimony is going to be he didn't consider any of that in
4 determining whether to approve the settlement.

5 MR. MORRIS: Your Honor, may --

6 THE COURT: You say these releases, plural. I mean,
7 we've already heard that HCLOF and Holdco and HarbourVest are
8 carved out.

9 MR. KATHMAN: I understand.

10 THE COURT: So it's all about the Highland release,
11 right? Or no? I mean, I don't know who you're talking about.

12 MR. KATHMAN: The answer to that question, Your
13 Honor, is the Committee, again, has specifically said in this
14 Court that they investigated the quote/unquote Byzantine
15 empire. They're undertaking an investigation right now of
16 whether to bring alter ego causes of action and fraudulent
17 transfer causes of action.

18 So the concern that I have and the concern my client has
19 is if at some point Highland CLO Funding and all of these
20 entities that are in the Highland Byzantine get collapsed back
21 into Highland, Highland has no ability to go back and point
22 the finger at Acis because it's given that release away, it's
23 given that release away in the settlement agreement.

24 THE COURT: I'm not understanding. Okay. Let's
25 start with this fundamental. Acis went through its own

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1 bankruptcy. So I guess you're talking about post-confirmation
2 Acis.

3 MR. KATHMAN: Correct.

4 THE COURT: January 2018 --

5 MR. KATHMAN: Correct.

6 THE COURT: -- is the only Acis that claims can be
7 asserted against, okay?

8 MR. KATHMAN: Correct. Yes.

9 THE COURT: Post-January --

10 MS. PATEL: 2019, Your Honor, to be clear.

11 THE COURT: Oh, 2019? Okay.

12 MS. PATEL: Yes, Your Honor.

13 THE COURT: Time flies.

14 MS. PATEL: Our plan went effective actually February
15 of 2019.

16 THE COURT: Time flies. So, can we agree that nobody
17 has any ability -- well, I say nobody. I mean, there are --
18 there's the proof of claim of Highland. There's the
19 administrative expense claim in Acis's case that are being --
20 that's been compromised. But if anyone is going to say Acis
21 is part of an alter ego type theory, it's too late, right?
22 It's too late because --

23 A VOICE: Not the --

24 MR. MORRIS: Exactly.

25 THE COURT: That's not your argument? Then --

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1 MR. KATHMAN: No, Your Honor.

2 THE COURT: -- I'm confused what, what the argument
3 is.

4 MR. KATHMAN: Your Honor, my argument is that
5 Highland CLO Funding or CLO Holdco or any of the entities that
6 the Committee is targeting, okay, --

7 THE COURT: Uh-huh.

8 MR. KATHMAN: -- there are -- there are entities.
9 Back in July, remember Mr. Clemente came before this Court and
10 you put a 90-day deadline --

11 THE COURT: Right. Right.

12 MR. KATHMAN: -- on him to investigate those claims
13 and causes of action.

14 THE COURT: Uh-huh. Uh-huh.

15 MR. KATHMAN: Okay? That was just recently extended,
16 I think, last week. If any of those entitles, CLO Holdco,
17 Highland CLO Funding, or any other of those entities that the
18 Committee might target for alter ego, not Acis, --

19 THE COURT: Uh-huh.

20 MR. KATHMAN: -- if any of those entities are
21 ultimately determined to be the alter ego and are collapsed
22 back into Highland, and those entities, like Highland CLO
23 Funding, which the Debtor is carving out of this release, --

24 THE COURT: Uh-huh.

25 MR. KATHMAN: -- or CLO Holdco, which it's carving

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1 out of the release, --

2 THE COURT: Uh-huh.

3 MR. KATHMAN: -- if those entities end up getting
4 clawed back, or even fraudulent transfers for the CLOs that
5 were transferred to those entities get brought back into
6 Highland, --

7 THE COURT: Uh-huh.

8 MR. KATHMAN: -- Highland can't sue for anything that
9 Acis did post-confirmation because it's giving those releases
10 away in the settlement. I see I lost you.

11 THE COURT: Well, I -- I mean yes, that's the point
12 of the settlement.

13 A VOICE: Yeah.

14 THE COURT: But I'm not sure -- I'm not sure where
15 the questioning about fiduciary duties, where it ties into
16 this.

17 MR. KATHMAN: It's really, Your Honor -- and I can
18 probably skip a lot of this by asking Mr. Seery a penultimate
19 question: Did he consider any of this in determining whether
20 to approve the settlement or not? That will shortcut it.
21 That will shortcut it because his answer is going to be no,
22 that wasn't considered as a part of this settlement.

23 MR. MORRIS: Your Honor?

24 MS. PATEL: I still don't --

25 MR. MORRIS: Yeah. I would just -- I would just

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1 point out that his reliance on the UCC, which hasn't even
2 filed an objection to this motion, is misplaced for that very
3 reason. I don't see how he gets to piggyback on something Mr.
4 Clemente said a couple months ago in a different context in a
5 motion today in which the UCC doesn't take a position. It's -
6 - this is just so far afield, Your Honor.

7 THE COURT: All right. Mr. Kathman, I'm going to
8 sustain what is essentially a relevance objection. I'm not
9 connecting the dots on -- since we established at the
10 beginning of this hearing that there would be no release of
11 HCLO Funding or CLO Holdco or HarbourVest, no mutual releases,
12 I feel like the scenario you have defined as being your
13 concern, what if the Committee decides to bring causes of
14 action against them or seek alter ego remedies, I don't know
15 how that's impacted by this proposed settlement. I just don't
16 get it.

17 MR. KATHMAN: Yeah. Can I answer that, Your Honor,

18 THE COURT: Please.

19 MR. KATHMAN: -- and address that concern?

20 THE COURT: Please.

21 MR. KATHMAN: Okay. This really isn't the crux of
22 what our objection is, Your Honor. Is that if you -- and I'm
23 not asking the Court to, I'm just -- to agree with me. What
24 I'm proposing is that, in the event Highland CLO Funding has
25 some cause of action against Acis for breach of the Advisors

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1 Act, okay, under the settlement as it is sitting right now
2 carved out, no problems. Correct? But if --

3 THE COURT: So, for post-January 2019, yeah.

4 MR. KATHMAN: Right. All I'm saying -- and I'm
5 talking about --

6 THE COURT: The others are barred by the confirmation
7 order, okay?

8 MR. KATHMAN: I'm talking about post -- post-
9 confirmation Acis causes of action, Your Honor.

10 THE COURT: Uh-huh. Uh-huh.

11 MR. KATHMAN: If Highland CLO Funding were to have
12 causes of action for that, as currently proposed, yes, it's
13 carved out in the settlement agreement. But in the event
14 Highland CLO Funding is collapsed into the Debtor, okay, those
15 are causes of action that the Debtor would then have. Because
16 if Highland CLO Funding is collapsed into the Debtor, the
17 Debtor then possesses those causes of action against Acis for
18 violations of the Investors Act. But the Debtor would not be
19 able to bring those causes of action for violations of the
20 Investors Act because of these releases in the settlement
21 agreement. My point is it's premature.

22 THE COURT: I'm not sure I agree with you legally. I
23 mean, can you give me some authority for that?

24 MR. KATHMAN: I don't, Your Honor. To be honest with
25 you, no, off the top of your head, I do not have authority

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1 that if it's collapsed back in there the -- if Highland --
2 well, I --

3 THE COURT: I disagree with the premise so I'm going
4 to find the line of questioning irrelevant, okay? So please
5 move on.

6 MR. MORRIS: Thank you.

7 MR. KATHMAN: Can I ask my penultimate question?

8 THE COURT: Go ahead.

9 BY MR. KATHMAN:

10 Q The penultimate question being: Mr. Seery, in determining
11 whether to approve this settlement, did you consider whether
12 Acis might have violated its Investors -- its Advisors Act
13 duties to the investors in the Acis CLO?

14 MR. MORRIS: Objection.

15 MS. MATSUMURA: Objection, relevance.

16 THE COURT: Sustained.

17 MS. MATSUMURA: Sorry. This is Rebecca Matsumura
18 from Highland CLO Funding. I just want to state on the record
19 that we also object to the premise of this line of questioning
20 and don't understand why he would be raising these on behalf
21 of our client, and we would object to whatever alter ego
22 argument he seems to be suggesting.

23 THE COURT: All right.

24 MS. MATSUMURA: Thank you.

25 THE COURT: All right.

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1 MR. KATHMAN: Your Honor, I don't have any further
2 questions.

3 THE COURT: Okay. All right. Any redirect, Mr.
4 Morris?

5 MR. MORRIS: No, Your Honor.

6 THE COURT: All right. Well, Mr. Seery, thank you.
7 That concludes your testimony, unless someone recalls you for
8 rebuttal tomorrow.

9 All right. So we're going to recess, and we'll start back
10 at 9:30 in the morning.

11 Do we want to talk a little bit about -- well, Mr. Morris,
12 are you resting? I shouldn't have assumed you're resting. I
13 think this was your only witness, correct?

14 MR. MORRIS: He was. We -- exhibits -- rebuttal.
15 And so we -- we went through the --

16 THE COURT: We did.

17 MR. MORRIS: -- Exhibits 1 through 4.

18 THE COURT: We did.

19 MR. MORRIS: So the Debtor does rest, Your Honor.
20 And I think it'll be up to Mr. Daugherty and Mr. Dondero as to
21 whether Mr. Daugherty is going to testify. He was on a
22 witness list. And whether Professor Rappaport is going to
23 testify. I think those are the only two potential witnesses,
24 if they're still planning on doing it.

25 THE COURT: All right. Well, let me double-check

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1 with Ms. Patel. I can't remember if you filed a witness and
2 exhibit list. Did you have any separate evidence on this?
3 You did file a witness and exhibit -- but it didn't say, it
4 didn't designate a witness. It just said --

5 MS. PATEL: It did not, Your Honor.

6 THE COURT: Okay. So you're not going to put on any
7 evidence?

8 MS. PATEL: We are not putting on any additional
9 evidence, Your Honor. Our witness and exhibit list was
10 essentially a "Me, too" along with the Debtor.

11 THE COURT: Okay. So the Debtor has rested.

12 And Mr. Kathman, can I presume you're putting on Mr.
13 Daugherty if we reconvene tomorrow morning?

14 MR. KATHMAN: Well, that would have been a good
15 presumption before this argument here, Your Honor. I'm going
16 to talk to my client about that, because if Your Honor's not
17 going to hear any testimony about potential causes of action
18 that may exist and potential liabilities out there, that may
19 alleviate the need for Mr. Daugherty's testimony. So I'm
20 going to talk to him. And what I'd like to do is reserve my
21 right to call him tomorrow morning, but I can't tell you
22 definitively one way or the other as I sit here.

23 THE COURT: All right. And then Mr. Wilson, can you
24 tell us about witnesses you plan to call? Was there anyone
25 besides Professor Rappaport?

1 MR. WILSON: No, Your Honor. We had two witnesses on
2 our list, one of which was Mr. Seery, and I've covered
3 everything we need to cover with him, so I wasn't going to
4 recall him in our case in chief.

5 We do have potential scheduling issues with Professor
6 Rappaport. She is a practicing professor, and her teaching
7 schedule does not allow her to appear tomorrow morning. She
8 has somewhat of a limited schedule. She told us that Thursday
9 morning or Tuesday --

10 THE COURT: I'm sorry, she told you what?

11 MR. WILSON: That she was available Thursday morning
12 or Tuesday. Or next Tuesday.

13 THE COURT: All right. Well, I'm sorry. We gave
14 this hearing date quite a while back. So you're saying even
15 if I went tonight until 8:00 o'clock she wasn't available
16 tonight; is that correct?

17 MR. WILSON: Well, I do believe she has another hour
18 available today.

19 THE COURT: Well, you know, it is 6:37 Central time,
20 and we've been going a very long time today. Remember, I've
21 had two other hearings besides these.

22 Let me ask this: Is there any objection to Professor
23 Rappaport? I'm not sure what the nature of her testimony is
24 going to be. And were there any objections, or no?

25 MR. MORRIS: You know, Your Honor, I actually was

1 planning on making another motion. Can we just take two
2 minutes and let me confer with my colleagues? If -- what I'm
3 considering, if it would be okay with counsel for Mr. Dondero,
4 is to just let the report in for what it is, without
5 testimony. I don't know if that's something that they would
6 consider. And then subject to, you know, consulting with my
7 client, that would be something that I might recommend in
8 order to move this along.

9 It sets forth her opinions. I'm not sure -- you know, and
10 if I don't object to it, I'm not sure why we need to hear from
11 the witness.

12 THE COURT: All right. What about that, Mr. Wilson?

13 MR. WILSON: If you'll allow me a real quick consult
14 with my co-counsel, I'll give you an answer.

15 THE COURT: Okay.

16 MR. MORRIS: Can we just take three minutes, Your
17 Honor?

18 THE COURT: Yes.

19 MR. MORRIS: Not a long break.

20 THE COURT: But yes, please, three minutes. There
21 may be people wanting to watch the World Series, but others of
22 us are just tired. Okay.

23 MR. MORRIS: Thanks so much.

24 THE COURT: Okay. Three minutes.

25 (A recess ensued from 6:40 p.m. to 6:43 p.m.)

1 MS. PATEL: Your Honor, during the break if we could
2 also -- if Mr. Kathman wouldn't mind asking his client, I
3 believe Mr. Daugherty's on the hearing as well, if they could
4 make a decision. Assuming a couple dominoes fall into place,
5 if Mr. Daugherty's not going to testify, and assuming
6 Professor Rappaport's report is going to come in, I'm hoping
7 you close this tonight or talk about when we're going to do
8 closing those arguments if they're going to be lengthy.

9 MR. KATHMAN: Your Honor, Ms. Patel has always --
10 maybe sometimes, maybe not always, but sometimes a step ahead
11 of me. I have spoken with Mr. Daugherty and we're not going
12 to call him.

13 THE COURT: You are not going to call him? That's
14 what you said?

15 MR. KATHMAN: No.

16 THE COURT: Okay.

17 MR. KATHMAN: No, we are not going to call him, Your
18 Honor.

19 THE COURT: Okay.

20 MR. MORRIS: The Debtor is prepared to allow her
21 report to come in without testimony. And without objection.

22 THE COURT: I'm sorry, say again?

23 MR. MORRIS: Your Honor, the Debtor would consent, if
24 Mr. Dondero consents, the Debtor would consent to the
25 admission of Professor Rappaport's report into evidence

1 without objection, provided there's no testimony.

2 THE COURT: All right. So do we have Mr. Wilson
3 back?

4 MR. WILSON: Yes, Your Honor. Mr. Dondero will agree
5 to the admission of Professor Rappaport's report in lieu of
6 her testimony.

7 I would ask a couple things. Number one, that I be
8 allowed an opportunity to admit the exhibits on my exhibit
9 list, which include the report and Professor Rappaport's CV.

10 And then the second thing I would ask is that Judge Lynn
11 had prepared a closing argument and we would like sufficient
12 time to -- for him to give that before the close of this
13 hearing.

14 THE COURT: All right. Well, as far as Dondero's
15 exhibits, they are at Docket #1194. There are --

16 MR. KATHMAN: Your Honor, can I make a suggestion
17 with closing arguments, I mean, potentially?

18 THE COURT: Okay. Let me take these in steps. We
19 have Exhibits A through AA, A through Z plus AA, that I think
20 you're offering. That's --

21 MR. WILSON: Well, Your Honor, briefly, we're not
22 going to try to put in the Seery depo, the Seery video, or the
23 Nancy Rappaport depo.

24 THE COURT: Okay.

25 MR. WILSON: I guess we'll just do Dondero Exhibits A

1 through X.

2 THE COURT: A through X have been offered. Does
3 anyone object?

4 MR. MORRIS: Just one second, Your Honor.

5 THE COURT: Okay.

6 (Pause.)

7 MR. MORRIS: Only to Exhibit P as in Peter. That is
8 the expert report. And as long as it's not being offered for
9 the truth of the matter asserted, it's being offered solely
10 for the purposes of expert testimony, the Debtor has no
11 objections to any other of the proffered A through X.

12 THE COURT: All right. Any other objections?

13 All right. With that caveat -- Mr. Wilson, I assume you
14 don't have any issue with the caveat on the Rappaport report.
15 So with that, I'll --

16 MR. WILSON: No, there is none.

17 THE COURT: I'll admit these.

18 (James Dondero's Exhibits A through X are received into
19 evidence.)

20 THE COURT: If I go to the docket, the expert report
21 of Professor Rappaport is actually there on the docket at
22 1194.

23 MR. WILSON: (inaudible). Yes, Your Honor.

24 THE COURT: Okay. So I need to read that before we
25 come back tomorrow, and I guess see if there's anything else

1 on here I haven't looked at.

2 So what we will do is we'll come back tomorrow morning for
3 closing arguments. And Mr. -- well, let me ask. I was going
4 to say 9:30, but would 10:00 o'clock, by chance, be a little
5 bit better? That'll help me look at this Professor Rappaport
6 report. I don't know how long it is, but --

7 MR. MORRIS: I will be available whatever time is
8 convenient for the Court. Can you give us some guidance as to
9 how long you will tolerate closing statements?

10 THE COURT: Tolerate. Your word. I think, you know,
11 20 minutes each ought to be plenty.

12 MR. MORRIS: That's fair.

13 THE COURT: So we'll start at 10:00 o'clock Central
14 and we'll hear those closing arguments. And when we're done
15 tomorrow or with this issue, I'd love to get a preview as far
16 as the disclosure statement hearing Thursday at 9:30. I think
17 I told you four. Five objections were filed in the last, you
18 know, few hours we've been in court. Every member of the
19 Creditors' Committee plus the Creditors' Committee filed an
20 objection. And I have not looked at them to know how lengthy
21 they are. But I'd love to get a preview on whether you're
22 going to be working and trying to resolve these and maybe
23 we'll start and adjourn, or if we're going to have a knock-
24 down drag-out. Okay?

25 MR. KATHMAN: Your Honor, I would like to offer two

1 exhibits. I don't think they're controversial. It's just the
2 Debtor's plan and disclosure statement. They were our PHD 23
3 and 24. They're filed at Docket #1079 and 1080 in the case.
4 It's the Debtor's plan and disclosure statement. I can't
5 imagine there's any objection to those.

6 THE COURT: Okay.

7 MR. MORRIS: No objection.

8 THE COURT: All right. Those will be admitted.

9 (Patrick Daugherty's Exhibit 23 and 24 are received into
10 evidence.)

11 THE COURT: All right. So we'll see you at 10:00
12 o'clock in the morning.

13 MS. PATEL: Your Honor?

14 MR. ANNABLE: Your Honor?

15 MS. PATEL: If I may.

16 THE COURT: Briefly.

17 MS. PATEL: My apologies. I know I kind of started
18 off late in the hearing, but as I explained earlier today, I
19 have an in-movable conflict tomorrow morning. Mr. Shaw will
20 handle closing arguments for us. And may I be excused from
21 appearing tomorrow?

22 THE COURT: You are excused. Thank you. All right.
23 Good night.

24 MS. PATEL: Thank you, Your Honor.

25 MR. ANNABLE: Your Honor? Your Honor?

1 THE CLERK: All rise.

2 MR. ANNABLE: This is Zach Annable. Your Honor?

3 Your Honor?

4 THE COURT: This better be good, Mr. Annable.

5 MR. ANNABLE: I apologize. This is just a
6 housekeeping matter. For purposes of the continued hearing
7 tomorrow morning, I know it's too late for your staff to
8 probably set up the WebEx meeting information, but if you
9 could have Ms. Ellis distribute that to me tomorrow morning, I
10 will try to make sure to get it out to everybody. Just
11 letting you know we will need a new WebEx invitation for the
12 hearing tomorrow morning.

13 THE COURT: All right.

14 MR. MORRIS: Thank you. Thank you. Good catch.

15 THE CLERK: She's probably listening anyway. She
16 usually listens.

17 THE COURT: Yes. She -- hang on. Knowing Traci, she
18 is listening.

19 (Pause.)

20 THE COURT: Well, she surprised me. She didn't pick
21 up the phone. I promise you, she'll be all over it, so we'll

22 --

23 THE CLERK: I'll send an e-mail.

24 THE COURT: Yes. Mike's sending her an e-mail right
25 now, so you all will have it in plenty of time to get

1 connected. Okay. Thank you. Mr. Annable, that was worth it.
2 Okay?

3 MR. ANNABLE: Thank you, Your Honor.

4 THE CLERK: All rise.

5 (Proceedings concluded at 6:51 p.m.)

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CERTIFICATE

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I certify that the foregoing is a correct transcript to
the best of my ability from the electronic sound recording of
the proceedings in the above-entitled matter.

23

/s/ Kathy Rehling

10/22/2020

24

25

Kathy Rehling, CETD-444
Certified Electronic Court Transcriber

Date

003044

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

In Re:) **Case No. 19-34054-sgj-11**
) Chapter 11
)
HIGHLAND CAPITAL) Dallas, Texas
MANAGEMENT, L.P.,) Wednesday, October 21, 2020
) 10:00 a.m. Docket
Debtor.)
) MOTION TO COMPROMISE
) CONTROVERSY WITH ACIS CAPITAL
) MANAGEMENT [1087]
) Continued from 10/20/2020
)

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE.

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1 DALLAS, TEXAS - OCTOBER 21, 2020 - 10:05 A.M.

2 THE CLERK: All rise. The United States Bankruptcy
3 Code for the Northern District of Texas, Dallas Division, is
4 now in session, the Honorable Stacey Jernigan presiding.

5 THE COURT: Good morning. Please be seated. All
6 right. We are back today for closing arguments in the
7 Highland matter, the motion for approval of a compromise with
8 Acis and the Terrys. This is Case Number 19-34054. Let's see
9 if we have all necessary parties. Appearing for the Debtor,
10 do we have Mr. Morris and crew?

11 MR. MORRIS: Good morning, Your Honor. John Morris;
12 Pachulski Stang Ziehl & Jones, for the Debtor. I know Mr.
13 Kharasch is with us, as I think Mr. Demo and Mr. Pomerantz are
14 on the line.

15 THE COURT: Okay. Very good.

16 MR. MORRIS: And, of course, we have our CEO, James
17 Seery.

18 THE COURT: Okay. Very good.

19 All right. For the Acis team, I see Ms. Chiarello today.

20 MS. CHIARELLO: Good morning, Your Honor. Annmarie
21 Chiarello of Winstead, P.C. here on behalf of Acis Capital
22 Management, LP, and Acis Capital Management, GP. On the phone
23 we also have Mr. Shaw of the Rogge Dunn firm on behalf of Acis
24 and a number of Josh Terry related parties, including Mr.
25 Terry individually.

1 THE COURT: All right. Thank you.

2 All right. For Mr. Dondero, do we have Mr. Lynn and team?

3 MS. CHIARELLO: Thank you.

4 A VOICE: You're on mute, sir.

5 MR. LYNN: Okay. I'm sorry, Your Honor. I'm
6 technologically inept. Michael Lynn together with John Wilson
7 for Mr. Dondero.

8 THE COURT: All right. Thank you. A lot of us are
9 technologically inept, by the way, myself included at times.

10 All right. For Mr. Daugherty, do we have Jason Kathman
11 there?

12 MR. KATHMAN: Good morning, Your Honor. Jason
13 Kathman on behalf of Pat Daugherty.

14 THE COURT: All right. We had the limited objectors
15 that I think everything is resolved with, but I'll go ahead
16 and take a roll call there. CLO Holdco, do we have Mr. Kane
17 or others?

18 MR. KANE: Yes, Your Honor. John Kane for CLO
19 Holdco.

20 THE COURT: All right. For Highland CLO Funding, do
21 we have Ms. Matsumura?

22 MS. MATSUMURA: Yes, Your Honor. Rebecca Matsumura
23 from King & Spalding for Highland CLO Funding, Limited.

24 THE COURT: All right. For HarbourVest, do we have
25 Erica Weisgerber?

1 MS. WEISGERBER: Yes. Good morning, Your Honor.
2 Erica Weisgerber from Debevoise & Plimpton for HarbourVest.

3 THE COURT: All right. Good morning.

4 And I'm guessing we have UBS, even though it has not
5 objected to this settlement. Do we have Ms. Tomkowiak? (No
6 response.) All right. Maybe they have decided to sit this
7 one out.

8 Do we have anyone for the Redeemer Committee? Ms.
9 Mascherin, perhaps?

10 MR. PLATT: Your Honor, Mark Platt here on behalf of
11 the Redeemer Committee, and also Mark Hankin from Jenner &
12 Block is on as well.

13 THE COURT: Okay. Very good. All right. Let's see
14 if I missed anyone. Committee, we have Mr. Clemente?

15 MR. CLEMENTE: Yes. Good morning, Your Honor. Matt
16 Clemente from Sidley on behalf of the Committee.

17 THE COURT: All right. U.S. Trustee, do we have any
18 representative of there?

19 MS. LAMBERT: Good morning, Your Honor. It's Lisa
20 Lambert for the United States Trustee.

21 THE COURT: Good morning. Any other parties wishing
22 to appear at this time?

23 All right. Well, as I said, we're here for closing
24 arguments. I set a 20-minute time limit for each of you. So,
25 Mr. Morris, are you going to be making the closing argument

1 for the Debtor?

2 MR. MORRIS: Yes, I will, Your Honor.

3 THE COURT: All right. You may proceed.

4 MR. MORRIS: Before I do, may I turn the microphone
5 over to Jason Kathman for Mr. Daugherty? I think he might
6 have something to share with the Court.

7 THE COURT: Oh, okay. Mr. --

8 MR. KATHMAN: Your Honor, as a point of housekeeping,
9 Mr. Daugherty is going to withdraw his objection to the 9019
10 settlement. We heard Your Honor loud and clear yesterday at
11 the hearing, and at this point we'll withdraw our objection to
12 the 9019 settlement.

13 THE COURT: Okay. Thank you, Mr. Kathman.

14 All right. Go ahead, Mr. Morris.

15 MR. MORRIS: So, may I proceed?

16 THE COURT: You may.

17 CLOSING ARGUMENT ON BEHALF OF THE DEBTORS

18 MR. MORRIS: So, we're pleased that four of the five
19 objections have been resolved in one way or another, and we're
20 left still with Mr. Dondero's objection.

21 Before I get into the application of the facts to the law,
22 I want to address more generally the substance of a good
23 portion of the cross-examination of Mr. Seery yesterday. And
24 that examination was directed towards, you know, questioning
25 about the objection that the Debtor had filed against the Acis

1 claim.

2 Mr. Seery, I think to his considerable credit, testified
3 very credibly that the Debtor believed very much in the
4 substance of the objection and believed that the objection was
5 well-founded. What I think -- what I think the examination
6 and the argument misses, though, is that's not really the
7 decision-making process that the Debtor went through in order
8 to get to this settlement.

9 What the Debtor went through was what I think any rational
10 actor would go through, and that is compare what we may
11 believe would happen with what we think might actually happen
12 in the courtroom and weigh that against what the options are.
13 And Mr. Seery testified very clearly that, for example, he
14 believed *Mirant* was wrongly decided in his personal -- but he
15 had the humility to check his personal views at the door when
16 assessing whether this settlement was better than the
17 alternative and to come to the understanding -- he testified
18 to this clearly; this isn't even argument; this is just a
19 statement of fact of record -- that while he believed *Mirant*
20 was wrongly decided, he understands that it's Fifth Circuit
21 law and he has to take that into account in deciding whether
22 the alternative is better to litigation.

23 And the notion that because we have strongly-held beliefs
24 set forth in the pleading that we should no longer be willing
25 to compromise I think would make this Court reject every 9019

1 motion that ever comes before it.

2 I daresay that Mr. Terry and Ms. Patel and Mr. Shaw firmly
3 believe that their client has been wronged and that they're
4 entitled to \$75 million or more. Thankfully, they were able
5 to check their egos at the door and come to an agreement, I
6 guess, that they believe represents a fair and reasonable
7 compromise.

8 So I understand that while -- that Mr. Dondero embraced
9 and appreciated the arguments that the Debtor made in its
10 pleading, but the fact of the matter is the Debtor came to a
11 position when it had the choice of either going forward with
12 that litigation, with all of the costs and risks and
13 uncertainty that were described, or taking this settlement.
14 And it came to the -- I believe the record shows -- the very
15 considered and reasonable decision to end all of the
16 litigation with Acis on the terms set forth in the agreement.

17 And I just wanted to kind of -- that doesn't go to any of
18 the particular -- necessarily go to any of the particular
19 elements of the legal standard, but so much time was spent
20 trying to tie Mr. Seery and the Debtor to the objection, and I
21 think -- I think it's important for the Court to look at this
22 in context.

23 And frankly, there are other very substantial claims out
24 there. And Mr. Seery was very clear that each case is going
25 to be judged on its own merits. And just because we've

1 settled a case where we put forth a strong legal position
2 here, it's only because we got to terms that the Debtor felt
3 were fair and reasonable. We've taken -- and parties do this
4 all the time. They take their litigation position and we're
5 going to take our litigation position. But when it comes to
6 settlement, you have to view: What are the alternatives? And
7 that's all Mr. Seery did. That's what the board did, servant
8 of their fiduciary duties.

9 And I'm going to talk in a few minutes about the benefits
10 to the estate that this settlement entails, but I just -- I
11 was a little surprised that anybody would try to say that
12 because we took a position in litigation we're not allowed to
13 compromise that position. Because if that were the standard,
14 Your Honor, no 9019 would ever be approved, because, by
15 definition, 9019s are compromises.

16 So let me turn for a moment now to the actual elements of
17 the standard under 9019. The first one is the probability of
18 success on the merits. As I said, Mr. Seery felt strongly
19 about the position, but he also articulated some very, very
20 specific concerns, from *Mirant* to the Court's views on
21 equities that may not be -- the Court may not share our views
22 on equities. The Court may not share. The Court has a lot of
23 experience with these particular litigants. The Court has
24 already assessed the credibility of certain witnesses in
25 relation to the claims at issue in this matter. The Court has

1 already rendered decisions with respect to certain aspects of
2 this matter. And so the Debtor took all of those things into
3 account in assessing the probability of success on the merits,
4 and that's all very much in the record.

5 But I did want to point to one other piece of evidence
6 that hasn't been discussed yet, and that is Professor
7 Rapoport's expert report that has now been admitted into
8 evidence. You know, I question the weight that the Court
9 should give, but never -- only because I'm not sure how -- the
10 depth of the opinion. But nevertheless, Professor Rapoport
11 specifically says at the top of Page 5, on Page 13, at the
12 very end of her opinion as to Question 1, she says, in
13 substance, if the Court follows *Mirant* and otherwise finds
14 that damages would benefit the Acis estate, then the Acis
15 claim, valued by Acis at least \$75 million, could have
16 significant value. Still, that value would depend on how the
17 Court found -- how the facts fall after the Court hears
18 testimony and is able to weigh the evidence.

19 That's kind of what Mr. Seery did. So I'm not even sure
20 that there's a dispute, frankly, over the probability of
21 success. Nobody has quantified it. Nobody asked Mr. Seery to
22 quantify it. We haven't gone down that path.

23 But Professor Rapoport, in her very first opinion, said:
24 Could be zero, could be \$75 million or more. It depends on
25 where the Court comes out.

1 How could it be unreasonable for the Debtor to follow
2 Professor Rapoport's guidance and settle the claim at less
3 than two -- at less than one-third of the value that she
4 herself says was possible? So that's how I would deal with
5 the probability of success on the merits.

6 The second issue, Your Honor, has to do with the
7 complexity and the duration of the expected litigation. I
8 think it's fair to say that the litigation would be fairly
9 complex. You've got 34 different claims. And this is -- and
10 I remind the Court that this is just in the adversary
11 proceeding in this court. I'm not even talking about the
12 complexity of the litigation of dealing with the employees,
13 the complexity of the litigation -- and I guess the Guernsey
14 matter is concluded at this point. But there's a lot of
15 satellite litigation that has to be taken into account when
16 discussing the complexity of the matters at issue.

17 As far as duration, Your Honor, you know, the suggestion
18 was made, why don't you spend a little bit of money and see if
19 your motion is good? Mr. Seery could not have been more
20 clear. What if we lose? Right? What if we lose on *Mirant*
21 and 550, such that, you know, actual fraudulent transfers come
22 into play? Defenses such as reasonably equivalent value and
23 insolvency fall by the wayside.

24 That's a risk we could take, I suppose. And let's look at
25 it the other way. What if we win? Does this Court think for

1 one second that Mr. Terry and Ms. Patel and Mr. Shaw are
2 packing their bags, shrugging their shoulders, and going home?
3 No. We'd be left with an appeal to the District Court. And
4 if they lost there, based on -- and this is based on record.
5 This is not speculation. We know what happens with these
6 litigants. We'd be in the Fifth Circuit somewhere in 2024,
7 probably.

8 And so even if you won, are you really winning? And all
9 the other litigation continues and the estate is still
10 spending all of this money. Does anybody think for a second
11 that that litigation is really -- just be resolved if we could
12 just let the Court hear the motion? We don't think so. We
13 don't think the record supports that. We don't think there's
14 a fair inference for that.

15 I'll deal with arm's length bargaining, Your Honor, very
16 quickly. You know, I don't think that board can do much more
17 to fulfill its duties, do the diligence to satisfy itself as
18 to the nature and extent of the claims. You heard Mr. Seery
19 testify unambiguously -- and, frankly, not surprisingly --
20 that there were substantial negotiations that went on between
21 the principals, between the lawyers, between the principals
22 and the lawyers. And you know what? We couldn't come to an
23 agreement. We couldn't come to an agreement on our own.

24 We were sent to mediation. And again, I don't intend to
25 waive mediation privilege at all. It is a stated fact and the

1 Court knows a settlement was reached in mediation. If a
2 settlement is reached in mediation, I don't know how you can
3 get a better definition of arm's-length bargaining.

4 The last point, Your Honor, is paramount interests of
5 creditors. I won't go through again the litany of litigation
6 that has been resolved here. I will remind the Court that the
7 parties were so contentious, and, frankly, even -- even the
8 Debtor under this management has been engaged in such
9 tangential issues as spending time, money, and effort fighting
10 over Acis' request to redact monthly operating reports.

11 That's where we were a couple of months ago, Your Honor.
12 Forget about the merits of the litigation. That's where we
13 were. That's what we were doing. The suggestion that this
14 settlement is not in the paramount interests of creditors,
15 that resolves in a fair and reasonable way, I think just isn't
16 credible, Your Honor.

17 For all of those reasons, we respectfully request that the
18 Court enter an order approving this motion in all respects.

19 And before I finish, just who won the game last night?

20 THE COURT: Who won the game last night?

21 MR. MORRIS: Yes. I knew you'd --

22 THE COURT: Okay. I --

23 MR. MORRIS: Thank you for your time yesterday, Your
24 Honor, is really what I wanted to say. You were so patient
25 with all of the litigants. You gave us so much time. And the

1 Debtor is very, very grateful just for the opportunity to
2 complete this matter in a timely fashion. And I just, from
3 the Debtor's perspective, wanted to say thank you.

4 I thought you said that you were going to the game, but
5 now I was reminded that somebody else did.

6 THE COURT: Oh, no, it was a law clerk down the hall.
7 And he and his wife used to live in Los Angeles. What I
8 pointed out was that Kershaw, the winning pitcher, of course,
9 grew up in Dallas.

10 MR. MORRIS: Ah.

11 THE COURT: So that was a reason I think a lot of
12 people were interested in the game here. But anyway, --

13 MR. MORRIS: Thank you so much, Your Honor.

14 THE COURT: All right. Thank you.

15 Okay. Well, I'll hear from friendlies before we hear from
16 objectors. I think we heard that Mr. Shaw was going to make a
17 closing argument for Acis and the Terrys, so you may go ahead.

18 (Pause.)

19 THE COURT: Mr. Shaw, you must be on mute still. If
20 you could unmute yourself.

21 See there, Mr. Lynn, I told you you weren't the only one
22 who had technical issues from time to time.

23 All right. Brian Shaw or Annmarie Chiarello, here is your
24 chance to make a closing argument. We need to hear from you
25 now or we're going to move on.

1 MS. CHIARELLO: Yes.

2 THE COURT: Okay.

3 MS. CHIARELLO: Your Honor. This is Annmarie
4 Chiarello. I believe Mr. Shaw is having technical
5 difficulties. It looks like he's muting and I'm muting him as
6 well. Let's see if he can log on, and if not I'll try my best
7 to pinch hit here, I guess is probably the right analogy.

8 THE COURT: Okay.

9 MS. CHIARELLO: Mr. Shaw, can you hear us?

10 (No response.)

11 CLOSING ARGUMENT ON BEHALF OF ACIS CAPITAL MANAGEMENT

12 MS. CHIARELLO: Okay. Well, with that, Your Honor,
13 Acis is very supportive of the settlement. And really, at
14 this juncture, I think it's just important to note a couple of
15 clarifications or points of clarification with respect to Mr.
16 -- or, Professor Rapoport's report. I think it was never
17 fully examined here, but there's a presumption that Mr.
18 Dondero was going to pay the legal fees associated with
19 litigating the Acis case, I guess to the Fifth Circuit,
20 potentially. I'm not sure that's in the record anywhere. But
21 to the extent the Court has already taken judicial notice of
22 the Acis pleadings, I would note that Mr. Dondero's track
23 record of paying attorneys for just about anything is a little
24 suspect.

25 Next, let's see. Next, Professor Rapoport does

1 acknowledge in a Footnote 6 that the *Mirant* case is really her
2 contrary case law for her position that she thinks that
3 effectively Acis would lack standing to bring the Chapter 5
4 causes of action and other fraudulent transfer actions that
5 are in the Acis complaint. Here, we have controlling Fifth
6 Circuit case law on this issue. We're not trying to, you
7 know, operate in a vacuum. It's pretty clear where the case
8 law stands, and I think that should go into the Court's
9 analysis.

10 To the extent the merits are even at issue here, which we
11 don't believe they are, I think this is a fair and equitable
12 settlement without getting into the merits of the underlying
13 claim objection, necessarily.

14 I would also note for Your Honor that you have decided
15 this issue, this *Mirant*-type issue, in the *Texas Rangers*
16 *Baseball* case. That case concerned a 538 cause of action and
17 not 550, but we know at this juncture you can apply the *Mirant*
18 case law and we're not concerned -- we don't believe it's the
19 slam-dunk that Mr. Dondero, I guess, feels that he has, and as
20 you've seen from our very lengthy response to the objection to
21 the claim, Acis is prepared to litigate this matter.

22 Let's see. Finally, I think it's also notable that
23 Professor Rapoport didn't go through a balance of the equities
24 in her analysis of I suppose the claims that are at issue.
25 And this wasn't talked about extensively, but Mr. Seery has

1 previously testified, and I think it was touched on a little
2 bit yesterday, that the equities in this case are fairly
3 striking. And as Your Honor has found, this was a blatant
4 fraudulent transfer scheme immediately with the most part
5 beginning or starting in earnest when Mr. Terry was terminated
6 from Acis and really just picking up with a vengeance -- with
7 vengeance after there was an arbitration award entered. To
8 the extent that equities are really at issue here -- and
9 again, I don't think Professor Rapoport really weighed those -
10 - we would submit to Your Honor the equities lay in favor of
11 Acis.

12 But again, that's really not the question here. The
13 question is whether this is fair and equitable and is the
14 outcome of good faith negotiations with two very, very
15 qualified mediators. And you haven't heard any evidence to
16 the contrary of that. In fact, if you would -- can merely
17 review the time sheets and the fee applications that were on
18 file, you would see that there have been hundreds of thousands
19 of dollars spent just trying to get to this point. It has
20 been hard-fought on all sides. And we submit that this is a
21 fair and equitable settlement.

22 And at this juncture, I am available to answer any
23 questions you have about the settlement.

24 THE COURT: I do not have any questions. Thank you,
25 Ms. Chiarello.

1 All right. Mr. Lynn, your closing argument?

2 CLOSING ARGUMENT ON BEHALF OF JAMES DONDERO

3 MR. LYNN: Yes, Your Honor. First, I'd like to make
4 a couple of comments. Professor Rapoport's report will speak
5 for itself. As Your Honor knows, we agreed with the Debtor
6 not to put Professor Rapoport on, and I think it's a little
7 unfair to comment on what she would or wouldn't have said had
8 she actually been called as a witness.

9 Second, yesterday, Ms. Patel spent a great amount of time
10 talking about the fine job Acis has done managing CLOs. I
11 think Your Honor will not be surprised that we do not concur
12 in her assessment of her client's work, and we truly believe
13 that if the evidence ever needs to be presented to Your Honor
14 on that issue, you'd be able to listen to that evidence and
15 arrive at an appropriate conclusion.

16 Finally, Your Honor, speaking preliminarily, I wanted to
17 tell you that what I'm about to say was all written down and
18 ready to go yesterday. And I say that because one of the
19 things I'm going to talk about is Mr. Dondero's agreement to
20 underwrite fees for pursuit of the claim objection.

21 Our original reason for filing this response, Your Honor,
22 was we felt very strongly that the Court should be fully
23 informed in order to arrive at an informed judgment as to
24 whether or not the compromise and settlement should be
25 approved.

1 During our discovery, which consisted of one deposition,
2 and as a result of hearing Professor -- or reading Professor
3 Rapoport's report, we have come to the conclusion that the
4 settlement should not be approved.

5 There is one specific concern that we have with the
6 settlement at this point that, should the Court decide to
7 approve the settlement, we would ask that you clarify in your
8 court order. As Your Honor may be aware, in the pending
9 adversary of *Acis v. Dondero, et al.* pending in the Acis
10 Chapter 11 case, Acis asks in Count Three that Mr. Dondero be
11 determined to be the alter ego of Highland (inaudible).
12 Obviously, under *In re S.I. Acquisition*, this is four square a
13 violation of the automatic stay in the Highland case. In the
14 settlement release, it appears that Highland will be releasing
15 its claim or -- its claim against Acis for the violation of
16 stay. We would object to that to the extent that it leaves
17 Acis free to assert the alter ego claim, and we would ask the
18 Court that any order granting the motion not provide that
19 Acis's release extend so far, or alternatively that any damage
20 claim is released but the stay of the alter ego claim remains
21 in place.

22 I also would like to inform the Court that I am
23 authorized, and have been now for some time, by Mr. Dondero to
24 commit him to reimburse Highland for fees and expenses
25 incurred by counsel for Highland in pursuing the objection to

1 the Acis claim, should the motion under Rule 9019 be denied.
2 I understand Ms. Chiarello's view that Mr. Dondero's promise
3 to pay attorneys ought not to be taken too seriously. I am
4 reasonably confident that an order can be crafted by the Court
5 that would ensure that Mr. Dondero indeed keeps his word on
6 this. My experience with Mr. Dondero to date is he pays his
7 attorneys on time.

8 I have several points to make with respect to the actual
9 motion under Rule 9019. First, as Professor Rapoport points
10 out, there are many hurdles Acis must cross for its claim to
11 be allowed at all. There is an excellent argument that all
12 that Acis is entitled to is the remaining amount necessary to
13 satisfy creditors in full, mostly Mr. Terry and Highland
14 itself.

15 While there is no Fifth Circuit law that addresses
16 recovery in this context of fraudulent transfers post-
17 confirmation, Professor Rapoport cites a number of cases
18 saying it cannot be done if there is no recovery at least once
19 creditors are paid. *MCAR Recovery v. Commerzbank (In re*
20 *Mirant Corporation)* -- and Your Honor will be familiar with
21 the fact that I know a bit about the *Mirant* case -- merely
22 determined that a post-confirmation entity created to pursue
23 litigation may indeed pursue that litigation, but does not
24 address what may be recovered in the litigation.

25 Moreover, that case is inapposite to Acis's case when

1 talking about recovery beyond the amount of pre-confirmation
2 debt.

3 In *Mirant*, the plan, which would have been in the record
4 before the Circuit Court, provided that interests in MCAR held
5 by pre-confirmation creditors and pre-confirmation
6 shareholders were not transformable. Thus, no post-
7 confirmation purchaser of Mirant debt or equity could
8 participate in recoveries of fraudulent transfers in suits
9 brought by MCAR.

10 This case, where Mr. Terry bought the stock of Acis post-
11 confirmation, was entirely different, and any amount in excess
12 of unpaid pre-confirmation debt should not be recoverable for
13 the benefit of Acis or Mr. Terry. I have relayed this fact to
14 Mr. Seery, Mr. Nelms, and other members of the Debtor's team.

15 Second, it is clear from Mr. Seery's testimony that an
16 important factor for Highland agreeing to the Acis settlement
17 was Highland's alleged mistreatment of Mr. Terry and its
18 effect on Mr. Terry's life and career. While we do not agree
19 with Mr. Seery's assessment, even if he is correct it should
20 not count in determining whether the Acis settlement should be
21 approved.

22 First, the Highland bond is to Mr. Terry, not to Acis, and
23 so should not affect a settlement between Highland and Acis.

24 Second, neither Acis nor the Terrys have sought recovery
25 for the pain and suffering that Mr. Seery suggests they

1 incurred, not from Highland, not from Mr. Dondero, not from
2 anyone, where they could have sought such relief. Whereas
3 here it is apparent that a debtor's decision to allow a \$23
4 million claim -- and Your Honor, the settlement is actually in
5 place of a \$30 million, whereas here it is clear that the
6 settlement was motivated by sympathy for the owner of the
7 claimant, the settlement should not be approved.

8 Similarly, Mr. Seery was motivated by the need to get two
9 of the three large creditors on the Creditors' Committee on
10 board with respect to the plan of reorganization. This,
11 again, is not a proper reason to settle a claim such as
12 Acis's.

13 Third, as the Fifth Circuit has repeatedly said in *AWECO*,
14 *Cajun Electric*, *AGE Refining*, and other cases, a settlement
15 must be fair and equitable. As the Court is fully aware, fair
16 and equitable is a term of art for the so-called absolute
17 priority rule that requires that senior debt be fully
18 satisfied before there is any return for junior debt.

19 But fair and equitable also brings into play the corollary
20 for the absolute priority rule, and that is that senior debt
21 is only entitled to full payment and not to a greater return,
22 a windfall, that comes at the expense of equal or junior debt
23 or equity.

24 In Highland's case, where Mr. Seery has opined there may
25 be a return to equity, not only will creditors like UBS -- if

1 it has a claim, indeed -- or Redeemer be potentially affected
2 if Acis receives too much, but junior classes down to equity
3 might see their recovery reduced or eliminated by reason of
4 the proposed settlement.

5 Yet the Debtor proposes to settle the Acis claim with all
6 of six times the amount initially proposed for settlement by
7 Mr. Seery. The presentation by Professor Rapoport strongly
8 suggests that Acis should be resolved for much less. That, in
9 turn, means the corollary to the absolute priority rule
10 requires that Debtor's 9019 motion be denied.

11 In sum, Your Honor, the proposed settlement of the Acis
12 claim objection meets none of the tests set by Rule 9019 and
13 the Fifth Circuit. The evidence shows that Acis faces many
14 hurdles that it must cross in order to have a claim allowed
15 beyond that that remains of the debt to Mr. Terry, and so
16 there is a great likelihood of success. Because most of those
17 hurdles can be addressed summarily, the cost and time involved
18 is not great, and anyway, Mr. Dondero has offered to cover the
19 cost, and the length of time required to resolve the UBS
20 billion-dollar claim will affect the process of distributions
21 under the filed plan far more than litigation of the Acis
22 claim will.

23 Even the arm's-length nature of the negotiations leading
24 to the settlement is tainted, tainted, in that Mr. Seery was
25 so affected not by harm to Acis, but by the harm he perceived

1 to Mr. Terry. As to the settlement being -- as to the
2 settlement being fair and equitable, it fails to meet the
3 corollary to that Rule and likely provides much greater return
4 to Acis than it is entitled to.

5 And (inaudible) therefore, we respectfully suggest that
6 the Court deny Debtor's Rule 9019 motion.

7 Thank you, Your Honor.

8 THE COURT: All right. Thank you very much. All
9 right. Well, Mr. --

10 MR. MORRIS: Your Honor, brief rebuttal?

11 THE COURT: Yes. Mr. Morris, you get a rebuttal. Go
12 ahead.

13 MR. MORRIS: Thank you. Very briefly.

14 First, the notion that somehow the Debtor bought off two
15 creditors on a committee because somehow that would move this
16 case forward I think is a very gross misrepresentation of the
17 evidence in the record. I think Mr. Seery testified very
18 clearly that he was able to reach agreement with two of the
19 Committee members, and he would actually like to reach
20 agreement with all creditors in this case.

21 The fact remains, Your Honor, that there is no plan
22 support agreement. There is no commitment on the part of
23 Redeemer or Acis to do anything to help the Debtor in this
24 case. And I note, without irony, that both parties were here
25 yesterday and today trying to get their case settled while

1 simultaneously filing objections to the Debtor's disclosure
2 statement. I don't think that -- if the Debtor's intent was
3 to buy cooperation, I would agree that that wasn't terribly
4 successful. It's -- that's just not the case. Mr. Seery
5 testified crystal clearly the reasons why he's entering into
6 the settlement here, and none of them have anything to do with
7 what happens tomorrow.

8 Second, the notion that Mr. Seery became weepy and just
9 decided that he should settle this case for more than it's
10 worth because of (inaudible) Mr. Terry is just, again,
11 completely belied by the record itself. The fact remains that
12 what Mr. Seery testified to is that he was concerned that if
13 we litigated the -- the -- the claim, Your Honor and this
14 Court would find in Mr. Terry's favor on basis of the
15 equities. That was -- that was a risk analysis. It wasn't --
16 it wasn't the reason why -- he didn't do it because it's what
17 he believed. The Debtor didn't do it because that was their
18 view. It did it because it was a risk that that was what
19 would have happened in the courtroom, and it remains a very
20 real and credible risk.

21 Number three, respectfully, Professor Rapoport didn't say
22 anything about how this case should be settled for less.
23 There is nothing in her report. Is a statement without
24 evidentiary support at all.

25 In fact, I read one sentence to you from Professor

1 Rapoport's report, and I'd like to read the very last sentence
2 of her report: It is my opinion that spending up to
3 approximately \$1.1 million to determine whether the value of
4 the Acis claim is zero dollars, \$23 million, \$75 million, or
5 some other figure, would be a reasonable use of estate funds.
6 There is nothing in Professor Rapoport's report that suggests,
7 that states, that even implies that this case should be
8 settled for a lower amount than what has been agreed to.

9 Finally, Your Honor, we've heard a number of times in
10 closing by Mr. Lynn that Mr. Seery -- I mean, I apologize, Mr.
11 Dondero has made some offer to pay the legal fees. I won't
12 discuss the substance of the assertion. I just need to point
13 out that there is no evidence in the record for such a thing.
14 And if Mr. Dondero wanted that to be part of the record for
15 the Court's consideration, he had every opportunity to
16 testify.

17 I have nothing further, Your Honor.

18 THE COURT: All right. Let me ask a couple of
19 follow-up questions. And this first one is actually for Mr.
20 Lynn. I did read Professor Rapoport's report this morning,
21 and her estimate of fees of anywhere between, I don't know,
22 \$350,000 and \$1.1 million, that was specific to the proof of
23 claim objection, which, you know, obviously is -- the claim
24 itself is the 34-count adversary proceeding and objection.
25 It's just fees related to that, right? In other words, to the

1 extent there's more litigation regarding plan confirmation --
2 of course, we don't know that -- Acis may very well be
3 contesting the plan even without a settlement. But my point
4 is, it's just related to the proof of claim and the objection,
5 right? It doesn't take into account any other satellite
6 litigation that may somehow involve Highland, correct?

7 MR. LYNN: That is correct. I would point out, Your
8 Honor, that the 9019 motion does not resolve the *Acis v.*
9 *Highland* suit. It will continue against -- before Your Honor
10 against other defendants other than Highland.

11 THE COURT: Yes, I do realize that. Okay. I think
12 that's my only question for you, Mr. Lynn.

13 I guess this question is for Ms. Chiarello. Obviously,
14 the 34-count adversary proceeding is pre-confirmation Acis
15 activity. Are there torts or anything else alleged by Acis
16 against Highland post-confirmation? I mean, I know there's
17 all this satellite litigation against affiliates and
18 employees, but is that something that goes away? Is there
19 something there that would go away as well, or no?

20 MS. CHIARELLO: Your Honor, I'm going to try my best
21 to answer what I think you're asking. I would first note that
22 I didn't get a chance to have a rebuttal closing argument, so
23 I would like to be permitted to do the same as Mr. Morris did.

24 THE COURT: Okay.

25 MS. CHIARELLO: But with respect to the 34-count

1 adversary, I -- to my knowledge, that is the only *Acis v.*
2 *Highland Capital Management, LP* litigation that's currently
3 pending.

4 The adversary was amended post-confirmation, not
5 substantially, but there -- I do believe there are causes of
6 action that could be considered torts that were in the
7 underlying adversary. And I'm trying not to mince words
8 because I do believe whether something is in tort or contract
9 may be material to litigation -- that litigation, and I -- so
10 I don't -- and I don't want to overstep. And that's really
11 something Mr. Lamberson is more familiar with than I am.

12 So, but there is no other *Acis v. Highland Capital*
13 *Management, LP* litigation pending. For the most part, the
14 litigation looks quite similar to the litigation that was
15 admitted into evidence in connection with Acis's plan
16 confirmation, and there are counts for mismanagement against
17 Highland and breach of fiduciary duties related to -- if Your
18 Honor recalls, there was -- there are some issues related to
19 the BEK (phonetic) separate account and items like that. But
20 my understanding, and Mr. Morris can verify, is that this
21 would be peace between Acis and -- Acis Capital Management on
22 one hand and Highland Capital Management on the other hand.

23 THE COURT: Right. Understood. Uh-huh. All right.
24 Your rebuttal argument?

25 MS. CHIARELLO: Yes, Your Honor. So I think the

1 first thing to note is that, and as Your Honor has taken into
2 account and admitted into evidence the Acis adversary
3 proceedings -- I'm sorry, the Acis opinion -- Mr. Dondero
4 isn't here today testifying that he will pay fees. In fact,
5 you don't see Mr. Dondero. I know that's been an ever-present
6 issue throughout these cases, but I think it is important to
7 note that he wasn't included as a witness.

8 Mr. Dondero did sign the Highland Capital Management
9 petition and put this case into bankruptcy. He is the
10 authorized signatory, if you look back at Docket No. 1. So,
11 at this juncture, I think he -- he has to deal with the
12 benefits and the burdens of Chapter 11, and this is one of --
13 this is one of the issues that you get when you sign up for a
14 Chapter 11.

15 Just to address one of Mr. Lynn's points, I don't believe
16 Mr. Dondero has standing under 362(k) to assert any sort of
17 stay violation issue as a third party. And I think to the
18 extent that that is being released, the Debtor or -- and/or
19 the Committee, whomever has that cause of action, would be
20 fully capable of releasing such claims.

21 Next, I think the *AWECO* case doesn't say anything terribly
22 notable, particularly in light of the relatively recent
23 (inaudible) decisions of the Supreme Court. You have to pay
24 creditors in their -- in the priority scheme that's set forth
25 in the Bankruptcy Code. It doesn't matter if it's a

1 structured dismissal or a settlement. I think that's not
2 controversial here. And there's really no question that --
3 that this -- this 9019 would still be subject to confirmation,
4 and payments made under the 9019 will be subject to a plan of
5 reorganization. There's no absolute priority issue, as Mr.
6 Lynn suggested.

7 Finally -- not finally. Next, I think the analogy that
8 Mr. Terry is Acis is -- has been misplaced throughout this
9 bankruptcy case. It is not the case that Mr. Terry is Acis,
10 and Acis was harmed during the systematic dismantling of its
11 assets before -- after Mr. Terry was fired and before the
12 entry of the ultimate judgment against Acis related to Mr.
13 Terry's litigation.

14 Finally, Mr. Dondero and any other person who thought that
15 there were -- any other person or entity who believed there
16 were assets in Acis that were valuable or something that
17 should -- litigation that should be estopped, that could be --
18 should be purchased, had the opportunity to buy from Mr.
19 Phelan, a third-party individual, to buy the equity in Acis.
20 Mr. Terry bought the equity in Acis for a discount on his --
21 for a million dollars, and he has -- and he took a discount
22 effectively on his claim in order to buy the equity. If Mr.
23 Dondero was concerned about -- or wanted to spend a million
24 dollars to stop the Acis claim, he had the ability to do that
25 in December of 2018, and he didn't -- he decided not to.

1 Unless you have any other questions, Your Honor, that is,
2 I believe, all Acis has today. And we would submit that the
3 9019 meets the standards set forth by the Fifth Circuit and
4 request entry of the order confirming the same.

5 THE COURT: Okay. Thank you.

6 MR. LYNN: Your Honor, may I simply correct one
7 statement by Ms. Chiarello?

8 THE COURT: You may.

9 MR. LYNN: The 9019 will also effect the release of
10 the supposed contempt motion that Acis filed on an emergency
11 basis last April, or had sought relief from the stay to file
12 on an emergency basis last April but to date has not filed, I
13 think for good reason, and that was released -- I -- that
14 would be released as well.

15 I do not wish to respond to various of the other incorrect
16 comments by either counsel. I trust the Court to review the
17 record completely and to come to its own conclusion respecting
18 Professor Rapoport's report.

19 THE COURT: All right. Thank you.

20 Well, again, I not only read Professor Rapoport's report,
21 but spent some time last night reviewing all the evidence
22 before the Court. And I am going to go ahead and give a
23 ruling without any further review of the record.

24 First, preliminarily, we've had notice of this motion to
25 compromise with Acis and the Terrys that is reasonable and

1 consistent with the Bankruptcy Rules. The notice was given on
2 September 23rd, so we're certainly good from notice and
3 opportunity to be heard, from that standpoint.

4 As we all know and as I went through yesterday in ruling
5 on the Redeemer Committee settlement, I am consulting
6 Bankruptcy Rule 9019 as well as the abundance of jurisprudence
7 that tells bankruptcy courts how they are to evaluate
8 compromises and settlements: Cases such as *AWECO*, *Jackson*
9 *Brewing*, *TMT Trailer*, *Cajun Electric*, and *Foster Mortgage*,
10 significantly, among the cases.

11 I am to look at, obviously, whether the proposed
12 compromise is fair and equitable and in the best interest of
13 creditors when considering probability of success in future
14 litigation, with due consideration for the uncertainty of law
15 and fact; when considering the complexity and likely duration
16 of future litigation and any attendant inconvenience and
17 delay; and all other factors bearing on the wisdom of the
18 compromise.

19 Case law also talks about the Court probing into whether a
20 settlement is within the range of reasonableness, and
21 obviously the Court should consider the paramount interests of
22 creditors.

23 So, here, giving all due consideration of the record
24 before me and the very eloquent arguments, I am going to
25 approve the compromise today.

1 I'm going to turn for a moment to Mr. Seery's testimony.
2 Just as I found his testimony to be very credible with regard
3 to the Redeemer Committee settlement, I once again found it to
4 be very credible and compelling in connection with the Acis
5 and Terry settlements.

6 Among other things, I believe his testimony reflected a
7 deep understanding of the risks and rewards of further
8 litigation and the uncertainty that there was in both the law
9 and the fact. He mentioned his understanding of the *Mirant*
10 holding and how that absolutely posed some risks for the
11 estate in challenging the claims of the reorganized Acis. He
12 mentioned what I consider significant due diligence that he
13 performed. He mentioned not only reading many of the rulings
14 of this Court throughout the tortured history of the Acis
15 bankruptcy, but he mentioned meeting with the board members.
16 In fact, meeting with Mr. Terry and Acis's professionals. He
17 picked out certain of the issues, the fact issues, the \$10
18 million note transfer that was argued to be a fraudulent
19 transfer. He described the disputes regarding the changing of
20 the fee structure imposed by Highland or Highland entities on
21 Acis, and he expressed concerns regarding the cost of
22 litigating all of that.

23 He spoke in depth about Mr. Terry's claims regarding his
24 retirement funds, and said he thought it was a pretty
25 straightforward win for the Terrys that he thought should have

1 been settled years ago for full value.

2 He mentioned his knowledge about the Guernsey litigation,
3 that being a jurisdiction where loser pays. So that was sort
4 of an open-shut one as far as he was concerned. And he talked
5 about the Acis GP proof of claim in some depth, regarding the
6 lawsuits in New York.

7 So, again, I find that he was very compelling and his
8 testimony reflected significant due diligence.

9 Now, the next thing I want to highlight that is very
10 compelling to me in deciding I should approve this settlement
11 is -- and I probably should have mentioned this first and
12 foremost -- this was a mediated settlement. This is certainly
13 some indication of its good faith and arm's-length nature, and
14 certainly is a point in favor of the wisdom of the settlement,
15 given that we had two very respected co-mediators, retired
16 Judge Gropper from the Bankruptcy Court of the Seventh
17 District of New York. Ms. Mayer was a partner at Weil Gotshal
18 with a very impressive career background. And so it, again,
19 it is a point very much in favor of the *bona fides* of this
20 settlement. So I cannot overstate that one.

21 A few other points I will make. In looking at the risks
22 and rewards and likely expense and inconvenience of further
23 litigation, while Professor Rapoport estimated maybe \$350,000
24 to \$1.1 million of fees might be incurred for future
25 litigation of the issues between Highland and Acis, and while

1 I respect her views tremendously -- I know she's been a fee
2 examiner in many, many cases and really has some *bona fides* in
3 speaking about fees in bankruptcy cases -- I tend to think
4 that is an extremely low estimate. And I can't separate from
5 this analysis my own experience and knowledge with how
6 litigious and expensive things have historically been between
7 Acis and Highland.

8 I cannot remember the final fee application amounts of the
9 Chapter 11 Trustee and his professionals, but I know that in a
10 year-plus of the Acis case, the fees were much, much larger
11 than this amount, and I seem to remember that at least Foley
12 Lardner had a very, very large unsecured claim in this case
13 related to its fees representing *Highland v. Acis*, millions of
14 dollars.

15 So, with complete respect to Professor Rapoport, I believe
16 with all my heart that that number is way, way low as far as
17 future fees and expenses.

18 And as Ms. Chiarello pointed out and I think Mr. Morris
19 pointed out, we don't actually have evidence of Mr. Dondero's
20 willingness to pay legal fees for fights of *Highland v. Acis*.
21 While certainly I believe one hundred percent that Mr. Lynn
22 was told that Dondero would pay those fees and he has every
23 reason to believe him, I just don't have the equivalent of
24 evidence there that I can point to, evidence being Mr. Dondero
25 testifying that he would do that and maybe putting something

1 else in front of me to show a commitment.

2 So I again will turn to Ms. Rapoport's report. While she
3 used words to the effect of, you know, she thought challenging
4 this would be a reasonable endeavor, I think that, all in all,
5 Mr. Seery was just very credible in his evaluation of things
6 and his strong feeling from the beginning that we're going to
7 fight this, it should be zero, and then as he did his due
8 diligence, as he looked at some of the issues -- and I will
9 point out that Professor Rapoport identified 16 issues of law
10 this Court would have to determine, in her estimation, and
11 then there could be potentially 12 fact issues the Court might
12 have to rule on, depending on how I ruled on the 16 issues of
13 law. I don't think I could do that as swiftly as maybe this
14 case needs and deserves to get on its way to reorganization,
15 and I do think the settlement enhances the likelihood of
16 confirmation of a plan in the near future. While we may have
17 miles to go before we get there, I think this settlement is a
18 step in the right direction, just like the settlement with the
19 Redeemer Committee is a step in the right direction. And
20 that's a big factor in my mind. I'm supposed to look at all
21 factors bearing on the wisdom of the compromise, and I think
22 the compromise enhances the prospect of a reorganization
23 sooner rather than later.

24 All right. I reserve the right to supplement in more
25 detailed findings and conclusions, but Mr. Morris, I'm going

1 to ask you to upload an appropriate form of order consistent
2 with the Court's ruling, obviously, on this as well as the
3 Redeemer Committee order.

4 Actually, here's one loose end I feel like Mr. Lynn wanted
5 the Court to address, and I'm not exactly sure what the
6 request is. Let me talk about the 362(k) issue. The way I
7 see it, and I can't remember which litigation it appears in,
8 but to the extent Acis has pursued post-petition in the
9 Highland case that Dondero is the alter ego of Highland, I do
10 acknowledge that *S.I. Acquisition* and other authority says
11 that is a cause of action remedy, whatever it is, that is
12 really at this point something that Highland controls and only
13 Highland should be pursuing. So it would be a stay violation
14 under 362(a)(3) for some other party to be pursuing it.

15 The way I see this is that any 362(k) claim for damages
16 that the Debtor would have for Acis's post-petition pursuit of
17 that are getting released in the settlement. As far as if
18 Dondero under 362(k) can assert his own damages, I think
19 there's a case called *St. Paul* something from the Fifth
20 Circuit from 2009 or 2011 that suggests maybe he can assert
21 his own damages as a creditor but not as an equity holder.
22 It's kind of a weird opinion. But that isn't getting
23 released, okay? I'm not opining one way or another whether he
24 would have a good claim for 362 damages personally, but it's
25 not released. So is that something we need clarification on?

1 MR. KHARASCH: Your Honor, it's Ira Kharasch of
2 Pachulski Stang. If I may be heard just for a minute?

3 THE COURT: Okay. You may.

4 MR. KHARASCH: I agree with you, Your Honor, it's --
5 if in fact Acis is asserting a cause of action that is not
6 property of the Acis estate but is property of the Highland
7 estate, which may well include an alter ego action, it's
8 certainly not the intent of our settlement agreement that we
9 cannot stop Acis from continuing an act that it is not
10 entitled to assert.

11 So this is -- we are not -- we did not convey any assets
12 to Acis, a right of property of the estate assets, which would
13 include alter ego actions under the law. So, to the extent
14 Acis is unlawfully using an asset of the estate, it was
15 certainly not the intent and I think it arguably should not
16 come within the ambit of the release agreement, that --

17 THE COURT: Can I stop you right there? I meant that
18 if the estate wants damages it has suffered heretofore under
19 362(k) for the prosecution of that alter ego claim, any
20 damages that have occurred up through the order approving this
21 compromise are released, at Highland's 362(2)(k) damages
22 against Acis. But if tomorrow Acis starts pursuing that alter
23 ego action, that hadn't been released. Are we saying the same
24 thing?

25 MR. KHARASCH: We are saying exactly the same thing,

1 Your Honor. I think you are technically quite correct.

2 THE COURT: Okay. Mr. Lynn, what did you want to
3 say?

4 MR. LYNN: Your Honor, may I speak to that, since it
5 was my concern?

6 THE COURT: Yes.

7 MR. LYNN: We were not -- we weren't looking for
8 damages. They would be minimal at this stage. We just want
9 to know that the stay remains in place and that they are
10 prevented from pursuing an alter ego claim in the *Acis v.*
11 *Dondero, et al.* suit pending in the *Acis* case. We really
12 ought to dismiss it. It's been going for six months, in
13 violation of the stay, as has the Debtor. And it really ought
14 to go away. We would file a motion to dismiss it except that
15 case is currently abated, so we can't file a motion to dismiss
16 it.

17 THE COURT: All right. Well, Ms. Chiarello, I don't
18 know if you had any clue this conversation would occur today
19 to be prepared. But it sounds like this is something that
20 needs to go away. I can't imagine why it -- you know, what
21 argument that *Acis* would have to pursue it at this juncture.
22 Do you want to respond to that?

23 MS. CHIARELLO: Your Honor, yes. We're obviously
24 aware of *S.I. Acquisition*. But I think -- one, I don't think
25 this was raised in the papers, so you're correct, we haven't

1 done a deep dive into the analysis of those. And truthfully,
2 I'm not -- I was not responsible for drafting the complaint
3 that Mr. Lynn complains about.

4 I think to the extent that this is a standing issue, which
5 is how the Fifth Circuit has characterized it, I think that's
6 something that can be examined. My recollection, and it's
7 quite fuzzy from almost a year ago, is that I believe that
8 there was a cause of action pled -- which is, again, inartful,
9 because as the Supreme Court said, that it's a remedy, but it
10 may have been against all of the Highland-related entities.
11 So I think we'll -- we'll just need to parse that. Dondero
12 would -- I think the thought was that Dondero would be an
13 alter ego of Highland HCLF, you know, the other entities, as
14 part of the fraudulent transfer scheme. But again, I'm -- I'm
15 not -- I haven't looked at that in quite some time.

16 We'll get with Mr. Lynn to hopefully resolve this. Or,
17 really, it's actually an -- to the extent it's an estate cause
18 of action, I think it's probably a conversation between Mr.
19 Morris and Ms. Patel that needs to occur. Obviously, not
20 today.

21 But to be clear, there's no -- we weren't intending to
22 violate the stay or pursue causes of action that were
23 otherwise within the province of I believe the Committee or
24 maybe potentially Highland. I haven't looked, again, at that
25 settlement in quite some time --

1 THE COURT: Okay.

2 MS. CHIARELLO: -- with respect to who owns estate
3 causes of action.

4 THE COURT: All right. Well, if it's abated right
5 now -- that's my understanding; we've abated it, right -- then
6 no harm right now at the moment. But I trust you're going to
7 -- from what I heard, I mean, it would be a stay violation to
8 go forward with any claim that Dondero Highland entity
9 somewhere is an alter ego of Highland. That would be
10 Highland's claim to pursue, the Committee's claim to pursue.
11 So I trust you all will get to the bottom of it, as they say.
12 All right.

13 MS. CHIARELLO: Yes, Your Honor. Before you
14 continue, though, I just -- I don't want Ms. Patel to come
15 back online and feel like I misstepped. So, to be clear, to
16 the extent that there's any argument with respect to
17 individual causes of action related to alter ego versus --
18 creditor-specific causes of action versus creditor body causes
19 of action with respect to alter ego claims, we'd reserve that.
20 And we would not concede that there's been any damages as
21 relate -- as it relates to -- if there was a stay violation,
22 that there have been any damages. I think that should be
23 something that shouldn't be adjudicated today, and I don't
24 want anything that I have said thus far to be used in a
25 pleading related to 362(k) damages --

1 THE COURT: Okay. Fair --

2 MS. CHIARELLO: -- or a stay violation.

3 THE COURT: Fair enough. Fair enough. All right.

4 Mr. Morris, are you going to give me a preview for tomorrow
5 and the various disclosure statement objections? Is this
6 something that is being worked on as we speak?

7 MR. MORRIS: Your Honor, I'm going to defer to my
8 colleagues Mr. Kharasch and Mr. Demo for that and let them
9 address the Court on this objection.

10 THE COURT: All right.

11 MR. KHARASCH: Yeah, Thank you, Your Honor. Ira
12 Kharasch again.

13 Your Honor, we are even presently digesting the various
14 disclosure statement objections that have been filed as of
15 several days ago, including yesterday and last night. We are
16 working through potential solutions to many of them. We are
17 continuing to have a dialogue with the Committee and the
18 Committee counsel, Committee members, with our client. We
19 will be having calls today with them to see about working
20 through potential solutions as best we can.

21 We are very optimistic that, with regard to a number of
22 the objections, we can work through them. Some objections we
23 believe are just confirmation objections.

24 Notwithstanding that, we even think some of those possible
25 objections may well be worked out before the day is over.

1 And just to give Your Honor a bit of a head's up with
2 regard to these kind of -- these kind of changes raised by --
3 that I'm alluding to, that we'll be addressing some of these
4 objections and other changes that we've been -- we need to
5 make as well.

6 We will be filing later today, as early as possible, a
7 redline of the disclosure statement and the plan. We will be
8 filing our responsive reply brief to all the objections.

9 In order to assist the Court, what we generally do with
10 regard -- and what we will do is attach a chart to that
11 response that will, in a bullet point -- bullet form,
12 summarize both the objections and across the chart we'll
13 summarize our response to the objection and any potential
14 agreement or change that was made to address that response.

15 So we're doing the best we can, Your Honor, to deal with
16 all of this before tomorrow's very early hearing.

17 THE COURT: All right. Thank you. Well, we will be
18 on the lookout, then, for that reply, with the chart, and that
19 will be --

20 MR. CLEMENTE: Your Honor, if I may?

21 THE COURT: Yes.

22 MR. CLEMENTE: Briefly?

23 THE COURT: Go ahead.

24 MR. CLEMENTE: Thank you, Your Honor. Matt Clemente
25 for the Committee. Just a couple of comments to (garbled),

1 Your Honor.

2 We have and we will endeavor to continue to work with the
3 Debtor over the course of, you know, if it turns out to be the
4 next 22 hours or whatever it is. But I do want to emphasize
5 for the Court, and I think the Court will see that, if she
6 hasn't already, from looking at the papers: This really isn't
7 one of these where, Let's just kick it all to confirmation.
8 We have the key voting constituencies, not through me but on
9 their own, telling this Court that they're not prepared to
10 vote for the plan in its current construct.

11 So I would just encourage the Debtor to understand that
12 that's the context within which we are heading into the
13 hearing tomorrow. And somehow managing to move past tomorrow,
14 when you have the creditors saying, We're just not going to
15 vote for it unless there are some things that are addressed,
16 I'm not sure that's the most efficient way or effective way to
17 proceed forward. So I just wanted to provide a little bit of
18 context of that for Your Honor. There are some things that I
19 don't think are just, Let's put a few more words in the
20 disclosure statement. There are some things that -- beyond
21 that that need to be addressed in order, I think, to achieve
22 the vote that everybody here is hopeful we can get on the
23 plan.

24 So I just wanted to give Your Honor a little bit of
25 context.

1 THE COURT: All right. Well, I appreciate hearing
2 that. And I'm all for, you know, us efficiently using our
3 time. And if we need to adjourn tomorrow and come back in a
4 few days, obviously, I'll happily accommodate that in my
5 schedule next week. And again, I'm just trying to be
6 realistic. It may be that there's a little bit too much to
7 address with some wordsmithing here and there. So I'll just
8 stay tuned. If there's --

9 MR. KHARASCH: Your Honor?

10 THE COURT: Yes.

11 MR. KHARASCH: Ira Kharasch again. You raised
12 something that might be a useful idea. You know, the hearing
13 is fairly early tomorrow. I'm wondering if maybe we started
14 an hour later that might give us a bit more time to try to get
15 things resolved before Your Honor comes on the bench.

16 THE COURT: I'm absolutely agreeable to that. I have
17 a -- what time is our afternoon hearing? Do you remember?

18 Well, yes, we have a very, very short 1:30 hearing, and
19 then we have a lengthier 2:00 or 2:30 hearing. So that's my
20 situation. I would have to break for the afternoon matters.
21 So, 10:30 Central time? Do you want to --

22 MR. KHARASCH: Well, I think that would be -- even
23 the one hour could be very productive, Your Honor, given the
24 early time in the morning, that we could -- it might be an
25 hour very well used.

1 THE COURT: All right.

2 MR. KHARASCH: If we need more time, obviously, we
3 will be letting you know.

4 THE COURT: All right. So, rescheduled for 10:30
5 tomorrow morning. And if there's nothing further, we're
6 adjourned. Thank you.

7 MR. KHARASCH: Thank you, Your Honor. Appreciate it.

8 THE CLERK: All rise.

9 (Proceedings concluded at 11:26 a.m.)

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CERTIFICATE

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22

I certify that the foregoing is a correct transcript to
the best of my ability from the electronic sound recording of
the proceedings in the above-entitled matter.

23

/s/ Kathy Rehling

10/24/2020

24

25

Kathy Rehling, CETD-444
Certified Electronic Court Transcriber

Date

003093

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero

Appellant

vs.

Highland Capital Management, L.P., et al

Appellee

§
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§

3:20-CV-03390-X

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLEE RECORD
VOLUME 14**

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**COUNSEL FOR ACIS CAPITAL MANAGEMENT,
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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

DEBTOR.

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CASE NO. 19-34054

Chapter 11

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DESIGNATION OF RECORD ON APPEAL

Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP," together with Acis LP, "Acis"), appellees, file this Designation of Record on Appeal related to the *Order Approving Debtor's Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302] (the "Settlement Order"), the *Notice of Appeal* [Docket No. 1347] of the Settlement Order filed by James Dondero ("Dondero") and the *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented* [Docket No. 1515] filed by Dondero.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

Acis designates the following additional items for inclusion in the record on appeal.

Items in Bankruptcy Case No. 19-34054-SGJ-11	
Vol. 14 003095 003097	1. Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. [Docket No. 1]
003203	2. Chapter 11 Voluntary Petition [Docket No. 1]
003247	3. Affidavit/Declaration in Support of First Day Motion /Declaration of Frank Waterhouse in Support of First Day Motions Filed By Highland Capital Management, L.P. [Docket No. 11]
Vol. 15 003406	4. Motion to Change Venue/Inter-district Transfer Filed by Official Committee of Unsecured Creditors [Docket No. 85]
003433	5. Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 122]
003444	6. Joinder to Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) [Docket No. 126]
003452	7. Reply in Support of Motion to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 162]
003459	8. Reply in Support of the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 163]
003463	9. Response of the Debtor to Acis's Joinder to Motion to Transfer Venue [Docket No. 164]
003465	10. Order Transferring Venue of this Case to the United States Bankruptcy Court of the Northern District of Texas [Docket No. 186]
003492	11. Transcript regarding hearing held 12/6/19 [Docket No. 207]
003574	12. Schedules: Schedules A/B/ and D-H with Summary of Assets and Liabilities (with Declaration Under Penalty of Perjury for Non-Individual Debtors)[Docket No. 247]
003616	13. Statement of financial affairs for non-individual [Docket No. 248]
Vol. 16 003629	14. Trustee's Motion to appoint trustee [Docket No. 271]
003729	15. Motion to compromise controversy with Official Committee of Unsecured Creditors [Docket No. 281]
003735	16. Trustee's Objection to Motion to Approve Joint Agreement [Docket No. 313]
003738	17. Declaration re: (Declaration of Bradley D. Sharp in Support of the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course) [Docket No. 327]
003751	18. Response unopposed to (related document(s): 313 Objection) [Docket No. 329]
003756	19. Response unopposed to (related document(s): 313 Objection) [Docket No. 330]
	20. Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors, Strand Advisors, Inc., and James Dondero. [Docket No. 338]

Vol. 16 003764	21.	Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course [Docket No. 339]
003769	22.	Notice (Notice of Final Term Sheet) [Docket No. 354]
Vol. 17 003834	23.	Response opposed to (related document(s): 271) [Docket No. 362]
003847	24.	Objection to (related document(s): 271 Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) [Docket No. 364]
003851	25.	Transcript regarding Hearing Held 01/21/2020 [Docket No. 393]
003991	26.	Order denying motion to appoint trustee [Docket No. 428]
003993	27.	Motion for relief from stay [Docket No. 451]
Vol. 18 004042	28.	Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") [Docket No. 474]
Thru Vol. 21 Vol. 22 004908	29.	Transcript regarding Hearing Held 02/19/2020 [Docket No. 479]
005096	30.	Objection to (related document(s): 474) [Docket No. 487]
005110	31.	Joinder by Acis Capital Management, L.P. and Acis Capital Management GP, LLC to the Committee's Objection to the Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain Related Entities, and Comment to the Same [Docket No. 489]
005119	32.	Order authorizing, but not directing, the debtor to cause distributions to certain 'related entities'. [Docket No. 512]
005123	33.	Order granting motion for relief from stay [Docket No. 519]
Vol. 23 005125	34.	Transcript regarding Hearing Held 03/04/2020 [Docket No. 571]
005246	35.	Motion for relief from stay [Docket No. 593]
Vol. 24 005352	36.	Transcript regarding Hearing Held 05/26/2020 [Docket No. 676]
005359	37.	Order granting motion for relief from stay [Docket No. 764]
005362	38.	Application to employ James P. Seery, Jr. Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020 [Docket No. 774]
005395	39.	Transcript regarding Hearing Held 06/30/2020 [Docket No. 802]
005495	40.	Transcript regarding Hearing Held 07/08/2020 [Docket No. 817]
005553	41.	Agreed order regarding deposit of funds into registry of the Court [Docket No. 821]
005558	42.	Order granting application to employ James P. Seery, Jr. as Chief Executive Officer, Chief Restructuring and Foreign representative [Docket No. 854]
Vol. 25 005570	43.	Transcript regarding Hearing Held 07/14/2020 [Docket No. 864]
005764	44.	Transcript regarding Hearing Held 07/21/2020 [Docket No. 897]
Vol. 26 005829	45.	Order directing mediation [Docket No. 912]
005835	46.	Transcript regarding Hearing Held 08/19/2020 [Docket No. 998]
005855	47.	Transcript regarding Hearing Held 09/10/2020 [Docket No. 1064]
005904	48.	Amended Schedules: E/F, with Summary of Assets and Liabilities [Docket No. 1082]
005933	49.	Transcript regarding Hearing Held 10/06/2020 [Docket No. 1145]
005991	50.	Witness and Exhibit List [Docket No. 1175]
005994	51.	Witness and Exhibit List [Docket No. 1202-1]
005997	52.	Omnibus Reply [Docket No. 1221]

DATED: December 7, 2020.

Respectfully submitted,

By: /s/ Annmarie Chiarello

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CERTIFICATE OF SERVICE

I hereby certify that on December 7, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello

One of Counsel

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

<p>In re:</p> <p>HIGHLAND CAPITAL MANAGEMENT, L.P.,¹</p> <p style="text-align: center;">Debtor.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>Chapter 11</p> <p>Case No. 19-12239 (CSS)</p> <p>Ref. Docket No.: 86</p>
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**ORDER TRANSFERRING VENUE OF THIS CASE TO THE UNITED STATES
BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS**

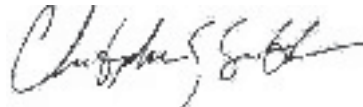
Upon the motion (the “Motion”)² of the Committee requesting entry of an order (this “Order”) transferring the venue of the above-captioned chapter 11 case to the United States Bankruptcy Court for the Northern District of Texas; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue of this Motion being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and adequate notice of, and the

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

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

opportunity for a hearing on, the Motion having been given; and for the reasons stated on the record, it is HEREBY ORDERED THAT:

1. Effective as of the date of this Order, the above-captioned chapter 11 case shall be transferred to the Dallas Bankruptcy Court pursuant to 28 U.S.C. § 1412.



Fill in this information to identify your case:

United States Bankruptcy Court for the:

DISTRICT OF DELAWARE

Case number (if known)

Chapter 11

☐ Check if this an amended filing

Official Form 201

Voluntary Petition for Non-Individuals Filing for Bankruptcy

4/19

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name Highland Capital Management, L.P.

2. All other names debtor used in the last 8 years
Include any assumed names, trade names and doing business as names

3. Debtor's federal Employer Identification Number (EIN) 75-2716725

4. Debtor's address Principal place of business

Mailing address, if different from principal place of business

300 Crescent Court
Suite 700
Dallas, TX 75201

Number, Street, City, State & ZIP Code

P.O. Box, Number, Street, City, State & ZIP Code

Dallas
County

Location of principal assets, if different from principal place of business

Number, Street, City, State & ZIP Code

5. Debtor's website (URL) www.highlandcapital.com

6. Type of debtor
☐ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))
☒ Partnership (excluding LLP)
☐ Other. Specify: _____

003097

Debtor Highland Capital Management, L.P.
Name

Case number (if known) _____

7. Describe debtor's business A. Check one:

- ☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
☐ Railroad (as defined in 11 U.S.C. § 101(44))
☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))
☒ None of the above

B. Check all that apply

- ☐ Tax-exempt entity (as described in 26 U.S.C. § 501)
☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)
☒ Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor.
See <http://www.uscourts.gov/four-digit-national-association-naics-codes>.

5259

8. Under which chapter of the Bankruptcy Code is the debtor filing? Check one:

- ☐ Chapter 7
☐ Chapter 9

☒ Chapter 11. Check all that apply:

- ☐ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,725,625 (amount subject to adjustment on 4/01/22 and every 3 years after that).
☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). If the debtor is a small business debtor, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if all of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
☐ A plan is being filed with this petition.
☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11 (Official Form 201A) with this form.
☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

☐ Chapter 12

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?

- ☒ No.
☐ Yes.

If more than 2 cases, attach a separate list.

District _____	When _____	Case number _____
District _____	When _____	Case number _____

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

- ☒ No.
☐ Yes.

List all cases. If more than 1, attach a separate list

Debtor _____	Relationship _____
District _____	When _____
	Case number, if known _____

Debtor Highland Capital Management, L.P.
Name

Case number (if known) _____

11. Why is the case filed in this district?

Check all that apply:

- ☒ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.
- ☐ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?

☒ No

☐ Yes.

Answer below for each property that needs immediate attention. Attach additional sheets if needed.

Why does the property need immediate attention? (Check all that apply.)

- ☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.

What is the hazard? _____

- ☐ It needs to be physically secured or protected from the weather.

- ☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).

- ☐ Other _____

Where is the property?

Number, Street, City, State & ZIP Code _____

Is the property insured?

- ☐ No

- ☐ Yes. Insurance agency _____

Contact name _____

Phone _____

Statistical and administrative information

13. Debtor's estimation of available funds

Check one:

- ☒ Funds will be available for distribution to unsecured creditors.
- ☐ After any administrative expenses are paid, no funds will be available to unsecured creditors.

14. Estimated number of creditors

☐ 1-49

☐ 50-99

☐ 100-199

☒ 200-999

☐ 1,000-5,000

☐ 5001-10,000

☐ 10,001-25,000

☐ 25,001-50,000

☐ 50,001-100,000

☐ More than 100,000

15. Estimated Assets

☐ \$0 - \$50,000

☐ \$50,001 - \$100,000

☐ \$100,001 - \$500,000

☐ \$500,001 - \$1 million

☐ \$1,000,001 - \$10 million

☐ \$10,000,001 - \$50 million

☐ \$50,000,001 - \$100 million

☒ \$100,000,001 - \$500 million

☐ \$500,000,001 - \$1 billion

☐ \$1,000,000,001 - \$10 billion

☐ \$10,000,000,001 - \$50 billion

☐ More than \$50 billion

16. Estimated liabilities

☐ \$0 - \$50,000

☐ \$50,001 - \$100,000

☐ \$100,001 - \$500,000

☐ \$500,001 - \$1 million

☐ \$1,000,001 - \$10 million

☐ \$10,000,001 - \$50 million

☐ \$50,000,001 - \$100 million

☒ \$100,000,001 - \$500 million

☐ \$500,000,001 - \$1 billion

☐ \$1,000,000,001 - \$10 billion

☐ \$10,000,000,001 - \$50 billion

☐ More than \$50 billion

Debtor Highland Capital Management, L.P.
Name

Case number (if known) _____

Request for Relief, Declaration, and Signatures

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

**17. Declaration and signature
of authorized
representative of debtor**

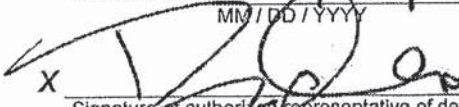
The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 10/16/2019
MM/DD/YYYY

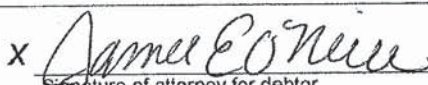
X 

Signature of authorized representative of debtor

Title _____

Strand Advisors, Inc., General Partner
by: James D. Dondero, President
Printed name

18. Signature of attorney

X 

Signature of attorney for debtor

Date 10/16/2019
MM/DD/YYYY

James E. O'Neill
Printed name

Pachulski Stang Ziehl & Jones LLP
Firm name

919 N. Market Street
17th Floor
Wilmington, DE 19899
Number, Street, City, State & ZIP Code

Contact phone 302-652-4100

Email address joneill@pszjlaw.com

4042 DE
Bar number and State

**ACTION BY WRITTEN CONSENT OF
THE SOLE GENERAL PARTNER
OF
HIGHLAND CAPITAL MANAGEMENT, L.P.
(a Delaware limited partnership)**

The undersigned, being the sole general partner (the “**General Partner**”) of Highland Capital Management, L.P. (the “**Company**”), hereby takes the following actions and adopts the following resolutions:

WHEREAS, the General Partner, acting pursuant to the laws of the State of Delaware, has considered the financial and operational aspects of the Company’s business;

WHEREAS, the General Partner has reviewed the historical performance of the Company, the outlook for the Company’s assets and overall performance, and the current and long-term liabilities of the Company;

WHEREAS, the General Partner has carefully reviewed and considered the materials presented to it by the management of and the advisors to the Company regarding the possible need to undertake a financial and operational restructuring of the Company; and

WHEREAS, the General Partner has analyzed each of the financial and strategic alternatives available to the Company, including those available on a consensual basis with the principal stakeholders of the Company, and the impact of the foregoing on the Company’s business and its stakeholders.

NOW, THEREFORE, BE IT RESOLVED, that in the judgment of the General Partner, it is desirable and in the best interests of the Company, its creditors, partners, and other interested parties that a petition be filed by the Company seeking relief under the provisions of chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware;

RESOLVED, that the officers of the General Partner (each, an “**Authorized Officer**”) be, and each of them hereby is, authorized, empowered and directed on behalf of the Company to execute, verify and file all petitions, schedules, lists, and other papers or documents, and to take and perform any and all further actions and steps that any such Authorized Officer deems necessary, desirable and proper in connection with the Company’s chapter 11 case, with a view to the successful prosecution of such case, including all actions and steps deemed by any such Authorized Officer to be necessary or desirable to the develop, file and prosecute to confirmation a chapter 11 plan and related disclosure statement;

RESOLVED, that the Authorized Officers be, and each of them hereby is, authorized, empowered and directed, on behalf of the Company, to retain the law firm of Pachulski Stang Ziehl & Jones LLP ("**PSZ&J**") as bankruptcy counsel to represent and assist the Company in carrying out its duties under chapter 11 of the Bankruptcy Code, and to take any and all actions to advance the Company's rights in connection therewith, and the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon the filing of the bankruptcy, and to cause to be filed an appropriate application for authority to retain the services of PSZ&J;

RESOLVED, that the Authorized Officers be, and each of them hereby is, authorized, empowered and directed, on behalf of the Company, to retain and employ Development Specialists, Inc. ("**DSI**") to provide the Company with Bradley D. Sharp as chief restructuring officer ("**CRO**") and additional personnel to assist in the execution of the day to day duties as CRO. The CRO, subject to oversight of the General Partner will lead the Company's restructuring efforts along with the Company's advisors, and to take any and all actions to advance the Company's rights in connection therewith, and the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon the filing of the bankruptcy petition, and to cause to be filed an appropriate application for authority to hire the CRO and his affiliated firm, DSI;

RESOLVED, that the Authorized Officers be, and each of them hereby is, authorized, empowered and directed, on behalf of the Company, to employ any other professionals necessary to assist the Company in carrying out its duties under the Bankruptcy Code; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to or immediately upon the filing of the chapter 11 case and cause to be filed appropriate applications with the bankruptcy court for authority to retain the services of any other professionals, as necessary, and on such terms as are deemed necessary, desirable and proper;

RESOLVED, that the Authorized Officers be, and each of them hereby is, authorized, empowered and directed, on behalf of the Company, to obtain post-petition financing and obtain permission to use existing cash collateral according to terms which may be negotiated by or on behalf of the Company, and to enter into any guaranties and to pledge and grant liens on its assets as may be contemplated by or required under the terms of such post-petition financing or cash collateral arrangement; and in connection therewith, the Authorized Officers shall be, and each of them hereby is, hereby authorized, empowered and directed, on behalf of the Company, to execute appropriate loan agreements, cash collateral agreements and related ancillary documents;

RESOLVED, that the Authorized Officers be, and each of them hereby is, authorized, empowered and directed, on behalf of the Company, to take any and all actions, to execute, deliver, certify, file and/or record and perform any and all

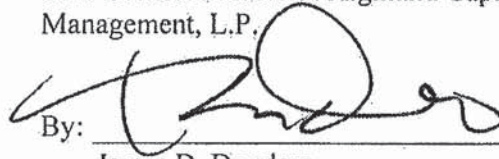
documents, agreements, instruments, motions, affidavits, applications for approvals or rulings of governmental or regulatory authorities or certificates and to take any and all actions and steps deemed by any such Authorized Officer to be necessary or desirable to carry out the purpose and intent of each of the foregoing resolutions and to effectuate a successful chapter 11 case;

RESOLVED, that any and all actions heretofore taken by any Authorized Officer in the name and on behalf of the Company in furtherance of the purpose and intent of any or all of the foregoing resolutions be, and hereby are, ratified, confirmed, and approved in all respects.

[Signature pages follow]

IN WITNESS WHEREOF, the undersigned have duly executed this Written Consent as of October 7, 2019.

STRAND ADVISORS, INC.
Sole General Partner of Highland Capital
Management, L.P.

By: 
James D. Dondero
President

*SIGNATURE PAGE TO THE ACTION BY WRITTEN CONSENT OF
THE SOLE GENERAL PARTNER OF HIGHLAND CAPITAL MANAGEMENT, L.P.*

003104

Fill in this information to identify the case:

Debtor name HIGHLAND CAPITAL MANAGEMENT, L.P.

United States Bankruptcy Court for the: District of Delaware

(State)

Case number (if known): 19-

☐ Check if this is an amended filing

Official Form 204

Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders

12/15

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an *insider*, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
1. Redeemer Committee of the Highland Crusader Fund c/o Terri Mascherin, Esq. Jenner & Block 353 N. Clark Street Chicago, IL 60654-3456	Terri Mascherin Tel: 312.923.2799 Email: tmascherin@jenner.com	Litigation	Contingent Unliquidated Disputed			\$189,314,946.00
2. Patrick Daugherty c/o Thomas A. Uebler, Esq. McCormack D'Emilio Smith Uebler LLC 2751 Centerville Rd #401 Wilmington, DE 19808	Thomas A. Uebler Tel: 302.468.5963 Email: tuebler@mdsulaw.com	Litigation	Contingent Unliquidated Disputed			\$11,700,000.00
3. CLO Holdco, Ltd. Grant Scott, Esq. Myers Bigel Sibley & Sajovec, P.A. 4140 Park Lake Ave, Ste 600 Raleigh, NC 27612	Grant Scott Tel: 919.854.1407 Email: gscott@myersbigel.com	Contractual Obligation				\$11,511,346.00

4.	McKool Smith, P.C. Gary Cruciani, Esq. McKool Smith 300 Crescent Court, Suite 1500 Dallas, TX 75201	Gary Cruciani Tel: 214.978.4009 Email: gcruciani@mckoolsmith.com	Professional Services	Contingent Unliquidated Disputed			\$2,163,976.00
5.	Meta-e Discovery LLC Paul McVoy Six Landmark Square, 4th Floor Stamford, CT 6901	Paul McVoy Tel: 203.544.8323 Email: pmcvoy@metaediscovery.com	Professional Services				\$1,852,348.54
6.	Foley Gardere Holly O'Neil, Esq. Foley & Lardner LLP 2021 McKinney Avenue Suite 1600 Dallas, TX 75201	Holly O'Neil Tel: 214.999.4961 Email: honeil@foley.com	Professional Services				\$1,398,432.44
7.	DLA Piper LLP (US) Marc D. Katz, Esq. 1900 N Pearl St, Suite 2200 Dallas, TX 75201	Marc D. Katz Tel: 214.743.4534 Email: marc.katz@dlapiper.com	Professional Services				\$994,239.53
8.	Reid Collins & Tsai LLP William T. Reid, Esq. 810 Seventh Avenue, Ste 410 New York, NY 10019	William T. Reid Tel: 512.647.6105 Email: wreid@rctllegal.com	Professional Services				\$625,845.28
9.	Joshua & Jennifer Terry c/o Brian P. Shaw, Esq. Rogge Dunn Group, PC 500 N. Akard Street, Suite 1900 Dallas, TX 75201	Brian Shaw Tel: 214. 239.2707 email: shaw@roggedunnngroup.com	Litigation	Contingent Unliquidated Disputed			\$425,000.00
10.	NWCC, LLC c/o of Michael A. Battle, Esq. Barnes & Thornburg, LLP 1717 Pennsylvania Ave N.W. Ste 500 Washington, DC 20006-4623	Michael A. Battle Tel: 202.371.6350 Email: mbattle@btlaw.com	Litigation	Contingent Unliquidated Disputed			\$375,000.00
11.	Duff & Phelps, LLC c/o David Landman Benesch, Friedlander, Coplan & Aronoff LLP 200 Public Square, Suite 2300 Cleveland, OH 44114-2378	David Landman Tel: 216.363.4593 Email: dlandman@beneschlaw.com	Professional Services				\$350,000.00

12.	American Arbitration Association 120 Broadway, 21st Floor, New York, NY 10271	Elizabeth Robertson, Director Tel: 212.484.3299 Email: robertsone@adr.org	Professional Services				\$292,125.00
13.	Lackey Hershman LLP Paul Lackey, Esq. Stinson LLP 3102 Oak Lawn Avenue, Ste 777 Dallas, TX 75219	Paul Lackey Tel: 214.560.2206 Email: paul.lackey@stinson.com	Professional Services				\$246,802.54
14.	Bates White, LLC Karen Goldberg, Esq. 2001 K Street NW, North Bldg Suite 500 Washington, DC 20006	Karen Goldberg Tel: 202.747.2093 Email: karen.goldberg@bateswhite.com	Professional Services				\$235,422.04
15.	Debevoise & Plimpton LLP c/o Accounting Dept 28th Floor 919 Third Avenue New York, NY 10022	Michael Harrell Tel: 212-909-6349 Email: mpharrell@debevoise.com	Professional Services				\$179,966.98
16.	Andrews Kurth LLP Scott A. Brister, Esq. 111 Congress Avenue, Ste 1700 Austin, TX 78701	Scott A. Brister Tel: 512.320.9220 Email: ScottBrister@andrewskurth.com	Professional Services				\$137,637.81
17.	Connolly Gallagher LLP 1201 N. Market Street 20 th Floor Wilmington, DE 19801	Ryan P. Newell Tel: 302.888.6434 Email: rnewell@connollygallagher.com	Professional Services				\$118,831.25
18.	Boies, Schiller & Flexner LLP 5301 Wisconsin Ave NW Washington, DC 20015-2015	Scott E. Gant Tel: 202.237.2727 Email: sgant@bsfllp.com	Professional Services				\$115,714.80
19.	UBS AG, London Branch and UBS Securities LLC c/o Andrew Clubock, Esq. Latham & Watkins LLP 555 Eleventh Street NW Suite 1000 Washington, DC 20004-130	Andrew Clubock Tel: 202.637.3323 email: Andrew.Clubok@lw.com	Litigation	Contingent Unliquidated Disputed			Unliquidated

Debtor

Name

20.	Acis Capital Management, L.P. and Acis Capital Management GP, LLC c/o Brian P. Shaw, Esq. Rogge Dunn Group, PC 500 N. Akard Street, Suite 1900 Dallas, TX 75201	Brian Shaw Tel: 214. 239.2707 email: shaw@roggedunnngroup.com	Litigation	Contingent Unliquidated Disputed			Unliquidated
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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,

Debtor.

)
) Chapter 11
)
) Case No. 19-____ (____)
)
)
)
)

CORPORATE OWNERSHIP STATEMENT (RULE 7007.1)

Pursuant to Federal Rule of Bankruptcy Procedure 7007.1 and to enable the Judges to evaluate possible disqualification or recusal, the Debtor, certifies that the following is a corporation other than the Debtor, or a governmental unit, that directly or indirectly owns 10% or more of any class of the corporation's equity interests, or states that there are no entities to report under FRBP 7007.1.

☒ None [*check if applicable*]

Name:

Address:

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	
HIGHLAND CAPITAL MANAGEMENT, L.P.,	)	Chapter 11
Debtor.	)	Case No. 19-____ (____)

LIST OF EQUITY SECURITY HOLDERS

Following is the list of the Debtor's equity security holders which is prepared in accordance with rule 1007(a)(3) for filing in this Chapter 11 Case:

Name:	Strand Advisors, Inc.
Address:	300 Crescent Court Suite 700 Dallas, TX 75201
Name:	The Dugaboy Investment Trust
Address:	300 Crescent Court Suite 700 Dallas, TX 75201
Name:	Mark K. Okada
Address:	300 Crescent Court Suite 700 Dallas, TX 75201
Name:	The Mark and Pamela Okada Family Trust – Exempt Trust #1
Address:	300 Crescent Court Suite 700 Dallas, TX 75201
Name:	The Mark and Pamela Okada Family Trust – Exempt Trust #2
Address:	300 Crescent Court Suite 700 Dallas, TX 75201
Name:	Hunter Mountain Investment Trust
Address:	c/o Rand Advisors LLC John Honis 87 Railroad Place Ste 403 Saratoga Springs, NY 12866

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	
	)	Chapter 11
HIGHLAND CAPITAL MANAGEMENT, L.P.,)	
Debtor.	)	Case No. 19-____ (____)
)	

CERTIFICATION OF CREDITOR MATRIX

Pursuant to Rule 1007-2 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware, the above captioned debtor (the “Debtor”) hereby certifies that the *Creditor Matrix* submitted herewith contains the names and addresses of the Debtor’s creditors. To the best of the Debtor’s knowledge, the *Creditor Matrix* is complete, correct, and consistent with the Debtor’s books and records.

The information contained herein is based upon a review of the Debtor’s books and records as of the petition date. However, no comprehensive legal and/or factual investigations with regard to possible defenses to any claims set forth in the *Creditor Matrix* have been completed. Therefore, the listing does not, and should not, be deemed to constitute: (1) a waiver of any defense to any listed claims; (2) an acknowledgement of the allowability of any listed claims; and/or (3) a waiver of any other right or legal position of the Debtor.

Fill in this information to identify the case:

Debtor name Highland Capital Management, L.P.

United States Bankruptcy Court for the: DISTRICT OF DELAWARE

Case number (if known) _____

☐ Check if this is an amended filing

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

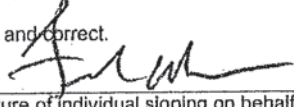
I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☐ Schedule A/B: Assets—Real and Personal Property (Official Form 206A/B)
- ☐ Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D)
- ☐ Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)
- ☐ Schedule G: Executory Contracts and Unexpired Leases (Official Form 206G)
- ☐ Schedule H: Codebtors (Official Form 206H)
- ☐ Summary of Assets and Liabilities for Non-Individuals (Official Form 206Sum)
- ☐ Amended Schedule
- ☒ Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders (Official Form 204)
- ☒ Other document that requires a declaration Corporate Ownership Statement, List of Equity Holders, Creditor Matrix Certification

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 10/16/2019

x


Signature of individual signing on behalf of debtor

Frank Waterhouse

Printed name

Treasurer of Strand Advisors, Inc., General Partner

Position or relationship to debtor

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
13D RESEARCH, INC		6115 Estate Smith Bay	Box 2/Suite 333		St. Thomas	VI	00802-1304	
13D RESEARCH, INC		PO BOX 2087	109 BOULDER VIEW LANE		Ketchum	ID	83340	
1564 Entertainment, LLC		391 E. Las Colinas Blvd.	No 130-428		Irving	TX	75039	
1st AMERICAN FIRE PROTECTION, INC		PO BOX 2123			Mansfield	TX	76063-2123	
1st Partners & Co		12750 Merit Drive	Suite 1200		Dallas	TX	75251	
2011 PCDC Teachers Cup		25 Highland Park Village	No 100-188		Dallas	TX	75205	
2-10 HOME BUYERS		10375 E HARVARD AVE			Denver	CO	80231	
299 Credit Finance Holdings LLC		875 Third Avenue	10th Floor		New York	NY	10022	
300 Inc.		3605 Bellline Rd			Addison	TX	75001	
4CAST Inc.		420 Lexington Ave	Suite 2147		New York	NY	10170	
4th Bln, Inc.		703 3rd Avenue	6th Floor		New York	NY	10017	
A.S.A.P. Advisor Services		5000 Olde Towne Parkway	Suite 100		Marietta	GA	30068	
AA GMT		4700 AMERICAN BLVD MD1000			Ft. Worth	TX	76155	
Aaron, Philip B.		Address Redacted						
ABALON BUSINESS MACHINES & SERVICES		60 E 42ND ST			New York	NY	10167	
Abayarathna, Sahan		Address Redacted						
Abbit Stonecypther		6577 Festival Lane			Frisco	TX	75034	
Aberdeen Loan Funding, Ltd.	c/o Walkers SPV Limited	Walker House 87 Mary Street	George Town		Grand Cayman	NY	KY1-9002	Cayman Islands
Ableco, LLC		269 Park Avenue	Floor 21-23		New York	NY	10171	
Abion and Co., PLLC		10000 N. Central Expy #1400			Dallas	TX	75231	
ABM		PO Box 419860			Boston	MA	02241-9860	
ABM Janitorial Services		P.O. Box 951864			Dallas	TX	75395	
About Faces Entertainment, LLC		5092 Dorsey Hall Drive	Suite 202		Ellicott City	MD	21042	
AboveNet Communications Inc.		PO Box 79006			City of Industry	CA	91716-9006	
Abraham Rondina		88 Leonard Street	Apt 422		New York	NY	10013	
Abrams & Bayliss LLP		20 Montchanin Road, Suite 200			Wilmington	DE	19807	
ABRAMS & LASTER LLP		20 Montchanin Road	Suite 200		Wilmington	DE	19807	
Abrams Mediation		4901 LBJ Fwy	No 150		Dallas	TX	75244-6179	
Abrams Mediation		7616 Burns Run Suite 180			Dallas	TX	75248	
Absolute Entertainment		1517 Prudential Drive			Dallas	TX	75235	
ACA Compliance Group		8403 Colesville Road	Suite 870		Silver Spring	MD	20910	
Academy Engraving Inc		271 Madison Avenue	Suite 207		New York	NY	10016	
Accessibility Today	Appleby Services (Bermuda) Ltd.	PO Box 1757			Roanoke	TX	76262	
Accountant General		PO Box HM 1179			Hamilton	HM EX	HM EX	BERMUDA
Accountant General	Attn Lorna Phillips	M Q Services Limited Victoria Place			Hamilton		HM 10	BERMUDA
ACCOUNTEMPS		FILE 73484	PO BOX 60000		San Francisco	CA	94160-3484	
ACCOUNTEMPS		PO Box 743295			Los Angeles	CA	90074-3295	
Accuity Inc. dba NRS		PO Box 7247-8077			Philadelphia	PA	19170-8077	
Acis Capital Management	Attn Rakhee V. Patel, Winstead PC	500 Winstead Building	2728 N. Harwood Street		Dallas	TX	75201	
Acis Capital Management, L.P., et al	c/o Brian P. Shaw, Esq.	Rogge Dunn Group, PC	500 N. Akard Street, Suite 1900		Dallas	TX	75201	
Ackerman McQueen Inc.		1601 Northwest Expressway	Suite 1100		Oklahoma City	OK	73118	
Action Fire Pros		3709 S IH 35			Waxahachie	TX	75165	
Action Shred of Texas		1420 S. Barry Ave			Dallas	TX	75223	
Action Shred of Texas		2835 Congressman Lane			Dallas	TX	75220	
Act-On Software, Inc.		121 SW Morrison Street, Ste 1600			Portland	OR	97204	
Ada Hsieh		3444 Belladonna Dr			Piano	TX	75093	
ADAM DYBALA		4509 AVENUE B	UNIT B		Austin	TX	78751	
Adam Energy Forum		PO Box 802511			Dallas	TX	75380-2511	
ADAM FALCON		808 17th ST NW	11th FLR		Washington	DC	20006	
Adam Hanson		4917 Firmont Drive			South Jordan	UT	84095	
Adam Kneller		300 E. 79th Street	Apt 7D		New York	NY	10021	
Adam Ostermiller		2984 White Oak St.			Highlands Ranch	CO	80129	
ADAM PETERSON		210 South Helix, # C			Solana Beach	CA	92075	
Adam-Permian Energy Network		1439 Wakefield Dr.			Houston	TX	77018	
ADAM-Tulsa	Attn Melissa Turgeon	3500 One Williams Center, MD 2600			Tulsa	OK	74172-0135	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Addleshaw Goddard LLP		Sovereign House, PO Box 8	Sovereign Street Leads		West Yorkshire		LS1 1HQ	UK
Adeo Internet Marketing Inc.		2501 East Charleston Rd			Island Pond	VT	05846	
Adeyemi Ogunkoya		555 River Drive South	Apt 1601		Jersey City	NJ	07310	
ADISA		10401 North Meridian Street	Suite 202		Indianapolis	IN	46290	
ADKINS, PAUL		Address Redacted						
AdMaster Compliance		1101 Arrow Point Drive	Suite 301		Cedar Park	TX	78613	
ADMIN, J.C.	State of Connecticut	Department of Labor	Employment Security Division		Hartford	CT	06104-2940	
Admiral Communications		4505 Excel Pkwy, Ste 300			Addison	TX	75001	
ADP		2735 Stemmons Fwy			Dallas	TX	75207	
ADP		PO Box 31001-1568			Pasadena	CA	91110-1568	
ADP		PO BOX 78415			Phoenix	AZ	85062-8415	
ADSUAR MUNIZ GOYCO SEDA & PEREZ- OCHOA		PO BOX 70294			San Juan	PR	00936-8294	
ADT SECURITY SERVICES, INC	Attn M MALDONADO	335 W 16th ST			New York	NY	10011	
ADT SECURITY SERVICES, INC		PO BOX 371956			Pittsburgh	PA	15250-7956	
Advanced Business Group, Inc.		520 Eighth Ave, 15th Flr			New York	NY	10018	
Advanced Discovery, Inc.		13915 N Mopac Expwy	Suite 400		Austin	TX	78728	
Advanced Discovery, Inc.		PO Box 102242			Atlanta	GA	30368-2242	
Advanced Discovery, Inc.		PO Box 3173			Wichita	KS	67201-3173	
Advantage Data Inc.		PO Box 961210			Boston	MA	02196-1210	
Advent Software, Inc.		Dept 33096 PO Box 39000			San Francisco	CA	94139-3096	
Advent Software, Inc.		PO BOX 923374			Philadelphia	PA	19182-3374	
ADVENTURE PHOTO TOURS, INC.		3111 S VALLEY VIEW BL VD	X-106		Las Vegas	NV	89102	
ADVISOR CONSULTANT NETWORK INC		600 SUPERIOR AVE	SUITE 1300		Cleveland	OH	44114	
Advisor Group, Inc.		PO Box 978516			Dallas	TX	75397-8516	
Advisory Group Equity Services, Ltd.		444 Washington Street	Suite 407		Woburn	MA	01801	
Advocates Professional Services, Inc		119 North Park Ave, Suite 303			Rockville Centre	NY	11570	
AERIAL FOCUS		4885 ALPHA RD	STE 155		Dallas	TX	75244-4633	
AerIndustry Jobs, Inc		PO Box 215			Oxford	ME	04270	
Aetna		10275 W Higgins Rd	Suite 500		Rosemont	IL	60018	
Aetna	AETNA-MIDDLETOWN	PO BOX 88863			Chicago	IL	60695-1863	
Aetna	Attn Lockbox No 804735	350 East Devon Avenue			Itasca	IL	60143	
Aetna	PO Box 804735				Chicago	IL	60680-4108	
Aetna	PO Box 88860				Chicago	IL	60695-1860	
Aetna-COBRA		COBRA/Special Plans	PO Box 13050		Secaucus	NJ	07188-0050	
Aetna-FSA Payment Remittance	Aetna-Middletown	PO Box 13504			Newark	NJ	07188-0504	
Agio, LLC		201 David L Boren Blvd	Ste 250		Norman	OK	73072	
Agren Blando Court Reporting Video Inc.		216 16th Street	Suite 650		Denver	CO	80202	
Aguilar Movers, Inc.		1206 Edwards Circle			Dallas	TX	75224	
AHLUWALIA, SANJIV		Address Redacted						
AI Insight		P.O. Box 639250			Cincinnati	OH	45263-9250	
AICPA		Multiple Member Payment	PO Box 2219		Jersey City	NJ	07303-2219	
AICPA		PO BOX 10069			Newark	NJ	07101-3069	
AIG Advisor Group, Inc.		PO Box 978516			Dallas	TX	75397-8516	
AIMSE		12100 Sunset Hills Road	Suite 130		Reston	VA	20190	
Aimware, Inc	Attn Joyce Welsh	16 Olde Taverne Lane			Amesbury	MA	01913	
AIQ, Inc.		1500 Broadway	Suite 2900		New York	NY	10036	
AIQ, Inc.		2700 Rutherford Blvd	2nd Floor		Clifton	NJ	07014	
Air Graffiti Dallas		4901 Harbor Ct			Flower Mound	TX	75022	
AIRBAND COMMUNICATIONS, INC		75 Remittance Drive	Suite 6566		Chicago	IL	60675-6566	
Aire Dynamics		2305 E BELTLINE RD	STE 190		Carrollton	TX	75006	
Aire Dynamics		305 E Beltline Rd Ste 190			Carrollton	TX	75006	
Aire Dynamics		3250 WEST STORY RD #102			Irving	TX	75038	
AirWatch, LLC		931 Monroe Drive NE	Ste 102-303		Atlanta	GA	30308	
AirWatch, LLC		PO Box 742332			Atlanta	GA	30374-2332	
Akerman Senterfitt & Edison, PA		P.O. Box 4906			Orlando	FL	32802	
AKF Reporters, Inc.		436 Blvd of the Allies			Pittsburgh	PA	15219-1314	
Akin, Gump, Strauss, Hauer & Feld LLP		1333 New Hampshire Ave, NW			Washington	DC	20036	
Akin, Gump, Strauss, Hauer & Feld LLP		1700 Pacific Avenue	Suite 4100		Dallas	TX	75201	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Akin, Gump, Strauss, Hauer & Feld LLP		Dept. 2909			Carol Stream	IL	60132-2909	
Akin, Gump, Strauss, Hauer & Feld LLP		DEPT. 7247-6827			Philadelphia	PA	19170-6827	
Akin, Gump, Strauss, Hauer & Feld LLP		Dept 7247-6838			Philadelphia	DE	19170-6838	
Alabama Department of Revenue	Individual and Corporate Tax Division	Corporate Income Tax Section			Montgomery	AL	36132-7435	
Alabama Power Service Organization	c/o Katrina Haynes	PO Box 1209	PO Box 327435		Eufaula	AL	36072	
Alabama Sheriffs Youth Ranches		200 Crescent Ct Ste 1900			Dallas	TX	75201	
Alan Adams		236 Ailington Dr			Aurora	OH	44202	
ALAN WELCH		120 MINOR RD			Charlottesville	VA	22903	
Albion Computer Services		49 Berkeley Square			London		W1J 5AZ	UK
A-Legal		1201 Elm Street	Suite 2560		Dallas	TX	75270	
Alejandro Vargas		1200 Brickell Bay	Apt 3923		Miami	FL	33131	
Alex Kanji		1 Stuyvesant Oval Apt MG			New York	NY	10009	
ALEX SOMERS		2222 SMITH ST. #132			Houston	TX	77002	
Alexanders Mobility Services		2750 Miller Park N Ste 300			Gaillard	TX	75042-7751	
Alexis Sereni		2820 McKinnon St	Apt 2110		Dallas	TX	75201	
ALEXIS ZHOU		75 WEST ST. APT 11J			New York	NY	10006	
ALFERMANN, NICHOLAS		Address Redacted						
ALICE WANG		2500 N HOUSTON ST			Dallas	TX	75219	
All American Entertainment		5790 Fayetteville Rd.	Ste. 200		Durham	NC	27713	
All Star Group, Inc		3835 E. Thousand Oaks Blvd	Suite 282		Westlake Village	CA	91362	
ALL SYSTEMS SERVICES		7901 WHISPERING WOODS LN.						
Alian Huffman		5165 CR 2013			N. Richland Hills	TX	75240	
ALLAN PAPWORTH		3570 COREY RD			Glen Rose	TX	76649	
ALLEN KIM		19769 SANTA ROSA DR			Malabar	FL	32950	
ALLEN, MICHAELA S.		Address Redacted			Porter Ranch	CA	91326	
ALLEN, TARA		Address Redacted						
Aliens Arthur Robinson		GPO Box 50			Sydney	NSW	02001	AUSTRALIA
Alliance Legal Staffing		PO Box 670534			Dallas	TX	75367	
ALLIANCE REPORTING LLC		3500 OAK LAWN AVE	SUITE 400		Dallas	TX	75219	
Allied Capital Partners		PO BOX 676649			Dallas	TX	75267-6649	
Allied Electronics Inc.	Accts Receivable Dept.	PO Box 2325			Fort Worth	TX	76113-2325	
Allison Lam	c/o Frederik Michel	556 3rd Ave, Apt #1403			New York	NY	10016	
Allison Taylor		PO Box 187			Dingmans Ferry	PA	18328	
ALPHA ELECTRICAL SERVICES INC		3727 HWY 138			Stockbridge	GA	30281	
AlphaLit		8201 Greensboro Drive	Suite 717		McLean	VA	22102	
Alphasense, Inc.		PO Box 37176			San Francisco	CA	94137-0176	
Alston & Bird LLP		1201 W. Peachtree Street			Atlanta	GA	30309-3424	
Alternative Asset Investment Mgmt LLC		PO Box 5274			New York	NY	10185	
Altex Electronics, Ltd.		11342 HI 35 North			San Antonio	TX	78233	
Allus Network Solutions, Inc.		dba nFront Security	4920 Atlanta Highway, Suite 313		Alpharetta	GA	30004-2921	
ALVAREZ, ADRIANA		Address Redacted						
Alvaro Idoate Photographer		18 Tapia Street			San Juan	PR	00911	
Alvaro Magalhaes		407 Duke Gibson Drive			Kansas City	MO	64145	
AM Linen Rental		1611B Tantor Rd			Dallas	TX	75229	
Amanda Coussens		3940 Lakewood Heights Ct			Fort Worth	TX	76179	
AMANDA RUDOLPH		5504 BIG RIVER DR			The Colony	TX	75056	
AMB Janitorial Services		PO Box 97292			Dallas	TX	75397	
Ambassador Funds Management Services	American Building Maintenance	Level 8, 3 Spring St			Sydney	N8W	02000	AUSTRALIA
Ambassador Funds Management Services		STE 1202, LEVEL 12	3 SPRING ST		SYDNEY	NSW	02000	AUSTRALIA
Amber Electrical Contractors		2251 Century Center Blvd			Irvine	TX	75062	
Ambridge Partners LLC		Due Diligence Services	520 Eighth Ave, 25th Floor		New York	NY	10018	
AMC Theaters		13731 Collections Center Drive			Chicago	IL	60693	
American Airlines		4255 Amon Carter Blvd	MD 4106		Fort Worth	TX	76155	
AMERICAN APPRAISAL CANADA, INC		310 FRONT ST WEST Suite 710			TORONTO	ON	M5V 3B5	CANADA
American Arbitration Association		120 Broadway, 21st Floor			New York	NY	10271	
American Arbitration Association		13455 Noel Road, Suite 1750			Dallas	TX	75240	

Creditor Matrix

CreditorName	Creditor/NoticeName	Address1	Address2	Address3	City	State	Zip	Country
American Arbitration Association	Attn Kathleen Cantrell	1750 Two Galleria Tower	13455 Noel Road		Dallas	TX	75240	
American Arbitration Association		Lackey Hershman, LLP	3102 Oak Lawn Avenue, Suite 777		Dallas	TX	75219	
AMERICAN BANK NOTE COMPANY		PO BOX 1931			Columbia	TN	38402	
American Bar Association		PO Box 4745						
American Bldg. Maintenance Co.		PO Box 951864			Carol Stream	IL	60197-4745	
American Cancer Society	Attn JAMIE SLOAN	8900 CARPENTER FWY			Dallas	TX	75395-1864	
American Cancer Society	Attn Sharyn Klumb	8900 Carpenter Freeway			Dallas	TX	75247	
American Chamber of Commerce Resources		65 East Wacker Place	Suite 1804		Chicago	IL	75247	
American Federation of the Arts		305 East 47 St.	10 th Floor		New York	NY	10017	
American Furniture Rental		3201 E. Arkansas Lane	Suite 101		Arlington	TX	76010	
American Global Wealth Management		1600 Pennsylvania Avenue			McDonough	GA	30253	
American Heart Assoc. National Center	Attn SouthWest Affiliate-A/R	PO Box 4002903			Des Moines	IA	50340-2903	
American Heart Association		2550 US Highway 1			North Brunswick	NJ	08902	
American Heart Association		7272 Greenville Avenue			Dallas	TX	75231	
American Heart Association		8200 Brookriver Dr	Suite N-100		Dallas	TX	75247	
American Heart Association	Attn Cotes du Coeur	Attn Gabbi Sikes	105 Decker Ct, Site 200		Irving	TX	75062	
American Heart Association		Greater Kansas City Community Found	1055 Broadway Blvd., Suite 130		Kansas City	MO	64105	
American Heart Association		Southwest Affiliate	105 Decker Court, Suite 200		Irving	TX	75062	
American Heart Association		SouthWest Affiliate - Acct Rec.	PO Box 50040		Prescott	AZ	86304-5040	
AMERICAN IDENTITY		PO BOX 219189			Kansas City	MO	64121-9189	
American Language Technologies		3941 Legacy Drive, #204	PMB 199A		Plano	TX	75023	
AMERICAN LOCKSMITHS		830 THIRD AVE			New York	NY	10022	
American Metal Market LLC		Subscription Department	PO Box 15127		North Hollywood	CA	91615-5127	
American National Bank & Trust	Attention Commercial Lending	2732 Midwestern Parkway			Wichita Falls	TX	76308	
American Portfolios - Kolinsky With Mgt	Attn Am Antunovich	4250 Veterans Memorial Hwy	Ste 420 E		Holbrook	NY	11741	
American Portfolios Financial Svcs Inc.		4250 Veterans Memorial Hwy			Holbrook	NY	11741	
American Program Bureau, Inc.		One Gateway Center	Suite 751		Newton	MA	02458	
American Red Cross		PO Box 4002018			Des Moines	IA	50340-2018	
AMERICAN RESEARCH BUREAU		2386 HERITAGE WAY			Salt Lake City	UT	84109-1808	
American Restaurant Association		PO Box 51482			Sarasola	FL	34232-0332	
American Solutions for Business		8479 Solution Center			Chicago	IL	60677-8004	
American Solutions for Business		NW#7794	PO Box 1450		Minneapolis	MIN	55485-7794	
American Solutions for Business		PO Box 218			Glenwood	MIN	56334-0218	
American Stock Exchange		BOX 757510			Philadelphia	PA	19175-7510	
American Stock Exchange		PO Box 11181A			New York	NY	10286-1181	
Ameriprise Financial Services, Inc.		50798 Ameriprise Financial Center			Minneapolis	MIN	55474	
Amicus Search Group		700 N. Pearl St	Suite # 1640		Dallas	TX	75201	
AMIR RAO		1020 MEDFORD RD			Pasadena	CA	91107	
AMIT WALIA		6716 WOODLAND DR			Dallas	TX	75225	
AMX Environmental Ltd		2351 W Northwest HWY-STE 2118			Dallas	TX	75220-8406	
AMY JENKINS		13455 NOEL RD	STE 800		Dallas	TX	75240	
Amy Mitts		13455 Noel Rd	Suite 800		Dallas	TX	75240	
Amy Nguyen		1700 Ameija Court	No 126		Plano	TX	75075	
ANAND DESAI		10087 PERSIMMON HILL CT			Jacksonville	FL	32256	
Anchor Advisory Services Corporation		4 Court St.	Ste 207		Plymouth	MA	02360	
ANDERSEN, DEREK C.		Address Redacted						
Anderson Mori & Tomotsune		Akasaka K-Tower, 2-7	Motoakasa 1-Chome, Minato-Ku		Tokyo		107-0051	JAPAN
ANDERSON, KIRK		Address Redacted						
ANDREI DORENBAUM		1324 NORTH DANVILLE			Arlington	VA	22201	
ANDREI DORENBAUM		5345 Goodwin			Dallas	TX	75206	
Andrew Hayton		5165 CR 2013			Glen Rose	TX	76649	
Andrew Hilgenbrink		3000 Vanderbilt Place	No 122		Nashville	TN	37212	
ANDREW LENGE		1716 STEAMBOAT DR			Plano	TX	75025	
Andrew Lieberman		120 E. 38th Street			New York	NY	10016	
Andrew Mangin		50 West Broadway #419			Boston	MA	02127	
Andrew Merrick Homes LLC		13455 NOEL RD	STE 1330		Dallas	TX	75240	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Andrew Rosemore		1601 Elm Street	Suite 3700		Dallas	TX	75201	
ANDREW STONE		9115 GENEVA CIRCLE			Prospect	KY	40069	
Andrew Wilson		831 Thomasson Drive			Dallas	TX	75208	
ANDREW YACENDA		907 WEST 2ND ST			Andover	KS	67002	
Andrews Kurth	Scott A. Bristar, Esq.	Andrews Kurth LLP	111 Congress Avenue, Ste 1700		Austin	TX	78701	
Andrews Kurth LLP		600 Travis St., Suite 4200			Houston	TX	77002	
Andrews Kurth LLP		PO Box 301276			Dallas	TX	75303-1276	
Andrius Baltis		657 E Broadway			Boston	MA	02127	
Animal Defense League		11300 Nacogdoches Rd						
Anish Tailor		1922 Diamond Ridge Ct			San Antonio	TX	78217-2318	
Anna Englert		PO Box 202			Carrollton	TX	75010	
Ansarada Pty Limited		30 South Wacker Dr			La Jolla	CA	92038	
ANTONOVICH, THOMAS		Address Redacted	22 Floor		Chicago	IL	60606	
ANTONOVICH, THOMAS G.		Address Redacted						
Aon Consulting, Inc.		29695 Network Place			Chicago	IL	60673-1296	
APIR Systems Ltd.		PO Box 5446			Kingston ACT		02604	AUSTRALIA
APKE & KIMBRELL, LLP		1650 HIGHWAY 6	STE 100		Sugar Land	TX	77478	
Appleby Corporate Services (Bermuda) Ltd.		PO Box HM 1179			Hamilton		HM EX	BERMUDA
Appliance Fixx Air & Heat								
Aramark		PO Box 271258			Flower Mound	TX	75027-1258	
ARCHON SOLICITORS		2120 Hutton Dr	Suite 100		Carrollton	TX	75006	
ARCpoint Labs of living		MARTIN HOUSE	5 MARTIN LANE		London		EC4R 0DP	UK
ARGENTIC REAL ESTATE FINANCE LLC		8925 Sterling Street	Suite 255		Irving	TX	75063	
Argosy Group		40 WEST 57TH STREET	29TH FLOOR		New York	NY	10019	
Argosy Group		PO Box 5094			Brentwood	TN	37024	
Argosy Group		Two Washingtonian Center	9737 Washingtonian Blvd., Ste. 200		Gaithersburg	MD	20878-7364	
Argosy Group LLC		9737 Washingtonian Blvd.	Ste. 100		Gaithersburg	MD	20878	
Argus Software		3050 Post Oak Blvd	Suite 900		Houston	TX	77056	
Argus Software		PO BOX 671591			Dallas	TX	75267	
Art L. Faneuil		1911 Cypress Creek Rd	Apt 322		River Ridge	LA	70123	
Arizona Biltmore Resort & Hotel		PO Box 740949			Los Angeles	CA	90074-0949	
Arizona Corporation Commission		Z Corp Commission - Securities DIV	1300 West Washington Street, 3rd Floor		Phoenix	AZ	85007	
ARIZONA DEPARTMENT OF REVENUE		1600 WEST MONROE ST	COLLECTIONS DIVISIONS		Phoenix	AZ	85007	
ARIZONA DEPARTMENT OF REVENUE	Attn Collections Division	1600 West Monroe St			Phoenix	AZ	85007	
ARIZONA DEPARTMENT OF REVENUE		PO BOX 29079			Phoenix	AZ	85038	
ARIZONA DEPARTMENT OF REVENUE		PO Box 29085			Phoenix	AZ	85038-9085	
Arizona Land Management Services, LLC		4900 North Scottsdale Rd	Suite 3000		Scottsdale	AZ	85251	
Arizona Land Management Services, LLC		PO Box 13303			Scottsdale	AZ	85267-3303	
Arizona Outback Adventures		16447 N 91st Street	Suite 101		Scottsdale	AZ	85260	
Arizona PSPRS Trust		E Camelback Road	Suite 200		Phoenix	AZ	85016	
Arkadin, Inc.		Lockbox #32726	Collection Center Dr		Chicago	IL	60693-0726	
Arkansas Secretary of State	Business & Commercial Services Division	PO Box 8014			Little Rock	AR	72203	
Arkansas Securities Department		201 E. Markham, Rm 300	Heritage West Bldg		Little Rock	AR	72201	
Arndell, Connor		Address Redacted						
Arnold, Jeffrey		Address Redacted						
Arnstein & Lehr LLP		120 South Riverside Plaza	Ste 1200		Chicago	IL	60606-3910	
Arntzen de Besche		PO Box 2734	Solli		Oslo		00204	NORWAY
ARORA, SANDEEP		Address Redacted						
Arredondo, Alba M.		Address Redacted						
Aris Western Corp.		718 N Buckner #316			Dallas	TX	75218	
Arthouse Design		2373 Central Park Blvd	Suite 204		Denver	CO	80238	
Arthur Klausner		136 East 55th Street	Apt PH-E		New York	NY	10022	
Article 1		Rua Eugen Germer, 86	Blumenau		Santa Catarina		89015-140	BRAZIL
Artografx, Inc.		2611 Andon			Dallas	TX	75220	
AS&K Services Limited		PO Box HM 1179			Hamilton		HM EX	BERMUDA
Asante Phase I Community Association		1600 W Broadway	Suite 200		Tempe	AZ	85282	
Ashby & Geddes		PO Box 1150			Wilmington	DE	19899	
Ashley Van Hoef		5555 E Mockingbird Ln	No 414		Dallas	TX	75206	
ASHNOR TRADINGS LTD		AMBERLEIGH HOUSE, 3 SCHOOL HILL	LOWER HESWALL		WIRRAL		CH606-0PD	UK

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Ashton Consulting Limited		9F, Atago East Building	3-16-11 Nishishinbashi	Minato-ku	Tokyo		105-0003	JAPAN
AshurstLLP		Time Square Tower	7 Time Square		New York	NY	10036	
ASI Business Solutions		12801 N Stemmons Frwy Ste 710			Dallas	TX	75234-5881	
ASI Business Solutions		13701 Hutton Dr			Dallas	TX	75234	
ASI, Corporate		3860 W. Northwest Hwy	Suite 102		Dallas	TX	75220	
ASI, Corporate		8181 Jetstar Drive	Suite 350		Dallas	TX	75220	
Asociacion Suzuki de Violin de PR		Villa Nevarez	Suite 100		Iring	TX	75063	
Aspen Publishers Inc.		4829 INNOVATION WAY	1026 calle 18		San Juan	PR	00927	
Aspen Publishers Inc.		7201 McKinney Circle			Chicago	IL	60682-0048	
Aspen Publishers Inc.		PO Box 64054			Fredrick	MD	21704	
ASSAR, VATSAL		Address Redacted			Baltimore	MD	21264-4054	
Asset Communications, Inc.		1764 Prospector Ave	Suite 1		Park City	UT	84060	
Asset-Backed Alert		5 Marine View Plaza # 400			Hoboken	NJ	07030-5795	
ASSIST THE OFFICER FOUNDATION		1412 GRIFFIN ST E			Dallas	TX	75215	
Asen of Asian American Invest Managers		50 California Street	Suite 2320		San Francisco	CA	94111	
Asen of Asian American Invest Managers	Attn Amy Gee	50 California Street	Suite 2320		San Francisco	CA	94111	
Assoc. Asian American Investment Mgrs	o/o V. Lau, Leading Edge Invest Advisors	50 california Street, Suite 2320			San Francisco	CA	94111	
Assoc. for American Innovation, Inc.		2200 Wilson Blvd	Suite 102-533		Arlington	VA	22201	
Assoc. of Asian America Investment Mgrs		1045 N. Utah St., Suite 512			Arlington	VA	22201	
Assured Environments		45 Broadway	10th Floor		New York	NY	10019	
AST Equity Plan Solutions		123 S. Broad Street	Suite 1160		Philadelphia	PA	19109	
AST Equity Plan Solutions		PO Box 12893			Philadelphia	PA	19176-0893	
ASTRON SOLUTIONS		535 W 34TH ST	STE 407		New York	NY	10001	
ASW Law Limited		Crawford House	50 Cedar Avenue		Hamilton		0HM11	Bermuda
ASW Law Limited		Crawford House	PO Box HM2879		Hamilton		0HMLX	Bermuda
AT&T		PO BOX 105068			Atlanta	GA	30348-5068	
AT&T		PO Box 105414			Atlanta	GA	30348-5414	
AT&T		PO BOX 13128			Newark	NJ	07101-5628	
AT&T		PO BOX 13146			Newark	NJ	07101-5646	
AT&T		PO BOX 5001			Carol Stream	IL	60197-5001	
AT&T		PO BOX 5012			Carol Stream	IL	60197	
AT&T		PO BOX 5019			Carol Stream	IL	60197	
AT&T		PO BOX 5020			Carol Stream	IL	60197-5020	
AT&T		PO BOX 630047			Dallas	TX	75263-0047	
AT&T		PO BOX 650661			Dallas	TX	75265-0661	
AT&T		PO BOX 660324			Dallas	TX	75266-0324	
AT&T		PO Box 660921			Dallas	TX	75266-0921	
AT&T		PO BOX 78045			Phoenix	AZ	85062	
AT&T		PO BOX 78225			Phoenix	AZ	85062-8225	
AT&T		PO Box 9005			Carol Stream	IL	60197-9005	
AT&T		PO BOX 930170			Dallas	TX	75393-0170	
AT&T		PO BOX 940012			Dallas	TX	75394-0012	
AT&T Internet Services	Attn HIPCIS	PO BOX 650040			Dallas	TX	75265-0040	
AT&T Internet Services		PO BOX 5016			Carol Stream	IL	60197-5016	
AT&T Internet Services		PO Box 650396			Dallas	TX	75265-0396	
AT&T Long Distance		PO Box 5017			Carol Stream	IL	60197-5017	
AT&T MOBILITY		PO Box 105773			Atlanta	GA	30348-5773	
AT&T MOBILITY		PO BOX 31287			Tampa	FL	33631-3287	
AT&T MOBILITY		PO BOX 31488			Tampa	FL	33631-3488	
AT&T MOBILITY		PO BOX 538695			Atlanta	GA	30353-8695	
AT&T MOBILITY		PO BOX 6428			Carol Stream	IL	60197-6428	
AT&T MOBILITY		PO Box 6444			Carol Stream	IL	60197-6444	
AT&T MOBILITY		PO BOX 6463			Carol Stream	IL	60197-6463	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
AT&T MOBILITY		PO Box 650533			Dallas	TX	75265-0533	
AT&T MOBILITY		PO BOX 650574			Dallas	TX	75265-0574	
AT&T Performing Arts Center	Attn Development	700 N. Pearl Street, Suite N1800			Aurora	IL	60572-8229	
					Dallas	TX	75201	
Atlas IDF, LP	c/o Atlas IDF GP, LLC	John Honis	87 Railroad Place	Suite 403	Saratoga Springs	NY	12866	
Atia Medical, PC		5820 Oberlin Dr., Suite 205			San Diego	CA	92121	
Attorney General of South Carolina	Securities Division	1000 Assembly St	Rembert C. Dennis Office Bldg		Columbia	SC	29201	
Atul Kavthekar		2616 Saddlebrook Dr			Naperville	IL	60564	
Audio Visual Innovations, Inc.		P.O. Box 62251			Baltimore	MD	21264-2251	
Augustus Set		911 Serenade Lane			Richardson	TX	75081	
AURORA BOREALIS	Attn GEORGE WHITE	101 BARCLAY ST 13W			New York	NY	10286	
AUSHRIF JAVEED		154 E 29TH ST, APT 11C			NY	NY	10016	
Austin Brown		23940 Pentland Way			West Hills	CA	91307	
AUSTIN TRANTHAM		6639 HILLBRIAR DR			Dallas	TX	75248	
AUSTIN, TIMOTHY		Address Redacted						
Automotive News		DRAWER #7718	PO BOX 79001		Detroit	MI	48279	
Automotive News		Subscriber Services Department 77940			Detroit	MI	48277-0940	
Avalon Synergy		One Galleria Tower	13355 Noel Rd, Suite 1100		Dallas	TX	75240	
AvePoint, Inc		3 Second Street Suite 803			Jersey City	NJ	07311	
Avi Levine		1530 South State Street	Apt 15J		Chicago	IL	60605	
AVIATION SERVICES ELITE		4502 CLAIRE CHENNAULT			Addison	TX	75001	
Aviation Services Group		14001 Dallas Pkwy			Dallas	TX	75240	
Aviation Week		PO Box 505			Hightstown	NJ	08520-9897	
AVIDITY PARTNERS		180 N STETSON	STE 1310		Chicago	IL	60601	
AVI-SPL		13859 Diplomat Drive	Suite 180		Dallas	TX	75234	
AVI-SPL		PO BOX 62251			Baltimore	MD	21264-2251	
AVI-SPL		PO Box 844612			Boston	MA	02284-4612	
Avitar Technologies, Inc.		65 Dan Rd			Canton	MA	02021	
Attn Accounts Receivable		PO Box 394			Newport	RI	02840-0004	
AWAIS SHAIKH		510 E 82ND ST, APT 4B			New York	NY	10028	
AWARE		2828 Hood Street	Residence 1705		Dallas	TX	75219	
Axicon Partners, LLC	Attn Robert T. Scott	1325 Avenue of the Americas	27th floor		New York	NY	10019	
Axios Institute		PO Box 457			Edinburg	VA	22824	
Axios Global Systems		PO Box 831			North Bergen	NJ	07047	
A-Z Cleaning Services		1729 Crosby Rd.			Carrollton	TX	75006	
B&H Photo - Video, Inc.		420 Ninth Avenue			New York	NY	10001	
B3 Entertainment Productions, Inc.		1508 Schooner Bay Dr.			Wylie	TX	75098	
Badge of Honor Memorial Fund		Executive Office			Dallas	TX	75201	
Bailey, Connor		Address Redacted	3131 Maple Ave 7E					
Baker & Daniels		111 E Wayne Ste 800			Fort Wayne	IN	46802	
Baker Bolts LLP		901 Louisiana Street			Houston	TX	77002	
Baker Bolts LLP		PO BOX 201626			Houston	TX	77216	
Baker Bolts LLP		PO Box 301251			Dallas	TX	75303-1251	
Baker McKenzie LLP		100 New Bridge Street			London	UK	EC4V 6JA	
Baker McKenzie LLP		2300 Trammell Crow Center	2001 Ross Ave		Dallas	TX	75201	
Baker McKenzie LLP		815 Connecticut Ave, NW			Washington	DC	20006-4078	
Baker, Lauren		Address Redacted						
BAKER, SCOTT		Address Redacted						
Baker, Stephen		Address Redacted						
Bald & Bingham LLP		P.O. Box 306			Birmingham	AL	35201	
BALFOUR ASSOCIATES, INC	Attn DAVID VANVALKENBURG	5350 PRESERVE DR			Greenwood Village	CO	80121	
Ballard Spahr LLP		1735 Market Street	51st Floor		Philadelphia	PA	19103	
BALLS BROTHERS		313 CAMBRIDGE HEATH RD	BETHNAL GREEN		London	UK	E2 9LQ	
Bancroft Associates PLLC		500 New Jersey Avenue	Seventh Floor		Washington	DC	20001	
Bank Director		201 Summit Drive	Suite 250		Brentwood	TN	37027	
Bank Director		5110 Maryland Way Ste 250			Brentwood	TN	37027-9501	
BANK OF AMERICA		335 MADISON AVE			New York	NY	10017	
Bannon, Lucy		Address Redacted						
Baradah, Artiom		Address Redacted						
BARANSI, SAMER		Address Redacted						
Barbera, Angela		Address Redacted						
Barndollar Investment Advisory Services		2719 Letlap Ct	Ste 101		Land O Lakes	FL	34638	

Creditor Matrix

Creditor/Name	Creditor/NoticeName	Address1	Address2	Address3	City	State	Zip	Country
BARNES & ROBERTS, LLC		2701 Canton St.			Dallas	TX	75226	
BARNES & ROBERTS, LLC		2816 COMMERCE ST			Dallas	TX	75226	
Barnes and Noble College	C/O Bush Center Store	2943 SMU Blvd			Dallas	TX	75205	
BARNESÞBURG LLP		11 South Meridian Street			Indianapolis	IN	46204	
Barri Pearson		2110 Reynoldston Lane			Dallas	TX	75232	
Barrier Advisors		13455 Noel Rd, Ste 2200			Dallas	TX	75240	
Barrington Financial Group, LLC		77 Franklin Street	Suite 802		Boston	MA	02110	
Barrister Books, Com		615 Florida St.			Lawrence	KS	66044	
Barristers & Attorneys		PO Box HM 26			Hamilton		HM LX	BERMUDA
Barrons		200 Burnett Rd	PO Box 7031		Chicopee	MA	01021-7031	
BARTH GROSS ELECTRIC CO, INC		110 W 28th ST			New York	NY	10001	
BARTLIT BECK HERMAN PALENCHAR SCOTT		COURTHOUSE PLACE	54 W HUBBARD ST	Suite 300	Chicago	IL	60610	
BATCHWORK MANAGEMENT LTD		HOME PARK ESTATE	STATION RD		KINGS LANGLEY		WD4 8DH	UK
BATEMAN, JACK		Address Redacted			Washington	DC	20006	
Bates White, LLC		2001 K Street, NW	North Building, Suite 500		Washington	DC	20006	
Bates White, LLC	Karen Goldberg, Esq.	Bates White, LLC	2001 K Street NW, North Bldg Suite 500		Washington	DC	20006	
BAJER, WILLIAM		Address Redacted						
Bayard, P.A.		222 Delaware Avenue, 8th Floor			Wilmington	DE	19801	
BAYNARD, PAUL C.		Address Redacted						
Bazooka Search Ltd		115 Coventry Rd			London		E2 6GG	UK
BB&T Securities, LLC		2619 N Oak Street, 3rd Floor			Myrtle Beach	SC	29577	
BBB, LLP		1835 Market Street	3rd Floor		Philadelphia	PA	19103	
BBVA	Michael Doran	8080 North Central Expressway	Suite 1500		Dallas	TX	75206	
BCA Publications Ltd.		1002 Sherbrooke St West Ste 1600			Montreal	QC	H3A 3L6	CANADA
BCA Research Inc		1002 Sherbrooke St. W	Suite 1600		Montreal	QC	H3A 3L6	CANADA
BDC Review, LLC		407 East Maple Street	Ste 305		Cumming	GA	30040	
BDO USA, LLP		700 North Pearl	Suite 2000		Dallas	TX	75201	
BDO USA, LLP		P.O. Box 31001-0860			Pasadena	CA	91110-0860	
BEALL-SARRIS, ASHLEY E.		Address Redacted						
BEARD, MATTHEW		Address Redacted						
Beauchamp, Thomas		Address Redacted						
Becky Bowler		165 East 66th Street	Apt. PHB		New York	NY	10065	
BEEF SLABS OF TEXAS LLC		2000 N HWY 157	STE 112		Mansfield	TX	76063	
Behind the Numbers LLC		8140 Walnut Hill Ln #300			Dallas	TX	75231	
BELINGER & DEWOLF, LLP		10000 N CENTRAL EXPWY	STE 900		Dallas	TX	75231	
BELL NUNNALLY & MARTIN, LLP		3232 MCKINNEY AVE	STE 1400		Dallas	TX	75204	
Bell, Boyd & Lloyd		Three First National Plaza	70 West Madison S. Ste 3300		Chicago	IL	60602	
Bella Flora of Dallas		118 Oak Lawn Ave.			Chicago	TX	75207	
BEN ASARE		2520 CENTRAL ST	No 1N		Evanston	IL	60201	
Ben E. Keith		PO Box 901001	7650 Will Rogers Blvd.		Fort Worth	TX	76101	
Ben Greenfield, Human Wellness Sol. LLC		8515 N Argonne Rd			Spokane	WA	99217	
BEN VONDERHAAR		305 GENTILLY PL			Houston	TX	77024	
Benefit Data		2220 San Jacinto Blvd, Ste 345			Denton	TX	76205	
BENJAMIN FINGER		251 E 31st STREET	ATP #5		New York	NY	10016	
Benjamin Sarly		101 West End Avenue	Ste 25A		New York	NY	10023	
Benson Hlavaty Architects		3141 Hood St Ste 420			Dallas	TX	75219	
Bent Tree Country Club, Inc.		5201 Westgrove Drive			Dallas	TX	75248	
Bent Tree Country Club, Inc.		PO Box 204795			Dallas	TX	75320-4795	
BENTLEY CALLAN		13455 NOEL RD	STE 800		Dallas	TX	75240	
BERIHUN, ELIZABETH		Address Redacted						
Berkeley Research Group, LLC		2200 Powell Street	Suite 1200		Emeryville	CA	94608	
Berkeley Square Advisors LLC		701 N Green Valley Pkwy Ste 200			Henderson	NV	89074	
Berkshire Capital Securities, LLC		535 Madison Avenue			New York	NY	10022	
Bernard DeMeo		4111 Walnut St.	Room 511		Philadelphia	PA	19104	
Bernard Peperstaete		1225 19 Street NW	Suite 200		Washington	DC	20036	
Berry Appleman & Leiden LLP		3355 W. Alabama Street	Suite 1050		Houston	TX	77098	
Berry Appleman & Leiden LLP		353 Sacramento Street	Suite 1300		San Francisco	CA	94111	
Berthel Fisher & Company		16100 Chesterfield Parkway West	Suite 150		Chesterfield	MO	63017	
Berthel Fisher & Company	Attn Connie Allard	701 Tama Street			Marion	IA	52302	
Berthel Fisher & Company	Attn Dan Barnard	Berthel Fisher & Company	8090 N 85th Way, Ste 101		Scottsdale	AZ	85258	
Best Companies Group		1500 Paxton Street			Harrisburg	PA	17104	
Beyond		1700 Ambassador Row			Dallas	TX	75247	
Beyond the Box		2544 West Commerce Street			Dallas	TX	75212	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Bhavani Jaroff		IEat Green, LLC	17 Pinehree Lane		Old Westbury	NY	11568	
BHIL Distributors, Inc.		325 John H. McConnell Blvd	Suite 200		Columbus	OH	43215	
Bickel & Brewer		1717 Main St			Dallas	TX	75201	
Bifferato Gentilotti LLC		100 Biddle Avenue	Springside Plaza	Suite 100	Newark	DE	19702	
Big Brother Big Sister		450 E. John Carpenter Fwy, Ste 300			Irvine	TX	75062	
Big Brothers Big Sisters of Mass Bay	Attn Erin DeMarco	75 Federal Street, 8th Floor			Boston	MA	02110	
Big Honkin Ideas		1424 Lincoln Blvd			Santa Monica	CA	90401	
Big Thought		2501 Oak Lawn	Ste 550, LB-42		Dallas	TX	75219	
Bill Bauer		11 SHEFFIELD LANE			Mt. Laurel	NJ	08054	
BILL CORNELIUS		13455 NOEL RD	STE 800		Dallas	TX	75240	
BILL CRISPIN		1 S PRADO, NE, #2			Atlanta	GA	30309	
Bill J Crouch & Associates		210 MacCorkle Ave SE			Chalston	WV	25314	
BILL MITENBERGER		14931 GREENLEAF VALLEY DR			Cheserfield	MO	63017	
BILL WALLISCH		2611 S 208TH ST			Goddard	KS	67052	
Bill Wilton		6655 South Cass Avenue			Westmont	IL	60559	
BILLINGHURST, MINDY		Address Redacted						
BIMAL KALVANI		12201 KEAT'S GROVE CT			Glen Allen	VA	23059	
Bingham McCutchen LLP		P.O. Box 3486			Boston	MA	02241-3486	
BioCentury Publications		PO Box 1246			San Carlos	CA	94070	
Bison Coolers, LLC		5113 Commercial Drive			North Richland Hills	TX	76180	
BISYS		PO Box 19468A			Newark	NJ	07195-0468	
BKIM Total Office of Texas		9755 Clifford Drive #100			Dallas	TX	75220	
Black Box Network Services		PO Box 890699			Dallas	TX	75389-0699	
Black Mountain Systems, LLC		12520 High Bluff Dr	Ste 340		San Diego	CA	92130	
BLACK, WINSTON		Address Redacted						
Blackberry Wireless		12432 Collections Center Dr			Chicago	IL	60693	
BLACKBURN, MICHAEL		Address Redacted						
BLACKWELL SANDERS PEPER MARTIN LLP		PO BOX 795135						
Blair Roebor		2600 Cole Ave, Apt 219			Saint Louis	MO	63179	
BLAKE DEXTER		1161 NEWBRIDGE TRACE			Dallas	TX	75204	
Blake Morrell		210 N. Wells	Apt 2310	Box 279	Atlanta	GA	30319	
					Chicago	IL	60606	
Blank Rome LLP		Lockbox #8586	PO Box 8500		Philadelphia	PA	19178-8500	
Blast Creative		2703 Poly Drive			Billings	MT	59102	
Blast Creative		3036 Hunters Ridge Loop			Billings	MT	59102	
Block Garden & McNeill, LLP		Sterling Plaza	5949 Sherry Lane, Suite 900		Dallas	TX	75225	
BLOMBERG FINANCE L.P.		731 LEXINGTON AVE			New York	NY	10022	
Blonnies Treehouse, Inc.	Attn Accounts Receivable	431 Fayette Avenue			Mamaroneck	NY	10543	
Bloom Strategic Consulting, Inc.		4514 Cole Ave.	Suite 600		Dallas	TX	75205	
Bloomberg		PO Box 30244			Hartford	CT	06150-2044	
Bloomberg Businessweek		PO Box 37531			Boone	IA	50037-0531	
Bloomberg Finance LP		731 Lexington Ave.			New York	NY	10022	
Bloomberg Finance LP		PO BOX 30244			Hartford	CT	06150	
Bloomberg Finance LP		PO Box 416604			Boston	MA	02241-6604	
BLOOMBERG LP		731 LEXINGTON AVE			New York	NY	10022	
Blue Cross Blue Shield of Texas		1001 East Lockout Drive			Richardson	TX	75082	
Blue Cross Blue Shield of Texas		PO Box 731428			Dallas	TX	75373-1428	
Blue Ribbon Advantage		7020 Portwest Drive, Suite 150			Houston	TX	77024	
Blue Ribbon Advantage		P.O. Box 79487			Houston	TX	77279-9487	
Blue Ribbon Industries		408 Singleton Blvd			Dallas	TX	75212	
Blue Vault Partners, LLC		407 E Maple St	Suite 305		Cumming	GA	30040	
Blueprint for Prosperity	Attn Finance	500 North Akard St, Suite 2600			Dallas	TX	75201	
Blumberg/Excellior		62 White St			New York	NY	10013	
BLUMER, JENNIFER		Address Redacted						
BMC Software, Inc.		2101 Citywest Blvd			Houston	TX	77042	
BMC Software, Inc.		PO Box 301165			Dallas	TX	75303-1165	
BMZ Discovery Services LLC		1400 Biscaya Drive			Miami Beach	FL	33154	
BNA		PO BOX 17009			Baltimore	MD	21297-1009	
Bob Grier		2727 Nelson Rd	Apt P 206		Longmont	CO	80503	
Bob Marx		74 Turner Rd			Rockland	MA	02370	
Bochetto & Lentz, P.C.		1524 Locust Street			Philadelphia	PA	19102	
BOCK, MARIA		Address Redacted						
BODRON, MICHAEL		Address Redacted						
BOGUSLAWSKI, DAVID		Address Redacted						

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Boies, Schiller & Flexner LLP		5301 Wisconsin Ave NW			Washington	DC	20015-2015	
Boies, Schiller & Flexner LLP	Scott E. Gant, Esq.	Boies, Schiller & Flexner LLP PO Box 1270	5301 Wisconsin Ave, NW		Washington	DC	20015	
BOK Financial Asset Management		The Lyric Centre	440 Louisiana, Suite 2500		Tulsa	OK	74101-1270	
BOK Financial Asset Management	Attn Leslie Swafford	1 Williams Center, 16th Flr			Houston	TX	77002	
Bonahoom & Associates		10850 Switzer Ave #101			Tulsa	OK	74172	
Bonnie Murray		35 West 9th St, Apt 9A			Dallas	TX	75238	
Boom Global Media Inc		295 Greenwich St # 296			New York	NY	10011	
BORUD, BRADFORD		Address Redacted			New York	NY	10007	
BOSC, Inc.	Attn Chelle Davidson	One Williams Center, 9 NE			New York	NY	10007	
BOSE, ROHAN		Address Redacted			Tulsa	OK	74172	
Boston Financial Data Services		330 W. 9th Street						
Boston Financial Data Services		PO Box 74008640	Lockbox 008640		Kansas City Chicago	MO IL	64105-1514 80674-8640	
Boston Properties, L.P.		599 Lexington Ave			New York	NY	10022-6004	
Boston Properties, L.P.		800 Boylston Street	Suite 1900		Boston	MA	02199	
Boundless Network		200 E. 6th Street	Suite 300		Austin	TX	78701	
Bow Line Media		1809 Thale Drive			Dallas	TX	75228	
Bowman Dahl, LLC		120 West 28th Street	No 3C		New York	NY	10001	
Bowme		PO BOX 6081			Church Street Station	NY	10277-2706	
Bowme		PO Box 951060			Dallas	TX	75247-1060	
BOYCE, PATRICK		Address Redacted						
Boyce-Field, Mollie		Address Redacted			Dallas	TX	75240	
BOYD GOSSEKAND		13455 NOEL RD	STE 800		Dallas	TX	76111	
Boys & Girls Clubs of Greater Fort Worth	Attn Christi Langas	3218 East Belknap			Fort Worth	TX	76111	
BRACEWELL & GIULIANI LLP		PO BOX 848566			Dallas	TX	75284-8566	
Bracewell & Patterson		PO Box 848566			Dallas	TX	75284-8566	
Brad Beman		4018 Cedar Bluff Ct NE			Cedar Rapids	IA	52411-7604	
BRAD BORUD		3312 Greenbriar Drive			Dallas	TX	75225	
BRAD BORUD		4330 Resaurur Dr			Dallas	TX	75229	
BRAD BORUD		7700 Greenway Blvd	Apt N208		Dallas	TX	75209	
BRAD DAVEY		342 LAGOON DR			Northfield	IL	60093	
BRAD GUY		210 BOB-O-LINK DR			Southlake	TX	76092	
Brad Mendenhall		2836 Dupont S Ave, Apt CE243			Minneapolis	MN	55408	
BRAD VOSS		3571 WALDORF DR			Dallas	TX	75229	
Braden Blair		1283 E Creek Rd			Sandy	UT	84093	
Bradfield Elementary Development	Attn Jackie Tilden, VP of Development	4300 Southern Avenue			Dallas	TX	75205	
BRADLEY MACK		5804 GOODWIN AVE			Dallas	TX	75206	
BRADLEY MEANS		7007 WHIPPOORWILL CT			Colleyville	TX	76034	
BRADY, CHARLA		Address Redacted						
Bragalone Conroy PC		Chase Tower	2200 Ross Avenue	Suite 4500W	Dallas	TX	75201-7924	
Branda Fanning		5165 CR 2013			Glen Rose	TX	76649	
Branden Roark		2737 N. Fitzhugh Ave, #2228			Dallas	TX	75204	
Brandywine Process Servers, Ltd.		PO Box 1360			Wilmington	DE	19899	
BRANER, PHILIP		Address Redacted						
BRET/TZ TX PROPERTIES LP		PO Box 842530			Dallas	TX	75284-2530	
Breault, Evan		Address Redacted						
Breault, Evan		Address Redacted						
Breazeale, Sachse & Wilson LLP		One American Place						
Breezy Higa		803 W 180th Street	Suite 2300		Baton Rouge	LA	70821-3197	
Brenda Samples, Tax Assessor		Apt 05			New York	NY	10033	
Brennan, Kieran		Kaufman County Tax Office	PO Box 339		Kaufman	TX	75142	
Brennan, Michael		Address Redacted						
Brent Gregoire		416 Dawn River Cove			Austin	TX	78732	
Brentwood CLO, Ltd.	MaplesFS	PO Box 309, Ujland House	South Church Street	George Town	Grand Cayman		KY1-1104	Cayman Islands
Bressler, Amery & Ross, P.C.		325 Columbia Turnpike			Florham Park	NJ	07932	
Brett Benjamin		4455 Madison Ave	Apt 311s		Kansas City	MO	64111	
Brett H. McCloskey		40 Buckingham Road			Brick	NJ	08723	
Brett Hoge		121 Grasslands Ct.			Advance	NC	27006	
Bretton Advisors, Inc.		21 Hillside Road			Greenwich	CT	06830	
Brian Andrusin		PO Box 680427			Franklin	TN	37068	
Brian Broadbent		5737 W. Hanover Ave			Dallas	TX	75209	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
BRIAN COX		980 ALBERT ST			New Braunfels	TX	78130	
Brian Fitzsimmons		2808 McKinney Ave	No 601		Dallas	TX	75204	
Brian G Albert Esq.		117 North Gale Drive	No 302		Beverly Hills	CA	90211	
Brian Goehl		14426 Murphy Circle E			Carmel	IN	46074	
Brian Hochhauser		5-11 47th Avenue	Apt 8B		Long Island City	NY	11101	
Brian Home		208 Marie Circle			Southlake	TX	76092	
BRIAN JONES		140 WINCH ST			Framingham	MA	01701	
Brian Jones.		28 Innisbrooke Ave			Las Vegas	NV	98113	
Brian Josephson		13390 Timber Park Dr			Platte City	MO	64079	
BRIAN LEGG		5129 Meadowlark Dr			Plano	TX	75240	
Brian LI		10008 Brightling Lane			Austin	TX	78750	
BRIAN LOHRDING		3522 CR 6100			Lubbock	TX	79415	
Brian Malizia		1225 N Wells Street	No 913		Chicago	IL	60610	
BRIAN PRICE		6246 TOWN HILL LANE			Dallas	TX	75214	
Brian Rice		159 Ridgfield Avenue			South Salem	NY	10590	
BRIAN TILTON		1712 N MOHAWK ST	APT 1F		Chicago	IL	60614	
Bridge Title Company, LLC		8150 N. Central Expwy	Ste 650		Dallas	TX	75205	
Brighthouse Financial		PO Box 371310			Pittsburgh	PA	15250-7310	
Brighthouse Life Insurance Company		PO Box 371487			Pittsburgh	PA	15250-7487	
Brighton House Associates, LLC		2 Park Central Drive	Suite 300		Southborough	MA	01772	
BRIGHTWORK	Attn JOYCE WELSH	16 OLDE TAVERNE LANE			Amesbury	MA	01913	
Bron Enterprises, Inc.		1545 Prudential Dr.			Dallas	TX	75235-4111	
Britain, William		Address Redacted						
BRITAIN, WILLIAM L.		Address Redacted						
Brittain, Mark		Address Redacted						
BRITTNEE WOOLDRIDGE		2201 WOLF ST	No 6106		Dallas	TX	75201	
BRITTNEY CUNNINGHAM		6301 STONEWOOD DR			Plano	TX	75024	
BROADCASTING & CABLE		PO BOX 5655			Harlan	IA	51593-1155	
Broadbus, Paul		Address Redacted						
Broadridge		PO Box 416423			Boston	MA	02241	
Broadridge Customer Communications		2600 Southwest Blvd.			Kansas City	MO	64108	
Broadridge Customer Communications		5516 Collection Cir Dr			Chicago	IL	60693	
Broadridge ICS		PO Box 416423			Boston	MA	02241-6423	
Broadridge Output Solutions, Inc.		PO Box 15788			Chicago	IL	60693	
BROADVIEW NETWORKS		PO Box 9242			Uniondale	NY	11555-9242	
Brodeur, Steven		Address Redacted						
BRODRICK NORMAN		456 9th St	No 8		Hoboken	NJ	07030	
Broker Dealer Financial Services Corp.		140 S. 68th Street	Ste 2200		West Des Moines	IA	50266	
Broker Educational Sales Training, Inc.		7137 Congress Street						
Brook Lane Partners, LLC		330 East 75th Street	Suite 10H		New Port Richey	FL	34653-6464	
Brook Lane Partners, LLC		445 Park Avenue	10th Floor		New York	NY	10021	
Brookmont Capital Management, LLC		2000 McKinney Avenue	Suite 1230		Dallas	TX	75201	
Brookover, Steven		Address Redacted						
Brosier & Buchanan Partners		320 W. 7th			Amarillo	TX	79101	
Brown & Hofmeister LLP		740 E Campbell	Suite 800		Richardson	TX	75081	
Brown & Sikes, Inc.		325 N St Paul St Ste 1280			Dallas	TX	75201	
Brown Pruitt Peterson & Wambganess, P.C.		201 Main St			Fort Worth	TX	76102	
Brown Rudnick Berlack Israels LLP		One Financial Center			Boston	MA	02111	
Brown, Austin		Address Redacted						
Brown, Austin		Address Redacted						
Brown, Austin		Address Redacted						
BROWN, BLAKE		Address Redacted						
BROWN, BRITTON		Address Redacted						
BROWN, LEE		Address Redacted						
Brown, Rachel		Address Redacted						
BROWNELL, JESSE		Address Redacted						
BROWNELL, JESSE R.		Address Redacted						
Brownstein Hyatt Farber Schreck LLP		100 City Parkway	suite 1600		Las Vegas	NV	89106	
Bruce Beatz		PO Box 1371			Holister	CA	95024	
BRUCE CHAPIN		1006 N BROADMOOR AVE			Wichita	KS	67206	
BrucePac		811 N First St			Silverton	OR	97381	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Brumley, Angela		Address Redacted						
BRUMLEY, ANGELA		Address Redacted						
Brumley, Angela K.		Address Redacted						
Bryan Cave LLP		PO Box 503089			Saint Louis	MO	63150-3089	
BRYAN CLARK		24220 W 51st St			Shawnee	KS	66226	
Brynteson Reporting, Inc.		2404 Belle Haven Meadows Ct			Alexandria	VA	22306	
BT Video Inc		PO Box 540365			Dallas	TX	75354-0365	
Buchhalter Nemer		1000 Wilschire Blvd	Suite 1500		Los Angeles	CA	90017	
BUCKLES BY JIM		PO BOX 1885			Mabank	TX	75147-1885	
Budget Blinds		4012 Daniel Way			Frisco	TX	75035	
Bulk Books		109 International Drive	Suite 300		Franklin	TN	37067	
Burtz, Jennifer		Address Redacted						
BURKE HANSEN LLC		1601 N 7TH ST, STE 200			Phoenix	AZ	85006	
Burkey, John		Address Redacted						
Burns Transcription Service		11311 N Central Expwy Ste 216			Dallas	TX	75243	
Burns, Nathan		Address Redacted						
Bury Street Capital Ltd		Devonshire House	1 Devonshire Street		London		W1W 5DR	UK
BUSH, ALBERT		Address Redacted						
Business Essentials		PO Box 292696			Lewisville	TX	75029-2696	
Business Essentials		PO BOX 37			Grapevine	TX	76099	
Business Executives National Security		1030 15th Street NW	Suite 200 East		Washington	DC	20005	
Business Flooring Specialists		7341 Dogwood park			Fort Worth	TX	76118	
Business Intelligence Advisors		One Washington Mall One8th Flr			Boston	MA	02108	
Business Real Estate		PO Box 15216			Scottsdale	AZ	85267	
Business Technologies, Inc.		16060 Ventura Blvd Ste 105-505			Encino	CA	91436	
Business Week		PO Box 8419			Red Oak	IA	51591-1419	
Business Wire		Department 34182	PO Box 39000		San Francisco	CA	94139	
Business Wire		PO Box 45348			San Francisco	CA	94145-0348	
Butler Burgher Group		4300 Alexander Dr.	Suite 200		Alhambra	GA	30022	
Byron Wilson		16238 Crooked Lake Way N			Cypress	TX	77433	
C.J. Martin		235 West 56th Street, Apt 28H			New York	NY	10019	
C2 Imaging		3180 Pullman Street			Costa Mesa	CA	92626	
C2 LEGAL OF DALLAS		2001 BRYAN ST	STE 3025		Dallas	TX	75201	
C5 Texas		PO Box 191129			Dallas	TX	75219	
Cabot Lodge Securities LLC		200 Vesey St.			New York	NY	10281	
Cades Schutte LLP		1000 Bishop Street, 12th floor			Honolulu	HI	96813	
Cadwalader, Wickersham, & Taft LLP		General Post Office	PO Box 5929		New York	NY	10087-5929	
CALAPRS		575 Market Street	Suite 2125		San Francisco	CA	94105	
Caleb Dorfman		300 St. Joseph Pkwy	Apt 323		Houston	TX	77002	
Caleb Moore		45 Wall Street	Apt 622		New York	NY	10005	
Caledonian Directors Limited		PO Box 1043			George Town		KY1-1102	GRAND CAYMAN
California Department of Insurance	Attn Name Reservation Unit	45 Fremont Street, 24th Floor			San Francisco	CA	94105	
California Dept. of Business Oversight	Securities Registration Division	Address Redacted	1515 K Street, Suite 200		Sacramento	CA	95814	
CALLAN, BENTLEY		Address Redacted						
Cambridge International Partners, Inc.		780 Third Ave 25th Flr			New York	NY	10017	
Cambridge Investment Research, Inc.		1776 Pleasant Plain Rd			Fairfield	IA	52556	
Cambridge Premier Wealth Management		5004 Lenker Street, Suite 200			Mechanicsburg	PA	17050	
Cambridge Investment Research, Inc.		180 Jimmy J. Williams, Rep #GCM6	1776 Pleasant Plain Rd		Fairfield	IA	52556	
Cambridge Investment Research, Inc.		2030 E Speedway	Suite 220		Tucson	AZ	85719	
Cambridge Investment Research, Inc.	Przewlocki James, Inc.	4514 Center Street	Unit E		Houston	TX	77007	
Cameron Baynard		4297 NABAL DR			La Mesa	CA	91941	
CAMP CUTHRELL		PO Box 370			Wilton	CT	06897-0370	
Campano & Associates		Address Redacted						
CAMPBELL, JIM		Address Redacted						
CAMPBELL, JIM		Address Redacted						
Canadian Imperial Bank of Commerce		425 Lexington Avenue			New York	NY	10017	
Candidates on Demand Group, Inc.		433 Fifth Ave, 6th Flr			New York	NY	10016	
Canon Solutions America, Inc		15004 Collections Center Dr			Chicago	IL	60693	
Cancon Vending Services		PO Box 417632			Boston	MA	02241-7632	
Canfor Fitzgerald & Co.	Attn McKenzie Campbell	110 East 59th Street			New York	NY	10022	
CAPE RANKEN		558 LONE PINE COURT			ERIE	PA	16505	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Cape Securities, Inc.		1600 Pennsylvania Ave.			McDonough	GA	30253	
CAPITAL FOR KIDS	Attn Susan Nichol	2807 Allen St. #816			Dallas	TX	75204	
Capital Hedge, LLC		145 Washington Street, Suite 16			Norwell	MA	02061	
Capital Investment Group, Inc.		PO Box 32249			Raleigh	NC	27622	
Capital Link Forum, Inc.		230 Park Ave, Ste 1536			New York	NY	10169	
Capital Royalty LP	Attn Mary Logan	1000 Main St	Suite 2500		Houston	TX	77002	
Capitalize for Kids		01-208-Adelaide Street West			Toronto	ON	M5H 1W7	CANADA
Capitol Service Inc		PO Box 1831			Austin	TX	78767	
CAPITOL SERVICES, INC		PO BOX 1831			Austin	TX	78767	
Caplin Photography		50 W 90th Street	No C6		New York	NY	10024	
Caprock Court Reporting, Inc.		1112 Texas Avenue, Suite 200			Lubbock	TX	79401	
Capstone Advisory Group		Park 80 West	Plaza I-Plaza Level		Saddle Brook	NJ	07663	
Capstone LLC		1400 Eye Street, NW Suite 1115			Washington	DC	20005	
Captain Hopes Kids		10480 Shady Trail	Suite 104		Dallas	TX	75220	
CAREER BLAZERS		GLOBAL EMPLOYMENT SOLUTIONS, INC	PO BOX 842595		Boston	MA	02284-2595	
CAREER BLAZERS		PO BOX 414050			Boston	MA	02241-4050	
Career Group Inc		PO Box 203654			Dallas	TX	75320-3654	
CAREERBUILDER, LLC		13047 COLLECTION CTR DR			Chicago	IL	60693-0130	
CAREERBUILDER, LLC		200 N. LaSalle St	Suite 1100		Chicago	IL	60601	
Carey International, Inc.		Billing Department	PO Box 842350		Boston	MA	02284-2350	
Carey International, Inc.	Gary Kessler	4530 Wisconsin Ave. NW	Suite 500		Washington	DC	20016	
Carey Olsen	Attn Sam Dawson	Willow House Cricket Square			Grand Cayman		KY1-1001	Cayman Islands
CARL MOORE		5617 LINDENSHIRE LN			Dallas	TX	75230	
Carl Steigewald III		1425 Garden Street #405			Hoboken	NJ	07030	
CARL WELLMAN		340 QUAIL CREEK RD			Hot Springs	AR	71901	
Carla Martin		2351 McMurry Dr			Powder Springs	GA	30127	
Carla Siegal Interiors		31 Sturges Hwy			Westport	CT	06880	
CARLSON, STEPHEN		Address Redacted						
Carmona, Benjamin		Address Redacted						
CARNEGIE CONSUL TING		44 CARNABY ST			London			UK
Carol Bavousett Matlick PC		919 Congress Ave Suite 919			Austin	TX	WTF 9PP	
CAROLYN SANCHEZ		1116 WOODLAND WAY			Richardson	TX	78701	
CARON, JOHN H		Address Redacted					75080	
Carpenter Lipps & Leland LLP		280 Plaza, Suite 1300	280 North High Street		Columbus	OH	43215	
Carrington Coleman		901 Main St	Suite 5500		Dallas	TX	75202	
CARROLL, JUSTIN		Address Redacted						
Cartier Ledyard & Milburn LLP		Counselors at Law 2 Wall St			New York	NY	10005	
CARTER, JEROME		Address Redacted						
CARTUS CORPORATION PTE LTD		4 SHENTON WAY						
Carwin Advisors		2100 McKinney Ave, Suite 1510	No 09-01/04 SGX CENTRE 2		Singapore	TX	068807	SINGAPORE
Case Anywhere LLC		21860 Burbank Blvd.			Dallas		75201	
Cashier - Texas Workforce Commission		PO Box 149037	Suite 125		Woodland Hills	CA	91367	
CASPER COMPANY LLC		830 POST RD E			Austin	TX	78714-9037	
CASTELLA, ANDRES		Address Redacted			Westport	CT	06880	
CASTELLA, ANDRES		Address Redacted						
Catalyst Financial Partners LLC		118 E 28th Street	Suite 314		New York	NY	10016	
Catapult Systems Inc.		1221 South MoPac Expressway	Ste 350		Austin	TX	78746	
Catherine M. Luvisa, trustee	Cooper Lee Luvisa Educational Trust	Brendon Kyle Luvisa Educational Trust	10355 Pinecastle St		San Diego	CA	92131	
Catherine M. Luvisa, trustee		10355 Pinecastle St.			San Diego	CA	92131	
Catherine McCov		500 E Carlisle Ave.			Whitefish Bay	WI	53217	
Catherine P. Matthews		2701 Idlewood Circle			Charlotte	NC	28209	
Cattle Barons Bail		30 Highland Park Village Ste 216			Dallas	TX	75205	
Cattle Barons Bail	Attn Underwriting Chairs	3838 Oak Lawn Avenue, Suite 700			Dallas	TX	75219	
CATTLE BUYERS WEEKLY		PO BOX 2533			Petaluma	CA	94953-2533	
Cawley, Gillespie & Associates, Inc.		306 West 7th Street, Ste 302			Fort Worth	TX	76102	
Cawley, Keith		Address Redacted						
CB RICHARD ELLIS		2700 POST OAK BLVD	STE 250		Houston	TX	77056	
CB Richard Ellis, Inc		2700 Post Oak Blvd. Suite 250			Houston	TX	77056	
CB Richard Ellis, Inc		Valuation & Advisory Services	2415 East Camelback Rd		Phoenix	AZ	85016-4290	
Cheyond		320 Interstate North Parkway			Atlanta	GA	30339	
Cheyond		PO Box 848432			Dallas	TX	75284-8432	
CBIZ Valuation Group, Inc.		3030 LBJ Freeway, Ste 1650			Dallas	TX	75234	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
CBIZ Valuation Group, Inc.		4851 LBJ Freeway	Suite 800		Dallas	TX	75244	
CBIZ Valuation Group, Inc.	Attn ACCOUNTS RECEIVABLE	PO BOX 849846			Dallas	TX	75284-9846	
Choe LiveVo!, Inc.		400 South LaSalle Street			Chicago	IL	60605	
CBRE, Inc.		Location Code 2981	P.O. Box 406588		Atlanta	GA	30384-6588	
CCH					Torrance	CA	90503-5502	
CCH		21250 HAWTHORNE BLVD						
CCH		PO Box 4307			Carol Stream	IL	60197-4307	
CCH Incorporated		PO Box 4307			Carol Stream	IL	60197-4307	
CCH Prosystem FX		P.O. Box 2701			Torrance	CA	90509-2701	
CCH Prosystem FX		PO Box 5729			Carol Stream	IL	60197-5729	
CCS Medical		1505 LBJ Freeway	Suite 600		Farmers Branch	TX	75234	
CCW Recovery Solutions		4 Mount Ephraim Road	Tunbridge Wells		Kent	UK	TN1 1EE	
CDW Direct		PO Box 75723			Chicago	IL	60675-5723	
Cecilio Gomez		3136 Flowerdale Ln			Dallas	TX	75229	
Centaurus Financial, Inc.		2300 E. Katella Ave	Suite 200		Anaheim	CA	92806	
Center for Financial Professionals Ltd		The Mailings, Roydon Road	Stanstead Abbots		Herts	UK	SG12 8HG	
Center Street Securities, Inc.	c/o CFP Events, Suite 68	2740 Old Elm Hill Pike	Ste 201		Nashville	TN	37214	
Centerpoint Advisors		301 Commerce St Ste 1750			Fort Worth	TX	76102	
Centerpoint Builders		5339 Alpha Rd Ste 250			Dallas	TX	75240	
CENTRAL REPRODUCTION COMPANY		PO BOX 131971			Dallas	TX	75313	
Centroid		1050 Wilshire Dr.	Ste #170		Troy	MI	48084	
Centroid		900 Wilshire Dr.	Ste. #273		Troy	MI	48084	
CERA		Department 55 Cambridge Pkwy			Cambridge	MA	02142	
Certified Moving & Storage Company	Accounts Receivable	286 Madison Avenue			New York	NY	10017	
Certified Process Servers, Inc.		PO Box 496508			Garland	TX	75049-6508	
Certified Staffing Solutions		66 Orange Street, 3rd FL			Providence	RI	02903	
Cetera Advisor Networks LLC	Attn STS	200 N. Sepulveda Blvd, Ste 1300			El Segundo	CA	90245	
Cetera Advisor Networks LLC	c/o Legacy Advisor, C. Tabaka	2450 Rimrock Rd, Ste 203			Madison	WI	53713	
Cetera Financial Group	c/o Due Diligence Dept	200 N. Sepulveda Blvd, Ste 1200			El Segundo	CA	90245	
Cezar AV, Inc.		393 Upland Avenue			Yonkers	NY	10703	
CFA Society Los Angeles		520 S. Grand Ave	Ste 370		Los Angeles	CA	90071	
CFALA		520 S. Grand Ave	Ste 655		Los Angeles	CA	90071	
CFA-SW	Attn Scott Woodward	UHY, LLP	1717 Main Street		Dallas	TX	75201	
CFO & CONTROLLER ALERT		370 TECHNOLOGY DR	PO BOX 3019		Malvern	PA	19355	
Chad Clark		8902 Thorncliff Dr	Apt A		Austin	TX	78731	
CHAD SCHRAHEK		3005 VIDALIA			Plano	TX	75025	
Chakheeva, Svetlana		Address Redacted						
CHAMBERS, TRACIE		Address Redacted						
CHAN, WING FUNG WILLY		Address Redacted						
CHANCERY ST JAMES PLC		5 ST JAMESs SQUARE						
Chang, Frederic		Address Redacted						
Chang, Lewis		Address Redacted						
Chapline, Thomas		Address Redacted						
Charitable DAF Fund GP, LLC	Grant Scott	4140 Park Lake Avenue	Suite 600		Raleigh	NC	27612	
Charitable DAF Fund, L.P.	Grant Scott	4140 Park Lake Avenue	Suite 600		Raleigh	NC	27612	
Charles Byrne		161 Main Street			Hingham	MA	02043	
Charles Geraci		10077 Grogans Mill Rd, Ste 303			The Woodlands	TX	77380	
CHARLES GREGOR		132 E 43rd ST	No 634		New York	NY	10017	
Charles Rice		2818 White Oak Drive			Grand Prairie	TX	75052	
Charles River Associates		PO Box 845960			Boston	MA	02284-5960	
Charles Schwab & Co., Inc.		211 Main Street	MS SF-21 1MN-08-434		San Francisco	CA	94105	
Charley Krause		129 Melrose Place			Ridgewood	NJ	07450	
Charlie Maynard		CCM Associates 1033 Colina Dr			Villa Hills	KY	41017	
Charter Finan. Publishing Network, Inc.		PO Box 7550			Shrewsbury	NJ	07022-7550	
Chase Bank of Texas, N.A.		600 Travis Street	8th Floor	Global Trust Services	Houston	TX	77002	
CHASE COURIERS, INC		1002 N. Central Expressway #495			Richardson	TX	75080	
CHASE COURIERS, INC		1002 N CENTRAL EXPWY, #229			Richardson	TX	75080	
CHASE COURIERS, INC		1220 Champion Circle	No 114		Carrollton	TX	75006	
Chase Miller		5165 CR 2013			Glen Rose	TX	76649	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Chatham Worth		2607 Brenner Drive			Dallas	TX	75220	
CHAVARRIAGA, MAURICIO		Address Redacted						
CHEMICAL DATA		2900 N LOOP WEST			Houston	TX	77092	
CHEMICAL MARKET ASSOCIATES, INC		PO BOX 974416	STE 830		Dallas	TX	75397-4416	
Chen, Bryan		Address Redacted						
Chen, Jonathan C.		Address Redacted						
Cherith Harrison		5112 Wapakuneta Road			Bethesda	MD	20816	
Chet Paipananandiker		5022 Purdue Ave			Dallas	TX	75209	
Chetan Aras		12 Union St.			Needham	MA	02494	
Chi Un Chun		72-1-202 Hanyang Apt.	Appuleong Dong		Seoul			REPUBLIC OF KOREA
Chick-fil-A		1201 Elm Street	LL06		Dallas	TX	75270	
Chick-fil-A		12120 Inwood Road			Dallas	TX	75244	
CHILDRENS SEEK CAMP		Cory Cheat	3624 Long Prairie Rd. Ste #101		Flower Mound	TX	75022	
CHIRAG PANCHOLI		10101 MINBURN ST			Great Falls	VA	22066	
CHISM, CARTER		Address Redacted						
Chisum, Naomi		Address Redacted						
Choi, Jae Young		Address Redacted						
CHOI, YUN S.		Address Redacted						
CHOICE INVESTMENTS, INC		Address Redacted						
Chris Carrillo		4800 BEE CAVE ROAD			Austin	TX	78746	
CHRIS COLVIN		6505 Rhea Ave			Reseda	CA	91335	
CHRIS CRAWSHAW		2200 RIVERFRONT DR	APT 7306		Little Rock	AR	72202	
CHRIS EGER		2407 N LAKE RIDGE CR			Wichita	KS	67205	
Chris Gautier		51 W 15th St	UNIT E2		Chicago	IL	60605	
Chris Hakemack		2217 Ivan St.	Apt 812		Dallas	TX	75201	
Chris Hylen		428 E 83rd St, Apt 2F			New York	NY	10028	
Chris Jackson		6047 Shallows Way			Naples	FL	34109	
Chris Lombardi		3079 W Davenport Loop			Lehi	UT	84043	
		540 West Ave. # 1212			Miami Beach	FL	33139	
Chris Malone		7208 N Sooner Road			Oklahoma City	OK	73141	
Chris Miller		106 Mix Lane	PO Box 777		Long Lake	NY	12847	
Chris Saehler		1112 Pontiac Street			Denver	CO	80220	
Chris Sullivan		26674 W. Greentree Ct.			Olathe	KS	66061	
Christian & Small LLP		505 N 20th Street, Suite 1800			Birmingham	AL	35203-2696	
Christian Carrillo		30 Avenue at Port Imperial	APT 306		West New York	NJ	07093	
Christian MacCaron		805 N. Crescent Heights Blvd			Los Angeles	CA	90046	
Christina Dandar		1700 Cedar Springs	Apt 1505		Dallas	TX	75202	
Christina Seaman		6334 Monticello Ave			Dallas	TX	75214	
Christine Hedrick		13435 Pennsylvania Court			Kansas City	MO	64145	
Christine Ragnauth		12236 Jupiter Rd			Dallas	TX	75218	
Christopher Courber		Merrill Lynch	4 World Financial Center, Fl 30		New York	NY	10080	
CHRISTOPHER EGER		51 W 15th St	UNIT E2		Chicago	IL	60605	
Christopher Helpin		9656 Rockpoint Court			Dallas	TX	75238	
CHRISTOPHER NILSEN		244 FIFTH AVE	STE 200		New York	NY	10001	
CHRISTOPHER PITTMAN		4078 CREEKDALE DR			Dallas	TX	75229	
Christopher Rossi		11549 Riding Trail			Concord	OH	44077	
Chronicle of Higher Education		PO Box 1955			Marion	OH	43306-8055	
Chronicle of Philanthropy		PO Box 1989			Marion	OH	43306-8089	
Chuck Hoar		50 Fieldstreet Drive			Mansfield	MA	02048	
Chuck McQueary		509 Coyote Rd			Roanoke	TX	76262	
CIGNA HEALTHCARE		Address Redacted			Chicago	IL	60693-0547	
CIGNA HEALTHCARE		5476 COLLECTIONS CENTER DR			Chicago	IL	60693-0547	
CIRCLE B		3536 MILLER PARK			Garland	TX	75042-7519	
CISCO Capital		File No. 73226	PO Box 60000		San Francisco	CA	94160-3230	
Cisco WebEx, LLC		16720 Collections Center Dr			Chicago	IL	60693	
Cision US Inc.		PO Box 842869			Boston	MA	02284-2869	
CIT TECHNOLOGY		Attn CUSTOMER SERVICE			Jacksonville	FL	32255-0599	
Citibank, N.A.		Doug Warren	4th Floor		New York	NY	10013	
CITICORP VENDOR FINANCE		PO BOX 7247-0118			Philadelphia	PA	19170-0118	
Citizens of Georgia Power		7825 River Road			Waynesboro	GA	30830	
Citrix Online, LLC		7414 Hollister Avenue			Goleta	CA	93117	
City of Dallas		1500 Marilla Street	2D South		Dallas	TX	75201	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
City of Dallas		City Hall 1AN			Dallas	TX	75277	
City of Dallas		City Hall, 2D South			Dallas	TX	75277	
City of Dallas	City of Dallas	Security Alarms			Dallas	TX	75313-9076	
City of Surprise		16000 N. Civic Center Plaza	P. O. Box 139076		Dallas	TX	75313-9076	
Civic Research Institute		4478 US Route 27 PO Box 585	Stormwater Division		Surprise	AZ	85374-7470	
CJ Peng		3359 Keenland Rd			Kingston	NJ	08528	
CL McDade & Company		PO Box 702565			Marietta	GA	30062	
Claraphi Advisory Network		25301 Cabot Rd			Dallas	TX	75370	
CLARITY IN NUMBERS, LLC		141 West Jackson Blvd, Suite 300A	Suite 203		Laguna Hills	CA	92653	
Clark Hill Strasburger		901 Main Street	Suite 6000		Chicago	IL	60604	
Clark, James		Address Redacted			Dallas	TX	75202	
Clark, Stetson		Address Redacted						
Classic Legal Document Services, Inc.		1717 Main Street, Suite 2280			Dallas	TX	75201	
Claudia C Pleitez		1636 Nokomis Ave			Dallas	TX	75224	
Claudia Pleitez		1636 Nokomis Ave			Dallas	TX	75224	
CLAY CALLAN		1604 Leeward Lane			Plano	TX	79093	
Clayton Coleman		563 Savannah Drive			Walton	KY	41094	
Clearwell Systems, INC.		441 Lounge Ave			Mountain View	CA	94043	
Cleary Gottlieb Steen & Hamilton LLP		One Liberty Plaza			New York	NY	10006-1470	
Clerk of the Municipal Courts		2014 Main Street			Dallas	TX	75201	
CLERK, SUPREME COURT		PO BOX 149335			Austin	TX	78714-9335	
ClickDimensions, LLC		5901 Peachtree Dunwoody Rd., Ste B500			Atlanta	GA	30328	
Client One Securities, LLC		11460 Tomahawk Creek Parkway	Suite 100		Leawood	KS	86211	
Clientwise LLC		487 East Main Street	Suite 303		Mount Kisco	NY	10549	
Clifford Chance		31 West 52nd Street			New York	NY	10019	
Clifford Chance		PO Box 7247-6805			Philadelphia	PA	19170-6805	
CLINT GILCHRIST		13455 NOEL RD	STE 800		Dallas	TX	75240	
Clint Swisher		4207 Dundee Lane			Plano	TX	75093	
CLO Holdco, Ltd.	Grant Scott, Esq.	Myers Bigel Sibley & Sajovec, P.A.	4140 Park Lake Ave, Ste 600		Raleigh	NC	27612	
CM Murray LLP		37th Floor	One Canada Square, Canary Wharf		London	UK	E14 5AA	
CNGRP, Inc.		1717 Main St, Ste 1600			Dallas	TX	75201	
CNGRP, Inc.		PO Box 74008263			Chicago	IL	60674-8263	
CMS BondEdge		PO Box 98616			Chicago	IL	60693	
CNBC LLC	c/o Legal Dept, Attn Janet Williams	900 Sylvan Avenue			Englewood Cliffs	NJ	07632	
Coastal Equities Inc.		1201 N. Orange Street	9th Floor		Wilmington	DE	19801	
Coates Analytics		PO Box 371685			Pittsburgh	PA	15251-7685	
COBURN, JASON	Address Redacted	Address Redacted						
COBURN, JASON M	Address Redacted	Address Redacted						
Coch, Trevor	Address Redacted	Address Redacted						
Cockle Printing Co	2311 Douglas St				Omaha	NE	68102	
COCVAC	BOX 399				Clark Mills	NY	13321	
Cohen & Company, Ltd		PO BOX 94787						
Cohen, Jeffrey	Address Redacted				Cleveland	OH	44101-4787	
Coheso, Inc.	5870 Stoneridge Mail Rd.				Pleasanton	CA	94588	
Colbert, Kenneth T.	Address Redacted	Suite 207						
ColdFusion Ice	4901 Saint Lawrence Road				Fort Worth	TX	76103	
Cole Scholtz		Court Plaza North						
Cole Scholtz	Michael D. Warner, Esq.	Cole Scholtz Meisel Forman & Leonard	25 Main Street	P. O. Box 800	Hackensack	NJ	07602-0800	
Cole, Nathan	Address Redacted	301 Commerce Street, Suite 1700			Fort Worth	TX	76102	
Coleman Research Group, Inc.	120 West 46th St		25th Floor		New York	NY	10036	
Coleman, Clayton	Address Redacted							
Collas Crill	Attn Stephen Leontsinis	Floor 2, Willow House	Cricket Square PO Box 709		Grand Cayman		KY1-1107	Cayman Islands
Collins Building Services, Inc		Court Square Place, 24-01 44th Rd	15th Fl		Long Island City	NY	11101	
Collins Legal Video Service		1700 Pacific Ave	Suite 2410		Dallas	TX	75201	
Collins Realtime Reporting		1700 Pacific Ave	Suite 2410		Dallas	TX	75201	
COLLINS, BRIAN	Address Redacted							
Colim McDermott	18 Coventry Ln				Riverside	CT	06878	
Colonial Surety Company		123 Tice Boulevard, Suite 250			Woodcliff Lake	NJ	07677	
Colorado Department of Revenue		Colorado Department of Revenue			Denver	CO	80261	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Colorado State Treasurer		Colorado DEPT of Regulatory Agencies	1560 Broadway, Suite 900		Denver	CO	80202-5150	
ColorMark, L.C.		1840 Hutton Dr	Bldg 208		Carrollton	TX	75006	
COLUMN A		288 BUSH ST #3839						
Colvin Resources Group		4141 Blue Lake Circle Ste 158			San Francisco	CA	94104	
COLVIN, CHRISTOPHER		Address Redacted			Dallas	TX	75244	
COLVIN, MICHAEL		Address Redacted						
Commercial Ideas, LLC		4300 N Central Expressway			Dallas	TX	75206	
COMMERCIAL MORTGAGE ALERT		5 MARINE VIEW PLAZA # 301			Hoboken	NJ	07030-5795	
Commercial Mortgage Securities Assoc.		30 Broad St, 28 th Floor			New York	NY	10004-2304	
Commissioner of Revenue Services		DEPARTMENT OF REVENUE SERVICES	PO BOX 2936		Hartford	CT	06104-2936	
Commissioner of Securities, State of LA		Office of Financial Institutions	8660 United Plaza Boulevard, 2nd Floor		Baton Rouge	LA	70809	
COMMISSIONER OF TAXATION AND FINANCE		NY'S ASSESSMENT RECEIVABLES	PO BOX 4127		Binghamton	NY	13902-4127	
Commodity Futures Trading Commission		Three Lafayette Centre	1155 21st Street, NW		Washington	DC	20581	
Common Grace Ministries		3800 Commerce #217			Dallas	TX	75226	
Commonwealth Financial Network		29 Sawyer Rd.			Waltham	MA	02453	
COMMONWEALTH OF MASSACHUSETTS		MASSACHUSETTS DEPT OF REVENUE	PO BOX 7065		Boston	MA	02204-7065	
COMMONWEALTH OF MASSACHUSETTS		PO Box 419272			Boston	MA	02241-9272	
COMMONWEALTH OF MASSACHUSETTS		Securities Division	1 Ashburton Place, Room 1701		Boston	MA	02108	
Communities Foundation of Texas, Inc.	Attn Marcia Godwin 5500	Caruth Haven Lane			Dallas	TX	75225-8146	
Communities in Schools of North Texas		PO Box 295543			Lewisville	TX	75029-5543	
Community Beer Company		1530 Inspiration Drive	Suite 200		Dallas	TX	75207	
Community Partners of Dallas		1215 Skiles Street			Dallas	TX	75204	
COMPASS BANK OPERATING		PO BOX 630020			Dallas	TX	75263-9720	
Compass Lexecon		332 South Michigan Ave			Chicago	IL	60604-4397	
Compass Lexecon		PO Box 630391			Baltimore	MD	21263-0391	
Compass Lexecon LLC		PO Box 418005			Boston	MA	02241-8005	
COMPETITIVE LOGISTICS LLC		53 PERIMETER CENTER E	STE 201		Atlanta	GA	30346	
Complete Coherence Ltd		Newton House, Suite B	Newton Lane		Romsey, Hants		SO51 8LE	UK
Complete Fitness Outfitters		PO Box 1237			Atoka	OK	74262	
Complete Legal, Ltd		1201 Elm St.	Suite 2560		Dallas	TX	75270	
Compliance Science, Inc.		875 Avenue of the Americas	12th Floor		New York	NY	10001	
Compliance Search Group		1001 Avenue of the Americas	Suite 2401		New York	NY	10018	
Compliance Search Group		450 Seventh Ave	Suite 1409		New York	NY	10123	
Comptroller of Maryland		Revenue Administration Division	110 Carroll Street		Annapolis	MD	21411-0001	
Comptroller of Public Accounts		PO Box 149348			Austin	TX	78714	
Compuforms Data Products, Inc.		PO Box 101536			Fort Worth	TX	76185-1536	
CompuLink Technologies, Inc.		214 West 29 Street	Suite 201		New York	NY	10001	
Computershare		14257 Collection Ctr Dr			Chicago	IL	60693	
Computershare		16750 Collection Ctr Dr			Chicago	IL	60693	
Computershare Trust Company, N.A.		PO BOX 43078			Providence	RI	02940-3078	
Comsys Services, LLC		PO Box 60260			Charlotte	NC	28260	
Concord Marketing Solutions		2000 Bloomingdale Road			Glendale Heights	IL	60139	
Concorde Holdings, Inc.		1120 East Long Lake Rd	Suite 207		Troy	MI	48085	
Concorde Investment Services		1120 East Long Lake Road	Ste 207		Troy	MI	48085	
Concur Technologies, Inc.		18400 NE Union Hill Road			Redmond	WA	98052	
Concur Technologies, Inc.		62157 Collections Center Drive			Chicago	IL	60693	
Conference Plus, Inc		8153 Solutions Center			Chicago	IL	60677-8001	
Conference Room AV		13601 W McMillan Rd	Suite 102-277		Boise	ID	83713	
Conga		P.O. Box 7839			Broomfield	CO	80021	
ConnectAndSell, Inc		856 Rand St.			San Mateo	CA	94401	
Connected Software		PO Box 29			West Newbury	MA	01985	
Connecticut Department of Banking		Securities & Business Invest Division	260 Constitution Plaza		Hartford	CT	06103	
CONNER, PATRICK		Address Redacted						
CONNER Systems, Inc.		2033 Chenault Drive, Suite 150			Carrollton	TX	75006	
CONNIE MILTENBERGER		127 KENDALL BLUFF COURT			Chesterfield	MO	63017	
Connolly Bove Lodge & Hutz LLP		1007 North Orange St			Wilmington	DE	19809	
Connolly Gallagher LLP		1201 North Market Street	20th Floor		Wilmington	DE	19801	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Connolly, James		Address Redacted						
Connor White		217 W 11 Street	Apt 5R		New York	NY	10023	
Conseco Life Insurance Company		PO Box 105383			Atlanta	GA	30348-5883	
CONSOLIDATED GENERAL LIFE INSURANCE CO								
Context Summits LLC		4245 N CENTRAL EXPWY	STE 500		Dallas	TX	75205	
Continental Court Reporters, Inc.		401 City Avenue	Suite 815		Bala Cynwyd	PA	19004	
Continental Office Group, LLC		2777 Allen Parkway, Suite 600			Houston	TX	77019-2166	
		PO Box 132			Wylie	TX	75098	
ConvergeOne, Inc.		NW 5806	PO Box 1450		Minneapolis	MIN	55485-5806	
Conway, Jacob		Address Redacted						
CONVERS DILL & PEARMAN		CLARENDON HOUSE 2	CHURCH STREET		Hamilton		0HM11	BERMUDA
Cooke Young Kiedan	Philip Young	21 Lombard St			London		EC3V 9AH	UK
Cooke, Brad		Address Redacted						
COOL TECH AIR CONDITIONING LTD		530 LONDON ROAD	Stanwell		Ashtford	NJ	08401	UK
COOPER LEVENSON APRIL NIEDELMAN		1125 ATLANTIC AVE			Atlantic City	NJ	TW15 3AE	UK
Copy Sense		121 E. 8th	Ste 100B		Austin	TX	78701	
Copy Solutions		2001 Bryan St	Suite 1935		Dallas	TX	75201	
CopyPLEX		400 Tri-State Bldg 432 Walnut St			Cincinnati	OH	45202	
Copyright Clearance Center		222 Rosewood Dr			Danvers	MA	01923	
Copyright Clearance Center		PO Box 843006			Boston	MA	02284-3006	
CORAL EQUITY PARTNERS		28 Innisbrook Ave			Las Vegas	NV	89113	
CORCORAN, KIMBERLY		Address Redacted						
CORE Staffing Services, Inc.		40 Wall Street	16th Floor		New York	NY	10005	
Corinne Durand		142 North 5th Street # 4R			Brooklyn	NY	11211	
CORNELIUS, WILLIAM		Address Redacted						
Corner Bakery		CB Catering 91 PO Box 844288			Dallas	TX	75284-4288	
Cornerstone Healthcare Group Holding Inc	David Smith	3030 Ross Avenue	Suite 5400		Dallas	TX	75201	
Cornerstone Macro LLC		650 Fifth Avenue	21st Floor		New York	NY	10019	
Cornerstone Restructuring LLC		1125 Maxwell Ln	Suite 1010		Hoboken	NJ	07030	
CornerStone Staffing		PO Box 909			Grapevine	TX	76099	
CORPORATE COFFEE SYSTEMS		745 SUMMA AVE			Westbury	NY	11590	
CORPORATE EXPRESS INC		PO BOX 71217			Chicago	IL	71217	
Corporate Expressions		11 Blackberry Ln.			Norwalk	CT	06850	
Corporate Golf		604 West Morgan St Ste 202			Durham	NC	27701	
Corporate Green		PO Box 820725			Dallas	TX	75382	
Corporate Interiors Inc.		PO Box 709			Frisco	TX	75034-0709	
Corporate Mortgage		5858 Westheimer Rd	Suite 115		Houston	TX	77057	
Corporate Search Partners		6116 N Central Expwy Ste 406			Dallas	TX	75206	
Corporate Source Ltd		1505 Oak Lawn Ave	Suite 300		Dallas	TX	75207	
Corporate Source Ltd		2851 N Harwood Ste 260			Dallas	TX	75201	
Corporate Source Ltd		Lockbox 671236			Dallas	TX	75267-1236	
Corporate Strategies by SkillPath		6900 Squibb Rd			Mission	KS	66202	
Corporate Strategies by SkillPath		PO Box 803839			Kansas City	MO	64180-3839	
Corporate Transportation Group		335 Bond St			Brooklyn	NY	11231	
Corporation Service Company		PO BOX 13397						
Cory McCallum		5690 Lake Forrest Drive			Philadelphia	PA	19101-3397	
COSMOPOLITAN GLASS		307 DAIBES CT			Atlanta	GA	30339	
Costal Equities Inc.		1201 N. Orange Street	9th Floor		Edgewater	NJ	07020	
					Wilmington	DE	19801	
CoStar Realty Information, Inc.		PO Box 791123			Baltimore	MD	21279-1123	
Cotton, Austin		Address Redacted						
Coughlin, William		Address Redacted						
Coughlin, William A.		Address Redacted						
Counsel Press LLC		PO Box 1053			New York	NY	10018-9998	
CounselWorks LLC		477 Madison Avenue	Suite 740		New York	NY	10022	
COURIERS INC		225 MILLWELL DR			Maryland Heights	MO	63043	
Courmoyer, Timothy		Address Redacted						
Courthouse Digital Video		PO BOX 630483			Irving	TX	75063	
Courtlandt Securities Corporation		PO Box 11929			Newport Beach	CA	92658	
COURTNEY ORENT		13455 NOEL RD	STE 800		Dallas	TX	75240	
Courtroom Intelligence, Inc.		1219 West University Blvd			Odessa	TX	79764	
Courtroom Intelligence, Inc.		620 N Grant	Suite 512		Odessa	TX	79761	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Covenant Review LLC		230 Park Ave, Suite 812			New York	NY	10169	
Covenant Review LLC		708 Third Ave	6th Floor		New York	NY	10017	
COVERT INVESTIGATIVE SERVICES		PO BOX 67			Lewisville	TX	75057	
COVITZ, HUNTER		Address Redacted						
Cowen and Company, LLC		Finance Group - 21st Floor	599 Lexington Avenue		New York	NY	10022	
Cowie, Jason		Address Redacted						
COX, BRIAN		Address Redacted						
COZEN O CONNER ATTORNEYS		W1385	PO BOX 7777		Philadelphia	PA	19175-0775	
CP EATON PARTNERS, LLC		131 ROWAYTON AVE			Rowayton	CT	06853	
Craig and Macauley Professional Corp.		600 Atlantic Ave			Boston	MA	02210	
Crain Communications Inc.		1155 Gratiot Ave			Detroit	MI	48207-2732	
Crain Communications Inc.		16309 Collection Center Dr.			Chicago	IL	60693	
Cranellis		10047 Park Meadows Dr			Lone Tree	CO	80124	
CRE ADVISORS, LLC		PO BOX 2302			Addison	TX	75001	
Creative Meetings & Incentives		2405 Mill Plain Rd			Fairfield	CT	06824	
CREATIVE PRINTING		311 N STEMMONS			Dallas	TX	75207	
CREDIT SUISSE		11 MADISON AVE, 26TH FLR	STE 400		New York	NY	10010	
CREDIT SUISSE		700 College Road East	AARON OVEDIA		Princeton	NJ	08540	
CREDIT SUISSE	Attn JUDY HARNETT	11 MADISON AVE, 11TH FLR			New York	NY	10010	
Crediflux		63 Clerkenwell Rd			London	UK	EC 1M- 5NP	
Crescent Asset Management		1440 Broadway	17th flr		New York	NY	10018	
Crescent Partners, LLC		1440 Broadway	17th floor		New York	NY	10018	
Crescent Research		PO Box 64-3622			Vero Beach	FL	32964	
Crescent TC Investors LP		200 Crescent Ct	Suite 250		Dallas	TX	75201	
Crescent TC Investors LP		PO Box 841772			Dallas	TX	75284-1772	
CREST, DAVID		Address Redacted						
Cris Rodriguez		5165 CR 2013			Glen Rose	TX	76649	
Crisostomo, Norm		Address Redacted						
Critical Electric Systems Group, LLC		704 Central Pkwy East	No 1200A		Plano	TX	75074	
CROSS 3 LLC		7324 ELDRED AVE, NE			Rockford	MI	49341	
Crosson Dammis, Inc.		8150 N. Central Expressway, Suite 950			Dallas	TX	75206	
Crossroads Audio, Inc.		2623 Myrtle Springs Avenue			Dallas	TX	75220	
Crowe Dunlevy			Suite 100		Oklahoma City	OK	73102	
Crowell & Moring		324 N. Robinson Avenue						
CROWELL, LEONARD		1001 Pennsylvania Ave NW			Washington	DC	20004-2595	
Crown Capital Securities, L.P.		Address Redacted						
CRT CAPITAL GROUP, LLC		725 Town & Country Rd	Suite 530		Orange	CA	92868	
		262 HARBOR DR			Stamford	CT	06902	
CSC								
CSI e-Discovery Services, LLC		PO Box 13397	Suite 152		Philadelphia	PA	19101-3397	
		4950 N. O'Connor Rd.			Irvine	TX	75062	
CSI Global Deposition Services		Accounting Dept-972-719-5000			Irvine	TX	75062-2778	
CSI Litigation Psychology, LLC		4950 North O'Connor Rd.	Corporate Plaza 1, First Floor		Irvine	TX	75062	
CSS Medical Inc.		14255 49th Street North	Suite 301		Clearwater	FL	33762	
CT Corporation System	Attn Michael E Jones	350 N. St. Paul Street, Ste. 2900			Dallas	TX	75201	
CT Corporation System	C/O STEPHANIE WATTS-DARTY	DALLAS CORPORATE TEAM 2	350 North St. Paul St.		Dallas	TX	75201	
CT Corporation System		PO Box 4349			Carol Stream	IL	60197-4349	
CT Lien Solutions		Lockbox 200824			Houston	TX	77216	
CT Lien Solutions		PO Box 301133			Dallas	TX	75303	
CTRL+V Inc.		251 Union St.			Lawrence	NY	11559	
Culinaire International	Attn Catering Dept	2643 SMU Blvd			Dallas	TX	75205	
CULLEN ESTATE TRUST		601 JEFFERSON ST STE 4000			Houston	TX	77002-7913	
Cummings Bay Capital Management, LP		13455 Noel Rd, Ste 800			Dallas	TX	75240	
CUNNINGHAM, BRITTNEY		Address Redacted						
CurAlea Associates LLC		12 Roszel Road	Suite B102		Princeton	NJ	08540	
Cushman & Wakefield of Arizona, Inc.		2555 East Camelback Road, Ste 400			Phoenix	AZ	85016	
CUSIP		55 Water Street	43rd Floor		New York	NY	10041	
CUSIP Global Services		33356 Collection Center Dr			Chicago	IL	60693-0333	
CUSIP Service Bureau		2542 Collection Center Drive			Chicago	IL	60693	
CUSIP Service Bureau		PO Box 19140A			Newark	NJ	07195-0140	
CUSIP Service Bureau		Standard and Pools			Chicago	IL	60693	
CUSTOM BOOK BINDERY, INC.		9 SHERIDAN AVE	2542 Collection Center Drive		Clifton	NJ	07011	
Custom Headsets of Dallas		5949 W Hwy/ 175			Kaufman	TX	75142	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	City	State	Zip	Country
CVE Technologies Group Inc.		1414 S. Gustin Rd.		Salt Lake City	UT	84104	
CW PARTNERS LLC		2811 MCKINNEY AVE	STE 214	Dallas	TX	75204	
CYNTHIA HULL		9935 HICKORY CROSSING		Dallas	TX	75243	
CYNTHIA VALLES		3235 PARKSIDE PLACE #2H		BRONX	NY	10467	
CYRUS SPURLINO REVOCABLE TRUST		7214 N MOBLEY RD		Odessa	FL	33566-2303	
Cystic Fibrosis Foundation		7506 E Independence Blvd #120		Charlotte	NC	28227	
Cystic Fibrosis Foundation		Northeast Texas Chapter	3102 Maple Ave, Ste 120	Dallas	TX	75201	
Cystic Fibrosis Foundation		NE Texas/Fort Worth Chapter	3840 Hulen St, Suite 600	Fort Worth	TX	76107	
CZG Dynamics Associates		14 Perm Plaza, Suite 1712		New York	NY	10122	
D Magazine		4311 Oak Lawn Ave Ste 100		Dallas	TX	75219-9701	
D Magazine		750 North St. Paul Street	Suite 2100	Dallas	TX	75201	
D&S Enterprises		10703 Sweetwater Drive		Frisco	TX	75035	
D. Alan Bowliby		PO Box 1067		Addison	TX	75001	
D. Allan Bowliby & Associates, Inc		PO BOX 1067		Addison	TX	75001	
D.F. King & Co. Inc.		48 Wall Street		New York	NY	10005	
D.H. Hill Securities, LLLP		1543 Green Oak Place	Ste 100	Kingwood	TX	77339	
DAETSCH, MOLLY		Address Redacted					
DALE BEHM		38211 BOGERT TRAIL		Palm Springs	CA	92264	
Dale Frey		24293 Running Deer Rd		Conifer	CO	80433-6923	
Dallas A&M Club	Attn Mike Henderson	4303 Glenwick		Dallas	TX	75205	
Dallas AfterSchool Network		2902 Swiss Avenue		Dallas	TX	75204	
Dallas Area Habitat for Humanity		House Party	PO Box 700924	Dallas	TX	75370	
Dallas Art & Design		3617 Fairmount St Ste 101		Dallas	TX	75219	
Dallas Bar Association		2101 Ross Ave		Dallas	TX	75201	
Dallas Basketball Ltd.		1333 N Stemmons Fwy	Ste 105	Dallas	TX	75207-3722	
Dallas Business Journal		PO Box 840190		Dallas	TX	75284-0190	
Dallas CASA		2757 Swiss Avenue		Dallas	TX	75204	
Dallas Challenge		7777 Forest Lane	Suite C-410	Dallas	TX	75203	
DALLAS CHAPTER TEI		901 MAIN ST	69TH FLR, BANK AMERICA PLAZA	Dallas	TX	75202	
DALLAS CHAPTER TEI	Attn Sharon Langlotz	Cash America International, Inc	1600 West 7th St	Ft. Worth	TX	76102-6803	
DALLAS CHAPTER TEI		PO BOX 961101	BNSF RAILWAY COMPANY, SCOTT RYNEARSON	Fort Worth	TX	76161-1101	
Dallas Childrens Advocacy Center	Attn Stepheni Jordan	5351 Samuel Blvd		Dallas	TX	75228	
Dallas Childrens Theater	Attn Michael Gonzales	5938 Skillman		Dallas	TX	75231	
Dallas Committee on Foreign Relations		4925 Greenville Avenue	Suite 1025	Dallas	TX	75206-4092	
Dallas Contemporary, MTV	Attn Hannah Fagadau	161 Glass Street		Dallas	TX	75207	
Dallas County Republican Party		10100 N Central Exprwy	Ste 175	Dallas	TX	75231	
Dallas County Tax Office		PO Box 139033		Dallas	TX	75313-9033	
Dallas Courier Service, Inc.		PO Box 83583		Richardson	TX	75083	
DALLAS DUCKS UNLIMITED		400 TURTLE CREEK CENTER		Dallas	TX	75219	
Dallas Employment Services		8150 N Central Expressway	SCOTT WEBER	Dallas	TX	75206	
Dallas Gigs LLC	Attn Eddie Parker	PO Box 225423	Suite 675	Dallas	TX	75222	
Dallas Glass & Door Company, Ltd		PO Box 440		Falte	TX	75132	
Dallas Hispanic Firefighters Association		703 McKinney Ave	Suite 201	Dallas	TX	75202	
DALLAS HR		4100 SPRING VALLEY RD	STE 300	Dallas	TX	75244	
Dallas Jewish Community Foundation		One Hillcrest Green		Dallas	TX	75230	
Dallas Junior Chamber of Commerce Found.		PO Box 130721	12700 Hillcrest Rd, Suite 201	Dallas	TX	75313	
Dallas Kid to Do	Attn Megan Harrison	650 South R.L. Thornton Freeway		Dallas	TX	75203-3013	
Dallas Landscape Lighting		2026 Midlake Rd		Dallas	TX	75205	
Dallas Museum of Art		1717 North Harwood		Dallas	TX	75201	
DALLAS PETROLEUM CLUB		2200 ROSS AVE	LB 171	Dallas	TX	75201-2799	
DALLAS POLICE AND FIRE		THE VICTOR LAZADA MEMORIAL FUND	7474 FERGUSON RD	Dallas	TX	75228	
Dallas Police Department		PO Box 840186		Dallas	TX	75284-0186	
Dallas Producers Club	Alarm Permit Compliance Unit	3131 McKinney Ave, Ste 430		Dallas	TX	75204	
Dallas Regional Chamber	c/o J. Patrick Collins	500 North Akard St, Suite 2600		Dallas	TX	75201	
Dallas Regional Chamber	Attn Finance	PO Box 550939		Dallas	TX	75201	
Dallas Security Systems, Inc.		2601 Avenue of the Stars		Dallas	TX	75355-0939	
Dallas Stars		PO Box 710336		Frisco	TX	75034-9089	
Dallas Summer Musicals, Inc.		2626 Manana Dr	Suite A	Dallas	TX	75371-0336	
Dallas T-Shirt Company		PO Box 670564		Dallas	TX	75220	
Dallas Urban Debate Alliance		PO Box 670564		Dallas	TX	75367	
Dallas Wildcat Committee	Attn Barbara Johnston	2200 Ross Ave, Suite 4150E		Dallas	TX	75201	
Dallas Womens Foundation		8150 North Central Expwy Suite #110		Dallas	TX	75206	
Dallas Youth Council		PO Box 793604		Dallas	TX	75379	
Dallas Zoological Society		650 South R.L. Thornton Fwy		Dallas	TX	75203-3013	
Damage Recovery		PO Box 801770		Kansas City	MO	64180	
DAMC		NORCOM CAPITAL	15770 N DALLAS PKWY	Dallas	TX	75248	
DAMERIS, THEODORE		Address Redacted		Dallas	TX		

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
DAMEWARE DEVELOPMENT		241 MORNINGSIDE DR			Mandeville	LA	70448	
Dan Drabinski		4100 Purdue Avenue			Dallas	TX	75225	
Dan Subach		79 N. Misty Morning Trace			Spring	TX	77381	
Dana Driensky		11840 Dorothea Lane			Dallas	TX	75218	
DANAHY, BRIAN		Address Redacted						
DANAHY, BRIAN J.		Address Redacted						
DANDAR, CHRISTINA		Address Redacted						
Daniel Church		1728 Shadow Forest Dr.			Charlotte	NC	28105	
Daniel J Edelman, Inc		JPMorgan Chase Bank, NA	21992 Network Place		Chicago	IL	60673	
Daniel Kaplan Associates LLC		55 Madison Ave, 4th Flr			Morristown	NJ	07960	
Daniel Moisio		PO Box 6310			Austin	TX	78762	
Daniel N. Shaviro		65 Charles Street			New York	NY	10014	
Daniel Ranson		5040 Windleigh Place			Saint Louis	MO	63128	
Daniel Riedler		744 PIER AVE #4			Santa Monica	CA	90405	
Daniel Sexton		2322 N. Clark Ave	Apt 2		Chicago	IL	60614	
Daniel Shavit		1201 Hudson St, Apt 214			Hoboken	NJ	07030	
Daniel Sheehan & Associates PLLC		8150 N Central Expressway, Ste 100			Dallas	TX	75206	
Daniela Garrett		5165 CR 2013			Glen Rose	TX	76649	
Daniels & Erickson, PC		12221 Merit Dr.	Suite 760		Dallas	TX	75251	
Dansby White		12 Collinwood Rd			Maplewood	NJ	07040	
Darby Dunn Communications		461 Manor Lane			Pelham	NY	10803	
Daria M Chavez		1734 Sparta Dr			Duncanville	TX	75137	
Daryls By Design		1801 N Griffin Street			Dallas	TX	75202	
DATAACARE SOFTWARE GROUP INC		445 PARK AVE	10TH FLR		New York	NY	10022	
Datamax		PO Box 20527			Saint Louis	MO	63139	
DataPlus Consulting Incorporated		750 North St Paul St, Suite 1225			Dallas	TX	75201	
DataPlus Consulting Incorporated		PO Box 190634			Dallas	TX	75219	
DataPlus Consulting, Incorporated		750 North St Paul	Suite 1225		Dallas	TX	75201	
Datapoint Management		210 Empire House	1 Empire Way		Wembley		HA9 0EW	UK
DAUGHERTY, PATRICK		Address Redacted						
DAUM, KURT		Address Redacted						
Dave Barnett		6003 Loyd Ct			Dallas	TX	75252	
DAVE WALLS		Susenbergstrasse 118			Zurich			SWITZERLAND
DAVID BLANKS		199 ORCHARD ST, APT 30			New York	NY	10002	
DAVID BLANKS		250 VESEY, 29TH FLR			New York	NY	10080	
David Boguslawski		6007 Derek Trail			Dallas	TX	75240	
David C. Smith		810 Fendall Terrace			Charlottesville	VA	22903	
DAVID CALLAHAN		8 IROQUOIS LN			Wilbraham	MA	01095	
David Childs Tax Assessor-Collector		PO BOX 139066	DALLAS COUNTY TAX ASSESSOR- COLLECTOR		Dallas	TX	75313-9066	
David Childs Tax Assessor-Collector		PO Box 620088			Dallas	TX	75262-0088	
DAVID CRULL		13455 NOEL RD	STE 800		Dallas	TX	75240	
David Culley		6008 Bert Pine Drive #2332			Orlando	FL	32822	
David Feldman Worldwide, Inc		PO Box 2392			New York	NY	10116-2392	
David Fralberg		119 Manor Circle			Jupiter	FL	33458	
DAVID FULLERTON		5808 La Vista Dr.			Dallas	TX	75206	
David Hill		8727 Rippling Water Dr.			Sugar Land	TX	77479	
David Hu		5613 Heartwood Circle			Derwood	MD	20855	
David Huff Photography LLC		22022 N 119th Drive			Sun City	AZ	85373	
DAVID LANCELOT		5258 QUAIL RUN			Frisco	TX	75034	
DAVID LEE		2215 PULLMAN AVE			Belmont	CA	94002	
DAVID LEHUQUET		705 TOFINO COVE			Round Rock	TX	78665	
David M. Cooper		2737 Christopher Farms Dr			Virginia Beach	VA	23453	
DAVID MARTIN		3820 SHADY HILL DR			Dallas	TX	75229	
David Ourlight		74 5th Ave			New York	NY	10011	
DAVID POWERS		3448 BINKLEY AVE			Dallas	TX	75205	
DAVID R HOLBROOKE ROTH IRA		120 BULKLEY AVE APT 405			Sausalito	CA	94965-2149	
DAVID SALTER		600 S COMMONWEALTH AVE	DEPT 308 - 14TH FLR		Los Angeles	CA	90005	
DAVID SMITH		13455 Noel Rd	Ste 800		Dallas	TX	75240	
DAVID SMITH		4125 GAJOWSKI			Sealy	TX	77494	
David Smith		6159 Bryndale Ave			Oak Park	CA	91377	
David Spiegel		2052 N Orleans #1			Chicago	IL	60614	
David Tomek PLLC		325 N St Paul Street	Suite 3300		Dallas	TX	75201	
David W. Langford, CSR, CRR, RDR	Official Court Reporter	101st Judicial District Court	George L. Allen Courts Building		Dallas	TX	75202-4631	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
David Weisbach		1134 E. 49th St.			Chicago	IL	60615	
DAVIES WARD PHILLIPS & VINEBERG LLP		44TH FLR	1 FIRST CANADIAN PLACE		TORONTO	ON	M5X 1B1	CANADA
DAVIS DEADMAN		4001 Centenary Ave			Dallas	TX	75225	
DAVIS FORESTRY		PO BOX 24633			Little Rock	AR	72221	
Davis Polk & Wardwell	Attn Andrew Dean	450 Lexington Ave			New York	NY	10017	
Davis Wright Tremaine LLP		2600 Century Square 1501 Fourth Ave			Seattle	WA	98101-1688	
DAVIS, MARY M.		Address Redacted						
DAVIS, MARY MARTHA		Address Redacted						
Dawn ORourke		216 Newport Drive			Peachtree City	GA	30268	
Day Pitney LLP		PO Box 416234			Boston	MA	02241-6234	
DDC Financial Group s.r.o.		Bohusovicka 230-12	190 00 Prague		Praha 9			CZECH REPUBLIC
DEADMAN, DAVIS		Address Redacted			Syosset	NY	11791	
DeaFlow Media, Inc		PO Box 122			Dallas	TX	75202	
Deanna K. Adams	Official Court Reporter	600 Commerce, 630 C	6th Floor, East Tower		Dallas	TX	75218	
Deanna Mason		10476 Silverock Drive			Dallas	TX	75220	
Deanne Engle		3151 Darvany Drive			New York	NY	10022	
Debevoise & Plimpton	Michael Harrell	c/o Accounting Dept 28th Floor	919 Third Avenue		New York	NY	10017	
Debidomain (USA) Inc.		295 Madison Ave	Suite 924					
DECHERT LLP		PO BOX 7247-6643			Philadelphia	PA	19170-6643	
Dechert UK		160 Queen Victoria Street			London		EC4V 4QQ	United Kingdom
DEDYQ, STEPHEN		Address Redacted						
DEDYQ, STEPHEN J.		Address Redacted						
DeGolyer & MacNaughton		5001 Spring Valley Rd	Suite 800 east		Dallas	TX	75244	
Dela Vecchio Reporting Services, LLC		117 Randl Drive			Madison	CT	06443	
DELAROSA, STEVEN		Address Redacted			Dover	DE	19901	
DELAWARE DIVISION OF CORPORATIONS		401 FEDERAL ST	STE 4		Dover	DE	19901	
Delaware Secretary of State	Division of Corporations	401 Federal St, Suite 4						
Delaware Secretary of State	DIVISION OF CORPORATIONS	PO BOX 11728			Newark	NJ	07101-4728	
Delaware Secretary of State	Division of Corporations	PO Box 5509			Binghamton	NY	13902-5509	
Delaware Secretary of State	Division of Corporations	PO Box 74072			Baltimore	MD	22174-4072	
DELAWARE SECRETARY OF STATE # 51-	Franchise Tax	401 Federal Street	PO Box 898		Dover	DE	19903	
6000279		1209 Orange St			Wilmington	DE	19801	
DELAWARE SECRETARY OF STATE # 51-		State of Delaware Division of Corp	PO Box 5509		Binghamton	NY	13902-5509	
6000279		820 Silver Lake Blvd Suite 100			Dover	DE	19904	
Delaware State Treasury		Address Redacted						
DELGADO, MAURICIO		Payment Processing Center	PO Box 5275		Carol Stream	IL	60197-5275	
Dell Business Credit		Dept. 50-0049055190 PO BOX 689020			Des Moines	IA	50368-9020	
Dell Commercial Credit		PO BOX 689020			Des Moines	IA	50368-9020	
Dell Financial Services		Payment Processing Center	4307 Collection Center Dr.		Chicago	IL	60693	
Dell Marketing LP	c/o Dell USA LP	PO Box 676021			Dallas	TX	75267-6021	
DELOITTE & TOUCHE	Attn KILEY RODEN	10 WESTPORT RD			Wilton	CT	06897	
Deloitte Financial Advisory Services LLP		2200 Ross Ave			Dallas	TX	75201	
Deloitte Financial Advisory Services LLP		4022 Sells Drive			Hermitage	TN	37076	
Deloitte Financial Advisory Services LLP		PO Box 2062			Carol Stream	IL	60132-2062	
Deloitte Tax LLP		4022 Sells Drive			Hermitage	TN	37076	
Deloitte Tax LLP		PO Box 2062			Carol Stream	IL	60132-2062	
Deloitte Tax LLP		PO BOX 2079			Carol Stream	IL	60132-2079	
Deloitte Tax LLP		PO Box 844736			Dallas	TX	75284-4736	
Delphi Legal Technologies		350 N. Saint Paul Suite 275			Dallas	TX	75201	
Delphi Legal Technologies		PO Box 133026			Dallas	TX	75313-3026	
Delta Dallas Staffing, LP		Tollway Plaza II	15950 N. Dallas Pkwy, Ste 500		Dallas	TX	75248	
Deluxe Business Forms		PO Box 742572			Cincinnati	OH	45274-2572	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Denison Glass & Mirror		620 W Main St			Denison	TX	75020	
Dennis Sugino		19432 Foxdale Circle			Huntington Beach	CA	92648	
DENNIS WINTER IRA		6025 N E ZENITH RD			Jackson Hole	WY	83001	
Denton County Tax Assessor		PO Box 90223			Denton	TX	76202	
Denton US LLP		Dept. 894579			Los Angeles	CA	90189-4579	
Denver Daughtry		5165 CR 2013			Glen Rose	TX	76649	
Department of Business Oversight		1515 K St #200			Sacramento	CA	95814	
Department of Corporations (CA)		Securities Regulations Div.	320 W 4th St, Ste 750		Los Angeles	CA	90013-1105	
Department of Finance, State of Idaho		Securities Bureau	800 Park Boulevard, Suite 200		Boise	ID	83712	
Department of State	Division of Corporations	99 Washington Ave.			Albany	NY	12231-0001	
DEPARTMENT OF TAX AND REVENUE	WV STATE TAX DEPT	PO BOX 2745			Charleston	WV	25330-2745	
Department of Taxation and finance	Dept of Labor-Unemp Insurance Div	PO Box 15012	INTERNAL AUDITING DIVISION		Albany	NY	12212	
DEPARTMENT OF THE TREASURY	INTERNAL REVENUE SERVICE	ACS SUPPORT	PO BOX 57		Bensalem	PA	19020-8514	
DEPARTMENT OF THE TREASURY		Internal Revenue Service			Cincinnati	OH	45989-0009	
DEPARTMENT OF THE TREASURY	IRS	STOP 5107 NWSAT	4050 ALPHA RD		Farmers Branch	TX	75244-4201	
Dept. of Licensing & Regulatory Affairs	Corp., Securities & Comm Licensing Bureau	525 W. Allegan Street - Audit & Exam Div			Lansing	MI	48909	
DERRICK PITTS		1309 McGill Park Ave.			Atlanta	GA	30132	
Desai, Neil		Address Redacted						
Dessaint, Louis C.		Address Redacted						
DEWITT, AUDREY		Address Redacted						
DFPG Investments, Inc.		9017 S. Riverside Dr.	Ste 210		Sandy	UT	84070	
DFW Ice Cream		10198 Western Hills Dr.			Frisco	TX	75034	
DFW MULTIMEDIA INC		1330 RIVER BEND DR	SUITE 850		Dallas	TX	75247	
DFW Private Equity Forum	Altn Amy Thompson	2323 Victory Avenue	Suite 2000		Dallas	TX	75219	
DFW VIDEO		DFW Multimedia, Inc.	13300 River Bend Drive, Ste. 850		Dallas	TX	75247	
DGHS Holdings, LLC		5949 Sherry Lane	Suite 750		Dallas	TX	75225	
Dhamodharan Srinivasan		583 Jeremy Drive			Bourbonnais	IL	60606	
Dharmidharka, Kerry		Address Redacted						
DHL EXPRESS		PO BOX 4723			Houston	TX	77210-4723	
DHR INTERNATIONAL, INC		10 South Riverside Plaza	Suite 2220		Chicago	IL	60606	
Dice Holdings, Inc.		4939 Collections Center Dr.			Chicago	IL	60693	
DICE INC		4939 COLLECTIONS CENTER DR.			Chicago	IL	60693	
Dickman Davenport, Inc.		3131 Turtle Creek Blvd	Suite 320		Dallas	TX	75219	
DIECKHAUS, SCOTT		Address Redacted						
DIECKHAUS, SCOTT		Address Redacted						
DIFC Global		11-12 St. James Square			London			UK
DIFFA/Dallas		2050 Stemmons Fwy	Mail Unit 262		Dallas	TX	SW1Y 4LB	
Diffenderfer, Claude A.		Address Redacted					75207	
Digital Copy LLC		500 N Akard St, Suite 250			Dallas	TX	75201	
Digital Legal LLC		1001 Jefferson Plaza	Suite 100		Wilmington	DE	19801	
Digital Marketing and Print Solutions		3305 Wiley Post			Carrollton	TX	75006	
Digital Mountain		5050 El Camino Real	Suite 205		Los Altos	CA	94022	
Digital Telephones		PO Box 852184			Richardson	TX	75085-2184	
Digital Verdict, Inc.		750 N. St. Paul Street	Suite 1225		Dallas	TX	75201	
Digital Works		6606 LBJ Fwy	Suite 240		Dallas	TX	75240	
Dinglth LLC		280 Summer Street			Boston	MA	02210	
Diningh Out in Dallas		3030 Olive Street	Ste 400		Dallas	TX	75219	
Dinoto Inc.		535 Dean Street	PH 102		Brooklyn	NY	11217	
DiOrto, Matthew		Address Redacted						
Direct Corporate Resources, Inc.		Freedom Center 10203 Kolzeblue Ste 114			San Antonio	TX	78217	
Director of Compliance	Re Prime Brokerage Services	Jefferies LLC	520 Madison Avenue, 16th Floor		New York	NY	10022	
Directors Desk LLC		Lockbox 50200	PO Box 8500		Philadelphia	PA	19178-0200	
Directv, LLC		PO Box 60036			Los Angeles	CA	90060-0036	
DISCOVERY BENEFITS		3216 13TH AVE S			Fargo	ND	58103	
DISCOVERY BENEFITS		PO BOX 2079			Omaha	NE	68108-2079	
DISCOVERY BENEFITS		PO BOX 869			Fargo	ND	58107	
DISCOVERY BENEFITS S		PO BOX 9528			Fargo	ND	58107-0869	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Discovery Data		12 Christopher Way, Ste 202			Eatonville	NJ	0724	
Displays Unlimited, Inc.		626 100th Street			Arlington	TX	76011	
District Director	Attn Insolvency	Internal Revenue Service	31 Hopkins Plaza, Room 1150		Baltimore	MD	21201	
DIVERSUS Investment Advisers (Asia) Ltd		410 Oxford Street			Bondi Junction	NSW	02022	AUSTRALIA
DIVYASH PATEL		3512 MAXWELL DR LN			Piano	TX	75025	
Dixon Hughes Goodman LLP		4350 Congress Street	Suite 900		Charlotte	NC	28209	
Dixon Hughes Goodman LLP		PO Box 602828			Charlotte	NC	28260-2828	
DKW Law Group LLC		600 Grant St, 58th Flr			Pittsburgh	PA	15219	
DLA Piper LLP (US)	Marc D. Katz, Esq.	DLA Piper LLP (US)	1900 N Pearl St, Suite 2200		Dallas	TX	75201	
DLA Piper LLP US		6225 Smith Avenue			Baltimore	MD	21209	
DOAR Communications, Inc.		170 Earle Ave			Lynbrook	NY	11563	
Document Technologies, Inc.		PO Box 933435			Atlanta	GA	31193-3435	
Don Bryant		1385 Chelsey Lane			Alpharetta	GA	30004	
Don Drive Interiors		8408 Chancellor Row			Dallas	TX	75247	
Don Netzer Photography		2510 Southwell Rd.	No 107		Dallas	TX	75229	
Don Netzer Photography		2510 Southwest Rd. # 107			Dallas	TX	75229	
DONALD OSBORNE		3577 DUNLOP CT			Mason	OH	45040	
DONALD OSBORNE		10 Ridge Lane			Wilton	CT	06897	
DONALDSON, MICHEAL		Address Redacted						
Donaldson, Steven		Address Redacted						
DONDERO, JAMES		Address Redacted						
DONDERO, JAMES		Address Redacted						
Donggeng Gong		W 150 N 7250 Paseo Lane			Menomonee Falls	WI	53051	
Donnelley Financial Solutions		PO Box 842282			Boston	MA	02284-2282	
Donnelley Financial, LLC		20 Commerce Way, Ste 800	Lockbox #842282		Woburn	MA	01801-1057	
Donnelley Financial, LLC		35 W Wacker Drive			Chicago	IL	60601	
Donnelley Financial, LLC		PO Box 531832			Atlanta	GA	30353-1832	
Donnelley Financial, LLC		PO Box 842282			Boston	MA	02284-2282	
DORENBALUM, ANDREI		Address Redacted						
DOUG MEYER		225 COREY CENTER DR SE			Atlanta	GA	30312	
DOUGHERTY, RAYMOND		Address Redacted						
DOUGHERTY, RAYMOND		Address Redacted						
Douglas Wade Carvell		4514 Cole Avenue	Suite 1500		Dallas	TX	75205	
Dow Jones & Company, Inc.		84 Second Ave.			Chicopee	MA	01020	
Dow Jones & Company, Inc.	Attn PAUL CHAMPIGNY	8251 PRESIDENTS DR	BARRON/CUSTOMER SERVICE		Orlando	FL	32809	
Dow Jones & Company, Inc.		BOX 4137			New York	NY	10261-4137	
Dow Jones & Company, Inc.		Subscriptions Dept.	200 Burnett Rd		Chicopee	MA	01020	
Dow Jones & Company, Inc.		WALL ST JRNL OR BARRONS	PO Box 4137		New York	NY	10261-4137	
Dow Jones Reuters Business Interactive		PO Box 7247-0237			Philadelphia	PA	19170-0237	
DOWNEN, MARTIN		Address Redacted						
Dozal, Ana		Address Redacted						
DRABINSKI, DANIEL J.		Address Redacted						
Dravis, Samantha		Address Redacted						
Drew Dedelow		6850 North Boston Ave			Portland	OR	97217	
Drew Thomas		4664 Malinda St			Dallas	TX	75206	
DREW, RICHARD		Address Redacted			Dallas	TX	75267-9093	
DrillingInfo, Inc.		PO Box 679093			Austin	TX	78763	
DrillingInfo		PO Box 5545						
Drinker Biddle & Reath LLP		One Logan Square, Ste 2000			Philadelphia	PA	19103-6996	
DRINNON, KASEY		Address Redacted						
DRONOV, ALEXEY		Address Redacted						
Dropoff, Inc.		Dept 3696	PO Box 123696		Dallas	TX	75312-3696	
DSFOF		PO Box 36023			Dallas	TX	75235-1023	
DSHS		Mail Code 2003	PO Box 149347		Austin	TX	78714-9347	
DST Asset Manager Solutions		330 W. 9th	Ste 219230		Kansas City	MO	64105	
DST RESEARCH ANALYTICS & CONSULTING, LLC		DST TECHNOLOGIES, INC	5523 Collections Center Drive		Chicago	IL	60693	
DST Systems, Inc.		2454 Collections Center Dr			Chicago	IL	60693-0024	
DST Technologies, Inc.		2454 Collections Center Drive			Chicago	IL	60693-0024	
DTCC ITP LLC		PO Box 27590			New York	NY	10087-7590	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Duane Morris LLP	Attn Payment Processing	30 South 17th St			Philadelphia	PA	19103-4196	
DUBOSE FUNERAL HOME		703 SOUTH ROCKWALL ST			Terrell	TX	75160	
Duff & Phelps, LLC		2397 Paysphere Circle			Chicago	IL	60674	
Duff & Phelps, LLC	c/o David Landman	Benesch, Friedlander, Coplan & Aronoff	200 Public Square, Suite 2300		Cleveland	OH	44114-2378	
Duff & Phelps, LLC		DUFF & PHELPS, LLC	12595 Collection Center Drive		Chicago	IL	60693	
Duffy, James B.		Address Redacted						
Duffy, William		Address Redacted			Chicago	IL	60675-5434	
Dun & Bradstreet Inc.		PO Box 75434						
DUNN, CHRISTOPHER		Address Redacted						
Dunn, John		Address Redacted						
Dustin Norris		4816 Kelly Dr.			McKinney	TX	75070	
Dustin Schneider		75 W. End Avenue	Apt R21D		New York	NY	10023	
DUSTIN WORLEY		2420 RIVERFRONT DR #810			Little Rock	AR	72202	
DuWest Realty		3319 Darnmouth Ave.			Dallas	TX	75205	
DuWest Realty		4403 N Central Expy			Dallas	TX	75205	
DuWest Realty		4514 Cole Avenue	Suite 1100		Dallas	TX	75205	
Dykema Gossett, PLLC		400 Renaissance Center			Detroit	MI	48243-1668	
Dynamex		Greeley Square Station	PO Box 20284		New York	NY	10001	
Dynamex		PO BOX 20284 GREELEY SQ STATION			New York	NY	10001	
Dynamex		PO Box 842304			Dallas	TX	75284-2304	
E Gallery Studios		1330 Motor Circle			Dallas	TX	75207	
eA Data Automation Services, LLC		5000 Olde Towne Parkway	Suite 100		Marietta	GA	30068	
EA Electric		2941 Trade Center Drive			Carrollton	TX	75007-4647	
EAB HealthWorks LLC		400 West End Ave	Suite 8A		New York	NY	10024	
Eagle Equity Advisors, LLC		300 Crescent Court	Suite 700		Dallas	TX	75201	
Eagle Software		124 Indiana Ave			Salina	KS	67401	
Earl F. Hale, Jr.		4144 N Central Exprwy Ste 225			Dallas	TX	75204	
EarthColor Houston Inc.		PO Box 840578			Dallas	TX	75284-0578	
Earthstream Global Inc.		800 Town & Country Blvd	Suite 300		Houston	TX	77024	
EASLEY & MARQUIS, PLLC		5000 LEGACY DR	STE 400		Plano	TX	75024	
Eastern Point Trust Company	Attn Accounts Receivable	PO Box 3322			Warrenton	VA	20188-3322	
Eastland CLO, Ltd.	oo Ogier Fiduciary Svcs	P.O. Box 1093GT, Queensgate House	South Church Street	George Town	Grand Cayman			Cayman Islands
EASY 2 HIRE LLC	(Cayman) Limited	3637 Temecula Creek Trail			McKinney	TX	75070	
Eckelkamp Retirement Planning								
Eclipse Entertainment, LLC		5550 S. Ft. Apache Rd	Suite 101		Las Vegas	NV	89148-7667	
EcoSystems Environmental, Inc.		6850 Manhattan Blvd.	Suite 300		Fort Worth	TX	76120	
Ed Trampolsky		PO Box 110849	Apt 22F		Carrollton	TX	75011-0849	
Edelman Pub Relations Worldwide (HK) Ltd		225 East 95th Street			New York	NY	10128	
Edelman Pub Relatins Worldwide Korea Ltd		701 Central Plaza	18 Harbour Road	Wan Chai	HONG KONG			HONG KONG
Eden, Hugh B.		18th FLr Ferrum Tower 66			Seoul		100210	KOREA
EDGAR filings, Ltd		Address Redacted						
Edgar Online		3900 Essex	Suite 900		Houston	TX	77027	
Edgar Online		11200 Rockville Pike, Ste. 310			Rockville	MD	20852	
Edgar Online		50 Washington St 9th Flr			Norwalk	CT	06854	
Edge Realty Partners		86747 Expedite Way			Chicago	IL	60695-1700	
Edgewater Financial LLC		5950 Berkshire Ln	Suite 200		Dallas	TX	75225	
Edjie Fox	c/o Michael D Breen	807 West Lynn Ste 218			Austin	TX	78703	
Edina Country Club		3333 East Bayaud Avenue	Apt 719		Denver	CO	80209	
Education is Freedom		5100 Wooddale Ave			Edina	MN	55424	
Edward A Barber		2211 N. Haskell Ave.	Suite 2070, LB 18		Dallas	TX	75201	
Edward Lin		272 River terrace # 17 N			New York	NY	10282	
Edward McRedmond		1600 Hinman Avenue	Apt 1F		Evanston	IL	60201	
Effort Group, LLC		708 Ingleside Ct.			Manchester	MO	53021	
efinancialcareers		1 Throndal Circle			Darien	CT	06820	
efinancialcareers		1040 Avenue of the Americas	8th Floor		New York	NY	10018	
Eftekhari, Cyrus		4939 Collections Center Dr			Chicago	IL	60693	
EGON ZEHNDER INTERNATIONAL		Address Redacted						
EIDSON, ALLISON		350 PARK AVE			New York	NY	10022	
EIMEN, CATHERINE		10515 Egret Lane			Dallas	TX	75230	
EIMER STAHL KLEVORN & SOLBERG LLP		Address Redacted						
		224 SOUTH MICHIGAN AVE	STE 1100		Chicago	IL	60604	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	City	State	Zip	Country
EIMN, LLC	Attn Accounting Department	225 Park Avenue South, 7th Floor		New York	NY	10003	
EL CONQUISTADOR GOLF RESORT CASINO		1000 EL CONQUISTADOR AVE		Fajardo	PR	00738	
Elitis Abate		350 W Oakdale Ave # 1409		Chicago	IL	60657	
Eleanor Munson, PhD		5952 Royal Lane	Suite 112	Dallas	TX	75230	
Electra Cruises, Inc.		3439 Via Oporto		Newport Beach	CA	92663	
Elektronik Devices Company		1712 Porciana Ln		Plano	TX	75075	
ELGIN CAPITAL		130 JERMYN ST		London	SW1Y 4UR	UK	
ELI LE		1939 LANSDOWN PLACE		Carrollton	TX	75010	
Elison, Hayley		Address Redacted					
Elit Weissberg	The Investors Center, Inc.	70 East Main St, POB 1447		Avon	CT	06001	
Elisa Dreier Reporting		950 Third Avenue 5th Floor		New York	NY	10022	
Elisa Dreier Reporting Corp.		780 Third Ave, 7th Flr		New York	NY	10017	
ELISABETH LEIDERMAN		3131 WALNUT ST	APT 416	Philadelphia	PA	19104	
Elite Casino Events		P.O. Box 6755		Fort Worth	TX	76115	
Elite Copy Solutions, Inc.		403 N Stemmons Freeway Ste 100		Dallas	TX	75207	
Elite Document Technology-Dallas		400 N. Saint Paul St.	Suite 1300	Dallas	TX	75201	
Elite Document Technology-Dallas		403 North Stemmons Freeway Suite 100		Dallas	TX	75207	
Elite Scheduling Services, LLC		8442 S. Union Lake Dr. SE		Alexandria	VA	22304	
ELKINS/MCSHERRY, LLC		1290 Avenue of the Americas	22nd Floor	New York	NY	10104	
ELKINS/MCSHERRY, LLC	Attn FINANCE	2 WFC	225 LIBERTY ST, 24TH FLR	New York	NY	10281	
Ellen W. Sights, Esq.	United States Attorney's Office	District of Delaware	1007 N. Orange Street, Suite 700	Wilmington	DE	19801	
ELLINGTON, SCOTT		Address Redacted					
Ellington, Scott		Address Redacted					
EMC Integrated Systems Group		121 Central Ave	Suite 200	Grapevine	TX	76051	
Emerald City Management		4688 Reunion Dr.		Plano	TX	75024	
EMERALD ORCHARD		13455 NOEL RD	STE 800	Dallas	TX	75240	
Emerging Portfolio Fund Research, Inc.		PO Box 417184		Boston	MA	02241-7184	
Emerson Network Power		PO BOX 70474		Chicago	IL	60673-0001	
Emert, Craig		Address Redacted		Dallas	TX	75254	
EMI Environmental Group		14850 Montfort Dr Ste 205		Dallas	TX	75254	
Emma Cutfenden		5165 CR 2013		Glen Rose	TX	76649	
EMMANUEL, ARTHUR		Address Redacted					
Emmet, Marvin & Martin, LLP		120 Broadway	32nd Floor	New York	NY	10271	
Employer Compliance Service		611 Pennsylvania Ave SE #4000		Washington	DC	20003-4303	
Employment Security Division		500 East Third Street		Carson City	NV	89713-0030	
EMSI-Examination Mgmt Services, Inc		Health Service Division	PO Box 910465	Dallas	TX	75391-0465	
Encore Discovery Solutions		Dept 2651	PO Box 122651	Dallas	TX	75312-2651	
Encore Live, LLC		1635 Rogers Road		Fort Worth	TX	76107	
Encore Productions		2012 Greenbriar Lane		Plano	TX	75074	
EnerCom, Inc.		800 48th Street	Suite 200	Denver	CO	80202	
Energy Search Associates, LLC		7709 San Jacinto Place	Ste 206	Plano	TX	75024	
EnergyNet Services, Inc.		7201 W. Interstate 40	Suite 319	Amarillo	TX	79106	
ENGSTROM, DONNA		Address Redacted					
EnMark Services, Inc.		1700 Pacific Avenue	Suite 2660	Dallas	TX	75201	
ENOCH, KEVIN		Address Redacted					
Entwistle & Cappucci LLP		280 Park Ave	26th Floor West	New York	NY	10017	
Envestnet Tamarac		701 5th Ave, Ste 1400		Seattle	WA	98104	
Envoy Data Corporation		1310 W. Boxwood Ave		Gilbert	AZ	85233	
EPFR Global		PO Box 417184		Boston	MA	02241-7184	
Epig eDiscovery Solutions		Dept 2651	PO Box 122651	Dallas	TX	75312-2651	
Episcopal School of Dallas		4100 Merrell Rd		Dallas	TX	75229	
Episcopal School of Dallas	Karla Wigley	ESD Development Office	4100 Merrell Rd.	Dallas	TX	75229	
Epocal		2060 Walkley Rd.		Ottawa	ON	K1G 3P5	CANADA
Equest		PO Box 171779		Dallas	TX	75217	
Equest		PO Box 2109		Wylie	TX	75098	
Equity Search Partners		200 Crescent Court, Ste 1300		Dallas	TX	75201	
Equivalent Data		4809 Westway Park Blvd.	Payment Center	Houston	TX	77041	
eRevival LLC		141 Lanza Ave	Bldg 5	Garfield	NJ	07026	
ERIC KEPHART		3226 SAINT CROIX DR		Dallas	TX	75229	
ERIC MARK		205 E 69TH ST	No 4A	New York	NY	10021	
Eric Pearson		3600 Audley Street	Apt 7301	Houston	TX	77098	
Eric Reynolds		4155 River View Drive		Saint Charles	IL	60175	
Eric Thayer		360 South 1st Street	Apt 20	Brooklyn	NY	11211	
Erick Rawlings		627 112 W. Arlington Place	Apartment #2	Chicago	IL	60614	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Erin Sheehan		1938 Graefield Rd			Birmingham	MI	48009	
ERS		101 S Coit Rd Bldg 36, Ste 297			Richardson	TX	75080	
Escudero, Gaston		Address Redacted						
ESD	Atm SARA CAMPBELL	EPISCOPAL SCHOOL OF DALLAS	4100 MERRELL RD		Dallas	TX	75229	
Esquire Deposition Services, LLC		PO Box 827829			Philadelphia	PA	19182-7829	
Esquire Deposition Solutions, LLC		PO Box 846099			Dallas	TX	75284	
Esquire Litigation Solutions, LLC		PO Box 785751			Philadelphia	PA	19178-5756	
Estevez, Jaime		Address Redacted						
Estudio ROVIRA		Av. Callao 1016	10th piso		Buenos Aires		01023	ARGENTINA
ETCI		1850 North Greenville Ave #158			Richardson	TX	75081	
Ethan Powell		2189 Broken Bend			Frisco	TX	75034	
ETrade Financial	Atm AR/Mutual Funds	PO Box 3512			Arlington	VA	22203	
EUROMONEY INSTITUTIONAL INVESTOR								
EuroUSA Shipping Inc.		PO Box 4009			Chesterfield	MO	63006-4009	
Evan Gonzalez		1826 Hollars Place			Middleburg	FL	32068	
Evans & McFarland, LLC		7725 El Pensador			Dallas	TX	75248	
Evans, Christian		4843 S. Ulster, Suite 800			Denver	CO	80237	
EventWork Photography, LLC		Address Redacted						
Eventcore Restructuring LLC		1712 Midcrest Dr			Plano	TX	75075	
Evercore		55 East 52 St			New York	NY	10055	
Evercore Restructuring LLC		5000 Ole Towne Parkway	Suite 100		Manetta	GA	30068	
EWI RE Inc		One Lincoln Centre	Suite 1060		Dallas	TX	75240	
EWING, LEAH		Address Redacted						
Exagere LLC		227 Dauphine			New Orleans	LA	70112	
Exclaimer Ltd		445 Park Avenue	9th Floor		New York	NY	10022	
EXECUTIVE BEVERAGE SERVICE		PO BOX 860783			Richardson	TX	75081	
EXECUTIVE BEVERAGE SERVICE		PO BOX 996			Prosper	TX	75078	
Executive Charge, Inc.		1440 39th St			Brooklyn	NY	11218	
Executive Liquidation		100 Redneck Avenue			Moenchle	NJ	07074	UK
Executive Office Group Limited		23 Berkeley Square			London			
Executive Scheduling Associates, Inc.		215 Lake Blvd, Ste 367			Redding	CA	96003	
Experience, Inc		2 Faneuil Hall Marketplace	3 rd Floor		Boston	MA	02109	
Experis Finance US, LLC		PO Box 905378			Charlotte	NC	28290-5378	
EXPERT PAY		PO BOX 659791			San Antonio	TX	78265-9791	
Exterior Consulting Innovations, Inc.		777 E Wheatland Rd	No 101		Duncanville	TX	75116	
Fabriclean, Inc.		11-39 50th Ave			Long Island City	NY	11101	
Factiva		DURBI, LLC			Philadelphia	PA	19170-0237	
Factiva		PO BOX 30994	PO Box 7247-0237		New York	NY	10261	
Factory Builder Stores		512 E Dallas Rd			TX	TX	76051	
FACTSET RESEARCH SYSTEMS, INC.	Attn Finance	301 Merritt 7, 3rd Floor	Ste 500		Grapevine	CT	06851	
FACTSET RESEARCH SYSTEMS, INC.		PO BOX 414756			Norwalk	MA	02241-4756	
Fafinski Mark & Johnson, P.A.		775 Prairie Center Drive, Suite 400			Boston	MIN	55344	
Fair Market Life Settlements Corporation					Eden Prairie			
		Suite 120			St. Louis Park	MIN	55426	
FAIRMONT DALLAS		1717 N AKARD ST	COOLIZ BAKER, GROUP BILLING COORDINATOR		Dallas	TX	75201	
Faith Petersen		1515 Pendleton Rd			Coronado	CA	92118	
Falcon E&P Opportunities GP, LLC	olo PetroCap LLC	Marc Manzo	2602 McKinney Avenue	Suite 400	Dallas	TX	75204	
Family Compass		4210 Junius Street			Dallas	TX	75246	
Family Office Association		500 West Putnam Ave.	Suite 400		Greenwich	CT	06830	
Fanning & Associates		226 Sanders Rd			Denton	TX	76210	
Fanning & Associates		PO Box 37			Denton	TX	76202	
Fanshaw Bay, LLC		300 Crescent Court	Suite 700		Dallas	TX	75201	
FARIA, RICHARD		Address Redacted						
Farouk Z Lajli		340 East 29th Street #14C			New York	NY	10016	
FASKEN MARTINEAU DUMOULIN		STE 4200 TORONTO DOMINION BANK TOWER	BOX 20 TORONTO-DOMINION CENTRE		TORONTO	ON	M5K 1N6	CANADA
FASTFRAME		11107 Sesame Street			Dallas	TX	75238	
FASTFRAME		3001 Knox Street	No 105		Dallas	TX	75205	
Fat Ox		7715 E Montebello Avenue			Scottsdale	AZ	85250	
Fauxcades, Inc.		8888 Governors Row			Dallas	TX	75247	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Feast of Sain Arnold		8 Fourth Street			Colorado Springs	CO	80906	
FedEx		4103 COLLECTION CENTER DR			Chicago	IL	80693	
FedEx		Dept CH PO Box 10306			Palatine	IL	60055-0306	
FedEx		PO Box 660481			Dallas	TX	75266-0481	
FedEx		PO Box 94515			Palatine1	IL	60094-4515	
FedEx		PO Box 94515			Palatine2	IL	60094-4515	
FedEx		PO BOX 94515			Palatine	IL	60094-4515	
FEDORYSHYN, ERIC		Address Redacted						
FEHLIG, STACEY		Address Redacted						
Felhaber Larson Fenlon & Vogt		220 Southy 6th Street	Ste 2200		Minneapolis	MN	55402-4504	
Felicity Toubie		3-4 South Square	Grays Inn		London		WC1R 5HP	UK
Ferguson, Mistry		Address Redacted						
FERRELL, JOHN		Address Redacted						
Felzer Architectural Woodwork		6223 West Double Eagle Circle			West Valley City	UT	84118	
Fidelity Information Services		PO Box 911653			Dallas	TX	75391-1653	
Fidelity Information Services Inc		Payment Processing Center	PO Box 4535					
Fidelity Information Services Inc		PO Box 18012			Carol Stream	IL	60197-4535	
Fidelity Investments Institutional		Operations Company, Inc.	PO Box 73307		Ashburn	VA	20146	
Fidelity National Information Services		Payment Processing Center	PO Box 18012		Chicago	IL	60673-7307	
FIGARI & DAVENPORT LLP		901 MAIN ST			Ashburn	VA	20146	
FINANCIAL ACCOUNTING STANDARDS BOARD			3400 BANK OF AMERICA PLAZA		Dallas	TX	75202-3796	
FINANCIAL AGENT		PO BOX 630420			Baltimore	MD	21263-0420	
Financial Data Services, Inc.		FEDERAL TAX DEPOSIT PROCESSING	PO BOX 970030		Saint Louis	MO	63197	
Financial Data Services, Inc.	Cash Management	4800 Deer Lake Drive East			Jacksonville	FL	32246-6484	
Financial Data Services, Inc.		4800 Deer Lake Drive East Dr, 2nd Flr			Jackson	FL	32246-6484	
Financial Fineprint, Inc		PO Box 1351			La Canada Flintridge	CA	91012	
FINANCIAL GRAPHIC SERVICE, INC.		2910 S. 18th AVE			Broadview	IL	60155-4727	
Financial Graphic Services		PO Box 85090			Chicago	IL	60680-0851	
Financial Industry Regulatory Authority		15200 Omega Drive, Suite 210			Rockville	MD	20850	
Financial Investment News		267 Fifth Avenue	Suite 1010		New York	NY	10016	
Financial Investment News		41 Union Square West	Suite 1021		New York	NY	10003	
Financial Media Group, LLC		9635 Maroon Circle	Ste 150		Englewood	CO	80112	
Financial Planning Association		7535 E. Hampden Ave.	Suite 600		Denver	CO	80231	
Financial Planning Association of Iowa	Attn Erin Ramsey	914 NE 53rd Court			Ankeny	IA	50021	
Financial Research Associates	Attn Teri Lewis	18705 NE Cedar Drive			Battle Ground	WA	98604	
Financial Research Associates, LLC		200 Washington Street	Suite 201		Santa Cruz	CA	95060	
Financial Research Associates, LLC	Attn Teri Lewis	18705 NE Cedar Drive			Battle Ground	WA	98604	
Financial Risk Management		888 Seventh Ave			New York	NY	10019	
Financial Services Institute		607 14th St, NW	Suite 750		Washington	DC	20005	
Financial Services Institute		PO Box 116730			Atlanta	GA	30368-6730	
Financial Times		PO Box 1627			Newburgh	NY	12551-9976	
Financial Tracking Technologies LLC		1111 E Putnam Ave.	Suite 304		Riverside	CT	06878	
Financial Tracking Technologies LLC		2 Soundview Dr, Ste 100			Greenwich	CT	06830	
Financial West Group	Attn Nicole White	4510 E. Thousand Oaks Blvd.			Westlake Village	CA	91362	
Fink, Jason		Address Redacted						
FINRA		1735 K Street, NW			Washington	DC	20006	
Fire Works Media Productions		2440 Pebblebrook Ct.			Grand Prairie	TX	75050	
First Allied Securities	Attn Commission Accounting	655 W. Broadway, 11th Flr			San Diego	CA	92101	
First American Title Insurance Company		8311 W. Sunset Road	Suite 100		Las Vegas	NV	89113	
First Financial Network, Inc.		14000 Quail Springs Pkwy, Ste 200			Oklahoma City	OK	73134	
First Foundation Advisers		18101 Von Karman Avenue	Suite 750		Irvine	CA	92612	
First Foundation Inc.		18101 Van Karman Avenue	Ste 700		Irvine	CA	92612	
First Presbyterian Church		One West Putnam Ave			Greenwich	CT	06830	
First Southwest		325 North St, Paul St	Suite 800		Dallas	TX	75201	
First Trust Highland Floating Rate Fund		330 Bay St, Ste 1300			Toronto	ON	M5H2S8	
FIS Brokerage & Securities Services LLC		62446 Collections Center Drive			Chicago	IL	60693-0624	
FIS Investment Systems LLC		601 Riverside Ave			Jacksonville	FL	32204	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Fischer Porter & Thomas, PC		440 Sylvan Avenue, Suite 130			Englewood Cliffs	NJ	07632-2700	
FISH & RICHARDSON P.C.		PO BOX 3295			Boston	MA	02110	
FITCH, STEPHANIE		Address Redacted						
FITEH ZEGEYE		1500 JACKSON ST			Dallas	TX	75201	
FITZSIMMONS, BRIAN		Address Redacted						
Five Blocks, Inc.		5967 West 3rd Street	Suite 307		Los Angeles	CA	90036	
FJF INTERNATIONAL		858 TOWER VIEW CIRCLE			New Hope	PA	18938	
Flagship Cruises & Events		PO Box 120751			San Diego	CA	92112	
Flaherty, Sensabaugh, & Bonasso, PLLC		200 Capital St	PO Box 3843		Charleston	WV	25338-3843	
Flemming Zuleck Williamson Zauderer LLP		One Liberty Plaza	35th Floor		New York	NY	10006-1404	
Flexential Colorado Corp.		8809 Lenox Point Drive	Suite G		Charlotte	NC	28273	
Flexential Colorado Corp.		PO Box 732368			Dallas	TX	75373-2368	
Flink, Robert		Address Redacted						
Florence & Associates Consulting		1475 Richardson Dr.	Suite 270		Richardson	TX	75080	
Florida Department of Banking & Finance	Division of Securities	200 East Gaines Street			Tallahassee	FL	32399-6502	
FLORIDA DEPARTMENT OF REVENUE		5050 W TENNESSEE ST			Tallahassee	FL	32399-0135	
Florissant Geological, LLC		5214 Vanderbilt Ave.			Dallas	TX	75206	
Flossie Orley Photography		4322 Glenview Ct	SUITE 1600		North Richland Hills	TX	76180	
FOLEY GARDERE		2021 MCKINNEY AVENUE			Dallas	TX	75201	
Foley Gardere	Holly O'Neil, Esq.	Foley & Lardner LLP	2021 McKinney Avenue Suite 1600		Dallas	TX	75201	
Folks & Associates		PO Box 851168			Mesquite	TX	75185-1168	
Forbes		PO BOX 5468			Harlan	IA	51593-0968	
Forbes		PO Box 5474			Harlan	IA	51593-0974	
Fordham, Michael		Address Redacted						
Forensic Risk Alliance		Third Floor, Audrey House	Ely Place		London			UK
ForeSide Consulting Services, LLC		3 Canal Plaza	Suite 100		Portland	ME	04101	
Foreside Consulting Services, LLC		PO Box 7556			Portland	ME	04112-7556	
Forest Resource Consultants, Inc		717 North Ave			Macon	GA	31211	
Forest2Market, Inc.		10030 Park Cedar Drive	Suite 201		Charlotte	NC	28210-8902	
Forney & Terrell Alarm Systems, LLC	Attn Accounts Receivable	P.O. Box 341			Terrell	TX	75160	
Forns, Alison		Address Redacted						
Forrest A. Garb & Associates, Inc.		5310 Harvest Hill, Ste 130			Dallas	TX	75230	
FORSight Resources, LLC		8761 Dorchester Rd	Suite 102		North Charleston	SC	29420	
Fort Worth Stock Show Syndicate		PO Box 17005			Fort Worth	TX	76102	
Fort Worth Wildcatters		777 Main Street #800			Fort Worth	TX	76102	
Fortune		PO Box 60400			Tampa	FL	33660-0400	
Fortune		PO BOX 61460			Tampa	FL	33661-1460	
FORTUNE Personnel Consultants of Troy		560 Kirts Blvd	Suite 102		Troy	MI	48084	
Foundation for BrainHealth Advances	Center for BrainHealth	2200 West Mockingbird Lane			Dallas	TX	75235	
Four Rivers Co-Invest, LP		300 Crescent Court	Suite 700		Dallas	TX	75201	
Four Seasons Landscaping, LLC		139 Turtle Creek Blvd.			Dallas	TX	75207-6807	
FOWLER HATLEY		31520 MEADOW CREEK TRAIL			Fair Oaks Ranch	TX	78015	
Fox Rothschild LLP	Attn Accounts Receivable-60	2000 Market St, 20th Floor			Philadelphia	PA	19103-3222	
FOX, SEAN		Address Redacted						
FPA Connecticut State Conference		95 West St			Rocky Hill	CT	06067	
FPA of Middle Tennessee	Patricia Fisher, Chapter Exec	PO Box 150608			Nashville	TN	37215	
FPA South Florida		8930 State Rd. 84, Ste 316			Davie	FL	33324	
FPANJ		551 Valley Rd #365			Upper Montclair	NJ	07043	
FPC	FORTUNE Personnel Consultants of Troy		Suite 102		Troy	MI	48084	
FPC OF SAVANNAH, INC.		560 Kirts Blvd.			Savannah	GA	31412	
FPG CT Owner LP		PO BOX 8846						
		PO Box 5297	Lockbox 305297		New York	NY	10008-5297	
FPG Galleria Two Owner, LP		PO Box 3085			Hicksville	NY	11802-3085	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
FRAGOMEN, DEL REY, BERNSEN & LOEWY LLP		99 WOOD AVE SOUTH	10TH FLR		ISELIN	NJ	08830	
Frances Wildhaber		Hohenweg 20A	CH-4142		Muncheinstein		04142	SWITZERLAND
FRANCHISE TAX BOARD		PO BOX 942857			Sacramento	CA	94257-0511	
FRANCIS X GRAY & CO		122 W 26TH ST	STE 1101		New York	NY	10001	
Frank Cunningham		PO Box 222			Cartwright	OK	74731	
Frank Russell Company		NW 6327	PO Box 1450		Minneapolis	MIN	55485-6327	
Frankie Foodservice Solutions		3149 Paysphere Circle			Chicago	IL	60674-0031	
FreedomPark LP		7501 Esters Blvd	Ste. 130		Iring	TX	75063	
FreeMotion Fitness		PO Box 99661			Chicago	IL	60690	
FRICK, TINA		Address Redacted						
FridsonVision		1 Penn Plaza Ste 3600			New York	NY	10119	
FridsonVision		54 W 21st ST	STE 1007		New York	NY	10010	
Fried Frank Harris Shriver & Jacobson		One New York Plaza			New York	NY	10004-1980	
Fried, Frank, Harris, Shriver & Jacobson		One			New York	NY	10004-1980	
Friedman Kaplan Sailer & Adelman LLP		1633 BROADWAY			New York	NY	10019-6708	
Friedrichs Alaxia Research Alliance		533 W. Uchlan Avenue			Downington	PA	19335	
Friends of the Dallas Fire Dept.	do Ray Cheery	Dallas Security Systems PO Box 550939			Dallas	TX	75355-0939	
Friends of the Dallas Police		3232 McKinney Ave	No 855		Dallas	TX	75204	
Friends of the IDF		29 E MADISON ST			Chicago	IL	60602	
FRITZ, ERIC		Address Redacted						
Frizell, Madeline		Address Redacted						
Frizell, Madeline		Address Redacted						
Front Sight Focus	Attn Tamera Watt	PO Box 12292			Raleigh	NC	27605	
Frontier State Bank	Attn Mr Steve Elliott	5100 South I-35 Service Road			Oklahoma City	OK	73129	
Frontier State Bank	Attn Steve Elliot	5100 South I-35 Service Road			Oklahoma City	OK	73129	
Frontline Source Group, Inc.		901 Main Street	Suite 4010		Dallas	TX	75202	
FSC Securities Corporation	Attn Reimbursement Processing	Lockbox 101092	3585 Atlanta Ave		Hapeville	GA	30354	
FSC Securities Corporation	Attn Shelly Kookier	3737 Woodland Ave, Ste 500			West Des Moines	IA	50266	
FT Interactive Data		32 CROSBY DR			Bedford	MA	01730	
FT Interactive Data		PO Box 98616			Chicago	IL	60693	
FTI CONSULTING		2001 Ross Ave	Suite 400		Dallas	TX	75201	
FTI CONSULTING		PO BOX 630391			Baltimore	MD	21263-0391	
Fuentes, Brian		Address Redacted						
Fubright & Jaworski		2200 Ross Ave Ste 2800			Dallas	TX	75201-2784	
Fubright & Jaworski		FULBRIGHT TOWER	1301 MCKINNEY	SUITE 5100	Houston	TX	77010-3095	
Fullmer, Kevin		Address Redacted						
Fullmer, Kevin		Address Redacted						
Fun Time Faces TX		417 Parkhurst Drive			Dallas	TX	75218	
FUNDIFIRE	Money-Media, Inc.	1430 Broadway, 12th Flr	Suite 1208		New York	NY	10018	
FURNITURE FOR BUSINESS		14 CARLSON COURT			London	SW15 2NQ	UK	
Furniture Solutions Now Ltd.		1505 Oak Lawn Ave	Suite 300		Dallas	TX	75207	
FUSE Research Network, LLC		200 Highland Avenue	Suite 403		Needham	MA	02494	
Fusion GPS		2122 P Street NW	Suite 202		Washington	DC	20037	
G.L. Seaman & Company		4201 International Parkway			Carrollton	TX	75007	
G.Neil Corporation		PO Box 451179			Surrise	FL	33345-1179	
GAGE, CASEY		Address Redacted						
GAGE, CASEY S		Address Redacted						
Gail Davis & Associates, Inc.		3500 Oak Lawn	Suite 740		Dallas	TX	75219	
Gail Spurgeon		PO Box 181298			Dallas	TX	75218-9298	
Gallop, Johnson & Neuman, L.C.		101 S Hanley Ste 1600			Saint Louis	MO	63105	
Game On!		502 South 2nd Avenue			Dallas	TX	75226	
Gaming Today		PO Box 93116			Las Vegas	NV	89193	
Garcia & Associates Security		Two Penn Plaza Ste 1500			New York	NY	10121	
GARCIA, ERICKA		Address Redacted						
GARDERE WYNNE SEWELL LLP		1000 LOUISIANA	STE 3400		Houston	TX	77002-5011	
Gardner Haas PLLC		2501 N. Harwood Street	Suite 1250		Dallas	TX	75201	
Gardner, William		Address Redacted						

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Gartner Inc		PO BOX 911319			Dallas	TX	75391-1319	
Gary Cao		53 Dutch Meadows Drive			Carroll	TX	75204	
Gary Durham Consulting, LLC		200 Crescent Court	Suite 1414		Dallas	TX	75201	
Gary Fitzsimmons, District Clerk		600 COMMERCE ST	STE 716		Dallas	TX	75202-4606	
Gary L. Gardner		1 DeBow Dr			Robbinsville	NJ	08691	
Gary Shire Foundation		PO Box 50008			Studio City	CA	91614-5001	
Gary V McGowan		One Riverway	STE 2070		Houston	TX	77056	
GARZA, LAUREN		Address Redacted						
Gateway Financial Advisors, Inc.		4101 Dublin Blvd.	Suite F, PMB 57		Dublin	CA	94568	
GATHINGS, SALLY		Address Redacted						
GAIZKI, KENT		Address Redacted						
GAUNTT, AMANDA		Address Redacted						
Gaurav Singhal		260 W 52nd Street	Apt 9F		New York	NY	10019	
Gautier, Chris		Address Redacted						
Gazelle Court Reporting Services, LLC		2807 Allen Street, No 727			Dallas	TX	75204	
GDHCC		4622 MAPLE AVE	STE 207		Dallas	TX	75219	
Geeks Who Drink LLC		PO Box 1288			Denver	CO	80201	
General American Life Insurance		PO Box 790201			Saint Louis	MO	63179-0196	
General Information Services	Attn Sara Leslie	12770 Coit Rd, Ste 300			Dallas	TX	75251	
General Information Services		PO Box 538450			Atlanta	GA	30353-8450	
Geonap Company		PO Box 671077			Dallas	TX	75267-1077	
George Bates		4627 German Bend Drive			Humble	TX	77396	
George Catering		PO Box 140537			Dallas	TX	75214	
GEORGE FEIGER IRA		3659 WASHINGTON ST			San Francisco	CA	94118-1832	
George Mathew		15 Bank Street, #117-1			White Plains	NY	10606	
George W. Bush Foundation		2943 SMU Blvd	Leslie Cravens, Catering		Dallas	TX	75205	
George W. Bush Foundation		PO Box 600610			Dallas	TX	75360	
George W. Bush Presidential		Library and Museum			Dallas	TX	75205	
George W. Bush Presidential Center		2943 SMU Boulevard	2943 SMU Boulevard		Dallas	TX	75205	
GEORGIA DEPARTMENT OF REVENUE		Processing Center	PO Box 740239		Atlanta	GA	30374-0239	
GEORGIA DEPARTMENT OF REVENUE		PROCESSING CENTER	PO BOX 740320		Atlanta	GA	30374-0320	
GEORGIA DEPARTMENT OF REVENUE		TAXPAYER SERVICES DIVISION	PO BOX 105499		Atlanta	GA	30348-5499	
Georgia Secretary of State		2 Martin Luther King Jr. Drive	Suite 820 West Tower		Atlanta	GA	30334	
Gerry Gartenberg Productions, Inc.		3 New York Avenue			White Plains	NY	10606	
Gerson Lehman Group		850 Third Ave	9th Floor		New York	NY	10022	
Gerson Lehman Group		BOX 200589			Pittsburgh	PA	15251-0589	
Getty Images US Inc.		PO Box 84434			Seattle	WA	98124-5734	
GHV Settlement Fund	C/O Richard Haskell	920 N Stone Ave			Lagrange Park	IL	60526	
Gianna Cerullo		25 Highland Park Village			Dallas	TX	75205	
GIBB, ALLISON		Address Redacted						
Gibbs & Bruns LLP		1100 Louisiana Street	Suite 5300		Houston	TX	77002	
GIBBSPRODUCTIONS		2429 Connecticut Lane			Dallas	TX	75214	
Gibson, Dum & Crutcher LLP		333 South Grand Ave			Los Angeles	CA	90071	
Gifford Fong Associates		3658 Mt. Diablo Boulevard						
Gigantic Color		PO Box 740209, Dept# 7052	Suite 200		Lafayette	CA	94549-4751	
Gilbert Bromley		3915 Crooks Rd.			Atlanta	GA	30374	
Gilbert Martinez Jr.		4630 Cedar Springs #31	No 23		Royal Oak	MI	48073	
GILCHRIST, CLINT		Address Redacted			Dallas	TX	75219	
GILL, NICOLE		Address Redacted						
GILLES, ERIN		Address Redacted						
Gillian C. Sartini		2000 Taylor St, Unit 2A			Hollywood	FL	33020	
Gillian Sartini		2000 Taylor Street #2A			Hollywood	FL	33020	
GILLUM, KATIE		Address Redacted						
Gills Elegant Catering		1001 MacArthur Blvd			Grand Prairie	TX	75060	
GIMBEL, JESSICA D.		Address Redacted						
Girard Securities, Inc.	Attn Connie Goodell	9560 Waples St, Suite B			San Diego	CA	92121	
GIRARD, ERIC		Address Redacted						
Girard, Kovarik & Associates		101 N. Clematis St, Ste 200			West Palm Beach	FL	33401	
GLASGOW, SAMUEL		Address Redacted						
Glassdoor		1 Harbor Drive	Suite 300		Sausalito	CA	94965	
Glassdoor		Dept 3436	PO Box 123436		Dallas	TX	75312-3436	
Glast, Phillips, & Murray		2200 One Galleria Tower	13555 Noel Rd, LB 48		Dallas	TX	75240-1518	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
GLC Advisors & Co., LLC		451 Jackson Street	2nd Floor		San Francisco	CA	94111	
Gleneagles CLO, Ltd	The Directors	PO Box 1093 GT	Queensgate House, South Church Street		Grand Cayman		KY1-11-8	Cayman Islands
GLENN KIM		7848 KIVERTON PL			Atlanta	GA	30350	
Glenn Morrison		768 Sassafraas Court			Mahwah	NJ	07430	
Global Alpha Forum, LLC		30 Old Kings Hwy South			Darien	CT	06820	
Global Experience Specialists, Inc.		Bank of America, PO Box 96174			Chicago	IL	60693	
GLOBAL FINANCIAL SERVICES		PO BOX 856460			Louisville	KY	40285-6460	
Global Recruiters of Mid-Cities		PO Box 2165			Bedford Park	IL	60499-2165	
Global Shares Inc.		1111 Town Square Place	Suite 1401		Jersey City	NJ	07310	
Global Shares Ireland Ltd		Unit 2, Building D,	West Cork Technology Park Clonkally Co.		Cork		P85 EY90	IRELAND
GlobalMacro Partners, LLC		1755 S. Naperville Rd	Site 100		Wheaton	IL	60189	
GLOBE STORAGE & MOVING CO. INC		36 BLECKER ST			New York	NY	10012	
Glocap Search LLC		156 W 56th St.	4th Floor		New York	NY	10019	
Gloss Luxury Event Rentals		6525 Briarhaven Drive			Dallas	TX	75240	
GM SNYDER AND ASSOCIATES		300 Ozark Trail Drive	Suite 104		Saint Louis	MO	63011	
Godfrey		1000 Louisiana	Suite 5100		Houston	TX	77002-5096	
Godier, Lindsey		Address Redacted						
Goetz, Matthew		Address Redacted						
Goetz, Matthew X.		Address Redacted						
Goetz, Matthew X.		Address Redacted						
Goglia PLLC		4519 Melissa Lane			Dallas	TX	75229	
Gold Crown Valet Parking, Inc.		901 Waterfall Way	Suite 107		Richardson	TX	75080	
GOLD LION		8043 Abramshire Ave			Dallas	TX	75231	
Gold Medal Strategies, Inc.		319 1st Street West			Tierra Verde	FL	33715	
Gold Star Distributors, Inc.		PO Box 831150			Richardson	TX	75083-1150	
Golds Gym International		4001 Maple Avenue	Suite 200		Dallas	TX	75219	
Golds Gym International	Attn Corporate Billing	125 E John Carpenter Fwy	Suite 1300		Iring	TX	75062	
Goldsmith Associates, PLLC		6540 Hightgate Lane			Dallas	TX	75214	
GOLDSMITH, JASON		Address Redacted						
GOLDSMITH, SARAH B.		Address Redacted						
Golf Balls Galore, Inc.		2181 J and C Blvd			Naples	FL	34109	
GONZAGA, GABRIELLA		Address Redacted						
GONZALEZ, EVAN		Address Redacted						
GOOD FULTON & FARRELL		2808 FAIRMOUNT ST	STE 300		Dallas	TX	75201	
Goodwin and Marshall, Inc.		2406 Mustang Drive			Grapevine	TX	76051	
GOODWIN PROCTER LLP		EXCHANGE PLACE	53 STATE STREET		Boston	MA	02109	
Gordon, Fournaris & Mammarella, P.A.		1925 Lovering Avenue			Wilmington	DE	19806	
GOSSE RAND, WILLIAM		Address Redacted						
Gotham Promotions		67 Sullivan St			New York	NY	10012	
GourmEATS - Kevin Ashade		1407 Main St.	Apt 1703		Dallas	TX	75202	
Governance RE Ltd.		Clarendon House						
GP Industries, Inc.		3230 Riverside Ave #110-A	2 Church St		Hamilton		HM 11	Bermuda
GPI Lee Parkway, LP		3333 Lee Parkway			Paso Robles	CA	93446	
Grace Chang		14458 Sanford Ave # 14			Dallas	TX	75219	
Gratton Hospitality		340 South US Highway 1 Ste 306			Flushing	NY	11355	
Graham, Jacquelyn		Address Redacted			Jupiter	FL	33477	
Grand Street Settlement		80 Pitt Street			New York	NY	10002	
Grant Thornton LLP		33570 Treasury Center			Chicago	IL	60694-3500	
Grant Wiley		6457 Glendora Avenue			Dallas	TX	75230	
Grant, Jennifer		Address Redacted						
Grants Interest Rate Observer		Two Wall Street						
Grapevine Consultants		3003 Double Creek Drive			New York	NY	10005-2201	
Grasshopper Lawn & Patio, LLC		1002 Ashby Dr			Grapevine	TX	76051	
GRATEKE, RYAN		Address Redacted			Allen	TX	75002	
Graubard Miller		The Chrysler Bldg	405 Lexington Ave		New York	NY	10174-1101	
Graves, Vanessa		Address Redacted						
GRAY, MATTHEW		Address Redacted						
co Ogier Fiduciary Svcs (Cayman) Limited		P.O. Box 1093GT, Queensgate House	South Church Street	George Town	Grand Cayman			Cayman Islands
Grayson CLO Ltd.		3525 Melanie Ln			Piano	TX	75023	
Great American Photo Booths								

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Great Investors Best Ideas Foundation		3879 Maple Avenue	Suite 350		Dallas	TX	75219	
Great Performances		304 Hudson Street	Suite 201		New York	NY	10013	
Great Point Capital LLC		200 W Jackson #1000			Chicago	IL	60606	
Great Southern Bank		8201 Preston Road	Suite 305		Dallas	TX	75225	
Great Value Storage		401 Congress Ave, 33rd Flr			Austin	TX	78701	
Great Value Storage		9530 Skillman Street			Dallas	TX	75243	
Greater Talent Network, Inc.		437 Fifth Avenue			New York	NY	10016	
Green, Allison		Address Redacted						
GREEN, JASON		Address Redacted						
Greenberg Traurig		1000 LOUISIANA ST	STE 1800		Houston	TX	77002	
Greenberg Traurig		2200 Ross Avenue	Suite 5200		Dallas	TX	75201	
Greenbriar CLO, Ltd.	c/o Maples Finance Limited	PO Box 1093GT		George Town	Grand Cayman		KY1-11-8	Cayman Islands
Greenway - 4641 Production, L.P.		2808 Fairmount Street	Suite 100		Dallas	TX	75201	
Greenway - 4641 Production, L.P.		5924 ROYAL LANE	STE 250		Dallas	TX	75230	
Greenway - 4641 Production, L.P.	c/o Robert Lynn Management	4851 LBJ Freeway	Suite 1000		Dallas	TX	75244	
Greenway - 4641 Production, L.P.	c/o Trinity Interests, Inc.	12750 Merit Dr Ste 1300			Dallas	TX	75251	
GREENWICH STRATEGIC ADVISORS LLC		42 CARY ROAD			Riverside	CT	06878	
Greenwood Office Outfitters		2951 Suffolk Drive	Suite 640		Fort Worth	TX	76133-1149	
Greg Campbell		2200 Ross Ave, Ste 3800			Dallas	TX	75201-7967	
Greg Jackson		3102 Oak Lawn Ave Suite 777			Dallas	TX	75219	
Greg Lussen		16 Arthur Hills Court			Hilton Head Island	SC	29928	
Greg Stuecheli		7160 Greenbrook Ln			Dallas	TX	75214	
GREGG IMAMOTO		27946 AGAPANTHUS LN			Valencia	CA	91354	
GREGG IMAMOTO		4237 E SWAN FOREST DR			Carrollton	TX	75010	
Gregory C. Bussey		400 N. Wilcoment Avenue			Dallas	TX	75208	
Gregory Chang		2200 John Street, Unit 110			Thornhill	ON	L3T7S7	CANADA
Gregory FCA Communications		27 West Athens Avenue			Ardmore	PA	19003	
Gregory Polsen		157 Bigelow St	Apt 2		Brighton	MA	02135	
GREGORY STUECHELI		7160 GREENBROOK LN			Dallas	TX	75214	
Gregory Webster		2050 Osprey Avenue			Orlando	FL	32814	
GREGORY, MICHAEL		Address Redacted						
GREGORY, MICHAEL		Address Redacted						
Greg Saggars		9461 Charleville Blvd	No 356		Beverly Hills	CA	90212	
Greyline Partners, LLC		P.O. Box 733976			Dallas	TX	75373-3976	
Greyline Solutions LLC		1 Sansome Street, Ste 1895			San Francisco	CA	94 104-4432	
GRIFFITH, CANDICE		Address Redacted						
GRIFFITH, CANDICE C.		Address Redacted						
GRIFFITH, MATTHEW		Address Redacted						
GRO Designs, LLC		3500 Commerce St. #100			Dallas	TX	75226	
GROFF, SCOTT		Address Redacted						
Groom Law Group		1701 Pennsylvania Ave NW	Sie 1200		Washington	DC	20006	
GROS EXECUTIVE RECRUITERS, INC		1616 WESTGATE CIRCLE			Brentwood	TN	37027-8019	
Group Services Inc		Condominium San Alberto, Suite 721	605 Conado Ave		San Juan	PR	00907	
GROVES, SHAWN		Address Redacted						
Gruber Hurst Johansen Hail Shank LLP		1445 Ross Avenue	Suite 2500		Dallas	TX	75202	
GRUBHUB for Work		PO Box 748570			Los Angeles	CA	90074-8570	
Grubhub Holdings Inc.		PO Box 12470			Newark	NJ	07101-3570	
GSB Digital		30-30 47th Avenue	Suite 5500		Long Island City	NY	11101	
GT Dallas Properties LLC	c/o Capital One Bank	PO Box 3085			Hicksville	NY	11802-3085	
GT DALLAS PROPERTIES, LLC		PO BOX 3085			Hicksville	NY	11802-3085	
G-TEXAS MANAGEMENT, INC.	Attn BARBARA BOURMAN	1135 SOUTH LAMAR ST			Dallas	TX	75215	
Guardian Performance Solutions LLC		836 57th Street	Suite 408		Sacramento	CA	95819	
Guggenheim Strategic Opportunities Fund	c/o Guggenheim Partners	330 Madison Ave, 11th Floor			New York	NY	10017	
Guidepost Global		730 Third Ave, 11th Floor			New York	NY	10017	
Guidepost Solutions, LLC		415 Madison Ave	11th Floor		New York	NY	10017	
Guild Associates		153 Mitchell Hill Rd			New York	NY	06371-3021	
Gulati, Sanjay		Address Redacted						
GUNNERSON, ERIK		Address Redacted						
Gunwale, LLC		300 Crescent Court	Suite 700		Dallas	TX	75201	
GUSTAVO PRILLICK		13455 Noel Rd, Ste 600			Dallas	TX	75240	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
GUSTAVO PRILICK		Ortiz de Ocampo 2673 24-1	2277 State Hwy 33, Suite 410		Buenos Aires		01425	ARGENTINA
Guy J. Renz & Associates		Golden Crest Corporate Center			Trenton	NJ	08690	
H.I.S. BridgeBuilders		2705 West Commerce St			Dallas	TX	75208	
Haas Petroleum Engineering Svcs. Inc.		2100 Ross Avenue	Suite 600		Dallas	TX	75201	
Hagar Restaurant Service LLC		1229 West Main St.			Oklahoma City	OK	73106	
Hakemack, Christopher		Address Redacted						
Hal Whalen		2201 Lake Street	Apt 1		San Francisco	CA	94121	
Hale, Sarah		Address Redacted						
HALL, PHIL		Address Redacted						
Halloran & Sage LLP		225 Asylum Street	One Goodwin Square		Hartford	CT	06103	
HALPIN, CHRISTOPHER		Address Redacted						
Haltom, Steven		Address Redacted						
Hamilton	PRICKETT, JONES & ELLIOTT, P.A.	Marcus E. Montijo	Kevin H. Davenport	1310 King Street	Wilmington	DE	19801	
Hamilton Communications		PO Box 555			Westbrook	CT	06498	
HAMILTON, TODD		Address Redacted						
Hand Securities Inc.		820 Gessner Rd	Suite 1250		Houston	TX	77024	
Hansen, Jessica		Address Redacted						
Hanson, Adam		Address Redacted						
HARBOR GROUP LTD		70 E SUNRISE HWY	No 411		Valley Stream	NY	11581	
Harbor Yacht Clubs, LLC		1880 Harbor Island Drive			San Diego	CA	92101	
Harder LLP		132 S. RODEO DRIVE	FOURTH FLOOR		BEVERLY HILLS	CA	90212	
HARIKRISHNAN NAIR		8734 SHADY SHORE DR			Frisco	TX	75034	
Harlem Lacrosse		PO Box 708			New York	NY	10030	
Harold A. Siegel		31 Sturges Highway			Westport	CT	06880	
Harper & Peterson, P.L.L.C		3040 Woodbury Drive			Woodbury	MIN	55129	
Harris Hilburn & Sherer		1111 Rosalie			Houston	TX	77004	
HARRIS, WILTSHIRE & GRANNIS LLP		1200 EIGHTEENTH ST, NW			Washington	DC	20036	
HARRISON, MATTHEW		Address Redacted						
Harsha Patwardhan		7 Inness Road			Tenally	NJ	07670	
Hart Energy Publishing, L.P.		1616 S. Voss Rd	Suite 1000		Houston	TX	77057	
Hart Energy Publishing, L.P.		4545 Post Oak Pl Ste 210			Houston	TX	77027	
Hart Energy, LP		1616 S. Voss Street	Suite 1000		Houston	TX	77057	
Hartford CFA Society		PO Box 266			Granby	CT	06035	
Hartford Life Insurance Company		777 Main Street			Hartford	CT	06115	
Hartline Dacus Barger Dreyer LLP		6688 N. Central Expwy, #1000			Dallas	TX	75206	
Hartman Wanzor LLP		6050 Southwest Blvd	Suite 200		Fort Worth	TX	76109	
Harvard Club of Dallas		3817 Yellowstone Street			Irving	TX	75062	
Harvard Club of New York City		35 West 44th Street			New York	NY	10036	
Harvest Exchange Corp		1200 Smith St	Ste 672		Houston	TX	77002	
Haselroth, Matthew		Address Redacted						
HASENAUER, MICHAEL		Address Redacted						
HASENAUER, MICHAEL		Address Redacted						
Haven Search Group, LLC		3303 Lee Parkway	Suite 400		Dallas	TX	75219	
Hawaii State Tax Collector		PO Box 1530			Honolulu	HI	96806-1530	
HAWK Network Defense, Inc.		5057 Keller Springs Road	Suite 300		Addison	TX	75001	
Hayes, Christopher		Address Redacted						
HAYMARKET MEDIA LIMITED		2371, The Centrum, 60 Wyndham St			HONG KONG			HONG KONG
Haynes and Boone, LLP		2323 Victory Ave	Central		Dallas	TX	75219	
Haynes and Boone, LLP	Atin Cari Peretzman	901 Main St # 3100	Suite 700		Dallas	TX	75202	
Haynes and Boone, LLP		PO Box 841399			Dallas	TX	75284-1399	
Hazen, Anthony		Address Redacted						
HCM ACQUISITION COMPANY		13455 NOEL RD	STE 800		Dallas	TX	75240	
HCM Market Letter, LLC		Harch Capital Management, LLC	621 NW 53rd Street, Suite 400		Boca Raton	FL	33487	
HEAD, ALAN		Address Redacted						
Health Strategy Consulting		46 Kilvert St			Warwick	RI	02886	
Health Texas Provider Network		PO Box 844128			Dallas	TX	75284	
Heat Software USA Inc		PO Box #204375			Dallas	TX	75320-4375	
HEATHER BROWN		1309 MAIN ST			Dallas	TX	75202	
Heather Hunt		4088 PR 3336			Greenville	TX	75402	
HEATHERINGTON, MELINDA		Address Redacted						
HEBERT, ERIC		Address Redacted						
Hedge Connection, Inc.		141 Parkway Rd	Suite 15		Bronxville	NY	10708	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Hedge Fund Alert		5 Marine View Plaza #400			Hoboken	NJ	07030-5795	
Hedge Fund Research, Inc.		10 South Riverside Plaza	Suite 700		Chicago	IL	60606	
Hedgebay Securities, LLC		62 Post Road West			Westport	CT	06880	
HEDGEFUND INTELLIGENCE LTD		NESTOR HOUSE, PLAYHOUSE YARD	ACCOUNT DEPT		London		EC4V 5EX	UK
Hedgevye Risk Mgmt. LLC		1 High Ridge Park	3rd Floor		Stamford	CT	06905	
HEIN ONKENHOUT		5530 NE TRIESTE WAY			Boca Raton	FL	33487	
HEISS, BRADFORD		Address Redacted			Red Bank	NJ	07701	
Heider Melendez		58 Ivy Hill Rd.			Dallas	TX	75247	
Helicopters for Heroes	c/o Jeff Davis	9219 Viscount Row						
HELLER EHRMAN LLP		FILE NO 73536	PO BOX 60000		San Francisco	CA	94160-3536	
Helping Our Heroes Foundation		6505 W. Park Blvd	Ste 306-165		Piano	TX	75093	
Helwig, Kevin		Address Redacted						
HENDERSHOT, PAUL		Address Redacted						
HENDRIX, KRISTIN		Address Redacted						
Henjum Goucher		Address Redacted			Dallas	TX	75219	
Henjum Goucher		2501 Oak Lawn Ave Ste #600			Dallas	TX	75207	
HENNIGAN, BENNETT & DORMAN LLP		2777 N. Stemmons Freeway	Suite 1025		Los Angeles	CA	90017	
Henry Chang		865 S FIGUEROA ST			New York	NY	10069	
		100 Riverside Boulevard Apt 12R						
Herbert A. Rosenthal, Chartered		1020-19th St, NW, #400			Washington	DC	20036-6101	
HEROES FOR CHILDREN	Attn LARISSA LINTON & JENNY SCOTT	3411 PRESTON RD, STE C-13-227			Frisco	TX	75034	
HERRIN, CASEY		Address Redacted						
HERRICK, KATHRYN D.		Address Redacted						
Hersey, William		Address Redacted						
Hess, Zachary		Address Redacted						
HFF SECURITIES LP		Address Redacted						
Higdon Barrett		10100 SANTA MONICA BLVD	STE 1400		Los Angeles	CA	90067	
HIGDON PARTNERS		230 Park Ave			New York	NY	10169	
High Bandwidth		230 PARK AVE			New York	NY	10169	
High Profile, Inc.		10107 Candlebrook Drive			Dallas	TX	75243	
High Road Touring		4851 LBJ Freeway, Suite 500			Dallas	TX	75244	
High Tower		Jackson Haring	751 Bridgeway, 3rd Flr		Sausalito	CA	94965	
High Tower	Attn GIS	505 5th Ave, 14th Flr			New York	NY	10017	
Highland HCF Advisor, Ltd.	Attn Klaris Tamazian	200 W. Madison, Ste 2500			Chicago	IL	60606	
Highland Acquisition Corporation		300 Crescent Court	Ssulte 700		Dallas	TX	75201	
HIGHLAND ALL CAP EQUITY VALUE FUND		300 Crescent Court	Suite 700		Dallas	TX	75201	
Highland Builders, Inc.		13455 NOEL RD			Dallas	TX	75240	
Highland Capital Funds Distributor, Inc.		2342 Fabens Road	Ste 100		Dallas	TX	75229	
Highland Capital Insurance Solutions LP		300 Crescent Court	Suite 700		Dallas	TX	75201	
Highland Capital Loan Fund, L.P.	c/o The Corporation Trust Company	200 Crescent Court	Suite 700		Dallas	TX	75201	
Highland Capital Loan GP, LLC	c/o The Corporation Trust Company	1209 Orange St			Wilmington	DE	19801	
HIGHLAND CAPITAL MANAGEMENT, LP		1209 Orange St			Wilmington	DE	19801	
Highland Capital Mgmt Fund Advisors		300 Crescent Court	Suite 700		Dallas	TX	75201	
Highland Capital Mgmt Fund Advisors LP	Attn General Counsel	300 Crescent Court	Suite 700		Dallas	TX	75201	
Highland Capital Multi-Strategy Fund LP	c/o The Corporation Trust Company	300 Crescent Court Ste 700						
HIGHLAND CAPITAL REAL ESTATE ADVISORS		1209 Orange St			Wilmington	DE	19801	
HIGHLAND CDO HOLDING COMPANY		13455 NOEL RD			Dallas	TX	75240	
HIGHLAND CDO OPPORTUNITY FUND		13455 NOEL RD	STE 800		Dallas	TX	75240	
Highland CLO Funding, Ltd.		300 Crescent Court	Suite 700		Dallas	TX	75201	
Highland CLO Management, LLC		300 Crescent Court	Suite 700		Dallas	TX	75201	
Highland Credit Opportunities	Japanese Feeder Sub-Trust	c/o Intertrust (Cayman) Limited	190 Elgin Avenue	George Town	Grand Cayman		KY1-9005	Cayman Islands
Highland Credit Opportunities	Japanese Unit Trust	c/o Intertrust (Cayman) Limited	190 Elgin Avenue	George Town	Grand Cayman		KY1-9005	Cayman Islands
Highland Credit Opportunities CDO, Ltd.	c/o Walkers SPV Limited	Walker House 87 Mary Street	George Town		Grand Cayman		KY1-9002	Cayman Islands
HIGHLAND CREDIT OPPORTUNITIES FUND		13455 NOEL RD			Dallas	TX	75240	
HIGHLAND CREDIT STRATEGIES FUND RIC		13455 NOEL RD STE 800			Dallas	TX	75240	
HIGHLAND CRUSADER FUND		13455 NOEL RD	STE 800		Dallas	TX	75240	
Highland Employee Retention Assets LLC		13455 Noel Rd	Ste 800		Dallas	TX	75240	
HIGHLAND FINANCIAL CORP		13455 NOEL RD			Dallas	TX	75240	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
HIGHLAND FINANCIAL REAL ESTATE CORP		13455 NOEL RD			Dallas	TX	75240	
HIGHLAND FINANCIAL TRUST		13455 NOEL RD			Dallas	TX	75240	
Highland First Foundation Income Fund		300 Crescent Court	Suite 700		Dallas	TX	75201	
Highland Floating Rate Fund		300 Crescent Court	Suite 700		Dallas	TX	75201	
Highland Funds Asset Management		13455 Noel Rd	Suite 800		Dallas	TX	75240	
Highland Latin America Consulting, LTD		300 Crescent Court	Suite 700		Dallas	TX	75201	
Highland Legacy Limited	c/o Maples & Calder/ Graham Lockington	PO Box 309, Ugland House	South Church Street	George Town	Grand Cayman			Cayman Islands
Highland Legacy Limited	c/o Queensgate SPV Services Limited	PO Box 1093GT / Suzanne St. Thomas	Compass Center, 2nd Flr, Crewe Road	George Town	Grand Cayman			Cayman Islands
Highland Loan Fund, Ltd.	c/o Maples Corporate Services Limited	PO Box 309	Ugland House		Grand Cayman		KY1-1104	Cayman Islands
HIGHLAND LOAN FUNDING V		13455 NOEL RD	STE 800		Dallas	TX	75240	
Highland Loan Funding V, Ltd.	c/o Maples & Calder/ F.O.E.	PO Box 309, Ugland House	South Church Street	George Town	Grand Cayman			Cayman Islands
Highland Loan Funding V, Ltd.	c/o QSPV Limited	PO Box 1093 GT, Queensgate House	South Church Street	George Town	Grand Cayman			Cayman Islands
Highland Loan Master Fund, L.P.	c/o Maples Corporate Services Limited	PO Box 309	Ugland House		Grand Cayman		KY1-1104	Cayman Islands
Highland Merger Arbitrage Fund		300 Crescent Court	Suite 700		Dallas	TX	75201	
Highland Multi-Strategy Credit Fund GP LP	c/o The Corporation Trust Company	1209 Orange St			Wilmington	DE	19801	
Highland Multi-Strategy Credit Fund LP	c/o The Corporation Trust Company	1209 Orange St			Wilmington	DE	19801	
Highland Multi-Strategy Master Fund LP	c/o MQ Services Ltd.	Victoria House			Wilmington	DE	19801	
Highland Park CDO I., Ltd.	c/o Maples Finance Limited	PO Box 1093 GT, Queensgate House	South Church Street	George Town	Grand Cayman			Cayman Islands
Highland Prometheus		300 Crescent Court	Suite 700		Dallas	TX	75201	
Highland Prometheus Feeder Fund I, L.P.	c/o Maples Corporate Services Limited	PO Box 309	Ugland House		Grand Cayman		KY1-1104	Cayman Islands
Highland Prometheus Feeder Fund II, L.P.	c/o Maples Corporate Services Limited	PO Box 309	Ugland House		Grand Cayman		KY1-1104	Cayman Islands
Highland Prometheus Mast Fund, L.P.	c/o Maples Corporate Services Limited	PO Box 309	Ugland House		Grand Cayman		KY1-1104	Cayman Islands
Highland Restoration Capital	Partners Master LP	c/o The Corporation Trust Company	1209 Orange St		Wilmington	DE	19801	
Highland Restoration Capital	Partners Offshore LP	c/o Intertrust Cayman	190 Elgin Avenue	George Town	Grand Cayman		KY1-9005	Cayman Islands
Highland Restoration Capital Partners LP	c/o The Corporation Trust Company	1209 Orange St			Wilmington	DE	19801	
HIGHLAND SELECT EQUITY FUND		13455 NOEL RD			Dallas	TX	75240	
Highland Select Equity Fund GP	c/o The Corporation Trust Company	1209 Orange St			Wilmington	DE	19801	
Highland Select Equity Master Fund, GP	c/o MQ Services Ltd.	Victoria House			Hamilton		0HM10	Bermuda
Highland Special Situations Fund		13455 Noel Rd			Dallas	TX	75204	
Highland SunBridge GP, LLC	c/o The Corporation Trust Company	1209 Orange St			Wilmington	DE	19801	
Highland Tax-Exempt Fund		300 Crescent Court	Suite 700		Dallas	TX	75201	
Highland/IBOX Senior Loan ETF		300 Crescent Court	Suite 700		Dallas	TX	75201	
HighTower Advisors		200 West Madison	Suite 2500		Chicago	IL	60606	
HighTower Advisors	Attn GIS	505 6th Ave., 14th Floor			New York	NY	10017	
HighTower Advisors/The Sarian Group		656 East Swedesford Road	Suite 360		Wayne	PA	19087	
HighTower Holding LLC		200 W. Madison	Ste 2500		Chicago	IL	60606	
Hilary Adams		7805 Westlawn Ave			Los Angeles	CA	90045	
HILGENBRINK, ANDREW		Address Redacted						
Hilgenbrink, Andrew		Address Redacted						
HILL, OWEN		Address Redacted						
Hill, Robert		Address Redacted						
Hillcrest Athletic Association		HHS Athletics c/o Andy Todd	9924 Hillcrest Rd		Dallas	TX	75230-5309	
Hines REIT 2200 Ross Avenue LP		PO Box 841147			Dallas	TX	75284-1147	
Hines REIT 2200 Ross Avenue LP		PO Box 841197			Dallas	TX	75284-1197	
Hitchcock, Daniel		Address Redacted						
HM Life Insurance Company		PO Box 382229			Pittsburgh	PA	15250-8229	
Hoedebeck, Charlie		Address Redacted						
Hoermann, Richard		Address Redacted						
Hoge & Gameros, LLP		4311 Oak Lawn Ave Ste 600			Dallas	TX	75219	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Hollister, Michael J.		Address Redacted						
Holloway, Travis		Address Redacted						
Holly Church Communications		6415 Lakeshore Drive			Dallas	TX	75214	
Holmes Detective Bureau, Inc.		1270 Avenue of the Americas	Suite 1906		New York	NY	10020	
Holt, Eric		Address Redacted						
Home Health Service		2400 Dallas Parkway			Plano	TX	75093	
Home Health Services		3333 Earheart Drive	Suite 210		Carrollton	TX	75006	
HOME, BRIAN		Address Redacted						
HONEYCUTT, JOHN BROOKS		Address Redacted						
HONEYCUTT, JOHN BROOKS		Address Redacted						
HONGVIEN NGO+A1791		3311 BLACKBURN APT 208						
HONIS, JOHN		Address Redacted			Dallas	TX	75204	
HONIS, JOHN		Address Redacted						
Honis, Trevor		Address Redacted						
Honyaku Center Inc.		3-13-12 Mita	Minato-ku		Tokyo		109-0073	JAPAN
HOOVER HULL LLP		PO BOX 44989			Indianapolis	IN	46244-0989	
Hopes Door Inc.		860 F Ave	Suite 100		Plano	TX	75074	
HOPSON, STUART		Address Redacted						
Hotel Crescent Court		400 Crescent Court			Dallas	TX	75201	
Hotel Zaza		2332 Leonard Street			Dallas	TX	75201	
Houlihan Lokey	Attn Accounts Receivable	10250 Constellation Blvd, 5th Floor			Los Angeles	CA	90067-5802	
HOUSE OF BLUES	Attn BARBARA BOUMAN	2200 N LAMAR ST			Dallas	TX	75202	
Housing Crisis Center		Megan Singleton, Development Manager	4210 Junius Street		Dallas	TX	75246	
How Handy Is That		21650 Oxnard Street	Suite 1530		Woodland Hills	CA	91367	
Howard B. Wiener		501 W. Broadway, 19th Flr			San Diego	CA	92101	
HOWARD DRANSFIELD IRA		150 S CRYSTAL LAKES DR UNIT 60			Saint George	UT	84770-1832	
Howie, Ian		Address Redacted						
hrQ-Dallas, LLC		2859 Umatilla St			Denver	CO	80211	
HSIEH, ADA		Address Redacted						
HTH Worldwide Insurance Services	c/o Travel Accounting	One Radnor Corporate Center	Suite 100, Department 100		Radnor	PA	19087	
HUBBLE, JONA THAN		Address Redacted						
HUDSON GLOBAL RESOURCES		75 Remittance Drive, Suite 6465			Chicago	IL	60675-6465	
Hudson Reporting & Video, Inc	A DEPOSITION CENTER	2124 Oak Tree Rd			New Jersey	NJ	08820	
HUGHES & HUBBARD		One Battery Park Plaza			New York	NY	10006	
Hughes & Luce LLP		1717 Main St, Ste 2800			Dallas	TX	75201	
Hughes, Alex		Address Redacted						
HUKILL, NATHAN		Address Redacted						
HULL, CYNTHIA		Address Redacted						
Hummingbird		PO Box 8500-3885			Philadelphia	PA	19178-3885	
Hundt Reporting, L.L.C.		703 McKinney Ave, Ste 405			Dallas	TX	75202	
Hunt, Brandon		Address Redacted						
HUNT, HEATHER		Address Redacted						
HUNTER COVITZ		3102 ROSS AVE #2			Dallas	TX	75240	
Hunter Donaldson		4380 S. Monaco Street	Apt 2059		Denver	CO	80237	
Hunter Mountain Investment Trust	c/o Rand Advisors LLC	John Honis	87 Railroad Place Ste 403		Saratoga Springs	NY	12866	
Hunting & Fishing for ALS Research		2525 Fairmont St			Dallas	TX	75201	
HUNTINGTON, JOHN		Address Redacted						
Huntton & Williams LLP		PO BOX 840686			Dallas	TX	75284-0686	
Huntton & Williams LLP		RIVERFRONT PLAZA, EAST TOWER	951 EAST BYRD ST		Richmond	VA	23219	
Huntton Andrews Kurth, LLP		1445 Ross Avenue	Suite 3700		Dallas	TX	75202-2799	
Hurley, Leslie		Address Redacted						
HURLEY, MICHAEL		Address Redacted						
Huron Consulting Group		4795 Paysphere Circle			Chicago	IL	60674	
Hutcherson Law		10000 N. Central Expressway	Suite 800		Dallas	TX	75231	
Hyatt Regency Lost Pines Resort and Spa		575 Hyatt Lost Pines Road			Lost Pines	TX	78612	
Hyatt Regency Scottsdale Resort & Spa		7500 E Doubletree Ranch Road			Scottsdale	AZ	85258	
I & A INTERNATIONAL		1717 MAIN ST	SUITE 4800		Dallas	TX	75201	
i Entertainment		2409 Avenue J	Suite D		Arlington	TX	76006	
I.M.S. Relocation		2005 McDaniel Drive	Ste 150		Carrollton	TX	75006	
IA Watch		100 Winners Circle, Ste 300	PO Box 5094		Brentwood	TN	37024-5094	
IA Watch		PO Box 9407			Gaithersburg	MD	20897-9824	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	City	State	Zip	Country
IAN FARRAND		11 CASTLE VIEW DR	GROMFORD	Mastlock		DE4 3RL	UK
ICAA		1050 17th St, NW Ste 725		Washington	DC	20036-5503	
Ice Bro Promos		1007 East Levee		Dallas	TX	75207	
Ice Data Indices, LLC		PO Box 74008873		Chicago	IL	60693-8873	
ICE Data Pricing & Reference Data, LLC		PO Box 98616		Chicago	IL	60693	
ICE Systems, Inc.		PO Box 11126		Hauptpaugue	NY	11788-0934	
ICI Mutual Insurance Brokers, Inc.		1401 H Street NW	Suite 1000	Washington	DC	20005	
IDAHO STATE TAX COMMISSION		PO Box 83784		Boise	ID	83707-3784	
IDAHO STATE TAX COMMISSION	REVENUE OPERATIONS DIVISION	IDAHO STATE TAX COMMISSION	PO BOX 36	Boise	ID	83722-0410	
IDCSERVO Business Services	Attn Accounts Receivable	PO Box 1925		Culver City	CA	90232-1925	
IFG Project Resourcing		1560 Sawgrass Corporate Pkwy 4th Flr		Sunrise	FL	33323	
IFP Securities, LLC		3030 N Rocky Point Dr W	Suite 700	Tampa	FL	33607	
IHS Global Inc.		PO Box 847193		Dallas	TX	75284-7193	
II Magazines	Absolute Return & Alpha	225 Park Ave - South		New York	NY	10003	
II Magazines		PO Box 4009	Subscriptions	Chesterfield	MO	63006-4009	
IINews		PO Box 5018		Brentwood	TN	37024-9552	
IUC Partners LLC		20 East 46th St	Suite 901	New York	NY	10017	
Ikon Office Solutions		DALLAS DISTRICT-DAT	PO BOX 676466	Dallas	TX	75267	
Ikon Office Solutions		LDS DALLAS DISTRICT -DAL	PO BOX 676466	Dallas	TX	75267-6466	
Ikon Office Solutions		LDS Southeast District -FTL	PO Box 532545	Atlanta	GA	30353-2545	
Ikon Office Solutions	National Accounts		PO Box 676466	Dallas	TX	75267-6466	
Ikon Office Solutions		Northeast District-NYG	PO BOX 827164	Philadelphia	PA	19182-7164	
ILLINOIS DEPARTMENT OF REVENUE		PO BOX 19009		SPRINGFIELD	IL	62794-9009	
ILLINOIS DEPARTMENT OF REVENUE		PO Box 19045		Springfield	IL	62794-9045	
Illinois Secretary of State	Department of Business Services			Springfield	IL	62756	
Illinois Securities Department	Securities Division	421 E. Capital Ave., 2nd Fl.		Springfield	IL	62701	
Illumant LLC		431 Florence Street	Suite 210	Palo Alto	CA	94301	
ImageMAKER Development, Inc		Suite 102-416, 6th St		New Westminster	BC	V3L 3B2	CANADA
ImageNet		PO Box 613310		Dallas	TX	75261-3310	
Imaginity Interactive, Inc.		2633 McKinney Ave	Ste 130-377	Dallas	TX	75204	
IMAMOTO, GREGG		Address Redacted					
IMCA	Attn Lara Davies	5619 DTC Pkwy, Suite 500		Greenwood Village	CO	80111	
Imran Hussain		6524 Langleigh Way		Alexandria	VA	22315	
IMRE		909 Ridgebrook Rd	Suite 300	Baltimore	MD	21152	
In Time Communications		9137 Loma Vista Dr		Dallas	TX	75243	
INCORPORATING SERVICES, LTD		3500 S DUPONT HWY		Dover	DE	19901	
Independence Capital Co., Inc.		5579 Pearl Road	Suite 100	Parma	OH	44129	
Independent Financial Group LLC		12671 High Bluff Drive	Suite 200	San Diego	CA	92130	
Independent Petroleum Assoc. of America		1201 15th St, NW	Ste 300	Washington	DC	20005	
Independent Petroleum Assoc. of America		PO Box 79584		Baltimore	MD	21279-0584	
IndexUniverse LLC		201 Mission Street	Suite 720	San Francisco	CA	94105	
IndexUniverse LLC		353 Sacramento Street	Suite 1520	San Francisco	CA	94111	
INDIANA DEPARTMENT OF REVENUE		PO BOX 1028		Indianapolis	IN	46206-1028	
Indiana Securities Division	Securities Division			Indianapolis	IN	46204	
Infinity Litigation	3141 Hood St, #103		302 West Washington Street, Room E-111	Dallas	TX	75219	
Informa Investment Solutions	PO Box 416014			Boston	MA	02241-6014	
Informa UK Ltd.	PO Box 32794			Hartford	CT	06150-2794	
Information Management Network	225 Park Avenue South, 7th Fl			New York	NY	10003	
INFOTECH	92 CORPORATE PARK		STE C703	Irvine	CA	92606	
INNES, JOHN	Address Redacted						
Innovative Legal Solutions, Inc.	440 Louisiana, Suite 1100			Houston	TX	77002	
INSIDE CMS		PO BOX 7167	BEN FRANKLIN STATION	Washington	DC	20044-7167	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
INSIDE HEALTH POLICY.COM		PO BOX 7167	BEN FRANKLIN STATION		Washington	DC	20044-7167	
Insider Score		254 Witherspoon St			Princeton	NJ	08542	
InsiderScore, LLC		254 Witherspoon Street			Princeton	NJ	08542	
Insight		PO Box 78825			Phoenix	AZ	78825	
Insight Direct USA, Inc.		PO Box 731069			Dallas	TX	75373	
Insight Investments		611 Anton Blvd	Suite 700		Costa Mesa	CA	92626	
Instant Technologies		54 Ross Road			Durham	NH	03824	
Institute for International Research		PO BOX 3685			Boston	MA	02241-3685	
Institute for Portfolio Alternatives		PO Box 480			Ellicott City	MD	21041-0480	
Institute for Private Investors		17 State Street	5th Floor		New York	NY	10004	
Institutional Investor News	Attn Andrew Levin	225 Park Ave South, 8th Flr			New York	NY	10003	
Institutional Investor News	Attn Jeff Schilling	225 Park Ave. South	7th Floor		New York	NY	10003	
Institutional Investor News	Attn Mutual Fund Industry Awards	PO Box 1575			New York	NY	10008	
Institutional Investor News		PO BOX 1575			New York	NY	10008-1575	
Institutional Investor News		PO Box 4009			Chesterfield	MO	63003-4009	
Institutional Investor News		PO Box 417611			Boston	MA	02241-7611	
Institutional Investor News		PO Box 5018			Brentwood	TN	37024	
Institutional Investor News		PO BOX 5034			Brentwood	TN	37024	
Institutional Investor Newsletters		PO BOX 5016			Brentwood	TN	37024-9549	
Institutional Investor Newsletters		PO Box 5018			Brentwood	TN	37024-9552	
Institutional Investor Newsletters		PO BOX 5030			Brentwood	TN	37024-9555	
Institutional Investor, LLC		PO Box 417611			Boston	MA	02241-7611	
Institutional Recovery Solutions, Inc.		626 RXR Plaza			Uniondale	NY	11556	
Insurance Commissioner of Iowa		Securities Bureau	601 Locust Street, 4th Floor		Des Moines	IA	50309-3738	
INSYNC ELECTRONIC MEDIA DESIGN, LLC		33 FELLOW DR			Coram	NY	11727	
Integra FEC LLC		1801 Lavaca Street	Suite 101		Austin	TX	78701	
Integrated Solutions		425 Gotham Pkwy			Carlsbad	NJ	07072	
Interactive Data Pricing & Reference		PO BOX 98616			Chicago	IL	60693	
InterDyn BMI		3001 Broadway St NE, #320			Minneapolis	MN	55413	
Interfor		575 Madison Avenue, Suite 1006			New York	NY	10022	
Internal Revenue Service	Attn Insolvency	1352 Marrows Road, 2nd Floor			Newark	DE	19711-5445	
Internal Revenue Service	Attn Linda Yao	4050 Alpha Road	MC 4505 NDAL		Farmers Branch	TX	75244	
Internal Revenue Service		Ogden			Ogden	UT	84201-0039	
Internal Revenue Service		P.O. BOX 21126			Philadelphia	PA	19114	
Internal Revenue Service		STOP 5107 NWSAT	4050 ALPHA RD		Farmers Branch	TX	75244-4201	
Internal Revenue Service	Centralized Insolvency Operation	2970 Market St			Philadelphia	PA	19104	
Internal Revenue Service	Attn Susanne Larson	31 Hopkins Plz Rm 1150			Baltimore	MD	21201	
Internal Revenue Service	Centralized Insolvency Operation	PO Box 7346			Philadelphia	PA	19101-7346	
International Assets Advisory, LLC		390 North Orange Ave	Ste 750		Orlando	FL	32801	
International Bar Association		10th Flr 1 Stephen St			London	UK	W1T 1AT	
International Foundation		18700 W. Bluemound Rd	PO Box 69		Brookfield	WI	53008-0069	
Intertrust		190 Elgin Ave	George Town		Grand Cayman		KY1-9000	Cayman Islands
Intex Solutions, Inc.	Accounts Receivable	110 A St			Needham	MA	02494-2807	
Intralinks		P.O. Box 10259			New York	NY	10259-0259	
Intuit		PO Box 30860			Los Angeles	CA	90030-0860	
Inventus		P.O. Box 130114			Dallas	TX	75313	
INVeSHARE, Inc.		PO Box 568			Alpharetta	GA	30009-0568	
Investigative Management Group		825 Third Avenue	18th Floor		New York	NY	10022	
Investment Company Institute		Dept. 3077			Washington	DC	20061-3077	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Investment Company Institute		PO Box 759456			Baltimore	MD	21275	
Investment Management Advisors, LLC		3131 Maple Ave., Suite 7E			Dallas	TX	75201	
Investment Management Institute		123 Mason St			Greenwich	CT	06830	
Investment Management Institute		165 W. Putnam Avenue	2nd Floor		Greenwich	CT	06830	
Investment Planners, Inc.		PO Box 170			Decatur	IL	62525-0170	
Investment Professionals Conference	Attn Rachel Christensen	470 Tanner Building			Provo	UT	84602	
Investment Program Association		PO Box 480			Ellicott City	MD	21042-0480	
InvestmentWires, Inc.		14 Wall Street	20th Floor		New York	NY	10005	
Investor Force, Inc.		Lockbox # 415926			Boston	MA	02241-5926	
Investors Bank & Trust Company		200 Clarendon Street	Mail Code EUC 108		Boston	MA	02116	
Investors Business Daily		12655 Beatrice St.			Los Angeles	CA	90066	
IPC Information Systems, Inc.		PO Box 26644			New York	NY	10087	
IPC Network Services, Inc.	Harborside Financial Center	1500 Plaza 10	15th Floor		Jersey City	NJ	07311	
Ipilomi Limited		3rd Floor	125 Wood Street		London	EC2V 7AN	UK	
Ipreo Data Inc.		421 Fayetteville Street	Suite 900		Raleigh	NC	27601	
IRELL & MANELLA LLP		840 NEWPORT CENTER DR	STE 450		Newport Beach	CA	92660-6324	
IRENE KUBERT		LASC	600 SOUTH COMMONWEALTH AVE, DEPT 316		Los Angeles	CA	90005	
Iron Mountain - Off-Site Data Protection		PO Box 915026			Dallas	TX	75391-5026	
Iron Mountain Records Management		PO Box 915004			Dallas	TX	75391-5004	
Iron Mountain Records Management	WhiteLaw House	Aldersone House Business Park	MacMillan Rd		Livington			
IRR - Las Vegas		8367 West Flamingo Road	Suite 100		Las Vegas	NV	89147	UK
IRS		Earle Cabell Federal Building	1100 Commerce St #121		Dallas	TX	75242	
IRVING, MARY K.		Address Redacted						
Island Love Rebuilding Fund		PO Box 53412			Lafayette	LA	70505-3412	
itech Inc.		6230 Wilshire Blvd, # 145			Los Angeles	CA	90048	
ITG Investment Research, Inc.		1270 Avenue of the Americas			New York	NY	10020	
ITG Investment Research, Inc.	Attn Chris Stilo	380 Madison Ave			New York	NY	10017	
ITG Investment Research, Inc.		PO Box 30270			New York	NY	10087-0270	
Ivins, Phillips & Barker Chartered		1700 Pennsylvania Avenue, NW			Washington	DC	20006	
J Gregory Stone		1 Soldier Field Park # 605			Boston	MA	02163	
J. Roby		2510 N Henderson Ave Apt 1			Dallas	TX	75206	
J.C. Trident, Inc.		9035 Orlando Ave			Navarre	FL	32566	
J.P. Turner & Co		3060 Peachtree Rd NW	11th Floor		Atlanta	GA	60305	
Jack Boles Parking		PO Box 190326			Dallas	TX	75219-0326	
Jack Takacs		1440 Broadway	17th floor		New York	NY	10018	
JACK YANG		955 Park Ave.	Apt. 4W		New York	NY	10028	
Jackson Walker		PO Box 130989			Dallas	TX	75313-0989	
Jackson Walker LLP		PO BOX 130989			Dallas	TX	75313-0989	
Jackson, Jesse		Address Redacted						
JACOBS ENGINEERING GROUP		PO BOX 651063			Charlotte	NC	28265	
JAGADEESH REDDY		16 LONGVIEW RD			Avon	CT	06001	
Jain, Ajit		Address Redacted						
Jain, Ajit		Address Redacted						
Jain, Bhawika		Address Redacted						
Jain, Bhawika		Address Redacted						
JAKE AMBROSE		903 EAST VINE ST			Leroy	IL	61752	
Jake Istick		1007 East Levee			Dallas	TX	75207	
JAMAL CARTY		3225 TURTLE CREEK WAY			Dallas	TX	75219	
James A Shikett		1255 S Michigan Ave # 3210			Chicago	IL	60605	
James C. Merrill & Associates, Inc.		14677 Midway Rd, Site 203			Addison	TX	75001	
James D. Calver		191 Weed Avenue			Stamford	CT	06902	
James Edward		5224 Blackhawk Drive			Plano	TX	75093	
James Klein		7402 Lambton Park Rd			New Albany	OH	43054	
James Lamar		88 Morgan Street, Unit 4907			Jersey City	NJ	07302	
James Love		2606 Green Falls Court			San Antonio	TX	78258	
James Mathis Consulting LLC		3701 Braewood Circle			Plano	TX	75093	
JAMES PAGLIAROLI		1125 NE 91ST TERRACE			Miami Shores	FL	33138	
James Palmer		1141 Caroe Ln			Plano	TX	75023	
James R. Thompson		2929 Carlisle, Ste 300			Dallas	TX	75204	
James, Carter & Coulter, P L.C.		500 Broadway			Little Rock	AR	72203	
JAMESON, MATTHEW		Address Redacted						
JAMS, Inc		PO Box 512850			Los Angeles	CA	90051-0850	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
JAMS, Inc.		PO Box 512850			Los Angeles	CA	90051-0850	
Jane Rose Reporting Inc.		2547 State Hwy. 35	Suites 1&2		Luck	WI	54853	
Janet McGreal		3737 Atwell Street	No 201		Dallas	TX	75209	
JANIS ROGERS & ASSOCIATES		1545 W WOCKINGBIRD LN	STE 1032		Dallas	TX	75235	
Jansen & Palmer, LLC		4746 Elliot Avenue South			Minneapolis	MIN	55407	
JANULESKI, GEOFFREY J		Address Redacted						
Japan Alternative Investment Co Ltd		19th Floor, KDDI Otemachi Bldg	1-8-1 Otemachi, Chiyoda-ku		Tokyo		100-0004	JAPAN
Japanese Evangelical Missionary Society		948 East Second St			Los Angeles	CA	90012-4382	
Jardine, Jeffrey		Address Redacted						
Jardine, Jordan		Address Redacted						
Jaron Stern		348 S. Hauser Blvd # 114			Los Angeles	CA	90036	
Jason Chang		99 John St #220			New York	NY	10038	
Jason Fink		1315 Hicks Trail			Lucas	TX	75002	
Jason Goldsmith		110 Tripp Street			Bedford Corners	NY	10549	
JASON GREEN		13455 NOEL RD	STE 800		Dallas	TX	75240	
Jason Hoarell		4215 Shamans Dr			Marietta	GA	30062	
JASON KIRSCHNER		20 2ND ST, APT 502			Jersey City	NJ	07302	
Jason L. Janik		10419 Fern Drive			Dallas	TX	75238	
JASON SANTAMARIA		173 ROWAYTON WOODS DR			Norwalk	CT	06854	
Jason Vanacour		14675 Midway Road, Suite 100			Addison	TX	75001	
Jason Vanacour		9605 Southern Hills Drive			Plano	TX	75025	
oo Ogier Fiduciary Svcs (Cayman) Limited		PO Box 1234	Queensgate House, South Church Street		Grand Cayman			Cayman Islands
Jasper CLO, Ltd		14000 The Lakes Blvd	Apt 732		Plflugerville	TX	78660	
Jay Angotti		2411 Flint Lock Dr			Cleaverwater	FL	33765	
Jay Borikar		2725 Sand Hill Rd			Menlo Park	CA	94025	
Jay Gierak		PO Box 2210			Winter Park	FL	32790	
Jay M Cohen, PA		610 Ekman Dr			Batavia	IL	60510-8935	
Jay Sluis		1425 Garden St. #405			Hoboken	NJ	07030	
Jay Steigerwald		1112 Mariposa Drive			Austin	TX	78704	
JB Sigmon		9400 N Central Expressway	Suite 1201		Dallas	TX	75231	
JDRF Greater Dallas Chapter								
Jean-Francois Lemay		52 Harold Street			Etobicoke ON M8Z 3R3			CANADA
Jeff Cohen		3004 Susanne Court			Owing Mills	MD	21117	
Jeff Damesc		7533 100th Street SE			Caledonia	MI	49316	
Jeff Gilbert		140 Newport Center Dr.	Suite 200		Newport Beach	CA	92660	
Jeff Graham		5165 CR 2013			Glen Rose	TX	76043	
Jeff Habicht		1550 Bell Ave	No 2B		Chicago	IL	60622	
JEFF LIU		17935 BENCHMARK DR			Dallas	TX	75252	
Jeff Seaver		7 Vesper Street			Scarborough	ME	04074	
Jeff Turner		5828 Royal Crest			Dallas	TX	75230	
Jefferies								
Jeffrey Cohen	Ronald Wong	101 California Street 3004 Susanne Court	Suite 3100		San Francisco	CA	94111	
Jeffrey Dutton					Owing Mills	MD	21117	
Jeffrey Rose		406 Flat Mountain Rd 4953 W Vivaldi Dr			Saint Agatha	MA	04772-6016	
JEMS					Las Vegas	NV	89146	
Jenifer Jurrius		948 EAST 2ND ST			Los Angeles	CA	90012-4317	
JENKINS, AMY		15738 Seabolt Place			Addison	TX	75001	
JENNA BRIDGES		Address Redacted						
JENNER & BLOCK LLP		3355 BLACKBURN ST			Dallas	TX	75204	
Jenni Logan		353 N CLARK ST			Chicago	IL	60654-3456	
Jennifer Buntz		5165 CR 2013			Glen Rose	TX	76649	
JENNIFER JURRIUS		53 Legend Lane 13455 NOEL RD	STE 800		Houston	TX	77024	
JENNIFER LYNN HUNTSMAN TRUST					Dallas	TX	75240	
JENNIFER RICI	Attn BRIAN SHRUM	1 S MAIN ST 12TH FLR			Salt Lake City	UT	84111-1904	
Jennifer Woolton		499 E. Pascana St.			Meridian	ID	83646	
JENSEN, ASTRID		13330 Noel Rd			Dallas	TX	75240	
JENSEN, MARTY		Address Redacted						
Jeong, Sang K.		Address Redacted						
Jeremy Kross		1755 York Ave			New York	NY	10128	
Jeremy Simpson		5165 CR 2013			Glen Rose	TX	76649	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	City	State	Zip	Country
JERICHO SERVICES		2571 MERRELL RD		Dallas	TX	75229	
JEROME CARTER		1511 OAKHOLLOW DR		Allen	TX	75002	
Jesse Jackson		3504 Irvin Dr		Sachse	TX	75048	
Jessica Gimbel		9 West 31st Street	Apt #26E	New York	NY	10001	
Jessica Hoskings		3428 Asbury		Dallas	TX	75205	
Jessica Nalder		5165 CR 2013		Glen Rose	TX	76649	
Jessica Ogle		5165 CR 2013		Glen Rose	TX	76649	
Jesuit Alumni Homecoming		12345 Inwood Rd		Dallas	TX	75244	
Jetfi, Vikram		Address Redacted					
JEWISH FEDERATION OF GREATER DALLAS	Attn KAREN HANEY	JACOB FELDMAN BUILDING	7800 NORTHAVEN RD	Dallas	TX	75230	
JHAWER, SHANTANU		Address Redacted					
Jill Naponic		6559 Ridgemont Dr		Dallas	TX	75214	
Jillian Ashenbrenner		39 John Street	Apt 2a	New York	NY	10038	
Jim Pagliaroli		1125 NE 91ST TERRACE		Miami Shores	FL	33138	
Jimmy Cha	Attn Mac Thomas	Barpo Apt 106-501	Barpo-dong 958, Seocho-gu	Seoul			KOREA
LJB Hilliard, WL Lyons LLC		500 West Jefferson Street		Louisville	KY	40202	
JOCELYN FRANK FABIANGIC		3220 Ridgeland #209		Montreal	QC	H3V 1139	CANADA
Jocoy, Laura		Address Redacted					
Jocoy, Laura C.		Address Redacted					
JOE DOUGHERTY		303 Larsh Ln		Ada	OK	74820	
JOE DOUGHERTY		3313 Amherst Avenue		Dallas	TX	75225	
JOE EMMANUEL		10406 TRAIL CLIFF DR		Dallas	TX	75238	
Joe Farach		3965 Falls Ridge Drive		Alpharetta	GA	30022	
Joe Foster Company LLC		25 Highland Park Village	Suite 100-880	Dallas	TX	75205	
Joe Joyner		440 Park Ave		Clarendon Hills	IL	60514	
Joe Kingsley		1154 Haven Brook Lane NE		Atlanta	GA	30319	
Joe Laganza		515 Church Hill Road		Trumbull	CT	06611	
Joe Norton		Storey Hall, Room 306		Dallas	TX	75275	
Joe Scanlon		CRT Capital Holdings LLC	3315 Daniel Avenue	Stamford	CT	06902	
JOEL ESHBAUGH		PO BOX 993	262 Harbor Drive	Quechee	VT	05059	
Joel Zeff Creative		PO Box 979		Coppell	TX	75019	
Johanna McBroom		5165 CR 2013		Glen Rose	TX	76649	
JOHN A TOWNSEND, IOLTA	TAX PROCEDURE GROUP	5815 KIRBY DR, STE 830		Houston	TX	77005	
John Burer		500 Trinity Lane	No 4305	St. Petersburg	FL	33716	
John Caron		5 Alwood Avenue		Millbury	MA	01527	
John Chant		1170 Tuolumne Ct		Millbrae	CA	94030	
John Crocker		1641 Third Avenue, Apt. 21-HE		New York	NY	10128	
John Duval Associates		400 East 58th St Ste 10-S		New York	NY	10022	
John Duval Associates		446 Milan Hill Rd		Red Hook	NY	12571	
John F. Warren, Dallas County Clerk	Attn Central Records	600 Commerce St--B1		Dallas	TX	75202	
John Fink		2410 Alexander Ridge Blvd		Winter Garden	FL	34787	
JOHN FRUSHA		19110 HONORS POINTE CT		Baton Rouge	LA		
JOHN GALANTE		4658 PARMA LN		Frisco	TX	70810-7925	
John Gavin		8849 Ashgrove House Lane		Vienna	VA	22182	
John Guagliardo		4916 Clearwater Lane		Naperville	IL	60564	
John Hancock Life Insurance		PO Box 894764		Los Angeles	CA	90189-4764	
John Hare		21 Old Farm Rd		Darien	CT	06820	
JOHN HENNEGAN		211 EAST OHIO ST, APT 1915		Chicago	IL	60611	
John Holmes		57 Bear Claw Ct.		Wentzville	MO	63385	
John Howard		3000 Kramer Lane	Apt 1327	Austin	TX	78758	
JOHN HUNTINGTON		126 WEST 86TH		New York	NY	10024	
John Ly		345 E. 83rd St., Apt 29		New York	NY	10028	
John Martin		5519 NW 81st Terrace		Kansas City	MO	64151	
John Mayeron		5445 Caruth Haven Ln	No 924	Dallas	TX	75225	
JOHN MELTON		9868 SAINT MICHAEL'S LANE		Bridgewater	VA	22812	
JOHN MORGAN		3805 Park Place		Addison	TX	75001	
JOHN MORRIS		2747 E MELONY DR		Salt Lake City	UT	84124-3051	
John Parichenko		9208 Lake Ridge Dr.		Clarkston	MI	48348	
John Paul Raffo		5680 Pageland Ln.		Gainesville	VA	20155	
John Perkins		323 Yadin Drive		Raleigh	NC	27609	
John R Ames, CTA		PO Box 13066		Dallas	TX	75313-9066	
John R Ames, CTA		Records Bldg, 500 Elm St	P.O Box 139033	Dallas	TX	75313-9033	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
John R. Watkins		3015 Compton Court			Alpharetta	GA	30022	
John Reineberg		500 E 77th St, Apt 1806			New York	NY	10162	
John Roby		2510 N Henderson Ave	Apt 1		Dallas	TX	75206	
John Seng		1508 Darnley Ln			Houston	TX	77077	
John Yang		955 Park Ave	Apt 4W		New York	NY	10028	
JOHN, KYLE		Address Redacted						
Johnston Tobey Baruch, P.C.		3308 Oak Grove Avenue			Dallas	TX	75204	
Jolies Associates, Inc.		PO Box 930			Great Falls	VA	22066	
JON BURKE		31 DARLENE DR						
JON MARTIN		2114 NORTON RD			Southborough	MA	01772	
JON TAYLOR		16470 BEACONS JET COURT			Charlotte	NC	28207	
JONATHAN MANO		8100 AMBANCE WAY			Garden Valley	TX	75771	
Jones Day		555 South Flower St	50th floor		Piano	TX	75024	
Jones Reporting Company Inc		Two Oliver Street			Los Angeles	CA	90071	
Jones Roach & Carlingella, Inc.		2221 Camino del Rio South			Boston	MA	02109	
JONES, DAVID		Address Redacted	Suite 202		San Diego	CA	92108	
Jones, Michael		Address Redacted						
Jones, Owen		Address Redacted						
JONES, ROBERT		Address Redacted						
Jones, Terrence O.		Address Redacted						
Jordan Fraker Photography		8806 San Fernando Way			Dallas	TX	75218	
Jordan Kahn Music Company		3941 Legacy Drive	No 204 A-225		Piano	TX	75023	
Jordan Malouf		Jordan Malouf	5501 Marquette Dr		Piano	TX	75093	
Jordan Thompson		1531 W 78th St, Apt #516			Tulsa	OK	74132	
Jordan, Hyden, Womble & Culbreth P.C.		500 N Shoreline, Ste 900N			Corpus Christi	TX	78471	
JORDEN BURT		Address Redacted						
JORDEN MICAH		777 BRICKELL AVE	STE 500		Miami	FL	33131-2803	
JORGE JARAMILLO		6256 MCCOMMAS BLVD			Dallas	TX	75214	
Jose Antonio Blanco & Asociados		Valentin Vergara 1675	1602 Florida		Buenos Aires	TX	76649	ARGENTINA
Jose Ontiveros		5165 CR 2013			Glen Rose	TX	76049	
Josef Yehia		1717 Toomey Rd	Apt 341		Austin	TX	78704	
JOSEPH BIDLOKA		343 S DEARBORN ST	APT 1608		Chicago	IL	60604	
Joseph Kevin Ciavara		10 Liberty Street, Apt 4F/5F			New York	NY	10005	
Joseph R Pinkston III		5814 Falls Rd			Dallas	TX	75225	
Josh & Jenn Terry		Rogge Dunn Group, PC	500 N Akard Street, Suite 1900		Dallas	TX	75201	
Josh Bock		3611 Harvard Ave.			Dallas	TX	75205	
Josh Phillips		847 Garden St			Hoboken	NJ	07030	
Josh Terry		3509 Princeton Avenue			Dallas	TX	75205-3246	
Altn Rakhee V. Patel, Winstead PC		500 Winstead Building	2728 N. Harwood Street		Dallas	TX	75201	
Joshua Tree Feeding Program Inc		1601 W Indian School Rd			Phoenix	AZ	85015	
Joy Squad Dallas		1725 Prescott Drive			Flower Mound	TX	75028	
JP Morgan		ITS Fee Billing	PO Box 911953		Dallas	TX	75391-1953	
JP Morgan		WSS GLOBAL FEE BILLING	PO BOX 26040		New York	NY	10087-6040	
JP MORGAN HEDGE FUND SERVICES		ONE BEACON ST, 19TH FLR			Boston	MA	02108	
JP Sevilla		2465 Chestnut Street	No 102		San Francisco	CA	94123	
JP Morgan Chase Bank	Worldwide Securities Services	600 Travis Street, 50th Floor			Houston	TX	77002	
JP Morgan Clearing Corp	Altn Metrotech Center North	1 Metro Tech Center # 1			Brooklyn	NY	11201	
JPMORGAN FCS		13455 Noel Rd, Ste 1150			Dallas	TX	75240	
JPMORGAN FCS		WSS GLOBAL FEE BILLING	PO BOX 26040		New York	NY	10087-6040	
JT Magen & Company Inc		44 West 28th Street	11 th floor		New York	NY	10001	
Judy Chamberlin Entertainment		2604 Medline Ct			Southlake	TX	76092	
Junplaine, Inc. Web Hosting		111 2nd Ave NE	Suite 620		St Petersburg	FL	33701	
JUN HONG HENG		311 E 25TH ST, APT 1F			New York	NY	10010	
JUNG, KEVIN		Address Redacted						
Altn Shelley Strickland		1201 W Executive Dr			Richardson	TX	75081	
JUNIOR LEAGUE OF DALLAS		8003 INWOOD RD			Dallas	TX	75209	
Justin Carfora		201 Commons Park South Unit 1606			Stanford	CT	06902	
Justin Gould		419 Dalewood Dr			Orinda	CA	94563	
Justin Nabours		5165 CR 2013			Glen Rose	TX	76649	
Justin Smith		2598 Violet Street			Glenview	IL	60026	
Juvenile Diabetes Research Foundation		26 Broadway	14th Floor		New York	NY	10004	
JW Cole Financial, Inc.		11811 N. Tatum Blvd	Ste 3055		Phoenix	AZ	85028	
JW Marriott Essex House NY		160 Central Park South			New York	NY	10019	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
K & L Gates LLP		Suite 2800	1717 Main Street		Dallas	TX	75201	
K&L Gates LLP		State Street Financial Center	One Lincoln Street		Boston	MA	02111-2950	
Kadleck & Associates		555 Republic Dr, suite 115			Plano	TX	75074	
KAHR REAL ESTATE SERVICES LLC		139 FULTON ST			New York	NY	10038	
KAI CHEN		10634 MARQUIS LANE	STE 319		Dallas	TX	75229	
Kane Environmental Engineering, Inc.		8816 Big View Dr			Austin	TX	78730	
KANE RUSSELL COLEMAN & LOGAN PC		3700 THANKSGIVING TOWER	1601 ELM ST		Dallas	TX	75201	
Kansas Corporate Tax		Department of Revenue	915 SW Harrison Street		Topoka	KS	66612-1588	
Kansas Independent Oil & Gas Association		229 E. William	Suite 211		Wichita	KS	67202-4027	
Kapil Mathur		16 Queen Mary Ct			Sugar Land	TX	77479	
Kaplan Voekler Cunningham & Frank PLC		PO Box 2470			Richmond	VA	23218-2470	
KAREL, TRAVIS		Address Redacted						
Karen Weiss		14020 Far Hills Lane			Dallas	TX	75240	
Karl Eiseleben		3 Valley Ridge Rd			Harrison	NY	10528	
KARL FARMER		5506 Azalea Trail Lane			Sugar Land	TX	77479	
Karthik Bhavaraju		79 Forest Dr. #A			Springfield	NJ	07081	
Kase Kinney		1901 Brown Street			Philadelphia	PA	19130	
Kasey Drinnon		810 E. Johnston			Rotan	TX	79546	
kasina, LLC		581 Avenue of the Americas	5th Floor		New York	NY	10011	
KASOWITZ, BENSON, TORRES & FRIEDMAN LLP		1633 BROADWAY			New York	NY	10019-6799	
Kastle Systems		PO BOX 75160			Baltimore	MD	21275-5160	
Kathryn Plouff		4347 Brookview Dr			Dallas	TX	75220	
KathrynMuchinRosenman LLP		525 W Monroe St			Chicago	IL	60661-3693	
Katthik Bhavaraju		79 Forest Drive # A			Springfield	NJ	07081	
KAUFFMAN, PAUL		Address Redacted						
Kavita Naik		25 Far Horizons Drive			Bethel	CT	06801	
KCD Financial	Attn Vicki Berger	3061 Allied St, Ste B			Green Bay	WI	54304	
KOD Financial, Inc.		3061 Allied St.	Suite B		Green Bay	WI	54304	
KEARNEY, JOSEPH		Address Redacted						
KEARNEY, JOSEPH D.		Address Redacted						
KEITH BECKMAN		4328 Grassmere Lane			Dallas	TX	75205	
Keith Bowers		2817 Country Club Rd			Pantego	TX	76013	
Keith Dunlap		213 Kelvington Way						
Keith Gorman		88 Bleecker St	Apt 2K		Peachtree City	GA	30269	
Keith Schneider		675 Sharon Park Drive # 204			New York	NY	10012	
Kelan Advisors		PO Box 122			Menlo Park	CA	94025	
Keller Williams	c/o Paula Barbee	2101 Summer Lee Drive #209			Lexington	MA	02420	
KELLOGG		KELLOGG ALUMNI CLUB	7040 BROOKSHIRE DR.		Rockwall	TX	75032	
Kellogg Huber Hansen Todd Evans					Dallas	TX	75230	
Kelly Bennett		1615 M Street N.W.	Ste 400		Washington	DC	20036-3209	
Kelly Correll		955 Massachusetts Ave #179			Cambridge	MA	02139	
KEN KAPADIA		7121 E Rancho Vista Dr	Unit 4005		Scottsdale	AZ	85251	
KEN KUNIMOTO		13455 NOEL RD	STE 800		Dallas	TX	75240	
Ken Owen & Associates		1095 FAIRVIEW LANE			Fort Lee	NJ	07024	
Ken Paxton Campaign		801 West Ave			Austin	TX	78701-2207	
Kendall + Landscape Architecture		1505 Elm Street, #1601			Dallas	TX	75201	
Kendall Best		8150 North central Expressway, ste 701	Campbell Centre II		Dallas	TX	75206	
Kennecott Funding Ltd		520 Winslow Ave.			Long Beach	CA	90814	
Kennedy DMC Austin	c/o Guggenheim Partners	330 Madison Ave, 11th Floor			New York	NY	10017	
KENNETH BELLAIRE		5810 Trade Center Dr	Suite 500		Austin	TX	78744	
Kenneth Daewoo Park		1135 W LILL AVE	APT 2E		Chicago	IL	60614	
Kenneth L Maun	Tax Assessor Collector	1325 Pacific Highway	Unit 402		San Diego	CA	92101	
		Collin County	PO Box 8046		McKinney	TX	75070	
Kenneth L. Maun		PO Box 8046			McKinney	TX	75070-8046	
Kenneth Tharp		5942 Douglas Rd			Smithton	IL	62285	
Kenny Juarez		17 John Street	Apt 7C		New York	NY	10038	
Kensho Technologies, Inc.		17 Dunster St	Suite 300		Cambridge	MA	02138	
KENT CAPPS		625 W MADISON ST #1807			Chicago	IL	60661	
Kent Gaizki		813 Whitehall			Plano	TX	75023	
Kentucky State Treasurer	Division of Securities	1025 Capital Center Drive, Suite 200			Frankfort	KY	40601	
KERA		3000 Harry Hines Blvd			Dallas	TX	75201	
Kersmar & Feltus PLLC		6263 N. Scottsdale Rd	Suite 320		Scottsdale	AZ	85250	
Kerns, Brian		Address Redacted						
Kerri Kearney		48 Susan Ave			Midland Park	NJ	07432	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
KEVIN CLEARY		7 DOUGLAS DR			Long Valley	NJ	07853	
Kevin Dowd		631 N. Stephanie Street	No 216		Henderson	NV	89014	
Kevin Dunwoode		404 East 78th Street, #SH			New York	NY	10021	
KEVIN ETHRIDGE		13740 MONTFORT DR			Dallas	TX	75240	
KEVIN LATIMER		4223 BORDEAUX			Dallas	TX	75205	
Kevin Messerle		91 Westwood Rd			Fairfield	CT	06825	
Kevin Potts		5745 Ballantiae Circle			Dublin	OH	43016	
Kevin Price		63 Drake Lane			West Lebanon	NH	03784	
KEVIN ROURKE		3308 WESTMINSTER AVE			Dallas	TX	75205	
KEVIN SHAHBAZ		4100 TRAVIS ST			Dallas	TX	75204	
KeyBank National Association	as Administrative Agent	225 Franklin Street, 18th Floor			Boston	MA	02110	
KeyBank National Association	as Agent	127 Public Square			Cleveland	OH	44114	
KeyBank National Association	Attn KREC Loan Services	4910 Tiedman Road	3rd Floor		Brooklyn	OH	44144	
KFORCE PROFESSIONAL STAFFING		PO BOX 2277997			Atlanta	GA	30384-7997	
KidLinks		6387B Camp Bowie Blvd	No 278		Fort Worth	TX	76116	
KidLinks Foundation		5485 Bell Line Rd	Suite 400		Dallas	TX	75254-7604	
Kiely, Thomas		Address Redacted						
Kieran Brennan		295 Park Avenue South	APT 12N		New York	NY	10010	
Kilcullen & Company		150 N. Radnor Chester Rd.	Suite C210		Radnor	PA	19087	
KILLEBREW, MATT		Address Redacted						
Kim & Chang		Seyang Building, 223 Naeja-dong	Jongno-gu		Seoul		110-720	KOREA
Kim Dawson Agency		1645 Stemmons Freeway	Suite #B		Dallas	TX	75207	
Kim Leslie Shaler		37 West 93rd Street	No 30		New York	NY	10025	
Kim R. Kunz		6645 Morro Rd.			Atascadero	CA	93422	
Kim, Austen		Address Redacted						
KIM, HELEN		Address Redacted						
Kinder, Travis		Address Redacted						
KING & SPALDING LLP		1180 Peachtree St NE			Atlanta	GA	30309-3521	
KING & SPALDING LLP		PO Box 116133			Atlanta	GA	30368-6133	
Kingwood Administrative Services		15 Golf Linds Ct			Kinwood	TX	77339	
Kingwood Forestry Service, Inc		PO Box 1290			Monticello	AR	71657	
Kingwood Forestry Services, Inc		145 Greenfield Drive			Monticello	AR	71655	
Kinney Recruiting LP		106 E 8th St Ste 300			Austin	TX	78701	
Kinsley & Associates, LLC		6732 West Coal Mine Avenue	No 500		Littleton	CO	80123	
Kirby Noel		32 Vista Trail			Wayne	NJ	07470	
Kirkland & Ellis		153 E 53RD ST			New York	NY	10022-4611	
Kirkland & Ellis		777 S Figueroa St Ste 3700			Los Angeles	CA	90017	
Kirkpatrick Lockhart Preston Gates Ellis		1601 K Street NW			Washington	DC	20006-1600	
Kirkpatrick Lockhart Preston Gates Ellis		SUITE 2800	1717 MAIN ST		Dallas	TX	75201	
Klee, Tuchin, Bogdanoff & Stern		2121 Ave of the Stars, Flr 33			Los Angeles	CA	90067	
Kleinberg, Kaplan, Wolff & Cohen		551 Fifth Ave 18th Flr			New York	NY	10176	
Kline & Kline		8117 Preston Rd, Ste 300			Dallas	TX	75225	
Klisares, Michael		Address Redacted						
KLOS, DAVID		Address Redacted						
Klosters Trading Corporation		61 Heather Lane			Williston	VT	05495	
KMS Financial Services, Inc.		2007 Sixth Avenue, Suite 280			Seattle	WA	98121-9833	
Kned365 US, Inc.		PO Box 3685			Boston	MA	02241-3685	
KNIGHT ELECTRICAL SERVICES CORP		111 8TH AVE	STE 526		New York	NY	10011-5298	
KNIGHT ELECTRICAL SERVICES CORP		599 11th Avenue			New York	NY	10036	
Knights of Columbus		2280 Springlake Road			Dallas	TX	75234	
Knott, Brandon		Address Redacted						
Knott, Brandon		Address Redacted						
Knott, Brandon		Address Redacted						
Knox, Haley		Address Redacted						
KNUTSON, DEREK		Address Redacted						
Koch Companies Public Sector, LLC		PO Box 93901			Chicago	IL	60673	
Kody Krause		5165 CR 2013			Glen Rose	TX	76649	
Komen Dallas Race for the Cure		765 NorthPark Center			Dallas	TX	75225	
Komen Dallas Race for the Cure		12820 HILLCREST	STE C105		Dallas	TX	75230	
Korea Chonha Translation Co., Ltd.		1024 Manhattan Bldg. 36-2	Yeungdeungpo-gu		Seoul		150-746	KOREA
Korea Standard Transl Center Co. Ltd.		S-701, Garden 5 Works	Munjeong-dong Songpa-gu		Seoul		138-200	KOREA
KORNGUT, BRYAN		Address Redacted						
KORTLANDER, MATTHEW		Address Redacted						
KORTLANDER, MATTHEW A.		Address Redacted						
Kouzmenko, Svetlana		Address Redacted						

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Kovack Securities Inc.		6451 N. Federal Hwy/ Address Redacted	Suite 1201		Fl. Lauderdale	FL	33308	
Kovelan, Kari J.		3 Chesnut Ridge Rd			Monvale	NJ	07645	
KPMG LLP								
KRAMER LEVIN NAFTALIS & FRANKEL LLP		1177 AVENUE OF THE AMERICAS			New York	NY	10036-2714	
Kramer Nelson		2520 Clark Street	Apt 719		Dallas	TX	75204	
Krishnan, Prasad		Address Redacted						
Kroll Associates, Inc.		475 Sansome Street	Suite 510		San Francisco	CA	94104	
Kromann Reurnert		Sundkrogsade 5			Copenhagen		DK-2100	DENMARK
Kryzer, Damon		Address Redacted						
KUCHLER, TOM		Address Redacted						
Kuehn, Richard		Address Redacted						
KULWICH, STEPHANIE		Address Redacted						
Kuperman, Orr & Albers PC		2801 Via Fortuna	Suite 430		Austin	TX	78746	
KURATTI, MOHAN		Address Redacted						
KURT DAUM		7503 Rocking Horse Lane			Boerne	TX	78015	
KURT DAUM		8700 Star Ranch Road	No 3301		Fair Oaks Ranch	TX	78015	
KURT PLUMER		4725 Jerral Dr.			Frisco	TX	75034	
Kurtosys Systems Inc.		134 5th Ave	3rd Floor		New York	NY	10011	
KWOK, NAMI		Address Redacted						
L.A. Fuess Partners		3333 Lee Pkwy, Ste 300			Dallas	TX	75219	
L.C. Kirk & Co		101 W Argonne	Ste 16		Saint Louis	MO	63122	
LABADIE, MICHAEL		Address Redacted						
Lackey Hershman LLP		3102 Oak Lawn, Ste 777			Dallas	TX	75219-4241	
Lackey Hershman LLP	Paul Lackey, Esq.	Sinson LLP			Dallas	TX	75219	
LAFFER ASSOCIATES		103 Murphy Court			Nashville	TN	37203	
LAH Investments, LLC		4 Circle Drive			Rumson	NJ	07660	
Lamba, Menka		Address Redacted						
LAMENSDORF, JONATHAN		Address Redacted						
Lampighieri Parents Association		11611 Inwood Road			Dallas	TX	75229	
Landmark Graphics Corp		10200 Bellaire Blvd			Houston	TX	77072	
Landmark Graphics Corp		2107 CityWest Blvd	Building 2		Houston	TX	77042-2827	
Landmark Graphics Corporation		PO Box 301341			Dallas	TX	75303-1341	
Landmark Graphics Corporation		10200 Bellaire Blvd			Houston	TX	77072-5299	
Landon Patterson		200 CR 180			Leander	TX	78641	
Landpro Corporation		21755 L45 North	Building 7		Spring	TX	77388	
Landry, John		Address Redacted						
Lanier Worldwide, Inc.		PO Box 105533			Atlanta	GA	30348-5533	
Larkin, William		Address Redacted						
LAROCHE PETROLEUM CONSULTANTS, LTD		4600 GREENVILLE AVE						
LaRoche Petroleum Consultants, Ltd.		2435 N. Central Expwy	STE 160		Dallas	TX	75206	
LARRY LINDSEY		13455 NOEL RD	Suite 1500		Richardson	TX	75080	
LARRY LINDSEY		7309 DANASHIRE AVE	STE 800		Dallas	TX	75240	
Lars Enstrom		14 Witches Lane			Highlands	TX	75231	
LARSEN, JESS S.		Address Redacted				NJ	07732	
LARSON & MCGOWIN INC.		254 NORTH JACKSON ST	PO BOX 2143		Mobile	AL	36652	
Laser App		222 Valley Creek Blvd, Ste 300			Exton	PA	19341	
Laser App		3190 Shelby Street			Ontario	CA	91764	
LATENTZERO INC		160 Federal Street	Suite D-100		Boston	MA	02110	
LATENTZERO INC		Dept CH 16755	16 th Floor		Palatine	IL	60055-6755	
LATENTZERO INC		PO BOX 415437	16TH FLR		Boston	MA	02241	
Lateral Group NA, LLC		5516 Collection Ctr Drive			Chicago	IL	60693	
LATHAM & WATKINS LLP		PO BOX 7247-8181			Philadelphia	PA	19170-8181	
LATIMER, KEVIN		Address Redacted						
Latin Markets		10 W. 37th St	7th Floor		New York	NY	10018	
LatinFinance		Subscriptions	PO Box 4009		Chesterfield	MO	63006-4009	
Lattig, Larry		Address Redacted						
LAURA KNIPP		13455 NOEL RD	STE 800		Dallas	TX	75240	
Lauren A. Coleman		315 Berry St. #302			Brooklyn	NY	11211	
Lauren Brady		311 East 81st Street	Apt 4FW		New York	NY	10028	
LAUREN HOLLAND		56 PINE ST	APT 15E		New York	NY	10005	
Lauren Okada		13455 Noel Rd	suite 800		Dallas	TX	75240	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Lauren Powell		5165 CR 2013			Glen Rose	TX	76649	
Lauren Rochie		212 North 4th Street			Brooklyn	NY	11211	
Lauren Seiker		1025 N Honore Street	Apt 4A		Chicago	IL	80622	
Lauren Selevan		240 W. 10th St	No 2		New York	NY	10014	
Laurie Whetstone		15 Calypso Lane	No 31		San Carlos	CA	94070	
Law Debenture Corporate Services Limited		Fifth Floor	100 Wood Street		London	EC2V 7EX	UK	
LAW JOURNAL PRESS		PO BOX 18105			Newark	NJ	07191-8105	
Law Office of Michael R. Boling		2305 W. Parker Rd	Suite 203		Piano	TX	75023	
Law Office of Sean F. Oshea		90 Park Ave, 20th Flr			New York	NY	10016	
Law Offices of Art Brender		600 Eighth Avenue			Fl. Worth	TX	76104	
LAW OFFICES OF CHAPMAN & CUTLER		PO BOX 71291			Chicago	IL	60694	
Law Offices of Charles Renfrew		710 Sansome St			San Francisco	CA	94111-1704	
LAW OFFICES OF CHRISTOPHER NOLLAND		1717 MAIN ST			Dallas	TX	75201	
LAWLER DONT USE, TIMOTHY		Address Redacted	STE 5550 LB 39					
LAWLER, TIMOTHY		Address Redacted						
Lawrence A. Hanemesh		4601 Concord Pike			Wilmington	DE	19803	
Lawrence Labanowski		600 Studemont St	Apt 1210		Houston	TX	77007	
LAWRENCE, SUZANNE		Address Redacted						
Lawyers Title of Arizona, Inc.		3131 E. Camelback Rd	Suite 220		Phoenix	AZ	85016	
LB GROUP, LLC	Altn J LYONS BREWER	274 RIVERSIDE AVE			Westport	CT	06880	
LE, ELLI		Address Redacted						
LEAK, ELIZABETH		Address Redacted						
LEAP Foundation		9101 N Central Expressway	Suite 600		Dallas	TX	75231	
LED ENTERPRISES, INC.		11131 SHADY TRAIL			Dallas	TX	75229	
LEDERMAN, SHAWN		Address Redacted						
Lee Lord		7510 Kings Ridge Rd			Frisco	TX	75035	
Lee Park and Arlington Hall Conservancy		3333 Turtle Creek Blvd.			Dallas	TX	75219	
Lee, Dylan		Address Redacted						
Lee, Jae		Address Redacted						
LEE, JEFFREY		Address Redacted						
Lee, Shawn		Address Redacted						
Lee, Woerjun		Address Redacted						
Legal Concierge, Inc.		3975 McCreary Road			Parker	TX	75002	
LegalLink Dallas		PO Box 277951			Atlanta	GA	30384	
LegalLink Dallas		PO Box 538481			Atlanta	GA	30353-8481	
LegalSource LS, LLC		601 West 5th St, Ste 240			Los Angeles	CA	90071	
LEGG, BRIAN		Address Redacted						
Leif M Clark Consulting PLLC		PO Box 2876			San Antonio	TX	78299	
LEMME, MATTHEW		Address Redacted						
LEMUS, LUIS		Address Redacted						
LEMUS, LUIS C.		Address Redacted						
LENGE, ANDREW		Address Redacted						
LEO, EDWARD		Address Redacted						
Leonard Bucyorny		684 Hao St			Honolulu	HI	96821	
LESIE GILB TAPLIN LIVING TRUST		11693 SAN CICIENTE BLVD #807						
LESLIE HARRIS		13455 NOEL RD	STE 800		Los Angeles	CA	90049-5124	
Leslie Kwang		3210 Louisiana Street	Apt 1224		Dallas	TX	75240	
Leung, Timothy		Address Redacted			Houston	TX	77006	
LEVENTON, ISAAC		Address Redacted						
Lewinger PC		1445 Ross Avenue	Suite 2500		Dallas	TX	75202	
Lewis & Salomao Advogados		AV. Brog Faria Lima, 2601-12oAndar	CEP 01452-924		Sao Paulo-SP	BRAZIL		
Lewis J. Shuster		421 Birdoon Terrace			Endicott	CA	92024	
Lewis Silk LLP		5 Chancery Lane	Cliffords Inn		London	EC4A 1BL	UK	
Lewis, Rice & Fingersh, L.C.		500 N Broadway, Ste 2000			Saint Louis	MO	63102-2147	
Lexecon		332 S. Michigan Ave.			Chicago	IL	60604-4397	
LexisNexis		PO Box 733106			Dallas	TX	75373-3106	
Lexlias		P.O. Box 734298	Dept. 2012		Dallas	TX	75373-4298	
LHWL		PO Box 38011			Dallas	TX	75238	
Li, Chaoyi		Address Redacted						
Liberty CLO, Ltd.	c/o Walkers SPV Limited	PO Box 908GT, Walker House	Mary Street, George Town		Grand Cayman			Cayman Islands
Liberty Life Assurance Co of Boston		Group Benefits						
LIDDLE, BRIANNE		Address Redacted	PO Box 2658		Carol Stream	IL	60132-2658	
Life Fitness		156 Oak Trail			Coppell	TX	75019	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
LIFE INSURANCE COMPANY OF NORTH AMERICA		PO BOX 13701			Philadelphia	PA	19101-3701	
Lighthouse Document Solutions		2520 Caroline			Houston	TX	77004	
Lighthouse Document Solutions		723 Main St	Suite 430		Houston	TX	77002	
Lightpath Capital, Inc.		1453 Third Street Promenade	Suite 315		Los Angeles	CA	90401	
Lincoln Discovery Services, Inc.		42 Nevada Ave			Long Beach	NY	15161	
Lincoln Financial Advisors Corp.		18400 Von Karman, Ste 400			Irvine	CA	92612	
Lincoln Financial Advisors Corp.		1 Independent Drive	Suite 2901		Jacksonville	FL	32202	
Lincoln Financial Advisors Corp.	Attn Trish Kendregan, FBO David Chazin	1300 S. Clinton Street, 1H-53			Fort Wayne	IN	46802	
Lincoln Financial Advisors Corp.		Trish Kendregan	1300 S. Clinton St, IH-53		Fort Wayne	IN	46802	
LINDEN, RICHARD		Address Redacted						
Lindsey McCully		8877 SOUTHWESTERN Blvd #114			Dallas	TX	75206	
Lindsey Norman		120 Towne Street	Unit 638		Stamford	CT	06902	
LINDY HEATHERINGTON		13455 NOEL RD	STE 800		Dallas	TX	75240	
Linear Technologies		259 West 30th Street	Suite 201		New York	NY	10001	
LinkedIn Corporation		62228 Collections Center Drive			Chicago	IL	60693-0622	
Linsco/Private Ledger		9785 Towne Centre Dr			San Diego	CA	92121-1968	
LINVEL, SHANNON		Address Redacted						
Lipper Inc		PO Box 417148			Boston	MA	02241	
LiquidFiles		PO Box 2403			North Parramatta	NSW	01750	AUSTRALIA
Lisa Bock		5020 Oxford Ave			Edina	MIN	55436	
Lisa Joseph		1 New York Plaza, 42nd Floor			New York	NY	10004	
Lisa Miller		13455 Noel Rd			Dallas	TX	75240	
LISA RIDLEY		600 S COMMONWEALTH AVE	DEPT 322		Los Angeles	CA	90005	
Litigation Paralegals, LLC		1717 McKinney Avenue	Suite 700		Dallas	TX	75202	
Litigation Research		15 Golf Links Court			Kingwood	TX	77339-5335	
Litigation Solution, Inc.		901 Main St Concourse 121			Dallas	TX	75202	
Litigation Research		15 Gif Lknks Ct			Kingswood	TX	77339	
Little Forney Crossing, Ltd.	c/o Standridge Companies, Ltd	3008 E. Hebron Pkwy, Bldg 300			Carrollton	TX	75010	
Littler Mendelson, PC		PO Box 45547			San Francisco	CA	94145-0547	
LIU, JEFF		Address Redacted						
Live Healthy America		1300 Walnut Street	Suite 100		Des Moines	IA	50309	
LiveWire Technologies, Inc.		PO Box 550			Little Elm	TX	75068	
Lizarazo, Mireya		Address Redacted						
Laughing Llama Productions	Attn Robert Briscoe	11 Moller St			Tenafly	NJ	07670	
LLOYD GROUP		PO BOX 1374 MIDTOWN STATION			New York	NY	10018	
LLOYD, ANDREA K.		Address Redacted						
LNR and Associates		9426 Chimney Corner Lane			Dallas	TX	75243	
Loan Syndications and Trading		366 Madison Ave	15th Floor		New York	NY	10017	
Loan Syndications and Trading	Attn Alicia Sansone	366 Madison Ave, 15th Floor			New York	NY	10017	
Loan Syndications and Trading	Attn LORENA DELUCA	360 MADISON AVE, 16TH FLR			New York	NY	10017	
Locke Liddell & Sapp LLP		PO Box 911541			Dallas	TX	75391-1541	
Lockton Companies of Dallas		PO Box #671195			Dallas	TX	75267-1195	
Loews Coronado Bay Resort		4000 Coronado Bay Road			Coronado	CA	92118	
Loews Las Vegas Resort		101 Montelago Blvd			Henderson	NV	89011	
Logan Allin		2845 California Street	No 310		Mountain View	CA	94040	
LogMeIn, Inc.		PO Box 50264			Los Angeles	CA	90074-0264	
LogLink		3001 LBJ Freeway Ste 103			Dallas	TX	75234	
LOHRDING, BRIAN		Address Redacted						
LOIBEN, TARA J.		Address Redacted						
LOMBARDI, CHRISTOPHER		Address Redacted						
London Stock Exchange		10 Paternoster Square			London			UK
Longhorn Credit Funding, LLC	c/o Lord Securities Corp.	48 Wall Street, 27th Floor	Attn Secretary		New York	NY	10005	
Looper Reed & McGraw P.C.		1601 Elm St, Ste 4600			Dallas	TX	75201	
Loren Jackson, District Clerk	Att Civil/Family Post Trial	PO Box 4651			Houston	TX	77210-4651	
Lori Hosea		6275 Polo Drive			Cumming	GA	30040	
LOSEY, NICHOLAS		Address Redacted						
LOUGHLIN MEGHUI + COMPANY, INC.		148 MADISON AVE	8TH FLOOR		New York	NY	10016	
LOUGHLIN MEGHUI + COMPANY, INC.		220 West 42nd Street, 9th Floor			New York	NY	10036	
Louis Dessaint		2019 Allen Street	Unit 3013		Dallas	TX	75204	
LOVELACE, NAOMI		Address Redacted						

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Lowenstein Sandler PC		65 Livingston Ave			Roseland	NJ	07068	
Loyal Source		3504 Lake Lynda Drive	Suite 175		Orlando	FL	32817	
Loyens Loeff		Woluwe Atrium			Brussels		1200	BELGIUM
Loyola University- Barnett Professorship	Attn Traci Wolff	Loyola University New Orleans	Neerveldstraat 101-103 7214 St. Charles Ave., Campus Box 909		New Orleans	LA	70115	
LPGP Connect		98 Mereway Road			Twickenham		TW2 6RG	UK
LPL Financial	Attn Accounts Receivable	PO Box 502308			San Diego	CA	92150-2308	
LPL Financial	Attn Client Comp Dept	4707 Executive Dr			San Diego	CA	92121-3091	
LPL Financial	Attn Comp Dept FBO Sid Lorio	4707 Executive Drive			San Diego	CA	92121-3091	
LPL Financial		PO Box 502308			San Diego	CA	92150-2308	
Lucas Associates, Inc.		PO Box 638364			Cincinnati	OH	45263-8364	
Lucas Group		PO Box 406672			Atlanta	GA	30384-6672	
LUCAS VOILES		3110 THOMAS AVE			Dallas	TX	75204	
LUCHEY, BRITTANY		Address Redacted						
LUCIDITY CONSULTING GROUP LP	Attn ROBIN PARSONS	1300 LOOKOUT DRIVE	SUITE 225		Richardson	TX	75082	
LUI VINCENT		Address Redacted						
Luis Gomez		38 Maple Hill Drive			Larchmont	NY	10538	
Luis Lopez		3214 Milby Ave			Wichita Falls	TX	76308	
Luke Okada		13455 Noel St	Suite 800		Dallas	TX	75240	
Lumension Security, Inc.		PO Box 912806			Denver	CO	80291-2806	
Luna, Jose		Address Redacted						
LUNNEY, BRITTANY		Address Redacted						
Lutheran High School	c/o Hannah Culburtson	9531 Milltrail			Dallas	TX	75238	
Luu, Joye		Address Redacted						
LVOVICH, YARASLAV		Address Redacted						
Lynn Pinker Cox & Hurst, L.L.P.		2100 Ross Ave	Suite 2700		Dallas	TX	75201	
Lynn Pinker Cox & Hurst, L.L.P.		Lynn Pinker Cox & Hurst, LLP	2100 Ross Avenue, Ste 2700		Dallas	TX	75201	
LYNN, PHAM & ROSS, LLP	Michael K. Hurst, Esq.	PO BOX 190466			Dallas	TX	75219-4129	
Lynne Fiske		2602 McKinney Ave			Dallas	TX	75204	
Lynn Capital, LLC		10900 Wilshire Blvd Ste 300			Los Angeles	CA	90024	
Lyon Wealth Management Inc.		14646 N Kierland Blvd, Ste 125	HighTower Advisors		Scottsdale	AZ	85254	
LYON, RICHARD D.		Address Redacted						
Lyons Brewer Group		274 Riverside Ave			Westport	CT	06880	
LYRECO		DEER PARK - DONNINGTON WOOD			TELFORD			
M Patrick McShan		2507 North Harwood Street	Ste 1280		SHROPSHIRE	TX	75201-1610	UK
M&M The Special Events Company		493 Mission Street			Dallas	TX	75201-1610	
M&S Technologies		2727 LBJ Freeway			Carol Stream	IL	60188	
M/S Media Productions Inc		512 Main Street, Suite 1301	Suite 810		Dallas	TX	75234	
MA Division of Unemployment Assistance		Revenue Service	19 StanifoRd St		Fort Worth	TX	76102	
Mabry, Will		Address Redacted			Boston	MA	02114-2566	
Macaulay LLC		300 Delaware Avenue						
Macfarlanes		10 Norwich St	Suite 760		Wilmington	DE	19801	
MACKENZIE PARTNERS, INC		105 MADISON AVE			London		EC4A 1BD	UK
MacroMavens, LLC		180 W. 20th Street			New York	NY	10016	
MADDEN, SAMUEL		Address Redacted	Suite 1700		New York	NY	10011	
MaddenSewell, LLP		1755 Wittington Place						
MAH, JEFFERY		Address Redacted	Ste 300		Dallas	TX	75234	
MAHMUD, GIBRAN		Address Redacted						
MailFinance		25881 Network Place			Chicago	IA	60673-1258	
Make-A-Wish Foundation of Metro New York		One Penn Plaza Ste 3600			New York	NY	10119	
MALCOLM M KNAPP, INC		26 EAST 91 ST			New York	NY	10128	
Malone Maxwell Borson Architects		718 North Buckner Blvd	Suite 400		Dallas	TX	75218	
MALOUF, JORDAN		Address Redacted						
Malwarebytes Corporation		10 Almaden Blvd, 10th Floor			San Jose	CA	95113	
Management Recruiters of Tallahassee		743 East Tennessee St			Tallahassee	FL	32308	
Management Search Inc		245 Peachtree Center Ave	suite 2500		Atlanta	GA	30303	
Manaswi Sharma		82 Webb Street #22			Salem	MA	01970	
Manchester Grand Hyatt		PO Box 51914, Unit O			Los Angeles	CA	90051-6214	
MandateWire	Attn Accounting	1430 Broadway, 12th Floor	Suite 1208		New York	NY	10018	
Manesh Shah		1055 FM 646 West	Apt 1318		Dickinson	TX	77539	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Mangia		50 West 57th Street			New York	NY	10019	
Mangin, Andrew		Address Redacted						
Manhattan Fire & Safety Corp.		242 West 30th Street	7th Floor		New York	NY	10001	
Manhattan Information Systems, Inc.		228 East 45th St			New York	NY	10017	
Manhattan Jewish Experience	Attn Danielle Yadale	131 West 86th Street, Floor 11			New York	NY	10024	
Manian, Meagan		Address Redacted						
MANNING, ELLEN		Address Redacted						
MANO, JONATHAN		Address Redacted						
Mansoor Kazi		222 14th Street	Apt 516		Atlanta	GA	30326	
Manuel Lopez		6907 Tyree St.			Dallas	TX	75209	
Manulife Financial		PO Box 894764			Los Angeles	CA	90189-4764	
MANZO, MARC C.		Address Redacted						
MapAnything		5200 77 Center Dr. Ste 400			Charlotte	NC	28217	
Maples & Calder		UGLAND HOUSE	PO BOX 309GT, S CHURCH ST		GEORGE TOWN		KY1-1104	GRAND CAYMAN
MAPLES FINANCE		PO BOX 1093GT, QUEENSGATE HOUSE	SOUTH CHURCH ST		GEORGE TOWN		KY1-1104	GRAND CAYMAN
MaplesFS	Attn Peter Huber	Boundry Hall, Cricket Square	PO Box 1093		Grand Cayman		KY1-1102	Cayman Islands
MaplesFS Service Company Limited		PO Box 1093	Boundary Hall		GRAND CAYMAN		KY1-1102	GRAND CAYMAN
Marble Care Unlimited		705 N. Bowser	No 110		Richardson	TX	75081	
Marc Carlson		921 Grandview Lane			Lake Forest	IL	60045	
MARC FABER LIMITED		SUITE 3311-3313	TWO INTERNATIONAL FINANCE CENTER	8 FINANCE STREET	CENTRAL HONG KONG			HONG KONG
MARC KLYMAN		2741 Asbury Ave			Evanston	IL	60201	
MARC MANZO		40 NORTH KINGSHIGHWAY, APT 7L			Saint Louis	MO	63108	
March of Dimes	Attn Megan Fletcher	12660 Colt Road, Suite 200			Dallas	TX	75251	
Marcus Consulting, LLC		913 Westminster Way			Southlake	TX	76092	
Marcus Evans Inc.		600 de Maisonneuve Blvd W Ste 1700			Montreal	QC	H3A 3J2	CANADA
Margarita Masters		608 Laura Lane			Grand Prairie	TX	75052	
Maricopa County Treasurer		301 West Jefferson St	Rm 100		Phoenix	AZ	85003	
Marion A. Patterson		230 East 73rd 1B			New York	NY	10021	
Mark Badros		250 East 65th St., Apt 13-A			New York	NY	10065	
Mark Divine	Koa Kai, LLC	PO Box 232307			Leucadia	CA	92023	
Mark Drucker		12610 Pacific Ave, Apt #5			Los Angeles	CA	90066	
MARK GELNAW		20 GORDON PLACE			Verona	NJ	07044	
Mark K. Okada		300 Crescent Court	Suite 700		Dallas	TX	75201	
Mark Kiniry		16449 East Barry Ave			Centennial	CO	80015	
Mark Rywelski		White Hutch Productions	1625 Park Place, Apt 18		Brooklyn	NY	11233	
Mark Schonfeld, Esq.	Regional Director	Securities & Exchange Commission	3 World Financial Center, Suite 400		New York	NY	10281-1022	
Mark Simmeljaer		29 Chestnut St			Haworth	NJ	07641	
Mark Turner		2610 Allen St.	Apt 2601		Dallas	TX	75204	
MARKET AXESS CORPORATION		LOCKBOX # 30023, GENERAL POST OFC	PO BOX 30023		New York	NY	10087-0023	
Market Builders, Inc.		433 Begonia Ave.						
Market76, Inc.		900 Grand Avenue			Corona Del Mar	CA	92625	
MarketResearch		6101 Executive Blvd Ste 110	Suite A		New Haven	CT	06511	
Markets Group		10 W. 37th St.			Rockville	MD	20852	
Markham Fine Jewelers		8355 Gaylord Pkwy	7th Floor		New York	NY	10018	
Markit Group Limited		4th Flr Ropemaker Place			Frisco	TX	75034	
Markit Group Limited		Level 5	25 Ropemaker St		London	EC2Y9LY	UK	
Markit North America Inc.		620 8th Ave	2 More London Riverside		London	SE1 2AP	UK	
Markit Valuations Ltd		level 5	35th floor		New York	NY	10018	
MARKIT WSO CORPORATION		Three Lincoln Centre	2 More London Riverside		London	SE1 2AP	UK	
MARQUESS & ASSOCIATES		15441 KNOLL TRAIL	5430 LBJ Frwy, Ste 800		Dallas	TX	75240	
Marriott Business Services		PO Box 402642	STE 280 LB1		Dallas	TX	75248	
Mars Printing		17426 Studebaker Rd			Atlanta	GA	30384-2642	
MARSHALL HESS		13455 NOEL RD	STE 1710		Cerritos	CA	90703	
Manson, Stacy		Address Redacted			Dallas	TX	75240	
Martin G. Salazar		251 Breseman St						
Martin Podorsky		114 E. 13th Street			Cedar Hill	TX	75104	
Martin, Andrew		Address Redacted	Apt 3B		New York	NY	10003	
Martin, Carla		Address Redacted						
MARTIN, DANIEL G.		Address Redacted						
MARTIN, WILLIAM		Address Redacted						

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
MARTINSON, MARK		Address Redacted			Chicago	IL	60657	
Marty Mooney		1120 W Roscoe #2						
Marval & O'Farrell		Av. Leandro N. Alem 928			Buenos Aires		01001	ARGENTINA
Mary Zappone		77 Christopher Dr			Princeton	NJ	08540	
Maryam Rusch		4841 Aqueduct Ave			Encino	CA	91436	
Maryland Office of the Attorney General	Division of Securities	200 Saint Paul Place			Baltimore	MD	21202	
Marzullo Reporting Agency		345 North LaSalle	No 1605		Chicago	IL	60654	
Mason Murray		9930 Caribou Trail			Dallas	TX	75238	
MASON, DEANA		Address Redacted						
MASON, FREDERIC		Address Redacted						
MASSACHUSETTS DEPARTMENT OF REVENUE		PO Box 7025			Boston	MA	02204	
MASSACHUSETTS DEPARTMENT OF REVENUE		PO BOX 7065			Boston	MA	02204-7065	
Massachusetts Mutual Life Insurance Co		1295 State Street			Springfield	MA	01111	
Massand Capital, INC		130 East 18th Street #1P			New York	NY	10003	
MASSEYS LLP		Hiligate House	26 Old Bailey		London		EC4M 7QH	UK
MassMutual Financial Group		100 Bright Meadow Blvd			Enfield	CT	06082	
MassMutual Life Insurance Company		1000 N Central Expwy Ste 1000			Dallas	TX	75231-4177	
Massoud Karimzadeh		17253 Halsey St.			Granada Hills	CA	91344	
Mateo Hix		5165 CR 2013			Glen Rose	TX	76649	
MATRIX RESOURCES INC.		PO BOX 101177			Atlanta	GA	30392	
Matt Culler		60 West 57th St	4M		New York	NY	10019	
MATT DUNHAM		14501 MONTFORT DR	APT 1628		Dallas	TX	75254	
Matt Hurd		188 Sugar Road			Bolln	MA	01740	
MATT KILLEBREW		5507 WINTON			Dallas	TX	75206	
Matt McElligott		1409 E. Windsor Dr			Denton	TX	76209	
Matt McElligott Photography		1409 E. Windsor Drive			Denton	TX	76209	
MATTHEW BENDER & CO, INC		PO BOX 7247-0178			Philadelphia	PA	19170-0178	
Matthew Berry, Esq.	Office of General Counsel	Federal Communications Commission	445 12th Street, S.W.		Washington	DC	20554	
Matthew Garrett		6925 Hunters Branch Dr. NE			Atlanta	GA	30328	
Matthew Gould		1737 Ivy Lane			Carrollton	TX	75007	
Matthew Harrison		324 E. 50th St. Apt. 6C			New York	NY	10022	
Matthew Kirst		333 W Belden Ave #2			Chicago	IL	60614	
Matthew Murphy		12525 Greenville Ave			Dallas	TX	75243	
Matthew Okolita		3057 Chancellors Way NE			Washington	DC	20017	
Matthew Okolita		DALLAS			Dallas	TX	75240	
MATTHEW SCHNABEL		1351 MASON FARM RD, APT 116			Chapel Hill	NC	27514	
Matthew Selman		8660 Stone Harbour Loop			Bradenton	FL	34212	
MATTHEW WHITLEY		325 BREECH BLOCK DR			Roswell	GA	30076	
Mattos Filho Veiga Filho Marry Jr.		Quiroga Advogados	712 Fifth Avenue, 26th Floor		New York	NY	10019	
Maurice Robinson & Associates LLC		28 Dover Place			Manhattan Beach	CA	90266	
Maurice Robinson & Associates LLC		880 Apollo St Suite 125			El Segundo	CA	90245	
Mauricio Chavarriaga		5729 Caruth Blvd			Dallas	TX	75209	
Mauricio Chavarriaga	c/o Highland Capital Mgmt.	245 Park Ave, 24th Flr			New York	NY	10167	
Mauricio Delgado		1 14th Street Apt 1206			Hoboken	NJ	07030	
Mauro Stallari		5143 Vickery Blvd			Dallas	TX	75206	
MAWN, CHRISTOPHER		Address Redacted						
Max Russel		400 Windridge			Collinsville	IL	62234	
Max Russel Phinney		400 Windridge			Collinsville	IL	62234	
Maxim Group, LLC		405 Lexington Ave #2			New York	NY	10174	
MAY, DERRICK		Address Redacted						
MAYER BROWN LLP		2027 COLLECTION CENTER DR			Chicago	IL	60693-0020	
Mayer, Brown, Rowe & Maw LLP		1675 Broadway			New York	NY	10019-5820	
Mayeron, John		Address Redacted						
Mayo, Christopher L.		Address Redacted						
Mayors Intern Fellows Fund		The Dallas Foundation	3963 Maple Ave, Suite 390		Dallas	TX	75219	
Mezzeo Song & Bradham LLP		708 Third Ave, 19th Fl			New York	NY	10017	
MBA Reporting Services, Inc		555 Republic Drive	2nd Floor		Plano	TX	75074	
MBM Advisors, Inc.		440 Louisiana #2600			Houston	TX	77002	
McCafferty, Christopher		Address Redacted						
McCague Borlack LLP		130 King St. West Suite 2700			Toronto	ON	M5X1C7	CANADA
McClung, Elizabeth B.		Address Redacted						
McCormick, Robert		Address Redacted						
McCormick, Robert		Address Redacted						

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
McDaniel, Patrick		Address Redacted						
McDermott, Bonner		Address Redacted			Bethlehem	PA	18018	
McDermott Investment Services, LLC		44 E Broad St, FL 2			Chicago	IL	60606-5096	
McDermott Will & Emery LLP		227 West Monroe Street						
		Lockbox - New York PO Box 7247-6755			Philadelphia	PA	19170-6755	
McDermott Will & Emery LLP	McDermott Will & Emery LLP	PO BOX 2995			Carol Stream	IL	60132-2995	
McDermott Will & Emery LLP		P.O. Box 6043			Chicago	IL	60680-6043	
McElroy & Company P.C.		16415 Addison Road	Suite 800		Addison	TX	75001	
MCFARLANE, PETER A		Address Redacted						
McFARLING, BRANDON		Address Redacted						
MCGRANER, MATTHEW		Address Redacted						
McGraner, Matthew		Address Redacted						
MCGREGOR, MICHELLE		Address Redacted						
McGuireWoods LLP		800 E. Canal Street			Richmond	VA	23219-3916	
McIntosh Search Incorporated		6310 Lennon Ave Ste 202			Dallas	TX	75209	
McKay, Bradley		Address Redacted						
McKEE NELSON LLP		ONE BATTERY PARK PLAZA	34TH FLR		New York	NY	10004	
McKool Smith, P.C.	Gary Cruciani, Esq.	McKool Smith	300 Crescent Court, Suite 1500		Dallas	TX	75201	
McLagan Partners		1600 Summer Street	Suite 601		Stamford	CT	06905	
		PO Box 100137			Pasadena	CA	91189-0137	
McLagan Partners		PO Box 905188			Charlotte	NC	28290-5188	
McLOCHLIN, MICHAEL		Address Redacted						
MCLOCHLIN, MICHAEL P.		Address Redacted						
McMains, Aubree		Address Redacted						
McMillan Birch Mendelsohn		Address Redacted						
McNamara, John		Brookfield Place Suite 4400	Bay Wellington Tower		Toronto	ON	M5J2T3	CANADA
McRedmond, Edward		Address Redacted			Dallas	TX	75202	
Meadows Collier Reed Cousins & Blau LLP		901 Main St, Suite 3700						
MEANS, BRADLEY		Address Redacted						
Medanich, Michael		Address Redacted						
Mediant Communications LLC		PO Box 29976			New York	NY	10087-9976	
MedPost Urgent Care-East Dallas		9540 Garland Rd	Suite C408		Dallas	TX	75218-5004	
Weeks, Lucas		Address Redacted						
MEETINGZONE LTD		OXFORD HOUSE	OXFORD ROAD		Thame	OX9 2AH		UK
MEGAN MCGEE		6438 SHADY BROOK LN			Dallas	TX	75206	
Meister Seelig & Fein LLP		125 Park Avenue	7th Floor		New York	NY	10017	
MELENDEZ, HELDER		Address Redacted						
MELISSA LOPEZ		360 GREEN ST	APT 6		San Francisco	CA	94133	
Melody Po		104 Chestnut Street #2			Waltham	MA	02453	
Mendelsohn, Rosentzweig, Shact		1000 Sherbrooke St West, 27th Flr			Montreal	QC	H3A 3G4	CANADA
Mendenhall, Brad		Address Redacted						
Mercer Consumer	Attn DV1 Fin	PO Box 310293			Des Moines	IA	50331-0293	
Mercer Consumer	Wells Fargo Bank	c/o Regulus Lockbox Services 310293	666 Walnut Street		Des Moines	IA	50309	
Merchants Automotive Group, Inc.		11278 Hooksett Road			Hooksett	NH	03106	
Merchants Automotive Group, Inc.		PO Box 16415			Hooksett	NH	03106-6415	
Mercy Corps		P.O. Box 2669, Dept W			Portland	OR	97208-2669	
MEREDITH HERZFELD		63 E 9TH ST, APT 14D			New York	NY	10003	
Mergent, Inc.		PO Box 403123			Atlanta	GA	30384-3123	
Mergemarket		895 Broadway	4th Floor		New York	NY	10003	
MERGERMARKET LTD		11 West 19th Street	2nd Floor		New York	NY	10011	
MERGERMARKET LTD		3 E 28th St	4th FLR		New York	NY	10016	
Merit Court Reporters		307 W 7th Street	Ste 1350		Fort Worth	TX	76102	
Merope Pentogenis		153 86th Street			Brooklyn	NY	11209	
Merrill Communications LLC		CM-9638			Saint Paul	MIN	55170-9638	
Merrill Communications LLC		One Merrill Circle			Saint Paul	MIN	55108	
MERRILL CORPORATION		CM-9638			Saint Paul	MIN	55170	
MERRILL LYNCH		185 Asylum Street	City Place II, 14th Flr		Hartford	CT	06103	
MERRILL LYNCH		4802 Deer Lake Dr E	CMS CBRU FL9-801-01-02		Jacksonville	FL	32246	

Creditor Matrix

CreditorName	Creditor/NoticeName	Address1	Address2	Address3	City	State	Zip	Country
MERRILL LYNCH	Attn Blake Bollinger	569 Brookwood Village	Ste 501		Birmingham	AL	35209	
MERRILL LYNCH	Attn Chad Kulm	110 S Phillips Ave, Ste 101			Sioux Falls	SD	57104	
MERRILL LYNCH	Attn Jason Aversa	3100 Hingston Ave			Egg Harbor Township	NJ	08234	
MERRILL LYNCH	Attn Lynae Carr	1221 McKinney Street, Ste 3900			Houston	TX	77010	
MERRILL LYNCH	Attn Megan Arnold	13355 Noel Rd, 7th Floor			Dallas	TX	75240	
MERRILL LYNCH	Attn Monty Willhite	60 E SOUTH Temple St, #200-61			Salt Lake City	UT	84111	
MERRILL LYNCH	Attn Robert Luther	1100 Canal Street			The Villages	FL	32162	
MERRILL LYNCH	Attn Tiffany Contreras	17225 El Camino Real, Ste 200			Houston	TX	77058	
MERRILL LYNCH	Attn Travis Hillgoss	21805 Field Parkway, Ste 220			Deer Park	IL	60010	
MERRILL LYNCH		CMS CBRU FL9-801-01-02	4802 Deer Lake Dr E		Jacksonville	FL	32246	
MERRILL LYNCH	C/O Girard Kovarik & Assoc	101 N. Clematis St, Ste 200			West Palm Beach	FL	33401	
MERRILL LYNCH	Merrill Lynch Valuations LLC	NJ2-140-02-01	1400 Merrill Lynch Drive		Pennington	NJ	08534	
Merrill Lynch	Attn Richard Eimbinder	15514 Collections Center Drive			Chicago	IL	60693	
Merry Phengvath		450 E 4th Street			Brooklyn	NY	11218	
MERS Educational Confenoe	Attn Bob Rust	Municipal Empoe Retirement Syst of LA	7937 Office Park Blvd		Baton Rouge	LA	70809	
MESERVE, NICHOLAS		Address Redacted						
Meta-e Discovery LLC	Paul McVoy	Meta-e Discovery	Six Landmark Square, 4th Floor		Stamford	CT	06901	
Meta-e Discovery LLC		Six Landmark Square	Fourth Fir		Stamford	CT	06901	
Metalogix International		PO Box 83304			Pittsburgh	PA	15250	
METHWIN, JAMES		Address Redacted						
MetLife	Attn Placings Unit	1300 Hall Blvd.			Bloomfield	CT	06002	
MetLife	Attn Retail Life & DI Operations	18210 Crane Nest Dr, 5th Floor	Placings Unit		Tampa	FL	33647	
MetLife		PO BOX 13863			Philadelphia	PA	19101-3863	
MetLife		PO BOX 371487			Pittsburgh	PA	15250-7487	
MetLife SBC		5400 LBJ Freeway	Sulte 1100		Dallas	TX	75240	
MetLife SBC		PO Box 804466			Kansas City	MO	64180-4466	
Metro Attorney Service Inc.		305 Broadway, 14th Fir			New York	NY	10007	
Metro-Repro, Inc.		PO Box 560092			Dallas	TX	75356-0092	
ME TT	Attn Jana Clemans	Pioneer Natural Resources	5205 N. OConnor Blvd, Suite 200		Irving	TX	75039-3746	
Meunier, Marc		Address Redacted						
MGL Consulting Corp.		10077 Grogans Mills Rd Ste 300			The Woodlands	TX	77380	
WHA Petroleum Consultants LLC		730 17th Street	Suite 410		Denver	CO	80202	
MIAO, EUGENE		Address Redacted						
MICHAEL & TERESA OLSON TRUST		2000 YOLO AVE			Berkeley	CA	94707-2639	
Michael Blackburn		2107 Cowbridge			Frisco	TX	75001	
MICHAEL COLVIN		1004 ASPEN RIDGE RD			Southlake	TX	76092	
MICHAEL COLVIN		5332 Miller Ave			Dallas	TX	75206	
Michael Cummings		87 Elm Street			Andover	MA	01810	
MICHAEL DEVICO		6241 SHENANDOAH PARK AVE			Murray	UT	84121-6547	
Michael Hasenauer		13455 Noel Rd	Suite 800		Dallas	TX	75240	
Michael Hasenauer		162 W 54th St			New York	NY	10019	
MICHAEL KELLY		6634 WESTCHESTER			Houston	TX	77005	
Michael Klisares		13834 Goodman St.			Overland Park	KS	66223	
MICHAEL LABADIE		7820 GIBSLAND DR			Plano	TX	75025	
MICHAEL LANE CUISINE, INC		8409 PICKWICK # 112			Dallas	TX	75225	
MICHAEL LATHAM		1965 N BISSELL ST #2			Chicago	IL	60614	
Michael Ly		10303 Elizabeth Rose Ct			Houston	TX	77089	
Michael Malone Architects, Inc		5646 Milton St Suite 705			Dallas	TX	75206	
Michael McLochlin		13455 Noel Rd, Ste 800			Dallas	TX	75240	
Michael Morris		300 W. 5th Street	No 313		Charlotte	NC	28202	
Michael P. Zarilli		12 Juniper Hill Rd			Greenwich	CT	06830	
MICHAEL PAGE INTERNATIONAL		8 BATIN RD			Slough Berkshire		SL1 3SA	UK
MICHAEL PASSMORE		1509 Main St	Apt 505		Dallas	TX	75201	
MICHAEL PASSMORE		5301 Alpha Road	Suite 40		Dallas	TX	75240	
MICHAEL PETERSON		401 E ONTARIO #4504			Chicago	IL	60611	
Michael Phillips		33 Essex Court			London		SW13 0ER	UK
Michael R. Coker Company		2700 Swiss Ave Suite 100	Station Road		Dallas	TX	75204	
Michael Radovan		2195 Alpine Dr			West Linn	OR	32174	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Michael Rich		2705 Amherst Ave			Dallas	TX	75225	
MICHAEL SHERIDAN		378 WESTFORK #2538			Irving	TX	75039	
Michael Sorell		715 Mayrant Dr			Dallas	TX	75224	
MICHAEL SZKODZINSKI		1 DEVONSHIRE PLACE			Boston	MA	02109	
MICHAEL T DALBY IRA		500 MICHIGAN AVE			Berkeley	CA	94707-1700	
Michael Tepitsky		5030 North Marine Drive	apt # 2501		Chicago	IL	60604	
MICHAEL WANG		723 BYRNE HALL			Hanover	NH	03755	
MICHAEL WILCHER		2418 ELLIS ST			Dallas	TX	75204	
Michael Paul Donaldson		905 Pinecrest Dr.			Richardson	TX	75080	
Michelle French, Tax A/C		PO Box 90223			Denton	TX	76202	
Michigan Department of Treasury		PO Box 30774			Lansing	MI	48909-8274	
Mick Law P.C.		816 South 169th Street			Omaha	NE	68118	
MICKEY MINCES		13455 NOEL RD	STE 800		Dallas	TX	75240	
Microsoft Corporation		1950 N Stemmons Fwy	Suite 5010		Dallas	TX	75207	
Microsoft Services		One Microsoft Way			Redmond	WA	98052	
Microsoft Services		PO Box 844510			Dallas	TX	75284-4510	
MICRO-TEL		3700 HOLCOMB BRIDGE RD			Norcross	GA	30092	
MICRO-TEL		3700 Holcomb Bridge Rd	Suite 5		Peachtree Corners	GA	30092	
Mike Brennan		422 E 77th St	1FE		New York	NY	10075	
Mike Brohm		4221 River Bottom Dr.			Norcross	GA	30092	
Mike Doyle		87 Annin Rd.			Far Hills	NJ	07931	
Mike Hurley		4741 Caughlin Pkwy, Ste 2			Reno	NV	89519	
Mike Sharkey		5247 N. Berkeley Blvd			Whitefish Bay	WI	53217	
Mike Wolbert		3019 Eagle Ridge Drive			Platte City	MO	64079	
Milbank, Tweed, Hadley & McCloy LLP								
Milberg LLP		1 CHASE MANHATTAN PLAZA			New York	NY	10005-1413	
Miles Littlefield		One Pennsylvania Plaza	49th Floor		New York	NY	10119	
		2310 W Saint Paul Ave			Chicago	IL	60647	
Miller & Chevalier Chartered		P.O. Box 758604			Baltimore	MD	21275-8604	
Miller Buckfire & Co. LLC		601 Lexington Ave			New York	NY	10022	
Miller Korzenik Sommers Rayman LLP		488 Madison Avenue	Suite 1120		New York	NY	10022	
MILLER, DEBORAH		Address Redacted						
Miller, Egan, Moller & Nelson LLP		1402 San Antonio St.	Suite 100		Austin	TX	78701	
Miller, Egan, Moller & Nelson LLP		4514 Cole Avenue	Suite 1200		Dallas	TX	75205	
MILLMAN CONSULTANTS AND ACTUARIES		1550 LIBERTY RIDGE DR	STE 200		WAYNE	PA	19087-5572	
Mills, James		Address Redacted						
MILTENBERGER, WILLIAM		Address Redacted						
Mindy Billingham		11568 Westlawn Lane			Frisco	TX	75034	
Miner, Christopher		Address Redacted						
Minnesota Revenue		Mail Station 1260			Saint Paul	MN	55145-1260	
Minnesota State Treasurer		Minnesota Department of Commerce	85 7th Place East, Suite 500		Saint Paul	MN	55101	
Miramor OSC	Ath Leslie Henger	11763 Ashlock Way			San Diego	CA	92131	
Mirani, Parth		Address Redacted						
MISLAV TOLUSIC		2217 IVAN ST			Dallas	TX	75201	
Mississippi Secretary of State	Business Regulation & Enforcement Div	125 S. Congress Street			Jackson	MS	39201	
MISSISSIPPI STATE TAX COMMISSION		PO BOX 1033			Jackson	MS	39215	
Missouri Department of Revenue		PO Box 3020			Jefferson City	MO	65105-3020	
MISSOURI DIRECTOR OF REVENUE	TAXATION BUREAU	PO BOX 3365 (573)751-4541			Jefferson City	MO	65105-3365	
Missouri Secretary of State		Securities Division			Jefferson City	MO	65101	
Mitchell A. Harwood & Partners		791 Park Ave Ste 4B	600 West Main Street, 2nd Floor		New York	NY	10021	
Mitchell, Krysta		Address Redacted						
Mitchener Turnipseed		215 North Pine St, Unit 505			Charlotte	NC	28202	
MITTS, BRIAN		Address Redacted						
MJL ENTERPRISE		PO BOX 852563			Richardson	TX	75085	
MJF Lex Serv LP		4350 East West Highway			Bethesda	MD	20814	
MODERN HEALTHCARES DAILY DOSE		CIRCULATION DEPT	1155 GRATIOT AVE		Detroit	MI	48207-2912	
Mohring, Christopher		Address Redacted						
Molecular Insights		160 Second Street			Cambridge	MA	02142	
Moloney Securities		13537 Barrett Parkway Drive	Suite 300		Manchester	MI	63021	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Monarch Investigation Inc		PO Box 292265			Lewisville	TX	75029-2265	
Money-Media, Inc.	Attn Accounting	330 Hudson Street	7th Floor		New York	NY	10013	
Monster, Inc.		PO Box 90364			Chicago	IL	60696-0364	
MONSTERTRAK		14372 COLLECTIONS CENTER DR			Chicago	IL	60693	
Moody's Analytics		395 Oyster Point Blvd	Suite 215		South San Francisco	CA	94080	
Moody's Analytics		PO BOX 102597			Atlanta	GA	30368-0597	
Moody's Analytics		PO Box 116647			Atlanta	GA	30368-6647	
Moody's Analytics		PO BOX 116714			Atlanta	GA	30368-0597	
Moody's Investor Service		PO Box 102597			Atlanta	GA	30368-0597	
MOORE & VAN ALLEN PLLC		100 NORTH TRYON ST	STE 4700		Charlotte	NC	28202-4003	
MOORE, CALEB		Address Redacted						
MOORE, WILLIAM C.		Address Redacted						
Morgan Lewis & Bockius LLP		PO Box 8500 S-6050			Philadelphia	PA	19178-6050	
Morgan Stanley		111 S. Pingsten Road	Suite 200		Deerfield	IL	60015	
Morgan Stanley		14850 N Scottsdale Rd	Ste 600		Scottsdale	AZ	85254	
Morgan Stanley		200 Crescent Court	Ste 900		Dallas	TX	75201	
Morgan Stanley		733 Bishop Street	Ste 2800		Honolulu	HI	96813	
Morgan Stanley	Attn Accounts Receivable	PO Box 860			New York	NY	10008-0860	
Morgan Stanley	Attn Adam Razov	855 Franklin Ave.			Garden City	NY	11530	
Morgan Stanley	Attn Diana Sigona	1585 Broadway, 23rd Flr			New York	NY	10036	
Morgan Stanley	Attn Jonathan Canter	10960 Wilshire Blvd, Ste 2000			Los Angeles	CA	90024	
Morgan Stanley	Attn Margaret Oshea-NW	1585 Broadway, 23rd Floor			New York	NY	10036	
Morgan Stanley	Managers Mtg	1300 Thames St, 4th Flr			Baltimore	MD	21231	
Morgan Stanley	Attn MF Billing Dept							
Morgan Stanley	Attn Michael Lawrence	6037 La Flocha			Rancho Santa Fe	CA	92067	
Morgan Stanley	Attn Michelle Dolan	2 Jericho Plaza			Jericho	NY	11753	
Morgan Stanley	Attn Robyn Owens	370 17th Street, Suite 2800			Denver	CO	80202	
MORGAN, JOHN		Address Redacted						
MORGANS, JONATHAN		Address Redacted						
MORLEY CAMPBELL		1 WESTERN AVE, APT 345			Boston	MA	02163	
Morningstar, Inc.	Morningstar, Inc.	135 South LaSalle St Dept. 2668			Chicago	IL	60674-2668	
Morningstar, Inc.	Morningstar, Inc.	2668 PaySphere Circle			Chicago	IL	60674	
Morningstar, Inc.	Morningstar, Inc.	5133 Innovation Way			Chicago	IL	60682-0051	
Morris James LLP		500 Delaware Avenue	Suite 1500		Wilmington	DE	19899-2306	
Morris, Manning, & Martin LLP		1600 Atlanta Financial Center	3343 Peachtree Road, NE		Atlanta	GA	30326-1044	
MORRIS, NICHOLS, ARSHT & TUNNELL LLP		1201 NORTH MARKET ST	PO BOX 1347		Wilmington	DE	19899-1347	
MORRIS, NICHOLS, ARSHT & TUNNELL LLP		PO BOX 1347			Wilmington	DE	19899	
MORRIS, NICHOLS, ARSHT & TUNNELL LLP	William M. Lafferty	Kevin M. Coen	1201 N. Market Street		Wilmington	DE	19801	
Morrison & Foerster		1290 Ave of the Americas			New York	NY	10104-0050	
Morstad		79 East Putnam Ave	Outdoor Traders Building		Greenwich	CT	06830	
Mortensen, Christopher		Address Redacted						
Morton, David		Address Redacted						
Morton, David C.		Address Redacted						
MOSTLY SMOKED		VITTORIA HOUSE	2A TOWCESTER RD		BOW London		E3 3ND	UK
Motus Red LLC		7018 Hursey			Dallas	TX	75205	
Mourant Ozannes		1 Le Marchant Street			Guernsey			CHANNEL ISLANDS
Move Solutions, Ltd.		1473 Terre Colony Ct, Dept DA	St Peter Port GY1 4HP		Dallas	TX	75212	
MoveWorks, Inc.		4945 Sharp Street			Dallas	TX	75247	
MP Advisory		43 Vila Nova Pauliceia			Sao Paulo-SP			BRAZIL
MPulse Maintenance Software		PO Box 22906			Eugene	OR	22906	
MQ Services Ltd.		Chancery Hall	52 Reid St		Hamilton		HM 12	BERMUDA
MQ Services Ltd.		PO Box HM 1737			Hamilton		HM GX	BERMUDA
MQ Services Ltd.		PO BOX HM 809			Hamilton		HM GX	BERMUDA
MRB Research Partners Inc.		122 East 42nd Street	Suite 2310		New York	NY	10168	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
MRI Contract Staffing		5151 Bellline Rd	Suite 550		Dallas	TX	75254	
MRI Contract Staffing		86276 Expedite Way			Chicago	IL	60695-0001	
MS Society of Long Island		40 Marcus Dr.	Suite 100		Melville	NY	11747	
MSCI Inc.		PO Box 414631			Boston	MA	02241-4631	
MT State Auditor, Securities Comm.		840 Helena Avenue			Helena	MT	59601	
MTV Staying Alive Foundation		1305 Wycliff Ave	Suite 120		Dallas	TX	75207	
MULLER, MARY		Address Redacted						
Multichannel News		PO Box 9667			Harlan	IA	51593-1167	
MULTI-STRATEGY SUB FUND		13455 NOEL RD			Dallas	TX	75240	
MUNDASSERY, APPU		Address Redacted						
Munger Tolles & Olson LLP		355 South Grand Ave			Los Angeles	CA	90071-1560	
Munger Tolles & Olson LLP		355 South Grand Ave			Los Angeles	CA	90071-1560	
Murano Connect LP		252 West 38th Street	Suite 402		New York	NY	10018	
Murder Mystery Texas		6304 Innsbrooke Dr			Arlington	TX	76016	
Murphy, George		Address Redacted						
MURPHY, MATTHEW		Address Redacted						
MURRAY HILL CENTER SOUTHWEST INC		14185 Dallas Parkway Suite 1200			Dallas	TX	75254	
MURRAY, ANDREW		Address Redacted						
Murray, Mason		Address Redacted						
Murray, Wesley	Attn Janice	PO Box 38			Terrell	TX	75160	
Muscular Dystrophy Association		Address Redacted						
Musser, Carley		Address Redacted						
Muthu Dorai		One Franklin Town Blvd.	Apt 410		Philadelphia	PA	19103	
MY HOUSE OF FINE EATS & CATERING		2025 PROMENADE CENTER			Richardson	TX	75080	
Myers Bigel Sibley & Sajovec, P.A.		PO Box 37428			Raleigh	NC	27627	
Myers Park Country Club		2415 Roswell Avenue			Charlotte	NC	28209	
Myron Corp.		PO Box 660888			Dallas	TX	75266-0888	
N.C. DEPARTMENT OF REVENUE		PO BOX 25000			Raleigh	NC	27640-0002	
N9NE Group Dallas-Ghostbar		2440 Victory Park Ln, 33rd Floor			Dallas	TX	75219	
NAI OLYMPIA PARTNERS		320 NORTH MERIDIAN ST	STE 400		Indianapolis	IN	46204	
NAIFA - Greater Washington DC		600 State Street	Suite A		Cedar Falls	IA	50613	
Nalin Yogasundaram		6413 Liquid Laughter Lane			Columbia	MD	21044	
Namaro Graphics Designs		PO Box 148			Rhinebeck	NY	12572	
NANCY SMITH-WELLS, CSR		PO BOX 1284			South Pasadena	CA	91031	
NAPE Expo, LP		PO Box 224531			Dallas	TX	75222	
NAPONIC, JILL		Address Redacted						
NARAYAN HEGDE		3700 COLE AVE	No 315		Dallas	TX	75204	
NARY RADHAKRISHNAN		7105 OLD KATY RD	No 2307		Houston	TX	77024	
NASD Regulation, Inc.		701 Market St	W8705 c/o Mellon Bank, Rm 3490		Philadelphia	PA	19106	
NASD, CRD-IARD		PO Box 77777-W8705			Philadelphia	PA	19175-8705	
NASD, CRD-IARD		PO BOX 77777-W9995			Philadelphia	PA	19175-9995	
Nasdaq Information, LLC		LBx# 80200	PO Box 780200		Philadelphia	PA	19178-0200	
Nasdaq OMX	C/O Wachovia Bank	No 90200	PO Box 8500		Philadelphia	PA	19178-0200	
NASDAQ Stock Market		PO Box 7777 W1555			Philadelphia	PA	19106	
NASH, CLARISSA		Address Redacted			Philadelphia	PA		
Nasher Sculpture Center		2001 Flora Street			Dallas	TX	75201	
NASKAR, ANJALI		Address Redacted						
NASKAR, ANJALI		Address Redacted						
NASP	Attn Michelle	727 15th Street, NW	Suite 750		Washington	DC	20005	
NATALIE HARALSON		13455 NOEL RD	STE 800		Dallas	TX	75240	
Natalie Uto		125 S Green Street	Apt 606a		Chicago	IL	60607	
Nathan Brooks		421 El Dora Rd.			Alamo	TX	78516	
Nathan Burris		240 East 39th Street	Apt 26F		New York	NY	10016	
Nathan Hall		2222 Smith #210			Houston	TX	77002	
Nathan Hukill		4912 W Franklin St			Richmond	VA	23226	
NATHAN SPEICHER		6550 SHADY BOOK LANE	APT 1434		Dallas	TX	75206	
NATHAN ZANG		5628 HILLSBOROUGH DR			Piano	TX	75093	
NATIONAL COMPLIANCE SERVICES, INC.		355 NE 5TH AVE	STE 4		DeRay Beach	FL	33483	
National Corporate Research Ltd		10 East 40th St	10th Floor		New York	NY	10016	
National Depo		P.O. Box 404743			Atlanta	GA	30384-4743	
NATIONAL ECONOMIC RESEARCH ASSOC. INC		PO BOX 29677	GENERAL POST OFFICE		New York	NY	10087-9677	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
National Economic Research Associate		PO Box 7247-6754			Philadelphia	PA	19170-6754	
National Financial Services Corp.	Attn Emily Ivers-Mailzone ZE7F	82 Devonshire St.			Boston	MA	02109	
National Financial Services, LLC	Attn FI Operational Accounting	100 Salem St, Mail Zone 01S			Smithfield	RI	02917	
National Financial Services, LLC	Attn Thomas Smith-Vaughan	82 Devonshire Street			Boston	MA	02109	
NATIONAL FLAG & DISPLAY CO.		22 W 21ST ST			New York	NY	10010	
National MS Society	Attn Cara Harting	2105 Luna Rd, Ste 390			Carrollton	TX	75006	
National Multiple Sclerosis Society		PO Box 4527			New York	NY	10163	
National Regulatory Services		33443 Treasury Center			Chicago	IL	60694-3400	
National Stripper Well Association		PO Box 18336			Oklahoma City	OK	73154	
National Trust Management Services	Accounts Receivable	7957 Wellington Dr			Warrenton	VA	20186	
National Trust Management Services		PO Box 3322			Warrenton	VA	20188	
Nationwide Business Concepts		1439 W. Chapman Avenue	No 64		Orange	CA	92868	
Nationwide Services		P.O. Box 23099			Fl. Lauderdale	FL	33307	
Natixis North America LLC		1251 Avenue of the Americas			New York	NY	10020	
NAU - STEVEN		Address Redacted						
NAVEJAS, MARIANA		Address Redacted						
NAVIGANT CONSULTING INC		4511 PAYSHERE CIRCLE			Chicago	IL	60674	
Navigent 3, LLC		1737 Washington st			E. Bridgewater	MA	02333	
Navigent 3, LLC		PO Box 5370			Wayland	MA	01778	
NC Office of the Secretary of State		2 South Salisbury Street	Old Revenue Complex		Raleigh	NC	27601	
NEAR EARTH LLC		945 WEST ROAD	HOYT DAVIDSON		New Canaan	CT	06840	
Nebraska Department of Banking & Finance	Bureau of Securities	1526 K Street, Suite 300			Lincoln	NE	68508-2732	
NEEL MITRA		6000 SHEPHERD MOUNTAIN COVE	No 1907		Austin	TX	78730	
Neil Desai		240 East 88th Street	Apartment 20B		New York	NY	10028	
Neil Menard		8606 Bradley Blvd			Bethesda	MD	20817	
NELL GWYNN HOUSE APARTMENTS LTD		SLOANE AVE			London	UK	SW3 3AX	
Nelson, Caitlin		Address Redacted						
Nelson, Kaitlin		Address Redacted						
NELSON, KRAMER		Address Redacted						
NELSON, KRAMER		Address Redacted						
NEOFUNDS BY NEOPOST		PO BOX 30193			Tampa	FL	33630-3193	
Nesmith, Christopher		Address Redacted						
NESTLE WATERS POWWOW		PO BOX 727			CAMBERLEY			
Netherland, Sewell & Associates, Inc.		1601 Elm Street			Dallas	TX	GU15 9WZ	UK
Netherland, Sewell & Associates, Inc.		2100 Ross Avenue			Dallas	TX	75201	
Netherland, Sewell & Associates, Inc.		1601 Elm St, Suite 4500	Suite 2200		Dallas	TX	75201	
Netpro Computing Inc.		4747 N. 22nd St. #400			Phoenix	TX	75201	
NetWrix Corporation	Accounts Receivable	1460 Manning Parkway			Powell	AZ	85016-4774	
NEVADA COACHES, LLC		1550 S INDUSTRIAL RD			OH	43065		
Nevada Dept of Taxation		PO Box 52809			NV	89102		
Nevada Secretary of State	Securities Division	Securities Division			Phoenix	AZ	85072-2609	
NEW CONCEPT		CROOKED COTTAGE, NEWCHAPEL RD	555 East Washington Avenue, Suite 5200		Las Vegas	NV	89101	
			LINGFIELD		SURREY	UK	RH7 6BJ	
New Edge Networks		Unit 10 PO Box 5000			Portland	OR	97208-5000	
NEW ERA		2935 Tallisman			Dallas	TX	75229	
New Hampshire Department of State	Bureau of Securities Regulation	107 North Main Street			Concord	NH	03301-14951	
New Horizons Computer Learning Center		PO Box 671164	Room 204, State House		Dallas	TX	75267-1164	
New Mexico Securities Division		P.O. Box 25101			Santa Fe	NM	87504	
NEW YORK CITY DEPARTMENT OF FINANCE		345 ADAMS ST			Brooklyn	NY	11201	
NEW YORK CITY DEPARTMENT OF FINANCE		PO Box 3931			New York	NY	10008-3931	
NEW YORK CITY DEPARTMENT OF FINANCE		PO Box 5150			Kingston	NY	12402-5150	
New York Financial Writers Association		PO Box 338			Ridgewood	NJ	07451-0338	
New York State Corporation Tax		Processing Unit	P.O. Box 22093		Albany	NY	12201	
New York State Department of Law		New York Office of the Attorney General	120 Broadway, 23rd Floor		New York	NY	10271	
New York State Department of State		Misc. Records Bureau	41 State St		Albany	NY	12231	
New York State Income Tax		Extension Request PO Box 4125			Binghamton	NY	13902-4126	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
New York State Income Tax		Extension Request PO Box 4125			Minghampton	NY	13902-4126	
New York State Income Tax		W A HARRIMAN CAMPUS			Albany	NY	12227	
Newbridge Financial Inc.	Attn Scott Weeks - Accountant	5200 Town Center Circle	Tower 1, Ste 306		Boca Raton	FL	33486	
Newbridge Securities Corporation		5200 Town Center Circle Tower 1	Ste 306		Boca Raton	FL	33486	
Newbridge Securities Corporation	Attn Robert Spitzer-CFO	1451 W Cypress Creek Rd, Suite 204			Fl. Lauderdale	FL	33309	
NewOak Capital		485 Lexington Ave, 25th flr			New York	NY	10017	
News Communications		4th Flr, Chinyang Bldg	90-3 Chungjeongno 2-ga,		Seodamun-gu		120-012	SOUTH KOREA
NexBank	John Danilowicz	2515 McKinney Ave	Ste 1100		Dallas	TX	75201	
NexBank	John Danilowicz	2515 McKinney Ave	Suite 111-		Dallas	TX	75201	
NexBank Capital Advisors		2515 McKinney Ave, Ste 1100			Dallas	TX	75201	
NEXBANK SECURITIES, INC		13455 NOEL RD	22ND FL		Dallas	TX	75240	
NEXBANK SECURITIES, INC		2515 McKinney	Suite 1700		Dallas	TX	75201	
NexBank SSB	dha NexBank Credit Services	Grant Smith	2515 McKinney Ave.	11th Floor	Dallas	TX	75201	
NEXBANK, SSB	Attn MARCIA SANDS	13455 NOEL RD	STE 2220		Dallas	TX	75240	
NexPoint Advisors, L.P.		200 Crescent Court			Dallas	TX	75201	
NexPoint Cap Escrow		300 Crescent Court			Dallas	TX	75201	
NexPoint Capital, Inc.		300 Crescent Court			Dallas	TX	75201	
NexPoint Healthcare Opportunities Fund		300 Crescent Court			Dallas	TX	75201	
NexPoint Latin American Opport. Fund		Dallas			Dallas	TX	75201	
Nextel Communications		PO Box 54977			Los Angeles	CA	90054-0977	
Ney Castro		130 Bradhurst Ave	Apt 510		New York	NY	10039	
NGO, HONGVIEN		Address Redacted						
Nguyen, Hung		Address Redacted						
NGUYEN, KRISTINE		Address Redacted						
NGUYEN, TIFFANY		Address Redacted						
NGUYEN, TONY KHOI		Address Redacted						
NH Dept of State	Bureau of Securities Regulation	107 N. Main St, State House Room 204			Concord	NH	03301	
Nicholas Headley		404 Rio Grande St	Apt 135		Austin	TX	78701	
Nicholas Headley		7514 E Earl Dr	Unit 35		Scottsdale	AZ	85251	
NICHOLAS LOSEY		3502 SPRINGBROOK ST			Dallas	TX	75205	
NICHOLAS OLENEC		2203 N CARROLL AVE			Dallas	TX	75204	
Nicholas T. Meserve		6236 Piping Rock Lane			Houston	TX	77057	
NICHOLAS TRYENS		7797 CLYDESDALE AVE			Kalamazoo	MI	49009	
NICK ALFERMANN		402 S BRENTWOOD BLVD	APT 34		Clayton	MO	63105	
Nick Meserve		11835 Brandywine Ln			Houston	TX	77024	
NICK PAULEIT		2820 MCKINNON ST	No 4012		Dallas	TX	75201	
Nickey L. Oates Company		25 Highland Park Village	Suite 100		Dallas	TX	75205	
Nicklas, James		Address Redacted						
NICODEMUS WINATA		14181 NOEL RD			Dallas	TX	75254	
Nicole Lacues		1628 Powell Street			San Francisco	CA	94133	
Nikolayev, Yegor		Address Redacted						
Niles Chura		8611 Brook Rd			McLean	VA	22102	
Niles K Chura		8611 Brook Rd			McLean	VA	22102	
NILSEN, CHRISTOPHER		Address Redacted						
Nirav Balavia		100 W. 26th St.	Apt. 25 A		New York	NY	10001	
Nisen & Elliott LLC		200 West Adams St			Chicago	IL	60606	
Nitro Software, Inc.		225 Bush Street	Suite 700		San Francisco	CA	94104	
NIXON PEABODY LLP	Attn BOBBI HALL	100 SUMMER ST			Boston	MA	02110	
NJ DIVISION OF TAXATION	REVENUE PROCESSING CENTER	PO BOX 642	PART		Trenton	NJ	08646-0642	
NMS Communications LLC		443 12th Street	5C		Brooklyn	NY	11215	
NMS MANAGEMENT, INC.		500 NORTH BROADWAY	STE 236		Jenicho	NY	11753	
NOAH MAYER		2321 SPRUCE ST	APT 2F		Philadelphia	PA	19103	
NOBLE, SHELBY		Address Redacted						
Noel, Kirby		Address Redacted						
Noelle Williams		1456 N. Orleans	Apt 3		Chicago	IL	60610	
Nonna Knows Catering		5522 Maple Ave # 1435			Dallas	TX	75235	
Noomark Capital		9 Hall Avenue			Larchmont	NY	10538	
Norm Crisostomo		5417 E Juniper Canyon Dr			Cave Creek	AZ	85331	
NORRIS, DUSTIN		Address Redacted						
NORRIS, DUSTIN		Address Redacted						

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
North Carolina Department of Revenue		PO Box 25000			Raleigh	NC	27640-0520	
North Ridge Securities		112 Madison Ave, 5th Floor			New York	NY	10016	
NorthPark Center		8887 North Central Expressway			Dallas	TX	75225	
Northwestern University	Attn Maureen Fenty	1800 Sherman Avenue, Suite 400			Evanston	IL	60201	
Norton Rose		3 More London Riverside			London		SE1 2AQ	UK
Notable Solutions, Inc.		9715 Key West Avenue	Suite 200		Rockville	MD	20850	
Nouveau		2270 Springlake Rd	Suite 400		Dallas	TX	75234	
Nova Engineering, Inc		2625 N. Josey Lane, Suite 112			Carrollton	TX	75007	
Novack and Macey LLP		100 N Riverside Plaza			Chicago	IL	60606-1501	
NOW Advisors		1320 Greenway Dr	Suite 758		Irvine	TX	75038	
NPB Financial Group, LLC		3500 W. Olive Avenue	Suite 300		Burbank	CA	91505	
NTR Review		407 East maple Street			Cumming	GA	30040	
Numara Software Inc		PO Box 102280			Atlanta	GA	30368-2280	
Numara Software Inc		PO BOX 933754			Atlanta	GA	31193-3754	
Nutter, McClellan & Fish, LLP		155 Seaport Boulevard	Seaport West		Boston	MA	02110-2604	
Nutter, McClellan & Fish, LLP		Seaport West	155 Seaport Blvd		Boston	MA	02210	
NWCC, LLC	c/o of Michael A. Battle, Esq.	Barnes & Thornburg, LLP	1717 Pennsylvania Ave N.W. Ste 500		Washington	DC	20006-4623	
NXT Capital Real Estate		Dallas			Dallas	TX	75201	
NYC DEPARTMENT OF FINANCE		59 Maiden Lane, 19th Floor			New York	NY	10038-4502	
NYC DEPARTMENT OF FINANCE		PO Box 3644			New York	NY	10008	
NYC DEPARTMENT OF FINANCE		PO Box 3646			New York	NY	10008	
NYC DEPARTMENT OF FINANCE		PO Box 3922	General Corporation Tax		New York	NY	10008-3922	
NYC DEPARTMENT OF FINANCE		PO Box 3931			New York	NY	10008-3931	
NYC DEPARTMENT OF FINANCE		PO Box 5040			Kingston	NY	12402-5040	
NYC DEPARTMENT OF FINANCE		PO Box 5060			Kingston	NY	12402-5060	
NYC DEPARTMENT OF FINANCE		PO Box 5070			Kingston	NY	12402-5070	
NYC DEPARTMENT OF FINANCE		PO BOX 5100			Kingston	NY	12402-5150	
NYC DEPARTMENT OF FINANCE		PO BOX 5150			Kingston	NY	12402-5150	
NYC FIRE DEPARTMENT		CHURCH STREET STATION	PO BOX 840		New York	NY	10008-0840	
NYEMASTER GOODE LAW FIRM		700 WALNUT	STE 1600		Des Moines	IA	50309-3899	
NYS Assessment Receivables		PO Box 4127			Binghamton	NY	13902-4127	
NYS Unemployment Insurance		PO Box 4301			Binghamton	NY	13902-4301	
NYS Workers Comp Board DB		One Exchange Plaza			New York	NY	10006	
NYSE ARCA, LLC		PO Box 223529			Pittsburgh	PA	15251-2529	
NYSE MARKET, INC		Box #223695			Pittsburgh	PA	15251-2695	
NYSE MARKET, INC		BOX #4006	PO BOX 8500		Philadelphia	PA	19178-4006	
NYSE MARKET, INC		Grand Central Station	PO BOX 4695		New York	NY	10163	
NYSIF Disability Benefits		DCC	1 Watervliet Ave. EXT		Albany	NY	12206	
NYSIF Disability Benefits		PO Box 5239			New York	NY	10008-5239	
Oak Tree Securities, Inc.		4049 First Street	Suite 129		Livermore	CA	94551-4949	
Ober, Kaler, Grimes & Shriver		100 Light Street			Baltimore	MD	21202	
Objective Group, Inc.		201 South Biscayne Blvd, 28th Floor			Miami	FL	33131	
OBJECTIVE PARADIGM CORPORATION	Attn RYAN POLLOCK	805 N MILWAUKEE AVE STE 300			Chicago	IL	60622	
OBRIEN, JUSTIN		Address Redacted						
OBRIEN, MICHAEL J		Address Redacted						
OC CRUISER, Inc		1439 W Chapman Ave #260			Orange	CA	92668	
Oce Imagistics Inc		PO Box 856193			Louisville	KY	40285	
OConnor, Shannon		Address Redacted						
OConnors		3800 Buffalo Speedway	Ste 500		Houston	TX	77098	
Office Depot, Inc		DEPT 56-4201162804	PO BOX 689020	OFFICE DEPOT CREDIT PLAN	Des Moines	IA	50368-9020	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Office Depot, Inc		Dept. 56 - 4201182804 PO Box 9020			Des Moines	IA	50368-9020	
Office Depot, Inc		PO BOX 5027	ACCT - 31A		Boca Raton	FL	33431-0827	
Office Depot, Inc		PO Box 70025			Los Angeles	CA	90074-0025	
OFFICE EQUIPMENT FINANCE SERVICES		PO BOX 790448			Saint Louis	MO	63179-0448	
Office Expo		2025A Midway Rd			Carrollton	TX	75006	
Office of Secretary of State		1019 Brazos Street			Austin	TX	78701	
Office of the Attorney General	Michael B. Mukasey, Esq.	U.S. Department of Justice	950 Pennsylvania Avenue, N.W.		Washington	DC	20530-0001	
Office of the Attorney General		Securities Division	200 St Paul Place		Baltimore	MD	21202	
Office of the General Counsel								
Office of the General Counsel	Re Prime Brokerage Services	Pension Benefit Guaranty Corp.	1200 K Street, N.W.		Washington	DC	20005-4026	
Office of the Securities Comm. KS		Jefferies LLC	520 Madison Avenue, 16th Floor		New York	NY	10022	
OGLETREE DEAKINS		Securities Division	109 SW 9th Street, Suite 600		Topeka	KS	66612	
OGLETREE DEAKINS		918 S PLEASANTBURG DR (29607)	PO BOX 167		Greenville	SC	29602	
Ogletree Deakins Nash Smoak & Stewart PC		PO BOX 89			Columbia	SC	29202	
OHANNA, DAVID		P.O. Box 89			Columbia	SC	29202	
OHC Advisors Inc		Address Redacted						
OHC Advisors Inc		14221 SW 120th Street	Suite 229		Miami	FL	33186	
Ohio Division of Securities		77 South High Street	22nd Floor		Columbus	OH	43215	
Oil & Gas Information Systems		5801 Edwards Ranch Road	Suite 200		Fort Worth	TX	76109	
Oil & Gas Journal		Pennwell Corporation	PO Box 4362		Chicago	IL	60680-4207	
Oil and Gas Investor		PO Box 3001			Northbrook	IL	60065-3001	
Okada, Luke		Address Redacted						
OKADA, MARK		Address Redacted						
Okada, Mark		Address Redacted						
Oklahoma Department of Securities		Oklahoma Department of Securities	204 N. Robinson Ave., Ste. 400		Oklahoma City	OK	73102-7001	
Oklahoma Independent Petroleum Assoc.		500 N.E. 4th Street			Oklahoma City	OK	73104	
OKLAHOMA TX COMMISSION		PO BOX 26930			Oklahoma City	OK	73126-0930	
OKOLITA, MATTHEW		Address Redacted						
Okta Inc		301 Brannan Street	Ste 300		San Francisco	CA	94107	
Okta, Inc.		301 Brannan St	Suite 100		San Francisco	CA	94107	
Old Republic National Title Ins. Co.		8201 Preston Rd	Suite 450		Dallas	TX	75225	
Olender Reporting, Inc.		1522 K St NW Ste 720			Washington	DC	20005	
Olive & Ivy		7135 E Camelback Rd	No 195		Scottsdale	AZ	85251	
OLIVER CASTELINO		5711 ROSS AVE			Dallas	TX	75206	
OLSON CANNON, GORMLEY, &								
DESIRUISSEAUX		9950 WEST CHEYENNE AVE			Las Vegas	NV	89129	
OM5-DALLAS		Prestonwood Tower		Suite 550	Dallas	TX	75254	
Omgoo LLC		2967 Collections Center Dr			Chicago	IL	60693	
On Course Promotion		6865 Pear Tree Dr			Carlsbad	CA	92011	
Ondina Purcell		12 Stonegate Drive			Watchung	NJ	07069	
Onelogin, Inc.		100 California Street	Floor 9		San Francisco	CA	94111	
On-Site Sourcing, Inc.		PO Box 75495			Baltimore	MD	21275	
Opal Financial Group		10 East 38th St, 4th Flr			New York	NY	10016	
Open Text Inc.	c/o JP Morgan Lockbox	24695 Network Place			Chicago	IL	60673-1246	
OpentheimerFunds, Inc.	Attn Accounts Payable	6803 S. Tucson Way, Bldg 2 Garden Level			Centennial	CO	80112	
Options Group		1121 East 13th St			New York	NY	10003	
Options Price Reporting Authority		PO Box 95718			Chicago	IL	60694-0001	
Opus 2 International, Inc.		100 Pine Street	Suite 560		San Francisco	CA	94111	
Opus 2 International, Inc.	Matthew Finney, Credit Controller	5 New Street Square			London		EC4A 3BF	UK
ORACLE AMERICA, INC		PO Box 203448			Dallas	TX	75320-3448	
ORACLE AMERICA, INC		PO BOX 71028			Chicago	IL	60694-1028	
Oracle Healthcare Advisors Inc.		14221 SW 120th Street	Suite 229		Miami	FL	33186	
Orbis Marketing, Inc.		21550 Onnard Street	Suite 850		Woodland Hills	CA	91367	
Orchard Group Productions		301 Park Forest Ct			Hurst	TX	76053	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Oregon Department of Revenue		955 Center St NE			Salem	OR	97301	
ORENT, COURTNEY		Address Redacted						
Organizational Talent		3752 Colliers Dr			Edgewater	MD	21037	
Orrick, Herrington & Sutcliffe LLP		4253 Collections Center Dr			Chicago	IL	60693	
OSED Investments, LLC		8951 Synergy Dr., Ste 225			McKinney	TX	75070	
OUTLOOKSOFT CORPORATION		ONE STAMFORD PLAZA	11TH FLR		Stamford	CT	06901-3281	
OutSource Management	c/o Cathy Wylet, Meeting Planner	14410 N. 10th Place			Phoenix	AZ	85022	
Ouyang, Kaki		Address Redacted						
Ovation, TRAVEL GROUP	Attn ANDREA KELLY	71 FIFTH AVE	11TH FLR		New York	NY	10003	
Ovis Creative		483 10th Ave	Suite 230		New York	NY	10018	
Owens, David		Address Redacted			Dallas	TX	75206	
OXANA BROWN		8200 SOUTHWESTERN			New York	NY	10013	
Oxer Technologies		59 Franklin Street	Suite 5R		Washington	DC	20006-4506	
PA Consulting Group		1750 Pennsylvania Ave Ste 100			Atlanta	GA	30384-7773	
PACER Service Center		PO Box 277773						
PACER Service Center		P.O. Box 5208			Portland	OR	97208-5208	
PACER Service Center		PO BOX 70951			Charlotte	NC	28272-0951	
PACER Service Center		PO Box 71364			Philadelphia	PA	71364	
Pachulski Stang Ziehl & Jones LLP		10100 Santa Monica Blvd	Ste 1300		Los Angeles	CA	90067	
Pacific Life Annuities & Mutual Funds		700 Newport Center Drive			Newport Beach	CA	92660-6397	
Paciugo Catering		1215 Viceroy Drive			Dallas	TX	75247	
Packerland Brokerage Services Inc.		432 Security Blvd			Green Bay	WI	54313-9709	
PADILLA, ANDREW		Address Redacted			London		EC1N 8XA	UK
Pageant Media		Dunstan House 14a St Cross St						
PAIPANANDIKER, CHET		Address Redacted			New York	NY	10170	
Palico LLC		420 Lexington Avenue	Suite 1425		Fort Lee	NJ	07024	
Palisade Capital Management		One Bridge Plaza	Suite 695					
PALLEY, RENNICK		Address Redacted			Delray Beach	FL	33484	
Palm Beach Investment Research Grp Inc.		13638 Via Flora	Suite A					
PALMER, JAMES		Address Redacted						
PAM Capital Funding LP	c/o Maples & Calder	PO Box 309, Ugland House	South Church Street		Grand Cayman			Cayman Islands
PAM Capital Funding LP	c/o Queensgate SPV Services Limited	PO Box 1093GT / Suzanne St. Thomas	Compass Center, 2nd Flr, Crewe Road		Grand Cayman			Cayman Islands
PamCo Cayman Ltd.	c/o Maples & Calder	PO Box 309, Ugland House	South Church Street		Grand Cayman			Cayman Islands
PamCo Cayman Ltd.	c/o Queensgate SPV Services Limited	PO Box 1093, Ugland House	South Church Street		Grand Cayman			Cayman Islands
Panhandle Producers Royalty Ownrs Assoc.		3131 Bell Street	Suite 209		Amarillo	TX	79106	
PaperCut Software International Pty Ltd		1620 SW Taylor Street	Ste 210		Portland	OR	97205	
PAR Plumbing		60 N. Prospect Avenue			Lynbrook	NY	11563-1395	
Paradigm		360 Park Avenue South	16th Floor		New York	NY	10010	
Paradise Bakery and Cafe		13710 Dallas Parkway, Suite H			Dallas	TX	75240	
Paradox Sports		710 10th Street	Suite 200		Golden	CO	80401	
Paragon Photocopying, Co.		1700 Commerce Ste 200			Dallas	TX	75201	
PARCELS INC		PO BOX 27			Wilmington	DE	19899	
PARVEDA SOLUTIONS		PO BOX 671060			Dallas	TX	75267	
Park Cities Quail 2016 Dinner & Auction		25 Highland Park Village	Suite 100-417		Dallas	TX	75205	
PARK, JUN		Address Redacted						
Parker Poe Adams & Bernstein LLP		401 S. Tryon St. Ste 3000	Three Wells Fargo Center		Charlotte	NC	28202	
PARKER, LEE		Address Redacted						
Parkinsons Disease Foundation		Gift Processing Center						
Parkland Securities, LLC	Attn Blayne Andersen	300 Parkland Plaza	PO Box 96268		Washington	DC	20090-6268	
Parks Coffee		PO Box 110209			Ann Arbor	MI	48103	
Parkway Bent Tree Partners, Ltd		17130 Dallas Parkway						
Parmentier, Andrew		Address Redacted	Suite 240		Carrollton	TX	75011-0209	
PARNELL, CATHERINE		Address Redacted			Dallas	TX	75248	
PARS International Corp		253 West 35th Street, 7th Floor						
Parth Shah	Attn Permissions A/R	360 West 43rd Street			New York	NY	10001	
					New York	NY	10036	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Partner Engineering & Science, Inc.		2154 Torrance Blvd	Suite 200		Torrance	CA	90501	
Partridge Snow & Hain, LLP		40 Westminster Street	Suite 1100		Providence	RI	02903	
Party Frills		219 E White St			Anna	TX	75409	
PASSMORE, MICHAEL		Address Redacted						
Pat & Emmitt Smith Charities		16000 North Dallas Pkwy	Suite 550N		Dallas	TX	75248	
Pate & Knarr		PO Box 1907			Oklahoma City	OK	73101-1907	
PATEL, VISHAL		Address Redacted						
PATRICK BOYCE		6617 MUIRFIELD CIRCLE			Plano	TX	75093	
Patrick Bressler		10121 Parley Dr.			Tampa	FL	33626	
Patrick Daugherty		McCormick Demilio Smith Uebler LLC	2751 Centerville Rd #401		Wilmington	DE	19808	
Patrick Daugherty/Andrew K. York	c/o Thomas A. Uebler, Esq.	Gray Reed & McGraw, LLP	1601 Elm Street		Dallas	TX	75201-7212	
Dylan O. Drummond		1111 Brady Street			Daniel Island	SC	29492	
PATRICK KELLY		2155 W ROSCOE	No 3S		Chicago	IL	60618	
PATRICK MARK		Address Redacted			Dallas	TX	75205	
Patrina Corporation		45 Broadway						
Patton Boggs LLP		2550 M St NW	Ste 1440		New York	NY	10006	
PAUL ADKINS		3938 VENETIAN WAY			Washington	DC	20037	
Paul D. Peterson, Ltd.		3040 Woodbury Drive			Tampa	FL	33634-7424	
Paul DiMartino		3675 N Country Club Drive #1709			Woodbury	MIN	55129	
					Adventura	FL	33180	
Paul Hastings, Jancosky & Walker LLP		55 Second St, 24th Flr						
PAUL KAUFFMAN		1401 Eastwick Ln			San Francisco	CA	94105-3441	
PAUL KAUFFMAN		3009 Bryn Mawr Dr.			Plano	TX	75093	
PAUL KUNKEL		217 N WESTERN AVE			Dallas	TX	75225	
Paula Shober		86 Hillcrest Road			Park Ridge	IL	60068	
Paws Cause 2015	Attn Paws Cause 2015	2400 Lone Star Drive			Berkeley	CA	94705	
					Dallas	TX	75212	
PayCom Payroll, LLC		4005 NW Expressway, STE 500			Oklahoma City	OK	73116	
PayFlex Systems USA, Inc.		10802 Farnam Drive	Suite 100		Omaha	NE	68154	
Paylocity		3850 N. Wilke Road						
Payne & Smith, LLC		10711 Preston Rd	Suite 110		Arlington Heights	IL	60004	
Payne & Smith, LLC		5552 Royal Lane	Suite 158		Dallas	TX	75230	
PayScale Inc		PO Box 49283						
PBGC		DEPT 77430, PO BOX 77000			San Jose	CA	95161-9283	
PBGC		PO Box 105758			Detroit	MI	48277-0430	
					Atlanta	GA	30348-5758	
PC Connection		PO Box 382808			Pittsburgh	PA	15250-8808	
PC Serv LLC/SharePoint Solutions	Accounts Receivable	1521 Gordon Petty Dr			Brentwood	TN	37027	
PC Serv, LLC / SharePoint Solutions		PO Box 1588			Brentwood	TN	37024-1558	
PCMG Trading Partners XXIII, L.P.	c/o The Corporation Trust Company	1209 Orange St						
PCS Securities, Inc.		19020 88th Avenue West			Wilmington	DE	19801	
Peach Labs, Inc.		403 Columbia Street			Edmonds	WA	98026	
Pearcock, Carissa		Address Redacted	Suite 200		Seattle	WA	98104	
Pearson, James M.		Address Redacted						
Pearson, Kyle		Address Redacted						
PEGGY FRANCIS		1175 W 9th ST APT 15A			New York	NY	10024	
Peller		Dreikönigsstrasse 45	Postfach 2016		Zurich			SWITZERLAND
Pellekian, Michael		Address Redacted						
Pellekian, Michael		Address Redacted						
PELZEL, TERRY		Address Redacted						
Penland, Nathan		Address Redacted						
Pension Benefit Guaranty Corporation		Department 77430	PO Box 77000		Detroit	MI	48277-0430	
PensionDanmark	Pensionsforsikringsaktieselskab	Head of Legal	Langelinie Alle 43		Copenhagen		02100	Denmark
Pensions & Investments		Crain Communication Inc.	115 Gratiot		Detroit	MI	48207-2997	
Pensions & Investments		PO BOX 79001	DRAWER #7718		Detroit	MI	48279-7718	
Pensions & Investments		Subscriber Services Department 77940			Detroit	MI	48277-0940	
PENTAGROUP FINANCIAL, LLC		5569 CORPORATE DR	STE 1400		Houston	TX	77036	
PENTON TECHNOLOGY MEDIA		221 E 29TH ST			Loveland	CO	80538	
Pepper Hamilton LLP		1201 Market St, Ste 1600			Wilmington	DE	19889	
Pepperdine University	Attn Stacy Taylor	Pepperdine School of Law	24255 Pacific Coast Hwy		Malibu	CA	90263	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
PEREIRA, TOM		Address Redacted						
Perino, Inc		450 W 42nd Street			New York	NY	10036	
Perkins Cole LLP	Attn Client Accounting	1201 Third Avenue, Suite 4900			Seattle	WA	98101	
Perot Museum of Nature and Science		2201 North Field Street			Dallas	TX	75201	
Perot Museum of Nature and Science		PO Box 151469			Dallas	TX	75315	
Pershing LLC	Alternative Invest Dept. -							
Pershing LLC	Zamena Khan	300 Colonial Center Parkway, 3rd Floor			Lake Mary	FL	32746	
Pershing LLC	Attn Brittany Crowley	300 Colonial Center Parkway			Lake Mary	FL	32746	
Pershing LLC	Attn Genesis Garcia	One Pershing Plaza, 8th Fl			Jersey City	NJ	07399	
Pershing LLC	Attn IBD - 15th Floor	One Pershing Plaza			Jersey City	NJ	07399	
Personnel Concepts		PO Box 3353			San Dimas	CA	91773	
PERTRAC FINANCIAL SOLUTIONS, LLC		10403 DOUBLE R BOULEVARD			Reno	NV	89521	
PERTRAC FINANCIAL SOLUTIONS, LLC		2650 Thousand Oaks, Ste 1340			Memphis	TN	38118	
Pestotnik + Gold LLP		501 W. Broadway			San Diego	CA	92101	
Petals & Stems Florist		13319 Montfort	Suite 1850		Dallas	TX	75240	
Petals and Stems		13319 Montfort	LBJ at Montfort		Dallas	TX	75240	
PETER CHUNG		2816 AMHERST AVE			Dallas	TX	75225	
PETER CHUNG		47 LAFAYETTE PLACE	APT #6B		Greenwich	CT	06830	
PETER FERGUSON		49 DELHI AVE			TORONTO	ON	MSM 3B8	CANADA
Peter McFarlane		104 Normandy Drive			Woodstock	GA	30188	
PETER NOLAN		4138 NIBLICK DR			Longmont	CO	80503	
PETER PESTILLO		338 PROVENCAL						
Peter Roman		232C Brown St			Grosse Pointe Farms	MI	48236	
PetroCap Inc		2602 McKinney Avenue			Philadelphia	PA	19123	
PetroCap Operating, LLC		300 Crescent Court	Suite 400		Dallas	TX	75204	
PetroCap Partners II, GP, LLC		William L. Britain	Suite 700		Dallas	TX	75201	
PetroCap Partners II, LP		300 Crescent Court	2602 McKinney Avenue		Dallas	TX	75204	
PetroCap Partners III, L.P.		3333 Lee Parkway	Suite 700		Dallas	TX	75201	
PetroCap, LLC		Dallas	Suite 750		Dallas	TX	75201	
Petroleum Club of Midland		PO Box 10527			Midland	TX	79702-7527	
PelSMART Charities, Inc.		PO Box 96426			Washington	DC	20077-7227	
PFERTNER, JIM		Address Redacted						
PFPC DISTRIBUTORS		PO BOX 828789			Philadelphia	PA	19182-8789	
PFPC DISTRIBUTORS		PO BOX 828810			Philadelphia	PA	19182-8810	
Phase 3 Marketing and Communications		Dep# 7052	PO Box 2153		Birmingham	AL	35287-7052	
PHELAN, KEVIN		Address Redacted			Atlanta	GA	30312	
PHIL GALPIN		225 COREY CENTER DR SE			Montreal	QC	H2K 4G4	CANADA
Phil Rochefort		4062 Rue Cartier						
Philadelphia Biblical University		200 Manor Ave			Langhorne	PA	19047-9989	
Philadelphia Biblical University	Attn Mr. Tim Hui	200 Manor Ave			Langhorne	PA	19047-9989	
PHILET FOODS		5331 E MOCKINGBIRD LN			Dallas	TX	75206	
Philip Settimi		2045 West Webster Ave	STE 413		Chicago	IL	60647	
Philippine American Physicians		PO Box 690695			Orlando	FL	32869	
Phillips, Michael		Address Redacted						
Phonician Operating LLC		6000 East Camelback Road			Scottsdale	AZ	85251	
PicFlips, LLC		8553 N Beach St #280			Fort Worth	TX	76244	
Pillsbury Winthrop Shaw Pittman LLP		PO Box 7880			San Francisco	CA	94120-7880	
Pink Ribbon Cleaning Services		PO Box 541141			Dallas	TX	75354	
Pinnacle Aviation Charter		14988 North 78th Way	Suite 106		Scottsdale	AZ	85260	
Pinnacle Business Systems		609 S. Kelly Avenue, Suite E-7			Edmond	OK	73003	
Pinnacle Group International		PO BOX 2800, # 265			Carefree	AZ	85377	
Pinnacle International		5420 LBJ, Ste 390			Dallas	TX	75240	
Pinnacle International		PO Box 2800, #265			Carefree	AZ	85377	
Pinnacle Office Products LLC		8024 Glenwood Ave	Suite 200		Raleigh	NC	27612	
Pinnacle Office Products LLC		8024 Glenwood Ave Ste 200	STE 200		Raleigh	NC	27612	
PIONEER INVESTMENT MANAGEMENT		60 STATE STREET			Boston	MA	02109	
Pipos Travel Corp.		2333 Brickell Ave.	Mezz UL4		Miami	FL	33129	
PIRA Energy Group		3 Park Ave, 26th Flr			New York	NY	10016-5989	
Pinform Inc.		590 Madison Avenue	21st Floor		New York	NY	10022	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Phiozzi & Hillman, Inc.		274 Madison Ave			New York	NY	10016	
Pirtle Design		88 Church Hill Road			New Paltz	NY	12561	
Pitney Bowes Credit Corp.		PO Box 856460			Louisville	KY	40285-6460	
PITNEY BOWES FINANCIAL SERVICES LLC		PO BOX 371887			Pittsburg	PA	15250-7887	
Pitney Bowes Inc.		PO Box 371896			Pittsburgh	PA	15250-7896	
Pitney Bowes- Purchase Power		PO Box 371874			Pittsburgh	PA	15250-2648	
PITTMAN, TABOR J.		Address Redacted			New York	NY	10017	
Photal Research Group LLC		286 Madison Avenue			New York	NY	10011	
PJ Mechanical Service & Maint. Corp.		135 W. 18th Street			London	TX	SW1W 0BY	UK
Planatech Solutions Ltd.		Grosvenor Gardens House			Murphy	TX	75094	
Plano East Golf Booster Club	Attn Brian Flanagan	700 Bear Creek Dr.			Plano	TX	75023	
Plano Party Animals		600 Legacy Drive			Ponder	TX	76259-0008	
PLANT DECOR		PO BOX 8			San Antonio	TX	78249	
Plant Interscapes, Inc.		6436 Babcock Rd.			Dallas	TX	75222-6142	
PlantKeeper		PO BOX 226142			Detroit	MI	48207-9944	
Plastic News		Subscriber Services			Dallas	TX	75201	
Platinum Litigation Solutions, LLC		325 N. Saint Paul Street			Dallas	TX	75201	
Platinum Parking		300 Crescent Court			Carlsbad	CA	92011	
Platypus Studios	Attn Mark Baldi	2056 Corte Del Nogal			Milpitas	CA	95035-4401	
Plimus, Inc.		142 N. Milpitas Blvd #435			Houston	TX	77210-4987	
PLS Inc.		PO Box 4987						
PLUM, KEITH		Address Redacted						
PLUMER, KURTIS		Address Redacted						
PMC Commercial Trust		17950 Preston Road			Dallas	TX	75252	
PMC Service Company		2425 Dillar Rd St			Grand Prairie	TX	75051	
PNC Global Investment Servicing		PO Box 828789			Philadelphia	PA	19182-8789	
PNP Productions		8312 Westlawn Avenue			Los Angeles	CA	90045	
POER, MARY		Address Redacted						
POGLITSCH, JON		Address Redacted						
POGRANICHNY, PAUL		Address Redacted						
Point Multimedia LLC		501 Elm Street			Dallas	TX	75202	
Pollock, Staci		Address Redacted						
Polson, Gregory		Address Redacted						
POPE, JAMES		Address Redacted						
POPE, THERESA		Address Redacted						
Portfolio Media, Inc		860 Broadway			New York	NY	10003	
POST, ROBERT		Address Redacted			Chicago	IL	60654	
Potbelly Sandwich Works, LLC		222 Merchandise Mart Plaza			Wilmington	DE	19801	
POTTER ANDERSON & CORROON LLP	Timothy R. Dudderar	Hercules Plaza, 6th Floor						
Potter, Anderson & Corroon		1313 North Market St PO Box 951			Wilmington	DE	19809-0951	
POWELL, ETHAN		Address Redacted						
POWELL, ETHAN K.		Address Redacted						
PR Newswire		PO Box 5897			New York	NY	10087-5897	
PRACTICING LAW INSTITUTE		810 SEVENTH AVE			New York	NY	10019	
PRACTICING LAW INSTITUTE		PO Box 26532			New York	NY	10087-6532	
Practising Law Institute		810 Seventh Ave			New York	NY	10019	
Prairie Rose Studio		PO Box 1316			Commerce	TX	75429	
PRAMOD RAJU		3737 COLE AVE			Dallas	TX	75204	
PRAMOD RAJU		41 LONGFELLOW PLACE			Boston	MA	02114	
Precise Land Surveying, Inc.		4625 Eastover Dr			Mesquite	TX	75149	
Premier Wealth Strategies	Attn Jon Rustad	8777 E. Via de Ventura, Ste 140			Scottsdale	AZ	85258	
Premiere Global Services		PO Box 404351			Atlanta	GA	30384-4351	
Premiere Speakers Bureau, Inc.		109 International Drive			Franklin	TN	37067	
Preqin Ltd.		PO Box 200918			Pittsburgh	PA	15251-0918	
Preqin Ltd.		Scotia House			London		EC2A 1BB	UK
Presbyterian Hospital of Dallas		PO Box 910013			Dallas	TX	75391	
Prescott Legal Search		PO Box 1024140			Atlanta	GA	30368-4140	
Presidential Process Service Inc		419 Park Ave South			New York	NY	10016	
Preston Florist		14856 Preston Rd Ste 110			Dallas	TX	75240	
Preston Hollow Catering		3419 Westminster			Dallas	TX	75205	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	City	State	Zip	Country
Preston Hollow Elementary PTA		6423 Walnut Hill Lane		Dallas	TX	75230	
PRI Association		5th Floor	25 Camperdown Street	Whitechapel		E1 8DZ	UK
PRICE, BRIAN		Address Redacted					
Price, Kevin		Address Redacted					
PRICE, WHITNEY		Address Redacted					
Pricewaterhouse Coopers, LLP		8 Cross St. #17-00	PWC Singapore Building	Singapore		048424	SINGAPORE
Pricewaterhouse Coopers, LLP		PO Box 75647		Chicago	IL	60675-5647	
Pricewaterhouse Coopers, LLP		P.O. Box 952282		Dallas	TX	75395	
PRICEWATERHOUSECOOPERS		SOUTHWARK TOWERS	32 LONDON BRIDGE ST	London		SE1 9SY	UK
PRILICK, GUSTAVO		Address Redacted					
Prime Brokerage Services		Jefferies LLC	520 Madison Avenue	New York	NY	10022	
Primedia		PO Box 96985		Chicago	IL	60693	
Princeton Club of NY		15 West 43rd Street					
Princeton Search LLC		d/b/a PrincetonOne	PO Box 52265	Newark	NJ	07101-0220	
Principal Financial Group		PO Box 477		Appleton	WI	54912-0477	
Principal Life		Dept. 400 PO Box 14416		Des Moines	IA	50306-3416	
PrintComm		1161 Executive Drive West	Suite 2000	Richardson	TX	75081	
PrintGlobe		PO Box 975659		Dallas	TX	75397-5659	
Privcap LLC		86 Chambers Street	7th Floor	New York	NY	10007	
Probe Ministries		1900 Firman Dr Ste 100		Richardson	TX	75081-6796	
Probe Ministries		2001 W. Plano Pkwy		Plano	TX	75075	
Professional Technologies, Inc.	Accounting Dept.	4950 N. O'Connor Rd., 1st Floor		Irving	TX	75062-2778	
PROFESSIONALS PUBLISHING GROUP		1911 N US HWY 301	STE 140	Tampa	FL	33619	
PROFESSIONAL TECHNOLOGIES							
INCORPORATED		CORPORATE PLAZA 1, 1st floor	4950 North O'Connor Rd	Irving	TX	75062-2778	
Professional Video Services, LLC		8 Canterbury Lane		Westfield	NJ	07090	
Progressive Business Publication		370 Technology Drive	PO BOX 3019	Malvern	PA	19355	
Proofpoint		892 Ross Drive		Sunnyvale	CA	94089	
Proposal Software, Inc.		1140 US Hwy 287	Suite 400-102	Broomfield	CO	80020	
Prosek Partners LLC		1552 Post Road		Fairfield	CT	06824	
Prospect News Inc.		164 Prospect Park West #4R		Brooklyn	NY	11215	
Prospect News Inc.		6 MAIDEN LANE	9th floor	New York	NY	10038	
Prosper Sports Association		1050 High Willow		Prosper	TX	75078	
ProStar Services, Inc		PO Box 110209		Carrollton	TX	75011	
Protection Networks		4887 Alpha Road, St 200		Farmers Branch	TX	75244-4632	
PROVIDEA CONFENCING LLC		1297 Flynn Rd.	Suite 100	CAMARILLO	CA	93012	
PROVIDEA CONFENCING LLC		PO Box 636132		Cincinnati	OH	45263	
Prudential	Attn Nilsa Reyes	100 Mulberry St, Gateway Ctr 3, 14 flr		Newark	NJ	07102	
Prudential		PO BOX 856138		Louisville	KY	40285	
Pryor-Cashman LLP		410 Park Ave		New York	NY	10022	
PUBLIC COMPANY ACCTNG OVERSIGHT BOARD		PO BOX 631116		Baltimore	MD	21263-1116	
Puerto Rico Secretary of the Treasury		Securities Division	1492 Ponce de Leon Avenue, Suite 600	San Juan	PR	00907-1492	
Puglisi & Associates		850 Library Ave, Suite 204		Newark	DE	19711	
PUNCHSTOCK		8517 EXCELSIOR DR	STE 200	Madison	WI	53717	
PUNCHSTOCK		PO Box 953604		Saint Louis	MO	63195	
PURCELL, ONDINA		Address Redacted					
PURCELL, ONDINA A.		Address Redacted					
Purdie-McGuire		4300 Sigma Ste 200		Dallas	TX	75244-4416	
Pure Compliance		PO BOX 951839		Dallas	TX	75395	
Purshe Kaplan Sterling Investments, Inc.		18 Corporate Woods Blvd	4th Floor	Albany	NY	12211	
PUSATERI, MICHAEL		Address Redacted					
Putnam Lovell		1155 Metcalfe St, 4th Flr		Montreal	QC	H3B 4S9	CANADA
PwC Product Sales LLC		PO Box 952282		Dallas	TX	75395-2282	
Q&A RECRUITING		14241 N DALLAS PKWY, STE 550		Dallas	TX	75254	
Q.O.P.S.		PO Box 10429		Van Nuys	CA	91410	
Quadriga Partners, LLC	Attn Jason Ficken	100 Fillmore, Suite 425		Denver	CO	80206	
Quality High-Tech Services, Inc.		11807 Forestgate Dr		Dallas	TX	75243	
QUAN ZHANG		90 SOUTH 9TH ST		Minneapolis	MN	55402	
QUANTUM		DEPT 0596	APT 1106	Dallas	TX	75312	
Queens Ballpark Co.		126-01 Roosevelt Ave.	PO BOX 120596	Flushing	NY	11368	
Quest CE		10100 W. Innovation Drive	Suite 200	Milwaukee	WI	53226	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Quest Events		2591 Dallas Parkway	Suite 201		Frisco	TX	75034	
Quest Software		PO Box 51739			Los Angeles	CA	90051-6039	
Quick Trak Messengers		267 West 17th Street	3rd Floor		New York	NY	10019	
Quik Trak Messengers		267 West 17th Street	3rd Floor		New York	NY	10011-5300	
QVerity, Inc.		740 Greenville Blvd.	Suite 400, PMB 154		Greenville	NC	27858	
Rabbit Reproduction		PO Box 29764			Dallas	TX	75229	
Rachael Romine		5165 CR 2013			Glen Rose	TX	76649	
RACHAL, TRAVIS		Address Redacted						
RACHAL, TRAVIS		Address Redacted						
Rademacher, Cole		Address Redacted						
Radianz Americas Inc	Attn Head of Legal	620 Eighth Ave	45 1th Floor		New York	NY	10018	
Radianz Americas Inc		DEPT CH 19227			Palentine	IL	60055-9227	
Radianz Americas Inc		PO Box 7247-6642			Philadelphia	PA	19170-6642	
Rafael Anchia		Patton Boggs	2001 Ross Ave Ste 3000		Dallas	TX	75201	
Ragen, Spencer		Address Redacted						
RAJU, PRAMOD		Address Redacted						
Rally Point Media Strategies LLC		1320 North Veitch St			Arlington	VA	22201	
RAMAMURTHY, SUNDAR		Address Redacted						
Ramesh Swaminathan		27 Phillips Rd			Edison	NJ	08817	
Rand Advisors Series I Insurance Fund	c/o Rand Advisors	John Honis	87 Railroad Place	Suite 403	Saratoga Springs	NY	12866	
Rand Advisors, LLC	John Honis	87 Railroad Place	Suite 403		Saratoga Springs	NY	12866	
Rand PE Fund I, L.P.	c/o Rand PE Fund Management, LLC	John Honis	87 Railroad Place	Suite 403	Saratoga Springs	NY	12866	
Randal Stout Entertainment		2341 Hummingbird Trail			Saratoga Springs	TX	76051	
RANDAL ZIEGENHAGEN		5317 ELLSWORTH AVE			Dallas	TX	75206	
Random Lengths		PO Box 867			Eugene	OR	97440-0867	
RANGEL, VICTOR		Address Redacted						
Ranger Creek Goose		209 Alex Way			Abilene	TX	79602	
Ransom, Garrett		Address Redacted						
Rapid7 LLC		100 Summer Street, 13th Flr			Boston	MA	02110	
Rapid7 LLC		PO Box 347377			Pittsburgh	PA	15251-4377	
Ratcliffe for Congress		2931 Ridge Road, Ste 101	PMB #217		Rockwall	TX	75032	
RAWLINGS OLSON, CANNON		GORMLEY & DESRUISSEAUX	9950 W CHEYENNE AVE		Las Vegas	NV	89129	
Raymond James & Associates, Inc		70 East Main St			Avon	CT	06001	
Raymond James & Associates, Inc	Attn Kristin Koscho	880 Carillon Parkway			St. Petersburg	FL	33716	
Raymond James & Associates, Inc	Attn Treasury/RMB-W/F	PO Box 23591			St. Petersburg	FL	33742	
Raymond James & Associates, Inc		Granada Building, 5th Floor	1216 State Street, Suite 500		Santa Barbara	CA	93101	
Raymond James Financial		3610 N. University Ave, Ste 350			Provo	UT	84604	
ALPG Attn Todd Moulton		PO Box 23613			St. Petersburg	FL	33742	
Attn Calina Cruz/RJ BP Dev Conf Free		4250 Executive Square, Ste 800			Lapolla	CA	92037	
Raymond James Financial		60 South Street, P21			Minneapolis	MN	55402	
RBC Capital Markets, LLC		Subscriber Services Department 77940			Detroit	MI	48277-0940	
RBC Capital Markets, LLC		139 5th Ave			New York	NY	10010	
ROR Wireless News		5 Marine View Plaza #400			Hoboken	NJ	07030	
Real Capital Analytics		13455 NOEL RD	STE 800		Dallas	TX	75240	
REAL ESTATE ALERT								
REAL ESTATE FUND 2002-A								
Real Time Services		452 West John Street			Hicksville	NY	11801-1301	
REALPOINT		BOX #3001	200 WITMER RD		Horsham	PA	19044	
REALPOINT		Receivable Management Services	4836 Brecksville Rd		Richfield	OH	44286	
Reasoning Mind		5910 N. Central Expressway # 250			Dallas	TX	75206	
Rebecca A. Thompson		1363 Glenwood Loop			Builverde	TX	78163	
Rebecca Stropoli		109 Clinton Ave, #2			Brooklyn	NY	11205	
Record Press Inc.		229 West 36th Street			New York	NY	10018	
Records Deposition Service		2201 Main Street	Suite 1250		Dallas	TX	75201	
Red Oak Compliance Solutions LLC		1101 Arrow Point Drive	Suite 301		Cedar Park	TX	78613	
Red River CLO Corp.		P.O. Box 1093GT, Queensgate House	South Church Street	George Town	Grand Cayman			Cayman Islands
co Ogier Fiduciary Svcs (Cayman) Limited		P.O. Box 1093GT, Queensgate House	South Church Street	George Town	Grand Cayman			Cayman Islands

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Red Rock Strategic Partners		PO Box 35			Watkinsville	GA	30677	
Redbud E&P Inc.		2602 McKinney Ave	Ste 400		Dallas	TX	75204	
Redeemer Committee Highland Crusader Fund	c/o Terr Mascherin, Esq.	Jenner & Block	353 N. Clark Street		Chicago	IL	60654-3456	
Redsign		27271 Las Ramblas	Suite 200		Mission Viejo	CA	92691	
REED SMITH		1301 K ST, NW	STE 1100- EAST TOWER		Washington	DC	20005-3373	
REED SMITH		PO Box 360074M			Pittsburgh	PA	15251-6074	
REED SMITH		PO BOX 759052			Baltimore	MD	21275-9052	
REED WATSON		3225 TURTLE CREEK			Dallas	TX	75219	
Reese Energy Consulting, Inc.		725 South Boulevard			Edmond	OK	73034	
Refinitiv US LLC		3 Times Square			New York	NY	10036	
Regulatory Compliance Watch		PO Box 9407			Gaithersburg	MD	20898-9407	
Regus Business Centre		Colleen Susini, Centre Manager	245 Park Ave, 39th Flr		New York	NY	10167	
Regus Management Group LLC		PO Box 842456			Dallas	TX	75284-2456	
Reid Collins & Tsai	William T. Reid, Esq.	Reid Collins & Tsai LLP	810 Seventh Avenue, Ste 410		New York	NY	10019	
Reid Collins & Tsai LLP		1301 S. Capital of Texas Hwy	No C300		Austin	TX	78746	
Reid Collins & Tsai LLP		4301 Westbank Drive	Building B Suite 230		Austin	TX	78746	
Reid Davis		4301 Westbank Dr	Building B, Suite 230		Austin	TX	78746	
REIS SERVICES, LLC		530 Fifth Ave5th Floor			New York	NY	10036	
Reis, Inc.		530 5TH AVE, 5TH FLR			New York	NY	10036	
Reis, Inc.		5 West 37th St			New York	NY	10018	
REIT ZONE PUBLICATIONS, LLC		448 IGNACIO BLVD	STE 345		Novato	CA	94949	
Reiter, Jon		Address Redacted						
Relationship Science LLC		909 3rd Ave	FL 18		New York	NY	10022	
Relationship Science LLC		PO Box 347989			Pittsburgh	PA	15251-4989	
Ren Morrison Photography		9445 Caruth Haven 121			Dallas	TX	75225	
Rentacrate Incorporated		124 Prospect St			Waltham	MA	02453	
Rentacrate Incorporated		22 Century Blvd	Suite 420		Nashville	TN	37214	
Rentacrate Incorporated		PO Box 32194			New York	NY	10087-2194	
Reotfro, Tyler		Address Redacted						
Reorg Research, Inc.		1140 Broadway			New York	NY	10001	
Reporters Central LLC		363 Seventh Ave, 21st Fl	Ste 201		New York	NY	10001	
Republic Title of Texas, Inc.		2701 W. Plano Parkway, Suite 100			Plano	TX	75075	
Reputation Management Consultants		92 Corporate Park	Suite C-700		Irvine	CA	92606	
Rescue Cell Phone		280 Legacy Dr	No 104		Plano	TX	75023	
Rescue Cell Phone		6121 Greenville Ave			Dallas	TX	75206	
Research in Motion Corporation		12432 Collections Center Dr			Chicago	IL	60693	
Resolutions, LLC.		222 Berkeley Street	Suite 1060		Boston	MA	02116	
Resort Capital Advisors		712 Intracoastal Dr			Fl Lauderdale	FL	33304	
Resource Technologies Corp.		PO Box 3201			Troy	MI	48007-3201	
Restaurant Associates	Attn Jeanine Miller	1071 Fifth Avenue			New York	NY	10128	
Resulte Universal		5151 Belt Line Rd	Suite 455		Dallas	TX	75254	
REUTERS LOAN PRICING CORPORATION		GENERAL POST OFFICE						
Rey Rodriguez		5165 CR 2013	P.O BOX 26803		New York	NY	10087-5803	
Reynolds Frizzell Black Doyle Allen		1100 Louisiana			Glen Rose	TX	76649	
Reynolds, Steven		Address Redacted	Ste 3500		Houston	TX	77002	
RFPNetworks B.V.		Laan van Kronenburg 14			Amstelveen		1183AS	NETHERLANDS
Rhinetek Computer Products		PO Box 6205			Carson	CA	90749	
Rhode Island Dept. Business Regulation		Securities Division	1511 Pontiac Ave. Bldg 69, 1st Floor		Cranston	RI	02920	
Rialto Capital Advisors, LLC		790 NW 107th Avenue	Suite 400		Miami	FL	33131	
RICOI, JENNIFER		Address Redacted						
Riccone Resources, Inc		17194 Preston Rd	Suite 102-390		Dallas	TX	75248-1221	
RICE, BRIAN		Address Redacted						
RICE, CHARLES		Address Redacted						
Rice, Christopher		Address Redacted						
Rich Bitterman		6020 N. Beaulne Rd			Ludington	MI	49431	
RICH DAPAAH		400 EAST 99th ST	APT 7C		New York	NY	10021	
RICH, MICHAEL		Address Redacted						
RICHARD & SYLVIA TUCKER TRUST		2000 S COLORADO BLVD ST 2-900			Denver	CO	80222-7931	
Richard Arntz		8602 E. Aster Drive			Scottsdale	AZ	85260	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
RICHARD BARNES TRUST		5837 S WHITEWATER DR			Salt Lake City	UT	84121-1542	
Richard Egelhof		160 E 48th Street	Apt 130		New York	NY	10017	
Richard Even		120 Harvard Rd			Bolton	MA	01740	
Richard Farla		1927 Maryland Blvd			Birmingham	MI	48009	
Richard Harris		540 N. County Line Rd			Hinsdale	IL	60521	
Richard Layton & Finger		One Rodney Square	920 North King Street		Wilmington	DE	19801	
RICHARD LINDENMUTH		10105 OLD WARREN RD			Raleigh	NC	27615	
Richard M. Alderman		1721 Woodhead			Houston	TX	77019	
Richard Pines		1735 York Ave	Apt 10C		New York	NY	10128	
Richard Redden		1000 Johnnie Dodds Blvd Ste 103-348			MI, Pleasant	SC	29464	
Richard Rinehart		6522 Lupton Dr			Dallas	TX	75225	
RICHARD TUCKER		2000 S COLORADO BLVD STE 2-900			Denver	CO	80222-7931	
Richards Layton & Finger		One Rodney Square	920 North King Street		Wilmington	DE	19801	
Richards Partners		8750 N Central Expy	Suite 100		Dallas	TX	75231-6437	
Richards, Paul		Address Redacted						
Richards, Paul A.		Address Redacted						
Richardson, Kellie		Address Redacted						
Richmond Communicatinos Group, Inc.		2750 Northhaven Rd Ste 202			Dallas	TX	75229	
Richolsky, Lori		Address Redacted						
RICK DREW		4010 MERRELL RD			Dallas	TX	75229	
Ricoh Americas Corporation		PO BOX 13852			Newark	NJ	07188-0852	
Ricoh Americas Corporation		PO Box 4245			Carol Stream	IL	60197-4245	
Ricoh Americas Corporation		PO Box 660342			Dallas	TX	75266-0342	
Ricoh Americas Corporation		PO BOX 730366			Dallas	TX	75373-0366	
Ricoh Americas Corporation		PO BOX 73210			Chicago	IL	60673-7210	
RICOH BUSINESS SOLUTIONS		First Floor	4667 N. Royal Atlanta Dr.		Tucker	GA	30084	
RICOH BUSINESS SOLUTIONS		PO BOX 73210			Chicago	IL	60673-7210	
Ricoh USA, Inc.		21146 Network Place			Chicago	IL	60673-1211	
Ricoh USA, Inc.		PO Box 660342			Dallas	TX	75266-0342	
Ricoh USA, Inc.		PO Box 827577			Philadelphia	PA	19182-7577	
Riddle, Cara		Address Redacted						
Ridgely, Taylor		Address Redacted						
RIDGELY, TAYLOR		Address Redacted						
RIDGELY, TAYLOR		Address Redacted						
RIDGEWAY, BRIAN		Address Redacted						
RINGHEIMER, JEREMY		Address Redacted						
RIORDAN, TERRENCE		Address Redacted						
RIORDAN, TERRENCE C.		Address Redacted						
Rios, Heriberto		Address Redacted						
Ripe4Offices		13-19 Circus Rd						
Ripple Effect Strategies, Inc.		503 E. Jackson St.	St. Johns Wood Suite 235		London	FL	NW8 6PB	UK
RISI		PO BOX 16586			Tampa	FL	33602-4904	
Risk Metrics Group		PO Box 2621			North Hollywood	CA	91615-6586	
Ritch, Lauren N.		Address Redacted			Buffalo	NY	14240-2621	
Riverton Consulting, LLC		2515 McKinney Avenue			Dallas	TX	75201	
RL Consulting		19228 Charandy Drive	Suite 1200		Leesburg	VA	20175	
RME		PO Box 261237			Tampa	FL	33685-1237	
ROARK, BRANDEN		Address Redacted						
ROB BUCK PHOTOGRAPHS, INC		3411 CLEARVIEW DR			Austin	TX	78703	
ROB PEDERSON		6817 FAIRWAY COURT			Prospect	KY	40059	
Robert A. Leonard		51 Lake Avenue			Mill Neck	NY	11765	
Robert Carey		3920 Excelsior Blvd.	No 219		St. Louis Park	MN	55416	
Robert Flink		309 North Hillandale Dr						
ROBERT GAGE		150 THOMPSON ST	Suite 200		East Flat Rock	NC	28726	
ROBERT GEORGE		9307 160TH ST SE	No 2B		New York	NY	10012	
Robert Half Finance and Accounting		2613 Camino Ramon			Snohomish	WA	98296	
Robert Half Finance and Accounting		PO Box 743295			San Ramon	CA	94583	
Robert Half Finance and Accounting		File 73484			Los Angeles	CA	90074-3295	
Robert Half Legal		PO Box 60000			San Francisco	CA	94160-3484	
Robert Half Legal		PO Box 743295			Los Angeles	CA	90074-3295	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Robert Half Management Resources		PO Box 60000			San Francisco	CA	94160-3484	
Robert Half Management Resources		PO Box 743295			Los Angeles	CA	90074-3295	
Robert Half Technology		FILE 73484	PO Box 60000		San Francisco	CA	94160-3484	
Robert Half Technology		PO Box 743295			Los Angeles	CA	90074-3295	
Robert Hargeshelmer		1192 Reichenbach Rd.			Collegedale	PA	19426	
Robert M. Garza & Associates, Inc.		1001 Hot Springs Dr			Allen	TX	75013	
ROBERT MUNROE		180 MONTAGUE			Brooklyn	NY	11201	
Robert Pederson		6817 Fairway View Ct	APT 4C		Prospect	KY	40059	
Robert Periser		5503 Sugar Hill Dr			Houston	TX	77056	
Robert Roland		5 Salt Box Lane			Darien	CT	06820	
Robert Sullivan		89 Murray Street	Apt 12D		New York	NY	10007	
ROBERT THOMPSON		1836 FITZWATER ST			Philadelphia	PA	19146	
Robert William Chanda		R.R. #1			Simcoe	ON	NSY 4J1P	CANADA
Robertia L. Fisher		104 Willow St			Brooklyn	NY	11201	
Robin Thompson		1800 Forest Trail			Austin	TX	78703	
ROBY, JOHN		Address Redacted						
Rockwell CDO (Delaware) Corp.	c/o Maples Finance Limited	PO Box 1093 GT, Queensgate House	South Church Street		Grand Cayman		KY1-1108	Cayman Islands
Rockwell CDO I Ltd	c/o Maples Finance Limited	PO Box 1093 GT, Queensgate House	South Church Street		Grand Cayman		KY1-1108	Cayman Islands
Rockwell CDO II Ltd	c/o Maples Finance Limited	PO Box 1093 GT, Queensgate House	South Church Street		Grand Cayman		KY1-1108	Cayman Islands
Rockwell CDO, Ltd	c/o Maples Finance Limited	PO Box 1093 GT, Queensgate House	South Church Street		Grand Cayman		KY1-1108	Cayman Islands
Rod Laughlin		2005 Westbourne Way			Alpharetta	GA	30022	
Rod Lim		324 Patricia Way			Pasadena	CA	91105	
RODDA, SANDIE		Address Redacted						
RODDA, SANDIE K		Address Redacted						
Roderick Givens		5611 South Ryan St.			Seattle	WA	98178	
RODERICK SANCHEZ		5112 CANYONGATE DRIVE			Plano	TX	75093	
Rodolfo Esquivel		2900 West Dallas Street	Apt 124		Houston	TX	77019	
Roebler, Blair A.		5165 CR 2013			Glen Rose	TX	76649	
ROGER CHEN		Address Redacted						
ROGER LI		5609 BEN TCREEK			Dallas	TX	75252	
Romacorp. Inc.	David Short	65 EAST 96th STREET	Suite 400		Dallas	TX	75252	
Ron Attar		1700 Alma Drive			New York	NY	10128	
Ron DVari		25 Claremont Rd			Plano	TX	75075	
Ron Patterson Insurance		220 Boylston St Apt 1206			Scarsdale	NY	10583	
Ronald McDonald House of Dallas		1202 East Arapaho Rd, Ste 100			Boston	MA	02116	
ROOS, PAUL		5641 Medical Center Dr			Richardson	TX	75081	
Ropes & Gray LLP		Address Redacted			Dallas	TX	75235	
Ropes & Gray LLP		800 Boylston Street			Boston	MA	02199	
Ropes & Gray LLP		One International Place			Boston	MA	02110-2624	
Ropes & Gray LLP		PO Box 414265			Boston	MA	02214-4265	
Rosen Systems, Inc.		2323 Langford St.			Dallas	TX	75208	
Rosenthal, Monhait, & Goddess PA		Suite 1401, 919 Market St	PO Box 1070		Wilmington	DE	19899-1070	
Rosewood Crescent Hotel		400 Crescent Court			Dallas	TX	75201	
Rosewood Crescent Hotel	Atm Ms Eva Delgadillo	PO Box 845576			Dallas	TX	75284-5576	
Rosewood Crescent Hotel &		Rosewood Mansion on Turtle Creek	400 Crescent Court		Dallas	TX	75201	
Ross Smith		400, 407-8th Ave SW			Calgary AB T2P 1E5			CANADA
Ross Smith Energy Group		400, 407 - 8th Avenue						CANADA
Ross Vaillancourt		379 Pleasant Street, Apt 2			CALGARY AB T2P 4Z2	MA	02152	
ROSS, JAMES		Address Redacted			Winthrop			
Roth Staffing Companies, LP		PO Box 848761			Los Angeles	CA	90084-8761	
ROTHSTEIN, JASON		Address Redacted						
Rothstein, Kass & Company, P.C.		9171 Wilshire Blvd, Ste 500			Beverly Hills	CA	90210-5591	
Roubini Global Economics, LLC		131 Varick St., Ste 1005			New York	NY	10013	
Roubini Global Economics, LLC		PO Box 10087			Uniondale	NY	11555	
Rough Creek Lodge		PO Box 2400			Glen Rose	TX	76043	
Round Hill Country Club		3169 Roundhill Rd			Alamo	CA	94507	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
ROURKE, KEVIN		Address Redacted						
ROWLETT HILL, LLP		29 HIGHLAND PARK VILLAGE	STE 100-448		Dallas	TX	75205	
Rowlett Law PLLC		100 HIGHLAND PARK VILLAGE	STE 200		Dallas	TX	75205	
Rowlett Law PLLC		12655 N Central Expwy Ste 421			Dallas	TX	75243	
ROY SEROUSSI		14 E 37TH ST, APT 3C			New York	NY	10016	
Royal Dispatch Services Inc		43-22 Van Dam Street			Long Island City	NY	11101	
ROYAL PRINTING GROUP, INC.		2035 ROYAL LN	STE 250		Dallas	TX	75229	
RR Donnelley		PO Box 538602			Atlanta	GA	30353-8602	
RR Donnelley		PO Box 932721			Cleveland	OH	44193	
RR Donnelley Financial, Inc.		PO Box 730216			Dallas	TX	75373-0216	
RR Donnelley Financial, Inc.		PO Box 932721			Cleveland	OH	44193	
RR Donnelley Receivables, Inc.		PO Box 13654			Newark	NJ	07188-0001	
RSM McGladrey		5155 Paysphere Circle			Chicago	IL	60674	
RSM US LLP		5155 Paysphere Circle			Chicago	IL	60674	
RTB Media LLC		619 Willow Ave	Suite 3L		Hoboken	NJ	07030	
Rubin and Rudman LLP		50 Rowes Wharf			Boston	MA	02110	
Rudy Mora Brick Masonry		131 Rosegarden Dr.			McKinney	TX	75070	
RUGG, STACEY		Address Redacted						
Rugmakers Gallery, Inc.		4920 Cash Rd.						
RUSCH, MARYAM		Address Redacted						
Russ Kalthein		35813 Old Homer Road			Dallas	TX	75247-6308	
Russel Reynolds & Associates		Church Street Station	Post Office Box 6427		Winona	MN	55987	
Russell Jones & Walker		61 Sandmere Rd			New York	NY	10249	
Russell Reynolds Associates		Church Street Station			London		SW1Y4UR	UK
Russell W. May		5910 N. Central Expressway	PO Box 6427		New York	NY	77100	
Russell W. May		9205 Club Glen Dr	Suite 2000		Dallas	TX	75206	
RUTLEDGE, ROBERT		Address Redacted			Dallas	TX	75243	
Ryan Associates Technology LLC								
RYAN HIGHTOWER		21 Hillandale Dr			New Rochelle	NY	10804	
Ryan Law		5445 CARUTH HAVEN LN	APT 1011		Dallas	TX	75225	
Ryan Lucero		17855 Dallas Parkway	Suite 300		Dallas	TX	75287	
Ryan Moore		205 West 91st Street	Apt 1B		New York	NY	10024	
Ryan O'Dowd Photography		6326 Halsey Road			McLean	VA	22101	
RYAN VOTAW		3924 County Road 168			McKinney	TX	75071	
Ryder, Phillip		250 VESEY, 29TH FLR			New York	NY	10080	
S&P Global Market Intelligence		Three Galleria Tower	13155 Noel Rd, Suite 100		Dallas	TX	75240	
S. LeBlanc & Company		Address Redacted						
Saagar Grover		33356 Collection Center Drive			Chicago	IL	60693-0333	
Sachdev, Kunal		942 Shore Crest Rd.			Carlsbad	CA	92011	
Sacred Heart in NYC		4315 Greystone Way			Sugar Land	TX	77479	
SACRS	olo Strategic Local Govt Services, LLC	Address Redacted						
Sadis & Goldberg	Stephen Huttler	1415 L Street, Suite 1000			New York	NY	10128	
SAEHLER, CHRISTOPHER J.		551 Fifth Avenue, 21st Flr			Sacramento	CA	95814	
Sagar Vira		Address Redacted			New York	NY	10176	
Sage Document Services Group LLC		902 W 4th Street						
Sage Search Partners		2 West 45th Street	Apt 601		Charlotte	NC	28202	
SagePoint Financial, Inc.		3811 Turtle Creek Blvd	Site 407		New York	NY	10036	
		74 8th St, SE	Suite 850		Dallas	TX	75219	
			Suite 105		Hickory	NC	28602	
SagePoint Financial, Inc.	Altth Supervision-Reimbursement	2800 N Central Ave, Suite 1200			Phoenix	AZ	85004	
SAKUNGEW, PON		Address Redacted						
Sai Villacorta		5165 CR 2013			Glen Rose	TX	76649	
Salesforce.com		PO Box 203141			Dallas	TX	75320-3141	
Salesforce.com		PO Box 5126						
Salesforce.com		PO BOX 842569			Carol Stream	IL	60197-5126	
Salesmanship Club Chrtbl Golf Dallas Inc		106 E. Tenth St.			Boston	MA	02284	
Salli Fund Management, LLC	Tom Nieman	6836 Austin Center Blvd.			Dallas	TX	75203	
Salus Valuation Group, Inc.		111 West Myrtle Ave	Suite 320		Austin	TX	78731	
Sam Engineering & Testing		1115 Luke St, Suite 100	Unit 6		Foley	AL	36635	
SAM GARCIA		PO BOX 540816			Irving	TX	75061	
Sam Graham		5165 CR 2013			Grand Prairie	TX	75054	
					Glen Rose	TX	76649	
Sams Club		PO Box 9001152			Louisville	KY	40290-1152	
Sanborn, Brian		Address Redacted						
SANBORN, PATRICIA		Address Redacted						

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
SANCHEZ, RODERICK		Address Redacted						
SANDEEP GUPTA		1815 JOHN F KENNEDY BLVD	APT 624		Philadelphia	PA	19103	
SANDLAPPER SECURITIES, LLC		4701 Charles Place			Plano	TX	75093	
Sands Point Funding, Ltd.		800 E. North St.	Second Floor		Greenville	SC	29601	
SANJEEV MEHTA	c/o Guggenheim Partners	330 Madison Ave, 11th Floor			New York	NY	10017	
		42 BRISTOL DR			Manhasset	NY	11030	
Santoyo Moore Wehneyer P.C.		1020 NE Loop 410, Suite 320			San Antonio	TX	78209	
Sard Verblinnen & Co.		630 Third Ave			New York	NY	10017	
Sard Verblinnen & Co.		General Post Office	PO Box 26781		New York	NY	10087-6781	
Sard Verblinnen, LLC		PO Box 26781			New York	NY	10087-6781	
Satuit Technologies Inc.		100 Grossman Drive	Suite 302		Brantree	MA	02184	
Satuit Technologies Inc.		80 Washington St.	Unit M50		Norwell	MA	02061	
Savvy Training & Consulting		4530 Independence Trail			Evergreen	CO	80439	
Sawko & Burroughs, P.C.		1172 Bent Oaks Drive			Denton	TX	76210	
Saxton Morgan		PO Box 2302			Addison	TX	75001	
Sayles Werbner		1201 Elm Street			Dallas	TX	75270	
SBC		PO Box 660324			Dallas	TX	75266-0324	
SBC Long Distance		PO Box 660688			Dallas	TX	75266-0688	
SBC Southwestern Bell		PO Box 5069			Saginaw	MI	48605-5069	
SC Department of Revenue		Corporation			Columbia	SC	29214-0006	
Scarab Consulting		504 Lavaca, Suite 910			Austin	TX	78701	
Scarab Consulting	AMEGY BANK NATIONAL ASSOCIATION							
Scarab Consulting		ASSIGNEE FOR SCARAB ACQUISITION, LLC	DEPT 338, PO BOX 4346		Houston	TX	77210-4346	
SCF Securities, Inc.		Dept 338, PO Box 4346			Houston	TX	77210	
SCHEMBRI, STEPHEN		155 E. Shaw Avenue	Suite 102		Fresno	CA	93710	
Schmidt & Stacey Consulting Eng. Inc.		Address Redacted						
SCHNABEL, MATTHEW		Address Redacted						
School, Jennifer		Address Redacted						
SCHRAY, NATHAN		Address Redacted						
SCHRECK, DEANNE		Address Redacted						
Schroepfer Wessels Jolesch		8401 North Central Expwy Ste 300			Dallas	TX	75225	
SCHROTH, MELISSA		Address Redacted						
SCHULER, ELLIOT		Address Redacted						
SCHULER, KARISSA		Address Redacted						
SCHULTE, ROTH, & ZABEL LLP		919 Third Avenue			New York	NY	10022	
Schumacher Cargo Logistics, Inc.		550 W. 135th Street			Gardena	CA	90248	
SCI		31507 Clerkwell Close			London	CA	90248	UK
Scoop Reprint Source		30270 Rancho Viejo Road	Suite E		San Juan Capistrano	CA	92675	
Scott A. Snook		542 Old Rd to 9 Acres Corner			Concord	MA	01742	
SCOTT BASHRUM		13455 NOEL RD	STE 800		Dallas	TX	75240	
SCOTT COOPER		155 W 15th ST	APT 1-I		New York	NY	10011	
Scott Dieckhaus		4320 Potomac Av			Dallas	TX	75205	
Scott Douglass & McConnico LLP		303 Colorado Street, Suite 2400			Austin	TX	78701	
Scott F. Kavanaugh		18101 Van Karman Avenue	Suite 750		Irvine	CA	92612	
Scott F. Kavanaugh		9 Old Ranch Road			Laguna Niguel	CA	92677-9210	
Scott Groff		13455 Noel Rd Suite 800			Dallas	TX	75240	
Scott Harris		1020 Piedmont Ave NE	Apt 1100		Atlanta	GA	30309	
Scott Hoermann		2333 Feather Sound Drive	No B603		Clearwater	FL	33762	
Scott K Meyer		24 Sheepville Dr			Gladstone	NJ	07934	
SCOTT KOHEN		5534 SUNLIGHT DR	APT 106		DURHAM	NC	27707	
Scott McCurry		1215 Sir Malory Lane			Lewisville	TX	75056	
SCOTT NELSON		5216 SKYLINE DR			Ogden	UT	84403-4692	
Scott Niebling Valuation Group		3930 East Ray Rd	Suite 180		Phoenix	AZ	85044	
SCOTT ROSENTHAL		655 E ROYAL LANE			Irving	TX	75039	
SCOTT SCHEIN		482 S CORONA ST			Denver	CO	80209	
Scott Shpilberg		301 East 47th Street	Apt 15G		New York	NY	10017	
SCOTT TANDBERG		46 CENTER GROVE RD H-37			Randolph	NJ	07869	
Scott Waggoner		88 Villa Street			Waltham	MA	02453-1544	
SCOTT WILSON		13455 NOEL RD			Dallas	TX	75240	
Soura Paley Securities LLC		489 5th Ave. 15th Fir			New York	NY	10017	
SE Multifamily Holdings, LLC		300 Crescent Court	Suite 700		Dallas	TX	75201	
Sea Island Company	c/o Group Billing, Acctg Dept	100 Cloister Drive			Sea Island	GA	31561	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
SEAL Legacy Foundation SEAWAN, CRISTINA		1401 McKinney Address Redacted	Ste 2222		Houston	TX	77010	
SeamlessWeb Professional Solutions, Inc. SeamlessWeb Professional Solutions, Inc.		PO Box 5439 PO Box 71649			New York Chicago	NY IL	10087-5439 60694-1649	
Sean Neumayer Photography Search Finance		4321 S. Coolidge Ave 14001 Dallas Pkwy			Tampa Dallas	FL TX	33611 75240	
Seaver, Jeffrey		Address Redacted						
SEC Headquarters Secretary of State	Mail Stop 7010 / 2017 Annual Report	100 F Street, NE 1500 11th St	Mail Stop 7010 IRC Unit, 3rd FL		WASHINGTON Sacramento	DC CA	20549-2000 95814	
Secretary of State Secretary of State		801 Capitol Way South Franchise Tax	PO Box 40234 P.O. Box 7040		Olympia Dover	WA DE	98504-0234 19903	
Secretary of State Secretary of State	Division of Corporations	PO BOX 12887 PO BOX 13550			Austin Austin	TX TX	78711 78711-3550	
Secretary of State Secretary of State		PO Box 13697 Illinois Securities Department			Austin Springfield	TX IL	78711-3697 62701	
SECRETARY OF STATE OF TEXAS Secretary of the Commonwealth	ACCOUNTS RECEIVABLE	PO BOX 12887 Securities Division			Austin Boston	TX MA	78711-2887 02108	
Secretary of Treasury Secretary of Treasury		15th & Pennsylvania Avenue, N.W. P.O. Box 7040	One Ashburton Place, Rm 1701		Washington Dover	DC DE	20220 19003	
Secure Concepts LLC Secure Options, Inc.		128 East BRdway #501 2166 W Northwest Hwy Ste 300			New York Dallas	NY TX	10002 75220	
Secure Options, Inc. Secure Source Inc.		5420 Bryan Street 710 South Kimball Ave			Dallas Southlake	TX TX	75206 76092	
Secured Access Systems, LLC		1913 Walden Court			Flower Mound	TX	75022	
Securities & Exchange Commission Securities & Exchange Commission	Division of Trading & Markets Michael A. Berman, Esq.	100 F Street, NE Office of General Counsel-Bankruptcy	Mail Stop 7010 100 F Street, N.E.		WASHINGTON Washington	DC DC	20549-2000 20549	
Securities & Exchange Commission Securities & Exchange Commission	G Jeffrey Boujoukos Regional Director	1617 JFK Boulevard Ste 520			Philadelphia	PA	19103	
Securities & Exchange Commission NY Securities America	Marc Berger Regional Director Attn Accounting Dept	200 Vesey St Ste 400 12325 Port Grace Blvd.	Brookfield Place		New York La Vista	NY NE	10281-1022 68128	
Securities America, Inc. Cooper McManus		9870 Research Drive			Irvine	CA	92618-3302	
Securities Commissioner State of ND Securities Division, AZ Corp. Comm		State Capitol Securities Division	600 East Boulevard Avenue, 5th Floor 1300 W Washington St #3		Bismarck Phoenix	ND AZ	58505-0510 85007	
Securities Investor Protection Corp Securities Service Network		PO Box 92185 115 Glastonbury Blvd			Washington Glastonbury	DC CT	20090-2185 06033	
See Food Media LLC		496 Laguardia Place # 4C			New York	NY	10012	
SEI Investments Distribution Co. SEIDEN KRIEGER ASSOCIATES, INC	Attn Chris Rowan-SIDCO Acting	One Freedom Valley Dr 375 PARK AVE			Oaks	PA	19456	
Selah Photography Selman, Matthew		5421 Shiver Road Address Redacted			New York Keller	NY TX	10152 76244	
SERENI, ALEXIS J.		Address Redacted						
SERVICORP		6 BATTERY ROAD	RAFFLES PLACE		Singapore		049909	SINGAPORE
SERVICORP Service Systems Associates		Level 19 650 S RL Thornton Frwy	Two International Finance Center		CENTRAL HONG KONG			HONG KONG
SET AUGUSTUS Selfords Solicitors	Attn Robin Scichili	Address Redacted 14 Haydon Place			Dallas	TX	75203	
Seth Weinstein Seton Hall University		304 East 20th Street, Apt. PH-D 400 South Orange Ave			Guilford New York		GU1 4LL 10003	UK
Severson, Keith SEVILLA, JEAN-PAUL	Attn Bryan Felt	Address Redacted Address Redacted			South Orange	NJ	07079	
Seward & Kissel Seylarth Shaw LLP		One Battery Park Plaza 131 S. Dearborn Street, Suite 2400			New York Chicago	NY IL	10004 60603	
ShadowTV, Inc. Shag Carpet Productions, Inc.		630 9th Ave 502 South 2nd Avenue	Suite 1000		New York Dallas	NY TX	10036 75226	
SHAH, AMOL SHAHDA, CHRIS		Address Redacted						
SHAHDA, CHRISTOPHER Sharzad Pirani		Address Redacted 2 Louisburg Sq. #5			Boston	MA	02108	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Shackelford Melton & McKinley		3333 Lee Pkwy	10 th fl		Dallas	TX	10019-6099	
Shane Tipton		5165 CR 2013			Glen Rose	TX	76049	
Shannon O'Connor		6306 Aberdeen Ave.			Dallas	TX	75230	
SharePoint Solutions	Attn Accounts Receivable	PO Box 1588			Brentwood	TN	37024-1588	
SHARON EASLEY		5000 LEGACY DR			Plano	TX	75024	
SHARON SHUSTER		3839 MCKINNEY AVE	STE 400		Dallas	TX	75204	
SHARRY, GREGORY		Address Redacted						
Shasta Land Management Consultants		1229 South Street			Redding	CA	96001	
SHAWN GROVES		10811 CAMELIA DR			Dallas	TX	75230	
SHAWN LEDERMAN		2808 MCKINNEY AVE	APT 355		Dallas	TX	75204	
Shawn Raver		2620 White Rock Rd.			Dallas	TX	75214	
Shayla Kelly		5165 CR 2013			Glen Rose	TX	76049	
Shea & Carlyon Ltd		701 Bridger Ave #850			Las Vegas	NV	89101	
Shearman & Sterling LLP		5990 Lexington Ave			New York	NY	10022-6069	
SHELBY NOBLE		13455 NOEL RD			Dallas	TX	75240	
Shelley Shackelford & Co.		5807 SANDHURST LN SUITE D			Dallas	TX	75206	
SHELLY RASTOGI		718 BYRNE HALL		DARTMOUTH COLLEGE	Hanover	NH	03755	
SHEPPARD, MULLIN, RICHTER & HAMPTON LLP		333 S. Hope Street	48th Floor		Los Angeles	CA	90071	
SHIFFERD, CHARLES		Address Redacted						
Shod2Sell		14681 Midway Rd	Ste 105		Addison	TX	75001	
SHPLBERG, SCOTT		Address Redacted						
Shred-It USA		11101 Franklin Avenue	Suite 100		Franklin Park	IL	60131-1403	
Shred-It USA		28883 Network Place			Chicago	IL	60673-1288	
Shred-It USA		PO Box 101007			Pasadena	CA	91189-1007	
Shred-It USA		PO Box 730504			Dallas	TX	75373-0504	
SHUMWAY, CLAY		Address Redacted						
SHUSTER, SHARON		Address Redacted						
Siber Systems, Inc		11781 Lee Jackson Memorial Hwy	Suite 380		Fairfax	VA	22033	
Siddharth Mehra		240 Prospect Ave, Apt 384			Hackensack	NJ	07601	
SIDLEY AUSTIN LLP		PO BOX 0642			Chicago	IL	60680	
SIEGEL, HAROLD		Address Redacted						
Siepe Services, LLC		5440 Harvest Hill Road	Suite 100		Dallas	TX	75230	
Siepe, LLC		2200 Ross Avenue	Suite 4700E		Dallas	TX	75201	
Siepe, LLC		6135 Churchill Way			Dallas	TX	75230	
SIEVERT, AMY		Address Redacted						
Sigma Financial Corp	Attn Jackie Pascarella	1717 N. IH 35, Ste 150			Round Rock	TX	78664	
Sigma Financial Corporation		300 Parkland Plaza			Ann Arbor	MI	48103	
Signator Investors, Inc.		197 Clarendon Street, C-8			Boston	MA	02116	
Signature Productions, Ltd.		5331 85th St.			Lubbock	TX	79424	
Sills Cummis & Gross		The Legal Center	One Riverfront Plaza		Newark	NJ	07102-5400	
Silva, Alison		Address Redacted						
Silver Scriptor LLC		PO Box 61064			Seattle	WA	98141	
Silver Scriptor LLC		PO Box 9012			Austin	TX	78766	
Silverman Communications Group		11 Carol Ct.			Glen Rock	NJ	07452	
SIMEK, DAVID		Address Redacted						
SIMMONS, DAVID		Address Redacted						
Simon, Scott		Address Redacted						
Simpson Appraisal, Inc		6009 Belt Line Rd., Suite 145			Dallas	TX	75254	
SIMPSON THACHER & BARTLETT LLP		425 LEXINGTON AVE			New York	NY	10017-3954	
SIMPSON THACHER & BARTLETT LLP		PO Box 29008			New York	NY	10087-9008	
Sims, Austin		Address Redacted						
SINGH, TANIA		Address Redacted						
SISK, JESSICA		Address Redacted						
Sirick and Company Inc.		11999 Vincente Blvd	Penthouse		Los Angeles	CA	90049	
Sirick and Company Inc.		1840 Century Park East Ste 800			Los Angeles	CA	90067	
SK Research, LLC		10320 Little Patuxent Parkway	12th Floor		Columbia	MD	21044	
Skadden, Arps, Slate, Meagher & Flom LLP		Four Times Square			New York	NY	10036	
Skadden, Arps, Slate, Meagher & Flom LLP		PO Box 1764			White Plains	NY	10602	
SKC COMMUNICATION PRODUCTS, LLC		P.O. BOX 874843			Kansas City	MO	64187-4843	
Skybridge Alternatives Conference	Attn Jeanie Reyes	527 Madison Ave, 16th Flr			New York	NY	10022	
SkyBridge SALT LLC	Attn Jeanie Reyes	527 Madison Ave, 16th Floor			New York	NY	10022	

Creditor Matrix

Creditor/NoticeName	Creditor/NoticeName	Address1	Address2	Address3	City	State	Zip	Country
Skyline DFW Exhibits & Events	Skyline DFW Exhibits & Events	900 Avenue S			Grand Prairie	TX	75050	
Skyline Sector 5	Skyline Sector 5	525 113th Street			Arlington	TX	76011	
Slant Partners	Slant Partners	3838 Oak Lawn Avenue	Suite 1550		Dallas	TX	75219	
Slayton International	Slayton International	One North Franklin Ste 2500			Chicago	IL	60606	
SlideGenius, Inc.	SlideGenius, Inc.	1660 Hotel Circle North Suite 475			San Diego	CA	92108	
SioMo Lounge	SioMo Lounge	4901 Harbor Court			Flower Mound	TX	75022	
Smallwood, Allan	Smallwood, Allan	Address Redacted						
Smarsh	Smarsh	921 SW Washington St	Suite 540		Portland	OR	97205	
Smarsh	Smarsh	PO Box 505265			Saint Louis	MO	63150-5265	
SMITH, DAVID	SMITH, DAVID	800 Delaware Avenue, Ste. 1000	P.O. Box 410		Washington	DE	19899	
Smith, Felicia	Smith, Felicia	Address Redacted						
Smith, Ian	Smith, Ian	Address Redacted						
Smith, Jackson, Boyer & Bovard	Smith, Jackson, Boyer & Bovard	9400 NCX, Ste 420 9400 N Central Expwy			Dallas	TX	75231-5063	
SMITH, SEAN	SMITH, SEAN	Address Redacted						
Smith, Theodore	Smith, Theodore	Address Redacted						
SMS	SMS	WELLS FARGO BANK-IN CARE OF SMS	6480 ARGO ST		Dallas	TX	75214	
SMU Cox School of Business	SMU Cox School of Business	Pitts Leadership Award	PO Box 750333		Dallas	TX	75279-0333	
Snapptraffic Consulting	Snapptraffic Consulting	9 Cherry Pl			Huntington	NY	11743	
Snell & Wilmer LLP	Snell & Wilmer LLP	One Arizona Center	400 E. Van Buren, Suite 1900		Phoenix	AZ	85004-2202	
SNI Companies	SNI Companies	14241 Dallas Parkway	Suite 550		Dallas	TX	75254	
SNL Financial	SNL Financial	PO BOX 414624			Boston	MA	02241-4624	
SNR Denison US LLP	SNR Denison US LLP	233 S. Wacker Dr	Suite 7800		Chicago	IL	60606	
Snyder Kearney, LLC	Snyder Kearney, LLC	10320 Little Patuxent Pkwy Suite 1200			Columbia	MD	21044	
Snyder, Evan	Snyder, Evan	Address Redacted						
Social Matters	Social Matters	PO Box 800357			Dallas	TX	75380-0357	
SOCIETY FOR HUMAN RESOURCE MANAGEMENT	SOCIETY FOR HUMAN RESOURCE MANAGEMENT	PO BOX 79482			Baltimore	MD	21279-0482	
Society of St. Vincent de Paul,	Diocesan Council of Dallas	10500 Steppington Drive, Suite 251			Dallas	TX	75230	
Software Shelf International, Inc	Software Shelf International, Inc	601 Cleveland Street, Suite 710			Clearwater	FL	33755	
Software Shelf International, Inc	Software Shelf International, Inc	PO Box 7343			Menlo Park	CA	94026	
SoftwareONE, Inc.	SoftwareONE, Inc.	20875 Crossroads Cir.	Suite 1		Waukesha	WI	53186	
SoftwareONE, Inc.	SoftwareONE, Inc.	PO Box 510944	15700 W. Cleveland Ave		New Berlin	WI	53151-0944	
Sohn Conference Foundation	o/o Garwood Events	225 106 Street, Ste 15M			New York	NY	10025	
SolarWinds, Inc	SolarWinds, Inc	PO Box 730720			Dallas	TX	75373	
Solid Details LLC	Solid Details LLC	2121 Santa Anna Ave.			Dallas	TX	75228	
Solomon R. Guggenheim Foundation	Solomon R. Guggenheim Foundation	345 Hudson Street	12th Floor		New York	NY	10014	
SOLOW BUILDING COMPANY II, LLC	SOLOW BUILDING COMPANY II, LLC	PO BOX 27112			New York	NY	10087-7112	
SOLOW BUILDING COMPANY II, LLC	SOLOW BUILDING COMPANY II, LLC	PO Box 823812			Philadelphia	PA	19182-3812	
SOMMER FRAZIER	SOMMER FRAZIER	1154 TOWN AND COUNTRY COMMONS DR			Town and Country	MO	63017	
Sonny Bryans Smokehouse	Sonny Bryans Smokehouse	12720 Hillcrest Rd, Suite 910			Dallas	TX	75230	
Sonny Bryans Smokehouse	Sonny Bryans Smokehouse	2625 Seelicko St			Dallas	TX	75235	
Sony Pictures Studio Group	A Sony Pictures Entertainment Company	File #54715			Los Angeles	CA	90074-4715	
Soto, Hailey	Soto, Hailey	Address Redacted						
Source Code North America, Inc	Source Code North America, Inc	Dept CH 16510			Palatine	IL	60055-6510	
Source, Inc.	Source, Inc.	PO Box 202414			Dallas	TX	75320	
SourceMedia	SourceMedia	PO Box 4634			Chicago	IL	60680-9598	
SourceMedia	SourceMedia	PO Box 4871			Chicago	IL	60680	
SourceMedia	SourceMedia	PO Box 71633			Chicago	IL	60694-1633	
South Dakota Division of Securities	South Dakota Division of Securities	124 S. Euclid, Ste. 104			Pierre	SD	57501	
Southern Conference Teacher Retirement	Southern Conference Teacher Retirement	PO Box 642			Sturbridge	MA	01566	
Southern Methodist University	Southern Methodist University	PO Box 750460			Dallas	TX	75275-0460	
Southfork CLO, Ltd.	Southfork CLO, Ltd.	PO Box 1093 GT			Grand Cayman			Cayman Islands
Southland Property Tax Consultants, Inc	Southland Property Tax Consultants, Inc	421 W. 3rd Street	Queensgate House, South Church Street Ste 920		Fort Worth	TX	76102	
Southland Property Tax Consultants, Inc	Southland Property Tax Consultants, Inc	777 Main Street	Suite 1960		Fort Worth	TX	76102-5323	
Southwest Ford Inc.	Southwest Ford Inc.	PO Box 234			Weatherford	TX	76086	
Southwest Glass, Inc.	Southwest Glass, Inc.	2333 Glenda Lane			Dallas	TX	75229	
Southwest Reporting & Video Service	Southwest Reporting & Video Service	826 Heights Blvd.			Houston	TX	77007	
Southwest Search	Southwest Search	PO Box 710596			Dallas	TX	75371-0596	
Southwest Securities, Inc.	Southwest Securities, Inc.	1201 Elm St, Ste 3500			Dallas	TX	75270	
Southwestern Medical Foundation	Southwestern Medical Foundation	Parkland Hall at Old Parkland	3889 Maple Ave, Ste 100		Dallas	TX	75219	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Sove Lavi		Kimberly Simeus			Southlake	TX	76092	
SOWIN, JOSEPH		Address Redacted						
SOWIN, JOSEPH		Address Redacted						
Spears & Associates		8908 S. Yale	Suite 440		Tulsa	OK	74137	
Special Delivery Service, Inc.		5470 L.B.J. Freeway			Dallas	TX	75240	
Special Fund For Disability Benefits	Accounts-DB Penalty	328 State Street			Schenectady	NY	12305-2318	
Special Fund For Disability Benefits	Accounts-DB Penalty Room	301 20 Park St			Albany	NY	12207-1674	
Specialized Schedulers, Inc.		22334 SW 107th Ave			Tualatin	OR	97062	
SPECTOR, ANASTASIYA		Address Redacted						
SPECTRUM GAMING GROUP LLC		2 DONOVAN ROAD			Pennington	NJ	08534	
SPEICHER, NATHAN		Address Redacted						
Spencer, Austin		Address Redacted						
Spherion		PO Box 100186			Atlanta	GA	30384-0186	
Spinner Printing Company		3335 Keller Springs #100			Carrollton	TX	75006	
Spin-Off Advisors, LLC		1327 W. Washington Blvd			Chicago	IL	60607	
Spoke LLC		3304 9th St. NE #1	Ste 4-G		Washington	DC	20017	
Spot Cooling Systems		1420 Century Dr. Ste 800			Carrollton	TX	75006	
Spotlight Marketing Communications		18101 Von Karman Ave.	Third Floor		Irvine	CA	92612	
Sprint		PO Box 660092			Dallas	TX	75266-0092	
Square, Inc		1455 Market St.	Suite 600		San Francisco	CA	94103	
Squire Patton Boggs (US) LLP		PO Box 643051			Cincinnati	OH	45264	
ST JUDE CHILDRENS RESEARCH HOSPITAL		4324 N BELTLINE RD	STE C-206		Irving	TX	75038	
ST JUDE CHILDRENS RESEARCH HOSPITAL		501 St. Jude Place			Memphis	TN	38105	
St. Louis Cardinals		700 Clark St	Group Ticket Dept.		Saint Louis	MO	63102	
STA SVDP		6306 Kenwood Ave			Dallas	TX	75214	
STACEY FEHLIG		3023 PACK SADDLE WAY			Frisco	TX	75034	
Stacey Morimoto		4901 Morena Blvd. #121			San Diego	CA	92117	
STACEY RUGG		4050 FRANKFORD ROAD, #202			Dallas	TX	75287	
Stafelbach, Inc.		2525 McKinnon, Suite 800			Dallas	TX	75201	
STAGGS, JOE		Address Redacted						
Stallari, Mauro		Address Redacted						
Stan Lata		1025 Douglas Avenue			Elgin	IL	60120	
Standard & Poors		2542 Collection Center Dr			Chicago	IL	60693-0023	
Standard & Poors	Capital IQ	2542 Collection Center Dr			Chicago	IL	60693	
Standard & Poors/Capital IQ		33356 Collection Center Drive			Chicago	IL	60693-0333	
Standard & Poors LLC		2542 Collection Center Dr			Chicago	IL	60693	
Standard Ins. Co. RAS Executive Benefits	Attn Glenda Wright-P4B	1100 SW 6th Ave			Portland	OR	97204	
Standard Ins. Co. RAS Executive Benefits		INDIVIDUAL CLIENT SERVICES	PO BOX 711		Portland	OR	97207-0711	
Standard Ins. Co. RAS Executive Benefits		PO BOX 5674			Portland	OR	97228-5674	
Standard Insurance Company		1100 SW 6th Ave			Portland	OR	97204	
Standard Insurance Company		PO Box 2707			Portland	OR	97208-3358	
Standard Insurance Company		PO BOX 3358			Portland	OR	97208-3358	
Standard Research Corporation		4430 Tyne Blvd			Nashville	TN	37215	
STANLEY ACCESS TECH LLC		PO BOX 0371595			Pittsburgh	PA	15251-7595	
Stanton Advisors LLC		300 Coles Street	Apt. 802		Jersey City	NJ	07310	
Stanton Law Firm PC		4350 Bellway Drive			Addison	TX	75001	
Staples Credit Plan		Dept. 22 - 0008144217 PO Box 9020			Des Moines	IA	50368-9020	
Star Displays		16914 FM 2920			Tomball	TX	77377	
Star Pro Staffing		5801 Gallant Fox Lane			Plano	TX	75093	
State Auditor		1900 Kanawha Boulevard East	Building 1, Room W-100		Charleston	WV	25305	
State Bar of Texas		PO Box 12487			Austin	TX	78711-2487	
State Bar of Texas		PO BOX 13007	MCLE DEPT		Austin	TX	78711-3007	
State Bar of Texas		PO Box 149335			Austin	TX	78714-9335	
STATE BAR OF TEXAS		PO Box 5075			Saginaw	MI	48605-5075	
State Comptroller		111 E 17th St			Austin	TX	78774-0001	
State Comptroller		Comptroller of Public Accounts	111 E 17th St		Austin	TX	78774-0100	
State Fair of TX Livestock Auction		PO Box 150009			Dallas	TX	75315	
State Insurance Fund		PO Box 4779			Syracuse	NY	13221-4779	

Creditor Matrix

CreditorName		CreditorNoticeName		Address1		Address2		Address3		City	State	Zip	Country
State Insurance Fund				PO Box 5261		Disability Benefits				Binghamton	NY	13902-5261	
State of Alaska				Securities Section, Division of Banking		333 W. Willoughby Ave., Ste. 9				Juneau	AK	99801	
STATE OF ARKANSAS		DEPT OF FINANCE & ADMINISTRATION		PO BOX 919		CORPORATION INCOME TAX SECTION				Little Rock	AR	72203-0919	
STATE OF CALIFORNIA, FRANCHISE TAX BOARD				PO BOX 942867						Sacramento	CA	94267-0011	
State of Delaware		Division of Corporations		PO Box 5509						Binghamton	NY	13902-5509	
STATE OF MARYLAND		Dept of Assessments & Taxation		Personal Property Division		PO Box 17052				Baltimore	MD	21297-1052	
STATE OF MICHIGAN		COMPOSITE RETURN		PO BOX 30058		MICHIGAN DEPT OF TREASURY				Lansing	MI	48909	
STATE OF MICHIGAN		Corp. Securities & Comm				Audit & Exam Division				Lansing	MI	48909	
STATE OF MICHIGAN		Licensing Bureau		525 W. Allegan Street						Detroit	MI	48277-0375	
STATE OF MICHIGAN		MICHIGAN DEPARTMENT OF TREASURY		DEPT 77375		PO BOX 77000				Lansing	MI	48909-8274	
STATE OF MICHIGAN				PO Box 30774									
State of New Hampshire				New Hampshire Dept. of State		107 N. Main Street, Rm 204, State House				Concord	NH	03301-4951	
STATE OF NEW JERSEY		DEPT OF LABOR AND WORKFORCE		PO BOX 929		DIV OF REVENUE PROCESSING				Trenton	NJ	08646-0929	
STATE OF NEW JERSEY				New Jersey Dept of Law & Public Safety		153 Halsey Street, 6th Floor				Newark	NJ	07102	
STATE OF NEW JERSEY				REVENUE PROCESSING CENTER		PO BOX 642				Trenton	NJ	08646-0642	
State of New Jersey-CBT		Division of Tax Revenue Proc Center		PO Box 66						Trenton	NJ	08646-0666	
State of Oregon		Div of Finance & Corporate Securities											
State Securities Commissioner of Alabama				350 Winter St NE, Rm 410		Labor & Industries Bldg				Salem	OR	97301	
State Street Bank and Trust Company				Registration Division		401 Adams Avenue, Suite 280				Montgomery	AL	36104	
State Street Bank and Trust Company		CDO Services Group		200 Clarendon Street		Mail Code EUC-108				Boston	MA	02116	
State Street Bank and Trust Company				PO Box 9607						Boston	MA	02206-5607	
State Street Corporation				PO Box 5013						Boston	MA	02206-5013	
State Street Corporation				PO Box 5607						Boston	MA	02206-5607	
State Street Global Exchange		State Street Bank and Trust Company		Elkins McSherry LLC		One Lincoln Street				Boston	MA	02111	
State Street Global Markets, LLC				One Lincoln Street						Boston	MA	02111	
Status Labs.com				151 South 1st		Suite 100				Austin	TX	78704	
Stax Media, Inc.				4630 Soquel Drive		Suite 5				Soquel	CA	95073	
Stefan Peller				PO Box 2016						Zurich	CH-8027	CH-8027	SWITZERLAND
Stellar Adventures				PO Box 8329						Scottsdale	AZ	85252	
Stenstrom-Schneider, INC				15441 Knoll Trl, Suite 120						Dallas	TX	75248	
Stephanie Catalano				32 Parchment Drive						New Jersey	PA	18938	
STEPHANIE FITCH				5745 GREEN HOLLOW LN						The Colony	TX	75056	
Stephen Baker				Dallas						Dallas	TX	75201	
STEPHEN LORENZ				145 RIVERSIDE AVE						Riverside	CT	06878	
Stephen M. Fremgen				3722 Wingate Drive						Carrollton	TX	75007-2823	
Stephote & Johnson LLP				1330 Connecticut Ave, N.W.						Washington	DC	20036-1795	
STERLING VALUATION GROUP, INC				590 MADISON AVE		5TH FLR				New York	NY	10022	
STEVE LEACH				DALLAS		300 Bluffview Court				Forney	TX	75126	
Steve Mackay				445 E 86th St		Apt 4B				New York	NY	10028	
STEVE ZIMMERMAN				4177 BRECKENRIDGE DR						W Bloomfield	MI	48322	
Steven Delarosa				340 Sequoia Dr						Pasadena	CA	91105	
STEVEN GART				444 WASHINGTON BLVD, APT 1112						Jersey City	NJ	07310	
Steven J White MD				PO Box 650772						Dallas	TX	75265-0772	
Steven J. Kaplan, P.C.				5910 Stoneshire Ct						Dallas	TX	75252	
Steven Johnson				6000 Reims Rd. 3603						Houston	TX	77036	
STEVEN SUN				7759 ALDERWOOD AVE						Corona	CA	92880	
Stevens, Kellie				Address Redacted									
Stewart F. House Photography				2600 Bunker Hill Cr						Plano	TX	75075	
Stewart, Phoebe				Address Redacted									
Stewart, Phoebe L.				Address Redacted									
STEWART, STEVEN a.				Address Redacted									
STF Services Corporation				PO Box 3251						Syracuse	NY	13220-3251	
STIKEMAN ELLIOT				5300 Commerce Court West		199 Bay Street West				Toronto	ON	M5L 1B9	CANADA
Stilman & Friedman, P.C.				425 Park Avenue		26th Floor				New York	NY	10022	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Stinson Leonard Street LLP		PO Box 843052			Kansas City	MO	64184-3052	
STINSON MORRISON HECKER LLP		PO Box 219492			Kansas City	MO	64121	
Stone, David		Address Redacted						
Stone, Kenneth		Address Redacted						
Stonecipher, Abbie		Address Redacted						
STOOPS, CLIFFORD		Address Redacted						
Stout Management Company		10151 Park Run Drive			Las Vegas	NV	89145	
Stradley Ronon Stevens & Young, LLP		2005 Market Street			Philadelphia	PA	19103-7018	
Strand Advisors, Inc.		300 Crescent Court	Suite 2600		Dallas	TX	75201	
Strasburger & Price LLP		PO Box 50100	Suite 700		Dallas	TX	75250-9989	
Stratgas Research Partners LLC	Ath Eileen Gabay	52 Vanderbilt Avenue	8th Floor		New York	NY	10017	
Strategas Securities LLC		52 Vanderbilt Ave	8th Fl		New York	NY	10017	
STRATEGIC ALLIANCE GROUP, LLC		500 W CYPRESS CREEK RD	STE 420		Fl. Lauderdale	FL	33309	
Strategic Financial Solutions		2650 Thousand Oaks Blvd	Suite 1340		Memphis	TN	38118	
Strategic Growth, Inc		5004 Crestway Drive			Austin	TX	78731	
STRATEGIC WORKFORCE SOLUTIONS		PO BOX 32960			Hartford	CT	32960	
Stratford CLO, Ltd.	o/o Maples Finance Limited	PO Box 1093 GT, Queensgate House	South Church Street	George Town	Grand Cayman		KY1-1108	Cayman Islands
Stratos Legal Services, LP		4295 San Felipe	Ste 125		Houston	TX	77027	
Stratus Energy Group	Attn P. Hudson	1206 San Antonio Street			Austin	TX	78701	
Strohl Systems Group		631 Park Ave			King of Prussia	PA	19406	
STRONCZEK, JILLIAN N.		Address Redacted						
Strong Pipkin Bissell & Ledyard, L.L.P.		1400 San Jacinto Building, 595 Orleans			Beaumont	TX	77701-3255	
Stroock & Stroock & Lavan LLP		180 Maiden Lane			New York	NY	10038	
Structure Tone Southwest, Inc.		3333 Welborn St, Ste 200			Dallas	TX	75219	
Structured Credit Investor		507 Clerkwell Workshops	2731 Clerkenwell Close		Farringdon		EC1R 0AR	UK
Studio Movie Grill		5405 Bellline Rd			Dallas	TX	75248	
STUECHELI, GREGORY		Address Redacted						
Stuhlsatz, Amy		Address Redacted						
Stutman Treister & Glat PC		1901 Avenue of the Stars	12th Floor		Los Angeles	CA	90067-6013	
Styx International, Ltd.		875 Third Avenue	10th Floor		New York	NY	10022	
Styx Partners, LP		875 Third Avenue	10th Floor		New York	NY	10022	
Success CE		2 Corporate Plaza Drive	Suite 100		Newport Beach	CA	92660	
Succession Resource Group		PO Box 1573			Tualatin	OR	97062	
Sui Hock Goy		NI Advisors, Inc.	1138 Cadillac Ct.		Nilpitas	CA	95035	
Suicide and Crisis Center of North Texas		10625 Northboro			Dallas	TX	75230	
SULLIVAN, JOURDAN		Address Redacted						
Summit Brokerage Services, Inc.		500 S. Federal Highway	Suite 500		Boca Raton	FL	33432	
Summit Brokerage Services, Inc.	Attn Compliance/Payroll	595 South Federal Highway	Ste 500		Boca Raton	FL	33432	
Summit Management Limited		23 Lime Tree Bay Avenue, Suite #4-210	Govenors Square				KY1-1209	GRAND CAYMAN
Sun Life Assurance Company of Canada		PO Box 7247-7184			Philadelphia	PA	19170-7184	
Sunbelt Securities, Inc.		2700 Post Oak Blvd, Suite 1700			Houston	TX	77056	
Sundance Painting		3702 N Buckner Blvd			Dallas	TX	75228-5612	
SUNDAR RAMAMURTHY		4525 WHITE ROCK LANE			Plano	TX	75024	
SunDiego Charter Company		522 W 8th Street			National City	CA	91950	
SUNEET AGARWAL		444 WASHINGTON BLVD			Jersey City	NJ	07310	
SunCard		Bank of America Lockbox Services	15138 Collections Center Dr		Chicago	IL	60693	
Sungard Availability Services		91233 Collection Center Drive			Chicago	IL	60693	
Sungard Prolegent	Automated Securities Clearance LLC	15138 Collections Center Dr			Chicago	IL	60693	
Sunil Devarakonda		111 East 125th Street, Apt 3 E			New York	NY	10035	
Superior Search & Staffing		5001 Spring Valley Rd Ste 1000 W			Dallas	TX	75244	
Supermarket News		PO Box 15548			North Hollywood	CA	91615-5548	
SURGENT, THOMAS		Address Redacted			Addison	TX	75001	
Susan Burton Consulting, LLC		4127 Towne Green Circle			Dallas	TX	75218	
Susan Leahy		748 Kirkwood Dr			Houston	TX	77002	
SUSMAN GODFREY LLP		1000 Louisiana	Ste. 5100		Houston	TX	77002	
Sutherland Asbill & Brennan LLP		700 Sixth Street NW	Suite 700		Washington	DC	20001	

Creditor Matrix

Creditor/NoticeName	Address1	Address2	Address3	City	State	Zip	Country
Sutherland Asbill & Brennan LLP	999 Peachtree Street NE			Atlanta	GA	30309-3996	
Suzanne Lawrence	130 Beechwood Rd			Summit	NJ	07901	
Swadley, Emily	Address Redacted						
SWADLEY, RICK	Address Redacted						
Swank Audio Visuals	400 Crescent Court			Dallas	TX	75201	
Sweeney, Katelyn	Address Redacted						
SWIXMED	Zurichbergstrasse 20			Zurich		08032	SWITZERLAND
Sybari Software, Inc.	353 Larkfield Rd			East Northport	NY	11731	
Synnex Corporation	5845 Collections Center Dr			Chicago	IL	60693	
Sysco Food Services	PO Box 560700			Lewisville	TX	75056-0700	
System Electric	1278 Montalvo Way			Palm Springs	CA	92262	
T.H. Quest, Inc.	5001 Spring Valley Rd.			Dallas	TX	75244	
T4 Capital Talent, LLC	272 E. Deerpath Rd			Lake Forest	IL	60045	
TACA The Arts Community Alliance	One Arts Plaza			Dallas	TX	75201	
TAK-CHEUNG DAVIDSON WAN	5050 S LAKE SHORE DR, APT #1509			Chicago	IL	60615	
TAKINGBOX DMG, LLC	284 Sport Hill Road			Easton	CT	06612	
TAMALE SOFTWARE, INC	320 CONGRESS ST			Boston	MA	02210	
TAMARA APPELLEGATE	13455 NOEL RD			Dallas	TX	75240	
TANDBERG, SCOTT	Address Redacted						
TANIA SINGH	1200 GRAND ST			Hoboken	NJ	07030	
Tanner Morgan	5165 CR 2013			Glen Rose	TX	76649	
Tara Allen	5148 Willis Ave #2331			Dallas	TX	75206	
TARAS LIMO & AIRPORT SERVICE	PO BOX 795581			Dallas	TX	75379-5581	
TARSHA, DANIEL	Address Redacted						
TARSHA, DANIEL S.	Address Redacted						
TARUN K BHATT	409 HEIGHTS DR			Haledon	NJ	07508	
Tax & Accounting-R&G	PO BOX 71687			Chicago	IL	60694-7687	
TAX EXECUTIVES INSTITUTE, INC	PO BOX 9407			Uniondale	NY	11555-9407	
Taylor, Brian	Address Redacted						
TAYLOR, GREGORY	Address Redacted						
TCS Central Region GP LLC	5001 Spring Valley			Dallas	TX	75244	
TCS Corporate Services	PO Box 676649			Dallas	TX	75267	
TCS Corporate Services	PO Box 671160			Dallas	TX	75267-1160	
TD Ameritrade Trust Company	PO Box 17748			Denver	CO	80217-0748	
TDA Associates, Inc.	2101 Sardis Rd N			Charlotte	NC	28227	
TDIndustries	PO Box 300008			Dallas	TX	75303-0008	
Technology Team, LLC	1120 South Freeway			Fort Worth	TX	76104	
Ted Kanarek	166 Tree Top Drive			Springfield	NJ	07081	
Telecomm Strategies Inc	6404 Highland Drive			Chevy Chase	MD	20815	
TELOS Performance Center	13701 Dallas Pkwy			Dallas	TX	75240	
Temple Emanu-El	8500 Hillcrest			Dallas	TX	75225	
Tennessee Dept of Commerce & Finance	500 James Robertson Pkwy			Nashville	TN	37243-0565	
Tennessee Department of Revenue	500 Deaderick Street			Nashville	TN	37242	
Tennessee Dept of Commerce & Insurance	Securities Division			Nashville	TN	37243	
TERRELL, ARTIS	Address Redacted						
Terrie Rabinowitz, L.C. S.W.	27110a Grand Central Pkwy			Floral Park	NY	11005	
Terry Jackson	2801 Pennsylvania Ave #1046			Philadelphia	PA	19130	
Terry Jackson	5881 Preston View Blvd			Dallas	TX	75240	
Terry Swagerty	6617 Escallonia Way			Rocklin	CA	95765-5843	
Terry, Doris A.	Address Redacted						
TERRY, JOSHUA N.	Address Redacted						
TESLA, NIKOLA	Address Redacted						
Texas Alliance of Energy Producers	900 8th Street, Suite 400			Wichita Falls	TX	76301	
Texas Best Meats	7043 Seymour Hwy			Wichita Falls	TX	76310	
Texas Best Meats	PO Box 4810			Wichita Falls	TX	76308	
Texas Commerce Bank, N.A.	600 Travis Street			Houston	TX	77002	
Texas Comptroller of Public Accounts	PO Box 149348			Austin	TX	78714-9348	
Texas Department of Insurance	Company Licensing and Registration			Austin	TX	78701	
Texas Dept of Licensing and Regulation	PO Box 12157			Austin	TX	78711	
TEXAS DEPT OF STATE HEALTH SERVICES	LOCKBOX-DSHS ASBESTOS/DEMO NOTIFICATION			Austin	TX	78711-2190	
Texas Entertainment Group	103 N Kirby St			Gaithland	TX	75042	
Texas LawBook LLC	3888 Everwood Lane			Addison	TX	75001	
TEXAS ROOF MANAGEMENT, INC	728 LINGCO DR			Richardson	TX	75081	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Texas Secretary of State	Accounts Receivable	PO Box 12887			Austin	TX	78711-2887	
Texas Secretary of State		PO Box 13697			Austin	TX	78711	
Texas State Comptroller		9241 LBJFREWAY	STE 205		Austin	TX	75243	
Texas State Comptroller		PO Box 12030			Austin	TX	78711-2030	
Texas State Securities Board		Securities Commission of Texas	208 E 10th, Room 610		Austin	TX	78701	
TEXPERS		13111 Northwest Freeway	Suite 100		Houston	TX	77040	
Thackray Williams LLP		32-40 Widmore Rd	Bromley		Kent	BR1 1RY	UK	
Tharrington Smith LLP		PO Box 1151			Raleigh	NC	27602	
The American Cancer Society		18505 West Twelve Mile Rd			Southfield	MI	48076	
The Ashcroft Lawfirm, LLC		1100 Main Street	Suite 2710		Kansas City	MO	64105	
The Ashcroft Lawfirm, LLC		950 North Glebe Road	Suite 2400		Arlington	VA	22203	
The Aspen Institute		Society of Fellows	1000 N. Third Street		Aspen	CO	81611	
The Badge of Honor Memorial Foundation		David Blanchard	3131 Maple Ave		Dallas	TX	75201	
The Bailey Group		PO Box 1395			Whitehouse Station	NJ	08889	
The Bank of New York Mellon	Elizabeth Stern	Director and Managing Counsel	240 Greenwich Street, 18th Floor		New York	NY	10286	
The Bank of New York Trust Co.	Global Corp. Trust	600 Travis Street, 50th Floor			Houston	TX	77002	
The Bermuda Monetary Authority		43 Victoria Street			Hamilton	TN	HM 12	Bermuda
The Bowman Law Firm, LLC		840 Tom Wheeler Lane			McEwen	TX	37701	
The Bradbury Group		10661 Rockley Rd			Houston	TX	77099	
The Brattle Group		44 Brattle St			Cambridge	MA	02138-3736	
The Bretton Woods Institute		R.R. #1 Simcoe			Toronto	ON	N3Y 4J9	CANADA
The Bryant Park Hotel		40 W. 40th Street			New York	NY	10018	
THE BUREAU OF NATIONAL AFFAIRS, INC		PO Box 419889			Boston	MA	02241-9889	
The Burnett Companies Consolidated, Inc.		PO Box 973940			Dallas	TX	75397	
The Cake Guys		730 Big Stone Gap Rd	Suite B		Duncanville	TX	75137	
The Cayman Islands Monetary Authority		171 Elgin Ave. SIX Cricket Square		George Town	Grand Cayman			Cayman Islands
The Charlotte Observer		600 S. Tryon Street			Charlotte	NC	28202	
The Claro Store		11768 Tarrynot Ln			Chicago	IL	46033	
The Claro Group, LLC		321 N Clark St	Suite 1200		Chicago	IL	60654	
THE CLUEN CORPORATION		7 W 22ND ST	5TH FLR		New York	NY	10010	
The Crystal Charity Ball		Mrs. Mark D Leyendecker, Underwriting	3838 Oak Lawn Avenue, Suite L150		Dallas	TX	75219	
The Cystic Fibrosis Foundation		4040 North Central Expressway	Ste 730		Dallas	TX	75204	
The da Vinci School	Attn Christl Warren	10909 Midway Rd			Dallas	TX	75229	
The Dallas Morning News		Subscriptions Dept.	PO Box 630054		Dallas	TX	75263-0054	
The Darden School	Attn Development- CFR	PO Box 7726			Charlottesville	VA	22906-7726	
The Day Group		The 401 Centre	302 Regent Street		London	WT83HH	UK	
The Deal LLC		105 Madison Ave	5th floor		New York	NY	10016	
The Deal LLC		PO BOX 26356			New York	NY	10087-6356	
The Deal LLC		PO Box 3502			Northbrook	IL	60065-9850	
The Devon Trust II		No 2800	715 - 5th Avenue SW		Calgary	AB	T2P 2X6	CANADA
The DI Wire Publishing LLC		18101 Von Karman Ave	Suite 300		Irvine	CA	92612	
The Dugaboy Investment Trust		300 Crescent Court	Suite 700		Dallas	TX	75201	
The Economist		Subscription Center	PO Box 46978		Saint Louis	MO	63146-6978	
The Economist		Subscriptions Department	PO Box 58522		Boulder	CO	80322-6522	
The Efficient Business LLC		13601 Preston	Ste 250E		Dallas	TX	75240	
The Efficient Business LLC		14800 Quorum Dr	Suite 560		Dallas	TX	75254-7679	
The Emblem Source, LLC		4575 Westgrove Drive	Suite 500		Addison	TX	75001	
The Englishmans Interiors		14655 Midway Rd			Addison	TX	75001	
The Executive Centre		Tokyo Ginko Kyokai Bldg 15th Floor	1-3-1 Marunouchi		Tokyo	100-0005	JAPAN	
The Expert Series LLC		317 Madison Avenue	Suite 920		New York	NY	10017	
The Family Place	Attn Shivangi Pokharel	PO Box 7999			Dallas	TX	75209	
THE FRANCHISE TAX BOARD		PO BOX 942867			Sacramento	CA	94267-0001	
THE FRANK W. NORRIS FOUNDATION		PO Box 6071			Athens	GA	30604	
THE FRANK W. NORRIS FOUNDATION		Warrenl School of Forestry	and Natural Resources		Athens	GA	30602-2152	
THE FREDONIA GROUP		767 BETA DR			Cleveland	OH	44143	
The Garden Gate		2303 Farrington	No 100		Dallas	TX	76207	
The Garden Gate		2615 Routh Street			Dallas	TX	75201	
The General Counsel Forum		PO Box 131263			Dallas	TX	75313	
The Greitens Group		4500 West Pine Boulevard			Saint Louis	MO	63108	
The Griffith Law Firm		4925 Greenville Ave	Suite 200		Dallas	TX	75206	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
The Gym		921 W. Mayfield Rd.	Suite 112		Arlington	TX	76015	
The Hanover Insurance Group		PO Box 580045			Charlotte	NC	28258-0045	
The Harry Walker Agency, Inc.		355 Lexington Ave	Flr 21		New York	NY	10017	
THE HARTFORD		PO BOX 2907			The Hartford	CT	06104-2907	
THE HARTFORD		PO Box 660916			Dallas	TX	75266-0916	
The Hockaday School	Attn Holly Hook	11600 Welch Road			Dallas	TX	75229	
The Hogan Firm		1311 Delaware Ave			Wilmington	DE	19806	
The House Oldtown Brasserie		6936 E. Main St.			Scottsdale	AZ	85251	
The Intl Stock Exchange Authority Ltd		PO Box 623, Helvetoa Court	Block B, 3rd Floor, Les Echelons	St Peter Port	GUERNSEY		GY1 1AR	UK
The Irish Stock Exchange plc		28 Angelsea Street			Dublin		D02 XT25	IRELAND
The Island Hotel		690 Newport Center Drive			Newport Beach	CA	92660	
The Joule		1530 Main Street			Dallas	TX	75201	
The Junior League of Dallas		PO Box 12707			Dallas	TX	75226	
The Kaplan Group		2250 King Ct, Suite 50			San Luis	CA	93401	
The Kiplinger Tax Letter		PO Box 3299			Harlan	IA	51593-0479	
The Kiplinger Tax Letter		PO Box 62300			Tampa	FL	33662-2300	
The Ladders	Accounting Dept	137 Varick St			New York	NY	10013	
THE LAKESHORE COMPANIES		1081 MOMENTUM PL			Chicago	IL	60689-5310	
The LDM Group, LLC		Renaissance Tower	1201 Elm Street, Ste. 4201		Dallas	TX	75270	
The Leukemia & Lymphoma Society		13111 Manatoneck Ave, Suite 310			White Plains	NY	10605	
The Leukemia & Lymphoma Society		8111 LBJ Freeway	Suite 425		Dallas	TX	75251	
The Loan Syndications and Trading Assoc		366 Madison Ave	15th Floor		New York	NY	10017	
The Mark and Pamela Okada Family Trust	Exempt Trust #1	300 Crescent Court	Suite 700		Dallas	TX	75201	
The Mark and Pamela Okada Family Trust	Exempt Trust #2	300 Crescent Court	Suite 700		Dallas	TX	75201	
The Markets.com		PO Box 9420			Uniondale	NY	11555-9420	
The Matchbox Studio		3013 Canton Street			Dallas	TX	75226	
The McCarlton Foundation		331 W. 25th Street			New York	NY	10001	
The Medleh Group		PO Box 96370			Houston	TX	77213	
The Money Management Institute		1101 17th St, NW Ste 703			Washington	DC	20036	
The Money Management Institute		PO Box 759231			Baltimore	MD	21275-9231	
The Montessori School of Raleigh		7005 Lead Mine Road			Raleigh	NC	27615	
The Morgan Library & Museum		225 Madison Avenue			New York	NY	10016	
The NASDAQ OMX Group Inc.		Lockbox 90200	PO Box 8500		Philadelphia	PA	19178-0200	
The NASDAQ Stock Market LLC		Lockbox 80200/PO Box 8500			Philadelphia	PA	19178-0200	
The National due Diligence Alliance	c/o Wells Fargo Bank	West8 Tower	10205 Westheimer Rd, Ste 500		Houston	TX	77042	
The Neighbors Law Firm P.C.		2500 Regency Parkway			Cary	NC	27518	
The New York Times		PO BOX 371456			Pittsburgh	PA	15250-7456	
The New York Times		PO Box 4039			Woburn	MA	01888-4039	
The nGage Company, LLC	Attn Phil McKay	170 Pine Point Rd			Scarborough	ME	04074	
The Oechsli Institute		PO Box 29385			Greensboro	NC	27429	
The Optimal Networking Event, LLC		5 Block Court			Randolph	NJ	07869	
The Optimal Networking Event, LLC		PO Box 191			ML Freedom	NJ	07970-0191	
The Original Butt Sketch		PO Box 4495			Dallas	TX	75208-4495	
The Paley Center for Media	Attn Accounting Department	25 West 52nd Street			New York	NY	10019	
The Party New York		137 Avenue A	Suite 2E		New York	NY	10009	
The Paul Revere Life Ins. Co.		PO Box 740590			Atlanta	GA	30374-0590	
The Pension Bridge, Inc		1015 Bel Air Dr.	Building 1		Highland Beach	FL	33487	
THE PLACEMENT GROUP, INC.		6060 North Central Expressway	Suite 524		Dallas	TX	75206	
THE PLANT PLACE		10704 Goodnight Lane			Dallas	TX	75220	
The Plexus Groupe		21805 Field Parkway	Suite 300		Deer Park	IL	60010	
The Plumbing Mechanical Fire Prot. Co		60 North Prospect Avenue			Lynbrook	NY	11563-1395	
The Promise House	Attn Christy Cerralvo	RSC Capital Markets	2711 N Haskell Ave, Ste 2500		Dallas	TX	75240	
The Real Estate Council		Three Lincoln Center	5430 LBJ Fwy, Suite 100		Dallas	TX	75240	
The Real Estate Council Foundation	Attn Stephanie Keller Hudiberg	3100 McKinnon Street	Suite 1150		Dallas	TX	75201	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
The Reeds Public Relations Corporation		3232 McKinney Avenue	Suite 855		Dallas	TX	75204	
The Renaissance Consulting Group		870 San Jacinto Twr 2121 San Jacinto St			Dallas	TX	75201	
The Rhythm Room	Attn Elaine Hewlett	4734 Tremont Street			Dallas	TX	75246	
The Rise School		4220 Monterey Oaks Blvd.			Austin	TX	78749	
The Ritzy-Carlton		2121 McKinney Avenue			Dallas	TX	75201	
The Ritzy-Carlton		4555 Grand Bay Drive			Key Biscayne	FL	33149	
THE RITZ-CARLTON, LAKE LAS VEGAS	Attn AIR	1610 LAKE LAS VEGAS PKWY			Henderson	NV	89011	
The Ryan Anthony Foundation		2512 Boll Street			Dallas	TX	75204	
The Search Group		222 W Las Colinas Blvd	Ste 844E		Irving	TX	75039	
THE SIGN COMPANY		575 MADISON AVE			New York	NY	10022	
The Spencer Company		2121 North Akard	Suite 100		Dallas	TX	75201	
The Standard		PO Box 3358			Portland	OR	97208-3358	
The Standard		PO BOX 5674			Portland	OR	97228-5674	
The Standard Life Insurance Co of NY		PO Box 3358			Portland	OR	97208-3358	
The State of Texas	Deana K. Adams, CSR	Official Court Reporter	600 Commerce, 630 C		Dallas	TX	75202	
The Stewpot Alliance		4516 Lovers Lane	Suite 229		Dallas	TX	75225	
The Strategic Financial Alliance		202 Abbey Court			Alpharetta	GA	30004	
The Strategic Financial Alliance		2200 Century Parkway, Ste 500			Atlanta	GA	30345	
The Strategic Financial Alliance, Inc.		2200 Century Parkway, Ste 500			Atlanta	GA	30345	
The TAARP Group, LLP		8333 Douglas Avenue	Suite 1500		Dallas	TX	75225	
The TAARP Group, LLP		PO Box 797337			Dallas	TX	75379-7337	
The TASA Group, Inc.		1166 DeKalb Pike			Blue Bell	PA	19422-1853	
The Texas Lyceum		6046 Azalea Lane			Dallas	TX	75230	
The Texas Lyceum Association, Inc.		7131 Lavendale Ave			Dallas	TX	75230	
The Townwide Fund of Huntington, Inc.		148 East Main Street			Huntington	NY	11743	
The United States Ski & Snowboard Assoc		1 Victory Lane	Box 100		Park City	UT	84060	
The United States Treasury		Internal Revenue Service	PO Box 9941		Ogden	UT	84409	
The University of Texas at Arlington		Grants and Accounting, Box 19136			Arlington	TX	76019-0136	
The VIA Group, Inc		2610 Technology Forest Blvd			The Woodlands	TX	77381	
The Wall Street Journal		Corporate Subscription Program	102 First Ave		Chicopee	MA	01020	
The Wellness Group, LLC		1000 N. Green Valley Pkwy	Suite 440 #401		Henderson	NV	89074	
The Wellness Group, LLC		100 N. Green Valley Pkwy	Suite 440 #401		Henderson	NV	89074	
The Westin Charlotte		601 South College Street			Charlotte	NC	28202	
The YGS Group		3650 West Market Street	Content Division-AIR		York	PA	17404	
The Yield Book, Inc.		PO Box 13755			Newark	NJ	07188-0755	
THEDFORD, LAUREN E.		Address Redacted						
Theresa Pope		320 West 38th Street	Apt 2307		New York	NY	10018	
Think-Cell		InvalidenstraBe 34			Berlin		10115	GERMANY
Think-cell Sales GmbH & Co. KG		Chausseestr. 8/E			Berlin		10115	GERMANY
Thirstystone Resources		860 E 19th St			Tucson	AZ	85719	
THOMAS HENNINGS		3390 IVY HILLS BLVD			Cincinnati	OH	45244	
Thomas Hoerner		33 Hudson St	Apt 3205		Jersey City	NJ	07302	
Thomas Printworks		PO Box 740967			Dallas	TX	75374-0967	
Thomas Reprographics		P.O. Box 740967			Dallas	TX	75374-0967	
THOMAS SHARP		3674 MORNINGSTAR LANE			Farmers Branch	TX	75234	
Thomas White	do KGen Power Corp	9337 Spring Cypress Rd, #214			Spring	TX	77379	
Thompson & Knight		Dept 70 PO Box 4346			Houston	TX	77210-4346	
Thompson & Knight		PO Box 660684			Dallas	TX	75266-0684	
THOMPSON & KNIGHT LLP		ONE ARTS PLAZA	1722 ROUTH STREET SUITE 1500		Dallas	TX	75201-2533	
Thompson Coe Cousins & Irons LLP		700 N. Pearl Street	Twenty Fifth Floor		Dallas	TX	75201	
THOMPSON, DAVISON R.		Address Redacted						
Thompson, Jordan		Address Redacted						
THOMPSON, ROBIN		Address Redacted						
Thomson		PO Box 4634			Chicago	IL	60680-9598	
Thomson Financial		195 Broadway	7th floor		New York	NY	10007	
Thomson Financial		PO Box 360301			Pittsburgh	PA	15251-6301	
Thomson Financial		PO Box 5136						
Thomson Financial		PO Box 95512			Carol Stream	IL	60197-5136	
THOMSON REUTERS	Attn Greg Winterlton	3 Times Square, 18th Floor			Chicago	IL	60690-5512	
THOMSON REUTERS		PO BOX 55743	The Tomson Reuters Building		New York	NY	10036	
					London		E14 10B	UK

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
THOMSON REUTERS		PO Box 95512			Chicago	IL	95512	
THOMSON REUTERS		TAX & ACCOUNTING- R&G	PO BOX 71687		Chicago	IL	60694-1687	
Thomson Reuters (Markets) LLC		GPO BOX 10410			Newark	NJ	07193-0410	
Thomson Reuters (Markets) LLC		PO Box 415983			Boston	MA	02241	
Thomson Reuters (Tax & Accounting) Inc.		PO Box 71687			Chicago	IL	60694-1687	
Thomson Reuters Corporation		17400 Medline Road	Suite 850		Plymouth	MN	55447	
thomson R/A		PO Box 6159			Carol Stream	IL	60197-6159	
Thomson West		PO Box 6292			Carol Stream	IL	60197-6292	
Thomson West		PO Box 64833			Saint Paul	MN	55164-0833	
Thornton-Tomasetti Group, Inc.		PO Box 826203			Philadelphia	PA	19182-6203	
Throckmorton, Michael		Address Redacted						
Thuzio, Inc.		267 Fifth Avenue	Seventh Floor		New York	NY	10016	
TIAMPO, SAUKOK		Address Redacted						
TIBCO Software, Inc.		Lockbox No 7514	PO Box 7247		Philadelphia	PA	19170-7514	
Tiffs Treats		819 W. Arapaho Rd.	Ste 24-B #266		Richardson	TX	75080	
Tim Daiton		21 PLAIN ST			Summit	NJ	07901	
TIM LAWLER		2475 ANGEL FALLS DR			Frisco	TX	75034	
Tim Spring		302 Charles Terrace			Skilman	NJ	08558	
Tim Syrington		17216 ROCKWICK DR			Purcellville	VA	20132	
Timber Mart-South		Center for Forest Business	The University of Georgia		Athens	GA	30602-2152	
Timberhorn, LLC		3000 Internet Blvd	Suite 100		Frisco	TX	75034	
Time Value Software		22 Mauchly			Irvine	CA	92618	
TIME WARNER CABLE		Box 223085			Pittsburgh	PA	15251-2085	
TIME WARNER CABLE		PO Box 11820			Newark	NJ	07101-8120	
TIME WARNER CABLE		PO Box 60074			City of Industry	CA	91716-0074	
TIME WARNER CABLE		PO Box 650063			Dallas	TX	75265-0063	
TIME WARNER CABLE		PO BOX 650210			Dallas	TX	75265-0210	
TIME WARNER CABLE		PO Box 742633			Cincinnati	OH	45274-2663	
TIME WARNER CABLE		PO BOX 9227			Uniondale	NY	11555-9227	
Time, Inc.		PO Box 60001			Tampa	FL	33660-0001	
Times Square Tower Associates LLC		800 Boylston Street	Suite 1900		Boston	MA	02199	
Times Square Tower Associates LLC		PO Box 415917			Boston	MA	02241-5917	
Timothy Brice		315 Churchill Lane			Pittsboro	TX	75076	
Timothy Hotchandani		400 W. 55th Street, Apt 7B			New York	NY	10019	
Timothy Lawler		272 E. Deerpath Rd	Suite 236		Lake Forest	IL	60045	
Timothy Leung		2170 Century Park East	Apt 1004S		Los Angeles	CA	90067	
Timothy Spring		302 Charles Terrace			Skilman	NJ	08558	
TIPS,LLC		Department 34932	PO Box 39000		San Francisco	CA	94139	
TIPS,LLC		File 30578	PO Box 60000		San Francisco	CA	94160	
Title Partners, LLC		5501 LBJ Freeway	Ste 200		Dallas	TX	75240	
TLK Networks		PO Box 202286			Arlington	TX	76006	
TMC Communications, LLC		245 Park Ave, 24th Flr			New York	NY	10167	
TMF Group		400 Capability Green			Luton	UK	LU1 3AE	
TNT INTERNATIONAL		PO BOX 186	RAMSBOTTOM		BURY	UK	BL9 0GR	
Tobias Lewis		42 Oval Ave			Riverside	CT	06878	
TOBY FELDMAN INC.		ONE PENN PLAZA			New York	NY	10119	
Todd Blatterman		45 Twixt Hills Rd			St. James	NY	11780	
TODD TRAVERS		3613 Cedar Lane			Dallas	TX	75234	
Toly Novik		450 N. Oakhurst Dr. # 240			Beverly Hills	CA	90210	
TOM BEACH		2054 FILBERT ST			San Francisco	CA	94123	
TOM LOVELL		261 Spanish Moss Ln			Richmond	GA	31324	
Tom Rigatti		2031 ANZA ST			San Francisco	CA	94118	
Tommasino, Matthew		Address Redacted						
TOMLIN, WILLIAM		Address Redacted						
Tony Zaifaro		85 Kellogg Drive			Wilton	CT	06897	
Total Alternatives		PO Box 5018			Brentwood	TN	37024	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Touchstone Securities, Inc TOUDOUZE, KENNETH		303 Broadway Address Redacted	Suite 1100		Cincinnati	OH	45202-4203	
Towers Watson		PO Box 8500	S-6110		Philadelphia	PA	19178-6110	
TPAC		920 Tyne Blvd			Nashville	TN	37220	
TQ ESI, LLC		400 N. St Paul	STE 1230		Dallas	TX	75201	
Tracey Ivy		636 Winsford Rd			Bryn Mawr Plantation	PA	19010	
TradeStation Securities, Inc. TRAHAN, MICHAEL	Attn Account Department	8050 SW 10th St -- Ste 2000 Address Redacted				FL	33324	
TransPerfect Legal Solutions TRANSHAM, AUSTIN	Attn Accounts Receivable	Three Park Avenue, 39th Floor 5001 SPRING VALLEY RD	STE 600W		New York Dallas	NY TX	10016 75244	
TRANSWESTERN		Address Redacted						
TRANTHAM, AUSTIN		8111 LBJ Freeway # 550			Dallas	TX	75251	
Travel Search Network		Address Redacted						
TRAVIS, TODD		2217 IVAN ST	APT 204		Dallas	TX	75201	
Travis Kruger		5165 CR 2013			Glen Rose	TX	76649	
TRC		PO Box 53282			Pittsburgh	PA	15253-5904	
TRC Consultants, LC		120 Dietert Ave	Suite 100		Boerne	TX	78006	
TREASURER OF THE UNITED STATES		Securities Division			Montpelier	VT	05620	
TREASURER OF STATE OF VERMONT		Virginia State Corporation Commission	1300 East Main Street, 9th Floor		Richmond	VA	23219	
Treasurer of Virginia		Securities & Business Investment Div	260 Constitution Plaza		Hartford	CT	06103	
Treasurer, State of Connecticut		Office of Securities	76 Northern Avenue		Gardner	ME	04345	
Treasurer, State of Maine								
TREASURY OF THE UNITED STATES	Austin Campus Disclosure Office	Stop 7000-AUSC	PO Box 2986		Austin	TX	78768	
TREASURY OF THE UNITED STATES	INTERNAL REVENUE SERVICE	3651 SOUTH IH-35, MS 7000AUSC	DISCLOSURE OFFICE		Austin	TX	78741	
TREMOR, LAUREN E.		Address Redacted						
Trend Macrolitics LLC		660 N. Lake Shore Drive	No 1412		Chicago	IL	60611	
Trenkner, Jamie		Address Redacted						
Trepp, LLC		477 Madison Ave 18th Flr			New York	NY	10022	
Triad Security Systems		971 Lehigh Avenue			Union	NJ	07083	
Trial Arts Professional Copy Service		1500 Dragon St, Ste C			Dallas	TX	75207	
Tricor Evathouse Corporate Services		8 Cross Street	No 11-00 PWC Building		Singapore		048424	SINGAPORE
Tricor Singapore Pte Ltd		8 Cross Street	No 11-00 PWC Building		Singapore		048424	SINGAPORE
Trinity River Mission		2060 Singleton Blvd, Ste 104			Dallas	TX	75212	
Triple Threat Cowboy		1430 Regal Row	Suite 320		Dallas	TX	75247	
TRI-RIVER CAPITAL	C/O BEUTEL & JOYCE, LP	ATTN MILTON WALTERS	555 FIFTH AVE - 15TH FLR		New York	NY	10017	
Tritech Communications, Inc.		625 Locust St.			Garden City	NY	11530	
Troutman Sanders LLP		P.O. Box 933652			Atlanta	GA	31193-3652	
TROY BARNE TTE		4945 DATE PALM ST			Cocoa Beach	FL	32932	
Trump International Hotel & Tower CH		401 North Wabash Ave			Chicago	IL	60611	
Trussway Holdings, Inc.	Kendall Hoyd	9411 Alcorn			Houston	TX	77093-6753	
Trussway Holdings, LLC		7001 Enterprise Ave			Fort Worth	TX	76118	
Trustees of Boston University		1 Silber Way			Boston	MA	02215	
TSCM AMERICA		PO Box 6743			McKinney	TX	75071	
TSCPA		PO Box 797488			Dallas	TX	75379	
TSG Reporting, Inc		747 Third Ave, Suite 10A			New York	NY	10017	
TSX INC		The Exchange tower	PO Box 421, 130 King Street West		Toronto	ON	M5X 1E1	CANADA
TTA Research & Guidance		PO Box 71687			Chicago	IL	60694	
Tuan Olona, LLP		One Rockefeller Plaza	Eleventh Floor		New York	NY	10020	
Turf Scapes		368 National Drive			Rockwall	TX	75082-6531	
Turing Experts		Birchlin Court	20 Birchlin Lane		London		EC3N 9DU	UK
Turtle Bay Resort	Attn Financos Department	57-091 Kamehameha Highway			Kahuku	HI	96731	
TW Telecom Holdings, llc		PO Box 910182			Denver	CO	80291-0182	
Twenty-First Securities Corporation		780 Third Avenue	24th Floor		New York	NY	10017	
TXU ENERGY		PO BOX 650638			Dallas	TX	75265-0638	
TXU ENERGY		PO BOX 660409			Dallas	TX	75266-0409	
Tyco Integrated Security		PO Box 371967			Pittsburg	PA	15250-7967	
Tyler Kemp		5165 CR 2013			Glen Rose	TX	76649	
TYRA GILB TRUST		325M SHARON PARK DR #207			Menlo Park	CA	94025-6804	
U.D.S. TX, LLC		1401 Elm, Suite 4567			Dallas	TX	75202	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
U.S. - Japan Council	Attn Dana Fager, Develop. Coordinator	1819 L Street, NW, Suite 800			Washington	DC	20036	
U.S. Bancorp Equipment Finance		P.O. Box 790448			Saint Louis	MO	63179-0448	
U.S. Bancorp Equipment Finance, Inc.		PO Box 790448			Saint Louis	MO	63179-0448	
U.S. Bank		CM-9690			Saint Paul	MN	55170-9690	
U.S. Bank National Association	Attn CDO Unit	One Federal Street	PO Box 70870		Boston	MA	02110	
U.S. Fund for UNICEF		520 Post Oak Blvd	Suite 280	Mail Code EX-MA-FED	Houston	TX	77027	
U.S. Securities and Exchange Commission	Fort Worth Regional Office	Burnett Plaza, 19th Floor	801 Cherry Street, Unit 18		Fort Worth	TX	76102	
UBS AG, London Branch UBS Securities LLC	c/o Andrew Clubock, Esq.	Latham & Watkins LLP	555 Eleventh Street NW Suite 1000		Washington	DC	20004	
UCG		11300 Rockville Pike	Ste 1100		Rockville	MD	20852-3030	
Uchi Dallas, LLC		701 S. Lamar Blvd	Suite C		Austin	TX	78704	
UDAI DHAWAN		28 SPRAIN VALLEY RD			Scarsdale	NY	10583	
UERMMMC-MAAA1	Dr. Audrey Coe, Treasurer	PO Box 2153			Bedford Park	IL	60499-2153	
Ulf Nofelt		120 Potter Road			Scarsdale	NY	10583	
Ulicny, Inc.		92 Amity Drive			Wayne	PA	19087	
UMB Bank, N.A.	Attn Trust Fees Dept	PO Box 414589			Kansas City	MO	64141-4589	
UNICOM TECHNOLOGIES, INC		1011 HWY 6 S	STE 200		Houston	TX	77077	
Unimerical Insurance Company	Administrative Office	6300 Olson Memorial Highway			Golden Valley	MN	55427	
Unishippers		800 W Airport Frwy Ste 611 LB 6065			Irvine	TX	75062	
Unishippers		800 W Airport Fwy Ste 611 LB 6065			Irvine	TX	75062-6294	
United American Reporting Services		1201 Elm Street	Suite 5220		Dallas	TX	75270	
United Capital		5655 S. Yosemite St.	Suite 450		Greenwood Village	CO	80111	
United Carpet Cleaning Systems, Inc.		PO Box 1625			Hurst	TX	76053	
UNITED HEALTHCARE INSURANCE COMPANY		22561 NETWORK PLACE			Chicago	IL	60673-1225	
UNITED HEALTHCARE INSURANCE COMPANY	Attn LISA CARRILLO	5800 GRANITE PKWY, STE 700			Plano	TX	75024	
United Mechanical		11540 Plano Road	PO Box 551206		Dallas	TX	75355-1206	
United States Treasury		INTERNAL REVENUE SERVICE			Cincinnati	OH	45989-0039	
United States Treasury		INTERNAL REVENUE SERVICE			Kansas City	MO	64999-0202	
United States Treasury		INTERNAL REVENUE SERVICE			Ogden	UT	84201-0039	
United States Treasury		INTERNAL REVENUE SVC	PO BOX 69		Memphis	TN	38101-0069	
United States Treasury		PO Box 660443			Dallas	TX	75266-0443	
United States Treasury		STOP 5107 NWSAT	4050 ALPHA RD		Farmers Branch	TX	75244-4201	
UNITED VAN LINES		ONE UNITED DRIVE			Fenton	MO	63026-1350	
United Way of Mass. Bay & Merrimack Vly	Attn A/R- Barbara Alexander	PO Box 51381			Boston	MA	02205-1381	
Universal Printing Solutions, Inc.		10573 West Pico Blvd. #610			Los Angeles	CA	90064-2438	
University of Michigan	c/o Matching Gifts	3003 S. State Street, Suite 8000			Ann Arbor	MI	48109-1288	
University of Pennsylvania		433 Franklin Building	3451 Walnut Street		Philadelphia	PA	19104-6285	
University Pk Sch ParentTeacher Assoc		3505 Amherst			Dallas	TX	75225	
Unum Life Insurance Company of America		PO BOX 406834			Atlanta	GA	30384-6834	
Unum Life Insurance Company of America		PO Box 409548			Atlanta	GA	30384-9548	
Update Legal		1140 Avenue of the Americas			New York	NY	10036	
Uplift Education	c/o David Jackson	1825 Market Center Blvd, Ste 500			Dallas	TX	75207	
UPMC HEALTH SYSTEM PENSION TRUST		1 MELLON BANK CTR			Pittsburgh	PA	15258	
UPS Freight		PO Box 730900			Dallas	TX	75373-0900	
UPS Supply Chain Solutions		28013 Network Place			Chicago	IL	60673-1280	
UPS Supply Chain Solutions		PO BOX 7247-0244			Philadelphia	PA	19170-0001	
UPS Supply Chain Solutions		PO Box 730900			Dallas	TX	75373-0900	
Upswing Performance Improvement, Inc.		PO Box 738			Manchester	MO	63011	
UptownEnergy Partners		2602 McKinney Ave	Suite 330		Dallas	TX	75204	
Urano, Cameron		Address Redacted						

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
URBAN, ASHLEY		Address Redacted						
URBAN, JOHN		Address Redacted						
URBANIC, MATTHEW		Address Redacted						
URECH, DANIELLE		Address Redacted						
URS CORPORATION		PO BOX 121028	DEPT 1028		Dallas	TX	75312-1028	
US Bank		1555 N Rivercenter Dr, Ste 302			Milwaukee	WI	53212	
US BANK NA	Attn THOMAS BELCHER	ONE FEDERAL STREET	THIRD FLOOR		Boston	MA	02110	
US Foods, Inc.		Box 843202			Houston	TX	75284-3202	
US Legal Support		Chicago, IL Reporting	PO Box 4772-11		Dallas	TX	77120-4772	
US Legal Support		Texas Records & Reporting	PO BOX 952172		Dallas	TX	75395-2172	
US Markets		10 W. 37th St	7th FL		New York	NY	10018	
US Policy Metrics LLC		1333 New Hampshire Ave N.W.	3rd Floor		Washington	DC	20036-1564	
US Postage Meter Center		PO Box 800848			Santa Clarita	CA	91380	
US Securities & Exchange Commission	FOIA Officer & Privacy Act Officer	100 F Street, NE	Mail Stop 2736		WASHINGTON	DC	20549-2000	
US Ski and Snowboard Team Foundation		1 Victory Lane	Box 100		Park City	UT	84060	
USA Shooting	Attn Rob Weekes	1 Olympic Plaza			Colorado Springs	CO	80909	
usll marketing communications		12100 Ford Rd Ste 100			Dallas	TX	75234	
USTMAAM	c/o Marc Villafania	306 Surrey Lane			Bloomington	IL	60108	
USW LOCAL 870		94 WASHINGTON PLACE			Totowa	NJ	07512	
Utah Division of Securities		Securities Division	160 East 300 South, 2nd Floor		Salt Lake City	UT	84111	
UTAH STATE TAX COMMISSION		210 N 1950 W			Salt Lake City	UT	84134	
Valhalla CLO, Ltd.	c/o Intertrust SPV (Cayman) Limited	190 Elgin Avenue	George Town		Grand Cayman	TX	KY1-9005	Cayman Islands
VALIANT MEDIA		3116-D COMMERCE ST			Dallas	TX	75226	
Validity, Inc.		200 Clarendon St	22nd Floor		Boston	MA	02116	
Value Line Publishing	Attn Matt Jamison	Value Line Publishing, Inc	220 East 42nd Street 6th floor		New York	NY	10017	
ValueScope, Inc.		1400 Thorford Ct.			Southlake	TX	76092	
VAN HOEF, ASHLEY	Address Redacted							
VANACOUR, JASON	Address Redacted							
Vanessa Sea	1 W. Superior Street #5015				Chicago	IL	60654	
Vanguard Brokerage Services	Attn Securities Receipt & Transfer	PO Box 1170			Valley Forge	PA	19482-1170	
Vector One Management		113 E 55th St			New York	NY	10022	
Venable LLP		PO Box 62727			Baltimore	MD	21264-2727	
Venable LLP		PO Box 630798			Baltimore	MD	21263-0798	
Venture Mechanical, Inc.		2222 Century Cir			Irving	TX	75062	
Veritas Software Global LLC		PO Box 60000			San Francisco	CA	94160-3667	
Veritext Corp.		3090 Bristol Street	Suite 190		Costa Mesa	CA	92626	
Veritext Los Angeles Reporting Co		3090 Bristol St	Suite 190		Costa Mesa	CA	92626	
Veritext Mid-Atlantic		1801 Market Street	Suite 1800		Philadelphia	PA	19103	
Veritext New York Reporting Co		330 Old Country Rd	Suite 300		Mineola	NY	11501	
Veritext New York Reporting Co		PO Box 71303			Chicago	IL	60694-1303	
Verity Group		PO Box 940361			Plano	TX	75094-0361	
VERIZON		PO BOX 1100			Albany	NY	12250-0001	
VERIZON		PO BOX 15124			Albany	NY	12212-5124	
Verizon Wireless		PO Box 4001			Inglewood	CA	90313-4001	
Verizon Wireless		PO Box 489			Newark	NJ	07101-0489	
Verizon Wireless		PO Box 660108			Dallas	TX	75266-0108	
Verizon Wireless		PO Box 790406			Saint Louis	MO	63179-0406	
Vermont Department of Taxes		PO Box 588			Montpelier	VT	05601	
Vermont Dept of Financial Regulation		Dept of Banking, Insurance & Securities	89 Main Street, 2nd Floor, Drawer 20		Montpelier	VT	05620	
Verona		13330 Noel Rd			Dallas	TX	75240	
Verrill Dana LLP		One Portland Square	P.O. Box 586		Portland	ME	04112	
VFG Securities, Inc.	Attn Jana Oledzki	100 Corporate Pointe	Suite 382		Culver City	CA	90230-7612	
ViaWest, Inc.		PO Box 732368			Dallas	TX	75373-2368	
ViaWest, Inc.		PO Box 912362			Denver	CO	80291-2362	
Vibrancy21		1133 South Clinton Street			Baltimore	MD	21224	
Vickery Meadow Learning Center		6329 Ridgcrest			Dallas	TX	75231	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	City	State	Zip	Country
Victor Chang		5400 Preston Oaks Rd		Dallas	TX	75254	
Victor Chong		900 W Newport Ave.	Apt B	Chicago	IL	60657	
VILLA VERONA, LTD		13330 NOEL RD		Dallas	TX	75240	
Village on the Green		5301 Alpha Road, Suite 44		Dallas	TX	75240	
Vin Thompson		38 East Wharf Rd		Madison	CT	06443	
Vincent Lopez Serafino & Jenevein, PC		2001 Bryan St	Suite 2000	Dallas	TX	75201	
VINSON & ELKINS, LLP		A1001 FANNIN ST, STE 2300	FIRST CITY TOWER	Houston	TX	770026780	
Vintage Filings		350 Hudson Street, Suite 300		New York	NY	10014	
Vintage Filings		350 Hudson Street	Suite 300	New York	NY	10014	
Vintage Filings		PO Box 30719		New York	NY	10087-0719	
Vira, Sagar		Address Redacted					
VIRGINIA DEPARTMENT OF TAXATION				Richmond	VA	23218-1500	
VIRGINIA DEPARTMENT OF TAXATION				Richmond	VA	23218-1777	
Virginia Retirement System	Attn Control	PO BOX 1777		Richmond	VA	23218	
Virginia Retirement Systems	Attn Control	PO Box 361		Richmond	VA	23218	
Vishnu Gogineni		One Bryant Park	21st Floor, 21.053A	New York	NY	10036	
Visix, Inc.		230 Scientific Drive	Suite 800	Notcross	GA	30092	
Vivae Search Group, LLC		6009 Mariposa Drive		McKinney	TX	75070	
Vitallo, Stephanie		Address Redacted					
Vlahakis, Eleni		Address Redacted					
VLAHAKIS, ELENI		Address Redacted					
VODAFONE		PO BOX 549		London	UK	OX17 3ZJ	
Vogel Alcove		200 Crescent Court	Sie 300	Dallas	TX	75201	
Voice of Hope	Attn Ruth Hardesty	PO Box 224845		Dallas	TX	75222-4845	
Volunteers for Youth, Inc.		205 Lloyd Street	Suite 103	Carboro	NC	27510	
Voya Financial Advisors		5780 Powers Ferry Road, NIW		Atlanta	GA	30327	
Voya Financial Advisors	Attn Adriana Mardarie Gagov	909 Locust Street		Des Moines	IA	50309	
VSI Solutions		203 Dumont ct		Fairview	TX	75069	
VTB Capital plc		14 Cornhill		London	UK	EC3V3ND	
W San Diego		421 West B St		San Deigo	CA	92101	
W. Andrew Hodge Consulting, PA		PO Box 11417		Glendale	AZ	85318	
W.B. Mason Co., Inc.		56 Centre St		Brockton	MA	02301	
Wachovia Insurance Services		5956 Sherry Lane	Suite 2000	Dallas	TX	75225-6531	
Wachovia Securities LLC		Relationship Management Group-MO1400		Saint Louis	MO	63103	
Wachtell, Lipton, Rosen & Katz		51 West 52nd Street	1 North Jefferson St	New York	NY	10019	
Wagner, Grace		Address Redacted					
Wake2O		Rue du Mont Blanc 3		Geneva	SWITZERLAND	01201	
Wakefield Quinn		PO BOX HM 809		Hamilton	BERMUDA	0HMCX	
Walek & Associates, Inc.		317 Madison Avenue Suite 2300		New York	NY	10017	
WALIA, AMIT		Address Redacted					
Walker Dunlop		63 Kendrick Street		Needham	MA	02494	
Walker Kobelan		729 Reinerman		Houston	TX	77002	
Walkers		PO Box 265GT, Walker House	87 Mry Street	George Town	GRAND CAYMAN	KY1-9001	
Walkers Fund Services Limited	c/o Intertrust Cayman	190 Elgin Avenue	George Town	Grand Cayman	Cayman Islands	KY1-9005	
Wall Street Tax Association	c/o O'Connor Davies Munnis & Dobbins LLP	60 East 42nd Street		New York	NY	10165	
WALLS, DAVID		Address Redacted					
WALTER JARMAN		1487 ARLINGTON DR		Salt Lake City	UT	84103-4427	
WAN, QIAN		Address Redacted					
WANG, ALICE		Address Redacted					
WANG, CHEN-HAN		Address Redacted					
Wang, Ruozhou		Address Redacted					
Warehouse Store Fixture Co.		84 Progress Lane		Walebury	CT	06705	
Warner Stevens LLP		1700 City Center Tower II	301 Commerce Street	Fort Worth	TX	76102	
Warren Posner		96 Winged Foot Drive		Livingston	NJ	07039	
Washington Speakers Bureau Inc.		1663 Prince Street		Alexandria	VA	22314	
Washington State Treasurer		WA Dept of Finan Inst. Securities Div	150 Israel Road SW	Tumwater	WA	98501	
WATERHOUSE, FRANK		Address Redacted					
Waterview Advisors		12201 Merrit Drive, Suite		Dallas	TX	75251	
Watson Wyatt & Co		PO Box 277665		Atlanta	GA	30384	
WAITSON, ERIN		Address Redacted					

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
Watts, Andrew		Address Redacted						
WATTS, KEITH R		Address Redacted						
Wayne Bell		5165 CR 2013			Glen Rose	TX	76649	
WC 4641 Production, LLC	C/o Great Value Storage	4641 Production Drive			Dallas	TX	75235	
	Attn Sharon Popham, Reservations Chair							
WCDABG		3 Carmarthen Court			Dallas	TX	75225	
WealthForge Securities, LLC		6800 Paragon Place	Ste 200		Richmond	VA	23230	
Wealthmaster Group, LLC		18861 Von Karman Ave	Suite 720		Irvine	CA	92612	
Weatherly, Brian		Address Redacted						
Weaver and Tidwell, LLP		2821 West 7th Street	Suite 700		Fort Worth	TX	76107	
Webb, Justin		Address Redacted						
WebsiteBackup Company		2375 E. Camelback Rd	Suite 600		Phoenix	AZ	85016	
WEBSTER, GREGORY W		Address Redacted						
WEIJUN ZANG		5053 JUSTIN TERRACE			Fremont	CA	94555	
Weich Consulting Ltd		PO Box 795001			Dallas	TX	75379	
Wells Fargo Advisors FBO Bezilia		1716 Briarcrest Drive #700			Bryan	TX	77802-2760	
Wells Fargo Advisors, LLC	Attn Alan Kinney	200 Stephenson Ave, Suite 301			Savannah	GA	31405	
Wells Fargo Advisors, LLC		180 Glastonbury Blvd	Suite 301		Glastonbury	CT	06033	
Wells Fargo Advisors, LLC		1 North Jefferson Ave.			St Louis	MO	63103	
Wells Fargo Advisors, LLC		5215 Old Orchard Road			Skokie	IL	60077-4401	
Wells Fargo Advisors, LLC	Attn Andrew Black	280 Park Avenue, FL 29W	Suite 960		New York	NY	10017	
Wells Fargo Advisors, LLC	Attn April Johnson	10900 Wilshire Blvd, 11th Floor			Los Angeles	CA	90024	
Wells Fargo Advisors, LLC	Attn Dan Racicot WF - Finet	4275 Executive Square, Ste 910			Lapolla	CA	92037	
Wells Fargo Advisors, LLC	Attn Denise Bare	9665 Wilshire Blvd, Ste 100			Beverly Hills	CA	90212	
Wells Fargo Advisors, LLC	Attn Greg Shumaker	700 Ackerman Rd, Ste 400			Columbus	OH	43202	
Wells Fargo Advisors, LLC	Attn Kathy Buckley	6060 South American Plaza St East			Tulsa	OK	74135	
Wells Fargo Advisors, LLC	Attn Kevin Dailey	100 East Wisconsin Ave, 12th Floor			Milwaukee	WI	53202	
Wells Fargo Advisors, LLC	Attn Mike McChesney	2500 Legacy Dr, Ste 200			Frisco	TX	75034	
Wells Fargo Advisors, LLC	Attn Nicole Stenquist	450 Post Road East			Westport	CT	06880	
Wells Fargo Advisors, LLC	Attn Operations Manager	1200 17th St, Ste 2000			Denver	CO	80202	
Wells Fargo Advisors, LLC	Attn Operations Manager	13621 University Ave			Clive	IA	50325	
Wells Fargo Advisors, LLC	Attn Operations Manager	20 William Street, Ste 300			Wellesley	MA	02481	
Wells Fargo Advisors, LLC	Attn Operations Manager	222 East Main St, Ste 106			Smithtown	NY	11787	
Wells Fargo Advisors, LLC	Attn Operations Manager	331 Newman Springs Rd, Ste 230			Red Bank	NJ	07701	
Wells Fargo Advisors, LLC	Attn Operations Manager	909 Fannin St, Suite 1200			Houston	TX	77010	
	Attn Operations Mgr Garner Mabry	6400 South Fiddlers Green Cir, Ste 1840			Greenwood Village	CO	80111	
Wells Fargo Advisors, LLC	Attn Paula Curry, Control Specialist	2 International Place, 20th Fl			Boston	MA	02110	
Wells Fargo Advisors, LLC								
Wells Fargo Advisors, LLC	Attn Rita Borchers	7400 West 130th St, Ste 200			Overland Park	KS	66213	
Wells Fargo Advisors, LLC	Attn Tracy Lusk	8115 Preston Rd, Suite 300			Dallas	TX	75225	
Wells Fargo Advisors, LLC	Attn Web Wang	5820 Canoga Ave, #100			Woodland Hills	CA	91367	
Wells Fargo Advisors, LLC	c/o David Effenbein	1211 Avenue of the Americas, 27th Flr			New York	NY	10036	
Wells Fargo Advisors, LLC	c/o Heffer Leshem Margolis	500 Lake Cook Rd, Ste 100			Deerfield	IL	60015	
Wells Fargo Advisors, LLC	c/o Shannon Walker	695 E. Arlington Blvd., Ste 201			Greenville	NC	27858	
Wells Fargo Advisors, Westwood		10900 Wilshire Blvd	11th Floor		Los Angeles	CA	90024	
WELLS FARGO BANK		WF 8113	PO BOX 1450		Minneapolis	MIN	55485-8113	
Wemple, Stefanie		Address Redacted						
WEN, JING		Address Redacted						
WENDELL, MORTON		Address Redacted						
Wendy Harper		11738 Kiowa Ave, #104			Los Angeles	CA	90049	
WENTWORTH, KEVIN		Address Redacted						
WENTWORTH, KEVIN J.		Address Redacted						
Wesley Golle		3736 E. Nielsen Ln			Denver	CO	80210	
West Court Reporting Services		West Payment Center	P. O. Box 6292		Carol Stream	IL	60197-6292	
West Payment Center		PO Box 6292			Carol Stream	IL	60197-6292	
West Publishing Corporation		P.O. Box 12421			Newark	NJ	07101	
West Virginia State Auditor Office	Securities Division	1900 Kanawha Blvd. E	State Capital Building 1, Room W-100		Charleston	WV	25305-0230	
Westchester CLO, Ltd.	The Directors	PO Box 1093 GT, Queensgate House		George Town	Grand Cayman			Cayman Islands
Western International Securities, Inc.		70 S. Lake Ave	South Church Street		Pasadena	CA	KY1-1108	
Westley McGeoghagan		49 Chetwyrd Road	Ste 700		Somerville	MA	02144	
WESTMINSTER CITY COUNCIL		PO BOX 397			London	WA55 1GG	UK	

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
WestPark Capital, Inc.		1900 Avenue of the Stars	Suite 310		Los Angeles	CA	90067	
Westwood Professional Services, Inc.		7699 Anagram Drive			Eden Prairie	MIN	55334	
WHARF, PAUL		Address Redacted						
WHARF, PAUL C.		Address Redacted						
Whalley, David		Address Redacted						
WHERRY, SHANNON M.		Address Redacted						
Whetstone, Laurie		Address Redacted						
Whitaker, Chalk, Swindler, & Sawyer		301 Commerce St, Suite 3500			Fi. Worth	TX	76102	
White & Case LLP		1155 Avenue of the Americas			New York	NY	10036-2787	
White & Williams LLP		1800 One Liberty Place			Philadelphia	PA	19103-7395	
White, Jeremy		Address Redacted						
White, Kelly		Address Redacted						
WhiteGlove House Call Health, Inc.		5300 Bee Cave Rd. Bldg One	Ste 100		Austin	TX	78746	
WhiteGlove House Call Health, Inc.		PO Box 845720			Dallas	TX	75284-5720	
Whitehall-Parker Securities, Inc.		477 Pacific Ave, 2nd Floor			San Francisco	CA	94133	
Whitney Smith Co		301 Commerce St	Suite 1950		Fort Worth	TX	76102	
WhitneySmith Company		301 Commerce Street, Suite 1950			Fort Worth	TX	76102	
WICK PHILIPS LLP		500 North Akward Street	Suite 2100		Dallas	TX	75201	
Wicks Business Information		1375 Kings Highway East Ste 450			Fairfield	CT	06824	
Wild Rose Floral Design Studio		720 E Lamar St			Royse City	TX	75189	
Wild Rose Floral Design Studio		PO Box 841			Rockwall	TX	75087	
Wientz Goldman & Spitzer		90 Woodbridge Center Dr.			Woodbridge	NJ	07095	
Wiley, Grant		Address Redacted			Dallas	TX	75372	
Wilkinson Center	Attn Andrea Jones	PO Box 720248			Dallas	TX	75240	
Will Pryor Mediation & Arbitration		5420 LBJ Fw St 626			Houston	TX	77056	
WILLIAM CORNELIUS		2404 YORKTOWN ST	APT 137					
William Ikard		58 Calle Maravilla			San Clemente	CA	92673	
William Keeney		536 E 56th St			Kansas City	MO	64110	
William M. Cobb & Associates, Inc.		12770 Coit Rd, Ste 907			Dallas	TX	75251	
William Oliveira		504 Green St.			Northborough	MA	01532	
William R. Welch		9 Greenway Plaza, Ste 3112			Houston	TX	77046	
WILLIAM SMITH		13455 NOEL RD	STE 800		Dallas	TX	75240	
William Todd Westerborg		6164 Marquita Ave			Dallas	TX	75214	
Williams, Andrew		Address Redacted						
WILLIAMS, MEREDITH		Address Redacted						
Willis of New York, Inc.		PO Box 4557			New York	NY	10249-4557	
Willis of Texas, Inc.		Dallas/Ft. Worth Division	PO Box 730310		Dallas	TX	75373-0310	
Willis of Texas, Inc.		PO Box 731739			Dallas	TX	75373-1739	
Willkie Farr & Gallagher LLP		787 Seventh Ave			New York	NY	10019-6099	
WILLMORE, DAVID		Address Redacted						
Willoughby McCabe Agents Co		3409 Rosedale Avenue			Dallas	TX	75205	
WILLOUGHBY-MCCABE, PATRICK		Address Redacted						
Wilmer Cutler Pickering Hale Dorr LLP		1875 Pennsylvania Avenue NW			Washington	DC	20006	
Wilmer Cutler Pickering Hale Dorr LLP		PO Box 7247-8760			Philadelphia	PA	19170-8760	
Wilmington Trust Company		Rodney Square North	1100 North Market St		Wilmington	DE	19890-0001	
Wilshire Associates Incorporated	Attn Accounts Receivable	1299 Ocean Avenue, Suite 700			Santa Monica	CA	90401-1085	
WILSON SMITH		3221 S ELIZABETH AVE			Independence	MO	64057-1925	
WILSON, ANDREW		Address Redacted						
WILSON, ANTHONY		Address Redacted						
Wilson, Owen		Address Redacted						
WILSON, SCOTT		Address Redacted						
Wilson, Sonsini, Goodrich, & Rosati		File # 73672	PO Box 60000		San Francisco	CA	94160-3672	
Wilson, Sonsini, Goodrich, & Rosati		PO Box 742866						
WILSON, STEVE L.		Address Redacted			Los Angeles	CA	90074-2866	
WILSON, STEVEN		Address Redacted						
Wilton, William		Address Redacted						

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
WINGS Ventures LLC		172304 Preston Rd	Ste 800		Dallas	TX	75252	
Winn Media		1444 Oak Lawn Avenue	Bldg. 4, Suite 400		Dallas	TX	75207	
WINSTEAD P.C.		2728 N Harwood Street	Suite 500		Dallas	TX	75201-1743	
WINSTEAD P.C.		5400 RENAISSANCE TOWER	1201 ELM ST		Dallas	TX	75270	
Winston & Strawn LLP		2121 North Pearl Street	Suite 900		Dallas	TX	75201	
Wired		PO Box 37704			Boone	IA	50037-0704	
Wisconsin Office of Comm of Securities	Division of Securities	201 West Washington Avenue, Suite 300			Madison	WI	53703	
WISE, CHRIS		Address Redacted			New York	NY	10016	
Wiseman & Hoffman		460 Park Ave South, 4th Flr						
WISER, JASON		Address Redacted						
Withers Bergman LLP		PO Box 1685	PO Box 426		New Haven	CT	06502	
WMI Fund Associates Co., Ltd.		157 Church Street, 12th Floor			New Haven	CT	06507	
Wolters Kluwer Legal & Regulatory US		Kakimi Kojimachi Annex Bldg 6F			Tokyo		102-0083	JAPAN
Wombat Security Technologies		PO Box 71882	3-2 Kojimachi, Chiyoda-ku		Chicago	IL	60694-1882	
Womens Auxiliary Childrens-Six Flags	Attn Jenny Garberding	3030 Penn Avenue	Suite 200		Pittsburgh	PA	15201	
Womens Auxiliary Childrens-Six Flags	Attn Robin Wilson, Treasurer	7315 Centenary Ave			Dallas	TX	75225	
Wonderlic		7506 Greenbrier			Dallas	TX	75225	
WOOD, HANNAH		1795 N. Butterfield Rd			Libertyville	IL	60048-1212	
Woodall Rodgers Park Foundation	Attn Erika White	Address Redacted						
Woodbury Financial Services, Inc.	Attn Reimb Processing	1909 Woodall Rodgers Fwy	Suite 403		Dallas	TX	75201	
Woodruff-Sawyer & Co.		PO Box 64284			Saint Paul	MN	55164	
WOOTTON, JENNIFER		PO Box 45057			San Francisco	CA	94145-9950	
World Affairs Council		Address Redacted						
World Data Products		325 N. St. Paul St.	Suite 4200		Dallas	TX	75201	
Worldwide Financial Solutions		M & I 196 PO Box 1414			Minneapolis	MN	55480-1414	
Worldwide Insurance Services	Attn INDIVIDUAL UNDERWRITING DEPT	16140 Northcross Drive			Huntersville	NC	28078	
WQ International Ltd.		100 MATSONFORD RD	STE 100		Radnor	PA	19087	
Wright Wealth Management		Victoria Place, 31 Victoria Street			Hamilton		0HM10	BERMUDA
Wrights Media		3181 Clearwater Dr.	Ste A		Prescott	AZ	86305	
Wuiz, Brandon		2407 Timberloch Place	Suite B		The Woodlands	TX	77380-1039	
Wyoming Secretary of State		Address Redacted						
Xact Data Discovery -DATX		Securities Division, State Capitol Bldg	2020 Carey Avenue, Suite 700		Cheyenne	WY	82001	
Xerox Corporation		5900 Foxridge Dr	Suite 406		Mission	KS	66202	
Xerox Corporation		2553 Collections Center Dr.			Chicago	IL	60693	
Xerox Corporation		PO Box 650361			Dallas	TX	75265-0361	
Xerox Corporation		PO Box 7405			Pasadena	CA	91109-7405	
Xerox Corporation		PO Box 802555			Chicago	IL	60680-2555	
Xerox Corporation		PO Box 827598			Philadelphia	PA	19182-7598	
Xignite, Inc		1825 South Grant St	Suite 100		San Mateo	CA	94404	
Xignite, Inc		Dept 3344	PO Box 123344		Dallas	TX	75312-3344	
XIOTECH CORPORATION		DEPT CH 17326			Palentine	IL	60055-7326	
XO Communications		PO Box 530471			Atlanta	GA	30353-0471	
XPISTI LLC		2807 Allen Street # 382			Dallas	TX	75204	
Xtract Research		330 Hudson Street	4th Floor		New York	NY	10013	
YAGNISIS, AIRLIA		Address Redacted						
YANG, JOHN		321 E 90th ST, APT 3A			New York	NY	10128	
YAROSLAV JERRY LVOVICH		Address Redacted						
Yehia, Josef		2364 Northwest Pkwy			Southlake	TX	76092	
Yelbelly, Inc.		524 WOODEN AVE			S Plainfield	NJ	07080	
YINGHUI HE		5101 Tennyson Pkwy.			Plano	TX	75024	
YMCA of Metropolitan Dallas		Address Redacted						
YOON, CHRISTOPHER K.		2 Trap Falls Road	Suite 410		Shelton	CT	06484	
York & Chapel, Corp.								
YOUNG CONAWAY STARGATT & TAYLOR, LLP	Bruce L. Silverstein	Elena C. Norman	1000 North King Street		Wilmington	DE	19801	
Young Life	C/O Lee Anne Bingham	3304 Beckham Ct			Plano	TX	75075	
YOUNG LIFE ALBUQUERQUE		PO BOX 91894			Albuquerque	NM	87199-1894	
YOUNG LIFE, NORTH CENTRAL, TEXAS		11300 N CENTRAL EXPWY	STE 600		Dallas	TX	75243	
Young Womens Preparatory Network		1722 Routh Street	Suite 720		Dallas	TX	75201	
Young, Priya		Address Redacted						

Creditor Matrix

CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip	Country
YTAC-Dallas		2807 Allen St., Box 347			Dallas	TX	75204	
Zacks Investment Research, Inc.		1111 North Canal Street	Suite 1101		Chicago	IL	60606	
ZANG, WEIJUN		Address Redacted						
ZARIN, GREGORY		Address Redacted						
Zayo Group, LLC		PO Box 952136			Dallas	TX	75395-2136	
Zenprise Inc		6120 Stevenson Blvd			Fremont	CA	94538	
ZEPHYR ASSOCIATES		4 Westchester Park Dr	2nd Floor		White Plains	NY	10604	
ZEPHYR ASSOCIATES		Dept 2215	PO Box 2121		Memphis	TN	38159	
ZEPHYR ASSOCIATES		PO Box 12368	312 Dorla Court	Suite 204	Zephyr Cove	NV	89448	
ZEPHYR ASSOCIATES		P.O. Box 2153	Dept. 1899		Birmingham	AL	35287-1899	
ZEPHYR ASSOCIATES		PO Box 416014			Boston	MA	02241-6014	
ZIEGENHAGEN, RANDALL		Address Redacted						
ZIEGLER, JASON		Address Redacted						
ZIMMERMANN, JOHN		Address Redacted						
ZOHO Corporation		4900 Hopyard Road	Suite 310		Pleasanton	CA	94588-7100	
ZOHO Corporation		File No #31469	PO Box 60000		San Francisco	CA	94160	
ZOHO Corporation		PO Box 742760			Los Angeles	CA	90074-2760	
Zosel, August		Address Redacted						
Zuckerman Spaeder LLP		1800 M Street NW			Washington	DC	20036-5802	
Zuluaga, Juan Camilo		Address Redacted						
Zurich North America		8712 Innovation Way			Chicago	IL	60682-0087	
Zurich North America	Attn HOWARD BULGATZ	8745 PAYSHERE CIRCLE			Chicago	IL	60674	
Zyrka		1408 N. Riverfront Blvd. #106			Dallas	TX	75207	

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

<p>In re:</p> <p>HIGHLAND CAPITAL MANAGEMENT, L.P.,¹</p> <p style="text-align: center;">Debtor.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>Chapter 11</p> <p>Case No. 19-12239 (CSS)</p>
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DECLARATION OF FRANK WATERHOUSE
IN SUPPORT OF FIRST DAY MOTIONS

I, Frank Waterhouse, hereby declare that the following is true and correct to the best of my knowledge, information, and belief:

1. I hold the job title of Chief Financial Officer of the above-captioned debtor and debtor in possession (the “Debtor”). I am also a Partner of the Debtor and Treasurer of the Debtor’s general partner, Strand Advisors, Inc.

2. I initially joined the Debtor as a corporate accountant in October 2006. Since then, I have held various accounting and finance positions with the Debtor and assumed the job title of Chief Financial Officer in December 2011. Prior to joining the Debtor, I was employed with PricewaterhouseCoopers in its Technology Assurance practice. I have had a diverse career spanning cancer research with M.D. Anderson Cancer Center to financial consulting with Salomon Smith Barney. I received an M.P.A. from the University of Texas at Austin, an M.B.A. from the University of Houston and a B.S. in Microbiology and a B.S. in

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

Molecular Biology from the University of Texas at Austin. I am a licensed Certified Public Accountant

3. I submit this declaration (the “Declaration”) in support of the Debtor’s petition and “first day” motions, as described further below (collectively, the “First Day Motions”). Except as otherwise indicated, all statements in this Declaration are based upon my personal knowledge, my review of the Debtor’s books and records, relevant documents, and other information prepared or collected by the Debtor’s representatives, or my opinion based on my experience with the Debtor’s operations and financial condition. In making my statements based on my review of the foregoing, I have relied upon the Debtor’s representatives accurately recording, preparing, or collecting such documentation and other information. I am authorized to submit this Declaration on behalf of the Debtor.

4. Part I of this Declaration describes the Debtor’s business and the developments that led to the filing for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). Part II discloses certain ordinary course transactions that the Debtor intends to continue postpetition. Part III sets forth the relevant facts in support of the First Day Motions filed by the Debtor concurrently herewith in support of its chapter 11 case. Capitalized terms not defined herein shall have the same meanings as set forth in each relevant First Day Motion.

PART I

BACKGROUND

A. Description and History of the Debtor’s Business

5. Highland Capital Management, L.P. (together with its affiliates, “Highland”) is a multibillion-dollar global alternative investment manager founded in 1993 by James Dondero and Mark Okada. A pioneer in the leveraged loan market, the firm has evolved over 25 years, building on its credit expertise and value-based approach to expand into other asset classes.

6. Today, Highland operates a diverse investment platform, serving both institutional and retail investors worldwide. In addition to high-yield credit, Highland’s investment capabilities include public equities, real estate, private equity and special situations, structured credit, and sector- and region-specific verticals built around specialized teams. Additionally, Highland provides shared services to its affiliated registered investment advisors.

7. Highland is headquartered in Dallas, Texas and maintains offices in Buenos Aires, Rio de Janeiro, Singapore, and Seoul.

8. The Debtor itself is a Delaware limited partnership and one of the principal operating arms of the Highland business. The Debtor employs approximately 76 people, including executive-level management employees, finance and legal staff, investment professionals, and back-office accounting and administrative personnel. The Debtor also leases office space, contracts with third party vendors, and maintains banking and brokerage relationships. Pursuant to various contractual arrangements, the Debtor provides money management and advisory services for approximately \$2.5 billion of assets under management. Separately, the Debtor provides shared services for approximately \$7.5 billion of assets managed by a variety of affiliated and unaffiliated entities, including other affiliated registered investment advisors. None of these affiliates are filing for Chapter 11 protection.

9. The Debtor primarily generates revenue from fees collected for the management and advisory services provided to funds that it manages, plus fees generated for services provided to its affiliates. For additional liquidity as and when needed, the Debtor intends to sell liquid securities in the ordinary course held through its prime brokerage account at Jefferies, LLC (“Jefferies”), as described in additional detail below. The Debtor may also supplement its liquidity by selling assets at non-Debtor subsidiaries and distributing those proceeds to the Debtor in the ordinary course of business. During calendar year 2018, the Debtor’s stand-alone annual revenue totaled approximately \$50 million. Through August 31, 2019, the Debtor’s stand-alone revenue for the year to date totaled approximately \$24 million.

10. The Debtor’s organizational chart is attached hereto as **Exhibit A**. The organizational chart is not all inclusive and certain entities have been excluded for the sake of brevity. As noted above, the Debtor is a Delaware limited partnership.

B. The Debtor’s Prepetition Capital Structure

i. Jefferies Margin Borrowings (Secured)

11. The Debtor is party to that certain *Prime Brokerage Customer Agreement* with Jefferies dated May 24, 2013 (the “Brokerage Agreement”). Pursuant to the terms of the Brokerage Agreement and related documents, the Debtor maintains a prime brokerage account with Jefferies (the “Prime Account”).

12. A prime brokerage account is a unique type of brokerage account that allows sophisticated investors to, among other things, borrow both money on margin to purchase securities and common stock to facilitate short positions. A prime brokerage account also serves as a custodial account and holds client securities in the prime broker’s street name.

As of October 11, 2019, the Debtor held approximately \$87 million in liquid and illiquid equity and debt securities (the “Securities”) in the Prime Account and had borrowed approximately \$30 million on margin from Jefferies secured by the Securities. Pursuant to the Brokerage Agreement, the Debtor granted a lien in favor of Jefferies in the Securities and all of the proceeds thereof. As of October 11, 2019, the Debtor had approximately \$9.6 million of excess margin in the Prime Account. The Debtor does not intend to borrow any additional amounts on margin, absent the approval of this Court. As reflected in the Budget, the Debtor intends to liquidate certain of the Securities for cash and to use such cash in the Debtor’s operations and to satisfy ongoing chapter 11 administrative expenses. The Debtor may also supplement its liquidity by selling assets at non-Debtor subsidiaries and distributing those proceeds to the Debtor in the ordinary course of business.

ii. The Frontier Bank Loan (Secured)

13. The Debtor and Frontier State Bank (“Frontier Bank”) are parties to that certain *Loan Agreement* dated as of August 17, 2015 (the “Original Frontier Loan Agreement”), pursuant to which Frontier Bank loaned to the Debtor the aggregate principal amount of \$9.5 million. On March 29, 2018, the Debtor and Frontier Bank entered into that certain *First Amended and Restated Loan Agreement* (the “Amended Frontier Loan Agreement”), amending and superseding the Original Frontier Loan Agreement. Pursuant to the Amended Frontier Loan Agreement, Frontier Bank made an additional \$1 million loan to the Debtor (together with the borrowings under the Original Frontier Loan Agreement, the “Frontier Loan”). The Frontier Loan matures on August 17, 2021.

14. Pursuant to that certain *Security and Pledge Agreement* dated August 17, 2015, between Frontier Bank and the Debtor, as amended by the Amended Frontier Loan Agreement, the Debtor's obligations under the Frontier Loan are secured by 171,724 shares of voting common stock of MGM Holdings, Inc. (collectively, the "Frontier Prepetition Collateral"). For the avoidance of doubt, the Debtor does not seek authority to liquidate any portion of the Frontier Prepetition Collateral and is not requesting the use of the Frontier Prepetition Collateral.

15. As of the Petition Date, the aggregate principal balance of the Frontier Loan was approximately \$5.2 million.

iii. The CLO Purchase Agreement (Unsecured)

16. On October 7, 2016, the Debtor and Acis Capital Management L.P. ("Acis") entered into that certain *Agreement for Purchase and Sale of CLO Participation Interests* (the "CLO Purchase Agreement" and the promissory note therein, the "CLO Note"). Previously, Acis managed certain collateralized loan obligations ("CLOs") identified in the CLO Purchase Agreement and was entitled to fee compensation in connection therewith (the "Servicer Fees").² The Debtor's obligations under the CLO Purchase Agreement and CLO Note are unsecured.

17. Pursuant to the CLO Purchase Agreement, Acis sold a portion of its future Servicer Fees to the Debtor in exchange for cash flows from the Debtor, as evidenced in the CLO Note (such Servicer Fees to be paid to the Debtor, the "Debtor Stabilization Fees" and such cash flows from the Debtor, the "Stabilization Payment").

² Acis was subsequently the subject of an involuntary bankruptcy filing in 2018.

18. Pursuant to that certain *Agreement for Assignment and Transfer of Promissory Note* dated as of November 3, 2017 (the “CLO Assignment Agreement”), Acis assigned all of its right, title, and interests in the CLO Note, including the right to any and all Stabilization Payments not yet paid to Acis, to Highland CLO Management, Ltd. (“HCLOM”). The Debtor does not have any beneficial ownership interest in HCLOM.

19. Pursuant to that certain *Amended and Restated Forbearance Agreement* dated as of May 31, 2019, by and between the Debtor and HCLOM, HCLOM agreed not to demand payment of the Stabilization Payments under the CLO Note for a period of one year (*i.e.*, until June 1, 2020).

20. As of the Petition Date, the aggregate principal balance of the CLO Note was approximately \$9.5 million.

iv. Other Unsecured Obligations

21. The Debtor has various substantial litigation claims asserted against it, including a recent arbitration award in the purported amount of approximately \$189 million.

22. In addition, the Debtor has ordinary course trade debt totaling less than \$10 million, accrued and unaccrued employee bonus obligations totaling approximately \$30 million, and contractual commitments to various affiliated and unaffiliated non-Debtor entities for capital calls, contributions, and other potential reimbursement or funding obligations that could total in the tens of millions of dollars.

C. Events Leading to the Debtor's Bankruptcy Filing and Commencement of the Chapter 11 Case

26. The Debtor's filing was precipitated by an arbitration award (the "Award") initially issued against the Debtor in March 2019, as subsequently modified and finalized, by a panel of the American Arbitration Association, in favor of a Committee of Redeemers in the Highland Crusader Fund (the "Redeemer Committee").

27. The Debtor was formerly the investment manager for the Highland Crusader Fund (the "Crusader Fund") that was formed between 2000 and 2002. In September and October 2008, as the financial markets in the United States began to fail, the Debtor was flooded with redemption requests from Crusader Fund investors, as the Crusader Fund's assets lost significant value.

28. On October 15, 2008, the Debtor placed the Crusader Fund in wind-down, thereby compulsorily redeeming the Crusader Fund's limited partnership interests. The Debtor also declared that it would liquidate the Crusader Fund's remaining assets and distribute the proceeds to investors.

29. However, disputes concerning the distribution of the assets arose among certain investors. After several years of negotiations, a *Joint Plan of Distribution of the Crusader Fund* (the "Crusader Plan"), and the *Scheme of Arrangement* between Highland Crusader Fund and its Scheme Creditors (the "Crusader Scheme"), were adopted in Bermuda and became effective in August 2011. As part of the Crusader Plan and the Crusader Scheme, the Redeemer Committee was elected from among the Crusader Fund's investors to oversee the Debtor's management of the Crusader Fund.

30. Between October 2011 and January 2013, in accordance with the Crusader Plan and the Crusader Scheme, the Debtor distributed in excess of \$1.2 billion to the Crusader Fund investors. The Debtor distributed a further \$315.3 million through June 2016.

31. However, disputes subsequently arose between the Redeemer Committee and the Debtor. On July 5, 2016, the Redeemer Committee (a) terminated and replaced the Debtor as investment manager of the Crusader Fund, (b) commenced an arbitration against the Debtor (the “Arbitration”), and (c) commenced litigation in Delaware Chancery Court, *inter alia*, to obtain a status quo order in aid of the arbitration, which order was subsequently entered.

32. In September 2018, the Debtor and the Redeemer Committee participated in a multi-day evidentiary hearing. In March 2019, following post-trial briefing, the arbitration panel issued its Award, as subsequently modified and finalized, finding in favor of the Redeemer Committee on a variety of claims and requiring the Debtor to pay a gross amount of \$189 million, which later would be partially netted against certain assets and deferred cash to be sent back to Debtor. The Redeemer Committee set a hearing in the Delaware Chancery Court for October 8, 2019, in order to obtain entry of a judgment with respect to the Award. The hearing was subsequently continued to October 16, 2019. The Debtor has sought to vacate certain aspects of the Award.

33. The Debtor believes that it has substantial liquid and illiquid assets, which include interests in a large number of subsidiaries and contractual rights to receive management fees and other forms of compensation from affiliated and unaffiliated entities. Although the Debtor believes that the aggregate value of its assets exceeds the amount of its liabilities, the Debtor filed this chapter 11 case because it does not have sufficient liquidity to immediately

satisfy the Award or post a supersedeas bond necessary to pursue an appeal. The Debtor intends to utilize the breathing spell provided by the automatic stay to consider all of its restructuring options with the goal of ultimately proposing a chapter 11 plan that will maximize the value of the estate's assets for the benefit of all constituents. To assist and coordinate the restructuring process, the Debtor retained Bradley D. Sharp as Chief Restructuring Officer of the Debtor (the "CRO") on October 7, 2019.

PART II

ORDINARY COURSE ACTIVITIES

34. During the pendency of the chapter 11 case, the Debtor intends to continue operating its business in the ordinary course. Part of that business includes the purchase and sale of securities held through the Prime Account. In order to raise cash for its ordinary course operations and other projected chapter 11 administrative expenses, the Debtor intends to liquidate certain securities held in the Prime Account on a postpetition basis in the ordinary course. Additionally, Debtor is the majority owner and investment manager of a non-Debtor affiliate called Highland Select Equity Fund, L.P. (the "Select Fund").³ Ordinary course operations of Select Fund include the purchase and sale of securities. With respect to any trades in either the Prime Account or the Select Equity Fund, the Debtor will follow the following protocol: (i) all trades will be with unaffiliated third parties; (ii) all securities will be traded through either a public or over-the-counter exchange; and (iii) all trades will be fully disclosed to

³ The Select Fund is a Delaware limited partnership whose limited partnership interests are majority-owned by the Debtor. The balance of such interests are held directly or indirectly by affiliates of the Debtor, including James Dondero. The Select Fund is managed by its general partner, Highland Select Equity Fund GP, L.P., a Delaware limited partnership (the "Select Fund GP"). The Select Fund GP is directly and indirectly wholly-owned by the Debtor. The Debtor, through the Select Fund GP, can cause the Select Fund to buy and sell assets under its Investment Management Agreement.

the CRO.

35. Further, in the ordinary course of business, the Debtor may be the named counterparty with various broker dealers through which the Debtor trades securities on behalf of its clients. Any transactions that the Debtor executes on behalf of its clients are settled through non-Debtor client accounts pursuant to a standardized internal allocation system. As such, the Debtor has no property interest in any such assets, nor is the Debtor likely to have any liability if any trade fails.⁴ The Debtor simply as a matter of convenience interacts in its own name with the various broker dealers on behalf of its clients. Certain dealers have suggested that the Debtor should no longer be the named counterparty now that the Debtor is in bankruptcy and, instead, that a non-Debtor entity act as the “street name” on the trades. The Debtor is considering this request and intends to comply to the extent necessary.

36. Although the Debtor believes that it has the authority to conduct its business going forward in the ordinary course, the Debtor will file a precautionary motion with the Court, out of an abundance of caution, as soon as practicable after the Petition Date seeking approval to continue conducting its business in the ordinary course pursuant to section 363(c)(1) and, to the extent necessary, section 363(b) of the Bankruptcy Code (the “Ordinary Course Motion”).

37. In addition, and as will be set forth more fully in the Ordinary Course Motion, the Debtor also intends to seek authority to continue the operation of its three primary business lines: (i) proprietary trading; (ii) investment management; and (iii) the provision of

⁴ Under the Debtor’s internal policies and procedures, liability for payment on unsettled trades rests solely with the managed funds on whose behalf the trade was executed.

certain middle and back office services to other registered investment advisors (collectively, the “Ordinary Course Services”). Generally speaking, the Ordinary Course Services are as follows:

a. **Proprietary Trading.** The Debtor buys and sells securities for its own account through the Prime Account and the Select Fund and has invested, in its own name, as a limited partner in two unaffiliated private equity style funds (the “PE Entities”). The Debtor has certain obligations to fund capital calls made by the PE Entities, which it intends to continue following the Petition Date.

b. **Investment Management.** The Debtor provides investment management and advisory services to its clients, which include hedge funds, private equity style funds, separately managed accounts, and collateralized loan obligations. As part of these services, the Debtor, in most cases, has the authority to cause its clients to buy or sell assets if the Debtor believes such purchases or sales would be advantageous. With certain exceptions, the clients pay the Debtor a fee for providing these services, which generally consists of a management fee based on the total amount of assets managed and, for certain funds, an incentive fee based on the returns generated for the client.

c. **Shared Services.** The Debtor provides certain middle and back office support to other registered investment advisors pursuant to shared services agreements. The Debtor receives a fee for providing these shared services.

38. The fees and investment returns generated from the foregoing three business lines are the Debtor’s primary source of income and are necessary for the Debtor’s successful reorganization. Although the Debtor believes that it has the authority to continue operating its business in the ordinary course without Court approval, the Debtor intends to file

the Ordinary Course Motion out of an abundance of caution in order to provide clarity to its customers – as well as its creditors – that the Debtor can continue operating as a going concern and generating positive returns. If the Debtor is not able to continue providing such services or is required to seek prior approval from this Court to buy or sell assets in every instance, the Debtor’s ability to generate positive returns for its clients and creditors in this fast moving marketplace will be severely compromised.

PART III

FIRST DAY MOTIONS

39. In order to enable the Debtor to minimize the adverse effects of the commencement of the chapter 11 case, the Debtor has requested various types of relief in the First Day Motions filed simultaneously with this Declaration. A summary of the relief sought in each First Day Motion is set forth below.

40. I have reviewed each of these First Day Motions (including the exhibits and schedules thereto). The facts stated therein are true and correct to the best of my knowledge, information, and belief. I believe that the type of relief sought in each of the First Day Motions: (a) is necessary to enable the Debtor to operate in chapter 11 with minimal disruption; and (b) is essential to maximizing the value of the Debtor’s assets for the benefit of its estate and creditors.

A. Motion of Debtors for Entry of Interim and Final Orders (A) Authorizing the Use of Cash Collateral, (B) Providing Adequate Protection, (C) Authorizing the Liquidation of Securities, (D) Modifying the Automatic Stay, and (E) Scheduling a Final Hearing (the “Cash Collateral Motion”)

41. Through the Cash Collateral Motion, the Debtor seeks the entry of interim and final orders: (a) authorizing the Debtor to use cash collateral, (b) providing adequate

protection to the Debtor's prepetition broker and margin creditor, Jefferies LLC

("Jefferies"), (c) authorizing the liquidation of securities by the Debtor, and to cause its non-Debtor affiliates to do the same, in the ordinary course of business, and (d) modifying the automatic stay.

42. The Debtor has a prime brokerage account with Jefferies (*i.e.*, the Prime Account) that contains approximately \$87 million of the Debtor's liquid and illiquid securities. Through the Prime Account, the Debtor has borrowed approximately \$30 million on margin from Jefferies. Such margin balance is secured by the Debtor's securities in the Prime Account and any proceeds thereof. The Debtor submits that the collateral pledged to secure the margin debt to Jefferies far exceeds the amount due. Nonetheless, the Debtor anticipates that Jefferies may assert an interest in any cash in the Prime Account. Although the Cash Collateral Motion is filed on a non-consensual basis, the Debtor will endeavor to negotiate the terms of a consensual cash collateral order with Jefferies in advance of the interim hearing on the Cash Collateral Motion.

43. The Debtor has an urgent and immediate need for the use of cash, including the Cash Collateral. The Debtor has not obtained postpetition financing and, without the use of Cash Collateral, the Debtor will not be able to operate as a going concern or preserve its assets for the benefit of its creditors.

44. The Debtor itself is the operating arm of the Highland business. The Debtor employs approximately 76 people, including executive-level management employees, finance and legal staff, investment professionals, and back-office accounting and administrative personnel. Pursuant to various contractual arrangements, the Debtor provides money

management and advisory services to a variety of affiliated and unaffiliated entities with respect to a wide range of asset classes. The Debtor also leases office space, contracts with third party vendors, and maintains banking and brokerage relationships.

45. As set forth in the Budget, the Debtor anticipates funding this Chapter 11 Case with cash on hand, postpetition receipts on account of management services and sales of liquid assets, including the Securities in the Prime Account, and projected distributions from subsidiaries. Proceeds of the Securities in the Prime Account comprise collateral of Jefferies and, pursuant to the Cash Collateral Motion, the Debtor seeks authority to use such Cash Collateral in the ordinary course of business to preserve its operations and thereby maximize the value of the Debtor's assets for the benefit of its creditors.

46. Notably, Jefferies will be adequately protected by a substantial equity cushion in the Prime Account and the Replacement Lien, the Adequate Protection Lien, and the Adequate Protection Claim.

47. Without immediate access to Cash Collateral, the repercussions to the Debtor's restructuring efforts will be catastrophic and likely irreparable, ending its ability to maximize value for the benefit of all constituents. The Debtor needs to fund, among other things, payroll obligations, payments to vendors for ongoing goods, services, and rent, and other administrative obligations.

48. If the Motion is not approved, the Debtor's only alternative would be a piecemeal liquidation that would substantially handicap recoveries by creditors and eliminate the Debtor's going concern value. Hence, the relief sought in the Cash Collateral Motion should be granted as soon as possible, at least on an interim basis.

B. Motion of Debtor for Interim and Final Orders Authorizing (A) Continuance of Existing Cash Management System and Brokerage Relationships, (B) Continued Use of the Prime Account, (C) Limited Waiver of Section 345(b) Deposit and Investment Requirements, and (D) Granting Related Relief (the “Cash Management Motion”)

49. Pursuant to the Cash Management Motion, the Debtor seeks the entry of an order authorizing: (a) the Debtor to continue using its existing cash management system and brokerage relationships in the ordinary course of business; (b) the Debtor to make intercompany transactions; and (c) a limited waiver of section 345(b) deposit and investment requirements.

50. The Debtor’s cash management system (the “Cash Management System”) facilitates the timely and efficient collection, management, and disbursement of funds used in the Debtor’s business. The Cash Management System currently consists of six accounts (collectively, the “Bank Accounts”) held in the name of the Debtor at BBVA USA (“BBVA”) and NexBank, SSB (“NexBank”). BBVA and NexBank are together referenced herein as the “Banks.”

51. BBVA is a bank regulated by the Federal Reserve, and its deposits are insured by the Federal Deposit Insurance Corporation (the “FDIC”). NexBank is Texas-based savings bank that is regulated by the FDIC, and its deposits are FDIC-insured. NexBank is indirectly owned by James Dondero and Mark Okada. Mr. Dondero is an insider of the Debtor and the owner of 100% of the equity in the Debtor’s general partner, Strand Advisors, Inc. Mr. Dondero also has an indirect interest in the Debtor’s Class A limited partnership interests. Mr. Okada is an insider of the Debtor and has an interest in the Debtor’s Class A limited partnership interests.

52. The following chart sets forth the Bank Accounts and their balances as of the close of business on October 15, 2019:

Bank	Account Type	Account No.	Balance
NexBank	Checking Account	XXXX735	\$1,435.40
NexBank	Checking Account	XXXX668	\$0.00
NexBank	Checking Account	XXXX513	\$291,309.27
NexBank	Certificate of Deposit	XXXXXX891	\$135,205.21
NexBank	Money Market Deposit Account	XXXX130	\$190.82
BBVA	Checking Account	XXXXXXXX342	\$2,125,975.28

53. Master Operations Account. The Debtor’s main operating account is its account at BBVA (Account No. 342) (the “Master Account”). Except for payment of certain intercompany expenses discussed below, all proceeds from the Debtor’s operations flow into the Master Account and, on average, the Debtor receives approximately \$8 million in deposits into the Master Account every month though deposits can vary significantly on a month-to-month basis. Virtually all of the Debtor’s expenses, including payroll expenses, are paid from the Master Account either through the issuance of paper checks or via wire or other electronic transfers. As described below, the Debtor also uses the Master Account to fund certain Intercompany Transactions (as defined below).

54. Money Market Account. The Debtor maintains a money market deposit account at NexBank (Account No. 130) (the “Money Market Account”). Although the Debtor does not have a specific policy governing the Money Market Account, the Debtor generally sweeps excess cash from the Master Account into the Money Market Account in order to earn

56. Certificate of Deposit. The Debtor has a certificate of deposit (Account No. 891) at NexBank (the “Certificate of Deposit”). The Certificate of Deposit was originally

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opened in June 2008 with a principal balance of \$1,400,000. The current balance is \$135,205.21. The Certificate of Deposit is renewed every June and currently accrues interest at a rate of 2.67% per annum.

57. The Debtor's remaining two accounts at NexBank – Account No. 735 and Account No. 668 – are legacy accounts that have not been utilized in many years. Account No. 735 holds a *de minimis* amount of cash and is accruing interest. Account No. 668 has a balance of zero dollars.

i. Prime Brokerage Account

58. As described in Part I above, the Debtor maintains the Prime Account with Jefferies. As of October 11, 2019, the Debtor held approximately \$87 million in Securities in the Prime Account and had borrowed approximately \$30 million on margin from Jefferies against the Securities.

ii. Intercompany Transactions.

59. As noted above, the Debtor occasionally engages in intercompany cash transactions with certain of its affiliates. These transfers include (a) the movement of cash to and from the Insurance Account to fund the payment of health insurance claims and (b) the receipt of cash in the Master Account in connection with the provision of services to certain non-Debtor affiliates. In addition to the foregoing, the Debtor also funds the following using the Master Account:

a. **Highland Multi Strategy Credit Fund, L.P.** The Debtor serves as the investment manager for Highland Multi Strategy Credit Fund, L.P. ("MCSF") and is also a limited partner in MCSF. MCSF invests in and holds life settlement policies that require regular

payment of premiums (generally monthly) to keep the policies from lapsing. If the policies were to lapse, MCSF would be unable to collect when the proceeds of such policies become realizable and, consequently, its ability to make distributions to the Debtor as a limited partner or pay amounts owed to the Debtor as the investment manager would be impaired. Because MSCF has limited liquidity, the Debtor provides MSCF the funding required to pay the premiums on its life settlement policies, among other expenses, in the amount of approximately \$1 million per month. In return, MSCF issues on demand, zero interest notes to the Debtor, which will be repaid once MSCF's investments become liquid.

b. **Highland Capital Management Korea Limited.** Highland Capital Management Korea Limited ("HCM Korea") is a wholly-owned subsidiary of the Debtor and an affiliated investment advisor domiciled in South Korea. HCM Korea is the advisor for, and minority limited partner in, an investment fund (the "HCM Korea Fund"). Each limited partner in the HCM Korea Fund, including HCM Korea, is required to provide capital when called by the HCM Korea Fund, and the failure to fund capital calls could lead to a default under the HCM Korea Fund's partnership agreement. Because of HCM Korea's limited liquidity, the Debtor has provided HCM Korea with a revolving note pursuant to which the Debtor has extended up to \$20 million in credit for HCM Korea to use to fund its commitments to the HCM Korea Fund. The note is at zero percent interest, and there is currently approximately \$3.06 million outstanding on the note. The Debtor anticipates that HCM Korea will draw an additional \$3 million on the note over the next one to two years and will repay the note as the HCM Korea Fund realizes gains on its portfolio and distributes those gains to its investors.

c. **Highland Capital Management Latin America, L.P.** Highland Capital Management Latin America, L.P. (“HCM Latin America”) is a wholly owned subsidiary of the Debtor and an affiliated investment advisor domiciled in the Cayman Islands. HCM Latin America is the advisor for an investment fund investing primarily in Argentina (the “SA Fund”). HCM Latin America employs several consultants to assist in advising and marketing the SA Fund. However, because of the recent instability in the Argentinian market, the value of the SA Fund dropped precipitously and consequently, the SA Fund does not currently generate sufficient fees to cover the cost of these consultants. In addition to its original equity contribution, the Debtor has been contributing equity to HCM Latin America to help cover its costs during the downturn. To date, the Debtor has provided approximately \$0.7 million in additional equity to cover such operating costs. The Debtor anticipates that HCM Latin America will require additional equity contributions of between \$1 million to \$1.5 million per year until the Argentinian market recovers. However, because of HCM Latin America’s fee structure, there are opportunities for HCM Latin America to make outsized returns depending on the SA Fund’s performance, and, in the event of an Argentinian recovery and a concomitant uptick in the SA Fund, HCM Latin America’s fee revenue and profitability will also increase. Consequently, the Debtor believes that contributing equity now will lead to increased returns on its investment in HCM Latin America going forward.

d. **Highland Capital Management (Singapore) Pte Ltd.** Highland Capital Management (Singapore) Pte Ltd. is a wholly owned subsidiary of the Debtor based in Singapore (“HCM Singapore”). Historically, HCM Singapore has been a marketing office that has solicited investments in the Debtor’s managed funds from Asian-based institutional

investors. To facilitate HCM Singapore's marketing efforts, the Debtor agreed to cover HCM Singapore's costs. The Debtor agreed to this arrangement as any capital raised by HCM Singapore would directly increase the management fees – and potentially long-term incentive fees – earned by the Debtor. The Debtor believes such increased revenue, should it materialize, would more than offset the costs paid by the Debtor.

e. **Expense Allocations.** As is customary among investment advisors, the Debtor tasks its employees with researching and evaluating potential investments and opportunities for the Debtor's clients. The Debtor also provides certain back office support for its clients from time to time. In order to provide such services, the Debtor has directly contracted with various service providers and is required to pay for such services. However, pursuant to the Debtor's expense allocation policy, such expenses are then allocated amongst the Debtor and its various clients either pro rata based on the assets owned by a client or otherwise in a manner consistent with the policy. Consequently, although the Debtor fronts these costs, the Debtor is reimbursed for a portion of such costs by its clients. On a monthly basis, the Debtor generally expects to pay approximately \$450,000 for such services and is reimbursed for a substantial majority of such costs by its clients or affiliates.

60. The transactions described in the foregoing paragraphs are referred to collectively as the "Intercompany Transactions."

61. By Cash Management Motion, and out of an abundance of caution, the Debtor seeks authority to make the Intercompany Transactions and to satisfy postpetition obligations associated with the Intercompany Transactions. Moreover, the Debtor seeks

authority, to the extent required, to transfer funds between the Bank Accounts as described above.

62. The Debtor seeks a waiver of the United States Trustee's requirement for the closure of the Bank Accounts (and potentially the Prime Account) and opening of new postpetition bank accounts at depositories authorized by the United States Trustee. If strictly enforced in this chapter 11 case, the requirement to close and open new bank accounts could cause a severe disruption in the Debtor's activities and could impair the Debtor's ability to operate under chapter 11 of the Bankruptcy Code. Maintenance of the Bank Accounts, the Prime Account, and the Cash Management System generally will greatly facilitate the Debtor's operations for the duration of this chapter 11 case.

63. If the Bank Accounts were closed, the Debtor would need to undertake the laborious effort of opening new bank accounts and, with respect to the Prime Account, establishing a new brokerage account to hold and maintain the Securities, which would require the satisfaction of any outstanding margin balances. Any disruption to the Debtor's operations would severely impact its ability to operate at this critical juncture. If the Debtor were required to close the Bank Accounts and the Prime Account, and open new debtor in possession accounts, the Debtor would be forced to reconstruct its cash management system in its entirety. Moreover, as noted above, the closure of the Prime Account would trigger the repayment of the approximately \$30 million that has been borrowed against the Securities.

64. In the ordinary course of the operation and maintenance of the Cash Management System, the Debtor incurs routine charges and fees relating to the administration of the Cash Management System. While it is difficult to readily determine the aggregate amount of

unpaid prepetition account fees and charges as of the Petition Date, on average, the Debtor pays BBVA approximately \$4,500 in quarterly fees and charges. The Debtor does not pay fees to NexBank. The Debtor seeks authority, in its sole discretion, to pay any such routine and ordinary course prepetition fees and charges, and to continue the postpetition payment of such fees and charges in the ordinary course of business.

65. As addressed above, the Debtor may utilize the Cash Management System for the Intercompany Transactions. Other than as described herein, no other Intercompany Transactions occur. The Debtor believes that the Intercompany Transactions described herein are beneficial to its estate and creditors and other parties in interest and, therefore, should be authorized by the Court.

66. In sum, the Debtor submits that the relief requested in the Cash Management Motion is necessary to avoid immediate and irreparable harm and should be granted by this Court.

C. Motion of Debtor for Entry of Order (I) Authorizing the Debtor to (A) Pay and Honor Prepetition Compensation, Reimbursable Business Expenses, and Employee Benefit Obligations, and (B) Maintain and Continue Certain Compensation and Benefit Programs Postpetition; and (II) Granting Related Relief (the “Wage Motion”)

67. Pursuant to the Wage Motion, the Debtor seeks the entry of an order authorizing: (a) authorizing the Debtor to (i) to pay all prepetition Workforce Compensation and all costs related to the prepetition Benefit Programs, as set forth in the Wage Motion; and (ii) maintain and continue to honor the Benefit Programs as they were in effect as of the Petition Date and as such may be modified, amended, or supplemented from time to time in the ordinary course of business; and (b) authorizing the Banks to honor and process checks and electronic

transfer requests for payment of prepetition obligations with respect to the Workforce

Compensation and Benefit Programs. The Debtor does not seek authority to pay any Employees on account of Wages in excess of the statutory cap of \$13,650.

i. The Debtor's Workforce

68. The Debtor employs approximately 76 employees (the "Employees"), all but one of whom are full-time Employees. Approximately 55 Employees are salaried workers, while approximately 21 are hourly Employees. Except as otherwise noted, the Debtor provides the Benefit Programs (discussed below) to all of its Employees.

69. In addition to the Employees, the Debtor also periodically retains specialized individuals as independent contractors and temporary workers (the "Independent Contractors") to complete certain projects or tasks. As of the Petition Date, the Debtor retained approximately six (6) Independent Contractors. The Independent Contractors are a critical supplement to the efforts of the Employees and integral to the Debtor's operations and business.

70. Typically, the Employees, as well as the Independent Contractors, rely on their compensation and benefits (as applicable) to pay their daily living expenses and to support their families. If the Debtor is not permitted to continue to pay wages and salaries, provide employee benefits, and maintain benefit programs in the ordinary course of business, many of the Employees may be exposed to significant financial constraints. Consequently, the Debtor respectfully submits that the relief requested herein is necessary and appropriate under the facts and circumstances of this chapter 11 case.

71. As explained in more detail below, the Debtor seeks authority to pay, in its discretion, any prepetition amounts owed for the programs and benefits described in the Wage

Motion up to the cap amounts set forth in the chart below. The Debtor also seeks authority to continue to pay amounts related to the programs described in the Wage Motion in the ordinary course of business.

BENEFIT/PROGRAM	CAP AMOUNT ⁶
Wages	\$50,000
Independent Contractor Compensation	\$40,000
Payroll Processor	\$2,500
Medical Plan/FSA	\$200,000
Dental Plan	\$15,000
Life and Disability Plans	\$15,000
Workers Compensation Plan	\$5,000
COBRA	\$2,500
401(k) Plan	\$25,000
Other Employee Benefits	\$20,000
Reimbursable Expenses	\$110,000
Independent Contractor Compensation	\$40,000s

ii. Employee and Contractor Compensation

72. Employee compensation is comprised primarily of wages and salaries (“Wages”).⁷ The current average payroll of the Debtor is approximately \$240,000 per calendar week on account of Wages.

⁶ Unless otherwise noted, the dollar caps included in the table above and in the proposed order include reasonable cushions in the event that the Debtor’s estimates herein are understated.

⁷ In addition to Wages, most Employees are eligible to receive bonuses under certain ordinary course programs. No commissions are paid to Employees. The Debtor will file a separate motion relating to ordinary course Employee

73. Employees are paid Wages on a semi-monthly payroll schedule (*i.e.*, on the 15th day of each month, or the business day immediately preceding the 15th day if that day falls on a weekend or holiday, and the last business day of the month). Per the Debtor's direction, payrolls are processed by a third party service provider, Paylocity (the "Payroll Processor"), and are generally funded with money in the Debtor's operating account one (1) business day prior to the applicable payroll date. Although the Payroll Processor typically withdraws funds from the Debtor's operating account using ACH, in some cases where the aggregate amount exceeds \$1,000,000 or the employee needs to be paid off-cycle as in the case of severance payments, the Debtor wires the money to the Payroll Processor or applicable employee recipient. The Payroll Processor then makes the applicable payroll distributions to Employees on the applicable payday.

74. The Debtor's last payroll was paid to Employees on October 11, 2019 (four days early in light of the Debtor's anticipated bankruptcy filing), on account of Wages earned from October 1, 2019, through October 15, 2019. The next payroll date is October 31, 2019, with employees to be paid concurrently. Although the last payroll was paid a few days early, it is nonetheless possible that certain Employees did not receive payment of their prepetition Wages. Accordingly, the Debtor requests authority to pay up to \$50,000 to Employees in the aggregate on account of Wages for prepetition services (excluding any vacation or other paid-time-off, reimbursable expenses, or other compensation).⁸

bonuses. The Debtor further reserves the right to seek approval of an additional bankruptcy-related key employee incentive plan and key employee retention plan.

⁸ As noted, unless stated otherwise, the dollar caps set forth herein include reasonable cushions in the event that the Debtor's estimates are understated.

iii. Payroll Administration Fees

75. As noted above, the Debtor uses the Payroll Processor to administer its payroll. The Debtor estimates that it owes no more than \$2,500 to the Payroll Processor on account of prepetition costs and fees for administrative services as of the Petition Date. The Debtor seeks authority to pay any and all prepetition amounts owing to the Payroll Processor up to the cap requested herein and to continue to make payments on account of such fees and charges in the ordinary course of business postpetition.

iv. Employee Benefits & Insurance Plans

76. The Debtor provides eligible Employees with several Benefit Programs, including (a) medical, dental, life, disability, and other insurance plans, (b) a 401(k) plan, and (c) other benefit programs.

(i) Medical Plan

77. The Debtor offers eligible Employees and their dependents 100% employer-paid PPO health insurance coverage (the “Medical Plan”) through BlueCross BlueShield of Texas (“BCBS”). The Medical Plan is self-insured, but the Debtor maintains a stop-loss insurance policy with BCBS to cover catastrophic medical claims (the “Stop-Loss Insurance”). The total premiums cost of the Medical Plan, including the Stop-Loss Insurance, is approximately \$102,000 per month, paid by the Debtor each month in advance into a bank account used to pay medical/dental plan administrative fees and claims. From the total premiums of approximately \$102,000 per month, the Debtor pays approximately \$85,000 per month on average on medical claims asserted under the self-insured Medical Plan. Without the

Medical Plan, the Employees and their dependents would be forced to either forego health insurance coverage entirely or obtain themselves potentially expensive out-of-pocket insurance coverage, which would likely adversely affect the Employees' morale.

78. Relatedly, the Debtor provides Employees who participate in the Medical Plan with access to flexible spending accounts (the "FSA"), administered by Discovery Benefits, which can be used to cover incidental medical costs and dependent childcare. The Debtor pays Discovery Benefits, on average, \$300 per month for the administration of the FSAs. The Debtor does not make any contributions to any Employee's FSA.

79. The Debtor believes that, as of the Petition Date, no more than \$200,000 will be owed on account of obligations associated with the Medical Plan and the FSA. By the Wage Motion, the Debtor seeks authorization to pay any prepetition amounts due on account of or related to the Medical Plan and FSAs (including any medical claims that may have accrued prepetition) up to the cap requested herein and to continue the Medical Plan and the FSA in the ordinary course of business postpetition.

(ii) *Dental Plan*

80. The Debtor offers eligible Employees a PPO dental insurance plan (the "Dental Plan") administered by BlueCross BlueShield of Texas. The Dental Plan premiums for eligible Employees and their dependents are paid by the Debtor. The average cost to the Debtor of maintaining the Dental Plan, including administrative costs and premiums, is approximately \$6,600 per month. As of the Petition Date, the Debtor estimates that no more than \$15,000 will be owed on account of obligations associated with the Dental Plan. By the Wage Motion, the Debtor seeks authorization to pay any prepetition amounts due on account of the Dental Plan up

to the cap requested herein and to continue the Dental Plan in the ordinary course of business postpetition.

(iii) *Life and Disability Plans*

81. The Debtor provides all of its full-time Employees with basic life insurance, accidental death and dismemberment insurance, and short-term and long-term disability insurance (collectively, the “Standard Life and Disability Plans”), which are provided by Lincoln Financial; *provided, however*, the Debtor’s short-term disability insurance coverage is self-insured by the Debtor and administered by Lincoln Financial. Additionally, the Debtor offers its eligible senior personnel with additional life insurance and long-term disability insurance coverage (collectively, the “Executive Life and Disability Plans” and together with the Standard Life and Disability Plans, the “Life and Disability Plans”) provided by Brighthouse/MetLife and The Standard, respectively.

82. The Life and Disability Plans are fully paid for by the Debtor (except with respect to any supplemental coverage that is paid by the Employees through paycheck withholding deductions). In the aggregate, the Debtor’s average annual cost of maintaining the Life and Disability Plans, including administrative costs and premiums, is approximately \$140,000.⁹ As of the Petition Date, the Debtor estimates that no more than \$15,000 in prepetition obligations associated with the Life and Disability Plans will be owed. By the Wage Motion, the Debtor seeks authorization to pay any and all prepetition amounts due on account of the Life and Disability Plans (including, without limitation, any Employee claims payable under

⁹ This aggregate amount excludes any claim amounts that may be paid by the Debtor to recipients under the self-insured short-term disability insurance coverage.

the self-insured short-term disability insurance plan) up to the cap requested herein, and to continue the Life and Disability Plans in the ordinary course of business postpetition.

(iv) *Paid Time Off and Sick Time*

83. The Debtor grants paid time off to all Employees, which includes vacation and sick time (“PTO”), ranging from 15 to 24 days based on certain factors, in addition to holiday pay. Employees are able to carry forward up to 10 days of PTO for each year of service into a subsequent year (*e.g.*, after two years of service, an Employee can potentially roll over 20 days of PTO). In accordance with applicable state law, the Debtor pays all accrued PTO to Employees upon termination. As of the Petition Date, the accrued liabilities of the Debtor with respect to PTO are estimated to total approximately \$940,000. The Debtor seeks authority to allow Employees to use accrued prepetition PTO time after the Petition Date in the ordinary course. The Debtor further seeks authority to pay out any PTO owed to Employees who become separated from the Debtor postpetition to the extent required under the Debtor’s policies and applicable state law.

(v) *Workers’ Compensation Plan*

84. The Debtor provides all eligible Employees with workers’ compensation insurance (the “Workers’ Compensation Plan”) as required by federal and state law. The Workers’ Compensation Plan is a policy-based, fully insured plan provided by Chubb. The average annual cost of maintaining the Workers’ Compensation Plan, including administrative costs and premiums, is approximately \$11,000 in the aggregate. The Debtor makes payments to Chubb monthly in arrears. As of the Petition Date, the Debtor believes that no more than \$5,000 will be owed on account of prepetition obligations under the Workers’ Compensation Plan. By

the Wage Motion, the Debtor seeks authorization to satisfy all obligations related to the Workers' Compensation Plan, including, without limitation, premiums and any related fees, costs, and expenses up to the cap requested herein, and to continue its Workers' Compensation Plan in the ordinary course.

85. The Debtor submits that the continuance of the Workers' Compensation Plan is appropriate in the ordinary course of business, but out of abundance of caution, seeks authority to maintain the Workers' Compensation Plan in accordance with applicable law postpetition. The Debtor also seeks authority for relief from the automatic stay solely to allow holders of workers' compensation claims to proceed with their claims in accordance with the Workers' Compensation Plan and to allow the Workers Compensation Plan insurer to administer, handle, defend, settle and/or pay a claim covered by the Workers' Compensation Plan and the cost related hereto in accordance with such plan.

(vi) *COBRA*

86. Pursuant to the requirements of the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA"), the Debtor provides temporary continuation of healthcare benefits at group rates to former Employees after their termination, retirement, or disability leave. The former Employee or the Debtor bears the costs associated with COBRA, depending on the terms of the separation agreement between the former Employee and the Debtor. As of the Petition Date, the Debtor was responsible for COBRA related costs of approximately \$2,300 per month. The Debtor requests that former Employees and eligible dependents retain the right to coverage under the Medical Plan in accordance with the

requirements of the terms of COBRA and requests authorization to pay obligations arising under such plans, regardless of when such obligations accrued, up to \$2,500.

(vii) *401(k) Plan*

87. The Debtor allows eligible Employees to participate in a 401(k) plan (the “401(k) Plan”) administered by an independent third party, BOK Financial (the “401(k) Administrator”). The 401(k) Plan is funded by participating Employees through payroll withholding deductions, and the Debtor makes matching contributions up to 4% of the applicable Employee’s compensation (subject to certain annual caps of \$5,000 for highly compensated employees and \$11,000 for other employees). The Debtor estimates that it will fund approximately \$400,000 in total matching contributions in 2019; more than \$300,000 has been funded by the Debtor for this year to date. The Debtor intends to continue to make ordinary course matching contributions to the 401(k) Plan on a going forward basis.

88. The Debtor also has a discretionary profit sharing plan (the “Profit Sharing Plan”) administered by the 401(k) Administrator. For a given calendar year, Employees who are enrolled in the 401(k) Plan and employed by the Debtor as of December 31 of that year are eligible to participate in the Profit Sharing Plan. If profit sharing is approved for a given year, each eligible Employee would receive a percentage of his or her cash compensation based on various factors, and capped at a certain amount. The profit sharing contribution typically ranges from 4% to 7.5% of eligible compensation (for 2019, the maximum eligible compensation is \$280,000). The award is then paid into the 401(k) Plan for the Employee’s benefit as a Debtor contribution; this award vests upon three (3) years of service (with a year defined as 1,000 hours in a calendar year), but once the initial three (3) years of service has been met, all future awards

vest immediately. The approved profit sharing contributions for 2018 (approximately \$854,000) were previously funded by the Debtor prepetition. No profit sharing for year 2019 has been calculated or approved by the Debtor as yet, but would typically be approved in the ordinary course in February 2020 and would be payable no later than September 15, 2020. The Debtor will be filing a separate motion to seek authority to continue the Profit Sharing Plan on a postpetition basis in the ordinary course.

89. In the aggregate, with respect to 401(k) Plan, the Debtor annually pays approximately \$82,000 in administrative costs to the 401(k) Administrator (typically funded in part out of 401(k) Plan forfeitures), actuarial and legal costs of approximately \$50,000, and audit costs of approximately \$7,000 (audit cost is for 2018 audit which is nearly complete; 2019 audit has not yet been commenced).

90. The Debtor believes that, as of the Petition Date, all of Q3 2019 administrative costs and only a relatively *de minimis* amount of prepetition Q4 2019 administrative costs is owed relating to the 401(k) Plan. The Debtor seeks authorization to continue to pay any prepetition amounts due on account of the 401(k) Plan, including any administrative, audit or advisory fees, up to a cap of \$25,000 and to continue to pay postpetition costs of the 401(k) Plan in the ordinary course of business.

(viii) *Other Employee Benefits*

91. The Debtor provides eligible Employees with a number of other miscellaneous benefits (the “Other Employee Benefits”), which include, without limitation, (i) flexible spending accounts; (ii) daily catered lunches (the Debtor pays \$16 maximum per workday through GrubHub, *etc.*); (iii) cell phone service reimbursement (the Debtor provides

each eligible Employee \$100 per month in reimbursement); (iv) gym memberships (the Debtor pays gym dues of approximately \$25 per month for each eligible Employee); (v) paid office parking; and (vi) access to stocked office kitchens.

92. As the foregoing descriptions suggest, the aggregate cost of maintaining the Other Employee Benefits is relatively *de minimis*. The Debtor seeks authorization to pay any prepetition amounts that may be due on account of the Other Employee Benefits up to \$20,000, and to continue the Other Employee Benefits in the ordinary course of business postpetition.

v. Reimbursable Expenses

93. Prior to the Petition Date, the Debtor reimbursed Employees for Reimbursable Expenses incurred on behalf of the Debtor in the scope of their duties. The Reimbursable Expenses are incurred in the ordinary course of the Debtor's business operations and include, without limitation, reasonable expenses for business meals, travel, relocation, car rentals, and other business-related expenses. As of the Petition Date, the Debtor estimates that it owes no more than \$110,000 in Reimbursable Expenses. Although the Debtor has requested that Employees submit reimbursement requests promptly, Employees may nonetheless submit reimbursement requests for prepetition Reimbursable Expenses after the Petition Date. Absent authority to pay the Reimbursable Expenses incurred prepetition, the Employees could be obligated to pay such amounts out of their personal funds. The Debtor therefore seeks authority to pay all outstanding prepetition Reimbursable Expenses, and to continue its expense reimbursement policies in the ordinary course of business.

vi. Withholding Obligations

94. The Debtor routinely deducts amounts from Employees' compensation with respect to certain Withholding Obligations, including, but not limited to, various federal, state, and local income taxes, wage garnishments, flexible spending account contributions, dependent daycare account contributions, and 401(k) contributions (the "Employee Withholdings").

95. The Debtor is also responsible for remitting to third parties, for their own account, various taxes and fees associated with payroll pursuant to the Federal Insurance Contributions Act and federal and state laws regarding unemployment and disability taxes (the "Payroll Taxes"). On average, the Debtor pays approximately \$15,000 in the aggregate for employer-obligated Payroll Taxes each pay period.

96. The Debtor does not believe that any prepetition Withholding Obligations remain to be remitted to the appropriate parties. However, out of caution, the Debtor seeks authority to deduct and remit any outstanding prepetition Employee Withholdings and Payroll Taxes, and to continue to deduct and remit all owed Employee Withholdings and all owed Payroll Taxes to the appropriate third party recipients in the ordinary course of business.

vii. Independent Contractors

97. As noted above, the Debtor also uses and depends on various Independent Contractors. The Debtor makes payments to Independent Contractors ("Independent Contractor Compensation") and together with Wages, "Workforce Compensation") for the performance of certain specialized services important to the Debtor's business and operations, including, among other things, investment management, tax/legal, real estate advisory, executive recruiting, life settlements valuation / actuary, and other miscellaneous consulting services. On average, the

Debtor pays approximately \$80,000 per month in Independent Contractor Compensation. As of the Petition Date, the Debtor estimates that it may owe up to \$40,000 on account of accrued, unpaid Independent Contractor Compensation.

98. Importantly, the Debtor relies on the continuous support of Independent Contractors to handle and/or assist with projects and matters in furtherance of the Debtor's business. The Debtor believes the authority to continue paying the Independent Contractor Compensation, including any prepetition amounts, is critical to minimize disruption of the Debtor's operations. Accordingly, the Debtor seeks authority to satisfy any prepetition accrued but unpaid Independent Contractor Compensation up to \$40,000 and continue to pay the Independent Contractor Compensation on a postpetition basis in the ordinary course of business and consistent with past practices.

viii. Direction to Banks and Financial Institutions

99. The Debtor also seeks an order authorizing its banks and other financial institutions (collectively, the "Banks") to receive, process, honor, and pay all of the Debtor's prepetition checks and fund transfers on account of any prepetition amounts owed on account of or relating to Workforce Compensation or the Benefit Programs, including all checks issued with regard to any Workforce Compensation and Benefit Programs, and prohibiting the Banks from placing any holds on, or attempting to reverse, any automatic transfers to any account of an Employee or other party for prepetition Workforce Compensation and Benefit Programs obligations. The Debtor also seeks an order authorizing the issuance of new postpetition checks or new postpetition funds transfers on account of prepetition Workforce Compensation and Benefit Program obligations to replace any prepetition checks or funds transfer requests that may

be dishonored or rejected, and to reimburse Employees or other applicable party for any fees or expenses incurred in connection with any rejected checks as a result of the Debtor's bankruptcy filing.

D. Motion of Debtor for Entry of Interim and Final Orders (A) Authorizing Debtors to Pay Prepetition Claims of Critical Vendors and (B) Granting Related Relief (the "Critical Vendor Motion")

100. Through the Critical Vendor Motion, the Debtor seeks the entry of interim and final orders (a) authorizing, but not directing, the Debtor to pay certain prepetition claims (each a "Critical Vendor Claim" and, collectively, the "Critical Vendor Claims") of certain essential vendors and service providers (each, a "Critical Vendor" and, collectively, the "Critical Vendors") on an interim basis not to exceed \$250,000 (the "Interim Critical Vendor Cap"), representing the critical expenditures the Debtor will need to make to Critical Vendors during the first four weeks of this case, and, on a final basis, not to exceed \$1,000,000 (the "Critical Vendor Cap") and (b) granting related relief.

101. The Debtor's business relies on continuing access to and relationships with various vendors and service providers. Any disruption in the Debtor's access to the provision of critical goods and services to the Debtor would have a far-reaching and adverse economic and operational impact on its business.

102. The bulk of the remaining goods and services that the Debtor depends on are provided by a critical network of vendors and service providers that, for the most part, conduct business with the Debtor on an invoice by invoice or purchase order by purchase order basis, and not pursuant to long-term contracts. These vendors typically supply their customers with services and products on trade terms based on their experience with and perceived risk of

conducting business with such customers. The Debtor believes that it would be extremely difficult, if not impossible, to replace the Critical Vendors within a reasonable time without severe disruption to the Debtor's business. Such harm would likely far outweigh the cost of payment of the Critical Vendor Claims.

103. Hence, it is essential to the success of the Debtor's restructuring effort that it be able to maintain the flow of goods, and services to its business.

104. Further, as discussed in the Cash Management, the Debtor will be reimbursed for a substantial amount of the payments made to Critical Vendors from the Critical Vendor Cap.

105. The Debtor undertook a process to identify the Critical Vendors using the following criteria: (i) whether certain specifications prevent the Debtor from obtaining a vendor's goods or services from alternative sources within a reasonable timeframe; and (ii) if a vendor is not a sole-source or primary provider of services or products, whether the Debtor can continue to operate in the ordinary course while a replacement vendor is secured. As a result of their critical review and evaluation, the Debtor has identified a narrow subset of vendors as Critical Vendors.

106. The Debtor's Critical Vendors generally fall into the following categories:

a. Back Office Support Services. The Debtor contracts with certain services to assist in maintaining their back office and supporting the Debtor's investment team. These services consist of, for example, data providers that provide and manage intranet portals necessary to streamline information flow and data accuracy and other service providers that supply telephone services or warehouse necessary files or data.

b. Research Services. The Debtor's business consists of advising its clients on potential investments. To do that, the Debtor subscribes to various services that provide access to real-time data and analytics. These services enable the Debtor to provide accurate analysis of the investments they manage and to satisfy their fiduciary and other obligations to their clients as a registered investment advisor.

107. As of the Petition Date, the Debtor will owe amounts to certain Critical Vendors (a) that have been billed and invoiced and/or (b) that have accrued immediately prior to the Petition Date for which they have not yet been invoiced or payment is not yet due. The Debtor anticipates the total amount of Critical Vendor Claims will not exceed \$1,000,000 of which \$250,000 is being requested on an interim basis. As discussed above, a portion of that amount will also be reimbursed to the Debtor through the ordinary course of the Debtor's business.

108. Given the importance of the goods, and services provided by the Critical Vendors, it is imperative that the Debtor be granted, on an emergency basis, the flexibility and authority to satisfy the prepetition claims of the Critical Vendors up to the Interim Critical Vendor Cap and, if approved on a final basis, the Critical Vendor Cap.

E. Debtor's Motion for Entry of an Order (I) Extending Time to File Schedules of Assets and Liabilities, Schedules of Executory Contracts and Unexpired Leases, and Statements of Financial Affairs, and (II) Granting Related Relief (the "Schedules Extension Motion")

109. Through the Schedules Extension Motion, the Debtor seeks the entry of an order extending the deadline by which it must file its schedules of assets and liabilities, schedules of executory contracts and unexpired leases, and statement of financial affairs (collectively, the

“Schedules and Statements”) by an additional thirty (30) days, for a total of fifty-eight (58) days from the Petition Date.

110. To prepare the Schedules and Statements, the Debtor must compile information from books, records, and documents relating to creditor claims, as well as the Debtor’s various assets and contracts.

111. Given the amount of work entailed in completing the Schedules and Statements, the Debtor requires more time to complete the Schedules and Statements within the required time period. Accordingly, the Debtor requests that the Court grant the Schedules Extension Motion.

F. Motion of Debtor for Entry of Interim and Final Orders Authorizing Debtor to File Under Seal Portions of Its Creditor Matrix Containing Employee Address Information (the “Motion to Redact Employee Addresses”)

112. Through the Motion to Redact Employee Addresses, the Debtor seeks the entry of an interim order and a final order: (a) authorizing the Debtor to file a redacted version of its creditor matrix without publicly disclosing employee address information, (b) authorizing the Debtor to file under seal an unredacted version of its creditor matrix, and (c) granting such other relief as the Court deems just and proper.

113. In the present case, the Debtor respectfully submits that cause exists to authorize the Debtor to redact the address information of individual employees from the creditor matrix because such information: (a) is private and confidential, (b) could be used to perpetrate identity theft – which has occurred in the past with certain of the Debtor’s employees, (c) would potentially allow competitors to poach the Debtor’s employees at the expense of this estate; and (d) could pose other risks to employees.

114. The benefit of including such information on the publicly filed matrix is far outweighed by the potential risks for the Debtor's individual employees.

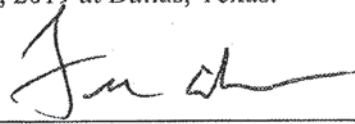
115. If the relief requested in the Motion to Redact Employee Addresses is granted, the unredacted matrix will be filed and remain under seal until further order of the Court. The Debtor will share the unredacted matrix with the Office of the United States Trustee upon request and the Debtor proposes that any party-in-interest who seeks to review the unredacted matrix may submit a request in writing to the Debtor. If the Debtor and the party seeking access to the unredacted matrix are unable to reach agreement on the terms of reviewing the unredacted matrix, the party may seek the assistance of this Court by filing a motion and make an appropriate showing for the Court to evaluate whether or not the unredacted matrix should be made available and under what terms. Upon any such motion seeking access to the unredacted matrix, the Debtor could continue to try and resolve the matter or present its opposition to the Court for consideration at a hearing on appropriate notice.

116. Accordingly, the Debtor requests that the Court grant the Motion to Redact Employee Addresses.

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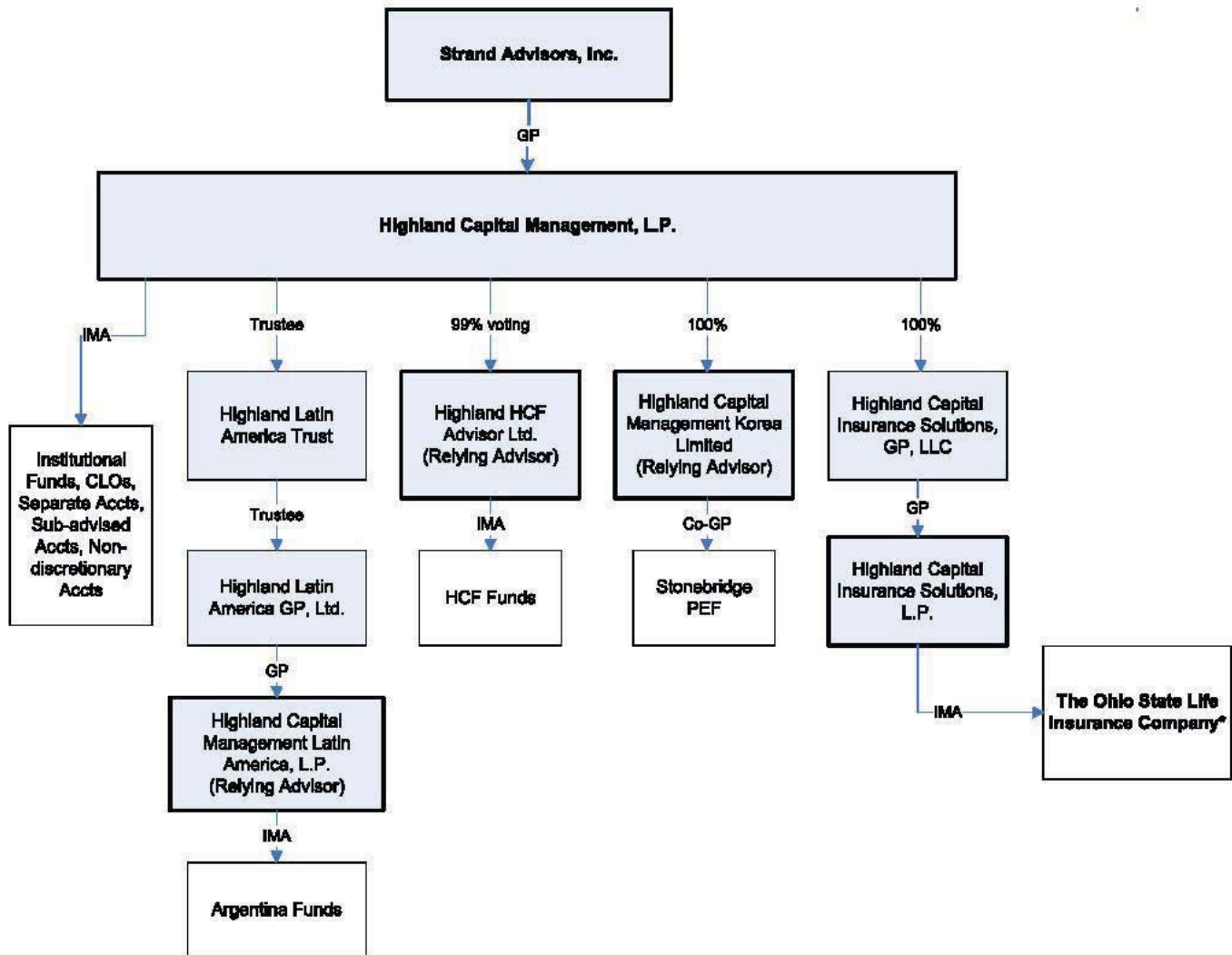
I declare under penalty of perjury under the United States of America that the foregoing is true and correct.

Executed this 16 day of October, 2019 at Dallas, Texas.



Frank Waterhouse

EXHIBIT A
Organizational Chart



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,¹

Debtor.

)
) Chapter 11
)
) Case No. 19-12239 (CSS)
)
) **Hearing Date: TBD**
) **Objection Deadline: TBD**

**MOTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
FOR AN ORDER TRANSFERRING VENUE OF THIS CASE TO THE UNITED
STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS**

The official committee of unsecured creditors (the “Committee”) of Highland Capital Management, L.P. (the “Debtor”), hereby submits this motion (this “Motion”) for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), pursuant to 28 U.S.C. §§ 1408 and 1412 and Rule 1014 of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”), transferring the venue of the above-captioned chapter 11 case to the United States Bankruptcy Court for the Northern District of Texas.

PRELIMINARY STATEMENT

1. Although a debtor’s choice of venue generally warrants deference, this case presents unique facts that make a change in venue appropriate. The Debtor has only one location in the United States—its Dallas, Texas headquarters, which houses the Debtor’s management and key personnel. In fact, the Debtor’s headquarters sit less than two miles from the United States Bankruptcy Court for the Northern District of Texas (the “Dallas Bankruptcy Court”), making the venue clearly more convenient for the Debtor and its management than Delaware. Additionally,

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

although the Debtor's creditors span the nation, a substantial number of the Debtor's creditors (including several of the top twenty unsecured creditors and Committee members) are concentrated in Texas, or the Midwest more broadly. Likewise, nearly all of the professionals active in this case are concentrated in Texas, Chicago, or Los Angeles. The Dallas Bankruptcy Court is more centrally located and easily accessible to the key parties in this case, along with their advisors. Transferring venue from Wilmington, Delaware to Dallas, Texas would result in greater efficiencies and significant cost savings for the Debtor's estate.

2. Moreover, the Dallas Bankruptcy Court is already intimately familiar with the Debtor's principals and complex organizational structure—the involuntary chapter 11 cases of the Debtor's former affiliates and current Committee members, Acis Capital Management, L.P. and Acis Capital Management GP, L.P. (collectively, "Acis") are pending in the Dallas Bankruptcy Court. Specifically, the Dallas Bankruptcy Court has (a) heard multiple days' worth of material testimony from the Debtor's principal owner (James Dondero), the Debtor's minority owner (Mark Okada), the Debtor's general counsel, at least two assistant general counsels, and numerous other employees of the Debtor and other witnesses; and (b) issued at least six published opinions to date, many of which have been affirmed on appeal to the United States District Court for the Northern District of Texas (the "Dallas District Court") in subsequent published opinions. The Dallas Bankruptcy Court is still presiding over an adversary proceeding commenced by the Debtor and its affiliates, and the Debtor's appeal of Acis's confirmed chapter 11 plan is still pending before the Fifth Circuit. As evidenced by the published opinions, the Dallas Bankruptcy Court and the Dallas District Court are intimately familiar with the Debtor's business, principal owner, and key executives. For these reasons, the Dallas Bankruptcy Court is uniquely positioned to oversee this chapter 11 case.

3. The Committee respectfully submits that, for the reasons set forth above and discussed more fully below, based on the unique facts of this case, both the interests of justice and convenience of the parties justify an exception to the general deference granted to a debtor's choice of venue and warrant the transfer of venue to the Dallas Bankruptcy Court.

JURISDICTION

4. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Committee confirms its consent, pursuant to rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), to the entry of a final order or judgment by the Court in connection with this Motion if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

5. The statutory and other bases for the relief requested herein are 28 U.S.C. §§ 1408 and 1412, Bankruptcy Rule 1014, and Local Rule 1014-1.

BACKGROUND

6. On October 16, 2019, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Court"). The Committee was appointed by the United States Trustee on October 29, 2019 [Docket No. 65].

I. The Debtor's Connections to Dallas.

7. As noted in the Voluntary Petition [Docket No. 1], the Debtor's principal place of business is 300 Crescent Court, Suite 700, Dallas, Texas 75201, which also serves as the Debtor's

international headquarters, and, in fact, its only office in the United States. *See Declaration of Frank Waterhouse in Support of First Day Motions* [Docket No. 9] (the “First Day Declaration”),

¶ 7. Although it is unclear how many of the Debtor’s 76 employees are based in the Debtor’s international offices, presumably those employees based in the U.S. live in or around the Debtor’s headquarters in Dallas, Texas. Furthermore, all but one of the Debtor’s equity holders are also located in Dallas, Texas. *See Voluntary Petition* [Docket No. 1], at pg. 14. In sum, Dallas, Texas is the epicenter of the Debtor’s operations.

II. The Dallas Bankruptcy Court’s Familiarity with the Debtor.

8. Prior to the commencement of this chapter 11 case, the Debtor was (and currently remains) actively involved in the involuntary chapter 11 case of Acis, its then-affiliate and current Committee member, captioned *In re Acis Capital Mgmt., L.P.*, Case No. 18-30264 (SGJ) (the “Acis Bankruptcy”). Until 2019, Acis was the “structured credit arm of Highland.” *In re Acis Capital Mgmt., L.P.*, Nos. 18-30264 (SGJ), 2019 Bankr. LEXIS 292, at *17 n. 21 (Bankr. N.D. Tex. Jan. 31, 2019) (the “Acis Confirmation Opinion”), *aff’d*, 604 B.R. 484 (N.D. Tex. 2019).² Acis did not have any of its own employees and, instead, contracted with the Debtor to perform all day-to-day functions, meaning that all Acis corporate representatives and witnesses in the Acis Bankruptcy were employees of the Debtor. *Id.* at *9. Moreover, there was complete overlap between Acis and the Debtor at the executive level, with the Debtor’s CEO James Dondero serving as President of Acis and the Debtor’s CFO, and first day declarant, Frank Waterhouse serving as Treasurer.

9. The Acis Bankruptcy commenced on January 30, 2018, when Joshua N. Terry filed involuntary petitions against Acis to commence chapter 7 cases in the Dallas Bankruptcy Court.

² The Acis Confirmation Opinion is attached hereto as Exhibit B.

In connection with a hotly-contested trial on the involuntary petitions, the Dallas Bankruptcy Court heard seven days of testimony and argument, entered orders for relief and issued a written opinion, which is attached hereto as **Exhibit C** (the “Acis Involuntary Opinion”). Testimony included that of the Debtor’s co-founder and CEO, James Dondero, the Debtor’s co-founder and then-Chief Investment Officer, Mark Okada, the Debtor’s General Counsel, Scott Ellington, the Debtor’s Controller, David Klos, and the Debtor’s Assistant General Counsel, Isaac Leventon.

10. In May 2018, the Acis bankruptcy cases were converted from Chapter 7 to Chapter 11, and a Chapter 11 Trustee was appointed “due to what the bankruptcy court perceived to be massive conflicts of interest with regard to the Debtors’ management.” *See* Acis Confirmation Op. at *15.

11. The Debtor and its affiliates were, and remain, exceptionally active throughout the Acis Bankruptcy, objecting to virtually every action proposed by the Chapter 11 Trustee throughout the case. *See In re Acis Capital Mgmt., L.P.*, 603 B.R. 300, 302 (Bankr. N.D. Tex. 2019). As a result, the Dallas Bankruptcy Court was forced to conduct many evidentiary hearings, during which the Debtor’s executives and employees were often called to testify. Overall, between the Acis Bankruptcy and related adversary proceedings, the Dallas Bankruptcy Court has to date reviewed approximately 700 exhibits, heard more than thirty days of testimony and oral argument, and issued six opinions. The Dallas District Court has also ruled on three appeals related to the Acis Bankruptcy, all of which were filed by the Debtor and/or its affiliates. The Debtor’s appeal of the Acis confirmation order is now pending before the Fifth Circuit.³

12. The Dallas Bankruptcy Court is also currently adjudicating a number of fraudulent transfer causes of action that Acis has brought against the Debtor and certain of its non-debtor

³ *See generally Debtor’s Application for an Order Authorizing the Retention and Employment of Foley Gardere, Foley & Lardner LLP as Special Texas Counsel Nunc Pro Tunc to the Petition Date* [Docket No. 69] and

affiliates in a consolidated adversary case (the “Acis Adversary Proceeding”). Distilled to its essence, the Acis Adversary Proceeding concerns actions taken by the Debtor and its affiliates to denude the Acis debtors’ estates of their value and frustrate an imminent, substantial judgment against Acis. *See Acis Capital Mgmt., GP, LLC v. Highland Capital Mgmt., L.P. (In re Acis Capital Mgmt., L.P.)*, 600 B.R. 541, 549 (Bankr. N.D. Tex. 2019) (the “Acis Arbitration Opinion”).⁴

13. In sum, the Dallas Bankruptcy Court and the Dallas District Court are already intimately familiar with the Debtor’s complex structure, its management, and key personnel, and are well-versed in the contentious relationship between the Debtor and several of its largest creditors, including members of the Committee. Accordingly, the Dallas Bankruptcy Court is uniquely situated to oversee this chapter 11 case.

RELIEF REQUESTED

14. By this Motion, the Committee requests entry of the Proposed Order, substantially in the form attached hereto as **Exhibit A**, transferring the venue of this chapter 11 case to the Dallas Bankruptcy Court.

BASIS FOR RELIEF

III. The Dallas Bankruptcy Court is an Appropriate Venue Under 28 U.S.C. § 1408.

15. Section 1408 of title 28 of the United States Code provides that bankruptcy cases may be commenced in the district court for the district “in which the domicile, residence, principal place of business in the United States, or principal assets in the United States” of the debtor is

Debtor’s Application for an Order Authorizing the Retention and Employment of Lynn Pinker Cox & Hurst LLP as Special Texas Litigation Counsel Nunc Pro Tunc to the Petition Date [Docket No. 70] (describing the Debtor’s ongoing litigation and involvement with the Acis Bankruptcy).

⁴ A copy of the Acis Arbitration Opinion is attached hereto as **Exhibit D**.

located or the district “in which there is a pending case under title 11 concerning such person’s affiliate.”

16. The Debtor’s headquarters, and indeed its only office in the United States, is located in Dallas, Texas. Moreover, had this chapter 11 case commenced mere months ago, the Acis Bankruptcy would be a “pending case under title 11 concerning” the Debtor’s affiliate.⁵ The Dallas Bankruptcy Court easily satisfies the statutory venue requirements under 28 U.S.C. § 1408.

IV. The Court Should Exercise its Discretion to Transfer Venue to the Dallas Bankruptcy Court.

17. It is within a court’s discretion to transfer a case to another venue if it is “in the interest of justice or for the convenience of the parties.” 28 U.S.C. § 1412. Courts have interpreted this statutory provision to create two distinct bases upon which transfer of venue may be granted: interest of justice *or* convenience of the parties. *See In re Qualtec Inc.*, No. 11-12572 (KJC), 2012 WL 527669, at *6 (Bankr. D. Del. Feb. 16, 2012). Movants for transfer of venue have the burden of showing that a transfer is warranted based on the preponderance of the evidence.⁶ *Id.* at *5.

A. Transferring Venue to the Dallas Bankruptcy Court Would Serve the Convenience of the Parties.

18. In determining whether a venue transfer would serve the convenience of the parties, courts generally examine the following six factors: “(a) proximity of the creditors of every kind to the court; (b) proximity of the debtor; (c) proximity of the witnesses who are necessary to the administration of the estate; (d) the location of the debtor’s assets; (e) the economic administration of the estate; and (f) the necessity for ancillary administration in the event of liquidation.” *In re*

⁵ The Debtor ceased to be an affiliate of Acis following confirmation of the Acis plan of reorganization in January 2019, when equity in reorganized Acis was distributed to Mr. Terry in exchange for a reduction of his allowed claim.

⁶ To meet its burden herein, the Committee is relying on the record of this case, including the First Day Declaration, and the established record of the Acis Bankruptcy. The Committee therefore does not anticipate there being any need to hold an evidentiary hearing on this Motion.

Rests. Acquisition I, LLC, No. 15-12406 (KG), 2016 WL 855089, at *2 (Bankr. D. Del. Mar. 4, 2016) (quoting *Commonwealth of Puerto Rico v. Commonwealth Oil Refining Co. (In re Commonwealth Oil Refining Co.)*, 596 F.2d 1239, 1247 (5th Cir. 1979)). Under this analysis, the factor given the most weight is the economic and efficient administration of the estate. *Id.*

1. Proximity of Creditors of Every Kind to the Court.

19. Of the Debtor's twenty largest unsecured creditors, at least seven⁷ are listed as having Texas addresses: Acis, Joshua and Jennifer Terry, McKool Smith, P.C., Foley Gardere, DLA Piper LLP (US), Lackey Hershman LLP, and Andrews Kurth LLP. *See* Voluntary Petition [Docket No. 1]. Additionally, of the total known claims at this juncture, it appears that a significant number of the Debtor's creditors are located in Texas, and the rest of the creditors appear to be scattered across the United States. No known creditors appear to be based in Delaware. *See id.*

20. Courts may also focus on the location of the debtor's and creditors' professionals in deciding whether to transfer venue. *See In re Caesars Entm't Operating Co., Inc.*, No. 15-10047 (KG), 2015 WL 492529, at *6 (Bankr. D. Del. Feb. 2, 2015). The Committee's proposed counsel is primarily located in Chicago, Illinois, but also maintains an office in Dallas, Texas (where its litigation team for this case is based). If this case were to proceed before this Court, the Committee would have to retain Delaware co-counsel.⁸ Additionally, several of the Debtor's largest creditors are separately represented by counsel based in the Midwest: the Acis is represented by the Rogge Dunne Group and Winstead PC in Dallas [Docket No. 81], the Redeemer Committee of the Highland Crusader Fund is represented by Jenner & Block LLP primarily out of its Chicago office

⁷ Additionally, although listed with a North Carolina address, CLO Holdco, Ltd. is an affiliate of and controlled by the Debtor, whose principal place of business is in the Northern District of Texas. The Debtor also lists Reid Collins & Tsai's New York office, despite the fact that the firm is a Texas limited liability partnership based in Texas.

⁸ Under Local Rule 9010-1(d), the Committee has until November 27, 2019, to obtain Delaware co-counsel, if necessary.

[Docket Nos. 1, 36], and USB Securities LLC and UBS AG London Branch is represented by Latham & Watkins LLP, which has an office in Houston [Docket No. 85].

21. Considering the proximity of both the Debtor's creditors and their professionals to the Dallas Bankruptcy Court, this factor should weigh in favor of transfer. *See In re Rehoboth Hosp., LP*, No. 11-12798 (KG), 2011 WL 5024267, at *3 (Bankr. D. Del. Oct. 19, 2011) (concluding that, on balance, this factor favored transfer to Texas when the overwhelming majority of creditors were located in Texas).

2. Proximity of the Debtor to the Court.

22. Courts have noted that this inquiry should focus primarily on the parties that must appear in court. *See Caesars Entm't Operating Co., Inc.*, 2015 WL 495259, at *6. The Debtor's headquarters, and only office located in the United States, is in Dallas, Texas. *See First Day Decl.*, at ¶ 7. As a result, it is likely that any of the Debtor's personnel who would have to appear in court are located in Dallas, Texas. The Debtor has no connection to Delaware other than the fact that it was formed there.

23. The Committee concedes that Debtor's counsel maintains an office in Delaware but does not have an office in Dallas. That said, Debtor's counsel represents itself as having a "national presence," including in the Fifth Circuit,⁹ and its lead lawyers on this matter are based in Los Angeles. The Debtor's proposed financial advisor team is also predominantly based in Los Angeles with several members located in Chicago. No proposed advisor from Development Specialists, Inc. is located on the East Coast, let alone in Delaware. *See Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and*

⁹ See <http://www.pszjlaw.com/about-presence.html#circuit5>.

Restructuring-Related Services, Nunc Pro Tunc as of the Petition Date [Docket No. 75], Ex. A. Accordingly, the Committee respectfully submits that this factor weighs in favor of transferring venue to the Dallas Bankruptcy Court.

3. Proximity of the Witnesses Necessary to the Administration of the Estate.

24. The Committee anticipates that the witnesses likely to be necessary in this chapter 11 case are the Debtor's management, who are all located in Dallas, Texas, or the Debtor's financial advisors, who are all located in either Chicago, Illinois, or Los Angeles, California. Dallas, Texas, is significantly closer to any potential witness than Wilmington, Delaware. Thus, the Committee respectfully submits that this factor also weighs in favor of transferring venue to the Dallas Bankruptcy Court.

4. Location of the Assets.

25. The location of the Debtor's assets is not as important as other factors where "the ultimate goal is rehabilitation rather than liquidation." *See In re Caesars Entm't Operating Co., Inc.*, 2015 WL 495259, at *6 (quoting *In re Enron Corp.*, 274 B.R. 327, 347 (Bankr. S.D.N.Y. 2002)). Although the Committee believes that the Debtor's U.S. assets would be located at the Debtor's headquarters in Dallas, Texas, the Committee does not believe this factor important to the Court's decision.

5. Economic Administration of the Estate.

26. As noted above, the most important factor is the economic and efficient administration of the Debtor's estate. *Id.* The Committee does not dispute the ability of this Court to administer this chapter 11 case in a just and efficient manner. That said, there are many factors that make the Dallas Bankruptcy Court the more economical venue. As discussed in more detail below as part of the "interests of justice" analysis: (1) there is a higher concentration of creditors

and creditors' counsel in Texas and the Midwest than elsewhere in the country; (2) the Debtor and all of its U.S. personnel are in Dallas, Texas; (3) Dallas, Texas is more centrally located in the United States than Wilmington, Delaware and arguably easier and cheaper for parties to travel to; (4) most creditors would need to obtain Delaware co-counsel if venue remains before this Court; and (5) the Dallas Bankruptcy Court and the Dallas District Court has already expended great time and effort familiarizing itself with the Debtor, the Debtor's operations, and the disputes between the Debtor and some of its largest creditors. For these reasons and the reasons set forth below in Section II.B, this factor weighs heavily in favor of transferring venue to the Dallas Bankruptcy Court. *See In re Qualteq, Inc.* 2012 WL 527669, at *6 (noting that same considerations for this factor arise in applying the "interest of justice" prong).

6. Necessity for Ancillary Administration if Liquidation Should Result.

27. "Most cases do not consider liquidation because it is illogical to focus on liquidation contingencies when the goal of the bankruptcy is reorganization." *In re Dunmore Homes, Inc.*, 380 B.R. 663, 672 (Bankr. S.D.N.Y. 2008). However, should this case be converted to a liquidation, the Debtor's personal property would be predominantly located in Dallas, Texas. As a result, this factor also weighs in favor of transfer.

B. Interests of Justice.

28. When determining whether a transfer would serve the interests of justice, courts consider whether such transfer "would promote the efficient administration of the estate, judicial economy, timeliness, and fairness." *Caesars Entm't Operating Co., Inc.*, 2015 WL 495259, at *7 (quotations omitted). The interests of justice standard is a "broad and flexible standard which must be applied on a case-by-case basis." *In re Safety-Kleen Corp.*, Adv. Proc. No. 00-1984, 2001 Bankr. LEXIS 1296, at *6 (Bankr. D. Del. Aug. 27, 2001) (citing *Gulf States Expl. Co. v. Manville Forest Prods. Corp.* (*In re Manville Forest Prods. Corp.*), 896 F.2d 1384, 1391 (2d Cir. 1990)).

1. Judicial Economy.

29. Judicial economy would be served by transferring this case to the Dallas Bankruptcy Court. At the time of this filing, this Court has only held one hearing, granting interim relief for a handful of routine “first day” motions. In contrast, the Dallas Bankruptcy Court has heard at least 30 days of testimony, including that of the Debtor’s executives, and conducted countless hearings in the Acis Bankruptcy. With the exception of the Debtor’s proposed chief restructuring officer and Mr. Waterhouse, the Dallas Bankruptcy Court is familiar with nearly all of the Debtor’s senior management. As summarized above, the Dallas Bankruptcy Court and Dallas District Court have already devoted multiple days of court time to the Debtor.

30. Additionally, Acis’s claim against the Debtor (which is listed on the list of twenty largest unsecured creditors) and the Debtor’s proof of claim and administrative claim against Acis (which is technically an asset of the Debtor’s estate) are currently pending in the Dallas Bankruptcy Court. Judicial economy would best be served by utilizing the time and resources already extended by the Dallas Bankruptcy Court in connection with these claims. This factor weighs overwhelmingly in favor of transfer. Indeed, it is hard to imagine a case where judicial economy would be better served by a transfer of venue under 28 U.S.C. § 1412.

31. Courts in this district have historically placed a particular emphasis “on the “learning curve” that typically militates against a transfer. *See In re Rests. Acquisition I, LLC*, No. 15-12406 (KG), 2016 WL 855089, at *5 (Bankr. D. Del. Mar. 4, 2016). This case is unique in that the “learning curve” that typically militates against a transfer in the interests-of-justice basis is actually *inverted*. That is, it is not the proposed transferee court that will have a “learning curve,” but rather it is this Court that would. Given that this Court has only considered first day relief, and on an interim basis, while the Dallas Bankruptcy Court and Dallas District Court both have

intimate familiarity with the parties and their businesses, transferring the venue would be in furtherance of judicial economy.

2. Economic and Efficient Administration of the Bankruptcy Estate.

32. As previously noted, there are economic efficiencies available in Dallas, Texas that are not available in Wilmington, Delaware. Venue in Dallas would allow the Debtor's employees to easily attend hearings in this case and thus eliminate the need for air travel for most witnesses. The Debtor's headquarters are located in The Crescent in Dallas, Texas, approximately 1.2 miles from the Dallas Bankruptcy Court. By contrast, this Court is located approximately 1,437 miles from the Debtor's headquarters. Travel to this Court from the Debtor's headquarters requires, at a minimum, a 30-minute car ride to Dallas/Fort Worth International Airport, approximately three hours flying time to Philadelphia International Airport, and then a 30-minute car ride to Wilmington, Delaware. The foregoing does not take into account recommended early arrival times at airports for check-in, flight delays, traffic, or the need for overnight stays in Wilmington. If this case remains in Delaware, critical management personnel will be required to spend extended periods away from their offices when they should be focused on maximizing value for all creditors.

33. Additionally, as the Debtor's professionals and proposed CRO are primarily located in Los Angeles, venue in Dallas would eliminate hours of travel time and the administrative expense associated with the same. Dallas-Fort Worth International Airport, consistently the third-busiest airport in the country (behind Chicago O'Hare and Atlanta Hartsfield-Jackson), offers nearly 1,800 flights per day. American Airlines alone offers approximately 14 non-stop flights per day from LAX to DFW. According to FlightSphere.com, there are approximately 20 total flights per day from LAX to DFW and 7 flights per day from DAL to LAX. By contrast, according to FlightSphere.com, there are approximately 10 flights per day from DFW to Philadelphia and approximately 8 flights per day from DAL to Philadelphia. The flight from LAX to DFW is

approximately 3 hours, whereas the flight from LAX to Philadelphia is approximately 6 hours. *See In re Rehoboth Hosp., LP*, No. 11-1279 (KG), 2011 Bankr. LEXIS 3992, at *15 (Bankr. D. Del. October 19, 2011) (transferring venue of a single asset real estate case from Delaware to Texas because “the estate may incur significant travel costs to obtain the testimony of witnesses that are located in Texas”).

34. Additionally, Rule 45 of the Federal Rules of Civil Procedure, incorporated by Bankruptcy Rule 9016, mandates that contested non-party discovery disputes (potentially like those related to the Debtor’s approximately 2,000 non-debtor affiliates) be heard in the place of compliance, which would most likely be in the Northern District of Texas. The Committee is already aware of the Debtor’s history of contesting discovery. *See, e.g., Hamilton Partners, L.P. v. Highland Capital Mgmt., L.P.*, CV 6547-VCN, 2016 WL 61223, at *1 (Del. Ch. Feb. 2, 2016). It is therefore likely that the Dallas District Court and Dallas Bankruptcy Court will need to hear and resolve multiple discovery disputes. In light of that inevitability, it would be sensible to transfer this case so that related disputes aren’t being heard in multiple venues.

35. There is no doubt that transferring venue to Dallas would promote the economic and efficient administration of this chapter 11 case. This factor weighs in favor of transfer.

3. Timeliness.

36. As of the date of this Motion, this case has only been pending for 16 days. The Committee is also seeking to have this Motion heard on an expedited basis, as set forth in the motion to shorten notice filed concurrently herewith. *Cf. In re Jones*, 39 B.R. 1019, 1020 (Bankr. S.D.N.Y. 1984) (“[t]he debtor’s motion to change venue is untimely given the fact that this case was commenced over one and one-half years ago”). The Court has only considered the Debtor’s request for first day relief on an interim basis. The next hearing is not scheduled until November 19, 2019. The Motion is timely and this factor weighs in favor of transfer.

4. Fairness.

37. Transferring this chapter 11 case to a venue where employees, creditors, and numerous other parties-in-interest may more easily participate in the restructuring process would be manifestly fair. To the extent the Debtor chose this forum in order to distance itself from largely unfavorable findings, fairness dictates that this case should be transferred.

* * * * *

38. For the foregoing reasons, it is both in the interest of justice and for the convenience of the parties that this chapter 11 case be transferred to the Dallas Bankruptcy Court. The majority of the parties and professionals involved in this chapter 11 cases are more centrally located to Dallas, Texas than Wilmington, Delaware, which would create significant costs savings to the Debtor's estate compared to keeping the case in Delaware. Moreover, the Dallas Bankruptcy Court and Dallas District Court are both well-versed in the facts and issues that will undoubtedly need to be addressed in this chapter 11 case. As such, the Committee respectfully requests that this Court transfer venue of this case to the Dallas Bankruptcy Court.

NOTICE

39. Notice of this Motion will be provided to (i) the Debtor, (ii) the Office of the United States Trustee for the District of Delaware, and (iii) any party that has requested notice pursuant to Local Rule 2002-1 as of the date of this Motion. In light of the nature of the relief requested herein, the Committee submits that no other or further notice is necessary.

[Remainder of Page Intentionally Left Blank]

WHEREFORE, the Committee respectfully requests that the Court enter the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other and any further relief as the Court may deem just and proper.

Dated: November 1, 2019
Wilmington, Delaware

SIDLEY AUSTIN LLP

/s/ Bojan Guzina

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PROPOSED ATTORNEYS FOR THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS

Exhibit A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,¹

Debtor.

)
) Chapter 11
)
) Case No. 19-12239 (CSS)
)
) Ref. Docket No.: ____

**ORDER TRANSFERRING VENUE OF THIS CASE TO THE UNITED STATES
BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS**

Upon the motion (the “Motion”)² of the Committee requesting entry of an order (this “Order”) transferring the venue of the above-captioned chapter 11 case to the United States Bankruptcy Court for the Northern District of Texas; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue of this Motion being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and adequate notice of, and the opportunity for a hearing on, the Motion having been given; and it appearing that no other or further notice need be provided; and this Court having found that the relief requested in the Motion and provided for herein is in the best interest of the Debtor, creditors of the Debtors, and other parties in interest; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon the record herein, and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

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

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

1. Pursuant to Rule 1014(b), in the interest of justice and for the convenience of parties, the above-captioned chapter 11 case shall proceed in the Dallas Bankruptcy Court. Accordingly, the Court will transfer this case to the Dallas Bankruptcy Court pursuant to 28 U.S.C. § 1412.

Dated: _____, 2019
Wilmington, Delaware

Honorable Christopher S. Sontchi
United States Bankruptcy Judge

Exhibit B

Acis Confirmation Opinion



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

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

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

Signed January 31, 2019

Henry G. C. Gammie
United States Bankruptcy Judge

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

IN RE:	§	
	§	
ACIS CAPITAL MANAGEMENT, L.P.,	§	CASE NO. 18-30264-SGJ-11
	§	(Chapter 11)
Debtor.	§	

IN RE:	§	
	§	
ACIS CAPITAL MANAGEMENT GP,	§	CASE NO. 18-30265-SGJ-11
L.L.C.,	§	(Chapter 11)
	§	
Debtor.	§	

BENCH RULING AND MEMORANDUM OF LAW IN SUPPORT OF:
(A) FINAL APPROVAL OF DISCLOSURE STATEMENT; AND (B)
CONFIRMATION OF CHAPTER 11 TRUSTEE'S THIRD AMENDED JOINT PLAN

Before this court is a request by the Chapter 11 Trustee (herein so called) for final approval of the adequacy of a disclosure statement and for confirmation of his Third Amended

Joint Plan of Reorganization,¹ as amended, modified or supplemented (the “Plan”), for the two above-referenced debtors: (1) Acis Capital Management, L.P. (the “Debtor-Acis”), a Delaware limited partnership, and (2) Acis Capital Management GP, LLC, a Delaware limited liability company (the general partner of the Debtor-Acis; collectively, the “Debtors”). The two chapter 11 cases have been administratively consolidated.²

The hearing on these matters transpired over multiple days in December 2018, and the court considered the testimony of more than a dozen witnesses, more than 700 exhibits, and hundreds of pages of legal briefing. Based on the foregoing, the court ***overrules all objections*** and will confirm the Plan, including all proposed modifications to it. The Chapter 11 Trustee has demonstrated, by a preponderance of the evidence, that the Plan, as modified, satisfies the applicable provisions of the Bankruptcy Code including but not limited to Sections 1122, 1123, 1127, and 1129 of the Bankruptcy Code.³ The court also approves on a final basis the adequacy of the accompanying disclosure statement to the Plan, determining that it meets the requirements set forth in Section 1125 of the Bankruptcy Code. Notice and solicitation with respect to the

¹ Exhs. 508 & 509; *see also* DE ## 660, 661, 693, 702, & 769. References to “DE # __” from time to time in this ruling relate to the docket number at which a pleading or other item appears in the docket maintained in these administratively consolidated Bankruptcy Cases, in Case # 18-30264.

² Note that the Debtor-Acis is, essentially, the debtor that is the operating company. As a general partner, Acis Capital Management GP, LLC is legally obligated on all of the operating company’s debt. *See* 6 Del. C. § 17-403(b) (“Except as provided in this chapter, a general partner of a limited partnership has the liabilities of a partner in a partnership that is governed by the Delaware Uniform Partnership Law in effect on July 11, 1999 (6 Del. C. § 1501 et seq.) to persons other than the partnership and the other partners.”); *see also* 6 Del. C. § 15-306(a) (“(a) Except as otherwise provided in subsections (b) and (c) of this section, all partners are liable jointly and severally for all obligations of the partnership unless otherwise agreed by the claimant or provided by law”). The Plan jointly addresses both of the Debtors’ debts.

³ *Heartland Fed. Sav. & Loan Ass’n v. Briscoe Enters. (In re Briscoe Enters.)*, 994 F.2d 1160, 1165 (5th Cir. 1993); *In re Sears Methodist Ret. Sys.*, No. 14-32821-11, 2015 Bankr. LEXIS 709, at *8 (Bankr. N.D. Tex. Mar. 5, 2015); *In re Couture Hotel Corp.*, 536 B.R. 712, 732 (Bankr. N.D. Tex. 2015); *In re Mirant Corp.*, No. 03-46590, 2007 Bankr. LEXIS 4951, at *19-20 (Bankr. N.D. Tex. Apr. 27, 2007).

Plan is determined to have complied with the applicable Bankruptcy Rules and due process. The court provides reasoning for its ruling below. The court directs the Chapter 11 Trustee to submit to the court for signing the proposed Findings of Fact and Conclusions of Law and Order that were filed at DE # 814. This Bench Ruling supplements those Findings of Fact and Conclusions of Law and Order and, where appropriate, should be considered additional findings and conclusions as contemplated by Fed. R. Bankr. Proc. 7052.

I. Background.⁴

The above-referenced bankruptcy cases (the “Bankruptcy Cases”) have been pending since January 30, 2018 and have been astonishingly contentious. The Chapter 11 Trustee has been in place since on or about May 14, 2018. The Plan (which is the fourth one proposed by the Chapter 11 Trustee) has been objected to by three related entities: (a) Highland Capital Management, L.P. (“Highland”), (b) Highland CLO Funding Ltd. (“HCLOF Guernsey”), and (c) Neutra, Ltd. (“Neutra Cayman”). The Chapter 11 Trustee loosely refers to these three objectors (the “Objectors”) as “the Highlands” because they are not only related to each other (*i.e.*, they are all, directly or indirectly, part of the Highland 2,000-member corporate organizational structure), but they also have been in “lockstep” with one another in objecting to virtually every position taken by the Chapter 11 Trustee during the Bankruptcy Cases.⁵ These Objectors’ parties-in-interest status will be explained below.

⁴ For a complete set of background facts, the court incorporates herein by reference its Findings of Fact and Conclusions of Law in Support of Orders for Relief Issued After Trial on Contested Involuntary Petitions, entered April 13, 2018. DE # 118. Exh. 243.

⁵ It is also undisputed that, prior to the appointment of the Chapter 11 Trustee, *the Debtors* and Highland were affiliated and had a close relationship. Exhs. 17, 18, 22-27, 251, 619 & 649.

In simplest terms, the Debtor-Acis, which was formed in the year 2011, is primarily a CLO portfolio manager.⁶ It manages hundreds of millions of dollars' worth of CLOs (which is an acronym for "collateralized loan obligations"). Specifically, it provides fund management services to various special purpose entities that hold CLOs. The Debtor-Acis was providing management services for five such special purpose entities (the "Acis CLOs") as of the time that it and its general partner were put into the involuntary Bankruptcy Cases. The parties have informally referred to the special purpose entities themselves as the "CLO Issuers" or "CLO Co-Issuers" but, to be clear, these special purpose entities (hereinafter, the "CLO SPEs") are structured as follows: (a) on the asset side of their balance sheets, the entities own pieces of senior debt owed by large corporations and, therefore, earn revenue from the variable interest payments made by those corporations on such senior debt; and (b) on the liability side of their balance sheets, the entities have obligations in the form of notes (*i.e.*, tranches of fixed interest rate notes) on which the CLO SPEs themselves are obligated—the holders of which notes are mostly institutions and pension funds (these tranches of notes are usually rated anywhere from Triple A to Single B, depending upon things such as their interest rate and perceived risk). The CLO SPEs make a profit, based on the spread or "delta" between: (a) the variable rates of interest paid on the assets that the CLO SPEs own (*i.e.*, the basket of senior notes); and (b) the fixed rates of interest that the CLO SPEs must pay on their own tranches of debt. At the bottom of the CLO SPEs' capital structure is their equity (sometimes referred to as "subordinated notes," but these "notes" are genuinely equity). As portfolio manager, the Debtor-Acis manages the CLO SPEs' pools of assets (by buying and selling senior loans to hold in the CLO SPEs'

⁶ The Debtor-Acis has managed other funds, from time to time, besides CLOs.

portfolios) and communicates with investors in the CLO SPEs. The CLO SPEs' tranches of notes are traded on the Over-the-Counter market.

To be perfectly clear, none of the CLO SPEs themselves are in bankruptcy. This has never been threatened or a concern. Only the Debtor-Acis which *manages* the CLO business is in bankruptcy. For the most part, the CLO SPEs have continued somewhat "business as usual" during the Chapter 11 Bankruptcy Cases (*i.e.*, they have continued to receive interest payments on their baskets of loans; the usual interest payments on their tranches of debt have been paid;⁷ and baskets of loans have been bought and sold from time to time). The CLO SPEs have retained their own separate counsel during the Chapter 11 cases, have appeared from time-to-time on matters, and are not currently objecting to the Plan. There is also an indenture trustee (U.S. Bank National Association) for the CLO SPEs' debt, that has seemingly faithfully carried on its role during the Chapter 11 Bankruptcy Cases without many objections to the bankruptcy process—only making occasional statements aimed at ensuring that the indentures for the CLOs are not interfered with or disrespected. The indenture trustee has retained and appeared through its own separate counsel during the Chapter 11 Bankruptcy Cases and is not currently objecting to the Plan.

Historically, the Debtor-Acis has had four main sets of contracts that were at the heart of its business and allowed it to function. The Chapter 11 Trustee has from time-to-time credibly

⁷ The evidence reflected that there have been a couple of occasions recently when there were insufficient funds to make distributions to the equity. *E.g.*, Transcript 12/11/18 (PM) [DE # 790], at p. 15 (line 2) through p. 16 (line 18). But it appears to this court that these missed distributions were due to actions of Highland—as later explained herein—in improperly, surreptitiously attempting to liquidate the Acis CLOs, from the time period after the Chapter 11 Trustee was appointed, until the bankruptcy court issued an injunction to temporarily halt Highland's actions. *E.g.*, Transcript 12/11/18 (AM) [DE # 789], p. 67 (line 14) through p. 68 (line 6).

testified that these agreements essentially created an “eco-system” that allowed the Acis CLOs to be effectively and efficiently managed by the Debtor-Acis.

1. The PMAs with the CLO SPEs.⁸

First, the Debtor-Acis has various portfolio management agreements (the “PMAs”) *with the CLO SPEs*, pursuant to which the Debtor-Acis earns management fees. The PMAs have been the primary “assets” (loosely speaking) of the Debtor-Acis (to be more precise, the PMAs are executory contracts pursuant to section 365 of the Bankruptcy Code). They are what generate revenue for the Debtor-Acis.

2. The Sub-Advisory Agreement with Highland.⁹

Second, the Debtor-Acis had a Sub-Advisory Agreement (herein so called) with an insider, **Highland** (*i.e.*, one of the Objectors). Highland’s “insider” status will be further explained below. Pursuant to this agreement, the Debtor-Acis essentially sub-contracted for the use of Highland front-office personnel/advisors to perform management services for the Debtor-Acis (*i.e.*, so that the Debtor-Acis could fulfill its obligations to the CLO SPEs under the PMAs). The Debtor-Acis paid handsome fees to Highland pursuant to this agreement. This, too, was an executory contract pursuant to section 365 of the Bankruptcy Code. As explained below, this agreement was rejected (with bankruptcy court approval)¹⁰ by the Chapter 11 Trustee during the Bankruptcy Cases, when the Chapter 11 Trustee credibly represented that he had not only found resources to provide these services at a much lower cost to the estate, but he also had begun to

⁸ Exhs. 6-10.

⁹ Exh. 17.

¹⁰ *See* 11 U.S.C. § 365(a).

believe that Highland was engaging in stealth efforts to liquidate the Acis CLOs, to the detriment of the Debtor-Acis's creditors.¹¹

3. The Shared Services Agreement with Highland.¹²

Third, the Debtor-Acis also had a Shared Services Agreement (herein so called) with Highland, pursuant to which the Debtor-Acis essentially sub-contracted for the use of Highland's back-office services (again, so that the Debtor-Acis could fulfill its obligations to the CLO SPEs under the PMAs). To be clear, the Debtor-Acis had no employees of its own—only a couple of officers and members. The Debtor-Acis paid handsome fees to Highland for the personnel and back-office services that Highland provided to the Debtor-Acis. This, too, was an executory contract pursuant to section 365 of the Bankruptcy Code. As explained below, this agreement was also rejected by the Chapter 11 Trustee during the Bankruptcy Cases (with bankruptcy court approval) for the same reasons that the Sub-Advisory Agreement with Highland was rejected.

4. The Equity PMA.¹³

Fourth, until a few weeks before the Bankruptcy Cases were filed, the Debtor-Acis also had yet another portfolio management agreement (distinct from its PMAs with the CLO SPEs) whereby the Debtor-Acis provided services not just to the CLO SPEs themselves, but separately to the equity holder in the CLO SPEs. This portfolio management agreement with the equity holder in the CLO SPEs is sometimes referred to by the parties as the "ALF PMA," but it would probably be easier to refer to it as the "Equity PMA" (for ease of reference, the court will refer to

¹¹ See Transcript 12/11/18 (AM) [DE # 789], at p. 48 (line 15) through p. 49 (line 16); p. 50 (line 12) through p. 52 (line 7).

¹² Exh. 18.

¹³ Exh. 11.

it as the “Equity/ALF PMA”).¹⁴ The Debtor-Acis did not earn a specific fee pursuant to the Equity/ALF PMA, but the Chapter 11 Trustee and certain of his witnesses credibly testified that the Debtor-Acis considered the agreement valuable and very important, because it essentially gave the Debtor-Acis the ability to control the whole Acis CLO eco-system—in other words, gave the Debtor-Acis the ability to make substantial decisions on behalf of the CLO SPEs’ *equity*—distinct from making decisions for the CLO SPEs themselves pursuant to the PMAs. The more credible evidence before the court suggests that the Equity/ALF PMA delegated to the portfolio manager (*i.e.*, the Debtor-Acis) the right to control the terms of any liquidation of collateral in an optional redemption under the terms of the CLO indentures.¹⁵ In any event, shortly before the Bankruptcy Cases were filed, agents of Highland and/or others controlling the Debtor-Acis (including but not limited to Mr. James Dondero—the chief executive officer of both the Debtor-Acis and of Highland): (a) caused the Debtor-Acis to terminate this Equity/ALF PMA (notably, the counter-party to this agreement, the equity owner, would have only been able to terminate it “for cause”¹⁶); and (b) then caused the equity owner to enter into a new Equity PMA with a newly formed offshore entity called Highland HCF Advisor, Ltd. (“Highland HCF”).¹⁷ Mr. Dondero, in addition to being the chief executive of Highland and the Debtor-Acis, also became the president of the newly formed Highland HCF.¹⁸ The Equity/ALF PMA

¹⁴ There were actually different iterations of the Equity/ALF PMA including one dated August 10, 2015, and another dated December 22, 2016.

¹⁵ Transcript 12/18/18 [DE # 804], at pp. 77-78. *See also* Exh. 11 at §§ 5 and 6.

¹⁶ The Equity/ALF PMA provided that the Debtor-Acis could only be removed as portfolio manager “for cause” at § 14(a)-(e). Exh. 11. On the contrary, the Debtor-Acis could terminate the Equity/ALF PMA without cause upon at least ninety (90) days’ notice, pursuant to § 13(a)-(c). Exh. 11.

¹⁷ Exh. 23 (testimony of Scott Ellington), p. 175 (lines 6-25); *see also* Transcript 12/11/18 (AM) [DE # 789], at p. 54 (line 11) through p. 55 (line 5).

¹⁸ *Id.* at p. 266 (lines 1-4).

would have been an executory contract of the Debtor-Acis, pursuant to section 365 of the Bankruptcy Code, if it had not been terminated shortly before the Bankruptcy Cases. The court has heard credible testimony that leads it to conclude that the Equity/ALF PMA would have been assumed by the Debtor-Acis, pursuant to section 365 of the Bankruptcy Code, if not terminated by agents of Highland on the eve of bankruptcy. The court has heard credible testimony that it is important for a portfolio manager to have not only the PMAs with the CLO SPEs themselves, but also with the equity owners of the CLO SPEs.

II. A Few More Basics About CLOs.

In the world of CLOs (like other public debt instruments) there are occasionally redemptions, refinancings, and resets. A redemption is essentially when the equity in the CLO, before maturity, calls for the liquidation of the collateral in the CLO and the repayment of the tranches of notes, so that the CLO comes to an end. A refinancing is when a lower interest rate can be accomplished in the market place on the tranches of debt of the CLO, but the maturity date and other terms remain in place (similar to a refinancing on a home mortgage). This can happen typically after a two-year non-call period. A reset is when the maturity date, the reinvestment period, or other changes in the terms of a CLO (beyond simply interest rate) are accomplished.¹⁹

It should be noted that the top tranche of notes in the CLO SPEs (AAA-rated) is considered the “controlling” class, and a majority of holders in this class can terminate the CLO manager (*i.e.*, the Debtor-Acis LP) for cause on 45 days’ notice, but these folks have apparently been content to ignore the Bankruptcy Cases and the fighting between the Debtor-Acis and

¹⁹ See generally Transcript 2/9/2018 [DE # 26], at p. 74-75.

Highland (as further described below)—no doubt because they are earning their fixed income stream without a hitch. And the bottom tranche of “notes” in the CLO SPEs (the equity) has voting rights and is a capital provider and, in certain ways, controls the CLO SPEs, by virtue of having the ability to make a redemption call after a certain “no-call” period—which would force a liquidation of the basket of loans in the CLO, with the proceeds paying down the tranches of notes, starting at the top with the Triple A’s. But, by virtue of the Equity/ALF PMA, the Debtor-Acis was really acting for the equity. It seems substantially likely to the court that this is why Highland and its agents caused the Debtor-Acis to terminate the Equity/ALF PMA (which, as mentioned above, was an agreement that the equity could have only terminated “for cause”—and it appears there would have been no “cause”).

III. The Non-Insider Creditors.

The Debtor-Acis does not have many creditors. The non-insider creditors are, for the most part, Joshua Terry (“Mr. Terry”) and a few vendors (most of which are law firms).

Mr. Terry commenced the Bankruptcy Cases with the filing of involuntary bankruptcy petitions. Mr. Terry was the human being who formerly, quite successfully served as the portfolio manager for the Debtor-Acis for many years. Mr. Terry was terminated under contentious circumstances on June 9, 2016, after getting into disagreements with Mr. Dondero. Mr. Terry was technically an employee of Highland itself (like all employees are, in the Highland family of companies—no matter which subsidiary or affiliate they work for). After his employment termination, Highland sued Mr. Terry in September 2016. Mr. Terry asserted claims back against Highland and both of the above-referenced Debtors. The litigation was referred to arbitration, and, after a ten-day arbitration trial in September 2017 before “JAMS,” Mr. Terry obtained an Arbitration Award (herein so called), on October 20, 2017, jointly and

severally, against both of the Debtors in the amount of \$7,949,749.15, plus post-award interest at the legal rate. A Final Judgment (the “Terry Judgment”) confirming the Arbitration Award was entered on December 18, 2017, in the same amount as that contained in the Arbitration Award—\$7,949,749.15.

Mr. Terry commenced the Bankruptcy Cases when he became concerned that the Debtor-Acis was being rendered insolvent and unable to pay creditors including himself, due to actions undertaken by Highland and its agents immediately after entry of the Arbitration Award (*e.g.*, transfers of assets, contracts, and business away from the Debtor-Acis).

The Debtor-Acis also is obligated on large administrative expense claims, since: (a) a Chapter 11 Trustee was appointed very early—due to what the bankruptcy court perceived to be massive conflicts of interest with regard to the Debtors’ management; and (b) the Objectors have opposed virtually every action taken by the Chapter 11 Trustee during the Bankruptcy Cases, resulting in many long hearings.

IV. The Objectors (all of which are “Insiders”).

There are no non-insider creditors objecting to the Plan. Mr. Terry supports the Plan. The CLO SPEs and Indenture Trustee do not oppose the Plan. None of the vendors oppose the Plan. The U.S. Trustee is not opposing the Plan. As a technical matter, two impaired classes of creditors voted to accept the Plan.²⁰ ***So who are the Objectors to the Plan (which Plan will be further described below) and what is their party-in-interest status here?***

As earlier mentioned, the Objectors are: (a) Highland, (b) HCLOF Guernsey, and (c) Neutra Cayman. As noted earlier, the Chapter 11 Trustee frequently refers to them collectively as “The Highlands”—but the Objectors do not like this conflation. At one time Highland and

²⁰ Classes 2 and 3. *See* Exh. 613.

HCLOF Guernsey had the same lawyers. They do not anymore. However, they frequently file joint pleadings and take the same positions. Highland and Neutra Cayman do still have the same lawyers.

1. Highland.

Highland is a Dallas, Texas-based company that is a Registered Investment Advisor. Highland was founded in 1993 by Mr. Dondero, originally with a 75% ownership interest, and Mark K. Akada (“Mr. Akada”), originally with a 25% ownership interest. As mentioned earlier, Mr. Dondero is the chief executive of Highland. Highland, through its organizational structure of approximately 2,000 separate business entities, manages approximately \$14-\$15 billion of investor capital in vehicles including CLOs, private equity funds, and mutual funds. Highland provides employees to entities in the organizational structure, such as it did with the Debtor-Acis, through the mechanism of shared services agreements and sub-advisory agreements (as mentioned above). ***Notably, Highland’s chief executive, Mr. Dondero, served as the President of the Debtor-Acis at all relevant times prepetition.***²¹ Highland claims to be a large creditor of the Debtor-Acis for services provided to the Debtor-Acis under the Shared Services Agreement and the Sub-Advisory Agreement. The Chapter 11 Trustee disputes these claims and has asserted numerous claims back against Highland in an adversary proceeding (the “Highland Entities Adversary Proceeding”).

In any event, Highland is a ***disputed insider creditor***. It is an “insider,” as contemplated by Bankruptcy Code section 101(31)(C), because it, beyond any shadow of a doubt, controlled the Debtor-Acis until these Bankruptcy Cases developed to the point of having a Chapter 11

²¹ One witness, Hunter Covitz, referred to the Debtor-Acis as the “structured credit arm of Highland.” Transcript 12/13/18 (AM) [DE # 793], at p. 57.

Trustee take charge of the Debtor-Acis. Highland does not seem to dispute that it is an insider.²² But, for the avoidance of doubt, Highland should be considered an insider of the Debtor-Acis for at least the following reasons: (a) the same human being (Mr. Dondero) was president of the Debtor-Acis and was the chief executive of Highland; (b) Highland's General Counsel, Scott Ellington, testified that Mr. Dondero controlled them both;²³ and (c) Highland provided the Debtor-Acis with employees and management services pursuant to the Sub-Advisory Agreement and Shared Services Agreement.²⁴

Additionally, the court believes that the Chapter 11 Trustee made a convincing argument in connection with Plan confirmation (and his justification for the separate classification of Highland's claim in the Plan from other general unsecured creditors) that Highland should also be regarded as a "competitor" of the Debtor-Acis at this juncture, since they are both in the fund management business and Highland's control over the Debtor-Acis has now been divested. Highland's competitor status, in addition to its insider status, warrants additional scrutiny of its

²² Under section 101(31) of the Bankruptcy Code, an insider includes certain enumerated parties, such as an officer of the debtor, affiliate, *etc.* Further, the list of enumerated "insiders" is not exclusive or exhaustive. *See Wilson v. Huffman (In re Missionary Baptist Foundation of Am., Inc.)*, 712 F.2d 206, 210 (5th Cir. 1983). Recently, the United States Supreme Court stated: "Courts have additionally recognized as insiders some persons not on that [101(31)] list—commonly known as 'nonstatutory insiders.' The conferral of that status often turns on whether the person's transactions with the debtor (or another of its insiders) were at arm's length." *U.S. Bank N.A. v. Vill. at Lakeridge, LLC*, 138 S. Ct. 960, 963 (2018). The Fifth Circuit has noted that "cases which have considered whether insider status exists generally have focused on two factors in making that determination: (1) the closeness of the relationship between the parties and (2) whether the transaction . . . [was] conducted at arm's length." *Browning Interests v. Allison (In re Holloway)*, 955 F.2d 1008, 1011 (5th Cir. 1992).

²³ *E.g.*, Exh. 23, at pp. 160 (line 15) through 161 (line 4); p. 196 (lines 14-19); p. 219 (lines 1-21).

²⁴ *See* 11 U.S.C. §§ 101(2)(D); (31)(C)(5). The court notes that, although Highland has, from time to time, alleged that Mr. Terry is a "non-statutory insider" of the Trustee, it has never put on any credible evidence to support this contention.

motivations in objecting to the Plan. More importantly, it provides a sound legal and business justification for separately classifying its claim in the Plan.

2. HCLOF Guernsey.

The second Objector, HCLOF Guernsey, is an entity formed in the island nation of Guernsey. It has two allegedly independent Directors from Guernsey who have provided testimony in connection with confirmation of the Plan. It was enormously clear to the court (as will be elaborated upon below) that the two Directors of HCLOF Guernsey are—stated in the kindest way possible—mere “figureheads” for HCLOF Guernsey and they defer to Highland *entirely* to tell them what to do, what to say, and when. In any event, HCLOF Guernsey is the owner of the equity in the CLO SPEs (as earlier mentioned, this equity is sometimes referred to as the “subordinated notes” in the CLO SPEs). According to HCLOF Guernsey's 2017 Annual Report and Audited Financials, all of its subordinated notes issued by the Acis CLOs are physically held at and are pledged to HCLOF Guernsey's lender, NexBank, which happens to be a Dallas bank that is an affiliate of Highland.²⁵ HCLOF Guernsey was created in the year 2015 and was formerly known as “ALF.”²⁶ Its name was changed on October 30, 2017 (ten days after Mr. Terry's Arbitration Award was entered), to allegedly distance itself from the Debtor-Acis. The equity owner HCLOF Guernsey, in turn, has three equity owners: (i) a 49% equity owner that is a charitable fund (*i.e.*, a donor advised fund or “DAF”) that was seeded with contributions from **Highland**, is managed/advised by **Highland**, and whose *independent trustee is a long-time friend of Highland's chief executive officer, Mr. Dondero*; (ii) 2% is owned by **Highland employees**; and (iii) a 49% equity owner that is a third-party institutional investor based in

²⁵ Exh. 647.

²⁶ “ALF” is short-hand for Acis Loan Funding, Ltd.

Boston, Massachusetts that only recently invested in HCLOF Guernsey (*i.e.*, in November 2017, just after the Terry Arbitration Award was issued), and desires to remain passive and anonymous (hereinafter, the “Passive Investor”).²⁷ Notably, the Debtor-Acis itself owned a small percentage of HCLOF Guernsey, in addition to providing management services to it, until October 24, 2017 (four days after the Terry Arbitration Award was issued).

The court has allowed HCLOF Guernsey to vigorously participate in the confirmation hearing (and other hearings during the Bankruptcy Cases), although its party-in-interest status has been questionable. So how is HCLOF Guernsey a party-in-interest? The answer is a bit of a stretch—but the court has decided it is impacted by the Plan, so it should have the right to object. Its party-in-interest status has evolved during the Bankruptcy Cases.

First, early on in these Bankruptcy Cases, HCLOF Guernsey (together with Highland) sued the Chapter 11 Trustee in the above-mentioned “Highland Entities Adversary Proceeding”—mostly, if not entirely, seeking injunctive relief. At that point, the Chapter 11 Trustee treated HCLOF Guernsey as a disputed creditor,²⁸ since it was seeking equitable relief that could arguably be monetized.²⁹ However, HCLOF Guernsey subsequently withdrew its requests for relief in that Highland Entities Adversary Proceeding. But then, the Chapter 11 Trustee subsequently filed claims *against* HCLOF Guernsey in the Highland Entities Adversary Proceeding (along with his claims against Highland and a couple of other Highland entities) asserting avoidance actions and other causes of action against HCLOF Guernsey (among other

²⁷ The testimony was that the Passive Investor committed to a \$150 million investment (\$75 million immediately and \$75 million callable over the next several years).

²⁸ In fact, on August 15, 2018, the Chapter 11 Trustee filed a proof of claim on behalf of HCLOF Guernsey. HCLOF Guernsey has since objected to the proof of claim.

²⁹ See 11 U.S.C. §§ 101(5)(B) & 101(10).

things, the Chapter 11 Trustee alleged that HCLOF Guernsey schemed with Highland to terminate the Equity/ALF PMA, in a step toward systematically dismantling the Debtor-Acis of its value). Thus, HCLOF Guernsey may ultimately owe money to this estate. But most importantly, HCLOF Guernsey should be deemed a party-in-interest because of a proposed temporary injunction in the Plan that essentially would enjoin (for a finite, defined period) HCLOF Guernsey from exercising certain of its rights with regard to its equity in the CLO SPEs, pending resolution of the Highland Entities Adversary Proceeding. This temporary injunction in the Plan, directed towards HCLOF Guernsey and affiliates, will be further described below.

3. Neutra Cayman.

Neutra Cayman is a Cayman island exempted company that is the equity owner *of the Debtor-Acis itself* (in contrast to HCLOF Guernsey, which only owns equity in the CLO SPEs). Neutra Cayman only acquired its equity interest in the Debtor-Acis the day after the Terry Judgment was entered (on December 18, 2017), and for no consideration, from the Dugaboy Investment Trust (a family trust on which Mr. Dondero's sister is named trustee, that previously owned 74.9% of the Debtor-Acis) and from Mr. Akada (who previously owned 25% of the Debtor-Acis).³⁰ The court concludes that Neutra Cayman has standing to object to the Plan,

³⁰ The court is repeatedly referring to the Debtor-Acis but, to be clear, there are two consolidated Debtors: Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP/LLC"). See note 2, *supra*. When Acis LP was first formed, it was owned by one general partner (Acis GP/LLC, with a .1% interest) and it had three limited partners: (a) the Dugaboy Investment Trust (a Dondero family trust of which either Mr. Dondero or his sister, Nancy Dondero, have been the trustee at all relevant times) with a 59.9% interest; (b) Mr. Terry with a 25% interest; and (c) Mr. Akada with a 15% interest. When Acis GP/LLC was formed (*i.e.*, the .1% owner of Acis LP), its sole member was the Dugaboy Investment Trust. After Mr. Terry was terminated by Highland, his 25% limited partnership interest in Acis LP was forfeited and divided among the two remaining limited partners: Mr. Akada (increasing his interest by 10% up to 25%), and the Dugaboy Investment Trust (increasing its interest by 15% up to 74.9%). But, most importantly, on the day after entry of Mr. Terry's Final Judgment (*i.e.*, on December 18, 2017), both Mr. Akada and the Dugaboy Investment Trust conveyed their entire limited partnership interests in Acis LP—25% and 74.9%, respectively—to Neutra Cayman. The Dugaboy Investment Trust also conveyed its 100% membership interest in Acis GP/LLC to Neutra Cayman.

The Plan is fairly simple, considering the complexity of the business and the relationships, and the contentiousness of the Bankruptcy Cases. Again, there aren't many creditors.

Mr. Terry (again, the former human manager of the Debtor-Acis and also the largest creditor) shall receive 100% of the equity interests in the Reorganized Debtor, in exchange for a negotiated \$1 million reduction in his partially secured claim.³³ The remainder of his claim will

³³ Mr. Terry has asserted partial secured status as to his claim in the proofs of claim he has filed in these cases. The Chapter 11 Trustee credibly testified that there was no other logical party to take the equity of

be treated as an unsecured claim. Each unsecured creditor will receive on the Plan Effective Date an unsecured cash flow note in the full amount of its claim, which notes will mature three years after the Effective Date of the Plan, with equal quarterly payments of principal and interest, at 5% interest per annum. These cash flow notes are expected to yield payment in full (actually 102%) to the unsecured creditors.³⁴

As for the sub-advisory and shared services agreements with Highland, as noted earlier, the Chapter 11 Trustee, with bankruptcy court approval, has already (as of August 2018) rejected these during the Bankruptcy Cases, pursuant to section 365 of the Bankruptcy Code. The Chapter 11 Trustee caused the Debtor-Acis to subsequently contract, with bankruptcy court approval, with a different entity, Brigade Capital Management, L.P. (“Brigade”), to provide the sub-advisory and shared services going forward, for a minimum two-year term (unless the Reorganized Debtor and Brigade otherwise agree), at a much cheaper cost than Highland.³⁵ Thus, Brigade will provide sub-servicing and sub-advisory services to the Reorganized Debtor.

the Reorganized Debtor, at this juncture, and that he had negotiated this reduction to Mr. Terry’s secured claim, and he thought it was justified by the circumstances of this case. While the Objectors have argued that the secured status of Mr. Terry’s claim may be subject to challenge under section 547(b) of the Bankruptcy Code, section 547(b) is discretionary (*e.g.*, a “trustee may avoid any transfer” that might be avoidable as a preference). The Chapter 11 Trustee credibly emphasized that this was negotiated treatment of an asserted secured claim, and he had no “exclusivity” on proposing a plan if someone else had wanted to propose something different. Transcript 12/11/18 (AM) [DE # 789], at p. 70 (line 3) through p. 71 (line 2).

³⁴ Insider claims—namely Highland—are separately classified from general unsecured claims under the Plan. To the extent such claims are ultimately allowed (after any allowed defenses and offsets), and to the extent such claims are not equitably subordinated by Bankruptcy Court adjudication, these claims will receive the same treatment as other general unsecured claims (cash flow notes). To the extent any of these claims are ultimately allowed but equitably subordinated, they will receive subordinated promissory notes, accruing interest at 5% per annum, that will not be payable until all non-subordinated claims have been paid in full (they will have maturity dates to occur on the earlier of: (i) the date that is two years after the date all Unsecured Cash Flow Notes have been paid in full, or (ii) five years after the Effective Date). The expected recovery under the Plan for the insider claims is from 65% to 100%.

³⁵ An entity named Cortland Capital Markets Services LLC (“Cortland”) is actually providing some of the back-office shared services agreement type functions.

As for the Equity/ALF PMA, it is not an agreement with the Debtor-Acis anymore to either be assumed or rejected, pursuant to section 365. However, in the Highland Entities Adversary Proceeding, the Chapter 11 Trustee seeks to avoid the termination of the Equity/ALF PMA. Pursuant to the Plan, the Reorganized Debtor will be vested with certain Assets of the Debtors, including Estate Claims and Estate Defenses, to be administered and liquidated by the Reorganized Debtor.

1. The Highland Entities Adversary Proceeding (Adv. Proc. No. 18-03212).

Suffice it to say that the Highland Entities Adversary Proceeding is a somewhat significant part of the Plan; it is what justifies the temporary injunction that is a critical part of the Plan. With regard to the Highland Entities Adversary Proceeding, the Defendants in it (there are five of them) are: (i) Highland; (ii) HCLOF Guernsey; (iii) Highland HCF (*i.e.*, the Cayman Island entity that was recently formed to essentially replace the Debtor-Acis under the Equity/ALF PMA); (iv) Highland CLO Management, Ltd. (“Highland Management”) (an entity registered in the Cayman Islands on October 27, 2017—seven days after Mr. Terry’s Arbitration Award); and (v) Highland CLO Holdings, Ltd. (yet another entity incorporated in the Cayman Island on October 27, 2017). The Highland Entities Adversary Proceeding is essentially a multi-faceted fraudulent transfer action. The statutory predicates for the relief sought are sections 502, 542, 544, 547, 548, and 550 of the Bankruptcy Code and Texas Business & Commerce Code § 24.001 et seq. (“TUFTA”).

Distilled to its essence, the Highland Entities Adversary Proceeding argues that Highland, along with its related Co-Defendants, *orchestrated a systematic transfer of value away from the Debtor-Acis to other Highland entities* (all of those transferee-entities are offshore entities—whereas the Debtor-Acis is a Delaware entity), beginning almost immediately after Mr. Terry

was terminated in June 2016, and continuing on during Mr. Terry's litigation/arbitration with the Debtor-Acis, and then rapidly unfolding after the Arbitration Award. This was allegedly done to denude the Debtor-Acis of value and make the Debtors "judgment proof." This was allegedly also done to ensure that the Debtor-Acis's very valuable business as portfolio manager would be taken over by other Highland entities and remain under Highland's and Mr. Dondero's control.³⁶

The evidence is rather startling on this point. Among other things, pursuant to amendments made to the Debtor-Acis's Sub-Advisory Agreement and Shared Services Agreements with Highland, starting soon after Mr. Terry was terminated, the fees owed by the Debtor-Acis to Highland under these agreements shot up to an enormously higher level. Then, in April 2017, a new CLO was issued (or actually a former Acis CLO was reset) and a new Highland-affiliated Cayman Island entity was ultimately put in place to manage it instead of the Debtor-Acis (even though the Debtor-Acis managed all other CLOs in the Highland corporate empire). Numerous other transactions were undertaken through the Fall of 2017, removing assets and agreements away from the Debtor-Acis. For example, a multi-million dollar note receivable owed to the Debtor-Acis by Highland was transferred out of the Debtor-Acis,³⁷ and

³⁶ Exh. 627.

³⁷ On November 3, 2017, the Debtor-Acis, Highland, and Highland Management (a newly created, offshore Highland affiliate) entered into that certain Agreement for Assignment and Transfer of Promissory Note (the "Note Assignment and Transfer Agreement"). Exh. 225. The Note Assignment and Transfer Agreement, among other things, transferred a \$9.5 million principal amount promissory note executed by Highland and payable to the Debtor-Acis (the "Note"), Exh. 218, from the Debtor-Acis to Highland Management (the "Note Transfer"). The Assignment and Transfer Agreement memorializing this transaction is signed by Mr. Dondero for the Debtor-Acis. The document recites that (i) Highland is no longer willing to continue providing support services to the Debtor-Acis, (ii) the Debtor-Acis, therefore, can no longer fulfill its duties as a collateral manager, and (iii) Highland Management agrees to step into the collateral manager role if the Debtor-Acis will assign the Note to it. Notably, Highland Management was registered in the Cayman Islands on October 27, 2017, roughly a week before the Note Transfer. Thus, Highland Management had no portfolio or collateral management experience whatsoever when it entered the Assignment and Transfer Agreement. To the contrary, it appears Highland Management was an entity that was created specifically to hold the Note and eventually take possession of the CLO PMAs in an international forum that would be difficult for Mr. Terry to reach. The Debtor-

shares in HCLOF Guernsey held by the Debtor-Acis were sold back to HCLOF Guernsey (four days after the Arbitration Award). And then the Equity/ALF PMA was terminated so that the Debtor-Acis would no longer have management-control over HCLOF Guernsey as its portfolio manager—arguably putting Highland in a position to liquidate the Acis CLOs and put the Debtor-Acis out of business. Specifically, on October 27, 2017, just seven days after Mr. Terry's Arbitration Award, the Debtor-Acis ostensibly terminated its own portfolio management rights under the Equity/ALF PMA³⁸ and transferred its authority and its valuable portfolio management rights—for no value—to Highland HCF, an affiliate of Highland. It appears that the only alleged consideration for these transfers, to the extent there was any, was the satisfaction of purported debts owed to other Highland entities or their representatives.

Acis appears to have received no or insufficient consideration for the Note Transfer. The primary consideration for the Note Transfer was an alleged payable due from the Debtor-Acis to Highland in the approximate amount of \$7.5 million for participation fees, which was transferred to Highland Management shortly before the Note Assignment and Transfer Agreement was entered. The validity of the alleged “participation fees” is unknown. The remainder of the consideration for the Note Transfer is a promise to pay certain expenses of the Debtor-Acis, which has apparently never occurred. In any event, it appears highly likely that the Note Transfer took away the Note as an asset from which Mr. Terry could collect his judgment.

³⁸ As mentioned earlier, the Equity/ALF PMA provided that the Debtor-Acis could only be removed as portfolio manager by the equity owner (now known as HCLOF Guernsey) “*for cause*” at § 14(a)-(e). Exh. 11. Meanwhile, the Debtor-Acis could terminate the Equity/ALF PMA without cause upon at least ninety (90) days’ notice, pursuant to § 13(a)-(c). Exh. 11. It would appear that these terms were wholly ignored by the persons orchestrating the Equity/ALF PMA termination. It appears that the Debtor-Acis was simply manipulated to consent and agree to its removal and replacement as portfolio manager of HCLOF Guernsey. This transfer of the Debtor-Acis's portfolio management rights to the offshore entity Highland HCF was accomplished by way of a new portfolio management agreement entered into by the equity owner (now known as HCLOF Guernsey) and Highland HCF on October 27, 2017, which empowered Highland HCF with the same broad authority to direct the management of HCLOF Guernsey as was previously held by the Debtor-Acis LP under the Equity/ALF PMA. See Exh. 19, October 27, 2017 PMA §§ 1 & 5(a)-(q). This agreement appears to have been further solidified in a second portfolio management agreement dated November 15, 2017. Exh. 215. The Debtor-Acis received no consideration for this transfer.

The Highland Defendants argue that the Equity/ALF PMA (its termination being arguably the most significant transfer referenced in the Highland Entities Adversary Proceeding) did not have value. But the evidence convinces the court that it absolutely did. A witness, Mr. Zachary Alpern, credibly testified that the portfolio manager (under the Equity/ALF PMA) made decisions regarding the underlying financial instruments including seeking an optional redemption and negotiating a reset. Mr. Alpern also credibly testified about the importance, in the CLO industry, of the portfolio manager having control of a CLO's equity to ensure an "evergreen fee stream."³⁹ Additionally, Mr. Terry also credibly testified that the portfolio manager (not the CLO equity interest holder) has the right to control the terms of the liquidation of collateral in an optional redemption under the terms of the indentures.⁴⁰ The Chapter 11 Trustee also credibly testified that the Equity/ALF PMA allowed the Debtor-Acis to have control of an optional redemption.⁴¹ Finally, a witness, Mr. Klein, credibly testified about the value of the Equity/ALF PMA and the negative impact of its transfer on the Debtor-Acis LP.⁴²

To be clear, Highland and HCLOF Guernsey have argued in opposition to the Chapter 11 Trustee's position that it is HCLOF Guernsey—the actual equity holder of the CLO SPEs—that had/has the absolute power and authority to control the CLO SPEs' destinies and it is ludicrous to suggest otherwise. However, not only does the Equity/ALF PMA appear to this court to have delegated the relevant power and authority *to the Debtor-Acis*, but Highland's own expert on this

³⁹ Exh. 404, Transcript 8/23/18 (AM) at pp. 65-67, 81-93 and Transcript 8/23/18 (PM) at pp. 34-35, 38-40, 46, and 49.

⁴⁰ Transcript 12/18/18 [DE # 804], at pp. 77-78. *See also* Exh. 405, Transcript 8/27/18 (AM) at pp. 63-75.

⁴¹ Exh. 405, Transcript 8/27/18 (AM) at p. 53.

⁴² Exh. 405, Transcript 8/27/18 (PM) at pp. 143-144, 147-159 and 205-207.

topic, Mr. Castro, testified that the “actual humans” who would make the decision for HCLOF Guernsey as to whether to request an optional redemption of the Acis CLOs were not the HCLOF Guernsey directors but, rather, Highland executives Mr. Dondero, Mr. Okada, and Highland employee Mr. Covitz (acting for Highland HCF).⁴³ Moreover, Mr. Alpern credibly testified that, before the Terry Arbitration Award, the Debtor-Acis, as the portfolio manager under the Equity/ALF PMA, rather than the HCLOF Guernsey’s directors, issued the notices of optional redemption for HCLOF Guernsey.⁴⁴

The court concludes that the Chapter 11 Trustee has demonstrated a likelihood of success on the merits with regard to his claims set forth in the Highland Entities Adversary Proceeding. Therefore, the Temporary Injunction that is part of the Plan is supportable (as further explained below). Of course, the nature and extent of the rights ultimately recovered by the Debtor-Acis will either be determined in the Highland Entities Adversary Proceeding or, as HCLOF Guernsey’s own Guernsey expert conceded, in a binding arbitration in Dallas, Texas under the terms of the Equity/ALF PMA.⁴⁵

2. The Plan Injunction.

The most controversial aspect of the Plan—the aspect of it that seems to be the primary focus of the Objectors—is a *portion* of an injunction in the Plan (the “Temporary Injunction”). The Temporary Injunction would *temporarily* enjoin the following parties *from effectuating an optional redemption or liquidating the Acis CLOs* and related actions: (i) Highland; (ii) HCLOF

⁴³ Exh. 406, Transcript 8/28/18 (PM) at pp. 61-63.

⁴⁴ Exh. 404, Transcript 8/23/18 (AM) at pp. 85-89 and Exhs. 323-325 (Notices of Optional Redemption signed by the Debtor-Acis as portfolio manager of HCLOF).

⁴⁵ Transcript 12/13/18 (PM) [DE #794], at pp. 116, 118-19, 122, 124 (Corfield); *see also*, p. 140 (McGuffin).

Guernsey; (iii) CLO Holdco, Ltd. (the donor advised fund, seeded with Highland contributions and managed by Highland that owns 49% of HCLOF Guernsey); (iv) Neutra Cayman; (v) Highland HCF (the Cayman Island entity created shortly before the Bankruptcy Cases to replace the Debtor-Acis under the Equity/ALF PMA); (vi) Highland Management (the Highland-created entity that entered into a portfolio management agreement with a new Acis-CLO that was established in 2017); and (vii) any affiliates of Highland and their respective employees, agents, representatives, transferees, assigns, and successors.⁴⁶ This Temporary Injunction is proposed to only last until the earlier of when: (a) the creditors of the Debtors are paid in full; (b) resolution of the Highland Entities Adversary Proceeding; (c) a material breach in the Plan; or (d) the bankruptcy court terminates the Temporary Injunction upon request of a party-in-interest. ***Fully consensual resets of the Acis CLOs are permissible if HCLOF Guernsey, as the equity owner in the CLO SPEs, chooses to agree to resets.*** The basis for the Temporary Injunction is as follows: The Chapter 11 Trustee has asserted numerous claims in the Highland Entities Adversary Proceeding against Highland, HCLOF Guernsey, and affiliates, including claims to recover the Debtor-Acis's rights under the Equity/ALF PMA.⁴⁷ The Temporary Plan Injunction essentially provides for the continuation, after the Effective Date, of injunctive relief that the bankruptcy court previously granted in its Preliminary Injunction Order (the "Preliminary Injunction") [DE # 21 in Adversary No. 18-03212-sgj] entered on July 10, 2018 in the Highland Entities Adversary Proceeding. The Preliminary Injunction was originally set to expire by its

⁴⁶ There is another portion of this Plan injunction that is more of a general plan injunction (*i.e.*, very typical) that would prohibit actions against the Debtors, Reorganized Debtor and the Estate Assets, based on acts occurring before the Effective Date, which would be permanent and would not expire upon the occurrence of any event that causes the Temporary Plan Injunction to expire.

⁴⁷ See Exh. 627, Trustee's Counterclaims and Claim Objection.

is very important because it protects the revenues under the Acis PMAs, which is a source of potential recovery to creditors under the Plan.⁵² Mr. Terry credibly testified that the Temporary Plan Injunction is a critical component of the Plan and that the Debtor-Acis would have no going concern value without it. In fact, without the Plan Injunction, Mr. Terry will be precluded from reorganizing the business and paying creditors.⁵³

The Objectors have argued that the Chapter 11 Trustee cannot suffer irreparable harm because he has an adequate remedy at law. This argument misses the mark. The destruction of the Debtors' ongoing business, which has the potential to repay creditors under the Plan in two years, constitutes irreparable harm. The fact that the estate possesses a number of avoidance claims for damages against Highland and its affiliates, and could potentially obtain damages on such claims, does not render the destruction of the Debtor-Acis's ongoing business any less harmful. Indeed, according to the Fifth Circuit:

[T]he mere fact that economic damages may be available does not always mean that a remedy at law is 'adequate.' For example, some courts have found that a remedy at law is inadequate if legal redress may be obtained only by pursuing a multiplicity of actions.⁵⁴

Likelihood of Success on the Merits. The Chapter 11 Trustee has also demonstrated a likelihood of succeeding on the merits in the Highland Entities Adversary Proceeding.

⁵² Transcript 12/11/18 (AM) [DE # 789], at pp. 71-72.

⁵³ Transcript 12/12/18 (AM) [DE # 791], at pp. 40-41, 54-55.

⁵⁴ *Janvey v. Alguire*, 647 F.3d 585, 600 (5th Cir. 2011) (citing *Lee v. Bickell*, 292 U.S. 415, 421 (1934) ("we are not in doubt, the multiplicity of actions necessary for redress at law [is] sufficient . . . to uphold the remedy by injunction.")).

The record contains substantial evidence of both intentional and constructive fraudulent transfers with regard to the Equity/ALF PMA and other assets.⁵⁵ The numerous prepetition transfers that occurred around the time of and after the Terry Arbitration Award appear more likely than not to have been made to deprive the Debtor-Acis of value and with actual intent to hinder, delay or defraud the Debtors' creditors. Highland's only purported business justifications for the prepetition transfers were that the Passive Investor demanded it and that the Debtor-Acis's brand was toxic in the market place.⁵⁶ However, these business justifications were not supported (and, in fact, were contradicted) by the evidence.

Indeed, while representatives of Highland and its affiliates said that the Passive Investor's demands were the reason for the termination (*i.e.*, essentially a "transfer") of the Equity/ALF PMA, the Passive Investor's representative testified that this was untrue and that these alleged demands were never made by the Passive Investor.⁵⁷ In fact, the Passive Investor was just that—a passive, minority investor in HCLOF Guernsey with no ability to influence or control any of

⁵⁵ *E.g.*, Exh. 22, Transcript 2/6/18 at pp. 82-109, 130, 202-244, and the exhibits discussed therein; Exh. 201, Transcript 3/21/18 at pp. 110-133 & 186-191; Exh. 24, Transcript 3/22/18 at pp. 71-75 & pp. 204-205; Transcript 12/11/18 [DE # 789], at pp. 52-56; *see also* Transcript 8/27/18 (AM) [DE # 552], at p. 52; Transcript 12/12/18 (PM) [DE # 792], at pp. 92-98;

⁵⁶ Highland General Counsel Scott Ellington testified that the Passive Investor said it had no interest in doing business with the Debtor-Acis because the Debtor-Acis brand was purportedly toxic and, consequently, nothing associated with the Debtor-Acis could be managed or marketed as a CLO. Exh. 23, Transcript 2/7/18 at pp. 55-58. Mr. Ellington further testified that the Passive Investor demanded that the Equity/ALF PMA be transferred. Exh. 23, Transcript 2/7/18 at pp. 203-204. Mr. Ellington also testified that, because the Passive Investor would be putting in additional capital in connection with any reset CLOs, it had the ability to "start calling the shots" and dictate the terms of any reset transactions. Exh. 23, Transcript 2/7/18 at p. 226. Additionally, Highland executive Mark Okada testified that a reset transaction could not be performed by the Debtor-Acis because the market would not accept the Debtor-Acis as a portfolio manager and the Debtor-Acis was no longer risk-retention compliant. Exh. 25, Transcript 3/23/18 at p. 53. Additionally, Mr. Dondero testified that the "Boston investor" deal was contingent on getting away from the Debtor-Acis and getting a new collateral manager. Exh. 25, Transcript 3/23/18 at pp. 143-144.

⁵⁷ *See* Exh. 720 and excerpts read in to the trial record on 12/11/18 (PM) at pp. 149-157.

the actual investment decisions.⁵⁸ The only other business justification Highland and HCLOF Guernsey have suggested for the prepetition transfers was that the Debtor-Acis “was a shell” and not capable of being risk retention compliant.⁵⁹ However, Highland portfolio manager Hunter Covitz testified that in October 2017, prior to the Terry Arbitration Award, there was a structure in place that would comply with risk retention.⁶⁰ Mr. Covitz could not convincingly distinguish why the “shell” status of the Debtor-Acis was distinguishable from the “shell” status of other Highland-related entities that were the recipients of various fraudulent transfers.⁶¹ Mr. Covitz also subsequently admitted that the Passive Investor did not request that the Debtor-Acis end its involvement with HCLOF Guernsey through the Equity/ALF PMA fraudulent transfer or request that ALF change its name to HCLOF [Guernsey].⁶² Mr. Covitz’s testimony contradicted the testimony provided by Scott Ellington, General Counsel⁶³ and Mr. Dondero.⁶⁴ And, at bottom, if the Debtor-Acis was a thinly capitalized “shell,” it appears to be only because Highland systematically made it that way after the Terry Arbitration Award.

The evidence established overwhelmingly that there is a substantial likelihood that the transfers were part of an intentional scheme to keep assets away from Mr. Terry as a creditor. Highland put on an expert, Mr. Greenspan, who testified that he did not consider whether the

⁵⁸ Exh. 720, Depo. of Passive Investor representative at pp. 32-33.

⁵⁹ Transcript 12/13/18 (AM) [DE # 793], at pp. 55-58.

⁶⁰ Transcript 12/13/18 (AM) [DE # 793], at pp. 77-78.

⁶¹ Transcript 12/13/18 (AM) [DE # 793], at p. 78; Transcript 12/18/18 [DE # 804], at pp. 59-63.

⁶² Transcript 12/13/18 (AM) [DE # 793], at p. 103.

⁶³ See Exh. 23, Transcript 2/7/18 at pp. 177-178.

⁶⁴ See Ex. 25, Transcript 3/23/18 at pp. 143-44.

Equity/ALF PMA transfer was an “actual” fraudulent transfer, but only considered whether the transfer was “constructively” fraudulent.⁶⁵ While Highland has taken the position that termination of the Equity/ALF PMA was not a transfer, Mr. Greenspan testified that the termination of a contract can constitute a transfer and acknowledged that the definition of a transfer in the Bankruptcy Code does not include a value component.⁶⁶

Balance of Harms. The Chapter 11 Trustee has also shown the balance of harms weighs in his and the estates’ favor in granting the Plan’s Temporary Injunction. The Chapter 11 Trustee is entitled to the Temporary Injunction pending resolution of the claims asserted in the Highland Entities Adversary Proceeding. The Chapter 11 Trustee credibly testified that the Temporary Plan Injunction is important to the Plan, because it allows the cash flow from the CLO management to be collected by the Reorganized Debtor, and that is the source of revenue available at this time to pay creditors.⁶⁷ Mr. Terry also credibly testified that the Temporary Plan Injunction is a critical component of the Plan necessary to preserve the Debtors’ going concern value and allow the Reorganized Debtor to generate new business and repay creditors.⁶⁸ Conversely, in this court’s view, there is no real harm to Highland or the Co-Defendants because they can ask for a reset under the Plan.⁶⁹ Mr. Scott, a director of HCLOF Guernsey, testified that

⁶⁵ Transcript 12/12/18 (PM) [DE # 792], at pp. 116-117 and 161.

⁶⁶ Transcript 12/12/18 (PM) [DE # 792], at pp. 92-98. Section 548(a)(1)(A) of the Bankruptcy Code only requires that a transfer be made with actual intent to hinder, delay or defraud creditors. In the context of an intentionally fraudulent transfer claim, questions of value are immaterial. 11 U.S.C. § 548(a)(1)(A). The definition of “transfer” under the Texas Uniform Fraudulent Transfer Act (“TUFTA”) also does not include a value component. Tex. Bus. & Comm. Code Ann. § 24.002(12) (West, Westlaw through 2017).

⁶⁷ Transcript 12/11/18 (AM) [DE # 789], at pp. 71-72.

⁶⁸ Transcript 12/12/18 (AM) [DE # 791], at pp. 40-41, 54-55.

⁶⁹ Transcript 12/11/18 (AM) [DE # 792], at p. 92.

HCLOF Guernsey can sell its interest in the subordinated notes in the market.⁷⁰ The Chapter 11 Trustee credibly testified that the Temporary Plan Injunction would not impair the value of the subordinated notes because a rational investor would not want to liquidate the Acis CLOs, but rather would acquire them to do a reset under the Plan.⁷¹ Mr. Terry credibly testified that even if the Acis CLOs are not reset, it still does not make sense to redeem the Acis CLOs.⁷²

Public Interest. Finally, issuance of the Plan Injunction is consistent with public policy. Public policy favors the equitable collecting of a debtor's assets, maximizing the value of those assets, and distributing the proceeds in an orderly fashion in accordance with the priorities and safeguards set forth in the Bankruptcy Code, rather than in an uncontrolled, piecemeal, and potentially wasteful way. Public policy also supports successful reorganizations.⁷³ The public interest is furthered by confirming a plan that saves the Debtor-Acis's business operations and allows it to pay its creditors under a successful plan of reorganization. The public interest is also furthered by maintaining the status quo through the Temporary Plan Injunction so that the avoidance action relating to the Equity ALF PMA can be determined on its merits. The public interest is not furthered by allowing potential wrongdoers to complete the last step in what appears likely to have been a scheme to strip the Debtor-Acis of its assets, steal its business, and leave it unable to pay creditors. The public interest is not furthered by leaving the Debtors

⁷⁰ Exh. 721, Mr. Scott Depo. at p. 28.

⁷¹ Transcript 12/11/18 (PM) [DE # 790], at pp. 23-24.

⁷² Transcript 12/12/18 (AM) [DE #791], at p. 82.

⁷³ *Tex. Comptroller of Pub. Accounts v. Transtexas Gas Corp. (In re Transtexas Gas Corp.)*, 303 F.3d 571, 580 (5th Cir. 2002).

without sufficient resources to pursue and effectively litigate potentially valuable causes of action.

In sum, the court finds and concludes that the proposed Plan injunction (including the Temporary Injunction) is legally permissible and justified under all the circumstances. It is narrowly tailored to address the specific harm to which it is directed and comports with governing case and statutory authority and applicable rules of bankruptcy and civil procedure. The Plan Injunction is consistent with Fifth Circuit precedent.⁷⁴ Such an injunction would not violate section 524(e) of the Bankruptcy Code. That subsection provides that “discharge of a debt of the debtor does not affect the liability of any other entity on, or the property of any other entity for, such debt.”⁷⁵ The Plan Injunction would not affect the liability of any entity, or the liability of any property. The injunction would only temporarily prohibit Highland and its Co-Defendants from exercising one form of economic recourse, thereby preserving the status quo while the Chapter 11 Trustee and/or Reorganized Debtor has a fair opportunity to prosecute the

⁷⁴ The Fifth Circuit, in an unpublished opinion, has recognized the propriety of an injunction to preserve the status quo in cases where equitable relief is sought. *See Animale Group v. Sunny’s Perfume, Inc.*, 256 F. App’x 707, 709 (5th Cir. 2007) (“Because Defendants seek equitable relief, the district court was authorized to preserve the status quo by entering a limited asset freeze.”). The Chapter 11 Trustee’s claims in the Highland Entities Adversary Proceeding to avoid fraudulent transfers seek equitable relief. *See United States ex rel. Rahmen v. Oncology Assocs., P.C.*, 198 F.3d 489, 498 (4th Cir. 1999) (“The complaint’s request to void transfers as fraudulent—a form of rescission—is also an equitable remedy.”); *Dong v. Miller*, No. 16-CV-5836 (NGG) (JO), 2018 U.S. Dist. LEXIS 48506, at *30-31 (E.D.N.Y. Mar. 23, 2018) (“The setting-aside of a fraudulent conveyance is a form of equitable relief.”). *See also Iantosca v. Step Plan Servs.*, 604 F.3d 24, 33 (1st Cir. 2010) (affirming preliminary injunction where creditors had a “colorable claim that appellants’ own supposed interest under the settlement rests upon a fraudulent conveyance”); *Seidel v. Warner (In re Atlas Fin. Mortg., Inc.)*, Adv. No. 13-03222, 2014 Bankr. LEXIS 140 at *10 (Bankr. N.D. Tex. Jan. 14, 2014) (granting preliminary injunction where complaint sought avoidance of fraudulent transfers under the Bankruptcy Code and the Texas Uniform Fraudulent Conveyance Act); *Paradigm Biodevices, Inc. v. Centinel Spine, Inc.*, No. 11 Civ. 3489 (JMF), 2013 U.S. Dist. LEXIS 66858, at *7 (S.D.N.Y. May 9, 2013) (authority to grant preliminary injunction existed because plaintiff alleged not only a legal claim for money damages, but also an equitable claim to avoid fraudulently transferred assets).

⁷⁵ 11 U.S.C. § 524(e).

Highland Entities Adversary Proceeding.⁷⁶ Likewise, the proposed injunction does not contravene any other provision of the Bankruptcy Code or the Bankruptcy Rules.⁷⁷ Finally, the Chapter 11 Trustee's avoidance claim relating to the Equity/ALF PMA transfer under TUFTA also provides a statutory basis for injunctive relief.⁷⁸

3. Feasibility of the Plan—Specific Findings and Conclusions Regarding Mr. Terry and Brigade.

The Objectors have challenged the feasibility of the Plan.⁷⁹ The court finds and concludes that the preponderance of the evidence supported the feasibility of the Plan. Among other things, the Chapter 11 Trustee credibly testified that Mr. Terry has an excellent track record as a portfolio manager, and that there is no reason why Mr. Terry will not be able to obtain new business—that is, new portfolios to manage which will provide additional revenue streams for the Reorganized Debtor.⁸⁰ The evidence was credible and compelling that Mr. Terry

⁷⁶ See *In re Seatco, Inc.*, 259 B.R. 279, 283-84 (Bankr. N.D. Tex. 2001) (approving temporary injunction of suit against nondebtor on guaranty of debt treated in plan).

⁷⁷ Compare *Omni Mfg. v. Smith (In re Smith)*, 21 F.3d 660, 666-67 (5th Cir. 1994) (disapproving injunction extending time to file proof of claim beyond limits set in Bankruptcy Rules 3003(c)(3) and 9006(b)(1)); *Chiasson v. Bingler (In re Oxford Mgmt.)*, 4 F.3d 1329, 1334 (5th Cir. 1993) (disapproving injunction ordering payment that altered distribution scheme set forth in § 726(b)); *Unites States v. Sutton*, 786 F.2d 1305, 1308 (5th Cir. 1986) (disapproving injunction ordering spousal support payments contrary to § 523(a)(5)).

⁷⁸ Tex. Bus. & Comm. Code Ann. § 24.008 (West, Westlaw through 2017) (providing a creditor may obtain “an injunction against further disposition by the debtor or the transferee, or both, of the asset transferred or of other property . . . [or] any other relief the circumstances may require.”). TUFTA’s injunction provision is construed broadly and courts have found that “[a] claim for fraudulent transfer under Texas law contemplates the issuance of a preliminary injunction.” *Sargeant v. Al Saleh*, 512 S.W.3d 399, 413 (Tex. App.—Corpus Christi 2016, no pet.); accord, *Janvey v Alguire*, 647 F.3d 585, 602-03 (5th Cir. 2011).

⁷⁹ 11 U.S.C. § 1129(a)(11).

⁸⁰ Transcript 12/11/18 (AM) [DE # 789], at p. 90 (lines 5-12). Moreover, to the extent there are any gaps, recoveries from the Highland Entities Adversary Proceeding might eventually be available for ongoing operations and payment of creditors.

will be capable of fulfilling the equity owner position in the Reorganized Debtor (stepping in to essentially run the Reorganized Debtor) and will be able to ensure the feasibility of the Plan. He is well qualified to reorganize the Debtor-Acis. Mr. Terry testified that his role with the Reorganized Debtor will be similar to the role he very successfully performed for the Debtor-Acis.⁸¹ The Debtor-Acis received numerous awards during Mr. Terry's service as the portfolio manager of the Acis CLOs.⁸² The arbitration panel that issued the Arbitration Award found that Mr. Terry was terminated for essentially doing the right thing for investors.⁸³ Mr. Terry credibly testified that numerous market participants have expressed an interest in working with the Reorganized Debtor if the Plan is confirmed.⁸⁴

Moreover, the court finds and concludes that Brigade (who stepped in as sub-advisor in place of Highland during the Bankruptcy Cases and is a registered investment advisor) is qualified to serve as a sub-advisor to the Reorganized Acis. Mr. Jared Worman, a portfolio manager for Brigade,⁸⁵ credibly testified that Brigade, founded in the year 2007, currently has \$20 billion of total assets under management, \$5 billion of which consists of six U.S. CLOs, two U.S. CDOs, and three European CLOs.⁸⁶ Mr. Worman credibly testified that Brigade has issued 17 CLOs and has reset or refinanced several of them.⁸⁷ Mr. Worman and Mr. Terry credibly

⁸¹ Transcript 12/11/18 (PM) [DE # 790], at pp. 172-73.

⁸² Transcript 12/11/18 (PM) [DE # 790], at pp. 162-163 and Exh. 752.

⁸³ Transcript 12/11/18 (PM) [DE # 790], at pp. 161-62.

⁸⁴ Transcript 12/12/18 (AM) [DE # 791], at pp. 16-18.

⁸⁵ Mr. Worman has an undergraduate degree from Emory University and an MBA from Wharton.

⁸⁶ Transcript 12/11/18 (PM) [DE # 790], at p. 84.

⁸⁷ Transcript 12/11/18 (PM) [DE # 790], at p. 86.

testified that Brigade is willing to serve as sub-advisor to the Reorganized Acis for fifteen basis points.⁸⁸ Highland attempted to show with evidence and argument that Brigade had made some failed trades since stepping in as sub-advisor to the Acis CLOs and that this perhaps made them unfit to serve in this role. But Mr. Terry credibly testified that the fact that a few failed trades were made by Brigade does not make them unfit to serve as sub-advisor to Reorganized Acis, and that trades out of compliance with the applicable CLO tests occasionally happen, and Brigade has handled them appropriately.⁸⁹ In fact, the evidence suggested that at least ten failed trades occurred while Highland was acting as sub-advisor to the Debtor-Acis.⁹⁰

Highland's suggestions that Brigade is not up to the task to manage the Reorganized Debtor are specious. Likewise, HCLOF Guernsey's insistence that it will not be getting the benefit of its bargain if the Acis CLOs are not managed by Highland personnel going forward appears to be a manufactured position aimed at thwarting Mr. Terry at all costs. Not only is there no credible evidence of Brigade mismanagement but, to the contrary, it appears that Highland (prior to the Debtor-Acis's rejection of the Sub-Advisory Agreement and Shared Services Agreement), intentionally liquidated assets of the CLO SPEs and built up cash without reasonable justification. Specifically, Mr. Terry credibly testified that there were \$85 million in purchases in the Acis CLOs in the hours leading up to the entry of the orders for relief, but virtually no purchases of loans in the CLOs afterwards—only sales.⁹¹ And Mr. Worman further

⁸⁸ Transcript 12/11/18 (PM) [DE # 790], at p. 89; Transcript 12/12/18 (AM) [DE # 791], at p. 62.

⁸⁹ Transcript 12/11/18 (PM) [DE # 790], at pp. 182-83; Transcript 12/18/18 [DE # 804], at pp. 72-73.

⁹⁰ See Exhs. 727, 728; Transcript 12/11/18 (PM) [DE # 790], at pp. 71-74, 182-83.

⁹¹ Transcript 12/12/18 (AM) [DE # 791], at pp. 18-19, 28-31; Transcript 12/18/18 [DE # 804], at pp. 87-89; *see also*, Terry Demonstrative.

credibly testified that Highland, while acting as sub-advisor, allowed approximately \$380 million in cash to build up in the Acis CLOs. Meanwhile, Brigade has subsequently reduced that cash balance by \$280 million to approximately \$100 million.⁹² Mr. Worman also credibly testified that Brigade has purchased approximately \$300 million in loans for the Acis CLOs.⁹³ The Chapter 11 Trustee and Mr. Terry both credibly testified that the build-up of cash in the Acis CLOs while Highland was sub-advisor, rather than the loans acquired by Brigade, left the Acis CLOs without sufficient interest income to make a distribution to the equity holders.⁹⁴ Certain contradictory testimony of Hunter Covitz was not convincing that: (a) there were very few conforming loans available to be purchased for the Acis CLOs in the approximately four months that elapsed between the entry of the Order for Relief and the time when Highland was terminated as sub-advisor;⁹⁵ and (b) it made more sense to accumulate cash to pay down the AAA notes rather than invest in new loans.⁹⁶ The court found more convincing the testimony of Mr. Terry: (a) that there was \$310 billion of performing loans rated above CCC in the S&P loan index in May of 2018 available for purchase in CLO-6 that would have satisfied the weighted average life test;⁹⁷ (b) that Highland purchased loans for CLO-7 that would have satisfied the weighted average life constraints in the Debtor-Acis's CLO-4, CLO-5, and CLO-6;⁹⁸ and (c)

⁹² Transcript 12/11/18 (PM) [DE # 790], at p. 100.

⁹³ Transcript 12/11/18 (PM) [DE # 790], at pp. 70, 94.

⁹⁴ Transcript 12/11/18 (AM) [DE # 789], at pp. 67-69; Transcript 12/11/18 (PM) [DE # 790], at pp. 70-71; Transcript 12/12/18 (AM) [DE # 791] at pp. 34-37.

⁹⁵ Transcript 12/13/18 (AM) [DE # 793], at pp. 12-13.

⁹⁶ Transcript 12/13/18 (AM) [DE # 793], at pp. 13-16.

⁹⁷ Transcript 12/18/18 [DE # 804], at p. 87.

⁹⁸ Transcript 12/18/18 [DE # 804], at pp. 87-88.

that, although there was no change in market conditions, Highland essentially stopped buying collateral for the Acis CLOs⁹⁹ after the entry of the Orders for Relief.¹⁰⁰

4. Resets—Non-impairment of Anyone’s Rights.

The Plan only contemplates *consensual* resets of the Acis CLOs—in other words, only if HCLOF Guernsey requests resets.¹⁰¹ Messrs. Worman and Terry both credibly testified that they believed the Reorganized Acis and Brigade could perform a consensual reset of the Acis CLOs.¹⁰² Mr. Terry credibly testified that other asset managers have been able to issue or reset CLOs after a bankruptcy proceeding.¹⁰³ Mr. Terry also credibly testified that he wants to come to a resolution with HCLOF Guernsey and consensually reset the Acis CLOs.¹⁰⁴

HCLOF Guernsey has taken the position that it and its new Passive Investor (new as of mid-November 2017—just before the Bankruptcy Cases) only want to be involved with CLOs that are managed by Highland or Highland affiliates. Is the Plan impairing their rights—to the extent the Plan (and any subsequent re-sets) brings in Brigade as the sub-advisor to the Reorganized Debtor (whereas Highland was in that sub-advisor role before)? It appears no. The

⁹⁹ Transcript 12/18/18 [DE # 804], at pp. 88-89.

¹⁰⁰ Highland has also argued that the Plan is not feasible because the administrative expense claims are extremely high (to which the Chapter 11 Trustee responds, it is of Highland’s making, since Highland has objected to literally every action proposed by the Chapter 11 Trustee). The court does not believe there is a legitimate feasibility problem here. Not only has the court not ruled yet on final professional fee applications, but the Chapter 11 Trustee represented that certain professionals have agreed to defer their fees (beyond payment in full on the Effective Date) as necessary.

¹⁰¹ See Plan § 6.08.

¹⁰² Transcript 12/11/18 (PM) [DE # 790], at pp. 86-90, 176-178; Transcript 12/12/18 (AM) [DE # 793], at pp. 16-18.

¹⁰³ Transcript 12/11/18 (PM) [DE # 790], at pp. 179-180.

¹⁰⁴ Transcript 12/18/18 [DE # 804], at p. 74.

Offering Memorandum between HCLOF Guernsey and the Passive Investor, dated November 15, 2017, pursuant to which the Passive Investor agreed to invest in HCLOF Guernsey, provided that there may be a change in circumstances following the date of the Offering Memorandum and that any forward-looking statements in the Offering Memorandum involved risks and uncertainties “because they relate to events and depend on circumstances that may or may not occur in the future.”¹⁰⁵ Heather Bestwick, one of the HCLOF Guernsey directors, testified that the Offering Memorandum does not require HCLOF Guernsey to invest only in Highland-managed funds¹⁰⁶ and instead expressly provides that HCLOF Guernsey will invest in “CLOs managed by other asset managers.”¹⁰⁷ Another witness, Mr. McGuffin, testified that the HCLOF Guernsey directors’ fiduciary duties require them to act independently and objectively in the best interests of HCLOF Guernsey, and also require them to consider a change in circumstances.¹⁰⁸ HCLOF Guernsey’s counsel, HCLOF Guernsey’s director, and the Passive Investor have all testified that they would consider doing a reset with the Reorganized Acis in the event the Plan is confirmed.¹⁰⁹

Mr. Terry credibly testified that a reset of the Acis CLOs can occur after the expiration of the reinvestment periods of the Acis CLOs.¹¹⁰ The Plan is feasible regardless of whether a reset of the Acis CLOs is requested by HCLOF Guernsey. Messrs. Phelan and Terry both credibly

¹⁰⁵ See Exh. 90, HCLOF Guernsey Offering Memorandum, at pp. 4-5.

¹⁰⁶ See Exh. 719, Bestwick Depo., at pp. 109, 118-121.

¹⁰⁷ See Exh. 90, HCLOF Offering Memorandum, at p. 12.

¹⁰⁸ Transcript 12/13/18 (PM) [DE # 794], at pp. 142-145.

¹⁰⁹ See Exh. 602, p. 12 of 70 (statement by HCLOF Guernsey’s Counsel); Exh. 719 at pp. 166-167 (Heather Bestwick); Exh. 720, p. 72.

¹¹⁰ Transcript 12/18/18 [DE # 804], at pp. 82-83.

testified that the Reorganized Debtor will have cash flow from multiple potential sources—including the revenues from the CLO PMAs with the Acis CLOs, potential new business developed by the Reorganized Acis, and the outcome of any potential litigation claims.¹¹¹

VI. General Credibility Assessments.

In ruling in a contested matter such as confirmation, and weighing the preponderance of the evidence, the credibility of witnesses and contradictions in their testimony naturally can be significant. Here, there were some noteworthy problems and contradictions with some of the testimony provided by the Objectors' witnesses. They are summarized below.

1. Scott Ellington: A Seemingly Manufactured Narrative to Justify Prior Actions.

Scott Ellington testified on February 7, 2018 at the trial on the involuntary petitions, and the court was asked to consider his testimony again in connection with confirmation (he did not attend the confirmation hearing). He is the General Counsel, Chief Legal Officer, and a Partner at Highland. Mr. Ellington testified that the Debtor-Acis's name is "toxic" in the market place and that, due to the litigation with Mr. Terry and allegations in that litigation, "nothing can be associated with the Acis brand and be managed as a CLO or marketed as a CLO."¹¹² Mr. Ellington elaborated that it had been determined in late 2016 or 2017 that re-sets or re-financings of the Acis CLOs were a prudent thing to pursue (in fact, there was indeed a trend of refinancings and resets for this vintage of CLOs in the market place) and, in connection with that, the Debtor-Acis's contracts and assets needed to be diverted to different, newly created entities because: (a) the "Acis" name was toxic and underwriters and investors were not going to

¹¹¹ Transcript 12/11/18 (AM) [DE # 789], at pp. 72, 88-90; Transcript 12/12/18 (AM) [DE # 791], at p. 53.

¹¹² Exh. 23, p. 55 (line 17) through p. 56 (line 7); p. 98 (lines 8-12).

be interested in re-financings or resets for CLOs managed by the Debtor-Acis;¹¹³ and (b) the new Passive Investor wanted the Debtor-Acis out of the picture.¹¹⁴ Mr. Ellington further elaborated: “The equity, you know, calls the tune, so to speak, in terms of the CLO . . .”¹¹⁵ In summary, an overarching theme of Mr. Ellington’s testimony was that the Debtor-Acis was tainted or toxic in the marketplace and the Passive Investor wanted the Debtor-Acis out of the picture—thus, this was the motivation for the prepetition transactions orchestrated by Highland prior to the Bankruptcy Cases. The problems with the Scott Ellington testimony were at least two-fold. First, there is no credible evidence that the Debtor-Acis is/was toxic in the market place. In fact, in April 2017 (well after the litigation with Mr. Terry commenced), the Debtor-Acis issued a new CLO (CLO-7). And in market publications as recently as August 21, 2017, Highland was touting the *Acis* structure stating “our vehicle will allow us to issue between six and 12 CLOs over the next few years.”¹¹⁶ Second, the Passive Investor denies demanding that the Debtor-Acis be removed as the CLO manager. Term sheets as recent as August 21, 2017 contemplated the Debtor-Acis as the continuing portfolio manager of CLOs, with apparently no protestations by the Passive Investor.¹¹⁷

¹¹³ *E.g., Id.* at p. 177 (line 21) though p. 178 (line 12); p. 184 (lines 13-17) (“The underwriters in this case, Mizuho, Goldman, et al., the equity, they said we want every possible relation to anything that could be legacy Acis or Acis-related affiliates to be severed”).

¹¹⁴ *Id.* at p. 202 (lines 11-13) (“we have third-party investors that said we don’t want to be involved in this brand; and their equity is one of the reasons that new CLOs can be launched”); p. 203 (lines 7-8) (“It was call the deal and terminate the CMAs or transfer the CMAs”); p. 223 (lines 8-12) (“Because if the involuntary remains, and I’m just – I’m just being frank – we’ve already been told by equity holders, including the separate account, BBK, that you may have seen on some of the exhibits, they’re pulling everything.”).

¹¹⁵ *Id.* at p. 74 (lines 3-6).

¹¹⁶ Exh. 801, pp. 3 & 5.

¹¹⁷ Exh. 802, p.1.

2. Michael Pugatch: The Passive Investor Made Into a Scapegoat.

The reality is that Highland, indeed, started working on the concept of doing resets of some of the older vintage Acis CLOs in at least early 2017 (and perhaps late 2016). Highland, in fact, completed a reset of one Acis CLO in April 2017 (with the Debtor-Acis still in place as the portfolio manager for that reset in April 2017). As part of that process of implementing resets for the Acis CLOs, Highland worked on bringing in a new investor or investors to have a share of the equity tranche of the Acis CLOs. Highland finally obtained the commitment of the Passive Investor in November 2017, after starting initial discussions with them in the second quarter of 2017.¹¹⁸ A representative for the Passive Investor referred to itself as “passive” in a deposition.¹¹⁹ Concepts and documentation for the Passive Investor’s investment in the Acis CLOs were discussed for a while during 2017. As recently as August 2017, the negotiations with the Passive Investor appeared to contemplate the Debtor-Acis still as the portfolio manager for the CLOs.¹²⁰ Then the arbitration trial with Mr. Terry began in September 2017 and the Terry Arbitration Award was issued on October 20, 2017. Suddenly, it appears that the dismantling of the Debtor-Acis began with all deliberate speed. The court believes, based on the totality of the evidence, that it was Highland who did not want the Debtor-Acis as CLO manager going forward, so that Highland could keep reaping the benefits of the reset CLOs. Specifically, when deposed on the topic, a representative for the Passive Investor, Mr. Pugatch, denied the accuracy of Mr. Ellington’s testimony, stating that the Passive Investor “viewed Acis and Highland as interchangeable from the perspective of the—you know, the actual investment

¹¹⁸ See Exh. 720, Pugatch Deposition Transcript dated November 27, 2018, p. 18, lines 14-20.

¹¹⁹ *Id.* at p. 22 (lines 2-3) (“we’re you know, 49 percent sort of passive minority investor”).

¹²⁰ Exh. 802, p. 1.

opportunity.”¹²¹ When asked, “Are you aware that Scott Ellington, general counsel for HCM, testified that [the Passive Investor] said with absolute certainty that they had no interest in doing business with Acis because the Acis brand was purportedly toxic and, consequently, nothing associated with Acis could be managed or marketed as a CLO?” Mr. Pugatch testified that he had read that testimony and that the statement was not true.¹²² He further stated that “the ultimate sort of name change did not come from [the Passive Investor].”¹²³ In fact, when further asked whether the Passive Investor knew why Acis CLO Funding Limited changed its name to Highland CLO Funding Limited (*i.e.*, HCLOF Guernsey), Mr. Pugatch testified, “We were told that it was a change in the brand or the name, as requested by Highland.”¹²⁴ And when asked “Did [the Passive Investor] request that the name be changed?” he answered “No.”¹²⁵ When asked whether the Passive Investor considered “Acis toxic in the industry?” Mr. Pugatch answered: “No. What I would say is, when the suggested name change did occur, there were commercial reasons given to us as to why that would be beneficial in terms of the ongoing management of those CLOs and the intended investment thesis around the investment that we had made, which seemed to make commercial sense.”¹²⁶ When Mr. Pugatch was asked, “Those reasons were given by Highland, correct?” he replied “Correct” and confirmed that they were not demanded by the Passive Investor.¹²⁷ Mr. Pugatch was emphatic that the Passive Investor was

¹²¹ *Id.* at p. 30 (lines 19-20).

¹²² *Id.* at p. 31 (lines 6-19).

¹²³ *Id.* (lines 24-25).

¹²⁴ *Id.* at p. 27 (lines 24-25).

¹²⁵ *Id.* at p. 28 (lines 1-3).

¹²⁶ *Id.* at p. 32 (lines 1-8).

¹²⁷ *Id.* at p. 32 (lines 9-12).

just that—a passive investor—that did not have the ability to “start calling the shots” and dictate the terms of any reset transactions.¹²⁸ When asked if the Passive Investor was concerned about the Terry Arbitration Award, Mr. Pugatch replied: “The award itself, no. I think the only thing we were concerned about or focused on was that vis-à-vis our equity investment in Highland CLO Funding Limited and, in turn, the equity that that vehicle held in the various CLOs was appropriately, you know, ring-fenced or not exposed to any potential damages or economic loss in value as a result of that arbitration award.”¹²⁹

The Passive Investor further testified that Brigade has “a fine reputation in the market” but that it had no interaction with them historically.¹³⁰ The Passive Investor also testified that it was concerned about the cash buildups that had happened recently due to actions while Highland had still been the sub-advisor on the Acis CLOs.¹³¹

3. The Seemingly Rehearsed Testimony of the Two HCLOF Guernsey Witnesses.

The court was presented with video depositions of HCLOF Guernsey’s two non-executive directors (*i.e.*, its only directors): Mr. William Scott¹³² and Ms. Heather Bestwick.¹³³ It was very apparent to the court that HCLOF Guernsey is controlled by Highland in every way. Putting things in the kindest way possible, Mr. Scott and Ms. Bestwick appear to be nominal figureheads who are paid to act like they are in charge, while they are not. They are both

¹²⁸ *Id.* at p. 32 (lines 16-17); pp. 33-35.

¹²⁹ *Id.* at p. 43 (lines 3-9); p. 89.

¹³⁰ *Id.* at p. 68 (lines 11-13).

¹³¹ *Id.* at p. 82, lines 9-24.

¹³² *See* Exh. 721.

¹³³ *See* Exh. 719.

basically professional directors-for-hire, for companies that choose to form/organize in the nation of Guernsey.

Ms. Bestwick testified that she is a nonexecutive director for six companies in Guernsey (none of the others are in the CLO business).¹³⁴ She testified that she earned £35,000 per year to serve as a director of HCLOF Guernsey.¹³⁵ She testified that she was selected by Highland¹³⁶ and that Highland also made the decision to hire HCLOF Guernsey's law firm in the Bankruptcy Cases.¹³⁷ Ms. Bestwick, when questioned as to why the Equity/ALF PMA it had with the Debtor-Acis was terminated shortly after the Terry Arbitration Award was issued, testified that she was told it was "a condition precedent to the new Passive Investor" coming in and that she was told this by Highland.¹³⁸ She also testified that she had never talked to the Passive Investor (who, of course, is a 49% owner of HCLOF Guernsey)¹³⁹ or Grant Scott (the trustee of the charitable organization that owns 49% of HCLOF Guernsey).¹⁴⁰ She reiterated that she only talks to Highland employees. She also was under the impression that terminating the Equity/ALF PMA would improve marketability of the CLOs going forward but that it was the same people and "business as usual for us."¹⁴¹ She testified that she learned of the Terry

¹³⁴ *Id.* at pp. 7-8; p. 21 (line 5) through p. 22 (line 20); p. 26 (lines 10-12).

¹³⁵ *Id.* at p. 43 (lines 18-19).

¹³⁶ *Id.* at p. 42 (lines 17-25).

¹³⁷ *Id.* at p. 53 (lines 7-20).

¹³⁸ *Id.* at p. 16 (line 13) through p. 17 (line 23); p. 58 (line 21) through p. 60 (line 17).

¹³⁹ *Id.* at p. 188 (lines 12-15).

¹⁴⁰ *Id.* at p. 188 (line 19) through p. 189 (line 9).

¹⁴¹ *Id.* at p. 189 (lines 12-15); p. 200 (line 22).

Arbitration Award in mid-April 2018 (some six months after the fact)¹⁴² and “[y]ou’d have to ask Highland”¹⁴³ why it did not inform her sooner. Her testimony was clear that she defers to Highland on everything, stating that as directors they were “heavily reliant on our service providers, and that means Highland.”¹⁴⁴ With regard to a lawsuit that HCLOF Guernsey filed against Mr. Terry in Guernsey during the Bankruptcy Cases, she testified that it was neither her nor the other director, William Scott’s, idea.

Mr. Scott, the other HCLOF Guernsey director, is a “professional director” for 10-15 Guernsey companies¹⁴⁵—all of which are “paying assignments.”¹⁴⁶ He became rather incensed when testifying, at the suggestion that he and Ms. Bestwick were not in control of HCLOF Guernsey, stating that board minutes and other documents would show that they took a great level of interest in running the company.¹⁴⁷ He testified that he earned £40,000 per year to serve as a director of HCLOF Guernsey and that, due to the extra work of the Bankruptcy Cases, he also was charging another £350 per hour, after the first 35 hours¹⁴⁸ (the court notes, anecdotally, that it required participation in court hearings by a director of HCLOF Guernsey each time that HCLOF Guernsey took a position in court). Mr. Scott confirmed that he was not aware of the litigation with Mr. Terry nor the Acis Bankruptcy Cases until April 2018.¹⁴⁹ He also testified

¹⁴² *Id.* at p. 61 (lines 3-19); p. 130 (line 14) through p. 136 (line 2).

¹⁴³ *Id.* at p. 137 (line 21).

¹⁴⁴ *Id.* at p. 152 (lines 18-19).

¹⁴⁵ *See* Exh. 721 at p 8 (line 9) through p. 9 (line 5); p. 79 (lines 20-25).

¹⁴⁶ *Id.* at p. 80 (lines 3-5).

¹⁴⁷ *Id.* at p. 13 (lines 1-12); p. 22 (line 23) through p. 23 (line 12).

¹⁴⁸ *Id.* at p. 80 (lines 6-18).

¹⁴⁹ *Id.* at p. 132 (line 20) through p. 135 (line 10).

that Highland had proposed the legal counsel HCLOF Guernsey used in the Bankruptcy Cases and that he had never disagreed with Highland's advice.¹⁵⁰ He confirmed that all investment decisions were made by Highland and that he and Ms. Bestwick's role was to "police" service providers.¹⁵¹ Like Ms. Bestwick, Mr. Scott testified that they were told that the Passive Investor had made it a condition precedent to their investment in HCLOF Guernsey that "Acis depart."¹⁵² But he had not talked to the Passive Investor.¹⁵³ As if all this deference to Highland were not enough, HCLOF Guernsey's lender is NexBank (an affiliate of Highland—which is based in Dallas, not Guernsey) and HCLOF Guernsey has given its actual equity notes to NexBank as security for its loans from NexBank.¹⁵⁴ Also, interestingly, when asked about the adversary proceeding that HCLOF Guernsey filed against the Chapter 11 Trustee a few months ago in the Bankruptcy Cases (*i.e.*, the Highland Entities Adversary Proceeding—it was originally commenced by Highland and HCLOF Guernsey as Plaintiffs), Mr. Scott testified that "we haven't sued the trustee, he has sued us" but later acknowledged his mistake when corrected by counsel.

This court is not naïve—it realizes that so-called "fiduciary services firms" are apparently a typical thing in the world of off-shore jurisdictions that are large financial centers.¹⁵⁵ Maybe

¹⁵⁰ See generally *id.* at pp. 277-280.

¹⁵¹ *Id.* at p. 106 (lines 1-7).

¹⁵² *Id.* at p. 254 (line 20) through p. 260.

¹⁵³ *Id.* at p. 155 (lines 2-25).

¹⁵⁴ See Exh. 719 at p. 213 (line 2-22); Exh. 721 at p. 129 (line 10) through p. 130 (line 13).

¹⁵⁵ During the testimony of both Ms. Bestwick and Mr. Scott, the court was reminded of an old TV commercial in which an actor states, "I am not a doctor, but I play one on TV." The court could not help but conclude that these were not real directors but were playing them (when legally necessary).

the system works, for the most part and in many business contexts. But not when trying to convince a bankruptcy court of the bona fides of transactions that look like attempts to denude another party of value and/or to thwart creditors. And not when accusations are made that you are the alter ego of the party (Highland) who orchestrated the company's creation. The evidence was overwhelming that: (a) the HCLOF Guernsey Directors do whatever they are told to do by Highland; (b) they do not talk to anyone else but Highland; (c) they have never challenged Highland; (d) they let Highland pick and consult with their lawyers; and (e) they were not made aware by Highland of the Terry Arbitration Award, the Terry Judgment, the involuntary bankruptcy petitions, or pleadings that lawyers filed in the Bankruptcy Cases on HCLOF Guernsey's behalf.

In summary, the testimony of these two HCLOF Guernsey Directors was of little or no value in convincing the court that the Objector, HCLOF Guernsey, has valid concerns of its own (separate from Highland's) with regard to the bona fides of the Plan.

VII. Conclusion.

This Bench Ruling and Memorandum Opinion is intended to address some of the most pertinent facts and issues raised in connection with confirmation of the Plan. Among other things, the court believed it was necessary to stress, in a separate ruling: (a) *the unique status of the Objectors* (they are "insiders" as defined in the Bankruptcy Code whose prepetition actions suggest unclean hands—this seems highly relevant to consider, when there are no non-insider creditors or other relevant parties objecting to the Plan); (b) *the appropriateness and legality of the proposed Plan Injunction* that would temporarily prevent nonconsensual redemptions/liquidations (it is in all ways justified given the allegations in the Highland Entities Adversary Proceeding and under the traditional four-prong test for preliminary injunctions); and

(c) *the feasibility of the Plan* (Mr. Terry and Brigade are well qualified to perform their contemplated roles).

The court will separately sign the Findings of Fact, Conclusions of Law and Order Confirming Plan submitted by the Chapter 11 Trustee to address all other relevant issues.

End of Bench Ruling and Memorandum Opinion

Exhibit C

Acis Involuntary Opinion



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

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

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

Signed April 13, 2018


United States Bankruptcy Judge

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

IN RE:	§	
	§	
ACIS CAPITAL MANAGEMENT, L.P.,	§	CASE NO. 18-30264-SGJ-7
	§	
Alleged Debtor.	§	

IN RE:	§	
	§	
ACIS CAPITAL MANAGEMENT GP, L.L.C.,	§	CASE NO. 18-30265-SGJ-7
	§	
Alleged Debtor.	§	

**FINDINGS OF FACT AND CONCLUSIONS OF LAW IN SUPPORT OF
ORDERS FOR RELIEF ISSUED AFTER TRIAL ON
CONTESTED INVOLUNTARY BANKRUPTCY PETITIONS**

Joshua N. Terry (the “Petitioning Creditor” or “Mr. Terry”) filed involuntary bankruptcy petitions (the “Involuntary Petitions”) against each of the two above-referenced related

companies (the “Alleged Debtors”) on January 30, 2018.¹ The Involuntary Petitions were contested, and the court held a multi-day trial (the “Trial”) spanning March 21, 22, 23, 27, and March 29, 2018.² This constitutes the court’s findings of fact, conclusions of law and ruling, pursuant to Fed. Rs. Bankr. Proc. 7052 and 9014.³ As explained below, the court has decided that Orders for Relief are legally required and appropriate as to each of the Alleged Debtors.

I. FINDINGS OF FACT

A. Introduction.

1. The Alleged Debtors—Acis Capital Management, L.P. (“Acis LP”), a Delaware limited partnership, and ACIS Capital Management GP, L.L.C. (“Acis GP/LLC”), a Delaware limited liability company—are two entities in the mega-organizational structure of a company that is known as Highland Capital Management, L.P. (“Highland”).

2. Highland is a Dallas, Texas-based company that is a Registered Investment Advisor. Highland was founded in 1993 (changing its original name from “Protective Asset Management” to Highland in 1997) by James D. Dondero (“Mr. Dondero”), originally with a

¹ Exhs. 50 & 51.

² Shortly after the Involuntary Petitions were filed, the court held hearings on February 6-7, 2018, on the Petitioning Creditor’s Emergency Motion to Abrogate or Modify 11 U.S.C. § 303(f), Prohibit Transfer of Assets, and Import, Inter Alia, 11 U.S.C. § 363 [DE # 3] (the “303(f) Motion”) and the Alleged Debtors’ Emergency Motion to Seek Emergency Hearing on the Alleged Debtors’ Motion to Dismiss Involuntary Petitions and Request for Award of Fees, Costs, and Damages [DE # 9] (the “Emergency Motion to Set Hearing on Motion to Dismiss”). The court ultimately granted the 303(f) Motion and denied the Emergency Motion to Set Hearing on Motion to Dismiss. Both the Petitioning Creditor and the Alleged Debtors have proposed that the court should consider the evidence it heard at the hearings held on February 6-7, 2018, in determining whether it should enter orders for relief. The court has, accordingly, considered such evidence in this ruling.

³ Bankruptcy subject matter jurisdiction exists in this contested matter, pursuant to 28 U.S.C. § 1334(b). This is a core proceeding over which the bankruptcy court may exercise subject matter jurisdiction, pursuant to 28 U.S.C. §§ 157(b)(2)(A) and (O) and the Standing Order of Reference of Bankruptcy Cases and Proceedings (Misc. Rule No. 33), for the Northern District of Texas, dated August 3, 1984. This bankruptcy court has Constitutional authority to issue a final order or judgment in this matter, as it arises under a bankruptcy statute—11 U.S.C. § 303. Venue is proper in this district, pursuant to 28 U.S.C. § 1409(a), as the Alleged Debtors have their business headquarters in this district.

75% ownership interest, and Mark K. Akada (“Mr. Akada”), originally with a 25% ownership interest.⁴

3. Both Mr. Dondero and Mr. Akada provided witness testimony at the Trial on the Involuntary Petitions, and their names are mentioned numerous times herein—since they were generally the subject of significant evidence and argument presented at the Trial. Mr. Dondero is the chief executive officer for Highland and Mr. Akada is the chief investment officer. Mr. Dondero is also the president of each of the two Alleged Debtors.

4. Highland, through its organizational structure of approximately 2,000 separate business entities, manages approximately \$14-\$15 billion of investor capital in vehicles ranging from: collateral loan obligation funds (“CLOs”); private equity funds; and mutual funds.

5. Highland’s CLO business was front-and-center at the Trial on the Involuntary Petitions. The Alleged Debtor, Acis LP, for approximately the past seven years, has been the vehicle through which Highland’s CLO business has been managed.

6. The Petitioning Creditor, Mr. Terry, became an employee of Highland in the year 2005, starting as a portfolio analyst, promoting to a loan trader, then ultimately becoming the portfolio manager for (and 25% limited partner in) Highland’s CLO business—specifically, Mr. Terry was the human being who was acting for the CLO manager, Acis LP.

7. Mr. Terry was highly successful in his role in the CLO business, managing billions of dollars of assets during his tenure, but Mr. Terry and Mr. Dondero had a bitter parting of ways on June 9, 2016. Specifically, Mr. Terry’s employment was terminated on that date (for

⁴ Mr. Dondero testified at the Trial that, three years ago, Messrs. Dondero and Akada sold their interests in Highland to a charitable remainder trust in exchange for a 15 year note receivable.

reasons that have been highly disputed) and his 25% limited partnership interest in Acis LP was deemed forfeited without any payment of consideration to him.

8. In September 2016, Highland sued Mr. Terry in the 162nd Judicial District Court of Dallas County, Texas (“State Court 1”) for breach of fiduciary duty/self-dealing, disparagement, breach of contract, and various other causes of action and theories. Mr. Terry asserted his own claims against Highland, and also claims against the two Alleged Debtors, Mr. Dondero, and others and demanded arbitration. On September 28, 2016, State Court 1 stayed the litigation and ordered the parties to arbitrate. The parties participated in ten days of arbitration in September 2017 before JAMS. On October 20, 2017, Mr. Terry obtained an Arbitration Award (herein so called),⁵ jointly and severally against both of the Alleged Debtors in the amount of \$7,949,749.15, plus post-award interest at the legal rate, which was based on theories of breach of contract and breach of fiduciary duties.

9. There are still claims pending between and among the Petitioning Creditor, Highland, and others (not including the Alleged Debtors) in State Court 1.

10. A Final Judgment (herein so called) confirming the Arbitration Award was entered by the 44th Judicial District Court of Dallas County, Texas (“State Court 2”) on December 18, 2017, in the same amount as that contained in the Arbitration Award—\$7,949,749.15.⁶

11. Mr. Terry began pursuing post-judgment discovery soon after obtaining his Arbitration Award and even more so after entry of the Final Judgment. Mr. Terry undertook a UCC search on November 8, 2017, to investigate whether there were any liens on the Alleged

⁵ Exh. 1.

⁶ Exh. 105.

Debtors' assets (none appeared).⁷ Mr. Terry also pursued a garnishment of an Acis LP bank account (at a time when there was only around \$2,000 in the account). Mr. Terry's counsel deposed Highland's General Counsel Scott Ellington (who sat for the deposition as a representative of Acis, LP) on January 26, 2018, and asked numerous questions about: (a) how many creditors the Alleged Debtors had,⁸ and (b) whether Acis LP was able to pay its debts as they became due,⁹ but did not receive meaningful answers.

12. Mr. Terry requested a temporary restraining order ("TRO") from State Court 2, on January 24, 2018, after discovering certain transactions and transfers involving Acis LP's interests, that he believed were pursued without any legitimate business purpose and with the purpose of denuding Acis LP of its assets and to make it judgment proof. Most particularly, it appeared as though Highland was engaged in a scheme to transfer certain fee-generating CLO management contracts of Acis LP away from it and into a Cayman Island affiliate of Highland.¹⁰ At a January 24, 2018 hearing on the request for a TRO, Acis LP agreed and State Court 2 ordered that, between that hearing and a later hearing on a request for a temporary injunction, no CLO management contracts would be transferred away from Acis LP and that no monies would be diverted from it.¹¹

13. Then, on January 29, 2018, the Controller of and CPA for Highland (David Klos) submitted a Declaration to State Court 2 concerning the net worth of the Alleged Debtors, stating

⁷ Exh. 84.

⁸ Exh. 25, pp. 7-9.

⁹ *Id.* at pp. 102-04.

¹⁰ Exh. 27.

¹¹ Exh. 28.

that Acis GP/LLC had a net worth of \$0 and that Acis LP might have a net worth, at best, of \$990,141.¹² Mr. Terry thought this was preposterous—given the management fees that Acis LP was entitled to and the receivables that should be owing to it. Mr. Terry believes that the collateral management agreements on which Acis LP receives management fees have a present value of \$30 million (about \$6 million for each of the five CLOs which Acis LP has been managing).

14. On January 29, 2018, the Alleged Debtors filed a motion for leave to post a supersedeas bond in the amount of \$495,070.50 with State Court 2 (purportedly half of the net worth of the two Alleged Debtors—as stated in the David Klos Declaration), so that they could suspend enforcement of the Final Judgment while they appealed it.¹³ Although there is a very stringent standard for appealing an Arbitration Award, the Alleged Debtors apparently believe they have an argument that State Court 2 lacked the subject matter jurisdiction to confirm the Arbitration Award (a motion to vacate the Final Judgment based on this argument has previously been denied by State Court 2).¹⁴

15. Meanwhile, Mr. Terry was learning of more transactions and transfers involving Acis LP's assets and interests. On January 29, 2018, Mr. Terry filed supplemental pleadings with State Court 2, alleging that further shenanigans (*i.e.*, transfers and transactions that would amount to fraudulent transfers) were underway at Acis LP and seeking a receiver.¹⁵ Also, at

¹² Exh. 26.

¹³ Exh. 73.

¹⁴ See DE # 35, in Case No. 18-30264 and DE # 34 in Case No. 18-30265. Unless otherwise noted, references to “DE #” herein refer to the docket entry number at which a pleading appears in the docket maintained with the Bankruptcy Clerk in the Acis Capital Management L.P. bankruptcy case (Case No. 18-30264).

¹⁵ Exhs. 28-31.

some point, in the weeks leading up to this, an Acis LP lawyer represented to Mr. Terry's counsel that the Alleged Debtors were "judgment proof."¹⁶

16. At approximately 11:57 p.m. on January 30, 2018 (on the evening before a scheduled temporary injunction hearing in State Court 2—at which time State Court 2 presumably might have considered the Alleged Debtors' request to post the \$495,070.50 supersedeas bond to stay enforcement of the Final Judgment), Mr. Terry filed the Involuntary Petitions, as a sole petitioning creditor, against both Acis LP and Acis GP/LLC.

17. For purposes of this Trial (and this Trial only), the Alleged Debtors do not dispute that Mr. Terry has standing to be a petitioning creditor pursuant to Bankruptcy Code section 303(b)—in other words, they do not dispute that Mr. Terry is a holder of a claim against the Alleged Debtors that is not contingent as to liability or the subject of a bona fide dispute as to liability or amount and that aggregates at least \$15,775 in unsecured amount. However, the Alleged Debtors argue that: (a) the Alleged Debtors have **12 or more creditors** and, thus, three or more petitioning creditors were required to prosecute the Involuntary Petitions pursuant to Bankruptcy Code section 303(b)(1); (b) the Petitioning Creditor did not establish, pursuant to Bankruptcy Code section 303(h)(1), that the Alleged Debtors are not **generally paying their debts as such debts become due** unless such debts are the subject of a bona fide dispute as to liability or amount; (c) regardless of whether the Petitioning Creditor has met the statutory tests in sections 303(b)(1) and (h)(1), the Petitioning Creditor has acted in **bad faith**—which serves as an equitable basis for dismissal of the Involuntary Petitions; and (d) if the court disagrees with the Alleged Debtors and determines that the section 303(b) and (h) statutory tests are met, and also determines that the Petitioning Creditor has not acted in bad faith, the court should

¹⁶ Exh. 27 (exhibit 3 thereto).

nevertheless **abstain** in this matter, pursuant to Bankruptcy Code **section 305**, since this is essentially a two-party dispute and the interests of creditors and the debtor would be better served by dismissal.

18. The Petitioning Creditor argues that he has met the statutory tests of sections 303(b) and (h) but, even if he has not, there is a “**special circumstances**” exception to the section 303 statutory requirements, whenever a petitioning creditor establishes fraud, trick, scheme, artifice or the like on the part of an alleged debtor—which “special circumstances,” Mr. Terry alleges, have been established here. Moreover, the Petitioning Creditor argues that the facts here **do not warrant section 305 abstention** because the interests of creditors and the Alleged Debtors would not be better served by dismissal.

19. As further explained below, the court finds and concludes that the Petitioning Creditor has met his burden of proving by a preponderance of the evidence that the statutory tests of sections 303(b) and (h) are met here. Thus, the court does not need to reach the question of whether there is a “**special circumstances**” exception to the section 303 statutory requirements, whenever a petitioning creditor establishes fraud, trick, scheme, artifice or the like on the part of an alleged debtor, and—if so—whether the exception is applicable here.¹⁷

20. Moreover, the Alleged Debtors have not shown by a preponderance of the evidence that the Petitioning Creditor acted in bad faith, such that the Involuntary Petitions should be dismissed.

¹⁷ See e.g., *In re Norriss Bros. Lumber Co.*, 133 B.R. 599 (Bankr. N.D. Tex. 1991); *In re Moss*, 249 B.R. 411 (Bankr. N.D. Tex. 2000); *In re Smith*, 415 B.R. 222 (Bankr. N.D. Tex. 2009).

21. Finally, the Alleged Debtors also have *not shown facts here that warrant section 305 abstention* because they have not shown that the interests of creditors and the Alleged Debtors would be better served by dismissal.

B. The CLO Business: Understanding the Alleged Debtors' Business Operations, Structure, and What Creditors and Interest Holders They Actually Have.

22. Highland set up its first CLO in the year 1996. Highland was one of the early participants in the CLO industry.

23. The Alleged Debtors were formed in 2011 to be the new “brand” or face of the Highland CLO business, after Highland’s name had suffered some negative publicity in the marketplace.

24. Acis LP has acted as the portfolio manager of Highland’s CLOs since 2011. Acis LP currently has a contractual right to CLO portfolio management fees on five CLOs¹⁸ which were referred to at the Trial as CLO 2013-1; CLO 2014-3; CLO 2014-4; CLO 2014-5; and CLO 2016-6. CLOs typically have an 8-12 year life. Thus, there are still several years of life left on these CLOs (since the oldest one was established in the year 2013).

25. The key “players” in and features with regard to the Highland CLOs, during the time period relevant to the issues adjudicated at the Trial, have been:

- (a) The CLO manager. As mentioned earlier, the CLO manager is the Alleged Debtor, Acis LP. Acis LP, has collateral management agreements (hereinafter, the “CLO Collateral Management Agreements”) with the CLOs (which CLOs were set up as special purpose entities) and, pursuant thereto, receives

¹⁸ There is still another Highland CLO (CLO 2017-7), set up in April 2017, as to which Acis LP’s contractual right to manage was terminated shortly before the Petition Date, as will be further described herein.

management fees¹⁹ from the CLOs in exchange for managing the pool of assets within the CLOs and communicating with investors in the CLOs.²⁰ As mentioned earlier, Mr. Terry was the human being that performed the management function at Acis LP until Highland fired him on June 9, 2016 and also terminated his limited partnership interest in Acis LP. Mr. Terry, and all employees who have ever provided services to the CLO manager, are Highland employees—which were provided to Acis LP through shared and sub-advisory services agreements—as further explained below. Thus, to be clear, Acis LP has always essentially subcontracted its CLO managerial function out to Highland.

- (b) The pool of assets. Within each CLO that the CLO manager manages is a basket of loans that the CLO manager purchases. The basket of loans typically consists of approximately 200 loans-payable (or portions of loans payable), on which large well-known companies typically are the makers/obligors (and which loans, collectively, provide a variable rate of interest).²¹ The CLO manager can typically decide to buy and sell different loans to go into the pool of assets, with certain restrictions, during a four or five year reinvestment time period.

¹⁹ These fees typically include “senior fees” (*e.g.*, 15 basis points); additional “subordinate fees” (*e.g.*, 25 basis points) if the CLOs are passing certain tests; and perhaps even an “incentive fee” beyond a certain hurdle rate (*e.g.*, after the equity in the CLO received an internal rate of return of 10%, the CLO manager would get 15% of the excess). Exh. 82, p. 59, lines 14-25.

²⁰ *See*, as an example, Exh. 3 (the collateral management agreement between Acis LP and CLO 2014-3). Note that the document is entitled “Portfolio Management Agreement” but, to avoid confusion with other similarly titled documents and to highlight the true nature of the agreement, the court uses the defined term “CLO Collateral Management Agreement,” which terminology the lawyers also sometimes used at the Trial.

²¹ Exh. 8.

- (c) The CLO investors (*i.e.*, CLO note holders). These may be any number of persons or entities, including pension funds, life insurance companies, or others who decide to invest in the CLOs and contribute capital to fund the purchase of a CLO's loan pool, and, in return, receive fixed rate notes payable—the ratings on which can range anywhere from Triple-A to Single-B, depending upon the risk option the investor chooses. There are typically five or six tranches of notes issued by the CLO (with the top AAA-rated tranche being the least risky and the bottom tranche being the most risky) and—to be clear—the CLO itself (again, in each case, the CLO is a special purpose vehicle) is the obligor. As the CLO manager receives income from the pool of loans in the CLO, he distributes that income to the CLO investors, in accordance with their note indentures,²² starting with the top tranche of notes and then down to the other tranches. The top tranche of notes (AAA-rated) is considered the “controlling” class and a majority of holders in this class can terminate the CLO manager (*i.e.*, Acis LP) for cause on 45 days' notice, although all parties seem to agree this would be a rare event.
- (d) The CLO equity holder. The CLO equity holder actually is a holder of subordinated notes issued by the CLOs (*i.e.*, the bottom tranche of notes on which the CLO special purpose entity is obligated), and has voting rights and is itself a capital provider, but it takes the most risk and receives the very last cash

²² The indenture trustee on the CLO notes may actually operate as a payment agent in some cases, for purposes of making the quarterly note payments to holders.

flow from the CLOs. It, in certain ways, controls the CLO vehicle²³—for example, by virtue of having the ability to make a redemption call after a certain “no-call” period—which would force a liquidation of the basket of loans in the CLO, with the proceeds paying down the tranches of notes, starting at the top with the Triple A’s). Note that, until recently, a separate entity known as Acis Loan Funding, Ltd. (“ALF”), which was incorporated under the laws of the island nation of Guernsey,²⁴ was the CLO equity holder. To be clear, *ALF was essentially the equity owner in the CLO special purpose entities—not the equity owner of Acis LP*. Acis LP was a party to a separate portfolio management agreement with ALF (hereinafter, the “ALF Portfolio Management Agreement”—not to be confused with the CLO Collateral Management Agreements that Acis LP separately has with the special purpose CLOs). No fees were paid from ALF to Acis LP pursuant to the ALF Portfolio Management Agreement (rather, fees are only paid to Acis LP on the CLO Collateral Management Agreements). The complicated structure of the CLO business—all parties seemed to agree—has been developed, among other reasons, to comply with “risk-retention requirements” imposed by the U.S. Congress’s massive Dodd-Frank financial reform legislation²⁵ enacted in year 2010, in response to the financial crisis and recession that first began in 2008.

²³ The top tranche of AAA notes also has certain control—such as the ability to terminate the portfolio manager for cause, on notice.

²⁴ Guernsey is located in the English Channel. ALF was created in August 2015.

²⁵ Simply put, one of the results of the Dodd-Frank legislation (*i.e.*, the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-203, H.R. 4173, 124 Stat. 1376-2223, 111th Congress, effective July 21, 2010), which was implemented over a period of several years, was that, *subsequent to December 2016*, managers of securitizations needed to retain at least a 5% interest in that securitization. Thus, if a \$400 million CLO were to be

- (e) The Equity Owners of ALF. Until recently (*i.e.*, until October 24, 2017—four days after the Arbitration Award), Acis LP itself, as required for a CLO manager, had a 15% indirect ownership in ALF, in order to be regulatory compliant.²⁶ The parties sometimes refer to ALF (and the web of ownership between it and Acis LP) as the “risk retention structure.”²⁷ The evidence at the Trial revealed that ALF (which has recently been renamed), now, has three equity owners: (i) a 49% equity owner that is a charitable fund (*i.e.*, a donor advised fund or “DAF”) that was seeded with contributions from Highland, is managed/advised by Highland, and whose independent trustee is a long-time friend of Highland’s chief executive officer, Mr. Dondero; (ii) 2% is owned by Highland employees; and (iii) finally, ALF *may* be 49% owned by a third-party institutional investor based in Boston that Highland believed it was required to keep anonymous at the Trial. Not only is the court unaware of who this independent third-party is, but the evidence seems to suggest that it may have acquired its interest fairly recently or may have simply committed to invest recently.²⁸

issued, the CLO manager would need to retain at least 5% or \$20 million of the assets in the CLO (which 5% could be either all at the equity level or vertically, up and down the note tranches). There are multiple ways to accomplish this 5% retention (*i.e.*, with either the CLO manager directly investing in at least 5% of the CLO or doing it through a controlled subsidiary). This particular rule was announced in **December 2014** and the SEC thereafter issued a no action letter stating that *if a CLO was issued prior to December 2014*, then any refinancing of such CLO that happens within four years can be done without risk retention in place. Resets of any CLO (*i.e.*, changes in terms and maturity—as opposed to mere changes in interest rates), on the other hand, must have risk retention in place. **Four of Acis LP’s current CLOs were issued prior to December 2014**. Thus, these four CLOs are still technically able to do a refinancing without a risk retention structure in place. In any event, by early-to-middle 2017, Acis LP was risk retention compliant. Exh. 82, pp. 65-69 & 75. That was recently changed—on October 24, 2017—four days after the Arbitration Award—as later explained herein.

²⁶ See n.23, *supra*.

²⁷ See Demonstrative Aid No. 3.

²⁸ See Exh. 173, which seems to suggest that the only equity owners of ALF just prior to October 24, 2017 were Acis LP and the DAF, until Acis LP’s interest in ALF was sold back to ALF on October 24, 2017. See also Exh. 82, p. 162, lines 2-7.

- (f) The underwriter for the CLO notes. As with any publicly traded notes, there is an underwriter for the CLO notes which solicits investors for the CLO notes (examples given at the Trial: Mizuho Securities USA, LLC; Merrill Lynch; JP Morgan Chase).²⁹ The CLO notes are traded on the Over-the-Counter Market.
- (g) The independent indenture trustee for the CLO notes. As also with any issuance of publicly traded notes, there is an indenture trustee (example given at the Trial: U.S. Bank).³⁰

26. Mr. Terry, the Petitioning Creditor, as earlier mentioned, began working for Highland in 2005 until his employment was terminated on June 9, 2016.

27. Acis LP and Acis GP/LLC have never had any employees. Rather, all employees that work for any of the Highland family of companies (including Mr. Terry) have, almost without exception, been employees of Highland itself. Highland has approximately 150 employees in the United States. Highland provides employees to entities in the organizational structure, such as Acis LP and Acis GP/LLC, through both the mechanism of: (a) a Shared Services Agreement (herein so called),³¹ which provides “back office” personnel—such as human resources, accounting, legal and information technology to the Highland family of companies; and (b) a Sub-Advisory Agreement (herein so called),³² which provides “front office” personnel to entities—such as the managers of investments like Mr. Terry. The evidence indicated that this is typical in the CLO industry to have such agreements. The court notes that

²⁹ See Exh. 193.

³⁰ See Exh. 7.

³¹ Exhs. 17, 99, 179 & 5.

³² Exhs. 18, 178 & 4.

all iterations of the Shared Services Agreements and Sub-Advisory Agreements between Acis LP and Highland were signed by Mr. Dondero both as President of Acis LP and as President of the General Partner of Highland.

28. Because Acis LP essentially subcontracts out all of its functions to Highland pursuant to the Shared Services Agreement and the Sub-Advisory Agreement, Acis LP has very few vendors or creditors. Rather Highland incurs expenses and essentially bills them to Acis LP through these two agreements.³³ In other words, Highland is one of Acis LP's largest and most frequent creditor.

29. The evidence reflected that at all times Mr. Dondero has been the President of both of the Alleged Debtors, and there have been, at all times, very few, if any, other officers. It appears that the only other officer of Acis GP/LLC that ever existed was Frank Waterhouse, Treasurer.³⁴ It also appears that the only other officer of Acis LP that ever existed was Frank Waterhouse, Treasurer, Mr. Terry as Portfolio Manager, and someone named Patrick Boyce as Secretary at one time.³⁵

30. Mr. Dondero testified that he has decision making authority for the Alleged Debtors but usually delegates that authority to Highland's in-house lawyers, Scott Ellington (General Counsel, Chief Legal Officer, and Partner of Highland) and Isaac Leventon (Assistant General Counsel of Highland) and is rarely involved in "nitty gritty negotiations." Sometimes instructions will come to him from the compliance group headed up by Chief Compliance Officer Thomas Surgent. Additionally, he testified that he signs hundreds of documents per

³³ Exh. 83, pp. 228 (line 8)-230 (line 14).

³⁴ See, e.g., Exh. 10 & Exh. 173, p.3

³⁵ Exhs. 14 & 15.

week, and much of what he signs is on advice of counsel and he sometimes even delegates to his assistant the authority to sign his name. As set forth above, Mr. Ellington (who *did not* testify at the Trial)³⁶ and Mr. Leventon (who *did* testify at the Trial) are not officers, directors, or employees of the Alleged Debtors. Mr. Leventon is designated to be the representative for the Alleged Debtors (and testified as a Rule 30(b)(6) witness during pre-Trial discovery)—he explained that this representative-authority derives from the Shared Services Agreement. Mr. Leventon testified that he takes his instructions generally through his direct supervisor, Mr. Ellington, although Highland partners can ask him to perform legal services for any of Highland's 2,000 entities.

C. Transfers and Transactions Involving the Alleged Debtors Since the Litigation with Mr. Terry Commenced—and Especially After the Arbitration Award.

31. Below is a listing of some (but not necessarily all) of the transfers and transactions that the Alleged Debtors, Highland, and related parties undertook *after* the litigation with Mr. Terry commenced.

- (a) Acis LP's Sale to Highland of a "Participation Interest" in its CLO Cash Flow Stream. On October 7, 2016 (approximately one month after the litigation arose among Mr. Terry, Highland, and the Alleged Debtors), Acis LP sold to Highland a participation interest in its expected future cash flow from the CLO Collateral Management Agreements—specifically, it sold a portion of the cash flow it expected to earn from November 2016 to August 2019 (not the full life of the CLOs), for \$666,655 cash, plus a \$12,666,446 note payable from Highland to

³⁶ Mr. Ellington did testify at a hearing in the bankruptcy court on February 6, 2018—which the parties asked this court to take judicial notice of—and also provided deposition testimony that was submitted into evidence. *See* Exh. 25.

Acis LP (hereinafter, the “Acis LP Note Receivable from Highland”). Mr. Dondero signed the purchase and sale agreement for both purchaser and seller.³⁷ Mr. Dondero signed the Acis LP Note Receivable from Highland, which accrued interest at 3% per annum. It appears that the \$666,665 cash down payment was actually paid, and a payment required on the Acis LP Note Receivable from Highland of \$3,370,694 on May 31, 2017, was actually made. The Acis LP Note Receivable from Highland was payable in three installments, with a \$5,286,243 payment required on May 31, 2018, and a \$4,677,690 payment required on May 31, 2019. When viewed in complete isolation, this transaction does not necessarily appear problematic. Although there was evidence that Acis LP had been managing the five CLOs for about \$10 million per year of fees, some of the recitals in the purchase and sale agreement suggest that there may have been a sound business reason for the transaction and the arbitration panel,³⁸ viewing this transaction in isolation, did not think it was necessarily problematic or actionable. In any event, Highland is adamant it was a net neutral transaction.

- (b) Transfer of Acis LP’s interest in ALF. Recall that ALF was the entity that held equity (*i.e.*, the subordinated notes) in the CLO special purpose vehicles, and held voting rights and was a capital provider to the overall risk retention structure supporting the CLOs. And Acis LP, in turn, held a 15% indirect interest in ALF. On October 24, 2017 (*four days after the Arbitration Award*), Acis, LP entered into an agreement with ALF whereby ALF acquired back the shares that Acis LP

³⁷ Exhs. 14 & 15.

³⁸ Exh. 1, p. 18.

indirectly held in ALF (966,679 shares) for the sum of \$991,180.13.³⁹ No credible business justification was offered for this transaction, other than mostly uncorroborated (and self-serving) statements from Highland witnesses that Acis LP was “toxic” in the market place (due to the litigation with Mr. Terry) and this was a step in the process of extricating Acis LP from the CLO business.⁴⁰ The court finds the testimony about Acis LP’s toxicity in the marketplace to not be credible or at all convincing. For one thing, a new CLO (Acis CLO 2017-7, Ltd.) was closed on April 10, 2017 with Acis LP as the portfolio manager. Moreover, Acis LP subcontracts all of its CLO management function to Highland—and there was no evidence to suggest that anyone in the marketplace at this juncture differentiates between Acis LP (whose president is Mr. Dondero) and Highland (whose president is Mr. Dondero). *In any event, the October 24, 2017 transaction had the highly consequential effect of making Acis LP “noncompliant” or unable to continue serving as a CLO manager for regulatory purposes for any new CLOs or reset CLOs (or for a refinancing of any of the Highland CLOs that had been created after December 2014)*⁴¹ *because aspects of the federal Dodd Frank legislation require CLO managers to have “skin in the game” with regard to the CLOs they manage (i.e., they must retain at least 5% of CLOs they manage).* Mr. Akada, who testified that he had been involved with the CLO business from the beginning and that the CLO team

³⁹ Exh. 173.

⁴⁰ There were also a few hearsay-laden emails offered, that the court did not find probative. Exhs, 19-22.

⁴¹ See n.23 *supra*.

reported to him (including Mr. Terry before his termination), testified that he had no knowledge of this particular transaction. The document effectuating this transaction was signed by Frank Waterhouse, Treasurer for and on behalf of Acis LP, acting by its general partner, Acis GP/LLC.⁴²

- (c) ALF Next Decides to Jettison Acis, LP as its Portfolio Manager and Replace it with a new Highland Cayman Island Entity. On October 27, 2017 (seven days after the Arbitration Award), ALF—having purchased back the ownership interest that Acis LP had in it, just three days earlier—decided that it would no longer use Acis LP as its portfolio manager and entered into a new portfolio management agreement to supersede and replace the ALF Portfolio Management Agreement. Specifically, on October 27, 2017, ALF entered into a new Portfolio Management Agreement with a Cayman Island entity called Highland HCF Advisor, Ltd., replacing Acis LP in its role with ALF.⁴³ This agreement appears to have been further solidified in a second portfolio management agreement dated November 15, 2017.⁴⁴
- (d) The Acis LP Note Receivable from Highland is Transferred from Acis LP to Yet Another Highland Cayman Island Entity. On November 3, 2017 (10 days after the Arbitration Award), Acis LP assigned and transferred its interests in the Acis LP Note Receivable from Highland—which at that point had a balance owing of over \$9.5 million—to a Highland Cayman Island entity known as Highland CLO

⁴² Exh. 173, p. 3.

⁴³ Exh. 43.

⁴⁴ Exh. 168.

Management Ltd. which apparently was created sometime recently to be the new collateral manager of the CLOs (in other words, the new Acis LP).⁴⁵ The Assignment and Transfer Agreement memorializing this transaction is signed by Mr. Dondero for Acis LP and Mr. Dondero for Highland and some undecipherable name for Highland CLO Management Ltd.⁴⁶ The document recites that (i) Highland is no longer willing to continue providing support services to Acis LP, (ii) Acis LP, therefore, can no longer fulfill its duties as a collateral manager, and (iii) Highland CLO Management Ltd. agrees to step into the collateral manager role if Acis LP will assign to it the Acis LP Note Receivable from Highland. One more thing: since Acis LP was expected to potentially incur future legal and accounting/administrative fees, and might not have the ability to pay them when due, *Highland CLO Management Ltd.* agreed to reimburse Acis LP (or pays its vendors directly) up to \$2 million of future legal expenses and up to \$1 million of future accounting/administrative expenses.⁴⁷

- (e) Various Additional Transactions that further Transitioned CLO Management and Fees Away from Acis LP to Highland Cayman Island Entity. On December 19, 2017—just one day after the Arbitration Award was confirmed with the entry of the Final Judgment—the vehicle that can most easily be described as the Acis LP “risk retention structure” (necessitated by federal Dodd Frank law) was transferred away from Acis LP and into the ownership of Highland CLO

⁴⁵ Exh. 16.

⁴⁶ *Id.* at p.6.

⁴⁷ *Id.* at pp. 1 & 2.

Holdings, Ltd. (yet another Cayman Island entity, incorporated on October 27, 2017⁴⁸).

- (f) In addition to transferring Acis LP's interest in the Acis LP risk retention structure on December 19, 2017, Acis LP also transferred its contractual right to receive management fees for Acis CLO 2017-7, Ltd. (which had just closed April 10, 2017), which Mr. Terry credibly testified had a combined value of \$5 million, to Highland CLO Holdings, Ltd., another Cayman entity, purportedly in exchange for forgiveness of a \$2.8 million receivable that was owed to Highland under the most recent iteration of the Shared Services Agreement and Sub-Advisory Agreement for CLO-7.⁴⁹ In conjunction with this transfer, Highland CLO Holdings, Ltd. then entered into new Shared Services and Sub-Advisory Agreements with Highland.⁵⁰
- (g) Change of Equity Owners of the Alleged Debtors. When Acis LP was first formed, it was owned by one general partner (Acis GP/LLC, with a .1% interest) and it had three limited partners: (a) Dugaboy Investment Trust (a Dondero family trust of which either Mr. Dondero or his sister, Nancy Dondero, have been the Trustee at all relevant times) with a 59.9% interest; (b) Mr. Terry with a 25% interest; and (c) Mr. Akada with a 15% interest. When Acis GP/LLC was formed

⁴⁸ Exh. 157.

⁴⁹ See Ex. 45 (the Transfer Document); *see also* Ex. 4 (the March 17, 2017 Third Amended and Restated Sub-Advisory Agreement between Acis LP and Highland); Exh. 5 (the March 17, 2017 4th Amended & Restated Shared Services Agreement between Acis LP and Highland); Exh. 165 (March 17, 2017 Staff and Services Agreement between Acis CLO Management, LLC and Acis LP); Exh. 166 (March 17, 2017 Master Sub-Advisory Agreement between Acis CLO Management, LLC and Acis LP).

⁵⁰ See Exhs. 161 & 162.

(i.e., the .1% owner of Acis LP), its sole member was the Dugaboy Investment Trust. After Mr. Terry was terminated by Highland, his 25% limited partnership interest in Acis LP was forfeited and divided among the two remaining limited partners: Mr. Akada (increasing his interest by 10% up to 25%), and Dugaboy Investment Trust (increasing its interest by 15% up to 74.9%). But, more importantly, on the day after entry of Mr. Terry's Final Judgment (i.e., on December 18, 2017), both Mr. Akada and Dugaboy Investment Trust conveyed their entire limited partnership interests in Acis LP—25% and 74.9%, respectively—to a Cayman Island entity called Neutra, Ltd., a Cayman Islands exempted company. Dugaboy Investment Trust also conveyed its 100% membership interest in Acis GP/LLC to Neutra, Ltd. Mr. Akada testified that he did this on advice of counsel. He also did not dispute that he had made millions of dollars of equity dividends from his equity investment in Acis LP in recent years⁵¹—which he conveyed away for no consideration on December 18, 2017.

- (h) The Intended Reset of Acis CLO 2014-3. With all of the above maneuverings having been accomplished, Highland was posed to do a reset on Acis CLO 2014-3 in February 2018 (until Mr. Terry filed the Involuntary Petitions). The investment bank Mizuho Securities USA, LLC was engaged November 15, 2017⁵² and a final offering circular was issued in January 2018⁵³—contemplating a reset of Acis CLO 20-14-3 with the recently created Highland CLO Management Ltd.

⁵¹ Exh. 23, p.3.

⁵² Exh. 104.

⁵³ Exh. 31.

Identified as the new portfolio manager, rather than Acis LP. The act of implementing a reset on the CLO was not in itself suspect. However, the reset would, of course, have the effect of depriving Acis LP from a valuable asset—an agreement that could realistically be expected to provide millions of dollars of future collateral management fees—coincidentally (or not) just after Mr. Terry obtained his large judgment.

D. Findings Regarding Credibility of Witnesses.

32. The court found the testimony of Mr. Terry to be very credible. He was very familiar with the financial condition of the Alleged Debtors, since he presided over the business of the Alleged Debtors from their inception until June 9, 2016, and has also closely followed publicly available information regarding the companies since his termination. Mr. Terry credibly testified that the Alleged Debtors have never had a significant number of creditors, since most of the Alleged Debtors' vendors are engaged by and send their invoices to Highland, and Highland simply obtains reimbursement from the Alleged Debtors (and other entities in the Highland family), as its in-house lawyers determine is appropriate, through the Shared Services Agreement and Sub-Advisory Agreement. Thus, Highland should at all times be the Alleged Debtors' main creditor. The court finds that Mr. Terry had a good faith belief that the Alleged Debtors had only a handful of creditors (maybe four or so) besides him and Highland. The court also finds that Mr. Terry—at the time he filed the Involuntary Petitions—had a good faith belief that the Alleged Debtors and those controlling them were engaged in an orchestrated, sophisticated effort to denude the Alleged Debtors of their assets and value (*i.e.*, transferring assets and rights for

less than reasonably equivalent value), which started with intensity after issuance of the Arbitration Award (if not sooner).⁵⁴

33. The court found the testimony of almost all of the witnesses for the Alleged Debtors to be of questionable reliability and, oftentimes, there seemed to be an effort to convey plausible deniability. For example, sometimes business decisions concerning the Alleged Debtors were said to have been made by a “collective,” and other times the in-house Highland lawyers (who, of course, are not themselves officers or employees of Acis LP and Acis GP/LLC) stressed that Mr. Dondero (the president and manager of the two entities) had ultimate decision making authority for them. Meanwhile, Mr. Dondero testified that, while he has decision making authority at Acis LP, he usually delegates to Highland’s in-house lawyers Scott Ellington and Isaac Leventon. He testified that he signs hundreds of documents per week and often must rely on information of others when signing. Additionally, Mr. Dondero (again, the President of each of the Alleged Debtors) testified that he had never even read the Arbitration Award. While Mr. Dondero is the chief executive of a multi-billion dollar international investment company, and naturally has widespread responsibilities and must delegate to and rely upon others including lawyers, this court simply does not believe that he never read the Arbitration Award. The court perceived the animosity between Mr. Dondero and Mr. Terry to be rather enormous and Mr. Dondero even testified (as did others) that the litigation with Mr. Terry was hurting Acis LP and Highland in the CLO marketplace (*i.e.*, no investors or underwriters wanting to be associated

⁵⁴ The court also found that the deposition testimony of Brian Shaw and Rahkee Patel (counsel for Mr. Terry) was also credible and did not demonstrate any bad faith on their parts in filing the Involuntary Petitions on behalf of Mr. Terry.

with the Acis brand).⁵⁵ If that were the case, it strains credulity to suggest Mr. Dondero never even read the Arbitration Award.

34. As mentioned earlier, in December 2017, Acis GP/LLC became 100% owned by a Cayman Island entity known as Neutra, Ltd. (whose beneficial owner is a Dondero family trust) and Acis LP became 99.9% owned by Neutra, Ltd. The directors of Acis GP/LLC and Acis LP are provided to it now by an entity known as “Maples Fiduciary Services”—another Cayman Island entity, but the Highland Assistant General Counsel could not remember the names of those directors provided to Acis GP/LLC and Acis LP, except for perhaps one. Mr. Dondero, when questioned about some of the recent transactions pertaining to Acis LP, testified that there were tax reasons—tax lawyers recommended the recent transactions and transfers. No tax lawyers testified. Mr. Dondero also testified that certain transactions were at the directive of the Thomas Surgent group (the Highland chief compliance officer). Neither Mr. Surgent nor anyone else from the compliance group testified.

35. Meanwhile, Mr. Akada, who, while testifying, seemed like a generally lovely person and seemed as knowledgeable as a human being could possibly be on the topic of CLOs generally, had no idea if he was an officer or director of the Alleged Debtors, nor did he know whom its officers were. He could not testify as to the meaning of certain transactions in which Acis LP had engaged in during recent weeks and said that he signed certain documents on advice of counsel. He also could not even testify as to whether Highland was opposing the Involuntary Petitions.

36. Again, there was a lot of plausible deniability at Trial as to the “whos” and “whys” for the recent maneuverings involving the Alleged Debtors assets and rights in the weeks

⁵⁵ No such investors or underwriters provided testimony.

since the Arbitration Award. The one thing that the court was wholly convinced of was that conflicts of interest among Highland and the Alleged Debtors abound, and no one is looking out for the interests of the Alleged Debtors as a fiduciary should.

E. Evidence Regarding the Number of Creditors of the Alleged Debtors.⁵⁶

37. The Alleged Debtors do not dispute Mr. Terry's claim for the purposes of counting creditors under section 303(b) of the Bankruptcy Code. However, Mr. Terry asserts that the Alleged Debtors have fewer than 12 creditors, and the Alleged Debtors dispute this fact. Specifically, the Alleged Debtors initially filed on January 31, 2018, a Notice of List of Creditors Pursuant to Fed. R. Bankr. P. 1003(b) signed by Mr. Dondero listing 18 creditors (the "Original Notice of Creditors").⁵⁷ The Alleged Debtors subsequently filed on February 5, 2018, a First Amended Notice of List of Creditors Pursuant to Fed. R. Bankr. P. 1003(b) signed by Mr. Leventon listing 19 creditors (the "First Amended Notice of Creditors").⁵⁸ Finally, the Alleged Debtors filed on March 6, 2018, a Second Amended Notice of List of Creditors Pursuant to Fed. R. Bank. P. 1003(b) signed by Mr. Leventon listing 20 creditors (the "Second Amended List of Creditors").⁵⁹ The following chart summarizes the name, amount, and nature of the 20 creditors listed by the Alleged Debtors in their Second Amended List of Creditors.

⁵⁶ The court notes that neither Mr. Terry nor the Alleged Debtors attempted to differentiate between the creditors of Acis GP/LLC versus the creditors of Acis LP, but rather presented evidence regarding the collective number of creditors for both of the Alleged Debtors. This seems legally appropriate, since Acis LP is the entity that incurred most of the debt, and ACIS GP/LLC would be liable on such debt as the general partner of Acis LP.

⁵⁷ See DE # 7 in Case No. 18-30264 & DE # 7 in Case No. 18-30265.

⁵⁸ See DE # 17 in Case No. 18-30264 & DE # 16 in Case No. 18-30265.

⁵⁹ See DE # 39 in Case No. 18-30264 & DE # 38 in Case No. 18-30265.

Creditor No.	Creditor Name	Nature of Claim	Total Indebtedness ⁶⁰
1	Andrews Kurth	Legal Fees	\$211,088.13
2	Case Anywhere, LLC	Law Firm Vendor	\$417.20
3	CSI Global Deposition Services	Law Firm Vendor	\$38,452.56
4	David Langford	Court Reporter/Law Firm Vendor	\$550
5	Drexel Limited	Fee Rebate	\$6,359.96
6	Elite Document Technology	Data Hosting/Law Firm Vendor	\$199.72
7	Highfield Equities, Inc.	Fee Rebate	\$2,510.04
8	Highland Capital Management, L.P.	Advisory and Participation Fees	\$2,770,731.00
9	JAMS, Inc.	Law Firm Vendor	\$1,352.27
10	Jones Day	Legal Fees	\$368.75
11	Joshua Terry	Judgment Creditor	\$8,060,827.84
12	KPMG LLP	Auditor Fees	\$34,000
13	Lackey Hershman LLP	Legal Fees	\$236,977.54
14	McKool Smith, P.C.	Legal Fees	\$70,082.18
15	Reid Collins & Tsai LLP	Legal Fees	\$17,383.75
16	Stanton Advisors LLC	Testifying Expert Fees/Law Firm Vendor	\$10,000
17	Stanton Law Firm	Legal Fees	\$88,133.99
18	The TASA Group, Inc.	Testifying Expert Fees/Law Firm Vendor	\$14,530.54
19	CT Corporation	Report Filing Representation	\$517.12
20	David Simek	Expense Reimbursement	\$1,233.19

38. First, the court believes it necessary to remove certain insider creditor claims, which are required not to be counted pursuant to section 303(b)(2) of the Bankruptcy Code.⁶¹ This would clearly include Highland (the Alleged Debtors do not dispute this).

⁶⁰ The dollar amounts listed here are based upon the amounts listed in the Second Amended List of Creditors.

⁶¹ *In re Moss*, 249 B.R. 411, 419 n. 6 (Bankr. N.D. Tex. 2000).

39. Additionally, there were certain creditors that filed sworn statements saying they were not creditors of the Alleged Debtors or were subsequently removed from the creditor list by agreement of the Alleged Debtors. These creditors would include Case Anywhere, CSI Global Deposition Services,⁶² Elite Document Technology, JAMS, Inc.,⁶³ Stanton Advisors LLC,⁶⁴ and the TASA Group, Inc..⁶⁵ Thus, the updated chart now shows 13 creditors of the Alleged Debtors.

Creditor No.	Creditor Name	Nature of Claim	Total Indebtedness
1	Andrews Kurth	Legal Fees	\$211,088.13
2	Case Anywhere, LLC	Law Firm Vendor	\$417.20
3	CSI Global Deposition Services	Law Firm Vendor	\$38,452.56
4	David Langford	Court Reporter/Law Firm Vendor	\$550
5	Drexel Limited	Fee Rebate	\$6,359.96
6	Elite Document Technology	Data Hosting/Law Firm Vendor	\$199.72
7	Highfield Equities, Inc.	Fee Rebate	\$2,510.04
8	Highland Capital Management, L.P.	Advisory and Participation Fees	\$2,770,731.00
9	JAMS, Inc.	Law Firm Vendor	\$1,352.27
10	Jones Day	Legal Fees	\$368.75
11	Joshua Terry	Judgment Creditor	\$8,060,827.84
12	KPMG LLP	Auditor Fees	\$34,000
13	Lackey Hershman LLP	Legal Fees	\$236,977.54
14	McKool Smith, P.C.	Legal Fees	\$70,082.18
15	Reid Collins & Tsai LLP	Legal Fees	\$17,383.75

⁶² CSI Global Deposition Services was removed as a creditor by the agreement of the Alleged Debtors.

⁶³ JAMS, Inc. was removed as a creditor by agreement of the Alleged Debtors.

⁶⁴ Stanton Advisors LLC was removed as a creditor by agreement of the Alleged Debtors.

⁶⁵ See Exh. 40B, Exh. 186, Exh. 92, and Exh. 94.

16	Stanton Advisors LLC	Testifying Expert Fees/Law Firm Vendor	\$10,000
17	Stanton Law Firm	Legal Fees	\$88,133.99
18	The TASA Group, Inc.	Testifying Expert Fees/Law Firm Vendor	\$14,530.54
19	CT Corporation	Report Filing Representation	\$517.12
20	David Simek	Expense Reimbursement	\$1,233.19

40. Next, the court finds that there are certain creditors included in the “Law Firm Vendor” category (*e.g.*, experts, data hosting, document managers, court reporters) that are really creditors of the individual law firms and/or Highland, and that these law firm vendor creditors should not be considered creditors of the Alleged Debtors. For these, there was no evidence of a direct contractual obligation on the part of either the Alleged Debtors or Highland—although the court certainly understands that, when the law firms would retain vendors, they would bill these to either the Alleged Debtors or Highland as an expense to be reimbursed. Most of these were already eliminated with agreement of the Alleged Debtors but, from the remaining list of creditors, this would include David Langford (a Dallas County court reporter).⁶⁶ To be clear, while the individual law firm creditors may ultimately have a right to reimbursement for these vendor expenses from Highland (who may then potentially have a right to reimbursement from the Alleged Debtors via the Shared Services and Sub-Advisory Agreements), the court does not find this vendor to have a claim *directly* against the Alleged Debtors for purposes of section 303(b) of the Bankruptcy Code.

⁶⁶ See Exh. 40D, Exh. 187, Exh. 40O.

41. Next, as to the Stanton Law Firm, the court finds that this creditor should also be removed from the pool of creditors that “count,” for section 303(b) purposes, since this claim appears to be the subject of a “bona fide dispute as to liability or amount,”⁶⁷ based on the evidence presented at the Trial. First, there was no engagement letter between either of the Alleged Debtors and the Stanton Law Firm produced.⁶⁸ Second, the heavily redacted invoice of the Stanton Law Firm dated October 18, 2016 shows only that it was relating to the “Joshua Terry Matter” and that it was billed to Highland.⁶⁹ Third, the Responses and Objections to Mr. Terry’s Notice of Intention to Take Depositions by Written Questions sent to the Stanton Law Firm⁷⁰ provides the following responses:

Question No. 11: What is the total amount of debt Acis Capital Management L.P. to the Firm. is liable to the Firm.

Answer: Acis Capital Management L.P.’s debt to the Firm is unknown at this time.

Question No. 12: What is the total amount of debt Acis Capital Management GP, LLC is liable for to the firm?

Answer: Acis Capital Management GP, LLC to the Firm is unknown at this time.

Question No. 13: Is any other party also liable for the debt of Acis Capital Management L.P. to the Firm? If so, please state the liable party and portion of Acis Capital Management L.P. debt the other party is liable for to the Firm.

⁶⁷ See *Credit Union Liquidity Servs., L.L.C. v. Green Hills Dev. Co., L.L.C. (In re Green Hills Dev. Co., L.L.C.)*, 741 F.3d 651, 655 (5th Cir. 2014) (a claimholder does not have standing to file a petition under section 303(b) if its claim is “the subject of a bona fide dispute as to liability or amount”); *In re Smith*, 415 B.R. 222, 237 (Bankr. N.D. Tex. 2009) (only “a holder of a claim ... that is not contingent as to liability or the subject of a bona fide dispute as to liability or amount” is counted in determining the number of creditors necessary to file an involuntary petition).

⁶⁸ Rather, there is only an engagement letter between Lackey Hershman LLP (acting on behalf of its client, Highland) and Stanton Advisors LLC to act as an expert in the Terry litigation. See Exh. 144. As previously noted, the claim of Stanton Advisors LLC was removed from the creditor list by agreement of the Alleged Debtors.

⁶⁹ See Exh. 40R.

⁷⁰ The court notes that these responses were actually signed by James Michael Stanton, attorney for Stanton LLP. See Exh. 139.

Answer: Whether any other party is also liable to the firm for the debt of Acis Capital Management, L.P. is unknown at this time.

Question No. 14: Is any other party also liable for the debt of Acis Capital Management GP, LLC to Firm? If so, please state the liable party and portion of Acis Capital Management GP, LLC debt the other party is liable for to the Firm.

Answer: Whether any other party is also liable for the debt of Acis Capital Management GP, LLC is unknown at this time. . . .

Question No. 21: Does the Firm currently represent Acis Capital Management, L.P.? If so, please state the representation.

Answer: Based on Acis's assertion that this question calls for information protected by the attorney-client privilege, the Firm cannot answer this question at this time.

Question No. 22: Does the Firm currently represent Acis Capital Management GP, LLC? If so, please state the representation?

Answer: Based on Acis's assertion that this question calls for information protected by the attorney-client privilege, the Firm cannot answer this question at this time. . . .⁷¹

The court finds that this evidence demonstrates that the claim of the Stanton Law Firm is the subject of a bona fide dispute as to either liability or amount and should not be counted since there is no real way of even knowing who the Stanton Law Firm was engaged by and, thus, whether the Alleged Debtors are even responsible for these alleged legal fees. The court would also specifically refer to the testimony of Mr. Leventon, the in-house lawyer employed by Highland who was in charge of allocating all of the bills that came into Highland's legal invoicing system, where he described a process in which all legal bills relating to the "Terry Matter" would automatically be assigned to the Alleged Debtors, without any real regard to whether the particular law firm had even been engaged by the Alleged Debtors or if whether the

⁷¹ See Exhibit 139.

representation was actually relating to one of the other parties in the Terry litigation (*e.g.*, Highland, Mr. Dondero, etc.). Accordingly, the court finds that there is a bona fide dispute as to whether the Alleged Debtors are actually liable for the Stanton Law Firm legal fees and that they should not be counted as a creditor for purposes of section 303(b) of the Bankruptcy Code.⁷²

42. Thus, it appears, at most, that there are 11 creditors⁷³ of the Alleged Debtors as set forth in the chart below:

Creditor No.	Creditor Name	Nature of Claim	Total Indebtedness
1	Andrews Kurth	Legal Fees	\$211,088.13
2	Case Anywhere, LLC	Law Firm Vendor	\$417.20
3	CSI Global Deposition Services	Law Firm Vendor	\$38,452.56
4	David Langford	Court Reporter/Law Firm Vendor	\$550
5	Drexel Limited	Fee Rebate	\$6,359.96
6	Elite Document Technology	Data Hosting/Law Firm Vendor	\$199.72
7	Highfield Equities, Inc.	Fee Rebate	\$2,510.04
8	Highland Capital Management, L.P.	Advisory and Participation Fees	\$2,770,731.00
9	JAMS, Inc.	Law Firm Vendor	\$1,352.27
10	Jones Day	Legal Fees	\$368.75

⁷² See also *In re CorrLine Int'l, LLC*, 516 B.R. 106, 152 (Bankr. S.D. Tex. 2014) (bankruptcy court found that creditors contained in the alleged debtor's list of creditors with uncertain or unknown amounts could not be counted towards the numerosity requirement of section 303(b)).

⁷³ The court notes that, in all likelihood, the list of creditors that should be tallied for purposes of section 303(b) may actually be less than 11, because certain of the remaining creditors (*i.e.*, Drexel Limited, Highfield Equities, Inc., Lackey Hershman LLP, and David Simek) received payments during the 90 days preceding the Petition Date—and, thus, arguably should not be counted as creditors pursuant to section 303(b) of the Bankruptcy Code (which instructs that transferees of voidable transfers should not be counted). See, *e.g.*, Exh. 124 & Exh. 131. Additionally, certain of the remaining law firm creditors that are owed legal fees are also creditors of Highland and Highland-affiliates, not just the Alleged Debtors. To elaborate, many of these law firm creditors were employed to represent not only the Alleged Debtors, but also Highland and Highland-affiliates, so there may be an actual dispute as to the allocation of these legal fees among Highland and the Alleged Debtors (thus there could be bona fide disputes as to the amounts allocated by Highland's in-house lawyers to the Alleged Debtors). See, *e.g.*, Ex. 123 (McKool Smith, P.C. engagement letter referencing representation of numerous parties) & Exhibit 90 (Reid Collins & Tsai's Answers and Objections to Mr. Terry's Deposition by Written Questions, questions 13 & 14, stating that based upon allocation determinations to be made by Highland, other individuals may be liable for the full amount of the debt including Acis LP, Highland, Mr. Dondero, and Mr. Okada).

11	Joshua Terry	Judgment Creditor	\$8,060,827.84
12	KPMG LLP	Auditor Fees	\$34,000
13	Lackey Hershman LLP	Legal Fees ⁷⁴	\$236,977.54
14	McKool Smith, P.C.	Legal Fees	\$70,082.18
15	Reid Collins & Tsai LLP	Legal Fees	\$17,383.75
16	Stanton Advisors LLC	Testifying Expert Fees/Law Firm Vendor	\$10,000
17	Stanton Law Firm	Legal Fees	\$88,133.99
18	The TASA Group, Inc.	Testifying Expert Fees/Law Firm Vendor	\$14,530.54
19	CT Corporation	Report Filing Representation	\$517.12
20	David Simek	Expense Reimbursement	\$1,233.19

43. Finally, on the topic of creditor numerosity, the court further finds that the evidence strongly suggested hurried manufacturing of creditors on the part of the Alleged Debtors and Highland, in order to bolster an argument that having a sole petitioning creditor was legally inadequate in this case.⁷⁵ For example, the Klos Declaration and other information, that was provided to State Court 2 and in discovery, only days before the Involuntary Petitions were filed,

⁷⁴ Mr. Terry has also argued that certain of the law firm creditors (McKool Smith, P.C., Lackey Hershman, LLP, and Reid Collins & Tsai) are “insiders” that must be excluded from the creditor list pursuant to section 303(b) of the Bankruptcy Code. While there may be some support in case law for such an argument, Mr. Terry would ultimately need to show by a preponderance of the evidence that the law firms exercised such control or influence over the Alleged Debtors as to render their transactions not at arm’s length. *See In re CorrLine Intern., LLC*, 516 B.R. 106, 157-58 (Bankr. S.D. Tex. 2014) (citing to *Kepler v. Schmalbach (In re Lemanski)*, 56 B.R. 981, 983 (Bankr.W.D.Wis.1986)). *See also In re Holloway*, 955 F.2d 1008, 1011 (5th Cir. 1992) (in evaluating whether insider status existed for purposes of evaluating alleged fraudulent conveyance court considered (1) the closeness of the relationship between the transferee and the debtor; and (2) whether the transactions between the transferee and the debtor were conducted at arm’s length). Because there was no evidence suggesting abuse or control by these law firm creditors, nor was there any evidence that would suggest that their dealings with the Alleged Debtors were anything but arm’s length, the court finds that these law firm creditors should not be excluded from the creditor list as “insiders” pursuant to section 303(b) of the Bankruptcy Code.

⁷⁵ *See* the Original Notice of Creditors, the First Amended Notice of Creditors, and the Second Amended Notice of Creditors.

seemed to show only a small number of creditors of Acis LP—Mr. Terry credibly testified that he thought there were less than 12 creditors based on his review of such information, as well as his understanding of the Alleged Debtors’ business. Yet, only a few days later, the Alleged Debtors filed their Original Notice of Creditors, which showed 18 creditors, which was amended twice to add another creditor and then yet another. This simply does not jive in the court’s mind and supports this court’s belief that the Alleged Debtors were scurrying to determine which Highland creditors might cogently be painted as Acis LP creditors—so as to preclude Mr. Terry from being able to file the Involuntary Petitions as the single, petitioning creditor.

F. Evidence Regarding Whether the Alleged Debtors are Generally Not Paying Debts as They Become Due (Unless Such Debts are the Subject of a Bona Fide Dispute as to Liability or Amount).

44. The evidence submitted reflects that, for the 11 creditors identified above, 9 out of 11 have unpaid invoices that were more than 90 days old. The remaining 2 of the 11 were McKool Smith, P.C. (current counsel for the Alleged Debtors) and the Petitioning Creditor.⁷⁶ The court makes findings with regard to each of the 11 creditors below—focusing specifically on whether the Alleged Debtors have been paying these creditors as their debts have become due.

45. First, with regard to Andrews Kurth & Kenyon (“AKK”), the evidence reflected that out of the \$211,088.13 allegedly owed by Acis LP to AKK, the great majority of it—\$173,448.42—was invoiced on November 16, 2016⁷⁷ (more than 14 months before the Petition Date). Other, smaller amounts were invoiced on a monthly basis in each of the months August 2017, September 2017, October 2017, November 2017, and December 2017. Although requested in discovery, no engagement letter for AKK was produced and AKK represented in

⁷⁶ Exhs. 40 & 54.

⁷⁷ Exh. 40.

written discovery that, to its knowledge, none existed.⁷⁸ The court notes anecdotally that AKK's invoices (although allegedly related to Acis LP legal matters) were addressed to Highland.⁷⁹ In any event, AKK represented that both the Alleged Debtors and Highland are jointly and severally liable for the fees owed to it.⁸⁰ AKK also represented that, to its knowledge, the amounts owing to it by Acis LP and Highland are not disputed.⁸¹ AKK also represented that it has not provided legal work on a contingency basis for the Alleged Debtors or Highland.⁸² The court makes a logical inference that AKK expected timely payment of its invoices—the largest of which was dated more than 14 months prior to the Petition Date—and, thus, it has generally not been paid timely.

46. Next, with regard to Drexel Limited, the Petitioning Creditor concedes that its \$6,359.96 indebtedness (which is a fee rebate owing to it) is not past-due.

47. Next, with regard to Highfield Equities, Inc., the Petitioning Creditor concedes that its \$2,510.04 indebtedness (which is also a fee rebate owing to it) is not past-due.

48. Next, with regard to the Jones Day law firm, the \$368.75 indebtedness owed to it is well more than 90 days old. Specifically, there is a six-and-a-half-month old invoice dated July 19, 2017 invoice in the amount of \$118.75, and two five-month old invoices dated August 30, 2017 (both in the amount of \$150).⁸³ The court makes a logical inference that Jones Day

⁷⁸ Exh. 98, Requests 1-2.

⁷⁹ Exh. 98, pp. AKK000061-AKK000060.

⁸⁰ Exh. 98, Question 13.

⁸¹ Exh. 98, Questions 52-55.

⁸² Exh. 98, Questions 73-75.

⁸³ Exh. 40K.

expected timely payment of its invoices prior to the Petition Date and, thus, it has generally not been paid timely.

49. Next with regard to the Petitioning Creditor, Mr. Terry, the court notes that his liquidated claim in the amount of \$8,060,827.84 first arose with the final Arbitration Award on October 20, 2017 (although such award was not confirmed by State Court 2 until December 18, 2017). The judgment was unstayed as of the January 30, 2018 Petition Date, although the Alleged Debtors state that they still desire to appeal it—as difficult as that is in the situation of an arbitration award. The court makes a logical inference that the Alleged Debtors had, on the Petition Date, no intention of paying this claim any time soon based on their conduct after the Arbitration Award—although the Arbitration Award had only been in existence for three-and-a-half months as of the Petition Date. The cash in the Alleged Debtors’ bank accounts is wholly insufficient to cover the Arbitration Award and, meanwhile, corporate transactions have been ongoing to ensure that no cash streams will be coming into Acis LP in the future in the same way that they have in the past. Thus, this court finds that this large claim, as of the Petition Date, was not being paid timely.

50. Next with regard to KPMG LLP, the \$34,000 indebtedness owed to it was for the service of auditing Acis LP’s financial statements, pursuant to an engagement letter with it dated March 1, 2017.⁸⁴ KPMG’s engagement letter reflected a \$40,000 flat fee was agreed to by Acis LP for the service, of which 40% was due October 2017 (*i.e.*, \$16,000), with another 45% was due in January 2018 (\$18,000), and the remaining 15% would be due at the time that a final bill was sent. Acis LP has only paid \$6,000 of the agreed upon amount—meaning \$28,000 was overdue as of the January 30, 2018 Petition Date (with \$10,000 of that being four months past

⁸⁴ Exh. 40M.

due). The court makes a logical inference that KPMG LLP expected payment of its audit fees in accordance with its engagement letter and, thus, it has generally not been paid timely.

51. Next with regard to Lackey Hershman LLP, the \$236,977.54 indebtedness owed to it was for legal services provided to the Alleged Debtors and Highland in connection with the arbitration and litigation with Mr. Terry. No engagement letter was provided, but the invoices for their services are all directed to Highland.⁸⁵ The evidence reflected that three invoices had not been paid as of the Petition Date: an October 31, 2017 invoice in the amount of \$56,909.53; a November 30, 2017 invoice setting forth new fees in the amount of \$84,789.83; and a December 31, 2017 invoice setting forth new fees in the amount of \$95,278.18.⁸⁶ The court makes a logical inference that Lackey Hershman LLP expected prompt payment on its invoices (if nothing else, the statement on its invoice indicating “Total now due”)⁸⁷ and, thus, it has generally not been paid timely.

52. Next with regard to Reid Collins & Tsai LLP, the \$17,383.75 indebtedness owed to it was billed in an invoice dated August 31, 2017, indicating an August 31, 2017 “Due Date” (five months before the Petition Date).⁸⁸ Although requested in discovery, no engagement letter for this firm was produced and Reid Collins & Tsai LLP in fact represented in written discovery that none existed.⁸⁹ Moreover, written discovery propounded on the law firm indicated that, while Acis LP was liable on this debt, other parties including Acis GP/LLC, Highland, Mr.

⁸⁵ Demonstrative Aid No. 1 (Lackey Hershman tab).

⁸⁶ Exh. 40, p. 3.

⁸⁷ Demonstrative Aid No. 1 (Lackey Hershman tab).

⁸⁸ Exh. 40P; Exh. 130, pp. 7-8.

⁸⁹ Exh. 90, Requests 1 & 2; Ex. 130, Requests 1 & 2.

Dondero, the Dugaboy Trust, and Mr. Akada might also be liable for the full amount of the debt—subject to Highland’s allocation determinations.⁹⁰ Based on this evidence, the court makes a logical inference that Reid Collins & Tsai LLP generally has not been paid timely.

53. Next with regard to CT Corporation and the \$517.12 indebtedness that the Alleged Debtors represent is owed, CT Corporation asserts that \$4,074.84 is, in fact, owed to it by Acis LP and Acis GP/LLC.⁹¹ CT Corporation also believes Highland has liability for the Alleged Debtors’ indebtedness.⁹² CT Corporation also believes the amount owed to it is undisputed.⁹³ CT Corporation further represents that its invoices are due upon receipt.⁹⁴ CT Corporation produced several invoices in discovery, all showing due upon receipt, and one was dated as far back as December 31, 2016 (in the amount of \$932).⁹⁵ Based on this evidence, the court makes a logical inference that CT Corporation expected prompt payment on its invoices and, thus, has not been paid timely.

54. Next with regard to David Simek, the Petitioning Creditor concedes that his \$1,233.19 indebtedness (which is apparently an expense reimbursement relating to some consulting) is not past-due.

⁹⁰ Exh. 90, Questions 13 & 14; Exh. 130, Questions 13-14.

⁹¹ Exh. 143, Questions 12 & 13.

⁹² *Id.* at Question 14.

⁹³ *Id.* at Questions 22 & 23.

⁹⁴ *Id.* at Question 30.

⁹⁵ *Id.* at p. 8; Exh. 40T.

55. In summary, the evidence reflects that the creditors of the Alleged Debtors are generally not being paid timely (except for perhaps four that are relatively insignificant and which may also be able to look to Highland for payment).⁹⁶

56. Further on the topic of timeliness, Mr. Leventon (Highland's in-house Assistant General Counsel) testified that 96% of bills submitted get paid more than 90 days after they are submitted, that approximately 70% of bills are later than 120 days after they are submitted, and some are even later than 150 days. Mr. Leventon testified that this was a result of Acis LP receiving cash on a quarterly basis from the CLOs. He further elaborated and testified that, for example, if Acis LP got cash on say February 1st, and it received a legal bill on that same day, that he would probably not approve it and allocate it until say February 8th. By that time, Acis LP would have already used up all its cash, and that particular creditor would need to wait until the next quarterly payment was received in order to be paid. He further testified that he explained this to law firms before their engagements and that, if they wanted the business, they would need to understand the process. There are several things the court finds problematic about this testimony. First, no testimony was offered showing that this was, in fact, the understanding of the law firms or other creditors, and, moreover, none of the engagement letters or invoices submitted into evidence reflect such payment terms. Without this additional evidence, the court believes that the Alleged Debtors' testimony regarding how it paid invoices was mostly self-serving and did not support a finding that the Alleged Debtors were generally paying their debts

⁹⁶ Courts have also held that a debtor is generally not paying its debts as they become due when a debtor is found to have been transferring assets so as to avoid paying creditors. *See, e.g., In re Moss*, 249 B.R. 411, 423 (Bankr. N.D. Tex. 2000) (bankruptcy court determined that an alleged debtor was not paying its debts as they came due when the alleged debtor "attempted to delay creditors through the transfers of assets she has made," concluding that "[the alleged debtor's] overall conduct of her financial affairs has been poor"). This court has also found that there may have been significant transfers of the Alleged Debtors' assets prior to the filing of the Involuntary Petitions to potentially avoid paying creditors (*i.e.*, Mr. Terry) and this may provide further support for the court's finding that the Alleged Debtors are generally not paying their debts as they become due under section 303(h).

⁹⁹ *Id.*

II. Conclusions of Law

Section 303 of the Bankruptcy Code sets forth the various requirements for initiating an involuntary bankruptcy case. First, pursuant to section 303(b) of the Bankruptcy Code, an involuntary case may be filed against a person by the filing with the bankruptcy court of a petition under Chapter 7—

(1) by three or more entities, each of which is either a holder of a claim against such person that is not contingent as to liability or the subject of a bona fide dispute as to liability or amount ... [that] aggregate at least \$15,775 more than the value of any lien on property of the debtor securing such claims held by the holders of such claims;

(2) if there are fewer than 12 such holders, excluding any employee or insider of such person and any transferee of a transfer that is voidable under section 544, 545, 547, 548, 549, or 724(a) of this title, by one or more of such holders that hold in the aggregate at least \$15,775 of such claims . . .¹⁰⁰

Thus, if there are twelve or more eligible creditors holding qualified claims on the Petition Date, three or more entities must participate in the involuntary filing and must hold unsecured claims aggregating \$15,775.00. If there are less than twelve creditors, a single creditor with an unsecured claim of \$15,775.00 may file the involuntary petition. To the extent a bankruptcy court finds that the requisite number of petitioning creditors have commenced the involuntary case, the court shall order relief against the debtor under the chapter under which the petition was filed only if “the debtor is generally not paying such debtor’s debts as such debts become due unless such debts are the subject of a bona fide dispute as to liability or amount.”¹⁰¹

Here, as noted earlier, the Alleged Debtors have made four arguments as to why an order for relief should not be entered against the Alleged Debtors: (1) the Alleged Debtors have 12 or

¹⁰⁰ 11 U.S.C.A § 303(b) (West 2018).

¹⁰¹ 11 U.S.C.A § 303(h) (West 2018).

more creditors, and, thus, with Mr. Terry being the sole petitioning creditor, the Involuntary Petitions were not commenced by the requisite number of creditors; (2) the Alleged Debtors are generally paying their debts as they become due; (3) the Involuntary Petitions were filed in bad faith by Mr. Terry; (4) the interests of creditors and the debtors would be better served by dismissal and the court should abstain pursuant to section 305 of the Bankruptcy Code.

A. *Have the Requisite Number of Creditors Commenced the Involuntary Proceedings?*

Pursuant to section 303(b)(2) of the Bankruptcy Code, a sole petitioning creditor holding at least \$15,775 in claims can initiate an involuntary bankruptcy case so long as the alleged debtors have fewer than 12 creditors. After the Second Amended List of Creditors was filed, Mr. Terry had the burden, by a preponderance of the evidence, of showing that the Alleged Debtors actually had less than 12 qualified creditors.¹⁰² Here, the court has found that the Alleged Debtors have, *at most*, 11 qualified creditors.¹⁰³ Accordingly, Mr. Terry has met his burden of showing that the Alleged Debtors have less than 12 creditors for section 303(b) purposes, and that he, as the sole petitioning creditor, was permitted to file the Involuntary Petitions. While Mr. Terry has made additional arguments as to why certain of these 11 creditors should not be counted as creditors for purposes of section 303(b) of the Bankruptcy Code, the court does not believe it necessary to address these arguments at this time.¹⁰⁴

¹⁰² See *In re Moss*, 249 B.R. 411, 419 n. 6 (Bankr. N.D. Tex. 2000); *In re Smith*, 415 B.R. 222, 229 (Bankr. N.D. Tex. 2009).

¹⁰³ To be clear, the court believes that even on these 11, there are likely bona fide disputes as to the liability or amount that *Acis LP* has—as opposed to the liability or amount that Highland or other insiders bear responsibility.

¹⁰⁴ Moreover, as previously stated, since the court has determined there are fewer than 12 creditors, the court need not address whether there is a “special circumstances” exception to the statutory requirements of section 303, in situations where an alleged debtor may have engaged in fraud, schemes, or artifice to thwart a creditor or creditors. See, e.g., *In re Norriss Bros. Lumber Co.*, 133 B.R. 599 (Bankr. N.D. Tex. 1991); *In re Moss*, 249 B.R. 411 (Bankr. N.D. Tex. 2000); *In re Smith*, 415 B.R. 222 (Bankr. N.D. Tex. 2009).

B. Are the Alleged Debtors Generally Paying Their Debts as They Become Due?

Section 303(h) of the Bankruptcy Code requires that a court shall enter order for relief in an involuntary case “if ... (1) the debtor is generally not paying such debtor's debts as such debts become due unless such debts are the subject of a bona fide dispute as to liability or amount”¹⁰⁵ Again, the burden is on the Petitioning Creditor to prove this element by a preponderance of the evidence.¹⁰⁶ The determination is made as of the filing date of the Involuntary Petitions.¹⁰⁷ In determining whether an alleged debtor is generally paying its debts as they come due, courts typically look to four factors: (i) the number of unpaid claims; (ii) the amount of such claims; (iii) the materiality of the non-payments; and (iv) the nature of the debtor's overall conduct in its financial affairs.¹⁰⁸ No one factor is more meritorious than another; what is most relevant depends on the facts of each case.¹⁰⁹ Courts typically hold that “generally not paying debts” includes regularly missing a significant number of payments *or* regularly missing payments which are significant in amount in relation to the size of the debtor's operation.¹¹⁰

¹⁰⁵ 11 U.S.C.A § 303(h) (West 2018).

¹⁰⁶ See *Norris v. Johnson (In re Norris)*, No. 96-30146, 1997 WL 256808, at *3-*4 (5th Cir. Apr. 11, 1997) (unpublished).

¹⁰⁷ *Subway Equip. Leasing Corp. v. Sims (In re Sims)*, 994 F.2d 210, 222 (5th Cir. 1993).

¹⁰⁸ See, e.g., *In re Moss*, 249 B.R. 411, 422 (Bankr. N.D. Tex. 2000) (citing *In re Norris*, 183 B.R. 437, 456-57 (Bankr. W.D. La. 1995)).

¹⁰⁹ *In re Bates*, 545 B.R. 183, 186 (Bankr. W.D. Tex. 2016) (also noting that petitioning creditors' counsel consistently argued that the final prong—overall conduct in financial affairs—should be afforded more weight than the other factors, and the court found no authority to support this assertion).

¹¹⁰ See, e.g., *In re All Media Props., Inc.*, 5 B.R. 126, 143 (Bankr. S.D. Tex. 1980). See also *Concrete Pumping Serv., Inc. v. King Constr. Co. (In re Concrete Pumping Serv., Inc.)*, 943 F.2d 627, 630 (6th Cir.1991) (a debtor was not paying his debts as they became due where the debtor was in default on 100% of its debt to only one creditor); *Knighthead Master Fund, L.P. v. Vitro Packaging, LLC (In re Vitro Asset Corp.)*, No. 3:11-CV-2603-D (N.D.Tex. Aug. 28, 2012) (district court found error in bankruptcy court ruling that the debtors were generally paying their debts as they became due, where bankruptcy court had relied on the fact that the alleged debtors had a significant number of third-party creditors/trade vendors, which had been continually paid, even though the unpaid debts to the petitioning creditors far exceeded the paid debts in terms of dollar amount; petitioning creditors were holders of promissory notes that were guaranteed by the alleged debtors, as to which the primary obligor and alleged

Furthermore, any debt which the alleged debtor is not current on as of the petition date should be considered as a debt not being paid as it became due.¹¹¹

Here, the court concludes that the creditors of the Alleged Debtors—what few there are—are generally not being paid as their debts have become due (except for perhaps four¹¹² that are relatively insignificant and which may also be able to look to Highland for payment). Mr. Terry has met his burden by a preponderance of the evidence as to section 303(h) of the Bankruptcy Code.

C. With the Section 303 Statutory Requirements Being Met by the Petitioning Creditor, Should the Court, Nonetheless, Dismiss the Involuntary Petitions Because They Were Filed in Bad Faith?

Despite Mr. Terry meeting the necessary statutory requirements for this court to enter orders for relief as to the Alleged Debtors pursuant to section 303 of the Bankruptcy Code, the Alleged Debtors have argued that the Involuntary Petitions must, nonetheless, be dismissed because they were filed in “bad faith” by Mr. Terry. As support for this argument, the Alleged Debtors rely primarily on the Third Circuit’s decision in *In re Forever Green Athletic Fields, Inc.*, 804 F.3d 328 (3d Cir. 2015). While the court certainly acknowledges that authority exists in other circuits that suggests that dismissal of an involuntary bankruptcy case may be appropriate—even when section 303’s statutory requirements have been met—based upon an

debtors had ceased making interest payments; the unpaid debts represented 99.9% of the total dollar amount of debt of each of the alleged debtors); *Crown Heights Jewish Cmty. Council, Inc. v. Fischer (In re Fischer)*, 202 B.R. 341, 350–51 (E.D.N.Y. 1996) (even though the debtor only had two outstanding debts, the total dollar amount failed to establish that, in terms of dollar amounts, the debtor was paying anywhere close to 50% of his liabilities, so he was not generally paying his debts as they became due); *In re Smith*, 415 B.R. 222, 231 (Bankr. N.D. Tex. 2009) (while the debtor was paying small recurring debts, he was not paying 99 percent of his debts in the aggregate amount and thus was not generally paying his debts as they became due).

¹¹¹ *In re Bates*, 545 B.R. 183, 188 (Bankr. W.D. Tex. 2016).

¹¹² Those four are: Drexel Limited (\$6,359.96); Highfield Equities (\$2,510.04); David Simek (\$1,233.19); and McKool Smith (\$70,082.18).

independent finding of “bad faith,” the court need not ultimately decide the efficacy or applicability of such authority, because the court does not believe that the evidence demonstrated any “bad faith” on the part of Mr. Terry (or his counsel) in filing the Involuntary Petitions. Indeed, the evidence suggested that Mr. Terry and his counsel filed the Involuntary Petitions out of a legitimate concern that Highland was dismantling and denuding Acis LP of all of its assets and value and that a bankruptcy filing was the most effective and efficient way to preserve value for the Acis LP creditors. The court concludes that Mr. Terry was wholly justified in pursuing the Involuntary Petitions.

D. Should This Court, Nonetheless, Abstain and Dismiss the Involuntary Petitions Pursuant to Section 305 of the Bankruptcy Code?

Section 305(a)(1) of the Bankruptcy Code provides that:

- (a) The court, after notice and a hearing, may dismiss a case under this title, or may suspend all proceedings in a case under this title, at any time if—
(1) the interests of creditors and the debtor would be better served by such dismissal or suspension; . . .¹¹³

Courts construing section 305(a)(1) of the Bankruptcy Code have found that abstention in a properly filed bankruptcy case is an *extraordinary remedy*.¹¹⁴ Moreover, granting an abstention motion pursuant to section 305(a)(1) of the Bankruptcy Code requires more than a simple balancing of harm to the debtor and creditors; rather, the interests of *both* the *debtor* and its *creditors* must be served by granting the request to abstain.¹¹⁵ The moving party bears the

¹¹³ 11 U.S.C.A. § 305(a)(1) (West 2018).

¹¹⁴ *In re AMC Investors, LLC*, 406 B.R. 478, 487 (Bankr. D. Del. 2009); *see also In re Compania de Alimentos Fargo, S.A.*, 376 B.R. 427, 434 (Bankr. S.D.N.Y. 2007); *In re 801 S. Wells St. Ltd. P’ship*, 192 B.R. 718, 726 (Bankr. N.D. Ill. 1996).

¹¹⁵ *In re Smith*, 415 B.R. 222, 238-39 (Bankr. N.D. Tex. 2009) (citing to *AMC Investors, LLC*, 406 B.R. at 488).

burden to demonstrate that dismissal benefits the debtor and its creditors.¹¹⁶ Courts must look to the individual facts of each case to determine whether abstention is appropriate.¹¹⁷

Case law has set forth a litany of factors to be considered by the court to gauge the overall best interests of the creditors and the debtor for section 305(a)(1) purposes:

- (1) the economy and efficiency of administration;
- (2) whether another forum is available to protect the interests of both parties or there is already a pending proceeding in state court;
- (3) whether federal proceedings are necessary to reach a just and equitable solution;
- (4) whether there is an alternative means of achieving an equitable distribution of assets;
- (5) whether the debtor and the creditors are able to work out a less expensive out-of-court arrangement which better serves all interests in the case;
- (6) whether a non-federal insolvency has proceeded so far in those proceedings that it would be costly and time consuming to start afresh with the federal bankruptcy process; and
- (7) the purpose for which bankruptcy jurisdiction has been sought.¹¹⁸

While all factors are considered, not all are given equal weight in every case and the court should not conduct a strict balancing.¹¹⁹

i. Factor 1: The Economy and Efficiency of Administration.

¹¹⁶ *In re Monitor Single Lift I, Ltd.*, 381 B.R. 455, 462-63 (Bankr. S.D.N.Y. 2008).

¹¹⁷ *In re Spade*, 258 B.R. 221, 231 (Bankr. D. Colo. 2001).

¹¹⁸ *Monitor Single Lift I, Ltd.*, 381 B.R. at 464-65 (citing to *In re Paper I Partners, L.P.*, 283 B.R. 661, 679 (Bankr. S.D.N.Y. 2002)); *see also Smith*, 415 B.R. at 239; *AMC Investors, LLC*, 406 B.R. at 488; *In re Euro-American Lodging Corp.*, 357 B.R. 700, 729 (Bankr. S.D.N.Y. 2007); *but see Spade*, 258 B.R. at 231-32 (Bankr. D. Colo. 2001) (applied a four criteria test in evaluating section 305 abstention which included: (1) the motivation of the parties who sought bankruptcy jurisdiction; (2) whether another forum was available to protect the interests of both parties or there was already a pending proceeding in state court; (3) the economy and efficiency of administration; and (4) the prejudice to the parties). The Alleged Debtors cite to the case of *In re Murray*, 543 B.R. 484 (Bankr. S.D.N.Y. 2016), in particular, as support for why this court should abstain under section 305(a) of the Bankruptcy Code and dismiss the Involuntary Petitions. However, in *Murray*, Judge Gerber was analyzing dismissal of an involuntary proceeding pursuant to section 707 of the Bankruptcy Code, more specifically for “cause,” and not based upon abstention under section 305(a) of the Bankruptcy Code. Thus, the court is not convinced *Murray* is relevant to this court’s section 305 abstention analysis.

¹¹⁹ *In re TPG Troy, LLC*, 492 B.R. 150, 160 (Bankr. S.D.N.Y. 2013) (citing *Monitor Single Lift*, 381 B.R. at 464).

The economy and efficiency of administering a case in the bankruptcy court is routinely evaluated in considering abstention under section 305 of the Bankruptcy Code. Here, the evidence suggests that the most economical and efficient forum for these parties to resolve their disputes is the bankruptcy court. The court heard ample evidence that the Alleged Debtors are already, essentially, in the process of being liquidated by Highland. This is not a situation where an ably-functioning, going-concern business is being foisted in disruptive fashion into a bankruptcy.¹²⁰ Because of the fact that the Alleged Debtors are already in the process of being liquidated, the bankruptcy court (and not a state court) is the most efficient and economical forum to complete this liquidation and distribute whatever assets remain to creditors in accordance with the distribution scheme set forth in the Bankruptcy Code and with the oversight of a neutral third-party trustee. Thus, with the bankruptcy court being the more economic and efficient forum for administering this case, this factor goes against abstention.

- ii. *Factors 2, 3, 4, 5, and 6: Whether Another Forum is Available to Protect the Interests of Both Parties or There is Already a Pending Proceeding in State Court; Whether Federal Proceedings are Necessary to Reach a Just and Equitable Solution; Whether There is an Alternative Means of Achieving an Equitable Distribution of Assets; Whether the Debtor and the Creditors are Able to Work Out a Less Expensive Out-of-Court Arrangement Which Better Serves All Interests in the Case; and Whether a Non-Federal Insolvency Has Proceeded so Far in Those Proceedings That it Would Be Costly and Time Consuming to Start Afresh With the Federal Bankruptcy Process.*

¹²⁰ See, e.g., *In re The Ceiling Fan Distrib., Inc.*, 37 B.R. 701 (Bankr. M.D. La. 1983) (noting that while the dissection of a living business may not properly be the business of a bankruptcy court, the division of a “carcass” and the reclamation of pre-petition gouging may well be); *In re Bos*, 561 B.R. 868, 898-99 (Bankr. N.D. Fla. 2016) (citing as one of the reasons to abstain under section 305 of the Bankruptcy Code the fact that entities and subsidiaries under the alleged debtor’s umbrella were still operating successful businesses and had employed more than 500 people); but see *Remex Elecs. Ltd. v. Axl Indus., Inc. (In re Axl Indus., Inc.)*, 127 B.R. 482, 484-86 (S.D. Fla. 1991) (in affirming the bankruptcy court’s decision to dismiss an involuntary bankruptcy case, the district court also found that “the interests of a defunct business enterprise would be little affected by the pendency of a bankruptcy proceeding,” which the district court believed favored abstention).

The court believes that factors 2-6 should be grouped together for purposes of its abstention analysis, since all of these factors specifically touch on the availability of an alternative forum to achieve an *equitable* distribution.¹²¹ By way of example, where bringing a case into the bankruptcy court would simply add an additional layer of expense to the resolution of a two-party dispute and another forum already provides a suitable place to resolve the dispute, some courts have found that abstention is the more appropriate choice since keeping the case would transform the bankruptcy process into a collection device.¹²² Here, the Alleged Debtors have repeatedly argued that, because there is already pending state court litigation involving Mr. Terry, Highland, and the Alleged Debtors, these cases should be dismissed and the parties should go back to state court to resolve their issues. The court does not agree for several reasons.

First, it is worth noting that this court has already heard multiple days of evidence in this case (including almost five days just for the Trial) and would certainly not be “starting afresh” by any means if things go forward in the bankruptcy court. Additionally, while the Alleged Debtors have argued that a significant amount of attorney’s fees have already been spent litigating this case in state court (which they believe supports abstention), the court surmises that these fees have not been wasted dollars, as the money expended by the parties developed discovery of facts that could assist a bankruptcy trustee in pursuing avoidance actions that may be viable and might lead to value that could pay creditors’ claims.¹²³

¹²¹ See, e.g., *In re Monitor Single Lift I, Ltd.*, 381 B.R. 455, 460-70 (Bankr. S.D.N.Y. 2008).

¹²² *AMC Investors, LLC*, 406 B.R. at 488; see also *Axl Indus., Inc.*, 127 B.R. at 484-86.

¹²³ See, e.g., *The Ceiling Fan Distributor, Inc.*, 37 B.R. at 703 (the court noted that, despite there being significant legal expenses in the state court, such expenses were not wasted since the legal work done to date would be quite helpful to a trustee).

Second, this court heard considerable evidence involving potentially voidable transfers that may have occurred involving the Alleged Debtors and Highland/Highland-affiliates and, while the state court certainly provides a forum for eventually bringing fraudulent transfer claims, the court also heard evidence that none of these claims have actually been brought in the state court.¹²⁴ Moreover, to the extent fraudulent transfer claims were to be pursued in state court and were successful, the state court would still need the ability to reach the assets of alleged fraudulent transfer recipients (which, in this situation, include certain Highland-affiliates located in the Cayman Islands). The bankruptcy court has concerns whether a state court process could efficiently accomplish this task.¹²⁵ Similarly, it is worth noting that, while a request for a receiver was filed in the state court by Mr. Terry, such request had not yet been heard and decided by the state court. Thus, at the present time, it does not appear that there is an alternative forum to address the pertinent issues in this case, without the necessity of significant, additional steps being taken by the parties in the state court.

Third, this court believes that a federal bankruptcy proceeding is necessary in order to achieve an equitable result in this case. Specifically, the court heard evidence from the Alleged Debtors that, if this court chose to abstain and dismiss the Involuntary Petitions, the Alleged Debtors would ultimately pay all of their creditors in full, except for Mr. Terry. This clearly demonstrates how keeping the case in the bankruptcy court is necessary to allow an equitable

¹²⁴ See, e.g., *In re Texas EMC Mgmt., LLC*, Nos. 11-40008 & 11-40017, 2012 WL 627844, at *3 (Bankr. S.D. Tex. 2012) (noting that one of the reasons abstention was proper under section 305 of the Bankruptcy Code was because the issues to be litigated amongst the parties were already joined in the state court litigation); *Spade*, 258 B.R. at 236 (court held that one of the reasons abstention was warranted under section 305 of the Bankruptcy Code was because the petitioning creditors had already filed and had pending a “collection case” in the state court).

¹²⁵ See, e.g., *Smith*, 415 B.R. at 239 (the bankruptcy court held that there “are remedies under the Bankruptcy Code that are not available to Rhodes under state law, due to Mr. Smith's transfer of the majority of his assets to the Cook Island Trust,” and “federal proceedings may be necessary to reach a just and equitable solution”).

In summation, the court finds that all of the factors above support this case staying with the bankruptcy court.

The Alleged Debtors have repeatedly argued that Mr. Terry filed this case in bad faith and as a litigation tactic to gain some sort of advantage in the state court proceedings. The court has already found above that these cases were not filed in bad faith and that Mr. Terry has met the necessary statutory requirements of section 303 of the Bankruptcy Code. Moreover, it is worth noting that at least one court has stated that the filing of an involuntary bankruptcy petition is always a “litigation tactic,” but whether the filing is inappropriate for abstention purposes is a fact-dependent determination.¹²⁶ Here, the facts show that there was no inappropriateness

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behind Mr. Terry's decision to file the Involuntary Petitions. Specifically, Mr. Terry repeatedly and credibly testified that the purpose for filing the Involuntary Petitions was to ensure that creditors (including him) were treated fairly and received an equal distribution from the Alleged Debtors' assets, not to gain some sort of advantage in the state court. This testimony was absolutely consistent with additional evidence showing that, since the entry of the arbitration award, there has been a calculated effort (largely by Highland) to effectively liquidate the Alleged Debtors. Unlike the bankruptcy court in *In re Selectron Mgmt. Corp.*,¹²⁷ which had no evidence or "smoking gun" showing that steps were being taken by the alleged debtor to evade payment on the petitioning creditor's judgment, thereby necessitating abstention, this court has heard ample evidence showing that the Alleged Debtors, with the aid of Highland, were transferring assets away from the Alleged Debtors, so that Mr. Terry would have nowhere to look at the end of the day.

In light of the court's analysis of all the seven factors above, the Alleged Debtors have not credibly shown how both the Alleged Debtors and the creditors are better served outside of bankruptcy. If this matter were to remain outside of bankruptcy, there seems to be a legitimate prospect that the Alleged Debtors and Highland will continue dismantling the Alleged Debtors, to the detriment of Acis LP creditors. Abstention would fly in the face of fundamental fairness and the principles underlying the Bankruptcy Code.

Beyond just addressing the factors above, the Alleged Debtors have also argued that, if this court were to not abstain under section 305 of the Bankruptcy Code, there would be

¹²⁷ *In re Selectron Mgmt. Corp.*, No. 10-75320-DTE, 2010 WL 3811863, at *6-7 (Bankr. E.D.N.Y. Sept. 27, 2010); see also *In re White Nile Software, Inc.*, No. 08-33325-SGJ-11, 2008 WL 5213393, at *4 (Bankr. N.D. Tex. Sept. 16, 2008) (finding that where the filing of a voluntary chapter 11 did not appear to be about insuring a distribution to creditors or winding down or giving a soft landing to a business or avoiding dismantling and dissipation of valuable assets or preserving avoidance actions, but rather was about changing the forum of ongoing litigation between the parties, abstention under section 305 was proper).

significant harm to the “equity” of the Alleged Debtors. Specifically, the Alleged Debtors have argued that, if this court were to enter orders for relief, the equity would be forced to “call” and ultimately liquidate CLO 2014-3 (and perhaps all of the CLOs Acis LP manages), resulting in substantial losses to the equity on their investments. First, to be clear, the current equity of the Alleged Debtors is being held by a Highland-affiliate called Neutra, Ltd., which actually only became the equity of the Alleged Debtors on December 19, 2017. But this is not the “equity” being referred to by the Alleged Debtors in its argument. Rather, the so-called “equity,” about which the Alleged Debtors seemed so concerned, is actually *certain parties that own the equity of the entity that owns the equity in the CLOs*—which includes (a) an unnamed third-party investor out of Boston (49%),¹²⁸ (b) a charitable foundation managed by a Highland-affiliate (49%), and (c) Highland employees (2%). However, abstention under section 305 of the Bankruptcy Code does not require this court to look at what is in the best interests of these third-parties (who are not current creditors or interest holders of the Alleged Debtors), but rather what is in the best interests of the Alleged Debtors and the creditors. Accordingly, the Alleged Debtors’ effort to argue potential harm to these parties is misplaced for purposes of evaluating abstention under section 305 of the Bankruptcy Code, and, if anything, further highlights who the Alleged Debtors are really out to protect—Highland and Highland-affiliates. Moreover, the court would note that, even if there were to be a “call” and liquidation of CLO 2014-3, thereby ending the Alleged Debtors’ right to receive future management fees, there would still be potential assets for a chapter 7 trustee to administer such as chapter 5 causes of action (which include fraudulent transfers) as well as the Alleged Debtors’ contingent claim for approximately

¹²⁸ Notably, this entity never appeared at the Trial or filed papers stating that it would be harmed by entry of orders for relief in these cases.

\$3 million in expense reimbursement owing by Highland CLO Management Ltd., as part of the November 3, 2017 transfer of the Acis LP Note Receivable from Highland. Thus, even if the so-called doomsday scenario of an equity call on CLO 2014-3 (or other CLOs) were to happen, there is still a potential benefit to creditors if this court chooses not to abstain.

III. CONCLUSION

In conclusion, these involuntary proceedings were appropriately filed under section 303, and orders for relief will be issued forthwith. This court declines to exercise its discretion to abstain, because a chapter 7 trustee appears necessary to halt the post-Arbitration Award transactions and transfers of value out of Acis LP, as discussed above. A chapter 7 trustee appears necessary to resolve the inherent conflicts of interest between the Alleged Debtors and Highland. A chapter 7 trustee will have tools available to preserve value that a state court receiver will not have. The bankruptcy court is single handedly the most efficient place to administer property of the estate for creditors. This is not just a two party dispute between Mr. Terry and the Alleged Debtors, and even if it were, dismissal or abstention is clearly not warranted.

###END OF FINDINGS OF FACT AND CONCLUSIONS OF LAW###

Exhibit D

Acis Arbitration Opinion



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

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

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

Signed April 16, 2019


United States Bankruptcy Judge

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

IN RE:

ACIS CAPITAL MANAGEMENT, L.P.,
ACIS CAPITAL MANAGEMENT, GP,
LLC,
Debtors.

ROBIN PHELAN, CHAPTER 11
TRUSTEE,
Plaintiff,

VS.

HIGHLAND CAPITAL MANAGEMENT,
L.P., HIGHLAND CLO FUNDING
LTD, HIGHLAND HCF ADVISOR, LTD.,
HIGHLAND CLO MANAGEMENT, LTD.,
and HIGHLAND CLO HOLDINGS, LTD.,
Defendants.

CASE NO. 18-30264-SGJ-11
CASE NO. 18-30265-SGJ-11
(Jointly Administered Under
Case No. 18-30264-SGJ-11)
(Chapter 11)

ADVERSARY NO. 18-03078-SGJ

**MEMORANDUM OPINION AND ORDER DENYING MOTION TO COMPEL
ARBITRATION [DE # 102]**

I. Introduction.

Before this court is a Motion to Compel Arbitration (the “Arbitration Motion”),¹ requesting that the bankruptcy court send to arbitration only a **sub-set** of claims asserted in the above-referenced adversary proceeding (the “Adversary Proceeding”). Some procedural context is crucial in analyzing the merits of the Arbitration Motion and, thus, is set forth immediately below.

This Adversary Proceeding has morphed into a large, complex lawsuit—at this stage primarily involving 35 claims, 20 of which are grounded in fraudulent transfer theories.² The Arbitration Motion, as explained below, seeks arbitration of **eight** of the 35 claims (*i.e.*, Counts 1-8).

The Arbitration Motion was filed by party Highland Capital Management, L.P. (“Highland”). Highland and a related company, Highland CLO Funding Ltd. (“HCLOF”), were originally the plaintiffs in this Adversary Proceeding, suing the Chapter 11 Trustee for injunctive relief (arguing early during the above-referenced Chapter 11 bankruptcy cases that the Chapter 11 Trustee was interfering with their business rights and decisions, essentially). The Chapter 11 Trustee fired back with 35 counterclaims against Highland and HCLOF (adding three parties related to Highland as third-party defendants with regard to some of those 35 counterclaims). Notably, these 35 counterclaims—**as directed toward Highland**—were also alleged to be objections to Highland’s two \$4,672,140.38 proofs of claim filed in the underlying bankruptcy cases.³ In that regard, the Chapter 11 Trustee stated that his Answer and Counterclaims included

¹ DE # 102.

² There is also a preference count and a section 550 recovery count—thus, 22 out of the 35 claims are chapter 5 avoidance actions and recovery. 11 U.S.C. §§ 544, 547, 548 & 550.

³ See *Defendant’s Amended Answer, Counterclaims (Including Claim Objections) and Third-Party Claims* (DE # 84), filed November 13, 2018, in response to the *Original Complaint and Request for Preliminary Injunction of*

“an objection to Highland Capital's proofs of claim pursuant to Federal Rule of Bankruptcy Procedure 3007(b), and the counterclaims asserted herein shall constitute recoupment and/or offset to such proofs of claim, to the extent such claims are otherwise allowed.”⁴ In fact, after the 35 counts were articulated in the Chapter 11 Trustee’s Answer and Counterclaims, there were 20 paragraphs (¶¶ 252-271, pp. 70-77) solely articulating the Chapter 11 Trustee’s objections to Highland’s proofs of claim.⁵ The Chapter 11 Trustee also filed yet a separate adversary proceeding, Adv. Proc. No. 18-03212, seeking his own injunctive relief, which has recently been consolidated with this Adversary Proceeding.⁶

The Chapter 11 Trustee ultimately proposed and obtained confirmation of a Chapter 11 plan in the underlying bankruptcy cases, and the Reorganized Debtors, now under new ownership and management, were vested in that plan with the counterclaims in this Adversary Proceeding (among other rights and claims). The injunctive relief initially sought by Highland and HCLOF, as plaintiffs in the Adversary Proceeding, later became mooted by various orders in

Highland CLO Funding, Ltd and Highland Capital Management Against Chapter 11 Trustee of Acis Capital Management, L.P. and Acis Capital Management GP, LLC (DE # 1), filed May 30, 2018, and also in response to the proofs of claims filed by Highland Capital Management, L.P. (*see Proof of Claim No. 27*, filed in Case No. 18-30264, and *Proof of Claim No. 13* filed in Case No. 18-30265, each in the amount of \$4,672,140.38, with the basis of each of the proofs of claim listed as “Sub-Advisory Services and Shared Services”; these proofs of claim are virtually identical).

⁴ DE # 84, ¶ 6. The Chapter 11 Trustee has argued that the Highland proofs of claim should be disallowed under (i) section 502(b)(1) of the Bankruptcy Code (in that the Highland proofs of claim are allegedly unenforceable against the Debtors under the limited partnership agreement of Acis Capital Management, L.P. and applicable law); (ii) section 502(b)(4) of the Bankruptcy Code (in that the proofs of claim are for services of an insider of the Debtors and allegedly exceed the reasonable value of the services); and (iii) under section 502(d) of the Bankruptcy Code (in that the Trustee has asserted avoidance actions against Highland). Finally, to the extent allowed at all, the Trustee has argued that the Highland proofs of claim should be equitably subordinated under section 510(c) of the Bankruptcy Code. In summary, pursuant to section 502(b) and (d) of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 3007, the Trustee has sought entry of an order disallowing and expunging the Highland proofs of claim from the Debtors’ claims registers. *See id.* at ¶¶ 251-272.

⁵ *Id.*

⁶ DE # 124.

the bankruptcy cases and such claims were voluntarily dismissed without prejudice.⁷ Thus, Highland, which is pursuing the Arbitration Motion, now wears the hat of only a defendant (and proof of claimant), and the Reorganized Debtors are the plaintiffs asserting the 35 original “counterclaims” asserted by the Chapter 11 Trustee against Highland (which 35 claims are also objections to Highland’s proof of claim). The separate adversary proceeding that was filed by the Chapter 11 Trustee seeking injunctive relief (Adv. Proc. No 18-03212) was consolidated into this Adversary Proceeding, and the style of this Adversary Proceeding was adjusted to reflect that the Chapter 11 Trustee had become situated as plaintiff.⁸ But, to be clear, the Reorganized Debtors are actually now plaintiffs in place of the Chapter 11 Trustee. The Reorganized Debtors are Acis Capital Management, L.P. (“Acis LP”) and Acis Capital Management GP, LLC (“Acis GP”), and they oppose the Arbitration Motion.⁹

Citing to the Federal Arbitration Act (the “FAA”), 9 U.S.C. § 1 *et seq.*, Highland argues that the bankruptcy court must enter an order compelling arbitration as to counts 1-8 because: (a) these eight counts revolve around the interpretation of certain prior versions of a Sub-Advisory Agreement and Shared Services Agreement (later defined); and (b) the aforementioned agreements contained binding arbitration clauses. Highland also requests that the Adversary Proceeding be stayed regarding counts 1-8, pending binding arbitration. The Reorganized Debtors dispute that there are binding arbitration clauses applicable to counts 1-8. As explained further below, the aforementioned agreements were amended many times and the arbitration clauses were eventually eliminated in the last versions of the agreements. The Reorganized

⁷ DE # 79.

⁸ DE # 124.

⁹ DE # 123.

Debtors also urge that, even if there are applicable arbitration clauses, the court may and should exercise discretion and decline to order arbitration, since core bankruptcy matters are involved and arbitration would conflict with the purposes of the Bankruptcy Code. For the reasons set forth below, the Arbitration Motion is denied. This means that Counts 1-26 & 33-35 will go forward and be adjudicated in this Adversary Proceeding.¹⁰ But as will be explained in a separate order that is being issued shortly following this order, there are certain counts complaining of *postpetition* state law torts and breaches of contract in this Adversary Proceeding (Counts 27-32) that this court believes should be separated out into a different adversary proceeding and consolidated with a contested matter involving a Highland request for allowance of a postpetition administrative expense claim [DE # 772].

II. Background Facts.

A. First, the Agreements Between the Parties.

As this court has noted on various occasions, Acis LP was formed in the year 2011, and is primarily a CLO portfolio manager.¹¹ Specifically, Acis LP provides fund management services to various special purpose entities that hold CLOs (which is an acronym for “collateralized loan obligations”). Acis LP was providing management services for five such special purpose entities (the “Acis CLOs”) as of the time that it and its general partner were put into the above-referenced involuntary bankruptcy cases (the “Bankruptcy Cases”). The parties have informally referred to the special purpose entities themselves as the “CLO Issuers” or “CLO Co-Issuers” but, to be clear, these special purpose entities (hereinafter, the “CLO SPEs”)

¹⁰ The court notes that a Supplemental Motion to Withdraw the Reference in this Adversary Proceeding has recently been filed by Highland and HCLOF [DE # 134] and that motion will be addressed in due course hereafter. The ruling herein with regard to the Arbitration Motion does not affect such motion and such motion will be separately addressed, after a status conference, and through a report and recommendation to the District Court.

¹¹ Acis LP has managed other funds, from time to time, besides CLOs.

are structured as follows: (a) on the asset side of their balance sheets, the entities own pieces of senior debt owed by large corporations and, therefore, earn revenue from the variable interest payments made by those corporations on such senior debt; and (b) on the liability side of their balance sheets, the entities have obligations in the form of notes (*i.e.*, tranches of fixed interest rate notes) on which the CLO SPEs themselves are obligated—the holders of which notes are mostly institutions and pension funds. The CLO SPEs make a profit, based on the spread or “delta” between: (a) the variable rates of interest paid on the assets that the CLO SPEs own (*i.e.*, the basket of senior notes); and (b) the fixed rates of interest that the CLO SPEs must pay on their own tranches of debt. At the bottom of the CLO SPEs’ capital structure is their equity (sometimes referred to as “subordinated notes,” but these “notes” are genuinely equity). As portfolio manager, Acis LP manages the CLO SPEs’ pools of assets (by buying and selling senior loans to hold in the CLO SPEs’ portfolios) and communicates with investors in the CLO SPEs. The CLO SPEs’ tranches of notes are traded on the Over-the-Counter market.

To be perfectly clear, none of the CLO SPEs themselves have been in bankruptcy. Only Acis LP which *manages* the CLO business and its general partner, Acis GP, were put into bankruptcy.

Historically, Acis LP has had four main sets of contracts that were at the heart of its business and allowed it to function. They are described below. The second and third agreements set forth below are highly relevant to the Arbitration Motion before the court. The Chapter 11 Trustee, from time-to-time, credibly testified that these agreements collectively created an “eco-system” that allowed the Acis CLOs to be effectively and efficiently managed by Acis LP.

1. The PMAs with the CLO SPEs.

First, Acis LP has various portfolio management agreements (“PMAs”) *with the CLO SPEs*, pursuant to which Acis LP earns management fees. The PMAs have been the primary “assets” (loosely speaking) of Acis LP. They are what generate revenue for Acis LP.

2. The Sub-Advisory Agreement with Highland.

Second, Acis LP had a Sub-Advisory Agreement (herein so called) with *Highland*. Pursuant to this agreement, Acis LP essentially sub-contracted for the use of Highland front-office personnel/advisors to perform management services for Acis LP (*i.e.*, so that Acis LP could fulfill its obligations to the CLO SPEs under the PMAs). Acis LP paid handsome fees to Highland pursuant to this agreement. This agreement was rejected (with bankruptcy court approval) by the Chapter 11 Trustee during the Bankruptcy Cases, when the Chapter 11 Trustee credibly represented that he had not only found resources to provide these services at a much lower cost to the estate, but he also had begun to believe that Highland was engaging in stealth efforts to liquidate the Acis CLOs, to the detriment of Acis LP’s creditors.

There were five iterations of the Sub-Advisory Agreement between the parties over time: (a) the initial Sub-Advisory Agreement, “made effective January 1, 2011” (which had an arbitration clause at section 16(f));¹² (b) an Amended and Restated Sub-Advisory Agreement, “made” May 5, 2011, “to be effective January 1, 2011” (which also had an arbitration clause at section 16(f))¹³; (c) an Amendment to Amended and Restated Sub-Advisory Agreement “entered into as of” July 1, 2011 (which did not seem to affect in any way the aforementioned arbitration

¹² Exh. 1 to Arbitration Motion.

¹³ Exh. 2 to Arbitration Motion.

clause);¹⁴ (d) Second Amended and Restated Sub-Advisory Agreement “made” on July 29, 2016, “to be effective January 1, 2016” (which had an arbitration clause at section 16(f));¹⁵ and (e) the Third Amended and Restated Sub-Advisory Agreement “dated as of March 17, 2017” (*which suddenly contained no arbitration clause, with no explanation*).¹⁶

3. The Shared Services Agreement with Highland.

Third, Acis LP also had a Shared Services Agreement (herein so called) with Highland, pursuant to which Acis LP essentially sub-contracted for the use of Highland’s back-office services (again, so that Acis LP could fulfill its obligations to the CLO SPEs under the PMAs). To be clear, Acis LP had no employees of its own—only a couple of officers and members. Acis LP paid handsome fees to Highland for the personnel and back-office services that Highland provided to Acis LP. This agreement was also rejected by the Chapter 11 Trustee during the Bankruptcy Cases (with Bankruptcy Court approval) for the same reasons that the Sub-Advisory Agreement with Highland was rejected.

There were five iterations of the Shared Services Agreement between the parties over time: (a) the initial Shared Services Agreement “effective as of January 1, 2011” (which had an arbitration clause at section 9.14);¹⁷ (b) an Amendment to Shared Services Agreement, “entered into as of” July 1, 2011 (which did not seem to affect in any way the aforementioned arbitration clause);¹⁸ (c) a Second Amended and Restated Shared Services Agreement “dated effective

¹⁴ Exh. 3 to Arbitration Motion.

¹⁵ Exh. 4 to Arbitration Motion.

¹⁶ Exh. 5 to Arbitration Motion.

¹⁷ Exh. 6 to Arbitration Motion.

¹⁸ Exh. 7 to Arbitration Motion.

January 1, 2015” (which had an arbitration clause at section 9.14);¹⁹ (d) a Third Amended and Restated Shared Services Agreement “dated effective as of January 1, 2016 (which had an arbitration clause at section 9.14);²⁰ and (e) a Fourth Amended and Restated Shared Services Agreement “dated as of March 17, 2017” (*which suddenly contained no arbitration clause, with no explanation*).²¹

4. The Equity/ALF-PMA.

Fourth, until a few weeks before the Bankruptcy Cases were filed, Acis LP also had yet another portfolio management agreement (distinct from its PMAs with the CLO SPEs) whereby Acis LP provided services not just to the CLO SPEs themselves, but separately to the equity holder in the CLO SPEs. This portfolio management agreement with the equity holder in the CLO SPEs is sometimes referred to by the parties as the “ALF PMA,” but it would probably be easier to refer to it as the “Equity PMA”²² (for ease of reference, the court will refer to it as the “Equity/ALF PMA”). Acis LP did not earn a specific fee pursuant to the Equity/ALF PMA, but the Chapter 11 Trustee and others credibly testified during the Bankruptcy Cases that Acis LP considered the agreement valuable and very important, because it essentially gave Acis LP the ability to control the whole Acis CLO eco-system—in other words, it gave Acis LP the ability to make substantial decisions on behalf of the CLO SPEs’ *equity*—distinct from making decisions for the CLO SPEs themselves pursuant to the PMAs. In any event, shortly before the Bankruptcy Cases were filed, agents of Highland and/or others controlling Acis LP: (a) caused

¹⁹ Exh. 8 to Arbitration Motion.

²⁰ Exh. 9 to Arbitration Motion.

²¹ Exh. 10 to Arbitration Motion.

²² There were actually different iterations of the Equity/ALF PMA including one dated August 10, 2015, and another dated December 22, 2016.

Acis LP to terminate this Equity/ALF PMA; and (b) then caused the equity owner to enter into a new Equity PMA with a newly formed offshore entity called Highland HCF Advisor, Ltd. (one of the Defendants in this Adversary Proceeding).

5. Limited Partnership Agreement of Acis LP.

There is actually a fifth agreement that should be mentioned. Although not as integral as the previous four agreements, there was a certain Amended and Restated Agreement of Limited Partnership of Acis Capital Management, L.P., dated to be effective as of January 1, 2011 (the “LPA”), entered into among the general partner and limited partners of Acis LP. Reorganized Acis has argued in the Adversary Proceeding that this LPA limited in some respects the compensation that could be paid to Highland under the Sub-Advisory Agreement and the Shared Services Agreement.

B. Next, the 35 Counts Asserted Against Highland in this Adversary Proceeding.

The Adversary Proceeding, distilled to its essence—and as currently framed—is all about certain activities of Highland and some of its affiliates and actors who controlled it, which activities were allegedly aimed at *denuding Acis LP of all of its value*, at a time when the former portfolio manager for Acis LP was on the verge of obtaining a very large judgment claim against Acis LP. Specifically, these activities of Highland began soon after: (a) it terminated former Acis CLO manager Joshua Terry (“Terry”) in June 2016; (b) it began litigating with him (which litigation was sent to arbitration) in September 2016; and (c) Terry obtained an approximately \$8 million arbitration award against Acis LP in October 2017, which was confirmed by a judgment in December 2017. The activities and counts revolve around: (a) Highland’s alleged overcharging of Acis LP by more than \$7 million for fees/expenses under the Sub-Advisory and Shared Services Agreement, as limited by the LPA (Counts 1-4); (b) alleged fraudulent transfers

of value out of Acis LP, by virtue of various amendments and modifications of the Sub-Advisory and Shared Services Agreements (Counts 5-8); (c) an alleged fraudulent transfer as to the Equity/ALF PMA (Counts 9-12); (d) an alleged fraudulent transfer pertaining to Acis LP's conveyance away of its so-called ALF Equity (Counts 13-16); (e) an alleged fraudulent transfer of a \$9.5 million note receivable Acis LP held (Counts 17-20); (f) various other fraudulent transfers (Counts 21-24); (g) preferences (Count 25); (h) assertion of a section 550 recovery remedy for the aforementioned avoidance actions (Count 26); and (i) requests for punitive damages, an alter ego/veil piercing remedy, and attorneys' fees (Counts 33-35). There are also some counts complaining of postpetition state law torts and breaches of contract (Counts 27-32).

As mentioned earlier, Highland's Arbitration Motion only requests the court defer to arbitration Counts 1-8—that is the counts relating to: (a) Highland's alleged overcharging of Acis LP by more than \$7 million for fees/expenses under the Sub-Advisory and Shared Services Agreement, as perhaps limited by the LPA (Counts 1-4); and (b) the alleged fraudulent transfers of value out of Acis LP, by virtue of various amendments and modifications of the Sub-Advisory and Shared Services Agreements (Counts 5-8). Highland argues that, *since all of these counts pertain to the Sub-Advisory Agreement and Shared Services Agreement* between Acis LP and Highland, the arbitration clauses in those agreements dictate that the counts be carved out from this Adversary Proceeding and sent to binding arbitration. Highland acknowledges that these two agreements were amended and restated numerous times, and that the last time they were amended (March 17, 2017) the arbitration clauses were eliminated, but Highland argues that, since all of the activity complained of in Counts 1-8 occurred *prior* to March 17, 2017, *the older iterations of the Sub-Advisory and Shared Services Agreements, with arbitration clauses, govern*. Highland zeroes in on the fact that Counts 1-4, at their essence, are assertions that the

fees for services charged by Highland in the Sub-Advisory and Shared Services Agreements were excessive for the years 2013, 2014, 2015, and through May 2016 (all before the March 17, 2017 iteration of the agreements). And Counts 5-8, while articulated as fraudulent transfer claims, pertain to the modifications made to the Sub-Advisory and Shared Services Agreements at various stages up to the March 17, 2017 versions.

The Reorganized Debtors have argued that it is quite clear that the last iterations of the Sub-Advisory and Shared Services Agreements intended to supersede in every way the prior versions. That includes the provisions directing arbitration. And, they argue, it does not matter *when* the causes of action occurred/accrued or not. What matters is that the parties agreed at some point that their disputes would not be sent to arbitration and this was the last governing document.

C. The Relevant Language in the Sub-Advisory and Shared Services Agreements Pertaining to (i) Arbitration and (ii) Superseding of Prior Agreements.

As mentioned earlier, there was an arbitration clause at Section 16(f) of the Sub-Advisory Agreement until the last March 17, 2017 version. The clause read as follows:

[I]n the event there is an unresolved legal dispute between the parties and/or any of their respective officers, directors, partners, employees, agents, affiliates or other representatives that involves legal rights or remedies arising from this Agreement, the parties agree to submit their dispute to binding arbitration under the authority of the Federal Arbitration Act. . . .²³

In the Shared Services Agreement, an arbitration clause appeared at Section 9.14, as follows:

Notwithstanding anything contained in this Agreement or the Annexes hereto to the contrary, in the event there is an unresolved legal dispute between the parties and/or any of their respective officers, directors, partners, employees, agents, affiliates or other representatives that involves legal rights or remedies arising from this Agreement, the parties agree to submit their dispute to binding arbitration under the authority of the Federal Arbitration Act. . . .²⁴

²³ Exh. 1 of Arbitration Motion, at 7-8.

²⁴ Exh. 6 of Arbitration Motion, at 9-10.

As earlier mentioned, these two agreements were later amended and restated several times. The arbitration provisions remained identical until they were completely eliminated in March 2017. The Reorganized Debtor argues that this is a short analysis: there was no longer an operative arbitration provision as of March 17, 2017.

In the March 17, 2017 version of the Shared Services Agreement, the parties agreed “that the courts of the State of Texas and the United States District Court located in the Northern District of Texas in Dallas are to have exclusive jurisdiction to settle any disputes (whether contractual or noncontractual) which may arise out of or in connection with this Agreement and that accordingly any action arising out of or in connection therewith (together referred to as ‘Proceedings’) may be brought in such courts.”²⁵

The same type language appeared in the March 17, 2017 version of the Sub-Advisory Agreement: “The parties unconditionally and irrevocably consent to the exclusive jurisdiction of the courts located in the State of Texas and waive any objection with respect thereto, for the purpose of any action, suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.”²⁶

More generally, the March 17, 2017 versions of the agreements each provided that they “amended, restated and replaced the existing agreements *in [their] entirety*.”²⁷ The March 17, 2017 agreements also each provided that they “supersede[d] all prior agreements and undertakings, both written and oral, between the parties with respect to such subject matter.”²⁸

²⁵ Exh. 10 of Arbitration Motion, § 8.04(b).

²⁶ Exh. 5 of Arbitration Motion, § 13.

²⁷ Exhs. 5 and 10 of Arbitration Motion, each at p. 1 (emphasis added).

²⁸ Exh. 5 of Arbitration Motion, ¶ 20; Exh.10 of Arbitration Motion, ¶ 8.14.

In summary, the Reorganized Debtors argue that, under Texas common law, basic principles of contract interpretation, and the plain language of the March 17, 2017 version of the agreements, there is no agreement to arbitrate. “A contract's plain language controls.”²⁹ Because the prior versions of the agreements were “amended, restated and replaced in [their] entirety” with the March 17, 2017 agreements—which not only omit an arbitration provision, but also expressly provide for jurisdiction and venue in Texas state or federal courts—the Reorganized Debtors argue that there exists no valid agreement to arbitrate between Highland and Acis LP. The court's inquiry can and should end there. But, if the court concludes the arbitration clauses are still applicable, the Reorganized Debtors argue that the bankruptcy court has discretion *not* to compel arbitration when (a) bankruptcy core matters are involved, and (b) arbitration would conflict with the purposes of the Bankruptcy Code. Therefore, this is further reason why the Arbitration Motion should be denied.

III. Legal Analysis.

A. The Federal Arbitration Act and Arbitration Clauses Generally.

The FAA provides that arbitration agreements are always “valid, irrevocable, and enforceable, save upon such grounds as exist at law or in equity for the revocation of any contract.”³⁰ Thus, the FAA reflects a liberal federal policy favoring arbitration, and requires arbitration agreements to be rigorously enforced according to their terms.³¹ The FAA “expresses a strong national policy favoring arbitration of disputes, and all doubts concerning the

²⁹ *Great Am. Ins. Co. v. Primo*, 512 S.W.3d 890, 893 (Tex. 2017).

³⁰ 9 U.S.C. § 2.

³¹ See *AT&T Mobility LLC v. Concepcion*, 563 U.S. 333, 339 (2011) (citations omitted).

arbitrability of claims should be resolved in favor of arbitration.”³² “There is a strong presumption in favor of arbitration and the party seeking to invalidate an arbitration agreement bears the burden of establishing its invalidity.”³³

When considering a motion to compel arbitration, the Fifth Circuit has held there are two threshold questions: (1) whether an arbitration agreement is valid; and (2) whether the dispute falls within the scope of the agreement.³⁴ To evaluate the enforceability of an arbitration agreement, courts apply the contract law of the state that governs the agreement,³⁵ whereas the scope of the agreement is a matter of federal substantive law.³⁶

B. Is There a Valid Agreement to Arbitrate that Applies Here and is Still Enforceable?³⁷

With respect to the first element—whether a valid agreement to arbitrate exists—federal courts “apply ordinary state-law principles that govern the formation of contracts.”³⁸ Here, the choice of law provisions of the Highland-Acis Agreements state: “This Agreement shall be

³² *Primerica Life Ins. Co. v. Brown*, 304 F.3d 469, 471 (5th Cir. 2002) (citing *Southland Corp. v. Keating*, 465 U.S. 1, 10 (1984)).

³³ *Carter v. Countrywide Credit Indus., Inc.*, 362 F.3d 294, 297 (5th Cir. 2004).

³⁴ *See Agere Sys. Inc. v. Samsung Elecs. Co. Ltd.*, 560 F.3d 337, 339 (5th Cir. 2009).

³⁵ *Wash. Mut. Fin. Group, LLC v. Bailey*, 364 F.3d 260, 264 (5th Cir. 2004) (citation omitted).

³⁶ *Graves v. BP Am., Inc.*, 568 F.3d 221, 222-23 (5th Cir. 2009); *see also Neal v. Hardee’s Food Sys., Inc.*, 918 F.2d 34, 37 (5th Cir. 1990) (under federal law, courts “resolve doubts concerning the scope of coverage of an arbitration clause in a contract in favor of arbitration,” and arbitration should not be denied “unless it can be said with positive assurance that an arbitration clause is not susceptible of an interpretation which would cover the dispute at issue”).

³⁷ The court is assuming, without analysis, that the Chapter 11 Trustee (and the Reorganized Debtors) are bound by the arbitration clauses, if Acis LP affirmatively agreed to be bound by them and would still be bound by them outside of bankruptcy. Case law has stated that a bankruptcy trustee “stands in the shoes of the debtor for the purposes of [an] arbitration clause” and “the trustee-plaintiff is bound by the clause to the same extent as would the debtor.” *Hays & Co. v. Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 885 F.2d 1149, 1153 (3d Cir. 1989); *see also Janvey v. Alguire*, No. 3:09-CV-0724-N, 2014 WL 12654910 at *6 (N.D. Tex. July 30, 2014) (quoting *Hays*).

³⁸ *First Options of Chi., Inc. v. Kaplan*, 514 U.S. 938, 944 (1995); *see also Wash. Mut. Fin. Grp., LLC v. Bailey*, 364 F.3d 260, 264 (5th Cir. 2004).

governed by the laws of Texas. . . .”³⁹ “Under the Texas rules, in those contract cases in which the parties have agreed to an enforceable choice of law clause, the law of the chosen state must be applied.”⁴⁰ Accordingly, Texas law governs whether the parties are subject to an enforceable agreement to arbitrate.

Here, obviously the parties entered into an agreement to arbitrate in both the Sub-Advisory Agreement (Section 16(f))⁴¹ and the Shared Services Agreement Section 9.14.⁴² And, it would seem to be beyond peradventure that this was, at one time, enforceable between the parties, with regard to any disputes that arose regarding the agreements. The tricky conundrum here is that those arbitration provisions were deleted in the most recent iterations of the agreements—that is, the March 17, 2017 versions of the agreements. Highland argues that, since Counts 1-8 involve alleged overcharges under the agreements in years 2013-2016, and alleged fraudulent transfers up to March 17, 2017 (such fraudulent transfers allegedly occurring by virtue of modifications to the agreements that were made up to March 17, 2017), the pre-March 17, 2017 version of the agreements must be applied with respect to these Counts 1-8 and, thus, the arbitration provisions apply. In other words, what matters is when causes of action *accrue* not when they are ultimately asserted.

The parties have cited a handful of cases to the court, but the one that the court believes is most analogous is the *Coffman v. Provost * Umphrey Law Firm, L.L.P.* case.⁴³ In the *Coffman* case,

³⁹ See, e.g., Exh. 1 to Arbitration Motion, § 16(a); Exh. 5 to Arbitration Motion, § 13; Exh. 6 to Arbitration Motion, § 9.05; Exh. 10 to Arbitration Motion, § 8.04(a).

⁴⁰ *Resolution Trust Corp. v. Northpark Joint Venture*, 958 F.2d 1313, 1318 (5th Cir. 1992) (citing *DeSantis v. Wackenhut Corp.*, 793 S.W.2d 670, 678 (Tex. 1990)).

⁴¹ Exhs. 1-4 of the Arbitration Motion.

⁴² Exhs. 6-9 of the Arbitration Motion.

⁴³ *Coffman v. Provost * Umphrey Law Firm, L.L.P.*, 161 F. Supp. 2d 720 (E.D. Tex. 2001).

the plaintiff was a former non-equity partner of a law firm and brought a lawsuit against the firm and its equity partners, alleging *inter alia*, breach of contract, breach of fiduciary duty, violations of Title VII and/or the Texas Commission on Human Rights Act (“TCHRA”), and violations of the Equal Pay Act. The law firm filed a motion to compel arbitration with regard to all of these claims. The law firm’s motion to compel was based upon various partnership agreements which governed the law firm. The original partnership agreement was first effective on August 26, 1986, and the plaintiff did not sign that agreement. Subsequent to that time, however, the original partnership agreement was amended and restated on several occasions. The plaintiff admitted that she signed four partnership agreement documents: (1) a Restated Partnership Agreement of Provost * Umphrey Law Firm, L.L.P.—Effective January 1, 1994 (“1994 Partnership Agreement”); (2) a Restated Partnership Agreement of Provost * Umphrey Law Firm, L.L.P.—Effective January 1, 1996 (“1996 Partnership Agreement”); (3) an Amendment No. 1 to the Restated Partnership Agreement of Provost * Umphrey Law Firm, L.L.P., Dated January 1, 1996—Effective January 1, 1997 (“1996 Amendment No. 1”); and (4) a Partnership Agreement of Provost * Umphrey Law Firm, L.L.P., As Restated —Effective January 1, 1998 (“1998 Partnership Agreement”). The earlier two agreements—*i.e.*, the 1994 and 1996 Partnership Agreements—did **not** contain an arbitration clause. The 1996 Amendment No. 1 and the 1998 Partnership Agreement, on the other hand, both contained an identical arbitration clause as follows:

Binding Arbitration. The equity partners and non-equity partners shall make a good faith effort to settle any dispute or claim arising under this partnership agreement. If the equity or non-equity partners fail to resolve a dispute or claim, such equity or non-equity partner shall submit the dispute or claim to binding arbitration under the rules of the American Arbitration Association then in effect. Judgment on arbitration awards may be entered by any court of competent jurisdiction.⁴⁴

⁴⁴ *Id.* at 723.

Additionally, all four of the above-referenced partnership agreements contained an integration clause stating that “[t]his agreement contains the entire agreement . . . and all prior agreements . . . are terminated.”⁴⁵

Interestingly, the plaintiff *conceded* that claims she asserted involving the 1996 Amendment No. 1 and the 1998 Partnership Agreement were required to go to arbitration (such claims requested determinations regarding: (1) the enforceability of the 1996 Amendment No. 1 and the 1998 Partnership Agreement; (2) breach of the 1996 Amendment No. 1 and the 1998 Partnership Agreement; (3) repudiation; and (4) breach of the duty of good faith and fair dealing). However, the plaintiff disagreed that her remaining claims were also required to go to arbitration and those were: (a) breach of the 1994 and 1996 Partnership Agreements; (b) breach of fiduciary duty; (c) violations of Title VII and/or TCHRA; and (d) violations of the Equal Pay Act. The district court granted in part and denied in part the motion to compel arbitration, holding that: (1) the plaintiff’s contract claims arising under *earlier* partnership agreements, which *did not* contain arbitration clauses, were *not arbitrable*; (2) a common law breach of fiduciary duty claim was arbitrable under the agreements (it appears that these claims arose after the 1996 Amendment No. 1 and 1998 Partnership Agreement); and (3) statutory sex-based discrimination claims were not arbitrable under the agreements.⁴⁶

Relevant to the case at bar, the *Coffman* court noted, first, that the conduct underlying the alleged breaches of the 1994 and 1996 contracts occurred at a time when no arbitration clause was in effect. The plaintiff’s complaint specifically alleged that, during the time the four

⁴⁵ *Id.*

⁴⁶ *Id.* at 733.

agreements were in effect, the law firm failed to properly calculate Plaintiff's compensation, failed to promote her, and deprived her of benefits from a tobacco case. The court noted that, if the law firm did participate in such conduct during the time that the 1994 and 1996 Partnership Agreements were in effect, such conduct could not have "arisen under" the 1996 Amendment No. 1 or the 1998 Partnership Agreement *because those agreements did not even exist at that time*. But, to the extent that the conduct Plaintiff complained of occurred when the 1996 Amendment No. 1 and the 1998 Partnership Agreement were in effect, her claims would be subject to arbitration.⁴⁷

The court further noted that the arbitration clause should not be interpreted as covering the plaintiff's claims for breach of the 1994 and 1996 Partnership Agreements because the plain grammatical language of the arbitration clause gave no indication that it would apply retroactively. "To interpret the arbitration clause to apply retroactively would cause Plaintiff to forego her vested right to litigate an accrued claim."⁴⁸

⁴⁷ *Id.* at 726 (citing *Sec. Watch, Inc. v. Sentinel Sys., Inc.*, 176 F.3d 369, 372 (6th Cir. 1999) (arbitration provision in 1994 shipping agreement did not cover conduct that occurred under prior shipping agreements); *Necchi S.p.A. v. Necchi Sewing Mach. Sales Corp.*, 348 F.2d 693, 698 (2d Cir. 1965) (claim based on conduct which had arisen "prior to" effective date of arbitration clause was not within scope of arbitration agreement); *Hendrick v. Brown & Root, Inc.*, 50 F. Supp. 2d 527, 533-34 (E.D.Va. 1999) (arbitration clause in fourth contract did not cover conduct that occurred when third contract was in effect); *Connett v. Justus Enters. of Kansas, Inc.*, Civ. A. No. 87-1739-T, 1989 WL 47071, at *2 (D. Kan. March 21, 1989) (arbitration clause did not apply when alleged fraudulent conduct occurred before plaintiff executed contract with arbitration clause); *George Wash. Univ. v. Scott*, 711 A.2d 1257, 1260-61 (D.C. Ct. App. 1998) (conduct that occurred before arbitration clause took effect was not arbitrable).

⁴⁸ *Coffman*, 161 F. Supp. 2d at 726-27 (citing *Sec. Watch*, 176 F.3d at 372-73 (arbitration clause did not reach disputes arising under earlier agreements because it is "nonsensical to suggest that [the plaintiff] would abandon its established right to litigate disputes arising under the [prior] contracts"); *Choice Sec. Sys. v. AT&T Corp.*, No. 97-1774, 1998 WL 153254, at *1 (1st Cir. Feb.25, 1998) (arbitration clause in 1994 contracts did not apply to pre-1994 contracts when the language of the arbitration clause did not indicate "that the parties ever contemplated so radical a retroactive renegotiation of their earlier agreements"); *Hendrick*, 50 F. Supp. 2d at 535 (arbitration clause was not retroactive when the text of the clause expressed no language providing that it "reache[d] back in time to require an employee to arbitrate a claim which had accrued before the contract was signed or the [arbitration clause] took effect"); *Connett*, 1989 WL 47071, at *2 (arbitration clause did not apply retroactively when it did not specify that it applied to past conduct); *Kenworth of Dothan, Inc. v. Bruner-Wells Trucking, Inc.*, 745 So.2d 271, 275-76 (Ala. 1999) (arbitration clause was not retroactive when language of the clause did not so state); *George Wash. Univ.*, 711 A.2d at 1261 (arbitration clause was not retroactive when "the arbitration clause itself contained no indication whatsoever that its terms would apply . . . before [its effective date]").

Bottom line, the court in *Coffman* seemed to focus on ***when each cause of action accrued*** and looked to the ***agreement that governed at such time***. This court agrees with that reasoning and sees no reason why the result should be different in the case at bar, simply because the arbitration clauses in the case at bar were in ***earlier*** versions of the Sub-Advisory and Shared Services Agreements as opposed to being in the ***later*** versions of those agreements (in other words, the opposite sequence as in the *Coffman* case).

The Reorganized Debtors have cited a couple of cases that they believe justify a determination that there is no binding arbitration clause in the case at bar. One is the case of *Goss-Reid & Assocs. Inc. v. Tekniko Licensing Corp.*⁴⁹ This case involved a motion to compel arbitration that was denied (which denial was affirmed by the Fifth Circuit). Like the case at bar, it involved a situation where there had been a succession of agreements, with earlier agreements containing arbitration provisions and the last agreement containing no arbitration clause. Specifically, in the *Goss-Reid* case, there were three agreements that were relevant. First, a **Franchise Agreement** between a franchisor named Transformational Technologies, Inc. (“TTI”) and a party named Rittenhaus-Tate Organization (“RTO”). RTO was a business owned by Tracy Goss and Sheila Reid. The Franchise Agreement, among other things, provided that RTO’s owners Tracy Goss and Sheila Reid would be “licensed franchisees of TTI” and would have use of certain of TTI’s intellectual property. During the term of the Franchise Agreement, Tracy Goss and Sheila Reid developed certain consulting services technology they called “The Winning Strategy” and it apparently was built off of TTI’s intellectual property. This first agreement contained a mandatory arbitration provision. Second, there was a **License**

⁴⁹ *Goss-Reid & Assocs. Inc. v. Tekniko Licensing Corp.*, 54 Fed. Appx. 405 (5th Cir. 2002) (per curiam opinion which is designated as having no precedential effect).

Agreement between the apparent successor-in-interest of TTI called Tekniko, Inc., on the one hand, and Tracy Goss, Sheila Reid and Goss-Reid & Associates, Inc. (collectively, “Goss/Reid”), on the other, pursuant to which Goss/Reid obtained a “a non-exclusive license to use the same intellectual property covered by the Franchise Agreement.” This second agreement also contained a mandatory arbitration agreement. Third, there was a **Transfer Agreement** that appears to have been entered into by the same parties as the second agreement (Tekniko, Inc. and Goss/Reid). The Transfer Agreement “permanently transferred [to Goss/Reid] the non-exclusive right to use the intellectual property that was the subject of the prior agreements in exchange for a percentage of [Goss & Reid’s] adjusted gross profits for that year.” There was no arbitration provision in this third agreement and the agreement did not adopt or refer to the arbitration provisions contained in the earlier agreements. The third agreement stated that it constituted “an amendment to the License Agreement . . . between you and this company (‘TEKNIKO’), supersedes all prior agreements between you and TEKNIKO and, except as provided below, will terminate your rights and those of TEKNIKO under the License Agreement.”

At some subsequent time, Goss/Reid filed a lawsuit alleging improper use of “The Winning Strategy” by the entities Tekniko Licensing Corporation and Landmark Education Company. These Defendants (hereafter so called) asserted ownership themselves of “The Winning Strategy” based on the Franchise Agreement. The Defendants—citing to the arbitration clauses in both the Franchise Agreement and the License Agreement—filed a motion to compel arbitration, which was denied at the district court level and also at the Fifth Circuit. The district court determined that New York law applied (*i.e.*, the Transfer Agreement was governed by New York law and apparently the parties agreed that New York law applied), and that the Transfer Agreement constituted a novation and extinguished the arbitration provisions of the previous

agreements. On appeal, the Fifth Circuit stated that the issue before it was “whether the arbitration provisions of the Franchise and License Agreements were superseded by the Transfer Agreement. Thus, the question before us is one of contractual interpretation.”⁵⁰

The Fifth Circuit stated certain principles that apply under both New York and Texas law. Among other principles, the Fifth Circuit noted that courts construing contracts “should strive to give effect to the intentions of the parties, as expressed in the terms of the contract.”⁵¹ The Transfer Agreement stated that “it supersedes all prior agreements” between Goss/Reid and the predecessor-in-interest of one of the Defendants, Tekniko Licensing Corporation.⁵² “This type of agreement clearly constitutes a novation under New York law.”⁵³ The court also noted that it was not appropriate to consider any extrinsic or parol evidence, since there was no ambiguity in the Transfer Agreement. The court further stated that “[t]he only potential ambiguity raised by the Defendants is that the Transfer Agreement refers to itself as an ‘amendment to the License Agreement.’ Read as a whole, however, the Transfer Agreement plainly manifests an intention to supersede all prior agreements between the parties and, except as specifically provided, to terminate all rights and obligations under the License Agreement.”⁵⁴

The other case that the Reorganized Debtors have significantly relied upon to justify a determination that there is no binding arbitration clause in the case at bar is *Valero Energy Corp. v. Teco Pipeline Co.*⁵⁵ In *Valero*, there had been numerous agreements entered into over time

⁵⁰ *Id.* at *1.

⁵¹ *Id.*

⁵² *Id.*

⁵³ *Id.* (citing various New York state court cases).

⁵⁴ *Id.* at *2.

⁵⁵ *Valero Energy Corp. v. Teco Pipeline Co.*, 2 S.W.3d 576 (Tex. App.—Houston [14th Dist.] 1999, pet. denied).

amongst the litigating parties, all of which involved gas pipelines and transportation rights, and those various agreements were not amendments or restatements of one initial agreement. Rather, there was an Operating Agreement, there were documents that were alleged to create a joint venture or partnership, a Purchase Agreement, an Ownership Agreement, a Transportation Agreement, and a couple of Settlement Agreements entered into later when various disputes arose. One of the key agreements, the so-called Operating Agreement, contained an arbitration clause. When party Teco Pipeline sued party Valero and other related parties, Valero moved to compel arbitration, arguing that the litigation was subject to the arbitration clause in the Operating Agreement. The trial court denied Valero's motion, but the court of appeals reversed.

Teco had argued that the claims it was asserting were not based on the Operating Agreement that contained the arbitration clause but, even if they were, a later Settlement Agreement essentially redefined the parties' relationship—essentially superseding the parties' relationship that had been set forth in the numerous prior agreements—and it did not have an arbitration clause. Rather the Settlement Agreement stated that:

Each party irrevocably consents and agrees that any legal action, suit or proceeding against any of them with respect to their obligations, liabilities, or any other matter under or arising out of or in connection with this Agreement may be brought in the United States District Court for the Western District of Texas, San Antonio Division, or in the courts of the State of Texas, and hereby irrevocably accepts and submits to the jurisdiction of each of the aforesaid court in personam, generally and unconditionally with respect to any such action, suit or proceeding for itself and in respect of its properties, assets and revenues.⁵⁶

Teco asserted that the quoted clause provided for the procedure to be used in future disputes, *i.e.*, that the parties would go through judicial channels, not arbitration. Teco also asserted that the intent to revoke the arbitration clause was signified by a typical merger clause contained in the

⁵⁶ *Id.* at 587.

Settlement Agreement. The appeals court disagreed with Teco's argument and determined arbitration was required. First, the court determined that the provision regarding litigation applied only to disputes arising under the Settlement Agreement not the previously executed Operating Agreement, Purchase Agreement, Ownership Agreement, or Transportation Agreements. There was nothing to indicate that all the terms of those previous agreements had been superseded by the Settlement Agreement. In fact, it appeared that only select terms of the earlier agreements were being modified. Significantly, the Settlement Agreement referred to an "Amendment No. 1" to the Operating Agreement being attached as an Exhibit D to the Settlement Agreement—suggesting that it remained intact (except for the amendment attached). Moreover, there was a post-Settlement Agreement letter submitted into evidence stating that the prior Operating Agreement and arbitration provision were still in effect. The court addressed many other arguments made by Teco and, in the end, found nothing had superseded or otherwise revoked the prior arbitration clause.

This bankruptcy court does not consider the *Valero* or *Goss-Reid* cases to be dispositive of the situation in the case at bar. Those cases clearly dealt with a myriad of agreements—for example, in *Valero*, one key agreement had an arbitration clause, and an allegedly superseding Settlement Agreement (with no arbitration clause) was determined not to have been intended to supersede or replace the agreement with the arbitration clause. In *Goss-Reid*, there were also a myriad of agreements (*i.e.*, a franchise agreement, a license agreement and then a transfer agreement), and the last one containing no arbitration clause was held to have been a novation of the prior agreements. In *Valero* and *Goss-Reid*, the various agreements were not amendments or restatements of one initial agreement. The case at bar is more analogous to the *Coffman* case (involving amendments and restatements of an initial agreement) and the logic of that holding

seems sound to apply here—especially given the fact that there is nothing in the March 17, 2017 version of the agreements that suggests that the agreement to submit disputes to litigation in Texas and the deletion of the arbitration clauses should be applied retroactively. The court believes it should look at when a cause of action accrued and determine if there was a binding arbitration clause between the parties at that time in the governing version of the agreement. Thus, the court determines that there were valid arbitration agreements that applied to all disputes arising out of the Sub-Advisory Agreement and Shared Services Agreement—to the extent that those disputes involved conduct prior to March 17, 2017. Since Counts 1-8 involve conduct prior to March 17, 2017, Counts 1-8 fall within the scope of the arbitration agreements in the Sub-Advisory Agreement and Shared Series Agreement.

C. But Wait, this is Bankruptcy and Core Matters and a Proof of Claim Objection are Involved.

The analysis does not end here. Yes, there is an otherwise valid, binding arbitration clause that was contained in each of the Sub-Advisory and Shared Services Agreements (prior to March 17, 2017). And, yes, Counts 1-8 involve conduct and disputes arising under these pre-March 17, 2017 agreements. But what about the fact that these disputes arise in an adversary proceeding that involves mostly, if not entirely, “core” matters (*e.g.*, Counts 5-25 are all fraudulent transfers or preference claims under Section 544,⁵⁷ 547,⁵⁸ or 548;⁵⁹ Count 2 is a Section 542 turnover request;⁶⁰ Count 26 is a request for Section 550 recovery⁶¹)? And what

⁵⁷ See 28 U.S.C. § 157(b)(2)(H).

⁵⁸ See 28 U.S.C. § 157(b)(2)(F).

⁵⁹ See 28 U.S.C. § 157(b)(2)(H).

⁶⁰ See 28 U.S.C. § 157(b)(2)(E).

⁶¹ See 28 U.S.C. § 157(b)(2)(F) & (H).

about the fact that Highland (the counter-party to the Sub-Advisory and Shared Services Agreement who has asked for enforcement of the arbitration clauses in those agreements) has filed proofs of claim?⁶² And what about the fact that Counts 1-8 (as with every count in the Adversary Proceeding) are all urged to be *offsets* to Highland's proofs of claim?⁶³ Highland's proofs of claim are based on the post-March 17, 2017 versions of the Sub-Advisory and Shared Services Agreements (*i.e.*, the versions that have no arbitration clauses). Highland has not argued that its proofs of claim are subject to arbitration (likely because they are governed by the post-March 17, 2017 versions of the Sub-Advisory and Shared Services Agreements). But, again, Highland argues that Counts 1-8 must be sent to arbitration, and the Reorganized Debtors argue that each of these counts present potential offsets to Highlands' proofs of claim. As a reminder, these counts are:

- COUNT 1:** Declaratory Judgment of Ultra Vires Acts by Acis LP in Violation of the LPA (Highland allegedly overcharged expenses by \$7M+ (*i.e.*, excessive fees) under the Sub-Advisory and Shared Services Agreements).
- COUNT 2:** Turnover of Property of the Estate Under § 542 for Unauthorized Overpayments (turnover the \$7M+ overcharged).
- COUNT 3:** Money Had and Received for Overcharges and Unauthorized Overpayments (again, seeking redress for the \$7M+ overcharged—implicating the Sub-Advisory Agreement and Shared Services Agreement).
- COUNT 4:** Conversion for Unauthorized Overpayments (again, seeking redress for the \$7M+ overcharged implicating the Sub-Advisory Agreement and Shared Services Agreement).
- COUNT 5:** Actual Fraudulent Transfer under § 548 related to the Sub-Advisory Agreement (modifications to the Sub-Advisory Agreement in subsequent iterations were allegedly fraudulent transfer, as were payments thereunder).

⁶² See 28 U.S.C. § 157(b)(2)(B).

⁶³ See 28 U.S.C. § 157(b)(2)(C).

- COUNT 6:** Actual Fraudulent Transfer Under TUFTA, § 24.005(a)(1) related to the Sub-Advisory Agreement (same theory as Count 5, asserted through section 544 of the Bankruptcy Code).
- COUNT 7:** Constructive Fraudulent Transfer Under § 548(a)(1)(B) related to the Sub-Advisory Agreement (same facts as Count 5 only constructive not actual fraud).
- COUNT 8:** Constructive Fraudulent Transfer Under TUFTA §§ 24.005(a)(2) and 24.006(a) related to the Sub-Advisory Agreement (same facts as Count 5, only constructive fraud under TUFTA, and asserted through section 544 of the Bankruptcy Code).

Thus, to recap, *five of the eight counts that Highland wants arbitrated* (Counts 2, and 5-8) clearly involve statutory core matters.⁶⁴ Moreover, *all* of the counts in the Adversary Proceeding are asserted *defensively* to two proofs of claim—meaning *all eight counts that Highland wants arbitrated* (even Counts 1, 3, and 4) have transformed into statutory core matters.⁶⁵ Does this matter? This court believes yes.

The Fifth Circuit has shed some light on this topic in the cases of *In re Gandy* and *In re National Gypsum*.⁶⁶ In those cases, the Fifth Circuit instructed that a bankruptcy court may decline to enforce arbitration clauses when it finds: (a) the underlying nature of the proceeding

⁶⁴ See 28 U.S.C. § 157(b)(2)(E), (F), and (H).

⁶⁵ See 28 U.S.C. § 157(b)(2)(C). This court realizes that, from a *Stern v. Marshall* perspective, 131 S. Ct. 2594 (2011), being a *statutory* “core” matter does not necessarily mean a bankruptcy court has Constitutional authority to issue final orders or judgments in the matter. However, even if this *Stern* pronouncement has any relevance, when evaluating an arbitration clause/right, the court perceives that the various counterclaims here (*i.e.*, all 35 counts) are likely *inexplicably intertwined* with the Highland proofs of claim, such that the bankruptcy court would likely have Constitutional authority to adjudicate them. While Highland’s proofs of claim merely seek payment for services under the post-March 17, 2017 versions of the agreements—which is *after* the time frame that Counts 1-8 implicate—it is not so simple as dividing claims and counterclaims into discreet time periods. For one thing, the Reorganized Debtors argue that modifications to the Sub-Advisory and Shared Services Agreements that increased fees that Highland could charge (and that Highland is now seeking in its proofs of claim) were tantamount to fraudulent transfers. Thus, how does one evaluate the proofs of claim separately from this argument? Additionally, Highland *has asserted unliquidated indemnification claims* in its proofs of claim that presumably reach back to earlier iterations of the Sub-Advisory and Shared Services Agreement (meaning that claims ultimately awarded to the Reorganized Debtors under earlier versions of the agreements might result in indemnification claims being asserted back against them by Highland relating to those very claims). The point being that all of Highland’s assertions in its proofs of claim seem inextricably intertwined with all the Counts in the Adversary Proceeding.

⁶⁶ *Gandy v. Gandy (In re Gandy)*, 299 F.3d 489 (5th Cir. 2002); *Ins. Co. of N. Am. v. NGC Settlement Trust & Asbestos Claims Mgmt. Corp. (In re Nat’l Gypsum Co.)*, 118 F.3d 1056 (5th Cir. 1997).

derives from the provisions of the Bankruptcy Code; and (b) that enforcement of the arbitration provision would conflict with the purposes/goals of the Bankruptcy Code.⁶⁷ Some purposes/goals of the Code that might support a denial of arbitration, include: (1) the equitable and expeditious distribution of assets of the Debtor's estate; (2) centralized resolution of pure bankruptcy issues; (3) protection of creditors and reorganizing debtors from piecemeal litigation, and (4) the undisputed power of a bankruptcy court to enforce its orders.⁶⁸

The *In re Gandy* opinion from the Fifth Circuit is worthy of discussion here. In *Gandy*, an individual Chapter 11 debtor had first, prepetition, filed a state court lawsuit against various business partners, asserting causes of action against them for making transfers out of a partnership affecting her ownership interests, and the causes of action included breach of contract, negligence, breach of fiduciary duty, fraud and constructive trust. There was an arbitration clause in the applicable partnership agreement and the state court granted a motion to compel arbitration. Then, the debtor filed a Chapter 11 case and removed the state court lawsuit to the bankruptcy court and filed new claims under sections 544, 548, 550, civil "RICO," and alter ego in a separate adversary proceeding, and requested substantive consolidation. The bankruptcy court granted consolidation of the two actions and then the defendants filed a motion to compel arbitration. The bankruptcy court denied the motion, after finding that the debtor was essentially seeking avoidance of fraudulent transfers. The Fifth Circuit affirmed the bankruptcy court's refusal to enforce an arbitration clause contained in the underlying partnership agreement. The court agreed with the bankruptcy court that the complaint essentially—more than anything else—sought avoidance of fraudulent transfers, and the court not only determined

⁶⁷ *Id.* at 1069.

⁶⁸ *Id.*

that such rights derived from the Bankruptcy Code (fully acknowledging the fact that there were state law tort claims and breach of contract also asserted) but also—in looking at whether enforcing the arbitration clause would conflict with the purposes of the Bankruptcy Code—noted that one central purpose of the Bankruptcy Code is the expeditious and equitable distribution of the assets of a debtor’s estate. The court thought the avoidance actions predominated over the “peripheral” contract and tort claims and, in such a circumstance, “the importance of the federal bankruptcy forum provided by the Code is at its zenith.”⁶⁹ The court stated that “[s]ome of the purposes of the Code we mentioned in *National Gypsum*⁷⁰ as potentially conflicting with the Arbitration Act include the goal of centralized resolution of purely bankruptcy issues, the need to protect creditors and reorganizing debtors from piecemeal litigation, and the undisputed power of the bankruptcy court to enforce its own orders.”⁷¹

This court believes, like the court in *Gandy*, that this Adversary Proceeding—more than anything else—seeks avoidance of fraudulent transfers. Such avoidance theories derive from the Bankruptcy Code. Sections 542, 547, 548 and 550 of the Bankruptcy Code are front and center, as are the “strong arm” powers of section 544(a). Enforcing the arbitration clause here would conflict with the purposes of the Bankruptcy Code—one of the central purposes of which is the

⁶⁹ *Gandy*, 299 F.3d at 497.

⁷⁰ In the *National Gypsum* case, an asbestos litigation trust created under a confirmed plan filed a post-confirmation adversary proceeding against debtor’s liability insurer, seeking a declaratory judgment that the plan had discharged its obligations to the insurance company. The insurance company, in response to the litigation, sought to exercise its rights to seek arbitration under a certain agreement. The Fifth Circuit, in affirming the lower courts’ refusal to compel arbitration, stated that, “We believe that nonenforcement of an otherwise applicable arbitration provision turns on the underlying nature of the proceeding, *i.e.*, whether the proceeding derives exclusively from the provisions of the Bankruptcy Code and, if so, whether arbitration of the proceeding would conflict with the purposes of the Code.” *Nat’l Gypsum Co.*, 118 F.3d at 1067. Because the debtor sought to bar the insurance company’s actions either by invoking section 524(a)’s discharge injunction or by invoking the terms of a confirmed plan, the proceeding derived entirely from the provisions of the Bankruptcy Code, and, hence, the *National Gypsum* court would not send the dispute to arbitration.

⁷¹ *Gandy*, 299 F.3d at 500.

expeditious and equitable distribution of the assets of a debtor's estate. The avoidance actions in this Adversary Proceeding predominate over all other counts and, in such a circumstance, "the importance of the federal bankruptcy forum provided by the Code is at its zenith." Arbitrating Counts 1-8 would seriously jeopardize the Adversary Proceeding because they are an integral part of determining Highland's proofs of claim and the other core counts in the Adversary Proceeding. The bankruptcy court's quintessential duties are to adjudicate proofs of claim and to provide a central forum for litigation, whenever feasible and jurisdictionally sound. Indeed, in *Gandy*, the Fifth Circuit noted that when a proof of claim is filed, one of the "peculiar powers" of the bankruptcy court has been invoked and the nature of estate claims becomes "different from [their] nature . . . following the filing of a proof of claim."⁷²

In summary, this court believes it has discretion under established Fifth Circuit authority to decline to order arbitration here.⁷³ It is, therefore,

ORDERED that the Arbitration Motion is **DENIED**.

END OF MEMORANDUM OPINION AND ORDER#####

⁷² *Id.* at 499 (citing *Wood v. Wood (In re Wood)*, 825 F.2d 90, 97 (5th Cir. 1987)).

⁷³ See also *Anderson v. Credit One Bank, N.A. (In re Anderson)*, 884 F.3d 382, 389-90 (2d Cir. 2018) (in proceeding involving whether section 524 discharge was violated by credit card company whose agreement with debtor contained arbitration clause, Second Circuit held that bankruptcy court had discretion to decline to enforce the arbitration agreement; Second Circuit engaged in a particularized inquiry into the nature of the claim and the facts of the specific bankruptcy and determined that arbitrating claims for violations of the 524 injunction would "seriously jeopardize a particular core bankruptcy proceeding" because: "(1) the discharge injunction is integral to the bankruptcy court's ability to provide debtors with a fresh start, (2) the claim relates to an ongoing matter with continuing court supervision, and (3) the equitable powers of the court to enforce its own injunctions are central to the structure of the Code.").

CERTIFICATE OF SERVICE

I, Elliot Bromagen, certify that I am not less than 18 years of age, and that service of the foregoing was caused to be made on November 1, 2019, in the manner indicated on the parties on the attached service list.

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLEE RECORD
VOLUME 15**

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**COUNSEL FOR ACIS CAPITAL MANAGEMENT,
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LLC, APPELLEES**

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

IN RE:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

DEBTOR.

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CASE NO. 19-34054

Chapter 11

INDEX

DESIGNATION OF RECORD ON APPEAL

Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP," together with Acis LP, "Acis"), appellees, file this Designation of Record on Appeal related to the *Order Approving Debtor's Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302] (the "Settlement Order"), the *Notice of Appeal* [Docket No. 1347] of the Settlement Order filed by James Dondero ("Dondero") and the *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented* [Docket No. 1515] filed by Dondero.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

Acis designates the following additional items for inclusion in the record on appeal.

Items in Bankruptcy Case No. 19-34054-SGJ-11	
Vol. 14 003095 003097	1. Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. [Docket No. 1]
003203	2. Chapter 11 Voluntary Petition [Docket No. 1]
003247	3. Affidavit/Declaration in Support of First Day Motion /Declaration of Frank Waterhouse in Support of First Day Motions Filed By Highland Capital Management, L.P. [Docket No. 11]
Vol. 15 003406	4. Motion to Change Venue/Inter-district Transfer Filed by Official Committee of Unsecured Creditors [Docket No. 85]
003433	5. Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 122]
003444	6. Joinder to Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) [Docket No. 126]
003452	7. Reply in Support of Motion to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 162]
003459	8. Reply in Support of the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 163]
003463	9. Response of the Debtor to Acis's Joinder to Motion to Transfer Venue [Docket No. 164]
003465	10. Order Transferring Venue of this Case to the United States Bankruptcy Court of the Northern District of Texas [Docket No. 186]
003492	11. Transcript regarding hearing held 12/6/19 [Docket No. 207]
003574	12. Schedules: Schedules A/B/ and D-H with Summary of Assets and Liabilities (with Declaration Under Penalty of Perjury for Non-Individual Debtors)[Docket No. 247]
003616	13. Statement of financial affairs for non-individual [Docket No. 248]
Vol. 16 003629	14. Trustee's Motion to appoint trustee [Docket No. 271]
003729	15. Motion to compromise controversy with Official Committee of Unsecured Creditors [Docket No. 281]
003735	16. Trustee's Objection to Motion to Approve Joint Agreement [Docket No. 313]
003738	17. Declaration re: (Declaration of Bradley D. Sharp in Support of the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course) [Docket No. 327]
003751	18. Response unopposed to (related document(s): 313 Objection) [Docket No. 329]
003756	19. Response unopposed to (related document(s): 313 Objection) [Docket No. 330]
	20. Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors, Strand Advisors, Inc., and James Dondero. [Docket No. 338]

Vol. 16 003764	21.	Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course [Docket No. 339]
003769	22.	Notice (Notice of Final Term Sheet) [Docket No. 354]
Vol. 17 003834	23.	Response opposed to (related document(s): 271) [Docket No. 362]
003847	24.	Objection to (related document(s): 271 Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) [Docket No. 364]
003851	25.	Transcript regarding Hearing Held 01/21/2020 [Docket No. 393]
003991	26.	Order denying motion to appoint trustee [Docket No. 428]
003993	27.	Motion for relief from stay [Docket No. 451]
Vol. 18 004042	28.	Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") [Docket No. 474]
Thru Vol. 21 Vol. 22 004908	29.	Transcript regarding Hearing Held 02/19/2020 [Docket No. 479]
005096	30.	Objection to (related document(s): 474) [Docket No. 487]
005110	31.	Joinder by Acis Capital Management, L.P. and Acis Capital Management GP, LLC to the Committee's Objection to the Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain Related Entities, and Comment to the Same [Docket No. 489]
005119	32.	Order authorizing, but not directing, the debtor to cause distributions to certain 'related entities'. [Docket No. 512]
005123	33.	Order granting motion for relief from stay [Docket No. 519]
Vol. 23 005125	34.	Transcript regarding Hearing Held 03/04/2020 [Docket No. 571]
005246	35.	Motion for relief from stay [Docket No. 593]
Vol. 24 005352	36.	Transcript regarding Hearing Held 05/26/2020 [Docket No. 676]
005359	37.	Order granting motion for relief from stay [Docket No. 764]
005362	38.	Application to employ James P. Seery, Jr. Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020 [Docket No. 774]
005395	39.	Transcript regarding Hearing Held 06/30/2020 [Docket No. 802]
005495	40.	Transcript regarding Hearing Held 07/08/2020 [Docket No. 817]
005553	41.	Agreed order regarding deposit of funds into registry of the Court [Docket No. 821]
005558	42.	Order granting application to employ James P. Seery, Jr. as Chief Executive Officer, Chief Restructuring and Foreign representative [Docket No. 854]
Vol. 25 005570	43.	Transcript regarding Hearing Held 07/14/2020 [Docket No. 864]
005764	44.	Transcript regarding Hearing Held 07/21/2020 [Docket No. 897]
Vol. 26 005829	45.	Order directing mediation [Docket No. 912]
005835	46.	Transcript regarding Hearing Held 08/19/2020 [Docket No. 998]
005855	47.	Transcript regarding Hearing Held 09/10/2020 [Docket No. 1064]
005904	48.	Amended Schedules: E/F, with Summary of Assets and Liabilities [Docket No. 1082]
005933	49.	Transcript regarding Hearing Held 10/06/2020 [Docket No. 1145]
005991	50.	Witness and Exhibit List [Docket No. 1175]
005994	51.	Witness and Exhibit List [Docket No. 1202-1]
005997	52.	Omnibus Reply [Docket No. 1221]

DATED: December 7, 2020.

Respectfully submitted,

By: /s/ Annmarie Chiarello

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CERTIFICATE OF SERVICE

I hereby certify that on December 7, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello

One of Counsel

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

) Chapter 11

) Case No. 19-12239 (CSS)

) Related to Docket No. 86

**OBJECTION OF THE DEBTOR TO MOTION OF
OFFICIAL COMMITTEE OF UNSECURED CREDITORS
TO TRANSFER VENUE OF THIS CASE TO THE UNITED STATES
BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS**

The above-captioned debtor and debtor in possession (the “Debtor”) hereby objects to the motion to transfer venue of this case [Docket No. 86] (the “Motion to Transfer”) to the Northern District of Texas (the “Texas Bankruptcy Court”), filed by the Official Committee of Unsecured Creditors (the “Committee”).

In support of this objection, the Debtor respectfully states as follows:

Preliminary Statement

1. The Debtor owns and manages a sophisticated financial services and money management business that has assets and interests all over the world. The amounts at stake in this case involve hundreds of millions of dollars in terms of asset values and asserted liabilities. The Debtor’s creditors are sophisticated parties who are either represented by highly qualified counsel or are attorneys themselves. The top 20 unsecured creditors in this case consist almost entirely of litigation claimants and law firms. There are no “mom and pop” creditors who

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

would be prejudiced if they were not provided with ready access to a local bankruptcy court.

2. Further, the Texas Bankruptcy Court has no special familiarity with the Debtor or its current management. The Debtor's restructuring efforts are now led by Bradley Sharp as Chief Restructuring Officer (the "CRO") who has had no prior involvement with either Acis (as defined below) or the Texas Bankruptcy Court with respect to this matter. The Texas Bankruptcy Court also knows little about the Debtor's business or financial affairs, aside from its prior relationship with Acis. The Debtor is no longer affiliated with Acis and, in fact, is directly adverse to Acis, which now asserts various contested litigation claims against the Debtor. Hence, the Committee's opening position that this case should be transferred to the Texas Bankruptcy Court is little more than a litigation ploy. The Committee has decided, based on prior rulings of the Texas Bankruptcy Court in the Acis cases, that such forum would be more advantageous from a litigation perspective *vis-à-vis* the Debtor. That is not an appropriate basis to transfer venue.

3. The fact that the Debtor is headquartered in Dallas, Texas also does not mean that this case should be transferred there. The Debtor's assets, interests, and contractual entanglements are dispersed throughout this country and the world. As an example, the Debtor has assets under management, including its own proprietary assets and those of its clients, through various related parties in Asia, South America, and Europe. The Debtor has already brought a motion in this case to appoint a foreign representative in order to manage its various foreign interests [Docket No. 68], including those in pending proceedings in Bermuda and the Cayman Islands. The Debtor's principal assets in the United States consist of custodial and non-custodial interests in investments located all over the country. The Debtor's primary brokerage

accounts that hold the bulk of the Debtor's liquid and illiquid securities are located in New York City with Jefferies, LLC ("Jefferies"). The Debtor is also the subject of two pending lawsuits in the Delaware Chancery Court, one of which involves claims brought by the Redeemer Committee of the Highland Crusader Fund (the "Redeemer Committee"), a member of the Committee. Another member of the Committee, UBS Securities LLC and UBS AG London Branch ("UBS"), has longstanding litigation pending against the Debtor in New York state court (not Texas). Predictably, the Debtor's professionals and those of its creditors are located around the country. Given the amounts at stake in this case and the complexity of the Debtor's assets and liabilities, venue should not be determined by how many miles the Debtor's employees or professionals or those of its creditors are located from the courthouse. All parties reside at various commercial centers around this country and can easily travel wherever necessary in order to handle the important matters in this case.

4. Further, the pendency of the involuntary bankruptcy cases of Acis Capital Management, L.P. and Acis Capital Management GP, LLP (together, "Acis") in Dallas, Texas does not make the Texas Bankruptcy Court a preferable forum for this case. Acis's involuntary cases were commenced by Joshua Terry ("Terry"), who now owns and manages Acis and represents that entity on the Committee. Terry assumed ownership of Acis by virtue of a contested plan of reorganization that was confirmed by the Texas Bankruptcy Court and which is now the subject of a pending appeal.² *The interests of Acis are directly adverse to those of this*

² Although a stay of the confirmation order was sought, no stay was granted despite the ongoing appeal of that order. The Texas Bankruptcy Court thus has limited ongoing jurisdiction at this juncture.

estate.³ The Debtor and Acis have been, and continue to be, involved in highly contentious litigation, including matters that are the subject of multiple appeals from decisions of the Texas Bankruptcy Court and pending fraudulent transfer claims brought by Acis against the Debtor in the Texas Bankruptcy Court. The Debtor and Acis assert various substantial disputed and unliquidated claims against each other. Further, ***the Debtor's current business is unrelated to Acis***, which is focused on managing certain collateralized loan obligations (or CLOs) in which the Debtor no longer has any direct interest. The Committee also does not establish how the prior testimony of the Debtor's representatives in the Acis bankruptcy is relevant to the instant chapter 11 case.⁴ Aside from the Debtor's prior relationship with Acis, the Texas Bankruptcy Court is not familiar with the Debtor's business and assets or the Debtor's liabilities that need to be restructured in this case. ***The Debtor's restructuring efforts are now managed by an independent and highly qualified CRO*** who has had no prior involvement with Acis or its bankruptcy proceedings. Hence, while it may be in the interests of ***the Acis estate*** for this matter to be transferred to the Texas Bankruptcy Court, it is certainly not in the best interests of ***the Debtor's estate*** or the parties to these proceedings, which is the only thing that matters.

5. As the Committee admits, the Debtor is entitled to substantial deference with respect to its choice of forum for its bankruptcy case. This Court is indisputably a legally proper forum given that the Debtor is a Delaware limited partnership. This Court also presents a convenient forum given that the Debtor's assets are so widely dispersed and there has been

³ Terry, in his personal capacity and on behalf of his spouse, also purports to hold an unsecured claim against the Debtor's estate in the amount of \$425,000, which the Debtor has designated as contingent, unliquidated, and disputed.

⁴ Presumably, senior management personnel of the Debtor have provided all manner of testimony in the various pending litigation matters around the country involving or otherwise implicating the Debtor.

extensive ongoing litigation against the Debtor in the Delaware Chancery Court, including litigation commenced by the Redeemer Committee, a member of the Committee. In sum, aside from the Committee's perceived litigation advantage before the Texas Bankruptcy Court, there is no credible, let alone valid, basis for this case to be transferred to the Texas Bankruptcy Court where an adverse proceeding is pending when this Court presents a perfectly appropriate forum for effectuating a successful reorganization of the Debtor's affairs. The Debtor therefore urges this Court to deny the Motion to Transfer filed by the Committee.

Background

A. The Debtor's Bankruptcy Filing

6. On October 16, 2019 (the "Petition Date"), the Debtor commenced this case by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The factual background regarding the Debtor, including its current and historical business operations and the events precipitating the chapter 11 filing, is set forth in detail in the *Declaration of Frank Waterhouse in Support of First Day Motions*, which is incorporated herein by reference.

7. The Debtor continues in the possession of its property and continues to operate and manage its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

8. No trustee or examiner has been appointed in the Debtor's chapter 11 case.

9. On October 29, 2019, the United States Trustee appointed the Committee, which consists of four members: (1) the Redeemer Committee; (2) UBS; (3) Acis; and (4) Meta-e Discovery. The Committee is represented by Sidley & Austin, with one of its lead attorneys

based in New York City. Since retaining counsel, the Committee's first order of business was to file the Motion to Transfer.

B. The Debtor's Organizational Structure and Governance

10. The Debtor is a Delaware limited partnership. Its limited partnership interests are owned as follows: (a) 99.5% by Hunter Mountain Trust, a Delaware statutory trust based in New York, (b) 0.1866% by Dugaboy Investment Trust, a Delaware trust, (c) 0.0627% by Mark Okada, personally and through family trusts, and (d) 0.25% by Strand Advisors, Inc., a Delaware corporation. In sum, 99.94% of the Debtor's partnership interests are held through Delaware entities. Strand Advisors, Inc. also owns 100% of Debtor's general partnership interest. This Delaware entity, through its principal James Dondero, ultimately controlled the Debtor as of the Petition Date.

11. There is now new governance in place. On October 29, 2019, the Debtor filed its motion to retain Bradley Sharp as the CRO [Docket No. 75] (the "CRO Motion"). Pursuant to the CRO Motion, the Debtor seeks to retain the CRO with certain independent and exclusive powers and significant restrictions on termination. Specifically, the CRO will have sole authority over claims and transactions involving insiders. The CRO was previously appointed chief restructuring officer in Delaware cases such as *Variant Holding Company LLC* before Judge Brendan Shannon and *Woodbridge Group of Companies LLC* before Judge Kevin Carey (retired). The CRO Motion is set for hearing on November 19, 2019, the same date as the Motion to Transfer.⁵

⁵ In an apparent effort to prevent this Court from considering the CRO Motion, the Committee sought to have the Motion to Transfer set for hearing on shortened notice for November 7, but this Court denied that request before the Debtor filed its response.

12. Also on October 29, 2019, the Debtor filed its motion for approval of certain protocols with respect to ordinary course transactions [Docket No. 77] (the “Protocols Motion”). Pursuant to the Protocols Motion, the Debtor seeks approval of certain protocols to allow the Debtor to conduct ordinary course business in an uninterrupted and transparent manner, both for the benefit of the Debtor’s estate and its creditors and for the investors to whom the Debtor provides services. The Protocols Motion also is set for hearing on November 19.

13. The CRO Motion and the Protocols Motion are intended to bring independence and clarity to the Debtor’s governance structure. Based on these motions, there should be no doubt that qualified, independent management is in place with the Debtor and will be operating under a specified set of protocols and procedures to ensure that estate assets are properly preserved.

C. The Debtor’s Business, Assets, and Creditor Relationships are Complex and International in Scope

14. The Debtor is a multibillion-dollar global alternative investment manager. The Debtor operates a diverse investment platform, serving both institutional and retail investors worldwide. In addition to high-yield credit, the Debtor’s investment capabilities include public equities, real estate, private equity and special situations, structured credit, and sector- and region-specific verticals built around specialized teams. The Debtor also provides shared services to its affiliated registered investment advisors.

15. Pursuant to various contractual arrangements, the Debtor provides money management and advisory services for approximately \$2.5 billion of assets under management. Separately, the Debtor provides shared services for approximately \$7.5 billion of assets managed

by a variety of affiliated and unaffiliated entities, including other affiliated registered investment advisors.

16. Although the Debtor is headquartered in Dallas, Texas, and most of its employees are based there, the Debtor's affiliates and related entities maintain offices in many international locales, including in Buenos Aires, Rio de Janeiro, Singapore, and Seoul. The Debtor primarily generates revenue from fees collected for the management and advisory services provided to funds that it manages, plus fees generated for services provided to its affiliates. These funds have investments all over the world. Specifically, the Debtor has its own proprietary investment assets and those of its clients held through various affiliates in Asia, South America, and Europe.

17. On October 29, 2019, the Debtor filed a motion to appoint a foreign representative in order to manage its various foreign interests [Docket No. 68] (the "Foreign Representative Motion"), including those in pending proceedings filed by the Redeemer Committee in Bermuda and the Cayman Islands.

18. The Debtor's principal assets in the United States consist of custodial and non-custodial interests in investments located all over the country. The Debtor has brokerage accounts at Jefferies in New York City that hold the bulk of the Debtor's liquid and illiquid securities. As of the Petition Date, the Debtor owed Jefferies approximately \$30 million on account of margin borrowings. The Debtor's other principal secured creditor, Frontier State Bank, is based in Oklahoma City and is owed approximately \$5.2 million as of the Petition Date.

D. The Debtor Has Litigation Pending in Delaware Chancery Court and New York

19. Aside from Acis, no Committee members are based in Dallas and two of them have litigation pending against the Debtor outside of Texas. As discussed further below, the Redeemer Committee commenced litigation against the Debtor in the Delaware Chancery Court and UBS commenced litigation against the Debtor in New York state court. The chairman and the majority of the members of the Redeemer Committee are located in Chicago. UBS's business representatives are based in or around New York City. The only trade vendor on the Committee, Meta-e Discovery, is based in Connecticut. Yet another allegedly substantial creditor of the Debtor, Patrick Daugherty ("Daugherty"), also has litigation pending against the Debtor in Delaware Chancery Court, including a matter that went to trial on October 14, 2019, just prior to the Petition Date, before it was stayed.

20. *Redeemer Committee Litigation: Delaware Chancery Court and New York Arbitration.* The Debtor's bankruptcy filing was precipitated by an arbitration award in favor of the Redeemer Committee (the "Award") initially issued against the Debtor in March 2019 by a panel of the American Arbitration Association based in New York City. The Debtor was formerly the investment manager for the Highland Crusader Fund (the "Crusader Fund"), which was based in Bermuda and the subject of insolvency proceedings there. On July 5, 2016, the Redeemer Committee (a) terminated and replaced the Debtor as investment manager of the Crusader Fund, (b) commenced an arbitration against the Debtor in New York City, and (c) commenced litigation against the Debtor in Delaware Chancery Court. In September 2018, the Debtor and the Redeemer Committee participated in a multi-day evidentiary hearing in New York City. In March 2019, following post-trial briefing, the arbitration panel issued its Award

finding in favor of the Redeemer Committee on a variety of claims and requiring the Debtor to pay a gross amount of \$189 million, subject to certain offsets and deductions. The Redeemer Committee set a hearing in the Delaware Chancery Court for October 8, 2019, in order to seek entry of a judgment with respect to the Award. The hearing was subsequently continued to October 16, 2019. The Debtor filed this case just prior to that hearing. The Redeemer Committee is represented by Jenner & Block attorneys based in Chicago, Illinois.

21. *UBS Litigation: New York State Court.* The Debtor and UBS are parties to a long-running litigation originally filed by UBS in February 2009 in the New York Supreme Court, County of New York. At bottom, UBS alleges that the Debtor and certain funds fraudulently induced UBS to restructure a transaction at the expense of UBS and then these parties and other entities fraudulently diverted certain assets to prevent UBS from obtaining a recovery on its claims. There have been numerous prejudgment motions and appeals in this case. The claims that remain consist primarily of breach of contract, fraudulent inducement and alter ego claims against certain defendants, a breach of implied covenant of good faith and fair dealing claim against the Debtor, and fraudulent conveyance claims against all defendants. UBS has asserted damages in excess of \$686 million in the litigation, which the Debtor and the other defendants continue to vigorously dispute. The case was bifurcated, and the contract claims against certain fund defendants as well as the Debtor's counterclaim were addressed at a bench trial in July 2018. The court has not yet ruled on phase one of the trial. If the court finds a breach of contract occurred and awards damages against the fund defendants, then the remaining claims will be tried in a second phase of the trial. While awaiting a decision on phase one, the defendants filed a motion for judgment before trial with respect to the fraudulent transfer claims

based on the fact that UBS is not a creditor of the parties who made the alleged fraudulent transfers. The motion was withdrawn due to its timing without prejudice to defendants' right to refile the motion after a decision has been made on phase one of the trial. UBS is represented by Latham & Watkins attorneys based in Washington, DC.

22. *Daugherty Litigation: Delaware Chancery Court.* Another allegedly substantial creditor of the Debtor who is not on the Committee, Daugherty, also commenced litigation against the Debtor in Delaware Chancery Court. Daugherty appears on the top 20 list in this case in the amount of \$11.7 million, scheduled as contingent, unliquidated, and disputed. Daugherty is a former senior management employee of the Debtor. Among other matters, Daugherty sued the Debtor and certain of its affiliates in Delaware Chancery Court in July 2017 arising from his separation from the Debtor. In June 2018, the Delaware Chancery Court dismissed many of the claims asserted by Daugherty in the litigation. The remaining counts went to trial just prior to the Petition Date and have since been stayed by virtue of the Debtor's bankruptcy filing. Daugherty is represented by Delaware counsel.

E. The Debtor's Relationship with Acis and Ongoing Adverse Claims and Litigation

23. The Debtor previously provided sub-manager and sub-advisory services to Acis pursuant to certain contractual agreements that were terminated during the course of the Acis bankruptcy in or around August 2018. Since that time, the Debtor has not had, and does not currently have, any direct business dealings with respect to Acis or the CLO assets for which Acis serves as the CLO portfolio manager.⁶

⁶ The Debtor, through an affiliate, manages a client account that owns a notional value of approximately \$150 million in securities issued by Acis CLOs. All of the Debtor's affiliated CLOs are currently in wind-down, meaning that they are not making any new investments.

24. Prior to his termination in June 2016, Terry was one of the Debtor's senior management employees who handled Acis and also had a partnership interest in Acis. After Terry was discovered surreptitiously tape recording internal meetings and conversations with numerous Highland personnel, he was terminated by the Debtor and subsequently asserted claims against Acis that went to arbitration. Terry ultimately obtained an arbitration award against Acis in the approximate amount of \$8 million. Notably, although Terry asserted claims against the Debtor and other persons at Highland, the arbitration panel did not find liability against any party besides Acis.

25. Terry commenced involuntary chapter 7 bankruptcy cases against Acis in the Texas Bankruptcy Court in January 2018 on his own behalf. No other creditors joined in the petitions, which Terry asserted was appropriate on the basis that Acis had fewer than 12 creditors. The Debtor is a major prepetition creditor of Acis, owed in excess of \$8 million for various contractual services provided to Acis before and after the Acis bankruptcy filings. Acis, the alleged debtor in those matters, objected to the involuntary bankruptcy filings and presented evidence from certain of the Debtor's employees relating to whether the technical requirements for involuntary bankruptcy filings were met. These objections were ultimately overruled by the Texas Bankruptcy Court, which decision remains on appeal. Acis's bankruptcy cases were later converted to chapter 11 and a chapter 11 trustee (Robin Phelan) (the "Acis Trustee") was appointed in May 2018. No Chief Restructuring Officer was ever appointed in the Acis cases, much less a CRO with expanded powers.

26. Subsequently, the Debtor and two of its related, affected parties in interest objected to the confirmation of a chapter 11 plan proposed by the Acis Trustee (and supported by

Terry) for a multitude of reasons, including that certain injunctive provisions were inappropriately targeted at the Debtor and related parties. The Texas Bankruptcy Court ultimately overruled all objections and confirmed the plan in January 2019, which decision remains on appeal. During the course of the Acis bankruptcy cases, the Texas Bankruptcy Court heard no material evidence from the Debtor's employees about the details of its business, assets, or liabilities, aside from its prior involvement with Acis. The Committee does not establish how the prior testimony of the Debtor's representatives in the Acis bankruptcy is relevant to the instant chapter 11 case. Hence, the Texas Bankruptcy Court has no specialized knowledge with respect to the Debtor generally or the issues that will be relevant in this chapter 11 case.

27. Pursuant to the Acis Trustee's confirmed chapter 11 plan, Terry is Acis's sole equity holder and controls and manages that entity. The Acis Trustee had previously commenced litigation in the Texas Bankruptcy Court against the Debtor and other parties for breach of contract, breach of fiduciary duties, fraudulent transfers, and conspiracy, and has sought to offset and/or subordinate the Debtor's claims against Acis. In a nutshell, the causes of action in that lawsuit revolve around the hotly contested allegations that the Debtor conspired to strip Acis of its assets at Terry's expense. Through his ownership and control of Acis pursuant to the Acis Trustee's confirmed plan, Terry now controls these claims against the Debtor, which remain at an early stage in the Texas Bankruptcy Court and have been stayed as to the Debtor.⁷

⁷ The defendants have filed motions to withdraw the reference as well as motions to dismiss. The Texas Bankruptcy Court held a status conference on the motions to withdraw the reference on September 4, 2019 and was required to submit a "Report and Recommendation" to the United States District Court for the Northern District of Texas. As of the Petition Date, the Texas Bankruptcy Court had not issued its Report and Recommendation. This adversary proceeding is now subject to the automatic stay of 11 U.S.C. §362(a). This proceeding has yet to reach the procedural stage where any of the defendants have had to file their answers.

28. The respective bankruptcy estates of Acis and the Debtor are adverse to each other. Acis has claims and pending litigation against the Debtor and the Debtor has outstanding claims against Acis that total no less than \$8 million for services rendered. The various litigation claims of Acis against the Debtor are prepetition claims that have been stayed.

29. The Committee now seeks to move the Debtor's bankruptcy case to the Texas Bankruptcy Court -- Acis's "home court" -- in order to obtain some perceived litigation advantage. The Debtor objects to the Motion to Transfer as completely contrary to the interests of this estate.

Legal Basis for Objection to Motion to Transfer

A. The Debtor's Case is Properly Venued in This District Because the Debtor is Organized in the State of Delaware

30. The Debtor is a limited partnership formed under the laws of Delaware. Consequently, venue of this case is proper in Delaware as a matter of law under 28 U.S.C. § 1408. *See, e.g., In re Restaurants Acquisition I, LLC*, 2016 Bankr. LEXIS 684, at *6 (Bankr. D. Del. Mar. 4, 2016) ("Because the Debtor is organized under the laws of Delaware, this forum is proper under the statute."); *In re Innovative Communication Co., LLC*, 358 B.R. 120, 125 (Bankr. D. Del. 2006) ("Venue is appropriate in the state of incorporation, 28 U.S.C. § 1408(1), so venue is proper in Delaware with respect to the corporate Debtors."). The Committee does not (and cannot) challenge this point.

B. The Debtor's Choice of Forum in Delaware is Entitled to Substantial Weight and Should Not Be Disturbed

31. Given that venue in this District is legally proper, the Debtor's choice of this forum is entitled to great weight. *See, e.g., Restaurants Acquisition*, 2016 Bankr. LEXIS at

*7 (“movant bears the burden of demonstrating that the factors strongly weigh in favor of a transfer as courts will generally grant substantial deference to a debtor’s choice of forum”); *In re Ocean Properties of Delaware, Inc.*, 95 B.R. 304, 305 (Bankr. D. Del. 1988) (same). Therefore, a court considering a venue transfer motion “should exercise its power to transfer cautiously, and the party moving for the transfer must show by a preponderance of the evidence that the case should be transferred.” *In re Commonwealth Oil Refining Co., Inc. (Commonwealth of Puerto Rico v. Commonwealth Oil Refining Co., Inc.)*, 596 F.2d 1239, 1241 (5th Cir. 1979), *cert. denied*, 444 U.S. 1045 (1980) (“CORCO”) (internal citations omitted); *accord In re Fairfield Puerto Rico, Inc.*, 333 F. Supp. 1187, 1989 (D. Del. 1971) (“This Court should not freely abandon to any other district its duty to determine a matter clearly within its jurisdiction.”); *In re Rehoboth Hospitality, LP*, 2011 WL 5024267, at *3 (Bankr. D. Del. 2011) (“The burden of proof is on the moving party requesting transfer.”).

32. These principles apply with even greater force in a case such as this where a Delaware-organized partnership seeks the protection of Delaware courts. As noted above, over 99% of the Debtor’s limited interests and 100% of its general partnership interests are held by Delaware entities. There is a “fundamental legal tenet that every citizen of a state is entitled to take advantage of the state and federal judicial process available in that state.” *In re PWS Holdings*, 1998 Bankr. LEXIS 549, at *14 (Bankr. D. Del. Apr. 28, 1998). Further, “Delaware has an interest in protecting the rights of its citizens,” and correspondingly, change of venue can only be granted upon a strong showing of equities favoring the transfer. *Intel Corp. v. Broadcom Corp.*, 167 F. Supp. 2d 692, 706 (D. Del. 2001).

33. Given the strong presumption that a debtor's choice of forum should not be disturbed, courts rarely grant such relief. In those few cases where venue has been transferred, there was generally some unique compelling factor that justified transfer, such as the debtor's consent, the matter was a single asset real estate case, or there was non-stayed litigation that warranted consolidation of cases before a single court or judge. None of these factors are present here.

34. In fact, the various adversary claims pending against the Debtor that currently linger in the Texas Bankruptcy Court weigh strongly *against* a transfer of venue there. The claims asserted by Acis against the Debtor are prepetition claims that are stayed. Whether those claims are ever unstayed, they are clearly adverse to the interests of the Debtor's estate, particularly where Acis is asserting such claims as a basis to offset and/or subordinate the large claims that the Debtor holds against Acis. Notably, Acis is no longer affiliated with the Debtor. It is merely a litigation claimant. Yet, the Committee chose to file the Motion to Transfer to the Texas Bankruptcy Court in order to achieve a litigation advantage at the expense of this estate. The Debtor urges the Court to see through this blatant litigation tactic which fails to come close to overcoming the strong presumption in favor of the Debtor's proper choice of venue in Delaware.

C. **The Convenience of the Parties Weighs in Favor of Retaining Venue in Delaware**

35. When a bankruptcy court is asked to transfer an entire bankruptcy case to another bankruptcy court, it must examine whether the transfer would be (a) in the interest of justice, or (b) the convenience of the parties. 28 U.S.C. § 1412. In considering the "convenience

of the parties,” courts have identified six factors, among others, to help guide their discretion.

These six factors are:

- i. the economic administration of the estate;
- ii. the location of the assets;
- iii. the proximity of creditors of every kind to the court;
- iv. the proximity of the debtor to the court;
- v. the proximity of the witnesses necessary to the administration of the estate; and
- vi. the necessity for ancillary administration if liquidation should result.

See, e.g., CORCO, 596 F.2d at 1247; *Restaurants Acquisition*, 2016 Bankr. LEXIS at *7

(applying *CORCO* factors); *Innovative*, 358 B.R. at 125 (citing *CORCO* factors and other private and public interests that may be relevant). As discussed herein, the Committee has failed to meet its “heavy burden of proof . . . to demonstrate that the balance of convenience weighs in [its] favor.” *Lionel Leisure, Inc. v. Trans Cleveland Warehouses, Inc. (In re Lionel Corp.)*, 24 B.R. 141, 142 (Bankr. S.D.N.Y. 1982). Consequently, the Motion to Transfer must be denied.

i. The Economic Administration of the Estate

36. The economic and efficient administration of the estate is the most important factor when considering a motion to transfer venue. *CORCO*, 596 F.2d at 1247; *In re Caesars Entertainment Operating Co.*, 2015 Bankr. LEXIS 314, at *22 (Bankr. D. Del. Feb. 2, 2015); *In re Industrial Pollution Control, Inc.*, 137 B.R. 176, 182 (Bankr. W.D. Pa. 1992). Despite the importance of this factor, however, the Committee makes little effort to explain why

the economic administration of the estate would be improved if this case was transferred, other than to argue that the Texas Bankruptcy Court heard days of evidence in an unrelated matter of questionable relevance to the chapter 11 proceedings at hand. *See* Motion to Transfer at ¶¶11 – 13, 29 – 31. The pendency of the Acis bankruptcy in the Texas Bankruptcy Court should not form a basis for transferring venue for the following six (6) reasons.

37. First, the Debtor is now managed by the CRO, who is charged with administering the restructuring efforts of the Debtors in this case and has independent authority as to insider claims and insider transactions. Whatever may have been said by the Debtor's management in the context of the Acis bankruptcy is irrelevant to the tasks at hand in this case that will be carried out by the CRO, an independent and highly qualified professional who has had no involvement in the Acis cases.

38. Second, the evidence presented by the Debtor's employees in the Acis bankruptcy cases is irrelevant to the case at hand. Their testimony generally focused on (a) whether Terry satisfied the legal requirements to file involuntary cases against Acis and (b) the structure of actively managed CLOs. None of this testimony by the Debtor's employees is relevant to the Debtor's present chapter 11 case. Acis was the sole branch of the Debtor's affiliated structure that managed active CLOs. As a result of the confirmed chapter 11 plan in the Acis cases, Acis is no longer part of the Debtor's organizational structure. The Debtor owns no equity in Acis. The Debtor no longer advises or sub-advises any active CLOs. The Debtor only has CLOs that are in liquidation -- monetizing their underlying assets and paying off their remaining investors. While the Texas Bankruptcy Court learned much about the complexities of managing active CLOs, that information is irrelevant to this Debtor.

39. Third, the core issue in the reorganization of Acis was maintaining the cash flows from Acis's managed CLOs. However, the CLOs currently managed by the Debtor provide just 10% of the Debtor's revenue, and that number will shrink over time as the CLOs liquidate. The Debtor derives the other 90% of its revenue from managing asset classes that were never implicated in the Acis proceeding, including private equity, mutual funds, open-ended retail funds, hedge funds, and real estate funds.

40. Fourth, the Committee neither attaches evidence demonstrating what relevant facts the Texas Bankruptcy Court learned about the Debtor, nor explains how any such evidence could possibly implicate an insurmountable "learning curve" for this Court. *See* Motion to Transfer at ¶31. The Committee does not attach any of the 700 allegedly relevant exhibits or any of the testimony from the Acis proceeding. The Committee references three published opinions of the Texas Bankruptcy Court from the Acis proceeding, but provides no reasoning or even citations demonstrating how these opinions evidence the Texas Bankruptcy Court's purportedly extensive knowledge of the Debtor's current structure and management.

41. Fifth, even assuming it learned anything relevant about the Debtor's corporate structure, the Texas Bankruptcy Court knows little about the details of the Debtor's business, assets, or liabilities, or its restructuring efforts. To the extent it addressed the Debtor's business, the evidence in the Acis proceeding focused on a CLO business that the Debtor no longer operates nor manages in any way. The evidence in the Acis proceeding never focused on the Debtor's assets and liabilities. Even at this early stage of the Debtor's chapter 11 case, this Court is already more familiar with the Debtor than the Texas Bankruptcy Court, which is appropriately charged with overseeing the Acis proceeding and not this one.

42. Sixth, the level of conflicts between the Debtor and Acis make the economic and fair administration of this case in the Texas Bankruptcy Court highly problematic. There is a pending adversary proceeding by Acis against the Debtor, which proceeding has been stayed. The Committee does not explain how the Texas Bankruptcy Court is supposed to preside over the Debtor's estate and the pending adversary proceeding in the Acis case concurrently.⁸ Indeed, the only reason for the Committee to seek a transfer of venue to the Texas Bankruptcy Court in the first place is to obtain some perceived litigation advantage *vis-à-vis* the Debtor's estate, which is not a proper basis to transfer venue.⁹ Given the substantial adverse interests that exist between the Debtor and Acis, the Debtor submits that this chapter 11 case can be much more effectively administered by this Court.

ii. The Location of the Assets

43. Although the Debtor's headquarters is located in Dallas, Texas and most of its employees are based there, the Debtor's assets are widely dispersed all over the world. The Debtor has over \$2.5 billion of assets under management and receives management and advisory fees from a multitude of sources around the world. The Debtor also provides shared services for approximately \$7.5 billion of assets managed by a variety of affiliated and unaffiliated entities, including other affiliated registered investment advisors. The Debtor's affiliates and related parties maintain offices in many international locales, including Buenos Aires, Rio de Janeiro,

⁸ See *supra* n. 8.

⁹ As part of this ongoing litigation strategy, Acis has objected to the Debtor retaining Foley & Lardner LLP ("Foley") and Lynn, Pinker, Cox, & Hurst LLP ("Lynn Pinker") as counsel to pursue the Debtor's claims against Acis and to defend the Debtor and certain of its wholly owned subsidiaries against Acis's claims. See Dkt. 116. Acis's objection to Foley and Lynn Pinker's retention does not even attempt to explain the benefit to the Debtor's estate of stripping the Debtor of its counsel litigating both affirmative and defensive claims against Acis. This highlights the conflict that the Texas Bankruptcy Court would face in handling both the Acis and Highland matters.

Singapore, and Seoul. And the Debtor has its own proprietary investment assets and those of its clients held through various affiliates in Asia, South America, and Europe. The Debtor has already filed the Foreign Representative Motion in order to assist the Debtor in managing its various foreign interests.

44. Similarly, the Debtor's principal assets in the United States consist of custodial and non-custodial interests in investments located across the country. The Debtor has brokerage accounts at Jefferies in New York City that hold the bulk of the Debtor's liquid and illiquid securities. As of the Petition Date, the Debtor owed Jefferies approximately \$30 million on account of margin borrowings. The Debtor's other principal secured creditor, Frontier State Bank, is based in Oklahoma City and is owed approximately \$5.2 million as of the Petition Date. Relatively speaking, the Debtor has minimal assets in Texas.

45. Nonetheless, even if most of the Debtor's assets were construed to be located in Texas (which they are not), numerous courts have found that the location of assets is not a significant factor in deciding whether venue should be transferred unless the case involves liquidation as opposed to rehabilitation or is a single asset real estate case. *See Restaurants Acquisition*, 2016 Bankr. LEXIS at *12 ("the location of a company's assets is not as crucial to the analysis where the ultimate goal is rehabilitation rather than liquidation"); *In re Safety-Kleen Corp.*, 2001 Bankr. LEXIS 1296, at *10 (Bankr. D. Del. Aug. 27, 2001) ("location of assets is generally only significant in a single asset real estate case or liquidation"); *see also In re Enron Corp.*, 274 B.R. 327, 348 (Bankr. S.D.N.Y. 2002) ("[W]hile a debtor's location and the location of its assets are often important considerations in single asset real estate cases, these factors take on less importance in a case where a debtor has assets in various locations.").

46. The outcome of this case will not turn on the day-to-day management of the Debtor's assets, but instead will be driven by the Debtor's ability to restructure its balance sheet and maximize the value of its assets, many of which are illiquid. This Court will be focused on matters such as plan confirmation and governance, which the Debtor proposes to place into the capable hands of the CRO pursuant to the terms of the pending CRO Motion and subject to the guidelines set forth in the Protocols Motion. Most of the objections to the key issues that will arise in this case will be grounded in the Bankruptcy Code and not based on any particular facts or circumstances unique to the Debtor's assets wherever located. However, to the extent this Court gives weight to the location of the Debtor's assets, this factor weighs in favor of denying the Motion to Transfer because the Debtor's interests and assets are widely dispersed throughout the country and the world.

iii. The Proximity of Creditors of Every Kind

47. The Committee spends a substantial portion of the Motion to Transfer evaluating the location of the Debtor's creditors and their professionals, and the relative amount of time that it takes to travel to this Court as compared to the Texas Bankruptcy Court. This analysis is misguided and irrelevant under the circumstances of this case. The Debtor does not have thousands of small or unsophisticated creditors who cannot navigate their way to Delaware. The creditors here are generally litigants or attorneys. They are located in commercial centers all over the country. The amounts at stake total hundreds of millions of dollars. It is of no consequence whether a creditor or an attorney is based in Chicago, New York, or Los Angeles. The creditors and professionals involved in this case will travel wherever necessary in order to advocate their respective positions, and Delaware is certainly just as convenient as Dallas.

Caesars, 2015 Bankr. LEXIS 314, at *23 (“in this day of law firms with multiple offices across the nation, convenient and accessible airports, electronic access to information and court dockets at every lawyer’s fingertips, it is fair to say that both this [Delaware Bankruptcy] Court and the Illinois Court are convenient forums for purposes of the *CORCO* analysis.”).

48. Further, one of the Committee members and the Debtor’s largest creditor, the Redeemer Committee, has commenced litigation that is pending in the Delaware Chancery Court. In fact, the main trigger for the Debtor’s bankruptcy filing was a hearing set by the Redeemer Committee in the Delaware Chancery Court to obtain a judgment on a \$189 million Award. If Delaware is convenient enough for the Redeemer Committee, it is certainly an appropriate forum for this case. Daugherty is another allegedly significant creditor of the Debtor who chose to commence litigation in Delaware Chancery Court, which matter commenced trial just prior to the Petition Date. UBS, another member of the Committee, has litigation pending against the Debtor in New York.

49. The bottom line is that in a case of the size and complexity of this one, involving highly sophisticated and well-represented creditors, there is absolutely no reason to transfer venue on the basis of the proximity of creditors to the Texas Bankruptcy Court.

iv. The Proximity of the Debtor and Witnesses Necessary to the Administration of the Estate

50. As discussed in *CORCO*, the Court’s consideration of the location of the Debtor should focus on the proximity to the Court of the Debtor’s employees and representatives who must appear in court, not with the employees who conduct the day-to-day business activities of the Debtor. *CORCO*, 596 F.2d at 1248; *see also Restaurants Acquisition*, 2016 Bankr. LEXIS

at *11 (“Courts have noted the inquiry should focus primarily on the location of parties that must appear in court.”).

51. In this case, the CRO is expected to take the lead in managing the Debtor’s restructuring efforts and testifying on behalf of the Debtor. The CRO is a highly accomplished and independent professional based in Los Angeles who regularly appears in this Court and was previously chief restructuring officer in Delaware cases such as *Variant Holding Company LLC* before Judge Brendan Shannon and *Woodbridge Group of Companies LLC* before Judge Kevin Carey (retired). Few Debtor employees should be required to testify in this case on a going forward basis and, even if they were, travel to this Court is easily accomplished and consistent with the many prior trips required of such employees by the Redeemer Committee and Daugherty in choosing to commence litigation in Delaware Chancery Court. The Debtor’s bankruptcy counsel also has an office in Delaware and has no need to hire local counsel here, whereas in Dallas, local counsel would need to be retained.

52. Given what is at stake, the Debtor and its employees, including the CRO, are conveniently located within sufficient proximity of this Court such that this factor does not weigh in favor of a venue transfer to the Texas Bankruptcy Court.

v. The Necessity for Ancillary Administration if Liquidation Should Result

53. The final factor relates to the necessity for ancillary administration if liquidation should result. As the courts in *CORCO*, *Enron* and *Fairfield Puerto Rico* recognized, “anticipation of the failure of the [Chapter 11] proceeding is an illogical basis upon which to predicate a transfer.” *CORCO*, 596 F.2d at 1248; *see also Enron*, 274 B.R. at 349; *In re Fairfield Puerto Rico, Inc.*, 333 F. Supp. at 1191. Indeed, “[t]his factor is often discounted by

courts.” *Enron*, 274 B.R. at 343, n. 11. The Debtor’s focus in this case is to propose a chapter 11 plan that will maximize value for all constituents, and the Committee offers no factual basis for this Court to contemplate the failure of the Debtor’s chapter 11 case. *See In re Fairfield Puerto Rico, Inc.*, 333 F. Supp. at 1191. Accordingly, this factor does not favor transfer of venue.

D. The Interest of Justice is Not Served By Transferring Venue

54. In determining whether a transfer would be “in the interest of justice,” the court should consider “whether transfer of venue will promote the efficient administration of the estate, judicial economy, timeliness, and fairness.” *Enron*, 274 B.R. at 387. These factors have generally been discussed above and support keeping this case in Delaware. Additional concerns that would speak to the “interest of justice” include facts such as the importance of a debtor to the welfare and economic stability of a jurisdiction, and are not present in this case. *See CORCO*, 596 F.2d at 1248 (even though the importance of the debtor, a major supplier of petroleum to Puerto Rico, to the welfare and economic stability of Puerto Rico implicated “interest of justice” considerations, the court determined not to transfer venue to Puerto Rico).

55. As noted above, venue is legally proper in this Court and the Debtor is entitled to substantial deference as to its choice of forum. But even if the Court considered the interests of justice and the convenience of the parties, there is no legitimate basis to transfer this case to the Texas Bankruptcy Court given the sophistication, complexity, and scope of the Debtors’ business, domestic and foreign assets, and creditor constituents, and pendency of creditor actions in the Delaware Chancery Court and New York.

56. The Texas Bankruptcy Court is also the venue where the unaffiliated and adverse bankruptcy case of Acis has been pending. Acis has asserted fraudulent transfer and other disputed claims against the Debtor, which claims are all prepetition in nature. The Debtor, in turn, has contract claims against Acis totaling in excess of \$8 million. The efficient administration of this estate, judicial economy, timeliness, and fairness would not be served by having the Texas Bankruptcy Court adjudicate these countervailing claims and interests. The interests of justice also would not be served by transferring venue in order for the Committee to realize a tactical litigation advantage before the Texas Bankruptcy Court.

57. For all these reasons, the Debtor urges this Court to maintain venue of this case in Delaware.

WHEREFORE, the Debtor respectfully requests that this Court enter an order denying the Motion to Transfer and granting such other and further relief as this Court deems appropriate.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	§	Case No. 19-12239 (CSS)
	§	
HIGHLAND CAPITAL MANAGEMENT, LP, ¹	§	Chapter 11
	§	
Debtor.	§	Re: Docket No. 86
	§	

ACIS’S JOINDER IN MOTION TO TRANSFER VENUE

Creditors Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively “Acis”) join in the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (the “Motion”) [Dkt. No. 86] pursuant to 28 U.S.C. § 1412, and respectfully show the following:²

SUMMARY OF JOINDER

1. The “astonishingly contentious” Texas bankruptcy proceedings of the former “structured credit arm of Highland” makes this transfer request unique. This Court should not reinvent the wheel in Delaware, a wheel that was ably constructed in Texas by the tireless work of a federal bankruptcy and district court located less than two miles from Highland’s international headquarters, a wheel that was constructed through the expenditure of millions and millions of the Debtor’s, its affiliates’, and its creditors’ money. Those precious resources should be preserved and maximized. Congress enacted section 1412 for cases such as this, where the interests of justice compel a transfer. The convenience of the parties is just icing on

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

² Unless otherwise defined, Acis incorporates herein the defined terms in the Motion. Acis uses the term “Debtor” and “Highland” interchangeably.

the cake. While Highland had the *ability* to file this case in Delaware, its choice of venue squanders the considerable resources expended—by Highland, various creditors and stakeholders, and the judiciary—and foists upon this Court the burden of reinventing the wheel. The Court should, instead, transfer this case to the Northern District of Texas using the broad discretion afforded it by section 1412.

ARGUMENT & AUTHORITY

A. Acis and Highland were affiliates under the Bankruptcy Code.

2. Until a short time ago, Acis was an affiliate of Highland under the Bankruptcy Code – that is beyond dispute. *In re Acis Capital Mgmt., L.P.* (“*Acis III*”), 604 B.R. 484, 499 (N.D. Tex. 2019) (“Highland conducted its CLO business through an entity called Acis ...”); *In re Acis Capital Mgmt., L.P.* (“*Acis II*”), 18-30264-SGJ-11, 2019 WL 417149, at *2 (Bankr. N.D. Tex. Jan. 31, 2019), *aff’d*, 604 B.R. 484 (N.D. Tex. 2019) (“It is also undisputed that, prior to the appointment of the Chapter 11 Trustee, the Debtors and Highland were affiliated and had a close relationship.”); 11 U.S.C. § 101(2)(defining affiliate). Highland’s employee, Hunter Covitz, testified that Acis was the “structured credit arm of Highland.” *Acis II*, 2019 WL 417149, at *5. Highland controlled Acis “beyond a shadow of a doubt” until a Chapter 11 Trustee was appointed over Acis. *Id.*

3. Until Acis’ bankruptcy, both Acis and Highland were controlled by the same person, James Dondero. *Id.* (“Highland's General Counsel, Scott Ellington, testified that Mr. Dondero controlled them both.”). James Dondero remains in control of Highland. Dkt. No. 1. Acis and Highland were affiliates as defined by section 101(2) of the Bankruptcy Code.

4. As reflected in the extensive writings of Judges Jernigan and Fitzwater, it was impossible to discuss and understand Acis without understanding Highland’s business and its

“organizational structure comprised of roughly 2,000 different entities.” *Acis III*, 604 B.R. at 499. *Acis* had no employees of its own, no physical location of its own, no leadership of its own. *Id.*; *In re Acis Capital Mgmt., L.P.* (“*Acis I*”), 584 B.R. 115, 125-26 (Bankr. N.D. Tex. 2018), appeal dismissed, 604 B.R. 484 (N.D. Tex. 2019). Instead, *Acis* acted solely through Highland and its ultimate authority, James Dondero. *Id.* Make no mistake, the “structured credit arm of Highland” was a debtor in bankruptcy in Texas until a very short time ago. *Id.*

B. In the bankruptcy context, three other federal courts recently expended, or will soon expend, countless hours of judicial resources on Highland.

5. The following chart summarizes the recent and extensive work performed, or that will be imminently performed, by three separate federal courts bearing directly upon—and mostly caused by—the Debtor, Highland:³

- (i) **Hon. Stacey G.C. Jernigan** Federal Bankruptcy Judge for the Northern District of Texas, Dallas Division, in *Acis*’s “astonishingly contentious” bankruptcy case⁴ and various related adversary proceedings.⁵ *Acis II*, 2019 WL 417149, at *2.
- (ii) **Hon. Sidney A. Fitzwater** Federal District Judge for the Northern District of Texas, Dallas, Division, in Highland and related parties’ serial appeals of Judge Jernigan’s rulings;⁶ and
- (iii) **United States Court of Appeals for the Fifth Circuit** Second set of appeals filed by Highland and related parties.⁷

³ This Court can, and should, take judicial notice of the circumstances of these cases, which is available on Pacer. *IOENGINE, LLC v. PayPal Holdings, Inc.*, CV 18-452-WCB, 2019 WL 2121395, at *3 (D. Del. May 15, 2019) (Bryson, J.) (taking judicial notice of circumstances of previous case, such as nature of the claims and outcome of the case); *In re Chicago Newspaper Liquidation Corp.*, 490 B.R. 487, 492 n.8 (Bankr. D. Del. 2013) (Sontchi, J.) (taking judicial notice of docket in prior actions).

⁴ Case Nos. 18-30264-SGJ-11 and 18-30265-SGJ-11 (Jointly Administered Under Case No. 18-30264-SGJ-11) (the “*Acis* Bankruptcy”)

⁵ Case Nos. 18-03078-sgj, 18-0312-sgj, and 19-03103-sgj (collectively the “Adversaries”)

⁶ Highland and its related parties filed no less than *five* appeals of Judge Jernigan’s rulings: Civil Action Nos. 3:18-CV-1056-D, 3:18-CV-1057-D, 3:18-CV-1073-D, 3:18-CV-1084-D, 3:18-CV-1822-D, 3:19-CV-0291-D (collectively the “District Court Appeals”). To the extent any party disputes that Highland CLO Funding, Ltd. and Nuetra, Ltd. are related to Highland, *see Acis II*, 2019 WL 417149, at *7 (“As with HCLOF Guernsey, the court also concludes that Nuetra-Cayman is absolutely, *beyond any reasonable doubt*, controlled by Highland, as explained further below.”) (emphasis added).

Summary of the Acis Bankruptcy, the Adversaries, the District Court Appeals, and the Fifth Circuit Appeals⁸	
Days from entry of orders for relief to confirmation of plan	293
Hearings held (Acis Bankruptcy)	81
Fully-day hearings (Acis Bankruptcy – involuntary trial)	5
Full-day hearings (Acis Bankruptcy – first confirmation)	4
Full-day hearings (Acis Bankruptcy – second confirmation)	5
Witnesses that testified (Acis Bankruptcy) ⁹	>18
Oral depositions conducted	34
Exhibits admitted (Acis Bankruptcy) ¹⁰	>700
Docket entries (Acis Bankruptcy)	1135
Docket entries (the Adversaries)	299
Administrative costs (professional fees, break-up fee, and trustees’ compensation) ¹¹	>\$8,358,503.35
Attorneys’ fees incurred by Highland ¹²	>\$2,858,396.47

⁷ Case Nos. 19-10846 and 19-10847 (collectively the “Fifth Circuit Appeals”)

⁸ Unless indicated otherwise, all figures are approximations as of November 11, 2019, based on Acis’ review of the dockets and participation in the cases.

⁹ This includes only witnesses who testified substantively over matters related to the involuntary trial or confirmation proceedings in the Acis Bankruptcy.

¹⁰ *Acis II*, 2019 WL 417149, at *1

¹¹ Acis Bankruptcy Dkt. 390, 821, 976, 978, 999. Acis also owes an expense reimbursement to Oaktree which is not yet liquidated. *Id.* at 390. And Highland alleges an additional administrative expense of \$3,554,224.29 owed by Acis in the Acis bankruptcy, which is not included in the chart. *Id.* 772.

¹² Dkt. Nos. 69-2 at ¶3 and No. 70-2 at ¶4 in this Case outline amounts incurred by the Debtor with two law firms representing Highland in the Acis Bankruptcy. It is impossible to tell from these filings how much of these fees were incurred by “related parties” but paid by Highland, and how much, if any, is unrelated to the Acis Bankruptcy. *Id.* Since Foley Gardere only worked on the Acis Bankruptcy, Acis includes its entire amount and 50% of the Lynn Pinker amount, since presumably some of those amounts were incurred for the Texas Litigation (as defined in the application).

Summary of the Acis Bankruptcy, the Adversaries, the District Court Appeals, and the Fifth Circuit Appeals⁸	
Attorneys fees incurred by Highland CLO Funding, Ltd., a Highland “related entit[[]y ...” ¹³	unknown
Number of unpublished opinions (Acis Bankruptcy)	3
Pages of unpublished opinions (Acis Bankruptcy) ¹⁴	292 ¹⁵
Number of published opinions (Acis Bankruptcy)	4
Pages of published opinions (Acis Bankruptcy) ¹⁶	120 ¹⁷
Pages of record (District Court Appeals)	>90,000
Pages of record (Fifth Circuit Appeals)	>115,000

C. The interest of justice warrants a transfer to the Northern District of Texas.

6. The Committee addressed the “convenience of the parties” basis for transfer under section 1412, and Acis hereby incorporates by reference the Committees’ arguments thereon. Acis submits that while a transfer is more than justified on that ground alone, the Court should strongly consider the less-often-argued “interest of justice” basis for transfer under section 1412. The one-of-a-kind nature of this case vis-à-vis the Acis Bankruptcy, the Adversaries, the District Court Appeals, and the Fifth Circuit Appeals makes a transfer for the interest of justice particularly appropriate in this unique case.

¹³ *Id.*

¹⁴ Number of pages of such opinion(s) contained on the court’s docket.

¹⁵ The Confirmation Order is designated as an “opinion” by the Dallas Bankruptcy Court and available on Westlaw and Lexis.

¹⁶ Number of pages of such opinion(s) contained on the court’s docket.

¹⁷ The Dallas Bankruptcy Court entered identical copies of the Acis Involuntary Opinion on the docket for Acis LP’s bankruptcy case and Acis GP’s bankruptcy case, as the cases were not yet jointly administered. For purposes of this chart, the Acis Involuntary Opinion is only counted once.

7. Under section 1412, the moving party need only show by a preponderance of the evidence that the transfer of venue is appropriate. *In re Dunmore Homes, Inc.*, 380 B.R. 663, 677 (Bankr. S.D.N.Y. 2008) (finding moving parties met burden of proof to transfer Chapter 11 proceeding).

8. This Court's sister court addressed the section 1412 transfer of a Chapter 11 proceeding in a well-reasoned opinion in *In re Rests. Acquisition I, LLC*, 15-12406 (KG), 2016 WL 855089, at *2 (Bankr. D. Del. Mar. 4, 2016) (Gross, J.); *see also In re Dunmore*, 380 B.R. at 677 (granting § 1412 transfer of a Chapter 11 proceeding). Judge Gross stated that “[w]hen determining whether a transfer would serve the interest of justice, courts consider whether such transfer ‘will promote the efficient administration of the estate, judicial economy, timeliness, and fairness.’” *In re Rest. Acquisition I, LLC*, 2016 WL 855089, at *5 (quoting *In re Enron Corp.*, 274 B.R. 327, 343 (Bankr.S.D.N.Y.2002) (quoting *Gulf States Exploration Co. v. Manville Forest Prods. Corp. (In re Manville Forest Prods. Corp.)*, 896 F.2d 1384, 1391 (2d Cir.1990)). “This standard is a flexible one that ‘must be applied on a case-by-case basis.” *Id.* (quoting *Manville*, 896 F.2d. at 1391); *In re Dunmore Homes, Inc.*, 380 B.R. 663, 671 (Bankr. S.D.N.Y. 2008).

(i) A transfer will promote the efficient administration of the estate.

9. “The most weight is given to the promotion of the economic and efficient administration of the estate.” *In re Dunmore Homes, Inc.*, 380 B.R. 663, 676 (Bankr. S.D.N.Y. 2008). It is more economic to administer this case in the Northern District of Texas. Transferring venue will mean that Debtor and its agents, along with a vast number of creditors, the majority of which are located in Texas over any other state will not have to travel to Delaware for hearings. The Northern District of Texas provides for permissive admission *pro*

hac vice. <http://www.txnd.uscourts.gov/pro-hac-vice-appearance>. Many of Debtor's counsel have taken advantage of these rules – they have appeared numerous times in the Northern District of Texas. *E.g. In re Buffet Partners, L.P.*, 14-30699-HDH-11, 2014 WL 3735804 (Bankr. N.D. Tex. July 28, 2014); *Objecting Class 3 Claimholders v. New Mirant Entities*, 4:06-CV-744-A, 2006 WL 3780884 (N.D. Tex. Dec. 26, 2006); *In re Reddy Ice Holdings, Inc.*, 12-32349-SGJ-11, 2017 WL 2347551 (Bankr. N.D. Tex. May 30, 2017).

10. Courts in this district have historically placed a particular emphasis “on the “learning curve” that typically militates against a transfer. *See In re Rests. Acquisition I, LLC*, No. 15-12406 (KG), 2016 Bankr. LEXIS 684, at *15-16 (Bankr. D. Del. March 4, 2016). Indeed, that issue was the first one raised by Judge Gross in *Rests. Acquisition. Id.* However, as discussed by the Committee, the “learning curve” that typically militates against a transfer in the interest-of-justice basis of § 1412 is actually inverted in this case. That is, it is not the proposed transferee court that will have a “learning curve,” but rather this Court if this case stays in the United States Bankruptcy Court for the District of Delaware.

11. That is true, and will soon be true, on *three* separate levels of federal court jurisdiction: the bankruptcy court, district court, and circuit court of appeals. Judge Jernigan, Judge Fitzwater, and soon a panel of the Fifth Circuit will have a far less steep learning curve regarding the Debtor if this Court grants transfer. The Northern District of Texas, Dallas Division has extensive knowledge regarding the Debtor, its business operations, its litigation, its management, its executives, and that court just so happens to be a stone's throw from Highland's international headquarters.¹².

- (ii) A transfer will promote judicial economy.

13. If ever a transfer would promote judicial economy, it is in this case. It is beyond reasonable dispute that transferring this case to the Dallas Bankruptcy Court is in the interest of judicial economy. Judges Jernigan and Fitzwater, and soon a panel of the Fifth Circuit, have expended untold hours working on the Acis Bankruptcy, the Adversaries, and the District Court Appeals. That experience, as manifested by their extensive writings, gave these jurists intimate and deep knowledge regarding Highland. They have done so in a timely and fair fashion. Not taking advantage of these courts' previous hard work is the antithesis of promoting judicial economy. Nor should we squander the millions and millions of dollars that Highland, Acis, other creditors and other stakeholders spent in legal fees, lost productivity, and costs in the Acis Bankruptcy to get an otherwise capable bankruptcy court, this Court, to the same point on the learning curve. All parties should be interested in making sure that those precious resources are not wasted, including Highland. A transfer to the Northern District of Texas promotes judicial economy.

(iii) A transfer will promote timeliness.

14. With their vast knowledge of Highland and could-not-be-closer proximity to relevant witnesses and evidence, the Northern District of Texas can undoubtedly timely adjudicate this case.

(iv) A transfer will promote fairness.

15. There is certainly nothing unfair about transferring these cases to a venue in which employees, creditors, and numerous other parties-in-interest may participate in the restructuring process. Highland is centralized in a venue, the Northern District of Texas, that is well-positioned to handle these cases and readily accessible to all parties-in-interest.

16. The Northern District of Texas has a local interest in deciding local controversies at home. *See In re Cubic Energy, Inc.*, 603 B.R. 743, 756 (Bankr. D. Del. 2019). Highland prides itself on its Texas connections. <https://www.highlandcapital.com/about-us/our-history/> (“Within a year of finalizing the PAMCO agreement, Mr. Dondero and Mr. Okada moved the firm to Dallas, Texas. The new headquarters put the firm closer to the finance capital of New York, both in terms of the time zone and travel distance. Texas also offered a more business-friendly environment and lower taxes, as well as a better commute.”). Highland employs a significant number of residents of Dallas, Texas. Dkt. 9 at 7-8. And Highland takes credit for philanthropic efforts aimed at various organizations in Texas, and specifically Dallas. <https://www.highlandcapital.com/community/>. Finally, local courts in Texas have already made significant rulings that are highly relevant to this Chapter 11 proceeding. Highland’s purported inability to timely pay its creditors, many of which are in Texas (far more than any other single state), and Highland’s efforts to reorganize, are a local controversy that should be decided at home in Texas.

17. It is supremely fair to require Highland to reorganize before courts from which *Highland* asked so much. Highland, through its extremely aggressive litigation tactics, *forced* Judges Jernigan and Fitzwater to spend significant resources to understand its business and the issues that Highland and related parties *chose* to appeal.

18. Is it fair for Highland to adjudicate this bankruptcy proceeding before those same courts, those same courts where time and again, Highland requested more and more of the judges’ and their clerks’ time and effort? Acis believes the answer to that question is manifest, as it was largely *Highland’s* actions that forced the expenditure of significant judicial resources, not to mention Highland’s and others’ resources. Highland forced Judges Jernigan and Fitzwater

to educate themselves on Highland – fairness mandates that this Court transfers this case to the Northern District of Texas.

CONCLUSION

19. A debtor's choice of venue is not sacrosanct. Otherwise, section 1412 would not exist. We must, of course, operate under the cannon that Congress intended the laws it passes to have meaning. *See Hibbs v. Winn*, 542 U.S. 88, 89 (2004). The deference afforded to a debtor's choice of forum gives way to the practicalities and facts of a particular case, as manifested in section 1412. This case is the posterchild for a transfer in the interest of justice. The fact that that transferee court is less than two miles from Highland's headquarters is merely a bonus. Acis requests the Court to transfer this case to the Northern District of Texas pursuant to 28 U.S.C. § 1412, and such other relief to which Acis is entitled.

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BLANK ROME LLP

Dated: November 12, 2019
Wilmington, Delaware

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COUNSEL FOR ACIS

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

)
) Chapter 11
)
) Case No. 19-12239 (CSS)
)
) **Hearing Date: Dec. 2, 2019, at 10:00 a.m. (ET)**
) **Obj. Deadline: Nov. 12, 2019, at 4:00 p.m. (ET)**
)
) **Docket Ref. Nos. 86, 118**

**REPLY OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS IN
SUPPORT OF MOTION TO TRANSFER VENUE OF THIS CASE TO THE UNITED
STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS**

The official committee of unsecured creditors (the “Committee”) of Highland Capital Management, L.P. (the “Debtor”) hereby submits this reply (the “Reply”) to the *Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas* [Docket No. 118] (the “Objection”) in support of the *Motion of Official Committee of Unsecured Creditors to Transfer Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas* [Docket No. 86] (the “Motion”).² In response to the Objection and in further support of the Motion, the Committee respectfully states as follows:

REPLY

1. Transferring the venue of this case to the United States Bankruptcy Court for the Northern District of Texas (the “Dallas Bankruptcy Court”) is entirely appropriate, and doing so serves the convenience of the parties and is in the interest of justice. Rather than reiterate all of

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

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

the arguments set forth in the Motion, the Committee submits this Reply only to respond to six misguided arguments the Debtor raises in its Objection.

2. First, the Debtor asserts that the Committee has not established that the testimony of the Debtor's management team in the Acis Bankruptcy is relevant to the Debtor's choice of venue because the Debtor is now managed by its proposed Chief Restructuring Officer ("CRO"), Mr. Bradley Sharp, who had no prior involvement with the Acis Bankruptcy. This argument misses the mark. As more fully set forth in the *Omnibus Objection of the Official Committee of Unsecured Creditors to the Debtor's (I) Motion for Final Order Authorizing Continuance of the Existing Cash Management System, (II) Motion to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, and (III) Precautionary Motion for Approval of Protocols for "Ordinary Course" Transactions* [Docket No. 125] (the "Omnibus Objection"), filed on November 12, 2019, and incorporated herein by reference, it is inaccurate to say that the CRO is "managing" the Debtor. To start, the CRO was engaged mere days before the chapter 11 filing, and has only been employed by the Debtor for approximately one month, several weeks of which the Committee understands the CRO has spent recovering from serious medical issues. While the Committee is not disputing the CRO's qualifications, it is simply implausible that *any* professional—even one who was physically present at the Debtor's office—could get completely up to speed with an organization as complex as the Debtor's and become as familiar with the business as the Debtor's current management in such a short time frame. More critical, however, is the fact that the Debtor is still controlled by the exact same management who (i) historically managed the Debtor, (ii) testified in the Acis Bankruptcy, (iii) can be terminated by Mr. Dondero and, (iv) as the Debtor's motion to retain the CRO makes clear, to whom the CRO still reports. Nothing has changed—Mr. Dondero is still in control. Notwithstanding the "fresh start" that

Chapter 11 affords, the Debtor's case will very much be about the past—the past conduct and transactions engaged in by the Debtor, Mr. Dondero and his labyrinth of affiliated and controlled entities. As such, the Dallas Bankruptcy Court's familiarity with how the Debtor operates, gained through many days of testimony and argument including on topics such as advisory agreements and shared services agreements with the Debtor, is extremely relevant to the Debtor's bankruptcy case. *See In re Acis Capital Mgmt., L.P.*, No. 18-30264 (SGJ), 2019 WL 406137, at *8 (Bankr. N.D. Tex. Jan. 31, 2019) (the "Acis Confirmation Opinion").

3. Second, the Debtor argues that the testimony given by the Debtor's employees in the Acis Bankruptcy is irrelevant to this case. On the contrary, as set forth in the Omnibus Objection, the prior testimony of the Debtor's employees reflects a pattern of behavior by Mr. Dondero and his senior executives that, if permitted to continue during this chapter 11 case, is likely to deplete value from the Debtor's estate to the detriment of its creditors. This pattern of past behavior, with which the Dallas Bankruptcy Court is extremely familiar, is highly relevant to examining the Committee's concerns regarding the potential siphoning of funds from the Debtor by Mr. Dondero.

4. Third, the Debtor's argument that the core issue in the Acis Bankruptcy was maintaining cash flows from CLOs is misguided. The Dallas Bankruptcy Court considered an extensive record pertaining to a litany of transactions and agreements with the Debtor and conduct by the Debtor's management.³ Thus, the Dallas Bankruptcy Court is familiar with how the Debtor,

³ For example, in what the Dallas Bankruptcy Court referred to "startling" evidence, the Court examined, among other things, amendments to Acis' sub-advisory agreement and shared services agreement with the Debtor and the removal of a multi-million dollar note owed to Acis by the Debtor. *See In re Acis Capital Mgmt., L.P.*, 2019 WL 406137, at *8. The Dallas Bankruptcy Court clearly has familiarity with more than just cash flows from CLOs.

through Mr. Dondero, operates and is uniquely situated to preside over the Debtor's bankruptcy case.

5. Fourth, the Debtor argues that the Motion is without merit because the Committee did not attach a number of published opinions that it cites to or the hundreds of documents that are already part of the Acis Bankruptcy record. It is well-established that courts may take judicial notice of published opinions and the contents of court records more generally. *See* FED. R. EVID. 201(b)(2); *Southmark Prime Plus, L.P. v. Falzone*, 776 F. Supp. 888, 892 (D. Del. 1991) (“Pursuant to Rule 201(b)(2) [of the Federal Rules of Evidence], the Court can take judicial notice of the contents of court records from another jurisdiction.”); *United States ex rel. Geisler v. Walters*, 510 F.2d 887, 890 n.4 (3d Cir. 1975) (taking judicial notice of briefs and petitions filed in other courts); *Southern Cross Overseas Agencies, Inc. v. Wah Kwong Shipping Group Ltd.*, 181 F.3d 410, 413 (3d Cir. 1999) (taking judicial notice of a published opinion as a matter of public record). The Committee therefore need not attach opinions and other documents from the Acis Bankruptcy to meet its burden here. Notably, the Debtor does not dispute the merits of the Committee's argument on this point. Rather, the Debtor attempts to misdirect the Court by mischaracterizing the Committee's position. For the avoidance of doubt, the Committee's position is that transfer of venue to the Dallas Bankruptcy Court is in the interest of justice and convenience of the parties and will help conserve this Court's time and judicial resources, given the voluminous record in the Dallas Bankruptcy Court.

6. Fifth, the Debtor argues that the Dallas Bankruptcy Court “knows little about the details of the Debtor's business, assets, or liabilities, or its restructuring efforts.” Obj. at ¶ 41. As set forth above, this is incorrect. The Dallas Bankruptcy Court is clearly and undisputedly familiar with the Debtor's *liabilities* as to Acis, as well as the counterclaims the Debtor has raised against

Acis in the Acis Bankruptcy adversary proceeding (which counterclaims are *assets* of the Debtor's estate). Moreover, it was "undisputed that, prior to the appointment of the Chapter 11 Trustee, *the [Acis] Debtors* and Highland were affiliated and had a close relationship." *In re Acis Capital Mgmt., L.P.*, 2019 WL 417149, at *2 n.5. In other words, the Dallas Bankruptcy Court is intimately familiar with the Debtor's corporate structure, which, except for the Acis spin-off, the Committee believes has remained substantially unchanged.⁴ Furthermore, as detailed in the Acis Confirmation Opinion, the Dallas Bankruptcy Court closely examined, among other things, the sub-advisory agreement and the shared services agreement Acis had with the Debtor. *See id.* at *2-3. Therefore, it is clear that the Dallas Bankruptcy Court does indeed know about the Debtor's business and its assets.

7. Sixth, the Dallas Bankruptcy Court is not conflicted from presiding over this case because it is currently presiding over an adversary proceeding between the Debtor and Acis. Indeed, that is precisely *why* the Dallas Bankruptcy Court is the proper venue for this case, as it is already overseeing litigation involving the Debtor and one of its largest creditors on matters that will likely affect this case. Moreover, the Debtor's argument appears to be based on the unstated

⁴ During the pendency of the Acis Bankruptcy Cases, Acis and Highland were affiliates within the Highland enterprise consisting of more than 2,000 entities. Acis had *no* employees of its own and was managed by Highland. This required the Dallas Bankruptcy Court to become intimately familiar with Highland's management team and several other Highland entities, including, but not limited to, Highland Capital Management, L.P., Highland CLO Funding Ltd., Highland HCF, Highland CLO Management Ltd., Highland CLO Holdings, Ltd., and Neutra Ltd., and their relationships with Acis. *See, e.g., In re Acis Capital Mgmt., L.P.*, 2019 WL 417149, at *2, 5-8 (analyzing several Highland affiliates, their relationships with Acis, and their roles as defendants in the adversary proceeding); *In re Acis Capital Mgmt., L.P.*, 584 B.R. 115, 122-127 (Bankr. N.D. Tex. 2018) (explaining the Acis business operations and structure, including Highland's operations in connection therewith). A number of these Highland entities are also defendants in the adversary proceeding currently pending before the Dallas Bankruptcy Court.

“presumption” that each Chapter 11 debtor gets to have its own “home court.” As such, this argument contravenes the foundational principle of judicial impartiality.

8. In addition, the Debtor also notes multiple times throughout its Objection that its appeal of the Acis confirmation order is pending before the Fifth Circuit, without considering the impact on this case if that appeal is successful. *See, e.g.*, Obj. ¶¶ 4, 25, 26. To be clear, if the Debtor’s appeal is successful, Acis would revert to being an *affiliate* of the Debtor and the Dallas Bankruptcy Court would have initial venue over this case pursuant to Bankruptcy Rule 1014 and would be the Court that would properly make the determination of where this case would proceed. In other words, if the Debtor were to get its way with both the Acis appeal and this Motion, it would be juggling simultaneous bankruptcy proceedings in Delaware and Texas. That is hardly a picture of judicial economy. Transferring this case to the Dallas Bankruptcy Court now would avoid any such potential issues down the road.

9. The Debtor dismisses all of the Committee’s legitimate bases for requesting a transfer of venue by simply taking the position that the Debtor’s choice of venue is entitled to deference. While that is true, that does not mean that the Debtor’s right to choose venue is absolute. *See, e.g., In re Pubco Corp.*, 27 B.R. 139 (Bankr. E.D. Penn. 1983) (ordering the transfer of venue upon request of the creditors’ committee); *In re Palmer Lake Plaza, LLC*, 470 B.R. 511 (Bankr. W.D. Wis. 2012) (holding that a chapter 11 case had to be transferred in the interest of justice and for convenience of parties); *In re Shorts Auto Parts of Warren, Inc.*, 136 B.R. 30 (Bankr. N.D.N.Y. 1991) (same); *In re Patriot Coal Corp.*, 482 B.R. 718 (Bankr. S.D.N.Y. 2012) (same); *In re Grand Dakota Partners, LLC*, 573 B.R. 197 (Bankr. W.D.N.C. 2017) (transferring the venue of the bankruptcy case to where the debtor’s principal asset was located). As discussed

in the Motion, there are in fact circumstances that warrant a transfer of venue despite the Debtor's choice. This case is no exception.

CONCLUSION

10. In sum, each of the arguments raised by the Debtor in its Objection fail to demonstrate why a transfer of venue would be improper. For all of the reasons set forth herein and in the Motion, the Committee respectfully requests that the Court grant the Motion and transfer the venue of this case to the United States Bankruptcy Court for the Northern District of Texas.

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Respectfully submitted,

Dated: November 21, 2019
Wilmington, Delaware

/s/ *Sean M. Beach*

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*Proposed Counsel for the Official
Committee of Unsecured Creditors*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	§	Case No. 19-12239 (CSS)
	§	
HIGHLAND CAPITAL MANAGEMENT, LP, ¹	§	Chapter 11
	§	
Debtor.	§	Re: Docket Nos. 86, 118, 122, 156
	§	
		Hearing Date: Dec. 2, 2019, at 10:00 a.m. (ET)
		Obj. Deadline: Nov. 12, 2019, at 4:00 p.m. (ET)

ACIS’S REPLY IN SUPPORT OF MOTION TO TRANSFER VENUE

Creditors Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively “Acis”) file this Reply in Support of the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (the “Motion”) [Dkt. No. 86] and, in addition to the reply filed by the Committee [Dkt. No. 156], to specifically address certain of the matters raised in the Objection to the Motion filed by Debtor Highland Capital Management, L.P. (the “Objection”) [Dkt. 118], and respectfully show the following:²

SUMMARY OF REPLY

1. Highland is the *only* party to object to the Motion. Highland repeatedly calls the Motion, filed by the Committee who owes duties to the entire unsecured creditor class, a “litigation ploy” or “litigation tactic.” *E.g.* Objection ¶ 2. It is not. Highland cannot feign surprise that the Committee and others seek to transfer this case to Highland’s home venue where it incurred many of the debts that Highland listed in its top 20 creditors, including at least two law firms that represent Highland—but Highland failed to pay—in the Acis Bankruptcy.

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

² Unless otherwise defined, Acis incorporates herein the defined terms in the Motion and the Objection. Acis uses the term “Debtor” and “Highland” interchangeably.

Dkt. No. 1 at 10. Acis seeks a transfer because it is in the interest of justice and for the convenience of the parties to do so—section 1412 exists for a reason.

ARGUMENT & AUTHORITY

A. The administration of this particular Chapter 11 is more appropriate in Debtor’s hometown.

2. The Court should consider what the future holds for this Chapter 11 bankruptcy. This is not a simple “balance sheet restructuring.” The Debtor has stated that it needs to sell assets to operate and fund claims repayment. This is a quintessential “freefall” operational restructuring. Given the significant business issues, *i.e.* sale of assets, retention of employees, streamlining of operational divisions, driving the end result, it follows that the bankruptcy itself should be where the principal business (and business people) is/are located. Indeed, even the proposed CRO concedes that when he deploys his “boots on the ground,” those boots are deployed to Dallas, Texas.

3. By its own admission, Debtor filed this Chapter 11 because of repeated and significant losses in litigation that constitute the vast majority of the claims in this case. That litigation must either be resolved in the course of this Chapter 11, or at a minimum a court must estimate the claims, including the claims against the Debtor currently pending before the Northern District of Texas. As reflected by the Committee’s Motion, the major litigation claimants believe that the Northern District of Texas is better suited—based on its experience with the Debtor—to address their claims. Since their votes will be necessary to support any exit strategy, venue should be transferred to Texas.

B. The Dallas Bankruptcy Court knows Highland’s current management.

4. Incredibly, the Objection asserts that “the Dallas Bankruptcy Court has no special familiarity with the Debtor or its current management.” *Id.* ¶ 2. Highland presumably makes

this bold statement based on the installation a very short time ago of the proposed CRO, on the eve of its bankruptcy filing. Dkt. No. 75 ¶¶ 6,13. Highland cannot point to one other change in “management”—all of the same players who got Highland into myriad litigation and ultimately this bankruptcy, including Mr. Dondero, remain firmly in control of the Debtor, which Highland seeks Court permission to continue operating in the “ordinary course.” Dkt. No. 77. Notably, Mr. Dondero *alone* can fire the CRO at any time with 30-days’ notice. Dkt. No. 75 ¶ 11. Clearly, these players will continue to play a significant role as this bankruptcy case proceeds forward. The Dallas Bankruptcy Court’s familiarity with the management that will set the go-forward plan is critical.

C. The Dallas Bankruptcy Court knows Highland’s business.

5. Despite Highland’s efforts to minimize the Dallas Bankruptcy Court’s knowledge regarding Highland, Judge Jernigan’s knowledge runs far and deep. First, the Dallas Bankruptcy Court is further along the learning curve on Highland’s “investment management,” which includes structured products, including collateralized loan obligations (“CLOs”). Dkt. No. 77. Debtor expends at least three paragraphs discussing CLOs in its filings, and discloses that it is “currently the collateral manager for *twenty* CLOs ...” *Id.* at ¶¶ 25-27 (emphasis added). Structured credit products—and specifically CLOs—form a core part of Highland’s current business. Debtor promotes on its website that “Highland was one of the early pioneers in the collateralized loan obligation (CLO) market, setting up one of the first non-bank CLO deals in 1996.”³ Highland had its fingers in every aspect of the bankruptcy of Debtor’s own “structured credit arm,” which this Court can see by reading the extensive rulings by both the Texas Bankruptcy and District Court. Indeed, the Dallas Bankruptcy Court heard extensive testimony

³ Highland Capital Management, <https://www.highlandcapital.com/structured-products/>. (last visited Nov. 21, 2019).

from Mr. Dondero (CEO and co-owner), Mr. Okada (co-owner), Mr. Ellington (General Counsel), and many other Highland executives about Highland's inner workings and advisory actions. *Acis I* at 119; *Acis II* at *16. The testimony was in no way limited, as Highland attempts to advance, to "whether Terry satisfied the legal requirements to file involuntary cases against Acis and (b) the structure of actively managed CLOs." *Id.* ¶ 38. It is simply not true that the Dallas Bankruptcy Court has "no special familiarity with the Debtor or its current management." *Id.* ¶ 2.

6. Highland argues that Judge Jernigan and Fitzwater's demonstrated knowledge regarding Acis is not relevant to understanding Highland's "business, assets, or liabilities, aside from its prior involvement with Acis." Dkt. No. 118 at ¶ 26. According to Highland's own pleadings in this case, one of Debtor's "three primary business lines" (in addition to investment advisory services, which includes the management of CLOs) is "the provision of certain middle and back office services to other registered investment advisors ..." Dkt. No. 9 ¶ 37. As stated by the Dallas Bankruptcy Court, "[t]he Debtor-Acis paid handsome fees to Highland for the personnel and back-office services that Highland provided to the Debtor-Acis." *In re Acis Capital Mgmt., L.P.*, 18-30264-SGJ-11, 2019 WL 417149, at *3 (Bankr. N.D. Tex. Jan. 31, 2019), *aff'd*, 604 B.R. 484 (N.D. Tex. 2019). This is the *exact* business that Highland states is one of its "three primary business lines," Dkt. No. 9; *Id.*, and regarding which the Dallas Bankruptcy Court is considerably further along the learning curve.

D. The Debtor has already demonstrated why a transfer is warranted in multiple filings in *this* Court.

7. In terms of the administration of this bankruptcy estate, the Northern District of Texas is intimately familiar with the services provided to the Debtor by Foley Gardere and Lynn Pinker, two firms Debtor seeks to hire as special counsel in this case. Dkt. No. 69-70. The

retention applications for Foley Gardere and Lynn Pinker, and more importantly, the objections thereto, highlight the efficiency of the Northern District of Texas hearing this matter and the inefficiency posed to this Court. Debtor proposes the retention of both firms (two of the three legal professionals sought to be specifically retained in this case and who are both owed money for services rendered in the Acis Bankruptcy) for litigation stemming from the Acis Bankruptcy in the Northern District of Texas. Those courts have viewed the entirety of the past representation and can assess more closely, and certainly with far less effort, the prudence of retention go forward under the applicable provisions of section 327 of the Bankruptcy Code.

E. The Dallas Bankruptcy Court has no conflict with a transfer.

8. Highland makes much of the fact that “[t]he interests of Acis are directly adverse to those of this estate.” Objection ¶ 4 (emphasis in original). Highland goes on to argue that the pendency of litigation against Highland in the Dallas Bankruptcy Court militates *against* a transfer to the Dallas Bankruptcy Court, as if Acis has somehow co-opted the Dallas Bankruptcy Court. *See id.*; ¶ 34. “Courts have recognized the strong public policy favoring centralization of bankruptcy proceedings in a bankruptcy court.” *Kurz v. EMAK Worldwide, Inc.*, 464 B.R. 635, 640 (D. Del. 2011). Accordingly, Highland's bankruptcy case should be heard by the same court as the first-filed adversary pending against Debtor in the Northern District of Texas—that is quintessential “judicial economy” and the promotion of “the efficient administration of the estate.”

9. Highland's argument also runs contrary to the fundamental obligations of bankruptcy courts, which are tasked with “appropriately resolv[ing] competing economic interests in an orderly and effective way.” *Taylor v. Slick*, 178 F.3d 698, 702 (3d Cir. 1999) (internal citations omitted). If what Highland argues is true, then *every* bankruptcy court would

have a conflict in adjudicating disputed proofs of claims, as those proofs of claims inherently represent claims against the estate, or in jointly administering bankruptcy cases. That is non-sensical. The Dallas Bankruptcy Court has no conflict, just as this Court is not conflicted in hearing multi-debtor matters, many with intercompany claims, or adjudicating third party disputed proofs of claims.

CONCLUSION

10. In their Motion and Joinder, neither the Committee nor Acis cast aspersions regarding Highland's motive in filing this bankruptcy proceeding over a thousand miles from the Dallas Bankruptcy Court and District Court from which the Debtor has recently requested so much. The Motion is meritorious because it is firmly rooted in the express text and the cases interpreting section 1412. Acis has said it before and will say it again: this case presents extremely unique facts. A transfer to the Northern District of Texas is warranted. Acis respectfully requests the Court grant the Motion and such other relief to which Acis is entitled.

[Remainder of page intentionally left blank]

Respectfully submitted,

BLANK ROME LLP

Dated: November 21, 2019
Wilmington, Delaware

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COUNSEL FOR ACIS

Related to Docket Nos. 86, 122

2. The current principal of Acis (Joshua Terry) commenced an involuntary case against Acis in the Texas Bankruptcy Court that subsequently stripped the Debtor of its interests in Acis. Acis, under the direction of Terry, is suing the Debtor for recovery of alleged fraudulent transfers and a variety of other claims, which if successful will deplete assets of the Debtor's estate available to pay creditors. Almost every aspect of Acis's bankruptcy proceeding has been adverse to the interests of the Debtor to date. The Debtor is currently supporting two pending appeals of the orders of the Texas Bankruptcy Court granting the involuntary petition against Acis and confirming the chapter 11 plan that put Terry in charge of Acis.

3. Under these circumstances, Acis should not be permitted to subvert the Debtor's choice of forum before this Court, no matter the number of hearings that may have occurred, filings that may have been made, and orders that may have been entered in Acis's bankruptcy case. Acis seeks a transfer of venue not because Acis is an alleged affiliate of the Debtor – it most certainly is not affiliated with the Debtor today. Acis seeks a transfer to the Texas Bankruptcy Court because that would serve Acis's own litigation objectives in its "home court."

4. This chapter 11 case is about the Debtor, not Acis. The prior proceedings that occurred in the Texas Bankruptcy Court revolved around Acis and its business, assets, and liabilities and claims that it may or may not have against the Debtor. The Texas Bankruptcy Court and the appellate courts within the Fifth Circuit have heard nothing about the details of the Debtor's business, assets, and liabilities, aside from its prior involvement with Acis. Like the Motion to Transfer, the Joinder fails to establish how the apparently substantial amount of documents and testimony considered in the Acis bankruptcy and any related appeals is relevant

to the instant chapter 11 case. Yes, there was a lot of paper submitted in the Acis matter and the Texas Bankruptcy Court conducted many hearings, but what does that have to do with this Debtor's case?

5. Perhaps out of desperation, Acis turns to the “interest of justice” component of 28 U.S.C. § 1412. Acis cites to Judge Gross's decision in *In re Restaurants Acquisition I, LLC*, 2016 Bankr. LEXIS 684 at *14-15 (Bankr. D. Del. Mar. 4, 2016), for the proposition that the interest of justice is determined by “whether transfer of venue will promote the efficient administration of the estate, judicial economy, timeliness, and fairness.” Notably, in the *Restaurants Acquisition* case, Judge Gross declined to transfer venue based, among other factors, on the learning curve that would be required by the transferee court in Texas and the need for parties in interest to retain new professionals. *Id.* at *15-16. Judge Gross also found it pertinent that the debtor in that case selected Delaware as the forum of choice for its bankruptcy case. *Id.* at *16-17.

6. Virtually the same analysis applies in the instant case. The Debtor's choice of venue in this Court deserves a certain amount of deference. Further, a transfer of the Debtor's case to the Texas Bankruptcy Court would bring with it attendant delays in scheduling hearings and retaining new professionals, including local counsel, and would require the Texas Bankruptcy Court to get up to speed on the Debtor and all that has transpired in this case to date. As noted, the Texas Bankruptcy Court may be familiar with Acis and even the Debtor's prior involvement in Acis, but that translates into few current details about the Debtor itself and its operations, assets, and liabilities. All parties (and their chosen professionals) are already before this Court and there are various significant matters pending that are set for hearing on the same

date as the Motion to Transfer, including the CRO Motion and the Protocols Motion. For these reasons, just like in the *Restaurants Acquisition* case, the interest of justice strongly supports retaining venue of this case in Delaware.

7. Finally, venue of this case should remain in this Court so that Acis is not permitted to achieve some perceived litigation advantage by transferring this case to the Texas Bankruptcy Court. That court should continue to focus on the interests of Acis, including pending litigation brought by Acis against the Debtor (which now has been stayed). This Court, on the other hand, can preside over the Debtor's estate, free from any of the countervailing interests and motives of Acis and its principal, Terry.

WHEREFORE, the Debtor respectfully requests that this Court enter an order denying the Motion to Transfer and granting such other and further relief as this Court deems appropriate.

Dated: November 21, 2019

PACHULSKI STANG ZIEHL & JONES LLP

/s/ James E. O'Neill

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*Proposed Counsel for the Debtor
and Debtor in Possession*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

)
) Chapter 11
)
) Case No. 19-12239 (CSS)
)
) Ref. Docket No.: 86
)

**ORDER TRANSFERRING VENUE OF THIS CASE TO THE UNITED STATES
BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS**

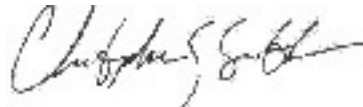
Upon the motion (the “Motion”)² of the Committee requesting entry of an order (this “Order”) transferring the venue of the above-captioned chapter 11 case to the United States Bankruptcy Court for the Northern District of Texas; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue of this Motion being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and adequate notice of, and the

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

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

opportunity for a hearing on, the Motion having been given; and for the reasons stated on the record, it is HEREBY ORDERED THAT:

1. Effective as of the date of this Order, the above-captioned chapter 11 case shall be transferred to the Dallas Bankruptcy Court pursuant to 28 U.S.C. § 1412.



UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
BEFORE THE HONORABLE STACEY G. JERNIGAN, JUDGE

In Re:) Case No. 19-34054-sgj11
)
HIGHLAND CAPITAL MANAGEMENT, L.P.,) STATUS/SCHEDULING
) CONFERENCE
Debtor.)
) December 6, 2019
) Dallas, Texas

Appearances:

For the Debtor: Jeffrey N. Pomerantz
Ira D. Kharasch
Pachulski Stang Ziehl & Jones LLP
10100 Santa Monica Boulevard, 13th Floor
Los Angeles, California 90067

Chuck Gibbs
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1301 McKinney Street, Suite 3000
Houston, Texas 77010

For the Official Committee of
Unsecured Creditors: Matthew A. Clemente
Penny P. Reid
Paige Holden Montgomery
Charles M. Persons
Sidley Austin LLP
One South Dearborn
Chicago, Illinois 60603

For ACIS Capital Management: Brian Shaw
Winstead PC
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Dallas, Texas 75201

For the U.S. Department of Justice: Lisa Lambert, Assistant U.S. Trustee
Office of the U.S. Trustee, Region 6
William T. Neary, U.S. Trustee
1100 Commerce Street, Room 976
Dallas, Texas 75242-1496

Appearances continued on next page.

Appearances continued:

For the Redeemer Committee of the Highland Crusader Fund:	Mark A. Platt Frost Brown Todd LLC 100 Crescent Court, Suite 350 Dallas, Texas 75201
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For Alvarez & Marsal CRF Management, LLC:	Michael A. Rosenthal Gibson Dunn & Crutcher LLP 200 Park Avenue New York, New York 10066
--	---

(via telephone:)

For the Debtor:	John A. Morris Pachulski Stang Ziehl & Jones LLP 780 Third Avenue, 34 th Floor New York, New York 10017
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For the Redeemer Committee of the Highland Crusader Fund:	Marc B. Hankin Jenner & Block LLP 919 Third Avenue New York, New York 10022-3098
--	---

Terri Mascherin
Jenner & Block LLP
353 North Clark Street
Chicago, Illinois 60654-3456

For Jefferies LLC:	Patrick C. Maxcy Dentons US LLP 233 South Wacker Drive, Suite 5900 Chicago, Illinois 60606-6361
--------------------	--

Digital Court Reporter:	United States Bankruptcy Court Northern District of Texas Michael F. Edmond Sr., Judicial Support Specialist Earle Cabell Building, U.S. Courthouse 1100 Commerce Street, Room 1254 Dallas, Texas 75242 (214) 753-2062, direct; 753-2072, fax
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Status/Scheduling Conference

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Friday, December 6, 2019

9:35 o'clock a.m.

P R O C E E D I N G S

COURT SECURITY OFFICER: All rise. The United States Bankruptcy Court for the Northern District of Texas, Dallas Division, is now in session, the Honorable Stacey Jernigan presiding.

THE COURT: All right. Please be seated.

All right. We have a larger crowd in the courtroom than I thought we might, also lots of people on the phone. Let's start by getting appearances from the lawyers in the courtroom who wish to appear.

MR. GIBBS: Good morning, Your Honor.

THE COURT: Good morning.

MR. GIBBS: Chuck Gibbs from Katten Muchin. We had filed a notice of appearance as proposed co-counsel for the debtor on Wednesday and had filed the notice of scheduling for today's status conference. We had agreed on Wednesday when we were contacted to represent Highland Capital subject to clearance of conflicts. And late last night a conflict arose that we can't resolve, so we will not be able to accept the representation, but I got a limited waiver to appear today for the primary purpose of introducing the lead counsel for the debtor, the Pachulski Stang, in particular Jeff Pomerantz and Ira Kharasch, and they will handle the hearing today.

THE COURT: Okay. Thank you.

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1 MR. GIBBS: Thank you.

2 MR. POMERANTZ: Good morning, Your Honor.

3 MR. KHARASCH: Good morning, Your Honor.

4 THE COURT: Good morning.

5 MR. CLEMENTE: Excuse me. Good morning, Your Honor.

6 Matthew Clemente from Sidley Austin, proposed counsel to the
7 Official committee of Unsecured Creditors. With me in the
8 courtroom today are my colleagues, Ms. Penny Reid, -

9 THE COURT: Good morning.

10 MR. CLEMENTE: - Ms. Paige Montgomery, and Mr. Charles
11 Persons. They have filed a pro hac vice for me. I don't
12 believe it's been entered yet, but with Your Honor's indulgence,
13 please allow me to address the Court later today.

14 THE COURT: You certainly may.

15 MR. CLEMENTE: Thank you so much. I appreciate it.

16 THE COURT: And I think Ms. Reid and I went to law
17 school together, but we -

18 MS. REID: It's been a few years.

19 THE COURT: - haven't seen each other in 30 years.

20 All right. Good to see you after all these years.

21 MR. SHAW: Good morning, Your Honor. Brian Shaw -

22 THE COURT: Good morning.

23 MR. SHAW: - on behalf of ACIS Capital Management.

24 Ms. Patel is delayed by a medical appointment, but she is on her
25 way as well.

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1 THE COURT: Okay. Good morning.

2 MR. SHAW: Thank you. Good morning.

3 MR. PLATT: Good morning, Your Honor. Mark Platt from
4 Frost Brown Todd on behalf of the Redeemer Committee of the
5 Highland Crusader Fund. I believe on the phone is Terri
6 Mascherin and Marc Hankin – and from the Jenner and Block firm.

7 THE COURT: Okay. Thank you.

8 MS. LAMBERT: May it please the Court, my name is Lisa
9 Lambert. I represent the United States Trustee William Neary.

10 THE COURT: Good morning.

11 MR. ROSENTHAL: Good morning, Your Honor. Michael
12 Rosenthal from Gibson Dunn and Crutcher. I represent Alvarez
13 and Marsal, as investment manager of the Highland Crusader
14 Funds.

15 THE COURT: Okay. Thank you.

16 All right. Now we will look to the phone list. Of
17 this you wish to appear, – well, I'll just call the people who
18 have asked for a live line.

19 Asif Attarwala for UBSC; are you there?

20 (No audible response.)

21 THE COURT: All right. How about Jeff Bjork, also
22 with that firm, for UBSC?

23 (No audible response.)

24 THE COURT: All right. Andrew Plubock (phonetic) for
25 UBSC; are you on the phone?

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1 (No audible response.)

2 THE COURT: Well, how about this: Anyone on the phone
3 who wishes to appear go ahead. I'm all ears.

4 MR. MAXCY: Good morning, Your Honor. This is Patrick
5 Maxcy from Dentons US LLP on behalf of Jefferies LLC. My – my
6 pro hac vice motion, application was really filed this afternoon
7 and notice of appearance. I ask your indulgence to allow me to
8 appear today.

9 THE COURT: Okay. Yes, you may appear today.
10 Anyone else?

11 MR. MAXCY: Thank you, Your Honor.

12 MS. MASCHERIN: Yes. Your Honor, Terri Mascherin of
13 Jenner and Block. Mr. Platt has already introduced my colleague
14 Mark Hankin and I. We represent the Redeemer Committee of the
15 Highland Crusader Fund.

16 THE COURT: All right. Good morning to you.
17 Anyone else?

18 MR. MORRIS: Your Honor, it's John Morris – excuse me
19 – from Pachulski Stang Ziehl and Jones, on behalf of the debtor.

20 THE COURT: All right. Good morning.
21 Anyone else?

22 (No audible response.)

23 THE COURT: All right. Well, we're here obviously for
24 what we've called a status/scheduling conference. A couple of
25 housekeeping matters.

Status/Scheduling Conference

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1 We do have pulled over to the Dallas docket now all of
2 the pleadings that were filed in the Delaware case. So just for
3 your ease of operation, if you will. I think we've got a
4 complete docket now in Dallas.

5 Obviously I'm going to defer to Highland at the outset
6 to see what it thinks we need to accomplish today. I'll tell
7 you that I did pull up – my law clerk pulled up the agenda that
8 was on file in Delaware for the hearing earlier this week,
9 December 2nd. I saw that there were 12 matters on it. One was
10 venue the motion, so there are 11 matters. Looks like two
11 didn't really need court hearing time. Interim orders have
12 become final.

13 So I guess – one thing I'm going to ask you: Do we
14 have nine matters – doing the math subtraction – that need
15 hearings and how soon? Four or five of those look like
16 employment matters. So I'll defer now to Highland's counsel to
17 see what you think we need to accomplish today, but I figure
18 this agenda is one of the things we need to talk about.

19 MR. POMERANTZ: Good morning, Your Honor. Again it's
20 Jeff Pomerantz and Ira Kharasch from Pachulski Stang Ziehl
21 Jones, representing the debtor. Good to be in Your Honor's
22 courtroom.

23 What I thought I would do is I would like to introduce
24 some people on behalf of the debtor who are here with me. And
25 then I thought it might be helpful for Your Honor for me to give

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1 Your Honor a little background on the case, what transpired in
2 Delaware, how we got here, and then some thoughts about where
3 we're going.

4 THE COURT: Okay, that would be good.

5 MR. POMERANTZ: Your Honor, in the courtroom sitting
6 in the first row is Mr. Brad Sharp.

7 THE COURT: Good morning.

8 MR. POMERANTZ: He is the managing director of DSI.
9 He is the debtor's proposed chief restructuring officer.

10 THE COURT: Okay.

11 MR. POMERANTZ: Also as I will discuss in a few
12 moments, the debtor is in discussions with the creditors
13 committee with respect to some management changes, significant
14 management changes, and in connection with that the appointment
15 of the new board. The debtor has identified certain people to
16 serve on that board. While those people have not yet been
17 agreed to and you will hear it's the subject of discussion, we
18 invited Judge Lee Clark (phonetic) to be here. He is one of the
19 debtor's proposed –

20 THE COURT: Well, good morning. I just now saw you.

21 MR. CLARK: Here I am.

22 THE COURT: Okay. Nice to see you.

23 MR. POMERANTZ: So his presence should be nothing
24 other than he is one of the debtor's proposed people. We are in
25 conversations, as you will hear, with the committee on the

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1 management training.

2 THE COURT: Very good.

3 MR. POMERANTZ: So, Your Honor, Highland is a
4 multibillion dollar global asset management fund. There are 75
5 employees in Dallas and its affiliates have approximately 50
6 employees at locations around the world. It directly manages
7 two and a half billion dollars of assets and also provides
8 shared services for additionally seven and a half billion
9 dollars of assets. And the assets consist primarily of public
10 securities, interests in private equity funds, interest in hedge
11 funds. And there are assets located all around the world,
12 Singapore, Latin America, and Korea.

13 The debtor commenced the case on October 16th as a
14 result of an adverse arbitration ruling in a dispute between the
15 debtor and the Redeemer Committee, which was a committee
16 appointed in connection with the winddown of one of Highland's
17 Funds, the Crusader Fund. The debtor lacked the liquidity to
18 satisfy the Redeemer arbitration award, and the debtor sought
19 Chapter 11 protection to provide a time to develop a
20 restructuring plan with respect to how it would address those
21 claims as well as other claims.

22 The debtor retained our firm on approximately
23 September 26th. And based upon our understanding of the claims
24 that were asserted in the Redeemer matter, prior proceedings in
25 this Court, as well as the claims of other creditors, we

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1 recommended that the debtor appoint a chief restructuring
2 officer with expanded powers. The debtor retained Brad Sharp
3 and DSI October 7th. And I'm not sure if the Court is familiar
4 with Mr. Sharp and DSI, but DSI is a nationally-recognized
5 restructuring and financial advisory firm headquartered in
6 Chicago. And Mr. Sharpe served as the chief restructuring
7 officer in a variety of extremely challenging cases. And he is
8 known too and respected by the committee.

9 Mr. Sharp has been serving as the chief restructuring
10 officer for the past two months. And he and his lieutenant Fred
11 Caruso (phonetic) have been onsite at the debtor almost every
12 day since then as well as several other DSI personnel. And, as
13 a result, they have developed a substantial amount of knowledge
14 regarding the debtor's operations, its business, its assets, and
15 its liabilities. Importantly, Your Honor, since DSI's retention
16 there have been no allegations of any postpetition misconduct;
17 and DSI has been and will continue to be accessible to the
18 committee as well as answerable to the Court and transparent
19 with respect to the debtor's operations.

20 While under the Bankruptcy Code the debtor can operate
21 in the ordinary course without Bankruptcy Court approval, Mr.
22 Sharp and our firm thought that especially in a case like this
23 and given the debtor's operations, it was unclear how the
24 ordinary course standard should be applied to an
25 asset-management firm such as Highland. This is especially true

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1 giving the – given the interconnective relationship the debtor
2 has with a lot of its affiliates and inside. Also we felt it
3 was collect – we collectively felt it was important to be
4 transparent with the creditors in the Court in light of the
5 allegations that have been made in various forums against the
6 debtor relating to certain of its prepetition conduct. As a
7 result, Pachulski Stang and DSI work with the debtor to develop
8 a series of protocols that would outline what is and what is not
9 an ordinary course transaction. And in developing those
10 protocols, the debtor tried to balance the concerns of a fair
11 and transparent process with creditor input with the necessary
12 time exigencies, given the company such as the debtor and the
13 need to quickly transact business.

14 The committee was formed on October 29th, and the
15 debtor and its professionals immediately engaged with the
16 committee and their professionals in a dialogue to discuss a
17 variety of things, including the nature and scope of the CRO's
18 duties, the ordinary course protocols, and other matters
19 relating to the debtor's business. And such efforts have
20 included the debtor providing a substantial amount of discovery,
21 both informal and formal to the committee; and also having
22 several of the debtor personnel, including the CRO, sit for
23 depositions.

24 The committee filed its motion-to-transfer-venue
25 motion early on in the case. And while for the better part of

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1 the last three weeks, the parties have been focused on written
2 discovery and depositions, the debtor has also worked with the
3 committee to narrow the disputes that were pending before Judge
4 Sontchi on December 2nd. While the parties made some progress
5 and several orders had been entered, including I think some of
6 the items Your Honor may see on the docket, they had not reached
7 agreement by December 2nd on a variety of issues.

8 In addition to the venue matter, the following four
9 motions were the motions that were to be contested at the
10 hearing on the 2nd. First, the motion to obtain the chief
11 restructuring officer. Second, the protective motion to approve
12 ordinary-course protocols. Third, the cash-management motion.
13 And, fourth, the motion to approve the retention of Foley
14 Gardere and Lynn Pinker as special litigation counsel.

15 After Judge Sontchi granted the committee's motion to
16 transfer venue, he declined to rule on the remaining motions,
17 instead deferring to Your Honor. For the reasons I will explain
18 in a couple of moments, Your Honor, we do not believe that the
19 Court right now at this hearing needs to schedule those motions
20 for hearing. Rather, we will be seeking a continued hearing,
21 perhaps for later next week, to discuss the results of what I'm
22 about to describe to the Court.

23 Leading up to today, the debtor has engaged the
24 committee on an alternative corporate governing structure that
25 we hope will address the committee's concerns with the

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1 management and operation of the debtor, and will allow the
2 parties to start working consensually and constructively towards
3 a reorganization plan.

4 The debtor has heard the committee loud and clear,
5 Your Honor, that the committee does not want Mr. Dondero to be
6 in this position to manage the debtor's operations.
7 Accordingly, the debtors have informed the committee that Mr.
8 Dondero is willing to resign from any and all positions of the
9 debtor, and use his authority over the debtor's general partner
10 to appoint an independent board that would be in charge with
11 managing the debtor. Mr. Dondero would further agree that any
12 further changes to the board could only be made with the
13 committee's consent. The CRO would remain. It would be the
14 senior most employees answering directly to the board.

15 While Mr. Dondero will no longer be in a position of
16 control with the debtor, the committee and the debtor will be
17 discussing whether maximizing the estate's assets will need to
18 include Mr. Dondero being involved with the debtor in some
19 capacity, subject to appropriate controls. That is because the
20 debtor may lose certain valuable revenue streams if Mr. Dondero
21 is not associated with the business, based upon the various
22 contracts the debtor was a party to.

23 In any event, Your Honor, that decision will be made
24 first in the first instance subject to this committee's consent
25 and, second, subject to the directly of the board. The debtor

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1 has actually provided documents to the committee that Mr.
2 Dondero has signed effectuating these management changes, and
3 those documents are being held in our, my firm's, possession and
4 trust, pending approval of the Court.

5 The debtor signed these documents not to be
6 presumptuous enough that the committee would accept them without
7 modification. Rather, the debtor wanted to impress upon the
8 committee and this Court that the proposal is more than just a
9 concept, and then Mr. Dondero is serious about change.

10 Last night we received a termsheet from the committee
11 regarding the governance proposal. And as recently as right
12 before this hearing, we have had further discussions with
13 committee counsel, and we expect that dialogue to continue over
14 the next few days.

15 I believe the debtor and the committee both recognize
16 this case is at a crossroads and it takes some time – and it
17 makes sense to take some time to see if the parties can reach an
18 agreement on a consensual path forward. And I think I speak for
19 the debtor and the committee in saying that achieving a
20 consensual resolution on governance control is more preferable
21 than time-consuming and costly litigation of what would likely
22 be a trustee motion, a deal I think would also be better for the
23 business and allow the stakeholders to focus on the business and
24 not on litigation. It is for this reason, Your Honor, that we
25 request that the Court continue this hearing until perhaps later

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1 next week, consistent with the Court's calendar. And by that
2 time, I think, Your Honor, it will be clear whether the debtor
3 and the committee have reached a deal for which we would seek
4 approval from Your Honor, which can be sought under appropriate
5 notice or whether the case will go in another direction, which
6 will likely involve one or more motions for a trustee and
7 litigation over those motions.

8 Based upon the ongoing dialogue, the committee has
9 told the debtor that while of course it reserves the right to
10 file a trustee motion at any time, it is not seeking that relief
11 today.

12 The debtor wants the Court and the committee to be
13 assured that pending any resolution or any litigation, the
14 debtor will continue to comply with the protocols that were
15 shared with the committee in advance of the December 2nd hearing
16 – there are further modifications that make it even more
17 stringent than what is on the docket – and that either Mr. Sharp
18 or Mr. Caruso, his lieutenant, will be onsite at the debtor's
19 headquarters pending whatever outcome is reached.

20 Your Honor, I'm happy to answer any further questions
21 you might have.

22 THE COURT: All right. Well, before I ask questions
23 I'll ask does the committee want to speak up –

24 MR. CLEMENTE: Yes, Your Honor.

25 THE COURT: – and give its own version, consistent or

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1 not consistent, with this.

2 MR. CLEMENTE: Good morning, Your Honor. Matthew
3 Clemente from Sidley Austin on behalf of the committee. It is a
4 pleasure to be in front of Your Honor this morning.

5 If I could just maybe make a few preliminary comments
6 to provide Your Honor with some background that Mr. Pomerantz
7 didn't cover, and then we can talk a little bit further about
8 what Mr. Pomerantz did talk about.

9 THE COURT: By the way, -

10 MR. CLEMENTE: Yes.

11 THE COURT: - you're probably going to get to this,
12 but who are the members of the committee -

13 MR. CLEMENTE: Yes. That's exactly my first starting
14 point, Your Honor.

15 THE COURT: Okay, very good.

16 MR. CLEMENTE: I would say great minds, but I wouldn't
17 consider mine a great mind, so, Your Honor, it is a four-member
18 committee.

19 THE COURT: Okay.

20 MR. CLEMENTE: And the committee consists of the
21 following parties: The Redeemer Committee of the Highland
22 Crusader Fund. Your Honor, this is a formal committee appointed
23 - there was a Bermuda winddown proceeding for the Crusader Fund,
24 and that was a committee appointed in connection with that
25 winddown proceeding.

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1 The second member of the committee, Your Honor, is
2 ACIS Capital Management, L.P. and ACIS Capital Management, GP,
3 LLP. I believe Your Honor is familiar with ACIS.

4 THE COURT: Yes.

5 MR. CLEMENTE: The third member, Your Honor, is UBS
6 Securities, LLC and UBS AG London Branch.

7 The fourth member, Your Honor, is Meta-e Discovery,
8 and Meta-e Discovery is a trade vendor to the debtor.

9 The committee hired Sidley on October 29th, 2019, and
10 hired FTI as its financial advisor on November 6th, 2019. Now
11 that we're before Your Honor, we will be filing our retention
12 application very shortly.

13 It is important to note, Your Honor, that three of the
14 four members of the committee, the Redeemer Committee, ACIS, and
15 UBS, all have extensive experience litigating with Highland,
16 several of the unaffiliated myriad Highland entities – excuse me
17 – nondebtor affiliated Highland entities and Mr. Dondero, the
18 sole person in control of Highland – Highland Capital Management
19 – excuse me – who is our debtor here. The vast majority of
20 claims in terms of dollar amount, Your Honor, in this case arise
21 from litigation claims against the debtor. And, in fact, as Mr.
22 Pomerantz stated, the precipitating factor behind the bankruptcy
23 filing was the arbitration award obtained by the Redeemer
24 Committee.

25 So, Your Honor, we do not believe that this is a case

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1 where the balance sheet became over levered. Instead, this is a
2 case driven by litigation claims arising out of conduct with
3 this debtor prior to the bankruptcy.

4 Although the schedules have not yet been filed, Your
5 Honor, I believe they're due to be filed shortly, within the
6 next week or two. We do not believe there are other large
7 creditors, secured or unsecured, that exist, but there are two
8 secured creditors that we are aware of. Jefferies is a name
9 Your Honor may have seen. They're owed, I believe,
10 approximately \$30 million, and they are significantly over
11 secured by virtue of a trading account. It's a margin loan, I
12 believe.

13 Frontier Bank, Your Honor, is owed approximately \$5
14 million, and we also believe they are significantly over
15 secured.

16 So from the committee's perspective, Your Honor, I
17 provide you with that background because we believe this is a
18 case about unsecured creditors, and the vast majority in terms
19 of dollar amount are represented on the creditor's committee.
20 And the overwhelming amount of those dollars arise from
21 litigation judgments against the creditors – excuse me – against
22 the debtor.

23 Your Honor, the first thing the committee did after
24 its appointment was determine that venue was more appropriate in
25 this Court, so we filed our motion, which was ultimately granted

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1 by Judge Sontchi, and we are now very pleased to be in front of
2 Your Honor here in Dallas.

3 The second thing the committee did was immediately
4 focus on the governance and the need for transparency by this
5 debtor. On the governance, Your Honor, the debtor and some of
6 its 2,000 affiliated nondebtor entities are all owned and
7 controlled in one fashion by Mr. Dondero. The committee quickly
8 came to the conclusion that a world where Mr. Dondero remained
9 in control, from a governance perspective, particularly given
10 the very real history many of the parties have with Mr. Dondero,
11 was not one which could work.

12 The debtor did file a CRO motion and a protective
13 ordinary-course motion designed, Your Honor, we believe in our
14 view, the cement these otherwise unacceptable governance issues
15 in place. And that is why we filed our objection, and we're
16 prepared to prosecute that objection very vigorously.

17 Regarding transparency, Your Honor, the situation is
18 unique in a couple respects. One is there is no DIP loan or use
19 of cash collateral. So where you normally have a DIP lender or
20 a cash collateral provider, there is reporting, transparency
21 that – discipline that's inherent in that process. And we don't
22 have that because we don't have that type of postpetition
23 secured lender here.

24 Additionally, there are myriad transactions and
25 structures that are Byzantine and we believe intentionally

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1 opaque and are rife with insider and related-party dealings,
2 requiring a tremendous need for open dialogue and access to
3 information to understand the web of interconnected
4 transactions, issues, and agreements.

5 So we believe that those two factors create a
6 heightened level of transparency that's required by this
7 committee.

8 Some efforts, Your Honor, were made to address these
9 concerns, in particular the transparency concern, but the
10 creditors committee does not believe the debtor's current
11 governance structure, where Mr. Dondero remains in control, can
12 work. And, therefore, the committee has been, as Mr. Pomerantz
13 referred to, focused on preparing a motion for the appointment
14 of a Chapter 11 trustee as the solution to the governance and
15 transparency issues. The status quo as it exists today simply
16 cannot and does not and will not be able to work for the
17 committee.

18 However, as Mr. Pomerantz pointed out, the debtors
19 have approached the committee with a structure to address the
20 governance issues. And the committee is engaging with the
21 debtor on that structure. However, if we are not able to come
22 to resolution is that, we will be pursuing a Chapter 11 trustee.

23 As Mr. Pomerantz pointed out, they have some documents
24 that they have prepared, they have identified some certain
25 names. Again to be clear to, Your Honor, the committee has not

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1 consented to any of that at this point, but we are engaged in a
2 dialogue with the debtor concerning the governance issues, and
3 we're hopeful, cautiously hopeful, that we will be able to come
4 to a resolution on that. But again if we do not, we believe the
5 only way to resolve the governance issues and to create the
6 transparency necessary is to bring forth a Chapter 11 trustee
7 motion.

8 Your Honor, regarding the ultimate outcome of the
9 cases, and if I may for a moment, it's too early to tell. The
10 statement and schedules have not been filed yet. It's not a –
11 not a criticism, it's just a fact they haven't been filed yet.

12 The committee needs much more transparency into the
13 assets of the debtors, the liabilities, and what can be done in
14 terms of an exit solution, and what the contours of an exit
15 solution might look like here. And, again, given the tangled
16 web of insider and affiliated and related-party transactions
17 that have occurred, that is going to be a critical focus
18 understanding those past historical transactions in order to
19 determine ways that potentially supplement the estate by
20 bringing things back into the estate that we may conclude
21 appropriately belong in the estate.

22 Your Honor, to sum up, we do remain very concerned
23 about the governance issues and the existing structure and the
24 lack of transparency. We are hopeful that by engaging with the
25 debtor on a new governance structure we can address those

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1 concerns. If not, we will proceed to seek a Chapter 11 trustee.
2 It's only once we have the governance issues resolved and have
3 full and complete transparency will we be able to then assess
4 the best way to resolve these cases.

5 In terms of timing, Your Honor, I do think it makes
6 sense to have a status conference again maybe some time late in
7 the week next week. It could be something that perhaps we can
8 do by telephone or folks can show up in person because, you
9 know, as a committee we – obviously we need to work through
10 these issues and we have multiple members and it takes us, you
11 know, time to work through them. So I wouldn't want to suggest
12 to Your Honor we'd be in a position to be back before Your Honor
13 early next week, but perhaps something later in the week next
14 week.

15 With that, unless Your Honor has any questions of me,
16 I will cede the podium.

17 THE COURT: I don't think I have any more questions.

18 MR. CLEMENTE: Thank you, Your Honor.

19 THE COURT: Thank you.

20 Who else wishes to speak, anyone else?

21 (No audible response.)

22 THE COURT: So when – when are the schedules due? I
23 know there was an order, you know, obviously extending the
24 deadline, but I heard next week perhaps?

25 MR. POMERANTZ: Your Honor, Jeff Pomerantz, Pachulski

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1 Stang Ziehl and Jones. They are due to be filed next Friday.

2 THE COURT: Next Friday, okay.

3 All right. Well, obviously I'm very glad to hear
4 there are constructive conversations going on with the committee
5 regarding these governance issues. I'm not meaning to compare
6 apples to oranges here, but the ACIS case that this Court
7 presided over, fairly quickly got a Chapter 11 trustee because
8 of I think some of these same issues that are being mentioned
9 with regard to Mr. Dondero and a concern about independence and
10 – and people in charge appreciating fiduciary duties. So
11 obviously if there's some in-between approach here, where we
12 have independent people involved and that potentially preserves
13 value of revenue streams which has been alluded to, that sounds
14 like a nice fix to address people's concerns, and get the
15 company fairly quickly focused on a reorganization plan.

16 Again, we had a very contentious, litigated Chapter 11
17 with ACIS, and it would seem to me that if we get these
18 corporate governance issues quickly resolved to everybody's
19 satisfaction, we might have a more constructive path in this
20 case than we sometimes did in the ACIS case.

21 So, anyway, that's very good music to my ears. I
22 would hate to think we're going to have lots of adversary
23 proceedings and lots of litigation at the very start of this
24 case – well, it's not the start. The case has been pending
25 almost two months, but – but it occurs to me that, well, if what

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1 I'm hearing is true, we've got two secured creditors who are
2 very over secured and then we have several large creditors
3 already with judgments or arbitration awards. The focus needs
4 to be on how to pay those people more than, you know, claim
5 objections, challenges with various parties-in-interest.

6 So I am happy to give you time next week for another
7 status conference. It sounds like that is all you want it to be
8 at this point. You don't want any of these hangover motions
9 from the December 2nd agenda set yet?

10 MR. POMERANTZ: That is correct, Your Honor.

11 THE COURT: Okay.

12 MR. POMERANTZ: There is nothing on those hangover
13 motions that are emergent.

14 There was a matter also scheduled for December 17th
15 before Judge Sontchi dealing with bonuses, which is not on the
16 agenda. That is something that we'll be talking with the
17 committee about and at least with respect to part of it, having
18 it go forward as quickly as possible but not something we're
19 going to ask for Your Honor now. We feel that next week when we
20 come back and we have a little better sense of where the case is
21 going, we could then propose an appropriate schedule for Your
22 Honor taking up those motions.

23 THE COURT: Okay. Well, I am going to see if I can
24 work you in Thursday if that is good for everyone. My son's
25 graduating from grad school on Friday, so I'm trying to take the

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25

1 day off, but –

2 MR. POMERANTZ: I'm glad Your Honor has her priorities
3 straight.

4 (Pause in the proceedings at 10:04 a.m.)

5 THE COURT: All right. So we can give you 9:30 next
6 Thursday, December 12th.

7 And, as far as your future planning, we could give you
8 time the week of December 16th if motions end up needing time
9 that week, just you know let us know when. But the week of the
10 23rd, I am out the entire week, so plan to be back in the office
11 the 31st, December, and thereafter. So that's going to be the
12 one bad week for hearings, the week of the 23rd. You're
13 probably glad to hear that, a lot of folks, so.

14 MR. CLEMENTE: Thank you for that, Your Honor.

15 THE COURT: Um-hum.

16 MR. POMERANTZ: After the hearing before Judge Sontchi
17 on the Monday after Thanksgiving, it's very nice to hear that
18 you're going to be out that week.

19 THE COURT: Okay. Well, you know, I was having court
20 that day too, so.

21 MR. POMERANTZ: Your Honor, one other comment. Ms.
22 O'Neill mentioned to me that there's an appellate brief due on
23 December 15th in one of the ACIS matters, for which we are
24 seeking Foley Gardere and Lynn Pinker's retention. I think
25 we're going to just proceed with preparing those but recognize

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1 that Your Honor has not yet approved their employment. And I
2 suspect that we will try hopefully, you know, by the end of next
3 Friday to maybe get a consensual order, if that's possible. And
4 if not, perhaps have that hearing set for the week of the 16th.

5 THE COURT: All right. We'll stay tuned for that
6 possibly.

7 All right. Anything else?

8 MR. POMERANTZ: Thank you, Your Honor.

9 THE COURT: All right. Good to see you and we'll see
10 you next Thursday.

11 MR. CLEMENTE: Thank you.

12 THE COURT: All right.

13 MR. POMERANTZ: Thank you.

14 COURT SECURITY OFFICER: All rise.

15 (The hearing was adjourned at 10:06 o'clock a.m.)

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State of California)
) SS.
County of San Joaquin)

I, Susan Palmer, certify that the foregoing is a true and correct transcript, to the best of my ability, of the above pages, of the digital recording provided to me by the United States Bankruptcy Court, Northern District of Texas, Office of the Clerk, of the proceedings taken on the date and time previously stated in the above matter.

I further certify that I am not a party to nor in any way interested in the outcome of this matter.

I am a Certified Electronic Reporter and Transcriber by the American Association of Electronic Reporters and Transcribers, Certificate Nos. CER-124 and CET-124. Palmer Reporting Services is approved by the Administrative Office of the United States Courts to officially prepare transcripts for the U.S. District and Bankruptcy Courts.

Susan Palmer

Susan Palmer
Palmer Reporting Services

Dated December 6, 2019

Fill in this information to identify the case:

Debtor name Highland Capital Management, L.P.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXAS

Case number (if known) 19-34054-SGJ

☐ Check if this is an amended filing

Official Form 206Sum
Summary of Assets and Liabilities for Non-Individuals

12/15

Part 1: Summary of Assets

1. **Schedule A/B: Assets-Real and Personal Property** (Official Form 206A/B)

1a. Real property: Copy line 88 from <i>Schedule A/B</i>	\$	523,970.00
1b. Total personal property: Copy line 91A from <i>Schedule A/B</i>	\$	409,580,813.30
1c. Total of all property: Copy line 92 from <i>Schedule A/B</i>	\$	410,104,783.30

Part 2: Summary of Liabilities

2. Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D) Copy the total dollar amount listed in Column A, <i>Amount of claim</i> , from line 3 of <i>Schedule D</i>	\$	34,862,225.94
3. Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)		
3a. Total claim amounts of priority unsecured claims: Copy the total claims from Part 1 from line 5a of <i>Schedule E/F</i>	\$	Unknown
3b. Total amount of claims of nonpriority amount of unsecured claims: Copy the total of the amount of claims from Part 2 from line 5b of <i>Schedule E/F</i>	+\$	244,455,350.78
4. Total liabilities Lines 2 + 3a + 3b	\$	279,317,576.72

Fill in this information to identify the case:

Debtor name Highland Capital Management, L.P.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXAS

Case number (if known) 19-34054-SGJ

☐ Check if this is an amended filing

Official Form 206A/B Schedule A/B: Assets - Real and Personal Property

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

Part 1: Cash and cash equivalents

1. Does the debtor have any cash or cash equivalents?

- ☐ No. Go to Part 2.
☒ Yes Fill in the information below.

All cash or cash equivalents owned or controlled by the debtor

Current value of debtor's interest

3. Checking, savings, money market, or financial brokerage accounts (Identify all)

Name of institution (bank or brokerage firm)	Type of account	Last 4 digits of account number	
3.1. NexBank	Checking Account	X735	\$1,453.40
3.2. NexBank	Checking Account	X668	\$0.00
3.3. NexBank	Checking Account	X513	\$291,309.27
3.4. NexBank	Money Market Deposit Account	X130	\$190.82
3.5. BBVA Compass	Checking Account	X342	\$2,125,975.28
3.6. Jefferies	Brokerage Account	X932	\$0.00
3.7. Maxim Group	Brokerage Account	X885	\$96.17

Debtor Highland Capital Management, L.P.
Name

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4. **Other cash equivalents** (Identify all)

5. **Total of Part 1.**

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

\$2,419,024.94

Part 2: Deposits and Prepayments

6. **Does the debtor have any deposits or prepayments?**

- ☐ No. Go to Part 3.
☒ Yes Fill in the information below.

7. **Deposits, including security deposits and utility deposits**
Description, including name of holder of deposit

7.1. Certificate of Deposit (NexBank) **\$135,205.21**

7.2. Security Deposit (200/300 Crescent Ct #700 Dallas, TX 75201) - Crescent TC Investors **\$118,397.05**

7.3. Deposit for Maple Avenue Holdings (Equity Method Investment) **\$10,000.00**

7.4. Deposit for expense reimbursement. **\$1,474.60**

8. **Prepayments, including prepayments on executory contracts, leases, insurance, taxes, and rent**
Description, including name of holder of prepayment

8.1. Other Prepaid Expenses (Unreconciled Book Balance) **\$830,899.73**

8.2. Prepaid Retainer - Development Specialists, Inc. **\$240,340.00**

8.3. Prepaid Legal Retainer - Pachulski Stang Ziehl & Jones LLP (1) **\$500,000.00**

8.4. Prepaid Retainers - Kurtzman Carson Consultants LLC (1) **\$50,000.00**

8.5. Prepaid Rent (200/300 Crescent Ct #700 Dallas, TX 75201) - Crescent TC Investors **\$96,294.05**

(1) Pre-petition balance was not applied.

9. **Total of Part 2.**

Add lines 7 through 8. Copy the total to line 81.

\$1,982,610.64

Debtor Highland Capital Management, L.P.
Name

Case number (If known) 19-34054-SGJ

Part 3: Accounts receivable

10. Does the debtor have any accounts receivable?

- ☐ No. Go to Part 4.
☒ Yes Fill in the information below.

11. Accounts receivable Exhibit A

11a. 90 days old or less: 3,482,893.80 - 0.00 = \$3,482,893.80
face amount doubtful or uncollectible accounts

11b. Over 90 days old: 32,304,511.36 - 22,380,459.81 = \$9,924,051.55
face amount doubtful or uncollectible accounts

12. Total of Part 3.

Current value on lines 11a + 11b = line 12. Copy the total to line 82.

\$13,406,945.35

Part 4: Investments

13. Does the debtor own any investments?

- ☐ No. Go to Part 5.
☒ Yes Fill in the information below.

14. Mutual funds or publicly traded stocks not included in Part 1
Name of fund or stock:

15. Non-publicly traded stock and interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture
Name of entity: % of ownership

15.1. Equity Method Investments (Exhibit B) Multiple % Book Value \$167,226,227.63

15.2. Investments at Fair Value (Exhibit C) Multiple % Fair Value \$224,267,777.21

16. Government bonds, corporate bonds, and other negotiable and non-negotiable instruments not included in Part 1
Describe:

16.1. Debtor owns defaulted corporate bonds. N/A \$0.00

17. Total of Part 4.

Add lines 14 through 16. Copy the total to line 83.

\$391,494,004.84

Part 5: Inventory, excluding agriculture assets

18. Does the debtor own any inventory (excluding agriculture assets)?

- ☒ No. Go to Part 6.
☐ Yes Fill in the information below.

Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)

Debtor Highland Capital Management, L.P.
Name

Case number (If known) 19-34054-SGJ

27. Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?

- ☒ No. Go to Part 7.
☐ Yes Fill in the information below.

Part 7: Office furniture, fixtures, and equipment; and collectibles

38. Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?

- ☐ No. Go to Part 8.
☒ Yes Fill in the information below.

	General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
39.	Office furniture Desk, chairs and other office furniture.	\$118,428.73	N/A	Unknown
40.	Office fixtures			
41.	Office equipment, including all computer equipment and communication systems equipment and software Computers, Software and Office Equipment	\$382,803.25	N/A	Unknown
42.	Collectibles <i>Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; china and crystal; stamp, coin, or baseball card collections; other collections, memorabilia, or collectibles</i>			
42.1.	Artwork	\$0.00	Original Cost	\$231,657.53

43. **Total of Part 7.**

Add lines 39 through 42. Copy the total to line 86.

\$231,657.53

44. Is a depreciation schedule available for any of the property listed in Part 7?

- ☐ No
☒ Yes

45. Has any of the property listed in Part 7 been appraised by a professional within the last year?

- ☒ No
☐ Yes

Part 8: Machinery, equipment, and vehicles

46. Does the debtor own or lease any machinery, equipment, or vehicles?

- ☐ No. Go to Part 9.
☒ Yes Fill in the information below.

	General description Include year, make, model, and identification numbers (i.e., VIN, HIN, or N-number)	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
47.	Automobiles, vans, trucks, motorcycles, trailers, and titled farm vehicles			
47.1.	2015 GMC Sierra 2500 HD	\$0.00	Replacement	\$46,570.00

48. **Watercraft, trailers, motors, and related accessories** *Examples: Boats, trailers, motors, floating homes, personal watercraft, and fishing vessels*

Debtor **Highland Capital Management, L.P.**

Name

Case number (If known) **19-34054-SGJ**

49. **Aircraft and accessories**

50. **Other machinery, fixtures, and equipment (excluding farm machinery and equipment)**

51. **Total of Part 8.**

Add lines 47 through 50. Copy the total to line 87.

\$46,570.00

52. **Is a depreciation schedule available for any of the property listed in Part 8?**

☒ No
☐ Yes

53. **Has any of the property listed in Part 8 been appraised by a professional within the last year?**

☒ No
☐ Yes

Part 9: Real property

54. **Does the debtor own or lease any real property?**

☐ No. Go to Part 10.
☒ Yes Fill in the information below.

55. **Any building, other improved real estate, or land which the debtor owns or in which the debtor has an interest**

Description and location of property

Include street address or other description such as Assessor Parcel Number (APN), and type of property (for example, acreage, factory, warehouse, apartment or office building, if available.

Nature and extent of debtor's interest in property

Net book value of debtor's interest (Where available)

Valuation method used for current value

Current value of debtor's interest

55.1. **30.433 Acres of raw land located at 14102 FM 986 Terrell, Texas 75160**

100% Ownership

\$398,450.00

Tax records

\$523,970.00

55.2. **Leasehold Improvements (200/300 Crescent Ct #700 Dallas, TX 75201)**

Tenant

\$1,550,281.49

N/A

Unknown

56. **Total of Part 9.**

Add the current value on lines 55.1 through 55.6 and entries from any additional sheets. Copy the total to line 88.

\$523,970.00

57. **Is a depreciation schedule available for any of the property listed in Part 9?**

☐ No
☒ Yes

58. **Has any of the property listed in Part 9 been appraised by a professional within the last year?**

☒ No
☐ Yes

Part 10: Intangibles and intellectual property

59. **Does the debtor have any interests in intangibles or intellectual property?**

☐ No. Go to Part 11.
☒ Yes Fill in the information below.

Official Form 206A/B

Schedule A/B Assets - Real and Personal Property

page 5

Debtor **Highland Capital Management, L.P.**
Name

Case number (If known) **19-34054-SGJ**

General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
60. Patents, copyrights, trademarks, and trade secrets			
61. Internet domain names and websites 139 Domain Names	\$0.00	N/A	Unknown
62. Licenses, franchises, and royalties 3rd Party Private Equity Management Company	\$0.00	N/A	Unknown
63. Customer lists, mailing lists, or other compilations			
64. Other intangibles, or intellectual property			
65. Goodwill			
66. Total of Part 10. Add lines 60 through 65. Copy the total to line 89.			Unknown
67. Do your lists or records include personally identifiable information of customers (as defined in 11 U.S.C. §§ 101(41A) and 107? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes			
68. Is there an amortization or other similar schedule available for any of the property listed in Part 10? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			
69. Has any of the property listed in Part 10 been appraised by a professional within the last year? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			

Part 11: All other assets

70. Does the debtor own any other assets that have not yet been reported on this form?
Include all interests in executory contracts and unexpired leases not previously reported on this form.
- ☐ No. Go to Part 12.
☒ Yes Fill in the information below.

			Current value of debtor's interest
71. Notes receivable Description (include name of obligor)			
Notes Receivable (Exhibit D)	150,331,222.61 Total face amount	- Unknown doubtful or uncollectible amount	Unknown
72. Tax refunds and unused net operating losses (NOLs) Description (for example, federal, state, local)			
73. Interests in insurance policies or annuities			
74. Causes of action against third parties (whether or not a lawsuit has been filed)			

Debtor Highland Capital Management, L.P.
Name

Case number (If known) 19-34054-SGJ

Exhibit E

Unknown

Nature of claim

Amount requested

75. **Other contingent and unliquidated claims or causes of action of every nature, including counterclaims of the debtor and rights to set off claims**

76. **Trusts, equitable or future interests in property**

77. **Other property of any kind not already listed** *Examples: Season tickets, country club membership*

Defined Benefit Plan (Overfunded 12/31/18 balance \$323 thousand)

Unknown

Estimated Deferred Fee Account value plus residual deferred fee accounts at NAV \$13.0 million fully reserved due to uncertain collectibility

Unknown

78. **Total of Part 11.**

Add lines 71 through 77. Copy the total to line 90.

Unknown

79. **Has any of the property listed in Part 11 been appraised by a professional within the last year?**

☒ No
☐ Yes

Debtor **Highland Capital Management, L.P.**
Name

Case number (If known) **19-34054-SGJ**

Part 12: Summary

In Part 12 copy all of the totals from the earlier parts of the form

Type of property	Current value of personal property	Current value of real property
80. Cash, cash equivalents, and financial assets. Copy line 5, Part 1	\$2,419,024.94	
81. Deposits and prepayments. Copy line 9, Part 2.	\$1,982,610.64	
82. Accounts receivable. Copy line 12, Part 3.	\$13,406,945.35	
83. Investments. Copy line 17, Part 4.	\$391,494,004.84	
84. Inventory. Copy line 23, Part 5.	\$0.00	
85. Farming and fishing-related assets. Copy line 33, Part 6.	\$0.00	
86. Office furniture, fixtures, and equipment; and collectibles. Copy line 43, Part 7.	\$231,657.53	
87. Machinery, equipment, and vehicles. Copy line 51, Part 8.	\$46,570.00	
88. Real property. Copy line 56, Part 9.....>		\$523,970.00
89. Intangibles and intellectual property. Copy line 66, Part 10.	\$0.00	
90. All other assets. Copy line 78, Part 11.	+ Unknown	
91. Total. Add lines 80 through 90 for each column	\$409,580,813.30	+ 91b. \$523,970.00
92. Total of all property on Schedule A/B. Add lines 91a+91b=92		\$410,104,783.30

Highland Capital Management LP
Case # 19-34054-SGJ
Exhibit A - Schedule 11

Accounts Receivable	Less than 90 Days [1]			Greater than 90 days		
	Face Amount	Doubtful or Uncollectible	Total	Face Amount	Doubtful or Uncollectible	Total
Reimbursable Fund Expense	\$ 777,108.00	\$ -	\$ 777,108.00	\$ 6,082,319.61	\$ (1,934,540.89)	\$ 4,147,778.72
Unpaid Crusader Distributions [3]	-	-	-	6,324,234.00	(2,034,161.00)	4,290,073.00
Management Fees Receivable [2][5]	2,435,434.04	-	2,435,434.04	197,173.42	-	197,173.42
Cash Interest Receivable [2]	-	-	-	1,243,304.26	-	1,243,304.26
Shared Services Fee Receivable [2]	270,351.76	-	270,351.76	-	-	-
Highland Capital Management Singapore Pte Ltd [2]	-	-	-	35,158.50	-	35,158.50
Miscellaneous Receivable [2]	-	-	-	10,563.65	-	10,563.65
Acis Capital Management, LP Subadvisory and Shared Services Fee Receivable	-	-	-	5,350,931.62	(5,350,931.62)	-
Highland Capital of New York, Inc.	-	-	-	5,023,073.12	(5,023,073.12)	-
HERA [4]	-	-	-	7,231,103.00	(7,231,103.00)	-
Reimbursements from multiple funds managed by Acis Capital Management, LP	-	-	-	806,650.18	(806,650.18)	-
Total	\$ 3,482,893.80	\$ -	\$ 3,482,893.80	\$ 32,304,511.36	\$ (22,380,459.81)	\$ 9,924,051.55

[1] For shaded area, no aging analysis has been performed so entire amount is included in the greater than 90 days section.

[2] Doubtful or Uncollectible accounts are evaluated at year end.

[3] Represents distributions from all Crusader entities, including Highland Crusader Fund, Ltd., Highland Crusader Fund II, Ltd., and Highland Crusader Fund, L.P. and includes unpaid distributions due to a wholly owned subsidiary (Eames Ltd) as well as unpaid distributions with respect to deferred fees, which are reserved against as potentially uncollectible.

[4] Debtor has recorded \$3.3mm of net receivable as of the Petition Date, representing 2019 activity. This balance is normally evaluated for collectability as of year-end.

However, the 2019 activity is likely not collectible and has therefore been fully reserved for purposes of this schedule.

[5] Amount greater than 90 days represents the entire receivable earned, but not yet payable per one of the Debtor's management agreements.

For the receivable under this agreement, the entire \$197k amount has been earned during 2019 and a portion has been earned within the last 90 days.

Highland Capital Management LP
Case # 19-34054-SGJ
Exhibit B - Schedule 15

Equity Method Investments [1]	Total [2]
Highland Select Equity Fund, L.P.	\$ 130,213,244.86
Wright, Ltd [3]	22,303,199.33
Starck, Ltd [3]	6,960,671.89
Eames, Ltd [3]	3,704,338.16
Maple Avenue Holdings LLC	2,250,501.95
Highland Capital Management Korea Ltd.	1,011,300.61
Highland Capital Management Singapore Pte Ltd	457,809.57
Penant Management LP	302,358.21
Eagle Equity Advisors, LLC	22,803.05
Total	<u><u>\$ 167,226,227.63</u></u>

[1] Investments are based on the debtors pro rata net asset value.

[2] Values based on most recent available information as of the petition date.

[3] Owned indirectly through 100% owned subsidiaries.

Highland Capital Management LP
Case # 19-34054-SGJ
Exhibit C - Schedule 15

Investments, at fair value [1]	Total [2][3]
Investment Securities - Cost	\$ 66,791,277.56
Investment Securities - Mark To Market	(7,702,195.68)
Public Security - A	49,648,257.65
Private Security - A	36,949,197.43
Private Security - B	20,244,908.67
Public Security - B	13,275,503.51
Third Party Private Equity Fund - A	12,065,754.32
Public Security - C	10,718,068.67
Public Security - D	5,427,536.32
Private Security - C	3,346,763.82
Public Security - E	2,752,533.87
Private Portfolio Company - A	2,525,873.00
Public Security - F	1,721,458.16
Public Security - G	1,573,054.32
Public Security - H	1,397,752.04
Third Party Private Equity Fund - B	1,254,168.41
Public Security - I	792,313.43
Public Security - J	533,357.32
Private Security - D	481,354.43
Private Security - E	261,889.71
Private Security - F	132,002.75
Public Security - K	67,639.33
Public Security - L	8,928.17
Third Party Private Equity Fund - C [4]	380.00
Total	<u>\$ 224,267,777.21</u>

[1] Listing includes both publicly traded and private investments. Public securities are denoted with the description "Public Security - []". Additionally, \$28,651,800 of the total balance of "Investment Securities - Cost" and "Investment Securities - Mark to Market" is comprised of public securities.

[2] Values based on most recent available information as of the petition date.

[3] For third party private equity funds and investments in managed private funds values are at estimated net asset value.

[4] For [Third party private equity fund - c] value presented equals cost basis.

Highland Capital Management LP
Case # 19-34054-SGJ
Exhibit D - Schedule 71A

Notes Receivable	Total Face Amount [1]
Hunter Mountain Investment Trust	\$ 56,873,209.22
Affiliate Note Receivable - A	24,534,644.03
The Dugaboy Investment Trust	18,286,268.16
Affiliate Note Receivable - B	10,413,539.53
Affiliate Note Receivable - C	10,394,680.47
James Dondero	9,334,012.00
Highland Capital Management Services, Inc.	7,482,480.88
Siepe	2,019,256.35
Highland Mult Strategy Credit Fund, LP	3,269,000.00
Highland Capital Management Korea Ltd. [2]	3,132,278.05
Private Portfolio Company - A	2,198,610.05
Mark Okada	1,336,287.84
Private Portfolio Company - B	1,056,956.03
Total	\$ 150,331,222.61

[1] Doubtful or Uncollectible accounts are evaluated at year end.

[2] Includes \$72,278.05 of intercompany receivable.

Highland Capital Management LP
Case # 19-34054-SGJ
Exhibit E - Schedule 74

Case Style	Date Filed	Damages	Summary	Status
Highland Capital Management, L.P. and Highland CLO Funding, Ltd. v. Robin Phelan as Chapter 11 Trustee v. Highland HCF Advisor, Ltd., Highland CLO Management, Ltd., and Highland CLO Holdings, Ltd., Adversary No. 18-03078 in the United States Bankruptcy Court for the Northern District of Texas	5/30/2018	\$4-\$8 million	Highland entities sought to compel redemptions in the Acis CLOs; Trustee counterclaimed for alleged fraudulent transfers	Motion practice.
Highland Capital Management, L.P. v. Patrick Daugherty v. Sierra Verde, LLC, Highland Employee Retention Assets, LLC, James Dondero, Patrick Boyce, and William L. Britain, Cause No. 05-14-01215-CB pending in the Texas Fifth Court of Appeals, Dallas, Texas	4/11/2012	None	Highland has collected on its verdict for \$2.8 million against Daugherty. Daugherty obtained a judgment for \$2.6 million against HERA. Daugherty has not appealed any of his affirmative claims against Highland, though he has appealed other claims.	Enforcement of Injunction versus Mr. Daugherty
NexBank, SSB and Highland Capital Management, L.P. v. Winstead, P.C., in the District Court of Dallas County, 193rd Judicial District	3/16/15	\$3 million	Law firm committed malpractice by incorrectly handling foreclosure of Park West property	Appeal.

Fill in this information to identify the case:

Debtor name **Highland Capital Management, L.P.**

United States Bankruptcy Court for the: **NORTHERN DISTRICT OF TEXAS**

Case number (if known) **19-34054-SGJ**

☐ Check if this is an amended filing

Official Form 206D

Schedule D: Creditors Who Have Claims Secured by Property

12/15

Be as complete and accurate as possible.

1. Do any creditors have claims secured by debtor's property?

- ☐ No. Check this box and submit page 1 of this form to the court with debtor's other schedules. Debtor has nothing else to report on this form.
- ☒ Yes. Fill in all of the information below.

Part 1: List Creditors Who Have Secured Claims

2. List in alphabetical order all creditors who have secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim.

		Column A Amount of claim Do not deduct the value of collateral.	Column B Value of collateral that supports this claim	
2.1	Frontier State Bank Creditor's Name 5100 South I-35 Service Road Oklahoma City, OK 73129 Creditor's mailing address sellott@frontier-ok.com Creditor's email address, if known Date debt was incurred 08/17/2015 Last 4 digits of account number 1100 Do multiple creditors have an interest in the same property? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Specify each creditor, including this creditor and its relative priority.	Describe debtor's property that is subject to a lien 171,724 shares of voting common stock of privately held security. Describe the lien Held in lender's name Is the creditor an insider or related party? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Is anyone else liable on this claim? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H) As of the petition filing date, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed	\$5,209,102.31	\$10,103,038.09

2.2	Jefferies LLC Creditor's Name 520 Madison Avenue, 12th Floor New York, NY 10022 Creditor's mailing address Cbianchi@jefferies.com Creditor's email address, if known Date debt was incurred 05/24/2013 Last 4 digits of account number 0932 Do multiple creditors have an interest in the same property?	Describe debtor's property that is subject to a lien The assets held within the Jefferies Prime Brokerage Account Describe the lien Security interest in all collateral Is the creditor an insider or related party? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Is anyone else liable on this claim? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H) As of the petition filing date, the claim is: Check all that apply	\$29,653,123.63	\$82,007,136.69
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Debtor **Highland Capital Management, L.P.**

Case number (if know) **19-34054-SGJ**

☒ No

☐ Contingent

☐ Yes. Specify each creditor,
including this creditor and its relative
priority.

☐ Unliquidated

☐ Disputed

3. Total of the dollar amounts from Part 1, Column A, including the amounts from the Additional Page, if any.

\$34,862,225.
94

Part 2: List Others to Be Notified for a Debt Already Listed in Part 1

List in alphabetical order any others who must be notified for a debt already listed in Part 1. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for secured creditors.

If no others need to be notified for the debts listed in Part 1, do not fill out or submit this page. If additional pages are needed, copy this page.

Name and address

On which line in Part 1 did
you enter the related creditor?

Last 4 digits of
account number for
this entity

Director of Compliance
Re: Prime Brokerage Services - Jefferies
520 Madison Ave
New York, NY 10022

Line 2.2

Frontier State Bank
Attn: Mr. Steve Elliot
5100 South I-35 Service Road
Oklahoma City, OK 73129

Line 2.1

Office of General Counsel
RE: Prime Brokerage Services - Jefferies
520 Madison Ave
New York, NY 10022

Line 2.2

Prime Brokerage Services
Attn: Jefferies LLC
520 Madison Ave
New York, NY 10020

Line 2.2

Fill in this information to identify the case:

Debtor name Highland Capital Management, L.P.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXAS

Case number (if known) 19-34054-SGJ

☐ Check if this is an amended filing

Official Form 206E/F

Schedule E/F: Creditors Who Have Unsecured Claims

12/15

Be as complete and accurate as possible. Use Part 1 for creditors with PRIORITY unsecured claims and Part 2 for creditors with NONPRIORITY unsecured claims. List the other party to any executory contracts or unexpired leases that could result in a claim. Also list executory contracts on *Schedule A/B: Assets - Real and Personal Property* (Official Form 206A/B) and on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G). Number the entries in Parts 1 and 2 in the boxes on the left. If more space is needed for Part 1 or Part 2, fill out and attach the Additional Page of that Part included in this form.

Part 1: List All Creditors with PRIORITY Unsecured Claims

1. Do any creditors have priority unsecured claims? (See 11 U.S.C. § 507).

☐ No. Go to Part 2.

☒ Yes. Go to line 2.

2. List in alphabetical order all creditors who have unsecured claims that are entitled to priority in whole or in part. If the debtor has more than 3 creditors with priority unsecured claims, fill out and attach the Additional Page of Part 1.

	Total claim	Priority amount
2.1	Unknown	Unknown
Priority creditor's name and mailing address	As of the petition filing date, the claim is:	
All Employees	Check all that apply.	
300 Crescent Ct.	<input checked="" type="checkbox"/> Contingent	
Suite 700	<input checked="" type="checkbox"/> Unliquidated	
Dallas, TX 75201	<input type="checkbox"/> Disputed	
Date or dates debt was incurred	Basis for the claim:	
2019	Employee Wages & Bonuses	
Last 4 digits of account number	Is the claim subject to offset?	
Specify Code subsection of PRIORITY unsecured claim: 11 U.S.C. § 507(a) (4)	<input checked="" type="checkbox"/> No	
	<input type="checkbox"/> Yes	

Part 2: List All Creditors with NONPRIORITY Unsecured Claims

3. List in alphabetical order all of the creditors with nonpriority unsecured claims. If the debtor has more than 6 creditors with nonpriority unsecured claims, fill out and attach the Additional Page of Part 2.

	Amount of claim
3.1	Unknown
Nonpriority creditor's name and mailing address	As of the petition filing date, the claim is: Check all that apply.
45 Employees	<input checked="" type="checkbox"/> Contingent
300 Crescent Ct.	<input checked="" type="checkbox"/> Unliquidated
Suite 700	<input type="checkbox"/> Disputed
Dallas, TX 75201	Basis for the claim: Deferred Awards
Date(s) debt was incurred 2017, 2018 & 2019	Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Last 4 digits of account number	
3.2	\$5,758,166.67
Nonpriority creditor's name and mailing address	As of the petition filing date, the claim is: Check all that apply.
46 Employees	<input checked="" type="checkbox"/> Contingent
300 Crescent Ct.	<input type="checkbox"/> Unliquidated
Suite 700	<input type="checkbox"/> Disputed
Dallas, TX 75201	Basis for the claim: Prior year employee bonuses
Date(s) debt was incurred 2018	Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Last 4 digits of account number	

Debtor	Name	Case number (if known)	
3.3	Nonpriority creditor's name and mailing address Abrams & Bayliss 20 Montchanin Road, Suite 200 Wilmington, DE 19807 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$108,399.83
3.4	Nonpriority creditor's name and mailing address ACA Compliance Group 8403 Colesville Road Suite 870 Silver Spring, MD 20910 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$26,324.25
3.5	Nonpriority creditor's name and mailing address Acis Capital Management c/o Brian P. Shaw Rogge Dunn Group PC 500 N. Akard Street Ste 1900 Dallas, TX 75201 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Unknown
3.6	Nonpriority creditor's name and mailing address Acis Capital Management, L.P. c/o Brian P. Shaw Rogge Dunn Group, PC 500 N. Akard Street Ste 1900 Dallas, TX 75201 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Unknown
3.7	Nonpriority creditor's name and mailing address Action Shred of Texas 1420 S. Barry Ave Dallas, TX 75223 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$3,825.00
3.8	Nonpriority creditor's name and mailing address Akin Gump Strauss Hauer & Feld LLP 1700 Pacific Avenue Suite 4100 Dallas, TX 75201 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$113,947.86
3.9	Nonpriority creditor's name and mailing address All Employees 300 Crescent Ct. Suite 700 Dallas, TX 75201 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Employee Bonuses</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Unknown

Debtor **Highland Capital Management, L.P.**
Name

Case number (if known) **19-34054-SGJ**

3.10	Nonpriority creditor's name and mailing address Allen ISD Attn: Elizabeth Weller 2777 N. Stemmons Freeway Suite 1000 Dallas, TX 75207 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>2301</u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,522.33
3.11	Nonpriority creditor's name and mailing address Allen ISD Attn: Elizabeth Weller 2777 N. Stemmons Freeway Suite 1000 Dallas, TX 75207 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>9351</u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,188.30
3.12	Nonpriority creditor's name and mailing address Alston & Bird LLP 1201 W. Peachtree Street Atlanta, GA 30309-3424 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,234.00
3.13	Nonpriority creditor's name and mailing address American Arbitration Association 120 Broadway, 21st Floor New York, NY 10271 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$55,511.80
3.14	Nonpriority creditor's name and mailing address American Solutions for Business NW#7794 PO Box 1450 Minneapolis, MN 55485-7794 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$7,470.04
3.15	Nonpriority creditor's name and mailing address Andrews Kurth 111 Congress Ave Suite 1700 Attn: Scott Brister Austin, TX 78701 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$137,637.81
3.16	Nonpriority creditor's name and mailing address Arkadin, Inc. Lockbox #32726 Collection Center Dr Chicago, IL 60693-0726 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$647.59

Debtor Name	Case number (if known)	
Highland Capital Management, L.P.	19-34054-SGJ	
3.17 Nonpriority creditor's name and mailing address ASW Law Limited Crawford House 50 Cedar Avenue Hamilton HM11 Bermuda Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$77,044.60
3.18 Nonpriority creditor's name and mailing address AT&T PO BOX 5001 Carol Stream, IL 60197-5001 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$927.16
3.19 Nonpriority creditor's name and mailing address AT&T Mobilty PO Box 6444 Carol Stream, IL 60197-6444 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$6,728.59
3.20 Nonpriority creditor's name and mailing address Bates White, LLC 2001 K Street, NW North Building, Suite 500 Washington, DC 20006 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$90,855.79
3.21 Nonpriority creditor's name and mailing address Bell Nunnally & Martin LLP 3232 MCKINNEY AVE STE 1400 DALLAS, TX 75204 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$6,934.79
3.22 Nonpriority creditor's name and mailing address Bloomberg Finance LP 731 Lexington Ave. New York, NY 10022 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$25,384.89
3.23 Nonpriority creditor's name and mailing address Boies, Schiller & Flexner LLP 5301 Wisconsin Ave NW Washington, DC 20015-2015 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$115,714.80
3.24 Nonpriority creditor's name and mailing address Brandywine Process Servers, Ltd. PO Box 1360 Wilmington, DE 19899 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$69.00

Debtor	Name	Case number (if known)	
	Highland Capital Management, L.P.	19-34054-SGJ	
3.25	Nonpriority creditor's name and mailing address Caledonian Directors Limited PO Box 1043 George Town Grand Cayman KY1-1002 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$325.00
3.26	Nonpriority creditor's name and mailing address Canteen Vending Services PO Box 417632 Boston, MA 02241-7632 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$4,233.60
3.27	Nonpriority creditor's name and mailing address Carey International, Inc. 7445 New Technology Way Frederick, MD 21703 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Uncompleted Transaction</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,059,337.01
3.28	Nonpriority creditor's name and mailing address Carey Olsen PO Box 10008 Willow House, Cricket Square Grand Cayman KY1-1001 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$38,930.00
3.29	Nonpriority creditor's name and mailing address Case Anywhere LLC 21860 Burbank Blvd. Ste 125 Woodland Hills, CA 91367 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$417.20
3.30	Nonpriority creditor's name and mailing address CBIZ Valuation Group, LLC ATTN: ACCOUNTS RECEIVABLE PO BOX 849846 DALLAS, TX 75284-9846 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$545.77
3.31	Nonpriority creditor's name and mailing address CDW Direct PO Box 75723 Chicago, IL 60675-5723 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$4,998.70

Debtor	Name	Case number (if known)	
	Highland Capital Management, L.P.	19-34054-SGJ	
3.32	Nonpriority creditor's name and mailing address Centroid 1050 Wilshire Dr. Ste #170 Troy, MI 48084 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,155.00
3.33	Nonpriority creditor's name and mailing address Chase Couriers, Inc 1220 Champion Circle #114 Carrollton, TX 75006 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$155.81
3.34	Nonpriority creditor's name and mailing address CLO Holdco, Ltd. c/o Grant Scott, Esq Myers Bigel Sibley & Sajovec, P.A. 4140 Park Lake Ave, Ste 600 Raleigh, NC 27612 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Contractual Obligation</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$11,340,751.26
3.35	Nonpriority creditor's name and mailing address Cole Schotz Court Plaza North 25 Main Street P.O. Box 800 Hackensack, NJ 07602-0800 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$198,760.29
3.36	Nonpriority creditor's name and mailing address Coleman Research Group, Inc. 120 West 45th St 25th Floor New York, NY 10036 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$52,500.00
3.37	Nonpriority creditor's name and mailing address Concur Technologies, Inc. 18400 NE Union Hill Road Redmond, WA 98052 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$4,090.46
3.38	Nonpriority creditor's name and mailing address Connolly Gallagher LLP 1201 North Market Street 20th Floor Wilmington, DE 19801 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$118,831.25

Debtor	Name	Case number (if known)	
	Highland Capital Management, L.P.	19-34054-SGJ	
3.39	Nonpriority creditor's name and mailing address Crescent Research PO Box 64-3622 Vero Beach, FL 32964 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,200.00
3.40	Nonpriority creditor's name and mailing address CSI Global Deposition Services Accounting Dept-972-719-5000 4950 N. O'Connor Rd, 1 st Fl Irving, TX 75062-2778 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$826.01
3.41	Nonpriority creditor's name and mailing address CT Corp PO Box 4349 Carol Stream, IL 60197-4349 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$515.25
3.42	Nonpriority creditor's name and mailing address CVE Technologies Group Inc. 1414 S. Gustin Rd. Salt Lake City, UT 84104 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,500.00
3.43	Nonpriority creditor's name and mailing address Dallas County Attn: Elizabeth Weller 2777 N. Stemmons Freeway Suite 1000 Dallas, TX 75207 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>3150</u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$47,809.87
3.44	Nonpriority creditor's name and mailing address Daniel Sheehan & Associates, PLLC 8150 N. Central Expressway Suite 100 Dallas, TX 75206 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$21,226.25
3.45	Nonpriority creditor's name and mailing address Debevoise & Plimpton LLP c/o Accounting Dept. 28th Floor 909 Third Ave New York, NY 10022 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$20,658.79

Debtor	Name	Case number (if known)	
	Highland Capital Management, L.P.	19-34054-SGJ	
3.46	Nonpriority creditor's name and mailing address Denton County PO Box 90223 Denton, TX 76202 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>0DEN</u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$553.46
3.47	Nonpriority creditor's name and mailing address Denton County PO Box 90223 Denton, TX 76202 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>5DEN</u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$3.68
3.48	Nonpriority creditor's name and mailing address DLA Piper LLP (US) 1900 N Pearl St, Suite 2200 Dallas, TX 75201 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,318,730.36
3.49	Nonpriority creditor's name and mailing address Dow Jones & Company, Inc. 1211 Avenue of the Americas New York, NY 10036 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,038.26
3.50	Nonpriority creditor's name and mailing address DTCC ITP LLC PO Box 27590 New York, NY 10087-7590 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$3.30
3.51	Nonpriority creditor's name and mailing address Duff & Phelps, LLC c/o David Landman Benesch, Friedlander, Coplan & Aronoff 200 Public Sq. Suite 2300 Cleveland, OH 44114-4000 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$350,000.00
3.52	Nonpriority creditor's name and mailing address Elite Document Technology 403 North Stemmons Freeway Suite 100 Dallas, TX 75207 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$5,837.30
3.53	Nonpriority creditor's name and mailing address Epiq eDiscovery Solutions Dept 2651 PO Box 122651 Dallas, TX 75312-2651 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$9,972.65

Debtor **Highland Capital Management, L.P.**
Name

Case number (if known) **19-34054-SGJ**

3.54	Nonpriority creditor's name and mailing address Eric Girard 312 Polo Trl Colleyville, TX 76034 Date(s) debt was incurred <u>10/14/2019</u> Last 4 digits of account number _____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Consulting fee</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<u>\$11,430.14</u>
3.55	Nonpriority creditor's name and mailing address Felicity Toubé QC 3-4 South Square Gray's Inn London, WC1R 5HP Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<u>\$1,546.65</u>
3.56	Nonpriority creditor's name and mailing address Foley Gardere 2021 McKinney Ave Suite 1600 Dallas, TX 75201 Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<u>\$1,446,136.66</u>
3.57	Nonpriority creditor's name and mailing address Four Seasons Landscaping, LLC 139 Turtle Creek Blvd. Dallas, TX 75207-6807 Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<u>\$108.95</u>
3.58	Nonpriority creditor's name and mailing address Gardner Haas PLLC 2501 N. Harwood Street Suite 1250 Dallas, TX 75201 Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<u>\$522.72</u>
3.59	Nonpriority creditor's name and mailing address Gold's Gym International Attn: Corporate Billing 125 E John Carpenter Frwy Suite 1300 Irving, TX 75062 Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<u>\$561.75</u>
3.60	Nonpriority creditor's name and mailing address Greenwood Office Outfitters 2951 Suffolk Drive Suite 640 Fort Worth, TX 76133-1149 Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<u>\$2,371.07</u>

Debtor Name	Case number (if known)	
Highland Capital Management, L.P.	19-34054-SGJ	
3.61 Nonpriority creditor's name and mailing address Greyline Solutions PO Box 733976 Dallas, TX 75373-3976 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: See Exhibit A Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$11,250.00
3.62 Nonpriority creditor's name and mailing address Harder LLP 132 S. RODEO DRIVE FOURTH FLOOR BEVERLY HILLS, CA 90212 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: See Exhibit A Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$5,464.13
3.63 Nonpriority creditor's name and mailing address Highland Capital Management (Singapore) 300 Crescent Ct. Suite 700 Dallas, TX 75201 Date(s) debt was incurred Prior to 12/31/2018 Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: The balance shown is updated annually for service fees and has not been updated since 12/31/2018 Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$248,745.28
3.64 Nonpriority creditor's name and mailing address Highland CLO Holdco 300 Crescent Ct. Suite 700 Dallas, TX 75201 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: Interest payable Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$599,187.26
3.65 Nonpriority creditor's name and mailing address Highland CLO Holdco 300 Crescent Ct. Suite 700 Dallas, TX 75201 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: Notes Payable Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$9,541,446.00
3.66 Nonpriority creditor's name and mailing address Highland RCP Offshore, LP 300 Crescent Ct. Suite 700 Dallas, TX 75201 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: Unearned Revenue Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,447,870.00
3.67 Nonpriority creditor's name and mailing address Highland RCP, LP 300 Crescent Ct. Suite 700 Dallas, TX 75201 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: Unearned Revenue Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,945,067.00

Debtor	Name	Case number (if known)	
	Highland Capital Management, L.P.	19-34054-SGJ	
3.68	Nonpriority creditor's name and mailing address Hunton Andrews Kurth LLP 1445 Ross Avenue Suite 3700 Dallas, TX 75202-2799 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$107,221.92
3.69	Nonpriority creditor's name and mailing address ICE Data Pricing & Reference Data, LLC PO Box 98616 Chicago, IL 60693 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,565.23
3.70	Nonpriority creditor's name and mailing address Intralinks P.O. Box 10259 New York, NY 10259 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$7,995.00
3.71	Nonpriority creditor's name and mailing address JAMS, Inc PO Box 512850 Los Angeles, CA 90051-0850 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,352.27
3.72	Nonpriority creditor's name and mailing address Joshua & Jennifer Terry c/o Brian P. Shaw, Esq. Rogge Dunn Group, PC 500 N. Akard Street, Suite 1900 Dallas, TX 75201 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$425,000.00
3.73	Nonpriority creditor's name and mailing address Katten Muchin Rosenman LLP 525 W Monroe St Chicago, IL 60661-3693 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$16,695.00
3.74	Nonpriority creditor's name and mailing address Kaufman County Attn: Elizabeth Weller 2777 N. Stemmons Freeway Suite 1000 Dallas, TX 75207 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>0606</u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$585.09

Debtor	Name	Case number (if known)	
	Highland Capital Management, L.P.	19-34054-SGJ	
3.75	Nonpriority creditor's name and mailing address Kaufman County Attn: Elizabeth Weller 2777 N. Stemmons Freeway Suite 1000 Dallas, TX 75207 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>0600</u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$3,090.25
3.76	Nonpriority creditor's name and mailing address Kaufman County Attn: Elizabeth Weller 2777 N. Stemmons Freeway Suite 1000 Dallas, TX 75207 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>0600</u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$125.05
3.77	Nonpriority creditor's name and mailing address Kaufman County Attn: Elizabeth Weller 2777 N. Stemmons Freeway Suite 1000 Dallas, TX 75207 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>0600</u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$5,732.15
3.78	Nonpriority creditor's name and mailing address Legalpeople LLC 134 N LaSalle Street Suite 800 Chicago, IL 60602 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$34,425.72
3.79	Nonpriority creditor's name and mailing address Levinger PC 1445 Ross Avenue Suite 2500 Dallas, TX 75202 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$3,778.01
3.80	Nonpriority creditor's name and mailing address Lexitas PO Box 734298 Dept. 2012 Dallas, TX 75373-4298 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,583.66
3.81	Nonpriority creditor's name and mailing address Loews Coronado Bay Resort 4000 Coronado Bay Road Coronado, CA 92118 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$57,628.65

Debtor	Name	Case number (if known)	
3.82	Nonpriority creditor's name and mailing address Lynn Pinker Cox & Hurst, LLP 2100 Ross Ave Suite 2700 Dallas, TX 75201 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$436,538.06
3.83	Nonpriority creditor's name and mailing address Maples and Calder UGLAND HOUSE PO BOX 309GT; S CHURCH ST George Town Grand Cayman Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$25,800.11
3.84	Nonpriority creditor's name and mailing address MarkitWSO Corporation Three Lincoln Centre 5430 LBJ Frwy; Ste 800 Dallas, TX 75240 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$12,015.91
3.85	Nonpriority creditor's name and mailing address McKool Smith 300 Crescent Court Suite 1500 Dallas, TX 75201 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,163,976.00
3.86	Nonpriority creditor's name and mailing address Meta-e Discovery LLC Six Landmark Square Fourth Floor Stamford, CT 06901 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$780,645.36
3.87	Nonpriority creditor's name and mailing address Nick Meserve 11835 Brandywine Ln Houston, TX 77024 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$300.00
3.88	Nonpriority creditor's name and mailing address NWCC, LLC c/o of Michael A. Battle Barnes & Thornburg, LLP 1717 Pennsylvania Ave N.W. Ste 500 Washington, DC 20006 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$375,000.00

Debtor	Name	Case number (if known)	
	Highland Capital Management, L.P.	19-34054-SGJ	
3.89	Nonpriority creditor's name and mailing address Opus 2 International, Inc. 100 Pine Street Suite 560 San Francisco, CA 94111 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<u>\$15,669.86</u>
3.90	Nonpriority creditor's name and mailing address PACER Service Center P.O. Box 5208 Portland, OR 97208-5208 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<u>\$435.30</u>
3.91	Nonpriority creditor's name and mailing address Patrick Daugherty c/o Thomas A. Uebler McCollom D'Emilio Smith 2751 Centerville Rd #401 Wilmington, DE 19808 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<u>\$11,700,000.00</u>
3.92	Nonpriority creditor's name and mailing address Pitney Bowes- Purchase Power PO Box 371874 Pittsburgh, PA 15250-2648 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<u>\$1,611.00</u>
3.93	Nonpriority creditor's name and mailing address ProStar Services, Inc PO Box 110209 Carrollton, TX 75011 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<u>\$1,064.58</u>
3.94	Nonpriority creditor's name and mailing address Quintairos, Prieto Wood & Boyer 865 S. Figueroa St 10th FL Los Angeles, CA 90017 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<u>\$8,608.17</u>
3.95	Nonpriority creditor's name and mailing address Redeemer Committee - Highland Crusader Attn: Eric Felton 731 Pleasant Ave. Glen Ellyn, IL 60137 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claim</u> Is the claim subject to offset? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<u>\$189,314,946.00</u>

Debtor	Name	Case number (if known)	
	Highland Capital Management, L.P.	19-34054-SGJ	
3.96	Nonpriority creditor's name and mailing address Reid Collins & Tsai 810 Seventh Ave Ste 410 New York, NY 10019 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$258,526.25
3.97	Nonpriority creditor's name and mailing address Scott Douglass & McConnico LLP 303 Colorado St Ste 2400 Austin, TX 78701 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,478.59
3.98	Nonpriority creditor's name and mailing address Secured Access Systems, LLC 1913 Walden Court Flower Mound, TX 75022 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$24.37
3.99	Nonpriority creditor's name and mailing address Siepe Services, LLC 5440 Harvest Hill Road Suite 100 Dallas, TX 75230 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$80,183.88
3.100	Nonpriority creditor's name and mailing address Southland Property Tax Consultants, Inc 421 W. 3rd Street Ste 920 Fort Worth, TX 76102 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$309.11
3.101	Nonpriority creditor's name and mailing address Squire Patton Boggs (US) LLP PO Box 643051 Cincinnati, OH 45264 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$5,208.40
3.102	Nonpriority creditor's name and mailing address Stanton Advisors LLC 300 Coles Street Apt. 802 Jersey City, NJ 07310 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$10,000.00

Debtor	Name	Case number (if known)	
	Highland Capital Management, L.P.	19-34054-SGJ	
3.103	Nonpriority creditor's name and mailing address Stanton LLP 9400 N Central Expwy Ste 1304 Dallas, TX 75231 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$90,712.65
3.104	Nonpriority creditor's name and mailing address State Street Global Exchange Elkins/McSherry, LLC One Lincoln Street Boston, MA 02111 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,500.00
3.105	Nonpriority creditor's name and mailing address Stinson Leonard Street LLP PO Box 843052 Kansas City, MO 64184 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$246,802.54
3.106	Nonpriority creditor's name and mailing address Thomson West PO Box 64833 St. Paul, MN 55164-0833 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,158.52
3.107	Nonpriority creditor's name and mailing address UBS AG, London Branch c/o Andrew Clubock, Esq. Latham & Watkins LLP 555 11th Street NW #1000 Washington, DC 20004 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Unknown
3.108	Nonpriority creditor's name and mailing address UBS Securities LLC c/o Andrew Clubock Latham & Watkins LLP 555 11th Street NW #1000 Washington, DC 20004 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Unknown
3.109	Nonpriority creditor's name and mailing address UPS Supply Chain Solutions 28013 Network Place Chicago, IL 60673-1280 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$90.45

Debtor **Highland Capital Management, L.P.**
Name

Case number (if known) **19-34054-SGJ**

3.110	Nonpriority creditor's name and mailing address Wakefield Quin Victoria Place 31 Victoria St Hamilton, HM10 Bermuda Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: See Exhibit A Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,334.80
3.111	Nonpriority creditor's name and mailing address Wilks, Lukoff & Bracegirdle, LLC 4250 Lancaster Pike #200 Wilmington, DE 19805 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: Trade Payable Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$3,411.87
3.112	Nonpriority creditor's name and mailing address Xerox Corporation PO Box 650361 Dallas, TX 75265 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: Trade Payable Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,348.31

Part 3: List Others to Be Notified About Unsecured Claims

4. List in alphabetical order any others who must be notified for claims listed in Parts 1 and 2. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for unsecured creditors.

If no others need to be notified for the debts listed in Parts 1 and 2, do not fill out or submit this page. If additional pages are needed, copy the next page.

Name and mailing address

On which line in Part1 or Part 2 is the related creditor (if any) listed?

Last 4 digits of account number, if any

Part 4: Total Amounts of the Priority and Nonpriority Unsecured Claims

5. Add the amounts of priority and nonpriority unsecured claims.

5a. Total claims from Part 1

5b. Total claims from Part 2

5c. Total of Parts 1 and 2
Lines 5a + 5b = 5c.

Total of claim amounts	
5a.	\$ Unknown
5b. +	\$ 244,617,627.33
5c.	\$ 244,617,627.33

Highland Capital Management LP
Case # 19-34054-SGJ
Schedule F - Exhibit A

Law Firm	Gross Balance [1]	HCMLP Balance [2]	Other Balance [3]
McKool Smith	2,163,976.00	2,163,976.00	-
Foley Gardere	1,601,136.66	1,446,136.66	155,000.00
DLA Piper LLP (US)	1,318,730.36	1,318,730.36	-
Meta-e Discovery LLC	1,378,061.34	780,645.36	597,415.98
Lynn Pinker Cox & Hurst, LLP	529,303.56	436,538.06	92,765.50
Duff & Phelps, LLC	350,000.00	350,000.00	-
Reid Collins & Tsai	1,087,474.36	258,526.25	828,948.11
Stinson Leonard Street LLP	246,802.54	246,802.54	-
Cole Schotz	243,667.06	198,760.29	44,906.77
Andrews Kurth	771,467.89	137,637.81	633,830.08
Connolly Gallagher LLP	118,831.25	118,831.25	-
Boies, Schiller & Flexner LLP	115,714.80	115,714.80	-
Akin Gump Strauss Hauer & Feld LLP	1,739,149.45	113,947.86	1,625,201.59
Abrams & Bayliss	108,399.83	108,399.83	-
Hunton Andrews Kurth LLP	205,378.20	107,221.92	98,156.28
Bates White, LLC	90,855.79	90,855.79	-
Stanton LLP	90,712.65	90,712.65	-
ASW Law Limited	77,044.60	77,044.60	-
American Arbitration Association	55,511.80	55,511.80	-
Carey Olsen	38,930.00	38,930.00	-
Legalpeople LLC	34,425.72	34,425.72	-
ACA Compliance Group	48,526.43	26,324.25	22,202.18
Maples and Calder	200,758.82	25,800.11	174,958.71
Daniel Sheehan & Associates, PLLC	21,226.25	21,226.25	-
Debevoise & Plimpton LLP	48,300.79	20,658.79	27,642.00
Katten Muchin Rosenman LLP	16,695.00	16,695.00	-
Opus 2 International, Inc.	39,214.03	15,669.86	23,544.17
MarkitWSO Corporation	154,632.25	12,015.91	142,616.34
Greyline Solutions	11,250.00	11,250.00	-
Stanton Advisors LLC	10,000.00	10,000.00	-
Epiq eDiscovery Solutions	21,889.05	9,972.65	11,916.40
Quintairos, Prieto Wood & Boyer	12,897.42	8,608.17	4,289.25
Bell Nunnally & Martin LLP	6,934.79	6,934.79	-
Elite Document Technology	49,300.00	5,837.30	43,462.70
Harder LLP	5,464.13	5,464.13	-
Squire Patton Boggs (US) LLP	50,000.00	5,208.40	44,791.60
Levinger PC	12,884.21	3,778.01	9,106.20
Lexitas	2,583.66	2,583.66	-
State Street Global Exchange	2,500.00	2,500.00	-
Wakefield Quin	4,760.60	2,334.80	2,425.80
Alston & Bird LLP	2,234.00	2,234.00	-
Felicity Toubé QC	6,208.22	1,546.65	4,661.57
Scott Douglass & McConnico LLP	4,983.50	1,478.59	3,504.91
JAMS, Inc	24,097.28	1,352.27	22,745.01
CSI Global Deposition Services	826.01	826.01	-
CBIZ Valuation Group, LLC	8,269.26	545.77	7,723.49
Gardner Haas PLLC	7,920.00	522.72	7,397.28
Case Anywhere LLC	417.20	417.20	-
Caledonian Directors Limited	325.00	325.00	-
Winston & Strawn LLP	1,770,877.30	-	1,770,877.30
K&L Gates LLP	160,228.40	-	160,228.40
Davis Polk & Wardwell LLP	105,140.83	-	105,140.83

Highland Capital Management LP
Case # 19-34054-SGJ
Schedule F - Exhibit A

Law Firm	Gross Balance [1]	HCMLP Balance [2]	Other Balance [3]
Baker & McKenzie LLP	131,938.68	-	131,938.68
Zuckerman Spaeder LLP	127,295.18	-	127,295.18
Robbins, Russell, Englert, Orseck, Untereiner & Sauber LLP	100,476.30	-	100,476.30
Berkeley Research Group, LLC	60,976.22	-	60,976.22
Day Pitney LLP	55,793.69	-	55,793.69
Milbank, Tweed, Hadley	52,993.21	-	52,993.21
Garman Turner Gordon	42,222.06	-	42,222.06
Wick Phillips Gould & Martin, LLP - Operating Account	27,749.45	-	27,749.45
Pope, Hardwicke, Christie, Schell, Kelly & Taplett LLP	27,102.33	-	27,102.33
Ober Kaler Grimes & Shriver	24,939.27	-	24,939.27
ValueScope	22,357.65	-	22,357.65
Brian Lauten, PC	16,650.00	-	16,650.00
Hutchison & Steffen, PLLC	15,156.95	-	15,156.95
Counsel Press LLC	14,926.01	-	14,926.01
Integra FEC LLC	13,409.52	-	13,409.52
Rowlett Hill Collins LLP	12,562.50	-	12,562.50
Willkie Farr & Gallagher LLP	9,640.00	-	9,640.00
Flemming Zulack Williamson Zauderer	8,356.25	-	8,356.25
TSG Reporting, Inc	6,589.70	-	6,589.70
Todd Travers	4,987.50	-	4,987.50
Brownstein Hyatt Farber Schreck, LLP	4,777.21	-	4,777.21
Morris James LLP - Invoices	4,313.10	-	4,313.10
Wachtell, Lipton, Rosen & Katz	3,752.48	-	3,752.48
Lenz & Staehelin	3,568.15	-	3,568.15
Quinn Emanuel Trial Lawyers	3,180.65	-	3,180.65
Ogier	2,794.97	-	2,794.97
Lowenstein Sandler	2,778.72	-	2,778.72
J. Sagar Associates	2,391.20	-	2,391.20
Bifferato Gentilotti LLC	1,931.41	-	1,931.41
Bass, Berry & Sims PLC	1,888.00	-	1,888.00
TransPerfect Translations International Inc.	1,646.59	-	1,646.59
Kim & Chang	1,487.11	-	1,487.11
WilmerHale	1,056.00	-	1,056.00
Bailey Kennedy, LLP	900.00	-	900.00
CT Corporation	899.00	-	899.00
Cooke, Young & Keidan LLP	804.40	-	804.40
Elite Deposition Technologies	783.61	-	783.61
Gibson, Dunn & Crutcher LLP	651.60	-	651.60
US Legal Support	507.06	-	507.06
Esquire Deposition Solutions	253.42	-	253.42
Kim Leslie Shafer	225.00	-	225.00
Akerman LLP	69.93	-	69.93
Total	15,993,700.38	8,511,459.84	7,482,240.53

[1] Represents gross amount of invoices received where the Debtor is counterparty to the engagement letter.

[2] Represents allocated amount of invoices owing by Debtor.

[3] Represents allocated amount of invoices owing by non-Debtor party. Amount are not final amounts and may be subject to dispute.

Fill in this information to identify the case:

Debtor name **Highland Capital Management, L.P.**

United States Bankruptcy Court for the: **NORTHERN DISTRICT OF TEXAS**

Case number (if known) **19-34054-SGJ**

☐ Check if this is an amended filing

Official Form 206G

Schedule G: Executory Contracts and Unexpired Leases

12/15

Be as complete and accurate as possible. If more space is needed, copy and attach the additional page, number the entries consecutively.

1. Does the debtor have any executory contracts or unexpired leases?

☐ No. Check this box and file this form with the debtor's other schedules. There is nothing else to report on this form.

☒ Yes. Fill in all of the information below even if the contacts of leases are listed on *Schedule A/B: Assets - Real and Personal* (Official Form 206A/B).

Property

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.1. State what the contract or lease is for and the nature of the debtor's interest **Subscription To 13D Global Strategy And Research Services**

State the term remaining **121 Days**

List the contract number of any government contract

**13D Global Strategy and Research
491 N Main Street
Ketchum, ID 83340**

2.2. State what the contract or lease is for and the nature of the debtor's interest **Subscription Agreement**

State the term remaining **76 Days**

List the contract number of any government contract

**4Cast Inc.
420 Lexington Avenue
Suite 2147
New York, NY 10170**

2.3. State what the contract or lease is for and the nature of the debtor's interest **Servicing Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract

**Aberdeen Loan Funding, Ltd.
190 Elgin Avenue
George Town, Grand Cayman
KY1-9005, Cayman Islands**

2.4. State what the contract or lease is for and the nature of the debtor's interest **Janitorial Service**

State the term remaining **198 Days**

List the contract number of any government contract

**ABM Texas General Services, Inc.
2020 Westridge Drive
Irving, TX 75038**

Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

Case number (if known) **19-34054-SGJ**

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.5. State what the contract or lease is for and the nature of the debtor's interest **Compliance Services**

State the term remaining **0 Days**

List the contract number of any government contract

**ACA Compliance Group
8403 Colesville Road
Ste 870
Silver Spring, MD 20910**

2.6. State what the contract or lease is for and the nature of the debtor's interest **Tamale Software**

State the term remaining **351 Days**

List the contract number of any government contract

**Advent Software, Inc.
600 Townsend Street
Ste 500
San Francisco, CA 94103**

2.7. State what the contract or lease is for and the nature of the debtor's interest **Geneva Software**

State the term remaining **207 Days**

List the contract number of any government contract

**Advent Software, Inc.
Three Lincoln Centre
5430 LBJ Freeway Ste 800
Dallas, TX 75240**

2.8. State what the contract or lease is for and the nature of the debtor's interest **Software License
Global Strategy And
China**

State the term remaining **167 Days**

List the contract number of any government contract

**Alpine Macro
1130 Sherbrooke St West PH1
Montreal, Quebec
Canada, H3A2M8**

2.9. State what the contract or lease is for and the nature of the debtor's interest **Travel Account
Purchase And Usage**

State the term remaining **254 Days**

List the contract number of any government contract

**American Airlines, Inc.
PO Box 619616 MD4106
Ft Worth, TX 76155**

2.10. State what the contract or lease is for and the nature of the debtor's interest **Actuarial Services**

State the term remaining **76 Days**

List the contract number of any government contract

**Aon Consulting, Inc.
445 Hutchinson Ave
Ste 900
Columbus, OH 43235**

Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

Case number (if known) **19-34054-SGJ**

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

government contract

2.11. State what the contract or lease is for and the nature of the debtor's interest **Enterprise Technology Research**

State the term remaining **746 Days**

List the contract number of any government contract

**Aptiviti, Inc.
129 West 29th Street
3rd Floor
New York, NY 10001**

2.12. State what the contract or lease is for and the nature of the debtor's interest **Employment Practices Insurance**

State the term remaining **147 Days**

List the contract number of any government contract

**Argonaut Insurance Company
225 W Washington Street
24th floor
Chicago, IL 60606**

2.13. State what the contract or lease is for and the nature of the debtor's interest **Internet**

State the term remaining **3 Years**

List the contract number of any government contract

**AT&T
208 South Akard Street
Dallas, TX 75201**

2.14. State what the contract or lease is for and the nature of the debtor's interest **Cell Phones**

State the term remaining **Monthly**

List the contract number of any government contract

**AT&T Mobility
208 South Akard Street
Dallas, TX 75202**

2.15. State what the contract or lease is for and the nature of the debtor's interest **Dev Server Hosting**

State the term remaining **Monthly**

List the contract number of any government contract

**AWS
410 Terry Avenue North
Seattle, WA 98109**

2.16. State what the contract or lease is for and the nature of the debtor's interest **Investment Research**

**BCA Research Inc.
1002 Sherbrooke Street West
Suite 1600
Montreal, Quebec, CA 3L6**

Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

Case number (if known) **19-34054-SGJ**

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

State the term remaining **76 Days**

List the contract number of any government contract _____

2.17. State what the contract or lease is for and the nature of the debtor's interest **Bloomberg**

State the term remaining **60 day termination; two year autorenewal; after initial term of 07/15/201**

List the contract number of any government contract _____

**Bloomberg Finance, L.P.
731 Lexington Ave
New York, NY 10022**

2.18. State what the contract or lease is for and the nature of the debtor's interest **Erisa Group Health Plan**

State the term remaining **41 Days**

List the contract number of any government contract _____

**Blue Cross Blue Shield of Texas
1001 E. Lookout Dr.
Richardson, TX 75082**

2.19. State what the contract or lease is for and the nature of the debtor's interest **Stop Loss Coverage**

State the term remaining **41 Days**

List the contract number of any government contract _____

**Blue Cross Blue Shield of Texas
1001 E. Lookout Dr.
Richardson, TX 75082**

2.20. State what the contract or lease is for and the nature of the debtor's interest **Electronic Access**

State the term remaining **Perpetuity**

List the contract number of any government contract _____

**BNY Mellon
525 Penn Place
Pittsburgh, PA 15219**

2.21. State what the contract or lease is for and the nature of the debtor's interest **Cloud Doc Hosting**

State the term remaining **Monthly**

List the contract number of any government contract _____

**BOX.com
900 Jefferson Ave
Redwood City, CA 94063**

Debtor 1 **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

First Name Middle Name Last Name

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.22.	State what the contract or lease is for and the nature of the debtor's interest	Servicing Agreement	
	State the term remaining	Termination Contingent	Brentwood CLO, Ltd. Maples Finance Limited, PO Box 1093GT Queensgate House, South Church Street George Town, Grand Cayman, Cayman Island
	List the contract number of any government contract		
2.23.	State what the contract or lease is for and the nature of the debtor's interest	E-Ballot And Meeting Information Services	
	State the term remaining	162 Days	Broadridge Investor Communication Solutions One Park Ave New York, NY 10016
	List the contract number of any government contract		
2.24.	State what the contract or lease is for and the nature of the debtor's interest	Advisory Services Agreement	
	State the term remaining	Termination Contingent	Carey International, Inc. 4530 Wisconsin Ave NW Washington, DC 20016
	List the contract number of any government contract		
2.25.	State what the contract or lease is for and the nature of the debtor's interest	Advisory Services Agreement	
	State the term remaining	Termination Contingent	CCS Medical, Inc. 14255 49th Street North Suite 301 Clearwater, FL 33762
	List the contract number of any government contract		
2.26.	State what the contract or lease is for and the nature of the debtor's interest	Wan Line And Telephones	
	State the term remaining	Monthly	CenturyLink 100 CenturyLink Drive Monroe, LA 71203
	List the contract number of any government contract		
2.27.	State what the contract or lease is for and the nature of the debtor's interest	Second Amended And Restated Investment Advisory Agreement	
	State the term remaining	90 Day Termination Provision; Annual Autoextend Following	Charitable DAF Fund, L.P. / Charitable DAF GP, LLC Attention: Grant Scott 4140 Park Lake Avenue Suite 600 Raleigh, NC 27612

Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

Case number (if known) **19-34054-SGJ**

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

	List the contract number of any government contract	Initial Term Ending 12/31/2017	
2.28.	State what the contract or lease is for and the nature of the debtor's interest	Second Amended And Restated Service Agreement	
	State the term remaining	60 Day Termination Provision; Annual Autoextend Following Initial Term 12/31/2017	Charitable DAF Fund, L.P. / Charitable DAF GP , LLC Attention: Grant Scott 4140 Park Lake Avenue Suite 600 Raleigh, NC 27612
	List the contract number of any government contract		
2.29.	State what the contract or lease is for and the nature of the debtor's interest	Workers Comp	
	State the term remaining	254 Days	Chubb 2001 Bryan St. Ste. 3600 Dallas, TX 75201
	List the contract number of any government contract		
2.30.	State what the contract or lease is for and the nature of the debtor's interest	Cisco Hardware Support	
	State the term remaining	2 Years	Cisco 170 West Tasman Dr San Jose, CA 95134
	List the contract number of any government contract		
2.31.	State what the contract or lease is for and the nature of the debtor's interest	Conference Services	
	State the term remaining	Monthly	Cisco Webex 170 West Tasman Dr San Jose, CA 95134
	List the contract number of any government contract		
2.32.	State what the contract or lease is for and the nature of the debtor's interest	Webex Seminars	
	State the term remaining	Annual	Cisco Webex Events 170 West Tasman Dr San Jose, CA 95134
	List the contract number of any government contract		

Debtor 1 **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

First Name Middle Name Last Name

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.33. State what the contract or lease is for and the nature of the debtor's interest **Pr Services**

State the term remaining **121 Days**

List the contract number of any government contract

**Cision US Inc.
1 Prudential Plaza, 7th floor
130 E Randolph Street
Chicago, IL 60601**

2.34. State what the contract or lease is for and the nature of the debtor's interest **Reference Portfolio Management Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract

**Citibank, N.A.
Attn: Doug Warren
390 Greenwich Street
Fourth Floor
New York, NY 10013**

2.35. State what the contract or lease is for and the nature of the debtor's interest **SaaS Solutions**

State the term remaining **295 Days**

List the contract number of any government contract

**Clearwater Analytics LLC
777 W Main St
Ste 900
Boise, ID 83702**

2.36. State what the contract or lease is for and the nature of the debtor's interest **Research**

State the term remaining **77 Days**

List the contract number of any government contract

**Coleman Research
575 5th Ave 21st Floor
New York, NY 10017**

2.37. State what the contract or lease is for and the nature of the debtor's interest **Research Service Credits**

State the term remaining **76 Days**

List the contract number of any government contract

**Coleman Research Group, Inc.
575 5th Avenue
21st Floor
New York, NY 10017**

2.38. State what the contract or lease is for and the nature of the debtor's interest **San Backup**

State the term remaining **Annual**

**Commvault Backup
1 Commvault Way
Tinton Falls, NJ 07724**

Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

Case number (if known) **19-34054-SGJ**

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

List the contract number of any government contract _____

2.39. State what the contract or lease is for and the nature of the debtor's interest **Avaya Maintenance**

State the term remaining **Annual**

List the contract number of any government contract _____

**Converge One
10900 Nesbitt Avenue South
Bloomington, MN 55437**

2.40. State what the contract or lease is for and the nature of the debtor's interest **Amended And Restated Advisory Services Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract _____

**Cornerstone Healthcare Group Holding, Inc
2200 Ross Ave
Ste. 5400
Dallas, TX 75201**

2.41. State what the contract or lease is for and the nature of the debtor's interest **Office Lease**

State the term remaining **927 Days**

List the contract number of any government contract _____

**Crescent TC Investors, L.P.
200 Crescent Court
Ste 250
Dallas, TX 75201**

2.42. State what the contract or lease is for and the nature of the debtor's interest **Filing/Formation/Registered Agent**

State the term remaining **N/A - As Needed**

List the contract number of any government contract _____

**CT Corporation
1999 Bryan Street
Ste 900
Dallas, TX 75201**

2.43. State what the contract or lease is for and the nature of the debtor's interest **Emergency Backup It Support**

State the term remaining **Monthly**

List the contract number of any government contract _____

**CVE technology
3000 E Plano Pkwy
Plano, TX 75074**

Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

Case number (if known) **19-34054-SGJ**

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.44. State what the contract or lease is for and the nature of the debtor's interest **Anti Virus Software**

State the term remaining **Annual**

List the contract number of any government contract

**Cylance
400 Spectrum Center Dr.
Suite 900
Irvine, CA 92618**

2.45. State what the contract or lease is for and the nature of the debtor's interest **Compliance Information Service**

State the term remaining **30 Day Termination**

List the contract number of any government contract

**Debt Domain
295 Madison Ave
Ste 24
New York, NY 10017**

2.46. State what the contract or lease is for and the nature of the debtor's interest **Cable News**

State the term remaining **Monthly**

List the contract number of any government contract

**DirectTV
208 South Akard Street
Dallas, TX 75202**

2.47. State what the contract or lease is for and the nature of the debtor's interest **Cobra Admin**

State the term remaining **443 Days**

List the contract number of any government contract

**Discovery Benefits Inc
4321 20th Ave. S.
Fargo, ND 58103**

2.48. State what the contract or lease is for and the nature of the debtor's interest **2 Factor Authentication**

State the term remaining **Monthly**

List the contract number of any government contract

**DUO Security
170 West Tasman Dr
San Jose, CA 95134**

2.49. State what the contract or lease is for and the nature of the debtor's interest **Servicing Agreement**

State the term remaining **Termination Contingent**

List the contract number of any

**Eastland CLO Ltd.
190 Elgin Avenue
George Town, Grand Cayman
KY1-9005, Cayman Islands**

Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

Case number (if known) **19-34054-SGJ**

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

government contract

2.50. State what the contract or lease is for and the nature of the debtor's interest **Trading Cost Analytic Services**

State the term remaining

30 Day Termination

List the contract number of any government contract

**Elkins McSherry
225 Liberty St
24th floor
New York, NY 10281**

2.51. State what the contract or lease is for and the nature of the debtor's interest **Disaster Recovery Site**

State the term remaining

3 Years

List the contract number of any government contract

**Evoque Data Center
250 Vesey Street 15th Floor
New York, NY 10281**

2.52. State what the contract or lease is for and the nature of the debtor's interest **Load Balancers**

State the term remaining

Annual

List the contract number of any government contract

**F5
801 5th Ave
Seattle, WA 98104**

2.53. State what the contract or lease is for and the nature of the debtor's interest **Amended And Restated Shared Services Agreement**

State the term remaining

Termination Contingent

List the contract number of any government contract

**Falcon E&P Opportunities GP, LLC
c/o PetroCap, LLC, Attention: Marc Manzo
2602 McKinney Avenue
Suite 400
Dallas, TX 75204**

2.54. State what the contract or lease is for and the nature of the debtor's interest **Software**

State the term remaining

169 Days

List the contract number of any government contract

**Financial Tracking
1111 East Putnam Ave
Ste 304
Riverside, CT 06878**

2.55. State what the contract or lease is for and the nature of the debtor's interest **Pr Services**

**First Page Management LLC dba StatusLabs
151 South 1st
Ste 100
Austin, TX 78704**

Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

Case number (if known) **19-34054-SGJ**

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

State the term remaining **16 Days**

List the contract number of any government contract _____

2.56. State what the contract or lease is for and the nature of the debtor's interest **Primary Data Center**

State the term remaining **Monthly**

List the contract number of any government contract _____

Flexential
11900 East Cornell Avenue
Building B, 3rd Floor
Aurora, CO 80014

2.57. State what the contract or lease is for and the nature of the debtor's interest **Plant Maintenance**

State the term remaining **166 Days**

List the contract number of any government contract _____

Four Seasons Landscaping, LLC
PO Box 793429
Dallas, TX 75379

2.58. State what the contract or lease is for and the nature of the debtor's interest **Data Accessed Via Bloomberg Terminals**

State the term remaining **290 Days**

List the contract number of any government contract _____

FT Interactive Data Corporation
22 Crosby Drive
Bedford, MA 01730

2.59. State what the contract or lease is for and the nature of the debtor's interest **Expert Services**

State the term remaining **N/A**

List the contract number of any government contract _____

FTI Consulting, Inc.
Three Times Square
10th floor
New York, NY 10036

2.60. State what the contract or lease is for and the nature of the debtor's interest **Portfolio Management Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract _____

Gleneagles CLO, Ltd.
PO Box 1093 GT, Queensgate House
South Church Street, George Town
Grand Cayman, Cayman Islands

Debtor 1 **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

First Name Middle Name Last Name

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.61. State what the contract or lease is for and the nature of the debtor's interest **Domain Registrations**

State the term remaining **1 Year**

List the contract number of any government contract

**GoDaddy
14455 N. Hayden Rd.
Ste. 219
Scottsdale, AZ 85260**

2.62. State what the contract or lease is for and the nature of the debtor's interest **Corporate Wellness**

State the term remaining **197 Days**

List the contract number of any government contract

**Gold's Texas Holdings Group, Inc
4001 Maples Avenue
Ste 200
Dallas, TX 75219**

2.63. State what the contract or lease is for and the nature of the debtor's interest **Investment Management Agreement**

State the term remaining **60 Day Termination Provision; Annual Autoextend Following Initial Term 12/31/2008**

List the contract number of any government contract

**Governance Re Ltd.
Wellesley House North
2nd Floor, 90 Pitts Bay Road
Pembroke HM 08, Bermuda**

2.64. State what the contract or lease is for and the nature of the debtor's interest **D&O policy**

State the term remaining **75 days (to 12/31/2019)**

List the contract number of any government contract

**Governance Re Ltd.
Wellesley House North, 2nd Floor
90 Pitts Bay Road, Pembroke HM 08
Bermuda**

2.65. State what the contract or lease is for and the nature of the debtor's interest **Amendment No. 1 To Servicing Agreement**

State the term remaining **N/A**

List the contract number of any government contract

**Grayson CLO Corp., et al
190 Elgin Avenue
George Town, Grand Cayman
KY1-9005, Cayman Islands**

2.66. State what the contract or lease is for and the nature of the debtor's interest **Servicing Agreement**

State the term remaining **Termination Contingent**

**Grayson CLO Ltd.
190 Elgin Avenue
George Town, Grand Cayman
KY1-9005, Cayman Islands**

Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

Case number (if known) **19-34054-SGJ**

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

List the contract number of any government contract _____

2.67. State what the contract or lease is for and the nature of the debtor's interest **Servicing Agreement**

State the term remaining

Termination Contingent

List the contract number of any government contract _____

**Greenbriar CLO, Ltd.
P.O. Box 1093GT, Queensgate House
South Church Street, George Town
Grand Cayman, Cayman Islands**

2.68. State what the contract or lease is for and the nature of the debtor's interest **Compliance Testing**

State the term remaining

95 Days

List the contract number of any government contract _____

**Greyline Solutions LLC
One Sansome Street
Suite 1895
San Francisco, CA 94104**

2.69. State what the contract or lease is for and the nature of the debtor's interest **Food Ordering**

State the term remaining

191 Days

List the contract number of any government contract _____

**GrubHub Holdings Inc.
111 W. Washington Street
Ste 2100
Chicago, IL 60602**

2.70. State what the contract or lease is for and the nature of the debtor's interest **Gips Services**

State the term remaining

43982

List the contract number of any government contract _____

**Guardian Performance Solutions, LLC
836 57th Street
Suite 408
Sacramento, CA 95819**

2.71. State what the contract or lease is for and the nature of the debtor's interest **Data Sharing Platform**

State the term remaining

306 Days

List the contract number of any government contract _____

**Harvest Exchange Corp
1200 Smith Street
Ste. 672
Houston, TX 77002**

Debtor 1 **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

First Name Middle Name Last Name

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.72.	State what the contract or lease is for and the nature of the debtor's interest	Online Research Portal	
	State the term remaining	5 business day termination; 3 month autorenewal after initial term of 03/31/2016	
	List the contract number of any government contract		Hedgeye Risk Management, LLC 1 High Ridge Park 3rd Floor Stamford, CT 06905
<hr/>			
2.73.	State what the contract or lease is for and the nature of the debtor's interest	Sub-Advisory Agreement	
	State the term remaining	30 Days With Additional Contingencies	Highland Capital Insurance Solutions, L.P. Attention: General Counsel 300 Crescent Court Suite 700 Dallas, TX 75201
	List the contract number of any government contract		
<hr/>			
2.74.	State what the contract or lease is for and the nature of the debtor's interest	Shared Services Agreement	
	State the term remaining	30 Day Termination Provision	Highland Capital Insurance Solutions, L.P. Attention: General Counsel 300 Crescent Court Suite 700 Dallas, TX 75201
	List the contract number of any government contract		
<hr/>			
2.75.	State what the contract or lease is for and the nature of the debtor's interest	Second Amended And Restated Shared Service Agreement	
	State the term remaining	60 Day Termination Provision; Annual Autoextend Following Initial Term 2/8/2014	Highland Capital Management Fund Advisor LP Attention: General Counsel 300 Crescent Court Suite 700 Dallas, TX 75201
	List the contract number of any government contract		
<hr/>			
2.76.	State what the contract or lease is for and the nature of the debtor's interest	Investment Management Agreement	
	State the term remaining	60 Day Termination Provision; Annual Autoextend Following Initial Term 7/31/2007	Highland Capital Multi-Strategy Fund, L.P. PO Box 309 Ugland House Grand Cayman KY1-1104, Cayman Islands
	List the contract number of any government contract		

Debtor 1 **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

First Name Middle Name Last Name

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.77.	State what the contract or lease is for and the nature of the debtor's interest	Collateral Management Agreement	
	State the term remaining	Termination Contingent	Highland Credit Opportunities CDO Ltd. 190 Elgin Avenue George Town, Grand Cayman KY1-9005, Cayman Islands
	List the contract number of any government contract		
2.78.	State what the contract or lease is for and the nature of the debtor's interest	Management Agreement	
	State the term remaining	90 Days With Additional Contingencies	Highland Credit Opportunities Japanese Feeder Sub-Trust 190 Elgin Avenue George Town Grand Cayman KY1-9005, Cayman Islands
	List the contract number of any government contract		
2.79.	State what the contract or lease is for and the nature of the debtor's interest	Service Agreement	
	State the term remaining	30 day termination notice	Paxstone Capital LLP Attn: Kasper Kemp Hansen 483 Green Lane London N13 4BS UK
	List the contract number of any government contract		
2.80.	State what the contract or lease is for and the nature of the debtor's interest	Sub-Advisory Agreement	
	State the term remaining	Termination Contingent	Highland HCF Advisor, Ltd. Attention: General Counsel 300 Crescent Court Suite 700 Dallas, TX 75201
	List the contract number of any government contract		
2.81.	State what the contract or lease is for and the nature of the debtor's interest	Shared Services Agreement	
	State the term remaining	30 Days	Highland HCF Advisor, Ltd. Attention: General Counsel 300 Crescent Court Suite 700 Dallas, TX 75201
	List the contract number of any government contract		
2.82.	State what the contract or lease is for and the nature of the debtor's interest	Collateral Management Agreement	
	State the term remaining	Termination Contingent	Highland Legacy Limited c/o Maples and Calder, PO Box 309 Ugland House, South Church Street, Georg Grand Cayman, Cayman Islands

Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

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Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

List the contract number of any government contract _____

2.83. State what the contract or lease is for and the nature of the debtor's interest

Investment Management Agreement

State the term remaining

Termination Contingent

List the contract number of any government contract _____

**Highland Loan Fund, Ltd., et al
PO Box 309 Ugland House
Grand Cayman
KY1-1104, Cayman Islands**

2.84. State what the contract or lease is for and the nature of the debtor's interest

Collateral Management Agreement

State the term remaining

Termination Contingent

List the contract number of any government contract _____

**Highland Loan Funding V Ltd.
P.O. Box 1093GT, Queensgate House
South Church Street, George Town
Grand Cayman, Cayman Islands**

2.85. State what the contract or lease is for and the nature of the debtor's interest

Third Amended And Restated Investment Management Agreement

State the term remaining

**75 Day Termination;
Annual Auto Renewal
Following Initial Term
12/31/2014**

List the contract number of any government contract _____

**Highland Multi Strategy Credit Fund, Ltd
PO Box 309 Ugland House
Grand Cayman
KY1-1104, Cayman Islands**

2.86. State what the contract or lease is for and the nature of the debtor's interest

Investment Management Agreement

State the term remaining

**60 Day Termination;
Annual Auto Renewal
Following Initial Term
7/31/2007**

List the contract number of any government contract _____

**Highland Multi Strategy Credit Fund, Ltd
PO Box 309 Ugland House
Grand Cayman
KY1-1104, Cayman Islands**

2.87. State what the contract or lease is for and the nature of the debtor's interest

Collateral Servicing Agreement

State the term remaining

Termination Contingent

List the contract number of any government contract _____

**Highland Park CDO I, Ltd.
P.O. Box 1093GT, Queensgate House
South Church Street, George Town
Grand Cayman, Cayman Islands**

Debtor 1 **Highland Capital Management, L.P.**

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First Name Middle Name Last Name

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.88.	State what the contract or lease is for and the nature of the debtor's interest	Amended And Restated Investment Management Agreement	
	State the term remaining	90 Days With Additional Contingencies	Highland Prometheus Master Fund, L.P. c/o Maples and Calder, PO Box 309 Ugland House, South Church Street, Georg Grand Cayman, Cayman Islands
	List the contract number of any government contract		
2.89.	State what the contract or lease is for and the nature of the debtor's interest	Management Agreement	
	State the term remaining	Termination Contingent	Highland Restoration Capital Partners Offshore, L.P. PO Box 309 Ugland House Grand Cayman KY1-1104, Cayman Islands
	List the contract number of any government contract		
2.90.	State what the contract or lease is for and the nature of the debtor's interest	Investment Management Agreement	
	State the term remaining	75 Days With Additional Contingencies	Highland Select Equity Master Fund, L.P. 31 Victoria Street Victoria House Hamilton HM10, Bermuda
	List the contract number of any government contract		
2.91.	State what the contract or lease is for and the nature of the debtor's interest	Oms Software	
	State the term remaining	Annual	IBM Websphere 1 New Orchard Road Armonk, NY 10504
	List the contract number of any government contract		
2.92.	State what the contract or lease is for and the nature of the debtor's interest	Discovery Assistant	
	State the term remaining	111 Days	ImageMAKER Development Inc Ste 102,416 - 6th Street New Westminster, BC, Canada V3L3B2
	List the contract number of any government contract		
2.93.	State what the contract or lease is for and the nature of the debtor's interest	Software License Xto Zephyr	
			Informa Investment Solutions 4 Westchester Park Drive White Plain, NY 10604

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Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

State the term remaining **288 Days**

List the contract number of any government contract _____

2.94. State what the contract or lease is for and the nature of the debtor's interest **Style Advisor Software**

State the term remaining **76 Days**

List the contract number of any government contract _____

**Informa Investment Solutions
4 Westchester Park Drive
White Plain, NY 10604**

2.95. State what the contract or lease is for and the nature of the debtor's interest **Research Vendor**

State the term remaining **228 Days**

List the contract number of any government contract _____

**InsiderScore, LLC
100 Thanet Circle
Suite 300
Princeton, NJ 08540**

2.96. State what the contract or lease is for and the nature of the debtor's interest **Data Warehouse Services**

State the term remaining **Variable based on schedule**

List the contract number of any government contract _____

**Interactive Data Pricing and Reference D
32 Crosby Drive
Bedford, MA 01730**

2.97. State what the contract or lease is for and the nature of the debtor's interest **License Deal Model Libraries**

State the term remaining **350 Days**

List the contract number of any government contract _____

**Intex Solutions, Inc.
110 A Street
Needham, MA 02494**

2.98. State what the contract or lease is for and the nature of the debtor's interest **Data Site**

State the term remaining **Variable based on schedule**

List the contract number of any government contract _____

**Intralinks Inc.
150 East 42nd St
8th floor
New York, NY 10017**

Debtor 1 **Highland Capital Management, L.P.**

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First Name Middle Name Last Name

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.99. State what the contract or lease is for and the nature of the debtor's interest **Desktop Usb Monitoring**

State the term remaining **Annual**

List the contract number of any government contract

**Ivanti Security
698 West 10000 South
Jordan, UT 84095**

2.100. State what the contract or lease is for and the nature of the debtor's interest **Amended And Restated Portfolio Management Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract

**Jasper CLO Ltd.
190 Elgin Avenue
George Town, Grand Cayman
KY1-9005, Cayman Islands**

2.101. State what the contract or lease is for and the nature of the debtor's interest **Portfolio Management Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract

**Liberty CLO Ltd.
190 Elgin Avenue
George Town, Grand Cayman
KY1-9005, Cayman Islands**

2.102. State what the contract or lease is for and the nature of the debtor's interest **Group Life Insurance**

State the term remaining **406 Days**

List the contract number of any government contract

**Liberty Life Assurance Company of Boston
100 Liberty Way
Dover, NH 03821**

2.103. State what the contract or lease is for and the nature of the debtor's interest **Financial Institution Bond**

State the term remaining **199 Days**

List the contract number of any government contract

**Liberty Mutual Insurance Company
175 Berkley St
Boston, MA 02116**

2.104. State what the contract or lease is for and the nature of the debtor's interest **Linkedin - Recruiting/Job Posting**

State the term remaining **269 Days**

List the contract number of any government contract

**LinkedIn Corporation
1000 West Maude Avenue
Sunnyvale, CA 94085**

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Case number (if known) **19-34054-SGJ**

First Name Middle Name Last Name

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

government contract

2.105. State what the contract or lease is for and the nature of the debtor's interest

Investment Management Agreement

State the term remaining

Termination Contingent

List the contract number of any government contract

**Longhorn Credit Funding, LLC
874 Walker Rd, Ste C
Dover, DE 19904**

2.106. State what the contract or lease is for and the nature of the debtor's interest

**Amendment No. 1 To Investment Management Agreement
N/A**

State the term remaining

List the contract number of any government contract

**Longhorn Credit Funding, LLC
874 Walker Rd, Ste C
Dover, DE 19904**

2.107. State what the contract or lease is for and the nature of the debtor's interest

Macroeconomic Research Services

State the term remaining

15 Days

List the contract number of any government contract

**MacroMavens
180 W 20th Street
Suite 1700
New York, NY 10011**

2.108. State what the contract or lease is for and the nature of the debtor's interest

Compliance Services

State the term remaining

One month termination

List the contract number of any government contract

**Maples Compliance Services (Cayman) Limit
PO Box 1093, Queensgate House
Grand Cayman, Cayman Islands
KY1-1102**

2.109. State what the contract or lease is for and the nature of the debtor's interest

Nav Calc And Distribution

State the term remaining

223 Days

List the contract number of any government contract

**Markit Equities Limited
c.o Market Group Limited, Level 4
Ropemaker Place, 25 Ropemaker Street
London EC2Y9LY**

2.110. State what the contract or lease is for and the nature of the debtor's interest

Data Services

**Markit Group Limited / Markit North America
2 More London Riverside
London SE12AP**

Debtor 1 **Highland Capital Management, L.P.**

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First Name Middle Name Last Name

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

State the term remaining **60 day termination after initial term of 11/01/2021; variable based on schedules**

List the contract number of any government contract _____

2.111. State what the contract or lease is for and the nature of the debtor's interest **Software License**

State the term remaining **746 Days**

List the contract number of any government contract _____

**MarkitWSO Corporation
Three Lincoln Centre
5430 LBJ Freeway
Ste 800
Dallas, TX 75240**

2.112. State what the contract or lease is for and the nature of the debtor's interest **Wso Software**

State the term remaining **746 Days**

List the contract number of any government contract _____

**MarkitWSO Corporation
Three Lincoln Centre
5430 LBJ Freeway Ste 800
Dallas, TX 75240**

2.113. State what the contract or lease is for and the nature of the debtor's interest **401K Plan Admin**

State the term remaining **47 Days**

List the contract number of any government contract _____

**MBM Advisors, Inc.
440 Louisiana St
Suite 2500
Houston, TX 77002**

2.114. State what the contract or lease is for and the nature of the debtor's interest **Comp Survey**

State the term remaining **30 day termination**

List the contract number of any government contract _____

**McLagan Partners Inc (Aon McLagan)
1600 Summer Street
Ste 601
Stamford, CT 06905**

2.115. State what the contract or lease is for and the nature of the debtor's interest **Subscription To Creditflux News & Clo I-Data Services**

State the term remaining **350 Days**

List the contract number of any government contract _____

**Mergermarket (US) Limited
1501 Broadway
8th Floor
New York, NY 10036**

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Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.116. State what the contract or lease is for and the nature of the debtor's interest **Subscription To Xtract Research**

State the term remaining **45 Days**

List the contract number of any government contract

**Mergermarket (US) Limited
1501 Broadway
Suite 801
New York, NY 10036**

2.117. State what the contract or lease is for and the nature of the debtor's interest **Term Life Insurance**

State the term remaining **188 Days**

List the contract number of any government contract

**Metlife Investors USA Insurance Company
PO Box 13863
Philadelphia, PA 19101**

2.118. State what the contract or lease is for and the nature of the debtor's interest **Ms Software Assurance**

State the term remaining **3 Years**

List the contract number of any government contract

**Microsoft
One Microsoft Way
Redmond, WA 98052**

2.119. State what the contract or lease is for and the nature of the debtor's interest **Creditview Corporate - Leveraged Finance (12 Users)**

State the term remaining **74 Days**

List the contract number of any government contract

**Moody's Analytics, Inc.
7 World Trade Center
New York, NY 10007**

2.120. State what the contract or lease is for and the nature of the debtor's interest **Software License**

State the term remaining **259 Days**

List the contract number of any government contract

**Morningstar Inc.
22 W Washington St
Chicago, IL 60602**

2.121. State what the contract or lease is for and the nature of the debtor's interest **Data License**

State the term remaining **50 Days**

**MSCI Inc.
7 World Trade Center
250 Greenwich St, 49th floor
New York, NY 10007**

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First Name

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Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

List the contract number of any government contract _____

2.122. State what the contract or lease is for and the nature of the debtor's interest **Mailflow Monitoring**

State the term remaining **Monthly**

List the contract number of any government contract _____

**Mxtoolbox
12710 Research Blvd
Ste 225
Austin, TX 00225**

2.123. State what the contract or lease is for and the nature of the debtor's interest **San Maintenance**

State the term remaining **3 Years**

List the contract number of any government contract _____

**Netapp
1395 Crossman Ave
Sunnyvale, CA 94089**

2.124. State what the contract or lease is for and the nature of the debtor's interest **Third Amended And Restated Investment Advisory Agreement**

State the term remaining **30 Day Termination;
One Year Autoextend
After Initial Term Of
8/31/2018**

List the contract number of any government contract _____

**NexBank SSB
2515 McKinney Avenue
Suite 1100
Dallas, TX 75201**

2.125. State what the contract or lease is for and the nature of the debtor's interest **Sub-Servicing Agreement; Shared National Credit Program**

State the term remaining **30 day termination; one year autorenewal after initial term of 1/1/2015, additional termination contingencies**

List the contract number of any government contract _____

**NexBank, SSB
2515 McKinney Avenue
Suite 1100
Dallas, TX 75201**

2.126. State what the contract or lease is for and the nature of the debtor's interest **Sub-Advisory Agreement**

State the term remaining **30 Days With Additional Contingencies**

List the contract number of any government contract _____

**NexPoint Advisors, LP
200 Crescent Court
Ste. 700
Dallas, TX 75201**

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Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

government contract

2.127. State what the contract or lease is for and the nature of the debtor's interest **Amended And Restated Shared Services Agreement**

State the term remaining

30 Days

List the contract number of any government contract

**NexPoint Advisors, LP
200 Crescent Court
Ste. 700
Dallas, TX 75201**

2.128. State what the contract or lease is for and the nature of the debtor's interest **Cloud Single Sign On**

State the term remaining

Monthly

List the contract number of any government contract

**Onelogin
848 Battery Street
San Francisco, CA 94111**

2.129. State what the contract or lease is for and the nature of the debtor's interest **Rightfax Maintenance**

State the term remaining

Annual

List the contract number of any government contract

**Opentext
275 Frank Tompa Drive
Waterloo, ON N2L 0A1
Canada**

2.130. State what the contract or lease is for and the nature of the debtor's interest **Oracle Owns Taleo Our Ats**

State the term remaining

80 Days

List the contract number of any government contract

**Oracle America, Inc.
500 Oracle Parkway
Redwood Shores, CA 94065**

2.131. State what the contract or lease is for and the nature of the debtor's interest **Network Monitoring**

State the term remaining

Annual

List the contract number of any government contract

**Paessler
Thurn-und-Taxis-Str. 14
90411 Nuremberg
Germany**

2.132. State what the contract or lease is for and the nature of the debtor's interest **Collateral Management Agreement**

**PAM Capital Funding, LP / Ranger Asset Management LP
c/o Maples and Calder, PO Box 309
Ugland House, South Church Street, Georg
Grand Cayman, Cayman Islands**

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Case number (if known) **19-34054-SGJ**

First Name Middle Name Last Name

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

State the term remaining **Termination Contingent**

List the contract number of any government contract _____

2.133. State what the contract or lease is for and the nature of the debtor's interest **Collateral Management Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract _____

PamCo Cayman Ltd. / Ranger Asset Management LP
c/o Maples and Calder, PO Box 309
Ugland House, South Church Street, Georg
Grand Cayman, Cayman Islands

2.134. State what the contract or lease is for and the nature of the debtor's interest **Payroll Services**

State the term remaining **N/A**

List the contract number of any government contract _____

Paylocity Corporation
3850 N. Wilke Rd.
Arlington Heights, IL 60004

2.135. State what the contract or lease is for and the nature of the debtor's interest **401Kplan Auditor Erisa Cpa**

State the term remaining **Perpetuity**

List the contract number of any government contract _____

Payne & Smith, LLC
5952 Royal Lane
Ste 158
Dallas, TX 75230

2.136. State what the contract or lease is for and the nature of the debtor's interest **Investment Management Agreement**

State the term remaining **75 Days With Additional Contingencies**

List the contract number of any government contract _____

PCMG Trading Partners XXIII, L.P.
1209 Orange Street
Wilmington, DE 19801

2.137. State what the contract or lease is for and the nature of the debtor's interest **Investment Management Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract _____

PensionDanmark Pensionsforsikringsakties
Langelinie Alle 43
2100 Copenhagen
Attention: Head of Legal
Denmark

Debtor 1 **Highland Capital Management, L.P.**

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First Name Middle Name Last Name

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.138.	State what the contract or lease is for and the nature of the debtor's interest	Amendment No. 1 To Investment Management Agreement	PensionDanmark Pensionsforsikringsakties
	State the term remaining	N/A	Langelinie Alle 43
	List the contract number of any government contract		2100 Copenhagen
			Attention: Head of Legal
			Denmark

2.139.	State what the contract or lease is for and the nature of the debtor's interest	Amended And Restated Administrative Services Agreement	PetroCap Partners II GP, LLC
	State the term remaining	Termination Contingent	Attention: William L. Britain
	List the contract number of any government contract		2602 McKinney Avenue
			Suite 400
			Dallas, TX 75204

2.140.	State what the contract or lease is for and the nature of the debtor's interest	Mail Meter	
	State the term remaining	60 day termination; one year autorenewal after initial term of 09/09/14	Pitney Bowes Global Financial Services
	List the contract number of any government contract		PO Box 371874
			Pittsburgh, PA 15250

2.141.	State what the contract or lease is for and the nature of the debtor's interest	Media Services	
	State the term remaining	106 Days	PR Newswire Association, LLC
	List the contract number of any government contract		602 Plaza
			Three Harborside Financial Center
			Jersey City, NJ 07311

2.142.	State what the contract or lease is for and the nature of the debtor's interest	Actuarial Valuation Retirement Plan	
	State the term remaining	Project Based	PricewaterhouseCoopers LLP
	List the contract number of any government contract		One North Wacker
			Chicago, IL 60606

2.143.	State what the contract or lease is for and the nature of the debtor's interest	Second Amended And Restated Back Office Shared Services And Administration Agreement	Rand Advisors, LLC / Atlas IDF LP, et al
	State the term remaining	30 Day Termination;	Attn John Honis
			87 Railroad Place
			Ste 403
			Saratoga Springs, NY 12866

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First Name Middle Name Last Name

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

**One Year Autorenewal
After Initial Term Of
12/24/2016, Additional
Termination
Contingencies**

List the contract number of any government contract _____

2.144. State what the contract or lease is for and the nature of the debtor's interest **Linux Maintenance**

State the term remaining **Annual**

List the contract number of any government contract _____

**Red Hat
100 East Davie Street
Raleigh, NC 27601**

2.145. State what the contract or lease is for and the nature of the debtor's interest **Servicing Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract _____

**Red River CLO Ltd.
190 Elgin Avenue
George Town Grand Cayman
KY1-9005, Cayman Islands**

2.146. State what the contract or lease is for and the nature of the debtor's interest **Amendment No. 1 To Servicing Agreement**

State the term remaining **N/A**

List the contract number of any government contract _____

**Red River CLO Ltd., et al
190 Elgin Avenue
George Town, Grand Cayman
KY1-9005, Cayman Islands**

2.147. State what the contract or lease is for and the nature of the debtor's interest **Subscription Services, Reorg Americas**

State the term remaining **289 Days**

List the contract number of any government contract _____

**Reorg Research, Inc.
11 East 26th Street
12th Floor
New York, NY 10010**

2.148. State what the contract or lease is for and the nature of the debtor's interest **Servicing Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract _____

**Rockwall CDO II Ltd.
P.O. Box 1093GT, Queensgate House
South Church Street, George Town
Grand Cayman, Cayman Islands**

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First Name Middle Name Last Name

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.149.	State what the contract or lease is for and the nature of the debtor's interest	Interim Collateral Management Agreement	Rockwall CDO Ltd. P.O. Box 1093GT, Queensgate House South Church Street, George Town Grand Cayman, Cayman Islands
	State the term remaining	Termination Contingent	
	List the contract number of any government contract		
2.150.	State what the contract or lease is for and the nature of the debtor's interest	Servicing Agreement	Rockwall CDO Ltd. P.O. Box 1093GT, Queensgate House South Church Street, George Town Grand Cayman, Cayman Islands
	State the term remaining	Termination Contingent	
	List the contract number of any government contract		
2.151.	State what the contract or lease is for and the nature of the debtor's interest	Amendment No. 1 To Servicing Agreement	Rockwall CDO Ltd., et al P.O. Box 1093GT, Queensgate House South Church Street, George Town Grand Cayman, Cayman Islands
	State the term remaining	N/A	
	List the contract number of any government contract		
2.152.	State what the contract or lease is for and the nature of the debtor's interest	Advisory Services Agreement	Romacorp, Inc. 1700 Alma Drive Ste. 400 Plano, TX 75075
	State the term remaining	Termination Contingent	
	List the contract number of any government contract		
2.153.	State what the contract or lease is for and the nature of the debtor's interest	Research Services	S&P Global Market Intelligence LLC 55 Water Street New York, NY 10041
	State the term remaining	442 Days	
	List the contract number of any government contract		
2.154.	State what the contract or lease is for and the nature of the debtor's interest	Subadvisor Agreement	SALI Fund Management, LLC 6836 Austin Center Blvd Ste. 320 Austin, TX 78731
	State the term remaining	Termination Contingent	

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Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

List the contract number of any government contract _____

2.155. State what the contract or lease is for and the nature of the debtor's interest **It Services**

State the term remaining **717 Days**

List the contract number of any government contract _____

**Siepe Services, LLC
2200 Ross Ave, Ste 4700E
Dallas, TX 75201**

2.156. State what the contract or lease is for and the nature of the debtor's interest **Ftp Server Maintenance**

State the term remaining **Annual**

List the contract number of any government contract _____

**Solarwinds
7171 Southwest Parkway
Bldg 400
Austin, TX 78735**

2.157. State what the contract or lease is for and the nature of the debtor's interest **Portfolio Management Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract _____

**Southfork CLO Ltd.
P.O. Box 1093GT, Queensgate House
South Church Street, George Town
Grand Cayman, Cayman Islands**

2.158. State what the contract or lease is for and the nature of the debtor's interest **Research Services**

State the term remaining **320 Days**

List the contract number of any government contract _____

**Spin-off Advisors, LLC
1327 W. Washington Blvd
Suite 4-G
Chicago, IL 60607**

2.159. State what the contract or lease is for and the nature of the debtor's interest **Finders Fee For Acquisitions/Investments**

State the term remaining **Perpetuity**

List the contract number of any government contract _____

**Springboard Network LLC
9900 Spectrum Drive
Austin, TX 78717**

Debtor 1 **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

First Name Middle Name Last Name

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.160.	State what the contract or lease is for and the nature of the debtor's interest	Fourth Admended And Restated Agreement Of Limited Partnership Of Highland Capital Management, L.P.	
	State the term remaining	Perpetuity	
	List the contract number of any government contract		Strand Advisors Inc. 1209 Orange Street Wilmington, DE 19801
2.161.	State what the contract or lease is for and the nature of the debtor's interest	Research Service	
	State the term remaining	442 Days	Strategas Securities, LLC 52 Vanderbilt Ave 8th Floor New York, NY 10017
	List the contract number of any government contract		
2.162.	State what the contract or lease is for and the nature of the debtor's interest	Servicing Agreement	
	State the term remaining	Termination Contingent	Stratford CLO Ltd. P.O. Box 1093GT, Queensgate House South Church Street, George Town Grand Cayman, Cayman Islands
	List the contract number of any government contract		
2.163.	State what the contract or lease is for and the nature of the debtor's interest	Management Services Agreement	
	State the term remaining	Contingent	Structural and Steel Products, Inc 3001 W Pafford Street Fort Worth, TX 76110
	List the contract number of any government contract		
2.164.	State what the contract or lease is for and the nature of the debtor's interest	Electronic Trading Services	
	State the term remaining	30 day termination	SunTrust Robinson Humphrey Inc. SunTrust Robinson Humphrey Attn: Documentation 711 5th Avenue 14th Fl. New York, NY 10022
	List the contract number of any government contract		
2.165.	State what the contract or lease is for and the nature of the debtor's interest	Symphony License	
	State the term remaining	205 Days	Symphony Communication Services LLC 1117 S California Ave Palo Alto, CA 94304

Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

Case number (if known) **19-34054-SGJ**

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

List the contract number of any government contract _____

2.166. State what the contract or lease is for and the nature of the debtor's interest **Electronic Access**

State the term remaining **Perpetuity**

List the contract number of any government contract _____

**The Bank of New York Mellon Trust Company
601 Travis, 16th floor
Houston, TX 77002**

2.167. State what the contract or lease is for and the nature of the debtor's interest **Tax Research Software**

State the term remaining **139 Days**

List the contract number of any government contract _____

**The Bureau of National Affairs, Inc
1801 South Bell Street
Arlington, VA 22202**

2.168. State what the contract or lease is for and the nature of the debtor's interest **Disability Income Insurance**

State the term remaining **258 Days**

List the contract number of any government contract _____

**The Standard
1100 SW Sixth Ave
Portland, OR 97204**

2.169. State what the contract or lease is for and the nature of the debtor's interest **Westlaw Services**

State the term remaining **60 day termination and one year autorenewal; after initial term of 11/29/2021**

List the contract number of any government contract _____

**Thompson Reuters
610 Opperman Drive
PO Box 64833
Eagan, MN 55123**

2.170. State what the contract or lease is for and the nature of the debtor's interest **Tax Research Software**

State the term remaining **224 Days**

List the contract number of any government contract _____

**Thomson Reuters
PO Box 71687
Chicago, IL 60694**

Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

Case number (if known) **19-34054-SGJ**

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.171. State what the contract or lease is for and the nature of the debtor's interest **Dns Server Backup**

State the term remaining **Monthly**

List the contract number of any government contract

**Total Uptime Tech
Post Office Box 2228
Skyland, NC 28776**

2.172. State what the contract or lease is for and the nature of the debtor's interest **Amended And Restated Advisory Services Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract

**Trussway Holdings, Inc.
9411 Alcorn
Houston, TX 77093**

2.173. State what the contract or lease is for and the nature of the debtor's interest **Mail Gateway**

State the term remaining **Annual**

List the contract number of any government contract

**Trustwave
70 W Madison St
Ste. 1050
Chicago, IL 01050**

2.174. State what the contract or lease is for and the nature of the debtor's interest **Mailing**

State the term remaining **1007 Days**

List the contract number of any government contract

**United Parcel Service, Inc
55 Glenlake Parkway
Atlanta, GA 30328**

2.175. State what the contract or lease is for and the nature of the debtor's interest **Reference Portfolio Management Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract

**Valhalla CLO, Ltd.
c/o Intertrust SPV Cayman Limited
190 Elgin Ave, George Town Grand Cayman
Cayman Islands**

2.176. State what the contract or lease is for and the nature of the debtor's interest **Server Backups, Tape**

State the term remaining **Annual**

List the contract number of any government contract

**Veritas Backup Exec
2625 Augustine Drive
Santa Clara, CA 95054**

Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

Case number (if known) **19-34054-SGJ**

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

government contract

2.177. State what the contract or lease is for and the nature of the debtor's interest

Mail Archive Software

State the term remaining

Annual

List the contract number of any government contract

**Veritas Enterprise Vault
2625 Augustine Drive
Santa Clara, CA 95054**

2.178. State what the contract or lease is for and the nature of the debtor's interest

Print Services

State the term remaining

Monthly

List the contract number of any government contract

**Verity Group
885 E Collins Blvd
Ste. 102
Richardson, TX 75081**

2.179. State what the contract or lease is for and the nature of the debtor's interest

Servicing Agreement

State the term remaining

Termination Contingent

List the contract number of any government contract

**Westchester CLO Ltd.
P.O. Box 1093GT, Queensgate House
South Church Street, George Town
Grand Cayman, Cayman Islands**

2.180. State what the contract or lease is for and the nature of the debtor's interest

**Tax Return Software;
File Document Storage
Software**

State the term remaining

37 Days

List the contract number of any government contract

**Wolters Kluwer
1999 Bryan Street
Ste 900
Dallas, TX 75201**

2.181. State what the contract or lease is for and the nature of the debtor's interest

Public Website Hosting

State the term remaining

Monthly

List the contract number of any government contract

**WP Engine
504 Lavaca Street
Suite 1000
Austin, TX 78701**

2.182. State what the contract or lease is for and the nature of the debtor's interest

Print Services

**Xerox
45 Glover Ave
Norwalk, CT 06856**

Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

Case number (if known) **19-34054-SGJ**

Additional Page if You Have More Contracts or Leases

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

State the term remaining **Monthly**

List the contract number of any government contract _____

2.183. State what the contract or lease is for and the nature of the debtor's interest **Wan Line**

State the term remaining **2 Years**

List the contract number of any government contract _____

**Zayo Group
1821 30th Street
Unit A
Boulder, CO 80301**

2.184. State what the contract or lease is for and the nature of the debtor's interest **Helpdesk Platform**

State the term remaining **Monthly**

List the contract number of any government contract _____

**Zendesk
1019 Market St
San Francisco, CA 94103**

2.185. State what the contract or lease is for and the nature of the debtor's interest **Web Proxy**

State the term remaining **Annual**

List the contract number of any government contract _____

**Zscaler
110 Rose Orchard Way
San Jose, CA 95134**

Fill in this information to identify the case:

Debtor name Highland Capital Management, L.P.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXAS

Case number (if known) 19-34054-SGJ

☐ Check if this is an amended filing

Official Form 206H
Schedule H: Your Codebtors

12/15

Be as complete and accurate as possible. If more space is needed, copy the Additional Page, numbering the entries consecutively. Attach the Additional Page to this page.

1. Do you have any codebtors?

- ☐ No. Check this box and submit this form to the court with the debtor's other schedules. Nothing else needs to be reported on this form.
☒ Yes

2. In Column 1, list as codebtors all of the people or entities who are also liable for any debts listed by the debtor in the schedules of creditors, Schedules D-G. Include all guarantors and co-obligors. In Column 2, identify the creditor to whom the debt is owed and each schedule on which the creditor is listed. If the codebtor is liable on a debt to more than one creditor, list each creditor separately in Column 2.

Column 1: Codebtor

Column 2: Creditor

Name

Mailing Address

Name

Check all schedules that apply:

2.1 Acis CLO 2014-3 Ltd.

P.O. Box 1093, Boundary Hall, Cricket Sq
George Town, Grand Cayman
KY1-1102 Cayman Islands

Lynn Pinker Cox & Hurst, LLP

☐ D _____
☒ E/F 3.82
☐ G _____

2.2 Acis CLO 2014-3 Ltd.

P.O. Box 1093, Boundary Hall, Cricket Sq
George Town, Grand Cayman
KY1-1102 Cayman Islands

Foley Gardere

☐ D _____
☒ E/F 3.56
☐ G _____

2.3 Highland CLO 2014-3R LLC

300 Crescent Ct
Suite 700
Dallas, TX 75201

Cole Schotz

☐ D _____
☒ E/F 3.35
☐ G _____

2.4 Highland CLO 2014-3R Ltd.

300 Crescent Ct.
Suite 700
Dallas, TX 75201

Cole Schotz

☐ D _____
☒ E/F 3.35
☐ G _____

Debtor **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

Additional Page to List More Codebtors

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

Column 1: Codebtor

Column 2: Creditor

2.5	Highland CLO Funding, Ltd.	First Floor, Dorey Court, Admiral Park St. Peter Port, Guernsey GY1 6HJ Channel Islands	Foley Gardere	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F 3.56 <input type="checkbox"/> G _____
2.6	Highland CLO Holding, Ltd.	PO Box 309 Ugland House S. Church St. George Town, Grand Cayman KY1-1004 Cayman Island	Foley Gardere	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F 3.56 <input type="checkbox"/> G _____
2.7	Highland CLO Holding, Ltd.	PO Box 309 Ugland House S. Church St. George Town, Grand Cayman KY1-1004 Cayman Island	Lynn Pinker Cox & Hurst, LLP	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F 3.82 <input type="checkbox"/> G _____
2.8	Highland CLO Management GP, LLC	1209 Orange St Wilmington, DE 19801	Cole Schotz	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F 3.35 <input type="checkbox"/> G _____
2.9	Highland CLO Management Holdings, L.P.	PO Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands	Cole Schotz	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F 3.35 <input type="checkbox"/> G _____
2.10	Highland CLO Management, LLC	1209 Orange St. Wilmington, DE 19801	Cole Schotz	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F 3.35 <input type="checkbox"/> G _____
2.11	Highland CLO Management, Ltd.	PO Box 309 Ugland House, S. Church St. George Town, Grand Cayman KY1-1004 Cayman Islands	Foley Gardere	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F 3.56 <input type="checkbox"/> G _____

Debtor **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

Additional Page to List More Codebtors

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

Column 1: Codebtor

Column 2: Creditor

2.12	Highland CLO Management, Ltd.	PO Box 309 Ugland House, S. Church St. George Town, Grand Cayman KY1-1004 Cayman Islands	Lynn Pinker Cox & Hurst, LLP	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.82</u> <input type="checkbox"/> G _____
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2.13	Highland CLO Trust	PO Box 309 Ugland House George Town, Grand Cayman KY1-1104 Cayman Islands	Cole Schotz	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.35</u> <input type="checkbox"/> G _____
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2.14	Highland Credit Opportunities CDO, LP	1209 Orange St Wilmington, DE 19801	Reid Collins & Tsai	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.96</u> <input type="checkbox"/> G _____
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2.15	Highland Credit Strategies Master FundLP	31 Victoria St Hamilton HM10	Reid Collins & Tsai	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.96</u> <input type="checkbox"/> G _____
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2.16	Highland Crusader Offshore Partners, L.P	Magnolia House Building, 1st Floor 119 Front Street Hamilton HM 12	Reid Collins & Tsai	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.96</u> <input type="checkbox"/> G _____
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2.17	Highland Employee Retention Assets, LLC	1209 Orange St Wilmington, DE 19801	DLA Piper LLP (US)	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.48</u> <input type="checkbox"/> G _____
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2.18	Highland ERA Management, LLC	1209 Orange St. Wilmington, DE 19801	DLA Piper LLP (US)	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.48</u> <input type="checkbox"/> G _____
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Debtor **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

Additional Page to List More Codebtors

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

Column 1: Codebtor

Column 2: Creditor

2.19	Highland HCF Advisor, Ltd.	PO Box 309 Ugland House S. Church St. George Town, Grand Cayman KY1-1004 Cayman Island	Cole Schotz	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F 3.35 <input type="checkbox"/> G _____
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2.20	Highland HCF Advisor, Ltd.	PO Box 309 Ugland House S. Church St. George Town, Grand Cayman KY1-1004 Cayman Island	Foley Gardere	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F 3.56 <input type="checkbox"/> G _____
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2.21	Highland HCF Advisor, Ltd.	PO Box 309 Ugland House S. Church St. George Town, Grand Cayman KY1-1004 Cayman Island	Lynn Pinker Cox & Hurst, LLP	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F 3.82 <input type="checkbox"/> G _____
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2.22	James Dondero	300 Crescent Ct. Suite 700 Dallas, TX 75201	DLA Piper LLP (US)	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F 3.48 <input type="checkbox"/> G _____
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2.23	NexBank, SSB	2515 McKinney Ave #1100 Dallas, TX 75201	Stinson Leonard Street LLP	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F 3.105 <input type="checkbox"/> G _____
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2.24	Strand Advisors, Inc.	1209 Orange St. Wilmington, DE 19801	Reid Collins & Tsai	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F 3.96 <input type="checkbox"/> G _____
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Fill in this information to identify the case:

Debtor name Highland Capital Management, L.P.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXAS

Case number (if known) 19-34054-SGJ

☐ Check if this is an amended filing

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING – Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

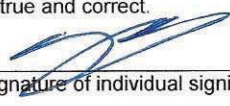
I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☒ *Schedule A/B: Assets—Real and Personal Property* (Official Form 206A/B)
- ☒ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)
- ☒ *Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)
- ☒ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)
- ☒ *Schedule H: Codebtors* (Official Form 206H)
- ☒ *Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)
- ☐ Amended Schedule
- ☐ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- ☐ Other document that requires a declaration _____

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 13, 2019

X



Signature of individual signing on behalf of debtor

Bradley Sharp

Printed name

Chief Restructuring Officer

Position or relationship to debtor

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

In re:	§	Chapter 11
HIGHLAND CAPITAL MANAGEMENT, L.P., ¹	§	Case No. 19-34054-sgj11
Debtor.	§	
	§	

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODS, AND
DISCLAIMER REGARDING DEBTOR’S SCHEDULES OF ASSETS AND
LIABILITIES AND STATEMENT OF FINANCIAL AFFAIRS**

Highland Capital Management, L.P. (the “Debtor”) submits its Schedules of Assets and Liabilities (the “Schedules”) and Statement of Financial Affairs (the “SoFA”) in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Bankruptcy Court”). The Debtor, with the assistance of its advisors and management, prepared the Schedules and SoFA in accordance with section 521 title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

These Global Notes and Statement of Limitations, Methods, and Disclaimer Regarding the Debtor’s Schedules and SoFA (collectively, the “Global Notes”) pertain to, are incorporated by reference in, and comprise an integral part of the Schedules and SoFA. These Global Notes should be referred to, and reviewed in connection with any review of the Schedules and SoFA.²

The Schedules and SoFA have been prepared by the Debtor with the assistance and under the direction of the Debtor’s proposed Chief Restructuring Officer and additional personnel at Development Specialists, Inc. (collectively, the “CRO”) and are unaudited and subject to further review and potential adjustment and amendment. In preparing the Schedules and SoFA, the CRO relied on financial data derived from the Debtor’s books and records that was available at the time of preparation. The CRO has made reasonable efforts to ensure the accuracy and completeness of such financial information, however, subsequent information or discovery of other relevant facts may result in material changes to the Schedules and SoFA and inadvertent errors, omissions, or inaccuracies may exist. The Debtor reserves all rights to amend or supplement its Schedules and SoFA.

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

² These Global Notes are in addition to any specific notes contained in the Debtor’s Schedules or SoFA. The fact that the Debtor has prepared a “general note” with respect to any of the Schedules and SoFA and not to others should not be interpreted as a decision by the Debtor to exclude the applicability of such general note to any of the Debtor’s remaining Schedules and SoFA, as appropriate.

Reservation of Rights. The Debtor reserves all rights to amend the SoFA and Schedules in all respects, as may be necessary or appropriate, including, but not limited to, the right to dispute or to assert offsets or defenses to any claim reflected on the SoFA and Schedules as to amount, liability or classification of the claim, or to otherwise subsequently designate any claim as “disputed,” “contingent” or “unliquidated.” Furthermore, nothing contained in the SoFA and Schedules shall constitute a waiver of rights by the Debtor involving any present or future causes of action, contested matters or other issues under the provisions of the Bankruptcy Code or other applicable non-bankruptcy laws.

Description of the Case and “As Is” Information Date. On October 16, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief with the United States Bankruptcy Court for the District of Delaware (the “Delaware Bankruptcy Court”) under Chapter 11 of the Bankruptcy Code. The Debtor is managing its assets as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On December 4, 2019, the Delaware Bankruptcy Court entered an Order transferring this case to the Bankruptcy Court [Docket No. 1].

Asset information in the Schedules reflects the Debtor’s best estimate of asset values as of the Petition Date, unless otherwise noted. No independent valuation has been obtained.

Basis of Presentation. The Schedules and SoFA do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles (“GAAP”), nor are they intended to fully reconcile to any financial statements otherwise prepared and/or distributed by the Debtor.

Although these Schedules and SoFA may, at times, incorporate information prepared in accordance with GAAP, the Schedules and SoFA neither purport to represent nor reconcile to financial statements prepared and/or distributed by the Debtor in accordance with GAAP or otherwise. Moreover, given, among other things, the valuation and nature of certain liabilities, to the extent that the Debtor shows more assets than liabilities, this is not a conclusion that the Debtor was solvent at the Petition Date. Likewise, to the extent that the Debtor shows more liabilities than assets, this is not a conclusion that the Debtor was insolvent at the Petition Date or any time prior to the Petition Date.

Estimates. To timely close the books and records of the Debtor, the CRO must make certain estimates and assumptions that affect the reported amounts of assets and liabilities and reported revenue and expenses. The Debtor reserves all rights to amend the reported amounts of assets, liabilities, revenue, and expenses to reflect changes in those estimates and assumptions.

Confidentiality. There may be instances within the Schedules and SoFA where names, addresses, or amounts have been left blank. Due to the nature of an agreement between the Debtor and the third party, concerns of confidentiality, or concerns for the privacy of an individual, the Debtor may have deemed it appropriate and necessary to avoid listing such names, addresses, and amounts.

Intercompany Claims. Any receivables and payables between the Debtor and affiliated or related entities in this case (each an “Intercompany Receivable” or “Intercompany Payable” and, collectively, the “Intercompany Claims”) are reported as assets on Schedule B or liabilities on Schedule E and Schedule F. These Intercompany Claims include the following components, among others: 1) loans to affiliates or related entities, 2) accounts payable and payroll disbursements made out of an affiliate’s or related entity’s bank accounts on behalf of the Debtor, 3) centrally billed expenses, 4) corporate expense allocations, and 5) accounting for trade and other intercompany transactions. These Intercompany Claims may or may not result in allowed or enforceable claims by or against the Debtor, and by listing these claims the Debtor is not indicating a conclusion that the Intercompany Claims are enforceable. Intercompany Claims may also be subject to set off, recoupment, and netting not reflected in the Schedules. In situations where there is not an enforceable claim, the assets and/or liabilities of the Debtor may be greater or lesser than the amounts stated herein. All rights to amend intercompany Claims in the Schedules and SoFA are reserved.

The Debtor has listed the intercompany payables as unsecured claims on Schedule F. The Debtor reserves its rights to later change the characterization, classification, categorization, or designation of such items.

Insiders. For purposes of the Schedules and SoFA, the Debtor defines “insider” pursuant to section 101(31) of the Bankruptcy Code. Payments to insiders are set forth on Question 3.c. of the SoFA.

Persons listed as “insiders” have been included for informational purposes only. The Debtor did not take any position with respect to whether such individual could successfully argue that he or she is not an “insider” under applicable law, including without limitation, the federal securities laws, or with respect to any theories of liability or for any other purpose. Inclusion of any party in the Schedules and SoFA as an insider does not constitute an admission that such party is an insider or a waiver of such party’s right to dispute insider status.

Excluded Accruals and GAAP Entries. The Debtor’s balance sheet reflects liabilities recognized in accordance with GAAP; however, not all such liabilities would result in a claim against the Debtor. Certain liabilities (including but not limited to certain reserves, deferred charges, and future contractual obligations) have not been included in the Debtor’s Schedules. Other immaterial assets and liabilities may also have been excluded.

Classification and Claim Descriptions. Any failure to designate a claim on the Schedules as “disputed,” “contingent” or “unliquidated” does not constitute an admission by the Debtor that such amount is not “disputed,” “contingent” or “unliquidated.” The Debtor reserves the right to dispute, or to assert offsets or defenses to, any claim reflected on its Schedules as to amount, liability or classification or to otherwise subsequently designate any claim as “disputed,” “contingent” or “unliquidated.”

Listing a claim (i) in Schedule D as “secured,” (ii) in Schedule E as “priority” or (iii) in Schedule F as “unsecured nonpriority,” or listing a contract in Schedule G as “executory” or “unexpired,” does not constitute an admission by the Debtor of the legal rights of the claimant or a waiver of the Debtor’s right to recharacterize or reclassify such claim or contract.

Moreover, the Debtor reserves all rights to amend the SoFA and Schedules, in all respects, as may be necessary or appropriate, including, but not limited to, the right to dispute or to assert offsets or defenses to any claim reflected on the SoFA and Schedules as to amount, liability or classification of the claim, or to otherwise subsequently designate any claim as “disputed,” “contingent” or “unliquidated.” Furthermore, nothing contained in the SoFA and Schedules shall constitute a waiver of rights by the Debtor involving any present or future causes of action, contested matters or other issues under the provisions of the Bankruptcy Code or other relevant non-bankruptcy laws.

Credits and Adjustments. The claims of individual creditors for, among other things, goods, products, services or taxes are listed as the amounts entered on the Debtor’s books and records and may not reflect credits, allowances or other adjustments due from such creditors to the Debtor. The Debtor reserves all of its rights respecting such credits, allowances or other adjustments.

Setoffs. The Debtor may incur setoffs from third parties in its business. Setoffs in the ordinary course can result from various routine transactions, including intercompany transactions, pricing discrepancies, warranty claims and other disputes between the Debtor and third parties. Certain of these constitute normal setoffs consistent with the ordinary course of business in the Debtor’s industry. In such instances, such ordinary course setoffs are excluded from the Debtor’s responses to Question 13 of the SoFA. The Debtor reserves all rights to enforce or challenge, as the case may be, any setoffs that have been or may be asserted.

Specific Notes. These general notes are in addition to the specific notes set forth below or in the related Statement and Schedules hereinafter.

General Disclaimer

The Debtor has prepared the Schedules and the SoFA based on the information reflected in the Debtor’s books and records. However, inasmuch as the Debtor’s books and records have not been audited or formally closed and evaluated for proper cut-off on the Petition Date, the Debtor cannot warrant the absolute accuracy of these documents. The Debtor has made a diligent effort to complete these documents accurately and completely. To the extent additional information becomes available, the Debtor will amend and supplement the Schedules and SoFA.

Specific Schedules Disclosures

- a. **Schedule A/B, Part 4 - Investments; Non-Publicly Traded Stock and Interests in Incorporated and Unincorporated Businesses, including any Interest in an LLC, Partnership, or Joint Venture.** Certain ownership interests in subsidiaries have been listed in Schedule A/B, Part 4, at their book value on account of the fact that the fair market value of such ownership is dependent on numerous variables and factors. Fair value of such interests may differ significantly from their net book value. Further, for investments listed at fair value, many of the Debtor’s assets are not exchange traded and are fair valued utilizing unobservable

inputs, historical information, and significant and/or subjective estimates. As a result the liquidity and ultimately realized value of such investments may differ materially from the fair value listed on the schedule.

- b. **Schedule A/B, Part 7 - Office Furniture, Fixtures, and Equipment; and Collectibles.** Dollar amounts are presented net of accumulated depreciation and other adjustments.
- c. **Schedule A/B, Part 11 - All Other Assets.** Dollar amounts are presented net of impairments and other adjustments. Debtor has reflected “unknown” for value of its interests in various other assets. While the face value of the notes receivable is included, the current value of these as well as the other assets has not been determined and may differ materially.

Additionally, the Debtor may receive refunds, income tax refunds or other sales tax refunds at various times throughout its fiscal year. As of the Petition Date, however, certain of these amounts are unknown to the Debtor, and accordingly, may not be listed in Schedule A/B.

Other Contingent and Unliquidated Claims or Causes of Action of Every Nature, including Counterclaims of the Debtor and Rights to Setoff Claims. In the ordinary course of its business, the Debtor may have accrued, or may subsequently accrue, certain rights to counter-claims, cross-claims, setoffs, or refunds with its customers and suppliers. Additionally, the Debtor may be party to pending litigation in which the Debtor has asserted, or may assert, claims as a plaintiff or counter-claims and/or cross-claims as a defendant. Because certain of these claims are unknown to the Debtor and not quantifiable as of the Petition Date, they may not be listed on Schedule A/B, Part 11.

- d. **Schedule D - Creditors Who Have Claims Secured by Property.** The Debtor reserves its rights to dispute or challenge the validity, perfection, or immunity from avoidance of any lien purported to be granted or perfected in any specific asset to a secured creditor listed on Schedule D. Moreover, although the Debtor has scheduled claims of various creditors as secured claims, the Debtor reserves all rights to dispute or challenge the secured nature of any such creditor’s claim or the characterization of the structure of any such transaction or any document or instrument related to such creditor’s claim.

The descriptions provided in Schedule D are intended only to be a summary. Reference to the applicable agreements and other related relevant documents is necessary for a complete description of the collateral and the nature, extent, and priority of any liens.

The Debtor has not included on Schedule D parties that may believe their claims are secured through setoff rights or inchoate statutory lien rights. Although there are multiple parties that hold a portion of the debt included in the secured

facilities, only the administrative agents have been listed for purposes of Schedule D.

e. **Schedule E/F - Creditors Who Have Unsecured Claims.**

Part 1 - Creditors with Priority Unsecured Claims. Pursuant to the *Order (I) Authorizing the Debtor to (A) Pay and Honor Prepetition Compensation, Reimbursable Business Expenses, and Employee Benefit Obligations, and (B) Maintain and Continue Certain Compensation and Benefit Programs Postpetition; and (11) Granting Related Relief* [Docket No. 39] (the “Wage Order”), the Debtor received authority to pay certain prepetition obligations, including to pay employee wages and other employee benefits, in the ordinary course of business. The Debtor believes that any non-insider employee claims for prepetition amounts related to ongoing payroll and benefits, whether allowable as a priority or nonpriority claim, which were due and payable at the time of the Petition Date have been or will be satisfied as permitted pursuant to the Wage Order. The Debtor filed the *Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations under Employee Bonus Plans and Granting Related Relief* [Docket No. 177] pursuant to which the Debtor seeks authority to pay and honor certain prepetition bonus programs. Employee claims related to these programs are shown in the aggregate amounts in Schedule E/F for privacy reasons. Additional information is available by appropriate request to the Debtor. The listing of a claim on Schedule E/F, Part 1, does not constitute an admission by the Debtor that such claim or any portion thereof is entitled to priority status.

Part 2 - Creditors with Nonpriority Unsecured Claims. The liabilities identified in Schedule E/F, Part 2, are derived from the Debtor’s books and records. The Debtor made a reasonable attempt to set forth its unsecured obligations, although the actual amount of claims against the Debtor may vary from those liabilities represented on Schedule E/F, Part 2. The listed liabilities may not reflect the correct amount of any unsecured creditor’s allowed claims or the correct amount of all unsecured claims.

Schedule E/F, Part 2 reflects liabilities based on the Debtor’s books and records.

Schedule E/F, Part 2, contains information regarding threatened or pending litigation involving the Debtor. The amounts for these potential claims are listed as “unknown” and are marked as contingent, unliquidated, and disputed in the Schedules and Statements. Additionally, the amounts of certain litigation claims may be estimates based on the allegations asserted by the litigation counterparty, and do not constitute an admission by the Debtor with respect to either liability for, or the amount of, such claims.

Schedule E/F, Part 2, reflects certain prepetition amounts owing to counterparties to executory contracts and unexpired leases. Such prepetition amounts, however,

may be paid in connection with the assumption or assumption and assignment of an executory contract or unexpired lease. In addition, Schedule E/F, Part 2, does not include claims that may arise in connection with the rejection of any executory contracts and unexpired leases, if any, that may be or have been rejected.

As of the time of filing of the Schedules and Statements, the Debtor had not received all invoices for payables, expenses, and other liabilities that may have accrued prior to the Petition Date. Accordingly, the information contained in Schedules D and E/F may be incomplete. The Debtor reserves its rights to amend Schedules D and E/F if and as it receive such invoices.

- f. **Schedule G - Executory Contracts and Unexpired Leases.** While reasonable efforts have been made to ensure the accuracy of Schedule G, inadvertent errors or omissions may have occurred.

Listing a contract or agreement on Schedule G does not constitute an admission that such contract or agreement is an executory contract or unexpired lease or that such contract or agreement was in effect on the Petition Date or is valid or enforceable. The Debtor hereby reserves all of its rights to dispute the validity, status, or enforceability of any contracts, agreements, or leases set forth in Schedule G and to amend or supplement such Schedule as necessary. Certain of the leases and contracts listed on Schedule G may contain renewal options, guarantees of payment, indemnifications, options to purchase, rights of first refusal and other miscellaneous rights. Such rights, powers, duties and obligations are not set forth separately on Schedule G. In addition, the Debtor may have entered into various other types of agreements in the ordinary course of its business, such as supplemental agreements, amendments, and letter agreement, which documents may not be set forth in Schedule G.

Certain of the agreements listed on Schedule G may have expired or terminated pursuant to their terms, but are listed on Schedule G in an abundance of caution.

The Debtor reserves all rights to dispute or challenge the characterization of any transaction or any document or instrument related to a creditor's claim.

In some cases, the same supplier or provider may appear multiple times in Schedule G. Multiple listings, if any, reflect distinct agreements between the Debtor and such supplier or provider.

The listing of any contract on Schedule G does not constitute an admission by the Debtor as to the validity of any such contract. The Debtor reserves the right to dispute the effectiveness of any such contract listed on Schedule G or to amend Schedule G at any time to remove any contract.

Omission of a contract or agreement from Schedule G does not constitute an admission that such omitted contract or agreement is not an executory contract or

unexpired lease. The Debtor's rights under the Bankruptcy Code with respect to any such omitted contracts or agreements are not impaired by the omission.

Fill in this information to identify the case:

Debtor name Highland Capital Management, L.P.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXAS

Case number (if known) 19-34054-SGJ

☐ Check if this is an amended filing

Official Form 207

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

04/19

The debtor must answer every question. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known).

Part 1: Income

1. Gross revenue from business

☐ None.

Identify the beginning and ending dates of the debtor's fiscal year, which may be a calendar year

Sources of revenue
Check all that apply

Gross revenue
(before deductions and exclusions)

From the beginning of the fiscal year to filing date:
From 1/01/2019 to Filing Date

☒ Operating a business
☒ Other Exhibit A

\$28,431,156.97

From the beginning of the fiscal year to filing date:
From 1/01/2019 to Filing Date

☐ Operating a business
☒ Other Exhibit A - Other Gain/(Loss)

\$125,310,540.63

For prior year:
From 1/01/2018 to 12/31/2018

☒ Operating a business
☒ Other Exhibit A

\$50,365,069.40

For prior year:
From 1/01/2018 to 12/31/2018

☐ Operating a business
☒ Other Exhibit A - Other Gain/(Loss)

\$-52,929,268.33

For year before that:
From 1/01/2017 to 12/31/2017

☒ Operating a business
☒ Other Exhibit A

\$67,911,079.00

For year before that:
From 1/01/2017 to 12/31/2017

☐ Operating a business
☒ Other Exhibit A - Other Gain/(Loss)

\$47,701,590.21

Debtor **Highland Capital Management, L.P.**Case number (if known) **19-34054-SGJ****2. Non-business revenue**

Include revenue regardless of whether that revenue is taxable. *Non-business income* may include interest, dividends, money collected from lawsuits, and royalties. List each source and the gross revenue for each separately. Do not include revenue listed in line 1.

☒ None.

Description of sources of revenue	Gross revenue from each source (before deductions and exclusions)
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Part 2: List Certain Transfers Made Before Filing for Bankruptcy**3. Certain payments or transfers to creditors within 90 days before filing this case**

List payments or transfers—including expense reimbursements—to any creditor, other than regular employee compensation, within 90 days before filing this case unless the aggregate value of all property transferred to that creditor is less than \$6,825. (This amount may be adjusted on 4/01/22 and every 3 years after that with respect to cases filed on or after the date of adjustment.)

☐ None.

Creditor's Name and Address	Dates	Total amount of value	Reasons for payment or transfer Check all that apply
3.1. Exhibit B		\$23,255,006.86	<input type="checkbox"/> Secured debt <input type="checkbox"/> Unsecured loan repayments <input type="checkbox"/> Suppliers or vendors <input type="checkbox"/> Services <input type="checkbox"/> Other__

4. Payments or other transfers of property made within 1 year before filing this case that benefited any insider

List payments or transfers, including expense reimbursements, made within 1 year before filing this case on debts owed to an insider or guaranteed or cosigned by an insider unless the aggregate value of all property transferred to or for the benefit of the insider is less than \$6,825. (This amount may be adjusted on 4/01/22 and every 3 years after that with respect to cases filed on or after the date of adjustment.) Do not include any payments listed in line 3. *Insiders* include officers, directors, and anyone in control of a corporate debtor and their relatives; general partners of a partnership debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(31).

☐ None.

Insider's name and address Relationship to debtor	Dates	Total amount of value	Reasons for payment or transfer
4.1. Exhibit C		\$36,608,252.91	

5. Repossessions, foreclosures, and returns

List all property of the debtor that was obtained by a creditor within 1 year before filing this case, including property repossessed by a creditor, sold at a foreclosure sale, transferred by a deed in lieu of foreclosure, or returned to the seller. Do not include property listed in line 6.

☒ None

Creditor's name and address	Describe of the Property	Date	Value of property
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6. Setoffs

List any creditor, including a bank or financial institution, that within 90 days before filing this case set off or otherwise took anything from an account of the debtor without permission or refused to make a payment at the debtor's direction from an account of the debtor because the debtor owed a debt.

☒ None

Creditor's name and address	Description of the action creditor took	Date action was taken	Amount
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Part 3: Legal Actions or Assignments**7. Legal actions, administrative proceedings, court actions, executions, attachments, or governmental audits**

List the legal actions, proceedings, investigations, arbitrations, mediations, and audits by federal or state agencies in which the debtor was involved in any capacity—within 1 year before filing this case.

Debtor **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

☐ None.

Case title Case number	Nature of case	Court or agency's name and address	Status of case
7.1. Exhibit D			<input type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.2. Internal dispute resolution department within the IRS	IRS Appeal	Department of the Treasury 4050 Alpha Road Suite 517, MC: 8000NDAL Dallas, TX 75201-7849	<input type="checkbox"/> Pending <input checked="" type="checkbox"/> On appeal <input type="checkbox"/> Concluded

8. Assignments and receivership

List any property in the hands of an assignee for the benefit of creditors during the 120 days before filing this case and any property in the hands of a receiver, custodian, or other court-appointed officer within 1 year before filing this case.

☒ None

Part 4: Certain Gifts and Charitable Contributions

9. List all gifts or charitable contributions the debtor gave to a recipient within 2 years before filing this case unless the aggregate value of the gifts to that recipient is less than \$1,000

☐ None

Recipient's name and address	Description of the gifts or contributions	Dates given	Value
9.1. Exhibit E	Debtor does not track recipient of gift or contribution.		\$445,725.61
Recipients relationship to debtor			

Part 5: Certain Losses

10. All losses from fire, theft, or other casualty within 1 year before filing this case.

☒ None

Description of the property lost and how the loss occurred	Amount of payments received for the loss	Dates of loss	Value of property lost
	<p>If you have received payments to cover the loss, for example, from insurance, government compensation, or tort liability, list the total received.</p> <p>List unpaid claims on Official Form 106A/B (Schedule A/B: Assets – Real and Personal Property).</p>		

Part 6: Certain Payments or Transfers

11. Payments related to bankruptcy

List any payments of money or other transfers of property made by the debtor or person acting on behalf of the debtor within 1 year before the filing of this case to another person or entity, including attorneys, that the debtor consulted about debt consolidation or restructuring, seeking bankruptcy relief, or filing a bankruptcy case.

☐ None.

Who was paid or who received the transfer? Address	If not money, describe any property transferred	Dates	Total amount or value
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Debtor **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

	Who was paid or who received the transfer? Address	If not money, describe any property transferred	Dates	Total amount or value
11.1.	Development Specialists, Inc. 10 South LaSalle Suite 3300 Chicago, IL 60603		10/07/2019	\$250,000.00
	Email or website address dsiconsulting.com			
	Who made the payment, if not debtor?			
11.2.	Pachulski Stang Ziehl & Jones LLP 10100 Santa Monica Blvd. 13th Floor Los Angeles, CA 90067		10/02/2019	\$500,000.00
	Email or website address http://www.pszjlaw.com/			
	Who made the payment, if not debtor?			
11.3.	Kurtzman Carson Consultants LLC Dept CH 16639 Palatine, IL 60055		10/07/2019	\$50,000.00
	Email or website address https://www.kccllc.com/			
	Who made the payment, if not debtor?			

12. Self-settled trusts of which the debtor is a beneficiary

List any payments or transfers of property made by the debtor or a person acting on behalf of the debtor within 10 years before the filing of this case to a self-settled trust or similar device.

Do not include transfers already listed on this statement.

☒ None.

Name of trust or device	Describe any property transferred	Dates transfers were made	Total amount or value
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13. Transfers not already listed on this statement

List any transfers of money or other property by sale, trade, or any other means made by the debtor or a person acting on behalf of the debtor within 2 years before the filing of this case to another person, other than property transferred in the ordinary course of business or financial affairs. Include both outright transfers and transfers made as security. Do not include gifts or transfers previously listed on this statement.

☐ None.

Debtor **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

	Who received transfer? Address	Description of property transferred or payments received or debts paid in exchange	Date transfer was made	Total amount or value
13.1	Highland Select Equity Fund, L.P. 300 Crescent Ct. Dallas, TX 75201	Transfer of 888,731 shares of public security in exchange for LP interest.	12/26/2018	\$19,632,067.79
	Relationship to debtor Fund managed by the debtor.			
13.2	Highland Select Equity Fund, L.P. 300 Crescent Ct. Dallas, TX 75201	Transfer of 214,000 shares of public security in exchange for LP interest.	3/12/2018	\$6,385,760.00
	Relationship to debtor Fund managed by the debtor			
13.3	Highland Select Equity Fund, L.P. 300 Crescent Ct. Suite 700 Dallas, TX 75201	Transfer of 250,000 shares of public security for LP interest	7/23/2019	\$10,297,500.00
	Relationship to debtor Fund managed by the debtor			

Part 7: Previous Locations

14. Previous addresses

List all previous addresses used by the debtor within 3 years before filing this case and the dates the addresses were used.

☐ Does not apply

	Address	Dates of occupancy From-To
14.1.	Parkway Bent Tree 17130 Dallas Parkway Suite 230 Dallas, TX 75248	10/16/2016 – 8/30/2018
14.2.	2200 Ross Avenue Suite 4700E Storage Site Dallas, TX 75201	10/16/2016 – 12/31/2018

Part 8: Health Care Bankruptcies

15. Health Care bankruptcies

Is the debtor primarily engaged in offering services and facilities for:

- diagnosing or treating injury, deformity, or disease, or
- providing any surgical, psychiatric, drug treatment, or obstetric care?

- ☒ No. Go to Part 9.
☐ Yes. Fill in the information below.

Facility name and address	Nature of the business operation, including type of services the debtor provides	If debtor provides meals and housing, number of patients in debtor's care
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Debtor Highland Capital Management, L.P.

Case number (if known) 19-34054-SGJ

Part 9: Personally Identifiable Information

16. Does the debtor collect and retain personally identifiable information of customers?

- ☐ No.
☒ Yes. State the nature of the information collected and retained.

Debtor has information including SS#, tax ID, mailing address, email address, and limited KYC for fund investors.

Does the debtor have a privacy policy about that information?

- ☐ No
☒ Yes

17. Within 6 years before filing this case, have any employees of the debtor been participants in any ERISA, 401(k), 403(b), or other pension or profit-sharing plan made available by the debtor as an employee benefit?

- ☐ No. Go to Part 10.
☒ Yes. Does the debtor serve as plan administrator?

☐ No Go to Part 10.

☒ Yes. Fill in below:

Name of plan

Highland 401(K) Plan

Employer identification number of the plan

EIN: **75-2716725**

Has the plan been terminated?

- ☒ No
☐ Yes

☐ No Go to Part 10.

☒ Yes. Fill in below:

Name of plan

Highland Capital Management, L.P. Retirement Plan and Trust (Defined Benefit Plan)

Employer identification number of the plan

EIN: **75-2716725**

Has the plan been terminated?

- ☒ No
☐ Yes

Part 10: Certain Financial Accounts, Safe Deposit Boxes, and Storage Units

18. Closed financial accounts

Within 1 year before filing this case, were any financial accounts or instruments held in the debtor's name, or for the debtor's benefit, closed, sold, moved, or transferred?

Include checking, savings, money market, or other financial accounts; certificates of deposit; and shares in banks, credit unions, brokerage houses, cooperatives, associations, and other financial institutions.

☒ None

Financial Institution name and Address	Last 4 digits of account number	Type of account or instrument	Date account was closed, sold, moved, or transferred	Last balance before closing or transfer
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19. Safe deposit boxes

List any safe deposit box or other depository for securities, cash, or other valuables the debtor now has or did have within 1 year before filing this case.

☒ None

Depository institution name and address	Names of anyone with access to it Address	Description of the contents	Do you still have it?
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20. Off-premises storage

List any property kept in storage units or warehouses within 1 year before filing this case. Do not include facilities that are in a part of a building in which the debtor does business.

Debtor Highland Capital Management, L.P.Case number (if known) 19-34054-SGJ☐ None

Facility name and address	Names of anyone with access to it	Description of the contents	Do you still have it?
Iron Mountain PO BOX 915004 Dallas, TX 75391	Employee has login access to request documents.	Firm-wide documents sent off-site to retain documents per the firm's retention policy.	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
Natural Disasters Site 900 Venture Dr. Allen, TX 75013	Highland Capital Management IT Department	Primary Data Center - Storage	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
Natural Disasters Site 3010 Waterview Parkway Richardson, TX 75080	Highland Capital Management IT Department	Natural Disasters Site - Storage	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes

Part 11: Property the Debtor Holds or Controls That the Debtor Does Not Own**21. Property held for another**

List any property that the debtor holds or controls that another entity owns. Include any property borrowed from, being stored for, or held in trust. Do not list leased or rented property.

☐ None

Owner's name and address	Location of the property	Describe the property	Value
James Dondero	300 Crescent Court Suite 700 Dallas, TX 75201	Artwork	Unknown

Part 12: Details About Environment Information

For the purpose of Part 12, the following definitions apply:

Environmental law means any statute or governmental regulation that concerns pollution, contamination, or hazardous material, regardless of the medium affected (air, land, water, or any other medium).

Site means any location, facility, or property, including disposal sites, that the debtor now owns, operates, or utilizes or that the debtor formerly owned, operated, or utilized.

Hazardous material means anything that an environmental law defines as hazardous or toxic, or describes as a pollutant, contaminant, or a similarly harmful substance.

Report all notices, releases, and proceedings known, regardless of when they occurred.

22. Has the debtor been a party in any judicial or administrative proceeding under any environmental law? Include settlements and orders.

- ☒ No.
☐ Yes. Provide details below.

Case title Case number	Court or agency name and address	Nature of the case	Status of case
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23. Has any governmental unit otherwise notified the debtor that the debtor may be liable or potentially liable under or in violation of an environmental law?

- ☒ No.
☐ Yes. Provide details below.

Site name and address	Governmental unit name and address	Environmental law, if known	Date of notice
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24. Has the debtor notified any governmental unit of any release of hazardous material?

Debtor **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

- ☒ No.
☐ Yes. Provide details below.

Site name and address	Governmental unit name and address	Environmental law, if known	Date of notice
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Part 13: Details About the Debtor's Business or Connections to Any Business

25. Other businesses in which the debtor has or has had an interest

List any business for which the debtor was an owner, partner, member, or otherwise a person in control within 6 years before filing this case. Include this information even if already listed in the Schedules.

☐ None

Business name address	Describe the nature of the business	Employer identification number Do not include Social Security number or ITIN.
		Dates business existed EIN: From-To

25.1. **Exhibit F**

26. Books, records, and financial statements

26a. List all accountants and bookkeepers who maintained the debtor's books and records within 2 years before filing this case.

☐ None

Name and address	Date of service From-To
26a.1. Frank Waterhouse 300 Crescent Court Suite 700 Dallas, TX 75201	10/23/06 - Current
26a.2. David Klos 300 Crescent Court Suite 700 Dallas, TX 75201	03/30/09 - Current
26a.3. Kristin Hendrix 300 Crescent Court Suite 700 Dallas, TX 75201	12/16/04 - Current
26a.4. Sean Fox 300 Crescent Court Suite 700 Dallas, TX 75201	06/25/13 - Current
26a.5. Drew Wilson 300 Crescent Court Suite 700 Dallas, TX 75201	02/06/12 - 09/14/18
26a.6. Hayley Eliason 300 Crescent Court Suite 700 Dallas, TX 75201	11/26/18 - Current
26a.7. Blair Roeber 300 Crescent Court Suite 700 Dallas, TX 75201	09/01/15 - Current

26b. List all firms or individuals who have audited, compiled, or reviewed debtor's books of account and records or prepared a financial statement within 2 years before filing this case.

Debtor **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

☐ None

Name and address		Date of service From-To
26b.1.	PricewaterhouseCoopers LLP 2121 N Pearl St Dallas, TX 75201	2003 - Current

26c. List all firms or individuals who were in possession of the debtor's books of account and records when this case is filed.

☐ None

Name and address		If any books of account and records are unavailable, explain why
26c.1.	Boyd Gosserand 300 Crescent Ct. St 700 Dallas, TX 75201	
26c.2.	Deloitte - Tax PO Box 844736 Dallas, TX 75284	
26c.3.	Centroid -Accounting Software Consultant 6860 Dallas Pkwy Suite 560 Dallas, TX 75204	
26c.4.	Oracle - Accounting Software PO Box 203448 Dallas, TX 75320	
26c.5.	Wolters Kluwer - Tax PO Box 71882 Chicago, IL 60694	

26d. List all financial institutions, creditors, and other parties, including mercantile and trade agencies, to whom the debtor issued a financial statement within 2 years before filing this case.

☐ None

Name and address	
26d.1.	AgeeFisherBarrett, LLC 750 Hammond Dr BLDG 17 Atlanta, GA 30328
26d.2.	Bowman Law LLC 840 Tom Wheeler Lane Mc Ewen, TN 37101
26d.3.	CBIZ Valuation Group, Inc. 3030 LBJ Freeway, Ste 1650 Dallas, TX 75234
26d.4.	Cole Schotz Court Plaza North 25 Main Street, PO Box 800 Hackensack, NJ 07602
26d.5.	Colorado FSC 188 Inverness Drive West Ste. 100 Centennial, CO 80112

Debtor **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

Name and address

- 26d.6. **Concordeis**
1120 East Long Lake Road
Ste 207
Troy, MI 48085
-
- 26d.7. **Courtland T Group**
PO Box 11929
Newport Beach, CA 92658
-
- 26d.8. **Crown Capital Securities**
725 Town & Country Rd
Ste 530
Orange, CA 92868
-
- 26d.9. **Deloitte Tax LLP**
PO Box 844736
Dallas, TX 75284
-
- 26d.10. **DFPG Investments, Inc.**
9017 S. Riverside Dr.
Ste 210
Sandy, UT 84070
-
- 26d.11. **Discipline Advisors**
14135 G-100 Midway Rd.
Dallas, TX 75244
-
- 26d.12. **Development Specialists, Inc.**
10 S. LaSalle St.
Chicago, IL 60603
-
- 26d.13. **Emerson Equity**
155 Bovet Rd. #725
San Mateo, CA 94402
-
- 26d.14. **Frontier Bank**
5100 S I-35 Service Rd.
Oklahoma City, OK 73129
-
- 26d.15. **Grant Thornton LLP**
33570 Treasury Center
Chicago, IL 60694
-
- 26d.16. **Great Southern Bank**
8201 Preston Road
Suite 305
Dallas, TX 75225
-
- 26d.17. **Key Bank**
ATTN: KREC Loan Services
4910 Tiedman Road
3rd Floor
Cleveland, OH 44144
-
- 26d.18. **KPMG**
3 Chesnut Ridge Rd
Montvale, NJ 07645
-
- 26d.19. **Maples & Calder**
Ugland House PO Box 309
S. Church Street George Town
Grand Cayman, Cayman Island
-

Debtor **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

Name and address

26d.20. **Payne and Smith**
5952 Royal Lane
Suite 158
Dallas, TX 75230

26d.21. **PWC**
PO Box 952282
Dallas, TX 75395

26d.22. **Squire Patton Boggs**
PO Box 643051
Cincinnati, OH 45264

26d.23. **WC Capital Partners**

26d.24. **Western International Securities, Inc.**
70 S. Lake Ave
Ste 700
Pasadena, CA 91101

26d.25. **Jean Francois Lemay**
52 Harold Street
Etobicoke M8Z 3R3

27. Inventories

Have any inventories of the debtor's property been taken within 2 years before filing this case?

- ☒ No
☐ Yes. Give the details about the two most recent inventories.

Name of the person who supervised the taking of the inventory

Date of inventory

The dollar amount and basis (cost, market, or other basis) of each inventory

28. List the debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.

Name	Address	Position and nature of any interest	% of interest, if any
Strand Advisors, Inc.	300 Crescent Ct, Ste 700 Dallas, TX 75201	General Partner	0.2508%
Name	Address	Position and nature of any interest	% of interest, if any
The Dugaboy Investment Trust	300 Crescent Ct, Ste 700 Dallas, TX 75201	Voting Limited Partner	0.1866%
Name	Address	Position and nature of any interest	% of interest, if any
Mark Okada	300 Crescent Ct, Ste 700 Dallas, TX 75201	Voting Limited Partner	0.0487%
Name	Address	Position and nature of any interest	% of interest, if any
Mark and Pamela Okada Family Trust	300 Crescent Ct, Ste 700 Dallas, TX 75201	Voting Limited Partner	0.0098%
Name	Address	Position and nature of any interest	% of interest, if any
Mark and Pamela Okada Family Trust - #2	300 Crescent Ct, Ste 700 Dallas, TX 75201	Voting Limited Partner	0.0042%

Debtor **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

Name	Address	Position and nature of any interest	% of interest, if any
Hunter Mountain Investment Trust	1100 N Market St Wilmington, DE 19890	Non-voting Limited Partner	99.50%
Name	Address	Position and nature of any interest	% of interest, if any
James Dondero	300 Crescent Ct, Ste 700 Dallas, TX 75201	Sole Shareholder of General Partner	100%
Name	Address	Position and nature of any interest	% of interest, if any
James Dondero	300 Crescent Ct, Ste 700 Dallas, TX 75201	President of General Partner	100% of the General Partner
Name	Address	Position and nature of any interest	% of interest, if any
Scott Ellington	300 Crescent Ct, Ste 700 Dallas, TX 75201	Secretary of General Partner	0.00%
Name	Address	Position and nature of any interest	% of interest, if any
Frank Waterhouse	300 Crescent Ct, Ste 700 Dallas, TX 75201	Treasurer of General Partner	0.00%

29. Within 1 year before the filing of this case, did the debtor have officers, directors, managing members, general partners, members in control of the debtor, or shareholders in control of the debtor who no longer hold these positions?

- ☐ No
☒ Yes. Identify below.

Name	Address	Position and nature of any interest	Period during which position or interest was held
Mark Okada	300 Crescent Ct, Ste 700 Dallas, TX 75201	Executive Vice President	Since inception to 9/30/2019
Name	Address	Position and nature of any interest	Period during which position or interest was held
Trey Parker	300 Crescent Ct, Ste 700 Dallas, TX 75201	Assistant Secretary	8/21/2015 - 4/15/2019

30. Payments, distributions, or withdrawals credited or given to insiders

Within 1 year before filing this case, did the debtor provide an insider with value in any form, including salary, other compensation, draws, bonuses, loans, credits on loans, stock redemptions, and options exercised?

- ☐ No
☒ Yes. Identify below.

Name and address of recipient	Amount of money or description and value of property	Dates	Reason for providing the value
30.1 Exhibit G	8,722,414.86		
Relationship to debtor			

31. Within 6 years before filing this case, has the debtor been a member of any consolidated group for tax purposes?

Debtor Highland Capital Management, L.P.

Case number (if known) 19-34054-SGJ

- ☒ No
☐ Yes. Identify below.

Name of the parent corporation

Employer Identification number of the parent corporation

32. Within 6 years before filing this case, has the debtor as an employer been responsible for contributing to a pension fund?

- ☒ No
☐ Yes. Identify below.

Name of the pension fund

Employer Identification number of the parent corporation

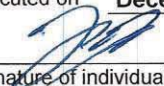
Part 14: Signature and Declaration

WARNING — Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

I have examined the information in this *Statement of Financial Affairs* and any attachments and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 13, 2019


Signature of individual signing on behalf of the debtor

Bradley Sharp

Printed name

Position or relationship to debtor Chief Restructuring Officer

Are additional pages to *Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy* (Official Form 207) attached?

- ☐ No
☒ Yes

Highland Capital Management LP
Case # 19-34054-SGJ
Exhibit A - SOFA 1

Revenue Account	Year 2019 [1]	Year 2018	Year 2017
Operating Revenue			
Management fees	\$ 18,776,701.38	\$ 35,264,426.88	\$ 37,098,010.50
Shared services fees	6,002,769.24	9,187,200.55	9,445,221.98
Incentive fees	150,925.36	18,465.92	10,042,499.76
Interest and Investment Income	2,625,221.26	4,857,157.03	4,478,946.34
Miscellaneous Income	875,539.73	1,037,819.02	6,846,400.42
Total Operating Revenue	\$ 28,431,156.97	\$ 50,365,069.40	\$ 67,911,079.00
Other Gain/(Loss)			
Interest income	\$ 5,765,215.32	\$ 7,503,164.74	\$ 7,049,038.53
Other income/expense	838,191.46	658,514.02	3,723,833.60
Net realized gains on sales of investment transactions	3,959,534.93	13,396,884.40	6,494,555.20
Net change in unrealized gains/(losses) of investments	(6,692,741.56)	(56,529,224.39)	27,322,977.50
Net earnings/(losses) from equity method investees	121,440,340.48	(17,958,607.10)	3,111,185.38
Total Other Gain/(Loss)	\$ 125,310,540.63	\$ (52,929,268.33)	\$ 47,701,590.21

[1] Date ranges from 12/31/2018 to end of business 10/15/2019.

Highland Capital Management LP
Case # 19-34054-SGJ
Exhibit B - SOFA 3 [1]

Trading Partner Name	Trading Partner Address	Payment Date	Payment Amount	Reason for Transfer
Wilmer Cutler Pickering Hale and Dorr LLP	PO Box 7247-8760 Philadelphia PA 19170-8760	7/18/2019	\$ 20,275.50	Professional Services
Canteen Vending Services	PO Box 417632 Boston MA 02241-7632	7/18/2019	1,285.16	Suppliers/Vendors
Platinum Parking	300 Crescent Court Level G1, LB#102 Dallas TX 75201	7/18/2019	990.00	Professional Services
AT&T MOBILITY	PO BOX 6463 CAROL STREAM IL 60197-6463	7/19/2019	8,789.14	Professional Services
Highland Capital Management Korea Limited	(Seoul Finance Center, Taeyeongro-1-ga) 21F, 136, Sejong-daero, Jung-gu, Seoul, Korea	7/19/2019	630,000.00	Intercompany Funding
American Airlines	4255 Amon Carter Blvd MD 4106 Fort Worth TX 76155	7/22/2019	30,000.00	Professional Services
TRICOR BUSINESS OUTSOURCING	80 Robinson Rd, Singapore 068898	7/22/2019	28,122.16	Intercompany Funding
Meister Seelig & Fein LLP	125 Park Avenue 7th Floor New York NY 10017	7/22/2019	24,228.30	Professional Services
Flagship Cruises & Events	PO Box 120751 San Diego CA 92112	7/22/2019	16,103.26	Suppliers/Vendors
Blue Cross Blue Shield of Texas	PO Box 731428 Dallas TX 75373-1428	7/23/2019	146,190.02	Employee Benefits
Abrams & Bayliss LLP	20 Montchanin Road, Suite 200 Wilmington DE 19807	7/24/2019	53,237.45	Professional Services
Pricewaterhouse Coopers, LLP	8 Cross St. #17-00 PWC Singapore Building Singapore 048424	7/24/2019	14,461.66	Professional Services
Siepe Software, LLC	5440 Harvest Hill Rd Suite 100, Dallas, TX 75230	7/25/2019	36,084.06	Professional Services
Consultant	2620 White Rock Rd. Dallas TX 75214	7/25/2019	6,754.00	Professional Services
Reid Collins & Tsai LLP	4301 Westbank Drive Building B Suite 230 Austin TX 78746	7/30/2019	82,831.45	Professional Services
Paxstone Capital LLP	483 Green Lanes, London, Greater London, N13 4BS	7/30/2019	46,063.81	Professional Services
Charles Schwab	PO Box 1270 Tulsa, OK 74101-1270	7/31/2019	41,053.47	Employee Benefits
HIGHLAND CREDIT OPPORTUNITIES FUND	300 Crescent Court, Suite 700 Dallas, TX 75201	7/31/2019	628,000.00	Intercompany Funding
Arris Western Corp.	718 N Buckner #316 Dallas TX 75218	7/31/2019	11,000.00	Professional Services
Professional Speaker	Koa Kai, LLC PO Box 232307 Leucadia CA 92023	7/31/2019	15,000.00	Suppliers/Vendors
Pershing LLC	One Pershing Plaza Attn: IBD - 15th Floor Jersey City NJ 07399	8/1/2019	500,000.00	Investing
Consultant	300 Crescent Court, Suite 700 Dallas, TX 75201	8/1/2019	39,586.07	Professional Services
Crescent TC Investors LP	200 Crescent Ct Suite 250 Dallas TX 75201	8/1/2019	155,361.38	Rent Payment
Brasilinvest Empreendimentos e Participacões S/A	Brazil	8/1/2019	10,000.00	Intercompany Funding
Frontier State Bank	5100 S I-35 Service Rd, Oklahoma City, OK 73129	8/1/2019	68,002.70	Secured Loan Payment
Massand Capital, LLC	8140 Walnut Hill Lane, Suite 310 Dallas, TX 75231	8/1/2019	54,979.21	Professional Services
Pershing LLC	One Pershing Plaza Attn: IBD - 15th Floor Jersey City NJ 07399	8/2/2019	11,959.71	Investing
Bloomberg Finance LP	PO Box 416604 Boston MA 02241-6604	8/2/2019	252,041.98	Professional Services
AT&T	PO BOX 5019 CAROL STREAM IL 60197	8/2/2019	259.05	Professional Services
Blue Cross Blue Shield of Texas	PO Box 731428 Dallas TX 75373-1428	8/2/2019	86,126.71	Employee Benefits
Abrams & Bayliss LLP	20 Montchanin Road, Suite 200 Wilmington DE 19807	8/7/2019	17,133.03	Professional Services
HIGHLAND CREDIT OPPORTUNITIES FUND	300 Crescent Court, Suite 700 Dallas, TX 75201	8/7/2019	441,000.00	Intercompany Funding
Status Labs.com	151 South 1st Suite 100 Austin TX 78704	8/7/2019	9,500.00	Professional Services
PetroCap Partners III, L.P.	3333 Lee Parkway Suite 750 Dallas TX 75219	8/7/2019	510,350.41	Investing
HIGHLAND CAPITAL MANAGEMENT, LP	300 Crescent Court, Suite 700 Dallas, TX 75201	8/8/2019	115,843.80	Employee Benefits
AT&T	PO BOX 5019 CAROL STREAM IL 60197	8/8/2019	3,573.58	Professional Services
Flexential Colorado Corp.	PO Box 732368 Dallas TX 75373-2368	8/8/2019	12,056.49	Professional Services
Canteen Vending Services	PO Box 417632 Boston MA 02241-7632	8/8/2019	3,267.49	Suppliers/Vendors
Blue Cross Blue Shield of Texas	PO Box 731428 Dallas TX 75373-1428	8/9/2019	157,850.27	Employee Benefits
Liberty Life Assurance Company of Boston - Group Benefits	PO Box 2658 Carol Stream IL 60132-2658	8/9/2019	5,283.26	Employee Benefits
ICBI	London	8/13/2019	12,420.78	Professional Services
Eagle Equity Advisors, LLC	300 Crescent Court, Suite 700 Dallas, TX 75201	8/13/2019	155,000.00	Intercompany Funding
Connolly Gallagher LLP	1201 North Market Street 20th Floor Wilmington DE 19801	8/13/2019	18,295.70	Professional Services
Charles Schwab	PO Box 1270 Tulsa, OK 74101-1270	8/14/2019	41,300.58	Employee Benefits
CBIZ Valuation Group, Inc.	3030 LBJ Freeway, Ste 1650 Dallas TX 75234	8/14/2019	15,000.00	Professional Services
Consultant	2620 White Rock Rd. Dallas TX 75214	8/14/2019	5,357.00	Professional Services
Siepe Services, LLC	5440 Harvest Hill Road Suite 100 Dallas TX 75230	8/14/2019	174,256.34	Professional Services
Intex Solutions, Inc.	Accounts Receivable 110 A St Needham MA 02494-2807	8/15/2019	35,200.00	Professional Services
AT&T	PO Box 9005 Carol Stream IL 60197-9005	8/15/2019	927.16	Professional Services
ABM	PO Box 419860 Boston MA 02241-9860	8/15/2019	5,884.76	Suppliers/Vendors
LinkedIn Corporation	62228 Collections Center Drive Chicago IL 60693-0622	8/15/2019	19,719.93	Professional Services
PetroCap Partners II, LP	300 Crescent Court, Suite 700 Dallas, TX 75201	8/15/2019	1,244,586.77	Investing
Houlihan Lokey	10250 Constellation Blvd, 5th Floor Attn: Accounts Receivable Los Angeles CA 90067-6802	8/15/2019	55,601.49	Professional Services
Deloitte Tax LLP	PO Box 844736 Dallas TX 75284-4736	8/15/2019	137,396.00	Professional Services
MacroMavens, LLC	180 W. 20th Street Suite 1700 New York NY 10011	8/15/2019	18,816.84	Professional Services
GRUBHUB for Work	PO Box 748570 Los Angeles CA 90074-8570	8/15/2019	13,823.98	Suppliers/Vendors
Arris Western Corp.	718 N Buckner #316 Dallas TX 75218	8/15/2019	1,420.63	Professional Services
TRICOR BUSINESS OUTSOURCING	80 Robinson Rd, Singapore 068898	8/16/2019	36,135.64	Intercompany Funding
ROWLETT HILL, LLP	25 Highland Park Village, Suite 100-448 Dallas TX 75205	8/16/2019	30,187.50	Professional Services
CDW Direct	PO BOX 75723 CHICAGO IL 60675-5723	8/16/2019	634.00	Suppliers/Vendors
Bloomberg Finance LP	PO Box 416604 Boston MA 02241-6604	8/16/2019	6,750.00	Professional Services
BCA Research Inc	1002 Sherbrooke St. W Suite 1600 Montreal Quebec H3A 3L6	8/16/2019	19,996.94	Professional Services
Willis of Texas, Inc.	PO Box 731739 Dallas TX 75373-1739	8/16/2019	5,754.18	Insurance
Blue Cross Blue Shield of Texas	PO Box 731428 Dallas TX 75373-1428	8/16/2019	89,965.15	Employee Benefits
Thomson West	PO Box 6292 Carol Stream IL 60197-6292	8/22/2019	21,339.33	Suppliers/Vendors
Duff & Phelps, LLC	DUFF & PHELPS, LLC 12595 Collection Center Drive Chicago IL 60693	8/23/2019	100,000.00	Professional Services
TRICOR BUSINESS OUTSOURCING	80 Robinson Rd, Singapore 068898	8/23/2019	50,934.56	Intercompany Funding
CDW Direct	PO BOX 75723 CHICAGO IL 60675-5723	8/23/2019	97.96	Suppliers/Vendors
Concur Technologies, Inc.	62157 Collections Center Drive Chicago IL 60693	8/23/2019	4,104.85	Professional Services
Blue Cross Blue Shield of Texas	PO Box 731428 Dallas TX 75373-1428	8/23/2019	91,020.22	Employee Benefits
Thomson West	PO Box 6292 Carol Stream IL 60197-6292	8/23/2019	3,153.32	Suppliers/Vendors
GRUBHUB for Work	PO Box 748570 Los Angeles CA 90074-8570	8/23/2019	2,150.47	Suppliers/Vendors
Highland Capital Management New York	300 Crescent Court, Suite 700 Dallas, TX 75201	8/26/2019	150,000.00	Intercompany Funding
TW Telecom Holdings, Ilc	PO Box 910182 Denver CO 80291-0182	8/26/2019	8,657.28	Professional Services

Highland Capital Management LP
Case # 19-34054-SGJ
Exhibit B - SOFA 3 [1]

Trading Partner Name	Trading Partner Address	Payment Date	Payment Amount	Reason for Transfer
TW Telecom Holdings, llc	PO Box 910182 Denver CO 80291-0182	8/26/2019	9,065.13	Professional Services
HIGHLAND CREDIT OPPORTUNITIES FUND	300 Crescent Court, Suite 700 Dallas, TX 75201	8/27/2019	300,000.00	Intercompany Funding
Acis Capital Management	Attn: Rakhee V. Patel, Winstead PC 500 Winstead Building Dallas TX 75201	8/27/2019	12,249.65	Professional Services
Canteen Vending Services	PO Box 417632 Boston MA 02241-7632	8/27/2019	2,608.49	Suppliers/Vendors
Greenwood Office Outfitters	2951 Suffolk Drive Suite 640 Fort Worth TX 76133-1149	8/28/2019	12,877.82	Suppliers/Vendors
Charles Schwab	PO Box 1270 Tulsa, OK 74101-1270	8/29/2019	95,443.51	Employee Benefits
Blue Cross Blue Shield of Texas	PO Box 731428 Dallas TX 75373-1428	8/29/2019	118,192.57	Employee Benefits
Eagle Equity Advisors, LLC	300 Crescent Court, Suite 700 Dallas, TX 75201	8/29/2019	75,000.00	Intercompany Funding
Highland Latin America Consulting, LTD	300 Crescent Court, Suite 700 Dallas, TX 75201	8/29/2019	55,000.00	Intercompany Funding
Canteen Vending Services	PO Box 417632 Boston MA 02241-7632	8/29/2019	697.89	Suppliers/Vendors
Platinum Parking	300 Crescent Court Level G1, LB#102 Dallas TX 75201	8/29/2019	14,857.95	Professional Services
Consultant	300 Crescent Court, Suite 700 Dallas, TX 75201	8/30/2019	111,212.19	Professional Services
Arris Western Corp.	718 N Buckner #316 Dallas TX 75218	8/30/2019	11,000.00	Professional Services
Brasilinvest Empreendimentos e Participacões S/A	Brazil	9/3/2019	10,000.00	Intercompany Funding
Crescent TC Investors LP	PO Box 841772 Dallas TX 75284-1772	9/3/2019	156,958.51	Rent Payment
AT&T	PO Box 9005 Carol Stream IL 60197-9005	9/3/2019	5,690.12	Professional Services
Frontier State Bank	5100 S I-35 Service Rd, Oklahoma City, OK 73129	9/3/2019	404,238.30	Secured Loan Payment
AT&T	PO BOX 5019 CAROL STREAM IL 60197	9/3/2019	259.77	Professional Services
AT&T	PO BOX 5019 CAROL STREAM IL 60197	9/3/2019	295.76	Professional Services
Willis of Texas, Inc.	Dallas/Ft. Worth Division PO Box 730310 Dallas TX 75373-0310	9/3/2019	21,133.38	Insurance
Pershing LLC	One Pershing Plaza Attn: IBD - 15th Floor Jersey City NJ 07399	9/4/2019	500,000.00	Investing
HIGHLAND CREDIT OPPORTUNITIES FUND	300 Crescent Court, Suite 700 Dallas, TX 75201	9/4/2019	500,000.00	Intercompany Funding
Consultant	2620 White Rock Rd. Dallas TX 75214	9/4/2019	6,451.50	Professional Services
Siepe Software, LLC	5440 Harvest Hill Rd Suite 100, Dallas, TX 75230	9/5/2019	18,042.03	Professional Services
HIGHLAND CAPITAL MANAGEMENT, LP	300 Crescent Court, Suite 700 Dallas, TX 75201	9/5/2019	113,788.36	Employee Benefits
Pershing LLC	One Pershing Plaza Attn: IBD - 15th Floor Jersey City NJ 07399	9/5/2019	11,286.83	Investing
Charles Schwab	PO Box 1270 Tulsa, OK 74101-1270	9/5/2019	858,220.29	Employee Benefits
Charles Schwab	PO Box 1270 Tulsa, OK 74101-1270	9/5/2019	854,278.60	Employee Benefits
Dow Jones & Company, Inc.	WALL ST JRNL OR BARRONS PO Box 4137 New York NY 10261-4137	9/5/2019	16,621.23	Professional Services
CDW Direct	PO BOX 75723 CHICAGO IL 60675-5723	9/5/2019	3,374.19	Suppliers/Vendors
Intex Solutions, Inc.	Accounts Receivable 110 A St Needham MA 02494-2807	9/5/2019	35,200.00	Professional Services
Las Vegas Flamingo Holdco, LLC	Collections Account TEXAS	9/5/2019	46,536.83	Intercompany Funding
GRUBHUB for Work	PO Box 748570 Los Angeles CA 90074-8570	9/5/2019	15,518.67	Suppliers/Vendors
AT&T	PO BOX 5019 CAROL STREAM IL 60197	9/6/2019	3,573.58	Professional Services
TW Telecom Holdings, llc	PO Box 910182 Denver CO 80291-0182	9/9/2019	9,138.32	Professional Services
Blue Cross Blue Shield of Texas	PO Box 731428 Dallas TX 75373-1428	9/9/2019	142,884.07	Employee Benefits
Eagle Equity Advisors, LLC	300 Crescent Court, Suite 700 Dallas, TX 75201	9/11/2019	40,000.00	Intercompany Funding
Charles Schwab	PO Box 1270 Tulsa, OK 74101-1270	9/12/2019	37,839.05	Employee Benefits
Blue Cross Blue Shield of Texas	PO Box 731428 Dallas TX 75373-1428	9/12/2019	59,111.49	Employee Benefits
Loews Coronado Bay Resort	4000 Coronado Bay Road Coronado CA 92118	9/12/2019	77,340.18	Suppliers/Vendors
Harbor Yacht Clubs, LLC	1880 Harbor Island Drive San Diego CA 92101	9/12/2019	6,440.00	Suppliers/Vendors
NYSE MARKET, INC	Box #223695 Pittsburgh PA 15251-2695	9/13/2019	8,857.74	Professional Services
TRICOR BUSINESS OUTSOURCING	80 Robinson Rd, Singapore 068898	9/13/2019	35,221.80	Intercompany Funding
Markit North America Inc.	620 8th Ave 35th floor New York NY 10018	9/13/2019	91,676.00	Professional Services
CDW Direct	PO BOX 75723 CHICAGO IL 60675-5723	9/13/2019	7,387.23	Suppliers/Vendors
BDO USA, LLP	700 North Pearl Suite 2000 Dallas TX 75201	9/13/2019	8,700.00	Professional Services
ABM	PO Box 419860 Boston MA 02241-9860	9/13/2019	5,884.76	Suppliers/Vendors
Concur Technologies, Inc.	62157 Collections Center Drive Chicago IL 60693	9/13/2019	8,187.05	Professional Services
Willis of Texas, Inc.	PO Box 731739 Dallas TX 75373-1739	9/13/2019	5,754.18	Insurance
Reorg Research, Inc.	1140 Broadway Ste 201 New York NY 10001	9/13/2019	93,123.35	Professional Services
Sage Search Partners	3811 Turtle Creek Blvd Suite 850 Dallas TX 75219	9/13/2019	20,000.00	Professional Services
AT&T	PO BOX 5019 CAROL STREAM IL 60197	9/16/2019	927.16	Professional Services
DLA Piper LLP US	6225 Smith Avenue Baltimore MD 21209	9/16/2019	200,000.00	Professional Services
Lynn Pinker Cox & Hurst, L.L.P.	2100 Ross Ave Suite 2700 Dallas TX 75201	9/17/2019	185,576.00	Professional Services
Flexential Colorado Corp.	PO Box 732368 Dallas TX 75373-2368	9/17/2019	12,056.49	Professional Services
Canteen Vending Services	PO Box 417632 Boston MA 02241-7632	9/17/2019	327.61	Suppliers/Vendors
Platinum Parking	300 Crescent Court, Suite 700 Dallas, TX 75201	9/17/2019	15,210.80	Professional Services
AT&T MOBILITY	PO BOX 6463 CAROL STREAM IL 60197-6463	9/19/2019	1,769.17	Professional Services
ROWLETT HILL, LLP	25 HIGHLAND PARK VILLAGE STE 100-448 DALLAS TX 75205	9/19/2019	23,718.75	Professional Services
Affiliate Loan	300 Crescent Court, Suite 700 Dallas, TX 75201	9/19/2019	500,000.00	Affiliate Loan
Siepe Services, LLC	5440 Harvest Hill Road Suite 100 Dallas TX 75230	9/19/2019	185,063.83	Professional Services
Greyline Partners, LLC	P.O. Box 733976 Dallas TX 75373-3976	9/19/2019	11,250.00	Professional Services
Blue Cross Blue Shield of Texas	PO Box 731428 Dallas TX 75373-1428	9/20/2019	77,274.56	Employee Benefits
Blue Cross Blue Shield of Texas	PO Box 731428 Dallas TX 75373-1428	9/20/2019	67,658.40	Employee Benefits
Affiliate Loan	300 Crescent Court, Suite 700 Dallas, TX 75201	9/23/2019	1,000,000.00	Affiliate Loan
Attia Medical, PC	5820 Oberlin Dr. Suite 205 San Diego CA 92121	9/23/2019	12,500.00	Professional Services
DLA Piper LLP US	6225 Smith Avenue Baltimore MD 21209	9/23/2019	200,000.00	Professional Services
CDW Direct	PO BOX 75723 CHICAGO IL 60675-5723	9/24/2019	3,059.50	Suppliers/Vendors
HIGHLAND CREDIT OPPORTUNITIES FUND	300 Crescent Court, Suite 700 Dallas, TX 75201	9/25/2019	300,000.00	Intercompany Funding
Consultant	2620 White Rock Rd. Dallas TX 75214	9/25/2019	8,109.75	Professional Services
Cole Schotz	Court Plaza North 25 Main Street Hackensack NJ 07602-0800	9/25/2019	100,000.00	Professional Services
Affiliate Loan	300 Crescent Court, Suite 700 Dallas, TX 75201	9/25/2019	900,000.00	Affiliate Loan
S&P Global Market Intelligence	33356 Collection Center Drive Chicago IL 60693-0333	9/25/2019	368,894.61	Professional Services

Highland Capital Management LP
Case # 19-34054-SGJ
Exhibit B - SOFA 3 [1]

Trading Partner Name	Trading Partner Address	Payment Date	Payment Amount	Reason for Transfer
Arris Western Corp.	718 N Buckner #316 Dallas TX 75218	9/25/2019	1,325.29	Professional Services
Harbor Yacht Clubs, LLC	1880 Harbor Island Drive San Diego CA 92101	9/25/2019	538.75	Suppliers/Vendors
ICE Data Pricing & Reference Data, LLC	PO Box 98616 Chicago IL 60693	9/25/2019	8,819.61	Professional Services
Charles Schwab	PO Box 1270 Tulsa, OK 74101-1270	9/26/2019	35,354.55	Employee Benefits
Duff & Phelps, LLC	2397 Paysphere Circle Chicago IL 60674	9/30/2019	100,000.00	Professional Services
HIGHLAND CREDIT OPPORTUNITIES FUND	300 Crescent Court, Suite 700 Dallas, TX 75201	9/30/2019	200,000.00	Intercompany Funding
Frontier State Bank	5100 S I-35 Service Rd, Oklahoma City, OK 73129	9/30/2019	98,707.96	Secured Loan Payment
Arris Western Corp.	718 N Buckner #316 Dallas TX 75218	9/30/2019	11,000.00	Professional Services
Professional Speaker	Koa Kai, LLC PO Box 232307 Leucadia CA 92023	9/30/2019	15,000.00	Suppliers/Vendors
Highland Latin America Consulting, LTD	300 Crescent Court, Suite 700 Dallas, TX 75201	9/30/2019	105,000.00	Intercompany Funding
Attia Medical, PC	5820 Oberlin Dr. Suite 205 San Diego CA 92121	9/30/2019	12,500.00	Professional Services
DLA Piper LLP US	6225 Smith Avenue Baltimore MD 21209	9/30/2019	200,000.00	Professional Services
AT&T MOBILITY	PO BOX 6463 CAROL STREAM IL 60197-6463	10/1/2019	-	Professional Services
Employee	300 Crescent Court, Suite 700 Dallas, TX 75201	10/1/2019	13,059.43	Bonus
Crescent Ct Investors LP	200 Crescent Ct Suite 250 Dallas TX 75201	10/1/2019	192,588.09	Rent Payment
Frontier State Bank	5100 S I-35 Service Rd, Oklahoma City, OK 73129	10/1/2019	128,793.00	Secured Loan Payment
Bloomberg Finance LP	PO Box 416604 Boston MA 02241-6604	10/2/2019	113,095.54	Professional Services
Consultant	300 Crescent Court, Suite 700 Dallas, TX 75201	10/2/2019	28,821.81	Professional Services
Pachulski Stang Ziehl & Jones LLP	10100 Santa Monica Blvd. 13th Floor Los Angeles CA 90067	10/2/2019	500,000.00	Professional Services
HIGHLAND CAPITAL MANAGEMENT, LP	300 Crescent Court, Suite 700 Dallas, TX 75201	10/3/2019	114,381.18	Employee Benefits
OKADA INSURANCE RABBI TRUST	300 Crescent Court, Suite 700 Dallas, TX 75201	10/3/2019	14,875.00	Insurance
AT&T	PO BOX 5019 CAROL STREAM IL 60197	10/3/2019	309.51	Professional Services
Employee	300 Crescent Court, Suite 700 Dallas, TX 75201	10/4/2019	113,104.52	Employee Reimbursement
Siepe Software, LLC	5440 Harvest Hill Rd Suite 100, Dallas, TX 75230	10/4/2019	18,042.03	Professional Services
Siepe Software, LLC	5440 Harvest Hill Rd Suite 100, Dallas, TX 75230	10/4/2019	18,042.03	Professional Services
TW Telecom Holdings, llc	PO Box 910182 Denver CO 80291-0182	10/4/2019	7,710.33	Professional Services
CDW Direct	PO BOX 75723 CHICAGO IL 60675-5723	10/4/2019	23,277.86	Suppliers/Vendors
CDW Direct	PO BOX 75723 CHICAGO IL 60675-5723	10/4/2019	23,788.47	Suppliers/Vendors
HIGHLAND CREDIT OPPORTUNITIES FUND	300 Crescent Court, Suite 700 Dallas, TX 75201	10/4/2019	500,000.00	Intercompany Funding
AT&T	PO Box 9005 Carol Stream IL 60197-9005	10/4/2019	2,845.06	Professional Services
AT&T	PO BOX 5019 CAROL STREAM IL 60197	10/4/2019	3,573.58	Professional Services
AT&T	PO BOX 5019 CAROL STREAM IL 60197	10/4/2019	146.78	Professional Services
Willis of Texas, Inc.	Dallas/Ft. Worth Division PO Box 730310 Dallas TX 75373-0310	10/4/2019	5,754.18	Insurance
Blue Cross Blue Shield of Texas	PO Box 731428 Dallas TX 75373-1428	10/4/2019	109,241.27	Employee Benefits
Houlihan Lokey	10250 Constellation Blvd, 5th Floor Attn: Accounts Receivable Los Angeles CA 90067-6802	10/4/2019	55,667.91	Professional Services
Ipreo Data Inc.	421 Fayetteville Street Suite 900 Raleigh NC 27601	10/4/2019	9,500.00	Professional Services
Siepe Services, LLC	5440 Harvest Hill Road Suite 100 Dallas TX 75230	10/4/2019	182,790.68	Professional Services
Hedgeye Risk Mgmt, LLC	1 High Ridge Park 3rd Floor Stamford CT 06905	10/4/2019	25,265.10	Professional Services
Spin-Off Advisors, LLC	1327 W. Washington Blvd Ste 4-G Chicago IL 60607	10/4/2019	15,000.00	Professional Services
GRUBHUB for Work	PO Box 748570 Los Angeles CA 90074-8570	10/4/2019	14,343.81	Suppliers/Vendors
Flexential Colorado Corp.	PO Box 732368 Dallas TX 75373-2368	10/4/2019	24,031.79	Professional Services
Highland Latin America Consulting, LTD	300 Crescent Court, Suite 700 Dallas, TX 75201	10/4/2019	75,000.00	Intercompany Funding
DLA Piper LLP US	6225 Smith Avenue Baltimore MD 21209	10/4/2019	200,000.00	Professional Services
Siepe Software, LLC	5440 Harvest Hill Rd Suite 100, Dallas, TX 75230	10/7/2019	18,042.03	Professional Services
Pricewaterhouse Coopers, LLP	PO BOX 952282 DALLAS TX 75395-2282	10/7/2019	24,000.00	Professional Services
LAFFER ASSOCIATES	103 Murphy Court NASHVILLE TN 37203	10/7/2019	28,188.37	Professional Services
MARKIT WSO CORPORATION	Three Lincoln Centre 5430 LBJ Fwy; Ste 800 DALLAS TX 75240	10/7/2019	27,213.92	Professional Services
Strategas Securities LLC	52 Vanderbilt Ave 8th Fl New York NY 10017	10/7/2019	27,195.87	Professional Services
Bloomberg Finance LP	PO Box 416604 Boston MA 02241-6604	10/7/2019	100,000.00	Professional Services
Intex Solutions, Inc.	Accounts Receivable 110 A St Needham MA 02494-2807	10/7/2019	35,200.00	Professional Services
BCA Research Inc	1002 Sherbrooke St. W Suite 1600 Montreal Quebec H3A 3L6	10/7/2019	18,294.21	Professional Services
Consultant	2620 White Rock Rd. Dallas TX 75214	10/7/2019	5,274.50	Professional Services
Employee	300 Crescent Court, Suite 700 Dallas, TX 75201	10/7/2019	43,910.97	Employee Reimbursement
Verity Group	PO Box 940361 Plano TX 75094-0361	10/7/2019	8,940.84	Suppliers/Vendors
Canteen Vending Services	PO Box 417632 Boston MA 02241-7632	10/7/2019	30,017.35	Suppliers/Vendors
ABM	PO Box 419860 Boston MA 02241-9860	10/7/2019	5,884.76	Suppliers/Vendors
Greenwood Office Outfitters	2951 Suffolk Drive Suite 640 Fort Worth TX 76133-1149	10/7/2019	4,628.62	Suppliers/Vendors
Houlihan Lokey	10250 Constellation Blvd, 5th Floor Attn: Accounts Receivable Los Angeles CA 90067-6802	10/7/2019	113,092.79	Professional Services
Houlihan Lokey	10250 Constellation Blvd, 5th Floor Attn: Accounts Receivable Los Angeles CA 90067-6802	10/7/2019	112,000.00	Professional Services
Deloitte Tax LLP	PO Box 844736 Dallas TX 75284-4736	10/7/2019	142,205.00	Professional Services
Deloitte Tax LLP	PO Box 844736 Dallas TX 75284-4736	10/7/2019	104,905.00	Professional Services
Siepe Services, LLC	5440 Harvest Hill Road Suite 100 Dallas TX 75230	10/7/2019	185,000.00	Professional Services
GRUBHUB for Work	PO Box 748570 Los Angeles CA 90074-8570	10/7/2019	5,556.50	Suppliers/Vendors
ValueScope, Inc.	1400 Thetford Ct. Southlake TX 76092	10/7/2019	25,000.00	Professional Services
Development Specialists, Inc.	333 South Grand Avenue Suite 4070 Los Angeles CA 90071-1544	10/7/2019	250,000.00	Professional Services
Bragalone Conroy PC	Chase Tower 2200 Ross Avenue Dallas TX 75201-7924	10/7/2019	10,000.00	Professional Services
Kurtzman Carson Consultants LLC	Dept CH 16639 Palatine IL 60055-6639	10/7/2019	50,000.00	Professional Services
Hunton Andrews Kurth, LLP	1445 Ross Avenue Suite 3700 Dallas TX 75202-2799	10/7/2019	156,996.86	Professional Services
Liberty Life Assurance Company of Boston - Group Benefits	PO Box 2658 Carol Stream IL 60132-2658	10/7/2019	15,928.25	Employee Benefits
ICE Data Pricing & Reference Data, LLC	PO Box 98616 Chicago IL 60693	10/7/2019	5,879.74	Professional Services
Refinitiv US LLC	3 Times Square New York NY 10036	10/7/2019	12,823.98	Professional Services
Deloitte Tax LLP	PO Box 844736 Dallas TX 75284-4736	10/8/2019	128,557.00	Professional Services
AT&T	PO BOX 5019 CAROL STREAM IL 60197	10/10/2019	3,573.58	Professional Services

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Trading Partner Name	Trading Partner Address	Payment Date	Payment Amount	Reason for Transfer
Blue Cross Blue Shield of Texas	PO Box 731428 Dallas TX 75373-1428	10/10/2019	161,497.04	Employee Benefits
Cole Schotz	Court Plaza North 25 Main Street Hackensack NJ 07602-0800	10/10/2019	34,894.42	Professional Services
Houlihan Lokey	10250 Constellation Blvd, 5th Floor Attn: Accounts Receivable Los Angeles CA 90067-6802	10/10/2019	1,092.79	Professional Services
Snell & Wilmer LLP	One Arizona Center 400 E. Van Buren, Suite 1900 Phoenix AZ 85004-2202	10/10/2019	19,119.65	Professional Services
DLA Piper LLP US	6225 Smith Avenue Baltimore MD 21209	10/10/2019	1,115,000.00	Professional Services
ASW Law Limited	Crawford House 50 Cedar Avenue Hamilton HM11	10/10/2019	10,845.00	Professional Services
Carey Olsen	PO Box 10008 Willow House Grand Cayman KY1-1001	10/10/2019	48,595.00	Professional Services
Canteen Vending Services	PO Box 417632 Boston MA 02241-7632	10/10/2019	8,656.51	Suppliers/Vendors
Platinum Parking	300 Crescent Court Level G1, LB#102 Dallas TX 75201	10/10/2019	33,007.19	Professional Services
Charles Schwab	PO Box 1270 Tulsa, OK 74101-1270	10/11/2019	34,454.43	Employee Benefits
Cole Schotz	Court Plaza North 25 Main Street, PO Box 800 Hackensack NJ 07602-0800	10/11/2019	25,000.00	Professional Services
Pershing LLC	One Pershing Plaza Attn: IBD - 15th Floor Jersey City NJ 07399	10/15/2019	17,745.66	Investing
CBIZ Valuation Group, Inc.	3030 LBJ Freeway, Ste 1650 Dallas TX 75234	10/15/2019	12,400.00	Professional Services
Status Labs.com	151 South 1st Suite 100 Austin TX 78704	10/15/2019	18,000.00	Professional Services
Discovery Benefits [2]	4321 20th Ave. S. Fargo, ND 58103	Various	36,473.83	FSA Transfers
Expense Reimbursements [3]	300 Crescent Court, Suite 700 Dallas, TX 75201	Various	557,471.14	Expense reimbursements
Total			\$ 23,255,006.86	

[1] Does not include activity in Jefferies Prime Broker account.

[2] Discovery benefits are the daily FSA amounts paid for healthcare related charges.

[3] Expense reimbursements are not tracked in The Debtor's accounting software at detail requested

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<u>Trading Partner</u>	<u>Trading Partner Address</u>	<u>Payment Date</u>	<u>Payment Amount</u>
Acis Capital Management	Attn: Rakhee V. Patel, Winstead PC 500 Winstead Building Dallas TX 75201	8/27/2019	12,249.65
Brasilinvest Empreendimentos e Participacoes S/A	300 Crescent Court, Suite 700 Dallas, TX 75201	10/26/2018	10,000.00
Brasilinvest Empreendimentos e Participacoes S/A	300 Crescent Court, Suite 700 Dallas, TX 75201	11/1/2018	10,000.00
Brasilinvest Empreendimentos e Participacoes S/A	300 Crescent Court, Suite 700 Dallas, TX 75201	12/3/2018	10,000.00
Brasilinvest Empreendimentos e Participacoes S/A	300 Crescent Court, Suite 700 Dallas, TX 75201	1/2/2019	10,000.00
Brasilinvest Empreendimentos e Participacoes S/A	300 Crescent Court, Suite 700 Dallas, TX 75201	1/25/2019	10,000.00
Brasilinvest Empreendimentos e Participacoes S/A	300 Crescent Court, Suite 700 Dallas, TX 75201	2/1/2019	10,000.00
Brasilinvest Empreendimentos e Participacoes S/A	300 Crescent Court, Suite 700 Dallas, TX 75201	3/1/2019	10,000.00
Brasilinvest Empreendimentos e Participacoes S/A	300 Crescent Court, Suite 700 Dallas, TX 75201	4/3/2019	10,000.00
Brasilinvest Empreendimentos e Participacoes S/A	300 Crescent Court, Suite 700 Dallas, TX 75201	5/1/2019	10,000.00
Brasilinvest Empreendimentos e Participacoes S/A	300 Crescent Court, Suite 700 Dallas, TX 75201	6/3/2019	10,000.00
Brasilinvest Empreendimentos e Participacoes S/A	300 Crescent Court, Suite 700 Dallas, TX 75201	7/1/2019	10,000.00
Brasilinvest Empreendimentos e Participacoes S/A	300 Crescent Court, Suite 700 Dallas, TX 75201	8/1/2019	10,000.00
Brasilinvest Empreendimentos e Participacoes S/A	300 Crescent Court, Suite 700 Dallas, TX 75201	9/3/2019	10,000.00
Dondero Insurance Rabbi Trust	300 Crescent Court, Suite 700 Dallas, TX 75201	1/2/2019	36,580.00
Dugaboy Investment Trust	300 Crescent Court, Suite 700 Dallas, TX 75201	12/19/2018	9,246.96
Dugaboy Investment Trust	300 Crescent Court, Suite 700 Dallas, TX 75201	3/28/2019	6,960.38
Eagle Equity Advisors, LLC	300 Crescent Court, Suite 700 Dallas, TX 75201	8/13/2019	155,000.00
Eagle Equity Advisors, LLC	300 Crescent Court, Suite 700 Dallas, TX 75201	8/29/2019	75,000.00
Eagle Equity Advisors, LLC	300 Crescent Court, Suite 700 Dallas, TX 75201	9/11/2019	40,000.00
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	10/31/2018	41.76
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	11/15/2018	70.73
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	11/30/2018	13.96
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	12/14/2018	50.74
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	12/31/2018	26.84
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	1/15/2019	56.68
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	1/31/2019	58.06
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	2/15/2019	183.46
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	2/28/2019	18.89
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	3/15/2019	28.88
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	3/29/2019	105.11
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	4/15/2019	23.70
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	4/30/2019	34.79
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	5/15/2019	110.76
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	5/31/2019	31.76
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	6/14/2019	43.23
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	6/28/2019	20.56
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	7/15/2019	87.13
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	7/31/2019	38.96
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	8/15/2019	19.48
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	8/30/2019	45.08
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	9/13/2019	66.22
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	9/30/2019	10.82
Frank Waterhouse - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	10/15/2019	115.75
Governance Re Ltd	Wellesley House; 2nd Floor 90 Pitts Bay Road Pembroke HM 08	6/14/2019	300,000.00
HCRE Partners, LLC	300 Crescent Court, Suite 700 Dallas, TX 75201	9/25/2019	900,000.00
Highland Capital Management Fund Advisors	300 Crescent Court, Suite 700 Dallas, TX 75201	5/2/2019	2,400,000.00
Highland Capital Management Fund Advisors	300 Crescent Court, Suite 700 Dallas, TX 75201	5/3/2019	5,000,000.00
Highland Capital Management Korea	300 Crescent Court, Suite 700 Dallas, TX 75201	12/6/2018	1,200,000.00
Highland Capital Management Korea	300 Crescent Court, Suite 700 Dallas, TX 75201	4/17/2019	1,100,000.00
Highland Capital Management Korea	300 Crescent Court, Suite 700 Dallas, TX 75201	7/8/2019	630,000.00
Highland Capital Management Korea	300 Crescent Court, Suite 700 Dallas, TX 75201	7/19/2019	630,000.00
Highland Capital Management Latin America	300 Crescent Court, Suite 700 Dallas, TX 75201	5/3/2019	1,350,000.00
Highland Capital Management Latin America	300 Crescent Court, Suite 700 Dallas, TX 75201	6/28/2019	10,000.00

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<u>Trading Partner</u>	<u>Trading Partner Address</u>	<u>Payment Date</u>	<u>Payment Amount</u>
Highland Capital Management Services	300 Crescent Court, Suite 700 Dallas, TX 75201	5/29/2019	400,000.00
Highland Capital Management Services	300 Crescent Court, Suite 700 Dallas, TX 75201	6/26/2019	150,000.00
Highland Capital Of New York	300 Crescent Court, Suite 700 Dallas, TX 75201	10/26/2018	65,000.00
Highland Capital Of New York	300 Crescent Court, Suite 700 Dallas, TX 75201	10/30/2018	5,864.10
Highland Capital Of New York	300 Crescent Court, Suite 700 Dallas, TX 75201	11/13/2018	3,942.72
Highland Capital Of New York	300 Crescent Court, Suite 700 Dallas, TX 75201	11/28/2018	3,848.70
Highland Capital Of New York	300 Crescent Court, Suite 700 Dallas, TX 75201	12/12/2018	3,744.31
Highland Capital Of New York	300 Crescent Court, Suite 700 Dallas, TX 75201	12/27/2018	4,176.47
Highland Capital Of New York	300 Crescent Court, Suite 700 Dallas, TX 75201	1/11/2019	3,954.93
Highland Capital Of New York	300 Crescent Court, Suite 700 Dallas, TX 75201	1/29/2019	4,703.71
Highland Capital Of New York	300 Crescent Court, Suite 700 Dallas, TX 75201	2/5/2019	50,000.00
Highland Capital Of New York	300 Crescent Court, Suite 700 Dallas, TX 75201	3/5/2019	150,000.00
Highland Capital Of New York	300 Crescent Court, Suite 700 Dallas, TX 75201	3/26/2019	50,000.00
Highland Capital Of New York	300 Crescent Court, Suite 700 Dallas, TX 75201	6/11/2019	55,000.00
Highland Capital Of New York	300 Crescent Court, Suite 700 Dallas, TX 75201	7/1/2019	25,000.00
Highland Capital Of New York	300 Crescent Court, Suite 700 Dallas, TX 75201	8/26/2019	150,000.00
Highland Latin America Consulting, LTD	300 Crescent Court, Suite 700 Dallas, TX 75201	2/27/2019	100,000.00
Highland Latin America Consulting, LTD	300 Crescent Court, Suite 700 Dallas, TX 75201	3/29/2019	25,000.00
Highland Latin America Consulting, LTD	300 Crescent Court, Suite 700 Dallas, TX 75201	4/3/2019	15,000.00
Highland Latin America Consulting, LTD	300 Crescent Court, Suite 700 Dallas, TX 75201	4/15/2019	50,000.00
Highland Latin America Consulting, LTD	300 Crescent Court, Suite 700 Dallas, TX 75201	6/28/2019	90,000.00
Highland Latin America Consulting, LTD	300 Crescent Court, Suite 700 Dallas, TX 75201	8/29/2019	55,000.00
Highland Latin America Consulting, LTD	300 Crescent Court, Suite 700 Dallas, TX 75201	9/30/2019	105,000.00
Highland Latin America Consulting, LTD	300 Crescent Court, Suite 700 Dallas, TX 75201	10/4/2019	75,000.00
Highland Select Equity Fund	300 Crescent Court, Suite 700 Dallas, TX 75201	12/5/2018	171,000.00
Highland Select Equity Fund	300 Crescent Court, Suite 700 Dallas, TX 75201	4/18/2019	3,000,000.00
Highland Select Equity Fund	300 Crescent Court, Suite 700 Dallas, TX 75201	5/2/2019	100,000.00
Highland Select Equity Fund	300 Crescent Court, Suite 700 Dallas, TX 75201	5/14/2019	255,000.00
Highland Select Equity Fund	300 Crescent Court, Suite 700 Dallas, TX 75201	5/22/2019	1,500,000.00
Highland Select Equity Fund	300 Crescent Court, Suite 700 Dallas, TX 75201	5/30/2019	350,000.00
Hunter Mountain Investment Trust	300 Crescent Court, Suite 700 Dallas, TX 75201	12/19/2018	4,930,722.50
Hunter Mountain Investment Trust	300 Crescent Court, Suite 700 Dallas, TX 75201	3/28/2019	3,711,456.47
James Dondero	300 Crescent Court, Suite 700 Dallas, TX 75201	3/28/2019	3,750,000.00
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	10/31/2018	8,986.25
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	11/15/2018	65,078.25
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	12/14/2018	115,481.36
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	12/31/2018	548.19
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	1/15/2019	96,786.37
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	1/31/2019	38,628.04
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	2/15/2019	42,434.77
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	2/28/2019	19,062.59
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	3/15/2019	50,771.13
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	3/29/2019	21,934.60
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	4/15/2019	60,190.72
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	4/30/2019	7,164.24
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	5/15/2019	89,256.54
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	5/31/2019	38,804.42
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	6/14/2019	82,710.42
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	6/28/2019	7,604.98
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	7/15/2019	47,005.97
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	7/31/2019	748.07
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	8/15/2019	85,058.51
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	8/30/2019	12,713.97
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	9/13/2019	56,762.57

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<u>Trading Partner</u>	<u>Trading Partner Address</u>	<u>Payment Date</u>	<u>Payment Amount</u>
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	9/30/2019	24,497.96
James Dondero - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	10/15/2019	32,977.48
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	10/31/2018	1,341.26
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	11/15/2018	164.01
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	11/30/2018	61.54
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	12/31/2018	2,378.81
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	1/31/2019	285.54
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	2/28/2019	876.87
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	3/15/2019	267.99
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	3/29/2019	112.22
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	4/30/2019	160.50
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	5/15/2019	144.02
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	6/14/2019	688.48
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	6/28/2019	48.54
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	7/15/2019	74.95
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	7/31/2019	153.81
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	8/30/2019	217.72
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	9/30/2019	3,615.11
Lee Parker - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	10/15/2019	5,644.08
Maples & Calder	Ugland House Po Box 309Gt; S Church St George Town Grand Cayman	12/7/2018	6,780.65
Maples & Calder	Ugland House Po Box 309Gt; S Church St George Town Grand Cayman	12/12/2018	17,215.19
Maples & Calder	Ugland House Po Box 309Gt; S Church St George Town Grand Cayman	1/4/2019	95,798.38
Maples & Calder	Ugland House Po Box 309Gt; S Church St George Town Grand Cayman	1/10/2019	2,600.00
Maples & Calder	Ugland House Po Box 309Gt; S Church St George Town Grand Cayman	3/7/2019	2,453.66
Maples & Calder	Ugland House Po Box 309Gt; S Church St George Town Grand Cayman	9/16/2019	5,218.40
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/11	3,600.00
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/11	3,500.00
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/11	3,500.00
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/11	3,600.00
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/11	3,600.00
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/11	3,500.00
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/11	3,500.00
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/11	3,500.00
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/11	3,500.00
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/11	3,500.00
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/11	3,500.00
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/12	2,453.66
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/12	2,453.66
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/12	2,453.66
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/12	2,453.66
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/12	2,453.66
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/12	2,453.66
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/12	2,453.66
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/12	2,453.66
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/12	2,453.66
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/12	2,453.66
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/12	8,876.22

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<u>Trading Partner</u>	<u>Trading Partner Address</u>	<u>Payment Date</u>	<u>Payment Amount</u>
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/12	2,453.66
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/12	8,876.22
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/12	2,453.66
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2018/12	2,453.66
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2019/01	1,300.00
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2019/04	3,450.68
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2019/04	3,450.68
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2019/05	1,777.77
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2019/05	1,777.77
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2019/05	1,777.77
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2019/05	1,777.77
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2019/05	1,777.77
MaplesFS Service Company Limited	PO Box 1093 Boundary Hall Grand Cayman KY1-1102	2019/05	1,777.77
Mark Okada - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	10/31/2018	68.12
Mark Okada - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	12/31/2018	2,793.63
Mark Okada - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	1/15/2019	28,862.62
Mark Okada - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	2/15/2019	1,174.32
Mark Okada - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	3/15/2019	740.40
Mark Okada - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	3/29/2019	10,809.37
Mark Okada - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	4/15/2019	4,485.01
Mark Okada - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	5/15/2019	3,584.31
Mark Okada - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	6/14/2019	6,121.00
Mark Okada - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	7/15/2019	2,008.15
Mark Okada - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	8/15/2019	139.27
Mark Okada - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	8/30/2019	675.80
Mark Okada - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	9/13/2019	10,961.53
Mark Okada - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	10/15/2019	7,312.69
NexPoint Advisors, LP	300 Crescent Court, Suite 700 Dallas, TX 75201	9/19/2019	500,000.00
NexPoint Advisors, LP	300 Crescent Court, Suite 700 Dallas, TX 75201	9/23/2019	1,000,000.00
Okada Insurance Rabbi Trust	300 Crescent Court, Suite 700 Dallas, TX 75201	10/3/2019	14,875.00
Scott Ellington - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	11/15/2018	1,295.64
Scott Ellington - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	12/31/2018	5,149.90
Scott Ellington - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	1/15/2019	59.95
Scott Ellington - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	2/15/2019	102.32
Scott Ellington - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	3/29/2019	59.95
Scott Ellington - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	4/30/2019	59.95
Scott Ellington - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	5/15/2019	364.95
Scott Ellington - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	6/28/2019	59.95
Scott Ellington - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	7/15/2019	59.95
Scott Ellington - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	8/30/2019	205,787.95
Scott Ellington - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	9/30/2019	59.95
Scott Ellington - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	10/15/2019	59.95
Scott Ellington - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	10/15/2019	113,104.52
Strand Advisors	300 Crescent Court, Suite 700 Dallas, TX 75201	12/19/2018	12,423.44
Strand Advisors	300 Crescent Court, Suite 700 Dallas, TX 75201	3/28/2019	9,351.38
Thomas Surgent - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	10/31/2018	419.21
Thomas Surgent - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	12/14/2018	5,024.00
Thomas Surgent - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	1/31/2019	355.30
Thomas Surgent - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	4/15/2019	529.77
Thomas Surgent - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	4/30/2019	4,185.33
Thomas Surgent - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	5/15/2019	589.52
Thomas Surgent - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	5/31/2019	480.00
Thomas Surgent - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	6/28/2019	1,591.54

Highland Capital Management LP
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<u>Trading Partner</u>	<u>Trading Partner Address</u>	<u>Payment Date</u>	<u>Payment Amount</u>
Thomas Surgent - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	7/15/2019	125.00
Thomas Surgent - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	9/30/2019	28.00
Thomas Surgent - Expense Reimbursement	300 Crescent Court, Suite 700 Dallas, TX 75201	10/15/2019	2,232.89
Total			<u><u>36,608,252.91</u></u>

Refer to SOFA 30 and Exhibit G for other transfers.

Highland Capital Management LP
Case # 19-34054-SGJ
Exhibit D - SOFA 7

Case Title	Case Number	Nature of Case	Court Name	Court Address	Status of case
Duff & Phelps, LLC v. Highland Capital Management, L.P. Index No. 653813/2019		Claim for breach of contract and unjust enrichment for failure to pay pursuant to a Letter of Engagement and accompanying Terms and Conditions.	Supreme Court of the State of New York, County of New York	60 Centre St, New York, NY 10007	Concluded
Hamilton Partners, L.P. v. Highland Capital Management, L.P. and Joseph Furlong	Cause No. 6547	Allegedly improper restructuring of American Home Patient	Court of Chancery of the State of Delaware	34 The Circle Georgetown, DE 19947	Concluded
In re: Acis Capital Management, L.P. (Case No. 18-30264-SGJ-11), Acis Capital Management GP, LLC (Case No. 18-30265-SGJ-11) as Debtors. Robin Phelan, Chapter 11 Trustee v. Highland Capital Management, L.P., Highland CLO Funding, Ltd. f/k/a Acis Loan Funding, Ltd., CLO Holdco, Ltd., Neutra, Ltd., Acis CLO 2014-3 Ltd., Acis CLO 2014-4 Ltd., Acis CLO 2014-5 Ltd., Acis CLO 2015-6 Ltd., Acis CLO 2014-3 LLC, Acis CLO 2014-4 LLC, Acis CLO 2014-5 LLC, and Acis CLO 2015-6 LLC	Case No. 18-03212-SGJ	Chapter 11 Trustee, on behalf of Debtors, claimed violation of TRO, preliminary injunction, and fraudulent conveyance.	United State Bankruptcy Court for the Northern District of Texas, Dallas Division	George Mahon Federal Building 1205 Texas Ave., Rm 306 Lubbock, TX 79401-4002	Pending
McKool Smith P.C. vs. Highland Capital Management, L.P. JAMS No.: 1310024517		Claim for breach of contract pursuant to Crusader Retention Agreement, Terry Retention Agreement, UBS Retention Agreement, and payment plan.	N/A	N/A	Pending
NWCC, LLC v. Highland CLO Management, LLC; Highland Capital Management, L.P.; Acis CLO 2014-3 Ltd.; Highland CLO 2014-3R Ltd.; Highland CLO 2014-3R LLC; Highland HCF Advisor, Ltd., as Trustee for Highland CLO Trust; Highland CLO Management Holdings, L.P.; Highland CLO Management GP, LLC; and Highland HCF Advisor, Ltd.	Case No. 654195/2018	Claim for breach of contract for failure to pay pursuant to Master Repurchase Agreement.	Supreme Court of the State of New York, County of New York	60 Centre St, New York, NY 10007	Pending
Patrick Daugherty v. Highland Capital Management, L.P., Highland Employee Retention Assets, LLC, Highland ERA Management, LLC, and James Dondoro	No. 2017-0488-SG	Claim for collection of judgment against Highland Employee Retention Assets, LLC ("HERA") and allegation of improper transfer of assets from HERA to other Defendants	Court of Chancery of the State of Delaware	34 The Circle Georgetown, DE 19947	Pending
Redeemer Committee of the Highland Crusader Fund (acting through its members, (1) Grosvenor Capital Management, L.P., (2) FRM Investment Management Limited, (3) Concord Management, LLC, (4) Baylor University, (5) FIX Asset Management, (6) The United States Army Air Force Exchange Services) vs. Highland Capital Management, L.P.	Cause 2019 No. 332	Motion to enforce Crusader Arbitration Award	Supreme Court of Bermuda	2nd floor, Government Administration Building 30 Parliament Street Hamilton HM12 Bermuda	Pending
Redeemer Committee of the Highland Crusader Fund (acting through its members, (1) Grosvenor Capital Management, L.P., (2) FRM Investment Management Limited, (3) Concord Management, LLC, (4) Baylor University, (5) FIX Asset Management, (6) The United States Army Air Force Exchange Services) vs. Highland Capital Management, L.P.	Cause 153 of 2019	Motion to enforce Crusader Arbitration Award	Grant Court of the Cayman Islands Financial Services Division	P.O. Box 495 Grand Cayman KY1-1106 Cayman Islands	Pending
Redeemer Committee of the Highland Crusader Fund v. Highland Capital Management, L.P.	No. 01-16-002-6927	Injunctive relief and damages sought related to wind down of legacy hedge fund from the 2008 financial crisis.	N/A	N/A	Concluded
Redeemer Committee of the Highland Crusader Fund v. Highland Capital Management, L.P.	No. 12533-VCG	Injunctive relief and declaratory judgment related to wind down of legacy hedge fund from the 2008 financial crisis.	Court of Chancery of the State of Delaware	34 The Circle Georgetown, DE 19947	Pending
UBS Securities LLC and UBS AG, London Branch v. Highland Capital Management, L.P., Highland Special Opportunities Holding Company, Highland CDO Opportunity Master Fund, L.P., Highland Financial Partners, L.P., Highland Credit Strategies Fund, Highland Crusader Offshore Partners, L.P., Highland Credit Opportunities CDO, L.P. and Strand Advisors, Inc.	Case No. 650097/2009	Plaintiff alleges that HCMLP engaged in fraudulent transfers and breached its duty of good faith in fair dealing in managing the obligations of its funds.	Supreme Court of the State of New York, County of New York	60 Centre St, New York, NY 10007	Pending
Highland Capital Management, L.P. v. Joshua Terry	Case No. DC-16-11396	Employee Terry was terminated for cause. Highland filed suit for return of Highland's confidential information and other counterclaims. Terry has filed counterclaims for conversion and defamation.	62nd District Court of Dallas County, Texas	00 Commerce Street, 7th Floor New Tower, Dallas, TX 75202	Pending

Highland Capital Management LP
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Exhibit E - SOFA #9

Vendor	Amount	Expense Type	Date
B&H Photo	\$ 7,000.00	Business Gifts	Feb 22, 2019
Competitive Cyclist	5,000.00	Business Gifts	Feb 22, 2019
REI	3,009.95	Business Gifts	Feb 22, 2019
The Family Place	4,500.00	Business Gifts	Jan 11, 2019
Neiman Marcus	10,000.00	Business Gifts	Jan 29, 2019
Nordstrom	9,000.00	Business Gifts	Jan 29, 2019
Neiman Marcus	2,800.00	Business Gifts	Aug 10, 2018
Barney's New York	3,015.00	Business Gifts	Dec 27, 2017
Etro Store	1,710.35	Business Gifts	Dec 27, 2017
Sutterfly	1,627.64	Business Gifts	Jun 26, 2019
B&H Video	5,015.00	Business Gifts	Oct 25, 2017
Competitive Cyclist	5,000.00	Business Gifts	Oct 25, 2017
Nordstrom	5,000.00	Business Gifts	Oct 25, 2017
REI	5,000.00	Business Gifts	Oct 25, 2017
JD	5,000.00	Business Gifts	Jan 29, 2019
AMEXGIFTCARD.COM-BOLATLANTA GA XXXXXXXX XXX-XXX-86	7,508.95	Business Gifts	Dec 12, 2018
Dallas Childrens Advocacy	17,500.00	Charitable Contributions	Jan 11, 2019
Political Contribution	20,000.00	Charitable Contributions	May 13, 2019
Political Contribution	30,000.00	Charitable Contributions	May 29, 2019
NORTHPARK CENTER	1,230.00	Gift/Awards	Apr 26, 2019
Kroger	1,483.30	Gift/Awards	Apr 26, 2018
Total Wine	1,125.76	Gift/Awards	Feb 13, 2018
Costco	2,168.86	Gift/Awards	Feb 13, 2019
Apple	4,000.00	Gift/Awards	Feb 26, 2018
B&H Photo	3,000.00	Gift/Awards	Feb 26, 2018
Competitive Cyclist	5,000.00	Gift/Awards	Feb 26, 2018
Nordstrom	1,350.00	Gift/Awards	Feb 26, 2018
Nordstrom	4,650.00	Gift/Awards	Feb 26, 2018
Nordstrom	1,250.00	Gift/Awards	Feb 26, 2018
Nordstrom	3,750.00	Gift/Awards	Mar 13, 2019
Nordstrom	7,010.00	Gift/Awards	Mar 13, 2019
REI	4,009.95	Gift/Awards	Mar 13, 2019
Neiman Marcus	2,075.00	Gift/Awards	Mar 27, 2018
AMAZON.COM*MB5OG1ZC1AMZN.COM/BI 1T5SDTP0V6I MERCHA	1,000.00	Gift/Awards	Feb 13, 2019
AMERICAN AIRLINES XXXX-XXX-XXX XXX0103 AA.COM	1,000.00	Gift/Awards	Feb 13, 2019
BABY.COM EGIFT CRD XXX-XXX-1977 9XXX9375PRC GIFT C	1,000.00	Gift/Awards	Feb 13, 2019
WALMART.COM XXX-XXX-6546 AR WMZVYLNO0YU RETAIL	1,000.00	Gift/Awards	Feb 13, 2019
AMAZON.COM*M01N33JX2AMZN.COM/BI 43WY9S9CUC8 MERCHA	1,000.00	Gift/Awards	Dec 12, 2018
AMAZON.COM*MX1474TL1AMZN.COM/BI 594WNOFOQ54 MERCHA	1,000.00	Gift/Awards	Dec 12, 2018
AMEXGIFTCARD.COM-BOLATLANTA GA XXXXXXXX XXX-XXX-86	68,280.95	Gift/Awards	Dec 12, 2018
WLLMS-SONMA CSTR GFTXXX-XXX-197 9XXX3699QOK GIFT C	1,000.00	Gift/Awards	Dec 12, 2018
AAA INNOVATIONS AAA NORWOOD NJ XXXXXX8353 NON-DUR	4,558.75	Gift/Awards	Jan 11, 2019
AMEXGIFTCARD.COM-BOLATLANTA GA XXXXXXXX XXX-XXX-86	3,508.95	Gift/Awards	Jan 11, 2019
HOTELS.COM GIFT CARDXXX-XXX-197 9XXX8780BOK GIFT C	1,000.00	Gift/Awards	Jan 11, 2019
WLLMS-SONMA CSTR GFTXXX-XXX-197 9XXX6040GOK GIFT C	1,000.00	Gift/Awards	Jan 11, 2019
AMEX HILTON GIFT CARXXX-XXX-058 XXXX4162 BOL X0285	5,008.95	Gift/Awards	Feb 13, 2018
WLLMS-SONMA CSTR GFTXXX-XXX-197 4XXX2954P90 GIFT C	1,000.00	Gift/Awards	Nov 10, 2017
CS_*BABIESRUSGIFTCARXXX-XXX-197 4XXX6083G9J GIFT C	1,000.00	Gift/Awards	Dec 13, 2017
Four Seasons 8XX7828WILMINGTON XXXXXXXXXXX XXXXXX3	5,014.19	Gift/Awards	Dec 13, 2017
RITZ CARLTON GIFT CAMIDVALE UT XXXXXXXXXXX XXX-XXX-8	1,001.00	Gift/Awards	Dec 13, 2017
AMAZON.COM AMZN.COM/BILL WA 4HQ4J0AKNMQ MERCHANDIS	1,000.00	Gift/Awards	Jan 10, 2018
AMEX GIFT CARDS XXX-XXX-0582 NY OPWBXXX0386BOL XX2	7,008.95	Gift/Awards	Mar 13, 2018
Four Seasons 8XX7828WILMINGTON XXXXXXXXXXX XXXXXX3	1,014.93	Gift/Awards	Mar 13, 2018

Highland Capital Management LP
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Exhibit E - SOFA #9

Vendor	Amount	Expense Type	Date
AMEX GIFT CARDS XXX-XXX-0582 NY OPWBXXX3116BOL XX2	3,520.80	Gift/Awards	Apr 11, 2018
Four Seasons 8XX7828WILMINGTON XXXXXXXXXXX XXXXXX3	1,014.93	Gift/Awards	Apr 11, 2018
MARRIOTT GIFT CARDS MIDVALE UT XXXXXXXXXXX XXX-XXX-4	5,010.95	Gift/Awards	May 10, 2018
AMAZON.COM AMZN.COM/BILL WA 16B3JYTOHX MERCHANDIS	1,000.00	Gift/Awards	Jun 12, 2018
Four Seasons 8XX7828WILMINGTON XXXXXXXXXXX XXXXXX3	1,014.93	Gift/Awards	Jun 12, 2018
Four Seasons 8XX7828WILMINGTON XXXXXXXXXXX XXXXXX3	5,014.93	Gift/Awards	Jun 12, 2018
Four Seasons 8XX7828WILMINGTON XXXXXXXXXXX XXXXXX3	1,000.00	Gift/Awards	Jun 12, 2018
HOTELS.COM GIFT CARDXXX-XXX-197 4XXX5955KHG GIFT C	1,000.00	Gift/Awards	Jun 12, 2018
AMAZON.COM AMZN.COM/BILL WA 4C5DKHWD6TK MERCHANDIS	1,000.00	Gift/Awards	Jul 11, 2018
AMAZON.COM AMZN.COM/BILL WA 5AK74J5T9LC MERCHANDIS	1,000.00	Gift/Awards	Jul 11, 2018
HOTELS.COM GIFT CARDXXX-XXX-197 4XXX5284CIM GIFT C	1,000.00	Gift/Awards	Jul 11, 2018
MARRIOTT GIFT CARDS MIDVALE UT XXXXXXXXXXX XXX-XXX-4	1,001.00	Gift/Awards	Jul 11, 2018
WLLMS-SONMA CSTR GFTXXX-XXX-197 4XXX6255NHS GIFT C	1,000.00	Gift/Awards	Jul 11, 2018
AMAZON.COM AMZN.COM/BILL WA 3NRIPESL5H2 MERCHANDIS	1,000.00	Gift/Awards	Aug 10, 2018
AMEXGIFTCARD.COM-BOLATLANTA GA XXXXXXXX XXX-XXX-86	3,522.85	Gift/Awards	Aug 10, 2018
HOTELS.COM GIFT CARDXXX-XXX-197 4XXX8611J4 GIFT C	1,000.00	Gift/Awards	Aug 10, 2018
HOTELS.COM GIFT CARDXXX-XXX-197 8XXX5959YIW GIFT C	1,000.00	Gift/Awards	Aug 10, 2018
MARRIOTT GIFT CARDS MIDVALE UT XXXXXXXXXXX XXX-XXX-4	5,001.00	Gift/Awards	Aug 10, 2018
AMAZON.COM*MT7OW87B1AMZN.COM/BI 1XJ571A2WYA MERCHA	1,000.00	Gift/Awards	Nov 13, 2018
WLLMS-SONMA CSTR GFTXXX-XXX-197 9XXX5657XMX GIFT C	1,000.00	Gift/Awards	Nov 13, 2018
CS *HOTELS.COM GC XXX-XXX-1977 4XXX3604JRQ GIFT CA	1,000.00	Gift/Awards	Mar 13, 2019
HILTON GC XXX XXX-XXXX-XXX-XXX XX0847 GIFTCARDS F	1,008.95	Gift/Awards	Mar 13, 2019
HOTELS.COM GIFT CARDXXX-XXX-197 4XXX1517JRH GIFT C	1,000.00	Gift/Awards	Mar 13, 2019
AMAZON.COM*MW2NP75Y2AMZN.COM/BI 1ZRLAH1KV0Q MERCHA	1,000.00	Gift/Awards	May 13, 2019
AMEXGIFTCARD.COM-BOLATLANTA GA XXXXXXXX XXX-XXX-86	3,515.95	Gift/Awards	May 13, 2019
AMEXGIFTCARD.COM-BOLATLANTA GA XXXXXXXX XXX-XXX-86	3,520.85	Gift/Awards	Jun 12, 2019
AMEXGIFTCARD.COM-BOLATLANTA GA XXXXXXXX XXX-XXX-86	3,515.95	Gift/Awards	Jul 11, 2019
ANSE CHASTANET - RESSOUFRIERE LC XXXXXXXXXXX XXX-XX	5,000.00	Gift/Awards	Sep 11, 2018
Four Seasons 8XX7828WILMINGTON XXXXXXXXXXX XXXXXX3	5,014.93	Gift/Awards	Sep 11, 2018
MARRIOTT GIFT CARDS MIDVALE UT XXXXXXXXXXX XXX-XXX-4	1,010.95	Gift/Awards	Sep 11, 2018
RITZ CARLTON GIFT CAMIDVALE UT XXXXXXXXXXX XXX-XXX-8	1,010.95	Gift/Awards	Sep 11, 2018
WLLMS-SONMA CSTR GFTXXX-XXX-197 4XXX6218KG GIFT C	1,000.00	Gift/Awards	Sep 11, 2018
AMAZON.COM*MT5FG6LG0AMZN.COM/BI 2CWA16B0JP6 MERCHA	2,000.00	Gift/Awards	Oct 11, 2018
AMEXGIFTCARD.COM-BOLATLANTA GA XXXXXXXX XXX-XXX-86	7,529.80	Gift/Awards	Oct 11, 2018
MARRIOTT GIFT CARDS MIDVALE UT XXXXXXXXXXX XXX-XXX-4	5,000.00	Gift/Awards	Oct 4, 2019
Hotels.com	1,000.00	Gift/Awards	Jul 11, 2019
Buy Buy Baby	1,000.00	Gift/Awards	Aug 13, 2019
William Sonoma	1,000.00	Gift/Awards	Aug 13, 2019
Amazon.com	1,000.00	Gift/Awards	Sep 10, 2019
AMAZON.COM*MA02T1UW2AMZN.COM/BI 59I475TIIR3 MERCHA	1,000.00	Gift/Awards	Sep 10, 2019
CS *BUYBUYBABY EGTFXXX-XXX-197 4XXX9435NZ1 GIFT C	1,000.00	Gift/Awards	Sep 10, 2019
CS *HOTELS.COM GC XXX-XXX-1977 4XXX4055UYZ GIFT CA	1,000.00	Gift/Awards	Sep 10, 2019
MARRIOTT GIFT CARDS MIDVALE UT XXXXXXXXXXX XXX-XXX-4	1,000.00	Gift/Awards	Sep 10, 2019
MARRIOTT GIFT CARDS MIDVALE UT XXXXXXXXXXX XXX-XXX-4	1,000.00	Gift/Awards	Sep 10, 2019
CS *HOTELS.COM GC XXX-XXX-1977 9XXX0073VU5 GIFT CA	2,000.00	Gift/Awards	May 13, 2019
CS *HOTELS.COM GC XXX-XXX-1977 9XXX9190AU5 GIFT CA	1,000.00	Gift/Awards	May 13, 2019
CS *HOTELS.COM GC XXX-XXX-1977 9XXX7723U5 GIFT CA	2,000.00	Gift/Awards	May 13, 2019
CS *HOTELS.COM GC XXX-XXX-1977 4XXX2756TI GIFT CA	1,000.00	Gift/Awards	Apr 11, 2019
Beard Supply	1,623.75	Gift/Awards	Jan 10, 2018
Patagonia	2,685.71	Gift/Awards	Jan 26, 2018
Political Contribution	25,000.00	Gift/Charity	Jun 30, 2018
Political Contribution	25,000.00	Gift/Charity	Jun 30, 2019
Total	\$ 445,725.61		

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Highland Capital Management LP
Case # 19-34054-SGJ
Exhibit F - SOFA 25

Name	Relationship	Address	EIN	Description of Business	Date of Creation	Date of Termination (if applicable)
Aberdeen Loan Funding, Ltd.	IMA	Intertrust Corporate Services (Cayman) Limited, 190 Elgin Ave, George Town, Grand Cayman KY1-9005, Cayman Islands	N/A	CLO Fund	12/14/2006	
Brentwood CLO, Ltd.	IMA	MaplesFS - PO Box 1093, Grand Cayman, KY1-1102, Cayman Islands	98-0524481	CLO Fund	5/21/2006	
Bristol Bay Funding Ltd.	IMA	Intertrust Corporate Services (Cayman) Limited, 190 Elgin Ave, George Town, Grand Cayman KY1-9005, Cayman Islands	98-0418113	CLO Fund	11/18/2003	
Eastland CLO, Ltd.	IMA	Elian Fiduciary Services (Cayman) Limited - 190 Elgin Ave, George Town, Grand Cayman KY1-9005, Cayman Islands	98-0550088	CLO Fund	3/31/2006	
Gleneagles CLO, Ltd.	IMA	MaplesFS Limited, PO Box 1093, George Town, Grand Cayman KY1-1102, Cayman Islands	N/A	CLO Fund	2/25/2005	
Grayson CLO, Ltd.	IMA	Elian Fiduciary Services (Cayman) Limited - 190 Elgin Ave, George Town, Grand Cayman KY1-9005, Cayman Islands	98-0522566	CLO Fund	2/7/2006	
Greenbriar CLO, Ltd.	IMA	MaplesFS Limited, PO Box 1093, George Town, Grand Cayman KY1-1102, Cayman Islands	N/A	CLO Fund	10/24/2007	
Highland CDO Holding Company	IMA	Intertrust Corporate Services (Cayman) Limited, 190 Elgin Ave, George Town, Grand Cayman KY1-9005, Cayman Islands	98-0527935	HFP sub	1/24/2006	
Highland CDO Opportunity Fund, L.P.	IMA	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	20-3899941	Hedge fund	11/3/2005	Terminated
Highland CDO Opportunity Fund, Ltd.	IMA	MQ Services Ltd, Victoria House, 31 Victoria Street, Hamilton HM10, Bermuda	N/A	Hedge fund	5/8/2002	Terminated
Highland CDO Opportunity Master Fund, L.P.	IMA	MQ Services Ltd, Victoria House, 31 Victoria Street, Hamilton HM10, Bermuda	98-0520689	Hedge fund	10/31/2005	Terminated
Highland Credit Opportunities CDO, Ltd.	IMA	Intertrust Corporate Services (Cayman) Limited, 190 Elgin Ave, George Town, Grand Cayman KY1-9005, Cayman Islands	98-0512429	Hedge fund	11/1/2005	
Highland Credit Opportunities Japanese Feeder Sub-Trust	IMA	Intertrust Corporate Services (Cayman) Limited, 190 Elgin Ave, George Town, Grand Cayman KY1-9005, Cayman Islands	N/A	Hedge fund	8/22/2007	
Highland Credit Strategies Fund, L.P.	IMA	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	86-1147211	Hedge fund	8/2/2005	
Highland Credit Strategies Fund, Ltd.	IMA	MQ Services Ltd, Victoria House, 31 Victoria Street, Hamilton HM10, Bermuda	98-0466202	Hedge fund	8/8/2005	
Highland Credit Strategies Master Fund, L.P.	IMA	MQ Services Ltd, Victoria House, 31 Victoria Street, Hamilton HM10, Bermuda	98-0466203	Hedge fund	8/19/2005	
Highland Dynamic Income Fund, L.P. (fka Highland Capital Loan Fund, L.P.)	IMA	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	46-2123634	Hedge fund	2/25/2013	
Highland Dynamic Income Fund, Ltd. (fka Highland Loan Fund, Ltd.)	IMA	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	N/A	Hedge fund	2/26/2013	
Highland Dynamic Income Master Fund, L.P. (fka Highland Loan Master Fund, L.P.)	IMA	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-1169838	Hedge fund	2/26/2013	
Highland Financial Corp.	IMA - terminated	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	20-4392555	HFP sub	2/28/2006	
Highland Flexible Income UCITS Fund	IMA	23 St. Stephen's Green, Dublin 2, Ireland	N/A	Separate account	6/7/2018	
Highland Legacy Limited	IMA	MaplesFS Limited, PO Box 1093, George Town, Grand Cayman KY1-1102, Cayman Islands	N/A	CLO Fund	7/6/1999	
Highland Loan Funding V, Ltd.	IMA	MaplesFS Limited, PO Box 1093, George Town, Grand Cayman KY1-1102, Cayman Islands	N/A	CLO Fund	2/5/2001	
Highland Multi Strategy Credit Fund, L.P. (fka Highland Credit Opportunities Fund, L.P., fka Highland Credit Opportunities CDO, L.P.)	IMA	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	20-3874256	Hedge fund	12/1/2005	
Highland Multi Strategy Credit Fund, Ltd. (fka Highland Credit Opportunities Fund, Ltd.)	IMA	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-0587370	Hedge fund	12/29/2005	
Highland Park CDO I, Ltd.	IMA	MaplesFS Limited, PO Box 1093, George Town, Grand Cayman KY1-1102, Cayman Islands	98-0515982	CLO Fund	7/12/2006	
Highland Prometheus Feeder Fund I, L.P.	IMA	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-1334547	Hedge fund	11/7/2016	
Highland Prometheus Feeder Fund II, L.P.	IMA	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-1353013	Hedge fund	2/17/2017	
Highland Prometheus Master Fund, L.P.	IMA	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-1334763	Hedge fund	11/7/2016	
Highland Restoration Capital Partners Master, L.P.	IMA	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	26-1458205	Private equity fund	11/14/2007	
Highland Restoration Capital Partners Offshore, L.P.	IMA	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-0558962	Private equity fund	11/13/2007	
Highland Restoration Capital Partners, L.P.	IMA	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	26-1456033	Private equity fund	11/14/2007	
Highland Select Equity Fund, L.P.	IMA	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	75-2970177	Hedge fund	12/5/2001	
Highland Select Equity Master Fund, L.P.	IMA	MQ Services Ltd, Victoria House, 31 Victoria Street, Hamilton HM10, Bermuda	98-0520466	Hedge fund	4/12/2007	
Highland Special Opportunities Holding Company	IMA	Intertrust Corporate Services (Cayman) Limited, 190 Elgin Ave, George Town, Grand Cayman KY1-9005, Cayman Islands	98-0532735	HFP sub	1/24/2006	Terminated
Jasper CLO, Ltd.	IMA	Elian Fiduciary Services (Cayman) Limited - 190 Elgin Ave, George Town, Grand Cayman KY1-9005, Cayman Islands	98-0595492	CLO Fund	3/9/2005	
Liberty CLO, Ltd.	IMA	Intertrust Corporate Services (Cayman) Limited, 190 Elgin Ave, George Town, Grand Cayman KY1-9005, Cayman Islands	98-0595490	CLO Fund	6/30/2005	
Longhorn Credit Funding, LLC	IMA	United Corporate Services, Inc., 874 Walker Rd, Ste C, Dover, DE 19904	N/A	Separate account	10/15/2007	
ML CLO XIX Sterling (Cayman), Ltd.	IMA	MaplesFS Limited, PO Box 1093, George Town, Grand Cayman KY1-1102, Cayman Islands	N/A	CLO Fund	4/27/1998	
Pam Capital Funding, L.P.	IMA	MaplesFS Limited, PO Box 1093, George Town, Grand Cayman KY1-1102, Cayman Islands	20-3010953	CLO Fund	5/8/1998	
PamCo Cayman Ltd.	IMA	MaplesFS Limited, PO Box 1093, George Town, Grand Cayman KY1-1102, Cayman Islands	N/A	CLO Fund	1/18/1997	
PensionDanmark Pensionsforsikringsaktieselskab	IMA	Langeline Allé 43, DK-2100 Copenhagen Ø	N/A	Separate account	6/24/1992	
Red River CLO, Ltd.	IMA	Elian Fiduciary Services (Cayman) Limited - 190 Elgin Ave, George Town, Grand Cayman KY1-9005, Cayman Islands	98-0527219	CLO Fund	1/24/2006	
Rockwall CDO II Ltd.	IMA	MaplesFS Limited, PO Box 1093, George Town, Grand Cayman KY1-1102, Cayman Islands	N/A	CLO Fund	4/12/2006	
Rockwall CDO, Ltd.	IMA	MaplesFS Limited, PO Box 1093, George Town, Grand Cayman KY1-1102, Cayman Islands	98-0461407	CLO Fund	6/7/2005	
Southfork CLO, Ltd.	IMA	MaplesFS Limited, PO Box 1093, George Town, Grand Cayman KY1-1102, Cayman Islands	N/A	CLO Fund	10/21/2004	
Stratford CLO, Ltd.	IMA	MaplesFS Limited, PO Box 1093, George Town, Grand Cayman KY1-1102, Cayman Islands	98-0540945	CLO Fund	10/17/2006	
Valhalla CLO, Ltd.	IMA	Intertrust Corporate Services (Cayman) Limited, 190 Elgin Ave, George Town, Grand Cayman KY1-9005, Cayman Islands	98-0595491	CLO Fund	6/9/2004	
Westchester CLO, Ltd.	IMA	MaplesFS Limited, PO Box 1093, George Town, Grand Cayman KY1-1102, Cayman Islands	98-0546784	CLO Fund	11/10/2006	
Highland Latin America GP, Ltd.	Highland Capital Management, L.P., as trustee of Highland Latin America Trust and nominee for and on behalf of Highland Latin America LP, Ltd.	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-1362190	GP of the relying advisor to the Argentina fund	3/6/2017	

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Highland Capital Management LP
Case # 19-34054-SGJ
Exhibit F - SOFA 25

Name	Relationship	Address	EIN	Description of Business	Date of Creation	Date of Termination (if applicable)
Highland Capital Management Latin America, L.P.	Highland Capital Management, L.P., as trustee of Highland Latin America Trust and nominee for and on behalf of Highland Latin America LP, Ltd.	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-1362202	Relying advisor to the Argentina fund	4/13/2017	
Neutra, Ltd.	Highland Capital Management, L.P., as trustee of Acis CMOA Trust and nominee for and on behalf of Highland CLO Assets Holdings Limited	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-1090422		12/12/2012	
Asbury Holdings, LLC (fka HCSLR Camelback Investors (Delaware), LLC)	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	N/A	Holds HCMLP's Haygood interest	2/14/2017	
De Kooning, Ltd.	Highland Capital Management, L.P.	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-1090348	Formed to hold Select's interest in Barclays' assignment	12/12/2012	
HCREF-I Holding Corp.	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	46-1998057	Holds HCMLP interest in HCREF	12/13/2012	
HCREF-XI Holding Corp.	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	46-2030348	Holds HCMLP's interest in HE Mezz KR, LLC	12/13/2012	
HCREF-XII Holding Corp.	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	46-2032401	Holds HCMLP's interest in 2006 Millam East Partners LP	12/13/2012	
HFP GP, LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	16-1746972	HFP GP	1/20/2006	
Highland Brasil, LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	46-4691319	Managing member of 88 Votorantim Highland I	1/28/2014	
Highland Capital Management (Singapore) Pte Ltd	Highland Capital Management, L.P.	Tricor, 80 Robinson Road #02-00, Singapore 068898	98-0580590	HCMLP's wholly owned sub in Singapore	4/2/2008	
Highland Capital Management Korea Limited	Highland Capital Management, L.P.	(Seoul Finance Center, Taepyeongro-1-ga) 21F, 136, Sejong-daero, Jung-gu, Seoul, Korea	98-1120007	Relying advisor to the Korea PEF	8/2/2012	
Highland Capital Multi-Strategy Fund, LP	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	20-5237025	Private fund	7/6/2006	
Highland Capital Special Allocation, LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	26-1175318	Entity received the incentive allocation from HFP.	12/21/2006	
Highland CDO Opportunity Fund GP, L.P.	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	20-3899907	Hedge fund	10/20/2005	
Highland CDO Opportunity GP, LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	20-3899870	Hedge fund GP	10/20/2005	
Highland CLO Assets Holdings Limited	Highland Capital Management, L.P.	Maples Corporate Services (BVI) Limited Kingston Chambers, PO Box 173, Road Town Tortola, British Virgin Islands	98-1417806		12/19/2017	
Highland CLO Management Ltd.	Highland Capital Management, L.P.	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-1432973		10/27/2017	
Highland Dynamic Income Fund GP, LLC (fka Highland Capital Loan GP, LLC)	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	80-0898281	Hedge fund GP	2/25/2013	
Highland Employee Retention Assets LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	27-1596366	HERA	6/23/2009	
Highland ERA Management, LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	N/A	HERA manager	2/1/2013	
Highland Financial Partners, L.P.	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	83-0446391	HFP	1/20/2006	Terminated
Highland Fund Holdings, LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	N/A		5/24/2016	
Highland General Partner, LP	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	86-1147210	Hedge fund GP	7/26/2005	
Highland GP Holdings, LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	86-1147208	Hedge fund GP	7/26/2005	
Highland HCF Advisor Ltd.	Highland Capital Management, L.P.	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-1401127	Advisor to Highland CLO Funding, Ltd.	10/27/2017	
Highland Latin America LP, Ltd.	Highland Capital Management, L.P.	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-1362186	Argentina fund structure	3/6/2017	
Highland Multi Strategy Credit Fund GP, L.P. (fka Highland Credit Opportunities CDO GP, L.P.)	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	N/A	Hedge fund GP	12/29/2005	
Highland Multi Strategy Credit GP, LLC (fka Highland Credit Opportunities CDO GP, LLC)	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	N/A	Hedge fund GP	12/29/2005	
Highland Multi-Strategy Fund GP, LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	20-5236824	Private fund GP	7/6/2006	
Highland Multi-Strategy Fund GP, LP	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	20-5236931	Private fund GP	7/6/2006	
Highland Receivables Finance I, LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	20-8123634	Entity created in 2006 that purchased all of HCMLP's receivables 100% owned by HCMLP.	12/28/2006	
Highland Restoration Capital Partners GP, LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	26-1455912	Private equity fund GP	11/6/2007	
Highland Select Equity Fund GP, L.P.	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	20-3899917	Hedge fund GP	10/20/2005	
Highland Select Equity GP, LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	20-3899886	Hedge fund GP	10/20/2005	
Highland SunBridge GP, LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	N/A	Hedge fund GP	12/15/2015	
Hirst, Ltd.	Highland Capital Management, L.P.	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-1090361	Formed to hold CDO Ltd's interest in Barclays assignment	12/12/2012	
Hockney, Ltd.	Highland Capital Management, L.P.	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-1090388	Formed to hold Crusader's interest in Barclays assignment	12/12/2012	
Maple Avenue Holdings, LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	81-3600687	Holds Uchi loan	8/17/2016	
NexPoint Hospitality Trust	Highland Capital Management, L.P.	333 Bay Street, Suite 3400, Toronto, Ontario M5H 2S7, Canada	83-6637675	Hospitality REIT	12/12/2018	
NexPoint Insurance Distributors, LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	84-2921534	Insurance broker	7/25/2019	
NexPoint Insurance Solutions GP, LLC (fka Highland Capital Insurance Solutions GP, LLC)	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	84-2571487	Insurance advisor GP	4/4/2019	
NexPoint Insurance Solutions, L.P. (fka Highland Capital Insurance Solutions, L.P.)	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	84-2584142	Insurance advisor	4/4/2019	
NexPoint Multifamily Capital Trust, Inc.	Highland Capital Management, L.P.	The Corporation Trust, 2405 York Rd, Ste 201, Lutherville Timonium, MD 21093	46-4106316	NMCT REIT	11/12/2013	
NexPoint Real Estate Strategies Fund	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	81-1061590	Retail fund	3/10/2006	
NexPoint Residential Trust Inc.	Highland Capital Management, L.P.	The Corporation Trust, 2405 York Rd, Ste 201, Lutherville Timonium, MD 21093	47-1881359	NXRT REIT	9/19/2014	
NexPoint Strategic Opportunities Fund (fka NexPoint Credit Strategies Fund)	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	80-0139099	Retail fund	3/10/2006	
NHT Holdco, LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	83-3011801	Hospitality REIT structure	1/2/2019	
Oldenburg, Ltd.	Highland Capital Management, L.P.	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-1090453	Formed to hold CDO LP's interest in Barclays assignment	12/12/2012	
Penant Management LP	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	46-1614710	Holds HCREF's interest in Barclays assignment	12/12/2012	
PetroCap Incentive Partners III, LP	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	?	Petrocap fund	11/16/2017	
PetroCap Partners II, L.P.	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	46-4691213	Petrocap fund	10/7/2013	
PetroCap Partners III, L.P.	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	?	Petrocap fund	11/16/2017	
Pollack, Ltd.	Highland Capital Management, L.P.	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-1090519		12/12/2012	
SE Multifamily Holdings LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	32-0576655	RE investment holding	8/23/2018	

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Highland Capital Management LP
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Exhibit F - SOFA 25

Name	Relationship	Address	EIN	Description of Business	Date of Creation	Date of Termination (if applicable)
The Dondero Insurance Rabbi Trust	Highland Capital Management, L.P.	300 Crescent Ct, Ste 700, Dallas, TX 75201	75-2716725	Holds Dondero's life insurance policies and the proceeds to be used to fund HCM's obligation to purchase Dondero Interests from the Trust Beneficiaries per Buy-Sell Agreement	5/27/2004	
The Okada Insurance Rabbi Trust	Highland Capital Management, L.P.	300 Crescent Ct, Ste 700, Dallas, TX 75201	75-2716725	Holds Okada's life insurance policies and the proceeds to be used to fund HCM's obligation to purchase Okada Interests from the Trust Beneficiaries per Buy-Sell Agreement	5/27/2004	
US Gaming SPV, LLC	Highland Capital Management, L.P.	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	84-1769285	SPV of eSports investment in Korea	5/14/2019	
Warhol, Ltd.	Highland Capital Management, L.P.	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	98-1090362	Formed to hold Ops' interest in Barclays assignment	12/12/2012	
HE Capital 232 Phase I, LLC	HCMLP-Manager	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	26-1616599	Underlying property is a 71.73 acre site consisting of 232 finished single family lots in the NW Phoenix development of Asante.	12/20/2007	
HE Capital Asante, LLC	HCMLP-Manager	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	26-0525645	Underlying project is a 843 acre multi-phase residential development in NW Phoenix, AZ	7/5/2007	
HE Capital Fox Trails, LLC	HCMLP-Manager	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	N/A	Underlying project is a 889.58 acre vacant parcel in NW Phoenix with PAD approval for 2,320 single family units.	3/10/2008	
HE Capital KR, LLC	HCMLP-Manager	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	N/A	Underlying project is a 1,829.67 acre vacant parcel in SW Phoenix proposed for 4,250 single family lots of which 1,431 have final plat approval (Phase I) and 50.94 acres of commercial land.	7/5/2007	
HE Capital, LLC	HCMLP-Manager	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	20-8711786	Parent entity for joint venture between Ellman and Highland.	3/22/2007	
HE CLO Holdco, LLC	HCMLP-Manager	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	37-1666849	Blockers that used to hold Ellman interest	2/3/2011	
HE Mezz Fox Trails, LLC	HCMLP-Manager	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	26-2151278	Underlying project is a 889.58 acre vacant parcel in NW Phoenix with PAD approval for 2,320 single family units.	3/10/2008	
HE Mezz KR, LLC	HCMLP-Manager	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	26-0611280	Underlying project is a 1,829.67 acre vacant parcel in SW Phoenix proposed for 4,250 single family lots of which 1,431 have final plat approval (Phase I) and 50.94 acres of commercial land.	7/27/2007	
HE Peoria Place Property, LLC	HCMLP-Manager	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	26-1600012	Underlying project is a 127.39 acre vacant parcel in NW Phoenix being improved with interior roadways for ultimate development or sale under the PAD approving 11 acres of office, 23 acres of retail, 50 acres of single family and 43 acres of multi family.	12/10/2007	
HE Peoria Place, LLC	HCMLP-Manager	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	26-1599959	Underlying project is a 127.39 acre vacant parcel in NW Phoenix being improved with interior roadways for ultimate development or sale under the PAD approving 11 acres of office, 23 acres of retail, 50 acres of single family and 43 acres of multi family.	11/14/2007	
Hibiscus HoldCo, LLC	HCMLP-Manager	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	27-1824370	Blocker to hold Turtle Bay assets	2/2/2010	
Highland CLO Gaming Holdings, LLC	HCMLP-Manager	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	27-3995018	CLO blocker that used to hold Affinity Gaming inte	11/18/2010	
Highland TCI Holding Company, LLC	HCMLP-Manager	CT Corporation, 1999 Bryan St, Ste 900, Dallas, TX 75201	45-2620554	CLO blocker to hold TCI/Park West assets	6/21/2011	
Highland's Roads Land Holding Company, LLC	HCMLP-Manager	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	26-4572095	CLO blocker to hold LLV reorg equity	3/30/2009	
Kuillima Montalban Holdings, LLC	HCMLP-Manager	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	27-1942638	CLO blocker to hold Turtle Bay equity	2/19/2010	
Kuillima Resort Holdco, LLC	HCMLP-Manager	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	26-4572180	CLO blocker to hold Turtle Bay equity	3/18/2009	
Park West Holdco, LLC	HCMLP-Manager	CT Corporation, 1999 Bryan St, Ste 900, Dallas, TX 75201	37-1641409	Holds TCI assets	4/4/2011	
Park West Portfolio Holdco, LLC	HCMLP-Manager	CT Corporation, 1999 Bryan St, Ste 900, Dallas, TX 75201	90-0737248	Holds TCI assets	4/14/2011	
POK Toys Holdco, LLC	HCMLP-Manager	The Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801	83-3591646	POK blocker to hold Toys R'Us loan	2/14/2019	
Acis CMOA Trust	HCMLP - Trustee	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	N/A		3/30/2018	
Highland Latin America Trust	HCMLP - Trustee	Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands	N/A		3/30/2018	

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Name	Amounts	Date	Reason
Dondero, James	161.25	01/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	01/15/2019	Regular Base Pay
Dondero, James	161.25	01/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	01/31/2019	Regular Base Pay
Dondero, James	161.25	02/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	02/15/2019	Regular Base Pay
Dondero, James	161.25	02/28/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	02/28/2019	Regular Base Pay
Dondero, James	161.25	03/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	03/15/2019	Regular Base Pay
Dondero, James	161.25	03/29/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	03/29/2019	Regular Base Pay
Dondero, James	161.25	04/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	04/15/2019	Regular Base Pay
Dondero, James	161.25	04/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	04/30/2019	Regular Base Pay
Dondero, James	161.25	05/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	05/15/2019	Regular Base Pay
Dondero, James	161.25	05/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	05/31/2019	Regular Base Pay
Dondero, James	161.25	06/14/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	06/14/2019	Regular Base Pay
Dondero, James	161.25	06/28/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	06/28/2019	Regular Base Pay
Dondero, James	161.25	07/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	07/15/2019	Regular Base Pay
Dondero, James	161.25	07/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	07/31/2019	Regular Base Pay
Dondero, James	161.25	08/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	08/15/2019	Regular Base Pay
Dondero, James	161.25	08/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	08/30/2019	Regular Base Pay
Dondero, James	161.25	09/13/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	09/13/2019	Regular Base Pay
Dondero, James	161.25	09/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	09/30/2019	Regular Base Pay
Dondero, James	161.25	10/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	10/15/2019	Regular Base Pay
Dondero, James	161.25	10/31/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	10/31/2018	Regular Base Pay
Dondero, James	161.25	11/15/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	11/15/2018	Regular Base Pay
Dondero, James	161.25	11/30/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	11/30/2018	Regular Base Pay
Dondero, James	161.25	12/14/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	12/14/2018	Regular Base Pay
Dondero, James	161.25	12/31/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Dondero, James	23,437.51	12/31/2018	Regular Base Pay
Ellington, Scott	71.25	01/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	01/15/2019	Regular Base Pay
Ellington, Scott	71.25	01/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	01/31/2019	Regular Base Pay
Ellington, Scott	71.25	02/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	02/15/2019	Regular Base Pay
Ellington, Scott	300,000.00	02/28/2019	Bonus
Ellington, Scott	71.25	02/28/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	02/28/2019	Regular Base Pay
Ellington, Scott	350,000.00	03/15/2019	Bonus
Ellington, Scott	71.25	03/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	03/15/2019	Regular Base Pay
Ellington, Scott	71.25	03/29/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	03/29/2019	Regular Base Pay

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Name	Amounts	Date	Reason
Ellington, Scott	71.25	04/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	04/15/2019	Regular Base Pay
Ellington, Scott	71.25	04/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	04/30/2019	Regular Base Pay
Ellington, Scott	71.25	05/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	05/15/2019	Regular Base Pay
Ellington, Scott	71.25	05/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	05/31/2019	Regular Base Pay
Ellington, Scott	71.25	06/14/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	06/14/2019	Regular Base Pay
Ellington, Scott	350,629.00	06/28/2019	Bonus and/or Deferred Compensation
Ellington, Scott	71.25	06/28/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	06/28/2019	Regular Base Pay
Ellington, Scott	71.25	07/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	07/15/2019	Regular Base Pay
Ellington, Scott	71.25	07/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	07/31/2019	Regular Base Pay
Ellington, Scott	71.25	08/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	08/15/2019	Regular Base Pay
Ellington, Scott	650,000.00	08/30/2019	Bonus
Ellington, Scott	71.25	08/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	08/30/2019	Regular Base Pay
Ellington, Scott	71.25	09/13/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	09/13/2019	Regular Base Pay
Ellington, Scott	71.25	09/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	09/30/2019	Regular Base Pay
Ellington, Scott	71.25	10/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	10/15/2019	Regular Base Pay
Ellington, Scott	71.25	10/31/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	10/31/2018	Regular Base Pay
Ellington, Scott	71.25	11/15/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	11/15/2018	Regular Base Pay
Ellington, Scott	71.25	11/30/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	11/30/2018	Regular Base Pay
Ellington, Scott	71.25	12/14/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	12/14/2018	Regular Base Pay
Ellington, Scott	604.78	12/31/2018	Gross up value from Dividend Reinvestment Plan
Ellington, Scott	71.25	12/31/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Ellington, Scott	18,750.00	12/31/2018	Regular Base Pay
Okada, Mark	204.25	01/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	01/15/2019	Regular Base Pay
Okada, Mark	204.25	01/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	01/31/2019	Regular Base Pay
Okada, Mark	204.25	02/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	02/15/2019	Regular Base Pay
Okada, Mark	204.25	02/28/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	02/28/2019	Regular Base Pay
Okada, Mark	204.25	03/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	03/15/2019	Regular Base Pay
Okada, Mark	204.25	03/29/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	03/29/2019	Regular Base Pay
Okada, Mark	204.25	04/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	04/15/2019	Regular Base Pay
Okada, Mark	204.25	04/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	04/30/2019	Regular Base Pay
Okada, Mark	204.25	05/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	05/15/2019	Regular Base Pay
Okada, Mark	204.25	05/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	05/31/2019	Regular Base Pay
Okada, Mark	204.25	06/14/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	06/14/2019	Regular Base Pay
Okada, Mark	204.25	06/28/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)

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Name	Amounts	Date	Reason
Okada, Mark	32,552.09	06/28/2019	Regular Base Pay
Okada, Mark	204.25	07/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	07/15/2019	Regular Base Pay
Okada, Mark	204.25	07/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	07/31/2019	Regular Base Pay
Okada, Mark	204.25	08/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	08/15/2019	Regular Base Pay
Okada, Mark	204.25	08/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	08/30/2019	Regular Base Pay
Okada, Mark	204.25	09/13/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	09/13/2019	Regular Base Pay
Okada, Mark	204.25	09/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	09/30/2019	Regular Base Pay
Okada, Mark	204.25	10/31/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	10/31/2018	Regular Base Pay
Okada, Mark	204.25	11/15/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	11/15/2018	Regular Base Pay
Okada, Mark	204.25	11/30/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	11/30/2018	Regular Base Pay
Okada, Mark	204.25	12/14/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	12/14/2018	Regular Base Pay
Okada, Mark	272.64	12/31/2018	Gross up value from Dividend Reinvestment Plan
Okada, Mark	204.25	12/31/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Okada, Mark	32,552.09	12/31/2018	Regular Base Pay
Parker, Lee	47.50	01/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	01/15/2019	Regular Base Pay
Parker, Lee	47.50	01/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	01/31/2019	Regular Base Pay
Parker, Lee	47.50	02/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	02/15/2019	Regular Base Pay
Parker, Lee	231,250.00	02/28/2019	Bonus
Parker, Lee	47.50	02/28/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	02/28/2019	Regular Base Pay
Parker, Lee	47.50	03/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	03/15/2019	Regular Base Pay
Parker, Lee	150,000.00	03/29/2019	Bonus
Parker, Lee	47.50	03/29/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	03/29/2019	Regular Base Pay
Parker, Lee	47.50	04/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	04/15/2019	Regular Base Pay
Parker, Lee	47.50	04/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	04/30/2019	Regular Base Pay
Parker, Lee	47.50	05/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	05/15/2019	Regular Base Pay
Parker, Lee	47.50	05/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	05/31/2019	Regular Base Pay
Parker, Lee	47.50	06/14/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	06/14/2019	Regular Base Pay
Parker, Lee	362,935.00	06/28/2019	Bonus and/or Deferred Compensation
Parker, Lee	47.50	06/28/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	06/28/2019	Regular Base Pay
Parker, Lee	47.50	07/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	07/15/2019	Regular Base Pay
Parker, Lee	47.50	07/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	07/31/2019	Regular Base Pay
Parker, Lee	47.50	08/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	08/15/2019	Regular Base Pay
Parker, Lee	381,250.00	08/30/2019	Bonus
Parker, Lee	47.50	08/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	08/30/2019	Regular Base Pay
Parker, Lee	47.50	09/13/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	09/13/2019	Regular Base Pay

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Name	Amounts	Date	Reason
Parker, Lee	47.50	09/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	09/30/2019	Regular Base Pay
Parker, Lee	47.50	10/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	10/15/2019	Regular Base Pay
Parker, Lee	47.50	10/31/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	10/31/2018	Regular Base Pay
Parker, Lee	47.50	11/15/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	11/15/2018	Regular Base Pay
Parker, Lee	47.50	11/30/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	11/30/2018	Regular Base Pay
Parker, Lee	47.50	12/14/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	12/14/2018	Regular Base Pay
Parker, Lee	483.56	12/31/2018	Gross up value from Dividend Reinvestment Plan
Parker, Lee	47.50	12/31/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Parker, Lee	14,583.33	12/31/2018	Regular Base Pay
Surgent, Thomas	56.25	01/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	15,625.00	01/15/2019	Regular Base Pay
Surgent, Thomas	56.25	01/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	15,625.00	01/31/2019	Regular Base Pay
Surgent, Thomas	56.25	02/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	15,625.00	02/15/2019	Regular Base Pay
Surgent, Thomas	300,000.00	02/28/2019	Bonus
Surgent, Thomas	56.25	02/28/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	15,625.00	02/28/2019	Regular Base Pay
Surgent, Thomas	325,000.00	03/15/2019	Bonus
Surgent, Thomas	56.25	03/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	16,666.67	03/15/2019	Regular Base Pay
Surgent, Thomas	56.25	03/29/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	16,666.67	03/29/2019	Regular Base Pay
Surgent, Thomas	56.25	04/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	16,666.67	04/15/2019	Regular Base Pay
Surgent, Thomas	56.25	04/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	16,666.67	04/30/2019	Regular Base Pay
Surgent, Thomas	56.25	05/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	16,666.67	05/15/2019	Regular Base Pay
Surgent, Thomas	100,000.00	05/31/2019	Bonus and/or Deferred Compensation
Surgent, Thomas	56.25	05/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	16,666.67	05/31/2019	Regular Base Pay
Surgent, Thomas	56.25	06/14/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	16,666.67	06/14/2019	Regular Base Pay
Surgent, Thomas	482,115.00	06/28/2019	Bonus and/or Deferred Compensation
Surgent, Thomas	56.25	06/28/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	16,666.67	06/28/2019	Regular Base Pay
Surgent, Thomas	56.25	07/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	16,666.67	07/15/2019	Regular Base Pay
Surgent, Thomas	56.25	07/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	16,666.67	07/31/2019	Regular Base Pay
Surgent, Thomas	56.25	08/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	16,666.67	08/15/2019	Regular Base Pay
Surgent, Thomas	625,000.00	08/30/2019	Bonus
Surgent, Thomas	56.25	08/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	16,666.67	08/30/2019	Regular Base Pay
Surgent, Thomas	56.25	09/13/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	16,666.67	09/13/2019	Regular Base Pay
Surgent, Thomas	56.25	09/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	16,666.67	09/30/2019	Regular Base Pay
Surgent, Thomas	56.25	10/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	16,666.67	10/15/2019	Regular Base Pay
Surgent, Thomas	56.25	10/31/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	15,625.00	10/31/2018	Regular Base Pay
Surgent, Thomas	56.25	11/15/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	15,625.00	11/15/2018	Regular Base Pay

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Name	Amounts	Date	Reason
Surgent, Thomas	56.25	11/30/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	15,625.00	11/30/2018	Regular Base Pay
Surgent, Thomas	56.25	12/14/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	15,625.00	12/14/2018	Regular Base Pay
Surgent, Thomas	2,344.18	12/31/2018	Gross up value from Dividend Reinvestment Plan
Surgent, Thomas	56.25	12/31/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Surgent, Thomas	15,625.00	12/31/2018	Regular Base Pay
Waterhouse, Frank	71.25	01/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	01/15/2019	Regular Base Pay
Waterhouse, Frank	71.25	01/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	01/31/2019	Regular Base Pay
Waterhouse, Frank	71.25	02/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	02/15/2019	Regular Base Pay
Waterhouse, Frank	206,250.00	02/28/2019	Bonus
Waterhouse, Frank	71.25	02/28/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	02/28/2019	Regular Base Pay
Waterhouse, Frank	71.25	03/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	03/15/2019	Regular Base Pay
Waterhouse, Frank	71.25	03/29/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	03/29/2019	Regular Base Pay
Waterhouse, Frank	212,500.00	04/15/2019	Bonus
Waterhouse, Frank	71.25	04/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	04/15/2019	Regular Base Pay
Waterhouse, Frank	71.25	04/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	04/30/2019	Regular Base Pay
Waterhouse, Frank	71.25	05/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	05/15/2019	Regular Base Pay
Waterhouse, Frank	100,000.00	05/31/2019	Bonus and/or Deferred Compensation
Waterhouse, Frank	71.25	05/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	05/31/2019	Regular Base Pay
Waterhouse, Frank	71.25	06/14/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	06/14/2019	Regular Base Pay
Waterhouse, Frank	306,801.00	06/28/2019	Bonus and/or Deferred Compensation
Waterhouse, Frank	71.25	06/28/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	06/28/2019	Regular Base Pay
Waterhouse, Frank	71.25	07/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	07/15/2019	Regular Base Pay
Waterhouse, Frank	71.25	07/31/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	07/31/2019	Regular Base Pay
Waterhouse, Frank	71.25	08/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	08/15/2019	Regular Base Pay
Waterhouse, Frank	418,750.00	08/30/2019	Bonus
Waterhouse, Frank	14,583.33	08/30/2019	Regular Base Pay
Waterhouse, Frank	71.25	09/13/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	09/13/2019	Regular Base Pay
Waterhouse, Frank	71.25	09/30/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	09/30/2019	Regular Base Pay
Waterhouse, Frank	71.25	10/15/2019	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	10/15/2019	Regular Base Pay
Waterhouse, Frank	71.25	10/31/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	10/31/2018	Regular Base Pay
Waterhouse, Frank	71.25	11/15/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	11/15/2018	Regular Base Pay
Waterhouse, Frank	71.25	11/30/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	11/30/2018	Regular Base Pay
Waterhouse, Frank	71.25	12/14/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	12/14/2018	Regular Base Pay
Waterhouse, Frank	71.25	12/31/2018	Group Term Life Insurance (value of premium for coverage in excess of \$50 K)
Waterhouse, Frank	14,583.33	12/31/2018	Regular Base Pay

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

In re:	§	Chapter 11
HIGHLAND CAPITAL MANAGEMENT, L.P., ¹	§	Case No. 19-34054-sgj11
Debtor.	§	
	§	

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODS, AND
DISCLAIMER REGARDING DEBTOR’S SCHEDULES OF ASSETS AND
LIABILITIES AND STATEMENT OF FINANCIAL AFFAIRS**

Highland Capital Management, L.P. (the “Debtor”) submits its Schedules of Assets and Liabilities (the “Schedules”) and Statement of Financial Affairs (the “SoFA”) in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Bankruptcy Court”). The Debtor, with the assistance of its advisors and management, prepared the Schedules and SoFA in accordance with section 521 title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

These Global Notes and Statement of Limitations, Methods, and Disclaimer Regarding the Debtor’s Schedules and SoFA (collectively, the “Global Notes”) pertain to, are incorporated by reference in, and comprise an integral part of the Schedules and SoFA. These Global Notes should be referred to, and reviewed in connection with any review of the Schedules and SoFA.²

The Schedules and SoFA have been prepared by the Debtor with the assistance and under the direction of the Debtor’s proposed Chief Restructuring Officer and additional personnel at Development Specialists, Inc. (collectively, the “CRO”) and are unaudited and subject to further review and potential adjustment and amendment. In preparing the Schedules and SoFA, the CRO relied on financial data derived from the Debtor’s books and records that was available at the time of preparation. The CRO has made reasonable efforts to ensure the accuracy and completeness of such financial information, however, subsequent information or discovery of other relevant facts may result in material changes to the Schedules and SoFA and inadvertent errors, omissions, or inaccuracies may exist. The Debtor reserves all rights to amend or supplement its Schedules and SoFA.

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

² These Global Notes are in addition to any specific notes contained in the Debtor’s Schedules or SoFA. The fact that the Debtor has prepared a “general note” with respect to any of the Schedules and SoFA and not to others should not be interpreted as a decision by the Debtor to exclude the applicability of such general note to any of the Debtor’s remaining Schedules and SoFA, as appropriate.

Reservation of Rights. The Debtor reserves all rights to amend the SoFA and Schedules in all respects, as may be necessary or appropriate, including, but not limited to, the right to dispute or to assert offsets or defenses to any claim reflected on the SoFA and Schedules as to amount, liability or classification of the claim, or to otherwise subsequently designate any claim as “disputed,” “contingent” or “unliquidated.” Furthermore, nothing contained in the SoFA and Schedules shall constitute a waiver of rights by the Debtor involving any present or future causes of action, contested matters or other issues under the provisions of the Bankruptcy Code or other applicable non-bankruptcy laws.

Description of the Case and “As Is” Information Date. On October 16, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief with the United States Bankruptcy Court for the District of Delaware (the “Delaware Bankruptcy Court”) under Chapter 11 of the Bankruptcy Code. The Debtor is managing its assets as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On December 4, 2019, the Delaware Bankruptcy Court entered an Order transferring this case to the Bankruptcy Court [Docket No. 1].

Asset information in the Schedules reflects the Debtor’s best estimate of asset values as of the Petition Date, unless otherwise noted. No independent valuation has been obtained.

Basis of Presentation. The Schedules and SoFA do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles (“GAAP”), nor are they intended to fully reconcile to any financial statements otherwise prepared and/or distributed by the Debtor.

Although these Schedules and SoFA may, at times, incorporate information prepared in accordance with GAAP, the Schedules and SoFA neither purport to represent nor reconcile to financial statements prepared and/or distributed by the Debtor in accordance with GAAP or otherwise. Moreover, given, among other things, the valuation and nature of certain liabilities, to the extent that the Debtor shows more assets than liabilities, this is not a conclusion that the Debtor was solvent at the Petition Date. Likewise, to the extent that the Debtor shows more liabilities than assets, this is not a conclusion that the Debtor was insolvent at the Petition Date or any time prior to the Petition Date.

Estimates. To timely close the books and records of the Debtor, the CRO must make certain estimates and assumptions that affect the reported amounts of assets and liabilities and reported revenue and expenses. The Debtor reserves all rights to amend the reported amounts of assets, liabilities, revenue, and expenses to reflect changes in those estimates and assumptions.

Confidentiality. There may be instances within the Schedules and SoFA where names, addresses, or amounts have been left blank. Due to the nature of an agreement between the Debtor and the third party, concerns of confidentiality, or concerns for the privacy of an individual, the Debtor may have deemed it appropriate and necessary to avoid listing such names, addresses, and amounts.

Intercompany Claims. Any receivables and payables between the Debtor and affiliated or related entities in this case (each an “Intercompany Receivable” or “Intercompany Payable” and, collectively, the “Intercompany Claims”) are reported as assets on Schedule B or liabilities on Schedule E and Schedule F. These Intercompany Claims include the following components, among others: 1) loans to affiliates or related entities, 2) accounts payable and payroll disbursements made out of an affiliate’s or related entity’s bank accounts on behalf of the Debtor, 3) centrally billed expenses, 4) corporate expense allocations, and 5) accounting for trade and other intercompany transactions. These Intercompany Claims may or may not result in allowed or enforceable claims by or against the Debtor, and by listing these claims the Debtor is not indicating a conclusion that the Intercompany Claims are enforceable. Intercompany Claims may also be subject to set off, recoupment, and netting not reflected in the Schedules. In situations where there is not an enforceable claim, the assets and/or liabilities of the Debtor may be greater or lesser than the amounts stated herein. All rights to amend intercompany Claims in the Schedules and SoFA are reserved.

The Debtor has listed the intercompany payables as unsecured claims on Schedule F. The Debtor reserves its rights to later change the characterization, classification, categorization, or designation of such items.

Insiders. For purposes of the Schedules and SoFA, the Debtor defines “insider” pursuant to section 101(31) of the Bankruptcy Code. Payments to insiders are set forth on Question 3.c. of the SoFA.

Persons listed as “insiders” have been included for informational purposes only. The Debtor did not take any position with respect to whether such individual could successfully argue that he or she is not an “insider” under applicable law, including without limitation, the federal securities laws, or with respect to any theories of liability or for any other purpose. Inclusion of any party in the Schedules and SoFA as an insider does not constitute an admission that such party is an insider or a waiver of such party’s right to dispute insider status.

Excluded Accruals and GAAP Entries. The Debtor’s balance sheet reflects liabilities recognized in accordance with GAAP; however, not all such liabilities would result in a claim against the Debtor. Certain liabilities (including but not limited to certain reserves, deferred charges, and future contractual obligations) have not been included in the Debtor’s Schedules. Other immaterial assets and liabilities may also have been excluded.

Classification and Claim Descriptions. Any failure to designate a claim on the Schedules as “disputed,” “contingent” or “unliquidated” does not constitute an admission by the Debtor that such amount is not “disputed,” “contingent” or “unliquidated.” The Debtor reserves the right to dispute, or to assert offsets or defenses to, any claim reflected on its Schedules as to amount, liability or classification or to otherwise subsequently designate any claim as “disputed,” “contingent” or “unliquidated.”

Listing a claim (i) in Schedule D as “secured,” (ii) in Schedule E as “priority” or (iii) in Schedule F as “unsecured nonpriority,” or listing a contract in Schedule G as “executory” or “unexpired,” does not constitute an admission by the Debtor of the legal rights of the claimant or a waiver of the Debtor’s right to recharacterize or reclassify such claim or contract.

Moreover, the Debtor reserves all rights to amend the SoFA and Schedules, in all respects, as may be necessary or appropriate, including, but not limited to, the right to dispute or to assert offsets or defenses to any claim reflected on the SoFA and Schedules as to amount, liability or classification of the claim, or to otherwise subsequently designate any claim as “disputed,” “contingent” or “unliquidated.” Furthermore, nothing contained in the SoFA and Schedules shall constitute a waiver of rights by the Debtor involving any present or future causes of action, contested matters or other issues under the provisions of the Bankruptcy Code or other relevant non-bankruptcy laws.

Credits and Adjustments. The claims of individual creditors for, among other things, goods, products, services or taxes are listed as the amounts entered on the Debtor’s books and records and may not reflect credits, allowances or other adjustments due from such creditors to the Debtor. The Debtor reserves all of its rights respecting such credits, allowances or other adjustments.

Setoffs. The Debtor may incur setoffs from third parties in its business. Setoffs in the ordinary course can result from various routine transactions, including intercompany transactions, pricing discrepancies, warranty claims and other disputes between the Debtor and third parties. Certain of these constitute normal setoffs consistent with the ordinary course of business in the Debtor’s industry. In such instances, such ordinary course setoffs are excluded from the Debtor’s responses to Question 13 of the SoFA. The Debtor reserves all rights to enforce or challenge, as the case may be, any setoffs that have been or may be asserted.

Specific Notes. These general notes are in addition to the specific notes set forth below or in the related Statement and Schedules hereinafter.

General Disclaimer

The Debtor has prepared the Schedules and the SoFA based on the information reflected in the Debtor’s books and records. However, inasmuch as the Debtor’s books and records have not been audited or formally closed and evaluated for proper cut-off on the Petition Date, the Debtor cannot warrant the absolute accuracy of these documents. The Debtor has made a diligent effort to complete these documents accurately and completely. To the extent additional information becomes available, the Debtor will amend and supplement the Schedules and SoFA.

Specific Schedules Disclosures

- a. **Schedule A/B, Part 4 - Investments; Non-Publicly Traded Stock and Interests in Incorporated and Unincorporated Businesses, including any Interest in an LLC, Partnership, or Joint Venture.** Certain ownership interests in subsidiaries have been listed in Schedule A/B, Part 4, at their book value on account of the fact that the fair market value of such ownership is dependent on numerous variables and factors. Fair value of such interests may differ significantly from their net book value. Further, for investments listed at fair value, many of the Debtor’s assets are not exchange traded and are fair valued utilizing unobservable

inputs, historical information, and significant and/or subjective estimates. As a result the liquidity and ultimately realized value of such investments may differ materially from the fair value listed on the schedule.

- b. **Schedule A/B, Part 7 - Office Furniture, Fixtures, and Equipment; and Collectibles.** Dollar amounts are presented net of accumulated depreciation and other adjustments.
- c. **Schedule A/B, Part 11 - All Other Assets.** Dollar amounts are presented net of impairments and other adjustments. Debtor has reflected “unknown” for value of its interests in various other assets. While the face value of the notes receivable is included, the current value of these as well as the other assets has not been determined and may differ materially.

Additionally, the Debtor may receive refunds, income tax refunds or other sales tax refunds at various times throughout its fiscal year. As of the Petition Date, however, certain of these amounts are unknown to the Debtor, and accordingly, may not be listed in Schedule A/B.

Other Contingent and Unliquidated Claims or Causes of Action of Every Nature, including Counterclaims of the Debtor and Rights to Setoff Claims. In the ordinary course of its business, the Debtor may have accrued, or may subsequently accrue, certain rights to counter-claims, cross-claims, setoffs, or refunds with its customers and suppliers. Additionally, the Debtor may be party to pending litigation in which the Debtor has asserted, or may assert, claims as a plaintiff or counter-claims and/or cross-claims as a defendant. Because certain of these claims are unknown to the Debtor and not quantifiable as of the Petition Date, they may not be listed on Schedule A/B, Part 11.

- d. **Schedule D - Creditors Who Have Claims Secured by Property.** The Debtor reserves its rights to dispute or challenge the validity, perfection, or immunity from avoidance of any lien purported to be granted or perfected in any specific asset to a secured creditor listed on Schedule D. Moreover, although the Debtor has scheduled claims of various creditors as secured claims, the Debtor reserves all rights to dispute or challenge the secured nature of any such creditor’s claim or the characterization of the structure of any such transaction or any document or instrument related to such creditor’s claim.

The descriptions provided in Schedule D are intended only to be a summary. Reference to the applicable agreements and other related relevant documents is necessary for a complete description of the collateral and the nature, extent, and priority of any liens.

The Debtor has not included on Schedule D parties that may believe their claims are secured through setoff rights or inchoate statutory lien rights. Although there are multiple parties that hold a portion of the debt included in the secured

facilities, only the administrative agents have been listed for purposes of Schedule D.

e. **Schedule E/F - Creditors Who Have Unsecured Claims.**

Part 1 - Creditors with Priority Unsecured Claims. Pursuant to the *Order (I) Authorizing the Debtor to (A) Pay and Honor Prepetition Compensation, Reimbursable Business Expenses, and Employee Benefit Obligations, and (B) Maintain and Continue Certain Compensation and Benefit Programs Postpetition; and (11) Granting Related Relief* [Docket No. 39] (the “Wage Order”), the Debtor received authority to pay certain prepetition obligations, including to pay employee wages and other employee benefits, in the ordinary course of business. The Debtor believes that any non-insider employee claims for prepetition amounts related to ongoing payroll and benefits, whether allowable as a priority or nonpriority claim, which were due and payable at the time of the Petition Date have been or will be satisfied as permitted pursuant to the Wage Order. The Debtor filed the *Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations under Employee Bonus Plans and Granting Related Relief* [Docket No. 177] pursuant to which the Debtor seeks authority to pay and honor certain prepetition bonus programs. Employee claims related to these programs are shown in the aggregate amounts in Schedule E/F for privacy reasons. Additional information is available by appropriate request to the Debtor. The listing of a claim on Schedule E/F, Part 1, does not constitute an admission by the Debtor that such claim or any portion thereof is entitled to priority status.

Part 2 - Creditors with Nonpriority Unsecured Claims. The liabilities identified in Schedule E/F, Part 2, are derived from the Debtor’s books and records. The Debtor made a reasonable attempt to set forth its unsecured obligations, although the actual amount of claims against the Debtor may vary from those liabilities represented on Schedule E/F, Part 2. The listed liabilities may not reflect the correct amount of any unsecured creditor’s allowed claims or the correct amount of all unsecured claims.

Schedule E/F, Part 2 reflects liabilities based on the Debtor’s books and records.

Schedule E/F, Part 2, contains information regarding threatened or pending litigation involving the Debtor. The amounts for these potential claims are listed as “unknown” and are marked as contingent, unliquidated, and disputed in the Schedules and Statements. Additionally, the amounts of certain litigation claims may be estimates based on the allegations asserted by the litigation counterparty, and do not constitute an admission by the Debtor with respect to either liability for, or the amount of, such claims.

Schedule E/F, Part 2, reflects certain prepetition amounts owing to counterparties to executory contracts and unexpired leases. Such prepetition amounts, however,

may be paid in connection with the assumption or assumption and assignment of an executory contract or unexpired lease. In addition, Schedule E/F, Part 2, does not include claims that may arise in connection with the rejection of any executory contracts and unexpired leases, if any, that may be or have been rejected.

As of the time of filing of the Schedules and Statements, the Debtor had not received all invoices for payables, expenses, and other liabilities that may have accrued prior to the Petition Date. Accordingly, the information contained in Schedules D and E/F may be incomplete. The Debtor reserves its rights to amend Schedules D and E/F if and as it receive such invoices.

- f. **Schedule G - Executory Contracts and Unexpired Leases.** While reasonable efforts have been made to ensure the accuracy of Schedule G, inadvertent errors or omissions may have occurred.

Listing a contract or agreement on Schedule G does not constitute an admission that such contract or agreement is an executory contract or unexpired lease or that such contract or agreement was in effect on the Petition Date or is valid or enforceable. The Debtor hereby reserves all of its rights to dispute the validity, status, or enforceability of any contracts, agreements, or leases set forth in Schedule G and to amend or supplement such Schedule as necessary. Certain of the leases and contracts listed on Schedule G may contain renewal options, guarantees of payment, indemnifications, options to purchase, rights of first refusal and other miscellaneous rights. Such rights, powers, duties and obligations are not set forth separately on Schedule G. In addition, the Debtor may have entered into various other types of agreements in the ordinary course of its business, such as supplemental agreements, amendments, and letter agreement, which documents may not be set forth in Schedule G.

Certain of the agreements listed on Schedule G may have expired or terminated pursuant to their terms, but are listed on Schedule G in an abundance of caution.

The Debtor reserves all rights to dispute or challenge the characterization of any transaction or any document or instrument related to a creditor's claim.

In some cases, the same supplier or provider may appear multiple times in Schedule G. Multiple listings, if any, reflect distinct agreements between the Debtor and such supplier or provider.

The listing of any contract on Schedule G does not constitute an admission by the Debtor as to the validity of any such contract. The Debtor reserves the right to dispute the effectiveness of any such contract listed on Schedule G or to amend Schedule G at any time to remove any contract.

Omission of a contract or agreement from Schedule G does not constitute an admission that such omitted contract or agreement is not an executory contract or

unexpired lease. The Debtor's rights under the Bankruptcy Code with respect to any such omitted contracts or agreements are not impaired by the omission.

United States Department of Justice
Office of the United States Trustee
1100 Commerce Street
Dallas, Texas 75242
(214) 767-1080

Lisa L. Lambert,
For the United States Trustee

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

IN RE:	§	
	§	
HIGHLAND CAPITAL	§	Case No. 19-34054-SGJ
MANAGEMENT, L.P.	§	
	§	
Debtors-in-Possession.	§	(Chapter 11)

**UNITED STATES TRUSTEE'S MOTION FOR AN ORDER DIRECTING
THE APPOINTMENT OF A CHAPTER 11 TRUSTEE**

A hearing will be held on January 21, 2020. The objection and response deadlines will be governed by the Scheduling Order, ECF No. 269. The Court orally denied the U.S. Trustee's request to have this motion considered in connection with any Governance Motion. See Scheduling Order, ECF. No. 269 and transcript.

**TO THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE:**

The United States Trustee for Region 6 moves for an order directing the appointment of a Chapter 11 Trustee based on cause and the best interests of the creditors. 11 U.S.C. § 1104(a).
The United States Trustee would show:

Overview

Documented management concerns mandate a trustee in this case. This Court has recognized that Highland's management concerns involve a culture that surpasses the officers and board. Steps such as replacing the board or having a chief restructuring officer who reports to the Court rather do not fix Highland's problems.

Prior efforts to use external oversight to curtail Highland management's self-dealing have failed. As the Acis case demonstrated, the Highland Capital cases have many inter-connected relationships. A trustee can nimbly evaluate whether the inter-company transactions are in the best interests of the estate and creditors. In the Acis case, the trustee concluded other options were either superior, cheaper, or less-conflicted. A board is farther from the impact of the related-entity transactions and the culture of the debtor. It meets periodically. Here, the inter-connected relationships include the Debtor's bank as well as other legal entities.

The remedy Congress defined for these facts is a trustee. The Court should direct the appointment of a trustee.

Jurisdiction, Power, and Standing

1. The Court has subject matter jurisdiction under 28 U.S.C. § 1334, 28 U.S.C. § 157(a)(1), and the standing order of reference. Appointing a trustee or examiner impacts the case administration and therefore is a core matter that the Court has the power to resolve. 28 U.S.C. § 157(b)(2)(A).
2. The United States Trustee has standing to seek appointment of a trustee or examiner. 11 U.S.C. §§ 307, 1104.

Facts

The Acis case involved findings of fraud, self-dealing, and mismanagement by this debtor:

3. This Court presided over the Acis bankruptcy case, case number 18-30264. In *Acis*, the Court catalogued the decision-making authority as belonging to James Dondero, as president; Mark K. Akada, chief investment officer with a decreasing role; Frank Waterhouse, as treasurer; and –by delegation of authority – Highland in-house counsel Scott Levington and Isaac Leventon. With the exception of Mark K. Akada, the same individuals have decision-making authority for the debtor-in-possession. *In re Acis Capital Mgmt., Inc.*, 584 B.R. 115, 119, 131. The Court found the Acis witnesses’ testimony “of questionable reliability and, oftentimes, there seemed to be an effort to convey plausible deniability.” *Acis*, 584 B.R. at 131.

4. “[S]ince the arbitration award [in favor of Terry, the petitioning creditor], there has been a calculated effort (largely by Highland) to effectively liquidate the Alleged [Acis] Debtors.” *Acis*, 584 B.R. at 148. The Court found the Alleged Debtors were “really out to protect –Highland and Highland-affiliates” in contravention of their fiduciary duties of loyalty. *Acis*, 584 B.R. at 149.

5. In addition to finding breaches of fiduciary duty when Highland promoted its self-interests over those of Acis creditors, the Court found “evidence of both intentional and constructive fraudulent transfers.” *In re Acis Capital Mgmt., L.P.*, 2019 WL 417149, at *11 (confirmation opinion also referencing “actual intent to hinder, delay, or defraud”).

6. After the Court directed the appointment of the Acis chapter 11 trustee, the chapter 11 trustee found service providers unrelated to Highland entities. These providers were cheaper and decreased conflicts.

Prior Efforts to Curb Highland Capital Management's Self-Dealing and Other Willful and Intentional Acts Have Failed.

14. Highland has been found to engage in self-dealing and other misconduct for years. The prior efforts to remediate and change the culture have failed.

15. In 2014, the SEC determined that Highland had historically engaged in multiple transactions in its client advisory accounts without disclosing that Highland was acting as principal or obtaining client consent before the trades were completed. The SEC required

Highland to retain an outside compliance consultant and to implement that consultant's recommendations.

16. [REDACTED]
[REDACTED]

17. Cumulatively, the findings of this Court and other tribunals establish that the problems exist in the management culture at Highland. These problems go beyond the officers and directors.

18. The general partner of Highland is controlled by Dondero.

19. Moreover, the integrated nature of the board for Highland-related entities allows for the possibility that individuals removed from the board and from management may still monitor the financial transactions and use their relationships with the Highland's employees to direct outcomes. For example, Highland proposes to bank, in part, with NexBank. The NexBank website reflects that Dondero chairs the board and Okada is a director. Similarly, Highland Management, the debtor, has intercompany transactions with Highland Capital Management Korea Limited, Highland Capital Management Latin America, L.P., and Highland Capital Management (Singapore) Pte Ltd.

Legal Analysis and Argument

20. The United States Trustee is charged with monitoring the federal bankruptcy system. *See* 28 U.S.C. § 586(a)(3); *see also United States Trustee v. Columbia Gas Sys., Inc. (In re Columbia Gas Sys., Inc.)* 33 F.3d 294, 295-96 (3d Cir. 1994).

21. Before confirmation, the Court "shall order the appointment of a trustee . . . for cause, including fraud, dishonesty, incompetence, or gross mismanagement of the affairs of the debtor by current management, *either before or after* the commencement of the case, or similar

cause.” 11 U.S.C. §1104(a)(1) (emphasis added). In addition, by adding appointment of a trustee as a remedy in section 1112, “cause” also may be factors traditionally resulting in dismissal or conversion. 11 U.S.C. §1112(b)(1). Here, an additional factor is “bad faith.” Alternatively, the Court must appoint a trustee “if such appointment is in the interest of the creditors, any equity security holders, and other interests of the estate.” 11 U.S.C. § 1104(a)(2).

22. The Fifth Circuit has indicated that the burden of proof for the appointment of a trustee is “clear and convincing” evidence, but the Court later adopted the dissent’s opinion. *Cajun Elec. Co. v. Louisiana Elec. Co. (In re Cajun Electric Power Co-Op, Inc.)*, 69 F.3d 746, *on reh’g*, 74 F.3d 599 (5th Cir. 1996) (adopting dissent).¹

23. The duties of a trustee are defined in section 1106, and the Court has the ability to tailor some of them. 11 U.S.C. § 1106(a).

24. The “cause” to appoint an examiner or a trustee may be a reason other than the enumerated factors. *Oklahoma Ref. Co. v. Blaik (In re Oklahoma Ref. Co.)*, 838 F.2d 1133, 1136 (10th Cir. 1988); *cf. Little Creek Dev. Corp. v. Commonwealth Mortg. Corp. (In re Little Creek Dev. Corp.)*, 779 F.2d 1068, 1072 (5th Cir. 1986) (defining “cause” in context of dismissal statute).

25. For example, courts have appointed trustees or examiners when the debtor’s insiders have conflicts of interest arising from the sale of the Debtor’s assets. In *Cajun Electric*, the Fifth Circuit affirmed the appointment of a trustee, in part, because the co-operative members

¹ In *Grogan v. Garner*, the United States Supreme Court held that the burden of proof for dischargeability fraud actions was preponderance of the evidence. *Grogan v. Garner*, 498 U.S. 279, 291 (1991). In reaching this holding, the Supreme Court cataloged both bankruptcy and non-bankruptcy fraud statutes and held that Congress generally imposed a preponderance standard for fraud in civil proceedings.

were interested in purchasing part or all of Cajun Electric's assets. *Cajun Elec. Power Cooperative, Inc. v. Central Louisiana Elec. Co., Inc. (In re Cajun Elec. Power Cooperative, Inc.)*, 69 F.3d 746, 751 (5th Cir. 1995) (Garza, J., dissenting), *adopted as majority opinion on reh'g*, 74 F.3d 599 (5th Cir. 1996). The Fifth Circuit held that "a trustee may be the only effective way to pursue reorganization" when the management has cross-purposes. *Cajun Elec.*, 69 F.2d at 751.

Cause exists to appoint a chapter 11 trustee:

26. Here, both express statutory standards and the common law case standards for "cause" exist. Specifically, "fraud, dishonesty, incompetence, or gross mismanagement of the affairs of the debtor" and bad faith exist under the facts of this case.²

27. The record regarding a series of self-dealing categories reflects both incompetence and gross mismanagement. *SEC Judgment*, pp. 5-7.

28. Other "cause" exists to appoint a trustee because tribunals have historically found the management's testimony unreliable and the Debtor's actions as reflecting willfulness and intent. This Court has found that the Debtor's management had fraudulent intent when it removed assets from Acis.

It is in the best interests of creditors to appoint a chapter 11 trustee.

29. Appointment of chapter 11 trustee is also in the interests of creditors, equity security holders, and other interests of the estate. The Court should direct the appointment of a chapter 11 trustee to serve the "interests of creditors, any equity security holders, and other interests of the estate." 11 U.S.C. §1104(a)(2).

² "The United States trustee shall move for the appointment of a trustee under subsection (a) if there are reasonable grounds to suspect that current members of the governing body of the debtor, the debtor's chief executive officer . . . participated in actual fraud, dishonesty, or criminal conduct in the management of the debtor or the debtor's public financial reporting." 11 U.S.C. §1104(e).

30. First, it is in the best interest of the creditors to have an independent trustee to assume control over the estate in order to evaluate any alter ego claims, avoidance actions, and other tort claims.

31. Second, it is in the best interest of the creditors and other parties-in-interest to have accurate financial information. Accurate financial information ensures parties understand the facts of the case and avoids post-petition liabilities for violations. Like the information provided to investors in securities filings, the information provided in a bankruptcy case depends on affirmative disclosure.

32. Other efforts to check or monitor the Debtor's management have failed. The Acis trustee's actions reflect a need to be able to bid competing services and replace related-entities when conflicts of interest or cost concerns arise.

33. Congress has defined the remedy for the facts of this case. "The court shall order the appointment of a trustee." 11 U.S.C. § 1104(a).

Conclusion

For the foregoing reasons, the United States Trustee requests the Court to

- a order the United States Trustee to appoint a Chapter 11 Trustee; or
- b grant to the United States Trustee such other and further relief as is just and proper.

Dated: December 23, 2019

Respectfully Submitted,
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UNITED STATES TRUSTEE

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Certificate of Service

I certify that on December 23, 2019, I sent copies of the foregoing document on to the attached service lists by first class United States mail and by ECF notification to those listed below.

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero

Appellant

vs.

Highland Capital Management, L.P., et al

Appellee

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3:20-CV-03390-X

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLEE RECORD
VOLUME 16**

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

IN RE:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

DEBTOR.

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CASE NO. 19-34054

Chapter 11

INDEX

DESIGNATION OF RECORD ON APPEAL

Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP," together with Acis LP, "Acis"), appellees, file this Designation of Record on Appeal related to the *Order Approving Debtor's Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302] (the "Settlement Order"), the *Notice of Appeal* [Docket No. 1347] of the Settlement Order filed by James Dondero ("Dondero") and the *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented* [Docket No. 1515] filed by Dondero.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

Acis designates the following additional items for inclusion in the record on appeal.

Items in Bankruptcy Case No. 19-34054-SGJ-11	
Vol. 14 003095 003097	1. Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. [Docket No. 1]
003203	2. Chapter 11 Voluntary Petition [Docket No. 1]
003247	3. Affidavit/Declaration in Support of First Day Motion /Declaration of Frank Waterhouse in Support of First Day Motions Filed By Highland Capital Management, L.P. [Docket No. 11]
Vol. 15 003406	4. Motion to Change Venue/Inter-district Transfer Filed by Official Committee of Unsecured Creditors [Docket No. 85]
003433	5. Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 122]
003444	6. Joinder to Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) [Docket No. 126]
003452	7. Reply in Support of Motion to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 162]
003459	8. Reply in Support of the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 163]
003463	9. Response of the Debtor to Acis's Joinder to Motion to Transfer Venue [Docket No. 164]
003465	10. Order Transferring Venue of this Case to the United States Bankruptcy Court of the Northern District of Texas [Docket No. 186]
003492	11. Transcript regarding hearing held 12/6/19 [Docket No. 207]
003574	12. Schedules: Schedules A/B/ and D-H with Summary of Assets and Liabilities (with Declaration Under Penalty of Perjury for Non-Individual Debtors)[Docket No. 247]
003616	13. Statement of financial affairs for non-individual [Docket No. 248]
Vol. 16 003629	14. Trustee's Motion to appoint trustee [Docket No. 271]
003729	15. Motion to compromise controversy with Official Committee of Unsecured Creditors [Docket No. 281]
003735	16. Trustee's Objection to Motion to Approve Joint Agreement [Docket No. 313]
003738	17. Declaration re: (Declaration of Bradley D. Sharp in Support of the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course) [Docket No. 327]
003751	18. Response unopposed to (related document(s): 313 Objection) [Docket No. 329]
003756	19. Response unopposed to (related document(s): 313 Objection) [Docket No. 330]
	20. Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors, Strand Advisors, Inc., and James Dondero. [Docket No. 338]

Vol. 16 003764	21.	Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course [Docket No. 339]
003769	22.	Notice (Notice of Final Term Sheet) [Docket No. 354]
Vol. 17 003834	23.	Response opposed to (related document(s): 271) [Docket No. 362]
003847	24.	Objection to (related document(s): 271 Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) [Docket No. 364]
003851	25.	Transcript regarding Hearing Held 01/21/2020 [Docket No. 393]
003991	26.	Order denying motion to appoint trustee [Docket No. 428]
003993	27.	Motion for relief from stay [Docket No. 451]
Vol. 18 004042	28.	Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") [Docket No. 474]
Thru Vol. 21 Vol. 22 004908	29.	Transcript regarding Hearing Held 02/19/2020 [Docket No. 479]
005096	30.	Objection to (related document(s): 474) [Docket No. 487]
005110	31.	Joinder by Acis Capital Management, L.P. and Acis Capital Management GP, LLC to the Committee's Objection to the Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain Related Entities, and Comment to the Same [Docket No. 489]
005119	32.	Order authorizing, but not directing, the debtor to cause distributions to certain 'related entities'. [Docket No. 512]
005123	33.	Order granting motion for relief from stay [Docket No. 519]
Vol. 23 005125	34.	Transcript regarding Hearing Held 03/04/2020 [Docket No. 571]
005246	35.	Motion for relief from stay [Docket No. 593]
Vol. 24 005352	36.	Transcript regarding Hearing Held 05/26/2020 [Docket No. 676]
005359	37.	Order granting motion for relief from stay [Docket No. 764]
005362	38.	Application to employ James P. Seery, Jr. Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020 [Docket No. 774]
005395	39.	Transcript regarding Hearing Held 06/30/2020 [Docket No. 802]
005495	40.	Transcript regarding Hearing Held 07/08/2020 [Docket No. 817]
005553	41.	Agreed order regarding deposit of funds into registry of the Court [Docket No. 821]
005558	42.	Order granting application to employ James P. Seery, Jr. as Chief Executive Officer, Chief Restructuring and Foreign representative [Docket No. 854]
Vol. 25 005570	43.	Transcript regarding Hearing Held 07/14/2020 [Docket No. 864]
005764	44.	Transcript regarding Hearing Held 07/21/2020 [Docket No. 897]
Vol. 26 005829	45.	Order directing mediation [Docket No. 912]
005835	46.	Transcript regarding Hearing Held 08/19/2020 [Docket No. 998]
005855	47.	Transcript regarding Hearing Held 09/10/2020 [Docket No. 1064]
005904	48.	Amended Schedules: E/F, with Summary of Assets and Liabilities [Docket No. 1082]
005933	49.	Transcript regarding Hearing Held 10/06/2020 [Docket No. 1145]
005991	50.	Witness and Exhibit List [Docket No. 1175]
005994	51.	Witness and Exhibit List [Docket No. 1202-1]
005997	52.	Omnibus Reply [Docket No. 1221]

DATED: December 7, 2020.

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By: /s/ Annmarie Chiarello

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I hereby certify that on December 7, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

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

In re:	§	
	§	Chapter 11
HIGHLAND CAPITAL MANAGEMENT, L.P., ¹	§	
	§	Case No. 19-34054-sgj11
Debtor.	§	
	§	

**MOTION OF THE DEBTOR FOR APPROVAL OF SETTLEMENT
WITH THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS REGARDING
GOVERNANCE OF THE DEBTOR AND
PROCEDURES FOR OPERATIONS IN THE ORDINARY COURSE**

The above-captioned debtor and debtor in possession (the “Debtor”) files this motion (the “Motion”) for the entry of an order (the “Order”) approving the terms of a settlement

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

between the Debtor and the Committee (as defined below) regarding governance of the Debtor and procedures for operations in the ordinary course of business, as embodied in the term sheet attached hereto as **Exhibit A** (the “Term Sheet”). In support of this Motion, the Debtor respectfully represents as follows:

Preliminary Statement

1. Following weeks of negotiations, the Debtor and the Committee have reached a proposed settlement, which contemplates the creation of a new independent board of directors (the “Independent Directors”) at Strand Advisors, Inc. (“Strand”), the Debtor’s general partner and ultimate party in control, and the implementation of certain protocols governing the operation of the Debtor’s business in the ordinary course. The Independent Directors will consist of the following three highly qualified and independent individuals: James Seery, John Dubel, and a third director to be selected by or otherwise acceptable to the Committee.² Two of the Independent Directors were chosen by the Committee and the third Independent Director will be selected by or otherwise acceptable to the Committee. Background information for each of the Independent Directors is attached hereto as **Exhibit B**.

2. Pursuant to the Term Sheet, and effective upon entry of the Order, James Dondero will no longer be a director, officer, managing member, or employee of the Debtor or Strand and will have no authority, directly or indirectly, to act on the Debtor’s behalf. Going forward, the Independent Directors, through Strand, will have sole and exclusive management and control of the Debtor. The Independent Directors will have the discretion to appoint an interim

² The Committee’s agreement to the Term Sheet in its entirety is contingent upon the selection of a third Independent Director acceptable to the Committee. In the event the Committee and the Debtor cannot reach an agreement on an acceptable Independent Director to fill the third seat of the Board of Directors, the Term Sheet shall be null and void.

Chief Executive Officer (the “CEO”) who will manage the Debtor’s day-to-day business operations. Subject to Court approval, the Debtor still intends to retain Development Specialists, Inc. (“DSI”) to provide a Chief Restructuring Officer (the “CRO”) that will serve at the direction of the Independent Directors (or CEO, if appointed).

3. It bears emphasis that the Independent Directors will not be mere figureheads. The Debtor and the Committee envision that the Independent Directors will be actively involved and intimately familiar with all material aspects of the Debtor’s business and restructuring efforts. Moreover, with guidance of the CRO and CEO (if appointed), the Independent Directors will endeavor to prevent any negative influence Mr. Dondero or any of his affiliates or agents may have on the Debtor and its employees. Further, as part of the Term Sheet, the Committee will be granted standing to pursue estate claims against Mr. Dondero and other former insiders of the Debtor who were not employed by the Debtor as of the execution of the Term Sheet. The Committee will also retain the right to move for a chapter 11 trustee.

4. In sum, the Term Sheet resolves months of litigation between the Debtor and the Committee over the Debtor’s governance structure and operating protocols, allowing all parties to refocus on a path forward for this chapter 11 case. With the Independent Directors in place, the Debtor can move forward expeditiously, efficiently, and effectively with the substantive aspects of this case and consider any available restructuring options that will maximize value for all constituents. The Debtor therefore urges the Court to approve the Term Sheet and allow the key economic interest holders to proceed with a productive restructuring effort.

Jurisdiction and Venue

5. The United States Bankruptcy Court for the District of Northern District of Texas, Dallas Division (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

6. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

7. The statutory bases for the relief requested herein are sections 105(a) and 363 of the Bankruptcy Code and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

Background

8. On October 16, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court for the District of Delaware, Case No. 19-12239 (CSS) (the “Delaware Court”).

9. To assist and coordinate the restructuring process, the Debtor retained DSI and Bradley D. Sharp to serve as the CRO on October 7, 2019. On October 29, 2019, the Debtor filed the *Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring Related Services, Nunc Pro Tunc as of the Petition Date* [Docket No. 74] (the “CRO Motion”) seeking to formally retain the CRO. The CRO Motion remains pending, and the Debtor is filing a supplement to the CRO Motion concurrently herewith.

10. On October 29, 2019, the Official Committee of Unsecured Creditors (the “Committee”) was appointed by the U.S. Trustee in the Delaware Court. On November 12, 2019, the Committee filed an omnibus objection to the CRO Motion, cash management motion, and

motion for approval of ordinary course protocols [Docket No. 130] (the “Committee Objection”), raising various concerns regarding the Debtor’s governance and business practices.

11. On December 4, 2019, the Delaware Court entered an order transferring venue of the Debtor’s bankruptcy case to this Court [Docket No. 186].³ The Debtor has continued in the possession of its property and has continued to operate and manage its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this chapter 11 case.

12. On December 23, 2019, the U.S. Trustee filed a motion in this Court to appoint a chapter 11 trustee for the Debtor [Docket No. 271] (the “Trustee Motion”). Although the Debtor will be filing a separate response to the Trustee Motion, it suffices to say that the Trustee Motion (filed without even considering the proposed Term Sheet) completely lacks merit given the governance changes and other resolutions encompassed in the Term Sheet agreed to by the Committee, as the representative of the primary economic stakeholders here.

Terms of the Proposed Settlement

13. Pursuant to the Term Sheet, the Debtor and the Committee have agreed to: (a) implement certain changes to the Debtor’s governance, including the appointment of the Independent Directors; (b) provide the Committee with additional transparency into the operation of the Debtor’s business; (c) retain the CRO on updated terms; and (d) implement certain protocols governing the ordinary course business operations of the Debtor. The terms of this agreement are contained in the Term Sheet.⁴ A summary of the Term Sheet is as follows:

³ All docket numbers refer to the docket maintained by this Court.

⁴ In the event of any inconsistency between the summary of the Term Sheet contained herein and the Term Sheet, the Term Sheet will govern.

Independent Directors

The Debtor's general partner, Strand will appoint the following three (3) Independent Directors: James Seery, John Dubel, and a third director to be selected by or otherwise acceptable to the Committee. The Independent Directors will be granted exclusive control over the Debtor and its operations. Among other things, the Independent Directors shall conduct a review of all current employees as soon as practicable following the Independent Directors' appointment, determine whether and which employees should be subject to a key employee retention plan and/or key employee incentive plan and, if applicable, propose plan(s) covering such employees. The appointment and powers of the Independent Directors and the corporate governance structure shall be pursuant to the documents attached to the Term Sheet (the "Governing Documents"), which documents shall be satisfactory to the Committee. Once appointed, the Independent Directors (i) cannot be removed without the Committee's written consent or Order of the Court, and (ii) may be removed and replaced at the Committee's direction upon approval of the Court (subject in all respects to the right of any party in interest, including the Debtor and the Independent Directors, to object to such removal and replacement).

The Independent Directors shall be compensated in a manner to be determined, with an understanding that the source of funding, whether directly or via reimbursement, will be the Debtor.

As soon as practicable after their appointments, the Independent Directors shall, in consultation with the Committee, determine whether a CEO should be appointed for the Debtor. If the Independent Directors determine that appointment of a CEO is appropriate, the Independent Directors shall appoint a CEO acceptable to the Committee as soon as practicable, which may be one of the Independent Directors. Once appointed, the CEO cannot be removed without the Committee's written consent or Order of the Court.

The Committee shall have regular, direct access to the Independent Directors, provided, however that (1) if the communications include FTI Consulting Inc. ("FTI"), Development Specialists Inc. ("DSI") shall also

participate in such communications; and (2) if the communications include counsel, then either Debtor's counsel or, if retained, counsel to the Independent Directors shall also participate in such communications.

Role of Mr. James Dondero

Upon approval of the Term Sheet by the Bankruptcy Court, Mr. Dondero will (1) resign from his position as a Board of Director of Strand Advisors, Inc., (2) resign as an officer of Strand Advisors, Inc., and (3) resign as an employee of the Debtor.

CRO

Bradley Sharp and DSI shall, subject to approval of the Court, be retained as the CRO to the Debtor and report to and be directed by the Independent Directors and, if and once appointed, the CEO. Mr. Sharp's and DSI's retention is subject to this Court's approval. The Debtor has filed the CRO Motion, as supplemented as of the date hereof, which requests authority to retain Mr. Sharp and DSI.⁵

DSI and all other Debtor professionals shall serve at the direction of the CEO, if any, and the Independent Directors.

Estate Claims

The Committee is granted standing to pursue any and all estate claims and causes of action against Mr. Dondero, Mr. Mark Okada, other insiders of the Debtor, and each of the Related Entities, including any promissory notes held by any of the foregoing (collectively, the "Estate Claims"); provided, however, that the term Estate Claims will not include any estate claim or cause of action against any then-current employee of the Debtor.

**Document Management,
Preservation, and Production**

The Debtor shall be subject to and comply with the document management, preservation, and production requirements attached to the Term Sheet, which requirements cannot be modified without the consent of the Committee or Court order (the "Document Production Protocol").

Solely with respect to the investigation and pursuit of Estate Claims, the document production protocol will acknowledge that the Committee will have access to the privileged documents and communications that are

⁵ For the avoidance of doubt, the Debtor is not seeking retention of the CRO pursuant to this Motion. The Debtor is seeking such relief pursuant to the CRO Motion (as supplemented).

within the Debtor's possession, custody, or control ("Shared Privilege").

With respect to determining if any particular document is subject to the Shared Privilege, the following process shall be followed: (i) the Committee will request documents from the Debtor, (ii) the Debtor shall log all documents requested but withheld on the basis of privilege, (iii) the Debtor shall not withhold documents it understands to be subject to the Shared Privilege; (iv) the Committee will identify each additional document on the log that the Committee believes is subject to the Shared Privilege, and (v) a special master or other third party neutral agreed to by the Committee and the Debtor shall make a determination if such documents are subject to the Shared Privilege. The Committee further agrees that the production of any particular document by the Debtor under this process will not be used as a basis for a claim of subject matter waiver.

Reporting Requirements

The Debtor shall be subject to and comply with the reporting requirements attached to the Term Sheet, which reporting requirements cannot be modified without the consent of the Committee or Court order (the "Reporting Requirements").

Plan Exclusivity

The Independent Directors may elect to waive the Debtor's exclusive right to file a plan under section 1121 of the Bankruptcy Code.

Operating Protocols

The Debtor shall comply with the operating protocols attached to the Term Sheet, regarding the Debtor's operation in the ordinary course of business, which protocols cannot be modified without the consent of the Committee or Court order (the "Operating Protocols" and, together with the Reporting Requirements, the "Protocols").

14. By this Motion, the Debtor is seeking the Court's approval of the Term Sheet, the terms contained therein, and the exhibits attached thereto. For the avoidance of doubt, approval of the Term Sheet includes the approval of the following:

- Independent Directors: The appointment of James Seery, John Dubel, and a third director to be selected by or otherwise acceptable to the Committee as the Independent Directors of Strand, the Debtor's general partner, with power to oversee the operations of the Debtor as set forth in the Term Sheet. Mr. Seery and Mr. Dubel were selected by the Committee, and the Debtor agreed to their appointment as Independent Directors. The Debtor is also seeking approval of the Governing Documents appointing the Independent Directors, to the extent required, and the authority to compensate the Independent Directors either directly from the assets of the Debtor or via the reimbursement of Strand of any compensation paid to the Independent Directors.

- Document Management and Preservation: The implementation of the Document Production Protocol, which will govern how the Debtor retains and produces documents and information to the Committee during the pendency of its bankruptcy case. The Debtor is also agreeing to allow the Committee to access certain documents that are otherwise subject to the Shared Privilege to assist the Debtor in investigating the Estate Claims.

- Estate Claims. The Debtor has agreed to grant the Committee standing to pursue any Estate Claims. Estate Claims do not include claims or causes of action against any current employees of the Debtor; however, if any employee ceases to be employed by the Debtor, the Committee will have standing to pursue claims against such former employee.

- Reporting Requirements and Operating Protocols: The Debtor has agreed to provide certain reporting to the Committee and to operate under certain protocols, which set forth the parameters of how the Debtor can conduct its business without the requirement of Court approval. The Protocols provide, in certain circumstances, how the CRO and the Independent Directors will oversee the Debtor's operations. The purpose of the Protocols is to allow the Debtor to function in the ordinary course of its business while providing transparency to the Committee.

15. The Debtor believes that appointing the Independent Directors and otherwise effectuating the terms of the Term Sheet is in the best interests of the Debtor, its estate, and its creditors. The Term Sheet will allow the Debtor to proceed with a productive reorganization effort that will maximize value for all constituents. Accordingly, the Debtor seeks approval of the Term Sheet.

Relief Requested

16. By this Motion, the Debtor seeks entry of an order pursuant to sections 105(a), 363(b)(1), and 363(c)(1) of the Bankruptcy Code and Bankruptcy Rule 9019: (a) approving the Debtor's settlement with the Committee as set forth in the Term Sheet and outlined herein; (b)

authorizing the Debtor to take any action as may be reasonably required to effectuate the terms of the Term Sheet, including entering into the Governing Documents and compensating – either directly or through reimbursement – the Independent Directors; (c) granting the Committee standing to pursue the Estate Claims; and (d) granting related relief.

Authority for the Relief Requested

A. Section 363(c)(1) of the Bankruptcy Code Authorizes the Debtor to Enter Into Certain Aspects of the Term Sheet in the Ordinary Course

17. Because the Debtor is not settling any claims or causes of action through the Term Sheet or otherwise expending estate resources, the Debtor believes that it has the authority to effectuate the majority of the transactions and compromises set forth in the Term Sheet without Court approval under section 363(c)(1) of the Bankruptcy Code. Specifically, section 363(c)(1) provides:

[i]f the business of the debtor is authorized to be operated under section. . . 1108. . . of this title. . . the trustee may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing.

11 U.S.C. § 363(c)(1). As such, a debtor may engage in postpetition actions if the debtor is authorized to operate its business under section 1108 and such transactions are “in the ordinary course of business.”

18. An activity is “ordinary course” if it satisfies both the “horizontal test” and the “vertical test.” *See, e.g., Denton Cty. Elec. Coop. v. Eldorado Ranch, Ltd. (In re Denton Cty. Elec. Coop.)*, 281 B.R. 876, 882 n.12 (Bankr. N.D. Tex. 2002); *see also In re Roth American, Inc.*, 975 F.2d 949, 952 (3d Cir. 1992). The vertical test looks to “whether the transaction subjects a

hypothetical creditor to a different economic risk than existed when the creditor originally extended credit.” *In re Patriot Place, Ltd.*, 486 B.R. 773, 793 (Bankr. W.D. Tex. 2013). The horizontal test considers “whether the transaction was of the sort commonly undertaken by companies in the industry.” *Id.* Here, both the vertical test and horizontal test are satisfied.

19. Under the Term Sheet, the Debtor is seeking authority to (a) appoint the Independent Directors at Strand (a non-debtor entity), (b) have Mr. Dondero removed from his role at the Debtor and Strand; (c) agree to seek the retention of the CRO under a revised engagement letter that provides that the CRO will report to the Independent Directors; (d) grant the Committee standing to pursue the Estate Claims; (e) enter into and implement the Document Production Protocols; (f) grant the Independent Directors the exclusive right to determine whether to waive exclusivity; and (g) enter into and implement the Protocols. Only the compensation of the Independent Directors, the entrance into the Protocols (which provide the Committee with certain right to object to the Debtor engaging in a “Transaction” (as defined in the Protocols) and allow the Debtor to seek a hearing before this Court on an expedited basis), and the grant of standing to the Committee to pursue Estate Claims could be construed as outside of the ordinary course of business. The balance of the terms of the Term Sheet either involve non-debtors⁶ or will be the subject of separate motions seeking Court approval at the appropriate time.

**B. The Court Should Approve the Term Sheet Under
Rule 9019 of the Bankruptcy Code**

20. Although the Debtor believes that it has authority to implement the majority of the Term Sheet in the ordinary course of its business under section 363(c), the Debtor is seeking

⁶ With respect to the Independent Directors, they are being appointed to a new independent board of Strand, the Debtor’s general partner, and Strand is not a debtor in this case or subject to this Court’s jurisdiction.

this Court's approval of the Term Sheet under section 105 of the Bankruptcy Code and Rule 9019 of the Bankruptcy Rules out of an abundance of caution. Section 105(a) of the Bankruptcy Code provides in relevant part that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). Section 105(a) has been interpreted to expressly empower bankruptcy courts with broad equitable powers to "craft flexible remedies that, while not expressly authorized by the Code, effect the result the Code was designed to obtain." *Official Comm. of Unsecured Creditors of Cybergenics Corp. ex rel. Cybergenics Corp. v. Chinery*, 330 F.3d 548, 568 (3d Cir. 2003) (en banc); *see also Southmark Corp. v. Grosz (In re Southmark Corp.)*, 49 F.3d 1111, 1116 (5th Cir. 1995) (stating that section 105(a) of the Bankruptcy Code "authorizes bankruptcy courts to fashion such orders as are necessary to further the substantive provisions of the Code").

21. Bankruptcy Rule 9019 governs the procedural prerequisites to approval of a settlement, providing that:

On motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Notice shall be given to creditors, the United States trustee, the debtor, and indenture trustees as provided in Rule 2002 and to any other entity as the court may direct.

Fed. R. Bankr. P. 9019(a).

22. Settlements in bankruptcy are favored as a means of minimizing litigation, expediting the administration of the bankruptcy estate, and providing for the efficient resolution of bankruptcy cases. *Myers v. Martin (In re Martin)*, 91 F.3d 389, 393 (3d Cir. 1996); *see also Rivercity v. Herpel (In re Jackson Brewing Co.)*, 624 F.2d 599, 602 (5th Cir. 1980). Pursuant to Bankruptcy Rule 9019(a), a bankruptcy court may, after appropriate notice and a hearing, approve

a compromise or settlement so long as the proposed settlement is fair, reasonable, and in the best interest of the estate. *See In re Age Ref. Inc.*, 801 F.3d 530, 540 (5th Cir. 2015). Ultimately, “approval of a compromise is within the sound discretion of the bankruptcy court.” *See United States v. AWECO, Inc. (In re AWECO, Inc.)*, 725 F.2d 293, 297 (5th Cir. 1984); *Jackson Brewing*, 624 F.2d at 602–03.

23. In making this determination, the United States Court of Appeals for the Fifth Circuit applies a three-party test, “with a focus on comparing ‘the terms of the compromise with the rewards of litigation.’” *Official Committee of Unsecured Creditors v. Cajun Elec. Power Coop. by & through Mabey (In re Cajun Elec. Power Coop.)*, 119 F. 3d 349, 356 (5th Cir. 1997) (citing *Jackson Brewing*, 624 F.2d at 602). The Fifth Circuit has instructed courts to consider the following factors: “(1) The probability of success in the litigation, with due consideration for the uncertainty of law and fact, (2) The complexity and likely duration of the litigation and any attendant expense, inconvenience and delay, and (3) All other factors bearing on the wisdom of the compromise.” *Id.*

24. Under the rubric of the third factor referenced above, the Fifth Circuit has specified two additional factors that bear on the decision to approve a proposed settlement. First, the court should consider “the paramount interest of creditors with proper deference to their reasonable views.” *Id.*; *Conn. Gen. Life Ins. Co. v. United Cos. Fin. Corp. (In re Foster Mortg. Corp.)*, 68 F.3d 914, 917 (5th Cir. 1995). Second, the court should consider the “extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion.” *Age Ref. Inc.*, 801 F.3d at 540; *Foster Mortg. Corp.*, 68 F.3d at 918 (citations omitted).

25. Here, the Debtor submits that effectuating the transactions set forth in the Term Sheet satisfies the Fifth Circuit's three-part test. The settlement embodied in the Term Sheet was driven in large part by the Debtor's creditors and has the support of the Committee, which consists of the Debtor's principal creditors. The Term Sheet was negotiated at arm's length, and there was no fraud or collusion in its negotiation. The settlement is also fair and reasonable and in the best interests of the Debtor's estate and also resolves the open disputes regarding the CRO Motion, the *Motion of Debtor for Interim and Final Orders Authorizing (A) Continuance of Existing Cash Management System, (B) Continued Use of the Prime Account, (C) Limited Waiver*, as supplemented [Docket Nos. 51 & 259], and *Precautionary Motion of the Debtor for Order Approving Protocols for the Debtor to Implement Certain Transactions in the Ordinary Course of Business* [Docket No. 76].

26. The Debtor and members of the Committee have been entangled in highly contentious litigation that has spanned many years and multiple venues. As evidenced by the brief history of the Debtor's bankruptcy case,⁷ that contention and mistrust has carried over into this proceeding and could derail any chance that the Debtor has to successfully reorganize and structure a plan to pay its creditors. The governance and operational changes set forth in the Term Sheet, will provide greater transparency to the Committee and start the process of rebuilding the trust necessary to negotiate a successful resolution of this case. Without the Term Sheet, the Debtor

⁷ See, e.g., *Declaration of Frank Waterhouse in Support of First Day Motions* [Docket No. 11], *Motion of the Official Committee of Unsecured Creditors for an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas* [Docket No. 85], *Omnibus Objection of the Official Committee of Unsecured Creditors to the Debtor's (I) Motion for Final Order Authorizing Continuance of the Existing Cash Management System, (II) Motion to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officers, and (III) Precautionary Motion for Approval of Protocol for "Ordinary Course" Transactions* [Docket No. 130], and *United States Trustee's Motion for an Order Directing the Appointment of a Chapter 11 Trustee* [Docket No. 271].

anticipates that the Committee would move to appoint a chapter 11 trustee and the U.S. Trustee has already done so (without even seeing the Term Sheet). The Debtor will contest such motions because the appointment of a chapter 11 trustee could gravely harm the Debtor's business. The implementation of the Term Sheet will head off any potential issues that could arise, eliminate costly, time consuming and uncertain litigation, and give the Debtor sufficient breathing room to work towards rebuilding trust with its creditor body and allow the Debtor to exit bankruptcy and preserve the value of its business. The Debtor's bankruptcy case has been pending for over two and a half months, and it is time for the parties to put the acrimony that marked the initial stages of this case behind them and to move forward in a productive manner – precisely what the Term Sheet seeks to accomplish.

**C. Consummating the Settlement Agreement
is a Sound Exercise of the Debtors' Business Judgment.**

27. Section 363(b)(1) of the Bankruptcy Code authorizes a debtor in possession to “use, sell, or lease, other than in the ordinary course of business, property of the estate,” after notice and a hearing. It is well established in this jurisdiction that a debtor may use property of the estate outside the ordinary course of business under this provision if there is a good business reason for doing so. *See, e.g., ASARCO, Inc. v. Elliott Mgmt. (In re ASARCO, L.L.C.)*, 650 F.3d 593, 601 (5th Cir. 2011) (“[F]or the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors, and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.”) (*quoting In re Cont'l Air Lines, Inc.*, 780 F.3d 1223, 1226 (5th Cir. 1986)); 441 B.R. 813, 830 (Bankr. S.D. Tex.

2010); *GBL Holding Co., Inc. v. Blackburn/Travis/Cole, Ltd. (In re State Park Bldg. Grp., Ltd.)*, 331 B.R. 251, 254 (Bankr. N.D. Tex. 2005).

28. The transactions contemplated by the Term Sheet are within the sound business judgment of the Debtor. The Term Sheet resolves potentially costly and protracted litigation with the Committee over the Debtor's corporate governance and will give the Debtor the breathing room necessary to negotiate and effectuate the terms of a plan acceptable to the Debtor's creditors. Further, providing standing to the Committee to investigate Estate Claims and the payment of the Independent Directors from the assets of the estate are each necessary components of the Term Sheet. The Committee would not have agreed to the Term Sheet without the grant of standing to investigate Estate Claims. Moreover, Strand, a non-debtor, is unable to cover the costs of the Independent Directors. As such, there is a good business reason for the Debtor's payment of the Independent Directors' compensation: the Term Sheet and the appointment of the Independent Directors would not have been agreed to or possible without that condition.⁸ The foregoing is sufficient grounds to approve the Term Sheet and authorize the Debtor to effectuate the terms of the Term Sheet under Section 363(b)(1).

No Prior Request

29. No previous request for the relief sought herein has been made to this, or any other, Court.

⁸ Further, although the Debtor seeks to reimburse Strand for the cost of the Independent Directors, the Debtor is otherwise obligated to reimburse Strand for any costs or expenses incurred by Strand in its management of the Debtor. See Fourth Amended and Restated Agreement of Limited Partnership of Highland Capital Management, L.P., § 3.10(b).

Notice

30. Notice of this Motion shall be given to the following parties or, in lieu thereof, to their counsel, if known: (a) the Office of the United States Trustee; (b) the Office of the United States Attorney for the Northern District of Texas; (c) the Debtor's principal secured parties; (d) counsel to the Committee; and (e) parties requesting notice pursuant to Bankruptcy Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE, for the reasons set forth herein, the Debtor respectfully requests that the Court enter an Order, substantially in the form attached hereto as **Exhibit C**, (a) approving the Debtor's settlement with the Committee as set forth in the Term Sheet and outlined herein; (b) authorizing the Debtor to take any action as may be reasonably required to effectuate the terms of the Term Sheet, including entering into the Governing Documents and compensating – either directly or through reimbursement – the Independent Directors; and (c) granting related relief.

Dated: December 27, 2019

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Highland Capital Management, L.P.

Preliminary Term Sheet

This term sheet (“Term Sheet”) outlines the principal terms of a proposed settlement between Highland Capital Management, L.P. (the “Debtor”) and the Official Committee of Unsecured Creditors (the “Committee”) in the chapter 11 case captioned In re Highland Capital Mgm’t, L.P, Case No. 19-34054 (SGJ) (the “Chapter 11 Case”), pending in the Bankruptcy Court for the Northern District of Texas (the “Bankruptcy Court”), to resolve a good faith dispute between the parties related to the Debtor’s corporate governance, and specifically, the Committee’s various objections to certain relief being sought by the Debtors in the Chapter 11 Case [Del. Docket No. 125]. This Term Sheet shall be subject to approval by the Bankruptcy Court.

Topic	Proposed Terms
Parties	<p>Highland Capital Management, L.P. (the “<u>Debtor</u>”).</p> <p>The Official Committee of Unsecured Creditors of Highland Capital Management, L.P. (the “<u>Committee</u>”).</p>
Independent Directors	<p>The Debtor’s general partner, Strand Advisors, Inc., will appoint the following three (3) independent directors (the “<u>Independent Directors</u>”): James Seery, John Dubel, and a third director to be selected by or otherwise acceptable to the Committee. The Independent Directors will be granted exclusive control over the Debtor and its operations. Among other things, the Independent Directors shall conduct a review of all current employees as soon as practicable following the Independent Directors’ appointment, determine whether and which employees should be subject to a key employee retention plan and/or key employee incentive plan and, if applicable, propose plan(s) covering such employees. The appointment and powers of the Independent Directors and the corporate governance structure shall be pursuant to the documents attached hereto as <u>Exhibit A</u>, which documents shall be satisfactory to the Committee. Once appointed, the Independent Directors (i) cannot be removed without the Committee’s written consent or Order of the Court, and (ii) may be removed and replaced at the Committee’s direction upon approval of the Court (subject in all respects to the right of any party in interest, including the Debtor and the Independent Directors, to object to such removal and replacement).</p> <p>The Independent Directors shall be compensated in a manner to be determined with an understanding that the</p>

	<p>source of funding, whether directly or via reimbursement, will be the Debtor.</p> <p>As soon as practicable after their appointments, the Independent Directors shall, in consultation with the Committee, determine whether an interim Chief Executive Officer (the “<u>CEO</u>”) should be appointed for the Debtor. If the Independent Directors determine that appointment of a CEO is appropriate, the Independent Directors shall appoint a CEO acceptable to the Committee as soon as practicable, which may be one of the Independent Directors. Once appointed, the CEO cannot be removed without the Committee’s written consent or Order of the Court.</p> <p>The Committee shall have regular, direct access to the Independent Directors, <u>provided, however</u> that (1) if the communications include FTI Consulting Inc. (“<u>FTI</u>”), Development Specialists Inc. (“<u>DSI</u>”) shall also participate in such communications; and (2) if the communications include counsel, then either Debtor’s counsel or, if retained, counsel to the Independent Directors shall also participate in such communications.</p>
Role of Mr. James Dondero	<p>Upon approval of this Term Sheet by the Bankruptcy Court, Mr. Dondero will (1) resign from his position as a Board of Director of Strand Advisors, Inc., (2) resign as an officer of Strand Advisors, Inc., and (3) resign as an employee of the Debtor.</p>
CRO	<p>DSI shall, subject to approval of the Bankruptcy Court, be retained as chief restructuring officer (“<u>CRO</u>”) to the Debtor and report to and be directed by the Independent Directors and, if and once appointed, the CEO. The retention and scope of duties of DSI shall be pursuant to the Further Amended Retention Agreement, attached hereto as <u>Exhibit B</u>.</p> <p>DSI and all other Debtor professionals shall serve at the direction of the CEO, if any, and the Independent Directors.</p>
Estate Claims	<p>The Committee is granted standing to pursue any and all estate claims and causes of action against Mr. Dondero, Mr. Okada, other insiders of the Debtor, and each of the Related Entities, including any promissory notes held by any of the foregoing (collectively, the “<u>Estate Claims</u>”); <u>provided, however</u>, that the term Estate Claims will not</p>

	include any estate claim or cause of action against any then-current employee of the Debtor.
Document Management, Preservation, and Production	<p>The Debtor shall be subject to and comply with the document management, preservation, and production requirements attached hereto as <u>Exhibit C</u>, which requirements cannot be modified without the consent of the Committee or Court order (the “<u>Document Production Protocol</u>”).</p> <p>Solely with respect to the investigation and pursuit of Estate Claims, the document production protocol will acknowledge that the Committee will have access to the privileged documents and communications that are within the Debtor’s possession, custody, or control (“<u>Shared Privilege</u>”).</p> <p>With respect to determining if any particular document is subject to the Shared Privilege, the following process shall be followed: (i) the Committee will request documents from the Debtor, (ii) the Debtor shall log all documents requested but withheld on the basis of privilege, (iii) the Debtor shall not withhold documents it understands to be subject to the Shared Privilege; (iv) the Committee will identify each additional document on the log that the Committee believes is subject to the Shared Privilege, and (v) a special master or other third party neutral agreed to by the Committee and the Debtor shall make a determination if such documents are subject to the Shared Privilege. The Committee further agrees that the production of any particular document by the Debtor under this process will not be used as a basis for a claim of subject matter waiver.</p>
Reporting Requirements	The Debtor shall be subject to and comply with the reporting requirements attached hereto as <u>Exhibit D</u> , which reporting requirements cannot be modified without the consent of the Committee or Court order (the “ <u>Reporting Requirements</u> ”).
Plan Exclusivity	The Independent Directors may elect to waive the Debtor’s exclusive right to file a plan under section 1121 of the Bankruptcy Code.
Operating Protocols	The Debtor shall comply with the operating protocols set forth in <u>Exhibit D</u> hereto, regarding the Debtor’s operation in the ordinary course of business, which protocols cannot be modified without the consent of the Committee or Court order.

Reservation of Rights	This agreement is without prejudice to the Committee's rights to, among other things, seek the appointment of a trustee or examiner at a later date. Nothing herein shall constitute or be construed as a waiver of any right of the Debtor or any other party in interest to contest the appointment of a trustee or examiner, and all such rights are expressly reserved.
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Exhibit A

Debtor's Corporate Governance Documents

Exhibit B

Amended DSI Retention Letter

003652

Exhibit C

Document Production Protocol

003653

PSZJ Revisions 12/23/19

Privileged & Confidential

Subject to FRE 408

Exhibit D

Reporting Requirements

003654

WRITTEN CONSENT OF SOLE STOCKHOLDER AND DIRECTOR

OF

STRAND ADVISORS, INC.

[____]

Pursuant to the provisions of the General Corporation Law of the State of Delaware (the “DGCL”) and consistent with the provisions of the Certificate of Incorporation (the “Certificate”) and Bylaws (the “Bylaws”) of Strand Advisors, Inc., a Delaware corporation (the “Company”), the undersigned, being the holder of all of the issued and outstanding shares of common stock, par value \$0.01 per share, of the Company and the sole director of the Company (the “Stockholder”), acting by written consent without a meeting pursuant to Section 228 of the DGCL and Article IV, Section 6, and Article XII of the Bylaws, does hereby consent to the adoption of the following resolutions and to the taking of the actions contemplated thereby, in each case with the same force and effect as if presented to and adopted at a meeting of the stockholders:

I. AMENDMENT OF BYLAWS

WHEREAS, it is acknowledged that the Board of Directors of the Company (the “Board”) has heretofore been fixed at one (1) and that the Board currently consists of James Dondero;

WHEREAS, pursuant to Article XII of the Bylaws, the Stockholder wishes to amend the Bylaws in the manner set forth on **Appendix A** hereto (the “Bylaws Amendment”) to increase the size of the Board from one (1) to three (3) directors; and

NOW, THEREFORE, BE IT RESOLVED, that the Bylaws Amendment is hereby authorized and approved and the Board is increased from one (1) to three (3) directors;

RESOLVED FURTHER, that any officer of the Company is authorized to take any such actions as may be required to effectuate the Bylaws Amendment; and

RESOLVED FURTHER, that any action taken by any officer of the Company on or prior to the date hereof to effectuate such Bylaws Amendment is hereby authorized and affirmed.

II. ELECTION OF DIRECTORS

WHEREAS, the Stockholder desires to appoint James Seery, John Dubel, and _____ to the Board and desires that such individuals constitute the whole Board;

NOW, THEREFORE, BE IT RESOLVED, that James Seery, John Dubel, and _____, having consented to act as such, be, and each of them hereby is, appointed as a director, to serve as a director of the Company and to hold such office until such director’s respective successor shall have been duly elected or appointed and shall qualify, or until such director’s death, resignation or removal;

RESOLVED FURTHER, that any officer of the Company is authorized to take any such actions as

may be required to effectuate the appointment of the foregoing directors, including executing an indemnification agreement in favor of such directors in substantially the form attached hereto as **Appendix B** (each, an “Indemnification Agreement”);

RESOLVED FURTHER, that any action taken by any officer of the Company on or prior to the date hereof to effectuate the appointment of such directors, including the execution of an Indemnification Agreement, is hereby authorized and affirmed.

RESOLVED FURTHER, that James Dondero and any other directors of the Company are hereby removed as directors of the Company;

RESOLVED FURTHER, that the directors appointed pursuant to these resolutions shall, pursuant to the terms of the Bylaws, appoint a Chairman of the Board.

III. STIPULATION WITH THE BANKRUPTCY COURT

WHEREAS, on October 16, 2019, Highland Capital Management, L.P. (“HCMLP”) filed for chapter 11 bankruptcy protection in the Bankruptcy Court for the District of Delaware, Case No. 19-12239 (CSS) (the “Bankruptcy Case”);

WHEREAS, the Company is the general partner for HCMLP;

WHEREAS, the Bankruptcy Case was transferred to the Bankruptcy Court for the Northern District of Texas, Case No. 19-34054-sgj11 (the “Texas Court”) by order of the Bankruptcy Court for the District of Delaware on December 4, 2019;

WHEREAS, the Company and the Stockholder wish to enter into a stipulation with HCMLP and the Official Unsecured Creditors Committee appointed in the Bankruptcy Case (the “Committee”), such stipulation to be approved by the Texas Court, whereby the Stockholder will agree (a) not to transfer or assign his shares in the Company or exercise the voting power of such shares to remove any member of the Board appointed pursuant to these resolutions or further change the authorized number of directors from three (3) directors; (b) to exercise the voting power of his shares so as to cause each member of the Board appointed by this resolutions to be re-elected at upon the expiration of his or her term; and (c) upon the death, disability, or resignation of _____, will exercise the voting power of such shares so as to cause the resulting vacancy to be filled by a successor that is both independent and acceptable to the Stockholder and the Committee (the “Stipulation”);

WHEREAS, for purposes of the Stipulation, “independent” would exclude the Stockholder, any affiliate of the Stockholder, and any member of management of the Company; and

WHEREAS, it is in the intent of the parties that the Stipulation will no longer be effective or bind Strand or the Stockholder following the termination of the Bankruptcy Case.

NOW, THEREFORE, BE IT RESOLVED, that the Company is authorized to take such actions as may be necessary to enter into and effectuate the Stipulation in the manner and on the terms set forth above, including, but not limited to, further amending the Certificate, Bylaws, or any other corporate governance documents; and

RESOLVED FURTHER, that Scott Ellington, as an officer of the Company, is authorized to take any such actions as may be required to enter into and effectuate the Stipulation in the manner set forth herein; and

RESOLVED FURTHER, that any action taken by Scott Ellington or any other officer of the Company on or prior to the date hereof to effectuate such Stipulation is hereby authorized and affirmed.

[Signature pages follow.]

IN WITNESS WHEREOF, the undersigned has executed this Written Consent as of the respective date and year first appearing above.

STOCKHOLDER:

James Dondero

[Signature Page to Written Consent of Sole Stockholder of Strand Advisors, Inc.]

**First Amendment to Bylaws of
Strand Advisors, Inc.**

Strand Advisors, Inc. (the “Company”), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify that the Company’s sole stockholder, acting by written consent without a meeting, resolved to amend the Company’s Bylaws (the “Bylaws”) as follows:

1. Article III, Section 2, of the Bylaws is hereby deleted in its entirety and replaced with the following:

Section 2. Number of Directors. The number of directors which shall constitute the whole Board shall be three (3).

2. The following shall be added as Section 6 to Article III of the Bylaws:

Section 6. Director Qualifications. Each director appointed to serve on the Board shall (A) (i) be an independent director, (ii) not be affiliated with the corporation’s stockholders, and (iii) not be an officer of the corporation; and (B) have been (x) nominated by the stockholders, (y) a retired bankruptcy judge and nominated jointly by the stockholders and any official committee of unsecured creditors in the chapter 11 bankruptcy of Highland Capital Management, L.P. (the “Committee”) currently pending in the Bankruptcy Court for the Northern District of Texas (the “Court”), Case No. 19-34054-sgj11; or (z) nominated by the Committee and reasonably acceptable to the stockholders.

3. The following shall be added as Section 7 to Article III of the Bylaws:

Section 7. Removal of Directors. Once appointed, the Independent Directors (i) cannot be removed without the Committee’s written consent or Order of the Court, and (ii) may be removed and replaced at the Committee’s direction upon approval of the Court (subject in all respects to the right of any party in interest, including the Debtor and the Independent Directors, to object to such removal and replacement).

Except as expressly amended hereby, the terms of the Company’s Bylaws shall remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this amendment to be signed this [__]
day of [__], 20__.

STRAND ADVISORS, INC.

By: Scott Ellington
Its: Secretary

[_____]

[NAME]
[ADDRESS]
[ADDRESS]
[ADDRESS]

Re: Strand Advisors, Inc. – Director Agreement

Dear [REDACTED]:

On behalf of Strand Advisors, Inc. (the “Company”), I am pleased to have you join the Company’s Board of Directors. This letter sets forth the terms of the Director Agreement (the “Agreement”) that the Company is offering to you.

1. APPOINTMENT TO THE BOARD OF DIRECTORS.

a. Title, Term and Responsibilities.

i. Subject to terms set forth herein, the Company agrees to appoint you to serve as a Director on the Company’s Board of Directors (the “Board”), and you hereby accept such appointment the date you sign this Agreement (the “Effective Date”). You will serve as a Director of the Board from the Effective Date until you voluntarily resign, are removed from the Board, or are not re-elected (the “Term”). Your rights, duties and obligations as a Director shall be governed by the Certificate of Incorporation and Bylaws of the Company, each as amended from time to time (collectively, the “Governing Documents”), except that where the Governing Documents conflict with this Agreement, this Agreement shall control.

ii. You acknowledge and understand that the Company is the general partner of Highland Capital Management, L.P. (“HCMLP”) and that HCMLP is currently the debtor in possession in a chapter 11 bankruptcy proceeding pending in the Northern District of Texas (the “Bankruptcy”). Your rights, duties, and obligations may in certain instances require your involvement, either directly or indirectly, in the Bankruptcy and such rights, duties, and obligations may be impacted in whole or in part by the Bankruptcy.

b. Mandatory Board Meeting Attendance. As a Director, you agree to apply all reasonable efforts to attend each regular meeting of the Board and no fewer than fifty percent (50%) of these meetings of the Board in person, and no more than fifty percent (50%) of such meetings by telephone or teleconference. You also agree to devote sufficient time to matters that may arise at the Company from time to time that require your attention as a Director.

c. Independent Contractor. Under this Agreement, your relationship with the Company will be that of an independent contractor as you will not be an employee of the Company nor eligible to participate in regular employee benefit and compensation plans of the Company.

d. Information Provided by the Companies. The Company shall: (i) provide you with reasonable access to management and other representatives of the Company, except to the extent that any such access may impair any attorney client privilege to which the Company may be entitled; and (ii) furnish all data, material, and other information concerning the business, assets, liabilities, operations, cash flows,

properties, financial condition and prospects of the Company that you reasonably request in connection with the services to be provided to the Company. You will rely, without further independent verification, on the accuracy and completeness of all publicly available information and information that is furnished by or on behalf of the Company and otherwise reviewed by you in connection with the services performed for the Company. The Company acknowledges and agrees that you are not responsible for the accuracy or completeness of such information and shall not be responsible for any inaccuracies or omissions therein, provided that if you become aware of material inaccuracies or errors in any such information you shall promptly notify the Board of such errors, inaccuracies or concerns. You are under no obligation to update data submitted to you or to review any other information unless specifically requested by the Board to do so.

2. COMPENSATION AND BENEFITS.

a. Retainer. The Company will pay you a retainer for each month you serve on the Board (the “Retainer”) to be paid in monthly installments of \$[TBD]. The Company’s obligation to pay the Retainer will cease upon the termination of the Term.

b. Expense Reimbursement. The Company will reimburse you for all reasonable travel or other expenses, including expenses of counsel, incurred by you in connection with your services hereunder, in accordance with the Company’s expense reimbursement policy as in effect from time to time.

c. Invoices; Payment.

i. In order to receive the compensation and reimbursement set forth in this Section 2, you are required to send to the Company regular monthly invoices indicating your fees, costs, and expenses incurred. Payment will be due to you within 10 business days after receipt of each such invoice, subject to the Company’s receipt of appropriate documentation required by the Company’s expenses reimbursement policy.

ii. You further agree that the Company’s obligation to pay the compensation and reimbursement set forth in this Section 2 is conditioned in all respects on the entry of a final order in the court overseeing the Bankruptcy that authorizes and requires HCMLP to reimburse the Company for all such payments to you.

d. Indemnification; D&O Insurance. You will receive indemnification as a Director of the Company on the terms set forth in that certain Indemnification Agreement, dated December 5, 2019, a copy of which is attached hereto as **Appendix A** (the “Indemnification Agreement”). You will also be provided coverage under the Company’s directors’ and officers’ insurance policy as set forth in the Indemnification Agreement.

e. Tax Indemnification. You acknowledge that the Company will not be responsible for the payment of any federal or state taxes that might be assessed with respect to the Retainer and you agree to be responsible for all such taxes.

3. PROPRIETARY INFORMATION OBLIGATIONS.

a. Proprietary Information. You agree that during the Term and thereafter that you will take all steps reasonably necessary to hold all information of the Company, its affiliates, and related entities, which a reasonable person would believe to be confidential or proprietary information, in trust and confidence, and not disclose any such confidential or proprietary information to any third party without first obtaining the Company’s express written consent on a case-by-case basis.

b. Third Party Information. The Company has received and will in the future receive from third parties confidential or proprietary information (“Third Party Information”) subject to a duty on the Company’s part to maintain the confidentiality of such information and to use it only for certain limited purposes. You agree to hold such Third Party Information in confidence and not to disclose it to anyone (other than Company personnel who need to know such information in connection with their work for Company) or to use, except in connection with your services for Company under this Agreement, Third Party Information unless expressly authorized in writing by the Company.

c. Return of Company Property. Upon the end of the Term or upon the Company’s earlier request, you agree to deliver to the Company any and all notes, materials and documents, together with any copies thereof, which contain or disclose any confidential or proprietary information or Third Party Information.

4. OUTSIDE ACTIVITIES.

a. Investments and Interests. Except as permitted by Section 4(b), you agree not to participate in, directly or indirectly, any position or investment known by you to be materially adverse to the Company or any of its affiliates or related entities.

b. Activities. Except with the prior written consent of the Board, you will not during your tenure as a member of the Company’s Board undertake or engage in any other directorship, employment or business enterprise in direct competition with the Company or any of its affiliates or related entities, other than ones in which you are a passive investor or other activities in which you were a participant prior to your appointment to the Board as disclosed to the Company.

c. Other Agreements. You agree that you will not disclose to the Company or use on behalf of the Company any confidential information governed by any agreement between you and any third party except in accordance with such agreement.

5. TERMINATION OF DIRECTORSHIP.

a. Voluntary Resignation, Removal Pursuant to Bylaws and Stockholder Action. You may resign from the Board at any time with or without advance notice, with or without reason. Subject to any orders or agreements entered into in connection with the Bankruptcy, you may be removed from the Board at any time, for any reason, in any manner provided by the Governing Documents and applicable law or by an affirmative vote of a majority of the stockholders of the Company.

b. Continuation. The provisions of this Agreement that give the parties rights or obligations beyond the termination of this Agreement will survive and continue to bind the parties.

c. Payment of Fees; Reimbursement. Following termination of this Agreement, any undisputed fees and expenses due to you will be remitted promptly following receipt by the Company of any outstanding invoices.

6. GENERAL PROVISIONS.

a. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. If any provision of this Agreement is held to be invalid, illegal or unenforceable such provision will be reformed, construed and enforced to render it valid, legal, and enforceable consistent with the intent of the parties insofar as possible.

b. Entire Agreement. This Agreement constitutes the entire agreement between you and the Company with respect to your service as a Director and supersedes any prior agreement, promise, representation or statement written between you and the Company with regard to this subject matter. It is entered into without reliance on any promise, representation, statement or agreement other than those expressly contained or incorporated herein, and it cannot be modified or amended except in a writing signed by the party or parties affected by such modification or amendment.

c. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company and our respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your rights or duties hereunder without the written consent of the Company.

d. Governing Law. This Agreement will be governed by the law of the State of Delaware as applied to contracts made and performed entirely within Delaware.

We are all delighted to be able to extend you this offer and look forward to working with you. To indicate your acceptance of the Company's offer, please sign and date this Agreement below.

Sincerely,

STRAND ADVISORS, INC.

By: Scott Ellington
Its: Secretary

[Signature Page Follows]

ACCEPTED AND AGREED:

[NAME]

Date: _____

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (“**Agreement**”), dated as of [_____], is by and between STRAND ADVISORS, INC., a Delaware corporation (the “**Company**”), and [_____] (the “**Indemnitee**”).

WHEREAS, Indemnitee has agreed to serve as a member of the Company’s board of directors (the “**Board**”) effective as of the date hereof;

WHEREAS, the Board has determined that enhancing the ability of the Company to retain and attract as directors the most capable Persons is in the best interests of the Company and that the Company therefore should seek to assure such Persons that indemnification and insurance coverage is available; and

WHEREAS, in recognition of the need to provide Indemnitee with protection against personal liability, in order to procure Indemnitee’s service as a director of the Company, in order to enhance Indemnitee’s ability to serve the Company in an effective manner and in order to provide such protection pursuant to express contract rights (intended to be enforceable irrespective of, among other things, any amendment to the Company’s Bylaws (as may be amended further from time to time, the “**Bylaws**”), any change in the composition of the Board or any change in control, business combination or similar transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of, and the advancement of Expenses (as defined in Section 1(g) below) to, Indemnitee as set forth in this Agreement and for the coverage of Indemnitee under the Company’s directors’ and officers’ liability or similar insurance policies (“**D&O Insurance**”).

NOW, THEREFORE, in consideration of the foregoing and the Indemnitee’s agreement to provide services to the Company, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) “**Change in Control**” means the occurrence of any of the following: (i) the direct or indirect sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions (including any merger or consolidation or whether by operation of law or otherwise), of all or substantially all of the properties or assets of the Company and its subsidiaries, to a third party purchaser (or group of affiliated third party purchasers) or (ii) the consummation of any transaction (including any merger or consolidation or whether by operation of law or otherwise), the result of which is that a third party purchaser (or group of affiliated third party purchasers) becomes the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the then outstanding Shares or of the surviving entity of any such merger or consolidation.

(b) “**Claim**” means:

(i) any threatened, pending or completed action, suit, claim, demand, arbitration, inquiry, hearing, proceeding or alternative dispute resolution mechanism, or

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any actual, threatened or completed proceeding, including any and all appeals, in each case, whether brought by or in the right of the Company or otherwise, whether civil, criminal, administrative, arbitral, investigative or other, whether formal or informal, and whether made pursuant to federal, state, local, foreign or other law, and whether or not commenced prior to the date of this Agreement, in which Indemnitee was, is or will be involved as a party or otherwise, by reason of or relating to either (a) any action or alleged action taken by Indemnitee (or failure or alleged failure to act) or of any action or alleged action (or failure or alleged failure to act) on Indemnitee's part, while acting in his or her Corporate Status or (b) the fact that Indemnitee is or was serving at the request of the Company or any subsidiary of the Company as director, officer, employee, partner, member, manager, trustee, fiduciary or agent of another Enterprise, in each case, whether or not serving in such capacity at the time any Loss or Expense is paid or incurred for which indemnification or advancement of Expenses can be provided under this Agreement, except one initiated by Indemnitee to enforce his or her rights under this Agreement; or

(ii) any inquiry, hearing or investigation that the Indemnitee determines might lead to the institution of any such action, suit, proceeding or alternative dispute resolution mechanism.

(c) **"Controlled Entity"** means any corporation, limited liability company, partnership, joint venture, trust or other Enterprise, whether or not for profit, that is, directly or indirectly, controlled by the Company. For purposes of this definition, the term "control" means the possession, directly or indirectly, of the power to direct, or cause the direction of, the management or policies of an Enterprise, whether through the ownership of voting securities, through other voting rights, by contract or otherwise.

(d) **"Corporate Status"** means the status of a Person who is or was a director, officer, employee, partner, member, manager, trustee, fiduciary or agent of the Company or of any other Enterprise which such Person is or was serving at the request of the Company or any subsidiary of the Company. In addition to any service at the actual request of the Company, Indemnitee will be deemed, for purposes of this Agreement, to be serving or to have served at the request of the Company or any subsidiary of the Company as a director, officer, employee, partner, member, manager, trustee, fiduciary or agent of another Enterprise if Indemnitee is or was serving as a director, officer, employee, partner, member, manager, fiduciary, trustee or agent of such Enterprise and (i) such Enterprise is or at the time of such service was a Controlled Entity, (ii) such Enterprise is or at the time of such service was an employee benefit plan (or related trust) sponsored or maintained by the Company or a Controlled Entity or (iii) the Company or a Controlled Entity, directly or indirectly, caused Indemnitee to be nominated, elected, appointed, designated, employed, engaged or selected to serve in such capacity.

(e) **"Disinterested Director"** means a director of the Company who is not and was not a party to the Claim in respect of which indemnification is sought by Indemnitee. Under no circumstances will James Dondero be considered a Disinterested Director.

(f) **"Enterprise"** means the Company or any subsidiary of the Company or any other corporation, partnership, limited liability company, joint venture, employee benefit

plan, trust or other entity or other enterprise of which Indemnatee is or was serving at the request of the Company or any subsidiary of the Company in a Corporate Status.

(g) **“Expenses”** means any and all expenses, fees, including attorneys’, witnesses’ and experts’ fees, disbursements and retainers, court costs, transcript costs, travel expenses, duplicating, printing and binding costs, telephone charges, postage, fax transmission charges, secretarial services, delivery services fees, and all other fees, costs, disbursements and expenses paid or incurred in connection with investigating, defending, prosecuting, being a witness in or participating in (including on appeal), or preparing to defend, prosecute, be a witness or participate in, any Claim. Expenses also shall include (i) Expenses paid or incurred in connection with any appeal resulting from any Claim, including, without limitation, the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 4 only, Expenses incurred by Indemnatee in connection with the interpretation, enforcement or defense of Indemnatee’s rights under this Agreement, by litigation or otherwise. Expenses, however, shall not include amounts paid in settlement by Indemnatee or the amount of judgments or fines against Indemnatee.

(h) **“Exchange Act”** means the Securities Exchange Act of 1934, as amended, or any successor statute thereto, and the rules and regulations of the United States Securities and Exchange Commission promulgated thereunder.

(i) **“Expense Advance”** means any payment of Expenses advanced to Indemnatee by the Company pursuant to Section 4 or Section 5 hereof.

(j) **“Indemnifiable Event”** means any event or occurrence, whether occurring before, on or after the date of this Agreement, related to the fact that Indemnatee is or was a manager, director, officer, employee or agent of the Company or any subsidiary of the Company, or is or was serving at the request of the Company or any subsidiary of the Company as a manager, director, officer, employee, member, manager, trustee or agent of any other Enterprise or by reason of an action or inaction by Indemnatee in any such capacity (whether or not serving in such capacity at the time any Loss is incurred for which indemnification can be provided under this Agreement).

(k) **“Independent Counsel”** means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently performs, nor in the past three (3) years has performed, services for any of: (i) James Dondero, (ii) the Company or Indemnatee (other than in connection with matters concerning Indemnatee under this Agreement or of other indemnitees under similar agreements), or (iii) any other party to the Claim giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any Person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnatee in an action to determine Indemnatee’s rights under this Agreement.

(l) **“Losses”** means any and all Expenses, damages, losses, liabilities, judgments, fines (including excise taxes and penalties assessed with respect to employee

benefit plans and ERISA excise taxes), penalties (whether civil, criminal or other), amounts paid or payable in settlement, including any interest, assessments, any federal, state, local or foreign taxes imposed as a result of the actual or deemed receipt of any payments under this Agreement and all other charges paid or payable in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness or participate in, any Claim.

(m) “**Person**” means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, governmental entity or other entity and includes the meaning set forth in Sections 13(d) and 14(d) of the Exchange Act.

(n) “**Shares**” means an ownership interest of a member in the Company, including each of the common shares of the Company or any other class or series of Shares designated by the Board.

(o) References to “**serving at the request of the Company**” include any service as a director, manager, officer, employee, representative or agent of the Company which imposes duties on, or involves services by, such director, manager, officer, employee or agent, including but not limited to any employee benefit plan, its participants or beneficiaries; and a Person who acted in good faith and in a manner he or she reasonably believed to be in and not opposed to the best interests of the Company in Indemnitee’s capacity as a director, manager, officer, employee, representative or agent of the Company, including but not limited to acting in the best interest of participants and beneficiaries of an employee benefit plan will be deemed to have acted in a manner “**not opposed to the best interests of the Company**” as referred to under applicable law or in this Agreement.

2. Indemnification.

(a) Subject to Section 9 and Section 10 of this Agreement, the Company shall indemnify and hold Indemnitee harmless, to the fullest extent permitted by the laws of the State of Delaware in effect on the date hereof, or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification, against any and all Losses and Expenses if Indemnitee was or is or becomes a party to or participant in, or is threatened to be made a party to or participant in, any Claim by reason of or arising in part out of an Indemnifiable Event, including, without limitation, Claims brought by or in the right of the Company, Claims brought by third parties, and Claims in which the Indemnitee is solely a witness.

(b) For the avoidance of doubt, the indemnification rights and obligations contained herein shall also extend to any Claim in which the Indemnitee was or is a party to, was or is threatened to be made a party to or was or is otherwise involved in any capacity in by reason of Indemnitee’s Corporate Status as a fiduciary capacity with respect to an employee benefit plan. In connection therewith, if the Indemnitee has acted in good faith and in a manner which appeared to be consistent with the best interests of the participants and beneficiaries of an employee benefit plan and not opposed thereto, the Indemnitee shall be deemed to have acted in a manner not opposed to the best interests of the Company.

3. Contribution.

(a) Whether or not the indemnification provided in Section 2 is available, if, for any reason, Indemnatee shall elect or be required to pay all or any portion of any judgment or settlement in any Claim in which the Company is jointly liable with Indemnatee (or would be if joined in such Claim), the Company shall contribute to the amount of Losses paid or payable by Indemnatee in proportion to the relative benefits received by the Company and all officers, directors, managers or employees of the Company, other than Indemnatee, who are jointly liable with Indemnatee (or would be if joined in such Claim), on the one hand, and Indemnatee, on the other hand, from the transaction or events from which such Claim arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors, managers or employees of the Company other than Indemnatee who are jointly liable with Indemnatee (or would be if joined in such Claim), on the one hand, and Indemnatee, on the other hand, in connection with the transaction or events that resulted in such Losses, as well as any other equitable considerations which applicable law may require to be considered. The relative fault of the Company and all officers, directors, managers or employees of the Company, other than Indemnatee, who are jointly liable with Indemnatee (or would be if joined in such Claim), on the one hand, and Indemnatee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(b) The Company hereby agrees to fully indemnify and hold Indemnatee harmless from any claims of contribution which may be brought by officers, directors, managers or employees of the Company, other than Indemnatee, who may be jointly liable with Indemnatee.

(c) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnatee for any reason whatsoever, the Company, in lieu of indemnifying Indemnatee, shall contribute to the amount incurred by Indemnatee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Claim relating to an Indemnifiable Event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Claim in order to reflect (i) the relative benefits received by the Company and Indemnatee as a result of the event(s) and/or transaction(s) giving cause to such Claim; and/or (ii) the relative fault of the Company (and its directors, managers, officers, employees and agents) and Indemnatee in connection with such event(s) and/or transaction(s).

4. Advancement of Expenses. The Company shall, if requested by Indemnatee, advance, to the fullest extent permitted by law, to Indemnatee (an “**Expense Advance**”) any and all Expenses actually and reasonably paid or incurred (even if unpaid) by Indemnatee in connection with any Claim arising out of an Indemnifiable Event (whether prior to or after its final disposition). Indemnatee’s right to such advancement is not subject to the satisfaction of any standard of conduct. Without limiting the generality or effect of

the foregoing, within thirty (30) business days after any request by Indemnatee, the Company shall, in accordance with such request, (a) pay such Expenses on behalf of Indemnatee, (b) advance to Indemnatee funds in an amount sufficient to pay such Expenses, or (c) reimburse Indemnatee for such Expenses. In connection with any request for Expense Advances, Indemnatee shall not be required to provide any documentation or information to the extent that the provision thereof would undermine or otherwise jeopardize attorney-client privilege. Execution and delivery to the Company of this Agreement by Indemnatee constitutes an undertaking by the Indemnatee to repay any amounts paid, advanced or reimbursed by the Company pursuant to this Section 4, the final sentence of Section 9(b), or Section 11(b) in respect of Expenses relating to, arising out of or resulting from any Claim in respect of which it shall be determined, pursuant to Section 9, following the final disposition of such Claim, that Indemnatee is not entitled to indemnification hereunder. No other form of undertaking shall be required other than the execution of this Agreement. Each Expense Advance will be unsecured and interest free and will be made by the Company without regard to Indemnatee's ability to repay the Expense Advance.

5. Indemnification for Expenses in Enforcing Rights. To the fullest extent allowable under applicable law, the Company shall also indemnify against, and, if requested by Indemnatee, shall advance to Indemnatee subject to and in accordance with Section 4, any Expenses actually and reasonably paid or incurred (even if unpaid) by Indemnatee in connection with any action or proceeding by Indemnatee for (a) indemnification or reimbursement or advance payment of Expenses by the Company under any provision of this Agreement, or under any other agreement or provision of the Bylaws now or hereafter in effect relating to Claims relating to Indemnifiable Events, and/or (b) recovery under any D&O Insurance maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification or insurance recovery, as the case may be. Indemnatee shall be required to reimburse the Company in the event that a final judicial determination is made that such action brought by Indemnatee was frivolous or not made in good faith.

6. Partial Indemnity. If Indemnatee is entitled under any provision of this Agreement to indemnification by the Company for a portion of any Losses in respect of a Claim related to an Indemnifiable Event but not for the total amount thereof, the Company shall nevertheless indemnify Indemnatee for the portion thereof to which Indemnatee is entitled.

7. Notification and Defense of Claims.

(a) Notification of Claims. Indemnatee shall notify the Company in writing as soon as reasonably practicable of any Claim which could relate to an Indemnifiable Event or for which Indemnatee could seek Expense Advances, including a brief description (based upon information then available to Indemnatee) of the nature of, and the facts underlying, such Claim, to the extent then known. The failure by Indemnatee to timely notify the Company hereunder shall not relieve the Company from any liability hereunder except to the extent the Company's ability to participate in the defense of such claim was materially and adversely affected by such failure. If at the time of the receipt of such notice, the Company has D&O Insurance or any other insurance in effect under which coverage for Claims related to Indemnifiable Events is potentially available, the Company shall give

prompt written notice to the applicable insurers in accordance with the procedures, provisions, and terms set forth in the applicable policies. The Company shall provide to Indemnatee a copy of such notice delivered to the applicable insurers, and copies of all subsequent correspondence between the Company and such insurers regarding the Claim, in each case substantially concurrently with the delivery or receipt thereof by the Company.

(b) Defense of Claims. The Company shall be entitled to participate in the defense of any Claim relating to an Indemnifiable Event at its own expense and, except as otherwise provided below, to the extent the Company so wishes, it may assume the defense thereof with counsel reasonably satisfactory to Indemnatee. After notice from the Company to Indemnatee of its election to assume the defense of any such Claim, the Company shall not be liable to Indemnatee under this Agreement or otherwise for any Expenses subsequently directly incurred by Indemnatee in connection with Indemnatee's defense of such Claim other than reasonable costs of investigation or as otherwise provided below. Indemnatee shall have the right to employ its own legal counsel in such Claim, but all Expenses related to such counsel incurred after notice from the Company of its assumption of the defense shall be at Indemnatee's own expense; provided, however, that if (i) Indemnatee's employment of its own legal counsel has been authorized by the Company, (ii) Indemnatee has reasonably determined that there may be a conflict of interest between Indemnatee and the Company in the defense of such Claim, (iii) after a Change in Control, Indemnatee's employment of its own counsel has been approved by the Independent Counsel or (iv) the Company shall not in fact have employed counsel to assume the defense of such Claim, then Indemnatee shall be entitled to retain its own separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any such Claim) and all Expenses related to such separate counsel shall be borne by the Company.

8. Procedure upon Application for Indemnification. In order to obtain indemnification pursuant to this Agreement, Indemnatee shall submit to the Company a written request therefor, including in such request such documentation and information as is reasonably available to Indemnatee and is reasonably necessary to determine whether and to what extent Indemnatee is entitled to indemnification following the final disposition of the Claim, provided that documentation and information need not be so provided to the extent that the provision thereof would undermine or otherwise jeopardize attorney-client privilege. Indemnification shall be made insofar as the Company determines Indemnatee is entitled to indemnification in accordance with Section 9 below.

9. Determination of Right to Indemnification.

(a) Mandatory Indemnification; Indemnification as a Witness.

(i) To the extent that Indemnatee shall have been successful on the merits or otherwise in defense of any Claim relating to an Indemnifiable Event or any portion thereof or in defense of any issue or matter therein, including without limitation dismissal without prejudice, Indemnatee shall be indemnified against all Losses relating to such Claim in accordance with Section 2, and no Standard of Conduct Determination (as defined in Section 9(b)) shall be required.

(ii) To the extent that Indemnitee's involvement in a Claim relating to an Indemnifiable Event is to prepare to serve and serve as a witness, and not as a party, the Indemnitee shall be indemnified against all Losses incurred in connection therewith to the fullest extent allowable by law and no Standard of Conduct Determination (as defined in Section 9(b)) shall be required.

(b) Standard of Conduct. To the extent that the provisions of Section 9(a) are inapplicable to a Claim related to an Indemnifiable Event that shall have been finally disposed of, any determination of whether Indemnitee has satisfied any applicable standard of conduct under Delaware law that is a legally required condition to indemnification of Indemnitee hereunder against Losses relating to such Claim and any determination that Expense Advances must be repaid to the Company (a "**Standard of Conduct Determination**") shall be made as follows:

(i) if no Change in Control has occurred, (A) by a majority vote of the Disinterested Directors, even if less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum or (C) if there are no such Disinterested Directors, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee; and

(ii) if a Change in Control shall have occurred, (A) if the Indemnitee so requests in writing, by a majority vote of the Disinterested Directors, even if less than a quorum of the Board or (B) otherwise, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee.

Subject to Section 4, the Company shall indemnify and hold Indemnitee harmless against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within thirty (30) business days of such request, any and all Expenses incurred by Indemnitee in cooperating with the Person or Persons making such Standard of Conduct Determination.

(c) Making the Standard of Conduct Determination. The Company shall use its reasonable best efforts to cause any Standard of Conduct Determination required under Section 9(b) to be made as promptly as practicable. If the Person or Persons designated to make the Standard of Conduct Determination under Section 9(b) shall not have made a determination within ninety (90) days after the later of (A) receipt by the Company of a written request from Indemnitee for indemnification pursuant to Section 8 (the date of such receipt being the "**Notification Date**") and (B) the selection of an Independent Counsel, if such determination is to be made by Independent Counsel, then Indemnitee shall be deemed to have satisfied the applicable standard of conduct; provided that such 90-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the Person or Persons making such determination in good faith requires such additional time to obtain or evaluate information relating thereto. Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of any Claim.

(d) Payment of Indemnification. If, in regard to any Losses:

(i) Indemnatee shall be entitled to indemnification pursuant to Section 9(a);

(ii) no Standard of Conduct Determination is legally required as a condition to indemnification of Indemnatee hereunder; or

(iii) Indemnatee has been determined or deemed pursuant to Section 9(b) or Section 9(c) to have satisfied the Standard of Conduct Determination,

then the Company shall pay to Indemnatee, within thirty (30) business days after the later of (A) the Notification Date or (B) the earliest date on which the applicable criterion specified in clause (i), (ii) or (iii) is satisfied, an amount equal to such Losses.

(e) Selection of Independent Counsel for Standard of Conduct Determination. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 9(b)(i), the Independent Counsel shall be selected by the Board and the Company shall give written notice to Indemnatee advising him of the identity of the Independent Counsel so selected. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 9(b)(ii), the Independent Counsel shall be selected by Indemnatee, and Indemnatee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either case, Indemnatee or the Company, as applicable, may, within thirty (3) business days after receiving written notice of selection from the other, deliver to the other a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not satisfy the criteria set forth in the definition of “Independent Counsel” in Section 1(k), and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the Person or firm so selected shall act as Independent Counsel. If such written objection is properly and timely made and substantiated, (i) the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit; and (ii) the non-objecting party may, at its option, select an alternative Independent Counsel and give written notice to the other party advising such other party of the identity of the alternative Independent Counsel so selected, in which case the provisions of the two immediately preceding sentences, the introductory clause of this sentence and numbered clause (i) of this sentence shall apply to such subsequent selection and notice. If applicable, the provisions of clause (ii) of the immediately preceding sentence shall apply to successive alternative selections. If no Independent Counsel that is permitted under the foregoing provisions of this Section 9(e) to make the Standard of Conduct Determination shall have been selected within twenty (20) days after the Company gives its initial notice pursuant to the first sentence of this Section 9(e) or Indemnatee gives its initial notice pursuant to the second sentence of this Section 9(e), as the case may be, either the Company or Indemnatee may petition the Court of Chancery of the State of Delaware (“**Delaware Court**”) to resolve any objection which shall have been made by the Company or Indemnatee to the other’s selection of Independent Counsel and/or to appoint as Independent Counsel a Person to be selected by the Court or such other Person as the Court

shall designate, and the Person or firm with respect to whom all objections are so resolved or the Person or firm so appointed will act as Independent Counsel. In all events, the Company shall pay all of the reasonable fees and expenses of the Independent Counsel incurred in connection with the Independent Counsel's determination pursuant to Section 9(b).

(f) Presumptions and Defenses.

(i) Indemnitee's Entitlement to Indemnification. In making any Standard of Conduct Determination, the Person or Persons making such determination shall presume that Indemnitee has satisfied the applicable standard of conduct and is entitled to indemnification, and the Company shall have the burden of proof to overcome that presumption and establish that Indemnitee is not so entitled. Any Standard of Conduct Determination that is adverse to Indemnitee may be challenged by the Indemnitee in the Delaware Court. No determination by the Company (including by its Board or any Independent Counsel) that Indemnitee has not satisfied any applicable standard of conduct may be used as a defense to enforcement by Indemnitee of Indemnitee's rights of indemnification or reimbursement or advance of payment of Expenses by the Company hereunder or create a presumption that Indemnitee has not met any applicable standard of conduct.

(ii) Reliance as a Safe Harbor. For purposes of this Agreement, and without creating any presumption as to a lack of good faith if the following circumstances do not exist, Indemnitee shall be deemed to have acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company if Indemnitee's actions or omissions to act are taken in good faith reliance upon the records of the Company, including its financial statements, or upon information, opinions, reports or statements furnished to Indemnitee by the officers or employees of the Company or any of its subsidiaries in the course of their duties, or by committees of the Board or by any other Person (including legal counsel, accountants and financial advisors) as to matters Indemnitee reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company. In addition, the knowledge and/or actions, or failures to act, of any director, manager, officer, agent or employee of the Company (other than Indemnitee) shall not be imputed to Indemnitee for purposes of determining the right to indemnity hereunder.

(iii) Defense to Indemnification and Burden of Proof. It shall be a defense to any action brought by Indemnitee against the Company to enforce this Agreement (other than an action brought to enforce a claim for Losses incurred in defending against a Claim related to an Indemnifiable Event in advance of its final disposition) that it is not permissible under applicable law for the Company to indemnify Indemnitee for the amount claimed. In connection with any such action or any related Standard of Conduct Determination, the burden of proving such a defense or that the Indemnitee did not satisfy the applicable standard of conduct shall be on the Company.

10. Exclusions from Indemnification. Notwithstanding anything in this Agreement to the contrary, the Company shall not be obligated to:

(a) indemnify or advance funds to Indemnitee for Losses with respect to proceedings initiated by Indemnitee, including any proceedings against the Company or its managers, officers, employees or other indemnitees and not by way of defense, except:

(i) proceedings referenced in Section 4 above (unless a court of competent jurisdiction determines that each of the material assertions made by Indemnitee in such proceeding was not made in good faith or was frivolous); or

(ii) where the Company has joined in or the Board has consented to the initiation of such proceedings.

(b) indemnify Indemnitee if a final decision by a court of competent jurisdiction determines that such indemnification is prohibited by applicable law.

(c) indemnify Indemnitee for the disgorgement of profits arising from the purchase or sale by Indemnitee of securities of the Company in violation of Section 16(b) of the Exchange Act, or any similar successor statute.

11. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 9 that Indemnitee is not entitled to indemnification under this Agreement, (ii) an Expense Advance is not timely made pursuant to Section 4, (iii) no determination of entitlement to indemnification is made pursuant to Section 9 within 90 days after receipt by the Company of the request for indemnification, or (iv) payment of indemnification is not made pursuant Section 9(d), Indemnitee shall be entitled to an adjudication in a Delaware Court, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification. Indemnitee shall commence such proceeding seeking an adjudication within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 11(a). The Company shall not oppose Indemnitee's right to seek any such adjudication.

(b) In the event that Indemnitee, pursuant to this Section 11, seeks a judicial adjudication or arbitration of his or her rights under, or to recover damages for breach of, this Agreement, any other agreement for indemnification, payment of Expenses in advance or contribution hereunder or to recover under any director, manager, and officer liability insurance policies or any other insurance policies maintained by the Company, the Company will, to the fullest extent permitted by law and subject to Section 4, indemnify and hold harmless Indemnitee against any and all Expenses which are paid or incurred by Indemnitee in connection with such judicial adjudication or arbitration, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, payment of Expenses in advance or contribution or insurance recovery. In addition, if requested by Indemnitee, subject to Section 4 the Company will (within thirty (30) days after receipt by the Company of the written request therefor), pay as an Expense Advance such Expenses, to the fullest extent permitted by law.

(c) In the event that a determination shall have been made pursuant to Section 9 that Indemnitee is not entitled to indemnification, any judicial proceeding commenced

pursuant to this Section 11 shall be conducted in all respects as a de novo trial on the merits, and Indemnatee shall not be prejudiced by reason of the adverse determination under Section 9.

(d) If a determination shall have been made pursuant to Section 9 that Indemnatee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 11, absent (i) a misstatement by Indemnatee of a material fact, or an omission of a material fact necessary to make Indemnatee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

12. Settlement of Claims. The Company shall not be liable to Indemnatee under this Agreement for any amounts paid in settlement of any threatened or pending Claim related to an Indemnifiable Event effected without the Company's prior written consent, which shall not be unreasonably withheld; provided, however, that if a Change in Control has occurred, the Company shall be liable for indemnification of the Indemnatee for amounts paid in settlement if an Independent Counsel (which, for purposes of this Section 12, shall be selected by the Company with the prior consent of the Indemnatee, such consent not to be unreasonably withheld or delayed) has approved the settlement. The Company shall not settle any Claim related to an Indemnifiable Event in any manner that would impose any Losses on the Indemnatee without the Indemnatee's prior written consent.

13. Duration. All agreements and obligations of the Company contained herein shall continue during the period that Indemnatee is a manager of the Company (or is serving at the request of the Company as a director, manager, officer, employee, member, trustee or agent of another Enterprise) and shall continue thereafter (i) so long as Indemnatee may be subject to any possible Claim relating to an Indemnifiable Event (including any rights of appeal thereto) and (ii) throughout the pendency of any proceeding (including any rights of appeal thereto) commenced by Indemnatee to enforce or interpret his or her rights under this Agreement, even if, in either case, he or she may have ceased to serve in such capacity at the time of any such Claim or proceeding.

14. Other Indemnitors. The Company hereby acknowledges that Indemnatee may have certain rights to indemnification, advancement of Expenses and/or insurance provided by certain private equity funds, hedge funds or other investment vehicles or management companies and/or certain of their affiliates and by personal policies (collectively, the "**Other Indemnitors**"). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnatee are primary and any obligation of the Other Indemnitors to advance Expenses or to provide indemnification for the same Expenses or liabilities incurred by Indemnatee are secondary), (ii) that it shall be required to advance the full amount of Expenses incurred by Indemnatee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Bylaws (or any other agreement between the Company and Indemnatee), without regard to any rights Indemnatee may have against the Other Indemnitors, and, (iii) that it irrevocably waives, relinquishes and releases the Other Indemnitors from any and all claims against the Other

Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Other Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Other Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Other Indemnitors are express third party beneficiaries of the terms of this Section 14.

15. Non-Exclusivity. The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Bylaws, the General Corporation Law of the State of Delaware (as may be amended from time to time, the “**DGCL**”), any other contract, in law or in equity, and under the laws of any state, territory, or jurisdiction, or otherwise (collectively, “**Other Indemnity Provisions**”). The Company will not adopt any amendment to its Bylaws the effect of which would be to deny, diminish, encumber or limit Indemnitee’s right to indemnification under this Agreement or any Other Indemnity Provision.

16. Liability Insurance. For the duration of Indemnitee’s service as a director of the Company, and thereafter for so long as Indemnitee shall be subject to any pending Claim relating to an Indemnifiable Event, the Company shall use best efforts to continue to maintain in effect policies of D&O Insurance providing coverage that is at least substantially comparable in scope and amount to that provided by similarly situated companies. In all policies of D&O Insurance maintained by the Company, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are provided to the most favorably insured of the Company’s directors. Upon request, the Company will provide to Indemnitee copies of all D&O Insurance applications, binders, policies, declarations, endorsements and other related materials.

17. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment to Indemnitee in respect of any Losses to the extent Indemnitee has otherwise received payment under any insurance policy, any Other Indemnity Provisions or otherwise of the amounts otherwise indemnifiable by the Company hereunder.

18. Subrogation. In the event of payment to Indemnitee under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee. Indemnitee shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

19. Indemnitee Consent. The Company will not, without the prior written consent of Indemnitee, consent to the entry of any judgment against Indemnitee or enter into any settlement or compromise which (a) includes an admission of fault of Indemnitee, any non-monetary remedy imposed on Indemnitee or a Loss for which Indemnitee is not wholly indemnified hereunder or (b) with respect to any Claim with respect to which Indemnitee may be or is made a party or a participant or may be or is otherwise entitled to seek

indemnification hereunder, does not include, as an unconditional term thereof, the full release of Indemnatee from all liability in respect of such Claim, which release will be in form and substance reasonably satisfactory to Indemnatee. Neither the Company nor Indemnatee will unreasonably withhold its consent to any proposed settlement; provided, however, Indemnatee may withhold consent to any settlement that does not provide a full and unconditional release of Indemnatee from all liability in respect of such Claim.

20. Amendments. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be binding unless in the form of a writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall operate as a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided herein, no failure to exercise or any delay in exercising any right or remedy hereunder shall constitute a waiver thereof.

21. Binding Effect. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company), assigns, spouses, heirs and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnatee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

22. Severability. Each provision of this Agreement shall be considered severable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined by a court of competent jurisdiction to be invalid, unenforceable or contrary to the DGCL or existing or future applicable law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those provisions of this Agreement which are valid, enforceable and legal. In that case, this Agreement shall be construed so as to limit any term or provision so as to make it valid, enforceable and legal within the requirements of any applicable law, and in the event such term or provision cannot be so limited, this Agreement shall be construed to omit such invalid, unenforceable or illegal provisions.

23. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand, against receipt, or mailed, by postage prepaid, certified or registered mail:

- (a) if to Indemnatee, to the address set forth on the signature page hereto.
- (b) if to the Company, to:

Strand Advisors, Inc.
Attention: Isaac Leventon

Address: 300 Crescent Court, Suite 700
Dallas, Texas 75201
Email: ileventon@highlandcapital.com

Notice of change of address shall be effective only when given in accordance with this Section 23. All notices complying with this Section 23 shall be deemed to have been received on the date of hand delivery or on the third business day after mailing.

24. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE (OTHER THAN ITS RULES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY).

25. Jurisdiction. The parties hereby agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby, whether in contract, tort or otherwise, shall be brought in the United States District Court for the District of Delaware or in the Court of Chancery of the State of Delaware (or, if such court lacks subject matter jurisdiction, in the Superior Court of the State of Delaware), so long as one of such courts shall have subject-matter jurisdiction over such suit, action or proceeding, and that any case of action arising out of this Agreement shall be deemed to have arisen from a transaction of business in the State of Delaware. Each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum.

26. Enforcement.

(a) Without limiting Section 15, this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

(b) The Company shall not seek from a court, or agree to, a "bar order" which would have the effect of prohibiting or limiting the Indemnatee's rights to receive advancement of Expenses under this Agreement other than in accordance with this Agreement.

27. Headings and Captions. All headings and captions contained in this Agreement and the table of contents hereto are inserted for convenience only and shall not be deemed a part of this Agreement.

28. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one and the

same agreement. Facsimile counterpart signatures to this Agreement shall be binding and enforceable.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

STRAND ADVISORS, INC.

By: _____

Name:

Title:

[SIGNATURE PAGE – INDEMNIFICATION AGREEMENT]

INDEMNITEE:

Name:

Address: _____

Email:

December __, 2019

Attn: Independent Directors
Highland Capital Management, LP
300 Crescent Court, Ste. 700
Dallas, TX 75201

Re: Development Specialists, Inc. ("DSI")
Retention and Letter of Engagement

Dear Members of the Board:

Please accept this letter as our firm's formal written agreement (the "Agreement") to provide restructuring support services to Highland Capital Management, L.P. (the "Company"). This Agreement replaces and supersedes in all respects the letter agreement between DSI and the Company, dated October 7, 2019, as amended and revised by the letter agreement dated October 29, 2019. However, all fees and expenses incurred by DSI prior to the date hereof in accordance with such prior letter agreements will be paid by the Company, subject to allowance of such fees and expenses by the U.S. Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court"). The Agreement will become effective upon execution by duly authorized representatives of the respective parties and approval of the Bankruptcy Court.

Section 1 – Scope of Work

DSI will provide the following services (the "Services") to the Company:

1. Bradley D. Sharp will act as the Company's Chief Restructuring Officer ("CRO") with other DSI personnel to assist Mr. Sharp in carrying out those duties and responsibilities.
2. Subject to the terms of this Agreement, as CRO, Mr. Sharp will assume control of the Company's restructuring and direct the Company with respect to its bankruptcy filed on October 16, 2019 (the "Chapter 11 Case"), which Chapter 11 Case has now been transferred to the Bankruptcy Court.
3. Subject to the terms of this Agreement, Mr. Sharp will report to the Independent Directors and, if appointed, the Chief Executive Officer of the Company ("CEO") and will comply with the Company's corporate governance requirements.
4. As directed by the Independent Directors and/or CEO, the CRO will be responsible for the implementation and prosecution of the Chapter 11 Case, including negotiations with creditors, reconciliation of claims, and confirmation of a plan or plans of reorganization.
5. Provide other personnel of DSI ("Additional Personnel") to provide restructuring support services as requested or required to the Company, which may include but are not limited to:

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December ___, 2019
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- a. assisting the Company in the preparation of financial disclosures required by the Bankruptcy Code, including the Schedules of Assets and Liabilities, the Statements of Financial Affairs and Monthly Operating Reports;
- b. advising and assisting the Company, the Company's legal counsel, and other professionals in responding to third party requests;
- c. attending meetings and assisting in communications with parties in interest and their professionals, including the Official Committee of Unsecured Creditors appointed in the Chapter 11 Case;
- d. providing litigation advisory services with respect to accounting matters, along with expert witness testimony on case related issues; and
- e. rendering such other general business consulting services or other assistance as the Company may deem necessary and which are consistent with the role of a financial advisor and not duplicative of services provided by other professionals in this case.

DSI's ability to adequately perform the Services is dependent upon the Company timely providing reliable, accurate, and complete necessary information. The Company agrees that CRO will have (i) access to and the ability to communicate with any employee of the Company or any affiliate of the Company and (ii) access to any information, including documents, relating to the Company or any Company affiliate, including, but not limited to, information concerning collections and disbursements. The Company acknowledges that DSI or CRO are not responsible for independently verifying the veracity, completeness, or accuracy of any information supplied to us by or on behalf of the Company.

DSI will submit its evaluations and analyses pursuant to this Agreement in periodic oral and written reports. Such reports are intended to and shall constitute privileged and confidential information, and shall constitute the Company's property.

Although we do not predict or warrant the outcome of any particular matter or issue, and our fees are not dependent upon such outcomes, we will perform the Services with reasonable care and in a diligent and competent manner.

Section 2 – Rates, Invoicing and Retainer

DSI will be compensated at a rate of \$100,000 per month, plus expenses (capped at \$10,000 per month), for the services of Bradley D. Sharp as CRO and such DSI personnel (including Fred Caruso) as are required to fulfill Mr. Sharp's responsibilities as CRO; provided that if any single expense exceeds \$1,000, DSI will provide reasonable documentation and will obtain the Company's prior written approval.

A number of DSI's personnel have experience in providing restructuring support services and may be utilized as Additional Personnel in this representation. Although others of our staff may

Highland Capital Management, LP
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also be involved, we have listed below certain of the DSI personnel (along with their corresponding billing rates) who would likely constitute the Additional Personnel. The individuals are:

R. Brian Calvert	\$640.00/hr.
Thomas P. Jeremiassen	\$575.00/hr.
Eric J. Held	\$495.00/hr.
Nicholas R. Troszak	\$485.00/hr.
Spencer G. Ferrero	\$350.00/hr.
Tom Frey	\$325.00/hr.

The above rates are adjusted as of January 1 of each year to reflect advancing experience, capabilities, and seniority of our professionals as well as general economic factors.

We acknowledge receipt of a retainer of \$250,000 from the Company. The purpose of the retainer is to secure a portion of our fees and expenses and to retain our status as a non-creditor should such be required for DSI to continue to provide the Services. As such, should a need arise to increase this retainer due to the level of Services DSI is providing or projected to provide, we will send the Company a supplement to this Agreement requesting the necessary increases and discuss with the Company the amount and timing of providing such increase to the retainer.

This retainer will be applied to our final invoice. If the retainer exceeds the amount of our final invoice, we will refund the difference to the Company at that time. In the event that periodic invoices are not paid timely, we will apply the retainer to the amounts owing on such invoices and, if applicable, any related late charges, and we will stop work until the retainer is replenished to the full amount required. If the retainer is not replenished within ten (10) days after the application of the retainer to unpaid balances, we reserve the right to terminate this Agreement in accordance with the provisions of Section 3 of this Agreement.

DSI also will be entitled to reimbursement for its reasonable costs and expenses. Such costs and expenses may include, among others, charges for messenger services, photocopying, travel expenses, long distance telephone charges, postage and other charges customarily invoiced by consulting firms. Airfare for international flights will be charged at the business class fare; provided that if any single expense exceeds \$1,000, DSI will provide reasonable documentation and will obtain the Company's prior written approval.

This Agreement shall be presented to the Bankruptcy Court for approval and continuation, pursuant to Bankruptcy Code Section 363 and DSI's then-prospective obligations shall be contingent upon such approval.

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Section 3 – Termination

Either the Company or DSI may terminate this Agreement for any reason with ten (10) business days' written notice. Notwithstanding anything to the contrary contained herein, the Company shall be obligated, in accordance with any orders of or procedures established by the Court, to pay and/or reimburse DSI all fees and expenses accrued under this Agreement as of the effective date of the termination.

Section 4 – Relationship of the Parties, Confidentiality

DSI will provide the Services to and for the Company, with select members of DSI assigned to specific roles for the benefit of the Company. These members will remain as DSI employees during the pendency of this case. Specifically, the parties intend that an independent contractor relationship will be created by this Agreement. Employees of DSI are not to be considered employees of the Company and are not entitled to any of the benefits that the Company provides for the Company's employees.

The Company acknowledges that all advice (written or oral) given by DSI to the Company in connection with DSI's engagement is intended solely for the benefit and use of the Company in considering the transaction to which it relates, and that no third party is entitled to rely on any such advice or communication. DSI will in no way be deemed to be providing services for any person not a party to this Agreement.

DSI agrees that all information not publicly available that is received by DSI from the Company in connection with this Agreement or that is developed pursuant to this Agreement, will be treated as confidential and will not be disclosed by DSI, except as required by Court order, or other legal process, or as may be authorized by the Company. DSI shall not be required to defend any action to obtain an order requiring disclosure of such information, but shall instead give prompt notice of any such action to the Company so that it may seek appropriate remedies, including a protective order. The Company shall reimburse DSI for all costs and fees (including reasonable attorney's fees) incurred by DSI relating to responding to (whether by objecting to or complying with) any subpoenas or requests for production of information or documents.

Section 5 – Indemnity

The Company shall name Bradley D. Sharp as its Chief Restructuring Officer and shall indemnify him on the same terms as provided to the Company's other officers and directors under the Company partnership agreement or other governing document and applicable state law. Mr. Sharp shall be included as an insured under any insurance policies or coverage available to officers and directors of the Company.

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The Company shall additionally indemnify those persons, and only those persons, serving as executive officers on the same terms as provided to the Company's other officers and directors under the Company's partnership agreement or other governing document and applicable state law, along with insurance coverage under the Company's D&O policies. Any such indemnity shall survive the expiration or termination by either party of this Agreement. Except as provided in this Section and in Section 4, there shall be no indemnification of DSI, its affiliates or the Additional Personnel.

Each and every one of the personnel employed by DSI who works on this particular project, as well as DSI officers, directors, employees and agents (the "DSI Parties") shall not be liable to the Company, or any party asserting claims on behalf of the Company, except for direct damages found in a final determination (not subject to further appeal) by a court of competent jurisdiction to be the direct result of the bad faith, self-dealing or intentional misconduct or gross negligence of DSI.

Section 6 – Conflicts

DSI has made diligent inquiries to determine whether it or any of its professionals have any connections with the Company, its creditors, or other parties in interest in the Chapter 11 Case. Based on that review, the review of DSI's conflict files and responses to inquiries from DSI's professional staff, neither DSI nor its professionals have any known conflicts with the parties in this case. DSI will separately provide its connections to parties in this case and/or their professionals.

Section 7 – No Audit

The Company acknowledges that it is hiring DSI to assist and advise the Company in business planning and operations. DSI's engagement shall not constitute an audit, review or compilation, or any other type of financial statement reporting engagement that is subject to the rules of AICPA or other such state and national professional bodies.

Section 8 – Non-Solicitation

The Company agrees not to solicit, recruit or hire any employees or agents of DSI for a period of one year subsequent to the completion and/or termination of this Agreement; provided that the Company shall not be prohibited from (x) making general advertisements for employment not specifically directed at employees of DSI or (y) employees of DSI responding to unsolicited requests for employment.

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Section 9 – Survival

The provisions of this Agreement relating to indemnification, the non-solicitation or hiring of DSI employees, and all other provisions necessary to the enforcement of the intent of this Agreement will survive the termination or expiration of this Agreement.

Section 10 – Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to conflicts of law principles.

Section 11 – Entire Agreement, Amendment

This Agreement contains the entire understanding of the parties relating to the subject matter of this Agreement and supersedes and is intended to nullify any other agreements, understandings or representations relating to the subject of this Agreement. This Agreement may not be amended or modified except in a writing signed by the parties.

If you are in agreement with the foregoing terms and conditions please indicate your acceptance by signing an original copy of this Agreement on the signature lines below, then returning one fully-executed Agreement to DSI's office. The Agreement will become effective upon execution by duly authorized representatives of the respective parties.

Very truly yours,

Bradley Sharp
Development Specialists, Inc.

AGREED AND ACKNOWLEDGED:

Highland Capital Management, L.P.
By: Strand Advisors, Inc., its general partner

By: _____, Independent Director
Date: _____

A. Definitions

- a. Electronically stored information” or “ESI” shall include all electronic files, documents, data, and information covered under the Federal Rules of Civil Procedure.

B. Preservation of ESI - Generally

- a. Debtor acknowledges that they should take reasonable and proportional steps to preserve discoverable information in the party’s possession, custody or control. This includes notifying employees possessing relevant information of their obligation to preserve such data.

C. Preservation of ESI – Specific Forms

- a. For email, Debtor uses Outlook Email on an Exchange server. Veritas Enterprise Vault is used to archive emails. Journaling is and has been in active use since 2007, and all inbound, outbound, and in-system email .communications have been preserved and are not at risk of deletion due to normal document retention practices. Out of an abundance of caution, a copy of the latest email back-up, which was performed two months ago, shall be copied and stored at a secured location.
- b. The file server used by Debtor was backed up approximately one week ago. A copy of this backup shall be created and stored on a portable hard drive at a secured location.
- c. The Sharepoint server used by Debtor was backed up approximately one week ago. A copy of this backup shall be created in a format that maintains all potentially relevant information and stored at a secured location.
- d. The Oracle E-Business Suite (EBS) server used by Debtor was backed up one week ago. A copy of this backup shall be created in a format and stored at a secured location.
- e. The Advent Geneva accounting system used by Debtor was backed up approximately one week ago. Upon reasonable notice, the Committee may submit search criteria to Debtor to run searches in Advent Geneva. Subject to Debtor’s rights to assert objections as provided by Part G herein, Debtor will provide the data resulting from such agreed searches pursuant to Part F herein..
- f. The Siepe Database (data warehouse) used by Debtor was backed up approximately one week ago. A copy of this backup shall be created in a format and stored at a secured location.
- g. For the Box account used by Debtor, to the extent routine data retention practices may result in file deletion, they shall be suspended pending further discussion with the Committee concerning the relevance of such data. Users of the Box account who have the ability to delete files shall be notified of the obligation to suspend deletion of any data stored in Box.
- h. Bloomberg data is archived for five years. Debtor shall work with Bloomberg client services to preserve a copy of all such archived material, which shall be stored at a secured location, or otherwise extend the backup window in which Bloomberg preserves the data by reasonable time to be agreed by the parties.

- i. Files may be saved locally on laptops/work computers used by employees of Debtor. This practice is discouraged, but may result in the creation of relevant ESI on local systems in a manner that will not be replicated elsewhere. Debtor shall therefore cease the deletion of data (*i.e.*, wiping) of any employee-assigned computer hard drives, such as for departing employees. Debtor shall furthermore instruct current employees not to delete files stored locally on their assigned computers.

D. Not Reasonably Accessible Documents

- a. Absent an order from the Court upon a showing of good cause, a Party from whom ESI has been requested shall not be required to search for responsive ESI from sources that are not reasonably accessible without undue burden or cost. The following types of data stores are presumed to be inaccessible and are not subject to discovery, and need not be collected or preserved, absent a particularized need for the data as established by the facts and legal issues of the case:
 - i. Deleted, slack, fragmented, or other data only accessible by forensics;
 - ii. Random access memory (RAM), temporary files, or other ephemeral data that are difficult to preserve without disabling the operating system; and
 - iii. On-line access data such as temporary internet files, history, cache, cookies, and the like.
- b. To conduct collections in a focused and efficient manner, the Parties also agree to exclude the following file types from collection: Standard system file extensions including, but not limited to, BIN, CAB, CHK, CLASS, COD, COM, DLL DRV, EXE, INF, INI, JAVA, LIB, LOG, SYS and TMP and other file extensions and directories that likely do not contain user generated content such as files identified by hash value when compared to the National Software Reference Library reference data set (RDS Hash), a sub-project of the National Institute of Standards and Technology ("NIST"), of known traceable system and application files. This process is commonly referred to as "De-NISTing."

E. Collection and Search Methodology

- a. Searches for emails in Debtor's custody shall be conducted by DSI on Debtor's Veritas Enterprise Vault storage using an unrestricted account at the earliest opportunity, but in no event later than [date]. DSI shall use an add-on component called Discovery Assistant, which enables searches based on email properties, such as senders, recipients, and dates. Discovery Assistant also permits text searching of email contents and the contents of electronic file attachments, although not pictures of text (*e.g.*, scanned PDFs). Debtor did not employ employee message or file encryption that would prevent reasonable operation of the Discovery Assistant search capabilities.
- b. The results of email searches shall be produced to the Committee pursuant to Part F below, subject to completion of any review for privilege or other purposes contemplated by this Agreement.
- c. A snapshot copy of Debtor databases (Oracle, Siepe) shall be created in a format to be specified later by agreement with the Committee per Part (C)(d), (f), above.

Prior to any production of responsive data from such a structured database Debtor will first identify the database type and version number, provide the vendor-originated database dictionary, if any, (identifying all tables in the database, their fields, the meaning of those fields, and any interrelation among fields) and any user manuals, or any other documentation describing the structure and/or content of the database, and a list of all reports that can be generated from the database. The list of reports shall be provided in native Excel (.xls or .xlsx) format.

- d. The Geneva system is highly proprietary and shall not be collected, but the Committee will be given reasonable access to that system per Part C(e), above.
- e. Debtor and Committee will meet and confer to discuss the scope of any necessary searches on the Box account.
- f. Debtor file server contents, where requested by the Committee, shall be produced pursuant to Part F below.
- g. Debtor shall propose a format for producing Sharepoint data. The Committee agrees that it is not necessary to reproduce the interface used by Debtor in the ordinary course of business for Sharepoint.

F. Format of Documents Produced

- a. Non-database ESI shall be produced as black and white Group 4 TIFF files, with a resolution of 300 DPI. Page size shall be 8.5 x 11 inches unless, in the reasonable judgment of the Producing Party, a particular item requires a different page size, and original document orientation shall be maintained (i.e., portrait to portrait and landscape to landscape). A Requesting Party may, in good faith and reasonable judgment, request a color copy of a production document if it is necessary to convey the relevant and responsive information. Such color copies may be produced as single page JPG (JPEG) image files. The Requesting Party will bear the costs for color images.
- b. The files shall be accompanied by a metadata load file, in a single standard format to be requested by the Receiving Party prior to any production (e.g., Opticon, Summation DII, or the like) showing the Bates number of each page, the appropriate unitization of the documents, and the entire family range. The Parties agree to meet and confer regarding the requested standard format prior to production.
- c. The files shall be accompanied by a .DAT text file including the delimited fields identified in the Metadata List (below). No Party will have any obligation to manually generate information to provide the fields identified in the Metadata List.
- d. The Producing Party reserves the right to make hard copy documents available for inspection and copying pursuant to Federal Rule of Civil Procedure 34.
- e. In the event that a Party identifies hard copy documents for production, hard copy paper documents shall be scanned and will include, to the extent feasible, the following fields in the .DAT text file: PRODBEG, PRODEND, PAGECOUNT, FULLTEXT, and CUSTODIAN. The Parties agree to share equally in the cost of scanning hard copy documents.
- f. For any documents that were scanned from hard copy paper documents, the Parties will produce images of hard copy documents unitized to the extent the

original documents appeared to be units in physical form, with attachments following parents, and with information that identifies the holder (or container) structure, to the extent such structure exists and it is reasonable to do so. The Producing Party is not required to OCR (Optical Character Recognition) hard copy documents. If the Receiving Party requests that hard copy documents be OCR'ed, the Receiving Party shall bear the cost of such request, unless the Parties agree to split the cost so that each has an OCR'ed copy of the documents.

- g. For ESI that the Producing Party produces in TIFF or JPEG format, the Producing Party shall electronically "burn" a legible, unique Bates number onto each page. The Bates number shall, to the extent reasonably possible: (1) identify the Producing Party; (2) maintain a constant length of nine numeric digits (including 0-padding) across the entire production; (3) contain only alphanumeric characters, no special characters or embedded spaces; and (4) be sequential within a given document. If the Bates number conceals, interferes with, or otherwise obscures any information from the source document, the Producing Party, at the request of the Receiving Party, shall produce a copy that is not obscured.
- h. For ESI that the Producing Party produces in TIFF format, if the Producing Party is producing the ESI subject to a claim that it is protected from disclosure under any confidentiality order entered in this matter, the Producing Party shall electronically "burn" the appropriate confidentiality designation onto each page of the document. If the designation conceals, interferes with, or otherwise obscures any information from the source document, the Producing Party, at the request of the Receiving Party, shall produce a copy that is not obscured.
- i. The Parties agree to produce e-mail families intact absent a privilege or work product claim, so long as each document contains responsive information; for all documents that contain a responsive, non-privileged attachment, the following fields will be produced (if available) as part of the metadata load file to indicate the parent child or parent/sibling relationship:
 - i. Production Bates begin
 - ii. Production Bates end
 - iii. Production Bates begin attachment
 - iv. Production Bates end attachment

Notwithstanding the aforementioned, all parties acknowledge that Debtor's Veritas Enterprise Vault system does not have the ability to search for the family members of responsive documents, and that Debtor does not have an obligation to manually search for non-responsive family members of otherwise responsive documents.

- j. Unless otherwise agreed, all dynamic date and time fields, where such fields are processed to contain a value, and all metadata pertaining to dates and times, will be standardized to Universal Coordinated Time (UTC) or Universal Coordinated Time + 1 (UTC+1) [TBD]. The Parties understand and acknowledge that such standardization affects only dynamic fields and metadata values and does not affect, among other things, dates and times that are hard-coded text within a file. Dates and times that are hard-coded text within a file (for example, in an email thread, dates and times of earlier messages that were converted to body text when subsequently replied to or forwarded; and in any file type, dates and times that are

typed as such by users) will be produced as part of the document text in accordance with the provisions herein.

- k. Exceptions to the Production Format
- l. Excel spreadsheets shall be produced in native application format, unless redactions are required. The Producing Party will make reasonable efforts to provide a TIFF image of a slip sheet with the Bates number of documents produced natively in its production. The corresponding native file shall be named by using the same Bates number identified on the placeholder TIFF image. Any Excel spreadsheet that requires redaction will be produced in TIFF format only. Certain types of databases are dynamic in nature and may contain information that is irrelevant. These files are sometimes large and would, if rendered to TIFF images completely, produce thousands of pages that would have little utility to a reviewer without the associated database.
- m. To the extent information from a structured data repository, such as a database, is requested, responsive information will be produced via a report or export of such data to an appropriate program that is agreeable to the requesting Party. The Parties agree to meet and confer before such data is exported.

G. Production Format Shall Not Alter Authenticity, Admissibility, or Privilege Status

- a. No Party shall object that ESI produced pursuant to this Protocol is not authentic by virtue of the ESI having been converted to TIFF. The Parties otherwise reserve all rights regarding their ability to object to the authenticity of documents.
- b. Nothing in this Protocol shall be construed to affect in any way the rights of any Party to make any objection as to the production, discoverability, admissibility, or confidentiality of documents and ESI.
- c. Nothing in this Protocol shall constitute a waiver by any Party of any claim or privilege or other protection from discovery.
- d. Nothing in this Protocol shall be interpreted to in any way limit a Producing Parties right and ability to review documents for responsiveness prior to production.
- e. Nothing in the Protocol shall require disclosure of irrelevant information or relevant information protected by the attorney-client privilege, work-product doctrine, or any other applicable privilege or immunity.

Metadata List

File Name	Field Description	Sample Values
BegBates	Bates number for the first page of the document	ABC-0000001
EndBates	Bates number for the last page of the document	ABC-0000002
BegAttach	Bates number for the first page of parent document	ABC-0000001
EndAttach	Bates number for the last page of last attachment	ABC-0000005
Pages	Number of printed pages of the document	2

Global Custodian	Custodian name produced in format: Lastname, Firstname.	Smith, Jane; Taylor, Michael
Confidentiality	Indicates if the document has been designated as “Confidential” or “Highly Confidential” pursuant to the applicable Protective Order	Confidential; Highly Confidential
Redacted	Descriptor for documents that have been redacted: “Yes” for redacted documents; “No” for non-redacted documents	Yes
Email Subject	Subject line of Email or	Text of the subject line
Document Subject	Subject value of documents	Text of the subject line
Date Sent	Date email sent	mm/dd/yyyy
Time Sent	Time email sent	hh:mm:ss AM
Date Last Modified	Date document was last modified	mm/dd/yyyy
Time Last Modified	Time document was last modified	hh:mm:ss AM
Date Created	Date document was first created	mm/dd/yyyy
To	All SMTP address of email recipients, separated by a semi-colon	Larry.murphy@email.com
From	All SMTP address of email author	Bart.cole@email.com
CC	All SMTP address of email “CC” recipients, separated by a semi-colon	Jim.James@gmail.com; bjones@yahoo.com
BCC	All SMTP address of email “BCC” recipients, separated by a semi-colon	mjones@gmail.com
Attach	The file name(s) of the documents attached to emails or embedded in files. Multiple files should be delimited by a semicolon	Filename.doc; filename2.doc
Title	The Title property of a file.	Title
Author	The Author property of a file	John Doe
MessageID	The email message ID	
FILENAME	The original name of the file excluding the path	C:\My Documents\letter.doc
DocType	Email, letter, memo, invoice, etc., if available	
Extension	The file extension	.doc

FileType	The actual file type of the document (Word, Excel, etc.) regardless of the file extension	
HashValue	MD5 Hash value of original file	
FilePath	The directory structure of the original file.	C:\My Documents\ letter.doc
PathToNative	The relative path to a produced native document	C:\VOL001\BATES0000000001.xls
PathToText	The relative path to the accompanying text file	C:\VOL001\BATES0000000001.txt
Volume	The production number or reference from the production	
Other Custodian	To the extent global deduplication is used, the field indicates the other custodians who also were in possession of the document at the time of collection	

I. **Definitions**

- A. “Court” means the United States Bankruptcy Court for the Northern District of Texas.
- B. “NAV” means (A) with respect to an entity that is not a CLO, the value of such entity’s assets less the value of its liabilities calculated as of the month end prior to any Transaction; and (B) with respect to a CLO, the CLO’s gross assets less expenses calculated as of the quarter end prior to any Transaction.
- C. “Non-Discretionary Account” means an account that is managed by the Debtor pursuant to the terms of an agreement providing, among other things, that the ultimate investment discretion does not rest with the Debtor but with the entity whose assets are being managed through the account.
- D. “Related Entity” means collectively (A)(i) any non-publicly traded third party in which Mr. Dondero, Mr. Okada, or Mr. Grant Scott, or Mr. John Honis (with respect to Messrs. Okada, Scott and Honis, only to the extent known by the Debtor) has any direct or indirect economic or ownership interest, including as a beneficiary of a trust; (ii) any entity controlled directly or indirectly by Mr. Dondero, Mr. Okada, Mr. Grant Scott, or Mr. John Honis (with respect to Messrs. Okada, Scott and Honis, only to the extent known by the Debtor); (iii) MGM Holdings, Inc.; (iv) any publicly traded company with respect to which the Debtor or any Related Entity has filed a Form 13D or Form 13G; (v) any relative (as defined in Section 101 of the Bankruptcy Code) of Mr. Dondero or Mr. Okada each solely to the extent reasonably knowable by the Debtor; (vi) the Hunter Mountain Investment Trust and Dugaboy Investment Trust; (vii) any entity or person that is an insider of the Debtor under Section 101(31) the Bankruptcy Code, including any “non-statutory” insider; and (viii) to the extent not included in (A)(i)-(vii), any entity included in the listing of related entities in **Schedule B** hereto (the “Related Entities Listing”); and (B) the following Transactions, (x) any intercompany Transactions with certain affiliates referred to in paragraphs 16.a through 16.e of the Debtor’s cash management motion [Del. Docket No. 7]; and (y) any Transactions with Charitable DAF Fund, L.P. (provided, however, that additional parties may be added to this subclause (y) with the mutual consent of the Debtor and the Committee, such consent not to be unreasonably withheld).
- E. “Stage 1” means the time period from the date of execution of a term sheet incorporating the protocols contained below the (“Term Sheet”) by all applicable parties until approval of the Term Sheet by the Court.
- F. “Stage 2” means the date from the appointment of a Board of Independent Directors at Strand Advisors, Inc. until 45 days after such appointment, such appointment being effective upon Court approval.
- G. “Stage 3” means any date after Stage 2 while there is a Board of Independent Directors at Strand Advisors, Inc.
- H. “Transaction” means (i) any purchase, sale, or exchange of assets, (ii) any lending or borrowing of money, including the direct payment of any obligations of another entity, (iii) the satisfaction of any capital call or other contractual

requirement to pay money, including the satisfaction of any redemption requests, (iv) funding of affiliates and (v) the creation of any lien or encumbrance.

- I. "Ordinary Course Transaction" means any transaction with any third party which is not a Related Entity and that would otherwise constitute an "ordinary course transaction" under section 363(c) of the Bankruptcy Code.
- J. "Notice" means notification or communication in a written format and shall include supporting documents necessary to evaluate the propriety of the proposed transaction.

II. Transactions involving the (i) assets held directly on the Debtor's balance sheet or the balance sheet of the Debtor's wholly-owned subsidiaries, including Jefferies Prime Account, and (ii) the Highland Select Equity Fund, L.P., Highland Multi Strategy Credit Fund, L.P., and Highland Restoration Capital Partners

A. **Covered Entities:** N/A (See entities above).

B. Operating Requirements

- 1. Ordinary Course Transactions do not require Court approval (All Stages).
 - a) Stage 1 and Stage 2: ordinary course determined by the CRO.
 - b) Stage 3: ordinary course determined by the Debtor.
- 2. Related Entity Transactions
 - a) Stage 1 and Stage 2: Transactions with Related Entities require prior approval of CRO and five business days advance notice to the Committee and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.
 - b) Stage 3:
 - (1) Transactions with Related Entities greater than \$1,000,000 (either individually or in the aggregate basis on a rolling 30 day period) require five business days advance notice to the Committee and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.
 - (2) Transactions with Related Entities greater than \$2,000,000 (either individually or in the aggregate basis on a rolling 30 day period) require Court approval, which the Committee agrees may be sought on an expedited basis.
- 3. Third Party Transactions (All Stages)
 - a) Except as set forth in (b) and (c) below, Transactions in excess of \$2,000,000 (either individually or in the aggregate basis on a rolling 30 day period) require three business days advance notice to Committee and if the Committee objects, the burden is on the

Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.

- b) The Debtor may satisfy any redemption requests from entities that are not Related Entities without advance notice so long as the Debtor provides notice of such Transactions to the Committee as soon as reasonably practicable. Redemption requests payable to Related Entities will be held in escrow and will not prevent the winding up or liquidation of any fund or entity.
- c) The Debtor may satisfy margin calls and short covers without providing the Committee advance notice if the exigencies do not allow advance notice so long as the Debtor provides notice of such Transactions to the Committee as soon as reasonably practicable.

C. **Weekly Reporting:** The Debtor will provide the Committee with weekly reports showing all Transactions under this category.

III. Transactions involving entities the Debtor manages and in which the Debtor holds a direct or indirect interest (other than the entities discussed in Section I above)

A. **Covered Entities:** See Schedule A hereto. Schedule A includes or will include all entities the Debtor manages and in which the Debtor holds a direct or indirect interest (other than the entities discussed in Section I above).¹

B. **Operating Requirements**

- 1. Ordinary Course Transactions do not require Court approval (All Stages).
 - a) Stage 1 and Stage 2: ordinary course determined by the CRO.
 - b) Stage 3: ordinary course determined by the Debtor.
- 2. Related Entity Transactions
 - a) Stage 1 and Stage 2: Transactions with Related Entities require prior approval of CRO and five business days advance notice to the Committee and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.
 - b) Stage 3:
 - (1) Transactions with Related Entities greater than \$1,000,000 (either individually or in the aggregate basis on a rolling 30 day period) require five business days advance notice to the Committee and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.

¹ The Debtor is continuing to review the Related Entities List and to determine whether any additional parties or entities should be included on Schedule A. The Debtor will update Schedule A as soon as reasonably practicable to the extent necessary.

- (2) Transactions with Related Entities greater than \$2,000,000 (either individually or in the aggregate basis on a rolling 30 day period) require Court approval, which the Committee agrees may be sought on an expedited basis.

3. Third Party Transactions (All Stages)

- a) Except as set forth in (b) and (c) below, Transactions in excess of \$2,000,000 (either individually or in the aggregate basis on a rolling 30 day period) require three business days advance notice to Committee and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.
- b) The Debtor may satisfy any redemption requests from entities that are not Related Entities without advance notice so long as the Debtor provides notice of such Transactions to the Committee as soon as reasonably practicable. The Debtor will provide the Committee with five business days advance notice of any redemption requests made by and payable to a Related Entity, and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.
- c) The Debtor may satisfy margin calls and short covers without providing the Committee advance notice if the exigencies do not allow advance notice so long as the Debtor provides notice of such Transactions to the Committee as soon as reasonably practicable.

- C. **Weekly Reporting:** The Debtor will provide the Committee with weekly reports showing all Transactions under this category.

IV. Transactions involving entities that the Debtor manages but in which the Debtor does not hold a direct or indirect interest

- A. **Covered Entities:** See Schedule A hereto. Schedule A includes or will include all entities that the Debtor manages but in which the Debtor does not hold a direct or indirect interest.²

B. Operating Requirements

- 1. Ordinary Course Transactions do not require Court approval (All Stages).
 - a) Stage 1 and Stage 2: ordinary course determined by the CRO.
 - b) Stage 3: ordinary course determined by the Debtor.
- 2. Related Entity Transactions

² The Debtor is continuing to review the Related Entities List and to determine whether any additional parties or entities should be included on Schedule A. The Debtor will update Schedule A as soon as reasonably practicable to the extent necessary.

a) Stage 1 and Stage 2: Transactions with Related Entities require prior approval of CRO and five business days advance notice to the Committee and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.

b) Stage 3:

(1) Transactions with Related Entities greater than \$1,000,000 (either individually or in the aggregate basis on a rolling 30 day period) require five business days advance notice to the Committee and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.

(2) Transactions with Related Entities greater than \$2,000,000 (either individually or in the aggregate basis on a rolling 30 day period) require Court approval, which the Committee agrees may be sought on an expedited basis.

3. Third Party Transactions (All Stages):

a) Except as set forth in (b) and (c) below, any Transaction that decreases the NAV of an entity managed by the Debtor in excess of the greater of (i) 10% of NAV or (ii) \$3,000,000 requires five business days advance notice to Committee and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.

b) The Debtor may satisfy any redemption requests from entities that are not Related Entities without advance notice so long as the Debtor provides notice of such Transactions to the Committee as soon as reasonably practicable. The Debtor will provide the Committee with five business days advance notice of any redemption requests made by and payable to a Related Entity, and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.

c) The Debtor may take such steps as may be reasonably necessary to winddown any managed entity and make distributions as may be required in connection with such winddown to any required parties. The Debtor will provide the Committee with five business days advance notice of any distributions to be made to a Related Entity, and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.

C. **Weekly Reporting:** The Debtor will provide the Committee with weekly reports showing all Transactions under this category.

V. Transactions involving entities that the Debtor does not manage but in which the Debtor holds a direct or indirect interest

- A. Covered Entities: See Schedule A hereto. Schedule A includes or will include all entities that the Debtor does not manage but in which the Debtor holds a direct or indirect interest.³
- B. Ordinary Course Transactions (All Stages): N/A
- C. Operating Requirements: N/A
- D. Weekly Reporting: Debtor will provide weekly reports of all cross-held asset Transactions, i.e. Transactions in which the Debtor or a Related Entity also holds a direct or indirect interest.

VI. Transactions involving entities that the Debtor does not manage and in which the Debtor does not hold a direct or indirect interest

- A. Covered Entities: See Schedule A hereto. Schedule A includes or will include all entities that the Debtor does not manage and in which the Debtor does not hold a direct or indirect interest.⁴
- B. Ordinary Course Transactions (All Stages): N/A
- C. Operating Requirements: N/A
- D. Weekly Reporting: Debtor will provide weekly reports of all cross-held asset Transactions, i.e. Transactions in which the Debtor or a Related Entity also holds a direct or indirect interest.

VII. Transactions involving Non-Discretionary Accounts

- A. Covered Entities: See Schedule A hereto. Schedule A includes or will include all non-discretionary accounts.⁵
- B. Ordinary Course Transactions (All Stages): N/A
- C. Operating Requirements: N/A
- D. Weekly Reporting: Debtor will provide weekly reports of all cross-held asset Transactions, i.e. Transactions in which the Debtor or a Related Entity also holds a direct or indirect interest.

³ The Debtor is continuing to review the Related Entities List and to determine whether any additional parties or entities should be included on Schedule A. The Debtor will update Schedule A as soon as reasonably practicable to the extent necessary.

⁴ The Debtor is continuing to review the Related Entities List and to determine whether any additional parties or entities should be included on Schedule A. The Debtor will update Schedule A as soon as reasonably practicable to the extent necessary.

⁵ The Debtor is continuing to review the Related Entities List and to determine whether any additional parties or entities should be included on Schedule A. The Debtor will update Schedule A as soon as reasonably practicable to the extent necessary.

VIII. Additional Reporting Requirements – All Stages (to the extent applicable)

- A. DSI will provide detailed lists and descriptions of internal financial and operational controls being applied on a daily basis for a full understanding by the Committee and its professional advisors three (3) business days in advance of the hearing on the approval of the Term Sheet and details of proposed amendments to said financial and operational controls no later than seven (7) days prior to their implementation.
- B. The Debtor will continue to provide weekly budget to actuals reports referencing their 13-week cash flow budget, such reports to be inclusive of all Transactions with Related Entities.

IX. Shared Services

- A. The Debtor shall not modify any shared services agreement without approval of the CRO and Independent Directors and seven business days' advance notice to counsel for the Committee.
- B. The Debtor may otherwise continue satisfying its obligations under the shared services agreements.

X. Representations and Warranties

- A. The Debtor represents that the Related Entities Listing included as **Schedule B** attached hereto lists all known persons and entities other than natural persons included in the definitions of Related Entities covered by Section I.D parts A(i)-(vii) above at the time of the execution of the Term Sheet.
- B. The Debtor represents that the list included as **Schedule C** attached hereto lists all known natural persons included in the definitions of Related Entities covered by Section I.D parts A(i)-(vii) above at the time of the execution of the Term Sheet.
- C. The Debtor represents that, if at any time the Debtor becomes aware of any person or entity, including natural persons, meeting the definition of Related Entities covered by Section I.D parts A(1)-(vii) above that is not included in the Related Entities Listing or Schedule C, the Debtor shall update the Related Entities Listing or Schedule C, as appropriate, to include such entity or person and shall give notice to the Committee thereof.

Schedule A⁶

Entities the Debtor manages and in which the Debtor holds a direct or indirect interest

1. Highland CLO Funding, Ltd. (0.63% Ownership Interest)
2. Dynamic Income Fund (0.26% Ownership Interest)

Entities that the Debtor manages but in which the Debtor does not hold a direct or indirect interest

1. Highland Prometheus Master Fund L.P.
2. NexAnnuity Life Insurance Company
3. PensionDanmark
4. Highland Argentina Regional Opportunity Fund
5. Longhorn A
6. Longhorn B
7. Collateralized Loan Obligations
 - a) Rockwall II CDO Ltd.
 - b) Grayson CLO Ltd.
 - c) Eastland CLO Ltd.
 - d) Westchester CLO, Ltd.
 - e) Brentwood CLO Ltd.
 - f) Greenbriar CLO Ltd.
 - g) Highland Park CDO Ltd.
 - h) Liberty CLO Ltd.
 - i) Gleneagles CLO Ltd.
 - j) Stratford CLO Ltd.
 - k) Jasper CLO Ltd.
 - l) Rockwall DCO Ltd.
 - m) Red River CLO Ltd.
 - n) Hi V CLO Ltd.
 - o) Valhalla CLO Ltd.
 - p) Aberdeen CLO Ltd.
 - q) South Fork CLO Ltd.
 - r) Legacy CLO Ltd.
 - s) Pam Capital
 - t) Pamco Cayman

Entities that the Debtor does not manage but in which the Debtor holds a direct or indirect interest

1. Highland Opportunistic Credit Fund
2. Highland Healthcare Opportunities Fund f/k/a Highland Long/Short Healthcare Fund
3. NexPoint Real Estate Strategies Fund
4. Highland Merger Arbitrage Fund
5. NexPoint Strategic Opportunities Fund
6. Highland Small Cap Equity Fund
7. Highland Global Allocation Fund

⁶ NTD: Schedule A is work in process and may be supplemented or amended.

8. Highland Socially Responsible Equity Fund
9. Highland Income Fund
10. Stonebridge-Highland Healthcare Private Equity Fund (“Korean Fund”)
11. SE Multifamily, LLC

Entities that the Debtor does not manage and in which the Debtor does not hold a direct or indirect interest

1. The Dugaboy Investment Trust
2. NexPoint Capital LLC
3. NexPoint Capital, Inc.
4. Highland IBoxx Senior Loan ETF
5. Highland Long/Short Equity Fund
6. Highland Energy MLP Fund
7. Highland Fixed Income Fund
8. Highland Total Return Fund
9. NexPoint Advisors, L.P.
10. Highland Capital Management Services, Inc.
11. Highland Capital Management Fund Advisors L.P.
12. ACIS CLO Management LLC
13. Governance RE Ltd
14. PCMG Trading Partners XXIII LP
15. NexPoint Real Estate Partners, LLC f/k/a HCRE Partners LLC
16. NexPoint Real Estate Advisors II LP
17. NexPoint Healthcare Opportunities Fund
18. NexPoint Securities
19. Highland Diversified Credit Fund
20. BB Votorantim Highland Infrastructure LLC
21. ACIS CLO 2017 Ltd.

Transactions involving Non-Discretionary Accounts

1. NexBank SSB Account
2. Charitable DAF Fund LP

Schedule B

Related Entities Listing (other than natural persons)

Schedule C

1. James Dondero
2. Mark Okada
3. Grant Scott
4. John Honis
5. Nancy Dondero
6. Pamela Okada
7. Thomas Surgent
8. Scott Ellington
9. Frank Waterhouse
10. Lee (Trey) Parker

James P. Seery, Jr.

New York, NY



James P. Seery, Jr. is a high yield and distressed investing professional who was most recently a Senior Managing Director and co-Head of Credit at Guggenheim Securities LLC, where he is responsible for helping direct the development of a leveraged finance and credit distribution business. Prior to joining Guggenheim, Mr. Seery was the President and a senior investing partner of River Birch Capital, LLC, a \$1.3bn global credit fund manager. In that role, he developed and led many of the firm's most profitable credit investments. Mr. Seery is a licensed attorney and was formerly a partner and co-Head of the Sidley Austin LLP New York Corporate Reorganization and Bankruptcy Group, and he also recently served as a Commissioner on The American Bankruptcy Institute's Commission to Study the Reform of Chapter 11.

Before his joining Sidley Austin, Mr. Seery was a Managing Director and the Global Head of Lehman Brothers' Fixed Income Loan business. In that position, he was responsible for managing the Lehman Brothers' Fixed Income investment grade and high yield loan businesses, including underwriting commitments, distribution, hedging, trading and sales (including CLO manager relationships), portfolio management, and restructuring. Mr. Seery was also a member of the Lehman Brothers' Fixed Income Operating Committee and Global Credit Products Operating Committee as well as the High Yield Commitment and New Business Committees. From 2000 to 2004, Mr. Seery ran Lehman Brothers' restructuring and workout businesses with responsibility for management of distressed corporate debt investments, and in 2008 he was a key member of the small team that successfully sold Lehman to Barclays.

Mr. Seery was selected as one of the Top Restructuring Lawyers in the U.S. Under 40 by *Turnarounds and Workouts* in 1999. Mr. Seery graduated in 1990 from New York Law School, *magna cum laude*, where he was an editor of the Law Review and Colgate University in 1984. He was a member of the Board of Directors of the Loan Syndications and Trading Association from 2006 to 2008 and a member of the INSOL International Lenders Group from 2016-2017.

JAMES P. SEERY, JR.

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New York, New York 10025
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Experience

Guggenheim Securities LLC, New York, New York Aug. 2017-Nov. 2019
Senior Managing Director, Co-Head Credit

- Responsible for developing leveraged finance and credit portfolio advisory businesses
- Management of teams of leveraged finance bankers and trading and sales professionals

River Birch Capital, LLC, New York, New York April 2012-July 2017
President, River Birch Capital, LLC

- President and senior investing partner at New York based \$1.3bn global long-short credit fund focused on corporate credit from investment grade to distressed
- Responsible for originating, executing and managing stressed and distressed credit investments with a team of 6 investing partners and 5 analysts and traders
- Led finance and operations team with CFO/CCO; firm grew from approx. \$200mm in 2012 to \$1.3bn in 2017

Sidley Austin LLP, New York, New York May 2009-April 2012
Co-head New York Corporate and Reorganization Group

- Built and managed a creditor focused restructuring group as part of an international company side practice in a nearly 2000 attorney firm
- Represented banks, corporations, hedge funds, and structured investment vehicles in a variety of restructuring, financing and litigation matters

Lehman Brothers, New York, New York April 1999-May 2009
Global Head Fixed Income Loans

- Managing Director responsible for managing the global fixed income loan business, including investment grade and high yield commitments, global distribution, hedging, trading and sales, CLO origination, portfolio management, and restructuring; managed underwritten loan commitments and teams of credit sales and trading professionals as well as structuring, portfolio management and work-out specialists
- Member Fixed Income Operating Committee, Global Credit Products Operating Committee, and High Yield Commitment and New Business Committees
- Responsible for originating, structuring and managing proprietary distressed debt investments, rescue financings, and restructurings 1999-2004
- Key member of team that negotiated and completed the sale of Lehman Brothers to Barclays Sept. 2008; remained at Barclays through April 2009

Phillips Nizer, Garden City, New York May 1995-April 1999
Senior Associate in corporate reorganization group of boutique New York City law firm

Cadwalader, Wickersham & Taft, New York, New York May 1989-May 1995
Associate in corporate reorganization group of New York City based international law firm

Education

New York Law School, New York, New York, J.D., *magna cum laude*, Editor Law Review 1990
Colgate University, Hamilton, New York, B.A. History 1984

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Experience

Director, River Birch International, Ltd. Board	2015-2017
Director, Camphill Foundation Board	2017-2019
Member, INSOL International Lenders Group Board	2016-2017
Commissioner, ABI Commission to Study Reform of Ch. 11	2012-2015
Director, Loan Syndications and Trading Association	2006-2008

Selected River Birch Sample Investments

Cash America International 5.75% Senior Unsecured Notes due 2018 and Litigation Claim – Developed and led execution of successful note purchase and make-whole litigation strategy based on company's improper spin of payday lending business; U.S. District Court published decision in note holders' favor led to settlement

Chesapeake Energy Corp 6.775% Senior Notes due 2019 Litigation Claims – Developed and led execution of successful note purchase and make-whole litigation strategy based on company's improper call of notes; ultimately prevailed in \$450mm judgment discussed in published Second Circuit and U.S. District Court decisions

Caesars Entertainment Resort Properties 8% 1st Lien Notes due 2020; 11% 2d Lien Notes due 2021 – Developed and led (with senior investment analyst partner) execution of successful bankruptcy investment strategy focused on lower beta part of the capital structure of bankrupt casino operator; investment designed for high return with significant downside protection

Intelsat Jackson Holdings 9.5% Senior Secured Notes due 2022 – Developed and led (with senior investment analyst partner) execution of successful new issue stressed secured note investment strategy; responsible for structuring and tightening covenant package and increasing size of offering after determining that potential litigation threat was low risk; responsible for recommending ICF 12.5% note investment in the low 80s in February 2018

Motors Liquidation Company GUC Trust Publicly Traded Units – Developed and led successful investment strategy in publicly traded bankruptcy liquidation units (GM); took the opposite side of sell-side analyst recommendations and engineered a successful settlement in high return/low downside position

Hypo Alpe Adria Bank (Hetar) Senior Guaranteed Notes – Developed and led (with senior investment analyst partner) execution of successful investment strategy in insolvent Austrian bank with notes guaranteed by an Austrian State

Presidio Inc. 10.25% Senior Notes due 2023 – Developed and led execution of successful investment strategy to purchase newly developed mezzanine part of the capital structure on struggling new issue deal; ultimately sponsor purchased the mezzanine but aggressive structuring and bidding for the mezzanine tranche led to outsized allocation of new notes

Nortel Networks Ltd. 6.875% Senior Notes due 2023 – Developed and led (with senior investment analyst partner) execution of bankruptcy liquidation strategy based on litigation and ultimate leverage of Canadian liquidating estate

Selected Speaking Engagements

American Law Institute/ NYU Law – Credit Markets and Corporate Reorganization, New York City, April 2017
Moderator, *Auctions and Asset Sales In and Out of Bankruptcy*

University of Texas Law/American Bankruptcy Institute -- Emerging Valuation Issues in Bankruptcy, Las Vegas, March 2017

Panelist, *Determining Valuation and the Fulcrum Security*

Panelist, *Distressed Investments Strategies*

NYU Law – Claim Priority Roundtable, New York City, September 2016

Panelist, *Allocating Value in and Out of Bankruptcy*

University of Texas Law/ABI – Emerging Valuation Issues in Bankruptcy, Las Vegas, March 2016

Panelist, *ABI Commission Report Proposed Amendments and Their Impact on Valuation*

The M&A Advisor – Distressed Investing Summit, Palm Beach, January 2016

Panelist, *Using Options to Bridge Value Gaps*

NYU Law – Seligman Bankruptcy and Business Reorganization Workshop, New York City, September 2015

Panelist, *Valuation Approaches and Methodologies*

Skadden Arps/Colgate University – Law and Finance Summit, New York City, November 2014

Presenter, *Recent Developments in Bankruptcy and Distressed Debt*

John S. Dubel

Board of Directors Experience

- **Purdue Pharma Inc. – July 2019 to Present** - Independent Board Member and Chair of the Special Committee of Directors

In addition to being a member of the Board of Directors of Purdue Pharma Inc., I am the Chair of the Special Committee of Independent Directors charged with overseeing the investigation of relationships between Purdue and Purdue owners, the Sackler family.

- **WMC Mortgage, LLC – Indirect Subsidiary GE – July 2018 to December 2019** - Independent Board Member and Chair of the Special Independent Committee of Directors

WMC's chapter 11 plan was recently confirmed and WMC will emerge from Chapter 11 in early December 2019. I am the Chair of the Special Independent Committee of Independent Directors for this indirect subsidiary of GE. The Special Committee was tasked with reviewing the relationship between the insolvent WMC and GE and resolving its insolvency issues through a court supervised chapter 11 proceeding. I was the lead person responsible for negotiations with the parent concerning the level of support that the parent was required to provide and worked with our creditors to negotiate a resolution amongst all parties.

- **Werner Co. – January 2013 to Present – Sole Independent Director**

Werner is a global leader in access equipment, secure storage, light duty construction and fall protection products with operations across all geographies. A consortium of private equity investors bought the assets out of a bankruptcy proceeding in 2007. I was asked to serve on the Board as the sole Independent Director by the largest shareholder. Werner more than doubled the size of its business, diversified its product offering and substantially improved its EBITDA prior to its sale in July 2017. As an independent director, working with one other director, we lead the effort in the sale process that achieved an additional \$180 million increase in the sale price of the company for its distressed investors. I am currently the lead director responsible for the resolution of post-sale purchase price adjustments.

- **Old PSG f/k/a Performance Sports Group – August 2017 to December 2017**

Asked to serve on the Board, by the Official Equity Committee, after the sale of Performance Sports Group's assets. My role was to oversee the plan of reorganization process to drive to a smooth confirmation.

Dubel & Associates, L.L.C.

- **FXI Holdings** – September 2010 to October 2017 – Independent Director

FXI is a leading producer of engineered polyurethane foam solutions serving the largest customers in the largest markets. It has the broadest customer and consumer reach of any North American foam producer. FXI's assets were purchased during a bankruptcy proceeding in 2009. I was asked to serve on the board of directors by one of the two private equity firms that owned FXI. Shortly after joining the Board, I was asked to Chair a Special Committee of the Board to manage certain litigation and government investigations related to alleged anti-trust infractions. FXI was the subject of over 50 different class action and individual litigations alleging damages in excess of \$3 billion. Over a period of several years, FXI was able to settle all of its litigation for a minor fraction of the alleged damages and all investigations by the government were dropped. During this time, the company's performance improved in a consistent manner with EBITDA more than doubling. Once these litigations were settled, the company was marketed and ultimately sold in October 2017.

- **ResCap Liquidating Trust** – December 2013 to March 2017 – Chairman of the Board - December 2013 to late 2015

After the ResCap chapter 11 plan was confirmed, I served on the Board of the ResCap Liquidating Trust, as FGIC's representative, to guide the wind down of the remaining assets and prosecute claims in excess of \$4 billion against institutions that caused harm to ResCap. During this time, I also served as Liquidating Trustee while we brought on board a new in-house lawyer to prosecute these claims and transitioned this individual into the permanent Liquidating Trustee role.

- **FGIC Corporation and FGIC** - December 2008 to April 2014 – Chairman of the Board during various parts of that time frame – while serving as CEO
- **Barneys New York** – February 2012 to May 2012 – Sole Independent Director

After Barneys' 2007 sale to Istithmar World, the Government of Dubai's private investment fund, Barneys was impacted by the recession in the late 2000's. I was brought in to serve as the sole independent director during the out of court restructuring process which resulted in a consensual change of control for Barneys to its distressed investor creditors.

- **The Leslie Fay Companies** – April 1993 to May 1996 – while serving as the EVP of Restructuring and CFO
- Mr. Dubel has also served as a member and chairperson of various ad hoc and official creditor committees.

John S. Dubel

Key Management Experience

- **Noble Environmental Power** – Restructuring Advisor to the Company - 2018

Noble was the owner of two utility scale wind power plants in upstate New York which were in default on their debt instruments. Working closely with Noble's investment bankers we were able to complete a sale of these plants while keeping the companies out of chapter 11 and returning net sale proceeds to its shareholders.

- **SunEdison, Inc.** – Chief Executive Officer and Chief Restructuring Officer – 2016-2017

SunEdison was the largest global renewable energy development company prior to its filing for chapter 11 in April 2016. SunEdison had over \$10 billion of liabilities and 4,500 employees spread across operations in over 50 countries on 6 continents. A decline in energy prices along with loss of faith in management by investors and numerous litigations filed against the company caused the closing of the capital markets for SunEdison which led to its filing for chapter 11. I was brought in as a requirement of the DIP agreement. SunEdison's assets were sold in a manner to preserve the greatest value for its creditors. I am currently assisting the wind down SunEdison entity as requested.

- **Financial Guaranty Insurance Company** – Chairman and Chief Executive Officer – 2008-2014

FGIC was the third largest monoline bond insurer, insuring in excess of \$300 billion of public finance instruments, RMBS securitizations and CDS contracts with over \$4 billion of capital. After the collapse of the residential mortgage market in the 2007/08 timeframe, FGIC lost its AAA ratings and experienced tremendous losses on its insurance contracts. This led to an insolvency proceeding under NY State insurance law with an innovative resolution through a pre-arranged rehabilitation plan. This enabled it to continue to pay its policy holders in a timely manner.

- **Residential Capital** – Co-Chairman of the Official Creditors Committee – 2012-2013

ResCap, a wholly owned subsidiary of Ally Financial, was one of the largest mortgage originators in the US. FGIC was its 2nd largest creditor and after its chapter 11 filing in May of 2012, I was appointed as the Co-Chair of ResCap's Official Unsecured Creditors Committee. As the lead negotiator for the UCC, the UCC was able to negotiate an increase in the contribution to the plan of reorganization by the parent, Ally, from approximately \$650 million to \$2.1 billion. This contribution settled all of the litigation between Ally and Rescap and enabled ResCap to emerge from chapter 11.

Dubel & Associates, L.L.C.

- **Anchor Glass Container Corporation** – Chief Restructuring Officer – 2005-2006

Anchor Glass was the 3rd largest manufacturer of glass containers in the US, with Anheuser Busch and Snapple as its largest customers, where it provided “just in time” deliveries to enable its customers plants to operate 24/7. Its third trip through chapter 11 resulted from poor contract pricing and high legacy costs. I worked closely with the CEO to renegotiate these contracts and reduce the cost structure which enabled it to emerge from chapter 11 as a viable business which continues to operate today.

- **RCN Corporation** – President and Chief Operating Officer - 2004

RCN was a Bundled 3-product cable provider offering integrated voice, video and data products in the US Northeast, Midwest and West Coast markets with over \$1.7 billion of debt incurred during its build out period. Working with the Lead Director, a pre-arranged chapter 11 plan was negotiated with all of its creditor constituencies to enable it to emerge as a profitable business in its markets where it continues to operate today.

- **Cable & Wireless America** – Chief Executive Officer – 2003-2004

C&W America was a premier hosting business with 14% share of the US market and world class a Tier 1 IP Network. When its British parent company experienced financial difficulties, they attempted to abandon C&W America which caused stress for its major customers, including Yahoo, Google and others. A plan was put in place, though a chapter 11 process, to dramatically reduce its daily cash burn and sell the entity while maintaining its customer base.

- **Acterna Corporation** – Chief Restructuring Officer - 2003

Acterna was a multi-national manufacturer of telecommunications and cable equipment with revenues of approximately \$1.7 billion and debt of \$1 billion prior to the industry down turn. I worked closely with the CEO to stabilize the operations and avoid a fire sale of the business. A quick turn through chapter 11 enabled it to emerge as a viable business, where upon the CEO was able to regrow the business and position it for a successful sale to an industry player 18 months later.

- **WorldCom, Inc.** – Chief Financial Officer – 2002, Advisor – 2003

WorldCom was one of the largest telecommunication companies with assets of over \$107 billion and operations across the globe. It filed for chapter 11 during 2002 due to a massive fraud which covered up the significant operational deficiencies and losses it was experiencing. I was brought in as a condition of the DIP agreement and worked closely with the CEO and other members of the senior management to stabilize the company, restructure the operations to reduce opex, provide stability to the international operations and assist with the plan of reorganization negotiations and confirmation.

- **CellNet Data Systems, Inc.** – Chief Restructuring Officer – 1999-2001

CellNet was a startup technology company that provided smart grid and smart metering and billing solutions for the utility industry. After burning through in excess of \$600 million of initial funding it was not able to access the capital markets to continue to build out its platform and realize the cost synergies across contracts that would make it profitable. Working closely with the new CEO, we reduced the cost structure and sold the company to one of its meter suppliers enabling it to continue to operate in a successful manner.

- **Barneys New York** – Chief Financial Officer – 1996-1999

Barneys was, at this time, a family owned high end retail store chain operating with over 30 stores and international affiliations in Asia. After an uncontrolled growth plan and management that did not understand its cost structure, it filed for chapter 11. I was brought in at the request of the DIP lender to oversee the family's management, to control its costs, close unprofitable locations, renegotiate store leases and work out a consensual chapter 11 plan that included its largest creditors providing financing through a rights offering to enable Barneys to successfully emerge from chapter 11 as a profitable retailer.

- **The Leslie Fay Companies** – EVP Restructuring and Chief Financial Officer – 1993-1995

Leslie Fay was one of the larger designer and manufacturer of ladies dresses, sportswear and suits in the US. A public company, it was the victim of fraud by its financial management team to hide the true cost of operations and manufacturing of its products. This led to a chapter 11 filing. I worked closely with the CEO and President to stabilize its financial management team, reduce costs and position it for an emergence from chapter 11.

- **Robert Maxwell Group** – Head of US Private Companies – 1991-1993

Robert Maxwell was a British entrepreneur who invested heavily in the publishing space. After financial improprieties were uncovered and his subsequent suicide, I was appointed by the UK Administrators to run all of his US operations, which included over 40 private companies. I worked closely with the UK administrators to realize value through sales of these US operations and turn those proceeds over to the UK Administrators.

Dubel & Associates, L.L.C.

Mr. Dubel is a past board member and officer of the Association of Insolvency and Reorganization Advisors, a Certified Insolvency and Reorganization Advisor and is a member of the Turnaround Management Association and the American Bankruptcy Institute. Mr. Dubel received a Bachelor in Business Administration degree from the College of William and Mary.

Dubel & Associates, LLC

Selected Case Studies

SunEdison, Inc.

John Dubel – Chief Executive Officer and Chief Restructuring Officer

Situation	Actions Taken	Results
<ul style="list-style-type: none"> ▶ SunEdison (SUNE) was the largest global renewable energy development company prior to its filing for chapter 11 in April 2016. SUNE had over \$10 billion of liabilities and 4,500 employees spread across operations in over 50 countries on 6 continents ▶ Continued downward pressure on energy prices caused renewable energy projects to experience stress. Lack of proper integration of acquisitions and overpayment on other acquisitions caused a liquidity crisis. Public spin-offs of profitable yieldco assets cut off cash flow that was needed to run the operations. ▶ Senior management control of the Yieldcos enabled borrowings from the Yieldcos which could not be repaid 	<ul style="list-style-type: none"> ▶ Hired initially as CRO with a clear mandate to take on CEO responsibilities ▶ An immediate assessment of the opportunity to maintain a going concern was initiated. ▶ Programs were put in place to plug the employee exodus that SUNE was experiencing ▶ In consultation with our lenders made the determination that an orderly sale of assets was the best path to optimum value realization ▶ Maintained an open line of communication with the DIP, 1L and 2 L lenders to build back trust in the company ▶ Engaged with the Board of the Yieldcos, TERP and GLBL, to work towards a resolution of the disputes between the Yieldcos and SUNE 	<ul style="list-style-type: none"> ▶ Took on CEO role after a short transition with the former CEO ▶ Reorganization of key personnel functions including the hiring of a new CFO and the Controller provided stability in the Finance functions for the company to operate within the limits of the DIP agreement. ▶ Executed a global marketing process which resulted in over 60 asset sales with approximately \$1.5 billion of gross proceeds ▶ Executed a plan which resulted in the transition of administrative and operational functions from SUNE to the Yieldcos which helped stabilize the value of our ownership stake in these entities

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SunEdison, Inc. (continued)

John Dubel – Chief Executive Officer and Chief Restructuring Officer

Situation	Actions Taken	Results
<ul style="list-style-type: none"> ▶ Class and individual litigation against SUNE and the Yieldcos related to these control issues ensued. ▶ Shortly after a Feb 2016 2L financing the company has exhausted those funds and was out of available funds to operate the business. ▶ Additional litigation commenced related to cancelled acquisitions. ▶ During this timeframe, the creditors lost faith in the CEO and CFO. ▶ SUNE filed for chapter 11 in late April 2016 funded by a DIP provided by the 1L and 2L creditors. 	<ul style="list-style-type: none"> ▶ Engaged with the Board and management of the Yieldcos, TERP and GBL, to start to work towards a resolution of the disputes between the Yieldcos and SUNE ▶ Put in place a path to seek resolution of all of the Class Action and individual shareholder litigations by seeking a mediation in the District Court and Bankruptcy Court litigation related to both SUNE and the Yieldcos ▶ Commenced negotiations to settle the various litigations amongst SUNE's creditor groups and between SUNE and its Yieldcos ▶ Worked closely with Chief Judge Morris, the mediator appointed in the case, to craft a resolution to all intercreditor disputes 	<ul style="list-style-type: none"> ▶ Drove a plan, through a directed litigation strategy, to force a resolution of the over \$3 billion of claims brought against SUNE by the Yieldcos which resulted in a cooperative sale of the Yieldcos netting SUNE approximately \$825 million ▶ A replacement DIP agreement was put in place to eliminate certain concerned creditors and align the interests of the DIP lenders and the prepetition secured creditors. ▶ Settlements of the vast majority of class and individual shareholders were negotiated ▶ A mediated resolution amongst SUNE's creditor resulted in a successful chapter plan of reorg funded by a rights offering led by SUNE's 2L creditors

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Financial Guaranty Insurance Company

John Dubel – Chief Executive Officer and member of the Board of Directors

Situation	Actions Taken	Results
<ul style="list-style-type: none">▶ FGIC was the third largest monoline bond insurer, insuring in excess of \$300 billion of public finance instruments, RMBS securitizations and CDS contracts▶ At the start of 2008, FGIC was at risk of losing its AAA ratings▶ The residential real estate meltdown caused FGIC to face billions of dollars of claims from CDS and RMBS contracts it had insured▶ In addition, several of FGIC's largest public finance deals were on the cusp of defaulting▶ In late 2009, FGIC's statutory capital went negative and was subject to immediate takeover by the NYS Department of Financial Services	<ul style="list-style-type: none">▶ Raised capital surplus by \$830 million through reinsurance agreements and preferred stock▶ Negotiated settlements of CDS contracts▶ Managed the workout of multiple public finance insurance contracts▶ Managed affirmative litigation actions to recover from parties that harmed FGIC's insurance contracts▶ Developed an innovative restructuring plan to allow FGIC to file a pre-arranged rehabilitation plan in NYS Court▶ Positioned the company to be able to operate in the post rehabilitation environment to pay claims to policyholders in a timely manner	<ul style="list-style-type: none">▶ Planned and executed an orderly Rehabilitation Plan process which resulted in an innovative and precedent setting proceeding for FGIC's policyholders▶ Managed down the overall exposure from \$312 billion to under \$30 billion▶ Settled parent/subsidiary issues without litigation▶ Recovered in excess of \$1.25 billion for policyholders from parties that harmed FGIC's contracts▶ All of these results were accomplished while maintaining an independent view towards protecting all policyholders interests

003722

RCN Corporation – Integrated Triple Play Service Provider

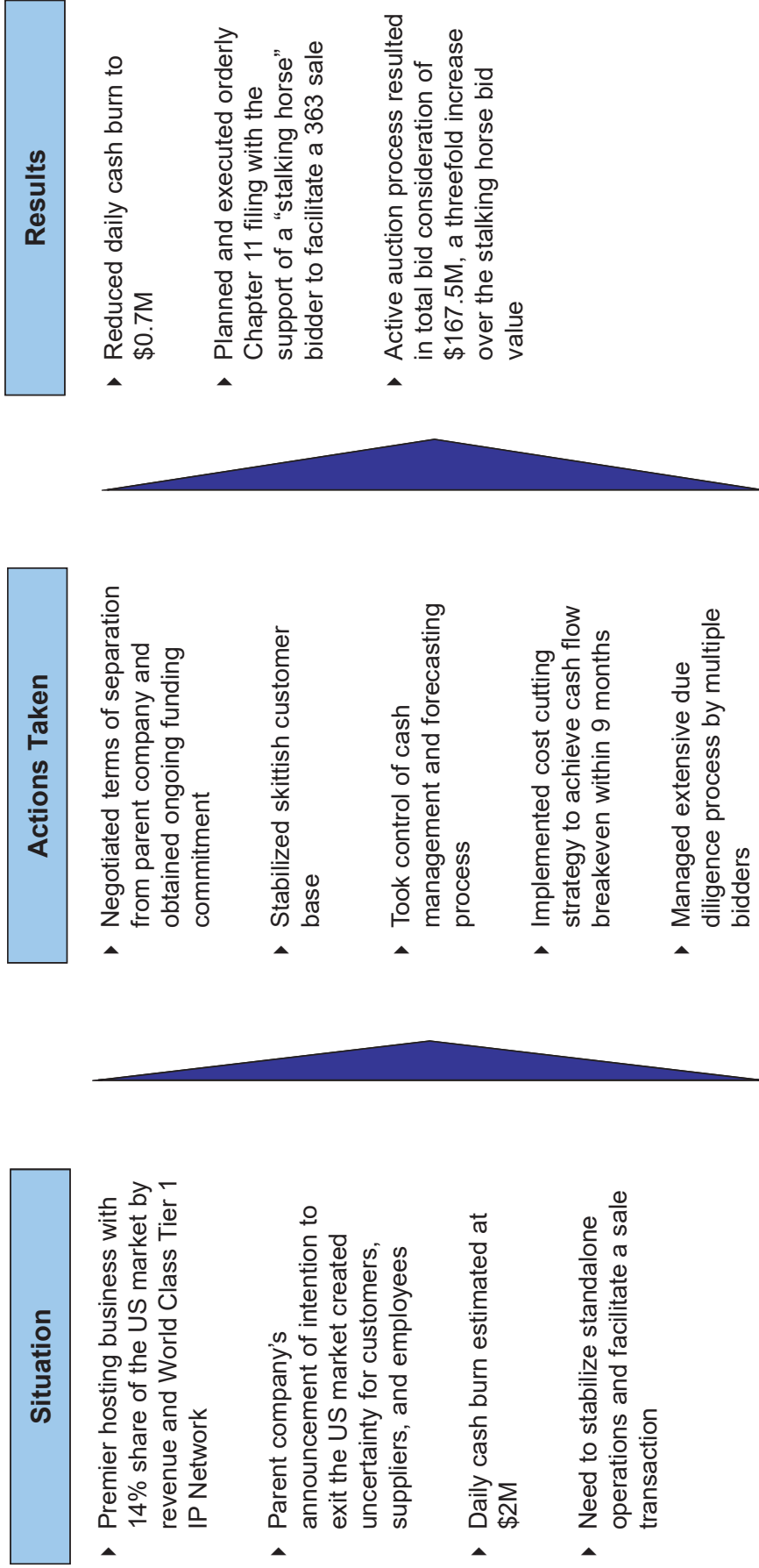
John Dubel – President and Chief Operating Officer

Situation	Actions Taken	Results
<ul style="list-style-type: none"> ▶ Bundled 3-product cable provider offering integrated voice, video and data products in the US Northeast, Midwest and West Coast markets ▶ Revenues of approximately \$500 million ▶ Over 1 million connections ▶ \$1.7 BN of debt in default ▶ Secured creditors pushing the Company to a forced liquidation ▶ Lack of confidence in management's business plan and ability to rationalize the business ▶ Company lacked adequate liquidity to maintain operations 	<ul style="list-style-type: none"> ▶ Hired as President and CRO to lead RCN during this crisis. ▶ Implemented reorganization of operating costs achieving positive EBITDA and cash flow ▶ Actions included: <ul style="list-style-type: none"> – Rationalized customer base – Segmented Customer Service activity and automated where possible – Consolidated Network Operations to drive efficiency – Reduced IT functions – Reduced customer service call volume through web-based solutions – Simplified product offering – Generated Tech Operations savings 	<ul style="list-style-type: none"> ▶ Streamlined operations and reduced breakeven costs achieving positive cash flow and EBITDA ▶ Reduced annualized SG&A costs by 20% ▶ Reduced headcount by 25% ▶ Improved Customer Service quality ▶ Company emerged with over \$125 million of cash in hand ▶ Instituted rigorous cost reduction procedures within the company ▶ Positioned the company for future positive growth

003723

Cable & Wireless America – Successfully Positioned the Company for a Sale



John Dubel – Chief Executive Officer



003724

Acterna – Reduced Costs, Drove a Successful Turnaround



John Dubel – Chief Restructuring Officer

Situation	Actions Taken	Results
<ul style="list-style-type: none"> ▶ Leading Telecom Network equipment supplier with worldwide operations that was facing a severe liquidity crisis ▶ Test equipment market was crippled by the drought of capital spending from Telecom Network companies ▶ Debt levels were not sustainable in then current market conditions 	 <ul style="list-style-type: none"> ▶ Assumed role of CRO to lead company through Chapter 11 ▶ Restructured \$1.0 BN of debt ▶ Preserved non-domestic assets across 30 countries necessary to a successful reorganization. ▶ Focused sales activity on core markets ▶ Worked with management to reduce SG&A costs ▶ Rationalized headcount through centralization of manufacturing activity ▶ Managed the subsidiary divestiture program ▶ Integrated worldwide cash control procedures improving liquidity 	 <ul style="list-style-type: none"> ▶ Acterna emerged from Chapter 11 with 80% less debt and a reduction of 85% of interest costs in less than 6 months ▶ Improved international cash liquidity sufficiently for non-US operations to become self funding ▶ Cash at emergence was over \$60 million ▶ Reduced operating cash costs so the company was self funding and the DIP was never used to operate the company ▶ 18 months after C-11, Acterna announced a sale to JDS Uniphase, for a three fold increase in value.

003725

WorldCom – Stabilized Operations and Finance Function

John Dubel – Chief Financial Officer

Situation	Actions Taken	Results
<ul style="list-style-type: none"> ▶ A massive fraud which masked operational, financial and reporting issues crippled the company's credibility ▶ WorldCom suffered from excess debt with declining value of assets, financial fraud issues, contentious relationship with creditors, and a substantial cash burn ▶ Significant negative cash flow from international operations ▶ WorldCom filed for bankruptcy in July of 2002, becoming the largest bankruptcy filing in history at the time 	 <ul style="list-style-type: none"> ▶ Assumed role Chief Financial Officer until a permanent management team could be put in place then worked as financial advisor for pendency of Chapter 11 case ▶ Put turnaround teams, operational restructuring plans, and cash management plans in place ▶ Led the international restructuring efforts ▶ Assisted in negotiations with creditors ▶ Implemented an achievable 2003 business plan, facilitated several cost reduction initiatives, and managed the 13-week cash flow forecast ▶ Reduced capital spending 	 <ul style="list-style-type: none"> ▶ Achieved \$2 BN of operational savings ▶ Increased cash flow by more than \$100M in international operations and avoided bankruptcy in many jurisdictions ▶ Worked with all stakeholders to reach consensus on a plan of reorganization ▶ Successfully restructured the balance sheet

003726

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

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Chapter 11

Case No. 19-34054-sgj11

Related to Docket Nos. 7 & 259

**ORDER APPROVING SETTLEMENT WITH OFFICIAL COMMITTEE OF
UNSECURED CREDITORS REGARDING GOVERNANCE OF THE DEBTOR
AND PROCEDURES FOR OPERATIONS IN THE ORDINARY COURSE**

Upon the *Motion of the Debtor to Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* (the “Motion”),² filed by the above-captioned debtor and debtor in possession (the “Debtor”); the Court having reviewed the Motion, and finding that (a) the Court has

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

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

003727

jurisdiction over this matter pursuant to 28 U.S.C. §§157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(A), and (c) notice of this Motion having been sufficient under the circumstances and no other or further notice is required; and having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and having determined that the relief sought in the Motion is in the best interests of the Debtor and its estate; and after due deliberation and sufficient cause appearing therefore,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on the terms and conditions set forth herein.
2. The Term Sheet is approved and the Debtor is authorized to take such steps as may be necessary to effectuate the settlement contained in the Term Sheet, including, but not limited to: (i) entering into the Governing Documents and compensating the Independent Directors for their services either directly or by reimbursing Strand for any costs incurred in connection with the appointment and compensation of the Debtor; (ii) implementing the Document Production Protocol; and (ii) implementing the Protocols.
3. Subject to the Protocols and the Term Sheet, the Debtor is authorized to continue operations in the ordinary course of its business.
4. Notwithstanding any stay under applicable Bankruptcy Rules, this Order shall be effective immediately upon entry.
5. The Court shall retain jurisdiction over all matters arising from or related to the interpretation and implementation of this Order, including matters related to the Committee's approval rights over the appointment and removal of the Independent Directors.

END OF ORDER

United States Department of Justice
Office of the United States Trustee
1100 Commerce St. Room 976
Dallas, Texas 75242
(214) 767-1080
Lisa L. Lambert,
for the United States Trustee

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

IN RE:

**HIGHLAND CAPITAL
MANAGEMENT, L.P.**

Debtors-in-Possession.

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Case No. 19-34054-SGJ

(Chapter 11)

**United States Trustee's Objection to the Motion of the Debtor for Approval of Settlement
with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor
and Procedures for Operating in the Ordinary Course**

The United States Trustee for Region 6 files this Objection to the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course ("Joint Agreement Motion," ECF No. 281, filed 12/27/2019) and respectfully states:

Objection Overview

1. The United States Trustee objects to the Joint Agreement Motion. First, the Joint Agreement is an agreement to do an agreement in the future, and it leaves many open litigation issues. Second, the Court lacks jurisdiction to enter an order defining the corporate governance of Strand Advisors, a non-debtor; the proposal improperly supplants Delaware corporate law defining

governance for that non-debtor; and it is unclear how the Court would be able to enforce the agreement were James Dondero, Strand Advisor's sole stockholder, to change his Written Consent. Third, this bankruptcy case is not just about resolving monetary claims between individuals. It is also about protecting investors. [REDACTED]

[REDACTED] Anticipating and circumventing each of these problems, section 1104 of the Bankruptcy Code defines a chapter 11 trustee as the remedy for the issues in this case, and the Court should impose that remedy.

Objection

The Joint Agreement is an agreement to do an agreement in the future, and it leaves open many important legal issues. Appointing a trustee obviates these issues.

2. First, the Joint Agreement does not define who the third board of director would be. The parties are left to select that person.

3. Second, the compensation terms for the board members are undisclosed. They are paid indirectly by the Debtor, but the amounts are left blank in the agreement. *Strand Advisors, Inc. – Director Agreement, Section 2, Compensation and Benefits.*

4. Third, the Joint Agreement references the possibility of a new Chief Executive Officer, but it does not specify who that individual would be. That individual would not need to be disinterested, could be one of the new board members, or could be someone else. *Joint Agreement Motion, p. 6.* The Court then delegates to the Unsecured Creditors Committee – and only the committee-- the power to replace that individual. Alternatively, the Court may order the replacement of the Chief Executive Officer.

5. The committee retains standing to seek appointment of a trustee. It is unclear whether this provision is clarifying or is intended to narrow the standing of parties who can seek a trustee.

6. The Motion to Appoint a Chapter 11 Trustee cites other instances where management problems go beyond James Dondero and involve other officers and employees. The statement of financial affairs reveals that employees -- some of whom might be insiders by operation of law or determined to be insiders based on the facts, 11 U.S.C. 101(31) -- received large bonuses and large expense reimbursements before the bankruptcy case. The Joint Agreement provides that the committee will have standing to pursue litigation against insiders but that it will not have standing to pursue current employees. It is unclear how the statute of limitations concerns might be impacted by this provision.

7. The Joint Agreement contemplates that some – but not all – of the attorney-client and work product privileges pass to the committee so it can pursue litigation claims. Under the facts of this case, where historically internal and external attorney legal advice has been pivotal to litigation, a trustee should acquire the corporate attorney-client and work product privileges. *CFTC v. Weintraub*, 471 U.S. 343 (1985). Attempting to parse the issues that can be transferred only leads to additional litigation.

The Court lacks jurisdiction to enter an order defining the corporate governance of a Strand Advisors, a non-debtor; the proposal improperly supplants Delaware corporate law defining governance for that non-debtor; and it is unclear how the Court would be able to enforce the agreement were James Dondero, Strand Advisor's sole stockholder, to change his Written Consent.

8. Strand Advisors, Inc. is the debtor's general partner. The "Independent Directors are being appointed to a new independent board of Strand, the Debtor's general partner, and Strand is not a debtor in this case or subject to this Court's jurisdiction." *Joint Agreement Motion*, p. 11 n. 6. Based on the draft consent attached to the Joint Agreement Motion, Dondero is the sole stockholder of Strand Advisors, Inc.

9. While Dondero resigns from the board of Strand, resigns as an officer of Strand, and resigns as an employee of the debtor, he does not give up his stock at Strand Advisors, Inc. Thus, he maintains the right to vote the stock.

10. The Court should eschew the Joint Agreement's invitation to control boards and managements of non-debtors. If Strand Advisors were a public corporation such as IBM, the proposal never would have been made. Here, the facts suggest that Strand Advisors, Inc. only has management authority over this debtor, but it is not clear. It may manage other entities. While the Court might authorize a change of officer or board for a corporate debtor, it is not in the ordinary course of business under section 363(c) or within the Court's authority to authorize the use, sale, or lease of property outside the ordinary course of business under section 363(b) for a subsidiary limited partnership's creditors to obtain a court order defining management replacement for a parent corporation. If one were outside of bankruptcy and in state court, a court typically would not enter an order changing management. It would direct the appointment of a receiver.

11. The Crusader liquidation resulted in questions about the Debtor's handling of transactions, and these questions were resolved by the appointment of the Redeemer Committee.

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]. As the motion itself concedes, Strand Advisors, Inc is outside the Court's jurisdiction. A trustee avoids these issues.

This bankruptcy case is not just about resolving monetary claims between individuals. It is about protecting investors – both directly and indirectly.

12. If a trustee were appointed, then the trustee would acquire the causes of action. The transfer of the litigation claims to the committee is an important aspect of the Joint Agreement. The litigation document protocol and protective order reflect a focus on quantifying past issues.

[REDACTED]
[REDACTED]
[REDACTED]

13. The Bankruptcy Code defines a straightforward route to minimize future litigation about the Debtor's management, about ownership of the attorney-client privilege, about ownership of causes of action, [REDACTED]. The Bankruptcy Code provides for the appointment of a trustee. 11 U.S.C. § 1104.

Conclusion

Wherefore, the United States Trustee respectfully requests that the Court:

- A. Deny the Joint Agreement Motion;
- B. Grant the U.S. Trustee's Motion to Appoint a Trustee;
- C. Alternatively, tailor it within proper jurisdictional confines;
- D. Grant further proper relief.

DATED: January 6, 2020

Respectfully submitted,

WILLIAM T. NEARY
UNITED STATES TRUSTEE

/s/ Lisa L. Lambert

Lisa L. Lambert
Assistant U.S. Trustee
Texas State Bar No. 11844250 (and New York)
Office of the United States Trustee
1100 Commerce Street, Room 976
Dallas, Texas 75242
(214) 767-1080
Lisa.L.Lambert@usdoj.gov

Certificate of Service

I certify that copies of the foregoing document on January 6, 2020, by ECF to those parties requesting service via ECF in this case.

/s/ Lisa L. Lambert

Lisa L. Lambert

PACHULSKI STANG ZIEHL & JONES LLP

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Counsel and Proposed Counsel for the Debtor and Debtor in Possession

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

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Chapter 11

Case No. 19-34054-sgj11

**DECLARATION OF BRADLEY D. SHARP IN SUPPORT OF MOTION OF THE
DEBTOR FOR APPROVAL OF SETTLEMENT WITH THE OFFICIAL COMMITTEE
OF UNSECURED CREDITORS REGARDING GOVERNANCE OF THE DEBTOR AND
PROCEDURES FOR OPERATIONS IN THE ORDINARY COURSE**

I, Bradley D. Sharp, make this declaration pursuant to 28 U.S.C. § 1746 and state as follows:

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

1. I am the President and Chief Executive Officer of Development Specialists, Inc. (“DSI”), a leading provider of management consulting and financial advisory services, including turnaround consulting, fiduciary roles, and financial restructuring services with numerous offices throughout the country.

2. I was retained as the Debtor’s Chief Restructuring Officer (the “CRO”) on October 7, 2019.

3. On October 29, 2019, the Debtor filed the *Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring Related Services, Nunc Pro Tunc as of the Petition Date*, as supplemented [Docket Nos. 74 & 282] (the “CRO Motion”) seeking to formally retain me as the CRO. The CRO Motion remains pending but will be resolved if the Motion (defined below) is approved by this Court.

4. As the CRO, I am duly authorized to make this declaration (the “Declaration”) in support of the *Motion of the Debtor for Approval of Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* (the “Motion,”) ² for entry of an Order approving the terms of a settlement between the Debtor and the Committee regarding governance of the Debtor and procedures for operations in the ordinary course of business as embodied in the Term Sheet filed with the Motion.

5. Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein and, if called as a witness, I would testify thereto.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

6. Following weeks of negotiations, the Debtor and the Committee have reached a proposed settlement which is embodied in the Term Sheet and which provides for, among other things, the appointment of three Independent Directors at Strand, the Debtor's general partner and ultimate party in control.

7. The three proposed Independent Directors are James Seery, John Dubel, and Russell Nelms. Background information for each of the Independent Directors is attached hereto as **Exhibit A**.

8. Upon approval of the Motion, the Independent Directors will be responsible for implementing the agreement embodied in the Term Sheet.

9. The Term Sheet was negotiated at arm's length, and is the product of lengthy, extended and far-reaching discussions between the Debtor and the Committee and their respective professionals. I firmly believe that the settlement is fair and reasonable and is in the best interests of the Debtor's estate and also resolves the open disputes regarding other matters. *See* Docket Nos. 51, 76, and 259.

I declare under penalty of perjury that the foregoing is true and correct. Executed on January 6, 2020, Dallas, Texas.



Bradley D. Sharp

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Counsel and Proposed Counsel for the Debtor and Debtor in Possession

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

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In re:	§	Chapter 11
	§	
HIGHLAND CAPITAL MANAGEMENT, L.P., ¹	§	Case No. 19-34054-sgj11
	§	
Debtor.	§	
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**DEBTOR'S REPLY IN SUPPORT OF MOTION OF THE DEBTOR FOR APPROVAL
OF SETTLEMENT WITH THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS REGARDING GOVERNANCE OF THE DEBTOR AND
PROCEDURES FOR OPERATIONS IN THE ORDINARY COURSE**

The above-captioned debtor and debtor in possession (the "Debtor") hereby submits this reply (the "Reply") in support of the *Motion of the Debtor for Approval of*

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

Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course [Docket No. 281] (the “Settlement Motion”).²

In further support of the Settlement Motion, the Debtor respectfully states as follows:

Preliminary Statement

1. The settlement, embodied in the Term Sheet, resolves months of litigation between the Debtor and the Committee over the Debtor’s governance structure and operations and allows the Debtor and the Committee to focus their efforts on moving this case to a resolution that benefits all stakeholders. The Debtor, the Committee, and the Committee’s members, who are the Debtor’s major creditors, agreed to the Term Sheet and have not objected to the Settlement Motion.

2. Further, although the Settlement Motion was properly noticed, the only party to file a full objection was the United States Trustee for Region 6 (the “UST”).³ In fact, (a) other than certain issuers of collateralized loan and debt obligations (the “Issuers”),⁴ no investor in any fund or entity managed by the Debtor has objected to the Settlement Motion; (b) no governmental agency, including the Securities and Exchange Commission (the “SEC”), has

² All capitalized terms used but not defined herein have the meaning given to them in the Settlement Motion.

³ See *United States Trustee’s Objection to the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operating in the Ordinary Course* [Docket No. 313] (the “UST Objection”).

⁴ On January 7, 2020, the Issuers filed the *Limited Objection to Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* [Docket No. 324] (the “Issuer Objection”). The Issuer Objection did not object to the settlement *per se* and, in fact, expressed that the Issuers were “pleased that the Debtor and the Committee have reached consensus early in this case on issues related to the Debtor’s management.” (Issuer Objection, ¶ 2.) Instead, the Issuers’ limited objection was that the Term Sheet provided *too much* oversight of the Debtor’s postpetition activities. The Debtor and the Committee are currently in discussions with the Issuers and hope to resolve the Issuer Objection.

objected to the Settlement Motion; and (c) no other party-in-interest has objected to the Settlement Motion.⁵

3. In the UST Objection, the UST raises various concerns regarding the Term Sheet and the manner in which the settlement embodied therein will be implemented. However, at its core, the UST Objection is an attempt by the UST to substitute its judgment for the judgment of the Debtor, the Committee, the Debtor's creditors and other parties-in-interest (including investors in the Debtor's managed funds and related entities), and the governmental agencies tasked with overseeing and regulating the Debtor, and to advocate for the appointment of a Chapter 11 trustee.⁶ Although the UST is empowered with certain rights and duties under 28 U.S.C. § 586, substituting its judgment for the judgment of every major constituency in the Debtor's bankruptcy proceeding is not one of them.

Reply

4. In the UST Objection, the UST raises three general objections: (a) the Term Sheet leaves certain items to be resolved in the future, including "important legal issues;" (b) this Court lacks jurisdiction to implement the corporate governance matters or enforce the corporate governance matters set forth in the Term Sheet; and (c) the Term Sheet does not protect investors. Each of these three objections is addressed below.

⁵ Jefferies LLC ("Jefferies") filed the *Statement and Reservation of Rights of Jefferies LLC in Response to Debtor's Motion for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* [Docket No. 312] (the "RoR"). The RoR was not an objection to the Settlement Motion, and the Debtor and Jefferies have agreed to certain language to be added to the proposed order approving the Settlement Motion, which resolves the RoR.

⁶ On December 23, 2019, the UST filed the *United States Trustee's Motion for an Order Directing the Appointment of a Chapter 11 Trustee* [Docket No. 271] (the "Trustee Motion"). Although the UST was informed that the Committee and the Debtor were attempting to resolve the Debtor's governance issues, the UST, through the Trustee Motion, sought the appointment of a Chapter 11 trustee to oversee the Debtor's estate. The Debtor intends to object to the Trustee Motion, and, on information and belief, believes that no party-in-interest in this case supports the Trustee Motion.

I. The Term Sheet

5. Identity of Third Independent Director. The Settlement Motion identified James Seery and John Dubel as proposed Independent Directors, but the UST objects that the Term Sheet did not disclose the identity of the third Independent Director. After the Settlement Motion was filed, the Debtor and the Committee agreed to a slate of four potential directors from which Messrs. Seery and Dubel would select the third Independent Director, and they have selected the Honorable Russell E. Nelms to be the third Independent Director. Judge Nelms' curriculum vitae is attached to this Reply as **Exhibit A**.

6. Independent Director Compensation. The UST objects that the compensation to be paid to the Independent Directors is not disclosed in the Term Sheet. Since filing the Settlement Motion, the Debtor and the Committee have discussed with the Independent Directors the amount of compensation to be paid to each Independent Director and have agreed that each Independent Director will receive a monthly payment of (a) \$60,000 for each of the first three months, (b) \$50,000 for each of the next three months, and (c) \$30,000 for each of the following six months, provided that the parties will re-visit the director compensation after the sixth month (the "Director Compensation"). Although the Independent Directors will sit at Strand, the Debtor is seeking authority from this Court to pay the Director Compensation.

7. Appointment of Chief Executive Officer ("CEO"). The Term Sheet does not require the appointment of any CEO. Instead, the Term Sheet recognizes that the Independent Directors may determine, for any number of reasons, whether a CEO is necessary for the management of the Debtor. In that circumstance, the Independent Directors will consult with the Committee as to who should be appointed as CEO. The Independent Directors' ability

to determine that a CEO is necessary to the effective management of the Debtor is an ordinary and customary responsibility of a board of directors. As an ordinary course function, the appointment of an executive officer would not require court approval. Similarly, the appointment of a CEO for the Debtor would not require this Court's approval.

8. Further, if a CEO is appointed, the Term Sheet provides that the CEO can only be removed with the consent of the Committee *or* an order of this Court. This requirement is in place to protect any appointed CEO from improper termination by the Debtor, not to avoid the Bankruptcy Code or this Court, and is not unlike other cases where removal of a high ranking officer is an event of default.

9. Appointment of a Chapter 11 Trustee. The Term Sheet reserves the Committee's right to seek the appointment of a Chapter 11 trustee. This provision is not intended to limit the right of any other party-in-interest with proper standing to seek a Chapter 11 trustee.

10. Management Issues. The UST states that the Debtor's management issues extend to parties other than James Dondero and argues that because the Term Sheet does not provide the Committee with the right to pursue insider claims against current employees, that there may be "statute of limitations concerns." (UST Objection, ¶ 6.) The UST, however, does not specify its concerns nor does it indicate how any purported "statute of limitations concerns" in this case differ from those in every other Chapter 11 proceeding, including cases where (unlike here) a committee is *not* granted standing to pursue insider claims.

11. The Term Sheet, however, provides that that Independent Directors will "conduct a review of all current employees," and the Independent Directors will make their own

determination regarding whether any persons have engaged in improper conduct. The Term Sheet also provides that if an employee is terminated, then the Committee will have standing to pursue insider claims against such employee. Finally, nothing in the Term Sheet limits the Committee's right to seek standing to pursue insider claims against then-current employees or any other party, if the Committee believes that the statute of limitations is set to expire. Absent the Term Sheet, the Debtor would have the sole right to pursue insider claims (absent contrary order from this Court), no independent employee review would occur, and any statute of limitations concerns would still exist. The Committee and the Independent Directors having these rights is solely a function of the Term Sheet, and the Term Sheet ameliorates the concerns raised by the UST.

12. Attorney-Client Material. Under the Term Sheet, the Debtor has agreed to provide the Committee access to certain privileged documents and communications. The UST argues that this is insufficient as it will lead to additional litigation and that, to avoid litigation, a Chapter 11 trustee should be appointed to accede to all privileges afforded to the Debtor. This argument is a gross overstep and the clearest example of the UST attempting to substitute its judgment for the judgment of all other constituents in this case. The Debtor and the Committee have agreed to a mechanism to determine which potentially privileged documents and communications should be turned over to the Committee to facilitate the prosecution of the Estate Claims for the benefit of all parties-in-interest. That process will be overseen by this Court. It is not appropriate for the UST to substitute its judgment with respect thereto for that of the Debtor, the Committee, and the Debtor's major creditors.

II. The Court's Jurisdiction to Implement the Corporate Governance Matters

13. The UST argues that because Strand is not a debtor in this Case that the Court lacks jurisdiction to appoint the Independent Directors at Strand and to limit Mr. Dondero's rights as Strand's sole stockholder to remove those Independent Directors.⁷ This is correct, and the Debtor does not contest the UST's position on this matter.

14. However, the Debtor is not seeking authority from this Court to appoint the Independent Directors. Nor is the Debtor seeking this Court's authority, generally, to enter into the Governing Documents. Strand, as a non-debtor entity, is appointing the Independent Directors and executing the Governing Documents to effectuate such appointment of its own volition consistent with Delaware corporate law and its governing documents.⁸ The UST has not – and cannot – point to any provision in Delaware law prohibiting Strand's appointment of the Independent Directors or entrance into the Governing Documents.

15. In distinction, through the Settlement Motion, the Debtor is *only* requesting authority from this Court to pay the Independent Directors the Director Compensation and such other relief as the Court may determine is required to effectuate the appointment of the Independent Directors and to enter into the Governing Documents. Because the Debtor is seeking to use estate assets to pay directors of a non-debtor entity, the Debtor sought this Court's approval to make such payments. The Debtor is not seeking authority to appoint the Independent

⁷ The UST Objection reflects a misunderstanding of Strand. The Debtor is a limited partnership and is managed by Strand as its general partner. Strand is the general partner of the Debtor only and does not manage or oversee any other entities or partnerships.

⁸ Because the Debtor is a limited partner, it is managed by its general partner, Strand, rather than a board of directors or similar governing body. The Committee requested the appointment of an independent fiduciary with oversight authority over the Debtor, and it was determined that a change in Strand's board of directors would be the most efficient means of achieving that result.

Directors to the board of a non-debtor entity.

16. Further, the Debtor recognizes that this Court would not have the requisite authority to limit Mr. Dondero's right as the sole stockholder of Strand to remove the Independent Directors or to take any other action that could neuter the settlement embodied in the Term Sheet. To address that issue, the written consent of the sole stockholder of Strand (included in the Governing Documents) contemplates the parties entering into a stipulation which will address the concerns raised by the UST, among other things (the "Stipulation"). The Stipulation is subject to this Court's approval. As such, the Term Sheet provides an extra level of protection and Court oversight without running afoul of the jurisdictional issues raised by the UST. Ultimately, though, if Mr. Dondero attempts to remove the Independent Directors or otherwise act in a way that contravenes the Term Sheet, the Committee has reserved its right to immediately seek appointment of a Chapter 11 trustee.

III. The Term Sheet Protects Investors or Provides Transparency

17. Finally, the UST argues that "quantification" of "past issues" is not a sufficient basis for approving the Settlement Motion and that transparency is needed for all "investors and for government agencies charged with overseeing [the] Debtor." (UST Objection, ¶ 12.) This, however, is not an argument against the Settlement Motion. Rather, it is an argument for the UST's Trustee Motion. The Trustee Motion is set for a hearing on January 21, 2019, and the Debtor will file an objection to the Trustee Motion at the appropriate time.

18. However, the UST's purported objection still fails. The Term Sheet

creates the transparency for which the UST advocates.⁹ In addition to providing a mechanism by which the Committee can investigate and potentially litigate prepetition transfers, it allows substantial oversight of the Debtor's postpetition activities, including transactions between "Related Entities" (as such term is defined in the Protocols). The Protocols thus create three layers of oversight of the Debtor's postpetition activities. Those activities will be reviewed by the CRO, the Independent Directors (consisting of two experienced professionals and a former federal bankruptcy judge), and, in relatively expansive circumstances, the Committee. The Protocols also require the Debtor to provide the Committee with regular reporting concerning its postpetition trades and investments. Finally, all of the Debtor's activities – both pre- and postpetition – will ultimately be subject to this Court's oversight. The substantial oversight afforded by the Term Sheet should address the concerns of any investor in any entity or fund managed by the Debtor.

19. For the foregoing reasons as well as those set forth in the Settlement Motion, the UST's arguments that the Settlement Motion does not provide transparency for both governmental agencies charged with overseeing the Debtor and the Debtor's investors or address purported lapses in fiduciary duties are not well founded. The UST has not provided any evidence that the Settlement Motion will not address these concerns. Instead, the UST has simply stated that there is insufficient transparency for investors and governmental agencies.

20. Finally, it is also important to reiterate that, although the Settlement Motion was properly noticed, no governmental agency, including the SEC, or investor has

⁹ Although not the subject to the Settlement Motion, it should be noted that during the pendency of this case, the Debtor has provided the Committee with extensive formal and informal discovery concerning both the Debtor's pre- and postpetition activities.

objected to the Settlement Motion (with the exception of the Issuers, who believe the settlement provides *too much* oversight and transparency). The only party that has objected is the UST, and the UST does not have standing to object to the Settlement Motion on behalf of parties that themselves received notice and chose not to act. If any governmental agency (including the SEC) or any investor wished to object to the Settlement Motion, they had the right to do so but determined not to.

[Remainder of Page Intentionally Blank]

WHEREFORE, for the reasons set forth above and in the Settlement Motion, the UST Objection should be overruled in all respects and the settlement between the Debtor and the Committee should be approved on the terms set forth in the Settlement Motion.

Dated: January 8, 2020

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Mr. Nelms served as a bankruptcy judge in Fort Worth, Texas from 2004 to 2018. During that time he consistently received top ratings from the Tarrant County Bar for his knowledge of the law, fairness, and judicial temperament. His experience, coupled with his unconventional sense of humor, led to frequent speaking engagements at bankruptcy forums in and outside of Texas.

On the bench, Judge Nelms counted kindness and compassion as his key virtues. This extended to lawyers and their clients. At the conclusion of any matter, however, Judge Nelms never lost sight of the fact that his job was to apply the law to the facts, regardless of where his sympathies might lie. As he often said, "A judge who always likes the result of his rulings is not a very good judge."

Off the bench, Judge Nelms loved the company of lawyers, but his favorite time of each day was the first 30 minutes of the work day. At that time, Judge Nelms would gather his chambers staff together to share jokes and catch up on "the big picture."

Mr. Nelms is no longer "The Judge." Still, he brings to his current endeavors the traits that served him well on the bench. Chief among those is the willingness to listen while reserving judgment. That trait is bolstered by patience, a commitment to solving problems quickly and economically, and an adherence to "doing the right thing."

Mr. Nelms received a B.A. with high honors from Texas Tech in 1975, and a J.D. with high honors from Texas Tech School of Law in 1978. He served in the United States Army Judge Advocate General's Corps from 1978 to 1984. Mr. Nelms practiced with Carrington, Coleman, Sloman and Blumenthal, LLP from 1984 to 2004, spending the last 15 years as a partner in its bankruptcy litigation section.

From 2012 to 2018, Mr. Nelms was a contributing editor to the Collier Handbook for Trustees and Debtors in Possession. For his service on the bench and to his community, Mr. Nelms was named as a Sergeant in the American Inns of Court.

Currently, Mr. Nelms is serving as the chairman of the independent board of directors of Warrior Custom Golf, a company in chapter 11 in Houston, Texas. He also serves as the trustee of the Think Financial Litigation Trust, a trust created by the confirmed plan of Think Financial, a debtor in possession in Dallas, Texas.

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

In re:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,¹

Debtor.

)
) Chapter 11
)

) Case No. 19-34054-sgj11
)

)
)
) Docket Ref. Nos. 281, 313
)

**REPLY OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS IN
SUPPORT OF THE MOTION OF THE DEBTOR FOR APPROVAL OF SETTLEMENT
WITH THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS REGARDING
GOVERNANCE OF THE DEBTOR AND PROCEDURES FOR OPERATING IN THE
ORDINARY COURSE**

The official committee of unsecured creditors (the “Committee”) of Highland Capital Management, L.P. (the “Debtor”), hereby submits this reply (this “Reply”) to the *United States Trustee’s Objection to the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operating in the Ordinary Course* [Docket No. 313] (the “Objection”) and in support of the *Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operating in the Ordinary Course* [Docket No. 218](the “Motion”).² In opposition of the Objection and in support of the Motion, the Committee respectfully states as follows:

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

² All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

REPLY

1. The Committee strongly agrees with the U.S. Trustee that Mr. Dondero cannot remain in a position of management authority at the Debtor, however, as a fiduciary to all unsecured creditors in this chapter 11 case, the Committee believes that the Settlement is in the best interests of all creditors and should be approved. The Settlement is the product of weeks of hard-fought negotiations between the Debtor and the Committee and would result in the immediate appointment of three highly-qualified, independent directors who will make all key decisions on behalf of the Debtor and oversee the Debtor's operations going forward. The Settlement also grants the Committee significant information and oversight rights and standing to investigate and pursue claims against certain of the Debtor's insiders. The Committee believes these and other provisions of the Settlement appropriately address the concerns raised by the U.S. Trustee regarding the Debtor's current management and its ability to dispatch its fiduciary duties – which, as noted above, are concerns the Committee shares and has previously raised before this Court. The Committee believes the Settlement establishes a governance structure that best enables the Debtor to maximize value for its stakeholders while protecting them from any potential wrongdoing by the Debtor's principals. In the event the Settlement is not properly implemented, the U.S. Trustee and all other parties in interest, including the Committee, will have the right to seek a chapter 11 trustee at that time.

2. The Committee represents all of the unsecured creditors in this case and the Committee members themselves hold the substantial majority of unsecured claims against the Debtor. Consequently, the Committee and its constituents are the economic parties in interest who stand to benefit from (or be harmed by the failure of) the Debtor and its management effectively dispatching their fiduciary duty. The Committee therefore respectfully asserts that it is the best

situated constituency in this case to fully assess the benefits and costs of the various governance structures available to the Debtor, including a chapter 11 trustee, and to ensure that value is maximized for the benefit of all creditors. Only after weeks of intensive negotiations did the Committee ultimately conclude the Settlement, including the governance structure reflected therein, represents the best path forward for the Debtor and this case.

3. The Settlement, if approved, avoids the significant delay and costs that would be associated with a contested chapter 11 trustee appointment. Indeed, if the Settlement is approved at the hearing on January 9, 2020, the Independent Directors may be installed as soon as that same day. On the other hand, it would be several weeks or potentially *months* until a contested chapter 11 trustee would be installed (if at all), taking into account the briefing and discovery the process would likely entail. A swift resolution of the Debtor's governance issues as reflected in the Settlement – i.e., appointment of an independent board and immediate removal of Mr. Dondero from control and decision-making – is in the interest of all creditors.

4. Finally, it is highly improbable that a chapter 11 trustee would be more capable and better suited to oversee the Debtor's business than the three highly-qualified independent directors appointed pursuant to the Settlement. Collectively, the Independent Directors have extensive experience with asset management, corporate restructurings, and bankruptcy. This experience is essential, complementary and unlikely to be matched by any one individual trustee. As the Court is aware, this Debtor is unlike the average chapter 11 debtor—its business of asset management and trading requires specialized knowledge. The Independent Directors, collectively, have the requisite knowledge and skill set to ensure that the value of the Debtor's estate is maximized, fiduciary duties are honored, and value is preserved for the benefit of all creditors.

5. For the reasons set forth above and in the Debtor's reply, the Committee believes that the Settlement is in the best interests of creditors and should be approved. Importantly, if the new governance structure contemplated by the Settlement ultimately proves unsuccessful or circumstances otherwise change, the Settlement does not prejudice the right of any party in this chapter 11 case, including the Committee, from seeking appropriate relief down the road (including, without limitation, a chapter 11 trustee). As such, approval of the Settlement is less prejudicial than appointment of a chapter 11 trustee at this time because the Settlement expressly preserves all parties' rights to seek additional relief in the future. If, however, the Court were to sustain the Objection and appoint a chapter 11 trustee, any resulting diminution in value of the estate could not be undone at a later date.

[Remainder of Page Intentionally Left Blank]

WHEREFORE, the Committee respectfully requests that the Court overrule the Objection and grant the Motion and provide such other and any further relief as the Court may deem just and proper.

Dated: January 8, 2020
Dallas, Texas

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Proposed Counsel for the Debtor and Debtor-in-Possession

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

In re:	§	
	§	Chapter 11
HIGHLAND CAPITAL MANAGEMENT, L.P., ¹	§	
	§	Case No. 19-34054-sgj11
	§	
Debtor.	§	Related to Docket No. 281

**STIPULATION IN SUPPORT OF MOTION OF THE DEBTOR FOR APPROVAL OF
SETTLEMENT WITH THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
REGARDING GOVERNANCE OF THE DEBTOR AND PROCEDURES FOR
OPERATIONS IN THE ORDINARY COURSE**

This Stipulation (the “Stipulation”) is being entered into by and among Highland Capital Management, L.P., as the above-captioned debtor and debtor-in-possession (the “Debtor”), the

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

Official Committee of Unsecured Creditors appointed in the above captioned case (the “Committee”), Strand Advisors, Inc. (“Strand”), and James Dondero (“Mr. Dondero” and together with the Debtor, the Committee, and Strand, the “Parties”), with reference to the following facts:

Recitals

1. On October 16, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court for the District of Delaware, Case No. 19-12239 (CSS) (the “Delaware Court”).

2. On October 29, 2019, the Official Committee of Unsecured Creditors (the “Committee”) was appointed by the U.S. Trustee in the Delaware Court.

3. On December 4, 2019, the Delaware Court entered an order transferring venue of the Debtor’s bankruptcy case to this Court [Docket No. 186].² The Debtor has continued in the possession of its property and has continued to operate and manage its business as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this chapter 11 case.

4. On December 27, 2019, the Debtor filed the *Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* [Docket No. 281] (the “Settlement Motion”).³

5. The Settlement Motion seeks approval of a proposed settlement embodied in the

² All docket numbers refer to the docket maintained by this Court.

³ All capitalized terms used but not defined herein have the meaning given to them in the Settlement Motion.

Term Sheet (as amended). The Term Sheet, among other things, contemplated the creation of a new independent board of directors of Strand.

6. Strand is the Debtor's general partner and the ultimate party in control of the Debtor.

7. Mr. Dondero is the sole shareholder of Strand.

8. The Term Sheet provides that James Seery, John Dubel, and Russell Nelms (collectively, the "Independent Directors") will be appointed to Strand's board of directors (the "Board") pursuant to the terms of the Term Sheet and the Governing Documents.

9. The Governing Documents provide, among other things, that the Parties will enter into this Stipulation and seek this Court's approval of the Stipulation.

Stipulation

10. In consideration for the Committee entering into the Term Sheet, Mr. Dondero, being the sole shareholder of Strand, agrees as follows:

- a. not to transfer or assign his shares in Strand or exercise the voting power of such shares to remove any of the Independent Directors from Strand's Board or further change the authorized number of directors on the Board from three directors;
- b. to exercise the voting power of his shares so as to cause each of the Independent Directors to be re-elected upon the expiration of each such person's term;
- c. upon the death, disability, or resignation of any member of the Board, to exercise the voting power of his shares so as to cause the resulting vacancy to be filled by a successor that is both independent and (i) acceptable to Mr. Dondero and the Committee or (ii) selected by the remaining members of the Board; and
- d. not take any action or exercise the voting power of his shares in Strand in any way that is inconsistent with the Term Sheet or any order of this Court approving the Term Sheet.

11. The Parties stipulate and agree that this Stipulation will no longer be effective or bind Strand or Mr. Dondero following the termination of the Debtor's bankruptcy case and that the Parties will take such steps as may be reasonably necessary to cause this Stipulation to terminate at such time.

12. The Parties further stipulate and agree that the Court shall have exclusive jurisdiction over (a) all matters arising from or related to the interpretation and implementation of this Stipulation and (b) the adjudication of any Party's breach of this Stipulation.

[Remainder of page intentionally left blank]

Dated: January 9, 2020

Submitted and Agreed to by,

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Jeffrey N. Pomerantz

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(*admitted pro hac vice*)

Ira D. Kharasch (CA Bar No. 109084)

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*Counsel and Proposed Counsel for the Debtor and
Debtor-in-Possession*

Dated: January 9, 2020

AGREED AS TO FORM AND SUBSTANCE:

SIDLEY AUSTIN LLP

/s/ Matthew A. Clemente

Bojan Guzina, Esq. (*admitted pro hac vice*)
Matthew A. Clemente, Esq. (*admitted pro hac vice*)
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*Proposed Counsel for the Official Committee of
Unsecured Creditors*

Dated: January 9, 2020

AGREED AS TO FORM AND SUBSTANCE:

STRAND ADVISORS, INC.

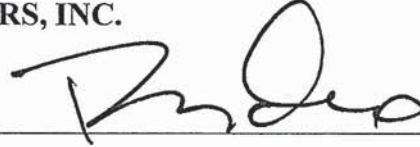
A handwritten signature in black ink, appearing to read 'Scott Ellington', is written over a horizontal line.

Scott Ellington
Secretary

Dated: January 9, 2020

AGREED AS TO FORM AND SUBSTANCE:

**JAMES DONDERO, SOLELY IN HIS CAPACITY
AS THE SOLE SHAREHOLDER OF STRAND
ADVISORS, INC.**

A handwritten signature in black ink, appearing to read "J. Dondero", is written over a horizontal line.



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

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

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

Signed January 9, 2020


United States Bankruptcy Judge

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§
§ Chapter 11
§
§ Case No. 19-34054-sgj11
§
§ Related to Docket Nos. 7 & 259

**ORDER APPROVING SETTLEMENT WITH OFFICIAL COMMITTEE OF
UNSECURED CREDITORS REGARDING GOVERNANCE OF THE DEBTOR
AND PROCEDURES FOR OPERATIONS IN THE ORDINARY COURSE**

Upon the *Motion of the Debtor to Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* (the "Motion"),² filed by the above-captioned debtor and debtor in possession

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

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

(the “Debtor”); the Court having reviewed the Motion, and finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(A), and (c) notice of this Motion having been sufficient under the circumstances and no other or further notice is required; and having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and having determined that the relief sought in the Motion is in the best interests of the Debtor and its estate; and after due deliberation and sufficient cause appearing therefore,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on the terms and conditions set forth herein, and the United States Trustee’s objection to the Motion is OVERRULED.

2. The Term Sheet is approved and the Debtor is authorized to take such steps as may be necessary to effectuate the settlement contained in the Term Sheet, including, but not limited to: (i) implementing the Document Production Protocol; and (ii) implementing the Protocols.

3. The Debtor is authorized (A) to compensate the Independent Directors for their services by paying each Independent Director a monthly retainer of (i) \$60,000 for each of the first three months, (ii) \$50,000 for each of the next three months, and (iii) \$30,000 for each of the following six months, provided that the parties will re-visit the director compensation after the sixth month and (B) to reimburse each Independent Director for all reasonable travel or other expenses, including expenses of counsel, incurred by such Independent Director in connection with its service as an Independent Director in accordance with the Debtor’s expense reimbursement policy as in effect from time to time.

4. The Debtor is authorized to guarantee Strand's obligations to indemnify each Independent Director pursuant to the terms of the Indemnification Agreements entered into by Strand with each Independent Director on the date hereof.

5. The Debtor is authorized to purchase an insurance policy to cover the Independent Directors.

6. All of the rights and obligations of the Debtor referred to in paragraphs 3 and 4 hereof shall be afforded administrative expense priority under 11 U.S.C. § 503(b).

7. Subject to the Protocols and the Term Sheet, the Debtor is authorized to continue operations in the ordinary course of its business.

8. Pursuant to the Term Sheet, Mr. James Dondero will remain as an employee of the Debtor, including maintaining his title as portfolio manager for all funds and investment vehicles for which he currently holds that title; provided, however, that Mr. Dondero's responsibilities in such capacities shall in all cases be as determined by the Independent Directors and Mr. Dondero shall receive no compensation for serving in such capacities. Mr. Dondero's role as an employee of the Debtor will be subject at all times to the supervision, direction and authority of the Independent Directors. In the event the Independent Directors determine for any reason that the Debtor shall no longer retain Mr. Dondero as an employee, Mr. Dondero shall resign immediately upon such determination.

9. Mr. Dondero shall not cause any Related Entity to terminate any agreements with the Debtor.

10. No entity may commence or pursue a claim or cause of action of any kind against any Independent Director, any Independent Director's agents, or any Independent

Director's advisors relating in any way to the Independent Director's role as an independent director of Strand without the Court (i) first determining after notice that such claim or cause of action represents a colorable claim of willful misconduct or gross negligence against Independent Director, any Independent Director's agents, or any Independent Director's advisors and (ii) specifically authorizing such entity to bring such claim. The Court will have sole jurisdiction to adjudicate any such claim for which approval of the Court to commence or pursue has been granted.

11. Nothing in the Protocols, the Term Sheet or this Order shall affect or impair Jefferies LLC's rights under its Prime Brokerage Customer Agreements with the Debtor and non-debtor Highland Select Equity Master Fund, L.P., or any of their affiliates, including, but not limited to, Jefferies LLC's rights of termination, liquidation and netting in accordance with the terms of the Prime Brokerage Customer Agreements or, to the extent applicable, under the Bankruptcy Code's "safe harbor" protections, including under sections 555 and 561 of the Bankruptcy Code. The Debtor shall not conduct any transactions or cause any transactions to be conducted in or relating to the Jefferies LLC accounts without the express consent and cooperation of Jefferies LLC or, in the event that Jefferies withholds consent, as otherwise ordered by the Court. For the avoidance of doubt, Jefferies LLC shall not be deemed to have waived any rights under the Prime Brokerage Customer Agreements or, to the extent applicable, the Bankruptcy Code's "safe harbor" protections, including under sections 555 and 561 of the Bankruptcy Code, and shall be entitled to take all actions authorized therein without further order of the Court

12. Notwithstanding any stay under applicable Bankruptcy Rules, this Order shall be effective immediately upon entry.

13. The Court shall retain jurisdiction over all matters arising from or related to the interpretation and implementation of this Order, including matters related to the Committee's approval rights over the appointment and removal of the Independent Directors.

END OF ORDER

PACHULSKI STANG ZIEHL & JONES LLP

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Counsel and Proposed Counsel for the Debtor and Debtor-in-Possession

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§
§
§
§
§
§

Chapter 11

Case No. 19-34054-sgj11

Related to Docket No. 281

NOTICE OF FINAL TERM SHEET

TO: (a) the Office of the United States Trustee; (b) the Office of the United States Attorney for the Northern District of Texas; (c) counsel to the Committee; (d) the Debtor's principal secured parties; and (e) parties requesting notice pursuant to Bankruptcy Rule 2002.

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

PLEASE TAKE NOTICE that on January 9, 2020, the Court held a hearing (the “Hearing”) on that certain *Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* [Dkt. No. 281] (the “Motion”) filed by Highland Capital Management, L.P., the debtor and debtor-in-possession (collectively, the “Debtor”) in the above-captioned chapter 11 bankruptcy case (the “Case”).

PLEASE TAKE FURTHER NOTICE that at the Hearing, the Debtor presented to the Court an amended and modified version of the Term Sheet (as defined in the Motion) and the exhibits thereto (collectively, the “Amended Term Sheet”).

PLEASE TAKE FURTHER NOTICE that the Amended Term Sheet is attached hereto as **Exhibit A**.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

Dated: January 14, 2020.

PACHULSKI STANG ZIEHL & JONES LLP

Jeffrey N. Pomerantz (CA Bar No. 143717)
(*admitted pro hac vice*)
Ira D. Kharasch (CA Bar No. 109084)
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-and-

HAYWARD & ASSOCIATES PLLC

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*Counsel and Proposed Counsel for the Debtor and
Debtor-in-Possession*

EXHIBIT “A”

Highland Capital Management, L.P.

Preliminary Term Sheet

This term sheet (“Term Sheet”) outlines the principal terms of a proposed settlement between Highland Capital Management, L.P. (the “Debtor”) and the Official Committee of Unsecured Creditors (the “Committee”) in the chapter 11 case captioned In re Highland Capital Mgm’t, L.P., Case No. 19-34054 (SGJ) (the “Chapter 11 Case”), pending in the Bankruptcy Court for the Northern District of Texas (the “Bankruptcy Court”), to resolve a good faith dispute between the parties related to the Debtor’s corporate governance, and specifically, the Committee’s various objections to certain relief being sought by the Debtors in the Chapter 11 Case [Del. Docket No. 125]. This Term Sheet shall be subject to approval by the Bankruptcy Court.

Topic	Proposed Terms
Parties	Highland Capital Management, L.P. (the “ <u>Debtor</u> ”). The Official Committee of Unsecured Creditors of Highland Capital Management, L.P. (the “ <u>Committee</u> ”).
Independent Directors	The Debtor’s general partner, Strand Advisors, Inc., will appoint the following three (3) independent directors (the “ <u>Independent Directors</u> ”): James Seery, John Dubel, and Judge Russell Nelms. The Independent Directors will be granted exclusive control over the Debtor and its operations. Among other things, the Independent Directors shall conduct a review of all current employees as soon as practicable following the Independent Directors’ appointment, determine whether and which employees should be subject to a key employee retention plan and/or key employee incentive plan and, if applicable, propose plan(s) covering such employees. The appointment and powers of the Independent Directors and the corporate governance structure shall be pursuant to the documents attached hereto as <u>Exhibit A</u> , which documents shall be satisfactory to the Committee. Once appointed, the Independent Directors (i) cannot be removed without the Committee’s written consent or Order of the Court, and (ii) may be removed and replaced at the Committee’s direction upon approval of the Court (subject in all respects to the right of any party in interest, including the Debtor and the Independent Directors, to object to such removal and replacement). The Independent Directors shall be compensated in a manner to be determined with an understanding that the

	<p>source of funding, whether directly or via reimbursement, will be the Debtor.</p> <p>As soon as practicable after their appointments, the Independent Directors shall, in consultation with the Committee, determine whether an interim Chief Executive Officer (the “<u>CEO</u>”) should be appointed for the Debtor. If the Independent Directors determine that appointment of a CEO is appropriate, the Independent Directors shall appoint a CEO acceptable to the Committee as soon as practicable, which may be one of the Independent Directors. Once appointed, the CEO cannot be removed without the Committee’s written consent or Order of the Court.</p> <p>The Committee shall have regular, direct access to the Independent Directors, <u>provided, however</u> that (1) if the communications include FTI Consulting Inc. (“<u>FTI</u>”), Development Specialists Inc. (“<u>DSI</u>”) shall also participate in such communications; and (2) if the communications include counsel, then either Debtor’s counsel or, if retained, counsel to the Independent Directors shall also participate in such communications.</p>
Role of Mr. James Dondero	<p>Upon approval of this Term Sheet by the Bankruptcy Court, Mr. Dondero will (1) resign from his position as a Board of Director of Strand Advisors, Inc., (2) resign as an officer of Strand Advisors, Inc., and (3) resign as President and CEO of the Debtor, and (4) will remain as an employee of the Debtor, including maintaining his title as portfolio manager for all funds and investment vehicles for which he currently holds that title; provided, however, that Mr. Dondero’s responsibilities in such capacities shall in all cases be as determined by the Independent Directors and Mr. Dondero shall receive no compensation for serving in such capacities. Mr. Dondero’s role as an employee of the Debtor will be subject at all times to the supervision, direction and authority of the Independent Directors. In the event the Independent Directors determine for any reason that the Debtor shall no longer retain Mr. Dondero as an employee, Mr. Dondero agrees to resign immediately upon such determination. Mr. Dondero shall not cause any Related Entity to terminate any agreements with the Debtor.</p>
CRO	<p>DSI shall, subject to approval of the Bankruptcy Court, be retained as chief restructuring officer (“<u>CRO</u>”) to the</p>

	<p>Debtor and report to and be directed by the Independent Directors and, if and once appointed, the CEO. The retention and scope of duties of DSI shall be pursuant to the Further Amended Retention Agreement, attached hereto as <u>Exhibit B</u>.</p> <p>DSI and all other Debtor professionals shall serve at the direction of the CEO, if any, and the Independent Directors.</p>
Estate Claims	<p>The Committee is granted standing to pursue any and all estate claims and causes of action against Mr. Dondero, Mr. Okada, other insiders of the Debtor, and each of the Related Entities, including any promissory notes held by any of the foregoing (collectively, the “<u>Estate Claims</u>”); provided, however, that the term Estate Claims will not include any estate claim or cause of action against any then-current employee of the Debtor other than Mr. Dondero.</p>
Document Management, Preservation, and Production	<p>The Debtor shall be subject to and comply with the document management, preservation, and production requirements attached hereto as <u>Exhibit C</u>, which requirements cannot be modified without the consent of the Committee or Court order (the “<u>Document Production Protocol</u>”).</p> <p>Solely with respect to the investigation and pursuit of Estate Claims, the document production protocol will acknowledge that the Committee will have access to the privileged documents and communications that are within the Debtor’s possession, custody, or control (“<u>Shared Privilege</u>”).</p> <p>With respect to determining if any particular document is subject to the Shared Privilege, the following process shall be followed: (i) the Committee will request documents from the Debtor, (ii) the Debtor shall log all documents requested but withheld on the basis of privilege, (iii) the Debtor shall not withhold documents it understands to be subject to the Shared Privilege; (iv) the Committee will identify each additional document on the log that the Committee believes is subject to the Shared Privilege, and (v) a special master or other third party neutral agreed to by the Committee and the Debtor shall make a determination if such documents are subject to the Shared Privilege. The Committee further agrees that the production of any particular document by</p>

	the Debtor under this process will not be used as a basis for a claim of subject matter waiver.
Reporting Requirements	The Debtor shall be subject to and comply with the reporting requirements attached hereto as <u>Exhibit D</u> , which reporting requirements cannot be modified without the consent of the Committee or Court order (the “ <u>Reporting Requirements</u> ”).
Plan Exclusivity	The Independent Directors may elect to waive the Debtor’s exclusive right to file a plan under section 1121 of the Bankruptcy Code.
Operating Protocols	The Debtor shall comply with the operating protocols set forth in <u>Exhibit D</u> hereto, regarding the Debtor’s operation in the ordinary course of business, which protocols cannot be modified without the consent of the Committee or Court order.
Reservation of Rights	This agreement is without prejudice to the Committee’s rights to, among other things, seek the appointment of a trustee or examiner at a later date. Nothing herein shall constitute or be construed as a waiver of any right of the Debtor or any other party in interest to contest the appointment of a trustee or examiner, and all such rights are expressly reserved.

Exhibit A

Debtor's Corporate Governance Documents

003777

WRITTEN CONSENT OF SOLE STOCKHOLDER AND DIRECTOR

OF

STRAND ADVISORS, INC.

January 9, 2020

Pursuant to the provisions of the General Corporation Law of the State of Delaware (the “DGCL”) and consistent with the provisions of the Certificate of Incorporation (the “Certificate”) and Bylaws (the “Bylaws”) of Strand Advisors, Inc., a Delaware corporation (the “Company”), the undersigned, being the holder of all of the issued and outstanding shares of common stock, par value \$0.01 per share, of the Company and the sole director of the Company (the “Stockholder”), acting by written consent without a meeting pursuant to Section 228 of the DGCL and Article IV, Section 6, and Article XII of the Bylaws, does hereby consent to the adoption of the following resolutions and to the taking of the actions contemplated thereby, in each case with the same force and effect as if presented to and adopted at a meeting of the stockholders:

I. AMENDMENT OF BYLAWS

WHEREAS, it is acknowledged that the Board of Directors of the Company (the “Board”) has heretofore been fixed at one (1) and that the Board currently consists of James Dondero;

WHEREAS, pursuant to Article XII of the Bylaws, the Stockholder wishes to amend the Bylaws in the manner set forth on **Appendix A** hereto (the “Bylaws Amendment”) to increase the size of the Board from one (1) to three (3) directors, and to add certain provisions respecting director qualifications and the removal of directors; and

NOW, THEREFORE, BE IT RESOLVED, that the Bylaws Amendment is hereby authorized and approved, and the Board is increased from one (1) to three (3) directors;

RESOLVED FURTHER, that any officer of the Company is authorized to take any such actions as may be required to effectuate the Bylaws Amendment; and

RESOLVED FURTHER, that any action taken by any officer of the Company on or prior to the date hereof to effectuate such Bylaws Amendment is hereby authorized and affirmed.

II. ELECTION OF DIRECTORS

WHEREAS, the Stockholder desires to appoint James Seery, John Dubel, and Russell Nelms to the Board and desires that such individuals constitute the whole Board;

NOW, THEREFORE, BE IT RESOLVED, that James Seery, John Dubel, and Russell Nelms, having consented to act as such, be, and each of them hereby is, appointed as a director, to serve as a director of the Company and to hold such office until such director’s respective successor shall have been duly elected or appointed and shall qualify, or until such director’s death, resignation or removal;

RESOLVED FURTHER, that any officer of the Company is authorized to take any such actions as

may be required to effectuate the appointment of the foregoing directors, including executing an indemnification agreement in favor of such directors in substantially the form attached hereto as **Appendix B** (each, an “Indemnification Agreement”);

RESOLVED FURTHER, that any action taken by any officer of the Company on or prior to the date hereof to effectuate the appointment of such directors, including the execution of an Indemnification Agreement, is hereby authorized and affirmed.

RESOLVED FURTHER, that James Dondero and any other directors of the Company are hereby removed as directors of the Company;

RESOLVED FURTHER, that the directors appointed pursuant to these resolutions shall, pursuant to the terms of the Bylaws, appoint a Chairman of the Board.

III. STIPULATION WITH THE BANKRUPTCY COURT

WHEREAS, on October 16, 2019, Highland Capital Management, L.P. (“HCMLP”) filed for chapter 11 bankruptcy protection in the Bankruptcy Court for the District of Delaware, Case No. 19-12239 (CSS) (the “Bankruptcy Case”);

WHEREAS, the Company is the general partner for HCMLP;

WHEREAS, the Bankruptcy Case was transferred to the Bankruptcy Court for the Northern District of Texas, Case No. 19-34054-sgj11 (the “Texas Court”) by order of the Bankruptcy Court for the District of Delaware on December 4, 2019;

WHEREAS, the Company and the Stockholder wish to enter into a stipulation (the “Stipulation”) with HCMLP and the Official Unsecured Creditors Committee appointed in the Bankruptcy Case (the “Committee”), such Stipulation to be approved by the Texas Court, whereby the Stockholder will agree (a) not to transfer or assign his shares in the Company or exercise the voting power of such shares to remove any member of the Board appointed pursuant to these resolutions or further change the authorized number of directors from three (3) directors; (b) to exercise the voting power of his shares so as to cause each member of the Board appointed by these resolutions to be re-elected upon the expiration of his or her term; (c) upon the death, disability, or resignation of a member of the Board, will exercise the voting power of such shares so as to cause the resulting vacancy to be filled by a successor that is both independent and (i) acceptable to the Stockholder and the Committee or (ii) selected by the remaining members of the Board; and (d) not take any action or exercise the voting power of such shares in any way that is inconsistent with the term sheet agreed to by HCMLP and the Committee and any order of the Texas Court approving such agreement and compromise between HCMLP and the Committee;

WHEREAS, for purposes of the Stipulation, “independent” would exclude the Stockholder, any affiliate of the Stockholder, and any member of management of the Company; and

WHEREAS, it is in the intent of the parties that the Stipulation will no longer be effective or bind the Company or the Stockholder following the termination of the Bankruptcy Case.

NOW, THEREFORE, BE IT RESOLVED, that the Company is authorized to take such actions as may be necessary to enter into and effectuate the Stipulation in the manner and on the terms set forth above, including, but not limited to, further amending the Certificate, Bylaws, or any other corporate governance documents; and

RESOLVED FURTHER, that Scott Ellington, as an officer of the Company, is authorized to take any such actions as may be required to enter into and effectuate the Stipulation in the manner set forth herein; and

RESOLVED FURTHER, that any action taken by Scott Ellington or any other officer of the Company on or prior to the date hereof to effectuate such Stipulation is hereby authorized and affirmed.

[Signature pages follow.]

IN WITNESS WHEREOF, the undersigned has executed this Written Consent as of the respective date and year first appearing above.

STOCKHOLDER:

James Dondero

[Signature Page to Written Consent of Sole Stockholder of Strand Advisors, Inc.]

**First Amendment to Bylaws of
Strand Advisors, Inc.**

Strand Advisors, Inc. (the “Company”), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify that the Company’s sole stockholder, acting by written consent without a meeting, resolved to amend the Company’s Bylaws (the “Bylaws”) as follows:

1. Article III, Section 2, of the Bylaws is hereby deleted in its entirety and replaced with the following:

Section 2. Number of Directors. The number of directors which shall constitute the whole Board shall be three (3).

2. Article III, Section 5, of the Bylaws is hereby deleted in its entirety and replaced with the following:

Section 5. Director Qualifications. Each director appointed to serve on the Board shall (A) (i) be an independent director, (ii) not be affiliated with the corporation’s stockholders, and (iii) not be an officer of the corporation; and (B) have been (x) nominated by the official committee of unsecured creditors (the “Committee”) appointed in the chapter 11 bankruptcy of Highland Capital Management, L.P. (the “Debtor”) currently pending in the United States Bankruptcy Court for the Northern District of Texas (the “Court”), Case No. 19-34054-sgj11 and reasonably acceptable to the stockholders; (y) nominated by the stockholders and acceptable to the Committee; or (z) selected by the duly appointed independent directors.

3. The following shall be added as Section 6 to Article III of the Bylaws:

Section 6. Removal of Directors. Once appointed, the independent directors (i) cannot be removed without the Committee’s written consent or Order of the Court, and (ii) may be removed and replaced at the Committee’s direction upon approval of the Court (subject in all respects to the right of any party in interest, including the Debtor and the independent directors, to object to such removal and replacement).

Except as expressly amended hereby, the terms of the Company’s Bylaws shall remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this amendment to be signed this 9th day of January, 2020.

STRAND ADVISORS, INC.

By: Scott Ellington
Its: Secretary

[_____]

[NAME]
[ADDRESS]
[ADDRESS]
[ADDRESS]

Re: Strand Advisors, Inc. – Director Agreement

Dear [REDACTED]:

On behalf of Strand Advisors, Inc. (the “Company”), I am pleased to have you join the Company’s Board of Directors. This letter sets forth the terms of the Director Agreement (the “Agreement”) that the Company is offering to you.

1. APPOINTMENT TO THE BOARD OF DIRECTORS.

a. Title, Term and Responsibilities.

i. Subject to terms set forth herein, the Company agrees to appoint you to serve as a Director on the Company’s Board of Directors (the “Board”), and you hereby accept such appointment the date you sign this Agreement (the “Effective Date”). You will serve as a Director of the Board from the Effective Date until you voluntarily resign, are removed from the Board, or are not re-elected (the “Term”). Your rights, duties and obligations as a Director shall be governed by the Certificate of Incorporation and Bylaws of the Company, each as amended from time to time (collectively, the “Governing Documents”), except that where the Governing Documents conflict with this Agreement, this Agreement shall control.

ii. You acknowledge and understand that the Company is the general partner of Highland Capital Management, L.P. (“HCMLP”) and that HCMLP is currently the debtor in possession in a chapter 11 bankruptcy proceeding (the “Bankruptcy”) pending in the United States Bankruptcy Court for the Northern District of Texas (the “Bankruptcy Court”). Your rights, duties, and obligations may in certain instances require your involvement, either directly or indirectly, in the Bankruptcy and such rights, duties, and obligations may be impacted in whole or in part by the Bankruptcy.

b. Mandatory Board Meeting Attendance. As a Director, you agree to apply all reasonable efforts to attend each regular meeting of the Board. You also agree to devote sufficient time to matters that may arise at the Company from time to time that require your attention as a Director.

c. Independent Contractor. Under this Agreement, your relationship with the Company will be that of an independent contractor as you will not be an employee of the Company nor eligible to participate in regular employee benefit and compensation plans of the Company.

d. Information Provided by the Company. The Company shall: (i) provide you with reasonable access to management and other representatives of the Company and HCMLP; and (ii) furnish all data, material, and other information concerning the business, assets, liabilities, operations, cash flows, properties, financial condition and prospects of the Company and HCMLP that you request in connection with the services to be provided to the Company. You will rely, without further independent verification,

on the accuracy and completeness of all publicly available information and information that is furnished by or on behalf of the Company and otherwise reviewed by you in connection with the services performed for the Company. The Company acknowledges and agrees that you are not responsible for the accuracy or completeness of such information and shall not be responsible for any inaccuracies or omissions therein, provided that if you become aware of material inaccuracies or errors in any such information you shall promptly notify the Board of such errors, inaccuracies or concerns.

2. COMPENSATION AND BENEFITS.

a. Retainer. The Company will pay you a retainer for each month you serve on the Board (the “Retainer”) to be paid in monthly installments of (a) \$60,000 for each of the first three months, (b) \$50,000 for each of the next three months, and (c) \$30,000 for each of the following six months. The parties will re-visit the Retainer after the sixth month. The Company’s obligation to pay the Retainer will cease upon the termination of the Term.

b. Expense Reimbursement. The Company will reimburse you for all reasonable travel or other expenses, including expenses of counsel, incurred by you in connection with your services hereunder, in accordance with the Company’s expense reimbursement policy as in effect from time to time.

c. Invoices; Payment.

i. In order to receive the compensation and reimbursement set forth in this Section 2, you are required to send to the Company regular monthly invoices indicating your fees, costs, and expenses incurred. Payment of the Retainer will be due on the first business day of each month regardless of whether an invoice has been provided. Reimbursement of expenses will also occur on the first business day of each month, subject to the Company’s receipt of appropriate documentation required by the Company’s expenses reimbursement policy.

ii. You further agree that the Company’s obligation to pay the compensation and reimbursement set forth in this Section 2 is conditioned in all respects on the entry of a final order in the court overseeing the Bankruptcy that authorizes and requires HCMLP to reimburse the Company for all such payments to you.

d. Indemnification; D&O Insurance. You will receive indemnification as a Director of the Company on the terms set forth in that certain Indemnification Agreement, dated [REDACTED], a copy of which is attached hereto as **Appendix A** (the “Indemnification Agreement”). You will also be provided coverage under the Company’s directors’ and officers’ insurance policy as set forth in the Indemnification Agreement.

e. Tax Indemnification. You acknowledge that the Company will not be responsible for the payment of any federal or state taxes that might be assessed with respect to the Retainer and you agree to be responsible for all such taxes.

3. PROPRIETARY INFORMATION OBLIGATIONS.

a. Proprietary Information. You agree that during the Term and thereafter that you will take all steps reasonably necessary to hold all information of the Company, its affiliates, and related entities, which a reasonable person would believe to be confidential or proprietary information, in trust and confidence, and not disclose any such confidential or proprietary information to any third party without first obtaining the Company’s express written consent on a case-by-case basis.

b. Third Party Information. The Company has received and will in the future receive from third parties confidential or proprietary information (“Third Party Information”) subject to a duty on the Company’s part to maintain the confidentiality of such information and to use it only for certain limited purposes. You agree to hold such Third Party Information in confidence and not to disclose it to anyone (other than Company personnel who need to know such information in connection with their work for Company) or to use, except in connection with your services for Company under this Agreement, Third Party Information unless expressly authorized in writing by the Company.

c. Return of Company Property. Upon the end of the Term or upon the Company’s earlier request, you agree to deliver to the Company any and all notes, materials and documents, together with any copies thereof, which contain or disclose any confidential or proprietary information or Third Party Information.

4. OUTSIDE ACTIVITIES.

a. Investments and Interests. Except as permitted by Section 4(b), you agree not to participate in, directly or indirectly, any position or investment known by you to be materially adverse to the Company or any of its affiliates or related entities.

b. Activities. Except with the prior written consent of the Board, you will not during your tenure as a member of the Company’s Board undertake or engage in any other directorship, employment or business enterprise in direct competition with the Company or any of its affiliates or related entities, other than ones in which you are a passive investor or other activities in which you were a participant prior to your appointment to the Board as disclosed to the Company.

c. Other Agreements. You agree that you will not disclose to the Company or use on behalf of the Company any confidential information governed by any agreement between you and any third party except in accordance with such agreement.

5. TERMINATION OF DIRECTORSHIP.

a. Voluntary Resignation, Removal Pursuant to Bylaws. You may resign from the Board at any time with or without advance notice, with or without reason. Subject to any orders or agreements entered into in connection with the Bankruptcy, you may be removed from the Board at any time, for any reason, in any manner provided by the Governing Documents and applicable law.

b. Continuation. The provisions of this Agreement that give the parties rights or obligations beyond the termination of this Agreement will survive and continue to bind the parties.

c. Payment of Fees; Reimbursement. Following termination of this Agreement, any undisputed fees and expenses due to you will be remitted promptly following receipt by the Company of any outstanding invoices.

6. GENERAL PROVISIONS.

a. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. If any provision of this Agreement is held to be invalid, illegal or unenforceable such provision will be reformed, construed and enforced to render it valid, legal, and enforceable consistent with the intent of the parties insofar as possible.

b. Entire Agreement. This Agreement constitutes the entire agreement between you and the Company with respect to your service as a Director and supersedes any prior agreement, promise, representation or statement written between you and the Company with regard to this subject matter. It is entered into without reliance on any promise, representation, statement or agreement other than those expressly contained or incorporated herein, and it cannot be modified or amended except in a writing signed by the party or parties affected by such modification or amendment.

c. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company and our respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your rights or duties hereunder.

d. Governing Law. This Agreement will be governed by the law of the State of Delaware as applied to contracts made and performed entirely within Delaware.

We are all delighted to be able to extend you this offer and look forward to working with you. To indicate your acceptance of the Company's offer, please sign and date this Agreement below.

Sincerely,

STRAND ADVISORS, INC.

By: Scott Ellington
Its: Secretary

[Signature Page Follows]

ACCEPTED AND AGREED:

[NAME]

Date: _____

INDEMNIFICATION AND GUARANTY AGREEMENT

This Indemnification and Guaranty Agreement (“**Agreement**”), dated as of [_____] , is by and between STRAND ADVISORS, INC., a Delaware corporation (the “**Company**”), HIGHLAND CAPITAL MANAGEMENT, LP, a Delaware partnership (the “**Debtor**”) (solely as to Section 29 hereunder), and [_____] (the “**Indemnitee**”).

WHEREAS, the Company is the general partner of the Debtor and, in such capacity, manages the business affairs of the Debtor;

WHEREAS, Indemnitee has agreed to serve as a member of the Company’s board of directors (the “**Board**”) effective as of the date hereof;

WHEREAS, the Board has determined that enhancing the ability of the Company, on its own behalf and for the benefit of the Debtor, to retain and attract as directors the most capable Persons is in the best interests of the Company and the Debtor and that the Company and the Debtor therefore should seek to assure such Persons that indemnification and insurance coverage is available; and

WHEREAS, in recognition of the need to provide Indemnitee with protection against personal liability, in order to procure Indemnitee’s service as a director of the Company, in order to enhance Indemnitee’s ability to serve the Company in an effective manner and in order to provide such protection pursuant to express contract rights (intended to be enforceable irrespective of, among other things, any amendment to the Company’s Bylaws (as may be amended further from time to time, the “**Bylaws**”), any change in the composition of the Board or any change in control, business combination or similar transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of, and the advancement of Expenses (as defined in Section 1(g) below) to, Indemnitee as set forth in this Agreement and for the coverage of Indemnitee under the Company’s directors’ and officers’ liability or similar insurance policies (“**D&O Insurance**”).

NOW, THEREFORE, in consideration of the foregoing and the Indemnitee’s agreement to provide services to the Company, the parties (including the Debtor solely as to Section 29 hereunder) agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) “**Change in Control**” means the occurrence of any of the following: (i) the direct or indirect sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions (including any merger or consolidation or whether by operation of law or otherwise), of all or substantially all of the properties or assets of the Company and its subsidiaries, to a third party purchaser (or group of affiliated third party purchasers) or (ii) the consummation of any transaction (including any merger or consolidation or whether by operation of law or otherwise), the result of which is that a third party purchaser (or group of affiliated third party purchasers) becomes the beneficial

owner, directly or indirectly, of more than fifty percent (50%) of the then outstanding Shares or of the surviving entity of any such merger or consolidation.

(b) “**Claim**” means:

(i) any threatened, pending or completed action, suit, claim, demand, arbitration, inquiry, hearing, proceeding or alternative dispute resolution mechanism, or any actual, threatened or completed proceeding, including any and all appeals, in each case, whether brought by or in the right of the Company or otherwise, whether civil, criminal, administrative, arbitrative, investigative or other, whether formal or informal, and whether made pursuant to federal, state, local, foreign or other law, and whether or not commenced prior to the date of this Agreement, in which Indemnitee was, is or will be involved as a party or otherwise, by reason of or relating to either (a) any action or alleged action taken by Indemnitee (or failure or alleged failure to act) or of any action or alleged action (or failure or alleged failure to act) on Indemnitee’s part, while acting in his or her Corporate Status or (b) the fact that Indemnitee is or was serving at the request of the Company or any subsidiary of the Company as director, officer, employee, partner, member, manager, trustee, fiduciary or agent of another Enterprise, in each case, whether or not serving in such capacity at the time any Loss or Expense is paid or incurred for which indemnification or advancement of Expenses can be provided under this Agreement, except one initiated by Indemnitee to enforce his or her rights under this Agreement; or

(ii) any inquiry, hearing or investigation that the Indemnitee determines might lead to the institution of any such action, suit, proceeding or alternative dispute resolution mechanism.

(c) “**Controlled Entity**” means any corporation, limited liability company, partnership, joint venture, trust or other Enterprise, whether or not for profit, that is, directly or indirectly, controlled by the Company. For purposes of this definition, the term “control” means the possession, directly or indirectly, of the power to direct, or cause the direction of, the management or policies of an Enterprise, whether through the ownership of voting securities, through other voting rights, by contract or otherwise.

(d) “**Corporate Status**” means the status of a Person who is or was a director, officer, employee, partner, member, manager, trustee, fiduciary or agent of the Company or of any other Enterprise which such Person is or was serving at the request of the Company or any subsidiary of the Company. In addition to any service at the actual request of the Company, Indemnitee will be deemed, for purposes of this Agreement, to be serving or to have served at the request of the Company or any subsidiary of the Company as a director, officer, employee, partner, member, manager, trustee, fiduciary or agent of another Enterprise if Indemnitee is or was serving as a director, officer, employee, partner, member, manager, fiduciary, trustee or agent of such Enterprise and (i) such Enterprise is or at the time of such service was a Controlled Entity, (ii) such Enterprise is or at the time of such service was an employee benefit plan (or related trust) sponsored or maintained by the Company or a Controlled Entity or (iii) the Company or a

Controlled Entity, directly or indirectly, caused Indemnitee to be nominated, elected, appointed, designated, employed, engaged or selected to serve in such capacity.

(e) **“Disinterested Director”** means a director of the Company who is not and was not a party to the Claim in respect of which indemnification is sought by Indemnitee. Under no circumstances will James Dondero be considered a Disinterested Director.

(f) **“Enterprise”** means the Company or any subsidiary of the Company or any other corporation, partnership, limited liability company, joint venture, employee benefit plan, trust or other entity or other enterprise of which Indemnitee is or was serving at the request of the Company or any subsidiary of the Company in a Corporate Status.

(g) **“Expenses”** means any and all expenses, fees, including attorneys’, witnesses’ and experts’ fees, disbursements and retainers, court costs, transcript costs, travel expenses, duplicating, printing and binding costs, telephone charges, postage, fax transmission charges, secretarial services, delivery services fees, and all other fees, costs, disbursements and expenses paid or incurred in connection with investigating, defending, prosecuting, being a witness in or participating in (including on appeal), or preparing to defend, prosecute, be a witness or participate in, any Claim. Expenses also shall include (i) Expenses paid or incurred in connection with any appeal resulting from any Claim, including, without limitation, the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 4 only, Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee’s rights under this Agreement, by litigation or otherwise. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(h) **“Exchange Act”** means the Securities Exchange Act of 1934, as amended, or any successor statute thereto, and the rules and regulations of the United States Securities and Exchange Commission promulgated thereunder.

(i) **“Expense Advance”** means any payment of Expenses advanced to Indemnitee by the Company pursuant to Section 4 or Section 5 hereof.

(j) **“Indemnifiable Event”** means any event or occurrence, whether occurring before, on or after the date of this Agreement, related to the fact that Indemnitee is or was a manager, director, officer, employee or agent of the Company or any subsidiary of the Company, or is or was serving at the request of the Company or any subsidiary of the Company as a manager, director, officer, employee, member, manager, trustee or agent of any other Enterprise or by reason of an action or inaction by Indemnitee in any such capacity (whether or not serving in such capacity at the time any Loss is incurred for which indemnification can be provided under this Agreement).

(k) **“Independent Counsel”** means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently performs, nor in the past three (3) years has performed, services for any of: (i) James Dondero, (ii) the

Company or Indemnitee (other than in connection with matters concerning Indemnitee under this Agreement or of other indemnitees under similar agreements), or (iii) any other party to the Claim giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any Person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.

(l) “**Losses**” means any and all Expenses, damages, losses, liabilities, judgments, fines (including excise taxes and penalties assessed with respect to employee benefit plans and ERISA excise taxes), penalties (whether civil, criminal or other), amounts paid or payable in settlement, including any interest, assessments, any federal, state, local or foreign taxes imposed as a result of the actual or deemed receipt of any payments under this Agreement and all other charges paid or payable in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness or participate in, any Claim.

(m) “**Person**” means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, governmental entity or other entity and includes the meaning set forth in Sections 13(d) and 14(d) of the Exchange Act.

(n) “**Shares**” means an ownership interest of a member in the Company, including each of the common shares of the Company or any other class or series of Shares designated by the Board.

(o) References to “**serving at the request of the Company**” include any service as a director, manager, officer, employee, representative or agent of the Company which imposes duties on, or involves services by, such director, manager, officer, employee or agent, including but not limited to any employee benefit plan, its participants or beneficiaries; and a Person who acted in good faith and in a manner he or she reasonably believed to be in and not opposed to the best interests of the Company in Indemnitee’s capacity as a director, manager, officer, employee, representative or agent of the Company, including but not limited to acting in the best interest of participants and beneficiaries of an employee benefit plan will be deemed to have acted in a manner “**not opposed to the best interests of the Company**” as referred to under applicable law or in this Agreement.

2. Indemnification.

(a) Subject to Section 9 and Section 10 of this Agreement, the Company shall indemnify and hold Indemnitee harmless, to the fullest extent permitted by the laws of the State of Delaware in effect on the date hereof, or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification, against any and all Losses and Expenses if Indemnitee was or is or becomes a party to or participant in, or is threatened to be made a party to or participant in, any Claim by reason of or arising in part out of an Indemnifiable Event, including, without limitation, Claims

brought by or in the right of the Company, Claims brought by third parties, and Claims in which the Indemnitee is solely a witness.

(b) For the avoidance of doubt, the indemnification rights and obligations contained herein shall also extend to any Claim in which the Indemnitee was or is a party to, was or is threatened to be made a party to or was or is otherwise involved in any capacity in by reason of Indemnitee's Corporate Status as a fiduciary capacity with respect to an employee benefit plan. In connection therewith, if the Indemnitee has acted in good faith and in a manner which appeared to be consistent with the best interests of the participants and beneficiaries of an employee benefit plan and not opposed thereto, the Indemnitee shall be deemed to have acted in a manner not opposed to the best interests of the Company.

3. Contribution.

(a) Whether or not the indemnification provided in Section 2 is available, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any Claim in which the Company is jointly liable with Indemnitee (or would be if joined in such Claim), the Company shall contribute to the amount of Losses paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors, managers or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such Claim), on the one hand, and Indemnitee, on the other hand, from the transaction or events from which such Claim arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors, managers or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such Claim), on the one hand, and Indemnitee, on the other hand, in connection with the transaction or events that resulted in such Losses, as well as any other equitable considerations which applicable law may require to be considered. The relative fault of the Company and all officers, directors, managers or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such Claim), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(b) The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors, managers or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

(c) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes,

amounts paid or to be paid in settlement and/or for Expenses, in connection with any Claim relating to an Indemnifiable Event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Claim in order to reflect (i) the relative benefits received by the Company and Indemnatee as a result of the event(s) and/or transaction(s) giving cause to such Claim; and/or (ii) the relative fault of the Company (and its directors, managers, officers, employees and agents) and Indemnatee in connection with such event(s) and/or transaction(s).

4. Advancement of Expenses. The Company shall, if requested by Indemnatee, advance, to the fullest extent permitted by law, to Indemnatee (an “**Expense Advance**”) any and all Expenses actually and reasonably paid or incurred (even if unpaid) by Indemnatee in connection with any Claim arising out of an Indemnifiable Event (whether prior to or after its final disposition). Indemnatee’s right to such advancement is not subject to the satisfaction of any standard of conduct. Without limiting the generality or effect of the foregoing, within thirty (30) business days after any request by Indemnatee, the Company shall, in accordance with such request, (a) pay such Expenses on behalf of Indemnatee, (b) advance to Indemnatee funds in an amount sufficient to pay such Expenses, or (c) reimburse Indemnatee for such Expenses. In connection with any request for Expense Advances, Indemnatee shall not be required to provide any documentation or information to the extent that the provision thereof would undermine or otherwise jeopardize attorney-client privilege. Execution and delivery to the Company of this Agreement by Indemnatee constitutes an undertaking by the Indemnatee to repay any amounts paid, advanced or reimbursed by the Company pursuant to this Section 4, the final sentence of Section 9(b), or Section 11(b) in respect of Expenses relating to, arising out of or resulting from any Claim in respect of which it shall be determined, pursuant to Section 9, following the final disposition of such Claim, that Indemnatee is not entitled to indemnification hereunder. No other form of undertaking shall be required other than the execution of this Agreement. Each Expense Advance will be unsecured and interest free and will be made by the Company without regard to Indemnatee’s ability to repay the Expense Advance.

5. Indemnification for Expenses in Enforcing Rights. To the fullest extent allowable under applicable law, the Company shall also indemnify against, and, if requested by Indemnatee, shall advance to Indemnatee subject to and in accordance with Section 4, any Expenses actually and reasonably paid or incurred (even if unpaid) by Indemnatee in connection with any action or proceeding by Indemnatee for (a) indemnification or reimbursement or advance payment of Expenses by the Company under any provision of this Agreement, or under any other agreement or provision of the Bylaws now or hereafter in effect relating to Claims relating to Indemnifiable Events, and/or (b) recovery under any D&O Insurance maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification or insurance recovery, as the case may be. Indemnatee shall be required to reimburse the Company in the event that a final judicial determination is made that such action brought by Indemnatee was frivolous or not made in good faith.

6. Partial Indemnity. If Indemnatee is entitled under any provision of this Agreement to indemnification by the Company for a portion of any Losses in respect of a Claim

related to an Indemnifiable Event but not for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

7. Notification and Defense of Claims.

(a) Notification of Claims. Indemnitee shall notify the Company in writing as soon as reasonably practicable of any Claim which could relate to an Indemnifiable Event or for which Indemnitee could seek Expense Advances, including a brief description (based upon information then available to Indemnitee) of the nature of, and the facts underlying, such Claim, to the extent then known. The failure by Indemnitee to timely notify the Company hereunder shall not relieve the Company from any liability hereunder except to the extent the Company's ability to participate in the defense of such claim was materially and adversely affected by such failure. If at the time of the receipt of such notice, the Company has D&O Insurance or any other insurance in effect under which coverage for Claims related to Indemnifiable Events is potentially available, the Company shall give prompt written notice to the applicable insurers in accordance with the procedures, provisions, and terms set forth in the applicable policies. The Company shall provide to Indemnitee a copy of such notice delivered to the applicable insurers, and copies of all subsequent correspondence between the Company and such insurers regarding the Claim, in each case substantially concurrently with the delivery or receipt thereof by the Company.

(b) Defense of Claims. The Company shall be entitled to participate in the defense of any Claim relating to an Indemnifiable Event at its own expense and, except as otherwise provided below, to the extent the Company so wishes, it may assume the defense thereof with counsel reasonably satisfactory to Indemnitee. After notice from the Company to Indemnitee of its election to assume the defense of any such Claim, the Company shall not be liable to Indemnitee under this Agreement or otherwise for any Expenses subsequently directly incurred by Indemnitee in connection with Indemnitee's defense of such Claim other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ its own legal counsel in such Claim, but all Expenses related to such counsel incurred after notice from the Company of its assumption of the defense shall be at Indemnitee's own expense; provided, however, that if (i) Indemnitee's employment of its own legal counsel has been authorized by the Company, (ii) Indemnitee has reasonably determined that there may be a conflict of interest between Indemnitee and the Company in the defense of such Claim, (iii) after a Change in Control, Indemnitee's employment of its own counsel has been approved by the Independent Counsel or (iv) the Company shall not in fact have employed counsel to assume the defense of such Claim, then Indemnitee shall be entitled to retain its own separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any such Claim) and all Expenses related to such separate counsel shall be borne by the Company.

8. Procedure upon Application for Indemnification. In order to obtain indemnification pursuant to this Agreement, Indemnitee shall submit to the Company a written request therefor, including in such request such documentation and information as

is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of the Claim, provided that documentation and information need not be so provided to the extent that the provision thereof would undermine or otherwise jeopardize attorney-client privilege. Indemnification shall be made insofar as the Company determines Indemnitee is entitled to indemnification in accordance with Section 9 below.

9. Determination of Right to Indemnification.

(a) Mandatory Indemnification; Indemnification as a Witness.

(i) To the extent that Indemnitee shall have been successful on the merits or otherwise in defense of any Claim relating to an Indemnifiable Event or any portion thereof or in defense of any issue or matter therein, including without limitation dismissal without prejudice, Indemnitee shall be indemnified against all Losses relating to such Claim in accordance with Section 2, and no Standard of Conduct Determination (as defined in Section 9(b)) shall be required.

(ii) To the extent that Indemnitee's involvement in a Claim relating to an Indemnifiable Event is to prepare to serve and serve as a witness, and not as a party, the Indemnitee shall be indemnified against all Losses incurred in connection therewith to the fullest extent allowable by law and no Standard of Conduct Determination (as defined in Section 9(b)) shall be required.

(b) Standard of Conduct. To the extent that the provisions of Section 9(a) are inapplicable to a Claim related to an Indemnifiable Event that shall have been finally disposed of, any determination of whether Indemnitee has satisfied any applicable standard of conduct under Delaware law that is a legally required condition to indemnification of Indemnitee hereunder against Losses relating to such Claim and any determination that Expense Advances must be repaid to the Company (a "**Standard of Conduct Determination**") shall be made as follows:

(i) if no Change in Control has occurred, (A) by a majority vote of the Disinterested Directors, even if less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum or (C) if there are no such Disinterested Directors, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee; and

(ii) if a Change in Control shall have occurred, (A) if the Indemnitee so requests in writing, by a majority vote of the Disinterested Directors, even if less than a quorum of the Board or (B) otherwise, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee.

Subject to Section 4, the Company shall indemnify and hold Indemnitee harmless against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within thirty (30) business days of such request, any and all Expenses

incurred by Indemnitee in cooperating with the Person or Persons making such Standard of Conduct Determination.

(c) Making the Standard of Conduct Determination. The Company shall use its reasonable best efforts to cause any Standard of Conduct Determination required under Section 9(b) to be made as promptly as practicable. If the Person or Persons designated to make the Standard of Conduct Determination under Section 9(b) shall not have made a determination within ninety (90) days after the later of (A) receipt by the Company of a written request from Indemnitee for indemnification pursuant to Section 8 (the date of such receipt being the “**Notification Date**”) and (B) the selection of an Independent Counsel, if such determination is to be made by Independent Counsel, then Indemnitee shall be deemed to have satisfied the applicable standard of conduct; provided that such 90-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the Person or Persons making such determination in good faith requires such additional time to obtain or evaluate information relating thereto. Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of any Claim.

(d) Payment of Indemnification. If, in regard to any Losses:

(i) Indemnitee shall be entitled to indemnification pursuant to Section 9(a);

(ii) no Standard of Conduct Determination is legally required as a condition to indemnification of Indemnitee hereunder; or

(iii) Indemnitee has been determined or deemed pursuant to Section 9(b) or Section 9(c) to have satisfied the Standard of Conduct Determination,

then the Company shall pay to Indemnitee, within thirty (30) business days after the later of (A) the Notification Date or (B) the earliest date on which the applicable criterion specified in clause (i), (ii) or (iii) is satisfied, an amount equal to such Losses.

(e) Selection of Independent Counsel for Standard of Conduct Determination. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 9(b)(i), the Independent Counsel shall be selected by the Board and the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 9(b)(ii), the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either case, Indemnitee or the Company, as applicable, may, within thirty (3) business days after receiving written notice of selection from the other, deliver to the other a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not satisfy the criteria set forth in the definition of “Independent Counsel” in Section 1(k), and the objection shall

set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the Person or firm so selected shall act as Independent Counsel. If such written objection is properly and timely made and substantiated, (i) the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit; and (ii) the non-objecting party may, at its option, select an alternative Independent Counsel and give written notice to the other party advising such other party of the identity of the alternative Independent Counsel so selected, in which case the provisions of the two immediately preceding sentences, the introductory clause of this sentence and numbered clause (i) of this sentence shall apply to such subsequent selection and notice. If applicable, the provisions of clause (ii) of the immediately preceding sentence shall apply to successive alternative selections. If no Independent Counsel that is permitted under the foregoing provisions of this Section 9(e) to make the Standard of Conduct Determination shall have been selected within twenty (20) days after the Company gives its initial notice pursuant to the first sentence of this Section 9(e) or Indemnatee gives its initial notice pursuant to the second sentence of this Section 9(e), as the case may be, either the Company or Indemnatee may petition the Court of Chancery of the State of Delaware (“**Delaware Court**”) to resolve any objection which shall have been made by the Company or Indemnatee to the other’s selection of Independent Counsel and/or to appoint as Independent Counsel a Person to be selected by the Court or such other Person as the Court shall designate, and the Person or firm with respect to whom all objections are so resolved or the Person or firm so appointed will act as Independent Counsel. In all events, the Company shall pay all of the reasonable fees and expenses of the Independent Counsel incurred in connection with the Independent Counsel’s determination pursuant to Section 9(b).

(f) Presumptions and Defenses.

(i) Indemnatee’s Entitlement to Indemnification. In making any Standard of Conduct Determination, the Person or Persons making such determination shall presume that Indemnatee has satisfied the applicable standard of conduct and is entitled to indemnification, and the Company shall have the burden of proof to overcome that presumption and establish that Indemnatee is not so entitled. Any Standard of Conduct Determination that is adverse to Indemnatee may be challenged by the Indemnatee in the Delaware Court. No determination by the Company (including by its Board or any Independent Counsel) that Indemnatee has not satisfied any applicable standard of conduct may be used as a defense to enforcement by Indemnatee of Indemnatee’s rights of indemnification or reimbursement or advance of payment of Expenses by the Company hereunder or create a presumption that Indemnatee has not met any applicable standard of conduct.

(ii) Reliance as a Safe Harbor. For purposes of this Agreement, and without creating any presumption as to a lack of good faith if the following circumstances do not exist, Indemnatee shall be deemed to have acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company if Indemnatee’s actions or omissions to act are taken in good faith reliance upon the records of the Company, including its financial statements, or upon information, opinions, reports

or statements furnished to Indemnitee by the officers or employees of the Company or any of its subsidiaries in the course of their duties, or by committees of the Board or by any other Person (including legal counsel, accountants and financial advisors) as to matters Indemnitee reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company. In addition, the knowledge and/or actions, or failures to act, of any director, manager, officer, agent or employee of the Company (other than Indemnitee) shall not be imputed to Indemnitee for purposes of determining the right to indemnity hereunder.

(iii) Defense to Indemnification and Burden of Proof. It shall be a defense to any action brought by Indemnitee against the Company to enforce this Agreement (other than an action brought to enforce a claim for Losses incurred in defending against a Claim related to an Indemnifiable Event in advance of its final disposition) that it is not permissible under applicable law for the Company to indemnify Indemnitee for the amount claimed. In connection with any such action or any related Standard of Conduct Determination, the burden of proving such a defense or that the Indemnitee did not satisfy the applicable standard of conduct shall be on the Company.

10. Exclusions from Indemnification. Notwithstanding anything in this Agreement to the contrary, the Company shall not be obligated to:

(a) indemnify or advance funds to Indemnitee for Losses with respect to proceedings initiated by Indemnitee, including any proceedings against the Company or its managers, officers, employees or other indemnitees and not by way of defense, except:

(i) proceedings referenced in Section 4 above (unless a court of competent jurisdiction determines that each of the material assertions made by Indemnitee in such proceeding was not made in good faith or was frivolous); or

(ii) where the Company has joined in or the Board has consented to the initiation of such proceedings.

(b) indemnify Indemnitee if a final decision by a court of competent jurisdiction determines that such indemnification is prohibited by applicable law.

(c) indemnify Indemnitee for the disgorgement of profits arising from the purchase or sale by Indemnitee of securities of the Company in violation of Section 16(b) of the Exchange Act, or any similar successor statute.

11. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 9 that Indemnitee is not entitled to indemnification under this Agreement, (ii) an Expense Advance is not timely made pursuant to Section 4, (iii) no determination of entitlement to indemnification is made pursuant to Section 9 within 90 days after receipt by the Company of the request for indemnification, or (iv) payment of indemnification is not made pursuant Section 9(d), Indemnitee shall be entitled to an adjudication in a Delaware Court, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such

indemnification. Indemnitee shall commence such proceeding seeking an adjudication within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 11(a). The Company shall not oppose Indemnitee's right to seek any such adjudication.

(b) In the event that Indemnitee, pursuant to this Section 11, seeks a judicial adjudication or arbitration of his or her rights under, or to recover damages for breach of, this Agreement, any other agreement for indemnification, payment of Expenses in advance or contribution hereunder or to recover under any director, manager, and officer liability insurance policies or any other insurance policies maintained by the Company, the Company will, to the fullest extent permitted by law and subject to Section 4, indemnify and hold harmless Indemnitee against any and all Expenses which are paid or incurred by Indemnitee in connection with such judicial adjudication or arbitration, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, payment of Expenses in advance or contribution or insurance recovery. In addition, if requested by Indemnitee, subject to Section 4 the Company will (within thirty (30) days after receipt by the Company of the written request therefor), pay as an Expense Advance such Expenses, to the fullest extent permitted by law.

(c) In the event that a determination shall have been made pursuant to Section 9 that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 11 shall be conducted in all respects as a de novo trial on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 9.

(d) If a determination shall have been made pursuant to Section 9 that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 11, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

12. Settlement of Claims. The Company shall not be liable to Indemnitee under this Agreement for any amounts paid in settlement of any threatened or pending Claim related to an Indemnifiable Event effected without the Company's prior written consent, which shall not be unreasonably withheld; provided, however, that if a Change in Control has occurred, the Company shall be liable for indemnification of the Indemnitee for amounts paid in settlement if an Independent Counsel (which, for purposes of this Section 12, shall be selected by the Company with the prior consent of the Indemnitee, such consent not to be unreasonably withheld or delayed) has approved the settlement. The Company shall not settle any Claim related to an Indemnifiable Event in any manner that would impose any Losses on the Indemnitee without the Indemnitee's prior written consent.

13. Duration. All agreements and obligations of the Company contained herein shall continue during the period that Indemnitee is a manager of the Company (or is serving at the request of the Company as a director, manager, officer, employee, member, trustee or

agent of another Enterprise) and shall continue thereafter (i) so long as Indemnatee may be subject to any possible Claim relating to an Indemnifiable Event (including any rights of appeal thereto) and (ii) throughout the pendency of any proceeding (including any rights of appeal thereto) commenced by Indemnatee to enforce or interpret his or her rights under this Agreement, even if, in either case, he or she may have ceased to serve in such capacity at the time of any such Claim or proceeding.

14. Other Indemnitors. The Company hereby acknowledges that Indemnatee may have certain rights to indemnification, advancement of Expenses and/or insurance provided by certain private equity funds, hedge funds or other investment vehicles or management companies and/or certain of their affiliates and by personal policies (collectively, the “**Other Indemnitors**”). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnatee are primary and any obligation of the Other Indemnitors to advance Expenses or to provide indemnification for the same Expenses or liabilities incurred by Indemnatee are secondary), (ii) that it shall be required to advance the full amount of Expenses incurred by Indemnatee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Bylaws (or any other agreement between the Company and Indemnatee), without regard to any rights Indemnatee may have against the Other Indemnitors, and, (iii) that it irrevocably waives, relinquishes and releases the Other Indemnitors from any and all claims against the Other Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Other Indemnitors on behalf of Indemnatee with respect to any claim for which Indemnatee has sought indemnification from the Company shall affect the foregoing and the Other Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnatee against the Company. The Company and Indemnatee agree that the Other Indemnitors are express third party beneficiaries of the terms of this Section 14.

15. Non-Exclusivity. The rights of Indemnatee hereunder will be in addition to any other rights Indemnatee may have under the Bylaws, the General Corporation Law of the State of Delaware (as may be amended from time to time, the “**DGCL**”), any other contract, in law or in equity, and under the laws of any state, territory, or jurisdiction, or otherwise (collectively, “**Other Indemnity Provisions**”). The Company will not adopt any amendment to its Bylaws the effect of which would be to deny, diminish, encumber or limit Indemnatee’s right to indemnification under this Agreement or any Other Indemnity Provision.

16. Liability Insurance. For the duration of Indemnatee’s service as a director of the Company, and thereafter for so long as Indemnatee shall be subject to any pending Claim relating to an Indemnifiable Event, the Company shall use best efforts to continue to maintain in effect policies of D&O Insurance providing coverage that is at least substantially comparable in scope and amount to that provided by similarly situated companies. In all policies of D&O Insurance maintained by the Company, Indemnatee shall be named as an insured in such a manner as to provide Indemnatee the same rights

and benefits as are provided to the most favorably insured of the Company's directors. Upon request, the Company will provide to Indemnitee copies of all D&O Insurance applications, binders, policies, declarations, endorsements and other related materials.

17. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment to Indemnitee in respect of any Losses to the extent Indemnitee has otherwise received payment under any insurance policy, any Other Indemnity Provisions or otherwise of the amounts otherwise indemnifiable by the Company hereunder.

18. Subrogation. In the event of payment to Indemnitee under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee. Indemnitee shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

19. Indemnitee Consent. The Company will not, without the prior written consent of Indemnitee, consent to the entry of any judgment against Indemnitee or enter into any settlement or compromise which (a) includes an admission of fault of Indemnitee, any non-monetary remedy imposed on Indemnitee or a Loss for which Indemnitee is not wholly indemnified hereunder or (b) with respect to any Claim with respect to which Indemnitee may be or is made a party or a participant or may be or is otherwise entitled to seek indemnification hereunder, does not include, as an unconditional term thereof, the full release of Indemnitee from all liability in respect of such Claim, which release will be in form and substance reasonably satisfactory to Indemnitee. Neither the Company nor Indemnitee will unreasonably withhold its consent to any proposed settlement; provided, however, Indemnitee may withhold consent to any settlement that does not provide a full and unconditional release of Indemnitee from all liability in respect of such Claim.

20. Amendments. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be binding unless in the form of a writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall operate as a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided herein, no failure to exercise or any delay in exercising any right or remedy hereunder shall constitute a waiver thereof.

21. Binding Effect. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company), assigns, spouses, heirs and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume

and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

22. Severability. Each provision of this Agreement shall be considered severable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined by a court of competent jurisdiction to be invalid, unenforceable or contrary to the DGCL or existing or future applicable law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those provisions of this Agreement which are valid, enforceable and legal. In that case, this Agreement shall be construed so as to limit any term or provision so as to make it valid, enforceable and legal within the requirements of any applicable law, and in the event such term or provision cannot be so limited, this Agreement shall be construed to omit such invalid, unenforceable or illegal provisions.

23. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand, against receipt, or mailed, by postage prepaid, certified or registered mail:

- (a) if to Indemnitee, to the address set forth on the signature page hereto.
- (b) if to the Company, to:

Strand Advisors, Inc.
Attention: Isaac Leventon
Address: 300 Crescent Court, Suite 700
Dallas, Texas 75201
Email: ileventon@highlandcapital.com

Notice of change of address shall be effective only when given in accordance with this Section 23. All notices complying with this Section 23 shall be deemed to have been received on the date of hand delivery or on the third business day after mailing.

24. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE (OTHER THAN ITS RULES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY).

25. Jurisdiction. The parties hereby agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby, whether in contract, tort or otherwise, shall be brought in the United States District Court for the District of Delaware or in the Court of Chancery of the State of Delaware (or, if such court lacks subject matter jurisdiction, in the Superior Court of the State of Delaware), so long as one of such courts shall have subject-matter jurisdiction over such suit, action or proceeding, and that any case of action arising out of this Agreement shall be deemed to have arisen from a transaction of business in the State of Delaware. Each of the parties hereby irrevocably

consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum.

26. Enforcement.

(a) Without limiting Section 15, this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

(b) The Company shall not seek from a court, or agree to, a "bar order" which would have the effect of prohibiting or limiting the Indemnatee's rights to receive advancement of Expenses under this Agreement other than in accordance with this Agreement.

27. Headings and Captions. All headings and captions contained in this Agreement and the table of contents hereto are inserted for convenience only and shall not be deemed a part of this Agreement.

28. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one and the same agreement. Facsimile counterpart signatures to this Agreement shall be binding and enforceable.

29. Guaranty By Debtor. The Debtor guarantees to Indemnatee the performance of the obligations of the Company hereunder (the "**Guaranteed Obligations**"). If the Company does not satisfy any of the Guaranteed Obligations when due, Indemnatee may demand that the Debtor satisfy such obligations and the Debtor shall be required to do so by making payment to, or for the benefit of, Indemnatee. Indemnatee can make any number of demands upon the Debtor and such demands can be made for all or part of the Guaranteed Obligations. This guaranty by the Debtor is for the full amount of the Guaranteed Obligations. The Debtor's obligations under this Agreement are continuing. Even though Indemnatee receives payments from or makes arrangements with the Company or anyone else, the Debtor shall remain liable for the Guaranteed Obligations until satisfied in full. The guaranty hereunder is a guaranty of payment, and not merely of collectability, and may be enforced against the Debtor. The Debtor's liability under this Section 29 is unconditional. It is not affected by anything that might release the Debtor from or limit all or part of its obligations.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

STRAND ADVISORS, INC.

By: _____
Name:
Title:

HIGHLAND CAPITAL MANAGEMENT,
LP (solely as to Section 29 hereunder)

By: _____
Name:
Title:

INDEMNITEE:

Name:

Address: _____

Email:

Exhibit B

Amended DSI Retention Letter

003807

January ___, 2020

Attn: Independent Directors
Highland Capital Management, LP
300 Crescent Court, Ste. 700
Dallas, TX 75201

Re: Development Specialists, Inc. (“DSI”)
Retention and Letter of Engagement

Dear Members of the Board:

Please accept this letter as our firm’s formal written agreement (the “Agreement”) to provide restructuring support services to Highland Capital Management, L.P. (the “Company”). This Agreement replaces and supersedes in all respects the letter agreement between DSI and the Company, dated October 7, 2019, as amended and revised by the letter agreement dated October 29, 2019. However, all fees and expenses incurred by DSI prior to the date hereof in accordance with such prior letter agreements will be paid by the Company, subject to allowance of such fees and expenses by the U.S. Bankruptcy Court for the Northern District of Texas (the “Bankruptcy Court”). The Agreement will become effective upon execution by duly authorized representatives of the respective parties and approval of the Bankruptcy Court.

Section 1 – Scope of Work

DSI will provide the following services (the “Services”) to the Company:

1. Bradley D. Sharp will act as the Company’s Chief Restructuring Officer (“CRO”) with other DSI personnel to assist Mr. Sharp in carrying out those duties and responsibilities.
2. Subject to the terms of this Agreement, Mr. Sharp will report to the Independent Directors and, if appointed, the Chief Executive Officer of the Company (“CEO”) and will comply with the Company’s corporate governance requirements.
3. Mr. Sharp will fulfill such duties as directed by the Independent Directors and/or CEO, if any, of the Company with respect to the Company’s restructuring and bankruptcy filed on October 16, 2019 (the “Chapter 11 Case”), including implementation and prosecution of the Chapter 11 Case.
4. Provide other personnel of DSI (“Additional Personnel”) to provide restructuring support services as requested or required to the Company, which may include but are not limited to:
 - a. assisting the Company in the preparation of financial disclosures required by the Bankruptcy Code, including the Schedules of Assets and Liabilities, the Statements of Financial Affairs and Monthly Operating Reports;

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December ___, 2019
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- b. advising and assisting the Company, the Company's legal counsel, and other professionals in responding to third party requests;
- c. attending meetings and assisting in communications with parties in interest and their professionals, including the Official Committee of Unsecured Creditors appointed in the Chapter 11 Case;
- d. providing litigation advisory services with respect to accounting matters, along with expert witness testimony on case related issues; and
- e. rendering such other general business consulting services or other assistance as the Company may deem necessary and which are consistent with the role of a financial advisor and not duplicative of services provided by other professionals in this case.

DSI's ability to adequately perform the Services is dependent upon the Company timely providing reliable, accurate, and complete necessary information. The Company agrees that CRO will have (i) access to and the ability to communicate with any employee of the Company or any affiliate of the Company and (ii) access to any information, including documents, relating to the Company or any Company affiliate, including, but not limited to, information concerning collections and disbursements. The Company acknowledges that DSI or CRO are not responsible for independently verifying the veracity, completeness, or accuracy of any information supplied to us by or on behalf of the Company.

DSI will submit its evaluations and analyses pursuant to this Agreement in periodic oral and written reports. Such reports are intended to and shall constitute privileged and confidential information, and shall constitute the Company's property.

Although we do not predict or warrant the outcome of any particular matter or issue, and our fees are not dependent upon such outcomes, we will perform the Services with reasonable care and in a diligent and competent manner.

Section 2 – Rates, Invoicing and Retainer

DSI will be compensated at a rate of \$100,000 per month, plus expenses (capped at \$10,000 per month), for the services of Bradley D. Sharp as CRO and such DSI personnel (including Fred Caruso) as are required to fulfill Mr. Sharp's responsibilities as CRO; provided that if any single expense exceeds \$1,000, DSI will provide reasonable documentation and will obtain the Company's prior written approval.

A number of DSI's personnel have experience in providing restructuring support services and may be utilized as Additional Personnel in this representation. Although others of our staff may also be involved, we have listed below certain of the DSI personnel (along with their corresponding billing rates) who would likely constitute the Additional Personnel. The individuals are:

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R. Brian Calvert	\$640.00/hr.
Thomas P. Jeremiassen	\$575.00/hr.
Eric J. Held	\$495.00/hr.
Nicholas R. Troszak	\$485.00/hr.
Spencer G. Ferrero	\$350.00/hr.
Tom Frey	\$325.00/hr.

The above rates are adjusted as of January 1 of each year to reflect advancing experience, capabilities, and seniority of our professionals as well as general economic factors.

We acknowledge receipt of a retainer of \$250,000 from the Company. The purpose of the retainer is to secure a portion of our fees and expenses and to retain our status as a non-creditor should such be required for DSI to continue to provide the Services. As such, should a need arise to increase this retainer due to the level of Services DSI is providing or projected to provide, we will send the Company a supplement to this Agreement requesting the necessary increases and discuss with the Company the amount and timing of providing such increase to the retainer.

This retainer will be applied to our final invoice. If the retainer exceeds the amount of our final invoice, we will refund the difference to the Company at that time. In the event that periodic invoices are not paid timely, we will apply the retainer to the amounts owing on such invoices and, if applicable, any related late charges, and we will stop work until the retainer is replenished to the full amount required. If the retainer is not replenished within ten (10) days after the application of the retainer to unpaid balances, we reserve the right to terminate this Agreement in accordance with the provisions of Section 3 of this Agreement.

DSI also will be entitled to reimbursement for its reasonable costs and expenses. Such costs and expenses may include, among others, charges for messenger services, photocopying, travel expenses, long distance telephone charges, postage and other charges customarily invoiced by consulting firms. Airfare for international flights will be charged at the business class fare; provided that if any single expense exceeds \$1,000, DSI will provide reasonable documentation and will obtain the Company's prior written approval.

This Agreement shall be presented to the Bankruptcy Court for approval and continuation, pursuant to Bankruptcy Code Section 363 and DSI's then-prospective obligations shall be contingent upon such approval.

Section 3 – Termination

Either the Company or DSI may terminate this Agreement for any reason with ten (10) business days' written notice. Notwithstanding anything to the contrary contained herein, the Company

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shall be obligated, in accordance with any orders of or procedures established by the Court, to pay and/or reimburse DSI all fees and expenses accrued under this Agreement as of the effective date of the termination.

Section 4 – Relationship of the Parties, Confidentiality

DSI will provide the Services to and for the Company, with select members of DSI assigned to specific roles for the benefit of the Company. These members will remain as DSI employees during the pendency of this case. Specifically, the parties intend that an independent contractor relationship will be created by this Agreement. Employees of DSI are not to be considered employees of the Company and are not entitled to any of the benefits that the Company provides for the Company's employees.

The Company acknowledges that all advice (written or oral) given by DSI to the Company in connection with DSI's engagement is intended solely for the benefit and use of the Company in considering the transaction to which it relates, and that no third party is entitled to rely on any such advice or communication. DSI will in no way be deemed to be providing services for any person not a party to this Agreement.

DSI agrees that all information not publicly available that is received by DSI from the Company in connection with this Agreement or that is developed pursuant to this Agreement, will be treated as confidential and will not be disclosed by DSI, except as required by Court order, or other legal process, or as may be authorized by the Company. DSI shall not be required to defend any action to obtain an order requiring disclosure of such information, but shall instead give prompt notice of any such action to the Company so that it may seek appropriate remedies, including a protective order. The Company shall reimburse DSI for all costs and fees (including reasonable attorney's fees) incurred by DSI relating to responding to (whether by objecting to or complying with) any subpoenas or requests for production of information or documents.

Section 5 – Indemnity

The Company shall name Bradley D. Sharp as its Chief Restructuring Officer and shall indemnify him on the same terms as provided to the Company's other officers and directors under the Company partnership agreement or other governing document and applicable state law. Mr. Sharp shall be included as an insured under any insurance policies or coverage available to officers and directors of the Company.

The Company shall additionally indemnify those persons, and only those persons, serving as executive officers on the same terms as provided to the Company's other officers and directors under the Company's partnership agreement or other governing document and applicable state law, along with insurance coverage under the Company's D&O policies. Any such indemnity shall survive the expiration or termination by either party of this Agreement. Except as provided

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in this Section and in Section 4, there shall be no indemnification of DSI, its affiliates or the Additional Personnel.

Each and every one of the personnel employed by DSI who works on this particular project, as well as DSI officers, directors, employees and agents (the “DSI Parties”) shall not be liable to the Company, or any party asserting claims on behalf of the Company, except for direct damages found in a final determination (not subject to further appeal) by a court of competent jurisdiction to be the direct result of the bad faith, self-dealing or intentional misconduct or gross negligence of DSI.

Section 6 – Conflicts

DSI has made diligent inquiries to determine whether it or any of its professionals have any connections with the Company, its creditors, or other parties in interest in the Chapter 11 Case. Based on that review, the review of DSI’s conflict files and responses to inquiries from DSI’s professional staff, neither DSI nor its professionals have any known conflicts with the parties in this case. DSI will separately provide its connections to parties in this case and/or their professionals.

Section 7 – No Audit

The Company acknowledges that it is hiring DSI to assist and advise the Company in business planning and operations. DSI’s engagement shall not constitute an audit, review or compilation, or any other type of financial statement reporting engagement that is subject to the rules of AICPA or other such state and national professional bodies.

Section 8 – Non-Solicitation

The Company agrees not to solicit, recruit or hire any employees or agents of DSI for a period of one year subsequent to the completion and/or termination of this Agreement; provided that the Company shall not be prohibited from (x) making general advertisements for employment not specifically directed at employees of DSI or (y) employees of DSI responding to unsolicited requests for employment.

Section 9 – Survival

The provisions of this Agreement relating to indemnification, the non-solicitation or hiring of DSI employees, and all other provisions necessary to the enforcement of the intent of this Agreement will survive the termination or expiration of this Agreement.

Section 10 – Governing Law

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This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to conflicts of law principles.

Section 11 – Entire Agreement, Amendment

This Agreement contains the entire understanding of the parties relating to the subject matter of this Agreement and supersedes and is intended to nullify any other agreements, understandings or representations relating to the subject of this Agreement. This Agreement may not be amended or modified except in a writing signed by the parties.

If you are in agreement with the foregoing terms and conditions please indicate your acceptance by signing an original copy of this Agreement on the signature lines below, then returning one fully-executed Agreement to DSI's office. The Agreement will become effective upon execution by duly authorized representatives of the respective parties.

Very truly yours,

Bradley Sharp
Development Specialists, Inc.

AGREED AND ACKNOWLEDGED:

Highland Capital Management, L.P.
By: Strand Advisors, Inc., its general partner

By: _____, Independent Director
Date: _____

Exhibit C

Document Production Protocol

003814

A. Definitions

- a. Electronically stored information” or “ESI” shall include all electronic files, documents, data, and information covered under the Federal Rules of Civil Procedure.

B. Preservation of ESI - Generally

- a. Debtor acknowledges that they should take reasonable and proportional steps to preserve discoverable information in the party’s possession, custody or control. This includes notifying employees possessing relevant information of their obligation to preserve such data.

C. Preservation of ESI – Specific Forms

- a. For email, Debtor uses Outlook Email on an Exchange server. Veritas Enterprise Vault is used to archive emails. Journaling is and has been in active use since 2007, and all inbound, outbound, and in-system email communications have been preserved and are not at risk of deletion due to normal document retention practices. Out of an abundance of caution, a copy of the latest email back-up, which was performed two months ago, shall be copied and stored at a secured location.
- b. The file server used by Debtor was backed up approximately one week ago. A copy of this backup shall be created and stored on a portable hard drive at a secured location.
- c. The Sharepoint server used by Debtor was backed up approximately one week ago. A copy of this backup shall be created in a format that maintains all potentially relevant information and stored at a secured location.
- d. The Oracle E-Business Suite (EBS) server used by Debtor was backed up one week ago. A copy of this backup shall be created in a format and stored at a secured location.
- e. The Advent Geneva accounting system used by Debtor was backed up approximately one week ago. Upon reasonable notice, the Committee may submit search criteria to Debtor to run searches in Advent Geneva. Subject to Debtor’s rights to assert objections as provided by Part G herein, Debtor will provide the data resulting from such agreed searches pursuant to Part F herein.
- f. The Siepe Database (data warehouse) used by Debtor was backed up approximately one week ago. A copy of this backup shall be created in a format and stored at a secured location.
- g. For the Box account used by Debtor, to the extent routine data retention practices may result in file deletion, they shall be suspended pending further discussion with the Committee concerning the relevance of such data. Users of the Box account who have the ability to delete files shall be notified of the obligation to suspend deletion of any data stored in Box.
- h. Bloomberg data is archived for five years. Debtor shall work with Bloomberg client services to preserve a copy of all such archived material, which shall be stored at a secured location, or otherwise extend the backup window in which Bloomberg preserves the data by reasonable time to be agreed by the parties.

- i. Files may be saved locally on laptops/work computers used by employees of Debtor. This practice is discouraged, but may result in the creation of relevant ESI on local systems in a manner that will not be replicated elsewhere. Debtor shall therefore cease the deletion of data (*i.e.*, wiping) of any employee-assigned computer hard drives, such as for departing employees. Debtor shall furthermore instruct current employees not to delete files stored locally on their assigned computers.

D. Not Reasonably Accessible Documents

- a. Absent an order from the Court upon a showing of good cause, a Party from whom ESI has been requested shall not be required to search for responsive ESI from sources that are not reasonably accessible without undue burden or cost. The following types of data stores are presumed to be inaccessible and are not subject to discovery, and need not be collected or preserved, absent a particularized need for the data as established by the facts and legal issues of the case:
 - i. Deleted, slack, fragmented, or other data only accessible by forensics;
 - ii. Random access memory (RAM), temporary files, or other ephemeral data that are difficult to preserve without disabling the operating system; and
 - iii. On-line access data such as temporary internet files, history, cache, cookies, and the like.
- b. To conduct collections in a focused and efficient manner, the Parties also agree to exclude the following file types from collection: Standard system file extensions including, but not limited to, BIN, CAB, CHK, CLASS, COD, COM, DLL DRV, EXE, INF, INI, JAVA, LIB, LOG, SYS and TMP and other file extensions and directories that likely do not contain user generated content such as files identified by hash value when compared to the National Software Reference Library reference data set (RDS Hash), a sub-project of the National Institute of Standards and Technology ("NIST"), of known traceable system and application files. This process is commonly referred to as "De-NISTing."

E. Collection and Search Methodology

- a. Searches for emails in Debtor's custody shall be conducted by DSI on Debtor's Veritas Enterprise Vault storage using an unrestricted account at the earliest opportunity, but in no event later than seven (7) days after the Committee requests ESI from the Debtor. DSI shall use an add-on component called Discovery Assistant, which enables searches based on email properties, such as senders, recipients, and dates. Discovery Assistant also permits text searching of email contents and the contents of electronic file attachments, although not pictures of text (*e.g.*, scanned PDFs). Debtor did not employ employee message or file encryption that would prevent reasonable operation of the Discovery Assistant search capabilities.
- b. The results of email searches shall be produced to the Committee pursuant to Part F below, subject to completion of any review for privilege or other purposes contemplated by this Agreement.

- c. A snapshot copy of Debtor databases (Oracle, Siepe) shall be created in a format to be specified later by agreement with the Committee per Part (C)(d), (f), above. Prior to any production of responsive data from such a structured database Debtor will first identify the database type and version number, provide the vendor-originated database dictionary, if any, (identifying all tables in the database, their fields, the meaning of those fields, and any interrelation among fields) and any user manuals, or any other documentation describing the structure and/or content of the database, and a list of all reports that can be generated from the database. The list of reports shall be provided in native Excel (.xis or .xlsx) format.
- d. The Geneva system is highly proprietary and shall not be collected, but the Committee will be given reasonable access to that system per Part C(e), above.
- e. Debtor and Committee will meet and confer to discuss the scope of any necessary searches on the Box account.
- f. Debtor file server contents, where requested by the Committee, shall be produced pursuant to Part F below.
- g. Debtor shall propose a format for producing Sharepoint data. The Committee agrees that it is not necessary to reproduce the interface used by Debtor in the ordinary course of business for Sharepoint.

F. Format of Documents Produced

- a. Non-database ESI shall be produced as black and white Group 4 TIFF files, with a resolution of 300 DPI. Page size shall be 8.5 x 11 inches unless, in the reasonable judgment of the Producing Party, a particular item requires a different page size, and original document orientation shall be maintained (i.e., portrait to portrait and landscape to landscape). A Requesting Party may, in good faith and reasonable judgment, request a color copy of a production document if it is necessary to convey the relevant and responsive information. Such color copies may be produced as single page JPG (JPEG) image files. The Requesting Party will bear the costs for color images.
- b. The files shall be accompanied by a metadata load file, in a single standard format to be requested by the Receiving Party prior to any production (e.g., Opticon, Summation DII, or the like) showing the Bates number of each page, the appropriate unitization of the documents, and the entire family range. The Parties agree to meet and confer regarding the requested standard format prior to production.
- c. The files shall be accompanied by a .DAT text file including the delimited fields identified in the Metadata List (below). No Party will have any obligation to manually generate information to provide the fields identified in the Metadata List.
- d. The Producing Party reserves the right to make hard copy documents available for inspection and copying pursuant to Federal Rule of Civil Procedure 34.
- e. In the event that a Party identifies hard copy documents for production, hard copy paper documents shall be scanned and will include, to the extent feasible, the following fields in the .DAT text file: PRODBEG, PRODEND, PAGECOUNT, FULLTEXT, and CUSTODIAN. The Parties agree to share equally in the cost of scanning hard copy documents.

- f. For any documents that were scanned from hard copy paper documents, the Parties will produce images of hard copy documents unitized to the extent the original documents appeared to be units in physical form, with attachments following parents, and with information that identifies the holder (or container) structure, to the extent such structure exists and it is reasonable to do so. The Producing Party is not required to OCR (Optical Character Recognition) hard copy documents. If the Receiving Party requests that hard copy documents be OCR'ed, the Receiving Party shall bear the cost of such request, unless the Parties agree to split the cost so that each has an OCR'ed copy of the documents.
- g. For ESI that the Producing Party produces in TIFF or JPEG format, the Producing Party shall electronically "burn" a legible, unique Bates number onto each page. The Bates number shall, to the extent reasonably possible: (1) identify the Producing Party; (2) maintain a constant length of nine numeric digits (including 0-padding) across the entire production; (3) contain only alphanumeric characters, no special characters or embedded spaces; and (4) be sequential within a given document. If the Bates number conceals, interferes with, or otherwise obscures any information from the source document, the Producing Party, at the request of the Receiving Party, shall produce a copy that is not obscured.
- h. For ESI that the Producing Party produces in TIFF format, if the Producing Party is producing the ESI subject to a claim that it is protected from disclosure under any confidentiality order entered in this matter, the Producing Party shall electronically "burn" the appropriate confidentiality designation onto each page of the document. If the designation conceals, interferes with, or otherwise obscures any information from the source document, the Producing Party, at the request of the Receiving Party, shall produce a copy that is not obscured.
- i. The Parties agree to produce e-mail families intact absent a privilege or work product claim, so long as each document contains responsive information; for all documents that contain a responsive, non-privileged attachment, the following fields will be produced (if available) as part of the metadata load file to indicate the parent child or parent/sibling relationship:
 - i. Production Bates begin
 - ii. Production Bates end
 - iii. Production Bates begin attachment
 - iv. Production Bates end attachment

Notwithstanding the aforementioned, all parties acknowledge that Debtor's Veritas Enterprise Vault system does not have the ability to search for the family members of responsive documents, and that Debtor does not have an obligation to manually search for non-responsive family members of otherwise responsive documents.

- j. Unless otherwise agreed, all dynamic date and time fields, where such fields are processed to contain a value, and all metadata pertaining to dates and times, will be standardized to Universal Coordinated Time (UTC) or Universal Coordinated Time + 1 (UTC+1) [TBD]. The Parties understand and acknowledge that such standardization affects only dynamic fields and metadata values and does not affect, among other things, dates and times that are hard-coded text within a file. Dates and times that are hard-coded text within a file (for example, in an email

thread, dates and times of earlier messages that were converted to body text when subsequently replied to or forwarded; and in any file type, dates and times that are typed as such by users) will be produced as part of the document text in accordance with the provisions herein.

- k. Excel spreadsheets shall be produced in native application format, unless redactions are required. The Producing Party will make reasonable efforts to provide a TIFF image of a slip sheet with the Bates number of documents produced natively in its production. The corresponding native file shall be named by using the same Bates number identified on the placeholder TIFF image. Any Excel spreadsheet that requires redaction will be produced in TIFF format only. Certain types of databases are dynamic in nature and may contain information that is irrelevant. These files are sometimes large and would, if rendered to TIFF images completely, produce thousands of pages that would have little utility to a reviewer without the associated database.
- l. To the extent information from a structured data repository, such as a database, is requested, responsive information will be produced via a report or export of such data to an appropriate program that is agreeable to the requesting Party. The Parties agree to meet and confer before such data is exported.

G. Production Format Shall Not Alter Authenticity, Admissibility, or Privilege Status

- a. No Party shall object that ESI produced pursuant to this Protocol is not authentic by virtue of the ESI having been converted to TIFF. The Parties otherwise reserve all rights regarding their ability to object to the authenticity of documents.
- b. Nothing in this Protocol shall be construed to affect in any way the rights of any Party to make any objection as to the production, discoverability, admissibility, or confidentiality of documents and ESI.
- c. Nothing in this Protocol shall constitute a waiver by any Party of any claim or privilege or other protection from discovery.
- d. Nothing in this Protocol shall be interpreted to in any way limit a Producing Parties right and ability to review documents for responsiveness prior to production.
- e. Nothing in the Protocol shall require disclosure of irrelevant information or relevant information protected by the attorney-client privilege, work-product doctrine, or any other applicable privilege or immunity.

Metadata List

File Name	Field Description	Sample Values
BegBates	Bates number for the first page of the document	ABC-0000001
EndBates	Bates number for the last page of the document	ABC-0000002
BegAttach	Bates number for the first page of parent document	ABC-0000001
EndAttach	Bates number for the last page of last attachment	ABC-0000005
Pages	Number of printed pages of the	2

	document	
Global Custodian	Custodian name produced in format: Lastname, Firstname.	Smith, Jane; Taylor, Michael
Confidentiality	Indicates if the document has been designated as “Confidential” or “Highly Confidential” pursuant to the applicable Protective Order	Confidential; Highly Confidential
Redacted	Descriptor for documents that have been redacted: “Yes” for redacted documents; “No” for non-redacted documents	Yes
Email Subject	Subject line of Email or	Text of the subject line
Document Subject	Subject value of documents	Text of the subject line
Date Sent	Date email sent	mm/dd/yyyy
Time Sent	Time email sent	hh:mm:ss AM
Date Last Modified	Date document was last modified	mm/dd/yyyy
Time Last Modified	Time document was last modified	hh:mm:ss AM
Date Created	Date document was first created	mm/dd/yyyy
To	All SMTP address of email recipients, separated by a semi-colon	Larry.murphy@email.com
From	All SMTP address of email author	Bart.cole@email.com
CC	All SMTP address of email “CC” recipients, separated by a semi-colon	Jim.James@gmail.com; bjones@yahoo.com
BCC	All SMTP address of email “BCC” recipients, separated by a semi-colon	mjones@gmail.com
Attach	The file name(s) of the documents attached to emails or embedded in files. Multiple files should be delimited by a semicolon	Filename.doc; filename2.doc
Title	The Title property of a file.	Title
Author	The Author property of a file	John Doe
MessageID	The email message ID	
FILENAME	The original name of the file excluding the path	C:\My Documents\letter.doc
DocType	Email, letter, memo, invoice, etc., if available	
Extension	The file extension	.doc

FileType	The actual file type of the document (Word, Excel, etc.) regardless of the file extension	
HashValue	MD5 Hash value of original file	
FilePath	The directory structure of the original file.	C:\My Documents\ letter.doc
PathToNative	The relative path to a produced native document	C:\VOL001\BATES000000001.xls
PathToText	The relative path to the accompanying text file	C:\VOL001\BATES000000001.txt
Volume	The production number or reference from the production	
Other Custodian	To the extent global deduplication is used, the field indicates the other custodians who also were in possession of the document at the time of collection	

Exhibit D

Reporting Requirements

003822

I. **Definitions**

- A. “Court” means the United States Bankruptcy Court for the Northern District of Texas.
- B. “NAV” means (A) with respect to an entity that is not a CLO, the value of such entity’s assets less the value of its liabilities calculated as of the month end prior to any Transaction; and (B) with respect to a CLO, the CLO’s gross assets less expenses calculated as of the quarter end prior to any Transaction.
- C. “Non-Discretionary Account” means an account that is managed by the Debtor pursuant to the terms of an agreement providing, among other things, that the ultimate investment discretion does not rest with the Debtor but with the entity whose assets are being managed through the account.
- D. “Related Entity” means collectively (A)(i) any non-publicly traded third party in which Mr. Dondero, Mr. Okada, or Mr. Grant Scott, or Mr. John Honis (with respect to Messrs. Okada, Scott and Honis, only to the extent known by the Debtor) has any direct or indirect economic or ownership interest, including as a beneficiary of a trust; (ii) any entity controlled directly or indirectly by Mr. Dondero, Mr. Okada, Mr. Grant Scott, or Mr. John Honis (with respect to Messrs. Okada, Scott and Honis, only to the extent known by the Debtor); (iii) MGM Holdings, Inc.; (iv) any publicly traded company with respect to which the Debtor or any Related Entity has filed a Form 13D or Form 13G; (v) any relative (as defined in Section 101 of the Bankruptcy Code) of Mr. Dondero or Mr. Okada each solely to the extent reasonably knowable by the Debtor; (vi) the Hunter Mountain Investment Trust and Dugaboy Investment Trust; (vii) any entity or person that is an insider of the Debtor under Section 101(31) the Bankruptcy Code, including any “non-statutory” insider; and (viii) to the extent not included in (A)(i)-(vii), any entity included in the listing of related entities in **Schedule B** hereto (the “Related Entities Listing”); and (B) the following Transactions, (x) any intercompany Transactions with certain affiliates referred to in paragraphs 16.a through 16.e of the Debtor’s cash management motion [Del. Docket No. 7]; and (y) any Transactions with Charitable DAF Fund, L.P. (provided, however, that additional parties may be added to this subclause (y) with the mutual consent of the Debtor and the Committee, such consent not to be unreasonably withheld).
- E. “Stage 1” means the time period from the date of execution of a term sheet incorporating the protocols contained below the (“Term Sheet”) by all applicable parties until approval of the Term Sheet by the Court.
- F. “Stage 2” means the date from the appointment of a Board of Independent Directors at Strand Advisors, Inc. until 45 days after such appointment, such appointment being effective upon Court approval.
- G. “Stage 3” means any date after Stage 2 while there is a Board of Independent Directors at Strand Advisors, Inc.
- H. “Transaction” means (i) any purchase, sale, or exchange of assets, (ii) any lending or borrowing of money, including the direct payment of any obligations of another entity, (iii) the satisfaction of any capital call or other contractual

requirement to pay money, including the satisfaction of any redemption requests, (iv) funding of affiliates and (v) the creation of any lien or encumbrance.

- I. "Ordinary Course Transaction" means any transaction with any third party which is not a Related Entity and that would otherwise constitute an "ordinary course transaction" under section 363(c) of the Bankruptcy Code.
- J. "Notice" means notification or communication in a written format and shall include supporting documents necessary to evaluate the propriety of the proposed transaction.

II. Transactions involving the (i) assets held directly on the Debtor's balance sheet or the balance sheet of the Debtor's wholly-owned subsidiaries, including Jefferies Prime Account, and (ii) the Highland Select Equity Fund, L.P., Highland Multi Strategy Credit Fund, L.P., and Highland Restoration Capital Partners

A. **Covered Entities:** N/A (See entities above).

B. Operating Requirements

- 1. Ordinary Course Transactions do not require Court approval (All Stages).
 - a) Stage 1 and Stage 2: ordinary course determined by the CRO.
 - b) Stage 3: ordinary course determined by the Debtor.
- 2. Related Entity Transactions
 - a) Stage 1 and Stage 2: Transactions with Related Entities require prior approval of CRO and five business days advance notice to the Committee and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.
 - b) Stage 3:
 - (1) Transactions with Related Entities greater than \$1,000,000 (either individually or in the aggregate basis on a rolling 30 day period) require five business days advance notice to the Committee and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.
 - (2) Transactions with Related Entities greater than \$2,000,000 (either individually or in the aggregate basis on a rolling 30 day period) require Court approval, which the Committee agrees may be sought on an expedited basis.
- 3. Third Party Transactions (All Stages)
 - a) Except as set forth in (b) and (c) below, Transactions in excess of \$2,000,000 (either individually or in the aggregate basis on a rolling 30 day period) require three business days advance notice to Committee and if the Committee objects, the burden is on the

Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.

- b) The Debtor may satisfy any redemption requests from entities that are not Related Entities without advance notice so long as the Debtor provides notice of such Transactions to the Committee as soon as reasonably practicable. The Debtor will provide the Committee with five business days advance notice of any redemption requests made by and payable to a Related Entity, and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.
- c) The Debtor may satisfy margin calls and short covers without providing the Committee advance notice if the exigencies do not allow advance notice so long as the Debtor provides notice of such Transactions to the Committee as soon as reasonably practicable.

C. **Weekly Reporting:** The Debtor will provide the Committee with weekly reports showing all Transactions under this category.

III. Transactions involving entities the Debtor manages and in which the Debtor holds a direct or indirect interest (other than the entities discussed in Section I above)

A. **Covered Entities:** See Schedule A hereto. Schedule A includes or will include all entities the Debtor manages and in which the Debtor holds a direct or indirect interest (other than the entities discussed in Section I above).¹

B. Operating Requirements

- 1. Ordinary Course Transactions do not require Court approval (All Stages).
 - a) Stage 1 and Stage 2: ordinary course determined by the CRO.
 - b) Stage 3: ordinary course determined by the Debtor.
- 2. Related Entity Transactions
 - a) Stage 1 and Stage 2: Transactions with Related Entities require prior approval of CRO and five business days advance notice to the Committee and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.
 - b) Stage 3:
 - (1) Transactions with Related Entities greater than \$1,000,000 (either individually or in the aggregate basis on a rolling 30 day period) require five business days advance notice to the Committee and if the Committee objects, the burden is on

¹ The Debtor is continuing to review the Related Entities List and to determine whether any additional parties or entities should be included on Schedule A. The Debtor will update Schedule A as soon as reasonably practicable to the extent necessary.

the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.

- (2) Transactions with Related Entities greater than \$2,000,000 (either individually or in the aggregate basis on a rolling 30 day period) require Court approval, which the Committee agrees may be sought on an expedited basis.

3. Third Party Transactions (All Stages)

- a) Except as set forth in (b) and (c) below, Transactions in excess of \$2,000,000 (either individually or in the aggregate basis on a rolling 30 day period) require three business days advance notice to Committee and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.
- b) The Debtor may satisfy any redemption requests from entities that are not Related Entities without advance notice so long as the Debtor provides notice of such Transactions to the Committee as soon as reasonably practicable. The Debtor will provide the Committee with five business days advance notice of any redemption requests made by and payable to a Related Entity, and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.
- c) The Debtor may satisfy margin calls and short covers without providing the Committee advance notice if the exigencies do not allow advance notice so long as the Debtor provides notice of such Transactions to the Committee as soon as reasonably practicable.

- C. **Weekly Reporting:** The Debtor will provide the Committee with weekly reports showing all Transactions under this category.

IV. Transactions involving entities that the Debtor manages but in which the Debtor does not hold a direct or indirect interest

- A. **Covered Entities:** See Schedule A hereto. Schedule A includes or will include all entities that the Debtor manages but in which the Debtor does not hold a direct or indirect interest.²

B. **Operating Requirements**

1. Ordinary Course Transactions do not require Court approval (All Stages).
 - a) Stage 1 and Stage 2: ordinary course determined by the CRO.
 - b) Stage 3: ordinary course determined by the Debtor.

² The Debtor is continuing to review the Related Entities List and to determine whether any additional parties or entities should be included on Schedule A. The Debtor will update Schedule A as soon as reasonably practicable to the extent necessary.

2. Related Entity Transactions

- a) Stage 1 and Stage 2: Transactions with Related Entities require prior approval of CRO and five business days advance notice to the Committee and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.
- b) Stage 3:
 - (1) Transactions with Related Entities greater than \$1,000,000 (either individually or in the aggregate basis on a rolling 30 day period) require five business days advance notice to the Committee and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.
 - (2) Transactions with Related Entities greater than \$2,000,000 (either individually or in the aggregate basis on a rolling 30 day period) require Court approval, which the Committee agrees may be sought on an expedited basis.

3. Third Party Transactions (All Stages):

- a) Except as set forth in (b) and (c) below, any Transaction that decreases the NAV of an entity managed by the Debtor in excess of the greater of (i) 10% of NAV or (ii) \$3,000,000 requires five business days advance notice to Committee and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.
- b) The Debtor may satisfy any redemption requests from entities that are not Related Entities without advance notice so long as the Debtor provides notice of such Transactions to the Committee as soon as reasonably practicable. The Debtor will provide the Committee with five business days advance notice of any redemption requests made by and payable to a Related Entity, and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.
- c) The Debtor may take such steps as may be reasonably necessary to winddown any managed entity and make distributions as may be required in connection with such winddown to any required parties. The Debtor will provide the Committee with five business days advance notice of any distributions to be made to a Related Entity, and if the Committee objects, the burden is on the Debtor to seek Court approval, which the Committee agrees may be sought on an expedited basis.

- C. **Weekly Reporting:** The Debtor will provide the Committee with weekly reports showing all Transactions under this category.

V. Transactions involving entities that the Debtor does not manage but in which the Debtor holds a direct or indirect interest

- A. Covered Entities: See Schedule A hereto. Schedule A includes or will include all entities that the Debtor does not manage but in which the Debtor holds a direct or indirect interest.³
- B. Ordinary Course Transactions (All Stages): N/A
- C. Operating Requirements: N/A
- D. Weekly Reporting: Debtor will provide weekly reports of all cross-held asset Transactions, i.e. Transactions in which the Debtor or a Related Entity also holds a direct or indirect interest.

VI. Transactions involving entities that the Debtor does not manage and in which the Debtor does not hold a direct or indirect interest

- A. Covered Entities: See Schedule A hereto. Schedule A includes or will include all entities that the Debtor does not manage and in which the Debtor does not hold a direct or indirect interest.⁴
- B. Ordinary Course Transactions (All Stages): N/A
- C. Operating Requirements: N/A
- D. Weekly Reporting: Debtor will provide weekly reports of all cross-held asset Transactions, i.e. Transactions in which the Debtor or a Related Entity also holds a direct or indirect interest.

VII. Transactions involving Non-Discretionary Accounts

- A. Covered Entities: See Schedule A hereto. Schedule A includes or will include all non-discretionary accounts.⁵
- B. Ordinary Course Transactions (All Stages): N/A
- C. Operating Requirements: N/A
- D. Weekly Reporting: Debtor will provide weekly reports of all cross-held asset Transactions, i.e. Transactions in which the Debtor or a Related Entity also holds a direct or indirect interest.

³ The Debtor is continuing to review the Related Entities List and to determine whether any additional parties or entities should be included on Schedule A. The Debtor will update Schedule A as soon as reasonably practicable to the extent necessary.

⁴ The Debtor is continuing to review the Related Entities List and to determine whether any additional parties or entities should be included on Schedule A. The Debtor will update Schedule A as soon as reasonably practicable to the extent necessary.

⁵ The Debtor is continuing to review the Related Entities List and to determine whether any additional parties or entities should be included on Schedule A. The Debtor will update Schedule A as soon as reasonably practicable to the extent necessary.

VIII. Additional Reporting Requirements – All Stages (to the extent applicable)

- A. DSI will provide detailed lists and descriptions of internal financial and operational controls being applied on a daily basis for a full understanding by the Committee and its professional advisors three (3) business days in advance of the hearing on the approval of the Term Sheet and details of proposed amendments to said financial and operational controls no later than seven (7) days prior to their implementation.
- B. The Debtor will continue to provide weekly budget to actuals reports referencing their 13-week cash flow budget, such reports to be inclusive of all Transactions with Related Entities.

IX. Shared Services

- A. The Debtor shall not modify any shared services agreement without approval of the CRO and Independent Directors and seven business days' advance notice to counsel for the Committee.
- B. The Debtor may otherwise continue satisfying its obligations under the shared services agreements.

X. Representations and Warranties

- A. The Debtor represents that the Related Entities Listing included as **Schedule B** attached hereto lists all known persons and entities other than natural persons included in the definitions of Related Entities covered by Section I.D parts A(i)-(vii) above at the time of the execution of the Term Sheet.
- B. The Debtor represents that the list included as **Schedule C** attached hereto lists all known natural persons included in the definitions of Related Entities covered by Section I.D parts A(i)-(vii) above at the time of the execution of the Term Sheet.
- C. The Debtor represents that, if at any time the Debtor becomes aware of any person or entity, including natural persons, meeting the definition of Related Entities covered by Section I.D parts A(1)-(vii) above that is not included in the Related Entities Listing or Schedule C, the Debtor shall update the Related Entities Listing or Schedule C, as appropriate, to include such entity or person and shall give notice to the Committee thereof.

Schedule A⁶

Entities the Debtor manages and in which the Debtor holds a direct or indirect interest

1. Highland CLO Funding, Ltd. (0.63% Ownership Interest)
2. Dynamic Income Fund (0.26% Ownership Interest)

Entities that the Debtor manages but in which the Debtor does not hold a direct or indirect interest

1. Highland Prometheus Master Fund L.P.
2. NexAnnuity Life Insurance Company
3. PensionDanmark
4. Highland Argentina Regional Opportunity Fund
5. Longhorn A
6. Longhorn B
7. Collateralized Loan Obligations
 - a) Rockwall II CDO Ltd.
 - b) Grayson CLO Ltd.
 - c) Eastland CLO Ltd.
 - d) Westchester CLO, Ltd.
 - e) Brentwood CLO Ltd.
 - f) Greenbriar CLO Ltd.
 - g) Highland Park CDO Ltd.
 - h) Liberty CLO Ltd.
 - i) Gleneagles CLO Ltd.
 - j) Stratford CLO Ltd.
 - k) Jasper CLO Ltd.
 - l) Rockwall DCO Ltd.
 - m) Red River CLO Ltd.
 - n) Hi V CLO Ltd.
 - o) Valhalla CLO Ltd.
 - p) Aberdeen CLO Ltd.
 - q) South Fork CLO Ltd.
 - r) Legacy CLO Ltd.
 - s) Pam Capital
 - t) Pamco Cayman

Entities that the Debtor does not manage but in which the Debtor holds a direct or indirect interest

1. Highland Opportunistic Credit Fund
2. Highland Healthcare Opportunities Fund f/k/a Highland Long/Short Healthcare Fund
3. NexPoint Real Estate Strategies Fund
4. Highland Merger Arbitrage Fund
5. NexPoint Strategic Opportunities Fund
6. Highland Small Cap Equity Fund
7. Highland Global Allocation Fund

⁶ NTD: Schedule A is work in process and may be supplemented or amended.

8. Highland Socially Responsible Equity Fund
9. Highland Income Fund
10. Stonebridge-Highland Healthcare Private Equity Fund (“Korean Fund”)
11. SE Multifamily, LLC

Entities that the Debtor does not manage and in which the Debtor does not hold a direct or indirect interest

1. The Dugaboy Investment Trust
2. NexPoint Capital LLC
3. NexPoint Capital, Inc.
4. Highland IBoxx Senior Loan ETF
5. Highland Long/Short Equity Fund
6. Highland Energy MLP Fund
7. Highland Fixed Income Fund
8. Highland Total Return Fund
9. NexPoint Advisors, L.P.
10. Highland Capital Management Services, Inc.
11. Highland Capital Management Fund Advisors L.P.
12. ACIS CLO Management LLC
13. Governance RE Ltd
14. PCMG Trading Partners XXIII LP
15. NexPoint Real Estate Partners, LLC f/k/a HCRE Partners LLC
16. NexPoint Real Estate Advisors II LP
17. NexPoint Healthcare Opportunities Fund
18. NexPoint Securities
19. Highland Diversified Credit Fund
20. BB Votorantim Highland Infrastructure LLC
21. ACIS CLO 2017 Ltd.

Transactions involving Non-Discretionary Accounts

1. NexBank SSB Account
2. Charitable DAF Fund LP

Schedule B

Related Entities Listing (other than natural persons)

Schedule C

1. James Dondero
2. Mark Okada
3. Grant Scott
4. John Honis
5. Nancy Dondero
6. Pamela Okada
7. Thomas Surgent
8. Scott Ellington
9. Frank Waterhouse
10. Lee (Trey) Parker

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero

Appellant

vs.

Highland Capital Management, L.P., et al

Appellee

§

§

§

§

§

3:20-CV-03390-X

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLEE RECORD
VOLUME 17**

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**COUNSEL FOR ACIS CAPITAL MANAGEMENT,
L.P. AND ACIS CAPITAL MANAGEMENT GP,
LLC, APPELLEES**

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

IN RE:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

DEBTOR.

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CASE NO. 19-34054

Chapter 11

INDEX

DESIGNATION OF RECORD ON APPEAL

Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP," together with Acis LP, "Acis"), appellees, file this Designation of Record on Appeal related to the *Order Approving Debtor's Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302] (the "Settlement Order"), the *Notice of Appeal* [Docket No. 1347] of the Settlement Order filed by James Dondero ("Dondero") and the *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented* [Docket No. 1515] filed by Dondero.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

Acis designates the following additional items for inclusion in the record on appeal.

Items in Bankruptcy Case No. 19-34054-SGJ-11	
Vol. 14 003095 003097	1. Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. [Docket No. 1]
003203	2. Chapter 11 Voluntary Petition [Docket No. 1]
003247	3. Affidavit/Declaration in Support of First Day Motion /Declaration of Frank Waterhouse in Support of First Day Motions Filed By Highland Capital Management, L.P. [Docket No. 11]
Vol. 15 003406	4. Motion to Change Venue/Inter-district Transfer Filed by Official Committee of Unsecured Creditors [Docket No. 85]
003433	5. Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 122]
003444	6. Joinder to Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) [Docket No. 126]
003452	7. Reply in Support of Motion to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 162]
003459	8. Reply in Support of the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 163]
003463	9. Response of the Debtor to Acis's Joinder to Motion to Transfer Venue [Docket No. 164]
003465	10. Order Transferring Venue of this Case to the United States Bankruptcy Court of the Northern District of Texas [Docket No. 186]
003492	11. Transcript regarding hearing held 12/6/19 [Docket No. 207]
003574	12. Schedules: Schedules A/B/ and D-H with Summary of Assets and Liabilities (with Declaration Under Penalty of Perjury for Non-Individual Debtors)[Docket No. 247]
003616	13. Statement of financial affairs for non-individual [Docket No. 248]
Vol. 16 003629	14. Trustee's Motion to appoint trustee [Docket No. 271]
003729	15. Motion to compromise controversy with Official Committee of Unsecured Creditors [Docket No. 281]
003735	16. Trustee's Objection to Motion to Approve Joint Agreement [Docket No. 313]
003738	17. Declaration re: (Declaration of Bradley D. Sharp in Support of the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course) [Docket No. 327]
003751	18. Response unopposed to (related document(s): 313 Objection) [Docket No. 329]
003756	19. Response unopposed to (related document(s): 313 Objection) [Docket No. 330]
	20. Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors, Strand Advisors, Inc., and James Dondero. [Docket No. 338]

Vol. 16 003764	21.	Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course [Docket No. 339]
003769	22.	Notice (Notice of Final Term Sheet) [Docket No. 354]
Vol. 17 003834	23.	Response opposed to (related document(s): 271) [Docket No. 362]
003847	24.	Objection to (related document(s): 271 Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) [Docket No. 364]
003851	25.	Transcript regarding Hearing Held 01/21/2020 [Docket No. 393]
003991	26.	Order denying motion to appoint trustee [Docket No. 428]
003993	27.	Motion for relief from stay [Docket No. 451]
Vol. 18	28.	Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") [Docket No. 474]
004042	29.	Transcript regarding Hearing Held 02/19/2020 [Docket No. 479]
Vol. 22 004908	30.	Objection to (related document(s): 474) [Docket No. 487]
005096	31.	Joinder by Acis Capital Management, L.P. and Acis Capital Management GP, LLC to the Committee's Objection to the Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain Related Entities, and Comment to the Same [Docket No. 489]
005110	32.	Order authorizing, but not directing, the debtor to cause distributions to certain 'related entities'. [Docket No. 512]
005119	33.	Order granting motion for relief from stay [Docket No. 519]
005123	34.	Transcript regarding Hearing Held 03/04/2020 [Docket No. 571]
Vol. 23 005125	35.	Motion for relief from stay [Docket No. 593]
005246	36.	Transcript regarding Hearing Held 05/26/2020 [Docket No. 676]
Vol. 24 005352	37.	Order granting motion for relief from stay [Docket No. 764]
005359	38.	Application to employ James P. Seery, Jr. Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020 [Docket No. 774]
005362	39.	Transcript regarding Hearing Held 06/30/2020 [Docket No. 802]
005395	40.	Transcript regarding Hearing Held 07/08/2020 [Docket No. 817]
005495	41.	Agreed order regarding deposit of funds into registry of the Court [Docket No. 821]
005553	42.	Order granting application to employ James P. Seery, Jr. as Chief Executive Officer, Chief Restructuring and Foreign representative [Docket No. 854]
005558	43.	Transcript regarding Hearing Held 07/14/2020 [Docket No. 864]
Vol. 25 005570	44.	Transcript regarding Hearing Held 07/21/2020 [Docket No. 897]
005764	45.	Order directing mediation [Docket No. 912]
Vol. 26 005829	46.	Transcript regarding Hearing Held 08/19/2020 [Docket No. 998]
005835	47.	Transcript regarding Hearing Held 09/10/2020 [Docket No. 1064]
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DATED: December 7, 2020.

Respectfully submitted,

By: /s/ Annmarie Chiarello

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CERTIFICATE OF SERVICE

I hereby certify that on December 7, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

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§

Chapter 11

Case No. 19-34054-sgj11

**OBJECTION OF THE DEBTOR TO UNITED STATES TRUSTEE'S MOTION
FOR AN ORDER DIRECTING THE APPOINTMENT OF A CHAPTER 11 TRUSTEE**

The above-captioned debtor and debtor-in-possession (the "Debtor") files this objection (this "Objection") to the *United States Trustee's Motion for an Order Directing the Appointment of a Chapter 11 Trustee* [Docket No. 271] (the "Trustee Motion"), filed by the United

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

States Trustee for Region 6 (the “UST”) on December 23, 2019. In support of this Objection, the Debtor respectfully represents as follows:

PRELIMINARY STATEMENT

1. The appointment of a chapter 11 trustee in this case would be a completely needless and wasteful exercise, and it would be wholly inconsistent with the interests of creditors, most of whom are represented by the Official Committee of Unsecured Creditors (the “Committee”). This Court has already approved (over the objection of the UST and no other economic stakeholder) the settlement between the Debtor and the Committee regarding governance issues and certain operating protocols. The Debtor’s estate is now managed by a new independent board of directors (the “Independent Board”) at Strand Advisors, Inc. (“Strand”), the Debtor’s general partner. The Independent Board’s fiduciary duty is foremost to the Debtor’s estate, and the Independent Board may not be removed without Committee consent or approval of this Court. Pursuant to the settlement, the Debtor has also implemented certain protocols governing the operation of its business in the ordinary course.

2. The UST filed the Trustee Motion four days *before* the Debtor filed the Settlement Motion (as defined below), despite knowing that the Settlement Motion might be filed shortly thereafter. By not waiting to see the definitive terms of the settlement between the Debtor and the Committee, the Trustee Motion fails to take into account that James Dondero, the Debtor’s co-founder and prior principal in control, has been irrevocably replaced and removed from any continuing management role with the Debtor (or its general partner, Strand). The Trustee Motion also fails to consider that the Independent Board has assumed control of the Debtor’s management functions. In this regard, the Independent Board has the authority to hire a new Chief Executive

Officer (a “CEO”), if necessary, and to direct the actions of the Debtor’s existing Chief Restructuring Officer (the “CRO”). Consistent with the governance requirements of applicable Delaware corporate and partnership law, the Independent Board is now in charge of Strand and thereby manages the Debtor for all purposes. The UST has argued that the Independent Board has duties to the shareholders of Strand. In fact, Mr. Dondero, the sole shareholder of Strand, has agreed not to take any action or exercise the voting power of his shares in Strand in any way that is inconsistent with the Committee settlement or any order of this Court approving the Committee settlement. Mr. Dondero has also relinquished any right to remove the Independent Directors except with Committee consent or Court approval. As such, the Independent Board’s focus is on maximizing the value of the Debtor’s estate.

3. The UST bases the Trustee Motion on prepetition misconduct that is no longer relevant now that the Debtor is governed by the Independent Board, which has the full support of the Committee. The UST cites to no precedent, and the Debtor is aware of none, that would support the extraordinary remedy of the appointment of a chapter 11 trustee under the circumstances here.² In fact, no outcome could be possibly worse from the perspective of this estate and the interests of stakeholders than appointing a single as yet unknown person to manage the Debtor’s complex business and replace the highly qualified Independent Board that was just appointed with the Committee’s support and this Court’s approval.

² The UST notably never states what the UST expects a chapter 11 trustee to actually do in this case. The reasons for that are apparent. Either the UST is seeking to appoint a chapter 11 trustee who will serve the exact same function as the Independent Board or the UST is seeking to unseat the Independent Board and unwind this Court’s order approving the Settlement Motion [Docket No. 339]. As such, the UST is either duplicating efforts and substantially increasing the costs and burdens to the estate or is impermissibly launching a collateral attack on this Court’s order approving the Settlement Motion. Either result is impermissible.

4. For these reasons and those set forth below, the Debtor strongly urges the Court to deny the Trustee Motion.

BACKGROUND

5. On October 16, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the Bankruptcy Court for the District of Delaware, Case No. 19-12239 (CSS) (the “Delaware Court”).

6. To assist and coordinate the restructuring process, the Debtor retained Bradley D. Sharp to serve as the CRO on October 7, 2019. On October 29, 2019, the Debtor filed the *Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring Related Services, Nunc Pro Tunc as of the Petition Date* [Docket No. 74] (the “CRO Motion”), seeking to formally retain the CRO. On December 27, 2019, the Debtor amended the CRO Motion consistent with the terms of the Settlement Motion [Docket No. 282]. The Court approved the CRO Motion, as amended, at the hearing on January 9, 2020 [Docket No. 342].

7. On October 29, 2019, the Committee was appointed by the United States Trustee in the Delaware Court.

8. On December 4, 2019, the Delaware Court entered an order transferring venue of the Debtor’s bankruptcy case to this Court [Docket No. 186].³ The Debtor has continued in the possession of its property and has continued to operate and manage its business as a debtor-

³ All docket numbers refer to the docket maintained by this Court.

in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this chapter 11 case.

9. On December 23, 2019, the UST filed the Trustee Motion, despite the Debtor having informed the Court and the UST that the Settlement Motion would be filed no later than December 27, 2019, assuming that a settlement had been reached with the Committee.

10. On December 27, 2019, the Debtor filed its *Motion of the Debtor to Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* [Docket No. 281] (the “Settlement Motion”). Pursuant to the Settlement Motion, the Debtor sought approval of a settlement with the Committee regarding: (a) wholesale changes to the Debtor’s governance, including replacing Debtor’s management by James Dondero with the Independent Board; (b) additional transparency for the Committee into the operation of the Debtor’s business; (c) the Independent Board’s possible retention of a CEO acceptable to the Committee and the retention of the CRO on updated terms; and (d) implementation of certain protocols governing the Debtor’s ordinary course business operations.

11. The Independent Board is a highly qualified group consisting of James P. Seery, Jr., John S. Dubel, and Russell Nelms. Mr. Seery is a high yield and distressed investing professional with extensive experience managing large asset portfolios. Mr. Dubel has served as an independent director and restructuring professional in a wide variety of industries. The Honorable Mr. Nelms is a former bankruptcy judge in this District and a highly respected member of the bar.

12. Notwithstanding the qualifications of the Independent Board, the UST objected to the Settlement Motion on the principal basis that a chapter 11 trustee should be appointed instead. No other economic stakeholder objected to the proposed governance changes incorporated in the Settlement Motion.

13. On January 9, 2020, this Court overruled the UST's objection and approved the Settlement Motion [Docket No. 339]. In so ruling, this Court concluded that appointment of the Independent Board was a sound exercise of the Debtor's business judgment and that the settlement was fair and equitable and in the best interests of the Debtor's estate.

14. As part of the settlement with the Committee, James Dondero, as the principal of Strand, which is the general partner of the Debtor, agreed to appoint the Independent Directors and not to remove them except with Committee consent or approval of this Court. Mr. Dondero also agreed not to take any action or exercise the voting power of his shares in Strand in any way that is inconsistent with the Committee settlement or any order of this Court approving the Committee settlement. Strand has no business operations other than its general partnership role in the Debtor. Hence, the Independent Board's primary duty in this case is to the Debtor's estate.

15. Since entry of this Court's order approving the Settlement Motion, the Independent Board was installed and immediately began implementing the terms of the settlement and managing the Debtor on a going-forward basis. Indeed, the Independent Board has already conducted intensive and lengthy meetings with the Debtor's employees and professionals to understand the status of the Debtor's affairs, overseen the execution of certain ordinary course transactions, and initiated the process of charting a path forward. Additional meetings have been,

or are in the process of being, scheduled to allow the Board to address the Debtor's on-going business. Any chapter 11 trustee that may be appointed would thus be weeks behind the Board in what has been a rapidly developing case.

OBJECTION TO TRUSTEE MOTION

A. Appointment of a Trustee is an Extraordinary Remedy That Does Not Apply Here

16. Section 1104(a) of the Bankruptcy Code provides for the appointment of a chapter 11 trustee in only limited circumstances, including (1) for cause, and (2) if such appointment is in the interests of parties in interest. 11 U.S.C. § 1104(a).

17. As this Court stated in its decision in *In re Patman Drilling Int'l, Inc.*, the appointment of a chapter 11 trustee is a "draconian remedy." 2008 Bankr. LEXIS 715, at *15 (Bankr. N.D. Tex. Mar. 14, 2008). "A strong presumption exists that a Chapter 11 debtor should be permitted to remain in possession. The Movants have the burden of showing, **by clear and convincing evidence**, that the appointment of a trustee is justified." *Id.* at *15-16 (emphasis added); *see also In re Cajun Electric Power Coop., Inc.*, 69 F.3d 746, 749 (5th Cir. 1995), *withdrawn in part on other grounds*, 74 F.3d 599 (5th Cir. 1996) (adopting dissent's position in 69 F.3d 746).

18. The UST implies that the Fifth Circuit's decision in *Cajun Electric* with respect to the applicability of the clear and convincing standard was withdrawn, but there is no indication of that in the dissenting opinion that was adopted by the court. Subsequent decisions within this Circuit, including this Court's opinion in *Patman Drilling*, continue to apply the clear and convincing standard in the context of a motion to appoint a chapter 11 trustee. *See, e.g., In re Amerejuve, Inc.*, 2015 Bankr. LEXIS 1496, at *16 (Bankr. S.D. Tex. Apr. 29, 2015) ("The parties

moving to appoint a trustee bear the burden, by clear and convincing evidence, of demonstrating that cause exists for the appointment of a trustee.”) (citing, among other cases, *Cajun Electric*, 69 F.3d at 749, *withdrawn in part on other grounds*, 74 F.3d 599 (5th Cir. 1996); *In re ATP Oil & Gas Corp.*, 2013 Bankr. LEXIS 5698, 2013 WL 9792582, at *9 (Bankr. S.D. Tex. 2013)). Thus, there is a strong presumption *against* appointing a chapter 11 trustee, which “must be considered a last resort.” *In re Marvel Entm’t Group, Inc.*, 140 F.3d 463, 471 (3d Cir. 1998).

19. As set forth below, there is no evidence here that supports the need for a trustee – much less clear and convincing evidence. The Independent Board is now firmly in place and in control of the Debtor. The Independent Board is already taking a highly proactive approach to managing the Debtor, is quickly learning all about the Debtor’s assets and various business affairs, and is otherwise executing the terms of the settlement. There is no reason to supplant the highly-qualified, consensual Independent Board with a new and unknown chapter 11 trustee.

20. The UST may make the technical argument that the Independent Board has duties to the shareholders of Strand (among other constituents), but this position ignores the terms of the Committee settlement. Although Mr. Dondero is the sole shareholder of Strand, he has agreed not to take any action or exercise the voting power of his shares in Strand in any way that is inconsistent with the Committee settlement or any order of this Court approving the Committee settlement. Mr. Dondero also has relinquished any right to remove the Independent Directors except with Committee consent or the approval of this Court. The Independent Board’s primary duty is therefore to maximize the value of the Debtor’s estate, which in turn also benefits Strand. *See In Re Houston Reg’l Sports Network, L.P.*, 505 B.R. 468, 481-82 (Bankr. S.D. Tex. 2014) (“The individuals who manage the Estate’s affairs – whether ‘officers and managing employees’

or puppeteers acting through a general partner – must respect the fiduciary sanctity of the operation of a bankruptcy estate.”) (citations omitted).

21. Appointment of the Independent Board has fundamentally altered the Debtor’s governance structure from the top down. The Independent Board, among other rights, has the power to hire and fire the Debtor’s employees and to decide the terms on which employees will remain employed by the Debtor. Hence, there is no basis for the UST’s unsubstantiated point that prior attempts at restricting the authority of the Debtor’s management have failed. No prior governance change involved the removal of Mr. Dondero and appointment of independent management with sole authority to make the ultimate decisions on behalf of the Debtor.⁴

B. Prepetition Conduct by Replaced Management is Not “Cause” that Merits the Appointment of a Trustee

22. Section 1104(a)(1) provides for the appointment of a trustee “for cause, including fraud, dishonesty, incompetence, or gross mismanagement of the affairs of the debtor *by current management*, either before or after the commencement of the case, or similar cause”

11 U.S.C. § 1104(a)(1) (emphasis added).

23. The UST argues that cause exists to appoint a trustee based on the alleged prepetition misconduct of the Debtor’s *prior management*, including actions that were the subject of litigation commenced by the Redeemer Committee and Acis Capital.⁵ Regardless of any alleged prepetition impropriety by the Debtor’s prior management, no cause exists here to appoint a trustee because *current management* is now the newly installed Independent Board. *Adams v. Marwil*

⁴ Notably, the prior restrictions on Debtor’s management related only to the Crusader Fund. The Redeemer Committee of the Crusader Fund, the body best able to compare the prior restrictions on the Crusader Fund to the Debtor’s current governance, is on the Committee that expressly supported the current governance.

⁵ Both of these claimants are on the Committee in this case and supported the settlement with the Debtor that resulted in the appointment of the Independent Board.

(*In re Bayou Group, LLC*), 564 F.3d 541, 547 n.3 (2d Cir. 2009) (“[w]hen considering whether to appoint a trustee for cause, a court’s focus is on the debtor’s current management, not the misdeeds of past management.”) (citation omitted). In *Bayou Group*, the court denied a motion of a U.S. Trustee to appoint a chapter 11 trustee in a case where an independent receiver had been appointed prepetition to manage the debtor’s affairs and there was no evidence of mismanagement by such receiver, notwithstanding the improprieties of prior management. *Id.* at 547-548.

24. Here, by ignoring the settlement between the Debtor and the Committee, the UST has failed to consider that no cause exists to justify the appointment of a trustee because ***current management***, as contemplated by section 1104(a)(1), is now the Independent Board. The UST has also failed to cite to any case law (and the Debtor is aware of none) supporting the appointment of a trustee for cause where prepetition management has been replaced with new and independent management, especially when done so under the auspices of a settlement with the Committee approved by this Court.

C. Appointment of a Trustee Would Not Be in the Best Interests of the Debtor’s Estate

25. Under section 1104(a)(2), a court must find that the appointment of a chapter 11 trustee is in the best interest of the bankruptcy estate generally, not simply for a select group or groups. *See* 7 COLLIER ON BANKRUPTCY ¶ 1104.02[3][d][i] (15th ed. 2007); *In re Sletteland*, 260 B.R. 657, 672 (Bankr. S.D.N.Y. 2001) (“[A] creditor group, no matter how dominant, cannot justify the appointment of a trustee or examiner simply by alleging that it would be in its interests. It must show that the appointment is in the interests of all those with a stake in the estate”); *In re Sea Queen Kontaratos Lines, Ltd.*, 10 B.R. 609, 610 (Bankr. D. Me. 1981)

(finding that a creditor confused “its own self interest with the interests of the estate and creditors generally” and denying motion to appoint trustee).

26. Here, no economic party in interest supports the appointment of a chapter 11 trustee in this case. The Committee, which represents the bulk of the creditor constituents in this case, entered into a settlement with the Debtor effectuating wholesale governance changes for the Debtor and implementing various operating protocols. That settlement was approved by this Court as a proper exercise of the Debtor’s business judgment and as being in the best interests of the Debtor’s estate, and such settlement has since been implemented by the Debtor. Any issues involving the Debtor’s affiliates or insiders can be addressed by the Independent Board or the Committee consistent with the terms of the settlement. Hence, the parties and this Court have already determined that new independent management, rather than the appointment of a trustee, furthers the best interests of all stakeholders in this case.

27. The UST has offered no evidence or legal basis to the contrary and no justification or reason for appointing a chapter 11 trustee whose duties will duplicate those of the Independent Board. Further, the UST has articulated no reason why a chapter 11 trustee would better maximize the value of the Debtor’s estate or better advance this case towards a confirmable plan or what a chapter 11 trustee would do differently than the Independent Board. The UST cannot argue that the chapter 11 trustee would be *more* qualified than the Independent Board because we do not know the identity of the trustee. It is likely that a trustee would be less qualified than the diverse and well-recognized expertise of the three-person Independent Board. Finally, as a practical matter, a chapter 11 trustee likely would seek to replace the CRO or other debtor professionals with their own staff. This would discard months of progress, and require duplicative

expenses to bring the Debtor's estate back to its current posture. Granting the UST's relief certainly will lead to lost time, lost expertise, and increased costs for the Debtor, with no articulated, much less likely, benefit for the Debtor's estate or its stakeholders.

CONCLUSION

28. For the reasons set forth herein, the Debtor requests that the Court enter an order denying the Trustee Motion. No cause exists to appoint a trustee in this case given that the Independent Board has been appointed, and the best interests of all parties in interest will be served by allowing the Independent Board to do its job by maximizing the value of this estate.

Dated: January 15, 2020

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in place at the time the Trustee Motion was filed. As a result of the Settlement, James Dondero is no longer in a position of decision-making authority at the Debtor. A new, highly-qualified and independent board of directors (the “Independent Board”) has assumed control of the Debtor. Mr. Dondero and all other employees are subject to the authority and direction of the Independent Board. Pursuant to the Settlement, the Committee has significant information and oversight rights with respect to material transactions and proposed transactions involving the Debtor. The Committee also has standing to investigate and pursue claims against Mr. Dondero and certain other insiders of the Debtor. In view of these and other significant changes resulting from the Settlement, the U.S. Trustee’s arguments for a Chapter 11 Trustee based upon past actions taken by prior management are largely irrelevant. More importantly, those historic actions under the prior regime cannot be used to support the request for appointment of a Chapter 11 Trustee. *Adams v. Marwil (In re Bayou Group, LLC)*, 564 F.3d 541, 547 n.3 (2d Cir. 2009) (“[w]hen considering whether to appoint a trustee for cause, a court’s focus is on the debtor’s current management, not the misdeeds of past management.”) (citation omitted).

2. The U.S. Trustee fails to show how a court appointed Chapter 11 Trustee would be better positioned than the Independent Board to address the Debtor’s challenges. The Independent Board has significant experience and expertise in operating complicated financial organizations, overseeing companies in chapter 11 and satisfying the legal requirements of chapter 11. Contrary to the U.S. Trustee’s assertions, the Independent Board will be heavily-involved in the Debtor’s decision-making and will have an almost constant presence on-site at the Debtor (in the initial weeks/months, at a minimum). The Independent Board also has the authority to retain a new chief executive officer to carry out day to day management of the Debtor. Any difficulties that the Independent Board may face, including with respect to inter-company transactions or the culture

of the Debtor, also would be faced by a Chapter 11 Trustee. Finally, if circumstances change, the U.S. Trustee and all other parties in interest, including the Committee, have the right to seek a Chapter 11 Trustee at a future date.

3. The U.S. Trustee cannot demonstrate that the appointment of a Chapter 11 Trustee is in the best interests of the Debtor's stakeholders. *See* 7 COLLIER ON BANKRUPTCY ¶ 1104.02[3][d][i] (15th ed. 2007); *In re Sletteland*, 260 B.R. 657, 672 (Bankr. S.D.N.Y. 2001) ([Movant], "must show that the appointment is in the interests of all those with a stake in the estate"). The Committee, as the representative of the primary economic stakeholders in this case (and the Committee members themselves directly holding the substantial majority of unsecured claims), strongly objects to the U.S. Trustee's request for appointment of a Chapter 11 Trustee. The Committee believes that the Debtor's new corporate governance structure, as embodied in the Settlement, provides the Debtor with the best opportunity to maximize value for its stakeholders. Appointing a Chapter 11 Trustee at this time would eviscerate the recently-approved Settlement and harm the Debtor's estate and its creditors.

4. For the reasons set forth above and in the Debtor's objection to the Trustee Motion [Docket No. 362], the U.S. Trustee has not met its burden in seeking the appointment of a Chapter 11 Trustee, and the Trustee Motion should be denied.

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WHEREFORE, the Committee respectfully requests that the Court deny the Trustee Motion.

Dated: January 15, 2020
Dallas, Texas

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

In Re:) **Case No. 19-34054-sgj-11**
)
)
HIGHLAND CAPITAL) Dallas, Texas
MANAGEMENT, L.P.,) January 21, 2020
) 9:30 a.m.
Debtor.)
) MOTIONS
)
_____)

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE.

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transcript produced by transcription service.

1 DALLAS, TEXAS - JANUARY 21, 2020 - 9:35 A.M.

2 THE COURT: Counsel in the courtroom first in
3 Highland.

4 MR. POMERANTZ: Good morning, Your Honor. Jeff
5 Pomerantz, John Morris, and Max Litvak from Pachulski Stang
6 Ziehl & Jones, counsel for the Debtor.

7 THE COURT: Good morning.

8 MR. POMERANTZ: Also in the courtroom are the members
9 of the independent board: John Dubel, Jim Seery, and Russell
10 Nelms.

11 THE COURT: Good morning.

12 MS. HAYWARD: Good morning, Your Honor. Melissa
13 Hayward and Zachery Annable on behalf of the Debtor.

14 THE COURT: Good morning.

15 MS. LAMBERT: Lisa Lambert with the U.S. Department
16 of Justice representing William Neary, the United States
17 Trustee. I believe Ms. Kippes will also be joining later this
18 morning.

19 THE COURT: Okay. Good morning.

20 MS. LAMBERT: Thank you.

21 MR. TWOMEY: Good morning, Your Honor. Dennis
22 Twomey, Penny Reid, and Juliana Hoffman on behalf of the
23 Unsecured Creditors' Committee from Sidley Austin. Thank you.

24 THE COURT: Good morning.

25 MS. PATEL: Good morning, Your Honor. Rakhee Patel

1 of Winstead, P.C. on behalf of ACIS Capital Management, LP and
2 ACIS Capital Management, GP, LLC.

3 THE COURT: Good morning.

4 MS. PATEL: Thank you.

5 MR. PLATT: Good morning, Your Honor. Mark Platt.

6 I'm here on behalf of the Redeemer Committee of the Highland
7 Crusader Fund. And Mark Hankin, I believe, is on the phone as
8 well.

9 THE COURT: Okay. Good morning.

10 MS. POSIN: Good morning, Your Honor. Kim Posin of
11 Latham & Watkins. Also here is Asif Attarwala from Latham.
12 We represent creditor UBS Securities, LLC and UBS AG London
13 Branch.

14 THE COURT: Good morning.

15 MS. ANDERSON: Good morning, Your Honor. Amy
16 Anderson with Jones Walker on behalf of the Issuer Entities.
17 And with me on the phone is Mr. James Bentley with Schulte
18 Roth.

19 THE COURT: Okay. Thank you.

20 All right. That's all the courtroom appearances. If
21 you're on the phone and wish to appear, you may go ahead. I
22 think we heard at least Mr. Bentley, you're on the phone,
23 correct?

24 MR. BENTLEY: Yes, Your Honor. Thank you.

25 THE COURT: All right. And we heard Mr. Mark Hankin

1 should be on the phone, correct?

2 MR. HANKIN: Yes, Your Honor.

3 THE COURT: All right. Anyone else wishing to
4 appear?

5 All right. Well, we originally had quite a few things on
6 the calendar, and it looks like we're down just to four or
7 five maybe at this point, correct?

8 MR. POMERANTZ: That is correct, Your Honor. Again,
9 Jeff Pomerantz; Pachulski Stang Ziehl & Jones.

10 There has been a flurry of paperwork. I have either
11 inserts or replacements to things in your binders, or I have
12 completely new binders. What would Your Honor prefer?

13 THE COURT: Well, by the way, you had a very helpful
14 binder, whoever was responsible for that. I think just the
15 inserts will do.

16 MR. POMERANTZ: Okay. May I approach?

17 THE COURT: You may. And I assume we're talking
18 about the pleadings binder that you sent over Friday-ish?

19 MR. POMERANTZ: Correct.

20 THE COURT: Okay.

21 (Pause.)

22 THE COURT: Okay. Very good. Thank you.

23 MR. POMERANTZ: Your Honor, I thought I would take
24 Your Honor through the agenda. And if the agenda that we
25 provided today was helpful, we would propose to do it for all

1 hearings, if that would be acceptable.

2 THE COURT: That would be great, yes.

3 MR. POMERANTZ: Thank you, Your Honor.

4 So, Your Honor, number one on the agenda was the DSI
5 retention motion. Your Honor has already entered an order
6 approving that motion.

7 THE COURT: Uh-huh.

8 MR. POMERANTZ: Number two is the ordinary course of
9 business protocol motion, which was rendered moot by Your
10 Honor's approval of the settlement, so a notice of withdrawal
11 of that motion has been filed on the docket.

12 THE COURT: Okay.

13 MR. POMERANTZ: The number three and four, the
14 retentions of Foley Gardere and Lynn Pinker, we have agreed
15 with the Committee and ACIS to continue those hearings. At the
16 conclusion of this hearing, I will be asking perhaps for a
17 couple of hearing dates --

18 THE COURT: Okay.

19 MR. POMERANTZ: -- over the next couple of months so
20 that --

21 THE COURT: Okay.

22 MR. POMERANTZ: -- we can set these for the next one.
23 Number five is the PensionDanmark relief from stay motion.
24 That also by agreement has been continued until the next date.

25 Number six is the settlement motion. The only trailing

1 issue, if Your Honor may recall, the CLO Issuers had raised
2 some concerns that the ordinary course of business protocols
3 would somehow impact the ability of the Debtor and the CLO
4 Funds to operate in accordance with their contractual
5 documents. We have been engaged with them and with the
6 Creditors' Committee in discussions on how to address their
7 concerns. We are still working on that, and we would ask that
8 that matter continue to trail to the next hearing.

9 THE COURT: Okay. All right.

10 MR. POMERANTZ: Your Honor, number seven and number
11 eight and number nine, we are -- we were -- they were --
12 they're unopposed. There have been some discussions, both in
13 connection with the cash management motion and on the bonus
14 motion, of the Committee and others. We would propose to hear
15 those after the contested matters. So we would prefer to trail
16 them until after the three contested matters.

17 THE COURT: All right.

18 MR. POMERANTZ: And Your Honor, the three contested
19 matters remaining, we would propose to take them in the order
20 of argument on the agreed protective order. There is
21 opposition by the Trustee's Office. Then an argument on the
22 Committee seal motion, and then followed by the United States
23 Trustee's motion to appoint a trustee.

24 THE COURT: All right. I am good with that sequence.
25 Anyone want to comment?

1 All right. So we'll start with the protective order.

2 MR. POMERANTZ: Your Honor, and I will cede the
3 podium to my partner, John Morris, who will be handling
4 argument on that.

5 THE COURT: All right. Thank you. Mr. Morris?

6 MR. MORRIS: Good morning, Your Honor.

7 THE COURT: Good morning.

8 MR. MORRIS: John Morris; Pachulski Stang Ziehl &
9 Jones; for the Debtor.

10 Your Honor, the Committee and the Debtor have agreed upon
11 the terms of a protective order. The protective order really
12 is a garden-variety protective order. And if I may, I would
13 just like to spend a couple of minutes giving the Court some
14 background as to how we got here.

15 THE COURT: Okay.

16 MR. MORRIS: This case has been going on for three
17 months, and obviously there's been a substantial exchange of
18 information during the interim. The case was filed in mid-
19 October. Almost immediately, the Debtor received substantial
20 requests from the Committee's professionals, both the lawyers
21 as well as the financial advisors. Under the leadership of
22 Brad Sharp, who was acting at that point as the CRO, the Debtor
23 acted very quickly to provide the information that it could.

24 Given that it was asked to produce documents on a very
25 expedited basis, given that it was asked to produce information

1 on a wide variety of issues that didn't concern an adversary
2 proceeding, that didn't concern a contested matter, some of
3 which related to, for example, transactions that were being
4 contemplated and we wanted to give the Committee visibility,
5 for all those reasons, the documents were produced initially on
6 a professional-eyes-only basis.

7 From time to time, the Committee sought the Debtor's
8 consent to share certain of that information with the Committee
9 members in order to enable the Committee members to fulfill
10 their duties. And I won't go into detail, but most of the time
11 we agreed. Sometimes we didn't.

12 The fact is, Your Honor, the parties worked very
13 cooperatively throughout the fall, notwithstanding the
14 adversarial nature of the proceedings, to provide information.
15 And we continued on that basis until late December, when the
16 Committee and the Debtor finally reached an agreement on the
17 terms of a protective order, and that's what we filed I think
18 on December 27th.

19 And the flow of information continued. The parties, I
20 think it's fair to say, have relied upon the terms of that
21 order. Under the guidance of the newly-appointed independent
22 directors, the Debtor has continued to provide information to
23 the Debtor as well as to other parties.

24 What information has been provided during this time? I
25 think it's important for Your Honor to understand the

1 magnitude of just what the Debtor has done here. I think the
2 Committee has made over 30 -- no, let me state it differently.
3 The Debtor has made over 30 separate document productions. It
4 covers more than 10,000 pages of material. It covers the
5 laundry list of issues that the Committee is interested in,
6 again, both with respect to contested matters and stuff that
7 has absolutely nothing to do with anything that's on the
8 Court's calendar today.

9 We've engaged in depositions. The Committee took three
10 very extensive depositions of Mr. Sharp, the CRO, of Mr.
11 Caruso, his partner at DSI, and they took a more-than-seven-
12 hour deposition of Frank Waterhouse, the CFO of the Debtor. I
13 defended each of those depositions. I didn't direct any of my
14 witnesses not to answer a single question. So there's been
15 full transparency here. I think there was maybe one question
16 that I asked to be marked confidential because it pertained to
17 the identity of investors in a nondebtor entity, and the
18 Committee didn't object to that.

19 So there's been that free flow of information.

20 Of course, Your Honor, the Debtor has filed its schedules,
21 its SOFAs. The Debtor sat for an almost-two-hour examination
22 before the United States Trustee and creditors, answering
23 questions about those documents at a 341 meeting that is going
24 to be continued tomorrow morning.

25 The point here, Your Honor, is that the agreed-upon rules

1 as reflected in the protective order haven't hindered the flow
2 of information. In fact, it's enhanced the ability of the
3 Creditors' Committee to gain information.

4 In the absence of the cooperation between the Committee
5 and the Debtor, Your Honor, I believe it's hard to imagine how
6 we could have reached an agreement on things like corporate
7 governance and the bonus motion, which includes information
8 relating to personnel matters, salaries and things of that
9 nature. And so this flow of information I think is helping
10 the Debtor's estate, it's helping the process, and I think it
11 ought to be encouraged, frankly.

12 As I mentioned earlier, another very critical component of
13 the information-sharing is sharing with the Committee
14 information relating to proposed transactions. That has
15 nothing, again, to do with an adversary proceeding, has
16 nothing to do with a contested matter, but it would really
17 hinder the Debtor's ability to operate if it was in a
18 contentious situation with the Committee over its day-to-day
19 business. And so, again, this protective order enables the
20 Debtor to carry forth its business.

21 I think it's important, Your Honor, to look at what the
22 consequences of this have been. Neither the Committee nor
23 anybody else has ever filed a motion to compel the Debtor to
24 provide information. Neither the Committee nor any other
25 party in interest has ever even requested a conference with

1 this Court or the Court in Delaware on matters relating to
2 discovery.

3 No one has objected to the protective order except the
4 United States Trustee. And we do appreciate the perspective
5 and the position that the United States Trustee is in, but
6 it's got to be taken into the context of this case. And in
7 the context of this case, where the Committee is on board,
8 where nobody else is objecting, the Court ought to ask itself
9 why. And I think the reason why is because the process is
10 really working, and it's working very well.

11 The people and the entities that are mentioned in the
12 United States Trustee's objection, whether it's ACIS or the
13 SEC or the PBGC or investors, they're all very sophisticated
14 parties, they're all well aware of what's happening, they all
15 have notice, and nobody is here objecting. And I think that's
16 very important.

17 The good news, Your Honor, I think the good news, anyway,
18 is the Committee and the Debtor have agreed to amend its form
19 of protective order in a way that we hope and we believe goes
20 a long way to addressing the United States Trustee's concerns.
21 In particular, what we've done is we've added the United
22 States Trustee as one of the parties who will receive
23 everything. Okay. So we've amended that. And Your Honor, I
24 have both clean and blacklines of the revised protective
25 order, if you'd like me to hand it up.

1 THE COURT: All right. You may approach.

2 MR. MORRIS: And I can just show you exactly where
3 these changes have been made.

4 THE COURT: Okay. Thank you. Thank you.

5 MR. MORRIS: So, Your Honor, you'll see in the
6 blackline at Paragraph 2 on Page 7 that we've added in
7 Subparagraph 2(f) the United States Trustee's Office. So
8 they're now one of the people or entities --

9 THE COURT: Uh-huh.

10 MR. MORRIS: -- who will receive everything. And
11 then on Page 11 in Paragraph 10, we've tried to make it very
12 clear that the protective order is not intended to prevent the
13 U.S. Trustee from disclosing discovery material in compliance
14 with a subpoena or court order or a FOIA request, provided
15 that the Debtor and the Committee are given notice pursuant to
16 Paragraph 9 so that we have an opportunity to intervene if we
17 think that there's a reason not to engage in that process.

18 So, as long as we receive notice, you know, the U.S.
19 Trustee can be responsive in the way that I think, I think at
20 least to some degree, they want to.

21 This order now, Your Honor, and I think this is -- I'll
22 thank the Committee for pointing this out -- this order is now
23 really wholly consistent with a protective order that was
24 entered by Judge Hale in the *PHI* case. It was entered just
25 last April, and it's filed at Docket #316. And that's a

1 protective order that wasn't entered in connection with an
2 adversary proceeding or a contested matter. It was a
3 protective order that was for use to all parties who wanted to
4 participate in discovery at any stage of the case. It also
5 included the United States Trustee's Office as one of the
6 recipients of documents, and it specifically provided not only
7 for confidential information but for professional-eyes-only
8 designation. I have a copy of that order if it would be
9 helpful for the Court to see.

10 THE COURT: All right. You may approach.

11 (Pause.)

12 MR. MORRIS: To the extent that there's any party who
13 has not yet requested information or has not sought discovery,
14 if the Court enters this order they'll be able to do so
15 pursuant to this order. And to be clear, as soon as a party
16 either requests or produces information, discovery
17 information, they become a party to this document. And so
18 they'll have all of the rights and the abilities to seek
19 information, to challenge designations. So nobody's rights
20 are really being curtailed in their ability to gain discovery.
21 And at this point, Your Honor, we have both the Committee as
22 well as the United States Trustee's Office who are going to
23 see everything. And so if either the Committee or the
24 Trustee's Office believe that the Debtor has improperly
25 labeled or categorized any document as either confidential or

1 highly confidential, there's a process to be followed. And
2 that process, I think, is quite reasonable. It's pretty
3 standard, at least in my experience. They'll let us know that
4 they disagree. We'll have a conversation. We'll either --
5 the Debtor will either agree to redesignate the document or
6 we'll bring the matter to the Court for the Court's
7 determination.

8 Sealing issues. Again, the U.S. Trustee's Office and the
9 Committee will both be fully informed as to what's happening
10 here. And if either of them has an issue, they can bring that
11 to the Court's attention.

12 To the extent that there is a disputed matter before the
13 Court on a sealing motion, the rules of engagement remain the
14 same. There's nothing in this protective order that seeks to
15 shift the burden. There's nothing in this protective order
16 that seeks to change the burden. The only thing that it does
17 is it attempts to identify, through the agreement with the
18 Committee, the types of information that the Debtor reserves
19 the right to designate as highly confidential.

20 It doesn't mean that that's now the standard that the
21 Court has -- the Court will rule, employ whatever standard it
22 thinks is appropriate, frankly. But it's a description, I
23 think it's in Paragraph 12, of the type of information that we
24 would mark as highly confidential. And I think the Committee
25 would agree, if given the opportunity, to give the Court some

1 comfort that at this point the Debtor has been quite judicious
2 and limiting in terms of the amount of information that
3 they've designated for that particular category.

4 So, in summary, Your Honor, there's no dispute that it's
5 needed. Gratefully, even the U.S. Trustee isn't telling the
6 Court that a protective order is not needed. From the
7 Debtor's perspective, it's not only needed, I would -- I
8 daresay it's required. Because if you want the Debtor and the
9 Committee to continue to engage in a free flow of information
10 outside of an adversary proceeding, outside of a contested
11 matter, this is the only way to do it. And I know that's what
12 the Debtor wants. I believe that's what the Committee wants.
13 It's why we've entered into this agreement. So these are
14 matters that ought to be protected.

15 1102(b)(3) doesn't give all creditors a right to all
16 documents. It gives them the right to information. And we
17 believe that this agreement facilitates the Committee's
18 ability to get information and to share it, as they determine,
19 with their members.

20 Unless Your Honor has any questions, I have nothing
21 further.

22 THE COURT: I do not. All right. Ms. Reid, did you
23 -- it's a joint motion. Did you want to say something?

24 MS. REID: Yes, Your Honor. Penny Reid with Sidley
25 Austin on behalf of the Creditors' Committee.

1 Just briefly, I would agree with Mr. Morris that this
2 protective order was a heavily-negotiated protective order
3 that took quite a while to get the parties' agreement, and it
4 enabled the Creditors' Committee to get the documents it
5 needed.

6 What is very important to note is two things. It does
7 provide a mechanism for any party to object to the
8 designation. And it's the burden of the party designating it
9 to support the designation. And all disputes or anything
10 related to this order comes to Your Honor. It's the
11 jurisdiction of this Court to decide everything, which is also
12 very important to our client.

13 THE COURT: Okay. Thank you.

14 MS. REID: Thank you, Your Honor.

15 THE COURT: All right. Ms. Lambert? Have we at
16 least made some progress from your prospective with the added
17 language?

18 MS. LAMBERT: We're making some progress, but not
19 sufficient progress. May I approach the bench --

20 THE COURT: You may.

21 MS. LAMBERT: -- with the exhibit binders?

22 THE COURT: All right.

23 MS. LAMBERT: Your Honor, this is not, as the Debtor
24 characterized it, a garden-variety protective order. This is
25 not like the *PHI* order, which was a confidentiality order that

1 defined parameters for sharing information with the creditors.
2 This is a motion that prevents the sharing of matters.
3 Protective orders are granted in contested matters and in
4 adversaries, not in the case in chief. Rule 23 is not
5 available in the case in chief. Section 1102, the only
6 statute that they cite, presumes sharing, not failing to
7 disclose. And the reason --

8 THE COURT: Well, let me ask you this. I want to
9 really drill down on this, because, you know, he used the
10 words, counsel used the words garden-variety. And frankly,
11 when I read these pleadings back in chambers, I thought, I
12 think this is pretty standard fare, this protective order. I
13 think I've signed something like this many times before.

14 And I get what you're saying. Well, let me see if I get
15 what you're saying. It feels like your main issue is that we
16 don't have a contested matter or an adversary proceeding. But
17 what I will throw out is this: Had we had a motion for a 2004
18 exam, a gazillion times I have seen people come back with
19 okay, we, debtor, will produce, but we want this protective
20 order. And it ends up looking maybe almost identical to this
21 one.

22 Another context I thought of was back shortly after the
23 2005 amendments when these new provisions were added with
24 regard to creditors' committees and sharing in 1102(b), I very
25 often saw, in complex Chapter 11s, a protocol order, we

1 sometimes called it, where a creditors' committee sort of
2 wanted cover for their dos and don'ts, and it resulted in sort
3 of a protective order. You know, I haven't gone back and
4 looked and compared terms, but something like this.

5 MS. LAMBERT: Right.

6 THE COURT: So, --

7 MS. LAMBERT: And the *PHI* order is --

8 THE COURT: -- are we punishing -- is this a no good
9 deed goes unpunished sort of thing? They didn't make the
10 Creditors' Committee file a 2004 motion.

11 MS. LAMBERT: The difference --

12 THE COURT: They've produced. And then now they've
13 negotiated this. I mean, --

14 MS. LAMBERT: The difference is very important, Your
15 Honor. You have --

16 THE COURT: What is --

17 MS. LAMBERT: -- gone right to the crux. A motion
18 for 2004 exam defines the areas to be discovered. An
19 adversary proceeding defines the areas to be discovered. A
20 motion for contested matter defines the issues that are
21 subject to discovery. Here, --

22 THE COURT: They -- the Debtor --

23 MS. LAMBERT: -- no one --

24 THE COURT: -- didn't insist on that. The Debtor is
25 just like, fine. We're going to in good faith produce.

1 MS. LAMBERT: But it's not the Debtor's issue.

2 THE COURT: We just want this order.

3 MS. LAMBERT: It's also the parties' issues, the
4 other creditors. If you have some knowledge of what is at
5 issue, you have some opportunity to come to the Court and say
6 hey, I, the SEC, or I, Creditor X, also am interested in what
7 --

8 THE COURT: But nothing about this order would
9 prevent them from filing --

10 MS. LAMBERT: But they don't know --

11 THE COURT: -- a 2004 motion and seeking the
12 information themselves, correct?

13 MS. LAMBERT: Right. And then they're going to have
14 to fight the sealing provision. So -- or the fact that it's
15 been designated highly confidential, which they would not have
16 had to fight otherwise until an opportunity came and they knew
17 what the information was. But now they don't have the
18 information. See, the information would have been given to
19 them as highly confidential, --

20 THE COURT: Uh-huh.

21 MS. LAMBERT: -- maybe labeled that way, in a
22 protective order in connection with their litigation.

23 THE COURT: Uh-huh.

24 MS. LAMBERT: But now they don't even get to get it
25 because it's already protected from them. Already insulated.

1 This is the problem.

2 So the -- if the Court compares the *PHI* order -- and the
3 U.S. Trustee certainly understands that there must be sharing
4 protocols or some type of confidentiality in general. This is
5 not it, though. This goes way beyond that. There should be a
6 provision that creditors can get information under certain
7 circumstances.

8 If the Court looks at the orders that are typical in these
9 cases, there is such a provision. That does not exist. In
10 addition, the carve-out in the order for contested matters,
11 2004 exams, and adversaries is material. And they should be
12 carved out here, too.

13 So those are the substantive, big-parameter issues of why
14 this, as a matter of law, is problematic.

15 In addition, there are particular provisions that are
16 untenable. The first is the limitation on the Government.
17 And this goes all the way back to the *WorldCom* case, Your
18 Honor. In *WorldCom*, a court entered an order for the examiner
19 to be able to interview people under seal, basically, in
20 confidence. An examiner prepared various reports. Later, the
21 U.S. Attorney's Office sought to obtain those, and they were
22 not able to because they had been done under seal originally
23 and that was material to the disclosure of the information.
24 This Court should not modify the statutory obligations that
25 the parties have to refer matters, either for ethical or

1 criminal matters. The U.S. Trustee circulated the routine
2 language that we ask for in every order of this type, and they
3 declined to do it.

4 THE COURT: Show me that language.

5 MS. LAMBERT: I can -- I can provide the Court with a
6 -- the language. I emailed it to them. I don't have it here
7 right now, but I can provide it to the Court. But basically,
8 I'm sure the Court has seen it before, we put it in all of our
9 languages, and it says nothing in this order constrains the
10 obligations of any party under ethical or federal statute to
11 share information. But now what's required is, if the U.S.
12 Trustee wants --

13 THE COURT: I don't know if I've ever signed -- I
14 mean, that might be an exception that would swallow up the
15 rule. I feel like I have -- I've approved language before
16 that, you know, says kind of the sky is blue, nothing prevents
17 a party from seeking modification of this order on notice to
18 parties and a hearing.

19 MS. LAMBERT: Your Honor, --

20 THE COURT: I mean, --

21 MS. LAMBERT: -- the United States Trustee should not
22 be required to come to this Court to tell -- or to tell the
23 Debtor that they have a subpoena for information or that
24 they're sending a criminal referral.

25 THE COURT: No, no, no. There's already an exception

1 on there for a subpoena.

2 MS. LAMBERT: No. No. The issue is --

3 THE COURT: But you don't think you have to give them
4 notice if you did a subpoena?

5 MS. LAMBERT: I have to give them notice. If I have
6 a FOIA request --

7 THE COURT: I mean, but you don't think that's
8 appropriate?

9 MS. LAMBERT: No, Your Honor. I don't think it's
10 appropriate that the U.S. Trustee, who has an obligation
11 statutorily, and the Court has an obligation statutorily, to
12 send matters to the U.S. Attorney's Office, that we have to
13 disclose when we're doing that. No. And other parties in
14 interest should be free to do that, too. That's what the
15 statute says. We have an obligation to do that.

16 We don't have to tell them what our whole case is. It
17 will become apparent if the U.S. Attorney's Office pursues it.
18 They release the information, usually. But this is not
19 standard. It has never been --

20 THE COURT: Okay. I just want the language that you
21 --

22 MS. LAMBERT: All right.

23 THE COURT: -- you argue is standard, and you said
24 that --

25 MS. LAMBERT: That language is, Nothing in this order

1 constrains anybody --

2 THE COURT: I want to see it. I want to get -- see
3 examples.

4 MS. LAMBERT: All right. Well, I'm happy --

5 THE COURT: Because I don't remember -- maybe I've
6 signed it a million times and I just don't remember, but I
7 don't really remember that.

8 MS. LAMBERT: I'm happy to provide the Court with a
9 number of orders signed by a number of judges in this
10 district.

11 THE COURT: I would like to see it now.

12 MS. LAMBERT: Okay. Well, I will have Ms. Kippes
13 provide that. But --

14 THE COURT: She's sitting in the back of the
15 courtroom now.

16 MS. LAMBERT: I'm sure that she is.

17 So, the other thing is, Your Honor, --

18 THE COURT: Unless you can show me right now, look,
19 here, in fact, is the garden-variety form of order, here is
20 the language that time after time after time after time after
21 time courts insist upon, --

22 MS. LAMBERT: Your Honor has not required -- Your
23 Honor has not required them to provide any evidence that this
24 language is standard. And it's not. So, --

25 THE COURT: I have a form of order that the

1 Creditors' Committee is supportive of and has heavily
2 negotiated. And it just looks at first glance to me to be
3 somewhat garden-variety. So, --

4 MS. LAMBERT: Well, --

5 THE COURT: -- you as the objector need to, you know,
6 point out why it's not.

7 MS. LAMBERT: Your Honor, the appearance of this case
8 is that there's a desire to keep it from being public. This
9 Court routinely, all the time, says bankruptcy is an open
10 process.

11 THE COURT: But I also, routinely, all the time, sign
12 protective orders. And it's like, We'll have a hearing down
13 the road if something needs to get in the record. This is
14 about discovery outside the courtroom.

15 MS. LAMBERT: Correct. And the order in *PHI*, I think
16 the Court will find, is very different from the order in this
17 case. So -- and is useful for that reason. I anticipate the
18 --

19 THE COURT: Okay. Go through the protective order in
20 *PHI* and highlight for me provisions that it has --

21 MS. LAMBERT: It does not bar sharing with government
22 entities. It is not as limiting to professional eyes, though
23 it has some limitations. And it contemplates sharing with
24 creditors under defined provisions.

25 THE COURT: Okay. Again, lengthy order. Point out

1 which provision from *PHI* you would like to see in this order.

2 MS. LAMBERT: All right. If the Court gives me a
3 break, I will annotate the order.

4 The IRS, I anticipate the evidence will be, has an
5 estimated claim of \$8 million to \$9 million that's on appeal.
6 The SEC is involved in the oversight of this Debtor. The PBGC
7 is a creditor.

8 THE COURT: They can file motions for a 2004 or file
9 an adversary. Or they file a proof of claim, it's objected
10 to, we can have discovery.

11 MS. LAMBERT: That changes the --

12 THE COURT: They got notice of this motion --

13 MS. LAMBERT: The change --

14 THE COURT: -- for approval of a protective order.
15 Yes or no?

16 MS. LAMBERT: Yes. I'm not -- I question whether the
17 IRS has as a creditor. I think they received notice because
18 they're not really listed as a creditor, they're listed as
19 contested.

20 THE COURT: Okay. But they got notice. They have
21 able counsel that shows up all the time in cases.

22 MS. LAMBERT: So, Your Honor, the statute, 1102,
23 presumes the disclosure of information, not the constraining
24 of information.

25 THE COURT: But you would agree, would you not, that

1 many, many times courts have entered protective orders in
2 connection with a Committee's 1102(b) obligations?

3 MS. LAMBERT: No.

4 THE COURT: Again, I use the analogy back shortly
5 after the 2005 amendments, --

6 MS. LAMBERT: They're referred --

7 THE COURT: -- where people prospectively said hey,
8 we want -- we want to be clear we're doing things correct,
9 we'll share information with our constituency, we, the
10 Creditors' Committee, but there's certain confidential,
11 privileged items we may somehow get into our hands, and we
12 want to --

13 MS. LAMBERT: It is --

14 THE COURT: -- be clear about what we have to share
15 and what we should not.

16 MS. LAMBERT: It is true that the Court enters
17 confidentiality orders in cases. I'm well aware of that. The
18 issues of this one is different. It is not garden-variety.
19 The difference goes right to the language of confidential
20 versus protected.

21 Your Honor, another aspect of this case or this motion
22 that is not workable is the sealing provision being co-
23 extensive with those, the items that are designated as highly
24 protected. You heard at the Federal Bar Association meeting
25 only last week that the magistrate judges were talking about

1 striking these provisions routinely. The FJC's publication on
2 protective orders and sealing also says it should not be
3 coextensive, should be a separate motion to seal. The
4 standards are totally different and much higher for sealing
5 the documents. This is a public process, and it should be
6 maintained as a public process.

7 THE COURT: All right. Any --

8 MS. LAMBERT: The Court delegates under this motion
9 its responsibility to evaluate information to the Debtor
10 unilaterally. The Debtor gets to make the decisions, not the
11 Court. And nobody knows what those decisions are, except
12 maybe the party that is asking for the information. If you
13 don't know that the information exists and it's already
14 subject to protection, you never get that opportunity.

15 It's for these reasons that the motion should be denied or
16 tailored.

17 THE COURT: All right. Anything else?

18 You know, no one has mentioned this, but it danced through
19 my brain: Part of the settlement I approved with the
20 Committee contemplated sort of a common interest privilege on
21 some things, right? Or am I misremembering that?

22 MR. MORRIS: They will have access, Your Honor, to
23 information as part of their investigation. I can't tell you
24 off the top of my head --

25 THE COURT: Okay. No one --

1 MR. MORRIS: -- the precise parameters of it.

2 THE COURT: No one can immediately tell me?

3 MR. MORRIS: Yeah.

4 THE COURT: Okay. Anything else?

5 MS. LAMBERT: Your Honor, if the Court would like,
6 the U.S. Trustee is happy to annotate one of the orders and to
7 provide a supplement with the orders that contain the
8 language, both that the Court -- this Court has entered and
9 other courts have entered from the district.

10 THE COURT: All right. Well, --

11 MR. MORRIS: Your Honor, just very briefly. John
12 Morris, again. Pachulski Stang Ziehl & Jones.

13 THE COURT: This motion has been pending for a long
14 time. It was actually filed in Delaware?

15 MR. MORRIS: It has.

16 THE COURT: Okay.

17 MR. MORRIS: And it's -- and we've relied on it.

18 THE COURT: Okay.

19 MR. MORRIS: The reason that I went through the
20 background, Your Honor, is to give the Court the assurance
21 that it's working, it's not being abused. By bringing the
22 U.S. Trustee under the tent with the Creditors' Committee,
23 you're going to have two independent parties who are going to
24 review and challenge, if they think appropriate, the Debtor's
25 designations.

1 Nobody is being prevented here from filing a motion,
2 whether it's for a 2004 or another contested matter. Nobody
3 here is -- just because something is marked as highly
4 confidential doesn't mean that other people can't get access
5 to it. They just need to come and use a device pursuant to
6 which it's responsive. That's all it is. It is garden-
7 variety, Your Honor. Thank you.

8 THE COURT: All right. I'm going to overrule the
9 objections and approve the proposed agreed protective order as
10 amended in accordance with the mark-up that was shown and the
11 announcement made.

12 I am also, even though I think this is like saying the sky
13 is blue, I'm also going to direct that the Debtor and
14 Committee add a sentence at the very last paragraph that the
15 Court reserves the right to amend or -- amend this order upon
16 motion by any party in interest and notice and a hearing.

17 Again, I think that's probably a no-brainer, doesn't need
18 to be said, but I'm going to direct it to be said in there.
19 And, again, it would have to be on motion of a party in
20 interest and notice and a hearing, and we can all come and
21 argue whether some sort of amendment is needed to this order.
22 And, you know, you already have provisions in there that
23 contemplate, you know, someone may file a motion pursuant to
24 this order, but we'll just throw that in for good measure.

25 Again, I feel like this is an agreed order that is not

1 substantially different from forms of order this Court and
2 other courts have approved many times before. While the
3 timing and context may seem different, feel different to the
4 U.S. Trustee, I feel like, as we say in the law, it's a
5 difference -- a distinction without a difference, or whatever
6 the expression is.

7 Again, I allude to the many times in the past where a
8 creditors' committee, early in the case, before there were
9 contested matters, before there were adversary proceedings,
10 filed motion for approval of protocols under 1102(b) regarding
11 its obligation to share information, and by the time we showed
12 up for the hearing, there was an agreed protective order that
13 had been negotiated.

14 I compare it to the context of the committee or somebody
15 files a motion for a 2004 exam early in the case, and then we
16 come back with an agreed protective order.

17 I said before it's as though, to me, no good deed goes
18 unpunished. We have cooperation early on the case, and now,
19 you know, when this agreed protective order is proposed, the
20 argument is, well, there wasn't a 2004, there wasn't a
21 contested matter. Again, I don't think that distinction from
22 other cases makes any meaningful difference. I think there's
23 good cause pursuant to 1102(b), 105, and Rule 26. While maybe
24 not triggered yet with a contested matter or adversary
25 proceeding, I think there's good cause to approve this agreed

1 form of protective order.

2 All right. So, if you all could make those changes that
3 we discussed here on the record, and I'll sign it right away.

4 MR. MORRIS: Thank you, Your Honor.

5 THE COURT: All right. We now had the seal motion of
6 the Committee that I think you all proposed we go to second
7 today. And I'll tell you what floated through my head,
8 reading these pleadings. It almost felt like a moot issue by
9 this point. I don't know if anyone -- maybe I took your
10 thunder here, but --

11 MR. TWOMEY: You did somewhat steal my thunder, Your
12 Honor. I just wanted --

13 THE COURT: Okay.

14 MR. TWOMEY: Dennis Twomey again on behalf of the
15 Creditors' Committee.

16 THE COURT: I'm sure you're going to articulate it
17 much better than I just did.

18 MR. TWOMEY: If I might, Your Honor, maybe I'll take
19 a minute just to describe the genesis of the motion, which, --

20 THE COURT: Uh-huh.

21 MR. TWOMEY: -- just like the motion you heard, is
22 also about two months old and has been on ice for a while.
23 The Committee filed a motion to seal back in early December in
24 conjunction with, at the time, the Committee's objection, the
25 omnibus objection to the Debtor's second-day motions. As you

1 just noted, those objections were all resolved as part of the
2 governance settlement that you approved at the last hearing.
3 In terms of what was covered by the motion to seal as part of
4 that omnibus objection, which has now been resolved, the
5 Committee had attached as Exhibits C and D two orders that
6 were issued in the arbitration proceedings between the Debtor
7 and the Redeemer Committee, which, as Your Honor is aware, the
8 Redeemer Committee is a member of our Creditors' Committee
9 here. And at the time of the filing, the Committee sought to
10 seal the awards, primarily because the Debtor had previously
11 expressed to the Redeemer Committee that the Debtor believed
12 the rewards were subject to a protective order in that
13 litigation. And the Redeemer Committee at the time, while --

14 THE COURT: Now, let me ask you to repeat what you
15 just said, because I know this was brought up in the U.S.
16 Trustee's motion. You alluded to a protective order in your
17 motion. Are you saying now that you thought at the time there
18 was a protective order in place in the arbitration that you
19 might be running afoul of by disclosing it?

20 MR. TWOMEY: Correct.

21 THE COURT: Okay.

22 MR. TWOMEY: More specifically, Your Honor, we had to
23 get our omnibus objection, the Committee's omnibus objection
24 on file, and we wanted to include those awards as exhibits to
25 our omnibus objection. And the Redeemer Committee, who sits

1 on our Creditors' Committee, had indicated to the full
2 Committee that the Debtor had previously expressed the view
3 that these awards were subject to that separate protective
4 order in the other case.

5 And so, out of an abundance of caution, so that we could
6 get our omnibus objection on file, we sought -- we filed the
7 seal motion. And so that was sort of the genesis of the
8 motion.

9 So we filed it out of an abundance of caution in order to
10 press forward with our filing of the omnibus objection at the
11 time. And since that time, we've had the opportunity to
12 consider it more, and the Redeemer Committee has sort of
13 indicated its views on the protective order. But most
14 importantly, our objection, obviously, has now been resolved
15 as part of the settlement that Your Honor approved last week.

16 So, given that, coming full circle, Your Honor, the
17 Committee is no longer seeking the relief that we had
18 requested in the seal motion, and so that's where things stand
19 today. The Committee has communicated its position to both
20 the U.S. Trustee and the Debtor, and that's where things
21 stand.

22 So I believe the Debtor, in terms of the underlying
23 merits, I believe the Debtor still believes that those awards
24 contain some confidential information. Mr. Morris can speak
25 to that. And obviously, the U.S. Trustee had objected to our

1 seal motion.

2 But, again, Your Honor, coming full circle to the point
3 you raised initially, this really isn't an issue -- this isn't
4 a motion that the Committee continues to pursue, because the
5 objection, the underlying objection, the omnibus objection to
6 those second-day motions has been resolved as part of last
7 week's, or almost two weeks ago, the order that Your Honor
8 entered.

9 THE COURT: All right. So, to recap: The two
10 arbitration awards, or parts of them, I don't know if it was
11 the whole thing, but they were attached to the omnibus
12 objection, which is now moot because it was an objection to
13 the cash management motion, the DSI retention application, and
14 the ordinary course business protocols. That objection is
15 totally moot, if you will, now, because the global settlement
16 or the -- well, the settlement I approved last week resolved
17 all the issues raised in that objection. So, well, I guess, I
18 mean, what -- I was going to say, what would stop you from
19 just withdrawing the objection?

20 MR. TWOMEY: We can -- I think we can withdraw the
21 motion. Because it's a motion, obviously. We can withdraw
22 the motion to file under seal. That's --

23 THE COURT: Well, and again, I'm not telling you how
24 to do things, but I'm just saying that's what rolled through
25 my mind as far as why this might be a moot point.

1 MR. TWOMEY: Understood, Your Honor. And certainly,
2 from the Committee's perspective, we're not trying to, you
3 know, add more --

4 THE COURT: Uh-huh.

5 MR. TWOMEY: -- more issues that don't need to be
6 added. And I think that's exactly right. That's what I was
7 going to --

8 THE COURT: And that's part of what I'm getting here.
9 I mean, this could be a battle for another day. At some
10 point, someone may want to file a pleading attaching those
11 arbitration awards.

12 MS. LAMBERT: Your Honor, they are in evidence for
13 the motion to appoint a Chapter 11 trustee. That's why we're
14 having this motion before. The U.S. Trustee was constrained
15 to file its pleading redacted and all the documents under seal
16 --

17 THE COURT: Right.

18 MS. LAMBERT: -- because they're filed under seal
19 here and the order seals it.

20 THE COURT: Okay. Well, I guess what you're saying
21 is you're going to move, in connection with your trustee
22 motion in a few minutes, for me to admit into evidence these
23 arbitration awards we're arguing about right now?

24 MS. LAMBERT: That is correct.

25 THE COURT: Okay. Okay.

1 MR. TWOMEY: Thank you, Your Honor.

2 THE COURT: Thank you. Who else wishes to speak on
3 this?

4 MR. MORRIS: John Morris for Pachulski Stang Ziehl &
5 Jones for the Debtor.

6 THE COURT: Uh-huh.

7 MR. MORRIS: Your Honor, my first point here was
8 objection moot; procedurally nothing before the Court. I
9 think that's been taken care of.

10 But it's a very important point. And the reason why it's
11 very important is because the Redeemer award was first
12 proffered by the Committee in opposition to the Debtor's
13 motion for the appointment of a CRO. Old management was going
14 to stay in place, and they were using -- I presume that they
15 would have attempted to use the Redeemer award to show that,
16 notwithstanding the Debtor's desire to appoint the CRO, old
17 management was still in place.

18 The reason why it's very important to note that the
19 objection that the Committee filed is now moot is because
20 we're now here in a very different context. We're here
21 because the United States Trustee's Office wants to offer the
22 Redeemer awards into evidence in support of their motion for
23 the appointment of a trustee. That motion is going to be
24 determined under 1104. 1104 relates solely to current
25 management. We were here two weeks ago, Your Honor, and the

1 Court approved an order appointing new management.

2 And so our first argument, Your Honor, is that there is no
3 sealing issue for the Court to decide in the first instance
4 because the Redeemer awards simply are not relevant and
5 shouldn't be admitted into evidence, and we can leave it for
6 another day when and if another party in interest seeks to
7 either discover or otherwise introduce into evidence the
8 Redeemer awards.

9 If you recall, the week before last we were here and the
10 United States Trustee's Office attempted to elicit argument
11 over prior acts that were described in Your Honor's ACIS
12 decision, in a prior SEC order, in the Redeemer awards. And I
13 think Your Honor properly at that point kind of shut it down
14 and said, We're here on a motion to appoint new management.
15 And we have new management. And I'm prepared to put my
16 witness in the box who will testify that the independent
17 directors are firmly in control of this debtor, that every
18 single employee is under their authority and control, that
19 they have the ability to fire any of them, that none of them
20 are able to engage in any conduct that is outside their
21 approval.

22 And so I think the Redeemer award -- and, frankly, we're
23 going to have the same objection to the U.S. Trustee's offer
24 of the ACIS opinion into evidence and the SEC order, because
25 they're all related to conduct that took place prepetition

1 under old management.

2 1104, the only section upon which this motion is based,
3 refers to current management. And I don't think that we want
4 to spend a whole day. I mean, I just don't think it's
5 relevant. And so if it's not relevant, then it's not
6 admissible into evidence. The Court need not even get to the
7 issue of sealing.

8 If the Court were inclined to introduce it into evidence,
9 we would still request that it be marked under seal.

10 Specifically, Your Honor, under 107, the Debtor believes
11 that there is a very compelling interest in keeping the
12 Redeemer awards confidential. It does go into substantial
13 allegations and findings pertaining to the Debtor's business
14 practices. We do believe it contains confidential
15 information, confidential commercial information, as required
16 under 107. And the Debtor is very concerned. And you will
17 hear the testimony from the independent directors about
18 innuendo and rumor that can get into the marketplace and
19 hinder the ability of the Debtor to reorganize and to go
20 forward with their business operations.

21 So, in sum, Your Honor, I think we've got two points to
22 make. One is that the Redeemer award has nothing to do with
23 current management. There's no allegation that it has
24 anything to do with current management. There won't be any
25 facts to establish that the Redeemer award has anything to do

1 with current management. And we think that kind of ends
2 everything.

3 But if Your Honor really is inclined to allow that into
4 evidence, we would still ask that it be marked under seal.

5 THE COURT: Okay.

6 MR. MORRIS: Thank you.

7 MS. LAMBERT: Your Honor, the U.S. Trustee has two
8 responses. And the first really goes to the motion to seal.
9 Cause can be broader than the items listed. That goes all the
10 way to *Little Creek* and is carried through into the Fifth
11 Circuit's precedent on trustee appointment. The statute says
12 "or similar cause."

13 So the U.S. Trustee has raised three issues in connection
14 with the appointment of a trustee, and one of those issues is
15 that the legal division of the Debtor has so much control over
16 the Debtor's conduct that that establishes cause to appoint a
17 trustee so that there is somebody to replace the (inaudible)
18 decisions.

19 I anticipate the evidence will be that the Court in ACIS
20 and that the arbitration award and the SEC opinion all go to
21 those types of issues. That's number one.

22 Number two, technically, and it's not just a bureaucratic
23 technicality under the facts, the management of this debtor
24 has not changed. Individuals at Strand have changed. And the
25 U.S. Trustee agrees that, under some circumstances, that might

1 resolve the issues. But not under the facts of this case.

2 And that's because Dondero remains the sole shareholder of the
3 Strand entity. And --

4 THE COURT: That's not management.

5 MS. LAMBERT: No, it's not.

6 THE COURT: It's an equity interest.

7 MS. LAMBERT: It's an equity interest. That's
8 correct. Management has changed, but the management owes a
9 fiduciary duty to the stockholder. And there are a lot of
10 things --

11 THE COURT: Didn't they contract around that --

12 MS. LAMBERT: No.

13 THE COURT: -- in the settlement agreement?

14 MS. LAMBERT: Mr. Dondero contracted around various
15 provisions, but the board did not. And the reason the board
16 did not, I believe, is that the Delaware statute prohibits
17 contracting around a fiduciary duty to shareholders. If you
18 think about it, it makes a lot of sense.

19 THE COURT: I signed an order.

20 MS. LAMBERT: You did sign an order.

21 THE COURT: It's not a contract.

22 MS. LAMBERT: And you signed an order where Mr.
23 Dondero constrained his rights to vote the stock and a variety
24 of other things, but that doesn't change the fiduciary
25 obligations of the board to Mr. Dondero's stock equity

1 interests. And the case law is that corporate fiduciary
2 duties to shareholders, generally speaking, cannot be changed.

3 So it's a problem. It's a problem that, you know, it's
4 not because I'm a genius, it's because I've played chess on
5 this table a number of times that I know that this problem can
6 arise. And it's an issue of conflict for the new board.

7 THE COURT: Okay. Let -- my brain needs to take
8 things in a certain sequence. In all the arguments, we've
9 bled over a little bit to your motion for appointment of a
10 trustee. On the motion to seal, --

11 MS. LAMBERT: On the motion --

12 THE COURT: -- I am inclined, and tell me why I
13 shouldn't, I'm inclined to punt. The objection is now moot.
14 The motion to seal to which it attaches, in my mind, is moot.
15 So I'm inclined to just deny for mootness, and then we --

16 MS. LAMBERT: Your Honor, --

17 THE COURT: -- punt to another day whether these
18 arbitration awards get in in some context. Can -- is there
19 any disagreement with that, so we can just roll into the U.S.
20 Trustee's motion?

21 MS. LAMBERT: The U.S. Trustee is not subject to a
22 protective order except one the Court's about to enter. At
23 the time this was entered, the U.S. Trustee had no -- was not
24 subject to the protective order, but we did receive these
25 documents under the motion to seal order. So I need some

1 clarity on what I'm going to be doing.

2 This arbitration award was the basis, according to the
3 declaration, the catalyst for the filing of this bankruptcy
4 case. And the Court is considering and being asked to
5 restrain its disclosure to the public. It's highly material
6 to the facts of this case --

7 THE COURT: Okay.

8 MS. LAMBERT: -- generally.

9 THE COURT: All right. Well, again, my simple brain
10 is going to take these things in sequence. I am denying the
11 motion to seal merely for mootness, okay? I'm overruling the
12 objection -- well, I'm deeming the objection of the Committee
13 as moot, the omnibus objection to the CRO, the cash management
14 motion. It's moot, and therefore the motion to seal relating
15 to it is moot.

16 I haven't made any ruling broader than that with regard to
17 this motion to seal.

18 Now, I realize there's the protective order I've just
19 approved, and that has some relevance here, but we're done on
20 the motion to seal. Okay? Denied for mootness only.

21 MS. LAMBERT: Dismissed for mootness?

22 THE COURT: Denied. Dismissed. Is there a
23 distinction there that I'm glossing over?

24 MS. LAMBERT: I think, procedurally, dismissed for
25 mootness.

1 THE COURT: All right. It's one or the other.
2 Committee, you can draft the order as you think is
3 appropriate. I dismiss/deny, either one.

4 All right. Let's --

5 MR. TWOMEY: Thank you, Your Honor.

6 THE COURT: Let's move to the motion for appointment
7 of a trustee. I assume you're going to want opening
8 statements. I've read the pleadings. They don't need to be
9 lengthy.

10 OPENING STATEMENT ON BEHALF OF THE U.S. TRUSTEE

11 MS. LAMBERT: Judge Jernigan, the Debtor and the U.S.
12 Trustee have agreed to do brief opening statements, and the
13 U.S. Trustee is going to move for the admission of the binders
14 to establish its case in chief. The Debtor has some
15 objections, some of which you've already heard, to the U.S.
16 Trustee's exhibits. And then we'll move to the Debtor's case
17 in chief.

18 THE COURT: All right. In your opening statement,
19 you're asking the Court to admit the ACIS opinion, the
20 Redeemer Committee's arbitration award, the partial award
21 dated March 3, 2019, the final award dated April 29, 2019, and
22 an SEC order of September 25, 2014?

23 MS. LAMBERT: That is --

24 THE COURT: You're asking me, in your opening
25 statement, to admit those?

1 MS. LAMBERT: No, Your Honor. I was going to do that
2 after my opening statement, --

3 THE COURT: Well, I was confused.

4 MS. LAMBERT: -- but I will do it now if you'd like.

5 THE COURT: I misunderstood your statement.

6 MS. LAMBERT: I was going to make my opening
7 statement, they're going to make their --

8 THE COURT: You may proceed.

9 MS. LAMBERT: All right.

10 THE COURT: You may proceed.

11 MS. LAMBERT: So, the issues in the motion to appoint
12 a Chapter 11 trustee are three.

13 First, the management is the same because Strand is still
14 the general partner. In some context, because the individuals
15 at Strand have changed, it is material. On the other hand, it
16 has created its own conflict, and that is the basis for the
17 appointment of a trustee.

18 Number two, the legal team is central. I anticipate the
19 evidence will be that many of the compliance issues that
20 caused problems in past cases and have -- and the evidence
21 will indicate that the management -- the legal management team
22 ignored the advice of outside counsel. The Court's findings
23 in the ACIS opinion go to individuals at the legal team who
24 still remain there. And the testimony I anticipate will be
25 that they continue to maintain control over compliance

1 decisions and other decisions at the Debtor, based on the
2 testimony of the CRO.

3 And, finally, the efforts to keep this case *sub rosa* by
4 filing expansive protective orders and seeking expansive
5 sealing of documents that are central to the case continue to
6 prevent the transparency that's necessary, and a Chapter 11
7 trustee would facilitate the transparency that the Court has
8 always emphasized in all of its cases is a cornerstone of
9 Chapter 11.

10 For these reasons, the U.S. Trustee seeks the appointment
11 of a Chapter 11 trustee in this case.

12 THE COURT: All right. Other opening statements?

13 OPENING STATEMENT ON BEHALF OF THE DEBTOR

14 MR. POMERANTZ: Good morning again, Your Honor. Jeff
15 Pomerantz; Pachulski Stang Ziehl & Jones.

16 Your Honor, the burden is on the United States Trustee to
17 demonstrate by clear and convincing evidence that cause exists
18 for the appointment of a Chapter 11 trustee or that the
19 appointment of a Chapter 11 trustee is in the best interest of
20 parties. The Debtor intends to present the testimony of Mr.
21 John Dubel, one of the Debtor's independent directors, which
22 will demonstrate that the U.S. Trustee cannot come close to
23 meeting its burden.

24 Rather, the testimony will unequivocally demonstrate that
25 the alternative governance structure approved by this Court on

1 January 9th satisfactorily addresses any concerns with the
2 Debtor's prepetition management, allows the parties to put the
3 acrimony which marked the first three and a half months of
4 this case behind them, and allows them to focus on efforts to
5 restructure the Debtor's liabilities in an efficient and
6 timely manner.

7 Specifically, the testimony will show that, since its
8 employment, the board has been fully engaged in managing the
9 Debtor's business. That a member of the board has physically
10 been at the Debtor's headquarters for six of the seven days
11 since their appointment, and that Mr. Dubel, the testifying
12 witness, has devoted in excess of 80 hours to the engagement
13 in the last 12 days.

14 The testimony will show that the board has met with
15 department heads and received briefings from them regarding
16 all facets of the Debtor's operations. And that, importantly,
17 the Debtor's employees, including the legal department, are
18 respecting the independent board members' authority and are
19 fully cooperating with the board.

20 And lastly, that the board is effectively overseeing the
21 implementation of the court-approved protocols.

22 Lastly, Your Honor, the evidence will demonstrate that the
23 appointment of a Chapter 11 trustee would destabilize the
24 business further, creating further uncertainty and adversely
25 affect the Debtor's ability to restructure.

1 For these reasons, Your Honor, the Debtor opposes the
2 appointment of a trustee. Thank you, Your Honor.

3 THE COURT: All right. Any other opening statements?

4 MR. TWOMEY: Your Honor, Dennis Twomey on behalf of
5 the Committee. The Committee did file an objection, Your
6 Honor, but does not intend to put forth any evidence. So if
7 it's okay with Your Honor, we would prefer to just wait to
8 make our statement until the end of the proceedings.

9 THE COURT: All right. That's fine.

10 MR. TWOMEY: Thank you.

11 THE COURT: Thank you. All right. Ms. Lambert?

12 MS. LAMBERT: Your Honor, Ms. Kippes has provided me
13 with this Court's order in the *Adeptus* case, where the Court
14 did include the standard language that the U.S. Trustee has
15 about referring criminal or ethical obligations. I'm happy to
16 present it to the Court.

17 THE COURT: All right. Well, you may. I've made my
18 ruling, but --

19 (Pause.)

20 THE COURT: Again, I've made my ruling. And, you
21 know, I don't know if this was heavily negotiated in that
22 case. If it was, you know, fine. I just don't know.

23 MS. LAMBERT: If I may I approach the bench?

24 THE COURT: Okay. These are the proposed exhibits
25 for the Trustee now?

1 MS. LAMBERT: Yes.

2 THE COURT: Okay.

3 MS. LAMBERT: Your Honor, I have an additional set of
4 binders. I'd intended for the ones that I presented to the
5 Court to be the work copies, and there to be an original set.
6 Does the Court not need the original set?

7 THE COURT: Well, did you give one to Tom?

8 MS. LAMBERT: I did.

9 THE COURT: Okay. We're good, then. Well, Tom,
10 don't work on yours.

11 MS. LAMBERT: No, I have an additional one.

12 THE COURT: Oh, well, if you have an additional one,
13 fine.

14 MS. LAMBERT: Yeah.

15 THE COURT: Give it to Michael over here.

16 (Pause.)

17 MS. LAMBERT: Your Honor, the U.S. Trustee moves for
18 the admission of all but Exhibit 6, which the U.S. Trustee
19 hasn't been able to obtain, which is the transcript of the 341
20 meeting.

21 THE COURT: Okay. So, 1 through 5 and 7 through 11?

22 MS. LAMBERT: Yes, Your Honor.

23 THE COURT: All right. I know there are objections
24 to some of these. Are there some that are not objected to?

25 MR. MORRIS: May I speak from here, Your Honor?

1 THE COURT: Yes.

2 MR. MORRIS: Okay. John Morris for the Debtor. The
3 Debtor has no objection to Exhibits 4, 5, 8, and 9.

4 (U.S. Trustee's Exhibits 4, 5, 8, and 9 are received into
5 evidence without objection.)

6 MR. MORRIS: With respect to Exhibit #7, which
7 pertains to certain deposition designations, we've got a list
8 here that we shared with the U.S. Trustee's Office yesterday
9 that goes through each of the designations and identifies
10 those with which we have objections, those with which we do
11 not. We identified the bases for each of the objections, and
12 we've also offered a limited set of counterdesignations, to
13 which I understand the U.S. Trustee does not object.

14 If it would be easier, I could just mark this as an
15 exhibit and give it to the Court for the Court's
16 consideration.

17 THE COURT: All right. He's got a substitute, it
18 sounds like, for Exhibit 7. Do you have an issue with that?

19 MS. LAMBERT: Your Honor, the U.S. Trustee put in the
20 entire deposition, anticipating that the rule of completeness
21 would be sought and due to the time constraints and the
22 holiday weekend, not being able to change our depositions. So
23 we don't have any objections to the rule of completeness and
24 the entire deposition transcript, statement of a party, is in
25 the binder under Tab 7.

1 THE COURT: All right. Well, --

2 MR. MORRIS: That's not what we were asking, Your
3 Honor. We do not want the entire transcript admitted into
4 evidence for any reason. The U.S. Trustee's Office
5 specifically identified certain pages and lines, and we
6 responded. And there's a very limited set of
7 counterdesignations that we've offered simply for purposes, I
8 think, of I say completeness in two instances and context in
9 one. But nothing should go into evidence that is either
10 unobjected to or if the Court overrules any of our objections.
11 We don't want the whole transcript into evidence.

12 THE COURT: All right. So, do you need to look at
13 his revised version of your Exhibit 7?

14 MS. LAMBERT: Well, I would, yes.

15 THE COURT: Okay. And, again, I understood he gave
16 it to you earlier.

17 MS. LAMBERT: He gave it to me yesterday during the
18 holiday.

19 The objections that they've made are on relevance, and the
20 U.S. Trustee's response on the relevance is that the
21 management issues go to the in-house counsel as well, and
22 there's testimony about the in-house counsel. The only
23 objections are on relevance, Your Honor, and because this is a
24 bench trial, the Court has broader discretion on a relevance
25 objection than it would in a jury trial, as the Court is

1 disciplined and can scan out those materials that are not
2 relevant. And, more importantly, they are relevant to the
3 case as the U.S. Trustee has alleged it.

4 MR. MORRIS: Your Honor, the relevance objections
5 actually are not limited to issues of whether or not the
6 testimony relates to current management. Some of them have to
7 do with venue and I'm not even sure why it was designated.
8 But we've made our objections, and I think it would be
9 appropriate for the Court to rule. We understand that it's a
10 bench trial, but that doesn't -- that doesn't negate the Rules
11 of Evidence.

12 THE COURT: All right. Well, I certainly don't want
13 to go back in chambers and read the entire deposition if
14 that's not really what anyone was originally wanting me to do.

15 MS. LAMBERT: For this reason, Your Honor, the U.S.
16 Trustee has designated the lines that were relevant in the
17 U.S. Trustee's witness and exhibit list 7. And they
18 corresponding have designated the lines that they feel are
19 necessary for completeness and context.

20 THE COURT: Okay. I'm going to -- I guess I'm
21 overruling the objection to 7. I will look at your deposition
22 excerpts and I will look at what Mr. Morris has handed you as
23 far as his supplemental excerpts. All right?

24 (U.S. Trustee's Exhibit 7 is received into evidence as
25 specified. Debtor's supplement is received into evidence as

1 specified.)

2 MR. MORRIS: So then with respect to the exhibits,
3 Your Honor, I don't know if you want to hear argument now on
4 the objections.

5 THE COURT: All right. So, we have objections to 1,
6 2, and 3.

7 MR. MORRIS: Right. And those really just follow
8 along the argument that I made earlier. All of these
9 documents, the first one, I believe, is the ACIS opinion. The
10 second is the Redeemer awards. The third is a more than five-
11 year-old SEC cease-and-desist order. And our argument is that
12 they should not come into evidence for any purpose. They all,
13 to the extent -- you know, I'm not sure what they're trying to
14 use with them, but, again, 1104 is crystal clear. It relates
15 to the current management. None of the current managers were
16 at the Debtor prior to two weeks ago, let alone at the time
17 these orders were entered.

18 THE COURT: All right. Let me tell you where I am on
19 this, Ms. Lambert. I almost think of this as a summary
20 judgment issue on current management. I mean, I am inclined
21 to agree with the Debtor's argument that 1104 -- is it (b)(1)?
22 No. Which one? (a)(1). Just simply doesn't apply as a
23 matter of law anymore because we're not talking about current
24 management anymore.

25 Now, your U.S. Trustee motion lives another day, in my

1 view, because of 1104(a)(2), because you might still convince
2 me that it's in the interest of creditors, equity holders, or
3 other interests of the estate. But it almost feels like,
4 again, a summary judgment issue on current management.

5 So, what is your response to that?

6 MS. LAMBERT: Your Honor, the Fifth Circuit case law
7 is not limited to just management. Fraud, dishonesty,
8 incompetence, or gross [mis]management of the affairs of the
9 debtor by current management, either before or after the
10 commencement of the case, or similar. Or similar cause. The
11 U.S. Trustee is under 1104(a)(1). The Fifth Circuit precedent
12 establishes that cause for purposes of (a)(1) should be
13 considered like cause for bad faith or other factors such as
14 *Little* --

15 THE COURT: So you're saying there's clear Fifth
16 Circuit authority that says --

17 MS. LAMBERT: That --

18 THE COURT: -- similar cause --

19 MS. LAMBERT: -- inherent --

20 THE COURT: -- goes beyond the context of activities
21 of current management?

22 MS. LAMBERT: Correct. Like inherent conflicts,
23 which is what we have, an inherent conflict.

24 THE COURT: All right. Well, I am going to sustain
25 the objection to those three, but without prejudice,

1 basically, to me reconsidering your offer, for example, during
2 a rebuttal stage. Okay? If I hear something from witnesses
3 that makes me see this in a different light. But my view now
4 is that things changed when we replaced the current management
5 structure of the Debtor, the management structure that it had
6 when it filed bankruptcy, and all of these --

7 MS. LAMBERT: These issues -- these are not --

8 THE COURT: -- these orders --

9 MS. LAMBERT: Are not for current --

10 THE COURT: -- pertain to the prior regime.

11 MS. LAMBERT: No. The ACIS opinion, the Redeemer
12 arbitration partial award, also go line by line to the legal
13 counsel as being in control of decisions.

14 THE COURT: Okay. Again, I'm over -- I'm sustaining
15 the objection to these exhibits, subject to you re-offering
16 them after I've heard witness testimony --

17 MS. LAMBERT: But --

18 THE COURT: -- essentially as rebuttal evidence if
19 you convince me that --

20 MS. LAMBERT: But this is my case-in-chief evidence.

21 THE COURT: I've ruled.

22 MS. LAMBERT: So, the Court is determining that cause
23 must be management? Because these are being introduced for
24 issues as to the counsel.

25 THE COURT: Well, give me -- make your best argument

1 again on why 11(a)(1) is broader than just the context of
2 current management.

3 MS. LAMBERT: Cause can be items other than those
4 that are listed. Or similar cause. That's what the statute
5 says --

6 THE COURT: You're giving me a statutory
7 interpretation I disagree with, but do you have Fifth Circuit
8 authority binding on me --

9 MS. LAMBERT: Yes, Your Honor.

10 THE COURT: -- that --

11 MS. LAMBERT: It's cited in the U.S. Trustee's
12 motion, and it is --

13 THE COURT: I mean, I know *Cajun Electric* and --

14 MS. LAMBERT: *Cajun Electric* involves an inherent
15 conflict between --

16 THE COURT: But was that a context, I don't think it
17 was, where a whole new slate of directors and managers had
18 been put in place?

19 MS. LAMBERT: It was not a case involving wrongdoing.
20 And so the facts are totally --

21 THE COURT: Conflicts of interest.

22 MS. LAMBERT: It involves directly conflicts of
23 interest, yes, in the positions that must be decided by the
24 controlling board.

25 THE COURT: I am --

1 MS. LAMBERT: And I --

2 THE COURT: -- asking you, had a whole new slate of
3 officers and directors been brought in in *Cajun Electric*?

4 MS. LAMBERT: No, and that would not have resolved
5 the --

6 THE COURT: It's been many years since I've read it.

7 MS. LAMBERT: That would not have resolved the
8 problem in *Cajun Electric*.

9 THE COURT: Okay. So *Cajun Electric* is not --

10 MS. LAMBERT: But *Cajun Electric* stands for the
11 proposition that cause is broader than the items listed here.

12 THE COURT: Of course. But it's still pertaining to
13 current management. I'm not reading those words "for cause"
14 out of the statute. I'm just saying I think --

15 MS. LAMBERT: Right.

16 THE COURT: -- they all pertain to current
17 management.

18 MS. LAMBERT: But here's the thing on the Court's
19 statutory construction.

20 THE COURT: I either have --

21 MS. LAMBERT: The Court has --

22 THE COURT: -- a binding case or not. I'm telling
23 you what my interpretation of the statute is.

24 MS. LAMBERT: Right. Well, --

25 THE COURT: I either have a binding case or not.

1 MS. LAMBERT: -- *Cajun Electric* is binding and it
2 establishes, as do *Little Creek* and other Fifth Circuit cases,
3 in every context --

4 THE COURT: Okay.

5 MS. LAMBERT: -- where cause is used, --

6 THE COURT: But I am looking for a case on point.

7 MS. LAMBERT: Your Honor, this is a matter of
8 statutory construction. The Court is reading out a full
9 clause of the statute.

10 THE COURT: Okay.

11 MS. LAMBERT: Current management is at the --

12 THE COURT: I've ruled on the evidence. Do we want
13 to talk about Exhibit 6, which was objected to, and Exhibit
14 10?

15 MS. LAMBERT: No. 6 is out. That was the
16 transcript.

17 THE COURT: Oh, I'm sorry. 6 is out. So, 10 was the
18 one that --

19 MS. LAMBERT: And 10, the purpose of 10 is to
20 establish that Strand is -- Advisors is a Delaware
21 corporation, and I think that's stipulated to.

22 THE COURT: Uh-huh.

23 MR. MORRIS: If that's the only fact for which it's
24 offered, we withdraw the objection.

25 THE COURT: Okay. 10 is admitted.

1 (U.S. Trustee's Exhibit 10 is received into evidence.)

2 THE COURT: And 11, that's something that obviously I
3 can take judicial notice of the docket entry in this case.
4 Right?

5 MS. LAMBERT: Right.

6 THE COURT: Okay. So I just, I'll take judicial
7 notice of 11.

8 All right. You may call your first witness.

9 MS. LAMBERT: Your Honor, the U.S. Trustee rests on
10 its documentary exhibits.

11 THE COURT: All right. Debtor, your witness?

12 MR. MORRIS: Your Honor, before we call our case, we
13 move for a directed verdict based on the evidence or lack
14 thereof that was adduced.

15 THE COURT: Okay. Well, I'm going to deny that. I
16 haven't had a chance to go back and look at this Frank
17 Waterhouse deposition testimony. It may or may not resolve
18 the issue. So, --

19 MR. MORRIS: Thank you, Your Honor. I just wanted to
20 preserve the record.

21 The Debtor calls John Dubel.

22 THE COURT: All right. Mr. Dubel, if you could
23 approach our witness box. Yes. Please raise your right hand.
24 Please raise your right hand.

25 JOHN DUBEL, DEBTOR'S WITNESS, SWORN

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1 THE COURT: All right. Please be seated.

2 DIRECT EXAMINATION

3 BY MR. MORRIS:

4 Q Good morning, Mr. Dubel. Take your time.

5 (Pause.)

6 MR. MORRIS: May I proceed, Your Honor?

7 THE COURT: You may.

8 MR. MORRIS: Okay.

9 BY MR. MORRIS:

10 Q Mr. Dubel, do you currently have a relationship to the
11 Debtor?

12 A Yes, I do.

13 Q And can you describe for the Court your understanding of
14 your relationship to the Debtor?

15 A Yes. I am one of the three independent directors
16 appointed at the Strand Advisors, Inc. level, which is the
17 general partner of Highland Capital Management, LP, which I'll
18 probably refer to as HCMLP, just for brevity, Your Honor.

19 Q Okay. I may refer to it as the Debtor, if I may.

20 A You may.

21 Q Do you recall when you were appointed as an independent
22 director?

23 A Yes. January 9th of 2020.

24 Q Okay. And prior to that time, did you personally have
25 experience in bankruptcy and the insolvency areas?

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1 A Yes, I do.

2 Q Can you describe that experience for the Court?

3 A My experience is about 35-plus years of working on all the
4 arenas of the restructuring, both from creditor side, debtor
5 side, as an investor in distressed. The majority of my work
6 over the years has been in the debtor side of running
7 companies as a CEO or a chief restructuring officer, sitting
8 on boards of directors as an independent director for
9 companies going through stress, either bankruptcy or
10 restructuring.

11 Q And are there other independent directors at the Strand
12 level today?

13 A There are.

14 Q And who are they?

15 A There are two of them. Russell Nelms, who is a retired
16 bankruptcy judge from the Fort Worth area, and Mr. James
17 Seery, who is an investor, also an attorney, but an investor
18 in distressed, and has also practiced law.

19 Q Okay.

20 MR. MORRIS: I want to spend a few minutes, if I may,
21 Your Honor, just asking the witness about the independent
22 directors' activities --

23 THE COURT: Okay.

24 MR. MORRIS: -- since appointment.

25 BY MR. MORRIS:

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1 Q Has the board, in fact, been engaged in managing the
2 Debtor since being appointed?

3 A We have.

4 Q Can you describe for the Court generally the types of
5 tasks that the independent directors have covered since their
6 appointment?

7 A The first day of our appointment, on the 9th, we met as a
8 board, which the board meeting actually continued through
9 until the 10th, on that Friday, in which we sat down with the
10 chief restructuring officer and his team. We met with the
11 vast majority of the senior managers within the company to
12 make sure that we could hear from them what was going on
13 within the company and to convey to them what our duties and
14 responsibilities were, so it was very clear to both the CRO
15 and to all the management, the senior management, of what the
16 responsibilities were for the independent board and how the
17 protocol would work and how they would need to interact with
18 us in a -- in what has now become a daily basis.

19 Q And since being appointed, have the independent directors
20 received presentations from the Debtor and from DSI concerning
21 the Debtor's operations, assets, and liabilities?

22 A We have.

23 Q Can you describe just generally the nature and scope of
24 those presentations?

25 A Yes. So we've gone through, which is not untypical for

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1 situations like this when you get involved, go through each of
2 the departments and ask them to walk us through how their
3 department works, what they're working on, key issues that are
4 necessary for us to pay attention to immediately, key issues
5 that we would look at further down the road, understand who
6 the personnel are within the organization, their group.

7 And we, of course, because there were a lot of issues that
8 were very time-sensitive, we reacted to those issues to be
9 able to give them guidance on what we needed, what we needed
10 further information for or what decisions we would make
11 immediately on those decisions -- on those issues.

12 Q Since being appointed, have you -- have the independent
13 directors also reviewed and authorized certain court filings?

14 A We have. We had a protocol in place where one or -- or
15 all three, depending on the filings, are required to sign off
16 on any filings before they're submitted to the Court so that
17 we have a good understanding and can make sure that we have
18 good -- good direction to our counsel as to what would be
19 going forward.

20 Q Mr. Dubel, in the last 12 days, how much time have you
21 personally spent managing the Debtor?

22 A In excess of 80 hours, probably closer to 90 hours. I
23 don't keep a -- I'm fortunate I don't have to keep time
24 records to the tenths of an hour like counsel does. But just
25 in looking at my calendar, in excess of 80 hours. And it's

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1 been literally every single day, Saturdays and Sundays
2 included.

3 Q And to the best of your understanding, is the same true
4 with respect to Mr. Nelms and Mr. Seery?

5 A Yes, it is. In fact, a lot of the time has been spent
6 with them together on these issues. So, I, you know, I have
7 firsthand knowledge of the amount of time that they are
8 putting in also.

9 Q Can you describe for the Court the extent to which the
10 three of you have been physically present in the Debtor's
11 office since being appointed as independent directors?

12 A Yes. During the work days, which it's now I think been
13 seven business days that the offices have been open, we have
14 been there six of those days. Actually, seven, if you count
15 this morning. We spent some time in the offices this morning
16 working with folks before we came over here. And either one
17 or all three of us have been there during those six days.
18 We're trying to balance out the workload a little bit with the
19 needs of the organization.

20 Q Can you describe for the Court the role that Mr. Sharp and
21 DSI have played since the time that you were appointed as an
22 independent director?

23 A Yes. Mr. Sharp, as the chief restructuring officer, and
24 his team have provided us with a tremendous amount of
25 information on the organization, on the assets of the various

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1 different entities that the Debtor has to manage. Provided us
2 with asset positions, liability issues, and has basically been
3 very helpful in bringing us up to speed immediately on
4 everything we need to know to understand how to operate the
5 business, and acted in a very, you know, forthright manner.

6 Q Since being appointed, have the independent directors
7 played a role in the implementation of the protocols that were
8 part of the order appointing them?

9 A Yes. We have made sure that everybody -- all the senior
10 managers in the organization understand what the protocols are
11 and worked with either DSI or directly with us, depending on
12 the facts and circumstances of the particular situation, so
13 that the protocols are being followed. And we continue to do
14 that on a daily basis.

15 Q Have you and the other directors had an opportunity to
16 review proposed transactions since being appointed?

17 A Yes, we have, starting on Thursday, January 9th, through,
18 actually, this morning. While we were sitting in court, we
19 got confirmation of things that were taking place as it
20 related to the protocols.

21 Q Since being appointed, have you and the other directors
22 communicated with the Creditors' Committee and its
23 professionals?

24 A We have. In accordance with the protocol, we have, but we
25 would be doing that anyway, even if the protocols didn't

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1 require it, because we feel it's good for the transparency in
2 this case. But we have met with the Committee professionals
3 many times and with the Committee members themselves via
4 conference call.

5 Q Let's shift gears a little bit and talk about your
6 interaction and the interaction of the other directors with
7 the Debtor and its employees. Have the directors sought
8 information from the Debtor's employees as part of the tasks
9 that you've just described?

10 A Yes, we have.

11 Q And can you describe for the Court, you know, either by
12 name or by title or by department, the places within the
13 organization from which the directors have sought information?

14 A Yeah. So, I can kind of -- maybe it's easiest by
15 department. There have been investment decisions that have
16 been needed to be made. Part of those investment decisions
17 require compliance reviews and a legal understanding of those
18 decisions. So we have reached out to the three different
19 department heads or the individuals responsible within those
20 departments for information that was necessary for us to
21 understand and be able to make decisions.

22 So, as an example, for compliance, making sure that
23 whatever it is that's being asked of us is in accordance with
24 all of the compliance requirements under the various different
25 regulatory authorities, looking at it from a legal point of

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1 view, making sure we understand how that transaction legally
2 might fit in with something else, whether it's a related party
3 issue or making sure that it fits in with the protocols.

4 And then, obviously, from the actual asset manager point
5 of view, the trader, understanding how the impact of our
6 decision would be able to be implemented in the ordinary
7 course process of trading a position as necessary or holding
8 onto a position.

9 Q To the best of your knowledge, have the independent
10 directors timely received the information that was sought to
11 fulfill your duties?

12 A We have.

13 Q And do you have any concerns that anyone at the Debtor has
14 withheld information from you or the other directors?

15 A I do not. In fact, I think they've been very forthright
16 in presenting us with information that we have requested and
17 been very responsive.

18 Q To the best of your knowledge, have either of the other
19 directors ever expressed any concern to you about the flow of
20 information?

21 A No, they have not.

22 Q Do you have any reason to believe that any information
23 provided to the independent directors by any of the employees
24 at the Debtor is false or inaccurate?

25 A No, I do not.

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1 Q Have you and the other independent directors requested to
2 meet with certain employees?

3 A We've requested to meet with many of the employees, yes.

4 Q Can you just describe for the Court, again, either by
5 title or by department, the employees with whom the directors
6 have met thus far?

7 A Pretty much every single department head, whether it's the
8 finance office through the chief financial officer, the
9 controller, the -- looking through, then, to the chief
10 compliance officer, the trading groups for a variety of
11 different entities that we have under management. Our private
12 equity group, the leadership in that. The legal group,
13 looking -- we've met with pretty much everybody in the legal
14 group to understand various issues and get a better
15 understanding of the business. Human resources, et cetera.

16 Q Um, --

17 A Communications. Forgot about that one.

18 Q Have you or any of the other independent directors ever
19 expressed any concerns about the reliability of information
20 provided by any of the Debtor's employees?

21 A No, we have not.

22 Q Are you generally familiar with the Court's order that
23 appointed you as an independent director?

24 A I am.

25 Q Are you generally familiar with the duties and

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1 responsibilities that have been bestowed upon you as set forth
2 in that order?

3 A I am.

4 Q Have you and the other independent directors discussed the
5 scope and responsibilities for your duties as an independent
6 director?

7 A We have.

8 Q And do you have a general understanding as to what those
9 duties are?

10 A Yes. As the independent directors of Strand, we are the
11 general partner for the Debtor's estate, HCMLP, and it's my
12 understanding that those duties lie to -- go to the Debtor's
13 estate, to maximize value for the Debtor.

14 Q And is it your understanding that the order that was
15 entered was an order that was entered after the Committee and
16 the Debtor reached an agreement for the appointment of new
17 management?

18 A That is my understanding.

19 Q Okay. Did -- have the independent directors taken any
20 steps to make sure that the Debtor's employees are aware of
21 your duties and responsibilities?

22 A Yes. From the first day that we got there, as I mentioned
23 earlier, we've met with all the department heads, explained to
24 them what the roles and responsibilities are. Walked through
25 with them the protocol that is laid out in the order. Asked

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1 them to communicate that down into the organization.

2 We continue to walk around the offices. All of our
3 employees, except with the exception of one or two who are
4 overseas, all reside in the offices here in Dallas, and so
5 we've walked around and met with many of the other employees.
6 We've had our communications department put together
7 communication that's been posted on the Intranet and -- the
8 Intranet, the internal communications, and also on the
9 company's website for all employees to see and understand.
10 And we actually will be having an all-hands meeting this
11 afternoon with all of the employees.

12 Q Do you have any concerns that any of the Debtor's
13 employees either don't understand or don't respect the
14 authority and role of the independent directors?

15 A I do not.

16 Q Have either of the other independent directors ever
17 expressed to you any concern at all that any of the Debtor's
18 employees either don't understand or fail to respect the
19 authority and role that the three of you play?

20 A I've not heard any concerns, no.

21 Q Do you have any concerns at all that the Debtors engage in
22 any transactions that don't have the independent directors'
23 knowledge and approval?

24 A I do not.

25 Q Do you -- have the independent directors taken any steps

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1 to try to prevent any unauthorized transactions from taking
2 place?

3 A Yes, through communications directly with all of the
4 individuals that could have the authority to do -- or the
5 apparent authority to enter into transactions, making it very
6 clear what our role and responsibility is, making it clear
7 what they have to do in order to execute anything.

8 We've also engaged, through working with the chief
9 restructuring officer and his team, to have them be
10 continuously looking at transactions that take place through
11 the Debtor's systems.

12 Q So, is it your understanding that the CRO has visibility
13 into the movement of the Debtor's assets?

14 A Yes.

15 Q Okay. Do you have any concern that the independent
16 directors are not firmly in control of the Debtor?

17 A I do not.

18 Q Have either of the other independent directors expressed
19 any concern to you at all that the independent directors might
20 not be fully in control of the Debtor?

21 A They have not expressed that.

22 Q I think you were in the courtroom for the argument that
23 preceded your testimony; is that right?

24 A I was.

25 Q Um, --

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1 A Or, except for a very short period of time.

2 Q Pursuant to the order that was entered by this Court, is
3 it your understanding that the independent directors have the
4 ability to fire any employee of the Debtor?

5 A That is my understanding and that is exactly what we have
6 the authority to do.

7 Q And is it your understanding that the independent
8 directors have the final authority over transactions that are
9 being made on behalf of the Debtor?

10 A It is very clear in my mind that we have that authority.

11 Q Is there any aspect of the Debtor's business in which any
12 employee of the Debtor has authority that exceeds any of the
13 independent directors'?

14 A When you say exceeds, meaning overrides?

15 Q Correct.

16 A No. There's no -- no one has the authority that overrides
17 our decisions. We may authorize people to do things, but no
18 one has the authority to override our decisions.

19 Q And have the independent directors made that known to all
20 of the department heads?

21 A We have.

22 Q And have the independent directors made that known to all
23 of the employees in the legal department?

24 A We have.

25 Q And have the independent directors made that known to all

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1 of the employees in the compliance department?

2 A I think there's only one person who's in Compliance, but

3 --

4 Q That's --

5 A Our chief compliance officer. Yes.

6 Q I do love precision. Thank you.

7 Does the independent -- do you or any of the independent
8 directors have any concerns at all that the message of control
9 has not been adequately conveyed to the people who are
10 executing your orders?

11 A I don't have any concerns about that.

12 Q Okay. Do you believe the independent directors -- have
13 you begun to kind of familiarize yourself with the Debtor's
14 operations, structures, and assets?

15 A Yes, we have.

16 Q And does the Debtor oppose the motion for the appointment
17 of a trustee at this time?

18 A Yes, the Debtor does.

19 Q Can you explain to the Court why the Debtor opposes the
20 appointment of a trustee at this time?

21 A Yes. There is a new management team in place, led by the
22 -- you know, with the independent directors in place, having
23 the authority over all of the actions of the Debtor. And we
24 believe that, based upon the expertise of the three
25 individuals, that we have the right expertise to run the

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1 company, between legal, trading, restructuring, investment
2 management, that the expertise that we bring to the table is
3 what is necessary to run the company, and that if there were a
4 change in that it would obviously cause a tremendous amount of
5 disruption in the business. If there were a Chapter 11
6 trustee appointed, that it would have a tremendous negative
7 impact on the Debtor's ability to create the greatest value
8 for our creditors and other stakeholders.

9 Q Have any of the Debtor's employees quit since the
10 independent directors were appointed?

11 A We've lost a couple of people. I just don't remember the
12 exact timeline. But it's -- it has happened. It's -- you
13 know, we've had three -- I think three resignations.

14 Q Okay. Does the Debtor have any concerns that if a trustee
15 is appointed that the Debtor will be at risk of losing senior
16 -- senior management or other -- you know, senior employees or
17 other employees of the Debtor?

18 A Yes, we do.

19 Q And what's the basis for that concern?

20 A Our goal here is to reorganize the company and create the
21 greatest value for our creditors and others. And if an
22 appointment of a trustee was to be so ordered, that it would
23 send the wrong message to the employees and the employees
24 would lose confidence and seek employment elsewhere. And it's
25 a vibrant market for employees right now.

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1 Q Based on your experience in the insolvency area, do you
2 have a view as to how the appointment of a Chapter 11 trustee
3 might be viewed in the marketplace?

4 A This is a business that trades on credibility. It's not
5 walking into a store and buying an item off of a shelf of a
6 company that's in Chapter 11, but it's all about the
7 credibility of the individuals. And if an appointment of a
8 Chapter 11 trustee was so ordered, we think it would have a
9 negative impact on our ability to continue to have that
10 relationship with the third parties that we have to deal with
11 on a daily basis.

12 Q Do you have a view as to whether or not the appointment of
13 a trustee could impair the Debtor's ability to reorganize?

14 A I do.

15 Q And can you share that view with the Court?

16 A I think it's for the exact same things that I just
17 mentioned. Our ability to create the greatest value and
18 reorganize and -- would be impacted by, you know, loss of
19 personnel who might not want to work in that environment and
20 also the loss of the relationships in the trading partners
21 that we have to deal with. And so it would -- it would
22 inhibit our ability to reorganize properly for this and create
23 greatest value.

24 MR. MORRIS: I have no further questions, Your Honor.

25 THE COURT: All right. Cross?

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Dubel - Cross

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1 CROSS-EXAMINATION

2 BY MS. LAMBERT:

3 Q Hello again. We talked before the hearing. But my name
4 is Lisa Lambert. I'm with the U.S. Trustee's Office.

5 A Good morning, Ms. Lambert.

6 Q How are you?

7 A Good.

8 Q So, you're an independent director of Strand, and Strand
9 is the general partner of the Debtor, right?

10 A That's correct.

11 Q And your testimony is that the duties to the Debtor trump
12 any duties to the stockholders of Strand, right?

13 A It is my testimony that, as the general partner, our
14 duties are to the Debtor's estate and to protect the Debtor's
15 estate and create the greatest value there, which would
16 ultimately benefit Strand.

17 Q Okay. So is it your testimony that there's no duty to the
18 stockholders of Strand?

19 A Our duty is to the Debtor's estate as the general partner,
20 and that would then protect Strand.

21 Q So your perspective is the duties are not in conflict?
22 They are coextensive, right?

23 A I apologize. I don't know -- I'm not a lawyer, so --

24 Q I'm going to --

25 A -- the reference to coextensive might be something that's

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1 a legal term, but --

2 Q But the duties are the same, --

3 A Uh, --

4 Q -- is your testimony?

5 A I don't know if they're the same. My -- my view is the
6 duties are to the Debtor's estate as the general partner of
7 Strand.

8 Q Okay. Mr. Dondero is the -- still a stockholder of
9 Strand, right?

10 A As I understand, yes.

11 Q And Mr. Dondero currently is an employee of the Debtor?

12 A He is a nonpaid employee of the Debtor.

13 Q So if the decision came to terminate Mr. Dondero as an
14 employee, do you think it impacts his -- your fiduciary role
15 to him as the stockholder?

16 MR. MORRIS: Objection, Your Honor, to the extent all
17 of this calls for a legal conclusion. I just want to make
18 sure that we're just talking about the witness's lay
19 understanding.

20 MS. LAMBERT: No. His understanding.

21 THE COURT: Okay. Over...

22 MS. LAMBERT: His under...

23 THE COURT: Overruled.

24 BY MS. LAMBERT:

25 Q What is your understanding?

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1 A I'm sorry. Could you repeat the question, Ms. Lambert?

2 Q Mr. Dondero is an employee of the Debtor, whether unpaid
3 or not. And does the board's -- the directors' decisions
4 about whether to maintain him or terminate him, is that
5 impacted by his holding all of the stock of Strand?

6 A From my perspective, it would have no impact. If there
7 was a decision to be made to keep him on board or terminate,
8 it would have no impact as to what his holdings are in Strand.

9 Q Why is that?

10 A Because our duties in managing the Debtor would be to
11 figure out what the right answer is for the Debtor. And if
12 that decision was to either keep him in place, as we currently
13 have, or to terminate him because there was no longer a need
14 for him at that level, it would be a decision we would make on
15 behalf of managing the Debtor.

16 Q You would agree with me that he might have a different
17 perspective on that, right?

18 A I don't know what his decision -- what his view would be.
19 It may be different; it may not be. It depends on the facts
20 and circumstances at the time that we would have to make that
21 decision.

22 Q Now, you testified that you've been very busy with the
23 activities of the Debtor. Did you have an opportunity to read
24 the Court's ACIS opinion?

25 A Yeah. I've read multiple decisions or multiple filings on

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1 -- on ACIS. I --

2 Q I'm talking about the published opinion. It's a little
3 bit lengthy. You would have remembered seeing it, I think.

4 A I believe I did read that prior to our appointment, yes.

5 Q Okay. And then did you also read the Redeemer arbitration
6 awards?

7 A I've read a few different Redeemer arbitration awards. I
8 think there were two or three of them.

9 Q Two.

10 A Yeah.

11 Q And I'm talking about the partial --

12 A Yeah.

13 Q -- and the final judgments.

14 A Yes, I have.

15 Q Okay. You're aware that both of those opinions talk about
16 the attorneys testifying with plausible deniability, --

17 MR. MORRIS: Your Honor?

18 MS. LAMBERT: -- the in-house counsel?

19 MR. MORRIS: Your Honor, I would just ask the witness
20 not to answer the question until I state my objection.

21 This is exactly why we objected to the relevance of these
22 exhibits into evidence, and now she's just doing orally what
23 she has not yet been able to do with the admission of the
24 documents.

25 She should establish a foundation first that there's

1 anybody in any of those decisions who are in control of the
2 Debtor or who are deemed to be current management. Because
3 the evidence at this point I think is undisputed that the
4 independent directors are in fully -- are in full control of
5 this enterprise. They -- everybody reports to them. All
6 decisions are made with their knowledge and approval. And
7 there's no evidence to the contrary.

8 So I don't, you know, I don't think the U.S. Trustee
9 should be able to get through the back door what they're not
10 able to get through the front door.

11 THE COURT: I sustain that objection.

12 BY MS. LAMBERT:

13 Q Have you worked with the in-house legal department?

14 A Of the Debtor?

15 Q Of the Debtor.

16 A Yes.

17 Q Can you name for me the employees of the legal department
18 of the Debtor?

19 A I probably can't name all of them, but starting from the
20 top, Scott Ellington. Isaac Leventon. J.P. Sevilla. Tim
21 Cournoyer. Thomas Surgent is an in-house -- he's a lawyer.
22 He's also our chief compliance officer. I don't know
23 technically which -- whether he covers both. And then there
24 have been others in the group that I -- I don't remember all
25 the names. But those are the main folks that we've had to

1 deal with.

2 Q And Compliance is part of Legal, right?

3 A I don't technically know. I think it stands on its own.

4 But Mr. Surgent is an attorney, as I understand.

5 Q And how often have you dealt with Mr. Ellington?

6 A In the seven days that we've been there, probably five or
7 six of them he's had to travel for, you know, for work, so we
8 haven't always, you know, seen him every day. But pretty much
9 every day, including yesterday, when we were in the office.

10 Q And Mr. Leventon, how often have you consulted with him?

11 A Unfortunately, not as often as we would like, because Mr.
12 Ellington -- Mr. Leventon had an auto accident that he was
13 involved with, so he's been out of the office. But I've dealt
14 with him a little bit over the last several days as he, you
15 know, as he's allowed to -- as he's recuperating.

16 Q So, the board has been talking with the legal department
17 almost every day, right?

18 A Yes.

19 Q And the legal department in this particular business is
20 particularly important for management decisions, right?

21 A It's important to get information from them to inform us
22 as the managers, meaning the board, yes.

23 Q You rely on their advice, don't you?

24 A We take into consideration what they -- what they share
25 with us, yes.

1 Q And they have expertise in the areas of the legal issues
2 that are central to this case, right?

3 A They have expertise. Fortunately, the board also has a
4 tremendous amount of legal expertise, both in the -- specific
5 to investment management and also corporate governance. And
6 having been a CEO and a CRO and been involved for the last 35
7 years in some highly-contentious, litigious litigations, I've
8 unfortunately picked up a little bit of how to understand what
9 is given to me and interpret it.

10 Q All right. Have you had any hesitation in relying on
11 their legal advice?

12 A No.

13 Q Are you aware that the -- that the Redeemer's arbitration
14 award determines that their advice ignored the advice of
15 outside counsel?

16 MR. MORRIS: Objection, Your Honor. Relevance.

17 THE COURT: Sustained.

18 MS. LAMBERT: Your Honor, the relevant --

19 BY MS. LAMBERT:

20 Q Are you aware that the ACIS Court also determined that Mr.
21 Ellington and Mr. Leventon were providing affidavits for the
22 Debtor rather than the Debtor, --

23 MR. MORRIS: Object, Your Honor.

24 MS. LAMBERT: -- Mr. Dondero?

25 MR. MORRIS: Same objection.

1 THE COURT: Sustained.

2 MS. LAMBERT: Your Honor, these -- both of these
3 questions go to our presentation that the in-house counsel is
4 not providing advice that's in the interest of the Debtor and
5 has ignored outside counsel. It's relevant to whether -- to
6 the case if current management knows that, which the evidence
7 is unclear, and whether they're doing something about it.
8 That's the United States Trustee's case.

9 THE COURT: All right. I don't think you've laid the
10 foundation to go this route.

11 MS. LAMBERT: Okay.

12 BY MS. LAMBERT:

13 Q You're relying on the advice of the legal counsel on a
14 daily basis, right?

15 A We take information from counsel and we process it. We
16 talk as a group, meaning the board. And as I referenced
17 earlier, two of our board members happen to be experienced
18 lawyers, one of whom is an expert in corporate governance and
19 bankruptcy law, having been a judge for 14 years. We sift the
20 information that comes from all different parties and make our
21 decisions based upon our experience in these situations. We
22 talk to outside counsel also as necessary.

23 Q Are you aware of any concerns about the advice that your
24 legal counsel in-house has provided to you?

25 A I'm sorry. Could you -- are -- excuse --

Dubel - Cross

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1 Q Are you aware of any concerns about the advice that the
2 in-house legal counsel has provided to you?

3 A Nothing that's been provided to us, no. No concerns about
4 that.

5 Q Are you aware of any concerns historically?

6 A I understand that there -- and have read that there were
7 issues related to that on a historical basis, yes.

8 Q Has that impacted the way you interact with the legal
9 counsel?

10 A Sure. A healthy dose of skepticism is always important
11 whenever you get into a new situation, whether there are those
12 allegations or rulings or what have you. It's always
13 important to have a healthy set of skepticism on these things.

14 Q All right.

15 MS. LAMBERT: Your Honor, the U.S. Trustee moves for
16 the admission of U.S. Trustee's 1, 2, and 3.

17 MR. MORRIS: *Voir dire*, Your Honor?

18 THE COURT: Pardon?

19 MR. MORRIS: *Voir dire*? Can I just ask a few
20 questions?

21 THE COURT: You may. Uh-huh.

22 VOIR DIRE EXAMINATION

23 BY MR. MORRIS:

24 Q Sir, has -- have the members of the legal department been
25 cooperative?

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1 A Yes.

2 Q Have the members of the legal department been responsive
3 to the independent directors' requests?

4 A Yes, they have.

5 Q Have the members of the legal department been authorized
6 to do anything without the independent directors' knowledge
7 and approval?

8 A No.

9 Q Are the independent directors aware of any member of the
10 legal department having done anything without the knowledge
11 and approval of any of the independent directors?

12 A I am not.

13 Q Do the members of the legal department all report to the
14 independent directors?

15 A They report through the legal department organization,
16 which reports to the independent directors.

17 Q And the independent directors ultimately have the sole
18 authority as to whether or not to fire any member of the legal
19 department, as true with any member of the organization; is
20 that right?

21 A That is correct.

22 Q All right.

23 MR. MORRIS: I have no further questions.

24 MS. LAMBERT: Your Honor, the U.S. Trustee contends
25 that this is -- these opinions are highly relevant to the

1 board's understanding of the current situation. The
2 cooperativeness and the responsiveness and the doing of the
3 acts for the board members is not the issue if the information
4 that is being provided to the board is fundamentally
5 unreliable. And that's the issue the U.S. Trustee wants to
6 raise.

7 THE COURT: Okay. I sustain the objection and I
8 overrule the request to have the Court admit Exhibits 1
9 through 3.

10 MS. LAMBERT: Your Honor, is it necessary for me to
11 do an offer of proof, given that these exhibits are already in
12 the binder and have been -- everybody is familiar with the
13 desire that they be admitted?

14 THE COURT: All right. Well, if you're not wanting
15 any testimony, if you're just wanting the admission of the
16 exhibits, they will certainly be included in the record as
17 offered but not admitted. So if there's an appeal, they're in
18 there for the Court of Appeals to see.

19 CROSS-EXAMINATION, RESUMED

20 BY MS. LAMBERT:

21 Q So, it's your testimony that the Debtor's legal counsel
22 have been cooperative, responsive, and doing acts for the
23 board, and that ultimately the board acts as the sole
24 authority, right?

25 A That's correct.

1 Q Has the legal counsel provided the board with any advice
2 that they have -- that the board has disagreed with?

3 MR. MORRIS: Objection, Your Honor. To the extent
4 that this calls for the disclosure of attorney-client
5 communications, I would object.

6 THE COURT: All right. If you can answer without
7 disclosing privileged information, you may answer.

8 THE WITNESS: Okay. May I ask if you could repeat
9 the question, just so I --

10 BY MS. LAMBERT:

11 Q Has the board reached a determination that disagreed with
12 the legal counsel's recommendations?

13 A I don't believe so.

14 Q Has the board sought outside legal counsel after receiving
15 a report from in-house counsel that they -- that they wanted
16 more information on?

17 A That would be very common practice for getting information
18 from in-house counsel, then getting additional information
19 from outside counsel. It's -- we have done that. I would say
20 that's just a normal part of any organization, and I would do
21 that in every situation I'm involved with, --

22 Q Okay. But --

23 A -- if it was so relevant.

24 Q But I'm asking a little different question, which is, to
25 date, in this case, has the board done that?

Dubel - Cross

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1 A Have we sought advice from outside counsel on something --

2 Q That the in-house counsel provided advice on.

3 A Yes. And as I said, I think that's just a normal part of
4 our understanding information so that we can make decisions.

5 Q Now, you testified that having a trustee would impact the
6 Debtor's credibility in the market, right?

7 A That's my --

8 Q And ACIS --

9 A -- view.

10 Q -- had a trustee, correct?

11 A As I understand, yes.

12 Q And ACIS reorganized, didn't it?

13 A I am not familiar with the ACIS case, you know, whether it
14 was a reorganization. I'm just not familiar with the details
15 of it.

16 Q Okay. So, earlier, I had asked you if you were familiar
17 with the ACIS opinion and with the ACIS case, and my
18 understanding was you had read documents in the ACIS case.
19 Right?

20 A I've read them. I haven't studied them. I believe ACIS
21 was a reorganization, but I'm not familiar with the details of
22 it.

23 MS. LAMBERT: No further questions.

24 THE COURT: All right. Any other examination?

25 MR. MORRIS: No, Your Honor.

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1 THE COURT: All right. Thank you. You're excused.

2 (The witness steps down.)

3 THE COURT: Does the Debtor have other evidence?

4 MR. MORRIS: No, Your Honor. The Debtor rests.

5 THE COURT: All right.

6 MR. MORRIS: Oh, I apologize. The only exhibit that
7 we did have that we noted on the exhibit list was the Court's
8 order and the exhibits that appointed the independent
9 directors. The protocols. We'd just --

10 THE COURT: All right. Well, the Court can take
11 judicial notice of those.

12 MR. MORRIS: Exactly. And just for the record, it's
13 at Docket #354-1.

14 THE COURT: Thank you.

15 MR. MORRIS: And I have a binder of exhibits if --

16 THE COURT: All right. You may approach with that.
17 Thank you.

18 All right. And the Committee said it did not intend to
19 put on evidence, correct?

20 MR. TWOMEY: That's correct.

21 THE COURT: All right. Any rebuttal evidence?

22 MS. LAMBERT: No, Your Honor.

23 THE COURT: All right. I'll hear closing arguments.

24 CLOSING ARGUMENT ON BEHALF OF THE U.S. TRUSTEE

25 MS. LAMBERT: Your Honor, Section 1104(a) is

1 structured with the clause about fraud, dishonesty, and gross
2 [mis]management, referring to -- management. Thereafter, the
3 statute says "or for other cause." The structure
4 grammatically of the statute is important because the
5 management provisions are one set and the "or for cause" is
6 another.

7 The Fifth Circuit precedent is clear that there can be
8 other types of cause. The inability to manage this Debtor and
9 to rely on its in-house legal counsel is pervasive in the
10 prior opinions and remains an issue today.

11 It is for this reason that the U.S. Trustee sought the
12 admission of Exhibits 1 through 3. There are not just issues
13 with Mr. Dondero, but there remains an issue with Dondero,
14 which brings me to point two, which is that the Delaware
15 corporate statute requires that there be a fiduciary duty to
16 him. There are many contexts where one can contract around a
17 fiduciary duty in partnerships, limited partnerships, but not
18 in corporations, because corporations have the stockholder and
19 creditor function. There is no evidence, no evidence, about
20 what creditors there might be of Strand. We have no knowledge
21 of that. And the Delaware case law is that there is a
22 fiduciary duty to creditors.

23 But if there are no creditors, then that duty runs to Mr.
24 Dondero. This remains a conflict of interest issue for
25 consideration. And it is an actual conflict, especially

1 because Mr. Dondero remains in the Debtor as an employee. And
2 the evidence is that, today, he, Mr. Ellington, and Mr.
3 Leventon, all of whom have been cited in prior opinions as
4 trying to establish plausible credibility, remain at the
5 Debtor, advising the management. And the board -- no one
6 questions that the board is some of the best people that we
7 have. But the issue is that, as a board, they are separate
8 from the Debtor, and there is a CRO in, but the CRO, I
9 anticipate the evidence will be that the CFO relies on the in-
10 house legal counsel, and that's -- the deposition transcript
11 cites go to the reliance on in-house legal counsel for major
12 decisions.

13 And so this remains a concern. And it is within Section
14 1104.

15 Finally, Your Honor, the effort to seal matters, including
16 the *sine qua non*, the catalyst for the bankruptcy filing, the
17 arbitration award, impede the ability of the public to
18 understand the facts of this case, impede the ability of the
19 regulators to understand this case, and it's too far. For
20 these reasons, the U.S. Trustee moves for the appointment of a
21 Chapter 11 trustee.

22 THE COURT: Let me just ask. I'm going to hit on
23 something you said there at the end, because you've said it a
24 few times. It concerns me a little. The words I remember Mr.
25 Pomerantz using on day one, and maybe using a couple of times

1 thereafter, was that the Redeemer Committee's arbitration
2 award created a liquidity problem at the Debtor's level and
3 that was the impetus for the bankruptcy.

4 MS. LAMBERT: Yes, Your Honor.

5 THE COURT: That is a little bit more of a narrow
6 statement than what I think your last sentence has implied.

7 MS. LAMBERT: Well, --

8 THE COURT: I mean, I hear what you're saying, tell
9 me if I'm hearing wrong, that there are statements in that
10 arbitration award that were the impetus for the bankruptcy
11 filing and the public needs to hear that. But that's not what
12 I heard Mr. Pomerantz say from day one. He said the
13 arbitration award, \$180 million in amount or whatever it was,
14 in that neighborhood, caused a liquidity problem that caused
15 the bankruptcy.

16 MS. LAMBERT: Yes, Your Honor. But the testimony is
17 today that the Debtor's credibility in the market is
18 important, and the Redeemer arbitration award and its basis --
19 I mean, it's not just that it was \$180 million. It's that
20 there was a basis for it -- they caused this bankruptcy [five-
21 second audio recording malfunction at 11:40 a.m.] award.

22 THE COURT: Okay. Well, again, maybe I shouldn't
23 have opened up that can of worms, but I just felt like there
24 was incorrect --

25 MS. LAMBERT: The --

1 THE COURT: -- repeating of the words of the Debtor.

2 MS. LAMBERT: The Court is right to be precise, and
3 it -- I suppose, from the U.S. Trustee's perspective, it's the
4 straw that broke the camel's back, and that's what we meant in
5 terms of a catalyst. And it is a judgment. But normally the
6 public has the opportunity to know what the basis of the
7 judgment is. And the basis of that ruling.

8 THE COURT: All right. Well, again, this is an issue
9 that may come up on another day and the Court will decide
10 whether it needs to come into the record. But, today, I
11 didn't think it was relevant for the motion before the Court.

12 All right. Anything else?

13 MS. LAMBERT: Finally, Your Honor, the evidence is
14 that, historically, the Debtor has had oversight externally as
15 a result of the same kind of problems that led to this, and
16 yet that did not work. And so for all those reasons, the U.S.
17 Trustee moves for the appointment of a trustee.

18 THE COURT: All right. Other arguments?

19 CLOSING ARGUMENT ON BEHALF OF THE DEBTOR

20 MR. POMERANTZ: Good morning again, Your Honor. Jeff
21 Pomerantz; Pachulski Stang Ziehl & Jones; on behalf of the
22 Debtor.

23 Just to pick up on the last point of your colloquy with
24 Ms. Lambert, Your Honor was correct. My statements at the
25 beginning of the case were that the reason the case was filed

1 was because of the Debtor's inability to satisfy the award
2 which was about to be confirmed in a judgment. It's not
3 inconsistent with what the testimony you heard today that the
4 disclosure of that award in the current context, where
5 management has completely changed, is totally irrelevant and
6 would be unduly prejudicial, and that is why we have
7 consistently sought to have that sealed and why we have
8 indicated to Your Honor and Your Honor has ruled that it's not
9 relevant for today's hearing.

10 Your Honor, the Trustee seeks appointment of a Chapter 11
11 trustee, notwithstanding Your Honor's January 9th approval of
12 a settlement between the Debtor and the Committee that
13 restructured management. And I think it's important to just
14 highlight some of the things that the settlement that Your
15 Honor approved did.

16 First, it involved a sweeping governance change,
17 highlighted by the establishment of a new board of directors
18 with three individuals who have exceptional reputations and a
19 diverse skillset that makes them unquestionably qualified to
20 manage a complex business such as the Debtor.

21 It also involved the removal of Mr. Dondero as the
22 Debtor's decision-maker, along with his agreement, which is
23 the subject, as Your Honor pointed out, of a separate court
24 order, not to interfere with the board's performance of its
25 duties, along with his agreement not to terminate substantial

1 contracts his affiliated entities have with the Debtor.

2 The settlement also established detailed operating
3 protocols which provide significant transparency regarding the
4 Debtor's operations and ensures, among other things, that the
5 Committee will have visibility into any related transactions
6 before they are consummated.

7 The settlement also granted standing to the Committee to
8 investigate and prosecute certain insider claims, along with
9 broad access to the Debtor's books and records, including
10 attorney-client information necessary to prosecute those
11 claims. While perhaps not unprecedented, this type of
12 authority being granted to Committee at this early in the case
13 is rarely granted and is quite unusual.

14 It is against this backdrop, Your Honor, that the Court
15 must evaluate the Trustee's motion. The applicable standard,
16 as you have heard, is under 1104 of the Bankruptcy Code, which
17 provides that the Court shall appoint a trustee for cause or
18 if the appointment is in the best interest of parties in
19 interest or for other cause.

20 As Your Honor wrote in the *Patman Drilling* case years ago,
21 "Appointment of a Chapter 11 trustee is a draconian remedy,
22 and there is a strong presumption that Chapter 11 -- a debtor
23 shall remain in possession."

24 And notwithstanding the Trustee's argument to the
25 contrary, the courts in the Fifth Circuit, including Your

1 Honor in *Patman Drilling*, follow *Cajun Electric* and require a
2 movant to demonstrate that appointment of a trustee is
3 justified by clear and convincing evidence.

4 Not only has the U.S. Trustee not met his burden, but the
5 facts demonstrate overwhelmingly that allowing the Debtor to
6 remain in possession is clearly in the best interests of all
7 parties in interest. In fact, no stakeholder supports the
8 U.S. Trustee's motion, and the Creditors' Committee, which
9 comprises the vast majority of unsecured claims in this case,
10 opposes the motion.

11 This bankruptcy case has been pending for over three
12 months and has been marked by significant acrimony and
13 litigation over governance and control. With the installation
14 of the board, the establishment of the protocols, the case is
15 finally on a positive trajectory, and the Debtor, through the
16 independent board, is now in a position to sit down and
17 cooperatively work with the Committee to develop a plan so
18 that the Debtor can exit Chapter 11 as quickly as possible.
19 Appointment of a Chapter 11 trustee would create further
20 uncertainty, adversely affect operations, and further delay
21 the efforts of the Debtor towards developing an exit strategy.

22 The Trustee has advanced three principal arguments on why
23 the Court should appoint a Chapter 11 trustee, none of which
24 are persuasive.

25 First, the United States Trustee argues that a Chapter 11

1 trustee is the only remedy to address various forms of
2 malfeasance that courts have found the Debtor to have
3 committed in the past. In so arguing to the Court, the U.S.
4 Trustee ignores the court-approved settlement, ignores the
5 existence of the independent board, ignores the removal of Mr.
6 Dondero from any position of control in the Debtor.

7 Section 1104 authorizes the appointment of a trustee for
8 cause, including fraud, dishonesty, incompetence, or gross
9 [mis]management of the affairs by current management. Case
10 law is clear that the focus is on the actions of current
11 management and not prior management. And, in fact, in the
12 *Bayou* case from the Second Circuit, which we identified and
13 cited, the Court refused to appoint a Chapter 11 trustee where
14 new management had been installed and there had been no
15 allegation that new management had committed any of those
16 acts.

17 The Debtor doesn't dispute that, prepetition, the Debtor
18 was involved in litigation where the courts found wrongdoing
19 by the Debtor. However, those findings are irrelevant if the
20 Debtor is under new management. New management, through the
21 independent board, is now in control, managing the Debtor's
22 operation. And importantly, James Dondero is not in a
23 position of control anymore. And as I said, there have been
24 no allegations that current management has engaged in any type
25 of fraud or mismanagement or done anything not to engender

1 confidence by the Court or the creditors. The independent
2 board consists of individuals with sterling reputations with
3 substantial skill.

4 Second, the Trustee argues that the independent board is
5 incapable of effectively managing the Debtor's affairs; the
6 structures implemented in other situations to combat Debtor's
7 bad acts have failed. Essentially, the Debtor [sic] is
8 arguing that other members of management, including the legal
9 team, may remain employed by the Debtor and the board will not
10 be able to prevent the Debtor from engaging in the same type
11 of activities that occurred prior to Chapter 11.

12 There is absolutely no evidence, Your Honor, to support
13 the U.S. Trustee's unfounded allegations. Rather, all the
14 evidence before Your Honor contradicts this argument and
15 demonstrates that the independent board has been and continue
16 to be an independent fiduciary to the estate and ensuring that
17 the Debtor takes only actions that are, in fact, benefiting
18 the estate and all parties in interest.

19 The only evidence before Your Honor regarding this is the
20 testimony you heard from John Dubel, one of the independent
21 directors. He testified as follows. Since his appointment
22 was effective on January 9th, at least one member of the board
23 has been present at the Debtor's headquarters for six of the
24 seven business days. Mr. Dubel himself has worked over 80
25 hours on the Debtor since the 9th. He testified that he

1 believes that other members of the board have put in the same
2 amount of work.

3 The board conducted a board meeting immediately upon its
4 appointment on January 9th and January 10th, and has had many
5 other informal discussions among themselves on a daily basis.

6 Mr. Dubel testified that the board has received
7 comprehensive presentations from counsel, from the CRO and his
8 team, and from each of the Debtor's department heads, and is
9 in daily communications with all such parties. He testified
10 that such presentations have covered the Debtor's structure,
11 organizations, operations, assets and liabilities, and the
12 rights and responsibilities of the board.

13 He testified that the board is reviewing and overseeing on
14 a daily basis implementing -- implementation of the protocols
15 approved by the Court.

16 He testified that, as any good board and fiduciary would
17 do, he has reached out and he has been in contact with the
18 Committee, the Committee members and their advisors on a
19 variety of issues. He's also testified that he has -- that
20 the board has reached out to department heads, who have
21 provided information without question to the board, and that
22 he believes and other members of the board believe that all
23 such information is truthful and accurate information.

24 He's testified that the authority of the board has been
25 communicated to employees, and that he believes and other

1 directors believe that the employees are respecting such
2 authority and that the CRO and the independent board are
3 providing critical interaction with the other Debtor's
4 employees and approval of transactions that are required.

5 He's testified that resolution of the corporate governance
6 will now allow the Debtor to move forward towards pursuing a
7 plan, and that appointment of a trustee would be very divisive
8 to the Debtor's operations and adversely affect operations.

9 In fact, Your Honor, the uncontradicted evidence is that
10 the independent board members are doing exactly what an
11 independent fiduciary like the trustee should or would be
12 doing: assessing the Debtor's operations and assets and
13 liabilities and evaluating how to maximize the Debtor's assets
14 for all stakeholders.

15 Moreover, the Trustee's argument that prior structures
16 implemented were insufficient is irrelevant. Never before has
17 an independent board been installed in this company, and never
18 before has Mr. Dondero been removed completely from a position
19 of authority.

20 It is also telling that two of the litigants who have had
21 significant dealings with the Debtor and its management over
22 the last years -- the Redeemer Committee and ACIS, both
23 members of the Committee -- oppose the U.S. Trustee's motion
24 and believe that the current structure is in the best
25 interests of the Debtor's stakeholders.

1 I would like to turn, Your Honor, to the last of the U.S.
2 Trustee's arguments with respect to the fiduciary duty, which
3 the Trustee says constitutes other cause because of some
4 apparent conflict. First, Your Honor, I would mention that
5 there is nothing in the pleadings regarding the fiduciary duty
6 issue. When --

7 MS. LAMBERT: Your Honor, I object.

8 MR. POMERANTZ: Excuse me.

9 MS. LAMBERT: I couldn't put it in the pleadings
10 because it didn't exist.

11 THE COURT: I'm not sure --

12 MR. POMERANTZ: Your Honor?

13 THE COURT: -- I understand the objection. He's
14 about to say what was in your pleadings.

15 MS. LAMBERT: Right. And he's saying that I should
16 have put it in my pleading, which was filed before there was
17 any management agreement, at a time when it looked like there
18 wasn't going to be a management agreement.

19 MR. POMERANTZ: Your Honor, then --

20 THE COURT: Well, --

21 MR. POMERANTZ: All right.

22 THE COURT: -- clarify. You were about to say
23 there's nothing about --

24 MR. POMERANTZ: Yes.

25 THE COURT: -- breach of fiduciary duty in --

1 MR. POMERANTZ: I was going to say, --

2 THE COURT: -- the motion?

3 MR. POMERANTZ: -- Your Honor, that the motion that
4 was filed was before the Committee settlement.

5 THE COURT: Right.

6 MR. POMERANTZ: The Committee settlement happened.
7 We opposed. In our position, we addressed the fiduciary duty
8 issue head-on. The U.S. Trustee chose not to file a reply.

9 THE COURT: Okay.

10 MR. POMERANTZ: The U.S. Trustee stood up and, Your
11 Honor, cited case law on what Delaware fiduciary duty is.
12 There is nothing in their pleadings. And the argument that
13 she -- the Trustee could not --

14 MS. LAMBERT: I again object.

15 MR. POMERANTZ: -- put that in the pleading --

16 MS. LAMBERT: The reason that they raised this in
17 their response is that, and they said in there, we anticipate
18 the U.S. Trustee will raise it, it's because I raised it at
19 the hearing on the management.

20 MR. POMERANTZ: Well, Your --

21 THE COURT: Okay. I overrule --

22 MR. POMERANTZ: Your Honor?

23 THE COURT: -- that objection. You can make your
24 argument.

25 MR. POMERANTZ: I will move on. It -- my only point

1 was there was a little bit of trial by ambush here, with
2 counsel standing up at the podium, talking about case law and
3 talking about Delaware fiduciary duties. That's not in the
4 record. But I'll move on, Your Honor.

5 Second, this issue was raised at the January 9th hearing
6 and Your Honor ruled that there was no conflict. So, in some
7 sense, it is res judicata to the issues that are here.

8 And most importantly, Your Honor, the Committee, as you
9 know, has been extremely active in this case, is represented
10 by competent professionals. There is no way that the
11 Committee would have allowed management to come in if they
12 believed that management would be subject to competing duties.

13 Nevertheless, Your Honor, I'd like to address the argument
14 head-on. The Debtor is a limited partnership. The limited
15 partnership is managed by Strand, which is the general
16 partner. And the management of the Debtor is carried out by a
17 board that has been installed at Strand at the general
18 partnership level.

19 When the Debtor filed its bankruptcy, its managers at
20 Strand owed a fiduciary duty to the bankruptcy estate. The
21 managers owe a fiduciary duty to the bankruptcy estate in the
22 same way that a trustee, if appointed, would owe a fiduciary
23 duty to the bankruptcy estate. And the argument that Jim
24 Dondero is an equity holder at Strand and somehow creates a
25 conflict is a red herring. Strand is a single-purpose entity.

1 All it does is manage the Debtor. Strand has an obligation to
2 manage the Debtor appropriately. If the board at Strand is
3 fulfilling its duties to the Debtor, it's fulfilling Strand's
4 duties to the Debtor.

5 So, in other words, Your Honor, what the board does that
6 is in honor of its fiduciary duties: makes sure Strand is
7 complying with its obligations and makes sure Strand is not
8 subject to any claims that they have not fulfilled their
9 obligations under the management agreement.

10 This was the situation in a case before Judge Isgur in
11 2014 in the *Houston Regional Sports* case, which we cite in our
12 papers at 505 B.R. 468. The debtor, a limited partnership,
13 was managed by a general partnership. The partners, ultimate
14 partners, disagreed in how the company should proceed, and the
15 company found itself subject to an involuntary bankruptcy
16 proceeding. One of the partners, the Houston Astros -- I
17 guess this is rag on Houston Astros week -- was --

18 THE COURT: Don't mention that, please.

19 MR. POMERANTZ: -- appointed a board member to the
20 general partner and argued to Judge Isgur that that board
21 member had duties to it as the general partner and that
22 because of that, and since its consent was needed for any
23 restructuring, that any Chapter 11 would have to fail.

24 Judge Isgur said no, no, no. A general partner, a board
25 member of a general partner, regardless of that it was

1 appointed by the Houston Astros, who may have different views,
2 had the obligations to the estate and to fulfill its the
3 obligations to the estate, and that if they did anything in
4 violation of that, it would create liability.

5 So that Judge Isgur directly challenged and opposed the
6 conclusion that there's somehow a different fiduciary duty.
7 Now, he did sort of, in a footnote, say that he wasn't finally
8 determining fiduciary duty issues, but he did not find any
9 conflict.

10 The same is true here. And the argument that there is
11 somehow this conflict, somehow these competing interests,
12 somehow that the board may act in favor of Jim Dondero that's
13 not in favor the board and that's different than a trustee,
14 that is essentially a red herring. It's hornbook law. When
15 an estate files bankruptcy, its managers owe a fiduciary duty
16 to the estate.

17 And who do we have on our board? We have a former judge.
18 What better to have on a board, considering what its fiduciary
19 duties are, as a former judge, a former bankruptcy judge who
20 is well-familiar with what fiduciary duties exist and to whom
21 they exist?

22 So, Your Honor, we don't think there's a conflict, and
23 there's certainly not a conflict that would rise to the level
24 of "other cause" that the Trustee is trying to fit and
25 shoehorn its motion for appointment of a trustee.

1 In conclusion, Your Honor, the Trustee has not carried its
2 burden of establishing that cause exists for the appointment
3 of a Chapter 11 Trustee, that "other cause" exists, or that it
4 is in the best interest of parties in interest. The corporate
5 governance structure approved by the Court renders moot the
6 concerns about the prepetition conduct and Debtor's prior
7 management, and there's nothing been adduced through the
8 testimony to lead to the conclusion that any of the members of
9 the -- employees of the Debtor are not doing what they're
10 supposed to be doing, reporting to the independent board, and
11 that the independent board cannot fulfill their duties.

12 Appointment of a Chapter 11 trustee would adversely impact
13 the Debtor's operations, jeopardize restructuring efforts.
14 And for all of these reasons, Your Honor, the Debtor requests
15 that the Court deny the Trustee's motion.

16 THE COURT: All right. Mr. Twomey, anything from
17 you?

18 CLOSING ARGUMENT ON BEHALF OF THE OFFICIAL COMMITTEE

19 MR. TWOMEY: Thank you, Your Honor. I will be brief,
20 but I do want to provide the Committee's perspective on this,
21 given in particular 1104's focus on stakeholders.

22 As Your Honor is aware, the Committee represents the
23 primary economic stakeholders in this case. Even more than
24 most cases, the unsecured creditors in this case comprise the
25 vast majority of creditors, given how little secured debt

1 there is. And Your Honor, the Committee which represents
2 those unsecured creditors strongly disputes the notion that
3 appointment of a Chapter 11 trustee would be in the best
4 interest of stakeholders, for many of the same reasons as Mr.
5 Clemente discussed at the prior hearing in support of the
6 settlement.

7 The Committee believes the settlement approved by this
8 Court a week and a half ago, and the corporate governance
9 structures embodied therein, provide the Debtor with the best
10 opportunity to maximize value in this case.

11 As described earlier, the Committee believes that the
12 board members are highly qualified, with complementary
13 skillsets. It's hard to imagine that there's a single trustee
14 out there that could match their combined experience and
15 expertise.

16 Any Chapter 11 trustee would face the same challenges that
17 the board is facing, and those challenges just wouldn't
18 magically go away by appointment of a trustee.

19 In addition, appointment of a Chapter 11 trustee at this
20 point would lead to more delay getting up to speed, additional
21 cost for the trustee trying to get up to speed in the case,
22 and it obviously would basically undo the settlement that the
23 Committee and the Debtor spent so much time trying to pull
24 together.

25 As Your Honor has heard today, the board clearly has

1 rolled up their sleeves. They're becoming heavily involved in
2 the case. And the Committee also has information and
3 oversight rights and standing to pursue certain claims under
4 the settlement that provides an additional check on all of
5 this process going forward.

6 So, Your Honor, in light of the foregoing, especially the
7 settlement that Your Honor approved a little over ten days
8 ago, the U.S. Trustee simply can't meet its burden of showing,
9 under these circumstances, that cause warrants appointment of
10 a Chapter 11 trustee or that appointment of a Chapter 11
11 trustee would be in the best interest of stakeholders.

12 So, Your Honor, the Committee respectfully requests that
13 the motion be denied.

14 THE COURT: Counsel for UBS, did you have something?

15 CLOSING ARGUMENT ON BEHALF OF THE UBS PARTIES

16 MS. POSIN: Yes, Your Honor. Thank you, Your Honor.
17 Kim Posin of Latham & Watkins, counsel for creditors and
18 Unsecured Creditors' Committee members, UBS Securities, LLC,
19 and UBS AG London Branch.

20 Your Honor, just very briefly, I wanted to say that UBS
21 has a very substantial claim against Debtors and this estate.
22 We believe our claim to be in excess of \$1 billion. And that
23 results from a November 2019 judgment in the New York Supreme
24 -- or Superior Court -- Supreme Court, excuse me, on a breach
25 of contract claim.

1 So, as a very significant creditor of this estate, we have
2 spent a substantial amount of time with the Committee and with
3 Committee counsel over the last few weeks creating this new
4 governance structure that the Court has put into place in the
5 last week and a half.

6 We are hopeful and we fully expect that, now the new
7 governance is in place, that the Debtors will be able to
8 proceed with a path forward and avoid the distractions and,
9 you know, influences that may have hindered their decision-
10 making processes to date or before the new governance
11 structure was put into place.

12 While we appreciate the U.S. Trustee's concerns with the
13 pre-existing management structure, we believe that that broken
14 structure has now been fixed. And unless and until the new
15 governance structure proves to be unworkable or detrimental to
16 the Debtor's estate or to its creditors in some fashion, the
17 -- there is no need and it would be inappropriate to appoint a
18 Chapter 11 trustee.

19 In fact, we agree with Mr. Twomey and Mr. Pomerantz that
20 the appointment of a Chapter 11 trustee at this point in these
21 cases would be detrimental, it would be disruptive, it would
22 cause delays, and there's no assurances that any Chapter 11
23 trustee that could be appointed would be -- would have
24 anywhere near the qualifications and capabilities of the new
25 board members.

1 So, Your Honor, we believe it is in the best interests of
2 all creditors, not just the numbers of this Committee, to deny
3 the motion, to allow the new governance structure to proceed,
4 and to give the board members an opportunity to manage the
5 Debtor's decision-making processes to preserve value and
6 hopefully to reach a resolution of this case in an appropriate
7 manner as efficiently and effectively as possible.

8 THE COURT: All right. Thank you.

9 MS. POSIN: Thank you.

10 THE COURT: Anyone else? Any rebuttal? All right.
11 We'll take a 15-minute break. It's 12:02. We'll come back at
12 12:17 and I'll give you a ruling.

13 THE CLERK: All rise.

14 (A recess ensued from 12:02 p.m. until 12:34 p.m.)

15 THE COURT: All right. We are going back on the
16 record in the Highland case. This is the Court's ruling on
17 the United States Trustee's motion for appointment of a
18 trustee.

19 The Court has bankruptcy subject matter jurisdiction
20 pursuant to 28 U.S.C. Section 1334. This is a statutory core
21 proceeding pursuant to 28 U.S.C. § 157. The Court concludes
22 it has constitutional authority to make a final ruling in this
23 contested matter. And the Bankruptcy Code section that
24 governs the merits of the motion is Section 1104.

25 Based on the totality of the evidence, the Court believes

1 -- well, let me back up. Based on case authority, the Court
2 believes the legal standard is that there must be clear and
3 convincing evidence establishing the need for a trustee. But
4 even if I am misremembering the procedural history of *Cajun*
5 *Electric*, and even if the Fifth Circuit later, on a
6 rehearing, adopted a preponderance of the evidence standard
7 that had been suggested in a prior dissent, I would still find
8 here, under a preponderance of the evidence standard, that
9 there are not grounds under Section 1104(a)(1) or (2) for the
10 appointment of a trustee in this case. So the motion of the
11 U.S. Trustee is denied.

12 I frequently say in court hearings, some folks know, that
13 facts matter. It's kind of a mantra of mine. It seems like a
14 very obvious statement, I know. But facts, evidence, really
15 does matter. And here are some of the facts involved that
16 are, frankly, quite atypical compared to what bankruptcy
17 courts frequently see with trustee motions, motions to appoint
18 a Chapter 11 trustee.

19 First, as I've noted a couple of times before, we have a
20 well-constituted and well-represented Official Unsecured
21 Creditors' Committee. Three of the four members of the
22 Committee have extensive multi-year experience litigating with
23 this debtor. They are collectively owed many millions of
24 dollars. Actually, one Committee member, UBS, represented
25 today it thinks it's owed a billion dollars.

1 They are, beyond any doubt, sophisticated, well-
2 represented parties. And with all of their background and
3 breadth of knowledge about this debtor and its now-former
4 control person, Jim Dondero, with all of their history of
5 distrust and acrimony, they do not at this juncture support a
6 Chapter 11 trustee.

7 In fact, as we all know, the Committee and its
8 professionals worked mightily for several weeks with the
9 Debtor's professionals to come up with a new corporate
10 governance structure that, in their reasonable view, could
11 serve as a much more favorable vehicle than a Chapter 11
12 trustee.

13 They, as we all know, negotiated and chose three new
14 independent board members of the general partner of the
15 Debtor, Strand, which general partner, of course, ultimately
16 controls the Debtor and has fiduciary duties to the Debtor as
17 a general partner. And this new board not only has all the
18 attributes, benefits of independence and an understanding of
19 fiduciary duties, the Court has issued an order defining its
20 role as such, but, in this Court's opinion, this new board has
21 at least two distinct advantages over a Chapter 11 trustee.

22 First, with no offense to any of the Chapter 11 trustee
23 candidates out there that might be able to serve, the three
24 board members bring a fabulous skillset to the process. A
25 retired bankruptcy judge, an individual with tremendous high-

1 yield investment and portfolio management experience, and an
2 individual with significant experience as an independent
3 director in difficult, large restructuring cases.

4 Second, the Debtor and the Committee professionals believe
5 that a new board, with the ability to retain or terminate
6 employees as they deem fit, would be less disruptive overall
7 and could potentially preserve enterprise value better than
8 the more drastic mechanism of a Chapter 11 trustee.

9 Moreover, in connection with this overhaul of governance,
10 corporate governance, the UCC, the Official Unsecured
11 Creditors' Committee, also negotiated mechanisms for
12 transparency in the Debtor's operation of its business, and
13 the Committee, Official Unsecured Creditors' Committee, was
14 given standing to pursue certain actions.

15 So, back to my mantra. The bottom line is facts matter,
16 and the facts are that we have sophisticated, well-heeled
17 economic stakeholders who have worked mightily to essentially
18 overhaul the entire corporate governance as to this debtor.
19 They have sanitized the problems.

20 Again, some of these Unsecured Creditors' Committee have a
21 history with this debtor. They have a history with putting
22 checks and balances in place and those not ideally working.
23 It is with this background that they have worked mightily for
24 several weeks with Debtor's professionals to come up with this
25 new corporate governance structure that, in their reasonable

1 view, provides the appropriate oversight and control that the
2 mechanisms perhaps in prior situations did not provide.

3 The U.S. Trustee relies on the strict wording of Section
4 1104 in urging its motion. Specifically, the wording that,
5 quote, The Court shall order the appointment of a trustee for
6 cause, including fraud, dishonesty, incompetence, or gross
7 [mis]management of the affairs of the debtor by current
8 management, either before or after the commencement of the
9 case, or similar cause.

10 The Court believes this statutory provision is aimed at
11 problems or malfeasance with current management. All of this
12 has been fixed. It's a very different scenario than when this
13 case was filed. If there are problems with remaining
14 employees, like in-house lawyers or treasurers or others, the
15 board has the ability to terminate these individuals. But I
16 had no evidence that there are specific problems with any
17 particular remaining individuals.

18 Simply because I or another Court may have made statements
19 in prior rulings about unreliable testimony or may have found
20 evidence of fraudulent transfers is not a problem that taints
21 this completely-overhauled management structure. Again, this
22 was a complete overhaul. The facts and timing are such today
23 that Mr. Dondero is no longer current management. Current
24 management are the words used in Section 1104.

25 This case is no different than numerous other large

1 Chapter 11 cases when, often before the petition date but
2 sometimes after, old board members resign, new board members
3 are brought in, CEOs are ousted. It's common. It avoids the
4 possible need for a Chapter 11 trustee. It brings integrity
5 to the process and hopefully preserves the ability to
6 reorganize. Creditors sometimes demand it. The debtor's
7 professionals sometimes suggest it. Sometimes, current
8 management resigns before being told they'll need to. This is
9 one of the realities with distressed companies.

10 A new board and new management are not only a pragmatic
11 solution, but this Court concludes are totally within the
12 parameters and the provisions and overall structure of Chapter
13 11.

14 At bottom, the professionals for the Debtor and the
15 Official Unsecured Creditors' Committee have fixed the
16 problem, the problems with the current management that existed
17 as of the petition date. I approved the new governance
18 structure pursuant to Sections 363 and 105, and now we don't
19 have the cause that 1104 refers to.

20 Moreover, I have no evidence that a trustee is in the best
21 interest of parties pursuant to Section 1104(a)(2). So, no
22 cause for a Chapter 11 trustee.

23 I reserve the right to supplement or amend in a form of
24 order, but I will ask Debtor's counsel to submit a form of
25 order.

1 All right. Well, turning to the remaining business, I
2 know we had two or three other motions, and there were no
3 objections to those motions.

4 MR. LITVAK: Good afternoon, Your Honor.

5 THE COURT: Good afternoon.

6 MR. LITVAK: Max Litvak; Pachulski Stang Ziehl &
7 Jones; on behalf of the Debtor.

8 THE COURT: Okay.

9 MR. LITVAK: I'm here to present those last three
10 items on the agenda, which are 7, 8, and 9.

11 THE COURT: All right.

12 MR. LITVAK: And Your Honor, if I may suggest that we
13 go in reverse order.

14 THE COURT: All right. I'm pulling out my agenda to
15 the appropriate --

16 MR. LITVAK: Yes, Your Honor. Number 9 is the Mercer
17 retention application.

18 THE COURT: Okay. That is the compensation expert
19 professional, correct?

20 MR. LITVAK: Exactly right, Your Honor. We have no
21 objections to this application, and Mercer has already, some
22 time ago, actually, commenced rendering services for -- to the
23 Debtor with respect to compensation issues.

24 THE COURT: All right. Again, we did not have any
25 written objection. Anybody want to say anything about this

1 application?

2 All right. Well, notice has been proper. We have no
3 objections. They appear to be well-qualified. I approve this
4 under 327 and 328 of the Bankruptcy Code.

5 MR. LITVAK: Your Honor, would you like to see a
6 proposed form of order, or -- it is essentially the same one
7 that we filed with the application, except we have updated the
8 caption because the application was actually originally filed
9 in Delaware.

10 THE COURT: All right. No. You may simply upload it
11 electronically, please.

12 MR. LITVAK: Yes, Your Honor. Will do. Thank you.

13 Moving to Number 8 on the agenda, Your Honor, is the bonus
14 motion. It is the Debtor's motion to pay our ordinary course
15 obligations under employee bonus plans. And Your Honor, there
16 are no pending objections with respect to this motion. The
17 U.S. Trustee has filed no objection. We did negotiate
18 resolution with the Creditors' Committee that I wanted to tell
19 you about.

20 THE COURT: Okay.

21 MR. LITVAK: We have agreed, for purposes of today,
22 to exclude four statutory insiders.

23 THE COURT: All right.

24 MR. LITVAK: So, from our perspective, there are no
25 -- no insiders who are covered by the motion. Or covered with

1 respect to the proposed order that we'd be submitting to you
2 today, which has been reviewed and approved by the Creditors'
3 Committee. There are a few others that are being pulled out
4 as well.

5 But the net result of it, Your Honor, is that we are
6 asking for approval of ordinary course plans in an amount
7 that's substantially reduced from what was initially asked
8 for, the initial request for relief.

9 Specifically, Your Honor, the order for relief here today
10 is with respect to what we've called an annual bonus plan and
11 also what we've called a -- as a deferred bonus plan. The
12 annual bonus plan was actually approved almost a year ago, in
13 February 2019. It relates to employee performance in 2018
14 calendar year. As I mentioned, it's all ordinary course. But
15 the payments are in installments. So it's deferred
16 compensation, which actually is a substantial portion of
17 employee compensation in the industry as well as for this
18 Debtor. Employees agree to take reduced salaries with the
19 expectation that they're going to be compensated substantially
20 with respect to bonuses.

21 And that is, in fact, what happened here, and what has
22 happened in the ordinary course. And in February 2019, the
23 company approved bonuses for employees for their performance
24 in 2018, but employees will only be entitled to receive those
25 bonuses to the extent they continue to be employed with the

1 Debtor on deferred payment dates. And there are four
2 installments. Two were made prepetition and two remain to be
3 paid. And what we're asking for today, Your Honor, is for
4 your authority to continue to make those payments in the
5 ordinary course.

6 So the third installment comes due on February, in
7 February 2020, and then the fourth installment comes due in
8 August 2020. So this year, next month, and then a few months
9 down the road.

10 The deferred bonus plan goes back even further. It was
11 approved in February 2017 for the 2016 calendar year. And it,
12 in the ordinary course, is deferred 39 months, and those
13 payments are actually tied in with certain publicly-traded
14 allocated -- allocated publicly-traded stock. So an employee
15 is awarded a certain amount, and that value is represented in
16 publicly-traded stock, which is actually set aside, held by
17 the company for the benefit of that employee.

18 If the employee sticks around for 39 months, then on the
19 39th month there will be a vesting. And the next vesting will
20 be in May, May 2020 for the February 2017 awards.

21 And the stock in many cases has increased in value, just
22 as the stock market has increased in value, generally
23 speaking. So the amounts that were awarded in February 2017
24 have actually increased in value, and the employees would be
25 expecting that, that if they're continuing to perform and do

1 their job and they're still employed on that date of when
2 there is a vesting, that they would be entitled to that stock
3 at the value -- at the market value of that stock on the
4 vesting date.

5 Your Honor, another important thing that's significant
6 about the Debtor's bonus plans is that they are not
7 guaranteed. Even -- even when they're awarded. An employee
8 has to continue to perform at a very high level or they can be
9 terminated. Frankly, an employee can continue to perform at a
10 high level and still be terminated. So someone can be
11 terminated without cause, and then they will not be entitled
12 to the bonus, unless they're there on the actual payment date.
13 So, come February 28th, the employees that are there, the
14 board will decide which employees are there. Presumably, it's
15 the bulk of the employees. Then those employees will be
16 entitled to what they have been awarded prepetition. And
17 that's what we're asking the Court to approve today.

18 We're not asking Your Honor to approve anything with
19 respect to 2019 bonuses yet. Frankly, the board is still
20 getting its arms around that and making determinations as to
21 what bonuses will be payable.

22 Your Honor, the board, the independent board, has closely
23 evaluated the Debtor's employee compensation structure and
24 reached a decision that most aspects of the bonus should be
25 approved, to avoid potentially catastrophic consequences for

1 this estate.

2 The board has considered input from the Creditors'
3 Committee. The board has decided to make certain
4 modifications to the bonus plans as they were proposed in the
5 initial filing. So the initial motion that we filed was
6 actually filed in Delaware, I believe on November 26, 2019.
7 And the matter was initially set for hearing on December 17th
8 in Delaware. Then venue was transferred, and we have
9 subsequently renoticed the hearing a couple of times to today,
10 ultimately.

11 The bonus amounts -- as I mentioned, Your Honor, the board
12 has decided with respect to the modifications to exclude the
13 four statutory insiders as well as a few others, and the board
14 intends to address the compensation of those employees
15 separately.

16 The bonus amounts that are requested today, Your Honor,
17 after reductions, now aggregate \$1.8 million in February, \$1.2
18 million in May, and \$1.7 million in August, for a grand total
19 of approximately \$4.6 million, Your Honor. That would cover
20 approximately 40 employees.

21 In the original motion, we actually asked for over \$10
22 million, so this is more than cutting it in half. The board
23 has had the benefit of a compensation expert, which is Mercer,
24 who has confirmed that the Debtor's bonus, bonus plans, are
25 well within market, and that if such bonuses are not paid, the

1 Debtor's employees would be severely undercompensated.

2 The bottom line, Your Honor, is that the board has
3 concluded, in its sound business judgment, that continuing to
4 honor the Debtor's ordinary course bonus obligations, as
5 modified, to employees is critical. The failure to do so is
6 likely to cause an employee exodus and will adversely
7 prejudice the Debtor's efforts to maximize value for all
8 constituents.

9 Your Honor, we're asking you to approve the payments, the
10 bonus payments, under Sections 105 and 363 of the Bankruptcy
11 Code as a sound exercise of business judgment. Also, under
12 Section 1107 of the Bankruptcy Code in that the Debtor is
13 exercising its fiduciary duty to try and maximize value,
14 consistent with a couple opinions that we've run across in
15 this district from Judge Lynn.

16 Most recently, Your Honor, there is a decision called *In*
17 *re Tusa* -- T-U-S-A hyphen -- *Expo Holdings*, 2008 Bankr. LEXIS
18 2852. It's Judge Lynn's opinion from 2008 where he clarifies
19 an earlier opinion, *In re CoServ*, 273 B.R. 487. He basically
20 reaches the conclusion, Your Honor, that, under Section 1107,
21 the Debtor has a fiduciary duty to maximize value, and
22 maintaining relationships with employees is a necessity.

23 So, under the necessity of payment doctrine, we would ask
24 Your Honor to approve these payments. Even though they were
25 approved prepetition, they are coming due postpetition. We

1 would ask the Court to approve that.

2 Further, Your Honor, because we have carved out insiders,
3 we do not believe that Sections 503(c)(1) or (c)(2) of the
4 Bankruptcy Code apply at all to what we're asking for today,
5 and that 503(c)(3) also doesn't apply. Even though that
6 section is not limited to insiders, we don't think it applies
7 because this is an ordinary course program and 503(c)(3) talks
8 about outside the ordinary course.

9 Here, the bonus plans are entirely consistent with the
10 ordinary course operations of the Debtor and completely
11 consistent with prepetition practice.

12 Your Honor, in addition to the bonus plans, just as a
13 minor point, there is what is called a dividend reinvestment
14 plan where the Debtor will contribute -- gross up, effectively
15 -- an employee contribution into an investment fund, which is
16 actually with an affiliate called NexPoint. So, basically,
17 employees of the Debtor are given the opportunity to invest in
18 a couple of mutual funds that are run by affiliates. If they
19 choose to do that, then the Debtor will gross up the value of
20 those employees' investments as an employee benefit. So it's
21 really just another form of compensation to employees. It's a
22 15 percent gross-up. And with respect to possible prepetition
23 obligations under the DRIP, they're very nominal. Less than
24 \$30,000, if any. So we are asking approval in the motion up
25 to \$30,000, and then authority to continue the program in the

1 ordinary course.

2 The Debtor also has certain of its own funds invested in
3 these mutual funds, and those mutual funds throw off
4 dividends. And the Debtor in the ordinary course reinvests
5 the dividends in those funds. And the Debtor is asking for
6 authority to continue to do that.

7 These are not huge numbers, Your Honor, but it's -- it's
8 maybe \$10,000 to \$20,000 a month.

9 For these reasons, Your Honor, the Debtor would urge you
10 to approve the motion. If you need any further factual
11 support, I'm prepared to offer it, but the motions are
12 uncontested, as far as we know.

13 THE COURT: All right.

14 MR. LITVAK: Or the motion is.

15 THE COURT: All right. Well, I certainly didn't see
16 written objections. Do we have comments from, first, the
17 Committee? Are you willing to accept these facts as
18 unrefuted, or do you have a desire to examine witnesses on
19 this?

20 MR. TWOMEY: Absolutely not, Your Honor. Just wanted
21 to confirm for Your Honor that the Committee did originally
22 have issues with the scope of the relief requested in the
23 motion as it was filed back in November, but the Committee and
24 its advisors have worked with the Debtor, primarily through
25 their directors and advisors, to narrow the scope of the

1 relief requested to the point where it is, in fact, acceptable
2 to the Committee, as outlined by Mr. Litvak. So, the
3 Committee is now comfortable with the narrowed relief as just
4 outlined and is comfortable with the Court approving that
5 requested relief.

6 THE COURT: All right. Well, we appreciate your role
7 --

8 MR. TWOMEY: Thank you, Your Honor.

9 THE COURT: -- in negotiating some narrowing of the
10 relief.

11 Anyone else? U.S. Trustee or anyone else have issues?
12 All right. Ms. Lambert, you had something?

13 MS. LAMBERT: No. No issues, Your Honor. It is our
14 understanding that any new bonus program will be subject to a
15 separate motion.

16 THE COURT: All right. I think that's what I
17 inferred, but maybe you should clarify on the record.

18 MR. LITVAK: Your Honor, I would like to clarify
19 that, because we -- we actually have not reached that
20 determination. We are evaluating what the bonus plan will
21 look like, and then we'll confer with the board, do some
22 research of our own, and make that determination. But if it
23 would make Ms. Lambert happy, I'm sure we could agree to
24 communicate to her our decision.

25 THE COURT: All right. So think what I'm hearing is

1 you're reserving the right to take the position that any new
2 bonus program would be ordinary course of business and
3 wouldn't need court approval?

4 MR. LITVAK: Yes, Your Honor.

5 THE COURT: All right. Well, then I am going to
6 accept you at your word made on the record that you will
7 communicate, you'll give notice to the U.S. Trustee if any new
8 bonus plan is -- the Debtor desires to implement one and takes
9 the position it doesn't need court approval, and then if she
10 disagrees or the Committee disagrees, someone can file a
11 motion to, whatever the motion would be worded, to have the
12 Court weigh in on the subject.

13 MR. LITVAK: Yes, ma'am.

14 THE COURT: Okay. All right.

15 MR. LITVAK: Your Honor, I do have a proposed form of
16 order, along with a redline against the original form of order
17 that we had filed, if you'd care to see that with respect to
18 the bonus motions.

19 THE COURT: You --

20 MR. LITVAK: If I may approach.

21 THE COURT: You can approach on that.

22 (Pause.)

23 THE COURT: Thank you.

24 MR. LITVAK: The redline primarily reflects changes
25 that were requested by the Creditors' Committee, Your Honor.

1 THE COURT: Okay.

2 MR. LITVAK: And clarifying that the motion is
3 granted as presented at the hearing today minus the few
4 employees, insiders that I had mentioned.

5 THE COURT: All right. Well, the Court is going to
6 approve the bonus motion as narrowed here on the record today.
7 The Court believes that, based on the unrefuted facts, there's
8 a sound exercise of business judgment reflected in this
9 proposal, and that it would certainly be a preservation of
10 value by keeping these bonuses in place that were negotiated
11 or put in place prepetition. So the Court thinks this form of
12 order looks fine and the motion is hereby approved.

13 MR. LITVAK: Thank you very much, Your Honor.

14 With that, I'll move to the last item on the agenda, which
15 is Number 7, the cash management motion, which was filed some
16 time ago as a first-day filing. Judge Sontchi did enter an
17 interim order. We've been operating under the interim order
18 ever since. It's been over three months now.

19 And at the last hearing, we were prepared to present the
20 final order, but the U.S. Trustee, as I understand it, stood
21 up and made a speaking objection to the effect that the Debtor
22 should be required to bond a couple of brokerage accounts.

23 So the Debtor has two brokerage accounts that are at
24 issue. There is a Jefferies account and then there's an
25 account at Maxim. And there is a significant amount in terms

1 of value of securities there. At Jefferies, we're looking at
2 in the range of \$80 million, and at Maxim \$30 million. At
3 Jefferies, there is a margin balance, so basically a
4 prepetition secured claim by Jefferies against the estate of
5 \$30 million.

6 We have gone to these brokers to ask them if they would be
7 willing to participate in a bond or surety relationship of
8 some sort with a third party. We have also gone out and
9 obtained one quote so far with respect to how much that would
10 cost. The one quote was in the range of \$200,000 or \$300,000.

11 The board -- I've discussed this with the board. It is
12 the board's view that spending that money to buy a surety bond
13 is not a good use of the estate's limited resources. But
14 further, as a practical matter, Your Honor, we have gone to
15 Jefferies, and they are unwilling to enter into surety -- they
16 would be required to sign an indemnity agreement with a
17 surety. So if a surety is ever called upon to pay because the
18 securities that are supposed to be there for some reason are
19 not there, then Jefferies would be obligated to reimburse the
20 surety. That's the indemnity. And further, Jefferies would
21 be required to become an approved depository here. They're
22 not willing to do that.

23 So, Your Honor, I think we're at the position, from the
24 Debtor's perspective, that we would ask you to, to the extent
25 that the U.S. Trustee still has an objection, that we would

1 ask you to approve a waiver of the 345 requirement for cause,
2 the cause being that the Debtor does not believe that this is
3 a good use of estate resources. The Debtor is in the business
4 of doing just this, which is money management, investing in
5 securities. This is not a retail business that, on the side,
6 is trying to make some money off securities. This is what the
7 Debtor does. So it is a very unique set of facts here.

8 The Debtor also doesn't have the ability to move the
9 accounts, particularly the one at Jefferies, because Jefferies
10 has a significant margin balance which secures them. So
11 they're not going to let us move the money out. So we're kind
12 of stuck.

13 And it has never been an issue before, Your Honor.
14 Jefferies, incidentally, has, we found out from their website
15 -- it is obviously a highly-regulated entity, as is Maxim --
16 Jefferies has significant insurance in place. Beyond the SIPC
17 coverage for securities accounts, which is tapped at \$500,000,
18 Jefferies has another -- an excess policy of \$24-1/2 million
19 on top of that, and maybe more.

20 So, Your Honor, from the Debtor's perspective, we would
21 ask the Court to give us the waiver here under the unique
22 circumstances here of 345 and that the Debtor be permitted to
23 continue to maintain those two brokerage accounts in the
24 ordinary course.

25 THE COURT: All right. Others wish to be heard?

1 MS. LAMBERT: So, to be clear, Your Honor, the United
2 States Trustee didn't ask them to bond the amounts. The U.S.
3 Trustee asked that the insurance parallel the specific
4 insurance, or the bonding, parallel that, so that if the
5 actual stocks are not there, there's something to go against,
6 and so, therefore, making it parallel to the same kind of
7 posting of collateral with the Fed in case an institution
8 fails.

9 So, it is also possible to get insurance, just as
10 Jefferies has, for the Debtor. And they're still outstanding
11 on several requests. But if Jefferies won't sign the
12 indemnification agreement, they won't sign it. So that's the
13 issue. I mean, could they get insurance separately? I don't
14 know. They haven't tried. But I will want the Court -- I
15 mean, like Judge Houser will never ever grant this kind of
16 relief. I want the Court to be aware that the estate is at
17 risk if there's a problem at Jefferies or if there's a problem
18 at the other institution.

19 THE COURT: All right. Anyone else wish to weigh in?

20 And I'm going to go back to my mantra. Facts matter. I'm
21 not sure Judge Houser has ever had this type of entity. You
22 know, it's not a retail store, it's not a restaurant, it's not
23 an apartment complex. It's a debtor whose reason for existing
24 is money management and investing. Not that it doesn't ever
25 make mistakes, but, again, I think the unique circumstances of

1 this debtor in this case merit a waiver of the Section 345(b)
2 requirement.

3 I think it would not be an exercise of reasonable
4 judgment, under the facts I have before me, to require, you
5 know, a \$200,000 or \$300,000 cost surety bond. So I grant the
6 motion and grant the waiver.

7 And as with any order, I won't require this blue sky
8 language, but certainly if, you know, Jefferies and Maxim, you
9 know, it's well publicized, they go into distress themselves
10 and we need to revisit this ruling, the Court would certainly
11 be willing to revisit the issue if the world changes, and I
12 think that's a good thing to do.

13 All right. Before we end matters on this motion, I left
14 my notes on my desk, but I had in my brain that at one time
15 there were four stray issues that the Committee had. And I
16 just want to double-check these four stray issues were
17 resolved with the settlement. I know there was an issue with
18 regard to a couple, I mean, well, four recurring commitments
19 of the Debtor. One regarding that life settlement entity,
20 where the premium was something like a million dollars a month
21 that Debtor was paying. There was another, you know,
22 Singapore office and a Korea investment company. And I can't
23 remember, I think the other was just general overhead
24 provided. Have those issues been resolved, wrapped up in the
25 settlement? I did not go back and double-check the

1 settlement.

2 MR. POMERANTZ: Your Honor, Jeff Pomerantz. We had
3 interim approval under the cash management to do certain
4 things.

5 THE COURT: Uh-huh.

6 MR. POMERANTZ: But Your Honor is correct that any
7 continued intercompany cash management issues were covered by
8 the protocols. So that is where we will be seeking authority
9 to do any other type of intercompany transactions. It will
10 not be pursuant to this cash management order, but it was
11 important for this cash management order to become final
12 because it did govern the case before the case got transferred
13 here and we took action as we were permitted to do under the
14 interim order.

15 THE COURT: Okay. So without asking you to recite
16 every single sentence of the settlement motion and order,
17 there's some sort of oversight and approval mechanism for
18 those payments, those obligations?

19 MR. POMERANTZ: Correct. Correct. Correct.
20 Intercompany transactions, related-party transactions, is a --

21 THE COURT: Just that general umbrella?

22 MR. POMERANTZ: -- is the general umbrella.

23 THE COURT: Okay.

24 MR. POMERANTZ: And there's a certain process and
25 procedure how we would get approval from that, giving

1 visibility to the Creditors' Committee.

2 THE COURT: Okay. Counsel, did you want to add
3 anything?

4 MR. TWOMEY: Just to confirm that's correct, Your
5 Honor. We had an operating protocol that was approved as part
6 of the settlement. And so, pursuant to that, these types of
7 transactions will be, you know, for example, run by the
8 Committee, and only if there are issues will we have to come
9 back to the Court.

10 THE COURT: The general umbrella --

11 MR. TWOMEY: Yes.

12 THE COURT: -- of intercompany transactions? All
13 right. I bet Retired Judge Nelms' ears perked up when he
14 heard about life settlements. If you don't understand that
15 comment, I'm sure he'll love to talk to you about *Life*
16 *Partners*.

17 MR. POMERANTZ: Yes. We've had those discussions,
18 Your Honor.

19 THE COURT: Okay.

20 MR. POMERANTZ: Your Honor, I think the only thing
21 remaining to be done is a couple of dates.

22 THE COURT: Okay.

23 MR. POMERANTZ: We thought it would be helpful to set
24 sort of, you know, essentially omnibus dates.

25 THE COURT: Okay.

1 MR. POMERANTZ: We may have things relating to the
2 continued bonus programs to bring before the Court. May not.
3 And just so people generally could know when to file things.
4 So we've conferred with the Creditors' Committee counsel. I
5 didn't have the opportunity to confer with the Trustee. But
6 we have a date in February, perhaps either February 19th or
7 20th.

8 THE COURT: Okay.

9 MR. POMERANTZ: And then also a date in March, either
10 the 10th, 11th, or 12th.

11 THE COURT: Okay. Let me see what we can do.

12 (Pause.)

13 THE COURT: Okay. We can give you 2/19 at 9:30 in
14 the morning.

15 (Pause.)

16 THE COURT: Okay. We can give you Wednesday, March
17 11th, at 9:30.

18 MR. POMERANTZ: Thank you very much, Your Honor.

19 THE COURT: All right. So, for now, do we want to
20 absolutely set some of these carryover matters? I know we had
21 the retention application.

22 MR. POMERANTZ: We have the retention applications,
23 we have the PensionDanmark, --

24 THE COURT: The Pension --

25 MR. POMERANTZ: -- and then we have the settlement

1 related to the CLO Issuer. So why don't we put all those
2 three on for the 19th at 9:30 a.m.?

3 THE COURT: Okay. I think it's four things. I think
4 there were two retention applications.

5 So, for now, Traci, we're going to set the Foley Gardere
6 and Lynn Pinkerton retention applications on February 19th, as
7 well as the Pension motion to lift stay. I can't remember the
8 exact name of that. And then, okay, you said there's a CLO
9 Issuers motion?

10 MR. POMERANTZ: Well, it was the -- it was the
11 overall settlement motion, if Your Honor recalls, that I
12 mentioned at the beginning of the hearing.

13 THE COURT: Oh, the language --

14 MR. POMERANTZ: That specific issue on the protocols.

15 THE COURT: -- they were hoping to have for
16 protocols?

17 MR. POMERANTZ: Correct.

18 THE COURT: Okay. Yeah. So we'll carry over the
19 settlement motion between the Committee and the Debtor. Even
20 though I've entered an order, we actually have some carryover
21 language. So we'll put that on the calendar again. No, all
22 of those on February 19th. And, again, you'll coordinate with
23 Traci if you have add-on matters that you need --

24 MR. POMERANTZ: Correct, Your Honor. And then we
25 will file the appropriate agenda of that in advance and

1 provide Your Honor with notebooks so that Your Honor will know
2 exactly what was on. I know Traci was -- did a great job of
3 trying to figure it out, and we didn't make her life easier up
4 until the agenda, but we promise to make both yours and her
5 life easier going forward.

6 THE COURT: Well, for my life, the notebook and
7 everything was great when I started looking at it over the
8 weekend, so thank you. Appreciate it.

9 MR. POMERANTZ: Thank you very much, Your Honor.

10 THE COURT: All right. I appreciate everyone's
11 positions and courtesies today. All right.

12 MR. POMERANTZ: Thank you, Your Honor.

13 THE CLERK: All rise.

14 (Proceedings concluded at 1:17 p.m.)

15 --oOo--

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CERTIFICATE

21 I certify that the foregoing is a correct transcript from
22 the electronic sound recording of the proceedings in the
above-entitled matter.

23 **/s/ Kathy Rehling**

01/24/2020

24

Kathy Rehling, CETD-444
Certified Electronic Court Transcriber

Date

25

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

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

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

Signed February 4, 2020


United States Bankruptcy Judge

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§
§ Chapter 11
§
§ Case No. 19-34054-sgj11
§
§ **Related to Docket Nos. 271, 362, 364**

**ORDER DENYING UNITED STATES TRUSTEE'S MOTION
FOR AN ORDER DIRECTING THE APPOINTMENT OF A CHAPTER 11 TRUSTEE**

Upon the *United States Trustee's Motion for an Order Directing the Appointment of a Chapter 11 Trustee* [Docket No. 271] (the "Motion"), filed by the United States Trustee for Region 6 (the "UST") on December 23, 2019; and this Court having considered the objections to the Motion [Docket Nos. 362 and 364] filed by Highland Capital Management, L.P., the debtor and

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

debtor in possession herein (the “Debtor”) and the Official Committee of Unsecured Creditors, respectively; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that no cause exists under 11 U.S.C. § 1104(a)(1) for the appointment of a chapter 11 trustee in this case and that the relief requested in the Motion is not in the best interests of the Debtor’s estate or parties in interest for purposes of 11 U.S.C. § 1104(a)(1); and this Court having read the findings of fact and conclusions of law into the record in accordance with Fed. R. Bankr. P. 7052(a); and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The Motion is **DENIED**.
2. Notwithstanding any stay under applicable rules, this Order shall be effective immediately upon entry.
3. The Court shall retain jurisdiction over all matters arising from or related to the interpretation and implementation of this Order.

END OF ORDER

Brian P. Shaw, Texas Bar No. 24053473
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ATTORNEYS JOSHUA N. TERRY AND JENNIFER G. TERRY

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

In Re:	§	
	§	
HIGHLAND CAPITAL MANAGEMENT, L.P.,	§	Case No. 19-34054-sgj11
	§	
Debtor.	§	Chapter 11

**MOTION FOR RELIEF FROM THE AUTOMATIC STAY TO ALLOW PURSUIT OF
STATE COURT ACTION AGAINST NON-DEBTORS**

**PURSUANT TO LOCAL BANKRUPTCY RULE 4001-l(b), A RESPONSE IS
REQUIRED TO THIS MOTION, OR THE ALLEGATIONS IN THE
MOTION MAY BE DEEMED ADMITTED, AND AN ORDER GRANTING
THE RELIEF SOUGHT MAY BE ENTERED BY DEFAULT.**

**ANY RESPONSE SHALL BE IN WRITING AND FILED WITH THE
CLERK OF THE UNITED STATES BANKRUPTCY COURT AT EARLE
CABEL FEDERAL BUILDING, 1100 COMMERCE ST., RM. 1254,
DALLAS, TX 75242 BEFORE CLOSE OF BUSINESS ON MARCH 2, 2020,
WHICH IS AT LEAST 14 DAYS FROM THE DATE OF SERVICE
HEREOF. A COPY SHALL BE SERVED UPON COUNSEL FOR THE
MOVING PARTY AND ANY TRUSTEE OR EXAMINER APPOINTED IN
THE CASE. ANY RESPONSE SHALL INCLUDE A DETAILED AND
COMPREHENSIVE STATEMENT AS TO HOW THE MOVANT CAN BE
“ADEQUATELY PROTECTED” IF THE STAY IS TO BE CONTINUED.**

Creditors Joshua N. Terry and Jennifer G. Terry (the “Terrys”) file this Motion for Relief
from the Automatic Stay to Allow Pursuit of State Court Action Against Non-Debtors (the
“Motion”) pursuant to 11 U.S.C. § 362(d), and show the Court as follows:

SUMMARY OF MOTION

1. Out of an abundance of caution, the Terrys request stay relief to pursue their state court claims against non-debtors James Dondero (“Dondero”) and Thomas Surgent (“Surgent”). In state court litigation, Surgent and Dondero, along with the Debtor Highland Capital Management, L.P. (the “Debtor”), agreed to pay the Terrys \$425,000.00 to resolve claims associated with the theft of monies from the Terrys’ retirement accounts. Surgent and Dondero are jointly and severally liable with the Debtor for that amount. In state court, the Terrys wish to sever their claims from those against the Debtor and recoup their retirement savings from Surgent and Dondero. The Terrys have been deprived of their stolen retirement savings for more than three years, and it is about time they get back what was stolen from them in 2016.

JURISDICTION

2. This Court has jurisdiction over the Motion by virtue of 11 U.S.C. §§103, 361, 362, 363 and 28 U.S.C. §§1334(b), 157(b).

RELEVANT FACTS

3. As this Court knows, an arbitration panel of three well-respected former state court jurists issued a scathing arbitration award involving actions of the Debtor’s former affiliates and present employees, including Dondero and Surgent. A true and correct copy of the arbitration award is attached hereto as **Exhibit 1**. The arbitration panel found that approximately \$350,000.00 in the Terrys’ retirement accounts were *converted* and that their claims for conversion and damages “should be stated against those parties or others, elsewhere.” Ex. 1 at p. 16.

4. The Terrys did as the arbitration panel advised and brought those claims in state court for the conversion of their retirement accounts against the orchestrators of the scheme:

Highland, Dondero and Surgent. The state court suit is in the 162nd District Court of Dallas County, Texas, Case No. DC-16-11396 (the “State Court Litigation”).

5. On October 2, 2019, the parties to the State Court Litigation settled, as reflected in the agreement attached hereto as **Exhibit 2**, which is a legally-enforceable agreement pursuant to Texas Rule of Civil Procedure 11 (the “Rule 11”). The Rule 11 provides, among other things, that “Defendants shall pay Plaintiffs \$425,000” and “[t]he parties will mutually, fully, and comprehensively release each other with usual and customary releases (we do not intend to settle this matter if it is Defendants’ intent to use one of their thousands of entities, funds, or affiliates to sue, directly or indirectly, Mr. or Mrs. Terry); however, the releases shall not release Highland CLO Funding Ltd.’s claims in Guernsey nor any claims of Acis Capital Management, LP or Acis Capital Management GP, LLC.” Ex. 2 (emphasis added).

6. On October 16, 2019, Debtor filed this bankruptcy case.

7. On October 21, 2019, Debtor filed a Suggestion of Bankruptcy in the State Court Litigation.

8. Attached hereto as **Exhibit 3** is a declaration of Joshua N. Terry setting out the aforementioned facts.

ARGUMENT & AUTHORITY

9. “Cause” exists for relief from the automatic stay permitting the Terrys to:

- (a) File and pursue to order a motion to sever claims against Dondero and Surgent from those against Debtor, such that the State Court Litigation will have two separate causes with separate defendants, one with the Debtor and one with Dondero and Surgent;
- (b) Pursue their claims against Surgent and Dondero in the severed action.

10. Other than severing the claims against Dondero and Surgent from those against the Debtor, the latter of which will remain stayed by the automatic stay, the requested relief will not affect the Debtor.

11. “[W]hile the stay protects the debtor who has filed a bankruptcy petition, litigation can proceed against other co-defendants.” *GATX Aircraft Corp. v. M/V Courtney Leigh*, 768 F.2d 711, 716 (5th Cir. 1985). The Terrys request the Court grant them stay relief to sever and pursue their state law claims against the Debtor’s co-defendants, Dondero and Surgent.

WHEREFORE, PREMISES CONSIDERED, the Terrys respectfully request that upon hearing of the Motion, the Court grants the Terrys the following stay relief to:

- (a) File and pursue to order a motion to sever claims against Dondero and Surgent from those as against Debtor, such that the State Court Litigation will have two separate causes with separate defendants, one with the Debtor and one with Dondero and Surgent;
- (b) Pursue their claims against Surgent and Dondero in the severed action.

The Terrys also request the Court grant such other and further relief to which they are entitled.

Dated: February 14, 2020

Respectfully Submitted,

/s/ Brian P. Shaw

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**ATTORNEYS FOR JOSHUA N. TERRY AND
JENNIFER G. TERRY**

CERTIFICATE OF CONFERENCE

I hereby certify that I personally conferred with John Morris, counsel for the Debtor. Despite counsel for the Debtor and the Terrys' efforts to resolve this matter, a resolution has not yet been reached, therefore this matter is presented to the Court. Counsel for the Debtor and the Terrys will continue to engage in an effort to resolve the matters raised by this Motion.

/s/ Brian P. Shaw

Brian P. Shaw

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on February 14, 2020, through the Court's ECF noticing system upon those parties who have requested and agreed to electronic notification.

/s/ Brian P. Shaw

Brian P. Shaw

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AND

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ACIS Capital Management, LP, ACIS Capital Management GP,
LLC, Dondero, James D. as Trustee/The Dugaboy Investment
Trust, and Okada, Mark K.

Arbitrator:

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Hon. Glen M. Ashworth (Ret.)
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HEARING

In accordance with the Parties' agreement to arbitrate and Court Order, disputes between
Claimant, Joshua N. Terry ("Terry") and Highland Capital Management, LP, ("Highland"), ACIS

Capital Management, LP (“ACIS”), ACIS Capital Management GP, LLC (“ACIS GP”), James Dondero, as Trustee of the Dugaboy Investment Trust (“Trust”), and Mark K. Okada (“Okada”), all Respondents were submitted to binding arbitration before JAMS. The Arbitration Panel members are the Hon. Glen M. Ashworth (Ret.), the Hon. Mark Whittington (Ret.) and the Hon. Harlan Martin (Former), serving as Chairman of the Panel.

The arbitration hearing was conducted in Dallas, Texas on the dates of September 2, 3, 6, 7, 8, 11, 12, 13, 14 and 15, 2017, with additional briefing submitted thereafter. The briefing was closed and the hearing was complete on September 28, 2017.

PROCEDURAL BACKGROUND

In Cause No. DC-16-11396, styled Highland Capital Management, LP vs. Joshua N. Terry, the 162nd Judicial District Court stayed the litigation and Ordered the parties to arbitration.

The Panel has previously dismissed all claims stated by Terry against Jams Dondero, individually. James Dondero is not an appropriate party to this proceeding and did not obligate himself to the Parties’ arbitration agreement.

The Panel has previously dismissed Terry’s claims for Declaratory Judgment relief.

The Panel has previously dismissed Terry’s claims for Exemplary Damages, as same are an excluded remedy by the terms of the Parties’ arbitration agreement.

The Panel has previously denied Respondents’ Motion to Disqualify Clouse Dunn and ruled that the firm is not disqualified to represent Terry.

The Panel has declined to entertain any request for injunctive relief.

REMAINING CLAIMS STATED BY PARTIES

Terry states claims against Highland for Sabine Pilot wrongful termination and seeks damages for deferred compensation, unpaid wages, future wages and reimbursement of benefits not paid. Terry states claims against ACIS, ACIS GP and Highland for reputational damages, resulting from statements published in the pending District Court litigation and a press release to Law 360.

Terry states claims against ACIS, ACIS GP, Trust and Okada for breach of contract and seeks damages for amounts due under the terms of the ACIS LPA and damages resulting from overcharging expenses and withholding of retirement assets.

Terry states claims against ACIS and ACIS GP for fraud.

Terry states claims against ACIS GP for breach of fiduciary duty.

Terry states claims against ACIS, ACIS GP and Highland for conversion of assets, fraudulent transfer of ACIS assets, recovery of his attorney's fees and costs, together with pre and post award interest.

Highland states claims against Terry, "subject to, and without waiver of its contention that Highland is not a party to a valid arbitration agreement with Terry and its claims against him are not arbitrable or within the scope of any applicable arbitration agreement, which contentions remain fully reserved." With this reservation, Highland states claims against Terry for breach of employment agreement, theft/theft of trade secrets, breach of fiduciary duty/self-dealing and recovery of its attorneys' fees and costs together with pre and post award interest.

BACKGROUND FACTS

Terry began his employment with Highland in 2005. During the ensuing years he achieved remarkable success and ultimately became Highland's most productive portfolio manager and had direct responsibility for more than ten billion dollars of assets under his management.

In 2011, Terry, James Dondero and Okada formed ACIS as a registered investment advisor to raise money from third-party investors to invest in collateralized loan obligations, (CLOs). ACIS earns a fee for managing the loans.

As the general partner of ACIS, ACIS GP owned .1%. As limited partners of ACIS, Trust owned 59.9%; Okada owned 15% and Terry owned 25%.

James Dondero owned 100% of Trust and was an officer of ACIS GP, and in fact made or approved the financial strategies and decisions of ACIS. While Okada was less active, Terry was responsible for the day-to-day management of ACIS. Terry managed well, attracted significant investors and grew ACIS assets under his management from nothing to three billion seven hundred million dollars in less than six years.

Prior to 2016, Terry enjoyed a good relationship with Dondero. Terry had never been criticized, written up or disciplined during his eleven years of employment with Highland. Terry had been paid millions of dollars in Highland salary, bonuses and ACIS profit distributions, as he had produced many more millions for Highland and his ACIS partners.

Thereafter, tensions arose between Terry and Dondero which were centered in Dondero's plans to have Trussway Holdings, Inc. acquire Targa, a Brazilian latex manufacturer, out of bankruptcy. Trussway is a Highland affiliated company controlled by Dondero. The plan was to have Highland managed CLOs loan Trussway approximately seventeen million dollars so

Trussway could loan a Highland affiliated Brazilian entity the money to acquire Targa and have Trussway use its cash to acquire its own equity to effectively increase Highland's ownership in Trussway.

At this time, Trussway's only lenders were the Highland CLOs and it owed the Highland CLOs approximately fifty six million dollars in Trussway notes coming due on May 31, 2016. Trussway did not have the money to pay the notes. Trussway did have more than twenty three million dollars still available on its revolver note (credit line), with the Highland CLOs. Dondero's plan was to extend the notes then due within days and finance Trussway's acquisition of Targa by drawing down the revolver funds. Dondero's plan was to not pay any of the CLOs' notes until such time as Trussway could be refinanced or sold.

All of the Highland CLOs lending to Trussway were "pre-crisis" 2009, CLOs. One of the CLOs, Pamco-Cayman, had matured years before and its notes were in technical default. Another, Vahalla was maturing within four months.

Terry was opposed to Dondero's plan and saw a need to vigorously oppose the plan. Terry was the portfolio manager of these Highland CLOs and was convinced it would be a breach of his fiduciary duty to allow the Pamco-Cayman and Vahalla notes to be extended, as they were past or near maturity. Terry's opposition escalated at the May 2016 Conflicts Committee meeting and having been told that outside counsel had approved the transaction, Terry was sure they could not know all of the facts. Terry then informed outside counsel of "the facts" and his opposition to Dondero's plan. Outside counsel was in agreement with Terry and thereafter, on June 9, 2016, the Conflicts Committee approved the Trussway/Targa Transaction, but with the Pamco-Cayman and Vahalla notes being paid off and not extended. Thus, less cash was available to Dondero to fund his plan.

On June 9, 2016, following the Conflicts Committee meeting, Dondero told Terry that “he had lost all trust in him”; that “he could not go through another conflicts process with him”; and “it was best that Terry work with Surgent, Highland’s Chief Compliance Officer (CCO), on an exit or transition out of Highland.” The next day, Dondero emailed Terry and told him to focus on a “clean break scenario” and not come back to the office. On June 13, 2106, Terry received an email from Highland’s Human Resources (H/R) director advising that he had been terminated for cause, but that Highland was “willing to consider the separation package previously offered”, presumably referring to CCO Surgent’s email of June 10, 2106, wherein he acknowledges that, “We are in agreement that we would like the termination of this relationship to be amicable.” On June 13, 2016, Terry communicates with Dondero protesting his termination and demanding he be paid by Highland and ACIS. Thereafter, Highland’s outside counsel sent a letter to Terry’s counsel, demanding the return of all Highland related documents in the possession of Terry. Terry’s counsel responds and reminds Highland’s counsel of Terry’s prior offer to return appropriate documents to Highland, and suggests a protocol for managing the electronically stored documents and electronic devices in possession of ESI, a third party forensics vendor, and demands redemption of Terry’s and his wife’s retirement account investments in ACIS CLO Value Fund II (CLOVF). Terry first requested redemption of these retirement account investments on June 20, 2016.

Thereafter, on June 27, 2016, Terry returns documents to Highland and continues to await an agreement on ESI return protocols. However, on July 27, 2016, Highland’s counsel rejects the proposed ESI return protocols and does not suggest alternate protocols. In the same e-mail string, Highland’s counsel responds to Terry’s request for redemption of the retirement investments in CLOVF, advising that; “we do not contest that Mr. Terry has submitted a request

for redemption in full of all of his accounts. However, please note that those accounts do not have any value.” On September 1, 2016, the CCO, for the first time, memos Terry’s “compliance file” with allegations of Terry’s breach of fiduciary duty, self-dealing and material compliance violations regarding the CLOVF. This memo alleges an investor loss in the CLOVF attributed solely to Terry’s actions and that Highland in part offset such loss against “Mr. Terry’s” remaining interest in the CLOVF, “in accordance with Section 3.5(c) of the Agreement of Limited Partnership.” Thus, Terry’s and his wife’s retirement investment in the CLOVF was swept by Highland or others and “those accounts have no value,” as stated in Highland’s counsel’s email of July 27, 2016.

On September 7, 2016, the Parties mediated their dispute, but did not settle. The next day Highland filed suit against Terry alleging the same facts which the CCO alleged in his September 1, 2016 memo, and alleging Terry had a sexual relationship with a number of his subordinates, and alleging that Terry made disparaging/disrespectful remarks about Dondero. Highland’s suit stated claims for breach of employment agreement, breach of fiduciary duty/self-dealing, violation of the Texas Uniform Trade Secrets Act and sought declaratory relief that Terry was terminated for cause.

On September 12, 2106, Highland files its Application for Temporary Restraining Order and Motion to Disqualify Terry’s attorneys, and Terry files his Motion to Compel Arbitration. On September 28, 2106, the Court issued its Order compelling the Parties to arbitration and Ordered the litigation (Cause No. DC-16-11396, 162nd Judicial District Court) stayed pending a Final Award in Arbitration.

ANALYSIS OF FACTS AND CLAIMS

The Panel first addresses Terry's claims for breach of contract stated against ACIS and ACIS GP and breach of fiduciary duty stated against ACIS GP.

The evidence establishes that Highland terminated Terry's employment on June 9, 2016. The ACIS Limited Partnership Agreement (LPA), Section 4.04 requires that, "upon the resignation, death, disability or termination of employment with the Partnership or any Affiliate Employer (for any reason whatsoever) (as such event, a 'Removal Event') of any Limited Partner, the Partnership Interest of such Limited Partner shall automatically be forfeited to the Partnership and such Limited Partner shall be entitled to receive in consideration of such interest an amount equal to (i) 100% of such Limited Partners Percentage Interest of all Net Available Cash through the first year end following the Removal Event, (ii) 66 2/3% of such Limited Partner's Percentage Interest of all Net Available Cash through the second year end following such Removal Event, (iii) 33 1/3% of such limited Partner's Percentage Interest of Net Available Cash through the third year end following such Removal Event...; provided, that if the basis of such Removal Event was termination of employment with the Partnership or any Affiliate Employer for cause...such partner shall automatically forfeit its right to any further compensation or consideration for its Partnership Interest."

Because Highland stated that Terry was terminated for cause, ACIS and ACIS GP invoked the provided clause and deemed all of Terry's limited partnership interest and entitlement to payout as forfeit. Thus, ACIS and ACIS GP claim to owe Terry nothing for his 25% limited partnership interest in ACIS, as Terry claims he is contractually owed twelve million nine hundred and eight two thousand dollars for his 25% limited partnership interest in ACIS.

The evidence establishes that ACIS and ACIS GP did not just simply rely on Highland's statement of terminating Terry for cause. ACIS and ACIS GP became part of Highland's and

Dondero's efforts to construct a pretext of "for cause" termination so Terry could be denied the value of his limited partnership interest in ACIS. ACIS and ACIS GP knowingly and willingly pretextually characterized Terry's termination from Highland as a "for cause" termination to deny Terry the value of his limited partnership interest, all in contractual breach of the ACIS LPA and in breach of fiduciary duty to Terry as its limited partner. ACIS and ACIS GP have no employees. All who act for ACIS and ACIS GP are officers or employees of Highland and perform multiple roles.

The evidence establishes that Highland's termination of Terry was, in fact, pre-textual, without basis of cause and only because Dondero wanted him gone. Terry's opposition to Dondero's Trussway/Targa plan was not self-dealing and not a breach of fiduciary duty. Terry's opposition to Dondero's plan to not pay investors and extend past due and near due notes was appropriate and was ultimately accepted by all to be the correct approach to complete the Trussway/Targa acquisition. Dondero was simply angry and realized Terry was not a "yes man" willing to let Dondero have his wrongheaded way, so Dondero fired Terry on the spot and later sought to characterize Terry's termination of employment as "for cause."

Respondents' offer to prove that Terry's termination was "for cause" is not persuasive. The contrasts between the true facts and their temporal relationship to Terry's termination, as those "facts" are characterized by Respondents as a predicate for his "for cause" termination, are not credible. The CCO's memo to Terry's file of September 1, 2016 was the first documentation of his alleged breach of fiduciary duty or self-dealing as a justification for his "for cause" termination.

There is no credible evidence that anyone ever discussed any prior sexual relationship between Terry and a co-worker, other than Terry in a "father/son" talk with Dondero in January 2015. That admitted relationship had ended months earlier, was not significant to Dondero and he told Terry there was no need to report the relationship to Human Resources. Respondents alleged

other sexual relationships between Terry and co-workers which are denied by Terry. One is alleged to have occurred in 2011, but there is no credible evidence that it even occurred. It is simply not credible that a rumored relationship four years prior was any motivation for or could be any justification for Terry's "for cause" termination. Respondents' allegation that Terry had a sexual relationship with a Highland junior attorney is most offensive, as the relationship did not occur and was denied by both Terry and the junior attorney. This allegation was based solely on someone's fantasy related to costumes they wore at an office Halloween party and their common attendance at a business conference. It is not credible that a sophisticated CCO and H/R director would reasonably rely on such as a basis for Terry's "for cause" termination and resulting forfeiture of the value of his limited partnership interest in ACIS. The evidence establishes that Terry did not have a sexual relationship with the junior attorney, and the Respondents or others, in good faith, could not have reasonably believed he did.

The Panel is persuaded that the Respondents, feeling need to find motive for the junior attorney's assistance of Terry and her involvement in the CLOVF restructure, sponsored these allegations to support their claims that Terry was seeking the restructure of the CLOVF out of self-interest and in breach of his fiduciary duties, and establish the motives of the junior attorney in "knowingly" facilitating Terry's alleged breach of duty. This is a pretextual construct of the CCO and is simply not credible.

The proposed restructure of the CLOVF began in early 2015 and was always known by Dondero, Highland's legal department and CCO. The CLOVF was small, only had a few investors, was subject to investor redemption requests, had been co-opted to be supported by Highland employee's investment of their retirement accounts and not structured in a way to attract a target

group of investors. The proposal was to restructure the CLOVF to make it more “hedge fund like”, and grow the CLOVF with new investors.

The CLOVF routinely paid profit distributions to its investors. This is not “hedge fund like” because profits were distributed rather than retained to be reinvested for growth. The two primary investors, referred to as Rampart and Kyser did not require routine distributions and sought growth. Highland employees had access to investing in the CLOVF by investing in its ITA retirement accounts, which were basically IRAs. Employee investors who wished to invest more in their ITA retirement accounts were required to invest in the CLOVF’s interest bearing notes at a ratio of 80% notes to support 20% investment in their ITA retirement accounts. If the CLOVF was to no longer distribute profits to accomplish “hedge fund like” reinvestment for growth, no distributions would be available to pay interest on the employee investment notes and the notes would need to be paid off. If there was no longer a vehicle to support aggressive employee investment in the CLOVF (the four to one ratio), the ITA did not need to continue to exist. The employee’s retirement accounts could simply be redeemed or transferred to other IRAs.

Terry was the portfolio manager of the CLOVF and its third largest investor. Like other investors, Terry had rights to redeem his investment, but he did not seek to redeem and continued to invest in CLOVF notes and he and his wife continued to invest their retirement funds in the ITA. Nonetheless, Respondents allege that a dichotomy of interest led Terry to lie and scheme to have his investment in the CLOVF paid while others were encouraged to invest. This is the substance of Respondents’ allegations of Terry’s self-dealing and breach of fiduciary duty, supporting both their allegations of “for cause” termination and Highland’s claims for damages and offset in the District Court suit. As noted, these claims were never documented or disclosed to Terry prior to the CCO’s memo of September 1, 2016, and Highland’s District Court suit.

As noted, the proposed restructure of CLOVF began in early 2015 and continued for a year thereafter. The business purpose of the restructure was well known to Dondero and the CCO. As early as the fall of 2015, Dondero and Terry were discussing the appropriateness of continuing the CLOVF without new investors. Dondero did not want to close the CLOVF and suggested that the DAF would become a major investor. The DAF (Donor Advised Fund), CLO Hold Co is the Parties' reference to a group of charitable foundations which were invested in Highland managed CLOs. The DAF's trustee is a Highland employee and Dondero's former college roommate. Apparently, Dondero knew he could direct the DAF's investment in the CLOVF and support its continuation. Dondero and the Highland CCO were aware of the planned restructure and its consequential effect on the ITA and the employee investor notes supporting the employee's retirement investments in the ITA. By December 2015, Dondero approves the restructure plan, payment of employee investor notes and the windup of the ITA. The Highland CCO expresses concern that Rampart's and Kyser's written approval is necessary for the CLOVF to stop paying profit distributions. Later the necessary approval is documented, apparently to the CCO's satisfaction, and the restructure plan proceeds. The DAF contributes sixteen million six hundred thousand dollars of Highland managed assets to the CLOVF, employee investor notes are paid and the ITA is wound up by the end of April 2016.

Following Terry's termination and later notice of "for cause" termination, Terry requested redemption of his and his wife's remaining investments in the CLOVF. Five weeks later, on July 27, 2016, he is advised that his investment has no value. Apparently, when the ITA was wound up in late April, Terry's and his wife's retirement investments were somehow re-characterized as Terry's capital account in the ACIS CLO Value Master Fund II, L.P. or his capital account in the CLOVF.

On or about July 19, 2106, Highland rescinded the DAF contributions to the CLOVF and returned the contributed assets to the DAF. Respondents state this rescission was necessary because they had “recently discovered (a) conflict of interest regarding an ex-employee.” However, the Rescission Agreement itself recites that, “the Parties have each determined that it is in their respective best interests of each of the Parties to rescind and cancel the Contribution.”

Incident to the rescission, the CLOVF returned all of the contributed assets to the DAF and paid in cash or transfer of additional assets the total value of seven hundred and eight thousand dollars, “to make the DAF whole”, and economically in the same position as before its contribution to the CLOVF.

The “recently discovered conflict of interest” is the CCO’s recent epiphany that Terry must have lied when he advised that the CLOVF investors Rampart and Kyser “requested” that distributions be terminated to accommodate reinvestment growth. The CCO’s testimony that he called these investors and confirmed this lie is not persuasive and begs credibility. The only documented evidence are the investors written approvals which the CCO required.

The July 27, 2016 advice that Terry’s and his wife’s retirement accounts had no value is only accurate because the value was taken and used to pay the DAF following the rescission. In the District Court suit, Highland states a claim for damages and offset for the additional value paid to the DAF. Respondents’ witness testified that the retirement fund’s value was in Terry’s capital account and it was swept pursuant to Section 3.5(c) of the ACIS CLO Value Master Fund II, L.P.’s limited partnership agreement.

Terry is a limited partner in the CLOVF and the CLOVF is a limited partner in the ACIS CLO Value Master Fund II (CLOVMF) but the evidence does not show Terry to be a partner in the CLOVMF. Assuming that Terry is a partner, as referenced in Section 3.5(c), Respondents’ claimed

authority to sweep the accounts in satisfaction of or offset of damage or loss is directly dependent upon a nexus in causation between the alleged damage or loss and the conduct of Terry.

The evidence establishes that the CCO's claims of "recently discovered conflict of interest" is yet another construct and pretext to support Respondents' denial of limited partnership value based on a "for cause" termination and was not in fact the reason for the DAF rescission. It would make little difference to Highland which of its CLOs managed the DAF investments. Dondero simply reconsidered his decision to support the continuation of the CLOVF with Highland managed funds and realized, that in fact, as Terry had advised, the fund would be too small to manage without significant investors. The CLOVF was ultimately closed out because Dondero did not see benefit to its continuation. The evidence establishes that no conduct of Terry was a cause of damage or loss to the CLOVMF or the CLOVF.

Section 3.10(a) of the ACIS LPA limits compensation and reimbursement of expenses payable to the General Partner and any Affiliate of the General Partner to an amount not to exceed 20% of Revenues without the consent of all members of the Founding Partner Group. There is no dispute that Terry is a member of the Founding Partner Group. There is no evidence that Terry offered written consent to any expenses paid by ACIS in excess of 20% of Revenues. It is undisputed that ACIS habitually paid more than 20% of Revenues to Highland for providing ACIS with overhead and administration. Respondents' evidence and arguments that Terry waived or consented to ACIS's payment of excess expenses is not persuasive. At most, Terry accepted his ACIS distributions without regard to the expenses paid to Highland. This is not consent contemplated by the ACIS LPA. Highland is owned 75% by Dondero and 25% by Okada and Terry is not a partner in Highland. Terry had no reason to consent to excess expenses being paid to Highland. Additionally, the ACIS LPA has an express waiver clause at Section 6.09 which states,

“Waiver. No failure by any party to insist upon strict performance of any covenant, duty, agreement, or condition of this Agreement or exercise of any right or remedy consequent upon breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement, or condition.”

The evidence establishes that Terry did not consent to ACIS payments of expenses in excess of 20% of Revenue and Terry has not waived his right to claim damages directly resulting from ACIS’ and ACIS GP’s breach of contract and breach of fiduciary duty. Clearly ACIS and ACIS GP ignored Terry’s contractual rights and ACIS GP as a general partner has a fiduciary duty not to benefit itself or another at the expense of its limited partner, as they ignore and breach the terms of the partnership agreement and diminish Terry’s distributions.

The Panel next addresses Terry’s claim for conversion of the ITA retirement accounts stated against Highland, ACIS and ACIS GP.

Without again reciting the convoluted structure and history of the ITA retirement accounts in issue, it is established that there is no remaining value to the accounts because its value was swept and used by Highland or CLOVF to pay the DAF incident to the DAF rescission. It is noted that Respondents argue and offer to prove that Terry has no standing to state a claim for conversion of three of the five accounts because his wife is the trustee and owner of those three accounts. She is the trustee and owner of those accounts. Yet those accounts too were swept to pay the DAF and construct a pretextual damage and offset claim for having paid the DAF. While this establishes conversion of the accounts to the damage of Terry and his wife, the converters (CLOVF, CLOVMF, ACIS CLO VF GP), are not parties to this arbitration. The claims for breach of contract and conversion and damages should be stated against those parties or others, elsewhere.

The Panel next addresses Terry’s claims for reputational damages and fraudulent transfer stated against Highland, ACIS and ACIS GP.

The evidence establishes that Highland and not ACIS or ACIS GP was the publisher of any false or defamatory statements. Whether those statements in pleadings or press release to Law360 are actionable against Highland is a matter deferred for the District Court suit. Terry's claims for reputational damages stated against ACIS or ACIS GP are not proved.

Terry states a claim against Highland, ACIS and ACIS GP for the fraudulent transfer or conveyance of assets under the Texas Fraudulent Transfer Act. In October 2016, ACIS sold to Highland a participation interest in ACIS's Service Fees (management fees) which ACIS would receive between November 2016 and through August 2019. This sale of a participation interest represents near one-half of ACIS revenues during the covered period. Highland is to pay, in cash and promissory note with interest at 3%, ACIS a total of thirteen million three hundred and thirty three thousand dollars, plus interest for the participation interest. Highland's payment is scheduled as follows:

- October 7, 2016 - \$666,655.00 – cash at closing
- May 31, 2017 - \$3,370,694.00 – principal and interest
- May 31, 2018 - \$5,286,243.00 – principal and interest
- May 31, 2019 - \$4,677,690.00 – principal and interest

The transactional documents recite business purpose and reasonable consideration for the sale. Terry offers no evidence that ACIS did not receive reasonable equivalent value in the transaction or that ACIS made the transfer with "actual intent to hinder, delay or defraud." Terry has not proved a claim for fraudulent transfer or conveyance.

The Panel next addresses Terry's claims for wrongful termination and resulting damages stated against Highland.

Terry's employment with Highland was "At Will" and he could have been terminated for any reason other than an unlawful reason. Terry did not prove that the sole reason for his termination was his refusal to commit an illegal act, as is required under Sabine Pilot. The evidence establishes that Dondero terminated Terry because he was angry with Terry's opposition to his Trussway/Targa acquisition plan and he wanted Terry gone. "At Will" employment contemplates that if the boss wishes, one's employment is terminated and the termination is not actionably wrongful. Even as an "At Will" employee, Terry may have claims for damages against Highland for his unpaid severance, unused vacation, deferred compensation and unreimbursed expenses, but these claims are a matter deferred for the District Court suit. Terry's claims stated against Highland for Sabine Pilot wrongful termination are not proved.

Although Trust and Okada are limited partners in ACIS and are named as Respondents in this arbitration, Terry has failed to offer any evidence of actionable claims against Trust or Okada. All claims stated by Terry in this arbitration against Trust or Okada are not proved.

The Panel next addresses Highland's claims for breach of employment agreement, theft/theft of trade secrets and breach of fiduciary duty stated against Terry.

Although Highland is a party to the District Court suit Ordered to arbitration, Highland is not a party to an arbitration agreement and has stated claims against Terry with the above noted reservation, "subject to and without waiver." To the extent these claims are stated in this Arbitration in affirmative avoidance of Terry's claims stated against ACIS and ACIS GP they are addressed in this Award.

The evidence does not establish that Terry breached his employment agreement or any fiduciary duty to Highland, ACIS or ACIS GP or that Terry self-dealt in anyway. On the contrary, Terry's actions in opposing Dondero's Trussway/Targa acquisition plan and his efforts to restructure

the CLOVF were reasonable and appropriate and as his portfolio manager duties required. These claims are not proved and are not an affirmative defense or avoidance available to ACIS or ACIS GP.

The evidence does not establish that Terry is guilty of theft or theft of trade secrets. Respondents offered no evidence of a trade secret or a protectable trade secret interest in the documents in issue. Although Highland's claim for turnover is overreaching, it was heard in this Arbitration at Respondents' insistence and the record and all evidence admitted in that preliminary hearing was offered and admitted in the final hearing. This claim is not proved and is not an affirmative defense or avoidance available to ACIS or ACIS GP. Otherwise, the Panel issues its turnover decision in this Award.

The evidence does not establish that any disparaging remarks of Terry were ever communicated to Dondero prior to Terry's termination or that the alleged remarks could have been a reason for Terry's "for cause" termination. All of Respondents' alleged bases of "for cause" termination of Terry's employment are not proved and none are an affirmative defense or avoidance available to ACIS or ACIS GP.

ANALYSIS OF TERRY'S DAMAGES

The Panel only addresses proved claims stated against appropriate Parties to this Arbitration.

Terry has proved his claims stated against ACIS and ACIS GP for breach of contract and claims stated against ACIS GP for breach of fiduciary duty incident to their payment of excess expenses to Highland and their wrongful forfeiture of Terry's contractual right to be paid for his ACIS limited partnership interest.

The evidence establishes that ACIS and ACIS GP paid excess expenses to Highland during the years of 2013, 2014, 2015 and January through May 2016. These expenses paid exceeded the 20% of Revenues cap stated in Section 3.10(a) of the ACIS LPA. The payment of these excess expenses reduced Terry's ACIS partnership distributions during this period. Had excess expenses not been paid and only the contractually capped expenses had been paid, Terry would have received additional ACIS profits distributions of \$1,755,481.00 for his 25% partnership interest in ACIS.

The best evidence of the value of the Section 4.04 limited partnership payout is Terry's June 13, 2016 calculations, which he communicated to Dondero within days of his termination. Terry was the portfolio manager of ACIS and as such was most aware of ACIS's financial performance and expected performance within the payout period. The calculations do not include an assumed growth rate of ACIS revenues and are not burdened by Highland's after termination manipulations of ACIS managed assets or ACIS revenues.

The evidence establishes that Terry's ACIS limited partnership payout upon termination had a total value of \$5,688,351.00.

Because ACIS and ACIS GP breached the ACIS LPA and ACIS GP breached its fiduciary duty in June 2016 when they repudiated their obligations to their limited partner, Terry's contractual entitlement to payout under the ACIS LPA is liquidated, accelerated and is now fully due.

Additionally, Terry is entitled to pre-award interest at the rate of five percent (5%) per annum from the date of commencement of this Arbitration, September 20, 2016, until entry of Final Award in the amount of \$372,192.00.00.

FINDINGS AND CONCLUSIONS

Based upon the Parties' offers of proof, evidence submitted and argument of counsel, the following facts and conclusions are found by these Arbitrators to be established by the evidence to be true and necessary to this Award. To the extent these findings and conclusions differ from any Parties' position that is the result of these Arbitrators determinations as to credibility, relevance, burden of proof considerations, and the weighing of the evidence, both oral and written.

The Arbitration Panel finds and concludes as follows:

1. This dispute is arbitrable pursuant to the Parties' agreement to arbitrate and prior Court Order in Cause No. DC-16-11396, 162nd Judicial District Court, Dallas County, Texas.
2. The Arbitration panel has jurisdiction to resolve all disputes presented and not deferred to the 162nd District Court.
3. JAMS Comprehensive Arbitration Rules and Procedures govern the resolution of this dispute with the law of the States of Texas and Delaware.
4. Prior to his termination on June 9, 2016, Terry was an at will employee of Highland and a 25% limited partner in ACIS.
5. Highland's termination of Terry's employment was not, in fact, "for cause." Highland's stated "for cause" termination of Terry's employment was, in fact, pretextual and for purpose of denying Terry benefits of employment payable at his termination and as a basis for the forfeiture of the value of Terry's limited partnership interest in ACIS.

6. ACIS and ACIS GP knowingly and willingly invoked Highland's false pretext of "for cause" termination to deny Terry the value of his 25% limited partnership in ACIS.
7. ACIS and ACIS GP paid Highland expenses in excess of the contractual limit imposed by Section 3.10(a) of the ACIS LPA.
8. ACIS and ACIS GP wrongfully denied Terry his contractual rights to payment for his limited partnership interest in ACIS and are liable for and owe Terry for same.
9. In breach of contract and fiduciary duties, ACIS and ACIS GP are liable to and owe Terry his ACIS profits distributions which were payable but for the wrongful payment of excess expenses to Highland.
10. ACIS GP's actions were willful and wanton breaches of their fiduciary duties to Terry as their limited partner.
11. All claims stated by Highland, "subject to and without waiver" against Terry are not proved and as such none are an affirmative defense or avoidance of Terry's claims stated against ACIS and ACIS GP.
12. All claims stated by Terry against Trust and Okada are not proved and are denied.
13. All claims stated by Terry against ACIS and ACIS GP for fraudulent transfer or conveyance are not proved and are denied.
14. Terry's fraud claims stated against ACIS and ACIS GP are not proved and are denied.
15. All claims, not denied or awarded, are deferred to the 162nd District Court, Dallas County, Texas or other appropriate venue.

16. ACIS's and ACIS GP's breaches of contract and ACIS GP's breach of fiduciary duties have injured Terry and resulted in damages, together with pre-award interest in the total amount of Seven Million Eight Hundred Sixteen Thousand Twenty-Four Dollars and No/100 (\$7,816,024.00).
17. The Parties' agreement to arbitrate does not allow the award of prevailing party attorneys' fees. All claims for attorneys' fees are denied.
18. The Parties' agreement to arbitrate allows the Panel discretion to award the prevailing party costs of arbitration. Terry is entitled to recover his JAMS arbitration costs.
19. Terry is awarded One Hundred Thirty Three Thousand, Seven Hundred Twenty Five and 15/100 Dollars (\$133,725.15) for his JAMS arbitration costs.
20. Terry is entitled to recover post-award interest on all amounts awarded herein.

AWARD

TURNOVER:

Claimant, Joshua N. Terry may retain: all recordings of conversations to which he is a party; all agreements to which he is a signatory; all "track record" documents regarding his performance; all documents in the public domain; all documents relating to his investment in or ownership of any Highland affiliated entity; all personal notes or memoranda derived from conversations to which he is a party; all notes or memoranda prepared for and offered to his attorneys.

Except for attorney work product, claimant's attorneys Clouse Dunn LLP may retain copies of all documents which were admitted into evidence in this Arbitration until five business days following the latter of, issuance of this Final Award or final confirmation of this Final Award, no longer subject to appeal. At such time, Clouse Dunn LLP shall turnover these documents to Respondents' attorneys and verify the destruction of electronically formatted documents turned over.

Otherwise, Claimant, Terry, shall turnover all documents, not subject to his awarded right of retention, related to Highland affiliated entities within five business days of entry of this Final Award.

MONETARY AWARD:

Claimant, Joshua N. Terry is Awarded and shall have and recover jointly and severally against Respondents, ACIS Capital Management, LP and ACIS Capital Management GP, LLC, the total sum of Seven Million, Nine Hundred Forty Nine Thousand, Seven Hundred Forty Nine and 15/100 Dollars (\$7,949,749.15).

All sums payable by the terms of this Final Award shall accrue post-award interest at the legal rate until fully paid.

All claims for relief, not awarded herein or deferred to the Court, are denied.



Hon. Harlan Martin
Panel Chair

Dated: October 20, 2017



Hon. Glen M. Ashworth (Ret.)
Arbitrator

Dated: October 20, 2017



Hon. Mark Whittington (Ret.)
Arbitrator

Dated: October 20, 2017

PROOF OF SERVICE BY EMAIL & U.S. MAIL

Re: Terry, Joshua N. vs. Highland Capital Management, LP., et al.
Reference No. 1310022713

I, Judy Stephenson, not a party to the within action, hereby declare that on October 20, 2017, I served the attached Cover Letter, Final Award and Proof of Service on the parties in the within action by Email and by depositing true copies thereof enclosed in sealed envelopes with postage thereon fully prepaid, in the United States Mail, at Dallas, TEXAS, addressed as follows:

Brian P. Shaw Esq.
Rogge Dunn Esq.
Clouse Dunn LLP
1201 Elm St.
Suite 5200
Dallas, TX 75270
Phone: 214-220-3888
shaw@clousedunn.com
Rogge@clousedunn.com
Parties Represented:
Joshua N. Terry


Marc Daniel Katz Esq.
Robert M. Hoffman Esq.
Andrews Kurth LLP
1717 Main St.
Suite 3700
Dallas, TX 75201
Phone: 214-659-4400
marckatz@andrewskurth.com
robhoffman@andrewskurth.com
Parties Represented:
ACIS Capital Management GP, LLC
ACIS Capital Management, LP
Highland Capital Management, LP
James D. Dondero as trustee/The Dugaboy Inve
Mark K. Okada

Jamie R. Welton Esq.
Paul B. Lackey Esq.
Bruce E. Bagelman Esq.
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3102 Oak Lawn Ave.
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jrw@lhlaw.net
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beb@lhlaw.net

Parties Represented:

ACIS Capital Management GP, LLC
ACIS Capital Management, LP
Highland Capital Management, LP
James D. Dondero as trustee/The Dugaboy Inve
Mark K. Okada

I declare under penalty of perjury the foregoing to be true and correct. Executed at Dallas, TEXAS
on October 20, 2017.


Judy Stephenson
jstephenson@jamsadr.com

From: [Michael K. Hurst](#)
To: [Brian Shaw](#)
Subject: Re: Terry v. Highland -- Rule 408: DC-16-11396; Terry et al v. Highland Capital Management, LP et al
Date: Wednesday, October 02, 2019 6:44:45 PM

Approved

MICHAEL K. HURST | Partner
Board Certified – Civil Trial Law
Texas Board of Legal Specialization

LynnPinkerCoxHurst

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[Dallas, Texas 75201](#)

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On Oct 2, 2019, at 4:18 PM, Brian Shaw <shaw@roggedunnngroup.com> wrote:

Michael:

Pursuant to our call, see attached, which when agreed to by you, will be part of our Rule 11 Agreement. Note on page 4 and 9 of the PDF that I made a revision to the language because I had no option – I revised it to read “very few disputes.” You can see that revision on the right side of the PDF under comments if you are using Adobe Acrobat Pro 2017 (probably other versions as well). I also moved the date to have the formal settlement docs done to October 9th.

So, incorporating all of the terms and revisions from our back-and-forth, the Rule 11 shall be as follows in bold:

- 1. Defendants shall pay Plaintiffs \$425,000;**
- 2. Dismissal with prejudice of all claims that were or could have been brought in the case;**
- 3. The parties will mutually, fully, and comprehensively release each other with usual and customary releases (we do not intend to settle this matter if it is Defendants’ intent to use one of their thousands of entities, funds, or affiliates to sue, directly or indirectly, Mr. or Mrs. Terry);**

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however, the releases shall not release Highland CLO Funding Ltd.'s claims in Guernsey nor any claims of Acis Capital Management, LP or Acis Capital Management GP, LLC;

4. Defendants shall (a) take down the press release and letter from Highland's website (Ex. 4 and 5 to Plaintiffs' live pleading), and shall not otherwise publish same or similar through any other avenue, but Defendants may post the press release and letter with the revisions in the attached Exhibit 1, and (b) Defendants shall refrain from taking any affirmative steps to associate the press release or letter to Mr. Terry, e.g. through search engine optimization;
5. The parties will execute a formal settlement agreement that reflects the foregoing and other usual and customary settlement terms. If no such settlement agreement is signed by October 9, 2019 because of a dispute on its terms, the parties agree to proceed to a bench trial—and hereby expressly and knowingly waive their right to a jury--before Judge Moore starting on October 21st (with no discovery), and the Court shall determine breach of the Rule 11 Agreement, shall enter a declaratory judgment as to the terms of the settlement agreement, and shall award the prevailing party their attorneys' fees, costs and expenses (only those that accrued on or after the date of this Rule 11 Agreement).

Please respond with "agreed" and this will constitute a legally-enforceable agreement.

Sincerely,

Brian

Brian P. Shaw
Direct (214) 239-2707
Mobile (214) 684-4893
shaw@roggedunngroup.com

From: Brian Shaw
Sent: Wednesday, October 02, 2019 1:59 PM
To: Michael K. Hurst <MHurst@lynnllp.com>
Subject: RE: Terry v. Highland -- Rule 408: DC-16-11396; Terry et al v. Highland Capital Management, LP et al

Michael:

See below in red.

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Brian P. Shaw
Direct (214) 239-2707
Mobile (214) 684-4893
shaw@roggedunngroup.com

From: Michael K. Hurst <MHurst@lynnllp.com>
Sent: Wednesday, October 02, 2019 1:23 PM
To: Brian Shaw <shaw@roggedunngroup.com>
Subject: RE: Terry v. Highland -- Rule 408: DC-16-11396; Terry et al v. Highland Capital Management, LP et al

1. Ok.
2. Ok
3. We are not releasing any of the Guernsey claims, nor do we expect Terry to release Acis' claims arising after the Acis BK. We are settling THIS case, and this case only. Agreed as to Guernsey and Acis BK (with the strike-out), but if Highland or its affiliates has a present intent to sue Mr. or Mrs. Terry, directly or indirectly, in any other fora, then we are not settling this case and will proceed to trial.
4. ~~As mentioned, we cannot "withdraw" a press release; it was already sent out years ago. However, they can repost the release on their website with the allegedly defamatory remark removed, as well as the comments about your firm. We have not requested you "withdraw" the press release, but rather "take it down." That is a simple affair — remove it from Highland's website. It's almost two years old, anyway. And this is the only reason my client came down \$325K. So, if your client is not willing to take that modest and very reasonable step, and instead wants to continue attempting to besmirch my client and my firm's reputation online, then we'll go to trial on our theft and conversion claims.~~
-With regard to the
5. Ok

MICHAEL K. HURST | Partner
Board Certified – Civil Trial Law
Texas Board of Legal Specialization

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mhurst@lynnllp.com

***Recognized as one of the Top 4 firms, Commercial Lit. Texas – Chambers
Michael K. Hurst repeatedly recognized among Top 100 lawyers in Texas and DFW –
Super Lawyers***

<image001.jpg>

The information contained in this communication is confidential, may be attorney-client privileged, may constitute inside information, and is intended only for the use of the addressee. It is the property of Lynn Pinker Cox & Hurst, LLP. Unauthorized use, disclosure or copying of this communication or any part thereof is strictly prohibited and may be unlawful. If you have received this communication in error, please notify us immediately by return e-mail, and destroy this communication and all copies thereof, including all attachments.

From: Brian Shaw <shaw@roggedunnngroup.com>

Sent: Monday, September 30, 2019 11:27 AM

To: Michael K. Hurst <MHurst@lynnllp.com>

Subject: RE: Terry v. Highland -- Rule 408: DC-16-11396; Terry et al v. Highland Capital Management, LP et al

Michael:

I know you have some people out today, but since we continue to prepare for trial that starts a short three weeks from today, we need to get a Rule 11 in place by tomorrow at 5:00 pm. That's our drop-dead, i.e. our offer is withdrawn at that time and we can work to reschedule Pitt. We also need to move up our exchange of exhibits, etc., so that we have everything in advance of our pre-trial, which is two weeks from today.

I trust you understand the time-sensitivity of this.

Thanks,

Brian

Brian P. Shaw
Direct (214) 239-2707
Mobile (214) 684-4893
shaw@roggedunnngroup.com

From: Michael K. Hurst <MHurst@lynnllp.com>

Sent: Sunday, September 29, 2019 11:35 AM

To: Brian Shaw <shaw@roggedunnngroup.com>

Subject: Re: Terry v. Highland -- Rule 408: DC-16-11396; Terry et al v. Highland Capital Management, LP et al

Brian, this is consistent with what we discussed yesterday. As I mentioned, I have

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authority on the monetary competent. I need to get confirmation on the remaining items, which may not happen until Tuesday.

In the meantime, per our discussion, we are pulling the Pitt Depo for this week. If we do not settle, we can schedule his depo for next week. The rescheduling of the depo will not be used as a reason for a continuance of the trial.

Michael

MICHAEL K. HURST | Partner
Board Certified – Civil Trial Law
Texas Board of Legal Specialization

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On Sep 28, 2019, at 12:28 PM, Brian Shaw <shaw@roggedunnngroup.com> wrote:

Michael:

This e-mail, when responded to by you with “agreed,” shall constitute a legally-enforceable agreement as contemplated by TRCP 11 to settle the above-entitled lawsuit. Our e-mail responses will be deemed to constitute a “signed” agreement under Rule 11. The material terms of the agreement are as follows:

1. Defendants shall pay Plaintiffs \$425,000;
2. Dismissal with prejudice of all claims that were or could have been brought in the case;
3. The parties will mutually, fully, and comprehensively release each other with usual and customary releases (we do not intend to settle this matter if it is Defendants’ intent to use one of their thousands of entities, funds, or affiliates to sue, directly or indirectly, Mr. or Mrs. Terry);
4. Defendants shall take down the press release and letter from Highland’s website (Ex. 4 and 5 to Plaintiffs’ live pleading), and

shall not otherwise publish same or similar through any other avenue;

5. The parties will execute a formal settlement agreement that reflects the foregoing and other usual and customary settlement terms. If no such settlement agreement is signed by October 4, 2019 because of a dispute on its terms, the parties agree to proceed to a bench trial—and hereby expressly and knowingly waive their right to a jury--before Judge Moore starting on October 21st (with no discovery), and the Court shall determine breach of the Rule 11 Agreement, shall enter a declaratory judgment as to the terms of the settlement agreement, and shall award the prevailing party their attorneys' fees, costs and expenses (only those that accrued on or after the date of this Rule 11 Agreement).

Thanks,

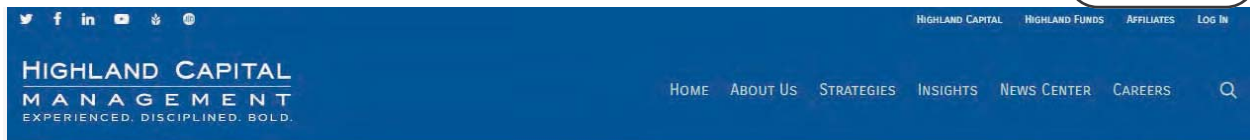
Brian P. Shaw

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<Ex. 1 to Rule 11 (strike out and revisions to press release and letter to WSJ).pdf>

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Matt Wirz, Wall Street Journal: Fake News, Sloppy and Malicious Reporting

November 30, 2017 [Press Releases](#)

The Wall Street Journal currently is involved in legal proceedings arising from the newspaper aiding a source, a former Highland employee, in violating a court order. The former employee since has been sentenced to jail for violating this court order. Is it appropriate for the Journal to publish a sensationalized article against Highland under such circumstances?

The following is Highland Capital Management's response to that article, which ran online on November 26, 2017 and in print on November 27, 2017. The below follows a letter sent by Highland co-founder and president James Dondero to the editor in chief of the Wall Street Journal (WSJ), which can be found here: [Highland Capital Management Letter to the Wall Street Journal, November 28, 2017](#)

When a reporter with an agenda mischaracterizes the facts, it falls on the victim to set the record straight. This is just such a situation. Matthieu Wirz's article about Highland was long on salacious language, but short on context and facts. Mr. Wirz's record makes his agenda clear. Since June 2016, he has written 15 stories for which he was the sole reporter, four of which are negative stories about Highland. He has not written any negative pieces focused on any other investment managers. Despite our repeated efforts to provide Mr. Wirz with the actual facts, Mr. Wirz refuses to present an accurate picture of Highland. Interestingly he is the only WSJ author to write a negative article about Highland in the past ten years. The facts below are those that Mr. Wirz did not deem relevant in his latest printed attack on Highland's business.

In stark contrast to Mr. Wirz's current journalistic agenda, his earlier writings from 2004 to 2011 about our firm lauded Highland's "legal judo" for the benefit of its investors. His tone radically changed in 2012 once he started using Patrick Daugherty, a former Highland portfolio manager, as a primary information source. Mr. Daugherty resigned and then embarked on a defamatory crusade when Highland rejected his exorbitant compensation demands in February 2012. In March 2012, Mr. Wirz published his first negative article about Highland on an unrelated dispute. The article quotes "people close to the matter," which the facts indicate was none other than Mr. Daugherty.

Two months later, when Mr. Daugherty's dispute with Highland went to court, Mr. Wirz's first article on the dispute further relied on Mr. Daugherty's skewed portrayal of Highland. In the

resulting 2014 trial, the jury cleared Highland of Mr. Daugherty's allegations of mismanagement during the financial crisis, while Mr. Daugherty himself was found to be in breach of his fiduciary duties and ordered to pay Highland \$3.2 million dollars. Most notably, the court put in place an injunction ordering Mr. Daugherty to cease disclosing Highland's confidential information. Despite these findings, Mr. Wirz continued to use Mr. Daugherty as a primary source in biased reporting about Highland's business, including with respect to matters wholly unrelated to Mr. Daugherty.

Astoundingly, Mr. Daugherty's misconduct was not deterred by the injunction against him. As recently as 2016, the court found Mr. Daugherty lied under oath about recent violations of the injunction. After seven different court hearings in which the judge repeatedly warned Mr. Daugherty of the consequences of his violations, **the court ultimately found Mr. Daugherty in contempt of court and sentenced him to 38 days in jail.**

In a separate set of violations still under investigation, Mr. Daugherty leaked confidential information to the WSJ. On Friday August 12, 2016, Highland provided the WSJ with a copy of the injunction order prohibiting Mr. Daugherty from leaking Highland's confidential information. The following Monday, Mr. Wirz again was on the phone with Mr. Daugherty discussing Highland's confidential information. The court ordered Mr. Wirz and the WSJ to provide information about these conversations to Highland, which the WSJ is appealing. Despite Mr. Daugherty having been found to have lied under oath about Highland, **Mr. Wirz confirmed in writing as recently as yesterday that he continues to use Mr. Daugherty as a source in his Highland-related coverage**, including the misleading November 27, 2017 WSJ article.

~~The November 27, 2017 article about Highland's employment dispute with another former employee, Josh Terry, is a continuation of his agenda-based and misleading journalism about Highland in the wake of the Mr. Daugherty dispute. Mr. Wirz once again failed to mention numerous salient facts, including that Mr. Terry's false and sensationalized allegations against Highland were simply part of Mr. Terry's extortion scheme against Highland. In late 2014, Mr. Terry tried to renegotiate his partnership agreement with Highland's principals to increase his interest in Highland affiliate Acis Capital Management, L.P. to a permanent 25 percent equity position. Though he declared that he loved working at Highland and wanted to spend the rest of his career here, he threatened to leave if his increased equity demands were not met. Highland explained that Mr. Terry's performance and track record did not warrant such a restructuring of his agreement. After Highland denied his requests, Mr. Terry commenced secretly recording conversations to extort in settlement the value he failed to achieve in negotiations.~~

~~Mr. Terry secretly recorded conversations at Highland for over 18 months. He recorded calls with investors, counterparties, attorneys, and employees without Highland's knowledge or consent. He recorded conversations with persons in various states and countries, in violation of federal and state wiretapping laws. He recorded, and later disclosed, Highland's privileged conversations with its attorneys on various transactions. During these recorded conversations, Mr. Terry repeatedly baited co-workers to elicit inflammatory or out-of-context statements so he could attempt to manufacture a whistleblower claim. After his termination on June 9, 2016, Mr. Terry selectively retained recordings with inflammatory statements, but deleted recordings that exonerated Highland or~~

~~tended to disprove Mr. Terry's narrative of the facts. Prior to filing his claims against Highland, Mr. Terry threatened to make wild allegations to the SEC unless Highland paid him over \$10 million in ransom. It is telling that despite over 18 months of recordings, Mr. Terry did not make any allegations of impropriety by Highland until after he was terminated for cause.~~

~~Mr. Terry was terminated for improper sexual relations, poor performance and numerous compliance violations, among other things. Mr. Wirz's recent article states "Highland... used pretexts and false allegations of a sexual relationship with a coworker to fire [Mr. Terry]." Terry's own pleadings state "Terry did not have a sexual relationship with any of his subordinates." While Mr. Wirz would leave his readers believing Highland maliciously made up Mr. Terry's affairs as some form of retribution, Mr. Terry admitted, both at deposition and in the arbitration, that "I had an affair with Ms. [omitted] from mid 2103 to the end of 2014." The affair severely impacted the junior female employee's career and was indicative of a pattern of behavior that resulted in his ultimate termination. Once Highland proved that Mr. Terry lied in his pleadings about one of his affairs, we did not want to further disrupt the lives of its former employees nor did we need to prove anything else. While Highland continues to assert that Mr. Terry had at least three intra-office affairs, the WSJ's observation that Highland did not present enough evidence of additional affairs is not relevant in light of Mr. Terry's admission. Additionally, since Mr. Terry's departure, several additional women have come forward with allegations of sexual harassment and unwanted advances by Mr. Terry. Finally, numerous senior persons at Highland recommended that he be fired for both his sexual misconduct and numerous compliance violations. This was not a personal battle between Mr. Terry and Mr. Dondero. Highland was compelled to terminate Mr. Terry for his overall pattern of misconduct.~~

~~Highland made Mr. Wirz aware of this background. We also expressed concern to both Mr. Wirz and his editor on numerous occasions about Mr. Wirz's characterization of these inappropriate sexual relationships. Rather than seeking to understand the truth in our allegations of Mr. Terry's inappropriate sexual relationships, Mr. Wirz chose to write a story that misleads readers with the implication that Highland's very real accusations were baseless.~~

~~Mr. Wirz's article omits or twists key facts about the arbitration proceeding. Mr. Terry demanded for over \$210 million in the arbitration. He was awarded less than four percent of that amount. Additionally, Mr. Terry lied under oath at the arbitration, including about his contacts with Mr. Daugherty after his departure from Highland.~~

~~Furthermore, though Mr. Terry testified that Highland relied on him as the primary driver of its CLO business, Mr. Terry failed to raise a single dollar of third party CLO equity for his Acis business, which was his key job responsibility. Mr. Terry's self-aggrandizing testimony to the contrary, Highland helped to create the CLO industry years before Mr. Terry arrived and he merely filled a senior vacancy on the structured products team. Notably, Highland has continued to grow its CLO business in his absence.~~

~~Mr. Wirz's article gratuitously raises unrelated legal disputes from Highland's past, but fails to mention those related to the subject of the article. In particular, Mr. Wirz did not report that Rogge Dunn, Mr. Terry's counsel, represented a group of clients opposed to Highland that were sanctioned, billed for costs, and admonished by the court in a prior matter. In that proceeding, Mr. Dunn's former client, a 62 year old CEO, served six months in jail for destroying evidence~~

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Mr. Wirz, as part of his agenda, also mischaracterized several unrelated disputes. For example, Mr. Wirz focused on a prior arbitration regarding the Highland Credit Strategies Fund. The article focused on a small part of numerous issues raised by the wind down of this financial crisis-era hedge fund. Mr. Wirz refused to mention that Highland voluntarily bought out the remaining portfolio assets at the request and for the benefit of the investors. As part of the transaction, the lawsuit was resolved and the investors agreed to vacate and nullify the award against Highland. One investor requested WSJ retract an inaccurate, negative statement that was attributed to the investor in the Mr. Wirz's 2016 article about the dispute. The Credit Strategies Fund's final resolution not only maximized returns to investors, but also generated \$10 million in value to Highland. However, these additional facts did not fit Mr. Wirz's narrative.

Mr. Wirz's Highland narrative does not have much room for either facts or context. Since Highland's founding in 1993, approximately 25 partners have come and gone from the firm. While Mr. Wirz paints Highland as constantly litigating against its former partners, Highland ~~only~~ has had ~~two such disputes in 24 years. Mr. Daugherty and Mr. Terry.~~ In Mr. Daugherty's case, a jury found him to have breached his fiduciary duty and a judge held him in contempt of

court and sentenced him to jail. **Mr. Daugherty also paid a \$3.2 million judgment to Highland, and continues to owe additional amounts.** Mr. Wirz neglected to mention any of these facts about his source. ~~The second dispute, Mr. Terry, is on going and Highland's numerous counterclaims against Mr. Terry will be substantially larger than the initial arbitration award. While Highland regrets having to litigate with former employees, the firm cannot reward extortion behavior.~~

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Of the recent interaction with Mr. Wirz, Andrew Merrill, a senior partner at a financial communications firm involved in the matter whose clients manage over \$10 trillion, said, "In all the media interactions we've witnessed, this was among the most biased, unfair treatments we have ever seen, especially considering Highland's willingness to engage in constructive dialogue and numerous attempts at information sharing."

Evidently, this is not an isolated incident at the Journal. Ray Dalio's account of Bridgewater's interaction with two WSJ reporters from January of this year indicates there is a pattern of this behavior. (See Mr. Dalio's account of Bridgewater's experience here: [The Fake and Distorted News Epidemic and Bridgewater's Recent Experience with the Wall Street Journal](#)).

As Mr. Dalio points out, the news media, unlike the asset management industry, exists without regulation and supervision. As such, there is no obvious recourse available to address unethical behavior. The closest proxy to regulatory standards in this instance is the Dow Jones Code of Conduct. (Read the full code of conduct here: [Dow Jones Code of Conduct](#))

That document states:

*"Dow Jones will suffer...if our customers cannot assume that:
Our facts are accurate and fairly presented;
Our analyses represent our best independent judgments rather than our preferences, or those of our sources, advertisers, or information providers;
Our opinions represent only our own editorial philosophies; or
There are no hidden agendas in any of our journalistic undertakings.
All companies profess business integrity. But the impact of our work on the work of others, and on their lives and fortunes, places special responsibilities upon all Dow Jones employees."*

In his interactions with Highland, Mr. Wirz violated those stated principles. Highland made those transgressions known to his editors, yet the WSJ proceeded to allow an inaccurate, misleading, agenda-driven article to be published with conclusions directly informed by a biased source.

[1] Highland is prohibited by agreement from disclosing the exact amount.

HIGHLAND CAPITAL
MANAGEMENT



Mr. Gerard Baker
Editor in Chief
The Wall Street Journal

November 28, 2017

Dear Mr. Baker,

I write to make you aware of the situation around the *Wall Street Journal's* recent article about Highland Capital Management. The article, which ran online on November 26, 2017 and in print on November 27, 2017, included a litany of inaccurate and misleading information about Highland, despite extensive efforts by our firm to engage in constructive dialogue with both the reporter responsible and ultimately his editor to provide the relevant facts necessary to produce a fair and balanced report.

When a reporter with an agenda mischaracterizes the facts, it falls on the victim to set the record straight. This is just such a situation. Matthieu Wirz's article about Highland was long on salacious language, but short on context and facts. Mr. Wirz's record makes his agenda clear. Since June 2016, he has written 15 stories for which he was the sole reporter, four of which are negative stories about Highland. He has not written any negative pieces focused on any other investment managers. Despite our repeated efforts to provide Mr. Wirz with the actual facts, Mr. Wirz refuses to present an accurate picture of Highland. Interestingly he is the only WSJ author to write a negative article about Highland in the past ten years. The facts below are those that Mr. Wirz did not deem relevant in his latest printed attack on Highland's business.

In stark contrast to Mr. Wirz's current journalistic agenda, his earlier writings from 2004 to 2011 about our firm lauded Highland's "legal judo" for the benefit of its investors. His tone radically changed in 2012 once he started using Patrick Daugherty, a former Highland portfolio manager, as a primary information source. Mr. Daugherty resigned and then embarked on a defamatory crusade when Highland rejected his exorbitant compensation demands in February 2012. In March 2012, Mr. Wirz published his first negative article about Highland on an unrelated dispute. The article quotes "people close to the matter," which the facts indicate was none other than Mr. Daugherty.

Two months later, when Mr. Daugherty's dispute with Highland went to court, Mr. Wirz's first article on the dispute further relied on Mr. Daugherty's skewed portrayal of Highland. In the resulting 2014 trial, the jury cleared Highland of Mr. Daugherty's allegations of mismanagement during the financial crisis, while Mr. Daugherty himself was found to be in breach of his fiduciary duties and ordered to pay Highland \$3.2 million dollars. Most notably, the court put in place an injunction ordering Mr. Daugherty to cease disclosing Highland's confidential information. Despite these findings, Mr. Wirz continued to use Mr. Daugherty as a primary source in biased reporting about Highland's business, including with respect to matters wholly unrelated to Mr. Daugherty.

Astoundingly, Mr. Daugherty's misconduct was not deterred by the injunction against him. As recently as 2016, the court found Mr. Daugherty lied under oath about recent violations of the injunction. After seven different court hearings in which the judge repeatedly warned Mr. Daugherty of the consequences of his violations, **the court ultimately found Mr. Daugherty in contempt of court and sentenced him to 38 days in jail.**

In a separate set of violations still under investigation, Mr. Daugherty leaked confidential information to the WSJ. On Friday August 12, 2016, Highland provided the WSJ with a copy of the injunction order prohibiting Mr. Daugherty from leaking Highland's confidential information. The following Monday, Mr. Wirz again was on the phone with Mr. Daugherty discussing Highland's confidential information. The court ordered Mr. Wirz and the WSJ to provide information about these conversations to Highland, which the WSJ is appealing. Despite Mr. Daugherty having been found to have lied under oath about Highland, **Mr. Wirz confirmed in writing as recently as yesterday that he continues to use Mr. Daugherty as a source in his Highland-related coverage**, including the misleading November 27, 2017 WSJ article.

~~The November 27, 2017 article about Highland's employment dispute with another former employee, Josh Terry, is a continuation of his agenda-based and misleading journalism about Highland in the wake of the Mr. Daugherty dispute. Mr. Wirz once again failed to mention numerous salient facts, including that Mr. Terry's false and sensationalized allegations against Highland were simply part of Mr. Terry's extortion scheme against Highland.~~

~~In late 2014, Mr. Terry tried to renegotiate his partnership agreement with Highland's principals to increase his interest in Highland affiliate Acis Capital Management, L.P. to a permanent 25 percent equity position. Though he declared that he loved working at Highland and wanted to spend the rest of his career here, he threatened to leave if his increased equity demands were not met. Highland explained that Mr. Terry's performance and track record did not warrant such a restructuring of his agreement. After Highland denied his requests, Mr. Terry commenced secretly recording conversations to extort in settlement the value he failed to achieve in negotiations. **Mr. Terry secretly recorded conversations at Highland for over 18 months. He recorded calls with investors, counterparties, attorneys, and employees without Highland's knowledge or consent. He recorded conversations with persons in various states and countries, in violation of federal and state wiretapping laws.** He recorded, and later disclosed, Highland's privileged conversations with its attorneys on various transactions. During these recorded conversations, Mr. Terry repeatedly baited co-workers to elicit inflammatory or out of context statements so he could attempt to manufacture a whistleblower claim. After his termination on June 9, 2016, Mr. Terry selectively retained recordings with inflammatory statements, but deleted recordings that exonerated Highland or tended to disprove Mr. Terry's narrative of the facts. Prior to filing his claims against Highland, Mr. Terry threatened to make wild allegations to the SEC unless Highland paid him over \$10 million in ransom. It is telling that despite over 18 months of recordings, **Mr. Terry did not make any allegations of impropriety by Highland until after he was terminated for cause.**~~

~~Mr. Terry was terminated for improper sexual relations, poor performance and numerous compliance violations, among other things. Mr. Wirz's recent article states "Highland... used pretexts and false allegations of a sexual relationship with a coworker to fire [Mr. Terry]." Terry's own pleadings state "Terry did not have a sexual relationship with any of his subordinates." While Mr. Wirz would leave his readers believing Highland maliciously made up Mr. Terry's affairs as some form of retribution, Mr. Terry admitted, both at deposition and in the arbitration, that "I had an affair with Ms. [omitted] from mid-2103 to the end of 2014." The affair severely impacted the junior female employee's career and was indicative of a pattern of behavior that resulted in his ultimate termination. Once Highland proved that Mr. Terry lied in his pleadings about one of his affairs, we did not want to further disrupt the lives of its former employees nor did we need to prove anything else. While Highland continues to assert that Mr. Terry had at least three intra-office affairs, the WSJ's observation that Highland did not present enough evidence of additional affairs is not relevant in light of Mr. Terry's admission. Additionally, since Mr. Terry's departure, several additional women have come forward with allegations of sexual harassment and unwanted advances by Mr. Terry. Finally, numerous senior persons at Highland recommended that he be fired for both his sexual misconduct and numerous compliance violations. This was not a personal battle between Mr. Terry and Mr. Dondero. Highland was compelled to terminate Mr. Terry for his overall pattern of misconduct.~~

~~Highland made Mr. Wirz aware of this background. We also expressed concern to both Mr. Wirz and his editor on numerous occasions about Mr. Wirz's characterization of these inappropriate sexual relationships. Rather than seeking to understand the truth in our allegations of Mr. Terry's inappropriate sexual relationships, Mr. Wirz chose to write a story that misleads readers with the implication that Highland's very real accusations were baseless.~~

~~Mr. Wirz's article omits or twists key facts about the arbitration proceeding. Mr. Terry demanded for over \$210 million in the arbitration. He was awarded less than four percent of that amount. Additionally, Mr. Terry lied under oath at the arbitration, including about his contacts with Mr. Daugherty after his departure from Highland.~~

~~Furthermore, though Mr. Terry testified that Highland relied on him as the primary driver of its CLO business, Mr. Terry failed to raise a single dollar of third party CLO equity for his Acis business, which was his key job responsibility. Mr. Terry's self aggrandizing testimony to the contrary, Highland helped to create the CLO industry years before Mr. Terry arrived and he merely filled a senior vacancy on the structured products team. Notably, Highland has continued to grow its CLO business in his absence.~~

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Equipped with that background, we urge you to address this behavior taking place in your newsroom. It certainly defies the standards of your publication and undermines the integrity of your journalistic undertakings. While we believe this comprehensive account of the treatment we have received from Mr. Wirz and the various editors responsible for his work sheds ample light on the issues at hand here, we are happy to discuss the situation with you further to help you better address these transgressions.

Further, since we were deprived of the opportunity to fairly and accurately respond to the serious allegations raised by Mr. Wirz in the recent article, we plan to make this communication public to correct the inaccurate information that was disseminated by the *Wall Street Journal* about Highland.

We appreciate your consideration of these matters.

Sincerely,

James Dondero
President and Co-founder
Highland Capital Management

EXHIBIT

3

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

In Re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,
Debtor.

§
§
§
§
§

Case No. 19-34054-sgj11
Chapter 11

DECLARATION OF JOSHUA N. TERRY

1. My name is Joshua N. Terry. I am over the age of 18 and am qualified to make this declaration.
2. I have personal knowledge of the facts stated herein, except where specifically stated otherwise, and they are declared by me to be true and correct. I have never been convicted of a felony or a crime involving moral turpitude.
3. This declaration is given in support of the Motion for Relief from the Automatic Stay to Allow Pursuit of State Court Action Against Non-Debtors to be filed in the above-referenced matter (the "Motion").
4. An arbitration panel of three well-respected former state court jurists issued a scathing arbitration award involving actions of the Debtor's former affiliates and present employees, including Dondero and Surgent. A true and correct copy of the arbitration award is attached to the Motion as Exhibit 1. The arbitration panel found that approximately \$350,000.00 in the Terrys' retirement accounts were *converted* and that their claims for conversion and damages "should be stated against those parties or others, elsewhere." Ex. 1 at p. 16.
5. The Terrys did as the arbitration panel advised and brought those claims in state court for the conversion of their retirement accounts against the orchestrators of the scheme:

Highland, Dondero and Surgent. The state court suit is in the 162nd District Court of Dallas County, Texas, Case No. DC-16-11396 (the “State Court Litigation”).

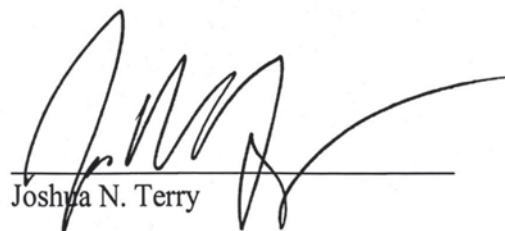
6. On October 2, 2019, the parties to the State Court Litigation settled, as reflected in the agreement attached to the Motion as **Exhibit 2**, which I understand is a legally-enforceable agreement pursuant to Texas Rule of Civil Procedure 11 (the “Rule 11”). The Rule 11 provides, among other things, that “Defendants shall pay Plaintiffs \$425,000” and “[t]he parties will mutually, fully, and comprehensively release each other with usual and customary releases (we do not intend to settle this matter if it is Defendants’ intent to use one of their thousands of entities, funds, or affiliates to sue, directly or indirectly, Mr. or Mrs. Terry); however, the releases shall not release Highland CLO Funding Ltd.’s claims in Guernsey nor any claims of Acis Capital Management, LP or Acis Capital Management GP, LLC.”

7. On October 16, 2019, Debtor filed this bankruptcy case.

8. On October 21, 2019, Debtor filed a Suggestion of Bankruptcy in the State Court Litigation.

“I declare under penalty of perjury under the laws of the United States, that the foregoing statements are true and correct.”

Date: February 14, 2020.


Joshua N. Terry

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLEE RECORD
VOLUME 18**

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**COUNSEL FOR ACIS CAPITAL MANAGEMENT,
L.P. AND ACIS CAPITAL MANAGEMENT GP,
LLC, APPELLEES**

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

IN RE:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

DEBTOR.

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CASE NO. 19-34054

Chapter 11

INDEX

DESIGNATION OF RECORD ON APPEAL

Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP," together with Acis LP, "Acis"), appellees, file this Designation of Record on Appeal related to the *Order Approving Debtor's Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302] (the "Settlement Order"), the *Notice of Appeal* [Docket No. 1347] of the Settlement Order filed by James Dondero ("Dondero") and the *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented* [Docket No. 1515] filed by Dondero.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

Acis designates the following additional items for inclusion in the record on appeal.

Items in Bankruptcy Case No. 19-34054-SGJ-11	
Vol. 14 003095 003097	1. Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. [Docket No. 1]
003203	2. Chapter 11 Voluntary Petition [Docket No. 1]
003247	3. Affidavit/Declaration in Support of First Day Motion /Declaration of Frank Waterhouse in Support of First Day Motions Filed By Highland Capital Management, L.P. [Docket No. 11]
Vol. 15 003406	4. Motion to Change Venue/Inter-district Transfer Filed by Official Committee of Unsecured Creditors [Docket No. 85]
003433	5. Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 122]
003444	6. Joinder to Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) [Docket No. 126]
003452	7. Reply in Support of Motion to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 162]
003459	8. Reply in Support of the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 163]
003463	9. Response of the Debtor to Acis's Joinder to Motion to Transfer Venue [Docket No. 164]
003465	10. Order Transferring Venue of this Case to the United States Bankruptcy Court of the Northern District of Texas [Docket No. 186]
003492	11. Transcript regarding hearing held 12/6/19 [Docket No. 207]
003574	12. Schedules: Schedules A/B/ and D-H with Summary of Assets and Liabilities (with Declaration Under Penalty of Perjury for Non-Individual Debtors)[Docket No. 247]
003616	13. Statement of financial affairs for non-individual [Docket No. 248]
Vol. 16 003629	14. Trustee's Motion to appoint trustee [Docket No. 271]
003729	15. Motion to compromise controversy with Official Committee of Unsecured Creditors [Docket No. 281]
003735	16. Trustee's Objection to Motion to Approve Joint Agreement [Docket No. 313]
003738	17. Declaration re: (Declaration of Bradley D. Sharp in Support of the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course) [Docket No. 327]
003751	18. Response unopposed to (related document(s): 313 Objection) [Docket No. 329]
003756	19. Response unopposed to (related document(s): 313 Objection) [Docket No. 330]
	20. Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors, Strand Advisors, Inc., and James Dondero. [Docket No. 338]

Vol. 16 003764	21.	Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course [Docket No. 339]
003769	22.	Notice (Notice of Final Term Sheet) [Docket No. 354]
Vol. 17 003834	23.	Response opposed to (related document(s): 271) [Docket No. 362]
003847	24.	Objection to (related document(s): 271 Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) [Docket No. 364]
003851	25.	Transcript regarding Hearing Held 01/21/2020 [Docket No. 393]
003991	26.	Order denying motion to appoint trustee [Docket No. 428]
003993	27.	Motion for relief from stay [Docket No. 451]
Vol. 18	28.	Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") [Docket No. 474]
004042	29.	Transcript regarding Hearing Held 02/19/2020 [Docket No. 479]
Vol. 22 004908	30.	Objection to (related document(s): 474) [Docket No. 487]
005096	31.	Joinder by Acis Capital Management, L.P. and Acis Capital Management GP, LLC to the Committee's Objection to the Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain Related Entities, and Comment to the Same [Docket No. 489]
005110	32.	Order authorizing, but not directing, the debtor to cause distributions to certain 'related entities'. [Docket No. 512]
005119	33.	Order granting motion for relief from stay [Docket No. 519]
005123	34.	Transcript regarding Hearing Held 03/04/2020 [Docket No. 571]
Vol. 23 005125	35.	Motion for relief from stay [Docket No. 593]
005246	36.	Transcript regarding Hearing Held 05/26/2020 [Docket No. 676]
Vol. 24 005352	37.	Order granting motion for relief from stay [Docket No. 764]
005359	38.	Application to employ James P. Seery, Jr. Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020 [Docket No. 774]
005362	39.	Transcript regarding Hearing Held 06/30/2020 [Docket No. 802]
005395	40.	Transcript regarding Hearing Held 07/08/2020 [Docket No. 817]
005495	41.	Agreed order regarding deposit of funds into registry of the Court [Docket No. 821]
005553	42.	Order granting application to employ James P. Seery, Jr. as Chief Executive Officer, Chief Restructuring and Foreign representative [Docket No. 854]
005558	43.	Transcript regarding Hearing Held 07/14/2020 [Docket No. 864]
Vol. 25 005570	44.	Transcript regarding Hearing Held 07/21/2020 [Docket No. 897]
005764	45.	Order directing mediation [Docket No. 912]
Vol. 26 005829	46.	Transcript regarding Hearing Held 08/19/2020 [Docket No. 998]
005835	47.	Transcript regarding Hearing Held 09/10/2020 [Docket No. 1064]
005855	48.	Amended Schedules: E/F, with Summary of Assets and Liabilities [Docket No. 1082]
005904	49.	Transcript regarding Hearing Held 10/06/2020 [Docket No. 1145]
005933	50.	Witness and Exhibit List [Docket No. 1175]
005991	51.	Witness and Exhibit List [Docket No. 1202-1]
005994	52.	Omnibus Reply [Docket No. 1221]
005997		

DATED: December 7, 2020.

Respectfully submitted,

By: /s/ Annmarie Chiarello

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APPELLEES**

CERTIFICATE OF SERVICE

I hereby certify that on December 7, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§
§
§
§
§
§

Chapter 11

Case No. 19-34054-sgj11

**MOTION OF THE DEBTOR FOR ENTRY OF AN ORDER AUTHORIZING, BUT NOT
DIRECTING, THE DEBTOR TO CAUSE DISTRIBUTIONS TO CERTAIN
“RELATED ENTITIES”**

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

The above-captioned debtor and debtor-in-possession (the “Debtor”) files this motion (the “Motion”) for entry of an order, substantially in the form attached hereto as Exhibit A, authorizing, but not directing, the Debtor, or its relying adviser, as appropriate, to cause the distribution of assets, in the ordinary course of its business, to certain Related Entities that have invested in Dynamic, AROF, and RCP (each as defined below). In support of this Motion, the Debtor respectfully states as follows:

Jurisdiction and Venue

1. The United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Court”), has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
2. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory bases for the relief requested in this Motion are sections 105(a) and 363 of the Bankruptcy Code.

Summary of Relief Requested

4. In this Motion, the Debtor, through its Independent Board (defined below), seeks this Court’s authorization, indeed its direction, to meet its obligations to the funds managed by the Debtor. These obligations exist under contract and according to applicable law. In the ordinary course of its business, the Debtor is routinely called upon to liquidate or wind down the assets held by the funds under its direct or indirect management and then to distribute the proceeds of such liquidations to the investors in the funds. Normally, these obligations – that is to liquidate and distribute – are neither disputed nor controversial.

5. And yet, because of the history of this case, one of these duties – that is the duty to distribute – is now contested. The Committee (defined below) has voiced no objection to

the liquidation of the assets subject to this Motion, but it does object to certain of the distributions. The Committee says that any distributions to James Dondero, Mark Okada, or any entities related to them should be withheld. The Debtor understands the reasons for the Committee's objection, but not the legal basis for it.

6. Everyone would agree that the Independent Board must act in accordance with the law in fulfilling its obligations to the Debtor's estate. That means dealing with creditors in the manner prescribed by Bankruptcy Code. The Independent Board takes its obligations under the Bankruptcy Code seriously. But, the Independent Board takes just as seriously its obligations to the funds managed by the Debtor. The Debtor is no more free to unilaterally change the obligations it has to those funds under their operative documents and applicable law – especially considering that many of the investors in those funds are complete strangers to this case – than it is to unilaterally modify its obligations to creditors under the Bankruptcy Code. This is so even if some creditors view some of the Debtor's investors as suspicious or unworthy.

7. The Debtor asks this Court to affirm that in the absence of specific injunctive relief entered by this Court or any other court of appropriate jurisdiction, the Debtor must fulfill its obligations under contract and according to applicable law.

Background

8. On October 16, 2019 (the "Petition Date"), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court for the District of Delaware, Case No. 19-12239 (CSS) (the "Delaware Court").

9. On October 29, 2019, the Official Committee of Unsecured Creditors (the "Committee") was appointed by the U.S. Trustee in the Delaware Court.

10. On December 4, 2019, the Delaware Court entered an order transferring venue of the Debtor's Bankruptcy Case to this Court [Docket No. 186].²

11. On December 27, 2019, the Debtor filed that certain *Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* [Docket No. 281] (the "Settlement Motion"). This Court approved the Settlement Motion on January 9, 2020 [Docket No. 339] (the "Settlement Order").

12. The Settlement Order approved, among other things, certain operating and reporting protocols [Docket Nos. 354, 466] (as amended, the "Protocols"), which, in certain circumstances, require the Debtor to seek the approval of its Chief Restructuring Officer³ and/or the Committee prior to engaging in "Transactions" (as defined in the Protocols).

13. In connection with the Settlement Order, an independent board of directors was appointed on January 9, 2020, at the Debtor's general partner, Strand Advisors, Inc. (the "Independent Board")

14. The Debtor has continued in the possession of its property and has continued to operate and manage its business as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this chapter 11 case.

² All docket numbers refer to the docket maintained by this Court.

³ The Debtor's retention of Development Specialists, Inc. as the Debtor's Chief Restructuring Officer (the "CRO") was approved by this Court on January 10, 2020 [Docket No. 342].

Background to the Relief Requested

A. The Debtor's Business Generally

15. On October 29, 2019, the Debtor filed that certain *Precautionary Motion of the Debtor for Order Approving Protocols for the Debtor to Implement Certain Transactions in the Ordinary Course of Business* [Docket No. 76] (the "Precautionary Motion"). As described in the Precautionary Motion, the Debtor, as a registered investment adviser, provides in the ordinary course of its business, investment management services to its clients, which include, among others, hedge funds and private equity style funds.

16. Hedge funds and private equity style funds are types of pooled investment vehicles in which third-party investors subscribe for equity interests. These funds are governed by a board of directors or general partner, depending on the corporate form of the fund entity, and retain an investment manager pursuant to an investment management agreement to oversee their investments. The fund itself, and the relationship of the investors in the fund, is governed by a contractual governing document (e.g., a limited partnership agreement or articles of association), and the board of directors or the general partner, as applicable – as well as the investment manager – have fiduciary obligations to the fund entity. Further, while the investment manager may have investment discretion under the investment management agreement, the investment manager is also required to comply with the terms of the fund's contractual governing documents, including the investment management agreement, and the investment manager has fiduciary and other obligations imposed on the investment manager by applicable law, including, the Advisers Act. These types of funds are also often organized as two-tiered structures with a single "master" fund that trades and holds the fund's investment portfolio and multiple "feeder funds" that invest in the master fund.

17. Investors in a hedge fund generally can redeem their interests in the fund on periodic redemption dates. Redemptions occur in the ordinary course for all hedge funds, and hedge funds manage their liquidity on an ongoing basis, by selling assets to satisfy these investor redemptions in the ordinary course. Similarly, upon a determination by a hedge fund's governing body that the fund should be liquidated, the fund sells its remaining portfolio holdings in an orderly manner and distributes the proceeds to its investors. Common reasons for a hedge fund to liquidate include, among other things, the fund no longer being viable as a result of significant investor redemptions.

18. Private equity style funds, on the other hand, generally have a set term after which they are required to liquidate and distribute their assets to their investors (although they may under certain circumstances be wound down prior to the expiration of their term). Further, investors in private equity style funds are generally not permitted to redeem their interests or withdraw their capital from the fund. The term of a private equity style fund may, subject to the fund's governing documents, be extendable.

B. Distributions from Dynamic, AROF, and RCP

Dynamic Distribution and AROF Distribution

19. The Debtor manages (a) Highland Dynamic Income Fund, L.P., a Delaware limited partnership, (b) Highland Dynamic Income Fund, Ltd., a Cayman Islands exempted company, and (c) Highland Dynamic Income Master Fund, L.P., a Cayman Islands exempted limited partnership (collectively, "Dynamic"). Dynamic consists of three entities: a "master fund" (which is a Cayman exempted limited partnership) owned by two "feeder funds" (one being a Delaware limited partnership and the other being a Cayman Islands exempted company).⁴ The

⁴ The documents governing Dynamic are (i) the Amended and Restated Limited Partnership Agreement of Highland Dynamic Income Fund, L.P., dated April 1, 2018; (ii) the Amended and Restated Memorandum and Articles of

master funds and the Delaware feeder funds are managed by their applicable general partner, which in each case is a wholly-owned affiliate of the Debtor. The Cayman feeder fund is governed by a board consisting of an employee of the Debtor. The Debtor's direct relationship with each of the three Dynamic entities is governed by an investment management agreement under which the Debtor serves as investment adviser to such entities. Accordingly, Dynamic is an investment advisory client of the Debtor. An organizational chart for Dynamic is attached hereto as **Exhibit B**.

20. Highland Capital Management Latin America, L.P. ("HCM Latin America"), which is an indirect wholly owned subsidiary of the Debtor that is registered as a relying adviser of the Debtor, manages (a) Highland Argentina Regional Opportunity Fund, L.P., a Delaware limited partnership, (b) Highland Argentina Regional Opportunity Fund, Ltd., a Cayman Islands exempted company, and (c) Highland Argentina Regional Opportunity Master Fund, L.P., a Cayman Islands exempted limited partnership (collectively, "AROF"). The Debtor has entered into a services agreement pursuant to which the Debtor provides certain back- and middle-office services and administrative, infrastructure and other services to HCM Latin America. AROF consists of three entities: a "master fund" (which is a Cayman exempted limited partnership) owned by two "feeder funds" (one being a Delaware limited partnership and the other being a Cayman Islands exempted company).⁵ The master fund and the Delaware feeder fund are

Association of Highland Dynamic Income Fund, Ltd., adopted on 8 May 2018; (iii) the Second Amended and Restated Exempted Limited Partnership Agreement of Highland Dynamic Income Master Fund, L.P., dated April 1, 2018; and (iv) the Investment Management Agreement, dated March 28, 2013, by and among Dynamic, Highland Dynamic Income Fund GP, LLC (f/k/a Highland Capital Loan GP, LLC) and the Debtor; (v) the Confidential Private Placement Memorandum of Highland Dynamic Income Fund, L.P., dated April 2018; and (vi) the Confidential Private Offering Memorandum of Highland Dynamic Income Fund, Ltd., dated April 2018 ((i) – (vi) collectively, the "Dynamic Fund Documents"). True and accurate copies of the Dynamic Fund Documents are attached hereto as **Exhibit C**.

⁵ The documents governing AROF are (i) the Amended and Restated Limited Partnership Agreement of Highland Argentina Regional Opportunity Fund, L.P., dated November 1, 2017; (ii) the Amended and Restated Memorandum and Articles of Association of Highland Argentina Regional Opportunity Fund, Ltd., adopted on 8 November 2017; (iii) the Amended and Restated Exempted Limited Partnership Agreement of Highland Argentina Regional

managed by their applicable general partner, which in each case is a wholly-owned affiliate of the Debtor. The Cayman feeder fund is managed by an independent board of Cayman-based directors unaffiliated with the Debtor. HCM Latin America's relationship with each of the three AROF entities is governed by an investment management agreement under which HCM Latin America serves as investment adviser to such entities. Accordingly, AROF is an investment advisory client of HCM Latin America. An organizational chart for AROF is attached hereto as **Exhibit D**.

21. Each of Dynamic and AROF received significant redemption requests from limited partners both before and after the Petition Date. Following those requests – and as disclosed in the Precautionary Motion – each of Dynamic and AROF began winding down. These funds' governing bodies (general partner and board of directors), as well as the Debtor, concluded that Dynamic and AROF were no longer viable following such redemptions and therefore should be liquidated in an orderly manner.

22. Further, the Debtor believed (and continues to believe) that its fiduciary and contractual obligations to Dynamic and AROF mandated an orderly liquidation and distribution of assets to investors given that such funds were no longer viable. When a significant redemption request is made, a fund typically is required to liquidate its assets to satisfy the redemption request, which in turn both decreases the total assets available to satisfy later redemption requests and may result in a fund's costs being allocated disproportionately to the remaining investors. An orderly liquidation helps ensure that all investors are treated in the same manner, bear the same costs, and

Opportunity Master Fund, L.P., dated November 1, 2017, as amended; (iv) the Amended and Restated Investment Management Agreement, dated November 1, 2017, by and among AROF, Highland Argentina Regional Opportunity Fund GP, LLC, and HCM Latin America; (v) the Confidential Private Placement Memorandum of Highland Argentina Regional Opportunity Fund, L.P., dated March 2019, as supplemented; and (vi) the Offering Memorandum of Highland Argentina Regional Opportunity Fund, Ltd., dated March 2019, as supplemented ((i) – (vi) collectively, the "AROF Fund Documents"). True and accurate copies of the AROF Fund Documents are attached hereto as **Exhibit E**.

receive distributions on a pro rata basis. Otherwise, liquidation costs and proceeds could adversely impact some investors (likely the investors that have not submitted a redemption or withdrawal request).

23. The Debtor disclosed the proposed liquidation of Dynamic and AROF to the Committee, and the Committee did not object.

24. As such, since the Petition Date, the Debtor has taken steps to liquidate the investments held by Dynamic and AROF and is seeking to distribute the cash to those funds' respective investors/redeemers in accordance with the documents governing the funds.⁶ Distribution of the cash to investors/redeemers is a necessary step in liquidating the funds; Dynamic and AROF cannot close unless all assets have been distributed in accordance with the Dynamic Fund Documents and the AROF Fund Documents, respectively.

25. On January 24, 2020, the Debtor notified the Committee that it intended to distribute (i) approximately \$35 million in cash to investors/redeemers in Dynamic (the "Dynamic Distribution") and (ii) approximately \$22 million in cash to investors/redeemers in AROF (the "AROF Distribution"). In that notice, the Debtor disclosed that:

- (i) CLO Holdco, Ltd. ("CLOH"),⁷ (ii) Mark Okada,⁸ and (iii) Highland Dynamic Income Fund GP, LLC (the "Dynamic GP")⁹ are investors in Dynamic¹⁰ and that (a)

⁶ In the case of AROF, all redemptions were suspended and the Fund was placed in liquidation. In the case of Dynamic, all investors were subject to compulsory redemptions and the fund was placed in liquidation.

⁷ The limited partnership interests in Dynamic held by CLOH were originally held by the Debtor. The Debtor transferred those interests to The Get Good Nonexempt Trust ("Get Good") on December 28, 2016, in exchange for 97.6835% of Get Good's interest in a promissory note in original principal amount of approximately \$24 million issued by The Dugaboy Investment Trust. Get Good subsequently transferred its interests in Dynamic to the Highland Dallas Foundation, Inc., which transferred those interests to CLOH. The Dugaboy Investment Trust has been paying amounts due under the \$24 million note, and the current principal amount is approximately \$17.5 million.

⁸ Mr. Okada is an investor in the Debtor and has an interest in the Debtor's Class A limited partnership interests. Mr. Okada resigned from his position with the Debtor prior to the Petition Date.

⁹ The Dynamic GP is wholly owned by the Debtor.

¹⁰ The Debtor is also a limited partner in Dynamic and will receive its applicable share of the Dynamic Distribution.

CLOH's share of the Dynamic Distribution was \$872,194.00; (b) Mr. Okada's share was \$4,176,774.74; and (c) the Dynamic GP's share was \$137,182.03; and

- CLOH is an investor in AROF, and its share of the AROF Distribution was \$1,516,354.38.

The Debtor further disclosed that it intended to distribute to CLOH, Mr. Okada, and the Dynamic GP their pro rata share of the Distributions in the same manner as distributions were being made to other investors.

RCP Distribution

26. In the ordinary course of its business, the Debtor also manages (a) Highland Restoration Capital Partners, L.P., a Delaware limited partnership, (b) Highland Restoration Capital Partners Offshore, L.P., a Cayman exempted limited partnership, and (c) Highland Restoration Capital Partners Master, L.P., a Delaware limited partnership (collectively, "RCP"). RCP consists of a "parallel" fund structure that invests side-by-side in the same investments on a proportional basis. The domestic side consists of a Delaware limited partnership, and the parallel Cayman side consists of a Cayman exempted limited partnership that feeds into a separate Delaware limited partnership. Each fund is managed by the same general partner, which is a wholly owned subsidiary of the Debtor. The Debtor's direct relationship with each of the three RCP entities, like its relationship with Dynamic, is governed by an investment management agreement under which the Debtor serves as investment adviser to such entities. Accordingly, RCP is an investment advisory client of the Debtor. An organizational chart for RCP is attached hereto as **Exhibit F**.

27. RCP is a private equity style fund, and, as a private equity fund, RCP has a set term after which it is required to liquidate and distribute its assets to its investors. Investors are not permitted to withdraw their capital from the fund. In this case, RCP had an original term of ten years (the "Term") with the potential to extend the Term for two additional one year periods

if RCP's independent advisory board (the "Advisory Board")¹¹ consented to such extensions. RCP's initial ten-year term expired in April 2018. The Advisory Board agreed to extend the term for one additional year to April 2019. However, following that one year extension, the Advisory Board did not consent to an additional one-year extension, and instead allowed RCP to continue month-to-month with the Advisory Board reserving the right to approve each additional monthly extension. As a condition to receiving these monthly extensions, the Debtor agreed to waive its management fees.

28. The Advisory Board has not granted any additional extensions of the Term since November 2019. Because RCP is past its Term, RCP has gone into orderly liquidation under the terms of its governing documents.¹² As a result of that liquidation, RCP has substantial assets to distribute to its limited partners (the "RCP Distribution," and together with the Dynamic Distribution and the AROF Distribution, the "Distributions").

29. The RCP Distribution comes from RCP's sale of 1,700,000 shares of common stock in MGM Holdings, Inc. ("MGM"), which trade was disclosed to the Committee on February 7, 2020 (the "MGM Sale"). The MGM Sale generated \$123.25 million in proceeds, all of which is subject to distribution to RCP's limited partners, including the Debtor, which will receive approximately \$18.5 million from the MGM Sale proceeds.

¹¹ None of the Advisory Board members are affiliated with or related in any way to the Debtor, James Dondero, or Mark Okada.

¹² The documents governing RCP are (i) Second Amended and Restated Agreement of Limited Partnership of Highland Restoration Capital Partners Offshore, L.P. dated April 18, 2008; (ii) the Limited Partnership Agreement of Highland Restoration Capital Partners, L.P., dated April 18, 2008; (iii) Amended and Restated Agreement of Limited Partnership of Highland Restoration Capital Partners Master, L.P., dated April 18, 2008; and (iv) the Investment Management Agreement, dated November 15, 2007, by and among Highland Restoration Capital Partners, L.P., Highland Restoration Capital Partners Offshore, L.P., Highland Restoration Capital Partners Master, L.P., each parallel vehicle that may be formed from time to time, Highland Restoration Capital Partners GP, LLC, and Highland Capital Management, L.P. ((i) – (iv) collectively, the "RCP Fund Documents"). True and accurate copies of the RCP Fund Documents are attached hereto as **Exhibit G**.

30. The MGM Sale was originally part of a much larger liquidating transaction that was being discussed last November 2019, long before the appointment of the Independent Board. In late November 2019, the Debtor requested the Committee's authorization to proceed first with the larger transactions and then solely the MGM Sale, but the Committee rejected both of these transactions.

31. After the appointment of the Independent Board, the Debtor asked the Independent Board to re-assess the larger transaction, and while the Independent Board was reviewing the transaction, the Independent Board determined that the MGM Sale had been agreed to in November 2019 but had not yet closed. Subsequently, the Independent Board spent substantial time and resources considering the Debtor's fiduciary duties to the investors in RCP and the benefits and risks of the transaction, the Independent Board ultimately decided not to proceed with the larger transaction. However, the Independent Board determined to close the MGM Sale in accordance with its terms, and the Independent Board notified the Committee on February 7, 2020, of its intention to close the MGM Sale and followed with a presentation to the full Committee on February 14, 2020, and with the Committee's consent, the MGM Sale closed on February 24, 2020.

32. Also on February 7, 2020, the Debtor notified the Committee that it intended to distribute the RCP Distribution as soon as practicable following their receipt by RCP of such liquidation proceeds. The Debtor also disclosed that Highland Capital Management Services, Inc. ("HCM Services"),¹³ would receive a share of the RCP Distribution of approximately \$2.1 million in the same manner as all other limited partners in RCP.¹⁴ HCM

¹³ HCM Services received its interests in RCP from the Debtor over eleven years ago. Additional materials will be provided concerning HCM Services' ownership interest.

¹⁴ The Debtor is also a limited partner in RCP and would receive approximately \$18.5 million from the RCP Distribution.

Services is owned 75% by James Dondero and 25% by Mark Okada, and HCM Services is considered a “Related Entity”¹⁵ under the Protocols.

The Committee’s Objections to the Distributions

33. On January 30, 2020, the Debtor, through counsel, received notice that the Committee objected to Dynamic and AROF making distributions to the Related Entity investors under the Protocols unless the Debtor satisfied three demands: (1) no part of the foregoing distributions are to be made to any Related Entities; (2) Dynamic and AROF must provide an unredacted list of all their investors; and (3) the Debtor must make demand for payment on all demand notes held by the Debtor. The Committee also requested information regarding how CLOH obtained its limited partnership interest in Dynamic.¹⁶ The Committee has not objected to either Dynamic or AROF making distributions to non-Related Entity Investors.

34. On February 14, 2020, the Debtor, through counsel, also received notice that the Committee objected to RCP making distributions to HCM Services, as a Related Entity. The Committee has not objected to RCP making distributions to its non-Related Entity investors.

35. Under the applicable governing documents, the rights and obligations of Related Entity investors in Dynamic, AROF, RCP, and the Debtor’s other managed investment

¹⁵ A “Related Entity,” as defined in the Protocols, means “collectively (A)(i) any non-publicly traded third party in which Mr. Dondero, Mr. Okada, or Mr. Grant Scott, or Mr. John Honis (with respect to Messrs. Okada, Scott and Honis, only to the extent known by the Debtor) has any direct or indirect economic or ownership interest, including as a beneficiary of a trust; (ii) any entity controlled directly or indirectly by Mr. Dondero, Mr. Okada, Mr. Grant Scott, or Mr. John Honis (with respect to Messrs. Okada, Scott and Honis, only to the extent known by the Debtor); (iii) MGM Holdings, Inc.; (iv) any publicly traded company with respect to which the Debtor or any Related Entity has filed a Form 13D or Form 13G; (v) any relative (as defined in Section 101 of the Bankruptcy Code) of Mr. Dondero or Mr. Okada each solely to the extent reasonably knowable by the Debtor; (vi) the Hunter Mountain Investment Trust and Dugaboy Investment Trust; (vii) any entity or person that is an insider of the Debtor under Section 101(31) the Bankruptcy Code, including any “non-statutory” insider; and (viii) to the extent not included in (A)(i)-(vii), any entity included in the listing of related entities in **Schedule B** hereto (the “Related Entities Listing”); and (B) the following Transactions, (x) any intercompany Transactions with certain affiliates referred to in paragraphs 16.a through 16.e of the Debtor’s cash management motion [Del. Docket No. 7]; and (y) any Transactions with Charitable DAF Fund, L.P. (provided, however, that additional parties may be added to this subclause (y) with the mutual consent of the Debtor and the Committee, such consent not to be unreasonably withheld).”

¹⁶ See note 7, *supra*.

vehicles as applicable, are the same as those of other investors in the applicable funds. Further, at this time, the Debtor is not aware of any claims that Dynamic, AROF, or RCP have against their Related Entity investors. However, the Debtor understands that the Committee has started its investigation with respect to claims against the Related Entities but does not believe that there is cause to delay otherwise payable distributions to Related Entities until the Committee has completed its review. As such, and as discussed at greater length below, the Debtor believes that failing to provide such parties their pro rata share of the Distributions based upon the potential that the Debtor (not Dynamic, AROF, or RCP) might assert claims against the Related Entities at some point in the future could potentially subject the Debtor, as well as the applicable fund, to claims for, among other things, breach of contract and breach of fiduciary duty under applicable state law, federal law, and Cayman law.

36. Consequently, the Debtor is filing this Motion and seeking an order from this Court authorizing the Debtor to cause Distributions to be made to the Related Entity investors in Dynamic, AROF, and RCP (collectively, the “Funds”).

Relief Requested

37. By this Motion, the Debtor seeks the entry of an order authorizing, but not directing: (i) the Dynamic Distribution to the Related Entity investors in Dynamic, in accordance with the Dynamic Fund Documents, (ii) the AROF Distribution to the Related Entity investors in AROF in accordance with the AROF Fund Documents, and (iii) the RCP Distribution to the Related Entity investors in RCP in accordance with the RCP Fund Documents.

Basis for the Relief Requested

A. The Governing Documents for the Funds Do Not Give Discretion Regarding Fund Distributions

38. Each Fund is a distinct legal entity with its own property rights in its own assets. Further, each entity in each Fund is governed by its own set of governing documents, which govern how distributions are to be made to investors in the applicable Fund. As set forth below, because certain of the Related Entities have invested through the Cayman entities and others have invested through the Delaware entities, only certain documents apply to each Related Entity investors. The Related Entities and their applicable funds are set forth below:

Dynamic

<u>Related Entity</u>	<u>Applicable Entity</u>
CLOH	Dynamic Master Fund & Dynamic Domestic Feeder Fund
Mark Okada	Dynamic Master Fund & Dynamic Domestic Feeder Fund
Dynamic GP	Dynamic Master Fund & Dynamic Domestic Feeder Fund

AROF

<u>Related Entity</u>	<u>Applicable Entity</u>
CLOH	AROF Master Fund & AROF Cayman Feeder Fund

RCP

HCM Services	RCP Domestic Fund
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39. Because the Dynamic and AROF funds are structured as “master/feeder” funds, investors invest by subscribing for limited partnership interests or shares in the feeder funds; however, the feeder funds do not own interests in underlying portfolio investments. Those investments are held by the master funds, and the feeder funds are the master fund’s limited partners. As such, the master fund is the entity that receives the proceeds from any investment and then distributes those proceeds to its limited partners – the feeder funds – pursuant to the master fund’s governing documents. The feeder funds in turn distribute those proceeds to their limited

partners or shareholders – the third-party investors – pursuant to the feeder fund’s governing documents. As, and by way of example, if an investor is invested in a Delaware feeder fund, the documents governing its distributions are the documents governing both the master fund and the documents governing the Delaware feeder fund. The documents governing the Cayman fund are, in these circumstances, generally immaterial.

40. RCP is structured as a “parallel fund.” This structure is similar to the master/feeder structure discussed above. RCP has a master fund incorporated in Delaware; however, the RCP master fund only has one limited partner – the Cayman fund. The domestic RCP fund invests in the same portfolio investments as the RCP master fund but is not a limited partner of the RCP master fund. Instead, the RCP domestic fund is a standalone entity, which owns its own assets, receives the proceeds of those assets directly, and distributes those proceeds directly to its limited partners. The RCP domestic fund does not rely on distributions from the RCP master fund, and, consequently, for purposes of distributions to investors in the RCP domestic fund, the documents governing the RCP master fund and RCP Cayman fund are largely immaterial.

41. The relevant documents are discussed below. Because of their similarities, the Dynamic Fund Documents and Argentina Fund Documents are addressed together.

Dynamic Fund Documents and AROF Fund Documents

42. **The Dynamic and AROF Master Fund.** Because on November 15, 2019, and November 20, 2019, respectively, the general partners of the Dynamic and AROF master funds elected to terminate Dynamic and AROF, respectively, Dynamic and AROF entered wind up as of those respective dates.¹⁷ Upon such dates, the general partners of Dynamic and AROF became

¹⁷ Amended and Restated Exempted Limited Partnership Agreement of Highland Argentina Regional Opportunity Master Fund, L.P., dated 1 November 2017 § 6.1(a); Second Amended and Restated Exempted Limited Partnership

obligated to “promptly liquidate the business and administrative affairs of the Partnership to the extent feasible.”¹⁸ Section 6.2 of each of the Dynamic and AROF master fund partnership agreements also provides that the limited partners in the master funds, i.e. their feeder funds, “shall... be paid liquidating distributions” after applicable debts are repaid.¹⁹ Such funds’ general partners, therefore, have an obligation to promptly liquidate their assets and distribute the proceeds to such funds’ limited partners – their respective feeder funds. Generally, the failure to distribute such proceeds could give rise to a claim for breach of contract under Cayman law.²⁰

43. **The Dynamic and AROF Domestic Feeder Fund.** Again because each of Dynamic and AROF are in wind up, they are required to “promptly liquidate” their business and affairs, and their investors, including the Related Entity investors – CLOH, Mr. Okada, and Dynamic GP – are required to “be paid liquidating distributions. . . *pro rata* in accordance with, and up to the positive balances of their respective Capital Accounts.”²¹ Section 6.2 of the applicable documents, however, does *not* state that the Debtor can withhold any individual investor’s *pro rata* distribution.²² Consequently, the Debtor believes it is obligated, under its

Agreement of Highland Dynamic Income Master Fund, L.P., dated 1 April 2018 § 6.1(a); Exempted Limited Partnership Law (2018 Revision) § 36(10)(d).

¹⁸ Amended and Restated Exempted Limited Partnership Agreement of Highland Argentina Regional Opportunity Master Fund, L.P., dated 1 November 2017 § 6.2; Second Amended and Restated Exempted Limited Partnership Agreement of Highland Dynamic Income Master Fund, L.P., dated 1 April 2018 § 6.2.

¹⁹ *Id.*

²⁰ Section 6.2 of each fund’s partnership agreement provides that distributions to the feeder funds only need to be made to the “extent feasible.” The Debtor believes that this exception does not apply here as distributions are “feasible” if authorized by this Court and that such exception cannot be relied on to excuse the relevant master funds from distributing proceeds to their feeder funds.

²¹ Amended and Restated Limited Partnership Agreement of Highland Argentina Regional Opportunity Fund, L.P., § 6.2(a)(iii); Amended and Restated Limited Partnership Agreement of Highland Dynamic Income Fund, L.P., § 6.2(a)(iii)

²² In a separate section of the applicable limited partnership agreements unrelated to liquidation, there is a provision requiring that Dynamic and AROF refrain from making a distribution “if such distribution would violate. . . applicable law.” (Amended and Restated Limited Partnership Agreement of Highland Dynamic Income Fund, L.P., § 3.13(b); Amended and Restated Limited Partnership Agreement of Highland Argentina Regional Opportunity Fund, L.P., § 3.12(b).) There is currently no “applicable law” prohibiting the distributions. The Debtor still has the right to make the distributions if authorized by this Court.

contractual and fiduciary duties, to petition this Court for authority to make distributions to the Related Entity investors.

44. **The Dynamic and AROF Cayman Feeder Fund.** There are no Related Entity investors in the Dynamic Cayman feeder fund and, therefore, the documents governing the Dynamic Cayman feeder fund are not relevant with respect to any distributions to Related Entities investors.

45. CLOH is invested in the AROF Cayman feeder fund. That fund suspended all rights of its shareholders to redeem (as well as all redemption payments) on October 30, 2019, to enable an orderly realization of assets following receipt of very significant redemption requests. While the directors of the AROF Cayman feeder fund have discretion with respect to the imposition (and the lifting) of the suspension of redemptions, that discretion must, as a matter of Cayman law, be exercised for a proper purpose in the best interests of the company and consistent with the directors' fiduciary duties and fund documents. The assets of AROF have been liquidated, and there is no longer a reason to suspend redemptions.²³ Furthermore, since CLOH – the Related Party investor in the AROF Cayman feeder fund – has not yet been redeemed, it is eligible (as a member of a particular class and/or series of issued shares) to be paid distributions under the fund's articles of association.²⁴ Therefore, the Debtor believes that, if the suspension of redemptions is

²³ It may be argued that the suspension was automatically justified by the like suspension of withdrawals by the AROF master fund on October 30, 2019 (Offering Memorandum of Highland Argentina Regional Opportunity Fund, Ltd., at p. 75.), but it is also arguable that that condition fell away with the termination of the AROF master fund on November 15, 2019. Further, it may be arguable that under section 12.5 of the AROF feeder articles of association the directors might be entitled to withhold redemption amounts payable to the Related Parties if required by U.S. law, but it may equally be arguable that that provision applies only to tax withholdings.

²⁴ Amended and Restated Memorandum and Articles of Association of Highland Argentina Regional Opportunity Fund, Ltd. § 45.1. In the interests of full disclosure, such distributions to shareholders of a particular class and/or series are in the "absolute discretion" of the board of Cayman-based directors and, further, directors can hold distributions due to a particular member in abeyance in a separate account if such distributions "cannot be paid" to a particular member, though they will retain their status as a debt owed to that member. For these purposes, it might be arguable that a distribution "cannot be paid" if its payment is prohibited by applicable law or by an order of a court of competent

maintained and distributions are not paid to CLOH, there may be claims that the continuance of the suspension of redemptions and failure to pay distributions constitutes a breach of the AROF Cayman feeder fund's articles of association and of the Cayman directors' fiduciary duties. The Cayman-based directors are independent of the Debtor and are not required to take the Debtor's direction, and if the AROF Cayman feeder fund receives assets from its master fund, the Debtor has no control over how the Cayman directors will treat those assets, including whether the Cayman directors will cause those assets to be distributed to CLOH as a Related Entity investor. As such, the Debtor is asking this Court to authorize distributions to the Related Entity investor in AROF to protect the Debtor from any liability based on the Cayman directors' actions or inactions.

RCP Fund Documents

46. **The RCP Domestic Fund.** As set forth above, the RCP domestic fund has the same general partner as the other RCP funds but holds its own investments in parallel with such funds. Further, distributions to investors in the RCP domestic fund are governed a limited partnership agreement specific to the domestic fund. The RCP domestic fund's distributions are not contingent on distributions from the RCP master fund. Under the documents governing the RCP domestic fund, the general partner is required to distribute assets proportionally based on each investor's funded commitments as of the date of distribution, and the documents do not provide that a distribution can be made to one investor but not another.²⁵ Because the RCP domestic fund governing documents do not allow the general partner to select which investors are to receive a distribution, the Debtor believes that it is not permitted under those documents to make distributions to some but not all of the investors and that if the Debtor were to make a distribution

jurisdiction. (Amended and Restated Memorandum and Articles of Association of Highland Argentina Regional Opportunity Fund, Ltd., Art. 45.1; 45.7.)

²⁵ Limited Partnership Agreement of Highland Restoration Capital Partners, L.P., § 3.3(a); *see also* § 3.2 (requiring short term investment gains to be allocated proportionally to investors).

to a subset of investors only, it may be exposed to liability. Accordingly, the Debtor is seeking authority to make Distributions to the Related Entity investors as part of a liquidating distribution made to all investors on a pro rata basis.

47. **The RCP Master Fund & RCP Cayman Fund.** There are no Related Entity investors in in RCP's Cayman fund and, therefore, the documents governing the RCP master fund and the RCP Cayman fund are not currently relevant with respect to any distributions to Related Entities.

Potential Fiduciary and Common Law Obligations

48. The obligations of the Funds' domestic governing entities (general partners and directors) are also governed by Delaware fiduciary duties. Under the laws of the State of Delaware, a general partner to a limited partnership owes duties of good faith, fairness and loyalty to its limited partners. *Boxer v. Husky Oil*, 329 A.2d 995, 997 (1981). Pursuant to Delaware law, subject to certain limitations, a general partner can limit its fiduciary duties by contract. Specifically, 6 Del. C. § 17-1101(d), allows for a general partner to expand, restrict or even eliminate its fiduciary duties, so long as the general partner's duties of fair dealing and good faith are unaffected. The governing documents for the Delaware-domiciled Funds do not include a waiver or disclaimer of fiduciary duties that generally apply to general partners.²⁶

49. Further, the conduct and activities of the Debtor and HCM Latin America as investment manager to the Funds are governed by the Advisers Act and the relevant investment management agreements. An investment adviser (such as the Debtor and HCM Latin America),

²⁶ The only language that acts as a waiver of fiduciary duties is very narrow and does not apply to general fiduciary duties under state law or securities law. Specifically, there is a disclaimer of the general partner's status as a fiduciary under the Employee Retirement Income Security Act of 1974 and language that limits the general partner's liability for breach of fiduciary duty in connection with the use of "soft dollars" generated from brokerage transactions. There are also typical "standard of care" and indemnity provisions that limit liability of the general partner, but these do not specifically address or provide a waiver of fiduciary duties.

in managing client accounts (such as those of the Fund) or otherwise providing investment advice, is subject to fiduciary duties. The Supreme Court has held that Section 206 of the Advisers Act imposes fiduciary duties on an investment adviser by operation of law. *See SEC v. Capital Gains Research Bureau, Inc.*, 375 US 180, 191 (1963). Under Section 206 of the Advisers Act, an investment adviser has a fiduciary duty of loyalty. This duty, among other things, requires that an investment adviser, as is the Debtor, ensure that it does not benefit one client (such as a Fund) to the disadvantage of another or to itself.²⁷ Relatedly, an investment adviser to pooled investment vehicles, such as the Funds, must comply with Advisers Act Rule 206(4)-8. Advisers Act Rule 206(4)-8 prohibits investment advisers from defrauding investors in pooled investment vehicles they advise.²⁸ Rule 206(4)-8 extends, in part, the Debtor's fiduciary obligations to the investors in such Funds.

50. As set forth above, the Committee has objected to distributions being made to Related Entity investors because the Committee believes that the Debtor and its estate may have claims against such Related Entities. Although the Debtor understands that the Committee has commenced its investigation into potential claims against Related Entities, no claims against such Related Entities have been articulated and no allegations have been made that any of Dynamic, AROF, or RCP have claims against the Related Entities or that there is any other reason to treat the respective distributions to those investors differently than those being made to non-Related Entity investors.

51. Accordingly, absent an express ability to withhold or offset distributions on a non-pro rata basis, the failure to make distributions otherwise due to the Related Entity investors

²⁷ *Proposed Commission Interpretation Regarding Standard of Conduct for Investment Advisers; Request for Comment on Enhancing Investment Adviser Regulation*, Release No. IA-4889 (Apr. 18, 2018).

²⁸ *Rule 206(4)-8; Prohibition of Fraud By Advisers to Certain Pooled Investment Vehicles*, Advisers Act Rel. No. 2628 (Aug. 3, 2007).

could be a potential violation of (i) the Funds' governing documents, (ii) Delaware and/or Cayman fiduciary law, and (iii) the Advisers Act (to the extent the Debtor, HCM Latin America, or any affiliate of the Debtor has a role in causing such distributions to be withheld). Moreover, the potential for a violation of the Advisers Act, Rule 206(4)-8 and the Delaware fiduciary duties is substantially greater if such delay has the intention of, or results in, favorable treatment to the Debtor or any of its affiliates in a manner that was not expressly contemplated at the time of investment. Because of those fiduciary obligations, the Debtor believes that it has a duty to seek this Court's authority to cause each of Dynamic, AROF, and RCP to make distributions to each such Fund's Related Entity investors in accordance with the applicable Fund's governing documents.

B. Section 363(c)(1) of the Bankruptcy Code Authorizes the Debtor to Make the Distributions

52. The Debtor believes that, but for the Protocols, Court approval of the Distributions to the Related Entities would not be required for the Funds to make distributions to their investors. However, even if Court approval were required, making the Distributions to the Related Entities is an ordinary course transaction authorized under section 363(c)(1). Specifically, section 363(c)(1) provides:

[i]f the business of the debtor is authorized to be operated under section. . . 1108. . . of this title. . . the trustee may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing.

11 U.S.C. § 363(c)(1). As such, a debtor may engage in postpetition actions if the debtor is authorized to operate its business under section 1108 and such transactions are "in the ordinary course of business."

53. An activity is “ordinary course” if it satisfies both the “horizontal test” and the “vertical test.” *See, e.g., Denton Cty. Elec. Coop. v. Eldorado Ranch, Ltd. (In re Denton Cty. Elec. Coop.)*, 281 B.R. 876, 882 n.12 (Bankr. N.D. Tex. 2002); *see also In re Roth American, Inc.*, 975 F.2d 949, 952 (3d Cir. 1992). The vertical test looks to “whether the transaction subjects a hypothetical creditor to a different economic risk than existed when the creditor originally extended credit.” *In re Patriot Place, Ltd.*, 486 B.R. 773, 793 (Bankr. W.D. Tex. 2013). The horizontal test considers “whether the transaction was of the sort commonly undertaken by companies in the industry.” *Id.* Here, both the vertical test and horizontal test are satisfied.

54. First, the vertical test is satisfied. The Distributions will be made in accordance with the applicable Fund’s governing documents, which govern the making of all distributions to investors, including Related Entity investors. The Distributions will thus be consistent with the types of distributions routinely made to investors in the Funds prior to the Petition Date. Because the Debtor is engaging in the same conduct postpetition as it did prepetition, the Debtor’s creditors are incurring no additional risk from the Distributions. In fact, the risks to the Debtor’s creditors may very well increase if the Distributions are not made as the Funds’ investors may, as discussed above, have various claims against both the Funds and the Debtor, as the investment manager.

55. Second, the horizontal test is satisfied. The Debtor is an investment manager. Investment managers manage hedge funds, private equity funds, and other investment vehicles, which funds by definition distribute the proceeds of their investments to investors. Assuming the Debtor has any role in the Distributions, the Debtor and the Funds are simply attempting to do postpetition what was done prepetition and to distribute investment gains and losses to the Funds’ investors. A fund that sequesters gains and refuses to distribute profits would

be more than an anomaly; it would arguably be a fraud. Consequently, the horizontal test is satisfied as making the Distributions is entirely consistent with the operation of investment managers and hedge funds throughout the industry.

C. Making the Distributions is a Sound Exercise of the Debtors' Business Judgment.

56. Although the Debtor believes that the Distributions are ordinary course pursuant to section 363(c)(1), and that, but for the Protocols, this Court's approval of the Distributions to the Related Entities would not be required. However, even if Court approval were required, the Debtor submits that the Distributions also satisfy section 363(b) of the Bankruptcy Code. Section 363(b)(1) of the Bankruptcy Code authorizes a debtor-in-possession to "use, sell, or lease, other than in the ordinary course of business, property of the estate," after notice and a hearing. It is well established in this jurisdiction that a debtor may use property of the estate outside the ordinary course of business under this provision if there is a good business reason for doing so. *See, e.g., ASARCO, Inc. v. Elliott Management. (In re ASARCO, L.L.C.)*, 650 F.3d 593, 601 (5th Cir. 2011) ("[F]or the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors, and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.") (*quoting In re Continental Air Lines, Inc.*, 780 F.3d 1223, 1226 (5th Cir. 1986)); 441 B.R. 813, 830 (Bankr. S.D. Tex. 2010); *GBL Holding Co., Inc. v. Blackburn/Travis/Cole, Ltd. (In re State Park Building Group, Ltd.)*, 331 B.R. 251, 254 (Bankr. N.D. Tex. 2005).

57. Here, making Distributions to the Related Entities is in the exercise of the Debtor's sound business judgment. As an initial matter, and as set forth above, Dynamic, AROF, and RCP are in liquidation because the Debtor (or, in the case of AROF, the Debtor's relying adviser) has determined, in its business judgment, that continuing the existence of those funds in the face of substantial redemptions, on the one hand, and the expiration of the Term, on the other,

is not practicable and not in the interest of those funds or their investors. In addition, failing to liquidate those funds in an orderly manner could result in some investors being disadvantaged. In order to liquidate, Dynamic, AROF, and RCP, by definition, must sell their assets, which sales generate cash. Under their relevant governing documents, that cash is to be distributed to investors in those Funds, and returning that cash to investors is how the Funds actually liquidate; the Funds cannot wind-down without distributing their assets to their investors. Further, the failure to distribute cash in accordance with the Fund Documents to all investors, including Related Entities, could subject the Debtor to claims for breach of contract and fiduciary duty. As such, the decision to liquidate Dynamic, AROF, and RCP is in the sound business judgment of the Debtor as is the distribution of the cash received as a result of that liquidation. Making the Distribution is the necessary and logical corollary to liquidating these funds and squarely within the Debtor's business judgment; they cannot be wound down without making the Distribution to all investors, including Related Entities.

No Prior Request

58. No previous request for the relief sought in this Motion has been made to this, or any other, Court.

Notice

59. Notice of this Motion shall be given to the following parties or, in lieu thereof, to their counsel, if known: (a) the Office of the United States Trustee; (b) the Office of the United States Attorney for the Northern District of Texas; (c) the Debtor's principal secured parties; (d) counsel to the Committee; and (e) parties requesting notice pursuant to Bankruptcy

Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE, the Debtor respectfully requests that the Court (a) grant the Motion, (b) enter an order, substantially in the form attached hereto as **Exhibit A**, and (c) grant such other relief as is just and proper.

[Remainder of Page Intentionally Blank]

Dated: February 24, 2020.

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EXHIBIT A

Proposed Order

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§

§

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§

§

§

Chapter 11

Case No. 19-34054-sgj11

Related to Docket No. _____

**ORDER AUTHORIZING, BUT NOT DIRECTING, THE DEBTOR TO CAUSE
DISTRIBUTIONS TO CERTAIN “RELATED ENTITIES”**

Having considered the *Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain “Related Entities”* (the “Motion”)² filed by the Debtor seeking entry of an order authorizing, but not directing, the Debtor to cause the

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

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

distribution of assets in the ordinary course of its business to certain Related Entities that have invested in Dynamic, AROF, and RCP, as more fully set forth in the Motion, and having heard the statements in support of the relief requested in the Motion at a hearing before this Court (the “Hearing”), the Court finds that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (ii) the Motion involves a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) venue of the Bankruptcy Case in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; (iv) the relief requested in the Motion is in the best interests of the Debtor’s estate, its creditors, and other parties-in-interest; (v) the Debtor’s notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no further or additional notice need be provided; and (vi) the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein. Accordingly, **IT IS HEREBY ORDERED THAT:**

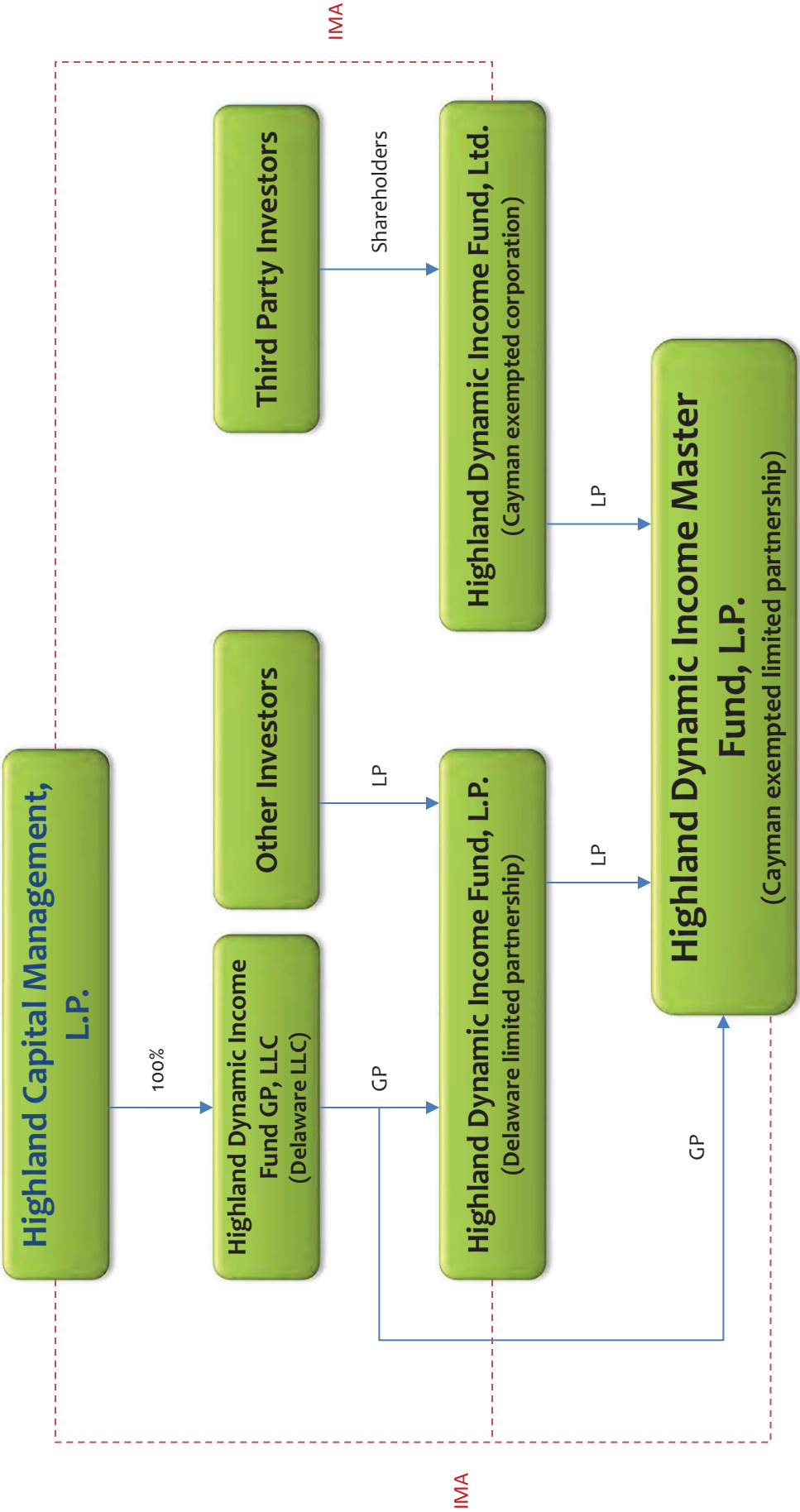
1. The Motion is **GRANTED** as set forth herein.
2. The Debtor is authorized, but not directed, to distribute or to cause the distribution of:
 - a. the Dynamic Distribution to the Related Entity investors in Dynamic, in accordance with the Dynamic Fund Documents,
 - b. the AROF Distribution to the Related Entity investors in AROF in accordance with the AROF Fund Documents, and
 - c. the RCP Distribution to the Related Entity investors in RCP in accordance with the RCP Fund Documents.
3. Notwithstanding any stay under applicable Bankruptcy Rules, this Order shall be effective immediately upon entry.

4. The Court shall retain jurisdiction over all matters arising from or related to the interpretation and implementation of this Order.

END OF ORDER

EXHIBIT “B”

Highland Dynamic Income Fund



004074

EXHIBIT “C”

HIGHLAND DYNAMIC INCOME FUND, L.P.

A Delaware Limited Partnership

Amended and Restated Limited Partnership Agreement

April 1, 2018

NOTICE

NEITHER HIGHLAND DYNAMIC INCOME FUND, L.P. NOR THE LIMITED PARTNER INTERESTS THEREIN HAVE BEEN OR WILL BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, OR THE SECURITIES LAWS OF ANY OF THE STATES OF THE UNITED STATES. THE OFFERING OF SUCH LIMITED PARTNER INTERESTS IS BEING MADE IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT FOR OFFERS AND SALES OF SECURITIES WHICH DO NOT INVOLVE ANY PUBLIC OFFERING, AND ANALOGOUS EXEMPTIONS UNDER STATE SECURITIES LAWS.

THE DELIVERY OF THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY OFFER, SOLICITATION OR SALE OF LIMITED PARTNER INTERESTS IN HIGHLAND DYNAMIC INCOME FUND, L.P. IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE LIMITED PARTNER INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE REQUIREMENTS AND CONDITIONS SET FORTH IN THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT.

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THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT of Highland Dynamic Income Fund, L.P. is dated effective as of April 1, 2018 by and among Highland Dynamic Income Fund GP, LLC, the Limited Partners, and those Persons who are hereafter admitted as additional Limited Partners in accordance with this Agreement. This Agreement amends and restates in its entirety the Limited Partnership Agreement of the Partnership dated March 28, 2013 (the “*Prior Agreement*”).

Article I
DEFINITIONS

For purposes of this Agreement:

“*Act*” means the Delaware Revised Uniform Limited Partnership Act, 6 Del. C. §§ 17-101, et seq., as in effect on the date hereof and as amended from time to time, or any successor law.

“*Administrator*” means such Person as the General Partner may designate from time to time, in its sole discretion, to serve as administrator to the Partnership.

“*Advisory Committee*” has the meaning set forth in Section 4.6.

“*Affiliate*” means, with respect to any Person, a Person which controls, is controlled by, or is under common control with, such Person. For these purposes, “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“*Affiliated Investors*” means the Investment Manager, the General Partner and their respective Affiliates, Principals, employees, partners, agents, the respective family members of such personnel and trusts and other entities established primarily for their benefit or for charitable purposes.

“*Agreement*” means this Amended and Restated Limited Partnership Agreement, as amended from time to time.

“*Authorized Representative*” has the meaning set forth in Section 7.6(a).

“*Bad Actor Limited Partner*” means a Limited Partner that (a) would cause the disqualification of the Partnership from using Rule 506 under the Securities Act due to the operation of paragraph (d) thereof (or its successor) if such Limited Partner were to beneficially own 20% or more of the outstanding voting interests of all of the Partners (excluding any other Interests that are Non-Voting Interests) or (b) the General Partner determines is likely to become subject to a conviction, order, judgment or finding that would be likely to cause the disqualification described in clause (a).

“**BBA**” means Subchapter C of Chapter 63 of the Code (Sections 6221 through 6241 of the Code), as enacted by the Bipartisan Budget Act of 2015, Pub. L. No. 114-74, as amended from time to time, and the Regulations thereunder (whether proposed, temporary or final), including any subsequent amendments, successor provisions or other guidance thereunder, and any equivalent provisions for state, local or non-U.S. tax purposes.

“**BBA Effective Period**” means any taxable year commencing after 2017, taking into account any extensions of the effective date set forth in the BBA.

“**BHCA**” means the Bank Holding Company Act of 1956, as amended.

“**BHCA Subject Person**” means any Limited Partner that is subject, directly or indirectly, to the provisions of Section 4 of the BHCA and the regulations of the Board of Governors of the Federal Reserve System promulgated thereunder.

“**Business Day**” means any day or days on which banks are open for business in the city of New York, NY and/or such other place or places as the General Partner may determine.

“**Capital Account**” has the meaning set forth in Section 3.3(a).

“**Certificate**” means the Certificate of Limited Partnership of the Partnership referred to in Section 2.1(b).

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended, and as hereafter amended, or any successor law.

“**Designated Individual**” has the meaning set forth in Section 7.2(a).

“**Election Notice**” has the meaning set forth in Section 8.11(c).

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

“**ERISA Partner**” means a Limited Partner which is (a) an employee benefit plan subject to the fiduciary provisions of ERISA, (b) a “plan” subject to Section 4975 of the Code, (c) an entity whose underlying assets include “plan assets” for purposes of ERISA by reason of a Plan’s investment in the entity, or (d) an entity that otherwise constitutes a “benefit plan investor” within the meaning of Section 3(42) of ERISA or any regulation promulgated thereunder.

“**FATCA**” means Sections 1471 through 1474 of the Code, as amended, and any Regulations thereunder or official interpretations or other official guidance thereof, including any successor Regulations or interpretations, and any intergovernmental agreement and any regulations with respect thereto or official interpretations or other official guidance thereof implementing the foregoing.

“**Fiscal Period**” means each period that starts at the opening of business on the Commencement Date (in the case of the initial Fiscal Period) and thereafter on the day

immediately following the last day of the preceding Fiscal Period, and that ends at the close of business on the earliest of the following dates:

- (a) the last day of a calendar month;
- (b) any date as of which any withdrawal or distribution of capital is made with respect to any Capital Account or as of which this Agreement provides for any amount to be credited to or debited against a Capital Account, other than a withdrawal or distribution by or to, or an allocation to, all Capital Accounts that does not result in any change of the Partnership Percentage relating to any Capital Account;
- (c) the date which immediately precedes any day as of which a capital contribution is accepted by the General Partner from any new or existing Partner; or
- (d) any other date which the General Partner selects.

“Fiscal Year” means the period commencing on the Commencement Date and ending on December 31 of the year of commencement, and thereafter each period commencing on January 1 of each year and ending on December 31 of such year, unless the General Partner shall elect another fiscal year; *provided* that any such other fiscal year shall be permissible for U.S. federal income tax purposes. In the case of the Fiscal Year in which the Partnership is terminated in accordance with Article VI, **“Fiscal Year”** means the portion of the calendar year ending on the date on which the Partnership is terminated.

“GAAP” means generally accepted accounting principles in the United States.

“General Partner” means Highland Dynamic Income Fund GP, LLC, a Delaware limited liability company, any successor thereto, and any Person hereafter admitted as an additional general partner, in its capacity as general partner of the Partnership.

“Indemnified Person” means each of the General Partner, the Investment Manager, any member, shareholder, partner, manager, director, officer, employee or agent of, or any person who controls, the General Partner, each of the respective affiliates of the foregoing, members of the Advisory Committee or the Pricing Committee, their respective affiliates, or any of the legal representatives of any of the foregoing.

“Interest” means the entire ownership interest of a Partner in the Partnership at the relevant time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement.

“Investment Company Act” means the U.S. Investment Company Act of 1940, as amended, and the regulations promulgated thereunder.

“Investment Management Agreement” means the investment management agreement by and among the Investment Manager, the General Partner, the Partnership, the Master Fund and the Offshore Fund.

“Investment Manager” means Highland Capital Management, L.P., a Delaware limited partnership, or any successor thereto, or any Person thereafter appointed as an investment manager of the Partnership in accordance with the Investment Management Agreement.

“Investments” means investments in securities or other financial or intangible investment instruments, contracts or products, whether made directly by the Partnership or through the Master Fund, as described in the Partnership’s offering memorandum.

“Limited Participation Investment” means an Investment which, as determined by the General Partner, is suitable for some but not all of the Partners, or of which certain Partners should receive a reduced participation, for legal, tax, regulatory or other bona fide reasons.

“Limited Participation Sub-Accounts” means memorandum accounts to be maintained in the accounting records of the Partnership on a Partner-by-Partner basis with respect to each particular Limited Participation Investment to reflect the entitlement of each Partner (other than a Partner who does not have any credit balance in its Capital Account at the time of the establishment of the Limited Participation Sub-Account that is unrelated to a pre-existing Limited Participation Sub-Account) to allocations and distributions attributable to Master Fund transactions involving such Limited Participation Investments.

“Limited Partner” means any Person admitted to the Partnership as a limited partner, until the entire Interest of such Person has been withdrawn pursuant to Section 5.5 or a substitute Limited Partner or Limited Partners are admitted with respect to such Person’s entire Interest.

“Majority of Limited Partners” means Limited Partners whose Partnership Percentages represent more than 50% of the aggregate Partnership Percentages of all Limited Partners.

“Management Fee” means the management fee, as defined in the Master Fund Partnership Agreement, payable by the Master Fund to the Investment Manager pursuant to the Investment Management Agreement.

“Master Fund” means Highland Dynamic Income Master Fund, L.P., a collective investment vehicle formed as an exempted limited partnership under the laws of the Cayman Islands in which the Partnership and the Offshore Fund place their assets and conduct their investment and trading activities.

“Master Fund Partnership Agreement” means the amended and restated agreement of limited partnership of the Master Fund, as the same may be amended or restated from time to time in accordance with the terms thereof.

“Negative Basis” means, with respect to any Partner and as of any time of calculation, the excess of such Partner’s “adjusted tax basis” in its Interest for U.S. federal income tax purposes at such time (determined without regard to any adjustments made to such adjusted tax basis by reason of any Transfer or assignment of such Interest, including by reason of death) over the amount that such Partner is entitled to receive upon withdrawal from or liquidation of the Partnership.

“Negative Basis Partner” means any Partner who withdraws all or a portion of its Interest from the Partnership and who has a Negative Basis as of the Withdrawal Date, but such Partner

shall cease to be a Negative Basis Partner at such time as it shall have received allocations pursuant to Section 3.10(d) equal to such Partner's Negative Basis as of the Withdrawal Date and without regard to such Partner's share of the liabilities of the Partnership under Section 752 of the Code.

"Net Assets" means the total value, as determined by the General Partner or its delegate(s) in accordance with Section 7.3, of all Investments and other assets of the Partnership (including net unrealized appreciation or depreciation of the assets and accrued interest and dividends receivable net of any withholding taxes), less an amount equal to all accrued debts, liabilities and obligations of the Partnership (including any reserves for contingencies accrued pursuant to Section 3.6). Except as otherwise expressly provided herein, Net Assets as of the first day of any Fiscal Period shall be determined on the basis of the valuation of assets conducted as of the close of the immediately preceding Fiscal Period but after giving effect to any capital contributions made by any Partner subsequent to the last day of such immediately preceding Fiscal Period and after giving effect to Management Fee charges (borne indirectly at the Master Fund level) and Net Assets as of the last day of any Fiscal Period shall be determined before giving effect to any of the following amounts payable by the Partnership generally or in respect of any Investment which are effective as of the date on which such determination is made:

- (a) any Performance Allocation (borne indirectly at the Master Fund level) as of the date on which such determination is made;
- (b) any withdrawals or distributions payable to any Partner which are effective as of the date on which such determination is made; and
- (c) withholding or other taxes (including any amounts under any BBA provision), expenses of processing withdrawals and other items payable, any increases or decreases in any reserves or other amounts recorded pursuant to Section 3.6 and any increases or decreases in the value of any Limited Participation Investments during the Fiscal Period ending as of the date on which such determination is made, to the extent the General Partner determines that, pursuant to any provisions of this Agreement, such items are not to be charged ratably among the Capital Accounts of all Partners on the basis of their respective Partnership Percentages as of the commencement of the Fiscal Period.

"Net Loss" means any amount by which the Net Assets as of the first day of a Fiscal Period exceed the Net Assets as of the last day of the same Fiscal Period.

"Net Profit" means any amount by which the Net Assets as of the last day of a Fiscal Period exceed the Net Assets as of the first day of the same Fiscal Period.

"Nonaffiliated Limited Partners" means Limited Partners that are not affiliates or employees of the Investment Manager.

"Non-Voting Interests" means an Interest, the holder of which is not entitled to vote, consent or withhold consent with respect to any Partnership matter (including, but not limited to, mergers, sales of substantially all assets or consolidations of the Partnership), except as otherwise expressly provided in this Agreement.

“Offshore Fund” means Highland Dynamic Income Fund, Ltd., a Cayman Islands exempted company.

“Other Account” means any assets or investment of the General Partner, or any assets managed by the General Partner or any Affiliate of the General Partner for the account of any Person or entity (including investment vehicles) other than the Partnership, which are invested or which are available for investment in securities or other instruments or for trading activities whether or not of the specific type being conducted by the Partnership.

“Other Agreement” has the meaning set forth in Section 8.12.

“Partner” means the General Partner or any of the Limited Partners, except as otherwise expressly provided herein, and **“Partners”** means the General Partner and all of the Limited Partners.

“Partnership” means the limited partnership formed pursuant to this Agreement.

“Partnership Minimum Gain” has the meaning set forth in Regulations Section 1.704-2(b)(2) and (d).

“Partnership Percentage” means a percentage established for each Partner on the Partnership’s books as of the first day of each Fiscal Period. The Partnership Percentage of a Partner for a Fiscal Period shall be determined by dividing the amount of such Partner’s Capital Account as of the beginning of the Fiscal Period (after crediting all capital contributions to such Capital Account which are effective as of such date, net of all deductions, including Management Fees borne at the Master Fund level) by the sum of the Capital Accounts of all of the Partners as of the beginning of the Fiscal Period (after crediting all capital contributions to the Partnership which are effective as of such date, net of all deductions, including Management Fees borne at the Master Fund level). The sum of the Partnership Percentages of all Capital Accounts for each Fiscal Period shall equal 100%.

“Performance Allocation” means the performance allocation, as defined in the Master Fund Partnership Agreement, allocated to the General Partner pursuant to the Master Fund Partnership Agreement.

“Person” means any individual, partnership, corporation, limited liability company, trust, or other entity.

“Plan Assets” means assets of the Partnership that are considered to be assets of an ERISA Partner, pursuant to Section 3(42) of ERISA or otherwise.

“Positive Basis” means, with respect to any Partner and as of any time of calculation, the excess of the amount that such Partner is entitled to receive upon withdrawal from or liquidation of the Partnership over such Partner’s “adjusted tax basis” in its Interest for U.S. federal income tax purposes at such time (determined without regard to any adjustments made to such adjusted tax basis by reason of any Transfer or assignment of such Interest, including by reason of death).

“Positive Basis Partner” means any Partner who withdraws all or a portion of its Interest from the Partnership and who has a Positive Basis as of the Withdrawal Date, but such Partner shall cease to be a Positive Basis Partner at such time as it shall have received allocations pursuant to Section 3.10(c) equal to such Partner’s Positive Basis as of the Withdrawal Date and without regard to such Partner’s share of the liabilities of the Partnership under Section 752 of the Code.

“Pricing Committee” has the meaning set forth in Section 4.7.

“Principals” means James D. Dondero and Mark K. Okada.

“Prior Agreement” has the meaning set forth in the preamble hereto.

“Regulations” means the proposed, temporary and final U.S. Treasury Regulations promulgated under the Code, including any successor regulations.

“Regulatory Allocations” has the meaning set forth in Section 3.11.

“Revocation Notice” has the meaning set forth in Section 8.11(c).

“RIC Limited Partner” means a Limited Partner that is registered as an investment company under the Investment Company Act.

“Schedule of Partners” means a schedule to be maintained by the General Partner containing the following information with respect to each Partner: (a) name; (b) address; (c) date of admission; (d) amount and date of all capital contributions and withdrawals; and (e) the amount and date of any permitted Transfers.

“Securities Act” means the U.S. Securities Act of 1933, as amended from time to time.

“Series” means a designated series of Interests established in accordance with this Agreement and having such terms as the General Partner determines.

“Tax Matters Partner” has the meaning set forth in Section 7.2(a).

“Transfer” means any direct or indirect sale, exchange, transfer, assignment, pledge, encumbrance, charge, exchange, hypothecation, placing of a lien or a security interest on an Interest or any other disposition by a Partner of its Interest to or in favor of another party, whether voluntary or involuntary (including, but not limited to, being offered or listed on or through any placement agent, intermediary, online service, site, agent or similar Person).

“Withdrawal Date” has the meaning set forth in Section 5.5(a).

“Withdrawal Gate” has the meaning set forth in 5.5(d).

“Withdrawal Notice” has the meaning set forth in Section 5.5(a).

Article II
ORGANIZATION

2.1 Continuation of Limited Partnership

- (a) The General Partner and the Limited Partners hereby agree to continue the Partnership as a limited partnership under and pursuant to the Act and this Agreement.
- (b) The General Partner has executed and filed with the Secretary of State of the State of Delaware an Amended Certificate of Limited Partnership of the Partnership (the “*Certificate*”), and shall execute, acknowledge and file with the Secretary of State of the State of Delaware any further amendments thereto as may be required by the Act, and any other instruments, documents and certificates which, in the opinion of the Partnership’s legal counsel, may from time to time be required by the laws of the United States of America, the State of Delaware or any other jurisdiction in which the Partnership determines to do business, or any political subdivision or agency thereof or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership. The General Partner shall cause any required amendment to the Certificate to be filed promptly following the event requiring such amendment. All amendments may be signed by the General Partner (as required by the Act) and may be signed either personally or by an attorney-in-fact.
- (c) The parties hereto agree to operate the Partnership as a limited partnership pursuant to the provisions of the Act and of this Agreement and agree that the rights and liabilities of the Limited Partners and the General Partner shall be as provided in the Act for limited partners and the general partner except as provided herein.
- (d) The General Partner may change the domicile of the Partnership to another state, country or other jurisdiction where advisable due to legal, tax or other considerations; *provided* that no such change of domicile would reasonably be expected to have a material adverse effect on the Limited Partners.
- (e) The parties acknowledge that they intend that the Partnership be taxed in the United States as a partnership and not as an association taxable as a corporation for U.S. federal income tax purposes. No election may be made to treat the Partnership as other than a partnership for U.S. federal income tax purposes. Each Partner agrees not to treat, on any income tax return or in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner inconsistent with the treatment of such item by the Partnership.

2.2 Name of Partnership

- (a) The name of the Partnership is Highland Dynamic Income Fund, L.P. or such other name as the General Partner may hereafter adopt, subject to causing an amendment to the Certificate to be filed with the Secretary of State of the State of Delaware in accordance with the Act. The Partnership commenced operations in 2013 as Highland Capital Loan Fund, L.P., and pursuant to Section 2.1(b), the General Partner filed an amended Certificate with the Secretary of State of the State of Delaware to affect the change of name. The General Partner will send a notice of any change of name to the Limited Partners. All business of the Partnership will be conducted under such name or under such other name as the General Partner deems appropriate.
- (b) The Partnership shall have the exclusive ownership and right to use the Partnership name so long as the Partnership continues, despite the withdrawal, expulsion, resignation or removal of any Limited Partner, but upon the Partnership's termination or at such time as there ceases to be a general partner, the Partnership shall assign the name and the goodwill attached thereto to the General Partner without payment by the assignee(s) of any consideration therefor.

2.3 Principal Office; Registered Office

- (a) The Partnership shall have its principal office at such location as the General Partner shall designate from time to time.
- (b) The Partnership shall have its registered office at c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, unless a different registered office or agent is designated from time to time by the General Partner.

2.4 Term of Partnership

The term of the Partnership commenced on the date on which the Certificate was filed with the office of the Secretary of State of the State of Delaware and will continue until dissolved pursuant to Section 6.1 (unless its term is extended pursuant to Section 6.1). The legal existence of the Partnership as a separate legal entity shall continue until the cancellation of the Certificate.

2.5 Object and Powers of Partnership

- (a) The Partnership is formed solely for the object and purpose of indirectly investing in Investments by subscribing for and holding a limited partner interest in, and investing all of its investible assets in, the Master Fund. The Partnership is a directed feeder fund for the Limited Partners with respect to the Master Fund. Notwithstanding any other provision of this Agreement, the Partnership shall perform no other business and shall not make directly any Investments as such Investments will be made by the Master Fund.

- (b) Notwithstanding any other provision of this Agreement, the Partnership, and the General Partner on behalf of the Partnership, may execute, deliver and perform any agreement with any Limited Partner or prospective Limited Partner without any further act, vote or approval of any Partner. The General Partner is hereby authorized to enter into the agreements described in the preceding sentence on behalf of the Partnership, but such authorization should not be deemed a restriction on the power of the General Partner to enter into other agreements on behalf of the Partnership. In furtherance of this purpose, the Partnership shall have all powers necessary, suitable or convenient for the accomplishment of the aforesaid purpose, subject to the limitations and restrictions set forth herein alone or with others, as principal or agent.
- (c) Each Limited Partner hereby acknowledges that the Partnership is not expected to qualify as an “operating company” for purposes of ERISA, and the assets of the Partnership may therefore constitute Plan Assets of ERISA Partners; and that the Partnership is therefore intended to be structured as a directed feeder fund through which the Limited Partners may participate in an investment in the Master Fund and with respect to which the General Partner is not, except as expressly provided under the terms of this Agreement, intended to have any discretionary authority or control with respect to the investment of the assets of the Partnership. Each Limited Partner (i) shall by making a capital contribution to the Partnership with respect to the Partnership’s underlying interests in the Master Fund, be deemed to direct the General Partner to invest the amount of such capital contribution in the Master Fund and (ii) acknowledges that during any period when the underlying interests of the Partnership in the Master Fund are deemed to constitute Plan Assets, the General Partner will act as a custodian with respect to the assets of such Limited Partner, but is not intended to be a fiduciary with respect to the assets of such Limited Partner for purposes of ERISA, the Code or any applicable similar law. No provision of this Agreement shall create any obligation of the general partner of the Master Fund and the general partner of the Master Fund will not have any fiduciary obligations to any person, under ERISA or otherwise, pursuant to this Agreement. Any action or determination of the general partner of the Master Fund referenced herein shall only regard such action or determination made by the general partner of the Master Fund solely in their capacity as the general partner thereof.

2.6 Liability of Partners

In no event shall any Limited Partner (or former Limited Partner) be obligated to make any contribution to the Partnership in addition to its agreed capital contribution (or other payments provided for herein) or have any liability for the repayment or discharge of the debts and obligations of the Partnership except to the extent provided herein or as required by the Act.

2.7 Actions by Partnership

The Partnership may execute, deliver and perform all contracts, agreements and other undertakings and engage in all activities and transactions as may in the opinion of the General Partner be necessary or advisable to carry out its objects as set forth in Section 2.5 above.

2.8 Reliance by Third Parties

Persons dealing with the Partnership are entitled to rely conclusively upon the power and authority of the General Partner as herein set forth.

2.9 UCC Status of Limited Partner Interests

- (a) For purposes of the grant, pledge, attachment or perfection of a security interest in an Interest or otherwise, the Interests shall be deemed to be “securities” within the meaning of Section 8-102(a)(15) and as provided by Section 8-103(c) of the Uniform Commercial Code as in effect from time to time in the State of Delaware or analogous provisions in the Uniform Commercial Code in effect in any other jurisdiction.
- (b) Any Interest may be evidenced by a certificate of partnership interest issued by the Partnership in such form as the General Partner may approve. Every certificate representing an Interest shall bear a legend substantially in the following form:

“For the purposes of Section 8-103 of the Uniform Commercial Code of the United States of America in effect in any relevant jurisdiction, the certificates representing an interest in the Limited Partnership shall constitute “securities” within the meaning of Section 8-102 and Section 8-103 of the Uniform Commercial Code.”

2.10 Series of Interests

The General Partner, at any time, may without notification to or consent of the other Limited Partners, create and offer different Series of Interests in the Partnership with such rights, obligations, liabilities, privileges, designations and preferences (including different investment strategies, underlying investments, degrees of leverage, management fees, performance allocations, brokerage commissions, transparency, withdrawal rights, co-investment opportunities, and other differences) as the General Partner may determine upon the issuance of such Series; provided that such Series would not reasonably be expected to have a material adverse effect on the existing Limited Partners. The terms and rights of such Series may be set forth in the Partnership’s offering memorandum, supplement thereto or a “side letter” or other agreement, which the General Partner may incorporate by reference. The General Partner, in its sole discretion, shall choose which Limited Partners may join a Series. Although the Partnership may offer more than one Series of Interests, the Partnership is not a Delaware series limited partnership and the assets and liabilities of the Partnership are not segregated by Series.

Article III CAPITAL

3.1 Contributions to Capital

- (a) The minimum required initial capital contribution of each Limited Partner to the Partnership shall be \$1,000,000, or such lesser amount as the General Partner may permit. The General Partner may change the required minimum initial contribution amount at any time.
- (b) The Partnership may accept additional contributions at such times as the General Partner may permit, but no Limited Partner shall be obligated to make any additional capital contribution to the Partnership, subject to the provisions of Section 3.5 and any contrary provision of the Act.
- (c) The General Partner or an Affiliate has made a capital contribution to the Partnership as set forth in the Schedule of Partners. Except as required by the Act, the General Partner shall not be required to make any additional capital contributions to the Partnership. The General Partner may, however, make capital contributions to the Partnership in such amounts and at such times as it may determine. The General Partner or any of its Affiliates shall have the right at any time to make additional capital contributions as a Limited Partner or General Partner. If the General Partner or any of its Affiliates or Affiliated Investors makes a capital contribution as a Limited Partner, the General Partner will have authority to waive or reduce the Management Fee or the Performance Allocation with respect to such Limited Partner.
- (d) The Partnership may enter into placement agent agreements providing compensation to unaffiliated third parties to assist in obtaining subscriptions for Interests, but such placement agent fees will not affect the subscription amount and will not be collected by or from the Partnership. Placement agents may be paid a portion of the Management Fee attributable to the investors solicited by such placement agents thereby reducing the compensation received by the Investment Manager. Placement agents may be indemnified by the Partnership.
- (e) Except as otherwise permitted by the General Partner (i) initial or additional capital contributions by each Partner shall be payable in cash and in one installment, and (ii) initial contributions shall be due as of the date of admission of such Person as a Limited Partner of the Partnership.

3.2 Rights of Partners in Capital

- (a) No Partner shall be entitled to interest on its capital contributions to the Partnership. For the avoidance of doubt, interest income, if any, earned on

subscription amounts remitted to the Partnership prior to the date an Interest is issued to a Partner will be payable to the Partnership and not applied toward the purchase of an Interest.

- (b) No Partner shall have the right to the return of any capital contribution to the Partnership except (i) upon withdrawal of such Partner pursuant to Section 5.5 or (ii) upon the dissolution of the Partnership pursuant to Section 6.1. The entitlement to any such return shall be limited to the value of the Capital Account of the Partner. The General Partner shall not be liable for the return of any such amounts.

3.3 Capital Accounts

- (a) The Partnership maintains a separate capital account (each a “*Capital Account*”) on the books and records of the Partnership for each Partner. The General Partner may, in its discretion, maintain separate memorandum sub-accounts related to a Capital Account for such purposes as the General Partner may determine appropriate, including for recordkeeping, accounting or reporting or to otherwise give effect to the provisions of this Agreement, and, if so determined by the General Partner, with each memorandum sub-account being maintained as if it were the Capital Account of a separate Partner for all purposes of this Agreement unless the context requires otherwise. References herein to a “Capital Account” shall be deemed to refer to such a capital memorandum sub-account where the context admits. Each Capital Account must reflect the aggregate sum of the balances of memorandum sub-accounts in such Partner’s Capital Account.
- (b) Each Capital Account shall have an initial balance equal to the amount of any cash and the net value of any property constituting the relevant Partner’s initial capital contribution to the Partnership.
- (c) Each Capital Account shall be increased by the amount of any cash and the net value of any property constituting additional contributions to such Partner’s Capital Account permitted pursuant to Section 3.1.
- (d) Each Capital Account shall be reduced by the amount of any cash and the net value of any property withdrawn by or distributed to the relevant Partner pursuant to Sections 5.5 or 6.3, including any amount deducted from any such withdrawal or distribution pursuant to Section 5.5(f).
- (e) Each Capital Account (including any corresponding capital sub-accounts) shall be adjusted to reflect allocations and other changes in the value of such Capital Account in the manner specified in the remaining provisions of this Article III.

3.4 Allocation of Net Profit and Net Loss

- (a) Subject to the remaining provisions of this Article III, as of the last day of each Fiscal Period, any Net Profit or Net Loss for such Fiscal Period shall be separately allocated among and credited to or debited against the Capital Accounts of the

Partners in proportion to their respective Partnership Percentages for such Fiscal Period.

- (b) Notwithstanding Section 3.4(a), items of income, gain, loss, deduction, credit and expenses for a Fiscal Period that are not allocable to specific Investments of the Master Fund, including short term interest income, receipt of any withdrawal charges by the Partnership, and audit, administration and legal expenses, shall be credited to or debited against the Capital Accounts of the Partners *pro rata* in accordance with their Partnership Percentages for such Fiscal Period.
- (c) Notwithstanding Section 3.4(a), items of income, gain, loss, deduction, credit and expenses that relate to a Limited Participation Investment shall be allocated exclusively to Partners who, as the General Partner determines, are eligible to participate in such Limited Participation Investment on a *pro rata* basis based on their relative participation in such Investment.

3.5 Allocation of Management Fees, Withholding Taxes and Certain Other Expenditures

- (a) The Partnership shall bear its allocable portion of the Management Fees in accordance with the Master Fund Partnership Agreement. The Management Fees borne by the Partnership shall be allocated to the Capital Accounts of the relevant Limited Partners subject to the Management Fee, and such Capital Accounts shall be subject to the corresponding adjustments. The Management Fee shall be charged at the Master Fund level through the use of capital sub-accounts in the Master Fund that correspond to the Capital Accounts in the Partnership.
- (b) Notwithstanding anything to the contrary herein, to the extent the General Partner or the Partnership is required by law (including under circumstances where the General Partner or the Partnership is unable to rely conclusively on any withholding certification provided by a Partner) to withhold or to make tax payments, including any interest or penalties, on behalf of or with respect to any Partner or Partners (including, without limitation, any amount attributable to an actual or imputed underpayment of taxes under any BBA provision, backup withholding or FATCA withholding), the General Partner or the Partnership may withhold such amounts and make such tax payments as so required. If the Partnership directly or indirectly pays or incurs any withholding tax or other tax obligation (including any amount under any BBA provision), or otherwise incurs a tax payment with respect to the income allocable or distributable to, or otherwise attributable to, one or more Partners, then the amount of such withholding tax, tax obligation or payment will be treated as a distribution to such Partner or Partners, as applicable, pursuant to the terms of this Agreement. Such amount will be debited against the Capital Account(s) of such Partner or Partners as of the close of the Fiscal Period during which the Partnership so withholds, pays or incurs such obligation. If the amount so withheld, paid or incurred is greater than the balance of the Capital Account(s) of the relevant Partner or Partners, as applicable, then such Partner or Partners and any successors must make a contribution to the capital of the Partnership within 10 business days after notification and demand by the

General Partner in the amount of such excess. The General Partner is not obligated to apply for or obtain a refund, or reduction of or exemption from withholding tax on behalf of any Partner that may be eligible for such refund, reduction or exemption, or otherwise obligated to structure Investments so as to reduce or avoid any such withholding tax. Each Limited Partner agrees to repay to the Partnership and the General Partner and each of the partners and former partners of the General Partner, any liability for taxes, interest or penalties which may be asserted by reason of the failure to deduct and withhold tax on amounts distributable or allocable to such Limited Partner.

- (c) Except as otherwise provided for in this Agreement, any expenditures payable by the Partnership, to the extent determined by the General Partner to have been paid or withheld on behalf of, or by reason of particular circumstances applicable to, one or more but fewer than all of the Partners, shall be charged only to the relevant Capital Accounts of those Partners on whose behalf such payments are made or whose particular circumstances gave rise to such payments. Such charges shall be debited from the relevant Capital Accounts of such Partners as of the close of the Fiscal Period during which any such items were accrued by the Partnership.

3.6 Reserves; Adjustments for Certain Future Events

- (a) The General Partner may cause appropriate reserves to be created, accrued and charged against Net Assets including Limited Participation Investments and proportionately against the Capital Accounts for contingent liabilities or probable losses, such reserves to be in the amounts which the General Partner deems necessary or appropriate. The General Partner may increase or reduce any such reserve from time to time by such amounts as the General Partner deems necessary or appropriate. The amount of any such reserve, or any increase or decrease therein, may, at the election of the General Partner, be charged or credited, as the General Partner deems appropriate, to the Capital Accounts of those parties that were Partners at the time when such reserve was created, increased, or decreased, as the case may be, or alternatively may be charged or credited to those parties that were Partners at the time of the act or omission giving rise to the contingent liability for which the reserve was established by the General Partner.
- (b) If the General Partner determines that it is equitable to treat an amount to be paid or received as being applicable to one or more prior periods, then all or a portion of such amount may be proportionately charged or credited, as appropriate, in proportion to the Capital Account balances of the current Partners as such balances existed during any such prior period.

3.7 Performance Allocation

The Partnership bears its allocable portion of the Performance Allocation in accordance with the Master Fund Partnership Agreement. The Performance Allocation borne by the Partnership shall be specially allocated to the Capital Accounts of the relevant Limited Partners,

and such Capital Accounts shall be subject to the corresponding adjustments. The Performance Allocation shall be debited at the Master Fund level.

3.8 Limited Participation Investments

Whenever the Partnership indirectly makes a Limited Participation Investment through the Master Fund, a Limited Participation Sub-Account shall be established for each Partner participating in such Limited Participation Investment to reflect such Partner's *pro rata* share of all allocations and distributions attributable to transactions involving such Limited Participation Investment (and any related follow-on Investment, unless the General Partner determines to treat such follow-on Investment as a new Limited Participation Investment). Thereafter, all credits and debits relating to such Limited Participation Investment (including those specifically referred to herein) shall be allocated among the Limited Participation Sub-Accounts for such Limited Participation Investment on a *pro rata* basis in accordance with each Partner's interest in such Limited Participation Investment. Expenses that relate to a Limited Participation Investment shall be allocated exclusively among the Limited Participation Sub-Accounts for such Limited Participation Investment on a *pro rata* basis in accordance with each Partner's interest in such Limited Participation Investment.

3.9 Allocation to Avoid Capital Account Deficits

To the extent that any debits pursuant to this Article III would reduce the balance of the Capital Account of any Limited Partner below zero, that portion of any such debits shall instead be allocated to the Capital Account of the General Partner. Any credits in any subsequent Fiscal Period which would otherwise be allocable pursuant to this Article III to a Capital Account of any Limited Partner previously affected by the application of this Section 3.9 shall instead be allocated to the Capital Account of the General Partner in such amounts as are necessary to offset all previous debits attributable to such Limited Partner pursuant to this Section 3.9 not previously recovered.

3.10 Allocations for Income Tax Purposes

Notwithstanding anything to the contrary in this Agreement:

- (a) Income Tax Allocations. Except as otherwise required by Code Section 704(c), items of income, gain, deduction, loss, or credit that are recognized for income tax purposes in each Fiscal Year will be allocated among the Partners in such manner as to reflect equitably amounts credited to or debited against each Partner's Capital Account, whether in such Fiscal Year or in prior Fiscal Years. To this end, the Partnership will establish and maintain records which shall show the extent to which the Capital Account of each Partner will, as of the last day of each Fiscal Year, comprise amounts that have not been reflected in the taxable income of such Partner. To the extent deemed by the General Partner to be feasible and equitable, taxable income and gains in each Fiscal Year shall be allocated among the Partners who have enjoyed the related credits to their Capital Accounts, and items of deduction, loss and credit in each Fiscal Year shall be allocated among the Partners who have borne the burden of the related debits to their Capital Accounts. Foreign

tax credits attributable to taxes incurred by the Partnership shall be allocated in a manner consistent with Section 1.704-1(b)(4)(viii) of the Regulations. All matters concerning allocations for U.S. federal, state and/or local income tax purposes, including accounting procedures, not expressly provided for in this Agreement will be determined by the General Partner.

- (b) Basis Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) of the Code or Section 743(b) of the Code is required under Section 1.704-1(b)(2)(iv)(m) of the Regulations to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Regulations; *provided* that in the event that an adjustment to the book value of Partnership property is made as a result of an adjustment pursuant to Section 734(b) of the Code, items of income, gain, loss, or deduction, as computed for book and tax purposes, will be specially allocated among the Partners so that the effect of any such adjustment shall benefit (or be borne by) the Partner(s) receiving the distribution that caused such adjustment.
- (c) Positive Basis Allocations. If the Partnership realizes gains or items of gross income (including short term capital gain) from the sale of Partnership assets for U.S. federal income tax purposes for any Fiscal Year in which one or more Positive Basis Partners withdraws all or a portion of its Interest from the Partnership pursuant to Section 5.5, the General Partner may elect: (i) to allocate such gains or items of gross income among such Positive Basis Partners, *pro rata* in proportion to the respective Positive Basis of each such Positive Basis Partner, until either the full amount of such gains or items of gross income shall have been so allocated or the Positive Basis of each such Positive Basis Partner shall have been eliminated; and (ii) to allocate any gains or items of gross income not so allocated to Positive Basis Partners to the other Partners in such manner as shall reflect equitably the amounts credited to such Partners' Capital Accounts pursuant to Section 3.3; *provided, however*, that if, following such Fiscal Year, the Partnership realizes gains or items of gross income from a sale of an Investment the proceeds of which are designated on the Partnership's books and records as being used to effect payment of all or part of the liquidating share of any Positive Basis Partner that continues to be a Partner in the Partnership following such withdrawal (*i.e.*, such Positive Basis Partner effected a partial, and not a complete, withdrawal of its Interest), there shall be allocated to such Positive Basis Partner an amount of such gains or items of gross income equal to the amount, if any, by which its Positive Basis as of the Withdrawal Date exceeds the amount allocated to such Partner pursuant to clause (i) of this sentence.
- (d) Negative Basis Allocations. If the Partnership realizes net losses or items of gross loss or deduction (including short term capital loss) from the sale of Partnership assets for U.S. federal income tax purposes for any Fiscal Year in which one or

more Negative Basis Partners withdraws all or a portion of its Interest from the Partnership pursuant to Section 5.5, the General Partner may elect: (i) to allocate such net losses or items of gross loss or deduction among such Negative Basis Partners, *pro rata* in proportion to the respective Negative Basis of each such Negative Basis Partners, until either the full amount of such losses or items of loss or deduction shall have been so allocated or the Negative Basis of each such Negative Basis Partner shall have been eliminated; and (ii) to allocate any net losses or items of gross loss or deduction not so allocated to Negative Basis Partners to the other Partners in such manner as shall reflect equitably the amounts credited to such Partners' Capital Accounts pursuant to Section 3.3; *provided, however*, that if, following such Fiscal Year, the Partnership realizes net losses or items of gross loss and deduction from a sale of an Investment the proceeds of which are designated on the Partnership's books and records as being used to effect payment of all or part of the liquidating share of any Negative Basis Partner that continues to be a Partner in the Partnership following such withdrawal (*i.e.*, such Negative Basis Partner effected a partial, and not a complete, withdrawal of its Interest), there shall may be allocated to such Negative Basis Partner an amount of such net losses or items of gross loss or deduction equal to the amount, if any, by which its Negative Basis as of the Withdrawal Date exceeds the amount allocated to such Partner pursuant to clause (i) of this Section 3.10(d).

- (e) Qualified Income Offset. In the event any Limited Partner unexpectedly receives any adjustments, allocations, or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Regulations, items of Partnership income and gain will be specially allocated to each such Limited Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the deficit balance in the Capital Account of such Limited Partner as quickly as possible; *provided* that an allocation pursuant to this Section 3.10(e) may be made only if and to the extent that such Limited Partner would have a deficit balance in its Capital Account after all other allocations provided for in this Article III have been tentatively made as if this Section 3.9(e) were not in this Agreement. This Section 3.10(e) is intended to constitute a "qualified income offset" within the meaning of Section 1.704-1(b)(2)(ii) of the Regulations and shall be interpreted consistently therewith.
- (f) Minimum Gain Chargeback. Notwithstanding any other provision of this Section 3.10, if there is a net decrease in Partnership Minimum Gain during any Fiscal Year, the Partners will be specially allocated items of Partnership income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to the portion of any such Partner's share of the net decrease in Partnership Minimum Gain, determined in accordance with Regulations Sections 1.704-2(f) and (g). This Section 3.10(f) is intended to comply with the minimum gain chargeback requirement in such sections of the Regulations and must be interpreted consistently therewith.
- (g) Gross Income Allocation. In the event any Limited Partner has a deficit Capital Account at the end of any Fiscal Year that is in excess of the sum of (i) the amount

such Limited Partner is obligated to restore pursuant to any provision of this Agreement and (ii) the amount such Limited Partner is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations, each such Limited Partner will be specially allocated items of Partnership gross income and gain in the amount of such excess as quickly as possible; *provided* that an allocation pursuant to this Section 3.10(g) may be made only if and to the extent that such Limited Partner would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article III have been made as if Section 3.10(e) and this Section 3.10(g) were not in this Agreement.

- (h) Section 704(b) Compliance. The allocations provided in this Section 3.10 are intended to comply with the Regulations under Section 704(b) of the Code and may, as determined by the General Partner, be interpreted and applied in a manner consistent therewith.

3.11 Curative Allocations

The allocations set forth in Sections 3.10(b), (e), (f) and (g) (the “**Regulatory Allocations**”) are intended to comply with certain requirements of the Regulations. It is the intent of the Partners that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Partnership income, gain, loss, or deduction pursuant to this Section 3.11. Therefore, notwithstanding any other provision of this Article III (other than the Regulatory Allocations), the General Partner shall make such offsetting special allocations of the Partnership income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Partner’s Capital Account balance is, to the extent possible, equal to the Capital Account balance such Partner would have had if the Regulatory Allocations were not part of this Agreement and all Partnership items were allocated pursuant to other provisions of this Article III (other than the Regulatory Allocations).

3.12 Individual Partners’ Tax Treatment

Each Partner agrees not to treat, on any U.S. federal, state, local and/or non-U.S. income tax return or in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner inconsistent with the treatment of such item by the Partnership.

3.13 Distributions

- (a) The amount and timing of any distributions from the Partnership shall be determined by the General Partner. Distributions will generally be made in proportion to the Capital Account balances of the Partners at the beginning of the Fiscal Period when made; *provided* that distributions related to Limited Participation Investments will be made based on the proportionate interests of the Capital Accounts participating in such Investments. Any distributions may be paid in cash, in kind or partly in cash and partly in kind.

- (b) Notwithstanding any provision to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, may not make a distribution to any Partner on any account of its Interest if such distribution would violate Section 17-607 of the Act or other applicable law.

Article IV
MANAGEMENT

4.1 Duties and Powers of the General Partner

- (a) Subject to the terms and conditions of this Agreement, the General Partner shall have complete and exclusive power and responsibility, to the fullest extent permitted by the Act, for managing and administering the affairs of the Partnership (other than any investment or trading activities, which are entered into at the Master Fund level and managed by the Investment Manager), and shall have the power and authority to do all things that the General Partner considers necessary or desirable to carry out its duties hereunder and to achieve the purposes of the Partnership.
- (b) The General Partner shall have the right, without the notification to or consent of any Limited Partner or other Person, to make adjustments to the structure of the Partnership in order to address applicable structural, ownership, legal, or regulatory issues, or to improve overall tax efficiency; *provided* that no such adjustment would cause any material adverse consequences to the Limited Partners.
- (c) Without limiting the generality of the General Partner's duties and powers hereunder and notwithstanding anything to the contrary contained herein, the General Partner shall have full power and authority, subject to the other terms and provisions of this Agreement, to execute, deliver and perform such contracts, agreements and other undertakings on behalf of the Partnership, without the consent or approval of any other Person, and to engage in all activities and transactions, as it may deem necessary or advisable for, or as may be incidental to, the conduct of the business contemplated by this Section 4.1, including, without in any manner limiting the generality of the foregoing, (i) contracts, agreements, undertakings and transactions with any Partner or with any other Person, firm or corporation having any business, financial or other relationship with any Partner or Partners, (ii) agreements with each Limited Partner in connection with its purchase of an Interest, including a subscription agreement wherein such Limited Partner agrees to be bound by the terms of this Agreement, (iii) any agreements to induce any Person to purchase an Interest and (iv) the Investment Management Agreement delegating to the Investment Manager certain of the powers and authority vested by this Agreement in the General Partner as the General Partner and the Investment Manager may agree from time to time, each without any further act, approval or vote of any Person.

- (d) The General Partner may terminate or replace the Investment Manager in accordance with the terms of the Investment Management Agreement. The General Partner may delegate to any other Person any power and authority vested in the General Partner pursuant to this Agreement that is not otherwise delegated to the Investment Manager.
- (e) Every power vested in the General Partner pursuant to this Agreement shall be construed as a power to act (or not to act) in its sole and absolute discretion, except as otherwise expressly provided herein. No provision of this Agreement shall be construed to require the General Partner to violate the Act or any other law, regulation or rule of any self-regulatory organization.
- (f) Notwithstanding any other provision of this Agreement or otherwise applicable provision of law or equity, whenever in this Agreement, the General Partner is permitted or required to make a decision (i) in its “sole discretion” or “discretion” or under a grant of similar authority or latitude, the General Partner shall be entitled to consider only such interests and factors as it desires, including its own interests, and shall, to the fullest extent permitted by applicable law, have no duty or obligation to give any consideration to any interest of or factors affecting the Partnership or the Limited Partners, or (ii) in its “good faith” or under another expressed standard, the General Partner shall act under such express standard and shall not be subject to any other or different standards. Unless otherwise expressly stated, for purposes of this Section 4.1(g), the General Partner shall be deemed to be permitted or required to make all decisions hereunder in its sole discretion.
- (g) If requested by the General Partner, each Limited Partner shall deliver to the General Partner: (i) an affidavit in form satisfactory to the General Partner that the applicable Limited Partner (and its partners, shareholders, members, and/or beneficial owners, and/or controlling persons, as the case may be) is not subject to withholding under the provisions of any United States federal, state, local or non-U.S. laws; (ii) any certificate that the General Partner may reasonably request with respect to any such laws; (iii) any other form or instrument reasonably requested by the General Partner relating to such Limited Partner’s status under such laws; and/or (iv) any information or documentation prescribed under FATCA or as may be necessary for the Partnership to comply with its obligations, or to avoid withholding, under FATCA or any other automatic exchange of information agreement or arrangement, including, without limitation, the Organisation for Economic Cooperation and Development’s Common Reporting Standard. In the event that a Limited Partner fails or is unable to deliver to the General Partner an affidavit described in Section 4.1(g), the General Partner may withhold amounts from such Partner in accordance with Section 3.5(b).

4.2 Expenses

- (a) Subject to Section 4.2(f), each of the General Partner and the Investment Manager pays all of its own operating and overhead costs without reimbursement by the Partnership (except liability insurance and items described in Section

4.2(b)(iv)). The Partnership will not have its own separate employees or officers, and it will not reimburse the General Partner or the Investment Manager for salaries, office rent and other general overhead expenses of the General Partner or the Investment Manager.

- (b) The Partnership, and not the General Partner or the Investment Manager, will pay, or reimburse the General Partner and the Investment Manager for, all other costs, fees and expenses arising in connection with the Partnership's operations, including, without duplication, its *pro rata* share of the Master Fund's expenses. Such expenses payable by the Partnership include the following:
- (i) the Partnership's *pro rata* share of all investment-related expenses (including those related to identifying and evaluating contemplated investments, whether or not such contemplated investments are actually made), including, but not limited to, brokerage commissions and other transaction costs, expenses related to short sales, clearing and settlement charges, expenses related to proxies, underwriting and private placements, custodial fees, transfer agent fees, bank service fees, any governmental, regulatory, licensing, filing or registration fees incurred in compliance with the rules of any self-regulatory organization or any federal, state or local laws, consulting and any other professional fees or compensation (including investment banking expenses) relating to particular investments or contemplated investments, appraisal fees and expenses, investment-related travel and lodging expenses and research-related expenses (including, without limitation, news and quotation equipment and services), fees to third-party providers of risk-monitoring services, investment and trading-related computer hardware and software, including, without limitation, trade order management software (i.e., software used to route trade orders);
 - (ii) accounting (including accounting software), audit and tax preparation expenses;
 - (iii) costs and expenses associated with reporting and providing information to existing and prospective investors;
 - (iv) any legal fees and costs (including indemnification expenses, regulatory costs and settlement costs) arising in connection with any litigation or regulatory investigation instituted against the Partnership, the General Partner, the Investment Manager or any of their respective affiliates in their capacity as such, subject to Section 4.5;
 - (v) except as otherwise provided in Section 3.5, any withholding, transfer or other taxes imposed or assessed upon, or payable by, the Partnership (including interest and penalties);

- (vi) costs of any meeting of the Partners (or of obtaining the consent of the Partners in lieu of meeting);
 - (vii) expenses related to the Advisory Committee and the Pricing Committee;
 - (viii) premiums for directors' and officers' liability insurance (if any) and any other insurance benefiting the Partnership;
 - (ix) Management Fees;
 - (x) administrative expenses (including, without limitation, the fees and expenses of the Administrator in relation to its services provided pursuant to the administration agreement);
 - (xi) fees relating to valuing the Partnership's assets;
 - (xii) expenses related to the maintenance of the Partnership's registered office;
 - (xiii) corporate licensing expenses;
 - (xiv) extraordinary expenses; and
 - (xv) any costs or expenses of winding up and liquidating the Partnership.
 - (xvi) a *pro rata* portion of similar costs and expenses with respect to the Master Fund.
- (c) Expenses generally will be borne *pro rata* by the Partners in accordance with their respective Capital Account balances; *provided* that expenses may be specially allocated among the Partners as follows:
- (i) with respect to expenses related to Investments (other than Limited Participation Investments), *pro rata* in accordance with their respective Capital Account balances exclusive of the value of any Limited Participation Sub-Account; and
 - (ii) as provided elsewhere in this Agreement, including Sections 3.4, 3.5, 3.6, 3.8 and 5.5.
- (d) Each of the General Partner and the Investment Manager, as appropriate, shall be entitled to reimbursement from the Partnership for any of the expenses paid by it on behalf of the Partnership pursuant to Section 4.2(b); *provided* that the General Partner may absorb any or all of such expenses incurred on behalf of the Partnership. The Investment Manager may retain, in connection with its responsibilities hereunder, the services of others to assist in the investment advice to be given to the Partnership, including, but not limited to, any affiliate of the Investment Manager, but payment for any such services shall be assumed by the Investment Manager and the Partnership shall not have any liability therefor;

provided, however, that the Investment Manager, in its sole discretion, may retain the services of independent third party professionals, including, without limitation, attorneys, accountants and consultants, to advise and assist it in connection with the performance of its activities on behalf of the Partnership hereunder, and the Partnership shall bear full responsibility therefor and the expense of any fees and disbursements arising therefrom.

- (e) If the General Partner or the Investment Manager, as appropriate, shall incur any of the expenses referred to in Section 4.2(b) for the account or for the benefit of, or in connection with its activities or those of its Affiliates on behalf of, both the Partnership and any Other Account, the General Partner or the Investment Manager, as appropriate, will allocate such expense among the Partnership and each such Other Account in proportion to the size of the Investment made by each in the activity or entity to which the expense relates, or in such other manner as the General Partner considers fair and reasonable.
- (f) Each of the General Partner and the Investment Manager is entitled to use “soft dollars” generated by the Master Fund to pay for certain investment research and brokerage services that provide lawful and appropriate assistance to the General Partner or the Investment Manager in the performance of investment decision-making responsibilities to the extent such use falls within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended, or is otherwise reasonably related to the investment decision-making process, or to cover certain Partnership expenses described in Section 4.2(b). Use of “soft dollars” by the General Partner or the Investment Manager as described herein shall not constitute a breach by either the General Partner or the Investment Manager of any fiduciary or other duty which the General Partner or the Investment Manager may be deemed to owe to the Partnership or its Partners.

4.3 Rights of Limited Partners

The Limited Partners shall take no part in the management, control or operation of the Partnership’s business, and shall have no right or authority to act for the Partnership or to vote on matters other than the matters set forth in this Agreement or as required by applicable law. Except as otherwise provided herein or required by law, a Limited Partner shall have no liability for the debts or obligations of the Partnership.

4.4 Other Activities of Partners

- (a) The General Partner shall not be required to devote any specific amount of its time to the affairs of the Partnership, but shall devote such of its time to the business and affairs of the Partnership as it shall determine in good faith to be necessary to conduct the affairs of the Partnership for the benefit of the Partnership and the Partners.
- (b) Each Partner agrees that any other Partner, and any partner, director, officer, shareholder, member, Affiliate or employee of any other Partner, may engage in or

possess an interest in other business ventures or commercial dealings of every kind and description, independently or with others, including, but not limited to, management of other accounts, investment in, or financing, acquisition and disposition of, securities, investment and management counseling, brokerage services, serving as directors, officers, advisers or agents of other companies, partners of any partnership, or trustee of any trust, or entering into any other commercial arrangements, and will not be disqualified solely on the basis that any such activities may conflict with any interest of the parties with respect to the Partnership. Without in any way limiting the foregoing, each Partner hereby acknowledges that (i) none of the Partners or their respective partners, directors, officers, shareholders, members, Affiliates or employees shall have any obligation or responsibility to disclose or refer any of the investment or other opportunities obtained through activities contemplated by this Section 4.4(b) to the General Partner or the Limited Partners, but may refer the same to any other party or keep such opportunities for their own benefit; and (ii) the Partners and their respective partners, directors, officers, shareholders, members, Affiliates and employees are hereby authorized to engage in activities contemplated by this Section 4.4(b) with, or to purchase, sell or otherwise deal or invest in Investments issued by, companies in which the General Partner might from time to time invest or be able to invest or otherwise have any interest on behalf of the Partnership, without the consent or approval of the Partnership or any other Partner. The Partners expressly agree that no other Partner shall have any rights in or to such other activities, or any profits derived therefrom.

- (c) The General Partner and its Affiliates shall allocate investment opportunities to the Partnership and any Other Account fairly and equitably over time. Notwithstanding the foregoing, the General Partner is under no obligation to accord exclusivity or priority to the Partnership in the event of limited investment opportunities. This means that such opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) whether the risk-return profile of the proposed Investment is consistent with the account's objectives and program, whether such objectives are considered in light of the specific Investment under consideration or in the context of the portfolio's overall holdings; (ii) the potential for the proposed Investment to create an imbalance in the account's portfolio (taking into account expected inflows and outflows of capital); (iii) liquidity requirements of the account; (iv) potentially adverse tax consequences; (v) regulatory and other restrictions that would or could limit an account's ability to participate in a proposed Investment; and (vi) the need to re-size risk in the account's portfolio. The General Partner has the authority to allocate trades to multiple accounts on an average price basis or on another basis it deems fair and equitable. Similarly, if an order on behalf of any accounts cannot be fully allocated under prevailing market conditions, the General Partner may allocate the trades among different accounts on a basis it considers fair and equitable over time.
- (d) The Principals of the General Partner, as well as the employees and officers thereof and of organizations affiliated with the General Partner, may buy and sell securities

for their own account or the account of others, but may not buy securities from or sell securities to the Partnership (such prohibition does not extend to the purchase or sale of Interests) unless appropriate approval of the Advisory Committee is obtained and such purchase or sale is in compliance with the applicable provisions of the Advisers Act or such purchase or sale is otherwise in compliance with the applicable provisions of the Advisers Act.

- (e) Each Partner hereto hereby waives, and covenants not to bring a cause of action in law or equity on the basis of, any law (statutory, common law or otherwise) respecting the rights and obligations of the Partners which is or may be inconsistent with this Section 4.4.
- (f) The General Partner and its Affiliates reserve the right to establish collective investment vehicles that have stated investment programs or terms that differ from those of the Partnership or that are targeted primarily to investors for which the Partnership is not designed to be a suitable investment vehicle. The General Partner and its Affiliates also reserve the right to establish and provide management or advisory services pursuant to separate Other Accounts for significant investors, whether or not such accounts have the same investment program as the Partnership.

4.5 Duty of Care; Indemnification

- (a) None of the Indemnified Persons will be liable to the Partnership or any Limited Partner or any other person for mistakes of judgment or for action or inaction that did not constitute gross negligence, willful misconduct or bad faith, or for losses due to such mistakes, action or inaction or to the negligence, dishonesty or bad faith of any broker or agent of the Partnership, provided that such broker or agent was selected, engaged or retained by the Indemnified Person in accordance with the standard of care set forth above. No Indemnified Person shall be liable to the Partnership or any Limited Partner or any other person for any amount in excess of the amount of Management Fees received by the Investment Manager, to the extent permitted under applicable law. In addition, in no event shall any Indemnified Person be liable for any special, indirect, exemplary, consequential or punitive losses or damages. An Indemnified Person may consult with counsel and accountants in respect of the Partnership's affairs and will be fully protected and justified in any action or inaction which is taken in accordance with the advice or opinion of such counsel or accountants, provided that they were selected in accordance with the standard of care set forth above. The foregoing provisions, however, shall not be construed so as to provide for the exculpation of an Indemnified Person of any liability (including liability under U.S. Federal securities laws which, under certain circumstances, impose liability even on persons acting in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law (including liability under U.S. Federal securities laws which, under certain circumstances, impose liability even on persons acting in good faith), but shall be construed so as to effectuate the abovementioned provisions to the fullest extent permitted by law.

- (b) The Partnership shall, to the fullest extent permitted by law, indemnify and hold harmless each Indemnified Person from and against any and all loss, cost or expense suffered or sustained by an Indemnified Person by reason of the fact that it, he or she is or was an Indemnified Person, including, without limitation, any judgment, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, suit or proceeding, provided that such liability, damage loss, cost or expense resulted from a mistake of judgment on the part of an Indemnified Person or from action or inaction that did not constitute gross negligence, willful misconduct or bad faith, or from the negligence, dishonesty or bad faith of a broker or other agent of an Indemnified Person, provided that such broker or agent was selected, engaged or retained by the Indemnified Person in accordance with the standard of care set forth above. The Partnership will, in the sole discretion of the General Partner, advance to any Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any action, suit or proceeding which arises out of such conduct. In the event that such an advance is made by the Partnership, the Indemnified Person will agree to reimburse the Partnership to the extent that it is finally determined that it was not entitled to indemnification in respect thereof.
- (c) Notwithstanding any of the foregoing, the provisions of this Section 4.5 do not provide for the indemnification of any Indemnified Person for any liability (including liability under Federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the above provisions to the fullest extent permitted by law.
- (d) Pursuant to the foregoing indemnification and exculpation provisions applicable to each Indemnified Person, the Partnership (and not the applicable Indemnified Person) will be responsible for any losses resulting from trading errors and similar human errors, absent gross negligence, bad faith or willful misconduct of any Indemnified Person.
- (e) The above-mentioned Indemnified Persons are also indemnified by each Limited Partner for any amounts of tax withheld or required to be withheld with respect to that Limited Partner, and also for any amounts of interest, additions to tax, penalties and other costs borne by any such persons in connection therewith to the extent that the balance of the Limited Partner's Capital Account is insufficient to fully compensate the General Partner the Investment Manager for such costs.

4.6 Advisory Committee

- (a) The General Partner and/or the Investment Manager may appoint a committee (the "**Advisory Committee**") composed of one or more individuals selected by the General Partner and/or the Investment Manager from time to time, none of whom is affiliated with the General Partner or the Investment Manager.

- (b) The General Partner and/or the Investment Manager may in its/their discretion seek the approval of the Advisory Committee or establish any other reasonable mechanism in connection with (i) approvals that are or would be required under the Investment Advisers Act of 1940, as amended (including Section 206(3)), or (ii) any other matter deemed appropriate by the General Partner and/or the Investment Manager. Each Limited Partner agrees that, except as otherwise specifically provided herein and to the extent permitted by applicable law, the approval of a majority of the members of the Advisory Committee at such time is binding upon the Partnership and each Partner with respect to any approval sought under this Section 4.6(b).
- (c) Subject to the foregoing, any recommendations of or actions taken by the Advisory Committee are advisory only and the General Partner and the Investment Manager are not required or otherwise bound to act in accordance with any such recommendations or actions.
- (d) As determined by the General Partner and/or the Investment Manager, meetings of the Advisory Committee may be held in person or by telephone. Approval of the Advisory Committee is deemed to have been given if given by a majority of those members present at a meeting or by a majority of all members of the Advisory Committee if given pursuant to a written consent without a meeting.
- (e) The Partnership agrees to reimburse members of the Advisory Committee for their reasonable out-of-pocket expenses and to indemnify them to the maximum extent permitted by law.

4.7 Pricing Committee

The General Partner and/or the Investment Manager shall appoint a committee (a “**Pricing Committee**”) whose quorum consists of at least a majority of the following individuals: the Chief Financial Officer of the Investment Manager, the Chief Compliance Officer of the Investment Manager and one or more traders of the Investment Manager. The Pricing Committee meets on at least a monthly basis to review, confirm and agree on all pricing information established by the Investment Manager in respect of the Partnership’s assets that are fair valued. The final pricing or valuation of such Partnership assets shall require the approval of a majority in number of the members of the Pricing Committee constituting a quorum as of a relevant valuation date. In lieu of meeting, the Pricing Committee may take action by written consent signed by a majority of the committee members. The Pricing Committee may, at the Partnership’s expense, engage third-party experts and consultants to provide services in connection with any determination to be made by the Pricing Committee. The General Partner and/or the Investment Manager may replace members of the Pricing Committee or change the composition of the Pricing Committee, in their sole discretion.

Article V
ADMISSIONS, TRANSFERS AND WITHDRAWALS

5.1 Admission of Limited Partners

The General Partner may, on the first Business Day of each calendar month, or at such other times as the General Partner may determine, without advance notice to or consent from the Limited Partners, admit to the Partnership any Person who shall execute this Agreement or any other writing evidencing the intent of such Person to become a Limited Partner. Such admission shall be effective when the General Partner enters the name of such Person on the Schedule of Partners and does not require the consent or approval of any other Partner. The General Partner shall have the authority to reject subscriptions for Limited Partner Interests in whole or in part.

5.2 Admission of Additional General Partners

- (a) Except as provided in Section 5.2(b), the General Partner may admit one or more Persons as additional general partners to the Partnership. No additional general partner shall be added unless such additional general partner agrees to be bound by all of the terms of this Agreement or if adding such additional general partner would have any of the effects described in clauses (i) through (iv) of Section 5.3(c) (except as specifically set forth therein).
- (b) Any Person to whom the General Partner has transferred its general partner interest in accordance with Section 5.4 will be admitted to the Partnership as a substitute General Partner without the consent of the Limited Partners.

5.3 Transfer of Interests of Limited Partners

- (a) Each Limited Partner agrees with all other Partners that it shall not make or attempt to make any Transfer of its Interest which will violate this Section 5.3. In the event of any attempted Transfer of any Limited Partner's Interest in violation of the provisions of this Section 5.3, without limiting any other rights of the Partnership, the General Partner shall have the right to require the withdrawal of such Limited Partner's Interest from the Partnership as provided by Section 5.5(j).
- (b) No Transfer of any Limited Partner's Interest, whether voluntary or involuntary, shall be valid or effective, and no transferee shall become a substituted Limited Partner, unless the prior written consent of the General Partner has been obtained, which consent may be granted, withheld or conditioned for any reason by the General Partner. In the event of any Transfer, all of the conditions of the remainder of this Section 5.3 must also be satisfied.
- (c) Without limiting the General Partner's discretion pursuant to the preceding paragraph, the General Partner expects to withhold consent to any Transfer of any

Limited Partner's Interest, whether voluntary or involuntary, if the General Partner has reason to believe that such Transfer may:

- (i) require registration of any Interest under any securities laws of the United States of America, any state thereof or any other jurisdiction;
- (ii) subject the Partnership or the General Partner to a requirement to register, or to additional disclosure or other requirements, under any securities or commodities laws of the United States of America, any state thereof or any other jurisdiction;
- (iii) cause the Partnership to be treated as a "publicly traded partnership" for U.S. federal income tax purposes under Section 7704(b) of the Code or cause the Partnership not to qualify for one of the safe harbors under Section 1.7704-1(e), (f), (g), (h) or (j) of the Regulations;
- (iv) result in the Partnership being considered an investment company within the meaning of the Investment Company Act;
- (v) result in violation of any anti-money laundering rules or regulations applicable to the Partnership, the Investment Manager or the General Partner;
- (vi) violate or be inconsistent with any representation or warranty made by the transferring Limited Partner at the time the Limited Partner subscribed to purchase an Interest; or
- (vii) cause all or any portion of the assets of the Master Fund to constitute Plan Assets of any ERISA Partner for purposes of ERISA or to be subject to the provisions of ERISA to substantially the same extent as if owned directly by an ERISA Partner.

The transferring Limited Partner, or its legal representative, must give the General Partner written notice before making any voluntary Transfer and after any involuntary Transfer and must provide sufficient information to allow legal counsel acting for the Partnership to make the determination that the proposed Transfer would not result in any of the consequences referred to in clauses (i) through (vi) above. If an assignment, Transfer or disposition occurs by reason of the death of a Limited Partner or assignee, the notice may be given by the duly authorized representative of the estate of the Limited Partner or assignee. The notice must be supported by proof of legal authority and valid assignment acceptable to the General Partner.

- (d) In the event any Transfer permitted by this Section 5.3 shall result in multiple ownership of any Limited Partner's Interest, the General Partner may require one or more trustees or nominees to be designated to represent a portion of or the entire Interest transferred for the purpose of receiving all notices which may be given and all payments which may be made under this Agreement, and for the purpose of

exercising the rights which the transferor as a Limited Partner had pursuant to the provisions of this Agreement.

- (e) Subsequent to receipt of the consent of the General Partner (which consent may be withheld by the General Partner), an authorized transferee shall be entitled to the allocations and distributions attributable to the Interest transferred to such transferee and to transfer such Interest in accordance with the terms of this Agreement; *provided, however*, that such transferee shall not be entitled to the other rights of a Limited Partner as a result of such Transfer until it becomes a substituted Limited Partner. No transferee may become a substituted Limited Partner without the consent of the General Partner (which consent may be withheld for any reason or no reason by the General Partner). If the General Partner withholds consent to such substitution, a transferee will not have any of the rights of a Limited Partner, except that the transferee will be entitled, unless prohibited by law, to receive that share of capital or profits and to have the right of withdrawal to which its transferor would have been entitled and will be subject to the other terms of this Agreement. A transferring Limited Partner will remain liable to the Partnership as provided under applicable law and this Agreement regardless of whether its transferee becomes a substituted Limited Partner. Notwithstanding the above, the Partnership and the General Partner shall incur no liability for allocations and distributions made in good faith to the transferring Limited Partner until a written instrument of transfer has been received by the Partnership and recorded on its books and the effective date of the Transfer has passed.
- (f) Any other provision of this Agreement to the contrary notwithstanding, a transferee shall be bound by the provisions hereof. Prior to recognizing any Transfer in accordance with this Section 5.3, the General Partner may require the transferring Limited Partner to execute and acknowledge an instrument of Transfer in form and substance satisfactory to the General Partner, and may require the transferee to make certain representations and warranties to the Partnership and Partners and to accept, adopt and approve in writing all of the terms and provisions of this Agreement. A transferee shall become a substituted Limited Partner and shall succeed to the portion of the transferor's Capital Account relating to the Interest transferred effective upon the satisfaction of all of the conditions for such Transfer contained in this Section 5.3.
- (g) In the event of a Transfer or in the event of a distribution of assets of the Partnership to any Partner, the Partnership may, but shall not be required to, file an election under Section 754 of the Code and in accordance with the applicable Regulations, to cause the basis of the Partnership's assets to be adjusted for U.S. federal income tax purposes as provided by Section 734 or 743 of the Code and shall make any mandatory adjustments to the basis of the Partnership's assets as required by Section 734 or 743 of the Code. If the Partnership does not file an election under Section 754 in connection with a Transfer and if the transferring Limited Partner is a Negative Basis Partner, the General Partner may elect to allocate to the transferring Limited Partner pursuant to Section 3.10(d) net losses or items of loss and deduction realized by the Partnership for the Fiscal Year in which the Transfer

occurs as if the transferring Limited Partner were withdrawing from the Partnership pursuant to Section 5.5.

- (h) In the event of a Transfer at any time other than the end of a Fiscal Year, items of income, gain, loss, deduction or credit recognized by the Partnership for U.S. federal income tax purposes will be allocated between the transferring parties, as determined by the General Partner, using any permissible method under Code Section 706(d) and the Regulations thereunder. The transferring parties agree to reimburse the General Partner and the Partnership for any incidental accounting fees and other expenses incurred by the General Partner and the Partnership in making allocations pursuant to this Section 5.3(h).

5.4 Transfer of Interest of the General Partner

The General Partner may not Transfer its Interest as a General Partner in the Partnership other than (a) to one or more of its direct or indirect beneficial owners or their Affiliates, (b) pursuant to a transaction not deemed to involve an assignment of its investment management obligations within the meaning of the Investment Advisers Act of 1940, as amended, or (c) with the approval of a Majority of Limited Partners. By executing this Agreement, each Limited Partner shall be deemed to have consented to any such Transfer made in accordance with this Section 5.4.

5.5 Withdrawal of Interests of Partners

- (a) Except as provided in this Section 5.5, a Limited Partner may voluntarily withdraw all or part of its Capital Account effective as of the last Business Day of each calendar quarter and/or such other days as the General Partner may determine in its sole discretion (such date, a “**Withdrawal Date**”) upon not less than 45 calendar days’ prior written notice (“**Withdrawal Notice**”) to the General Partner. Any notice of withdrawal shall be irrevocable by the Limited Partner, unless otherwise agreed by the General Partner. The General Partner may waive the notice requirements of this Section 5.5(a). Notwithstanding anything herein to the contrary, the General Partner may agree with certain Limited Partners to provide for different withdrawal terms and notice periods.
- (b) For the purposes of this Section 5.5 (and as described in Section 3.3(a)), each capital contribution shall be accounted for using a separate sub-account, and, in the case of a Limited Partner for which more than one sub-account is maintained, the withdrawals of the balance of any such sub-accounts shall be processed on a “first-in, first-out” basis based upon the date on which each capital contribution was made, unless otherwise agreed between the General Partner and such Limited Partner. Each sub-account related to a contribution of capital from a Limited Partner will be treated as if it were the separate Capital Account of a separate Partner for the purposes of applying the withdrawal provisions of this Section 5.5.
- (c) Any Withdrawal Notice shall be irrevocable by the Limited Partner, unless otherwise agreed by the General Partner. For the avoidance of doubt, if a Limited

Partner notifies the General Partner of its intent to withdraw and later chooses not to withdraw (with the General Partner's consent), any transaction costs incurred by the Partnership or the General Partner in connection therewith may, in the discretion of the General Partner, be charged to such withdrawing Limited Partner. The General Partner may refuse to honor any Limited Partner's request for a full or partial withdrawal if such request is not accompanied by such additional information as the General Partner may reasonably require.

- (d) If, for any Withdrawal Date, (i) Limited Partners submit withdrawal notices that, when combined, are in excess of 25% of the Partnership's net asset value, or (ii) withdrawal requests are received by the Master Fund from any or all feeder vehicles in the Master Fund in excess of 25% of the Master Fund's net asset value, then the General Partner may determine, in its sole discretion, to reduce all such requests proportionately (based on the net asset value of each Limited Partner's Interest) so that the aggregate amount of such withdrawals does not exceed 25% of the Partnership's net asset value or such greater amount if the General Partner so determines (such restriction is referred to herein as the "**Withdrawal Gate**"). If withdrawals are subject to the Withdrawal Gate, withdrawal requests are carried over to the next Withdrawal Date (and, if not fully satisfied as of that date because of the Withdrawal Gate, then as of the next, and, if necessary, successive Withdrawal Dates), except to the extent Limited Partners rescind their withdrawal request(s). Any remaining amount of a withdrawal request that is not satisfied due to the Withdrawal Gate (i) remains at risk as per other amounts invested in the Partnership and subject to the applicable Management Fee, if any, until such amount is finally and fully withdrawn, (ii) is considered requested as of the next Withdrawal Date without further action by the withdrawing Limited Partner, (iii) is not entitled to priority over withdrawal requests on any subsequent Withdrawal Date, and (iv) remains subject to further application of the Withdrawal Gate on subsequent Withdrawal Dates. Notwithstanding anything herein to the contrary, the General Partner may waive the application of the Withdrawal Gate with respect to certain Limited Partners.
- (e) Except as otherwise provided herein, payment of the estimated amount due will generally be made within 30 Business Days of the Withdrawal Date, *provided* that (i) the General Partner may delay such payment if such delay is reasonably necessary to prevent such withdrawal from having a material adverse impact on the Partnership or the remaining Partners and (ii) in the event that a distribution from a Capital Account to a withdrawing Limited Partner during a Fiscal Year would reduce the balance of the Capital Account below 10% of the Capital Account's balance as of the beginning of such Fiscal Year, excess requested amounts will be held back and distributed, without interest thereon, within 30 Business Days following completion of the audit of the Partnership's financial statements for such Fiscal Year. Amounts withdrawn by a Limited Partner will not earn interest for the period from the effective Withdrawal Date through the settlement date.
- (f) The General Partner may deduct from any withdrawal proceeds due to any Limited Partner pursuant to this Section 5.5 an amount representing the Partnership's actual

or estimated expenses, as determined by the General Partner in good faith, associated with processing the withdrawal. Any such withdrawal deduction will be retained by the Partnership for the benefit of the remaining Partners.

- (g) Upon receipt by the Partnership of a Limited Partner's Withdrawal Notice, the General Partner will have the discretion to manage the Partnership's assets in a manner that would provide for cash being available to satisfy such Limited Partner's withdrawal request, but the General Partner shall be under no obligation to effect sales of Partnership assets if the General Partner determines that such transactions might be detrimental to the interest of the other Partners or that such transactions are not reasonably practicable. The General Partner may effect withdrawal payments (i) in cash, (ii) in kind, by transfer of marketable or non-marketable Investments received from the Master Fund to the Limited Partner, the value of which, as determined in accordance with Section 7.3, would satisfy the Limited Partner's request for withdrawal, or (iii) in any combination of the foregoing.
- (h) The General Partner may postpone or suspend (a) the calculation of the net asset value of the Partnership (and the applicable valuation date); (b) the issuance of Interests, (c) the withdrawal by Limited Partners (and the applicable Withdrawal Date); and/or (d) the payment of withdrawal proceeds (even if the calculation dates and Withdrawal Dates are not postponed) if it determines that such a suspension is warranted by extraordinary circumstances, including: (i) during any period when any stock exchange or over-the-counter market on which the Master Fund's Investments are quoted, traded or dealt in is closed, other than for ordinary holidays and weekends, or during periods in which dealings are restricted or suspended; (ii) during the existence of any state of affairs as a result of which, in the reasonable opinion of the General Partner, disposal of Investments by the Partnership, or the determination of the value of the assets of the Partnership, would not be reasonably practicable or would be seriously prejudicial to the non-redeeming partners; (iii) during any breakdown in the means of communication normally employed in determining the price or value of the Partnership's assets or liabilities, or of current prices in any stock market as aforesaid, or when for any other reason the prices or values of any assets or liabilities of the Partnership cannot reasonably be accurately ascertained within a reasonable time frame; (iv) during any period when the transfer of funds involved in the realization or acquisition of any Investments cannot, in the reasonable opinion of the General Partner, be effected at normal rates of exchange; (v) automatically upon termination of the Partnership as described in Section 6.1, or (vi) automatically upon any suspension of withdrawals by the Master Fund.
- (i) The General Partner will promptly notify each Limited Partner who has submitted a withdrawal request and to whom payment in full of the amount being withdrawn has not yet been remitted of any suspension of withdrawals or suspension of the payment of withdrawal proceeds pursuant to Section 5.5(h). Any remaining amount of a withdrawal request that is not satisfied due to such a suspension remains at risk as per other amounts invested in the Partnership and subject to the

applicable Management Fee until such amount is finally and fully withdrawn. Such Limited Partners will not be given any priority with respect to the withdrawal of Interests after the cause for such suspension or limitation ceases to exist. The General Partner may in its sole discretion, however, permit such Limited Partners to withdraw their withdrawal requests to the extent that the relevant Withdrawal Date has not yet passed. For the avoidance of doubt, where a suspension of the payment of withdrawal proceeds is declared between the relevant Withdrawal Date and the remittance of such payment proceeds, affected Limited Partners shall not have any right to withdraw their withdrawal requests. Upon the reasonable determination by the General Partner that conditions leading to suspension no longer apply, any such suspended payments shall generally be paid in accordance with the normal process for making such payments, withdrawal rights shall be promptly reinstated, and any pending withdrawal requests which were not withdrawn (or new, timely withdrawal requests) will be effected as of the first Withdrawal Date following the removal of the suspension, subject to the foregoing restrictions on withdrawals. For the avoidance of doubt, the terms of Section 5.5(h) and this Section 5.5(i) shall not affect the discretion of the General Partner to compel the withdrawal of the Interest of any Limited Partner pursuant to Section 5.5(j).

- (j) The General Partner may, upon not less than five days' prior written notice (or immediately if the General Partner determines in its sole discretion that such Limited Partner's continued participation in the Partnership may cause the Partnership, the Master Fund, the General Partner or the Investment Manager to violate any applicable law), require any Limited Partner's Interest to be withdrawn in part or in its entirety from the Partnership and for the Limited Partner to cease to be a Limited Partner of the Partnership (in the case of a withdrawal of a Limited Partner's Interest in its entirety) pursuant to this Section 5.5(j). The amount due to any such Partner required to withdraw from the Partnership shall be equal to the value of such Partner's Capital Account as of the Withdrawal Date determined by the General Partner, net of any deductions imposed pursuant to Section 5.5(f).
- (k) The right of any Partner to withdraw or receive distributions pursuant to the provisions of this Section 5.5 is subject to all Capital Account allocations and adjustments contemplated by this Agreement and to the provision by the General Partner for all Partnership liabilities and for reserves for contingencies provided in Section 3.6. Notwithstanding anything to the contrary herein, the General Partner may establish reserves and holdbacks for estimated accrued expenses, liabilities and contingencies, including, without limitation, general reserves for unspecified contingencies (even if such reserves or holdbacks are not otherwise required by GAAP) or liabilities stemming from tax obligations (as such may be determined in the sole discretion of the General Partner and whether or not incurred directly or indirectly), which could reduce the amount of a distribution upon a Limited Partner's withdrawal.
- (l) With respect to any amounts withdrawn, a withdrawing Partner shall not share in the income, gains and losses of the Partnership or have any other rights as a Partner

(in the case of a complete withdrawal) after the applicable Withdrawal Date except as provided in Section 3.6. For the avoidance of doubt, none of the Partnership, the General Partner or the Investment Manager will be liable to a Limited Partner for interest on the proceeds of any withdrawal.

- (m) The Interest of a Limited Partner may not be withdrawn from the Partnership prior to its dissolution except as provided in this Section 5.5.

Article VI

DISSOLUTION AND LIQUIDATION

6.1 Dissolution of Partnership

- (a) The Partnership shall be dissolved upon the first to occur of the following dates:
 - (i) any date on which the General Partner shall elect in writing to dissolve the Partnership;
 - (ii) the occurrence of any other event causing (A) the General Partner (or a successor to its business) to cease to be the general partner of the Partnership or (B) the dissolution of the Partnership under the Act; or
- (b) The parties agree that irreparable damage would be done to the goodwill and reputation of the Partners if any Limited Partner should bring an action in court to dissolve the Partnership. Care has been taken in this Agreement to provide for fair and just payment in liquidation of the Interests of all Partners. Accordingly, each Limited Partner hereby waives and renounces its right to such a court decree of dissolution or to seek the appointment by the court of a liquidator for the Partnership except as provided herein.

6.2 Liquidation of Assets

- (a) Upon dissolution of the Partnership, the General Partner shall promptly liquidate the business and administrative affairs of the Partnership to the extent feasible, except that if the General Partner is unable to perform this function, a liquidator elected by a Majority of Limited Partners shall liquidate the business and administrative affairs of the Partnership. Net Profit and Net Loss and any balances in Limited Participation Sub-Accounts during the Fiscal Periods, which includes the period of liquidation, shall be allocated pursuant to Article III. The proceeds from liquidation shall be divided in the following manner, subject to the Act:
 - (i) the debts, liabilities and obligations of the Partnership, other than any debts to the Partners as Partners, and the expenses of liquidation (including legal, administrative and accounting expenses incurred in connection therewith),

up to and including the date that distribution of the Partnership's assets to the Partners has been completed, shall first be satisfied (whether by payment or the making of reasonable provision for payment thereof);

- (ii) such debts as are owing to the Partners as Partners are next paid; and
 - (iii) the Partners shall next be paid liquidating distributions (in cash or in securities or other assets, whether or not readily marketable) *pro rata* in accordance with, and up to the positive balances of their respective Capital Accounts, as adjusted pursuant to Article III to reflect allocations for the Fiscal Period ending on the date of the distributions under this Section 6.2(a)(iii).
- (b) Notwithstanding this Section 6.2 and the priorities set forth in the Act, the General Partner or liquidator may distribute ratably in kind rather than in cash, upon dissolution, any assets of the Partnership; *provided, however*, that if any in kind distribution is to be made, (i) the assets distributed in kind shall be valued pursuant to Section 7.3, and charged as so valued and distributed against amounts to be paid under Section 6.2(a) and (ii) any gain or loss (as computed for book purposes) attributable to property distributed in kind shall be included in the Net Profit, Net Loss or Limited Participation Sub-Accounts for the Fiscal Period ending on the date of such distribution.

Article VII

ACCOUNTING AND VALUATION; BOOKS AND RECORDS

7.1 Accounting and Reports

- (a) The Partnership may adopt for tax accounting purposes any accounting method that the General Partner shall decide is in the best interests of the Partnership and that is permissible for U.S. federal income tax purposes.
- (b) As soon as practicable after the end of each Fiscal Year, the General Partner shall cause an audit of the financial statements of the Partnership as of the end of such period to be made by a firm of independent accountants selected by the General Partner. Within 120 days of the end of each year (or as soon as practicable thereafter), but subject to Section 7.5, the General Partner shall furnish to each Limited Partner a copy of the set of audited financial statements prepared in accordance with GAAP, with such adjustments thereto as the General Partner determines appropriate, including a statement of profit and loss for such Fiscal Year and an unaudited status of each such Partner's holdings in the Partnership at such time. The General Partner may elect not to reserve certain amounts that may be required by GAAP and not to provide certain portfolio disclosure required by GAAP to investors and may capitalize and amortize certain of its organizational

expenses in deviation from GAAP. Such deviations from GAAP may result in a qualified opinion rendered on the financial statements of the Partnership.

- (c) As soon as practicable after the end of each fiscal month, but subject to Section 7.5, the General Partner shall arrange for the preparation and delivery to each Limited Partner of unaudited monthly statements of the estimated net asset value of the Partnership, monthly performance and portfolio reports.
- (d) As soon as practicable after the end of each taxable year, the General Partner shall furnish to each Limited Partner such information as may be required to enable each Limited Partner properly to report for U.S. federal, state and local income tax purposes its distributive share of each Partnership item of income, gain, loss, deduction or credit for such year. The General Partner shall have discretion as to how to report Partnership items of income, gain, loss, deduction or credit on the Partnership's tax returns, and the Limited Partners shall treat such items consistently on their own tax returns.

7.2 Certain Tax Matters

- (a) By joining this Agreement, each Limited Partner appoints and designates the General Partner (i) as the "tax matters partner," within the meaning of Section 6231(a)(7) of the Code, and, (ii) for any BBA Effective Period, as the "partnership representative" within the meaning of Section 6223 of the Code (as applicable, the "***Tax Matters Partner***"), or, in each case, under any similar state or local law, and, if the "partnership representative" is an entity, the General Partner shall have the exclusive authority to appoint and designate the individual through whom such partnership representative will act for all purposes under subchapter C of chapter 63 of the Code and, if applicable, any similar state or local law (the "***Designated Individual***"). All references to the Tax Matters Partner herein shall include the Designated Individual, unless the context requires otherwise. The Tax Matters Partner shall have any powers necessary to perform fully in such capacity, and shall be permitted to take any and all actions, to the extent permitted by law, in consultation with the General Partner if the General Partner is not the Tax Matters Partner. The General Partner shall have the exclusive authority to appoint and designate the Investment Manager, or an Affiliate of the General Partner or the Investment Manager, as a successor Tax Matters Partner for any BBA Effective Period. The Tax Matters Partner shall be reimbursed by the Partnership for all costs and expenses incurred by it, and to be indemnified by the Partnership with respect to any action brought against it, in its capacity as the Tax Matters Partner.
- (b) The Limited Partners agree that any and all actions taken by the Tax Matters Partner shall be binding on the Partnership and all of the Limited Partners and the Limited Partners shall reasonably cooperate with the Partnership or the General Partner, and undertake any action reasonably requested by the Partnership or the General Partner, in connection with any elections made by the Tax Matters Partner or as determined to be reasonably necessary by the Tax Matters Partners under any BBA provision.

- (c) Each Limited Partner further agrees that such Limited Partner will not independently act with respect to tax audits or tax litigation affecting the Partnership, unless the prior written consent of the General Partner has been obtained.
- (d) The General Partner may in its sole discretion cause the Partnership to make all elections not otherwise expressly provided for in this Agreement required or permitted to be made by the Partnership under the Code and any state, local or non-U.S. tax laws.
- (e) To the fullest extent permitted by law, each Limited Partner agrees to (i) provide such cooperation and assistance, including executing and filing forms or other statements and providing information about the Limited Partner, as is reasonably requested by the Tax Matters Partner, to enable the Partnership to satisfy any applicable tax reporting or compliance requirements, to make any tax election or to qualify for an exception from or reduced rate of tax or other tax benefit or be relieved of liability for any tax regardless of whether such requirement, tax benefit or tax liability existed on the date such Partner was admitted to the Partnership, (ii) amend the Limited Partner's tax returns and pay any resulting taxes, interest and penalties in connection with the Partnership's electing under Section 6225(a) of the Code, as amended by the BBA, (iii) take into account any adjustments and pay any taxes, interest and penalties that result from the Partnership's electing under Section 6226 of the Code, as amended by the BBA, and/or (iv) indemnify and hold harmless the Partnership, the Tax Matters Partner and any other individual designated to interact with tax authorities on behalf of the Partnership from and against any liability with respect to the Limited Partner's share of any tax deficiency (including any interest and penalties associated therewith) paid or payable by the Partnership that is (a) allocable to such Limited Partner (as reasonably determined by the General Partner in accordance with this Agreement) with respect to an audited or reviewed taxable year for which such Partner was a Partner in the Partnership or (b) attributable (as reasonably determined by the General Partner) to the failure of such Limited Partner to cooperate with or provide any such forms, statements, or other information as requested by the Tax Matters Partner pursuant to clause (i) above.
- (f) The obligations and covenants of the Limited Partners set forth in Sections 3.5 and 7.2 hereof shall apply jointly and severally to each Limited Partner and any direct or indirect transferee of or successor to such Limited Partner's interest and shall survive such Limited Partner's ceasing to be a Partner in the Partnership and/or the termination, dissolution, liquidation and winding up of the Partnership.

7.3 Valuation of Partnership Assets and Interests

- (a) The Partnership's assets are valued as of the close of each Fiscal Period and on any other date selected by the General Partner in its sole discretion in accordance with the valuation of the Master Fund's assets. The Partnership shall utilize the Master Fund's valuations for all purposes in connection with the Partnership.

- (b) The value of the assets of the Partnership and the net worth of the Partnership as a whole determined pursuant to this Section 7.3 are conclusive and binding on all of the Partners and all parties claiming through or under them.

7.4 Determinations by the General Partner

- (a) All matters concerning the determination and allocation among the Partners of the amounts to be determined and allocated pursuant to this Agreement, including Article III and accounting procedures applicable thereto, shall be determined by the General Partner, unless specifically and expressly otherwise provided for by the provisions of this Agreement, and such determinations and allocations shall be final and binding on all the Partners; provided, however, that all calculations of the Performance Allocation will be made on the basis of, or subject to correction based on, the annual audit of the Partnership's financial statements and appropriate adjustments will be made to all such calculations and related allocations to the extent necessary as a result of that audit.
- (b) The General Partner may make such adjustments to the computation of Net Profit or Net Loss or any other allocations with respect to any Limited Partner, or any component items comprising any of the foregoing, as it considers appropriate to reflect the financial results of the Partnership and the intended allocation thereof among the Partners in a reasonably accurate, fair and efficient manner. Without limiting the generality of the foregoing, any provision of this Agreement that requires an adjustment to be made to any Capital Account or sub-account as of any mid-month or mid-quarter date may be made as of the most recent preceding or succeeding date when a regular valuation is being conducted.

7.5 Books and Records

- (a) The General Partner shall keep books and records pertaining to the Partnership's affairs showing all of its assets and liabilities, receipts and disbursements, realized income, gains, deductions and losses, Partners' Capital Accounts and all transactions entered into by the Partnership. The General Partner shall afford to the Partnership's independent auditors reasonable access to such documents during customary business hours and shall permit the Partnership's auditors to make copies thereof or extracts therefrom at the expense of the Partnership.
- (b) The General Partner shall establish such standards as it deems appropriate regarding the access of Limited Partners to the books and records of the Partnership and shall not be obliged to permit access by a Limited Partner to the name or address of any other Limited Partner.

7.6 Confidentiality

- (a) Each Limited Partner agrees to keep confidential, and not to make any use of (other than for purposes reasonably related to its Interest or for purposes of filing such Limited Partner's tax returns) or disclose to any Person, any information or matter relating to the Partnership and its affairs and any information or matter related to

any Investment (other than disclosure to such Limited Partner's directors, employees, agents, advisors, or representatives responsible for matters relating to the Partnership or to any other Person approved in writing by the General Partner (each such Person being hereinafter referred to as an "**Authorized Representative**")); *provided* that (i) such Limited Partner and its Authorized Representatives may make such disclosure to the extent that (A) the information to be disclosed is publicly available at the time of proposed disclosure by such Limited Partner or Authorized Representative, (B) the information otherwise is or becomes legally available to such Limited Partner other than through disclosure by the Partnership or the General Partner, or (C) such disclosure is required by law or in response to any governmental agency request or in connection with an examination by any regulatory authorities; *provided* that such governmental agency, regulatory authorities or association is aware of the confidential nature of the information disclosed; (ii) such Limited Partner and its Authorized Representatives may make such disclosure to its beneficial owners to the extent required under the terms of its arrangements with such beneficial owners; and (iii) each Limited Partner will be permitted, after written notice to the General Partner, to correct any false or misleading information which becomes public concerning such Limited Partner's relationship to the Partnership or the General Partner. Prior to making any disclosure required by law, each Limited Partner shall use its best efforts to notify the General Partner of such disclosure. Prior to any disclosure to any Authorized Representative or beneficial owner, each Limited Partner shall advise such Authorized Representative or beneficial owner of the obligations set forth in this Section 7.6(a) and each such Authorized Representative or beneficial owner shall agree to be bound by such obligations.

- (b) The General Partner shall have the right to keep confidential from the Limited Partners, for such period of time as the General Partner deems reasonable, any information, including the identity of the Partners or information regarding the Partners or Investments, which the General Partner reasonably believes to be in the nature of trade secrets or other information the disclosure of which the General Partner believes is not in the best interests of the Partnership or could damage the Partnership or its business or which the Partnership is required by law or agreement with a third party to keep confidential.
- (c) Subject to applicable legal, fiscal and regulatory considerations, the General Partner shall use reasonable efforts to keep confidential any information relating to a Limited Partner obtained by the General Partner in connection with or arising out of the Partnership which the Limited Partner requests be kept confidential.
- (d) Notwithstanding the provisions of this Section 7.6, Partners (and their employees, representatives and other agents) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the Partnership and its transactions and all materials of any kind (including tax opinions or other tax analyses) that are provided to such Person by, or on behalf of the Partnership. For this purpose, "tax treatment" is the purported or claimed U.S. federal income tax treatment of a transaction and "tax structure" is limited to any fact that may be

relevant to understanding the purported or claimed U.S. federal income tax treatment of a transaction. For this purpose, the names of the Partnership, the Partners, their affiliates, the names of their partners, members or equity holders and the representatives, agents and tax advisors of any of the foregoing are not items of tax structure.

- (e) The General Partner may disclose to prospective investors such information relating to the Partnership or the Investments as it believes in good faith will benefit the Partnership and facilitate investment in the Partnership by such prospective investors.
- (f) The Investment Manager and a Person acting as a service provider to the Partnership shall have the right to access all information belonging to the Partnership.

Article VIII GENERAL PROVISIONS

8.1 Amendment of Partnership Agreement

- (a) Except as otherwise provided in this Section 8.1, this Agreement may be amended, in whole or in part, with the written consent of (i) the General Partner and (ii) the consent of a Majority of Limited Partners (which approval may be obtained by negative consent affording the Limited Partners 30 calendar days to object).
- (b) Notwithstanding anything in this Section 8.1 to the contrary, any amendment to Section 2.5 requires the prior written consent of ERISA Partners whose Partnership Percentages represent more than 50% of the aggregate Partnership Percentages of all ERISA Partners.
- (c) Any amendment that would:
 - (i) increase the obligation of a Partner to make any contribution to the capital of the Partnership;
 - (ii) reduce the Capital Account of a Partner other than in accordance with Article III;
 - (iii) adversely alter any Partner's rights with respect to the allocation of Net Profit or Net Loss or with respect to distributions and withdrawals; or
 - (iv) change the respective liabilities of the General Partner and the Limited Partners;

may only be made if the prior written consent of each Partner adversely affected thereby is obtained.

- (d) Notwithstanding paragraphs (a) and (c) of this Section 8.1, this Agreement may be amended by the General Partner without the consent of the Limited Partners, at any time and without limitation, if any Limited Partner whose contractual rights as a Limited Partner would be materially and adversely changed by such amendment has an opportunity to withdraw from the Partnership as of a date determined by the General Partner that is not less than 45 calendar days after the General Partner has furnished written notice of such amendment to each affected Limited Partner and that is prior to the effective date of the amendment. The admission and withdrawal of Limited Partners will not require notice or disclosure to, or the approval of, the other Limited Partners.
- (e) The General Partner may at any time without the consent of the other Partners:
 - (i) add to the representations, duties or obligations of the General Partner or surrender any right or power granted to the General Partner under this Agreement, for the benefit of the Limited Partners;
 - (ii) cure any ambiguity or correct or supplement any conflicting provisions of this Agreement;
 - (iii) change the name of the Partnership;
 - (iv) make any changes required by governmental body or agency which is deemed to be for the benefit or protection of the Limited Partners, *provided, however*, that no such amendment may be made unless such change (A) is for the benefit of, or not adverse to, the interests of Limited Partners, (B) does not affect the right of the General Partner to manage and control the Partnership's business, (C) does not affect the allocation of profits and losses among the Partners and (D) does not affect the limited liability of the Limited Partners;
 - (v) amend this Agreement to reflect a change in the identity of the General Partner which has been made in accordance with this Agreement;
 - (vi) amend this Agreement (other than with respect to the matters set forth in Section 8.1(c)) to effect compliance with any applicable laws, regulations or administrative actions, or to reflect any change made in accordance with Section 4.1(b);
 - (vii) subject to Section 8.1(c), amend this Agreement to reflect the creation, and terms, of any new Series of Limited Partner Interests in the Partnership;
 - (viii) effect any other amendment which would not, in the good faith judgment of the General Partner, adversely affect any of the existing Limited Partners; and

- (ix) restate this Agreement together with any amendments hereto which have been duly adopted in accordance herewith to incorporate such amendments in a single, integrated document.
- (f) The General Partner shall have the authority to agree with a Limited Partner to waive or modify the application of any provision of this Agreement with respect to such Limited Partner without notifying or obtaining the consent of any other Limited Partner (other than a Limited Partner whose rights as a Limited Partner pursuant to this Agreement would be materially and adversely changed by such waiver or modification). Any such waiver or modification may be evidenced by a “side letter” or other document, and the form thereof shall not impair its binding effect as if incorporated in this Agreement.

8.2 Special Power-of-Attorney

- (a) Each Partner hereby irrevocably makes, constitutes and appoints the General Partner (and each of its successors and permitted assigns), with full power of substitution, the true and lawful representative and attorney-in-fact of, and in the name, place and stead of, such Partner with the power from time to time to make, execute, sign, acknowledge, swear to, verify, deliver, record, file or publish:
 - (i) an amendment to this Agreement that complies with the provisions of this Agreement (including the provisions of Section 8.1);
 - (ii) the Certificate and any amendment thereof required because this Agreement is amended, including an amendment to effectuate any change in the membership of the Partnership or in the capital contributions of the Partners;
 - (iii) any financing statement or other filing or document required or permitted to perfect the security interests contemplated by any provision hereof; and
 - (iv) all such other instruments, documents and certificates which, in the opinion of legal counsel to the Partnership, may from time to time be required by the laws of the United States of America, the State of Delaware, or any other jurisdiction in which the Partnership determines to do business, or any political subdivision or agency thereof, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership as a limited partnership, adjust the structure of the Partnership in accordance with Sections 4.1(b) or 8.8, or to effect the dissolution or termination of the Partnership.
- (b) Each Limited Partner is aware that the terms of this Agreement permit certain amendments to this Agreement to be effected and certain other actions to be taken or omitted by or with respect to the Partnership without that Limited Partner’s consent. If an amendment of the Certificate or this Agreement or any action by or with respect to the Partnership is taken by the General Partner in the manner

contemplated by this Agreement, each Limited Partner agrees that, notwithstanding any objection which such Limited Partner may assert with respect to such action, the General Partner in its sole discretion is authorized and empowered, with full power of substitution, to exercise the authority granted above in any manner which may be necessary or appropriate to permit such amendment to be made or action to be lawfully taken or omitted. Each Partner is fully aware that each other Partner relies on the effectiveness of this special power-of-attorney with a view to the orderly administration of the affairs of the Partnership. This power-of-attorney is a special power-of-attorney and is coupled with an interest in favor of the General Partner and as such:

- (i) is irrevocable and continues in full force and effect notwithstanding the subsequent death or incapacity of any party granting this power-of-attorney, regardless of whether the Partnership or the General Partner has had notice thereof; and
- (ii) survives the delivery of an assignment by a Limited Partner of the whole or any portion of such Limited Partner's Interest, except that where the assignee thereof has been approved by the General Partner for admission to the Partnership as a substituted Limited Partner, this power-of-attorney given by the assignor survives the delivery of such agreement for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect such substitution.

8.3 Notices

Notices which may be or are required to be given under this Agreement by any party to another shall be given by hand delivery, transmitted by facsimile, transmitted electronically to an address that has been previously provided or verified through another form of notice or sent by registered or certified mail, return receipt requested or internationally recognized courier service, and shall be addressed to the respective parties hereto at their addresses as set forth on the register of Partners maintained by the General Partner or to such other addresses, facsimile numbers or electronic addresses as may be designated by any party hereto by notice addressed to (a) the General Partner, in the case of notice given by any Limited Partner, and (b) each of the Limited Partners, in the case of notice given by the General Partner. Notices shall be deemed to have been given (i) when delivered by hand, transmitted by facsimile or transmitted electronically or (ii) on the date indicated as the date of receipt on the return receipt when delivered by mail or courier service.

8.4 Agreement Binding Upon Successors and Assigns; Delegation

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, but the rights and obligations of the Partners hereunder shall not be assignable, transferable or delegable except as provided in Sections 4.1(d), 5.3 and 5.4, and any attempted assignment, transfer or delegation thereof which is not made pursuant to the terms of such Sections shall be void.

8.5 Governing Law

This Agreement is, and the rights of the Partners hereunder are, governed by and shall be construed in accordance with the laws of the State of Delaware, without regard to the conflict of laws rule thereof which would result in the application of the laws of a different jurisdiction. The parties hereby consent to the exclusive jurisdiction and venue for any action arising out of this Agreement in Dallas, Texas. Each Partner consents to service of process in any action or proceeding involving the Partnership by the mailing thereof by registered or certified mail, postage prepaid, to such Partner's mailing address set forth in the Schedule of Partners maintained by the General Partner.

8.6 Not for Benefit of Creditors

The provisions of this Agreement are intended only for the regulation of relations among Partners and between Partners and former or prospective Partners and the Partnership. Except for the rights of the Indemnified Persons hereunder, this Agreement is not intended for the benefit of non-Partner creditors and no rights are granted to non-Partner creditors under this Agreement.

8.7 Consents and Voting

- (a) Except as provided in Section 5.4, Limited Partners do not have any right to vote for the admission or removal of any General Partner and, except for the right to vote on certain amendments proposed by the General Partner, have no other voting rights. Upon the request of any Limited Partner, including pursuant to Section 8.11 hereof, the General Partner may designate an Interest as a Non-Voting Interest, in which case the Limited Partner shall not have the right to vote on any matter including amendments.
- (b) Any and all consents, agreements or approvals provided for or permitted by this Agreement shall be in writing and a copy thereof shall be filed and kept with the books of the Partnership. (For the avoidance of doubt, an amendment made pursuant to Section 8.1(d) or pursuant to negative consent under Section 8.1(a) shall not require any affirmative written response by any Limited Partner who is not electing to withdraw from the Partnership.)

8.8 Merger and Consolidation

- (a) The Partnership may merge or consolidate with or into one or more limited partnerships formed under the Act or other business entities pursuant to an agreement of merger or consolidation which has been approved in the manner contemplated by Section 17-211(b) of the Act.
- (b) Notwithstanding anything to the contrary contained elsewhere in this Agreement, an agreement of merger or consolidation approved in accordance with Section 17-211(b) of the Act may, to the extent permitted by Section 17-211(g) of the Act, (i) effect any amendment to this Agreement, (ii) effect the adoption of a new limited partnership agreement for the Partnership if it is the surviving or resulting limited partnership in the merger or consolidation, or (iii) provide that the limited

partnership agreement of any other constituent partnership to the merger or consolidation (including a limited partnership formed for the purpose of consummating the merger or consolidation) shall be the limited partnership agreement of the surviving or resulting limited partnership.

8.9 Interpretation of Partnership Accounting Systems and Terminology

In the event that the Partnership employs an accounting system which is different from the accounting system of the General Partner or whose terminology does not conform precisely to the terminology in this Agreement, the General Partner shall have the authority to interpret such accounting system and/or terminology in a manner which it, in its sole discretion, determines to be consistent with the objectives of this Agreement.

8.10 Miscellaneous

- (a) The captions and titles preceding the text of each Section hereof shall be disregarded in the construction of this Agreement. Use of the word “including” in this Agreement means in each case “without limitation,” whether or not such term is explicitly stated.
- (b) This Agreement may be executed in counterparts, each of which shall be deemed to be an original hereof.
- (c) If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

8.11 BHCA Subject Persons

Notwithstanding any other provision of this Agreement to the contrary:

- (a) Solely for purposes of any provision of this Agreement that confers voting rights on the Limited Partners and any other provisions hereof regarding consents of or action by the Limited Partners, any BHCA Subject Person that shall have given the General Partner an Election Notice and shall not thereafter have given the General Partner a Revocation Notice, and that at any time has an Partnership Percentage in excess of 4.9 percent of the aggregate Partnership Percentages of the Limited Partners entitled to participate in such voting or the giving of any consent or the taking of any action, shall be deemed to hold an Partnership Percentage of only 4.9 percent of the aggregate Partnership Percentages of the Limited Partners (after giving effect to the limitations imposed by this Section 8.11 on all such Limited Partners), and such Partnership Percentage in excess of said 4.9 percent shall be deemed held by the Limited Partners who are not BHCA Subject Persons, *pro rata* in proportion to their respective Partnership Percentages; *provided* that this limitation shall not prohibit a Limited Partner from voting or participating in giving or withholding consent or taking any action under any provision of this Agreement

up to the full amount of its Partnership Percentage in situations where such Limited Partner's vote or consent or action is of the type customarily provided by statute or stock exchange rules with regard to matters that would significantly and adversely affect the rights or preference of the Limited Partner's Interest. The foregoing voting restriction shall continue to apply with respect to any assignee or other transferee of such BHCA Subject Person's Interest; *provided, however*, that the foregoing voting restriction shall not continue to apply if the Interest is transferred: (i) to the Partnership; (ii) to the public in an offering registered under the Securities Act; (iii) in a transaction pursuant to Rule 144 or Rule 144A under the Securities Act in which no Person acquires more than 2% of the Partnership's outstanding Interests; or (iv) in a single transaction to a third party who acquires at least a majority of the Partnership's outstanding Interests without regard to the Transfer of such Interests.

- (b) Except as specifically provided otherwise in this Agreement, a Limited Partner that is a BHCA Subject Person that shall have given the General Partner an Election Notice, and shall not thereafter have given the General Partner a Revocation Notice, shall not be entitled to exercise any rights to consent to actions to be taken with respect to the Partnership, including rights conferred by any applicable law. Such right to consent shall be deemed granted to the Limited Partners who are not BHCA Subject Persons, *pro rata* in proportion to their respective Partnership Percentages.
- (c) A Limited Partner that is a BHCA Subject Person and that elects to be subject to Section 8.11(a) and (b) shall notify the General Partner thereof (an "***Election Notice***") and, on the General Partner's receipt of such Election Notice, such Limited Partner shall be subject to Section 8.11(a) and (b) until 30 calendar days after such Limited Partner notifies the General Partner that it elects no longer to be subject to Section 8.11(a) and (b) (a "***Revocation Notice***"), which period may be reduced by the General Partner.

8.12 RIC Limited Partners

An Interest of a RIC Limited Partner does not entitle the RIC Limited Partner to vote or consent with respect to any Partnership matter unless the RIC Limited Partner's vote or consent with respect to its Interest would not be considered to be "voting securities" as defined under Section 2(a)(42) of the Investment Company Act. Except as provided in this Section 8.12, an Interest held by a RIC Limited Partner as a Non-Voting Interest is identical in all regards to all other Interests held by Limited Partners.

8.13 Bad Actor Limited Partners

Under Rule 506(d) under the Securities Act, the Partnership may be banned from selling Interests under Rule 506 if a Limited Partner beneficially owning 20% or more of the Partnership's voting securities engages in a "bad act" set forth in Rule 506. Accordingly, each Limited Partner agrees that the General Partner may deem the portion of any Bad Actor Limited Partner's Interest to be, or convert any Bad Actor Limited Partner's Interest into, a Non-Voting Interest (except for

the purposes of voting on any amendment to this Agreement that would materially and adversely change the Bad Actor Limited Partner's rights and preferences as a Limited Partner other than pursuant to an amendment under Section 8.1(d)) to the extent that the General Partner determines that such portion is in excess of 19.99% of the outstanding aggregate voting Interests of all Partners excluding any Interests that are Non-Voting Interests.

8.14 Survival

The obligations and covenants of the Limited Partners set forth in Sections 3.5 and 3.13 hereof shall apply jointly and severally to each Limited Partner and any direct or indirect transferee of or successor to such Limited Partner's interest and will survive such Partner's ceasing to be a partner of the Partnership and/or the termination, dissolution, liquidation and winding up of the Partnership.

8.15 Entire Agreement

The parties acknowledge and agree that, subject to Section 8.1(f), the General Partner without the approval of any other Partner may enter into a written agreement on behalf of the Partnership with any Limited Partner affecting the terms hereof in order to meet certain requirements of the Limited Partner (each an "***Other Agreement***"), and the terms of such Other Agreement shall govern with respect to such Limited Partner notwithstanding the provisions of this Agreement. This Agreement and each Other Agreement constitute the entire agreement among the parties hereto pertaining to the subject matter hereof and supersede all prior agreements and understandings pertaining thereto.

[Signature Page Follows]

The parties hereto have executed this Agreement as of the day and year first above written.

General Partner:

On behalf of itself and as attorney-in-fact for the
Limited Partners:

HIGHLAND DYNAMIC INCOME FUND GP, LLC

By: Highland Capital Management, L.P., its sole
member

By: Strand Advisors, Inc., its general partner

By: 

Name: Trey Parker

Title: Assistant Secretary

Registrar of Companies
Government Administration Building
133 Elgin Avenue
George Town
Grand Cayman

Highland Loan Fund, Ltd. (ROC #275693) (the "Company")

TAKE NOTICE that by written resolution of the shareholders of the Company dated 8th May 2018, the following special resolution was passed:

THAT the name of the Company is changed from **Highland Loan Fund, Ltd.** to **Highland Dynamic Income Fund Ltd.** .

THAT the Memorandum and Articles of Association of the Company currently in effect be amended and restated by the deletion in their entirety and the substitution in their place of the Amended and Restated Memorandum and Articles of Association annexed hereto.



Allema Ramoon
Corporate Administrator
for and on behalf of
Maples Corporate Services Limited

Dated this 9th day of May 2018



004130

**THE COMPANIES LAW (2016 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION**

OF

**HIGHLAND DYNAMIC INCOME FUND, LTD.
(AS ADOPTED BY SPECIAL RESOLUTION OF THE SUBSCRIBER DATED 8 MAY 2018)**



004131

**THE COMPANIES LAW (2016 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF**

HIGHLAND DYNAMIC INCOME FUND, LTD.

(AS ADOPTED BY SPECIAL RESOLUTION OF THE SUBSCRIBER DATED 8 MAY 2018)

- 1 The name of the Company is **Highland Dynamic Income Fund, Ltd.**.
- 2 The Registered Office of the Company shall be at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, or at such other place within the Cayman Islands as the Directors may decide.
- 3 The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.
- 4 The liability of each Member is limited to the amount unpaid on such Member's Shares.
- 5 The share capital of the Company is US\$50,000 divided into 100 Management Shares of US\$1.00 par value each and 4,990,000 Participating Shares of US\$0.01 par value each.
- 6 The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.
- 7 Capitalised terms that are not defined in this Memorandum of Association bear the respective meanings given to them in the Articles of Association of the Company.



**THE COMPANIES LAW (2016 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF**

HIGHLAND DYNAMIC INCOME FUND, LTD.

(AS ADOPTED BY SPECIAL RESOLUTION OF THE SUBSCRIBER DATED 8 MAY 2018)

1 Interpretation

- 1.1 In these Articles, Table A in the First Schedule to the Statute does not apply and unless there is something in the subject or context inconsistent therewith:

"Administrator"	means the person, firm or corporation appointed and from time to time acting as administrator of the Company.
"Articles"	means these articles of association of the Company.
"Auditor"	means the person (if any) for the time being performing the duties of auditor of the Company.
"Business Day"	means any day normally treated as a business day in such places and/or on such markets as the Directors may from time to time determine.
"Cayman Islands"	means the British Overseas Territory of the Cayman Islands.
"Class"	means a separate class of Participating Share (and includes any sub-class of any such class).
"Company"	means the above-named Company.
"Directors"	means the directors for the time being of the Company.
"Dollars" or "US\$"	refers to the currency of the United States.
"Electronic Record"	has the same meaning as in the Electronic Transactions Law.
"Electronic Transactions Law"	means the Electronic Transactions Law (2003 Revision) of the Cayman Islands.
"Eligible Investor"	means a person eligible to hold Participating Shares, as determined from time to time by the Directors.



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"Investment Manager"	means the person, firm or corporation appointed and for the time being acting as the investment manager of the Company.
"Management Share"	means a voting non participating Share in the capital of the Company of US\$1.00 par value designated as a Management Share and having the rights provided for in these Articles.
"Member"	means each person whose name is, from time to time and for the time being, entered in the Register of Members as the holder of one or more Shares.
"Memorandum"	means the memorandum of association of the Company.
"Net Asset Value"	means the value of the assets less the liabilities of the Company, or of a Separate Account (as the context may require), calculated in accordance with these Articles.
"Net Asset Value per Participating Share"	means the amount determined in accordance with these Articles as being the Net Asset Value per Participating Share of a particular Class and/or Series.
"Offering Memorandum"	means an offering memorandum relating to Participating Shares of any Class and/or Series as amended or supplemented from time to time subject to and in accordance with these Articles.
"Ordinary Resolution"	means a resolution passed by a simple majority of the votes of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, and includes a unanimous written resolution.
"Participating Share"	means a participating redeemable Share in the capital of the Company of US\$0.01 par value and having the rights provided for in these Articles. Participating Shares may be divided into Classes in the discretion of the Directors in accordance with the provisions of these Articles and each Class may be further divided into different Series of Participating Shares and the term "Participating Share" shall include all such Classes and Series of Participating Share.
"Redemption Date"	means, in relation to any Class and/or Series of Participating Shares, such day or days as are set out in the Offering Memorandum or as may be specified by the Directors from time to time, upon which a Member is entitled to require the redemption of Participating Shares of that Class and/or Series.
"Redemption Fee"	means such fee (if any) payable by a Member to the Company on a redemption of Participating Shares, as the same may be determined by the Directors and disclosed to the Member at the time of its subscription for such Participating Shares.
"Redemption Notice"	means a notice in a form approved by the Directors by which a holder



of Participating Shares is entitled to require the Company to redeem its Participating Shares.

- "Redemption Price"** means the price determined in accordance with these Articles at which redeemable Participating Shares of the relevant Class and/or Series may be redeemed.
- "Register of Members"** means the register of Members, which shall be maintained in accordance with the Statute and includes (except where otherwise stated) any branch or duplicate Register of Members.
- "Registered Office"** means the registered office for the time being of the Company.
- "Sales Charge"** means such sales charge (if any) determined by the Directors as being payable by a subscriber on a subscription for Participating Shares of any Class and/or Series.
- "Seal"** means the common seal of the Company and includes every duplicate seal.
- "Separate Account"** means a separate internal account of the Company which the Directors may establish and cause to be maintained in accordance with these Articles.
- "Series"** means a separate series of Participating Share (and includes any sub-series of any such series).
- "Share" and "Shares"** means a share or shares of any class or series in the Company, including a Management Share or a Participating Share, as well as any fraction of a Share.
- "Share Rights"** means, with respect to the Participating Shares of any Class or Series in issue, the class rights for the time being applicable to such Participating Shares or other terms of offer for the time being applicable to such Participating Shares whether set out in the Offering Memorandum, any subscription agreement or otherwise (including any representations, warranties or other disclosure relating to the offer or holding of such Participating Shares).
- "Special Resolution"** has the same meaning as in the Statute and includes a unanimous written resolution.
- "Statute"** means the Companies Law (2012 Revision) of the Cayman Islands.
- "Subscriber"** means the subscriber to the Memorandum.
- "Subscription Date"** means, in relation to Participating Shares of any Class and/or Series, such day or days as are set out in the Offering Memorandum or as may be specified by the Directors from time to time upon which a person may subscribe for Participating Shares of that Class and/or



Series.

"Subscription Price"	means the price determined in accordance with these Articles at which Participating Shares of the relevant Class and/or Series may be subscribed.
"Suspension"	means a determination by the Directors to postpone or suspend (i) the calculation of the Net Asset Value of Participating Shares of any one or more Classes and/or Series (and the applicable Valuation Date) (a "Calculation Suspension"); (ii) the issue of Participating Shares of any one or more Classes and/or Series (and the applicable Subscription Date) (an "Issue Suspension"); (iii) the redemption by Members (in whole or in part) of Participating Shares of any one or more Classes and/or Series (and the applicable Redemption Date) (a "Redemption Suspension"); and/or (iv) the payment (in whole or in part) of any redemption proceeds (even if Valuation Dates and Redemption Dates are not postponed) (a "Payment Suspension").
"Transfer"	means, in respect of any Share, any sale, assignment, exchange, transfer, pledge, encumbrance or other disposition of that Share, and "Transferred" shall be construed accordingly.
"Treasury Share"	means a Share held in the name of the Company as a treasury share in accordance with the Statute.
"Valuation Date"	means, in relation to each Class and/or Series of Participating Shares, the day or days determined from time to time by the Directors to be the day or days on which the Net Asset Value per Participating Share of that Class and/or Series is calculated.
"Valuation Point"	means, with respect to any Class and/or Series, the time or times on the Valuation Date of such Class and/or Series at which the Directors determine that the Net Asset Value per Participating Share of that Class and/or Series shall be calculated.

1.2 In these Articles:

- (a) the singular number includes the plural number and vice versa;
- (b) the masculine gender includes the feminine gender;
- (c) persons includes corporations;
- (d) "written" and "in writing" include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record;
- (e) "shall" shall be construed as imperative and "may" shall be construed as permissive;
- (f) references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time;



- (g) any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (h) the term "and/or" is used herein to mean both "and" as well as "or." The use of "and/or" in certain contexts in no respects qualifies or modifies the use of the terms "and" or "or" in others. "Or" shall not be interpreted to be exclusive, and "and" shall not be interpreted to require the conjunctive — in each case, unless the context otherwise requires;
- (i) any reference to the powers of the Directors shall include, when the context admits, the service providers or any other person to whom the Directors may delegate their powers;
- (j) any requirements as to delivery under the Articles include delivery in the form of an Electronic Record;
- (k) any requirements as to execution or signature under the Articles including the execution of the Articles themselves can be satisfied in the form of an electronic signature as defined in the Electronic Transactions Law;
- (l) sections 8 and 19(3) of the Electronic Transactions Law shall not apply; and
- (m) headings are inserted for reference only and shall be ignored in construing these Articles.

2 Commencement of Business

- 2.1 The business of the Company may be commenced as soon after incorporation as the Directors shall see fit.
- 2.2 The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and operation of the Company, including the expenses of registration and the initial offering of Participating Shares.

3 Service Providers

- 3.1 The Directors may appoint any person, firm or corporation to act as a service provider to the Company (whether in general or in respect of any Class and/or Series of Shares) and may entrust to and confer upon any such service providers any of the functions, duties, powers and discretions exercisable by them as Directors, upon such terms and conditions (including as to remuneration payable by the Company) and with such powers of delegation, but subject to such restrictions, as they think fit. Without limiting the generality of the foregoing, such service providers may include managers, investment advisers, administrators, registrars, transfer agents, custodians and prime brokers.
- 3.2 Without prejudice to the generality of the preceding Article, the Directors may appoint any person, firm or corporation to act as the Investment Manager with respect to the assets of the Company (whether in general or in respect of any Class and/or Series of Shares). The Directors may entrust to and confer upon the Investment Manager any of the functions, duties, powers and discretions exercisable by them as Directors upon such terms and conditions (including as to remuneration payable by the Company) and with such powers of delegation, but subject to such restrictions, as they think fit.



4 Rights attaching to Shares

4.1 The Management Shares shall have the following rights:

- (a) as to voting: the holder of a Management Share shall (in respect of such Management Share) have the right to receive notice of, attend at and vote as a Member at any general meeting of the Company; and
- (b) as to capital: a Management Share shall confer upon the holder the right in a winding up to repayment of capital as provided in these Articles but shall confer no other right to participate in the profits or assets of the Company; and
- (c) as to income: no dividends shall be payable on the Management Shares.

4.2 The Participating Shares shall have the following rights:

- (a) as to voting: the holder of a Participating Share shall not (in respect of such Participating Share) have the right to receive notice of, attend at or vote as a Member at any general meeting of the Company, but may vote at a separate Class meeting convened in accordance with these Articles; and
- (b) as to capital: a Participating Share shall confer upon the holder thereof the right in a winding up to participate in the surplus assets of the Company by reference to the Separate Account attributable to the relevant Class or Series of Participating Shares as provided in these Articles; and
- (c) as to income: the Participating Shares shall confer on the holders thereof the right to receive dividends as provided in these Articles.

5 Share Capital

5.1 Subject to these Articles, the Directors may allot, issue, grant options or warrants over, or otherwise dispose of Shares in separate classes and/or series with different terms, preferences, privileges or special rights including, without limitation, with respect to investment strategy and/or policy, participation in assets, profits and losses of the Company, voting, fees charged (including management, performance and incentive fees), redemption privileges, allocation of costs and expenses (including, without limitation, the costs and expenses incurred in any hedging activities and any profits and losses arising therefrom) as they think proper. Subject to the Statute, these Articles and any applicable subscription agreement, any Share Rights (other than those set out in these Articles or set out in a Special Resolution) may be varied by either the Directors or by Ordinary Resolution. Notwithstanding the foregoing, the Subscriber shall have the power to:

- (a) issue one Share to itself;
- (b) transfer that Share by an instrument of transfer to any person; and
- (c) update the Register of Members in respect of the issue and transfer of that Share.

5.2 On or before the allotment of any Participating Share the Directors shall resolve the Class and/or Series to which such Participating Share shall be classified and may, prior to the issue of any Participating Share, reclassify such Participating Share. Each Class and/or Series shall be



specifically identified. Subject to the Statute and these Articles, the Directors may at any time re-name any Participating Share.

- 5.3 Notwithstanding the currency in which the par value of the Participating Shares is denominated, the Directors may specify any currency as the currency in which the Subscription Price, Redemption Price and Net Asset Value of Participating Shares of a Class and/or Series is calculated.
- 5.4 The Company shall not issue Shares to bearer.
- 5.5 Fractional Shares may be issued.
- 5.6 Unless the Directors determine otherwise, Shares shall only be issued as fully paid-up.
- 5.7 Unless the Directors determine otherwise No right of pre-emption or first refusal shall attach to any Shares.

6 Allotment and Issue of Participating Shares

- 6.1 The Directors may from time to time allot and issue Participating Shares of any Class and/or Series. The Directors may, in their discretion, refuse to allot and issue any Participating Shares, and shall not issue any Participating Shares to or for the account of an investor who is not an Eligible Investor. If the Directors have declared a Calculation Suspension or Issue Suspension, no Participating Shares of that Class or Series (as appropriate) shall be issued until the relevant Suspension has ended.
- 6.2 The Directors shall determine the Subscription Price at the time of issue of the first issue of Participating Shares of any Class and/or Series. Thereafter, the Directors may allot and issue Participating Shares of the same Class and/or Series on any Subscription Date provided that such additional Participating Shares are issued at a Subscription Price equal to not less than the Net Asset Value per Participating Share of such Class and/or Series calculated on the relevant Subscription Date (or if the Subscription Date is not also a Valuation Date then on the immediately preceding Valuation Date).
- 6.3 The Directors may add to the Subscription Price per Participating Share (before making any rounding adjustment) an amount which they consider to be an appropriate allowance to reflect fiscal and purchase charges which would be incurred for the account of the Company in investing an amount equal to the Subscription Price. The Directors may also add, in their discretion, a Sales Charge and/or an amount equal to any stamp duty and any other governmental taxes or charges payable by the Company with respect to the issue of such Participating Shares.
- 6.4 An applicant for Participating Shares shall pay for such Participating Shares in such currencies, in such manner, at such time, in such place and to such person acting on behalf of the Company as the Directors may from time to time determine.
- 6.5 Subject to the terms of any subscription agreement, an application for Participating Shares shall be irrevocable by an applicant for Participating Shares once it has been received by the Company. Participating Shares shall be treated as having been issued with effect from the relevant Subscription Date notwithstanding that the subscriber for those Participating Shares may not be entered in the Register of Members until after the Subscription Date.



- 6.6 Participating Shares shall be issued in such minimum numbers as the Directors may specify either generally or in any particular case; likewise the Directors may from time to time prescribe an amount as the minimum subscription amount.
- 6.7 The Directors may resolve to accept non-cash assets in satisfaction (in whole or in part) of the Subscription Price.
- 6.8 The Directors may require an applicant for Participating Shares to pay to the Company for the benefit of any selling agent such selling commissions or such organisational charges as may have been disclosed to such applicant. The Directors may differentiate between applicants as to the amount of such selling commissions or such organisational charges.
- 6.9 The Company may, in so far as the Statute permits, pay a commission to any person in consideration of that person subscribing or agreeing to subscribe whether absolutely or conditionally for any Participating Shares. Such commissions may be satisfied by the payment of cash and/or the issue of fully or partly paid-up Participating Shares. The Company may also on any issue of Participating Shares pay such brokerage as may be lawful.

7 Separate Accounts

- 7.1 The Directors shall have the power to establish and maintain, with respect to Participating Shares of any Class and/or Series, a Separate Account, to record (purely as an internal accounting matter) the allocation, on a differentiated basis, of the assets and liabilities of the Company to the holders of Participating Shares of any such Class and/or a Series in a manner consistent with the methodology set forth in the Offering Memorandum and the rights otherwise attaching to the Participating Shares.
- 7.2 The proceeds from the issue of Participating Shares of any Class and/or Series shall be applied in the books of the Company to the Separate Account established for Participating Shares of that Class and/or Series. The assets and liabilities and income and expenditure attributable to that Separate Account shall be applied to such Separate Account and, subject to the provisions of these Articles, to no other Separate Account. In the event that the assets of a Separate Account referable to any Class and/or Series are exhausted, any and all unsatisfied claims which any Members or former Members referable to that Class and/or Series have against the Company shall be extinguished. The Members or former Members referable to a Class and/or Series shall have no recourse against the assets of any other Separate Account established by the Company.
- 7.3 Where any asset is derived from another asset (whether cash or otherwise), such derivative asset shall be applied in the books of the Company to the same Separate Account as the asset from which it was derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the same Separate Account and, subject to the provisions of these Articles, to no other Separate Account.
- 7.4 In the case of any asset or liability of the Company which the Directors do not consider is attributable to a particular Separate Account, the Directors shall have discretion to determine the basis upon which any such asset or liability shall be allocated between or among Separate Accounts.
- 7.5 The Directors may, in the books of the Company, allocate assets and liabilities to and from Separate Accounts if, as a result of a creditor proceeding against certain of the assets of the



Company or otherwise, a liability would be borne in a different manner from that in which it would have been borne if applied under the foregoing Articles.

- 7.6 The Directors may from time to time transfer, allocate or exchange an asset or liability from one Separate Account to another Separate Account provided that at the time of such transfer, allocation or exchange the Directors form the opinion (in good faith) that the value in money or money's worth of each such asset or liability transferred, allocated or exchanged is not significantly less or more than the value in money or money's worth (referred to in these Articles as "proper value") received by the Separate Account from which such asset or liability is transferred, allocated or exchanged except only as is otherwise provided by these Articles.

8 Determination of Net Asset Value

- 8.1 The Net Asset Value and Net Asset Value per Participating Share of each Class and/or Series shall be determined by or on behalf of the Directors as at the relevant Valuation Point on each relevant Valuation Date.
- 8.2 In calculating the Net Asset Value and the Net Asset Value per Participating Share, the Directors shall apply such generally accepted accounting principles as they may determine.
- 8.3 The assets and liabilities of the Company shall be valued in accordance with such policies as the Directors may determine. Absent bad faith or manifest error, any valuation made pursuant to these Articles shall be binding on all persons.
- 8.4 Unless otherwise determined by the Directors in any resolution creating a Class and/or Series of Participating Shares or as otherwise disclosed in any Offering Memorandum, the Net Asset Value per Participating Share of each Class (or Series) shall be determined by allocating *pro rata* the Net Asset Value, as at the relevant Valuation Point, of the Company and/or of the relevant Separate Account among each Class and/or Series, adjusting the amount so calculated to reflect any fees, costs, foreign exchange items or other assets or liabilities which are properly attributable to a specific Class and/or Series and then by dividing the resultant amount by the number of Participating Shares of such Class and/or Series then in issue.
- 8.5 The Directors may determine that the Net Asset Value of any Class and/or Series shall be definitively determined on the basis of estimates and that such determination shall not be modified to reflect final valuations.
- 8.6 Any expense or liability may be amortised over such period as the Directors may determine.
- 8.7 The Directors may establish such reserves as they deem reasonably necessary for Company expenses and any other contingent Company assets or liabilities, and may, upon the reversal or release of such reserves, apply any monies resulting therefrom in such manner as they may, in their absolute discretion, determine.
- 8.8 Net Asset Value per Participating Share shall be rounded to the nearest cent or such other amount as the Directors may determine and the benefit of any such roundings may be retained by the Company.
- 8.9 The Directors may cause the Company to issue new Participating Shares at par or to compulsorily redeem at par such number of Participating Shares as they consider necessary to address, in such manner as they consider equitable, any prior miscalculation of Net Asset Value.



or Net Asset Value per Participating Share. The Company shall not be required to pay to the holder the redemption proceeds of any such compulsorily redeemed Participating Shares, which proceeds shall be retained by the Company.

9 Suspensions

- 9.1 The Directors may, from time to time, in the circumstances disclosed in the Offering Memorandum, declare a Suspension with respect to any one or more Classes and/or Series of Participating Shares.
- 9.2 The Directors shall promptly notify all affected Members of any such Suspension and shall promptly notify such Members upon termination of such Suspension.

10 Transfer of Shares

- 10.1 Subject to Article 5.1, Shares may not be Transferred without the prior written approval of the Directors (which may be withheld for any or no reason) provided that the Directors may waive this requirement to the extent that they deem appropriate in connection with the listing of any Class or Series of Share on a stock exchange.
- 10.2 The Directors shall not register any Transfer of any Share to any person who is, in the opinion of the Directors, not an Eligible Investor.
- 10.3 Any proposed transferee shall provide to the Directors such information and documents as the Directors may request, including, without limitation, such documents or information as the Directors deem necessary or desirable:
- (a) to enable the Directors to determine that the proposed transferee is an Eligible Investor; and
 - (b) to enable the Company to comply with all applicable laws, including anti-money laundering laws.
- 10.4 The instrument of Transfer of any Share shall be in writing and shall be executed by or on behalf of the transferor (and, if the Directors so require, signed by or on behalf of the transferee). The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the Register of Members.

11 Transmission of Shares

- 11.1 If a Member dies, the survivor or survivors (where the Member was a joint holder) or his or her legal personal representatives (where the Member was a sole holder) shall be the only persons recognised by the Company as having any title to the Member's interest in the Company. The death of any Member shall not operate to relieve, waive or reduce any liabilities attaching to the Member's Shares at the time of death and such liabilities shall continue to bind any survivor or survivors, or any personal representative, as the case may be.
- 11.2 Any person becoming entitled to a Share in consequence of the death or bankruptcy, or the liquidation or dissolution, of a Member (or in any other way than by Transfer) and who is an Eligible Investor may, upon delivery to the Directors of such evidence as may from time to time be required by them of:



(a) such person's entitlement to such Shares; and/or

(b) such person's status as an Eligible Investor,

elect, either to become the holder of such Share or to have such Share Transferred to another Eligible Investor nominated by such person. If such person elects to become the holder of such Share, such person shall give notice in writing to the Directors to that effect, but the Directors shall, in either case, have the same right to decline registration of such person as a holder of such Share as they would have had in the case of a Transfer of the Share by that Member before his or her death or bankruptcy, or liquidation or dissolution, as the case may be.

11.3 Any person becoming entitled to a Share in consequence of the death or bankruptcy, or the liquidation or dissolution, of a Member (or in any other way than by Transfer) and who is not an Eligible Investor shall not be registered as the holder of such Share and shall promptly Transfer such Share to an Eligible Investor in accordance with these Articles.

11.4 A person becoming entitled to a Share by reason of the death or bankruptcy or liquidation or dissolution of the holder (or in any other case than by Transfer), and who is an Eligible Investor, shall be entitled to the same dividends and other advantages to which such person would be entitled if such person were the registered holder of such Share. However, the person shall not, before becoming a Member in respect of a Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company and the Directors may at any time give notice requiring any such person to elect either to be registered himself or to have some person nominated by him become the holder of the Share (but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the relevant Member before his death or bankruptcy or liquidation or dissolution or any other case than by transfer, as the case may be). If the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

12 Redemption of Shares

12.1 Subject to any provisions relating to a specific Class and/or Series as set out in the Offering Memorandum or these Articles or in any resolution constituting a Class and/or Series or otherwise forming part of the special rights of such Participating Shares, a Member may require the redemption of all or any of such Member's Participating Shares by serving a Redemption Notice on the Company. Unless timely receipt is waived by the Directors in a particular case, a Redemption Notice shall be required to be received on or before a Redemption Date with respect to such Participating Shares (or such number of days prior to such Redemption Date as may be determined by the Directors). Any Member redeeming Participating Shares shall submit to the Directors the share certificate (if any) issued in respect of those Participating Shares. The Company shall redeem such Participating Shares at the Redemption Price, being an amount equal to the Net Asset Value per Participating Share of the relevant Class and/or Series calculated on the relevant Redemption Date (or if the Redemption Date is not a Valuation Date then on the immediately preceding Valuation Date) subject to any deductions, holdbacks or adjustments provided for in these Articles and/or the Offering Memorandum.

12.2 The Directors may deduct any Redemption Fee from the Redemption Price. The Directors may also deduct such amount which they consider to be an appropriate allowance to reflect fiscal and



sale charges which would be incurred for the account of the Company in realising assets or closing out positions to provide funds to meet any redemption request.

- 12.3 A Member may not withdraw a Redemption Notice once submitted to the Company unless (a) the Directors shall have declared a Calculation Suspension or Redemption Suspension or (b) the Directors determine (in their sole discretion) to permit the withdrawal of such redemption request (which they may do in whole or in part). If a relevant Suspension has been declared by the Directors, the right of a Member to have its Participating Shares redeemed shall be suspended and during the period of Suspension the Member may withdraw its Redemption Notice. Any withdrawal of the Redemption Notice shall be made in writing and shall only be effective if actually received by the Company before the termination of the period of the Redemption Suspension or Calculation Suspension, as applicable. If the Redemption Notice is not withdrawn, any Participating Shares the redemption of which has been suspended shall be redeemed once the relevant Suspension has ended at the Redemption Price for Participating Shares of the relevant Class and/or Series calculated on the next Redemption Date following the end of the relevant Suspension.
- 12.4 The Directors may impose a gate the effect of which is to limit the redemptions of Participating Shares of any Class and/or Series or to limit the redemptions of Participating Shares held by any Member or Members as of any Redemption Date to such extent and in such manner as is disclosed in the Offering Memorandum. If the Directors determine to limit redemptions, the Directors may determine the manner in which such gated redemption requests will be dealt with on any subsequent Redemption Date.
- 12.5 If the Company is required by the laws of any relevant jurisdiction to make a withholding from any redemption monies payable to the holder of Participating Shares the amount of such withholding shall be deducted from the redemption monies otherwise payable to such person.
- 12.6 No redemption of part of a Member's holding of Participating Shares of any one Class and/or Series may be made if, as a result thereof, such Member would hold fewer Participating Shares of such Class and/or Series than such minimum number or value of Participating Shares of such Class and/or Series as may from time to time be specified (either generally or in any particular case or cases) by the Directors. If such partial redemption would reduce such Member's holding of Participating Shares to less than such minimum holding, the Directors may, in their discretion, elect to compulsorily redeem all of such Member's Participating Shares.
- 12.7 The Company may, in the absolute discretion of the Directors, refuse to make a redemption payment to a Member if the Directors suspect or are advised that the payment of any redemption proceeds to such Member may result in a breach or violation of any anti-money laundering law by any person in any relevant jurisdiction, or if such refusal is necessary to ensure the compliance by the Company, its Directors, the Administrator or any other service provider of the Company with any anti-money laundering law in any relevant jurisdiction.
- 12.8 Any amount payable to a Member for the redemption of Participating Shares shall be paid in such currency or currencies as the Directors may determine. Subject to any Payment Suspension, the Company shall remit redemption proceeds (net of the costs of remittance) by cheque or wire transfer within such period or periods as the Directors shall have disclosed to the Member at the time of its subscription for Participating Shares or, in the absence of any such disclosure, within such period or periods as the Directors shall determine. In the absence of directions as to payment the Company may remit redemption proceeds by cheque to the address of the Member appearing on the Register of Members or by wire transfer to such account as the Directors deem



appropriate in the circumstances. The Company shall not be liable for any loss resulting from this procedure.

- 12.9 On any redemption of Participating Shares the Directors shall have the power to satisfy (in whole or in part) the Redemption Price (and any other sums payable on redemption as provided in these Articles) owing on the redemption of such Participating Shares by dividing *in specie* the whole or any part of the assets of the Company (including, without limitation, shares, debentures, or securities of any other company whether or not held by the Company on the Redemption Date in question) and either (i) distributing such assets directly to the redeeming shareholder, and/or (ii) distributing or allocating such assets to a liquidating account or other similar mechanism to be managed and/or liquidated at the discretion of the Directors.
- 12.10 Participating Shares shall be treated as having been redeemed with effect from the relevant Redemption Date irrespective of whether or not a Member has been removed from the Register of Members or the Redemption Price has been determined or remitted. Accordingly, on and from the relevant Redemption Date, Members in their capacity as such will not be entitled to or be capable of exercising any rights arising under these Articles with respect to Participating Shares being redeemed (including any right to receive notice of, attend or vote at any meeting of the Company) save the right to receive the Redemption Price and any dividend which has been declared prior to the relevant Redemption Date but not yet paid (in each case with respect to the Participating Shares being redeemed). Such Members will be treated as creditors of the Company with respect to the Redemption Price and will rank accordingly in the priority of the Company's creditors.
- 12.11 Once a Participating Share is redeemed it shall be available for re issue and, until re issue, shall form part of the authorised and unissued share capital of the Company.
- 12.12 Upon the written request of a Member or prospective Member in a form acceptable to the Directors, the Company may, in the discretion of the Directors, accept a standing redemption request from such Member or prospective Member pursuant to which the Company shall agree (without assuming any liability for failing to do so) to use its commercially reasonable efforts to redeem such Member's Participating Shares to the extent necessary to ensure that such Member does not own over a specified percentage of the outstanding Participating Shares of the Company or any Class and/or Series thereof; such percentage to be the percentage identified by such Member or prospective Member in such written request as being the percentage which such Member's or prospective Member's ownership cannot exceed without material risk of such Member or prospective Member being in violation of applicable law or regulation. Any such written request may be revoked by notice in writing to the Company from the affected Member.
- 12.13 No amendment to these Articles made after a Redemption Date shall affect a Member with respect to Participating Shares of that Member which have been redeemed, or are being treated as redeemed, on or prior to that Redemption Date.
- 12.14 Unless otherwise provided in the Offering Memorandum, unremitted redemption proceeds shall not bear interest against the Company and redeemed Participating Shares shall not participate in the profits and losses of the Company with effect from the relevant Redemption Date.

13 Compulsory Redemption

- 13.1 The Directors may cause the Company to redeem any or all of the Participating Shares held by any person at the appropriate Redemption Price in the circumstances disclosed in the Offering



Memorandum. If the Directors determine compulsorily to redeem any Participating Shares under this Article they shall give the holder of the Participating Shares such notice of the redemption as they shall have disclosed to the Member at the time of its subscription for Participating Shares or, in the absence of any such disclosure, within such period as the Directors shall determine.

- 13.2 The Directors may cause a compulsory redemption during any period for which a Redemption Suspension has been declared.
- 13.3 Without prejudice to the generality of the foregoing, the Company may (without notice) compulsorily redeem the Participating Shares of any Member and, on behalf of such Member, apply the proceeds of redemption in paying for new Participating Shares to give effect to any exchange, conversion or roll-up policy disclosed to Members pursuant to which Participating Shares of one Class or Series (the "**Old Shares**") may, at the option of the Company, be exchanged for Participating Shares of another Class or Series (the "**New Shares**") by means of the redemption of the Old Shares and the immediate re-subscription of the redemption proceeds in paying up the New Shares.

14 Purchase and Surrender of Shares

- 14.1 Subject to the provisions of the Statute and without prejudice to these Articles, the Company may purchase its own Shares (including any redeemable Shares) in such manner and on such other terms as the Directors may agree with the relevant Member.
- 14.2 The Company may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Statute, including out of capital.
- 14.3 The Directors may accept the surrender for no consideration of any fully paid Share.

15 Treasury Shares

- 15.1 The Directors may, prior to the purchase, redemption or surrender of any Share, determine that such Share shall be held as a Treasury Share.
- 15.2 The Directors may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).

16 Variation of Share Rights

- 16.1 Subject to the Statute and these Articles, all or any of the Share Rights applicable to any Class or Series of Participating Shares in issue (unless otherwise provided by the terms of issue of those Participating Shares) may (whether or not the Company is being wound up) be varied without the consent of the holders of the issued Participating Shares of that Class or Series where such variation is considered by the Directors not to have a material adverse effect upon such holders' Share Rights; otherwise, any such variation may be made only with the prior consent in writing of the holders of not less than two-thirds by Net Asset Value of such Participating Shares, or with the sanction of a resolution passed by a majority of at least two-thirds of the votes cast in person or by proxy at a separate meeting of the holders of such Participating Shares. For the avoidance of doubt, the Directors reserve the right, notwithstanding that any such variation may not have a material adverse effect, to obtain consent from the holders of such Participating Shares. To any such meeting all the provisions of these Articles as to general meetings shall *mutatis mutandis* apply, but so that any holder of a Participating Share present in person or by proxy may demand



a poll, and the quorum for any such meeting shall be Members holding not less than twenty per cent. By Net Asset Value of the issued Participating Shares of the relevant Class or Series. At any Class meeting, the voting rights attributable to each Participating Share shall be calculated by reference to the Net Asset Value per Participating Share (calculated as at the most recent Valuation Date) and not on the basis of one Participating Share, one vote.

- 16.2 For the purposes of a Class consent, the Directors may treat two or more or all the Classes or Series of Participating Shares as forming one Class or Series if the Directors consider that such Classes or Series would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes or Series.
- 16.3 Where the Shares of any Class or Series (the "**First Class**") rank, or will on issue rank, pari passu with the Shares of another Class or Series (the "**Second Class**") with respect to participation in the same pool of profits or assets of the Company on a winding up, the rights of the First Class shall be deemed to be varied by any variation of or creation of rights in the Second Class (including on initial issue) which gives the Second Class priority over the First Class on a winding up of the Company.
- 16.4 In relation to any Class or Series consent required pursuant to Article 16.1, the Directors in their discretion may invoke the following procedure (the "**Negative Consent Procedure**"). The Directors shall provide written notice of the proposed variation (the "**Proposal**") to the Members of the affected Class or Series and shall specify a deadline (the "**Redemption Request Date**"), which shall be no earlier than 30 days after the date of giving such notice, by which date such Members may submit a written request for redemption of some or all of their Participating Shares of the affected Class and/or Series on the Redemption Date (the "**Specified Redemption Date**") specified by the Directors in such notice. The terms of the Proposal shall be such that its specified effective date (the "**Effective Date**") shall not be on or prior to the Specified Redemption Date. Such notice shall further provide that the holders of any Participating Shares in respect of which a request for redemption has not been received by the Redemption Request Date (the "**Affected Shares**") shall, in the absence of express written refusal to consent, be deemed to have consented in writing to the Proposal (such Affected Shares being the "Negative Consent Shares"). In the event that the Negative Consent Procedure is followed, only the Affected Shares shall be considered for the purposes of determining whether the written consent majority has been obtained under Article 16.1 with the holders of the Negative Consent Shares being deemed to have submitted a written consent in favour of the Proposal on the Effective Date.
- 16.5 Subject to the foregoing Articles, the Share Rights applicable to any Class or Series of Shares in issue shall (unless otherwise expressly provided by the conditions of issue of such Shares) be deemed not to be varied by:
- (a) the creation, allotment or issue of further Shares ranking pari passu therewith and which may be issued with the benefit of the terms referred to below;
 - (b) the purchase or redemption of any Shares;
 - (c) the exercise of the powers to allocate assets and charge liabilities to the various Separate Accounts or any of them and to transfer the same to and from the various Separate Accounts or any of them, as provided for in these Articles;
 - (d) any reduction or waiver of any fees (including early redemption, management or performance fees) chargeable or allocable to any Class or Series of Shares;



- (e) any reduction or waiver of any redemption notice, gate or lock-up period applicable to any Class or Series of Shares; or
- (f) any variation or waiver contemplated by or provided for in the Offering Memorandum applicable to the relevant Class and/or Series.

17 Variation of Terms

The Directors, with the consent of the Investment Manager, shall have the absolute discretion to agree with a Member to waive or modify the terms applicable to such Member's subscription for Participating Shares (including those relating to management and performance fees and redemption terms) without obtaining the consent of any other Member; provided that such waiver or modification does not amount to a variation of the rights attaching to the Participating Shares of such other Members.

18 Certificates for Shares

- 18.1 A Member shall only be entitled to a share certificate if the Directors resolve that share certificates shall be issued. Share certificates representing Shares, if any, shall be in such form as the Directors may determine. Share certificates shall be signed by one or more Directors or another person authorised by the Directors. The Directors may authorise certificates to be issued with the authorised signature(s) affixed by mechanical process. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All certificates surrendered to the Company for transfer shall be cancelled and, subject to these Articles, no new certificate shall be issued until the former certificate representing a like number of relevant Shares shall have been surrendered and cancelled.
- 18.2 The Company shall not be bound to issue more than one certificate for Shares held jointly by more than one person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
- 18.3 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating evidence, as the Directors may prescribe, and (in the case of defacement or wearing out) on delivery up of the old certificate.

19 Register of Members

- 19.1 The Company shall maintain or cause to be maintained the Register of Members.
- 19.2 The Directors may determine that the Company shall maintain one or more branch registers of Members in accordance with the Statute. The Directors may also determine which register of Members shall constitute the principal register and which shall constitute the branch register or registers, and to vary such determination from time to time.

20 Closing Register of Members and Fixing Record Date

- 20.1 For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any dividend, or in order to make a determination of Members for any other proper purpose, the Directors may



provide that the Register of Members shall be closed for transfers for a stated period which shall not in any case exceed thirty days.

- 20.2 In lieu of, or apart from, closing the Register of Members, the Directors may fix in advance or arrears a date as the record date for any such determination of Members entitled to notice of, or to vote at any meeting of the Members or any adjournment thereof, or for the purpose of determining the Members entitled to receive payment of any dividend or in order to make a determination of Members for any other proper purpose.
- 20.3 If the Register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of, or to vote at, a meeting of Members or Members entitled to receive payment of a dividend, the date on which notice of the meeting is sent or the date on which the resolution of the Directors declaring such dividend is passed, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Article, such determination shall apply to any adjournment thereof.

21 Non Recognition of Trusts

The Company shall not be bound by or compelled to recognise in any way (even when notified) any equitable, contingent, future or partial interest in any Share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any Share other than an absolute right to the entirety thereof in the registered holder.

22 Lien on Shares

- 22.1 The Company shall have a first and paramount lien on all Shares (whether fully paid-up or not) registered in the name of a Member (whether solely or jointly with others) for all debts, liabilities or engagements to or with the Company (whether presently payable or not) by such Member or such Member's estate, either alone or jointly with any other person, whether a Member or not, but the Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The registration of a Transfer of any such Share shall operate as a waiver of the Company's lien thereon. The Company's lien on a Share shall also extend to any amount payable in respect of that Share.
- 22.2 The Company may sell, in such manner as the Directors think fit, any Shares on which the Company has a lien, if a sum in respect of which the lien exists is presently payable, and is not paid within fourteen clear days after notice has been given to the holder of the Shares, or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold.
- 22.3 To give effect to any such sale the Directors may authorise any person to execute an instrument of Transfer of the Shares sold to, or in accordance with the directions of, the purchaser. The purchaser or such purchaser's nominee shall be registered as the holder of the Shares comprised in any such Transfer, and the purchaser shall not be bound to see to the application of the purchase money, nor shall the purchaser's title to the Shares be affected by any irregularity or invalidity in the sale or the exercise of the Company's power of sale under these Articles.
- 22.4 The net proceeds of such sale after payment of costs, shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable and any balance shall



(subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

23 Amendments of Memorandum and Articles and Alteration of Capital

23.1 The Company may, by Ordinary Resolution:

- (a) increase its share capital by such sum and with such rights, priorities and privileges annexed thereto, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;
- (c) by subdivision of its existing Shares or any of them divide the whole or any part of its share capital into Shares of smaller amount than is fixed by the Memorandum; and
- (d) cancel any Shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any person.

23.2 All new Shares created in accordance with the provisions of the preceding Article shall be subject to the same provisions of these Articles with reference to liens, Transfer, transmission and otherwise as the Shares in the original share capital.

23.3 Subject to the provisions of the Statute and the provisions of these Articles as regards the matters to be dealt with by Ordinary Resolution the Company may, by Special Resolution:

- (a) change its name;
- (b) alter or add to these Articles;
- (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; and
- (d) reduce its share capital or any capital redemption reserve fund.

24 Registered Office

Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its Registered Office. The Company may, in addition to its Registered Office, maintain such other offices or places of business as the Directors determine.

25 General Meetings

25.1 All general meetings other than annual general meetings shall be called extraordinary general meetings. The Directors may call general meetings.

25.2 The Company may but shall not be obliged to hold a general meeting in each year as its annual general meeting, and shall specify the meeting as such in the notice calling it. Any annual general meeting shall be held at such time and place as the Directors shall determine.



- 25.3 The Directors shall, on a Members' requisition, forthwith proceed to convene an extraordinary general meeting of the Company. A Members' requisition is a requisition of Members of the Company holding at the date of deposit of the requisition not less than ten per cent. in Net Asset Value of the Shares as at that date which carry the right to vote at general meetings of the Company.
- 25.4 The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.
- 25.5 If the Directors do not, within twenty-one days from the date of the deposit of the requisition, duly proceed to convene a general meeting to be held within a further twenty-one days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three months after the expiration of the first above-mentioned twenty-one days.
- 25.6 A general meeting convened as aforesaid by requisitionists shall be convened in the same manner, as nearly as possible, as that in which general meetings are to be convened by Directors.

26 Notice of General Meetings

- 26.1 At least five Business Days' notice shall be given of any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day on which the meeting is to be held and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:
- (a) in the case of an annual general meeting, by all the Members entitled to attend and vote thereat; and
 - (b) in the case of an extraordinary general meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety five per cent. in Net Asset Value of the Shares giving that right.
- 26.2 The accidental omission to give notice of a general meeting to, or the non receipt of notice of a meeting by, any person entitled to receive notice thereof shall not invalidate the proceedings of that meeting.

27 Proceedings at General Meetings

- 27.1 No business shall be transacted at any general meeting unless a quorum is present. A quorum shall be one or more Members (present in person, by proxy or authorised corporate representative, as the case may be) entitled to attend and vote and representing not less than twenty per cent. in Net Asset Value of all of the Shares in issue and carrying the right to vote at the meeting.



- 27.2 A person may, with the consent of the Directors, participate at a general meeting by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other. Participation by a person in a general meeting in this manner is treated as presence in person at that meeting.
- 27.3 A resolution (including a Special Resolution) in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or, being corporations or other non-natural persons, signed by their duly authorised representatives) shall be as valid and effective as if the resolution had been passed at a general meeting of the Company duly convened and held.
- 27.4 If a quorum is not present within half an hour from the time appointed for the meeting or if during such a meeting a quorum ceases to be present, the meeting, if convened upon the requisition of Members, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day, time or such other place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present shall be a quorum.
- 27.5 The chairman, if any, of the board of Directors shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if the chairman shall not be present within fifteen minutes after the time appointed for the holding of the meeting, or is unwilling to act, the Directors present shall elect one of their number to be chairman of the meeting.
- 27.6 If no Director is willing to act as chairman, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be chairman of the meeting.
- 27.7 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise it shall not be necessary to give any such notice.
- 27.8 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, the chairman or any Member present in person or by proxy (or in the case of a non-natural person, by its duly authorised representative or by proxy) demands a poll.
- 27.9 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost or not carried by a particular majority, an entry to that effect in the minutes of the proceedings of the meeting shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 27.10 The demand for a poll may be withdrawn.
- 27.11 Except on a poll demanded on the election of a chairman or on a question of adjournment, a poll shall be taken as the chairman directs, and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded.



- 27.12 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the general meeting directs, and any business other than that upon which a poll has been demanded or is contingent thereon may proceed pending the taking of the poll.
- 27.13 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a second or casting vote.

28 Votes of Members

- 28.1 Subject to any rights or restrictions attached to any Shares, on a show of hands every Member holding Shares carrying the right to vote on the matter in question who (being an individual) is present in person or by proxy or (if a corporation or other non-natural person) is present by its duly authorised representative or by proxy, shall have one vote and on a poll the voting rights attributable to each Share carrying the right to vote on the matter in question shall be calculated by reference to the Net Asset Value per Share (calculated as at the most recent Valuation Date) and not on the basis of one Share, one vote.
- 28.2 In the case of joint holders of record, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. Seniority among joint holders shall be determined by the order in which the names of the holders stand in the Register of Members.
- 28.3 A Member of unsound mind, or in respect of whom an order has been made by any court or authority having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by the Member's committee, receiver, curator bonis, or other similar person appointed on such Member's behalf by that court or authority and any such committee, receiver, curator bonis or other similar person may vote by proxy.
- 28.4 No person shall be entitled to vote at any general meeting unless such person is registered as a Member on the record date for such meeting, nor unless all calls or other monies then payable by such person in respect of such Shares have been paid.
- 28.5 No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is purported to be given or tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
- 28.6 On a poll or on a show of hands votes may be cast either personally or by proxy. A Member may appoint more than one proxy or the same proxy under one or more instruments to attend and vote at a meeting. Where a Member appoints more than one proxy the instrument of proxy shall state which proxy is entitled to vote on a show of hands.
- 28.7 A Member holding more than one Share need not cast the votes in respect of its Shares in the same way on any resolution and therefore may vote a Share or some or all such Shares either for or against a resolution and/or abstain (any such abstentions to count neither for nor against the resolution) from voting a Share or some or all of the Shares and, subject to the terms of the instrument appointing it, a proxy appointed under one or more instruments may vote a Share or some or all of the Shares in respect of which such proxy is appointed either for or against a resolution and/or abstain from voting.



29 Proxies

- 29.1 The instrument appointing a proxy shall be in writing, be executed under the hand of the appointor or of such appointor's attorney duly authorised in writing or, if the appointor is a corporation or other non-natural person, under the hand of an officer or other person duly authorised for that purpose. A proxy need not be a Member of the Company.
- 29.2 The Directors may, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the place and the time (being not later than the time for holding the meeting or adjourned meeting to which the proxy relates) at which the instrument appointing a proxy shall be deposited. In the absence of any such direction from the Directors in the notice convening any meeting or adjourned meeting, the instrument appointing a proxy shall be deposited at the Registered Office not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
- 29.3 The chairman may in any event, at the chairman's discretion, declare that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted and which has not been declared to have been duly deposited by the chairman, shall be invalid.
- 29.4 The instrument appointing a proxy may be in any usual or common form and may be incorporated within any subscription agreement or other document signed by or on behalf of the Member. An instrument appointing a proxy may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked. An instrument appointing a proxy shall be deemed to include the power to demand or join or concur in demanding a poll.
- 29.5 Votes given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the Transfer of the Share in respect of which the proxy is given unless notice in writing of such death, insanity, revocation or Transfer was received by the Company at the Registered Office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.

30 Corporate Members

Any corporation or other non-natural person which is a Member of the Company may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any Class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as the corporation could exercise if it were an individual Member.

31 Shares Beneficially Owned by the Company

Shares of the Company that are beneficially owned by the Company shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding Shares at any given time.



32 Directors

There shall be a board of Directors consisting of not less than one person (exclusive of alternate Directors) provided however that the Company may from time to time by Ordinary Resolution increase or reduce the limits in the number of Directors. The first Directors of the Company shall be determined in writing by, or appointed by a resolution of, the Subscriber.

33 Powers of Directors

- 33.1 Subject to the provisions of the Statute, the Memorandum and the Articles and to any directions given by Special Resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or these Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. A duly convened meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
- 33.2 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall determine by resolution.
- 33.3 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of the Company or of any third party. Notwithstanding the foregoing, the Directors shall not exercise the powers specified in this Article in breach of any limits or restrictions specified in the Offering Memorandum.

34 Appointment and Removal of Directors

- 34.1 The Company may, by Ordinary Resolution, appoint any person to be a Director and may, by Ordinary Resolution, remove any Director.
- 34.2 The Directors may appoint any person to be a Director, either to fill a vacancy or as an additional Director provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors.

35 Vacation of Office of Director

The office of a Director shall be vacated if:

- (a) the Director gives notice in writing to the Company that such Director resigns the office of Director;
- (b) the Director is absent (without being represented by proxy or an alternate Director appointed by such Director) from three consecutive meetings of the board of Directors without special leave of absence from the Directors, and they pass a resolution that such Director has by reason of such absence vacated office;
- (c) the Director dies, becomes bankrupt or makes any arrangement or composition with such Director's creditors generally;



- (d) the Director is or becomes of unsound mind;
- (e) the Director ceases to be a Director by virtue of, or is prohibited from being a Director by, an order made pursuant to any law or regulation binding on the Company; or
- (f) all the other Directors of the Company (being not less than two in number) resolve that such Director should be removed as a Director.

36 Proceedings of Directors

- 36.1 The quorum for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be two if there are two or more Directors, and shall be one if there is only one Director. A person who holds office as an alternate Director shall, if such person's appointor is not present, be counted in the quorum. A Director who also acts as an alternate Director shall, if such Director's appointor is not present, count twice towards the quorum.
- 36.2 Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall not have a second or casting vote. A Director who is also an alternate Director shall be entitled in the absence of such Director's appointor to a separate vote on behalf of such Director's appointor in addition to such Director's own vote.
- 36.3 A person may participate in a meeting of the Directors or committee of Directors by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other at the same time. Participation by a person in a meeting in this manner is treated as presence in person at that meeting. Unless otherwise determined by the Directors, the meeting shall be deemed to be held at the place where the chairman is located at the start of the meeting.
- 36.4 A resolution in writing (in one or more counterparts) signed by all the Directors or all the members of a committee of Directors (an alternate Director being entitled to sign such a resolution on behalf of such alternate Director's appointor) shall be as valid and effectual as if it had been passed at a meeting of the Directors, or committee of Directors as the case may be, duly convened and held.
- 36.5 A Director or alternate Director may, or other officer of the Company at the direction of a Director or alternate Director may call a meeting of the Directors by at least two days' notice in writing to every Director and alternate Director which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors (or their alternates) either at, before or after the meeting is held.
- 36.6 The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.
- 36.7 The Directors may elect a chairman of their board and determine the period for which the chairman is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.



36.8 All acts done by any meeting of the Directors or of a committee of Directors (including any person acting as an alternate Director) shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or alternate Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified to be a Director or alternate Director as the case may be.

36.9 A Director but not an alternate Director may be represented at any meetings of the board of Directors by a proxy appointed in writing by such Director. The proxy shall count towards the quorum and the vote of the proxy shall for all purposes be deemed to be that of the appointing Director.

37 Presumption of Assent

A Director who is present at a meeting of the board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless the Director's dissent shall be entered in the minutes of the meeting or unless the Director shall file such Director's written dissent from such action with the person acting as the chairman or secretary of the meeting before the close or adjournment thereof or shall forward such dissent by personal delivery, courier or registered post to such person immediately after the close or adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

38 Directors' Interests

38.1 A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with such Director's office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

38.2 A Director may act alone or by such Director's firm in a professional capacity for the Company and the Director or such Director's firm shall be entitled to remuneration for professional services as if such Director were not a Director or alternate Director.

38.3 A Director or alternate Director of the Company may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director or alternate Director shall be accountable to the Company for any remuneration or other benefits received by such Director or alternate Director as a director or officer of, or from such Director or alternate Director's interest in, such other company.

38.4 No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director shall be in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relationship thereby established. A Director (or such Director's alternate Director in such Director's absence) shall be at liberty to vote in respect of any contract or transaction in which such Director is interested provided that the nature of the interest of any Director or alternate Director in any such contract or transaction shall be disclosed by such Director at or prior to such Director's consideration and any vote thereon.



- 38.5 A general notice that a Director or alternate Director is a shareholder, director, officer or employee of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure for the purposes of voting on a resolution in respect of a contract or transaction in which such Director has an interest, and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

39 Minutes

The Directors shall cause minutes to be made in books kept for the purpose of all appointments of officers made by the Directors, all proceedings at meetings of the Company or the holders of any Class of Shares and of the Directors, and of committees of Directors including the names of the Directors or alternate Directors present at each meeting.

40 Delegation of Directors' Powers

- 40.1 The Directors may delegate any of their powers to any committee consisting of one or more Directors or such other persons as the Directors may designate. They may also delegate to any managing director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by such managing director or any Director provided that an alternate Director may not act as managing director and the appointment of a managing director shall be revoked forthwith if such managing director ceases to be a Director. Any such appointment may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers, and may be revoked or altered. Subject to any such conditions, the proceedings of a committee of Directors shall be governed by these Articles regulating the proceedings of Directors, so far as they are capable of applying.
- 40.2 The Directors may establish any committees, local boards or agencies or appoint any person to be a manager or agent for managing the affairs of the Company and may appoint any person to be a member of such committees or local boards. Any such appointment may be made either collaterally with or to the exclusion of the Directors' powers, shall be subject to any conditions the Directors may impose, and may be revoked or altered. Subject to any such conditions, the proceedings of any such committee, local board or agency shall be governed by these Articles regulating the proceedings of Directors, so far as they are capable of applying.
- 40.3 The Directors may by power of attorney or otherwise appoint any company, firm, person or body of persons to be the attorney or authorised signatory of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorneys or authorised signatories as the Directors may think fit and may also authorise any such attorney or authorised person to delegate all or any of the powers, authorities and discretions vested in such attorney or authorised person.
- 40.4 The Directors may appoint such officers as they consider necessary on such terms, at such remuneration (if any) and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors may think fit. Unless otherwise specified in the terms of such officer's appointment an officer may be removed by resolution of the Directors or Members.



41 Alternate Directors

- 41.1 Any Director (other than an alternate Director) may by written notice to the Company appoint any other Director, or any other person willing to act, to be an alternate Director and by written notice to the Company may remove from office an alternate Director so appointed by the Director.
- 41.2 An alternate Director shall be entitled to receive notice of all meetings of Directors and of meetings of committees of Directors of which such alternate Director's appointor is a member, to attend and vote at every such meeting at which the Director appointing such alternate Director is not personally present, and generally to perform all the functions of such alternate Director's appointor as a Director in such Director's absence.
- 41.3 An alternate Director shall cease to be an alternate Director if such alternate Director's appointor ceases to be a Director.
- 41.4 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
- 41.5 Subject to the provisions of the Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for such alternate Director's own acts and defaults and shall not be deemed to be the agent of the Director appointing such alternate Director.

42 No Minimum Shareholding for Directors

The Company in general meeting may fix a minimum shareholding required to be held by a Director, but unless and until such a shareholding qualification is fixed a Director shall not be required to hold Shares.

43 Remuneration of Directors

- 43.1 The remuneration to be paid to the Directors, if any, shall be such remuneration as the Directors shall determine. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors, or general meetings of the Company, or separate meetings of the holders of any Class of Shares or debentures of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors, or a combination partly of one such method and partly the other.
- 43.2 The Directors may by resolution approve additional remuneration to any Director for any services other than such Director's ordinary routine work as a Director. Any fees paid to a Director who is also counsel to the Company, or otherwise serves it in a professional capacity, shall be in addition to such Director's remuneration as a Director.

44 Seal

The Company may, if the Directors so determine, have a Seal, which shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors. Every instrument to which the Seal has been affixed shall be signed by at least one person who shall be either a Director or some officer or other person authorised by the Directors for the purpose.



45 Dividends, Distributions and Reserves

- 45.1 Subject to the Statute, these Articles, and the special rights attaching to Participating Shares of any Class and/or Series, the Directors may, in their absolute discretion, declare dividends and distributions on Participating Shares of any Class and/or Series in issue and authorise payment of the dividends or distributions out of the relevant Separate Account in respect of such Participating Shares. No dividend or distribution shall be paid except out of the realised or unrealised profits of the Company, or out of the share premium account attributable to Participating Shares of the Class and/or Series in respect of which the dividend or distribution is proposed to be paid, or as otherwise permitted by the Statute.
- 45.2 Except as otherwise provided by the rights attached to Participating Shares, or as otherwise determined by the Directors, all dividends and distributions in respect of Participating Shares of a particular Class and/or Series shall be declared and paid according to the Net Asset Value of the Participating Shares of the Class and/or Series that a Member holds. If any Participating Share is issued on terms providing that it shall rank for dividend or distribution as from a particular date, that Participating Share shall rank for dividend or distribution accordingly.
- 45.3 The Directors may deduct and withhold from any dividend or distribution otherwise payable to any Member all sums of money (if any) then payable by it to the Company on account of calls or otherwise or any monies which the Company is obliged by law to pay to any taxing or other authority.
- 45.4 Under no circumstances may the assets (or the income derived from such assets) attributed to a Separate Account in respect of any Class and/or Series be used to pay a dividend in respect of a Separate Account that is attributed to any other Class and/or Series.
- 45.5 The Directors may declare that any dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of shares, debentures or securities of any other company or in any one or more of such ways and, where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional Shares and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.
- 45.6 Any dividend, distribution, interest or other monies payable in cash in respect of Participating Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of the holder who is first named on the Register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall (unless the Directors in their sole discretion otherwise determine) be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other monies payable in respect of the Participating Share held by them as joint holders.
- 45.7 Any dividend or distribution which cannot be paid to a Member and/or which remains unclaimed after six months from the date of declaration of such dividend or distribution may, in the discretion of the Directors, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the dividend or distribution shall remain as a debt due to the Member. Any dividend or distribution which remains



unclaimed after a period of six years from the date of declaration of such dividend or distribution shall be forfeited and shall revert to the Company.

- 45.8 No dividend or distribution shall bear interest against the Company.

46 Capitalisation

The Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members of any Class and/or Series in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply such sum on their behalf in paying up in full unissued Participating Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of Participating Shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter into an agreement with the Company, on behalf of all of the Members interested, providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

47 Books of Account

- 47.1 The Directors shall cause proper books of account (including, where applicable, material underlying documentation including contracts and invoices) to be kept with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Such books of account must be retained for a minimum period of five years from the date on which they are prepared. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.
- 47.2 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute, or authorised by the Directors or by the Company in general meeting.
- 47.3 The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

48 Audit

- 48.1 The Directors may appoint an Auditor of the Company who shall hold office on such terms as the Directors determine.
- 48.2 Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of



the Company such information and explanation as may be necessary for the performance of the duties of the Auditor.

- 48.3 Any Auditors of the Company shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an ordinary company, and at the next extraordinary general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an exempted company, and at any other time during their term of office, upon request of the Directors or any general meeting of the Members.

49 Notices

- 49.1 Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by courier, post, cable, telex, fax or e-mail to the Member or to the address as shown in the Register of Members (or where the notice is given by e-mail by sending it to the e-mail address provided by such Member). Any notice, if posted from one country to another, is to be sent airmail.
- 49.2 Where a notice is sent by courier, service of the notice shall be deemed to be effected by delivery of the notice to a courier company, and shall be deemed to have been received on the third day (not including Saturdays or Sundays or public holidays) following the day on which the notice was delivered to the courier. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre paying and posting a letter containing the notice, and shall be deemed to have been received on the fifth day (not including Saturdays or Sundays or public holidays in the Cayman Islands) following the day on which the notice was posted. Where a notice is sent by cable, telex or fax, service of the notice shall be deemed to be effected by properly addressing and sending such notice and shall be deemed to have been received on the same day that it was transmitted. Where a notice is given by e-mail service shall be deemed to be effected by transmitting the e-mail to the e-mail address provided by the intended recipient and shall be deemed to have been received on the same day that it was sent, and it shall not be necessary for the receipt of the e-mail to be acknowledged by the recipient.
- 49.3 A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Member in the same manner as other notices which are required to be given under these Articles and shall be addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
- 49.4 Notice of every general meeting shall be given in the manner authorised by these Articles to every person shown as holding Shares carrying an entitlement to receive such notice in the Register of Members on the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the Register of Members and every person upon whom the ownership of a Share devolves by reason of such person being a legal personal representative or a trustee in bankruptcy of a Member where the Member but for such Member's death or bankruptcy would be entitled to receive notice of the meeting, and no other person shall be entitled to receive notices of general meetings.



50 Winding Up

- 50.1 If the Company shall be wound up the liquidator shall apply the assets of the Company in satisfaction of creditors' claims in such manner and order as such liquidator thinks fit. The liquidator shall in relation to the assets available for distribution among the Members make in the books of the Company such transfers thereof to and from Separate Accounts as may be necessary in order that the effective burden of such creditors' claims may be shared among the holders of Participating Shares of different Classes and/or Series in such proportions as the liquidator in such liquidator's absolute discretion may think equitable.
- 50.2 Subject to the special rights attaching to Participating Shares of any Class or Series, the balance shall then be applied in the following priority:
- (a) first, to the holders of Management Shares, an amount equal to the par value of such Management Shares; and
 - (b) second, the balance shall be paid to the holders of Participating Shares in proportion to the Net Asset Value of Participating Shares held, subject to a deduction from those Participating Shares in respect of which there are monies due, of all monies due to the Company for unpaid calls, or otherwise.
- 50.3 If the Company shall be wound up (whether the liquidation is voluntary or by or under the supervision of the Court) the liquidator may, with the authority of a resolution or resolutions passed by the holders of Participating Shares (whether as a whole or at separate Class meetings), divide among the Members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of one kind or shall consist of property of different kinds, and may for such purposes set such value as the liquidator deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Member shall be compelled to accept any shares or other property in respect of which there is a liability.

51 Indemnity and Insurance

- 51.1 Every Director and officer of the Company (which for the avoidance of doubt, shall not include any Auditor), together with every former Director and former officer of the Company (each an "**Indemnified Person**") shall be indemnified out of the assets of the Company against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own actual fraud or wilful default. No Indemnified Person shall be liable to the Company for any loss or damage incurred by the Company as a result (whether direct or indirect) of the carrying out of their functions unless that liability arises through the actual fraud or wilful default of such Indemnified Person. No person shall be found to have committed actual fraud or wilful default under this Article unless or until a court of competent jurisdiction shall have made a finding to that effect.
- 51.2 The Company shall advance to each Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defence of any action, suit, proceeding or



investigation involving such Indemnified Person for which indemnity will or could be sought. In connection with any advance of any expenses hereunder, the Indemnified Person shall execute an undertaking to repay the advanced amount to the Company if it shall be determined by final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification pursuant to this Article. If it shall be determined by a final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification with respect to such judgment, costs or expenses, then such party shall not be indemnified with respect to such judgment, costs or expenses and any advancement shall be returned to the Company (without interest) by the Indemnified Person.

- 51.3 The Directors, on behalf of the Company, may purchase and maintain insurance for the benefit of any Director or other officer of the Company against any liability which, by virtue of any rule of law, would otherwise attach to such person in respect of any negligence, default, breach of duty or breach of trust of which such person may be guilty in relation to the Company.
- 51.4 Pursuant to the foregoing provisions, the Company may enter into a service or other agreement with any Director (or any entity providing one or more persons to the Company to act as Directors) upon such terms and conditions (including as to indemnification and exculpation) as the Directors shall, in their absolute discretion, determine. Any such indemnification and exculpation provisions may be specified to a standard equal to or more favourable (but not less favourable) to the Company than any standard specified in these Articles.

52 Disclosure

If required to do so under the laws of any jurisdiction to which the Company, the Investment Manager, the Administrator or any other service provider is subject, or in compliance with the rules of any stock exchange upon which the Company's Shares are listed, or to ensure the compliance by any person with any anti-money laundering law in any relevant jurisdiction, any Director, Officer, the Investment Manager, the Administrator or Auditor of the Company shall be entitled to release or disclose any information in its possession regarding the affairs of the Company or a Member including, without limitation, any information contained in the Register of Members or subscription documentation of the Company relating to any Member.

53 Financial Year

Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31st December in each year and, following the year of incorporation, shall begin on 1st January in each year.

54 Transfer by way of Continuation

The Company shall, subject to the provisions of the Statute and with the approval of a Special Resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

55 Mergers and Consolidations

The Company shall, with the approval of a Special Resolution, have the power to merge or consolidate with one or more constituent companies (as defined in the Statute), upon such terms as the Directors may determine.



HIGHLAND DYNAMIC INCOME MASTER FUND, L.P.

A Cayman Islands Exempted Limited Partnership

Second Amended and Restated Exempted Limited Partnership Agreement

April 1, 2018

NOTICE

NEITHER HIGHLAND DYNAMIC INCOME MASTER FUND, L.P. NOR THE LIMITED PARTNER INTERESTS THEREIN HAVE BEEN OR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED, OR THE SECURITIES LAWS OF ANY OF THE STATES OF THE UNITED STATES. THE OFFERING OF SUCH LIMITED PARTNER INTERESTS IS BEING MADE IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT FOR OFFERS AND SALES OF SECURITIES WHICH DO NOT INVOLVE ANY PUBLIC OFFERING, AND ANALOGOUS EXEMPTIONS UNDER STATE SECURITIES LAWS.

THE DELIVERY OF THIS AMENDED AND RESTATED EXEMPTED LIMITED PARTNERSHIP AGREEMENT SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY OFFER, SOLICITATION OR SALE OF LIMITED PARTNER INTERESTS IN HIGHLAND DYNAMIC INCOME MASTER FUND, L.P. IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE LIMITED PARTNER INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE REQUIREMENTS AND CONDITIONS SET FORTH IN THIS AMENDED AND RESTATED EXEMPTED LIMITED PARTNERSHIP AGREEMENT.

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THIS SECOND AMENDED AND RESTATED EXEMPTED LIMITED PARTNERSHIP AGREEMENT of Highland Dynamic Income Master Fund, L.P. is made on April 1, 2018 by and among Highland Dynamic Income Fund GP, LLC, as General Partner, those Persons who are listed on Exhibit A as Limited Partners and any other Persons who are admitted, from time to time, as Limited Partners of the Partnership, in accordance with this Agreement. This Agreement amends and restates in its entirety the Amended and Restated Exempted Limited Partnership Agreement of the Partnership dated March 28, 2013 (the “*Prior Agreement*”).

Article I DEFINITIONS

For purposes of this Agreement:

“*Act*” means the Exempted Limited Partnership Law, 2014 of the Cayman Islands, as amended, supplemented or replaced from time to time.

“*Administrator*” means such Person as the General Partner may designate from time to time, in its sole discretion, to serve as administrator to the Partnership.

“*Advisory Committee*” has the meaning set forth in Section 4.6.

“*AEOI*” means:

- (i) Sections 1471 through 1474 of the Code and any associated legislation, regulations or guidance, and any other similar legislation, regulations or guidance enacted in any other jurisdiction which seeks to implement similar financial account information reporting and/or withholding tax regimes;
- (ii) the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters – the Common Reporting Standard and any associated guidance;
- (iii) any intergovernmental agreement, treaty, regulation, guidance, standard or other agreement between the Cayman Islands (or any Cayman Islands government body) and any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement or implement the legislation, regulations, guidance or standards described in sub-paragraphs (a) and (b); and
- (iv) any legislation, regulations or guidance in the Cayman Islands that give effect to the matters outlined in the preceding sub-paragraphs.

“*Affiliate*” means, with respect to any Person, a Person which controls, is controlled by, or is under common control with, such Person. For these purposes, “control” means the

possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Agreement” means this Second Amended and Restated Exempted Limited Partnership Agreement, as amended from time to time.

“Automatic Dissolution Date” has the meaning set forth in Section 6.1(a)(ii).

“BBA” means Subchapter C of Chapter 63 of the Code (Sections 6221 through 6241 of the Code), as enacted by the Bipartisan Budget Act of 2015, Pub. L. No. 114-74, as amended from time to time, and the Regulations thereunder (whether proposed, temporary or final), including any subsequent amendments, successor provisions or other guidance thereunder, and any equivalent provisions for state, local or non-U.S. tax purposes.

“BBA Effective Period” means any taxable year commencing after 2017, taking into account any extensions of the effective date set forth in the BBA.

“Business Day” means any day or days on which banks are open for business in the city of New York, NY and the Cayman Islands and/or such other place or places as the General Partner may determine.

“Calculation Period” means, with respect to each Capital Account of a Limited Partner, the period commencing as of the date of the establishment of the Capital Account (in the case of the initial Calculation Period) and thereafter each period commencing as of the day following the last day of the preceding Calculation Period with respect to such Capital Account, and ending as of the close of business on the first to occur of the following:

- (a) the last day of a calendar year;
- (b) the withdrawal of all or a portion of the Interest attributable to such Capital Account (but only with respect to such withdrawn amount);
- (c) the permitted transfer of all or any portion of such Capital Account; or
- (d) the final distribution with respect to such Capital Account to such Limited Partner following the dissolution of the Partnership.

“Capital Account” has the meaning set forth in Section 3.3(a).

“Code” means the U.S. Internal Revenue Code of 1986, as amended, and as hereafter amended, or any successor law.

“Commencement Date” means the first date on or as of which a Limited Partner makes a capital contribution to the Partnership.

“Designated Individual” has the meaning set forth in Section 7.2(a).

“Domestic Fund” means Highland Dynamic Income Fund, L.P., a Delaware limited partnership.

“ERISA” means the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

“ERISA Partner” means a Limited Partner which is (a) an employee benefit plan subject to the fiduciary provisions of ERISA, (b) a “plan” subject to Section 4975 of the Code, (c) an entity whose underlying assets include “plan assets” for purposes of ERISA by reason of a Plan’s investment in the entity, or (d) an entity that otherwise constitutes a “benefit plan investor” within the meaning of Section 3(42) of ERISA or any regulation promulgated thereunder.

“Feeder Fund Investor” means an investor in one of the Feeder Funds.

“Feeder Funds” means the Domestic Fund and the Offshore Fund.

“Fiscal Period” means each period that starts at the opening of business on the Commencement Date (in the case of the initial Fiscal Period) and thereafter on the day immediately following the last day of the preceding Fiscal Period, and that ends at the close of business on the earliest of the following dates:

- (a) the last day of a calendar month;
- (b) any date as of which any withdrawal or distribution of capital is made with respect to any Capital Account or as of which this Agreement provides for any amount to be credited to or debited against a Capital Account, other than a withdrawal or distribution by or to, or an allocation to, all Capital Accounts that does not result in any change of the Partnership Percentage relating to any Capital Account;
- (c) the date which immediately precedes any day as of which a capital contribution is accepted by the General Partner from any new or existing Partner; or
- (d) any other date which the General Partner selects.

“Fiscal Year” means the period commencing on the Commencement Date and ending on December 31 of the year of commencement, and thereafter each period commencing on January 1 of each year and ending on December 31 of such year, unless the General Partner shall elect another fiscal year, *provided* that any such other fiscal year shall be permissible for U.S. federal income tax purposes. In the case of the Fiscal Year in which the Partnership is terminated in accordance with Article VI, **“Fiscal Year”** means the portion of the calendar year ending on the date on which the Partnership is terminated.

“GAAP” means generally accepted accounting principles in the United States.

“General Partner” means Highland Dynamic Income Fund GP, LLC, a Delaware limited liability company registered as a foreign company in the Cayman Islands, any successor thereto,

and any Persons hereafter admitted as additional general partners, in its capacity as general partner of the Partnership.

“Gross Negligence” means “gross negligence” as such term is defined and interpreted in accordance with the laws of the State of Delaware.

“Indemnified Person” means each of the General Partner, the Investment Manager, any member, shareholder, partner, manager, director, officer, employee or agent of, or any person who controls, the General Partner, each of the respective affiliates of the foregoing, members of the Advisory Committee or the Pricing Committee, their respective affiliates, or any of the legal representatives of any of the foregoing.

“Index Return Amount” means the amount that would have been credited or debited to such Capital Account for the Calculation Period if the rate of return had been equal to the return of the S&P/LSTA Leveraged Loan Total Return Index for such Calculation Period.

“Interest” means the entire ownership interest of a Partner in the Partnership at the relevant time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement.

“Investment Management Agreement” means the Investment Management Agreement by and among the Investment Manager, the General Partner, the Feeder Funds and the Partnership.

“Investment Manager” means Highland Capital Management, L.P., a Delaware limited partnership, or any successor thereto, or any Person thereafter appointed as an investment manager of the Partnership in accordance with the Investment Management Agreement.

“Investments” means investments in securities or other financial or intangible investment instruments, contracts or products made by the Partnership, as more fully described in the Feeder Funds’ offering memoranda (as may be amended, updated or supplemented from time to time).

“Limited Participation Investment” means an Investment which, as determined by the General Partner, is suitable for some but not all of the Capital Accounts, or of which certain Capital Accounts should receive a reduced participation, for legal, tax, regulatory or other *bona fide* reasons.

“Limited Participation Sub-Accounts” means memorandum accounts to be maintained in the accounting records of the Partnership on a Capital Account-by-Capital Account basis with respect to each particular Limited Participation Investment to reflect the entitlement of each Capital Account (other than a Capital Account that does not have any credit balance at the time of the establishment of the Limited Participation Sub-Account that is unrelated to a pre-existing Limited Participation Sub-Account) to allocations and distributions attributable to Partnership transactions involving such Limited Participation Investments.

“Limited Partner” means each of the Persons set forth on Exhibit A and any Person who has become a Limited Partner pursuant to the terms of this Agreement, in each case in such

Person's capacity as a limited partner of the Partnership. The General Partner may subdivide the Interests into separate series and establish new series pursuant to Section 2.10; *provided, that*, except as expressly set forth in this Agreement, for all purposes of the Act, the Limited Partners constitute a single class or group of limited partners.

"Liquidator" has the meaning set forth in Section 6.1(b).

"Management Fee" means an amount calculated at an annual rate of (i) 0.75% of each Capital Account of a Limited Partner. The Management Fee is calculated and payable quarterly in advance as further described in Section 3.5(a).

"Negative Basis" means, with respect to any Partner and as of any time of calculation, the excess of such Partner's "adjusted tax basis" in its Interest for U.S. federal income tax purposes at such time (determined without regard to any adjustments made to such adjusted tax basis by reason of any Transfer or assignment of such Interest, including by reason of death) over the amount that such Partner is entitled to receive upon withdrawal from or liquidation of the Partnership.

"Negative Basis Partner" means any Partner who withdraws all or a portion of its Interest from the Partnership and who has a Negative Basis as of the effective date of withdrawal, but such Partner shall cease to be a Negative Basis Partner at such time as it shall have received allocations pursuant to Section 3.10(d) equal to such Partner's Negative Basis as of the effective date of withdrawal and without regard to such Partner's share of the liabilities of the Partnership under Section 752 of the Code.

"Net Assets" means the total value, as determined by the General Partner or its delegate(s) in accordance with Section 7.3, of all Investments and other assets of the Partnership (including net unrealized appreciation or depreciation of the assets and accrued interest and dividends receivable net of any withholding taxes), less an amount equal to all accrued debts, liabilities and obligations of the Partnership (including any reserves for contingencies accrued pursuant to Section 3.6). Except as otherwise expressly provided herein, Net Assets as of the first day of any Fiscal Period shall be determined on the basis of the valuation of assets conducted as of the close of the immediately preceding Fiscal Period but after giving effect to any capital contributions made by any Partner subsequent to the last day of such immediately preceding Fiscal Period and after giving effect to Management Fee charges and Net Assets as of the last day of any Fiscal Period shall be determined before giving effect to any of the following amounts payable by the Partnership generally or in respect of any Investment which are effective as of the date on which such determination is made:

- (a) any withdrawals or distributions payable to any Partner which are effective as of the date on which such determination is made; and
- (b) withholding or other taxes (including any amounts under any BBA provision), expenses of processing withdrawals and other items payable, any increases or decreases in any reserves or other amounts recorded pursuant to Section 3.6 and any increases or decreases in the value of any Limited Participation Investments during the Fiscal Period ending as of the date on which such determination is

made, to the extent the General Partner determines that, pursuant to any provisions of this Agreement, such items are not to be charged ratably among the Capital Accounts of all Partners on the basis of their respective Partnership Percentages as of the commencement of the Fiscal Period.

“Net Loss” means any amount by which the Net Assets as of the first day of a Fiscal Period exceed the Net Assets as of the last day of the same Fiscal Period.

“Net Profit” means any amount by which the Net Assets as of the last day of a Fiscal Period exceed the Net Assets as of the first day of the same Fiscal Period.

“New Limited Partner” has the meaning assigned to such term in Section 8.2(a)(vi).

“Offshore Fund” means Highland Dynamic Income Fund, Ltd., a Cayman Islands exempted company.

“Other Account” means any assets or investment of the General Partner, or any assets managed by the General Partner or any Affiliate of the General Partner for the account of any Person or entity (including investment vehicles) other than the Partnership, which are invested or which are available for investment in securities or other instruments or for trading activities whether or not of the specific type being conducted by the Partnership.

“Partner” means the General Partner or any of the Limited Partners, except as otherwise expressly provided herein, and **“Partners”** means the General Partner and all of the Limited Partners.

“Partnership” means the exempted limited partnership formed upon the filing of a statement under Section 9 of the Act with the Registrar on February 26, 2013, pursuant to the Prior Agreement and registered with the name “Highland Dynamic Income Master Fund, L.P.”

“Partnership Minimum Gain” has the meaning set forth in Regulations Section 1.704-2(b)(2) and (d).

“Partnership Percentage” means a percentage established for each Capital Account on the Partnership’s books as of the first day of each Fiscal Period. The Partnership Percentage of a Capital Account for a Fiscal Period shall be determined by dividing the amount of such Capital Account as of the beginning of the Fiscal Period (after crediting all capital contributions to such Capital Account which are effective as of such date, net of all deductions, including Management Fees) by the sum of all Capital Accounts as of the beginning of the Fiscal Period (after crediting all capital contributions to the Partnership which are effective as of such date, net of all deductions, including Management Fees). The sum of the Partnership Percentages of all Capital Accounts for each Fiscal Period shall equal 100%.

“Performance Allocation” means, with respect to each Capital Account of a Limited Partner, 10% of the amount, determined as of the close of each Calculation Period with respect to such Capital Account, by which the Performance Change amount (positive and negative) for such Calculation Period exceeds the Index Return Amount (positive and negative) for such Capital Account for such Calculation Period.

“Performance Change” means, with respect to each Capital Account of a Limited Partner for each Calculation Period, the difference between:

(a) the sum of (a) the balance of such Capital Account as of the close of the Calculation Period (after giving effect to all allocations to be made to such Capital Account as of such date other than any Performance Allocation to be debited against such Capital Account), plus (b) any debits to such Capital Account during the Calculation Period to reflect any actual or deemed distributions or withdrawals with respect to such Capital Account, plus (c) any debits to such Capital Account during the Calculation Period to reflect any items allocable to such Capital Account pursuant to Section 3.5(b) or 3.5(c) hereof; and

(b) the sum of (a) the balance of such Capital Account as of the commencement of the Calculation Period, plus (b) any credits to such Capital Account during the Calculation Period to reflect any contributions by such Limited Partner to the Capital Account.

“Person” means any individual, partnership, corporation, limited liability company, trust, or other entity.

“Plan Assets” means assets of the Partnership that are considered to be assets of an ERISA Partner, as determined pursuant to Section 3(42) of ERISA.

“Positive Basis” means, with respect to any Partner and as of any time of calculation, the excess of the amount that such Partner is entitled to receive upon withdrawal from or liquidation of the Partnership over such Partner’s “adjusted tax basis” in its Interest for U.S. federal income tax purposes at such time (determined without regard to any adjustments made to such adjusted tax basis by reason of any Transfer or assignment of such Interest, including by reason of death).

“Positive Basis Partner” means any Partner who withdraws all or a portion of its Interest from the Partnership and who has a Positive Basis as of the effective date of withdrawal, but such Partner shall cease to be a Positive Basis Partner at such time as it shall have received allocations pursuant to Section 3.10(c) equal to such Partner’s Positive Basis as of the effective date of withdrawal and without regard to such Partner’s share of the liabilities of the Partnership under Section 752 of the Code.

“Pricing Committee” has the meaning set forth in Section 4.7.

“Prior Agreement” has the meaning set forth in the recitals hereto.

“Registrar” means the Registrar of Exempted Limited Partnerships of the Cayman Islands.

“**Regulations**” means the proposed, temporary and final U.S. Treasury Regulations promulgated under the Code, including any successor regulations.

“**Regulatory Allocations**” has the meaning set forth in Section 3.11.

“**Section 9 Statement**” has the meaning set forth in Section 2.1(a).

“**Section 10 Statement**” has the meaning set forth in Section 2.1(b).

“**Tax Matters Partner**” has the meaning set forth in Section 7.2(a).

“**Termination Date**” has the meaning assigned to such term in Section 6.1(a).

“**Transfer**” means any sale, exchange, transfer, assignment or other disposition by a Partner of its Interest to another party, whether voluntary or involuntary, including a transfer by operation of law, but not including a pledge of or a granting of another form of security interest in any such Interest.

Article II ORGANIZATION

2.1 Continuation of Limited Partnership

- (a) The General Partner and Offshore Fund established the Partnership upon filing a statement under section 9 of the Act (the “**Section 9 Statement**”) with the Registrar on February 26, 2013, pursuant to the Prior Agreement, which Prior Agreement has governed the operation of the Partnership since that date. The General Partner hereby admits the Limited Partners who are a party to this Agreement (provided that the Initial Limited Partner (as defined in the Prior Agreement) is not hereby admitted but shall continue as a Limited Partner) and the General Partner and the Limited Partners hereby amend and restate the Prior Agreement in its entirety on the terms of this Agreement.
- (b) If requested by the General Partner, the Limited Partners will promptly execute all certificates and other documents consistent with the terms of this Agreement necessary for the General Partner to accomplish all filings, recordings, publishings and other acts as may be appropriate to comply with all requirements for (i) the formation and operation of an exempted limited partnership under the laws of the Cayman Islands, (ii) if the General Partner deems it advisable, the operation of the Partnership as an exempted limited partnership, or partnership in which the Limited Partners have limited liability, in all jurisdictions where the Partnership proposes to operate and (iii) all other filings required by the Act to be made by the Partnership. The General Partner shall cause any required amendment to the Section 9 Statement, which shall be effected by way of the execution by the General Partner of a statement under Section 10 of the Act (the “**Section 10 Statement**”) with such statement to be filed promptly following the

event requiring such amendment. All Section 10 Statements or any such amendments may be signed by the General Partner (as required by the Act), and may be signed either personally or by an attorney-in-fact or agent of the General Partner.

- (c) The Partnership received an undertaking from the Governor-in-Cabinet of the Cayman Islands to the effect that, for a period of 50 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciations shall apply to the Partnership or to any Partner in respect of the operations or assets of the Partnership or the Interest of a Partner. The parties hereto acknowledge that they intend that the Partnership be taxed in the United States as a partnership and not as an association taxable as a corporation for U.S. federal income tax purposes. No election may be made to treat the Partnership as other than a partnership for U.S. federal income tax purposes.

2.2 Name of Partnership

- (a) The name of the Partnership shall be Highland Dynamic Income Master Fund, L.P. or such other name as the General Partner may hereafter adopt upon (i) causing a statement pursuant to Section 10 of the Act to be filed with the Registrar and (ii) giving notice thereof to the Limited Partners.
- (b) The Partnership shall have the exclusive ownership and right to use the Partnership name so long as the Partnership continues, despite the withdrawal, expulsion, resignation or removal of any Limited Partner, but upon the Partnership's winding up or at such time as there ceases to be a General Partner, the Partnership shall assign the name and the goodwill attached thereto to the General Partner without payment by the assignee(s) of any consideration therefor.

2.3 Registered Office

- (a) The registered office address of the Partnership in the Cayman Islands is at c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (b) The General Partner may at any time change the location of the Partnership's registered office or registered agent in its sole discretion, provided that the registered office of the Partnership shall be in the Cayman Islands.

2.4 Term of Partnership

The term of the Partnership commenced on the date of formation and continues until wound up and dissolved pursuant to Section 6.1 (unless its term is extended pursuant to Section 6.1).

2.5 Object and Powers of Partnership

- (a) The object and business of the Partnership is to (1) purchase, sell (including short sales), invest and trade in Investments (2) engage in financial transactions, including borrowing, financing, pledging, hedging and other derivative transactions relating thereto for the benefit of the Partnership, (3) engage in any lawful act or activity for which exempted limited partnerships may be formed under the Act and (4) engage in any and all activities necessary or incidental to the foregoing; provided that the Partnership shall not undertake business with the public in the Cayman Islands other than so far as is necessary for the carrying on of the business of the Partnership exterior to the Cayman Islands.
- (b) The Partnership possesses and the General Partner on behalf of the Partnership may exercise all such powers and privileges as the General Partner considers necessary, convenient or incidental to the conduct, promotion or attainment of the objects of the Partnership.

2.6 Liability of Partners

- (a) The liability of the Limited Partners is limited to their obligations under this Agreement and the Act. The General Partner is liable for all of the debts and obligations of the Partnership to the extent that the Partnership has insufficient assets. The General Partner shall not be personally liable for the withdrawal, payment or distribution of all or any part of any Interest, it being expressly agreed that any such withdrawal, payment or distribution to be made pursuant to this Agreement shall be made solely from the assets of the Partnership (which shall not include the General Partner's capital contributions) and on the terms and subject to the conditions contained in this Agreement.
- (b) In no event shall any Limited Partner (or former Limited Partner) be obligated to make any contribution to the Partnership in addition to its agreed capital contribution (or other payments provided for herein) or have any personal liability for the repayment or discharge of the debts and obligations of the Partnership except to the extent provided herein or as required by the Act or other applicable law.

2.7 Actions by Partnership

The General Partner on behalf of the Partnership may execute, deliver and perform all contracts, agreements and other undertakings and engage in all activities and transactions as may in the opinion of the General Partner be necessary or advisable to carry out the objects of the Partnership as set forth in Section 2.5 above. Notwithstanding the foregoing, the Partnership shall not issue any securities other than Interests in the Partnership.

2.8 Reliance by Third Parties

Persons dealing with the Partnership are entitled to rely conclusively upon the power and authority of the General Partner as herein set forth.

2.9 Filings

- (a) The General Partner shall take any and all other actions as may be reasonably necessary to perfect and maintain the status of the Partnership as an exempted limited partnership under the Act and other laws of the Cayman Islands, including the filing of a notice pursuant to Section 10 of the Act with the Registrar signed by the General Partner upon the occurrence of certain amendments to the Section 9 Statement of the Partnership, and any other states or jurisdictions in which the Partnership engages in business.
- (b) Following the winding up of the Partnership and to effect the dissolution of the same, the General Partner or any duly appointed liquidator shall promptly (i) comply with the applicable provisions of Section 15 of the Act, (ii) execute and cause to be filed a notice of dissolution in accordance with Section 15(3) of the Act and (iii) file any certificates of cancellation in accordance with the laws of any states or jurisdictions in which the Partnership has filed certificates.

2.10 Series of Interests

The General Partner, at any time, may without notification to or consent of the other Limited Partners, create and offer different classes or series of Interests in the Partnership with such rights, obligations, liabilities, privileges, designations and preferences (including different investment strategies, underlying investments, degrees of leverage, management fees, performance allocations, brokerage commissions, transparency, withdrawal rights, co-investment opportunities, and other differences) as the General Partner may determine upon the issuance of such class or series; *provided* that such class or series would not reasonably be expected to have a material adverse effect on the existing Limited Partners.

Article III CAPITAL

3.1 Contributions to Capital

- (a) Each Partner is permitted to make contributions to the capital of the Partnership at such times and in such amounts as the General Partner, in its sole discretion, may determine. The Limited Partners are not required to make any additional contributions to the Partnership, subject to the provisions of Section 3.5(b) and any contrary provision of the Act.
- (b) Each Person admitted as a General Partner agrees to make and maintain a capital contribution as a General Partner of at least U.S.\$1.00. Except as provided above or in the Act, the General Partner is not required or obligated to make any additional contributions to the capital of the Partnership. The General Partner or an Affiliate shall have the right at any time to make additional capital contributions as a Limited Partner or General Partner.

3.2 Rights of Partners in Capital

- (a) No Partner shall be entitled to interest on its capital contributions to the Partnership.
- (b) No Partner shall have the right to the return of any capital contribution to the Partnership except, subject to the Act, (i) upon withdrawal by such Partner of all or part of its Interest pursuant to Section 5.3 or (ii) upon the winding up and dissolution of the Partnership pursuant to Section 6.1. The entitlement to any such return shall be limited to the value of the Capital Account of the Partner. The General Partner shall not be liable for the return of any such amounts.

3.3 Capital Accounts

- (a) The Partnership maintains a separate capital account (each a “*Capital Account*”) on the books and records of the Partnership for each Partner. The General Partner may, in its discretion, maintain separate memorandum sub-accounts related to a Capital Account for such purposes as the General Partner may determine appropriate, including for recordkeeping, accounting or reporting or to otherwise give effect to the provisions of this Agreement, and, if so determined by the General Partner, with each memorandum sub-account being maintained as if it were the Capital Account of a separate Partner for all purposes of this Agreement unless the context requires otherwise. References herein to a “Capital Account” shall be deemed to refer to such a capital memorandum sub-account where the context admits. Each Capital Account must reflect the aggregate sum of the balances of memorandum sub-accounts in such Partner’s Capital Account. Without limiting the foregoing:
 - (i) with respect to the Domestic Fund, the Partnership maintains a separate memorandum sub-account with respect to the Domestic Fund’s Capital Account with respect to the capital account (and applicable memorandum sub-account) of each partner of such Domestic Fund;
 - (ii) in the case of the Offshore Fund, the Partnership maintains a separate memorandum sub-account with respect to each class and series of shares of the Offshore Fund attributable to a shareholder; and
 - (iii) Any separate memorandum sub-accounts established for a Limited Partner’s Capital Account may be consolidated at the beginning of each Calculation Period, as determined by the General Partner.
- (b) Each Capital Account shall have an initial balance equal to the amount of any cash and the net value of any property constituting the relevant Partner’s initial capital contribution to the Partnership.

- (c) Each Capital Account shall be increased by the amount of any cash and the net value of any property constituting additional contributions to such Capital Account permitted pursuant to Section 3.1.
- (d) Each Capital Account shall be reduced by the amount of any cash and the net value of any property withdrawn by or distributed to the relevant Partner pursuant to Sections 5.3 or 6.2.
- (e) The Capital Account of the General Partner will be increased by the amount of the Performance Allocation allocated to such Capital Account and the investment gains thereon pursuant to Section 3.7(a).
- (f) Each Capital Account, including any related Limited Participation Sub-Accounts, shall be adjusted to reflect allocations and other changes in the value of such Capital Account in the manner specified in the remaining provisions of this Article III.

3.4 Allocation of Net Profit and Net Loss

- (a) Subject to the remaining provisions of this Article III, as of the last day of each Fiscal Period, any Net Profit or Net Loss for such Fiscal Period shall be separately allocated among and credited to or debited against the Capital Accounts of the Partners in proportion to their respective Partnership Percentages for such Fiscal Period.
- (b) Notwithstanding Section 3.4(a), items of income, gain, loss, deduction, credit and expenses for a Fiscal Period that are not allocable to specific Investments of the Partnership, including short term interest income, and audit, administration and legal expenses, shall be credited to or debited against the Capital Accounts of the Partners *pro rata* in accordance with their Partnership Percentages for such Fiscal Period.
- (c) Notwithstanding Section 3.4(a), items of income, gain, loss, deduction, credit and expenses that relate to a Limited Participation Investment shall be allocated exclusively to those Capital Accounts that the General Partner determines are eligible to participate in such Limited Participation Investment on a *pro rata* basis based on their relative participation in such Limited Participation Investment.

3.5 Allocation of Management Fees, Withholding Taxes and Certain Other Expenditures

- (a) As of the first Business Day of each calendar quarter, and in the case of any Limited Partner who makes a capital contribution as of any other date, as of the date of such capital contribution, the Management Fee applicable to each Capital Account for such calendar quarter will be debited against the relevant Capital Account. Capital contributions accepted after the commencement of the calendar quarter shall be subject to a prorated Management Fee reflecting the time remaining during such calendar quarter. The General Partner may waive or

decrease the Management Fee with respect to any Limited Partner and any Capital Account. The General Partner may delay the timing or alter the structure of fees payable to the Investment Manager so long as such changes are not materially adverse to the Limited Partners.

- (b) Notwithstanding anything to the contrary herein, to the extent the General Partner or the Partnership is required by law (including under circumstances where the General Partner or the Partnership is unable to rely conclusively on any withholding certification provided by a Partner) to withhold or to make tax payments, including any interest or penalties, on behalf of or with respect to any Partner or Partners (including, without limitation, any amount attributable to an actual or imputed underpayment of taxes under any BBA provision, backup withholding or AEOI withholding), the General Partner or the Partnership may withhold such amounts and make such tax payments as so required. If the Partnership directly or indirectly pays or incurs any withholding tax or other tax obligation (including any amount under any BBA provision), or otherwise incurs a tax payment with respect to the income allocable or distributable to, or otherwise attributable to, one or more Partners, then the amount of such withholding tax, tax obligation or payment will be treated as a distribution to such Partner or Partners, as applicable, pursuant to the terms of this Agreement. Such amount will be debited against the Capital Account(s) of such Partner or Partners as of the close of the Fiscal Period during which the Partnership so withholds, pays or incurs such obligation. If the amount so withheld, paid or incurred is greater than the balance of the Capital Account(s) of the relevant Partner or Partners, as applicable, then such Partner or Partners and any successors must make a contribution to the capital of the Partnership within 10 business days after notification and demand by the General Partner in the amount of such excess. The General Partner is not obligated to apply for or obtain a refund, or reduction of or exemption from withholding tax on behalf of any Partner that may be eligible for such refund, reduction or exemption, or otherwise obligated to structure Investments so as to reduce or avoid any such withholding tax. Each Limited Partner agrees to repay to the Partnership and the General Partner and each of the partners and former partners of the General Partner, any liability for taxes, interest or penalties which may be asserted by reason of the failure to deduct and withhold tax on amounts distributable or allocable to such Limited Partner.
- (c) Except as otherwise provided for in this Agreement, any expenditures payable by the Partnership, to the extent determined by the General Partner to have been paid or withheld on behalf of, or by reason of particular circumstances applicable to, one or more but fewer than all of the Partners, shall be charged only to the relevant Capital Accounts of those Partners on whose behalf such payments are made or whose particular circumstances gave rise to such payments. Such charges shall be debited from the relevant Capital Accounts of such Partners as of the close of the Fiscal Period during which any such items were accrued by the Partnership.

3.6 Reserves; Adjustments for Certain Future Events

- (a) The General Partner may cause appropriate reserves to be created, accrued and charged against Net Assets including Limited Participation Investments and proportionately against the Capital Accounts for contingent liabilities or probable losses, such reserves to be in the amounts which the General Partner deems necessary or appropriate. The General Partner may increase or reduce any such reserve from time to time by such amounts as the General Partner deems necessary or appropriate. The amount of any such reserve, or any increase or decrease therein, may, at the election of the General Partner, be charged or credited, as the General Partner deems appropriate, to the Capital Accounts of those parties that were Partners at the time when such reserve was created, increased, or decreased, as the case may be, or alternatively may be charged or credited to those parties that were Partners at the time of the act or omission giving rise to the contingent liability for which the reserve was established by the General Partner.
- (b) If the General Partner determines that it is equitable to treat an amount to be paid or received as being applicable to one or more prior periods, then all or a portion of such amount may be proportionately charged or credited, as appropriate, in proportion to the Capital Account balances of the current Partners as such balances existed during any such prior period.

3.7 Performance Allocation

- (a) The Performance Allocation will be debited against each Capital Account of each Limited Partner as of the last day of each Calculation Period with respect to such Capital Account, and the amount so debited will simultaneously be credited to the Capital Account of the General Partner pursuant to Section 3.3(e).
- (b) The General Partner may waive or decrease the Performance Allocation with respect to any Limited Partner and any Capital Account.
- (c) Net Profit for each year shall be allocated to the Capital Account of the General Partner from the Capital Accounts of the Limited Partners pro rata in accordance with their share of Net Profits for such Calculation Period determined prior to the application of this Section 3.7 in an amount equal to the Performance Allocation for such Calculation Period. If the Performance Allocation for the Calculation Period is greater than the aggregate net profits realized by the Partnership allocable to the Capital Accounts bearing the Performance Allocation for such Calculation Period, the Capital Account of the General Partner will be allocated, in addition to the Net Profits, additional items of gross income realized by the Partnership allocable to the Capital Accounts bearing the Performance Allocation during such year sufficient to credit the Capital Account of the General Partner with the full Performance Allocation. If such special allocations of items of gross income cannot be made in an amount equal to such shortfall, the excess amounts shall be treated as a guaranteed payment for services pursuant to Section 707(c) of

the Code. Appropriate adjustments will be made to the Capital Accounts bearing the Performance Allocation to reflect allocations of gross income described in the preceding sentence. The parties agree that, to the extent permitted by applicable law, for all federal income tax purposes, the Performance Allocation shall be treated as an allocation of profits of the partnership for purposes of Section 704(b) of the Code and the Regulations promulgated thereunder.

3.8 Limited Participation Investments

Whenever the Partnership makes a Limited Participation Investment, a Limited Participation Sub-Account shall be established for each Capital Account participating in such Limited Participation Investment to reflect such Capital Account's *pro rata* share of the Partnership's portion of all allocations and distributions attributable to transactions involving such Limited Participation Investment (and any related follow-on Investments, unless the General Partner determines to treat such follow-on Investment as a new Limited Participation Investment). Thereafter, the Partnership's portion of all credits and debits relating to such Limited Participation Investment (including those specifically referred to herein) shall be allocated among the Limited Participation Sub-Accounts for such Limited Participation Investment on a *pro rata* basis in accordance with each Capital Account's interest in such Limited Participation Investment. Expenses that relate to a Limited Participation Investment shall be allocated exclusively among the Limited Participation Sub-Accounts for such Limited Participation Investment on a *pro rata* basis in accordance with each Capital Account's interest in such Limited Participation Investment.

3.9 Allocation to Avoid Capital Account Deficits

To the extent that any debits pursuant to this Article III would reduce the balance of the Capital Account of any Limited Partner below zero, that portion of any such debits shall instead be allocated to the Capital Account of the General Partner. Any credits in any subsequent Fiscal Period which would otherwise be allocable pursuant to this Article III to a Capital Account of any Limited Partner previously affected by the application of this Section 3.9 shall instead be allocated to the Capital Account of the General Partner in such amounts as are necessary to offset all previous debits attributable to such Limited Partner pursuant to this Section 3.9 not previously recovered.

3.10 Allocations for Income Tax Purposes

Notwithstanding anything to the contrary in this Agreement:

- (a) Income Tax Allocations. Except as otherwise required by Code Section 704(c), items of income, gain, deduction, loss, or credit that are recognized for income tax purposes in each Fiscal Year will be allocated among the Partners (and among such Partner's Capital Accounts) in such manner as to reflect equitably amounts credited to or debited against each Partner's Capital Accounts, whether in such Fiscal Year or in prior Fiscal Years. To this end, the Partnership will establish and maintain records which shall show the extent to which the Capital Accounts of each Partner will, as of the last day of each Fiscal Year, comprise amounts that

have not been reflected in the taxable income of such Partner. To the extent deemed by the General Partner to be feasible and equitable, taxable income and gains in each Fiscal Year shall be allocated among the Partners who have enjoyed the related credits to their Capital Accounts, and items of deduction, loss and credit in each Fiscal Year shall be allocated among the Partners who have borne the burden of the related debits to their Capital Accounts. Non-U.S. tax credits attributable to taxes incurred by the Partnership shall be allocated in a manner consistent with Section 1.704-1(b)(4)(viii) of the Regulations. All matters concerning allocations for U.S. federal, state and/or local income tax purposes, including accounting procedures, not expressly provided for in this Agreement will be determined by the General Partner.

- (b) Basis Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) of the Code or Section 743(b) of the Code is required under Section 1.704-1(b)(2)(iv)(m) of the Regulations to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Regulations; *provided* that in the event that an adjustment to the book value of Partnership property is made as a result of an adjustment pursuant to Section 734(b) of the Code, items of income, gain, loss, or deduction, as computed for book and tax purposes, will be specially allocated among the Partners so that the effect of any such adjustment shall benefit (or be borne by) the Partner(s) receiving the distribution that caused such adjustment.
- (c) Positive Basis Allocations. If the Partnership realizes gains or items of gross income (including short term capital gain) from the sale of Partnership assets for U.S. federal income tax purposes for any Fiscal Year in which one or more Positive Basis Partners withdraws all or a portion of its Interest from the Partnership pursuant to Section 5.3, the General Partner may elect: (i) to allocate such gains or items of gross income among such Positive Basis Partners, pro rata in proportion to the respective Positive Basis of each such Positive Basis Partner, until either the full amount of such gains or items of gross income shall have been so allocated or the Positive Basis of each such Positive Basis Partner shall have been eliminated; and (ii) to allocate any gains or items of gross income not so allocated to Positive Basis Partners to the other Partners in such manner as shall reflect equitably the amounts credited to such Partners' Capital Accounts pursuant to Section 3.3; provided, however, that if, following such Fiscal Year, the Partnership realizes gains or items of gross income from a sale of an Investment the proceeds of which are designated on the Partnership's books and records as being used to effect payment of all or part of the liquidating share of any Positive Basis Partner that continues to be a Partner in the Partnership following such withdrawal (*i.e.*, such Positive Basis Partner effected a partial, and not a complete, withdrawal of its Interest), there shall be allocated to such Positive Basis Partner

an amount of such gains or items of gross income equal to the amount, if any, by which its Positive Basis as of the effective date of withdrawal exceeds the amount allocated to such Partner pursuant to clause (i) of this sentence. For the avoidance of doubt, the General Partner may also, in its sole discretion, to apply the Positive Basis definitions and the provisions of this Section 3.10(c) to a withdrawal from a Capital Account.

- (d) Negative Basis Allocations. If the Partnership realizes net losses or items of gross loss or deduction (including short term capital loss) from the sale of Partnership assets for U.S. federal income tax purposes for any Fiscal Year in which one or more Negative Basis Partners withdraws all or a portion of its Interest from the Partnership pursuant to Section 5.3, the General Partner may elect: (i) to allocate such net losses or items of gross loss or deduction among such Negative Basis Partners, pro rata in proportion to the respective Negative Basis of each such Negative Basis Partners, until either the full amount of such losses or items of loss or deduction shall have been so allocated or the Negative Basis of each such Negative Basis Partner shall have been eliminated; and (ii) to allocate any net losses or items of gross loss or deduction not so allocated to Negative Basis Partners to the other Partners in such manner as shall reflect equitably the amounts credited to such Partners' Capital Accounts pursuant to Section 3.3; provided, however, that if, following such Fiscal Year, the Partnership realizes net losses or items of gross loss and deduction from a sale of an Investment the proceeds of which are designated on the Partnership's books and records as being used to effect payment of all or part of the liquidating share of any Negative Basis Partner that continues to be a Partner in the Partnership following such withdrawal (*i.e.*, such Negative Basis Partner effected a partial, and not a complete, withdrawal of its Interest), there shall may be allocated to such Negative Basis Partner an amount of such net losses or items of gross loss or deduction equal to the amount, if any, by which its Negative Basis as of the effective date of withdrawal exceeds the amount allocated to such Partner pursuant to clause (i) of this sentence. For the avoidance of doubt, the General Partner may also, in its sole discretion, to apply the Negative Basis definitions and the provisions of this Section 3.10(d) to a withdrawal from a Capital Account.
- (e) Qualified Income Offset. In the event any Limited Partner unexpectedly receives any adjustments, allocations, or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Regulations, items of Partnership income and gain will be specially allocated to each such Limited Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the deficit balance in the Capital Account of such Limited Partner as quickly as possible; provided that an allocation pursuant to this Section 3.10(e) may be made only if and to the extent that such Limited Partner would have a deficit balance in its Capital Account after all other allocations provided for in this Article III have been tentatively made as if this Section 3.10(e) were not in this Agreement. This Section 3.10(e) is intended to constitute a "qualified income offset" within the meaning of Section 1.704-1(b)(2)(ii) of the Regulations and shall be interpreted consistently therewith.

- (f) Minimum Gain Chargeback. Notwithstanding any other provision of this Section 3.10, if there is a net decrease in Partnership Minimum Gain during any Fiscal Year, the Partners will be specially allocated items of Partnership income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to the portion of any such Partner's share of the net decrease in Partnership Minimum Gain, determined in accordance with Regulations Sections 1.704-2(f) and (g). This Section 3.10(f) is intended to comply with the minimum gain chargeback requirement in such sections of the Regulations and must be interpreted consistently therewith.
- (g) Gross Income Allocation. In the event any Limited Partner has a deficit Capital Account at the end of any Fiscal Year that is in excess of the sum of (i) the amount such Limited Partner is obligated to restore pursuant to any provision of this Agreement and (ii) the amount such Limited Partner is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations, each such Limited Partner will be specially allocated items of Partnership gross income and gain in the amount of such excess as quickly as possible; provided that an allocation pursuant to this Section 3.10(g) may be made only if and to the extent that such Limited Partner would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article III have been made as if Section 3.10(e) and this Section 3.10(g) were not in this Agreement.
- (h) Section 704(b) Compliance. The allocations provided in this Section 3.10 are intended to comply with the Regulations under Section 704(b) of the Code and may, as determined by the General Partner, be interpreted and applied in a manner consistent therewith.

3.11 Curative Allocations

The allocations set forth in Sections 3.10(b), (e), (f) and (g) (the “**Regulatory Allocations**”) are intended to comply with certain requirements of the Regulations. It is the intent of the Partners that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Partnership income, gain, loss, or deduction pursuant to this Section 3.11. Therefore, notwithstanding any other provision of this Article III (other than the Regulatory Allocations), the General Partner shall make such offsetting special allocations of the Partnership income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Partner's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Partner would have had if the Regulatory Allocations were not part of this Agreement and all Partnership items were allocated pursuant to other provisions of this Article III (other than the Regulatory Allocations).

3.12 Individual Partners' Tax Treatment

Each Partner agrees not to treat, on any U.S. federal, state, local and/or non-U.S. income tax return or in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner inconsistent with the treatment of such item by the Partnership.

3.13 Distributions

- (a) The amount and timing of any distributions from the Partnership shall be determined by the General Partner. Distributions will generally be made in proportion to the Capital Account balances of the Partners at the beginning of the Fiscal Period when made; *provided* that distributions related to Limited Participation Investments will be made based on the proportionate interests of the Capital Accounts participating in such Limited Participation Investments. Any distributions may be paid in cash, in kind or partly in cash and partly in kind.
- (b) Notwithstanding any provision to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, may not make a distribution to any Partner on any account of its Interest if such distribution would violate the Act or other applicable law.

3.14 Other Matters

- (a) The General Partner does not have any personal liability for the repayment of any capital contribution of any Partner.
- (b) Subject only to the relevant provisions of the Act, the Limited Partners are not personally liable for the debts, liabilities, contracts or other obligations of the Partnership except to the extent of their respective capital contributions; provided, however, that the foregoing is not to be construed as relieving any Partner of any obligations arising under Section 3.1 of this Agreement.
- (c) The Limited Partners shall not participate in the conduct of the Partnership's business nor shall they transact business for the Partnership, nor shall they have the power to sign for or bind the Partnership, said powers being vested exclusively in the General Partner.

Article IV MANAGEMENT

4.1 Duties and Powers of the General Partner

- (a) Subject to the terms and conditions of this Agreement, the General Partner shall have complete and exclusive power and responsibility, to the fullest extent permitted by the Act, for (i) all investment and investment management decisions to be undertaken on behalf of the Partnership and (ii) managing and administering

the affairs of the Partnership, and shall have the power and authority to do all things that the General Partner considers necessary or desirable to carry out its duties hereunder and to achieve the purposes of the Partnership.

- (b) The General Partner shall have the right, without the notification to or consent of any Limited Partner or other Person, to make adjustments to the structure of the Partnership in order to address applicable structural, ownership, legal, or regulatory issues, or to improve overall tax efficiency; *provided* that no such adjustment would cause any material adverse consequences to the Limited Partners.
- (c) Without limiting the generality of the General Partner's duties and powers hereunder and notwithstanding anything to the contrary contained herein, the General Partner shall have full power and authority, subject to the other terms and provisions of this Agreement, to execute, deliver and perform such contracts, agreements and other undertakings on behalf of the Partnership, without the consent or approval of any other Person, and to engage in all activities and transactions, as it may deem necessary or advisable for, or as may be incidental to, the conduct of the business contemplated by this Section 4.1, including, without in any manner limiting the generality of the foregoing, (i) contracts, agreements, undertakings and transactions with any Partner or with any other Person, firm or corporation having any business, financial or other relationship with any Partner or Partners, (ii) agreements with each Limited Partner in connection with its purchase of an Interest, (iii) any agreements to induce any Person to purchase an Interest, and (iv) the Investment Management Agreement delegating to the Investment Manager certain of the powers and authority vested by this Agreement in the General Partner as the General Partner and the Investment Manager may agree from time to time, each without any further act, approval or vote of any Person.
- (d) The General Partner may terminate or replace the Investment Manager in accordance with the terms of the Investment Management Agreement. The General Partner may delegate to any other Person any power and authority vested in the General Partner pursuant to this Agreement that is not otherwise delegated to the Investment Manager.
- (e) Every power vested in the General Partner pursuant to this Agreement shall be construed as a power to act (or not to act) in its sole and absolute discretion, except as otherwise expressly provided herein. No provision of this Agreement shall be construed to require the General Partner to violate the Act or any other law, regulation or rule of any self-regulatory organization.
- (f) Notwithstanding any other provision of this Agreement or otherwise applicable provision of law or equity, whenever in this Agreement, the General Partner is permitted or required to make a decision (i) in its "sole discretion" or "discretion" or under a grant of similar authority or latitude, the General Partner shall be entitled to consider only such interests and factors as it desires, including its own

interests, and shall, to the fullest extent permitted by applicable law, have no duty or obligation to give any consideration to any interest of or factors affecting the Partnership or the Limited Partners, or (ii) in its “good faith” or under another expressed standard, the General Partner shall act under such express standard and shall not be subject to any other or different standards. Unless otherwise expressly stated, for purposes of this Section 4.1(f), the General Partner shall be deemed to be permitted or required to make all decisions hereunder in its sole discretion.

- (g) The General Partner must cause the Partnership to conduct its dealings with third parties in its own name.
- (h) The General Partner must, throughout the term of the Partnership as set out in Section 2.4, take all actions that may be necessary or appropriate for the continuation of the Partnership’s valid existence as an exempted limited partnership under the laws of the Cayman Islands.

4.2 Expenses

- (a) Subject to Section 4.2(f), each of the General Partner and the Investment Manager pays all of its own operating and overhead costs without reimbursement by the Partnership (except liability insurance and items described in Section 4.2(b)(iv)). The Partnership will not have its own separate employees or officers, and it will not reimburse the General Partner or the Investment Manager for salaries, office rent and other general overhead expenses of the General Partner or the Investment Manager.
- (b) The Partnership, and not the General Partner or the Investment Manager, will pay, or reimburse the General Partner and the Investment Manager for, all other costs, fees and expenses arising in connection with the Partnership’s operations. Such expenses payable by the Partnership include the following:
 - (i) all investment-related expenses (including those related to identifying and evaluating contemplated investments, whether or not such contemplated investments are actually made), including, but not limited to, brokerage commissions and other transaction costs, expenses related to short sales, clearing and settlement charges, expenses related to proxies, underwriting and private placements, custodial fees, transfer agent fees, bank service fees, any governmental, regulatory, licensing, filing or registration fees incurred in compliance with the rules of any self-regulatory organization or any federal, state or local laws, consulting and any other professional fees or compensation (including investment banking expenses) relating to particular investments or contemplated investments, appraisal fees and expenses, investment-related travel and lodging expenses and research-related expenses (including, without limitation, news and quotation equipment and services), fees to third-party providers of risk-monitoring services, investment and trading-related computer hardware and software,

- including, without limitation, trade order management software (i.e., software used to route trade orders);
- (ii) accounting (including accounting software), audit and tax preparation expenses;
 - (iii) costs and expenses associated with reporting and providing information to existing and prospective investors;
 - (iv) any legal fees and costs (including indemnification expenses, regulatory costs and settlement costs) arising in connection with any litigation or regulatory investigation instituted against the Partnership, the General Partner, the Investment Manager or any of their respective affiliates in their capacity as such, subject to Section 4.5;
 - (v) except as otherwise provided in Section 3.5, any taxes imposed or assessed upon, or payable by, the Partnership (including interest and penalties);
 - (vi) costs of any meeting of the Partners (or of obtaining the consent of the Partners in lieu of meeting);
 - (vii) expenses related to the Advisory Committee and the Pricing Committee;
 - (viii) premiums for directors' and officers' liability insurance (if any) and any other insurance benefiting the Partnership;
 - (ix) Management Fees;
 - (x) administrative expenses (including, without limitation, the fees and expenses of the Administrator in relation to its services provided pursuant to the administration agreement);
 - (xi) fees relating to valuing the Partnership's assets;
 - (xii) expenses related to the maintenance of the Partnership's registered office;
 - (xiii) corporate licensing expenses;
 - (xiv) extraordinary expenses; and
 - (xv) any costs or expenses of winding up and liquidating the Partnership.
- (c) Expenses generally will be borne *pro rata* by the Partners in accordance with the balances of their respective Capital Accounts; *provided* that expenses may be specially allocated among the Capital Accounts as follows:
- (i) with respect to expenses related to Investments (other than Limited Participation Investments), *pro rata* in accordance with the balances of

their respective Capital Accounts exclusive of the value of any Limited Participation Sub-Account; and

- (ii) as provided elsewhere in this Agreement, including Sections 3.4, 3.5, 3.6, 3.8 and 5.3.
- (d) Each of the General Partner and the Investment Manager, as appropriate, shall be entitled to reimbursement from the Partnership for any of the expenses paid by it on behalf of the Partnership pursuant to Section 4.2(b); *provided* that the General Partner may absorb any or all of such expenses incurred on behalf of the Partnership. The Investment Manager may retain, in connection with its responsibilities hereunder, the services of others to assist in the investment advice to be given to the Partnership, including, but not limited to, any affiliate of the Investment Manager, but payment for any such services shall be assumed by the Investment Manager and the Partnership shall not have any liability therefor; *provided, however*, that the Investment Manager, in its sole discretion, may retain the services of independent third party professionals, including, without limitation, attorneys, accountants and consultants, to advise and assist it in connection with the performance of its activities on behalf of the Partnership hereunder, and the Partnership shall bear full responsibility therefor and the expense of any fees and disbursements arising therefrom.
- (e) If the General Partner or the Investment Manager, as appropriate, shall incur any of the expenses referred to in Section 4.2(b) for the account or for the benefit of, or in connection with its activities or those of its Affiliates on behalf of, both the Partnership and any Other Account, the General Partner or the Investment Manager, as appropriate, will allocate such expense among the Partnership and each such Other Account in proportion to the size of the Investment made by each in the activity or entity to which the expense relates, or in such other manner as the General Partner considers fair and reasonable.
- (f) Each of the General Partner and the Investment Manager is entitled to use “soft dollars” generated by the Partnership to pay for certain investment research and brokerage services that provide lawful and appropriate assistance to the General Partner or the Investment Manager in the performance of investment decision-making responsibilities to the extent such use falls within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended, or is otherwise reasonably related to the investment decision-making process, or to cover certain Partnership expenses described in Section 4.2(b). Use of “soft dollars” by the General Partner or the Investment Manager as described herein shall not constitute a breach by either the General Partner or the Investment Manager of any fiduciary or other duty which the General Partner or the Investment Manager may be deemed to owe to the Partnership or its Partners.

4.3 Rights of Limited Partners

The Limited Partners shall take no part in the management, control or operation of the Partnership's business, and shall have no right or authority to act for the Partnership or to vote on matters other than the matters set forth in this Agreement or as required by applicable law. Except as otherwise provided herein or required by law, a Limited Partner shall have no liability for the debts or obligations of the Partnership.

4.4 Other Activities of Partners

- (a) The General Partner shall not be required to devote any specific amount of its time to the affairs of the Partnership, but shall devote such of its time to the business and affairs of the Partnership as it shall determine in good faith to be necessary to conduct the affairs of the Partnership for the benefit of the Partnership and the Partners.
- (b) Each Partner agrees that any other Partner, and any partner, director, officer, shareholder, member, Affiliate or employee of any other Partner, may engage in or possess an interest in other business ventures or commercial dealings of every kind and description, independently or with others, including, but not limited to, management of other accounts, investment in, or financing, acquisition and disposition of, securities, investment and management counseling, brokerage services, serving as directors, officers, advisers or agents of other companies, partners of any partnership, or trustee of any trust, or entering into any other commercial arrangements, and will not be disqualified solely on the basis that any such activities may conflict with any interest of the parties with respect to the Partnership. Without in any way limiting the foregoing, each Partner hereby acknowledges that (i) none of the Partners or their respective partners, directors, officers, shareholders, members, Affiliates or employees shall have any obligation or responsibility to disclose or refer any of the investment or other opportunities obtained through activities contemplated by this Section 4.4(b) to the General Partner or the Limited Partners, but may refer the same to any other party or keep such opportunities for their own benefit; and (ii) the Partners and their respective partners, directors, officers, shareholders, members, Affiliates and employees are hereby authorized to engage in activities contemplated by this Section 4.4(b) with, or to purchase, sell or otherwise deal or invest in Investments issued by, companies in which the General Partner might from time to time invest or be able to invest or otherwise have any interest on behalf of the Partnership, without the consent or approval of the Partnership or any other Partner. The Partners expressly agree that no other Partner shall have any rights in or to such other activities, or any profits derived therefrom.
- (c) The General Partner and its Affiliates shall allocate investment opportunities to the Partnership and any Other Account fairly and equitably over time. Notwithstanding the foregoing, the General Partner is under no obligation to accord exclusivity or priority to the Partnership in the event of limited investment opportunities. This means that such opportunities will be allocated among those

accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) whether the risk-return profile of the proposed Investment is consistent with the account's objectives and program, whether such objectives are considered in light of the specific Investment under consideration or in the context of the portfolio's overall holdings; (ii) the potential for the proposed Investment to create an imbalance in the account's portfolio (taking into account expected inflows and outflows of capital); (iii) liquidity requirements of the account; (iv) potentially adverse tax consequences; (v) regulatory and other restrictions that would or could limit an account's ability to participate in a proposed Investment; and (vi) the need to re-size risk in the account's portfolio. The General Partner has the authority to allocate trades to multiple accounts on an average price basis or on another basis it deems fair and equitable. Similarly, if an order on behalf of any accounts cannot be fully allocated under prevailing market conditions, the General Partner may allocate the trades among different accounts on a basis it considers fair and equitable over time.

- (d) The principals of the General Partner, as well as the employees and officers thereof and of organizations affiliated with the General Partner, may buy and sell securities for their own account or the account of others, but may not buy securities from or sell securities to the Partnership (such prohibition does not extend to the purchase or sale of Interests) unless appropriate approval of the Advisory Committee is obtained and such purchase or sale is in compliance with the applicable provisions of the Advisers Act or such purchase or sale is otherwise in compliance with the applicable provisions of the Advisers Act.
- (e) Each Partner hereto hereby waives, and covenants not to bring a cause of action in law or equity on the basis of, any law (statutory, common law or otherwise) respecting the rights and obligations of the Partners which is or may be inconsistent with this Section 4.4.
- (f) The General Partner and its Affiliates reserve the right to establish collective investment vehicles that have stated investment programs or terms that differ from those of the Partnership or that are targeted primarily to investors for which the Partnership is not designed to be a suitable investment vehicle. The General Partner and its Affiliates also reserve the right to establish and provide management or advisory services pursuant to separate Other Accounts for significant investors, whether or not such accounts have the same investment program as the Partnership.

4.5 Duty of Care; Indemnification

- (a) None of the Indemnified Persons will be liable to the Partnership or any Limited Partner or any other person for mistakes of judgment or for action or inaction that did not constitute Gross Negligence, willful misconduct or bad faith, or for losses due to such mistakes, action or inaction or to the negligence, dishonesty or bad faith of any broker or agent of the Partnership, provided that such broker or agent

was selected, engaged or retained by the Indemnified Person in accordance with the standard of care set forth above. No Indemnified Person shall be liable to the Partnership or any Limited Partner or any other person for any amount in excess of the amount of Management Fees received by the Investment Manager, to the extent permitted under applicable law. In addition, in no event shall any Indemnified Person be liable for any special, indirect, exemplary, consequential or punitive losses or damages. An Indemnified Person may consult with counsel and accountants in respect of the Partnership's affairs and will be fully protected and justified in any action or inaction which is taken in accordance with the advice or opinion of such counsel or accountants, provided that they were selected in accordance with the standard of care set forth above. The foregoing provisions, however, shall not be construed so as to provide for the exculpation of an Indemnified Person of any liability (including liability under U.S. Federal securities laws which, under certain circumstances, impose liability even on persons acting in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law (including liability under U.S. Federal securities laws which, under certain circumstances, impose liability even on persons acting in good faith), but shall be construed so as to effectuate the abovementioned provisions to the fullest extent permitted by law.

- (b) The Partnership shall, to the fullest extent permitted by law, indemnify and hold harmless each Indemnified Person from and against any and all loss, cost or expense suffered or sustained by an Indemnified Person by reason of the fact that it, he or she is or was an Indemnified Person, including, without limitation, any judgment, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, suit or proceeding, provided that such liability, damage loss, cost or expense resulted from a mistake of judgment on the part of an Indemnified Person or from action or inaction that did not constitute Gross Negligence, willful misconduct or bad faith, or from the negligence, dishonesty or bad faith of a broker or other agent of an Indemnified Person, provided that such broker or agent was selected, engaged or retained by the Indemnified Person in accordance with the standard of care set forth above. The Partnership will, in the sole discretion of the General Partner, advance to any Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any action, suit or proceeding which arises out of such conduct. In the event that such an advance is made by the Partnership, the Indemnified Person will agree to reimburse the Partnership to the extent that it is finally determined that it was not entitled to indemnification in respect thereof.
- (c) Notwithstanding any of the foregoing, the provisions of this Section 4.5 do not provide for the indemnification of any Indemnified Person for any liability (including liability under Federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the above provisions to the fullest extent permitted by law.

- (d) Pursuant to the foregoing indemnification and exculpation provisions applicable to each Indemnified Person, the Partnership (and not the applicable Indemnified Person) will be responsible for any losses resulting from trading errors and similar human errors, absent Gross Negligence, bad faith or willful misconduct of any Indemnified Person.
- (e) The above-mentioned Indemnified Persons are also indemnified by each Limited Partner for any amounts of tax withheld or required to be withheld with respect to that Limited Partner, and also for any amounts of interest, additions to tax, penalties and other costs borne by any such persons in connection therewith to the extent that the balance of the Limited Partner's Capital Account is insufficient to fully compensate the General Partner or the Investment Manager for such costs.
- (f) The General Partner may make, execute, record and file on its own behalf and on behalf of the Partnership all instruments and other documents (including one or more deed polls in favor of categories of Indemnified Persons and/or one or more separate indemnification agreements between the Partnership and individual Indemnified Persons) that the General Partner deems necessary or appropriate in order to extend the benefit of the provisions of Sections 4.5(a) and 4.5(b) to the Indemnified Persons; provided, that, such other instruments and documents authorized hereunder shall be on the same terms as provided for in Sections 4.5(a) and 4.5(b) except as otherwise may be required by applicable law.

4.6 Advisory Committee

- (a) The General Partner and/or the Investment Manager may appoint a committee (the "***Advisory Committee***") composed of one or more individuals selected by the General Partner and/or the Investment Manager from time to time, none of whom is affiliated with the General Partner or the Investment Manager.
- (b) The General Partner and/or the Investment Manager may in its/their discretion seek the approval of the Advisory Committee or establish any other reasonable mechanism in connection with (i) approvals that are or would be required under the Investment Advisers Act of 1940, as amended (including Section 206(3)), or (ii) any other matter deemed appropriate by the General Partner and/or the Investment Manager. Each Limited Partner agrees that, except as otherwise specifically provided herein and to the extent permitted by applicable law, the approval of a majority of the members of the Advisory Committee at such time is binding upon the Partnership and each Partner with respect to any approval sought under this Section 4.6(b).
- (c) Subject to the foregoing, any recommendations of or actions taken by the Advisory Committee are advisory only and the General Partner and the Investment Manager are not required or otherwise bound to act in accordance with any such recommendations or actions.

- (d) As determined by the General Partner and/or the Investment Manager, meetings of the Advisory Committee may be held in person or by telephone. Approval of the Advisory Committee is deemed to have been given if given by a majority of those members present at a meeting or by a majority of all members of the Advisory Committee if given pursuant to a written consent without a meeting.
- (e) The Partnership agrees to reimburse members of the Advisory Committee for their reasonable out-of-pocket expenses and to indemnify them to the maximum extent permitted by law.

4.7 Pricing Committee

- (a) The General Partner and/or the Investment Manager shall appoint a committee (a “**Pricing Committee**”) whose quorum consists of at least a majority of the following individuals: the Chief Financial Officer of the Investment Manager, the Chief Compliance Officer of the Investment Manager and one or more traders of the Investment Manager. The Pricing Committee meets on at least a monthly basis to review, confirm and agree on all pricing information established by the Investment Manager in respect of the Partnership’s assets that are fair valued. The final pricing or valuation of such Partnership assets shall require the approval of a majority in number of the members of the Pricing Committee constituting a quorum as of a relevant valuation date. In lieu of meeting, the Pricing Committee may take action by written consent signed by a majority of the committee members. The Pricing Committee may, at the Partnership’s expense, engage third-party experts and consultants to provide services in connection with any determination to be made by the Pricing Committee. The General Partner and/or the Investment Manager may replace members of the Pricing Committee or change the composition of the Pricing Committee, in their sole discretion.
- (b) In connection with the valuation of Partnership assets, the General Partner shall:
 - (i) with respect to the Partnership’s assets that are tracked by third party pricing services to which the Investment Manager’s data administrator currently subscribes, use reasonable efforts to cause the Administrator (if any) to obtain independent pricing on at least a monthly basis from such data administrator;
 - (ii) with respect to the Partnership’s assets that are not tracked by third party pricing services, but for which the Investment Manager obtains pricing information from third party brokerage firms, require that the Investment Manager provide copies of such brokerage pricing to the Administrator on at least a monthly basis; and
 - (iii) with respect to the Partnership’s assets that are neither tracked by a third party pricing service nor for which the Investment Manager obtains pricing information from third party brokerage firms, require the Investment Manager to calculate pricing in its reasonable discretion and

will provide all such pricing information directly to the Administrator on at least a monthly basis.

Article V ADMISSIONS, TRANSFERS AND WITHDRAWALS

5.1 Admission of Partners

The General Partner may, without the consent of any existing Partners, admit any Person who agrees to be bound by all of the terms of this Agreement as a General Partner or a Limited Partner upon the execution by or on behalf of it and the acceptance by the General Partner of a deed of adherence to this Agreement in form satisfactory to the General Partner. The amount of any initial capital contribution to be made by such additional Partner is determined by the General Partner (in its sole discretion). Effective upon such admission, the Partnership Percentage of each existing Partner is adjusted pro rata to reflect the Partnership Percentage of the additional Partner, and the Partnership's records are revised to reflect such adjusted Partnership Percentages, as well as the name, initial capital contribution and Partnership Percentage of such additional Partner. No Limited Partner may Transfer all or any portion of its Interest without the prior written consent of the General Partner.

5.2 Transfer and Withdrawal of the General Partner

Without the consent of a majority in number of the Limited Partners, the General Partner shall not have the right to assign or otherwise transfer its Interest as the general partner of the Partnership, and the General Partner shall not have the right to withdraw from the Partnership without the consent of the Limited Partners. In the event of an assignment or transfer of all of its Interest as a general partner of the Partnership in accordance with this clause, the new general partner will immediately notify the Registrar in the Cayman Islands in accordance with Section 10 of the Act and the outgoing General Partner will take such actions as may be necessary to novate and assign all contracts signed on behalf of the Partnership to the new general partner whereupon the new general partner will be substituted as general partner of the Partnership in place of the outgoing General Partner and immediately thereafter the outgoing General Partner will cease to be the general partner of the Partnership.

5.3 Transfer and Withdrawal of Interests of Limited Partners

- (a) The General Partner shall have the right, in its sole discretion, to (i) prohibit Transfers of Limited Partner Interests, (ii) compel withdrawals of Limited Partner Interests and (iii) take such other actions as the General Partner deems necessary to ensure that the assets of the Partnership do not constitute Plan Assets for purposes of ERISA.
- (b) Subject to obtaining the General Partner's consent, each of the Limited Partners may voluntarily withdraw all or part of its Interest at such times and in such amounts as such Limited Partner may determine.

- (c) The General Partner may postpone or suspend (a) the calculation of the net asset value of the Partnership (and the applicable valuation date); (b) the issuance of Interests, (c) the withdrawal by Limited Partners (and the applicable withdrawal date); and/or (d) the payment of withdrawal proceeds (even if the calculation dates and withdrawal dates are not postponed) if it determines that such a suspension is warranted by extraordinary circumstances, including: (i) during any period when any stock exchange or over-the-counter market on which the Partnership's investments are quoted, traded or dealt in is closed, other than for ordinary holidays and weekends, or during periods in which dealings are restricted or suspended; (ii) during the existence of any state of affairs as a result of which, in the reasonable opinion of the General Partner, disposal of investments by the Partnership, or the determination of the value of the assets of the Partnership, would not be reasonably practicable or would be seriously prejudicial to the non-redeeming partners; (iii) during any breakdown in the means of communication normally employed in determining the price or value of the Partnership's assets or liabilities, or of current prices in any stock market as aforesaid, or when for any other reason the prices or values of any assets or liabilities of the Partnership cannot reasonably be accurately ascertained within a reasonable time frame; (iv) during any period when the transfer of funds involved in the realization or acquisition of any investments cannot, in the reasonable opinion of the General Partner, be effected at normal rates of exchange; or (v) automatically upon termination of the Partnership as described in Section 6.1.

Article VI LIQUIDATION AND TERMINATION

6.1 Termination of Partnership

- (a) The Partnership shall be wound up and dissolved upon the first to occur of the following dates (each, a "***Termination Date***") and Sections 36(1)(b), 36(9) and 36(12) of the Act shall not apply to the Partnership:
- (i) any date on which the General Partner shall elect in writing to terminate the Partnership;
 - (ii) if the General Partner is the sole or last remaining general partner, the date (the "***Automatic Dissolution Date***") falling 90 days after the date of the service of a notice by the General Partner (or its legal representative) on all the Limited Partners informing the Limited Partners of:
 - (1) the commencement of liquidation or bankruptcy proceedings in relation to the General Partner; or
 - (2) the withdrawal, removal or making of a winding up or dissolution order in relation to the General Partner;

provided that, if a majority in number of the Limited Partners elects one or more new general partners before the Automatic Dissolution Date, the business of the Partnership shall be resumed and continued. If a new general partner is not elected by the Automatic Dissolution Date, the Partnership shall be wound up and dissolved in accordance with terms of this Agreement and the Act.

- (b) Upon such Termination Date, the Partnership shall be wound up in accordance with the Act by the General Partner or if the General Partner is unable to perform this function, a liquidator elected by a Majority of the Limited Partners (a “**Liquidator**”), which shall take all steps necessary or appropriate to wind up the affairs of the Partnership as promptly as practicable thereafter. Neither the admission of Partners nor the withdrawal, bankruptcy, death, legal incapacity or disability of a Limited Partner shall terminate the Partnership.
- (c) The parties agree that irreparable damage would be done to the goodwill and reputation of the Partners if any Limited Partner should bring an action in court to dissolve the Partnership. Care has been taken in this Agreement to provide for fair and just payment in liquidation of the Interests of all Partners. Accordingly, to the fullest extent permitted by law, each Limited Partner hereby waives and renounces its right to such a court decree of dissolution or to seek the appointment by the court of a liquidator for the Partnership except as provided herein, and no Limited Partner may present a winding up petition against the Partnership without the prior written consent of the General Partner.

6.2 Liquidation of Assets

- (a) Upon the Termination Date of the Partnership, the General Partner or Liquidator (as applicable) shall promptly liquidate the business and administrative affairs of the Partnership to the extent feasible. Net Profit and Net Loss and any balances in Limited Participation Sub-Accounts during the Fiscal Periods, which includes the period of liquidation, shall be allocated pursuant to Article III. The proceeds from liquidation shall be divided in the following manner, subject to the Act:
 - (i) the debts, liabilities and obligations of the Partnership, other than any debts to the Partners as Partners, and the expenses of liquidation (including legal, administrative and accounting expenses incurred in connection therewith), up to and including the date that distribution of the Partnership’s assets to the Partners has been completed, shall first be satisfied (whether by payment or the making of reasonable provision for payment thereof);
 - (ii) such debts as are owing to the Partners as Partners are next paid; and
 - (iii) the Partners shall next be paid liquidating distributions (in cash or in securities or other assets, whether or not readily marketable) *pro rata* in accordance with, and up to the positive balances of their respective Capital Accounts, as adjusted pursuant to Article III to reflect allocations for the

Fiscal Period ending on the date of the distributions under this Section 6.2(a)(iii).

- (b) Notwithstanding this Section 6.2 and the priorities set forth in the Act, the General Partner or Liquidator may distribute ratably in-kind rather than in cash, upon dissolution, any assets of the Partnership; *provided, however*, that if any in-kind distribution is to be made, (i) the assets distributed in-kind shall be valued pursuant to Section 7.3, and charged as so valued and distributed against amounts to be paid under Section 6.2(a) and (ii) any gain or loss (as computed for book purposes) attributable to property distributed in-kind shall be included in the Net Profit, Net Loss or Limited Participation Sub-Accounts for the Fiscal Period ending on the date of such distribution.
- (c) The General Partner shall, pursuant to Section 36(2) of the Act, file a notice of dissolution with the Registrar upon completion of the winding up of the Partnership.

Article VII ACCOUNTING AND VALUATION; BOOKS AND RECORDS

7.1 Accounting and Reports

- (a) The Partnership may adopt for tax accounting purposes any accounting method which the General Partner shall decide is in the best interests of the Partnership and which is permissible for U.S. federal income tax purposes.
- (b) As soon as practicable after the end of each Fiscal Year, the General Partner shall cause an audit of the financial statements of the Partnership as of the end of each such period to be made by a firm of independent accountants selected by the General Partner. As soon as is practicable thereafter the General Partner shall furnish to each Limited Partner a copy of the set of financial statements prepared in accordance with GAAP (subject to this Agreement), with such adjustments thereto as the General Partner determines appropriate, including the report of such independent accountants. The General Partner may elect not to reserve certain amounts that may be required by GAAP and not to provide certain portfolio disclosure required by GAAP to investors and may capitalize and amortize certain of its organizational expenses in deviation from GAAP. Such deviations from GAAP may result in a qualified opinion rendered on the financial statements of the Partnership.
- (c) As soon as practicable after the end of each taxable year, the General Partner shall furnish to each Limited Partner such information as may be required to enable each Limited Partner properly to report for U.S. federal, state, local or other income tax purposes its distributive share of each Partnership item of income, gain, loss, deduction or credit for such year. The General Partner shall have discretion as to how to report Partnership items of income, gain, loss, deduction or

credit on the Partnership's tax returns, and the Limited Partners shall treat such items consistently on their own tax returns.

7.2 Certain Tax Matters

- (a) By joining this Agreement, each Limited Partner appoints and designates the General Partner (i) as the "tax matters partner," within the meaning of Section 6231(a)(7) of the Code, and, (ii) for any BBA Effective Period, as the "partnership representative" within the meaning of Section 6223 of the Code (as applicable, the "***Tax Matters Partner***"), or, in each case, under any similar state or local law, and, if the "partnership representative" is an entity, the General Partner shall have the exclusive authority to appoint and designate the individual through whom such partnership representative will act for all purposes under subchapter C of chapter 63 of the Code and, if applicable, any similar state or local law (the "***Designated Individual***"). All references to the Tax Matters Partner herein shall include the Designated Individual, unless the context requires otherwise. The Tax Matters Partner shall have any powers necessary to perform fully in such capacity, and shall be permitted to take any and all actions, to the extent permitted by law, in consultation with the General Partner if the General Partner is not the Tax Matters Partner. The General Partner shall have the exclusive authority to appoint and designate the Investment Manager, or an Affiliate of the General Partner or the Investment Manager, as a successor Tax Matters Partner for any BBA Effective Period. The Tax Matters Partner shall be reimbursed by the Partnership for all costs and expenses incurred by it, and to be indemnified by the Partnership with respect to any action brought against it, in its capacity as the Tax Matters Partner.
- (b) The Limited Partners agree that any and all actions taken by the Tax Matters Partner shall be binding on the Partnership and all of the Limited Partners and the Limited Partners shall reasonably cooperate with the Partnership or the General Partner, and undertake any action reasonably requested by the Partnership or the General Partner, in connection with any elections made by the Tax Matters Partner or as determined to be reasonably necessary by the Tax Matters Partners under any BBA provision.
- (c) Each Limited Partner further agrees that such Limited Partner will not independently act with respect to tax audits or tax litigation affecting the Partnership, unless the prior written consent of the General Partner has been obtained.
- (d) The General Partner may in its sole discretion cause the Partnership to make all elections not otherwise expressly provided for in this Agreement required or permitted to be made by the Partnership under the Code and any state, local or non-U.S. tax laws.
- (e) To the fullest extent permitted by law, each Limited Partner agrees to (i) provide such cooperation and assistance, including executing and filing forms or other

statements and providing information about the Limited Partner, as is reasonably requested by the Tax Matters Partner, to enable the Partnership to satisfy any applicable tax reporting or compliance requirements, to make any tax election or to qualify for an exception from or reduced rate of tax or other tax benefit or be relieved of liability for any tax regardless of whether such requirement, tax benefit or tax liability existed on the date such Partner was admitted to the Partnership, (ii) amend the Limited Partner's tax returns and pay any resulting taxes, interest and penalties in connection with the Partnership's electing under Section 6225(a) of the Code, as amended by the BBA, (iii) take into account any adjustments and pay any taxes, interest and penalties that result from the Partnership's electing under Section 6226 of the Code, as amended by the BBA, and/or (iv) indemnify and hold harmless the Partnership, the Tax Matters Partner and any other individual designated to interact with tax authorities on behalf of the Partnership from and against any liability with respect to the Limited Partner's share of any tax deficiency (including any interest and penalties associated therewith) paid or payable by the Partnership that is (a) allocable to such Limited Partner (as reasonably determined by the General Partner in accordance with this Agreement) with respect to an audited or reviewed taxable year for which such Partner was a Partner in the Partnership or (b) attributable (as reasonably determined by the General Partner) to the failure of such Limited Partner to cooperate with or provide any such forms, statements, or other information as requested by the Tax Matters Partner pursuant to clause (i) above.

- (f) The obligations and covenants of the Limited Partners set forth in Sections 3.5, 7.2 and 7.3 hereof shall apply jointly and severally to each Limited Partner and any direct or indirect transferee of or successor to such Limited Partner's interest and shall survive such Limited Partner's ceasing to be a Partner in the Partnership and/or the termination, dissolution, liquidation and winding up of the Partnership.

7.3 AEOI

Each Partner acknowledges and agrees that:

- (a) the Partnership is required to comply with the provisions of AEOI;
- (b) it will provide, in a timely manner, such information regarding the Partner and its beneficial owners and such forms or documentation as may be requested from time to time by the Partnership (whether by its General Partner or other agents such as the Investment Manager or the Administrator) to enable the Partnership to comply with the requirements and obligations imposed on it pursuant to AEOI, specifically, but not limited to, forms and documentation which the Partnership may require to determine whether or not the Partner's relevant investment is a "Reportable Account" (under any AEOI regime) and to comply with the relevant due diligence procedures in making such determination;
- (c) any such forms or documentation requested by the Partnership or its agents pursuant to paragraph (b), or any financial or account information with respect to

the Partner's investment in the Partnership, may be disclosed to the Cayman Islands Tax Information Authority (or any other Cayman Islands governmental body which collects information in accordance with AEOI) and to any withholding agent where the provision of that information is required by such agent to avoid the application of any withholding tax on any payments to the Partnership;

- (d) it waives, and/or shall cooperate with the Partnership to obtain a waiver of, the provisions of any law which:
 - (i) prohibit the disclosure by the Partnership, or by any of its agents, of the information or documentation requested from the Partner pursuant to paragraph (b);
 - (ii) prohibit the reporting of financial or account information by the Partnership or its agents required pursuant to AEOI; or
 - (iii) otherwise prevent compliance by the Partnership with its obligations under AEOI;
- (e) if it provides information and documentation that is in anyway misleading, or it fails to provide the Partnership or its agents with the requested information and documentation necessary in either case to satisfy the Partnership's obligations under AEOI, the General Partner reserves the right (whether or not such action or inaction leads to compliance failures by the Partnership, or a risk of the Partnership or its investors being subject to withholding tax or other costs, debts, expenses, obligations or liabilities (whether external, or internal, to the Partnership) (together, "*costs*") under AEOI), in its sole discretion, to take any action and/or pursue all remedies at its disposal including, without limitation:
 - (i) to establish separate sub-accounts within a Partner's Capital Account for the purpose of calculating AEOI related costs; and/or
 - (ii) to allocate any or all AEOI costs among Capital Accounts on a basis determined solely by the General Partner; and/or
 - (iii) to compulsory withdraw such Partner from the Partnership; and/or
 - (iv) to hold back or deduct from any withdrawal proceeds or from any other payments or distributions due to such Partner any costs caused (directly or indirectly) by the Partner's action or inaction;
- (f) it shall have no claim against the Partnership, the General Partner or any of its or their agents, for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Partnership in order to comply with AEOI; and
- (g) it hereby indemnifies the Partnership, the General Partner and each of their respective principals, members, partners, managers, officers, directors,

stockholders, employees and agents and holds them harmless from and against any AEOI related liability, action, proceeding, claim, demand, costs, damages, expenses (including legal expenses) penalties or taxes whatsoever which such parties may incur as a result of any action or inaction (directly or indirectly) of such Partner (or any related person) described in the preceding paragraphs. This indemnification shall survive the disposition of such Partner's Interest in the Partnership.

7.4 Valuation of Partnership Assets and Interests

- (a) The Partnership's assets are valued as of the close of each Fiscal Period and on any other date selected by the General Partner in its sole discretion in accordance with its valuation policies and procedures.
- (b) The value of the assets of the Partnership and the net worth of the Partnership as a whole determined pursuant to this Section 7.3 are conclusive and binding on all of the Partners and all parties claiming through or under them.

7.5 Determinations by the General Partner

- (a) All matters concerning the determination and allocation among the Partners and their respective Capital Accounts of the amounts to be determined and allocated pursuant to this Agreement, including Article III and accounting procedures applicable thereto, shall be determined by the General Partner, unless specifically and expressly otherwise provided for by the provisions of this Agreement, and such determinations and allocations shall be final and binding on all the Partners; provided, however, that all calculations of the Performance Allocation will be made on the basis of, or subject to correction based on, the annual audit of the Partnership's financial statements and appropriate adjustments will be made to all such calculations and related allocations to the extent necessary as a result of that audit.
- (b) The General Partner may make such adjustments to the computation of Net Profit or Net Loss or any other allocations with respect to any Limited Partner and their respective Capital Accounts, or any component items comprising any of the foregoing, as it considers appropriate to reflect the financial results of the Partnership and the intended allocation thereof among the Partners and their respective Capital Accounts in a reasonably accurate, fair and efficient manner. Without limiting the generality of the foregoing, any provision of this Agreement that requires an adjustment to be made to any Capital Account or sub-account as of any mid-month or mid-quarter date may be made as of the most recent preceding or succeeding date when a regular valuation is being conducted.

7.6 Books and Records

The General Partner shall keep books and records pertaining to the Partnership's affairs showing all of its assets and liabilities, receipts and disbursements, realized income, gains, deductions and losses, Partners' Capital Accounts and all transactions entered into by the

Partnership. Subject to the documentation requirements of the Act, such books and records of the Partnership must be kept at the Partnership's office or at the office of an agent.

Article VIII GENERAL PROVISIONS

8.1 Amendment of Partnership Agreement

- (a) Except as required by law, this Agreement may be amended, in whole or in part, by an instrument in writing signed by each of the Limited Partners and the General Partners.
- (b) The General Partner may amend this Agreement without the consent of the Limited Partners in order:
 - (i) to make consequential amendments following any amendment made pursuant to this Section 8.1;
 - (ii) to clarify any manifest or clerical inaccuracy, ambiguity or reconcile any inconsistency in this Agreement;
 - (iii) to add to the representations, duties or obligations of the General Partner or waive any right or power of the General Partner for the benefit of the Limited Partners;
 - (iv) so as to qualify or maintain the qualification of the Partnership as a limited partnership in any jurisdiction;
 - (v) to change the name of the Partnership;
 - (vi) to admit any new Limited Partners or to carry out the Transfer of any Interests;
 - (vii) to make any other amendment whatsoever to this Agreement which the General Partner deems advisable, provided that it does not adversely affect any rights of the Limited Partners; or
 - (viii) to create separate classes or sub-classes or series or sub-series of Partnership Interests.

8.2 Special Power-of-Attorney

- (a) Each Limited Partner hereby appoints the General Partner for the time being, with power of substitution, as his lawful attorney in his name to execute, acknowledge, swear to (and deliver as may be appropriate) on his behalf and file and record in

the appropriate public offices and publish (as may in the reasonable judgment of the General Partner be required by law):

- (i) any amendments to this Agreement made in accordance with the terms hereof;
 - (ii) any instruments or documents which the General Partner determines in its sole discretion are required to admit any new Limited Partners or to carry out the Transfer of any Interests;
 - (iii) declarations of limited partnership in various jurisdictions and amendments thereto;
 - (iv) all deeds, agreements and other documents which the General Partner deems appropriate to conduct and carry on the business of the Partnership, including without limitation to qualify or continue the Partnership as an exempted limited partnership in the Cayman Islands and as required in the jurisdictions in which the Partnership may conduct business, or which may be required to be filed by the Partnership or the Partners under the laws of any jurisdiction or under any amendments or successor statute to the Act, to reflect the dissolution or termination of the Partnership or the Partnership being governed by any amendments or successor statutes to the Act or to reorganize or refile the Partnership in a different jurisdiction, provided that such reorganization or refiling does not result in a material change in the rights of the Partners;
 - (v) to file, prosecute, defend, settle or compromise litigation, claims or arbitration on behalf of the Partnership;
 - (vi) one or more subscription agreements (or other agreements or documents) on behalf of such Limited Partner between the Partnership, the General Partner and any Person (a "***New Limited Partner***") being admitted by the General Partner to the Partnership as a limited partner thereof (or such other parties as may be appropriate) in such form and on such terms and conditions as the General Partner considers in its absolute discretion necessary or appropriate, including reference to this Agreement and its novation and agreeing and covenanting with such New Limited Partner on behalf of such Limited Partner that the Limited Partner will from the effective date of such subscription agreement or agreements comply with and observe the terms of this Agreement.
- (b) The above power of attorney shall be irrevocable and deemed to be given to secure a proprietary interest of the donee of the power or performance of an obligation owed to the donee and shall survive and shall not be affected by the subsequent death, lack of capacity, insolvency, bankruptcy or dissolution of any Limited Partner.

- (c) Each Limited Partner shall, at the request of the General Partner, execute additional powers of attorney on a document separate from this Agreement. In the event of any conflict between this Agreement and any instruments executed, delivered, or filed by the General Partner (and any successor thereto) pursuant to this power of attorney, this Agreement shall prevail.
- (d) The General Partner may exercise this power of attorney by listing all of the Partners executing any agreement, certificate, instrument, or document with the single signature of the General Partner as attorney-in-fact for all Partners.
- (e) Each Limited Partner hereby appoints the General Partner by any one or more of its directors or officers in office from time to time, acting singly, to be the Limited Partner's agent and attorney-in-fact.

8.3 Notices

Notices which may be or are required to be given under this Agreement by any party to another shall be given by hand delivery, transmitted by facsimile or telecopier facsimile, transmitted electronically to an address that has been previously provided or verified through another form of notice or sent by registered or certified mail, return receipt requested or internationally recognized courier service, and shall be addressed to the respective parties hereto at their addresses as set forth on the register of Partners maintained by the General Partner or to such other addresses or facsimile numbers as may be designated by any party hereto by notice addressed to (i) the General Partner, in the case of notice given by any Limited Partner, and (ii) each of the Limited Partners, in the case of notice given by the General Partner. Notices shall be deemed to have been given (A) when delivered by hand, transmitted by facsimile or transmitted electronically or (B) on the date indicated as the date of receipt on the return receipt when delivered by mail or courier service. Sections 8 and 19 of the Electronic Transactions Law (2003 Revision) of the Cayman Islands shall not apply to this Agreement.

8.4 Agreement Binding Upon Successors and Assigns; Delegation

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, but the rights and obligations of the Partners hereunder shall not be assignable, transferable or delegable except as provided in Section 4.1(d) and any attempted assignment, transfer or delegation thereof which is not made pursuant to the terms of such Sections shall be void.

8.5 Governing Law

This Agreement is, and the rights of the Partners hereunder are, governed by and shall be construed in accordance with the laws of the Cayman Islands, without regard to the conflict of laws rule thereof which would result in the application of the laws of a different jurisdiction. The parties hereby consent to the exclusive jurisdiction and venue for any action arising out of this Agreement in Dallas, Texas. Each Partner consents to service of process in any action or proceeding involving the Partnership by the mailing thereof by registered or certified mail, postage prepaid, to such Partner's mailing address set forth in the register of limited partnership interests maintained by the General Partner in accordance with the Act.

8.6 Interpretation of Partnership Accounting Systems and Terminology

In the event that the Partnership employs an accounting system which is different from the accounting system of the General Partner or whose terminology does not conform precisely to the terminology in this Agreement, the General Partner shall have the authority to interpret such accounting system and/or terminology in a manner which it, in its sole discretion, determines to be consistent with the objectives of this Agreement.

8.7 Miscellaneous

- (a) The captions and titles preceding the text of each Section hereof shall be disregarded in the construction of this Agreement. Use of the word “including” in this Agreement means in each case “without limitation,” whether or not such term is explicitly stated.
- (b) This Agreement may be executed in counterparts, each of which shall be deemed to be an original hereof.

[Signature Page Follows]

The parties hereto have executed and unconditionally delivered this Agreement as a deed on the day and year first above written.

General Partner:

Highland Dynamic Income Fund GP, LLC

By: Highland Capital Management, L.P., its sole member
By: Strand Advisors, Inc., its general partner

By: 

Name: Trey Parker

Title: Assistant Secretary

Witness:

By: 

Name:

HELEN KIM

Title:

PARALEGAL

Limited Partners:

Highland Dynamic Income Fund, L.P.

By: Highland Dynamic Income Fund GP, LLC, its general partner

By: Highland Capital Management, L.P., its sole member

By: Strand Advisors, Inc., its general partner

By: 

Name: Trey Parker

Title: Assistant Secretary

Witness:

By: 

Name:

HELEN KIM

Title:

PARALEGAL

Highland Dynamic Income Fund, Ltd.

By: 

Name: Trey Parker

Title: Director

Witness:

By: 

Name: HELEN KIM

Title: PARALEGAL

EXHIBIT A

General Partner:

Highland Dynamic Income Fund GP, LLC

Limited Partners:

Highland Dynamic Income Fund, L.P.

Highland Dynamic Income Fund, Ltd.

INVESTMENT MANAGEMENT AGREEMENT

by and among

HIGHLAND LOAN FUND, LTD.

HIGHLAND CAPITAL LOAN FUND, L.P.

HIGHLAND LOAN MASTER FUND, L.P.

HIGHLAND CAPITAL LOAN GP, LLC

and

HIGHLAND CAPITAL MANAGEMENT, L.P.

March 28, 2013

INVESTMENT MANAGEMENT AGREEMENT (“**Agreement**”), dated effective as of March 28, 2013, by and among:

HIGHLAND LOAN FUND, LTD., an exempted company incorporated in the Cayman Islands with limited liability (the “**Offshore Fund**”);

HIGHLAND CAPITAL LOAN FUND, L.P., a Delaware limited partnership (the “**Domestic Fund**”);

HIGHLAND LOAN MASTER FUND, L.P., a Cayman Islands exempted limited partnership (the “**Master Fund**” and, together with the Domestic Fund and the Offshore Fund, the “**Clients**”);

HIGHLAND CAPITAL LOAN GP, LLC, a Delaware limited liability company as the general partner of each of the Domestic Fund and the Master Fund (the “**General Partner**”); and

HIGHLAND CAPITAL MANAGEMENT, L.P., a Delaware limited partnership (the “**Investment Manager**”).

Preliminary Statements

A. The Domestic Fund and the Offshore Fund each invest all of their investable assets in the Master Fund. The Investment Manager will exercise no discretion with respect to the investment of the assets of the Offshore Fund or the Domestic Fund and will serve merely as a steward thereof and the investment activities of the Investment Manager will be conducted at the Master Fund level as the Investment Manager to the Master Fund.

B. The Clients desire to retain the Investment Manager to provide certain discretionary advisory services relating to the assets and liabilities of the Master Fund, and the Investment Manager desires to accept such appointment, all subject to the terms and conditions hereinafter set forth.

In consideration of the mutual covenants herein contained, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

Agreement

For good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Appointment.

The Clients hereby appoint the Investment Manager as investment manager with respect to the assets and liabilities of the Master Fund, and to provide certain custodial services in respect of the Domestic Fund and the Offshore Fund, and the Investment Manager hereby accepts such appointment and agrees to perform its obligations in accordance with the terms hereof and of the Amended and Restated Exempted Limited Partnership Agreement of the Master Fund, as amended from time to time (the “**Master Fund**”).

Partnership Agreement”) and the investment objectives, policies, guidelines and restrictions that from time to time are set forth in the confidential private placement memorandum of the Domestic Fund, as supplemented or superseded from time to time (the “*PPM*”), the confidential private offering memorandum of the Offshore Fund, as supplemented or superseded from time to time (the “*POM*”), the Memorandum and Articles of Association of the Offshore Fund (the “*Articles*”) and the Limited Partnership Agreement of the Domestic Fund, as amended from time to time (the “*Domestic Fund Partnership Agreement*” and, together with the Master Fund Partnership Agreement, the “*Partnership Agreements*” and, the Partnership Agreements collectively with the PPM, the POM and the Articles, the “*Governing Documents*”). Any capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Governing Documents.

2. **Authority and Duties of the Investment Manager.**

- (a) All of the assets of the Domestic Fund and the Offshore Fund shall be invested in the Master Fund. The Investment Manager will exercise no discretion with respect to the investment of the assets of the Offshore Fund or the Domestic Fund and will serve merely as a steward thereof and the investment activities of the Investment Manager will be conducted at the Master Fund level as the Investment Manager to the Master Fund.
- (b) Subject to 2(a), the Investment Manager shall serve as the investment manager to the Master Fund and shall in that capacity have full discretion and authority, without obtaining the prior approval of any officer or other agent of the Master Fund: (i) to effect any and all transactions in securities, currencies and other financial instruments (and options and other contracts thereon), and everything connected therewith in the broadest sense; (ii) to determine all matters relating to the manner, method and timing of portfolio transactions and to engage consultants and analysts in connection therewith; (iii) to select brokers, dealers, banks and other intermediaries by or through whom such transactions will be executed or carried out; (iv) to make short sales; (v) to purchase or write options (including uncovered options); (vi) to direct the administrator of the Master Fund, banks, brokers or other custodians to effect deliveries of funds or assets, but only in the course of effecting portfolio transactions for the account of the Master Fund; (vii) to exercise all voting and other powers and privileges attributable to any securities or other property held for the Master Fund’s account hereunder; (viii) to authorize remuneration for the Directors of the Offshore Fund other than Directors of the Offshore Fund who are principals or employees of the Investment Manager; and (ix) to make and execute all such documents and to take all such other actions as the Investment Manager considers necessary or appropriate to carry out its investment management duties hereunder.
- (c) In furtherance of the foregoing, the Clients hereby designate and appoint the Investment Manager as its agent and attorney-in-fact, with full power and authority and without the need for further approval of the Clients (except as may be required by law) to complete and execute all such documents and to take any and all actions that the Investment Manager, in its discretion, shall deem advisable to carry out the foregoing with respect to the assets of the Clients; provided,

however, that the Investment Manager is not intended to have actual or constructive custody of any securities or other assets of the Clients. In connection with any of the foregoing, the Investment Manager is further authorized to transfer or tender for cash or exchange such securities. In all such purchases, sales or trades the Clients authorize the Investment Manager to act for the Clients, and at their risk, and in their name and on their behalf, in the same manner and with the same force and effect as the Clients might or could do with respect to such purchases, sales or trades without prior consultation with the Clients. The Clients also appoint the Investment Manager as their agent and attorney-in-fact to vote, and to execute proxies, waivers, consents and other instruments with respect to, the securities and other assets of the Clients.

- (d) In connection with the execution of transactions on behalf of the Master Fund, the Master Fund hereby acknowledges and agrees that in the course of selecting brokers, dealers, banks and financial intermediaries to effect transactions for the Master Fund's account, the Investment Manager may agree to such commissions, fees and other charges on behalf of the Master Fund's account as it shall deem reasonable in the circumstances, taking into consideration all such factors as the Investment Manager deems relevant, including the following: price quotes; the size of the transaction; the nature of the market for the financial instrument; the timing of the transaction; difficulty of execution; the broker-dealer's expertise in the specific financial instrument or sector in which the Master Fund seeks to trade; the extent to which the broker-dealer makes a market in the financial instrument involved or has access to such markets; the broker-dealer's skill in positioning the financial instruments involved; the broker-dealer's promptness of execution; the broker-dealer's financial stability, reputation for diligence, fairness and integrity; quality of service rendered by the broker-dealer in other transactions for the Investment Manager and its respective affiliates; confidentiality considerations; the quality and usefulness of research services and investment ideas presented by the broker-dealer; the broker-dealer's willingness to correct errors; the broker-dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction; and other factors deemed appropriate by the Investment Manager. The Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. It is understood that the costs of such services will not necessarily represent the lowest costs available and that the Investment Manager is under no obligation to combine or arrange orders so as to obtain reduced charges.
- (e) At the request of a Client, in any wind down of such Client, the Investment Manager will manage the realization of the Client's assets and the distribution thereof to investors.
- (f) The General Partner, on behalf of the Domestic Fund and the Master Fund, agrees that the Investment Manager shall be entitled to all of the benefits of the Partnership Agreements applicable to it as a delegate of the General Partner, including, without limitation, the right to reimbursement of expenses provided under the Partnership Agreements and the right to indemnification provided under

the Partnership Agreements, and such sections are hereby incorporated by reference as if set forth in full herein; provided, however, this proviso shall not operate to provide duplicative amounts to any reimbursement or payment received pursuant to Sections 4 and 8 of this Agreement.

3. Management Fees.

Pursuant to this Agreement, the Investment Manager is entitled to be paid management fees by the Master Fund, which shall be calculated with the methodology set out in the Master Fund Partnership Agreement.

4. Expenses.

- (a) The Clients will pay, or will reimburse the Investment Manager, for all costs and expenses arising in connection with their administration and operations, including without limitation, the following expenses:
 - (i) all investment-related expenses (including those related to identifying and evaluating contemplated investments, whether or not such contemplated investments are actually made), including, but not limited to, brokerage commissions and other transaction costs, expenses related to short sales, clearing and settlement charges, expenses related to proxies, underwriting and private placements, custodial fees, transfer agent fees, bank service fees, any governmental, regulatory, licensing, filing or registration fees incurred in compliance with the rules of any self-regulatory organization or any federal, state or local laws, consulting and any other professional fees or compensation (including investment banking expenses) relating to particular investments or contemplated investments, appraisal fees and expenses, investment-related travel and lodging expenses and research-related expenses (including, without limitation, news and quotation equipment and services), fees to third-party providers of risk-monitoring services, and investment and trading-related computer hardware and software, including, without limitation, trade order management software (i.e., software used to route trade orders);
 - (ii) accounting (including accounting software), audit and tax preparation expenses;
 - (iii) costs and expenses associated with reporting and providing information to existing and prospective investors;
 - (iv) any legal fees and costs (including indemnification expenses, regulatory costs and settlement costs) arising in connection with any litigation or regulatory investigation instituted against any of the Clients, the General Partner, the Investment Manager or any of their respective affiliates in their capacity as such, subject to the indemnification provisions of the Partnership Agreements and Section 8 below;
 - (v) any taxes imposed upon the Clients;

- (vi) costs of any meeting of investors (or of obtaining the consent of investors in lieu of meeting);
 - (vii) expenses related to the Advisory Committee and the Pricing Committee;
 - (viii) premiums for directors' and officers' liability insurance (if any) and any other insurance benefiting the Clients;
 - (ix) administrative expenses (including, without limitation, the fees and expenses of any administration in relation to its services provided pursuant to an administration agreement);
 - (x) fees relating to valuing the Clients' assets;
 - (xi) expenses related to the maintenance of the Clients' registered offices;
 - (xii) corporate licensing expenses;
 - (xiii) extraordinary expenses; and
 - (xiv) any costs or expenses of winding up and liquidating any of the Clients.
- (b) The Investment Manager will pay all of its own operating and overhead costs (except liability insurance and items described in Section 4(a)(iv) above) without reimbursement by the Clients, and any expenses arising in connection with the Investment Manager's services to the Clients, other than those specified in this Agreement to be the obligation of the Clients and the fees payable to the Investment Manager, shall be the responsibility of the Investment Manager.
- (c) The Investment Manager shall be entitled to reimbursement from the Clients for any of the expenses mentioned in Section 4(a) above paid by it on behalf of the Clients; provided that, the Investment Manager in its sole discretion may absorb any or all of such expenses incurred on behalf of the Clients. The Investment Manager may retain, in connection with its responsibilities hereunder, the services of others to assist in the investment advice to be given to the Master Fund, including, but not limited to, any affiliate of the Investment Manager, but payment for any such services shall be assumed by the Investment Manager and the Clients shall not have any liability therefor; *provided, however*, that the Investment Manager, in its sole discretion, may retain the services of independent third party professionals, including, without limitation, attorneys, accountants and consultants, to advise and assist it in connection with the performance of its activities on behalf of the Clients hereunder, and the Clients shall bear full responsibility therefor and the expense of any fees and disbursements arising therefrom.
- (d) If the Investment Manager shall incur any of the expenses mentioned in Section 4(a) above for the account of the Clients and any Other Accounts (as defined in Section 5(c) hereof), the Investment Manager will allocate such expense among the Clients and each such Other Account in proportion to the size of the

investment made by each in the activity or entity to which the expense relates, or in such other manner as the Investment Manager in its sole discretion considers fair and reasonable.

- (a) The Investment Manager is entitled to use “soft dollars” generated by the Master Fund to pay for certain investment research and brokerage services that provide lawful and appropriate assistance to the Investment Manager in the performance of investment decision-making responsibilities to the extent such use falls within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended, or is otherwise reasonably related to the investment decision-making process, or to cover certain Client expenses described in Section 4(a). Use of “soft dollars” by the Investment Manager as described herein shall not constitute a breach by the Investment Manager of any fiduciary or other duty which the Investment Manager may be deemed to owe to the Clients.

5. Other Activities and Investments.

- (a) The Investment Manager shall not be required to devote any specific amount of its time to the affairs of the Clients, but shall devote such of its time to the business and affairs of the Clients as it shall determine in good faith to be necessary to conduct the affairs of the Clients for the benefit of the Clients.
- (b) Each of the Clients agree that the Investment Manager, and any partner, director, officer, shareholder, member, affiliate or employee of the Investment Manager, may engage in or possess an interest in other business ventures or commercial dealings of every kind and description, independently or with others, including, but not limited to, management of other accounts, investment in, or financing, acquisition and disposition of, securities, investment and management counseling, brokerage services, serving as directors, officers, advisers or agents of other companies, partners of any partnership, or trustee of any trust, or entering into any other commercial arrangements, and will not be disqualified solely on the basis that any such activities may conflict with any interest of the parties with respect to the Clients. Without in any way limiting the foregoing, each Clients hereby acknowledge that (i) none of the Investment Manager or its partners, directors, officers, shareholders, members, affiliates or employees shall have any obligation or responsibility to disclose or refer any of the investment or other opportunities obtained through activities contemplated by this Section 5 to the Clients, but may refer the same to any other party or keep such opportunities for their own benefit; and (ii) the Investment Manager and its partners, directors, officers, shareholders, members, affiliates and employees are hereby authorized to engage in activities contemplated by this Section 5 with, or to purchase, sell or otherwise deal or invest in investments issued by, companies in which the Investment Manager might from time to time invest or be able to invest or otherwise have any interest on behalf of the Clients, without the consent or approval of the Clients.
- (c) The Investment Manager shall act allocate investment opportunities to the Master Fund and any Other Account fairly and equitably over time. “**Other Account**” means any assets or investment of the Investment Manager, or any assets managed by the Investment Manager or any affiliate of the Investment Manager

for the account of any person or entity (including investment vehicles) other than the Clients, which are invested or which are available for investment in securities or other instruments or for trading activities whether or not of the specific type being conducted by the Clients. The Investment Manager is under no obligation to accord exclusivity or priority to the Master Fund in the event of limited investment opportunities. This means that such opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) whether the risk-return profile of the proposed investment is consistent with the account's objectives and program, whether such objectives are considered in light of the specific investment under consideration or in the context of the portfolio's overall holdings; (ii) the potential for the proposed investment to create an imbalance in the account's portfolio (taking into account expected inflows and outflows of capital); (iii) liquidity requirements of the account; (iv) potentially adverse tax consequences; (v) regulatory and other restrictions that would or could limit an account's ability to participate in a proposed investment; and (vi) the need to re-size risk in the account's portfolio. The Investment Manager has the authority to allocate trades to multiple accounts on an average price basis or on another basis it deems fair and equitable. Similarly, if an order on behalf of any accounts cannot be fully allocated under prevailing market conditions, the Investment Manager may allocate the trades among different accounts on a basis it considers fair and equitable over time.

- (d) The principals of the Investment Manager, as well as the employees and officers thereof and of organizations affiliated with the Investment Manager, may buy and sell securities for their own account or the account of others, but may not buy securities from or sell securities to the Clients (such prohibition does not extend to the purchase or sale of limited partner interests or shares, as applicable, in any of the Clients) unless appropriate approval of the Advisory Committee is obtained and such purchase or sale is in compliance with the applicable provisions of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**") or such purchase or sale is otherwise in compliance with the applicable provisions of the Advisers Act.
- (e) Each Client hereby waives, and covenants not to bring a cause of action in law or equity on the basis of, any law (statutory, common law or otherwise) respecting the rights and obligations of the Clients which is or may be inconsistent with this Section 5.
- (f) The Investment Manager and its affiliates reserve the right to establish collective investment vehicles that have stated investment programs or terms that differ from those of the Clients or that are targeted primarily to investors for which the Clients are not designed to be suitable investment vehicles. The Investment Manager and its affiliates also reserve the right to establish and provide management or advisory services pursuant to separate Other Accounts for significant investors, whether or not such accounts have the same investment program as the Clients.

6. **Custody.**

The assets of the Clients shall be held in the custody of one or more qualified custodians (or other independent institutions performing the functions of custodian, with respect to the assets which are held by such institutions) selected by the Investment Manager.

7. **Scope of Liability.**

None of the Investment Manager, nor any member, shareholder, partner, manager, director, officer, employee or agent of, or any person who controls, the Investment Manager, each of the respective affiliates of the foregoing, or any of the legal representatives of any of the foregoing (collectively, the “**Indemnified Persons**”) will be liable to the Clients or any other person for mistakes of judgment or for action or inaction that did not constitute gross negligence, willful misconduct or bad faith, or for losses due to such mistakes, action or inaction or to the negligence, dishonesty or bad faith of any broker or agent of the Clients, provided that such broker or agent was selected, engaged or retained by the Indemnified Person in accordance with the standard of care set forth above. No Indemnified Person shall be liable to the Clients or any other person for any amount in excess of the amount of Management Fees received by the Investment Manager, to the extent permitted under applicable law. In addition, in no event shall any Indemnified Person be liable for any special, indirect, exemplary, consequential or punitive losses or damages. An Indemnified Person may consult with counsel and accountants in respect of the Clients’ affairs and will be fully protected and justified in any action or inaction which is taken in accordance with the advice or opinion of such counsel or accountants, provided that they were selected in accordance with the standard of care set forth above. The foregoing provisions, however, shall not be construed so as to provide for the exculpation of an Indemnified Person of any liability (including liability under U.S. Federal securities laws which, under certain circumstances, impose liability even on persons acting in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law (including liability under U.S. Federal securities laws which, under certain circumstances, impose liability even on persons acting in good faith), but shall be construed so as to effectuate the abovementioned provisions to the fullest extent permitted by law.

8. **Indemnification.**

- (a) The Clients shall, to the fullest extent permitted by law, indemnify and hold harmless each Indemnified Person from and against any and all loss, cost or expense suffered or sustained by an Indemnified Person by reason of the fact that it, he or she is or was an Indemnified Person, including, without limitation, any judgment, settlement, reasonable attorneys’ fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, suit or proceeding, provided that such liability, damage, loss, cost or expense resulted from a mistake of judgment on the part of an Indemnified Person or from action or inaction that did not constitute gross negligence, willful misconduct or bad faith, or from the negligence, dishonesty or bad faith of a broker or other agent of an Indemnified Person, provided that such broker or agent was selected, engaged or retained by the Indemnified Person in accordance with the standard of care set forth above. Each of the Clients shall, in the sole discretion of the General Partner or the Directors, as applicable, advance to any Indemnified Person reasonable attorneys’ fees and other costs and expenses incurred in connection

with the defense of any action, suit or proceeding which arises out of such conduct. In the event that such an advance is made by the Client(s), the Indemnified Person will agree to reimburse the Client(s) to the extent that it is finally determined that it was not entitled to indemnification in respect thereof.

- (b) Notwithstanding any of the foregoing, the provisions of this Section 8 do not provide for the indemnification of any Indemnified Person for any liability (including liability under Federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the above provisions to the fullest extent permitted by law.
- (c) Pursuant to the foregoing indemnification and exculpation provisions applicable to each Indemnified Person, the Clients (and not the applicable Indemnified Person) will be responsible for any losses resulting from trading errors and similar human errors, absent gross negligence, bad faith or willful misconduct of any Indemnified Person.
- (d) To the extent that the indemnity under this Section 8 inures for the benefit of the Investment Manager or of any Indemnified Person (whether existing or in the future) and for the benefit of any successor of the Investment Manager or any Indemnified Person, the General Partner, on behalf of the Master Fund, declares that it holds the benefit of that promise on trust for that person.

9. **Committees.**

- (a) The Investment Manager may appoint a committee (the “**Advisory Committee**”) consisting of one or more individuals selected by the Investment Manager, none of whom is affiliated with the Investment Manager (except as an investor in one of the Clients or an affiliate of the Clients). If established, the Advisory Committee will have the authority, at the request of the Investment Manager, to consult with the Investment Manager on any matters that may involve a conflict of interest between the Investment Manager (and its affiliates) on the one hand and the Clients on the other. The Advisory Committee may also grant approvals required under the Advisers Act or related to any other matter deemed appropriate by the Investment Manager. Any such approval given by the Advisory Committee is binding on the Clients. The Clients will have the authority to agree to reasonably compensate members of the Advisory Committee for their services and to agree to reimburse them for their out-of-pocket expenses and to indemnify them to the maximum extent permitted by law. In the event an Advisory Committee is not appointed, the Investment Manager may obtain the approval of an unaffiliated third party, as is determined advisable by the Investment Manager, and any such approval by such third party shall, to the extent permitted under applicable law, serve as the approval of the Advisory Committee and shall be binding on the Clients.
- (b) The Investment Manager may appoint a committee (the “**Pricing Committee**”) whose quorum consists of at least a majority of the following individuals: the

Chief Financial Officer of the Investment Manager, the Chief Compliance Officer of the Investment Manager and one or more traders of the Investment Manager. The Pricing Committee will meet on at least a monthly basis to review, confirm and agree on all pricing information established by the Investment Manager in respect of the Master Fund's assets that are fair valued or which the Investment Manager believes should require review. The final pricing or valuation of such Master Fund assets will require the approval of a majority in number of the members of the Pricing Committee constituting a quorum. In lieu of meeting, the Pricing Committee may take action by written consent signed by a majority of the committee members. The Pricing Committee may, at the Master Fund's expense, engage third-party experts and consultants to provide services in connection with any determination to be made by the Pricing Committee. The Investment Manager may replace members of the Pricing Committee or change the composition of the Pricing Committee, in its sole discretion.

10. Independent Contractor.

For all purposes of this Agreement, the Investment Manager shall be an independent contractor and not an employee or dependent agent of the Clients, nor shall anything herein be construed as making the Clients a partner or co-venturer with the Investment Manager or any of its affiliates or Other Accounts. Except as provided in this Agreement, the Investment Manager shall have no authority to bind, obligate or represent the Clients.

11. Acknowledgement.

The Clients certify and acknowledge to the Investment Manager that the Clients:

- (i) have fully disclosed to potential investors the fee provisions and other arrangements relating to the Clients' accounts with the Investment Manager and are satisfied that the potential investors have received sufficient information from the Investment Manager to enable them to evaluate the terms of this Agreement; and
- (ii) fully understand the method of compensation provided herein and its associated risks, and that such risks have been disclosed to potential investors.

12. Entire Agreement.

This instrument, together with the Governing Documents, contains the entire agreement between the parties hereto relating to the subject matter hereof. No provision of this Agreement may be amended without the written consent of the Investment Manager and the Clients.

13. **Amendment; Modification; Waiver.**

Except as otherwise expressly provided herein, this Agreement shall not be amended, nor shall any provision of this Agreement be considered modified or waived, unless evidenced by a writing signed by all parties hereto.

14. **Binding Effect; Assignment.**

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors. The rights and obligations hereunder shall not, except as otherwise expressly provided herein, be assignable, transferable or delegable by the Investment Manager without the written consent of the Clients, and any attempted assignment, transfer or delegation thereof without such consent shall be void. The rights and obligations hereunder shall not, except as otherwise expressly provided herein, be assignable, transferable or delegable by the Clients without the written consent of the Investment Manager, and any attempted assignment, transfer or delegation thereof without such consent shall be void. The Investment Manager agrees to notify the Clients in writing within thirty (30) days after any change in control of the Investment Manager.

15. **Termination.**

This Agreement shall become effective on the date hereof and shall continue in effect until the earlier of the dissolution (or in the case of the Offshore Fund, the liquidation) of the Clients, or the termination by any of the Investment Manager, the Offshore Fund or the General Partner on behalf of the Domestic Fund or the Master Fund upon at least seventy-five (75) days' prior written notice.

16. **Governing Law.**

This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Delaware which are applicable to contracts made and entirely to be performed therein, without regard to the place of performance hereunder.

[Signature Page Follows]

The parties have executed this Agreement to be effective as of the day and year first above written.

HIGHLAND CAPITAL LOAN FUND, L.P.

By: Highland Loan GP, LLC, its general partner
By: Highland Capital Management, L.P., its sole member
By: Strand Advisors, Inc., its general partner

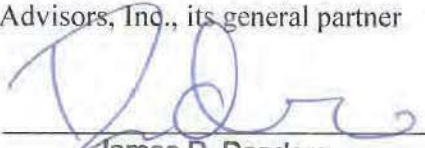
By: 
Name: James D. Dondero
Title: President

HIGHLAND LOAN FUND, LTD.

By: 
Name: Trey Parker
Title: Director

HIGHLAND LOAN MASTER FUND, L.P.

By: Highland Loan GP, LLC, its general partner
By: Highland Capital Management, L.P., its sole member
By: Strand Advisors, Inc., its general partner

By: 
Name: James D. Dondero
Title: President

HIGHLAND CAPITAL LOAN GP, LLC

By: Highland Capital Management, L.P., its sole member
By: Strand Advisors, Inc., its general partner

By: 
Name: James D. Dondero
Title: President

HIGHLAND CAPITAL MANAGEMENT, L.P.

By: Strand Advisors, Inc., its general partner

By: 

Name: James D. Dondero

Title: President

Memorandum Number _____

Confidential Private Offering Memorandum

Shares

of

Highland Dynamic Income Fund, Ltd.

Investment Manager

Highland Capital Management, L.P.

April 2018

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NOTICE

This Confidential Private Offering Memorandum (this “**Memorandum**”) is being furnished on a confidential basis solely to selected qualified investors for the purpose of enabling the recipient to evaluate an investment in Highland Dynamic Income Fund, Ltd. (the “**Fund**”). This Memorandum is not to be reproduced or distributed to others, at any time, without the prior written consent of the board of directors of the Fund. Each recipient agrees to keep confidential all information contained herein not already in the public domain and will use this Memorandum for the sole purpose of evaluating a possible investment in the Fund. Notwithstanding anything herein to the contrary, each investor (and each employee, representative, or other agent of the investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of an investment in the Fund and all materials of any kind (including opinions or other tax analyses) that are provided to the investor relating to such tax treatment and tax structure. Acceptance of this Memorandum by prospective investors constitutes an agreement to be bound by the foregoing terms.

Prospective investors should not construe the contents of this Memorandum as legal, tax or financial advice. Each prospective investor should consult its own professional advisors as to the legal, financial, tax, ERISA (as defined herein) or other matters relevant to the suitability of an investment in the Fund for such investor.

In making an investment decision, investors must rely on their own examination of the Fund and the terms of the offering contemplated by this Memorandum. The participating non-voting shares of the Fund (the “**Shares**”) have not been recommended by any U.S. federal or state, or any non-U.S., securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

Neither this Memorandum nor the Shares described herein have been qualified for offer, sale or distribution under the laws of any jurisdiction governing the offer or sale of mutual fund shares or other securities. This Memorandum does not constitute an offer to sell, or the solicitation of an offer to buy, any Shares in any state or other jurisdiction where, or to or from any person to or from whom, such offer or solicitation is unlawful or not authorized.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any of the states of the United States, and the Fund has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended. Direct or indirect acquisition or ownership of Shares by “**United States Persons**” (as defined in Annex A) without compliance with applicable U.S. securities laws or in contravention of the relevant provisions of the constituent documents of the Fund is prohibited. The offering and any potential sale contemplated by this Memorandum will be made in reliance upon an exemption from the registration requirements of the Securities Act for offers and sales of securities which do not involve any public offering and analogous exemptions under state securities laws. There will be no public market for the Shares, and there is no obligation on the part of any person to register the Shares under the Securities Act or any state securities laws.

Pursuant to an exemption from the Commodity Futures Trading Commission (the “**CFTC**”), Highland Capital Management, L.P., the investment manager to the Fund (the “**Investment Manager**”), is not registered with the CFTC as a commodity pool operator (“**CPO**”) and therefore,

unlike a registered CPO, is not required to deliver a disclosure document or a certified annual report to participants in this pool. Among other things, the exemption requires the filing of a claim of exemption with the National Futures Association. It is also required that at all times either: (a) the aggregate initial margin and premiums required to establish commodity interest positions does not exceed 5% of the liquidation value of the Fund's portfolio; or (b) the aggregate net notional value of the Fund's commodity interest positions does not exceed 100% of the liquidation value of the Fund's portfolio and further that all pool participants are required to be accredited investors or certain other qualified investors. The Investment Manager qualifies for an exemption from registration as a commodity trading advisor pursuant to CFTC Rule 4.14(a)(8).

In each European Economic Area member state (each a "**Relevant Member State**") that has implemented Directive 2011/61/EU of the European Parliament and the Council of the European Union on Alternative Investment Fund Managers and applicable implementing legislation, including Commission Delegated Regulation (EU) No 231/2013 (the "**AIFMD**"), the Fund may only be offered to investors in accordance with local measures implementing AIFMD. Investors, together with any relevant person making or assisting in the decision to invest in the Fund, who are situated, domiciled or who have a registered office, in a Relevant Member State where the Fund is not being offered pursuant to private placement rules implementing AIFMD may invest, or effect an investment in the Fund, but only in circumstances where they do so at their own initiative. The Memorandum may only be issued to "Professional Clients" within the meaning of Directive 2004/39/EC on Markets in Financial Instruments. At the date hereof, the Investment Manager has not registered and does not intend to register the Fund for marketing in any Relevant Member State. It may register the Fund in Relevant Member States in the future.

NO OFFER OR INVITATION TO SUBSCRIBE FOR SHARES MAY BE MADE TO THE PUBLIC IN THE CAYMAN ISLANDS.

Highland Dynamic Income Master Fund, L.P. (the "**Master Fund**") is not hereby offering any securities and accordingly this Memorandum is not to be regarded as having been authorised or issued by the Master Fund. The Master Fund does not have an offering document or equivalent document.

Any information forwarded to the Fund by any potential shareholder will be treated on a confidential basis except that such information may be passed on to a relevant third party by the Fund where so required by law or regulation and each shareholder, upon subscribing for Shares, shall be deemed to have consented to such release of such confidential information pursuant to the terms of the Confidential Information Disclosure Law, 2016 of the Cayman Islands (as amended).

An investment in the Fund involves significant risk. Potential investors should pay particular attention to the information in "*Risk Factors and Potential Conflicts of Interest*." Investment in the Fund is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks inherent in an investment in the Fund. An investment in the Fund does not constitute a complete investment program. No assurance can be given that the Fund's investment objectives will be achieved or that investors will receive a return of their capital.

The Shares are offered subject to the right of the Fund to reject any subscription in whole or in part.

This Memorandum does not purport to be, and should not be construed as, a complete description of the Fund's Memorandum of Association and Articles of Association, as may be

amended from time to time (together, the “*Articles of Association*”) or the exempted limited partnership agreement, as may be amended from time to time (the “*Master Fund Partnership Agreement*”), of the Master Fund. Each prospective investor in the Fund is encouraged to review the Articles of Association and the Master Fund Partnership Agreement carefully, in addition to consulting appropriate legal and tax advisors. To the extent of any inconsistency between this Memorandum and the Articles of Association or the Master Fund Partnership Agreement, the terms of the Articles of Association or the Master Fund Partnership Agreement (as applicable) shall control. A copy of the Master Fund Partnership Agreement is available upon request from the Investment Manager.

The Fund and the Master Fund are regulated under the Mutual Funds Law (2015 Revision) of the Cayman Islands (the “*Mutual Funds Law*”). The Cayman Islands Monetary Authority (the “*Authority*”) has supervisory and enforcement powers to ensure compliance with the Mutual Funds Law. Regulation under the Mutual Funds Law entails the filing of prescribed details and audited accounts annually with the Authority. As a regulated mutual fund, the Authority may at any time instruct the Fund or the Master Fund to have its or their accounts audited and to submit them to the Authority within such time as the Authority specifies. Failure to comply with these requests by the Authority may result in substantial fines on the part of the directors of the Fund or the Master Fund, as applicable, and may result in the Authority applying to the court to have the Fund or the Master Fund wound up.

Neither the Fund nor the Master Fund are, however, subject to supervision in respect of their investment activities or the constitution of the Master Fund’s portfolio by the Authority or any other governmental authority in the Cayman Islands, although the Authority does have power to investigate the activities of the Fund and the Master Fund in certain circumstances. Neither the Authority nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands.

The Authority may take certain actions if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include the power to require the substitution of the directors of the Fund or the Master Fund, to appoint a person to advise the Fund or the Master Fund on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Fund or the Master Fund, as the case may be. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

The delivery of this Memorandum does not, under any circumstances, create any implication that there has been no change in the circumstances affecting the Fund or the Master Fund since the date hereof. An amended or updated Memorandum will be provided to reflect any material changes to the information contained herein.

Certain information contained in this Memorandum constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those described in “*Risk Factors and Potential Conflicts of Interest*,” actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

All references herein to “\$” refer to U.S. dollars. All references to day, month, quarter and year are to calendar day, calendar month, calendar quarter and calendar year, unless otherwise specified or the context so requires. Except as the context otherwise requires, references to the term “Fund” in this Memorandum shall be deemed to include the Master Fund.

DIRECTORY

Registered Office	Highland Dynamic Income Fund, Ltd. PO Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands
Investment Manager	Highland Capital Management, L.P. 300 Crescent Court, Suite 700 Dallas, TX 75201
Administrator	SEI Alternative Investment Fund Services One Freedom Valley Drive Oaks, PA 19456
Directors	Mark Okada Trey Parker
Auditors	PricewaterhouseCoopers LLP Strathvale House 90 North Church Street PO Box 258 Grand Cayman KY1-1104 Cayman Islands
Custodian	US Bank, N.A. 190 South LaSalle, 10th Floor Chicago, Illinois 60603
Legal Counsel	<i>In the United States:</i> Akin Gump Strauss Hauer & Feld LLP 1700 Pacific Avenue Suite 4100 Dallas, TX 75201 <i>In the Cayman Islands:</i> Maples and Calder PO Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands

EXECUTIVE SUMMARY

Highland Dynamic Income Fund, Ltd., a Cayman Islands exempted company with limited liability (the “**Fund**”), seeks to generate returns that exceed the S&P/LSTA Leveraged Loan Total Return Index¹ by investing all of its investable assets in Highland Dynamic Income Master Fund, L.P., a Cayman Islands exempted limited partnership (the “**Master Fund**”), which provides exposure to the broader bank loan market.

Highland Dynamic Income Fund GP, LLC, a Delaware limited liability company (the “**Master Fund GP**”), acts as general partner of the Master Fund and is registered as a foreign company in the Cayman Islands. Highland Capital Management, L.P., a Delaware limited partnership (the “**Investment Manager**” and, together with its affiliates, shareholders, directors, members, partners, officers and employees, the “**Advisory Parties**”), serves as investment manager to the Fund and the Master Fund and manages the Master Fund’s investment program. Each of the Master Fund GP and the Investment Manager are ultimately controlled by James D. Dondero (the “**Principal**”).

In order to facilitate investments by U.S. investors, the Investment Manager has sponsored the formation of Highland Dynamic Income Fund, L.P., a Delaware limited partnership of which the Master Fund GP also serves as the general partner (the “**Domestic Fund**” and, together with the Fund, the “**Feeder Funds**”). The Feeder Funds place all of their investable assets in, and conduct all of their investment and trading activities in parallel through, the Master Fund. References in this Memorandum to the Fund shall include the Master Fund, unless otherwise specified or the context so requires.

The Fund is seeking subscriptions for participating non-voting shares of the Fund (the “**Shares**”) from eligible investors. The minimum initial investment is \$1,000,000, although the Fund may accept investments in a lesser amount, subject to an absolute minimum of \$100,000, or such other sum as may be required from time to time by applicable law. The Fund generally accepts subscriptions on the first business day of each month.

For its services to the Master Fund, the Investment Manager is generally entitled to a management fee (the “**Management Fee**”), which is calculated and paid quarterly in advance at the Master Fund level, and the Master Fund GP is entitled to an annual performance-based allocation, at the Master Fund level, essentially to the extent that the return of a Share (positive or negative) outperforms the hypothetical return of the capital account based on the S&P/LSTA Leveraged Loan Total Return Index for such year. Please see “*Summary of Terms – Management Fee*” and “*Summary of Terms – Performance Allocation*.”

A shareholder is generally permitted to redeem all or a portion of its Shares on 45 days’ prior written notice on the last business day of each quarter. Redemptions may be subject to reserves for contingencies, hold-back pending audit, gating and suspension restrictions as discussed further in this Memorandum.

The Fund may agree with certain shareholders to a variation of the terms set forth in this Memorandum or establish additional series of Shares that have terms that differ from those described herein, including, without limitation, different management fees and redemption rights.

¹ The S&P/LSTA Leveraged Loan Total Return Index (the “**Index**”) is used only for purposes of calculating performance fees. The Fund will not directly invest in the Index nor seek to replicate the Index, and there might or might not be a close correlation between the performance of the Fund and that of the Index. The Index does not reflect the investment strategy of the Fund.

INVESTMENT PROGRAM

Investment Objective

The Fund's investment objective is to seek high current income and capital appreciation by maximizing risk-adjusted returns as measured against the S&P/LSTA Leveraged Loan Total Return Index.²

Investment Strategy

The Master Fund's net assets will be invested and traded primarily in senior secured floating rate bank loans ("**Bank Loans**"), high yield debt securities and structured credit products denominated in U.S. dollars. The Master Fund's investments will be subject to the following restrictions:

- (a) a minimum of 50% (measured at the time of settlement) of the Master Fund's gross assets will be invested in loans, and no more than 5% (measured at the time of settlement) of the Master Fund's gross assets will be invested in a single loan instrument;
- (b) no more than 50% (measured at the time of settlement) of the Master Fund's gross assets will be invested in collateralized loan obligations ("**CLO**" or "**CLO Securities**") and structured credit products, and no more than 5% (measured at the time of settlement) of the Master Fund's gross assets will be invested in a single CLO issuer;
- (c) no more than 10% (measured at the time of settlement) of the Master Fund's gross assets will be invested in high yield bonds;
- (d) no more than 10% (measured at the time of settlement) of the Master Fund's gross assets will be invested in equity securities, which equity securities are primarily issued in connection with a reorganization or restructuring of a borrower or debt positions of the Master Fund that convert into equity securities ("**Re-Org Equities**");
- (e) the top 3 industries in which the Master Fund holds positions will comprise no more than 50% (measured at the time of settlement) of the Master Fund's gross assets, and no more than 20% (measured at the time of settlement) of the Master Fund's gross assets will be invested in a single industry; and
- (f) the minimum weighted average rating of the Master Fund's entire portfolio will be B+, the minimum weighted average rating of the Master Fund's holdings that are loans will be B, and the minimum weighted average rating of the Master Fund's holdings that are CLOs will be BB (in each case, measured at the time of settlement).

Bank Loans

Bank Loans represent amounts borrowed by corporate entities from banks and other lenders. In many cases, they are issued in connection with recapitalizations, acquisitions, leveraged buyouts and refinancings. Most, if not all, of the Bank Loans in which the Master Fund invests will have a below

² The S&P/LSTA Leveraged Loan Total Return Index (the "**Index**") is used only for purposes of calculating performance fees. The Fund will not directly invest in the Index nor seek to replicate the Index, and there might or might not be a close correlation between the performance of the Fund and that of the Index. The Index does not reflect the investment strategy of the Fund.

investment-grade credit rating or will not be rated by a major credit rating agency. The Bank Loans in which the Master Fund invests are often referred to as “leveraged loans” because the borrowing companies have significantly more debt than equity.

Bank Loans have the highest seniority within a borrower’s capital structure. Therefore, in the event of a bankruptcy, holders of Bank Loans are typically paid (to the extent assets are available) before certain other creditors, such as bond and equity holders. Bank Loan maturities typically range from 5 to 8 years, although loan prepayments and refinancings generally result in effective average lives of approximately 3 years depending on market conditions.

Bank Loans generally pay interest at rates that are determined periodically by reference to a base lending rate plus a premium. These rates often are re-determined daily, monthly, quarterly or semi-annually. As a result, the Investment Manager believes the Master Fund should experience less sensitivity to changes in market interest rates and lower volatility than if the Master Fund invested exclusively in fixed rate obligations.

The Bank Loan market has grown significantly in recent years, as investors have been drawn into the market by the advantageous characteristics of Bank Loans, which include floating interest rates, senior secured status, lower volatility, growing liquidity, greater control over an issuer in times of stress, and lower correlation with other asset classes.

Collateralized Loan Obligations

An investment in CLO tranches represents varying levels of exposure primarily to credit performance of the underlying assets (i.e., bank loans, which comprise the primary asset class of the Master Fund’s portfolio) and is characterized by a combination of expected significant current cash flow as well as the opportunity for positive returns through long-term gains on the underlying portfolios. Investments in CLO Securities often have a relatively short expected duration (usually less than 10 years), as a typical CLO distributes excess cash flows quarterly or semi-annually concurrent with the payment of interest on its liabilities subject to compliance with overall collateral quality tests and other performance criteria.

High Yield Bonds

The price and yield of lower-quality (high yield, high-risk) bonds, commonly referred to as “junk bonds,” can be expected to fluctuate more than the price and yield of higher-quality bonds. Because these bonds are rated below BBB or are in default, they are regarded as predominantly speculative with respect to the issuer’s continuing ability to meet principal and interest payments. Successful investment in lower-medium- and low-quality bonds involves greater investment risk and is highly dependent on the Advisory Parties’ credit analysis. A real or perceived economic downturn could cause a decline in high yield bond prices by lessening the ability of issuers to make principal and interest payments. These bonds can be more difficult to sell and value accurately than high-quality bonds. Because objective pricing data may be less available, judgment may play a greater role in the valuation process. In addition, the entire high yield bond market can experience sudden and sharp price swings due to a variety of factors, including changes in economic forecasts, stock market activity, large or sustained sales by major investors, a high-profile default, or just a change in the market’s psychology. This type of volatility is usually associated more with stocks than bonds, but junk bond investors should be prepared for it.

Reorganization Equities

Re-Org Equity refers to equity securities that are issued in connection with a reorganization or restructuring of a borrower, including both registered and non-registered securities under Section 12 of the Securities Exchange Act of 1934 and therefore are not traded on an exchange or inter-dealer quotation system, and debt positions of the Master Fund that convert into equity securities. The Master Fund may receive Re-Org Equities as a loan marker participant and/or trade such securities on a stand-alone basis.

Cash Positions and Money Market Instruments

From time to time, subject to the investment limitations set forth above, the Investment Manager may maintain cash positions and invest some of the Master Fund's assets in short-term U.S. Government obligations, certificates of deposit, commercial paper and other money market instruments. A greater percentage of Master Fund assets may be invested in such obligations if the Investment Manager believes that a defensive position is appropriate because of expected economic or business conditions or the outlook for security prices. From time to time, in the sole discretion of the Investment Manager, cash balances in the Master Fund's brokerage account may be placed in a money-market fund or other cash equivalents.

Derivative Transactions

The Master Fund may enter into derivative transactions, including options, futures, credit default swaps and other derivatives transactions to hedge the market risk or express market views of its portfolio.

Foreign Investments

Although the Investment Manager intends to focus primarily on the U.S. marketplace, it may invest in dollar-denominated securities of foreign issuers or loans of foreign borrowers. Investing in foreign securities and loans of foreign borrowers involve special risks that can increase the potential for losses. These include exposure to potentially adverse local, political, and economic developments such as war, political instability, hyperinflation, currency devaluations, and overdependence on particular industries; government interference in markets such as nationalization and exchange controls, expropriation of assets, or imposition of punitive taxes; potentially lower liquidity and higher volatility; possible problems arising from accounting, disclosure, settlement, and regulatory practices and legal rights that differ from U.S. standards; and the chance that fluctuations in foreign exchange rates will decrease the investment's value (favorable changes can increase its value). In addition, information with respect to foreign borrowers may differ from that available for U.S. borrowers because foreign companies are not generally subject to accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to U.S. borrowers. These risks are heightened for investments in emerging markets.

Risk Management and Hedging Activity

Risk Management

Risk management is integrated into all levels of the investment process, from due diligence to portfolio construction and management to ongoing monitoring. The process addresses factors including credit risk, liquidity risk and volatility risk. The Investment Manager conducts extensive position and portfolio monitoring activities on a daily basis. Portfolio risk is reviewed using internally generated daily, weekly and monthly reports which measure transaction compliance including metrics

such as portfolio concentrations or required test scores, as well as compliance with evolving internal positioning targets. Individual position risk is monitored in a number of ways, including the extensive proprietary intranet system (Highland Online Management Engine or “**HOME**”), which pulls together data from our various data providers (Wall Street Office, LPC, Moody's, S&P, MarkIt, S&P LCD, CSFB Index) to provide a comprehensive portfolio/risk management system. The system allows the Investment Manager to monitor metrics at any level of aggregation (instrument, issuer, portfolio, fund and across the platform). Additionally, the system is designed to be scalable with flexibility to enable future data inputs and reporting requirements.

For both CLOs and for the underlying loans, the HOME intranet system allows the Investment Manager to monitor portfolios on a real-time, ongoing basis by receiving alerts showing positions with the largest daily/weekly/monthly mark change, as well as alerts on downgrades/upgrades and when the Investment Manager has changed the opinion on a broadly syndicated loan. The Investment Manager monitors existing positions by receiving monthly Trustee Reports and other data feeds to track the ongoing metrics of each particular investment, looking for trends and comparing current deal statistics to original expectations when the investment was made.

Certain of the Investment Manager's employees meet every morning to discuss current events in the market and meet weekly and monthly to take detailed looks at current economic data and leading indicators such as jobless claims and consumer expectations, consumer confidence, employment, industrial production and manufacturing, inflation, business conditions/confidence, construction/housing and commodity prices. The Investment Manager also determines risk-on/risk-off parameters, which allow it to adjust holdings and exposures accordingly.

Hedging Activity

The Investment Manager may, from time to time, employ its differentiated and sophisticated quasi-systematic hedging programs for the Master Fund. Such hedging programs may be customized for the Master Fund and may employ derivatives to partially or fully hedge the following risks:

- Tail Risk – The risk that the Master Fund's portfolio value declines by 2 standard deviations or more over a 1-month period.
- Systematic Risk – Undiversifiable risk of the Master Fund's portfolio.
- Catalyst/Event Risk – The risk that a catalyst or an event results in losses to the Master Fund's portfolio.
- Currency Risk – The downside sensitivity of the Master Fund's portfolio value to changes in exchange rates.
- Interest Rate Risk – The downside sensitivity of the Master Fund's portfolio value to changes in interest rates.
- Credit Risk – The downside sensitivity of the Master Fund's portfolio value.

The Investment Manager may employ derivative instruments to structure a “net” buyer of protection profile for the Master Fund. The Investment Manager classifies the risks arising from the use of derivatives into the following categories:

- Delta – The change in value of the derivative instrument due to a unit change in the underlying security.
- Gamma – The change in the delta due to a unit change in the underlying security.
- Vega – The change in value of the derivative instrument due to a unit change in volatility.
- Theta – The change in value of the derivative instrument due to the passage of time.
- Rates DV01 – The change in value of the derivative instrument due to a 1 basis point increase in interest rates.
- Credit DV01 – The change in value of the derivative instrument due to a 1 basis point increase in credit spreads.

The Investment Manager may monitor these risks associated with the use of derivative instruments on a real-time basis. In addition, the Investment Manager may perform scenario analyses on such derivative instruments to assess the payouts for market fluctuations up and down. The Investment Manager also may monitor such scenarios on a real-time basis.

Although the Investment Manager expects to maintain a diversified portfolio of investments, it does not intend to limit itself to any one particular investment theme or asset class.

The investment objectives and methods summarized above represent the Investment Manager's current intentions. The foregoing discussion includes and is based upon numerous assumptions and opinions of the Investment Manager concerning world financial markets and other matters, the accuracy of which cannot be assured. There can be no assurance that the Fund's investment strategy will achieve profitable results.

MANAGEMENT

The Master Fund GP and the Investment Manager

Highland Dynamic Income Fund GP, LLC, a Delaware limited liability company (the “**Master Fund GP**”), acts as the general partner of the Master Fund and is registered as a foreign company in the Cayman Islands.

Highland Capital Management, L.P., a Delaware partnership (the “**Investment Manager**”), serves as the investment manager of the Fund and the Master Fund and has responsibility for the Master Fund’s investment program.

Each of the Master Fund GP and the Investment Manager are ultimately controlled by James D. Dondero (the “**Principal**”).

The Investment Management Agreement

The Investment Manager was appointed as the investment manager to the Fund, the Domestic Fund and the Master Fund pursuant to an investment management agreement (the “**Investment Management Agreement**”). Under the Investment Management Agreement, the Investment Manager has full discretion to invest the assets of the Master Fund in pursuit of the investment objective and strategy described in this Memorandum. **For its services, the Investment Manager is entitled to the management fee as well as reimbursement for any Fund or Master Fund expenses incurred by the Investment Manager.**

The Investment Management Agreement provides that, in the absence of gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or bad faith, each of the Investment Manager, its members, shareholders, partners, managers, directors, officers, employees or agents, any person who controls the Investment Manager, each of the respective affiliates of the foregoing, and any of the legal representatives of any of the foregoing, will be indemnified by the Fund, the Domestic Fund and/or the Master Fund, to the extent permitted by law, against any loss or liability incurred by any of such persons in performing their duties under the Investment Management Agreement.

Key Investment Personnel

The key investment professionals of the Investment Manager who will be responsible for the Master Fund’s investments are described below.

Mark Okada, CFA, Co-Founder, Chief Investment Officer

Mark Okada is Co-founder and Chief Investment Officer of Highland Capital Management, L.P., a Dallas-based alternative investment firm with approximately \$15 billion in assets under management. In his role, Mr. Okada oversees Highland’s broad investment activities for both the institutional and retail investment platforms, which include hedge funds, separate accounts, special situation private equity, collateralized loan obligations (CLOs), mutual funds, and ETFs. He also remains portfolio manager of the Highland Floating Rate Opportunities Fund. With more than 30 years of experience in credit markets, Mr. Okada is widely regarded as an industry innovator in alternative credit investing; he is responsible for structuring one of the industry’s first non-bank CLOs and is a

pioneer in the development of the bank loan market. Mr. Okada is on the board of directors at NexBank Capital, Inc., a Dallas-based financial services company. He received a B.A. in both economics and psychology, cum laude, from the University of California, Los Angeles and has earned the right to use the Chartered Financial Analyst (CFA) designation. Mr. Okada is a regular guest on Bloomberg Television and CNBC, and is frequently quoted in the financial and business press. He is also devoted to a number of philanthropic and civic causes with a particular focus on education, faith-based service, and Japanese-American relations. He is chairman of the board of directors of Education Is Freedom, a Dallas-based nonprofit that provides college preparatory services for underserved students. Mr. Okada is also chairman of the board for Common Grace Ministries, Inc. and is a board member of the Japanese Evangelical Missionary Society. Additionally, he serves on the executive board of Dedman College Humanities and Sciences at Southern Methodist University and is a council leader at the U.S.-Japan Council.

Trey Parker, Co-Chief Investment Officer, Partner, Portfolio Manager

Trey Parker is a Partner and Co-Chief Investment Officer at Highland Capital Management, L.P. Prior to his current role, Mr. Parker was responsible for managing the Credit Team/Platform; he also worked as a Managing Director covering a number of the industrial verticals, as well as parts of tech, media and telecom; he started his tenure at Highland as a Senior Portfolio Analyst on the Distressed & Special Situations investment team. Prior to joining Highland in March 2007, Mr. Parker was a Senior Associate at Hunt Special Situations Group, L.P., a Private Equity group focused on distressed and special situation investing. Mr. Parker was responsible for sourcing, executing and monitoring control Private Equity investments across a variety of industries. Prior to joining Hunt in 2004, Mr. Parker was an analyst at BMO Merchant Banking, a Private Equity group affiliated with the Bank of Montreal. While at BMO, Mr. Parker completed a number of LBO and mezzanine investment transactions. Prior to joining BMO, Mr. Parker worked in sales and trading for First Union Securities and Morgan Stanley. Mr. Parker received an MBA with concentrations in Finance, Strategy and Entrepreneurship from the University of Chicago Booth School of Business and a BA in Economics and Business from the Virginia Military Institute. Mr. Parker serves on the Board of Directors of Euramax Holdings, Inc., TerreStar Corporation, JHT Holdings, Inc., and a non-profit organization, the Juvenile Diabetes Research Foundation (Dallas chapter).

Jon Poglitsch, CFA, Managing Director, Head of Credit Research

Jon Poglitsch is a Managing Director and Head of Credit Research at Highland Capital Management, L.P. His previous roles at Highland include Managing Director, Senior Portfolio Analyst and Director on both the Institutional and Retail research teams. Prior to joining Highland in September 2007, Mr. Poglitsch was a consultant for Muse Stancil and Co., where he provided mergers & acquisition, valuation, and strategic advisory services to a variety of clients in the energy sector, including integrated oil, pipeline, power, and renewable fuel companies. Prior to Muse, Mr. Poglitsch was a senior financial analyst for American Airlines. He received an MBA with a concentration in Finance from the University of Texas at Austin and a BS in Chemical Engineering from the University of Oklahoma. Mr. Poglitsch is a holder of the right to use the Chartered Financial Analyst designation.

Neil Desai, Managing Director

Mr. Desai is a Managing Director and Portfolio Manager at Highland Capital Management, L.P. He is responsible for CLO trading, portfolio management, and risk management of over \$1bn in CLO securities across the firm's hedge funds, mutual funds and separate accounts. Prior to joining

Highland in 2015, Mr. Desai was a Director in Pfizer Inc.'s Treasury organization where he built and ran Pfizer's structured products business. Prior to Pfizer, Mr. Desai spent several years structuring and trading various structured products at Credit Suisse, Barclays Capital, and its spin-off hedge fund, C12 capital. Mr. Desai received both a Bachelor's and Master's degree in Computer Science & Electrical Engineering from MIT.

Other Key Investment Manager Personnel

James Dondero, CFA, CMA, *President, Co-Founder*

James Dondero is Co-founder and President of Highland Capital Management, L.P. Mr. Dondero has over 30 years of experience in the credit and equity markets, focused largely on high-yield and distressed investing. Under Mr. Dondero's leadership, Highland has been a pioneer in both developing the collateralized loan obligation (CLO) market and advancing credit-oriented solutions for institutional and retail investors worldwide. Highland's product offerings include institutional separate accounts, CLOs, hedge funds, private equity funds, mutual funds, REITs, and ETFs.

Mr. Dondero is the Chairman and President of NexPoint Residential Trust, Inc. (NYSE:NXRT), is Chairman of NexBank Capital, Inc., Cornerstone Healthcare Group Holding, Inc., and CCS Medical, Inc., and a board member of Jernigan Capital, Inc. (NYSE:JCAP), and MGM Holdings, Inc. He also serves on the Southern Methodist University Cox School of Business Executive Board.

A dedicated philanthropist, Mr. Dondero actively supports initiatives in education, veterans' affairs, and public policy.

Prior to founding Highland in 1993, Mr. Dondero was involved in creating the GIC subsidiary of Protective Life, where as Chief Investment Officer he helped take the company from inception to over \$2 billion between 1989 and 1993. Between 1985 and 1989, Mr. Dondero was a corporate bond analyst and then portfolio manager at American Express. Mr. Dondero began his career in 1984 as an analyst in the JP Morgan training program.

Mr. Dondero graduated from the University of Virginia where he earned highest honors (Beta Gamma Sigma, Beta Alpha Psi) from the McIntire School of Commerce with dual majors in accounting and finance. He has received certification as a Certified Public Accountant (CPA) and a Certified Managerial Accountant (CMA) and has earned the right to use the Chartered Financial Analyst (CFA) designation.

Hunter Covitz, CFA, *Head of Structured Products*

Mr. Covitz is Head of Structured Products and Portfolio Manager at Highland Capital Management, L.P. He is responsible for all CLOs and CLO investments managed by Highland. Mr. Covitz serves on Highland's investment committee and leads the structured products investment team. Since joining Highland in 2003, Mr. Covitz has been instrumental in the structuring, warehousing, ramping, and ongoing portfolio management of over 30 Highland-originated CLOs. Prior to joining Highland, Mr. Covitz served as a tax consultant at Deloitte & Touche and KBA Group LLP, where he focused on high-net worth individuals and middle-market companies. He received both his MS and BBA in Accounting from the University of Oklahoma, where he played baseball. Mr. Covitz is a licensed Certified Public Accountant.

Advisory Committee

The Master Fund GP and/or the Investment Manager may appoint a committee (the “**Advisory Committee**”) consisting of one or more individuals selected by the Master Fund GP and/or the Investment Manager, none of whom is affiliated with the Master Fund GP or the Investment Manager (except as an investor in the Fund or an affiliate of the Fund). If established, the Advisory Committee will have the authority, at the request of the Master Fund GP and/or Investment Manager, to consult with the Master Fund GP and/or Investment Manager on any matters that may involve a conflict of interest between the Investment Manager (and its affiliates) on the one hand and the shareholders and the Fund on the other. The Advisory Committee may also grant approvals required under the Advisers Act or related to any other matter deemed appropriate by the Investment Manager. Any such approval given by a majority of the members of the Advisory Committee is binding on the Fund and the shareholders. Meetings of the Advisory Committee may be held in person or by telephone. The Fund will have the authority to agree to reasonably compensate members of the Advisory Committee for their services and to agree to reimburse them for their out-of-pocket expenses and to indemnify them to the maximum extent permitted by law.

Pricing Committee

The Master Fund GP and/or the Investment Manager may appoint a committee (the “**Pricing Committee**”) consisting of the following individuals: the Chief Financial Officer of the Investment Manager, the Chief Compliance Officer of the Investment Manager and one or more traders of the Investment Manager. The Pricing Committee will meet on at least a monthly basis to review, confirm and agree on all pricing information established by the Investment Manager in respect of the Master Fund’s assets that are fair valued. The final pricing or valuation of such assets will require the approval of a majority in number of the members of the Pricing Committee constituting a quorum. In lieu of meeting, the Pricing Committee may take action by written consent signed by a majority of the committee members. The Pricing Committee may, at the Master Fund’s expense, engage third-party experts and consultants to provide services in connection with any determination to be made by the Pricing Committee. The Master Fund GP and/or the Investment Manager may replace members of the Pricing Committee or change the composition of the Pricing Committee in its sole discretion.

Board of Directors

The Fund’s board of directors (the “**Board of Directors**”) currently consists of two directors (each, a “**Director**” and, collectively, the “**Directors**”). The current members of the Board of Directors are Mark Okada and Trey Parker. The biographies of Mark Okada and Trey Parker are set forth above.

The Administrator and Administration Agreement

The Master Fund has entered into an Administration Agreement (the “**Administration Agreement**”), with SEI Global Services, Inc. (the “**Administrator**”) pursuant to which the Administrator performs certain administrative and accounting services for the Fund and the Master Fund, subject to the oversight and control of the Investment Manager. SEI Investments Global (Cayman), Limited (“**SEI Cayman**”), an affiliate of the Administrator, will also be a party to the Administration Agreement in a limited capacity pursuant to which SEI Cayman provides certain investor servicing and transfer agency services (including anti-money laundering services) directly to the Fund.

Pursuant to the Administration Agreement, the Administrator is responsible, under the overall supervision of the Investment Manager, for certain matters pertaining to the day-to-day administration of the Fund including, but not limited to: (a) maintaining books and records related to Fund and Master Fund cash and position reconciliations, and portfolio transactions; (b) preparation of financial statements and other reports for the Fund and the Master Fund; (c) calculating the net asset value of the Master Fund (in accordance with the Investment Manager's valuation policies and procedures); (d) preparing certain reports to investors; (e) calculating fees payable or allocable to the Investment Manager (as applicable); (f) reviewing Subscription Documents and withdrawal requests and performing various other transfer agency and investor services; and (g) performing certain other administrative and clerical services in connection with the administration of the Fund and the Master Fund pursuant to the terms of the Administration Agreement. For purposes of determining net asset value, the Administrator will follow the valuation policies and procedures adopted by the Master Fund and the Investment Manager.

The fees payable to the Administrator will be based on the schedule of fees charged by the Administrator and as detailed in the Administration Agreement. The Master Fund may elect to terminate the Administration Agreement (in accordance with the terms thereof) and enter into a new agreement with a new administrator on behalf of the Master Fund and the Fund, in its discretion and on such terms as it deems advisable, without prior notice to, or approval of, investors.

The Administration Agreement provides that the Administrator may delegate some or all of its administrative functions on behalf of the Fund to one or more third parties, and also provides for certain limitations of the Administrator's liability and indemnification of the Administrator by the Fund.

The Administrator does not have a direct contractual relationship with the investors. The Administrator, however, has entered into a contractual relationship with the Fund in relation to the performance of the services described herein. The Fund will enforce its contractual rights with respect to the Administrator as necessary to protect the interests of the Fund (and, therefore, the interest of investors).

The Administrator in no way acts or will act as guarantor or offeror of interests in the Fund or any underlying investment, nor will it be responsible for the actions of the Fund's sales agents, its brokers, its custodians, any other brokers or the Investment Manager. The Administrator will not be responsible for any trading decisions of the Investment Manager or the Master Fund. The Administrator will not be responsible in any way for the Master Fund's selection or ongoing monitoring of its brokers, custodians or other counterparties. The decision to select any counterparties on behalf of the Master Fund will be made solely by the Investment Manager.

THE ADMINISTRATOR WILL NOT PROVIDE ANY INVESTMENT ADVISORY OR INVESTMENT MANAGEMENT SERVICES TO THE FUND AND, THEREFORE, WILL NOT BE IN ANY WAY RESPONSIBLE FOR THE FUND'S PERFORMANCE. THE ADMINISTRATOR WILL NOT BE RESPONSIBLE FOR MONITORING ANY INVESTMENT RESTRICTIONS OR COMPLIANCE WITH ANY INVESTMENT RESTRICTIONS APPLICABLE TO THE FUND AND THEREFORE WILL NOT BE LIABLE FOR ANY BREACH THEREOF.

SUMMARY OF TERMS

The following Summary of Terms summarizes the principal terms governing an investment in the Fund, and is subject, and qualified in its entirety by reference, to the Fund's Articles of Association, the Master Fund Partnership Agreement and the Fund's subscription documents (the "Subscription Documents"). This summary is intended to be brief and does not purport to provide a comprehensive explanation of the Articles of Association, the Master Fund Partnership Agreement and the Subscription Documents. Accordingly, statements made in this Memorandum are subject to the detailed provisions of those agreements. Prospective investors are urged to review those agreements in their entirety prior to determining whether to invest in the Fund.

The Fund

Highland Dynamic Income Fund, Ltd. (formerly known as Highland Capital Loan Fund, Ltd.) an exempted company incorporated in the Cayman Islands with limited liability (the "**Fund**"), primarily seeks to maximize risk adjusted absolute returns, and secondarily seeks to preserve capital by investing all of its investable assets in Highland Dynamic Income Master Fund, L.P., a Cayman Islands exempted limited partnership (the "**Master Fund**"), which provides exposure to the broader bank loan market.

Master Fund GP

Highland Dynamic Income Fund GP, LLC, a Delaware limited liability company (the "**Master Fund GP**"), acts as the general partner of the Master Fund and is registered as a foreign company in the Cayman Islands. James D. Dondero (the "**Principal**") ultimately controls the Master Fund GP.

Investment Manager

Highland Capital Management, L.P., a Delaware limited partnership controlled by the Principal (the "**Investment Manager**"), serves as investment manager to the Fund and the Master Fund and has responsibility for the Master Fund's investments.

Directors

The Fund's board of directors (the "**Board of Directors**") currently consists of two directors (each, a "**Director**" and, collectively, the "**Directors**"). The current members of the Board of Directors are Mark Okada and Trey Parker. The Directors are responsible for the overall management and control of the Fund in accordance with its Articles of Association; however, the Directors have delegated the day-to-day operation of the Fund to service providers, including the Investment Manager and the Administrator. References herein to the "Board of Directors" shall mean the Board of Directors acting in consultation with the Investment Manager.

Master-Feeder Structure

In order to facilitate investments by U.S. investors, the Master Fund GP has sponsored the formation of Highland Dynamic Income Fund, L.P., a Delaware limited partnership (the "**Domestic Fund**" and, together with the Fund, the "**Feeder Funds**"). The Feeder Funds place all of their investible assets in, and conduct all of their investment and trading activities in parallel through, the Master Fund. Accordingly, references herein to the investment activity of the Fund should be construed to refer to the Fund's investment activities through the Master Fund. The Feeder

Funds share all items of profit, loss, income and expense of the Master Fund on a *pro rata* basis in accordance with their respective capital account balances in the Master Fund. Except as the context otherwise requires, the term “Fund” also includes the Master Fund.

The Investment Manager or an affiliate may also sponsor one or more additional investment funds or accounts.

Eligible Investors

Participating non-voting shares of the Fund (the “*Shares*”) may be purchased only by eligible investors. Subscribers will be required to complete the Fund’s Subscription Documents consisting of the subscription agreement and the subscriber information form to determine their eligibility. The Board of Directors reserves the right to reject any investor for any reason or for no reason in its sole discretion.

No Shares may be offered to the public in the Cayman Islands. Shares may be purchased only by eligible investors who are sophisticated individual or institutional investors. Each subscriber for Shares must certify that the beneficial owner of such Shares will not be a United States Person (as defined in Appendix A); provided, however, that subscriptions for Shares may also be accepted from certain qualified U.S. tax-exempt organizations.

An investment in the Fund is suitable only for persons that have adequate means of providing for their current needs and personal contingencies and have no need for liquidity in their investments. An investment in the Fund should not be made by any person that (a) cannot afford a total loss of its principal, or (b) has not carefully read or does not understand this Memorandum, including the portions concerning the risks and the income tax consequences of an investment in the Fund.

Series of Shares

The Fund may create and offer various classes or series of Shares with different terms and conditions than those described in this Memorandum, including, without limitation, fees, performance allocations and redemption rights. New classes or series of Shares may be established by the Board of Directors without notice to or approval of the shareholders.

Share Sub-Series

Shares are offered in a separate series to each shareholder on each subscription date (each, a “*Sub-Series*”) at \$1,000 per Share. The Fund issues Shares as a separate Sub-Series for the purposes, among others, of accounting for any profits and losses attributable to each individual shareholder to reflect different returns achieved as a result of subscriptions received from shareholders at different times in order to calculate the Performance Allocation (as defined below) at the Master Fund level. Each separate Sub-Series of Shares will be identified and referable to each shareholder.

Subscriptions

Subscriptions for Shares may be accepted as of the first Business Day of each month and/or such other days as the Board of Directors may determine from time to time, generally subject to the receipt of cleared funds on or before the acceptance date. The initial minimum investment is \$1,000,000, although the Fund may accept investments in a lesser amount, subject to an absolute minimum of \$100,000 or such other amount as may, from time to time, be prescribed by the Mutual Funds Law or other applicable law.

“**Business Day**” is defined as any day on which commercial banks are open in New York City and the Cayman Islands, or such other day as the Board of Directors may determine from time to time.

All subscriptions for Shares will be subject to applicable anti-money laundering regulations. As part of the Fund’s responsibility to comply with regulations aimed at the prevention of money laundering, the Board of Directors or its delegate may require verification of identity from all prospective investors. Depending on the circumstances of each subscription, it may not be necessary to obtain full documentary evidence of identity.

Where a subscription for Shares is accepted, the Shares will be treated as having been issued with effect from the relevant subscription date notwithstanding that the subscriber for those Shares may not be entered in the Fund’s register of members until after the relevant subscription date. The subscription monies paid by a subscriber for Shares will accordingly be subject to investment risk in the Fund from the relevant subscription date.

Placement Agents

There will be no sales charge payable by or to the Fund in connection with the offering of Shares. However, the Investment Manager may enter into arrangements with placement agents (which may include its affiliates) to solicit investors in the Fund, and such arrangements, may provide for the compensation of such placements agents for their services at the Investment Manager’s expense.

Accordingly, investors should recognize that a placement agent’s or distributor’s participation in this offering may be influenced by its interest in such current or future fees and compensation. Investors should consider these potential conflicts of interest in making their investment decisions.

Each placement agent shall comply with the legal requirements of the jurisdictions within which it offers and sells Shares.

Affiliated Investors

The Investment Manager, the Master Fund GP and their respective affiliates, principals, employees, partners, agents, the respective family members of such personnel and trusts and other entities established primarily for their benefit or for charitable purposes (“**Affiliated Investors**”) may not be subject to restrictions on redemptions or be

assessed the Management Fee or the Performance Allocation (each as defined below) that are applicable to other investors in the Fund, but do share *pro rata* in all other applicable expenses of the Fund.

**Borrowing and
Leverage**

The Master Fund may buy securities or commodities on margin and arrange with banks, brokers and others to borrow money against a pledge of securities or commodities in order to employ leverage when the Master Fund GP deems such action appropriate.

Management Fee

For its services to the Master Fund, the Investment Manager is entitled to a management fee (the “**Management Fee**”) calculated and payable quarterly in advance at an annual rate of 0.75% of the net asset value of each Sub-Series Account (as defined below). The Management Fee is paid at the Master Fund level. The Management Fee will be prorated for any period that is less than a full quarter.

The Investment Manager may elect to reduce, waive or calculate differently the Management Fee with respect to any shareholder, including, without limitation, Affiliated Investors.

The Fund and/or the Investment Manager may delay the timing or alter the structure of fees payable to the Investment Manager so long as such changes are not materially adverse to the shareholders. The Investment Manager may also assign all or any portion of fees payable to the Investment Manager to any affiliate thereof in its sole discretion.

**Performance
Allocation**

Pursuant to the Master Fund Partnership Agreement, generally, as of the close of each year and subject to the limitations described below, a performance-based allocation (the “**Performance Allocation**”) is debited against the Sub-Series Account relating to each Sub-Series of Shares attributable to a shareholder and simultaneously credited to the Master Fund capital account of the Master Fund GP. The Performance Allocation is calculated and allocated at the Master Fund level, but is equal to 10% of the amount by which the Performance Change Amount (positive and negative) for such fiscal year exceeds the Index Return Amount (positive and negative) for such fiscal year.

A Sub-Series Account’s “**Performance Change Amount**” for any fiscal year equals such Sub-Series Account’s pro rata allocation of net profit or net loss, plus or minus the Sub-Series Account’s share items that are allocated on a Sub-Series Account-by- Sub-Series Account basis, such as the Management Fee. Net profit and net loss includes unrealized appreciation or depreciation of the Master Fund’s assets and accrued applicable expenses of the Fund and the Master Fund for the applicable fiscal year.

The “**Index Return Amount**” is the amount that would have been credited or debited to such Sub-Series Account for the fiscal year if the rate of return had been equal to the return of the S&P/LSTA Leveraged Loan

Total Return Index for such fiscal year.³

The Performance Allocation is generally allocable to the Master Fund GP at the end of each fiscal year. The Performance Allocation is also calculated and charged with respect to any Sub-Series Account with respect to Shares redeemed as of any time other than the close of a fiscal year on the basis of the Performance Change Amount with respect to such Shares through the Redemption Date (as defined below). In the case of a partial redemption, the Performance Allocation is calculated and charged only with respect to the portion of the Sub-Series Account related to such Shares being redeemed.

The Performance Allocation with respect to any shareholder may be fully or partially waived or rebated by the Master Fund GP in its sole discretion.

The Performance Allocation is calculated and allocated at the Master Fund level through the use of separate memorandum sub-accounts with respect to the Fund's capital account in the Master Fund that correspond to each Sub-Series of Shares attributable to a shareholder (each a "***Sub-Series Account***"). No separate Performance Allocation will be charged at the Fund level.

Other Fees and Expenses

The Fund bears the expenses of the organization of the Fund and the offering of Shares (including legal and accounting fees, printing costs, travel, "blue sky" filing fees and expenses and out-of-pocket expenses). In general, the Fund's financial statements will be prepared in accordance with accounting principles generally accepted in the United States ("***GAAP***"). However, the Fund intends to amortize its organizational expenses over a period of 60 months from the date the Fund commenced operations because it believes such treatment is more equitable than expensing the entire amount of the organizational expenses in the Fund's first year of operation, as is required by GAAP. The Fund may, however, limit the amount of start-up and organizational expenses that the Fund amortizes so that the audit opinion issued with respect to the Fund's financial statements will not be qualified.

The Fund bears its own operating, administrative and other expenses, as well as a *pro rata* portion of the Master Fund's expenses, including, but not limited to, investment-related expenses (including those related to identifying and evaluating contemplated investments, whether or not such contemplated investments are actually made), brokerage commissions and other transaction costs, expenses related to short sales, clearing and settlement charges, expenses related to proxies, underwriting and private placements, custodial fees, transfer agent fees, bank service fees, any

³ The S&P/LSTA Leveraged Loan Total Return Index is used only for purposes of establishing the Index Return Amount. The Partnership will not directly invest in the Index nor seek to replicate the Index, and there might or might not be a close correlation between the performance of the Fund and that of the Index. The Index does not reflect the investment strategy of the Fund.

governmental, regulatory, licensing, filing or registration fees incurred in compliance with the rules of any self-regulatory organization or any federal, state or local laws, consulting and any other professional fees or compensation (including investment banking expenses) relating to particular investments or contemplated investments, appraisal fees and expenses, investment-related travel and lodging expenses and research-related expenses (including, without limitation, news and quotation equipment and services), fees to third-party providers of risk-monitoring services, investment and trading-related computer hardware and software, including, without limitation, trade order management software (*i.e.*, software used to route trade orders), accounting (including accounting software), audit and tax preparation expenses, organizational expenses, expenses relating to the offer and sale of Shares and interests of the Master Fund (including the legal and other expenses associated with preparing and updating offering materials), costs and expenses associated with reporting and providing information to existing and prospective investors, any legal fees and costs (including indemnification expenses, regulatory costs and settlement costs) arising in connection with any litigation or regulatory investigation instituted against the Fund, the Master Fund, the Master Fund GP, the Investment Manager or any of their respective affiliates in their capacity as such unless a final determination was made by a court of competent jurisdiction that any of the foregoing indemnified parties was grossly negligent or acted in bad faith, except as otherwise provided in the Articles of Association and/or the Master Fund Partnership Agreement, any withholding, transfer or other taxes imposed or assessed upon, or payable by, the Fund (including any interest and penalties), costs of any meeting of the shareholders (or in obtaining the consent of shareholders in lieu of meeting), expenses related to the Advisory Committee and the Pricing Committee, premiums for directors' and officers' liability insurance (if any) and any other insurance benefiting the Fund, the Management Fee, administrative expenses (including, without limitation, the fees and expenses of the Administrator in relation to its services provided pursuant to the Administration Agreement), fees relating to valuing the Fund's assets, expenses related to the maintenance of the Fund's registered office, corporate licensing expenses, and extraordinary expenses.

The Investment Manager may retain, in connection with its responsibilities under the Investment Management Agreement, the services of others to assist in the investment advice to be given to the Master Fund, including, but not limited to, any affiliate of the Investment Manager, but payment for any such services will be assumed by the Investment Manager. However, the Investment Manager, in its sole discretion, may retain the services of independent third party professionals, including, without limitation, attorneys, accountants and consultants, to advise and assist it in connection with the performance of its activities on behalf of the Master Fund, and the Master Fund will bear full responsibility therefor and the expense of any fees and disbursements arising therefrom.

The Fund and the Master Fund do not have their own separate employees or office, and neither the Fund nor the Master Fund reimburse the Master Fund GP or the Investment Manager for salaries, office rent and other general overhead costs of the Master Fund GP or the Investment Manager. A portion of the commissions generated on the Master Fund's brokerage transactions may generate soft dollar credits that the Investment Manager is authorized to use to pay for research and other research-related services and products used by the Investment Manager. It is the current policy of the Investment Manager to limit such use of soft dollars to fall within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended, or to be otherwise reasonably related to the investment decision-making process or for Master Fund expenses. See "*Brokerage and Custody*."

Certain Fees

The Investment Manager, including, without limitation, the employees of the Investment Manager, may serve on the board of directors or committees thereof and/or provide financial advisory, consulting and/or as officers or otherwise provide management services, in each case for a fee to portfolio companies in which the Master Fund may have an interest. Such services are provided only after approval by the board of directors of such portfolio companies (or after approval of a court of appropriate jurisdiction with respect to bankruptcy proceedings or other appropriate approval) and based on "arm's length" negotiations of terms and conditions. Any fees earned pursuant to any such agreements for services will be retained by the Investment Manager.

Distributions

Subject to the quarterly redemption privilege described below, all earnings of the Fund are ordinarily retained for investment. Shareholders should not expect the Fund to make any distributions.

**Redemptions
Generally**

Subject to certain redemption restrictions described below, a shareholder is generally permitted to redeem all or a portion of its Shares as of the last Business Day of each quarter (and/or such other days as the Board of Directors may determine in its sole discretion) (each, a "***Redemption Date***"). Written notice of any redemption request must be received in writing by the Administrator at least 45 days prior to the requested Redemption Date. The Board of Directors may waive such notice requirements, or permit redemptions under such other circumstances as it, in its sole discretion, deems appropriate.

**Settlement of
Redemption Proceeds**

A redemption request is normally settled in cash or, subject to the sole discretion of the Board of Directors, wholly or partially with securities or other assets of the Fund (received from the Master Fund), whether or not readily marketable, generally within 30 days after the Redemption Date; provided that the Board of Directors may delay such payment if such delay is reasonably necessary to prevent such redemption from having a material adverse impact on the Fund.

In the event that distributions during a fiscal year to a redeeming

shareholder would exceed 90% of the value of such shareholder's Shares as of the beginning of such fiscal year, excess requested amounts will be held back and distributed (without interest thereon) within 30 days following completion of the audit of the Fund's financial statements for the year.

Notwithstanding anything to the contrary herein, the Board of Directors may establish reserves and holdbacks for estimated accrued expenses, liabilities and contingencies, including, without limitation, general reserves for unspecified contingencies (even if such reserves or holdbacks are not otherwise required by GAAP) or liabilities stemming from tax obligations (as such may be determined in the sole discretion of the Board of Directors and whether or not incurred directly or indirectly), which could reduce the amount of a distribution upon a shareholder's redemption of Shares. The Board of Directors may withhold for the benefit of the Fund from any distribution to a redeeming shareholder an amount representing the actual or estimated costs incurred by the Fund with respect to such redemption.

Redemption Gate

If, for any Redemption Date, (i) shareholders submit redemption notices that, when combined, are in excess of 25% of the Fund's net asset value, or (ii) redemption requests are received by the Master Fund from any or all feeder vehicles in the Master Fund in excess of 25% of the Master Fund's net asset value, then the Board of Directors may determine, in its sole discretion, to reduce all such requests proportionately (based on the net asset value of each shareholder's Shares) so that the aggregate amount of such redemptions does not exceed 25% of the Fund's net asset value or such greater amount if the Board of Directors so determines (such restriction is referred to herein as the "**Redemption Gate**"). If redemptions are subject to the Redemption Gate, redemption requests are carried over to the next Redemption Date (and, if not fully satisfied as of that date because of the Redemption Gate, then as of the next, and, if necessary, successive Redemption Dates), except to the extent shareholders rescind their redemption request(s).

Any remaining amount of a redemption request that is not satisfied due to the Redemption Gate (i) remains at risk as per other amounts invested in the Fund and subject to the applicable Management Fee, if any, until such amount is finally and fully redeemed, (ii) is considered requested as of the next Redemption Date without further action by the redeeming shareholder, (iii) is not entitled to priority over redemption requests on any subsequent Redemption Date, and (iv) remains subject to further application of the Redemption Gate on subsequent Redemption Dates.

Redemption Conditions

The Fund or the Administrator may refuse to accept a redemption request if it is not accompanied by such additional information as the Fund or the Administrator may reasonably require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for money laundering verification purposes. In addition, where redemption proceeds are requested to be

remitted to an account which is not in the name of the investor, the Fund and the Administrator reserve the right to request such information as may be reasonably necessary in order to verify the identity of the investor and the owner of the account to which the redemption proceeds will be paid. The redemption proceeds will not be paid to a third-party account if the investor and/or owner of the account fails to provide such information.

Redemption payments will be made by wire transfer only to a bank account in the name of the shareholder located at a recognized financial institution which is regulated by a recognized regulatory authority and carries on business in a country recognized in Schedule 3 of the Money Laundering Regulations (2017 Revision) of the Cayman Islands (the “*Money Laundering Regulations*”).

**Compulsory
Redemptions**

The Board of Directors reserves the right, in its sole discretion, to compel the redemption of a shareholder’s Shares at any time and for any reason on not less than five days’ prior written notice (or immediately if the Directors, in their sole discretion, determine that such shareholder’s continued investment in the Fund may cause the Fund or the Investment Manager to violate any applicable law). Settlements are made in the same manner as voluntary redemptions, but without application of the Redemption Gate.

**Suspension of
Redemptions and
Redemption Payments**

The Board of Directors may postpone or suspend (a) the calculation of the net asset value of the Shares (and the applicable valuation date); (b) the issuance of Shares, (c) the redemption by shareholders of Shares (and the applicable Redemption Date); and/or (d) the payment of redemption proceeds (even if the calculation dates and Redemptions Dates are not postponed) (each, a “*Suspension*”) if it determines that such a Suspension is warranted by extraordinary circumstances, including: (i) during any period when any stock exchange or over-the-counter market on which the Master Fund’s investments are quoted, traded or dealt in is closed, other than for ordinary holidays and weekends, or during periods in which dealings are restricted or suspended; (ii) during the existence of any state of affairs as a result of which, in the reasonable opinion of the Board of Directors, disposal of investments by the Fund, or the determination of the value of the assets of the Fund, would not be reasonably practicable or would be seriously prejudicial to the non-redeeming shareholders; (iii) during any breakdown in the means of communication normally employed in determining the price or value of the Fund’s assets or liabilities, or of current prices in any stock market as aforesaid, or when for any other reason the prices or values of any assets or liabilities of the Fund cannot reasonably be accurately ascertained within a reasonable time frame; (iv) during any period when the transfer of funds involved in the realization or acquisition of any investments cannot, in the reasonable opinion of the Board of Directors, be effected at normal rates of exchange; (v) automatically upon liquidation of the Fund; or (vi) automatically upon any suspension of redemptions by the Master Fund

for similar reasons as described in “*The Master Fund*,” below.

The Fund will promptly notify each shareholder who has submitted a redemption request and to whom payment in full of the amount being redeemed has not yet been remitted of any Suspension of redemptions or Suspension of the payment of redemption proceeds. Any remaining amount of a redemption request that is not satisfied due to such a Suspension remains at risk as per other amounts invested in the Fund and subject to the applicable Management Fee until such amount is finally and fully redeemed. Such shareholders will not be given any priority with respect to the redemption of Shares after the cause for such Suspension or limitation ceases to exist. The Board of Directors may in their sole discretion, however, permit such shareholders to withdraw their redemption requests to the extent that the relevant Redemption Date has not yet passed. For the avoidance of doubt, where a suspension of the payment of redemption proceeds is declared between the relevant Redemption Date and the remittance of such payment proceeds, affected shareholders shall not have any right to withdraw their redemption requests. Upon the reasonable determination by the Board of Directors that conditions leading to Suspension no longer apply, any such suspended payments shall generally be paid in accordance with the normal process for making such payments, redemption rights shall be promptly reinstated, and any pending redemption requests which were not withdrawn (or new, timely redemption requests) will be effected as of the first Redemption Date following the removal of the Suspension, subject to the foregoing restrictions on redemptions.

The Directors have the power, in the circumstances described above, to effect a Suspension. It is anticipated that any Suspension would ordinarily be temporary. However, there may be situations in which the circumstances giving rise to the Suspension continue to be present for a considerable period of time with the result that the Directors, in consultation with the Investment Manager, consider it appropriate to keep the Suspension in place indefinitely. In certain circumstances, even where a Suspension has not been declared, the Directors may, in consultation with the Investment Manager, make a determination that the investment strategy should no longer be continued. During any such period of Suspension or having made such determination that the investment strategy should no longer be continued, the Investment Manager may recommend to the Directors that the Fund be managed with the objective of returning the Fund's assets to shareholders in an orderly manner (an “**Orderly Realization**”). The Directors may, in such circumstances, resolve to effect an Orderly Realization should they determine that doing so is in the best interests of the Fund's stakeholders. Such Orderly Realization shall not constitute a dissolution or winding up of the Fund for any purposes, but rather only the continued management of the Fund's portfolio so as to reduce such portfolio to cash (to the extent reasonably practicable, as advised by the Investment Manager) and return such cash as well as all other assets of the Fund to the shareholders. The

Directors shall promptly communicate to shareholders any resolution to proceed with an Orderly Realization of the Fund. During an Orderly Realization, the Investment Manager may, in consultation with the Directors, take such steps as are considered appropriate in the best interests of the Fund's stakeholders to effect the Orderly Realization. The Directors, in consultation with the Investment Manager shall establish what they consider to be a reasonable time by which the Orderly Realization should be effected (the "**Realization Period**"). Any resolution to undertake an Orderly Realization and the process thereof shall be deemed to be integral to the business of the Fund and may be carried out without recourse to a formal process of liquidation under the Companies Law (2016 Revision) of the Cayman Islands (the "**Companies Law**") or any other applicable bankruptcy or insolvency regime. The Directors, in consultation with the Investment Manager, may resolve to cease the Orderly Realization within the Realization Period and recommence active trading if the circumstances permit a lifting of any applicable Suspension or, where no Suspension is in effect, if the circumstances are such that the investment strategy can then be continued. The Management Fee shall be payable during an Orderly Realization on the same basis as described herein.

Transfers

Shares are not transferable except with the prior written consent of the Board of Directors, which consent may be withheld in its sole discretion. The Board of Directors will require any transferee or assignee of any shareholder to execute the Subscription Documents.

Duty of Care; Indemnification

Pursuant to the Master Fund Partnership Agreement and the Investment Management Agreement, the Master Fund GP, the Investment Manager, each member, shareholder, partner, manager, director, officer, employee and agent of, and any person who controls, the Master Fund GP or the Investment Manager, each of the respective affiliates of the foregoing, members of the Advisory Committee and Pricing Committee, their respective affiliates, and any of the legal representatives of any of the foregoing (each such person, an "**Indemnified Party**") shall not be liable to the Master Fund, Fund or the shareholders for any loss or damage arising by reason of being or having been the Master Fund GP or the Investment Manager or from any acts or omissions in the performance of its services as the Master Fund GP or the Investment Manager in the absence of gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or bad faith, or as otherwise required by law. No Indemnified Party shall be liable to the Master Fund, the Fund, any shareholder or any other person for any amount in excess of the amount of the Management Fee received by the Investment Manager, to the extent permitted under applicable law. In addition, in no event shall any Indemnified Party be liable for any special, indirect, exemplary, consequential or punitive losses or damages.

The Master Fund Partnership Agreement and Investment Management Agreement contain provisions for the indemnification of the Indemnified Parties by the Master Fund and the Fund (but not by the shareholders

individually) against any liabilities arising by reason of being or having been the Master Fund GP or the Investment Manager or in connection with the Master Fund Partnership Agreement, the Investment Management Agreement, or the Master Fund or the Fund's business or affairs to the fullest extent permitted by law. The Investment Manager is not personally liable to any shareholder for the repayment of any redemption proceeds or for contributions by such shareholder to the capital of the Fund or by reason of any change in the U.S. federal or state income tax laws applicable to the Fund or its investors.

Every Director and officer of the Fund, together with every former Director and former officer of the Fund, shall be indemnified out of the assets of the Fund against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own actual fraud or willful default. No Director or officer of the Fund shall be liable to the Fund for any loss or damage incurred by the Fund as a result (whether direct or indirect) of the carrying out of their functions unless that liability arises through the actual fraud or willful default of such Indemnified Party. No person shall be found to have committed actual fraud or willful default under the Articles of Association unless or until a court of competent jurisdiction shall have made a finding to that effect.

**Non-Exclusivity;
Allocation of
Opportunities**

The partners, officers, managers, members, employees and affiliates of the Master Fund GP and the Investment Manager are not precluded from engaging in or owning an interest in other business ventures or investment activities of any kind, whether or not such ventures are competitive with the Fund. See "*Risk Factors and Potential Conflicts of Interest – Allocation of Trading Opportunities*" below.

**Affiliated Service
Providers**

NexBank, SSB ("***NexBank SSB***") is an affiliate of the Investment Manager and may, from time to time, provide banking and/or agency services to the Investment Manager, clients of the Investment Manager or collective investment vehicles for which the Investment Manager provides investment advisory services (including the Fund and other vehicles in which the Fund may invest) or third parties engaged in transactions involving the Investment Manager. NexBank SSB may also act as an agent in connection with certain securities transactions involving the Investment Manager's client accounts (including the Master Fund and other vehicles in which the Master Fund may invest). Principals of the Investment Manager own a majority of the equity interests in NexBank SSB and employees or affiliates of the Investment Manager own or may own a substantial equity interest in NexBank SSB. Certain Master Fund investment transactions may be executed through NexBank Securities, Inc., an affiliate of the Investment Manager and a registered broker-dealer.

Additionally, the Investment Manager or affiliates of the Investment

Manager, including, without limitation, Nexbank SSB, NexBank Securities, Inc., NexBank Capital Advisors and Governance Re, Ltd. may provide financial advisory, management, insurance, title insurance or other services for a fee to portfolio companies in which the Master Fund may have an interest. See “*Risk Factors and Potential Conflicts of Interest*” below.

Valuations

In general, the Fund’s financial statements will be prepared in accordance with GAAP. The Board of Directors has delegated the valuation of the Fund’s assets, based on the Master Fund’s assets, to the Investment Manager who values the Fund’s assets as of the close of each fiscal period in accordance with its valuation policies and procedures.

Reserves

Appropriate reserves may be accrued and charged against net assets and proportionately against the Shares of the shareholders for contingent liabilities, such reserves to be in the amounts (subject to increase or reduction) that the Board of Directors in its sole discretion deems necessary or appropriate. At the sole discretion of the Board of Directors, the amount of any such reserve (or any increase or decrease therein) may be charged or credited, as appropriate, to the Shares of those investors who are shareholders at the time when such reserve is created, increased, or decreased, as the case may be, or alternatively may be charged or credited to those investors who were shareholders at the time of the act or omission giving rise to the contingent liability for which the reserve was established.

If the Board of Directors determines that it is equitable to treat an amount to be paid or received as being applicable to one or more prior periods, then such amount may be proportionately charged or credited, as appropriate, to those persons who were shareholders during any such prior period.

Fiscal Year

The Fund has a fiscal year ending on December 31 of each year.

**Reports to
Shareholders**

Shareholders will receive unaudited monthly statements of the estimated net asset value of the Fund, monthly performance and portfolio reports, and an annual financial report of the Fund audited by the Fund’s independent auditors. The Fund may elect not to reserve certain amounts that may be required by GAAP and not to provide certain portfolio disclosure required by GAAP to investors and may capitalize and amortize certain of its organizational expenses in deviation from GAAP. Such deviations from GAAP may result in a qualified opinion rendered on the financial statements of the Fund. In addition, the Fund may provide certain information to certain shareholders, but not to all shareholders.

Tax Status

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Fund or the shareholders. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Fund.

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLEE RECORD
VOLUME 19**

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**COUNSEL FOR ACIS CAPITAL MANAGEMENT,
L.P. AND ACIS CAPITAL MANAGEMENT GP,
LLC, APPELLEES**

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

IN RE:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

DEBTOR.

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CASE NO. 19-34054

Chapter 11

INDEX

DESIGNATION OF RECORD ON APPEAL

Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP," together with Acis LP, "Acis"), appellees, file this Designation of Record on Appeal related to the *Order Approving Debtor's Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302] (the "Settlement Order"), the *Notice of Appeal* [Docket No. 1347] of the Settlement Order filed by James Dondero ("Dondero") and the *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented* [Docket No. 1515] filed by Dondero.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

Acis designates the following additional items for inclusion in the record on appeal.

Items in Bankruptcy Case No. 19-34054-SGJ-11	
Vol. 14 003095 003097	1. Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. [Docket No. 1]
003203	2. Chapter 11 Voluntary Petition [Docket No. 1]
003247	3. Affidavit/Declaration in Support of First Day Motion /Declaration of Frank Waterhouse in Support of First Day Motions Filed By Highland Capital Management, L.P. [Docket No. 11]
Vol. 15 003406	4. Motion to Change Venue/Inter-district Transfer Filed by Official Committee of Unsecured Creditors [Docket No. 85]
003433	5. Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 122]
003444	6. Joinder to Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) [Docket No. 126]
003452	7. Reply in Support of Motion to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 162]
003459	8. Reply in Support of the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 163]
003463	9. Response of the Debtor to Acis's Joinder to Motion to Transfer Venue [Docket No. 164]
003465	10. Order Transferring Venue of this Case to the United States Bankruptcy Court of the Northern District of Texas [Docket No. 186]
003492	11. Transcript regarding hearing held 12/6/19 [Docket No. 207]
003574	12. Schedules: Schedules A/B/ and D-H with Summary of Assets and Liabilities (with Declaration Under Penalty of Perjury for Non-Individual Debtors)[Docket No. 247]
003616	13. Statement of financial affairs for non-individual [Docket No. 248]
Vol. 16 003629	14. Trustee's Motion to appoint trustee [Docket No. 271]
003729	15. Motion to compromise controversy with Official Committee of Unsecured Creditors [Docket No. 281]
003735	16. Trustee's Objection to Motion to Approve Joint Agreement [Docket No. 313]
003738	17. Declaration re: (Declaration of Bradley D. Sharp in Support of the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course) [Docket No. 327]
003751	18. Response unopposed to (related document(s): 313 Objection) [Docket No. 329]
003756	19. Response unopposed to (related document(s): 313 Objection) [Docket No. 330]
	20. Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors, Strand Advisors, Inc., and James Dondero. [Docket No. 338]

Vol. 16 003764	21.	Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course [Docket No. 339]
003769	22.	Notice (Notice of Final Term Sheet) [Docket No. 354]
Vol. 17 003834	23.	Response opposed to (related document(s): 271) [Docket No. 362]
003847	24.	Objection to (related document(s): 271 Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) [Docket No. 364]
003851	25.	Transcript regarding Hearing Held 01/21/2020 [Docket No. 393]
003991	26.	Order denying motion to appoint trustee [Docket No. 428]
003993	27.	Motion for relief from stay [Docket No. 451]
Vol. 18 004042	28.	Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") [Docket No. 474]
Thru Vol. 21 Vol. 22 004908	29.	Transcript regarding Hearing Held 02/19/2020 [Docket No. 479]
005096	30.	Objection to (related document(s): 474) [Docket No. 487]
005110	31.	Joinder by Acis Capital Management, L.P. and Acis Capital Management GP, LLC to the Committee's Objection to the Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain Related Entities, and Comment to the Same [Docket No. 489]
005119	32.	Order authorizing, but not directing, the debtor to cause distributions to certain 'related entities'. [Docket No. 512]
005123	33.	Order granting motion for relief from stay [Docket No. 519]
Vol. 23 005125	34.	Transcript regarding Hearing Held 03/04/2020 [Docket No. 571]
005246	35.	Motion for relief from stay [Docket No. 593]
Vol. 24 005352	36.	Transcript regarding Hearing Held 05/26/2020 [Docket No. 676]
005359	37.	Order granting motion for relief from stay [Docket No. 764]
005362	38.	Application to employ James P. Seery, Jr. Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020 [Docket No. 774]
005395	39.	Transcript regarding Hearing Held 06/30/2020 [Docket No. 802]
005495	40.	Transcript regarding Hearing Held 07/08/2020 [Docket No. 817]
005553	41.	Agreed order regarding deposit of funds into registry of the Court [Docket No. 821]
005558	42.	Order granting application to employ James P. Seery, Jr. as Chief Executive Officer, Chief Restructuring and Foreign representative [Docket No. 854]
Vol. 25 005570	43.	Transcript regarding Hearing Held 07/14/2020 [Docket No. 864]
005764	44.	Transcript regarding Hearing Held 07/21/2020 [Docket No. 897]
Vol. 26 005829	45.	Order directing mediation [Docket No. 912]
005835	46.	Transcript regarding Hearing Held 08/19/2020 [Docket No. 998]
005855	47.	Transcript regarding Hearing Held 09/10/2020 [Docket No. 1064]
005904	48.	Amended Schedules: E/F, with Summary of Assets and Liabilities [Docket No. 1082]
005933	49.	Transcript regarding Hearing Held 10/06/2020 [Docket No. 1145]
005991	50.	Witness and Exhibit List [Docket No. 1175]
005994	51.	Witness and Exhibit List [Docket No. 1202-1]
005997	52.	Omnibus Reply [Docket No. 1221]

DATED: December 7, 2020.

Respectfully submitted,

By: /s/ Annmarie Chiarello

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**COUNSEL FOR ACIS CAPITAL
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APPELLEES**

CERTIFICATE OF SERVICE

I hereby certify that on December 7, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello

One of Counsel

The Fund has applied for and can expect to receive an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Fund or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of the Fund or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Fund to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Fund.

The Investment Manager believes that the Fund will be treated as a non-U.S. corporation for U.S. federal income tax purposes. The Fund generally does not expect to be subject to U.S. federal income tax on its capital gains from securities trading. Dividends (including certain dividend equivalent amounts) and certain interest received by the Fund may be subject to withholding at the source. See “*Tax Considerations*.”

ERISA

The Investment Manager intends to limit investment in the Master Fund by “benefit plan investors” so that the assets of the Master Fund will not be considered “plan assets” for purposes of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”). It is anticipated that the assets of the Fund may constitute “plan assets” for purposes of ERISA. See “*ERISA and Other Regulatory Considerations*.”

Variation of Terms

The Fund may enter into agreements with certain shareholders pursuant to which such shareholders will invest in the Fund on different terms, and in some cases, more favorable terms (including with respect to information and reporting, the Management Fee, the Performance Allocation and redemption rights), than those described herein, without the consent of, or notice to, the other shareholders.

The Articles of Association provide that, subject to the Companies Law of the Cayman Islands and the other provisions of the Articles of Association, all or any of the series rights or other terms of offer whether set out in the Memorandum, the Subscription Documents or otherwise (including any representations, warranties or other disclosure relating to the offer or holding of Shares) (collectively referred to as “**Share Rights**”) for the time being applicable to any class or series of Shares in issue (unless otherwise provided by the terms of issue of those Shares) may (whether or not the Fund is being wound up) be varied without the consent of the holders of the issued Shares of that class or series where such variation is considered by the Directors, not to have a material adverse effect upon such holders’ Share Rights; otherwise, any such variation shall be made only with the prior consent in writing of the

holders of not less than two-thirds by net asset value of such Shares, or with the sanction of a resolution passed by a majority of at least two-thirds of the votes cast in person or by proxy at a separate meeting of the holders of such Shares. For the avoidance of doubt, the Directors reserve the right, notwithstanding that any such variation may not have a material adverse effect, to obtain consent from the holders of such Shares. At any class meeting, the voting rights attributable to each Share shall be calculated by reference to the net asset value per Share and not on the basis of one Share, one vote. Each subscriber for Shares will be required to agree that the terms of offer set out in the applicable Subscription Documents and the rights attaching to the Shares can be varied in accordance with the provisions of the Articles of Association.

Dissolution Right

Shareholders that are not affiliates or employees of the Investment Manager (“***Nonaffiliated Shareholders***”) may cause the dissolution of the Fund upon the affirmative vote of shareholders holding Shares representing more than 50% of the net asset value of all Shares attributable to Non-Affiliated Shareholders at a special meeting of shareholders duly called by the Board of Directors pursuant to a notice circulated by the Board of Directors at the written request of shareholders holding Shares representing 20% or more of the net asset value of all Shares attributable to Non-Affiliated Shareholders. In the event of a dissolution of the Fund effected pursuant to the Articles, the Master Fund will make an in-kind distribution to the Fund (to the extent such in-kind distribution is reasonably practicable) and the Fund will distribute its assets to the shareholders in kind (to the extent such in-kind distribution is reasonably practicable).

A petition to submit to shareholders a proposal to dissolve the Fund (any such petition, a “***Dissolution Petition***”) may be submitted to the Board of Directors by any Nonaffiliated Shareholders holding Shares representing 2% or more of the net asset value of all Shares attributable to Non-Affiliated Shareholders. The Board of Directors shall have the power and duty to determine whether a Dissolution Petition was properly made in accordance with the Articles. If a Dissolution Petition was not properly made in accordance with the Articles, the Board of Directors shall so notify the requesting Nonaffiliated Shareholder(s) in writing of any procedural or eligibility deficiencies and such Dissolution Petition shall be disregarded. If the Dissolution Petition is properly made in accordance with the Articles, the Board of Directors shall within 30 days after receipt of the Dissolution Petition mail the Dissolution Petition to all Nonaffiliated Shareholder(s) together with written instructions specifying that a special meeting of shareholders will be called to dissolve the Fund if the Dissolution Petition is signed by Nonaffiliated Shareholders holding Shares representing 20% or more of the net asset value of all Shares attributable to Non-Affiliated Shareholders and returned to the Fund within 60 days after the date of such mailing. To be properly made, a Dissolution Petition must be received in writing by the Board of Directors at the principal place of business of the Fund, request that the Board of

Directors mail the Dissolution Petition to all Nonaffiliated Shareholders and set forth as to the Nonaffiliated Shareholder(s) making the Dissolution Petition: (i) each such Nonaffiliated Shareholder's name and address, as they appear on the Fund's books, (ii) the net asset value of each such Nonaffiliated Shareholder's Shares as of the most recent month-end (which in the aggregate must represent at least 2% of the net asset value of all Shares attributable to Non-Affiliated Shareholders), and (iii) a representation that at least one shareholder from the group of shareholders that will sign the Dissolution Petition (or a qualified representative of at least one such shareholder) intends to appear in person at the special meeting of shareholders to determine whether to dissolve the Fund.

The Dissolution Petition may not set forth any proposal regarding the Fund other than the dissolution of the Fund. The Dissolution Petition shall be improper if it contains any false or misleading statements. The Board of Directors may, in its sole and absolute discretion, deem a Dissolution Petition improper if another proposal to dissolve the Fund was previously submitted by one or more of the same shareholders (or an affiliate or immediate family member thereof) during the preceding two years.

Upon receipt of the Dissolution Petition, signed by Nonaffiliated Shareholders holding Shares representing 20% or more of the net asset value of all Shares attributable to Non-Affiliated Shareholders and returned to the Fund within 60 days after the date on which the Dissolution Petition was mailed, the Board of Directors shall, by written notice to each shareholder of record within 15 days after such receipt, call such a special meeting of shareholders to vote (in person or by proxy) on the dissolution of the Fund. Such meeting shall be held at least 30 but not more than 60 days after the mailing of such notice, and such notice shall specify the date, a reasonable place (which shall include, for avoidance of doubt, the principal place of business of the Fund or the Board of Directors), and time for such meeting, as well as its purpose, and include a form of proxy.

Except as otherwise required by the Articles of Association, neither the Fund nor the Board of Directors shall have any obligation to forward any communication received by a shareholder to any other shareholder or to call a meeting of shareholders. Nothing herein shall in any way limit or restrict the ability of the Fund or the Board of Directors to solicit votes or consents in opposition of any Dissolution Petition. If no shareholder from the group of shareholders that signed the Dissolution Petition (or any qualified representative of at least one such shareholder) appears in person at the special meeting of shareholders, then no vote on the dissolution of the Fund will be taken at such meeting. In order to be considered a qualified representative of the shareholder, a person must be authorized by a written instrument executed by such shareholder or an electronic transmission delivered by such shareholder to act for such shareholder as proxy at the meeting of shareholders and such person must

produce such written instrument or electronic transmission, or a reliable reproduction of the written instrument or electronic transmission, at the meeting of shareholders. By submitting a Dissolution Petition to the Board of Directors, the Nonaffiliated Shareholder(s) shall be deemed to consent to the Board of Director's mailing of the Dissolution Petition to all Nonaffiliated Shareholders for all purposes, including without limitation for purposes of Regulation S-P under section 504 of the Gramm-Leach-Bliley Act, as amended, and other applicable privacy laws.

SHARES OF THE FUND

The Fund's Share Capital

The Fund has an authorized share capital of U.S.\$50,000 divided into 100 management shares (“**Management Shares**”) of a nominal par value of U.S.\$1.00 each and 4,990,000 participating non-voting shares (the “**Shares**”) of a nominal par value of U.S.\$0.01. The Directors may by resolution divide the Shares into separate series (each, a “**Series**”) which may be subject to different rights, restrictions, preferences, privileges and payment obligations as between the different Series and further into separate Sub-Series within such Series. The different Series and Sub-Series thereof shall be established and designated, and the variations in the relative rights and preferences as between the different Series and Sub-Series thereof shall be fixed and determined by the Board of Directors. Sub-Series of Shares of each Series are issued for the purposes, among others, of accounting for any profits and losses attributable to each individual shareholder to reflect different returns achieved as a result of subscriptions received at different times.

Each separate Sub-Series of Shares is identified by the investor to whom it was issued and its date of issue. Shares are issued to shareholders in Sub-Series at \$1,000 per Share. Immediately following the close of any fiscal year, each such Sub-Series of Shares may be redeemed and the proceeds applied to the subscription for an earlier Sub-Series of Shares of such Series.

The Shares are being offered pursuant to this Memorandum. The Shares generally will be entitled to all rights and privileges of Share ownership (including the right to receive dividends when declared and distributions of assets, net of all final fees and expenses, upon winding up) other than voting rights, except under limited circumstances.

The Management Shares will carry all the voting rights but will have no right to participate in the assets of the Fund (other than to a return of the par value on a winding up). The Management Shares will be held by the Investment Manager or an affiliate, and will be voted in accordance with the instructions of the Investment Manager.

The holders of Shares will only be entitled to vote at class meetings of shareholders to the extent that the matter considered thereat would materially adversely vary or abrogate the existing class rights attaching to the Shares. The holders of Shares have no other voting rights.

The Articles of Association provide that, subject to the Companies Law and the other provisions of the Articles of Association, all or any of the class and/or Series rights or other terms of offer, whether set out in this Memorandum, the Subscription Documents or otherwise (including any representations, warranties or other disclosures relating to the offer or holding of Shares) (collectively referred to as “**Share Rights**”), for the time being applicable to any class or Series of Shares in issue (unless otherwise provided by the terms of issue of those Shares) may (whether or not the Fund is being wound up) be varied without the consent of the holders of the issued Shares of that class or Series where such variation is considered by the Directors not to have a material adverse effect upon such holders' Share Rights; otherwise, any such variation shall be made only with the prior consent in writing of the holders of not less than two-thirds by net asset value of such Shares, or with the sanction of a resolution passed by a majority of at least two-thirds of the votes cast in person or by proxy at a separate meeting of the holders of such Shares. For the avoidance of doubt, the Directors reserve the right, notwithstanding that any such variation might not have a material adverse effect, to obtain consent from the holders of such Shares. At any class meeting, the voting rights attributable to each

Share shall be calculated by reference to the net asset value per Share and not on the basis of one Share, one vote. Each subscriber for Shares will be required to agree that the terms of offer set out in the Subscription Documents and the rights attaching to the Shares can be varied in accordance with the provisions of the Articles of Association. The Articles of Association provide that, in relation to any class or Series consent required pursuant to the “Variation of Share Rights” Article, the Directors in their discretion may invoke the following procedure (the “**Negative Consent Procedure**”). The Directors shall provide written notice in respect of the proposed variation (the “**Proposal**”) to the members of the affected class or Series and shall specify a deadline (the “**Redemption Request Date**”), which shall be no earlier than 30 days after the date of giving such notice, by which date such members may submit a written request for redemption of some or all of their Shares of the affected class and/or Series on the Redemption Date (the “**Specified Redemption Date**”) specified by the Directors in such notice. The terms of the Proposal shall be such that its specified effective date (the “**Effective Date**”) shall not be on or prior to the Specified Redemption Date. Such notice shall further provide that the holders of any Shares in respect of which a request for redemption has not been received by the Redemption Request Date (the “**Affected Shares**”) shall, in the absence of express written refusal to consent, be deemed to have consented in writing to the Proposal (such Affected Shares being the “**Negative Consent Shares**”). In the event that the Negative Consent Procedure is followed, only the Affected Shares shall be considered for the purposes of determining whether the written consent majority has been obtained under the “**Variation of Share Rights**” Article with the holders of the Negative Consent Shares being deemed to have submitted a written consent in favor of the Proposal on the Effective Date.

The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the Shares, be deemed to be materially adversely varied or abrogated by, inter alia, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them, the redemption or purchase of any Shares or by the passing of any Directors’ resolution to change or vary any investment objective, investment technique and strategy and/or investment policy in relation to the Shares or any modification of the fees payable to any service provider to the Fund.

In general, each Share will participate in the Fund’s profits and losses attributable to the relevant class in the same manner. Each of the Shares will participate ratably with all other outstanding Shares in the Fund’s assets and earnings and will have the redemption rights discussed above.

The Directors may impose such restrictions as they think necessary for the purpose of ensuring that no Shares in the Fund are held by (i) any person in breach of the laws or requirements of any country or governmental authority or (ii) any person or persons in circumstances which, in the opinion of the Directors, might result in the Fund incurring any liability of taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise have incurred or suffered. A person who becomes aware that he or she is holding or owning Shares in breach of any restriction mentioned in the Articles of Association shall promptly either deliver to the Fund a written request for redemption of his or her Shares or transfer the same to a person who would not thereby be a non-qualified person.

Management Shares

The Fund will have a single class of Management Shares that is not entitled to participate in the Fund’s assets, earnings and distributions, other than with respect to a return of their par value on a winding up of the Fund. The Management Shares are issued at par value at U.S.\$1.00 per share.

General meetings of the holders of Management Shares may be held to vote on various matters including to elect the Directors and to attend to such other business as may properly be placed before the meeting. At any such general meeting, the favorable vote of a majority of the Management Shares present is sufficient for the approval of any action, unless such action is a matter requiring a special resolution, in which case two-thirds of the Management Shares shall be required, in each case as further detailed in the Articles of Association.

Registration of Management Shares and Shares and Share Certificates

Management Shares and Shares of the Fund are issued only in registered form; the Fund will not issue bearer shares. A current register of the names and addresses of the Fund's shareholders and their shareholdings is maintained at the office of the Administrator. Management Shares and Shares are registered only in book entry form. No share certificates have been or will be issued.

Other Rights and Liabilities

Under the terms of the Articles of Association, the liability of the shareholders of the Fund is limited, and shareholders will not be liable for any debt, obligation or default of the Fund in excess of the amounts unpaid on their Shares.

The Fund and the Investment Manager may agree with certain investors to a fee structure, redemption rights or other terms that differ from the fee structure, redemption rights and other terms that are set forth in this Memorandum. Such different rights may, subject to applicable law, be effected by issuance of a separate Series of Shares or any other permissible means. Such rights may not be offered to all investors.

Calculation of Fund Net Asset Value

The Directors have delegated to the Administrator the calculation of the net asset value of the Fund and the net asset value per Share of each Series and, if applicable, Sub-Series, subject to the overall supervision and direction of the Directors. Net asset valuations of the Fund and each Sub-Series of each Series of Shares will be calculated as of the close of business on the last day of each month, or such other days as may from time to time be determined by the Fund (each, a "**Valuation Date**") in accordance with United States generally accepted accounting principles. To the extent feasible, liabilities are accrued as of each Valuation Date.

The Fund's assets are valued based on the Master Fund's assets. The net asset value of the Fund is determined by taking the amount of all cash and credit balances plus the market value of all commodities and other assets comprising the Fund's assets (including any interest and dividends receivable but excluding any subscription amounts committed to the Fund from time to time to the extent such amounts are not held by or on behalf of the Fund), as valued by the Investment Manager and the Administrator, minus all debit balances and other liabilities and obligations of the Fund (including any liability for the payment of the Management Fee and Performance Allocation hereunder). Net asset value in respect of any Series or Sub-Series of participating Share is calculated by dividing the value of the account relating to that Series or Sub-Series of participating Share by the number of participating Shares of that Series or Sub-Series in issue. For the sole purpose of determining the number of participating Shares of a Series or Sub-Series in issue, participating Shares of that Series or Sub-Series which are to be redeemed on the relevant Valuation Date shall be deemed to be in issue until and including the close of business on the applicable Valuation Date.

Based on the Master Fund's assets, assets of the Fund will be valued by both the Investment Manager, who will provide such valuations to the Administrator, and independently by the Administrator. The Administrator will then calculate and disseminate the net asset value of the Fund and each Sub-Series of each Series of Shares.

THE MASTER FUND

The Master Fund's Limited Partner Interests

The Master Fund's partnership interests are currently held exclusively by the Fund and the Domestic Fund as limited partners, as well as the Master Fund GP, as the general partner of the Master Fund pursuant to the Master Fund Partnership Agreement. The Master Fund GP is registered as a foreign company in the Cayman Islands pursuant to Part IX of the Companies Law (2016 Revision) of the Cayman Islands (the "*Companies Law*").

The Master Fund Partnership Agreement

The Master Fund is constituted as a Cayman Islands exempted limited partnership under the Exempted Limited Partnership Law, 2014 (the "*Exempted Limited Partnership Law*"). A Cayman Islands exempted limited partnership is constituted by the signing of the relevant partnership agreement and its registration with the Registrar of Exempted Limited Partnerships in the Cayman Islands.

A Cayman Islands exempted limited partnership is not a separate legal person distinct from its partners. Under the Exempted Limited Partnership Law, any property which is conveyed into or vested in the name of the exempted limited partnership shall be held or deemed to be held by the general partner, and if more than one, then by the general partners jointly upon trust, as an asset of the partnership in accordance with the terms of the partnership agreement. Any debt or obligation incurred by a general partner in the conduct of the business of an exempted limited partnership shall be a debt or obligation of the exempted limited partnership. Registration under the Exempted Limited Partnership Law entails that the partnership becomes subject to, and the limited partners therein are afforded the limited liability and other benefits of, the Exempted Limited Partnership Law (subject to compliance therewith).

Liability of Partners and Indemnification of the Master Partnership GP and Others. The business of a Cayman Islands exempted limited partnership will be conducted by its general partner(s) who will be liable for all debts and obligations of the exempted limited partnership to the extent that the partnership has insufficient assets. As a general matter, a limited partner of a Cayman Islands partnership will not be liable for the debts and obligations of the exempted limited partnership, other than:

- (i) as expressed in the partnership agreement,
- (ii) if such limited partner takes part in the conduct of the business of an exempted limited partnership in its dealings with persons who are not partners, then that limited partner shall be liable, in the event of the insolvency of the exempted limited partnership, for all debts and obligations of that exempted limited partnership incurred during the period that he so participates in the conduct of the business as though he were, for such period, a general partner, provided always that he shall be rendered liable pursuant to the foregoing provision only to a person who transacts business with the exempted limited partnership during such period with actual knowledge of such participation and who then reasonably believed such limited partner to be a general partner, or
- (iii) if such limited partner is obligated pursuant to Section 34(1) of the Exempted Limited Partnership Law to return a distribution made to it (with interest at a rate of 10% per

annum, unless otherwise specified in the Master Fund Partnership Agreement) when the exempted limited partnership is insolvent or within six months prior to such insolvency.

The Master Fund Partnership Agreement provides that none of the Indemnified Parties will be liable to the Master Fund or any limited partner of the Master Fund (including the Feeder Funds) or any other person for mistakes of judgment or for action or inaction that did not constitute gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or bad faith, or for losses due to such mistakes, action or inaction or to the negligence, dishonesty or bad faith of any broker or agent of the Master Fund, provided that such broker or agent was selected, engaged or retained by the Indemnified Party in accordance with the standard of care set forth above. An Indemnified Party may consult with counsel and accountants in respect of the Master Fund's affairs and will be fully protected and justified in any action or inaction which is taken in accordance with the advice or opinion of such counsel or accountants, provided that they were selected in accordance with the standard of care set forth above. The foregoing provisions, however, shall not be construed so as to provide for the exculpation of an Indemnified Party of any liability (including liability under U.S. Federal securities laws which, under certain circumstances, impose liability even on persons acting in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law (including liability under U.S. Federal securities laws which, under certain circumstances, impose liability even on persons acting in good faith), but shall be construed so as to effectuate the abovementioned provisions to the fullest extent permitted by law. The Master Fund Partnership Agreement also limits the liability of any Indemnified Party to the amount of the Management Fee received, to the extent permitted under applicable law. In addition, in no event shall any Indemnified Party be liable for any special, indirect, exemplary, consequential or punitive losses or damages.

The Master Fund Partnership Agreement provides that the Master Fund shall, to the fullest extent permitted by law, indemnify and hold harmless each Indemnified Party from and against any and all loss, cost or expense suffered or sustained by an Indemnified Party by reason of the fact that it, he or she is or was an Indemnified Party, including, without limitation, any judgment, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, suit or proceeding, provided that such liability, damage loss, cost or expense resulted from a mistake of judgment on the part of an Indemnified Party or from action or inaction that did not constitute gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or bad faith, or from the negligence, dishonesty or bad faith of a broker or other agent of an Indemnified Party, provided that such broker or agent was selected, engaged or retained by the Indemnified Party in accordance with the standard of care set forth above. The Master Fund Partnership Agreement also provides that the Master Fund will, in the sole discretion of the Master Fund GP, advance to any Indemnified Party reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any action, suit or proceeding which arises out of such conduct. In the event that such an advance is made by the Master Fund, the Indemnified Party will agree to reimburse the Master Fund to the extent that it is finally determined that it was not entitled to indemnification in respect thereof.

Notwithstanding any of the foregoing, the provisions of the Master Fund Partnership Agreement do not provide for the indemnification of any Indemnified Party for any liability (including liability under Federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the above provisions to the fullest extent permitted by law.

Pursuant to the foregoing indemnification and exculpation provisions applicable to each Indemnified Party, the Master Fund (and not the applicable Indemnified Party) will be responsible for any losses resulting from trading errors and similar human errors, absent gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or bad faith. Given the volume of transactions executed on behalf of the Master Fund, trading errors (and similar errors) will occur and the Master Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of any Indemnified Party.

The Indemnified Parties will also be indemnified by each limited partner of the Master Fund for any amounts of tax withheld or required to be withheld with respect to that limited partner, and also for any amounts of interest, additions to tax, penalties and other costs borne by any such persons in connection therewith to the extent that the balance of the limited partner's capital account is insufficient to fully compensate the Master Fund GP and the Investment Manager for such costs.

Contributions and Withdrawals by the Fund. Limited partners of the Master Fund may make contributions at such times and in such amounts as the Master Fund GP determines. As a limited partner of the Master Fund, the Fund may, subject to the consent of the Master Fund GP, voluntarily request a withdrawal of all or part of its capital in the Master Fund at such times and in such amounts as it may determine. The Master Fund GP may postpone or suspend (a) the calculation of the net asset value of the Master Fund (and the applicable valuation date); (b) the issuance of limited partner interests, (c) the withdrawal by limited partners (and the applicable withdrawal date); and/or (d) the payment of withdrawal proceeds (even if the calculation dates and withdrawal dates are not postponed) if it determines that such a suspension is warranted by extraordinary circumstances, including: (i) during any period when any stock exchange or over-the-counter market on which the Master Fund's investments are quoted, traded or dealt in is closed, other than for ordinary holidays and weekends, or during periods in which dealings are restricted or suspended; (ii) during the existence of any state of affairs as a result of which, in the reasonable opinion of the Master Fund GP, disposal of investments by the Master Fund, or the determination of the value of the assets of the Master Fund, would not be reasonably practicable or would be seriously prejudicial to the non-withdrawing partners; (iii) during any breakdown in the means of communication normally employed in determining the price or value of the Master Fund's assets or liabilities, or of current prices in any stock market as aforesaid, or when for any other reason the prices or values of any assets or liabilities of the Master Fund cannot reasonably be accurately ascertained within a reasonable time frame; (iv) during any period when the transfer of funds involved in the realization or acquisition of any investments cannot, in the reasonable opinion of the Master Fund GP, be effected at normal rates of exchange; or (v) automatically upon liquidation of the Master Fund.

Amendment of the Master Fund Partnership Agreement. The Master Fund Partnership Agreement may be amended by the Master Fund GP without the consent of the limited partners in any manner that does not materially adversely affect any limited partner.

Dissolution of the Master Fund. The Master Fund shall be wound up and dissolved upon the first to occur of any of the following liquidating events, and Sections 36(1)(b), 36(9) and 36(12) of the Exempted Limited Partnership Law shall not apply to the Master Fund:

- (i) the written election of the Master Fund GP to dissolve the Master Fund; or
- (ii) if the Master Fund GP is the sole or last remaining general partner, the date (the "***Automatic Dissolution Date***") falling 90 days after the date of the service of a notice

by the Master Fund GP (or its legal representative) on all the limited partners informing the limited partners of:

- (1) the commencement of liquidation or bankruptcy proceedings in relation to the Master Fund GP; or
- (2) the withdrawal, removal or making of a winding up or dissolution order in relation to the Master Fund GP;

provided that, if a majority in number of the limited partners elects one or more new general partners before the Automatic Dissolution Date, the business of the Master Fund shall be resumed and continued. If a new general partner is not elected by the Automatic Dissolution Date, the Master Fund shall be wound up and dissolved in accordance with terms of the Master Fund Partnership Agreement and the Exempted Limited Partnership Law.

Power of Attorney. Each limited partner of the Master Fund shall make, constitute and appoint the Master Fund GP its true and lawful attorney to make, sign, execute, certify, acknowledge, file and record any instrument deemed necessary or appropriate by the Master Fund GP to carry out fully the provisions of the Master Fund Partnership Agreement, including the admission of any new partners of the Master Fund and any amendments to the Master Fund Partnership Agreement. Each limited partner of the Master Fund shall authorize the Master Fund GP to take any further action that the Master Fund GP considers necessary or advisable in connection with the foregoing. Such power of attorney granted is intended to secure an interest in property and, in addition, the obligation of each relevant limited partner of the Master Fund under the Master Fund Partnership Agreement shall be irrevocable and shall survive and not be affected by the subsequent death, lack of capacity, insolvency, bankruptcy or dissolution of any limited partner of the Master Fund.

Valuation of Assets

The Master Fund GP (meaning for the purposes of the valuation of assets described herein, the Master Fund GP itself, the Investment Manager or the Administrator under the ultimate supervision of the Master Fund GP) will generally compute the value of the securities and other assets of the Master Fund as of the close of business on the last day of each fiscal period and on any other date selected by the Master Fund GP in its sole discretion. In addition, the Master Fund GP must compute the value of the securities that are being distributed in-kind as of their date of distribution in accordance with the Master Fund Partnership Agreement. In determining the value of the assets of the Master Fund, no value is placed on the goodwill or name of the Master Fund, or the office records, files, statistical data or any similar intangible assets of the Master Fund not normally reflected in the Master Fund's accounting records, but there must be taken into consideration any related items of income earned but not received, expenses incurred but not yet paid, liabilities fixed or contingent, prepaid expenses to the extent not otherwise reflected in the books of account, and the value of options or commitments to purchase or sell securities pursuant to agreements entered into on or prior to such valuation date.

A copy of the Master Fund's valuation policy is available upon request from the Master Fund GP.

The value of each security and other asset of the Master Fund and the net worth of the Master Fund as a whole determined pursuant Master Fund Partnership Agreement are conclusive and binding on all of the partners of the Master Fund and all persons claiming through or under them.

RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST

Investment in the Fund is speculative and involves substantial risks, including, but not limited to, those summarized below. The Fund is not suitable for all investors and is intended for sophisticated investors who can accept the risks associated with their investments. Prospective investors should carefully consider the risk factors described in this section, among others, in determining whether an investment in the Fund is suitable for them. There can be no assurance that the Fund's program will be successful or that investments purchased by the Fund will increase in value. An investor must be prepared to bear capital losses that might result from an investment in the Fund, including a complete loss of the investor's invested capital. All investors in the Fund should consult their own legal, tax and financial advisors prior to investing in the Fund.

For purposes of this section, references to the "Fund" should be understood to mean each of the Fund and the Master Fund, as applicable, and each of the risk factors set forth herein, while not exhaustive, shall apply equally to each of the Fund and the Master Fund, as applicable.

General Risks

Limited Operating History. The Fund, the Master Fund and the Master Fund GP have limited operating histories upon which investors can evaluate the anticipated performance of the Fund. The Investment Manager has been in operation since 1993. However, the past performance of the Investment Manager and its officers and personnel is not an indication of future success of the Fund.

Risks Associated With Investments in Securities. Any investment in securities carries market risks. An investment in the Fund is highly speculative and involves a high degree of risk due to the nature of the Fund's investments and the strategies to be employed. An investment in the Fund should not in itself be considered a balanced investment program, but rather is intended to provide diversification in a more complete investment portfolio.

Investment Judgment; Market Risk. The profitability of a significant portion of the Master Fund's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Investment Manager will be able to predict accurately these price movements. With respect to the investment strategy utilized by the Master Fund, there is always some, and occasionally a significant, degree of market risk.

Limited Liquidity; Additional Information. An investment in the Fund provides limited liquidity since the Shares are not freely transferable and may only be redeemed at such times as set forth in this Memorandum. The Board of Directors may suspend redemptions, in whole or in part, when, in the sole discretion of the Board of Directors, such a suspension is warranted by extraordinary circumstances. The Board of Directors may also delay the payment of redemption proceeds as more fully described elsewhere in this Memorandum. Investments that remain in the Fund are subject to all risks related to an investment in the Fund as described in this Memorandum.

Also, certain shareholders (including, without limitation, the Affiliated Investors), may invest on terms that provide access to information that is not generally available to other shareholders of the Fund and, as a result, may be able to act on such additional information (e.g., redeem their Shares) that other shareholders do not receive. An investment in the Fund is suitable only for sophisticated investors who have no need for current liquidity.

Effect of Substantial Redemptions. Several factors make substantial redemptions (and possibly substantial withdrawals from the Domestic Fund) a risk factor for shareholders. The Master Fund will pursue a variety of investment strategies that will take time to develop and implement. The Master Fund may not be able to readily dispose of such financial instruments and, in some cases, may be contractually prohibited from disposing of such financial instruments for a period of time. Substantial redemptions (and possibly substantial withdrawals from the Domestic Fund) could be triggered by a number of events, including, for example, unsatisfactory performance or a significant change in personnel or management of the Investment Manager, investor reaction to redemptions or withdrawals from other investment funds sponsored by the Investment Manager, legal or regulatory issues that investors perceive to have a bearing on the Fund or the Investment Manager, or other factors. Actions taken to meet substantial redemption requests from the Fund (as well as similar actions taken simultaneously in other investment funds sponsored by the Investment Manager) could result in prices of financial instruments held by the Master Fund decreasing and in Master Fund expenses increasing (e.g., transaction costs and the costs of terminating agreements). The overall value of the Master Fund also may decrease because the liquidation value of certain assets may be materially less than their mark-to-market value. The Master Fund may be forced to sell its more liquid positions while maintaining a relatively concentrated portfolio of illiquid assets. Substantial redemptions could also significantly restrict the Master Fund's ability to obtain financing or derivatives counterparties needed for its investment and trading strategies, which would have a further material adverse effect on the Master Fund's performance.

Substantial redemptions from the Fund within a short period of time could require the Master Fund to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of the Fund's assets and/or disrupting the Investment Manager's investment strategy. Reduction in the size of the Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Master Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Master-Feeder Structure. The Fund will invest all of its investable assets in the Master Fund. The "master-feeder" fund structure presents certain risks to the shareholders. Smaller feeder funds may be materially affected by the actions of larger feeder funds.

While the Investment Manager, as investment manager of the Master Fund, generally will not consider tax issues applicable to any particular investors, it generally will take into account the tax positions of the Fund and the Domestic Fund that invest in the Master Fund. However, the use of a "master-feeder" structure may create a conflict of interest in that different tax considerations for the Fund and the Domestic Fund may cause or result in the Master Fund structuring or disposing of an investment in a manner or at a time that is more advantageous (or disadvantageous) for tax purposes to one Feeder Fund or its investors.

Management Fee and Performance Allocations. As described above, the Master Fund Partnership Agreement provides for the payment of the Management Fee to the Investment Manager and the Performance Allocation to the Master Fund GP. The Performance Allocation may create an incentive for the Investment Manager, an affiliate of the Master Fund GP, to make investments that are riskier or more speculative than would be the case in the absence of such Performance Allocation.

Side Letters. The Fund may from time to time enter into letter agreements or other similar agreements (collectively, "*Side Letters*") with one or more shareholders which provide such shareholder(s) with additional and/or different rights (including, without limitation, with respect to access to information, the Management Fee, the Performance Allocation, minimum investment

amounts, voting rights and liquidity terms) than such shareholder(s) have pursuant to this Memorandum. As a result of such Side Letters, certain shareholders may receive additional benefits (including, but not limited to, reduced fee obligations, the ability to redeem Shares on shorter notice and/or expanded informational rights) which other shareholders will not receive. For example, a Side Letter may permit a shareholder to redeem its Shares on less notice and/or at different times than other shareholders. As a result, should the Fund experience a decline in performance over a period of time, a shareholder who is party to a Side Letter that permits less notice and/or different redemption times may be able to redeem its Shares prior to other shareholders. In general, the Fund and/or the Investment Manager will not be required to notify any or all of the other shareholders of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will the Fund and/or the Investment Manager be required to offer such additional and/or different rights and/or terms to any or all of the other shareholders. The Fund and/or the Investment Manager may cause the Fund to enter into such Side Letters with any party as the Fund and/or the Investment Manager may determine in its sole discretion at any time. The other shareholders will have no recourse against the Fund and/or the Investment Manager in the event certain shareholders receive additional and/or different rights and/or terms as a result of such Side Letters. A shareholder will be required to enter into such undertakings with respect to maintaining the confidentiality of any such additional information as the Fund and/or the Investment Manager may in their sole discretion determine.

Net Asset Value Considerations. The net asset value of the Fund is expected to fluctuate over time with the performance of the Master Fund's investments. A shareholder may not fully recover its investment when it chooses to redeem its Shares from the Fund or upon a compulsory redemption if the net asset value of the shareholder's Shares at the time of such redemption is less than the share price of such Shares or if there remain any unamortized costs and expenses of establishing the Fund.

No Participation by Investors. All decisions with respect to the management of the day-to-day affairs of the Fund are made exclusively by the Board of Directors and the Investment Manager. Shareholders have no right or power to take part in the management of the Fund. The Investment Manager makes all of the trading and investment decisions of the Fund. In the event of the withdrawal of the Investment Manager, generally the Fund will be liquidated.

Investment Strategies. The Investment Manager will seek to engage in the investment activities that have been discussed in "*Investment Program*" herein. There can be no assurance that the Investment Manager will be successful in applying any such strategy and that losses will be avoided.

Competition. The markets in which the Master Fund invests are competitive and some of the opportunities that the Investment Manager may explore may be pursued by better known investors or investment funds. There can be no assurance that the Investment Manager will be able to identify or successfully pursue such opportunities in this environment. The Investment Manager competes with many firms that may have greater financial resources, more extensive development, better marketing and service capabilities, more favorable financing arrangements, larger research staffs and more securities traders than are available to the Investment Manager.

In-Kind Distributions. A redeeming shareholder may, in the discretion of the Fund and/or Investment Manager, receive securities owned by the Fund in lieu of, or in combination with, cash. The value of securities distributed may increase or decrease before the securities can be sold, and the shareholder will incur transaction costs in connection with the sale of such securities. Additionally, securities distributed with respect to a redemption by a shareholder may not be readily marketable. The risk of loss and delay in liquidating these securities will be borne by the shareholder, with the

result that such shareholder may receive less cash than it would have received on the date of redemption.

No Current Income. Since the Fund does not generally intend to pay distributions, an investment in the Fund is not suitable for investors seeking current income.

Terrorist Action. There is a risk of terrorist attacks on the United States and elsewhere causing significant loss of life and property damage and disruptions in the global market. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity.

Unforeseen Events. The Master Fund may be adversely affected by unforeseen events involving such matters as changes in interest rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value or changes in tax treatment.

Cybersecurity. Information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Investment Manager has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Investment Manager, the Master Fund and/or the Fund may have to make a significant investment to fix or replace them, which expense may be borne in whole or in part by the Fund. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Investment Manager's, the Master Fund's and/or the Fund's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors. Such interruptions could harm the Investment Manager's, the Master Fund's and/or the Fund's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance. The foregoing risks and consequences are also extant at any issuer in which the Master Fund invests and could manifest as adverse performance of such investment.

Accounting Rules. The Fund's and the Master Fund's assets and liabilities are valued in accordance with the Articles of Association or the Master Fund Partnership Agreement (collectively, the "**Operating Agreements**"), as applicable. However, for purposes of preparing the Fund's and the Master Fund's annual audited financial statements, which are prepared in accordance with U.S. generally accepted accounting principles ("**GAAP**"), certain of the Fund's and the Master Fund's assets and liabilities may be valued in a manner that, while consistent with GAAP, is different from the manner in which such assets are valued pursuant to the Operating Agreements.

Accordingly, to the extent that GAAP would require any of the Fund's assets or liabilities to be valued in a manner that differs from the valuation procedures set forth in the Operating Agreements, such assets or liabilities will be valued in accordance with GAAP, solely for purposes of preparing the Fund's GAAP-compliant annual audited financial statements, and in accordance with the Operating Agreements (without regard to any GAAP requirements relating to the determination of fair value), for all other purposes.

Generally, GAAP and other related accounting rules applicable to investment funds and various assets they invest in are evolving. Such changes may adversely affect the Fund and the Master Fund. For example, the evolution of rules governing the determination of the fair market value of assets to the extent such rules become more stringent would tend to increase the cost and/or reduce the availability of third-party determinations of fair market value. This may in turn increase the costs associated with selling assets or affect their liquidity due to an inability to obtain a third-party determination of fair market value.

Valuations. From time to time, certain situations affecting the valuation of the Master Fund's investments (such as limited liquidity, unavailability or unreliability of third-party pricing information and acts or omissions of service providers to the Master Fund) could have an impact on the net asset value of the Fund, particularly if prior judgments as to the appropriate valuation of an investment should later prove to be incorrect after a net asset value-related calculation or transaction is completed. The Fund is not required to make retroactive adjustments to prior subscription or redemption transactions or the Management Fee or Performance Allocations based on subsequent valuation data.

Trade Errors. The Investment Manager, on behalf of the Fund, may from time to time make trade errors. Trade errors are not errors in judgment, strategy, market analysis, economic outlook or the like, but rather errors in implementing specific trades which the Investment Manager has determined (rightly or wrongly) to make. Examples of trade errors would be: buying 10,000 shares of an issue, rather than the 1,000 that was intended or taking a short, rather than the intended long, position in a particular issue. Trade errors can result from clerical mistakes, miscommunications between the Investment Manager's personnel and other reasons. Importantly, however, trade errors are not the function of poor strategies, valuation models, economic expectations, undue speculation, unauthorized trades or the like, but rather of the physical implementation of specific trades on which the Investment Manager had decided. The Investment Manager will determine whether to have the costs arising from trade errors borne by the Fund or the Investment Manager by applying the pertinent standard of liability for the Investment Manager in its management of the Fund's capital — i.e., the same standard of liability which would apply to any other action or omission by the Investment Manager in the course of such management. The Investment Manager will, accordingly, be obligated to reimburse the Fund for any trade error resulting from the Investment Manager's willful misconduct, bad faith or gross negligence (as interpreted in accordance with the laws of the State of Delaware), and not otherwise. The Investment Manager will itself determine in good faith whether or not a given trade error is required to be reimbursed under the general liability and exculpation standards applicable to the Fund. The Investment Manager has a conflict of interest in determining whether a trade error should be for the account of the Fund or the Investment Manager and will attempt to resolve such conflict by an objective determination of the status of such trade error under the applicable liability standard. Trade error costs can be significant — including market losses resulting from the position incorrectly acquired as well as the additional brokerage costs of closing out or reversing the error. The opportunity cost (lost profits) of not having made the trade intended to be made is not considered a trade error cost. Any gains recognized on trade errors will be for the benefit of the Fund; none will be retained by the Investment Manager.

Investment Strategy and Investment Risks

Risks Associated with Investing in CLOs

Dependence Upon Other Unrelated Managers. The success of a collateralized loan obligation (“CLO” or “CLO Securities”) may depend on the management talents and efforts of one person or a small group of persons whose management could adversely affect the CLO and, accordingly, the

Master Fund as an investor in such CLO. Given that the Investment Manager will not have an active role in the management of these CLOs, the return on the Master Fund's investments in such CLOs will depend on the performance of unrelated managers.

Investments in CLOs Managed by the Investment Manager or its Affiliates. The Master Fund may invest a significant portion of its capital in structured investments, including CLO tranches originated and managed by third parties and CLO tranches managed by the Investment Manager or its affiliates (the "**Affiliated CLOs**"); provided, however, that the Master Fund will only invest in Affiliated CLOs in secondary transactions, and not primary issuance. The Investment Manager or its affiliates will receive senior and subordinated management fees and, in some cases, a performance-based allocation or fee with respect to its role as general partner and/or manager of the Affiliated CLOs. The Investment Manager will have conflicting division of loyalties and responsibilities regarding the Master Fund and an Affiliated CLO, and certain other conflicts of interest would be inherent in the situation. There can be no assurance that the interests of the Master Fund would not be subordinated to those of an Affiliated CLO or to other interests of the Investment Manager.

Multiple Levels of Fees. The Master Fund and the CLOs (including Affiliated CLOs) are expected to impose management fees, other administrative fees, carried interest and other performance allocations on realized and unrealized appreciation in the value of the assets managed and other income. This may result in greater expense than if Limited Partners were able to invest directly in the CLOs or underlying investments. Limited Partners should take into account that the return on their investment will be reduced to the extent of both levels of fees. The general partner or manager of a CLO may receive the economic benefit of certain fees from its portfolio companies for services and in connection with unconsummated transactions (e.g., break-up, placement, monitoring, directors', organizational and set-up fees and financial advisory fees). Additionally, the Investment Manager may receive fees from certain CLOs in connection with its role as "backup manager" for the CLOs.

Limited Diversification. CLOs may invest in concentrated portfolios of assets. The concentration of an underlying portfolio in any one obligor would subject the related CLO Securities to a greater degree of risk with respect to defaults by such obligor and the concentration of a portfolio in any one industry would subject the related CLOs to a greater degree of risk with respect to economic downturns relating to such industry. The Master Fund may have a concentrated exposure to a particular type of CLO.

Risks of Investment Focus. The Master Fund's portfolio will primarily consist of CLO Securities. CLO Securities are subject to, among other risks, credit, liquidity and interest rate risks.

The value of the CLO Securities that the Master Fund may own generally will fluctuate with, among other things, the financial condition of the obligors or issuers of the CLO Securities' underlying portfolio of assets ("**CLO Collateral**"), general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. CLO Securities are issued on a non-recourse basis and holders of CLO Securities must rely solely on distributions on the CLO Collateral or proceeds thereof for payment in respect thereof. If distributions on the CLO Collateral are insufficient to make payments on the CLO Securities, no other assets will be available for payment of the deficiency and following realization of the CLO Securities, the obligations of such issuer to pay such deficiency generally will be extinguished.

Issuers of CLO Securities may acquire interests in loans and other debt obligations by way of sale, assignment or participation ("**CLO Debt**"). The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit

agreement with respect to the loan or debt obligation; however, its rights can be more restricted than those of the assigning institution.

CLO Collateral may consist of corporate loans, leveraged loans and other instruments, which often are rated below investment grade (or of equivalent credit quality). Loans may be unsecured and may be subordinated to certain other obligations of the issuer thereof. The lower ratings of below investment grade loans reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest. Such investments may be speculative.

Interest Rate Mismatch. CLOs may be subject to interest rate risk. The CLO Collateral of an issuer of a CLO may bear interest at a fixed or floating rate, while the CLO Debt may bear interest at a floating or fixed rate. As a result, there could be a floating/fixed rate or basis mismatch between such CLO Debt and the CLO Collateral which bears interest at a fixed rate (“**Fixed Rate Assets**”), and there may be a timing mismatch between such CLO Debt and the assets that are not Fixed Rate Assets (“**Floating Rate Assets**”). In addition, the interest rate on Floating Rate Assets may adjust more frequently or less frequently, on different dates and based on different indices than the interest rates on the CLO Debt. As a result of such mismatches, an increase or decrease in the level of the floating rate indices could adversely impact the ability to make payments on such CLO Debt. Although many CLOs attempt to hedge this interest rate risk, the hedges may not eliminate this risk and payments by the CLO under the hedges may significantly reduce the distributions on the CLO Securities. In addition, these hedges may have additional risks, such as counterparty risk, that are not present without these hedges.

Defaulted Assets Underlying CLO Securities. If the assets underlying a CLO Security become defaulted assets, such defaulted assets may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such defaulted asset. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such defaulted asset. The liquidity for defaulted assets may be limited, and to the extent that defaulted assets are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. Furthermore, there can be no assurance that the ultimate recovery on any defaulted assets will be at least equal to either the minimum recovery rate assumed by any rating agency that rates the notes of the CLO Security. Therefore, if any CLO Security has defaulted assets which correspond to the exposure of the Master Fund’s interest in the CLO Security, the Fund may be adversely affected.

There exist significant additional risks for CLO Securities and investors in such securities as a result of the current liquidity crisis. Those risks include, among others, (i) the likelihood that the issuer of the CLO Security will find it harder to sell any of its assets in the secondary market, thus rendering it more difficult to dispose of assets which it has the discretion to manage, including credit risk obligations, credit improved obligations or defaulted obligations, (ii) the possibility that the price at which assets can be sold by the issuer of the CLO Security will have deteriorated from their effective purchase price and (iii) the increased illiquidity of the notes issued by the CLO Security. These additional risks may affect the returns on the investments in the Master Fund’s portfolio.

Subordination of CLO Debt and CLO Equity. The Master Fund’s portfolio may consist of CLO Equity and subordinate CLO Debt. Subordinate CLO Debt generally is fully subordinated to the related CLO senior tranches. CLO Equity generally is fully subordinated to any related CLO Debt.

Thus, some of the investments of the Master Fund in a CLO may rank behind other creditors of the CLO and an investment by the Master Fund in the equity tranche of a CLO may rank behind all creditors of the CLO. To the extent that any losses are incurred by a CLO in respect of its related CLO Collateral, such losses are likely to be borne first by the holders of the related CLO Equity, next by the holders of any related subordinated CLO debt and finally by the holders of the related CLO senior tranches. In addition, if an event of default occurs under the governing instrument or underlying investment, as long as any CLO senior tranches are outstanding, the holders thereof generally are likely to be entitled to determine the remedies to be exercised under the instrument governing the CLO. Remedies pursued by such holders could be adverse to the interests of the holders of any related subordinated CLO Debt and/or the holders of the related CLO Equity, as applicable. Investments of the Master Fund may be the first to absorb any losses by the CLO on its underlying portfolio. This may result in losses on the invested proceeds of the Master Fund and could result in the complete loss of invested proceeds.

Mandatory Redemption of CLO Senior Tranches and CLO Debt. Under certain circumstances, cash flows from CLO Collateral that otherwise would have been paid to the holders of any related CLO Debt will be used to redeem the related CLO senior tranches. This could result in an elimination, deferral or reduction in the interest payments, principal repayments or other payments made to the holders of such CLO Debt, which could adversely impact the returns to the holders of such CLO Debt.

Optional Redemption of CLO Senior Tranches and CLO Debt. An optional redemption by a CLO of its securities and, in particular, the exercise of rights by the holders of one or more classes of its securities (or the requisite percentages thereof) so as to effect any such optional redemption, could require the collateral or portfolio manager of the related CLO to liquidate positions more rapidly than would otherwise be desirable, which is likely to materially and adversely affect the realized value of the items of CLO Collateral sold (and which in turn is likely to materially and adversely impact the holders of any related CLO Securities, including the Master Fund). As a result of any such rapid liquidation of a CLO, a holder of the related CLO Securities (including the Master Fund) could lose all or a substantial portion of its investment in such CLO Securities.

Insolvency Risks. Various laws enacted for the protection of creditors may apply to the issuers of the CLO Collateral (solely for purposes of this risk factor, an “**Insolvent Company**”). The information in this paragraph and the following paragraph is applicable with respect to U.S. issuers of CLO Collateral. Insolvency considerations may differ with respect to non-U.S. issuers of CLO Collateral. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an Insolvent Company, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting the CLO or CLO Collateral (as applicable) and, after giving effect to such indebtedness, the Insolvent Company (i) was insolvent, (ii) was engaged in a business for which the remaining assets of the Insolvent Company constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the Insolvent Company or to recover amounts previously paid by such issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an Insolvent Company would be considered insolvent at a particular time if the sum of its debts were then greater than all of its property at a fair valuation or if the present fair saleable value of its assets were then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the Insolvent Company was “insolvent” after giving effect to the incurrence of the indebtedness constituting the CLO or CLO Collateral (as applicable) or

that, regardless of the method of valuation, a court would not determine that the Insolvent Company was “insolvent” upon giving effect to such incurrence. In addition, in the event of the insolvency of an Insolvent Company, payments made on such CLO or CLO Collateral (as applicable) could be subject to avoidance as a “preference” if made within a certain period of time (which may be as long as one year) before insolvency.

In general, if payments on a CLO or CLO Collateral (as applicable) are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as the Master Fund) or from subsequent transferees of such payments (such as the Limited Partners). However, a court in a bankruptcy or insolvency proceeding would be able to direct the recapture of any such payment from a Limited Partner only to the extent that such court has jurisdiction over such holder or its assets. Moreover, it is likely that avoidable payments could not be recaptured directly from a holder that has given value in exchange for its interest, in good faith and without knowledge that the payments were avoidable. Nevertheless, there can be no assurance that a Limited Partner will be able to avoid recapture on this or any other basis.

The preceding discussion is based upon principles of United States Federal and state laws. Insofar as the Master Fund’s portfolio consists of the obligations of non-United States obligors, the laws of certain foreign jurisdictions may provide for avoidance remedies under factual circumstances similar to those described above or under different circumstances, with consequences that may or may not be analogous to those described above under United States Federal and state laws.

“Widening” Risk. For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the CLO Securities in which the Master Fund invests may decline substantially. In particular, purchasing assets at what may appear to be “undervalued” levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such “spread widening” risk.

There Is Limited Disclosure About the CLO Securities and the Underlying CLO Collateral in this Memorandum. The Investment Manager will not be required to provide the investors in the Fund with financial or other information (which may include material non-public information) it receives related to the CLO Securities. The Investment Manager also may not disclose to investors notices the Investment Manager receives and it will not have any obligation to keep investors informed as to defaults in the CLO Securities, failure by the Master Fund to receive any payment of principal, interest, or other amounts or to disclose the portfolio or the decisions of which CLO Securities were not purchased in general to any investor. In addition, the investors will not have any right to inspect any records relating to the CLO Securities, and the Investment Manager will not be obligated to disclose any further information or evidence regarding the existence or terms of, or the identity of any obligor on, any CLO Securities.

Impact of the Volcker Rule on the Liquidity of the Notes. Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“*Dodd-Frank*”) added a provision, commonly referred to (together with the final regulations with respect thereto adopted on December 10, 2013) as the Volcker Rule, to federal banking laws to generally prohibit various covered banking entities from engaging in proprietary trading or acquiring or retaining an ownership interest in “covered funds” which generally include, sponsoring or having certain relationships with a hedge fund or private equity fund (defined in final regulations adopted on December 10, 2013 as any entity relying on Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act to be exempt from registration under the Investment Company Act), subject to certain exemptions. The Volcker Rule also provides for certain supervised nonbank

financial companies that engage in such activities or have such interests or relationships to be subject to additional capital requirements, quantitative limits or other restrictions. The conformance period for the Volcker Rule ended July 21, 2017 for CLOs. Certain CLOs may be considered “covered funds” under the Volcker rule and therefore the most senior tranche of the CLO may be a restricted security for various banking and nonbanking entities. This may restrict the liquidity of certain non-Volcker compliant CLOs in the future and may affect the Master Fund’s ability to liquidate these positions on a timely basis.

Investment Strategy and Investment Risks

General Economic and Market Conditions. The success of the Master Fund’s activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Master Fund’s investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of securities prices and the liquidity of the Master Fund’s investments. Volatility or illiquidity could impair the Master Fund’s profitability or result in losses. The Master Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets; the larger the positions, the greater the potential for loss.

Unpredictable or unstable market conditions may result in reduced opportunities to find suitable investments to deploy capital or make it more difficult to exit and realize value (or avoid significant losses) from the Master Fund’s existing investments. This sort of instability occurred in late 2008 and continued into 2009 when markets experienced significant losses arising largely because global credit spreads widened materially, equity index levels declined, and many funds liquidated assets. It is important to understand that the Master Fund can incur material losses even if it reacts quickly to difficult market conditions and there can be no assurance that the Master Fund will not suffer material adverse effects from broad and rapid changes in market conditions.

Foreign Currencies and Investments. Investing in foreign issuers involves certain considerations comprising of both risks and opportunities not typically associated with investing in United States issuers. These considerations include changes in exchange control regulations, political and social instability, expropriation, imposition of withholding and other foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, different legal systems with less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Although the Master Fund intends that most of its investments will be U.S. dollar denominated, Master Fund investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Investment Manager intends, but is under no obligation, to employ hedging techniques to reduce these risks, but there can be no assurance that such strategies will be effective.

Diversification. Since the Master Fund’s portfolio will not necessarily be widely diversified, the investment portfolio of the Master Fund may be subject to more rapid changes in value than would

be the case if the Master Fund were required to maintain a wide diversification among companies, securities and types of securities.

Volatility Risk. The Master Fund's investment program may involve the purchase and sale of relatively volatile instruments. Fluctuations or prolonged changes in the volatility of such instruments, therefore, can adversely affect the value of investments held by the Master Fund. In addition, many non-U.S. financial markets are not as developed or as efficient as those in the U.S., and as a result, price volatility may be higher for the Master Fund's investments.

Illiquid Securities. From time to time, the Master Fund may invest in financial instruments that are not publicly traded. The Master Fund may also invest in securities and other financial instruments that trade regularly but may be only thinly traded, either periodically or on an on-going basis. The Master Fund may not be able to readily dispose of such financial instruments and, in some cases, may be contractually prohibited from disposing of such financial instruments for a specified period of time. Accordingly, the Master Fund may be forced to sell its more liquid positions at a disadvantageous time, resulting in a greater percentage of the portfolio consisting of illiquid securities. In addition, the market prices, if any, for such financial instruments tend to be volatile, and the Master Fund may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of illiquid securities also often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Furthermore, there may be limited information available about the assets of such issuers of the financial instruments which may make valuation of such financial instruments difficult or uncertain. It also should be noted that, even those markets which the Investment Manager expects to be liquid can experience periods, possibly extended periods, of illiquidity.

Market Liquidity. The Master Fund may be adversely affected by a decrease in market liquidity for the instruments in which it invests, which may impair the Master Fund's ability to adjust its positions. The size of the Master Fund's positions may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Master Fund's portfolio.

Reinvestment Risk. The Master Fund reinvests the cash flows received from a security. The additional income from such reinvestment, sometimes called interest-on-interest, is reliant on the prevailing interest rate levels at the time of reinvestment. There is a risk that the interest rate at which interim cash flows can be reinvested will fall. Reinvestment risk is greater for longer holding periods and for securities with large, early cash flows such as high-coupon bonds. Reinvestment risk also applies generally to the reinvestment of the proceeds the Master Fund receives upon the maturity or sale of a portfolio security.

Leverage. The Master Fund may seek to maximize its investment position by purchasing securities on margin or by arranging with banks, brokers and others to borrow money against a pledge of securities or commodities. As a result, the possibilities of profit and loss will be increased. Borrowing money to purchase securities will provide the Master Fund with advantages of leverage, but exposes it to capital risk, interest rate risk and higher current expenses. Any gain in the value of securities purchased with borrowed money or income earned from these securities that exceeds interest paid on the amount borrowed would cause the Master Fund's net profit to increase faster than would otherwise be the case. Conversely, any decline in the value of the securities purchased would cause the Master Fund's net loss to increase faster than would otherwise be the case. In addition to purchasing securities on margin, the Master Fund will engage in short selling of securities. A short sale will result

in a gain if the price of the securities sold declines sufficiently between the time of the short sale and the time at which securities are purchased to replace those borrowed. A short sale will result in a loss if the price of the securities sold short increases or does not decline sufficiently to cover transaction costs. Any gain would be decreased and any loss would be increased by the amount of any premium or interest which the Master Fund may be required to pay with respect to the borrowed securities.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Master Fund purchases a five (5) year bond in which it can realize a coupon rate of five percent (5%), but the rate of inflation is six percent (6%), then the purchasing power of the cash flow has declined. For all but adjustable securities or floating rate securities, the Master Fund is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security. To the extent that interest rates reflect the expected inflation rate, floating rate securities have a lower level of inflation risk.

Over-the-Counter-Trading. Financial instruments that may be purchased or sold by the Master Fund may include instruments not traded on an exchange. The risk of nonperformance by the obligor on such an instrument may be greater and the ease with which the Master Fund can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between “bid” and “asked” prices for financial instruments that are not traded on an exchange. Financial instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions. To the extent that the Master Fund engages in these transactions, the Master Fund must rely on the creditworthiness of its counterparty.

Position Limits. “Position limits” imposed by various regulators or regulations may also limit the Master Fund’s ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular financial instrument. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if the Master Fund does not intend to exceed applicable position limits, it is possible that different accounts managed by the Investment Manager or its affiliates may be aggregated. If at any time positions managed by the Investment Manager were to exceed applicable position limits, the Investment Manager would be required to liquidate positions, which might include positions of the Master Fund, to the extent necessary to come within those limits. Further, to avoid exceeding the position limits, the Master Fund might have to forgo or modify certain of its contemplated trades.

Dodd-Frank significantly expanded the scope of the CFTC’s authority and obligation to require reporting of, and adopt limits on, the size of positions that market participants may own or control in commodity futures and futures options contracts and swaps. Dodd-Frank also narrowed existing exemptions from such position limits for a broad range of risk management transactions.

In accordance with the requirements of Dodd-Frank, the CFTC has proposed speculative position limits on listed futures and options on physical commodities and economically equivalent over-the-counter derivatives; position limits applicable to swaps that are economically equivalent to United States listed futures and futures options contracts, including contracts on non-physical commodities, such as rates, currencies, equities and credit default swaps; and aggregate position limits for a broad range of derivatives contracts based on the same underlying commodity, including swaps and futures and futures options contracts. While certain persons, contracts or transactions or classes

thereof are exempt from the speculative position limit requirements, such position aggregation requirements may further restrict the swap positions that the Master Fund may enter into or require additional filings, policies and monitoring.

The full impact of these recent changes to aggregation and whether the proposed changes to position limits themselves will take effect are not known at this time. Individually and collectively, if these changes take effect, they could increase the costs to the Master Fund of maintaining positions in commodity futures and futures option contracts and swaps, reduce the level of exposure the Master Fund is able to obtain (whether for risk management or investment purposes) through commodity futures and futures option contracts and swaps. These changes could also impair liquidity in certain swaps and adversely affect the quality of execution pricing obtained by the Master Fund, all of which could adversely impact the Master Fund's investment returns.

Prime Brokers. The Master Fund will rank as an unsecured creditor to each of its prime brokers in relation to assets that each such prime broker borrows, lends or otherwise uses and, in the event of the insolvency of a prime broker, the Master Fund might not be able to recover equivalent assets in full. In addition, if applicable law permits, cash that a prime broker holds or receives on the Master Fund's behalf may not be treated by the prime broker as client money, may not be segregated from the prime broker's own cash and may be used by the prime broker in the course of its investment business. In such event, the Master Fund will rank as one of the prime broker's general creditors.

Counterparty Risk. Some of the markets in which the Master Fund may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Master Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Master Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Master Fund has concentrated its transactions with a single or small group of counterparties. The Master Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Master Fund's internal credit function, which evaluates the creditworthiness of its counterparties, may prove insufficient. The lack of a complete and "foolproof" evaluation of the financial capabilities of the Master Fund's counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Master Fund.

Undervalued Securities. The Master Fund may invest in undervalued securities. The identification of investment opportunities in misvalued securities is a difficult task, and there can be no assurance that such opportunities will be successfully recognized. While purchases of undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the investments of the Master Fund may not adequately compensate for the business and financial risks assumed.

The Master Fund may make certain speculative investments in securities which the Investment Manager believes to be misvalued; however, there can be no assurance that the securities purchased and sold will in fact be misvalued. In addition, the Master Fund may be required to maintain positions in such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of the capital of the Master Fund may be committed to the securities, thus possibly preventing the Master Fund from investing in other opportunities.

Small and Medium Capitalization Companies. While the Investment Manager believes securities in companies with small and medium capitalizations often provide significant potential for appreciation, the securities of certain companies, particularly smaller-capitalization companies, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of small-capitalization and even medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be illiquid.

Senior Loans Risk. Senior loans are usually rated below investment grade or may also be unrated. As a result, the risks associated with senior loans are similar to the risks of below investment grade fixed income instruments, although senior loans are senior and secured in contrast to other below investment grade fixed income instruments, which are often subordinated or unsecured. Investment in senior loans rated below investment grade is considered speculative because of the credit risk of their issuers. Such companies are more likely than investment grade issuers to default on their payments of interest and principal owed to the Master Fund, and such defaults could have a materially adverse effect on the Master Fund’s performance. An economic downturn would generally lead to a higher non-payment rate, and a senior loan may lose significant market value before a default occurs. Moreover, any specific collateral used to secure a senior loan may decline in value or become illiquid, which would adversely affect the senior loan’s value. Senior loans are subject to a number of risks described elsewhere in this Memorandum, including liquidity risk and the risk of investing in below investment grade fixed income instruments.

There may be less readily available and reliable information about most senior loans than is the case for many other types of securities, including securities issued in transactions registered under the Securities Act of 1933, as amended, or registered under the Exchange Act of 1934, as amended. As a result, the Investment Manager will rely primarily on its own evaluation of a borrower’s credit quality rather than on any available independent sources. Therefore, the Master Fund will be particularly dependent on the analytical abilities of the Investment Manager.

In general, the secondary trading market for senior loans is not well developed. No active trading market may exist for certain senior loans, which may make it difficult to value them. Illiquidity and adverse market conditions may mean that the Master Fund may not be able to sell senior loans quickly or at a fair price. To the extent that a secondary market does exist for certain senior loans the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

Variable Interest Rate Risk. Because senior loans with floating or variable rates reset their interest rates periodically, changes in prevailing interest rates can be expected to cause some fluctuations in the value of the Master Fund’s investments. Similarly, a sudden and significant increase in market interest rates may cause a decline in the value of the Master Fund’s investments. In addition, senior loans or similar securities may allow the borrower or issuer to opt between LIBOR-based interest rates and interest rates based on bank prime rates, which may have an impact on value of the Master Fund’s investments.

Bank Loans. The Master Fund’s investment program will include investments in significant amounts of Bank Loans and participations. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors’ rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii)

environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of the Master Fund to directly enforce its rights with respect to participations. In analyzing each Bank Loan or participation, the Investment Manager compares the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks will be borne by the Master Fund.

DIP Loans. From time to time, the Master Fund may invest in loans to companies that have filed for protection under Chapter 11 of the U.S. Bankruptcy Code, as amended. DIP loans are typically asset-based, revolving working-capital facilities put into place at the outset of a Chapter 11 bankruptcy to provide both immediate cash as well as ongoing working capital during the reorganization process. Such loans are risky and present significant exposure for default risk to the Master Fund.

Adjustments to Terms of Fund Investments. The terms and conditions of loan agreements and related assignments may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement must include a majority or a super majority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders. Consequently, the terms and conditions of the payment obligation arising from loan agreements could be modified, amended or waived in a manner contrary to the preferences of the Master Fund if a sufficient number of the other lenders concurred with such modification, amendment or waiver. There can be no assurance that any obligations arising from a loan agreement will maintain the terms and conditions to which the Master Fund originally agreed.

The exercise of remedies may also be subject to the vote of a specified percentage of the lenders thereunder. The Investment Manager will have the authority to cause the Master Fund to consent to certain amendments, waivers or modifications to the Master Fund's investments requested by obligors or the lead agents for loan syndication agreements. The Investment Manager may, in accordance with its investment management standards, cause the Master Fund to extend or defer the maturity, adjust the outstanding balance of any investment, reduce or forgive interest or fees, release material collateral or guarantees, or otherwise amend, modify or waive the terms of any related loan agreement, including the payment terms thereunder. The Investment Manager will make such determinations in accordance with its investment management standards. Any amendment, waiver or modification of the terms of an investment could adversely impact the Master Fund's investment returns.

Prepayments. Certain of the Master Fund's investments may be prepaid more quickly than expected. Prepayment rates are influenced by changes in interest rates and a variety of economic, geographic and other factors beyond the Master Fund's control and consequently cannot be predicted with certainty. Early prepayments give rise to increased re-investment risk, as the Master Fund might realize excess cash earlier than it expected. If the Master Fund is unable to reinvest the principle portion of a prepayment in a new investment with an expected rate of return at least equal to that of the investment repaid, this may reduce the Master Fund's net investment income and, consequently, could have an adverse impact on the Fund's ability to make distributions.

Investments in Loans Secured by Real Estate. While direct real estate investment is not intended to be the focus of the Master Fund, it is possible that, from time to time, the Master Fund may, as a result of default, foreclosure or otherwise, hold real estate assets. Special risks associated with such investments include changes in the general economic climate or local conditions (such as an oversupply of space or a reduction in demand for space), competition based on rental rates,

attractiveness and location of the properties, changes in the financial condition of tenants, and changes in operating costs. Real estate values are also affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, the availability of financing and potential liability under changing environmental and other laws. Of particular concern may be those mortgaged properties which are, or have been, the site of manufacturing, industrial or disposal activity. Such environmental risks may give rise to a diminution in the value of property (including real property securing any portfolio investment) or liability for cleanup costs or other remedial actions, which liability could exceed the value of such property or the principal balance of the related portfolio investment. In certain circumstances, a lender may choose not to foreclose on contaminated property rather than risk incurring liability for remedial actions.

Limitations on the Enforcement of Creditor's Rights. The Master Fund's investments may or may not be secured by mortgages, charges, pledges, liens or other security interests. Depending on the jurisdiction in which such security interests are created, enforcement of such security interests may be a complicated and difficult process. Any attempt by the Fund to enforce its rights against the obligor or to realize value from any security interests in connection with a credit investment will be subject to numerous risks, delays and uncertainties, including those related to the validity or enforceability of the Fund's claims, the maintenance of the anticipated priority and perfection of any security interests, the effect of any bankruptcy or insolvency laws, disputes among different classes of creditors, the possibility of counterclaims or defenses, practical difficulties and costs in litigating and enforcing claims in foreign jurisdictions, unfriendly venues for litigation and many others. All of these risks are magnified by the political and legal environment in many emerging markets. As a result, there can be no assurance that the Fund will be able to enforce its legal rights to the extent expected.

Environmental Hazards. Under environmental laws enacted by the United States and the various states, owners of property may be liable for the cleanup and removal of hazardous substances even where the owner was not responsible for placing the hazardous substances on the property or where the property was contaminated prior to the time the owner took title. The kinds of hazardous substances for which liability may be incurred include, among other things, chemicals and other materials commonly used by small businesses and manufacturing operations. The costs of removal and clean-up of hazardous substances and wastes can be extremely expensive and, in some cases, can exceed the value of a property. If any property acquired by the Master Fund through foreclosure or otherwise subsequently were found to have an environmental problem, such acquiring entity could incur substantial costs and suffer a complete loss of its investment in such property as well as of other assets. Similarly, real estate is subject to loss due to so-called "special hazards" (e.g., floods, earthquakes and hurricanes). It may be impractical or impossible to fully insure against such events and, should such an event occur, the Master Fund could incur substantial costs and suffer a loss of its investment in such property.

Fraud. Of paramount concern in lending is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Master Fund to perfect or effectuate a lien on the collateral securing the loan. The Master Fund will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Master Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Debt Securities. The Master Fund intends to invest in bonds or other fixed income securities, including, without limitation, commercial paper and “higher yielding” (and, therefore, higher risk) debt securities. It is likely that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Investing in High Yield Securities. The Master Fund intends to invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. In addition, the Master Fund will invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer’s inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

Timing Risk. Many agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to “call” all or part of the issue before the bond’s maturity date. The issuer usually retains the right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Master Fund is exposed to reinvestment rate risk, i.e., the Master Fund will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

Maturity Risk. In certain situations, the Master Fund may purchase a bond of a given maturity as an alternative to another bond of a different maturity. Ordinarily, under these circumstances, the Master Fund will make an adjustment to account for the differential interest rate risks in the two bonds. This adjustment, however, makes an assumption about how the interest rates at different maturities will move. To the extent that the yield movements deviate from this assumption, there is a yield-curve or maturity risk. Another situation where yield-curve risk should be considered is in the analysis of bond swap transactions where the potential incremental returns are dependent entirely on the parallel shift assumption for the yield curve.

Revolving Credit Facilities. From time to time the Master Fund may incur contingent liabilities in connection with an investment. For example, the Master Fund may purchase from a lender a revolving credit facility that has not yet been fully drawn. If the borrower subsequently draws down on the facility, the Master Fund would be obligated to fund the amounts due.

Investments in Stressed Debt. The Master Fund is authorized to invest in securities and other obligations of stressed issuers. Stressed issuers are issuers that are not yet deemed distressed or

bankrupt and whose debt securities are trading at a discount to par, but not yet at distressed levels. An example would be an issuer that is in technical default of its credit agreement, or undergoing strategic or operational changes, which results in market pricing uncertainty.

Investments in Distressed Securities. The Master Fund may invest in securities and obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Master Fund's investment in any instrument, and a significant portion of the obligations and securities in which the Master Fund invests may be less than investment grade. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Investment Manager will correctly evaluate the value of the assets collateralizing the Master Fund's loans or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which the Master Fund invests, the Master Fund may lose its entire investment, may be required to accept cash or securities with a value less than the Master Fund's original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Master Fund's investments may not compensate the investors adequately for the risks assumed.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Master Fund of the security in respect to which such distribution was made.

Troubled Origination. The investments chosen by the Investment Manager may have been originated by financial institutions or other entities that are, or may in the future be, insolvent, in serious financial difficulty, or no longer in existence. As a result, the standards by which such investments were originated, the recourse to the selling institution, or the standards by which such investments are being serviced or operated may be adversely affected.

Issuer Default Risk; Negative Loan Performance. There are varying sources of statistical default and recovery rate data for commercial loans and numerous methods for measuring default and recovery rates. The levels of defaults and delinquencies with respect to loans have been increasing, and slowing economic activity continues to contribute to a decline in overall credit quality. The historical performance of the loan market is not necessarily indicative of its future performance, and there is no way to determine whether such trends in the credit markets will improve or worsen in the future.

A substantial portion of the Master Fund's income is expected to be derived, directly or indirectly, from repayments of principal and interest received in respect of debt securities. A wide range of factors may adversely affect an obligor's ability to make repayments, including: adverse changes in the financial condition of such obligor or the industries or regions in which it operates; the obligor's exposure to counterparty risk; systemic risk in the financial system and settlement; changes in law or taxation; changes in governmental regulations or other policies; natural disasters; terrorism; social unrest, civil disturbances; or general economic conditions. Default rates tend to accelerate during economic downturns. A continuing decreased ability of borrowers to obtain refinancing may result in a further economic decline that could delay an economic recovery and cause a further deterioration in loan performance generally.

To the extent the Master Fund invests in debt securities secured by collateral, there can be no assurance that the liquidation of any collateral securing any of the Master Fund's investments would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments, or that the collateral could be readily liquidated. In the event of bankruptcy or insolvency of a borrower, the Master Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing such investment. The collateral securing an investment may lose all or substantially all of its value in the event of the bankruptcy or insolvency of a borrower.

Any defaults will have a negative impact on the value of the Master Fund's investments and may reduce the return that such Master Fund receives from its investments in certain circumstances. While some amount of defaults is expected to occur in the Master Fund's portfolio, in the event that the Master Fund elects to apply leverage to an investment, defaults in or declines in the value of the portfolio investments in excess of these expected amounts may result in breaches of covenants under applicable financing arrangements, triggering credit enhancement requirements or accelerated repayment provisions and, if not cured within the relevant grace periods, permitting the finance provider to enforce its security over all the assets of the Master Fund.

In the case of debt ranking equally with the loans or debt securities in which the Master Fund invests, the Master Fund would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant company's debt securities. Each jurisdiction in which the Master Fund invests has its own insolvency laws. As a result, investments in similarly situated companies in different jurisdictions may confer different rights in the event of insolvency.

Post-Reorganization Securities. The Master Fund will hold debt and equity of companies as a result of the recapitalization or restructuring of debt obligations. Investments in the debt or equity of companies involved in reorganization proceedings typically entail a number of risks that do not normally apply to investments in financially sound companies. For example, if the Investment Manager's evaluation of the anticipated outcome of a reorganization or the timing of such outcome should prove incorrect, the Master Fund could experience losses. Moreover, post-reorganization securities can be subject to heavy selling or downward pricing pressure after the completion of a bankruptcy reorganization or restructuring. A wide variety of considerations make any evaluation of the outcome of an investment in such a company uncertain. Such considerations include, for example, the possibility of litigation between the participants in a reorganization or liquidation proceeding or a requirement to obtain mandatory or discretionary consents from various governmental authorities or others. The uncertainties inherent in evaluating such investments may be increased by legal and practical considerations which limit the access of the Investment Manager to reliable and timely information concerning material developments affecting a company, or which cause lengthy delays in the completion of a reorganization or liquidation proceeding. Competition from other investors may

also render it difficult or impossible for the Master Fund to achieve intended results or promptly effect transactions.

Insolvency and Enforceability of Security. The Master Fund's investments may be secured by mortgages, charges, pledges, liens or other security interests. Depending on the jurisdiction in which such security interests are created, enforcement of such security interests may be a complicated and difficult process. For example, enforcement of security interests in certain jurisdictions may require a court order and a sale of the secured property through public bidding or auction. In addition, some jurisdictions grant courts the power to declare security interest arrangements to be void if they deem the security interest to be excessive.

Risks Associated with Bankruptcy Cases. Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of the Master Fund. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and functional operating control of a debtor.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and the Master Fund; it is subject to unpredictable and lengthy delays; and during the process the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. Although the Master Fund intends to invest primarily in debt, the debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental value. Such investments can result in a total loss of principal.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Master Fund's influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such when they take over management and functional operating control of a debtor. In those cases where the Master Fund, by virtue of such action, is found to exercise "domination and control" of a debtor, the Master Fund may lose its priority if the debtor can demonstrate that its business was adversely impacted or other creditors and equity holders were harmed by the Master Fund.

The Master Fund may invest in companies based outside the United States. Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the

classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

The Investment Manager, on behalf of the Master Fund, may elect to serve on creditors' committees, equity holders' committees or other groups to ensure preservation of the Master Fund's position as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If the Investment Manager concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to the Master Fund, it will resign from that committee or group, and the Master Fund may not realize the benefits, if any, of participation on the committee or group. In addition, and also as discussed above, if the Master Fund is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of or increasing its investments in such company while it continues to be represented on such committee or group.

The Master Fund may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

Equitable Subordination. Under common law principles that in some cases form the basis for lender liability claims, if a lender (a) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called "equitable subordination"). The Master Fund does not intend to engage in conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine; however, because of the nature of the debt obligations, the Master Fund may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated.

Liability Following the Disposal of Investments. While the Master Fund may hold certain of its investments to maturity, the Master Fund may dispose of investments in some circumstances prior to termination and, in connection therewith, may be required to pay damages to the extent that any representations or warranties given in connection with such investments turn out to be inaccurate. The Master Fund may become involved in disputes or litigation concerning such representations and warranties and may be required to make payments to third parties as a result of such disputes or litigation. In the event the Master Fund does not have cash available to conduct such litigation or make such payments, it may be forced to sell investments to obtain funds. Such sales may be effected on unsatisfactory terms.

Potential Involvement in Litigation. In the event that the Master Fund holds investments in distressed investments, there is a possibility that the Investment Manager may participate in restructuring activities, it is possible that the Master Fund may become involved in litigation respecting creditor disputes and similar issues among classes of claimants. Litigation entails expense and the possibility of counterclaims against the Master Fund including the Master Fund GP and the Investment Manager and ultimately judgments may be rendered against the Master Fund for which the Master Fund does not carry insurance.

Directorships on Boards of Portfolio Companies. The Principal and other members and employees of the Investment Manager or its designees may serve as directors of companies the securities of which are purchased or sold on behalf of the Master Fund and may be compensated for such service. In the event that material non-public information obtained with respect to such companies becomes subject to trading restrictions pursuant to the internal trading policies of such companies or as a result of applicable law or regulations, the Master Fund may be prohibited for a period of time from purchasing or selling the securities of such companies, which prohibition may have an adverse effect on the Master Fund.

Material, Nonpublic Information. From time to time, certain personnel of the Investment Manager may come into possession of material, nonpublic information (including in connection with other investments or proposed investments not intended to benefit the Master Fund) that would limit the Investment Manager's ability to buy and sell investments. The Master Fund's investment flexibility may be constrained as a consequence of the Investment Manager's inability to take certain actions because of such information. The Master Fund may experience losses if it is unable to sell an investment that it holds because certain personnel of the Investment Manager have obtained material, nonpublic information about such investment.

Investments in Structured Products: The Master Fund may invest in securities backed by, or representing interests in, certain underlying instruments ("**Structured Products**"). The cash flow on the underlying instruments may be apportioned among the Structured Products to create securities with different investment characteristics such as varying maturities, payment priorities and interest rate provisions, and the extent of the payments made with respect to the Structured Products is dependent on the extent of the cash flow on the underlying instruments. The Master Fund may invest in Structured Products that represent derived investment positions based on relationships among different markets or asset classes.

The performance of a Structured Product will be affected by a variety of factors, including its priority in the capital structure of the issuer, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets.

Investments in Collateralized Loan Obligations. The Master Fund may look to invest in CLOs diversified across maturities, underlying assets, tranches (debt, mezzanine and equity) and managers. In addition to implementing its investment process and utilizing proprietary analytical tools to evaluate and select investments for the Master Fund, the Investment Manager uses its market knowledge and industry position to add value by addressing what it believes are material inefficiencies of the existing CLO execution process. For example, within the primary new issuance market the Investment Manager will look to invest in CLOs where it can leverage its expertise and market relationships to achieve the timing, structural and financial terms especially advantageous to the Investment Manager's investments. In addition, the Investment Manager will look to assess value dislocations of CLO and other structured investments within the secondary market, as the Investment Manager believes structured products markets have inherent inefficiencies which often cause significant differentials between intrinsic value and market value. Such inefficiencies are typically driven by factors such as (i) little secondary market liquidity, (ii) complex valuation requirements for both underlying collateral as well as derivative instruments, and (iii) explosive growth of the market.

Short-Swing Liability and Other Limitations. From time to time, the Master Fund, acting alone or as part of a group, may acquire beneficial ownership of more than 10% of a certain class of securities of a public company, or may place a director on the board of directors of such a company. As a result, under Section 16 of the Securities Exchange Act of 1934, as amended, the Master Fund may be subject to certain additional reporting requirements and may be required to disgorge certain short-swing profits arising from purchases and sales of such securities. In addition, in such circumstances the Master Fund will be prohibited from entering into a short position in such issuer's securities, and therefore limited in its ability to hedge such investments.

Fixed Interest Rate Risk. The value of the fixed rate securities in which the Master Fund may invest generally will have an inverse relationship with interest rates. Accordingly, if interest rates rise the value of such securities may decline. In addition, to the extent that the receivables or loans underlying specific securities are prepayable without penalty or premium, the value of such securities may be negatively affected by increasing prepayments, which generally occur when interest rates decline.

Other Instruments. The Master Fund may take advantage of opportunities with respect to certain other instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Master Fund and legally permissible. Special risks may apply to instruments that are invested in by the Master Fund in the future that cannot be determined at this time or until such instruments are developed or invested in by the Master Fund.

Long-Biased Investment Program. The Master Fund expects that its strategy will have a long bias. Therefore, any decline in the overall market may result in a decline in the value of the Master Fund's assets.

Certain Regulatory Risks

Regulatory Risks of Commingled Loan Funds. Legal, tax and regulatory changes could occur that may adversely affect the Fund. The regulatory environment for commingled loan funds is evolving and changes in the regulation of such funds may adversely affect the value of investments held by the Master Fund. In addition, the securities markets are subject to comprehensive statutes, regulations and margin requirements. The United States Securities and Exchange Commission, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The effect of any future regulatory change on the Fund could be substantial and adverse.

The Fund and/or the Investment Manager also may be subject to regulation in jurisdictions in which the Fund and the Investment Manager engage in business. Investors should understand that the Fund's business is dynamic and is expected to change over time. Therefore, the Fund may be subject to new or additional regulatory constraints in the future. This Memorandum cannot address or anticipate every possible current or future regulation that may affect the Investment Manager, the Fund or their businesses. Such regulations may have a significant impact on shareholders or the operations of the Fund, including, without limitation, restricting the types of investments the Fund may make, preventing the Fund from exercising its voting rights with regard to certain financial instruments, requiring the Fund to disclose the identity of its investors or otherwise. The Investment Manager may, in its sole discretion, cause the Fund to be subject to such regulations if it believes that an investment or business activity is in the Fund's interest, even if such regulations may have a detrimental effect on

one or more shareholders. Prospective investors are encouraged to consult their own advisors regarding an investment in the Fund.

Absence of Regulatory Oversight. While the Fund may be considered similar to an investment company, it is not required and does not intend to register as such under the U.S. Investment Company Act of 1940, as amended (the “*Company Act*”), and, accordingly, the provisions of the Company Act (which may provide certain regulatory safeguards to investors) are not applicable to investors in the Fund. The Fund will not maintain custody of its securities or place its securities in the custody of a bank or a member of a national securities exchange in the manner required of registered investment companies under rules promulgated by the SEC. A registered investment company which places its securities in the custody of a member of a national securities exchange is required to have a written custodian agreement, which provides that securities held in custody will be at all times individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company, and which contains other provisions complying with SEC regulations. The Fund generally will maintain such accounts at brokerage firms that do not separately segregate such assets as would be required in the case of registered investment companies. Under the provisions of the Securities Investor Protection Act of 1970, as amended, the bankruptcy of any such brokerage firm might have a greater adverse effect on the Fund than would be the case if the accounts were maintained to meet the requirements applicable to registered investment companies.

Forward-Looking Statements. Certain statements contained in this Memorandum, including without limitation, statements containing the words “believes,” “anticipates,” “intends,” “expects,” and words of similar import constitute “forward-looking statements.” Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Fund to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Certain of these factors are discussed in more detail elsewhere in this Memorandum, including without limitation under “*Summary of Terms*,” “*Certain Risk Factors*,” and “*Investment Program*.” Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. The Investment Manager and the Fund disclaim any obligation to update any such factors or to announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

Impact of U.S. Presidential Election. On January 20, 2017, Donald Trump became President of the United States of America. President Trump and other members of the Republican Party have proposed to reverse some of the recent regulation of the financial industry and to change tax policy. If some of these proposals were enacted, banks could dramatically increase their lending practices and accept additional types of collateral, borrowers could reduce their demand for debt financing, certain investment advisers could de-register with SEC and portfolio companies that are net importers or hold significant assets outside of the United States could be subject to increased tax liability. The effect of any such regulatory or tax changes on the Master Fund and the markets in which it trades and invests is uncertain.

Evolving Regulatory Risks of Private Investment Funds. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds and their advisers may adversely affect the value of investments held by the Master Fund.

Dodd-Frank, which was enacted in July 2010, regulates markets, market participants and financial instruments that were historically unregulated and has substantially altered the regulation of many other markets, market participants and financial instruments. Certain provisions of Dodd-Frank

subject registered investment advisers to requirements to keep records and to report information to the SEC, which could in turn be supplied to the Board of Governors of the Federal Reserve, a new Financial Services Oversight Council or other U.S. governmental agencies or Congress. Under Dodd-Frank, the information includes, among other things, the amount of assets under management, use of leverage (including off-balance sheet leverage), counterparty credit risk exposures, trading and investment positions, and trading practices. All such records are subject to examination by the SEC at any time. It is anticipated that there may be significant changes to the financial regulatory environment as a result of the outcome of the recent U.S. elections. There is currently pending legislation in U.S. Congress which if enacted would result in the repeal of portions of Dodd-Frank which in turn would have a significant impact on the regulatory environment for private investment funds. In addition, the impact of the legislation on current and future rulemaking by various regulators under Dodd-Frank is difficult to predict. It is possible that rules that have been proposed by various regulators, which had been anticipated to take effect previously, may no longer be implemented in their proposed form or at all. Further, there may also be substantial changes in the enforcement and interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. The effect of future regulatory change on the Fund and the Master Fund and their operations is uncertain. Prospective investors should seek, and must rely on, the advice of their own advisers with respect to the possible impact on its investment of any future proposed legislation or administrative or judicial action.

Enhanced Regulation of Swaps. The recently enacted Wall Street Transparency and Accountability Act of 2010 (the “**WSTAA**”) will, subject to exceptions for certain hedgers, (1) require swaps accepted for clearing by a derivatives clearing organization (a “**DCO**”) or for trading through a designated contract market or swaps-execution facility to be so cleared and traded, (2) require margin for almost all swap transactions, (3) subject traders with a “substantial position” in swaps to registration and regulation requirements as a “major swap participant” or “swap dealer” and (4) impose position limits on swaps either individually or in the aggregate with respect to positions in commodity-futures contracts. Due to the new requirements imposed by the WSTAA, the Master Fund may experience increased transaction costs to pay for the clearing, execution and segregation obligations. In addition, margin requirements may increase once margin is set by DCOs with input from the CFTC, which may limit the Master Fund’s ability to engage in leverage and limit the Master Fund’s return. The application of position limits to swap contracts may also limit the Master Fund’s ability to concentrate in any particular contract or exposure to an underlying commodity and may negatively impact the Master Fund’s ability to take advantage of current market trends or conditions. Any tightening in the market for swaps may significantly impact the Master Fund and its returns. In addition, if the Master Fund were deemed to be a swap dealer or a major swap participant under WSTAA, the Master Fund may be required to register with the CFTC and would be subject to a number of regulatory requirements that would significantly impact the Master Fund’s legal obligations and its returns.

Contagion Risk Factor. The Fund has the power to issue Shares in classes or series. The Articles provide for the manner in which the liabilities are to be attributed across the various classes or series (liabilities are to be attributed to the specific class or series in respect of which the liability was incurred). However, the Fund is a single legal entity and there is no limited recourse protection for any class or series. Accordingly, all of the assets of the Fund will be available to meet all of its liabilities regardless of the class or series to which such assets or liabilities are attributable. In practice, cross-class or cross-series liability is only expected to arise where liabilities referable to one class or series are in excess of the assets referable to such class or series and it is unable to meet all liabilities attributed to it. In such a case, the assets of the Fund attributable to other classes or series may be

applied to cover such liability excess and the value of the contributing classes or series will be reduced as a result.

Handling of mail. Mail addressed to the Fund and/or the Master Fund and received at its registered office will be forwarded unopened to the forwarding address supplied by the Investment Manager to be dealt with. None of the Fund and/or the Master Fund, its directors, officers, advisors or service providers (including the organization which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular the Directors will only receive, open or deal directly with mail which is addressed to them personally (as opposed to mail which is addressed just to the Fund and/or the Master Fund).

Subscription Monies. Where a subscription for Shares is accepted, the Shares will be treated as having been issued with effect from the relevant subscription date notwithstanding that the subscriber for those Shares may not be entered in the Fund's register of members until after the relevant subscription date. The subscription monies paid by a subscriber for Shares will accordingly be subject to investment risk in the Fund from the relevant subscription date.

Tax Related Risks

Uncertainty and Complexity of Tax Treatment. The tax aspects of an investment in the Fund are complicated and complex and, in many cases, uncertain. Statutory provisions and administrative regulations have been interpreted inconsistently by the courts. Additionally, some statutory provisions remain to be interpreted by administrative regulations. Investors will thus be subject to the risk caused by the uncertainty of the tax consequences with respect to an investment in the Fund. Each prospective investor should have the tax aspects of an investment in the Fund reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles. Prospective investors are strongly urged to review the discussion below under "*Tax Considerations*" and "*ERISA and Other Regulatory Considerations*" for a more complete discussion of certain of the tax risks inherent in the acquisition of Shares and to consult their own independent tax advisors.

Risk of Adverse Determination. There can be no assurance that the conclusions set forth in this Memorandum will not be challenged successfully by the U.S. Internal Revenue Service (the "*Service*") or other applicable taxing authority, or significantly modified by new legislation, changes in a taxing authority's positions, or court decisions. The Fund has not applied for, nor does it expect to apply for, any advance rulings from the Service with respect to any of the U.S. federal income tax consequences described in this Memorandum. No representation or warranty of any kind is made by the Fund or the Investment Manager with respect to the U.S. federal income tax consequences relating to an investment in the Fund. The Master Fund may take positions with respect to certain tax issues which depend on legal conclusions not yet resolved by the courts or other applicable taxing authority. Should any such positions be successfully challenged by the Service or other applicable taxing authority, there could be a materially adverse effect on the Master Fund and consequently, the Fund.

Tax Audit. An audit of the Fund by the Service or another taxing authority could result in adjustments to the tax consequences initially reported by the Fund, which examination could affect the after-tax returns of a shareholder's investment in the Fund. If such audit adjustments result in an increase in the Fund's U.S. federal income tax liability for any year, the Fund may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of the Fund's tax returns will be borne by the Fund.

Tax Considerations Taken into Account. The Investment Manager may take tax considerations into account in determining when the Master Fund's investments should be sold or otherwise disposed of, and may assume certain market risk and incur certain expenses in this regard to achieve favorable tax treatment of a transaction.

Tax-Exempt Entities. Certain prospective investors that are tax-exempt for U.S. income tax purposes may be subject to U.S. federal and state laws, rules and regulations that regulate their participation in the Fund, or their engaging directly or indirectly through an investment in the Fund, in certain investment strategies that the Master Fund may utilize from time-to-time (e.g., short-sales of securities and the use of leverage, the purchase and sale of options and limited diversification). While the Fund believes its investment program is generally appropriate for U.S. tax-exempt investors for which an investment in the Fund would otherwise be suitable, each type of tax-exempt organization may be subject to different laws, rules and regulations, and prospective investors should consult with their own advisers as to the advisability and tax consequences of an investment in the Fund. Investments in the Fund by entities subject to ERISA, and other tax-exempt entities, require special consideration. Trustees or administrators of such entities are urged to review carefully the matters discussed in this Memorandum.

Non-U.S. Taxation. With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Master Fund, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

Shareholder Level Taxation. Tax consequences to each shareholder will depend on tax laws in that shareholder's jurisdiction. Shareholders should consult their professional advisors as to the possible tax consequences of subscribing for, buying, holding, selling, transferring or redeeming Shares under the laws of their country of citizenship, residence or domicile.

Tax Changes. Investors will be subject to the risk that changes to the tax law may adversely affect the federal income tax consequences of their investment in the Fund. Changes in existing tax laws or regulations and their interpretation may be enacted after the date of this Memorandum, possibly with retroactive effect, and could alter the income tax consequences of an investment in the Fund. Certain provisions of the U.S. Internal Revenue Code of 1986, as amended (the "*Code*"), may be further amended or interpreted in a manner adverse to the Fund or the Master Fund, in which event any benefits derived from an investment in the Fund may be adversely affected. In addition, significant legislative and budgetary proposals affecting tax laws have been made by the legislative and executive branches of the U.S. federal government. The likelihood of enactment of any such proposals, or any similar proposals, into law is uncertain. The enactment of any such proposals, including subsequent proposals, into law could have material adverse effects on the Fund and/or its shareholders. Enactment of such legislation, or similar legislation, could require significant restructuring of the Fund in order to mitigate such effects.

Recently Enacted Tax Reform Legislation. Recently enacted H.R. 1 (Pub. L. No. 115-97) makes significant changes to the rules potentially applicable to the Fund and/or its investors. Certain of these new rules are complex and, pending guidance that may be forthcoming, the impact on the Fund and its investors may be unclear. Prospective investors should consult their own tax advisers regarding potential changes in any tax laws, potentially with retroactive effect.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Memorandum and consult with their own advisers before deciding to invest in the Fund. In addition, as the investment program of the Fund develops and changes over time, an investment in the Fund may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

In view of the foregoing considerations, an investment in Shares is suitable only for investors who are capable of bearing the relevant investment risks.

Potential Conflicts of Interest

Given the nature and size of Highland Capital Management, L.P.'s ("**Highland Capital**") operations, various potential conflicts of interest arise in connection with its advisory services and the advisory services provided by its affiliates. Information about Highland Capital and its potential conflicts of interest is provided in Highland Capital's Form ADV Part 2 Brochure that can be found by going to <https://adviserinfo.sec.gov/IAPD/Default.aspx>, searching by firm name and selecting the Part 2 Brochure to be viewed. The Fund is subject to these conflicts of interest, as well as the other items discussed below.

None of the Investment Manager, its affiliates and their respective officers, directors, shareholders, members, partners, personnel and employees (collectively, the "**Highland Group**") is precluded from engaging in or owning an interest in other business ventures or investment activities of any kind, whether or not such ventures are competitive with the Fund or the Master Fund. The Investment Manager is permitted to manage other client accounts, and does manage other client accounts, some of which may have objectives similar or identical to those of the Master Fund, including other collective investment vehicles that may be managed by the Highland Group and in which the Investment Manager or any of its affiliates may have an equity interest.

The Fund will be subject to a number of actual and potential conflicts of interest involving the Highland Group including, among other things, the fact that: (i) the Highland Group conducts substantial investment activities for accounts, funds, collateralized debt obligations that invest in leveraged loans (collectively, "**CDOs**") and other vehicles managed by members of the Highland Group ("**Highland Accounts**") in which the Fund has no interest; (ii) the Highland Group advises Highland Accounts, which utilize the same, similar or different methodologies as the Fund and may have financial incentives (including, without limitation, as it relates to the composition of investors in such funds and accounts or to the Highland Group's compensation arrangements) to favor certain Highland Accounts over the Fund and the Master Fund; (iii) the Highland Group may use the strategy described herein in certain Highland Accounts; (iv) the Investment Manager may give advice and recommend securities to, or buy or sell securities for, the Master Fund, which advice or securities may differ from advice given to, or securities recommended or bought or sold for, Highland Accounts; (v) the Investment Manager has the discretion, to the extent permitted under applicable law, to use its affiliates as service providers to the Fund and the Master Fund and the Master Fund's portfolio investments; (vi) certain investors affiliated with the Highland Group may choose to personally invest only in certain funds advised by the Highland Group and the amounts invested by them in such funds is expected to vary significantly; (vii) the Highland Group and Highland Accounts may actively engage in transactions in the same securities sought by the Master Fund and, therefore, may compete with the Master Fund for investment opportunities or may hold positions opposite to positions maintained on behalf of the Master Fund; and (viii) the Investment Manager will devote to the Master

Fund and the Fund only as much time as the Investment Manager deems necessary and appropriate to manage the Master Fund's and the Fund's business.

The Investment Manager undertakes to resolve conflicts in a fair and equitable basis, which in some instances may mean a resolution that would not maximize the benefit to the Fund's investors.

Allocation of Trading Opportunities

It is the policy of the Investment Manager to allocate investment opportunities fairly and equitably over time. This means that such opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) fiduciary duties owed to the accounts; (ii) the primary mandate of the accounts; (iii) the capital available to the accounts; (iv) any restrictions on the accounts and the investment opportunity; (v) the sourcing of the investment, size of the investment and amount of follow-on available related to the investment; (vi) whether the risk-return profile of the proposed investment is consistent with the account's objectives and program, whether such objectives are considered in light of the specific investment under consideration or in the context of the portfolio's overall holdings; (vii) the potential for the proposed investment to create an imbalance in the account's portfolio (taking into account expected inflows and outflows of capital); (viii) liquidity requirements of the account; (ix) potentially adverse tax consequences; (x) regulatory and other restrictions that would or could limit an account's ability to participate in a proposed investment; and (xi) the need to re-size risk in the account's portfolio.

The Investment Manager has the authority to allocate trades to multiple Highland Accounts on an average price basis or on another basis it deems fair and equitable. Similarly, if an order on behalf of any accounts cannot be fully allocated under prevailing market conditions, the Investment Manager may allocate the trades among different accounts on a basis it considers fair and equitable over time. One or more of the foregoing considerations may (and are often expected to) result in allocations among the Master Fund and one or more Highland Accounts on other than a *pari passu* basis. The Investment Manager will allocate investment opportunities across its accounts for which the opportunities are appropriate, consistent with (i) its internal conflict of interest and allocation policies and (ii) the requirements of the Investment Advisers Act of 1940, as amended. The Investment Manager will seek to allocate investment opportunities among such entities in a manner that is fair and equitable over time and consistent with its allocation policy, a copy of which will be provided upon request. However, there is no assurance that such investment opportunities will be allocated to the Master Fund fairly or equitably in the short-term or over time and there can be no assurance that the Master Fund will be able to participate in all investment opportunities that are suitable for it

The Investment Manager may open "average price" accounts with brokers. In an "average price" account, purchase and sale orders placed during a trading day on behalf of the Investment Manager, the Master Fund and other accounts managed by the Investment Manager are combined, and securities bought and sold pursuant to such orders are allocated among such accounts on an average price basis.

Cross Transactions and Principal Transactions

As further described below, the Investment Manager may effect client cross-transactions where the Investment Manager causes a transaction to be effected between the Master Fund and another client advised by it or any of its affiliates. The Investment Manager may engage in a client cross-transaction involving the Master Fund any time that the Investment Manager believes such transaction

to be fair to the Master Fund and such other client. By subscribing for an Interest, a Limited Partner is deemed to have consented to such client cross-transactions between the Master Fund and another client of the Investment Manager or one of its affiliates.

The Investment Manager may direct the Master Fund to acquire or dispose of securities in cross trades between the Master Fund and other clients of the Investment Manager or its affiliates in accordance with applicable legal and regulatory requirements. In addition, the Master Fund may invest in securities of obligors or issuers in which the Investment Manager and/or its affiliates have a debt, equity or participation interest, and the holding and sale of such investments by the Master Fund may enhance the profitability of the Investment Manager's own investments in such companies. Moreover, the Master Fund may invest in assets originated by the Investment Manager or its affiliates. In each such case, the Investment Manager and such affiliates may have a potentially conflicting division of loyalties and responsibilities regarding the Master Fund and the other parties to such trade. Under certain circumstances, the Investment Manager and its affiliates may determine that it is appropriate to avoid such conflicts by selling a security at a fair value that has been calculated pursuant to the Investment Manager's valuation procedures to another client managed or advised by the Investment Manager or such affiliates. In addition, the Investment Manager may enter into agency cross-transactions where it or any of its affiliates acts as broker for the Master Fund and for the other party to the transaction, to the extent permitted under applicable law.

The Principal, as well as the employees and officers of the Investment Manager and of organizations affiliated with the Investment Manager, may buy and sell securities for their own account or the account of others, but may not buy securities from or sell securities to the Master Fund (such prohibition does not extend to the purchase or sale of Interests in the Fund), unless appropriate approval of the Advisory Committee is obtained and such purchase or sale is in compliance with the applicable provisions of the Investment Advisers Act of 1940, as amended.

Conflicts Relating to Equity and Debt Ownership by the Master Fund and Affiliates

In certain circumstances, the Master Fund and other client accounts may invest in securities or other instruments of the same issuer (or affiliated group of issuers) having a different seniority in the issuer's capital structure. If the issuer becomes insolvent, restructures or suffers financial distress, there may be a conflict between the interests in the Master Fund and those other accounts insofar as the issuer may be unable (or in the case of a restructuring prior to bankruptcy may be expected to be unable) to satisfy the claims of all classes of its creditors and security holders and the Master Fund and such other accounts may have competing claims for the remaining assets of such issuers. Under these circumstances it may not be feasible for the Investment Manager to reconcile the conflicting interests in the Master Fund and such other accounts in a way that protects the Master Fund's interests. Additionally, the Investment Manager or its nominees may in the future hold board or creditors' committee memberships which may require them to vote or take other actions in such capacities that might be conflicting with respect to certain funds managed by the Investment Manager in that such votes or actions may favor the interests of one account over another account. Furthermore, the Investment Manager's fiduciary responsibilities in these capacities might conflict with the best interests of the investors.

Affiliated Entity Services

Affiliated entities of the Investment Manager may provide services with respect to the Investment Manager, the Master Fund or the Fund. NexBank, SSB ("**NexBank SSB**") is an affiliate of the Investment Manager and may, from time to time, provide banking and/or agency services to the

Investment Manager, clients of the Investment Manager or collective investment vehicles for which the Investment Manager provides investment advisory services (including the Fund, the Master Fund and other vehicles in which the Fund (through the Master Fund) may invest) or third parties engaged in transactions involving the Investment Manager. NexBank SSB may also act as an agent in connection with certain securities transactions involving the Investment Manager's client accounts (including the Master Fund and other vehicles in which the Master Fund may invest). Principals of the Investment Manager own a majority of the equity interests in NexBank SSB and employees or affiliates of the Investment Manager own or may own a substantial equity interest in NexBank SSB. Certain Master Fund investment transactions may be executed through NexBank Securities, Inc., an affiliate of the Investment Manager and a registered broker-dealer.

Additionally, the Investment Manager or affiliates of the Investment Manager, including, without limitation, Nexbank SSB, NexBank Securities, Inc., NexBank Capital Advisors and Governance Re, Ltd., may provide financial advisory, management, insurance, title insurance or other services for a fee to portfolio companies in which the Master Fund may have an interest. Highland Latin America Consulting, Ltd., an affiliate of the Investment Manager, has been engaged to provide certain administrative and consulting services to the Investment Manager, as more fully described below in "*Management –Services Agreement*."

Management Fee

A portion of any Management Fee may be paid to broker-dealers, placement agents or independent third parties, other than the Investment Manager, for services provided in connection with the solicitation of subscriptions from investors. Accordingly, investors should recognize that a placement agent's or distributor's participation in this offering may be influenced by its interest in such current or future fees and compensation. Investors should consider these potential conflicts of interest in making their investment decisions. Each placement agent shall comply with the legal requirements of the jurisdictions within which it offers and sells Interests.

Diverse Membership

The Limited Partners are expected to include entities, persons, or entities organized in various jurisdictions and subject to different tax and regulatory regimes. Such diverse investors may thus have conflicting investment, tax and other interests, relating to, among other things, the nature of investments made by the Master Fund, the structuring or the acquisition of investments and the timing of disposition of investments. As a result, conflicts of interest may arise in connection with decisions made by the Investment Manager including as to the nature and structure of investments that may be more beneficial for one type of Limited Partner than for another type of Limited Partner, including Limited Partners affiliated with the Investment Manager. The results of the Fund's activities may affect individual Limited Partners differently, depending upon their individual financial and tax situations because, for instance, of the timing of an event of realization of gain or loss and its characterization as long-term or short-term gain or loss. In addition, the Master Fund may make investments that may have a negative impact on related investments made by the Limited Partners in separate transactions. In selecting, structuring and managing investments appropriate for the Master Fund, the Investment Manager will consider the investment and tax objectives of the Master Fund and the Feeder Funds as a whole, not the investment, tax, or other objectives of any Limited Partner individually. However, there can be no assurance that a result will not be more advantageous to some Limited Partners than to others or to the Investment Manager and/or its affiliates than to a particular Limited Partner.

Soft Dollars

The Investment Manager's authority to use "soft dollar" credits generated by the Master Fund's securities transactions to pay for expenses that might otherwise have been borne by the Investment Manager or the Master Fund GP may give the Investment Manager an incentive to select brokers or dealers for Master Fund transactions, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by the Investment Manager rather than giving exclusive consideration to the interests in the Master Fund. See "*Brokerage and Custody*."

No Separate Counsel

Akin Gump Strauss Hauer & Feld LLP ("*Akin Gump*") serves as counsel to the Fund, the Master Fund, the Investment Manager, the Master Fund GP and certain of their Affiliates (the "*Clients*") in connection with the formation of the Fund and certain other Clients, the offering of Shares as well as certain other matters for which the Clients may engage Akin Gump from time to time. Akin Gump disclaims any obligation to verify the Clients' compliance with their obligations either under applicable law or the governing documents of the Fund. In acting as counsel to the Clients, Akin Gump has not represented and will not represent any shareholders nor does it purport to represent their interests. No independent counsel has been retained to represent the shareholders. In assisting in the preparation of this Memorandum, Akin Gump has relied on information provided by the Fund, the Investment Manager and the Master Fund GP and certain of the Fund's other service providers (including, without limitation, the Principal's biographical data, summaries of market conditions, the planned investment strategy of the Master Fund and the performance of the Master Fund, its investments or any predecessor Fund) without verification and does not express a view as to whether such information is accurate or complete.

Maples and Calder, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, acts as Cayman Islands legal counsel to the Fund, the Master Fund and the Master Fund GP. In connection with the offering of shares and/or interests and subsequent advice to the Fund, the Master Fund and the Master Fund GP, Maples and Calder will not be representing shareholders and/or limited partners. No independent legal counsel has been retained to represent the shareholders and/or limited partners. Maples and Calder's representation of the Master Fund GP is limited to specific matters as to which it has been consulted by the Master Fund GP. There may exist other matters that could have a bearing on the Master Fund as to which Maples and Calder has not been consulted. In addition, Maples and Calder does not undertake to monitor compliance by the Master Fund GP and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does Maples and Calder monitor ongoing compliance with applicable laws. In connection with the preparation of this Memorandum, Maples and Calder's responsibility is limited to matters of Cayman Islands law and it does not accept responsibility in relation to any other matters referred to or disclosed in this Memorandum. In the course of advising the Master Fund GP, there are times when the interests of the shareholders/limited partners may differ from those of the Fund, Master Fund and/or the Master Fund GP. Maples and Calder does not represent the shareholders and/or limited partners' interests in resolving these issues. In reviewing this Memorandum, Maples and Calder has relied upon information furnished to it by the Master Fund GP and has not investigated or verified the accuracy and completeness of information set forth herein concerning the Fund, Master Fund and/or the Master Fund GP.

Non-Public Information

From time to time, the Investment Manager may come into possession of non-public information concerning specific companies although internal structures are in place to prevent the receipt of such information. Under applicable securities laws, this may limit the Investment Manager's flexibility to buy or sell portfolio securities issued by such companies. The Master Fund's investment flexibility may be constrained as a consequence of the Investment Manager's inability to use such information for investment purposes.

The foregoing list of risk factors and potential conflicts of interest do not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Memorandum and consult with their own legal, tax and financial advisers before deciding to invest in the Fund.

BROKERAGE AND CUSTODY

Brokerage Arrangements

The Investment Manager will be responsible for the placement of the portfolio transactions of the Master Fund and the negotiation of any commissions or spreads paid on such transactions. Portfolio transactions normally will be effected through brokers on securities exchanges or directly with the issuer, or through an underwriter, or market maker or other dealer for the investments. Portfolio transactions through brokers involve a commission to the broker. Portfolio transactions with dealers typically are priced to include a spread between the bid and the asked price to compensate the dealer. Portfolio transactions will be executed by brokers selected solely by the Investment Manager in its absolute discretion. The Investment Manager is not required to weigh any of these factors equally.

Substantially all of the Master Fund's investments in marketable securities, as well as its cash and cash equivalents, are expected to be held with brokers or custodians selected by the Investment Manager. Instruments not constituting marketable securities generally are recorded through book entry by the borrower or by an agent for the borrower or the creditors. Documentary evidence of the acquisition, ownership and disposition of these assets typically will be held by the Investment Manager.

Brokers or their affiliates may provide capital introduction or other placement services to the Fund and the Investment Manager (with or without separate charges for such other services). In determining which broker-dealer generally provides the best available price and most favorable execution, the Investment Manager considers a totality of circumstances, including price quotes, the size of the transaction, the nature of the market for the financial instrument, the timing of the transaction, difficulty of execution, the broker-dealer's expertise in the specific financial instrument or sector in which the Master Fund seeks to trade, the extent to which the broker-dealer makes a market in the financial instrument involved or has access to such markets, the broker-dealer's skill in positioning the financial instruments involved, the broker-dealer's promptness of execution, the broker-dealer's financial stability, reputation for diligence, fairness and integrity, quality of service rendered by the broker-dealer in other transactions for the Investment Manager and its respective affiliates, confidentiality considerations, the quality and usefulness of research services and investment ideas presented by the broker-dealer, the broker-dealer's willingness to correct errors, the broker-dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction, and other factors deemed appropriate by the Investment Manager. The Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread.

Accordingly, if the Investment Manager concludes that the commissions charged by a broker or the spreads applied by a dealer are reasonable in relation to the quality of services rendered by such broker or dealer (including, without limitation, the value of the brokerage and research products or services provided by such broker or dealer), the Master Fund may pay commissions to, or be subject to spreads applied by, such broker-dealer in an amount greater than the amount another broker-dealer might charge or apply.

The Investment Manager may also execute trades with brokers and dealers with whom the Fund, the Master Fund or the Investment Manager has other business relationships, including prime brokerage, credit relationships and capital introduction or investments by affiliates of the broker-

dealers in the Fund or other entities managed by the Investment Manager. However, the Investment Manager does not believe that these other relationships will influence the choice of brokers and dealers who execute trades for the Master Fund.

Research-related goods and services provided by brokers and dealers through which portfolio transactions for the Master Fund are executed, settled and cleared may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, certain research services, and other goods and services providing lawful and appropriate assistance to the Investment Manager in the performance of investment decision-making responsibilities on behalf of the Master Fund and related accounts (collectively, “*soft dollar items*”).

Soft dollar items may be provided directly by brokers and dealers, by third parties at the direction of brokers and dealers or purchased on behalf of the Master Fund with credits or rebates provided by brokers and dealers. Soft dollar items may arise from over-the-counter principal transactions, as well as exchange traded agency transactions. Brokers and dealers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual business received by any broker or dealer may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total transaction volume is allocated on the basis of all the considerations described above. A broker or dealer will not be excluded from executing transactions for the Master Fund because it has not been identified as providing soft dollar items.

The use of commissions or “soft dollars” if any, generated by the Master Fund through agency and certain riskless principal transactions to pay for research and research-related products or services, if any, will fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended. Under Section 28(e), research products or services obtained with soft dollars generated by the Master Fund may be used by the Investment Manager to service accounts other than the Master Fund. Soft dollars generated in respect of futures, currency and derivatives transactions and principal transactions (that are not riskless principal transactions) do not generally fall within the safe harbor created by Section 28(e) and will be utilized only with respect to research-related products and services for the benefit of the account generating such soft dollars.

Research and brokerage products and services may be used by the Investment Manager in servicing some or all of the Investment Manager’s clients. In addition, some research and brokerage may not be used by the Investment Manager in servicing the clients whose commission dollars provided for the research or brokerage. Clients may not, in any particular instance, be the direct or indirect beneficiaries of the research or brokerage provided. Certain clients, who are the beneficiaries of research or brokerage, may have an investment style which results in the generation of a small amount of brokerage commissions due to a lack of active trading for their accounts. As a result, clients who generate sizeable commissions subsidize research or brokerage provided to clients whose accounts generate minimal brokerage commissions since the commission dollars generated by transactions for such clients are not sufficient to pay for research or brokerage that may be received by such clients from other brokers.

In selecting broker-dealers on the basis of the foregoing factors, the Investment Manager may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction. In connection therewith, the Investment Manager will make a good faith determination that the amount of commission is reasonable in relation to the value of the research or brokerage services received, viewed in terms of either the specific transaction or the Investment Manager’s overall responsibility to its clients. The Investment Manager will regularly evaluate the placement of brokerage services and the reasonableness of commissions paid. Research received from

brokers will be supplemental to the Investment Manager's own research efforts. While the receipt of research will not reduce the Investment Manager's normal research activities, the Investment Manager's expenses could increase materially if it attempted to generate such additional research or brokerage services through its own staff, and the Management Fee will not be reduced as a consequence of the receipt of such research or brokerage services or products. As such, the Investment Manager's arrangements for the receipt of research and brokerage services from brokers may create a conflict of interest, in that the Investment Manager may have an incentive to choose a broker-dealer that provides research and brokerage services, instead of one that does not but charges a lower commission rate. In some instances, the Investment Manager receives products and services that may be used for both research and non-research purposes. In such instances, the Investment Manager will make a good faith effort to determine the relative proportion of the products and services used to assist the Investment Manager in carrying out its investment decision-making responsibilities or order execution, including research and brokerage, and the relative proportion used for administrative or other non-research purposes. The proportionate amount of the research attributable to assisting the Investment Manager in carrying out its investment decision-making responsibilities or order execution will be paid through brokerage commissions generated by the Master Fund's and other client's transactions; the proportionate amount attributable to administrative or other non-research purposes will be paid for by the Investment Manager from its own resources. The receipt of "mixed-use" research and the determination of the appropriate allocation may result in a potential conflict of interest between the Investment Manager and its clients, including the Master Fund.

Custody

U.S. Bank has been retained to perform certain custodial services for the Fund and the Master Fund (in such capacity, the "**Custodian**"). In its capacity as Custodian, it will receive customary fees that will be paid out of the assets of the Fund. The Custodian will also be reimbursed for all reasonable out-of-pocket expenses.

The Custodian does not have a direct contractual relationship with the investors. The Custodian has, however, entered into a contractual relationship with the Fund in relation to the performance of the services described herein. The Fund will enforce its contractual rights with respect to the Custodian as necessary to protect the interests of the Fund (and, therefore, the interest of investors).

TAX CONSIDERATIONS

General

The following is a general discussion of certain of the anticipated U.S. federal and Cayman Islands income tax considerations applicable to the Fund's activities and those relevant to "Non-U.S. Shareholders" (as defined below) and "Tax-Exempt U.S. Shareholders" (as defined below) arising from the purchase, ownership and disposition of Shares. The discussion that follows is based on the provisions of the Code and the U.S. Treasury regulations promulgated thereunder (the "**Treasury Regulations**") as in effect on the date hereof and on existing judicial and administrative interpretations thereof. These authorities are subject to change and to differing interpretations, which could apply retroactively.

This discussion does not address all tax consequences that may be applicable to a beneficial owner of Shares, nor does it address, unless specifically indicated, the tax consequences to, among others (i) persons that may be subject to special treatment under U.S. federal income tax law, including, but not limited to, banks, insurance companies, thrift institutions, regulated investment companies, real estate investment trusts and dealers in securities or currencies, (ii) persons that will hold Shares as part of a position in a "straddle" or as part of a "hedging," "conversion" or other integrated investment transaction for U.S. federal income tax purposes, (iii) persons whose functional currency is not the U.S. dollar or (iv) persons that do not hold Shares as capital assets within the meaning of Code Section 1221.

If a partnership holds Shares of the Fund, the tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the Fund. Prospective investors who are partners of a partnership should consult their own tax advisors.

In addition, this summary does not address U.S. federal alternative minimum or estate and gift tax consequences or consequences under the tax laws of any non-U.S. jurisdiction. The Fund has not sought any ruling from the Service with respect to the statements made and the conclusions reached in this summary, and cannot assure any investor that the Service will agree with such statements and conclusions. As with any investment, potential investors should consult their own tax advisors in determining the U.S. federal, state, local, non-U.S. and any other tax consequences to them of the purchase, ownership and disposition of Shares.

In view of the number of different jurisdictions where local laws may apply to shareholders, the discussion below does not address the local tax consequences to prospective investors of the purchase, ownership and disposition of Shares. Prospective investors are urged to consult their own tax advisors in determining the possible tax, exchange control or other consequences to them under the laws of the jurisdictions of which they are citizens, residents or domiciliaries or in which they conduct business.

This summary assumes that only persons that are *not* "United States persons" as defined in Code Section 7701(a)(30) (such investors, "**Non-U.S. Shareholders**") and organizations that are exempt from U.S. federal income tax under the Code (such investors, "**Tax-Exempt U.S. Shareholders**") will invest in the Fund. Therefore, this summary does not address the U.S. tax consequences to U.S. taxable investors. The Fund is expected to constitute a "passive foreign investment company" (a "**PFIC**") for U.S. federal income tax purposes. Potential U.S. investors should be aware that the Fund does not intend to provide information to any U.S. person for purposes of such person qualifying to make an election to treat the Fund as a "qualified electing fund" (a

“*QEF*”) for U.S. federal income tax purposes under Code Section 1295. Accordingly, potential U.S. investors are urged to consult their tax advisors in this regard.

EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR IN ORDER TO UNDERSTAND FULLY THE U.S. FEDERAL, STATE AND LOCAL AND ANY NON-U.S. TAX CONSEQUENCES OF AN INVESTMENT IN ITS PARTICULAR SITUATION, INCLUDING CONSEQUENCES TO THEM UNDER THE LAWS OF THE JURISDICTIONS OF WHICH THEY ARE OR WERE CITIZENS, RESIDENTS OR DOMICILIARIES, OR IN WHICH THEY CONDUCT BUSINESS.

Material U.S. Federal Income Taxation Matters

Classification and Taxation of the Fund and the Master Fund

For U.S. federal income tax purposes, the Fund is expected to be treated as a corporation and the Master Fund is expected to be treated as a partnership. The Fund and the Master Fund will make any necessary entity classification elections for U.S. tax purposes.

The following discussion assumes that the Master Fund will be treated as a partnership for U.S. federal income tax purposes. Unless otherwise indicated, references in the following discussion to the tax consequences of Fund investments, activities, income, gain and loss include the indirect investments, activities, income, gain and loss attributable to the Fund as a result of being a limited partner of the Master Fund.

Under Code Section 864, a safe harbor (the “*Safe Harbor*”) applies to a non-U.S. corporation (other than a dealer in securities or commodities) that engages in trading securities (including contracts or options to buy or sell securities) and commodities (including derivatives) for its own account within the United States, pursuant to which such a non-U.S. corporation will not be deemed to be engaged in a U.S. trade or business by reason of such trading activities. If certain of the activities of the Fund were determined not to be of the type described in the Safe Harbor, the activities of the Fund could constitute a U.S. trade or business, in which case the Fund would be subject to U.S. income and branch profits tax on the income and gain treated as connected with those activities. Although there is a risk that certain of the Fund’s investments could fall outside of the Safe Harbor and constitute a trade or business (e.g., a lending business), the Fund intends to take the position that it is not engaged in trade or business.

The Fund also may be deemed to be engaged in a U.S. trade or business by attribution from a pass-through entity in which it owns an interest and which is so engaged. In this circumstance, the Fund’s share of any income and gain that is effectively connected with such U.S. trade or business will be subject to regular U.S. federal income taxation (currently imposed at a maximum rate of 21%) on a net basis and an additional 30% U.S. branch profits tax on certain of its after-tax earnings and profits that are not reinvested in a U.S. business, and the Fund will be required to file U.S. federal (and potentially, state and local) income tax returns in connection with such trade or business. Such a pass-through entity would also be required (and would be legally liable) to withhold and pay over to the Service on behalf of the Fund an amount equal to 21% of the Fund’s share of such entity’s effectively connected income. Any amount so withheld would be creditable against the Fund’s ultimate U.S. federal income tax liability, and the Fund would be entitled to a refund to the extent that the amount withheld exceeded the Fund’s U.S. federal income tax liability for the taxable year. Further, if the Fund holds certain property (or is deemed to hold certain property as the result of its investments), such property could be treated as U.S. real property interests. Upon the disposition of any such U.S.

real property interest, the Fund would be subject to tax on any gain recognized as though such gain were effectively connected with a U.S. trade or business of the Fund. Gains from the disposition by the Fund of securities that are not (and are not deemed to be) effectively connected with a U.S. trade or business of the Fund would generally be free from U.S. federal income and withholding tax. The Fund may, however, also be subject to U.S. federal income tax on any gain realized, or deemed realized, upon a sale or exchange of an interest in a partnership directly or indirectly held which is engaged in a U.S. trade or business (including, without limitation, certain gains realized upon a redemption of interests from the Master Fund). In such case, U.S. withholding tax may be incurred (or required to be deducted by the Master Fund, as applicable) equal to 10% of the amount realized. Any amounts so withheld would generally be creditable (subject to certain limitations) against the Fund's ultimate U.S. federal income tax liability, and the Fund would be entitled to a refund to the extent that the amount withheld exceeded the Fund's U.S. federal income tax liability for the taxable year. In addition, it is possible the Fund could be subject to taxation on a net basis by state and local jurisdictions within the United States. Any such taxation could materially adversely affect the Fund's investment returns.

In general, under Section 881 of the Code, a non-U.S. corporation which does not conduct a U.S. trade or business is nonetheless subject to tax at a flat rate of 30% (or lower tax treaty rate) on the gross amount of certain U.S. source income which is not effectively connected with a U.S. trade or business, generally payable through withholding under Section 1442 of the Code. Income subject to such a flat tax rate is of a fixed or determinable annual or periodical nature, including dividends (including "dividend equivalent" income under Section 871(m) of the Code) and certain interest income. There is presently no tax treaty between the United States and the Cayman Islands.

Certain types of income are specifically exempted from the 30% tax and thus withholding is not required on payments of such income to a non-U.S. corporation. The 30% tax does not apply to U.S. source capital gains (whether long or short-term) or to interest paid to a non-U.S. corporation on its deposits with U.S. banks. The 30% tax also does not apply to interest which qualifies as portfolio interest. The term "portfolio interest" generally includes interest (including original issue discount) on an obligation in registered form which has been issued after July 18, 1984 that is paid to persons with limited ownership in the obligor and with respect to which the person who would otherwise be required to deduct and withhold the 30% tax receives the required statement that the beneficial owner of the obligation is not a U.S. person within the meaning of the Code. Also exempt from the 30% tax is income from original issue discount obligations which are payable no more than 183 days from the date of issue. Interest on corporate obligations will not qualify as "portfolio interest" to a non-U.S. person that owns (directly and under certain constructive ownership rules) 10% or more of the total combined voting power of the corporation paying the interest, or, with respect to certain obligations issued after April 7, 1993, if and to the extent the interest is determined by reference to certain economic attributes of the debtor (or a person related thereto).

As indicated above, certain investments by the Fund could result in the Fund being deemed to be engaged in a U.S. trade or business, including, without limitation, direct investments by the Fund in U.S. real estate or real estate acquired in foreclosures on mortgages held by the Fund. The Fund may conduct such activities through U.S. corporate entities, in order for the Fund to avoid filing a U.S. income tax return and directly paying tax on such investments. Each such investment may be made in a separate U.S. corporation directly owned by the Fund (a "*U.S. Subsidiary*"). Each U.S. Subsidiary will be subject to U.S. income tax on its net taxable income at regular U.S. federal corporate income tax rates. Dividend distributions from the U.S. Subsidiary to the Fund will be subject to a 30% U.S. withholding tax. However, cash distributions by the U.S. Subsidiary upon its complete liquidation will generally not be subject to taxation or to U.S. withholding tax.

Taxation of Non-U.S. Shareholders

For U.S. federal income tax purposes, a Non-U.S. Shareholder will not be subject to U.S. federal income taxation on amounts paid by the Fund in respect of Shares or gains recognized on the sale, exchange or redemption of Shares, provided that such income and gains are not considered to be effectively connected with the conduct of a trade or business by the shareholder in the United States. In limited circumstances, an individual Non-U.S. Shareholder who is present in the United States for 183 days or more during a taxable year may be subject to U.S. income tax at a flat rate of 30% on gains realized on a disposition of Shares in such year. Individual shareholders who at the time of their death are not citizens, former citizens or residents of the United States should not be subject, by reason of the ownership of Shares, to any U.S. federal gift or estate taxes.

Special rules may apply in the case of non-U.S. persons that (i) conduct a trade or business in the United States or that have an office or fixed place of business in the United States, (ii) have a tax home in the United States, (iii) are former citizens or long-term residents of the United States or (iv) are controlled foreign corporations, PFICs, foreign insurance companies (“*CFCs*”) that hold Shares in connection with their U.S. business or corporations which accumulate earnings to avoid U.S. federal income tax. Such persons are urged to consult their U.S. tax advisors before investing in the Fund.

In the case of Shares held in the United States by a custodian or nominee for a non-U.S. person, U.S. “backup” withholding taxes may apply to distributions in respect of Shares held by such shareholder unless such shareholder properly certifies as to its non-U.S. status or otherwise establishes an exemption from “backup” withholding. Backup withholding is not an additional tax. Rather, the U.S. federal income tax liability of non-U.S. persons subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of U.S. federal income taxes, a refund may be obtained, provided the required documents are timely filed with the Service.

Taxation of Tax-Exempt U.S. Shareholders

Tax-Exempt U.S. Shareholders are subject to U.S. tax on their “unrelated business taxable income” (“*UBTI*”) as defined in Section 512 of the Code. UBTI is generally the excess of gross income from any unrelated trade or business conducted by a tax-exempt entity over the deductions attributable to such trade or business, with certain modifications. These modifications provide that UBTI generally does not include interest, dividends or gains from the sale of securities not held as either inventory or primarily for sale to customers in the ordinary course of business, except to the extent that any such item of income is deemed to constitute “unrelated debt financed income” within the meaning of Section 514 of the Code and the Treasury Regulations, and certain other requirements are met. The ability to offset deductions or losses realized in respect of one “unrelated trade or business” against income or gains from other “unrelated trades or businesses” is subject to certain limitations. Income that a U.S. tax-exempt entity derives from an investment in Shares generally should not give rise to UBTI, except to the extent that such entity’s acquisition of Shares is debt financed.

The Fund will constitute a PFIC for U.S. federal income tax purposes. Under the Treasury Regulations, a tax-exempt entity is generally not considered to be a shareholder in a PFIC. Therefore, the tax-exempt entity would generally not be subject to the PFIC tax rules, except to the extent that a “dividend” paid by such PFIC would be taxable under subchapter F of the Code. Hence, a tax-exempt entity would be subject to tax under the PFIC regime in respect of an excess distribution from, or any gain realized on the sale of, the shares of a PFIC in only limited circumstances. Additionally, the

Treasury Regulations provide that a tax-exempt entity that is not taxable under the PFIC rules may not make a QEF election under Section 1295 of the Code and the Fund will not provide any QEF information to investors.

The Fund may be classified as a CFC for U.S. federal income tax purposes if U.S. persons who own (actually or constructively) 10% or more of either voting interest or the value of the Fund hold 50% or more of the vote or value of the Fund, as determined under the Code. However, a Tax-Exempt U.S. Shareholder's share of the Fund's "subpart F income" generally would not be treated as UBTI (provided that such investor has not debt-financed its investment in the Fund) except in the case of certain insurance- and reinsurance-related income. In addition, if the Fund is classified as a CFC, U.S. tax-exempt investors may be subject to special information reporting requirements. Prospective investors are urged to consult their own tax advisors as to the U.S. federal income tax consequences in this regard, including with respect to certain other types of income, and with respect to complex attribution rules that may apply.

Moreover, different rules may apply to certain types of tax-exempt entities, such as charitable remainder trusts. Accordingly, potential tax-exempt investors are urged to consult their own tax advisors regarding the tax consequences of an investment in the Fund.

Prospective Tax-Exempt U.S. Shareholders are urged to consult their own tax advisors regarding the tax consequences of the purchase, ownership and disposition of Shares.

Information Reporting Requirements

A U.S. person (including in certain circumstances a Tax-Exempt U.S. Shareholder) that transfers property (including cash) to the Fund in exchange for Shares will be required to file a Form 926 or a similar form with the Service. In the event a U.S. shareholder fails to file any required form, such shareholder could be subject to a penalty of up to 10% of the value of the property transferred, subject to a \$100,000 limit so long as the failure was not due to intentional disregard.

Under the Treasury Regulations, any U.S. person, within the meaning of the Code, owning 10% or more (taking certain attribution rules into account) of either the total combined voting power or total value of all classes of the shares of a non-U.S. corporation, or whose ownership interest changes by a statutorily specified amount, may be required to file an information return with the Service containing certain disclosures concerning the filing shareholder, other U.S. shareholders and the corporation. The determination of whether a U.S. person is a 10% U.S. shareholder for purposes of this filing requirement may be made by reference to such shareholder's percentage ownership of Shares within each class rather than that of all Shares of the Fund. The Fund has not committed to provide all of the information about the Fund or its shareholders necessary to complete such an information return. Prospective investors should consult their tax advisors about such information return filing requirements.

Certain U.S. persons are required to file Financial Crimes Enforcement Network ("**FinCEN**") Form 114 with the Service with respect to financial interests in foreign financial accounts held by such U.S. persons during the previous year if the aggregate value of such accounts exceeds \$10,000 at any time during the year. Significant penalties may apply in respect of the failure to file FinCEN Form 114 in respect of foreign financial accounts. Thus, potential Tax-Exempt U.S. Shareholders should consult their tax advisors as to whether to file FinCEN Form 114 in respect of ownership of Shares.

Investor Tax Filings and Record Retention

The United States Department of the Treasury has adopted Treasury Regulations designed to assist the Service in identifying abusive tax shelter transactions. In general, these Treasury Regulations require investors in specified transactions (including certain shareholders in non-U.S. corporations and partners in partnerships that engage in such transactions) to satisfy certain special tax filing and record retention requirements. Significant monetary penalties may be imposed (in addition to penalties that generally may be applicable as a result of a failure to comply with applicable Treasury Regulations) for failure to comply with these tax filing and record retention rules.

These Treasury Regulations are broad in scope and it is conceivable that the Master Fund may enter into transactions that will subject the Fund and certain investors in the Fund to the special tax filing and record retention rules. The Fund and the Investment Manager intend to use reasonable efforts to obtain and provide information to investors necessary to enable investors to satisfy any tax filing and record retention requirements that may arise as a result of any transactions entered into by the Master Fund.

Reporting Under FATCA

Sections 1471 through 1474 of the Code, known as the U.S. Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such Code sections and any applicable intergovernmental agreement (“*IGA*”) or information exchange agreement and related statutes, regulations, rules and other guidance thereunder, “*FATCA*”) impose a withholding tax of 30% on (i) certain U.S. source interest, dividends and other types of income, and (ii) the gross proceeds from the sale or disposition of certain assets of a type that can produce U.S. source interest and dividends, which are received by a foreign financial institution (“*FFI*”), unless such FFI enters into an agreement with the Service, and/or complies with an applicable IGA, to obtain certain information as to the identity of the direct and indirect owners of accounts in such institution. In addition, a withholding tax may be imposed on payments to certain non-financial foreign entities that do not obtain and provide information as to their direct and indirect owners. These rules generally apply to payments of U.S. source interest, dividends and certain other types of income from U.S. sources and, after December 31, 2018, are expected to apply to payments of gross proceeds from the sale or disposition of assets of a type that can produce U.S. source interest or dividends.

The Service has released temporary and final Treasury Regulations and other guidance to implement FATCA, which contain a number of phase-in dates for FATCA compliance. In addition, the Cayman Islands has entered into a Model 1 IGA with the United States (the “*Cayman-U.S. IGA*”) and has issued the Tax Information Authority (International Tax Compliance) (United States of America) Regulations 2014, and guidance notes thereunder, each as updated from time to time.

Both the Fund and the Master Fund are likely to be considered FFIs. In order to avoid incurring U.S. withholding under FATCA, the Master Fund and the Fund each are generally required to register with the Service and to comply with the Cayman-U.S. IGA and any guidance thereunder. The Fund and the Master Fund each have registered with the Service and expect that they will be required to identify and report on certain direct and indirect U.S. owners in order to comply with the Cayman-U.S. IGA. Therefore, the Fund and the Master Fund generally do not expect to become subject to U.S. withholding under FATCA. An investor may be required to provide to the Fund information which identifies its direct and indirect ownership. Any such information provided to the Fund may ultimately be shared with the Cayman Islands Tax Information Authority (“*TIA*”) and transmitted to the Service and, potentially, certain other authorities and withholding agents, as applicable.

CAYMAN ISLANDS LEGAL, REGULATORY AND TAX MATTERS

It is the responsibility of all persons interested in purchasing Shares to inform themselves as to any tax consequences from their investing in the Fund and the Fund's operations or management, as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of Shares. Investors should therefore seek their own separate tax advice in relation to their holding of Shares and accordingly none of the Fund, the Investment Manager or the Administrator accepts any responsibility for the taxation consequences of any investment in the Fund by an investor.

Taxation of the Fund

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Fund or the shareholders. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Fund.

The Fund has received an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Fund or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of the Fund or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Fund to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Fund.

Taxation of the Master Fund

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Master Fund or the limited partners of the Master Fund (the "***Master Fund Limited Partners***"). Interest, dividends and gains payable to the Master Fund and all distributions by the Master Fund to Master Fund Limited Partners will be received free of any Cayman Islands income or withholding taxes. The Master Fund has registered as an exempted limited partnership under Cayman Islands law and the Master Fund has received an undertaking from the Governor in Cabinet of the Cayman Islands to the effect that, for a period of 50 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciations shall apply to the Master Fund or to any partner thereof in respect of the operations or assets of the Master Fund or the interest of a partner therein; and may further provide that any such taxes or any tax in the nature of estate duty or inheritance tax shall not be payable in respect of the obligations of the Master Fund or the interests of the partners therein. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Master Fund.

Cayman Islands – Automatic Exchange of Financial Account Information

The Cayman Islands has signed two inter-governmental agreements to improve international tax compliance and the exchange of information - one with the United States, the Cayman-U.S. IGA, and one with the United Kingdom (the "***Cayman-U.K. IGA***"). The Cayman Islands has also signed, along with over 80 other countries, a multilateral competent authority agreement to implement the

OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the “**CRS**” and together with the Cayman-U.S. IGA and the Cayman-U.K. IGA, “**AEOI**”).

Cayman Islands regulations were issued on 4 July 2014 to give effect to the Cayman-U.S. IGA and the Cayman-U.K. IGA, and on 16 October 2015 to give effect to the CRS (collectively, the “**AEOI Regulations**”). Pursuant to the AEOI Regulations, the TIA has published guidance notes on the application of the Cayman-U.S. IGA and Cayman-U.K. IGAs and the CRS. It is anticipated that the Cayman-U.K. IGA related regulations and relevant provisions of the guidance notes will be phased out and replaced with CRS.

All Cayman Islands “Financial Institutions” will be required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, except to the extent that they can rely on an exemption that allows them to become a “Non-Reporting Financial Institution” (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes. The Fund does not propose to rely on any reporting exemption and therefore intends to comply with the requirements of the AEOI Regulations.

The AEOI Regulations require the Fund to, amongst other things (i) register with the Service to obtain a Global Intermediary Identification Number (in the context of the Cayman-U.S. IGA only), (ii) register with the TIA, and thereby notify the TIA of its status as a “Reporting Financial Institution”; (iii) conduct due diligence on its accounts to identify whether any such accounts are considered “Reportable Accounts”, and (iv) report information on such Reportable Accounts to the TIA. The TIA will transmit the information reported to it to the overseas fiscal authority relevant to a reportable account (i.e. the Service in the case of a US Reportable Account, HMRC in the case of a UK Reportable Account, etc.) annually on an automatic basis.

By investing (or continuing to invest) in the Fund (and indirectly investing in the Master Fund), investors will be deemed to have acknowledged, and to have given their consent to, the following:

- (i) the Fund (or its agent) may be required to disclose to the TIA and withholding agents certain information (which could otherwise be deemed to be confidential) in relation to the investor or its direct or indirect owners, including the investor’s name, address, date of birth, tax identification number (if any), social security or national insurance number (if any) and certain additional information or documentation relating to the investor’s investment or identity, and the investor may be required to provide any such information or documentation;
- (ii) the TIA may be required to automatically exchange information with, among other authorities, the Service, and to provide additional information to such authorities, and the Master Fund or the Fund (or its agent) may be required to disclose certain information (including information that could otherwise be deemed to be confidential) when registering with such authorities and in response to a request by any such authority for further information;
- (iii) in the event an investor’s failure to comply with any AEOI related reporting requirements gives rise to any withholding tax or other liabilities the Fund reserves the right to ensure that any such withholding tax and or any related cost, interest, penalties and other losses or liabilities suffered by the Fund, the Master Fund, the Master Fund GP, the Administrator or any other investor, or any agent, delegate, employee, director,

officer or affiliate of any of the foregoing persons, arising from such investor's failure to provide information to the Fund, is economically borne by such investor;

- (iv) in the event an investor does not provide the information and/or documentation necessary for the Fund's (or the Master Fund's) satisfaction of its AEOI related reporting requirements, whether or not that actually leads to compliance failures by the Fund, or a risk of the Fund (or the Master Fund) or its investors being subject to U.S. withholding under FATCA or other liabilities under AEOI generally, the Fund reserves the right to take any action and/or pursue all remedies at its disposal to mitigate the consequences of the investor's failure to comply with the requirements described above, including compulsory redemption or withdrawal of the investor concerned; and
- (v) no investor affected by any such action or remedy shall have any claim against the Fund, the Master Fund, the Master Fund GP, the Administrator (or their agents, delegates, employees, directors, officers or affiliates) for any damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with AEOI.

Shareholders should consult their tax advisors as to the filing and information requirements that may be imposed on them in respect of their ownership of Shares of the Fund.

The European Union Savings Directive

On November 10, 2015, the European Council repealed the EU Council Directive 2003/48/EC of June 3, 2003 on taxation of savings income in the form of interest payments (the "**EUSD**") with effect from January 1, 2016 (January 1, 2017 in the case of Austria) in order to avoid overlap with the requirements of the CRS and other tax information reporting regimes. It is anticipated that the Cayman Islands, together with those other jurisdictions which have adopted EUSD-equivalent legislation, will also give consideration in due course to the repeal of their EUSD-equivalent legislation in the light of the introduction of the CRS regime.

Future Changes in Applicable Law

The foregoing description of U.S. and Cayman Islands income tax consequences of an investment in, and the operations of, the Fund are based on laws and Treasury Regulations that are subject to change through legislative, judicial or administrative action. There can be no assurance that the U.S. or Cayman Islands tax laws will not be changed adversely with respect to the Fund and its shareholders, or that the Fund's income tax status will not be successfully challenged by such authorities. In addition, future amendments to the Code, other legislation, new or amended Treasury Regulations, administrative rulings or decisions by the Service or judicial decisions may adversely affect the U.S. federal income tax aspects of an investment in the Fund, with or without advance notice, retroactively or prospectively.

Other Taxation

A portion of the Master Fund's investments may be made in non-U.S. jurisdictions. With respect to certain countries, there is a possibility of expropriation, confiscatory taxation and imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Fund and political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be

domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

Future Tax Legislation; Necessity of Obtaining Professional Advice

Future amendments to the Code, other legislation, new or amended Treasury Regulations, administrative rulings or decisions by the Service or judicial decisions may adversely affect the U.S. federal income tax aspects of an investment in the Fund, with or without advance notice, retroactively or prospectively. The foregoing analysis is not intended as a substitute for careful tax planning. The tax matters relating to the Fund and the Master Fund are complex and are subject to varying interpretations. There can be no assurance that the Service will agree with each position taken by the Fund or the Master Fund with respect to the tax treatment of Fund items and transactions. Moreover, the effect of existing income tax laws and of proposed changes in income tax laws on shareholders will vary with the particular circumstances of each shareholder and, in reviewing this Memorandum and any exhibits hereto, these matters should be considered.

It is the responsibility of all persons interested in purchasing Shares to inform themselves as to any tax consequences from their investing in the Fund and the Fund's operations or management, as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of Shares. Accordingly, each prospective investor should therefore consult their own advisors regarding tax treatment by the jurisdiction applicable to them in relation to their holding of Shares. Shareholders should rely only upon advice received from their own tax advisors based upon their own individual circumstances and the laws applicable to them. In no event will the Fund, the Master Fund, the Master Fund GPs, the Investment Manager, the Principal, the Directors or their principals, affiliates, counsel or other professional advisers be liable to any shareholder for any tax consequences of an investment in the Fund, whether or not such consequences are as described above.

The foregoing is a summary of some of the important tax rules and considerations affecting the shareholders, the Fund, and the Fund's proposed operations. This summary does not purport to be a complete analysis of all relevant tax rules and considerations, which will vary with the particular circumstances of each shareholder, nor does it purport to be a complete listing of all potential tax risks inherent in purchasing or holding Shares. Each prospective investor in the Fund is urged to consult its own tax advisor in order to understand fully the U.S. federal, state, local and any non-U.S. tax consequences of such an investment in its particular situation.

ERISA AND OTHER REGULATORY CONSIDERATIONS

ERISA Considerations

General

Fiduciaries and other persons who are proposing to invest in Shares on behalf of retirement plans, IRAs and other employee benefit plans (“**Plans**”) covered by the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), or the Internal Revenue Code of 1986, as amended (the “**Code**”), must give appropriate consideration to, among other things, the role that an investment in the Fund plays in the Plan’s portfolio, taking into consideration whether the investment is designed to reasonably further the Plan’s purposes, the investment’s risk and return factors, the portfolio’s composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the Plan, the projected return of the total portfolio relative to the Plan’s objectives, the limited right of shareholders to redeem all or any part of their Shares or to transfer their Shares and whether investment in the Fund constitutes a direct or indirect transaction with a party in interest (under ERISA) or a disqualified person (under the Code).

Plan Asset Regulations and Benefit Plan Investors

The United States Department of Labor (“**DOL**”) has adopted regulations that treat the assets of certain pooled investment vehicles, such as the Fund, as “plan assets” for purposes of Title I of ERISA and Section 4975 of the Code (“**Plan Assets**”). Section 3(42) of ERISA defines the term “Plan Assets” to mean plan assets as defined by such regulations as the DOL may prescribe, except that under such regulations the assets of an entity shall not be treated as Plan Assets if, immediately after the most recent acquisition of an equity interest in the entity, less than 25% of the total value of each class of equity interest in the entity is held by “Benefit Plan Investors” (the “**significant participation test**”). For purposes of this determination, the value of any equity interest held by a person (other than such a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the entity or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person, shall be disregarded. An entity shall be considered to hold Plan Assets only to the extent of the percentage of the equity interest held by Benefit Plan Investors. The term “Benefit Plan Investors” means any employee benefit plan subject to part 4 of subtitle B of Title I of ERISA (i.e., plans subject to the fiduciary provisions of ERISA), any plan to which the prohibited transaction provisions of Section 4975 of the Code apply (e.g., IRAs), and any entity whose underlying assets include Plan Assets by reason of a plan’s investment in such entity (a “**Plan Asset Entity**”).

In order to prevent the assets of the Master Fund from being considered Plan Assets under ERISA, it is the intention of the Master Fund to monitor the investments in the Master Fund and prohibit the acquisition, withdrawal or transfer of any limited partner interests of the Master Fund by any investor, including a Benefit Plan Investor, unless, after giving effect to such an acquisition, withdrawal or transfer, the total proportion of limited partner interests of each class of the Master Fund owned by Benefit Plan Investors would be less than 25% of the aggregate value of that class of limited partner interests (determined, as described above, by excluding certain limited partner interests held by the Master Fund GP, other fiduciaries and affiliates).

Without limiting the generality of the foregoing, in order to limit equity participation in any class of limited partner interests of the Master Fund by Benefit Plan Investors to less than 25%, the Fund may require the compulsory redemption of Shares. Each shareholder that is an insurance company acting on behalf of its general account or a Plan Asset Entity will be required to represent and

warrant as of the date it acquires Shares the maximum percentage of such general account or Plan Asset Entity (as reasonably determined by such insurance company or Plan Asset Entity) that will constitute Plan Assets (the “**Maximum Percentage**”) so such percentage can be calculated in determining the percentage of Plan Assets invested in the Master Fund. Further, each such insurance company and Plan Asset Entity will be required to covenant that if, after its initial acquisition of Shares, the Maximum Percentage is exceeded at any time, then such insurance company or Plan Asset Entity shall immediately notify the Fund of that occurrence and shall, if and as directed by the Fund, in a manner consistent with the restrictions on transfer set forth herein, redeem or dispose of some or all of the Shares held in its general account or Plan Asset Entity.

It is anticipated that investment in the Fund by benefit plan investors may be “significant” for purposes of the regulations. In such event, the underlying assets of the Fund would be deemed to constitute “plan assets” for purposes of ERISA. As a general rule, if the assets of the Fund were regarded as “plan assets” of a benefit plan investor, the Investment Manager would be deemed a fiduciary with respect to each Plan investing in the Fund. However, the Investment Manager believes that, given the limited purpose and role of the Fund and given the requirement that the Investment Manager follow the directions of the fiduciaries of each benefit plan investor investing in the Fund, as set forth in each such investor’s subscription agreement, with respect to the investment by the Fund in the Master Fund, neither the Investment Manager nor any other entity providing services to the Fund would be exercising any discretionary authority or control with respect to the Fund. Accordingly, the Investment Manager believes that neither the Investment Manager nor any other entity providing services to the Fund will act as a fiduciary (as defined in Section 3(21) of ERISA) with respect to the assets of the Fund or any benefit plan investor. Rather, the Investment Manager believes that, given the limited purpose and role of the Fund and given the requirement that the Investment Manager follow the directions of the fiduciaries of each benefit plan investor investing in the Fund, as set forth in each such investor’s subscription agreement, with respect to the investment by the Fund in the Master Fund, the fiduciary of each such benefit plan investor has retained the fiduciary authority and responsibility with respect to the investor’s initial and continuing investment in the Fund as though the benefit plan investor is investing directly in the Master Fund.

Representation by Plans

The fiduciaries of each Plan proposing to invest in the Fund will be required to represent that they have been informed of and understand the Fund’s investment objectives, policies and strategies and that the decision to invest Plan Assets in the Fund is consistent with the provisions of ERISA and/or the Code that require diversification of Plan Assets and impose other fiduciary responsibilities. By its purchase, each investor will be deemed to have represented that either (a) it is not a Plan that is subject to the prohibited transaction rules of ERISA or the Code, (b) it is not an entity whose assets include Plan Assets or (c) its investment in the Fund will not constitute a non-exempt prohibited transaction under ERISA or the Code.

In addition, each Plan proposing to invest in the Fund will be required to represent that, in connection with its decision to invest in the Fund, it is and will remain represented by a party independent of the Master Fund GP, the Investment Manager and each of their affiliates and employees and such party (A) is described in 29 CFR §2510.3-21(c)(1)(i); (B) is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies; (C) acknowledges that it has been informed that none of the Master Fund GP, the Investment Manager or any of their affiliates or employees is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the Plan’s investment in the Fund; and (D) is acting as a fiduciary under ERISA with respect to the Plan’s investment in the

Fund and is responsible for exercising independent judgment in evaluating such investment. If a Plan cannot make the representations set forth in the preceding sentence, it must contact the Investment Manager and its subscription will not be accepted unless specifically agreed to by the Investment Manager.

Ineligible Purchasers

Limited partner interests may not be purchased with Plan Assets if the Investment Manager, any selling agent, finder, any of their respective affiliates or any of their respective employees: (a) has investment discretion with respect to the investment of such Plan Assets; (b) has authority or responsibility to give or regularly gives investment advice with respect to such Plan Assets, for a fee, and pursuant to an agreement or understanding that such advice will serve as a primary basis for investment decisions with respect to such Plan Assets and that such advice will be based on the particular investment needs of the Plan; or (c) is an employer maintaining or contributing to such Plan. A party that is described in clause (a) or (b) of the preceding sentence is a fiduciary under ERISA and the Code with respect to the Plan, and any such purchase might result in a “prohibited transaction” under ERISA and the Code.

Plans’ Reporting Obligations

The information contained herein and in the other documentation provided to investors in connection with an investment in the Fund is intended to satisfy the alternative reporting option for “eligible indirect compensation” on Schedule C of the Form 5500, in addition to the other purposes for which such documents were created.

Whether or not the underlying assets of the Fund are deemed Plan Assets, an investment in the Fund by a Plan is subject to ERISA and the Code. Accordingly, Plan fiduciaries should consult their own counsel as to the consequences under ERISA and the Code of an investment in the Fund. Note that similar laws governing the investment and management of the assets of governmental or non-U.S. plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code. Accordingly, fiduciaries of such governmental or non-U.S. plans, in consultation with their counsel, should consider the impact of their respective laws and regulations on an investment in the Fund.

Other Regulatory Matters

Securities Act of 1933

Shares will not be registered under the U.S. Securities Act of 1933, as amended, any state “blue sky” laws or the securities laws of any other jurisdiction. Shares may be offered privately (i) outside the United States of America, its territories or possessions or areas subject to its jurisdiction (the “United States”), or to or for the benefit of an investor that is not a United States Person, only in accordance with relevant laws of the jurisdiction where the offer is made or (ii) within the United States or to a United States Person only in a transaction that does not require the registration of the Shares or the Fund under applicable U.S. federal or state securities laws.

Investment Company Act of 1940

The Fund is exempt from the provisions of the U.S. Investment Company Act of 1940, as amended, pursuant to the exemption contained in Section 3(c)(7) thereunder.

Investment Adviser Registration

The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission under the U.S. Investment Advisers Act of 1940, as amended.

Commodity Exchange Act

Neither the Master Fund GP nor the Investment Manager is required to register as a commodity pool operator (“**CPO**”) or commodity trading advisor under the U.S. Commodity Exchange Act and each has filed a notice of claim effectuating exemption. As such, the Master Fund GP and the Investment Manager will operate the Fund and the Master Fund pursuant to such exemption. Unlike a registered CPO, the Master Fund GP and the Investment Manager are not required to deliver a disclosure document and a certified annual report to participants in the Fund. Among other things, the exemption requires the Master Fund GP and the Investment Manager to file a claim of exemption with the National Futures Association. The Investment Manager qualifies for an exemption from registration with the CFTC as a commodity trading adviser pursuant to CFTC Rule 4.14(a)(8).

Cayman Islands Mutual Fund Law

The Fund and the Master Fund are regulated under the Mutual Funds Law (2015 Revision) of the Cayman Islands (“**Mutual Funds Law**”). The Cayman Islands Monetary Authority (the “**Authority**”) has supervisory and enforcement powers to ensure compliance with the Mutual Funds Law. Regulation under the Mutual Funds Law entails the filing of prescribed details and audited accounts annually with the Authority. As a regulated mutual fund, the Authority may at any time instruct the Fund or the Master Fund to have its or their accounts audited and to submit them to the Authority within such time as the Authority specifies. Failure to comply with these requests by the Authority may result in substantial fines on the part of the directors of the Fund or the Master Fund, as applicable, and may result in the Authority applying to the court to have the Fund or the Master Fund wound up.

Neither the Fund nor the Master Fund are, however, subject to supervision in respect of their investment activities or the constitution of the Master Fund’s portfolio by the Authority or any other governmental authority in the Cayman Islands, although the Authority does have power to investigate the activities of the Fund and the Master Fund in certain circumstances. Neither the Authority nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands.

The Authority may take certain actions if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include the power to require the substitution of the directors of the Fund or the Master Fund, to appoint a person to advise the Fund or the Master Fund on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Fund or the Master Fund, as the case may be. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

Anti-Money Laundering Regulations

Cayman Islands

In order to comply with legislation or regulations aimed at the prevention of money laundering the Fund is required to adopt and maintain anti-money laundering procedures, and may require subscribers to provide evidence to verify their identity and source of funds. Where permitted, and subject to certain conditions, the Fund may also delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

The Fund, and the Administrator on the Fund's behalf, reserve the right to request such information as is necessary to verify the identity of a shareholder (i.e. a subscriber or a transferee) and the identity of their beneficial owners/controllers (where applicable). Where the circumstances permit, the Fund, or the Administrator on the Fund's behalf, may be satisfied that full due diligence may not be required at subscription where an exemption applies under the Anti-Money Laundering Regulations, 2017 of the Cayman Islands, as amended and revised from time to time or any other applicable law. However, detailed verification information may be required prior to the payment of any proceeds from or any transfer of an interest in Shares. Depending on the circumstances of each application, a detailed verification of identity might not be required where:

- (a) the subscriber makes the payment for their investment from an account held in the subscriber's name at a recognized financial institution and redemptions/dividends are repaid directly to the subscriber; or
- (b) the subscriber is regulated by a recognized regulatory authority or listed on a recognized stock exchange (or is a subsidiary of either) and is based or incorporated in, or formed under the law of, a recognized jurisdiction; or
- (c) the application is made through an intermediary which is regulated by a recognized regulatory authority and is based in or incorporated in, or formed under the law of a recognized jurisdiction and an assurance is provided in relation to the procedures undertaken on the underlying investors.

For the purposes of these exceptions, recognition of a financial institution, regulatory authority, stock exchange or jurisdiction will be determined in accordance with the Money Laundering Regulations by reference to those jurisdictions recognized by the Cayman Islands Monetary Authority as having equivalent anti-money laundering regulations to the Cayman Islands.

In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes, the Fund, or the Administrator on the Fund's behalf, may refuse to accept the application, in which case any funds received will be returned without interest to the account from which they were originally debited.

The Fund, and the Administrator on the Fund's behalf, also reserve the right to refuse to make any redemption or dividend payment to a shareholder if the Directors or the Administrator suspect or are advised that the payment of redemption or dividend proceeds to such shareholder may be non-compliant with applicable laws or regulations, or if such refusal is considered necessary or appropriate to ensure the compliance by the Fund or the Administrator with any applicable laws or regulations.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Law, 2016 Revision of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the Financial Reporting Authority, pursuant to the Terrorism Law (2015 Revision) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

As a regulated mutual fund in the Cayman Islands, the Master Fund is also subject to the same legislation and regulations aimed at the prevention of money laundering that are applicable to the Fund. The Master Fund will discharge its obligations by implementing procedures substantially similar to the Fund.

Requests for Information

The Fund and the Master Fund, or any of its or their directors or agents domiciled in the Cayman Islands, may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g. by the Cayman Islands Monetary Authority, either for itself or for a recognized overseas regulatory authority, under the Monetary Authority Law (2016 Revision), or by the Tax Information Authority, under the Tax Information Authority Law (2017 Revision) or Reporting of Savings Income information (European Union) Law (2014 Revision) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Fund, the Master Fund and any of its or their directors or agents, may be prohibited from disclosing that the request has been made.

United States

All subscriptions for Shares will be subject to applicable anti-money laundering regulations. Investors will be required to comply with such anti-money laundering procedures as are required by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001 (Pub. L. No. 107-56).

As part of the Fund's responsibility to comply with regulations aimed at the prevention of money laundering, the Fund or its delegate may require verification of identity from all prospective investors. Depending on the circumstances of each subscription, it may not be necessary to obtain full documentary evidence of identity.

The Fund reserves the right to request such information as is necessary to verify the identity of a prospective investor. The Fund also reserves the right to request such identification evidence in respect of a transferee of Shares. In the event of delay or failure by the prospective investor or transferee to produce any information required for verification purposes, the Fund may refuse to accept the application or (as the case may be) to register the relevant transfer and (in the case of a subscription of Shares) any funds received will be returned without interest to the account from which the monies were originally debited.

The Fund also reserves the right to refuse to make any redemption payment or distribution to a shareholder, if the Fund suspects or is advised that the payment of any redemption or distribution moneys to such shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Fund and the Investment Manager with any such laws or regulations in any relevant jurisdiction.

Beneficial Ownership Regime

The Fund is regulated as a mutual fund under the Mutual Funds Law and, accordingly, does not fall within the scope of the primary obligations under Part XVIIA of the Companies Law (the “**Beneficial Ownership Regime**”). The Fund is therefore not required to maintain a beneficial ownership register. The Fund may, however, be required from time to time to provide, on request, certain particulars to other Cayman Islands entities which are within the scope of the Beneficial Ownership Regime and which are therefore required to maintain beneficial ownership registers under the Beneficial Ownership Regime. It is anticipated that such particulars will generally be limited to the identity and certain related particulars of (i) any person holding (or controlling through a joint arrangement) a majority of the voting rights in respect of the Fund; (ii) any person who is a member of the Fund and who has the right to appoint and remove a majority of the board of directors of the Fund; and (iii) any person who has the right to exercise, or actually exercises, dominant direct influence or control over the Fund.

Legal Implications of Investment in the Fund

The Fund is incorporated under the laws of the Cayman Islands and has its registered office in the Cayman Islands. In summary, the main Cayman Islands legal implications of investing in the Fund are as follows:

- (a) by submitting the Subscription Documents to the Administrator, the prospective investor makes an offer to subscribe for the Shares which, once accepted by the Fund, has the effect of a binding contract. The terms of such contract are governed by the Subscription Documents (read together with the Memorandum);
- (b) upon the issue of the Shares, such prospective investor becomes a shareholder of the Fund, and the Articles of Association of the Fund take effect as a contract between the shareholders and the Fund by operation of law;
- (c) the Articles of Association may only be amended by way of a special resolution in accordance with the Cayman Islands Companies Law (as amended);
- (d) subject to any separate contractual arrangements agreed to by a shareholder with the Fund and the indemnity provisions of the Subscription Documents, a shareholder’s liability to the Fund will generally be limited to the amount, if any, unpaid on the Shares held by such shareholder;
- (e) the Articles of Association are governed by, and construed in accordance with, the laws of the Cayman Islands. The Subscription Documents are expressed to be governed by, and construed in accordance with, the laws of the Cayman Islands;
- (f) the rights and restrictions that apply to a shareholder’s Shares may be modified and/or additional terms agreed by way of side letters (subject to such terms being consistent with the

Articles of Association). As a matter of Cayman Islands law, side letters may not contravene the terms of the Articles of Association or Cayman Islands law generally; and

- (g) although there is no statutory enforcement in the Cayman Islands of judgments obtained in a foreign jurisdiction (other than judgments rendered by an Australian superior court which may be enforced under the Cayman Islands Foreign Judgments Reciprocal Enforcement Law (1996 Revision)), a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment satisfies certain criteria.

Appendix A

Definition of “United States Person”

For purposes of the applicable prohibitions against ownership and transfer of Shares of the Fund, the term “*United States Person*” and “*U.S. Person*” means:

- (1) a resident or citizen of the United States;
- (2) a partnership or corporation organized under the laws of the United States;
- (3) any entity not organized under the laws of the United States:
 - (a) that has its principal office or place of business in the United States; or
 - (b)
 - (i) in which citizens or residents of or entities organized under the laws of or existing in the United States directly or indirectly hold in the aggregate 50% or more of the beneficial interests; and
 - (ii) that will own directly or indirectly, either alone or together with affiliated persons, an aggregate of more than 9.9% of the Fund’s outstanding Shares; or
 - (c)
 - (i) that is organized principally for passive investment (such as an investment company, a commodity pool or other similar vehicle); and
 - (ii)
 - (A) in which the amount of units of participation held by United States Persons (other than “qualified eligible participants” as defined in Rule 4.7(a)(2) under the United States Commodity Exchange Act) represents in the aggregate 10% or more of the beneficial interest in the entity;
 - (B) that was formed for the purpose of facilitating investment by United States Persons in the Fund, or in any other commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non-United States Persons; or
 - (C) that was formed by United States Persons principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended, unless it is formed and owned by “accredited investors” (as defined in Rule 501(a) under the Securities Act of 1933, as amended) who are not natural persons, estates or trusts;
- (4) an estate or trust:
 - (a) of which an executor, administrator or trustee is a United States Person, unless:
 - (i) an executor, administrator or trustee who is not a United States Person has sole or shared investment discretion with respect to the assets of the estate or trust; and
 - (ii)
 - (A) in the case of an estate, it is governed by non-U.S. law; or

- (B) in the case of a trust, no beneficiary (and no settlor if the trust is revocable) is a United States Person; or
- (b) the income of which is subject to United States income tax regardless of source;
- (5) any agency or branch of a foreign entity located in the United States;
- (6) any non-discretionary account or similar account (other than an estate or trust) held for the benefit or account of one or more United States Persons; and
- (7) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States, unless it is held by a dealer or other professional fiduciary exclusively for the benefit or account of one or more non-United States Persons.

For purposes of the foregoing, the term “*United States*” or “*U.S.*” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia. Persons requiring details regarding other terms used in the foregoing definition (such as “qualified eligible participant” and “accredited investor”) should contact the Fund or the Administrator.

Memorandum Number _____

Confidential Private Placement Memorandum

Series A Interests
Series B Interests
Series C Interests
in

Highland Argentina Regional Opportunity Fund, L.P.

General Partner

Highland Argentina Regional Opportunity Fund GP, LLC

Investment Manager

Highland Capital Management Latin America, L.P.

March 2019

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NOTICE

This Confidential Private Placement Memorandum (this “**Memorandum**”) is being furnished on a confidential basis solely to selected qualified investors considering the purchase of limited partner interests (the “**Interests**”) in Highland Argentina Regional Opportunity Fund, L.P. (the “**Fund**”). This Memorandum is not to be reproduced or distributed to others, at any time, without the prior written consent of Highland Argentina Regional Opportunity Fund GP, LLC (the “**General Partner**”). Each recipient agrees to keep confidential all information contained herein not already in the public domain and will use this Memorandum for the sole purpose of evaluating a possible investment in the Fund. Notwithstanding anything herein to the contrary, each investor (and each employee, representative, or other agent of the investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of an investment in the Fund and all materials of any kind (including opinions or other tax analyses) that are provided to the investor relating to such tax treatment and tax structure. Acceptance of this Memorandum by prospective investors constitutes an agreement to be bound by the foregoing terms.

Prospective investors should not construe the contents of this Memorandum as legal, tax or financial advice. Each prospective investor should consult its own professional advisors as to the legal, financial, tax, ERISA (as defined herein) or other matters relevant to the suitability of an investment in the Fund for such investor.

In making an investment decision, investors must rely on their own examination of the Fund and the terms of the offering contemplated by this Memorandum. The Interests have not been recommended by any U.S. federal or state, or any non-U.S., securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

The Interests have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any of the states of the United States. The offering and any potential sale contemplated by this Memorandum will be made in reliance upon an exemption from the registration requirements of the Securities Act for offers and sales of securities which do not involve any public offering and analogous exemptions under state securities laws. There will be no public market for the Interests, and there is no obligation on the part of any person to register the Interests under the Securities Act or any state securities laws.

The Fund has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”), since Interests will only be sold to persons who are “qualified purchasers,” as defined in the Investment Company Act.

Each subscriber for an Interest will be required to certify that it is an “accredited investor” as defined in Regulation D under the Securities Act and a “qualified purchaser,” as defined in the Investment Company Act.

Pursuant to an exemption from the Commodity Futures Trading Commission (the “**CFTC**”), Highland Capital Management Latin America, L.P., the investment manager to the Fund (the “**Investment Manager**”), is not registered with the CFTC as a commodity pool operator (“**CPO**”) and therefore, unlike a registered CPO, is not required to deliver a disclosure document or a certified annual report to participants in this pool. Among other things, the exemption requires the filing of a claim of exemption with the National Futures Association. It is also required that at all times either: (a) the

aggregate initial margin and premiums required to establish commodity interest positions does not exceed 5% of the liquidation value of the Fund's portfolio; or (b) the aggregate net notional value of the Fund's commodity interest positions does not exceed 100% of the liquidation value of the Fund's portfolio and further that all pool participants are required to be accredited investors or certain other qualified investors. The Investment Manager qualifies for an exemption from registration as a commodity trading advisor pursuant to CFTC Rule 4.14(a)(8).

Interests are suitable only for sophisticated investors who do not require immediate liquidity for their investments, for whom an investment in the Fund does not constitute a complete investment program and who fully understand and are willing to assume the risks involved in the Fund's investment program. The Fund's investment practices, by their nature, may be considered to involve a substantial degree of risk. See "*Risk Factors and Potential Conflicts of Interest*." No assurance can be given that the Fund's investment objectives will be achieved or that investors will receive a return of their capital.

The Interests are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and any applicable state or other securities laws, pursuant to registration or an exemption therefrom. The transferability of the Interests will be further restricted by the terms of the limited partnership agreement of the Fund, as amended (the "**Partnership Agreement**"). Investors should be aware that they will be required to bear the financial risks of an investment in the Interests for an extended period of time.

This Memorandum does not constitute an offer to sell, or the solicitation of an offer to buy, any Interests in any state or other jurisdiction where, or to or from any person to or from whom, such offer or solicitation is unlawful or not authorized.

No person has been authorized to give any information or to make any representation concerning the Fund or the offering of the Interests other than the information contained in this Memorandum and, if given or made, such information or representation must not be relied upon as having been authorized by the Fund or the General Partner.

The Interests are offered subject to the right of the General Partner to reject any subscription in whole or in part.

This Memorandum is intended solely for the use of the person to whom it has been delivered by the General Partner or its authorized representative for the purpose of evaluating a possible investment by the recipient in the Interests described herein, and is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Memorandum from the General Partner or its authorized representative).

This Memorandum does not purport to be, and should not be construed as, a complete description of the Partnership Agreement or the investment management agreement by and among the Investment Manager, the General Partner, the Master Fund, the Offshore Fund (each as defined below) and the Fund (the "**Investment Management Agreement**"). Each prospective investor in the Fund is encouraged to review the Partnership Agreement carefully, in addition to consulting appropriate legal and tax advisors. To the extent of any inconsistency between this Memorandum and the Partnership Agreement, the terms of the Partnership Agreement shall control.

The delivery of this Memorandum does not, under any circumstances, create any implication that there has been no change in the circumstances affecting the Fund or Highland Argentina Regional

Opportunity Master Fund, L.P. (the “**Master Fund**”) since the date hereof. An amended or updated Memorandum will be provided to reflect any material changes to the information contained herein.

Certain information contained in this Memorandum constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those described in “*Risk Factors and Potential Conflicts of Interest*,” actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

All references herein to “\$” refer to U.S. dollars. Except as the context otherwise requires, references to the term “Fund” in this Memorandum shall be deemed to include the Master Fund.

DIRECTORY

General Partner	Highland Argentina Regional Opportunity Fund GP, LLC 300 Crescent Court, Suite 700 Dallas, TX 75201
Investment Manager	Highland Capital Management Latin America, L.P. c/o Highland Capital Management, L.P. 300 Crescent Court, Suite 700 Dallas, TX 75201
Administrator	MUFG Fund Services (Cayman) Limited 2nd Floor, Strathvale House 90 North Church Street P.O. Box 609 Grand Cayman KY1-1107 Cayman Islands
Auditor	PricewaterhouseCoopers LLP 5 th Floor Strathvale House P.O. Box 258 Grand Cayman KY1-1104 Cayman Islands
Prime Brokers	Société Générale 440 S. LaSalle St., Suite 2400 Chicago, IL 60605 BNP Paribas Prime Brokerage, Inc. 787 Seventh Avenue The Equitable Tower New York, NY 10019
Legal Counsel	<i>In the United States:</i> Akin Gump Strauss Hauer & Feld LLP 1700 Pacific Avenue Suite 4100 Dallas, TX 75201

EXECUTIVE SUMMARY

Highland Argentina Regional Opportunity Fund, L.P., a Delaware limited partnership (the “**Fund**”), seeks to maximize the total return of its assets through capital appreciation by investing all of its investable assets in Highland Argentina Regional Opportunity Master Fund, L.P., a Cayman Islands exempted limited partnership (the “**Master Fund**”), which intends to hold primarily a portfolio of investments in securities of Latin American corporate and sovereign issuers as well as non-Latin American issuers that derive a portion of their revenues from business activities in Latin America, in each case with a primary focus on Argentina.

Highland Argentina Regional Opportunity Fund GP, LLC, a Delaware limited liability company (the “**General Partner**”), acts as general partner of the Fund and the Master Fund and is registered as a foreign company in the Cayman Islands. Highland Capital Management Latin America, L.P., a Cayman Islands exempted limited partnership (the “**Investment Manager**” and, together with its affiliates, shareholders, directors, members, partners, officers and employees, the “**Advisory Parties**”), serves as investment manager to the Fund, the Offshore Fund (as defined below) and the Master Fund and manages the Master Fund’s investment program. Each of the General Partner and the Investment Manager is ultimately controlled by James D. Dondero (the “**Principal**”).

In order to facilitate investments by non-U.S. and certain U.S. tax-exempt investors, the Investment Manager and its affiliates recently assumed the management of an existing investment fund, Highland Argentina Regional Opportunity Fund, Ltd., a Cayman Islands exempted company (the “**Offshore Fund**” and, together with the Fund, the “**Feeder Funds**”). The Feeder Funds will place all of their investable assets in, and conduct all of their investment and trading activities in parallel through, the Master Fund. References in this Memorandum to the Fund shall include the Master Fund, unless otherwise specified or the context so requires.

The Fund (but not the Master Fund) is seeking subscriptions from investors who qualify as both “accredited investors” and “qualified purchasers” (each as defined in the Fund’s subscription materials). The minimum initial investment is \$500,000, and thereafter, the minimum subsequent investment is \$500,000, although, in each case, the Fund may accept investments in a lesser amount, but no less than \$100,000 with respect to Series B Interests. The Fund generally accepts subscriptions on the first day of each calendar month. A subscriber admitted to the Fund as a limited partner (each, a “**Limited Partner**”) will receive, in exchange for its initial capital contribution and any subsequent capital contribution, a limited partner interest representing a proportionate share of the net assets of the Fund at that time.

The Fund intends to issue multiple series of limited partner interests (“**Interests**”) over time. Not all series of Interests will be available for subscription at the same time and the terms among the series of Interests will vary. The Fund is currently offering Series A Interests, Series B Interests and Series C Interests pursuant to this Memorandum.

For its services to the Master Fund, the Investment Manager is generally entitled to a management fee (the “**Management Fee**”), which is calculated monthly and paid quarterly in arrears at the Master Fund level. The Management Fee is calculated at an annual rate of (i) 1.75% of each Limited Partner’s capital account that is attributable to a Series A Interest, (ii) 1.25% of each Limited Partner’s capital account that is attributable to a Series B Interest, and (iii) 1.00% of each Limited Partner’s capital account that is attributable to a Series C Interest.

In addition, the Investment Manager, in its capacity as the special limited partner of the Master Fund (the “***Special Limited Partner***”), is entitled to a quarterly performance-based profits allocation (the “***Performance Allocation***”) at the end of each fiscal quarter. The Performance Allocation is calculated and allocated at the Master Fund level, but is effectively equal to (i) 20.0% of the amount by which the net asset value of each Series A Interest on the last day of a fiscal quarter exceeds the “high water mark” for such Series A Interest, if any, (ii) 17.5% of the amount by which the net asset value of each Series B Interest on the last day of a fiscal quarter exceeds the “high water mark” for such Series B Interest, if any, and (iii) 15.0% of the amount by which the net asset value of each Series C Interest on the last day of a fiscal quarter exceeds the “high water mark” for such Series C Interest, if any.

Subject to a one-year “soft lock-up” with an early withdrawal reduction attributable to Series B Interests only and a two-year “soft lock-up” with an early withdrawal reduction attributable to Series C Interests only, a Limited Partner is generally permitted to withdraw all or a portion of its Interest on 30 calendar days’ prior written notice on the last business day of each calendar month. Withdrawals may be subject to reserves for contingencies and suspension restrictions as discussed further in this Memorandum.

The Fund may agree with certain Limited Partners to a variation of the terms set forth in this Memorandum or establish additional series of Interests that have terms that differ from those described herein, including, without limitation, different management fees, performance allocations and withdrawal rights.

INVESTMENT PROGRAM

INVESTMENT OBJECTIVE

The investment objective of the Fund is to maximize the total return of its assets through capital appreciation by investing all of its investable assets in the Master Fund, which intends to hold primarily a portfolio of investments in securities of Latin American corporate and sovereign issuers as well as non-Latin American issuers that derive a portion of their revenues from business activities in Latin America, in each case with a primary focus on Argentina, and that the Investment Manager believes would provide profitable investment opportunities for the Master Fund. The Master Fund will invest in a single portfolio of assets and does not currently intend to have a separate portfolio of assets for each of its series, each of which will correspond to a series of limited partner interests in the Fund.

INVESTMENT STRATEGY

The Master Fund is a multi-strategy investment fund and there is no limit on the investment strategies that may be utilized. The Investment Manager believes that focusing on a multi-strategy approach will enable the Master Fund to enhance results by compounding returns generated by each strategy and at the same time have the needed flexibility to adjust to potentially changing regulations and market conditions.

The Investment Manager will be focused on identifying assets that are mispriced against similar assets and/or against the Investment Manager's expectations for assets' fair values and market movements, special situations, such as mergers, financial restructurings, hostile takeovers, or leveraged buy-outs. There is no set allocation among these and any other strategies that the Investment Manager may use.

The Master Fund may hold long and short positions in a wide range of liquid or illiquid fixed income securities including, but not limited to, sovereign and private debt, distressed debt, secured and unsecured debt, structured debt, loans, asset-backed securities and collateralized debt obligations. Furthermore, the Master Fund may invest, both long and short, in a wide range of liquid or illiquid equity-related instruments including, but not limited to, equities, convertible bonds, options, equity-linked notes, preferred shares and warrants, whether or not listed or traded on one or more exchanges.

The Master Fund may hold any of these positions indirectly by entering into swaps, options, futures, forward contracts or similar derivative transactions.

The Master Fund may hold both U.S. dollar and non-U.S. dollar denominated securities.

The Master Fund may leverage its investment portfolio by up to 100% of the Master Fund's net asset value (calculated at the time of investment) by borrowing for investment purposes and by using leverage techniques and products. It is anticipated that by doing so the performance of the Master Fund will be enhanced. While the use of the leverage may improve the return on invested capital, leverage may also significantly increase the impact of adverse movement in the value of the Master Fund.

The Master Fund may also utilize hedging strategies in order to maximize returns and reduce the risk to principal or the volatility associated with its holdings. As part of these hedging strategies, the Master Fund may hedge any of its investments with long or short positions in any financial instrument, which the Investment Manager deems appropriate. The Master Fund may utilize U.S. and European securities for hedging purposes.

The Master Fund may invest through one or more subsidiaries established in an appropriate jurisdiction in order to take advantage of applicable tax treaties or increase the tax efficiency of the Master Fund's investments, or in such other circumstances as the General Partner, in its capacity as the general partner of the Master Fund, following consultation with the Investment Manager, deem appropriate, including compliance with local investment laws.

The Master Fund may maintain assets in cash or cash equivalent instruments, money market funds, repurchase agreements, or other cash management vehicles pending investment, for defensive purposes, to fund withdrawals requested by the limited partners of the Master Fund or otherwise at the discretion of the Investment Manager. The Master Fund may hold with no limitation U.S. and European AAA fixed income securities for defensive purposes.

INVESTMENT RESTRICTIONS

In deploying the investment strategy, the Master Fund will observe the following investment restrictions. The Master Fund will not at the time of investment:

1. Invest more than 50 percent of its gross assets in its net holdings of equities;
 2. Borrow more than 100 percent of its net assets;
 3. Invest more than 20 percent of its gross assets in a single equity position;
 4. Invest more than 20 percent of its gross assets in a single corporate issuer position;
 5. Invest more than 30 percent of its gross assets in a single GDP-linked warrant position; and
 6. Invest more than 30 percent of its gross assets in a single sovereign issuer security position;
- and
7. Invest more than 30 percent of its gross assets in a single provincial issuer.

If a percentage limitation on investment or use of assets set forth above is adhered to at the time a transaction is effected, later changes in percentage resulting from changing values will not be considered a violation.

In the event that the Investment Manager discovers that a violation of any of the Master Fund's investment limitations has occurred (the date of such discovery being the "**Discovery Date**"), the Investment Manager shall inform the limited partners of the Master Fund, including the Fund, who shall: (i) notify each of their limited partners or shareholders, as applicable, in writing within 30 business days after the Discovery Date of the nature of the violation, the steps taken, or to be taken, to remedy the violation and the reason the violation occurred and (ii) use reasonable commercial efforts to cause the Investment Manager to remedy such violation within 90 business days after the Discovery Date (the "**Remedy Date**"). If such violation has not been remedied on or before the Remedy Date, the limited partners of the Master Fund, including the Fund, shall: (i) notify each of their limited partners or shareholders, as applicable, in writing, 30 business days after the Remedy Date, of the steps taken to remedy the violation and the reason that the violation has not been remedied by the Remedy Date (the "**Remedy Notice**") and (ii) use reasonable commercial efforts to cause the Master Fund's portfolio to be examined by an independent auditor other than PricewaterhouseCoopers LLP and shall request that such independent auditor issue a report to the investors in each of the Master Fund's limited partners as to its

concurrence or disagreement with the statements in the Remedy Notice. The Investment Manager shall pay for the costs of such audit and the costs of the Remedy Notice if the violation that was the subject of the Remedy Notice occurred as a result of the Investment Manager's willful misfeasance, bad faith or gross negligence. In addition, the failure to remedy the violation in a timely manner may give rise to special withdrawal rights. See “*Summary of Terms – Withdrawals; Lock-Ups.*”

DISTRIBUTION POLICY

The Fund’s objective is to maximize capital appreciation and accordingly it is not envisaged that any income or gains derived from the investments made by the Master Fund will be distributed by way of dividend. This does not preclude the General Partner from declaring a dividend at any time in the future if it considers it appropriate to do so. To the extent that a dividend may be declared, it will be paid in compliance with any applicable laws.

The investment objectives and strategies summarized herein represent the Investment Manager’s current intentions. Depending on conditions and trends in the securities markets and the economy in general, the Investment Manager may pursue any strategies, employ any investment techniques or purchase any type of security that it considers appropriate, whether or not described in this section, subject to any applicable law or regulation. The discussion herein includes and is based upon numerous assumptions and opinions of the Investment Manager concerning world financial markets and other matters, the accuracy of which cannot be assured. There can be no assurance that the investment strategy of the Master Fund will achieve the intended investment objective. The Master Fund’s investment program is speculative and involves a high degree of risk, including, without limitation, the risk of loss of the entire amount invested.

MANAGEMENT AND ADMINISTRATION

The General Partner and the Investment Manager

Highland Argentina Regional Opportunity Fund GP, LLC, a Delaware limited liability company (the “**General Partner**”), acts as the general partner of the Fund and the Master Fund and is registered as a foreign company in the Cayman Islands.

Highland Capital Management Latin America, L.P., a Cayman Islands exempted limited partnership (the “**Investment Manager**”), serves as the investment manager of the Fund, the Offshore Fund and the Master Fund and has responsibility for the Master Fund’s investment program.

Each of the General Partner and the Investment Manager is ultimately controlled by James D. Dondero (the “**Principal**”).

The Investment Management Agreement

The Investment Manager was appointed as the investment manager to the Fund, the Offshore Fund and the Master Fund pursuant to an investment management agreement (the “**Investment Management Agreement**”). Under the Investment Management Agreement, the Investment Manager has full discretion to invest the assets of the Master Fund in pursuit of the investment objective and strategy described in this Memorandum. For its services, the Investment Manager is entitled to the Management Fee, as well as reimbursement for any Feeder Fund or Master Fund expenses incurred by the Investment Manager.

The Investment Management Agreement provides that, in the absence of gross negligence, willful misconduct or fraud, each of the Investment Manager, its members, shareholders, partners, managers, directors, any person who controls the Investment Manager, each of the respective affiliates of the foregoing, and each of their respective executors, heirs, assigns, successors and other legal representatives, will be indemnified by the Fund, the Offshore Fund and/or the Master Fund, to the extent permitted by law, against any loss or liability incurred by any of such persons in performing their duties under the Investment Management Agreement.

Services Agreement

The Investment Manager engaged Highland Latin America Consulting, Ltd., a Cayman Islands exempted company and a wholly-owned subsidiary of the Investment Manager (“**Highland Latin America**”), pursuant to a services agreement (the “**Services Agreement**”) to provide certain administrative and consulting services to the Investment Manager related to its management of the Fund, the Offshore Fund and the Master Fund, including back- and middle-office services; credit analysis; investment vehicle management; valuation; execution and documentation; marketing; reporting; administrative services; and other ancillary services.

The Services Agreement provides that in the absence of bad faith, gross negligence, fraud or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment), the Investment Manager will, to the extent permitted by law, indemnify and hold harmless Highland Latin America, any of its affiliates, and any of their respective managers, members, principals, partners, directors, officers, shareholders, employees and agents against any and all claims, demands, liabilities, costs, expenses, damages, losses, suits, proceedings, judgments, assessments, actions and other liabilities incurred by such person in performing their duties under the Services Agreement. The

Fund will not be liable for any consulting services provided by Highland Latin America or any consultants or service providers that Highland Latin America engages, and the Fund will not bear any costs or expenses related to the services provided by Highland Latin America.

Investment Personnel

The key investment professionals of the Investment Manager and Highland Latin America who will be responsible for the Master Fund's investments are described below:

James Dondero, CFA, CMA, President, Co-Founder. Mr. Dondero is Co-Founder and President of Highland Capital Management, L.P. and a Director of Highland Latin America GP, Ltd., the general partner of the Investment Manager. Mr. Dondero has over 30 years of experience in the credit and equity markets, focused largely on high-yield and distressed investing. Mr. Dondero is the Chairman and President of NexPoint Residential Trust, Inc. (NYSE:NYRT), Chairman of NexBank Capital, Inc., Cornerstone Healthcare Group Holding, Inc., and CCS Medical, Inc., and a board member of Jernigan Capital, Inc. (NYSE:JCAP), and MGM Holdings, Inc. He also serves on the Southern Methodist University Cox School of Business Executive Board. A dedicated philanthropist, Mr. Dondero actively supports initiatives in education, veterans affairs, and public policy. Prior to founding Highland in 1993, Mr. Dondero was involved in creating the GIC subsidiary of Protective Life, where as Chief Investment Officer he helped take the company from inception to over \$2 billion between 1989 and 1993. Between 1985 and 1989, Mr. Dondero was a corporate bond analyst and then portfolio manager at American Express. Mr. Dondero began his career in 1984 as an analyst in the JP Morgan training program. Mr. Dondero graduated from the University of Virginia where he earned highest honors (Beta Gamma Sigma, Beta Alpha Psi) from the McIntire School of Commerce with dual majors in accounting and finance. He has received certification as Certified Public Accountant (CPA) and Certified Managerial Accountant (CMA) and has earned the right to use the Chartered Financial Analyst (CFA) designation.

Gustavo Prilick. Mr. Prilick is a Managing Partner at Highland Capital Brasil and a registered asset manager in Brazil, and is a Director of Highland Latin America GP, Ltd., the general partner of the Investment Manager. He has extensively worked in several of Highland Capital Brasil's portfolio companies in the US mainly as CEO. Prior to his involvement with Highland Capital Brasil, he was a Partner at South America Fund, a private equity firm, mainly focused on providing financial services to export companies in Argentina and Uruguay. Prior to South America Fund, he was the Chief Operating Officer of Millicom International Cellular for 7 years, serving Latin America, Asia, Africa and ten operations in Russia. Prior to Millicom, he served as the Director of International Business for Oracle Corporation where he was responsible for the establishment of most of Oracle's International Subsidiaries on several continents, including the Brazilian operation. Later he became President of Oracle South America with oversight of several countries in South America. He also served as CEO of Nacion Factoring, a subsidiary of Banco Nacion in Argentina building its operations to reach one of the leading positions in the country. Mr. Prilick received an MBA from the Stanford University Graduate School of Business and a degree in Electrical Engineering from Universidad de Buenos Aires. He has also held teaching positions as a visiting professor in several leading Business Schools in Argentina.

Highland Latin America will enter into relationships and agreements with Argentine relevant parties and/or individuals to obtain supporting services for the management of the Fund, the Offshore Fund and the Master Fund, and will enter into consulting agreements with Andrés Pitchón, Julieta Prieto and Javier Casabal pursuant to which these consultants will provide investment and related services to the Feeder Funds and the Master Fund. Mr. Pitchón will provide portfolio management services to the Master Fund under the overall supervision of the Investment Manager.

Andrés Pitchón. Mr. Pitchón, through a consulting arrangement with Highland Latin America Consulting, Ltd., provides portfolio management services to the Master Fund. Mr. Pitchón began his career in 1993 as Head of Equity Research for Argentina for MBA-Salomon Brothers and later he also became responsible for Fixed income. As Head of the Research Department, his work was recognized by international publications such as Institutional Investor, Latin Finance, The Reuters Survey and The Greenwich Survey. Since 1997 and 1999, he has managed the Offshore Fund's equity and fixed income mutual funds. Since 2003, Mr. Pitchón had been Senior Portfolio Manager of the Offshore Fund's hedge funds. Mr. Pitchón received a BA degree in IT, focused on Business Administration from the University of Belgrano (1989), together with an academic merit medal for highest GPA in the School of Technology. Mr. Pitchón also received a Master's degree in Business Administration from Anderson Graduate School of Business at UCLA in 1992.

The Administrator

The Master Fund has entered into an Administration Agreement (the “**Administration Agreement**”) with MUFG Fund Services (Cayman) Limited (the “**Administrator**”) pursuant to which the Administrator performs certain administrative and accounting services for the Feeder Funds and the Master Fund, subject to the oversight and control of the General Partner, in its capacity as the general partner of the Master Fund.

Pursuant to the Administration Agreement, the Administrator is responsible, under the overall supervision of the General Partner, in its capacity as the general partner of the Master Fund, for certain matters pertaining to the administration for the Fund, including: (i) maintaining the accounts of the Fund and the Master Fund, (ii) calculating the Master Fund's net asset value, (iii) maintaining the principal corporate records of the Fund and the Master Fund, (iv) communicating with Limited Partners, (v) accepting the subscriptions of new Limited Partners, (vi) effecting withdrawals of Interests, (vii) maintaining the register of sub-fund investments, (viii) executing sub-fund subscriptions and withdrawals as instructed by the Fund, and (ix) ensuring compliance with applicable law and regulation (including anti-money laundering regulations). For its services, the Administrator receives a fee from the Master Fund.

The Administration Agreement may be terminated by the Administrator or the Master Fund upon ninety (90) days' written notice or, under certain circumstances, shorter notice. In such event, the Master Fund may enter into a new agreement with a new administrator on behalf of the Master Fund and the Feeder Funds, in its discretion and on such terms as it deems advisable, without prior notice to, or approval of, investors.

Under the Administration Agreement, the Master Fund agrees to indemnify and hold harmless the Administrator and its affiliated persons and delegates, as well as their respective officers, directors, employees and agents for, and to defend and hold each such person harmless from, any and all taxes, claims, demands, actions, suits, judgments, liabilities, losses, damages, costs, charges, counsel fees (on a solicitor and his own client basis), fines, assessments, amounts paid in settlement and expenses imposed on, incurred by, or asserted against the person which may arise out of or in connection with the Administration Agreement. The Administrator or any other indemnified person will not be indemnified for their own gross negligence, wilful default or fraud.

The Administrator is not responsible for valuing the Master Fund's investments, monitoring any investment restrictions of the Master Fund, determining compliance by the Master Fund with its investment restrictions, the Master Fund's trading activities, the management or performance of the

Master Fund or the accuracy or adequacy of this Memorandum. In addition, the Administrator does not assume any liability to any person or entity, including Limited Partners, except as specifically provided in the Administration Agreement. The Administrator may delegate certain services and share information concerning the Fund and its Limited Partners with its various non-United States affiliates subject to applicable confidentiality provisions.

The Administrator has no responsibility with respect to trading activities, the Investment Manager, the management or performance of the Master Fund, or the accuracy or adequacy of this Memorandum.

SUMMARY OF TERMS

*The following Summary of Terms summarizes the principal terms governing an investment in the Fund, and is subject, and qualified in its entirety by reference, to the Partnership Agreement, the exempted limited partnership agreement of the Master Fund, as amended (the “**Master Fund Partnership Agreement**”), and the Fund’s subscription documents (the “**Subscription Documents**”). This summary is intended to be brief and does not purport to provide a comprehensive explanation of the Partnership Agreement, the Master Fund Partnership Agreement and the Subscription Documents. Accordingly, statements made in this Memorandum are subject to the detailed provisions of those agreements. Prospective investors are urged to review those agreements in their entirety prior to determining whether to invest in the Fund.*

The Fund

Highland Argentina Regional Opportunity Fund, L.P., a Delaware limited partnership (the “**Fund**”), primarily seeks to maximize the total return of its assets through capital appreciation by investing all of its investable assets in Highland Argentina Regional Opportunity Master Fund, L.P., a Cayman Islands exempted limited partnership (the “**Master Fund**”), which intends to hold primarily a portfolio of investments in securities of Latin American corporate and sovereign issuers as well as non-Latin American issuers that derive a portion of their revenues from business activities in Latin America, in each case with a primary focus on Argentina.

General Partner

Highland Argentina Regional Opportunity Fund GP, LLC, a Delaware limited liability company (the “**General Partner**”), acts as the general partner of the Fund and the Master Fund and is registered as a foreign company in the Cayman Islands. James D. Dondero (the “**Principal**”) ultimately controls the General Partner.

Investment Manager

Highland Capital Management Latin America, L.P., a Cayman Islands exempted limited partnership controlled by the Principal (the “**Investment Manager**”), serves as investment manager to the Feeder Funds (as defined below) and the Master Fund and has responsibility for the Master Fund’s investments.

Master-Feeder Structure

In order to facilitate investments by non-U.S. and certain U.S. tax-exempt investors, the Investment Manager and its affiliates recently assumed the management of an existing investment fund, Highland Argentina Regional Opportunity Fund, Ltd., a Cayman Islands exempted company (the “**Offshore Fund**” and, together with the Fund, the “**Feeder Funds**”). The Feeder Funds will place all of their investable assets in, and conduct all of their investment and trading activities in parallel through, the Master Fund. Accordingly, references herein to the investment activity of the Fund should be construed to refer to the Fund’s investment activities through the Master Fund. The Feeder Funds share all items of profit, loss, income and expense of the Master Fund on a *pro rata* basis in accordance with their respective capital account balances in the Master Fund. Except as the context otherwise requires, the term “Fund” also includes the Master Fund.

The Investment Manager or an affiliate may also sponsor one or more additional investment funds or accounts.

Eligible Investors

Limited partner interests (“**Interests**”) may be purchased only by investors who qualify as both “accredited investors” and “qualified purchasers,” each as defined in the Fund’s Subscription Documents. Subscribers will be required to complete the Fund’s Subscription Documents consisting of the subscription agreement and the subscriber information form to determine their eligibility. The General Partner reserves the right to reject any investor for any reason or for no reason in its sole discretion.

An investment in the Fund is suitable only for persons that have adequate means of providing for their current needs and personal contingencies and have no need for liquidity in their investments. An investment in the Fund should not be made by any person that (a) cannot afford a total loss of its principal, or (b) has not carefully read or does not understand this Memorandum, including the portions concerning the risks and the income tax consequences of an investment in the Fund.

Series of Interests

The Fund intends to issue multiple series of Interests over time. Not all series of Interests will be available for subscription at the same time and the terms among the series of Interests will vary. Each series will have separate rights and preferences, including, without limitation, with respect to fees and withdrawal rights. The Fund is currently offering Series A Interests, Series B Interests and Series C Interests (each, a “**Series**”).

New series of Interests may be established by the General Partner without notice to or approval of the Limited Partners (defined below). References herein to “Interests” or “Limited Partners” shall include all Series and Limited Partners unless otherwise specified or context so requires.

Subscriptions

Subscriptions for Interests may be accepted as of the first day of each calendar month and/or such other days as the General Partner may determine in its discretion from time to time, generally subject to the receipt of cleared funds no later than the Business Day immediately preceding the acceptance date. The initial minimum investment is \$500,000, and thereafter, a Limited Partner may make additional investments, with the consent of the General Partner, in increments of not less than \$500,000; provided that, in each case, the Fund may accept investments in a lesser amount, but no less than \$100,000 with respect to Series B Interests.

“**Business Day**” is defined as any day on which banks in the Cayman Islands, Buenos Aires and New York City are authorized to open for

business or such other days as the General Partner may determine generally, or in any particular case.

A subscriber admitted to the Fund (a “**Limited Partner**”) receives, in exchange for its initial capital contribution and any subsequent capital contribution, an Interest representing a proportionate share of the net assets of the Fund at that time.

All subscribers will be required to comply with such anti-money laundering procedures as are required by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001 (Pub. L. No. 107-56) and other applicable anti-money laundering regulations as further described in this Memorandum and the Subscription Documents.

Placement Agents

There will be no sales charge payable by or to the Fund in connection with the offering of Interests. However, the General Partner and/or the Investment Manager may enter into arrangements with placement agents (which may include its affiliates) to solicit investors in the Fund, and such arrangements may provide for the compensation of such placement agents for their services at the General Partner’s and/or the Investment Manager’s expense or such placement agents may be paid a portion of the Management Fee. For the avoidance of doubt, the Fund will not bear any placement agent fees.

Accordingly, investors should recognize that a placement agent’s or distributor’s participation in this offering may be influenced by its interest in such current or future fees and compensation. Investors should consider these potential conflicts of interest in making their investment decisions.

Each placement agent shall comply with the legal requirements of the jurisdictions within which it offers and sells Interests.

Capital Accounts

The Fund will maintain a book capital account (a “**Capital Account**”), which may be divided into capital sub-accounts, for the General Partner and each Limited Partner (each, a “**Partner**” and together, the “**Partners**”) to reflect contributions, withdrawals, distributions and allocations of net profit and net loss, with each sub-account being maintained as if it were the Capital Account of a separate Partner in order to calculate the Series B Early Withdrawal Reduction and Series C Early Withdrawal Reduction (each as defined below), as applicable, and the Performance Allocation (as defined below) for each capital contribution. The initial balance of each Partner’s Capital Account will be equal to the amount of cash or net value of any property contributed to the Fund by such Partner.

If a Partner invests in more than one Series, the Fund will maintain a separate Capital Account on behalf of such Partner with respect to each such Series and each Capital Account will be treated as if it were the

Capital Account of a separate Partner for purposes of determining the Management Fee (as defined below) and Performance Allocation applicable to each Capital Account.

The Master Fund will issue to the Fund a limited partner interest in the Master Fund and will maintain capital accounts and sub-accounts that correspond to Limited Partners' Capital Accounts in the Fund.

Affiliated Investors

The Investment Manager, the General Partner and their respective affiliates, principals, employees, partners, agents, the respective family members of such personnel and trusts and other entities established primarily for their benefit or for charitable purposes ("**Affiliated Investors**") may not be subject to restrictions on withdrawals or be assessed the Management Fee or the Performance Allocation that are applicable to other investors in the Fund, but do share *pro rata* in all other applicable expenses of the Fund; provided that, the Special Limited Partner may, unless prohibited by law, make withdrawals of all or any part of its Performance Allocation and gains thereon from its capital account in the Master Fund as of any Withdrawal Date (as defined below).

Borrowing and Leverage

The Master Fund may buy securities or commodities on margin and arrange with banks, brokers and others to borrow money against a pledge of securities or commodities in order to employ leverage when the Investment Manager deems such action appropriate. The Master Fund may not borrow more than 100% of its net assets as described in "*Investment Program – Investment Restrictions*" above.

Management Fee

For its services to the Master Fund, the Investment Manager is entitled to a management fee (the "**Management Fee**") calculated monthly and payable quarterly in arrears at an annual rate of (i) 1.75% of each Limited Partner's Capital Account balance that is attributable to a Series A Interest, (ii) 1.25% of each Limited Partner's Capital Account balance that is attributable to a Series B Interest, and (iii) 1.00% of each Limited Partner's Capital Account balance that is attributable to a Series C Interest. The Management Fee is paid at the Master Fund level. The Management Fee will be prorated for any period that is less than a full calendar quarter.

The General Partner or the Investment Manager may elect to reduce, waive or calculate differently the Management Fee with respect to any Limited Partner, including, without limitation, Affiliated Investors. To effect such reduction, waiver or difference in calculation, the Fund may issue a separate series of Interests.

The General Partner may delay the timing or alter the structure of fees payable to the Investment Manager so long as such changes are not materially adverse to the Limited Partners. The Investment Manager may also assign all or any portion of fees payable to the Investment Manager,

including the Management Fee and the Performance Allocation, to any affiliate thereof or any third party in its sole discretion.

Performance Allocation

Pursuant to the Master Fund Partnership Agreement, generally, as of the close of each fiscal quarter and subject to the limitations described below, a performance-based profits allocation (the “**Performance Allocation**”) is debited against the Master Fund capital sub-account relating to each Series attributable to a Limited Partner and simultaneously credited to the Master Fund capital account of the Special Limited Partner. The Performance Allocation is calculated and allocated at the Master Fund level, but is effectively equal to (i) 20.0% of the Net Capital Appreciation (as defined below) of each Series A Interest for such fiscal quarter, (ii) 17.5% of the Net Capital Appreciation of each Series B Interest for such fiscal quarter, and (iii) 15.0% of the Net Capital Appreciation of each Series C Interest for such fiscal quarter.

The “**Net Capital Appreciation**” applicable to an Interest shall mean the amount by which the net asset value of such Interest on the last day of the fiscal quarter (or on the Withdrawal Date, if applicable) exceeds the higher of the following amounts: (i) the highest net asset value of such Interest as of the commencement of any fiscal quarter and (ii) the issue price of such Interest. All such calculations include realized and unrealized gains and losses and are made before deduction of the Performance Allocation, but after deduction of the accrued applicable expenses of the Fund and the Master Fund for the applicable period, and in each case adjusted for any subscriptions and withdrawals made during the quarter.

The Performance Allocation is calculated and allocated at the Master Fund level through the use of separate memorandum sub-accounts with respect to the Fund’s capital account in the Master Fund that correspond to each Series attributable to a Limited Partner. No separate Performance Allocation will be charged at the Fund level.

The Performance Allocation generally will be allocable to the Special Limited Partner after the end of each fiscal quarter and as of any Withdrawal Date occurring prior to the end of any fiscal quarter. The Performance Allocation payable with respect to any Interests withdrawn prior to the end of a fiscal quarter will be determined solely by reference to such withdrawn Interests and will be allocable to the Special Limited Partner on the Withdrawal Date. The Performance Allocation with respect to any Limited Partner may be fully or partially waived or rebated by the General Partner in its sole discretion.

Other Fees and Expenses

The Fund bears all of its own initial organizational expenses and its *pro rata* share of the initial organizational expenses of the Master Fund. In general, the Fund’s financial statements will be prepared in accordance with generally accepted accounting principles in the United States (“**GAAP**”). However, the General Partner intends to amortize the Fund’s

organizational expenses over a period of 60 calendar months from the date the Fund commenced operations because it believes such treatment is more equitable than expensing the entire amount of the organizational expenses in the Fund's first year of operation, as is required by GAAP. The General Partner may, however, limit the amount of start-up and organizational expenses that the Fund amortizes so that the audit opinion issued with respect to the Fund's financial statements will not be qualified.

The Fund pays all costs, fees and expenses arising in connection with the Fund's operations. The Fund also bears its *pro rata* share of the cost of the Master Fund's operations and investments as provided in the Master Fund Partnership Agreement. Expenses payable by the Fund in connection with the Master Fund's investment program, include, but are not limited to, brokerage commissions, other expenses related to buying and selling securities (including trading errors that are not the result of the Investment Manager's gross negligence, willful misconduct or fraud), costs of due diligence regardless of whether a particular transaction is consummated, the costs of attending shareholder meetings, research expenses and costs related to monitoring investments. Expenses payable by the Fund in connection with its operations include, but are not limited to, fees and expenses of advisers and consultants; the Management Fee; fees and expenses of any custodians, escrow or transfer agents or other investment-related service providers; indemnification expenses and the cost of insurance against potential indemnification liabilities; interest and other borrowing expenses; legal, administrative, accounting, tax, audit and insurance expenses; expenses of preparing and distributing reports, financial statements and notices to Limited Partners; litigation or other extraordinary expenses; any withholding, transfer or other taxes payable by the Fund (including any interest and penalties), and the cost of periodically updating this Memorandum and the Partnership Agreement.

The Investment Manager may retain, in connection with its responsibilities under the Investment Management Agreement, the services of others to assist in the investment advice to be given to the Master Fund, including, but not limited to, any affiliate of the Investment Manager. Payment for any such services will be assumed by the Investment Manager. However, the Investment Manager, in its sole discretion, may retain the services of independent third party professionals on behalf of the Master Fund, including, without limitation, attorneys, accountants and consultants, to advise and assist it in connection with the performance of its activities on behalf of the Master Fund, and the Master Fund will bear full responsibility therefor and the expense of any fees and disbursements arising therefrom.

The Fund and the Master Fund do not have their own separate employees or office, and neither the Fund nor the Master Fund will reimburse the General Partner or the Investment Manager for salaries, office rent and other general overhead costs of the General Partner or the Investment

Manager. A portion of the commissions generated on the Master Fund's brokerage transactions may generate soft dollar credits that the Investment Manager is authorized to use to pay for research and other research-related services and products used by the Investment Manager. It is the current policy of the Investment Manager to limit such use of soft dollars to fall within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended, or to be otherwise reasonably related to the investment decision-making process or for Master Fund expenses. See "*Brokerage and Custody*."

If the General Partner or the Investment Manager, as appropriate, incurs any expenses for both the Master Fund and one or more Other Accounts (as defined herein), the General Partner or the Investment Manager, as appropriate, will allocate such expenses among the Master Fund and each such Other Account in proportion to the size of the investment made by each in the activity or entity to which the expenses relate, or in such other manner as the General Partner considers fair and reasonable.

Allocation of Net Profit and Loss

Net profit or net loss of the Fund is allocated among the Capital Accounts of the Partners as of the close of each calendar month, at any other time when the Fund receives an additional capital contribution or effects a withdrawal or distribution, or at such other times as the General Partner may determine (each, a "*Fiscal Period*").

The net profit or net loss of the Fund for any calendar month or other valuation period will reflect, with respect to all positions:

- (a) the dividends and interest accrued during the period;
- (b) the net realized gains or losses from the sale or other disposition of investments during the period allocated by the Fund;
- (c) the net change in the unrealized appreciation or depreciation of investments during the period held at the close of the period (*i.e.*, the difference between the fair market value of each investment at the end of the period compared with either the fair market value at the commencement of the period or, in the case of any investment made after the commencement of the period, the cost); and
- (d) the expenses of the Fund incurred or accrued during the period (other than the Management Fee and any other items that are charged on a Partner-by-Partner basis).

As of the close of each Fiscal Period, the net profit or net loss (subject to any applicable Performance Allocation paid at the Master Fund level) will be allocated *pro rata* among the Capital Accounts of the Partners in proportion to their percentage interests in the Fund as of the commencement of the period. Each Partner's percentage interest in the Fund as of the commencement of any period is based on the value of the

Partner's Capital Account at such time in relation to the sum of the Capital Accounts of all of the Partners at such time.

The Management Fee will be calculated separately with respect to each Limited Partner and will be debited from the capital sub-account at the Master Fund level corresponding to each Limited Partner's Capital Account.

Distributions

Subject to the monthly withdrawal privilege described below, all earnings of the Fund are ordinarily retained for investment. Limited Partners should not expect the Fund to make any dividend distributions.

Withdrawals; Lock-Up

Subject to certain withdrawal restrictions described below, a Limited Partner is generally permitted to withdraw all or a portion of its Capital Account as of the last Business Day of each calendar month (and/or such other Business Days as the General Partner may determine in its sole discretion) (each, a "***Withdrawal Date***"); provided that, any partial withdrawals may only be made in minimum amounts of \$100,000. Notwithstanding the foregoing, any Limited Partner that withdraws all or a portion of its Capital Account with respect to a Series B Interest prior to the one-year anniversary of the date such capital was contributed to the Fund is subject to an early withdrawal reduction of up to 3.0% of the net asset value of the portion of the Series B Interest being withdrawn, as determined at the close of business of such Withdrawal Date (such fee, the "***Series B Early Withdrawal Reduction***"). In addition, any Limited Partner that withdraws all or a portion of its Capital Account with respect to a Series C Interest prior to the:

- (i) one-year anniversary of the date such capital was contributed to the Fund is subject to an early withdrawal reduction of 5.0% of the net asset value of the portion of the Series C Interest being withdrawn, as determined at the close of business of such Withdrawal Date, and
- (ii) two-year anniversary, but on or after the one-year anniversary, of the date such capital was contributed to the Fund is subject to an early withdrawal reduction of 3.0% of the net asset value of the portion of the Series C Interest being withdrawn, as determined at the close of business of such Withdrawal Date (such fees with respect to Series C Interests, the "***Series C Early Withdrawal Reduction***" and together with the Series B Early Withdrawal Reduction, the "***Early Withdrawal Reduction***").

The Early Withdrawal Reduction is retained by the Fund (and generally invested in the Master Fund) and deducted from the withdrawal proceeds of the withdrawing Limited Partner. The Early Withdrawal Reduction will not apply in the event of a Compulsory Withdrawal (defined below).

Written notice of any withdrawal request must be received in writing by the Administrator at least 30 calendar days prior to the requested Withdrawal Date. The General Partner may waive such notice requirements, or permit withdrawals under such other circumstances, if, in its sole discretion, it determines that, under the circumstances, to waive such requirement will not have an adverse effect on the Master Fund's portfolio.

If the Master Fund violates the investment restrictions and fails to remedy the violation on or before the Remedy Date (as described in "*Investment Program – Investment Restrictions*"), any Limited Partner may withdraw all or part of its Capital Account on the next Withdrawal Date and will not be subject to the Early Withdrawal Reduction; provided that, such Limited Partner has requested such withdrawal in writing within 30 Business Days after the Remedy Date.

**Settlement of
Withdrawal Proceeds**

A withdrawal request is normally settled in cash or, subject to the sole discretion of the General Partner, wholly or partially with securities or other assets of the Fund (received from the Master Fund), whether or not readily marketable, generally within 10 Business Days after the Withdrawal Date; provided that the General Partner may delay such payment if such delay is reasonably necessary to prevent such withdrawal from having a material adverse impact on the Fund. In the event that the General Partner satisfies a withdrawal request with assets in kind, such securities may be transferred to a liquidating account and sold by the Fund for the benefit of the withdrawing Limited Partner, in which case, payment of the withdrawal proceeds attributable to such investments will be delayed until such investments are sold. The amount payable in respect of such investments will depend on the performance of such investments through to the date on which they are sold. The cost of operating the liquidating account and selling the investment(s) will be deducted from the proceeds of sale paid to the withdrawing Limited Partner.

Notwithstanding anything to the contrary herein, the General Partner may establish reserves and holdbacks for estimated accrued expenses, liabilities and contingencies, including, without limitation, general reserves for unspecified contingencies (even if such reserves or holdbacks are not otherwise required by GAAP) or liabilities stemming from tax obligations (as such may be determined in the sole discretion of the General Partner and whether or not incurred directly or indirectly), which could reduce the amount of a distribution upon a Limited Partner's withdrawal. The General Partner may withhold for the benefit of the Fund from any distribution to a withdrawing Limited Partner an amount representing the actual or estimated costs incurred by the Fund with respect to such withdrawal, as well as any Early Withdrawal Reduction described above.

**Withdrawal
Conditions**

The General Partner or the Administrator may refuse to accept a withdrawal request if it is not accompanied by such additional information as the General Partner or the Administrator may reasonably require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for money laundering verification purposes. In addition, where withdrawal proceeds are requested to be remitted to an account which is not in the name of the Limited Partner, the General Partner and the Administrator reserve the right to request such information as may be reasonably necessary in order to verify the identity of the Limited Partner and the owner of the account to which the withdrawal proceeds will be paid. The withdrawal proceeds will not be paid to a third-party account if the Limited Partner and/or owner of the account fails to provide such information.

**Compulsory
Withdrawals**

The General Partner reserves the right, in its sole discretion, to compel the withdrawal of a Limited Partner's Interest at any time and for any reason on not less than seven days' prior written notice (or immediately if the General Partner, in its sole discretion, determines that such Limited Partner's continued investment in the Fund may cause the Fund, the Master Fund, the General Partner or the Investment Manager to violate any applicable law) (a "**Compulsory Withdrawal**"). The General Partner will compel the withdrawal of a Limited Partner's Interest in its entirety if a Limited Partner requests a withdrawal that would cause its total investment with respect to a particular Series to fall below a minimum of \$100,000 (a "**Minimum Required Withdrawal**"). In either case, settlements are made in the same manner as voluntary withdrawals, except that the Early Withdrawal Reduction will not apply in the event of a Compulsory Withdrawal, but will apply to any Minimum Required Withdrawal.

**Suspension of
Withdrawals and
Withdrawal Payments**

The General Partner may, at any time, suspend (a) the calculation of the net asset value of the Interests (and the applicable valuation date); (b) the issuance of Interests, (c) the withdrawal by Limited Partners of Interests (and the applicable Withdrawal Date); and/or (d) the payment of withdrawal proceeds (even if the calculation dates and Withdrawals Dates are not postponed) (each, a "**Suspension**") during any period which: (i) any stock exchange on which a substantial part of investments owned by the Fund (through the Master Fund) are traded is closed, other than for ordinary holidays, or dealings thereon are restricted or suspended; (ii) there exists any state of affairs as a result of which (A) disposal of a substantial part of the investments owned by the Fund (through the Master Fund) would not be reasonably practicable and might seriously prejudice the Limited Partners, or (B) it is not reasonably practicable for the Fund fairly to determine the value of its net assets; (iii) none of the withdrawal requests which have been made may lawfully be satisfied by the Fund; (iv) there is a breakdown in the means of communication normally employed in determining the prices of a substantial part of the

investments of the Fund (through the Master Fund); (v) in the sole discretion of the General Partner, it is necessary to preserve the Fund's assets; or (vi) automatically upon any suspension of withdrawals by the Master Fund for similar reasons as described in "*The Master Fund*," below.

The Administrator will promptly notify each Limited Partner who has submitted a withdrawal request and to whom payment in full of the amount being withdrawn has not yet been remitted of any Suspension of withdrawals or Suspension of the payment of withdrawal proceeds. Any remaining amount of a withdrawal request that is not satisfied due to such a Suspension remains at risk as per other amounts invested in the Fund and subject to the applicable Management Fee until such amount is finally and fully withdrawn. Such Limited Partners will not be given any priority with respect to the withdrawal of Interests after the cause for such Suspension or limitation ceases to exist. The General Partner may in its sole discretion, however, permit such Limited Partners to withdraw their withdrawal requests to the extent that the relevant Withdrawal Date has not yet passed. For the avoidance of doubt, where a suspension of the payment of withdrawal proceeds is declared between the relevant Withdrawal Date and the remittance of such payment proceeds, affected Limited Partners shall not have any right to withdraw their withdrawal requests. Upon the reasonable determination by the General Partner that conditions leading to a Suspension no longer apply, the Administrator will notify the Limited Partners of the end of the Suspension. At such time, any such suspended payments shall generally be paid in accordance with the normal process for making such payments, withdrawal rights shall be promptly reinstated and any pending withdrawal requests which were not withdrawn (or new, timely withdrawal requests) will be effected as of the first Withdrawal Date following the removal of the Suspension, subject to the foregoing restrictions on withdrawals.

Transfers

Interests are not transferable except with the prior written consent of the General Partner, which consent may be withheld in its sole discretion. The General Partner will require any transferee or assignee of any Limited Partner to execute the Subscription Documents.

**Duty of Care;
Indemnification**

Pursuant to the Partnership Agreement, the Master Fund Partnership Agreement and the Investment Management Agreement, the General Partner, the Investment Manager, each member, shareholder, partner, manager and director of, and any person who controls, the General Partner or the Investment Manager, each of the respective affiliates of the foregoing and each of their respective executors, heirs, assigns, successors and other legal representatives (each such person, an "*Indemnified Party*") shall not be liable to the Master Fund, the Fund or the Limited Partners for any loss or damage arising by reason of being or having been an Indemnified Party or from any acts or omissions in the performance of its services as an Indemnified Party in the absence of gross negligence, willful misconduct or fraud, or as otherwise required by

law. In no event shall any Indemnified Party be liable for any consequential damages, special or indirect damages or lost profits.

The Partnership Agreement, the Master Fund Partnership Agreement and the Investment Management Agreement contain provisions for the indemnification of the Indemnified Parties by the Master Fund and the Fund (but not by the Limited Partners individually) against any liabilities arising by reason of being or having been an Indemnified Party or in connection with the Partnership Agreement, the Master Fund Partnership Agreement, the Investment Management Agreement, or the Master Fund's or the Fund's business or affairs to the fullest extent permitted by law in the absence of gross negligence, willful misconduct or fraud. The General Partner is not personally liable to any Limited Partner for the repayment of any withdrawal proceeds or for contributions by such Limited Partner to the capital of the Fund or by reason of any change in the U.S. federal or state income tax laws applicable to the Fund or its investors.

**Non-Exclusivity;
Allocation of
Opportunities**

None of the Investment Manager, its affiliates and their respective officers, directors, shareholders, members, partners, personnel and employees is precluded from engaging in or owning an interest in other business ventures or investment activities of any kind, whether or not such ventures are competitive with the Fund or the Master Fund.

The Master Fund Partnership Agreement requires the General Partner, and the Investment Manager as delegatee of the General Partner, to act in a manner that it considers fair and equitable over time in allocating investment opportunities to the Master Fund. Although the General Partner and the Investment Manager consider certain factors set forth in the Investment Manager's policies to determine how to allocate trades, the Investment Manager's policies and the Master Fund Partnership Agreement do not otherwise impose any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to the Master Fund or any restrictions on the nature or timing of investments for the account of the Master Fund and for the General Partner's or the Investment Manager's own accounts or for other accounts that the General Partner, the Investment Manager or their affiliates may manage (each, an "***Other Account***"). The General Partner and the Investment Manager are not obligated to devote any specific amount of time to the affairs of the Master Fund and are not required to accord exclusivity or priority to the Master Fund in the event of limited investment opportunities arising from the application of speculative position limits or other factors.

The Principal, as well as the employees and officers of the Investment Manager and of organizations affiliated with the Investment Manager, may buy and sell securities for their own account or the account of others, but may not buy securities from or sell securities to the Master Fund (such prohibition does not extend to the purchase or sale of interests in the

Fund), unless such purchase or sale is in compliance with the applicable provisions of the Investment Advisers Act of 1940, as amended.

The Investment Manager undertakes to resolve conflicts in a fair and equitable basis, which in some instances may mean a resolution that would not maximize the benefit to the Fund's investors.

It is the policy of the Investment Manager to allocate investment opportunities fairly and equitably over time. This means that such opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate. The Investment Manager has the authority to allocate trades to multiple accounts on an average price basis or on another basis it deems fair and equitable. Similarly, if an order on behalf of any accounts cannot be fully allocated under prevailing market conditions, the Investment Manager may allocate the trades among different accounts on a basis it considers fair and equitable over time. One or more of the foregoing considerations may (and are often expected to) result in allocations among the Master Fund and one or more accounts on other than a *pari passu* basis. See "*Risk Factors and Potential Conflicts of Interest*" below.

Affiliated Service Providers

NexBank, SSB ("**NexBank SSB**") is an affiliate of the Investment Manager and may, from time to time, provide banking and/or agency services to the Investment Manager, clients of the Investment Manager or collective investment vehicles for which the Investment Manager provides investment advisory services (including the Fund and other vehicles in which the Fund, through the Master Fund, may invest) or third parties engaged in transactions involving the Investment Manager. NexBank SSB may also act as an agent in connection with certain securities transactions involving the Investment Manager's client accounts (including the Master Fund and other vehicles in which the Master Fund may invest). Principals of the Investment Manager own a majority of the equity interests in NexBank SSB and employees or affiliates of the Investment Manager own or may own a substantial equity interest in NexBank SSB. Certain Master Fund investment transactions may be executed through NexBank Securities, Inc., an affiliate of the Investment Manager and a registered broker-dealer.

Additionally, the Investment Manager or affiliates of the Investment Manager, including, without limitation, Nexbank SSB, NexBank Securities, Inc., NexBank Capital Advisors and Governance Re, Ltd., may provide financial advisory, management, insurance, title insurance or other services for a fee to portfolio companies in which the Master Fund may have an interest. Highland Latin America, an affiliate of the Investment Manager, has been engaged to provide certain administrative and consulting services to the Investment Manager. See "*Risk Factors and Potential Conflicts of Interest*" below.

Valuations

In general, the Fund's financial statements will be prepared in accordance with GAAP. The General Partner has delegated the valuation of the Fund's assets, based on the Master Fund's assets, to the Administrator who values the Fund's assets as of the close of each Fiscal Period in accordance with the Investment Manager's valuation policies and procedures.

Reserves

Appropriate reserves may be accrued and charged against net assets and proportionately against the Capital Accounts of the Partners for contingent liabilities, such reserves to be in the amounts (subject to increase or reduction) that the General Partner in its sole discretion deems necessary or appropriate. At the sole discretion of the General Partner, the amount of any such reserve (or any increase or decrease therein) may be charged or credited, as appropriate, to the Capital Accounts of those investors who are Limited Partners at the time when such reserve is created, increased or decreased, as the case may be, or alternatively may be charged or credited to those investors who were Limited Partners at the time of the act or omission giving rise to the contingent liability for which the reserve was established.

If the General Partner determines that it is equitable to treat an amount to be paid or received as being applicable to one or more prior periods, then such amount may be proportionately charged or credited, as appropriate, to those persons who were Limited Partners during any such prior period(s).

Fiscal Year

The Fund has a fiscal year ending on December 31 of each calendar year.

Reports to Limited Partners

The Fund furnishes to its Partners as soon as practicable after the end of each taxable year (or as otherwise required by law) such tax information as is necessary for each Partner to complete U.S. federal and state income tax or information returns, along with any other tax information required by law. Within 120 days of the end of each year (or as soon as practicable thereafter), the Fund distributes to each Partner audited financial statements of the Fund, including a statement of profit or loss for such fiscal year and an unaudited status of each such Partner's holdings in the Fund at such time. Partners will also receive, upon request to the Administrator, copies of semi-annual financial statements of the Fund.

Tax Status

The General Partner believes that the Fund should be treated as a partnership for U.S. federal income tax purposes and should not itself be subject to U.S. federal income taxation. Each Limited Partner otherwise subject to U.S. federal income tax is required to include in such Limited Partner's taxable income such Limited Partner's share of the Fund's income and gains, when realized by the Fund (regardless of cash distributions from the Fund to such investor), and may claim, to the extent allowable, such Limited Partner's share of the Fund's losses and deductions. Due to the nature of the Fund's activities, the Fund's income or loss for U.S. federal income tax purposes for a particular taxable period

may differ from its financial or economic results. The deductibility of a Limited Partner's share of any Fund losses or deductions may be limited. See "*Tax Considerations*."

ERISA

The Investment Manager intends to limit investment in the Master Fund by "benefit plan investors" so that the assets of the Master Fund will not be considered "plan assets" for purposes of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"). It is anticipated that the assets of the Fund may constitute "plan assets" for purposes of ERISA. See "*ERISA and Other Regulatory Considerations*."

Amendment of the Limited Partnership Agreement

The Partnership Agreement may be amended by the General Partner with the consent of a majority in interest of the Limited Partners, which consent may be obtained through negative consent. However, the Fund may not: (a) increase the obligation of a Limited Partner to make any contribution to the capital of the Fund; (b) reduce the Capital Account of any Limited Partner other than as contemplated by the Partnership Agreement; or (c) reduce any Limited Partner's right to share in net profits or assets of the Fund, in each case, without the consent of each Limited Partner adversely affected thereby. The above consent may be obtained by negative consent.

Notwithstanding the foregoing, the General Partner may amend the Partnership Agreement at any time without the consent of any Limited Partner: (a) to comply with applicable laws and regulations; (b) to make changes that do not adversely affect the rights or obligations of any Limited Partner; (c) to cure any ambiguity or correct or supplement any conflicting provisions of the Partnership Agreement; or (d) with respect to any other amendment, if any Limited Partner whose contractual rights as a Limited Partner would be materially and adversely changed by such amendment has an opportunity to withdraw from the Fund (without being subject to the Early Withdrawal Reduction) as of a date that is not less than 30 days after the General Partner has furnished written notice of such amendment to each Limited Partner and that is prior to the effective date of the amendment.

Variation of Terms

The General Partner or the Investment Manager, in its sole discretion, may enter into a side letter or similar agreement to or with one or more Limited Partners that has the effect of establishing rights under, or altering or supplementing the terms of, the Partnership Agreement or of any Subscription Documents (including those relating to access to information, the Management Fee, the Performance Allocation, minimum investment amount, voting rights and withdrawal rights) with respect to such Limited Partner(s).

THE MASTER FUND

The Master Fund's Partnership Interests

The Master Fund's partnership interests are currently held exclusively by the Fund and the Offshore Fund as limited partners, the Investment Manager as the special limited partner of the Master Fund, and the General Partner as the general partner of the Master Fund, pursuant to the Master Fund Partnership Agreement. The General Partner is registered as a foreign company in the Cayman Islands pursuant to Part IX of the Companies Law (2016 Revision).

The Master Fund Partnership Agreement

The Master Fund is constituted as a Cayman Islands exempted limited partnership under the Exempted Limited Partnership Law, 2014 (the "***Exempted Limited Partnership Law***"). A Cayman Islands exempted limited partnership is constituted by the signing of the relevant partnership agreement and its registration with the Registrar of Exempted Limited Partnerships in the Cayman Islands.

A Cayman Islands exempted limited partnership is not a separate legal person distinct from its partners. Under the Exempted Limited Partnership Law, any property which is conveyed into or vested in the name of the exempted limited partnership shall be held or deemed to be held by the general partner, and if more than one, then by the general partners jointly upon trust, as an asset of the partnership in accordance with the terms of the partnership agreement. Any debt or obligation incurred by a general partner in the conduct of the business of an exempted limited partnership shall be a debt or obligation of the exempted limited partnership. Registration under the Exempted Limited Partnership Law entails that the partnership becomes subject to, and the limited partners therein are afforded the limited liability and other benefits of, the Exempted Limited Partnership Law (subject to compliance therewith).

Liability of Partners and Indemnification of the General Partner and Others. The business of a Cayman Islands exempted limited partnership will be conducted by its general partner(s) who will be liable for all debts and obligations of the exempted limited partnership to the extent that the partnership has insufficient assets. As a general matter, a limited partner of a Cayman Islands partnership will not be liable for the debts and obligations of the exempted limited partnership, other than:

- (i) as expressed in the partnership agreement,
- (ii) if such limited partner takes part in the conduct of the business of an exempted limited partnership in its dealings with persons who are not partners, then that limited partner shall be liable, in the event of the insolvency of the exempted limited partnership, for all debts and obligations of that exempted limited partnership incurred during the period that he so participates in the conduct of the business as though he were, for such period, a general partner, provided always that he shall be rendered liable pursuant to the foregoing provision only to a person who transacts business with the exempted limited partnership during such period with actual knowledge of such participation and who then reasonably believed such limited partner to be a general partner, or
- (iii) if such limited partner is obligated pursuant to Section 34(1) of the Exempted Limited Partnership Law to return a distribution made to it (with interest at a rate of 10% per annum, unless otherwise specified in the Master Fund Partnership Agreement) when the exempted limited partnership is insolvent or within six months prior to such insolvency.

The Master Fund Partnership Agreement provides that none of the Indemnified Parties will be liable to the Master Fund or any limited partner of the Master Fund (including the Feeder Funds) for any loss or damage arising by reason of being or having been an Indemnified Party or from any acts or omissions in the performance of its services as an Indemnified Party in the absence of gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or fraud, or as otherwise required by law. An Indemnified Party may consult with counsel and accountants in respect of the Master Fund's affairs and will be fully protected and justified in any action or inaction which is taken in accordance with the advice or opinion of such counsel or accountants, provided that they were selected in accordance with the standard of care set forth above. In addition, in no event shall any Indemnified Party be liable for any consequential damages, special or indirect damages or lost profits.

The Master Fund Partnership Agreement provides that the Master Fund shall, to the fullest extent permitted by law, indemnify and hold harmless each Indemnified Party from and against any and all liabilities suffered or sustained by an Indemnified Party by reason of the fact that it, he or she is or was an Indemnified Party or in connection with the Master Fund Partnership Agreement or the Master Fund's business or affairs, including, without limitation, any judgment, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, suit or proceeding, provided that such liability did not result from the gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or fraud of such Indemnified Party. The Master Fund Partnership Agreement also provides that the Master Fund will, in the sole discretion of the General Partner, advance to any Indemnified Party reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any action, suit or proceeding which arises out of such conduct, subject to receiving a written undertaking from the Indemnified Party to repay such amounts if and to the extent that it is finally determined that the Indemnified Party was not entitled to indemnification in respect thereof.

Notwithstanding any of the foregoing, the provisions of the Master Fund Partnership Agreement do not provide for the exculpation or indemnification of any Indemnified Party for any liability (including liability under U.S. federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the above provisions to the fullest extent permitted by law.

Pursuant to the foregoing indemnification and exculpation provisions applicable to each Indemnified Party, the Master Fund (and not the applicable Indemnified Party) will be responsible for any losses resulting from trading errors and similar human errors, absent gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or fraud. Given the volume of transactions executed on behalf of the Master Fund, trading errors (and similar errors) will occur and the Master Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of any Indemnified Party.

The Indemnified Parties will also be indemnified by each limited partner of the Master Fund for any amounts of tax withheld or required to be withheld with respect to that limited partner, and also for any amounts of interest, additions to tax, penalties and other costs borne by any such persons in connection therewith to the extent that the balance of the limited partner's capital account is insufficient to fully compensate the General Partner and the Investment Manager for such costs.

Contributions and Withdrawals by the Fund. Limited partners of the Master Fund may make contributions at such times and in such amounts as the General Partner determines. As a limited partner of the Master Fund, the Fund may, subject to the consent of the General Partner, voluntarily request a withdrawal of all or part of its capital in the Master Fund at such times and in such amounts as it may determine. The General Partner may, at any time, suspend (a) the calculation of the net asset value of the Master Fund (and the applicable valuation date); (b) the issuance of limited partner interests in the Master Fund; (c) the withdrawal by limited partners of their interests (and the applicable withdrawal date); and/or (d) the payment of withdrawal proceeds (even if the calculation dates and withdrawal dates are not postponed) during any period which: (i) any stock exchange on which a substantial part of investments owned by the Master Fund are traded is closed, other than for ordinary holidays, or dealings thereon are restricted or suspended; (ii) there exists any state of affairs as a result of which (A) disposal of a substantial part of the investments owned by the Master Fund would not be reasonably practicable and might seriously prejudice the limited partners of the Master Fund, or (B) it is not reasonably practicable for the Master Fund fairly to determine the value of its net assets; (iii) none of the withdrawal requests which have been made may lawfully be satisfied by the Master Fund; (iv) there is a breakdown in the means of communication normally employed in determining the prices of a substantial part of the investments of the Master Fund; or (v) in the sole discretion of the General Partner, it is necessary to preserve the Master Fund's assets.

Amendment of the Master Fund Partnership Agreement. The Master Fund Partnership Agreement may be amended by an instrument in writing signed by each of the limited partners of the Master Fund and the General Partner; provided that, the General Partner may amend the Master Fund Partnership Agreement without the consent of the limited partners so long as the amendment does not adversely affect any rights of the limited partners.

Dissolution of the Master Fund. The Master Fund shall be wound up and dissolved upon the first to occur of any of the following liquidating events, and Sections 36(1)(b), 36(9) and 36(12) of the Exempted Limited Partnership Law shall not apply to the Master Fund:

- (i) the written election of the General Partner to terminate the Master Fund; or
- (ii) if the General Partner is the sole or last remaining general partner, the date (the "***Automatic Dissolution Date***") falling 90 days after the date of the service of a notice by the General Partner (or its legal representative) on all the limited partners informing the limited partners of:
 - (1) the commencement of liquidation or bankruptcy proceedings in relation to the General Partner; or
 - (2) the withdrawal, removal or making of a winding up or dissolution order in relation to the General Partner;

provided that, if a majority in number of the limited partners elects one or more new general partners before the Automatic Dissolution Date, the business of the Master Fund shall be resumed and continued. If a new general partner is not elected by the Automatic Dissolution Date, the Master Fund shall be wound up and dissolved in accordance with terms of the Master Fund Partnership Agreement and the Exempted Limited Partnership Law.

Power of Attorney. Each limited partner of the Master Fund shall make, constitute and appoint the General Partner (and each of its successors and permitted assigns) for the time being, with full power of substitution, as its true and lawful agent and attorney-in-fact of, and in the name, place and stead of, such Partner with the power from time to time to make, execute, sign, acknowledge, swear to (and deliver as may be appropriate) on its behalf and file and record in the appropriate public offices and publish (as may in the reasonable judgment of the General Partner be required by law), including the admission of any new partners of the Master Fund and any amendments to the Master Fund Partnership Agreement. Each limited partner of the Master Fund shall authorize the General Partner to take any further action that the General Partner considers necessary or advisable in connection with the foregoing. Such power of attorney granted is intended to secure a proprietary interest of the General Partner and the performance by each limited partner of the Master Fund of its obligations under the Master Fund Partnership Agreement and shall be irrevocable and shall survive and not be affected by the subsequent death, lack of capacity, insolvency, bankruptcy or dissolution of any limited partner of the Master Fund.

Valuation of Assets

The General Partner has delegated the valuation of the Master Fund's assets to the Administrator, which will generally compute the value of the securities and other assets of the Master Fund as of the close of business on the last day of each fiscal period and on any other date selected by the General Partner in its sole discretion. In addition, the Administrator must compute the value of the securities that are being distributed in-kind as of their date of distribution in accordance with the Master Fund Partnership Agreement. In determining the value of the assets of the Master Fund, no value is placed on the goodwill or name of the Master Fund, or the office records, files, statistical data or any similar intangible assets of the Master Fund not normally reflected in the Master Fund's accounting records, but there must be taken into consideration any related items of income earned but not received, expenses incurred but not yet paid, liabilities fixed or contingent, prepaid expenses to the extent not otherwise reflected in the books of account, and the value of options or commitments to purchase or sell securities pursuant to agreements entered into on or prior to such valuation date.

A copy of the Investment Manager's valuation policy is available upon request from the General Partner.

The value of each security and other asset of the Master Fund and the net worth of the Master Fund as a whole determined pursuant Master Fund Partnership Agreement are conclusive and binding on all of the partners of the Master Fund and all persons claiming through or under them.

RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST

Investment in the Fund is speculative and involves substantial risks, including, but not limited to, those summarized below. The Fund is not suitable for all investors and is intended for sophisticated investors who can accept the risks associated with their investments. Prospective investors should carefully consider the risk factors described in this section, among others, in determining whether an investment in the Fund is suitable for them. There can be no assurance that the Master Fund's program will be successful or that investments purchased by the Master Fund will increase in value. An investor must be prepared to bear capital losses that might result from an investment in the Fund, including a complete loss of the investor's invested capital. All investors in the Fund should consult their own legal, tax and financial advisors prior to investing in the Fund.

For purposes of this section, references to the "Fund" should be understood to mean each of the Fund and the Master Fund, as applicable, and each of the risk factors set forth herein, while not exhaustive, shall apply equally to each of the Fund and the Master Fund, as applicable.

General Risks

Lack of Operating History. The Fund, the Master Fund and the General Partner do not have operating histories upon which investors can evaluate the anticipated performance of the Fund. Although the principals of the Investment Manager have extensive prior experience in Latin America, past performance of the Investment Manager should not be construed as an indication of the future results of an investment in the Fund. The Master Fund's investment program should be evaluated on the basis that there can be no assurance that the Investment Manager's assessment of the short-term or long-term prospects of its investment strategy will prove accurate, or that the Master Fund will achieve its investment objectives.

Risks Associated With Investments in Securities. Any investment in securities carries market risks. An investment in the Fund is highly speculative and involves a high degree of risk due to the nature of the Master Fund's investments and the strategies to be employed. An investment in the Fund should not in itself be considered a balanced investment program, but rather is intended to provide diversification in a more complete investment portfolio.

Investment Judgment; Market Risk. The profitability of a significant portion of the Master Fund's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Investment Manager will be able to predict accurately these price movements. With respect to the investment strategy utilized by the Master Fund, there is always some, and occasionally a significant, degree of market risk.

Limited Liquidity; Additional Information. An investment in the Fund provides limited liquidity since the Interests are not freely transferable and may only be withdrawn at such times as set forth in this Memorandum. The General Partner may suspend withdrawals, in whole or in part, when such a suspension is warranted by extraordinary circumstances described in "Summary of Terms – Suspension of Withdrawals and Withdrawal Payments" above. The General Partner may also delay the payment of withdrawal proceeds as more fully described elsewhere in this Memorandum. Investments that remain in the Fund are subject to all risks related to an investment in the Fund as described in this Memorandum.

Also, certain Limited Partners (including, without limitation, the Affiliated Investors), may invest on terms that provide access to information that is not generally available to other Limited Partners and,

as a result, may be able to act on such additional information (e.g., withdraw their Interests) that other Limited Partners do not receive. An investment in the Fund is suitable only for sophisticated investors who have no need for current liquidity.

Effect of Substantial Withdrawals. Substantial withdrawals from the Fund could require the Master Fund to liquidate its positions more rapidly than otherwise desired in order to raise the cash necessary to fund the withdrawals at the Fund level. Illiquidity in certain securities could make it difficult for the Master Fund to liquidate positions on favorable terms, which could result in losses or a decrease in the net asset value of the Master Fund, and thus, the Fund. The Master Fund is permitted to borrow cash necessary to make payments in connection with withdrawals from the Fund when the Investment Manager determines that it would not be advisable to liquidate portfolio assets for that purpose. The Master Fund is also authorized to pledge portfolio assets as collateral security for the repayment of such loans. In these circumstances, the continuing Limited Partners will bear the risk of any subsequent decline in the value of the Fund's assets.

Effect of Withdrawal by Limited Partner on its Investment. Where a withdrawal request is accepted, an Interest will be treated as having been withdrawn effective as of the relevant Withdrawal Date, irrespective of whether or not such withdrawing Limited Partner has been removed from the Fund's books and records or the withdrawal proceeds have been determined or remitted. Accordingly, on and from the relevant Withdrawal Date, Limited Partners in their capacity as such will not be entitled to or be capable of exercising any rights arising under the Partnership Agreement or Subscription Documents with respect to the Interest being withdrawn, save the right to receive the withdrawal proceeds. Such withdrawing Limited Partners will be creditors of the Fund with respect to the withdrawal proceeds. In an insolvent liquidation, withdrawing Limited Partners will rank behind ordinary creditors but ahead of existing Limited Partners.

Master-Feeder Structure. The Fund will invest all of its investable assets in the Master Fund. The "master-feeder" fund structure presents certain risks to the Limited Partners. Smaller feeder funds may be materially affected by the actions of larger feeder funds.

While the Investment Manager, as investment manager of the Master Fund, generally will not consider tax issues applicable to any particular investors, it generally will take into account the tax positions of the Fund and the Offshore Fund that invest in the Master Fund. However, the use of a "master-feeder" structure may create a conflict of interest in that different tax considerations for the Fund and the Offshore Fund may cause or result in the Master Fund structuring or disposing of an investment in a manner or at a time that is more advantageous (or disadvantageous) for tax purposes to one Feeder Fund or its investors.

Management Fee and Performance Allocations. As described above, the Master Fund Partnership Agreement provides for the payment of the Management Fee to the Investment Manager and the Performance Allocation to the Investment Manager, in its capacity as the Special Limited Partner. The Performance Allocation may create an incentive for the Investment Manager, as the Special Limited Partner, to make investments that are riskier or more speculative than would be the case in the absence of such Performance Allocation.

Side Letters. The Investment Manager or the Fund may from time to time enter into letter agreements or other similar agreements (collectively, "*Side Letters*") with one or more Limited Partners which provide such Limited Partner(s) with additional and/or different rights (including, without limitation, with respect to access to information, the Management Fee, the Performance Allocation,

minimum investment amounts, voting rights and withdrawal rights) than such Limited Partner(s) have pursuant to this Memorandum. As a result of such Side Letters, certain Limited Partners may receive additional benefits (including, but not limited to, reduced fee obligations, the ability to withdraw Interests on shorter notice and/or expanded informational rights) which other Limited Partners will not receive. For example, a Side Letter may permit a Limited Partner to withdraw its Interest on less notice and/or at different times than other Limited Partners. As a result, should the Fund experience a decline in performance over a period of time, a Limited Partner who is party to a Side Letter that permits less notice and/or different withdrawal times may be able to withdraw its Interest prior to other Limited Partners. In general, the Fund and/or the Investment Manager will not be required to notify any or all of the other Limited Partners of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will the Fund and/or the Investment Manager be required to offer such additional and/or different rights and/or terms to any or all of the other Limited Partners. The Fund and/or the Investment Manager may cause the Fund to enter into such Side Letters with any party as the Fund and/or the Investment Manager may determine in its sole discretion at any time. The other Limited Partners will have no recourse against the Fund and/or the Investment Manager in the event certain Limited Partners receive additional and/or different rights and/or terms as a result of such Side Letters. A Limited Partner will be required to enter into such undertakings with respect to maintaining the confidentiality of any such additional information as the Fund and/or the Investment Manager may in their sole discretion determine.

Valuation Considerations. Valuation of the Master Fund's securities and other investments may involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, the net asset value of the Master Fund and the Fund could be adversely affected. Independent pricing information may not at times be available or otherwise utilized regarding certain of the Master Fund's securities and other investments. Valuation determinations will be made in good faith in accordance with the policies of the Investment Manager in effect from time to time, a copy of which will be made available upon request.

The Master Fund may have some of its assets in investments, which by their very nature may be extremely difficult to accurately value. To the extent that the value assigned by the Administrator to any such investment differs from the actual value, the net asset value of the Master Fund and the Fund may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Limited Partner that withdraws all or part of its Interests while the Master Fund holds such investments will be paid an amount less than it would otherwise be paid if the actual value of such investments is higher than the value designated by the Administrator. Similarly, there is a risk that such Limited Partner might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the Administrator. In addition, there is risk that an investment in the Fund by a new Limited Partner (or an additional investment by an existing Limited Partner) could dilute the value of such investments for the other Limited Partners if the designated value of such investments is higher than the value designated by the Administrator. Further, there is risk that a new Limited Partner (or an existing Limited Partner that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the Administrator. The Administrator does not intend to adjust the net asset value of the Master Fund and the Fund retroactively.

None of the Fund, the Master Fund, the General Partner, the Investment Manager or the Administrator shall have any liability in the event that any price or valuation, used in good faith in connection with the above procedures, proves to be an incorrect or an inaccurate estimate or determination of the price or value of any part of the property of the Master Fund, subject to the standard of care set forth in "*Summary of Terms – Duty of Care; Indemnification*" above.

No Participation by Investors. All decisions with respect to the management of the day-to-day affairs of the Fund are made exclusively by the General Partner and the Investment Manager. Limited Partners have no right or power to take part in the management of the Fund. The Investment Manager makes all of the trading and investment decisions of the Master Fund. In the event of the withdrawal of the Investment Manager, generally the Fund will be liquidated.

Investment Strategies. The Investment Manager will seek to engage in the investment activities that have been discussed in “*Investment Program*” herein. There can be no assurance that the Investment Manager will be successful in applying any such strategy and that losses will be avoided.

Competition. The markets in which the Master Fund invests are competitive and some of the opportunities that the Investment Manager may explore may be pursued by better known investors or investment funds. There can be no assurance that the Investment Manager will be able to identify or successfully pursue such opportunities in this environment. The Investment Manager competes with many firms that may have greater financial resources, more extensive development, better marketing and service capabilities, more favorable financing arrangements, larger research staffs and more securities traders than are available to the Investment Manager.

In-Kind Distributions. A withdrawing Limited Partner may, in the discretion of the General Partner and/or Investment Manager, receive securities owned by the Fund (through the Master Fund) in lieu of, or in combination with, cash. The value of securities distributed may increase or decrease before the securities can be sold (either by the Limited Partner or by the Fund if the General Partner establishes a liquidating account on behalf of the Limited Partner to sell such assets), and the Limited Partner will incur transaction costs in connection with the sale of such securities. Additionally, securities distributed with respect to a withdrawal by a Limited Partner may not be readily marketable. The risk of loss and delay in liquidating these securities will be borne by the Limited Partner, with the result that such Limited Partner may receive less cash than it would have received on the date of withdrawal.

No Current Income. Since the Fund does not generally intend to pay distributions, an investment in the Fund is not suitable for investors seeking current income. Moreover, an investor is required to report and pay taxes on his allocable share of income from the Fund, even though no cash is distributed by the Fund.

Cybersecurity. Information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Investment Manager has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Investment Manager, the Master Fund and/or the Fund may have to make a significant investment to fix or replace them, which expense may be borne in whole or in part by the Fund. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Investment Manager’s, the Master Fund’s and/or the Fund’s operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors. Such interruptions could harm the Investment Manager’s, the Master Fund’s and/or the Fund’s reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance. The foregoing risks and consequences are also extant at any issuer in which the Master Fund invests and could manifest as adverse performance of such investment.

Investment Strategy and Investment Risks

Changes in Strategy. The Investment Manager has the power to expand, revise or alter its trading strategies on behalf of the Master Fund without prior approval by, or notice to, the Fund or the Limited Partners. Any such change could result in exposure of the Fund's assets (through the Master Fund) to additional risks, which may be substantial. The Investment Manager may also invest in additional instruments than those specifically identified in the "*Investment Program*" section.

Latin America Investments. The Master Fund invests in securities of companies based in Latin America or issued by Latin American governments, or in the securities of companies which are not incorporated in Latin America, but which derive some of their revenues from business activities conducted in Latin America. Such investment involves certain considerations not usually associated with investing in securities of developed countries or of companies located in developed countries, including political and economic consideration, such as greater risks of expatriation, nationalization and general, political, and economic instability, the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and substantially greater price volatility, fluctuations in the rate of exchange between currencies, and costs associated with currency conversions, certain government policies that may restrict the Master Fund's investment opportunities and problems that may arise in connection with the clearance and settlements of trades. In addition, accounting and financial reporting standards that prevail in such countries are not equivalent to standards in more developed countries, consequently, less information is available to investors in companies located in more developed countries. There is also less regulation, generally, of the securities markets in Latin American countries than there is in more developed countries.

Risks Related to Investing in Argentina. Argentina has experienced high interest rates, economic volatility, inflation, currency devaluations and high unemployment rates. The economy is heavily dependent on exports and commodities. Argentina's default on its debt in 2001, and its past nationalization of private pensions and national oil company YPF, continues to impact the confidence of investors in Argentina, which might adversely impact returns in the Master Fund, and thus, the Fund.

Argentina's Economy. Argentina's economy could grow at a lower rate than in past years, or could contract. Factors that could negatively affect Argentina's rate of economic growth, its public finances and Argentina's ability to service its debt include: the competitiveness of Argentine exports, which are influenced by the peso's value relative to the value of the currencies of Argentina's trading partners and trade competitors; the level of inflation in Argentina; international commodities prices, foreign currency exchange rates and the levels of consumer consumption and foreign and domestic investment; negative economic developments in Argentina's major trading partners, or "contagion" effects more generally; and Argentina's ability to meet its energy requirements.

Uncertainty of Economic Reforms. A runoff election on November 22, 2015 resulted in Mr. Mauricio Macri being elected President of Argentina. The Macri administration assumed office on December 10, 2015. Since assuming office on December 10, 2015, the Macri administration has announced several significant economic and policy reforms, including methodological reforms with respect to the calculation of certain macroeconomic statistics, the loosening of foreign exchange controls, reduction of tariffs, other easing of international trade restrictions, infrastructure reforms and reopened negotiation with holders of debt in default since 2001. The impact that these measures and any future measures taken by the new administration will have on the Argentine economy as a whole and the financial sector in particular cannot be predicted. The Investment Manager believes that the effect of the planned liberalization of the economy and renewed access to capital markets will be positive for the

Master Fund's intended investments by stimulating economic activity, but it is not possible to predict such effect with certainty and such liberalization could also be disruptive to the economy and fail to benefit or harm companies in Argentina. The Investment Manager cannot predict how the Macri administration will address certain other political and economic issues that were central during the 2015 presidential election campaign, such as the financing of public expenditures, public service subsidies and tax reforms, the resolution of holdout debt or the impact that any measures related to these issues that are implemented by the Macri administration will have on the Argentine economy as a whole.

Currency Controls. In the past, Argentina imposed exchange controls and transfer restrictions substantially limiting the ability of companies to retain foreign currency or make payments abroad. Although the Macri government lifted exchange controls and liberalized capital controls, there can be no assurances regarding future modifications to exchange and capital controls. Exchange and capital controls could adversely affect the financial condition or results of operations of issuers in whose securities the Master Fund intends to invest, as well as their ability to meet foreign currency obligations and to execute financing plans.

Challenges to Argentina's Debt Payments. Argentina's payments in connection with a debt offering may be attached, enjoined or otherwise challenged. In recent years, hold-out creditors have used litigation against sovereign debtors, most prominently Peru and Nicaragua, to attach or interrupt payments made by these sovereign debtors to, among others, bondholders who have agreed to a debt restructuring and accepted new securities in an exchange offer. Argentina has been subjected to suits to collect on amounts due on defaulted bonds, including actions in the United States, the United Kingdom, Italy and Germany. Some of these actions have resulted in judgments against Argentina. There can be no assurance that a creditor will not be able to interfere, through an attachment of assets, injunction, temporary restraining order or otherwise, with payments made in connection with a debt offering.

Pro Rata Payment Litigation. Argentina's defaults with respect to the payment of its foreign debt could prevent the government and the private sector from accessing the international capital markets, which could adversely affect the financial condition of sovereign and corporate issuers in which the Master Fund invests. In September 2014, the Argentine Congress passed a law to restructure foreign-law bonds held by exchange bondholders to allow the payment in Argentina and to appoint a new paying agent. On September 29, 2014, the U.S. District Court for the Southern District of New York held Argentina in contempt of court as a result of this law. The U.S. District Court authorized limited exceptions to the injunction allowing certain custodians of Argentine law-governed bonds to process payments in August 2014, September 2014 and December 2014.

On May 11, 2015, the plaintiffs that obtained pari passu injunctions asked the U.S. district court to amend their complaints to include claims alleging that Argentina's issuance and servicing of its 2024 dollar-denominated bonds, and its external indebtedness in general, would violate the pari passu clause. On June 5, 2015, the Second Circuit granted partial summary judgment to a group of 526 "me-too" plaintiffs in 36 separate lawsuits, finding that, consistent with the previous ruling of such court, Argentina violated a pari passu clause in bonds issued to the "me-too" bondholders. The decision obligates Argentina to pay the plaintiffs \$5.4 billion before it can make payments on restructured debt.

In 2016, the Argentine government working under a court appointed mediator, entered into settlement agreements with a large portion of hold-out debt holders contingent on Argentina repealing laws that prevented the country from complying with rulings by U.S. courts. In this context Judge Thomas Griesa ruled he would lift the injunctions preventing Argentina from serving post-2005 exchange debt if these laws are repealed. Argentina's lower chamber approved the repeal of these laws

and Argentina's senate voted to approve the same in March 2016. In April 2016, the Second Circuit Court of Appeals in the United States upheld Judge Griesa's ruling, finding that he did not abuse his discretion in lifting the *pari passu* injunctions.

The repercussions of restructuring Argentina's bond debts are ongoing. The 2016 U.S. court rulings only settled claims of certain bondholders. Argentina reached a \$475 million settlement with other bondholders in November 2016. Financial indices have only just started moving Argentina back to "emerging market" status, where it had been before 2009.

Argentina's default with respect to the payment of its foreign debt, its delay in completing the debt restructuring process with creditors that did not participate in the related exchange offers, the complaints filed against Argentina discussed above, the U.S. Supreme Court's decision not to hear Argentina's appeal, the declaration of contempt, and the long-term difficulty of reestablishing itself in the global marketplace could prevent Argentina's government from obtaining international private financing or receiving direct foreign investment, as well as private sector companies in Argentina from accessing the international capital markets. Without access to international private financing, Argentina may not be able to finance its obligations, and financing from multilateral financial institutions may be limited or not available. Without access to direct foreign investment, the government may not have sufficient financial resources to foster economic growth and the performance of the Master Fund's investments in Argentina could be materially and adversely affected.

Derivative Instruments. The Investment Manager may use various derivative instruments, including futures, options, forward contracts, swaps and other derivatives which may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Use of derivative instruments presents various risks, including the following:

- *Tracking* – When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Investment Manager from achieving the intended hedging effect or expose the portfolio to the risk of loss.
- *Liquidity* – Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets the Investment Manager may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative positions limits on exchanges on which the Investment Manager may conduct its transactions in certain derivative instruments may prevent prompt liquidation of positions, subjecting the portfolio to the potential of greater losses.
- *Leverage* – Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments may magnify the gains and losses experienced by the Master Fund and could cause the Master Fund's net asset value to be subject to wider fluctuations than would be the case if the Investment Manager did not use the leverage feature in derivative instruments.
- *Over-the-Counter-Trading* – Derivative instruments that may be purchased or sold for the portfolio may include instruments not traded on an exchange. Over-the-counter options, unlike exchanged-traded options, are two-party contracts with price and other terms negotiated by the buyer and seller. The risk of non-performance by the obligor on such an instrument may be

greater and the ease with which the Investment Manager can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions.

Short Sales. Short sales by the Master Fund that are not made “against the box” create opportunities to increase the Master Fund’s return but, at the same time, involve special risk considerations and may be considered a speculative technique. Since the Master Fund, in effect, profits from a decline in the price of the securities sold short without the need to invest the full purchase price of the securities on the date of the short sale, the value of the Master Fund will tend to increase more when the securities it has sold short decrease in value, and to decrease more when the securities it has sold short increase in value, than otherwise would be the case if it had not engaged in such short sales. Short sales theoretically involve unlimited loss potential, as the market price of securities sold short may increase continuously, although the Master Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions the Master Fund might have difficulty purchasing securities to meet its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales. Short sales may be used with the intent of hedging against the risk of declines in the market value of the Master Fund’s long portfolio, but there can be no assurance that such hedging operations will be successful.

Risks of Execution of Investment Strategies. The Master Fund will invest in a number of securities and obligations that entail substantial inherent risks. Although the Master Fund will attempt to manage those risks through careful research, ongoing monitoring of investments and appropriate hedging techniques, there can be no assurance that the securities and other instruments purchased by the Master Fund will in fact increase in value or that the Master Fund will not incur significant losses.

Market Risks and Liquidity. The profitability of a significant portion of the Master Fund’s investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Master Fund will be able to predict accurately these price movements. Although the Master Fund may attempt to mitigate market risk through the use of long and short positions or other methods, there is always some, and occasionally a significant, degree of market risk.

Furthermore, the Master Fund may be adversely affected by a decrease in market liquidity for the instruments in which they invest, which may impair the Master Fund’s ability to adjust their position. The size of the Master Fund’s positions may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, deleveraging as a consequence of a decision by a broker to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Master Fund’s portfolio. Some of the underlying investments of the Master Fund may not be actively traded and there may be uncertainties involved in the valuation of such investments. Potential investors should be warned that under such circumstances, the net asset value of the Master Fund may be adversely affected.

Hedging. Although the Master Fund will attempt to hedge its exposure to specific arbitrage positions, it will not always be possible fully to hedge risk from such positions or any other position. In

addition, the Master Fund may take positions based on the expected future direction of the markets without fully hedging the market risks.

Currency Risks. A portion of the Master Fund's assets may be invested in securities denominated in various currencies and in other financial instruments, the price of which is determined with reference to such currencies. The account of the Master Fund will, however, be valued in U.S. Dollars. To the extent unhedged, the value of the net assets of the Master Fund will fluctuate with U.S. Dollars exchange rates as well as with price changes of their investments in the various local markets and currencies. Forward currency contracts and options may be utilized by the Master Fund to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Counterparty and Settlement Risk. Due to the nature of some of the investments which the Master Fund may make, the Master Fund may rely on the ability of the counterparty to a transaction to perform its obligations. In the event that any such party fails to complete its obligations for any reason, the Master Fund may suffer losses. The Master Fund will therefore be exposed to a credit risk on the counterparties with which it trades. The Master Fund will also bear the risk of settlement default by clearing houses and exchanges. Any default by a counterparty or on settlement could have a material adverse effect on the Master Fund.

Borrowing. The Master Fund is permitted to finance its operations with secured and unsecured borrowing up to 100% of its net assets, to the extent allowable under applicable credit regulations. Like other forms of leverage, the use of borrowing can enhance the risk of capital loss in the event of adverse changes in the level of market prices of the assets being financed with the borrowings.

Concentration of Investments. Although the Investment Manager will follow a general policy of seeking to spread the Master Fund's capital among a number of investments, the Investment Manager may depart from such policy from time to time and may hold a few, relatively large securities positions in relation to the Master Fund's capital. The result of such concentration of investments is that a loss in any such position could materially reduce the Master Fund's capital.

Difficult Market for Investment Opportunities. The activity of identifying, completing and realizing on attractive investments involves a high degree of uncertainty. There can be no assurance that the Master Fund will be able to locate and complete investments which satisfy the Master Fund's rate of return objective or realize upon their values or that the Master Fund will be able to invest fully its subscribed capital in a manner consistent with its investment strategy.

Certain Regulatory Risks

Absence of Regulatory Oversight. While the Fund may be considered similar to an investment company, it is not required and does not intend to register as such under the Investment Company Act of 1940, as amended (the "*Investment Company Act*"), and, accordingly, the provisions of the Investment Company Act (which may provide certain regulatory safeguards to investors) are not applicable to investors in the Fund. Neither the Fund nor the Master Fund will maintain custody of its securities or place its securities in the custody of a bank or a member of a national securities exchange in the manner required of registered investment companies under rules promulgated by the Securities and Exchange Commission (the "*SEC*"). A registered investment company which places its securities in the custody of a member of a national securities exchange is required to have a written custodian agreement, which provides that securities held in custody will be at all times individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment

company, and which contains other provisions complying with SEC regulations. The Master Fund generally will maintain such accounts at brokerage firms that do not separately segregate such assets as would be required in the case of registered investment companies. Under the provisions of the Securities Investor Protection Act of 1970, as amended, the bankruptcy of any such brokerage firm might have a greater adverse effect on the Master Fund and the Fund than would be the case if the accounts were maintained to meet the requirements applicable to registered investment companies.

Forward-Looking Statements. Certain statements contained in this Memorandum, including without limitation, statements containing the words “believes,” “anticipates,” “intends,” “expects,” and words of similar import constitute “forward-looking statements.” Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Fund to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Certain of these factors are discussed in more detail elsewhere in this Memorandum, including without limitation under “*Summary of Terms*,” “*Certain Risk Factors*,” and “*Investment Program*.” Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. The Investment Manager and the Fund disclaim any obligation to update any such factors or to announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

Impact of U.S. Presidential Election. On January 20, 2017, Donald Trump became President of the United States of America. President Trump and other members of the Republican Party have proposed to reverse some of the recent regulation of the financial industry and to change tax policy. If some of these proposals were enacted, banks could dramatically increase their lending practices and accept additional types of collateral, borrowers could reduce their demand for debt financing, certain investment advisers could de-register with SEC and portfolio companies that are net importers or hold significant assets outside of the United States could be subject to increased tax liability. The effect of any such regulatory or tax changes on the Master Fund and the markets in which it trades and invests is uncertain.

Evolving Regulatory Risks of Private Investment Funds. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds and their advisers may adversely affect the value of investments held by the Master Fund.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“**Dodd-Frank**”), which was enacted in July 2010, regulates markets, market participants and financial instruments that were historically unregulated and has substantially altered the regulation of many other markets, market participants and financial instruments. Certain provisions of Dodd-Frank subject registered investment advisers to requirements to keep records and to report information to the SEC, which could in turn be supplied to the Board of Governors of the Federal Reserve, a new Financial Services Oversight Council or other U.S. governmental agencies or Congress. Under Dodd-Frank, the information includes, among other things, the amount of assets under management, use of leverage (including off-balance sheet leverage), counterparty credit risk exposures, trading and investment positions, and trading practices. All such records are subject to examination by the SEC at any time. It is anticipated that there may be significant changes to the financial regulatory environment as a result of the outcome of the recent U.S. elections. There is currently pending legislation in U.S. Congress which if enacted would result in the repeal of portions of Dodd-Frank which in turn would have a significant impact on the regulatory environment for private investment funds. In addition, the impact of the legislation on current and future rulemaking by various regulators under Dodd-Frank is difficult to predict. It is possible that rules that

have been proposed by various regulators, which had been anticipated to take effect previously, may no longer be implemented in their proposed form or at all. Further, there may also be substantial changes in the enforcement and interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. The effect of future regulatory change on the Fund and the Master Fund and their operations is uncertain. Prospective investors should seek, and must rely on, the advice of their own advisers with respect to the possible impact on its investment of any future proposed legislation or administrative or judicial action.

Tax Related Risks

Uncertainty and Complexity of Tax Treatment. The tax aspects of an investment in a partnership are complicated and complex and, in many cases, uncertain. Statutory provisions and administrative regulations have been interpreted inconsistently by the courts. Additionally, some statutory provisions remain to be interpreted by administrative regulations. Investors will thus be subject to the risk caused by the uncertainty of the tax consequences with respect to an investment in the Fund. Each prospective investor should have the tax aspects of an investment in the Fund reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles. Prospective investors are strongly urged to review the discussion below under "*Tax Considerations*" and "*ERISA and Other Regulatory Considerations*" for a more complete discussion of certain of the tax risks inherent in the acquisition of Interests and to consult their own independent tax advisors.

Risk of Adverse Determination. There can be no assurance that the conclusions set forth in this Memorandum will not be challenged successfully by the U.S. Internal Revenue Service (the "*Service*") or other applicable taxing authority, or significantly modified by new legislation, changes in the Service's positions or court decisions. The Fund has not applied for, nor does it expect to apply for, any advance rulings from the Service with respect to any of the federal income tax consequences described in this Memorandum. No representation or warranty of any kind is made by the General Partner with respect to the tax consequences relating to an investment in the Fund. The Fund may take positions with respect to certain tax issues which depend on legal conclusions not yet resolved by the courts. Should any such positions be successfully challenged by the Service or other applicable taxing authority, there could be a materially adverse effect on the Fund, and a Limited Partner might be found to have a different tax liability for that year than that reported on its income tax returns.

Risk of Tax Audit. An audit of the Fund by the Service or another taxing authority could result in adjustments to the tax consequences initially reported by the Fund and may result in an audit of the returns of some or all of the Limited Partners, which examination could affect items not related to a Limited Partner's investment in the Fund. If audit adjustments result in an increase in a Limited Partner's income tax liability for any year, such Limited Partner may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of the Fund's tax returns will be borne by the Fund. The cost of any audit of a Limited Partner's tax return will be borne solely by that Limited Partner.

Entity-Level Audits. Pursuant to the Bipartisan Budget Act of 2015, for taxable years beginning after December 31, 2017, the Service generally will be permitted to determine adjustments to items of income, gain, deduction, loss or credit of the Fund, and assess and collect taxes attributable thereto (including any applicable penalties and interest), at the Fund level. If this new regime applies to the Fund (which depends, among other things, on whether the Fund has more than 100 partners or has any partner that is itself classified as a partnership for U.S. federal income tax purposes), then any person

who is a partner of the Fund in the relevant year of the adjustment may indirectly bear the economic burden of any such taxes assessed or collected (initially determined at the highest rate of tax applicable to an individual or corporation in effect for the reviewed year), regardless of whether such person was a Limited Partner during any reviewed year. It is expected that guidance will be issued that permits the Fund to reduce the underpayment of taxes owed by the Fund, including to the extent that the Fund demonstrates such taxes are allocable to a Limited Partner that would not owe any tax by reason of its status as a “tax-exempt entity” or the character of income is subject to a lower rate of tax. The Fund may under certain circumstances have the ability to avoid such entity-level tax assessment or collection by electing to issue a statement to each partner of any reviewed year with its share of such adjustment, resulting in such partner being required to take into account any such adjustment for the taxable year which includes the date such statement was furnished. In such case, the partners of the reviewed year would also incur a two-percentage point increase on the interest rate that would otherwise have been imposed on any underpayment of taxes. There can be no assurances, however, that the Fund will avoid, or be able to avoid, any entity-level determination, assessment or collection. Limited Partners should note that there is substantial uncertainty regarding the implementation of these rules and the impact on any current or future allocations made or cash available for distributions or withdrawals by the Fund. The Fund may also be exposed to the risk that these rules apply to any lower-tier entity in which the Fund directly or indirectly invests and that is treated as a partnership for U.S. federal income tax purposes. If this new legislation applies to the Fund, the Fund will designate a tax representative, which is expected to be the General Partner, the Investment Manager, or an affiliate thereof, who shall have the sole authority to act on behalf of the Fund with respect to dealings with the Service under these new procedures. Prospective Limited Partners should consult their own tax advisors regarding this new legislation.

Tax Considerations Taken into Account. The General Partner may take tax considerations into account in determining when the Fund’s investments should be sold or otherwise disposed of, and may assume certain market risk and incur certain expenses in this regard to achieve favorable tax treatment of a transaction.

Foreign Taxation. With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, and imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Fund, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

Tax Liabilities Without Distributions. If the Fund has taxable income in a fiscal year, each Limited Partner will be taxed on that income in accordance with its allocable share of the Fund’s profits, whether or not such profits have been distributed. Because the General Partner anticipates that there will be no cash distributions to the Limited Partners, an investor may incur tax liability with respect to activities of the Fund without receiving sufficient distributions from the Fund to defray such tax liabilities. In order to satisfy its tax liability in such a case, a Limited Partner would need sufficient funds from sources other than the Fund. Furthermore, the Fund may make investments with respect to which the Fund recognizes income for U.S. federal income tax purposes prior to receiving the cash or realizing the income as an economic matter. In addition, the Fund may recognize income for U.S. federal income tax purposes that does not reflect income as an economic matter. Such recognition of income prior to receipt of an economic benefit, if any, may result in increased tax liability for the Partners.

Delayed Schedules K-1. The Fund will provide Schedules K-1 as soon as practicable after receipt of all of the necessary information. However, the Fund may be unable to provide final Schedules K-1 to Limited Partners for any given tax year until significantly after April 15 of the following year. The General Partner will endeavor to provide Limited Partners with estimates of the taxable income or loss allocated to their investment in the Fund on or before such date, but final Schedules K-1 may not be available until completion of the Fund's annual audit. Limited Partners should be prepared to obtain extensions of the filing date for their income tax returns at the federal, state and local levels.

Unrelated Business Taxable Income. The Fund may make investments or engage in activities that will give rise to unrelated business taxable income ("**UBTI**") under Sections 512 and 514 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). Thus, an investment in the Fund may be less desirable for certain tax-exempt investors. For example, the Fund may incur leverage giving rise to UBTI or may participate in investments that give rise to UBTI through entities that are treated as partnerships for U.S. federal income tax purposes. Because of the "flow-through" principles applicable to partnerships, if UBTI is earned by the Fund, a tax-exempt investor in the Fund will realize UBTI. Because of the General Partner's objective of maximizing the pre-tax returns of all the Limited Partners, the General Partner may be required to make certain decisions to maximize pre-tax returns that result in tax-exempt investors recognizing more UBTI than might otherwise be the case. In some cases, the General Partner may forgo actions with regard to the acquisition, financing, management and disposition of assets that would reduce UBTI because such actions would reduce the overall pre-tax returns to all the Limited Partners.

Tax Changes. Investors will be subject to the risk that changes to the tax law may adversely affect the federal income tax consequences of their investment in the Fund. Changes in existing tax laws or regulations and their interpretation may be enacted after the date of this Memorandum, possibly with retroactive effect, and could alter the income tax consequences of an investment in the Fund. Certain provisions of the Code may be further amended or interpreted in a manner adverse to the Fund, in which event any benefits derived from an investment in the Fund may be adversely affected. In addition, significant legislative and budgetary proposals affecting tax laws have been made by the legislative and executive branches of the U.S. federal government. The likelihood of enactment of any such proposals, or any similar proposals, into law is uncertain. The enactment of any such proposals, including subsequent proposals, into law could have material adverse effects on the Fund and/or the Limited Partners. Enactment of such legislation, or similar legislation, could require significant restructuring of the Fund in order to mitigate such effects.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Memorandum and consult with their own advisers before deciding to invest in the Fund. In addition, as the investment program of the Fund develops and changes over time, an investment in the Fund may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

In view of the foregoing considerations, an investment in Interests is suitable only for investors who are capable of bearing the relevant investment risks.

Potential Conflicts of Interest

Given the nature and size of Highland Capital Management, L.P.'s ("**Highland Capital**") operations, various potential conflicts of interest arise in connection with its advisory services and the

advisory services provided by its affiliates. Information about Highland Capital and its potential conflicts of interest is provided in Highland Capital's Form ADV Part 2 Brochure that can be found by going to <https://adviserinfo.sec.gov/IAPD/Default.aspx>, searching by firm name and selecting the Part 2 Brochure to be viewed. The Fund is subject to these conflicts of interest, as well as the other items discussed below.

None of the Investment Manager, its affiliates and their respective officers, directors, shareholders, members, partners, personnel and employees (collectively, the "**Highland Group**") is precluded from engaging in or owning an interest in other business ventures or investment activities of any kind, whether or not such ventures are competitive with the Fund or the Master Fund. The Investment Manager is permitted to manage other client accounts, and does manage other client accounts, some of which may have objectives similar or identical to those of the Master Fund, including other collective investment vehicles that may be managed by the Highland Group and in which the Investment Manager or any of its affiliates may have an equity interest.

The Fund will be subject to a number of actual and potential conflicts of interest involving the Highland Group including, among other things, the fact that: (i) the Highland Group conducts substantial investment activities for accounts, funds, collateralized debt obligations that invest in leveraged loans (collectively, "**CDOs**") and other vehicles managed by members of the Highland Group ("**Highland Accounts**") in which the Fund has no interest; (ii) the Highland Group advises Highland Accounts, which utilize the same, similar or different methodologies as the Fund and may have financial incentives (including, without limitation, as it relates to the composition of investors in such funds and accounts or to the Highland Group's compensation arrangements) to favor certain Highland Accounts over the Fund and the Master Fund; (iii) the Highland Group may use the strategy described herein in certain Highland Accounts; (iv) the Investment Manager may give advice and recommend securities to, or buy or sell securities for, the Master Fund, which advice or securities may differ from advice given to, or securities recommended or bought or sold for, Highland Accounts; (v) the Investment Manager has the discretion, to the extent permitted under applicable law, to use its affiliates as service providers to the Fund and the Master Fund and the Master Fund's portfolio investments; (vi) certain investors affiliated with the Highland Group may choose to personally invest only in certain funds advised by the Highland Group and the amounts invested by them in such funds is expected to vary significantly; (vii) the Highland Group and Highland Accounts may actively engage in transactions in the same securities sought by the Master Fund and, therefore, may compete with the Master Fund for investment opportunities or may hold positions opposite to positions maintained on behalf of the Master Fund; and (viii) the Investment Manager will devote to the Master Fund and the Fund only as much time as the Investment Manager deems necessary and appropriate to manage the Master Fund's and the Fund's business.

The Investment Manager undertakes to resolve conflicts in a fair and equitable basis, which in some instances may mean a resolution that would not maximize the benefit to the Fund's investors.

Allocation of Trading Opportunities

It is the policy of the Investment Manager to allocate investment opportunities fairly and equitably over time. This means that such opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) fiduciary duties owed to the accounts; (ii) the primary mandate of the accounts; (iii) the capital available to the accounts; (iv) any restrictions on the accounts and the investment opportunity; (v) the sourcing of the investment, size of the investment and amount of follow-on available related to the investment; (vi) whether the risk-return profile of the proposed investment is consistent with the

account's objectives and program, whether such objectives are considered in light of the specific investment under consideration or in the context of the portfolio's overall holdings; (vii) the potential for the proposed investment to create an imbalance in the account's portfolio (taking into account expected inflows and outflows of capital); (viii) liquidity requirements of the account; (ix) potentially adverse tax consequences; (x) regulatory and other restrictions that would or could limit an account's ability to participate in a proposed investment; and (xi) the need to re-size risk in the account's portfolio.

The Investment Manager has the authority to allocate trades to multiple Highland Accounts on an average price basis or on another basis it deems fair and equitable. Similarly, if an order on behalf of any accounts cannot be fully allocated under prevailing market conditions, the Investment Manager may allocate the trades among different accounts on a basis it considers fair and equitable over time. One or more of the foregoing considerations may (and are often expected to) result in allocations among the Master Fund and one or more Highland Accounts on other than a *pari passu* basis. The Investment Manager will allocate investment opportunities across its accounts for which the opportunities are appropriate, consistent with (i) its internal conflict of interest and allocation policies and (ii) the requirements of the Investment Advisers Act of 1940, as amended. The Investment Manager will seek to allocate investment opportunities among such entities in a manner that is fair and equitable over time and consistent with its allocation policy, a copy of which will be provided upon request. However, there is no assurance that such investment opportunities will be allocated to the Master Fund fairly or equitably in the short-term or over time and there can be no assurance that the Master Fund will be able to participate in all investment opportunities that are suitable for it

The Investment Manager may open "average price" accounts with brokers. In an "average price" account, purchase and sale orders placed during a trading day on behalf of the Investment Manager, the Master Fund and other accounts managed by the Investment Manager are combined, and securities bought and sold pursuant to such orders are allocated among such accounts on an average price basis.

Cross Transactions and Principal Transactions

As further described below, the Investment Manager may effect client cross-transactions where the Investment Manager causes a transaction to be effected between the Master Fund and another client advised by it or any of its affiliates. The Investment Manager may engage in a client cross-transaction involving the Master Fund any time that the Investment Manager believes such transaction to be fair to the Master Fund and such other client. By subscribing for an Interest, a Limited Partner is deemed to have consented to such client cross-transactions between the Master Fund and another client of the Investment Manager or one of its affiliates.

The Investment Manager may direct the Master Fund to acquire or dispose of securities in cross trades between the Master Fund and other clients of the Investment Manager or its affiliates in accordance with applicable legal and regulatory requirements. In addition, the Master Fund may invest in securities of obligors or issuers in which the Investment Manager and/or its affiliates have a debt, equity or participation interest, and the holding and sale of such investments by the Master Fund may enhance the profitability of the Investment Manager's own investments in such companies. Moreover, the Master Fund may invest in assets originated by the Investment Manager or its affiliates. In each such case, the Investment Manager and such affiliates may have a potentially conflicting division of loyalties and responsibilities regarding the Master Fund and the other parties to such trade. Under certain circumstances, the Investment Manager and its affiliates may determine that it is appropriate to avoid such conflicts by selling a security at a fair value that has been calculated pursuant to the Investment Manager's valuation procedures to another client managed or advised by the Investment Manager or

such affiliates. In addition, the Investment Manager may enter into agency cross-transactions where it or any of its affiliates acts as broker for the Master Fund and for the other party to the transaction, to the extent permitted under applicable law.

The Principal, as well as the employees and officers of the Investment Manager and of organizations affiliated with the Investment Manager, may buy and sell securities for their own account or the account of others, but may not buy securities from or sell securities to the Master Fund (such prohibition does not extend to the purchase or sale of interests in the Fund), unless such purchase or sale is in compliance with the applicable provisions of the Investment Advisers Act of 1940, as amended.

Conflicts Relating to Equity and Debt Ownership by the Master Fund and Affiliates

In certain circumstances, the Master Fund and other client accounts may invest in securities or other instruments of the same issuer (or affiliated group of issuers) having a different seniority in the issuer's capital structure. If the issuer becomes insolvent, restructures or suffers financial distress, there may be a conflict between the interests in the Master Fund and those other accounts insofar as the issuer may be unable (or in the case of a restructuring prior to bankruptcy may be expected to be unable) to satisfy the claims of all classes of its creditors and security holders and the Master Fund and such other accounts may have competing claims for the remaining assets of such issuers. Under these circumstances it may not be feasible for the Investment Manager to reconcile the conflicting interests in the Master Fund and such other accounts in a way that protects the Master Fund's interests. Additionally, the Investment Manager or its nominees may in the future hold board or creditors' committee memberships which may require them to vote or take other actions in such capacities that might be conflicting with respect to certain funds managed by the Investment Manager in that such votes or actions may favor the interests of one account over another account. Furthermore, the Investment Manager's fiduciary responsibilities in these capacities might conflict with the best interests of the investors.

Affiliated Entity Services

Affiliated entities of the Investment Manager may provide services with respect to the Investment Manager, the Master Fund or the Fund. NexBank, SSB ("**NexBank SSB**") is an affiliate of the Investment Manager and may, from time to time, provide banking and/or agency services to the Investment Manager, clients of the Investment Manager or collective investment vehicles for which the Investment Manager provides investment advisory services (including the Fund, the Master Fund and other vehicles in which the Fund (through the Master Fund) may invest) or third parties engaged in transactions involving the Investment Manager. NexBank SSB may also act as an agent in connection with certain securities transactions involving the Investment Manager's client accounts (including the Master Fund and other vehicles in which the Master Fund may invest). Principals of the Investment Manager own a majority of the equity interests in NexBank SSB and employees or affiliates of the Investment Manager own or may own a substantial equity interest in NexBank SSB. Certain Master Fund investment transactions may be executed through NexBank Securities, Inc., an affiliate of the Investment Manager and a registered broker-dealer.

Additionally, the Investment Manager or affiliates of the Investment Manager, including, without limitation, Nexbank SSB, NexBank Securities, Inc., NexBank Capital Advisors and Governance Re, Ltd., may provide financial advisory, management, insurance, title insurance or other services for a fee to portfolio companies in which the Master Fund may have an interest. Highland Latin America Consulting, Ltd., an affiliate of the Investment Manager, has been engaged to provide certain

administrative and consulting services to the Investment Manager, as more fully described below in “*Management – Services Agreement*.”

Management Fee

A portion of any Management Fee may be paid to broker-dealers, placement agents or independent third parties, other than the Investment Manager, for services provided in connection with the solicitation of subscriptions from investors. Accordingly, investors should recognize that a placement agent’s or distributor’s participation in this offering may be influenced by its interest in such current or future fees and compensation. Investors should consider these potential conflicts of interest in making their investment decisions. Each placement agent shall comply with the legal requirements of the jurisdictions within which it offers and sells Interests.

Diverse Membership

The Limited Partners are expected to include entities, persons, or entities organized in various jurisdictions and subject to different tax and regulatory regimes. Such diverse investors may thus have conflicting investment, tax and other interests, relating to, among other things, the nature of investments made by the Master Fund, the structuring or the acquisition of investments and the timing of disposition of investments. As a result, conflicts of interest may arise in connection with decisions made by the Investment Manager including as to the nature and structure of investments that may be more beneficial for one type of Limited Partner than for another type of Limited Partner, including Limited Partners affiliated with the Investment Manager. The results of the Fund’s activities may affect individual Limited Partners differently, depending upon their individual financial and tax situations because, for instance, of the timing of an event of realization of gain or loss and its characterization as long-term or short-term gain or loss. In addition, the Master Fund may make investments that may have a negative impact on related investments made by the Limited Partners in separate transactions. In selecting, structuring and managing investments appropriate for the Master Fund, the Investment Manager will consider the investment and tax objectives of the Master Fund and the Feeder Funds as a whole, not the investment, tax, or other objectives of any Limited Partner individually. However, there can be no assurance that a result will not be more advantageous to some Limited Partners than to others or to the Investment Manager and/or its affiliates than to a particular Limited Partner.

Soft Dollars

The Investment Manager’s authority to use “soft dollar” credits generated by the Master Fund’s securities transactions to pay for expenses that might otherwise have been borne by the Investment Manager or the General Partner may give the Investment Manager an incentive to select brokers or dealers for Master Fund transactions, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by the Investment Manager rather than giving exclusive consideration to the interests in the Master Fund. See “*Brokerage and Custody*.”

No Separate Counsel

Akin Gump Strauss Hauer & Feld LLP (“*Akin Gump*”) serves as counsel to the Fund, the Master Fund, the Investment Manager, the General Partner and certain of their Affiliates (the “*Clients*”) in connection with the formation of the Fund and certain other Clients, the offering of Interests as well as certain other matters for which the Clients may engage Akin Gump from time to time. Akin Gump disclaims any obligation to verify the Clients’ compliance with their obligations either under applicable

law or the governing documents of the Fund. In acting as counsel to the Clients, Akin Gump has not represented and will not represent any Limited Partners nor does it purport to represent their interests. No independent counsel has been retained to represent the Limited Partners. In assisting in the preparation of this Memorandum, Akin Gump has relied on information provided by the Fund, the Investment Manager and the General Partner and certain of the Fund's other service providers (including, without limitation, the Principal's biographical data, summaries of market conditions, the planned investment strategy of the Master Fund and the performance of the Master Fund, its investments or any predecessor Fund) without verification and does not express a view as to whether such information is accurate or complete.

Maples and Calder, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, acts as Cayman Islands legal counsel to the Offshore Fund, the Master Fund and the General Partner. In connection with the offering of interests and subsequent advice to the Offshore Fund, the Master Fund and the General Partner, Maples and Calder will not be representing shareholders and/or limited partners. No independent legal counsel has been retained to represent the shareholders and/or limited partners. Maples and Calder's representation of the General Partner is limited to specific matters as to which it has been consulted by the General Partner. There may exist other matters that could have a bearing on the Master Fund as to which Maples and Calder has not been consulted. In addition, Maples and Calder does not undertake to monitor compliance by the General Partner and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does Maples and Calder monitor ongoing compliance with applicable laws. In connection with the preparation of this Memorandum, Maples and Calder's responsibility is limited to matters of Cayman Islands law and it does not accept responsibility in relation to any other matters referred to or disclosed in this Memorandum. In the course of advising the General Partner, there are times when the interests of the shareholders/limited partners may differ from those of the Offshore Fund, Master Fund and/or the General Partner. Maples and Calder does not represent the shareholders and/or limited partners' interests in resolving these issues. In reviewing this Memorandum, Maples and Calder has relied upon information furnished to it by the General Partner and has not investigated or verified the accuracy and completeness of information set forth herein concerning the Offshore Fund, Master Fund and/or the General Partner.

Non-Public Information

From time to time, the Investment Manager may come into possession of non-public information concerning specific companies although internal structures are in place to prevent the receipt of such information. Under applicable securities laws, this may limit the Investment Manager's flexibility to buy or sell portfolio securities issued by such companies. The Master Fund's investment flexibility may be constrained as a consequence of the Investment Manager's inability to use such information for investment purposes.

The foregoing list of risk factors and potential conflicts of interest do not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Memorandum and consult with their own legal, tax and financial advisers before deciding to invest in the Fund.

BROKERAGE AND CUSTODY

Brokerage Arrangements

The Investment Manager will be responsible for the placement of the portfolio transactions of the Master Fund and the negotiation of any commissions or spreads paid on such transactions. Portfolio transactions normally will be effected through brokers on securities exchanges or directly with the issuer, or through an underwriter, or market maker or other dealer for the investments. Portfolio transactions through brokers involve a commission to the broker. Portfolio transactions with dealers typically are priced to include a spread between the bid and the asked price to compensate the dealer. Portfolio transactions will be executed by brokers selected solely by the Investment Manager in its absolute discretion. The Investment Manager is not required to weigh any of these factors equally.

Substantially all of the Master Fund's investments in marketable securities, as well as its cash and cash equivalents, are expected to be held at Société Générale and BNP Paribas Prime Brokerage, Inc. or other prime brokers or custodians selected by the Investment Manager. Instruments not constituting marketable securities generally are recorded through book entry by the borrower or by an agent for the borrower or the creditors. Documentary evidence of the acquisition, ownership and disposition of these assets typically will be held by the Administrator.

Société Générale and BNP Paribas Prime Brokerage, Inc. and other prime brokers or their affiliates may provide capital introduction or other placement services to the Fund and the Investment Manager (with or without separate charges for such other services). In determining which broker-dealer generally provides the best available price and most favorable execution, the Investment Manager considers a totality of circumstances, including price quotes, the size of the transaction, the nature of the market for the financial instrument, the timing of the transaction, difficulty of execution, the broker-dealer's expertise in the specific financial instrument or sector in which the Master Fund seeks to trade, the extent to which the broker-dealer makes a market in the financial instrument involved or has access to such markets, the broker-dealer's skill in positioning the financial instruments involved, the broker-dealer's promptness of execution, the broker-dealer's financial stability, reputation for diligence, fairness and integrity, quality of service rendered by the broker-dealer in other transactions for the Investment Manager and its respective affiliates, confidentiality considerations, the quality and usefulness of research services and investment ideas presented by the broker-dealer, the broker-dealer's willingness to correct errors, the broker-dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction, and other factors deemed appropriate by the Investment Manager. The Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread.

Accordingly, if the Investment Manager concludes that the commissions charged by a broker or the spreads applied by a dealer are reasonable in relation to the quality of services rendered by such broker or dealer (including, without limitation, the value of the brokerage and research products or services provided by such broker or dealer), the Master Fund may pay commissions to, or be subject to spreads applied by, such broker-dealer in an amount greater than the amount another broker-dealer might charge or apply.

The Investment Manager may also execute trades with brokers and dealers with whom the Fund, the Master Fund or the Investment Manager has other business relationships, including prime brokerage, credit relationships and capital introduction or investments by affiliates of the broker-dealers in the Fund or other entities managed by the Investment Manager. However, the Investment Manager does not

believe that these other relationships will influence the choice of brokers and dealers who execute trades for the Master Fund.

Research-related goods and services provided by brokers and dealers through which portfolio transactions for the Master Fund are executed, settled and cleared may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, certain research services, and other goods and services providing lawful and appropriate assistance to the Investment Manager in the performance of investment decision-making responsibilities on behalf of the Master Fund and related accounts (collectively, “*soft dollar items*”).

Soft dollar items may be provided directly by brokers and dealers, by third parties at the direction of brokers and dealers or purchased on behalf of the Master Fund with credits or rebates provided by brokers and dealers. Soft dollar items may arise from over-the-counter principal transactions, as well as exchange traded agency transactions. Brokers and dealers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual business received by any broker or dealer may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total transaction volume is allocated on the basis of all the considerations described above. A broker or dealer will not be excluded from executing transactions for the Master Fund because it has not been identified as providing soft dollar items.

The use of commissions or “soft dollars” if any, generated by the Master Fund through agency and certain riskless principal transactions to pay for research and research-related products or services, if any, will fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended. Under Section 28(e), research products or services obtained with soft dollars generated by the Master Fund may be used by the Investment Manager to service accounts other than the Master Fund. Soft dollars generated in respect of futures, currency and derivatives transactions and principal transactions (that are not riskless principal transactions) do not generally fall within the safe harbor created by Section 28(e) and will be utilized only with respect to research-related products and services for the benefit of the account generating such soft dollars.

Research and brokerage products and services may be used by the Investment Manager in servicing some or all of the Investment Manager’s clients. In addition, some research and brokerage may not be used by the Investment Manager in servicing the clients whose commission dollars provided for the research or brokerage. Clients may not, in any particular instance, be the direct or indirect beneficiaries of the research or brokerage provided. Certain clients, who are the beneficiaries of research or brokerage, may have an investment style which results in the generation of a small amount of brokerage commissions due to a lack of active trading for their accounts. As a result, clients who generate sizeable commissions subsidize research or brokerage provided to clients whose accounts generate minimal brokerage commissions since the commission dollars generated by transactions for such clients are not sufficient to pay for research or brokerage that may be received by such clients from other brokers.

In selecting broker-dealers on the basis of the foregoing factors, the Investment Manager may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction. In connection therewith, the Investment Manager will make a good faith determination that the amount of commission is reasonable in relation to the value of the research or brokerage services received, viewed in terms of either the specific transaction or the Investment Manager’s overall responsibility to its clients. The Investment Manager will regularly evaluate the placement of brokerage services and the reasonableness of commissions paid. Research received from brokers will be

supplemental to the Investment Manager's own research efforts. While the receipt of research will not reduce the Investment Manager's normal research activities, the Investment Manager's expenses could increase materially if it attempted to generate such additional research or brokerage services through its own staff, and the Management Fee will not be reduced as a consequence of the receipt of such research or brokerage services or products. As such, the Investment Manager's arrangements for the receipt of research and brokerage services from brokers may create a conflict of interest, in that the Investment Manager may have an incentive to choose a broker-dealer that provides research and brokerage services, instead of one that does not but charges a lower commission rate. In some instances, the Investment Manager receives products and services that may be used for both research and non-research purposes. In such instances, the Investment Manager will make a good faith effort to determine the relative proportion of the products and services used to assist the Investment Manager in carrying out its investment decision-making responsibilities or order execution, including research and brokerage, and the relative proportion used for administrative or other non-research purposes. The proportionate amount of the research attributable to assisting the Investment Manager in carrying out its investment decision-making responsibilities or order execution will be paid through brokerage commissions generated by the Master Fund's and other client's transactions; the proportionate amount attributable to administrative or other non-research purposes will be paid for by the Investment Manager from its own resources. The receipt of "mixed-use" research and the determination of the appropriate allocation may result in a potential conflict of interest between the Investment Manager and its clients, including the Master Fund.

Custody

The majority of the Master Fund's securities are held in the custody of its prime brokers. The Master Fund is eligible for insurance coverage against loss with respect to assets held in the custody of the prime brokers in the event of the bankruptcy or liquidation of either of the prime brokers to the same extent as that broker's other customers. The Master Fund's and the Fund's cash may be held at banks as well as the prime brokers. Ownership interests which are not represented by certificates generally will be recorded through book-entry systems maintained by the issuer or its agent, and the underlying documentation relating to the acquisition and disposition of these assets for the account of the Master Fund will be held at the business offices of the Investment Manager.

TAX CONSIDERATIONS

Introduction

The following is a summary of certain aspects of the U.S. federal income taxation of the Fund and its Limited Partners arising from the purchase, ownership and disposition of an Interest that should be considered by a prospective Limited Partner. The Fund has not sought a ruling from the Service or any similar state, local or foreign authority with respect to any of the tax issues affecting Limited Partners or the Fund, nor has it obtained an opinion of counsel with respect to any U.S. federal, state, local or foreign tax issues.

This summary is based on the Code, the U.S. Treasury regulations promulgated under the Code (the “*Treasury Regulations*”), judicial decisions, administrative rulings, and state and local tax laws in force on the date of this Memorandum, all of which are subject to change (possibly with retroactive effect). Changes in existing laws or regulations and their interpretation may occur after the date of this Memorandum and could alter the income tax consequences of an investment in the Fund. This discussion does not address all of the tax consequences that may be relevant to a particular investor, nor does it address, unless specifically indicated, the tax consequences to, among others (i) persons that may be subject to special treatment under U.S. federal income tax law, including, but not limited to, banks, insurance companies, thrift institutions, regulated investment companies, real estate investment trusts and dealers in securities or currencies, (ii) persons that will hold Interests as part of a position in a “straddle” or as part of a “hedging,” “conversion” or other integrated investment transaction for U.S. federal income tax purposes, (iii) persons whose functional currency is not the U.S. dollar or (iv) persons that do not hold Interests as capital assets within the meaning of Code Section 1221.

Further, this summary does not address the tax considerations relevant to an investment in the Fund by a person that is not a “United States person” as defined in Section 7701(a)(30) of the Code because this summary assumes that all such persons will invest in the Offshore Fund.

If a partnership holds an Interest in the Fund, the tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the Fund. Prospective investors who are partners of a partnership should consult their own tax advisors.

Unless otherwise expressly provided herein, this discussion does not address possible state, local or foreign tax consequences of the purchase, ownership or disposition of Interests, some or all of which may be material to particular investors. This discussion also does not address the potential application of the U.S. federal alternative minimum tax (“*AMT*”) to the Limited Partners. There is uncertainty concerning certain tax aspects of the Fund, and there can be no assurance that the Service will not challenge the positions taken by the Fund.

THE TAX CONSEQUENCES OF AN INVESTMENT IN THE FUND ARE PARTICULARLY COMPLEX. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD NOT CONSIDER THIS DISCUSSION AS A SUBSTITUTE FOR CAREFUL TAX PLANNING. PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS, ATTORNEYS OR ACCOUNTANTS ON MATTERS RELATING TO AN INVESTMENT IN THE FUND WITH SPECIAL REFERENCE TO SUCH INVESTOR’S PARTICULAR SITUATION.

Certain United States Taxation Matters

U.S. Entity Classification of the Fund

The General Partner believes that, under the provisions of the Code and the Treasury Regulations as currently in effect, each of the Fund and the Master Fund should be treated for U.S. federal income tax purposes as a partnership and not as an association taxable as a corporation.

Certain “publicly traded partnerships” are treated as associations that are taxable as corporations for U.S. federal income tax purposes. A publicly traded partnership is any partnership the interests in which are traded on an established securities market or which are readily tradable on a secondary market (or the substantial equivalent thereof). Interests in the Fund are not and will not be traded on an established securities market. Treasury Regulations concerning the classification of partnerships as publicly traded partnerships provide certain safe harbors under which interests in a partnership will not be considered readily tradable on a secondary market (or the substantial equivalent thereof). The General Partner believes that the Fund may qualify for an exemption from the publicly traded partnership rules, although there is no assurance that the Fund will so qualify.

The remainder of this discussion assumes that the Fund and the Master Fund will each be treated as a partnership for U.S. federal income tax purposes and not as a publicly-traded partnership treated as an association that is taxable as a corporation. Unless the context requires otherwise, references to the Fund in the following discussion include the Master Fund.

Taxation of the Master Fund

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Master Fund or the limited partners of the Master Fund. Interest, dividends and gains payable to the Master Fund and all distributions by the Master Fund to its limited partners will be received free of any Cayman Islands income or withholding taxes. The Master Fund has registered as an exempted limited partnership under Cayman Islands law and the Master Fund has received an undertaking from the Governor in Cabinet of the Cayman Islands to the effect that, for a period of 50 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciations shall apply to the Master Fund or to any partner thereof in respect of the operations or assets of the Master Fund or the interest of a partner therein; and may further provide that any such taxes or any tax in the nature of estate duty or inheritance tax shall not be payable in respect of the obligations of the Master Fund or the interests of the partners therein. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Master Fund.

U.S. Federal Income Taxation of the Fund and Partners Generally

As a partnership, the Fund will not be subject to U.S. federal income tax. Each Limited Partner otherwise subject to tax will be required to report separately on its U.S. federal income tax return its distributive share of the Fund’s net long-term capital gain or loss, net short-term capital gain or loss, and net ordinary income and deductions and credits in accordance with the allocations set forth in the Partnership Agreement. Each Limited Partner will be liable for any taxes owed upon its distributive share of the income or gains realized by the Fund, and may claim deductions for its distributive share of the Fund’s losses and deductions and credits for its distributive share of the Fund’s credits, to the extent allowed under the Code. Each Limited Partner will be taxed on its distributive share of the Fund’s

taxable income and gain regardless of whether it has received or will receive a distribution from the Fund. Consequently, a Limited Partner may be subject to tax with respect to its share of the taxable income of the Fund for a taxable year and may not receive a corresponding distribution of cash from the Fund in such year with which to satisfy its tax liability in respect of such taxable income.

The Fund will file an annual partnership information return with the Service that reports the results of its operations for the taxable year, and will distribute annually to each Limited Partner a form showing its distributive share of the Fund's items of income, gain, loss, deduction or credit. The General Partner will have the authority to decide how to report these items on the Fund's tax returns, and all Limited Partners will be required under the Partnership Agreement to treat the items consistently on their own returns. Under current law, an audit by the Service of the tax treatment of the Fund's income and deductions generally will be determined at the Fund level in a single proceeding rather than by individual audits of the Limited Partners. For tax years beginning before January 1, 2018 (and absent an election by the Fund to apply the new partnership tax audit rules described in more detail below), the administrative proceeding is managed by the "***Tax Matters Partner***." For tax years beginning on or after January 1, 2018 (or in the case of an election by the Fund to apply the new partnership tax audit rules), the Fund will be required to appoint one person as the "***Partnership Representative***" to act on its behalf in connection with an audit by the Service and related proceedings. Pursuant to the Partnership Agreement, the General Partner or its delegate will be designated as the Tax Matters Partner and/or the Partnership Representative. The Partnership Representative's actions, including the Partnership Representative's agreement to adjustments of the Fund's income in settlement of an audit by the Service of the Fund, will bind all Limited Partners, and opt-out rights available to certain Limited Partners in connection with certain actions of the Tax Matters Partner under the current partnership tax audit rules for tax years beginning before January 1, 2018 will no longer be available.

In certain cases, the Fund may be required to file a statement with the Service, disclosing one or more positions taken on its tax return, generally where the tax law is uncertain or a position lacks clear authority. All Partners are required under the Code to treat the partnership items consistently on their own returns, unless they file a statement with the Service disclosing the inconsistency. Given the uncertainty and complexity of the tax laws, it is possible that the Service may not agree with the manner in which the Fund's items have been reported.

Under the Partnership Agreement, for U.S. federal income tax purposes, the General Partner has the discretion to allocate specially an amount of the Fund's net gains or net losses (or items of gross income or losses or deduction) to a withdrawing Partner to the extent that the Partner's Capital Account differs either positively or negatively from its U.S. federal income tax basis in its Interest. There can be no assurance that, if the General Partner makes such a special allocation, the Service will accept such allocation. If such allocation is successfully challenged by the Service, the Fund's allocations to the remaining Partners would be affected as well.

The Fund expects to act as a trader or an investor, and not as a dealer, with respect to its securities transactions. Generally, the gains and losses realized by a trader or an investor on the sale of securities are capital gains and losses. Thus, the Fund expects that its gains and losses from its securities transactions typically will be capital gains and capital losses. These capital gains and losses may be long-term or short-term depending, in general, upon the length of time the Fund maintains a particular investment position and, in some cases, upon the nature of the transaction. An investment held for more than one year generally will be eligible for long-term capital gain or loss treatment. The Fund may also realize income from dividends, which will generally be taxed at either ordinary income rates or, if they are eligible for treatment as "qualified dividend income," at applicable long-term capital gains rates.

Dividends from Argentine corporations are generally expected to be treated as “qualified dividend income” only to the extent that the stock for which the dividend is paid is readily tradable on an established securities market in the United States. Limited Partners should consult with their own tax advisors to determine the tax rates applicable to them in their particular tax situations.

In addition, individuals with “modified adjusted gross income” that exceeds certain thresholds (e.g., \$250,000 for married individuals filing jointly and \$200,000 for single individuals) are subject to a Medicare tax of 3.8% on the lesser of: (i) their investment income, net of deductions properly allocable to such income, and (ii) the excess of their “modified adjusted gross income” above the applicable threshold. It is expected that most or all of the Fund’s income will be treated as investment income for this purpose, and as a result Limited Partners receiving allocations of income from the Fund for these taxable years may be subject to this tax. This tax will be in addition to any U.S. federal income tax imposed on Limited Partners with respect to their allocable share of income of the Fund. Trusts and estates also may be subject to this additional tax. Prospective investors should consult their own tax advisors regarding the application of this Medicare tax to their investment in the Fund.

The Fund may be involved in a variety of hedging transactions to reduce the risk of changes in value in the Fund’s investments. Special rules may apply to determine the tax treatment of such hedging transactions, which may affect the Fund’s holding period attributable to such property, the characterization of gain or loss as ordinary or capital and, if capital, as long-term or short-term, and the timing of the realization of gains or losses on the actual or deemed sale of the property, including, in some cases, property owned by a Limited Partner outside of the Fund. For instance, gain or loss from a short sale of property generally will be considered as capital gain or loss to the extent the property used to close the short sale constitutes a capital asset in the Fund’s hands. Except with respect to certain situations where the property used by the Fund to close a short sale has a long-term holding period on the date of the short sale, gains on short sales will be treated as short-term capital gains. These rules also may terminate the running of the holding period of “substantially identical property” held by the Fund. Moreover, a loss on a short sale will be treated as a long-term capital loss if, on the date of the short sale, “substantially identical property” has been held by the Fund for more than one year. Certain hedging transactions also may cause a constructive sale of the Fund’s long position that is the subject of the hedge.

Special “mark to market” rules apply to the Fund’s investment in “Section 1256 Contracts.” Section 1256 Contracts include certain regulated futures contracts, certain foreign currency forward contracts and certain options contracts. Capital gains and losses from qualifying Section 1256 Contracts generally are characterized as short-term capital gains or losses to the extent of 40% thereof and as long-term capital gains or losses to the extent of 60% thereof.

The Fund may derive ordinary interest income and dividends on securities, and may be required to recognize income in respect of certain securities prior to receipt of any payment in respect of such securities. For instance, the Fund may hold debt obligations with “original issue discount.” In such case, the Fund will be required to include a portion of such discount in its taxable income on a current basis, and allocate such income to the Limited Partners, even though receipt of such amounts by the Fund may occur in a subsequent tax year. The Fund also may acquire debt obligations with “market discount.” Upon disposition of such an obligation, which might include the receipt of securities of the issuer in a recapitalization exchange, the Fund generally will be required to treat any gain realized (and required to be recognized) as ordinary interest income to the extent of the market discount that accrued during the period the debt obligation was held by the Fund. Recapitalization exchanges involving

securities held by the Fund also may result in the recognition of taxable gains prior to the receipt of cash or readily tradable property.

If the Fund is treated as a trader, it may, in its discretion, make an election under Code section 475(f) to apply a mark to market system of recognizing unrealized gains and losses on securities as if the securities were sold for fair market value at the close of any taxable year of the Fund. The amount recognized when gain or loss is subsequently realized would be adjusted for amounts recognized in marking to market. The election would apply with respect to securities held in connection with the Fund's trade or business as a trader in securities. The election would not apply to any securities with respect to which the Fund could demonstrate, to the satisfaction of the Service, that they are held for investment. In the event that the Fund makes such an election, the Fund's gains and losses from marking securities to market (and gain or loss recognized before the end of the taxable year with respect to any security that would have been marked to market) would be treated as ordinary income and losses. The rules relating to appreciated financial positions under Code section 1259 and wash sales under Code section 1091 would not apply to the securities to which the election applies and the Code section 1092 straddle rules would not have any effect where all the offsetting positions of a straddle are marked to market.

The Fund may be required to purchase foreign currency with which to make its investments and may receive foreign currency when a security is sold or when an interest payment is made on a security. These transactions may give rise to gains and losses because of fluctuations in the value of the foreign currency relative to the U.S. dollar during the Fund's holding period of an investment. Foreign currency gain or loss in respect of certain types of transactions must be accounted for separately, apart from any gain or loss on the underlying transaction, and the Code contains special rules which treat, in most circumstances, such gains and losses as ordinary income or losses rather than capital gains or losses.

The U.S. federal income tax treatment of the Fund's investment in swaps or other derivatives is subject to significant uncertainty and depends in large part on the terms of the specific swap or other derivative. In particular, it is possible that the Fund may enter into so-called "bullet swaps" or other swaps that provide for non-periodic payments. In certain circumstances, income from a swap can be treated as ordinary income and not capital gain if the swap is treated as a "constructive ownership transaction" under Code section 1260. The Fund intends to take positions that are reasonable under the law that provide for optimal tax treatment of the Limited Partners. However, there can be no assurance that the Service or a court would agree with the Fund's position. Moreover, the Service might take the contrary position that the Fund is subject to U.S. federal income tax in respect of some or all of the income earned from the swap investments on the theory that the Fund should be treated as the owner for U.S. federal income tax purposes of the property underlying certain swaps, in which case the after-tax return on the swap investments could be significantly reduced.

Pursuant to various "anti-deferral" provisions of the Code (*e.g.*, the "Subpart F" and "passive foreign investment company" provisions), any investments by the Fund in certain foreign corporations may cause a Limited Partner to (i) recognize taxable income prior to the Fund's receipt of distributable proceeds, (ii) pay an interest charge on receipts that are deemed as having been deferred, (iii) recognize ordinary income that, but for the "anti-deferral" provisions, would have been treated as long-term or short-term capital gain, or (iv) become subject to certain reporting requirements with respect to such investments. There can be no assurance that the General Partner or the Fund will mitigate, or be able to mitigate, the application of these provisions, or provide certain information with respect to such foreign corporations or such filing requirements. Potential investors are advised to consult with their own tax

advisors with respect to the application of these “anti-deferral provisions” in their particular circumstances.

Under the Partnership Agreement, the General Partner has the authority to elect on behalf of the Fund, under Code section 754, to adjust the tax basis of the Fund’s assets in connection with certain distributions to Limited Partners or certain transfers of Interests. Such an election, if made, could affect the amount of a Limited Partner’s distributive share of the gain or loss recognized by the Fund upon the disposition of its assets. Because of the complexity and additional expense involved in making a section 754 election, the General Partner has no present intention to make such election on behalf of the Fund.

Prospective investors that are subject to the AMT should consider the tax consequences of an investment in the Fund in view of their AMT position, taking into account the special rules that apply in computing the AMT.

Taxation of Distributions and Withdrawals

Cash nonliquidating distributions and withdrawals, to the extent they do not exceed a Limited Partner’s basis in its Interest, will not result in taxable income to that Limited Partner, but will reduce its tax basis in its Interest by the amount distributed or withdrawn. Cash distributed to a Limited Partner in excess of the basis of its Interest is generally taxable as capital gain. Conversely, if the cash distributed by the Fund to a Partner for any year exceeds the taxable income of the Fund allocated to such Partner for that year, the excess will be treated as a return of capital for U.S. federal income tax purposes to the extent of a Limited Partner’s tax basis in its Interest. To the extent that cash distributions are treated as a return of capital and to the extent that any tax losses are allocated to the Limited Partners, the tax bases of the Limited Partners in their Interests will be reduced (but not below zero). Because of such basis adjustments, any tax that is avoided in the early years of a Limited Partner’s investment in the Fund may become due later through the realization of gain upon the sale of assets of the Fund, the liquidation of the Fund or the sale of Interests.

Prospective Limited Partners should be aware that a Limited Partner’s share of the taxable income of the Fund for any year may exceed the amount of cash distributed to such Limited Partner for that year, which may require that the Limited Partner make an out-of-pocket expenditure to cover its tax liability. Conversely, if the cash distributed by the Fund to a Partner for any year exceeds the taxable income of the Fund allocated to such Partner for that year, the excess will be treated as a return of capital for U.S. federal income tax purposes to the extent of a Limited Partner’s tax basis of its Interest. To the extent that cash distributions are treated as a return of capital and to the extent that any tax losses are allocated to the Limited Partners, the tax bases of the Limited Partners in their Interests will be reduced (but not below zero). Because of such basis adjustments, any tax that is avoided in the early years of a Limited Partner’s investment in the Fund may become due later through the realization of gain upon the sale of assets of the Fund, the liquidation of the Fund or the sale of Interests.

The Fund’s ability to make cash distributions to a withdrawing Limited Partner or to the Partners, if applicable, may be limited by, among other things, the terms of the investment leverage entered into by the Fund for the purpose of making portfolio investments on a leveraged basis.

Upon the withdrawal of a Limited Partner receiving a cash liquidating distribution from the Fund, such Limited Partner generally will recognize capital gain or loss to the extent of the difference between the proceeds received by the withdrawing Limited Partner and such Partner’s adjusted tax basis in its Interest. Such capital gain or loss will be short-term or long-term depending upon the Partner’s holding

period (or holding periods) for its Interest. However, a withdrawing Limited Partner will recognize ordinary income to the extent such Partner's allocable share of the Fund's "unrealized receivables" exceeds the Partner's basis in such unrealized receivables (as determined pursuant to the Treasury Regulations). For these purposes, accrued but untaxed market discount, if any, on securities held by the Fund will be treated as an unrealized receivable, with respect to which a withdrawing Partner would recognize ordinary income.

Distributions of property other than cash, whether in complete or partial liquidation of a Limited Partner's Interest, generally will not result in the recognition of taxable income or loss to the Limited Partner (except to the extent such distribution is treated as made in exchange for such Limited Partner's share of the Fund's unrealized receivables). However, a distribution of marketable securities will be treated as a distribution of cash (which, as described above, can require the recognition of gain by the recipient Limited Partner), unless the distributing partnership is an "investment partnership" and the recipient is an "eligible partner" as defined in Code section 731(c). Although the General Partner cannot provide any assurances of whether the Fund is an "investment partnership" for these purposes, the General Partner anticipates that the Fund should qualify as an "investment partnership." Thus, if a Limited Partner is an "eligible partner," which term should include a Limited Partner whose sole contributions to the Fund consisted of cash, a distribution of marketable securities to such Limited Partner should not require the recognition of gain by such Limited Partner.

As discussed above, under the Partnership Agreement, the General Partner has the discretion to allocate specially an amount of the Fund's net gains or net losses (or items of gross income or losses or deductions) for U.S. federal income tax purposes to a withdrawing Partner to the extent that the Partner's capital account differs from its U.S. federal income tax basis in its Interest. Such a special allocation may result in the withdrawing Partner recognizing more or less taxable income, which may include short-term gain, in the Partner's last taxable year in the Fund, thereby reducing, or increasing, as applicable, the amount of long-term capital gain recognized during the tax year in which it receives its liquidating distribution upon withdrawal. In certain circumstances, special allocations of net gains (or items of income or gain) to a withdrawing Partner may result in a greater allocation of losses, or a lower allocation of taxable income or gain, to the remaining Partners. Likewise, special allocations of net losses (or items of expense, loss or deduction) to a withdrawing Partner may result in a greater allocation of taxable income or gain, or a lower allocation of losses, to the remaining Partners.

Assuming the Fund has not made an election pursuant to Code Section 754 and the General Partner does not exercise its discretion to specially allocate losses to a withdrawing Limited Partner, distributions of property or cash by the Fund to a Limited Partner in redemption of its Interest in certain circumstances where the Fund has a substantial built-in loss may require the Fund to reduce the tax basis of its remaining property.

Limitations on Losses, Deductions and Credits

Limited Partners who are individuals or which are certain types of corporations may be limited in their ability to deduct expenses or losses of the Fund. For instance, if or to the extent that the Fund's operations do not constitute a "trade or business" within the meaning of Section 162 and other provisions of the Code, an individual Limited Partner's distributive share of the Fund's expenses (including any amounts that are treated for tax purposes as expenses of the Fund, such as the Management Fee) would be deductible only as itemized deductions, subject to the limitations of Sections 67 and 68 of the Code. In this regard, if all or a portion of the Performance Allocation to the Special Limited Partner were re-characterized for tax purposes as an expense of the Fund, each non-corporate Limited Partner's share of

such expense could be subject to such limitations. Itemized deductions are non-deductible in computing such Limited Partner's AMT income and AMT liability.

Further, income, gains and losses of the Fund generally will not be treated as passive income or losses for purposes of the passive activity loss limitations of Section 469 of the Code. Accordingly, individuals, personal service corporations and certain closely-held corporations that have passive activity losses from other activities are restricted in their ability to use such losses to offset income and gains from the Fund, although losses of the Fund will not be subject to the passive activity loss limitation.

For each taxable year, Section 1277 of the Code limits the deduction of the portion of any interest expense on indebtedness incurred by a taxpayer to purchase or carry a security with market discount which exceeds the amount of interest (including original issue discount) includible in the taxpayer's gross income for such taxable year with respect to such security ("**Net Interest Expense**"). Net Interest Expense in any taxable year is deductible only to the extent it exceeds the amount of market discount which accrued on the security during the taxable year or portion of the taxable year during which the taxpayer held the security. Net Interest Expense that is non-deductible under the rules described above is carried forward and deducted in the year in which the taxpayer disposes of the security. Alternatively, at the taxpayer's election, such Net Interest Expense can be carried forward and deducted in a year prior to the disposition of the security, if any, in which the taxpayer has net interest income from the security.

Section 1277 would apply to a Limited Partner's share of the Fund's Net Interest Expense attributable to a security held by the Fund (through the Master Fund) with market discount. In such case, a Limited Partner would be denied a current deduction for all or part of that portion of its distributive share of the Fund's ordinary losses attributable to such Net Interest Expense and such losses would be carried forward to future years, in each case as described above. Although no guidance has been issued regarding the election to deduct previously disallowed Net Interest Expense prior to the year of disposition of the bond, it appears that the election would be made by the Fund rather than by the Limited Partner. Section 1277 would also apply to the portion of interest paid by a Limited Partner on money borrowed to finance its investment in the Fund to the extent such interest was allocable to securities held by the Fund (through the Master Fund) with market discount.

The ability of a non-corporate Limited Partner to deduct its share of the Fund's ordinary losses attributable to interest and certain short sale expenses may be subject to the "investment interest limitation" under Section 163(d) of the Code. In general, a non-corporate taxpayer's investment interest (including interest and certain short sale expenses) in the current year is not deductible to the extent it exceeds its "net investment income", consisting of net gain and ordinary income derived from investments in the current year less certain directly connected expenses (other than interest or short sale expenses). For this purpose, any long-term capital gain is excluded from net investment income unless the taxpayer elects to pay tax on such amount at ordinary income tax rates. The Fund's activities are expected to be treated as giving rise to investment income for a Limited Partner, and the investment interest limitation would apply to a non-corporate Limited Partner's share of the interest and short sale expenses attributable to the Fund's operation. Accordingly, a non-corporate Limited Partner would be denied a deduction for all or a part of its distributive share of the Fund's ordinary losses attributable to interest and short sale expenses unless it has sufficient investment income from all sources, including the Fund. Any amount not deductible as a result of the applicability of Section 163(d) may be carried forward to future years, subject to certain limitations.

Limited Partners may be entitled to a foreign tax credit with respect to creditable foreign taxes paid on the income and gains of the Fund. There are complex rules contained in the Code that may,

depending on each Limited Partner's particular circumstances, limit the availability or use of foreign tax credits. For example, a Limited Partner's share of gain realized by the Fund will generally be treated as U.S. source income. Consequently, a Limited Partner may not be able to use the foreign tax credit relating to foreign taxes, if any, imposed on such gains unless such credit can be applied against the U.S. tax due on other income derived from foreign sources. Limited Partners should contact their own tax advisors with respect to the availability of any foreign tax credits.

The consequences of these limitations will vary depending upon the particular tax situation of each taxpayer. Accordingly, non-corporate Limited Partners should consult their tax advisors with respect to the application of these limitations.

The Fund may incur certain expenses in connection with its organization and the marketing of its Interests. Amounts paid or incurred to organize a partnership are not deductible, but generally may, by election of the Fund, be capitalized and amortized for U.S. federal income tax purposes over a period of not less than 180 months. Amounts paid or incurred to market interests in the Fund that qualify as "syndication expenses" are not deductible or amortizable.

Tax Consequences for Tax-Exempt U.S. Investors

A Limited Partner that is an organization exempt from tax under Code section 501(a) (a "***Tax-Exempt U.S. Investor***") will be subject to tax on its allocable share of the Fund's income that is considered to be "unrelated business taxable income" ("***UBTI***") as defined in Code section 512, and may be subject to the AMT with respect to items of tax preference which enter into the computation of UBTI. Code section 512(b) provides that UBTI generally does not include dividends, interest, and gain or loss from the disposition of property other than stock in trade or property held for sale in the ordinary course of the unrelated trade or business. The Fund may invest in entities that are treated as partnerships or other pass-through entities. UBTI generated by such entities would generally flow up to Tax-Exempt U.S. Investors, causing the realization of UBTI by such investors. A Tax-Exempt U.S. Investor should not realize UBTI to the extent that its distributive share of the Fund's income consists of dividends, interest, capital gains and certain other items which are excluded from UBTI under Code section 512(b) (except to the extent any such income constitutes "UDFI," as discussed in the next paragraph). Prospective Tax-Exempt U.S. Investors should be aware that it is unclear under current law whether income from certain swaps or derivative transactions that the Fund may invest or hold a position in, may be excluded from UBTI.

A Tax-Exempt U.S. Investor is also subject to tax with respect to its, and its allocable share of the Fund's, "unrelated debt-financed income" pursuant to Code section 514 ("***UDFI***"). In general, UDFI consists of (i) income derived by a tax-exempt organization (directly or through a partnership) from income-producing property with respect to which there is "acquisition indebtedness" at any time during the taxable year and (ii) gains derived by a tax-exempt organization (directly or through a partnership) from the disposition of property with respect to which there is "acquisition indebtedness." In addition, a tax-exempt organization that borrows money to finance its investment in the Fund would be subject to tax on the portion of its income that is UDFI. Income and gains derived by a tax-exempt organization from the ownership and sale of debt-financed property is taxable in the proportion to which such property is financed by acquisition indebtedness during the relevant period of time. For these purposes, a Limited Partner is deemed to own a proportionate share of the Fund's debt-financed property and the income attributable thereto, and a short sale of publicly traded stock will not create "acquisition indebtedness" unless the Fund borrows funds to post collateral against such short sale.

The Fund expects to generate income attributable to debt-financed property which will be attributed to the Partners, including any Tax-Exempt U.S. Investors. A Tax-Exempt U.S. Investor's share of the Fund's income that is treated as UBTI may be significant (depending upon the degree of leverage utilized by the Fund). In addition to other relevant considerations, fiduciaries of employee pension trusts and other prospective tax-exempt investors should consider the consequences of realizing UBTI in making a decision whether to invest in the Fund.

We urge prospective Tax-Exempt U.S. Investors that are sensitive to UBTI or UDFI to consult their tax advisors as to the tax consequences of investing in the Fund and as to the comparative tax treatment of an investment in the Offshore Fund.

Investor Tax Filings and Record Retention.

The U.S. Department of the Treasury has adopted Treasury Regulations designed to assist the Service in identifying abusive tax shelter transactions. In general, the Treasury Regulations require investors in specified transactions (including certain investors in partnerships that engage in such transactions) to satisfy certain special tax filing and record retention requirements. Significant monetary penalties may be applicable as a result of a failure to comply with these tax filing and record retention rules.

The Treasury Regulations are broad in scope and it is conceivable that the Fund may enter into transactions that will subject the Fund and certain Limited Partners to the special tax filing and record retention rules. Additionally, a Limited Partner's recognition of a loss on its disposition of its Interest in the Fund could in certain circumstances subject such Limited Partner to these rules.

Reporting Under FATCA.

Sections 1471 through 1474 of the Code, known as the U.S. Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such Code sections and any applicable intergovernmental agreement ("**IGA**") or information exchange agreement and related statutes, regulations, rules and other guidance thereunder, "**FATCA**") impose a withholding tax of 30% on (i) certain U.S. source interest, dividends and other types of income, and (ii) the gross proceeds from the sale or disposition of certain assets of a type that can produce U.S. source interest and dividends, which are received by a foreign financial institution ("**FFI**"), unless such FFI enters into an agreement with the Service (an "**FFI Agreement**"), and/or complies with an applicable IGA, to obtain certain information as to the identity of the direct and indirect owners of accounts in such institution. In addition, a withholding tax may be imposed on payments to certain non-financial foreign entities that do not obtain and provide information as to their direct and indirect owners. These rules generally apply to payments of U.S. source interest, dividends and certain other types of income from U.S. sources and, after December 31, 2018, are expected to apply to payments of gross proceeds from the sale or disposition of assets of a type that can produce U.S. source interest or dividends.

The Service has released temporary and final Treasury Regulations and other guidance that will be used in implementing FATCA, which contain a number of phase-in dates for FATCA compliance. In addition, the Cayman Islands has entered into a Model 1 IGA with the United States (the "**Cayman-U.S. IGA**"), which is treated as in effect, and has issued the Tax Information Authority (International Tax Compliance) (United States of America) Regulations 2014 and guidance notes thereunder, each as updated from time to time.

The Master Fund is likely to be considered an FFI. In order to avoid incurring U.S. withholding under FATCA, the Master Fund is generally required to register with the Service and to comply with the Cayman-U.S. IGA and any guidance thereunder. The Master Fund expects to register with the Service and expects to comply with the Cayman-U.S. IGA and, therefore, generally does not expect to become subject to U.S. withholding under FATCA.

In addition, the Fund may be required to act as a withholding agent under FATCA and therefore be required to withhold on income and proceeds paid or allocated to an investor that fails to comply with FATCA, which could occur if an investor that is an FFI does not enter into an FFI Agreement, is not otherwise exempt from such withholding, and/or does not provide the appropriate information and documentation to the Fund or its agents showing its exemption from such withholding or compliance with FATCA. The General Partner intends to collect the appropriate documentation from all investors in the Fund in order to determine whether it is required to withhold under FATCA with respect to distributions or allocations made to investors.

The General Partner, the Investment Manager and the Fund reserve the right to take any action and/or pursue all remedies at their disposal to avoid withholding requirements or otherwise to mitigate the consequences of an investor's failure to comply with FATCA, including compulsory redemption or withdrawal of the investor concerned. In this regard, the General Partner, the Investment Manager and the Fund have certain rights to request, and the investors have certain obligations to provide, information and documentation that may be used by the General Partner, the Investment Manager and the Fund in complying with their obligations under FATCA. In addition, no investor affected by any action or remedy by the Fund shall have any claim against the Fund, the Administrator, the Investment Manager, the Master Fund or the General Partner (or their agents, delegates, employees, directors, officers or affiliates) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with FATCA.

The Cayman Islands has also signed, along with over 80 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (“**CRS**” and together with the Cayman-U.S. IGA, “**AEOI**”).

Cayman Islands regulations have been issued to give effect to the Cayman-U.S. IGA and CRS (collectively, the “**AEOI Regulations**”). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the “**TIA**”) has published guidance notes on the application of the Cayman-U.S. IGA and CRS.

All Cayman Islands “Financial Institutions” are required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, unless they are able to rely on an exemption that allows them to become a “Non-Reporting Financial Institution” (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes, in which case only the registration requirement would apply under CRS. The Master Fund does not propose to rely on any Non-Reporting Financial Institution exemption and therefore intends to comply with all of the requirements of the AEOI Regulations.

The AEOI Regulations require the Master Fund and/or the General Partner (as applicable) to, amongst other things (i) register with the Service to obtain a GIIN (in the context of the U.S. IGA only), (ii) register with the TIA, and thereby notify the TIA of its status as a “Reporting Financial Institution”, (iii) adopt and implement written policies and procedures setting out how it will address its obligations under CRS, (iv) conduct due diligence on its accounts to identify whether any such accounts are

considered “Reportable Accounts”, and (v) report information on such Reportable Accounts to the TIA. The TIA will transmit the information reported to it to the overseas fiscal authority relevant to a reportable account (e.g. the Service in the case of a US Reportable Account) annually on an automatic basis.

Investors should consult their tax advisors as to the withholding, filing and information reporting requirements that may be imposed on them in respect of their ownership of Interests.

State and Local Taxes

In addition to the U.S. federal income tax consequences described above, prospective investors should consider potential state and local tax consequences of an investment in the Fund. State and local laws often differ from U.S. federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. A Partner’s distributive share of the taxable income or loss of the Fund generally will be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which it is a resident.

Limited Partners or the Fund may be subject to state and/or local franchise, withholding, income, capital gain or other tax payment obligations and filing requirements in those jurisdictions where the Fund owns real estate assets or is otherwise regarded as doing business or earning income. Credits for these taxes may not be available (or may be subject to limitations) in the jurisdictions in which Limited Partners, or the Fund, as applicable, are residents. Each potential investor is urged to consult with its own tax advisor in this regard.

Each prospective Limited Partner should consult its own tax advisor with respect to its state and local tax consequences and filing obligations as a result of an investment in the Fund.

Other Taxes

The Fund and its Limited Partners may be subject to other taxes, such as the AMT, and estate, inheritance or intangible property taxes that may be imposed by various domestic jurisdictions, as well as foreign withholding or gains taxes. Each prospective investor should consider the potential consequences of such taxes on an investment in the Fund. It is the responsibility of each prospective investor to satisfy itself as to, among other things, the legal and tax consequences of an investment in the Fund, under the laws of the various jurisdictions of its domicile and its residence, by obtaining advice from its own tax counsel or other advisor, and to file all appropriate tax returns that may be required.

Other Income Taxation

Although there can be no assurance, it is intended that the affairs of the Fund will be conducted such that the Fund will not be subject to regular income taxation in any foreign jurisdiction. However, income and gains from investments held by the Fund may be subject to withholding taxes or taxes in jurisdictions other than those described herein, subject to the possibility of reduction under applicable tax treaties. Limited Partners generally may be entitled, subject to applicable limitations, to a credit against U.S. income tax for creditable foreign income taxes paid on the foreign source income and gains of the Fund (which may not include all of the Fund’s gains). The foreign tax credit rules are complex, and may, depending on each Limited Partner’s particular circumstances, limit the availability or use of foreign tax credits. Prospective investors are advised to consult their own tax advisors regarding the application of the foreign tax credit rules.

Future Tax Legislation; Necessity of Obtaining Professional Advice

Future amendments to the Code, other legislation, new or amended Treasury Regulations, administrative rulings or decisions by the Service or judicial decisions may adversely affect the U.S. federal income tax aspects of an investment in the Fund, with or without advance notice, retroactively or prospectively. The foregoing analysis is not intended as a substitute for careful tax planning. The tax matters relating to the Fund are complex and are subject to varying interpretations. There can be no assurance that the Service will agree with each position taken by the Fund with respect to the tax treatment of Fund items and transactions. Moreover, the effect of existing income tax laws and of proposed changes in income tax laws on Limited Partners will vary with the particular circumstances of each Limited Partner and, in reviewing this Memorandum and any exhibits hereto, these matters should be considered.

Accordingly, each prospective investor must consult with and rely solely on its professional tax advisors with respect to the tax results of its investment in the Fund. In no event will the Fund, the General Partner, the Investment Manager, or their Affiliates, counsel or other professional advisors be liable to any Limited Partner for any U.S. federal, state, local or foreign tax consequences of an investment in the Fund, whether or not such consequences are as described above.

The foregoing is a summary of some of the important tax rules and considerations affecting the Limited Partners, the Fund, and the Fund's proposed operations. This summary does not purport to be a complete analysis of all relevant tax rules and considerations, which will vary with the particular circumstances of each Limited Partner, nor does it purport to be a complete listing of all potential tax risks inherent in purchasing or holding Interests. Each prospective investor in the Fund is urged to consult its own tax advisor in order to understand fully the U.S. federal, state, local and any non-U.S. tax consequences of such an investment in its particular situation.

ERISA AND OTHER REGULATORY CONSIDERATIONS

ERISA Considerations

General

Fiduciaries and other persons who are proposing to invest in Interests on behalf of retirement plans, IRAs and other employee benefit plans (“**Plans**”) covered by the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), or the Code, must give appropriate consideration to, among other things, the role that an investment in the Fund plays in the Plan’s portfolio, taking into consideration whether the investment is designed to reasonably further the Plan’s purposes, the investment’s risk and return factors, the portfolio’s composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the Plan, the projected return of the total portfolio relative to the Plan’s objectives, the limited right of Limited Partners to withdraw all or any part of their Interests or to transfer their Interests and whether investment in the Fund constitutes a direct or indirect transaction with a party in interest (under ERISA) or a disqualified person (under the Code).

Plan Asset Regulations and Benefit Plan Investors

The United States Department of Labor (“**DOL**”) has adopted regulations that treat the assets of certain pooled investment vehicles, such as the Fund, as “plan assets” for purposes of Title I of ERISA and Section 4975 of the Code (“**Plan Assets**”). Section 3(42) of ERISA defines the term “Plan Assets” to mean plan assets as defined by such regulations as the DOL may prescribe, except that under such regulations the assets of an entity shall not be treated as Plan Assets if, immediately after the most recent acquisition of an equity interest in the entity, less than 25% of the total value of each class of equity interest in the entity is held by “Benefit Plan Investors” (the “**significant participation test**”). For purposes of this determination, the value of any equity interest held by a person (other than such a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the entity or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person, shall be disregarded. An entity shall be considered to hold Plan Assets only to the extent of the percentage of the equity interest held by Benefit Plan Investors. The term “Benefit Plan Investors” means any employee benefit plan subject to part 4 of subtitle B of Title I of ERISA (i.e., plans subject to the fiduciary provisions of ERISA), any plan to which the prohibited transaction provisions of Section 4975 of the Code apply (e.g., IRAs), and any entity whose underlying assets include Plan Assets by reason of a plan’s investment in such entity (a “**Plan Asset Entity**”).

In order to prevent the assets of the Master Fund from being considered Plan Assets under ERISA, it is the intention of the Master Fund to monitor the investments in the Master Fund and prohibit the acquisition, withdrawal or transfer of any limited partner interests of the Master Fund by any investor, including a Benefit Plan Investor, unless, after giving effect to such an acquisition, withdrawal or transfer, the total proportion of limited partner interests of each class of the Master Fund owned by Benefit Plan Investors would be less than 25% of the aggregate value of that class of limited partner interests (determined, as described above, by excluding certain limited partner interests held by the General Partner, other fiduciaries and affiliates).

Without limiting the generality of the foregoing, in order to limit equity participation in any class of limited partner interests of the Master Fund by Benefit Plan Investors to less than 25%, the Fund may require the Compulsory Withdrawal of Interests. Each Limited Partner that is an insurance company

acting on behalf of its general account or a Plan Asset Entity will be required to represent and warrant as of the date it acquires Interests the maximum percentage of such general account or Plan Asset Entity (as reasonably determined by such insurance company or Plan Asset Entity) that will constitute Plan Assets (the “**Maximum Percentage**”) so such percentage can be calculated in determining the percentage of Plan Assets invested in the Master Fund. Further, each such insurance company and Plan Asset Entity will be required to covenant that if, after its initial acquisition of Interests, the Maximum Percentage is exceeded at any time, then such insurance company or Plan Asset Entity shall immediately notify the Fund of that occurrence and shall, if and as directed by the Fund, in a manner consistent with the restrictions on transfer set forth herein, withdraw or dispose of some or all of the Interests held in its general account or Plan Asset Entity.

It is anticipated that investment in the Fund by benefit plan investors may be “significant” for purposes of the regulations. In such event, the underlying assets of the Fund would be deemed to constitute “plan assets” for purposes of ERISA. As a general rule, if the assets of the Fund were regarded as “plan assets” of a benefit plan investor, the Investment Manager would be deemed a fiduciary with respect to each Plan investing in the Fund. However, the Investment Manager believes that, given the limited purpose and role of the Fund and given the requirement that the Investment Manager follow the directions of the fiduciaries of each benefit plan investor investing in the Fund, as set forth in each such investor’s subscription agreement, with respect to the investment by the Fund in the Master Fund, neither the Investment Manager nor any other entity providing services to the Fund would be exercising any discretionary authority or control with respect to the Fund. Accordingly, the Investment Manager believes that neither the Investment Manager nor any other entity providing services to the Fund will act as a fiduciary (as defined in Section 3(21) of ERISA) with respect to the assets of the Fund or any benefit plan investor. Rather, the Investment Manager believes that, given the limited purpose and role of the Fund and given the requirement that the Investment Manager follow the directions of the fiduciaries of each benefit plan investor investing in the Fund, as set forth in each such investor’s subscription agreement, with respect to the investment by the Fund in the Master Fund, the fiduciary of each such benefit plan investor has retained the fiduciary authority and responsibility with respect to the investor’s initial and continuing investment in the Fund as though the benefit plan investor is investing directly in the Master Fund.

Representation by Plans

The fiduciaries of each Plan proposing to invest in the Fund will be required to represent that they have been informed of and understand the Fund’s investment objectives, policies and strategies and that the decision to invest Plan Assets in the Fund is consistent with the provisions of ERISA and/or the Code that require diversification of Plan Assets and impose other fiduciary responsibilities. By its purchase, each investor will be deemed to have represented that either (a) it is not a Plan that is subject to the prohibited transaction rules of ERISA or the Code, (b) it is not an entity whose assets include Plan Assets or (c) its investment in the Fund will not constitute a non-exempt prohibited transaction under ERISA or the Code.

Ineligible Purchasers

Limited partner interests may not be purchased with Plan Assets if the Investment Manager, any selling agent, finder, any of their respective affiliates or any of their respective employees: (a) has investment discretion with respect to the investment of such Plan Assets; (b) has authority or responsibility to give or regularly gives investment advice with respect to such Plan Assets, for a fee, and pursuant to an agreement or understanding that such advice will serve as a primary basis for

investment decisions with respect to such Plan Assets and that such advice will be based on the particular investment needs of the Plan; or (c) is an employer maintaining or contributing to such Plan. A party that is described in clause (a) or (b) of the preceding sentence is a fiduciary under ERISA and the Code with respect to the Plan, and any such purchase might result in a “prohibited transaction” under ERISA and the Code.

Plans’ Reporting Obligations

The information contained herein and in the other documentation provided to investors in connection with an investment in the Fund is intended to satisfy the alternative reporting option for “eligible indirect compensation” on Schedule C of the Form 5500, in addition to the other purposes for which such documents were created.

Whether or not the underlying assets of the Fund are deemed Plan Assets, an investment in the Fund by a Plan is subject to ERISA and the Code. Accordingly, Plan fiduciaries should consult their own counsel as to the consequences under ERISA and the Code of an investment in the Fund. Note that similar laws governing the investment and management of the assets of governmental or non-U.S. plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code. Accordingly, fiduciaries of such governmental or non-U.S. plans, in consultation with their counsel, should consider the impact of their respective laws and regulations on an investment in the Fund.

Other Regulatory Matters

Securities Act of 1933

Interests are not registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any other securities law, including state securities or blue sky laws. Interests are offered without registration in reliance upon the exemption contained in Regulation D of the Securities Act and/or rules and regulations of the Securities and Exchange Commission applicable to transactions not involving a public offering. Each investor is required, in the Fund’s Subscription Documents pursuant to which such investor subscribes for an Interest, to make customary Regulation D representations.

Investment Company Act of 1940

The Fund is not registered under the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”), in reliance upon relief from registration afforded to collective investment vehicles whose outstanding securities are not publicly offered and are beneficially owned exclusively by investors that are considered “qualified purchasers” within the meaning of the Investment Company Act. “Qualified purchasers” generally include individuals and certain family-owned companies owning total investments in excess of \$5 million and entities owning total investments in excess of \$25 million. Each investor will be required to complete the Fund’s Subscription Documents to enable the Fund to determine its eligibility.

Investment Adviser Registration

The Investment Manager is registered as relying adviser to Highland Capital Management, L.P., an investment adviser registered with the Securities and Exchange Commission under the U.S. Investment Advisers Act of 1940, as amended.

Commodity Exchange Act

Neither the General Partner nor the Investment Manager is required to register as a commodity pool operator (“**CPO**”) or commodity trading advisor under the U.S. Commodity Exchange Act and each has filed a notice of claim effectuating exemption. As such, the General Partner and the Investment Manager will operate the Fund and the Master Fund pursuant to such exemption. Unlike a registered CPO, the General Partner and the Investment Manager are not required to deliver a disclosure document and a certified annual report to participants in the Fund. Among other things, the exemption requires the General Partner and the Investment Manager to file a claim of exemption with the National Futures Association. The Investment Manager qualifies for an exemption from registration with the CFTC as a commodity trading adviser pursuant to CFTC Rule 4.14(a)(8).

Cayman Islands Mutual Fund Law

The Offshore Fund and the Master Fund are regulated under the Mutual Funds Law (2015 Revision) of the Cayman Islands (“**Mutual Funds Law**”). The Cayman Islands Monetary Authority (the “**Authority**”) has supervisory and enforcement powers to ensure compliance with the Mutual Funds Law. Regulation under the Mutual Funds Law entails the filing of prescribed details and audited accounts annually with the Authority. As a regulated mutual fund, the Authority may at any time instruct the Offshore Fund or the Master Fund to have its or their accounts audited and to submit them to the Authority within such time as the Authority specifies. Failure to comply with these requests by the Authority may result in substantial fines on the part of the directors of the Offshore Fund or the Master Fund, as applicable, and may result in the Authority applying to the court to have the Offshore Fund or the Master Fund wound up.

Neither the Offshore Fund nor the Master Fund is, however, subject to supervision in respect of their investment activities or the constitution of the Master Fund's portfolio by the Authority or any other governmental authority in the Cayman Islands, although the Authority does have power to investigate the activities of the Offshore Fund and the Master Fund in certain circumstances. Neither the Authority nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands.

The Authority may take certain actions if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include the power to require the substitution of the directors of the Offshore Fund or the Master Fund, to appoint a person to advise the Offshore Fund or the Master Fund on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Offshore Fund or the Master Fund, as the case may be. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

The Master Fund and the General Partner or any of its members or agents domiciled in the Cayman Islands may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g. by the Cayman Islands Monetary Authority, either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Law (2016 Revision), or by the Tax Information Authority, under the Tax Information Authority Law (2017 Revision) or Reporting of Savings Income Information (European Union) Law (2014 Revision) and associated regulations, agreements, arrangements and memoranda of

understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Master Fund, and the General Partner or any of its or their directors or agents, may be prohibited from disclosing that the request has been made.

Anti-Money Laundering Regulations

All subscriptions for Interests will be subject to applicable anti-money laundering regulations. Investors will be required to comply with such anti-money laundering procedures as are required by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act) Act of 2001 (Pub. L. No. 107-56).

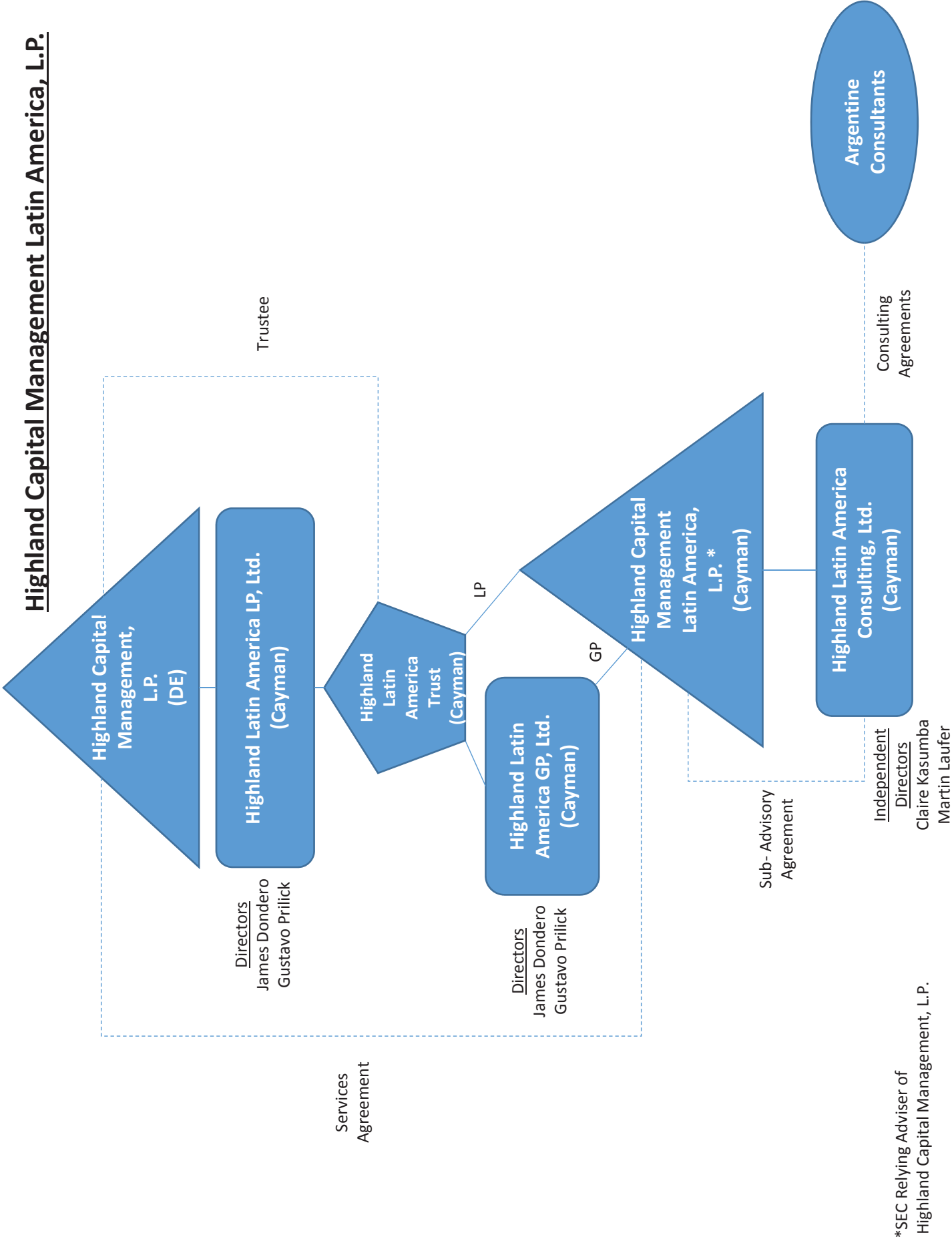
As part of the Fund's responsibility to comply with regulations aimed at the prevention of money laundering, the Fund or its delegate may require verification of identity from all prospective investors. Depending on the circumstances of each subscription, it may not be necessary to obtain full documentary evidence of identity.

The Fund reserves the right to request such information as is necessary to verify the identity of a prospective investor. The Fund also reserves the right to request such identification evidence in respect of a transferee of Interests. In the event of delay or failure by the prospective investor or transferee to produce any information required for verification purposes, the Fund may refuse to accept the application or (as the case may be) to register the relevant transfer and (in the case of a subscription of Interests) any funds received will be returned without interest to the account from which the monies were originally debited.

The Fund also reserves the right to refuse to make any withdrawal payment or distribution to a Limited Partner, if the Fund suspects or is advised that the payment of any withdrawal or distribution moneys to such Limited Partner might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Fund and the Investment Manager with any such laws or regulations in any relevant jurisdiction.

EXHIBIT “D”

Highland Capital Management Latin America, L.P.



004400

Highland Argentina Regional Opportunity Fund

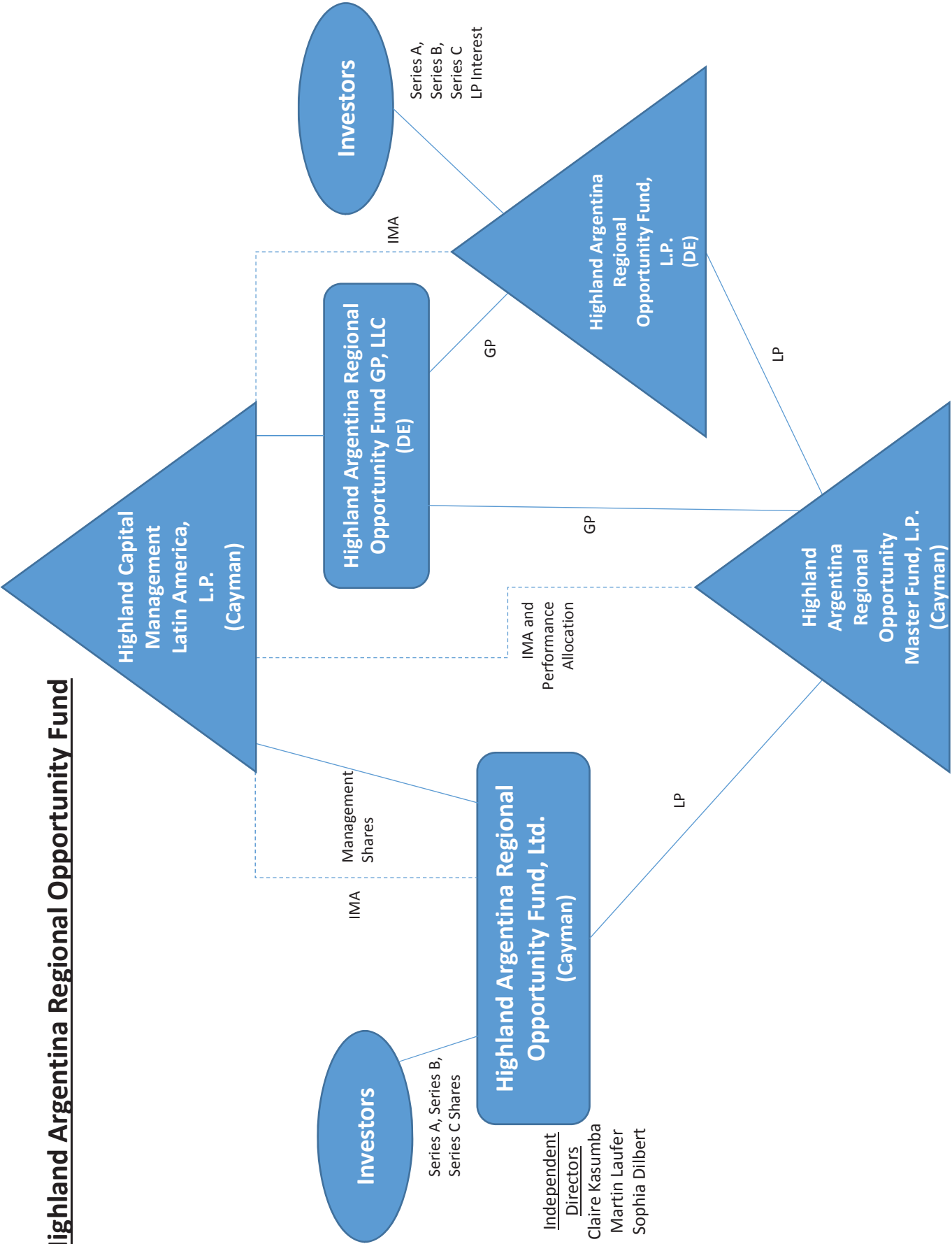


EXHIBIT “E”

HIGHLAND ARGENTINA REGIONAL OPPORTUNITY FUND, L.P.

A Delaware Limited Partnership

Amended and Restated Limited Partnership Agreement

November 1, 2017

NOTICE

NEITHER HIGHLAND ARGENTINA REGIONAL OPPORTUNITY FUND, L.P. NOR THE LIMITED PARTNER INTERESTS THEREIN HAVE BEEN OR WILL BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, OR THE SECURITIES LAWS OF ANY OF THE STATES OF THE UNITED STATES. THE OFFERING OF SUCH LIMITED PARTNER INTERESTS IS BEING MADE IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT FOR OFFERS AND SALES OF SECURITIES WHICH DO NOT INVOLVE ANY PUBLIC OFFERING, AND ANALOGOUS EXEMPTIONS UNDER STATE SECURITIES LAWS.

THE DELIVERY OF THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY OFFER, SOLICITATION OR SALE OF LIMITED PARTNER INTERESTS IN HIGHLAND ARGENTINA REGIONAL OPPORTUNITY FUND, L.P. IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE LIMITED PARTNER INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE REQUIREMENTS AND CONDITIONS SET FORTH IN THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT.

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THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT of Highland Argentina Regional Opportunity Fund, L.P. is dated effective as of November 1, 2017 by and among Highland Argentina Regional Opportunity Fund GP, LLC, as General Partner, Highland Capital Management Latin America, L.P., as withdrawing Original Limited Partner, and those Persons who are admitted as Limited Partners in accordance with this Agreement. This Agreement amends and restates in its entirety the Limited Partnership Agreement of the Partnership dated September 11, 2017 (the “*Prior Agreement*”).

PRELIMINARY STATEMENTS

- (A) The General Partner and the Original Limited Partner formed this limited partnership under the Act by entering into the Prior Agreement and causing the Certificate to be filed with the Secretary of State of the State of Delaware.
- (B) The parties hereto desire to continue the Partnership as a limited partnership under the Act and to make certain modifications to the Prior Agreement, as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants expressed herein and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto hereby agree that the Prior Agreement is amended and restated in its entirety to read as follows:

Article I DEFINITIONS

For purposes of this Agreement:

“*Act*” means the Delaware Revised Uniform Limited Partnership Act, 6 Del. C. §§ 17-101, et seq., as in effect on the date hereof and as amended from time to time, or any successor law.

“*Administrator*” means such Person as the General Partner may designate from time to time, in its sole discretion, to serve as administrator to the Partnership.

“*Advisers Act*” means the U.S. Investment Advisers Act of 1940, as amended, and the rules promulgated thereunder.

“*Affiliate*” means, with respect to any Person, a Person which controls, is controlled by, or is under common control with, such Person. For these purposes, “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“*Affiliated Investors*” means the Investment Manager, the General Partner and their respective Affiliates, principals, employees, partners, agents, the respective family members of

such personnel and trusts and other entities established primarily for their benefit or for charitable purposes.

“Agreement” means this Amended and Restated Limited Partnership Agreement of the Partnership, as amended from time to time.

“Authorized Representative” has the meaning set forth in Section 7.6(a).

“Bad Actor Limited Partner” means a Limited Partner that (a) would cause the disqualification of the Partnership from using Rule 506 under the Securities Act due to the operation of paragraph (d) thereof (or its successor) if such Limited Partner were to beneficially own 20% or more of the outstanding voting interests of all of the Partners (excluding any other Interests that are Non-Voting Interests) or (b) the General Partner determines is likely to become subject to a conviction, order, judgment or finding that would be likely to cause the disqualification described in clause (a).

“BBA” means Subchapter C of Chapter 63 of the Code (Sections 6221 through 6241 of the Code), as enacted by the Bipartisan Budget Act of 2015, Pub. L. No. 114-74, as amended from time to time, and the Regulations thereunder (whether proposed, temporary or final), including any subsequent amendments, successor provisions or other guidance thereunder, and any equivalent provisions for state, local or non-U.S. tax purposes.

“BBA Effective Period” means any taxable year commencing after 2017, taking into account any extensions of the effective date set forth in the BBA.

“BHCA” means the Bank Holding Company Act of 1956, as amended.

“BHCA Subject Person” means any Limited Partner that is subject, directly or indirectly, to the provisions of Section 4 of the BHCA and the regulations of the Board of Governors of the Federal Reserve System promulgated thereunder.

“Business Day” means any day or days on which banks in the Cayman Islands, Buenos Aires and New York City are authorized to open for business or such other days as the General Partner may determine generally, or in any particular case.

“Capital Account” means, with respect to each Partner, the capital account (including any memorandum sub-accounts) established and maintained on behalf of such Partner as described in Section 3.3.

“Capital Sub-Account” means, with respect to each Investor, a separate capital sub-account within the Partnership’s or the Offshore Fund’s (or any Other Feeder Fund’s) capital account, as applicable, in the Master Fund that corresponds to such Investor’s Capital Account in the Partnership or the series of shares held by such Investor in the Offshore Fund (or capital account or the series of shares in an Other Feeder Fund), as applicable; provided that, the Master Fund will maintain a separate Capital Sub-Account for each Series held by a Partner.

“Certificate” means the Certificate of Limited Partnership of the Partnership referred to in Section 2.1(b).

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended, and as hereafter amended, or any successor law.

“**Commencement Date**” means the first date on or as of which a Limited Partner, other than the Original Limited Partner, makes a capital contribution to the Partnership.

“**Compulsory Withdrawal**” has the meaning set forth in Section 5.5(j).

“**Discovery Date**” means the date on which the Investment Manager discovers that a violation of any of the Master Fund’s investment restrictions set forth in the Master Fund Partnership Agreement has occurred.

“**Early Withdrawal Reduction**” means:

(a) with respect to a Series B Interest, up to 3.0% of the net asset value of the portion of the Series B Interest being withdrawn in any withdrawal occurring prior to the end of the applicable Soft Lock-up Period;

(b) with respect to a Series C Interest, 5.0% of the net asset value of the portion of the Series C Interest being withdrawn in any withdrawal occurring prior to the end of the applicable Soft Lock-up Period; and

(c) with respect to a Series C Interest, 3.0% of the net asset value of the portion of the Series C Interest being withdrawn in any withdrawal occurring on or after the Soft Lock-up Period with respect to Series C Interests, but prior to the end of the Second Soft Lock-up Period;

provided that, in each case, such amount is determined at the close of business of the relevant Withdrawal Date, is retained by the Partnership for the benefit of the Partners and is deducted from the withdrawal proceeds of the withdrawing Limited Partner.

“**Election Notice**” has the meaning set forth in Section 8.10(c).

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

“**ERISA Partner**” means a Limited Partner which is (a) an employee benefit plan subject to the fiduciary provisions of ERISA, (b) a “plan” subject to Section 4975 of the Code, (c) an entity whose underlying assets include “plan assets” for purposes of ERISA by reason of a Plan’s investment in the entity, or (d) an entity that otherwise constitutes a “benefit plan investor” within the meaning of Section 3(42) of ERISA or any regulation promulgated thereunder.

“**FATCA**” means Sections 1471 through 1474 of the Code, as amended, and any Regulations thereunder or official interpretations or other official guidance thereof, including any successor Regulations or interpretations, and any intergovernmental agreement and any regulations with respect thereto or official interpretations or other official guidance thereof implementing the foregoing.

“Fiscal Period” means each period that starts at the opening of business on the Commencement Date (in the case of the initial Fiscal Period) and thereafter on the day immediately following the last day of the preceding Fiscal Period, and that ends at the close of business on the earliest of the following dates:

- (a) the last day of a calendar month;
- (b) any date as of which any withdrawal or distribution of capital is made with respect to any Capital Account or as of which this Agreement provides for any amount to be credited to or debited against a Capital Account, other than a withdrawal or distribution by or to, or an allocation to, all Capital Accounts that does not result in any change of the Partnership Percentage relating to any Capital Account;
- (c) the date which immediately precedes any day as of which a capital contribution is accepted by the General Partner from any new or existing Partner; or
- (d) any other date which the General Partner selects.

“Fiscal Year” means the period commencing on the Commencement Date and ending on December 31 of the same year, and thereafter each period commencing on January 1 of each year and ending on December 31 of such year, unless the General Partner shall elect another fiscal year; *provided* that any such other fiscal year shall be permissible for U.S. federal income tax purposes. In the case of the Fiscal Year in which the Partnership is terminated in accordance with Article VI, **“Fiscal Year”** means the period commencing on January 1 of that year and ending on the date on which the Partnership is terminated.

“GAAP” means generally accepted accounting principles in the United States.

“General Partner” means Highland Argentina Regional Opportunity Fund GP, LLC, a Delaware limited liability company, any successor thereto, and any Person hereafter admitted as an additional general partner, in its capacity as general partner of the Partnership.

“Indemnified Person” means each of the General Partner, the Investment Manager, each member, shareholder, partner, manager and director of, and any person who controls, the General Partner or the Investment Manager, each of the respective affiliates of the foregoing and each of their respective executors, heirs, assigns, successors and other legal representatives.

“Interest” means the entire ownership interest of a Partner in the Partnership at the relevant time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement and, for clarity, is cumulative of such Partner’s interests in all Series, to the extent such Partner has an interest in more than one Series.

“Investment Company Act” means the U.S. Investment Company Act of 1940, as amended, and the regulations promulgated thereunder.

“Investment Management Agreement” means the investment management agreement by and among the Investment Manager, the General Partner, the Partnership, the Master Fund and the Offshore Fund, as amended from time to time.

“Investment Manager” means Highland Capital Management Latin America, L.P., a Cayman Islands exempted limited partnership, or any successor thereto, or any Person thereafter appointed as an investment manager of the Partnership.

“Investments” means investments in securities or other financial or intangible investment instruments, contracts or products made by the Master Fund, as described in the Partnership’s offering memorandum.

“Investor” means any Partner, any shareholder of the Offshore Fund or any beneficial owner of any Other Feeder Fund.

“Limited Partner” means any Person admitted to the Partnership as a limited partner, until the entire Interest of such Person has been withdrawn pursuant to Section 5.5 or a substitute Limited Partner or Limited Partners are admitted with respect to such Person’s entire Interest. The General Partner may subdivide the Interests into separate Series and establish new Series pursuant to Section 2.10; *provided* that for all purposes of the Act, the Limited Partners constitute a single class or group of limited partners.

“Majority of Limited Partners” means Limited Partners whose Partnership Percentages represent more than 50% of the aggregate Partnership Percentages of all Limited Partners or the Series of Limited Partners, as applicable.

“Management Fee” means the management fee, as defined in the Master Fund Partnership Agreement, payable by the Master Fund to the Investment Manager, any of its Affiliates or any other Person designated by the Investment Manager pursuant to the Investment Management Agreement.

“Master Fund” means Highland Argentina Regional Opportunity Master Fund, L.P., a collective investment vehicle formed as an exempted limited partnership under the laws of the Cayman Islands in which the Partnership, the Offshore Fund and any other co-investment vehicle (such as an Other Feeder Fund) invest all of their investible assets and conduct their investment and trading activities.

“Master Fund Partnership Agreement” means the amended and restated exempted limited partnership agreement of the Master Fund, as the same may be amended or restated from time to time in accordance with the terms thereof.

“Minimum Required Withdrawal” has the meaning set forth in Section 5.5(j)

“Negative Basis” means, with respect to any Partner and as of any time of calculation, the excess of such Partner’s “adjusted tax basis” in its Interest for U.S. federal income tax purposes at such time (determined without regard to any adjustments made to such adjusted tax basis by reason of any Transfer or assignment of such Interest, including by reason of death) over the amount that such Partner is entitled to receive upon withdrawal from or liquidation of the Partnership.

“Negative Basis Partner” means any Partner who withdraws all or a portion of its Interest from the Partnership and who has a Negative Basis as of the Withdrawal Date, but such Partner shall cease to be a Negative Basis Partner at such time as it shall have received allocations pursuant to Section 3.9(d) equal to such Partner’s Negative Basis as of the Withdrawal Date and without regard to such Partner’s share of the liabilities of the Partnership under Section 752 of the Code.

“Net Assets” means the total value, as determined by the Administrator in accordance with Section 7.3, of all Investments and other assets of the Partnership (including net unrealized appreciation or depreciation of the assets and accrued interest and dividends receivable net of any withholding taxes), less an amount equal to all accrued debts, liabilities and obligations of the Partnership (including any reserves for contingencies accrued pursuant to Section 3.6). Except as otherwise expressly provided herein, Net Assets as of the first day of any Fiscal Period shall be determined on the basis of the valuation of assets conducted as of the close of the immediately preceding Fiscal Period but after giving effect to any capital contributions made by any Partner subsequent to the last day of such immediately preceding Fiscal Period and after giving effect to Management Fees (borne indirectly at the Master Fund level), and Net Assets as of the last day of any Fiscal Period shall be determined before giving effect to any of the following amounts payable by the Partnership generally or in respect of any Investment which are effective as of the date on which such determination is made:

(a) any Performance Allocation (borne indirectly at the Master Fund level) as of the date on which such determination is made;

(b) any withdrawals or distributions payable to any Partner which are effective as of the date on which such determination is made; and

(c) withholding or other taxes (including any amounts payable under any BBA provision), expenses of processing withdrawals and other items payable, and any increases or decreases in any reserves, holdbacks or other amounts recorded pursuant to Section 3.6 during the Fiscal Period ending as of the date on which such determination is made, to the extent the General Partner determines that, pursuant to any provisions of this Agreement, such items are not to be charged ratably among the Capital Accounts of all Partners on the basis of their respective Partnership Percentages as of the commencement of the Fiscal Period.

“Net Loss” means any amount by which the Net Assets as of the first day of a Fiscal Period exceed the Net Assets as of the last day of the same Fiscal Period.

“Net Profit” means any amount by which the Net Assets as of the last day of a Fiscal Period exceed the Net Assets as of the first day of the same Fiscal Period.

“Non-Voting Interests” means an Interest, the holder of which is not entitled to vote, consent or withhold consent with respect to any Partnership matter (including, but not limited to, mergers, sales of substantially all assets or consolidations of the Partnership), except as otherwise expressly provided in this Agreement.

“Offshore Fund” means Highland Argentina Regional Opportunity Fund, Ltd., a Cayman Islands exempted company.

“Original Limited Partner” means Highland Capital Management Latin America, L.P., in its capacity as the original limited partner.

“Other Account” means any assets or investment of the General Partner or the Investment Manager, or any assets managed by the General Partner, the Investment Manager or any of their respective Affiliates for the account of any Person or entity (including investment vehicles) other than the Partnership, which are invested or which are available for investment in securities or other instruments or for trading activities whether or not of the specific type being conducted by the Partnership.

“Other Agreement” has the meaning set forth in Section 8.1.

“Other Feeder Fund” means any other investment vehicle sponsored by the Investment Manager or one of its Affiliates that invests in parallel with the Partnership and the Offshore Fund in the Master Fund.

“Partner” means the General Partner or any of the Limited Partners, except as otherwise expressly provided herein, and **“Partners”** means the General Partner and all of the Limited Partners.

“Partnership” means the limited partnership formed pursuant to this Agreement.

“Partnership Percentage” means a percentage established for each Partner on the Partnership’s books as of the first day of each Fiscal Period. The Partnership Percentage of a Partner for a Fiscal Period shall be determined by dividing the amount of such Partner’s Capital Account as of the beginning of the Fiscal Period (after crediting all capital contributions to such Capital Account which are effective as of such date, net of all deductions, including Management Fees borne at the Master Fund level) by the sum of the Capital Accounts of all of the Partners as of the beginning of the Fiscal Period (after crediting all capital contributions to the Partnership which are effective as of such date, net of all deductions, including Management Fees borne at the Master Fund level). The sum of the Partnership Percentages of all Capital Accounts for each Fiscal Period shall equal 100%.

“Performance Allocation” means the performance allocation, as defined in the Master Fund Partnership Agreement, allocated to the Special Limited Partner, any of its Affiliates or any other Person designated by the Special Limited Partner pursuant to the Master Fund Partnership Agreement.

“Person” means any individual, partnership, corporation, limited liability company, trust, or other entity.

“Plan Assets” means assets of the Partnership that are considered to be assets of an ERISA Partner, pursuant to Section 3(42) of ERISA or otherwise.

“Positive Basis” means, with respect to any Partner and as of any time of calculation, the excess of the amount that such Partner is entitled to receive upon withdrawal from or liquidation of the Partnership over such Partner’s “adjusted tax basis” in its Interest for U.S. federal income tax

purposes at such time (determined without regard to any adjustments made to such adjusted tax basis by reason of any Transfer or assignment of such Interest, including by reason of death).

“Positive Basis Partner” means any Partner who withdraws all or a portion of its Interest from the Partnership and who has a Positive Basis as of the Withdrawal Date, but such Partner shall cease to be a Positive Basis Partner at such time as it shall have received allocations pursuant to Section 3.9(c) equal to such Partner’s Positive Basis as of the Withdrawal Date and without regard to such Partner’s share of the liabilities of the Partnership under Section 752 of the Code.

“Principal” means James D. Dondero.

“Prior Agreement” has the meaning set forth in the preamble hereto.

“Regulations” means the proposed, temporary and final U.S. Treasury Regulations promulgated under the Code, including any successor regulations.

“Regulatory Allocations” has the meaning set forth in Section 3.10.

“Remedy Date” means the period commencing on the Discovery Date and ending 90 Business Days thereafter.

“Revocation Notice” has the meaning set forth in Section 8.10(c).

“RIC Limited Partner” means a Limited Partner that is registered as an investment company under the Investment Company Act.

“Schedule of Partners” means a schedule to be maintained by the General Partner containing the following information with respect to each Partner: (a) name; (b) address; (c) date of admission; (d) amount and date of all capital contributions and withdrawals; and (e) the amount and date of any permitted Transfers.

“Second Soft Lock-up Period” means, with respect to a Series C Interest, a period commencing on the one-year anniversary of the date that a capital contribution was made to the Capital Account associated with such Series C Interest and ending on the two-year anniversary of the date of such capital contribution. The General Partner may waive the Second Soft Lock-up Period with respect to any Capital Account.

“Securities Act” means the U.S. Securities Act of 1933, as amended from time to time.

“Series” means a designated series of Interests established in accordance with this Agreement and having such terms as the General Partner determines.

“Series A Interests” means a Series having the rights and obligations applicable to Series A Interests as set forth in this Agreement and which correspond to the “Series A Capital Sub-Accounts” of the Master Fund.

“**Series B Interests**” means a Series having the rights and obligations applicable to Series B Interests as set forth in this Agreement and which correspond to the “Series B Capital Sub-Accounts” of the Master Fund.

“**Series C Interests**” means a Series having the rights and obligations applicable to Series C Interests as set forth in this Agreement and which correspond to the “Series C Capital Sub-Accounts” of the Master Fund.

“**Soft Lock-up Period**” means, with respect to a Series B Interest or a Series C Interest, a period commencing on the date that a capital contribution was made to the Capital Account associated with such Series and ending on the one-year anniversary of the date of such capital contribution. The General Partner may waive the Soft Lock-up Period with respect to any Capital Account.

“**Special Limited Partner**” means Highland Capital Management Latin America, L.P., in its capacity as a special limited partner of the Master Fund for purposes of the receipt of the Performance Allocation.

“**Transfer**” means any direct or indirect sale, exchange, transfer, assignment, pledge, encumbrance, charge, exchange, hypothecation, placing of a lien or a security interest on an Interest or any other disposition by a Partner of its Interest to or in favor of another party, whether voluntary or involuntary (including, but not limited to, being offered or listed on or through any placement agent, intermediary, online service, site, agent or similar Person).

“**Withdrawal Date**” has the meaning set forth in Section 5.5(a).

“**Withdrawal Notice**” has the meaning set forth in Section 5.5(a).

Article II ORGANIZATION

2.1 Continuation of Limited Partnership

- (a) The General Partner and the Original Limited Partner hereby agree to continue the Partnership as a limited partnership under and pursuant to the Act and this Agreement.
- (b) The General Partner has executed and filed with the Secretary of State of the State of Delaware a Certificate of Limited Partnership of the Partnership (the “**Certificate**”), and shall execute, acknowledge and file with the Secretary of State of the State of Delaware any further amendments thereto as may be required by the Act, and any other instruments, documents and certificates which, in the opinion of the Partnership’s legal counsel, may from time to time be required by the laws of the United States of America, the State of Delaware or any other jurisdiction in

which the Partnership determines to do business, or any political subdivision or agency thereof or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership. The General Partner shall cause any required amendment to the Certificate to be filed promptly following the event requiring such amendment. All amendments may be signed by the General Partner (as required by the Act) and may be signed either personally or by an attorney-in-fact.

- (c) The parties hereto agree to operate the Partnership as a limited partnership pursuant to the provisions of the Act and of this Agreement and agree that the rights and liabilities of the Limited Partners and the General Partner shall be as provided in the Act for limited partners and the general partner, except as provided herein.
- (d) The General Partner may change the domicile of the Partnership to another state, country or other jurisdiction where advisable due to legal, tax or other considerations; *provided* that no such change of domicile would reasonably be expected to have a material adverse effect on the Limited Partners.
- (e) The parties acknowledge and agree that the Partnership is intended to be taxed in the United States as a partnership and not as an association taxable as a corporation for U.S. federal, state and/or local income tax purposes. No election may be made to treat the Partnership as other than a partnership for U.S. federal, state and/or local income tax purposes. Each Partner agrees not to treat, on any income tax return or in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner inconsistent with the treatment of such item by the Partnership.

2.2 Name of Partnership

- (a) The name of the Partnership is Highland Argentina Regional Opportunity Fund, L.P. or such other name as the General Partner may hereafter adopt, subject to causing an amendment to the Certificate to be filed with the Secretary of State of the State of Delaware in accordance with the Act. The General Partner will send a notice of any change of name to the Limited Partners. All business of the Partnership will be conducted under such name or under such other name as the General Partner deems appropriate.
- (b) The Partnership shall have the exclusive ownership and right to use the Partnership name so long as the Partnership continues, despite the withdrawal, expulsion, resignation or removal of any Limited Partner, but upon the Partnership's termination or at such time as there ceases to be a general partner, the Partnership shall assign the name and the goodwill attached thereto to the General Partner without payment by the assignee(s) of any consideration therefor.

2.3 Principal Office; Registered Office

- (a) The Partnership shall have its principal office at such location as the General Partner shall designate from time to time.

- (b) The Partnership shall have its registered office at c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, unless a different registered office or agent is designated from time to time by the General Partner.

2.4 Term of Partnership

The term of the Partnership commenced on the date on which the Certificate was filed with the office of the Secretary of State of the State of Delaware and will continue until dissolved pursuant to Section 6.1 (unless its term is extended pursuant to Section 6.1). The legal existence of the Partnership as a separate legal entity shall continue until the cancellation of the Certificate.

2.5 Object and Powers of Partnership

- (a) The Partnership is formed solely for the object and purpose of indirectly investing in Investments by subscribing for and holding a limited partner interest in, and investing all of its investible assets in, the Master Fund. The Partnership is a directed feeder fund for the Limited Partners with respect to the Master Fund. Notwithstanding any other provision of this Agreement, the Partnership shall perform no other business and shall not make directly any Investments as such Investments will be made by the Master Fund.
- (b) Notwithstanding any other provision of this Agreement, the Partnership, and the General Partner on behalf of the Partnership, may execute, deliver and perform any agreement with any Limited Partner or prospective Limited Partner without any further act, vote or approval of any Partner. The General Partner is hereby authorized to enter into the agreements described in the preceding sentence on behalf of the Partnership, but such authorization should not be deemed a restriction on the power of the General Partner to enter into other agreements on behalf of the Partnership. In furtherance of this purpose, the Partnership shall have all powers necessary, suitable or convenient for the accomplishment of the aforesaid purpose, subject to the limitations and restrictions set forth herein alone or with others, as principal or agent.
- (c) Each Limited Partner hereby acknowledges that the Partnership is not expected to qualify as an “operating company” for purposes of ERISA, and the assets of the Partnership may therefore constitute Plan Assets of ERISA Partners; and that the Partnership is therefore intended to be structured as a directed feeder fund through which the Limited Partners may participate in an investment in the Master Fund and with respect to which the General Partner is not, except as expressly provided under the terms of this Agreement, intended to have any discretionary authority or control with respect to the investment of the assets of the Partnership. Each Limited Partner (i) shall by making a capital contribution to the Partnership with respect to the Partnership’s underlying interests in the Master Fund, be deemed to direct the General Partner to invest the amount of such capital contribution in the Master Fund and (ii) acknowledges that during any period when the underlying interests of the Partnership in the Master Fund are deemed to constitute Plan

Assets, the General Partner will act as a custodian with respect to the assets of such Limited Partner, but is not intended to be a fiduciary with respect to the assets of such Limited Partner for purposes of ERISA, the Code or any applicable similar law. No provision of this Agreement shall create any obligation of the General Partner, in its capacity as the general partner of the Master Fund, and the General Partner, in such capacity, will not have any fiduciary obligations to any person, under ERISA or otherwise, pursuant to this Agreement. Any action or determination of the General Partner, as the general partner of the Master Fund, referenced herein shall only regard such action or determination made by the General Partner solely in its capacity as the general partner thereof.

2.6 Liability of Partners

In no event shall any Limited Partner (or former Limited Partner) be obligated to make any contribution to the Partnership in addition to its agreed capital contribution (or other payments provided for herein) or have any liability for the repayment or discharge of the debts and obligations of the Partnership, except to the extent provided herein or as required by the Act or other applicable law.

2.7 Actions by Partnership

The Partnership may execute, deliver and perform all contracts, agreements and other undertakings and engage in all activities and transactions as may in the opinion of the General Partner be necessary or advisable to carry out its objects as set forth in Section 2.5 above.

2.8 Reliance by Third Parties

Persons dealing with the Partnership are entitled to rely conclusively upon the power and authority of the General Partner as herein set forth.

2.9 UCC Status of Limited Partner Interests

- (a) For purposes of the grant, pledge, attachment or perfection of a security interest in an Interest or otherwise, the Interests shall be deemed to be “securities” within the meaning of Section 8-102(a)(15) and as provided by Section 8-103(c) of the Uniform Commercial Code as in effect from time to time in the State of Delaware or analogous provisions in the Uniform Commercial Code in effect in any other jurisdiction.
- (b) Any Interest may be evidenced by a certificate of partnership interest issued by the Partnership in such form as the General Partner may approve. Every certificate representing an Interest shall bear a legend substantially in the following form:

“For the purposes of Section 8-103 of the Uniform Commercial Code of the United States of America in effect in any relevant jurisdiction, the certificates representing an interest in the Limited Partnership shall constitute “securities” within the meaning of Section 8-102 and Section 8-103 of the Uniform Commercial Code.”

2.10 Series of Interests

The General Partner may, at any time, without notification to or consent of the other Limited Partners, create and offer different Series with such rights, obligations, liabilities, privileges, designations and preferences (including different investment strategies, underlying investments, degrees of leverage, management fees, performance allocations, brokerage commissions, transparency, withdrawal rights, co-investment opportunities, and other differences) as the General Partner may determine upon the issuance of such Series; *provided* that such Series would not reasonably be expected to have a material adverse effect on the existing Limited Partners. The terms and rights of each such Series may be set forth in the Partnership's offering memorandum, any supplement thereto or a "side letter" or other agreement, which the General Partner may incorporate by reference. Although the Partnership may offer more than one Series, the Partnership is not a Delaware series limited partnership and the assets and liabilities of the Partnership are not segregated by Series. As of the effective date of this Agreement, the Partnership has three Series: Series A Interests, Series B Interests and Series C Interests.

Article III CAPITAL

3.1 Contributions to Capital

- (a) The minimum required initial capital contribution with respect to each Series is \$500,000, or such lesser amount as the General Partner may permit; provided that, the minimum required initial capital contribution with respect to a Series B Interest is no less than \$100,000. Subject to the restriction with respect to any Series B Interest in the immediately preceding sentence, the General Partner may change the required minimum initial capital contribution amount at any time.
- (b) The Partnership may accept additional contributions at such times as the General Partner may permit, but no Limited Partner shall be obligated to make any additional capital contribution to the Partnership, subject to the provisions of Section 3.5 and any contrary provision of the Act. The minimum required additional capital contribution with respect to each Series is \$500,000, or such lesser amount as the General Partner may permit; provided that, the minimum required additional capital contribution with respect to a Series B Interest is no less than \$100,000. Subject to the restriction with respect to any Series B Interest in the immediately preceding sentence, the General Partner may change the required minimum additional capital contribution amount at any time.
- (c) The General Partner or an Affiliate has made a capital contribution to the Partnership as set forth in the Schedule of Partners. Except as required by the Act, the General Partner (or such Affiliate) shall not be required to make any additional capital contributions to the Partnership. The General Partner (or such Affiliate) may, however, make capital contributions to the Partnership in such amounts and at

such times as it may determine. The General Partner or any of its Affiliates shall have the right at any time to make additional capital contributions as a Limited Partner or General Partner. If an Affiliated Investor makes a capital contribution as a Limited Partner, the General Partner, in its capacity as the general partner of the Master Fund, will have authority to waive or reduce the Management Fee or the Performance Allocation with respect to such Limited Partner.

- (d) The General Partner or the Investment Manager may enter into placement agent agreements with placement agents (which may be Affiliates of the General Partner or the Investment Manager) to assist in obtaining subscriptions for Interests in exchange for compensation; provided that, the Partnership will not bear any such placement agent fees. Placement agents may be paid a portion of the Management Fee attributable to the investors solicited by such placement agents, thereby reducing the compensation received by the Investment Manager.
- (e) Except as otherwise permitted by the General Partner, (i) initial or additional capital contributions by each Partner shall be payable in cash and/or Investments having an aggregate value as set forth in the Partnership's books and records in one installment, and (ii) initial contributions shall be due no later than the Business Day immediately preceding the date of admission of such Person as a Limited Partner.

3.2 Rights of Partners in Capital

- (a) No Partner shall be entitled to interest on its capital contributions to the Partnership. For the avoidance of doubt, interest income, if any, earned on subscription amounts remitted to the Partnership prior to the date an Interest is issued to a Partner will be payable to the Partnership and not applied toward the purchase of an Interest.
- (b) No Partner shall have the right to the return of any capital contribution to the Partnership, except (i) upon the withdrawal of such Partner pursuant to Section 5.5 or (ii) upon the dissolution of the Partnership pursuant to Section 6.1. The entitlement to any such return shall be limited to the value of the Capital Account of the Partner. The General Partner shall not be liable for the return of any such amounts.

3.3 Capital Accounts

- (a) The Partnership will maintain a separate Capital Account for each Partner. In the event a Limited Partner invests in more than one Series, the Partnership will maintain a separate Capital Account with respect to each Series held by such Limited Partner, with each such Capital Account being treated as if it were the Capital Account of a separate Partner for purposes of this Agreement, including for purposes of the Management Fee and the Performance Allocation, each borne indirectly at the Master Fund level. The General Partner may, in its discretion, maintain separate memorandum sub-accounts with respect to each such Capital Account for purposes of this Agreement, including to reflect additional capital

contributions, withdrawal terms, the Performance Allocation and the application of an Early Withdrawal Reduction. Each Capital Account will reflect the aggregate sum of the balances in all memorandum sub-accounts associated with each such Capital Account.

- (b) Each Capital Account shall have an initial balance equal to the amount of any cash and the net value of any property constituting the relevant Partner's initial capital contribution to the Partnership.
- (c) Each Capital Account shall be increased by (i) the amount of any cash and the net value of any property constituting additional contributions to such Capital Account permitted pursuant to Section 3.1 and (ii) such Capital Account's allocable share of the Net Profits allocated by the Partnership to such Capital Account pursuant to Section 3.4.
- (d) Each Capital Account shall be reduced by (i) the amount of any cash and the net value of any property withdrawn by or distributed to the relevant Partner pursuant to Sections 3.12(a), 5.5 or 6.2, including any amount deducted from any such withdrawal or distribution pursuant to Section 5.5(c) or 5.5(f), (ii) such Capital Account's allocable share of the Net Losses allocated by the Partnership to such Capital Account pursuant to Section 3.4, (iii) such Capital Account's *pro rata* portion of the expenses allocable (or specially allocable) by the Partnership pursuant to Section 3.5, (iv) such Capital Account's allocable share of the Performance Allocation allocable pursuant to Section 3.7 (borne indirectly at the Master Fund level), and (v) such Capital Account's *pro rata* portion of the expenses payable by the Partnership pursuant to Section 4.2 (b) and (c).
- (e) Each Capital Account (including any corresponding memorandum sub-accounts) shall be adjusted to reflect allocations and other changes in the value of such Capital Account in the manner specified in the remaining provisions of this Article III.
- (f) The Master Fund maintains Capital Sub-Accounts within the Partnership's capital account at the Master Fund level that correspond to the Capital Accounts (and any corresponding memorandum sub-accounts) of the Partners.

3.4 Allocation of Net Profit and Net Loss

- (a) Subject to the remaining provisions of this Article III, as of the last day of each Fiscal Period, any Net Profit or Net Loss for such Fiscal Period shall be separately allocated among and credited to or debited against the Capital Accounts of the Partners in proportion to their respective Partnership Percentages for such Fiscal Period.
- (b) Notwithstanding Section 3.4(a), items of income, gain, loss, deduction, credit and expenses for a Fiscal Period that are not allocable to specific Investments of the Master Fund, including short term interest income, receipt of any withdrawal charges by the Partnership, and audit, administration and legal expenses, shall be

separately allocated among and credited to or debited against the Capital Accounts of the Partners *pro rata* in accordance with their Partnership Percentages for such Fiscal Period.

3.5 Allocation of Management Fees, Withholding Taxes and Certain Other Expenditures

- (a) The Partnership shall bear its allocable portion of the Management Fees in accordance with the Master Fund Partnership Agreement. The Management Fees borne by the Partnership shall be allocated to the Capital Sub-Accounts of the relevant Limited Partners who are subject to the Management Fee based upon the Series they hold, and such Capital Sub-Accounts shall be subject to the corresponding adjustments. The Management Fee shall be charged at the Master Fund level through the use of Capital Sub-Accounts that correspond to each Capital Account of a Limited Partner. The Management Fee will be prorated for any period that is less than a full calendar quarter. The General Partner or the Investment Manager (as the general partner or the investment manager, respectively, of the Master Fund) may reduce, waive or calculate differently the Management Fee with respect to any Capital Sub-Account of a Limited Partner in its discretion.
- (b) Notwithstanding anything to the contrary herein, to the extent the General Partner or the Partnership is required by law (including under circumstances where the General Partner or the Partnership is unable to rely conclusively on any withholding certification provided by a Partner) to withhold or to make tax payments, including any interest or penalties, on behalf of or with respect to any Partner or Partners (including, without limitation, any amount attributable to an actual or imputed underpayment of taxes under any BBA provision, backup withholding or FATCA withholding), the General Partner or the Partnership may withhold such amounts and make such tax payments as so required. If the Partnership directly or indirectly pays or incurs any withholding tax or other tax obligation (including any amount under any BBA provision), or otherwise incurs a tax payment with respect to the income allocable or distributable to, or otherwise attributable to, one or more Partners, then the amount of such withholding tax, tax obligation or payment will be treated as a distribution to such Partner or Partners, as applicable, pursuant to the terms of this Agreement. Such amount will be debited against the Capital Account(s) of such Partner or Partners as of the close of the Fiscal Period during which the Partnership so withholds, pays or incurs such obligation. If the amount so withheld, paid or incurred is greater than the balance of the Capital Account(s) of the relevant Partner or Partners, as applicable, then such Partner or Partners and any successors must make a contribution to the capital of the Partnership within 10 Business Days after notification and demand by the General Partner in the amount of such excess. The General Partner is not obligated to apply for or obtain a refund, or reduction of or exemption from withholding tax or other tax obligation (including any amount under any BBA provision) on behalf of any Partner that may be eligible for such refund, reduction or exemption, or otherwise obligated to structure Investments so as to reduce or avoid any withholding tax. Each Limited Partner agrees to repay to the Partnership and the

General Partner and each of the partners and former partners of the General Partner, any liability for taxes, interest or penalties which may be asserted by reason of the failure to deduct and withhold tax on amounts distributable or allocable to such Limited Partner.

- (c) Except as otherwise provided for in this Agreement, any expenditures payable by the Partnership (including any taxes imposed on the Partnership pursuant to Section 6225 of the Code, as amended by the BBA), to the extent determined by the General Partner to have been paid or withheld on behalf of, or by reason of particular circumstances applicable to, one or more but fewer than all of the Partners, shall be specially allocated only to the Capital Accounts of those Partners on whose behalf such payments are made or whose particular circumstances gave rise to such payments. Such allocations shall be debited from the relevant Capital Accounts of such Partners as of the close of the Fiscal Period during which any such items were accrued by the Partnership.

3.6 Reserves; Adjustments for Certain Future Events

- (a) The General Partner may cause appropriate reserves to be created, accrued and charged against Net Assets and proportionately against the Capital Accounts (and the corresponding Capital Sub-Accounts) for contingent liabilities, such reserves to be in the amounts which the General Partner deems necessary or appropriate. The General Partner may increase or reduce any such reserve from time to time by such amounts as the General Partner deems necessary or appropriate. The amount of any such reserve, or any increase or decrease therein, may, at the election of the General Partner, be charged or credited, as the General Partner deems appropriate, to the Capital Accounts of those parties that are Partners at the time when such reserve is created, increased, or decreased, as the case may be, or alternatively may be charged or credited to those parties that were Partners at the time of the act or omission giving rise to the contingent liability for which the reserve was established by the General Partner.
- (b) If the General Partner determines that it is equitable to treat an amount to be paid or received as being applicable to one or more prior periods, then all or a portion of such amount may be proportionately charged or credited, as appropriate, in proportion to the Capital Account balances of the current Partners as such balances existed during any such prior period(s).

3.7 Performance Allocation

The Partnership bears its allocable portion of the Performance Allocation in accordance with the Master Fund Partnership Agreement. The Performance Allocation borne by the Partnership shall be specially allocated to the Capital Sub-Accounts of the relevant Limited Partners who are subject to the Performance Allocation based upon the Series they hold, and such Capital Sub-Accounts shall be subject to the corresponding adjustments. The Performance Allocation shall be debited at the Master Fund level through the use of Capital Sub-Accounts that correspond to each Capital Account of a Limited Partner. The General Partner (as the general

partner of the Master Fund) may waive or reduce the Performance Allocation with respect to any Capital Sub-Account of a Limited Partner.

3.8 Allocation to Avoid Capital Account Deficits

To the extent that any debits pursuant to this Article III would reduce the balance of the Capital Account of any Limited Partner below zero, that portion of any such debits shall instead be allocated to the Capital Account of the General Partner. Any credits in any subsequent Fiscal Period which would otherwise be allocable pursuant to this Article III to a Capital Account of any Limited Partner previously affected by the application of this Section 3.8 shall instead be allocated to the Capital Account of the General Partner in such amounts as are necessary to offset all previous debits attributable to such Limited Partner pursuant to this Section 3.8 not previously recovered.

3.9 Allocations for U.S. Federal Income Tax Purposes

Notwithstanding anything to the contrary in this Agreement:

- (a) Income Tax Allocations. Except as otherwise required by Code Section 704(c), items of income, gain, deduction, loss, or credit that are recognized for income tax purposes in each Fiscal Year will be allocated among the Partners in such manner as to reflect equitably amounts credited to or debited against each Partner's Capital Account, whether in such Fiscal Year or in prior Fiscal Years. To this end, the Partnership will establish and maintain records which shall show the extent to which the Capital Account of each Partner will, as of the last day of each Fiscal Year, comprise amounts that have not been reflected in the taxable income of such Partner. To the extent deemed by the General Partner to be feasible and equitable, taxable income and gains in each Fiscal Year shall be allocated among the Partners who have enjoyed the related credits to their Capital Accounts, and items of deduction, loss and credit in each Fiscal Year shall be allocated among the Partners who have borne the burden of the related debits to their Capital Accounts. Foreign tax credits attributable to taxes incurred by the Partnership shall be allocated in a manner consistent with Section 1.704-1(b)(4)(viii) of the Regulations. All matters concerning allocations for U.S. federal, state and/or local income tax purposes, including accounting procedures, not expressly provided for in this Agreement will be determined by the General Partner.
- (b) Basis Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) of the Code or Section 743(b) of the Code is required under Section 1.704-1(b)(2)(iv)(m) of the Regulations to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Regulations; *provided* that in the event that an adjustment to the book value of Partnership property is made as a result of an adjustment pursuant to

Section 734(b) of the Code, items of income, gain, loss, or deduction, as computed for book and tax purposes, will be specially allocated among the Partners so that the effect of any such adjustment shall benefit (or be borne by) the Partner(s) receiving the distribution that caused such adjustment.

- (c) Positive Basis Allocations. If the Partnership realizes gains or items of gross income (including short term capital gain) from the sale of Partnership assets for U.S. federal income tax purposes for any Fiscal Year in which one or more Positive Basis Partners withdraws all or a portion of its Interest from the Partnership pursuant to Section 5.5, the General Partner may elect: (i) to allocate such gains or items of gross income among such Positive Basis Partners, *pro rata* in proportion to the respective Positive Basis of each such Positive Basis Partner, until either the full amount of such gains or items of gross income shall have been so allocated or the Positive Basis of each such Positive Basis Partner shall have been eliminated; and (ii) to allocate any gains or items of gross income not so allocated to Positive Basis Partners to the other Partners in such manner as shall reflect equitably the amounts credited to such Partners' Capital Accounts pursuant to Section 3.3; *provided, however*, that if, following such Fiscal Year, the Partnership realizes gains or items of gross income from a sale of an Investment the proceeds of which are designated on the Partnership's books and records as being used to effect payment of all or part of the liquidating share of any Positive Basis Partner that continues to be a Partner in the Partnership following such withdrawal (*i.e.*, such Positive Basis Partner effected a partial, and not a complete, withdrawal of its Interest), there shall be allocated to such Positive Basis Partner an amount of such gains or items of gross income equal to the amount, if any, by which its Positive Basis as of the Withdrawal Date exceeds the amount allocated to such Partner pursuant to clause (i) of this sentence.
- (d) Negative Basis Allocations. If the Partnership realizes net losses or items of gross loss or deduction (including short term capital loss) from the sale of Partnership assets for U.S. federal income tax purposes for any Fiscal Year in which one or more Negative Basis Partners withdraws all or a portion of its Interest from the Partnership pursuant to Section 5.5, the General Partner may elect: (i) to allocate such net losses or items of gross loss or deduction among such Negative Basis Partners, *pro rata* in proportion to the respective Negative Basis of each such Negative Basis Partners, until either the full amount of such losses or items of loss or deduction shall have been so allocated or the Negative Basis of each such Negative Basis Partner shall have been eliminated; and (ii) to allocate any net losses or items of gross loss or deduction not so allocated to Negative Basis Partners to the other Partners in such manner as shall reflect equitably the amounts credited to such Partners' Capital Accounts pursuant to Section 3.3; *provided, however*, that if, following such Fiscal Year, the Partnership realizes net losses or items of gross loss and deduction from a sale of an Investment the proceeds of which are designated on the Partnership's books and records as being used to effect payment of all or part of the liquidating share of any Negative Basis Partner that continues to be a Partner in the Partnership following such withdrawal (*i.e.*, such Negative Basis Partner effected a partial, and not a complete, withdrawal of its

Interest), there shall may be allocated to such Negative Basis Partner an amount of such net losses or items of gross loss or deduction equal to the amount, if any, by which its Negative Basis as of the Withdrawal Date exceeds the amount allocated to such Partner pursuant to clause (i) of this Section 3.9(d).

- (e) Qualified Income Offset. In the event any Limited Partner unexpectedly receives any adjustments, allocations, or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Regulations, items of Partnership income and gain will be specially allocated to each such Limited Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the deficit balance in the Capital Account of such Limited Partner as quickly as possible; *provided* that an allocation pursuant to this Section 3.9(e) may be made only if and to the extent that such Limited Partner would have a deficit balance in its Capital Account after all other allocations provided for in this Article III have been tentatively made as if this Section 3.9(e) were not in this Agreement. This Section 3.9(e) is intended to constitute a “qualified income offset” within the meaning of Section 1.704-1(b)(2)(ii) of the Regulations and shall be interpreted consistently therewith.
- (f) Gross Income Allocation. In the event any Limited Partner has a deficit Capital Account at the end of any Fiscal Year that is in excess of the sum of (i) the amount such Limited Partner is obligated to restore pursuant to any provision of this Agreement and (ii) the amount such Limited Partner is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations, each such Limited Partner will be specially allocated items of Partnership gross income and gain in the amount of such excess as quickly as possible; *provided* that an allocation pursuant to this Section 3.9(f) may be made only if and to the extent that such Limited Partner would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article III have been made as if Section 3.9(e) and this Section 3.9(f) were not in this Agreement.
- (g) Section 704(b) Compliance. The allocations provided in this Section 3.9 are intended to comply with the Regulations under Section 704(b) of the Code and may, as determined by the General Partner, be interpreted and applied in a manner consistent therewith.

3.10 Curative Allocations

The allocations set forth in Sections 3.9(b), (e) and (f) (the “**Regulatory Allocations**”) are intended to comply with certain requirements of the Regulations. It is the intent of the Partners that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Partnership income, gain, loss, or deduction pursuant to this Section 3.10. Therefore, notwithstanding any other provision of this Article III (other than the Regulatory Allocations), the General Partner shall make such offsetting special allocations of the Partnership income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Partner’s Capital

Account balance is, to the extent possible, equal to the Capital Account balance such Partner would have had if the Regulatory Allocations were not part of this Agreement and all Partnership items were allocated pursuant to other provisions of this Article III (other than the Regulatory Allocations).

3.11 Tax Matters

- (a) Each Partner agrees not to treat, on any U.S. federal, state, local and/or non-U.S. income tax return or in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner inconsistent with the treatment of such item by the Partnership or which would result in inconsistent treatment, and each Partner further agrees to treat, on any U.S. federal, state, local and/or non-U.S. income tax return in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner consistent with the treatment of such item by the Partnership.
- (b) To the fullest extent permitted by law, each Limited Partner agrees to (i) provide such cooperation and assistance, including executing and filing forms or other statements and providing information about the Limited Partner, as is reasonably requested by the Tax Matters Partner, to enable the Partnership to satisfy any applicable tax reporting or compliance requirements, to make any tax election or to qualify for an exception from or reduced rate of tax or other tax benefit or be relieved of liability for any tax regardless of whether such requirement, tax benefit or tax liability existed on the date such Partner was admitted to the Partnership, (ii) amend the Limited Partner's tax returns and pay any resulting taxes, interest and penalties in connection with an election by the Partnership under Section 6225(a) of the Code, as amended by the BBA, (iii) take into account any adjustments and pay any taxes, interest and penalties that result from an election by the Partnership under Section 6226 of the Code, as amended by the BBA, and/or (iv) indemnify and hold harmless the Partnership from and against any liability with respect to the Limited Partner's share of any tax deficiency (including any interest and penalties associated therewith) paid or payable by the Partnership that is (A) allocable to such Limited Partner (as reasonably determined by the General Partner in accordance with this Agreement) with respect to an audited or reviewed taxable year for which such Partner was a partner in the Partnership or (B) attributable (as reasonably determined by the General Partner) to the failure of such Limited Partner to cooperate with or provide any such forms, statements, or other information as requested by the Tax Matters Partner pursuant to clause (i) above.

3.12 Distributions

- (a) The Partnership will make distributions in respect of withdrawals in accordance with Section 5.5 and liquidation in accordance with Section 6.2. The amount and timing of any other distributions from the Partnership shall be determined by the General Partner. Distributions will generally be made in proportion to the respective Partnership Percentages of the Partners for the Fiscal Period when made. Any distributions may be paid in cash, in kind or partly in cash and partly in kind.

- (b) Notwithstanding any provision to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, may not make a distribution to any Partner from any account in connection with its Interest if such distribution would violate Section 17-607 of the Act or other applicable law.

Article IV
MANAGEMENT

4.1 Duties and Powers of the General Partner

- (a) Subject to the terms and conditions of this Agreement, the General Partner shall have complete and exclusive power and responsibility, to the fullest extent permitted by the Act, for managing and administering the affairs of the Partnership (other than any investment or trading activities, which are entered into at the Master Fund level and managed by the Investment Manager), and shall have the power and authority to do all things that the General Partner considers necessary or desirable to carry out its duties hereunder and to achieve the purposes of the Partnership.
- (b) The General Partner shall have the right, without the notification to or consent of any Limited Partner or other Person, to make adjustments to the structure of the Partnership in order to address applicable structural, ownership, legal, or regulatory issues, or to improve overall tax efficiency; *provided* that no such adjustment would cause any material adverse consequences to the Limited Partners.
- (c) Without limiting the generality of the General Partner's duties and powers hereunder and notwithstanding anything to the contrary contained herein, the General Partner shall have full power and authority, subject to the other terms and provisions of this Agreement, to execute, deliver and perform such contracts, agreements and other undertakings on behalf of the Partnership, without the consent or approval of any other Person, and to engage in all activities and transactions, as it may deem necessary or advisable for, or as may be incidental to, the conduct of the business contemplated by this Section 4.1, including, without in any manner limiting the generality of the foregoing, (i) contracts, agreements, undertakings and transactions with any Partner or with any other Person, firm or corporation having any business, financial or other relationship with any Partner or Partners, (ii) agreements with each Limited Partner in connection with its purchase of an Interest, including a subscription agreement wherein such Limited Partner agrees to be bound by the terms of this Agreement, (iii) any agreements to induce any Person to purchase an Interest and (iv) the Investment Management Agreement delegating to the Investment Manager certain of the powers and authority vested by this Agreement in the General Partner as the General Partner and the Investment Manager may agree from time to time, each without any further act, approval or vote of any Person.

- (d) The General Partner may terminate or replace the Investment Manager in accordance with the terms of the Investment Management Agreement. The General Partner may delegate to any other Person (including any of its Affiliates) any power and authority vested in the General Partner pursuant to this Agreement that is not otherwise delegated to the Investment Manager.
- (e) Every power vested in the General Partner pursuant to this Agreement shall be construed as a power to act (or not to act) in its sole and absolute discretion, except as otherwise expressly provided herein. No provision of this Agreement shall be construed to require the General Partner to violate the Act, the Advisers Act or any other law, regulation or rule of any self-regulatory organization.
- (f) Notwithstanding any other provision of this Agreement or otherwise applicable provision of law or equity, whenever in this Agreement, the General Partner is permitted or required to make a decision (i) in its “sole discretion” or “discretion” or under a grant of similar authority or latitude, the General Partner shall be entitled to consider only such interests and factors as it desires, including its own interests, and shall, to the fullest extent permitted by applicable law, have no duty or obligation to give any consideration to any interest of or factors affecting the Partnership or the Limited Partners, or (ii) in its “good faith” or under another expressed standard, the General Partner shall act under such express standard and shall not be subject to any other or different standards. Unless otherwise expressly stated, for purposes of this Section 4.1(f), the General Partner shall be deemed to be permitted or required to make all decisions hereunder in its sole discretion.
- (g) If requested by the General Partner, each Limited Partner shall deliver to the General Partner: (i) an affidavit in form satisfactory to the General Partner that the applicable Limited Partner (and its partners, shareholders, members, and/or beneficial owners, and/or controlling persons, as the case may be) is not subject to withholding under the provisions of any United States federal, state, local or non-U.S. laws; (ii) any certificate that the General Partner may reasonably request with respect to any such laws; (iii) any other form or instrument reasonably requested by the General Partner relating to such Limited Partner’s status under such laws; and/or (iv) any information or documentation prescribed under FATCA or as may be necessary for the Partnership to comply with its obligations, or to avoid withholding, under FATCA or any other automatic exchange of information agreement or arrangement, including, without limitation, the Organisation for Economic Cooperation and Development’s Common Reporting Standard. In the event that a Limited Partner fails or is unable to deliver to the General Partner an affidavit described in Section 4.1(g), the General Partner may withhold amounts from such Partner in accordance with Section 3.5(b).

4.2 Expenses

- (a) Subject to Section 4.2(f), each of the General Partner and the Investment Manager pays all of its own operating and overhead costs without reimbursement by the Partnership. The Partnership will not have its own separate employees or office,

and it will not reimburse the General Partner or the Investment Manager for salaries, office rent and other general overhead expenses of the General Partner or the Investment Manager.

- (b) The Partnership, and not the General Partner or the Investment Manager, will pay, or reimburse the General Partner and the Investment Manager for, all costs, fees and expenses arising in connection with the Partnership's operations, as well as its *pro rata* share of the cost of the Master Fund's initial organization, operations and Investment-related expenses. Such expenses payable by the Partnership include the following:
- (i) the Partnership's *pro rata* share of the cost of the Master Fund's investment program, including, without limitation, brokerage commissions, other expenses related to buying and selling securities (including trading errors that are not the result of the Investment Manager's gross negligence, willful misconduct or fraud), costs of due diligence regardless of whether a particular transaction is consummated, the costs of attending shareholder meetings, research expenses and costs related to monitoring Investments;
 - (ii) initial organizational expenses of the Partnership; provided that, such organizational costs may be expensed immediately, or in the General Partner's discretion, amortized in whole or in part and capitalized over a period of 60 calendar months from the date the Partnership commences operations, which may result in an exception to GAAP;
 - (iii) fees and expenses of advisers and consultants;
 - (iv) Management Fees (charged at the Master Fund level);
 - (v) fees and expenses of any custodians, escrow or transfer agents or other investment-related service providers;
 - (vi) indemnification expenses incurred in connection with Section 4.5 and the cost of insurance against potential indemnification liabilities;
 - (vii) interest and other borrowing expenses;
 - (viii) legal, administrative, accounting, tax, audit and insurance expenses;
 - (ix) expenses of preparing and distributing reports, financial statements and notices to Limited Partners;
 - (x) litigation or other extraordinary expenses;
 - (xi) any withholding, transfer or other taxes imposed or assessed on, or payable by, the Partnership (including any interest and penalties); and

- (xii) the cost of periodically updating the Partnership's offering memorandum and this Agreement.
- (c) Expenses generally will be borne *pro rata* by the Partners in accordance with their respective Partnership Percentages; *provided* that expenses may be specially allocated among the Partners as follows:
 - (i) with respect to expenses related to Investments (other than taxes), *pro rata* in accordance with their respective Partnership Percentages; and
 - (ii) as provided elsewhere in this Agreement, including Sections 3.4, 3.5, 3.6 and 5.5.
- (d) Each of the General Partner and the Investment Manager, as appropriate, shall be entitled to reimbursement from the Partnership for any of the expenses paid by it on behalf of the Partnership pursuant to Section 4.2(b); *provided* that the General Partner or the Investment Manager may absorb any or all of such expenses incurred on behalf of the Partnership. The Investment Manager may retain, in connection with its responsibilities hereunder as a delegatee of the General Partner, the services of others to assist in the investment advice to be given to the Master Fund, including, but not limited to, any Affiliate of the Investment Manager, but payment for any such services shall be assumed by the Investment Manager and neither the Master Fund nor the Partnership shall have any liability therefor; *provided, however*, that the Investment Manager, in its sole discretion, may retain the services of independent third party professionals on behalf of the Master Fund, including, without limitation, attorneys, accountants and consultants, to advise and assist it in connection with the performance of its activities on behalf of the Master Fund, and the Master Fund shall bear full responsibility therefor and the expense of any fees and disbursements arising therefrom.
- (e) If the General Partner or the Investment Manager, as appropriate, shall incur any of the expenses referred to in Section 4.2(b) for the account or for the benefit of, or in connection with its activities or those of its Affiliates on behalf of, both the Master Fund and any Other Account, the General Partner or the Investment Manager, as appropriate, will allocate such expense among the Master Fund and each such Other Account in proportion to the size of the Investment made by each in the activity or entity to which the expense relates, or in such other manner as the General Partner considers fair and reasonable.
- (f) Each of the General Partner and the Investment Manager is entitled to use "soft dollars" generated by the Master Fund to pay for certain investment research and brokerage services that provide lawful and appropriate assistance to the General Partner or the Investment Manager in the performance of investment decision-making responsibilities to the extent such use falls within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended, or is otherwise reasonably related to the investment decision-making process, or to cover certain Master Fund expenses. Use of "soft dollars" by the General Partner

or the Investment Manager as described herein shall not constitute a breach by the either the General Partner or the Investment Manager of any fiduciary or other duty which the General Partner or the Investment Manager may be deemed to owe to the Partnership or its Partners.

4.3 Rights of Limited Partners

The Limited Partners shall take no part in the management, control or operation of the Partnership's business, and shall have no right or authority to act for the Partnership or to vote on matters other than the matters set forth in this Agreement or as required by applicable law. Except as otherwise provided herein or required by law, a Limited Partner shall have no liability for the debts or obligations of the Partnership.

4.4 Other Activities of Partners

- (a) The General Partner shall not be required to devote any specific amount of its time to the affairs of the Partnership, but shall devote such of its time to the business and affairs of the Partnership as it shall determine in good faith to be necessary to conduct the affairs of the Partnership for the benefit of the Partnership and the Partners.
- (b) Each Partner acknowledges and agrees that any other Partner, its Affiliates and their respective officers, directors, shareholders, members, partners, personnel and employees, may engage in or possess an interest in other business ventures or commercial dealings of every kind and description, independently or with others, including, but not limited to, management of other accounts, investment in, or financing, acquisition and disposition of, securities, investment and management counseling, brokerage services, serving as directors, officers, advisers or agents of other companies, partners of any partnership, or trustees of any trust, or entering into any other commercial arrangements, and will not be disqualified solely on the basis that any such activities may conflict with any interest of the parties with respect to the Partnership or the Master Fund. Without in any way limiting the foregoing, each Partner hereby acknowledges that (i) none of the Partners, their Affiliates and their respective officers, directors, shareholders, members, partners, personnel and employees shall have any obligation or responsibility to disclose or refer any of the investment or other opportunities obtained through activities contemplated by this Section 4.4(b) to the General Partner or the Limited Partners, but may refer the same to any other party or keep such opportunities for their own benefit; and (ii) the Partners, their Affiliates and their respective officers, directors, shareholders, members, partners, personnel and employees are hereby authorized to engage in activities contemplated by this Section 4.4(b) with, or to purchase, sell or otherwise deal or invest in investments issued by, companies in which the General Partner might from time to time invest or be able to invest or otherwise have any interest on behalf of the Master Fund, without the consent or approval of the Partnership or any other Partner. The Partners expressly agree that no other Partner shall have any rights in or to such other activities, or any profits derived therefrom.

- (c) The General Partner and its Affiliates shall allocate investment opportunities to the Master Fund and any Other Account fairly and equitably over time. Notwithstanding the foregoing, the General Partner is under no obligation to accord exclusivity or priority to the Master Fund in the event of limited investment opportunities. This means that such opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) fiduciary duties owed to the accounts; (ii) the primary mandate of the accounts; (iii) the capital available to the accounts; (iv) any restrictions on the accounts and the investment opportunity; (v) the sourcing of the investment, size of the investment and amount of follow-on available related to the investment; (vi) whether the risk-return profile of the proposed investment is consistent with the account's objectives and program, whether such objectives are considered in light of the specific investment under consideration or in the context of the portfolio's overall holdings; (vii) the potential for the proposed investment to create an imbalance in the account's portfolio (taking into account expected inflows and outflows of capital); (viii) liquidity requirements of the account; (ix) potentially adverse tax consequences; (x) regulatory and other restrictions that would or could limit an account's ability to participate in a proposed investment; and (xi) the need to re-size risk in the account's portfolio. The General Partner has the authority to allocate trades to multiple accounts on an average price basis or on another basis it deems fair and equitable. Similarly, if an order on behalf of any accounts cannot be fully allocated under prevailing market conditions, the General Partner may allocate the trades among different accounts on a basis it considers fair and equitable over time.
- (d) The Principal, as well as the employees and officers of the Investment Manager and of organizations affiliated with the Investment Manager, may buy and sell securities for their own account or the account of others, but may not buy securities from or sell securities to the Master Fund (such prohibition does not extend to the purchase or sale of Interests), unless such purchase or sale is in compliance with the applicable provisions of the Advisers Act.
- (e) Each Partner hereto hereby waives, and covenants not to bring a cause of action in law or equity on the basis of, any law (statutory, common law or otherwise) respecting the rights and obligations of the Partners which is or may be inconsistent with this Section 4.4.
- (f) The General Partner and its Affiliates reserve the right to establish collective investment vehicles that have stated investment programs or terms that differ from those of the Partnership or that are targeted primarily to investors for which the Partnership is not designed to be a suitable investment vehicle. The General Partner and its Affiliates also reserve the right to establish and provide management or advisory services to Other Accounts for significant investors, whether or not such accounts have the same investment program as the Partnership.

- (g) Each Limited Partner acknowledges that the General Partner or the Investment Manager may engage one or more of their respective Affiliates to provide services to the Partnership or the Master Fund for compensation.

4.5 Duty of Care; Indemnification

- (a) None of the Indemnified Persons will be liable to the Partnership or any Limited Partner for any loss or damage arising by reason of being or having been an Indemnified Person or from any acts or omissions in the performance of its services as an Indemnified Person in the absence of gross negligence, willful misconduct or fraud, or as otherwise required by law. In no event shall any Indemnified Person be liable for any consequential damages, special or indirect damages or lost profits. An Indemnified Person may consult with counsel and accountants in respect of the Partnership's affairs and will be fully protected and justified in any action or inaction which is taken in accordance with the advice or opinion of such counsel or accountants, provided that they were selected in accordance with the standard of care set forth above.
- (b) The Partnership shall, to the fullest extent permitted by law, indemnify and hold harmless each Indemnified Person from and against any and all liabilities suffered or sustained by an Indemnified Person by reason of the fact that it, he or she is or was an Indemnified Person or in connection with this Agreement or the Partnership's business or affairs, including, without limitation, any judgment, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, suit or proceeding, provided that such liability did not result from the gross negligence, willful misconduct or fraud of such Indemnified Person. The Partnership will, in the sole discretion of the General Partner, advance to any Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any action, suit or proceeding which arises out of such conduct. In the event that such an advance is made by the Partnership, the Indemnified Person will agree to reimburse the Partnership to the extent that it is finally determined that the Indemnified Person was not entitled to indemnification in respect thereof.
- (c) Notwithstanding any of the foregoing, the provisions of this Section 4.5 do not provide for the exculpation or indemnification of any Indemnified Person for any liability (including liability under U.S. federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the above provisions to the fullest extent permitted by law.
- (d) Pursuant to the indemnification and exculpation provisions above and as set forth in the Master Fund Partnership Agreement, the Master Fund (and not the applicable Indemnified Person) will be responsible for any losses resulting from trading errors and similar human errors, and the Partnership will bear its *pro rata* portion thereof, absent gross negligence, willful misconduct or fraud of any Indemnified Person.

- (e) The above-mentioned Indemnified Persons are also indemnified by each Limited Partner for any amounts of tax withheld or required to be withheld with respect to that Limited Partner, and also for any amounts of interest, additions to tax, penalties and other costs borne by any such persons in connection therewith to the extent that the balance of the Limited Partner's Capital Account is insufficient to fully compensate the General Partner or the Investment Manager for such costs.

Article V

ADMISSIONS, TRANSFERS AND WITHDRAWALS

5.1 Admission of Limited Partners

The General Partner may, on the first day of each calendar month, or at such other times as the General Partner may determine, without advance notice to or consent of the Limited Partners, admit to the Partnership any Person who shall execute this Agreement or any other writing evidencing the intent of such Person to become a Limited Partner. Such admission shall be effective when the General Partner enters the name of such Person on the Schedule of Partners and does not require the consent or approval of any other Partner. The General Partner shall have the authority to reject subscriptions for Interests in whole or in part.

5.2 Admission of Additional General Partners

- (a) Except as provided in Section 5.2(b), the General Partner may admit one or more Persons as additional general partners to the Partnership. No additional general partner shall be added unless such additional general partner agrees to be bound by all of the terms of this Agreement and adding such additional general partner would not have any of the effects described in clauses (i) through (iv) of Section 5.3(c) (except as specifically set forth therein).
- (b) Any Person to whom the General Partner has transferred its general partner interest in accordance with Section 5.4 will be admitted to the Partnership as a substitute General Partner without the consent of the Limited Partners unless otherwise provided for in Section 5.4.

5.3 Transfer of Interests of Limited Partners

- (a) Each Limited Partner agrees with all other Partners that it shall not make or attempt to make any Transfer of its Interest which will violate this Section 5.3. In the event of any attempted Transfer of any Limited Partner's Interest in violation of the provisions of this Section 5.3, without limiting any other rights of the Partnership, the General Partner shall have the right to require the withdrawal of such Limited Partner's Interest from the Partnership as provided by Section 5.5(j).

- (b) No Transfer of any Limited Partner's Interest, whether voluntary or involuntary, shall be valid or effective, and no transferee shall become a substituted Limited Partner, unless the prior written consent of the General Partner has been obtained, which consent may be granted, withheld or conditioned for any reason by the General Partner. In the event of any Transfer, all of the conditions of the remainder of this Section 5.3 must also be satisfied.
- (c) Without limiting the General Partner's discretion pursuant to the preceding paragraph, the General Partner expects to withhold consent to any Transfer of any Limited Partner's Interest, whether voluntary or involuntary, if the General Partner has reason to believe that such Transfer may:
 - (i) require registration of any Interest under any securities laws of the United States of America, any state thereof or any other jurisdiction;
 - (ii) subject the Partnership or the General Partner to a requirement to register, or to additional disclosure or other requirements, under any securities or commodities laws of the United States of America, any state thereof or any other jurisdiction;
 - (iii) result in a termination of the Partnership for U.S. federal income tax purposes under Section 708(b)(1)(B) of the Code, or cause the Partnership to be treated as a "publicly traded partnership" for U.S. federal income tax purposes under Section 7704(b) of the Code or cause the Partnership not to qualify for one of the safe harbors under Section 1.7704-1(e), (f), (g), (h) or (j) of the Regulations;
 - (iv) result in the Partnership being considered an investment company within the meaning of the Investment Company Act;
 - (v) result in violation of any anti-money laundering rules or regulations applicable to the Partnership, the Investment Manager or the General Partner;
 - (vi) violate or be inconsistent with any representation or warranty made by the transferring Limited Partner at the time the Limited Partner subscribed to purchase an Interest; or
 - (vii) cause all or any portion of the assets of the Master Fund to constitute Plan Assets of any ERISA Partner for purposes of ERISA or to be subject to the provisions of ERISA to substantially the same extent as if owned directly by an ERISA Partner.

The transferring Limited Partner, or its legal representative, must give the General Partner written notice before making any voluntary Transfer and after any involuntary Transfer and must provide sufficient information to allow legal counsel acting for the Partnership to make the determination that the proposed Transfer would not result in any of the consequences referred to in clauses (i) through (vii)

above. If an assignment, Transfer or disposition occurs by reason of the death of a Limited Partner or assignee, the notice may be given by the duly authorized representative of the estate of the Limited Partner or assignee. The notice must be supported by proof of legal authority and valid assignment acceptable to the General Partner.

- (d) In the event any Transfer permitted by this Section 5.3 shall result in multiple ownership of any Limited Partner's Interest, the General Partner may require one or more trustees or nominees to be designated to represent a portion of or the entire Interest transferred for the purpose of receiving all notices which may be given and all payments which may be made under this Agreement, and for the purpose of exercising the rights which the transferor as a Limited Partner had pursuant to the provisions of this Agreement.
- (e) Subsequent to receipt of the consent of the General Partner (which consent may be withheld by the General Partner), an authorized transferee shall be entitled to the allocations and distributions attributable to the Interest transferred to such transferee and to transfer such Interest in accordance with the terms of this Agreement; *provided, however*, that such transferee shall not be entitled to the other rights of a Limited Partner as a result of such Transfer until it becomes a substituted Limited Partner. No transferee may become a substituted Limited Partner without the consent of the General Partner (which consent may be withheld for any reason or no reason by the General Partner). If the General Partner withholds consent to such substitution, a transferee will not have any of the rights of a Limited Partner, except that the transferee will be entitled, unless prohibited by law, to receive that share of capital or profits and to have the right of withdrawal to which its transferor would have been entitled and will be subject to the other terms of this Agreement. A transferring Limited Partner will remain liable to the Partnership as provided under applicable law and this Agreement regardless of whether its transferee becomes a substituted Limited Partner. Notwithstanding the above, the Partnership and the General Partner shall incur no liability for allocations and distributions made in good faith to the transferring Limited Partner until a written instrument of transfer has been received by the Partnership and recorded on its books and the effective date of the Transfer has passed.
- (f) Any other provision of this Agreement to the contrary notwithstanding, a transferee shall be bound by the provisions hereof. Prior to recognizing any Transfer in accordance with this Section 5.3, the General Partner may require the transferring Limited Partner to execute and acknowledge an instrument of Transfer in form and substance satisfactory to the General Partner, and may require the transferee to make certain representations and warranties to the Partnership and Partners and to accept, adopt and approve in writing all of the terms and provisions of this Agreement. A transferee shall become a substituted Limited Partner and shall succeed to the portion of the transferor's Capital Account relating to the Interest transferred effective upon the satisfaction of all of the conditions for such Transfer contained in this Section 5.3.

- (g) In the event of a Transfer or in the event of a distribution of assets of the Partnership to any Partner, the Partnership may, but shall not be required to, file an election under Section 754 of the Code and in accordance with the applicable Regulations, to cause the basis of the Partnership's assets to be adjusted for U.S. federal income tax purposes as provided by Section 734 or 743 of the Code and shall make any mandatory adjustments to the basis of the Partnership's assets as required by Section 734 or 743 of the Code. If the Partnership does not file an election under Section 754 in connection with a Transfer and if the transferring Limited Partner is a Negative Basis Partner, the General Partner may elect to allocate to the transferring Limited Partner pursuant to Section 3.9(d) net losses or items of loss and deduction realized by the Partnership for the Fiscal Year in which the Transfer occurs as if the transferring Limited Partner were withdrawing from the Partnership pursuant to Section 5.5.
- (h) In the event of a Transfer at any time other than the end of a Fiscal Year, items of income, gain, loss, deduction or credit recognized by the Partnership for U.S. federal income tax purposes will be allocated between the transferring parties, as determined by the General Partner, using any permissible method under Code Section 706(d) and the Regulations thereunder. The transferring parties agree to reimburse the General Partner and the Partnership for any incidental accounting fees and other expenses incurred by the General Partner and the Partnership in making allocations pursuant to this Section 5.3(h).

5.4 Transfer of Interest of the General Partner

The General Partner may not Transfer its Interest as a general partner of the Partnership other than (a) to one or more of its direct or indirect beneficial owners or their Affiliates, or (b) with the approval of a Majority of Limited Partners. Each Limited Partner shall be deemed to have consented to any such Transfer made in accordance with this Section 5.4.

5.5 Withdrawal of Interests of Partners

- (a) Except as provided in this Section 5.5, a Limited Partner may voluntarily withdraw all or part of its Capital Account effective as of the last Business Day of each calendar month and/or such other Business Days as the General Partner may determine in its sole discretion (such date, a "**Withdrawal Date**") upon not less than 30 calendar days' prior written notice ("**Withdrawal Notice**") to the Administrator; provided that, any partial withdrawals may only be made in minimum amounts of \$100,000. Any notice of withdrawal shall be irrevocable by the Limited Partner, unless otherwise agreed by the General Partner. The General Partner may waive the notice requirements of this Section 5.5(a), including with respect to the Capital Accounts of the Affiliated Investors. Notwithstanding anything herein to the contrary, the General Partner may agree with certain Limited Partners to provide for different withdrawal terms and notice periods.
- (b) For the purposes of this Section 5.5 (and as described in Section 3.3(a)), each capital contribution shall be accounted for using a separate memorandum

sub-account, and, in the case of a Limited Partner for which more than one memorandum sub-account is maintained, the withdrawals of the balance of any such sub-accounts shall be processed on a “first-in, first-out” basis based upon the date on which each capital contribution was made, unless otherwise agreed between the General Partner and such Limited Partner. Each memorandum sub-account related to a contribution of capital from a Limited Partner will be treated as if it were the separate Capital Account of a separate Partner for the purposes of applying the withdrawal provisions of this Section 5.5.

- (c) A withdrawal of capital from a Capital Account that occurs during an applicable Soft Lock-up Period or Second Soft Lock-up Period is subject to the applicable Early Withdrawal Reduction. The General Partner may waive the Soft Lock-up Period or the Second Soft Lock-up Period with respect to any Capital Account of a Limited Partner.
- (d) Any Withdrawal Notice shall be irrevocable by the Limited Partner, unless otherwise agreed by the General Partner. For the avoidance of doubt, if a Limited Partner notifies the General Partner of its intent to withdraw and later chooses not to withdraw (with the General Partner’s consent), any transaction costs incurred by the Partnership or the General Partner in connection therewith may, in the discretion of the General Partner, be charged to such withdrawing Limited Partner. The General Partner or the Administrator may refuse to honor any Limited Partner’s request for a full or partial withdrawal if such request is not accompanied by such additional information as the General Partner or the Administrator may reasonably require.
- (e) Payment of the estimated amount due with respect to any permitted withdrawal pursuant to this Section 5.5 will generally be made within 10 Business Days of the Withdrawal Date, *provided* that, the General Partner may delay such payment if such delay is reasonably necessary to prevent such withdrawal from having a material adverse impact on the Partnership. Amounts withdrawn by a Limited Partner will not earn interest for the period from the effective Withdrawal Date through the settlement date.
- (f) The General Partner may deduct from any withdrawal proceeds due to any Limited Partner pursuant to this Section 5.5 an amount representing the Partnership’s actual or estimated expenses, as determined by the General Partner in good faith, associated with processing the withdrawal, as well as any Early Withdrawal Reduction. Any such withdrawal deduction will be retained for the benefit of the Partnership.
- (g) Upon receipt by the Partnership of a Limited Partner’s Withdrawal Notice, the General Partner, in its capacity as the general partner of the Master Fund, will have the discretion to manage the Master Fund’s assets in a manner that would provide for cash being available to the Partnership to satisfy such Limited Partner’s withdrawal request, but the General Partner shall be under no obligation to effect sales of Master Fund assets if the General Partner determines that such transactions

might be detrimental to the interest of the other Investors or that such transactions are not reasonably practicable. The General Partner may effect withdrawal payments (i) in cash, (ii) in kind, by transfer of marketable or non-marketable Investments received from the Master Fund or other assets of the Partnership, the value of which, as determined in accordance with Section 7.3, would satisfy the Limited Partner's request for withdrawal, or (iii) in any combination of the foregoing. In the event that the General Partner satisfies a withdrawal request with Investments or assets in kind, such securities may be transferred to a liquidating account and sold by the Partnership for the benefit of the withdrawing Limited Partner, in which case, payment of the withdrawal proceeds attributable to such Investments will be delayed until such Investments are sold. The amount payable in respect of such Investments will depend on the performance of such Investments through to the date on which they are sold. The cost of operating the liquidating account and selling the Investment(s) will be deducted from the proceeds of sale paid to the withdrawing Limited Partner.

- (h) The General Partner may, at any time, suspend (a) the calculation of the net asset value of the Interests (and the applicable valuation date); (b) the issuance of Interests; (c) the withdrawal by Limited Partners of their Interests (and the applicable Withdrawal Date); and/or (d) the payment of withdrawal proceeds (even if the calculation dates and Withdrawal Dates are not postponed), during any period which: (i) any stock exchange on which a substantial part of Investments owned by the Partnership (through the Master Fund) are traded is closed, other than for ordinary holidays, or dealings thereon are restricted or suspended; (ii) there exists any state of affairs as a result of which (A) disposal of a substantial part of the Investments owned by the Partnership (through the Master Fund) would not be reasonably practicable and might seriously prejudice the Limited Partners, or (B) it is not reasonably practicable for the Partnership fairly to determine the value of its net assets; (iii) none of the withdrawal requests which have been made may lawfully be satisfied by the Partnership; (iv) there is a breakdown in the means of communication normally employed in determining the prices of a substantial part of the Investments of the Partnership (through the Master Fund); (v) in the sole discretion of the General Partner, it is necessary to preserve the Partnership's assets; or (vi) automatically upon any suspension of withdrawals by the Master Fund for similar reasons.
- (i) The Administrator will promptly notify each Limited Partner who has submitted a withdrawal request and to whom payment in full of the amount being withdrawn has not yet been remitted of any suspension of withdrawals or suspension of the payment of withdrawal proceeds pursuant to Section 5.5(h). Any remaining amount of a withdrawal request that is not satisfied due to such a suspension remains at risk as per other amounts invested in the Partnership and subject to the applicable Management Fee until such amount is finally and fully withdrawn. Such Limited Partners will not be given any priority with respect to the withdrawal of Interests after the cause for such suspension or limitation ceases to exist. The General Partner may in its sole discretion, however, permit such Limited Partners to withdraw their withdrawal requests to the extent that the relevant Withdrawal

Date has not yet passed. For the avoidance of doubt, where a suspension of the payment of withdrawal proceeds is declared between the relevant Withdrawal Date and the remittance of such payment proceeds, affected Limited Partners shall not have any right to withdraw their withdrawal requests. Upon the reasonable determination by the General Partner that conditions leading to a suspension no longer apply, the Administrator will notify the Limited Partners of the end of the suspension. At such time, any such suspended payments shall generally be paid in accordance with the normal process for making such payments, withdrawal rights shall be promptly reinstated, and any pending withdrawal requests which were not withdrawn (or new, timely withdrawal requests) will be effected as of the first Withdrawal Date following the removal of the suspension, subject to the foregoing restrictions on withdrawals. For the avoidance of doubt, the terms of Section 5.5(h) and this Section 5.5(i) shall not affect the discretion of the General Partner to compel the withdrawal of the Interest of any Limited Partner pursuant to Section 5.5(j).

- (j) The General Partner may, upon not less than seven days' prior written notice (or immediately if the General Partner determines in its sole discretion that such Limited Partner's continued participation in the Partnership may cause the Partnership, the Master Fund, the General Partner or the Investment Manager to violate any applicable law), require any Limited Partner's Interest to be withdrawn in part or in its entirety from the Partnership and for the Limited Partner to cease to be a limited partner of the Partnership (in the case of a withdrawal of the Limited Partner's Interest in its entirety) pursuant to this Section 5.5(j) (a "**Compulsory Withdrawal**"). The General Partner will compel the withdrawal of a Limited Partner's Interest in its entirety if a Limited Partner requests a withdrawal that would cause its total investment with respect to a particular Series to fall below a minimum of \$100,000 (a "**Minimum Required Withdrawal**"). In either case, the amount due to any such Partner required to withdraw from the Partnership shall be equal to the value of such Partner's Capital Account as of the Withdrawal Date determined by the General Partner, net of any deductions imposed pursuant to Section 5.5(f). Except as otherwise provided herein, settlements pursuant to this Section 5.5(j) will be made in the same manner as voluntary withdrawals, but the Early Withdrawal Reduction will not apply in the event of a Compulsory Withdrawal. However, for purposes of clarity, the Early Withdrawal Reduction will apply to any Minimum Required Withdrawal.
- (k) The right of any Partner to withdraw or receive distributions pursuant to the provisions of this Section 5.5 is subject to all Capital Account allocations and adjustments contemplated by this Agreement and to the provision by the General Partner for all Partnership liabilities and for reserves for contingencies provided in Section 3.6. Notwithstanding anything to the contrary herein, the General Partner may establish reserves and holdbacks for estimated accrued expenses, liabilities and contingencies, including, without limitation, general reserves for unspecified contingencies (even if such reserves or holdbacks are not otherwise required by GAAP) or liabilities stemming from tax obligations (as such may be determined in the sole discretion of the General Partner and whether or not incurred directly or

indirectly), which could reduce the amount of a distribution upon a Limited Partner's withdrawal.

- (l) With respect to any amounts withdrawn, a withdrawing Partner shall not share in the income, gains and losses of the Partnership or have any other rights as a Partner (in the case of a complete withdrawal) after the applicable Withdrawal Date, except as provided in Section 3.6. For the avoidance of doubt, none of the Partnership, the General Partner or the Investment Manager will be liable to a Limited Partner for interest on the proceeds of any withdrawal.
- (m) The Interest of a Limited Partner may not be withdrawn from the Partnership prior to its dissolution, except as provided in this Section 5.5.
- (n) Unless prohibited by law, the Special Limited Partner, its Affiliates and any other Person that is entitled to any portion of the Performance Allocation may make withdrawals of all or any portion of the amount of the Performance Allocation from their capital accounts in the Master Fund as of any Withdrawal Date.
- (o) If the Master Fund violates the investment restrictions set forth in the Master Fund Partnership Agreement and fails to remedy the violation on or before the Remedy Date, any Limited Partner may withdraw all or part of its Capital Account (and corresponding Capital Sub-Account) on the next Withdrawal Date and will not be subject to the Early Withdrawal Reduction; provided that, such Limited Partner has requested such withdrawal in writing within 30 Business Days after the Remedy Date.

5.6 Withdrawal of Original Limited Partner

The Original Limited Partner (in its capacity as the original limited partner of the Partnership) hereby withdraws from the Partnership and is entitled to the return of any capital contribution, without interest or deduction, upon the Commencement Date.

Article VI DISSOLUTION AND LIQUIDATION

6.1 Dissolution of Partnership

- (a) The Partnership shall be dissolved upon the first to occur of the following dates:
 - (i) any date on which the General Partner shall elect in writing to dissolve the Partnership; or

- (ii) the occurrence of any other event causing (A) the General Partner (or a successor to its business) to cease to be the general partner of the Partnership or (B) the dissolution of the Partnership under the Act.
- (b) The parties agree that irreparable damage would be done to the goodwill and reputation of the Partners if any Limited Partner should bring an action in court to dissolve the Partnership. Care has been taken in this Agreement to provide for fair and just payment in liquidation of the Interests of all Partners. Accordingly, each Limited Partner hereby waives and renounces its right to such a court decree of dissolution or to seek the appointment by the court of a liquidator for the Partnership except as provided herein.

6.2 Liquidation of Assets

- (a) Upon dissolution of the Partnership, the General Partner shall promptly liquidate the business and administrative affairs of the Partnership to the extent feasible, except that if the General Partner is unable to perform this function, a liquidator elected by a Majority of Limited Partners shall liquidate the business and administrative affairs of the Partnership. Net Profit and Net Loss during the Fiscal Periods, which includes the period of liquidation, shall be allocated pursuant to Article III. The proceeds from liquidation shall be divided in the following manner, subject to the Act:
 - (i) the debts, liabilities and obligations of the Partnership, other than any debts to the Partners as Partners, and the expenses of liquidation (including legal, administrative and accounting expenses incurred in connection therewith), up to and including the date that distribution of the Partnership's assets to the Partners has been completed, shall first be satisfied (whether by payment or the making of reasonable provision for payment thereof);
 - (ii) such debts as are owing to the Partners as Partners are next paid; and
 - (iii) the Partners shall next be paid liquidating distributions (in cash or in securities or other assets, whether or not readily marketable) *pro rata* in accordance with, and up to the positive balances of their respective Capital Accounts, as adjusted pursuant to Article III to reflect allocations for the Fiscal Period ending on the date of the distributions under this Section 6.2(a)(iii).
- (b) Notwithstanding this Section 6.2 and the priorities set forth in the Act, the General Partner or liquidator may distribute ratably in kind rather than in cash, upon dissolution, any assets of the Partnership; *provided, however*, that if any in kind distribution is to be made, (i) the assets distributed in kind shall be valued pursuant to Section 7.3, and charged as so valued and distributed against amounts to be paid under Section 6.2(a) and (ii) any gain or loss (as computed for book purposes) attributable to property distributed in kind shall be included in the Net Profit or Net Loss for the Fiscal Period ending on the date of such distribution.

Article VII
ACCOUNTING AND VALUATION; BOOKS AND RECORDS

7.1 Accounting and Reports

- (a) The Partnership may adopt for tax accounting purposes any accounting method that the General Partner shall decide is in the best interests of the Partnership and that is permissible for U.S. federal income tax purposes.
- (b) As soon as practicable after the end of each Fiscal Year, the General Partner shall cause an audit of the financial statements of the Partnership as of the end of such period to be made by a firm of independent accountants selected by the General Partner. Within 120 days of the end of each year (or as soon as practicable thereafter), but subject to Section 7.5, the General Partner shall furnish to each Limited Partner a copy of the set of audited financial statements prepared in accordance with GAAP, with such adjustments thereto as the General Partner determines appropriate, including a statement of profit and loss for such Fiscal Year and an unaudited status of each such Partner's holdings in the Partnership at such time. The General Partner may elect not to reserve certain amounts that may be required by GAAP and not to provide certain portfolio disclosure required by GAAP to investors and may capitalize and amortize certain of its organizational expenses in deviation from GAAP. Such deviations from GAAP may result in a qualified opinion rendered on the financial statements of the Partnership.
- (c) Upon request to the Administrator, each Partner may receive copies of semi-annual financial statements of the Partnership.
- (d) As soon as practicable after the end of each taxable year, the General Partner shall furnish to each Limited Partner such information as may be required to enable each such Limited Partner properly to report for U.S. federal, state and local income tax purposes its distributive share of each Partnership item of income, gain, loss, deduction or credit for such year. The General Partner shall have discretion as to how to report Partnership items of income, gain, loss, deduction or credit on the Partnership's tax returns, and the Limited Partners shall treat such items consistently on their own tax returns.

7.2 Certain Tax Matters

- (a) By joining this Agreement, each Limited Partner appoints and designates the General Partner (i) as the "tax matters partner," within the meaning of Section 6231(a)(7) of the Code, and, (ii) for any BBA Effective Period, as the "partnership representative" within the meaning of Section 6223 of the Code (as applicable, the "***Tax Matters Partner***"), or, in each case, under any similar state or local law. The Tax Matters Partner shall have any powers necessary to perform fully in such

capacity, and shall be permitted to take any and all actions, to the extent permitted by law, in consultation with the General Partner if the General Partner is not the Tax Matters Partner. The General Partner shall have the exclusive authority to appoint and designate the Investment Manager, or an Affiliate of the General Partner or the Investment Manager, as a successor Tax Matters Partner for any BBA Effective Period. The Tax Matters Partner shall be reimbursed by the Partnership for all costs and expenses incurred by it, and to be indemnified by the Partnership with respect to any action brought against it, in its capacity as the Tax Matters Partner.

- (b) The Limited Partners agree that any and all actions taken by the Tax Matters Partner shall be binding on the Partnership and all of the Limited Partners and the Limited Partners shall reasonably cooperate with the Partnership or the General Partner, and undertake any action reasonably requested by the Partnership or the General Partner, in connection with any elections made by the Tax Matters Partner or as determined to be reasonably necessary by the Tax Matters Partners under any BBA provision.
- (c) Each Limited Partner further agrees that such Limited Partner will not treat any Partnership item inconsistently on such Limited Partner's U.S. federal, state, local and/or non-U.S. tax returns or in any claim for a refund with the treatment of the item on the Partnership's tax returns and that such Limited Partner will not independently act with respect to tax audits or tax litigation affecting the Partnership, unless the prior written consent of the General Partner has been obtained.
- (d) The General Partner may in its sole discretion cause the Partnership to make all elections not otherwise expressly provided for in this Agreement required or permitted to be made by the Partnership under the Code and any state, local or non-U.S. tax laws.

7.3 Valuation of Partnership Assets and Interests

- (a) The Partnership's assets are valued as of the close of each Fiscal Period and on any other date selected by the General Partner in its sole discretion in accordance with the valuation of the Master Fund's assets. The Partnership shall utilize the Master Fund's valuations for all purposes in connection with the Partnership.
- (b) The value of the assets of the Partnership and the net worth of the Partnership as a whole determined pursuant to this Section 7.3 are conclusive and binding on all of the Partners and all parties claiming through or under them.

7.4 Determinations by the General Partner

- (a) All matters concerning the determination and allocation among the Partners of the amounts to be determined and allocated pursuant to this Agreement, including Article III and accounting procedures applicable thereto, shall be determined by the General Partner, unless specifically and expressly otherwise provided for by the

provisions of this Agreement, and such determinations and allocations shall be final and binding on all the Partners; provided, however, that all calculations of the Performance Allocation will be made on the basis of, or subject to correction based on, the annual audit of the Partnership's financial statements and appropriate adjustments will be made to all such calculations and related allocations to the extent necessary as a result of that audit.

- (b) The General Partner may make such adjustments to the computation of Net Profit or Net Loss or any other allocations with respect to any Limited Partner, or any component items comprising any of the foregoing, as it considers appropriate to reflect the financial results of the Partnership and the intended allocation thereof among the Partners in a reasonably accurate, fair and efficient manner. Without limiting the generality of the foregoing, any provision of this Agreement that requires an adjustment to be made to any Capital Account or Capital Sub-Account (or other memorandum sub-account) as of any mid-month or mid-quarter date may be made as of the most recent preceding or succeeding date when a regular valuation is being conducted.

7.5 Books and Records

- (a) The General Partner shall keep books and records pertaining to the Partnership's affairs showing all of its assets and liabilities, receipts and disbursements, realized income, gains, deductions and losses, Partners' Capital Accounts and all transactions entered into by the Partnership. The General Partner shall afford to the Partnership's independent auditors reasonable access to such documents during customary business hours and shall permit the Partnership's auditors to make copies thereof or extracts therefrom at the expense of the Partnership.
- (b) The General Partner shall establish such standards as it deems appropriate regarding the access of Limited Partners to the books and records of the Partnership and shall not be obliged to permit access by a Limited Partner to the name or address of any other Limited Partner.

7.6 Confidentiality

- (a) Each Limited Partner agrees to keep confidential, and not to make any use of (other than for purposes reasonably related to its Interest or for purposes of filing such Limited Partner's tax returns) or disclose to any Person, any information or matter relating to the Partnership and its affairs and any information or matter related to any Investment (other than disclosure to such Limited Partner's directors, employees, agents, advisors, or representatives responsible for matters relating to the Partnership or to any other Person approved in writing by the General Partner (each such Person being hereinafter referred to as an "**Authorized Representative**")); *provided* that (i) such Limited Partner and its Authorized Representatives may make such disclosure to the extent that (A) the information to be disclosed is publicly available at the time of proposed disclosure by such Limited Partner or Authorized Representative, (B) the information otherwise is or

becomes legally available to such Limited Partner other than through disclosure by the Partnership or the General Partner, or (C) such disclosure is required by law or in response to any governmental agency request or in connection with an examination by any regulatory authorities; *provided* that such governmental agency, regulatory authorities or association is aware of the confidential nature of the information disclosed; (ii) such Limited Partner and its Authorized Representatives may make such disclosure to its beneficial owners to the extent required under the terms of its arrangements with such beneficial owners; and (iii) each Limited Partner will be permitted, after written notice to the General Partner, to correct any false or misleading information which becomes public concerning such Limited Partner's relationship to the Partnership or the General Partner. Prior to making any disclosure required by law, each Limited Partner shall use its best efforts to notify the General Partner of such disclosure. Prior to any disclosure to any Authorized Representative or beneficial owner, each Limited Partner shall advise such Authorized Representative or beneficial owner of the obligations set forth in this Section 7.6(a) and each such Authorized Representative or beneficial owner shall agree to be bound by such obligations.

- (b) The General Partner shall have the right to keep confidential from the Limited Partners, for such period of time as the General Partner deems reasonable, any information, including the identity of the Partners or information regarding the Partners or Investments, which the General Partner reasonably believes to be in the nature of trade secrets or other information the disclosure of which the General Partner believes is not in the best interests of the Partnership or could damage the Partnership or its business or which the Partnership is required by law or agreement with a third party to keep confidential.
- (c) Subject to applicable legal, fiscal and regulatory considerations, the General Partner shall use reasonable efforts to keep confidential any information relating to a Limited Partner obtained by the General Partner in connection with or arising out of the Partnership which the Limited Partner requests to be kept confidential.
- (d) Notwithstanding the provisions of this Section 7.6, Partners (and their employees, representatives and other agents) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the Partnership and its transactions and all materials of any kind (including tax opinions or other tax analyses) that are provided to such Person by, or on behalf of the Partnership. For this purpose, "tax treatment" is the purported or claimed U.S. federal income tax treatment of a transaction and "tax structure" is limited to any fact that may be relevant to understanding the purported or claimed U.S. federal income tax treatment of a transaction. For this purpose, the names of the Partnership, the Partners, their Affiliates, the names of their partners, members or equity holders and the representatives, agents and tax advisors of any of the foregoing are not items of tax treatment or tax structure.
- (e) The General Partner may disclose to prospective investors such information relating to the Partnership or the Investments as it believes in good faith will benefit

the Partnership and facilitate investment in the Partnership by such prospective investors.

- (f) The Investment Manager and any other Person acting as a service provider to the Partnership shall have the right to access all information belonging to the Partnership.

Article VIII GENERAL PROVISIONS

8.1 Amendment of Partnership Agreement

- (a) Except as otherwise provided in this Section 8.1, this Agreement may be amended, in whole or in part, with the written consent of (i) the General Partner and (ii) the consent of a Majority of Limited Partners (which approval may be obtained by negative consent affording the Limited Partners 30 calendar days to object).
- (b) Any amendment that would:
 - (i) increase the obligation of a Partner to make any contribution to the capital of the Partnership;
 - (ii) reduce the Capital Account of a Partner other than in accordance with Article III;
 - (iii) adversely alter any Partner's rights with respect to the allocation of Net Profit or Net Loss or with respect to distributions and withdrawals; or
 - (iv) change the respective liabilities of the General Partner and the Limited Partners;

may only be made if the prior written consent of each Partner adversely affected thereby is obtained (which consent may be obtained by negative consent affording the Limited Partners 30 calendar days to object).

- (c) Notwithstanding paragraphs (a) and (b) of this Section 8.1, this Agreement may be amended by the General Partner without the consent of the Limited Partners, at any time and without limitation, if any Limited Partner whose contractual rights as a Limited Partner would be materially and adversely changed by such amendment has an opportunity to withdraw from the Partnership (without being subject to the Early Withdrawal Reduction) as of a date determined by the General Partner that is not less than 30 calendar days after the General Partner has furnished written notice of such amendment to each affected Limited Partner and that is prior to the effective date of the amendment. The admission and withdrawal of Limited

Partners will not require notice or disclosure to, or the approval of, the other Limited Partners.

- (d) The General Partner may at any time without the consent of the other Partners:
 - (i) add to the representations, duties or obligations of the General Partner or surrender any right or power granted to the General Partner under this Agreement, for the benefit of the Limited Partners;
 - (ii) cure any ambiguity or correct or supplement any conflicting provisions of this Agreement;
 - (iii) change the name of the Partnership;
 - (iv) make any changes required by a governmental body or agency which is deemed to be for the benefit or protection of the Limited Partners, *provided, however*, that no such amendment may be made unless such change (A) is for the benefit of, or not adverse to, the interests of Limited Partners, (B) does not affect the right of the General Partner to manage and control the Partnership's business, (C) does not affect the allocation of profits and losses among the Partners and (D) does not affect the limited liability of the Limited Partners;
 - (v) amend this Agreement to reflect a change in the identity of the General Partner which has been made in accordance with this Agreement;
 - (vi) amend this Agreement (other than with respect to the matters set forth in Section 8.1(b)) to effect compliance with any applicable laws, regulations or administrative actions, or to reflect any change made in accordance with Section 4.1(b);
 - (vii) subject to Section 8.1(b), amend this Agreement to reflect the creation, and terms, of any new Series;
 - (viii) effect any other amendment which would not, in the good faith judgment of the General Partner, adversely affect any of the existing Limited Partners;
 - (ix) enable the Partnership or the Tax Matters Partner to comply with BBA provisions, or to make any elections or take any other actions available thereunder; and
 - (x) restate this Agreement together with any amendments hereto which have been duly adopted in accordance herewith to incorporate such amendments in a single, integrated document.
- (e) The General Partner and the Investment Manager shall have the authority to agree with a Limited Partner to waive, modify or supplement the application of any provision of this Agreement or any subscription agreement with respect to such

Limited Partner without notifying or obtaining the consent of any other Limited Partner (other than a Limited Partner whose rights as a Limited Partner pursuant to this Agreement would be materially and adversely changed by such waiver or modification). Any such waiver, modification or supplementation may be evidenced by a “side letter” or other agreement, and the form thereof shall not impair its binding effect as if incorporated in this Agreement.

- (f) Notwithstanding anything in this Section 8.1 to the contrary, any amendment to Section 2.5 requires the prior written consent of ERISA Partners whose Partnership Percentages represent more than 50% of the aggregate Partnership Percentages of all ERISA Partners.

8.2 Special Power-of-Attorney

- (a) Each Partner hereby irrevocably makes, constitutes and appoints the General Partner (and each of its successors and permitted assigns), with full power of substitution, as the true and lawful representative and attorney-in-fact of, and in the name, place and stead of, such Partner with the power from time to time to make, execute, sign, acknowledge, swear to, verify, deliver, record, file or publish:
 - (i) an amendment to this Agreement that complies with the provisions of this Agreement (including the provisions of Section 8.1);
 - (ii) the Certificate and any amendment thereof required because this Agreement is amended, including an amendment to effectuate any change in the membership of the Partnership or in the capital contributions of the Partners;
 - (iii) any financing statement or other filing or document required or permitted to perfect the security interests contemplated by any provision hereof; and
 - (iv) all such other instruments, documents and certificates which, in the opinion of legal counsel to the Partnership, may from time to time be required by the laws of the United States of America, the State of Delaware, or any other jurisdiction in which the Partnership determines to do business, or any political subdivision or agency thereof, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership as a limited partnership, adjust the structure of the Partnership in accordance with Sections 4.1(b) or 8.8, or to effect the dissolution or termination of the Partnership.
- (b) Each Limited Partner is aware that the terms of this Agreement permit certain amendments to this Agreement to be effected and certain other actions to be taken or omitted by or with respect to the Partnership without that Limited Partner's consent. If an amendment of the Certificate or this Agreement or any action by or with respect to the Partnership is taken by the General Partner in the manner contemplated by this Agreement, each Limited Partner agrees that, notwithstanding

any objection which such Limited Partner may assert with respect to such action, the General Partner in its sole discretion is authorized and empowered, with full power of substitution, to exercise the authority granted above in any manner which may be necessary or appropriate to permit such amendment to be made or action to be lawfully taken or omitted. Each Partner is fully aware that each other Partner relies on the effectiveness of this special power-of-attorney with a view to the orderly administration of the affairs of the Partnership. This power-of-attorney is a special power-of-attorney and is coupled with an interest in favor of the General Partner and as such:

- (i) is irrevocable and continues in full force and effect notwithstanding the subsequent death or incapacity of any party granting this power-of-attorney, regardless of whether the Partnership or the General Partner has had notice thereof; and
- (ii) survives the delivery of an assignment by a Limited Partner of the whole or any portion of such Limited Partner's Interest, except that where the assignee thereof has been approved by the General Partner for admission to the Partnership as a substituted Limited Partner, this power-of-attorney given by the assignor survives the delivery of such agreement for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect such substitution.

8.3 Notices

Notices which may be or are required to be given under this Agreement by any party to another shall be given by hand delivery, transmitted by facsimile, transmitted electronically to an address that has been previously provided or verified through another form of notice or sent by registered or certified mail, return receipt requested or internationally recognized courier service, and shall be addressed to the respective parties hereto at their addresses as set forth on the Schedule of Partners maintained by the General Partner or to such other addresses, facsimile numbers or electronic addresses as may be designated by any party hereto by notice addressed to (a) the General Partner, in the case of notice given by any Limited Partner, and (b) each of the Limited Partners, in the case of notice given by the General Partner. Notices shall be deemed to have been given (i) when delivered by hand, transmitted by facsimile or transmitted electronically or (ii) on the date indicated as the date of receipt on the return receipt when delivered by mail or courier service.

8.4 Agreement Binding Upon Successors and Assigns; Delegation

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, but the rights and obligations of the Partners hereunder shall not be assignable, transferable or delegable except as provided in Sections 4.1(d), 5.3 and 5.4, and any attempted assignment, transfer or delegation thereof which is not made pursuant to the terms of such Sections shall be null and void *ab initio*.

8.5 Governing Law

This Agreement is, and the rights of the Partners hereunder are, governed by and shall be construed in accordance with the laws of the State of Delaware, without regard to the conflict of laws rule thereof which would result in the application of the laws of a different jurisdiction. The parties hereby consent to the exclusive jurisdiction and venue for any action arising out of this Agreement in Dallas, Texas. Each Partner consents to service of process in any action or proceeding involving the Partnership by the mailing thereof by registered or certified mail, postage prepaid, to such Partner's mailing address set forth in the Schedule of Partners maintained by the General Partner.

8.6 Not for Benefit of Creditors

The provisions of this Agreement are intended only for the regulation of relations among Partners and between Partners and former or prospective Partners and the Partnership. Except for the rights of the Indemnified Persons hereunder, this Agreement is not intended for the benefit of non-Partner creditors and no rights are granted to non-Partner creditors under this Agreement.

8.7 Consents and Voting

- (a) Except as provided in Section 5.4, Limited Partners do not have any right to vote for the admission or removal of any General Partner and, except for the right to vote on certain amendments proposed by the General Partner, have no other voting rights. Upon the request of any Limited Partner, including pursuant to Section 8.10 hereof, the General Partner may designate an Interest as a Non-Voting Interest, in which case the Limited Partner shall not have the right to vote on any matter, including amendments.
- (b) Any and all consents, agreements or approvals provided for or permitted by this Agreement shall be in writing and a copy thereof shall be filed and kept with the books of the Partnership. (For the avoidance of doubt, an amendment made pursuant to Section 8.1(c) or (d) or pursuant to negative consent under Section 8.1(a) or (b) shall not require any affirmative written response by any Limited Partner who is not electing to withdraw from the Partnership.)

8.8 Merger and Consolidation

- (a) The Partnership may merge or consolidate with or into one or more limited partnerships formed under the Act or other business entities pursuant to an agreement of merger or consolidation which has been approved in the manner contemplated by Section 17-211(b) of the Act.
- (b) Notwithstanding anything to the contrary contained elsewhere in this Agreement, an agreement of merger or consolidation approved in accordance with Section 17-211(b) of the Act may, to the extent permitted by Section 17-211(g) of the Act, (i) effect any amendment to this Agreement, (ii) effect the adoption of a new limited partnership agreement for the Partnership if it is the surviving or resulting limited partnership in the merger or consolidation, or (iii) provide that the limited

partnership agreement of any other constituent partnership to the merger or consolidation (including a limited partnership formed for the purpose of consummating the merger or consolidation) shall be the limited partnership agreement of the surviving or resulting limited partnership.

8.9 Miscellaneous

- (a) The captions and titles preceding the text of each Section hereof shall be disregarded in the construction of this Agreement. Use of the word “including” in this Agreement means in each case “without limitation,” whether or not such term is explicitly stated.
- (b) This Agreement may be executed in counterparts, each of which shall be deemed to be an original hereof.
- (c) If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

8.10 BHCA Subject Persons

Notwithstanding any other provision of this Agreement to the contrary:

- (a) Solely for purposes of any provision of this Agreement that confers voting rights on the Limited Partners and any other provisions hereof regarding consents of or action by the Limited Partners, any BHCA Subject Person that shall have given the General Partner an Election Notice and shall not thereafter have given the General Partner a Revocation Notice, and that at any time has an Partnership Percentage in excess of 4.9 percent of the aggregate Partnership Percentages of the Limited Partners entitled to participate in such voting or the giving of any consent or the taking of any action, shall be deemed to hold an Partnership Percentage of only 4.9 percent of the aggregate Partnership Percentages of the Limited Partners (after giving effect to the limitations imposed by this Section 8.10 on all such Limited Partners), and such Partnership Percentage in excess of said 4.9 percent shall be deemed held by the Limited Partners who are not BHCA Subject Persons, *pro rata* in proportion to their respective Partnership Percentages; *provided* that this limitation shall not prohibit a Limited Partner from voting or participating in giving or withholding consent or taking any action under any provision of this Agreement up to the full amount of its Partnership Percentage in situations where such Limited Partner’s vote or consent or action is of the type customarily provided by statute or stock exchange rules with regard to matters that would significantly and adversely affect the rights or preference of the Limited Partner’s Interest. The foregoing voting restriction shall continue to apply with respect to any assignee or other transferee of such BHCA Subject Person’s Interest; *provided, however*, that the foregoing voting restriction shall not continue to apply if the Interest is transferred:

- (i) to the Partnership; (ii) to the public in an offering registered under the Securities Act; (iii) in a transaction pursuant to Rule 144 or Rule 144A under the Securities Act in which no Person acquires more than 2% of the Partnership's outstanding Interests; or (iv) in a single transaction to a third party who acquires at least a majority of the Partnership's outstanding Interests without regard to the Transfer of such Interests.
- (b) Except as specifically provided otherwise in this Agreement, a Limited Partner that is a BHCA Subject Person that shall have given the General Partner an Election Notice, and shall not thereafter have given the General Partner a Revocation Notice, shall not be entitled to exercise any rights to consent to actions to be taken with respect to the Partnership, including rights conferred by any applicable law. Such right to consent shall be deemed granted to the Limited Partners who are not BHCA Subject Persons, *pro rata* in proportion to their respective Partnership Percentages.
- (c) A Limited Partner that is a BHCA Subject Person and that elects to be subject to Section 8.10(a) and (b) shall notify the General Partner thereof (an "***Election Notice***") and, on the General Partner's receipt of such Election Notice, such Limited Partner shall be subject to Section 8.10(a) and (b) until 30 calendar days after such Limited Partner notifies the General Partner that it elects no longer to be subject to Section 8.10(a) and (b) (a "***Revocation Notice***"), which period may be reduced by the General Partner.

8.11 RIC Limited Partners

An Interest of a RIC Limited Partner does not entitle the RIC Limited Partner to vote or consent with respect to any Partnership matter unless the RIC Limited Partner's vote or consent with respect to its Interest would not be considered to be "voting securities" as defined under Section 2(a)(42) of the Investment Company Act. Except as provided in this Section 8.11, an Interest held by a RIC Limited Partner as a Non-Voting Interest is identical in all regards to all other Interests held by Limited Partners.

8.12 Bad Actor Limited Partners

Under Rule 506(d) under the Securities Act, the Partnership may be banned from selling Interests under Rule 506 if a Limited Partner beneficially owning 20% or more of the Partnership's voting securities engages in a "bad act" set forth in Rule 506. Accordingly, each Limited Partner agrees that the General Partner may deem the portion of any Bad Actor Limited Partner's Interest to be, or convert any Bad Actor Limited Partner's Interest into, a Non-Voting Interest (except for the purposes of voting on any amendment to this Agreement that would materially and adversely change the Bad Actor Limited Partner's rights and preferences as a Limited Partner other than pursuant to an amendment under Section 8.1(c)) to the extent that the General Partner determines that such portion is in excess of 19.99% of the outstanding aggregate voting Interests of all Partners excluding any Interests that are Non-Voting Interests.

8.13 Survival

The obligations and covenants of the Limited Partners set forth in Sections 3.5 and 3.12 hereof shall apply jointly and severally to each Limited Partner and any direct or indirect transferee of or successor to such Limited Partner's interest and will survive such Partner's ceasing to be a partner of the Partnership and/or the termination, dissolution, liquidation and winding up of the Partnership.

8.14 Entire Agreement

The parties acknowledge and agree that, subject to Section 8.1(f), the General Partner without the approval of any other Partner may enter into a written agreement on behalf of the Partnership with any Limited Partner affecting the terms hereof in order to meet certain requirements of the Limited Partner (each an "***Other Agreement***"), and the terms of such Other Agreement shall govern with respect to such Limited Partner notwithstanding the provisions of this Agreement. This Agreement and each Other Agreement constitute the entire agreement among the parties hereto pertaining to the subject matter hereof and supersede all prior agreements and understandings pertaining thereto.

[Signature Page Follows]

The parties hereto have executed this Agreement as of the day and year first above written.

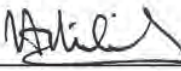
GENERAL PARTNER:

*On behalf of itself and as attorney-in-fact for the
Limited Partners*

**Highland Argentina Regional Opportunity Fund
GP, LLC**

By: Highland Capital Management Latin
America, L.P., its sole member

By: Highland Latin America GP, Ltd., its general
partner

By:  _____

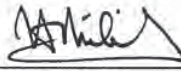
Name: Gustavo Prilick

Title: Director

ORIGINAL LIMITED PARTNER:

**Highland Capital Management Latin America,
L.P.**

By: Highland Latin America GP, Ltd., its general
partner

By:  _____

Name: Gustavo Prilick

Title: Director

**THE COMPANIES LAW (2016 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION**

OF

**HIGHLAND ARGENTINA REGIONAL OPPORTUNITY FUND, LTD.
(AS ADOPTED BY SPECIAL RESOLUTION ON 8 NOVEMBER 2017)**

004457

**THE COMPANIES LAW (2016 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF**

**HIGHLAND ARGENTINA REGIONAL OPPORTUNITY FUND, LTD.
(AS ADOPTED BY SPECIAL RESOLUTION ON 8 NOVEMBER 2017)**

- 1 The name of the Company is Highland Argentina Regional Opportunity Fund, Ltd..
- 2 The Registered Office of the Company shall be at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, or at such other place within the Cayman Islands as the Directors may decide.
- 3 The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.
- 4 The liability of each Member is limited to the amount unpaid on such Member's Shares.
- 5 The share capital of the Company is US\$50,000 divided into 100 Management Shares of US\$1.00 par value each and 999,900 Participating Shares of US\$0.01 par value each.
- 6 The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.
- 7 Capitalised terms that are not defined in this Memorandum of Association bear the respective meanings given to them in the Articles of Association of the Company.

**THE COMPANIES LAW (2016 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF**

**HIGHLAND ARGENTINA REGIONAL OPPORTUNITY FUND, LTD.
(AS ADOPTED BY SPECIAL RESOLUTION ON 8 NOVEMBER 2017)**

1 Interpretation

- 1.1 In these Articles, Table A in the First Schedule to the Statute does not apply and unless there is something in the subject or context inconsistent therewith:

"Administrator" means the person, firm or corporation appointed and from time to time acting as administrator of the Company.

"AEOI" means:

- (i) sections 1471 to 1474 of the US Internal Revenue Code of 1986 and any associated legislation, regulations or guidance, and any other similar legislation, regulations or guidance enacted in any other jurisdiction which seeks to implement similar financial account information reporting and/or withholding tax regimes;
- (ii) the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters – the Common Reporting Standard and any associated guidance;
- (iii) any intergovernmental agreement, treaty, regulation, guidance, standard or other agreement between the Cayman Islands (or any Cayman Islands government body) and any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement or implement the legislation,

	regulations or guidance described in sub-paragraphs (i) and (ii); and
	(iv) any legislation, regulations or guidance in the Cayman Islands that give effect to the matters outlined in the preceding sub-paragraphs.
"Articles"	means these articles of association of the Company.
"Auditor"	means the person (if any) for the time being performing the duties of auditor of the Company.
"Business Day"	means any day normally treated as a business day in such places and/or on such markets as the Directors may from time to time determine.
"Cayman Islands"	means the British Overseas Territory of the Cayman Islands.
"Class"	means a separate class of Participating Share.
"Company"	means the above-named Company.
"Directors"	means the directors for the time being of the Company.
"Dollars" or "US\$"	refers to the currency of the United States.
"Electronic Record"	has the same meaning as in the Electronic Transactions Law.
"Electronic Transactions Law"	means the Electronic Transactions Law (2003 Revision) of the Cayman Islands.
"Eligible Investor"	means a person eligible to hold Participating Shares, as determined from time to time by the Directors.
"Gross Negligence"	in relation to a person means a standard of conduct beyond negligence whereby a person acts with reckless disregard for the consequences of his action or inaction.
"Investment Manager"	means the person, firm or corporation appointed and for the time being acting as the investment manager of the Company.
"Management Share"	means a voting non participating Share in the capital of the Company of US\$0.01 par value designated as a Management Share and having the rights provided for in these Articles.

"Member"	means each person whose name is, from time to time and for the time being, entered in the Register of Members as the holder of one or more Shares.
"Memorandum"	means the memorandum of association of the Company.
"Net Asset Value"	means the value of the assets less the liabilities of the Company, or of a Separate Account (as the context may require), calculated in accordance with these Articles.
"Net Asset Value per Participating Share"	means the amount determined in accordance with these Articles as being the Net Asset Value per Participating Share of a particular Class, and/or Series.
"Offering Memorandum"	means an offering memorandum relating to Participating Shares of any Class, and/or Series as amended or supplemented from time to time subject to and in accordance with these Articles.
"Ordinary Resolution"	A resolution passed at a quorate meeting of the Fund by a simple majority of the votes cast in its favour by the holders of the Management Shares or a resolution approved in writing by all such holders of Management Shares expressed to be an ordinary resolution.
"Participating Share"	means a participating redeemable Share in the capital of the Company of US\$0.01 par value and having the rights provided for in these Articles. Participating Shares may be divided into Classes in the discretion of the Directors in accordance with the provisions of these Articles and each Class may be further divided into different Series of Participating Shares and the term "Participating Share" shall include all such Classes and/or Series of Participating Share.
"Redemption Date"	means, in relation to any Class and/or Series of Participating Shares, such day or days as are set out in the Offering Memorandum or as may be specified by the Directors from time to time, upon which a Member is entitled to require the redemption of Participating Shares of that Class and/or Series.
"Redemption Fee"	means such fee (if any) payable by a Member to the Company on a redemption of Participating Shares, as the same may be determined by the Directors and disclosed to the Member at the time of its subscription for such Participating Shares.

"Redemption Notice"	means a notice in a form approved by the Directors by which a holder of Participating Shares is entitled to require the Company to redeem its Participating Shares.
"Redemption Price"	means the price determined in accordance with these Articles at which redeemable Participating Shares of the relevant Class and/or Series may be redeemed.
"Register of Members"	means the register of Members, which shall be maintained in accordance with the Statute and includes (except where otherwise stated) any branch or duplicate Register of Members.
"Registered Office"	means the registered office for the time being of the Company.
"Sales Charge"	means such sales charge (if any) determined by the Directors as being payable by a subscriber on a subscription for Participating Shares of any Class and/or Series.
"Seal"	means the common seal of the Company and includes every duplicate seal.
"Separate Account"	means a separate internal account of the Company which the Directors may establish and cause to be maintained in accordance with these Articles.
"Series"	means a separate series of Participating Share (and includes any sub-series of any such series).
"Share" and "Shares"	means a share or shares of any class or series in the Company, including a Management Share or a Participating Share, as well as any fraction of a Share.
"Special Resolution"	has the same meaning as in the Statute, and includes a unanimous written resolution.
"Statute"	means the Companies Law (2016 Revision) of the Cayman Islands.
"Subscriber"	means the subscriber to the Memorandum.
"Subscription Date"	means, in relation to Participating Shares of any Class and/or Series, such day or days as are set out in the Offering Memorandum or as may be specified by the Directors from time to time upon which a

person may subscribe for Participating Shares of that Class and/or Series.

"Subscription Price"

means the price determined in accordance with these Articles at which Participating Shares of the relevant Class and/or Series may be subscribed.

"Suspension"

means a determination by the Directors to postpone or suspend (i) the calculation of the Net Asset Value of Participating Shares of any one or more Classes and/or Series (and the applicable Valuation Date) (a **"Calculation Suspension"**); (ii) the issue of Participating Shares of any one or more Classes and/or Series (and the applicable Subscription Date) (an **"Issue Suspension"**); (iii) the redemption by Members (in whole or in part) of Participating Shares of any one or more Classes and/or Series (and the applicable Redemption Date) (a **"Redemption Suspension"**); and/or (iv) the payment (in whole or in part) of any redemption proceeds (even if Valuation Dates and Redemption Dates are not postponed) (a **"Payment Suspension"**).

"Transfer"

means, in respect of any Share, any sale, assignment, exchange, transfer, pledge, encumbrance or other disposition of that Share, and **"Transferred"** shall be construed accordingly.

"Treasury Share"

means a Share held in the name of the Company as a treasury share in accordance with the Statute.

"Valuation Date"

means, in relation to each Class and/or Series of Participating Shares, the day or days determined from time to time by the Directors to be the day or days on which the Net Asset Value per Participating Share of that Class and/or Series and/or Series is calculated.

"Valuation Point"

means, with respect to any Class and/or Series, the time or times on the Valuation Date of such Class and/or Series at which the Directors determine that the Net Asset Value per Participating Share of that Class and/or Series shall be calculated.

1.2 In these Articles:

- (a) the singular number includes the plural number and vice versa;
- (b) the masculine gender includes the feminine gender;
- (c) persons includes corporations;

- (d) "written" and "in writing" include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record;
- (e) "shall" shall be construed as imperative and "may" shall be construed as permissive;
- (f) references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time;
- (g) any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (h) the term "and/or" is used herein to mean both "and" as well as "or." The use of "and/or" in certain contexts in no respects qualifies or modifies the use of the terms "and" or "or" in others. "Or" shall not be interpreted to be exclusive, and "and" shall not be interpreted to require the conjunctive — in each case, unless the context otherwise requires;
- (i) any reference to the powers of the Directors shall include, when the context admits, the service providers or any other person to whom the Directors may delegate their powers;
- (j) any requirements as to delivery under the Articles include delivery in the form of an Electronic Record;
- (k) any requirements as to execution or signature under the Articles including the execution of the Articles themselves can be satisfied in the form of an electronic signature as defined in the Electronic Transactions Law;
- (l) sections 8 and 19(3) of the Electronic Transactions Law shall not apply; and
- (m) headings are inserted for reference only and shall be ignored in construing these Articles.

2 Commencement of Business

- 2.1 The business of the Company may be commenced as soon after incorporation as the Directors shall see fit.
- 2.2 The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and operation of the Company, including the expenses of registration and the initial offering of Participating Shares.

3 Service Providers

- 3.1 The Directors may appoint any person, firm or corporation to act as a service provider to the Company (whether in general or in respect of any Class and/or Series of Shares) and may entrust

to and confer upon any such service providers any of the functions, duties, powers and discretions exercisable by them as Directors, upon such terms and conditions (including as to remuneration payable by the Company) and with such powers of delegation, but subject to such restrictions, as they think fit. Without limiting the generality of the foregoing, such service providers may include managers, investment advisers, administrators, registrars, transfer agents, custodians and prime brokers.

- 3.2 Without prejudice to the generality of the preceding Article, the Directors may appoint any person, firm or corporation to act as the Investment Manager with respect to the assets of the Company (whether in general or in respect of any Class and/or Series of Shares). The Directors may entrust to and confer upon the Investment Manager any of the functions, duties, powers and discretions exercisable by them as Directors upon such terms and conditions (including as to remuneration payable by the Company) and with such powers of delegation, but subject to such restrictions, as they think fit.

4 Rights attaching to Shares

- 4.1 The Management Shares shall have the following rights:

- (a) as to voting: the holder of a Management Share shall (in respect of such Management Share) have the right to receive notice of, attend at and vote as a Member at any general meeting of the Company; and
- (b) as to capital: a Management Share shall confer upon the holder the right in a winding up to repayment of capital as provided in these Articles but shall confer no other right to participate in the profits or assets of the Company; and
- (c) as to income: no dividends shall be payable on the Management Shares.

- 4.2 The Participating Shares shall have the following rights:

- (a) as to voting: the holder of a Participating Share shall not (in respect of such Participating Share) have the right to receive notice of, attend at or vote as a Member at any general meeting of the Company, but may vote at a separate Class meeting convened in accordance with these Articles; and
- (b) as to capital: a Participating Share shall confer upon the holder thereof the right in a winding up to participate in the surplus assets of the Company by reference to the Separate Account attributable to the relevant Class or Series of Participating Shares as provided in these Articles; and
- (c) as to income: the Participating Shares shall confer on the holders thereof the right to receive dividends as provided in these Articles.

5 Share Capital

- 5.1 Subject to these Articles, the Directors may allot, issue, grant options or warrants over, or otherwise dispose of Shares in separate classes and/or series with different terms, preferences, privileges or special rights including, without limitation, with respect to investment strategy and/or policy, participation in assets, profits and losses of the Company, voting, fees charged (including management, performance and incentive fees), redemption privileges, allocation of costs and expenses (including, without limitation, the costs and expenses incurred in any hedging activities and any profits and losses arising therefrom) as they think proper. Subject to the Statute, these Articles and any applicable subscription agreement, any Share Rights (other than those set out in these Articles or set out in a Special Resolution) may be varied by either the Directors or by Ordinary Resolution.
- 5.2 On or before the allotment of any Participating Share the Directors shall resolve the Class and/or Series to which such Participating Share shall be classified and may, prior to the issue of any Participating Share, reclassify such Participating Share. Each Class and/or Series shall be specifically identified. Subject to the Statute and these Articles, the Directors may at any time re-name any Participating Share.
- 5.3 Notwithstanding the currency in which the par value of the Participating Shares is denominated, the Directors may specify any currency as the currency in which the Subscription Price, Redemption Price and Net Asset Value of Participating Shares of a Class and/or Series is calculated.
- 5.4 The Company shall not issue Shares to bearer.
- 5.5 Fractional Shares may be issued.
- 5.6 Unless the Directors determine otherwise, shares shall only be issued as fully paid-up.
- 5.7 Unless the Directors determine otherwise, no right of pre-emption or first refusal shall attach to any Shares.

6 Allotment and Issue of Participating Shares

- 6.1 The Directors may from time to time allot and issue Participating Shares of any Class and/or Series. The Directors may, in their discretion, refuse to allot and issue any Participating Shares, and shall not issue any Participating Shares to or for the account of an investor who is not an Eligible Investor. If the Directors have declared a Calculation Suspension or Issue Suspension, no Participating Shares of that Class or Series (as appropriate) shall be issued until the relevant Suspension has ended.
- 6.2 The Directors shall determine the Subscription Price at the time of issue of the first issue of Participating Shares of any Class and/or Series. Thereafter, the Directors may allot and issue

Participating Shares of the same Class and/or Series on any Subscription Date provided that such additional Participating Shares are issued at a Subscription Price equal to not less than the Net Asset Value per Participating Share of such Class and/or Series calculated on the relevant Subscription Date (or if the Subscription Date is not also a Valuation Date then on the immediately preceding Valuation Date).

- 6.3 The Directors may add to the Subscription Price per Participating Share (before making any rounding adjustment) an amount which they consider to be an appropriate allowance to reflect fiscal and purchase charges which would be incurred for the account of the Company in investing an amount equal to the Subscription Price. The Directors may also add, in their discretion, a Sales Charge and/or an amount equal to any stamp duty and any other governmental taxes or charges payable by the Company with respect to the issue of such Participating Shares.
- 6.4 An applicant for Participating Shares shall pay for such Participating Shares in such currencies, in such manner, at such time, in such place and to such person acting on behalf of the Company as the Directors may from time to time determine.
- 6.5 Subject to the terms of any subscription agreement, an application for Participating Shares shall be irrevocable by an applicant for Participating Shares once it has been received by the Company. Participating Shares shall be treated as having been issued with effect from the relevant Subscription Date notwithstanding that the subscriber for those Participating Shares may not be entered in the Register of Members until after the Subscription Date.
- 6.6 Participating Shares shall be issued in such minimum numbers as the Directors may specify either generally or in any particular case; likewise the Directors may from time to time prescribe an amount as the minimum subscription amount.
- 6.7 The Directors may resolve to accept non-cash assets in satisfaction (in whole or in part) of the Subscription Price.
- 6.8 The Directors may require an applicant for Participating Shares to pay to the Company for the benefit of any selling agent such selling commissions or such organisational charges as may have been disclosed to such applicant. The Directors may differentiate between applicants as to the amount of such selling commissions or such organisational charges.
- 6.9 The Company may, in so far as the Statute permits, pay a commission to any person in consideration of that person subscribing or agreeing to subscribe whether absolutely or conditionally for any Participating Shares. Such commissions may be satisfied by the payment of cash and/or the issue of fully or partly paid-up Participating Shares. The Company may also on any issue of Participating Shares pay such brokerage as may be lawful.

7 Separate Accounts

- 7.1 The Directors shall have the power to establish and maintain, with respect to Participating Shares of any Class and/or Series, a Separate Account, to record (purely as an internal accounting matter) the allocation, on a differentiated basis, of the assets and liabilities of the Company to the holders of Participating Shares of any such Class and/or a Series in a manner consistent with the methodology set forth in the Offering Memorandum and the rights otherwise attaching to the Participating Shares.
- 7.2 The proceeds from the issue of Participating Shares of any Class and/or Series shall be applied in the books of the Company to the Separate Account established for Participating Shares of that Class and/or Series. The assets and liabilities and income and expenditure attributable to that Separate Account shall be applied to such Separate Account and, subject to the provisions of these Articles, to no other Separate Account. In the event that the assets of a Separate Account referable to any Class and/or Series are exhausted, any and all unsatisfied claims which any Members or former Members referable to that Class and/or Series have against the Company shall be extinguished. The Members or former Members referable to a Class and/or Series shall have no recourse against the assets of any other Separate Account established by the Company.
- 7.3 Where any asset is derived from another asset (whether cash or otherwise), such derivative asset shall be applied in the books of the Company to the same Separate Account as the asset from which it was derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the same Separate Account and, subject to the provisions of these Articles, to no other Separate Account.
- 7.4 In the case of any asset or liability of the Company which the Directors do not consider is attributable to a particular Separate Account, the Directors shall have discretion to determine the basis upon which any such asset or liability shall be allocated between or among Separate Accounts.
- 7.5 The Directors may, in the books of the Company, allocate assets and liabilities to and from Separate Accounts if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability would be borne in a different manner from that in which it would have been borne if applied under the foregoing Articles.
- 7.6 The Directors may from time to time transfer, allocate or exchange an asset or liability from one Separate Account to another Separate Account provided that at the time of such transfer, allocation or exchange the Directors form the opinion (in good faith) that the value in money or money's worth of each such asset or liability transferred, allocated or exchanged is not significantly less or more than the value in money or money's worth (referred to in these Articles as "proper value") received by the Separate Account from which such asset or liability is transferred, allocated or exchanged except only as is otherwise provided by these Articles.

8 Determination of Net Asset Value

- 8.1 The Net Asset Value and Net Asset Value per Participating Share of each Class and/or Series shall be determined by or on behalf of the Directors as at the relevant Valuation Point on each relevant Valuation Date.
- 8.2 In calculating the Net Asset Value and the Net Asset Value per Participating Share, the Directors shall apply such generally accepted accounting principles as they may determine.
- 8.3 The assets and liabilities of the Company shall be valued in accordance with such policies as the Directors may determine. Absent bad faith or manifest error, any valuation made pursuant to these Articles shall be binding on all persons.
- 8.4 Unless otherwise determined by the Directors in any resolution creating a Class and/or Series of Participating Shares or as otherwise disclosed in any Offering Memorandum, the Net Asset Value per Participating Share of each Class (or Series) shall be determined by allocating *pro rata* the Net Asset Value, as at the relevant Valuation Point, of the Company and/or of the relevant Separate Account among each Class and/or Series, adjusting the amount so calculated to reflect any fees, costs, foreign exchange items or other assets or liabilities which are properly attributable to a specific Class and/or Series and then by dividing the resultant amount by the number of Participating Shares of such Class and/or Series then in issue.
- 8.5 The Directors may determine that the Net Asset Value of any Class and/or Series shall be definitively determined on the basis of estimates and that such determination shall not be modified to reflect final valuations.
- 8.6 Any expense or liability may be amortised over such period as the Directors may determine.
- 8.7 The Directors may establish such reserves as they deem reasonably necessary for Company expenses and any other contingent Company assets or liabilities, and may, upon the reversal or release of such reserves, apply any monies resulting therefrom in such manner as they may, in their absolute discretion, determine.
- 8.8 Net Asset Value per Participating Share shall be rounded to the nearest cent or such other amount as the Directors may determine and the benefit of any such roundings may be retained by the Company.
- 8.9 The Directors may cause the Company to issue new Participating Shares at par or to compulsorily redeem at par such number of Participating Shares as they consider necessary to address, in such manner as they consider equitable, any prior miscalculation of Net Asset Value or Net Asset Value per Participating Share. The Company shall not be required to pay to the holder the redemption proceeds of any such compulsorily redeemed Participating Shares, which proceeds shall be retained by the Company.

9 Suspensions

- 9.1 The Directors may, from time to time, in the circumstances disclosed in the Offering Memorandum, declare a Suspension with respect to any one or more Classes and/or Series of Participating Shares.
- 9.2 The Directors shall promptly notify all affected Members of any such Suspension and shall promptly notify such Members upon termination of such Suspension.

10 Transfer of Shares

- 10.1 Subject to Article 5.1, Shares may not be Transferred without the prior written approval of the Directors (which may be withheld for any or no reason) provided that the Directors may waive this requirement to the extent that they deem appropriate in connection with the listing of any Class or Series of Share on a stock exchange.
- 10.2 The Directors shall not register any Transfer of any Share to any person who is, in the opinion of the Directors, not an Eligible Investor.
- 10.3 Any proposed transferee shall provide to the Directors such information and documents as the Directors may request, including, without limitation, such documents or information as the Directors deem necessary or desirable:
- (a) to enable the Directors to determine that the proposed transferee is an Eligible Investor; and
 - (b) to enable the Company to comply with all applicable laws, including anti-money laundering laws.
- 10.4 The instrument of Transfer of any Share shall be in writing and shall be executed by or on behalf of the transferor (and, if the Directors so require, signed by or on behalf of the transferee). The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the Register of Members.

11 Transmission of Shares

- 11.1 If a Member dies, the survivor or survivors (where the Member was a joint holder) or his or her legal personal representatives (where the Member was a sole holder) shall be the only persons recognised by the Company as having any title to the Member's interest in the Company. The death of any Member shall not operate to relieve, waive or reduce any liabilities attaching to the Member's Shares at the time of death and such liabilities shall continue to bind any survivor or survivors, or any personal representative, as the case may be.

11.2 Any person becoming entitled to a Share in consequence of the death or bankruptcy, or the liquidation or dissolution, of a Member (or in any other way than by Transfer) and who is an Eligible Investor may, upon delivery to the Directors of such evidence as may from time to time be required by them of:

(a) such person's entitlement to such Shares; and/or

(b) such person's status as an Eligible Investor,

elect, either to become the holder of such Share or to have such Share Transferred to another Eligible Investor nominated by such person. If such person elects to become the holder of such Share, such person shall give notice in writing to the Directors to that effect, but the Directors shall, in either case, have the same right to decline registration of such person as a holder of such Share as they would have had in the case of a Transfer of the Share by that Member before his or her death or bankruptcy, or liquidation or dissolution, as the case may be.

11.3 Any person becoming entitled to a Share in consequence of the death or bankruptcy, or the liquidation or dissolution, of a Member (or in any other way than by Transfer) and who is not an Eligible Investor shall not be registered as the holder of such Share and shall promptly Transfer such Share to an Eligible Investor in accordance with these Articles.

11.4 A person becoming entitled to a Share by reason of the death or bankruptcy or liquidation or dissolution of the holder (or in any other case than by Transfer), and who is an Eligible Investor, shall be entitled to the same dividends and other advantages to which such person would be entitled if such person were the registered holder of such Share. However, the person shall not, before becoming a Member in respect of a Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company and the Directors may at any time give notice requiring any such person to elect either to be registered himself or to have some person nominated by him become the holder of the Share (but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the relevant Member before his death or bankruptcy or liquidation or dissolution or any other case than by transfer, as the case may be). If the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

12 Redemption of Shares

12.1 Subject to any provisions relating to a specific Class and/or Series as set out in the Offering Memorandum or these Articles or in any resolution constituting a Class and/or Series or otherwise forming part of the special rights of such Participating Shares, a Member may require the redemption of all or any of such Member's Participating Shares by serving a Redemption Notice on the Company. Unless timely receipt is waived by the Directors in a particular case, a Redemption Notice shall be required to be received on or before a Redemption Date with respect to such Participating Shares (or such number of days prior to such Redemption Date as may be determined

by the Directors). Any Member redeeming Participating Shares shall submit to the Directors the share certificate (if any) issued in respect of those Participating Shares. The Company shall redeem such Participating Shares at the Redemption Price, being an amount equal to the Net Asset Value per Participating Share of the relevant Class and/or Series prevailing on the relevant Redemption Date (or if the Redemption Date is not a Valuation Date then on the immediately preceding Valuation Date) subject to any deductions, holdbacks or adjustments provided for in these Articles and/or the Offering Memorandum.

- 12.2 The Directors may deduct any Redemption Fee from the Redemption Price. The Directors may also deduct such amount which they consider to be an appropriate allowance to reflect fiscal and sale charges which would be incurred for the account of the Company in realising assets or closing out positions to provide funds to meet any redemption request.
- 12.3 A Member may not withdraw a Redemption Notice once submitted to the Company unless (a) the Directors shall have declared a Suspension or (b) the Directors determine (in their sole discretion) to permit the withdrawal of such redemption request (which they may do in whole or in part). If a relevant Suspension has been declared by the Directors, the right of a Member to have its Participating Shares redeemed shall be suspended and during the period of Suspension the Member may withdraw its Redemption Notice. Any withdrawal of the Redemption Notice shall be made in writing and shall only be effective if actually received by the Company before the termination of the period of the Redemption Suspension or Calculation Suspension, as applicable. If the Redemption Notice is not withdrawn, any Participating Shares the redemption of which has been suspended shall be redeemed once the relevant Suspension has ended at the Redemption Price for Participating Shares of the relevant Class and/or Series calculated on the next Redemption Date following the end of the relevant Suspension.
- 12.4 If one or more redemption requests are received in respect of any one Redemption Day that would, if satisfied, result in the redemptions of an amount equal to more than 15% of the total net asset value of the Company, the Directors may determine in their discretion to reduce the amount of each redemption request pro rata so that redemption requests represent in aggregate an amount equal to no more than 15% of the total net asset value of the Company. The partial amounts of the redemption requests which remain unsatisfied shall be carried forward to the next Redemption Day and satisfied in priority to any redemption requests received in relation to such subsequent Redemption Day until the prior redemption requests shall have been satisfied in full.
- 12.5 If the Company is required by the laws of any relevant jurisdiction to make a withholding from any redemption monies payable to the holder of Participating Shares the amount of such withholding shall be deducted from the redemption monies otherwise payable to such person.
- 12.6 The Directors may deduct any Redemption Fee from the Redemption Price. The Directors may also deduct such amount which they consider to be an appropriate allowance to reflect fiscal and sale charges which would be incurred for the account of the Company in realising assets or closing out positions to provide funds to meet any redemption request.

- 12.7 No redemption of part of a Member's holding of Participating Shares of any one Class and/or Series may be made if, as a result thereof, such Member would hold fewer Participating Shares of such Class and/or Series than such minimum number or value of Participating Shares of such Class and/or Series as may from time to time be specified (either generally or in any particular case or cases) by the Directors. If such partial redemption would reduce such Member's holding of Participating Shares to less than such minimum holding, the Directors may, in their discretion, elect to compulsorily redeem all of such Member's Participating Shares.
- 12.8 The Company may, in the absolute discretion of the Directors, refuse to make a redemption payment to a Member if the Directors suspect or are advised that the payment of any redemption proceeds to such Member may result in a breach or violation of any anti-money laundering law by any person in any relevant jurisdiction, or if such refusal is necessary to ensure the compliance by the Company, its Directors, the Administrator or any other service provider of the Company with any anti-money laundering law in any relevant jurisdiction.
- 12.9 Any amount payable to a Member for the redemption of Participating Shares shall be paid in such currency or currencies as the Directors may determine. Subject to any Payment Suspension, the Company shall remit redemption proceeds (net of the costs of remittance) by cheque or wire transfer within such period or periods as the Directors shall have disclosed to the Member at the time of its subscription for Participating Shares or, in the absence of any such disclosure, within such period or periods as the Directors shall determine. In the absence of directions as to payment the Company may remit redemption proceeds by cheque to the address of the Member appearing on the Register of Members or by wire transfer to such account as the Directors deem appropriate in the circumstances. The Company shall not be liable for any loss resulting from this procedure.
- 12.10 On any redemption of Participating Shares the Directors shall have the power to satisfy (in whole or in part) the Redemption Price (and any other sums payable on redemption as provided in these Articles) owing on the redemption of such Participating Shares by dividing *in specie* the whole or any part of the assets of the Company (including, without limitation, shares, debentures, or securities of any other company whether or not held by the Company on the Redemption Date in question) and either (i) distributing such assets directly to the redeeming shareholder, and/or (ii) distributing or allocating such assets to a liquidating account or other similar mechanism to be managed and/or liquidated at the discretion of the Directors.
- 12.11 Participating Shares shall be treated as having been redeemed with effect from the relevant Redemption Date irrespective of whether or not a Member has been removed from the Register of Members or the Redemption Price has been determined or remitted. Accordingly, on and from the relevant Redemption Date, Members in their capacity as such will not be entitled to or be capable of exercising any rights arising under these Articles with respect to Participating Shares being redeemed (including any right to receive notice of, attend or vote at any meeting of the Company) save the right to receive the Redemption Price and any dividend which has been declared prior to the relevant Redemption Date but not yet paid (in each case with respect to the Participating Shares being redeemed). Such redeemed Members will be creditors of the Company with respect to the

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLEE RECORD
VOLUME 20**

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

IN RE:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

DEBTOR.

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CASE NO. 19-34054

Chapter 11

INDEX

DESIGNATION OF RECORD ON APPEAL

Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP," together with Acis LP, "Acis"), appellees, file this Designation of Record on Appeal related to the *Order Approving Debtor's Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302] (the "Settlement Order"), the *Notice of Appeal* [Docket No. 1347] of the Settlement Order filed by James Dondero ("Dondero") and the *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented* [Docket No. 1515] filed by Dondero.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

Acis designates the following additional items for inclusion in the record on appeal.

Items in Bankruptcy Case No. 19-34054-SGJ-11	
Vol. 14 003095 003097	1. Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. [Docket No. 1]
003203	2. Chapter 11 Voluntary Petition [Docket No. 1]
003247	3. Affidavit/Declaration in Support of First Day Motion /Declaration of Frank Waterhouse in Support of First Day Motions Filed By Highland Capital Management, L.P. [Docket No. 11]
Vol. 15 003406	4. Motion to Change Venue/Inter-district Transfer Filed by Official Committee of Unsecured Creditors [Docket No. 85]
003433	5. Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 122]
003444	6. Joinder to Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) [Docket No. 126]
003452	7. Reply in Support of Motion to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 162]
003459	8. Reply in Support of the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 163]
003463	9. Response of the Debtor to Acis's Joinder to Motion to Transfer Venue [Docket No. 164]
003465	10. Order Transferring Venue of this Case to the United States Bankruptcy Court of the Northern District of Texas [Docket No. 186]
003492	11. Transcript regarding hearing held 12/6/19 [Docket No. 207]
003574	12. Schedules: Schedules A/B/ and D-H with Summary of Assets and Liabilities (with Declaration Under Penalty of Perjury for Non-Individual Debtors)[Docket No. 247]
003616	13. Statement of financial affairs for non-individual [Docket No. 248]
Vol. 16 003629	14. Trustee's Motion to appoint trustee [Docket No. 271]
003729	15. Motion to compromise controversy with Official Committee of Unsecured Creditors [Docket No. 281]
003735	16. Trustee's Objection to Motion to Approve Joint Agreement [Docket No. 313]
003738	17. Declaration re: (Declaration of Bradley D. Sharp in Support of the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course) [Docket No. 327]
003751	18. Response unopposed to (related document(s): 313 Objection) [Docket No. 329]
003756	19. Response unopposed to (related document(s): 313 Objection) [Docket No. 330]
	20. Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors, Strand Advisors, Inc., and James Dondero. [Docket No. 338]

Vol. 16 003764	21.	Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course [Docket No. 339]
003769	22.	Notice (Notice of Final Term Sheet) [Docket No. 354]
Vol. 17 003834	23.	Response opposed to (related document(s): 271) [Docket No. 362]
003847	24.	Objection to (related document(s): 271 Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) [Docket No. 364]
003851	25.	Transcript regarding Hearing Held 01/21/2020 [Docket No. 393]
003991	26.	Order denying motion to appoint trustee [Docket No. 428]
003993	27.	Motion for relief from stay [Docket No. 451]
Vol. 18	28.	Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") [Docket No. 474]
004042	29.	Transcript regarding Hearing Held 02/19/2020 [Docket No. 479]
Vol. 22 004908	30.	Objection to (related document(s): 474) [Docket No. 487]
005096	31.	Joinder by Acis Capital Management, L.P. and Acis Capital Management GP, LLC to the Committee's Objection to the Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain Related Entities, and Comment to the Same [Docket No. 489]
005110	32.	Order authorizing, but not directing, the debtor to cause distributions to certain 'related entities'. [Docket No. 512]
005119	33.	Order granting motion for relief from stay [Docket No. 519]
005123	34.	Transcript regarding Hearing Held 03/04/2020 [Docket No. 571]
Vol. 23 005125	35.	Motion for relief from stay [Docket No. 593]
005246	36.	Transcript regarding Hearing Held 05/26/2020 [Docket No. 676]
Vol. 24 005352	37.	Order granting motion for relief from stay [Docket No. 764]
005359	38.	Application to employ James P. Seery, Jr. Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020 [Docket No. 774]
005362	39.	Transcript regarding Hearing Held 06/30/2020 [Docket No. 802]
005395	40.	Transcript regarding Hearing Held 07/08/2020 [Docket No. 817]
005495	41.	Agreed order regarding deposit of funds into registry of the Court [Docket No. 821]
005553	42.	Order granting application to employ James P. Seery, Jr. as Chief Executive Officer, Chief Restructuring and Foreign representative [Docket No. 854]
005558	43.	Transcript regarding Hearing Held 07/14/2020 [Docket No. 864]
Vol. 25 005570	44.	Transcript regarding Hearing Held 07/21/2020 [Docket No. 897]
005764	45.	Order directing mediation [Docket No. 912]
Vol. 26 005829	46.	Transcript regarding Hearing Held 08/19/2020 [Docket No. 998]
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005855	48.	Amended Schedules: E/F, with Summary of Assets and Liabilities [Docket No. 1082]
005904	49.	Transcript regarding Hearing Held 10/06/2020 [Docket No. 1145]
005933	50.	Witness and Exhibit List [Docket No. 1175]
005991	51.	Witness and Exhibit List [Docket No. 1202-1]
005994	52.	Omnibus Reply [Docket No. 1221]
005997		

DATED: December 7, 2020.

Respectfully submitted,

By: /s/ Annmarie Chiarello

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APPELLEES**

CERTIFICATE OF SERVICE

I hereby certify that on December 7, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello

One of Counsel

Redemption Price. In an insolvent liquidation, redeemed Members will rank behind ordinary creditors but ahead of Members.

- 12.12 Once a Participating Share is redeemed it shall be available for re issue and, until re issue, shall form part of the authorised and unissued share capital of the Company.
- 12.13 Upon the written request of a Member or prospective Member in a form acceptable to the Directors, the Company may, in the discretion of the Directors, accept a standing redemption request from such Member or prospective Member pursuant to which the Company shall agree (without assuming any liability for failing to do so) to use its commercially reasonable efforts to redeem such Member's Participating Shares to the extent necessary to ensure that such Member does not own over a specified percentage of the outstanding Participating Shares of the Company or any Class and/or Series thereof; such percentage to be the percentage identified by such Member or prospective Member in such written request as being the percentage which such Member's or prospective Member's ownership cannot exceed without material risk of such Member or prospective Member being in violation of applicable law or regulation. Any such written request may be revoked by notice in writing to the Company from the affected Member.
- 12.14 No amendment to these Articles made after a Redemption Date shall affect a Member with respect to Participating Shares of that Member which have been redeemed, or are being treated as redeemed, on or prior to that Redemption Date.
- 12.15 Unless otherwise provided in the Offering Memorandum, unremitted redemption proceeds shall not bear interest against the Company and redeemed Participating Shares shall not participate in the profits and losses of the Company with effect from the relevant Redemption Date.

13 Compulsory Redemption

- 13.1 The Directors may at any time by notice in writing to any Non-qualified Person compulsorily redeem all or any of the Participating Shares held by such person upon a day which shall be not less than, nor more than, such number of days as the Directors may, in their discretion, from time to time determine, from the date of such notice. Upon such day, such Participating Shares shall be redeemed in all respects as if the holder thereof had submitted a Redemption Request whether or not the Company shall have received any certificate(s) in respect of such Participating Shares.
- 13.2 The Directors, in their discretion, with or without cause, may at any time by notice in writing to any Member compulsorily redeem all or any of a Member's Participating Shares on any Redemption Day which shall be not less than such number of days as the Directors may, in their discretion, from time to time determine from the date of the notice. Upon such day, such Participating Shares shall be redeemed in all respects as if the holder thereof had submitted a Redemption Request whether or not the Company shall have received any certificate(s) in respect of such Participating Shares.
- 13.3 The Directors may at any time redeem Participating Shares to effect a conversion in the manner described in these Articles, including pursuant to Article 15.

- 13.4 Subject to Article 12.6, any restrictions imposed pursuant to these Articles on redemptions made at the option of the Members shall not apply to any compulsory redemption of Participating Shares by the Company.
- 13.5 All costs incurred in a compulsory redemption of Participating Shares shall be for the account of the Member thereof and may be deducted from the proceeds of the redemption.
- 13.6 The procedure for determining which Participating Shares will be compulsorily redeemed in any particular case is subject to change at the discretion of the Directors. In exercising discretion and in making determinations as to whether to compulsorily redeem Participating Shares, and in determining which Members shall be subject to compulsory redemption, the Directors may act upon the basis of such information as may be known to them, without any obligation to make special enquiries, and may rely upon the advice of counsel. In no event shall the Company be liable to any Member for any consequence of any determination made by the Directors with respect to such compulsory redemption.
- 13.7 Without prejudice to the generality of the foregoing, the Company may (without notice) compulsorily redeem the Participating Shares of any Member and, on behalf of such Member, apply the proceeds of redemption in paying for new Participating Shares to give effect to any exchange, conversion or roll up policy disclosed to Members pursuant to which Participating Shares of one Class or Series (the "**Old Shares**") may, at the option of the Company, be exchanged for Participating Shares of another Class or Series (the "**New Shares**") by means of the redemption of the Old Shares and the immediate re-subscription of the redemption proceeds in paying up the New Shares.

14 AEOL

- 14.1 Notwithstanding any other Article, in order to comply with AEOL, any Director shall be entitled to release and/or disclose on behalf of the Company to the Cayman Islands Tax Information Authority or equivalent authority (the "**TIA**") and any other foreign government body as required by AEOL, any information in its or its agents' or delegates' possession regarding a Member including, without limitation, financial information concerning the Member's investment in the Company, and any information relating to any shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of such Member. Any such Director may also authorise any third party agent, including but not limited to, the Investment Manager or Administrator, to release and/or disclose such information on behalf of the Company.
- 14.2 In order to comply with AEOL and, if necessary, to reduce or eliminate any risk that the Company or its Members are subject to withholding taxes pursuant to AEOL or incur any costs, debts, expenses, obligations or liabilities (whether external, or internal, to the Company) (together, "**costs**") associated with AEOL, the Directors may cause the Company to undertake any of the following actions:

- (a) compulsorily redeem any or all of the Shares held by a Member either (i) where the Member fails to provide (in a timely manner) to the Company, or any agent or delegate of the Company, including but not limited to, the Investment Manager or the Administrator, any information requested by the Company or such agent or delegate pursuant to AEOL; or (ii) where there has otherwise been non-compliance by the Company with AEOL whether caused, directly or indirectly, by the action or inaction of such Member, or any related person, or otherwise;
- (b) deduct from, or hold back, redemption or repurchase proceeds, dividend payments or any other distributions, in order to:
 - (i) comply with any applicable requirement to apply and collect withholding tax pursuant to AEOL;
 - (ii) allocate to a Member an amount equal to any withholding tax imposed on the Company as a result of the Member's, or any related person's, action or inaction (direct or indirect), or where there has otherwise been non-compliance by the Company with AEOL;
 - (iii) ensure that any AEOL related costs are recovered from the Member(s) whose action or inaction (directly or indirectly, including the action or inaction of any person related to such Member) gave rise or contributed to such costs.

14.3 In order to give effect to the requirements imposed upon the Company by AEOL, as well as any of the actions contemplated by Articles 14.2(a) and 14.2(b), the Directors may undertake any of the following actions:

- (a) create separate classes and/or series of Shares ("**AEOL Shares**"), with such rights and terms as the Directors may in their sole discretion determine, and following the compulsory redemption of some or all of a Member's Shares may immediately apply such redemption proceeds in subscribing for such number of AEOL Shares as the Directors determine;
- (b) may re-name any number of Shares (whether issued or unissued) as AEOL Shares, create a Separate Account with respect to such AEOL Shares and apply any AEOL related costs or withholding taxes to such Separate Account;
- (c) allocate any AEOL costs or withholding tax among Separate Accounts on a basis determined solely by the Directors;
- (d) adjust the Net Asset Value per Share of any relevant Shares (including any AEOL Share).

15 Purchase and Surrender of Shares

- 15.1 Subject to the provisions of the Statute and without prejudice to these Articles, the Company may purchase its own Shares (including any redeemable Shares) in such manner and on such other terms as the Directors may agree with the relevant Member.
- 15.2 The Company may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Statute, including out of capital.
- 15.3 The Directors may accept the surrender for no consideration of any fully paid Share.

16 Treasury Shares

- 16.1 The Directors may, prior to the purchase, redemption or surrender of any Share, determine that such Share shall be held as a Treasury Share.
- 16.2 The Directors may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).

17 Modification of Rights

- 17.1 Subject to the following Article, the rights attached to any Series of Participating Shares may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of two thirds of the issued Shares of that Series or with the sanction of a resolution passed by a two-thirds majority of the holders of the issued Participating Shares of that Series, at a separate meeting of the holders of the Participating Shares of that Series. For such purposes the Directors may, in their discretion, treat all Series of Participating Shares as forming one Series, if they consider that they would all be affected in the same way by the proposals under consideration and that there would be no conflict of interest between them, but in any other case shall treat them as separate Series, as the case may be. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply except that the necessary quorum shall be one person holding or representing by proxy at least one-third in nominal amount of the issued Participating Shares of the Series (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those holders who are present shall be a quorum) and that every holder of Participating Shares of the Series shall on a poll have one vote for each Participating Share of the Series held by him.
- 17.2 The rights conferred upon the holders of the Participating Shares shall be deemed to be varied by the creation or issue of any Participating Shares ranking ahead of the Participating Shares with regard to participation in the profits or assets of the Company. A Series to which different levels of fees are payable to the Manager or different redemption rights apply (including the imposition of, absence of, or different level of, a redemption fee) shall not be deemed to rank in priority to any other Series as regards shareholder rights or participating in the profits or assets of the Company.

- 17.3 The rights attached to the Participating Shares shall be deemed not to be varied or abrogated by:
- (a) the creation, allotment or issue of Management Shares;
 - (b) the creation, allotment or issue of Participating Shares of any Series;
 - (c) the redemption or repurchase of any Participating Share;
 - (d) the conversion of Participating Shares of one Series into Participating Shares of another Series at the request of a Member pursuant to Article 13.3;
 - (e) the redesignation of a Series of Participating Share by the Directors pursuant to these Articles;
 - (f) the exercise by the Directors or any liquidator of any of their discretions specified in these Articles; or
 - (g) the Company entering into any written agreement with a prospective member providing for offering terms that vary from those applicable to other Members of the same Series.

18 Variation of Terms

The Directors, with the consent of the Investment Manager, shall have the absolute discretion to agree with a Member to waive or modify the terms applicable to such Member's subscription for Participating Shares (including those relating to management and performance fees and redemption terms) without obtaining the consent of any other Member; provided that such waiver or modification does not amount to a variation of the rights attaching to the Participating Shares of such other Members.

19 Certificates for Shares

- 19.1 A Member shall only be entitled to a share certificate if the Directors resolve that share certificates shall be issued. Share certificates representing Shares, if any, shall be in such form as the Directors may determine. Share certificates shall be signed by one or more Directors or another person authorised by the Directors. The Directors may authorise certificates to be issued with the authorised signature(s) affixed by mechanical process. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All certificates surrendered to the Company for transfer shall be cancelled and, subject to these Articles, no new certificate shall be issued until the former certificate representing a like number of relevant Shares shall have been surrendered and cancelled.
- 19.2 The Company shall not be bound to issue more than one certificate for Shares held jointly by more than one person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

- 19.3 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating evidence, as the Directors may prescribe, and (in the case of defacement or wearing out) on delivery up of the old certificate.

20 Register of Members

- 20.1 The Company shall maintain or cause to be maintained the Register of Members.
- 20.2 The Directors may determine that the Company shall maintain one or more branch registers of Members in accordance with the Statute. The Directors may also determine which register of Members shall constitute the principal register and which shall constitute the branch register or registers, and to vary such determination from time to time.

21 Closing Register of Members and Fixing Record Date

- 21.1 For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any dividend, or in order to make a determination of Members for any other proper purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period which shall not in any case exceed thirty days.
- 21.2 In lieu of, or apart from, closing the Register of Members, the Directors may fix in advance or arrears a date as the record date for any such determination of Members entitled to notice of, or to vote at any meeting of the Members or any adjournment thereof, or for the purpose of determining the Members entitled to receive payment of any dividend or in order to make a determination of Members for any other proper purpose.
- 21.3 If the Register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of, or to vote at, a meeting of Members or Members entitled to receive payment of a dividend, the date on which notice of the meeting is sent or the date on which the resolution of the Directors declaring such dividend is passed, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Article, such determination shall apply to any adjournment thereof.

22 Non Recognition of Trusts

The Company shall not be bound by or compelled to recognise in any way (even when notified) any equitable, contingent, future or partial interest in any Share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any Share other than an absolute right to the entirety thereof in the registered holder.

23 Amendments of Memorandum and Articles and Alteration of Capital

23.1 The Company may, by Ordinary Resolution:

- (a) increase its share capital by such sum and with such rights, priorities and privileges annexed thereto, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;
- (c) by subdivision of its existing Shares or any of them divide the whole or any part of its share capital into Shares of smaller amount than is fixed by the Memorandum; and
- (d) cancel any Shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any person.

23.2 All new Shares created in accordance with the provisions of the preceding Article shall be subject to the same provisions of these Articles with reference to liens, Transfer, transmission and otherwise as the Shares in the original share capital.

23.3 Subject to the provisions of the Statute and the provisions of these Articles as regards the matters to be dealt with by Ordinary Resolution the Company may, by Special Resolution:

- (a) change its name;
- (b) alter or add to these Articles;
- (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein;
- (d) reduce its share capital or any capital redemption reserve fund; and
- (e) wind up the Company.

24 Registered Office

Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its Registered Office. The Company may, in addition to its Registered Office, maintain such other offices or places of business as the Directors determine.

25 General Meetings

25.1 All general meetings other than annual general meetings shall be called extraordinary general meetings. The Directors may call general meetings.

- 25.2 The Company may but shall not be obliged to hold a general meeting in each year as its annual general meeting, and shall specify the meeting as such in the notice calling it. Any annual general meeting shall be held at such time and place as the Directors shall determine.

26 Notice of General Meetings

- 26.1 At least seven Business Days' notice shall be given of any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day on which the meeting is to be held and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:
- (a) in the case of an annual general meeting, by all the Members entitled to attend and vote thereat; and
 - (b) in the case of an extraordinary general meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety per cent. in par value of the Shares giving that right.
- 26.2 The accidental omission to give notice of a general meeting to, or the non receipt of notice of a meeting by, any person entitled to receive notice thereof shall not invalidate the proceedings of that meeting.

27 Proceedings at General Meetings

- 27.1 No business shall be transacted at any general meeting unless a quorum is present. A quorum shall be one or more Members (present in person, by proxy or authorised corporate representative, as the case may be) entitled to attend and vote and representing not less than one third of the Management Shares present in person or by proxy and carrying the right to vote at the meeting.
- 27.2 A person may, with the consent of the Directors, participate at a general meeting by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other. Participation by a person in a general meeting in this manner is treated as presence in person at that meeting.
- 27.3 A resolution (including a Special Resolution) in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or, being corporations or other non-natural persons, signed by their duly authorised representatives) shall be as valid and effective as if the resolution had been passed at a general meeting of the Company duly convened and held.

- 27.4 If a quorum is not present within half an hour from the time appointed for the meeting or if during such a meeting a quorum ceases to be present, the meeting, if convened upon the requisition of Members, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day, time or such other place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present shall be a quorum.
- 27.5 The chairman, if any, of the board of Directors shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if the chairman shall not be present within fifteen minutes after the time appointed for the holding of the meeting, or is unwilling to act, the Directors present shall elect one of their number to be chairman of the meeting.
- 27.6 If no Director is willing to act as chairman, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be chairman of the meeting.
- 27.7 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise it shall not be necessary to give any such notice.
- 27.8 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, the chairman or any Member present in person or by proxy (or in the case of a non-natural person, by its duly authorised representative or by proxy) demands a poll.
- 27.9 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost or not carried by a particular majority, an entry to that effect in the minutes of the proceedings of the meeting shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 27.10 The demand for a poll may be withdrawn.
- 27.11 Except on a poll demanded on the election of a chairman or on a question of adjournment, a poll shall be taken as the chairman directs, and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded.
- 27.12 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the general meeting directs, and any business other than that upon which a poll has been demanded or is contingent thereon may proceed pending the taking of the poll.

- 27.13 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a second or casting vote.

28 Votes of Members

- 28.1 Subject to any rights or restrictions attached to any Shares, on a show of hands every Member holding Shares carrying the right to vote on the matter in question who (being an individual) is present in person or by proxy or (if a corporation or other non-natural person) is present by its duly authorised representative or by proxy, shall have one vote and on a poll every such Member shall have one vote for every Share of which he is the holder.
- 28.2 In the case of joint holders of record, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. Seniority among joint holders shall be determined by the order in which the names of the holders stand in the Register of Members.
- 28.3 A Member of unsound mind, or in respect of whom an order has been made by any court or authority having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by the Member's committee, receiver, curator bonis, or other similar person appointed on such Member's behalf by that court or authority and any such committee, receiver, curator bonis or other similar person may vote by proxy.
- 28.4 No person shall be entitled to vote at any general meeting unless such person is registered as a Member on the record date for such meeting, nor unless all calls or other monies then payable by such person in respect of such Shares have been paid.
- 28.5 No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is purported to be given or tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
- 28.6 On a poll or on a show of hands votes may be cast either personally or by proxy. A Member may appoint more than one proxy or the same proxy under one or more instruments to attend and vote at a meeting. Where a Member appoints more than one proxy the instrument of proxy shall state which proxy is entitled to vote on a show of hands.
- 28.7 On a poll, a Member holding more than one Share need not cast the votes in respect of its Shares in the same way on any resolution and therefore may vote a Share or some or all such Shares either for or against a resolution and/or abstain (any such abstentions to count neither for nor against the resolution) from voting a Share or some or all of the Shares and, subject to the terms of the instrument appointing it, a proxy appointed under one or more instruments may vote a Share or some or all of the Shares in respect of which such proxy is appointed either for or against a resolution and/or abstain from voting.

29 Proxies

- 29.1 The instrument appointing a proxy shall be in writing, be executed under the hand of the appointor or of such appointor's attorney duly authorised in writing or, if the appointor is a corporation or other non-natural person, under the hand of an officer or other person duly authorised for that purpose. A proxy need not be a Member of the Company.
- 29.2 The Directors may, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the place and the time (being not later than the time for holding the meeting or adjourned meeting to which the proxy relates) at which the instrument appointing a proxy shall be deposited. In the absence of any such direction from the Directors in the notice convening any meeting or adjourned meeting, the instrument appointing a proxy shall be deposited at the Registered Office not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
- 29.3 The chairman may in any event, at the chairman's discretion, declare that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted and which has not been declared to have been duly deposited by the chairman, shall be invalid.
- 29.4 The instrument appointing a proxy may be in any usual or common form and may be incorporated within any subscription agreement or other document signed by or on behalf of the Member. An instrument appointing a proxy may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked. An instrument appointing a proxy shall be deemed to include the power to demand or join or concur in demanding a poll.
- 29.5 Votes given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the Transfer of the Share in respect of which the proxy is given unless notice in writing of such death, insanity, revocation or Transfer was received by the Company at the Registered Office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.

30 Corporate Members

Any corporation or other non-natural person which is a Member of the Company may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any Class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as the corporation could exercise if it were an individual Member.

31 Shares Beneficially Owned by the Company

Shares of the Company that are beneficially owned by the Company shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding Shares at any given time.

32 Directors

There shall be a board of Directors consisting of not less than one person (exclusive of alternate Directors) provided however that the Company may from time to time by Ordinary Resolution increase or reduce the limits in the number of Directors. The first Directors of the Company shall be determined in writing by, or appointed by a resolution of, the Subscriber.

33 Powers of Directors

- 33.1 Subject to the provisions of the Statute, the Memorandum and the Articles and to any directions given by Special Resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or these Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. A duly convened meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
- 33.2 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall determine by resolution.
- 33.3 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of the Company or of any third party. Notwithstanding the foregoing, the Directors shall not exercise the powers specified in this Article in breach of any limits or restrictions specified in the Offering Memorandum.

34 Appointment and Removal of Directors

- 34.1 The Company may, by Ordinary Resolution, appoint any person to be a Director and may, by Ordinary Resolution, remove any Director.
- 34.2 The Directors may appoint any person to be a Director, either to fill a vacancy or as an additional Director provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors.

35 Vacation of Office of Director

The office of a Director shall be vacated if:

- (a) he becomes prohibited by law from being a Director;
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (c) he dies, or is, in the opinion of all his co-Directors, incapable by reason in mental disorder of discharging his duties as a Director;
- (d) he resigns the office of Director by notice to the Company;
- (e) he has for more than six consecutive months been absent without permission of the Directors from meetings of Directors held during that period and his alternate Director (if any) has not during such period attended any such meetings in his stead, and the Directors resolve that his office be vacated; or
- (f) he is removed from the office of Director by notice addressed to him at his last known address and signed by all his co-Directors.

36 Proceedings of Directors

- 36.1 The quorum for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be two if there are two or more Directors, and shall be one if there is only one Director. A person who holds office as an alternate Director shall, if such person's appointor is not present, be counted in the quorum. A Director who also acts as an alternate Director shall, if such Director's appointor is not present, count twice towards the quorum.
- 36.2 Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall not have a second or casting vote. A Director who is also an alternate Director shall be entitled in the absence of such Director's appointor to a separate vote on behalf of such Director's appointor in addition to such Director's own vote.
- 36.3 A person may participate in a meeting of the Directors or any committee of Directors by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other at the same time. Participation by a person in a meeting in this manner is treated as presence in person at that meeting. Unless otherwise determined by the Directors, the meeting shall be deemed to be held at the place where the chairman is located at the start of the meeting.
- 36.4 A resolution in writing (in one or more counterparts) signed by all the Directors or all the members of a committee of Directors (an alternate Director being entitled to sign such a resolution on behalf of such alternate Director's appointor) shall be as valid and effectual as if it had been passed at a meeting of the Directors, or committee of Directors as the case may be, duly convened and held.

- 36.5 A Director or alternate Director may, or other officer of the Company at the direction of a Director or alternate Director may call a meeting of the Directors by at least two days' notice in writing to every Director and alternate Director which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors (or their alternates) either at, before or after the meeting is held.
- 36.6 The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.
- 36.7 The Directors may elect a chairman of their board and determine the period for which the chairman is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
- 36.8 All acts done by any meeting of the Directors or of a committee of Directors (including any person acting as an alternate Director) shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or alternate Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified to be a Director or alternate Director as the case may be.
- 36.9 A Director but not an alternate Director may be represented at any meetings of the board of Directors by a proxy appointed in writing by such Director. The proxy shall count towards the quorum and the vote of the proxy shall for all purposes be deemed to be that of the appointing Director.

37 Presumption of Assent

A Director who is present at a meeting of the board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless the Director's dissent shall be entered in the minutes of the meeting or unless the Director shall file such Director's written dissent from such action with the person acting as the chairman or secretary of the meeting before the close or adjournment thereof or shall forward such dissent by personal delivery, courier or registered post to such person immediately after the close or adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

38 Directors' Interests

- 38.1 A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with such Director's office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

- 38.2 A Director may act alone or by such Director's firm in a professional capacity for the Company and the Director or such Director's firm shall be entitled to remuneration for professional services as if such Director were not a Director or alternate Director.
- 38.3 A Director or alternate Director of the Company may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director or alternate Director shall be accountable to the Company for any remuneration or other benefits received by such Director or alternate Director as a director or officer of, or from such Director or alternate Director's interest in, such other company.
- 38.4 No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director shall be in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relationship thereby established. A Director (or such Director's alternate Director in such Director's absence) shall be at liberty to vote in respect of any contract or transaction in which such Director is interested provided that the nature of the interest of any Director or alternate Director in any such contract or transaction shall be disclosed by such Director at or prior to such Director's consideration and any vote thereon.
- 38.5 A general notice that a Director or alternate Director is a shareholder, director, officer or employee of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure for the purposes of voting on a resolution in respect of a contract or transaction in which such Director has an interest, and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

39 Minutes

The Directors shall cause minutes to be made in books kept for the purpose of recording all appointments of officers made by the Directors, all proceedings at meetings of the Company or the holders of any Class of Shares and of the Directors, and of committees of Directors including the names of the Directors or alternate Directors present at each meeting.

40 Delegation of Directors' Powers

- 40.1 The Directors may delegate any of their powers to any committee consisting of one or more Directors or such other persons as the Directors may designate. They may also delegate to any managing director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by such managing director or any Director provided that an alternate Director may not act as managing director and the appointment of a managing director shall be revoked forthwith if such managing director ceases to be a Director. Any such appointment may be made subject to any conditions the Directors may impose, and either collaterally with or to

the exclusion of their own powers, and may be revoked or altered. Subject to any such conditions, the proceedings of a committee of Directors shall be governed by these Articles regulating the proceedings of Directors, so far as they are capable of applying.

- 40.2 The Directors may establish any committees, local boards or agencies or appoint any person to be a manager or agent for managing the affairs of the Company and may appoint any person to be a member of such committees or local boards. Any such appointment may be made either collaterally with or to the exclusion of the Directors' powers, shall be subject to any conditions the Directors may impose, and may be revoked or altered. Subject to any such conditions, the proceedings of any such committee, local board or agency shall be governed by these Articles regulating the proceedings of Directors, so far as they are capable of applying.
- 40.3 The Directors may by power of attorney or otherwise appoint any company, firm, person or body of persons to be the attorney or authorised signatory of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorneys or authorised signatories as the Directors may think fit and may also authorise any such attorney or authorised person to delegate all or any of the powers, authorities and discretions vested in such attorney or authorised person.
- 40.4 The Directors may appoint such officers as they consider necessary on such terms, at such remuneration (if any) and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors may think fit. Unless otherwise specified in the terms of such officer's appointment an officer may be removed by resolution of the Directors or Members.

41 Alternate Directors

- 41.1 Any Director (other than an alternate Director) may by written notice to the Company appoint any other Director, or any other person willing to act, to be an alternate Director and by written notice to the Company may remove from office an alternate Director so appointed by the Director.
- 41.2 An alternate Director shall be entitled to receive notice of all meetings of Directors and of meetings of committees of Directors of which such alternate Director's appointor is a member, to attend and vote at every such meeting at which the Director appointing such alternate Director is not personally present, and generally to perform all the functions of such alternate Director's appointor as a Director in such Director's absence.
- 41.3 An alternate Director shall cease to be an alternate Director if such alternate Director's appointor ceases to be a Director.
- 41.4 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.

- 41.5 Subject to the provisions of the Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for such alternate Director's own acts and defaults and shall not be deemed to be the agent of the Director appointing such alternate Director.

42 No Minimum Shareholding for Directors

The Company in general meeting may fix a minimum shareholding required to be held by a Director, but unless and until such a shareholding qualification is fixed a Director shall not be required to hold Shares.

43 Remuneration of Directors

- 43.1 The remuneration to be paid to the Directors, if any, shall be such remuneration as the Directors shall determine. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors, or general meetings of the Company, or separate meetings of the holders of any Class of Shares or debentures of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors, or a combination partly of one such method and partly the other.
- 43.2 The Directors may by resolution approve additional remuneration to any Director for any services other than such Director's ordinary routine work as a Director. Any fees paid to a Director who is also counsel to the Company, or otherwise serves it in a professional capacity, shall be in addition to such Director's remuneration as a Director.

44 Seal

The Company may, if the Directors so determine, have a Seal, which shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors. Every instrument to which the Seal has been affixed shall be signed by at least one person who shall be either a Director or some officer or other person authorised by the Directors for the purpose.

45 Dividends, Distributions and Reserves

- 45.1 Subject to the Statute, these Articles, and the special rights attaching to Participating Shares of any Class and/or Series, the Directors may, in their absolute discretion, declare dividends and distributions on Participating Shares of any Class and/or Series in issue and authorise payment of the dividends or distributions out of the relevant Separate Account in respect of such Participating Shares. No dividend or distribution shall be paid except out of the realised or unrealised profits of the Company, or out of the share premium account attributable to Participating Shares of the Class and/or Series in respect of which the dividend or distribution is proposed to be paid, or as otherwise permitted by law.
- 45.2 Except as otherwise provided by the rights attached to Participating Shares, or as otherwise determined by the Directors, all dividends and distributions in respect of Participating Shares of a

particular Class and/or Series shall be declared and paid according to the Net Asset Value of the Participating Shares of the Class and/or Series that a Member holds. If any Participating Share is issued on terms providing that it shall rank for dividend or distribution as from a particular date, that Participating Share shall rank for dividend or distribution accordingly.

- 45.3 The Directors may deduct and withhold from any dividend or distribution otherwise payable to any Member all sums of money (if any) then payable by it to the Company on account of calls or otherwise or any monies which the Company is obliged by law to pay to any taxing or other authority.
- 45.4 Under no circumstances may the assets (or the income derived from such assets) attributed to a Separate Account in respect of any Class and/or Series be used to pay a dividend in respect of a Separate Account that is attributed to any other Class and/or Series.
- 45.5 The Directors may declare that any dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of shares, debentures or securities of any other company or in any one or more of such ways and, where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional Shares and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.
- 45.6 Any dividend, distribution, interest or other monies payable in cash in respect of Participating Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of the holder who is first named on the Register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall (unless the Directors in their sole discretion otherwise determine) be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other monies payable in respect of the Participating Share held by them as joint holders.
- 45.7 Any dividend or distribution which cannot be paid to a Member and/or which remains unclaimed after six months from the date of declaration of such dividend or distribution may, in the discretion of the Directors, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the dividend or distribution shall remain as a debt due to the Member. Any dividend or distribution which remains unclaimed after a period of six years from the date of declaration of such dividend or distribution shall be forfeited and shall revert to the Company.
- 45.8 No dividend or distribution shall bear interest against the Company.

46 Capitalisation

The Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members of any Class and/or Series in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply such sum on their behalf in paying up in full unissued Participating Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of Participating Shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter into an agreement with the Company, on behalf of all of the Members interested, providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

47 Books of Account

- 47.1 The Directors shall cause proper books of account (including, where applicable, material underlying documentation including contracts and invoices) to be kept with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Such books of account must be retained for a minimum period of five years from the date on which they are prepared. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.
- 47.2 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute, or authorised by the Directors or by the Company in general meeting.
- 47.3 The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

48 Audit

- 48.1 The Directors shall appoint an Auditor of the Company who shall hold office on such terms as the Directors determine.

- 48.2 Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor.
- 48.3 Any Auditors of the Company shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an ordinary company, and at the next extraordinary general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an exempted company, and at any other time during their term of office, upon request of the Directors or any general meeting of the Members.

49 Notices

- 49.1 Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by courier, post, cable, telex, fax or e-mail to the Member or to the address as shown in the Register of Members (or where the notice is given by e-mail by sending it to the e-mail address provided by such Member). Any notice, if posted from one country to another, is to be sent airmail.
- 49.2 Where a notice is sent by courier, service of the notice shall be deemed to be effected by delivery of the notice to a courier company, and shall be deemed to have been received on the third day (not including Saturdays or Sundays or public holidays) following the day on which the notice was delivered to the courier. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre paying and posting a letter containing the notice, and shall be deemed to have been received on the fifth day (not including Saturdays or Sundays or public holidays in the Cayman Islands) following the day on which the notice was posted. Where a notice is sent by cable, telex or fax, service of the notice shall be deemed to be effected by properly addressing and sending such notice and shall be deemed to have been received on the same day that it was transmitted. Where a notice is given by e-mail service shall be deemed to be effected by transmitting the e-mail to the e-mail address provided by the intended recipient and shall be deemed to have been received on the same day that it was sent, and it shall not be necessary for the receipt of the e-mail to be acknowledged by the recipient.
- 49.3 A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Member in the same manner as other notices which are required to be given under these Articles and shall be addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

- 49.4 Notice of every general meeting shall be given in the manner authorised by these Articles to every person shown as holding Shares carrying an entitlement to receive such notice in the Register of Members on the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the Register of Members and every person upon whom the ownership of a Share devolves by reason of such person being a legal personal representative or a trustee in bankruptcy of a Member where the Member but for such Member's death or bankruptcy would be entitled to receive notice of the meeting, and no other person shall be entitled to receive notices of general meetings.

50 Winding Up

- (a) If the Company shall be wound up the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims.
- (b) The assets available for distribution to the Members shall be distributed in the following manner and priority:
 - (i) first, in the payment to the holders of the Participating Shares of each Class of a sum as nearly as possible equal to the nominal amount of the Participating Shares of that Class held by such holders respectively; and
 - (ii) second, in the payment to the holders of Management Shares of an amount equal to the nominal amount of such Management Shares; and
 - (iii) third, in the payment to the holders of each Class of Participating Shares of any remaining balance then attributable to the relevant Record, such payment being made in proportion to the number of Participating Shares of that Class held (adjusted to give effect to any equalisation arising by reason of the winding up pursuant to any equalisation policy adopted by the Directors pursuant to Article 29).

If the Company is wound up (whether the liquidation is voluntary, or under supervision by the Court) the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law, divide among the Members in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deemed fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Member shall be compelled to accept any shares in respect of which there is a liability.

51 Indemnity and Insurance

- 51.1 Every Director (including for the purposes of this Article, any alternate Director appointed pursuant to the provisions of these Articles), managing Director, agent, Secretary, or other officer for the time being and from time to time of the Company and the personal representatives of the same shall be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him otherwise than by reason of his own Gross Negligence or wilful default in or about the conduct of the Company's business or affairs or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Islands or elsewhere.
- 51.2 The Administrator, the Manager and any other agent which the Company has appointed shall be entitled to such indemnity from the Company under such terms and subject to such conditions and exceptions and with such entitlement to have recourse to the assets of the Company with a view to meeting and discharging the cost thereof as shall be specified in the relevant contract or instrument appointing such agent.
- 51.3 No such Director, alternate Director, managing Director, agent, Secretary, or other officer of the Company and the personal representatives of the same shall be liable (i) for the acts, receipts, neglects, defaults or omissions of any other such Director or officer or agent of the Company, (ii) by reason of his having joined in any receipt for money not received by him personally or in any other act to which he was not a direct party for conformity, (iii) for any loss on account of defect of title to any property of the Company, (iv) on account of the insufficiency of any security in or upon which any money of the Company shall be invested, (v) for any loss incurred through any bank, broker or other agent or any other party with whom any of the Company's property may be deposited or (vi) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities or discretions of his office or in relation thereto unless the same shall happen through his own Gross Negligence or wilful default.
- 51.4 The Directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is or was a Director, alternate Director, Secretary or auditor of the Company indemnifying him against any liability which may lawfully be insured against by the Company:

52 Disclosure

If required to do so under the laws of any jurisdiction to which the Company, the Investment Manager, the Administrator or any other service provider is subject, or in compliance with the rules of any stock exchange upon which the Company's Shares are listed, or to ensure the compliance by any person with any anti-money laundering law in any relevant jurisdiction, any Director, Officer, the Investment Manager, the Administrator or Auditor of the Company shall be entitled to release or disclose any information in its possession regarding the affairs of the Company or a Member

including, without limitation, any information contained in the Register of Members or subscription documentation of the Company relating to any Member.

53 Financial Year

Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31st December in each year and, following the year of incorporation, shall begin on 1st January in each year.

54 Transfer by way of Continuation

The Company shall, subject to the provisions of the Statute and with the approval of a Special Resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

55 Mergers and Consolidations

The Company shall have the power to merge or consolidate with one or more other constituent companies (as defined in the Statute) upon such terms as the Directors may determine and (to the extent required by the Statute) with the approval of a Special Resolution.

**AMENDMENT
TO
AMENDED AND RESTATED EXEMPTED LIMITED PARTNERSHIP AGREEMENT
OF
HIGHLAND ARGENTINA REGIONAL OPPORTUNITY MASTER FUND, L.P.**

THIS AMENDMENT (this “*Amendment*”) to the Amended and Restated Exempted Limited Partnership Agreement (the “*Partnership Agreement*”) dated November 1, 2017 (the “*Effective Date*”) of Highland Argentina Opportunity Master Fund, L.P., a Cayman Islands exempted limited partnership (the “*Partnership*”), is entered into to be effective as of the Effective Date by Highland Argentina Opportunity Fund GP, LLC, as the General Partner, and as the true and lawful agent and attorney-in-fact on behalf of each of the Limited Partners. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Partnership Agreement.

WHEREAS, due to a scrivener’s error, the definition of “*Calculation Period*” under subsection (a) of Article I of the Partnership Agreement incorrectly provided that the Calculation Period with respect to Capital Sub-Account of a Feeder Fund, after the initial Calculation Period, shall commence as of the day following the last day of the preceding Calculation Period and end as of the close of business on the last day of a calendar year;

WHEREAS, at all times the Calculation Period was intended to end as of the close of business on the last day of a fiscal quarter;

WHEREAS, pursuant to the authority granted under Sections 8.1 and 8.2 of the Partnership Agreement, the General Partner, on behalf of itself and on behalf of each of the Limited Partners, now desires to correct the definition of “*Calculation Period*” under subsection (a) of Article I of the Partnership Agreement to provide that the Calculation Period shall end as of the close of business on the last day of a fiscal quarter.

NOW, THEREFORE, in consideration of the premises and the agreements contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the General Partner, on behalf of itself and on behalf of each of the Limited Partners, hereby amends the Partnership Agreement as follows:

1. The definition of “*Calculation Period*” in the Partnership Agreements is hereby amended and replaced in its entirety to read as follows:

“*Calculation Period*” means, with respect to each Capital Sub-Account of a Feeder Fund, the period commencing as of the date of the establishment of the Capital Sub-Account (in the case of the initial Calculation Period) and thereafter each period commencing as of the day following the last day of the preceding Calculation Period with respect to such Capital Sub-Account, and ending as of the close of business on the first to occur of the following:

- (a) the last day of a fiscal quarter;

- (b) the withdrawal of all or a portion of the Capital Sub-Account, including as a result of a distribution (but only with respect to the amount withdrawn in the event of a partial withdrawal);
- (c) the permitted Transfer of all or any portion of the Capital Sub-Account (but only with respect to the amount withdrawn in the event of a partial permitted Transfer); or
- (d) the final distribution with respect to the Capital Sub-Account following the dissolution of the Partnership.

If a Calculation Period ends solely due to a partial withdrawal or a partial Transfer from the Capital Sub-Account, the Calculation Period is deemed to have ended only with respect to that particular Capital Sub-Account and only with respect to the portion of such Capital Sub-Account withdrawn or transferred. Thus, the Performance Allocation for such withdrawn or transferred amount shall be determined by multiplying the Performance Allocation attributable to the entire Capital Sub-Account at such time by a fraction (i) the numerator of which is equal to the amount so withdrawn or transferred from such Capital Sub-Account and (ii) the denominator of which is equal to the balance of such Capital Sub-Account immediately before giving effect to such withdrawal or Transfer.”

2. This Amendment shall be governed by and construed in accordance with the laws of the Cayman Islands, without regard to the conflict of laws rule thereof which would result in the application of the laws of a different jurisdiction.

3. This Amendment may be executed in multiple counterparts, each of which, when assembled to include an original or faxed signature for each party contemplated to sign this Amendment, will constitute a complete and fully executed agreement. All such fully executed original or faxed counterparts will collectively constitute a single agreement.

4. Except as modified hereby, the Partnership Agreement shall remain in full force and effect and the Amendment shall be binding upon the parties and their respective successors and assigns. If any inconsistency exists or arises between the terms of the Amendment and the terms of the Partnership Agreements, the Amendment shall prevail.

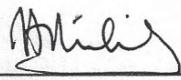
IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed to be effective as of the Effective Date.

GENERAL PARTNER:

**Highland Argentina Regional Opportunity Fund GP,
LLC**

By: Highland Capital Management Latin America, L.P.,
its sole member

By: Highland Latin America GP, Ltd., its general
partner

By: 
Name: Gustavo Prilick
Title: Director

HIGHLAND ARGENTINA REGIONAL OPPORTUNITY MASTER FUND, L.P.

A Cayman Islands Exempted Limited Partnership

Amended and Restated Exempted Limited Partnership Agreement

November 1, 2017

NOTICE

NEITHER HIGHLAND ARGENTINA REGIONAL OPPORTUNITY MASTER FUND, L.P. NOR THE LIMITED PARTNER INTERESTS THEREIN HAVE BEEN OR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED, THE SECURITIES LAWS OF ANY OF THE STATES OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY NON-U.S. JURISDICTION. THE OFFERING OF SUCH LIMITED PARTNER INTERESTS IS BEING MADE IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT FOR OFFERS AND SALES OF SECURITIES WHICH DO NOT INVOLVE ANY PUBLIC OFFERING, AND ANALOGOUS EXEMPTIONS UNDER STATE SECURITIES LAWS.

THE DELIVERY OF THIS AMENDED AND RESTATED EXEMPTED LIMITED PARTNERSHIP AGREEMENT SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY OFFER, SOLICITATION OR SALE OF LIMITED PARTNER INTERESTS IN HIGHLAND ARGENTINA REGIONAL OPPORTUNITY MASTER FUND, L.P. IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE LIMITED PARTNER INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE OR NON-U.S. SECURITIES LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE REQUIREMENTS AND CONDITIONS SET FORTH IN THIS AMENDED AND RESTATED EXEMPTED LIMITED PARTNERSHIP AGREEMENT.

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THIS AMENDED AND RESTATED EXEMPTED LIMITED PARTNERSHIP AGREEMENT of Highland Argentina Regional Opportunity Master Fund, L.P. is made on November 1, 2017 by and among Highland Argentina Regional Opportunity Fund GP, LLC, as General Partner, Gustavo Prilick, as withdrawing Original Limited Partner, those Persons who are listed on Exhibit A as Limited Partners and any other Persons who are admitted, from time to time, as limited partners of the Partnership, in accordance with this Agreement. This Agreement amends and restates in its entirety the Initial Exempted Limited Partnership Agreement of the Partnership, dated September 21, 2017 (the “*Prior Agreement*”).

Article I DEFINITIONS

For purposes of this Agreement:

“*Act*” means the Exempted Limited Partnership Law, 2014 of the Cayman Islands, as amended, supplemented or replaced from time to time.

“*Administrator*” means such Person as the General Partner may designate from time to time, in its sole discretion, to serve as administrator to the Partnership.

“*Advisers Act*” means the U.S. Investment Advisers Act of 1940, as amended, and the rules promulgated thereunder.

“*AEOP*” means:

- (i) Sections 1471 to 1474 of the Code and any associated legislation, regulations or guidance, and any other similar legislation, regulations or guidance enacted in any other jurisdiction which seeks to implement similar financial account information reporting and/or withholding tax regimes;
- (ii) the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters – the Common Reporting Standard and any associated guidance;
- (iii) any intergovernmental agreement, treaty, regulation, guidance, standard or other agreement between the Cayman Islands (or any Cayman Islands government body) and any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement or implement the legislation, regulations, guidance or standards described in sub-paragraphs (a) and (b); and
- (iv) any legislation, regulations or guidance in the Cayman Islands that give effect to the matters outlined in the preceding sub-paragraphs.

“**Affiliate**” means, with respect to any Person, a Person which controls, is controlled by, or is under common control with, such Person. For these purposes, “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Affiliated Investor**” means the Investment Manager, the General Partner and their respective Affiliates, principals, employees, partners, agents, the respective family members of such personnel and trusts and other entities established primarily for their benefit or for charitable purposes.

“**Agreement**” means this Amended and Restated Exempted Limited Partnership Agreement of the Partnership, as amended from time to time.

“**Automatic Dissolution Date**” has the meaning set forth in Section 6.1(a)(ii).

“**BBA**” means Subchapter C of Chapter 63 of the Code (Sections 6221 through 6241 of the Code), as enacted by the Bipartisan Budget Act of 2015, Pub. L. No. 114-74, as amended from time to time, and the Regulations thereunder (whether proposed, temporary or final), including any subsequent amendments, successor provisions or other guidance thereunder, and any equivalent provisions for state, local or non-U.S. tax purposes.

“**BBA Effective Period**” means any taxable year commencing after 2017, taking into account any extensions of the effective date set forth in Bipartisan Budget Act Section 1101(g)(1), as applicable, or in any other BBA guidance.

“**Business Day**” means any day or days on which banks in the Cayman Islands, Buenos Aires and New York City are authorized to open for business or such other days as the General Partner may determine generally, or in any particular case.

“**Calculation Period**” means, with respect to each Capital Sub-Account of a Feeder Fund, the period commencing as of the date of the establishment of the Capital Sub-Account (in the case of the initial Calculation Period) and thereafter each period commencing as of the day following the last day of the preceding Calculation Period with respect to such Capital Sub-Account, and ending as of the close of business on the first to occur of the following:

- (a) the last day of a calendar year;
- (b) the withdrawal of all or a portion of the Capital Sub-Account, including as a result of a distribution (but only with respect to the amount withdrawn in the event of a partial withdrawal);
- (c) the permitted Transfer of all or any portion of the Capital Sub-Account (but only with respect to the amount withdrawn in the event of a partial permitted Transfer); or
- (d) the final distribution with respect to the Capital Sub-Account following the dissolution of the Partnership.

If a Calculation Period ends solely due to a partial withdrawal or a partial Transfer from the Capital Sub-Account, the Calculation Period is deemed to have ended only with respect to that particular Capital Sub-Account and only with respect to the portion of such Capital Sub-Account withdrawn or transferred. Thus, the Performance Allocation for such withdrawn or transferred amount shall be determined by multiplying the Performance Allocation attributable to the entire Capital Sub-Account at such time by a fraction (i) the numerator of which is equal to the amount so withdrawn or transferred from such Capital Sub-Account and (ii) the denominator of which is equal to the balance of such Capital Sub-Account immediately before giving effect to such withdrawal or Transfer.

“Capital Account” means, with respect to each Partner, the capital account (including any related Capital Sub-Accounts) established and maintained on behalf of such Partner as described in Section 3.3.

“Capital Sub-Account” means, with respect to each Feeder Fund, the separate memorandum account to be recorded in the books and records of the Partnership as a sub-account within such Feeder Fund’s Capital Account that corresponds to each series or sub-series of interests held by each Feeder Fund Investor, including Series A Capital Sub-Accounts, Series B Capital Sub-Accounts and Series C Capital Sub-Accounts. Each Capital Sub-Account with respect to the Capital Account of the Domestic Fund shall correspond to the beneficial interest of each partner in the Domestic Fund; and each Capital Sub-Account with respect to the Capital Account of the Offshore Fund shall correspond to each Sub-Series of shares of the Offshore Fund. The Partnership will also maintain Capital Sub-Accounts to reflect varied ownership interests in a Feeder Fund. The aggregate of the balances of all Capital Sub-Accounts with respect to each Feeder Fund shall equal the balance of each such Feeder Fund’s Capital Account. Except as the context otherwise requires, the term Capital Account includes any Capital Sub-Account of a Feeder Fund.

“Carryforward Account” means a memorandum account to be recorded in the books and records of the Partnership with respect to each Capital Sub-Account of a Feeder Fund. The Carryforward Account with respect to each Capital Sub-Account of any Feeder Fund will have an initial balance of zero and will be adjusted as follows:

- (a) As of the first day after the close of each Calculation Period for such Capital Sub-Account, the balance of the Carryforward Account is (i) increased by the amount, if any, of the Negative Performance Change with respect to such Capital Sub-Account for such Calculation Period and (ii) reduced (but not below zero) by the amount, if any, of the Positive Performance Change with respect to such Capital Sub-Account for such Calculation Period.
- (b) As of the close of the Calculation Period, any positive balance of the Carryforward Account is further adjusted if such Capital Sub-Account has been reduced during such Calculation Period as a result of a distribution or withdrawal, by reducing such positive balance (but not below zero) by an amount determined by multiplying (i) such positive balance by (ii) a fraction, of which (A) the numerator is equal to the amount so distributed

or withdrawn, and (B) the denominator is equal to the balance of such Capital Sub-Account immediately before giving effect to such distribution or withdrawal.

“Carrying Value” means, with respect to any Investment, except as set forth herein, the asset’s adjusted tax basis for United States federal income tax purposes, except that the Carrying Values of all Investments may, in the discretion of the General Partner, be adjusted to equal their respective fair market values (as determined by the General Partner), in accordance with the rules set forth in Regulation Section 1.704-1(b)(2)(iv)(f). In the case of any Investment that has a Carrying Value that differs from its adjusted tax basis, Carrying Value shall be adjusted by the amount of depreciation, depletion and amortization calculated for purposes of the definition of Net Profit and Net Loss rather than the amount of depreciation, depletion and amortization determined for United States federal income tax purposes.

“Code” means the U.S. Internal Revenue Code of 1986, as amended, and as hereafter amended, or any successor law.

“Commencement Date” means the first date on or as of which a Limited Partner, other than the Original Limited Partner, makes a capital contribution to the Partnership.

“Domestic Fund” means Highland Argentina Regional Opportunity Fund, L.P., a Delaware limited partnership that invests in the Partnership as a Limited Partner.

“Domestic Fund LPA” means the Amended and Restated Limited Partnership Agreement of the Domestic Fund, dated November 1, 2017, as may be amended from time to time.

“ERISA” means the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

“ERISA Partner” means a Limited Partner which is (a) an employee benefit plan subject to the fiduciary provisions of ERISA, (b) a “plan” subject to Section 4975 of the Code, (c) an entity whose underlying assets include “plan assets” for purposes of ERISA by reason of a Plan’s investment in the entity, or (d) an entity that otherwise constitutes a “benefit plan investor” within the meaning of Section 3(42) of ERISA or any regulation promulgated thereunder.

“FATCA” means legislation known as the U.S. Foreign Account Tax Compliance Act, Sections 1471 through 1474 of the Code and any Regulations thereunder, including any subsequent amendments, and administrative guidance promulgated thereunder (or which may be promulgated in the future), any applicable intergovernmental agreements and related statutes, regulations or rules and other guidance thereunder, any governmental authority pursuant to the foregoing authorities, and any agreement entered into with respect thereto.

“Feeder Fund Investor” means an investor in one of the Feeder Funds.

“Feeder Funds” means the Domestic Fund, the Offshore Fund and any other investment vehicle(s) sponsored by the Investment Manager or one of its Affiliates that invests in parallel with the Domestic Fund and the Offshore Fund in the Partnership.

“Fiscal Period” means each period that starts at the opening of business on the Commencement Date (in the case of the initial Fiscal Period) and thereafter on the day immediately following the last day of the preceding Fiscal Period, and that ends at the close of business on the earliest of the following dates:

- (a) the last day of a calendar month;
- (b) any date as of which any withdrawal or distribution of capital is made with respect to any Capital Account or as of which this Agreement provides for any amount to be credited to or debited against a Capital Account, other than a withdrawal or distribution by or to, or an allocation to, all Capital Accounts that does not result in any change of the Partnership Percentage relating to any Capital Account;
- (c) the date which immediately precedes any day as of which a capital contribution is accepted by the General Partner from any new or existing Partner; or
- (d) any other date which the General Partner selects.

“Fiscal Year” means the period commencing on the Commencement Date and ending on December 31 of the same year, and thereafter each period commencing on January 1 of each year and ending on December 31 of such year, unless the General Partner shall elect another fiscal year; *provided* that any such other fiscal year shall be permissible for U.S. federal income tax purposes. In the case of the Fiscal Year in which the Partnership is terminated in accordance with Article VI, **“Fiscal Year”** means the period commencing on January 1 of that year and ending on the date on which the Partnership is terminated.

“GAAP” means generally accepted accounting principles in the United States.

“General Partner” means Highland Argentina Regional Opportunity Fund GP, LLC, a Delaware limited liability company registered as a foreign company in the Cayman Islands, any successor thereto, and any Person hereafter admitted as an additional general partner, in its capacity as general partner of the Partnership.

“Gross Negligence” means “gross negligence” as such term is defined and interpreted in accordance with the laws of the State of Delaware, United States.

“IFRS” means the International Financial Reporting Standards issued by the International Accounting Standards Board.

“Indemnified Person” means each of the General Partner, the Investment Manager, each member, shareholder, partner, manager and director of, and any person who controls, the General Partner or the Investment Manager, each of the respective Affiliates of the foregoing and each of their respective executors, heirs, assigns, successors and other legal representatives.

“Interest” means the entire ownership interest of a Partner in the Partnership at the relevant time, including the right of such Partner to any and all benefits to which a Partner may

be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement.

“Investment Management Agreement” means the investment management agreement by and among the Investment Manager, the General Partner, the Domestic Fund, the Offshore Fund and the Partnership, as amended from time to time.

“Investment Manager” means Highland Capital Management Latin America, L.P., a Cayman Islands exempted limited partnership, or any successor thereto, or any Person thereafter appointed as an investment manager of the Partnership in accordance with the Investment Management Agreement.

“Investments” means investments in securities or other financial or intangible investment instruments, contracts or products made by the Partnership, as more fully described in the Feeder Funds’ offering memoranda (as may be amended, updated or supplemented from time to time).

“Limited Partner” means each of the Persons set forth on Exhibit A, other than the General Partner, and any Person who hereafter becomes a Limited Partner pursuant to the terms of this Agreement, in each case in such Person’s capacity as a limited partner of the Partnership. The General Partner may subdivide the Interests into separate series and establish new series pursuant to Section 2.10; *provided, that*, except as expressly set forth in this Agreement, for all purposes of the Act, the Limited Partners constitute a single class or group of limited partners.

“Liquidator” has the meaning set forth in Section 6.1(b).

“Majority of Limited Partners” means Limited Partners whose Partnership Percentages represent more than 50% of the aggregate Partnership Percentages of all Limited Partners or the series of Limited Partners, as applicable.

“Management Fee” means an amount calculated at an annual rate of (a) 1.75% of each Series A Capital Sub-Account, (b) 1.25% of each Series B Capital Sub-Account, and (c) 1.00% of each Series C Capital Sub-Account. The Management Fee accrues from the date a Capital Sub-Account is created, is calculated monthly based on the Capital Sub-Account balance on the last day of each calendar month (before giving effect to any withdrawals from such Capital Sub-Account during such calendar month) and is payable quarterly in arrears on the last day of each calendar quarter. The General Partner or the Investment Manager may reduce, waive or calculate differently the Management Fee with respect to any Limited Partner and any Capital Sub-Account.

“Negative Basis” means, with respect to any Partner and as of any time of calculation, the excess of such Partner’s “adjusted tax basis” in its Interest for U.S. federal income tax purposes at such time (determined without regard to any adjustments made to such adjusted tax basis by reason of any Transfer of such Interest) over the amount that such Partner is entitled to receive upon withdrawal from or the winding up and subsequent dissolution of the Partnership.

“Negative Basis Partner” means any Partner who withdraws all or a portion of its Interest from the Partnership and who has a Negative Basis as of the effective date of

withdrawal, but such Partner will cease to be a Negative Basis Partner at such time as it has received allocations pursuant to Section 3.9(d) equal to such Partner's Negative Basis as of the effective date of withdrawal and without regard to such Partner's share of the liabilities of the Partnership under Section 752 of the Code.

"Net Assets" means the total value, as determined by the Administrator in accordance with Section 7.3, of all Investments and other assets of the Partnership (including net unrealized appreciation or depreciation of the assets and accrued interest and dividends receivable net of any withholding taxes), less an amount equal to all accrued debts, liabilities and obligations of the Partnership (including any reserves for contingencies accrued pursuant to Section 3.6). Except as otherwise expressly provided herein, Net Assets as of the first day of any Fiscal Period shall be determined on the basis of the valuation of assets conducted as of the close of the immediately preceding Fiscal Period but after giving effect to any capital contributions made by any Partner subsequent to the last day of such immediately preceding Fiscal Period and after giving effect to Management Fee charges and Net Assets as of the last day of any Fiscal Period shall be determined before giving effect to any of the following amounts payable by the Partnership generally or in respect of any Investment which are effective as of the date on which such determination is made:

- (a) any Performance Allocation as of the date on which such determination is made;
- (b) any withdrawals or distributions payable to any Partner which are effective as of the date on which such determination is made; and
- (c) withholding or other taxes (including any amounts payable under any BBA provision), expenses of processing withdrawals and other items payable and any increases or decreases in any reserves, holdbacks or other amounts recorded pursuant to Section 3.6 during the Fiscal Period ending as of the date on which such determination is made, to the extent the General Partner determines that, pursuant to any provisions of this Agreement, such items are not to be charged ratably among the Capital Accounts of all Partners on the basis of their respective Partnership Percentages as of the commencement of the Fiscal Period.

"Net Profit or Net Loss" means, for each Fiscal Year or other period, the taxable income or loss of the Partnership, or particular items thereof, determined in accordance with the accounting method used by the Partnership for United States federal income tax purposes with the following adjustments: (a) all items of income, gain, loss or deduction specially allocated pursuant to Section 3.9 shall not be taken into account in computing such Net Profit or Net Loss; (b) any income of the Partnership that is exempt from United States federal income taxation and not otherwise taken into account in computing Net Profit and Net Loss shall be added to such taxable income or loss; (c) if the Carrying Value of any asset differs from its adjusted tax basis for United States federal income tax purposes, any gain or loss resulting from a disposition of such asset shall be calculated with reference to such Carrying Value; (d) if the Carrying Value of any asset differs from its adjusted tax basis for United States federal income tax purposes, the amount of depreciation, amortization or cost recovery deductions with respect to such asset shall, for purposes of determining Net Profit and Net Loss, be an amount that bears the same ratio to such Carrying Value as the United States federal income tax depreciation, amortization or other

cost recovery deductions bears to such adjusted tax basis (provided, that, if the United States federal income tax depreciation, amortization or other cost recovery deduction is zero (0), the General Partner may use any reasonable method for purposes of determining depreciation, amortization or other cost recovery deductions in calculating Net Profit and Net Loss); (e) any expenditures of the Partnership that are described in Section 705(a)(2)(B) of the Code or are treated as described in Section 705(a)(2)(B) of the Code pursuant to Regulation Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Net Profit and Net Loss shall be treated as deductible items; (f) any deduction or debit of the Partnership attributable to Management Fees, placement fees or Organizational Expenses, as the case may be, shall not be taken into account in computing such Net Profit or Net Loss; and (g) if the Carrying Value of any Partnership property is adjusted as provided in the definition of Carrying Value, the amount of such adjustment shall be taken into account, as and if appropriate, immediately prior to the event giving rise to such adjustment, as gain or loss from the hypothetical disposition of such property.

“New Limited Partner” has the meaning assigned to such term in Section 8.2(a)(vi).

“Offshore Fund” means Highland Argentina Regional Opportunity Fund, Ltd., a Cayman Islands exempted company that invests in the Partnership as a Limited Partner.

“Offshore Fund POM” means the Offering Memorandum of the Offshore Fund, dated October 2017, as may be modified or supplemented from time to time.

“Original Limited Partner” means Gustavo Prilick, in his capacity as the original limited partner of the Partnership.

“Other Account” means any assets or investment of the General Partner or the Investment Manager, or any assets managed by the General Partner, the Investment Manager or any of their respective Affiliates for the account of any Person or entity (including investment vehicles) other than the Partnership, which are invested or which are available for investment in securities or other instruments or for trading activities whether or not of the specific type being conducted by the Partnership.

“Partner” means the General Partner or any of the Limited Partners, except as otherwise expressly provided herein, and ***“Partners”*** means the General Partner and all of the Limited Partners.

“Partnership” means the exempted limited partnership formed upon the filing of a statement under Section 9 of the Act with the Registrar on September 21, 2017, pursuant to the Prior Agreement and registered with the name “Highland Argentina Regional Opportunity Master Fund, L.P.”

“Partnership Percentage” means a percentage established for each Capital Account on the Partnership’s books as of the first day of each Fiscal Period. The Partnership Percentage of a Capital Account for a Fiscal Period shall be determined by dividing the amount of such Capital Account as of the beginning of the Fiscal Period (after crediting all capital contributions to such Capital Account which are effective as of such date, net of all deductions, including Management Fees) by the sum of all Capital Accounts as of the beginning of the Fiscal Period (after crediting

all capital contributions to the Partnership which are effective as of such date, net of all deductions, including Management Fees). The sum of the Partnership Percentages of all Capital Accounts for each Fiscal Period shall equal 100%.

“Performance Allocation” means:

- (a) with respect to each Series A Capital Sub-Account, 20.0% of the amount, determined as of the close of each Calculation Period with respect to such Capital Sub-Account, by which (i) such Capital Sub-Account’s Positive Performance Change for such Calculation Period, if any, exceeds (ii) any positive balance in such Capital Sub-Account’s Carryforward Account as of the most recent prior date as of which any adjustment has been made thereto;
- (b) with respect to each Series B Capital-Sub Account, 17.5% of the amount, determined as of the close of each Calculation Period with respect to such Capital Sub-Account, by which (i) such Capital Sub-Account’s Positive Performance Change for such Calculation Period, if any, exceeds (ii) any positive balance in such Capital Sub-Account’s Carryforward Account as of the most recent prior date as of which any adjustment has been made thereto; and
- (c) with respect to each Series C Capital Sub-Account, 15.0% of the amount, determined as of the close of each Calculation Period with respect to such Capital Sub-Account, by which (i) such Capital Sub-Account’s Positive Performance Change for such Calculation Period, if any, exceeds (ii) any positive balance in such Capital Sub-Account’s Carryforward Account as of the most recent prior date as of which any adjustment has been made thereto.

The General Partner has the discretion to fully or partially waive or decrease the Performance Allocation with respect to any Capital Sub-Account. For the avoidance of doubt, if and for so long as Capital Sub-Accounts are maintained for any Limited Partner, the Performance Allocation shall be calculated separately with respect to each such Capital Sub-Account as if such Capital Sub-Account was the sole Capital Account of a Person admitted as a Limited Partner upon establishment of such Capital Sub-Account. In such event, the Performance Allocation for such Limited Partner shall be the total of the Performance Allocations as calculated with respect to each such Capital Sub-Account.

“Performance Change” means, with respect to each Capital Sub-Account for each Calculation Period, the difference between:

- (a) the sum of (i) the balance of such Capital Sub-Account as of the close of the Calculation Period (after giving effect to Management Fees and all allocations to be made to such Capital Sub-Account as of such date other than any Performance Allocation to be debited against such Capital Sub-Account), plus (ii) any debits to such Capital Sub-Account during the Calculation Period to reflect any actual or deemed distributions or withdrawals with respect to such Capital Sub-Account, plus (iii) any debits to such Capital Sub-Account during the Calculation Period to

reflect any items allocable to such Capital Sub-Account pursuant to Section 3.5(b) or (c); and

- (b) the sum of (i) the balance of such Capital Sub-Account as of the commencement of the Calculation Period, plus (ii) any credits to such Capital Sub-Account during the Calculation Period to reflect any contributions by such Limited Partner to the Capital Sub-Account.

If there is any change in the Net Assets associated with such Capital Sub-Account during a relevant Calculation Period that is not reflected in the Carrying Value of the Partnership's Investment, the General Partner shall be permitted, in its sole discretion, to adjust the Performance Change with respect to such Capital Sub-Account as if such change had been (i) reflected in the Carrying Value of the Partnership's Investments in respect of the relevant Calculation Period and (ii) allocated among the Capital Sub-Accounts in the manner prescribed for comparable items by this Agreement.

The calculation of the Performance Change will take into account all expenses of the relevant Feeder Fund incurred with respect to such Capital Sub-Account as of such calculation date. If the amount specified in clause (a) exceeds the amount specified in clause (b), such difference is a "**Positive Performance Change**," and if the amount specified in clause (b) exceeds the amount specified in clause (a), such difference is a "**Negative Performance Change**."

For the avoidance of doubt, if and for so long as Capital Sub-Accounts are maintained for any Limited Partner, the Performance Change for each Calculation Period shall be computed separately with respect to each such Capital Sub-Account and the resulting "Positive Performance Changes" and "Negative Performance Changes" shall be separately allocated to such Capital Sub-Accounts and shall not be netted against each other.

"**Person**" means any individual, partnership, corporation, limited liability company, trust, or other entity.

"**Plan Assets**" means assets of the Partnership that are considered to be assets of an ERISA Partner, as determined pursuant to Section 3(42) of ERISA.

"**Positive Basis**" means, with respect to any Partner and as of any time of calculation, the excess of the amount that such Partner is entitled to receive upon withdrawal from or the winding up and subsequent dissolution of the Partnership over such Partner's "adjusted tax basis" in its Interest for U.S. federal income tax purposes at such time (determined without regard to any adjustments made to such adjusted tax basis by reason of any Transfer of such Interest).

"**Positive Basis Partner**" means any Partner who withdraws all or a portion of its Interest from the Partnership and who has a Positive Basis as of the effective date of withdrawal, but such Partner shall cease to be a Positive Basis Partner at such time as it shall have received allocations pursuant to Section 3.9(c) equal to such Partner's Positive Basis as of the effective date of withdrawal and without regard to such Partner's share of the liabilities of the Partnership under Section 752 of the Code.

“Prior Agreement” has the meaning set forth in the recitals hereto.

“Registrar” means the Registrar of Exempted Limited Partnerships of the Cayman Islands.

“Regulations” means the proposed, temporary and final U.S. Treasury Regulations promulgated under the Code, including any successor regulations.

“Regulatory Allocations” has the meaning set forth in Section 3.10.

“Section 9 Statement” has the meaning set forth in Section 2.1(a).

“Series A Capital Sub-Account” means a Capital Sub-Account that corresponds to a holder of Series A Interests (as defined in the Domestic Fund LPA) in the Domestic Fund or a holder of a Sub-Series of Series A Shares (as defined in the Offshore Fund POM) in the Offshore Fund, as applicable.

“Series B Capital Sub-Account” means a Capital Sub-Account that corresponds to a holder of Series B Interests (as defined in the Domestic Fund LPA) in the Domestic Fund or a holder of a Sub-Series of Series B Shares (as defined in the Offshore Fund POM) in the Offshore Fund, as applicable.

“Series C Capital Sub-Account” means a Capital Sub-Account that corresponds to a holder of Series C Interests (as defined in the Domestic Fund LPA) in the Domestic Fund or a holder of a Sub-Series of Series C Shares (as defined in the Offshore Fund POM) in the Offshore Fund, as applicable.

“Special Limited Partner” means Highland Capital Management Latin America, L.P., in its capacity as a special limited partner of the Partnership for purposes of the receipt of the Performance Allocation.

“Sub-Series” means sub-series of shares of the Offshore Fund, as created from time to time, for purposes of accounting for any profits and losses attributable to each individual shareholder and of permitting the Performance Allocation to be calculated separately with respect to each shareholder to reflect different returns achieved as a result of subscriptions received from shareholders at different times.

“Termination Date” has the meaning assigned to such term in Section 6.1(a).

“Transfer” means any direct or indirect sale, exchange, transfer, assignment, pledge, encumbrance, charge, exchange, hypothecation, placing of a lien or a security interest on an Interest or any other disposition by a Partner of its Interest to or in favor of another party, whether voluntary or involuntary (including, but not limited to, being offered or listed on or through any placement agent, intermediary, online service, site, agent or similar Person).

Article II ORGANIZATION

2.1 Continuation of Exempted Limited Partnership

- (a) The General Partner and the Original Limited Partner established the Partnership upon filing a statement under Section 9 of the Act (the “*Section 9 Statement*”) with the Registrar on September 21, 2017, pursuant to the Prior Agreement, which Prior Agreement has governed the operation of the Partnership since that date. The Original Limited Partner hereby withdraws as a Limited Partner immediately following the admission of any additional Limited Partner and thereafter shall have no further rights, interest or obligations of any kind whatsoever under or in respect of this Agreement or as the Original Limited Partner. The General Partner hereby admits the Limited Partners who are a party to this Agreement (excluding the Original Limited Partner) and the General Partner and the Limited Partners hereby amend and restate the Prior Agreement in its entirety on the terms of this Agreement.
- (b) If requested by the General Partner, the Limited Partners will promptly execute all certificates and other documents consistent with the terms of this Agreement necessary for the General Partner to accomplish all filings, recordings, publishings and other acts as may be appropriate to comply with all requirements for (i) the formation and operation of an exempted limited partnership under the laws of the Cayman Islands, (ii) if the General Partner deems it advisable, the operation of the Partnership as an exempted limited partnership, or partnership in which the Limited Partners have limited liability, in all jurisdictions where the Partnership proposes to operate and (iii) all other filings required by the Act to be made by the Partnership. The General Partner shall cause any required amendment to the Section 9 Statement or any other amendment requiring filing under the Act to be filed promptly following the event requiring such amendment. All such amendments may be signed by the General Partner (as required by the Act), and may be signed either personally or by an attorney-in-fact or agent of the General Partner.
- (c) The Partnership expects to receive an undertaking from the Governor-in-Cabinet of the Cayman Islands to the effect that, for a period of 50 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciations shall apply to the Partnership or to any Partner in respect of the operations or assets of the Partnership or the Interest of a Partner. The parties hereto acknowledge that they intend that the Partnership be taxed in the United States as a partnership and not as an association taxable as a corporation for U.S. federal income tax purposes. No election may be made to treat the Partnership as other than a partnership for U.S. federal income tax purposes.

2.2 Name of Partnership

- (a) The name of the Partnership is Highland Argentina Regional Opportunity Master Fund, L.P. or such other name as the General Partner may hereafter adopt upon (i) causing a statement pursuant to Section 10 of the Act to be filed with the Registrar and (ii) giving notice thereof to the Limited Partners.
- (b) The Partnership shall have the exclusive ownership and right to use the Partnership name so long as the Partnership continues, despite the withdrawal, expulsion, resignation or removal of any Limited Partner, but upon the Partnership's winding up or at such time as there ceases to be a general partner, the Partnership shall assign the name and the goodwill attached thereto to the General Partner or one of its Affiliates without payment by the assignee(s) of any consideration therefor.

2.3 Registered Office

- (a) The registered office address of the Partnership in the Cayman Islands is at c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (b) The General Partner may at any time change the location of the Partnership's registered office or registered agent in its sole discretion, provided that the registered office of the Partnership shall be in the Cayman Islands.

2.4 Term of Partnership

The term of the Partnership commenced on the date of formation and continues until wound up and dissolved pursuant to Section 6.1 (unless its term is extended pursuant to Section 6.1).

2.5 Object and Powers of Partnership

- (a) The object and business of the Partnership is to (1) purchase, sell (including short sales), invest and trade in the Investments, (2) engage in financial transactions, including borrowing, financing, pledging, hedging and other derivative transactions relating thereto for the benefit of the Partnership, (3) engage in any other lawful act or activity for which exempted limited partnerships may be formed under the Act and (4) engage in any and all activities necessary or incidental to the foregoing; provided that the Partnership shall not undertake business with the public in the Cayman Islands other than so far as is necessary for the carrying on of the business of the Partnership exterior to the Cayman Islands.
- (b) The Partnership possesses and the General Partner on behalf of the Partnership may exercise all such powers and privileges as the General Partner considers necessary, convenient or incidental to the conduct, promotion or attainment of the objects of the Partnership.

2.6 Liability of Partners

- (a) The liability of the Limited Partners is limited to their obligations under this Agreement and the Act. The General Partner is liable for all of the debts and obligations of the Partnership to the extent that the Partnership has insufficient assets. The General Partner shall not be personally liable for the withdrawal, payment or distribution of all or any part of any Interest, it being expressly agreed that any such withdrawal, payment or distribution to be made pursuant to this Agreement shall be made solely from the assets of the Partnership (which shall not include the General Partner's capital contributions) and on the terms and subject to the conditions contained in this Agreement.
- (b) In no event shall any Limited Partner (or former Limited Partner) be obligated to make any contribution to the Partnership in addition to its agreed capital contribution (or other payments provided for herein) or have any personal liability for the repayment or discharge of the debts and obligations of the Partnership except to the extent provided herein or as required by the Act or other applicable law.

2.7 Actions by Partnership

The General Partner on behalf of the Partnership may execute, deliver and perform all contracts, agreements and other undertakings and engage in all activities and transactions as may in the opinion of the General Partner be necessary or advisable to carry out the objects of the Partnership as set forth in Section 2.5 above. Notwithstanding the foregoing, the Partnership shall not issue any securities other than interests in the Partnership.

2.8 Reliance by Third Parties

Persons dealing with the Partnership are entitled to rely conclusively upon the power and authority of the General Partner as herein set forth.

2.9 Filings

- (a) The General Partner shall take any and all other actions as may be reasonably necessary to perfect and maintain the status of the Partnership as an exempted limited partnership under the Act and other laws of the Cayman Islands, including the filing of a notice pursuant to Section 10 of the Act with the Registrar signed by the General Partner upon the occurrence of certain amendments to the Section 9 Statement of the Partnership, and any other states or jurisdictions in which the Partnership engages in business.
- (b) Following the winding up of the Partnership in accordance with the terms of this Agreement and to effect the dissolution of the same, the General Partner or any duly appointed liquidator shall promptly (i) comply with the applicable provisions of Section 15 of the Act, (ii) execute and cause to be filed a notice of dissolution in accordance with Section 15(3) of the Act and (iii) file any certificates of

cancellation in accordance with the laws of any states or jurisdictions in which the Partnership has filed certificates.

2.10 Series of Interests

The General Partner, at any time, may without notification to or consent of the other Limited Partners, create and offer different series of Interests with such rights, obligations, liabilities, privileges, designations and preferences (including different investment strategies, underlying investments, degrees of leverage, management fees, performance allocations, brokerage commissions, transparency, withdrawal rights, co-investment opportunities, and other differences) as the General Partner may determine upon the issuance of such series of Interests; *provided* that such series of Interests would not reasonably be expected to have a material adverse effect on the existing Feeder Fund Investors. The terms and rights of each such series of Interests may be set forth in the Feeder Funds' offering memoranda, any supplement thereto or a "side letter" or other agreement, which the General Partner may incorporate by reference.

Article III CAPITAL

3.1 Contributions to Capital

- (a) Each Partner is permitted to make contributions to the capital of the Partnership at such times and in such amounts as the General Partner, in its sole discretion, may determine. The Limited Partners are not required to make any additional capital contributions to the Partnership, subject to the provisions of Section 3.5(b) and any contrary provision of the Act.
- (b) Each Person admitted as a general partner of the Partnership agrees to make and maintain a capital contribution as a general partner of at least U.S.\$1.00. Except as provided above or in the Act, the General Partner is not required or obligated to make any additional contributions to the capital of the Partnership. However, the General Partner or an Affiliate shall have the right at any time to make additional capital contributions as a Limited Partner or General Partner in such amounts as it may determine. If an Affiliated Investor makes a capital contribution as a Feeder Fund Investor or a Limited Partner, the General Partner has the authority to waive the Management Fee and/or Performance Allocation with respect to such Feeder Fund Investor or Limited Partner, respectively.

3.2 Rights of Partners in Capital

- (a) No Partner shall be entitled to interest on its capital contributions to the Partnership.
- (b) No Partner shall have the right to the return of any capital contribution to the Partnership except, subject to the Act, (i) upon withdrawal by such Partner of all or part of its Interest pursuant to Section 5.3 or (ii) upon the winding up and

dissolution of the Partnership pursuant to Section 6.1. The entitlement to any such return shall be limited to the value of the Capital Account, including corresponding Capital Sub-Accounts, of the Partner. The General Partner shall not be liable for the return of any such amounts.

3.3 Capital Accounts

- (a) The Partnership shall maintain a separate Capital Account for each Partner. The General Partner may, in its discretion, maintain separate memorandum sub-accounts with respect to each such Capital Account for purposes of this Agreement. Each Capital Account will reflect the aggregate sum of the balances of all memorandum sub-accounts associated with each such Capital Account. Without limiting the foregoing, the Partnership shall also maintain separate Capital Sub-Accounts within the Capital Account of each Feeder Fund relating to the beneficial interest of each Feeder Fund Investor therein. If a Feeder Fund Investor invests in more than one series of limited partner interests in the Domestic Fund, the Partnership will maintain a separate Capital Sub-Account on behalf of such Feeder Fund Investor with respect to each series. The Partnership will maintain a separate Capital Sub-Account corresponding to each Sub-Series of shares held by a Feeder Fund Investor in the Offshore Fund. Each Capital Sub-Account will be treated as if it were the Capital Account of a separate Partner for purposes of this Agreement, unless otherwise determined by the General Partner, including, without limitation, for purposes of determining the Management Fee and the Performance Allocation applicable to each such Capital Sub-Account. References herein to a “Capital Account” shall be deemed to refer to such a Capital Sub-Account where the context admits.
- (b) Each Capital Account shall have an initial balance equal to the amount of any cash and the net value of any property constituting the relevant Partner’s initial capital contribution to the Partnership.
- (c) Each Capital Account shall be increased by (i) the amount of any cash and the net value of any property constituting additional contributions to such Capital Account permitted pursuant to Section 3.1 and (ii) such Capital Account’s allocable share of the Net Profits allocated by the Partnership to such Capital Account pursuant to Section 3.4.
- (d) Each Capital Account shall be reduced by (i) the amount of any cash and the net value of any property withdrawn by or distributed to the relevant Partner pursuant to Sections 5.3 or 6.2, (ii) such Capital Account’s allocable share of the Net Losses allocated by the Partnership to such Capital Account pursuant to Section 3.4, (iii) such Capital Account’s *pro rata* portion of the expenses allocable (or specially allocable) by the Partnership pursuant to Section 3.5, (iv) such Capital Account’s allocable share of the Performance Allocation allocable pursuant to Section 3.7, and (v) such Capital Account’s *pro rata* portion of the expenses payable by the Partnership pursuant to Section 4.2(b).

- (e) The Capital Account of the Special Limited Partner will be increased by the amount of the Performance Allocation allocated to such Capital Account and the investment gains thereon pursuant to Section 3.7(a).
- (f) Each Capital Account shall be adjusted to reflect all other allocations and other changes in the value of such Capital Account not otherwise described in this Section 3.3 in the manner specified in the remaining provisions of this Article III.

3.4 Allocation of Net Profit and Net Loss

- (a) Except as otherwise provided in this Agreement, Net Profits, Net Losses and, to the extent necessary, individual items of income, gain, loss, deduction or credit of the Partnership shall be allocated among the Partners in a manner that, after giving effect to the special allocations set forth in Section 3.5, give economic effect to the provisions of this Agreement taking into account such facts and circumstances as the General Partner deems reasonably necessary or appropriate for this purpose. For the avoidance of doubt and solely for the purposes of applying the preceding sentence, the General Partner shall be permitted, in its sole discretion, to cause the Carrying Value of the Partnership's Investments to be adjusted, as described in the definition of "Carrying Value", on a *mutatis mutandis* basis, at the time at which such allocations are made.
- (b) Notwithstanding Section 3.4(a), items of income, gain, loss, deduction, credit and expenses for a Fiscal Period that are not allocable to specific Investments of the Partnership, including short term interest income, and audit, administration and legal expenses, shall be separately allocated among and credited to or debited against the Capital Accounts of the Partners *pro rata* in accordance with their Partnership Percentages for such Fiscal Period.

3.5 Allocation of Management Fees, Withholding Taxes and Certain Other Expenditures

- (a) As of the last day of each calendar quarter, the Management Fee applicable to each Capital Account for such calendar quarter will be debited against the relevant Capital Account. Capital contributions accepted after the commencement of the calendar quarter shall be subject to a prorated Management Fee reflecting the time remaining during such calendar quarter. The General Partner or the Investment Manager may reduce, waive or calculate differently the Management Fee with respect to any Limited Partner and any Capital Sub-Account. For the avoidance of doubt, if and for so long as Capital Sub-Accounts are maintained for any Limited Partner, the Management Fee shall be calculated separately with respect to each such Capital Sub-Account as if such Capital Sub-Account was the sole Capital Account of a Person admitted as a Limited Partner upon establishment of such Capital Sub-Account. The General Partner may delay the timing or alter the structure of fees payable to the Investment Manager so long as such changes are not materially adverse to the Feeder Fund Investors. The Investment Manager may also assign all or any portion of fees payable to the

Investment Manager to any Affiliate thereof or any third party in its sole discretion.

- (b) Notwithstanding anything to the contrary herein, to the extent the General Partner or the Partnership is required by law (including under circumstances where the General Partner or the Partnership is unable to rely conclusively on any withholding certification provided by a Partner) to withhold or to make tax payments, including any interest or penalties, on behalf of or with respect to any Partner or Partners (including, without limitation, any amount attributable to an actual or imputed underpayment of taxes under any BBA provision, backup withholding or FATCA withholding), the General Partner or the Partnership may withhold such amounts and make such tax payments as so required. If the Partnership directly or indirectly pays or incurs any withholding tax or other tax obligation (including any amount under any BBA provision), or otherwise incurs a tax payment with respect to the income allocable or distributable to, or otherwise attributable to, one or more Partners, then the amount of such withholding tax, tax obligation or payment will be treated as a distribution to such Partner or Partners, as applicable, pursuant to the terms of this Agreement. Such amount will be debited against the Capital Account(s) of such Partner or Partners as of the close of the Fiscal Period during which the Partnership so withholds, pays or incurs such obligation. If the amount so withheld, paid or incurred is greater than the balance of the Capital Account(s) of the relevant Partner or Partners, as applicable, then such Partner or Partners and any successors must make a contribution to the capital of the Partnership within 10 Business Days after notification and demand by the General Partner in the amount of such excess. The General Partner is not obligated to apply for or obtain a refund, or reduction of or exemption from withholding tax or other tax obligation (including any amount under any BBA provision) on behalf of any Partner that may be eligible for such refund, reduction or exemption, or otherwise obligated to structure Investments so as to reduce or avoid any withholding tax. Each Limited Partner agrees to repay to the Partnership and the General Partner and each of the partners and former partners of the General Partner, any liability for taxes, interest or penalties which may be asserted by reason of the failure to deduct and withhold tax on amounts distributable or allocable to such Limited Partner.
- (c) Except as otherwise provided for in this Agreement, any expenditures payable by the Partnership (including any taxes imposed on the Partnership pursuant to Section 6225 of the Code, as amended by the BBA), to the extent determined by the General Partner to have been paid or withheld on behalf of, or by reason of particular circumstances applicable to, one or more but fewer than all of the Partners, shall be specially allocated only to the Capital Accounts of those Partners on whose behalf such payments are made or whose particular circumstances gave rise to such payments. Such allocations shall be debited from the relevant Capital Accounts of such Partners as of the close of the Fiscal Period during which any such items were accrued by the Partnership.

3.6 Reserves; Adjustments for Certain Future Events

- (a) The General Partner may cause appropriate reserves to be created, accrued and charged against Net Assets and proportionately against the Capital Accounts (and the corresponding Capital Sub-Accounts) for contingent liabilities, such reserves to be in the amounts which the General Partner deems necessary or appropriate. The General Partner may increase or reduce any such reserve from time to time by such amounts as the General Partner deems necessary or appropriate. The amount of any such reserve, or any increase or decrease therein, may, at the election of the General Partner, be charged or credited, as the General Partner deems appropriate, to the Capital Accounts of those parties that are Partners at the time when such reserve is created, increased, or decreased, as the case may be, or alternatively may be charged or credited to those parties that were Partners at the time of the act or omission giving rise to the contingent liability for which the reserve was established by the General Partner.
- (b) If the General Partner determines that it is equitable to treat an amount to be paid or received as being applicable to one or more prior periods, then all or a portion of such amount may be proportionately charged or credited, as appropriate, in proportion to the Capital Account balances of the current Partners as such balances existed during any such prior period(s).

3.7 Performance Allocation

- (a) The Performance Allocation is debited against each applicable Capital Sub-Account as of the last day of each Calculation Period with respect to such Capital Sub-Account, and the amount so debited is simultaneously credited to the Capital Account of the Special Limited Partner pursuant to Section 3.3(e). Notwithstanding anything herein to the contrary, the Special Limited Partner may assign all or any portion of the Performance Allocation to its Affiliates or any other Person.
- (b) The General Partner may fully or partially waive or decrease the Performance Allocation with respect to any Limited Partner and any Capital Sub-Account.

3.8 Allocation to Avoid Capital Account Deficits

To the extent that any debits pursuant to this Article III would reduce the balance of the Capital Account of any Limited Partner below zero, that portion of any such debits shall instead be allocated to the Capital Account of the General Partner. Any credits in any subsequent Fiscal Period which would otherwise be allocable pursuant to this Article III to a Capital Account of any Limited Partner previously affected by the application of this Section 3.8 shall instead be allocated to the Capital Account of the General Partner in such amounts as are necessary to offset all previous debits attributable to such Limited Partner pursuant to this Section 3.8 not previously recovered.

3.9 Allocations for U.S. Federal Income Tax Purposes

Notwithstanding anything to the contrary in this Agreement:

- (a) Income Tax Allocations. Except as otherwise required by Code Section 704(c), items of income, gain, deduction, loss, or credit that are recognized for income tax purposes in each Fiscal Year will be allocated among the Partners (and among such Partner's Capital Accounts) in such manner as to reflect equitably amounts credited to or debited against each Partner's Capital Accounts, whether in such Fiscal Year or in prior Fiscal Years. To this end, the Partnership will establish and maintain records which shall show the extent to which the Capital Accounts of each Partner will, as of the last day of each Fiscal Year, comprise amounts that have not been reflected in the taxable income of such Partner. To the extent deemed by the General Partner to be feasible and equitable, taxable income and gains in each Fiscal Year shall be allocated among the Partners who have enjoyed the related credits to their Capital Accounts, and items of deduction, loss and credit in each Fiscal Year shall be allocated among the Partners who have borne the burden of the related debits to their Capital Accounts. Non-U.S. tax credits attributable to taxes incurred by the Partnership shall be allocated in a manner consistent with Section 1.704-1(b)(4)(viii) of the Regulations. All matters concerning allocations for U.S. federal, state and/or local income tax purposes, including accounting procedures, not expressly provided for in this Agreement will be determined by the General Partner.
- (b) Basis Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) of the Code or Section 743(b) of the Code is required under Section 1.704-1(b)(2)(iv)(m) of the Regulations to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Regulations; *provided* that in the event that an adjustment to the book value of Partnership property is made as a result of an adjustment pursuant to Section 734(b) of the Code, items of income, gain, loss, or deduction, as computed for book and tax purposes, will be specially allocated among the Partners so that the effect of any such adjustment shall benefit (or be borne by) the Partner(s) receiving the distribution that caused such adjustment.
- (c) General Partner Special Allocations. Notwithstanding anything to the contrary in this Agreement, if the General Partner withdraws (or is otherwise entitled to withdraw) all or a portion of its Capital Account during any Fiscal Year, the General Partner, in its sole discretion, may specially allocate items of income, gain, deduction, loss or credit that are recognized for U.S. federal income tax purposes to itself equal to the amount by which the withdrawn amount exceed its

adjusted tax basis, for U.S. federal income tax purposes, in its Partnership interest (determined prior to any such special allocations).

- (d) Positive Basis Allocations. If the Partnership realizes gains or items of gross income (including short term capital gain) from the sale of Partnership assets for U.S. federal income tax purposes for any Fiscal Year in which one or more Positive Basis Partners withdraws all or a portion of its Interest from the Partnership pursuant to Section 5.3, the General Partner may elect: (i) to allocate such gains or items of gross income among such Positive Basis Partners, pro rata in proportion to the respective Positive Basis of each such Positive Basis Partner, until either the full amount of such gains or items of gross income shall have been so allocated or the Positive Basis of each such Positive Basis Partner shall have been eliminated; and (ii) to allocate any gains or items of gross income not so allocated to Positive Basis Partners to the other Partners in such manner as shall reflect equitably the amounts credited to such Partners' Capital Accounts pursuant to Section 3.3; provided, however, that if, following such Fiscal Year, the Partnership realizes gains or items of gross income from a sale of an Investment the proceeds of which are designated on the Partnership's books and records as being used to effect payment of all or part of the liquidating share of any Positive Basis Partner that continues to be a Partner in the Partnership following such withdrawal (*i.e.*, such Positive Basis Partner effected a partial, and not a complete, withdrawal of its Interest), there shall be allocated to such Positive Basis Partner an amount of such gains or items of gross income equal to the amount, if any, by which its Positive Basis as of the effective date of withdrawal exceeds the amount allocated to such Partner pursuant to clause (i) of this sentence. For the avoidance of doubt, the General Partner may also, in its sole discretion, to apply the Positive Basis definitions and the provisions of this Section 3.9(c) to a withdrawal from a Capital Sub-Account.
- (e) Negative Basis Allocations. If the Partnership realizes net losses or items of gross loss or deduction (including short term capital loss) from the sale of Partnership assets for U.S. federal income tax purposes for any Fiscal Year in which one or more Negative Basis Partners withdraws all or a portion of its Interest from the Partnership pursuant to Section 5.3, the General Partner may elect: (i) to allocate such net losses or items of gross loss or deduction among such Negative Basis Partners, pro rata in proportion to the respective Negative Basis of each such Negative Basis Partners, until either the full amount of such losses or items of loss or deduction shall have been so allocated or the Negative Basis of each such Negative Basis Partner shall have been eliminated; and (ii) to allocate any net losses or items of gross loss or deduction not so allocated to Negative Basis Partners to the other Partners in such manner as shall reflect equitably the amounts credited to such Partners' Capital Accounts pursuant to Section 3.3; provided, however, that if, following such Fiscal Year, the Partnership realizes net losses or items of gross loss and deduction from a sale of an Investment the proceeds of which are designated on the Partnership's books and records as being used to effect payment of all or part of the liquidating share of any Negative Basis Partner that continues to be a Partner in the Partnership following such

withdrawal (*i.e.*, such Negative Basis Partner effected a partial, and not a complete, withdrawal of its Interest), there shall may be allocated to such Negative Basis Partner an amount of such net losses or items of gross loss or deduction equal to the amount, if any, by which its Negative Basis as of the effective date of withdrawal exceeds the amount allocated to such Partner pursuant to clause (i) of this sentence. For the avoidance of doubt, the General Partner may also, in its sole discretion, to apply the Negative Basis definitions and the provisions of this Section 3.9(d) to a withdrawal from a Capital Sub-Account.

- (f) Qualified Income Offset. In the event any Limited Partner unexpectedly receives any adjustments, allocations, or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Regulations, items of Partnership income and gain will be specially allocated to each such Limited Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the deficit balance in the Capital Account of such Limited Partner as quickly as possible; provided that an allocation pursuant to this Section 3.9(e) may be made only if and to the extent that such Limited Partner would have a deficit balance in its Capital Account after all other allocations provided for in this Article III have been tentatively made as if this Section 3.9(e) were not in this Agreement. This Section 3.9(e) is intended to constitute a “qualified income offset” within the meaning of Section 1.704-1(b)(2)(ii) of the Regulations and shall be interpreted consistently therewith.
- (g) Gross Income Allocation. In the event any Limited Partner has a deficit Capital Account at the end of any Fiscal Year that is in excess of the sum of (i) the amount such Limited Partner is obligated to restore pursuant to any provision of this Agreement and (ii) the amount such Limited Partner is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations, each such Limited Partner will be specially allocated items of Partnership gross income and gain in the amount of such excess as quickly as possible; provided that an allocation pursuant to this Section 3.9(f) may be made only if and to the extent that such Limited Partner would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article III have been made as if Section 3.9(e) and this Section 3.9(f) were not in this Agreement.
- (h) Section 704(b) Compliance. The allocations provided in this Section 3.9 are intended to comply with the Regulations under Section 704(b) of the Code and may, as determined by the General Partner, be interpreted and applied in a manner consistent therewith. In the event the General Partner determines that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto, are determined (including, without limitation, debits or credits relating to liabilities that are secured by contributed or distributed property or that are assumed by the Partnership or any Partners), the General Partner may make such modification, provided that it is not likely to have a material adverse effect on the amounts distributed to any Partner pursuant to Sections 3.12 and 6.2 hereof. The General Partner also shall (i) make any adjustments that are necessary or

appropriate to maintain equality between the Capital Accounts of the Partners and the amount of capital reflected on the Partnership's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(q) and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

3.10 Curative Allocations

The allocations set forth in Sections 3.9(b), (e) and (f) (the "**Regulatory Allocations**") are intended to comply with certain requirements of the Regulations. It is the intent of the Partners that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Partnership income, gain, loss, or deduction pursuant to this Section 3.10. Therefore, notwithstanding any other provision of this Article III (other than the Regulatory Allocations), the General Partner shall make such offsetting special allocations of the Partnership income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Partner's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Partner would have had if the Regulatory Allocations were not part of this Agreement and all Partnership items were allocated pursuant to other provisions of this Article III (other than the Regulatory Allocations).

3.11 Tax Matters

- (a) Each Partner agrees not to treat, on any U.S. federal, state, local and/or non-U.S. income tax return or in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner inconsistent with the treatment of such item by the Partnership or which would result in inconsistent treatment, and each Partner further agrees to treat, on any U.S. federal, state, local and/or non-U.S. income tax return in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner consistent with the treatment of such item by the Partnership.
- (b) To the fullest extent permitted by law, each Limited Partner agrees to (i) provide such cooperation and assistance, including executing and filing forms or other statements and providing information about the Limited Partner, as is reasonably requested by the Tax Matters Partner, to enable the Partnership to satisfy any applicable tax reporting or compliance requirements, to make any tax election or to qualify for an exception from or reduced rate of tax or other tax benefit or be relieved of liability for any tax regardless of whether such requirement, tax benefit or tax liability existed on the date such Partner was admitted to the Partnership, (ii) amend the Limited Partner's tax returns and pay any resulting taxes, interest and penalties in connection with an election by the Partnership under Section 6225(a) of the Code, as amended by the BBA, (iii) take into account any adjustments and pay any taxes, interest and penalties that result from an election by the Partnership under Section 6226 of the Code, as amended by the BBA, and/or (iv) indemnify and hold harmless the Partnership from and against any liability with respect to the Limited Partner's share of any tax deficiency

(including any interest and penalties associated therewith) paid or payable by the Partnership that is (A) allocable to such Limited Partner (as reasonably determined by the General Partner in accordance with this Agreement) with respect to an audited or reviewed taxable year for which such Partner was a partner in the Partnership or (B) attributable (as reasonably determined by the General Partner) to the failure of such Limited Partner to cooperate with or provide any such forms, statements, or other information as requested by the Tax Matters Partner pursuant to clause (i) above.

3.12 Distributions

- (a) The amount and timing of any distributions from the Partnership shall be determined by the General Partner. Distributions will generally be made in proportion to the respective Partnership Percentages of the Partners for the Fiscal Period when made. Any distributions may be paid in cash, in kind or partly in cash and partly in kind.
- (b) Notwithstanding any provision to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, may not make a distribution to any Partner from any account in connection with its Interest if such distribution would violate the Act or other applicable law.

3.13 Other Matters

- (a) The General Partner does not have any personal liability for the repayment of any capital contribution of any Partner.
- (b) Subject only to the relevant provisions of the Act, the Limited Partners are not personally liable for the debts, liabilities, contracts or other obligations of the Partnership except to the extent of their respective capital contributions; provided, however, that the foregoing is not to be construed as relieving any Partner of any obligations arising under Section 3.1 of this Agreement.
- (c) The Limited Partners shall not participate in the conduct of the Partnership's business nor shall they transact business for the Partnership, nor shall they have the power to sign for or bind the Partnership, said powers being vested exclusively in the General Partner.

Article IV MANAGEMENT

4.1 Duties and Powers of the General Partner

- (a) Subject to the terms and conditions of this Agreement, the General Partner shall have complete and exclusive power and responsibility, to the fullest extent permitted by the Act, for (i) all investment and investment management decisions

to be undertaken on behalf of the Partnership and (ii) managing and administering the conduct of the business and the affairs of the Partnership, and shall have the power and authority to do all things that the General Partner considers necessary or desirable to carry out its duties hereunder and to achieve the purposes of the Partnership. Without limiting the generality of the foregoing, the General Partner's powers include the power to borrow, obtain leverage or otherwise incur indebtedness with respect to the Partnership's capital. The General Partner has delegated (and the Investment Manager has agreed to assume) its rights and responsibilities with respect to making Investments and the operation of the Partnership to the Investment Manager.

- (b) The General Partner shall have the right, without the notification to or consent of any Limited Partner or other Person, to make adjustments to the structure of the Partnership in order to address applicable structural, ownership, legal, or regulatory issues, or to improve overall tax efficiency; *provided* that no such adjustment would cause any material adverse consequences to the Feeder Fund Investors.
- (c) Without limiting the generality of the General Partner's duties and powers hereunder and notwithstanding anything to the contrary contained herein, the General Partner shall have full power and authority, subject to the other terms and provisions of this Agreement, to execute, deliver and perform such contracts, agreements and other undertakings on behalf of the Partnership, without the consent or approval of any other Person, and to engage in all activities and transactions, as it may deem necessary or advisable for, or as may be incidental to, the conduct of the business contemplated by this Section 4.1, including, without in any manner limiting the generality of the foregoing, (i) contracts, agreements, undertakings and transactions with any Partner or with any other Person, firm or corporation having any business, financial or other relationship with any Partner or Partners, (ii) agreements with each Limited Partner in connection with its purchase of an Interest, (iii) any agreements to induce any Person to purchase an Interest, and (iv) the Investment Management Agreement delegating to the Investment Manager certain of the powers and authority vested by this Agreement in the General Partner as the General Partner and the Investment Manager may agree from time to time, each without any further act, approval or vote of any Person.
- (d) The General Partner may terminate or replace the Investment Manager in accordance with the terms of the Investment Management Agreement. The General Partner may delegate to any other Person (including any of its Affiliates) any power and authority vested in the General Partner pursuant to this Agreement that is not otherwise delegated to the Investment Manager.
- (e) Every power vested in the General Partner pursuant to this Agreement shall be construed as a power to act (or not to act) in its sole and absolute discretion, except as otherwise expressly provided herein. No provision of this Agreement

shall be construed to require the General Partner to violate the Act or any other law, regulation or rule of any self-regulatory organization.

- (f) Notwithstanding any other provision of this Agreement or otherwise applicable provision of law or equity, whenever in this Agreement, the General Partner is permitted or required to make a decision (i) in its “sole discretion” or “discretion” or under a grant of similar authority or latitude, the General Partner shall be entitled to consider only such interests and factors as it desires, including its own interests, and shall, to the fullest extent permitted by applicable law, have no duty or obligation to give any consideration to any interest of or factors affecting the Partnership or the Limited Partners, or (ii) in its “good faith” or under another expressed standard, the General Partner shall act under such express standard and shall not be subject to any other or different standards. Unless otherwise expressly stated, for purposes of this Section 4.1(f), the General Partner shall be deemed to be permitted or required to make all decisions hereunder in its sole discretion.
- (g) The General Partner must cause the Partnership to conduct its dealings with third parties in its own name.
- (h) The General Partner must, throughout the term of the Partnership as set out in Section 2.4, take all actions that may be necessary or appropriate for the continuation of the Partnership’s valid existence as an exempted limited partnership under the laws of the Cayman Islands.

4.2 Expenses

- (a) Subject to Section 4.2(f), each of the General Partner and the Investment Manager pays all of its own operating and overhead costs without reimbursement by the Partnership (except liability insurance). The Partnership will not have its own separate employees or office, and it will not reimburse the General Partner or the Investment Manager for salaries, office rent and other general overhead expenses of the General Partner or the Investment Manager.
- (b) The Partnership, and not the General Partner or the Investment Manager, will pay, or reimburse the General Partner and the Investment Manager for, all costs, fees and expenses arising in connection with the Partnership’s operations. Such expenses payable by the Partnership include the following:
 - (i) all costs related to the Partnership’s investment program, including, without limitation, brokerage commissions, other expenses related to buying and selling securities (including trading errors that are not the result of the Investment Manager’s Gross Negligence, willful misconduct or fraud), costs of due diligence regardless of whether a particular transaction is consummated, the costs of attending shareholder meetings, research expenses and costs related to monitoring Investments;

- (ii) initial organizational expenses of the Partnership; provided that, such organizational costs may be expensed immediately, or in the General Partner's discretion, amortized in whole or in part and capitalized over a period of 60 calendar months from the date the Partnership commences operations, which may result in an exception to IFRS;
 - (iii) fees and expenses of advisers and consultants;
 - (iv) Management Fees;
 - (v) fees and expenses of any custodians, escrow or transfer agents or other investment-related service providers;
 - (vi) indemnification expenses incurred in connection with Section 4.5 and the cost of insurance against potential indemnification liabilities;
 - (vii) interest and other borrowing expenses;
 - (viii) legal, administrative, accounting, tax, audit and insurance expenses;
 - (ix) expenses of preparing and distributing reports, financial statements and notices to Limited Partners;
 - (x) litigation or other extraordinary expenses;
 - (xi) any withholding, transfer or other taxes imposed or assessed on, or payable by, the Partnership (including any interest and penalties); and
 - (xii) the cost of periodically updating this Agreement.
- (c) Expenses generally will be borne *pro rata* by the Partners in accordance with their respective Partnership Percentages; *provided* that expenses may be specially allocated among the Partners as follows:
- (i) with respect to expenses related to Investments (other than taxes), *pro rata* in accordance with their respective Partnership Percentages; and
 - (ii) as provided elsewhere in this Agreement, including Sections 3.4, 3.5, 3.6 and 5.3.
- (d) Each of the General Partner and the Investment Manager, as appropriate, shall be entitled to reimbursement from the Partnership for any of the expenses paid by it on behalf of the Partnership pursuant to Section 4.2(b); *provided* that the General Partner or the Investment Manager may absorb any or all of such expenses incurred on behalf of the Partnership. The Investment Manager may retain, in connection with its responsibilities hereunder as a delegate of the General Partner, the services of others to assist in the investment advice to be given to the Partnership, including, but not limited to, any Affiliate of the Investment

Manager, but payment for any such services shall be assumed by the Investment Manager and the Partnership shall not have any liability therefor; *provided, however*, that the Investment Manager, in its sole discretion, may retain the services of independent third party professionals on behalf of the Partnership, including, without limitation, attorneys, accountants and consultants, to advise and assist it in connection with the performance of its activities on behalf of the Partnership hereunder, and the Partnership shall bear full responsibility therefor and the expense of any fees and disbursements arising therefrom.

- (e) If the General Partner or the Investment Manager, as appropriate, shall incur any of the expenses referred to in Section 4.2(b) for the account or for the benefit of, or in connection with its activities or those of its Affiliates on behalf of, both the Partnership and any Other Account, the General Partner or the Investment Manager, as appropriate, will allocate such expense among the Partnership and each such Other Account in proportion to the size of the Investment made by each in the activity or entity to which the expense relates, or in such other manner as the General Partner considers fair and reasonable.
- (f) Each of the General Partner and the Investment Manager is entitled to use “soft dollars” generated by the Partnership to pay for certain investment research and brokerage services that provide lawful and appropriate assistance to the General Partner or the Investment Manager in the performance of investment decision-making responsibilities to the extent such use falls within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended. Use of “soft dollars” by the General Partner or the Investment Manager as described herein shall not constitute a breach by either the General Partner or the Investment Manager of any fiduciary or other duty which the General Partner or the Investment Manager may be deemed to owe to the Partnership or its Partners.

4.3 Rights of Limited Partners

The Limited Partners shall take no part in the management, control or operation of the Partnership’s business, and shall have no right or authority to act for the Partnership or to vote on matters other than the matters set forth in this Agreement or as required by applicable law. Except as otherwise provided herein or required by law, a Limited Partner shall have no liability for the debts or obligations of the Partnership.

4.4 Other Activities of Partners

- (a) The General Partner shall not be required to devote any specific amount of its time to the affairs of the Partnership, but shall devote such of its time to the business and affairs of the Partnership as it shall determine in good faith to be necessary to conduct the affairs of the Partnership for the benefit of the Partnership and the Partners.
- (b) Each Partner acknowledges and agrees that any other Partner, its Affiliates and their respective officers, directors, shareholders, members, partners, personnel and

employees, may engage in or possess an interest in other business ventures or commercial dealings of every kind and description, independently or with others, including, but not limited to, management of other accounts, investment in, or financing, acquisition and disposition of, securities, investment and management counseling, brokerage services, serving as directors, officers, advisers or agents of other companies, partners of any partnership, or trustees of any trust, or entering into any other commercial arrangements, and will not be disqualified solely on the basis that any such activities may conflict with any interest of the parties with respect to the Partnership. Without in any way limiting the foregoing, each Partner hereby acknowledges that (i) none of the Partners, their Affiliates and their respective officers, directors, shareholders, members, partners, personnel and employees shall have any obligation or responsibility to disclose or refer any of the investment or other opportunities obtained through activities contemplated by this Section 4.4(b) to the General Partner or the Limited Partners, but may refer the same to any other party or keep such opportunities for their own benefit; and (ii) the Partners, their Affiliates and their respective officers, directors, shareholders, members, partners, personnel and employees are hereby authorized to engage in activities contemplated by this Section 4.4(b) with, or to purchase, sell or otherwise deal or invest in investments issued by, companies in which the General Partner might from time to time invest or be able to invest or otherwise have any interest on behalf of the Partnership, without the consent or approval of the Partnership or any other Partner. The Partners expressly agree that no other Partner shall have any rights in or to such other activities, or any profits derived therefrom.

- (c) The General Partner and its Affiliates shall allocate investment opportunities to the Partnership and any Other Account fairly and equitably over time. Notwithstanding the foregoing, the General Partner is under no obligation to accord exclusivity or priority to the Partnership in the event of limited investment opportunities. This means that such opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) fiduciary duties owed to the accounts; (ii) the primary mandate of the accounts; (iii) the capital available to the accounts; (iv) any restrictions on the accounts and the investment opportunity; (v) the sourcing of the investment, size of the investment and amount of follow-on available related to the investment; (vi) whether the risk-return profile of the proposed investment is consistent with the account's objectives and program, whether such objectives are considered in light of the specific investment under consideration or in the context of the portfolio's overall holdings; (vii) the potential for the proposed investment to create an imbalance in the account's portfolio (taking into account expected inflows and outflows of capital); (viii) liquidity requirements of the account; (ix) potentially adverse tax consequences; (x) regulatory and other restrictions that would or could limit an account's ability to participate in a proposed investment; and (xi) the need to re-size risk in the account's portfolio. The General Partner has the authority to allocate trades to multiple accounts on an average price basis or on another basis it deems fair and equitable. Similarly, if an order on behalf of any accounts

cannot be fully allocated under prevailing market conditions, the General Partner may allocate the trades among different accounts on a basis it considers fair and equitable over time.

- (d) The principal of the General Partner, as well as the employees and officers of the Investment Manager and of organizations affiliated with the Investment Manager, may buy and sell securities for their own account or the account of others, but may not buy securities from or sell securities to the Partnership (such prohibition does not extend to the purchase or sale of Interests) unless such purchase or sale is in compliance with the applicable provisions of the Advisers Act.
- (e) Each Partner hereto hereby waives, and covenants not to bring a cause of action in law or equity on the basis of, any law (statutory, common law or otherwise) respecting the rights and obligations of the Partners which is or may be inconsistent with this Section 4.4.
- (f) The General Partner and its Affiliates reserve the right to establish collective investment vehicles that have stated investment programs or terms that differ from those of the Partnership or that are targeted primarily to investors for which the Partnership is not designed to be a suitable investment vehicle. The General Partner and its Affiliates also reserve the right to establish and provide management or advisory services to Other Accounts for significant investors, whether or not such accounts have the same investment program as the Partnership.
- (g) Each Limited Partner acknowledges that the General Partner or the Investment Manager may engage one or more of their respective Affiliates to provide services to the Partnership for compensation.

4.5 Duty of Care; Indemnification

- (a) None of the Indemnified Persons will be liable to the Partnership or any Limited Partner (or any Feeder Fund Investors) for any loss or damage arising by reason of being or having been an Indemnified Person or from any acts or omissions in the performance of its services as an Indemnified Person in the absence of Gross Negligence, willful misconduct or fraud, or as otherwise required by law. In no event shall any Indemnified Person be liable for any consequential damages, special or indirect damages or lost profits. An Indemnified Person may consult with counsel and accountants in respect of the Partnership's affairs and will be fully protected and justified in any action or inaction which is taken in accordance with the advice or opinion of such counsel or accountants, provided that they were selected in accordance with the standard of care set forth above.
- (b) The Partnership shall, to the fullest extent permitted by law, indemnify and hold harmless each Indemnified Person from and against any and all liabilities suffered or sustained by an Indemnified Person by reason of the fact that it, he or she is or was an Indemnified Person or in connection with this Agreement or the

Partnership's business or affairs, including, without limitation, any judgment, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, suit or proceeding, provided that such liability did not result from the Gross Negligence, willful misconduct or fraud of such Indemnified Person. The Partnership will, in the sole discretion of the General Partner, advance to any Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any action, suit or proceeding which arises out of such conduct. In the event that such an advance is made by the Partnership, the Indemnified Person will agree to reimburse the Partnership to the extent that it is finally determined that the Indemnified Person was not entitled to indemnification in respect thereof.

- (c) Notwithstanding any of the foregoing, the provisions of this Section 4.5 do not provide for the exculpation or indemnification of any Indemnified Person for any liability (including liability under U.S. federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the above provisions to the fullest extent permitted by law.
- (d) Pursuant to the foregoing indemnification and exculpation provisions applicable to each Indemnified Person, the Partnership (and not the applicable Indemnified Person) will be responsible for any losses resulting from trading errors and similar human errors, absent Gross Negligence, willful misconduct or fraud of any Indemnified Person.
- (e) The above-mentioned Indemnified Persons are also indemnified by each Limited Partner for any amounts of tax withheld or required to be withheld with respect to that Limited Partner, and also for any amounts of interest, additions to tax, penalties and other costs borne by any such persons in connection therewith to the extent that the balance of the Limited Partner's Capital Account is insufficient to fully compensate the General Partner or the Investment Manager for such costs.
- (f) The General Partner may make, execute, record and file on its own behalf and on behalf of the Partnership all instruments and other documents (including one or more deed polls in favor of categories of Indemnified Persons and/or one or more separate indemnification agreements between the Partnership and individual Indemnified Persons) that the General Partner deems necessary or appropriate in order to extend the benefit of the provisions of Sections 4.5(a) and 4.5(b) to the Indemnified Persons; provided, that, such other instruments and documents authorized hereunder shall be on the same terms as provided for in Sections 4.5(a) and 4.5(b) except as otherwise may be required by applicable law.

4.6 Investment Restrictions

Notwithstanding anything in this Agreement to the contrary, the Partnership may not at the time of investment:

- (a) invest more than 50% of its gross assets in its net holdings of equities;
- (b) borrow more than 100% of its Net Assets;
- (c) invest more than 20% of its gross assets in a single equity position;
- (d) invest more than 20% of its gross assets in a single corporate issuer;
- (e) invest more than 30% of its gross assets in GDP-linked warrants; and
- (f) invest more than 30% of its gross assets in a single sovereign or provincial issuer.

Article V ADMISSIONS, TRANSFERS AND WITHDRAWALS

5.1 Admission of Partners

The General Partner may, without the consent of any existing Partners, admit any Person to the Partnership who agrees to adhere to and be bound by all of the terms of this Agreement as a General Partner or a Limited Partner upon the execution by or on behalf of it and the acceptance by the General Partner of a deed of adherence to this Agreement in form satisfactory to the General Partner. The amount of any initial capital contribution to be made by such additional Partner is determined by the General Partner (in its sole discretion). Effective upon such admission, the Partnership Percentage of each existing Partner is adjusted pro rata to reflect the Partnership Percentage of the additional Partner, and the Partnership's records are revised to reflect such adjusted Partnership Percentages, as well as the name, initial capital contribution and Partnership Percentage of such additional Partner.

5.2 Transfer and Withdrawal of the General Partner

Without the consent of a Majority of the Limited Partners, the General Partner shall not have the right to assign or otherwise transfer its Interest as the general partner of the Partnership, and the General Partner shall not have the right to withdraw from the Partnership without the consent of the Limited Partners; provided in each case that, the Feeder Funds must vote their Interests proportionately based on the votes of their respective Feeder Fund Investors. In the event of an assignment or Transfer of all of its Interest as a general partner of the Partnership in accordance with this clause, the new general partner will immediately notify the Registrar in the Cayman Islands in accordance with Section 10 of the Act and the outgoing General Partner will take such actions as may be reasonably necessary to novate and assign all contracts signed on behalf of the Partnership to the new general partner whereupon the new general partner will be substituted as general partner of the Partnership in place of the outgoing General Partner and immediately thereafter the outgoing General Partner will cease to be the general partner of the Partnership.

5.3 Transfer and Withdrawal of Interests of Limited Partners

- (a) The General Partner shall have the right, in its sole discretion, to (i) prohibit Transfers of Interests by Limited Partners, (ii) compel withdrawals of Interests and (iii) take such other actions as the General Partner deems necessary to ensure that the assets of the Partnership do not constitute Plan Assets for purposes of ERISA.
- (b) Subject to obtaining the General Partner's consent, each Limited Partner may voluntarily withdraw all or part of its Interest at such times and in such amounts as such Limited Partner may determine.
- (c) The General Partner may, at any time, suspend (a) the calculation of the net asset value of the Partnership (and the applicable valuation date); (b) the issuance of Interests; (c) the withdrawal by Limited Partners of their Interests (and the applicable withdrawal date); and/or (d) the payment of withdrawal proceeds (even if the calculation dates and withdrawal dates are not postponed), during any period which: (i) any stock exchange on which a substantial part of Investments owned by the Partnership are traded is closed, other than for ordinary holidays, or dealings thereon are restricted or suspended; (ii) there exists any state of affairs as a result of which (A) disposal of a substantial part of the Investments owned by the Partnership would not be reasonably practicable and might seriously prejudice the Limited Partners, or (B) it is not reasonably practicable for the Partnership fairly to determine the value of its Net Assets; (iii) none of the withdrawal requests which have been made may lawfully be satisfied by the Partnership; (iv) there is a breakdown in the means of communication normally employed in determining the prices of a substantial part of the Investments of the Partnership; or (v) in the sole discretion of the General Partner, it is necessary to preserve the Partnership's assets.
- (d) The Administrator will promptly notify each Limited Partner and each Feeder Fund Investor who, directly or indirectly through a Limited Partner, has submitted a withdrawal request and to whom payment in full of the amount being withdrawn has not yet been remitted of any suspension of withdrawals or suspension of the payment of withdrawal proceeds pursuant to Section 5.3(c). Any remaining amount of a withdrawal request that is not satisfied due to such a suspension remains at risk as per other amounts invested in the Partnership and subject to the applicable Management Fee until such amount is finally and fully withdrawn. Such Limited Partners and Feeder Fund Investors will not be given any priority with respect to the withdrawal of Interests after the cause for such suspension or limitation ceases to exist. The General Partner may in its sole discretion, however, permit such Limited Partners or Feeder Fund Investors (through a Limited Partner) to withdraw their withdrawal requests to the extent that the relevant withdrawal date has not yet passed. For the avoidance of doubt, where a suspension of the payment of withdrawal proceeds is declared between the relevant withdrawal date and the remittance of such payment proceeds, affected Limited Partners and Feeder Fund Investors shall not have any right to withdraw

their withdrawal requests. Upon the reasonable determination by the General Partner that conditions leading to a suspension no longer apply, the Administrator will notify the Limited Partners and Feeder Fund Investors of the end of the suspension. At such time, any such suspended payments shall generally be paid in accordance with the normal process for making such payments, withdrawal rights shall be promptly reinstated, and any pending withdrawal requests which were not withdrawn (or new, timely withdrawal requests) will be effected as of the first withdrawal date following the removal of the suspension, subject to the foregoing restrictions on withdrawals.

- (e) Unless prohibited by law, the Special Limited Partner, its Affiliates and any other Person that is entitled to any portion of the Performance Allocation may make withdrawals of all or any portion of the amount of the Performance Allocation from their Capital Accounts as of the last Business Day of any calendar month and/or such other Business Days as the General Partner may determine in its sole discretion.

Article VI LIQUIDATION AND TERMINATION

6.1 Termination of Partnership

- (a) The Partnership shall be wound up and dissolved upon the first to occur of any of the following dates (each, a “**Termination Date**”) and Sections 36(1)(b), 36(9) and 36(12) of the Act shall not apply to the Partnership:
 - (i) any date on which the General Partner shall elect in writing to terminate the Partnership; and
 - (ii) if the General Partner is the sole or last remaining general partner, the date (the “**Automatic Dissolution Date**”) falling 90 days after the date of the service of a notice by the General Partner (or its legal representative) on all the Limited Partners informing the Limited Partners of:
 - (1) the commencement of liquidation or bankruptcy proceedings in relation to the General Partner; or
 - (2) the withdrawal, removal or making of a winding up or dissolution order in relation to the General Partner;

provided that, if a majority in number of the Limited Partners elects one or more new general partners before the Automatic Dissolution Date, the business of the Partnership shall be resumed and continued. If a new general partner is not elected by the Automatic Dissolution Date, the Partnership shall be wound up and dissolved in accordance with terms of this Agreement and the Act.

- (b) Upon such Termination Date, the Partnership shall be wound up in accordance with the Act by the General Partner or if the General Partner is unable to perform this function, a liquidator elected by a Majority of the Limited Partners (a “**Liquidator**”), which shall take all steps necessary or appropriate to wind up the affairs of the Partnership as promptly as practicable thereafter. Neither the admission of Partners nor the withdrawal, bankruptcy, death, legal incapacity or disability of a Limited Partner shall terminate the Partnership.
- (c) The parties agree that irreparable damage would be done to the goodwill and reputation of the Partners if any Limited Partner should bring an action in court to dissolve the Partnership. Care has been taken in this Agreement to provide for fair and just payment in liquidation of the Interests of all Partners. Accordingly, to the fullest extent permitted by law, each Limited Partner hereby waives and renounces its right to such a court decree of dissolution or to seek the appointment by the court of a liquidator for the Partnership except as provided herein, and no Limited Partner may present a winding up petition against the Partnership without the prior written consent of the General Partner.

6.2 Liquidation of Assets

- (a) Upon the Termination Date of the Partnership, the General Partner or Liquidator (as applicable) shall promptly liquidate the business and administrative affairs of the Partnership to the extent feasible. Net Profit and Net Loss during the Fiscal Periods, which includes the period of liquidation, shall be allocated pursuant to Article III. The proceeds from liquidation shall be divided in the following manner, subject to the Act:
 - (i) the debts, liabilities and obligations of the Partnership, other than any debts to the Partners as Partners, and the expenses of liquidation (including legal, administrative and accounting expenses incurred in connection therewith), up to and including the date that distribution of the Partnership’s assets to the Partners has been completed, shall first be satisfied (whether by payment or the making of reasonable provision for payment thereof);
 - (ii) such debts as are owing to the Partners as Partners are next paid; and
 - (iii) the Partners shall next be paid liquidating distributions (in cash or in securities or other assets, whether or not readily marketable) *pro rata* in accordance with, and up to the positive balances of their respective Capital Accounts, as adjusted pursuant to Article III to reflect allocations for the Fiscal Period ending on the date of the distributions under this Section 6.2(a)(iii).
- (b) Notwithstanding this Section 6.2 and the priorities set forth in the Act, the General Partner or Liquidator may distribute ratably in kind rather than in cash, upon dissolution, any assets of the Partnership; *provided, however*, that if any in

kind distribution is to be made, (i) the assets distributed in kind shall be valued pursuant to Section 7.3, and charged as so valued and distributed against amounts to be paid under Section 6.2(a) and (ii) any gain or loss (as computed for book purposes) attributable to property distributed in kind shall be included in the Net Profit or Net Loss for the Fiscal Period ending on the date of such distribution.

Article VII ACCOUNTING AND VALUATION; BOOKS AND RECORDS

7.1 Accounting and Reports

- (a) The Partnership may adopt for tax accounting purposes any accounting method which the General Partner shall decide is in the best interests of the Partnership and which is permissible for U.S. federal income tax purposes.
- (b) As soon as practicable after the end of each Fiscal Year, the General Partner shall cause an audit of the financial statements of the Partnership as of the end of such period to be made by a firm of independent accountants selected by the General Partner. As soon as is practicable thereafter, the General Partner shall furnish to each Limited Partner a copy of the set of audited financial statements prepared in accordance with IFRS (subject to this Agreement) with GAAP reconciliation and such adjustments thereto as the General Partner determines appropriate, including a statement of profit and loss for such Fiscal Year and an unaudited status of each such Partner's holdings in the Partnership at such time.
- (c) As soon as practicable after the end of each taxable year, the General Partner shall furnish to each Limited Partner such information as may be required to enable each such Limited Partner properly to report for U.S. federal, state and local income tax purposes its distributive share of each Partnership item of income, gain, loss, deduction or credit for such year. The General Partner shall have discretion as to how to report Partnership items of income, gain, loss, deduction or credit on the Partnership's tax returns, and the Limited Partners shall treat such items consistently on their own tax returns.

7.2 Certain Tax Matters

- (a) By joining this Agreement, each Limited Partner appoints and designates the General Partner (i) as the "tax matters partner," within the meaning of Section 6231(a)(7) of the Code, and, (ii) for any BBA Effective Period, as the "partnership representative" within the meaning of Section 6223 of the Code (as applicable, the "**Tax Matters Partner**"), or, in each case, under any similar state or local law. The Tax Matters Partner shall have any powers necessary to perform fully in such capacity, and shall be permitted to take any and all actions, to the extent permitted by law, in consultation with the General Partner if the General Partner is not the Tax Matters Partner. The General Partner shall have the exclusive authority to appoint and designate the Investment Manager, or an

Affiliate of the General Partner or the Investment Manager, as a successor Tax Matters Partner for any BBA Effective Period. The Tax Matters Partner shall be reimbursed by the Partnership for all costs and expenses incurred by it, and to be indemnified by the Partnership with respect to any action brought against it, in its capacity as the Tax Matters Partner.

- (b) The Limited Partners agree that any and all actions taken by the Tax Matters Partner shall be binding on the Partnership and all of the Limited Partners and the Limited Partners shall reasonably cooperate with the Partnership or the General Partner, and undertake any action reasonably requested by the Partnership or the General Partner, in connection with any elections made by the Tax Matters Partner or as determined to be reasonably necessary by the Tax Matters Partners under any BBA provision.
- (c) Each Limited Partner further agrees that such Limited Partner will not treat any Partnership item inconsistently on such Limited Partner's U.S. federal, state, local and/or non-U.S. tax returns or in any claim for a refund with the treatment of the item on the Partnership's tax returns and that such Limited Partner will not independently act with respect to tax audits or tax litigation affecting the Partnership, unless the prior written consent of the General Partner has been obtained.
- (d) The General Partner may in its sole discretion cause the Partnership to make all elections not otherwise expressly provided for in this Agreement required or permitted to be made by the Partnership under the Code and any state, local or non-U.S. tax laws.

7.3 AEOI

Each Partner acknowledges and agrees that:

- (a) the Partnership is required to comply with the provisions of AEOI;
- (b) it will provide, in a timely manner, such information regarding the Partner and its beneficial owners and such forms or documentation as may be requested from time to time by the Partnership (whether by its General Partner or other agents such as the Investment Manager or the Administrator) to enable the Partnership to comply with the requirements and obligations imposed on it pursuant to AEOI, specifically, but not limited to, forms and documentation which the Partnership may require to determine whether or not the Partner's relevant investment is a "Reportable Account" (under any AEOI regime) and to comply with the relevant due diligence procedures in making such determination;
- (c) any such forms or documentation requested by the Partnership or its agents pursuant to paragraph (b), or any financial or account information with respect to the Partner's investment in the Partnership, may be disclosed to the Cayman Islands Tax Information Authority (or any other Cayman Islands governmental body which collects information in accordance with AEOI) and to any

withholding agent where the provision of that information is required by such agent to avoid the application of any withholding tax on any payments to the Partnership;

- (d) it waives, and/or shall cooperate with the Partnership to obtain a waiver of, the provisions of any law which:
 - (i) prohibit the disclosure by the Partnership, or by any of its agents, of the information or documentation requested from the Partner pursuant to paragraph (b);
 - (ii) prohibit the reporting of financial or account information by the Partnership or its agents required pursuant to AEOI; or
 - (iii) otherwise prevent compliance by the Partnership with its obligations under AEOI;
- (e) if it provides information and documentation that is in anyway misleading, or it fails to provide the Partnership or its agents with the requested information and documentation necessary in either case to satisfy the Partnership's obligations under AEOI, the General Partner reserves the right (whether or not such action or inaction leads to compliance failures by the Partnership, or a risk of the Partnership or its investors being subject to withholding tax or other costs, debts, expenses, obligations or liabilities (whether external, or internal, to the Partnership) (together, "*costs*") under AEOI), in its sole discretion, to take any action and/or pursue all remedies at its disposal including, without limitation:
 - (i) to establish separate sub-accounts within a Partner's Capital Account for the purpose of calculating AEOI related costs; and/or
 - (ii) to allocate any or all AEOI costs among Capital Accounts (or Capital Sub-Accounts within a Partner's Capital Account) on a basis determined solely by the General Partner; and/or
 - (iii) to compulsory withdraw such Partner from the Partnership; and/or
 - (iv) to hold back or deduct from any withdrawal proceeds or from any other payments or distributions due to such Partner any costs caused (directly or indirectly) by the Partner's action or inaction;
- (f) it shall have no claim against the Partnership, the General Partner or any of its or their agents, for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Partnership in order to comply with AEOI; and
- (g) it hereby indemnifies the Partnership, the General Partner and each of their respective principals, members, partners, managers, officers, directors, stockholders, employees and agents and holds them harmless from and against any AEOI related liability, action, proceeding, claim, demand, costs, damages,

expenses (including legal expenses) penalties or taxes whatsoever which such parties may incur as a result of any action or inaction (directly or indirectly) of such Partner (or any related person) described in the preceding paragraphs. This indemnification shall survive the disposition of such Partner's Interest in the Partnership.

7.4 Valuation of Partnership Assets and Interests

- (a) The Partnership's assets are valued as of the close of each Fiscal Period and on any other date selected by the General Partner in its sole discretion in accordance with the Investment Manager's valuation policies and procedures.
- (b) The value of the assets of the Partnership and the net worth of the Partnership as a whole determined pursuant to this Section 7.3 are conclusive and binding on all of the Partners and all parties claiming through or under them.

7.5 Determinations by the General Partner

- (a) All matters concerning the determination and allocation among the Partners and their respective Capital Accounts of the amounts to be determined and allocated pursuant to this Agreement, including Article III and accounting procedures applicable thereto, shall be determined by the General Partner, unless specifically and expressly otherwise provided for by the provisions of this Agreement, and such determinations and allocations shall be final and binding on all the Partners; provided, however, that all calculations of the Performance Allocation will be made on the basis of, or subject to correction based on, the annual audit of the Partnership's financial statements and appropriate adjustments will be made to all such calculations and related allocations to the extent necessary as a result of that audit.
- (b) The General Partner may make such adjustments to the computation of Net Profit or Net Loss, the Performance Change and the Carryforward Account or any other allocations with respect to any Limited Partner and their respective Capital Accounts, or any component items comprising any of the foregoing, as it considers appropriate to reflect the financial results of the Partnership and the intended allocation thereof among the Partners and their respective Capital Accounts in a reasonably accurate, fair and efficient manner. Without limiting the generality of the foregoing, any provision of this Agreement that requires an adjustment to be made to any Capital Account or Capital Sub-Account (or other memorandum sub-account) as of any mid-month or mid-quarter date may be made as of the most recent preceding or succeeding date when a regular valuation is being conducted.

7.6 Books and Records

The General Partner shall keep books and records pertaining to the Partnership's affairs showing all of its assets and liabilities, receipts and disbursements, realized income, gains, deductions and losses, Partners' Capital Accounts and associated Capital Sub-Accounts and all

transactions entered into by the Partnership. Subject to the documentation requirements of the Act, such books and records of the Partnership (and/or copies thereof, as appropriate) must be kept at the Partnership's principal office, at the registered office of the Partnership or at the office of an agent of the Partnership.

Article VIII GENERAL PROVISIONS

8.1 Amendment of Partnership Agreement

- (a) Except as required by law, this Agreement may be amended, in whole or in part, by an instrument in writing signed by each of the Limited Partners and the General Partner.
- (b) Notwithstanding the foregoing or anything in this Agreement to the contrary, the General Partner may amend this Agreement without the consent of the Limited Partners in order:
 - (i) to make consequential amendments following any amendment made pursuant to this Section 8.1;
 - (ii) to clarify any manifest or clerical inaccuracy, ambiguity or reconcile any inconsistency in this Agreement;
 - (iii) to add to the representations, duties or obligations of the General Partner or waive any right or power of the General Partner under this Agreement for the benefit of the Limited Partners;
 - (iv) so as to qualify or maintain the qualification of the Partnership as a limited partnership in any jurisdiction;
 - (v) to change the name of the Partnership;
 - (vi) to admit any new Limited Partners or to carry out the Transfer of any Interests;
 - (vii) to make any other amendment whatsoever to this Agreement which the General Partner deems advisable, provided that it does not adversely affect any rights of the Limited Partners; or
 - (viii) to create separate classes or sub-classes or series or sub-series of Interests.

8.2 Special Power-of-Attorney

- (a) Each Partner hereby irrevocably makes, constitutes and appoints the General Partner (and each of its successors and permitted assigns) for the time being, with

full power of substitution, as the true and lawful agent and attorney-in-fact of, and in the name, place and stead of, such Partner with the power from time to time to make, execute, sign, acknowledge, swear to (and deliver as may be appropriate) on its behalf and file and record in the appropriate public offices and publish (as may in the reasonable judgment of the General Partner be required by law):

- (i) any amendments to this Agreement made in accordance with the terms hereof;
 - (ii) any instruments or documents which the General Partner determines in its sole discretion are required to admit any new Limited Partners or to carry out the Transfer of any Interests;
 - (iii) declarations of limited partnership in various jurisdictions and amendments thereto;
 - (iv) all deeds, agreements and other documents which the General Partner deems appropriate to conduct and carry on the business of the Partnership, including, without limitation, to qualify or continue the Partnership as an exempted limited partnership in the Cayman Islands and as required in the jurisdictions in which the Partnership may conduct business, or which may be required to be filed by the Partnership or the Partners under the laws of any jurisdiction or under any amendments or successor statute to the law, to reflect the dissolution or termination of the Partnership or the Partnership being governed by any amendments or successor statutes to the law or to reorganize or refile the Partnership in a different jurisdiction, provided that such reorganization or refiling does not result in a material change in the rights of the Partners;
 - (v) to file, prosecute, defend, settle or compromise litigation, claims or arbitration on behalf of the Partnership;
 - (vi) one or more subscription agreements (or other agreements or documents) on behalf of such Limited Partner between the Partnership, the General Partner and any Person (a "***New Limited Partner***") being admitted by the General Partner to the Partnership as a limited partner thereof (or such other parties as may be appropriate) in such form and on such terms and conditions as the General Partner considers in its absolute discretion necessary or appropriate, including reference to this Agreement and its novation and agreeing and covenanting with such New Limited Partner on behalf of such Limited Partner that the Limited Partner will from the effective date of such subscription agreement or agreements comply with and observe the terms of this Agreement.
- (b) The above power of attorney shall be irrevocable and deemed to be given to secure a proprietary interest of the donee of the power or performance of an obligation owed to the donee and shall survive and shall not be affected by the

subsequent death, lack of capacity, insolvency, bankruptcy or dissolution of any Limited Partner.

- (c) Each Limited Partner shall, at the request of the General Partner, execute additional powers of attorney on a document separate from this Agreement. In the event of any conflict between this Agreement and any instruments executed, delivered, or filed by the General Partner (and any successor thereto) pursuant to this power of attorney, this Agreement shall prevail.
- (d) The General Partner may exercise this power of attorney by listing all of the Partners executing any agreement, certificate, instrument, or document with the single signature of the General Partner as attorney-in-fact for all Partners.
- (e) Each Limited Partner hereby appoints the General Partner by any one or more of its directors or officers in office from time to time, acting singly, to be the Limited Partner's agent and attorney-in-fact.

8.3 Notices

Notices which may be or are required to be given under this Agreement by any party to another shall be given by hand delivery, transmitted by facsimile or telecopier facsimile, transmitted electronically to an address that has been previously provided or verified through another form of notice or sent by registered or certified mail, return receipt requested or internationally recognized courier service, and shall be addressed to the respective parties hereto at their addresses as set forth on the register of Partners maintained by the General Partner or to such other addresses, facsimile numbers or electronic addresses as may be designated by any party hereto by notice addressed to (a) the General Partner, in the case of notice given by any Limited Partner, and (b) each of the Limited Partners, in the case of notice given by the General Partner. Notices shall be deemed to have been given (i) when delivered by hand, transmitted by facsimile or transmitted electronically or (ii) on the date indicated as the date of receipt on the return receipt when delivered by mail or courier service. Sections 8 and 19 of the Electronic Transactions Law (2003 Revision) of the Cayman Islands shall not apply to this Agreement.

8.4 Agreement Binding Upon Successors and Assigns; Delegation

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, but the rights and obligations of the Partners hereunder shall not be assignable, transferable or delegable except as provided in Section 4.1(d), 5.3 and 5.4 and any attempted assignment, transfer or delegation thereof which is not made pursuant to the terms of such Sections shall be null and void *ab initio*.

8.5 Governing Law

This Agreement is, and the rights of the Partners hereunder are, governed by and shall be construed in accordance with the laws of the Cayman Islands, without regard to the conflict of laws rule thereof which would result in the application of the laws of a different jurisdiction. The parties hereby consent to the exclusive jurisdiction and venue for any action arising out of this Agreement in Dallas, Texas. Each Partner consents to service of process in

any action or proceeding involving the Partnership by the mailing thereof by registered or certified mail, postage prepaid, to such Partner's mailing address set forth in the register of limited partnership interests maintained by the General Partner in accordance with the Act.

8.6 Interpretation of Partnership Accounting Systems and Terminology

In the event that the Partnership employs an accounting system which is different from the accounting system of the General Partner or whose terminology does not conform precisely to the terminology in this Agreement, the General Partner shall have the authority to interpret such accounting system and/or terminology in a manner which it, in its sole discretion, determines to be consistent with the objectives of this Agreement.

8.7 Miscellaneous

- (a) The captions and titles preceding the text of each Section hereof shall be disregarded in the construction of this Agreement. Use of the word "including" in this Agreement means in each case "without limitation," whether or not such term is explicitly stated.
- (b) This Agreement may be executed in counterparts, each of which shall be deemed to be an original hereof.
- (c) If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

8.8 Survival

The obligations and covenants of the Limited Partners set forth in Sections 3.5 and 3.11 hereof shall apply jointly and severally to each such Limited Partner and any direct or indirect transferee of or successor to such Limited Partner's interest and will survive such Partner's ceasing to be a partner in the Partnership and/or the termination, dissolution, liquidation and winding up of the Partnership.

8.9 Entire Agreement

The parties acknowledge and agree that this Agreement, together with any other agreement with a Limited Partner, constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

[Signature Page Follows]

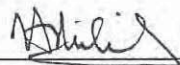
The parties hereto have executed and unconditionally delivered this Agreement as a deed on the day and year first above written.

General Partner:


Highland Argentina Regional Opportunity Fund GP, LLC

By: Highland Capital Management Latin America, L.P.,
its sole member

By: Highland Latin America GP, Ltd., its general
partner

By: 
Name: Gustavo Prilick
Title: Director

Witness:

By: 
Name: Timothy J. Cournoyer
Title:

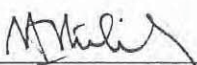
Limited Partners:

Highland Argentina Regional Opportunity Fund, L.P.


By: Highland Argentina Regional Opportunity Fund
GP, LLC, its general partner

By: Highland Capital Management Latin America, L.P.,
its sole member

By: Highland Latin America GP, Ltd., its general
partner

By: 
Name: Gustavo Prilick
Title: Director

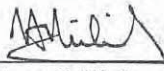
Witness:


By: 
Name: Timothy J. Cournoyer
Title:

Highland Argentina Regional Opportunity Fund, Ltd.

By: Highland Capital Management Latin America, L.P.,
its managing shareholder

By: Highland Latin America GP, Ltd., its general
partner

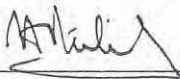
By: 
Name: Gustavo Prilick
Title: Director

Witness:
By: 
Name: Timothy J. Cournoyer
Title:

Special Limited Partner:

Highland Capital Management Latin America, L.P.

By: Highland Latin America GP, Ltd., its general partner

By: 
Name: Gustavo Prilick
Title: Director


Witness:
By: 
Name: Timothy J. Cournoyer
Title:

EXHIBIT A

General Partner:

Highland Argentina Regional Opportunity Fund GP, LLC

Limited Partners:

Highland Argentina Regional Opportunity Fund, L.P.

Highland Argentina Regional Opportunity Fund, Ltd.

Special Limited Partner:

Highland Capital Management Latin America, L.P.

AMENDED AND RESTATED

INVESTMENT MANAGEMENT AGREEMENT

by and among

HIGHLAND ARGENTINA REGIONAL OPPORTUNITY FUND, L.P.,

HIGHLAND ARGENTINA REGIONAL OPPORTUNITY FUND, LTD.,

HIGHLAND ARGENTINA REGIONAL OPPORTUNITY MASTER FUND, L.P.,

HIGHLAND ARGENTINA REGIONAL OPPORTUNITY FUND GP, LLC

and

HIGHLAND CAPITAL MANAGEMENT LATIN AMERICA, L.P.

November 1, 2017

This **AMENDED AND RESTATED INVESTMENT MANAGEMENT AGREEMENT** (this “*Agreement*”), dated as of November 1, 2017, is by and among:

HIGHLAND ARGENTINA REGIONAL OPPORTUNITY FUND, L.P., a Delaware limited partnership (the “*Domestic Fund*”), acting through its general partner, Highland Argentina Regional Opportunity Fund GP, LLC, a Delaware limited liability company (the “*General Partner*”);

HIGHLAND ARGENTINA REGIONAL OPPORTUNITY FUND, LTD., a Cayman Islands exempted company (the “*Offshore Fund*” and together with the Domestic Fund, the “*Feeder Funds*”);

HIGHLAND ARGENTINA REGIONAL OPPORTUNITY MASTER FUND, L.P., a Cayman Islands exempted limited partnership (the “*Master Fund*,” and together with the Feeder Funds, the “*Clients*”) acting by its general partner, the General Partner;

HIGHLAND ARGENTINA REGIONAL OPPORTUNITY FUND GP, LLC, a Delaware limited liability company, as the general partner of the Domestic Fund and the Master Fund; and

HIGHLAND CAPITAL MANAGEMENT LATIN AMERICA, L.P., a Cayman Islands exempted limited partnership, as the investment manager of each of the Clients (the “*Investment Manager*”);

Preliminary Statements

A. The Investment Manager and the Offshore Fund entered into an Investment Management Agreement dated as of June 28, 2017 (the “*Original Agreement*”).

B. The Offshore Fund has re-organized into a master-feeder structure together with the Master Fund and the Domestic Fund. As a result, the Investment Manager and the Offshore Fund desire to amend and restate the Original Agreement in its entirety to give effect to this restructuring and to admit the Master Fund, the General Partner and the Domestic Fund as parties to this Agreement.

C. Each of the Feeder Funds is required to invest all of its investable assets in the Master Fund. The Investment Manager exercises no discretion with respect to the investment of the assets of the Feeder Funds and will serve merely as a steward thereof. All investment activities of the Investment Manager are conducted at the Master Fund level in the Investment Manager’s role as investment manager to the Master Fund.

D. The Clients desire to retain the Investment Manager to provide certain discretionary advisory services relating to the assets and liabilities of the Master Fund and certain custodial services in respect of the Feeder Funds, and the Investment Manager desires to accept such appointment, all subject to the terms and conditions hereinafter set forth.

Agreement

For good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Appointment.

The Investment Manager will serve as investment manager with respect to the assets and liabilities of the Master Fund, and will provide certain administrative services in respect of the Domestic Fund and the Offshore Fund, and the Investment Manager hereby agrees to perform its obligations in accordance with the terms hereof and of the Amended and Restated Exempted Limited Partnership Agreement of the Master Fund, as amended from time to time (the “*Master Fund Partnership Agreement*”), and the investment objectives, policies, guidelines and restrictions that from time to time are set forth in the Governing Documents of the Clients, as applicable. “*Governing Documents*” means, with respect to:

- (a) the Domestic Fund: the confidential private placement memorandum of the Domestic Fund, as supplemented or superseded from time to time (the “*PPM*”), and the Amended and Restated Limited Partnership Agreement of the Domestic Fund, as amended from time to time (the “*Domestic Fund Partnership Agreement*” and, together with the Master Fund Partnership Agreement, the “*Partnership Agreements*”);
- (b) the Offshore Fund: the offering memorandum of the Offshore Fund, as supplemented or superseded from time to time (the “*POM*”), and the Memorandum and Articles of Association of the Offshore Fund, as amended and restated from time to time (the “*Articles*” and, together with the POM, the “*Offshore Governing Documents*”); and
- (c) the Master Fund: the Master Fund Partnership Agreement.

Any capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Governing Documents, as applicable.

2. Authority and Duties of the Investment Manager.

- (a) All of the investable assets of the Feeder Funds shall be invested in, and the investment program of the Feeder Funds is to be conducted by the Investment Manager through, the Master Fund. The Investment Manager shall exercise no discretion with respect to the investments or the assets of the Feeder Funds and the investment activities of the Investment Manager shall be conducted at the Master Fund level in the Investment Manager’s role as investment manager to the Master Fund.
- (b) The Master Fund’s investment program will be conducted by the Investment Manager in accordance with the PPM and the POM.

- (c) The Investment Manager serves as the investment manager to the Master Fund and, in that capacity, has full discretion and authority, without obtaining the prior approval of any officer or other agent of the Master Fund, but subject to the investment restrictions set forth in the Governing Documents: (i) to effect any and all transactions and investments on behalf of the Master Fund; (ii) to determine all matters relating to the manner, method and timing of transactions and to engage consultants and analysts in connection therewith; (iii) to select brokers, dealers, futures commission merchants, banks and other intermediaries by or through whom such transactions will be executed or carried out; (iv) to trade on margin; (v) to borrow funds from banks, futures commission merchants, brokers and other lenders and pledge the securities or other portfolio assets as collateral therefor, and otherwise to utilize any lines of credit, credit balances or overdraft privileges available to the Master Fund; (vi) to direct banks, brokers or other custodians to effect deliveries of funds or assets, but only in the course of effecting portfolio transactions for the account of the Master Fund; (vii) to exercise all voting and other powers and privileges attributable to any investments held for the Master Fund's account hereunder; (viii) to authorize remuneration for the directors of the Offshore Fund (the "**Directors**") who are not principals or employees of the Investment Manager; and (ix) to make and execute all such documents and to take all such other actions as the Investment Manager considers necessary or appropriate to carry out its investment management duties hereunder (including, but not limited to, the engagement of third party service providers on behalf of the Clients).
- (d) Subject to the terms and conditions of this Agreement, the authority granted hereby to the Investment Manager shall include, without limitation, the power and authority to:
- (i) with respect to the Offshore Fund and in consultation with the Directors, approve the rescission of a request for voluntary redemption submitted by a shareholder of the Offshore Fund (each, a "**Shareholder**"); waive any applicable requirements and restrictions in relation to the redemption of shares of the Offshore Fund ("**Shares**") by any Shareholder; waive certain eligibility requirements with respect to any new subscription for participating Shares or the transfer of Shares; waive any of the subscription requirements as set out in the POM with respect to any new subscription for Shares; permit a Shareholder to redeem its Shares at any time in the event that continuing to hold the Shares becomes impractical or illegal, upon a Shareholder's death or total disability, or in order for a Shareholder to avoid materially adverse tax or regulatory consequences; make in-kind distributions of Offshore Fund assets; approve the establishment of reserves for contingencies and distribution holdbacks; approve Side Letters (as defined in the POM); accept subscriptions below the minimum subscription amount; accept redemptions of Shares outside the frequency established by the Articles; and cause the Offshore Fund to invest all of its investable assets in the Master Fund;

- (ii) with respect to the Domestic Fund, consent to or advise the Domestic Fund with respect to any actions of the Domestic Fund for which its consent or advice is required, as outlined in the PPM; make and execute all such documents and take all such other actions as the Investment Manager considers necessary or appropriate to carry out its duties hereunder; and cause the Domestic Fund to invest all of its investable assets in the Master Fund, in each case to the extent permitted under the Domestic Fund Partnership Agreement; and
 - (iii) deposit and withdraw the funds of each Client in the name of such Client in any bank or trust company and to entrust such bank or trust company with any of the securities, monies, documents and papers belonging to or relating to such Client; or to deposit in and entrust to any brokerage firm that is a member of any U.S. national securities exchange any of said funds, securities, monies, documents and papers belonging to or relating to such Client.
- (e) Each Client hereby designates the Investment Manager as the commodity pool operator (the “CPO”) for such Client with complete authority and responsibility for compliance with the U.S. Commodity Exchange Act and the regulations promulgated thereunder, including the authority to perform any and all duties required of a CPO (i) that is exempt from registration under the regulations of the U.S. Commodity Futures Trading Commission (the “CFTC”) and (ii) that is in compliance with CFTC Rule 4.13(a)(3), including the filing of a notice of exemption under Rule 4.13(a)(3) with the CFTC.
- (f) Additionally, each of the Clients hereby designates and appoints the Investment Manager as its agent and attorney-in-fact, with full power and authority and without the need for further approval of the Clients (except as may be required by law), to complete and execute all such documents and to take any and all actions that the Investment Manager, in its discretion, may deem advisable to carry out the foregoing with respect to the assets of the Clients; provided, however, that the Investment Manager is not intended to have actual or constructive custody of any securities or other assets of the Clients. In connection with any of the foregoing, the Investment Manager is further authorized to transfer or tender for cash or exchange such securities or other assets. In all such purchases, sales or trades, the Clients authorize the Investment Manager to act for the Clients, at their risk, in their name and on their behalf, in the same manner and with the same force and effect as the Clients might or could do with respect to such purchases, sales or trades without prior consultation with the Clients. The Clients also appoint the Investment Manager as their agent and attorney-in-fact to vote, and to execute proxies, waivers, consents and other instruments with respect to, the securities and other assets of the Clients.
- (g) At the request of a Client, in any wind down of such Client, the Investment Manager will manage the realization of the Client’s assets and the distribution thereof to investors.

- (h) In connection with the execution of transactions on behalf of the Master Fund, the Master Fund hereby acknowledges and agrees that in the course of selecting brokers, dealers, futures commission merchants, banks and financial intermediaries to effect transactions for the Master Fund's account, the Investment Manager may agree to such commissions, fees and other charges on behalf of the Master Fund's account as it may deem reasonable in the circumstances, taking into consideration all such factors as the Investment Manager deems relevant, including, without limitation, the following: price quotes, the size of the transaction, the nature of the market for the financial instrument, the timing of the transaction, difficulty of execution, the broker-dealer's expertise in the specific financial instrument or sector in which the Master Fund seeks to trade, the extent to which the broker-dealer makes a market in the financial instrument involved or has access to such markets, the broker-dealer's skill in positioning the financial instruments involved, the broker-dealer's promptness of execution, the broker-dealer's financial stability, reputation for diligence, fairness and integrity, quality of service rendered by the broker-dealer in other transactions for the Investment Manager and its respective affiliates, confidentiality considerations, the quality and usefulness of research services and investment ideas presented by the broker-dealer, the broker-dealer's willingness to correct errors, the broker-dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction, and other factors deemed appropriate by the Investment Manager. It is understood that the Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread.

3. Fees, Expenses and Indemnification.

- (a) The Investment Manager shall be paid the Management Fee by the Master Fund in accordance with the Master Fund Partnership Agreement.
- (b) The Investment Manager agrees to be bound by all of the terms and provisions of the Partnership Agreements applicable to it, as a delegatee of the General Partner, as though expressly made a party thereto, and shall be governed by the same standard of care applicable to the General Partner in connection therewith. The General Partner, on behalf of each of the Domestic Fund and the Master Fund, agrees that the Investment Manager shall be entitled to all of the benefits of the Partnership Agreements applicable to it as a delegatee of the General Partner, including, without limitation, the right to reimbursement of expenses provided under Section 4.2 of the Master Fund Partnership Agreement and Section 4.2 of the Domestic Fund Partnership Agreement, and the right to limitation of liability and indemnification provided under Section 4.5 of the Master Fund Partnership Agreement and Section 4.5 of the Domestic Fund Partnership Agreement, and such sections are hereby incorporated by reference as if set forth in full herein.
- (c) With respect to the reimbursement of expenses directly attributable to the Offshore Fund separate and apart from the Master Fund, the Offshore Fund agrees that it will pay the Investment Manager's expenses as follows:

- (i) In accordance with and subject to the Offshore Governing Documents, the Offshore Fund will pay, or will reimburse the Investment Manager for, all costs, fees and expenses arising in connection with the Offshore Fund's operations and its *pro rata* share of the cost of the Master Fund's operations and investments. Expenses payable by the Offshore Fund include the following:
 - (A) the Offshore Fund's *pro rata* share of the cost of the Master Fund's investment program, including, without limitation, brokerage commissions, other expenses related to buying and selling securities (including trading errors that are not the result of the Investment Manager's gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or fraud), costs of due diligence regardless of whether a particular transaction is consummated, the costs of attending shareholder meetings, research expenses and costs related to monitoring investments;
 - (B) initial organizational expenses of the Offshore Fund;
 - (C) fees and expenses of advisers and consultants;
 - (D) fees and expenses of any custodians, escrow or transfer agents or other investment-related service providers;
 - (E) indemnification expenses incurred in connection with the Offshore Governing Documents and the cost of insurance against potential indemnification liabilities;
 - (F) interest and other borrowing expenses;
 - (G) legal, administrative, accounting, tax, audit and insurance expenses;
 - (H) expenses of preparing and distributing reports, financial statements and notices to Shareholders;
 - (I) litigation or other extraordinary expenses;
 - (J) any withholding, transfer or other taxes imposed or assessed on, or payable by, the Offshore Fund (including any interest and penalties); and
 - (K) the cost of periodically updating the POM.
- (ii) Except as set forth herein or in the POM, in accordance with and subject to the Offshore Governing Documents, the Investment Manager will pay all of its own operating and overhead costs (including salaries, office rent

and other general overhead expenses), without reimbursement by the Offshore Fund.

- (iii) The Investment Manager shall be entitled to reimbursement from the Offshore Fund for any expenses paid by it on behalf of the Offshore Fund; provided that, the Investment Manager in its sole discretion may absorb any or all of such expenses incurred on behalf of the Offshore Fund. The Investment Manager may retain, in connection with its responsibilities hereunder as a delegatee of the General Partner, the services of others to assist in the investment advice to be given to the Master Fund, including, but not limited to, any affiliate of the Investment Manager, but payment for any such services shall be assumed by the Investment Manager and neither the Master Fund nor the Offshore Fund shall have any liability therefor; provided, however, that the Investment Manager, in its sole discretion, may retain the services of independent third party professionals on behalf of the Master Fund, including, without limitation, attorneys, accountants and consultants, to advise and assist it in connection with the performance of its activities on behalf of the Master Fund, and the Master Fund shall bear full responsibility therefor and the expense of any fees and disbursements arising therefrom.
- (d) With respect to the right to indemnification directly attributable to the Offshore Fund separate and apart from the Master Fund:
 - (i) The Offshore Fund agrees that the Investment Manager, its members, shareholders, partners, managers, directors, any person who controls the Investment Manager, each of the respective affiliates of the foregoing, and each of their respective executors, heirs, assigns, successors and other legal representatives (each an “*Indemnified Person*”) shall not be liable to the Offshore Fund or to any of the Shareholders for any loss or damage arising by reason of being or having been an Indemnified Person or from any acts or omissions in the performance of its services as an Indemnified Person in the absence of gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or fraud, or as otherwise required by law. In no event shall any Indemnified Person be liable for any consequential damages, special or indirect damages or lost profits. An Indemnified Person may consult with counsel and accountants in respect of the Offshore Fund’s affairs and will be fully protected and justified in any action or inaction which is taken in accordance with the advice or opinion of such counsel or accountants, provided that they were selected in accordance with the standard of care set forth above.
 - (ii) The Offshore Fund shall, to the fullest extent permitted by law, indemnify and hold harmless each Indemnified Person from and against any and all liabilities suffered or sustained by an Indemnified Person by reason of the fact that it, he or she is or was an Indemnified Person or in connection

with this Agreement or the Offshore Fund's business or affairs, including, without limitation, any judgment, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, suit or proceeding, provided that such liability did not result from the gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or fraud of such Indemnified Person. The Offshore Fund will, in the sole discretion of the Directors, advance to any Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any action, suit or proceeding which arises out of such conduct. In the event that such an advance is made by the Offshore Fund, the Indemnified Person will agree to reimburse the Offshore Fund to the extent that it is finally determined that the Indemnified Person was not entitled to indemnification in respect thereof.

- (iii) Notwithstanding any of the foregoing, the provisions of this Section 3(d) do not provide for the exculpation or indemnification of any Indemnified Person for any liability (including liability under U.S. federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the above provisions to the fullest extent permitted by law.
- (iv) Pursuant to the indemnification and exculpation provisions above and as set forth in the Master Fund Partnership Agreement, the Master Fund (and not the applicable Indemnified Person) will be responsible for any losses resulting from trading errors and similar human errors, absent gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or fraud of any Indemnified Person.
- (v) The above-mentioned Indemnified Persons are also indemnified by each Shareholder for any amounts of tax withheld or required to be withheld with respect to that Shareholder, and also for any amounts of interest, additions to tax, penalties and other costs borne by any such persons in connection therewith.
- (vi) Each Indemnified Person shall be deemed a third-party beneficiary (to the extent not a direct party hereto) of this Agreement and, in particular, the provisions of this Section 3(d). The Investment Manager may enter into agreements on behalf of the Offshore Fund with an Indemnified Person to provide an indemnity to the same extent provided in this Section 3(d).

4. Termination.

This Agreement shall become effective on the date hereof and shall continue in effect until the earlier of the dissolution of a Client or termination by either the Investment Manager, the Offshore Fund or the General Partner, on behalf of the Domestic Fund or the Master Fund, upon at least 90 days' prior notice.

5. Other Activities and Investments.

- (a) Each party hereto acknowledges and agrees that the Investment Manager, its affiliates and their respective officers, directors, shareholders, members, partners, personnel and employees, may engage in or possess an interest in other business ventures or commercial dealings of every kind and description, independently or with others, including, but not limited to, management of other accounts, investment in, or financing, acquisition and disposition of, securities, investment and management counseling, brokerage services, serving as directors, officers, advisers or agents of other companies, partners of any partnership, or trustees of any trust, or entering into any other commercial arrangements, and will not be disqualified solely on the basis that any such activities may conflict with any interest of the parties to this Agreement. Without in any way limiting the foregoing, each party hereto hereby acknowledges that (i) none of the Investment Manager, its affiliates and their respective officers, directors, shareholders, members, partners, personnel and employees shall have any obligation or responsibility to disclose or refer any of the investment or other opportunities obtained through activities contemplated by this Section 5(a) to any Client or its investors, but may refer the same to any other party or keep such opportunities for their own benefit; and (ii) the Investment Manager, its affiliates and their respective officers, directors, shareholders, members, partners, personnel and employees are hereby authorized to engage in activities contemplated by this Section 5(a) with, or to purchase, sell or otherwise deal or invest in investments issued by, companies in which the Master Fund might from time to time invest or be able to invest or otherwise have any interest, without the consent or approval of the Clients or their investors. The parties hereto expressly agree that neither the Clients nor their investors shall have any rights in or to such other activities, or any profits derived therefrom.
- (b) The Investment Manager and its affiliates shall allocate investment opportunities to the Master Fund and any Other Account (as defined below) fairly and equitably over time. Notwithstanding the foregoing, the Investment Manager is under no obligation to accord exclusivity or priority to the Master Fund in the event of limited investment opportunities. This means that such opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) fiduciary duties owed to the accounts; (ii) the primary mandate of the accounts; (iii) the capital available to the accounts; (iv) any restrictions on the accounts and the investment opportunity; (v) the sourcing of the investment, size of the investment and amount of follow-on available related to the

investment; (vi) whether the risk-return profile of the proposed investment is consistent with the account's objectives and program, whether such objectives are considered in light of the specific investment under consideration or in the context of the portfolio's overall holdings; (vii) the potential for the proposed investment to create an imbalance in the account's portfolio (taking into account expected inflows and outflows of capital); (viii) liquidity requirements of the account; (ix) potentially adverse tax consequences; (x) regulatory and other restrictions that would or could limit an account's ability to participate in a proposed investment; and (xi) the need to re-size risk in the account's portfolio. The Investment Manager has the authority to allocate trades to multiple accounts on an average price basis or on another basis it deems fair and equitable. Similarly, if an order on behalf of any accounts cannot be fully allocated under prevailing market conditions, the Investment Manager may allocate the trades among different accounts on a basis it considers fair and equitable over time. For purposes of this Agreement, "**Other Account**" means any assets or investment of the Investment Manager, or any assets managed by the Investment Manager or any of its affiliates for the account of any person or entity (including investment vehicles) other than the Clients, which are invested or which are available for investment in securities or other instruments or for trading activities whether or not of the specific type being conducted by the Clients.

- (c) The Principal (as defined in the Domestic Fund Partnership Agreement), as well as the employees and officers of the Investment Manager and of organizations affiliated with the Investment Manager, may buy and sell securities for their own account or the account of others, but may not buy securities from or sell securities to the Master Fund (such prohibition does not extend to the purchase or sale of limited partner interests in the Master Fund), unless such purchase or sale is in compliance with the applicable provisions of the U.S. Investment Advisers Act of 1940, as amended.
- (d) The Investment Manager and its affiliates reserve the right to establish collective investment vehicles that have stated investment programs or terms that differ from those of the Clients or that are targeted primarily to investors for which none of the Clients are designed to be a suitable investment vehicle. The Investment Manager and its affiliates also reserve the right to establish and provide management or advisory services to Other Accounts for significant investors, whether or not such accounts have the same investment program as the Clients.

6. Complete Agreement; Amendment.

- (a) This Agreement, together with the Governing Documents, contains the entire agreement between the parties hereto relating to the subject matter hereof. No provision of this Agreement may be amended without the written consent of the Investment Manager and the Clients.
- (b) This Agreement shall automatically and immediately terminate in the event of its assignment by the Investment Manager other than in accordance with Section 7.

- (c) The expiration or termination of this Agreement shall not extinguish the obligations of the Clients for the payment of fees and expenses in respect of services rendered by the Investment Manager prior to the effective date of such expiration or termination.

7. Binding Effect; Assignment.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, but the rights and obligations hereunder shall not, except as otherwise expressly provided herein, be assignable, transferable or delegable without the written consent of the other parties hereto, and any attempted assignment, transfer or delegation thereof without such consent shall be void.

8. Counterparts.

This Agreement may be executed in one or more counterparts all of which taken together shall be deemed to constitute one and the same instrument.

9. Notice by Investment Manager.

To the extent required by law, the Investment Manager agrees to notify the Clients in writing within 30 days after any change in the membership of the Investment Manager.

10. Severability.

If any provision herein is deemed invalid or unenforceable, such provision shall be deemed modified and limited to the extent necessary to make it valid and enforceable.

11. Independent Contractor.

For all purposes of this Agreement, the Investment Manager shall be an independent contractor and not an employee or dependent agent of the Clients, nor shall anything herein be construed as making the Clients partners or co-venturers with the Investment Manager or any of its affiliates or customers. Except as provided in this Agreement, the Investment Manager shall have no authority to bind, obligate or represent the Clients.

12. Governing Law.

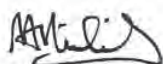
This Agreement shall be governed by and construed in accordance with the substantive laws of the Cayman Islands, which are applicable to contracts made and entirely to be performed therein, without regard to the place of performance hereunder.

[Signature Page Follows]

The parties hereto have executed this Agreement as of the day and year first above written.

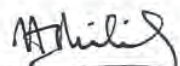
HIGHLAND ARGENTINA REGIONAL OPPORTUNITY FUND, L.P.

By: Highland Argentina Regional Opportunity Fund GP, LLC,
its general partner
By: Highland Capital Management Latin America, L.P., its sole
member
By: Highland Latin America GP, Ltd., its general partner

By: 
Name: Gustavo Prilick
Title: Director

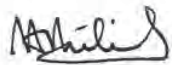
HIGHLAND ARGENTINA REGIONAL OPPORTUNITY FUND, LTD.

By: Highland Capital Management Latin America, L.P., its
managing shareholder
By: Highland Latin America GP, Ltd., its general partner

By: 
Name: Gustavo Prilick
Title: Director

HIGHLAND ARGENTINA REGIONAL OPPORTUNITY MASTER FUND, L.P.

By: Highland Argentina Regional Opportunity Fund GP, LLC,
its general partner
By: Highland Capital Management Latin America, L.P., its sole
member
By: Highland Latin America GP, Ltd., its general partner

By: 
Name: Gustavo Prilick
Title: Director

ARGENTINA REGIONAL OPPORTUNITY FUND GP, LLC

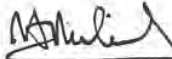
By: Highland Capital Management Latin America, L.P., its sole member

By: Highland Latin America GP, Ltd., its general partner

By: 
Name: Gustavo Prilick
Title: Director

HIGHLAND CAPITAL MANAGEMENT LATIN AMERICA, L.P.

By: Highland Latin America GP, Ltd., its general partner

By: 
Name: Gustavo Prilick
Title: Director

OFFERING MEMORANDUM

Copy No: _____

Furnished to: _____

**HIGHLAND ARGENTINA REGIONAL OPPORTUNITY
FUND, LTD.**

an exempted company incorporated with limited liability under the laws of the Cayman Islands offering for subscription up to 4,999,900 Shares designated as Series A Shares and Series B Shares

**Investment Manager
Highland Capital Management Latin America, L.P.**

March 2019

Prospective investors should review this Offering Memorandum carefully and consult with their legal and financial advisers to determine possible tax or other consequences of purchasing, holding or redeeming Shares (as defined herein).

The distribution of this Offering Memorandum and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Offering Memorandum or the accompanying subscription documents in any such jurisdiction may treat this Offering Memorandum or such subscription documents as constituting an invitation to them to subscribe for Shares, nor should they in any event use such subscription documents, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such subscription documents could lawfully be used without compliance with any registration or other legal requirements.

Application has previously been made on 16 June 2006 to The International Stock Exchange (the "Exchange"), which has approved the listing of up to 4,999,900 Series A Shares of US\$0.01 each to be issued by Highland Argentina Regional Opportunity Fund, Ltd. (the "Fund") to be admitted to the Official List. The Series B Shares are not listed on any stock-exchange. This document will comprise listing particulars for the purpose of the listing of the Shares on that Exchange. It is not presently proposed to seek an admission to listing on any other stock exchange. The Directors do not anticipate that an active secondary market will develop in any of the Shares of the Fund. Ogier Corporate Finance Limited is acting for the Fund and for no one else in connection with the listing of the Shares and will not be responsible to anyone other than the Fund.

This Offering Memorandum includes particulars given in compliance with the Listing Rules of the Exchange for the purpose of giving information with regard to the Fund. The Directors, whose names appear on page 39, accept full responsibility for the information contained in this Offering Memorandum and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Neither the admission of the Shares to the Official List nor the approval of the Offering Memorandum pursuant to the listing requirements of the Exchange shall constitute a warranty or representation by the Exchange as to the competence of the service providers to or any other party connected with the listed fund, the adequacy and accuracy of the information contained in the Offering Memorandum or the suitability of the issuer for investment or for any other purpose.

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DIRECTORY

Highland Argentina Regional Opportunity Fund, Ltd.

Directors:

Claire Kasumba
Martin Laufer
Sophia Dilbert

Registered Office:

Maples Corporate Services Limited
P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Investment Manager:

Highland Capital Management Latin America, L.P.
c/o Highland Capital Management, L.P.
300 Crescent Court, Suite 700
Dallas, TX 75201

Administrator and Principal Office:

MUFG Fund Services (Cayman) Limited
2nd Floor, Strathvale House
90 North Church Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

Auditors:

PricewaterhouseCoopers LLP
5th Floor Strathvale House
P.O. Box 258
Grand Cayman KY1-1104
Cayman Islands

Sponsor:

Ogier Corporate Finance Limited
44 Esplanade, St. Helier
Jersey JE4 9WG
Channel Islands

Legal Advisor as to Cayman Islands Law:

Maples and Calder
P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Legal Advisor as to United States Law:

Akin Gump Strauss Hauer & Feld LLP
1700 Pacific Avenue
Suite 4100
Dallas, TX 75201

Prime Broker:

Société Générale
440 S. LaSalle St., Suite 2400
Chicago, IL 60605

BNP Paribas Prime Brokerage, Inc.
787 Seventh Avenue
The Equitable Tower
New York, NY 10019

NOTICE

THIS OFFERING MEMORANDUM

This Offering Memorandum (“Memorandum”) relates to the offering of Series A and Series B Shares of Highland Argentina Regional Opportunity Fund, Ltd. (the “Fund”), a company incorporated under the Companies Law (Revised) of the Cayman Islands as an exempted company limited by shares and of unlimited duration.

This Memorandum is confidential and intended solely for the use of the person to whom it has been delivered by the Fund for the purpose of enabling the recipient to evaluate an investment in the Fund, and it is not to be reproduced or distributed to any other persons. Notwithstanding anything herein to the contrary, each investor (and each employee, representative, or other agent of the investor) may disclose to its tax and other professional advisors, the tax treatment and tax structure of an investment in the Fund and all materials of any kind (including opinions or other tax analyses) that are provided to the investor relating to such tax treatment and tax structure.

The Directors of the Fund whose names appear in the Directory accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

INVESTOR RESPONSIBILITY

No representations or warranties of any kind are intended or should be inferred with respect to the economic return from, or the tax consequences of, an investment in the Fund. No assurance can be given that existing laws will not be changed or interpreted adversely. Prospective investors are not to construe this Memorandum as legal, investment or tax advice. No person is authorized to make any representations concerning the Fund which are inconsistent with those contained in this Memorandum. This Memorandum supersedes all prior versions thereof and should be reviewed prior to making an investment decision.

Prospective investors should review this Memorandum carefully and in its entirety and consult with their legal, tax and financial advisors in relation to (i) the legal and regulatory requirements within their own countries for the purchase, holding, redemption or disposal of shares of the Fund (“Shares”); (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, redemption or disposal of Shares; and (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, redeeming or disposing of Shares.

DISTRIBUTION AND SELLING RESTRICTIONS

Neither this Memorandum nor the Shares described herein have been qualified for offer, sale or distribution under the laws of any jurisdiction governing the offer or sale of mutual fund shares or other securities. The distribution of this Memorandum and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Memorandum or the accompanying Subscription Documents (as defined herein) in any such jurisdiction may treat this Memorandum or such Subscription Documents as constituting an invitation to them to subscribe for Shares, nor should they in any event use such Subscription Documents, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Subscription Documents could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Memorandum and any persons wishing to apply for Shares pursuant to this Memorandum to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.

The Fund may not make an invitation to the public in the Cayman Islands to subscribe for the Shares unless the Fund is listed on the Cayman Islands Stock Exchange. For these purposes, “public” has the same meaning as “public in the Islands” as defined in the Mutual Funds Law (Revised) of the Cayman Islands. Apart from this restriction, persons resident, domiciled, established, incorporated or registered pursuant to the laws of the Cayman Islands may beneficially own Shares.

The Fund does not constitute a recognized collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the “Act”). In addition, the Investment Manager is not authorized or supervised by the United Kingdom Financial Conduct Authority (“FCA”) as an “alternative investment fund manager” or “AIFM”, as defined in the Financial Services and Markets Act 2000 (Alternative Investment Fund Managers) Regulations 2013 (SI 2013/1773) (“UK AIFMD Regulations”). The promotion and offering or placement of the Fund and the distribution of this Memorandum in the United Kingdom are accordingly restricted by law. The distribution of this Memorandum in the United Kingdom:

- (a) if made by a person who is not an authorized person under the Act, must be made to, and/or directed at, only persons (A) who are professional investors, as defined in the UK AIFMD Regulations; or (B) to whom it may lawfully be made or directed at under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended), including persons who are authorized under the Act (“authorized persons”), certain persons having professional experience in matters relating to investments, high net worth companies, high net worth unincorporated associations or partnerships, trustees of high value trusts and persons who qualify as certified sophisticated investors; and
- (b) if made by a person who is an authorized person under the Act must be made to, and/or directed at, only persons (A) who are professional investors, as defined in the UK AIFMD Regulations; or (B) to whom it may lawfully be made or directed at under the

Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (as amended) or chapter 4, section 4.12 of the FCA's Conduct of Business Sourcebook, including authorized persons, certain persons having professional experience of participating in unregulated schemes, high net worth companies, high net worth unincorporated associations or partnerships, trustees of high value trusts, persons who qualify as certified sophisticated investors and clients of the person making the distribution for whom that person has taken reasonable steps to ensure that the investment in the Fund is suitable.

All such persons in (a) and (b) above together are referred to as "Relevant Persons." Any investment or investment activity to which this communication relates must only be made available to Relevant Persons in the United Kingdom and this Memorandum must not be distributed to or relied on or acted upon by any other persons in the United Kingdom.

The Shares of the Fund have not been admitted for marketing in Germany. The Shares have only been admitted for marketing to professional investors in the territory of Germany. Accordingly, the Shares may not be offered and marketed to semi-professional and retail investors within the meaning of section 1(19) no. 31 and 33 German Capital Investment Act (Kapitalanlagegesetzbuch) in the territory of Germany. The Memorandum may not be passed on to semi-professional and retail investors in Germany.

The Shares described in this Memorandum have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any similar law, rule or regulation in any other jurisdiction (including without limitation any law, rule or regulation of England and Wales, the Cayman Islands or any of the states of the United States of America). Shares of the Fund may not be directly or indirectly offered or sold to or for the benefit of any United States Person (as defined herein) except pursuant to placements exempt from registration under the United States Securities Act of 1933, as amended. In addition, the Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended, or any similar law, rule or regulation in any other jurisdiction (including without limitation any law, rule or regulation of England and Wales, the Cayman Islands or any of the states of the United States of America).

The Shares offered hereby may not be publicly offered, sold or advertised in Switzerland pursuant to Article 2 of the Swiss Investment Fund Act 1995 and this Memorandum may only be circulated to a limited number of persons in Switzerland. Therefore, no steps have been taken to register the Fund and/or this Memorandum as a prospectus in Switzerland.

ADDITIONAL INFORMATION CONCERNING THE DISTRIBUTION OF THE FUND IN SWITZERLAND

The Shares of the Fund can be distributed in Switzerland exclusively to qualified investors as defined by Article 10 § 3 of the Collective Investment Scheme Act (CISA) and Article 6 of the Collective Investment Scheme Ordinance (CISO) (Qualified Investors). The Fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA). This offering memorandum and/or any other offering materials relating to the Shares may be made available in Switzerland solely to Qualified Investors.

The Representative of the Fund in Switzerland is Hugo Fund Services SA, with its registered office at 6 Cours de Rive, CH-1204 Geneva. The offering documents and annual or semi-annual reports can be obtained free of charge from the Representative. The place of performance for Shares of the Fund offered or distributed in or from Switzerland are the registered office of the Representative. The courts of the canton of Geneva shall have jurisdiction in relation to any disputes arising out of the duties of the Representative. Any dispute related to the distribution of Shares of the Fund in and from Switzerland shall be subject to the jurisdiction of the registered office of the distributor. The Paying Agent in Switzerland is Banque Heritage SA, 61 Route de Chêne, CH-1208 Geneva, Switzerland. Shares may be subscribed and/or redeemed with the Paying Agent. A handling commission will be charged by the Paying Agent and deducted from the subscription or redemption amount paid or received. If a subscription or redemption is made through the Paying Agent, instructions and money must be received by the paying agent at least 24 hours before the appropriate dealing cut-off time.

The fees and expenses associated with the representation, paying agency and other distribution items may be charged to the Fund. As applicable, the actual amount of such fees and expenses will be disclosed in the audited annual report.

In distributing shares of the Fund in Switzerland, the Fund is authorised to pass on distribution fees to the distributors and sales partners listed below:

- Distributors subject to authorization as defined in Article 19 al. 1 of the CISA (Swiss or foreign distributors regulated in their home jurisdiction)
- Distributors that are not required to obtain an authorization as defined under Article 19 al 1 of the CISA and article 8 of CISO (financial intermediaries regulated by FINMA, banks, insurance companies, fund managers, representatives)
- Sales partners who place shares in the Fund with their customers exclusively through a written commission-based investment management or advisory mandate (e.g. independent asset managers or advisors).

When a retrocession payment may give rise to a conflict of interest, the recipient of the retrocession must ensure transparent disclosure and inform investors, unsolicited and free of charge, of the amount of retrocession it may receive for distribution. Upon request, the recipient must disclose the actual amount of retrocession received for distributing the Fund to the investor requiring information.

RELIANCE ON THIS MEMORANDUM

The Shares are offered only on the basis of the information contained in this Memorandum and the latest audited annual accounts of the Fund. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorized to give any information or to make any representations in connection with the offering of Shares in the Fund other than those contained in this Memorandum and in any subsequent annual report for the Fund and, if given or made, such information or representations must not be relied on as having been authorized by the Fund, the Directors, the Investment Manager or the Administrator (each as defined herein). Statements in this Memorandum are based on the law and practice currently in force in the Cayman Islands

at the date hereof and are subject to change. Neither the delivery of this Memorandum nor the issue of Shares shall under any circumstance create any implication or constitute any representation that the affairs of the Fund have not changed since the date of this Memorandum.

RISKS

Investment in the Fund carries with it a degree of risk. The value of Shares and the income from them may go down as well as up, and investors may not get back the amount invested. Because of the risks involved, investment in the Fund is only suitable for sophisticated investors who are able to bear the loss of a substantial portion or even all of the money they invest in the Fund, who understand the high degree of risk involved, believe that investment in the Fund is suitable for them based on their investment objectives and financial needs and have no need of liquidity of investment. Investors are therefore advised to seek independent professional advice on the implications of investing in the Fund. Certain risk factors for an investor to consider are set out in the Section headed "Certain Risk Factors."

There is no public market for the Shares and no active secondary trading market is expected to develop in the future.

REGULATION

The Fund is a regulated mutual fund for the purposes of the Mutual Funds Law (Revised) of the Cayman Islands. The Fund is registered with the Cayman Islands Monetary Authority pursuant to section 4(3) of that Law and this Memorandum has been filed with the Monetary Authority. Such registration does not imply that the Monetary Authority or any other regulatory authority in the Cayman Islands has approved this Memorandum or the offering of the Shares. For a summary of the continuing regulatory obligations of the Fund and a description of the regulatory powers of the Monetary Authority, see the Section headed "The Fund– Regulations."

CONFIDENTIALITY

Any information forwarded to the Fund by any potential investors will be treated on a confidential basis except as outlined in the Data Protection policy in the accompanying Subscription Documents and that such information may be passed on to a relevant third party by the Fund where so required by law or regulation and each investor upon subscribing for Shares shall be deemed to have consented to such release of such confidential information pursuant to the terms of Clause 3(2)(b)(i) (or any amendment thereto) of the Confidential Relationships (Preservation) Law (Revised) of the Cayman Islands.

DEFINITIONS

In this Memorandum, the following words and phrases have the meanings set forth below:

“Administration Agreement”	the agreement between the Master Fund and the Administrator referred to in the Section headed “Management and Administration” below;
“Administrator”	MUFG Fund Services (Cayman) Limited or such other person as may be appointed administrator of the Feeder Funds and the Master Fund from time to time;
“Articles”	the articles of association of the Fund for the time being in force and as may be amended from time to time;
“Auditors”	PricewaterhouseCoopers LLP or such other person as may be appointed auditor of the Master Fund from time to time;
“Business Day”	a day on which banks in the Cayman Islands, Buenos Aires and New York City are authorized to open for business or such other day or days in addition thereto or in substitution therefor as the Directors may determine generally, or in any particular case;
“Companies Law”	the Companies Law (Revised) of the Cayman Islands as amended or re-enacted from time to time;
“Directors”	The directors of the Fund for the time being and any duly constituted committee thereof;
“Domestic Fund”	Highland Argentina Regional Opportunity Fund, L.P., a Delaware limited partnership;
“Eligible Investors”	has the meaning set forth in the Subscription Documents;
“Exchange”	The International Stock Exchange;
“Feeder Funds”	means the Fund and the Domestic Fund, each of which places all of its investable assets in, and conducts all of its investment and trading activities in parallel through, the Master Fund;
“Fund”	Highland Argentina Regional Opportunity Fund, Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands with registration number CR-162177;

“IFRS”	International Financial Reporting Standards issued by the International Accounting Standards Board;
“Investments”	investments in securities or other financial or intangible investment instruments, contracts or products made by the Master Fund, as described in this Memorandum;
“Investment Management Agreement”	the agreement between the Feeder Funds, the Master Fund, the Master Fund General Partner and the Investment Manager referred to in the Section headed “Management and Administration” below;
“Investment Manager”	Highland Capital Management Latin America, L.P. or such other person as may be appointed investment manager of the Feeder Funds and the Master Fund from time to time;
“Latin America”	the countries of Central and South America, of the Caribbean and Mexico;
“Management Fee”	the management fee payable to the Investment Manager (at the Master Fund level) in respect of each Series pursuant to the Investment Management Agreement;
“Management Share”	a voting, non-participating management share of US\$0.01 par value in the capital of the Fund;
“Master Fund”	Highland Argentina Regional Opportunity Master Fund, L.P., a Cayman Islands exempted limited partnership;
“Master Fund General Partner”	Highland Argentina Regional Opportunity Fund GP, LLC, a Delaware limited liability company and the general partner of the Domestic Fund and the Master Fund;
“Master Fund Partnership Agreement”	an exempted limited partnership agreement of the Master Fund, as may be amended from time to time;
“Material Contracts”	the Administration Agreement and the Investment Management Agreement;
“Memorandum”	this offering memorandum and the Fund’s most recent annual report and accounts or, if more recent, its interim report and accounts;
“Monetary Authority”	the Cayman Islands Monetary Authority;

“Mutual Funds Law”	the Mutual Funds Law (Revised) of the Cayman Islands as from time to time modified or re-enacted or consolidated, and shall include any subordinate legislation made from time to time under that law;
“Net Asset Value”	in respect of the Master Fund, the Fund or each Series of Shares, the Net Asset Value of the Master Fund, the Fund or that Series determined using the valuation principles described in the Section headed “Subscription, Redemption and Transfer of Shares” below;
“Net Asset Value per Share”	in respect of a Share of any Series, the Net Asset Value for the relevant Series divided by the number of Shares of such Series then in issue;
“Ordinary Resolution”	a resolution passed at a quorate meeting of the Fund by a simple majority of the votes cast in its favor by the holders of the Management Shares or a resolution approved in writing by all such holders of Management Shares expressed to be an ordinary resolution;
“Performance Allocation”	the performance allocation allocable to the Special Limited Partner at the Master Fund level in respect of each sub-series of Shares pursuant to the Master Fund Partnership Agreement;
“Recognized Exchange”	any regulated market or exchange (which is an exchange within the meaning of the law of the country concerned relating to exchanges) in the United States of America, member states of the European Union or the Organization for Economic Co-operation and Development or any other regulated exchange or market;
“Redemption Day”	the last Business Day of each calendar month or such additional Business Day or Business Days as the Directors may in their sole discretion determine, either in any particular case or generally;
“Redemption Request”	a redemption request form in the terms set out in the Subscription Documents;
“Redemption Price”	the redemption price of a Share as calculated in accordance with the Articles and described herein;
“Series”	any series of Shares designated by the Directors pursuant to the Articles;

“Series A Shares”	the Shares designated as “A” Shares being offered pursuant to this Memorandum;
"Series B Shares"	the Shares designated as "B" Shares being offered pursuant to this Memorandum;
“Services Agreement”	an agreement by and between the Investment Manager and Highland Latin America Consulting, Ltd. referred to in the Section headed “Management and Administration” below;
“Share”	a non-voting, participating, redeemable share of US\$0.01 par value each in the capital of the Fund. The use of the term “Share” in this Memorandum excludes the Management Shares;
“Shareholder”	a holder of Shares;
“Special Limited Partner”	Highland Capital Management Latin America, L.P., in its capacity as the special limited partner of the Master Fund;
“Special Resolution”	a resolution passed at a quorate meeting of the Fund by a two-thirds majority of the holders of the Management Shares thereat or approved in writing by all of such holders of Management Shares and expressed to be a special resolution;
“Subscription Day”	the first day of each calendar month or such additional day or days as the Directors may in their sole discretion determine, either in any particular case or generally;
“Subscription Documents”	the subscription documents of the Fund;
“Subscription Price”	the Subscription Price for Series A Shares and Series B Shares will be based on the Net Asset Value per Share of such Series on the Valuation Day that occurs after notice of the subscription is received and approved by the Fund and immediately preceding the applicable Subscription Day, as calculated in accordance with the Articles and described herein;
“US\$” or “U.S. Dollars”	the lawful currency of the United States of America;
“United States” or “U.S.”	the United States of America, its territories and possessions or areas subject to its jurisdiction;
“U.S. Person”	as defined under Regulation S under the United States Securities Act of 1933, as amended; and

“Valuation Day”

with respect to a Share, each Redemption Day, the Business Day immediately preceding each Subscription Day and/or such other day or days as the Directors may determine generally or in any particular case.

EXECUTIVE SUMMARY

The following summary should be read in conjunction with the full text of this Memorandum, the Articles, the Master Fund Partnership Agreement and other Material Contracts disclosed in this Memorandum and is qualified in its entirety by reference to such documents:

The Fund

Highland Argentina Regional Opportunity Fund, Ltd. is incorporated under the provisions of the Companies Law (Revised) of the Cayman Islands as an exempted company with limited liability. It was incorporated on February 8, 2006, as MBA Latin America Opportunity Fund, Ltd. The Fund's name was changed to Highland Argentina Regional Opportunity Fund, Ltd. on July 28, 2017.

It has an authorized share capital of US\$50,000 made up of 100 Management Shares and 4,999,900 Shares. The Directors have designated two Series of Shares, Series A Shares and Series B Shares. The Directors may also designate further Series of Shares in the future that will be attributable to the single underlying portfolio of the Fund. Each additional Series of Shares may be offered on different terms and in such different currencies as the Directors may determine.

See the Section headed "Description of the Fund's Shares" below for full details.

Investment Objective and Strategies

The investment objective of the Fund is to maximize the total return of its assets in US Dollars through capital appreciation by investing all of its investable assets in the Master Fund, which intends to hold primarily a portfolio of investments in securities of Latin American corporate and sovereign issuers as well as non-Latin American issuers that derive a portion of their revenues from business activities in Latin America, in each case with a primary focus on Argentina, and that the Investment Manager believes would provide profitable investment opportunities for the Master Fund. The Master Fund will invest in a single portfolio of assets and does not currently intend to have a separate portfolio of assets for each of its series of limited partner interests, each of which will correspond to a Series of Shares.

The Master Fund is a multi-strategy investment fund and there is no limit on the investment strategies that may be utilized. The Investment Manager will be focused on identifying assets

that are mispriced against similar assets and/or against the Investment Manager's expectations for assets' fair values and market movements, special situations, such as mergers, financial restructurings, hostile takeovers, or leveraged buy-outs. There is no set allocation among these and any other strategies that the Investment Manager may use.

Master-Feeder Structure

In order to facilitate investments by U.S. taxable and certain U.S. tax-exempt investors, the Investment Manager and its affiliates recently sponsored Highland Argentina Regional Opportunity Fund, L.P., a Delaware limited partnership. The Feeder Funds will place all of their investable assets in, and conduct all of their investment and trading activities in parallel through, the Master Fund. Accordingly, references herein to the investment activity of the Fund should be construed to refer to the Fund's investment activities through the Master Fund. The Feeder Funds share all items of profit, loss, income and expense of the Master Fund on a *pro rata* basis in accordance with their respective capital account balances in the Master Fund. Except as the context otherwise requires, the term "Fund" also includes the Master Fund.

The Investment Manager or an affiliate may also sponsor one or more additional investment funds or accounts.

Management

The Directors of the Fund are Claire Kasumba, Martin Laufer and Sophia Dilbert.

Highland Capital Management Latin America, L.P., a Cayman Islands exempted limited partnership, is the investment manager of the Feeder Funds and the Master Fund with responsibility for overseeing the investment of the Fund's assets (through the Master Fund) and the distribution of the Shares in accordance with the investment objective and policies of the Master Fund. With the approval of the Master Fund General Partner, the Investment Manager may delegate certain of its duties to other companies and entities, which may be affiliated with, or independent of, the Investment Manager.

MUFG Fund Services (Cayman) Limited, a company formed under the laws of the Cayman Islands, has been appointed as the administrator of the Feeder Funds and the Master Fund pursuant to the Administration Agreement. The Administrator is responsible for conducting the day-to-day administration, including processing subscriptions, transfers and redemptions of Shares, net asset value calculation and coordinating the payment of the Fund's and Master Fund's expenses.

See the Section headed “Management and Administration” below for full details.

Offering

The Series A Shares and Series B Shares offered pursuant to this Memorandum are available for issue to Eligible Investors at a Subscription Price based on the Net Asset Value per Share of such Series on the Valuation Day that occurs after the Subscription Documents are received and approved by the Fund and immediately preceding the relevant Subscription Day, as calculated in accordance with the Articles and described herein.

The Fund reserves the right to reject an application for Shares.

See the Section headed “Subscription, Redemption and Transfer of Shares” below for full details.

Minimum Investment

The minimum initial investment for the Series A Shares and Series B Shares is US\$500,000. The minimum subsequent investment for the Series A Shares and Series B Shares is US\$500,000. In each case, the Investment Manager may in its sole discretion determine other minimum investment amounts in respect of a particular Shareholder or group of Shareholders, subject to the Listing Rules of the Exchange but not below US\$100,000 in respect of the Series B Shares.

Eligible Investors

Only Eligible Investors may subscribe for Shares. See the Subscription Documents.

Redemptions

Shares generally may be redeemed as of the last Business Day of any calendar month, on 30 calendar days’ prior written notice, at Net Asset Value per Share prevailing at the close of business of such Redemption Day.

Partial redemptions will only be accepted in minimum amounts of US\$100,000.

The Fund may also compulsorily redeem Shares in certain circumstances.

Redemption proceeds will be paid in cash (in US\$) by electronic transfer at the Shareholder’s risk and expense or, in certain circumstances, in securities, or partly in cash and partly in securities. Except as set forth above, no redemption charges will apply to the Shares.

Any Shareholder who redeems Series B Shares prior to the first anniversary of its purchase of such Series B Shares may be assessed an early redemption fee of up to 3% of the Net Asset Value per Series B Share prevailing at the close of business of such Redemption Day, payable to the Fund. For purposes hereof, an anniversary shall occur on the 365th consecutive day (counting the closing date as the first day) or, if such 365th day is not a Business Day, the immediately preceding Business Day.

See the Section headed “Subscription, Redemption and Transfer of Shares – Redemption of Shares” below for full details.

Transfers

Shares may not be transferred without the prior written consent of the Directors. See Section headed “Subscription, Redemption and Transfer of Shares – Transfer of Shares” below for full details.

Dividends

The Fund may pay dividends or other distributions to Shareholders in the sole and exclusive discretion of the Directors, although generation of income is not a principal objective of the Fund.

Fees and Expenses

Series A Shares

The Investment Manager will receive a quarterly Management Fee in respect of the Series A Shares at an annual rate equal to 1.75% of the net assets of the Fund attributable to each Series A Share, calculated monthly and payable quarterly in arrears. The Management Fee is paid at the Master Fund level.

The Special Limited Partner will be entitled to a quarterly Performance Allocation in respect of each sub-series of Series A Shares calculated and allocated at the Master Fund level, but is effectively equal to 20% of the net profits (including unrealized gains), if any, applicable to each Series A Share for each fiscal quarter; but only to the extent that such profits exceed any losses carried forward from prior years.

Series B Shares

The Investment Manager will receive a quarterly Management Fee in respect of the Series B Shares at an annual rate equal to 1.25% of the net assets of the Fund attributable to each Series B Share, calculated monthly and payable quarterly in arrears. The Management Fee is paid at the Master Fund level.

The Special Limited Partner will be entitled to a quarterly Performance Allocation in respect of each sub-series of Series B Shares calculated and allocated at the Master Fund level, but is effectively equal to 17.5% of the net profits (including unrealized gains), if any, applicable to each Series B Share for each fiscal quarter; but only to the extent that such profits exceed any losses carried forward from prior years.

Series A and Series B Shares

The Investment Manager pays all the fees and expenses of the Investment Manager and certain other service providers out of the Management Fee and Performance Allocation (it receives in its capacity as the Special Limited Partner) it receives from the Master Fund. The Fund shall have no obligation to the Investment Manager for any such fees.

The Administrator is entitled to fees as agreed under the Administration Agreement.

The Fund bears all costs, fees and expenses arising in connection with the Fund's operations. The Fund also bears its *pro rata* share of the cost of the Master Fund's operations and investments as provided in the Master Fund Partnership Agreement. The Fund is responsible for paying its own initial organizational expenses and its *pro rata* share of the initial organizational expenses of the Master Fund. See the Section headed "Management and Administration – Fees and Expenses" below.

Risk Factors

An investment in the Fund entails certain risks. Prospective investors should review carefully the discussion under the Section headed "Certain Risk Factors" below.

Reporting

The Fund will furnish to each Shareholder an annual report that will include audited financial statements as of the end of each fiscal year. In accordance with and to the extent required by the Exchange listing rules, the Fund will also provide Shareholders with interim unaudited reports made up to June 30 in each year, including income statements and a statement of charges included in the calculation of the Net Asset Value of the Fund, and quarterly statements of the Net Asset Value of the Fund.

Fiscal Year

December 31.

Tax

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital

gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Fund, the Master Fund or the Shareholders. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Fund and/or the Master Fund. The Fund and the Master Fund generally do not expect to be subject to United States federal income tax, except potential U.S. federal withholding with respect to U.S. source dividends (including certain dividend equivalent amounts) and certain interest from U.S. sources.

The Fund has received an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (Revised) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Fund or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the Shares, debentures or other obligations of the Fund or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Fund to its shareholders or a payment of principal or interest or other sums due under a debenture or other obligation of the Fund.

See the Section headed "Taxation" below.

Application Procedure

To participate, an investor must complete and return the Subscription Documents and arrange for the transfer of their funds to the bank account of the Fund.

THE FUND

STRUCTURE

The Fund is an exempted company limited by shares and is of unlimited duration. It was incorporated under the provisions of the Companies Law (Revised) of the Cayman Islands on February 8, 2006, as MBA Latin America Opportunity Fund, Ltd. The Fund's name was changed to Highland Argentina Regional Opportunity Fund, Ltd. on July 28, 2017. The location of the Fund's principal office and its registered office are listed in the Directory. The Fund has been structured as an investment fund to allow its Shareholders to indirectly invest in the Master Fund pursuant to its investment objectives and strategies set out herein. The Fund will only accept subscriptions for Shares from Eligible Investors and reserves the right to reject any subscriptions.

REGULATION

The Fund is regulated as a mutual fund under the Mutual Funds Law (Revised) of the Cayman Islands (the "Mutual Funds Law"). The Cayman Islands Monetary Authority (the "Monetary Authority") has supervisory and enforcement powers to ensure compliance with the Mutual Funds Law. Regulation under the Mutual Funds Law entails the filing of prescribed details and audited accounts annually with the Monetary Authority. As a regulated mutual fund, the Monetary Authority may at any time instruct the Fund to have its accounts audited and to submit them to the Monetary Authority within such time as the Monetary Authority specifies. Failure to comply with these requests by the Monetary Authority may result in substantial fines on the part of the Directors and may result in the Monetary Authority applying to the court to have the Fund wound up.

The Fund will not, however, be subject to supervision in respect of its investment activities or the constitution of the Fund's portfolio (in each case through the Master Fund) by the Monetary Authority or any other governmental authority in the Cayman Islands, although the Monetary Authority does have power to investigate the activities of the Fund in certain circumstances. Neither the Monetary Authority nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands.

The Monetary Authority may take certain actions if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Monetary Authority include the power to require the substitution of Directors, to appoint a person to advise the Fund on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Fund. There are other remedies available to the Monetary Authority including the ability to apply to court for approval of other actions.

The Fund, or any Directors or agents domiciled in the Cayman Islands, may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g. by the Cayman Islands Monetary Authority, either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Law (Revised), or by the Tax Information Authority, under the Tax Information Authority Law (Revised) or Reporting of Savings Income Information (European Union) Law (Revised) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Fund, Director or agent, may be prohibited from disclosing that the request has been made.

ADDITIONAL INFORMATION

This Memorandum does not purport to be and should not be construed as a complete description of the Memorandum and Articles of Association of the Fund, the Master Fund Partnership Agreement or the Material Contracts. Before investing in the Fund, each prospective investor should examine this Memorandum, the Subscription Documents, the Memorandum of Association and Articles of the Fund, the Master Fund Partnership Agreement and the Material Contracts and satisfy itself that an investment in the Fund is appropriate. Additionally, and prior to the sale of any Shares, the Fund will make available to each subscriber or his or her representative the opportunity to ask questions of and receive written answers from representatives of the Fund concerning any aspect of the investment and to obtain any additional information, to the extent that the Fund possesses such information or can acquire it without unreasonable effort or expense.

An investment in the Fund may be deemed speculative and is not intended as a complete investment program. It is designed only for experienced and sophisticated persons who are able to bear the risk of the substantial impairment or total loss of their investment in the Fund.

THE MASTER FUND

THE MASTER FUND'S PARTNERSHIP INTERESTS

The Master Fund's partnership interests are currently held exclusively by the Fund and the Domestic Fund as limited partners, the Investment Manager as the special limited partner of the Master Fund, and the Master Fund General Partner as the general partner of the Master Fund, pursuant to the Master Fund Partnership Agreement. The Master Fund General Partner is registered as a foreign company in the Cayman Islands pursuant to Part IX of the Companies Law (2016 Revision).

THE MASTER FUND PARTNERSHIP AGREEMENT

The Master Fund is constituted as a Cayman Islands exempted limited partnership under the Exempted Limited Partnership Law, 2014 (the "Exempted Limited Partnership Law"). A Cayman Islands exempted limited partnership is constituted by the signing of the relevant partnership agreement and its registration with the Registrar of Exempted Limited Partnerships in the Cayman Islands.

A Cayman Islands exempted limited partnership is not a separate legal person distinct from its partners. Under the Exempted Limited Partnership Law, any property which is conveyed into or vested in the name of the exempted limited partnership shall be held or deemed to be held by the general partner, and if more than one, then by the general partners jointly upon trust, as an asset of the partnership in accordance with the terms of the partnership agreement. Any debt or obligation incurred by a general partner in the conduct of the business of an exempted limited partnership shall be a debt or obligation of the exempted limited partnership. Registration under the Exempted Limited Partnership Law entails that the partnership becomes subject to, and the limited partners therein are afforded the limited liability and other benefits of, the Exempted Limited Partnership Law (subject to compliance therewith).

Liability of Partners and Indemnification of the Master Fund General Partner and Others.

The business of a Cayman Islands exempted limited partnership will be conducted by its general partner(s) who will be liable for all debts and obligations of the exempted limited partnership to the extent that the partnership has insufficient assets. As a general matter, a limited partner of a Cayman Islands partnership will not be liable for the debts and obligations of the exempted limited partnership, other than:

- (i) as expressed in the partnership agreement,
- (ii) if such limited partner takes part in the conduct of the business of an exempted limited partnership in its dealings with persons who are not partners, then that limited partner shall be liable, in the event of the insolvency of the exempted limited partnership, for all debts and obligations of that exempted limited

partnership incurred during the period that he so participates in the conduct of the business as though he were, for such period, a general partner, provided always that he shall be rendered liable pursuant to the foregoing provision only to a person who transacts business with the exempted limited partnership during such period with actual knowledge of such participation and who then reasonably believed such limited partner to be a general partner, or

- (iii) if such limited partner is obligated pursuant to Section 34(1) of the Exempted Limited Partnership Law to return a distribution made to it (with interest at a rate of 10% per annum, unless otherwise specified in the Master Fund Partnership Agreement) when the exempted limited partnership is insolvent or within six months prior to such insolvency.

The Master Fund Partnership Agreement provides that none of the Master Fund General Partner, the Investment Manager, each member, shareholder, partner, manager and director of, and any person who controls, the Master Fund General Partner or the Investment Manager, each of the respective affiliates of the foregoing and each of their respective executors, heirs, assigns, successors and other legal representatives (each such person, an "Indemnified Party") will be liable to the Master Fund or any limited partner of the Master Fund (including the Feeder Funds) for any loss or damage arising by reason of being or having been an Indemnified Party or from any acts or omissions in the performance of its services as an Indemnified Party in the absence of gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or fraud, or as otherwise required by law. An Indemnified Party may consult with counsel and accountants in respect of the Master Fund's affairs and will be fully protected and justified in any action or inaction which is taken in accordance with the advice or opinion of such counsel or accountants, provided that they were selected in accordance with the standard of care set forth above. In addition, in no event shall any Indemnified Party be liable for any consequential damages, special or indirect damages or lost profits.

The Master Fund Partnership Agreement provides that the Master Fund shall, to the fullest extent permitted by law, indemnify and hold harmless each Indemnified Party from and against any and all liabilities suffered or sustained by an Indemnified Party by reason of the fact that it, he or she is or was an Indemnified Party or in connection with the Master Fund Partnership Agreement or the Master Fund's business or affairs, including, without limitation, any judgment, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, suit or proceeding, provided that such liability did not result from the gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or fraud of such Indemnified Party. The Master Fund Partnership Agreement also provides that the Master Fund will, in the sole discretion of the Master Fund General Partner, advance to any Indemnified Party reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any action, suit or proceeding which arises out of such conduct, subject to receiving a written undertaking from the Indemnified Party to repay such amounts if and to the extent that it is finally determined that the Indemnified Party was not entitled to indemnification in respect thereof.

Notwithstanding any of the foregoing, the provisions of the Master Fund Partnership Agreement do not provide for the exculpation or indemnification of any Indemnified Party for any liability

(including liability under U.S. federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the above provisions to the fullest extent permitted by law.

Pursuant to the foregoing indemnification and exculpation provisions applicable to each Indemnified Party, the Master Fund (and not the applicable Indemnified Party) will be responsible for any losses resulting from trading errors and similar human errors, absent gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or fraud. Given the volume of transactions executed on behalf of the Master Fund, trading errors (and similar errors) will occur and the Master Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware)) of any Indemnified Party.

The Indemnified Parties will also be indemnified by each limited partner of the Master Fund for any amounts of tax withheld or required to be withheld with respect to that limited partner, and also for any amounts of interest, additions to tax, penalties and other costs borne by any such persons in connection therewith to the extent that the balance of the limited partner's capital account is insufficient to fully compensate the Master Fund General Partner and the Investment Manager for such costs.

Contributions and Withdrawals by the Fund. Limited partners of the Master Fund may make contributions at such times and in such amounts as the Master Fund General Partner determines. As a limited partner of the Master Fund, the Fund may, subject to the consent of the Master Fund General Partner, voluntarily request a withdrawal of all or part of its capital in the Master Fund at such times and in such amounts as it may determine. The Master Fund General Partner may, at any time, suspend (a) the calculation of the net asset value of the Master Fund (and the applicable valuation date); (b) the issuance of limited partner interests in the Master Fund; (c) the withdrawal by limited partners of their interests (and the applicable withdrawal date); and/or (d) the payment of withdrawal proceeds (even if the calculation dates and withdrawal dates are not postponed) during any period which: (i) any stock exchange on which a substantial part of investments owned by the Master Fund are traded is closed, other than for ordinary holidays, or dealings thereon are restricted or suspended; (ii) there exists any state of affairs as a result of which (A) disposal of a substantial part of the investments owned by the Master Fund would not be reasonably practicable and might seriously prejudice the limited partners of the Master Fund, or (B) it is not reasonably practicable for the Master Fund fairly to determine the value of its net assets; (iii) none of the withdrawal requests which have been made may lawfully be satisfied by the Master Fund; (iv) there is a breakdown in the means of communication normally employed in determining the prices of a substantial part of the investments of the Master Fund; or (v) in the sole discretion of the Master Fund General Partner, it is necessary to preserve the Master Fund's assets.

Amendment of the Master Fund Partnership Agreement. The Master Fund Partnership Agreement may be amended by an instrument in writing signed by each of the limited partners of the Master Fund and the Master Fund General Partner; provided that, the Master Fund General

Partner may amend the Master Fund Partnership Agreement without the consent of the limited partners so long as the amendment does not adversely affect any rights of the limited partners.

Dissolution of the Master Fund. The Master Fund shall be wound up and dissolved upon the first to occur of any of the following liquidating events, and Sections 36(1)(b), 36(9) and 36(12) of the Exempted Limited Partnership Law shall not apply to the Master Fund:

- (i) the written election of the Master Fund General Partner to terminate the Master Fund; or
- (ii) if the Master Fund General Partner is the sole or last remaining general partner, the date (the “Automatic Dissolution Date”) falling 90 days after the date of the service of a notice by the Master Fund General Partner (or its legal representative) on all the limited partners informing the limited partners of:
 - (1) the commencement of liquidation or bankruptcy proceedings in relation to the Master Fund General Partner; or
 - (2) the withdrawal, removal or making of a winding up or dissolution order in relation to the Master Fund General Partner;

provided that, if a majority in number of the limited partners elects one or more new general partners before the Automatic Dissolution Date, the business of the Master Fund shall be resumed and continued. If a new general partner is not elected by the Automatic Dissolution Date, the Master Fund shall be wound up and dissolved in accordance with terms of the Master Fund Partnership Agreement and the Exempted Limited Partnership Law.

Power of Attorney. Each limited partner of the Master Fund shall make, constitute and appoint the Master Fund General Partner (and each of its successors and permitted assigns) for the time being, with full power of substitution, as its true and lawful agent and attorney-in-fact of, and in the name, place and stead of, such partner with the power from time to time to make, execute, sign, acknowledge, swear to (and deliver as may be appropriate) on its behalf and file and record in the appropriate public offices and publish (as may in the reasonable judgment of the Master Fund General Partner be required by law), including the admission of any new partners of the Master Fund and any amendments to the Master Fund Partnership Agreement. Each limited partner of the Master Fund shall authorize the Master Fund General Partner to take any further action that the Master Fund General Partner considers necessary or advisable in connection with the foregoing. Such power of attorney granted is intended to secure a proprietary interest of the Master Fund General Partner and the performance by each limited partner of the Master Fund of its obligations under the Master Fund Partnership Agreement and shall be irrevocable and shall survive and not be affected by the subsequent death, lack of capacity, insolvency, bankruptcy or dissolution of any limited partner of the Master Fund.

VALUATION OF ASSETS

The Master Fund General Partner has delegated the valuation of the Master Fund's assets to the Administrator, which will generally compute the value of the securities and other assets of the Master Fund as of the close of business on the last day of each fiscal period and on any other date selected by the Master Fund General Partner in its sole discretion. In addition, the Administrator must compute the value of the securities that are being distributed in-kind as of their date of distribution in accordance with the Master Fund Partnership Agreement. In determining the value of the assets of the Master Fund, no value is placed on the goodwill or name of the Master Fund, or the office records, files, statistical data or any similar intangible assets of the Master Fund not normally reflected in the Master Fund's accounting records, but there must be taken into consideration any related items of income earned but not received, expenses incurred but not yet paid, liabilities fixed or contingent, prepaid expenses to the extent not otherwise reflected in the books of account, and the value of options or commitments to purchase or sell securities pursuant to agreements entered into on or prior to such valuation date.

A copy of the Investment Manager's valuation policy is available upon request from the Master Fund General Partner.

The value of each security and other asset of the Master Fund and the net worth of the Master Fund as a whole determined pursuant Master Fund Partnership Agreement are conclusive and binding on all of the partners of the Master Fund and all persons claiming through or under them.

INVESTMENT OBJECTIVE AND STRATEGY

INVESTMENT OBJECTIVE

The investment objective of the Fund is to maximize the total return of its assets in US Dollars through capital appreciation by investing all of its investable assets in the Master Fund, which intends to hold primarily a portfolio of investments in securities of Latin American corporate and sovereign issuers as well as non-Latin American issuers that derive a portion of their revenues from business activities in Latin America, in each case with a primary focus on Argentina, and that the Investment Manager believes would provide profitable investment opportunities for the Master Fund. The Master Fund will invest in a single portfolio of assets and does not currently intend to have a separate portfolio of assets for each of its series of limited partner interests, each of which will correspond to a Series of Shares.

The objects for which the Fund is established are unrestricted and the Fund shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law.

INVESTMENT STRATEGY

The Master Fund is a multi-strategy investment fund and there is no limit on the investment strategies that may be utilized. The Investment Manager believes that focusing on a multi-strategy approach will enable the Master Fund to enhance results by compounding returns generated by each strategy and at the same time have the needed flexibility to adjust to potentially changing regulations and market conditions.

The Investment Manager will be focused on identifying assets that are mispriced against similar assets and/or against the Investment Manager's expectations for assets' fair values and market movements, special situations, such as mergers, financial restructurings, hostile takeovers, or leveraged buy-outs. There is no set allocation among these and any other strategies that the Investment Manager may use.

The Master Fund may hold long and short positions in a wide range of liquid or illiquid fixed income securities including, but not limited to, sovereign and private debt, distressed debt, secured and unsecured debt, structured debt, loans, asset-backed securities and collateralized debt obligations. Furthermore, the Master Fund may invest, both long and short, in a wide range of liquid or illiquid equity-related instruments including, but not limited to, equities, convertible bonds, options, equity-linked notes, preferred shares and warrants, whether or not listed or traded on one or more Recognized Exchanges.

The Master Fund may hold any of these positions indirectly by entering into swaps, options, futures, forward contracts or similar derivative transactions.

The Master Fund may hold both US Dollar and non US Dollar denominated securities.

The Master Fund may leverage its investment portfolio by up to 100% of the Master Fund's Net Asset Value (calculated at the time of investment) by borrowing for investment purposes and by using leverage techniques and products. It is anticipated that by doing so the performance of the Master Fund will be enhanced. While the use of the leverage may improve the return on invested capital, leverage may also significantly increase the impact of adverse movement in the value of the Master Fund.

The Master Fund may also utilize hedging strategies in order to maximize returns and reduce the risk to principal or the volatility associated with its holdings. As part of these hedging strategies, the Master Fund may hedge any of its investments with long or short positions in any financial instrument, which the Investment Manager deems appropriate. The Master Fund may utilize US and European securities for hedging purposes.

The Master Fund may invest through one or more subsidiaries established in an appropriate jurisdiction in order to take advantage of applicable tax treaties or increase the tax efficiency of the Master Fund's investments, or in such other circumstances as the Master Fund General Partner, following consultation with the Investment Manager, deem appropriate, including compliance with local investment laws.

The Master Fund may maintain assets in cash or cash equivalent instruments, money market funds, repurchase agreements, or other cash management vehicles pending investment, for defensive purposes, to fund withdrawals requested by the limited partners of the Master Fund or otherwise at the discretion of the Investment Manager. The Master Fund may hold with no limitation US and European AAA fixed income securities for defensive purposes.

INVESTMENT RESTRICTIONS

In deploying the investment strategy, the Master Fund will observe the following investment restrictions. The Master Fund will not at the time of investment:

1. Invest more than 50 percent of its gross assets in its net holdings of equities;
2. Borrow more than 100 percent of its net assets;
3. Invest more than 20 percent of its gross assets in a single equity position;
4. Invest more than 20 percent of its gross assets in a single corporate issuer position;
5. Invest more than 30 percent of its gross assets in a single GDP-linked warrant position;
6. Invest more than 30 percent of its gross assets in a single sovereign issuer security position; and
7. Invest more than 30 percent of its gross assets in a single provincial issuer.

If a percentage limitation on investment or use of assets set forth above is adhered to at the time a transaction is effected, later changes in percentage resulting from changing values will not be considered a violation.

In the event that the Investment Manager discovers that a violation of any of the Master Fund's investment limitations has occurred (the date of such discovery being the "Discovery Date"), the Investment Manager shall inform the limited partners of the Master Fund, including the Fund, who shall: (i) notify each of their limited partners or shareholders, as applicable, in writing within 30 Business Days after the Discovery Date of the nature of the violation, the steps taken, or to be taken, to remedy the violation and the reason the violation occurred and (ii) use reasonable commercial efforts to cause the Investment Manager to remedy such violation within 90 Business Days after the Discovery Date (the "Remedy Date"). If such violation has not been remedied on or before the Remedy Date, the limited partners of the Master Fund, including the Fund, shall: (i) notify each of their limited partners or shareholders, as applicable, in writing, 30 Business Days after the Remedy Date, of the steps taken to remedy the violation and the reason that the violation has not been remedied by the Remedy Date (the "Remedy Notice") and (ii) use reasonable commercial efforts to cause the Master Fund's portfolio to be examined by an independent auditor other than the Auditors and shall request that such independent auditor issue a report to the investors in each of the Master Fund's limited partners as to its concurrence or disagreement with the statements in the Remedy Notice. The Investment Manager shall pay for the costs of such audit and the costs of the Remedy Notice if the violation that was the subject of the Remedy Notice occurred as a result of the Investment Manager's willful misfeasance, bad faith or gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware). In addition, the failure to remedy the violation in a timely manner may give rise to special redemption rights. See "Redemption of Shares - General."

DISTRIBUTION POLICY

The Fund's objective is to maximize capital appreciation and accordingly it is not envisaged that any income or gains derived from the investments made by the Master Fund will be distributed by way of dividend. This does not preclude the Directors from declaring a dividend at any time in the future if they consider it appropriate to do so. To the extent that a dividend may be declared, it will be paid in compliance with any applicable laws.

The investment objectives and strategies summarized herein represent the Investment Manager's current intentions. Depending on conditions and trends in the securities markets and the economy in general, the Investment Manager may pursue any strategies, employ any investment techniques or purchase any type of security that it considers appropriate, whether or not described in this section, subject to any applicable law or regulation. The discussion herein includes and is based upon numerous assumptions and opinions of the Investment Manager concerning world financial markets and other matters, the accuracy of which cannot be assured. There can be no assurance that the investment strategy of the Master Fund will achieve the intended investment objective. The Master Fund's investment program is speculative and involves a high degree of risk, including, without limitation, the risk of loss of the entire amount invested.

CERTAIN RISK FACTORS

An investment in the Fund entails substantial risks, including, but not limited to, those listed below, and prospective investors should carefully consider the following factors, among others, in determining whether an investment in the Fund is suitable for them. There can be no assurance that the Master Fund's program will be successful or that investments purchased by the Master Fund will increase in value. An investor must be prepared to bear capital losses that might result from an investment in the Fund, including a complete loss of the investor's invested capital. All investors in the Fund should consult their own legal, tax and financial advisors prior to investing in the Fund.

For purposes of this section, references to the "Fund" should be understood to mean each of the Fund and the Master Fund, as applicable, and each of the risk factors set forth herein, while not exhaustive, shall apply equally to each of the Fund and the Master Fund, as applicable.

RISK FACTORS SPECIFIC TO THE INVESTMENT OBJECTIVE AND STRATEGY

Changes in Strategy. The Investment Manager has the power to expand, revise or alter its trading strategies on behalf of the Master Fund without prior approval by, or notice to, the Fund or the Shareholders. Any such change could result in exposure of the Fund's assets (through the Master Fund) to additional risks, which may be substantial. The Investment Manager may also invest in additional instruments than those specifically identified in the "Investment Objective and Strategy" section.

Latin America Investments. The Master Fund invests in securities of companies based in Latin America or issued by Latin American governments, or in the securities of companies which are not incorporated in Latin America, but which derive some of their revenues from business activities conducted in Latin America. Such investment involves certain considerations not usually associated with investing in securities of developed countries or of companies located in developed countries, including political and economic consideration, such as greater risks of expatriation, nationalization and general, political, and economic instability, the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and substantially greater price volatility, fluctuations in the rate of exchange between currencies, and costs associated with currency conversions, certain government policies that may restrict the Master Fund's investment opportunities and problems that may arise in connection with the clearance and settlements of trades. In addition, accounting and financial reporting standards that prevail in such countries are not equivalent to standards in more developed countries, consequently, less information is available to investors in companies located in more developed countries. There is also less regulation, generally, of the securities markets in Latin American countries than there is in more developed countries.

Risks Related to Investing in Argentina. Argentina has experienced high interest rates, economic volatility, inflation, currency devaluations and high unemployment rates. The

economy is heavily dependent on exports and commodities. Argentina's default on its debt in 2001, and its past nationalization of private pensions and national oil company YPF, continues to impact the confidence of investors in Argentina, which might adversely impact returns in the Master Fund, and thus, the Fund.

Argentina's Economy. Argentina's economy could grow at a lower rate than in past years, or could contract. Factors that could negatively affect Argentina's rate of economic growth, its public finances and Argentina's ability to service its debt include: the competitiveness of Argentine exports, which are influenced by the peso's value relative to the value of the currencies of Argentina's trading partners and trade competitors; the level of inflation in Argentina; international commodities prices, foreign currency exchange rates and the levels of consumer consumption and foreign and domestic investment; negative economic developments in Argentina's major trading partners, or "contagion" effects more generally; and Argentina's ability to meet its energy requirements.

Uncertainty of Economic Reforms. A runoff election on November 22, 2015 resulted in Mr. Mauricio Macri being elected President of Argentina. The Macri administration assumed office on December 10, 2015. Since assuming office on December 10, 2015, the Macri administration has announced several significant economic and policy reforms, including methodological reforms with respect to the calculation of certain macroeconomic statistics, the loosening of foreign exchange controls, reduction of tariffs, other easing of international trade restrictions, infrastructure reforms and reopened negotiation with holders of debt in default since 2001. The impact that these measures and any future measures taken by the new administration will have on the Argentine economy as a whole and the financial sector in particular cannot be predicted. The Investment Manager believes that the effect of the planned liberalization of the economy and renewed access to capital markets will be positive for the Master Fund's intended investments by stimulating economic activity, but it is not possible to predict such effect with certainty and such liberalization could also be disruptive to the economy and fail to benefit or harm companies in Argentina. The Investment Manager cannot predict how the Macri administration will address certain other political and economic issues that were central during the 2015 presidential election campaign, such as the financing of public expenditures, public service subsidies and tax reforms, the resolution of holdout debt or the impact that any measures related to these issues that are implemented by the Macri administration will have on the Argentine economy as a whole.

Currency Controls. In the past, Argentina imposed exchange controls and transfer restrictions substantially limiting the ability of companies to retain foreign currency or make payments abroad. Although the Macri government lifted exchange controls and liberalized capital controls, there can be no assurances regarding future modifications to exchange and capital controls. Exchange and capital controls could adversely affect the financial condition or results of operations of issuers in whose securities the Master Fund intends to invest, as well as their ability to meet foreign currency obligations and to execute financing plans.

Challenges to Argentina's Debt Payments. Argentina's payments in connection with a debt offering may be attached, enjoined or otherwise challenged. In recent years, hold-out creditors have used litigation against sovereign debtors, most prominently Peru and Nicaragua, to attach or interrupt payments made by these sovereign debtors to, among others, bondholders who have

agreed to a debt restructuring and accepted new securities in an exchange offer. Argentina has been subjected to suits to collect on amounts due on defaulted bonds, including actions in the United States, the United Kingdom, Italy and Germany. Some of these actions have resulted in judgments against Argentina. There can be no assurance that a creditor will not be able to interfere, through an attachment of assets, injunction, temporary restraining order or otherwise, with payments made in connection with a debt offering.

Pro Rata Payment Litigation. Argentina's defaults with respect to the payment of its foreign debt could prevent the government and the private sector from accessing the international capital markets, which could adversely affect the financial condition of sovereign and corporate issuers in which the Master Fund invests. In September 2014, the Argentine Congress passed a law to restructure foreign-law bonds held by exchange bondholders to allow the payment in Argentina and to appoint a new paying agent. On September 29, 2014, the U.S. District Court for the Southern District of New York held Argentina in contempt of court as a result of this law. The U.S. District Court authorized limited exceptions to the injunction allowing certain custodians of Argentine law-governed bonds to process payments in August 2014, September 2014 and December 2014.

On May 11, 2015, the plaintiffs that obtained *pari passu* injunctions asked the U.S. district court to amend their complaints to include claims alleging that Argentina's issuance and servicing of its 2024 dollar-denominated bonds, and its external indebtedness in general, would violate the *pari passu* clause. On June 5, 2015, the Second Circuit granted partial summary judgment to a group of 526 "me-too" plaintiffs in 36 separate lawsuits, finding that, consistent with the previous ruling of such court, Argentina violated a *pari passu* clause in bonds issued to the "me-too" bondholders. The decision obligates Argentina to pay the plaintiffs \$5.4 billion before it can make payments on restructured debt.

In 2016, the Argentine government working under a court appointed mediator, entered into settlement agreements with a large portion of hold-out debt holders contingent on Argentina repealing laws that prevented the country from complying with rulings by U.S. courts. In this context Judge Thomas Griesa ruled he would lift the injunctions preventing Argentina from serving post-2005 exchange debt if these laws are repealed. Argentina's lower chamber approved the repeal of these laws and Argentina's senate voted to approve the same in March 2016. In April 2016, the Second Circuit Court of Appeals in the United States upheld Judge Griesa's ruling, finding that he did not abuse his discretion in lifting the *pari passu* injunctions.

The repercussions of restructuring Argentina's bond debts are ongoing. The 2016 U.S. court rulings only settled claims of certain bondholders. Argentina reached a \$475 million settlement with other bondholders in November 2016. Financial indices have only just started moving Argentina back to "emerging market" status, where it had been before 2009.

Argentina's default with respect to the payment of its foreign debt, its delay in completing the debt restructuring process with creditors that did not participate in the related exchange offers, the complaints filed against Argentina discussed above, the U.S. Supreme Court's decision not to hear Argentina's appeal, the declaration of contempt, and the long-term difficulty of reestablishing itself in the global marketplace could prevent Argentina's government from

obtaining international private financing or receiving direct foreign investment, as well as private sector companies in Argentina from accessing the international capital markets. Without access to international private financing, Argentina may not be able to finance its obligations, and financing from multilateral financial institutions may be limited or not available. Without access to direct foreign investment, the government may not have sufficient financial resources to foster economic growth and the performance of the Master Fund's investments in Argentina could be materially and adversely affected.

GENERAL RISK FACTORS

Overall Investment Risk. All securities investments risk the loss of capital. The nature of the securities to be purchased and traded by the Master Fund and the investment techniques and strategies to be employed in an effort to increase profits may increase this risk. While the Investment Manager will devote its commercially reasonable best efforts to the management of the Master Fund's portfolio, there can be no assurance that the Master Fund, and thus, the Fund will not incur losses. Many unforeseeable events, including actions by various government agencies, and domestic and international political events, may cause sharp market fluctuations.

Limited Operating History. The Fund has limited operating history and the Master Fund and the Master Fund General Partner do not have operating histories upon which prospective investors can evaluate the anticipated performance of the Fund. Although the principals of the Investment Manager have extensive prior experience in Latin America, past performance of the Investment Manager should not be construed as an indication of the future results of an investment in the Fund. The Master Fund's investment program should be evaluated on the basis that there can be no assurance that the Investment Manager's assessment of the short-term or long-term prospects of its investment strategy will prove accurate, or that the Master Fund will achieve its investment objectives.

Illiquidity of Shares. Shares are not transferable without the approval of the Directors, and there will be no secondary market for Shares. Consequently, Shareholders may not be able to dispose of their Shares except by means of the redemption privilege and may receive securities rather than cash in exchange for their Shares.

Possible Effect of Substantial Redemptions. Substantial redemptions of Shares from the Fund could require the Master Fund to liquidate its positions more rapidly than otherwise desired in order to raise the cash necessary to fund the redemptions. Illiquidity in certain securities could make it difficult for the Master Fund to liquidate positions on favorable terms, which could result in losses or a decrease in the Net Asset Value of the Master Fund, and thus, the Fund. The Master Fund is permitted to borrow cash necessary to make payments in connection with redemption of Shares from the Fund when the Investment Manager determines that it would not be advisable to liquidate portfolio assets for that purpose. The Master Fund is also authorized to pledge portfolio assets as collateral security for the repayment of such loans. In these circumstances, the continuing Shareholders will bear the risk of any subsequent decline in the value of the Fund's assets.

Master-Feeder Structure. The Fund will invest all of its investable assets in the Master Fund. The “master-feeder” fund structure presents certain risks to the Shareholders. Smaller feeder funds may be materially affected by the actions of larger feeder funds.

While the Investment Manager, as investment manager of the Master Fund, generally will not consider tax issues applicable to any particular investors, it generally will take into account the tax positions of the Fund and the Domestic Fund that invest in the Master Fund. However, the use of a “master-feeder” structure may create a conflict of interest in that different tax considerations for the Fund and the Domestic Fund may cause or result in the Master Fund structuring or disposing of an investment in a manner or at a time that is more advantageous (or disadvantageous) for tax purposes to one Feeder Fund or its investors.

Absence of Regulatory Oversight. Although the Fund is a regulated mutual fund under the Mutual Funds Law (Revised) of the Cayman Islands, the Fund is not required to, and does not intend to, register under the laws of any other jurisdiction, and, accordingly, the provisions of statutes of certain jurisdictions (which may provide certain regulatory safeguards to investors) are not applicable. For example, neither the Fund nor the Master Fund is required to maintain custody of its securities or place its securities in the custody of a bank or a member of a recognized securities exchange in the manner required under the statutes of certain jurisdictions. A registered investment company that places its securities in the custody of a member of a recognized securities exchange is generally required to have a written custodian agreement, which provides that securities held in custody will be at all times individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and which contains other provisions complying with applicable regulations. The Master Fund may maintain such accounts at brokerage firms that do not separately segregate such assets as would be required in the case of registered investment companies. The bankruptcy of any such brokerage firms might have a greater adverse effect on the Master Fund and the Fund than would be the case if the accounts were maintained to meet the requirements applicable to registered investment companies.

Handling of Mail. Mail addressed to the Fund and received at its registered office will be forwarded unopened to the forwarding address supplied by the Investment Manager to be dealt with. None of the Fund, its Directors, officers, advisors or service providers (including the organisation which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular, the Directors will only receive, open or deal directly with mail which is addressed to them personally (as opposed to mail which is addressed just to the Fund).

Subscription Monies. Where a subscription for Shares is accepted, the Shares will be treated as having been issued with effect from the relevant Subscription Day notwithstanding that the subscriber for those Shares may not be entered in the Fund's register of members until after the relevant Subscription Day. The subscription monies paid by a subscriber for Shares will accordingly be subject to investment risk in the Fund from the relevant Subscription Day.

Effect of Redemptions. Where a redemption request is accepted, the Shares will be treated as having been redeemed with effect from the relevant Redemption Day irrespective of whether or not such redeeming Shareholder has been removed from the Fund's register of members or the

Redemption Price has been determined or remitted. Accordingly, on and from the relevant Redemption Day, Shareholders in their capacity as such will not be entitled to or be capable of exercising any rights arising under the Articles with respect to Shares being redeemed (including any right to receive notice of, attend or vote at any meeting of the Fund) save the right to receive the Redemption Price and any dividend which has been declared prior to the relevant Redemption Day but not yet paid (in each case with respect to the Shares being redeemed). Such redeemed Shareholders will be creditors of the Fund with respect to the Redemption Price. In an insolvent liquidation, redeemed Shareholders will rank behind ordinary creditors but ahead of Shareholders.

Limited Rights of Shareholders. Shareholders holding Shares will have no right to participate in the day to day operations of the Fund and will not be entitled to receive notice of, nor attend or vote at, general meetings of the Fund other than general meetings to vote upon a variation of the rights of the Shares. Consequently, Shareholders will not have any control over the management of the Fund or the appointment and removal of its Directors and service providers. The Investment Manager, as holder of all the Management Shares, control all of the voting interests in the Fund, except on proposals to vary the rights of the Shares, and may make such changes to the Memorandum of Association and Articles of the Fund as it deems appropriate, including increasing the share capital, consolidating the Shares and sub-dividing the Shares. Accordingly, only the Investment Manager can appoint and remove the Directors of the Fund and only the Directors may terminate the services of the Investment Manager, the Administrator and other agents of the Fund. An investment in the Fund should be regarded as a passive investment.

Valuation of the Master Fund's Investments. Valuation of the Master Fund's securities and other investments may involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, the Net Asset Value of the Master Fund and the Fund could be adversely affected. Independent pricing information may not at times be available or otherwise utilized regarding certain of the Master Fund's securities and other investments. Valuation determinations will be made in good faith in accordance with the policies of the Investment Manager in effect from time to time, a copy of which will be made available upon request.

The Master Fund may have some of its assets in investments, which by their very nature may be extremely difficult to accurately value. To the extent that the value assigned by the Administrator to any such investment differs from the actual value, the Net Asset Value of the Master Fund and the Fund may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Shareholder who redeems all or part of its Shares while the Master Fund holds such investments will be paid an amount less than it would otherwise be paid if the actual value of such investments is higher than the value designated by the Administrator. Similarly, there is a risk that such Shareholder might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the Administrator. In addition, there is risk that an investment in the Fund by a new Shareholder (or an additional investment by an existing Shareholder) could dilute the value of such investments for the other Shareholders if the designated value of such investments is higher than the value designated by the Administrator. Further, there is risk that a new Shareholder (or an existing Shareholder that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is

lower than the value designated by the Administrator. The Administrator does not intend to adjust the Net Asset Value of the Master Fund and the Fund retroactively.

None of the Directors, the Fund, the Master Fund, the Master Fund General Partner or the Administrator shall have any liability in the event that any price or valuation, used in good faith in connection with the above procedures, proves to be an incorrect or an inaccurate estimate or determination of the price or value of any part of the property of the Master Fund.

In-Kind Distributions. A redeeming Shareholder may, in the discretion of the Directors, receive securities owned by the Fund (through the Master Fund) in lieu of, or in combination with, cash. The value of securities distributed may increase or decrease before the securities can be sold (either by the Shareholder or by the Fund if the Directors establishes a liquidating account on behalf of the Shareholder to sell such assets), and the investor will incur transaction costs in connection with the sale of such securities. Additionally, securities distributed with respect to a redemption by a Shareholder may not be readily marketable. The risk of loss and delay in liquidating these securities will be borne by the investor, with the result that such investor may receive less cash than it would have received on the date of redemption.

Business and Regulatory Risks of Hedge Funds. Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by the Master Fund and the ability of the Master Fund to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivative transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on the Fund could be substantial and adverse.

Side Letters. The Investment Manager, in consultation with the Directors, or the Fund may from time to time enter into letter agreements or other similar agreements (collectively, "Side Letters") with one or more Shareholders which provide such Shareholder(s) with additional and/or different rights (including, without limitation, with respect to access to information, the Management Fee, the Performance Allocation, minimum investment amounts, voting rights and liquidity terms) than such Shareholder(s) have pursuant to this Memorandum. As a result of such Side Letters, certain Shareholders may receive additional benefits (including, but not limited to, reduced fee obligations, the ability to redeem Shares on shorter notice and/or expanded informational rights) which other Shareholders will not receive. For example, a Side Letter may permit a Shareholder to redeem its Shares on less notice and/or at different times than other Shareholders. As a result, should the Fund experience a decline in performance over a period of time, a Shareholder who is party to a Side Letter that permits less notice and/or different redemption times may be able to redeem its Shares prior to other Shareholders. In general, the Fund and/or the Investment Manager will not be required to notify any or all of the other Shareholders of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will the Fund and/or the Investment Manager be required to offer such additional

and/or different rights and/or terms to any or all of the other Shareholders. The Fund and/or the Investment Manager may cause the Fund to enter into such Side Letters with any party as the Fund and/or the Investment Manager may determine in its sole discretion at any time. The other Shareholders will have no recourse against the Fund and/or the Investment Manager in the event certain Shareholders receive additional and/or different rights and/or terms as a result of such Side Letters. A Shareholder will be required to enter into such undertakings with respect to maintaining the confidentiality of any such additional information as the Fund and/or the Investment Manager may in their sole discretion determine.

Competition. The markets in which the Master Fund invests are competitive and some of the opportunities that the Investment Manager may explore may be pursued by better known investors or investment funds. There can be no assurance that the Investment Manager will be able to identify or successfully pursue such opportunities in this environment. The Investment Manager competes with many firms that may have greater financial resources, more extensive development, better marketing and service capabilities, more favorable financing arrangements, larger research staffs and more securities traders than are available to the Investment Manager.

Cybersecurity. Information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Investment Manager has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Investment Manager, the Master Fund and/or the Fund may have to make a significant investment to fix or replace them, which expense may be borne in whole or in part by the Fund. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Investment Manager's, the Master Fund's and/or the Fund's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors. Such interruptions could harm the Investment Manager's, the Master Fund's and/or the Fund's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance. The foregoing risks and consequences are also extant at any issuer in which the Master Fund invests and could manifest as adverse performance of such investment.

INVESTMENT AND TRADING RISKS

Derivative Instruments. The Investment Manager may use various derivative instruments, including futures, options, forward contracts, swaps and other derivatives which may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Use of derivative instruments presents various risks, including the following:

- *Tracking* – When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Investment Manager

from achieving the intended hedging effect or expose the portfolio to the risk of loss.

- *Liquidity* – Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets the Investment Manager may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative positions limits on exchanges on which the Investment Manager may conduct its transactions in certain derivative instruments may prevent prompt liquidation of positions, subjecting the portfolio to the potential of greater losses.
- *Leverage* – Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments may magnify the gains and losses experienced by the Master Fund and could cause the Master Fund's net asset value to be subject to wider fluctuations than would be the case if the Investment Manager did not use the leverage feature in derivative instruments.
- *Over-the-Counter-Trading* – Derivative instruments that may be purchased or sold for the portfolio may include instruments not traded on an exchange. Over-the-counter options, unlike exchanged-traded options, are two-party contracts with price and other terms negotiated by the buyer and seller. The risk of non-performance by the obligor on such an instrument may be greater and the ease with which the Investment Manager can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between "bid" and "asked" prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions.

Short Sales. Short sales by the Master Fund that are not made "against the box" create opportunities to increase the Master Fund's return but, at the same time, involve special risk considerations and may be considered a speculative technique. Since the Master Fund, in effect, profits from a decline in the price of the securities sold short without the need to invest the full purchase price of the securities on the date of the short sale, the value of the Master Fund will tend to increase more when the securities it has sold short decrease in value, and to decrease more when the securities it has sold short increase in value, than otherwise would be the case if it had not engaged in such short sales. Short sales theoretically involve unlimited loss potential, as the market price of securities sold short may increase continuously, although the Master Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions the Master Fund might have difficulty purchasing securities to meet its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales. Short sales may be used with the intent of hedging against the risk of

declines in the market value of the Master Fund's long portfolio, but there can be no assurance that such hedging operations will be successful.

Risks of Execution of Investment Strategies. The Master Fund will invest in a number of securities and obligations that entail substantial inherent risks. Although the Master Fund will attempt to manage those risks through careful research, ongoing monitoring of investments and appropriate hedging techniques, there can be no assurance that the securities and other instruments purchased by the Master Fund will in fact increase in value or that the Master Fund will not incur significant losses.

Market Risks and Liquidity. The profitability of a significant portion of the Master Fund's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Master Fund will be able to predict accurately these price movements. Although the Master Fund may attempt to mitigate market risk through the use of long and short positions or other methods, there is always some, and occasionally a significant, degree of market risk.

Furthermore, the Master Fund may be adversely affected by a decrease in market liquidity for the instruments in which they invest, which may impair the Master Fund's ability to adjust their position. The size of the Master Fund's positions may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, deleveraging as a consequence of a decision by a broker to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Master Fund's portfolio. Some of the underlying investments of the Master Fund may not be actively traded and there may be uncertainties involved in the valuation of such investments. Potential investors should be warned that under such circumstances, the Net Asset Value of the Master Fund may be adversely affected.

Hedging. Although the Master Fund will attempt to hedge its exposure to specific arbitrage positions, it will not always be possible fully to hedge risk from such positions or any other position. In addition, the Master Fund may take positions based on the expected future direction of the markets without fully hedging the market risks.

Currency Risks. A portion of the Master Fund's assets may be invested in securities denominated in various currencies and in other financial instruments, the price of which is determined with reference to such currencies. The account of the Master Fund will, however, be valued in U.S. Dollars. To the extent unhedged, the value of the net assets of the Master Fund will fluctuate with U.S. Dollars exchange rates as well as with price changes of their investments in the various local markets and currencies. Forward currency contracts and options may be utilized by the Master Fund to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Counterparty and Settlement Risk. Due to the nature of some of the investments which the Master Fund may make, the Master Fund may rely on the ability of the counterparty to a transaction to perform its obligations. In the event that any such party fails to complete its obligations for any reason, the Master Fund may suffer losses. The Master Fund will therefore be exposed to a credit risk on the counterparties with which it trades. The Master Fund will also

bear the risk of settlement default by clearing houses and exchanges. Any default by a counterparty or on settlement could have a material adverse effect on the Master Fund.

Borrowing. The Master Fund is permitted to finance its operations with secured and unsecured borrowing up to 100% of its net assets, to the extent allowable under applicable credit regulations. Like other forms of leverage, the use of borrowing can enhance the risk of capital loss in the event of adverse changes in the level of market prices of the assets being financed with the borrowings.

Distributions. Since the Fund will not ordinarily make distributions by way of dividends to the Shareholders, all earnings of the Fund are expected to be retained for reinvestment (through the Master Fund).

Discretion of the Investment Manager; Concentration of Investments. The Investment Manager will seek to engage in the investment activities described herein. Nonetheless, the Master Fund's portfolio may be altered at any time in the sole discretion of the Investment Manager and without the approval of any investors in the limited partners of the Master Fund, including the Shareholders. Although the Investment Manager will follow a general policy of seeking to spread the Master Fund's capital among a number of investments, the Investment Manager may depart from such policy from time to time and may hold a few, relatively large securities positions in relation to the Master Fund's capital. The result of such concentration of investments is that a loss in any such position could materially reduce the Master Fund's capital.

Difficult Market for Investment Opportunities. The activity of identifying, completing and realizing on attractive investments involves a high degree of uncertainty. There can be no assurance that the Master Fund will be able to locate and complete investments which satisfy the Master Fund's rate of return objective or realize upon their values or that the Master Fund will be able to invest fully its subscribed capital in a manner consistent with its investment strategy.

TAX RELATED RISKS

Uncertainty and Complexity of Tax Treatment. The tax aspects of an investment in the Fund are complicated and complex and, in many cases, uncertain. Statutory provisions and administrative regulations have been interpreted inconsistently by the courts. Additionally, some statutory provisions remain to be interpreted by administrative regulations. Investors will thus be subject to the risk caused by the uncertainty of the tax consequences with respect to an investment in the Fund. Each prospective investor should have the tax aspects of an investment in the Fund reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles. Prospective investors are strongly urged to review the discussion below under "*Taxation*" for a more complete discussion of certain of the tax risks inherent in the acquisition of Shares and to consult their own independent tax advisors.

Risk of Adverse Determination. There can be no assurance that the conclusions set forth in this Memorandum will not be challenged successfully by the U.S. Internal Revenue Service (the "Service") or another applicable taxing authority, or significantly modified by new legislation, changes in the Service's positions, or court decisions. The Fund has not applied for, nor does it expect to apply for, any advance rulings from the Service or any other applicable taxing authority

with respect to any of the tax consequences described in this Memorandum. No representation or warranty of any kind is made by the Fund or the Investment Manager with respect to the tax consequences relating to an investment in the Fund. The Fund may take positions with respect to certain tax issues which depend on legal conclusions not yet resolved by the Service, other applicable taxing authorities or courts. Should any such positions be successfully challenged by the Service or any other applicable taxing authority, there could be a materially adverse effect on the Fund.

Tax Audit. An audit of the Fund by the Service or any other applicable taxing authority could result in adjustments to the tax consequences initially reported by the Fund, which examination could affect the after-tax returns of a shareholder's investment in the Fund. If such audit adjustments result in an increase in the Fund's tax liability for any year, the Fund may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of the Fund's tax returns will be borne by the Fund.

Tax-Exempt Entities. Certain prospective investors may be subject to U.S. federal and state laws, rules and regulations that regulate their participation in the Fund, or their engaging directly or indirectly through an investment in the Fund, in certain investment strategies that the Fund (through the Master Fund) may utilize from time-to-time (e.g., short-sales of securities and the use of leverage, the purchase and sale of options and limited diversification). While the Master Fund believes its investment program is generally appropriate for U.S. tax-exempt organizations for which an investment in the Fund would otherwise be suitable, each type of exempt organization may be subject to different laws, rules and regulations, and prospective investors should consult with their own advisers as to the advisability and tax consequences of an investment in the Fund. Investments in the Fund by entities subject to ERISA (as defined below), and other tax-exempt entities, require special consideration. Trustees or administrators of such entities are urged to review carefully the matters discussed in this Memorandum.

Tax Considerations Taken into Account. The Investment Manager may take tax considerations into account in determining when the Fund's investments should be sold or otherwise disposed of, and may assume certain market risk and incur certain expenses in this regard to achieve favorable tax treatment of a transaction.

Adverse Taxation Events. With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Fund, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

Shareholder Level Taxation. Tax consequences to each shareholder will depend on tax laws in that shareholder's jurisdiction. Shareholders should consult their professional advisors as to the possible tax consequences of subscribing for, buying, holding, selling, transferring or redeeming Shares under the laws of their country of citizenship, residence or domicile.

Possible Law Changes. No assurance can be given that legislative, administrative or judicial changes that could alter, either prospectively or retroactively, the U.S. tax considerations or risk factors discussed in this Memorandum will not occur. Currently, various proposals in the U.S. Congress, possibly with retroactive effect, are pending which, if enacted, could result in changes in U.S. federal income tax laws that may adversely affect the federal income tax consequences of an investment in the Fund. Prospective investors should seek, and must rely on, the advice of their own advisors with respect to the possible impact on its investment of any future proposed legislation or administrative or judicial action.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Memorandum and consult with their own advisers before deciding to invest in the Fund. In addition, as the investment program of the Master Fund develops and changes over time, an investment in the Fund may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

In view of the foregoing considerations, an investment in Shares is suitable only for investors who are capable of bearing the relevant investment risks.

POTENTIAL CONFLICTS OF INTEREST

Highland Group & Highland Accounts

Given the nature and size of Highland Capital Management, L.P.'s ("Highland Capital") operations, various potential conflicts of interest arise in connection with its advisory services and the advisory services provided by its affiliates. Information about Highland Capital and its potential conflicts of interest is provided in Highland Capital's Form ADV Part 2 Brochure that can be found by going to <https://adviserinfo.sec.gov/IAPD/Default.aspx>, searching by firm name and selecting the Part 2 Brochure to be viewed. The Fund is subject to these conflicts of interest, as well as the other items discussed below.

None of the Investment Manager, its affiliates and their respective officers, directors, shareholders, members, partners, personnel and employees (collectively, the "Highland Group") is precluded from engaging in or owning an interest in other business ventures or investment activities of any kind, whether or not such ventures are competitive with the Fund or the Master Fund. The Investment Manager is permitted to manage other client accounts, and does manage other client accounts, some of which may have objectives similar or identical to those of the Master Fund, including other collective investment vehicles that may be managed by the Highland Group and in which the Investment Manager or any of its affiliates may have an equity interest.

The Fund will be subject to a number of actual and potential conflicts of interest involving the Highland Group including, among other things, the fact that: (i) the Highland Group conducts substantial investment activities for accounts, funds, collateralized debt obligations that invest in leveraged loans (collectively, "CDOs") and other vehicles managed by members of the Highland Group ("Highland Accounts") in which the Fund has no interest; (ii) the Highland Group advises Highland Accounts, which utilize the same, similar or different methodologies as the Fund and may have financial incentives (including, without limitation, as it relates to the composition of

investors in such funds and accounts or to the Highland Group's compensation arrangements) to favor certain Highland Accounts over the Fund and the Master Fund; (iii) the Highland Group may use the strategy described herein in certain Highland Accounts; (iv) the Investment Manager may give advice and recommend securities to, or buy or sell securities for, the Master Fund, which advice or securities may differ from advice given to, or securities recommended or bought or sold for, Highland Accounts; (v) the Investment Manager has the discretion, to the extent permitted under applicable law, to use its affiliates as service providers to the Fund and the Master Fund and the Master Fund's portfolio investments; (vi) certain investors affiliated with the Highland Group may choose to personally invest only in certain funds advised by the Highland Group and the amounts invested by them in such funds is expected to vary significantly; (vii) the Highland Group and Highland Accounts may actively engage in transactions in the same securities sought by the Master Fund and, therefore, may compete with the Master Fund for investment opportunities or may hold positions opposite to positions maintained on behalf of the Master Fund; and (viii) the Investment Manager will devote to the Master Fund and the Fund only as much time as the Investment Manager deems necessary and appropriate to manage the Master Fund's and the Fund's business.

The Investment Manager undertakes to resolve conflicts in a fair and equitable basis, which in some instances may mean a resolution that would not maximize the benefit to the Fund's investors.

Allocation of Trading Opportunities

It is the policy of the Investment Manager to allocate investment opportunities fairly and equitably over time. This means that such opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) fiduciary duties owed to the accounts; (ii) the primary mandate of the accounts; (iii) the capital available to the accounts; (iv) any restrictions on the accounts and the investment opportunity; (v) the sourcing of the investment, size of the investment and amount of follow-on available related to the investment; (vi) whether the risk-return profile of the proposed investment is consistent with the account's objectives and program, whether such objectives are considered in light of the specific investment under consideration or in the context of the portfolio's overall holdings; (vii) the potential for the proposed investment to create an imbalance in the account's portfolio (taking into account expected inflows and outflows of capital); (viii) liquidity requirements of the account; (ix) potentially adverse tax consequences; (x) regulatory and other restrictions that would or could limit an account's ability to participate in a proposed investment; and (xi) the need to re-size risk in the account's portfolio.

The Investment Manager has the authority to allocate trades to multiple Highland Accounts on an average price basis or on another basis it deems fair and equitable. Similarly, if an order on behalf of any accounts cannot be fully allocated under prevailing market conditions, the Investment Manager may allocate the trades among different accounts on a basis it considers fair and equitable over time. One or more of the foregoing considerations may (and are often expected to) result in allocations among the Master Fund and one or more Highland Accounts on other than a *pari passu* basis. The Investment Manager will allocate investment opportunities across its accounts for which the opportunities are appropriate, consistent with (i) its internal conflict of interest and allocation policies and (ii) the requirements of the Investment Advisers Act of 1940, as amended. The Investment Manager will seek to allocate investment opportunities among such entities in a

manner that is fair and equitable over time and consistent with its allocation policy, a copy of which will be provided upon request. However, there is no assurance that such investment opportunities will be allocated to the Master Fund fairly or equitably in the short-term or over time and there can be no assurance that the Master Fund will be able to participate in all investment opportunities that are suitable for it

The Investment Manager may open “average price” accounts with brokers. In an “average price” account, purchase and sale orders placed during a trading day on behalf of the Investment Manager, the Master Fund, and other accounts managed by the Investment Manager are combined, and securities bought and sold pursuant to such orders are allocated among such accounts on an average price basis.

Cross Transactions and Principal Transactions

As further described below, the Investment Manager may effect client cross-transactions where the Investment Manager causes a transaction to be effected between the Master Fund and another client advised by it or any of its affiliates. The Investment Manager may engage in a client cross-transaction involving the Master Fund any time that the Investment Manager believes such transaction to be fair to the Master Fund and such other client. By purchasing Shares, a Shareholder is deemed to have consented to such client cross-transactions between the Master Fund and another client of the Investment Manager or one of its affiliates.

The Investment Manager may direct the Master Fund to acquire or dispose of securities in cross trades between the Master Fund and other clients of the Investment Manager or its affiliates in accordance with applicable legal and regulatory requirements. In addition, the Master Fund may invest in securities of obligors or issuers in which the Investment Manager and/or its affiliates have a debt, equity or participation interest, and the holding and sale of such investments by the Master Fund may enhance the profitability of the Investment Manager’s own investments in such companies. Moreover, the Master Fund may invest in assets originated by the Investment Manager or its affiliates. In each such case, the Investment Manager and such affiliates may have a potentially conflicting division of loyalties and responsibilities regarding the Master Fund and the other parties to such trade. Under certain circumstances, the Investment Manager and its affiliates may determine that it is appropriate to avoid such conflicts by selling a security at a fair value that has been calculated pursuant to the Investment Manager’s valuation procedures to another client managed or advised by the Investment Manager or such affiliates. In addition, the Investment Manager may enter into agency cross-transactions where it or any of its affiliates acts as broker for the Master Fund and for the other party to the transaction, to the extent permitted under applicable law.

The principal of the Investment Manager, as well as the employees and officers of the Investment Manager and of organizations affiliated with the Investment Manager, may buy and sell securities for their own account or the account of others, but may not buy securities from or sell securities to the Master Fund (such prohibition does not extend to the purchase or sale of Shares of the Fund), unless such purchase or sale is in compliance with the applicable provisions of the Investment Advisers Act of 1940, as amended.

Conflicts Relating to Equity and Debt Ownership by the Master Fund and Affiliates

In certain circumstances, the Master Fund and other client accounts may invest in securities or other instruments of the same issuer (or affiliated group of issuers) having a different seniority in the issuer's capital structure. If the issuer becomes insolvent, restructures or suffers financial distress, there may be a conflict between the interests in the Master Fund and those other accounts insofar as the issuer may be unable (or in the case of a restructuring prior to bankruptcy may be expected to be unable) to satisfy the claims of all classes of its creditors and security holders and the Master Fund and such other accounts may have competing claims for the remaining assets of such issuers. Under these circumstances it may not be feasible for the Investment Manager to reconcile the conflicting interests in the Master Fund and such other accounts in a way that protects the Master Fund's interests. Additionally, the Investment Manager or its nominees may in the future hold board or creditors' committee memberships which may require them to vote or take other actions in such capacities that might be conflicting with respect to certain funds managed by the Investment Manager in that such votes or actions may favor the interests of one account over another account. Furthermore, the Investment Manager's fiduciary responsibilities in these capacities might conflict with the best interests of the investors.

Affiliated Entity Services

Affiliated entities of the Investment Manager may provide services with respect to the Investment Manager, the Master Fund or the Fund. NexBank, SSB ("NexBank SSB") is an affiliate of the Investment Manager and may, from time to time, provide banking and/or agency services to the Investment Manager, clients of the Investment Manager or collective investment vehicles for which the Investment Manager provides investment advisory services (including the Fund, the Master Fund and other vehicles in which the Fund (through the Master Fund) may invest) or third parties engaged in transactions involving the Investment Manager. NexBank SSB may also act as an agent in connection with certain securities transactions involving the Investment Manager's client accounts (including the Master Fund and other vehicles in which the Master Fund may invest). Principals of the Investment Manager own a majority of the equity interests in NexBank SSB and employees or affiliates of the Investment Manager own or may own a substantial equity interest in NexBank SSB. Certain Master Fund investment transactions may be executed through NexBank Securities, Inc., an affiliate of the Investment Manager and a registered broker-dealer.

Additionally, the Investment Manager or affiliates of the Investment Manager, including, without limitation, Nexbank SSB, NexBank Securities, Inc., NexBank Capital Advisors and Governance Re, Ltd., may provide financial advisory, management, insurance, title insurance or other services for a fee to portfolio companies in which the Master Fund may have an interest. Highland Latin America Consulting, Ltd., an affiliate of the Investment Manager, has been engaged to provide certain administrative and consulting services to the Investment Manager, as more fully described below in "*Management and Administration – Investment Manager.*"

Management Fees

A portion of any Management Fee may be paid to broker-dealers, placement agents or independent third parties, other than the Investment Manager, for services provided in connection with the solicitation of subscriptions from investors. Accordingly, investors should recognize that a

placement agent's or distributor's participation in this offering may be influenced by its interest in such current or future fees and compensation. Investors should consider these potential conflicts of interest in making their investment decisions. Each placement agent shall comply with the legal requirements of the jurisdictions within which it offers and sells Interests.

Diverse Membership

The Shareholders are expected to include entities, persons, or entities organized in various jurisdictions and subject to different tax and regulatory regimes. Such diverse investors may thus have conflicting investment, tax and other interests, relating to, among other things, the nature of investments made by the Master Fund, the structuring or the acquisition of investments and the timing of disposition of investments. As a result, conflicts of interest may arise in connection with decisions made by the Investment Manager including as to the nature and structure of investments that may be more beneficial for one type of Shareholder than for another type of Shareholder, including Shareholders affiliated with the Investment Manager. The results of the Fund's activities may affect individual Shareholders differently, depending upon their individual financial and tax situations because, for instance, of the timing of an event of realization of gain or loss and its characterization as long-term or short-term gain or loss. In addition, the Master Fund may make investments that may have a negative impact on related investments made by the Shareholders in separate transactions. In selecting, structuring and managing investments appropriate for the Master Fund, the Investment Manager will consider the investment and tax objectives of the Master Fund and the Feeder Funds as a whole, not the investment, tax, or other objectives of any Shareholder individually. However, there can be no assurance that a result will not be more advantageous to some Shareholders than to others or to the Investment Manager and/or its affiliates than to a particular Shareholder.

Performance Allocation

As described herein, the Master Fund Partnership Agreement provides for the payment of the Management Fee to the Investment Manager and the Performance Allocation to the Investment Manager, in its capacity as the Special Limited Partner. The Performance Allocation may create an incentive for the Investment Manager, as the Special Limited Partner, to make investments that are riskier or more speculative than would be the case in the absence of such Performance Allocation.

Soft Dollars

The Investment Manager's authority to use "soft dollar" credits generated by the Master Fund's securities transactions to pay for expenses that might otherwise have been borne by the Investment Manager or the Master Fund General Partner may give the Investment Manager an incentive to select brokers or dealers for Master Fund transactions, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by the Investment Manager rather than giving exclusive consideration to the interests in the Master Fund. See "*Brokerage and Custody*."

No Separate Counsel

Akin Gump Strauss Hauer & Feld LLP (“Akin Gump”) serves as counsel to the Fund, the Master Fund, the Investment Manager, the Master Fund General Partner and certain of their Affiliates (the “Clients”) in connection with the formation of certain Clients, the offering of Shares as well as certain other matters for which the Clients may engage Akin Gump from time to time. Akin Gump disclaims any obligation to verify the Clients’ compliance with their obligations either under applicable law or the governing documents of the Fund. In acting as counsel to the Clients, Akin Gump has not represented and will not represent any shareholders nor does it purport to represent their interests. No independent counsel has been retained to represent the shareholders. In assisting in the preparation of this Memorandum, Akin Gump has relied on information provided by the Fund, the Investment Manager and the Master Fund General Partner and certain of the Fund’s other service providers (including, without limitation, biographical data, summaries of market conditions, the planned investment strategy of the Master Fund and the performance of the Master Fund, its investments or any predecessor Fund) without verification and does not express a view as to whether such information is accurate or complete.

Maples and Calder, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, acts as Cayman Islands legal counsel to the Fund, the Master Fund and the Master Fund General Partner. In connection with the Fund's offering of Shares and subsequent advice to the Fund, the Master Fund and the Master Fund General Partner, Maples and Calder will not be representing shareholders and/or limited partners. No independent legal counsel has been retained to represent the shareholders and/or limited partners. Maples and Calder's representation of the Fund is limited to specific matters as to which it has been consulted by the Fund. There may exist other matters that could have a bearing on the Master Fund as to which Maples and Calder has not been consulted. In addition, Maples and Calder does not undertake to monitor compliance by the Investment Manager and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does Maples and Calder monitor ongoing compliance with applicable laws. In connection with the preparation of this Memorandum, Maples and Calder's responsibility is limited to matters of Cayman Islands law and it does not accept responsibility in relation to any other matters referred to or disclosed in this Memorandum. In the course of advising the Fund, there are times when the interests of shareholders/limited partners may differ from those of the Fund, the Master Fund and/or the Master Fund General Partner. Maples and Calder does not represent the shareholders’ and/or the limited partners’ interests in resolving these issues. In reviewing this Memorandum, Maples and Calder has relied upon information furnished to it by the Fund and has not investigated or verified the accuracy and completeness of information set forth herein concerning the Fund, the Master Fund and/or the Master Fund General Partner.

Non-Public Information

From time to time, the Investment Manager may come into possession of non-public information concerning specific companies although internal structures are in place to prevent the receipt of such information. Under applicable securities laws, this may limit the Investment Manager’s flexibility to buy or sell portfolio securities issued by such companies. The Master Fund’s investment flexibility may be constrained as a consequence of the Investment Manager’s inability to use such information for investment purposes.

Directors

The Directors will at all times have regard to their obligations to act in the best interests of the Fund and its Shareholders so far as practicable. The Directors will seek to ensure that any conflict of interest is resolved fairly and in the interests of the Fund and its Shareholders.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Memorandum and consult with their own legal, tax and financial advisers before deciding to invest in the Fund.

MANAGEMENT AND ADMINISTRATION

BOARD OF DIRECTORS

The Directors are responsible for the overall management and control of the Fund in accordance with its Memorandum and Articles of Association. However, the Directors are not responsible for the day-to-day operations and administration of the Fund, nor are they responsible for making or approving any investment decisions having delegated such investment responsibilities to the Investment Manager pursuant to the Investment Management Agreement, and the day-to-day administrative functions to the Administrator pursuant to the Administration Agreement in accordance with their powers of delegation as set out in the Articles. The Directors will review, on a periodic basis, the performance of the Investment Manager and the Administrator.

Biographical information for each Director is set forth below.

Claire Kasumba. Claire serves as an independent director on a wide range of investment structures, including hedge funds, private equity funds, fund of funds and segregated portfolio companies. Claire joined Maples Fiduciary Services (Cayman) Limited (“Maples Fiduciary”), a regulated entity in the Cayman Islands, in 2016 and has over 10 years’ legal experience. Claire previously worked as an Associate in the Investment Funds team at Maples and Calder from 2011 where she focused on hedge fund and private equity structuring and formation. Prior to joining Maples and Calder, Claire worked at Nabarro LLP in London in the Funds and Indirect Real Estate team for over five years. During Claire's time at Nabarro LLP, she also completed a six month secondment in the legal department at Aviva Investors. Claire received a Bachelor of Arts degree with first class honours majoring in Economics and Law from the University of Leicester, UK and Göteborgs Universitet, Sweden in 2003. She received a Master of Laws in Commercial and Corporate Law from the University College London, UK. Claire completed her Legal Practice Course in 2005 from BPP Law School, UK. She has been admitted to practice law in England and Wales and the Cayman Islands. Claire also holds an Accredited Director designation from the Institute of Chartered Secretaries and Administrators Canada.

Martin Laufer. Martin works at Maples Fiduciary and serves as an independent director on a wide range of alternative investment funds, including fund of funds, hedge funds and unit trusts. Prior to joining Maples Fiduciary, Martin worked for BNY Mellon Fund Management (Cayman) Limited where he was the Financial Fund Manager from 2010 to 2016, providing fiduciary services to a multi-billion dollar portfolio of unit trusts operating as investment funds as well as administration services to a large portfolio of Cayman Islands domiciled hedge funds and fund of funds. Prior to that, Martin worked for CIBC Bank and Trust Company (Cayman) Limited as a Senior Client Accountant. From 2003 to 2007 Martin worked for KPMG Argentina as a Senior Consultant. Martin graduated from Buenos Aires University as a Certified Public Accountant and holds a Master of Business Administration from the International College of the Cayman Islands. He is a CFA Charterholder and a qualified Trust and Estate Practitioner. Martin is a

member of the Society of Trust and Estate Practitioners (STEP), the Cayman Islands CFA Society and the Cayman Islands Institute of Professional Accountants (CIIPA).

Sophia Dilbert. Sophia Dilbert serves as an independent director on a wide range of alternative investment funds, including fund of funds, hedge funds, private equity funds and segregated portfolio companies. Sophia works at Maples Fiduciary, which she joined in 2012. Prior to joining Maples Fiduciary, Sophia was Global Head of Legal at Admiral Administration Ltd. in the Cayman Islands, starting there in 2007, where she was responsible for advising on all legal and regulatory matters. Sophia was also responsible for the implementation of global policies and procedures. Prior to that, Sophia worked for Stuart Walker Hersant as a senior associate in the Cayman Islands, specializing in investment funds and general corporate law. Sophia commenced her career with Maples and Calder where she spent eight years as an associate attorney specializing in capital markets and investment funds. Her area of practice also included general corporate and commercial law, real estate, immigration and employment matters. Sophia graduated from the University of Liverpool with a Bachelor of Laws with Honours. She is an Attorney-at-Law and is a member of the Caymanian Bar Association, the Cayman Islands Law Society and the Honourable Society of Middle Temple in the United Kingdom. Sophia has also received the Accredited Director designation from the Chartered Secretaries Canada and is a member of the Cayman Islands Directors Association and the Council of the Cayman Islands Stock Exchange.

The services of Claire Kasumba, Martin Laufer and Sophia Dilbert will be provided by Maples Fiduciary. Maples Fiduciary is an affiliate of Maples and Calder, who will be engaged as the Fund's legal counsel. Maples Fiduciary will enter into a Director Services Agreement with the Fund which sets out the terms on which it will provide the services of Claire Kasumba, Martin Laufer and Sophia Dilbert.

Maples Fiduciary will be entitled to remuneration from the Fund at its customary rates and for reimbursement of its out-of-pocket expenses, including all travelling, hotel and other expenses properly incurred by the Directors supplied by Maples Fiduciary in attending meetings of the Directors or any shareholders meeting held in connection with the business of the Fund.

The Directors provided by Maples Fiduciary are non-executive Directors of the Fund and are not required to devote their full time and attention to the business of the Fund. They may be engaged in any other business and/or be concerned or interested in or act as directors or officers of any other company or entity. Neither Maples Fiduciary nor any of the Directors supplied by Maples Fiduciary will be responsible for (i) the commercial structuring of the Fund or the Master Fund or the Master Fund's investment strategy, (ii) the purchase or sale of any investment on behalf of the Master Fund (which will be the responsibility solely of the Investment Manager), (iii) the valuation of the assets of the Master Fund and the Fund, or (iv) any loss or damage caused by the acts or omissions of the Investment Manager, the Administrator or any of their delegates or sub-delegates unless any such loss or damage is actually occasioned by the actual fraud, willful default or Gross Negligence (as defined in the Director Services Agreement) of the Directors supplied by Maples Fiduciary.

The Director Services Agreement provides that none of Maples Fiduciary nor any of the Directors provided by the Maples Group shall be liable to the Fund under or in connection with the Director Services Agreement in an amount of more than US\$5,000,000, except in circumstances where such liability was caused by the actual fraud of Maples Fiduciary or, as the case may be, any of the Directors provided by the Maples Group.

The Articles do not stipulate a retirement age for the Directors and do not provide for retirement of the Directors by rotation. There is no shareholding qualification for the Directors. The Directors are empowered to exercise all of the borrowing powers of the Fund. The borrowing powers of the Fund may be varied by the Directors or by an amendment to the Articles.

The Articles provide that the Fund may, by Ordinary Resolution, remove a Director from office and may, by Ordinary Resolution, appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director. The Directors may appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors.

The Articles further provide that the office of a Director shall be vacated if: (a) he becomes prohibited by law from being a Director; (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; (c) he dies, or is, in the opinion of all his co-Directors, incapable by reason of mental disorder of discharging his duties as Director; (d) he resigns his office by notice to the Company; (e) he has for more than six consecutive months been absent without permission of the Directors from meetings of Directors held during that period and his alternate Director (if any) has not during such period attended any such meetings instead of him, and the Directors resolve that his office be vacated; or (f) he is removed from office by notice addressed to him at his last known address and signed by all his co-Directors.

The Articles provide that, so long as the nature of their interest is or has been declared at the earliest opportunity, a Director or prospective Director may enter into any contract or arrangement with the Fund and such contract or arrangement shall not be liable to be avoided and the Director concerned shall not be liable to account to the Fund for any profit realized by any such contract or arrangement by reason of his holding of that office or the fiduciary relationship so established and may hold any other office or place of profit with the Fund (except that of auditor) in conjunction with the office of Director on such terms as to tenure of office and otherwise as the Directors may determine. Provided that a Director has disclosed his material interest pursuant to the Articles, a Director may vote at any meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty. The Director shall be counted in the quorum present at a meeting when any such resolution is under consideration and if he votes his vote shall be counted.

As at the date of this Memorandum, no Director nor any connected person has any interest, beneficial or non-beneficial, in the share capital of the Fund nor any material interest in the Shares of the Fund nor any options in respect of such Shares nor in any agreement or arrangement with the Fund. Other than the Investment Management Agreement, there are no contracts or arrangements subsisting at the date of this Memorandum in which a Director of the

Fund is materially interested and which is significant in relation to the business of the Fund. There are no loans or guarantees provided by the Fund to or for the benefit of the Directors as at the date of this Memorandum.

Other than the Investment Management Agreement, no Director has any direct or indirect interest in any contract or arrangement that was either unusual in its nature or significant to the business of the Fund in previous years and remains outstanding.

The Articles provide certain rights of exculpation and indemnification in favor of Directors and officers of the Fund against legal liability and expenses if such persons did not, in connection with the matter giving rise to a particular claim, engage in gross negligence or willful default in the performance of their duties.

The Directors may change any of the Fund's service providers, including the Fund's auditors, without the consent of the Shareholders. In addition, the remuneration being paid to service providers by the Fund (and any other term of their respective service agreements) may be amended by the mutual consent of the Directors and the relevant service providers. This may be necessary from time to time to keep such remuneration in line with the prevailing market rates being charged.

INVESTMENT MANAGER

The Fund's Investment Manager is Highland Capital Management Latin America, L.P., a Cayman Islands exempted limited partnership formed on April 13, 2017. The Investment Manager is responsible for overseeing the investment of the Fund's assets (through the Master Fund) and the distribution of the Shares, subject to the overall control of the Master Fund General Partner. With the approval of the Master Fund General Partner, the Investment Manager may delegate certain of its duties to other companies and entities, which may be affiliated with, or independent of, the Investment Manager. The Investment Manager has power to terminate such appointments and to make other appointments in place of them.

The Investment Manager is a wholly-owned subsidiary of Highland Capital Management, L.P., a Delaware limited partnership and a registered investment adviser with the U.S. Securities Exchange Commission (CRD# 110126 / SEC# 801-54874). As an advisory affiliate of Highland Capital Management, L.P., the Investment Manager is also subject to compliance with the provisions of the U.S. Investment Advisers Act of 1940, as amended.

The Investment Manager is not required to be licensed in the Cayman Islands because it is providing investment management services exclusively to persons that fall within an exemption under the Securities Investment Business Law (Revised) of the Cayman Islands. Accordingly, the Investment Manager has filed an initial declaration of exemption with the Cayman Islands Monetary Authority and will update that filing on an annual basis. The Investment Manager will not provide investment services to any class of person that would require it to be licensed under the Securities Investment Business Law (Revised) without first obtaining such a license. The Investment Manager does not envisage obtaining such a license.

The Investment Manager engaged Highland Latin America Consulting, Ltd., a Cayman Islands exempted company (“Highland Latin America”), a wholly-owned subsidiary of the Investment Manager, to provide certain administrative and consulting services to the Investment Manager related to its management of the Fund, subject to the Services Agreement. The Fund will not be liable for any consulting services provided by Highland Latin America or any consultants or service providers that Highland Latin America engages.

The key investment professionals of the Investment Manager and Highland Latin America who are responsible for the Master Fund’s investment activities are described below:

James Dondero, CFA, CMA, President, Co-Founder. Mr. Dondero is Co-Founder and President of Highland Capital Management, L.P. and a Director of Highland Latin America GP, Ltd., the general partner of the Investment Manager. Mr. Dondero has over 30 years of experience in the credit and equity markets, focused largely on high-yield and distressed investing. Mr. Dondero is the Chairman and President of NexPoint Residential Trust, Inc. (NYSE:NYRT), Chairman of NexBank Capital, Inc., Cornerstone Healthcare Group Holding, Inc., and CCS Medical, Inc., and a board member of Jernigan Capital, Inc. (NYSE:JCAP), and MGM Holdings, Inc. He also serves on the Southern Methodist University Cox School of Business Executive Board. A dedicated philanthropist, Mr. Dondero actively supports initiatives in education, veterans affairs, and public policy. Prior to founding Highland in 1993, Mr. Dondero was involved in creating the GIC subsidiary of Protective Life, where as Chief Investment Officer he helped take the company from inception to over \$2 billion between 1989 and 1993. Between 1985 and 1989, Mr. Dondero was a corporate bond analyst and then portfolio manager at American Express. Mr. Dondero began his career in 1984 as an analyst in the JP Morgan training program. Mr. Dondero graduated from the University of Virginia where he earned highest honors (Beta Gamma Sigma, Beta Alpha Psi) from the McIntire School of Commerce with dual majors in accounting and finance. He has received certification as Certified Public Accountant (CPA) and Certified Managerial Accountant (CMA) and has earned the right to use the Chartered Financial Analyst (CFA) designation.

Gustavo Prilick. Mr. Prilick is a Managing Partner at Highland Capital Brasil and a registered asset manager in Brazil, and is a Director of Highland Latin America GP, Ltd., the general partner of the Investment Manager. He has extensively worked in several of Highland Capital Brasil’s portfolio companies in the US mainly as CEO. Prior to his involvement with Highland Capital Brasil, he was a Partner at South America Fund, a private equity firm, mainly focused on providing financial services to export companies in Argentina and Uruguay. Prior to South America Fund, he was the Chief Operating Officer of Millicom International Cellular for 7 years, serving Latin America, Asia, Africa and ten operations in Russia. Prior to Millicom, he served as the Director of International Business for Oracle Corporation where he was responsible for the establishment of most of Oracle’s International Subsidiaries on several continents, including the Brazilian operation. Later he became President of Oracle South America with oversight of several countries in South America. He also served as CEO of Nacion Factoring, a subsidiary of Banco Nacion in Argentina building its operations to reach one of the leading positions in the country. Mr. Prilick received an MBA from the Stanford University Graduate School of Business and a degree in Electrical Engineering from Universidad de Buenos Aires. He has also held teaching positions as a visiting professor in several leading Business Schools in Argentina.

Highland Latin America will enter into relationships and agreements with Argentine relevant parties and/or individuals to obtain supporting services for the management of the Fund, the Domestic Fund and the Master Fund, and will enter into consulting agreements with Andrés Pitchón, Julieta Prieto and Javier Casabal pursuant to which these consultants will provide investment and related services to the Feeder Funds and the Master Fund. Mr. Pitchón will provide portfolio management services to the Master Fund under the overall supervision of the Investment Manager.

Andrés Pitchón. Mr. Pitchón, through a consulting arrangement with Highland Latin America Consulting, Ltd., provides portfolio management services to the Master Fund. Mr. Pitchón began his career in 1993 as Head of Equity Research for Argentina for MBA-Salomon Brothers and later he also became responsible for Fixed income. As Head of the Research Department his work was recognized by international publications such as Institutional Investor, Latin Finance, The Reuters Survey and The Greenwich Survey. Since 1997 and 1999 he has managed the Fund's equity and fixed income mutual funds. Since 2003 Mr. Pitchón had been Senior Portfolio Manager of the Fund's hedge funds. Mr. Pitchón received a BA degree in IT, focused on Business Administration from the University of Belgrano (1989), together with an academic merit medal for highest GPA in the School of Technology. Mr. Pitchón also received a Master's degree in Business Administration from Anderson Graduate School of Business at UCLA in 1992.

Investment Management Agreement

Under the Investment Management Agreement among the Investment Manager, the Master Fund General Partner, the Feeder Funds and the Master Fund, the Investment Manager has agreed to provide investment management and distribution services to the Feeder Funds and the Master Fund in accordance with the investment objective and strategies of the Master Fund, and the selling restrictions, set forth above. The Directors have delegated the following list of authorities to the Investment Manager under the Investment Management Agreement (to be exercised in consultation with the Directors): (i) authority to approve the rescission of a request for voluntary redemption submitted by a Shareholder; (ii) authority to waive any applicable requirements and restrictions in relation to the redemption of Shares by any Shareholder; (iii) authority to waive certain eligibility requirements with respect to any new subscription for participating shares or the transfer of Shares; (iv) authority to waive any of the subscription requirements as set out in this Memorandum with respect to any new subscription for Shares; (v) authority to permit a Shareholder to redeem its Shares at any time in the event that continuing to hold the Shares becomes impractical or illegal, upon a Shareholder's death or total disability, or in order for a Shareholder to avoid materially adverse tax or regulatory consequences; (vi) authority to make in-kind distributions of Fund assets; (vii) authority to approve the establishment of reserves for contingencies and distribution holdbacks; (viii) authority to approve Side Letters; (ix) authority to accept subscriptions below the minimum subscription amount; and (x) authority to accept redemptions of Shares outside the frequency established by the Memorandum and Articles of the Fund.

Under the terms of the Investment Management Agreement, the Fund pays to the Investment Manager, for its services as Investment Manager, a quarterly “Management Fee” as described below.

Management Fee for Series A Shares

The Management Fee is an amount equal to 1.75% per annum of the Net Asset Value of each Series A Share. The Management Fee is calculated monthly based on the Net Asset Value of each Series A Share on the last day of each calendar month (before issuing new Series A Shares related to subscriptions made as of the first day of the immediately succeeding month and before redemptions, if any, made during such calendar month and before deduction of the Management Fee for such quarter) and is payable quarterly in arrears on the last day of each calendar quarter. The Management Fee is paid at the Master Fund level. The Master Fund will pay the Management Fee in U.S. Dollars promptly following the end of each calendar quarter. The Management Fee will be deducted in computing the net profit or net loss of the Fund attributed to the Series A Shares. In the event that the Investment Manager is not acting as Investment Manager for an entire calendar quarter, the Management Fee payable by the Master Fund for such calendar quarter will be prorated to reflect the portion of such calendar quarter in which the Investment Manager is acting as such under the Investment Management Agreement.

The Master Fund General Partner or the Investment Manager may elect to reduce, waive or calculate differently the Management Fee with respect to any Shareholder. The Investment Manager may assign all or any portion of the Management Fee to any of its affiliates or any other person designated by the Investment Manager in its discretion.

Management Fee for Series B Shares

The Management Fee is an amount equal to 1.25% per annum of the Net Asset Value of each Series B Share. The Management Fee is calculated monthly based on the Net Asset Value of each Series B Share on the last day of each calendar month (before issuing new Series B Shares related to subscriptions made as of the first day of the immediately succeeding month and before redemptions, if any, made during such calendar month and before deduction of the Management Fee for such quarter) and is payable quarterly in arrears on the last day of each calendar quarter. The Management Fee is paid at the Master Fund level. The Master Fund will pay the Management Fee in U.S. Dollars promptly following the end of each calendar quarter. The Management Fee will be deducted in computing the net profit or net loss of the Fund attributed to the Series B Shares. In the event that the Investment Manager is not acting as Investment Manager for an entire calendar quarter, the Management Fee payable by the Master Fund for such calendar quarter will be prorated to reflect the portion of such calendar quarter in which the Investment Manager is acting as such under the Investment Management Agreement.

The Master Fund General Partner or the Investment Manager may elect to reduce, waive or calculate differently the Management Fee with respect to any Shareholder. The Investment Manager may assign all or any portion of the Management Fee to any of its affiliates or any other person designated by the Investment Manager in its discretion.

Performance Allocation for Series A Shares

Generally, as of the close of each fiscal quarter and subject to the limitations described below, the Performance Allocation is debited against each applicable Master Fund capital sub-account relating to a sub-series of Series A Shares attributable to a Shareholder and simultaneously credited to the Master Fund capital account of the Special Limited Partner. The Performance Allocation is calculated and allocated at the Master Fund level, but is effectively equal to 20.0% of the Net Capital Appreciation (as defined below) of each Series A Share for such fiscal quarter.

The “Net Capital Appreciation” applicable to a Series A Share means the amount by which the Net Asset Value of such Series A Share on the last day of the fiscal quarter (or on the Redemption Day, if applicable) exceeds the higher of the following amounts: (i) the highest Net Asset Value of such Series A Share as of the commencement of any fiscal quarter and (ii) the issue price of such Series A Share (the amount set forth in clause (i) or clause (ii), whichever is higher, the “High Water Mark”). All such calculations include realized and unrealized gains and losses and are made before deduction of the Performance Allocation, but after deduction of the accrued applicable expenses of the Fund and the Master Fund for the applicable period, and in each case adjusted for any subscriptions and redemptions made during the quarter.

Once the Performance Allocation is made to the Special Limited Partner, it will not be returned to the Master Fund if the Net Asset Value of the Series A Shares on which a Performance Allocation has previously been made subsequently declines. The Performance Allocation is allocated based on both realized and unrealized appreciation.

Performance Allocation for Series B Shares

Generally, as of the close of each fiscal quarter and subject to the limitations described below, the Performance Allocation is debited against each applicable Master Fund capital sub-account relating to a sub-series of Series B Shares attributable to a Shareholder and simultaneously credited to the Master Fund capital account of the Special Limited Partner. The Performance Allocation is calculated and allocated at the Master Fund level, but is effectively equal to 17.5% of the Net Capital Appreciation (as defined below) of each Series B Share for such fiscal quarter.

The “Net Capital Appreciation” applicable to a Series B Share means the amount by which the Net Asset Value of such Series B Share on the last day of the fiscal quarter (or on the Redemption Day, if applicable) exceeds the higher of the following amounts: (i) the highest Net Asset Value of such Series B Share as of the commencement of any fiscal quarter and (ii) the issue price of such Series B Share (the amount set forth in clause (i) or clause (ii), whichever is higher, the “High Water Mark”). All such calculations include realized and unrealized gains and losses and are made before deduction of the Performance Allocation, but after deduction of the accrued applicable expenses of the Fund and the Master Fund for the applicable period, and in each case adjusted for any subscriptions and redemptions made during the quarter.

Once the Performance Allocation is made to the Special Limited Partner, it will not be returned to the Master Fund if the Net Asset Value of the Series B Shares on which a Performance

Allocation has previously been made subsequently declines. The Performance Allocation is allocated based on both realized and unrealized appreciation.

Performance Allocation – General

The Special Limited Partner may assign all or any portion of the Performance Allocation to any of its affiliates or any other person designated by the Special Limited Partner in its discretion.

The Performance Allocation is calculated and allocated at the Master Fund level through the use of separate memorandum sub-accounts with respect to the Fund's capital account in the Master Fund that correspond to each sub-series of the relevant Series of Shares attributable to a Shareholder. No separate Performance Allocation will be charged at the Fund level.

The Performance Allocation generally will be allocable to the Special Limited Partner after the end of each fiscal quarter and as of any Redemption Day occurring prior to the end of any fiscal quarter. The Performance Allocation allocated with respect to any Series of Shares redeemed prior to the end of a fiscal quarter will be determined solely by reference to such redeemed Shares and will be allocable to the Special Limited Partner on the Redemption Day. The Performance Allocation with respect to any Shareholder may be fully or partially waived or rebated by the Master Fund General Partner in its sole discretion.

The Investment Management Agreement provides that, in the absence of gross negligence (as defined under the laws of the State of Delaware), willful misconduct or fraud, each of the Investment Manager, its members, shareholders, partners, managers, directors, any person who controls the Investment Manager, each of the respective affiliates of the foregoing, and each of their respective executors, heirs, assigns, successors and other legal representatives, will be indemnified by the Fund, the Domestic Fund and/or the Master Fund, to the extent permitted by law, against any loss or liability incurred by any of such persons in performing their duties under the Investment Management Agreement.

The Investment Management Agreement is terminable upon the dissolution of any Feeder Fund or the Master Fund or by the holder of the management shares of the Fund upon at least 90 days' prior notice.

Services Agreement

Under the Services Agreement between Highland Latin America and the Investment Manager, Highland Latin America has agreed to provide certain administrative and consulting services to the Investment Manager related to its management of the Fund, the Domestic Fund and the Master Fund. These services include: back- and middle-office services; credit analysis; investment vehicle management; valuation; execution and documentation; marketing; reporting; administrative services; and other ancillary services.

The Services Agreement provides that in the absence of bad faith, gross negligence, fraud or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment), the Investment Manager will, to the extent permitted by law, indemnify and hold

harmless Highland Latin America, any of its affiliates, and any of their respective managers, members, principals, partners, directors, officers, shareholders, employees and agents against any and all claims, demands, liabilities, costs, expenses, damages, losses, suits, proceedings, judgments, assessments, actions and other liabilities incurred by such person in performing their duties under the Services Agreement. The Fund will not be liable for any consulting services provided by Highland Latin America or any consultants or service providers that Highland Latin America engages, and the Fund will not bear any costs or expenses related to the services provided by Highland Latin America.

The Services Agreement will terminate (i) automatically upon the dissolution of the Investment Manager or (ii) at the election of either the Investment Manager or Highland Latin America upon 30 days' notice to the other party.

ADMINISTRATOR

Pursuant to an administration agreement ("Administration Agreement"), the Master Fund has appointed MUFG Fund Services (Cayman) Limited as administrator of the Feeder Funds and the Master Fund (the "Administrator").

MUFG Fund Services is a leading, independent administrator for the alternative investment industry. The Administrator is a Cayman Islands company that is licensed as a Mutual Fund Administrator in the Cayman Islands. It is an indirect wholly owned subsidiary of MUFG Fund Services (Bermuda) Group Limited. The registered office of the Administrator is 2nd Floor Strathvale House, 90 North Church Street, P.O. Box 609, George Town, Grand Cayman KY1-1107, Cayman Islands.

Pursuant to the Administration Agreement, the Administrator is responsible, under the overall supervision of the Master Fund General Partner, for certain matters pertaining to the administration for the Fund, including: (i) maintaining the accounts of the Fund and the Master Fund, (ii) calculating the Master Fund's net asset value, (iii) maintaining the principal corporate records of the Fund and the Master Fund, (iv) communicating with Shareholders, (v) accepting the subscriptions of new Shareholders, (vi) making redemptions of Shares, (vii) maintaining the register of sub-fund investments, (viii) executing sub-fund subscriptions and redemptions as instructed by the Fund, and (ix) ensuring compliance with Cayman Islands law and regulation (including anti-money laundering regulations). For its services, the Administrator receives a fee from the Master Fund.

The Administration Agreement is governed by the law of the Cayman Islands and is subject to termination by the Administrator or the Master Fund upon ninety (90) days' written notice or, under certain circumstances, shorter notice. In such event, the Master Fund may enter into a new agreement with a new administrator on behalf of the Master Fund and the Feeder Funds, in its discretion and on such terms as it deems advisable, without prior notice to, or approval of, investors. Under the Administration Agreement, the Master Fund agrees to indemnify and hold harmless the Administrator and its affiliated persons and delegates, as well as their respective officers, directors, employees and agents for, and to defend and hold each such person harmless from, any and all taxes, claims, demands, actions, suits, judgments, liabilities, losses, damages, costs, charges, counsel fees (on a solicitor and his own client basis), fines, assessments, amounts

paid in settlement and expenses imposed on, incurred by, or asserted against the person which may arise out of or in connection with the Administration Agreement. The Administrator or any other indemnified person will not be indemnified for their own gross negligence, wilful default or fraud.

The Administrator is not responsible for valuing the Master Fund's investments, monitoring any investment restrictions of the Master Fund, determining compliance by the Master Fund with its investment restrictions, the Master Fund's trading activities, the management or performance of the Master Fund, or the accuracy or adequacy of this Memorandum. In addition, the Administrator does not assume any liability to any person or entity, including Shareholders, except as specifically provided in the Administration Agreement. The Administrator may delegate certain services and share information concerning the Fund and its Shareholders with its various non-United States affiliates subject to applicable confidentiality provisions.

The Administrator has no responsibility with respect to trading activities, the Investment Manager, the management or performance of the Fund, or the accuracy or adequacy of this Memorandum.

BROKERAGE AND CUSTODY

Brokerage Arrangements

The Investment Manager will be responsible for the placement of the portfolio transactions of the Master Fund and the negotiation of any commissions or spreads paid on such transactions. Portfolio transactions normally will be effected through brokers on securities exchanges or directly with the issuer, or through an underwriter, or market maker or other dealer for the investments. Portfolio transactions through brokers involve a commission to the broker. Portfolio transactions with dealers typically are priced to include a spread between the bid and the asked price to compensate the dealer. Portfolio transactions will be executed by brokers selected solely by the Investment Manager in its absolute discretion. The Investment Manager is not required to weigh any of these factors equally.

Substantially all of the Master Fund's investments in marketable securities, as well as its cash and cash equivalents, are expected to be held at Société Générale and BNP Paribas Prime Brokerage, Inc. or other prime brokers or custodians selected by the Investment Manager. Instruments not constituting marketable securities generally are recorded through book entry by the borrower or by an agent for the borrower or the creditors. Documentary evidence of the acquisition, ownership and disposition of these assets typically will be held by the Administrator.

Société Générale and BNP Paribas Prime Brokerage, Inc. and other prime brokers or their affiliates may provide capital introduction or other placement services to the Fund and the Investment Manager (with or without separate charges for such other services). In determining which broker-dealer generally provides the best available price and most favorable execution, the Investment Manager considers a totality of circumstances, including price quotes, the size of the transaction, the nature of the market for the financial instrument, the timing of the transaction, difficulty of execution, the broker-dealer's expertise in the specific financial instrument or sector in which the Master Fund seeks to trade, the extent to which the broker-dealer makes a market in

the financial instrument involved or has access to such markets, the broker-dealer's skill in positioning the financial instruments involved, the broker-dealer's promptness of execution, the broker-dealer's financial stability, reputation for diligence, fairness and integrity, quality of service rendered by the broker-dealer in other transactions for the Investment Manager and its respective affiliates, confidentiality considerations, the quality and usefulness of research services and investment ideas presented by the broker-dealer, the broker-dealer's willingness to correct errors, the broker-dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction, and other factors deemed appropriate by the Investment Manager. The Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread.

Accordingly, if the Investment Manager concludes that the commissions charged by a broker or the spreads applied by a dealer are reasonable in relation to the quality of services rendered by such broker or dealer (including, without limitation, the value of the brokerage and research products or services provided by such broker or dealer), the Master Fund may pay commissions to, or be subject to spreads applied by, such broker-dealer in an amount greater than the amount another broker-dealer might charge or apply.

The Investment Manager may also execute trades with brokers and dealers with whom the Fund, the Master Fund or the Investment Manager has other business relationships, including prime brokerage, credit relationships and capital introduction or investments by affiliates of the broker-dealers in the Fund or other entities managed by the Investment Manager. However, the Investment Manager does not believe that these other relationships will influence the choice of brokers and dealers who execute trades for the Master Fund.

Research-related goods and services provided by brokers and dealers through which portfolio transactions for the Master Fund are executed, settled and cleared may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, certain research services, and other goods and services providing lawful and appropriate assistance to the Investment Manager in the performance of investment decision-making responsibilities on behalf of the Master Fund and related accounts (collectively, "***soft dollar items***").

Soft dollar items may be provided directly by brokers and dealers, by third parties at the direction of brokers and dealers or purchased on behalf of the Master Fund with credits or rebates provided by brokers and dealers. Soft dollar items may arise from over-the-counter principal transactions, as well as exchange traded agency transactions. Brokers and dealers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual business received by any broker or dealer may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total transaction volume is allocated on the basis of all the considerations described above. A broker or dealer will not be excluded from executing transactions for the Master Fund because it has not been identified as providing soft dollar items.

The use of commissions or "soft dollars" if any, generated by the Master Fund through agency and certain riskless principal transactions to pay for research and research-related products or

services, if any, will fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended. Under Section 28(e), research products or services obtained with soft dollars generated by the Master Fund may be used by the Investment Manager to service accounts other than the Master Fund. Soft dollars generated in respect of futures, currency and derivatives transactions and principal transactions (that are not riskless principal transactions) do not generally fall within the safe harbor created by Section 28(e) and will be utilized only with respect to research-related products and services for the benefit of the account generating such soft dollars.

Research and brokerage products and services may be used by the Investment Manager in servicing some or all of the Investment Manager's clients. In addition, some research and brokerage may not be used by the Investment Manager in servicing the clients whose commission dollars provided for the research or brokerage. Clients may not, in any particular instance, be the direct or indirect beneficiaries of the research or brokerage provided. Certain clients, who are the beneficiaries of research or brokerage, may have an investment style which results in the generation of a small amount of brokerage commissions due to a lack of active trading for their accounts. As a result, clients who generate sizeable commissions subsidize research or brokerage provided to clients whose accounts generate minimal brokerage commissions since the commission dollars generated by transactions for such clients are not sufficient to pay for research or brokerage that may be received by such clients from other brokers.

In selecting broker-dealers on the basis of the foregoing factors, the Investment Manager may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction. In connection therewith, the Investment Manager will make a good faith determination that the amount of commission is reasonable in relation to the value of the research or brokerage services received, viewed in terms of either the specific transaction or the Investment Manager's overall responsibility to its clients. The Investment Manager will regularly evaluate the placement of brokerage services and the reasonableness of commissions paid. Research received from brokers will be supplemental to the Investment Manager's own research efforts. While the receipt of research will not reduce the Investment Manager's normal research activities, the Investment Manager's expenses could increase materially if it attempted to generate such additional research or brokerage services through its own staff, and the Management Fee will not be reduced as a consequence of the receipt of such research or brokerage services or products. As such, the Investment Manager's arrangements for the receipt of research and brokerage services from brokers may create a conflict of interest, in that the Investment Manager may have an incentive to choose a broker-dealer that provides research and brokerage services, instead of one that does not but charges a lower commission rate. In some instances, the Investment Manager receives products and services that may be used for both research and non-research purposes. In such instances, the Investment Manager will make a good faith effort to determine the relative proportion of the products and services used to assist the Investment Manager in carrying out its investment decision-making responsibilities or order execution, including research and brokerage, and the relative proportion used for administrative or other non-research purposes. The proportionate amount of the research attributable to assisting the Investment Manager in carrying out its investment decision-making responsibilities or order execution will be paid through brokerage commissions generated by the Master Fund's

and other client's transactions; the proportionate amount attributable to administrative or other non-research purposes will be paid for by the Investment Manager from its own resources. The receipt of "mixed-use" research and the determination of the appropriate allocation may result in a potential conflict of interest between the Investment Manager and its clients, including the Master Fund.

Custody

The majority of the Master Fund's securities are held in the custody of its prime brokers. The Master Fund is eligible for insurance coverage against loss with respect to assets held in the custody of the prime brokers in the event of the bankruptcy or liquidation of either of the prime brokers to the same extent as that broker's other customers. The Master Fund's and the Fund's cash may be held at banks as well as the prime brokers. Ownership interests which are not represented by certificates generally will be recorded through book-entry systems maintained by the issuer or its agent, and the underlying documentation relating to the acquisition and disposition of these assets for the account of the Master Fund will be held at the business offices of the Investment Manager.

PAYMENTS TO SERVICE PROVIDERS OF THE FUND

The Investment Manager may pay (or cause to be paid) fees to persons (whether or not affiliated with the Investment Manager) who are instrumental in the sale of Shares in the Fund. Any such fees will in no event be payable by or chargeable to the Fund or any Shareholder or prospective Shareholder.

EXPENSES

Operating Expenses

The Fund will bear all costs, fees and expenses arising in connection with the Fund's operations. The Fund also bears its *pro rata* share of the cost of the Master Fund's operations and investments as provided in the Master Fund Partnership Agreement. Expenses payable by the Fund in connection with the Master Fund's investment program, include, but are not limited to, brokerage commissions, other expenses related to buying and selling securities (including trading errors that are not the result of the Investment Manager's gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or fraud), costs of due diligence regardless of whether a particular transaction is consummated, the costs of attending shareholder meetings, research expenses, and costs related to monitoring investments (collectively, the "investment-related expenses"). Expenses payable by the Fund in connection with its operations include, but are not limited to, fees and expenses of advisers and consultants; the Management Fee; fees and expenses of any custodians, escrow or transfer agents or other investment-related service providers; indemnification expenses and the cost of insurance against potential indemnification liabilities; interest and other borrowing expenses; legal, administrative, accounting, tax, audit and insurance expenses; expenses of preparing and distributing reports, financial statements and notices to Shareholders; litigation or other extraordinary expenses; any withholding, transfer or other taxes payable by the Fund (including

any interest and penalties); and the cost of periodically updating the Memorandum. The Fund will not bear any placement agent fees.

If the Master Fund General Partner or the Investment Manager, as appropriate, incurs any expenses for both the Master Fund and one or more Other Accounts (as defined below), the Master Fund General Partner or the Investment Manager, as appropriate, will allocate such expenses among the Master Fund and each such Other Account in proportion to the size of the investment made by each in the activity or entity to which the expenses relate, or in such other manner as the Master General Partner considers fair and reasonable.

“Other Account” means any assets or investment of the Master Fund General Partner or the Investment Manager, or any assets managed by the Master Fund General Partner, the Investment Manager or any of their respective affiliates for the account of any person or entity (including investment vehicles) other than the Master Fund, which are invested or which are available for investment in securities or other instruments or for trading activities whether or not of the specific type being conducted by the Master Fund.

DESCRIPTION OF THE FUND'S SHARES

GENERAL

The authorized share capital of the Fund is US\$50,000 divided into 100 Management Shares and 4,999,900 Shares, which may be issued in Series. Subject to the provisions of the Articles, the unissued Shares of the Fund are under the control of the Directors who may issue, allot and dispose of or grant options over them to such persons, or on such terms and in such manner as they may think fit and no member has any pre-emptive right to purchase such Shares.

MANAGEMENT SHARES

100 Management Shares are in issue, fully paid and held by the Investment Manager. The Management Shares are not transferable without the prior written consent of the Directors, who do not intend to give such consent except in respect of transfers to affiliates of the Investment Manager. The Management Shares have the entire voting power of the Fund except on a variation of rights issue. However, they do not entitle the holder to participate in the Fund's profits and losses and they are not redeemable. Upon the winding up of the Fund, the holders of Management Shares are entitled to receive their paid in capital of US\$0.01 per Management Share.

SHARES

The holders of the Shares have no right to receive notice of or to attend or to vote at general meetings of the Fund and have no other voting rights (except on a variation of rights issue – see the Section below entitled “Rights of Shareholders”) but they are entitled to receive, to the exclusion of the holders of the Management Shares, any dividends that may be declared by the Fund and, upon the winding up of the Fund, the full amount of the assets of the Fund available for the distribution (after all debts and liabilities of the Fund have been paid) will be distributed to registered holders of Shares other than the paid in capital in respect of the Management Shares of US\$0.01 per Management Share. Shares, when issued, will be fully paid. Within each Series, all Shares (excluding Management Shares) of the Fund have equal dividend, distribution and liquidation rights.

Any dividend which cannot be paid to a Shareholder and/or which remains unclaimed after six months from the date of declaration of such dividend may, in the discretion of the Directors, be paid into a separate account in the Fund's name, provided that the Fund shall not be constituted as a trustee in respect of that account and the dividend shall remain as a debt due to the Shareholder. Any dividend which remains unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the Fund.

The issue of the Series A Shares was authorized by resolution of the Directors passed on May 22, 2006. The Series A Shares each have a par value of US\$0.01 per share and carry identical rights.

The issue of the Series B Shares was authorized by resolution of the Directors passed on February 28, 2013. The Series B Shares each have a par value of US\$0.01 per share and carry identical rights.

The Directors may designate further Series of Shares in the future that will be attributable to the single underlying portfolio of the Fund (held through the Master Fund). Each additional Series of Shares may be offered on different terms from the Shares being offered pursuant to this Memorandum (including the offering of Shares in a different currency) and any additional Series of Shares may rank in priority to, or equally with, the outstanding Series of Shares, but within each new Series, all Shares will have equal dividend, distribution and liquidation rights. Additionally, the Fund may, for administrative convenience, issue sub-series of Shares, and in this Memorandum, unless the context requires otherwise, references in this Memorandum to the term “Series” shall include any sub-series derived from that Series.

RECORDS

The Fund shall establish in its books a separate record with its own distinct designation for each Series of Shares. The proceeds from the allotment and issue of each Series of Shares shall be applied in the books of the Fund to the record established for that Series of Shares. The assets, profits, gains, income and liabilities, losses and expenses attributable to a particular Series shall be applied to the record relating to such Series at the end of each fiscal period – see the Section headed “Financial Information and Reports – Fiscal Periods” below.

RIGHTS OF SHAREHOLDERS

All shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Memorandum and Articles of the Fund.

Under the terms of the Fund’s Memorandum of Association and Articles, the liability of the Shareholders is limited to any amount unpaid on their Shares. As the Shares can only be issued if they are fully paid, the Shareholders will not be liable for any debt, obligation or default of the Fund beyond their interest in the Fund.

The Fund’s objects are set out in clause 3 of its Memorandum of Association and are unrestricted.

The Fund’s Articles have been drafted in broad and flexible terms to allow the Directors the authority to, in their discretion, determine a number of issues including the period of notice to be given for redemptions and whether or not to charge subscription or redemption fees, generally or in any particular case. In approving the offering of Shares on the terms set out in this Memorandum, the Directors have exercised a number of these discretions in accordance with the Fund’s Articles.

As an exempted company, the Fund is not required to hold scheduled annual general meetings of Shareholders. General meetings of the holders of Management Shares may be called by the Directors and will be called at the request of the holders of Management Shares holding a simple

majority of the outstanding Management Shares in issue. All meetings of the holders of Management Shares will be held in the Cayman Islands, or such other location as the Directors will determine. All meetings of the holders of Management Shares require 7 days' prior notice. Notice may be sent by hand, mail, fax or email, or alternatively, where the recipient has agreed, by posting the notice on a secure nominated web-site.

Except where a Special Resolution is otherwise required by the Companies Law, all decisions of the holders of Management Shares will be made by an Ordinary Resolution, provided that a quorum of the holders of one-third of the Management Shares is present by proxy or in person at the meeting. Any matter referred to herein may also be adopted by resolution in writing of all the holders of Management Shares.

The rights attaching to any Series of Shares may, whether or not the Fund is being wound up, be varied with the consent in writing of the holders of two-thirds of the issued Shares of that Series, or with the sanction of a resolution passed by a two-thirds majority of the holders of the issued Shares of that Series, at a separate meeting of the holders of the Shares of that Series.

Any Series of Shares may be converted into a different Series of Shares with the consent in writing of the holders of two-thirds of the issued Shares of that Series, or with the sanction of a resolution passed by a two-thirds majority of the holders of the issued Shares of that Series, at a separate meeting of the holders of the Shares of that Series.

Further, subject to and in so far as permitted by the provisions of the Companies Law, the Fund may from time to time by Ordinary Resolution alter or amend its memorandum of association to: increase its share capital by such sum as the resolution shall prescribe and with such rights, priorities and privileges annexed thereto as set out in such Ordinary Resolution; consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares; convert all or any of its paid-up shares into stock and reconvert that stock into paid-up shares of any denomination; sub-divide its existing shares, or any of them, into shares of smaller amounts than is fixed by the Memorandum; and cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

The Shares have no conversion or pre-emptive rights. All Shares of the Fund, when duly issued, will be fully paid and non-assessable.

From time to time, the Fund, by an Ordinary Resolution, may increase its authorized share capital in order to have a substantial number of Shares available at all times for issuance.

The Memorandum of Association and the Articles may be amended, and the Fund may be wound up at any time, upon the passing of a Special Resolution by the holders of the Management Shares.

SUBSCRIPTION, REDEMPTION AND TRANSFER OF SHARES

SUBSCRIPTION FOR SHARES

Offering of Shares

The Fund is conducting an offering of its Series A Shares and Series B Shares to a limited number of experienced and sophisticated investors who are Eligible Investors. The purchase of Series A Shares and Series B Shares is not open to the general public and Series A Shares and Series B Shares will be privately offered only to Eligible Investors. The description of an Eligible Investor is set forth in the Subscription Documents.

The minimum initial and subsequent investment for the Series A Shares and Series B Shares is US\$500,000 or, in each case, such other amount as the Investment Manager may in its sole discretion determine in respect of a particular Shareholder or group of Shareholders, subject to the Listing Rules of the Exchange but not below US\$100,000 in respect of Series B Shares.

The Series A Shares are to be listed on the Exchange by way of an offer for subscription.

The Fund has not applied for the Series B Shares to be admitted to: (i) the Official List of The International Stock Exchange; or (ii) listing on any other stock exchange, and no such application is proposed or expected to be made.

Offer Price, Initial and Subsequent Issuance

The Series A Shares and Series B Shares offered pursuant to this Memorandum are available for issue to Eligible Investors at a Subscription Price based on the Net Asset Value per Share of such Series on the Valuation Day that occurs after the Subscription Documents are received and approved by the Fund and immediately preceding the relevant Subscription Day, as calculated in accordance with the Articles and described herein.

Shares will be issued on each Subscription Day at the Directors' sole discretion. Applications for Shares must be received by 5 pm (Cayman Islands time) no later than the first Business Day before each Subscription Day and payment for such subscriptions (inclusive of any initial charge) must be received by the Administrator in cleared funds in U.S. Dollars at least no later than the Business Day before each Subscription Day in order for Shares to be issued on such Subscription Day. If any application or payment is received late it will be dealt with on the next Subscription Day.

Payment

Payment for Shares must be made in cash by electronic transfer, net of bank charges, and is due in cleared funds in U.S. Dollars. Payment must be sent to the bank details noted on the Subscription Documents.

The Directors may however accept subscriptions in kind. No subscriptions in kind will be accepted unless the Directors are satisfied that:

- (i) the investments to be transferred are valued in accordance with the valuation provisions set out in the Articles and summarized herein; and
- (ii) the terms of any such transfer shall not materially prejudice the remaining Shareholders.

In the event that subscription monies are received in any currency other than U.S. Dollars, conversion into U.S. Dollars will be arranged by the Administrator at the risk and expense of the applicant. Any bank charges in respect of electronic transfers will be deducted from subscriptions and the net amount only invested in Shares.

Prevention of Money Laundering

In order to comply with legislation or regulations aimed at the prevention of money laundering, the Fund is required to adopt and maintain anti-money laundering procedures, and may require subscribers to provide evidence to verify their identity and source of funds. Where permitted, and subject to certain conditions, the Fund may also delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

The Fund, and the Administrator on the Fund's behalf, reserve the right to request such information as is necessary to verify the identity of a Shareholder (i.e. a subscriber or a transferee). Where the circumstances permit, the Fund, or the Administrator on the Fund's behalf, may be satisfied that full due diligence may not be required where an exemption applies under the Money Laundering Regulations (Revised) of the Cayman Islands, as amended and revised from time to time or any other applicable law.

In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes, the Fund, or the Administrator on the Fund's behalf, may refuse to accept the application, in which case any funds received will be returned without interest to the account from which they were originally debited.

The Fund, and the Administrator on the Fund's behalf, also reserve the right to refuse to make any redemption or dividend payment to a Shareholder if the Directors or the Administrator suspect or are advised that the payment of redemption or dividend proceeds to such Shareholder may be non-compliant with applicable laws or regulations, or if such refusal is considered necessary or appropriate to ensure the compliance by the Fund or the Administrator with any applicable laws or regulations.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering or is involved with terrorism or terrorist financing and property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Law (Revised) of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the Financial Reporting Authority, pursuant to the Terrorism Law (Revised) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

Procedure for the Purchase of Shares

Applications are subject to the terms of this Memorandum, the Memorandum of Association and Articles of the Fund, the accompanying Subscription Documents and the Master Fund Partnership Agreement.

Only Eligible Investors may subscribe for Shares. Shares may only be issued in the names of companies, partnerships or individuals. Further, Shares purchased for those under 18 years of age must be registered in the name of the parent or legal guardian.

Application must be made in the form of the accompanying Subscription Documents, which should be sent to the Administrator at the address or facsimile number set forth in the Subscription Documents.

Where applications are made by facsimile, the original written form should be forwarded without delay to the Administrator. Shares will not be issued until the original Subscription Documents and all other relevant due diligence documents have been received by the Administrator.

Shares will be issued to two decimal places and any smaller fractions of a Share that would otherwise arise will be rounded down, with the relevant subscription monies being retained for the benefit of the Fund.

Any application may be rejected or scaled down in the absolute discretion of the Directors. Where applications are scaled down or rejected, subscription monies received by the Fund will be returned to the account from where the monies were initially remitted, without interest.

Form of Shareholding

Shares will be held in registered form. Share certificates will generally not be issued nor will any other documentation be issued, other than confirmation notices. Confirmation notices will include a Shareholder Identification number and details of the Shares that have been allotted. However, confirmation notices will be sent to subscribers only after approval of their

Subscription Documents and satisfactory completion of due diligence. Share certificates will only be issued if an investor can demonstrate to the Directors or any authorised agent of the Fund that he is legally required to hold certificated shares. Certificates will be issued in registered form only. If a valid request for share certificates is made, certificates representing Shares will normally be dispatched at the applicant's risk within 28 days to the address specified in the Subscription Documents. Temporary certificates of title will not be issued.

REDEMPTION OF SHARES

General

Series A Shares and Series B Shares may be redeemed on any Redemption Day at the Redemption Price; provided that partial redemptions may be made only in minimum amounts of US\$100,000.

If a holder of Series A Shares or Series B Shares requests a redemption that would cause its total investment in the Series A Shares or Series B Shares to fall below a minimum of US\$100,000, such shareholder will be required by the Investment Manager to redeem all of its Series A Shares or Series B Shares.

Shareholders wishing to redeem their Series A Shares or Series B Shares should deliver an executed Redemption Request to the Administrator, at the address specified in the Redemption Request. The completed Redemption Request must be actually received by the Administrator no later than the 30th calendar day before the Redemption Day on which the redemption is to be effected, and if received thereafter will be held over and dealt with on the next Redemption Day. The Directors may provide for a redemption notice period of less than 30 calendar days in a particular case or generally if, in their discretion, they determine that, under the circumstances, to waive such requirement will not have an adverse effect on the Master Fund's portfolio. In no event, however, will redemption requests be accepted for processing as of a particular Redemption Day if the Redemption Form is received by the Administrator after 5 pm (Cayman Islands time) on such Redemption Day.

The Redemption Request may be delivered to the Administrator by facsimile, so long as the original Redemption Request is immediately forwarded to the Administrator. None of the Fund, the Directors, the Administrator or any other agents of the Fund accepts any responsibility for any errors in facsimile transmissions. Where a Redemption Request is forwarded by facsimile, no redemption proceeds will be paid to the Shareholder until the original Redemption Request for the Shares being redeemed has been received by the Administrator.

Cayman Islands law imposes certain restrictions on the redemption of Shares, particularly where the Fund is not funding such redemption out of profits or the proceeds of fresh issues of Shares made for the purposes of redemption. In particular, any redemption payment out of capital will only be possible if the Fund remains able to pay its debts as they fall due in the ordinary course of business after such redemption payment is made out of capital.

The Fund, or the Administrator on its behalf, also reserves the right to refuse to make any redemption payment or distribution to a Shareholder if any of the Directors of the Fund or the

Administrator suspects or is advised that the payment of any redemption or distribution moneys to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Fund, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction.

Once given, a Redemption Request may not be revoked by the Shareholder save where determination of the Net Asset Value is suspended by the Directors in the circumstances set out below or except as otherwise agreed by the Directors.

Notwithstanding anything herein to the contrary, the Special Limited Partner may, unless prohibited by law, make withdrawals of all or any part of its Performance Allocation and gains thereon from its capital account in the Master Fund as of any Redemption Day.

On giving at least 30 calendar days' notice to Shareholders, the Directors may amend the frequency of redemptions, provided that such change shall only take effect following the Redemption Day next succeeding such notice.

Should any violation of any of the Master Fund's investment limitations fail to be remedied on or before the Remedy Date, any Shareholder may redeem all or part of its Shares on the next Redemption Day and will not be subject to any early redemption fee, provided that such Shareholder has requested such a redemption in writing within 30 Business Days after the Remedy Date. See "Investment Restrictions."

Soft Lock-Up Period and Early Redemption Fee

Any Shareholder who redeems Series B Shares prior to the first anniversary of its purchase of such Series B Shares may be assessed an early redemption fee of up to 3% of the Net Asset Value per Series B Share prevailing at the close of business of such Redemption Day, payable to the Fund. For purposes hereof, an anniversary shall occur on the 365th consecutive day (counting the closing date as the first day) or, if such 365th day is not a Business Day, the immediately preceding Business Day.

Redemption Proceeds

At redemption, Shareholders will be paid the Redemption Price, which is calculated in accordance with the Articles and is based on the Net Asset Value per Share on the applicable Redemption Day.

The Redemption Price will be paid in U.S. Dollars by electronic transfer at the request and expense of the redeeming Shareholder usually within 10 Business Days of the relevant Redemption Day.

The Fund aims to effect the payment of all redemption proceeds in cash. However, the Directors under circumstances of low liquidity or adverse market conditions may elect to effect the payment of the redemptions in assets of the Fund (received from the Master Fund). No Investment will be transferred to a Shareholder unless the Directors are satisfied that:

- (i) the value of the investments to be transferred, calculated in accordance with the valuation provisions set out in the Articles and summarized herein, is equal to and does not exceed the Net Asset Value of the Shares to be redeemed less all fiscal duties and charges arising in connection with the vesting of such Investments in the Shareholder; and
- (ii) the terms of any such transfer do not materially prejudice the interests of the remaining Shareholders.

Investments may be transferred directly to the redeeming Shareholder or may be transferred to a liquidating account and sold by the Fund for the benefit of the redeeming Shareholder, in which case payment of that proportion of the Redemption Price attributable to such investments will be delayed until such Investments are sold and the amount payable in respect of such Investments will depend on the performance of such Investments through to the date on which they are sold. The cost of operating the liquidating account and selling the Investment(s) will be deducted from the proceeds of sale paid to the redeeming Shareholder.

Compulsory Redemption

Shareholders are required to notify the Fund and the Administrator immediately in the event that they cease to be Eligible Investors whereupon they may be required to, and the Fund shall be entitled to redeem their Shares at the Net Asset Value per Share as at the next Redemption Day succeeding the date of such notification. The Fund reserves the right to redeem any Shares that are or become owned, directly or indirectly, by or for the benefit of any person who is not an Eligible Investor.

Further, the Fund shall be entitled, with or without cause, by notice in writing to the Shareholders being redeemed, to redeem all or any Shares on any day designated by the Directors, provided that any such Redemption Day shall be not less than 7 days from the date of such notice (or immediately if the Fund, in its sole discretion, determines that such Shareholder's continued investment in the Fund may cause the Fund, the Master Fund, the Master Fund General Partner or the Investment Manager to violate any applicable law).

For the avoidance of doubt, no early redemption fee will apply in the event of a compulsory redemption.

DETERMINATION OF NET ASSET VALUE

The Net Asset Value of each Series and the Net Asset Value per Share will be calculated, based on the calculation of the Master Fund's assets, by the Administrator as of the close of business on each Valuation Day in accordance with the valuation policies of the Investment Manager in effect from time to time, as summarized below, a copy of which will be made available upon request. The Net Asset Value of a Share of the relevant Series will be calculated by dividing the assets of the Fund attributable to the Series to which such Share belongs, less the liabilities attributable to such Series, by the number of Shares of such Series in issue.

The value of the assets of the Fund will be determined on the accrual basis of accounting using IFRS (except for amortization of organizational costs) as a guideline, unless otherwise deemed appropriate in the discretion of the Directors, and in accordance with the principles set out in the Articles and summarized below.

Assets

The assets of the Fund shall be deemed to include, without limitation, (1) all cash on hand or on deposit, including any interest accrued thereon, (2) all bills and demand notes and accounts receivable (including proceeds of investments and other assets sold but not delivered), (3) all investments and other assets owned or contracted for by the Fund (through the Master Fund), (4) all dividends and distributions payable in stock, cash or other property receivable by the Fund (through the Master Fund), provided that the Administrator may make adjustments with respect to fluctuations in the market value of investments caused by trading ex-dividend or ex-rights or by similar practices, (5) all interest accrued on any interest-bearing instruments owned by the Fund (through the Master Fund), except to the extent that the same is included or reflected in the valuation of such instruments, and (6) all other assets of every kind and nature, including prepaid expenses (it being understood that goodwill shall be deemed to have no value).

Liabilities

The liabilities of the Fund shall be deemed to include, without limitation, (1) all loans, bills and accounts payable, (2) all accrued or payable expenses and fees chargeable to the Fund including dividends declared but unpaid and amortized organizational expenses (provided that expenses of a regular or recurring nature may be calculated on an estimated figure for yearly or other periods in advance and accrued over any such period) and accrued Management Fees and Performance Allocations (each borne at the Master Fund level), (3) its *pro rata* portion of gross acquisition cost of Investments and other property contracted to be purchased by the Master Fund, (4) such sum (if any) as the Directors consider appropriate to allow for brokerage, stamp duty and any other governmental tax or charges, (5) dividends declared on the Shares, but not yet paid, and (6) all other liabilities, including unknown or unfixed contingencies and such reserves as the Directors may reasonably deem advisable.

Valuations

Positions in Investments held by the Master Fund shall be valued in accordance with the valuation policies of the Investment Manager, as amended from time to time, a copy of which will be provided upon request.

Values of assets expressed in a currency other than U.S. Dollars will be converted into U.S. Dollars at the latest available exchange rate.

The Administrator will notify the Exchange, immediately upon calculation, of the Net Asset Value per Share on each Valuation Day.

TEMPORARY SUSPENSION OF DEALINGS

The Directors may, at any time, suspend (i) the calculation of Net Asset Value of the Shares (and the applicable Valuation Day); (ii) the issuance of Shares; (iii) the redemption by Shareholders of Shares (and the applicable Redemption Day); and/or (iv) the payment of redemption proceeds (even if the Valuation Days and Redemption Days are not postponed) (each, a “Suspension”) during any period which:

- (a) any stock exchange on which a substantial part of Investments owned by the Fund (through the Master Fund) are traded is closed, other than for ordinary holidays, or dealings thereon are restricted or suspended;
- (b) there exists any state of affairs as a result of which (i) disposal of a substantial part of the Investments owned by the Fund (through the Master Fund) would not be reasonably practicable and might seriously prejudice the Shareholders or (ii) it is not reasonably practicable for the Fund fairly to determine the value of its net assets;
- (c) none of the Redemption Requests which have been made may lawfully be satisfied by the Fund in U.S. Dollars;
- (d) there is a breakdown in the means of communication normally employed in determining the prices of a substantial part of the Investments of the Fund (through the Master Fund);
- (e) in the sole discretion of the Directors, it is necessary to preserve the Fund’s assets; or
- (f) automatically upon any suspension of withdrawals by the Master Fund for similar reasons.

During such period, the valuation, sale, purchase and redemption of Shares will be suspended. The Administrator will promptly notify each Shareholder who has submitted a Redemption Request and to whom payment in full of the amount being redeemed has not yet been remitted of any Suspension of redemptions or Suspension of the payment of redemption proceeds. Any remaining amount of a Redemption Request that is not satisfied due to such a Suspension remains at risk as per other amounts invested in the Fund and subject to the applicable Management Fee until such amount is finally and fully withdrawn. Such Shareholders will not be given any priority with respect to the redemption of Shares after the cause for such Suspension or limitation ceases to exist. The Directors may in their sole discretion, however, permit such Shareholders to withdraw their Redemption Requests to the extent that the relevant Redemption Day has not yet passed. For the avoidance of doubt, where a Suspension of the payment of redemption proceeds is declared between the relevant Redemption Day and the remittance of such payment proceeds, affected Shareholders shall not have any right to withdraw their Redemption Requests. Upon the reasonable determination by the Directors that conditions leading to a Suspension no longer apply, the Administrator will notify the Shareholders of the end of the Suspension. At such time, any such suspended payments shall generally be paid in accordance with the normal process for making such payments, redemption rights shall be promptly reinstated and any pending Redemption Requests which were not withdrawn (or new,

timely Redemption Requests) will be effected as of the first Redemption Day following the removal of the Suspension, subject to the foregoing restrictions on redemptions.

In addition, the Directors have the right to postpone the calculation of the Net Asset Value date up to one Business Day without the requirement to give notice to Shareholders when, in the opinion of the Directors, a significant proportion of the assets (which is five percent or more) of the Fund cannot be valued on an equitable basis and such difficulty is expected by the Directors to be overcome within that period.

TRANSFER OF SHARES

Shares may not be transferred without the prior written consent of the Directors, which consent may be withheld by the Directors in their absolute discretion. Furthermore, transfers of Shares may only be conducted in accordance with the anti-money laundering policies and procedures of the Administrator. A transferee will be required to complete the Subscription Documents and will be subject to the requirements set forth for Eligible Investors in the Fund.

FINANCIAL INFORMATION AND REPORTS

FISCAL YEAR

The fiscal year of the Fund ends on December 31 of each year.

FISCAL PERIODS

Since Shares may be issued and redeemed, and dividends may be declared on Shares, during the course of a fiscal year, the Fund's Articles of Association provide for fiscal periods, which are portions of a fiscal year, for the purpose of allocating net profits and net losses to the records maintained for each Series. A new fiscal period will commence on the date next following the date of any redemption of Shares, the date of any issuance of Shares and the date established by the Directors for determining the record ownership of Shares of any Series for the payment of dividends, and the prior fiscal period will terminate on the date immediately preceding the first day of a new fiscal period.

FINANCIAL STATEMENTS

The Fund's financial statements will be prepared using IFRS as a guideline, unless otherwise deemed appropriate in the sole discretion of the Directors. The books and records of the Fund will be audited at the end of each fiscal year by auditors selected by the Directors.

As a regulated mutual fund, the Fund is required to file copies of its audited financial statements with the Monetary Authority within 180 days of the end of each financial year.

AUDITORS

PricewaterhouseCoopers LLP are the auditors for the Fund and have consented in writing to their appointment as auditors of the Fund and to all references to them as such in this Memorandum. The Directors may replace the auditors without prior notice to the Shareholders.

REPORTS TO SHAREHOLDERS

Each year, Shareholders will be sent audited financial statements of the Fund within 120 days of the end of the year (or as soon as practicable thereafter) including a statement of profit or loss for such fiscal year and of an unaudited status of such Shareholder's holdings in the Fund at such time. Shareholders will also receive, upon making a request to the Administrator, copies of semi-annual financial statements of the Fund. In addition, the Net Asset Value of the Fund's listed Shares will be notified to the Exchange monthly and these net asset valuations are available to subscribers to the Reuters network.

TAXATION

GENERAL

The following is a general discussion of certain of the anticipated income tax considerations relevant to Non-U.S. Shareholders (as defined below) and to certain Tax-Exempt U.S. Shareholders (as defined below) arising from the purchase, ownership and disposition of Shares. Prospective investors should consult their own tax advisors to determine the application and effect of tax laws with respect to their own particular circumstances. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations (the “Treasury Regulations”) promulgated thereunder in force on the date of this Memorandum, and administrative and judicial interpretations thereof, all as currently in effect, all of which may change or be subject to different interpretations, possibly with retroactive effect. The Fund does not intend to seek a ruling from the Service, or any similar state or local authority, with respect to any of the tax issues affecting the Fund.

In view of the number of different jurisdictions where local laws may apply to Shareholders, the discussion below does not address all the tax consequences to potential investors of the purchase, ownership, and disposition of Shares. Prospective investors are urged to consult their own tax advisors in determining the possible tax consequences to them under the laws of the jurisdictions of which they are citizens, residents or domiciliaries, jurisdictions in which they conduct business and jurisdictions in which they hold Shares. This discussion does not constitute tax advice.

This summary does not address all of the tax consequences that may be relevant to a particular investor, nor does it address, unless specifically indicated, the tax consequences to, among others (i) persons that may be subject to special treatment under U.S. federal income tax law, including, but not limited to, banks, insurance companies, thrift institutions, regulated investment companies, real estate investment trusts and dealers in securities or currencies, (ii) persons that will hold Shares as part of a position in a “straddle” or as part of a “hedging,” “conversion” or other integrated investment transaction for U.S. federal income tax purposes, (iii) persons whose functional currency is not the U.S. Dollar or (iv) persons that do not hold Shares as capital assets within the meaning of Code Section 1221.

If a partnership holds Shares, the tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. Prospective investors who are partners of a partnership should consult their own tax advisors.

This summary assumes that only persons that are *not* “United States persons” as defined in Code Section 7701(a)(30) (such investors, “Non-U.S. Shareholders”) and organizations that are exempt from U.S. federal income tax under Section 501(a) of the Code (such investors, “Tax-Exempt U.S. Shareholders”) will invest in the Fund.

The summary assumes that no U.S. taxable investors will invest in the Fund and, therefore, does not address the U.S. tax consequences to such investors. Potential U.S. taxable investors should be aware that the Fund is expected to be a passive foreign investment company for U.S. federal income tax purposes (a “PFIC”) and does not intend to provide information to any U.S. person for purposes of such person qualifying to make an election to treat the Fund as a “qualifying electing fund” (“QEF”) for U.S. federal income tax purposes. Accordingly, potential U.S. investors are urged to consult their own tax advisors in this regard.

Unless the context indicates otherwise, the activities and tax items of the Fund will include the activities of the Master Fund, and the Fund’s distributive share of the Master Fund’s tax items, as applicable.

EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS TAX ADVISOR IN ORDER TO FULLY UNDERSTAND THE U.S. FEDERAL, STATE, LOCAL AND/OR NON-U.S. TAX CONSEQUENCES OF AN INVESTMENT IN THE FUND.

UNITED STATES

Classification and Taxation of the Fund and the Master Fund

The Fund is expected to be treated as a non-U.S. corporation for U.S. federal income tax purposes. The Master Fund is expected to be treated as a partnership, and not as an association taxable as a corporation, for U.S. federal income tax purposes. The following discussion assumes that, for U.S. federal income tax purposes, the Fund will be treated as a non-U.S. corporation and the Master Fund will be treated as a partnership.

As a non-U.S. corporation, the U.S. federal income tax treatment of the Fund will vary depending on whether the Fund derives income or gains that are treated as effectively connected with the conduct of a trade or business in the United States. It is intended that the Fund’s affairs will generally be conducted in a manner such that no income realized by the Fund is expected to be effectively connected with the conduct of a U.S. trade or business or otherwise subject to regular U.S. federal income taxation on a net basis. As a result, it is anticipated that no gains realized by the Fund (other than gains, if any, realized on the disposition of U.S. real property interests) will be subject to U.S. federal income taxation, but generally dividends, dividend equivalent amounts and certain interest income from U.S. sources will be subject to U.S. federal withholding tax as discussed further below.

In general, under Section 881 of the Code, a non-U.S. corporation which does not conduct a U.S. trade or business is nonetheless subject to withholding tax at a flat rate of 30% (or lower tax treaty rate) on the gross amount of certain U.S. source income which is not effectively connected with a U.S. trade or business. Income subject to such a flat tax rate is of a fixed or determinable annual or periodical nature, including dividends and certain interest income. Therefore, to the extent that the Fund receives dividend income (including “dividend equivalent” income under Section 871(m) of the Code) through the Master Fund from U.S. sources, the Fund will be subject to U.S. withholding tax at a 30% rate. U.S. source interest income received by the Fund through the Master Fund generally will be exempt from U.S. federal income and withholding tax to the extent such interest qualifies as “portfolio interest,” or qualifies under another statutory

exemption. Interest on corporate obligations will not qualify as “portfolio interest” to a non-U.S. person that owns (directly and under certain constructive ownership rules) 10% or more of the total combined voting power of the corporation paying the interest, or, with respect to certain obligations issued after April 7, 1993, if and to the extent the interest is determined by reference to certain economic attributes of the debtor (or a person related thereto). In addition, interest on U.S. bank deposits, certificates of deposit and certain obligations with maturities of 183 days or less (from original issuance) will not be subject to withholding tax. Interest (including original issue discount) derived by the Fund or the Master Fund from U.S. sources not qualifying as “portfolio interest” or not otherwise exempt under U.S. law will be subject to U.S. withholding tax at a rate of 30%. Capital gains from the sale of stock or other capital assets such as commodities generally are not subject to U.S. withholding tax.

Taxation of Non-U.S. Shareholders

For U.S. federal income tax purposes, a Non-U.S. Shareholder will not be subject to U.S. federal income taxation on amounts paid by the Fund in respect of the Shares or gains recognized on the sale, exchange or redemption of the Shares, provided that such income and gains are not considered to be effectively connected with the conduct of a trade or business by the Shareholder in the United States. In limited circumstances, an individual Non-U.S. Shareholder who is present in the United States for 183 days or more during a taxable year may be subject to U.S. income tax at a flat rate of 30% on gains realized on a disposition of the Shares in such year. Individual Shareholders who at the time of their death are not citizens, former citizens or residents of the United States should not be subject, by reason of the ownership of the Shares, to any U.S. federal gift or estate taxes.

Special rules may apply in the case of non-U.S. persons that (i) conduct a trade or business in the United States or that have an office or fixed place of business in the United States, (ii) have a tax home in the United States, (iii) are former citizens or long-term residents of the United States or (iv) are controlled foreign corporations, PFICs, foreign insurance companies that hold the Shares in connection with their U.S. business or corporations which accumulate earnings to avoid U.S. federal income tax. Such persons are urged to consult their U.S. tax advisors before investing in the Fund.

In the case of the Shares held in the United States by a custodian or nominee for a non-U.S. person, U.S. “backup” withholding taxes may apply to distributions in respect of the Shares held by such Shareholder unless such Shareholder properly certifies as to its non-U.S. status or otherwise establishes an exemption from “backup” withholding. Backup withholding is not an additional tax. Rather, the U.S. federal income tax liability of non-U.S. persons subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of U.S. federal income taxes, a refund may be obtained, provided the required documents are timely filed with the Service.

Taxation of Tax-Exempt U.S. Shareholders

Tax-Exempt U.S. Shareholders are subject to U.S. tax on their “unrelated business taxable income” (“UBTI”) as defined in Section 512 of the Code. UBTI is generally the excess of gross income from any unrelated trade or business conducted by a tax-exempt entity over the

deductions attributable to such trade or business, with certain modifications. These modifications provide that UBTI generally does not include interest, dividends or gains from the sale of securities not held as either inventory or primarily for sale to customers in the ordinary course of business, except to the extent that any such item of income is deemed to constitute “unrelated debt financed income” within the meaning of Section 514 of the Code and the Treasury Regulations, and certain other requirements are met. Income that a Tax-Exempt U.S. Shareholder derives from an investment in the Shares generally should not give rise to UBTI, except to the extent that such Shareholder’s acquisition of the Shares is debt financed.

The Fund expects to be classified as a PFIC for U.S. federal income tax purposes. Under the Treasury Regulations, a U.S. tax-exempt entity is generally not subject to the PFIC rules, except to the extent that a “dividend” from such PFIC would be taxable as income under subchapter F of the Code, for example, as unrelated debt-financed income. Hence, a tax-exempt entity would be subject to tax under the PFIC regime in respect of an excess distribution from, or any gain realized on the sale of, the interests of a PFIC in only limited circumstances. Additionally, the Treasury Regulations provide that a tax-exempt entity that is not taxable under the PFIC rules may not make a QEF election under Section 1295 of the Code and the Fund will not provide any QEF information to investors. Moreover, different rules may apply to certain types of tax-exempt entities, such as charitable remainder trusts. Accordingly, potential Tax-Exempt U.S. Shareholders are urged to consult their own tax advisors regarding the tax consequences of an investment in the Fund.

Prospective Tax-Exempt U.S. Shareholders are urged to consult their own tax advisors regarding the tax consequences of the purchase, ownership and disposition of the Shares.

Information Reporting Requirements

A U.S. person, within the meaning of the Code, (including in certain circumstances a Tax-Exempt U.S. Shareholder) that transfers property (including cash) to the Fund in exchange for Shares will be required to file a Form 926 or a similar form with the Service. In the event a U.S. Shareholder fails to file any required form, such Shareholder could be subject to a penalty of up to 10% of the value of the property transferred, subject to a \$100,000 limit so long as the failure was not due to intentional disregard.

Under the Treasury Regulations, a U.S. person, within the meaning of the Code (including a Tax-Exempt U.S. Shareholder), owning 10% or more (taking certain attribution rules into account) of either the total combined voting power or total value of all classes of the interests of a non-U.S. entity that is treated as a non-U.S. corporation for U.S. federal income tax purposes, such as the Fund, or whose ownership interest changes by a statutorily specified amount, may be required to file an information return with the Service containing certain disclosures concerning the filing shareholder, other U.S. shareholders and the non-U.S. entity. The Fund has not committed to provide all of the information about the Fund or its Shareholders necessary to complete such an information return. Prospective investors should consult their tax advisors about such information return filing requirements.

Certain U.S. Persons are required to file FinCEN Form 114 with the Service with respect to financial interests in foreign financial accounts held by such U.S. Persons during the previous

calendar year if the aggregate value of such accounts exceeds \$10,000 at any time during the calendar year. Significant penalties may apply in respect of the failure to file FinCEN Form 114 in respect of foreign financial accounts. Thus, potential Tax-Exempt U.S. Shareholders should consult their tax advisors as to whether to file FinCEN Form 114 in respect of ownership of Shares.

Investor Tax Filings and Record Retention.

The U.S. Department of the Treasury has adopted Treasury Regulations designed to assist the Service in identifying abusive tax shelter transactions. In general, these Treasury Regulations require investors in specified transactions (including certain shareholders in foreign corporations and partners in partnerships that engage in such transactions) to satisfy certain special tax filing and record retention requirements. Significant monetary penalties (in addition to penalties that generally may be applicable as a result of a failure to comply with the applicable Treasury Regulations) may be imposed for failure to comply with these tax filing and record retention rules.

These Treasury Regulations are broad in scope, and it is conceivable that the Fund may enter into transactions that will subject the Fund and certain investors to the special tax filing and record retention rules. Investors should consult their own tax advisors in this regard.

Reporting Under FATCA

Sections 1471 through 1474 of the Code, known as the U.S. Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such Code sections and any applicable intergovernmental agreement (“IGA”) or information exchange agreement and related statutes, regulations, rules and other guidance thereunder, “FATCA”) impose a withholding tax of 30% on (i) certain U.S. source interest, dividends and other types of income, and (ii) the gross proceeds from the sale or disposition of certain assets of a type that can produce U.S. source interest and dividends, which are received by a foreign financial institution (“FFI”), unless such FFI enters into an agreement with the Service, and/or complies with an applicable IGA, to obtain certain information as to the identity of the direct and indirect owners of accounts in such institution. In addition, a withholding tax may be imposed on payments to certain non-financial foreign entities that do not obtain and provide information as to their direct and indirect owners. These rules generally apply to payments of U.S. source interest, dividends and certain other types of income from U.S. sources and, after December 31, 2018, are expected to apply to payments of gross proceeds from the sale or disposition of assets of a type that can produce U.S. source interest or dividends.

The Service has released temporary and final Treasury Regulations and other guidance that will be used in implementing FATCA, which contain a number of phase-in dates for FATCA compliance. In addition, the Cayman Islands has entered into a Model 1 IGA with the United States (the “Cayman-U.S. IGA”), which is treated as in effect, and has issued the Tax Information Authority (International Tax Compliance) (United States of America) Regulations 2014, and guidance notes thereunder, each as updated from time to time.

Both the Fund and the Master Fund are likely to be considered FFIs. In order to avoid incurring U.S. withholding under FATCA, the Master Fund and the Fund each are generally required to register with the Service and to comply with the Cayman-U.S. IGA and any guidance thereunder. The Fund has registered with the Service and the Master Fund intends to register with the Service, and expect that they will be required to identify and report on certain direct and indirect U.S. owners in order to comply with the Cayman-U.S. IGA. Therefore, the Fund and the Master Fund generally do not expect to become subject to U.S. withholding under FATCA. An investor may be required to provide to the Fund information which identifies its direct and indirect ownership. Any such information provided to the Fund may ultimately be shared with the Cayman Islands Tax Information Agency ("Cayman TIA") and transmitted to the Service and, potentially, certain other authorities and withholding agents, as applicable.

By investing (or continuing to invest) in the Fund (and indirectly invest in the Master Fund), investors shall be deemed to have acknowledged, and to have given their consent to, the following:

- (i) the Fund (or its agent) may be required to disclose to the Cayman TIA and withholding agents certain information (which could otherwise be deemed to be confidential) in relation to the investor or its direct or indirect owners, including the investor's name, address, date of birth, tax identification number (if any), social security or national insurance number (if any) and certain additional information or documentation relating to the investor's investment or identity, and the investor may be required to provide any such information or documentation;
- (ii) the Cayman TIA may be required to automatically exchange information with, among other authorities, the Service, and to provide additional information to such authorities, and the Master Fund or the Fund (or its agents) may be required to disclose certain information (including information that could otherwise be deemed to be confidential) when registering with such authorities and in response to a request by any such authority for further information;
- (iii) in the event an investor's failure to comply with any FATCA related reporting requirements gives rise to any withholding tax, the Fund reserves the right to ensure that any such withholding tax and any related cost, interest, penalties and other losses or liabilities suffered by the Fund, the Master Fund, the Master Fund General Partner, the Administrator or any other investor, or any agent, delegate, employee, director, officer or affiliate of any of the foregoing persons, arising from such investor's failure to provide information to the Fund, is economically borne by such investor;
- (iv) in the event an investor does not provide the information and/or documentation necessary for the Fund's (or the Master Fund's) satisfaction of its FATCA related reporting requirements, whether or not that actually leads to compliance failures by the Fund, or a risk of the Fund (or the Master Fund) or its investors being subject to U.S. withholding under FATCA, the Fund reserves the right to take any action and/or pursue all remedies at its disposal to mitigate the consequences of

the investor's failure to comply with the requirements described above, including compulsory redemption or withdrawal of the investor concerned; and

- (v) no investor affected by any such action or remedy shall have any claim against the Fund, the Master Fund, the Master Fund General Partner, the Administrator (or their agents, delegates, employees, directors, officers or affiliates) for any damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with FATCA.

Investors should consult their tax advisors as to the withholding, filing and information reporting requirements that may be imposed on them in respect of their ownership of Shares.

CAYMAN ISLANDS

Fund Level

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Fund or the Shareholders. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Fund.

The Fund has received an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (Revised) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Fund or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of the Fund or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Fund to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Fund.

Shareholder Level

Shareholders will not be subject to any income, withholding or capital gains taxes in the Cayman Islands, with respect to the Shares owned by them and dividends received on such Shares, nor will they be subject to any estate or inheritance taxes in the Cayman Islands.

OTHER JURISDICTIONS

It is possible that certain dividends, interest and other income received by the Fund from sources within certain countries will be subject to withholding taxes imposed by such countries. In addition, the Fund may also be subject to capital gains taxes or other taxes in some of the countries where it purchases and sells securities or otherwise conducts business. It is impossible to predict the rate of tax that the Fund will pay in advance since the amount of the Fund's assets to be invested in various countries is not known.

ERISA CONSIDERATIONS

GENERAL

Fiduciaries and other persons who are proposing to purchase Shares on behalf of retirement plans, investment retirement accounts (“IRAs”) and other employee benefit plans (“Plans”) covered by the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or the Code, must give appropriate consideration to, among other things, the role that an investment in the Fund plays in the Plan’s portfolio, taking into consideration whether the investment is designed to reasonably further the Plan’s purposes, the investment’s risk and return factors, the portfolio’s composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the Plan, the projected return of the total portfolio relative to the Plan’s objectives, the limited right of Shareholders to redeem all or any part of their Shares or to transfer their Shares and whether investment in the Fund constitutes a direct or indirect transaction with a party in interest (under ERISA) or a disqualified person (under the Code).

PLAN ASSET REGULATIONS AND BENEFIT PLAN INVESTORS

The United States Department of Labor (“DOL”) has adopted regulations that treat the assets of certain pooled investment vehicles, such as the Fund, as “plan assets” for purposes of Title I of ERISA and Section 4975 of the Code (“Plan Assets”). Section 3(42) of ERISA defines the term “Plan Assets” to mean plan assets as defined by such regulations as the DOL may prescribe, except that under such regulations the assets of an entity shall not be treated as Plan Assets if, immediately after the most recent acquisition of an equity interest in the entity, less than 25% of the total value of each class of equity interest in the entity is held by “Benefit Plan Investors” (the “significant participation test”). For purposes of this determination, the value of any equity interest held by a person (other than such a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the entity or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person, shall be disregarded. An entity shall be considered to hold Plan Assets only to the extent of the percentage of the equity interest held by Benefit Plan Investors. The term “Benefit Plan Investors” means any employee benefit plan subject to part 4 of subtitle B of Title I of ERISA (i.e., plans subject to the fiduciary provisions of ERISA), any plan to which the prohibited transaction provisions of Section 4975 of the Code apply (e.g., IRAs), and any entity whose underlying assets include Plan Assets by reason of a plan’s investment in such entity (a “Plan Asset Entity”).

In order to prevent the assets of the Master Fund from being considered Plan Assets under ERISA, it is the intention of the Master Fund to monitor the investments in the Master Fund and prohibit the acquisition, withdrawal or transfer of any limited partner interests of the Master Fund by any investor, including a Benefit Plan Investor, unless, after giving effect to such an acquisition, withdrawal or transfer, the total proportion of limited partner interests of each class

of the Master Fund owned by Benefit Plan Investors would be less than 25% of the aggregate value of that class of limited partner interests (determined, as described above, by excluding certain limited partner interests held by the Master Fund General Partner, other fiduciaries and affiliates).

Without limiting the generality of the foregoing, in order to limit equity participation in any class of limited partner interests of the Master Fund by Benefit Plan Investors to less than 25%, the Fund may require the compulsory redemption of Shares. Each Shareholder that is an insurance company acting on behalf of its general account or a Plan Asset Entity will be required to represent and warrant as of the date it acquires Shares the maximum percentage of such general account or Plan Asset Entity (as reasonably determined by such insurance company or Plan Asset Entity) that will constitute Plan Assets (the “Maximum Percentage”) so such percentage can be calculated in determining the percentage of Plan Assets invested in the Master Fund. Further, each such insurance company and Plan Asset Entity will be required to covenant that if, after its initial acquisition of Shares, the Maximum Percentage is exceeded at any time, then such insurance company or Plan Asset Entity shall immediately notify the Fund of that occurrence and shall, if and as directed by the Fund, in a manner consistent with the restrictions on transfer set forth herein, redeem or dispose of some or all of the Shares held in its general account or Plan Asset Entity.

It is anticipated that investment in the Fund by benefit plan investors may be “significant” for purposes of the regulations. In such event, the underlying assets of the Fund would be deemed to constitute “plan assets” for purposes of ERISA. As a general rule, if the assets of the Fund were regarded as “plan assets” of a benefit plan investor, the Investment Manager would be deemed a fiduciary with respect to each Plan investing in the Fund. However, the Investment Manager believes that, given the limited purpose and role of the Fund and given the requirement that the Investment Manager follow the directions of the fiduciaries of each benefit plan investor investing in the Fund, as set forth in each such investor’s subscription agreement, with respect to the investment by the Fund in the Master Fund, neither the Investment Manager nor any other entity providing services to the Fund would be exercising any discretionary authority or control with respect to the Fund. Accordingly, the Investment Manager believes that neither the Investment Manager nor any other entity providing services to the Fund will act as a fiduciary (as defined in Section 3(21) of ERISA) with respect to the assets of the Fund or any benefit plan investor. Rather, the Investment Manager believes that, given the limited purpose and role of the Fund and given the requirement that the Investment Manager follow the directions of the fiduciaries of each benefit plan investor investing in the Fund, as set forth in each such investor’s subscription agreement, with respect to the investment by the Fund in the Master Fund, the fiduciary of each such benefit plan investor has retained the fiduciary authority and responsibility with respect to the investor’s initial and continuing investment in the Fund as though the benefit plan investor is investing directly in the Master Fund.

REPRESENTATION BY PLANS

The fiduciaries of each Plan proposing to invest in the Fund will be required to represent that they have been informed of and understand the Fund’s investment objectives, policies and strategies and that the decision to invest Plan Assets in the Fund is consistent with the provisions

of ERISA and/or the Code that require diversification of Plan Assets and impose other fiduciary responsibilities. By its purchase, each investor will be deemed to have represented that either (a) it is not a Plan that is subject to the prohibited transaction rules of ERISA or the Code, (b) it is not an entity whose assets include Plan Assets or (c) its investment in the Fund will not constitute a non-exempt prohibited transaction under ERISA or the Code.

INELIGIBLE PURCHASERS

Shares may not be purchased with Plan Assets if the Investment Manager, any selling agent, finder, any of their respective affiliates or any of their respective employees: (a) has investment discretion with respect to the investment of such Plan Assets; (b) has authority or responsibility to give or regularly gives investment advice with respect to such Plan Assets, for a fee, and pursuant to an agreement or understanding that such advice will serve as a primary basis for investment decisions with respect to such Plan Assets and that such advice will be based on the particular investment needs of the Plan; or (c) is an employer maintaining or contributing to such Plan. A party that is described in clause (a) or (b) of the preceding sentence is a fiduciary under ERISA and the Code with respect to the Plan, and any such purchase might result in a “prohibited transaction” under ERISA and the Code.

PLANS’ REPORTING OBLIGATIONS

The information contained herein and in the other documentation provided to investors in connection with an investment in the Fund is intended to satisfy the alternative reporting option for “eligible indirect compensation” on Schedule C of the Form 5500, in addition to the other purposes for which such documents were created.

Whether or not the underlying assets of the Fund are deemed Plan Assets, an investment in the Fund by a Plan is subject to ERISA and the Code. Accordingly, Plan fiduciaries should consult their own counsel as to the consequences under ERISA and the Code of an investment in the Fund. Note that similar laws governing the investment and management of the assets of governmental or non-U.S. plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code. Accordingly, fiduciaries of such governmental or non-U.S. plans, in consultation with their counsel, should consider the impact of their respective laws and regulations on an investment in the Fund.

GENERAL

DIRECTORS' REPORT

As at the date of this Memorandum, the Fund has not, nor has it since its date of incorporation, declared any dividends. The Fund does not have, nor has it had since its incorporation, and is not expected to have, any employees.

The Fund is not, nor has it been, engaged in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Fund is aware) which may have or have had since its incorporation a significant effect on its financial position.

As at the date of this Memorandum, the Fund has not issued any debt securities, incurred any other indebtedness or borrowings or granted any mortgages, charges, guarantees or other contingent liabilities.

MATERIAL CONTRACTS

The following contracts, which are summarized in the Section "Management and Administration" above, have been entered into and are, or may be, material:

- (i) Investment Management Agreement among the Feeder Funds, the Master Fund, the Master Fund General Partner and the Investment Manager pursuant to which the Investment Manager was appointed to provide certain investment management services to the Feeder Funds and the Master Fund; and
- (ii) Administration Agreement between the Master Fund and the Administrator pursuant to which the Administrator was appointed administrator and registrar and transfer agent of the Feeder Funds and the Master Fund.
- (iii) Services Agreement between the Investment Manager and Highland Latin America pursuant to which Highland Latin America was appointed to provide certain administrative and consulting services to the Investment Manager.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection and copies may be obtained free of charge during the normal business hours, on weekdays (Saturdays, Sundays and public holidays excepted) at the registered office of the Fund:

- (a) the Memorandum of Association and Articles of the Fund;
- (b) the Companies Law (Revised) and the Mutual Funds Law (Revised) of the Cayman Islands;

- (c) the Material Contracts referred to above; and
- (d) the Master Fund Partnership Agreement.

The statutory records of the Fund are kept at its registered office, which is located at:

Maples Corporate Services Limited
P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

The offices of the Sponsor are located at:

Ogier Corporate Finance Limited
44 Esplanade, St. Helier
Jersey JE4 9WG
Channel Islands

INQUIRIES

Inquiries concerning the Fund and this offering (including information concerning subscription procedures) should be directed to:

MUFG Fund Services (Cayman) Limited
2nd Floor Strathvale House
90 North Church Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands
Facsimile: (345) 745 7690
Telephone: (345) 745 7600
Email: investorserviceshalifax@mfsadmin.com

Memorandum Number _____

Confidential Private Placement Memorandum

Series A Interests
Series B Interests
Series C Interests
in

Highland Argentina Regional Opportunity Fund, L.P.

General Partner

Highland Argentina Regional Opportunity Fund GP, LLC

Investment Manager

Highland Capital Management Latin America, L.P.

March 2019

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NOTICE

This Confidential Private Placement Memorandum (this “**Memorandum**”) is being furnished on a confidential basis solely to selected qualified investors considering the purchase of limited partner interests (the “**Interests**”) in Highland Argentina Regional Opportunity Fund, L.P. (the “**Fund**”). This Memorandum is not to be reproduced or distributed to others, at any time, without the prior written consent of Highland Argentina Regional Opportunity Fund GP, LLC (the “**General Partner**”). Each recipient agrees to keep confidential all information contained herein not already in the public domain and will use this Memorandum for the sole purpose of evaluating a possible investment in the Fund. Notwithstanding anything herein to the contrary, each investor (and each employee, representative, or other agent of the investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of an investment in the Fund and all materials of any kind (including opinions or other tax analyses) that are provided to the investor relating to such tax treatment and tax structure. Acceptance of this Memorandum by prospective investors constitutes an agreement to be bound by the foregoing terms.

Prospective investors should not construe the contents of this Memorandum as legal, tax or financial advice. Each prospective investor should consult its own professional advisors as to the legal, financial, tax, ERISA (as defined herein) or other matters relevant to the suitability of an investment in the Fund for such investor.

In making an investment decision, investors must rely on their own examination of the Fund and the terms of the offering contemplated by this Memorandum. The Interests have not been recommended by any U.S. federal or state, or any non-U.S., securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

The Interests have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any of the states of the United States. The offering and any potential sale contemplated by this Memorandum will be made in reliance upon an exemption from the registration requirements of the Securities Act for offers and sales of securities which do not involve any public offering and analogous exemptions under state securities laws. There will be no public market for the Interests, and there is no obligation on the part of any person to register the Interests under the Securities Act or any state securities laws.

The Fund has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”), since Interests will only be sold to persons who are “qualified purchasers,” as defined in the Investment Company Act.

Each subscriber for an Interest will be required to certify that it is an “accredited investor” as defined in Regulation D under the Securities Act and a “qualified purchaser,” as defined in the Investment Company Act.

Pursuant to an exemption from the Commodity Futures Trading Commission (the “**CFTC**”), Highland Capital Management Latin America, L.P., the investment manager to the Fund (the “**Investment Manager**”), is not registered with the CFTC as a commodity pool operator (“**CPO**”) and therefore, unlike a registered CPO, is not required to deliver a disclosure document or a certified annual report to participants in this pool. Among other things, the exemption requires the filing of a claim of exemption with the National Futures Association. It is also required that at all times either: (a) the

aggregate initial margin and premiums required to establish commodity interest positions does not exceed 5% of the liquidation value of the Fund's portfolio; or (b) the aggregate net notional value of the Fund's commodity interest positions does not exceed 100% of the liquidation value of the Fund's portfolio and further that all pool participants are required to be accredited investors or certain other qualified investors. The Investment Manager qualifies for an exemption from registration as a commodity trading advisor pursuant to CFTC Rule 4.14(a)(8).

Interests are suitable only for sophisticated investors who do not require immediate liquidity for their investments, for whom an investment in the Fund does not constitute a complete investment program and who fully understand and are willing to assume the risks involved in the Fund's investment program. The Fund's investment practices, by their nature, may be considered to involve a substantial degree of risk. See "*Risk Factors and Potential Conflicts of Interest.*" No assurance can be given that the Fund's investment objectives will be achieved or that investors will receive a return of their capital.

The Interests are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and any applicable state or other securities laws, pursuant to registration or an exemption therefrom. The transferability of the Interests will be further restricted by the terms of the limited partnership agreement of the Fund, as amended (the "**Partnership Agreement**"). Investors should be aware that they will be required to bear the financial risks of an investment in the Interests for an extended period of time.

This Memorandum does not constitute an offer to sell, or the solicitation of an offer to buy, any Interests in any state or other jurisdiction where, or to or from any person to or from whom, such offer or solicitation is unlawful or not authorized.

No person has been authorized to give any information or to make any representation concerning the Fund or the offering of the Interests other than the information contained in this Memorandum and, if given or made, such information or representation must not be relied upon as having been authorized by the Fund or the General Partner.

The Interests are offered subject to the right of the General Partner to reject any subscription in whole or in part.

This Memorandum is intended solely for the use of the person to whom it has been delivered by the General Partner or its authorized representative for the purpose of evaluating a possible investment by the recipient in the Interests described herein, and is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Memorandum from the General Partner or its authorized representative).

This Memorandum does not purport to be, and should not be construed as, a complete description of the Partnership Agreement or the investment management agreement by and among the Investment Manager, the General Partner, the Master Fund, the Offshore Fund (each as defined below) and the Fund (the "**Investment Management Agreement**"). Each prospective investor in the Fund is encouraged to review the Partnership Agreement carefully, in addition to consulting appropriate legal and tax advisors. To the extent of any inconsistency between this Memorandum and the Partnership Agreement, the terms of the Partnership Agreement shall control.

The delivery of this Memorandum does not, under any circumstances, create any implication that there has been no change in the circumstances affecting the Fund or Highland Argentina Regional

Opportunity Master Fund, L.P. (the “**Master Fund**”) since the date hereof. An amended or updated Memorandum will be provided to reflect any material changes to the information contained herein.

Certain information contained in this Memorandum constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those described in “*Risk Factors and Potential Conflicts of Interest*,” actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

All references herein to “\$” refer to U.S. dollars. Except as the context otherwise requires, references to the term “Fund” in this Memorandum shall be deemed to include the Master Fund.

DIRECTORY

General Partner	Highland Argentina Regional Opportunity Fund GP, LLC 300 Crescent Court, Suite 700 Dallas, TX 75201
Investment Manager	Highland Capital Management Latin America, L.P. c/o Highland Capital Management, L.P. 300 Crescent Court, Suite 700 Dallas, TX 75201
Administrator	MUFG Fund Services (Cayman) Limited 2nd Floor, Strathvale House 90 North Church Street P.O. Box 609 Grand Cayman KY1-1107 Cayman Islands
Auditor	PricewaterhouseCoopers LLP 5 th Floor Strathvale House P.O. Box 258 Grand Cayman KY1-1104 Cayman Islands
Prime Brokers	Société Générale 440 S. LaSalle St., Suite 2400 Chicago, IL 60605 BNP Paribas Prime Brokerage, Inc. 787 Seventh Avenue The Equitable Tower New York, NY 10019
Legal Counsel	<i>In the United States:</i> Akin Gump Strauss Hauer & Feld LLP 1700 Pacific Avenue Suite 4100 Dallas, TX 75201

EXECUTIVE SUMMARY

Highland Argentina Regional Opportunity Fund, L.P., a Delaware limited partnership (the “**Fund**”), seeks to maximize the total return of its assets through capital appreciation by investing all of its investable assets in Highland Argentina Regional Opportunity Master Fund, L.P., a Cayman Islands exempted limited partnership (the “**Master Fund**”), which intends to hold primarily a portfolio of investments in securities of Latin American corporate and sovereign issuers as well as non-Latin American issuers that derive a portion of their revenues from business activities in Latin America, in each case with a primary focus on Argentina.

Highland Argentina Regional Opportunity Fund GP, LLC, a Delaware limited liability company (the “**General Partner**”), acts as general partner of the Fund and the Master Fund and is registered as a foreign company in the Cayman Islands. Highland Capital Management Latin America, L.P., a Cayman Islands exempted limited partnership (the “**Investment Manager**” and, together with its affiliates, shareholders, directors, members, partners, officers and employees, the “**Advisory Parties**”), serves as investment manager to the Fund, the Offshore Fund (as defined below) and the Master Fund and manages the Master Fund’s investment program. Each of the General Partner and the Investment Manager is ultimately controlled by James D. Dondero (the “**Principal**”).

In order to facilitate investments by non-U.S. and certain U.S. tax-exempt investors, the Investment Manager and its affiliates recently assumed the management of an existing investment fund, Highland Argentina Regional Opportunity Fund, Ltd., a Cayman Islands exempted company (the “**Offshore Fund**” and, together with the Fund, the “**Feeder Funds**”). The Feeder Funds will place all of their investable assets in, and conduct all of their investment and trading activities in parallel through, the Master Fund. References in this Memorandum to the Fund shall include the Master Fund, unless otherwise specified or the context so requires.

The Fund (but not the Master Fund) is seeking subscriptions from investors who qualify as both “accredited investors” and “qualified purchasers” (each as defined in the Fund’s subscription materials). The minimum initial investment is \$500,000, and thereafter, the minimum subsequent investment is \$500,000, although, in each case, the Fund may accept investments in a lesser amount, but no less than \$100,000 with respect to Series B Interests. The Fund generally accepts subscriptions on the first day of each calendar month. A subscriber admitted to the Fund as a limited partner (each, a “**Limited Partner**”) will receive, in exchange for its initial capital contribution and any subsequent capital contribution, a limited partner interest representing a proportionate share of the net assets of the Fund at that time.

The Fund intends to issue multiple series of limited partner interests (“**Interests**”) over time. Not all series of Interests will be available for subscription at the same time and the terms among the series of Interests will vary. The Fund is currently offering Series A Interests, Series B Interests and Series C Interests pursuant to this Memorandum.

For its services to the Master Fund, the Investment Manager is generally entitled to a management fee (the “**Management Fee**”), which is calculated monthly and paid quarterly in arrears at the Master Fund level. The Management Fee is calculated at an annual rate of (i) 1.75% of each Limited Partner’s capital account that is attributable to a Series A Interest, (ii) 1.25% of each Limited Partner’s capital account that is attributable to a Series B Interest, and (iii) 1.00% of each Limited Partner’s capital account that is attributable to a Series C Interest.

In addition, the Investment Manager, in its capacity as the special limited partner of the Master Fund (the “***Special Limited Partner***”), is entitled to a quarterly performance-based profits allocation (the “***Performance Allocation***”) at the end of each fiscal quarter. The Performance Allocation is calculated and allocated at the Master Fund level, but is effectively equal to (i) 20.0% of the amount by which the net asset value of each Series A Interest on the last day of a fiscal quarter exceeds the “high water mark” for such Series A Interest, if any, (ii) 17.5% of the amount by which the net asset value of each Series B Interest on the last day of a fiscal quarter exceeds the “high water mark” for such Series B Interest, if any, and (iii) 15.0% of the amount by which the net asset value of each Series C Interest on the last day of a fiscal quarter exceeds the “high water mark” for such Series C Interest, if any.

Subject to a one-year “soft lock-up” with an early withdrawal reduction attributable to Series B Interests only and a two-year “soft lock-up” with an early withdrawal reduction attributable to Series C Interests only, a Limited Partner is generally permitted to withdraw all or a portion of its Interest on 30 calendar days’ prior written notice on the last business day of each calendar month. Withdrawals may be subject to reserves for contingencies and suspension restrictions as discussed further in this Memorandum.

The Fund may agree with certain Limited Partners to a variation of the terms set forth in this Memorandum or establish additional series of Interests that have terms that differ from those described herein, including, without limitation, different management fees, performance allocations and withdrawal rights.

INVESTMENT PROGRAM

INVESTMENT OBJECTIVE

The investment objective of the Fund is to maximize the total return of its assets through capital appreciation by investing all of its investable assets in the Master Fund, which intends to hold primarily a portfolio of investments in securities of Latin American corporate and sovereign issuers as well as non-Latin American issuers that derive a portion of their revenues from business activities in Latin America, in each case with a primary focus on Argentina, and that the Investment Manager believes would provide profitable investment opportunities for the Master Fund. The Master Fund will invest in a single portfolio of assets and does not currently intend to have a separate portfolio of assets for each of its series, each of which will correspond to a series of limited partner interests in the Fund.

INVESTMENT STRATEGY

The Master Fund is a multi-strategy investment fund and there is no limit on the investment strategies that may be utilized. The Investment Manager believes that focusing on a multi-strategy approach will enable the Master Fund to enhance results by compounding returns generated by each strategy and at the same time have the needed flexibility to adjust to potentially changing regulations and market conditions.

The Investment Manager will be focused on identifying assets that are mispriced against similar assets and/or against the Investment Manager's expectations for assets' fair values and market movements, special situations, such as mergers, financial restructurings, hostile takeovers, or leveraged buy-outs. There is no set allocation among these and any other strategies that the Investment Manager may use.

The Master Fund may hold long and short positions in a wide range of liquid or illiquid fixed income securities including, but not limited to, sovereign and private debt, distressed debt, secured and unsecured debt, structured debt, loans, asset-backed securities and collateralized debt obligations. Furthermore, the Master Fund may invest, both long and short, in a wide range of liquid or illiquid equity-related instruments including, but not limited to, equities, convertible bonds, options, equity-linked notes, preferred shares and warrants, whether or not listed or traded on one or more exchanges.

The Master Fund may hold any of these positions indirectly by entering into swaps, options, futures, forward contracts or similar derivative transactions.

The Master Fund may hold both U.S. dollar and non-U.S. dollar denominated securities.

The Master Fund may leverage its investment portfolio by up to 100% of the Master Fund's net asset value (calculated at the time of investment) by borrowing for investment purposes and by using leverage techniques and products. It is anticipated that by doing so the performance of the Master Fund will be enhanced. While the use of the leverage may improve the return on invested capital, leverage may also significantly increase the impact of adverse movement in the value of the Master Fund.

The Master Fund may also utilize hedging strategies in order to maximize returns and reduce the risk to principal or the volatility associated with its holdings. As part of these hedging strategies, the Master Fund may hedge any of its investments with long or short positions in any financial instrument, which the Investment Manager deems appropriate. The Master Fund may utilize U.S. and European securities for hedging purposes.

The Master Fund may invest through one or more subsidiaries established in an appropriate jurisdiction in order to take advantage of applicable tax treaties or increase the tax efficiency of the Master Fund's investments, or in such other circumstances as the General Partner, in its capacity as the general partner of the Master Fund, following consultation with the Investment Manager, deem appropriate, including compliance with local investment laws.

The Master Fund may maintain assets in cash or cash equivalent instruments, money market funds, repurchase agreements, or other cash management vehicles pending investment, for defensive purposes, to fund withdrawals requested by the limited partners of the Master Fund or otherwise at the discretion of the Investment Manager. The Master Fund may hold with no limitation U.S. and European AAA fixed income securities for defensive purposes.

INVESTMENT RESTRICTIONS

In deploying the investment strategy, the Master Fund will observe the following investment restrictions. The Master Fund will not at the time of investment:

1. Invest more than 50 percent of its gross assets in its net holdings of equities;
 2. Borrow more than 100 percent of its net assets;
 3. Invest more than 20 percent of its gross assets in a single equity position;
 4. Invest more than 20 percent of its gross assets in a single corporate issuer position;
 5. Invest more than 30 percent of its gross assets in a single GDP-linked warrant position; and
 6. Invest more than 30 percent of its gross assets in a single sovereign issuer security position;
- and
7. Invest more than 30 percent of its gross assets in a single provincial issuer.

If a percentage limitation on investment or use of assets set forth above is adhered to at the time a transaction is effected, later changes in percentage resulting from changing values will not be considered a violation.

In the event that the Investment Manager discovers that a violation of any of the Master Fund's investment limitations has occurred (the date of such discovery being the "**Discovery Date**"), the Investment Manager shall inform the limited partners of the Master Fund, including the Fund, who shall: (i) notify each of their limited partners or shareholders, as applicable, in writing within 30 business days after the Discovery Date of the nature of the violation, the steps taken, or to be taken, to remedy the violation and the reason the violation occurred and (ii) use reasonable commercial efforts to cause the Investment Manager to remedy such violation within 90 business days after the Discovery Date (the "**Remedy Date**"). If such violation has not been remedied on or before the Remedy Date, the limited partners of the Master Fund, including the Fund, shall: (i) notify each of their limited partners or shareholders, as applicable, in writing, 30 business days after the Remedy Date, of the steps taken to remedy the violation and the reason that the violation has not been remedied by the Remedy Date (the "**Remedy Notice**") and (ii) use reasonable commercial efforts to cause the Master Fund's portfolio to be examined by an independent auditor other than PricewaterhouseCoopers LLP and shall request that such independent auditor issue a report to the investors in each of the Master Fund's limited partners as to its

concurrence or disagreement with the statements in the Remedy Notice. The Investment Manager shall pay for the costs of such audit and the costs of the Remedy Notice if the violation that was the subject of the Remedy Notice occurred as a result of the Investment Manager's willful misfeasance, bad faith or gross negligence. In addition, the failure to remedy the violation in a timely manner may give rise to special withdrawal rights. See “*Summary of Terms – Withdrawals; Lock-Ups.*”

DISTRIBUTION POLICY

The Fund’s objective is to maximize capital appreciation and accordingly it is not envisaged that any income or gains derived from the investments made by the Master Fund will be distributed by way of dividend. This does not preclude the General Partner from declaring a dividend at any time in the future if it considers it appropriate to do so. To the extent that a dividend may be declared, it will be paid in compliance with any applicable laws.

The investment objectives and strategies summarized herein represent the Investment Manager’s current intentions. Depending on conditions and trends in the securities markets and the economy in general, the Investment Manager may pursue any strategies, employ any investment techniques or purchase any type of security that it considers appropriate, whether or not described in this section, subject to any applicable law or regulation. The discussion herein includes and is based upon numerous assumptions and opinions of the Investment Manager concerning world financial markets and other matters, the accuracy of which cannot be assured. There can be no assurance that the investment strategy of the Master Fund will achieve the intended investment objective. The Master Fund’s investment program is speculative and involves a high degree of risk, including, without limitation, the risk of loss of the entire amount invested.

MANAGEMENT AND ADMINISTRATION

The General Partner and the Investment Manager

Highland Argentina Regional Opportunity Fund GP, LLC, a Delaware limited liability company (the “**General Partner**”), acts as the general partner of the Fund and the Master Fund and is registered as a foreign company in the Cayman Islands.

Highland Capital Management Latin America, L.P., a Cayman Islands exempted limited partnership (the “**Investment Manager**”), serves as the investment manager of the Fund, the Offshore Fund and the Master Fund and has responsibility for the Master Fund’s investment program.

Each of the General Partner and the Investment Manager is ultimately controlled by James D. Dondero (the “**Principal**”).

The Investment Management Agreement

The Investment Manager was appointed as the investment manager to the Fund, the Offshore Fund and the Master Fund pursuant to an investment management agreement (the “**Investment Management Agreement**”). Under the Investment Management Agreement, the Investment Manager has full discretion to invest the assets of the Master Fund in pursuit of the investment objective and strategy described in this Memorandum. For its services, the Investment Manager is entitled to the Management Fee, as well as reimbursement for any Feeder Fund or Master Fund expenses incurred by the Investment Manager.

The Investment Management Agreement provides that, in the absence of gross negligence, willful misconduct or fraud, each of the Investment Manager, its members, shareholders, partners, managers, directors, any person who controls the Investment Manager, each of the respective affiliates of the foregoing, and each of their respective executors, heirs, assigns, successors and other legal representatives, will be indemnified by the Fund, the Offshore Fund and/or the Master Fund, to the extent permitted by law, against any loss or liability incurred by any of such persons in performing their duties under the Investment Management Agreement.

Services Agreement

The Investment Manager engaged Highland Latin America Consulting, Ltd., a Cayman Islands exempted company and a wholly-owned subsidiary of the Investment Manager (“**Highland Latin America**”), pursuant to a services agreement (the “**Services Agreement**”) to provide certain administrative and consulting services to the Investment Manager related to its management of the Fund, the Offshore Fund and the Master Fund, including back- and middle-office services; credit analysis; investment vehicle management; valuation; execution and documentation; marketing; reporting; administrative services; and other ancillary services.

The Services Agreement provides that in the absence of bad faith, gross negligence, fraud or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment), the Investment Manager will, to the extent permitted by law, indemnify and hold harmless Highland Latin America, any of its affiliates, and any of their respective managers, members, principals, partners, directors, officers, shareholders, employees and agents against any and all claims, demands, liabilities, costs, expenses, damages, losses, suits, proceedings, judgments, assessments, actions and other liabilities incurred by such person in performing their duties under the Services Agreement. The

Fund will not be liable for any consulting services provided by Highland Latin America or any consultants or service providers that Highland Latin America engages, and the Fund will not bear any costs or expenses related to the services provided by Highland Latin America.

Investment Personnel

The key investment professionals of the Investment Manager and Highland Latin America who will be responsible for the Master Fund's investments are described below:

James Dondero, CFA, CMA, President, Co-Founder. Mr. Dondero is Co-Founder and President of Highland Capital Management, L.P. and a Director of Highland Latin America GP, Ltd., the general partner of the Investment Manager. Mr. Dondero has over 30 years of experience in the credit and equity markets, focused largely on high-yield and distressed investing. Mr. Dondero is the Chairman and President of NexPoint Residential Trust, Inc. (NYSE:NYRT), Chairman of NexBank Capital, Inc., Cornerstone Healthcare Group Holding, Inc., and CCS Medical, Inc., and a board member of Jernigan Capital, Inc. (NYSE:JCAP), and MGM Holdings, Inc. He also serves on the Southern Methodist University Cox School of Business Executive Board. A dedicated philanthropist, Mr. Dondero actively supports initiatives in education, veterans affairs, and public policy. Prior to founding Highland in 1993, Mr. Dondero was involved in creating the GIC subsidiary of Protective Life, where as Chief Investment Officer he helped take the company from inception to over \$2 billion between 1989 and 1993. Between 1985 and 1989, Mr. Dondero was a corporate bond analyst and then portfolio manager at American Express. Mr. Dondero began his career in 1984 as an analyst in the JP Morgan training program. Mr. Dondero graduated from the University of Virginia where he earned highest honors (Beta Gamma Sigma, Beta Alpha Psi) from the McIntire School of Commerce with dual majors in accounting and finance. He has received certification as Certified Public Accountant (CPA) and Certified Managerial Accountant (CMA) and has earned the right to use the Chartered Financial Analyst (CFA) designation.

Gustavo Prilick. Mr. Prilick is a Managing Partner at Highland Capital Brasil and a registered asset manager in Brazil, and is a Director of Highland Latin America GP, Ltd., the general partner of the Investment Manager. He has extensively worked in several of Highland Capital Brasil's portfolio companies in the US mainly as CEO. Prior to his involvement with Highland Capital Brasil, he was a Partner at South America Fund, a private equity firm, mainly focused on providing financial services to export companies in Argentina and Uruguay. Prior to South America Fund, he was the Chief Operating Officer of Millicom International Cellular for 7 years, serving Latin America, Asia, Africa and ten operations in Russia. Prior to Millicom, he served as the Director of International Business for Oracle Corporation where he was responsible for the establishment of most of Oracle's International Subsidiaries on several continents, including the Brazilian operation. Later he became President of Oracle South America with oversight of several countries in South America. He also served as CEO of Nacion Factoring, a subsidiary of Banco Nacion in Argentina building its operations to reach one of the leading positions in the country. Mr. Prilick received an MBA from the Stanford University Graduate School of Business and a degree in Electrical Engineering from Universidad de Buenos Aires. He has also held teaching positions as a visiting professor in several leading Business Schools in Argentina.

Highland Latin America will enter into relationships and agreements with Argentine relevant parties and/or individuals to obtain supporting services for the management of the Fund, the Offshore Fund and the Master Fund, and will enter into consulting agreements with Andrés Pitchón, Julieta Prieto and Javier Casabal pursuant to which these consultants will provide investment and related services to the Feeder Funds and the Master Fund. Mr. Pitchón will provide portfolio management services to the Master Fund under the overall supervision of the Investment Manager.

Andrés Pitchón. Mr. Pitchón, through a consulting arrangement with Highland Latin America Consulting, Ltd., provides portfolio management services to the Master Fund. Mr. Pitchón began his career in 1993 as Head of Equity Research for Argentina for MBA-Salomon Brothers and later he also became responsible for Fixed income. As Head of the Research Department, his work was recognized by international publications such as Institutional Investor, Latin Finance, The Reuters Survey and The Greenwich Survey. Since 1997 and 1999, he has managed the Offshore Fund's equity and fixed income mutual funds. Since 2003, Mr. Pitchón had been Senior Portfolio Manager of the Offshore Fund's hedge funds. Mr. Pitchón received a BA degree in IT, focused on Business Administration from the University of Belgrano (1989), together with an academic merit medal for highest GPA in the School of Technology. Mr. Pitchón also received a Master's degree in Business Administration from Anderson Graduate School of Business at UCLA in 1992.

The Administrator

The Master Fund has entered into an Administration Agreement (the “**Administration Agreement**”) with MUFG Fund Services (Cayman) Limited (the “**Administrator**”) pursuant to which the Administrator performs certain administrative and accounting services for the Feeder Funds and the Master Fund, subject to the oversight and control of the General Partner, in its capacity as the general partner of the Master Fund.

Pursuant to the Administration Agreement, the Administrator is responsible, under the overall supervision of the General Partner, in its capacity as the general partner of the Master Fund, for certain matters pertaining to the administration for the Fund, including: (i) maintaining the accounts of the Fund and the Master Fund, (ii) calculating the Master Fund's net asset value, (iii) maintaining the principal corporate records of the Fund and the Master Fund, (iv) communicating with Limited Partners, (v) accepting the subscriptions of new Limited Partners, (vi) effecting withdrawals of Interests, (vii) maintaining the register of sub-fund investments, (viii) executing sub-fund subscriptions and withdrawals as instructed by the Fund, and (ix) ensuring compliance with applicable law and regulation (including anti-money laundering regulations). For its services, the Administrator receives a fee from the Master Fund.

The Administration Agreement may be terminated by the Administrator or the Master Fund upon ninety (90) days' written notice or, under certain circumstances, shorter notice. In such event, the Master Fund may enter into a new agreement with a new administrator on behalf of the Master Fund and the Feeder Funds, in its discretion and on such terms as it deems advisable, without prior notice to, or approval of, investors.

Under the Administration Agreement, the Master Fund agrees to indemnify and hold harmless the Administrator and its affiliated persons and delegates, as well as their respective officers, directors, employees and agents for, and to defend and hold each such person harmless from, any and all taxes, claims, demands, actions, suits, judgments, liabilities, losses, damages, costs, charges, counsel fees (on a solicitor and his own client basis), fines, assessments, amounts paid in settlement and expenses imposed on, incurred by, or asserted against the person which may arise out of or in connection with the Administration Agreement. The Administrator or any other indemnified person will not be indemnified for their own gross negligence, wilful default or fraud.

The Administrator is not responsible for valuing the Master Fund's investments, monitoring any investment restrictions of the Master Fund, determining compliance by the Master Fund with its investment restrictions, the Master Fund's trading activities, the management or performance of the

Master Fund or the accuracy or adequacy of this Memorandum. In addition, the Administrator does not assume any liability to any person or entity, including Limited Partners, except as specifically provided in the Administration Agreement. The Administrator may delegate certain services and share information concerning the Fund and its Limited Partners with its various non-United States affiliates subject to applicable confidentiality provisions.

The Administrator has no responsibility with respect to trading activities, the Investment Manager, the management or performance of the Master Fund, or the accuracy or adequacy of this Memorandum.

SUMMARY OF TERMS

*The following Summary of Terms summarizes the principal terms governing an investment in the Fund, and is subject, and qualified in its entirety by reference, to the Partnership Agreement, the exempted limited partnership agreement of the Master Fund, as amended (the “**Master Fund Partnership Agreement**”), and the Fund’s subscription documents (the “**Subscription Documents**”). This summary is intended to be brief and does not purport to provide a comprehensive explanation of the Partnership Agreement, the Master Fund Partnership Agreement and the Subscription Documents. Accordingly, statements made in this Memorandum are subject to the detailed provisions of those agreements. Prospective investors are urged to review those agreements in their entirety prior to determining whether to invest in the Fund.*

The Fund

Highland Argentina Regional Opportunity Fund, L.P., a Delaware limited partnership (the “**Fund**”), primarily seeks to maximize the total return of its assets through capital appreciation by investing all of its investable assets in Highland Argentina Regional Opportunity Master Fund, L.P., a Cayman Islands exempted limited partnership (the “**Master Fund**”), which intends to hold primarily a portfolio of investments in securities of Latin American corporate and sovereign issuers as well as non-Latin American issuers that derive a portion of their revenues from business activities in Latin America, in each case with a primary focus on Argentina.

General Partner

Highland Argentina Regional Opportunity Fund GP, LLC, a Delaware limited liability company (the “**General Partner**”), acts as the general partner of the Fund and the Master Fund and is registered as a foreign company in the Cayman Islands. James D. Dondero (the “**Principal**”) ultimately controls the General Partner.

Investment Manager

Highland Capital Management Latin America, L.P., a Cayman Islands exempted limited partnership controlled by the Principal (the “**Investment Manager**”), serves as investment manager to the Feeder Funds (as defined below) and the Master Fund and has responsibility for the Master Fund’s investments.

Master-Feeder Structure

In order to facilitate investments by non-U.S. and certain U.S. tax-exempt investors, the Investment Manager and its affiliates recently assumed the management of an existing investment fund, Highland Argentina Regional Opportunity Fund, Ltd., a Cayman Islands exempted company (the “**Offshore Fund**” and, together with the Fund, the “**Feeder Funds**”). The Feeder Funds will place all of their investable assets in, and conduct all of their investment and trading activities in parallel through, the Master Fund. Accordingly, references herein to the investment activity of the Fund should be construed to refer to the Fund’s investment activities through the Master Fund. The Feeder Funds share all items of profit, loss, income and expense of the Master Fund on a *pro rata* basis in accordance with their respective capital account balances in the Master Fund. Except as the context otherwise requires, the term “Fund” also includes the Master Fund.

The Investment Manager or an affiliate may also sponsor one or more additional investment funds or accounts.

Eligible Investors

Limited partner interests (“**Interests**”) may be purchased only by investors who qualify as both “accredited investors” and “qualified purchasers,” each as defined in the Fund’s Subscription Documents. Subscribers will be required to complete the Fund’s Subscription Documents consisting of the subscription agreement and the subscriber information form to determine their eligibility. The General Partner reserves the right to reject any investor for any reason or for no reason in its sole discretion.

An investment in the Fund is suitable only for persons that have adequate means of providing for their current needs and personal contingencies and have no need for liquidity in their investments. An investment in the Fund should not be made by any person that (a) cannot afford a total loss of its principal, or (b) has not carefully read or does not understand this Memorandum, including the portions concerning the risks and the income tax consequences of an investment in the Fund.

Series of Interests

The Fund intends to issue multiple series of Interests over time. Not all series of Interests will be available for subscription at the same time and the terms among the series of Interests will vary. Each series will have separate rights and preferences, including, without limitation, with respect to fees and withdrawal rights. The Fund is currently offering Series A Interests, Series B Interests and Series C Interests (each, a “**Series**”).

New series of Interests may be established by the General Partner without notice to or approval of the Limited Partners (defined below). References herein to “Interests” or “Limited Partners” shall include all Series and Limited Partners unless otherwise specified or context so requires.

Subscriptions

Subscriptions for Interests may be accepted as of the first day of each calendar month and/or such other days as the General Partner may determine in its discretion from time to time, generally subject to the receipt of cleared funds no later than the Business Day immediately preceding the acceptance date. The initial minimum investment is \$500,000, and thereafter, a Limited Partner may make additional investments, with the consent of the General Partner, in increments of not less than \$500,000; provided that, in each case, the Fund may accept investments in a lesser amount, but no less than \$100,000 with respect to Series B Interests.

“**Business Day**” is defined as any day on which banks in the Cayman Islands, Buenos Aires and New York City are authorized to open for

business or such other days as the General Partner may determine generally, or in any particular case.

A subscriber admitted to the Fund (a “**Limited Partner**”) receives, in exchange for its initial capital contribution and any subsequent capital contribution, an Interest representing a proportionate share of the net assets of the Fund at that time.

All subscribers will be required to comply with such anti-money laundering procedures as are required by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001 (Pub. L. No. 107-56) and other applicable anti-money laundering regulations as further described in this Memorandum and the Subscription Documents.

Placement Agents

There will be no sales charge payable by or to the Fund in connection with the offering of Interests. However, the General Partner and/or the Investment Manager may enter into arrangements with placement agents (which may include its affiliates) to solicit investors in the Fund, and such arrangements may provide for the compensation of such placements agents for their services at the General Partner’s and/or the Investment Manager’s expense or such placement agents may be paid a portion of the Management Fee. For the avoidance of doubt, the Fund will not bear any placement agent fees.

Accordingly, investors should recognize that a placement agent’s or distributor’s participation in this offering may be influenced by its interest in such current or future fees and compensation. Investors should consider these potential conflicts of interest in making their investment decisions.

Each placement agent shall comply with the legal requirements of the jurisdictions within which it offers and sells Interests.

Capital Accounts

The Fund will maintain a book capital account (a “**Capital Account**”), which may be divided into capital sub-accounts, for the General Partner and each Limited Partner (each, a “**Partner**” and together, the “**Partners**”) to reflect contributions, withdrawals, distributions and allocations of net profit and net loss, with each sub-account being maintained as if it were the Capital Account of a separate Partner in order to calculate the Series B Early Withdrawal Reduction and Series C Early Withdrawal Reduction (each as defined below), as applicable, and the Performance Allocation (as defined below) for each capital contribution. The initial balance of each Partner’s Capital Account will be equal to the amount of cash or net value of any property contributed to the Fund by such Partner.

If a Partner invests in more than one Series, the Fund will maintain a separate Capital Account on behalf of such Partner with respect to each such Series and each Capital Account will be treated as if it were the

Capital Account of a separate Partner for purposes of determining the Management Fee (as defined below) and Performance Allocation applicable to each Capital Account.

The Master Fund will issue to the Fund a limited partner interest in the Master Fund and will maintain capital accounts and sub-accounts that correspond to Limited Partners' Capital Accounts in the Fund.

Affiliated Investors

The Investment Manager, the General Partner and their respective affiliates, principals, employees, partners, agents, the respective family members of such personnel and trusts and other entities established primarily for their benefit or for charitable purposes ("***Affiliated Investors***") may not be subject to restrictions on withdrawals or be assessed the Management Fee or the Performance Allocation that are applicable to other investors in the Fund, but do share *pro rata* in all other applicable expenses of the Fund; provided that, the Special Limited Partner may, unless prohibited by law, make withdrawals of all or any part of its Performance Allocation and gains thereon from its capital account in the Master Fund as of any Withdrawal Date (as defined below).

Borrowing and Leverage

The Master Fund may buy securities or commodities on margin and arrange with banks, brokers and others to borrow money against a pledge of securities or commodities in order to employ leverage when the Investment Manager deems such action appropriate. The Master Fund may not borrow more than 100% of its net assets as described in "*Investment Program – Investment Restrictions*" above.

Management Fee

For its services to the Master Fund, the Investment Manager is entitled to a management fee (the "***Management Fee***") calculated monthly and payable quarterly in arrears at an annual rate of (i) 1.75% of each Limited Partner's Capital Account balance that is attributable to a Series A Interest, (ii) 1.25% of each Limited Partner's Capital Account balance that is attributable to a Series B Interest, and (iii) 1.00% of each Limited Partner's Capital Account balance that is attributable to a Series C Interest. The Management Fee is paid at the Master Fund level. The Management Fee will be prorated for any period that is less than a full calendar quarter.

The General Partner or the Investment Manager may elect to reduce, waive or calculate differently the Management Fee with respect to any Limited Partner, including, without limitation, Affiliated Investors. To effect such reduction, waiver or difference in calculation, the Fund may issue a separate series of Interests.

The General Partner may delay the timing or alter the structure of fees payable to the Investment Manager so long as such changes are not materially adverse to the Limited Partners. The Investment Manager may also assign all or any portion of fees payable to the Investment Manager,

including the Management Fee and the Performance Allocation, to any affiliate thereof or any third party in its sole discretion.

Performance Allocation

Pursuant to the Master Fund Partnership Agreement, generally, as of the close of each fiscal quarter and subject to the limitations described below, a performance-based profits allocation (the “**Performance Allocation**”) is debited against the Master Fund capital sub-account relating to each Series attributable to a Limited Partner and simultaneously credited to the Master Fund capital account of the Special Limited Partner. The Performance Allocation is calculated and allocated at the Master Fund level, but is effectively equal to (i) 20.0% of the Net Capital Appreciation (as defined below) of each Series A Interest for such fiscal quarter, (ii) 17.5% of the Net Capital Appreciation of each Series B Interest for such fiscal quarter, and (iii) 15.0% of the Net Capital Appreciation of each Series C Interest for such fiscal quarter.

The “**Net Capital Appreciation**” applicable to an Interest shall mean the amount by which the net asset value of such Interest on the last day of the fiscal quarter (or on the Withdrawal Date, if applicable) exceeds the higher of the following amounts: (i) the highest net asset value of such Interest as of the commencement of any fiscal quarter and (ii) the issue price of such Interest. All such calculations include realized and unrealized gains and losses and are made before deduction of the Performance Allocation, but after deduction of the accrued applicable expenses of the Fund and the Master Fund for the applicable period, and in each case adjusted for any subscriptions and withdrawals made during the quarter.

The Performance Allocation is calculated and allocated at the Master Fund level through the use of separate memorandum sub-accounts with respect to the Fund’s capital account in the Master Fund that correspond to each Series attributable to a Limited Partner. No separate Performance Allocation will be charged at the Fund level.

The Performance Allocation generally will be allocable to the Special Limited Partner after the end of each fiscal quarter and as of any Withdrawal Date occurring prior to the end of any fiscal quarter. The Performance Allocation payable with respect to any Interests withdrawn prior to the end of a fiscal quarter will be determined solely by reference to such withdrawn Interests and will be allocable to the Special Limited Partner on the Withdrawal Date. The Performance Allocation with respect to any Limited Partner may be fully or partially waived or rebated by the General Partner in its sole discretion.

Other Fees and Expenses

The Fund bears all of its own initial organizational expenses and its *pro rata* share of the initial organizational expenses of the Master Fund. In general, the Fund’s financial statements will be prepared in accordance with generally accepted accounting principles in the United States (“**GAAP**”). However, the General Partner intends to amortize the Fund’s

organizational expenses over a period of 60 calendar months from the date the Fund commenced operations because it believes such treatment is more equitable than expensing the entire amount of the organizational expenses in the Fund's first year of operation, as is required by GAAP. The General Partner may, however, limit the amount of start-up and organizational expenses that the Fund amortizes so that the audit opinion issued with respect to the Fund's financial statements will not be qualified.

The Fund pays all costs, fees and expenses arising in connection with the Fund's operations. The Fund also bears its *pro rata* share of the cost of the Master Fund's operations and investments as provided in the Master Fund Partnership Agreement. Expenses payable by the Fund in connection with the Master Fund's investment program, include, but are not limited to, brokerage commissions, other expenses related to buying and selling securities (including trading errors that are not the result of the Investment Manager's gross negligence, willful misconduct or fraud), costs of due diligence regardless of whether a particular transaction is consummated, the costs of attending shareholder meetings, research expenses and costs related to monitoring investments. Expenses payable by the Fund in connection with its operations include, but are not limited to, fees and expenses of advisers and consultants; the Management Fee; fees and expenses of any custodians, escrow or transfer agents or other investment-related service providers; indemnification expenses and the cost of insurance against potential indemnification liabilities; interest and other borrowing expenses; legal, administrative, accounting, tax, audit and insurance expenses; expenses of preparing and distributing reports, financial statements and notices to Limited Partners; litigation or other extraordinary expenses; any withholding, transfer or other taxes payable by the Fund (including any interest and penalties), and the cost of periodically updating this Memorandum and the Partnership Agreement.

The Investment Manager may retain, in connection with its responsibilities under the Investment Management Agreement, the services of others to assist in the investment advice to be given to the Master Fund, including, but not limited to, any affiliate of the Investment Manager. Payment for any such services will be assumed by the Investment Manager. However, the Investment Manager, in its sole discretion, may retain the services of independent third party professionals on behalf of the Master Fund, including, without limitation, attorneys, accountants and consultants, to advise and assist it in connection with the performance of its activities on behalf of the Master Fund, and the Master Fund will bear full responsibility therefor and the expense of any fees and disbursements arising therefrom.

The Fund and the Master Fund do not have their own separate employees or office, and neither the Fund nor the Master Fund will reimburse the General Partner or the Investment Manager for salaries, office rent and other general overhead costs of the General Partner or the Investment

Manager. A portion of the commissions generated on the Master Fund's brokerage transactions may generate soft dollar credits that the Investment Manager is authorized to use to pay for research and other research-related services and products used by the Investment Manager. It is the current policy of the Investment Manager to limit such use of soft dollars to fall within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended, or to be otherwise reasonably related to the investment decision-making process or for Master Fund expenses. See "*Brokerage and Custody*."

If the General Partner or the Investment Manager, as appropriate, incurs any expenses for both the Master Fund and one or more Other Accounts (as defined herein), the General Partner or the Investment Manager, as appropriate, will allocate such expenses among the Master Fund and each such Other Account in proportion to the size of the investment made by each in the activity or entity to which the expenses relate, or in such other manner as the General Partner considers fair and reasonable.

Allocation of Net Profit and Loss

Net profit or net loss of the Fund is allocated among the Capital Accounts of the Partners as of the close of each calendar month, at any other time when the Fund receives an additional capital contribution or effects a withdrawal or distribution, or at such other times as the General Partner may determine (each, a "*Fiscal Period*").

The net profit or net loss of the Fund for any calendar month or other valuation period will reflect, with respect to all positions:

- (a) the dividends and interest accrued during the period;
- (b) the net realized gains or losses from the sale or other disposition of investments during the period allocated by the Fund;
- (c) the net change in the unrealized appreciation or depreciation of investments during the period held at the close of the period (*i.e.*, the difference between the fair market value of each investment at the end of the period compared with either the fair market value at the commencement of the period or, in the case of any investment made after the commencement of the period, the cost); and
- (d) the expenses of the Fund incurred or accrued during the period (other than the Management Fee and any other items that are charged on a Partner-by-Partner basis).

As of the close of each Fiscal Period, the net profit or net loss (subject to any applicable Performance Allocation paid at the Master Fund level) will be allocated *pro rata* among the Capital Accounts of the Partners in proportion to their percentage interests in the Fund as of the commencement of the period. Each Partner's percentage interest in the Fund as of the commencement of any period is based on the value of the

Partner's Capital Account at such time in relation to the sum of the Capital Accounts of all of the Partners at such time.

The Management Fee will be calculated separately with respect to each Limited Partner and will be debited from the capital sub-account at the Master Fund level corresponding to each Limited Partner's Capital Account.

Distributions

Subject to the monthly withdrawal privilege described below, all earnings of the Fund are ordinarily retained for investment. Limited Partners should not expect the Fund to make any dividend distributions.

Withdrawals; Lock-Up

Subject to certain withdrawal restrictions described below, a Limited Partner is generally permitted to withdraw all or a portion of its Capital Account as of the last Business Day of each calendar month (and/or such other Business Days as the General Partner may determine in its sole discretion) (each, a "***Withdrawal Date***"); provided that, any partial withdrawals may only be made in minimum amounts of \$100,000. Notwithstanding the foregoing, any Limited Partner that withdraws all or a portion of its Capital Account with respect to a Series B Interest prior to the one-year anniversary of the date such capital was contributed to the Fund is subject to an early withdrawal reduction of up to 3.0% of the net asset value of the portion of the Series B Interest being withdrawn, as determined at the close of business of such Withdrawal Date (such fee, the "***Series B Early Withdrawal Reduction***"). In addition, any Limited Partner that withdraws all or a portion of its Capital Account with respect to a Series C Interest prior to the:

- (i) one-year anniversary of the date such capital was contributed to the Fund is subject to an early withdrawal reduction of 5.0% of the net asset value of the portion of the Series C Interest being withdrawn, as determined at the close of business of such Withdrawal Date, and
- (ii) two-year anniversary, but on or after the one-year anniversary, of the date such capital was contributed to the Fund is subject to an early withdrawal reduction of 3.0% of the net asset value of the portion of the Series C Interest being withdrawn, as determined at the close of business of such Withdrawal Date (such fees with respect to Series C Interests, the "***Series C Early Withdrawal Reduction***" and together with the Series B Early Withdrawal Reduction, the "***Early Withdrawal Reduction***").

The Early Withdrawal Reduction is retained by the Fund (and generally invested in the Master Fund) and deducted from the withdrawal proceeds of the withdrawing Limited Partner. The Early Withdrawal Reduction will not apply in the event of a Compulsory Withdrawal (defined below).

Written notice of any withdrawal request must be received in writing by the Administrator at least 30 calendar days prior to the requested Withdrawal Date. The General Partner may waive such notice requirements, or permit withdrawals under such other circumstances, if, in its sole discretion, it determines that, under the circumstances, to waive such requirement will not have an adverse effect on the Master Fund's portfolio.

If the Master Fund violates the investment restrictions and fails to remedy the violation on or before the Remedy Date (as described in "*Investment Program – Investment Restrictions*"), any Limited Partner may withdraw all or part of its Capital Account on the next Withdrawal Date and will not be subject to the Early Withdrawal Reduction; provided that, such Limited Partner has requested such withdrawal in writing within 30 Business Days after the Remedy Date.

**Settlement of
Withdrawal Proceeds**

A withdrawal request is normally settled in cash or, subject to the sole discretion of the General Partner, wholly or partially with securities or other assets of the Fund (received from the Master Fund), whether or not readily marketable, generally within 10 Business Days after the Withdrawal Date; provided that the General Partner may delay such payment if such delay is reasonably necessary to prevent such withdrawal from having a material adverse impact on the Fund. In the event that the General Partner satisfies a withdrawal request with assets in kind, such securities may be transferred to a liquidating account and sold by the Fund for the benefit of the withdrawing Limited Partner, in which case, payment of the withdrawal proceeds attributable to such investments will be delayed until such investments are sold. The amount payable in respect of such investments will depend on the performance of such investments through to the date on which they are sold. The cost of operating the liquidating account and selling the investment(s) will be deducted from the proceeds of sale paid to the withdrawing Limited Partner.

Notwithstanding anything to the contrary herein, the General Partner may establish reserves and holdbacks for estimated accrued expenses, liabilities and contingencies, including, without limitation, general reserves for unspecified contingencies (even if such reserves or holdbacks are not otherwise required by GAAP) or liabilities stemming from tax obligations (as such may be determined in the sole discretion of the General Partner and whether or not incurred directly or indirectly), which could reduce the amount of a distribution upon a Limited Partner's withdrawal. The General Partner may withhold for the benefit of the Fund from any distribution to a withdrawing Limited Partner an amount representing the actual or estimated costs incurred by the Fund with respect to such withdrawal, as well as any Early Withdrawal Reduction described above.

**Withdrawal
Conditions**

The General Partner or the Administrator may refuse to accept a withdrawal request if it is not accompanied by such additional information as the General Partner or the Administrator may reasonably require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for money laundering verification purposes. In addition, where withdrawal proceeds are requested to be remitted to an account which is not in the name of the Limited Partner, the General Partner and the Administrator reserve the right to request such information as may be reasonably necessary in order to verify the identity of the Limited Partner and the owner of the account to which the withdrawal proceeds will be paid. The withdrawal proceeds will not be paid to a third-party account if the Limited Partner and/or owner of the account fails to provide such information.

**Compulsory
Withdrawals**

The General Partner reserves the right, in its sole discretion, to compel the withdrawal of a Limited Partner's Interest at any time and for any reason on not less than seven days' prior written notice (or immediately if the General Partner, in its sole discretion, determines that such Limited Partner's continued investment in the Fund may cause the Fund, the Master Fund, the General Partner or the Investment Manager to violate any applicable law) (a "**Compulsory Withdrawal**"). The General Partner will compel the withdrawal of a Limited Partner's Interest in its entirety if a Limited Partner requests a withdrawal that would cause its total investment with respect to a particular Series to fall below a minimum of \$100,000 (a "**Minimum Required Withdrawal**"). In either case, settlements are made in the same manner as voluntary withdrawals, except that the Early Withdrawal Reduction will not apply in the event of a Compulsory Withdrawal, but will apply to any Minimum Required Withdrawal.

**Suspension of
Withdrawals and
Withdrawal Payments**

The General Partner may, at any time, suspend (a) the calculation of the net asset value of the Interests (and the applicable valuation date); (b) the issuance of Interests, (c) the withdrawal by Limited Partners of Interests (and the applicable Withdrawal Date); and/or (d) the payment of withdrawal proceeds (even if the calculation dates and Withdrawals Dates are not postponed) (each, a "**Suspension**") during any period which: (i) any stock exchange on which a substantial part of investments owned by the Fund (through the Master Fund) are traded is closed, other than for ordinary holidays, or dealings thereon are restricted or suspended; (ii) there exists any state of affairs as a result of which (A) disposal of a substantial part of the investments owned by the Fund (through the Master Fund) would not be reasonably practicable and might seriously prejudice the Limited Partners, or (B) it is not reasonably practicable for the Fund fairly to determine the value of its net assets; (iii) none of the withdrawal requests which have been made may lawfully be satisfied by the Fund; (iv) there is a breakdown in the means of communication normally employed in determining the prices of a substantial part of the

investments of the Fund (through the Master Fund); (v) in the sole discretion of the General Partner, it is necessary to preserve the Fund's assets; or (vi) automatically upon any suspension of withdrawals by the Master Fund for similar reasons as described in "*The Master Fund*," below.

The Administrator will promptly notify each Limited Partner who has submitted a withdrawal request and to whom payment in full of the amount being withdrawn has not yet been remitted of any Suspension of withdrawals or Suspension of the payment of withdrawal proceeds. Any remaining amount of a withdrawal request that is not satisfied due to such a Suspension remains at risk as per other amounts invested in the Fund and subject to the applicable Management Fee until such amount is finally and fully withdrawn. Such Limited Partners will not be given any priority with respect to the withdrawal of Interests after the cause for such Suspension or limitation ceases to exist. The General Partner may in its sole discretion, however, permit such Limited Partners to withdraw their withdrawal requests to the extent that the relevant Withdrawal Date has not yet passed. For the avoidance of doubt, where a suspension of the payment of withdrawal proceeds is declared between the relevant Withdrawal Date and the remittance of such payment proceeds, affected Limited Partners shall not have any right to withdraw their withdrawal requests. Upon the reasonable determination by the General Partner that conditions leading to a Suspension no longer apply, the Administrator will notify the Limited Partners of the end of the Suspension. At such time, any such suspended payments shall generally be paid in accordance with the normal process for making such payments, withdrawal rights shall be promptly reinstated and any pending withdrawal requests which were not withdrawn (or new, timely withdrawal requests) will be effected as of the first Withdrawal Date following the removal of the Suspension, subject to the foregoing restrictions on withdrawals.

Transfers

Interests are not transferable except with the prior written consent of the General Partner, which consent may be withheld in its sole discretion. The General Partner will require any transferee or assignee of any Limited Partner to execute the Subscription Documents.

**Duty of Care;
Indemnification**

Pursuant to the Partnership Agreement, the Master Fund Partnership Agreement and the Investment Management Agreement, the General Partner, the Investment Manager, each member, shareholder, partner, manager and director of, and any person who controls, the General Partner or the Investment Manager, each of the respective affiliates of the foregoing and each of their respective executors, heirs, assigns, successors and other legal representatives (each such person, an "*Indemnified Party*") shall not be liable to the Master Fund, the Fund or the Limited Partners for any loss or damage arising by reason of being or having been an Indemnified Party or from any acts or omissions in the performance of its services as an Indemnified Party in the absence of gross negligence, willful misconduct or fraud, or as otherwise required by

law. In no event shall any Indemnified Party be liable for any consequential damages, special or indirect damages or lost profits.

The Partnership Agreement, the Master Fund Partnership Agreement and the Investment Management Agreement contain provisions for the indemnification of the Indemnified Parties by the Master Fund and the Fund (but not by the Limited Partners individually) against any liabilities arising by reason of being or having been an Indemnified Party or in connection with the Partnership Agreement, the Master Fund Partnership Agreement, the Investment Management Agreement, or the Master Fund's or the Fund's business or affairs to the fullest extent permitted by law in the absence of gross negligence, willful misconduct or fraud. The General Partner is not personally liable to any Limited Partner for the repayment of any withdrawal proceeds or for contributions by such Limited Partner to the capital of the Fund or by reason of any change in the U.S. federal or state income tax laws applicable to the Fund or its investors.

**Non-Exclusivity;
Allocation of
Opportunities**

None of the Investment Manager, its affiliates and their respective officers, directors, shareholders, members, partners, personnel and employees is precluded from engaging in or owning an interest in other business ventures or investment activities of any kind, whether or not such ventures are competitive with the Fund or the Master Fund.

The Master Fund Partnership Agreement requires the General Partner, and the Investment Manager as delegatee of the General Partner, to act in a manner that it considers fair and equitable over time in allocating investment opportunities to the Master Fund. Although the General Partner and the Investment Manager consider certain factors set forth in the Investment Manager's policies to determine how to allocate trades, the Investment Manager's policies and the Master Fund Partnership Agreement do not otherwise impose any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to the Master Fund or any restrictions on the nature or timing of investments for the account of the Master Fund and for the General Partner's or the Investment Manager's own accounts or for other accounts that the General Partner, the Investment Manager or their affiliates may manage (each, an "***Other Account***"). The General Partner and the Investment Manager are not obligated to devote any specific amount of time to the affairs of the Master Fund and are not required to accord exclusivity or priority to the Master Fund in the event of limited investment opportunities arising from the application of speculative position limits or other factors.

The Principal, as well as the employees and officers of the Investment Manager and of organizations affiliated with the Investment Manager, may buy and sell securities for their own account or the account of others, but may not buy securities from or sell securities to the Master Fund (such prohibition does not extend to the purchase or sale of interests in the

Fund), unless such purchase or sale is in compliance with the applicable provisions of the Investment Advisers Act of 1940, as amended.

The Investment Manager undertakes to resolve conflicts in a fair and equitable basis, which in some instances may mean a resolution that would not maximize the benefit to the Fund's investors.

It is the policy of the Investment Manager to allocate investment opportunities fairly and equitably over time. This means that such opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate. The Investment Manager has the authority to allocate trades to multiple accounts on an average price basis or on another basis it deems fair and equitable. Similarly, if an order on behalf of any accounts cannot be fully allocated under prevailing market conditions, the Investment Manager may allocate the trades among different accounts on a basis it considers fair and equitable over time. One or more of the foregoing considerations may (and are often expected to) result in allocations among the Master Fund and one or more accounts on other than a *pari passu* basis. See "*Risk Factors and Potential Conflicts of Interest*" below.

Affiliated Service Providers

NexBank, SSB ("**NexBank SSB**") is an affiliate of the Investment Manager and may, from time to time, provide banking and/or agency services to the Investment Manager, clients of the Investment Manager or collective investment vehicles for which the Investment Manager provides investment advisory services (including the Fund and other vehicles in which the Fund, through the Master Fund, may invest) or third parties engaged in transactions involving the Investment Manager. NexBank SSB may also act as an agent in connection with certain securities transactions involving the Investment Manager's client accounts (including the Master Fund and other vehicles in which the Master Fund may invest). Principals of the Investment Manager own a majority of the equity interests in NexBank SSB and employees or affiliates of the Investment Manager own or may own a substantial equity interest in NexBank SSB. Certain Master Fund investment transactions may be executed through NexBank Securities, Inc., an affiliate of the Investment Manager and a registered broker-dealer.

Additionally, the Investment Manager or affiliates of the Investment Manager, including, without limitation, Nexbank SSB, NexBank Securities, Inc., NexBank Capital Advisors and Governance Re, Ltd., may provide financial advisory, management, insurance, title insurance or other services for a fee to portfolio companies in which the Master Fund may have an interest. Highland Latin America, an affiliate of the Investment Manager, has been engaged to provide certain administrative and consulting services to the Investment Manager. See "*Risk Factors and Potential Conflicts of Interest*" below.

Valuations

In general, the Fund's financial statements will be prepared in accordance with GAAP. The General Partner has delegated the valuation of the Fund's assets, based on the Master Fund's assets, to the Administrator who values the Fund's assets as of the close of each Fiscal Period in accordance with the Investment Manager's valuation policies and procedures.

Reserves

Appropriate reserves may be accrued and charged against net assets and proportionately against the Capital Accounts of the Partners for contingent liabilities, such reserves to be in the amounts (subject to increase or reduction) that the General Partner in its sole discretion deems necessary or appropriate. At the sole discretion of the General Partner, the amount of any such reserve (or any increase or decrease therein) may be charged or credited, as appropriate, to the Capital Accounts of those investors who are Limited Partners at the time when such reserve is created, increased or decreased, as the case may be, or alternatively may be charged or credited to those investors who were Limited Partners at the time of the act or omission giving rise to the contingent liability for which the reserve was established.

If the General Partner determines that it is equitable to treat an amount to be paid or received as being applicable to one or more prior periods, then such amount may be proportionately charged or credited, as appropriate, to those persons who were Limited Partners during any such prior period(s).

Fiscal Year

The Fund has a fiscal year ending on December 31 of each calendar year.

Reports to Limited Partners

The Fund furnishes to its Partners as soon as practicable after the end of each taxable year (or as otherwise required by law) such tax information as is necessary for each Partner to complete U.S. federal and state income tax or information returns, along with any other tax information required by law. Within 120 days of the end of each year (or as soon as practicable thereafter), the Fund distributes to each Partner audited financial statements of the Fund, including a statement of profit or loss for such fiscal year and an unaudited status of each such Partner's holdings in the Fund at such time. Partners will also receive, upon request to the Administrator, copies of semi-annual financial statements of the Fund.

Tax Status

The General Partner believes that the Fund should be treated as a partnership for U.S. federal income tax purposes and should not itself be subject to U.S. federal income taxation. Each Limited Partner otherwise subject to U.S. federal income tax is required to include in such Limited Partner's taxable income such Limited Partner's share of the Fund's income and gains, when realized by the Fund (regardless of cash distributions from the Fund to such investor), and may claim, to the extent allowable, such Limited Partner's share of the Fund's losses and deductions. Due to the nature of the Fund's activities, the Fund's income or loss for U.S. federal income tax purposes for a particular taxable period

may differ from its financial or economic results. The deductibility of a Limited Partner's share of any Fund losses or deductions may be limited. See "*Tax Considerations*."

ERISA

The Investment Manager intends to limit investment in the Master Fund by "benefit plan investors" so that the assets of the Master Fund will not be considered "plan assets" for purposes of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"). It is anticipated that the assets of the Fund may constitute "plan assets" for purposes of ERISA. See "*ERISA and Other Regulatory Considerations*."

Amendment of the Limited Partnership Agreement

The Partnership Agreement may be amended by the General Partner with the consent of a majority in interest of the Limited Partners, which consent may be obtained through negative consent. However, the Fund may not: (a) increase the obligation of a Limited Partner to make any contribution to the capital of the Fund; (b) reduce the Capital Account of any Limited Partner other than as contemplated by the Partnership Agreement; or (c) reduce any Limited Partner's right to share in net profits or assets of the Fund, in each case, without the consent of each Limited Partner adversely affected thereby. The above consent may be obtained by negative consent.

Notwithstanding the foregoing, the General Partner may amend the Partnership Agreement at any time without the consent of any Limited Partner: (a) to comply with applicable laws and regulations; (b) to make changes that do not adversely affect the rights or obligations of any Limited Partner; (c) to cure any ambiguity or correct or supplement any conflicting provisions of the Partnership Agreement; or (d) with respect to any other amendment, if any Limited Partner whose contractual rights as a Limited Partner would be materially and adversely changed by such amendment has an opportunity to withdraw from the Fund (without being subject to the Early Withdrawal Reduction) as of a date that is not less than 30 days after the General Partner has furnished written notice of such amendment to each Limited Partner and that is prior to the effective date of the amendment.

Variation of Terms

The General Partner or the Investment Manager, in its sole discretion, may enter into a side letter or similar agreement to or with one or more Limited Partners that has the effect of establishing rights under, or altering or supplementing the terms of, the Partnership Agreement or of any Subscription Documents (including those relating to access to information, the Management Fee, the Performance Allocation, minimum investment amount, voting rights and withdrawal rights) with respect to such Limited Partner(s).

THE MASTER FUND

The Master Fund's Partnership Interests

The Master Fund's partnership interests are currently held exclusively by the Fund and the Offshore Fund as limited partners, the Investment Manager as the special limited partner of the Master Fund, and the General Partner as the general partner of the Master Fund, pursuant to the Master Fund Partnership Agreement. The General Partner is registered as a foreign company in the Cayman Islands pursuant to Part IX of the Companies Law (2016 Revision).

The Master Fund Partnership Agreement

The Master Fund is constituted as a Cayman Islands exempted limited partnership under the Exempted Limited Partnership Law, 2014 (the "***Exempted Limited Partnership Law***"). A Cayman Islands exempted limited partnership is constituted by the signing of the relevant partnership agreement and its registration with the Registrar of Exempted Limited Partnerships in the Cayman Islands.

A Cayman Islands exempted limited partnership is not a separate legal person distinct from its partners. Under the Exempted Limited Partnership Law, any property which is conveyed into or vested in the name of the exempted limited partnership shall be held or deemed to be held by the general partner, and if more than one, then by the general partners jointly upon trust, as an asset of the partnership in accordance with the terms of the partnership agreement. Any debt or obligation incurred by a general partner in the conduct of the business of an exempted limited partnership shall be a debt or obligation of the exempted limited partnership. Registration under the Exempted Limited Partnership Law entails that the partnership becomes subject to, and the limited partners therein are afforded the limited liability and other benefits of, the Exempted Limited Partnership Law (subject to compliance therewith).

Liability of Partners and Indemnification of the General Partner and Others. The business of a Cayman Islands exempted limited partnership will be conducted by its general partner(s) who will be liable for all debts and obligations of the exempted limited partnership to the extent that the partnership has insufficient assets. As a general matter, a limited partner of a Cayman Islands partnership will not be liable for the debts and obligations of the exempted limited partnership, other than:

- (i) as expressed in the partnership agreement,
- (ii) if such limited partner takes part in the conduct of the business of an exempted limited partnership in its dealings with persons who are not partners, then that limited partner shall be liable, in the event of the insolvency of the exempted limited partnership, for all debts and obligations of that exempted limited partnership incurred during the period that he so participates in the conduct of the business as though he were, for such period, a general partner, provided always that he shall be rendered liable pursuant to the foregoing provision only to a person who transacts business with the exempted limited partnership during such period with actual knowledge of such participation and who then reasonably believed such limited partner to be a general partner, or
- (iii) if such limited partner is obligated pursuant to Section 34(1) of the Exempted Limited Partnership Law to return a distribution made to it (with interest at a rate of 10% per annum, unless otherwise specified in the Master Fund Partnership Agreement) when the exempted limited partnership is insolvent or within six months prior to such insolvency.

The Master Fund Partnership Agreement provides that none of the Indemnified Parties will be liable to the Master Fund or any limited partner of the Master Fund (including the Feeder Funds) for any loss or damage arising by reason of being or having been an Indemnified Party or from any acts or omissions in the performance of its services as an Indemnified Party in the absence of gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or fraud, or as otherwise required by law. An Indemnified Party may consult with counsel and accountants in respect of the Master Fund's affairs and will be fully protected and justified in any action or inaction which is taken in accordance with the advice or opinion of such counsel or accountants, provided that they were selected in accordance with the standard of care set forth above. In addition, in no event shall any Indemnified Party be liable for any consequential damages, special or indirect damages or lost profits.

The Master Fund Partnership Agreement provides that the Master Fund shall, to the fullest extent permitted by law, indemnify and hold harmless each Indemnified Party from and against any and all liabilities suffered or sustained by an Indemnified Party by reason of the fact that it, he or she is or was an Indemnified Party or in connection with the Master Fund Partnership Agreement or the Master Fund's business or affairs, including, without limitation, any judgment, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, suit or proceeding, provided that such liability did not result from the gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or fraud of such Indemnified Party. The Master Fund Partnership Agreement also provides that the Master Fund will, in the sole discretion of the General Partner, advance to any Indemnified Party reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any action, suit or proceeding which arises out of such conduct, subject to receiving a written undertaking from the Indemnified Party to repay such amounts if and to the extent that it is finally determined that the Indemnified Party was not entitled to indemnification in respect thereof.

Notwithstanding any of the foregoing, the provisions of the Master Fund Partnership Agreement do not provide for the exculpation or indemnification of any Indemnified Party for any liability (including liability under U.S. federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the above provisions to the fullest extent permitted by law.

Pursuant to the foregoing indemnification and exculpation provisions applicable to each Indemnified Party, the Master Fund (and not the applicable Indemnified Party) will be responsible for any losses resulting from trading errors and similar human errors, absent gross negligence (as such term is defined and interpreted in accordance with the laws of the State of Delaware), willful misconduct or fraud. Given the volume of transactions executed on behalf of the Master Fund, trading errors (and similar errors) will occur and the Master Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of any Indemnified Party.

The Indemnified Parties will also be indemnified by each limited partner of the Master Fund for any amounts of tax withheld or required to be withheld with respect to that limited partner, and also for any amounts of interest, additions to tax, penalties and other costs borne by any such persons in connection therewith to the extent that the balance of the limited partner's capital account is insufficient to fully compensate the General Partner and the Investment Manager for such costs.

Contributions and Withdrawals by the Fund. Limited partners of the Master Fund may make contributions at such times and in such amounts as the General Partner determines. As a limited partner of the Master Fund, the Fund may, subject to the consent of the General Partner, voluntarily request a withdrawal of all or part of its capital in the Master Fund at such times and in such amounts as it may determine. The General Partner may, at any time, suspend (a) the calculation of the net asset value of the Master Fund (and the applicable valuation date); (b) the issuance of limited partner interests in the Master Fund; (c) the withdrawal by limited partners of their interests (and the applicable withdrawal date); and/or (d) the payment of withdrawal proceeds (even if the calculation dates and withdrawal dates are not postponed) during any period which: (i) any stock exchange on which a substantial part of investments owned by the Master Fund are traded is closed, other than for ordinary holidays, or dealings thereon are restricted or suspended; (ii) there exists any state of affairs as a result of which (A) disposal of a substantial part of the investments owned by the Master Fund would not be reasonably practicable and might seriously prejudice the limited partners of the Master Fund, or (B) it is not reasonably practicable for the Master Fund fairly to determine the value of its net assets; (iii) none of the withdrawal requests which have been made may lawfully be satisfied by the Master Fund; (iv) there is a breakdown in the means of communication normally employed in determining the prices of a substantial part of the investments of the Master Fund; or (v) in the sole discretion of the General Partner, it is necessary to preserve the Master Fund's assets.

Amendment of the Master Fund Partnership Agreement. The Master Fund Partnership Agreement may be amended by an instrument in writing signed by each of the limited partners of the Master Fund and the General Partner; provided that, the General Partner may amend the Master Fund Partnership Agreement without the consent of the limited partners so long as the amendment does not adversely affect any rights of the limited partners.

Dissolution of the Master Fund. The Master Fund shall be wound up and dissolved upon the first to occur of any of the following liquidating events, and Sections 36(1)(b), 36(9) and 36(12) of the Exempted Limited Partnership Law shall not apply to the Master Fund:

- (i) the written election of the General Partner to terminate the Master Fund; or
- (ii) if the General Partner is the sole or last remaining general partner, the date (the "***Automatic Dissolution Date***") falling 90 days after the date of the service of a notice by the General Partner (or its legal representative) on all the limited partners informing the limited partners of:
 - (1) the commencement of liquidation or bankruptcy proceedings in relation to the General Partner; or
 - (2) the withdrawal, removal or making of a winding up or dissolution order in relation to the General Partner;

provided that, if a majority in number of the limited partners elects one or more new general partners before the Automatic Dissolution Date, the business of the Master Fund shall be resumed and continued. If a new general partner is not elected by the Automatic Dissolution Date, the Master Fund shall be wound up and dissolved in accordance with terms of the Master Fund Partnership Agreement and the Exempted Limited Partnership Law.

Power of Attorney. Each limited partner of the Master Fund shall make, constitute and appoint the General Partner (and each of its successors and permitted assigns) for the time being, with full power of substitution, as its true and lawful agent and attorney-in-fact of, and in the name, place and stead of, such Partner with the power from time to time to make, execute, sign, acknowledge, swear to (and deliver as may be appropriate) on its behalf and file and record in the appropriate public offices and publish (as may in the reasonable judgment of the General Partner be required by law), including the admission of any new partners of the Master Fund and any amendments to the Master Fund Partnership Agreement. Each limited partner of the Master Fund shall authorize the General Partner to take any further action that the General Partner considers necessary or advisable in connection with the foregoing. Such power of attorney granted is intended to secure a proprietary interest of the General Partner and the performance by each limited partner of the Master Fund of its obligations under the Master Fund Partnership Agreement and shall be irrevocable and shall survive and not be affected by the subsequent death, lack of capacity, insolvency, bankruptcy or dissolution of any limited partner of the Master Fund.

Valuation of Assets

The General Partner has delegated the valuation of the Master Fund's assets to the Administrator, which will generally compute the value of the securities and other assets of the Master Fund as of the close of business on the last day of each fiscal period and on any other date selected by the General Partner in its sole discretion. In addition, the Administrator must compute the value of the securities that are being distributed in-kind as of their date of distribution in accordance with the Master Fund Partnership Agreement. In determining the value of the assets of the Master Fund, no value is placed on the goodwill or name of the Master Fund, or the office records, files, statistical data or any similar intangible assets of the Master Fund not normally reflected in the Master Fund's accounting records, but there must be taken into consideration any related items of income earned but not received, expenses incurred but not yet paid, liabilities fixed or contingent, prepaid expenses to the extent not otherwise reflected in the books of account, and the value of options or commitments to purchase or sell securities pursuant to agreements entered into on or prior to such valuation date.

A copy of the Investment Manager's valuation policy is available upon request from the General Partner.

The value of each security and other asset of the Master Fund and the net worth of the Master Fund as a whole determined pursuant Master Fund Partnership Agreement are conclusive and binding on all of the partners of the Master Fund and all persons claiming through or under them.

RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST

Investment in the Fund is speculative and involves substantial risks, including, but not limited to, those summarized below. The Fund is not suitable for all investors and is intended for sophisticated investors who can accept the risks associated with their investments. Prospective investors should carefully consider the risk factors described in this section, among others, in determining whether an investment in the Fund is suitable for them. There can be no assurance that the Master Fund's program will be successful or that investments purchased by the Master Fund will increase in value. An investor must be prepared to bear capital losses that might result from an investment in the Fund, including a complete loss of the investor's invested capital. All investors in the Fund should consult their own legal, tax and financial advisors prior to investing in the Fund.

For purposes of this section, references to the "Fund" should be understood to mean each of the Fund and the Master Fund, as applicable, and each of the risk factors set forth herein, while not exhaustive, shall apply equally to each of the Fund and the Master Fund, as applicable.

General Risks

Lack of Operating History. The Fund, the Master Fund and the General Partner do not have operating histories upon which investors can evaluate the anticipated performance of the Fund. Although the principals of the Investment Manager have extensive prior experience in Latin America, past performance of the Investment Manager should not be construed as an indication of the future results of an investment in the Fund. The Master Fund's investment program should be evaluated on the basis that there can be no assurance that the Investment Manager's assessment of the short-term or long-term prospects of its investment strategy will prove accurate, or that the Master Fund will achieve its investment objectives.

Risks Associated With Investments in Securities. Any investment in securities carries market risks. An investment in the Fund is highly speculative and involves a high degree of risk due to the nature of the Master Fund's investments and the strategies to be employed. An investment in the Fund should not in itself be considered a balanced investment program, but rather is intended to provide diversification in a more complete investment portfolio.

Investment Judgment; Market Risk. The profitability of a significant portion of the Master Fund's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Investment Manager will be able to predict accurately these price movements. With respect to the investment strategy utilized by the Master Fund, there is always some, and occasionally a significant, degree of market risk.

Limited Liquidity; Additional Information. An investment in the Fund provides limited liquidity since the Interests are not freely transferable and may only be withdrawn at such times as set forth in this Memorandum. The General Partner may suspend withdrawals, in whole or in part, when such a suspension is warranted by extraordinary circumstances described in "Summary of Terms – Suspension of Withdrawals and Withdrawal Payments" above. The General Partner may also delay the payment of withdrawal proceeds as more fully described elsewhere in this Memorandum. Investments that remain in the Fund are subject to all risks related to an investment in the Fund as described in this Memorandum.

Also, certain Limited Partners (including, without limitation, the Affiliated Investors), may invest on terms that provide access to information that is not generally available to other Limited Partners and,

as a result, may be able to act on such additional information (e.g., withdraw their Interests) that other Limited Partners do not receive. An investment in the Fund is suitable only for sophisticated investors who have no need for current liquidity.

Effect of Substantial Withdrawals. Substantial withdrawals from the Fund could require the Master Fund to liquidate its positions more rapidly than otherwise desired in order to raise the cash necessary to fund the withdrawals at the Fund level. Illiquidity in certain securities could make it difficult for the Master Fund to liquidate positions on favorable terms, which could result in losses or a decrease in the net asset value of the Master Fund, and thus, the Fund. The Master Fund is permitted to borrow cash necessary to make payments in connection with withdrawals from the Fund when the Investment Manager determines that it would not be advisable to liquidate portfolio assets for that purpose. The Master Fund is also authorized to pledge portfolio assets as collateral security for the repayment of such loans. In these circumstances, the continuing Limited Partners will bear the risk of any subsequent decline in the value of the Fund's assets.

Effect of Withdrawal by Limited Partner on its Investment. Where a withdrawal request is accepted, an Interest will be treated as having been withdrawn effective as of the relevant Withdrawal Date, irrespective of whether or not such withdrawing Limited Partner has been removed from the Fund's books and records or the withdrawal proceeds have been determined or remitted. Accordingly, on and from the relevant Withdrawal Date, Limited Partners in their capacity as such will not be entitled to or be capable of exercising any rights arising under the Partnership Agreement or Subscription Documents with respect to the Interest being withdrawn, save the right to receive the withdrawal proceeds. Such withdrawing Limited Partners will be creditors of the Fund with respect to the withdrawal proceeds. In an insolvent liquidation, withdrawing Limited Partners will rank behind ordinary creditors but ahead of existing Limited Partners.

Master-Feeder Structure. The Fund will invest all of its investable assets in the Master Fund. The "master-feeder" fund structure presents certain risks to the Limited Partners. Smaller feeder funds may be materially affected by the actions of larger feeder funds.

While the Investment Manager, as investment manager of the Master Fund, generally will not consider tax issues applicable to any particular investors, it generally will take into account the tax positions of the Fund and the Offshore Fund that invest in the Master Fund. However, the use of a "master-feeder" structure may create a conflict of interest in that different tax considerations for the Fund and the Offshore Fund may cause or result in the Master Fund structuring or disposing of an investment in a manner or at a time that is more advantageous (or disadvantageous) for tax purposes to one Feeder Fund or its investors.

Management Fee and Performance Allocations. As described above, the Master Fund Partnership Agreement provides for the payment of the Management Fee to the Investment Manager and the Performance Allocation to the Investment Manager, in its capacity as the Special Limited Partner. The Performance Allocation may create an incentive for the Investment Manager, as the Special Limited Partner, to make investments that are riskier or more speculative than would be the case in the absence of such Performance Allocation.

Side Letters. The Investment Manager or the Fund may from time to time enter into letter agreements or other similar agreements (collectively, "*Side Letters*") with one or more Limited Partners which provide such Limited Partner(s) with additional and/or different rights (including, without limitation, with respect to access to information, the Management Fee, the Performance Allocation,

minimum investment amounts, voting rights and withdrawal rights) than such Limited Partner(s) have pursuant to this Memorandum. As a result of such Side Letters, certain Limited Partners may receive additional benefits (including, but not limited to, reduced fee obligations, the ability to withdraw Interests on shorter notice and/or expanded informational rights) which other Limited Partners will not receive. For example, a Side Letter may permit a Limited Partner to withdraw its Interest on less notice and/or at different times than other Limited Partners. As a result, should the Fund experience a decline in performance over a period of time, a Limited Partner who is party to a Side Letter that permits less notice and/or different withdrawal times may be able to withdraw its Interest prior to other Limited Partners. In general, the Fund and/or the Investment Manager will not be required to notify any or all of the other Limited Partners of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will the Fund and/or the Investment Manager be required to offer such additional and/or different rights and/or terms to any or all of the other Limited Partners. The Fund and/or the Investment Manager may cause the Fund to enter into such Side Letters with any party as the Fund and/or the Investment Manager may determine in its sole discretion at any time. The other Limited Partners will have no recourse against the Fund and/or the Investment Manager in the event certain Limited Partners receive additional and/or different rights and/or terms as a result of such Side Letters. A Limited Partner will be required to enter into such undertakings with respect to maintaining the confidentiality of any such additional information as the Fund and/or the Investment Manager may in their sole discretion determine.

Valuation Considerations. Valuation of the Master Fund's securities and other investments may involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, the net asset value of the Master Fund and the Fund could be adversely affected. Independent pricing information may not at times be available or otherwise utilized regarding certain of the Master Fund's securities and other investments. Valuation determinations will be made in good faith in accordance with the policies of the Investment Manager in effect from time to time, a copy of which will be made available upon request.

The Master Fund may have some of its assets in investments, which by their very nature may be extremely difficult to accurately value. To the extent that the value assigned by the Administrator to any such investment differs from the actual value, the net asset value of the Master Fund and the Fund may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Limited Partner that withdraws all or part of its Interests while the Master Fund holds such investments will be paid an amount less than it would otherwise be paid if the actual value of such investments is higher than the value designated by the Administrator. Similarly, there is a risk that such Limited Partner might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the Administrator. In addition, there is risk that an investment in the Fund by a new Limited Partner (or an additional investment by an existing Limited Partner) could dilute the value of such investments for the other Limited Partners if the designated value of such investments is higher than the value designated by the Administrator. Further, there is risk that a new Limited Partner (or an existing Limited Partner that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the Administrator. The Administrator does not intend to adjust the net asset value of the Master Fund and the Fund retroactively.

None of the Fund, the Master Fund, the General Partner, the Investment Manager or the Administrator shall have any liability in the event that any price or valuation, used in good faith in connection with the above procedures, proves to be an incorrect or an inaccurate estimate or determination of the price or value of any part of the property of the Master Fund, subject to the standard of care set forth in "*Summary of Terms – Duty of Care; Indemnification*" above.

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLEE RECORD
VOLUME 21**

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**COUNSEL FOR ACIS CAPITAL MANAGEMENT,
L.P. AND ACIS CAPITAL MANAGEMENT GP,
LLC, APPELLEES**

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

IN RE:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

DEBTOR.

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CASE NO. 19-34054

Chapter 11

INDEX

DESIGNATION OF RECORD ON APPEAL

Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP," together with Acis LP, "Acis"), appellees, file this Designation of Record on Appeal related to the *Order Approving Debtor's Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302] (the "Settlement Order"), the *Notice of Appeal* [Docket No. 1347] of the Settlement Order filed by James Dondero ("Dondero") and the *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented* [Docket No. 1515] filed by Dondero.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

Acis designates the following additional items for inclusion in the record on appeal.

Items in Bankruptcy Case No. 19-34054-SGJ-11	
Vol. 14 003095 003097	1. Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. [Docket No. 1]
003203	2. Chapter 11 Voluntary Petition [Docket No. 1]
003247	3. Affidavit/Declaration in Support of First Day Motion /Declaration of Frank Waterhouse in Support of First Day Motions Filed By Highland Capital Management, L.P. [Docket No. 11]
Vol. 15 003406	4. Motion to Change Venue/Inter-district Transfer Filed by Official Committee of Unsecured Creditors [Docket No. 85]
003433	5. Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 122]
003444	6. Joinder to Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) [Docket No. 126]
003452	7. Reply in Support of Motion to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 162]
003459	8. Reply in Support of the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 163]
003463	9. Response of the Debtor to Acis's Joinder to Motion to Transfer Venue [Docket No. 164]
003465	10. Order Transferring Venue of this Case to the United States Bankruptcy Court of the Northern District of Texas [Docket No. 186]
003492	11. Transcript regarding hearing held 12/6/19 [Docket No. 207]
003574	12. Schedules: Schedules A/B/ and D-H with Summary of Assets and Liabilities (with Declaration Under Penalty of Perjury for Non-Individual Debtors)[Docket No. 247]
003616	13. Statement of financial affairs for non-individual [Docket No. 248]
Vol. 16 003629	14. Trustee's Motion to appoint trustee [Docket No. 271]
003729	15. Motion to compromise controversy with Official Committee of Unsecured Creditors [Docket No. 281]
003735	16. Trustee's Objection to Motion to Approve Joint Agreement [Docket No. 313]
003738	17. Declaration re: (Declaration of Bradley D. Sharp in Support of the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course) [Docket No. 327]
003751	18. Response unopposed to (related document(s): 313 Objection) [Docket No. 329]
003756	19. Response unopposed to (related document(s): 313 Objection) [Docket No. 330]
	20. Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors, Strand Advisors, Inc., and James Dondero. [Docket No. 338]

Vol. 16 003764	21.	Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course [Docket No. 339]
003769	22.	Notice (Notice of Final Term Sheet) [Docket No. 354]
Vol. 17 003834	23.	Response opposed to (related document(s): 271) [Docket No. 362]
003847	24.	Objection to (related document(s): 271 Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) [Docket No. 364]
003851	25.	Transcript regarding Hearing Held 01/21/2020 [Docket No. 393]
003991	26.	Order denying motion to appoint trustee [Docket No. 428]
003993	27.	Motion for relief from stay [Docket No. 451]
Vol. 18	28.	Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") [Docket No. 474]
004042	29.	Transcript regarding Hearing Held 02/19/2020 [Docket No. 479]
Vol. 22 004908	30.	Objection to (related document(s): 474) [Docket No. 487]
005096	31.	Joinder by Acis Capital Management, L.P. and Acis Capital Management GP, LLC to the Committee's Objection to the Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain Related Entities, and Comment to the Same [Docket No. 489]
005110	32.	Order authorizing, but not directing, the debtor to cause distributions to certain 'related entities'. [Docket No. 512]
005119	33.	Order granting motion for relief from stay [Docket No. 519]
005123	34.	Transcript regarding Hearing Held 03/04/2020 [Docket No. 571]
Vol. 23 005125	35.	Motion for relief from stay [Docket No. 593]
005246	36.	Transcript regarding Hearing Held 05/26/2020 [Docket No. 676]
Vol. 24 005352	37.	Order granting motion for relief from stay [Docket No. 764]
005359	38.	Application to employ James P. Seery, Jr. Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020 [Docket No. 774]
005362	39.	Transcript regarding Hearing Held 06/30/2020 [Docket No. 802]
005395	40.	Transcript regarding Hearing Held 07/08/2020 [Docket No. 817]
005495	41.	Agreed order regarding deposit of funds into registry of the Court [Docket No. 821]
005553	42.	Order granting application to employ James P. Seery, Jr. as Chief Executive Officer, Chief Restructuring and Foreign representative [Docket No. 854]
005558	43.	Transcript regarding Hearing Held 07/14/2020 [Docket No. 864]
Vol. 25 005570	44.	Transcript regarding Hearing Held 07/21/2020 [Docket No. 897]
005764	45.	Order directing mediation [Docket No. 912]
Vol. 26 005829	46.	Transcript regarding Hearing Held 08/19/2020 [Docket No. 998]
005835	47.	Transcript regarding Hearing Held 09/10/2020 [Docket No. 1064]
005855	48.	Amended Schedules: E/F, with Summary of Assets and Liabilities [Docket No. 1082]
005904	49.	Transcript regarding Hearing Held 10/06/2020 [Docket No. 1145]
005933	50.	Witness and Exhibit List [Docket No. 1175]
005991	51.	Witness and Exhibit List [Docket No. 1202-1]
005994	52.	Omnibus Reply [Docket No. 1221]
005997		

DATED: December 7, 2020.

Respectfully submitted,

By: /s/ Annmarie Chiarello

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**COUNSEL FOR ACIS CAPITAL
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APPELLEES**

CERTIFICATE OF SERVICE

I hereby certify that on December 7, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello

One of Counsel

No Participation by Investors. All decisions with respect to the management of the day-to-day affairs of the Fund are made exclusively by the General Partner and the Investment Manager. Limited Partners have no right or power to take part in the management of the Fund. The Investment Manager makes all of the trading and investment decisions of the Master Fund. In the event of the withdrawal of the Investment Manager, generally the Fund will be liquidated.

Investment Strategies. The Investment Manager will seek to engage in the investment activities that have been discussed in “*Investment Program*” herein. There can be no assurance that the Investment Manager will be successful in applying any such strategy and that losses will be avoided.

Competition. The markets in which the Master Fund invests are competitive and some of the opportunities that the Investment Manager may explore may be pursued by better known investors or investment funds. There can be no assurance that the Investment Manager will be able to identify or successfully pursue such opportunities in this environment. The Investment Manager competes with many firms that may have greater financial resources, more extensive development, better marketing and service capabilities, more favorable financing arrangements, larger research staffs and more securities traders than are available to the Investment Manager.

In-Kind Distributions. A withdrawing Limited Partner may, in the discretion of the General Partner and/or Investment Manager, receive securities owned by the Fund (through the Master Fund) in lieu of, or in combination with, cash. The value of securities distributed may increase or decrease before the securities can be sold (either by the Limited Partner or by the Fund if the General Partner establishes a liquidating account on behalf of the Limited Partner to sell such assets), and the Limited Partner will incur transaction costs in connection with the sale of such securities. Additionally, securities distributed with respect to a withdrawal by a Limited Partner may not be readily marketable. The risk of loss and delay in liquidating these securities will be borne by the Limited Partner, with the result that such Limited Partner may receive less cash than it would have received on the date of withdrawal.

No Current Income. Since the Fund does not generally intend to pay distributions, an investment in the Fund is not suitable for investors seeking current income. Moreover, an investor is required to report and pay taxes on his allocable share of income from the Fund, even though no cash is distributed by the Fund.

Cybersecurity. Information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Investment Manager has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Investment Manager, the Master Fund and/or the Fund may have to make a significant investment to fix or replace them, which expense may be borne in whole or in part by the Fund. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Investment Manager’s, the Master Fund’s and/or the Fund’s operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors. Such interruptions could harm the Investment Manager’s, the Master Fund’s and/or the Fund’s reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance. The foregoing risks and consequences are also extant at any issuer in which the Master Fund invests and could manifest as adverse performance of such investment.

Investment Strategy and Investment Risks

Changes in Strategy. The Investment Manager has the power to expand, revise or alter its trading strategies on behalf of the Master Fund without prior approval by, or notice to, the Fund or the Limited Partners. Any such change could result in exposure of the Fund's assets (through the Master Fund) to additional risks, which may be substantial. The Investment Manager may also invest in additional instruments than those specifically identified in the "*Investment Program*" section.

Latin America Investments. The Master Fund invests in securities of companies based in Latin America or issued by Latin American governments, or in the securities of companies which are not incorporated in Latin America, but which derive some of their revenues from business activities conducted in Latin America. Such investment involves certain considerations not usually associated with investing in securities of developed countries or of companies located in developed countries, including political and economic consideration, such as greater risks of expatriation, nationalization and general, political, and economic instability, the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and substantially greater price volatility, fluctuations in the rate of exchange between currencies, and costs associated with currency conversions, certain government policies that may restrict the Master Fund's investment opportunities and problems that may arise in connection with the clearance and settlements of trades. In addition, accounting and financial reporting standards that prevail in such countries are not equivalent to standards in more developed countries, consequently, less information is available to investors in companies located in more developed countries. There is also less regulation, generally, of the securities markets in Latin American countries than there is in more developed countries.

Risks Related to Investing in Argentina. Argentina has experienced high interest rates, economic volatility, inflation, currency devaluations and high unemployment rates. The economy is heavily dependent on exports and commodities. Argentina's default on its debt in 2001, and its past nationalization of private pensions and national oil company YPF, continues to impact the confidence of investors in Argentina, which might adversely impact returns in the Master Fund, and thus, the Fund.

Argentina's Economy. Argentina's economy could grow at a lower rate than in past years, or could contract. Factors that could negatively affect Argentina's rate of economic growth, its public finances and Argentina's ability to service its debt include: the competitiveness of Argentine exports, which are influenced by the peso's value relative to the value of the currencies of Argentina's trading partners and trade competitors; the level of inflation in Argentina; international commodities prices, foreign currency exchange rates and the levels of consumer consumption and foreign and domestic investment; negative economic developments in Argentina's major trading partners, or "contagion" effects more generally; and Argentina's ability to meet its energy requirements.

Uncertainty of Economic Reforms. A runoff election on November 22, 2015 resulted in Mr. Mauricio Macri being elected President of Argentina. The Macri administration assumed office on December 10, 2015. Since assuming office on December 10, 2015, the Macri administration has announced several significant economic and policy reforms, including methodological reforms with respect to the calculation of certain macroeconomic statistics, the loosening of foreign exchange controls, reduction of tariffs, other easing of international trade restrictions, infrastructure reforms and reopened negotiation with holders of debt in default since 2001. The impact that these measures and any future measures taken by the new administration will have on the Argentine economy as a whole and the financial sector in particular cannot be predicted. The Investment Manager believes that the effect of the planned liberalization of the economy and renewed access to capital markets will be positive for the

Master Fund's intended investments by stimulating economic activity, but it is not possible to predict such effect with certainty and such liberalization could also be disruptive to the economy and fail to benefit or harm companies in Argentina. The Investment Manager cannot predict how the Macri administration will address certain other political and economic issues that were central during the 2015 presidential election campaign, such as the financing of public expenditures, public service subsidies and tax reforms, the resolution of holdout debt or the impact that any measures related to these issues that are implemented by the Macri administration will have on the Argentine economy as a whole.

Currency Controls. In the past, Argentina imposed exchange controls and transfer restrictions substantially limiting the ability of companies to retain foreign currency or make payments abroad. Although the Macri government lifted exchange controls and liberalized capital controls, there can be no assurances regarding future modifications to exchange and capital controls. Exchange and capital controls could adversely affect the financial condition or results of operations of issuers in whose securities the Master Fund intends to invest, as well as their ability to meet foreign currency obligations and to execute financing plans.

Challenges to Argentina's Debt Payments. Argentina's payments in connection with a debt offering may be attached, enjoined or otherwise challenged. In recent years, hold-out creditors have used litigation against sovereign debtors, most prominently Peru and Nicaragua, to attach or interrupt payments made by these sovereign debtors to, among others, bondholders who have agreed to a debt restructuring and accepted new securities in an exchange offer. Argentina has been subjected to suits to collect on amounts due on defaulted bonds, including actions in the United States, the United Kingdom, Italy and Germany. Some of these actions have resulted in judgments against Argentina. There can be no assurance that a creditor will not be able to interfere, through an attachment of assets, injunction, temporary restraining order or otherwise, with payments made in connection with a debt offering.

Pro Rata Payment Litigation. Argentina's defaults with respect to the payment of its foreign debt could prevent the government and the private sector from accessing the international capital markets, which could adversely affect the financial condition of sovereign and corporate issuers in which the Master Fund invests. In September 2014, the Argentine Congress passed a law to restructure foreign-law bonds held by exchange bondholders to allow the payment in Argentina and to appoint a new paying agent. On September 29, 2014, the U.S. District Court for the Southern District of New York held Argentina in contempt of court as a result of this law. The U.S. District Court authorized limited exceptions to the injunction allowing certain custodians of Argentine law-governed bonds to process payments in August 2014, September 2014 and December 2014.

On May 11, 2015, the plaintiffs that obtained pari passu injunctions asked the U.S. district court to amend their complaints to include claims alleging that Argentina's issuance and servicing of its 2024 dollar-denominated bonds, and its external indebtedness in general, would violate the pari passu clause. On June 5, 2015, the Second Circuit granted partial summary judgment to a group of 526 "me-too" plaintiffs in 36 separate lawsuits, finding that, consistent with the previous ruling of such court, Argentina violated a pari passu clause in bonds issued to the "me-too" bondholders. The decision obligates Argentina to pay the plaintiffs \$5.4 billion before it can make payments on restructured debt.

In 2016, the Argentine government working under a court appointed mediator, entered into settlement agreements with a large portion of hold-out debt holders contingent on Argentina repealing laws that prevented the country from complying with rulings by U.S. courts. In this context Judge Thomas Griesa ruled he would lift the injunctions preventing Argentina from serving post-2005 exchange debt if these laws are repealed. Argentina's lower chamber approved the repeal of these laws

and Argentina's senate voted to approve the same in March 2016. In April 2016, the Second Circuit Court of Appeals in the United States upheld Judge Griesa's ruling, finding that he did not abuse his discretion in lifting the *pari passu* injunctions.

The repercussions of restructuring Argentina's bond debts are ongoing. The 2016 U.S. court rulings only settled claims of certain bondholders. Argentina reached a \$475 million settlement with other bondholders in November 2016. Financial indices have only just started moving Argentina back to "emerging market" status, where it had been before 2009.

Argentina's default with respect to the payment of its foreign debt, its delay in completing the debt restructuring process with creditors that did not participate in the related exchange offers, the complaints filed against Argentina discussed above, the U.S. Supreme Court's decision not to hear Argentina's appeal, the declaration of contempt, and the long-term difficulty of reestablishing itself in the global marketplace could prevent Argentina's government from obtaining international private financing or receiving direct foreign investment, as well as private sector companies in Argentina from accessing the international capital markets. Without access to international private financing, Argentina may not be able to finance its obligations, and financing from multilateral financial institutions may be limited or not available. Without access to direct foreign investment, the government may not have sufficient financial resources to foster economic growth and the performance of the Master Fund's investments in Argentina could be materially and adversely affected.

Derivative Instruments. The Investment Manager may use various derivative instruments, including futures, options, forward contracts, swaps and other derivatives which may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Use of derivative instruments presents various risks, including the following:

- *Tracking* – When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Investment Manager from achieving the intended hedging effect or expose the portfolio to the risk of loss.
- *Liquidity* – Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets the Investment Manager may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative positions limits on exchanges on which the Investment Manager may conduct its transactions in certain derivative instruments may prevent prompt liquidation of positions, subjecting the portfolio to the potential of greater losses.
- *Leverage* – Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments may magnify the gains and losses experienced by the Master Fund and could cause the Master Fund's net asset value to be subject to wider fluctuations than would be the case if the Investment Manager did not use the leverage feature in derivative instruments.
- *Over-the-Counter-Trading* – Derivative instruments that may be purchased or sold for the portfolio may include instruments not traded on an exchange. Over-the-counter options, unlike exchanged-traded options, are two-party contracts with price and other terms negotiated by the buyer and seller. The risk of non-performance by the obligor on such an instrument may be

greater and the ease with which the Investment Manager can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions.

Short Sales. Short sales by the Master Fund that are not made “against the box” create opportunities to increase the Master Fund’s return but, at the same time, involve special risk considerations and may be considered a speculative technique. Since the Master Fund, in effect, profits from a decline in the price of the securities sold short without the need to invest the full purchase price of the securities on the date of the short sale, the value of the Master Fund will tend to increase more when the securities it has sold short decrease in value, and to decrease more when the securities it has sold short increase in value, than otherwise would be the case if it had not engaged in such short sales. Short sales theoretically involve unlimited loss potential, as the market price of securities sold short may increase continuously, although the Master Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions the Master Fund might have difficulty purchasing securities to meet its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales. Short sales may be used with the intent of hedging against the risk of declines in the market value of the Master Fund’s long portfolio, but there can be no assurance that such hedging operations will be successful.

Risks of Execution of Investment Strategies. The Master Fund will invest in a number of securities and obligations that entail substantial inherent risks. Although the Master Fund will attempt to manage those risks through careful research, ongoing monitoring of investments and appropriate hedging techniques, there can be no assurance that the securities and other instruments purchased by the Master Fund will in fact increase in value or that the Master Fund will not incur significant losses.

Market Risks and Liquidity. The profitability of a significant portion of the Master Fund’s investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Master Fund will be able to predict accurately these price movements. Although the Master Fund may attempt to mitigate market risk through the use of long and short positions or other methods, there is always some, and occasionally a significant, degree of market risk.

Furthermore, the Master Fund may be adversely affected by a decrease in market liquidity for the instruments in which they invest, which may impair the Master Fund’s ability to adjust their position. The size of the Master Fund’s positions may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, deleveraging as a consequence of a decision by a broker to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Master Fund’s portfolio. Some of the underlying investments of the Master Fund may not be actively traded and there may be uncertainties involved in the valuation of such investments. Potential investors should be warned that under such circumstances, the net asset value of the Master Fund may be adversely affected.

Hedging. Although the Master Fund will attempt to hedge its exposure to specific arbitrage positions, it will not always be possible fully to hedge risk from such positions or any other position. In

addition, the Master Fund may take positions based on the expected future direction of the markets without fully hedging the market risks.

Currency Risks. A portion of the Master Fund's assets may be invested in securities denominated in various currencies and in other financial instruments, the price of which is determined with reference to such currencies. The account of the Master Fund will, however, be valued in U.S. Dollars. To the extent unhedged, the value of the net assets of the Master Fund will fluctuate with U.S. Dollars exchange rates as well as with price changes of their investments in the various local markets and currencies. Forward currency contracts and options may be utilized by the Master Fund to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Counterparty and Settlement Risk. Due to the nature of some of the investments which the Master Fund may make, the Master Fund may rely on the ability of the counterparty to a transaction to perform its obligations. In the event that any such party fails to complete its obligations for any reason, the Master Fund may suffer losses. The Master Fund will therefore be exposed to a credit risk on the counterparties with which it trades. The Master Fund will also bear the risk of settlement default by clearing houses and exchanges. Any default by a counterparty or on settlement could have a material adverse effect on the Master Fund.

Borrowing. The Master Fund is permitted to finance its operations with secured and unsecured borrowing up to 100% of its net assets, to the extent allowable under applicable credit regulations. Like other forms of leverage, the use of borrowing can enhance the risk of capital loss in the event of adverse changes in the level of market prices of the assets being financed with the borrowings.

Concentration of Investments. Although the Investment Manager will follow a general policy of seeking to spread the Master Fund's capital among a number of investments, the Investment Manager may depart from such policy from time to time and may hold a few, relatively large securities positions in relation to the Master Fund's capital. The result of such concentration of investments is that a loss in any such position could materially reduce the Master Fund's capital.

Difficult Market for Investment Opportunities. The activity of identifying, completing and realizing on attractive investments involves a high degree of uncertainty. There can be no assurance that the Master Fund will be able to locate and complete investments which satisfy the Master Fund's rate of return objective or realize upon their values or that the Master Fund will be able to invest fully its subscribed capital in a manner consistent with its investment strategy.

Certain Regulatory Risks

Absence of Regulatory Oversight. While the Fund may be considered similar to an investment company, it is not required and does not intend to register as such under the Investment Company Act of 1940, as amended (the "*Investment Company Act*"), and, accordingly, the provisions of the Investment Company Act (which may provide certain regulatory safeguards to investors) are not applicable to investors in the Fund. Neither the Fund nor the Master Fund will maintain custody of its securities or place its securities in the custody of a bank or a member of a national securities exchange in the manner required of registered investment companies under rules promulgated by the Securities and Exchange Commission (the "*SEC*"). A registered investment company which places its securities in the custody of a member of a national securities exchange is required to have a written custodian agreement, which provides that securities held in custody will be at all times individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment

company, and which contains other provisions complying with SEC regulations. The Master Fund generally will maintain such accounts at brokerage firms that do not separately segregate such assets as would be required in the case of registered investment companies. Under the provisions of the Securities Investor Protection Act of 1970, as amended, the bankruptcy of any such brokerage firm might have a greater adverse effect on the Master Fund and the Fund than would be the case if the accounts were maintained to meet the requirements applicable to registered investment companies.

Forward-Looking Statements. Certain statements contained in this Memorandum, including without limitation, statements containing the words “believes,” “anticipates,” “intends,” “expects,” and words of similar import constitute “forward-looking statements.” Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Fund to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Certain of these factors are discussed in more detail elsewhere in this Memorandum, including without limitation under “*Summary of Terms*,” “*Certain Risk Factors*,” and “*Investment Program*.” Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. The Investment Manager and the Fund disclaim any obligation to update any such factors or to announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

Impact of U.S. Presidential Election. On January 20, 2017, Donald Trump became President of the United States of America. President Trump and other members of the Republican Party have proposed to reverse some of the recent regulation of the financial industry and to change tax policy. If some of these proposals were enacted, banks could dramatically increase their lending practices and accept additional types of collateral, borrowers could reduce their demand for debt financing, certain investment advisers could de-register with SEC and portfolio companies that are net importers or hold significant assets outside of the United States could be subject to increased tax liability. The effect of any such regulatory or tax changes on the Master Fund and the markets in which it trades and invests is uncertain.

Evolving Regulatory Risks of Private Investment Funds. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds and their advisers may adversely affect the value of investments held by the Master Fund.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“**Dodd-Frank**”), which was enacted in July 2010, regulates markets, market participants and financial instruments that were historically unregulated and has substantially altered the regulation of many other markets, market participants and financial instruments. Certain provisions of Dodd-Frank subject registered investment advisers to requirements to keep records and to report information to the SEC, which could in turn be supplied to the Board of Governors of the Federal Reserve, a new Financial Services Oversight Council or other U.S. governmental agencies or Congress. Under Dodd-Frank, the information includes, among other things, the amount of assets under management, use of leverage (including off-balance sheet leverage), counterparty credit risk exposures, trading and investment positions, and trading practices. All such records are subject to examination by the SEC at any time. It is anticipated that there may be significant changes to the financial regulatory environment as a result of the outcome of the recent U.S. elections. There is currently pending legislation in U.S. Congress which if enacted would result in the repeal of portions of Dodd-Frank which in turn would have a significant impact on the regulatory environment for private investment funds. In addition, the impact of the legislation on current and future rulemaking by various regulators under Dodd-Frank is difficult to predict. It is possible that rules that

have been proposed by various regulators, which had been anticipated to take effect previously, may no longer be implemented in their proposed form or at all. Further, there may also be substantial changes in the enforcement and interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. The effect of future regulatory change on the Fund and the Master Fund and their operations is uncertain. Prospective investors should seek, and must rely on, the advice of their own advisers with respect to the possible impact on its investment of any future proposed legislation or administrative or judicial action.

Tax Related Risks

Uncertainty and Complexity of Tax Treatment. The tax aspects of an investment in a partnership are complicated and complex and, in many cases, uncertain. Statutory provisions and administrative regulations have been interpreted inconsistently by the courts. Additionally, some statutory provisions remain to be interpreted by administrative regulations. Investors will thus be subject to the risk caused by the uncertainty of the tax consequences with respect to an investment in the Fund. Each prospective investor should have the tax aspects of an investment in the Fund reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles. Prospective investors are strongly urged to review the discussion below under "*Tax Considerations*" and "*ERISA and Other Regulatory Considerations*" for a more complete discussion of certain of the tax risks inherent in the acquisition of Interests and to consult their own independent tax advisors.

Risk of Adverse Determination. There can be no assurance that the conclusions set forth in this Memorandum will not be challenged successfully by the U.S. Internal Revenue Service (the "*Service*") or other applicable taxing authority, or significantly modified by new legislation, changes in the Service's positions or court decisions. The Fund has not applied for, nor does it expect to apply for, any advance rulings from the Service with respect to any of the federal income tax consequences described in this Memorandum. No representation or warranty of any kind is made by the General Partner with respect to the tax consequences relating to an investment in the Fund. The Fund may take positions with respect to certain tax issues which depend on legal conclusions not yet resolved by the courts. Should any such positions be successfully challenged by the Service or other applicable taxing authority, there could be a materially adverse effect on the Fund, and a Limited Partner might be found to have a different tax liability for that year than that reported on its income tax returns.

Risk of Tax Audit. An audit of the Fund by the Service or another taxing authority could result in adjustments to the tax consequences initially reported by the Fund and may result in an audit of the returns of some or all of the Limited Partners, which examination could affect items not related to a Limited Partner's investment in the Fund. If audit adjustments result in an increase in a Limited Partner's income tax liability for any year, such Limited Partner may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of the Fund's tax returns will be borne by the Fund. The cost of any audit of a Limited Partner's tax return will be borne solely by that Limited Partner.

Entity-Level Audits. Pursuant to the Bipartisan Budget Act of 2015, for taxable years beginning after December 31, 2017, the Service generally will be permitted to determine adjustments to items of income, gain, deduction, loss or credit of the Fund, and assess and collect taxes attributable thereto (including any applicable penalties and interest), at the Fund level. If this new regime applies to the Fund (which depends, among other things, on whether the Fund has more than 100 partners or has any partner that is itself classified as a partnership for U.S. federal income tax purposes), then any person

who is a partner of the Fund in the relevant year of the adjustment may indirectly bear the economic burden of any such taxes assessed or collected (initially determined at the highest rate of tax applicable to an individual or corporation in effect for the reviewed year), regardless of whether such person was a Limited Partner during any reviewed year. It is expected that guidance will be issued that permits the Fund to reduce the underpayment of taxes owed by the Fund, including to the extent that the Fund demonstrates such taxes are allocable to a Limited Partner that would not owe any tax by reason of its status as a “tax-exempt entity” or the character of income is subject to a lower rate of tax. The Fund may under certain circumstances have the ability to avoid such entity-level tax assessment or collection by electing to issue a statement to each partner of any reviewed year with its share of such adjustment, resulting in such partner being required to take into account any such adjustment for the taxable year which includes the date such statement was furnished. In such case, the partners of the reviewed year would also incur a two-percentage point increase on the interest rate that would otherwise have been imposed on any underpayment of taxes. There can be no assurances, however, that the Fund will avoid, or be able to avoid, any entity-level determination, assessment or collection. Limited Partners should note that there is substantial uncertainty regarding the implementation of these rules and the impact on any current or future allocations made or cash available for distributions or withdrawals by the Fund. The Fund may also be exposed to the risk that these rules apply to any lower-tier entity in which the Fund directly or indirectly invests and that is treated as a partnership for U.S. federal income tax purposes. If this new legislation applies to the Fund, the Fund will designate a tax representative, which is expected to be the General Partner, the Investment Manager, or an affiliate thereof, who shall have the sole authority to act on behalf of the Fund with respect to dealings with the Service under these new procedures. Prospective Limited Partners should consult their own tax advisors regarding this new legislation.

Tax Considerations Taken into Account. The General Partner may take tax considerations into account in determining when the Fund’s investments should be sold or otherwise disposed of, and may assume certain market risk and incur certain expenses in this regard to achieve favorable tax treatment of a transaction.

Foreign Taxation. With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, and imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Fund, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

Tax Liabilities Without Distributions. If the Fund has taxable income in a fiscal year, each Limited Partner will be taxed on that income in accordance with its allocable share of the Fund’s profits, whether or not such profits have been distributed. Because the General Partner anticipates that there will be no cash distributions to the Limited Partners, an investor may incur tax liability with respect to activities of the Fund without receiving sufficient distributions from the Fund to defray such tax liabilities. In order to satisfy its tax liability in such a case, a Limited Partner would need sufficient funds from sources other than the Fund. Furthermore, the Fund may make investments with respect to which the Fund recognizes income for U.S. federal income tax purposes prior to receiving the cash or realizing the income as an economic matter. In addition, the Fund may recognize income for U.S. federal income tax purposes that does not reflect income as an economic matter. Such recognition of income prior to receipt of an economic benefit, if any, may result in increased tax liability for the Partners.

Delayed Schedules K-1. The Fund will provide Schedules K-1 as soon as practicable after receipt of all of the necessary information. However, the Fund may be unable to provide final Schedules K-1 to Limited Partners for any given tax year until significantly after April 15 of the following year. The General Partner will endeavor to provide Limited Partners with estimates of the taxable income or loss allocated to their investment in the Fund on or before such date, but final Schedules K-1 may not be available until completion of the Fund's annual audit. Limited Partners should be prepared to obtain extensions of the filing date for their income tax returns at the federal, state and local levels.

Unrelated Business Taxable Income. The Fund may make investments or engage in activities that will give rise to unrelated business taxable income ("**UBTI**") under Sections 512 and 514 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). Thus, an investment in the Fund may be less desirable for certain tax-exempt investors. For example, the Fund may incur leverage giving rise to UBTI or may participate in investments that give rise to UBTI through entities that are treated as partnerships for U.S. federal income tax purposes. Because of the "flow-through" principles applicable to partnerships, if UBTI is earned by the Fund, a tax-exempt investor in the Fund will realize UBTI. Because of the General Partner's objective of maximizing the pre-tax returns of all the Limited Partners, the General Partner may be required to make certain decisions to maximize pre-tax returns that result in tax-exempt investors recognizing more UBTI than might otherwise be the case. In some cases, the General Partner may forgo actions with regard to the acquisition, financing, management and disposition of assets that would reduce UBTI because such actions would reduce the overall pre-tax returns to all the Limited Partners.

Tax Changes. Investors will be subject to the risk that changes to the tax law may adversely affect the federal income tax consequences of their investment in the Fund. Changes in existing tax laws or regulations and their interpretation may be enacted after the date of this Memorandum, possibly with retroactive effect, and could alter the income tax consequences of an investment in the Fund. Certain provisions of the Code may be further amended or interpreted in a manner adverse to the Fund, in which event any benefits derived from an investment in the Fund may be adversely affected. In addition, significant legislative and budgetary proposals affecting tax laws have been made by the legislative and executive branches of the U.S. federal government. The likelihood of enactment of any such proposals, or any similar proposals, into law is uncertain. The enactment of any such proposals, including subsequent proposals, into law could have material adverse effects on the Fund and/or the Limited Partners. Enactment of such legislation, or similar legislation, could require significant restructuring of the Fund in order to mitigate such effects.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Memorandum and consult with their own advisers before deciding to invest in the Fund. In addition, as the investment program of the Fund develops and changes over time, an investment in the Fund may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

In view of the foregoing considerations, an investment in Interests is suitable only for investors who are capable of bearing the relevant investment risks.

Potential Conflicts of Interest

Given the nature and size of Highland Capital Management, L.P.'s ("**Highland Capital**") operations, various potential conflicts of interest arise in connection with its advisory services and the

advisory services provided by its affiliates. Information about Highland Capital and its potential conflicts of interest is provided in Highland Capital's Form ADV Part 2 Brochure that can be found by going to <https://adviserinfo.sec.gov/IAPD/Default.aspx>, searching by firm name and selecting the Part 2 Brochure to be viewed. The Fund is subject to these conflicts of interest, as well as the other items discussed below.

None of the Investment Manager, its affiliates and their respective officers, directors, shareholders, members, partners, personnel and employees (collectively, the "**Highland Group**") is precluded from engaging in or owning an interest in other business ventures or investment activities of any kind, whether or not such ventures are competitive with the Fund or the Master Fund. The Investment Manager is permitted to manage other client accounts, and does manage other client accounts, some of which may have objectives similar or identical to those of the Master Fund, including other collective investment vehicles that may be managed by the Highland Group and in which the Investment Manager or any of its affiliates may have an equity interest.

The Fund will be subject to a number of actual and potential conflicts of interest involving the Highland Group including, among other things, the fact that: (i) the Highland Group conducts substantial investment activities for accounts, funds, collateralized debt obligations that invest in leveraged loans (collectively, "**CDOs**") and other vehicles managed by members of the Highland Group ("**Highland Accounts**") in which the Fund has no interest; (ii) the Highland Group advises Highland Accounts, which utilize the same, similar or different methodologies as the Fund and may have financial incentives (including, without limitation, as it relates to the composition of investors in such funds and accounts or to the Highland Group's compensation arrangements) to favor certain Highland Accounts over the Fund and the Master Fund; (iii) the Highland Group may use the strategy described herein in certain Highland Accounts; (iv) the Investment Manager may give advice and recommend securities to, or buy or sell securities for, the Master Fund, which advice or securities may differ from advice given to, or securities recommended or bought or sold for, Highland Accounts; (v) the Investment Manager has the discretion, to the extent permitted under applicable law, to use its affiliates as service providers to the Fund and the Master Fund and the Master Fund's portfolio investments; (vi) certain investors affiliated with the Highland Group may choose to personally invest only in certain funds advised by the Highland Group and the amounts invested by them in such funds is expected to vary significantly; (vii) the Highland Group and Highland Accounts may actively engage in transactions in the same securities sought by the Master Fund and, therefore, may compete with the Master Fund for investment opportunities or may hold positions opposite to positions maintained on behalf of the Master Fund; and (viii) the Investment Manager will devote to the Master Fund and the Fund only as much time as the Investment Manager deems necessary and appropriate to manage the Master Fund's and the Fund's business.

The Investment Manager undertakes to resolve conflicts in a fair and equitable basis, which in some instances may mean a resolution that would not maximize the benefit to the Fund's investors.

Allocation of Trading Opportunities

It is the policy of the Investment Manager to allocate investment opportunities fairly and equitably over time. This means that such opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) fiduciary duties owed to the accounts; (ii) the primary mandate of the accounts; (iii) the capital available to the accounts; (iv) any restrictions on the accounts and the investment opportunity; (v) the sourcing of the investment, size of the investment and amount of follow-on available related to the investment; (vi) whether the risk-return profile of the proposed investment is consistent with the

account's objectives and program, whether such objectives are considered in light of the specific investment under consideration or in the context of the portfolio's overall holdings; (vii) the potential for the proposed investment to create an imbalance in the account's portfolio (taking into account expected inflows and outflows of capital); (viii) liquidity requirements of the account; (ix) potentially adverse tax consequences; (x) regulatory and other restrictions that would or could limit an account's ability to participate in a proposed investment; and (xi) the need to re-size risk in the account's portfolio.

The Investment Manager has the authority to allocate trades to multiple Highland Accounts on an average price basis or on another basis it deems fair and equitable. Similarly, if an order on behalf of any accounts cannot be fully allocated under prevailing market conditions, the Investment Manager may allocate the trades among different accounts on a basis it considers fair and equitable over time. One or more of the foregoing considerations may (and are often expected to) result in allocations among the Master Fund and one or more Highland Accounts on other than a *pari passu* basis. The Investment Manager will allocate investment opportunities across its accounts for which the opportunities are appropriate, consistent with (i) its internal conflict of interest and allocation policies and (ii) the requirements of the Investment Advisers Act of 1940, as amended. The Investment Manager will seek to allocate investment opportunities among such entities in a manner that is fair and equitable over time and consistent with its allocation policy, a copy of which will be provided upon request. However, there is no assurance that such investment opportunities will be allocated to the Master Fund fairly or equitably in the short-term or over time and there can be no assurance that the Master Fund will be able to participate in all investment opportunities that are suitable for it

The Investment Manager may open "average price" accounts with brokers. In an "average price" account, purchase and sale orders placed during a trading day on behalf of the Investment Manager, the Master Fund and other accounts managed by the Investment Manager are combined, and securities bought and sold pursuant to such orders are allocated among such accounts on an average price basis.

Cross Transactions and Principal Transactions

As further described below, the Investment Manager may effect client cross-transactions where the Investment Manager causes a transaction to be effected between the Master Fund and another client advised by it or any of its affiliates. The Investment Manager may engage in a client cross-transaction involving the Master Fund any time that the Investment Manager believes such transaction to be fair to the Master Fund and such other client. By subscribing for an Interest, a Limited Partner is deemed to have consented to such client cross-transactions between the Master Fund and another client of the Investment Manager or one of its affiliates.

The Investment Manager may direct the Master Fund to acquire or dispose of securities in cross trades between the Master Fund and other clients of the Investment Manager or its affiliates in accordance with applicable legal and regulatory requirements. In addition, the Master Fund may invest in securities of obligors or issuers in which the Investment Manager and/or its affiliates have a debt, equity or participation interest, and the holding and sale of such investments by the Master Fund may enhance the profitability of the Investment Manager's own investments in such companies. Moreover, the Master Fund may invest in assets originated by the Investment Manager or its affiliates. In each such case, the Investment Manager and such affiliates may have a potentially conflicting division of loyalties and responsibilities regarding the Master Fund and the other parties to such trade. Under certain circumstances, the Investment Manager and its affiliates may determine that it is appropriate to avoid such conflicts by selling a security at a fair value that has been calculated pursuant to the Investment Manager's valuation procedures to another client managed or advised by the Investment Manager or

such affiliates. In addition, the Investment Manager may enter into agency cross-transactions where it or any of its affiliates acts as broker for the Master Fund and for the other party to the transaction, to the extent permitted under applicable law.

The Principal, as well as the employees and officers of the Investment Manager and of organizations affiliated with the Investment Manager, may buy and sell securities for their own account or the account of others, but may not buy securities from or sell securities to the Master Fund (such prohibition does not extend to the purchase or sale of interests in the Fund), unless such purchase or sale is in compliance with the applicable provisions of the Investment Advisers Act of 1940, as amended.

Conflicts Relating to Equity and Debt Ownership by the Master Fund and Affiliates

In certain circumstances, the Master Fund and other client accounts may invest in securities or other instruments of the same issuer (or affiliated group of issuers) having a different seniority in the issuer's capital structure. If the issuer becomes insolvent, restructures or suffers financial distress, there may be a conflict between the interests in the Master Fund and those other accounts insofar as the issuer may be unable (or in the case of a restructuring prior to bankruptcy may be expected to be unable) to satisfy the claims of all classes of its creditors and security holders and the Master Fund and such other accounts may have competing claims for the remaining assets of such issuers. Under these circumstances it may not be feasible for the Investment Manager to reconcile the conflicting interests in the Master Fund and such other accounts in a way that protects the Master Fund's interests. Additionally, the Investment Manager or its nominees may in the future hold board or creditors' committee memberships which may require them to vote or take other actions in such capacities that might be conflicting with respect to certain funds managed by the Investment Manager in that such votes or actions may favor the interests of one account over another account. Furthermore, the Investment Manager's fiduciary responsibilities in these capacities might conflict with the best interests of the investors.

Affiliated Entity Services

Affiliated entities of the Investment Manager may provide services with respect to the Investment Manager, the Master Fund or the Fund. NexBank, SSB ("**NexBank SSB**") is an affiliate of the Investment Manager and may, from time to time, provide banking and/or agency services to the Investment Manager, clients of the Investment Manager or collective investment vehicles for which the Investment Manager provides investment advisory services (including the Fund, the Master Fund and other vehicles in which the Fund (through the Master Fund) may invest) or third parties engaged in transactions involving the Investment Manager. NexBank SSB may also act as an agent in connection with certain securities transactions involving the Investment Manager's client accounts (including the Master Fund and other vehicles in which the Master Fund may invest). Principals of the Investment Manager own a majority of the equity interests in NexBank SSB and employees or affiliates of the Investment Manager own or may own a substantial equity interest in NexBank SSB. Certain Master Fund investment transactions may be executed through NexBank Securities, Inc., an affiliate of the Investment Manager and a registered broker-dealer.

Additionally, the Investment Manager or affiliates of the Investment Manager, including, without limitation, Nexbank SSB, NexBank Securities, Inc., NexBank Capital Advisors and Governance Re, Ltd., may provide financial advisory, management, insurance, title insurance or other services for a fee to portfolio companies in which the Master Fund may have an interest. Highland Latin America Consulting, Ltd., an affiliate of the Investment Manager, has been engaged to provide certain

administrative and consulting services to the Investment Manager, as more fully described below in “*Management – Services Agreement*.”

Management Fee

A portion of any Management Fee may be paid to broker-dealers, placement agents or independent third parties, other than the Investment Manager, for services provided in connection with the solicitation of subscriptions from investors. Accordingly, investors should recognize that a placement agent’s or distributor’s participation in this offering may be influenced by its interest in such current or future fees and compensation. Investors should consider these potential conflicts of interest in making their investment decisions. Each placement agent shall comply with the legal requirements of the jurisdictions within which it offers and sells Interests.

Diverse Membership

The Limited Partners are expected to include entities, persons, or entities organized in various jurisdictions and subject to different tax and regulatory regimes. Such diverse investors may thus have conflicting investment, tax and other interests, relating to, among other things, the nature of investments made by the Master Fund, the structuring or the acquisition of investments and the timing of disposition of investments. As a result, conflicts of interest may arise in connection with decisions made by the Investment Manager including as to the nature and structure of investments that may be more beneficial for one type of Limited Partner than for another type of Limited Partner, including Limited Partners affiliated with the Investment Manager. The results of the Fund’s activities may affect individual Limited Partners differently, depending upon their individual financial and tax situations because, for instance, of the timing of an event of realization of gain or loss and its characterization as long-term or short-term gain or loss. In addition, the Master Fund may make investments that may have a negative impact on related investments made by the Limited Partners in separate transactions. In selecting, structuring and managing investments appropriate for the Master Fund, the Investment Manager will consider the investment and tax objectives of the Master Fund and the Feeder Funds as a whole, not the investment, tax, or other objectives of any Limited Partner individually. However, there can be no assurance that a result will not be more advantageous to some Limited Partners than to others or to the Investment Manager and/or its affiliates than to a particular Limited Partner.

Soft Dollars

The Investment Manager’s authority to use “soft dollar” credits generated by the Master Fund’s securities transactions to pay for expenses that might otherwise have been borne by the Investment Manager or the General Partner may give the Investment Manager an incentive to select brokers or dealers for Master Fund transactions, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by the Investment Manager rather than giving exclusive consideration to the interests in the Master Fund. See “*Brokerage and Custody*.”

No Separate Counsel

Akin Gump Strauss Hauer & Feld LLP (“*Akin Gump*”) serves as counsel to the Fund, the Master Fund, the Investment Manager, the General Partner and certain of their Affiliates (the “*Clients*”) in connection with the formation of the Fund and certain other Clients, the offering of Interests as well as certain other matters for which the Clients may engage Akin Gump from time to time. Akin Gump disclaims any obligation to verify the Clients’ compliance with their obligations either under applicable

law or the governing documents of the Fund. In acting as counsel to the Clients, Akin Gump has not represented and will not represent any Limited Partners nor does it purport to represent their interests. No independent counsel has been retained to represent the Limited Partners. In assisting in the preparation of this Memorandum, Akin Gump has relied on information provided by the Fund, the Investment Manager and the General Partner and certain of the Fund's other service providers (including, without limitation, the Principal's biographical data, summaries of market conditions, the planned investment strategy of the Master Fund and the performance of the Master Fund, its investments or any predecessor Fund) without verification and does not express a view as to whether such information is accurate or complete.

Maples and Calder, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, acts as Cayman Islands legal counsel to the Offshore Fund, the Master Fund and the General Partner. In connection with the offering of interests and subsequent advice to the Offshore Fund, the Master Fund and the General Partner, Maples and Calder will not be representing shareholders and/or limited partners. No independent legal counsel has been retained to represent the shareholders and/or limited partners. Maples and Calder's representation of the General Partner is limited to specific matters as to which it has been consulted by the General Partner. There may exist other matters that could have a bearing on the Master Fund as to which Maples and Calder has not been consulted. In addition, Maples and Calder does not undertake to monitor compliance by the General Partner and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does Maples and Calder monitor ongoing compliance with applicable laws. In connection with the preparation of this Memorandum, Maples and Calder's responsibility is limited to matters of Cayman Islands law and it does not accept responsibility in relation to any other matters referred to or disclosed in this Memorandum. In the course of advising the General Partner, there are times when the interests of the shareholders/limited partners may differ from those of the Offshore Fund, Master Fund and/or the General Partner. Maples and Calder does not represent the shareholders and/or limited partners' interests in resolving these issues. In reviewing this Memorandum, Maples and Calder has relied upon information furnished to it by the General Partner and has not investigated or verified the accuracy and completeness of information set forth herein concerning the Offshore Fund, Master Fund and/or the General Partner.

Non-Public Information

From time to time, the Investment Manager may come into possession of non-public information concerning specific companies although internal structures are in place to prevent the receipt of such information. Under applicable securities laws, this may limit the Investment Manager's flexibility to buy or sell portfolio securities issued by such companies. The Master Fund's investment flexibility may be constrained as a consequence of the Investment Manager's inability to use such information for investment purposes.

The foregoing list of risk factors and potential conflicts of interest do not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Memorandum and consult with their own legal, tax and financial advisers before deciding to invest in the Fund.

BROKERAGE AND CUSTODY

Brokerage Arrangements

The Investment Manager will be responsible for the placement of the portfolio transactions of the Master Fund and the negotiation of any commissions or spreads paid on such transactions. Portfolio transactions normally will be effected through brokers on securities exchanges or directly with the issuer, or through an underwriter, or market maker or other dealer for the investments. Portfolio transactions through brokers involve a commission to the broker. Portfolio transactions with dealers typically are priced to include a spread between the bid and the asked price to compensate the dealer. Portfolio transactions will be executed by brokers selected solely by the Investment Manager in its absolute discretion. The Investment Manager is not required to weigh any of these factors equally.

Substantially all of the Master Fund's investments in marketable securities, as well as its cash and cash equivalents, are expected to be held at Société Générale and BNP Paribas Prime Brokerage, Inc. or other prime brokers or custodians selected by the Investment Manager. Instruments not constituting marketable securities generally are recorded through book entry by the borrower or by an agent for the borrower or the creditors. Documentary evidence of the acquisition, ownership and disposition of these assets typically will be held by the Administrator.

Société Générale and BNP Paribas Prime Brokerage, Inc. and other prime brokers or their affiliates may provide capital introduction or other placement services to the Fund and the Investment Manager (with or without separate charges for such other services). In determining which broker-dealer generally provides the best available price and most favorable execution, the Investment Manager considers a totality of circumstances, including price quotes, the size of the transaction, the nature of the market for the financial instrument, the timing of the transaction, difficulty of execution, the broker-dealer's expertise in the specific financial instrument or sector in which the Master Fund seeks to trade, the extent to which the broker-dealer makes a market in the financial instrument involved or has access to such markets, the broker-dealer's skill in positioning the financial instruments involved, the broker-dealer's promptness of execution, the broker-dealer's financial stability, reputation for diligence, fairness and integrity, quality of service rendered by the broker-dealer in other transactions for the Investment Manager and its respective affiliates, confidentiality considerations, the quality and usefulness of research services and investment ideas presented by the broker-dealer, the broker-dealer's willingness to correct errors, the broker-dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction, and other factors deemed appropriate by the Investment Manager. The Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread.

Accordingly, if the Investment Manager concludes that the commissions charged by a broker or the spreads applied by a dealer are reasonable in relation to the quality of services rendered by such broker or dealer (including, without limitation, the value of the brokerage and research products or services provided by such broker or dealer), the Master Fund may pay commissions to, or be subject to spreads applied by, such broker-dealer in an amount greater than the amount another broker-dealer might charge or apply.

The Investment Manager may also execute trades with brokers and dealers with whom the Fund, the Master Fund or the Investment Manager has other business relationships, including prime brokerage, credit relationships and capital introduction or investments by affiliates of the broker-dealers in the Fund or other entities managed by the Investment Manager. However, the Investment Manager does not

believe that these other relationships will influence the choice of brokers and dealers who execute trades for the Master Fund.

Research-related goods and services provided by brokers and dealers through which portfolio transactions for the Master Fund are executed, settled and cleared may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, certain research services, and other goods and services providing lawful and appropriate assistance to the Investment Manager in the performance of investment decision-making responsibilities on behalf of the Master Fund and related accounts (collectively, “*soft dollar items*”).

Soft dollar items may be provided directly by brokers and dealers, by third parties at the direction of brokers and dealers or purchased on behalf of the Master Fund with credits or rebates provided by brokers and dealers. Soft dollar items may arise from over-the-counter principal transactions, as well as exchange traded agency transactions. Brokers and dealers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual business received by any broker or dealer may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total transaction volume is allocated on the basis of all the considerations described above. A broker or dealer will not be excluded from executing transactions for the Master Fund because it has not been identified as providing soft dollar items.

The use of commissions or “soft dollars” if any, generated by the Master Fund through agency and certain riskless principal transactions to pay for research and research-related products or services, if any, will fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended. Under Section 28(e), research products or services obtained with soft dollars generated by the Master Fund may be used by the Investment Manager to service accounts other than the Master Fund. Soft dollars generated in respect of futures, currency and derivatives transactions and principal transactions (that are not riskless principal transactions) do not generally fall within the safe harbor created by Section 28(e) and will be utilized only with respect to research-related products and services for the benefit of the account generating such soft dollars.

Research and brokerage products and services may be used by the Investment Manager in servicing some or all of the Investment Manager’s clients. In addition, some research and brokerage may not be used by the Investment Manager in servicing the clients whose commission dollars provided for the research or brokerage. Clients may not, in any particular instance, be the direct or indirect beneficiaries of the research or brokerage provided. Certain clients, who are the beneficiaries of research or brokerage, may have an investment style which results in the generation of a small amount of brokerage commissions due to a lack of active trading for their accounts. As a result, clients who generate sizeable commissions subsidize research or brokerage provided to clients whose accounts generate minimal brokerage commissions since the commission dollars generated by transactions for such clients are not sufficient to pay for research or brokerage that may be received by such clients from other brokers.

In selecting broker-dealers on the basis of the foregoing factors, the Investment Manager may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction. In connection therewith, the Investment Manager will make a good faith determination that the amount of commission is reasonable in relation to the value of the research or brokerage services received, viewed in terms of either the specific transaction or the Investment Manager’s overall responsibility to its clients. The Investment Manager will regularly evaluate the placement of brokerage services and the reasonableness of commissions paid. Research received from brokers will be

supplemental to the Investment Manager's own research efforts. While the receipt of research will not reduce the Investment Manager's normal research activities, the Investment Manager's expenses could increase materially if it attempted to generate such additional research or brokerage services through its own staff, and the Management Fee will not be reduced as a consequence of the receipt of such research or brokerage services or products. As such, the Investment Manager's arrangements for the receipt of research and brokerage services from brokers may create a conflict of interest, in that the Investment Manager may have an incentive to choose a broker-dealer that provides research and brokerage services, instead of one that does not but charges a lower commission rate. In some instances, the Investment Manager receives products and services that may be used for both research and non-research purposes. In such instances, the Investment Manager will make a good faith effort to determine the relative proportion of the products and services used to assist the Investment Manager in carrying out its investment decision-making responsibilities or order execution, including research and brokerage, and the relative proportion used for administrative or other non-research purposes. The proportionate amount of the research attributable to assisting the Investment Manager in carrying out its investment decision-making responsibilities or order execution will be paid through brokerage commissions generated by the Master Fund's and other client's transactions; the proportionate amount attributable to administrative or other non-research purposes will be paid for by the Investment Manager from its own resources. The receipt of "mixed-use" research and the determination of the appropriate allocation may result in a potential conflict of interest between the Investment Manager and its clients, including the Master Fund.

Custody

The majority of the Master Fund's securities are held in the custody of its prime brokers. The Master Fund is eligible for insurance coverage against loss with respect to assets held in the custody of the prime brokers in the event of the bankruptcy or liquidation of either of the prime brokers to the same extent as that broker's other customers. The Master Fund's and the Fund's cash may be held at banks as well as the prime brokers. Ownership interests which are not represented by certificates generally will be recorded through book-entry systems maintained by the issuer or its agent, and the underlying documentation relating to the acquisition and disposition of these assets for the account of the Master Fund will be held at the business offices of the Investment Manager.

TAX CONSIDERATIONS

Introduction

The following is a summary of certain aspects of the U.S. federal income taxation of the Fund and its Limited Partners arising from the purchase, ownership and disposition of an Interest that should be considered by a prospective Limited Partner. The Fund has not sought a ruling from the Service or any similar state, local or foreign authority with respect to any of the tax issues affecting Limited Partners or the Fund, nor has it obtained an opinion of counsel with respect to any U.S. federal, state, local or foreign tax issues.

This summary is based on the Code, the U.S. Treasury regulations promulgated under the Code (the “*Treasury Regulations*”), judicial decisions, administrative rulings, and state and local tax laws in force on the date of this Memorandum, all of which are subject to change (possibly with retroactive effect). Changes in existing laws or regulations and their interpretation may occur after the date of this Memorandum and could alter the income tax consequences of an investment in the Fund. This discussion does not address all of the tax consequences that may be relevant to a particular investor, nor does it address, unless specifically indicated, the tax consequences to, among others (i) persons that may be subject to special treatment under U.S. federal income tax law, including, but not limited to, banks, insurance companies, thrift institutions, regulated investment companies, real estate investment trusts and dealers in securities or currencies, (ii) persons that will hold Interests as part of a position in a “straddle” or as part of a “hedging,” “conversion” or other integrated investment transaction for U.S. federal income tax purposes, (iii) persons whose functional currency is not the U.S. dollar or (iv) persons that do not hold Interests as capital assets within the meaning of Code Section 1221.

Further, this summary does not address the tax considerations relevant to an investment in the Fund by a person that is not a “United States person” as defined in Section 7701(a)(30) of the Code because this summary assumes that all such persons will invest in the Offshore Fund.

If a partnership holds an Interest in the Fund, the tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the Fund. Prospective investors who are partners of a partnership should consult their own tax advisors.

Unless otherwise expressly provided herein, this discussion does not address possible state, local or foreign tax consequences of the purchase, ownership or disposition of Interests, some or all of which may be material to particular investors. This discussion also does not address the potential application of the U.S. federal alternative minimum tax (“*AMT*”) to the Limited Partners. There is uncertainty concerning certain tax aspects of the Fund, and there can be no assurance that the Service will not challenge the positions taken by the Fund.

THE TAX CONSEQUENCES OF AN INVESTMENT IN THE FUND ARE PARTICULARLY COMPLEX. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD NOT CONSIDER THIS DISCUSSION AS A SUBSTITUTE FOR CAREFUL TAX PLANNING. PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS, ATTORNEYS OR ACCOUNTANTS ON MATTERS RELATING TO AN INVESTMENT IN THE FUND WITH SPECIAL REFERENCE TO SUCH INVESTOR’S PARTICULAR SITUATION.

Certain United States Taxation Matters

U.S. Entity Classification of the Fund

The General Partner believes that, under the provisions of the Code and the Treasury Regulations as currently in effect, each of the Fund and the Master Fund should be treated for U.S. federal income tax purposes as a partnership and not as an association taxable as a corporation.

Certain “publicly traded partnerships” are treated as associations that are taxable as corporations for U.S. federal income tax purposes. A publicly traded partnership is any partnership the interests in which are traded on an established securities market or which are readily tradable on a secondary market (or the substantial equivalent thereof). Interests in the Fund are not and will not be traded on an established securities market. Treasury Regulations concerning the classification of partnerships as publicly traded partnerships provide certain safe harbors under which interests in a partnership will not be considered readily tradable on a secondary market (or the substantial equivalent thereof). The General Partner believes that the Fund may qualify for an exemption from the publicly traded partnership rules, although there is no assurance that the Fund will so qualify.

The remainder of this discussion assumes that the Fund and the Master Fund will each be treated as a partnership for U.S. federal income tax purposes and not as a publicly-traded partnership treated as an association that is taxable as a corporation. Unless the context requires otherwise, references to the Fund in the following discussion include the Master Fund.

Taxation of the Master Fund

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Master Fund or the limited partners of the Master Fund. Interest, dividends and gains payable to the Master Fund and all distributions by the Master Fund to its limited partners will be received free of any Cayman Islands income or withholding taxes. The Master Fund has registered as an exempted limited partnership under Cayman Islands law and the Master Fund has received an undertaking from the Governor in Cabinet of the Cayman Islands to the effect that, for a period of 50 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciations shall apply to the Master Fund or to any partner thereof in respect of the operations or assets of the Master Fund or the interest of a partner therein; and may further provide that any such taxes or any tax in the nature of estate duty or inheritance tax shall not be payable in respect of the obligations of the Master Fund or the interests of the partners therein. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Master Fund.

U.S. Federal Income Taxation of the Fund and Partners Generally

As a partnership, the Fund will not be subject to U.S. federal income tax. Each Limited Partner otherwise subject to tax will be required to report separately on its U.S. federal income tax return its distributive share of the Fund’s net long-term capital gain or loss, net short-term capital gain or loss, and net ordinary income and deductions and credits in accordance with the allocations set forth in the Partnership Agreement. Each Limited Partner will be liable for any taxes owed upon its distributive share of the income or gains realized by the Fund, and may claim deductions for its distributive share of the Fund’s losses and deductions and credits for its distributive share of the Fund’s credits, to the extent allowed under the Code. Each Limited Partner will be taxed on its distributive share of the Fund’s

taxable income and gain regardless of whether it has received or will receive a distribution from the Fund. Consequently, a Limited Partner may be subject to tax with respect to its share of the taxable income of the Fund for a taxable year and may not receive a corresponding distribution of cash from the Fund in such year with which to satisfy its tax liability in respect of such taxable income.

The Fund will file an annual partnership information return with the Service that reports the results of its operations for the taxable year, and will distribute annually to each Limited Partner a form showing its distributive share of the Fund's items of income, gain, loss, deduction or credit. The General Partner will have the authority to decide how to report these items on the Fund's tax returns, and all Limited Partners will be required under the Partnership Agreement to treat the items consistently on their own returns. Under current law, an audit by the Service of the tax treatment of the Fund's income and deductions generally will be determined at the Fund level in a single proceeding rather than by individual audits of the Limited Partners. For tax years beginning before January 1, 2018 (and absent an election by the Fund to apply the new partnership tax audit rules described in more detail below), the administrative proceeding is managed by the "**Tax Matters Partner**." For tax years beginning on or after January 1, 2018 (or in the case of an election by the Fund to apply the new partnership tax audit rules), the Fund will be required to appoint one person as the "**Partnership Representative**" to act on its behalf in connection with an audit by the Service and related proceedings. Pursuant to the Partnership Agreement, the General Partner or its delegate will be designated as the Tax Matters Partner and/or the Partnership Representative. The Partnership Representative's actions, including the Partnership Representative's agreement to adjustments of the Fund's income in settlement of an audit by the Service of the Fund, will bind all Limited Partners, and opt-out rights available to certain Limited Partners in connection with certain actions of the Tax Matters Partner under the current partnership tax audit rules for tax years beginning before January 1, 2018 will no longer be available.

In certain cases, the Fund may be required to file a statement with the Service, disclosing one or more positions taken on its tax return, generally where the tax law is uncertain or a position lacks clear authority. All Partners are required under the Code to treat the partnership items consistently on their own returns, unless they file a statement with the Service disclosing the inconsistency. Given the uncertainty and complexity of the tax laws, it is possible that the Service may not agree with the manner in which the Fund's items have been reported.

Under the Partnership Agreement, for U.S. federal income tax purposes, the General Partner has the discretion to allocate specially an amount of the Fund's net gains or net losses (or items of gross income or losses or deduction) to a withdrawing Partner to the extent that the Partner's Capital Account differs either positively or negatively from its U.S. federal income tax basis in its Interest. There can be no assurance that, if the General Partner makes such a special allocation, the Service will accept such allocation. If such allocation is successfully challenged by the Service, the Fund's allocations to the remaining Partners would be affected as well.

The Fund expects to act as a trader or an investor, and not as a dealer, with respect to its securities transactions. Generally, the gains and losses realized by a trader or an investor on the sale of securities are capital gains and losses. Thus, the Fund expects that its gains and losses from its securities transactions typically will be capital gains and capital losses. These capital gains and losses may be long-term or short-term depending, in general, upon the length of time the Fund maintains a particular investment position and, in some cases, upon the nature of the transaction. An investment held for more than one year generally will be eligible for long-term capital gain or loss treatment. The Fund may also realize income from dividends, which will generally be taxed at either ordinary income rates or, if they are eligible for treatment as "qualified dividend income," at applicable long-term capital gains rates.

Dividends from Argentine corporations are generally expected to be treated as “qualified dividend income” only to the extent that the stock for which the dividend is paid is readily tradable on an established securities market in the United States. Limited Partners should consult with their own tax advisors to determine the tax rates applicable to them in their particular tax situations.

In addition, individuals with “modified adjusted gross income” that exceeds certain thresholds (e.g., \$250,000 for married individuals filing jointly and \$200,000 for single individuals) are subject to a Medicare tax of 3.8% on the lesser of: (i) their investment income, net of deductions properly allocable to such income, and (ii) the excess of their “modified adjusted gross income” above the applicable threshold. It is expected that most or all of the Fund’s income will be treated as investment income for this purpose, and as a result Limited Partners receiving allocations of income from the Fund for these taxable years may be subject to this tax. This tax will be in addition to any U.S. federal income tax imposed on Limited Partners with respect to their allocable share of income of the Fund. Trusts and estates also may be subject to this additional tax. Prospective investors should consult their own tax advisors regarding the application of this Medicare tax to their investment in the Fund.

The Fund may be involved in a variety of hedging transactions to reduce the risk of changes in value in the Fund’s investments. Special rules may apply to determine the tax treatment of such hedging transactions, which may affect the Fund’s holding period attributable to such property, the characterization of gain or loss as ordinary or capital and, if capital, as long-term or short-term, and the timing of the realization of gains or losses on the actual or deemed sale of the property, including, in some cases, property owned by a Limited Partner outside of the Fund. For instance, gain or loss from a short sale of property generally will be considered as capital gain or loss to the extent the property used to close the short sale constitutes a capital asset in the Fund’s hands. Except with respect to certain situations where the property used by the Fund to close a short sale has a long-term holding period on the date of the short sale, gains on short sales will be treated as short-term capital gains. These rules also may terminate the running of the holding period of “substantially identical property” held by the Fund. Moreover, a loss on a short sale will be treated as a long-term capital loss if, on the date of the short sale, “substantially identical property” has been held by the Fund for more than one year. Certain hedging transactions also may cause a constructive sale of the Fund’s long position that is the subject of the hedge.

Special “mark to market” rules apply to the Fund’s investment in “Section 1256 Contracts.” Section 1256 Contracts include certain regulated futures contracts, certain foreign currency forward contracts and certain options contracts. Capital gains and losses from qualifying Section 1256 Contracts generally are characterized as short-term capital gains or losses to the extent of 40% thereof and as long-term capital gains or losses to the extent of 60% thereof.

The Fund may derive ordinary interest income and dividends on securities, and may be required to recognize income in respect of certain securities prior to receipt of any payment in respect of such securities. For instance, the Fund may hold debt obligations with “original issue discount.” In such case, the Fund will be required to include a portion of such discount in its taxable income on a current basis, and allocate such income to the Limited Partners, even though receipt of such amounts by the Fund may occur in a subsequent tax year. The Fund also may acquire debt obligations with “market discount.” Upon disposition of such an obligation, which might include the receipt of securities of the issuer in a recapitalization exchange, the Fund generally will be required to treat any gain realized (and required to be recognized) as ordinary interest income to the extent of the market discount that accrued during the period the debt obligation was held by the Fund. Recapitalization exchanges involving

securities held by the Fund also may result in the recognition of taxable gains prior to the receipt of cash or readily tradable property.

If the Fund is treated as a trader, it may, in its discretion, make an election under Code section 475(f) to apply a mark to market system of recognizing unrealized gains and losses on securities as if the securities were sold for fair market value at the close of any taxable year of the Fund. The amount recognized when gain or loss is subsequently realized would be adjusted for amounts recognized in marking to market. The election would apply with respect to securities held in connection with the Fund's trade or business as a trader in securities. The election would not apply to any securities with respect to which the Fund could demonstrate, to the satisfaction of the Service, that they are held for investment. In the event that the Fund makes such an election, the Fund's gains and losses from marking securities to market (and gain or loss recognized before the end of the taxable year with respect to any security that would have been marked to market) would be treated as ordinary income and losses. The rules relating to appreciated financial positions under Code section 1259 and wash sales under Code section 1091 would not apply to the securities to which the election applies and the Code section 1092 straddle rules would not have any effect where all the offsetting positions of a straddle are marked to market.

The Fund may be required to purchase foreign currency with which to make its investments and may receive foreign currency when a security is sold or when an interest payment is made on a security. These transactions may give rise to gains and losses because of fluctuations in the value of the foreign currency relative to the U.S. dollar during the Fund's holding period of an investment. Foreign currency gain or loss in respect of certain types of transactions must be accounted for separately, apart from any gain or loss on the underlying transaction, and the Code contains special rules which treat, in most circumstances, such gains and losses as ordinary income or losses rather than capital gains or losses.

The U.S. federal income tax treatment of the Fund's investment in swaps or other derivatives is subject to significant uncertainty and depends in large part on the terms of the specific swap or other derivative. In particular, it is possible that the Fund may enter into so-called "bullet swaps" or other swaps that provide for non-periodic payments. In certain circumstances, income from a swap can be treated as ordinary income and not capital gain if the swap is treated as a "constructive ownership transaction" under Code section 1260. The Fund intends to take positions that are reasonable under the law that provide for optimal tax treatment of the Limited Partners. However, there can be no assurance that the Service or a court would agree with the Fund's position. Moreover, the Service might take the contrary position that the Fund is subject to U.S. federal income tax in respect of some or all of the income earned from the swap investments on the theory that the Fund should be treated as the owner for U.S. federal income tax purposes of the property underlying certain swaps, in which case the after-tax return on the swap investments could be significantly reduced.

Pursuant to various "anti-deferral" provisions of the Code (*e.g.*, the "Subpart F" and "passive foreign investment company" provisions), any investments by the Fund in certain foreign corporations may cause a Limited Partner to (i) recognize taxable income prior to the Fund's receipt of distributable proceeds, (ii) pay an interest charge on receipts that are deemed as having been deferred, (iii) recognize ordinary income that, but for the "anti-deferral" provisions, would have been treated as long-term or short-term capital gain, or (iv) become subject to certain reporting requirements with respect to such investments. There can be no assurance that the General Partner or the Fund will mitigate, or be able to mitigate, the application of these provisions, or provide certain information with respect to such foreign corporations or such filing requirements. Potential investors are advised to consult with their own tax

advisors with respect to the application of these “anti-deferral provisions” in their particular circumstances.

Under the Partnership Agreement, the General Partner has the authority to elect on behalf of the Fund, under Code section 754, to adjust the tax basis of the Fund’s assets in connection with certain distributions to Limited Partners or certain transfers of Interests. Such an election, if made, could affect the amount of a Limited Partner’s distributive share of the gain or loss recognized by the Fund upon the disposition of its assets. Because of the complexity and additional expense involved in making a section 754 election, the General Partner has no present intention to make such election on behalf of the Fund.

Prospective investors that are subject to the AMT should consider the tax consequences of an investment in the Fund in view of their AMT position, taking into account the special rules that apply in computing the AMT.

Taxation of Distributions and Withdrawals

Cash nonliquidating distributions and withdrawals, to the extent they do not exceed a Limited Partner’s basis in its Interest, will not result in taxable income to that Limited Partner, but will reduce its tax basis in its Interest by the amount distributed or withdrawn. Cash distributed to a Limited Partner in excess of the basis of its Interest is generally taxable as capital gain. Conversely, if the cash distributed by the Fund to a Partner for any year exceeds the taxable income of the Fund allocated to such Partner for that year, the excess will be treated as a return of capital for U.S. federal income tax purposes to the extent of a Limited Partner’s tax basis in its Interest. To the extent that cash distributions are treated as a return of capital and to the extent that any tax losses are allocated to the Limited Partners, the tax bases of the Limited Partners in their Interests will be reduced (but not below zero). Because of such basis adjustments, any tax that is avoided in the early years of a Limited Partner’s investment in the Fund may become due later through the realization of gain upon the sale of assets of the Fund, the liquidation of the Fund or the sale of Interests.

Prospective Limited Partners should be aware that a Limited Partner’s share of the taxable income of the Fund for any year may exceed the amount of cash distributed to such Limited Partner for that year, which may require that the Limited Partner make an out-of-pocket expenditure to cover its tax liability. Conversely, if the cash distributed by the Fund to a Partner for any year exceeds the taxable income of the Fund allocated to such Partner for that year, the excess will be treated as a return of capital for U.S. federal income tax purposes to the extent of a Limited Partner’s tax basis of its Interest. To the extent that cash distributions are treated as a return of capital and to the extent that any tax losses are allocated to the Limited Partners, the tax bases of the Limited Partners in their Interests will be reduced (but not below zero). Because of such basis adjustments, any tax that is avoided in the early years of a Limited Partner’s investment in the Fund may become due later through the realization of gain upon the sale of assets of the Fund, the liquidation of the Fund or the sale of Interests.

The Fund’s ability to make cash distributions to a withdrawing Limited Partner or to the Partners, if applicable, may be limited by, among other things, the terms of the investment leverage entered into by the Fund for the purpose of making portfolio investments on a leveraged basis.

Upon the withdrawal of a Limited Partner receiving a cash liquidating distribution from the Fund, such Limited Partner generally will recognize capital gain or loss to the extent of the difference between the proceeds received by the withdrawing Limited Partner and such Partner’s adjusted tax basis in its Interest. Such capital gain or loss will be short-term or long-term depending upon the Partner’s holding

period (or holding periods) for its Interest. However, a withdrawing Limited Partner will recognize ordinary income to the extent such Partner's allocable share of the Fund's "unrealized receivables" exceeds the Partner's basis in such unrealized receivables (as determined pursuant to the Treasury Regulations). For these purposes, accrued but untaxed market discount, if any, on securities held by the Fund will be treated as an unrealized receivable, with respect to which a withdrawing Partner would recognize ordinary income.

Distributions of property other than cash, whether in complete or partial liquidation of a Limited Partner's Interest, generally will not result in the recognition of taxable income or loss to the Limited Partner (except to the extent such distribution is treated as made in exchange for such Limited Partner's share of the Fund's unrealized receivables). However, a distribution of marketable securities will be treated as a distribution of cash (which, as described above, can require the recognition of gain by the recipient Limited Partner), unless the distributing partnership is an "investment partnership" and the recipient is an "eligible partner" as defined in Code section 731(c). Although the General Partner cannot provide any assurances of whether the Fund is an "investment partnership" for these purposes, the General Partner anticipates that the Fund should qualify as an "investment partnership." Thus, if a Limited Partner is an "eligible partner," which term should include a Limited Partner whose sole contributions to the Fund consisted of cash, a distribution of marketable securities to such Limited Partner should not require the recognition of gain by such Limited Partner.

As discussed above, under the Partnership Agreement, the General Partner has the discretion to allocate specially an amount of the Fund's net gains or net losses (or items of gross income or losses or deductions) for U.S. federal income tax purposes to a withdrawing Partner to the extent that the Partner's capital account differs from its U.S. federal income tax basis in its Interest. Such a special allocation may result in the withdrawing Partner recognizing more or less taxable income, which may include short-term gain, in the Partner's last taxable year in the Fund, thereby reducing, or increasing, as applicable, the amount of long-term capital gain recognized during the tax year in which it receives its liquidating distribution upon withdrawal. In certain circumstances, special allocations of net gains (or items of income or gain) to a withdrawing Partner may result in a greater allocation of losses, or a lower allocation of taxable income or gain, to the remaining Partners. Likewise, special allocations of net losses (or items of expense, loss or deduction) to a withdrawing Partner may result in a greater allocation of taxable income or gain, or a lower allocation of losses, to the remaining Partners.

Assuming the Fund has not made an election pursuant to Code Section 754 and the General Partner does not exercise its discretion to specially allocate losses to a withdrawing Limited Partner, distributions of property or cash by the Fund to a Limited Partner in redemption of its Interest in certain circumstances where the Fund has a substantial built-in loss may require the Fund to reduce the tax basis of its remaining property.

Limitations on Losses, Deductions and Credits

Limited Partners who are individuals or which are certain types of corporations may be limited in their ability to deduct expenses or losses of the Fund. For instance, if or to the extent that the Fund's operations do not constitute a "trade or business" within the meaning of Section 162 and other provisions of the Code, an individual Limited Partner's distributive share of the Fund's expenses (including any amounts that are treated for tax purposes as expenses of the Fund, such as the Management Fee) would be deductible only as itemized deductions, subject to the limitations of Sections 67 and 68 of the Code. In this regard, if all or a portion of the Performance Allocation to the Special Limited Partner were re-characterized for tax purposes as an expense of the Fund, each non-corporate Limited Partner's share of

such expense could be subject to such limitations. Itemized deductions are non-deductible in computing such Limited Partner's AMT income and AMT liability.

Further, income, gains and losses of the Fund generally will not be treated as passive income or losses for purposes of the passive activity loss limitations of Section 469 of the Code. Accordingly, individuals, personal service corporations and certain closely-held corporations that have passive activity losses from other activities are restricted in their ability to use such losses to offset income and gains from the Fund, although losses of the Fund will not be subject to the passive activity loss limitation.

For each taxable year, Section 1277 of the Code limits the deduction of the portion of any interest expense on indebtedness incurred by a taxpayer to purchase or carry a security with market discount which exceeds the amount of interest (including original issue discount) includible in the taxpayer's gross income for such taxable year with respect to such security ("**Net Interest Expense**"). Net Interest Expense in any taxable year is deductible only to the extent it exceeds the amount of market discount which accrued on the security during the taxable year or portion of the taxable year during which the taxpayer held the security. Net Interest Expense that is non-deductible under the rules described above is carried forward and deducted in the year in which the taxpayer disposes of the security. Alternatively, at the taxpayer's election, such Net Interest Expense can be carried forward and deducted in a year prior to the disposition of the security, if any, in which the taxpayer has net interest income from the security.

Section 1277 would apply to a Limited Partner's share of the Fund's Net Interest Expense attributable to a security held by the Fund (through the Master Fund) with market discount. In such case, a Limited Partner would be denied a current deduction for all or part of that portion of its distributive share of the Fund's ordinary losses attributable to such Net Interest Expense and such losses would be carried forward to future years, in each case as described above. Although no guidance has been issued regarding the election to deduct previously disallowed Net Interest Expense prior to the year of disposition of the bond, it appears that the election would be made by the Fund rather than by the Limited Partner. Section 1277 would also apply to the portion of interest paid by a Limited Partner on money borrowed to finance its investment in the Fund to the extent such interest was allocable to securities held by the Fund (through the Master Fund) with market discount.

The ability of a non-corporate Limited Partner to deduct its share of the Fund's ordinary losses attributable to interest and certain short sale expenses may be subject to the "investment interest limitation" under Section 163(d) of the Code. In general, a non-corporate taxpayer's investment interest (including interest and certain short sale expenses) in the current year is not deductible to the extent it exceeds its "net investment income", consisting of net gain and ordinary income derived from investments in the current year less certain directly connected expenses (other than interest or short sale expenses). For this purpose, any long-term capital gain is excluded from net investment income unless the taxpayer elects to pay tax on such amount at ordinary income tax rates. The Fund's activities are expected to be treated as giving rise to investment income for a Limited Partner, and the investment interest limitation would apply to a non-corporate Limited Partner's share of the interest and short sale expenses attributable to the Fund's operation. Accordingly, a non-corporate Limited Partner would be denied a deduction for all or a part of its distributive share of the Fund's ordinary losses attributable to interest and short sale expenses unless it has sufficient investment income from all sources, including the Fund. Any amount not deductible as a result of the applicability of Section 163(d) may be carried forward to future years, subject to certain limitations.

Limited Partners may be entitled to a foreign tax credit with respect to creditable foreign taxes paid on the income and gains of the Fund. There are complex rules contained in the Code that may,

depending on each Limited Partner's particular circumstances, limit the availability or use of foreign tax credits. For example, a Limited Partner's share of gain realized by the Fund will generally be treated as U.S. source income. Consequently, a Limited Partner may not be able to use the foreign tax credit relating to foreign taxes, if any, imposed on such gains unless such credit can be applied against the U.S. tax due on other income derived from foreign sources. Limited Partners should contact their own tax advisors with respect to the availability of any foreign tax credits.

The consequences of these limitations will vary depending upon the particular tax situation of each taxpayer. Accordingly, non-corporate Limited Partners should consult their tax advisors with respect to the application of these limitations.

The Fund may incur certain expenses in connection with its organization and the marketing of its Interests. Amounts paid or incurred to organize a partnership are not deductible, but generally may, by election of the Fund, be capitalized and amortized for U.S. federal income tax purposes over a period of not less than 180 months. Amounts paid or incurred to market interests in the Fund that qualify as "syndication expenses" are not deductible or amortizable.

Tax Consequences for Tax-Exempt U.S. Investors

A Limited Partner that is an organization exempt from tax under Code section 501(a) (a "***Tax-Exempt U.S. Investor***") will be subject to tax on its allocable share of the Fund's income that is considered to be "unrelated business taxable income" ("***UBTI***") as defined in Code section 512, and may be subject to the AMT with respect to items of tax preference which enter into the computation of UBTI. Code section 512(b) provides that UBTI generally does not include dividends, interest, and gain or loss from the disposition of property other than stock in trade or property held for sale in the ordinary course of the unrelated trade or business. The Fund may invest in entities that are treated as partnerships or other pass-through entities. UBTI generated by such entities would generally flow up to Tax-Exempt U.S. Investors, causing the realization of UBTI by such investors. A Tax-Exempt U.S. Investor should not realize UBTI to the extent that its distributive share of the Fund's income consists of dividends, interest, capital gains and certain other items which are excluded from UBTI under Code section 512(b) (except to the extent any such income constitutes "UDFI," as discussed in the next paragraph). Prospective Tax-Exempt U.S. Investors should be aware that it is unclear under current law whether income from certain swaps or derivative transactions that the Fund may invest or hold a position in, may be excluded from UBTI.

A Tax-Exempt U.S. Investor is also subject to tax with respect to its, and its allocable share of the Fund's, "unrelated debt-financed income" pursuant to Code section 514 ("***UDFI***"). In general, UDFI consists of (i) income derived by a tax-exempt organization (directly or through a partnership) from income-producing property with respect to which there is "acquisition indebtedness" at any time during the taxable year and (ii) gains derived by a tax-exempt organization (directly or through a partnership) from the disposition of property with respect to which there is "acquisition indebtedness." In addition, a tax-exempt organization that borrows money to finance its investment in the Fund would be subject to tax on the portion of its income that is UDFI. Income and gains derived by a tax-exempt organization from the ownership and sale of debt-financed property is taxable in the proportion to which such property is financed by acquisition indebtedness during the relevant period of time. For these purposes, a Limited Partner is deemed to own a proportionate share of the Fund's debt-financed property and the income attributable thereto, and a short sale of publicly traded stock will not create "acquisition indebtedness" unless the Fund borrows funds to post collateral against such short sale.

The Fund expects to generate income attributable to debt-financed property which will be attributed to the Partners, including any Tax-Exempt U.S. Investors. A Tax-Exempt U.S. Investor's share of the Fund's income that is treated as UBTI may be significant (depending upon the degree of leverage utilized by the Fund). In addition to other relevant considerations, fiduciaries of employee pension trusts and other prospective tax-exempt investors should consider the consequences of realizing UBTI in making a decision whether to invest in the Fund.

We urge prospective Tax-Exempt U.S. Investors that are sensitive to UBTI or UDFI to consult their tax advisors as to the tax consequences of investing in the Fund and as to the comparative tax treatment of an investment in the Offshore Fund.

Investor Tax Filings and Record Retention.

The U.S. Department of the Treasury has adopted Treasury Regulations designed to assist the Service in identifying abusive tax shelter transactions. In general, the Treasury Regulations require investors in specified transactions (including certain investors in partnerships that engage in such transactions) to satisfy certain special tax filing and record retention requirements. Significant monetary penalties may be applicable as a result of a failure to comply with these tax filing and record retention rules.

The Treasury Regulations are broad in scope and it is conceivable that the Fund may enter into transactions that will subject the Fund and certain Limited Partners to the special tax filing and record retention rules. Additionally, a Limited Partner's recognition of a loss on its disposition of its Interest in the Fund could in certain circumstances subject such Limited Partner to these rules.

Reporting Under FATCA.

Sections 1471 through 1474 of the Code, known as the U.S. Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such Code sections and any applicable intergovernmental agreement ("**IGA**") or information exchange agreement and related statutes, regulations, rules and other guidance thereunder, "**FATCA**") impose a withholding tax of 30% on (i) certain U.S. source interest, dividends and other types of income, and (ii) the gross proceeds from the sale or disposition of certain assets of a type that can produce U.S. source interest and dividends, which are received by a foreign financial institution ("**FFI**"), unless such FFI enters into an agreement with the Service (an "**FFI Agreement**"), and/or complies with an applicable IGA, to obtain certain information as to the identity of the direct and indirect owners of accounts in such institution. In addition, a withholding tax may be imposed on payments to certain non-financial foreign entities that do not obtain and provide information as to their direct and indirect owners. These rules generally apply to payments of U.S. source interest, dividends and certain other types of income from U.S. sources and, after December 31, 2018, are expected to apply to payments of gross proceeds from the sale or disposition of assets of a type that can produce U.S. source interest or dividends.

The Service has released temporary and final Treasury Regulations and other guidance that will be used in implementing FATCA, which contain a number of phase-in dates for FATCA compliance. In addition, the Cayman Islands has entered into a Model 1 IGA with the United States (the "**Cayman-U.S. IGA**"), which is treated as in effect, and has issued the Tax Information Authority (International Tax Compliance) (United States of America) Regulations 2014 and guidance notes thereunder, each as updated from time to time.

The Master Fund is likely to be considered an FFI. In order to avoid incurring U.S. withholding under FATCA, the Master Fund is generally required to register with the Service and to comply with the Cayman-U.S. IGA and any guidance thereunder. The Master Fund expects to register with the Service and expects to comply with the Cayman-U.S. IGA and, therefore, generally does not expect to become subject to U.S. withholding under FATCA.

In addition, the Fund may be required to act as a withholding agent under FATCA and therefore be required to withhold on income and proceeds paid or allocated to an investor that fails to comply with FATCA, which could occur if an investor that is an FFI does not enter into an FFI Agreement, is not otherwise exempt from such withholding, and/or does not provide the appropriate information and documentation to the Fund or its agents showing its exemption from such withholding or compliance with FATCA. The General Partner intends to collect the appropriate documentation from all investors in the Fund in order to determine whether it is required to withhold under FATCA with respect to distributions or allocations made to investors.

The General Partner, the Investment Manager and the Fund reserve the right to take any action and/or pursue all remedies at their disposal to avoid withholding requirements or otherwise to mitigate the consequences of an investor's failure to comply with FATCA, including compulsory redemption or withdrawal of the investor concerned. In this regard, the General Partner, the Investment Manager and the Fund have certain rights to request, and the investors have certain obligations to provide, information and documentation that may be used by the General Partner, the Investment Manager and the Fund in complying with their obligations under FATCA. In addition, no investor affected by any action or remedy by the Fund shall have any claim against the Fund, the Administrator, the Investment Manager, the Master Fund or the General Partner (or their agents, delegates, employees, directors, officers or affiliates) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with FATCA.

The Cayman Islands has also signed, along with over 80 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (“**CRS**” and together with the Cayman-U.S. IGA, “**AEOI**”).

Cayman Islands regulations have been issued to give effect to the Cayman-U.S. IGA and CRS (collectively, the “**AEOI Regulations**”). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the “**TIA**”) has published guidance notes on the application of the Cayman-U.S. IGA and CRS.

All Cayman Islands “Financial Institutions” are required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, unless they are able to rely on an exemption that allows them to become a “Non-Reporting Financial Institution” (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes, in which case only the registration requirement would apply under CRS. The Master Fund does not propose to rely on any Non-Reporting Financial Institution exemption and therefore intends to comply with all of the requirements of the AEOI Regulations.

The AEOI Regulations require the Master Fund and/or the General Partner (as applicable) to, amongst other things (i) register with the Service to obtain a GIIN (in the context of the U.S. IGA only), (ii) register with the TIA, and thereby notify the TIA of its status as a “Reporting Financial Institution”, (iii) adopt and implement written policies and procedures setting out how it will address its obligations under CRS, (iv) conduct due diligence on its accounts to identify whether any such accounts are

considered “Reportable Accounts”, and (v) report information on such Reportable Accounts to the TIA. The TIA will transmit the information reported to it to the overseas fiscal authority relevant to a reportable account (e.g. the Service in the case of a US Reportable Account) annually on an automatic basis.

Investors should consult their tax advisors as to the withholding, filing and information reporting requirements that may be imposed on them in respect of their ownership of Interests.

State and Local Taxes

In addition to the U.S. federal income tax consequences described above, prospective investors should consider potential state and local tax consequences of an investment in the Fund. State and local laws often differ from U.S. federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. A Partner’s distributive share of the taxable income or loss of the Fund generally will be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which it is a resident.

Limited Partners or the Fund may be subject to state and/or local franchise, withholding, income, capital gain or other tax payment obligations and filing requirements in those jurisdictions where the Fund owns real estate assets or is otherwise regarded as doing business or earning income. Credits for these taxes may not be available (or may be subject to limitations) in the jurisdictions in which Limited Partners, or the Fund, as applicable, are residents. Each potential investor is urged to consult with its own tax advisor in this regard.

Each prospective Limited Partner should consult its own tax advisor with respect to its state and local tax consequences and filing obligations as a result of an investment in the Fund.

Other Taxes

The Fund and its Limited Partners may be subject to other taxes, such as the AMT, and estate, inheritance or intangible property taxes that may be imposed by various domestic jurisdictions, as well as foreign withholding or gains taxes. Each prospective investor should consider the potential consequences of such taxes on an investment in the Fund. It is the responsibility of each prospective investor to satisfy itself as to, among other things, the legal and tax consequences of an investment in the Fund, under the laws of the various jurisdictions of its domicile and its residence, by obtaining advice from its own tax counsel or other advisor, and to file all appropriate tax returns that may be required.

Other Income Taxation

Although there can be no assurance, it is intended that the affairs of the Fund will be conducted such that the Fund will not be subject to regular income taxation in any foreign jurisdiction. However, income and gains from investments held by the Fund may be subject to withholding taxes or taxes in jurisdictions other than those described herein, subject to the possibility of reduction under applicable tax treaties. Limited Partners generally may be entitled, subject to applicable limitations, to a credit against U.S. income tax for creditable foreign income taxes paid on the foreign source income and gains of the Fund (which may not include all of the Fund’s gains). The foreign tax credit rules are complex, and may, depending on each Limited Partner’s particular circumstances, limit the availability or use of foreign tax credits. Prospective investors are advised to consult their own tax advisors regarding the application of the foreign tax credit rules.

Future Tax Legislation; Necessity of Obtaining Professional Advice

Future amendments to the Code, other legislation, new or amended Treasury Regulations, administrative rulings or decisions by the Service or judicial decisions may adversely affect the U.S. federal income tax aspects of an investment in the Fund, with or without advance notice, retroactively or prospectively. The foregoing analysis is not intended as a substitute for careful tax planning. The tax matters relating to the Fund are complex and are subject to varying interpretations. There can be no assurance that the Service will agree with each position taken by the Fund with respect to the tax treatment of Fund items and transactions. Moreover, the effect of existing income tax laws and of proposed changes in income tax laws on Limited Partners will vary with the particular circumstances of each Limited Partner and, in reviewing this Memorandum and any exhibits hereto, these matters should be considered.

Accordingly, each prospective investor must consult with and rely solely on its professional tax advisors with respect to the tax results of its investment in the Fund. In no event will the Fund, the General Partner, the Investment Manager, or their Affiliates, counsel or other professional advisors be liable to any Limited Partner for any U.S. federal, state, local or foreign tax consequences of an investment in the Fund, whether or not such consequences are as described above.

The foregoing is a summary of some of the important tax rules and considerations affecting the Limited Partners, the Fund, and the Fund's proposed operations. This summary does not purport to be a complete analysis of all relevant tax rules and considerations, which will vary with the particular circumstances of each Limited Partner, nor does it purport to be a complete listing of all potential tax risks inherent in purchasing or holding Interests. Each prospective investor in the Fund is urged to consult its own tax advisor in order to understand fully the U.S. federal, state, local and any non-U.S. tax consequences of such an investment in its particular situation.

ERISA AND OTHER REGULATORY CONSIDERATIONS

ERISA Considerations

General

Fiduciaries and other persons who are proposing to invest in Interests on behalf of retirement plans, IRAs and other employee benefit plans (“**Plans**”) covered by the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), or the Code, must give appropriate consideration to, among other things, the role that an investment in the Fund plays in the Plan’s portfolio, taking into consideration whether the investment is designed to reasonably further the Plan’s purposes, the investment’s risk and return factors, the portfolio’s composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the Plan, the projected return of the total portfolio relative to the Plan’s objectives, the limited right of Limited Partners to withdraw all or any part of their Interests or to transfer their Interests and whether investment in the Fund constitutes a direct or indirect transaction with a party in interest (under ERISA) or a disqualified person (under the Code).

Plan Asset Regulations and Benefit Plan Investors

The United States Department of Labor (“**DOL**”) has adopted regulations that treat the assets of certain pooled investment vehicles, such as the Fund, as “plan assets” for purposes of Title I of ERISA and Section 4975 of the Code (“**Plan Assets**”). Section 3(42) of ERISA defines the term “Plan Assets” to mean plan assets as defined by such regulations as the DOL may prescribe, except that under such regulations the assets of an entity shall not be treated as Plan Assets if, immediately after the most recent acquisition of an equity interest in the entity, less than 25% of the total value of each class of equity interest in the entity is held by “Benefit Plan Investors” (the “**significant participation test**”). For purposes of this determination, the value of any equity interest held by a person (other than such a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the entity or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person, shall be disregarded. An entity shall be considered to hold Plan Assets only to the extent of the percentage of the equity interest held by Benefit Plan Investors. The term “Benefit Plan Investors” means any employee benefit plan subject to part 4 of subtitle B of Title I of ERISA (i.e., plans subject to the fiduciary provisions of ERISA), any plan to which the prohibited transaction provisions of Section 4975 of the Code apply (e.g., IRAs), and any entity whose underlying assets include Plan Assets by reason of a plan’s investment in such entity (a “**Plan Asset Entity**”).

In order to prevent the assets of the Master Fund from being considered Plan Assets under ERISA, it is the intention of the Master Fund to monitor the investments in the Master Fund and prohibit the acquisition, withdrawal or transfer of any limited partner interests of the Master Fund by any investor, including a Benefit Plan Investor, unless, after giving effect to such an acquisition, withdrawal or transfer, the total proportion of limited partner interests of each class of the Master Fund owned by Benefit Plan Investors would be less than 25% of the aggregate value of that class of limited partner interests (determined, as described above, by excluding certain limited partner interests held by the General Partner, other fiduciaries and affiliates).

Without limiting the generality of the foregoing, in order to limit equity participation in any class of limited partner interests of the Master Fund by Benefit Plan Investors to less than 25%, the Fund may require the Compulsory Withdrawal of Interests. Each Limited Partner that is an insurance company

acting on behalf of its general account or a Plan Asset Entity will be required to represent and warrant as of the date it acquires Interests the maximum percentage of such general account or Plan Asset Entity (as reasonably determined by such insurance company or Plan Asset Entity) that will constitute Plan Assets (the “**Maximum Percentage**”) so such percentage can be calculated in determining the percentage of Plan Assets invested in the Master Fund. Further, each such insurance company and Plan Asset Entity will be required to covenant that if, after its initial acquisition of Interests, the Maximum Percentage is exceeded at any time, then such insurance company or Plan Asset Entity shall immediately notify the Fund of that occurrence and shall, if and as directed by the Fund, in a manner consistent with the restrictions on transfer set forth herein, withdraw or dispose of some or all of the Interests held in its general account or Plan Asset Entity.

It is anticipated that investment in the Fund by benefit plan investors may be “significant” for purposes of the regulations. In such event, the underlying assets of the Fund would be deemed to constitute “plan assets” for purposes of ERISA. As a general rule, if the assets of the Fund were regarded as “plan assets” of a benefit plan investor, the Investment Manager would be deemed a fiduciary with respect to each Plan investing in the Fund. However, the Investment Manager believes that, given the limited purpose and role of the Fund and given the requirement that the Investment Manager follow the directions of the fiduciaries of each benefit plan investor investing in the Fund, as set forth in each such investor’s subscription agreement, with respect to the investment by the Fund in the Master Fund, neither the Investment Manager nor any other entity providing services to the Fund would be exercising any discretionary authority or control with respect to the Fund. Accordingly, the Investment Manager believes that neither the Investment Manager nor any other entity providing services to the Fund will act as a fiduciary (as defined in Section 3(21) of ERISA) with respect to the assets of the Fund or any benefit plan investor. Rather, the Investment Manager believes that, given the limited purpose and role of the Fund and given the requirement that the Investment Manager follow the directions of the fiduciaries of each benefit plan investor investing in the Fund, as set forth in each such investor’s subscription agreement, with respect to the investment by the Fund in the Master Fund, the fiduciary of each such benefit plan investor has retained the fiduciary authority and responsibility with respect to the investor’s initial and continuing investment in the Fund as though the benefit plan investor is investing directly in the Master Fund.

Representation by Plans

The fiduciaries of each Plan proposing to invest in the Fund will be required to represent that they have been informed of and understand the Fund’s investment objectives, policies and strategies and that the decision to invest Plan Assets in the Fund is consistent with the provisions of ERISA and/or the Code that require diversification of Plan Assets and impose other fiduciary responsibilities. By its purchase, each investor will be deemed to have represented that either (a) it is not a Plan that is subject to the prohibited transaction rules of ERISA or the Code, (b) it is not an entity whose assets include Plan Assets or (c) its investment in the Fund will not constitute a non-exempt prohibited transaction under ERISA or the Code.

Ineligible Purchasers

Limited partner interests may not be purchased with Plan Assets if the Investment Manager, any selling agent, finder, any of their respective affiliates or any of their respective employees: (a) has investment discretion with respect to the investment of such Plan Assets; (b) has authority or responsibility to give or regularly gives investment advice with respect to such Plan Assets, for a fee, and pursuant to an agreement or understanding that such advice will serve as a primary basis for

investment decisions with respect to such Plan Assets and that such advice will be based on the particular investment needs of the Plan; or (c) is an employer maintaining or contributing to such Plan. A party that is described in clause (a) or (b) of the preceding sentence is a fiduciary under ERISA and the Code with respect to the Plan, and any such purchase might result in a “prohibited transaction” under ERISA and the Code.

Plans’ Reporting Obligations

The information contained herein and in the other documentation provided to investors in connection with an investment in the Fund is intended to satisfy the alternative reporting option for “eligible indirect compensation” on Schedule C of the Form 5500, in addition to the other purposes for which such documents were created.

Whether or not the underlying assets of the Fund are deemed Plan Assets, an investment in the Fund by a Plan is subject to ERISA and the Code. Accordingly, Plan fiduciaries should consult their own counsel as to the consequences under ERISA and the Code of an investment in the Fund. Note that similar laws governing the investment and management of the assets of governmental or non-U.S. plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code. Accordingly, fiduciaries of such governmental or non-U.S. plans, in consultation with their counsel, should consider the impact of their respective laws and regulations on an investment in the Fund.

Other Regulatory Matters

Securities Act of 1933

Interests are not registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any other securities law, including state securities or blue sky laws. Interests are offered without registration in reliance upon the exemption contained in Regulation D of the Securities Act and/or rules and regulations of the Securities and Exchange Commission applicable to transactions not involving a public offering. Each investor is required, in the Fund’s Subscription Documents pursuant to which such investor subscribes for an Interest, to make customary Regulation D representations.

Investment Company Act of 1940

The Fund is not registered under the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”), in reliance upon relief from registration afforded to collective investment vehicles whose outstanding securities are not publicly offered and are beneficially owned exclusively by investors that are considered “qualified purchasers” within the meaning of the Investment Company Act. “Qualified purchasers” generally include individuals and certain family-owned companies owning total investments in excess of \$5 million and entities owning total investments in excess of \$25 million. Each investor will be required to complete the Fund’s Subscription Documents to enable the Fund to determine its eligibility.

Investment Adviser Registration

The Investment Manager is registered as relying adviser to Highland Capital Management, L.P., an investment adviser registered with the Securities and Exchange Commission under the U.S. Investment Advisers Act of 1940, as amended.

Commodity Exchange Act

Neither the General Partner nor the Investment Manager is required to register as a commodity pool operator (“**CPO**”) or commodity trading advisor under the U.S. Commodity Exchange Act and each has filed a notice of claim effectuating exemption. As such, the General Partner and the Investment Manager will operate the Fund and the Master Fund pursuant to such exemption. Unlike a registered CPO, the General Partner and the Investment Manager are not required to deliver a disclosure document and a certified annual report to participants in the Fund. Among other things, the exemption requires the General Partner and the Investment Manager to file a claim of exemption with the National Futures Association. The Investment Manager qualifies for an exemption from registration with the CFTC as a commodity trading adviser pursuant to CFTC Rule 4.14(a)(8).

Cayman Islands Mutual Fund Law

The Offshore Fund and the Master Fund are regulated under the Mutual Funds Law (2015 Revision) of the Cayman Islands (“**Mutual Funds Law**”). The Cayman Islands Monetary Authority (the “**Authority**”) has supervisory and enforcement powers to ensure compliance with the Mutual Funds Law. Regulation under the Mutual Funds Law entails the filing of prescribed details and audited accounts annually with the Authority. As a regulated mutual fund, the Authority may at any time instruct the Offshore Fund or the Master Fund to have its or their accounts audited and to submit them to the Authority within such time as the Authority specifies. Failure to comply with these requests by the Authority may result in substantial fines on the part of the directors of the Offshore Fund or the Master Fund, as applicable, and may result in the Authority applying to the court to have the Offshore Fund or the Master Fund wound up.

Neither the Offshore Fund nor the Master Fund is, however, subject to supervision in respect of their investment activities or the constitution of the Master Fund's portfolio by the Authority or any other governmental authority in the Cayman Islands, although the Authority does have power to investigate the activities of the Offshore Fund and the Master Fund in certain circumstances. Neither the Authority nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands.

The Authority may take certain actions if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include the power to require the substitution of the directors of the Offshore Fund or the Master Fund, to appoint a person to advise the Offshore Fund or the Master Fund on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Offshore Fund or the Master Fund, as the case may be. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

The Master Fund and the General Partner or any of its members or agents domiciled in the Cayman Islands may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g. by the Cayman Islands Monetary Authority, either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Law (2016 Revision), or by the Tax Information Authority, under the Tax Information Authority Law (2017 Revision) or Reporting of Savings Income Information (European Union) Law (2014 Revision) and associated regulations, agreements, arrangements and memoranda of

understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Master Fund, and the General Partner or any of its or their directors or agents, may be prohibited from disclosing that the request has been made.

Anti-Money Laundering Regulations

All subscriptions for Interests will be subject to applicable anti-money laundering regulations. Investors will be required to comply with such anti-money laundering procedures as are required by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act) Act of 2001 (Pub. L. No. 107-56).

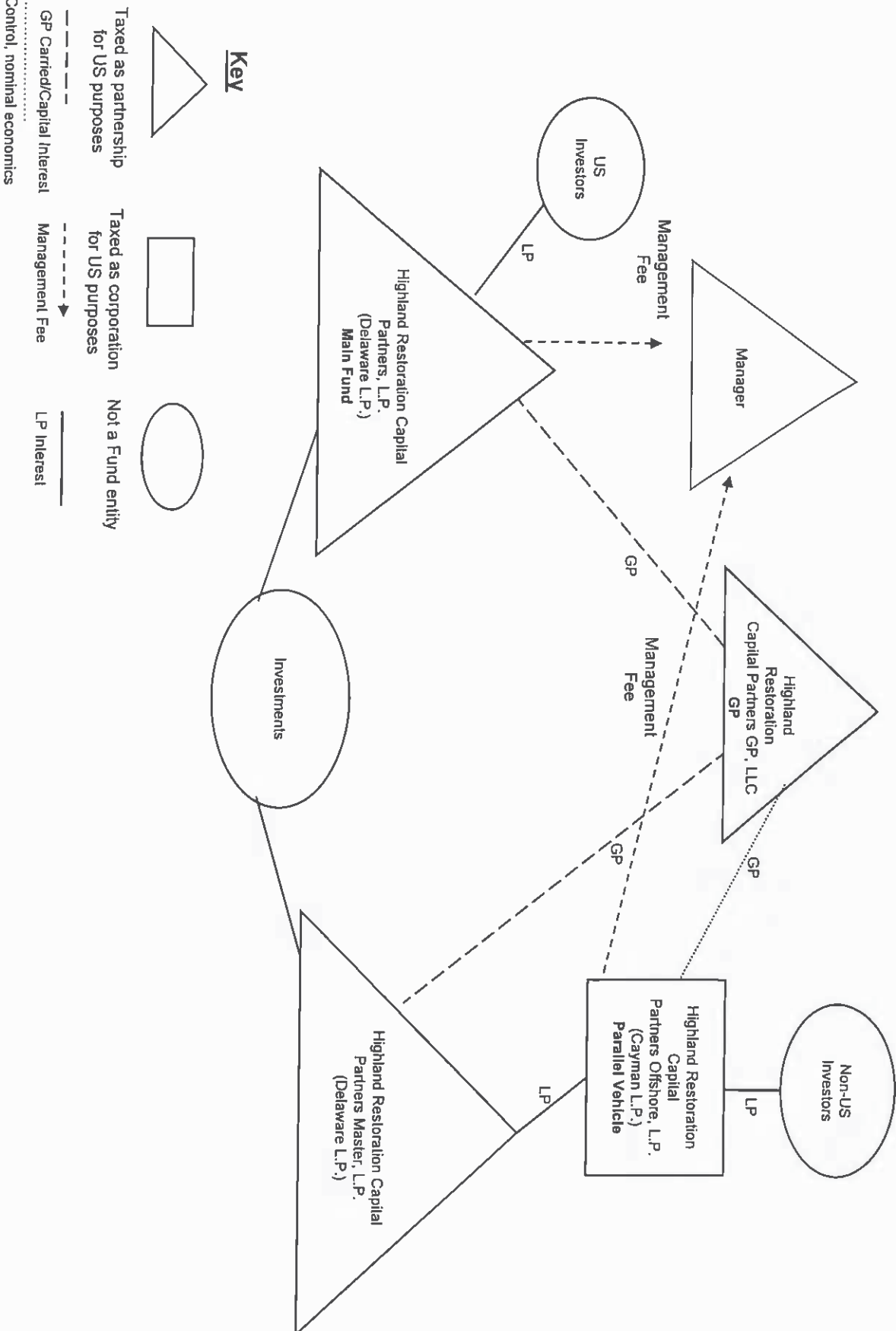
As part of the Fund's responsibility to comply with regulations aimed at the prevention of money laundering, the Fund or its delegate may require verification of identity from all prospective investors. Depending on the circumstances of each subscription, it may not be necessary to obtain full documentary evidence of identity.

The Fund reserves the right to request such information as is necessary to verify the identity of a prospective investor. The Fund also reserves the right to request such identification evidence in respect of a transferee of Interests. In the event of delay or failure by the prospective investor or transferee to produce any information required for verification purposes, the Fund may refuse to accept the application or (as the case may be) to register the relevant transfer and (in the case of a subscription of Interests) any funds received will be returned without interest to the account from which the monies were originally debited.

The Fund also reserves the right to refuse to make any withdrawal payment or distribution to a Limited Partner, if the Fund suspects or is advised that the payment of any withdrawal or distribution moneys to such Limited Partner might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Fund and the Investment Manager with any such laws or regulations in any relevant jurisdiction.

EXHIBIT “F”

Highland Restoration Fund Structure with Parallel Vehicle*



* Parallel Vehicle will be formed offshore as a limited partnership and will elect to be taxed as a corporation. ECI, if any, generated by portfolio investments will be taxed to the Parallel Vehicle, not to the Limited Partners. Limited Partners may elect to make a commitment to either the Main Fund or the Parallel Vehicle.

EXHIBIT “G”

SECOND AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
HIGHLAND RESTORATION CAPITAL PARTNERS OFFSHORE, L.P.

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Schedule 1 Limited Partners/Commitments/Notice Information
Exhibit A Master Partnership Agreement

**SECOND AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
HIGHLAND RESTORATION CAPITAL PARTNERS OFFSHORE, L.P.**

THIS SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP (this “Agreement”) is dated April 18, 2008 between Highland Restoration Capital Partners GP, LLC, a Delaware limited liability company (in its capacity as general partner of the Partnership, the “General Partner”) and the limited partners listed in Schedule 1 attached hereto (in their capacities as limited partners of the Partnership, the “Limited Partners”) (the General Partner and the Limited Partners being herein collectively called the “Partners”). Capitalized terms not otherwise defined shall have the meanings ascribed to such terms in Section 2.1(a).

Highland Restoration Capital Partners Offshore, L.P., is an exempted limited partnership (the “Partnership”) registered under the Exempted Limited Partnership Law (as amended) of the Cayman Islands (the “ELP Law”) on the 12th day of November 2007.

The General Partner and the Initial Limited Partner entered into an Agreement of Limited Partnership, dated as of November 9, 2007 (the “Original Agreement”). The Original Agreement was subsequently amended and restated on November 15, 2007 (the “Amended and Restated Agreement”).

The parties hereto wish to amend and restate the Amended and Restated Agreement in the manner set forth herein.

ARTICLE I

GENERAL PROVISIONS

Section 1.1 Formation. The Partners hereby agree to amend and restate the Amended and Restated Agreement which is replaced and superseded in its entirety by this Agreement.

Section 1.2 Name. The name of the Partnership will be “Highland Restoration Capital Partners Offshore, L.P.” or such other name or names as the General Partner may from time to time designate. The General Partner will notify Limited Partners in writing of any change to the name of the Partnership.

Section 1.3 Purpose. Subject to the express limitations set forth herein, the Partnership is organized for the object and purpose of (i) investing in senior secured bank loans, debt obligations, trade claims and equity securities of middle market Distressed Companies primarily based in the United States generally consistent with the investment strategy described in the Partnership’s Confidential Private Placement Memorandum, including, without limitation, privately placed or publicly traded debt securities and other debt obligations, senior and subordinated debt obligations, secured and unsecured debt obligations, privately placed or

publicly traded equity securities including common stock, preferred stock and warrants (all of which investments will be made through the Master Partnership (other than investments made through a Separate Investment Entity pursuant to Section 5.15)), (ii) managing and monitoring such investments and (iii) engaging in such activities incidental or ancillary thereto and otherwise permitted by the ELP Law as the General Partner deems necessary or advisable.

Section 1.4 Place of Business. The Partnership maintains a registered office at Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9002, Cayman Islands or at such other place in the Cayman Islands as the General Partner may from time to time designate, and its principal place of business is at Two Galleria Tower, 13455 Noel Road, Dallas, TX 75240, or at such other place or places in the United States as the General Partner may from time to time designate; provided, however, that if the General Partner designates different places of business, it shall promptly notify the Limited Partners in writing.

ARTICLE II

DEFINITIONS; DETERMINATIONS; CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS

Section 2.1 Definitions; Determinations.

(a) For purposes of this Agreement the following capitalized terms shall have the meanings set forth below:

“Additional Limited Partners” has the meaning set forth in Section 6.5(a).

“Advisory Committee” has the meaning set forth in Section 7.1(a).

“Affiliate” has the meaning set forth in Rule 405 promulgated under the Securities Act.

“Agent” has the meaning set forth in Section 2.4(b).

“Agreement” has the meaning set forth in the introduction.

“Allocated Expenses” means, for any Partner as of any date with respect to any Portfolio Investment, such Partner's Capital Contributions applied to pay Management Fees, Organizational Expenses and Uncapitalized Partnership Expenses that have been allocated pursuant to Section 3.3(b) to such Portfolio Investment as of such date.

“Amended and Restated Agreement” has the meaning set forth in the introduction.

“Basis” of any security means the basis of such security as determined in accordance with the Code less the amount of any write-down pursuant to Section 9.4 and as further adjusted by the General Partner in its reasonable discretion to reverse the effects of any exchange of securities that would result in an increase in tax basis pursuant to the Code.

“Benefit Plan Investor” means any Partner that is a “benefit plan investor” as defined in Section 3(42) of ERISA and any regulations promulgated thereunder.

“BHC Act” means the U.S. Bank Holding Company Act of 1956, as amended.

“BHCA Partner” means a Limited Partner that is a bank holding company, as defined in Section 2(a) of the BHC Act, or a non-bank subsidiary of such bank holding company, provided, that such Limited Partner shall not be a BHC Partner if (i) it is a financial holding company, as defined in Section 2(p) of the BHC Act, or a non-bank subsidiary thereof and is acting pursuant to Section 4(k)(4)(h) or Section 4(k)(4)(i) of the BHC Act as set forth in a notice to such effect to the General Partner; or (ii) it is a small business investment company licensed as such under the Small Business Investment Act of 1958, as amended.

“Bridge Financing” means, with respect to the Partnership’s investment in a Portfolio Company, that portion of the investment that the Partnership provides as interim financing (including guarantees of debt financing) in anticipation of, or to support, a permanent investment by the Partnership in such Portfolio Company and that the Partnership intends to cause the Portfolio Company to repay or refinance within 18 months after the date of such investment in the Portfolio Company and which the General Partner designates in the Capital Call Notice therefor. During the first 18 months following a Bridge Financing, such Bridge Financing shall be treated as a Short-Term Investment. A Bridge Financing that is outstanding 18 months following the making of such Bridge Financing, shall be treated by the Partnership as a permanent investment in a Portfolio Company.

“Bridge Leveraging” means indebtedness incurred by the Partnership to fund the acquisition of a Portfolio Investment pending receipt of Capital Contributions (including as a result of any default by any Limited Partner or limited partner of a Parallel Vehicle in the making of Capital Contributions) pursuant to a Capital Call Notice that the Partnership anticipates issuing pursuant to Section 2.2(a), provided that the Capital Contributions made with respect to such Capital Call Notice are applied by the Partnership upon receipt thereof to repay such indebtedness.

“Business Day” means any day other than (i) Saturday or Sunday or (ii) any other day on which banks located in New York City generally are closed for business.

“Capital Account” has the meaning set forth in Section 2.3.

“Capital Call” has the meaning set forth in Section 2.2(a).

“Capital Call Notice” has the meaning set forth in Section 2.2(a).

“Capital Contribution” of any Partner means the amount received by the Partnership from such Partner as an actual contribution.

“Capitalized Partnership Expenses” means Partnership Expenses that are reflected in the Basis of Portfolio Investments.

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Co-Investment Opportunity” has the meaning set forth in Section 5.17(a).

“Co-Investment Fund” means any partnership, limited liability company or other entity that is an Affiliate of the General Partner or the Manager, is not a Parallel Vehicle or a Separate Investment Entity, and is organized to invest in Portfolio Investments pursuant to a Co-Investment Opportunity.

“Co-Investor” has the meaning set forth in Section 5.17(a).

“Commitment” (a) with respect to each Limited Partner means the aggregate amount of cash agreed to be contributed as capital to the Partnership by such Limited Partner as specified in Schedule 1 attached hereto as the same may be modified from time to time under the terms of this Agreement, and (b) with respect to the General Partner means the aggregate amount of cash the General Partner has agreed to contribute as capital to the Partnership and Master Partnership as specified in Schedule 1 attached hereto, as the same may be modified from time to time under the terms of this Agreement.

“Commitment Period” has the meaning set forth in Section 2.2(b).

“Continuity Period” has the meaning set forth in Section 2.2(d).

“Credit Support” has the meaning set forth in Section 5.3.

“Crusader” means Highland Crusader Fund, L.P., and its successors.

“Current Cash Income” means all Current Income paid in cash or cash equivalents.

“Current Income” means all interest and dividend income (including from original issue discount, purchases or investments at a market discount, and payment of in-kind income and other non-cash current income) from a Portfolio Company.

“Defaulting Partner” has the meaning set forth in Section 6.11(a).

“Director Fees” means directors, consulting, monitoring or similar fees in respect of a Portfolio Company, including options, warrants or other non-cash compensation received by a director or officer of a Portfolio Company which shall be valued at the earlier of (v) the time of exercise of such instrument, (w) three years after the underlying security of such instrument becomes a Marketable Security, (x) the dissolution of the Partnership, (y) the date the Partnership disposes of the Portfolio Investment that gave rise to such fee or (z) the date such option, warrant or other non-cash compensation was disposed of by the General Partner, the Manager, the Principals or their Affiliates and thereafter credited against Management Fees pursuant to Section 4.1(c), in each such case to the extent actually paid by a Portfolio Company and received by the General Partner, the Manager, the Principals, employees of the Manager or their Affiliates in respect of Portfolio Investments; provided, however, that (A) such fees shall not include, in each case, any such amounts that are applied to cover amounts paid by the General Partner, the Manager, the Principals or their Affiliates that constitute unreimbursed (i) out-of-pocket expenses of such persons incurred in generating such fees, and (ii) Partnership Expenses incurred in generating such fees, and (B) to the extent that the General Partner, the

Manager, the Principals, employees of the Manager or their Affiliates were actually reimbursed by the Partnership for any Partnership Expenses incurred in generating such fees, such fees will first be applied to repay the Partnership for such Partnership Expenses.

“Disposition” or “Disposed of” means, with respect to all or a portion of a Portfolio Investment, (i) except as provided in the next sentence, the sale, exchange or other disposition by the Partnership of all or a portion of the securities or other interests constituting that Portfolio Investment for cash, securities or other property, (ii) the receipt by the Partnership of a distribution of the proceeds of the sale of all or substantially all of the assets of the Portfolio Company in complete liquidation of the Partnership’s entire direct or indirect interest in the Portfolio Investment and (iii) an in-kind distribution of all or part of a Portfolio Investment that has not previously been deemed to have been Disposed of, as of the date of and to the extent of such distribution. A “Disposition” does not include (i) a recapitalization that consists of an exchange of a Portfolio Investment for other securities of or claims against the issuing Portfolio Company, (ii) a business combination that consists of an exchange of substantially all of the Partnership’s direct or indirect interest in a Portfolio Investment for securities issued by an acquiring entity, (iii) a business combination that consists of the exchange of all or substantially all of the assets of a Portfolio Company or one or more divisions or operating units of a Portfolio Company for securities issued by an acquiring entity or (iv) a sale, exchange or other disposition that does not constitute a pro rata disposition of a portion of each class of securities or other interests constituting such Portfolio Investment.

“Distressed Companies” shall mean persons that, in the opinion of the General Partner, (a) are or have been in financial or other stress; (b) are restructuring, are considered likely to be restructured, or have been restructured in an out-of-court process or in a proceeding under the Federal bankruptcy laws or state insolvency laws or similar laws in or outside of the United States; (c) are being, are considered likely to be or have been reorganized within or outside of a proceeding under federal bankruptcy laws or state insolvency laws or similar laws in or outside of the United States; or (d) are engaged, are considered likely to engage or have been engaged in other extraordinary transactions, such as debt restructurings, reorganizations and liquidations outside of bankruptcy.

“ECI” means income that is effectively connected with a United States trade or business within the meaning of Section 864(c) of the Code and the Treasury Regulations promulgated thereunder, but not including any income or gain attributable to the disposition of a “United States real property interest” as defined for purposes of Section 897(c) of the Code.

“Electing Limited Partner” has the meaning set forth in Section 2.4(b).

“ELP Law” has the meaning set forth in the introduction.

“ERISA” means the U.S. Employee Retirement Income Security Act of 1974, as amended.

“Existing Partners” has the meaning set forth in Section 6.5(c).

“FCC” shall mean the U.S. Federal Communications Commission.

“FCC Attribution Rules” shall mean the ownership attribution rules of the FCC, including, but not limited to, 47 C.F.R. §§ 21.912, Note 1; 24-709; 24.720; 26.101(b), (c); 73.3555, Note 2; 76.501, Note 2; 76.503, Note 2; 76-504, Note 1; Attribution Reconsideration Order, 58 Radio Regulation 2nd 604 (1985); Further Attribution Reconsideration Order, 1 FCC Rcd 802 (1986); Report and Order, 14 FCC Rcd 12559 (1999); Report and Order, 14 FCC Rcd 19014 (1999); Memorandum Opinion and Second Order in Reconsideration, FCC 00-431 (released Jan. 19, 2001); and Memorandum and Opinion and Order on Reconsideration, FCC-00-438 (released Jan. 19, 2001), all as the same may be amended or supplemented from time to time.

“Final Closing” means the final closing of subscriptions by Limited Partners pursuant to Subscription Agreements, which, in any event, shall take place no later than the fourteen month anniversary of the First Closing.

“First Closing” means the first closing of subscriptions by Limited Partners pursuant to Subscription Agreements.

“Follow-on Investment” means investments made after the termination of the Commitment Period in securities of an existing Portfolio Company that are appropriate or necessary in the opinion of the General Partner to preserve, protect or enhance the investment in such Portfolio Company that was made by the Partnership during the Commitment Period.

“Fund Group” means the Partnership, Parallel Vehicles, Separate Investment Entities and their respective Portfolio Investments.

“Funded Commitment” (A) means as to any Limited Partner as of any date, that portion of a Limited Partner’s Commitment that has been contributed (or “deemed contributed”) to the Partnership to meet a Capital Call (including any amounts contributed pursuant to Section 6.5(b)), reduced by (a) any amounts which are distributed (or “deemed distributed”) to such Limited Partner in respect of a proposed Portfolio Investment (or portion thereof) that was not consummated, (b) any amounts which are distributed (or “deemed distributed”) to such Limited Partner in respect of a Bridge Financing (or portion thereof) that was sold, refinanced, redeemed or otherwise disposed of within 18 months from the Investment Date of such Bridge Financing in an amount not to exceed the Limited Partner’s portion of Funded Commitments used to acquire such Bridge Financing, (c) any amounts paid by such Limited Partner pursuant to subclauses (B) and (C) of the third sentence of Section 6.5(b), (d) any amounts distributed (or “deemed distributed”) to such Limited Partner pursuant to Section 6.5 (other than amounts attributable to payments by an Additional Limited Partner pursuant to subclauses (B) and (C) of the third sentence of Section 6.5(b)), and (e) in the sole discretion of the General Partner, any amounts distributed (or “deemed distributed”) to such Limited Partner with respect to a Portfolio Investment that was sold, refinanced, redeemed or otherwise disposed of within 48 months after the Investment Date for such Portfolio Investment in an amount not to exceed the portion of such Limited Partner’s Funded Commitments used to acquire such Portfolio Investment, all as determined in good faith by the General Partner and (B) as to the General Partner as of any date, that portion of the General Partner’s Commitment that has been either (i) contributed (or “deemed contributed”) to the Partnership (including any amounts contributed pursuant to Section 6.5(b)) or (ii) contributed (or “deemed contributed”) to the Master Partnership (including

the aggregate amount of all Deemed Contributions (as defined in the Master Partnership Agreement treated as made to the Master Partnership on or prior to such date), reduced by (w) any amounts which are distributed (or “deemed distributed”) to the General Partner by the Master Partnership in respect of a proposed investment in a Portfolio Company (or portion thereof) that was not consummated, (x) any amounts which are distributed to the General Partner by the Master Partnership in respect of a Bridge Financing (or portion thereof) that was sold, refinanced, redeemed or otherwise disposed of within 18 months after the date such Bridge Financing was made, in an amount not to exceed the General Partner’s portion of Funded Commitments used to acquire such Bridge Financing, (y) any amounts distributed (or “deemed distributed”) to the General Partner pursuant to Section 6.5 (other than amounts attributable to payments by a Limited Partner pursuant to subclause (B) and (C) of the third sentence of Section 6.5(b)), and (z) in the sole discretion of the General Partner, (A) any amounts distributed (or “deemed distributed”) to the General Partner by the Master Partnership with respect to a Portfolio Investment that was sold, refinanced, redeemed or otherwise disposed of within 18 months after the Investment Date for such Portfolio Investment in an amount not to exceed the portion of the General Partner’s Funded Commitment used to acquire such Portfolio Investment, all as determined in good faith by the General Partner. For the purposes of this definition, those proceeds otherwise distributable to a Partner that are retained for reinvestment or application to a Capital Call in accordance with the proviso to Section 3.1(b) or the proviso to the second to last sentence in Section 6.5(b) (or, in the case of the General Partner, the corresponding provisions of the Master Partnership Agreement), shall be “deemed distributed” to such Partner by the Partnership (or the Master Partnership, as applicable) and “deemed contributed” by such Partner to the Partnership (or the Master Partnership, as applicable). The General Partner, in its discretion, may reduce the 48 month period referenced above at any time during the Commitment Period.

“GAAP” means U.S. generally accepted accounting principles as in effect from time to time.

“General Partner” has the meaning set forth in the introduction to this Agreement and includes any successor general partner of the Partnership appointed in accordance with this Agreement.

“GP’s Counsel” has the meaning set forth in Section 12.5.

“gross negligence” when used in this Agreement shall be interpreted in accordance with the laws of the U.S. State of Delaware.

“Gross-up Percentage” means the percentage determined by dividing (i) the aggregate Commitments of all Partners by (ii) the aggregate Commitments of all Partners with respect to whom the Management Fee is payable pursuant to Section 4.1(b).

“Guaranty Agreement” shall mean the Guaranty Agreement, dated as of the date hereof, by and among the Partnership, the General Partner and the guarantors party thereto, substantially in the form of the agreement set forth in Exhibit A hereto, as amended from time to time in accordance with its terms.

“Highland” shall mean Highland Capital Management, L.P., a Delaware limited partnership.

“Highland Accounts” means collectively funds, accounts and vehicles managed by Highland from time to time.

“Highland Investment Allocation Policy” shall mean the investment allocation policy of Highland described in the Partnership’s Confidential Private Placement Memorandum and as in effect or modified from time to time.

“Highland Portfolio Company” means each portfolio company (and each of their subsidiaries) as to which Highland and/or the Principals and/or their respective Affiliates have completed, or are in the process of completing, an investment or acquisition or receipt of a debt or equity ownership position therein, including, without limitation through Crusader and other Highland Accounts, at the time of the First Closing, together with follow-on or other additional investments and acquisitions from time to time after the First Closing in or by such companies so long as such investments and acquisitions are reasonably determined by the Principals to be primarily within the general lines or areas of business of such companies as of the First Closing or incidental or related thereto.

“Indemnifying Partner” has the meaning set forth in Section 6.7(a).

“Initial Fee Period” means the period starting on the First Closing and ending on the earlier of (i) the termination of the Commitment Period, and (ii) the date on which the Manager, the General Partner or an Affiliate thereof closes subscriptions of capital commitments by investors of a Successor Fund.

“Initial Limited Partner” means Virginia Czarnocki an attorney with Walkers, a law firm located in the Cayman Islands.

“Insulated Partner” has the meaning set forth in Section 5.16(a).

“Insulated Partner Affiliate” has the meaning set forth in Section 5.16(a).

“Investment Company Act” means the U.S. Investment Company Act of 1940, as amended.

“Investment Date” means, with respect to any Portfolio Investment, the date such Portfolio Investment was acquired by the Partnership.

“Investment Income and Gain” means, with respect to a Portfolio Investment, (i) the excess, if any, of the proceeds from the Disposition of such Portfolio Investment or portion thereof or Partial Realization with respect to such Portfolio Investment or portion thereof that does not give rise to Current Income over the Basis of such Portfolio Investment or portion thereof, (ii) to the extent all or any portion of such Portfolio Investment is distributed to the Partners in kind as contemplated by Section 2.3, the excess, if any, of the value (as determined pursuant to Article IX) of the portion of such Portfolio Investment distributed to the Partners

over the Basis of such portion of such Portfolio Investment, and (iii) Current Income attributable to such Portfolio Investment.

“Investment Loss” means, with respect to a Portfolio Investment, (i) the deficiency, if any, of the proceeds from the Disposition of such Portfolio Investment or portion thereof or Partial Realization with respect to such Portfolio Investment or portion thereof that does not give rise to Current Income as compared to the Basis of such Portfolio Investment or portion thereof, (ii) to the extent all or any portion of such Portfolio Investment is distributed to the Partners in kind as contemplated by Section 2.4, the deficiency, if any, of the value (as determined pursuant to Article IX) of the portion of such Portfolio Investment distributed to the Partners as compared to the Basis of such portion of such Portfolio Investment, and (iii) the amount, as reasonably determined by the General Partner in accordance with Section 9.4, by which such Portfolio Investment has permanently declined in value below the Basis of such Portfolio Investment immediately prior to such determination.

“Keyman Group” means James Dondero, Pat Daugherty and John Honis; provided, that the Keyman Group will include replacements chosen pursuant to Section 2.2(d) if a Triggering Event occurs pursuant to clauses (ii) or (iii) therein; provided, further, that, if any one of the members of the Keyman Group ceases to be actively involved, including in a supervisory role, on an ongoing basis with respect to the business, operations or investment decisions of Highland, the Manager and General Partner, the Keyman Group will include such replacement person that is proposed by the General Partner to the Advisory Committee and who is approved to serve as a member of the Keyman Group by the consent of a majority of the members of the Advisory Committee.

“Limited Partners” means the persons listed in Schedule 1 hereto in their capacity as limited partners of the Partnership (including each person admitted to the Partnership in accordance with Section 6.5) and each person who is admitted to the Partnership as a substitute limited partner pursuant to Section 6.2 or 6.5, so long as each such person continues to be a limited partner of the Partnership hereunder.

“Main Fund” means Highland Restoration Capital Partners, L.P., a Delaware limited partnership.

“Main Fund Agreement” means the Agreement of Limited Partnership of the Main Fund, as amended from time to time.

“Majority in Interest of the Limited Partners” means Limited Partners with Commitments and limited partners in Parallel Vehicles with capital commitments to Parallel Vehicles totaling more than 50% of the aggregate Commitments of all Limited Partners and capital commitments of limited partners in Parallel Vehicles.

“Management Fee” has the meaning set forth in Section 4.1(a).

“Management Fee Period” has the meaning set forth in Section 4.1(a).

“Manager” means Highland Capital Management, L.P., a Delaware limited partnership, or other entity controlled by James Dondero and Mark Okada, and appointed as Manager by the General Partner on behalf of the Partnership from time to time.

“Marketable Securities” means securities that (A) (i) are (x) listed on a national securities exchange in the United States, (y) quoted on the NMS or (z) listed on a securities exchange or quoted on an established quotation system within or without the United States that in the opinion of the General Partner after consultation with the Advisory Committee supports sufficient trading activity and volume to allow for the orderly disposition of such securities by the Partners following a distribution thereof in accordance with Sections 2.4 and 3.3, and (ii) are not subject to restrictions on transfer as a result of applicable contract provisions, the provisions of the Securities Act or regulations thereunder (other than the volume, manner-of-sale and notice restrictions of Rule 144 promulgated thereunder or any successor rule thereto; provided, that if such securities are subject to volume limitations under Rule 144 and distributed in kind to Limited Partners, each Limited Partner would be able to sell such securities promptly after the distribution thereof in accordance with Sections 2.4 and 3.3 (notwithstanding volume limitations)), or other applicable law, or (B) are immediately convertible, exchangeable or exercisable by the holder thereof into securities that meet the requirements of the foregoing clause (A).

“Master Partnership” means Highland Restoration Capital Partners Master, L.P., a Delaware limited partnership entered into by the General Partner and the Partnership to make and hold Portfolio Investments.

“Master Partnership Agreement” means the Agreement of Limited Partnership of the Master Partnership, as amended from time to time, substantially in the form of Exhibit A hereto.

“Media Company” shall mean any entity in which the Partnership has or acquires an investment and that directly or indirectly owns, controls or operates any: (i) broadcast radio or television station licensed by the FCC; (ii) U.S. cable television system; (iii) daily newspaper (as such term is defined in Section 73.3555 of the Ownership Rules); (iv) multipoint multichannel distribution system licensed by the FCC; (v) other communications facility the ownership or operation of which is subject to regulation by the FCC under (x) the Communications Act of 1934, as amended, (y) the FCC Attribution Rules, or (z) the FCC Ownership Rules; and (vi) other business or activity that is subject to ownership restrictions imposed by the FCC from time to time.

“Net Funded Commitment” means, in respect of any Partner and as of the first day of any Management Fee Period, such Partner’s Funded Commitment as of such date less (i) such Partner’s Capital Contributions (or portion thereof, in the case of a partial Disposition) applied by the Partnership to make all Portfolio Investments that have been Disposed of on or prior to such date and applied to pay Capitalized Partnership Expenses relating to such Portfolio Investments and Allocated Expenses with respect to such Portfolio Investment as of such date, (ii) all write downs pursuant to Section 9.4 in respect of Portfolio Investments that have not been Disposed of by the Partnership on or prior to such date multiplied by such Partner’s Partner Interest in each such Portfolio Investment, and (iii) such Partner’s Capital Contributions in

respect of Management Fees and Partnership Expenses allocable to Portfolio Investments that have not been Disposed of on or prior to such date.

“NMS” means the National Market System of the National Association of Securities Dealers, Inc.

“Non-Marketable Securities” means all securities which are not Marketable Securities.

“Non-U.S. Partner” means with respect to any determination hereunder, (i) any Limited Partner that is not a “United States person” within the meaning of Section 7701(a)(30) of the Code, or (ii) any Limited Partner that has a direct or indirect beneficial owner that (x) is not a “United States person” within the meaning of Section 7701(a)(30) of the Code and (y) would be required to report on a United States federal income tax return or report ECI that would be derived from the Partnership if the Partnership were classified as a partnership for U.S. federal income tax purposes, to the extent of such beneficial owner’s pro rata share of such income, but in each case, only if such Limited Partner has notified the General Partner of such status at any time prior to such determination, by providing the General Partner an IRS Form W-8BEN or by some other method satisfactory to the General Partner.

“Non-Voting Interest” means any interest of a Limited Partner in the Partnership, and if applicable, any interest of a limited partner in a Parallel Vehicle (or portion thereof) with respect to which a Limited Partner or limited partner in a Parallel Vehicle has, or elects to have, no or limited voting rights pursuant to Section 6.9 or a similar provision in the agreement of limited partnership of the Parallel Vehicles, as the case may be.

“Non-Voting Partnership Interests” has the meaning set forth in Section 6.9(b).

“Operating Company” means an “operating company” within the meaning of the Plan Asset Regulation, including a “venture capital operating company.”

“Opinion of the Partnership’s Counsel” means an opinion of Mayer Brown LLP or other counsel selected by the General Partner and reasonably acceptable (by reason of experience in the area of law involved) to the Limited Partner affected by such opinion or, if more than one Limited Partner is affected by such opinion, a Majority in Interest of the Limited Partners so affected.

“Organizational Expenses” means the reasonable out-of-pocket expenses (including, without limitation, travel, printing, legal and accounting fees and other expenses) of the General Partner, the Manager, the Principals and their respective Affiliates (but not including any Placement Fees) incurred in the formation of the Partnership, any Parallel Vehicle or any Separate Investment Entity or incurred in connection with the organization and funding of the Partnership, any Parallel Vehicle, Separate Investment Entity and the General Partner.

“Original Agreement” has the meaning set forth in the introduction.

“Other Permitted Investment Activities” means the continuing involvement of the Principals, subject to compliance with the devotion of time covenant in Section 5.1(a), (i) in the full range of their activities in connection with their duties and responsibilities as members,

owners, partners, directors, officers, employees, shareholders, or consultants of the Manager and Highland Accounts, including Crusader, (ii) in acquisitions and follow-on investments by Highland Portfolio Companies reasonably determined by the Principals to be primarily within the general area of business of a Highland Portfolio Company or incidental or related thereto, (iii) as passive owners, stockholders, debtholders and investors in professionally managed hedge funds, fund of funds and other private investment entities and vehicles, (iv) in investments which do not otherwise meet the investment objectives of the Partnership, and (v) in a Successor Fund organized in accordance with Section 5.12; provided, that none of the activities described in clauses (i) through (v) above shall unreasonably affect the ability of the Principals to fulfill their duties to the Limited Partners and to be actively involved in the business of the Fund Group.

“Ownership Rules” means the multiple and cross-ownership rules of the FCC including, but not limited to, 47 C.F.R. §§ 21.912; 24.709; 24.720; 26.101(a); 73.3555; 74.931(h); 76.501; 76.503; 76.504, and other regulations or written policies of the FCC which limit or restrict ownership in Media Companies, all as the same may be amended or supplemented from time to time.

“Parallel Vehicle” means any entity that is organized pursuant to Section 5.14 and designated a Parallel Vehicle by the General Partner, but solely for purposes of this Agreement, the Partnership is not a Parallel Vehicle, and the Main Fund is a Parallel Vehicle.

“Partial Realization” means, with respect to any Portfolio Investment, the realization by the Partnership of Current Income or of proceeds from a recapitalization, extraordinary dividend, sale, redemption or other disposition of less than all of such Portfolio Investment (other than a pro rata disposition of a portion of each class of securities or other interests constituting such Portfolio Investment) or any other similar event that does not constitute a Disposition of such Portfolio Investment.

“Participating Partner” means, with respect to any Portfolio Investment, any Limited Partner who made a Capital Contribution (other than solely a Waiver Contribution) that was applied to such Portfolio Investment.

“Partner Interest” means for any Partner that is a Participating Partner with respect to any Portfolio Investment, the proportion that such Participating Partner’s Capital Contributions that were applied to such Portfolio Investment bears to the aggregate Capital Contributions of all Partners that were applied to such Portfolio Investment.

“Partner Share” means, for any Partner, and for any period, the amount of Investment Income and Gain, Investment Loss, Current Cash Income, proceeds from the Disposition of or Partial Realization with respect to a Portfolio Investment for such period or Portfolio Investments distributed in kind, as the case may be, or items of Partnership income or expense (other than Management Fees or Placement Fees, if any), in each case for such period multiplied by such Partner’s Partner Interest in the Portfolio Investments giving rise to such items or to which such items are allocable pursuant to Section 3.3(b).

“Partners” means the General Partner and the Limited Partners, collectively.

“Partnership” has the meaning set forth in Section 1.1.

“Partnership Expenses” means all reasonable costs and expenses relating to the Partnership’s activities, investments and business (to the extent not borne or reimbursed by a Portfolio Company or proposed Portfolio Company), including, but not limited to, (i) all costs and out-of-pocket fees and expenses attributable to acquiring, investing, holding, monitoring and disposing of the Partnership’s investments, (ii) all other out-of-pocket costs and out-of-pocket fees and expenses attributable to unconsummated transactions or investment strategies (but excluding marketing strategies) that do not lead to consummated acquisitions, (iii) legal, accounting, auditing, administrative, consulting and other fees and expenses (including, but not limited to, fees of the administrator of the Partnership and insurance and other out-of-pocket expenses associated with negotiating, consummating, monitoring and disposing of the Partnership’s investments and the preparation of Partnership financial statements, tax returns and forms K-1), (iv) expenses of the Advisory Committee incurred in accordance with Article VII, (v) extraordinary expenses, liabilities, indemnities and other obligations of the Partnership (including, but not limited to, litigation and indemnification costs and expenses, judgments and settlements (including, but not limited to, costs and expenses payable under Section 5.11)), and (vi) all debt service obligations, including interest, premium, if any, fees, expenses and other amounts payable in respect of indebtedness of the Partnership incurred in accordance with Section 5.3, but in each case, not including Organizational Expenses in excess of \$1,250,000, Management Fees, Placement Fees and those expenses borne by the Manager pursuant to Section 4.3.

“Partnership Legal Matters” has the meaning set forth in Section 12.5.

“Permitted GP Transferee” means, as to any membership or other ownership interest in the General Partner, of or held by any Principal or other member or investor in the General Partner (a) any family member of such person provided the transferor retains all voting control with respect to the interest, (b) any other partner or investor in the General Partner who was a partner or investor in the General Partner as of the Final Closing, and (c) any trust, partnership, foundation corporation or other entity that is either controlled by such person or is primarily for the benefit of such person and/or their family members.

“Person” means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency or political subdivision thereof).

“Placement Fees” means the fees and expenses and any interest on any deferred fees and expenses charged by or paid to any placement agency designated by the Partnership or the General Partner for the marketing and sale of interests in the Partnership and the Parallel Vehicles. The Partnership’s pro rata share of any Placement Fees shall be the amount of such fees multiplied by a fraction, the numerator of which is the aggregate Commitments of the Limited Partners giving rise to such fees, and the denominator of which is the sum of the aggregate Commitments of the Limited Partners and the aggregate capital commitments of all limited partners in all Parallel Vehicles giving rise to such fees.

“Plan Assets” means “plan assets” as defined in the Plan Asset Regulation.

“Plan Asset Event” has the meaning set forth in Section 5.6(e).

“Plan Asset Regulation” means the U.S. Department of Labor regulation located at 29 C.F.R. Section 2510.3-101, or any successor regulation thereto, as in effect at the time of reference, as modified by Section 3(42) of ERISA.

“Portfolio Company” means any corporation, partnership, limited liability, company or other entity in which the Partnership has directly or indirectly made an investment, other than Short-Term Investments.

“Portfolio Investments” means any investments held directly or indirectly by the Partnership, other than Short-Term Investments. If the Partnership holds multiple classes of securities or other interests that were issued by a Portfolio Company in a single closing or series of related closings, all of such securities or interests in the aggregate shall constitute one Portfolio Investment.

“Principals” means the following senior investment professionals who are partners or members of the General Partner or are employed by the Manager, for so long as such persons have not voluntarily resigned from, or been terminated by, the General Partner or Manager, and any other senior investment professionals from time to time who are designated as such by the General Partner: James Dondero, Mark Okada, Patrick Daugherty and John Honis.

“Qualified Purchaser” has the meaning set forth in Section 2(a)(51) of the Investment Company Act and the regulations promulgated thereunder.

“Redeemed Limited Partner” has the meaning set forth in Section 6.6(c).

“Redemption Effective Date” has the meaning set forth in Section 6.6(c).

“Redemption Value” means, with respect to any interest in the Partnership, or such portion thereof in the case of a partial withdrawal, being redeemed because of a Plan Asset Event or Regulatory Issue, the fair market value of such interest as of the applicable Redemption Effective Date, as determined in good faith by the General Partner; provided that, if the Plan Asset Event or the Regulatory Issue is a result of a breach of a representation, warranty or covenant made by the Redeemed Limited Partner, the Redemption Value shall be (in each case as determined in good faith by the General Partner) the lesser of (i) the fair market value of such Redeemed Limited Partner’s interest in the Partnership on the applicable Redemption Effective Date and (ii) the fair market value of the applicable portion of the Redeemed Limited Partner’s interest in the Partnership being redeemed on the date on which cash is allocated to make redemption payments. In making such determination of fair market value, the General Partner shall assume that all of the assets of the Partnership will be sold on the applicable date in a commercially reasonable manner and the proceeds of such sale, net of estimated closing costs, as reasonably determined by the General Partner, and all obligations of the Partnership (other than the redemption of the interest or interests in the Partnership being redeemed as of such date), will be distributed to the Partners pursuant to this Agreement. With respect to a Plan Asset Event or Regulatory Issue that is not a result of a breach of a representation or warranty made by the Redeemed Limited Partner, if the majority of such Redeemed Limited Partners disagree with the General Partner’s determination of the Redemption Value of the applicable interests in the Partnership, such Redeemed Limited Partners shall negotiate in good faith to resolve such

disagreement, and if such Redeemed Limited Partners continue to disagree after negotiations are held, either side may request that an independent evaluator (who must be reasonably acceptable to the other party) be retained, whose valuation shall be final and binding on the Partnership and all of the Partners. The Partnership will bear the cost of the independent evaluator.

“Registration” has the meaning set forth in Section 11.1.

“Regulated Investor” has the meaning set forth in Section 6.6(b).

“Regulatory Issue” has the meaning set forth in Section 6.6(b).

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Separate Investment Entity” has the meaning set forth in Section 5.15.

“Seventy-Five Percent in Interest of the Limited Partners” means Limited Partners with Commitments and limited partners in Parallel Vehicles with capital commitments to Parallel Vehicles totaling 75% of the aggregate Commitments of all Limited Partners and capital commitments of limited partners in Parallel Vehicles.

“Short-Term Investment Income” means the income earned on Short-Term Investments including in any event any gains and net of any losses from dispositions of Short-Term Investments and also net of any costs and expenses directly attributable thereto.

“Short-Term Investments” means investments in (a) cash, (b) obligations of, or fully guaranteed as to timely payment of principal and interest by, the United States of America and with a maturity date not in excess of 12 months from the date of purchase by the Partnership, (c) interest-bearing accounts and/or certificates of deposit of any U.S. bank with capital and surplus in excess of \$500 million and whose short-term debt securities are rated not lower than P-1 by Moody’s Investor Services, Inc. and A-1+ by Standard & Poor’s Corporation and whose long term unsecured debt securities, or the long term unsecured debt securities of its affiliated holding company, are rated no lower than A1 by Moody’s Investor Services, Inc. and A+ by Standard & Poor’s Corporation, (d) reverse repurchase agreements using U.S. Treasury securities and entered into with any U.S. bank with capital and surplus in excess of \$500 million and whose short-term debt securities are rated not lower than P-1 by Moody’s Investor Services, Inc. and A-1+ by Standard & Poor’s Corporation and whose long term unsecured debt securities, or the long term unsecured debt securities of its affiliated holding company, are rated no lower than A1 by Moody’s Investor Services, Inc. and A+ by Standard & Poor’s Corporation, and (e) money market mutual funds with assets of not less than \$500 million, substantially all of which assets are reasonably believed by the General Partner to consist of items described in one or more of the foregoing clauses (b), (c) and (d).

“Subscription Agreement” means the Subscription Agreements (including a Subscriber Information Form) executed and delivered by Partners investing in the Partnership substantially in the form of the Subscription Agreement, dated as of the date hereof.

“Successor Fund” has the meaning set forth in Section 5.12.

“Tax Exempt Partner” means (i) a Limited Partner that is exempt from tax under Section 501 of the Code or (ii) a Limited Partner that has a direct or indirect beneficial owner that (x) is exempt from tax under Section 501 of the Code and (y) would be required to report on a United States federal income tax return or report UBTI that would be derived from the Partnership if the Partnership were classified as a partnership for U.S. federal income tax purposes, to the extent of such beneficial owner’s pro rata share of such income, but only in each case if such Limited Partner has notified the General Partner in writing regarding the status of such direct or indirect beneficial owner.

“Topping and Break-up Fees” means topping, break-up or similar fees in connection with prospective Portfolio Investments that are not completed, in each case to the extent actually paid by a prospective Portfolio Company and received by the General Partner, the Manager, the Principals, employees of the Manager or their Affiliates; provided, however, that (A) such fees shall not include, in each case, any such amounts that are applied to cover amounts paid by the General Partner, the Manager, the Principals, employees of the Manager or their Affiliates that constitute unreimbursed (i) out-of-pocket expenses of such persons incurred in generating such fees, and (ii) Partnership Expenses incurred in generating such fees, and (B) to the extent that the General Partner, the Manager, the Principals or their Affiliates were actually reimbursed by the Partnership for any Partnership Expenses incurred in generating such fees, such fees will first be applied to repay the Partnership for such Partnership Expenses.

“Transaction and Monitoring Fees” means commitment, transaction, closing, merger and acquisition, divestiture, financing, monitoring and similar advisory fees in respect of a Portfolio Company, in each case to the extent actually paid by a Portfolio Company and received by the General Partner, the Manager, the Principals, employees of the Manager or their Affiliates; provided, however, that (A) such fees shall not include, in each case, any such amounts that are applied to cover amounts paid by the General Partner, the Manager, the Principals, employees of the Manager or their Affiliates that constitute unreimbursed (i) out-of-pocket expenses of such persons incurred in generating such fees, and (ii) Partnership Expenses incurred in generating such fees, and (B) to the extent that the General Partner, the Manager, the Principals or their Affiliates were actually reimbursed by the Partnership for any Partnership Expenses incurred in generating such fees, such fees will first be applied to repay the Partnership for such Partnership Expenses.

“Triggering Event” has the meaning set forth in Section 2.2(d).

“Two-Thirds in Interest of the Limited Partners” means Limited Partners with Commitments and limited partners in Parallel Vehicles with capital commitments to Parallel Vehicles totaling more than $66\frac{2}{3}\%$ of the aggregate Commitments of all Limited Partners and capital commitments of limited partners in Parallel Vehicles.

“UBTI” means unrelated business taxable income and unrelated debt financed taxable income, as defined in Sections 512 and 514 of the Code, respectively.

“Unapplied Waived Fee Amounts” has the meaning set forth in the Master Partnership Agreement.

“Uncapitalized Partnership Expenses” means Partnership Expenses that are not Capitalized Partnership Expenses.

“Unfunded Commitment” means that portion of a Partner’s Commitment that is not a Funded Commitment.

“U.S.” means the United States of America.

“Waived Fee Amount” has the meaning set forth in Section 4.1(d).

“Waived Fee Notice” has the meaning set forth in Section 4.1(d).

“Waiver Contribution” has the meaning set forth in Section 2.2(a)(ii).

Section 2.2 Capital Contribution Commitment; Key Person Provision. Subject to Section 5.6(b):

(a) (i) Each Partner agrees to make contributions in cash to the capital of the Partnership pro rata based upon such Partner’s respective Unfunded Commitment in an aggregate amount up to its Unfunded Commitment when and as called by the General Partner (“Capital Call”) upon at least ten Business Days written notice (the “Capital Call Notice”); provided, however, that the General Partner shall contribute its share of any contribution to be used to make a Portfolio Investment directly to the Master Partnership in lieu of making a Capital Contribution to the Partnership for such amount. The General Partner shall not be obligated to make Capital Contributions to be used to pay the Management Fee or Placement Fees, and Capital Contributions to pay the Management Fee will be made by each Limited Partner based on the amount of each payment of the Management Fee that is borne by such Limited Partner pursuant to Section 4.1(b). Any Capital Contributions made by the Limited Partners to pay the Partnership’s pro rata share of any Placement Fees shall be made by the Limited Partners whose Commitments gave rise to such fees, pro rata in accordance with their respective Commitments. The aggregate Commitments and capital commitments to all Parallel Vehicles of the General Partner, the Principals, Highland and their Affiliates, shall be pro rata and shall equal the lesser of 5.0% of aggregate Commitments and capital commitments to all Parallel Vehicles and \$50 million. In the event of the election described in Section 2.2(a)(ii), each Limited Partner required to make a Waiver Contribution pursuant to Section 2.2(a)(ii) shall make the Waiver Contribution specified in the Capital Call Notice. Each Portfolio Investment shall be made through the Master Partnership (other than investments made through a Separate Investment Entity pursuant to Section 5.15), and the Master Partnership shall call capital from the Partnership and the General Partner in the manner set forth in the Master Partnership Agreement for purposes of making such Portfolio Investment. Each Capital Contribution shall be made by Partners in cash either by delivery to the Partnership of a certified check or wire transfer of immediately available funds to an account designated by the General Partner, provided, however, that the Capital Contributions of the General Partner may be made by cash contributions or by Deemed Contributions as set forth in Section 2.2(a)(ii).

A Capital Call Notice shall: (i) specify the purpose for which the Capital Contributions are required to be made (including a breakdown of the amounts called in respect of Portfolio Investments, Partnership Expenses, Organizational Expenses, Management Fees or Placement

Fees); (ii) in the case of a Capital Call Notice with respect to the anticipated making of a Portfolio Investment, include: (A) a brief description of the identity, nature and business of such Portfolio Investment; (B) a statement as to whether the Portfolio Investment might be structured through a Separate Investment Entity; (C) a designation as such of any Bridge Financing to be made as part of such Portfolio Investment, and (D) a statement as to whether the Portfolio Investment is an investment in a Media Company or could, in the reasonable judgment of the General Partner, cause a Limited Partner to recognize UBTI; and (iii) specify a Limited Partner's pro rata share of the Capital Contributions required to be made by such Limited Partner, the portion of the Capital Contribution to be applied towards the payment of Management Fees, and the amount of a Limited Partner's Unfunded Commitment remaining following the funding of such Capital Contribution.

(ii) Notwithstanding Section 2.2(a)(i) above, at such time as the General Partner delivers any Capital Call Notice, the General Partner's required contribution to the Master Partnership in respect of anticipated or actual Portfolio Investment and/or expenses incurred directly in connection with the making, maintaining or disposing of such Portfolio Investment, at the General Partner's election, shall be reduced by an amount up to the lesser of (A) the amount of the contribution to the Master Partnership otherwise required to be made by the General Partner pursuant to Section 2.2(a)(i), or (B) the amount of any existing Unapplied Waived Fee Amounts, and such amount shall instead be funded through Capital Contributions to the Partnership by the Participating Partners with respect to whom the Management Fee is payable pursuant to Section 4.1(b), pro rata according to their respective Commitments (for any Partner, a "Waiver Contribution"). If, as of any date, the aggregate amounts described in clause (i) of the definition of "Deemed Contribution" in the Master Partnership Agreement exceed the sum of the amounts described in clause (i) of the definition of "Unapplied Waived Fee Amounts," in the Master Partnership Agreement, the General Partner shall, within ten Business Days after such date, make a Capital Contribution equal to the amount of such excess. Such amount shall be distributed to the Partners as a return of their Capital Contributions, in proportion to their respective Waiver Contributions.

(b) Each Partner's Commitment will commence on the date of the First Closing and will expire on the earlier of (i) five years from the Final Closing, (ii) the date after the second anniversary of the Final Closing on which the Commitment Period is terminated with the consent of Seventy-Five Percent in Interest of the Limited Partners, (iii) the date on which the General Partner determines that 90% of the aggregate Commitments of the Partners have been funded or are needed for purposes described in clauses (i) through (iii) of the next sentence below, or (iv) the date that the Commitment Period is terminated pursuant to Section 2.2(d), (such period being referred to as the "Commitment Period"). Notwithstanding the expiration or the termination of the Commitment Period, the Partners will remain obligated to make cash contributions throughout the duration of the Partnership pursuant to their respective Unfunded Commitments to the extent needed (i) to make Follow-on Investments; provided, however, that the aggregate of all Follow-on Investments made after the termination of the Commitment Period shall not exceed 15% of the aggregate Commitments, (ii) to make investments that were the subject of written agreements in process or under active consideration prior to or on the date of termination of the Commitment Period and which are consummated within 120 days of the date of termination of the Commitment Period, subject to extension, if necessary, in order to obtain requisite regulatory approvals, and (iii) to pay Partnership Expenses and the Management Fee. The General Partner

shall notify the Limited Partners within 30 days of the termination of the Commitment Period as to all in process investments that were the subject of written agreements in process and investments under active consideration to the extent the General Partner is not bound by confidentiality obligations related thereto.

(c) Subject to the ELP Law, the General Partner shall cause the Partnership to return to the Partners all or any portion of any Capital Contribution to the Partnership which is not invested directly or indirectly in a Portfolio Investment or used to pay Partnership Expenses, Management Fees, Placement Fees or Organizational Expenses or which has been contributed in order to fund a Bridge Financing which is refinanced. Subject to the ELP Law, each such return of Capital Contributions shall be made pro rata among all Partners in the same proportion as the Partners made such Capital Contributions and shall be made on or before the sixtieth (60th) day following the date such Capital Contributions were due (as set forth in the Capital Call Notice pursuant to which such Capital Contributions were made by the Partners to the Partnership), provided, however, that such Capital Contributions may be retained and applied with respect to another outstanding Capital Call Notice and may also be retained if the General Partner determines in good faith that there will be a Capital Call within thirty (30) days after the date that such Capital Contributions would otherwise be required to be returned, and if not so applied and retained, may be called again by the General Partner according to the provisions of this Section 2.2 as if such returned Capital Contributions had not been previously called.

(d) If:

(i) James Dondero and Mark Okada both cease to be actively involved, including in a supervisory role, on an ongoing basis with respect to the business, operations or investment decisions of Highland, the Manager and General Partner,

(ii) the Keyman Group, together with the Principals as of the Final Closing and Permitted GP Transferees thereof, are no longer entitled to receive, directly or indirectly, in the aggregate at least 50% of the Carried Interest (as defined in the Master Partnership Agreement) payable to the General Partner, or

(iii) any two or more of the members of the Keyman Group cease to be actively involved, including in a supervisory role, on an ongoing basis with respect to the business, operations or investment decisions of Highland, the Manager and General Partner,

(the circumstances specified in each of clauses (i), (ii), and (iii), above being referred to herein as a "Triggering Event"), then the Partnership shall automatically enter into a 120 day period (subject to extension for an additional 120 day period as described below) in which the Commitment Period will be suspended (a "Continuity Period").

The Partnership shall not make any new investments during the Continuity Period, except to the extent such investments (a) were the subject of written agreements, (b) were in process or (c) under active consideration prior to the commencement of the Continuity Period, and in each such case, are consummated within 120 days of the commencement of the Continuity Period, subject to extension, if necessary, in order to obtain requisite regulatory approvals for such investments. The pursuit of Other Permitted Investment Activities by the Principals and the

members of the Keyman Group will not give rise to a Triggering Event. The General Partner will promptly notify the Limited Partners of the occurrence of a Triggering Event.

During a Continuity Period, if a Triggering Event described in clause (i) above has occurred, the General Partner, after consultation with the Advisory Committee, will prepare for and provide to the Limited Partners within 60 days of the Triggering Event a program recommended by the General Partner for resumption by the Partnership of its full range of activities at the end of such Continuity Period. Prior to the end of the Continuity Period, but within a reasonable time period following the delivery of a program recommended by the General Partner, the General Partner will arrange for a vote of all Limited Partners. By consent of Two-Thirds in Interest of the Limited Partners, the Limited Partners may cause an early termination of the Commitment Period, such termination to commence on the date such Continuity Period expires. If a Continuity Period expires without the occurrence of an effective consent of the requisite Limited Partners to terminate the Commitment Period, the Partnership, and the General Partner on its behalf, shall be authorized and entitled to resume the Partnership's full range of activities.

During a Continuity Period, if a Triggering Event described in clauses (ii) or (iii) above has occurred, within 90 days of the Triggering Event the General Partner may propose to the Advisory Committee one or more replacements to serve as members of the Keyman Group for purposes of this Section 2.2(d); if a majority of the members of the Advisory Committee approve of such replacement or replacements, such replacement person or persons shall thereafter be members of the Keyman Group and the Partnership, and the General Partner on its behalf, shall be authorized and entitled to resume the Partnership's full range of activities. If the Advisory Committee does not approve of such replacement person or persons within 30 days following the delivery of the General Partner proposal to the Advisory Committee, the Continuity Period shall be extended for an additional 120 day period. The General Partner may propose to the Advisory Committee, within 90 days after the rejection by the Advisory Committee of the initial replacement person or persons, a different replacement or replacements than originally proposed to serve as members of the Keyman Group for purposes of this Section 2.2(d); if a majority of the members of the Advisory Committee approve of such replacement or replacements within 30 days following delivery of the new General Partner proposal, such replacement person or persons shall thereafter be members of the Keyman Group and the Partnership, and the General Partner on its behalf, shall be authorized and entitled to resume the Partnership's full range of activities. If the Advisory Committee does not approve of such replacement person or persons within such thirty day period, the General Partner will arrange for a vote of all Limited Partners. By consent of Two-Thirds in Interest of the Limited Partners, the Limited Partners may cause an early termination of the Commitment Period, such termination to commence on the date the Continuity Period expires.

Section 2.3 Capital Accounts. A capital account ("Capital Account") will be established for each Partner on the books of the Partnership and will be adjusted as follows:

(a) Capital Contributions and Allocations. A Partner's Capital Contribution will be credited to its Capital Account when received by the Partnership.

(b) Short-Term Investment Income. Short-Term Investment Income earned in each quarterly period with respect to Capital Contributions that have not yet been invested in Portfolio Investments or used to pay fees and expenses of the Partnership will be credited to the Capital Accounts of the Partners pro rata according to their respective Partner Capital Contributions to which such Short-Term Investment Income is attributable. Short-Term Investment Income on undistributed proceeds from Portfolio Investments shall be credited to the Capital Accounts of the Partners ratably in proportion to their respective shares of such undistributed amounts.

(c) Investment Income and Gain and Investment Loss. Taking into account Section 6.6(d) and except as otherwise provided in this Section 2.3(c), Investment Income and Gain or Investment Loss shall be allocated among the Partners for each taxable period in such a manner that, as of the end of such taxable period, and to the extent possible, the Capital Account of each Partner shall be equal to the net amount, positive or negative, which would be distributed to each Partner or for which such Partner would be liable to the Partnership under this Agreement, determined as if the Partnership were to liquidate the assets of the Partnership for an amount equal to their Basis, reduced, but not below zero, by the amount of nonrecourse debt, if any, to which such Partnership assets are subject, and distribute the proceeds in liquidation after the payment of all liabilities (other than nonrecourse liabilities) in accordance with Sections 3.2 and 3.3. For purposes of the foregoing determination, any increase in the Basis of a Portfolio Investment shall be taken into account for this purpose in the same manner as proceeds of a Partial Realization.

(d) Organizational Expenses, Management Fee. Organizational Expenses that are borne by the Partnership will be apportioned to the Partners pro rata according to their respective Capital Contributions to pay Organizational Expenses. Organizational Expenses that are described in Section 705(a)(2)(B) of the Code will be debited against the Capital Accounts of the Partners in the fiscal period in which they are incurred, and Organizational Expenses that are described in Section 709(b) of the Code will be debited against the Capital Accounts of the Partners over a 180-month period. The Management Fee for any Management Fee Period shall be debited against the Capital Account of each Limited Partner in the amount that is borne by such Limited Partner pursuant to Section 4.1(b) for such Management Fee Period.

(e) Distributions. Any amounts distributed to the Partners will be debited against their Capital Accounts.

(f) Partnership Expenses. Uncapitalized Partnership Expenses shall be debited against the Capital Accounts of the Partners in proportion to their respective Commitments.

(g) Placement Fees. Placement Fees, shall be debited against the Capital Accounts of the Limited Partners whose Commitments gave rise to such fees, in proportion to their respective Commitments.

Section 2.4 Distributions in Kind.

(a) If any securities are to be distributed in kind to the Partners as provided in Article III, such securities will first be written up or down to their value (as determined pursuant to Article IX as of the date of such distribution), thus creating Investment Income or Gain or

Investment Loss, which shall be allocated in accordance with Section 2.3 to the Capital Accounts of the Partners, and upon the distribution (or deemed distribution pursuant to Section 2.4(b)) of such securities to the Partners, the value of such securities shall be debited, in accordance with Section 2.3(e), against the Capital Accounts of the Partners.

(b) The General Partner shall give at least ten Business Days prior notice to the Limited Partners of any proposed distribution of securities pursuant to this Section 2.4 and the date of such proposed distribution. In connection with any distribution of securities in kind, the General Partner shall offer each Limited Partner the right to elect to receive a distribution of securities or to have the Partnership dispose of all or any portion of such securities for the account of such Limited Partner. At the election of a Limited Partner (an "Electing Limited Partner"), all distributions of securities that otherwise would be made to the Electing Limited Partner by the Partnership shall be made, as determined by the General Partner, to the General Partner or an independent escrow agent or custodian as agent for the Limited Partner (the "Agent") and, unless otherwise specified in writing, an Electing Limited Partner shall be deemed to have chosen to have the Partnership sell its share of securities in full. An Electing Limited Partner shall bear all expenses (including, without limitation, underwriting costs and brokerage commissions) relating to the sale by the Partnership of such securities. The General Partner may require the Electing Limited Partner to make any representations, warranties and covenants as the General Partner shall reasonably determine are necessary or desirable in order to dispose of the securities. For all purposes of this Agreement, the Limited Partner shall be deemed to have received such distribution of securities on the date that such securities are delivered to the Agent. Immediately following a distribution to the Agent pursuant to this Section 2.4(b), the General Partner shall notify the Limited Partner of the type and quantity of securities distributed. The Agent shall thereafter hold such securities for a period of 10 Business Days following which the Agent shall use its reasonable efforts to promptly sell such securities and deliver the net proceeds therefrom to the Limited Partner; provided, however, that the Agent shall not sell such securities and shall instead promptly deliver such securities to the Limited Partner following the conclusion of such 10 Business Day period if, prior to the conclusion of such period, the Limited Partner notifies the Agent that the receipt of such securities would not violate any law, regulation or governmental order applicable to the Limited Partner. The Agent shall use good faith efforts in selling such securities at the highest available price, but shall not be liable to an Electing Limited Partner in any manner in connection with such sale in the absence of gross negligence or willful misconduct, including for any claim that the Agent was unable to effect any such sale (for any reason) or failed to obtain the highest possible sale price for such securities.

(c) An Electing Limited Partner's election pursuant to Section 2.4(b) may be revoked by the Electing Limited Partner at any time upon notice to the General Partner; provided, however, that an election may not be revoked with respect to securities if the Agent has entered into a binding commitment to sell securities on behalf of the Electing Limited Partner.

Section 2.5 Determination of Voting Thresholds. Any vote, approval or consent that is to be based upon a specified proportion of the interests in the Partnership held by the limited partners shall be based upon the Limited Partners' Commitments and the capital commitments of limited partners in Parallel Vehicles, excluding (i) except as specifically provided in Section 6.9, that portion of each Limited Partner's Commitment and the capital commitment of each limited partner in a Parallel Vehicle that represents a Non-Voting Interest, (ii) except as otherwise set

forth in Section 12.1(b), limited partner interests in the Partnership or in any Parallel Vehicle held by a Defaulting Partner or a defaulting partner of a Parallel Vehicle, and (iii) limited partner interests in the Partnership or in any Parallel Vehicle held, directly or indirectly, by the General Partner, Highland, the Principals or any of their respective Affiliates prior to any removal of the General Partner pursuant to Section 5.9, and (iv) in the case of any particular matter that affects or pertains only to the Partners and not to any partner of a Parallel Vehicle, limited partner interests in such Parallel Vehicle held, directly or indirectly, by the General Partner or by any limited partner of such Parallel Vehicle.

ARTICLE III

DISTRIBUTIONS

Section 3.1 Distribution Policy.

(a) The General Partner may in its sole discretion make distributions of cash or Marketable Securities at any time and from time to time subject to the remaining provisions of this Section 3.1; provided, however, that no securities will be distributed in kind to the Partners that are not Marketable Securities until the final distribution of the assets of the Partnership to the Partners pursuant to Section 8.3(b).

(b) The General Partner will cause the Partnership to distribute (i) Current Cash Income at least semi-annually unless reinvested as described in this Section 3.1(b), (ii) Short-Term Investment Income at least quarterly, and (iii) the net cash proceeds received from Dispositions of or Partial Realizations with respect to Portfolio Investments within 60 days of the receipt thereof unless reinvested as described in this Section 3.1(b), after, in each case, the setting aside by the General Partner, in its discretion, of reasonable reserves for anticipated obligations and commitments of the Partnership as well as any required tax withholdings; provided, however, that if the General Partner determines in good faith that there will be a Capital Call within 30 days after the date that an amount that would otherwise be distributed that would be described in clauses (a), (b) and (d) of the definition of Funded Commitment, or if there is an outstanding Capital Call Notice the General Partner may, in its discretion, retain such amount and reduce the amount required to be contributed with respect to such Capital Call.

Section 3.2 Distribution of Short-Term Investment Income. Short-Term Investment Income will be distributed among the Partners in the same proportions as Short-Term Investment Income was credited to the Partners' Capital Accounts.

Section 3.3 Distributions of Current Cash Income and Proceeds From Dispositions of or Partial Realizations with Respect to Investments and In Kind Distributions.

(a) Distributions not attributable to a Portfolio Investment shall be distributed to the Limited Partners in proportion to their Funded Commitments as of the date of such distribution. All distributions of Current Cash Income and all distributions out of net proceeds from Dispositions of or Partial Realizations with respect to Portfolio Investments (in each case, net of Partnership Expenses) and all distributions of Portfolio Investments shall be distributed to the

Participating Partners in proportion to their respective Partner Interests with respect to the Portfolio Investment that gave rise to such Current Cash Income or net proceeds or that is being distributed in kind.

(b) A Partner's Capital Contributions used to pay Organizational Expenses, Management Fees, Placement Fees and Uncapitalized Partnership Expenses that are to be allocated to a Portfolio Investment shall be determined on the date such Portfolio Investment is Disposed of, and shall equal the product of (i) such Capital Contributions not theretofore allocated to Portfolio Investments that have been Disposed of multiplied by (ii) a fraction, the numerator of which shall equal such Partner's Capital Contributions in respect of such Portfolio Investment and the denominator of which shall equal such Partner's Capital Contributions in respect of such Portfolio Investment and all Portfolio Investments that have not been Disposed of on or prior to the date such allocation is effected. For purposes of the determinations described in clause (b)(i) of the definition of "Excess Partial Realization Proceeds" in the Master Partnership Agreement, such Capital Contributions shall be tentatively allocated to the Portfolio Investment giving rise to such Partial Realization proceeds as though such Portfolio Investment had been Disposed of on the date such proceeds were realized.

Section 3.4 Foreign Taxes. The amount of any foreign taxes paid by the Partnership (or by an entity in which the Partnership holds an interest, either directly or indirectly through one or more such entities, that is treated as a partnership or is disregarded for federal income tax purposes) or withheld from receipts of the Partnership or such entity from a Portfolio Investment shall be allocated among the Partners as reasonably determined by the General Partner (taking into account any allocation of taxes under Section 6.7) and, for purposes of Sections 3.3(a)(i) – (iii) of the Master Partnership Agreement, shall be deemed to have been distributed to each Partner as Current Cash Income or proceeds from the Disposition of a Portfolio Investment to the extent that the payment or withholding of such foreign taxes reduced Current Cash Income or the proceeds from the Disposition of a Portfolio Investment, as the case may be, otherwise distributable to such Partner as provided herein (for this purpose taking into account with respect to each Partner any reduction in such foreign taxes that occurs by reason of such Partner's status); provided that the General Partner may deem foreign taxes paid by or withheld from receipts of the Partnership and allocable to a Tax Exempt Partner to have been distributed to such Tax Exempt Partner as described above only to the extent that such Tax Exempt Partner incurs and is subject to tax on UBTI relating to such Tax Exempt Partner's Interest in the Partnership, as determined by the General Partner.

ARTICLE IV

MANAGEMENT FEE AND ORGANIZATIONAL EXPENSES

Section 4.1 Management Fee.

(a) During each quarterly period beginning on each January 1, April 1, July 1 and October 1 from and after the First Closing (each such quarterly period, a "Management Fee Period") until the termination of the Partnership, the Partnership will pay the Manager a

quarterly fee as calculated below (the “Management Fee”), in advance on each January 1, April 1, July 1 and October 1, as compensation for managing the affairs of the Partnership, provided, however, that the initial payment of the Management Fee shall be for the period from the First Closing to December 31, 2007.

(b) The Management Fee payable by the Partnership shall be the sum of the amounts determined for each Limited Partner pursuant to this Section 4.1. No Management Fee shall be payable with respect to the General Partner and their Affiliates. Subject to Sections 4.1(c) and 4.1(d), the quarterly Management Fee payable with respect to a Limited Partner during the Initial Fee Period shall be 0.4375% of the Commitments of such Limited Partner resulting in an aggregate annual Management Fee of 1.75%. Following the expiration of the Initial Fee Period, the quarterly Management Fee payable with respect to a Limited Partner shall be 0.4375% of the aggregate Net Funded Commitment of such Limited Partner as reduced by any writedowns or writeoffs pursuant to Section 9.4 in respect of Portfolio Investments that have not been Disposed of on or prior to such date (resulting in an aggregate annual Management Fee of 1.75%). The Management Fee in any partial quarterly period will be pro rated on a daily basis according to the actual number of days in such period.

(c) The Management Fee payable with respect to any Management Fee Period and with respect to a Limited Partner will be reduced (but not below zero) by such Limited Partner’s Partner Share of eighty-five percent (85%) of the Partnership’s pro rata share of all Topping and Break-up Fees, Transaction and Monitoring Fees, and Director Fees. The Management Fee shall also be reduced, but not below zero, by such Limited Partner’s Capital Contributions used pursuant to Section 2.2(a)(i) to pay (x) any Placement Fees and (y) any Organizational Expenses in excess of \$1,250,000, paid or payable by the Partnership. To the extent that such Limited Partner’s share of the Management Fee in any Management Fee Period is reduced to zero as a result of the reduction for Placement Fees, Organizational Expenses in excess of \$1,250,000, Director Fees, Topping and Break-up Fees and Transaction and Monitoring Fees, the excess shall be carried forward to the next Management Fee Period (and, if necessary, to one or more subsequent Management Fee Periods) and applied as a reduction of the Management Fee, but not below zero, for such succeeding Management Fee Period (or a subsequent Management Fee Period). To the extent that Director Fees, Topping and Break Up Fees and Transaction and Monitoring Fees exceed or cannot be applied as a reduction of Management Fees for succeeding Management Fee Periods, then such excess will first be applied to reimburse the Partnership for any previously unreimbursed Management Fees paid by the Partnership for prior Management Fee Periods (with such amounts being treated for purposes of Section 3.3(a) as distributions in return of the Capital Contributions made to pay such Management Fees), and the remainder of such excess will be paid or contributed to the Partnership and will be distributed pursuant to Section 3.3(a) as if net proceeds from the Disposition of a Portfolio Investment; provided, however, that in the event that any Partner desires not to receive any such excess fee offsets upon the termination of the Partnership, such Partner may elect in writing at any time prior to the termination of the Partnership to waive receipt of any such fee offsets, in which case the amount of fee offsets that would otherwise have been allocated and distributed to such Partner shall instead be allocated and distributed to the other non-waiving Partners on a pro rata basis in accordance with their respective Commitments. The Partnership’s pro rata share of all Topping and Break-up Fees, Transaction and Monitoring Fees and Director Fees shall be the amount of such fees multiplied by a fraction, the numerator of which is the Partnership’s investment in the

Portfolio Investment (or proposed investment in the proposed Portfolio Investment) giving rise to such fee and the denominator of which is the aggregate investment or proposed investment in such Portfolio Investment or proposed Portfolio Investment by the Partnership, all Parallel Vehicles, all Separate Investment Entities, all Co-investment Funds and all other co-investment arrangements arranged by the Manager with respect to such Portfolio Investment or proposed Portfolio Investment (provided, that for the avoidance of doubt, any such Co-Investment Funds or other co-investment arrangements will not receive any amount of fee offsets).

(d) After taking into account any reduction in the Management Fee payable for any Management Fee Period with respect to a Limited Partner pursuant to Section 4.1(c), the Management Fee payable for any Management Fee Period with respect to such Limited Partner shall be further reduced by an amount (the "Waived Fee Amount") equal to the lesser of (i) the amount of the Management Fee to which the Manager would otherwise be entitled pursuant to this Section 4.1 that the Manager has irrevocably elected to waive in a written notice (a "Waived Fee Notice") delivered to the Partnership with respect to each Management Fee Period, at least 15 days prior to the end of the calendar year immediately preceding the calendar year in which such Management Fee Period begins, and with respect to each Management Fee Period in the first calendar year of the term of the Partnership, such Waived Fee Notice delivered on or prior to the delivery of the first Capital Call Notice in respect of Management Fees and (ii) the amount that would be payable to the Manager on such Management Fee Period pursuant to this Section 4.1 in the absence of this Section 4.1(d). A Limited Partner's share of the Waived Fee Amount for any Management Fee Period is equal to the Waived Fee Amount for such Management Fee Period multiplied by the quotient determined by dividing (i) the Management Fee that would be payable for such Management Fee Period with respect to such Limited Partner in the absence of this Section 4.1(d) by (ii) the total Management Fee that would be payable for such Management Fee Period in the absence of this Section 4.1(d). If the Manager delivers a Waived Fee Notice with respect to any Management Fee Period that begins before the date of the Final Closing, (i) if such Waived Fee Notice specifies that a percentage of the Management Fee otherwise payable for such Management Fee Period be waived, the Manager shall be deemed to have waived a proportionate amount of the Management Fee otherwise payable for such Management Fee Period by all Additional Limited Partners whose subscriptions are accepted after the date of such Waived Fee Notice and (ii) if such Waived Fee Notice specifies that a fixed dollar amount of such Management Fee otherwise payable for such Management Fee Period be waived, the reduction in the Management Fee for such Management Fee Period shall be allocated to all Limited Partners in the same proportion as the Management Fee is borne by the Limited Partners for such Management Fee Period.

(e) For purposes of Section 4.1(c), a Limited Partner's share of Director Fees and Transaction and Monitoring Fees is equal to the amount of the Partnership's pro rata share of such fees multiplied by the Limited Partner's Partner Interest in the Portfolio Investment to which such Director Fees and Transaction and Monitoring Fees are attributable, and a Limited Partner's share of Topping and Break-up Fees is equal to the amount of such fees multiplied by the proportion of such Limited Partner's Commitment to the Commitments of all Partners on the first day of the Management Fee Period in which such Topping and Break-up Fees are paid.

Section 4.2 Organizational and Partnership Expenses. The Partnership will reimburse the General Partner or the Manager for all Organizational Expenses incurred by the General

Partner or the Manager on behalf of the Partnership. The Partnership will pay all Partnership Expenses.

Section 4.3 Ordinary Operating Expenses. The Manager shall pay all ordinary overhead expenses of the Partnership, the General Partner, the Manager, the Separate Investment Entities and the Parallel Vehicles (including salaries, rent, overhead, travel expenses and similar expenses), other than Partnership Expenses, Organizational Expenses and Placement Fees.

ARTICLE V

GENERAL PARTNER

Section 5.1 Investment Opportunities; Devotion of Time; Management Authority.

(a) The Principals shall each be actively involved in the business of the Fund Group and shall devote such amount of their business time and attention in order to fulfill their fiduciary duties to the Limited Partners in accordance with the ELP Law; provided, however, that the Principals may engage and be involved in Other Permitted Investment Activities. Subject to the foregoing and to Section 5.12(a) and the Highland Investment Allocation Policy, during the Commitment Period, the General Partner, the Manager and the Principals will present all investment opportunities to the Partnership which they believe in good faith are suitable for the Partnership and fit the investment objective of the Partnership. However, the Principals and the Manager will not be restricted from pursuing, engaging in and completing acquisitions and investments in, through or by Highland Portfolio Companies in connection with Other Permitted Investment Activities and other investments through other Highland Accounts, in each such case, in accordance with the Highland Investment Allocation Policy.

(b) The General Partner will have full control over the business and affairs of the Partnership consistent with its duties arising under the ELP Law. The General Partner will have the power on behalf and in the name of the Partnership to carry out any and all of the objects and purposes of the Partnership and to perform all acts and enter into and perform all contracts and other undertakings which, in its sole discretion, are necessary or advisable or incidental thereto, including the power to acquire or dispose of any security (including Marketable Securities). Notwithstanding the foregoing, the management of the Partnership will vest in the Manager which will provide the Partnership with portfolio management and administrative services, including investigating, analyzing, structuring and negotiating potential investments, monitoring the performance of Portfolio Companies and advising as to disposition opportunities. In no event shall the Manager, which has been engaged by the Partnership, be treated as an agent or partner of the General Partner.

(c) Except to the extent otherwise provided in this Agreement, all matters concerning (i) the allocation of Short-Term Investment Income, Current Income, Investment Income and Gain, Investment Loss, Partnership Expenses, Organizational Expenses, and the distribution of net proceeds and the return of capital among the Partners, including the taxes thereon, (ii) accounting procedures and determinations, estimates of the amount of Management Fees or Placement Fees payable by any Defaulting Partner, (iii) the calculation of the Management Fee

(including Director Fees, Topping and Break-up Fees and Transaction and Monitoring Fees), and (iv) the reinvestment of any amounts distributed in respect of a Bridge Financing (or portion thereof) that was sold, refinanced or otherwise disposed of within eighteen (18) months from the Investment Date of such Bridge Financing, shall be determined by the General Partner in accordance with its reasonable interpretation of the provisions of this Agreement made in good faith.

Section 5.2 Use of Affiliates. The General Partner shall retain the services of the Manager and any officers, directors or Affiliates thereof in connection with the operation of the Partnership, and the compensation of the Manager and such persons shall be as provided in Section 4.1 hereof; provided, however, that nothing contained in this Section 5.2 shall be construed to relieve the General Partner of its responsibilities under this Agreement or the duties and limitations set forth in this Article V.

Section 5.3 Indebtedness. Subject to Section 5.5 and Section 5.4, the Partnership may incur indebtedness consisting of Bridge Leveraging or the issuance of credit support of the obligations of Portfolio Companies or their subsidiaries, which may be in the form of guarantees, letters of credit or pledges of a portion of the Commitments ("Credit Support"). Any such indebtedness will not be considered as Capital Contributions by the Partners unless, until and to the extent the General Partner calls for Capital Contributions in connection therewith pursuant to a Capital Call Notice pursuant to this Agreement.

Section 5.4 Limitation on Investments.

(a) The Partnership will not invest (including through Credit Support) more than twenty five percent (25%) of the aggregate Commitments in any single Portfolio Company together with any of its Affiliates (valued at original cost). A Bridge Financing, when added to the amount of permanent investment by the Partnership in the Portfolio Investment that is the subject of the Bridge Financing, may not exceed twenty five percent (25%) of the aggregate Commitments.

(b) The aggregate amount of Bridge Financings outstanding at any one time shall not exceed fifteen percent (15%) of the aggregate Commitments.

(c) Subject to Section 5.5, the Partnership may issue Credit Support, which does not at any one time exceed Unfunded Commitments.

(d) The Partnership shall invest cash in Short-Term Investments.

(e) The aggregate investments (valued at cost) by the Partnership in Portfolio Companies organized and with principal executive offices outside the United States shall not exceed thirty percent (30%) of the aggregate Commitments. The Partnership will not invest in Portfolio Companies that are organized or with principal executive offices in countries that are not within the Organization for Economic Cooperation and Development as of the date of the First Closing.

(f) The Partnership will not invest as a partner or member in any pooled investment fund or "fund of funds" in which an investment adviser or manager of such fund (other than the

Partnership) receives management fees or the right to carried interest distributions on the Partnership's investment or interest therein unless the amount of any such management fee is considered part of the Capital Contribution relating to such Portfolio Investment and the amounts distributable to the General Partner under Sections 3.3(a)(ii) and 3.3(a)(iii) of the Master Partnership Agreement are reduced by the amount of any carried interest payable to such sponsor or investment manager.

(g) In connection with a Portfolio Investment in any non-U.S. jurisdiction, the General Partner shall obtain an opinion of counsel with respect to such jurisdiction to the effect that (i) no Limited Partner, solely as a result of the Partnership making such investments, will be required either (x) to file an income tax return in such jurisdiction (other than in connection with an application for a refund of withholding or similar taxes) or (y) to pay income tax in such jurisdiction with respect to income not derived from the Partnership, and (ii) no Limited Partner shall be personally liable for any debts or losses of the Partnership in such jurisdiction in excess of such Limited Partner's Unfunded Commitment. The General Partner shall use commercially reasonable efforts to ensure that any opinion obtained pursuant to this Section 5.4(i) will permit the Limited Partners to rely thereon. The General Partner shall ask local counsel to confirm and/or update periodically as it deems necessary any opinion it obtains pursuant to this Section 5.4(i). The Partnership will use commercially reasonable efforts to prepare all tax rebate, reduction or reclaim forms or other filings or elections that are required to obtain any available exemption from, reduction in, or refund of, any withholding or other taxes required in any taxing jurisdiction on behalf of each Limited Partner, for signature by such Limited Partner, and to assist each Limited Partner, at such Limited Partner's expense, to obtain refunds for taxes withheld or paid with respect to such Limited Partner as to which a refund is obtainable. Each Partner agrees that it will cooperate with the General Partner in making any such filings or elections to the extent the General Partner determines that such cooperation is necessary or desirable.

(h) The Partnership will not invest (including through Credit Support) more than twenty percent (20%) of the aggregate Commitments in Persons that are not Distressed Companies; provided that the General Partner in its good faith discretion believes that an investment in such Persons is consistent with the Partnership's investment objective.

Section 5.5 UBTI; USRPI; ECI. The General Partner shall use commercially reasonable efforts not to (i) structure the Fund's Portfolio Investments in a manner that would result in the realization by a Tax Exempt Partner of a substantial amount of UBTI, (ii) take any action that would cause any Non-U.S. Partner to recognize ECI, (iii) cause the Partnership to acquire a Portfolio Investment that the General Partner reasonably believes at the time of such acquisition is or is likely to become a "United States real property interest" ("USRPI") within the meaning of Section 897(c) of the Code or (iv) take any action that would cause any Non-U.S. Partner to which Section 892 of the Code applies to be considered or deemed to be engaged in a commercial activity for purposes of Section 892 of the Code; provided, however, that the use of Bridge Leveraging and the use of Director Fees, Topping and Break-up Fees, Transaction Fees and Monitoring Fees, and Placement Fees to offset the Management Fee, as described in Section 4.1(c) will not be deemed a violation of this Section 5.5. The General Partner will consider the economic consequences of the manner in which it structures Portfolio Investments, and will use commercially reasonable efforts to make such Portfolio Investments through structures that are

intended to minimize the tax cost that will be economically borne by the Limited Partners as a result of such structures, including, where appropriate, making Portfolio Investments through a “blocker” structure, to the extent consistent with applicable law.

Section 5.6 ERISA Matters.

(a) The General Partner will use reasonable efforts to conduct the affairs and operations of the Partnership in such a manner that the Partnership will qualify as an Operating Company or for another exception from being deemed to hold Plan Assets of any Benefit Plan Investor. As of the initial Capital Contribution date, the General Partner shall deliver to each Benefit Plan Investor either (i) an opinion from the General Partner’s counsel to the effect that the Partnership should qualify as an Operating Company as of the initial Capital Contribution date or (ii) a certificate, based on consultation with the General Partner’s counsel, to the effect that the Partnership should qualify for another exemption from being deemed to hold Plan Assets of any Benefit Plan Investor as of the initial Capital Contribution date. Annually thereafter, the General Partner will provide a certificate to Benefit Plan Investors confirming that the Partnership continues to qualify for an exception from being deemed to hold Plan Assets of any Benefit Plan Investor and specifying which exception from Plan Assets is available to the Partnership as of the date of the certificate.

(b) Notwithstanding Section 2.2, until such time as the General Partner delivers to each Benefit Plan Investor (and the escrow agent, if any) either the opinion or the certificate described above in Section 5.6(a), the initial Capital Contribution required to be made to the Partnership by a Benefit Plan Investor shall, at the request of the General Partner, instead be deposited directly by such Benefit Plan Investor into an escrow account that is intended to comply with Department of Labor Advisory Opinion 95-04A.

(c) Each Partner that is or will be a Benefit Plan Investor on the Closing Date when it is admitted to the Partnership shall so notify the General Partner in writing prior to such Closing Date. Any Limited Partner which has not indicated in its Subscription Agreement that it is a Benefit Plan Investor hereby represents, warrants and covenants that it is not, it is not acting on behalf of and, so long as it holds an interest in the Partnership, it will not be and will not be acting on behalf of a Benefit Plan Investor.

(d) It is intended that none of the Partnership, the General Partner, the Manager or any of their Affiliates will act as or be deemed to be a fiduciary under ERISA with respect to any Benefit Plan Investor or the assets of the Partnership; provided, however, that this provision is not intended to negate the fiduciary duties imposed upon a general partner under the ELP Law. Notwithstanding any other provision of this Agreement, the General Partner is authorized to take any action or refrain from taking any action which in its judgment is necessary or desirable in order to prevent any Partnership assets from being deemed to constitute Plan Assets of any Benefit Plan Investor.

(e) Should the General Partner reasonably determine that the continued participation of a Benefit Plan Investor would result in the assets of the Partnership being deemed Plan Assets of such Benefit Plan Investor (a “Plan Asset Event”), the General Partner shall so notify, each of the Benefit Plan Investors in writing within 30 days of such determination. Thereafter, the

General Partner shall take reasonable steps to correct or cure the Plan Asset Event and, if the General Partner determines that it is not reasonably likely that the Partnership's Plan Asset Event can be reasonably corrected or cured, taking into account the overall interest of the Partnership, the General Partner shall dissolve the Partnership and wind up its affairs in accordance with Sections 8.2 and 8.3. In connection with the foregoing obligation, in addition to any other powers the General Partner may have, the General Partner shall have the authority to take any of the following actions, in its sole discretion: (i) any action necessary or desirable, in the General Partner's reasonable judgment, to cure the Partnership's failure to qualify as an Operating Company, if applicable; (ii) in accordance with the provisions of Section 12.1, amend this Agreement to cure any illegality or other material adverse consequences to the Partnership; (iii) amend, terminate or restructure any then existing or contemplated arrangements with third parties to cure any illegality or other adverse consequences to the Partnership so long as such action would not have a material adverse effect on the Limited Partners; (iv) redeem any Limited Partner's interest in the Partnership, in whole or in part, in a manner consistent with the procedures in Section 6.6(d); (v) force the sale of all or any portion of any Benefit Plan Investor's interest in the Partnership to one or more Limited Partners at the Redemption Value or (vi) dissolve the Partnership and wind up its affairs in accordance with Sections 8.2 and 8.3.

Section 5.7 Conflicts of Interest.

(a) The Limited Partners hereby acknowledge and agree that the General Partner and its Affiliates currently manage and may in the future manage Highland Accounts that invest in securities that may be eligible for purchase by the Partnership, which presents the potential for conflicts of interest. While the General Partner and the Manager intend to manage potential conflicts of interest, as Highland has in the past, by following certain guidelines, and to avoid where practicable situations involving conflicts of interest in a portfolio company or otherwise, each Limited Partner acknowledges that there may be situations in which the interests of the Partnership in a portfolio company or otherwise may conflict with the interests of other Highland Accounts, the General Partner, the Manager, the Principals or their respective Affiliates. On any matter involving a conflict of interest not otherwise provided for in this Agreement, the General Partner shall be guided by its good faith judgment as to the best interests of the Partnership and shall take such actions as are determined by the General Partner and Highland to be appropriate and in compliance with the Highland Investment Allocation Policy. Each Limited Partner agrees that the activities of any other Highland Account, the General Partner, the Manager, the Principals and their Affiliates, including Other Permitted Investment Activities, authorized by this Agreement or conducted consistently with this Agreement and the Highland Investment Allocation Policy may be engaged in by such other Highland Accounts, the General Partner, the Manager, the Principals and their Affiliates, as the case may be, and will not, in any case or in the aggregate, be deemed a breach of this Agreement or any duty that might be owed by any such person to the Partnership or to any Partner.

(b) Except as permitted by Sections 5.12(a) and 5.17(a), without the prior approval of either (i) a majority of the members of the Advisory Committee or (ii) a Majority in Interest of the Limited Partners, none of the General Partner, the Manager, the Principals, or any of their respective Affiliates will invest in any securities of any company in which the Partnership either is actively considering making a Portfolio Investment or has an investment; provided, that (x) the foregoing will not apply to Other Permitted Investment Activities or investments made in

accordance with the Highland Investment Allocation Policy, (y) each such person will be permitted to hold securities which such person received in a distribution by the Partnership and (z) any Parallel Vehicles or Separate Investment Entities will be permitted to invest in Portfolio Companies in accordance with this Agreement.

(c) Except as permitted by Sections 5.12(a) and 5.17(a), without the prior approval of either (i) a majority of the members of the Advisory Committee or (ii) a Majority in Interest of the Limited Partners, the Partnership will not invest in any securities issued by, acquire investments from, sell investments to, or enter into any transaction with an entity in which the General Partner, the Manager, the Principals, or their respective Affiliates has a material financial interest in respect of such entity; provided that the foregoing will not apply to (w) Other Permitted Investment Activities, (x) investments by the Partnership in Portfolio Companies in which the Parallel Vehicles, Separate Investment Entities or Co-Investment Funds invest in accordance with this Agreement; (y) investments by the Partnership in Portfolio Companies in which the General Partner, the Manager, the Principals or their respective Affiliates have a material interest that have been made in accordance with the Highland Investment Allocation Policy, or (z) investments by the Partnership in publicly traded securities of Portfolio Companies in which a Highland Account has a material financial interest that are made on arms length terms at prevailing market prices; provided, further, that the Partnership will not be precluded from investing in securities of a company in which the General Partner, the Manager, the Principals, or their respective Affiliates either (A) in the case of public companies, owns securities issued by such company representing one percent (1%) or less of the outstanding equity securities, or (B) own only securities which such Persons received in a distribution by the Partnership.

(d) The General Partner will furnish to the Advisory Committee annually at the time annual financial statements of the Partnership are furnished pursuant to Section 10.3(b) a report of each acquisition or investment by the Partnership in Portfolio Companies in which the General Partner, the Manager, the Principals or their respective Affiliates have a material financial interest that have been made in accordance with the Highland Investment Allocation Policy.

Section 5.8 Transfer of General Partnership Interest; No Withdrawal or Loans. The General Partner generally may not sell, assign, pledge, mortgage or otherwise dispose of its General Partner interest in the Partnership; provided, however, that the General Partner may transfer its General Partner interest in the Partnership (or consent to the transfer of an interest in the General Partner) in a derivative transaction if the transferor maintains the economic attributes of the interest and voting control of the interest. The General Partner will not borrow or withdraw any amount from the Partnership or voluntarily withdraw from the Partnership.

Section 5.9 Removal of the General Partner. By consent of Two-Thirds in Interest of the Limited Partners, the General Partner may be removed in the event of (a) the General Partner's or any member of the Keyman Group's conviction of (or plea of nolo contendere (that is, neither admitting nor denying the charges) to), a material violation of U.S. federal or U.S. state securities law or a U.S. felony criminal violation, (b) the General Partner's adjudication in a final judgment by a court of competent jurisdiction as having committed in respect of the Partnership an act or omission of a material nature involving gross negligence, bad faith, willful misconduct or fraud, or (c) the General Partner's violation of this Agreement which has a material and adverse effect on the Partnership and which remains uncured for 30 days. Notwithstanding the foregoing, if an

event described in clause (a) above has occurred and the event relates to a violation or act of a member of the Keyman Group, the Limited Partners may remove the General Partner only if such violation or act (i) relates to the Partnership or a Portfolio Company, (ii) has a material adverse effect on the Partnership, (iii) such member of the Keyman Group is not terminated as a member of the General Partner and the Manager within 45 days, and (iv) such member of the Keyman Group does not cease to own any interest in the future carried interest or voting interests in the General Partner following termination. The General Partner will provide the Limited Partners with written notice of the occurrence of any event described in clauses (a), (b) or (c) above. Concurrently with the removal of the General Partner, the Manager shall be removed as manager of the Partnership unless re-appointed by the successor general partner of the Partnership. Upon removal of the General Partner, the Limited Partners may elect to continue the Partnership and appoint a new duly authorized general partner of the Partnership and all Parallel Vehicles with the consent of all of the Limited Partners of the Partnership and each Parallel Vehicle and such election shall be deemed to have occurred as of the date of the removal of the former General Partner. In such an event, the former General Partner shall be entitled to receive distributions equal to any amounts it would have been entitled to had the Partnership been dissolved and wound up in accordance with Sections 8.3(a) and (b) and distributed in kind all Partnership assets as of the date of the election of the Limited Partners to continue the Partnership. The Partnership shall issue an unsecured non-interest bearing promissory note to the former General Partner in the face amount of the liquidating distribution determined in accordance with this Section 5.9, such note to be payable upon the final liquidation of the Partnership. All such distributions shall be subject to the obligations set forth in Section 8.3(c) and (d) of the Master Partnership Agreement; provided, however, that the General Partner's obligation, if any, to fund Commitments in respect of its obligations in Section 8.3(c) of the Master Partnership Agreement relating to such liquidating distribution shall be satisfied by a reduction to the principal amount of the unsecured non-interest bearing promissory note described in this Section 5.9 in the amount of such obligation. For purposes of determining allocation and distributions pursuant to the preceding sentence, securities and other property held by the Partnership shall be valued pursuant to the procedures set forth in Article IX.

Section 5.10 No Liability to Limited Partners.

(a) None of the General Partner, the Manager, the Principals or their Affiliates, officers, directors, members, partners, shareholders, employees or agents will be liable to any Limited Partner or to the Partnership for any action taken, or omitted to be taken, as General Partner with respect to the Partnership, or for any action taken, or omitted to be taken, by any member, partner, director, officer, employee or agent of the General Partner or Manager in connection with its activities for or on behalf of the Partnership so long as such person (i) acted in good faith, (ii) acted in a manner reasonably believed to be in the best interests of the Partnership, (iii) was neither grossly negligent nor engaged in willful malfeasance, fraud or reckless disregard of fiduciary duties, (iv) did not materially breach this Agreement, and (v) with respect to any criminal action, such person is not finally determined to be and does not admit to be guilty or enter a plea of nolo contendere (including as part of a settlement) by a court of competent jurisdiction.

(b) No member of the Advisory Committee, or any Affiliate or employer of any member of the Advisory Committee or any Limited Partner represented on the Advisory

Committee by any member (as the case may be) will be liable to any Partner or the Partnership for any action taken, or omitted to be taken, in good faith on behalf of the Advisory Committee (as the case may be) with respect to the Partnership and in accordance with the provisions of this Agreement.

(c) If any Limited Partner obtains a final judgment in a court of competent jurisdiction against the General Partner for matters relating to the Partnership, the General Partner shall pursue against its members the remedies (if any) that it has against such member relating to such claim.

Section 5.11 Indemnification of General Partner, the Manager and Advisory Committee.

(a) The Partnership will indemnify (A) the Principals, the General Partner, the Manager and each of their respective members, partners, shareholders, directors, officers, employees, agents and Affiliates against any losses, liabilities, damages or expenses (including amounts paid for attorneys' fees, judgments and settlements in connection with any threatened, pending or completed action, suit or proceeding) to which any of such persons may become subject in connection with such person's activities on behalf of the Partnership or in connection with any involvement with a Portfolio Company (including serving as an officer, director, consultant or employee of any Portfolio Company) directly or indirectly on behalf of the Partnership and (B) the members of the Advisory Committee, any Affiliate or employer of any such members and any Limited Partner represented on the Advisory Committee by any member, in connection with any involvement with the Advisory Committee, respectively, but, in the case of members of the Advisory Committee or their Affiliates and employers or any Limited Partner represented on the Advisory Committee by any member, only to the extent that such person acted in good faith and, in the case of the Principals, the General Partner, the manager and each of their respective members, partners, shareholders, directors, officers, employees, agents and Affiliates, only to the extent that such person (i) acted in good faith, (ii) acted in a manner reasonably believed to be in the best interests of the Partnership or the Portfolio Company (as the case may be), (iii) was neither grossly negligent nor engaged in willful malfeasance, fraud or reckless disregard of fiduciary duties, (iv) did not materially breach this Agreement, and (v) with respect to any criminal action, such person is not finally determined to be and does not admit to be guilty or enter a plea of nolo contendere (including as part of a settlement) by a court of competent jurisdiction. Any person described in clause (A) of this Section 5.11(a) entitled to seek indemnification hereunder shall first use reasonable efforts to seek indemnification from other available sources, if any, prior to obtaining indemnification hereunder; provided that any such person may seek and obtain indemnification hereunder if at any time such person reasonably believes that such person will not receive timely indemnification on terms reasonably acceptable to such person from such other sources; and provided, further, that such person shall continue to use reasonable efforts to seek such indemnification from such other sources and, to the extent any such indemnification is obtained, reimburse the Partnership for any such recovery. The Partnership may, in the sole judgment of the General Partner, pay the expenses of any person indemnifiable under this Section 5.11 in advance of the final disposition of any proceeding, so long as (w) with respect to any derivative action brought by any Limited Partner, the person receiving the advance is not the subject of such derivative action, (x) the proceeding is not instituted by a Majority in Interest of the Limited Partners against the General Partner or the Manager, (y) General Partner has a good faith belief such expenses are indemnifiable, and (z) the General Partner receives a written undertaking by such person for the benefit of the Partnership

to repay the full amount advanced if (A) there is a final determination that such person did not satisfy the standards set forth in clauses (i) through (v) immediately above, (B) with respect to any criminal action, such person is finally determined to be or admits to being guilty or enters a plea of nolo contendere (including as part of a settlement) by a court of competent jurisdiction, or (C) such person is not otherwise entitled to indemnification as provided herein.

Notwithstanding the foregoing, no person will be exculpated or exonerated from liability or indemnified against loss for violations of federal or state securities laws, or for any other intentional or criminal wrongdoing. No person shall be indemnifiable under this Section 5.11 in respect of losses, liabilities, damages or expenses to which any such person may become subject in connection with (x) such person's activities with any Portfolio Company if such losses arise after the Partnership's final disposition of such Portfolio Company or (y) a dispute among the General Partner, the Manager, their respective members and employees, and the Principals.

(b) No Limited Partner shall have any obligation or liability, including any obligation to make a Capital Contribution to the Partnership, in respect of an indemnity obligation arising from a Portfolio Investment with respect to which such Limited Partner is not a Participating Partner.

(c) The General Partner will use reasonable efforts to cause each Portfolio Company for which any Affiliate of the General Partner serves as an officer or director to adopt organizational documents which provide mandatory indemnification to directors, officers, and managers to the fullest extent permitted by applicable law.

Section 5.12 Formation of New Fund or Business Endeavor. (a) Subject to the other provisions of this Article V, each Partner's interest in the business endeavors of the other Partners is limited to his, her or its interest in the Partnership and no Partner's future business activities are restricted. Notwithstanding the foregoing, unless consented to by Two-Thirds in Interest of the Limited Partners or approved by a majority vote of the Advisory Committee, neither the General Partner, nor the Manager or any of their Affiliates will close and make investments, or act as general partner, managing member, advisor, employee, agent, or the primary source of transactions on behalf of another private equity investment vehicle or pooled investment vehicle (other than Crusader, a Parallel Vehicle or Separate Investment Entity) that has primary investment objectives substantially similar to those of the Partnership (a "Successor Fund") until the earlier of (i) the date on which at least 75% of the Commitments have been invested or committed for investment in Portfolio Companies or otherwise set aside for Follow-on Investments, Partnership Expenses or Management Fees, and (ii) the end of the Commitment Period; provided, however, that this Section 5.12 shall not prohibit the formation of one or more Co-investment Funds, and Co-investment Funds shall not be considered Successor Funds. If a Successor Fund is organized prior to the termination of the Commitment Period of the Partnership, as permitted under the previous sentence, the Successor Fund may only coinvest in investments made by the Partnership alongside the Partnership, on the same terms and conditions in all material respects, with amounts for investment allocated between the Partnership and the Successor Fund, subject to available capital or other investment limitations on the Partnership and the Successor Fund, as determined by the General Partner. Any Successor Fund will dispose of securities of a Portfolio Company that are of the same class as those purchased by the Partnership at the same time as the Partnership, and on the same economic and other terms.

Section 5.13 Interest as a Limited Partner. To the extent that the General Partner acquires the interest of a Defaulting Partner or any other Limited Partner, the General Partner will (subject to Section 2.5) be deemed to be a Limited Partner with respect to such interest for all purposes of this Agreement.

Section 5.14 Parallel Vehicles. The General Partner has organized the Main Fund as a Parallel Vehicle, and may organize additional Parallel Vehicles (or series of related Parallel Vehicles), for purposes of facilitating investments in Portfolio Companies by non-U.S. investors and certain accredited investors that are not qualified purchasers (as defined in the Investment Company Act) in the Fund Group. If any Parallel Vehicles are organized, then the Partnership and each Parallel Vehicle (a) will invest in each Portfolio Company in direct proportion to their respective available capital commitments so that the Partnership will invest in each Portfolio Company an amount equal to the total investment by the Partnership and any Parallel Vehicle multiplied by a fraction, the numerator of which is the aggregate Commitments, and the denominator of which is the sum of the aggregate Commitments plus the aggregate capital commitments by investors in the Parallel Vehicles, provided that such proportion may be modified by the General Partner with the prior approval of the Advisory Committee or a Majority in Interest of the Limited Partners in order to reflect the available commitments and any tax, regulatory or other legal aspects of any Parallel Vehicle and its investors and (b) invest in and dispose of Portfolio Company at the same time and on effectively the same economic terms and conditions. Any item of income, fees, reimbursement or expense that relates to a Portfolio Company in which the Partnership and one or more Parallel Vehicles are investors or to a potential investment that is considered on behalf of the Partnership and any Parallel Vehicles by the General Partner, the Manager or the general partners or managers of any Parallel Vehicles shall, to the extent that any such item is not directly attributable to the Partnership or a Parallel Vehicle, be pro rated among the Partnership and the Parallel Vehicles based on their respective investments in such Portfolio Company or the portions of such potential investment that would have been made available to the Partnership in accordance with the preceding sentence, as applicable. Organizational Expenses shall be borne by the Partnership and each Parallel Vehicle in proportion to their respective aggregate capital commitments, except the Partnership and each Parallel Vehicle shall separately bear the Organizational Expenses that are directly attributed to each such entity. Each Parallel Vehicle shall reimburse the Partnership for such Parallel Vehicle's share of Organizational Expenses that were paid by the Partnership. Investments in Parallel Vehicles by investors shall be on substantially the same terms and conditions as investments in the Partnership by Limited Partners. For the avoidance of doubt, all references to Portfolio Investments shall include investments made by the Partnership, all Parallel Vehicles and all Separate Investment Entities. To the extent that this Agreement provides that the Limited Partners shall vote together with the investors of any Parallel Vehicle, the General Partner agrees (i) that the relevant documentation of any such Parallel Vehicle shall contain comparable voting provisions to the extent applicable, (ii) that any combined vote of the Limited Partners and the investors in any Parallel Vehicle on any such matter for the purposes of this Agreement shall constitute a combined vote on the matter for the purposes of the Parallel Vehicles, and (iii) each such matter shall, if approved by such vote, be equally applicable to the Partnership and all Parallel Vehicles.

Section 5.15 Separate Investment Entities. If the General Partner determines for legal, tax, regulatory or other reasons, in its sole discretion that it is in the best interests of the Partners

to invest in one or more Portfolio Companies through an entity other than the Partnership, such investment or investments shall not be made by the Partnership but shall instead be made, either in lieu of or in conjunction with, the Partnership, by one or more limited partnerships, limited liability companies, corporations or similar entities (each a “Separate Investment Entity”) owned in the aggregate by all of the Partners and managed by the General Partner or an Affiliate thereof controlled by the Principals. Each Separate Investment Entity shall receive an opinion of counsel for the benefit of the Limited Partners (x) regarding its classification for United States Federal income tax purposes and the limited liability of the Separate Investment Entity and (y) to the effect that no Limited Partner shall be personally liable for any debts or losses of the Separate Investment Entity in such jurisdiction in excess of such Limited Partner’s Unfunded Commitment. The Partnership and each Separate Investment Entity will invest in and dispose of Portfolio Investments at the same time and on effectively the same economic terms and conditions. To the extent that Benefit Plan Investors participate in a Separate Investment Entity, such Separate Investment Entity shall be (i) structured so that it will not be deemed to hold Plan Assets and shall provide the same ERISA protections to those Benefit Plan Investors that are provided under this Agreement, and (ii) established on substantially the same terms and conditions in all material respects as Partners are required to make Capital Contributions to the Partnership, and such capital contributions shall be deemed to reduce the Unfunded Commitment of each Partner to the same extent that it would be reduced if made to the Partnership. The provisions and economic terms of each such Separate Investment Entity shall be substantially the same in all material respects as those of the Partnership, except to the extent such terms are required to differ from the economic and other material arrangements reflected in the terms of this Agreement in order to accomplish the purposes of such Separate Investment Entity (including, for example, different economic treatment of different Partners resulting solely from the consequences of a structure created to minimize the amount of UBTI recognized by a Tax Exempt Partner). The gains and losses of any such Separate Investment Entity shall be treated as having been realized by the Partnership for all economic calculations under this Agreement, and there will be no duplication of the management fees. The Partners having interests in the Separate Investment Entity (including the General Partner and its Affiliates with respect to their Commitments as Partners) shall contribute to each Separate Investment Entity the amounts required to fund such Separate Investment Entity, with each such Partner contributing its pro rata portion of such amounts (based on the relative Unfunded Commitments of the Partners as of the date of such contributions) up to such Partner’s remaining Unfunded Commitment and such amounts will reduce such Partner’s Unfunded Commitment. Each Limited Partner hereby agrees and consents to the formation of each Separate Investment Entity and hereby covenants and agrees that it will execute and deliver any agreements, documents and certificates as reasonably necessary for, or incidental to, the formation and continuation of each such Separate Investment Entity and its participation as a limited partner, member or participant in each such Separate Investment Entity established in accordance with this Section 5.15.

Section 5.16 Media Company Investments.

(a) In the event and for so long as, and only during periods from time to time in which, the Partnership shall directly or indirectly hold (or otherwise have attributed to it) an ownership or other interest in a Media Company that is “attributed” to the Partnership under the rules and regulations of the FCC relating to the particular FCC service in which the Media Company operates, no Limited Partner (an “Insulated Partner”), or any person that is a director,

officer, equivalent non-corporate official, partner, member or 5% or greater shareholder or other direct or indirect owner of an Insulated Partner such that the ownership interests of the Insulated Partner, are “attributed” to such owner, director, officer, equivalent non-corporate officer, partner or member (an “Insulated Partner Affiliate”), to the extent reasonably determined by the General Partner (with the advice of GP’s Counsel) to be necessary to have such ownership or interest not be attributable to the Limited Partners for purposes of the FCC Attribution Rules and the Ownership Rules, shall do any of the following:

- (i) act as an employee of the Partnership or any Media Company if such Insulated Partner’s or Insulated Partner Affiliate’s functions, directly or indirectly, relate to the media or common carrier enterprises of the Partnership or any Media Company;
- (ii) serve, in any material capacity, as an independent contractor or agent of the Partnership or any Media Company with respect to the media or common carrier enterprises of the Partnership or any such Media Company;
- (iii) communicate with the General Partner or any Portfolio Company on matters pertaining to the day-to-day operations of any Media Company;
- (iv) to the extent Partners have the power under this Agreement to admit additional General Partners, vote to admit any additional General Partner to the Partnership unless such addition is subject to the veto of the General Partner;
- (v) to the extent Partners have the power under this Agreement, except as permitted under Sections 5.9 and 8.2, vote on the removal of the General Partner;
- (vi) perform any services for the Partnership or any Media Company materially relating to the media or common carrier enterprises of the Partnership or such Media Company, with the exception of making loans to, or acting as a surety for, such Media Company or the Partnership to the extent consistent with the “equity or debt plus” component of the FCC Attribution Rules; or
- (vii) become actively involved in the management or operation of any Media Company.
- (viii) serve as a member or otherwise participate in the activities of the Advisory Committee if, in the determination of the Insulated Partner, such membership or participation would cause the Insulated Partner to lose its insulated status under the Attribution Rules.

(b) An Insulated Partner may, upon five Business Days’ prior written notice to the General Partner, relinquish its status as an Insulated Partner, in which case the provisions of this Section 5.16 shall no longer apply to such Limited Partner; provided, that such relinquishment shall not be effective until the General Partner has received an opinion of special counsel to the Partnership on FCC matters stating that such relinquishment will not (1) cause the Partnership or any of its Affiliates to violate any law, regulation, rule or policy applicable to matters currently subject to FCC jurisdiction or (2) in any way limit or restrict the activities of the Partnership or any of its Affiliates. To the extent that issuance of such an opinion requires the filing of any notices with the FCC or the issuance of any approvals by the FCC, the General Partner and the

Insulated Partner seeking to relinquish its insulated status shall reasonably cooperate in making any such filing or obtaining any such approval, and the General Partner shall seek the opinion of special counsel to the Partnership on FCC matters with respect to the making of any such filing or the obtaining of any such approval.

(c) Nothing in this Section 5.16 shall be interpreted to restrict the activities of (A) the Limited Partners or (B) the beneficial interest holders of any Limited Partner during the period that it is an Insulated Partner so long as such Limited Partner's partnership or other governing agreement contains language reasonably designed to insulate such Limited Partner's unaffiliated limited partners or beneficial interest holders, as the case may be, from having the Partnership's interest in any Media Company being attributed under the FCC attribution rules to such beneficial owners, as necessary pursuant to the FCC attribution rules.

(d) Upon written request by an Insulated Partner, the General Partner shall, prior to the Partnership consummating an investment in a Media Company, cause the legal counsel to the Partnership to deliver an opinion reasonably acceptable to such Insulated Partner to the effect that such investment shall not be "attributed" to the Insulated Partner under the rules and regulations of the FCC relating to the particular FCC service in which such Media Company operates.

Section 5.17 Co-investment Funds.

(a) Where possible and appropriate, the General Partner may, in its discretion, provide co-investment opportunities to invest in a Portfolio Company (each a "Co-Investment Opportunity") to one or more Limited Partners, strategic investors, lenders, or members, investors, Affiliates or employees of the General Partner and Manager or, other accounts managed by Highland (each a "Co-Investor"). Notwithstanding the foregoing, investment opportunities allocated to Affiliates of the Manager or the General Partner or client accounts managed by the Manager, in accordance with the Highland Investment Allocation Policy, shall not be deemed Co-Investment Opportunities. The General Partner, the Manager, and their respective Affiliates will not receive any carried interest in any Co-Investment Opportunity provided to Limited Partners or receive management fees from Limited Partners in respect of Co-Investment Opportunities provided to Limited Partners. The General Partner intends to not provide Co-Investment Opportunities to Benefit Plan Investors to the extent necessary to prevent such Co-Investment Opportunity from being deemed to be Plan Assets of the related Benefit Plan Investor.

(b) The General Partner may, as a condition to any Co-Investment Opportunity, (i) require any or all Co-Investors to execute a confidentiality agreement relating to such Co-Investment Opportunity in form and substance acceptable to the General Partner, and (ii) require Co-Investors electing to participate in a Co-Investment Opportunity to coinvest through a Co-Investment Fund, which may have investors other than Limited Partners.

(c) Each Limited Partner shall treat the information provided to it pursuant to this Section 5.17 as confidential, shall use such information solely for the purpose of considering the offer made pursuant to this Section, shall, upon the request of the General Partner, promptly return to the General Partner any written information provided it pursuant to this Section, and

shall not disclose the identity of the securities or issuer to any person other than (i) its employees, counsel or advisors, solely on a need to know and confidential basis, (ii) any governmental authority or regulatory authority which regulates such Limited Partner's ability to engage in any of its businesses under U.S. or foreign law to the extent such information is required by such governmental authority or regulatory authority, as the case may be, and (iii) to the extent such Limited Partner is required by law or regulation to disclose such information.

(d) If Co-Investment Funds or Co-Investors purchase securities of a Portfolio Company that are of the same class as securities of a Portfolio Company purchased by the Partnership, the Co-Investment Funds or Co-Investors shall purchase such securities on terms that are no less advantageous than the terms on which the Partnership purchases such securities. Each Co-Investment Fund and Co-Investor will dispose of securities of a Portfolio Company that are of the same class as securities of a Portfolio Company purchased by the Partnership at the same time and on substantially the same terms (including price) as the Partnership.

Section 5.18 Bridge Leveraging. (a) The Partnership is authorized to enter into one or more credit facilities (each, a "Bridge Leveraging/Credit Support Facility") in order to (i) borrow money for the purpose of (A) Bridge Leveraging, and (B) paying Partnership Expenses; and/or (ii) provide Credit Support for the obligations of Portfolio Companies or their subsidiaries as described in Section 5.4(c); provided, however, that in no event shall the aggregate amount of Bridge Leveraging outstanding at any time under any Bridge Leveraging/Credit Support Facility exceed the aggregate amount of Unfunded Commitments as of such date and provided, further, that in no event shall the maturity date of an individual borrowing under any Bridge Leveraging/Credit Support Facility be later than the 45th day following the incurrence of such debt under a Bridge Leveraging/Credit Support Facility. A Bridge Leveraging/Credit Support Facility may be secured by (x) a pledge by the Partnership of all or a portion of the aggregate Unfunded Commitments of the Partners, and (y) a pledge and assignment by the General Partner of the rights of the General Partner contained herein, including, without limitation, the right to deliver Capital Call Notices and enforce all remedies against Partners that fail to fund their respective Unfunded Commitments pursuant thereto and in accordance with the terms hereof. The Partnership and any Parallel Vehicles may be co-borrowers under any Bridge Leveraging/Credit Support Facility, in which event the Partnership and the Parallel Vehicles may be jointly and severally liable for all obligations under such Bridge Leveraging/Credit Support Facility. In the event such a Bridge Leveraging/Credit Support Facility is so secured by Commitments, and to the extent funds are advanced against the Commitment of a particular Partner or partner of a Parallel Vehicle because such Person is late in funding or defaults on a Capital Call Notice delivered hereunder or by the Parallel Vehicle, each Limited Partner understands, acknowledges and agrees that (i) it may be required to make a Capital Contribution in respect of its pro rata share of such late or defaulted contribution amount, provided, however, that in no event shall any Partner be required to make Capital Contributions in excess of its Unfunded Commitment, and (ii) as a result of such default or late payment, the allocation between the Partnership and each Parallel Vehicle of a Portfolio Investment (together with any item of income, fees, reimbursement or expense that relates to such Portfolio Investment) with respect to which there has occurred a shortfall in contributions made by the Partners or the partners in a Parallel Vehicle shall be made by the General Partner based on the total amount of Capital Contributions of the Partners and the partners in each Parallel Vehicle actually funded to acquire such Portfolio Investment. In addition to the rights and remedies of the General Partner

in respect of a Defaulting Partner pursuant to Section 6.11, any Partner that is late in funding or defaults on a Capital Call Notice shall be responsible for any interest or other expenses incurred in connection with such advance. Any such expenses shall be withheld from distributions otherwise to be made to such Defaulting Partner, and, to the extent such expenses exceed such distributions, such Defaulting Partner shall pay the amount of such excess to the Partnership in the manner and at the time or times required by the General Partner. Any such excess shall not be credited to such Defaulting Partner's Capital Account. For purposes of this Agreement, any amount withheld from a Defaulting Partner and paid to a lender shall be paid to the lender on behalf of such Defaulting Partner and shall be treated as if distributed to such Defaulting Partner.

(b) Each Limited Partner understands, acknowledges and agrees, in connection with any such Bridge Leveraging/Credit Support Facility and for the benefit of any lender thereunder, as follows: (i) that the General Partner may from time to time request a certificate confirming (x) the remaining amount of such Limited Partner's Unfunded Commitment or (y) that the Limited Partner has not and will not pledge, collaterally assign, encumber or otherwise grant a security interest in its limited partnership interest in the Partnership, and (ii) that the General Partner may from time to time request such other information as may be reasonably required by the lender(s) under the terms of the Bridge Leveraging/Credit Support Facility. Each Limited Partner agrees to comply with such requests to the extent they are reasonable.

(c) To induce any such lender to enter into a Bridge Leveraging/Credit Support Facility with the Partnership, each Limited Partner hereby: (i) acknowledges that the Partnership has informed such Limited Partner that the Partnership may pledge to a lender the right to call all Unfunded Commitments to secure all obligations made under the Bridge Leveraging/Credit Support Facility (collectively, the "Obligations"), the terms of which are in accordance with this Agreement, and, in connection therewith, grant to such lender the right to issue Capital Call Notices pursuant to the terms of this Agreement when an event of default under such Bridge Leveraging/Credit Support Facility exists, including an event of default resulting from the failure of a partner of a Parallel Vehicle to fund any capital contributions when required, which each Limited Partner shall fund, in accordance with the terms hereof and its rights and obligations hereunder; and (ii) acknowledges that the Partnership has informed such Limited Partner that for so long as the Bridge Leveraging/Credit Support Facility is in place, the General Partner and the Partnership may agree with the lender not to amend, modify, supplement, cancel, terminate, reduce (other than with respect to Funded Commitments) or suspend any of such Limited Partner's obligations to fund its Unfunded Commitment pursuant hereto, subject to excuse provisions set forth herein, without the lender's prior written consent.

ARTICLE VI

LIMITED PARTNERS

Section 6.1 Limited Liability. The Limited Partners will not be personally liable for any obligations of the Partnership and will have no obligation (including with respect to a deficit balance in their Capital Account) to make contributions to the Partnership in excess of their respective Commitments specified in Schedule 1 attached hereto in accordance with this

Agreement, except to the extent set forth in Section 6.7 or the ELP Law. The Limited Partners will take no part in the conduct of the business, to include, without limitation, the control, direction or operation of the affairs of the Partnership and will have no power to bind the Partnership.

Section 6.2 Transfer of Limited Partnership Interests.

(a) A Limited Partner may not sell, assign, transfer, pledge, mortgage or otherwise dispose of all or any of its interest in the Partnership unless the General Partner has consented to such transfer or assignment in writing; provided, that with regard to an assignment by a Limited Partner to an Affiliate of such Limited Partner, such consent shall not be unreasonably withheld. Any transfer shall be effected in accordance with the provisions of this Agreement, by execution of an assignment in writing and by entry of the name of the new limited partner in the register of limited partners.

(b) A Limited Partner which is a trust under an employee benefit plan may, upon prior written notice to the General Partner, assign a beneficial interest in all or a portion of its interest in the Partnership to any other trust under such employee benefit plan or to any other employee benefit plan having the same sponsor (provided that income and loss allocable to the Limited Partner of the Partnership will continue to be included in the same filings under the same employer identification number with the U.S. Internal Revenue Service). Such assignment to another trust under such employee benefit plan or to any other employee benefit plan having the same sponsor will not be deemed to be an assignment or transfer of a limited partnership interest pursuant to this Agreement (and therefore will not require the General Partner's consent pursuant to Section 6.2(a)). In addition, a change in any trustee or fiduciary of a Limited Partner will not be deemed to be an assignment or transfer of a limited partnership interest pursuant to this Agreement (and therefore not require the General Partner's consent pursuant to Section 6.2(e)), so long as any such replacement trustee or fiduciary is also a fiduciary as defined under applicable law, that income and loss allocable to the Limited Partner of the Partnership will continue to be included in the same filings under the same employer identification number with the Internal Revenue Service, and the General Partner receives prior written notice of such change in trustee or fiduciary. In connection with any assignment of interest or change in trustee or fiduciary under this Section 6.2(b), the Limited Partner shall provide such documentation as the General Partner shall reasonably request.

(c) The voting rights of any Limited Partner's interest shall automatically terminate upon any transfer of such interest to a trust, heir, beneficiary, executor, personal representative, guardian or conservator or upon any other transfer if the transferor no longer retains control over such voting rights and the General Partner has not consented pursuant to Section 6.2(e) to such transferee becoming a substitute Limited Partner. No consent of any other Limited Partner will be required as a condition precedent to any such transfer or substitution.

(d) As a condition to any transfer of a Limited Partner's interest pursuant to Section 6.2(a), the transferor and the transferee shall provide such legal opinions and documentation as the General Partner shall reasonably request; provided that if the transfer is to be made from a Limited Partner to a co-trustee or trustee as contemplated above or to an Affiliate pursuant to Section 6.2(a), an officer's certificate in form reasonably satisfactory to the

General Partner may be delivered by the Limited Partner in lieu of such legal opinions and other documentation.

(e) Notwithstanding anything to the contrary contained in this Section 6.2 or 6.11, a transferee or assignee will not become a substitute Limited Partner (i.e., a transfer other than as described in Section 6.2(b)) without the consent of the General Partner, which consent may be granted or withheld in its sole and absolute discretion (except for a disposition by a Limited Partner to an Affiliate permitted by Section 6.2(a), for which such consent shall not be unreasonably withheld), and without executing (i) a copy of this Agreement or amendment hereto, and (ii) a Subscription Agreement in form and substance satisfactory to the General Partner in its sole discretion. Any substitute Limited Partner admitted to the Partnership with the consent of the General Partner will succeed to all rights and be subject to all the obligations of the transferring or assigning Limited Partner with respect to the interest to which such Limited Partner was substituted, but any transferee or assignee that does not become a substitute Limited Partner shall have the right to receive allocations pursuant to Section 2.3 and distributions pursuant to Article III and Article VIII, but shall have no other rights under this Agreement.

(f) The transferor and transferee of any Limited Partner's interest shall be jointly and severally obligated to reimburse the General Partner and the Partnership for all reasonable expenses (including attorneys' fees and expenses) of any transfer or proposed transfer of a Limited Partner's interest, whether or not consummated.

(g) The transferee of any Limited Partner's interest shall be treated as having made all of the Capital Contributions made by, and received all of the distributions received by, the transferor of such interest.

(h) Anything in this Agreement to the contrary notwithstanding, no admission (or purported admission) of a Partner, and no transfer (or purported transfer) of all or any part of a Partner's interest in the Partnership (or any economic interest therein) whether to another Partner or to a person who is not a Partner, shall be effective, and any such admission or transfer (or purported admission or transfer) shall be void ab initio, and no person shall otherwise become a Partner if after such admission or transfer (or purported admission or transfer) the Partnership would be subject to the registration or reporting requirements of the Investment Company Act or in the General Partner's good faith determination, such transfer would cause the assets of the Partnership to be deemed Plan Assets. Each transferee that is or will be a Benefit Plan Investor as of the transfer effective date shall so notify the General Partner in writing prior to the transfer effective date. Any transferee that has not so indicated in writing its status as a Benefit Plan Investor hereby represents, warrants and covenants that it is not, it is not acting on behalf of and, so long as it holds an interest in the Partnership, it will not be and will not be acting on behalf of a Benefit Plan Investor.

Section 6.3 No Withdrawal. Subject to the provisions of Sections 6.2, 6.6 and 6.11, no Limited Partner may withdraw as a Partner of the Partnership, nor may a Limited Partner be required to withdraw, nor may a Limited Partner borrow or withdraw any portion of its Capital Account from the Partnership.

Section 6.4 No Termination. The substitution, death, insanity, dissolution (whether voluntary or involuntary) or bankruptcy of a Limited Partner will not affect the existence of the Partnership, and the Partnership will continue for the term of this Agreement until its existence is terminated as provided herein.

Section 6.5 Subsequent Limited Partners.

(a) The General Partner may accept additional Limited Partners ("Additional Limited Partners") subsequent to the First Closing of the Partnership up to and including the date fourteen months after the First Closing. Any Additional Limited Partners will be treated as having been a party to this Agreement and have made its Commitment as of the date hereof for all purposes, and such Additional Limited Partners will be required to bear a portion of the Management Fee, Organizational Expenses and Partnership Expenses equivalent to that which would have been borne by such Additional Limited Partner had such Limited Partner been a Limited Partner from the date of the First Closing.

(b) Such Additional Limited Partners shall contribute to the Partnership, on the date of their admission to the Partnership, an amount of their Commitments equal to their portion (based on the Commitments of all Partners) determined pursuant to this Section 6.5(b). The initial drawdown for each Limited Partner will include such Limited Partner's proportionate share of (i) Management Fees retroactive to the First Closing; (ii) Placement Fees, if any, retroactive to the First Closing, (iii) Organizational Expenses (to the extent provided in Section 4.2) and Partnership Expenses attributable to the Partnership; and (iv) Capital Contributions made at or prior to such drawdown to fund any Portfolio Investment, other than Capital Contributions that have been returned prior to such drawdown to the Partners who made such Capital Contributions. In addition, Additional Limited Partners will be required to pay to the Partnership, with respect to the period from the date of the applicable Capital Contributions made by the Partners who were admitted pursuant to the First Closing to the date of their admission to the Partnership: (A) interest at the rate of 10% on their proportionate share of Management Fees retroactive to the First Closing; (B) interest at the rate of 10% on their proportionate share of Organizational Expenses (to the extent provided in Section 4.2), Placement Fees and Partnership Expenses attributable to the Partnership; and (C) interest at the rate of 10% on their proportionate share of the Capital Contributions made prior to such drawdown (other than Capital Contributions that have been returned prior to such drawdown to the Partners who make such Capital Contributions), to fund any Portfolio Investment; provided, however, that interest payable pursuant to sub-clauses (B) and (C) above shall be reduced, but not below zero, by each Additional Limited Partner's pro rata portion (based on Commitments of all Partners) of all distributions made prior to the date of such drawdown to all Partners pursuant to Sections 3.3(a)(i), 3.3(a)(ii)(B) and 3.3(a)(iii)(A) of the Master Partnership Agreement, to the extent such distributions exceed the aggregate amount of Capital Contributions to make Portfolio Investments that have been Disposed of prior to the date of such drawdown. Any amounts paid to the Partnership under clause (i) and subclause (A) above will be paid to the Manager (and to the extent the General Partner has waived all or part of such Management Fees, such Waived Fee Amount shall not be paid to the Manager or the General Partner but will instead increase the Unapplied Waived Fee Amounts). Any amounts paid to the Partnership under clause (ii) above shall be paid to the applicable placement agency if applicable to such Limited Partner. Any amounts paid to the Partnership under clauses (iii) and (iv) above, and subclauses (B) and (C)

above shall be distributed to the Partners that participated in the earlier Capital Contributions based upon their relative shares of each earlier Capital Contribution, and any such returned Capital Contributions (but not amounts referred to in subclauses (B) and (C) above) may be recalled by the General Partner pursuant to Section 2.2(a) above as if such returned Capital Contributions had not previously been called; provided, that if the General Partner determines in good faith that there will be a Capital Call within 30 days after the contribution of such amounts to the Partnership, the General Partner may, in its discretion, retain such amounts and reduce the Capital Call with respect to such other Partners (in which event the Funded Commitments of such other Partners shall be increased by their pro rata share of that portion of such amounts referred to in subclauses (B) and (C) above). For purposes of this Section 6.5, a Limited Partner that increases its Commitment shall be treated as an Additional Limited Partner with respect to the amount by which its Commitment increased.

(c) Each Additional Limited Partner admitted to the Partnership pursuant to this Section 6.5 shall be treated as purchasing a pro rata share of the interests in the Partnership of the Partners to whom amounts are distributed pursuant to this Section 6.5 ("Existing Partners"), and a portion of the Capital Account of each Existing Partner shall be allocated to such Additional Limited Partner so that after such allocation the Capital Accounts and Capital Contributions of such Additional Limited Partner and Existing Partners attributable to each Portfolio Investment and to the payment of Organizational Expenses, Management Fees, Placement Fees and Partnership Expenses are as equal as practicable to what their Capital Accounts and Capital Contributions attributable to each Portfolio Investment and to the payment of Organizational Expenses, Management Fees, Placement Fees and Partnership Expenses would have been if such Additional Limited Partner had been admitted to the Partnership at the First Closing.

Section 6.6 Regulatory Matters.

(a) Each Limited Partner acknowledges that the assets of the Partnership are not intended to constitute plan assets of such Limited Partner for purposes of any applicable non-U.S., state or local law governing the investment and management of the assets of that Limited Partner, and that, as a result, none of the Partnership, the General Partner, the Manager or any of their Affiliates intend to be acting as a fiduciary within the meaning of any applicable non-U.S., state or local law relating to governmental plans or foreign plans with respect to such Limited Partner or the Partnership assets; provided, however, that this provision is not intended to negate the fiduciary duties imposed upon a general partner under the ELP Law.

(b) In the event that the General Partner determines in good faith that (i) the investment in the Partnership by a Limited Partner which is a governmental plan, foreign plan or other regulated entity (each, a "Regulated Investor") is reasonably likely to result in (A) any violation of any provision of law applicable to such Regulated Investor, (B) the treatment of the assets of the Partnership as assets of such Regulated Investor or (C) the treatment of the Partnership, the General Partner or the Manager as a fiduciary under such provisions of law applicable to such Regulated Investor and (ii) if, in the reasonable judgment of the General Partner, any of the foregoing conditions result in or are reasonably likely to result in any material adverse consequences to the Partnership or the General Partner (both of (i) and (ii), a "Regulatory Issue"), then the General Partner shall use its reasonable best efforts to work with the Regulated Investor to cure the Regulatory Issue. The General Partner, in its sole discretion,

may require that such Regulated Investor provide (at such Regulated Investor's expense) an opinion of counsel, reasonably acceptable to the General Partner in form and substance, that no Regulatory Issue exists or, in the event such an opinion is not delivered within a reasonable time after being requested, may cause the Partnership to redeem such Regulated Investor's interest in the Partnership, in whole or in part.

(c) Effective upon the date specified by the General Partner in the notice sent to a Limited Partner, notifying such Limited Partner of the General Partner's determination to completely or partially redeem such Limited Partner's interest in the Partnership pursuant to Section 5.6(e) or Section 6.6(b) (the "Redemption Effective Date"), such Limited Partner (the "Redeemed Limited Partner") shall cease to be a Partner of the Partnership for purposes of the withdrawn portion of its interest only and, in addition to its right to receive payment for its withdrawn interest in the Partnership as provided in Section 6.6(d), shall continue to be entitled, with respect to its remaining interest only, if any, to the rights of a Partner under this Agreement (including, without limitation, the right to have any allocations made to its Capital Account (as such may be adjusted) pursuant to Article II, the right to receive distributions pursuant to Article III and upon dissolution of the Partnership pursuant to Article VIII and the right to vote on matters as provided in this Agreement).

(d) The Redemption Value shall be paid by the Partnership to such Redeemed Limited Partner in cash by paying to such Limited Partner a "pro rata portion" of each distribution payable to the Redeemed Limited Partners until the Redemption Value has been fully paid; provided, that the General Partner shall be under no obligation to sell, finance or refinance any Partnership property or assets or to take any other action to effect such redemption which, in the judgment of the General Partner, may affect adversely the Partnership (taking into account the liquidity needs of the Partnership) or any Partner. For purposes of the preceding sentence, a Redeemed Limited Partner's "pro rata portion" of a distribution shall be an amount equal to the amount such Redeemed Limited Partner would have received in respect of the redeemed interest had such interest not been redeemed.

Section 6.7 Indemnification and Reimbursement for Payments on Behalf of a Partner/Partner Clawback.

(a) If the Partnership is obligated to pay any amount to a governmental agency or to any other person (or otherwise makes a payment) in respect of any tax because of a Partner's status or otherwise specifically attributable to a Partner (including, without limitation, federal withholding taxes with respect to foreign partners, state personal property taxes, state unincorporated business taxes, etc.), then such Partner (the "Indemnifying Partner") shall indemnify the Partnership in full for the entire amount paid (including, without limitation, any interest, and any penalties and expenses associated with such payment to the extent such penalties and expenses are attributable to such Partner's actions or failure to act). At the option of the General Partner, the amount to be indemnified may be charged against the Capital Account of the Indemnifying Partner, and, at the option of the General Partner, either:

(i) promptly upon notification of an obligation to indemnify the Partnership, the Indemnifying Partner shall make a cash payment to the Partnership equal to the full amount

to be indemnified (and the amount paid shall be added to the Indemnifying Partner's Capital Account but shall not be deemed a Capital Contribution hereunder), or

(ii) the Partnership shall reduce subsequent distributions which would otherwise be made to the Indemnifying Partner until the Partnership has recovered the amount to be indemnified (provided, that the amount of such reduction shall be deemed to have been distributed for all purposes of this Agreement, but such deemed distribution shall not further reduce the Indemnifying Partner's Capital Account). If the General Partner reasonably expects that subsequent distributions to such Partner will be sufficient to satisfy such Partner's obligation to pay such amount, the General Partner shall not seek a payment pursuant to clause (i) above, until the General Partner reasonably believes such distributions will not be sufficient.

(b) A Partner's obligation to make contributions to the Partnership under this Section 6.7 shall, subject to the limitations set forth in Section 6.7(c), survive the termination, dissolution, liquidation and winding up of the Partnership until the third (3rd) anniversary of the date of the final distribution made in connection with the complete liquidation of the assets of the Partnership and, for purposes of this Section 6.7, the Partnership shall be treated as continuing in existence. The General Partner may pursue and enforce all rights and remedies the Partnership may have against each Partner under this Section 6.7, including instituting a lawsuit to collect such contribution with interest equal to the prime or base rate then in effect (as announced by Citibank, N.A., New York, New York) plus six percentage points per annum (but not in excess of the highest rate per annum permitted by law).

(c) At any time and from time to time prior to the third (3rd) anniversary of the date of receipt thereof, the General Partner may require each Partner to return distributions (including distributions made in connection with the complete liquidation of the assets of the Partnership) to the Partnership in an amount sufficient to satisfy all or any portion of (i) such Partner's indemnification obligations pursuant to Section 6.7(a), or (ii) any liability which the Partnership would be required by this Agreement or otherwise to pay if it had adequate funds, including but not limited to (A) the expenses of investigating, defending or handling any pending or threatened litigation or claim arising out of the Partnership's activities, investments or business, (B) the amount of any judgment or settlement arising out of such litigation or claim, and (C) the Partnership's obligation to indemnify any Partner or other Person pursuant to Section 5.11 (a "Liability"), whether such obligations arise before or after the last day of the Partnership or, with respect to any Partner, before or after such Partner's withdrawal from the Partnership; provided, that (x) each Partner will return distributions in respect of its share of any such indemnification payment in proportion to the aggregate amount of distributions received by such Partner that have not previously been returned to the Partnership by such Partner pursuant to this Section 6.7(c); and (y) Partner's maximum liability under this Section 6.7 is limited to an amount equal to the lesser of (1) 33^{1/3}% of such Partner's Commitment, and (2) 50% of the aggregate amount of distributions received by such Partner as of such date. Any distributions returned pursuant to this Section 6.7(c) shall not be treated as Capital Contributions, but shall be treated as returns of distributions in making subsequent distributions pursuant to Section 3.3 and in determining the amount that the General Partner is required to contribute to the Partnership pursuant to Section 8.3(c) of the Master Partnership Agreement. Nothing in this Section 6.7(c), express or implied, is intended or shall be construed to give any person other than the Partnership or the Partners any legal or equitable right, remedy or claim under or in respect of this Section 6.7(c) or any

provision contained herein. If a Limited Partner returns an amount to the Partnership under Section 6.7(c)(ii) after the final distribution of the assets of the Partnership, the amount the General Partner is required to contribute to the Partnership with respect to such Limited Partner pursuant to Section 8.3(c) of the Master Partnership Agreement shall be re-determined, taking into account the return of such amount to the Partnership. The provisions of Section 8.3(c) of the Master Partnership Agreement shall apply, and the payments required thereby shall be made, in the same manner as if the return of such amount to the Partnership had occurred prior to the final distribution of the assets of the Partnership.

Section 6.8 Section 754 Election. Upon the written request of a Majority in Interest of the Limited Partners, that an election provided for in Section 754 of the Code be made, the General Partner shall, if then permitted by applicable law, make such election.

Section 6.9 BHCA Partners.

(a) Any Limited Partner may, upon notice to the General Partner, elect to hold all or any fraction of such Limited Partner's interest in the Partnership as a Non-Voting Interest, in which case such Limited Partner shall not be entitled to vote or otherwise participate in any consent of the Limited Partners with respect to the portion of its interest which is held as a Non-Voting Interest (and such Non-Voting Interest shall not be counted in determining the giving or withholding of any such consent or whether the requisite percentage of the Limited Partners or Partners, as the case may be, have consented to, approved, adopted or taken any other action hereunder). Except as provided in this Section 6.9, an interest held as a Non-Voting Interest shall be identical in all regards to all other interests held by Limited Partners. Any such election shall be irrevocable and shall bind the assignees of such Limited Partner's interest.

(b) Any interest in the Partnership held for its own account by a BHCA Partner, that is determined at the time of admission of such BHCA Partner, the complete or partial withdrawal of another Limited Partner or any other adjustment of the interests of the Partners pursuant to this Agreement to be in excess of 4.99% (or such other amount as may be permitted by applicable regulation to be held by a BHCA Partner as voting securities, but not including Section 4(k) of the BHC Act or any successor provision thereto) of the interests of the Limited Partners, excluding for purposes of calculating this percentage portions of any other interests that are Non-Voting Interests pursuant to this Section 6.9 and any other Section of this Agreement (collectively the "Non-Voting Partnership Interests"), shall be a Non-Voting Partnership Interest (whether or not subsequently transferred in whole or in part to any other person) and shall not be included in determining whether the requisite percentage of the Partners have consented to, approved, adopted or taken any action hereunder; provided, that such Non-Voting Partnership Interest shall be permitted to vote on any proposal to continue the business of the Partnership under Section 8.2(a) but not on the selection of a General Partner pursuant to Section 8.2(a). Each BHCA Partner hereby further irrevocably waives its corresponding right to vote for a successor general partner with respect to any Non-Voting Partnership Interest, which waiver shall be binding upon such BHCA Partner and any entity which succeeds to its interest. Upon the occurrence of a subsequent closing or any event specified in the second preceding sentence, a recalculation of the interest held by all BHC Partners shall be made, and only that portion of the total interest held by each BHC Partner that is determined as of the date of such recalculation to

be in excess of 4.99% (or such other amount) of the interests of the Limited Partners, excluding Non-Voting Partnership Interests as of such date, shall be a Non-Voting Partnership Interest.

Section 6.10 Excused Investments. In the event that (a) the Partnership makes or proposes to make a Portfolio Investment which the General Partner reasonably determines could result in a material violation by any Limited Partner (or any of its Affiliates) of any law, order, decree or judgment of any court or governmental agency applicable to such Limited Partner (or any of its Affiliates), or (b) the General Partner reasonably determines that a Limited Partner's participation in a proposed Portfolio Investment of the Partnership could have a material adverse effect on the Partnership, the entity in which such investment is to be made, such Limited Partner, or the General Partner and its Affiliates, the General Partner may, in its sole discretion, and subject to Section 5.6(a), (x) reduce or eliminate the interest of such Limited Partner with respect to such Portfolio Investment and the distributions with respect thereto (provided that any Capital Contributions made by such Limited Partner with respect to such Portfolio Investment shall be promptly returned to such Limited Partner) and correspondingly increase the interest of the other Limited Partners with respect to such Portfolio Investment and/or (y) increase the interest of such Limited Partner in future Portfolio Investments of the Partnership and such Limited Partner's interest in the distributions with respect thereto and correspondingly decrease the interests of the other Limited Partners in such Portfolio Investments. All determinations necessary to reflect the operation of this Section 6.10 and not otherwise explicitly provided for in this Section 6.10 shall be made on an equitable basis as determined by the General Partner in good faith, whose decision thereon shall be final and binding on all Limited Partners. Determinations by the General Partner pursuant to clauses (a) and (b) above may be made on its own initiative or after considering the request of any Limited Partner, including any supporting legal analysis or other documentation submitted by such Limited Partner.

Section 6.11 Limited Partner's Default on Commitment.

(a) If any Limited Partner fails to make full payment of any portion of its Commitment when due (a "Defaulting Partner") and such failure is not cured within five Business Days after receipt by such Limited Partner of written notice from the General Partner with respect to such failure to pay, the General Partner may in its discretion and subject to Section 5.6(a), undertake any one or more of the following steps:

(i) The General Partner may assist the Defaulting Partner in finding a buyer for the Defaulting Partner's Partnership interest (provided, that the General Partner will have no obligation to contact any particular Limited Partner or other person with regard to such sale).

(ii) The Partnership may pursue and enforce all rights and remedies the Partnership may have against such Defaulting Partner with respect thereto, including a lawsuit to collect the overdue portion of the Commitment and any other amounts due the Partnership or General Partner hereunder, with interest at a rate equal to the prime or base rate then in effect (as announced by Citibank, N.A., New York, New York) plus six percentage points (but not in excess of the highest rate per annum permitted by law).

(iii) The General Partner may offer the Defaulting Partner's interest to the Partners and the partners in the Parallel Vehicles (other than any Defaulting Partners) pro rata in

accordance with their Commitments and their capital commitments to Parallel Vehicles on the terms set forth below. If any Partner or partner in a Parallel Vehicle does not elect to purchase the entire interest offered to it, the remaining interest allocable to the Partners and the partners in the Parallel Vehicles will be reoffered pro rata to the Partners and the partners in Parallel Vehicles who have purchased the entire interest offered to them until either all of such interest is acquired or no Partner or partner in a Parallel Vehicle wishes to make a further investment. At the closing of such purchase (on a date and at a place designated by the General Partner), each purchasing Partner shall (A) deliver a non-interest bearing, non-recourse (except to the extent of the Partnership interest purchased and the proceeds therefrom) ten-year promissory note (in a form approved by the General Partner) payable to the Defaulting Partner in an amount equal to the portion of the Defaulting Partner's Capital Account being purchased by such Partner, (B) assume the portion of the Defaulting Partner's obligation to make both defaulted and further Capital Contributions pursuant to its Commitment which is equal to the portion of the Defaulting Partner's interest being purchased by such Partner, and (C) be entitled to have his name entered in the register of limited partners held by the Partnership. In the case of a purchase of a portion of a Defaulted Partner's Capital Account by one or more partners in a Parallel Vehicle, such Parallel Vehicle shall deliver a note in the same form as the note described above to the Partnership for the aggregate portion of the Defaulted Partner's Capital Account being purchased by the limited partners in such Parallel Vehicle, the Partnership shall make the adjustments described in Section 6.5 of the Master Partnership Agreement with respect to such purchase and the Partnership shall distribute such note to the Defaulting Partner. If a Partner purchases a portion of the interest of a defaulting partner of a Parallel Vehicle, the Partner purchasing such interest shall increase its Commitments as described above with respect to purchases of an interest of a Defaulting Partner, and shall guarantee the note delivered to the Parallel Vehicle, and the Partnership shall make such other adjustments as are required by Section 6.5 of the Master Partnership Agreement. The General Partner will handle the mechanics of making the offers set forth herein and will in its discretion impose time limits for acceptance.

(iv) If the entire Defaulting Partner's interest is not purchased in the manner set forth in (iii) above, the General Partner in its sole discretion may offer the remaining interest either (A) to a third party or parties on the same terms as originally offered to the Partners pursuant to (iii) above (in which case such third party or parties will, as a condition of purchasing such interest, become a party to this Agreement), or (B) to the Partners and the partners in Parallel Vehicles in the manner provided in (iii) above, but with no requirement to assume the Defaulting Partner's obligation to make further capital contributions pursuant to its Commitment, in which case the Defaulting Partner's Commitment shall be deemed reduced (effective on the date of the default) to the amount actually paid in and the aggregate Commitments of the Partnership shall be reduced by the amount of such Defaulting Partner's remaining contributions to be made pursuant to its Commitment.

(v) In addition to, or instead of, the other remedies and undertakings available to the General Partner pursuant to this Section 6.11(a), the General Partner may, in its sole discretion, reduce (effective on the date of the default, after giving effect to the 5-day cure period) any portion of such Defaulting Partner's Commitment (which has not been assumed by another Partner) to the amount of the Capital Contributions (which have not been purchased by another Partner) made by such Defaulting Partner (net of distributions pursuant to Section 6.5(b)) and the aggregate Commitments of the Partnership shall be commensurately reduced.

(vi) Notwithstanding anything contained herein to the contrary, from and after any date on which a Defaulting Partner's Commitment is reduced pursuant to subparagraph (v) above, (A) such Defaulting Partner will have no right to receive any distributions, except for distributions made upon the Partnership's liquidation, (B) such Defaulting Partner's Capital Account will not be credited with any Investment Income and Gain or Short-Term Investment Income which shall instead be allocated to the Partners (other than any Defaulting Partners) in accordance with Section 2.3(b) and (c), as appropriate (and as adjusted to treat the Defaulting Partner's Capital Contribution as equal to zero), (C) until such Defaulting Partner's Capital Account is reduced to zero, (1) such Defaulting Partner's Capital Account shall continue to be debited in accordance with Sections 2.3(c), (d), (f), and (g) for such Defaulting Partner's share of Investment Loss, Organizational Expenses, Placement Fees and Uncapitalized Partnership Expenses as if there had been no reduction in such Defaulting Partner's Commitment or Capital Contributions and (2) the Management Fee payable by the Defaulting Partner shall be calculated as if there had been no reduction in such Defaulting Partner's Commitment, and (D) once such Defaulting Partner's Capital Account is reduced to zero, (1) such Defaulting Partner's Commitment shall be reduced to zero for all purposes of the Agreement, including the calculation of the Partnership's aggregate Commitments and determination of the Management Fee and (2) such Defaulting Partner (and not the Partnership or any other Limited Partner) shall be liable each quarterly period to the General Partner for an amount equal to its portion of the Management Fee for such period as if there had been no reduction in such Defaulting Partner's Commitment.

(vii) No consent of any Limited Partner shall be required as a condition precedent to any transfer, assignment or other disposition of a Defaulting Partner's interest pursuant to this Section 6.11.

(b) Additionally, the Defaulting Partner shall indemnify and hold harmless the General Partner and the Partnership against any losses, damages and expenses (including attorneys' fees) incurred by the General Partner and the Partnership in enforcing or attempting to enforce the provisions of this Section 6.11 or resulting from the Partnership failing to meet its obligations with respect to any Portfolio Investment by reason of any such default.

Section 6.12 Investment Company Act Limitations. Notwithstanding anything to the contrary contained in this Agreement, (i) no person shall be admitted to the Partnership as Limited Partner, an Additional Limited Partner or a substitute Limited Partner unless such person is a Qualified Purchaser, and (ii) no sale, assignment, transfer, pledge, mortgage or other disposition of any or all of a Limited Partner's interest in the Partnership shall be effective unless the assignee of any beneficial interest in the Partnership is a Qualified Purchaser.

ARTICLE VII

ADVISORY COMMITTEE

Section 7.1 Advisory Committee. (a) A committee (an "Advisory Committee") of not fewer than three individuals and not more than seven individuals who are affiliated with or

officers, employees, representatives or designees of Limited Partners or limited partners of Parallel Vehicles (but are not affiliated with the General Partner, the Manager, the Principals or any Affiliates thereof) will be appointed by the General Partner. The General Partner will not appoint to the Advisory Committee any individual who is an officer, employee or representative of a BHC Partner whose Partner Interest in the Partnership is over 4.99%. The Advisory Committee will meet at least semi-annually with the Manager and will perform such duties as is contemplated by this Agreement and provide such advice and counsel, including advice and counsel as to general economic and financial trends, portfolio investments and valuations, as is requested by the General Partner in connection with the investments of the Partnership, the Parallel Vehicles and the Separate Investment Entities, and other matters related thereto; provided, that the General Partner will retain ultimate responsibility for all decisions relating to the operation and management of the Partnership, including all investment decisions. The Advisory Committee will be consulted on potential conflicts involving the Partnership and will perform the duties contemplated by this Agreement and all transactions between the Partnership and the General Partner, the Manager and their Affiliates not specifically contemplated by this Agreement must be approved by the Advisory Committee. Notwithstanding the foregoing, the Advisory Committee will not consult with the General Partner on allocations of investment opportunities to Affiliates of the Manager or client accounts managed by the Manager if such allocations are made in accordance with the Highland Investment Allocation Policy. The Manager shall be entitled to remove a member of the Advisory Committee selected by the Manager from among the Limited Partners (or their representatives) upon at least 15 days prior written notice to the Limited Partners, provided, however, that the Manager may not remove a member of the Advisory Committee designated by a Limited Partner without the consent of 75% of the other members of the Advisory Committee. The Limited Partner that had the right to designate the removed member of the Advisory Committee shall have the right to designate a replacement. The Partnership will reimburse each member of the Advisory Committee for such member's reasonable out-of-pocket expenses incurred in attending meetings of the Advisory Committee. Such reimbursements shall be Partnership Expenses. The Advisory Committee shall act by affirmative vote or written consent of a majority of its members.

(b) Neither the members of the Advisory Committee, nor the Limited Partners on behalf of whom such members act as representatives, shall owe any duties (fiduciary or otherwise) to the Partnership or any other Limited Partner in respect of the activities of the Advisory Committee, other than the duty to act in good faith.

ARTICLE VIII

DURATION AND TERMINATION

Section 8.1 Duration. The General Partner shall cause the Partnership to be dissolved and the Partnership will terminate on the tenth anniversary of the Final Closing and the General Partner will take all necessary steps pursuant to the ELP Law to dissolve the Partnership, except that the term of the Partnership may be extended by the General Partner, with the approval of the Advisory Committee, for up to two consecutive one-year extensions.

Section 8.2 Early Termination.

(a) Subject to the ELP Law, the Partnership shall terminate on:

(i) the bankruptcy of the General Partner or on the happening of any other event that would cause a dissolution of the Partnership under the ELP Law, unless, within 90 days after the occurrence of such event, the Limited Partners and limited partners of all Parallel Vehicles unanimously elect a new general partner pursuant to the ELP Law and resolve to continue the business of the Partnership;

(ii) a good faith determination upon receipt of written legal advice of counsel by the General Partner that dissolution of the Partnership is necessary or desirable (A) as a result of a Plan Asset Event or (B) to avoid any material adverse consequences to the Partnership or the General Partner as a result of any law applicable to a Regulated Investor;

(iii) the removal of the General Partner pursuant to Section 5.9 unless all of the Limited Partners and limited partners of all Parallel Vehicles elect a new General Partner and resolve to continue the business of the Partnership; or

(iv) at any time after the second anniversary of the Final Closing upon the consent of Seventy-Five Percent in Interest of the Limited Partners and the filing of a notice of dissolution by the General Partner.

(b) As promptly as possible following the election by the Limited Partners of a successor General Partner pursuant to Section 8.2(a)(i), there shall be distributed to the former General Partner, in full payment and satisfaction of its interest in the Partnership, a Limited Partnership Interest in the Partnership. The Limited Partnership Interest of the former General Partner shall entitle the former General Partner to the same distributions and allocations in respect of Portfolio Investments made prior to the termination of the former General Partner it would have received had it remained the General Partner, subject to the obligations set forth in Section 8.3(c) of the Master Partnership Agreement, and to the rights of a Limited Partner hereunder with a Commitment equal to the Commitment of the former General Partner, but shall not entitle it to any other rights to participate in the management of the Partnership. After its withdrawal as General Partner, a former General Partner shall only be liable under this Agreement for actions taken and investments in Portfolio Companies made prior to the date of such withdrawal. If the Limited Partners elect to continue the Partnership's business pursuant to Section 8.2(a)(i), an appropriate amendment to this Agreement and to the Registration shall be made within 90 days after the event giving rise to such election.

Section 8.3 Termination and Liquidation of Partnership Interests; Annual Determination of General Partner Give Back.

(a) Liquidation. Upon dissolution, the Partnership will be dissolved and wound up in accordance with the ELP Law.

(b) Final Allocation and Distribution. Upon termination of the Partnership (whether or not an early termination), the General Partner shall approve a plan of dissolution in

accordance with the ELP Law and take all steps necessary to appoint a liquidator and otherwise to dissolve and wind up the Partnership in accordance with the ELP Law.

ARTICLE IX

VALUATION OF PARTNERSHIP ASSETS

Section 9.1 Normal Valuation. For purposes of this Agreement, the value of any security as of any date (or in the event such date is a holiday or other day which is not a Business Day, as of the next preceding Business Day) will be determined as follows:

(a) a Marketable Security which is listed on a recognized securities exchange or the NMS will be valued at the average of the last sales prices (or, if no sale occurred on such date, at the last "bid" price thereon) for the five consecutive trading days before such date and the five consecutive trading days after such date;

(b) a Marketable Security which is traded over-the-counter (other than on the NMS) will be valued at the average of the last "bid" prices for the five consecutive trading days before such date and the five consecutive trading days after such date;

(c) subject to Section 9.3, all Non-Marketable Securities will be valued on such date by the General Partner at fair market value in such manner as it may determine; and

(d) a Marketable Security which meets clause (ii), but not clause (i) of the definition of "Marketable Securities" will be valued as if it had been converted, exchanged or exercised as of such date.

Section 9.2 Restrictions on Transfer or Blockage. Any security which is held under a representation that it has been acquired for investment and not with a view to public sale or distribution, or which is held subject to any other restriction, or where the size of the Partnership's holdings compared to the trading volume would affect its marketability, will, subject to the provisions of Section 9.3, be valued at such discount from the value determined under Section 9.1 above as the General Partner deems necessary to reflect properly the marketability of such security.

Section 9.3 Objection to Valuation. Prior to acting upon its final valuation of any security pursuant to Sections 9.1 or 9.2 or its determination of written down value pursuant to Section 9.4, the General Partner shall provide the members of the Advisory Committee with notice and backup support of the General Partner's valuation of such security. If within 30 days after delivery of such notice a majority of the members of the Advisory Committee delivers written notice to the General Partner objecting to the valuation of such security and if, within 15 days from the date on which the General Partner receives such notice from a majority of the Advisory Committee, the General Partner and the Advisory Committee cannot agree on the valuation of such security, then the General Partner will (at the Partnership's expense) cause an independent securities expert mutually acceptable to the General Partner and the Advisory

Committee to review such valuation, and such expert's determination will be binding on the parties.

Section 9.4 Write-down to Value. Any Portfolio Investment that has permanently declined in value as determined by the General Partner will be written down to its value (or, if applicable, written off) pursuant to the provisions of this Article IX, including the valuation provisions of Section 9.3, as of the date of such determination. The General Partner shall provide the Advisory Committee at least annually with the then current valuation of all Portfolio Investments.

ARTICLE X

BOOKS OF ACCOUNTS; MEETINGS

Section 10.1 Books. The Partnership will maintain complete and accurate books of account of the Partnership's affairs at the Partnership's principal office, which books will be open to inspection by any Partner (or its authorized representative) at any time during ordinary business hours.

Section 10.2 Fiscal Year. The fiscal year of the Partnership will be the calendar year, unless otherwise determined by the General Partner.

Section 10.3 Reports. The General Partner will furnish the Limited Partners:

(a) within 60 days after the end of each of the first three quarters of each fiscal year beginning with fiscal year 2008, and with respect to the fourth quarter in each fiscal year at the time of delivery of the annual financial statements under Section 10.3(c), (i) unaudited quarterly financial statements (including balance sheet and income statement (including additions, dispositions and write-offs)) showing each Partner's Capital Account prepared in accordance with GAAP, applied on a consistent basis (except that, in accordance with GAAP, such quarterly financial reports may omit footnotes and year-end adjustments, accruals and reserves), and (ii) a schedule of investments including the Partnership's cost and the value of such investments prepared in accordance with Article IX;

(b) within 60 days after the end of each of the first three quarters of each fiscal year beginning with fiscal year 2008, and with respect to the fourth quarter in each fiscal year at the time of delivery of the annual financial statements under Section 10.3(c), unaudited quarterly descriptive investment information for each Portfolio Company and narrative summary financial information for each Portfolio Company, including revenues, EBITDA and net debt; and

(c) within 90 days after the end of each fiscal year beginning with fiscal year 2008, (i) financial statements for such year prepared, in accordance with GAAP, applied on a consistent basis (certified by a firm of independent certified public accountants of recognized national standing selected by the General Partner), (ii) valuations of the Partnership's investments as of the end of such year (including a statement of each Partner's closing Capital Account) prepared in accordance with Article IX, and (iii) the certification to Benefit Plan

Investors confirming that the Partnership continues to qualify for an exception from Plan Assets described in the last sentence of Section 5.6(a) and a certification regarding the Partnership's compliance in all material respects with Article III hereof.

Section 10.4 Certain Tax Elections. The Partnership shall file an election effective as of the date of its formation pursuant to U.S. Treasury Regulation §301.7701-3(c) to be treated as an association taxable as a corporation.

Section 10.5 Annual Meeting. The General Partner will hold annual general informational meetings for the Limited Partners until such time, after the termination of the Commitment Period, that substantially all of the Portfolio Investments have been Disposed.

ARTICLE XI

MAINTENANCE OF REGISTRATION OF LIMITED PARTNERSHIP; POWER OF ATTORNEY

Section 11.1 Maintenance of Registration of Limited Partnership. The General Partner has caused to be filed, recorded and published such statements, notices, certificates or other instruments required by any provision of any applicable law which governs the formation of the Partnership or the conduct of its business from time to time (collectively, the "Registration").

Section 11.2 Power of Attorney. Each of the undersigned does hereby constitute and appoint each member of the General Partner and each person who hereafter becomes a member of the General Partner with full power to act without the others, as his, her or its true and lawful representative and attorney-in-fact, in her, his or its name, place and stead, to make, execute, sign, acknowledge and deliver or file (a) the Registration, (b) any amendment to or cancellation of the Registration or any amendment to, or waiver of, this Agreement effected in accordance with Section 12.1, (c) all instruments, documents and certificates which may from time to time be required by any law to effectuate, implement and continue the valid and subsisting existence of the Partnership, (d) all instruments, documents and certificates which may be required to effectuate the dissolution and termination of the Partnership, and (e) in the case of a Defaulting Partner any bills of sale or other appropriate transfer documents necessary to effectuate transfers of such Defaulting Partner's interest pursuant to Section 6.11 above. The powers of attorney granted herein are intended to secure an interest in property and the obligations of each relevant Limited Partner under this Agreement and shall be irrevocable and will survive the death, incompetency, disability or dissolution of a Limited Partner. Without limiting the foregoing, the powers of attorney granted herein will not be deemed to constitute the written consent of any Limited Partner for purposes of Section 12.1. Each Limited Partner hereby agrees not to revoke this power of attorney and further agrees that this power of attorney shall survive and shall not be affected by its dissolution, bankruptcy or legal disability and shall extend to its successors and assigns whomsoever. Any attempted revocation by a Limited Partner of any power of attorney granted herein shall constitute a breach of this Agreement by such Limited Partner. Further, each Limited Partner agrees that at any time, upon request by the General Partner, it will confirm in writing that the power of attorney granted herein has not been revoked. Notwithstanding the

foregoing or anything contained in this Agreement to the contrary, the foregoing power of attorney may not be exercised by the General Partner after the occurrence of an event specified in Section 8.2 or the removal of the General Partner pursuant to Section 5.9.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Amendments.

(a) This Agreement may be amended only by the written consent of the General Partner and, except as otherwise provided in this Section 12.1, a Majority in Interest of the Limited Partners.

(b) Notwithstanding anything in this Section 12.1 to the contrary, no amendment will be valid as to any Limited Partner (including a Defaulting Partner) which (i) increases or decreases such Limited Partner's Commitment without the written consent of such Limited Partner or (ii) amends the provisions of this Section 12.1(b).

(c) Notwithstanding anything in this Section 12.1 to the contrary, no amendment will be valid as to any Limited Partner (including a Defaulting Partner) which alters (i) the provisions of Sections 2.3, 3.3, 4.1, 6.1 or the provisions of this Section 12.1(c), (ii) the provisions of Section 6.7(c) in a manner that increases a Limited Partner's potential obligations, or (iii) any other provision of this Agreement, in a manner adverse to such Limited Partner, without the written consent of such Limited Partner; provided, however, that with respect to clause (iii), if such Limited Partner is not treated differently in any material respect from any other Limited Partner then such amendment will be valid with only the written consent of the General Partner and the Limited Partners representing at least a Majority in Interest of the Limited Partners.

(d) Notwithstanding anything in this Section 12.1 to the contrary, no amendment will be valid as to any Limited Partner (including a Defaulting Partner), which alters the provisions of Sections 1.3, 5.4, 5.10, 5.11, 12.1 or any provision which requires the consent or vote of at least Two-Thirds in Interest of the Limited Partners without the written consent of the General Partner and at least Two-Thirds in Interest of the Limited Partners.

(e) Notwithstanding anything in this Section 12.1 to the contrary, no amendment which would alter the provisions of Sections 5.5, 6.6 and the provisions of this Section 12.1(e), or, with respect to Benefit Plan Investors, Sections 5.6, 12.1(e), and the provisions in Section 5.15 relating to Benefit Plan Investors or the definitions of Benefit Plan Investor or Redemption Value, will be valid without the written consent of at least a Majority in Interest of the Limited Partners that are materially and adversely affected by such amendment (including Limited Partners whose direct or indirect beneficial owners would be so affected).

(f) Notwithstanding anything in this Section 12.1 to the contrary, no amendment will be valid as to any Limited Partner (including a Defaulting Partner), which alters any provision which requires the consent or vote of at least Seventy-Five Percent in Interest of the Limited

Partners or the provisions of this Section 12.1(f) without the written consent of the General Partner and at least Seventy-Five Percent in Interest of the Limited Partners.

(g) Notwithstanding anything in this Section 12.1 to the contrary, no amendment shall be made which would amend the provisions hereof relating to the rights of BHCA Partners without the consent of each BHCA Partner affected thereby.

(h) Notwithstanding anything in this Section 12.1 to the contrary, the General Partner may amend any provisions of this Agreement solely as it relates to a Limited Partner pursuant to one or more side letters with such Limited Partner without the consent of the Limited Partners not party to such side letters.

(i) Subject to Section 12.1 of the Master Partnership Agreement, no amendment or waiver of the provisions of the Master Partnership Agreement shall be made without the written consent of a Majority in Interest of the Limited Partners.

(j) In addition to any amendments or waivers otherwise authorized hereby, this Agreement may be amended from time to time by the General Partner without the consent of any of the Limited Partners (i) to add to the representations, duties or obligations of the General Partner or surrender any right or power (but not responsibilities) granted to the General Partner herein; (ii) to cure any ambiguity or correct any provisions hereof which may be inconsistent with any other provisions hereof, or correct any printing, stenographic or clerical errors or omissions; (iii) to admit one or more Additional Limited Partners, or withdraw one or more Limited Partners, in accordance with the terms of this Agreement, and (iv) with the consent of the Advisory Committee, to take such actions contemplated in Section 5.6(e) or avoid any material adverse consequences to the Partnership or the General Partner as a result of any change in law or interpretation of law applicable to a Regulated Investor. The General Partner shall promptly send each Limited Partner a copy of any amendment adopted pursuant to Section 12.1.

Section 12.2 Successors. Except as otherwise provided herein, this Agreement will inure to the benefit of and be binding upon the Partners and their legal representatives, heirs, successors and assigns.

Section 12.3 Governing Law; Severability. This Agreement will be construed in accordance with the laws of the Cayman Islands and, to the maximum extent possible, in such manner as to comply with all the terms and conditions of the ELP Law. If it is determined by a court of competent jurisdiction that any provision of this Agreement is invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

Section 12.4 Notices. All notices, demands and other communications to be given and delivered under or by reason of provisions under this Agreement will be in writing and will be deemed to have been given when personally delivered, sent by telecopy (with hard copy to follow by reputable overnight courier) or sent by reputable overnight courier service (charges prepaid) or mailed by first class mail (with a copy sent by telecopy) to the addresses or telecopy numbers set forth in Schedule 1 hereto or to such other address or telecopy number as has been indicated to all Partners.

Section 12.5 Legal Counsel. Each Partner hereby agrees and acknowledges that:

(a) The law firm retained by the General Partner, the Partnership and any Parallel Vehicle or Separate Investment Entity (the “GP’s Counsel”) in connection with the formation of the Partnership, the offering of Limited Partner interests and the management and operation of the Partnership does not and will not represent the Limited Partners in connection with any such matter or in connection with any dispute which may arise between the Limited Partners on one hand and the General Partner, the Partnership and any Parallel Vehicle or Separate Investment Entity on the other (the “Partnership Legal Matters”).

(b) Each Limited Partner will, if it wishes counsel on a Partnership Legal Matter, retain its own independent counsel with respect to each of the foregoing matters described in Section 12.5(a).

(c) Each Limited Partner hereby agrees that the GP’s Counsel may represent (i) the General Partner and the Partnership and any Parallel Vehicle or Separate Investment Entity in connection with any and all Partnership Legal Matters (including any dispute between the General Partner and one or more Limited Partners, but excluding a Limited Partner’s derivative action brought against the General Partner).

Section 12.6 Miscellaneous. This document and the schedules, exhibits and side letter agreements between the Partnership and certain of the Limited Partners in connection herewith and the Subscription Agreements contain the entire Agreement among the parties and supersede all prior arrangements or understanding with respect thereto. Descriptive headings are for convenience only and will not control or affect the meaning or construction of any provision of this Agreement. This Agreement may be executed in any number of counterparts, any one of which need not contain the signatures of more than one party, but all of such counterparts together will constitute one agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed as
of the date first above written.

Executed as a Deed by:

GENERAL PARTNER:

HIGHLAND RESTORATION CAPITAL
PARTNERS GP, LLC

By: 

Name: James Dondero

Title: President

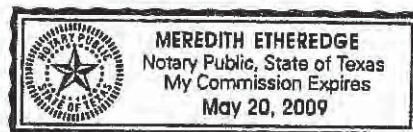
In the presence of:


Witness

Meredith etheredge
Name

13455 Noel Road, STE 800, Dallas, TX 75240
Address

Notary
Occupation



17475053


*Highland Restoration Capital Partners Offshore, L.P. – Second
Amended and Restated Agreement of Limited Partnership*

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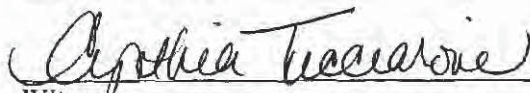
Executed as a Deed by:

LIMITED PARTNER:

1397225 ONTARIO LIMITED

By: 
Name: ASO
Title:

In the presence of:


Witness

CYNTHIA TUCACARONE
Name

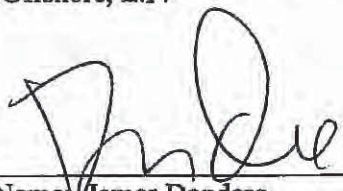
5650 Yonge Street, Toronto, M2N 4H5
Address Canada

Senior Landmark Investments &
Occupation Contracts

LIMITED PARTNERS

Executed as a Deed on behalf of each of the parties
named above

By: HIGHLAND RESTORATION CAPITAL
PARTNERS GP, LLC as Attorney-in-Fact
pursuant to Section 14 of each of the
Subscription Agreements, dated April 18,
2008, between each of the above named
parties and Highland Restoration Capital
Partners GP, LLC as General Partner of
Highland Restoration Capital Partners
Offshore, L.P.

By: 
Name: James Dondero
Title: President

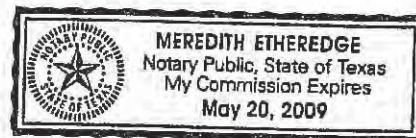
In the presence of:


Witness

Meredith Etheredge
Name

13455 Noel Road, STE 800, Dallas, TX 75240
Address

Notary
Occupation



17475053

*Highland Restoration Capital Partners Offshore, L.P. – Second
Amended and Restated Agreement of Limited Partnership*

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AGREEMENT OF LIMITED PARTNERSHIP
OF
HIGHLAND RESTORATION CAPITAL PARTNERS, L.P.

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Schedule 1 Limited Partners/Commitments/Notice Information
Exhibit A Form of Guaranty Agreement

**AGREEMENT OF LIMITED PARTNERSHIP
OF
HIGHLAND RESTORATION CAPITAL PARTNERS, L.P.**

THIS AGREEMENT OF LIMITED PARTNERSHIP (this “Agreement”) is dated effective as of April 18, 2008 between Highland Restoration Capital Partners GP, LLC, a Delaware limited liability company (in its capacity as general partner of the Partnership, the “General Partner”), and the limited partners listed in Schedule 1 attached hereto (in their capacities as limited partners of the Partnership, the “Limited Partners”) (the General Partner and the Limited Partners being herein collectively called the “Partners”). Capitalized terms not otherwise defined shall have the meanings ascribed to such terms in Section 2.1(a).

ARTICLE I

GENERAL PROVISIONS

Section 1.1 Formation. The Partners hereby agree to form a limited partnership (the “Partnership”) pursuant to and in accordance with the Delaware Revised Uniform Limited Partnership Act (the “Delaware Partnership Act”).

Section 1.2 Name. The name of the Partnership will be “Highland Restoration Capital Partners, L.P.” or such other name or names as the General Partner may from time to time designate. The General Partner will notify Limited Partners in writing of any change to the name of the Partnership.

Section 1.3 Purpose. Subject to the express limitations set forth herein, the Partnership is organized for the object and purpose of (i) investing in senior secured bank loans, debt obligations, trade claims and equity securities of middle market Distressed Companies primarily based in the United States generally consistent with the investment strategy described in the Partnership’s Confidential Private Placement Memorandum, including, without limitation, privately placed or publicly traded debt securities and other debt obligations, senior and subordinated debt obligations, secured and unsecured debt obligations, privately placed or publicly traded equity securities including common stock, preferred stock and warrants, and (ii) managing and monitoring such investments and engaging in such activities incidental or ancillary thereto and otherwise permitted by the Delaware Partnership Act as the General Partner deems necessary or advisable.

Section 1.4 Place of Business. The Partnership will maintain offices and places of business at Two Galleria Tower, 13455 Noel Road, Dallas, TX 75240, or at such other place or places in the United States as the General Partner may from time to time designate; provided, however, that if the General Partner designates different places of business, it shall promptly notify the Limited Partners in writing.

ARTICLE II

DEFINITIONS; DETERMINATIONS; CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS

Section 2.1 Definitions; Determinations.

(a) For purposes of this Agreement the following capitalized terms shall have the meanings set forth below:

“Additional Limited Partners” has the meaning set forth in Section 6.5(a).

“Advisory Committee” has the meaning set forth in Section 7.1(a).

“Affiliate” has the meaning set forth in Rule 405 promulgated under the Securities Act.

“Agent” has the meaning set forth in Section 2.4(b).

“Agreement” has the meaning set forth in the introduction.

“Allocated Expenses” means, for any Partner as of any date with respect to any Portfolio Investment, such Partner’s Capital Contributions applied to pay Management Fees, Organizational Expenses and Uncapitalized Partnership Expenses that have been allocated pursuant to Section 3.3(c) to such Portfolio Investment as of such date.

“Available Profits” means, with respect to a Waived Fee Amount, the cumulative amount of items of Partnership income and gain (such items being “Partnership Profits”) realized after the Waived Fee Notice giving rise to such Waived Fee Amount. The amount of Partnership Profits realized after a Waived Fee Notice for the purpose of this Available Profits definition shall equal the amount of Partnership income and gain realized after the Waived Fee Notice for purposes of maintaining Capital Accounts; provided, however, the amount of Partnership gain realized after a Waived Fee Notice that is attributable to any Portfolio Investment held by the Partnership at the time of such Waived Fee Notice that is taken into account in calculating Partnership Profits shall equal the excess, if any, of (1) the amount the Partnership realizes on the sale, transfer, or other disposition of such Portfolio Investment or its assets over (2) the fair market value (as determined by the General Partner) of such Portfolio Investment or its assets, as applicable, on the date of such Waived Fee Notice. Notwithstanding the two preceding sentences, the aggregate amount of all items of Partnership Profits for any taxable year included in Available Profits shall not exceed the total amount of the Partnership’s net income and gain for such taxable year as determined for federal income tax purposes, except that gain attributable to a Portfolio Investment shall be determined as described in the proviso to the preceding sentence. Notwithstanding the three preceding sentences, to the extent of the amount by which the Special Profit Interest with respect to a Portfolio Investment exceeds the Deemed Contribution with respect to such Portfolio Investment, Available Profits includes an allocable share of all items of income or gain realized by the Partnership with respect to such Portfolio Investment.

“Basis” of any security means the basis of such security as determined in accordance with the Code less the amount of any write-down pursuant to Section 9.4 and as further adjusted by the General Partner in its reasonable discretion to reverse the effects of any exchange of securities that would result in an increase in tax basis pursuant to the Code.

“Benefit Plan Investor” means any Partner that is a “benefit plan investor” as defined in Section 3(42) of ERISA and any regulations promulgated thereunder.

“BHC Act” means the Bank Holding Company Act of 1956, as amended.

“BHCA Partner” means a Limited Partner that is a bank holding company, as defined in Section 2(a) of the BHC Act, or a non-bank subsidiary of such bank holding company, provided, that such Limited Partner shall not be a BHC Partner if (i) it is a financial holding company, as defined in Section 2(p) of the BHC Act, or a non-bank subsidiary thereof and is acting pursuant to Section 4(k)(4)(h) or Section 4(k)(4)(i) of the BHC Act as set forth in a notice to such effect to the General Partner; or (ii) it is a small business investment company licensed as such under the Small Business Investment Act of 1958, as amended.

“Bridge Financing” means, with respect to the Partnership’s investment in a Portfolio Company, that portion of the investment that the Partnership provides as interim financing (including guarantees of debt financing) in anticipation of, or to support, a permanent investment by the Partnership in such Portfolio Company and that the Partnership intends to cause the Portfolio Company to repay or refinance within 18 months after the date of such investment in the Portfolio Company and which the General Partner designates in the Capital Call Notice therefor. During the first 18 months following a Bridge Financing, such Bridge Financing shall be treated as a Short-Term Investment. A Bridge Financing that is outstanding 18 months following the making of such Bridge Financing, shall be treated by the Partnership as a permanent investment in a Portfolio Company.

“Bridge Leveraging” means indebtedness incurred by the Partnership to fund the acquisition of a Portfolio Investment pending receipt of Capital Contributions (including as a result of any default by any Limited Partner or limited partner of a Parallel Vehicle in the making of Capital Contributions) pursuant to a Capital Call Notice that the Partnership anticipates issuing pursuant to Section 2.2(a), provided that the Capital Contributions made with respect to such Capital Call Notice are applied by the Partnership upon receipt thereof to repay such indebtedness.

“Built-In Tax Amount” means, with respect to any distribution of securities in-kind received by the General Partner, an amount equal to the taxes that would be payable by the General Partner (and its direct and indirect members), assuming (i) such securities were sold in a taxable transaction immediately after their receipt by the General Partner for an amount equal to their value and (ii) any gains were taxed at the highest marginal rates applicable to any of the General Partner’s members or former members, applying the assumptions set forth in Section 3.3(b) in the same manner as if such securities had been sold by the Partnership immediately before such distribution.

“Business Day” means any day other than (i) Saturday or Sunday or (ii) any other day on which banks located in New York City generally are closed for business.

“Capital Account” has the meaning set forth in Section 2.3.

“Capital Call” has the meaning set forth in Section 2.2(a).

“Capital Call Notice” has the meaning set forth in Section 2.2(a).

“Capital Contribution” of any Partner means the amount received by the Partnership from such Partner as an actual contribution.

“Capitalized Partnership Expenses” means Partnership Expenses that are reflected in the Basis of Portfolio Investments.

“Carried Interest” means the General Partner’s 20% interest in the Partnership’s distributions specified in Section 3.3(a)(ii)(A) and Section 3.3(a)(iii)(B).

“Certificate” has the meaning set forth in Section 11.1.

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Co-Investment Opportunity” has the meaning set forth in Section 5.17(a).

“Co-Investment Fund” means any partnership, limited liability company or other entity that is an Affiliate of the General Partner or the Manager, is not a Parallel Vehicle or a Separate Investment Entity, and is organized to invest in Portfolio Investments pursuant to a Co-Investment Opportunity.

“Co-Investor” has the meaning set forth in Section 5.17(a).

“Commitment” with respect to each Partner means the aggregate amount of cash agreed to be contributed as capital to the Partnership by such Partner (as determined with respect to the General Partner without regard to Section 2.2(a)(ii)) as specified in Schedule 1 attached hereto as the same may be modified from time to time under the terms of this Agreement.

“Commitment Period” has the meaning set forth in Section 2.2(b).

“Continuity Period” has the meaning set forth in Section 2.2(d).

“Credit Support” has the meaning set forth in Section 5.3.

“Crusader” means Highland Crusader Fund, L.P., and its successors.

“Current Cash Income” means all Current Income paid in cash or cash equivalents.

“Current Income” means all interest and dividend income (including from original issue discount, purchases or investments at a market discount, and payment of in-kind income and other non-cash current income) from a Portfolio Company.

“Deemed Contribution” means, as of any date, for any Portfolio Investment or the payment of expenses incurred directly in connection with the making, maintaining or disposing of such Portfolio Investment, the Gross-up Percentage multiplied by the product of (i) the amount by which the Capital Contributions required from the General Partner are reduced pursuant to Section 2.2(a)(ii) with respect to such Portfolio Investment or the payment of related expenses, multiplied by (ii) (1) with respect to the General Partner, the quotient determined by dividing (x) the aggregate Commitments of all Partners (including the General Partner) other than Limited Partners as to whom no Management Fee is payable pursuant to Section 4.1(b) by (y) the aggregate Commitments of all Partners, and (2) with respect to each Limited Partner as to whom no Management Fee is payable pursuant to Section 4.1(b), the quotient determined by dividing (x) the Commitment of such Limited Partner by (y) the aggregate Commitments of all Partners.

“Defaulting Partner” has the meaning set forth in Section 6.11(a).

“Delaware Partnership Act” has the meaning set forth in Section 1.1.

“Determination Date” has the meaning set forth in Section 8.3(c).

“Director Fees” means directors, consulting, monitoring or similar fees in respect of a Portfolio Company, including options, warrants or other non-cash compensation received by a director or officer of a Portfolio Company which shall be valued at the earlier of (v) the time of exercise of such instrument, (w) three years after the underlying security of such instrument becomes a Marketable Security, (x) the dissolution of the Partnership, (y) the date the Partnership disposes of the Portfolio Investment that gave rise to such fee or (z) the date such option, warrant or other non-cash compensation was disposed of by the General Partner, the Manager, the Principals or their Affiliates and thereafter credited against Management Fees pursuant to Section 4.1(c), in each such case to the extent actually paid by a Portfolio Company and received by the General Partner, the Manager, the Principals, employees of the Manager or their Affiliates in respect of Portfolio Investments; provided, however, that (A) such fees shall not include, in each case, any such amounts that are applied to cover amounts paid by the General Partner, the Manager, the Principals or their Affiliates that constitute unreimbursed (i) out-of-pocket expenses of such persons incurred in generating such fees, and (ii) Partnership Expenses incurred in generating such fees, and (B) to the extent that the General Partner, the Manager, the Principals, employees of the Manager or their Affiliates were actually reimbursed by the Partnership for any Partnership Expenses incurred in generating such fees, such fees will first be applied to repay the Partnership for such Partnership Expenses.

“Disposition” or “Disposed of” means, with respect to all or a portion of a Portfolio Investment, (i) except as provided in the next sentence, the sale, exchange or other disposition by the Partnership of all or a portion of the securities or other interests constituting that Portfolio Investment for cash, securities or other property, (ii) the receipt by the Partnership of a distribution of the proceeds of the sale of all or substantially all of the assets of the Portfolio Company in complete liquidation of the Partnership’s entire interest in the Portfolio Investment and (iii) an in-kind distribution of all or part of a Portfolio Investment that has not previously been deemed to have been Disposed of, as of the date of and to the extent of such distribution. A “Disposition” does not include (i) a recapitalization that consists of an exchange of a Portfolio

Investment for other securities of or claims against the issuing Portfolio Company, (ii) a business combination that consists of an exchange of substantially all of the Partnership's remaining interest in a Portfolio Investment for securities issued by an acquiring entity, (iii) a business combination that consists of the exchange of all or substantially all of the assets of a Portfolio Company or one or more divisions or operating units of a Portfolio Company for securities issued by an acquiring entity or (iv) a sale, exchange or other disposition that does not constitute a pro rata disposition of a portion of each class of securities or other interests constituting such Portfolio Investment.

"Distressed Companies" shall mean persons that, in the opinion of the General Partner, (a) are or have been in financial or other stress; (b) are restructuring, are considered likely to be restructured, or have been restructured in an out-of-court process or in a proceeding under the Federal bankruptcy laws or state insolvency laws or similar laws in or outside of the United States; (c) are being, are considered likely to be or have been reorganized within or outside of a proceeding under federal bankruptcy laws or state insolvency laws or similar laws in or outside of the United States; or (d) are engaged, are considered likely to engage or have been engaged in other extraordinary transactions, such as debt restructurings, reorganizations and liquidations outside of bankruptcy.

"ECI" means income that is effectively connected with a United States trade or business within the meaning of Section 864(c) of the Code and the Treasury Regulations promulgated thereunder, but not including any income or gain attributable to the disposition of a "United States real property interest" as defined for purposes of Section 897(c) of the Code.

"Electing Limited Partner" has the meaning set forth in Section 2.4(b).

"ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended.

"Excess Partial Realization Proceeds" means, for any Partner and as of any date, the sum of the positive amounts determined with respect to each Portfolio Investment (or portion thereof) that has not been Disposed of as of such date and as to which there have been proceeds from a Partial Realization as of such date, equal to the excess of (a) such Partner's Partner Share of aggregate proceeds that have been distributed as of such date of all Partial Realizations with respect to such Portfolio Investment or portion thereof over (b) the sum of (i) such Partner's Capital Contributions applied to make such Portfolio Investment or portion thereof, including Capitalized Partnership Expenses attributed to such Portfolio Investment or portion thereof and any Allocated Expenses with respect to such Portfolio Investment as of such date, plus (ii) an amount that would be equal to such Partner's Preferred Amount if such Partner's Preference Base were only the amounts described in clause (i).

"Existing Partners" has the meaning set forth in Section 6.5(c).

"FCC" shall mean the U.S. Federal Communications Commission.

"FCC Attribution Rules" shall mean the ownership attribution rules of the FCC, including, but not limited to, 47 C.F.R. §§ 21.912, Note 1; 24-709; 24.720; 26.101(b), (c);

73.3555, Note 2; 76.501, Note 2; 76.503, Note 2; 76-504, Note 1; Attribution Reconsideration Order, 58 Radio Regulation 2nd 604 (1985); Further Attribution Reconsideration Order, 1 FCC Rcd 802 (1986); Report and Order, 14 FCC Rcd 12559 (1999); Report and Order, 14 FCC Rcd 19014 (1999); Memorandum Opinion and Second Order in Reconsideration, FCC 00-431 (released Jan. 19, 2001); and Memorandum and Opinion and Order on Reconsideration, FCC-00-438 (released Jan. 19, 2001), all as the same may be amended or supplemented from time to time.

“Final Closing” means the final closing of subscriptions by Limited Partners pursuant to Subscription Agreements, which, in any event, shall take place no later than the fourteen month anniversary of the First Closing.

“First Closing” means the first closing of subscriptions by Limited Partners pursuant to Subscription Agreements.

“Follow-on Investment” means investments made after the termination of the Commitment Period in securities of an existing Portfolio Company that are appropriate or necessary in the opinion of the General Partner to preserve, protect or enhance the investment in such Portfolio Company that was made by the Partnership during the Commitment Period.

“Fund Group” means the Partnership, Parallel Vehicles, Separate Investment Entities and their respective Portfolio Investments.

“Funded Commitment” means as to any Partner as of any date, that portion of a Partner’s Commitment that has been contributed (or “deemed contributed”) to the Partnership to meet a Capital Call (including any amounts contributed pursuant to Section 6.5(b)), reduced by (a) any amounts which are distributed (or “deemed distributed”) to such Partner in respect of a proposed Portfolio Investment (or portion thereof) that was not consummated, (b) any amounts which are distributed (or “deemed distributed”) to such Partner in respect of a Bridge Financing (or portion thereof) that was sold, refinanced, redeemed or otherwise disposed of within 18 months from the Investment Date of such Portfolio Investment in an amount not to exceed the Partner’s portion of Funded Commitments used to acquire such Bridge Financing, (c) any amounts paid by such Partner pursuant to subclauses (A), (B) and (C) of the third sentence of Section 6.5(b), (d) any amounts distributed (or “deemed distributed”) to such Partner pursuant to Section 6.5 (other than amounts attributable to payments by an Additional Limited Partner pursuant to subclauses (A), (B) and (C) of the third sentence of Section 6.5(b)), and (e) in the sole discretion of the General Partner, any amounts distributed (or “deemed distributed”) to such Partner with respect to a Portfolio Investment that was sold, refinanced, redeemed or otherwise disposed of within 48 months after the Investment Date for such Portfolio Investment in an amount not to exceed the portion of such Partner’s Funded Commitments used to acquire such Portfolio Investment, all as determined in good faith by the General Partner. For the purposes of this definition, those proceeds otherwise distributable to a Partner that are retained for reinvestment or application to a Capital Call in accordance with the proviso to Section 3.1(b) or the proviso to the second to last sentence in Section 6.5(b), shall be “deemed distributed” to such Partner by the Partnership and “deemed contributed” by such Partner to the Partnership. The General Partner, in its discretion, may reduce the 48 month period referenced above at any time during the Commitment Period.

“GAAP” means U.S. generally accepted accounting principles as in effect from time to time.

“General Partner” has the meaning set forth in the introduction to this Agreement and includes any successor general partner of the Partnership appointed in accordance with this Agreement.

“GP’s Counsel” has the meaning set forth in Section 12.5.

“Gross-up Percentage” means the percentage determined by dividing (i) the aggregate Commitments of all Partners by (ii) the aggregate Commitments of all Partners with respect to whom the Management Fee is payable pursuant to Section 4.1(b).

“Guaranty Agreement” shall mean the Guaranty Agreement, dated as of the date hereof, by and among the Partnership, the General Partner and the guarantors party thereto, substantially in the form of the agreement set forth in Exhibit A hereto, as amended from time to time in accordance with its terms.

“Highland” shall mean Highland Capital Management, L.P., a Delaware limited partnership.

“Highland Accounts” means collectively funds, accounts and vehicles managed by Highland from time to time.

“Highland Investment Allocation Policy” shall mean the investment allocation policy of Highland described in the Partnership’s Confidential Private Placement Memorandum and as in effect or modified from time to time.

“Highland Portfolio Company” means each portfolio company (and each of their subsidiaries) as to which Highland and/or the Principals and/or their respective Affiliates have completed, or are in the process of completing, an investment or acquisition or receipt of a debt or equity ownership position therein, including, without limitation through Crusader and other Highland Accounts, at the time of the First Closing, together with follow-on or other additional investments and acquisitions from time to time after the First Closing in or by such companies so long as such investments and acquisitions are reasonably determined by the Principals to be primarily within the general lines or areas of business of such companies as of the First Closing or incidental or related thereto.

“Indemnifying Partner” has the meaning set forth in Section 6.7(a).

“Initial Fee Period” means the period starting on the First Closing and ending on the earlier of (i) the termination of the Commitment Period, and (ii) the date on which the Manager, the General Partner or an Affiliate thereof closes subscriptions of capital commitments by investors of a Successor Fund.

“Insulated Partner” has the meaning set forth in Section 5.16(a).

“Insulated Partner Affiliate” has the meaning set forth in Section 5.16(a).

“Investment Company Act” means the Investment Company Act of 1940, as amended.

“Investment Date” means, with respect to any Portfolio Investment, the date such Portfolio Investment was acquired by the Partnership.

“Investment Income and Gain” means, with respect to a Portfolio Investment, (i) the excess, if any, of the proceeds from the Disposition of such Portfolio Investment or portion thereof or Partial Realization with respect to such Portfolio Investment or portion thereof that does not give rise to Current Income over the Basis of such Portfolio Investment or portion thereof, (ii) to the extent all or any portion of such Portfolio Investment is distributed to the Partners in kind as contemplated by Section 2.3, the excess, if any, of the value (as determined pursuant to Article IX) of the portion of such Portfolio Investment distributed to the Partners over the Basis of such portion of such Portfolio Investment, and (iii) Current Income attributable to such Portfolio Investment.

“Investment Loss” means, with respect to a Portfolio Investment, (i) the deficiency, if any, of the proceeds from the Disposition of such Portfolio Investment or portion thereof or Partial Realization with respect to such Portfolio Investment or portion thereof that does not give rise to Current Income as compared to the Basis of such Portfolio Investment or portion thereof, (ii) to the extent all or any portion of such Portfolio Investment is distributed to the Partners in kind as contemplated by Section 2.4, the deficiency, if any, of the value (as determined pursuant to Article IX) of the portion of such Portfolio Investment distributed to the Partners as compared to the Basis of such portion of such Portfolio Investment, and (iii) the amount, as reasonably determined by the General Partner in accordance with Section 9.4, by which such Portfolio Investment has permanently declined in value below the Basis of such Portfolio Investment immediately prior to such determination.

“Keyman Group” means James Dondero, Pat Daugherty and John Honis; provided, that the Keyman Group will include replacements chosen pursuant to Section 2.2(d) if a Triggering Event occurs pursuant to clauses (ii) or (iii) therein; provided, further, that, if any one of the members of the Keyman Group ceases to be actively involved, including in a supervisory role, on an ongoing basis with respect to the business, operations or investment decisions of Highland, the Manager and General Partner, the Keyman Group will include such replacement person that is proposed by the General Partner to the Advisory Committee and who is approved to serve as a member of the Keyman Group by the consent of a majority of the members of the Advisory Committee.

“Limited Partners” means the persons listed in Schedule 1 hereto in their capacity as limited partners of the Partnership (including each person admitted to the Partnership in accordance with Section 6.5) and each person who is admitted to the Partnership as a substitute limited partner pursuant to Section 6.2 or 6.5, so long as each such person continues to be a limited partner of the Partnership hereunder.

“Majority in Interest of the Limited Partners” means Limited Partners with Commitments and limited partners in Parallel Vehicles with capital commitments to Parallel Vehicles totaling more than 50% of the aggregate Commitments of all Limited Partners and capital commitments of limited partners in Parallel Vehicles.

“Management Fee” has the meaning set forth in Section 4.1(a).

“Management Fee Period” has the meaning set forth in Section 4.1(a).

“Manager” means Highland Capital Management, L.P., a Delaware limited partnership, or other entity controlled by James Dondero and Mark Okada, and appointed as Manager by the General Partner on behalf of the Partnership from time to time.

“Marketable Securities” means securities that (A) (i) are (x) listed on a national securities exchange in the United States, (y) quoted on the NMS or (z) listed on a securities exchange or quoted on an established quotation system within or without the United States that in the opinion of the General Partner after consultation with the Advisory Committee supports sufficient trading activity and volume to allow for the orderly disposition of such securities by the Partners following a distribution thereof in accordance with Sections 2.4 and 3.3, and (ii) are not subject to restrictions on transfer as a result of applicable contract provisions, the provisions of the Securities Act or regulations thereunder (other than the volume, manner-of-sale and notice restrictions of Rule 144 promulgated thereunder or any successor rule thereto; provided, that if such securities are subject to volume limitations under Rule 144 and distributed in kind to Limited Partners, each Limited Partner would be able to sell such securities promptly after the distribution thereof in accordance with Sections 2.4 and 3.3 (notwithstanding volume limitations)), or other applicable law, or (B) are immediately convertible, exchangeable or exercisable by the holder thereof into securities that meet the requirements of the foregoing clause (A).

“Media Company” shall mean any entity in which the Partnership has or acquires an investment and that directly or indirectly owns, controls or operates any: (i) broadcast radio or television station licensed by the FCC; (ii) U.S. cable television system; (iii) daily newspaper (as such term is defined in Section 73.3555 of the Ownership Rules); (iv) multipoint multichannel distribution system licensed by the FCC; (v) other communications facility the ownership or operation of which is subject to regulation by the FCC under (x) the Communications Act of 1934, as amended, (y) the FCC Attribution Rules, or (z) the FCC Ownership Rules; and (vi) other business or activity that is subject to ownership restrictions imposed by the FCC from time to time.

“Net Funded Commitment” means, in respect of any Partner and as of the first day of any Management Fee Period, such Partner’s Funded Commitment as of such date less (i) such Partner’s Capital Contributions (or portion thereof, in the case of a partial Disposition) applied by the Partnership to make all Portfolio Investments that have been Disposed of on or prior to such date and applied to pay Capitalized Partnership Expenses relating to such Portfolio Investments and Allocated Expenses with respect to such Portfolio Investment as of such date, (ii) all write downs pursuant to Section 9.4 in respect of Portfolio Investments that have not been Disposed of by the Partnership on or prior to such date multiplied by such Partner’s Partner Interest in each such Portfolio Investment, and (iii) such Partner’s Capital Contributions in respect of Management Fees and Partnership Expenses allocable to Portfolio Investments that have not been Disposed of on or prior to such date.

“NMS” means the National Market System of the National Association of Securities Dealers, Inc.

“Non-Marketable Securities” means all securities which are not Marketable Securities.

“Non-U.S. Partner” means with respect to any determination hereunder, (i) any Limited Partner that is not a “United States person” within the meaning of Section 7701(a)(30) of the Code, or (ii) any Limited Partner that has a direct or indirect beneficial owner that (x) is not a “United States person” within the meaning of Section 7701(a)(30) of the Code and (y) is required to report on a United States federal income tax return or report any taxable income allocated to such Limited Partner pursuant to Section 10.4, to the extent of such beneficial owner’s pro rata share of such income, but in each case, only if such Limited Partner has notified the General Partner of such status at any time prior to such determination, by providing the General Partner an IRS Form W-8BEN or by some other method satisfactory to the General Partner.

“Non-Voting Interest” means any interest of a Limited Partner in the Partnership, and if applicable, any interest of a limited partner in a Parallel Vehicle (or portion thereof) with respect to which a Limited Partner or limited partner in a Parallel Vehicle has, or elects to have, no or limited voting rights pursuant to Section 6.9 or a similar provision in the agreement of limited partnership of the Parallel Vehicles, as the case may be.

“Non-Voting Partnership Interests” has the meaning set forth in Section 6.9(b).

“Operating Company” means an “operating company” within the meaning of the Plan Asset Regulation, including a “venture capital operating company.”

“Opinion of the Partnership’s Counsel” means an opinion of Mayer Brown LLP or other counsel selected by the General Partner and reasonably acceptable (by reason of experience in the area of law involved) to the Limited Partner affected by such opinion or, if more than one Limited Partner is affected by such opinion, a Majority in Interest of the Limited Partners so affected.

“Organizational Expenses” means the reasonable out-of-pocket expenses (including, without limitation, travel, printing, legal and accounting fees and other expenses) of the General Partner, the Manager, the Principals and their respective Affiliates (but not including any Placement Fees) incurred in the formation of the Partnership, any Parallel Vehicle or any Separate Investment Entity or incurred in connection with the organization and funding of the Partnership, any Parallel Vehicle, Separate Investment Entity and the General Partner.

“Other Permitted Investment Activities” means the continuing involvement of the Principals, subject to compliance with the devotion of time covenant in Section 5.1(a), (i) in the full range of their activities in connection with their duties and responsibilities as members, owners, partners, directors, officers, employees, shareholders, or consultants of the Manager and Highland Accounts, including Crusader, (ii) in acquisitions and follow-on investments by Highland Portfolio Companies reasonably determined by the Principals to be primarily within the general area of business of a Highland Portfolio Company or incidental or related thereto, (iii) as passive owners, stockholders, debtholders and investors in professionally managed hedge

funds, fund of funds and other private investment entities and vehicles, (iv) in investments which do not otherwise meet the investment objectives of the Partnership, and (v) in a Successor Fund organized in accordance with Section 5.12; provided, that none of the activities described in clauses (i) through (v) above shall unreasonably affect the ability of the Principals to fulfill their duties to the Limited Partners and to be actively involved in the business of the Fund Group.

“Ownership Rules” means the multiple and cross-ownership rules of the FCC including, but not limited to, 47 C.F.R. §§ 21.912; 24-709; 24.720; 26.101(a); 73.3555; 74.931(h); 76.501; 76.503; 76.504, and other regulations or written policies of the FCC which limit or restrict ownership in Media Companies, all as the same may be amended or supplemented from time to time.

“Parallel Vehicle” means any entity that is organized pursuant to Section 5.14 and designated a Parallel Vehicle by the General Partner, including Highland Restoration Capital Partners Offshore, L.P., a Cayman exempted limited partnership, but solely for purposes of this Agreement, the Partnership is not a Parallel Vehicle.

“Partial Realization” means, with respect to any Portfolio Investment, the realization by the Partnership of Current Income or of proceeds from a recapitalization, extraordinary dividend, sale, redemption or other disposition of less than all of such Portfolio Investment (other than a pro rata disposition of a portion of each class of securities or other interests constituting such Portfolio Investment) or any other similar event that does not constitute a Disposition of such Portfolio Investment.

“Participating Partner” means, with respect to any Portfolio Investment, any Limited Partner who made a Capital Contribution (other than solely a Waiver Contribution) that was applied to such Portfolio Investment.

“Partner Interest” means for any Partner that is a Participating Partner with respect to any Portfolio Investment (i) for each Partner as to which there is a Deemed Contribution, the proportion that the sum of such Partner’s Capital Contributions and allocable share of Deemed Contributions that were applied to such Portfolio Investment bears to the aggregate Capital Contributions and Deemed Contributions of all Partners that were applied to such Portfolio Investment, and (ii) for any Partner other than Partners described in clause (i), the proportion that such Partner’s Capital Contributions that were applied to such Portfolio Investment bears to the aggregate Capital Contributions and Deemed Contributions of all Partners that were applied to such Portfolio Investment.

“Partner Share” means, for any Partner, and for any period, the amount of Investment Income and Gain, Investment Loss, Current Cash Income, proceeds from the Disposition of or Partial Realization with respect to a Portfolio Investment for such period or Portfolio Investments distributed in kind, as the case may be, or items of Partnership income or expense (other than Management Fees or Placement Fees, if any), in each case for such period multiplied by such Partner’s Partner Interest in the Portfolio Investments giving rise to such items or to which such items are allocable pursuant to Section 3.3(c).

“Partners” means the General Partner and the Limited Partners, collectively.

“Partnership” has the meaning set forth in Section 1.1.

“Partnership Expenses” means all reasonable costs and expenses relating to the Partnership’s activities, investments and business (to the extent not borne or reimbursed by a Portfolio Company or proposed Portfolio Company), including, but not limited to, (i) all costs and out-of-pocket fees and expenses attributable to acquiring, investing, holding, monitoring and disposing of the Partnership’s investments, (ii) all other out-of-pocket costs and out-of-pocket fees and expenses attributable to unconsummated transactions or investment strategies (but excluding marketing strategies) that do not lead to consummated acquisitions, (iii) legal, accounting, auditing, administrative, consulting and other fees and expenses (including, but not limited to, fees of the administrator of the Partnership and insurance and other out-of-pocket expenses associated with negotiating, consummating, monitoring and disposing of the Partnership’s investments and the preparation of Partnership financial statements, tax returns and forms K-1), (iv) expenses of the Advisory Committee incurred in accordance with Article VII, (v) extraordinary expenses, liabilities, indemnities and other obligations of the Partnership (including, but not limited to, litigation and indemnification costs and expenses, judgments and settlements (including, but not limited to, costs and expenses payable under Section 5.11)), and (vi) all debt service obligations, including interest, premium, if any, fees, expenses and other amounts payable in respect of indebtedness of the Partnership incurred in accordance with Section 5.3, but in each case, not including Organizational Expenses in excess of \$1,250,000, Management Fees, Placement Fees and those expenses borne by the Manager pursuant to Section 4.3.

“Partnership Legal Matters” has the meaning set forth in Section 12.5.

“Permitted GP Transferee” means, as to any membership or other ownership interest in the General Partner, of or held by any Principal or other member or investor in the General Partner (a) any family member of such person provided the transferor retains all voting control with respect to the interest, (b) any other partner or investor in the General Partner who was a partner or investor in the General Partner as of the Final Closing, and (c) any trust, partnership, foundation corporation or other entity that is either controlled by such person or is primarily for the benefit of such person and/or their family members.

“Person” means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency or political subdivision thereof).

“Placement Fees” means the fees and expenses and any interest on any deferred fees and expenses charged by or paid to any placement agency designated by the Partnership or the General Partner for the marketing and sale of interests in the Partnership and the Parallel Vehicles. The Partnership’s pro rata share of any Placement Fees shall be the amount of such fees multiplied by a fraction, the numerator of which is the aggregate Commitments of the Limited Partners giving rise to such fees, and the denominator of which is the sum of the aggregate Commitments of the Limited Partners and the aggregate capital commitments of all limited partners in all Parallel Vehicles giving rise to such fees.

“Plan Assets” means “plan assets” as defined in the Plan Asset Regulation.

“Plan Asset Event” has the meaning set forth in Section 5.6(e).

“Plan Asset Regulation” means the U.S. Department of Labor regulation located at 29 C.F.R. Section 2510.3-101, or any successor regulation thereto, as in effect at the time of reference, as modified by Section 3(42) of ERISA.

“Portfolio Company” means any corporation, partnership, limited liability, company or other entity in which the Partnership has made an investment, other than Short-Term Investments.

“Portfolio Investments” means any investments held by the Partnership, other than Short-Term Investments. If the Partnership holds multiple classes of securities or other interests that were issued by a Portfolio Company in a single closing or series of related closings, all of such securities or interests in the aggregate shall constitute one Portfolio Investment.

“Preference Base” means for any Partner and as of any date (a) with respect to any distribution of the proceeds of a Disposition, the sum of (i) such Partner’s Capital Contributions applied to make Portfolio Investments that have been Disposed of on or prior to such date or applied to pay Capitalized Partnership Expenses with respect to such Portfolio Investments, (ii) such Partner’s Partner Share of all writedowns (including write-offs) pursuant to Section 9.4 in respect of Portfolio Investments that have not been Disposed of by the Partnership on or prior to such date and (iii) such Partner’s Capital Contributions applied to pay Allocated Expenses with respect to Portfolio Investments that have been Disposed of, written down or written off on or prior to such date, and (b) with respect to any distribution of proceeds of a Partial Realization, the amounts determined pursuant to clause (a), plus such Partner’s Capital Contributions applied to make the Portfolio Investment to which such proceeds are attributable, including Capitalized Partnership Expenses attributable to such Portfolio Investment and Allocated Expenses with respect to such Portfolio Investment as of such date. For purposes of determining a Partner’s Preferred Amount, a Partner’s Preference Base shall not include any Capital Contributions returned to such Partner pursuant to Section 2.2(c).

“Preferred Amount” means, for any Partner and as of any date, the amount, if any, that would be required to be distributed on such date so that the aggregate distributions pursuant to Section 3.3 (including distributions pursuant to Sections 8.3(b) and (c)), to such Partner in excess of such Partner’s Preference Base provide a return of 8% per annum (compounded annually) on such Partner’s Preference Base. For purposes of determining a Partner’s Preferred Amount with respect to a Disposition of a Portfolio Investment, no proceeds of Partial Realizations with respect to Portfolio Investments or portions thereof that have not been Disposed of as of such date shall be taken into account, other than Excess Partial Realization Proceeds realized as of such date. A Partner’s Preferred Amount shall be calculated on the basis of the actual number of days elapsed from and including the date on which each Capital Contribution is invested in a Portfolio Company or is contributed to the Partnership for the purpose of paying Management Fees, Organizational Expenses and Partnership Expenses, as applicable, to, but not including, the date that distributions constituting a return of such Capital Contributions were made by the Partnership to the Partners pursuant to Section 3.3(a)(i).

“Principals” means the following senior investment professionals who are partners or members of the General Partner or are employed by the Manager, for so long as such persons have not voluntarily resigned from, or been terminated by, the General Partner or Manager, and any other senior investment professionals from time to time who are designated as such by the General Partner: James Dondero, Mark Okada, Patrick Daugherty and John Honis.

“Qualified Purchaser” has the meaning set forth in Section 2(a)(51) of the Investment Company Act and the regulations promulgated thereunder.

“Redeemed Limited Partner” has the meaning set forth in Section 6.6(c).

“Redemption Effective Date” has the meaning set forth in Section 6.6(c).

“Redemption Value” means, with respect to any interest in the Partnership, or such portion thereof in the case of a partial withdrawal, being redeemed because of a Plan Asset Event or Regulatory Issue, the fair market value of such interest as of the applicable Redemption Effective Date, as determined in good faith by the General Partner; provided that, if the Plan Asset Event or the Regulatory Issue is a result of a breach of a representation, warranty or covenant made by the Redeemed Limited Partner, the Redemption Value shall be (in each case as determined in good faith by the General Partner) the lesser of (i) the fair market value of such Redeemed Limited Partner’s interest in the Partnership on the applicable Redemption Effective Date and (ii) the fair market value of the applicable portion of the Redeemed Limited Partner’s interest in the Partnership being redeemed on the date on which cash is allocated to make redemption payments. In making such determination of fair market value, the General Partner shall assume that all of the assets of the Partnership will be sold on the applicable date in a commercially reasonable manner and the proceeds of such sale, net of estimated closing costs, as reasonably determined by the General Partner, and all obligations of the Partnership (other than the redemption of the interest or interests in the Partnership being redeemed as of such date), will be distributed to the Partners pursuant to this Agreement. With respect to a Plan Asset Event or Regulatory Issue that is not a result of a breach of a representation or warranty made by the Redeemed Limited Partner, if the majority of such Redeemed Limited Partners disagree with the General Partner’s determination of the Redemption Value of the applicable interests in the Partnership, such Redeemed Limited Partners shall negotiate in good faith to resolve such disagreement, and if such Redeemed Limited Partners continue to disagree after negotiations are held, either side may request that an independent evaluator (who must be reasonably acceptable to the other party) be retained, whose valuation shall be final and binding on the Partnership and all of the Partners. The Partnership will bear the cost of the independent evaluator.

“Regulated Investor” has the meaning set forth in Section 6.6(b).

“Regulatory Issue” has the meaning set forth in Section 6.6(b).

“Securities Act” means the Securities Act of 1933, as amended.

“Separate Investment Entity” has the meaning set forth in Section 5.15.

“Seventy-Five Percent in Interest of the Limited Partners” means Limited Partners with Commitments and limited partners in Parallel Vehicles with capital commitments to Parallel

Vehicles totaling 75% of the aggregate Commitments of all Limited Partners and capital commitments of limited partners in Parallel Vehicles.

“Short-Term Investment Income” means the income earned on Short-Term Investments including in any event any gains and net of any losses from dispositions of Short-Term Investments and also net of any costs and expenses directly attributable thereto.

“Short-Term Investments” means investments in (a) cash, (b) obligations of, or fully guaranteed as to timely payment of principal and interest by, the United States of America and with a maturity date not in excess of 12 months from the date of purchase by the Partnership, (c) interest-bearing accounts and/or certificates of deposit of any U.S. bank with capital and surplus in excess of \$500 million and whose short-term debt securities are rated not lower than P-1 by Moody’s Investor Services, Inc. and A-1+ by Standard & Poor’s Corporation and whose long term unsecured debt securities, or the long term unsecured debt securities of its affiliated holding company, are rated no lower than A1 by Moody’s Investor Services, Inc. and A+ by Standard & Poor’s Corporation, (d) reverse repurchase agreements using U.S. Treasury securities and entered into with any U.S. bank with capital and surplus in excess of \$500 million and whose short-term debt securities are rated not lower than P-1 by Moody’s Investor Services, Inc. and A-1+ by Standard & Poor’s Corporation and whose long term unsecured debt securities, or the long term unsecured debt securities of its affiliated holding company, are rated no lower than A1 by Moody’s Investor Services, Inc. and A+ by Standard & Poor’s Corporation, and (e) money market mutual funds with assets of not less than \$500 million, substantially all of which assets are reasonably believed by the General Partner to consist of items described in one or more of the foregoing clauses (b), (c) and (d).

“Special Profit Interest” means (i) the General Partner’s right to receive distributions pursuant to the first two sentences of Section 3.3(a), but only to the extent such distributions exceed the distributions that would have been made to the General Partner pursuant to the first two sentences of Section 3.3(a) if such distributions had been made pro rata according to each Partner’s Capital Contributions to the Partnership, and (ii) the General Partner’s right to receive distributions pursuant to Section 3.3(e).

“Subscription Agreement” means the Subscription Agreements (including a Subscriber Information Form) executed and delivered by Partners investing in the Partnership substantially in the form of the Subscription Agreement, dated as of the date hereof.

“Successor Fund” has the meaning set forth in Section 5.12.

“Tax Distributions” means the aggregate amount of distributions that would be made to the General Partner if the General Partner received no distributions other than those required pursuant to Section 3.3(b).

“Tax Exempt Partner” means (i) a Limited Partner that is exempt from tax under Section 501 of the Code or (ii) a Limited Partner that has a direct or indirect beneficial owner that (x) is exempt from tax under Section 501 of the Code and (y) is required to report on a United States federal income tax return or report any taxable income allocated to such Limited Partner pursuant to Section 10.4, to the extent of such beneficial owner’s pro rata share of such income,

but only in each case if such Limited Partner has notified the General Partner in writing regarding the status of such direct or indirect beneficial owner.

“Topping and Break-up Fees” means topping, break-up or similar fees in connection with prospective Portfolio Investments that are not completed, in each case to the extent actually paid by a prospective Portfolio Company and received by the General Partner, the Manager, the Principals, employees of the Manager or their Affiliates; provided, however, that (A) such fees shall not include, in each case, any such amounts that are applied to cover amounts paid by the General Partner, the Manager, the Principals, employees of the Manager or their Affiliates that constitute unreimbursed (i) out-of-pocket expenses of such persons incurred in generating such fees, and (ii) Partnership Expenses incurred in generating such fees, and (B) to the extent that the General Partner, the Manager, the Principals or their Affiliates were actually reimbursed by the Partnership for any Partnership Expenses incurred in generating such fees, such fees will first be applied to repay the Partnership for such Partnership Expenses.

“Transaction and Monitoring Fees” means commitment, transaction, closing, merger and acquisition, divestiture, financing, monitoring and similar advisory fees in respect of a Portfolio Company, in each case to the extent actually paid by a Portfolio Company and received by the General Partner, the Manager, the Principals, employees of the Manager or their Affiliates; provided, however, that (A) such fees shall not include, in each case, any such amounts that are applied to cover amounts paid by the General Partner, the Manager, the Principals, employees of the Manager or their Affiliates that constitute unreimbursed (i) out-of-pocket expenses of such persons incurred in generating such fees, and (ii) Partnership Expenses incurred in generating such fees, and (B) to the extent that the General Partner, the Manager, the Principals or their Affiliates were actually reimbursed by the Partnership for any Partnership Expenses incurred in generating such fees, such fees will first be applied to repay the Partnership for such Partnership Expenses.

“Triggering Event” has the meaning set forth in Section 2.2(d).

“Two-Thirds in Interest of the Limited Partners” means Limited Partners with Commitments and limited partners in Parallel Vehicles with capital commitments to Parallel Vehicles totaling more than $66\frac{2}{3}\%$ of the aggregate Commitments of all Limited Partners and capital commitments of limited partners in Parallel Vehicles.

“UBTI” means unrelated business taxable income and unrelated debt financed taxable income, as defined in Sections 512 and 514 of the Code, respectively.

“Unapplied Waived Fee Amounts” means, as of the date of determination, the excess, if any, of (i) the sum of (A) the aggregate Waived Fee Amount for all Management Fee Periods, beginning on or before the date of determination (B) the aggregate amount described in clause (i) of the definition of “Deemed Contribution” relating to the aggregate Capital Contributions previously returned to the Partners pursuant to Section 2.2(c) (including, without limitation, in respect of Bridge Financings) and (C) amounts added to the Unapplied Waived Fee Amounts pursuant to Section 6.5(b) over (ii) the aggregate amount described in clause (i) of the definition of “Deemed Contribution” as of such date.

“Uncapitalized Partnership Expenses” means Partnership Expenses that are not Capitalized Partnership Expenses.

“Unfunded Commitment” means that portion of a Partner’s Commitment that is not a Funded Commitment.

“Waived Fee Amount” has the meaning set forth in Section 4.1(d).

“Waived Fee Notice” has the meaning set forth in Section 4.1(d).

“Waiver Contribution” has the meaning set forth in Section 2.2(a)(ii).

Section 2.2 Capital Contribution Commitment; Key Person Provision. Subject to Section 5.6(b):

(a) (i) Each Partner agrees to make contributions in cash to the capital of the Partnership pro rata based upon such Partner’s respective Unfunded Commitment in an aggregate amount up to its Unfunded Commitment when and as called by the General Partner (“Capital Call”) upon at least ten Business Days written notice (the “Capital Call Notice”); provided, however, that the General Partner shall not be obligated to make Capital Contributions to be used to pay the Management Fee or Placement Fees, and Capital Contributions to pay the Management Fee will be made by each Limited Partner based on the amount of each payment of the Management Fee that is borne by such Limited Partner pursuant to Section 4.1(b). Any Capital Contributions made by the Limited Partners to pay the Partnership’s pro rata share of any Placement Fees shall be made by the Limited Partners whose Commitments gave rise to such fees, pro rata in accordance with their respective Commitments. The aggregate Commitments and capital commitments to all Parallel Vehicles of the General Partner, the Principals, Highland and their Affiliates, shall be pro rata and shall equal the lesser of 5.0% of aggregate Commitments and capital commitments to all Parallel Vehicles and \$50 million. In the event of the election described in Section 2.2(a)(ii), each Limited Partner required to make a Waiver Contribution pursuant to Section 2.2(a)(ii) shall make the Waiver Contribution specified in the Capital Call Notice. Each Capital Contribution shall be made by Partners in cash either by delivery to the Partnership of a certified check or wire transfer of immediately available funds to an account designated by the General Partner, provided, however, that the Capital Contributions of the General Partner may be made by cash contributions or by Deemed Contributions as set forth in Section 2.2(a)(ii).

A Capital Call Notice shall: (i) specify the purpose for which the Capital Contributions are required to be made (including a breakdown of the amounts called in respect of Portfolio Investments, Partnership Expenses, Organizational Expenses, Management Fees or Placement Fees); (ii) in the case of a Capital Call Notice with respect to the anticipated making of a Portfolio Investment, include: (A) a brief description of the identity, nature and business of such Portfolio Investment; (B) a statement as to whether the Portfolio Investment might be structured through a Separate Investment Entity; (C) a designation as such of any Bridge Financing to be made as part of such Portfolio Investment, and (D) a statement as to whether the Portfolio Investment is an investment in a Media Company or could, in the reasonable judgment of the General Partner, cause a Limited Partner to recognize UBTI; and (iii) specify a Limited Partner’s

pro rata share of the Capital Contributions required to be made by such Limited Partner, the portion of the Capital Contribution to be applied towards the payment of Management Fees, and the amount of a Limited Partner's Unfunded Commitment remaining following the funding of such Capital Contribution.

(ii) Notwithstanding Section 2.2(a)(i) above, at such time as the General Partner delivers any Capital Call Notice, the General Partner's required Capital Contributions in respect of anticipated or actual Portfolio Investment and/or expenses incurred directly in connection with the making, maintaining or disposing of such Portfolio Investment, at the General Partner's election, shall be reduced by an amount up to the lesser of (A) the amount of Capital Contributions otherwise required to be made by the General Partner pursuant to Section 2.2(a)(i), or (B) the amount of any existing Unapplied Waived Fee Amounts, and such amount shall instead be funded by the Participating Partners with respect to whom the Management Fee is payable pursuant to Section 4.1(b), pro rata according to their respective Commitments (for any Partner, a "Waiver Contribution"). If, as of any date, the aggregate amounts described in clause (i) of the definition of "Deemed Contribution" exceed the sum of the amounts described in clause (i) of the definition of "Unapplied Waived Fee Amounts," the General Partner shall, within ten Business Days after such date, make a Capital Contribution equal to the amount of such excess. Such amount shall be distributed to the Partners as a return of their Capital Contributions, in proportion to their respective Waiver Contributions. Corresponding adjustments shall be made to the Special Profits Interest.

(b) Each Partner's Commitment will commence on the date of the First Closing and will expire on the earlier of (i) five years from the Final Closing, (ii) the date after the second anniversary of the Final Closing on which the Commitment Period is terminated with the consent of Seventy-Five Percent in Interest of the Limited Partners, (iii) the date on which the General Partner determines that 90% of the aggregate Commitments of the Partners have been funded or are needed for purposes described in clauses (i) through (iii) of the next sentence below, or (iv) the date that the Commitment Period is terminated pursuant to Section 2.2(d), (such period being referred to as the "Commitment Period"). Notwithstanding the expiration or the termination of the Commitment Period, the Partners will remain obligated to make cash contributions throughout the duration of the Partnership pursuant to their respective Unfunded Commitments to the extent needed (i) to make Follow-on Investments; provided, however, that the aggregate of all Follow-on Investments made after the termination of the Commitment Period shall not exceed 15% of the aggregate Commitments, (ii) to make investments that were the subject of written agreements in process or under active consideration prior to or on the date of termination of the Commitment Period and which are consummated within 120 days of the date of termination of the Commitment Period, subject to extension, if necessary, in order to obtain requisite regulatory approvals, and (iii) to pay Partnership Expenses and the Management Fee. The General Partner shall notify the Limited Partners within 30 days of the termination of the Commitment Period as to all in process investments that were the subject of written agreements in process and investments under active consideration to the extent the General Partner is not bound by confidentiality obligations related thereto.

(c) The General Partner shall cause the Partnership to return to the Partners all or any portion of any Capital Contribution to the Partnership which is not invested in a Portfolio Investment or used to pay Partnership Expenses, Management Fees, Placement Fees or

Organizational Expenses or which has been contributed in order to fund a Bridge Financing which is refinanced. Each such return of Capital Contributions shall be made pro rata among all Partners in the same proportion as the Partners made such Capital Contributions and shall be made on or before the sixtieth (60th) day following the date such Capital Contributions were due (as set forth in the Capital Call Notice pursuant to which such Capital Contributions were made by the Partners to the Partnership), provided, however, that such Capital Contributions may be retained and applied with respect to another outstanding Capital Call Notice and may also be retained if the General Partner determines in good faith that there will be a Capital Call within thirty (30) days after the date that such Capital Contributions would otherwise be required to be returned, and if not so applied and retained, may be called again by the General Partner according to the provisions of this Section 2.2 as if such returned Capital Contributions had not been previously called.

(d) If:

(i) James Dondero and Mark Okada both cease to be actively involved, including in a supervisory role, on an ongoing basis with respect to the business, operations or investment decisions of Highland, the Manager and General Partner,

(ii) the Keyman Group, together with the Principals as of the Final Closing and Permitted GP Transferees thereof, are no longer entitled to receive, directly or indirectly, in the aggregate at least 50% of the Carried Interest (as defined in the Master Partnership Agreement) payable to the General Partner, or

(iii) any two or more of the members of the Keyman Group cease to be actively involved, including in a supervisory role, on an ongoing basis with respect to the business, operations or investment decisions of Highland, the Manager and General Partner,

(the circumstances specified in each of clauses (i), (ii), and (iii), above being referred to herein as a "Triggering Event"), then the Partnership shall automatically enter into a 120 day period (subject to extension for an additional 120 day period as described below) in which the Commitment Period will be suspended (a "Continuity Period").

The Partnership shall not make any new investments during the Continuity Period, except to the extent such investments (a) were the subject of written agreements, (b) were in process or (c) under active consideration prior to the commencement of the Continuity Period, and in each such case, are consummated within 120 days of the commencement of the Continuity Period, subject to extension, if necessary, in order to obtain requisite regulatory approvals for such investments. The pursuit of Other Permitted Investment Activities by the Principals and the members of the Keyman Group will not give rise to a Triggering Event. The General Partner will promptly notify the Limited Partners of the occurrence of a Triggering Event.

During a Continuity Period, if a Triggering Event described in clause (i) above has occurred, the General Partner, after consultation with the Advisory Committee, will prepare for and provide to the Limited Partners within 60 days of the Triggering Event a program recommended by the General Partner for resumption by the Partnership of its full range of activities at the end of such Continuity Period. Prior to the end of the Continuity Period, but

within a reasonable time period following the delivery of a program recommended by the General Partner, the General Partner will arrange for a vote of all Limited Partners. By consent of Two-Thirds in Interest of the Limited Partners, the Limited Partners may cause an early termination of the Commitment Period, such termination to commence on the date such Continuity Period expires. If a Continuity Period expires without the occurrence of an effective consent of the requisite Limited Partners to terminate the Commitment Period, the Partnership, and the General Partner on its behalf, shall be authorized and entitled to resume the Partnership's full range of activities.

During a Continuity Period, if a Triggering Event described in clauses (ii) or (iii) above has occurred, within 90 days of the Triggering Event the General Partner may propose to the Advisory Committee one or more replacements to serve as members of the Keyman Group for purposes of this Section 2.2(d); if a majority of the members of the Advisory Committee approve of such replacement or replacements, such replacement person or persons shall thereafter be members of the Keyman Group and the Partnership, and the General Partner on its behalf, shall be authorized and entitled to resume the Partnership's full range of activities. If the Advisory Committee does not approve of such replacement person or persons within 30 days following the delivery of the General Partner proposal to the Advisory Committee, the Continuity Period shall be extended for an additional 120 day period. The General Partner may propose to the Advisory Committee, within 90 days after the rejection by the Advisory Committee of the initial replacement person or persons, a different replacement or replacements than originally proposed to serve as members of the Keyman Group for purposes of this Section 2.2(d); if a majority of the members of the Advisory Committee approve of such replacement or replacements within 30 days following delivery of the new General Partner proposal, such replacement person or persons shall thereafter be members of the Keyman Group and the Partnership, and the General Partner on its behalf, shall be authorized and entitled to resume the Partnership's full range of activities. If the Advisory Committee does not approve of such replacement person or persons within such thirty day period, the General Partner will arrange for a vote of all Limited Partners. By consent of Two-Thirds in Interest of the Limited Partners, the Limited Partners may cause an early termination of the Commitment Period, such termination to commence on the date the Continuity Period expires.

Section 2.3 Capital Accounts. A capital account ("Capital Account") will be established for each Partner on the books of the Partnership and will be adjusted as follows:

(a) **Capital Contributions and Allocations.** A Partner's Capital Contribution will be credited to its Capital Account when received by the Partnership.

(b) **Short-Term Investment Income.** Short-Term Investment Income earned in each quarterly period with respect to Capital Contributions that have not yet been invested in Portfolio Investments or used to pay fees and expenses of the Partnership will be credited to the Capital Accounts of the Partners pro rata according to their respective Partner Capital Contributions to which such Short-Term Investment Income is attributable. Short-Term Investment Income on undistributed proceeds from Portfolio Investments shall be credited to the Capital Accounts of the Partners ratably in proportion to their respective shares of such undistributed amounts.

(c) Investment Income and Gain and Investment Loss. Taking into account Section 6.6(d) and except as otherwise provided in this Section 2.3(c), Investment Income and Gain or Investment Loss shall be allocated among the Partners for each taxable period in such a manner that, as of the end of such taxable period, and to the extent possible, the Capital Account of each Partner shall be equal to the net amount, positive or negative, which would be distributed to each Partner or for which such Partner would be liable to the Partnership under this Agreement (including Sections 8.3(c) and (e)), determined as if the Partnership were to liquidate the assets of the Partnership for an amount equal to their Basis, reduced, but not below zero, by the amount of nonrecourse debt, if any, to which such Partnership assets are subject, and distribute the proceeds in liquidation after the payment of all liabilities (other than nonrecourse liabilities) in accordance with Sections 3.2 and 3.3. For purposes of the foregoing determination, no amount shall be treated as distributable pursuant to subclause (z) of clause (A) of Section 3.3(a)(i) by virtue of clause (a)(ii) of the definition of Preference Base or clause (B) of Section 3.3(a)(i) with respect to any Portfolio Investment or portion thereof solely because of the deemed liquidation of such Portfolio Investment; provided, however, that any increase in the Basis of a Portfolio Investment shall be taken into account for this purpose in the same manner as proceeds of a Partial Realization. Investment Income and Gain or Investment Loss attributable to Portfolio Investments retained by the Partnership pursuant to Section 3.3(e)(ii) shall be allocated 100% to the General Partner.

(d) Organizational Expenses, Management Fee. Organizational Expenses that are borne by the Partnership will be apportioned to the Partners pro rata according to their respective Capital Contributions to pay Organizational Expenses. Organizational Expenses that are described in Section 705(a)(2)(B) of the Code will be debited against the Capital Accounts of the Partners in the fiscal period in which they are incurred, and Organizational Expenses that are described in Section 709(b) of the Code will be debited against the Capital Accounts of the Partners over a 180-month period. The Management Fee for any Management Fee Period shall be debited against the Capital Account of each Limited Partner in the amount that is borne by such Limited Partner pursuant to Section 4.1(b) for such Management Fee Period.

(e) Distributions. Any amounts distributed to the Partners will be debited against their Capital Accounts.

(f) Partnership Expenses. Uncapitalized Partnership Expenses shall be debited against the Capital Accounts of the Partners in proportion to their respective Commitments.

(g) Placement Fees. Placement Fees, shall be debited against the Capital Accounts of the Limited Partners whose Commitments gave rise to such fees, in proportion to their respective Commitments.

Section 2.4 Distributions in Kind.

(a) If any securities are to be distributed in kind to the Partners as provided in Article III, such securities will first be written up or down to their value (as determined pursuant to Article IX as of the date of such distribution), thus creating Investment Income or Gain or Investment Loss, which shall be allocated in accordance with Section 2.3 to the Capital Accounts of the Partners, and upon the distribution (or deemed distribution pursuant to Section 2.4(b)) of

such securities to the Partners, the value of such securities shall be debited, in accordance with Section 2.3(e), against the Capital Accounts of the Partners.

(b) The General Partner shall give at least ten Business Days prior notice to the Limited Partners of any proposed distribution of securities pursuant to this Section 2.4 and the date of such proposed distribution. In connection with any distribution of securities in kind, the General Partner shall offer each Limited Partner the right to elect to receive a distribution of securities or to have the Partnership dispose of all or any portion of such securities for the account of such Limited Partner. At the election of a Limited Partner (an "Electing Limited Partner"), all distributions of securities that otherwise would be made to the Electing Limited Partner by the Partnership shall be made, as determined by the General Partner, to the General Partner or an independent escrow agent or custodian as agent for the Limited Partner (the "Agent") and, unless otherwise specified in writing, an Electing Limited Partner shall be deemed to have chosen to have the Partnership sell its share of securities in full. An Electing Limited Partner shall bear all expenses (including, without limitation, underwriting costs and brokerage commissions) relating to the sale by the Partnership of such securities. The General Partner may require the Electing Limited Partner to make any representations, warranties and covenants as the General Partner shall reasonably determine are necessary or desirable in order to dispose of the securities. For all purposes of this Agreement, the Limited Partner shall be deemed to have received such distribution of securities on the date that such securities are delivered to the Agent. Immediately following a distribution to the Agent pursuant to this Section 2.4(b), the General Partner shall notify the Limited Partner of the type and quantity of securities distributed. The Agent shall thereafter hold such securities for a period of 10 Business Days following which the Agent shall use its reasonable efforts to promptly sell such securities and deliver the net proceeds therefrom to the Limited Partner; provided, however, that the Agent shall not sell such securities and shall instead promptly deliver such securities to the Limited Partner following the conclusion of such 10 Business Day period if, prior to the conclusion of such period, the Limited Partner notifies the Agent that the receipt of such securities would not violate any law, regulation or governmental order applicable to the Limited Partner. The Agent shall use good faith efforts in selling such securities at the highest available price, but shall not be liable to an Electing Limited Partner in any manner in connection with such sale in the absence of gross negligence or willful misconduct, including for any claim that the Agent was unable to effect any such sale (for any reason) or failed to obtain the highest possible sale price for such securities.

(c) An Electing Limited Partner's election pursuant to Section 2.4(b) may be revoked by the Electing Limited Partner at any time upon notice to the General Partner; provided, however, that an election may not be revoked with respect to securities if the Agent has entered into a binding commitment to sell securities on behalf of the Electing Limited Partner.

Section 2.5 Determination of Voting Thresholds. Any vote, approval or consent that is to be based upon a specified proportion of the interests in the Partnership held by the limited partners shall be based upon the Limited Partners' Commitments and the capital commitments of limited partners in Parallel Vehicles, excluding (i) except as specifically provided in Section 6.9, that portion of each Limited Partner's Commitment and the capital commitment of each limited partner in a Parallel Vehicle that represents a Non-Voting Interest, (ii) except as otherwise set forth in Section 12.1(b), limited partner interests in the Partnership or in any Parallel Vehicle held by a Defaulting Partner or a defaulting partner of a Parallel Vehicle, (iii) limited partner

interests in the Partnership or in any Parallel Vehicle held, directly or indirectly, by the General Partner, Highland, the Principals or any of their respective Affiliates prior to any removal of the General Partner pursuant to Section 5.9, and (iv) in the case of any particular matter that affects or pertains only to the Partners and not to any partner of a Parallel Vehicle, limited partner interests in such Parallel Vehicle held, directly or indirectly, by the General Partner or by any limited partner of such Parallel Vehicle.

ARTICLE III

DISTRIBUTIONS

Section 3.1 Distribution Policy.

(a) The General Partner may in its sole discretion make distributions of cash or Marketable Securities at any time and from time to time subject to the remaining provisions of this Section 3.1; provided, however, that no securities will be distributed in kind to the Partners that are not Marketable Securities until the final distribution of the assets of the Partnership to the Partners pursuant to Section 8.3(b).

(b) The General Partner will cause the Partnership to distribute (i) Current Cash Income at least semi-annually unless reinvested as described in this Section 3.1(b), (ii) Short-Term Investment Income at least quarterly, and (iii) the net cash proceeds received from Dispositions of or Partial Realizations with respect to Portfolio Investments within 60 days of the receipt thereof unless reinvested as described in this Section 3.1(b), after, in each case, the setting aside by the General Partner, in its discretion, of reasonable reserves for anticipated obligations and commitments of the Partnership as well as any required tax withholdings; provided, however, that if the General Partner determines in good faith that there will be a Capital Call within 30 days after the date that an amount that would otherwise be distributed that would be described in clauses (a), (b) and (d) of the definition of Funded Commitment, or if there is an outstanding Capital Call Notice the General Partner may, in its discretion, retain such amount and reduce the amount required to be contributed with respect to such Capital Call.

Section 3.2 Distribution of Short-Term Investment Income. Short-Term Investment Income will be distributed among the Partners in the same proportions as Short-Term Investment Income was credited to the Partners' Capital Accounts.

Section 3.3 Distributions of Current Cash Income and Proceeds From Dispositions of or Partial Realizations with Respect to Investments and In Kind Distributions.

(a) Distributions not attributable to a Portfolio Investment shall be distributed to the Partners in proportion to their Funded Commitments as of the date of such distribution. All distributions of Current Cash Income and all distributions out of net proceeds from Dispositions of or Partial Realizations with respect to Portfolio Investments (in each case, net of Partnership Expenses) and all distributions of Portfolio Investments shall be apportioned in proportion to their respective Partner Interests among the General Partner and the Participating Partners with respect to the Portfolio Investment that gave rise to such Current Cash Income or net proceeds or

that is being distributed in kind. The General Partner's Partner Share of such distributions shall be distributed 100% to the General Partner. Each Participating Partner's Partner Share shall be distributed to such Participating Partner and the General Partner as follows:

(i) First, 100% to such Participating Partner until (A) the aggregate amount distributed to such Participating Partner in accordance with this Section 3.3(a) equals such Participating Partner's Preference Base as of the date of such distribution and (B) the aggregate amount distributed to such Participating Partner in accordance with this Section 3.3(a) (other than clause (A) of this paragraph) equals such Participating Partner's Preferred Amount as of such date. Solely for purposes of determining how proceeds of a Disposition of a Portfolio Investment are to be distributed pursuant to this Section 3.3(a) no proceeds of Partial Realizations with respect to Portfolio Investments or portions thereof that have not been Disposed of as of such date shall be taken into account, other than Excess Partial Realization Proceeds realized as of such date.

(ii) Second, (A) 50% to the General Partner and (B) 50% to such Participating Partner until the aggregate distributions to the General Partner with respect to such Participating Partner pursuant to this paragraph (ii) and paragraph (iii), reduced by any amounts contributed to the Partnership by the General Partner with respect to such Participating Partner pursuant to Section 8.3(c), equal 20% of the aggregate distributions of such Participating Partner's Partner Share of such amounts to the General Partner, reduced by any amounts contributed to the Partnership by the General Partner with respect to such Participating Partner pursuant to Section 8.3(c), and to such Participating Partner pursuant to this paragraph (ii) and paragraph (iii), and clause (B) of the immediately preceding paragraph.

(iii) Third, (A) 80% to such Participating Partner and (B) 20% to the General Partner.

For purposes of this Section 3.3(a), amounts distributed to a Participating Partner pursuant to Section 8.3(c) shall be treated as having been distributed pursuant to this Section 3.3(a).

(b) Anything contained herein to the contrary notwithstanding, the General Partner shall be entitled to receive cash distributions from the Partnership (after taking into account any other distributions received by the General Partner in such fiscal year pursuant to Sections 3.3(a)(ii)(A) and 3.3(a)(iii)(B)) in amounts sufficient to enable the General Partner and the individual members of the General Partner to discharge any federal, state and local tax liability (excluding penalties) arising as a result of the allocation of Investment Income and Gain pursuant to Section 2.3(c) attributable to the General Partner's Carried Interest in the Partnership, determined by assuming the applicability of the highest combined effective marginal federal, state and local income tax rates applicable to an individual resident in New York, New York. The amount of such tax liability shall be calculated taking into account (i) the deductibility (to the extent allowed) of state and local income taxes for United States Federal income tax purposes, (ii) the amount of net cumulative tax loss previously allocated to the General Partner in prior fiscal years with respect to the Carried Interest and not used in prior fiscal years to reduce taxable income for the purpose of making distributions under this subsection (b) and (iii) the character of any income or gain and the income tax rates applicable thereto. The calculation shall be made on the assumption that taxable income or tax loss from the Partnership with

respect to the Carried Interest is the General Partner's only taxable income or tax loss. Such distributions shall be debited to the General Partner's Capital Account, as provided in Section 2.3(e). Any amounts distributed pursuant to this subsection (b) shall be considered an advance against the next distribution of Carried Interest distributable to the General Partner, and shall offset such distributions.

(c) A Partner's Capital Contributions used to pay Organizational Expenses, Management Fees, Placement Fees and Uncapitalized Partnership Expenses that are to be allocated to a Portfolio Investment shall be determined on the date such Portfolio Investment is Disposed of, and shall equal the product of (i) such Capital Contributions not theretofore allocated to Portfolio Investments that have been Disposed of multiplied by (ii) a fraction, the numerator of which shall equal such Partner's Capital Contributions in respect of such Portfolio Investment and the denominator of which shall equal such Partner's Capital Contributions in respect of such Portfolio Investment and all Portfolio Investments that have not been Disposed of on or prior to the date such allocation is effected. For purposes of the determinations described in clause (b)(i) of the definition of Excess Partial Realization Proceeds, such Capital Contributions shall be tentatively allocated to the Portfolio Investment giving rise to such Partial Realization proceeds as though such Portfolio Investment had been Disposed of on the date such proceeds were realized.

(d) In the event of a partial Disposition of a Portfolio Investment, the unreturned Capital Contributions and remaining Preferred Amount with respect to such Portfolio Investment shall be allocated between the Disposed portion and retained portion of such Portfolio Investment, pro rata, based on the relative amounts that are Disposed of and retained, respectively, of that portion of such Portfolio Investment held by the Partnership immediately prior to such Disposition.

(e) (i) Notwithstanding anything in this Agreement to the contrary, the General Partner may at any time elect not to receive all or any portion of any distribution that otherwise would be made to it with respect to its Carried Interest.

(ii) Any amount of cash which is not distributed to the General Partner pursuant to Section 3.3(e)(i) shall, in the General Partner's sole discretion, either be retained by the Partnership or distributed to the Partners (other than to the General Partner) in accordance with Section 3.3(a). Any amount of securities not distributed in-kind to the General Partner pursuant to Section 3.3(e)(i) shall be retained by the Partnership.

(iii) If the General Partner elects to distribute cash to the other Partners pursuant to Section 3.3(e)(ii), 100% of any or all subsequent cash distributions by the Partnership shall be distributed to the General Partner until the General Partner has received the same aggregate amount of cash distributions it would have received had it not waived receipt of certain distributions pursuant to Section 3.3(e)(i) (without regard to the distribution of any Short-Term Investment Income earned on such retained amounts).

(iv) All Current Cash Income attributable to, and distributions out of net proceeds from the Disposition or Partial Realization of, Portfolio Investments retained by the Partnership pursuant to Section 3.3(e)(ii) and all cash retained by the Partnership pursuant to

Section 3.3(e)(ii) shall be distributed to the General Partner as of the date determined by the General Partner in its sole discretion. The General Partner shall not be entitled to any additional distributions in respect of such retained amounts, other than Short-Term Investment Income earned on such retained amounts.

(f) Notwithstanding anything to the contrary in this Agreement, if at the expiration of the Commitment Period, there are Unapplied Waived Fee Amounts, the General Partner shall, in its sole discretion, prior to any other distribution pursuant to this Article III, be entitled to a distribution of cash equal to the Unapplied Waived Fee Amount.

Section 3.4 Foreign Taxes. The amount of any foreign taxes paid by the Partnership (or by an entity in which the Partnership holds an interest, either directly or indirectly through one or more such entities, that is treated as a partnership or is disregarded for federal income tax purposes) or withheld from receipts of the Partnership or such entity from a Portfolio Investment shall be allocated among the Partners as reasonably determined by the General Partner (taking into account any allocation of taxes under Section 6.7) and, for purposes of Sections 3.3(a)(i) – (iii), shall be deemed to have been distributed to each Partner as Current Cash Income or proceeds from the Disposition of a Portfolio Investment to the extent that the payment or withholding of such foreign taxes reduced Current Cash Income or the proceeds from the Disposition of a Portfolio Investment, as the case may be, otherwise distributable to such Partner as provided herein (for this purpose taking into account with respect to each Partner any reduction in such foreign taxes that occurs by reason of such Partner's status); provided that the General Partner may deem foreign taxes paid by or withheld from receipts of the Partnership and allocable to a Tax Exempt Partner to have been distributed to such Tax Exempt Partner as described above only to the extent that such Tax Exempt Partner incurs and is subject to tax on UBTI relating to such Tax Exempt Partner's Interest in the Partnership, as determined by the General Partner.

ARTICLE IV

MANAGEMENT FEE AND ORGANIZATIONAL EXPENSES

Section 4.1 Management Fee.

(a) During each quarterly period beginning on each January 1, April 1, July 1 and October 1 from and after the First Closing (each such quarterly period, a "Management Fee Period") until the termination of the Partnership, the Partnership will pay the Manager a quarterly fee as calculated below (the "Management Fee"), in advance on each January 1, April 1, July 1 and October 1, as compensation for managing the affairs of the Partnership, provided, however, that the initial payment of the Management Fee shall be for the period from the First Closing to December 31, 2007.

(b) The Management Fee payable by the Partnership shall be the sum of the amounts determined for each Limited Partner pursuant to this Section 4.1. No Management Fee shall be payable with respect to the General Partner and their Affiliates. Subject to Sections 4.1(c) and 4.1(d), the quarterly Management Fee payable with respect to a Limited Partner during the Initial

Fee Period shall be 0.4375% of the Commitments of such Limited Partner resulting in an aggregate annual Management Fee of 1.75%. Following the expiration of the Initial Fee Period, the quarterly Management Fee payable with respect to a Limited Partner shall be 0.4375% of the aggregate Net Funded Commitment of such Limited Partner as reduced by any writedowns or writeoffs pursuant to Section 9.4 in respect of Portfolio Investments that have not been Disposed of on or prior to such date (resulting in an aggregate annual Management Fee of 1.75%). The Management Fee in any partial quarterly period will be pro rated on a daily basis according to the actual number of days in such period.

(c) The Management Fee payable with respect to any Management Fee Period and with respect to a Limited Partner will be reduced (but not below zero) by such Limited Partner's Partner Share of eighty-five percent (85%) of the Partnership's pro rata share of all Topping and Break-up Fees, Transaction and Monitoring Fees, and Director Fees. The Management Fee shall also be reduced, but not below zero, by such Limited Partner's Capital Contributions used pursuant to Section 2.2(a)(i) to pay (x) any Placement Fees and (y) any Organizational Expenses in excess of \$1,250,000, paid or payable by the Partnership. To the extent that such Limited Partner's share of the Management Fee in any Management Fee Period is reduced to zero as a result of the reduction for Placement Fees, Organizational Expenses in excess of \$1,250,000, Director Fees, Topping and Break-up Fees and Transaction and Monitoring Fees, the excess shall be carried forward to the next Management Fee Period (and, if necessary, to one or more subsequent Management Fee Periods) and applied as a reduction of the Management Fee, but not below zero, for such succeeding Management Fee Period (or a subsequent Management Fee Period). To the extent that Director Fees, Topping and Break Up Fees and Transaction and Monitoring Fees exceed or cannot be applied as a reduction of Management Fees for succeeding Management Fee Periods, then such excess will first be applied to reimburse the Partnership for any previously unreimbursed Management Fees paid by the Partnership for prior Management Fee Periods (with such amounts being treated for purposes of Section 3.3(a) as distributions in return of the Capital Contributions made to pay such Management Fees), and the remainder of such excess will be paid or contributed to the Partnership and will be distributed pursuant to Section 3.3(a) as if net proceeds from the Disposition of a Portfolio Investment; provided, however, that in the event that any Partner desires not to receive any such excess fee offsets upon the termination of the Partnership, such Partner may elect in writing at any time prior to the termination of the Partnership to waive receipt of any such fee offsets, in which case the amount of fee offsets that would otherwise have been allocated and distributed to such Partner shall instead be allocated and distributed to the other non-waiving Partners on a pro rata basis in accordance with their respective Commitments. The Partnership's pro rata share of all Topping and Break-up Fees, Transaction and Monitoring Fees and Director Fees shall be the amount of such fees multiplied by a fraction, the numerator of which is the Partnership's investment in the Portfolio Investment (or proposed investment in the proposed Portfolio Investment) giving rise to such fee and the denominator of which is the aggregate investment or proposed investment in such Portfolio Investment or proposed Portfolio Investment by the Partnership, all Parallel Vehicles, all Separate Investment Entities, all Co-investment Funds and all other co-investment arrangements arranged by the Manager with respect to such Portfolio Investment or proposed Portfolio Investment (provided, that for the avoidance of doubt, any such Co-Investment Funds or other co-investment arrangements will not receive any amount of fee offsets).

(d) After taking into account any reduction in the Management Fee payable for any Management Fee Period with respect to a Limited Partner pursuant to Section 4.1(c), the Management Fee payable for any Management Fee Period with respect to such Limited Partner shall be further reduced by an amount (the “Waived Fee Amount”) equal to the lesser of (i) the amount of the Management Fee to which the Manager would otherwise be entitled pursuant to this Section 4.1 that the Manager has irrevocably elected to waive in a written notice (a “Waived Fee Notice”) delivered to the Partnership with respect to each Management Fee Period, at least 15 days prior to the end of the calendar year immediately preceding the calendar year in which such Management Fee Period begins, and with respect to each Management Fee Period in the first calendar year of the term of the Partnership, such Waived Fee Notice delivered on or prior to the delivery of the first Capital Call Notice in respect of Management Fees and (ii) the amount that would be payable to the Manager on such Management Fee Period pursuant to this Section 4.1 in the absence of this Section 4.1(d). A Limited Partner’s share of the Waived Fee Amount for any Management Fee Period is equal to the Waived Fee Amount for such Management Fee Period multiplied by the quotient determined by dividing (i) the Management Fee that would be payable for such Management Fee Period with respect to such Limited Partner in the absence of this Section 4.1(d) by (ii) the total Management Fee that would be payable for such Management Fee Period in the absence of this Section 4.1(d). If the Manager delivers a Waived Fee Notice with respect to any Management Fee Period that begins before the date of the Final Closing, (i) if such Waived Fee Notice specifies that a percentage of the Management Fee otherwise payable for such Management Fee Period be waived, the Manager shall be deemed to have waived a proportionate amount of the Management Fee otherwise payable for such Management Fee Period by all Additional Limited Partners whose subscriptions are accepted after the date of such Waived Fee Notice and (ii) if such Waived Fee Notice specifies that a fixed dollar amount of such Management Fee otherwise payable for such Management Fee Period be waived, the reduction in the Management Fee for such Management Fee Period shall be allocated to all Limited Partners in the same proportion as the Management Fee is borne by the Limited Partners for such Management Fee Period.

(e) For purposes of Section 4.1(c), a Limited Partner’s share of Director Fees and Transaction and Monitoring Fees is equal to the amount of the Partnership’s pro rata share of such fees multiplied by the Limited Partner’s Partner Interest in the Portfolio Investment to which such Director Fees and Transaction and Monitoring Fees are attributable, and a Limited Partner’s share of Topping and Break-up Fees is equal to the amount of such fees multiplied by the proportion of such Limited Partner’s Commitment to the Commitments of all Partners on the first day of the Management Fee Period in which such Topping and Break-up Fees are paid.

Section 4.2 Organizational and Partnership Expenses. The Partnership will reimburse the General Partner or the Manager for all Organizational Expenses incurred by the General Partner or the Manager on behalf of the Partnership. The Partnership will pay all Partnership Expenses.

Section 4.3 Ordinary Operating Expenses. The Manager shall pay all ordinary overhead expenses of the Partnership, the General Partner, the Manager, the Separate Investment Entities and the Parallel Vehicles (including salaries, rent, overhead, travel expenses and similar expenses), other than Partnership Expenses, Organizational Expenses and Placement Fees.

ARTICLE V

GENERAL PARTNER

Section 5.1 Investment Opportunities; Devotion of Time; Management Authority.

(a) The Principals shall each be actively involved in the business of the Fund Group and shall devote such amount of their business time and attention in order to fulfill their fiduciary duties to the Limited Partners in accordance with the Delaware Partnership Act; provided, however, that the Principals may engage and be involved in Other Permitted Investment Activities. Subject to the foregoing and to Section 5.12(a) and the Highland Investment Allocation Policy, during the Commitment Period, the General Partner, the Manager and the Principals will present all investment opportunities to the Partnership which they believe in good faith are suitable for the Partnership and fit the investment objective of the Partnership. However, the Principals and the Manager will not be restricted from pursuing, engaging in and completing acquisitions and investments in, through or by Highland Portfolio Companies in connection with Other Permitted Investment Activities and other investments through other Highland Accounts, in each such case, in accordance with the Highland Investment Allocation Policy.

(b) Subject to the retention of the Manager, the General Partner will have full control over the business and affairs of the Partnership consistent with its fiduciary duties arising under the Delaware Partnership Act. The General Partner will have the power on behalf and in the name of the Partnership to carry out any and all of the objects and purposes of the Partnership and to perform all acts and enter into and perform all contracts and other undertakings which, in its sole discretion, are necessary or advisable or incidental thereto, including the power to acquire or dispose of any security (including Marketable Securities). Notwithstanding the foregoing, the management of the Partnership will vest in the Manager which will provide the Partnership with portfolio management and administrative services, including investigating, analyzing, structuring and negotiating potential investments, monitoring the performance of Portfolio Companies and advising as to disposition opportunities. In no event shall the Manager, which has been engaged by the Partnership, be treated as an agent or partner of the General Partner.

(c) Except to the extent otherwise provided in this Agreement, all matters concerning (i) the allocation of Short-Term Investment Income, Current Income, Investment Income and Gain, Investment Loss, Partnership Expenses, Organizational Expenses, Carried Interest, and the distribution of net proceeds and the return of capital among the Partners, including the taxes thereon, (ii) accounting procedures and determinations (including the determination of the Preferred Amount), estimates of the amount of Management Fees or Placement Fees payable by any Defaulting Partner, (iii) the calculation of the Management Fee (including Director Fees, Topping and Break-up Fees and Transaction and Monitoring Fees), and (iv) the reinvestment of any amounts distributed in respect of a Bridge Financing (or portion thereof) that was sold, refinanced or otherwise disposed of within eighteen (18) months from the Investment Date of such Bridge Financing, shall be determined by the General Partner in accordance with its reasonable interpretation of the provisions of this Agreement made in good faith.

Section 5.2 Use of Affiliates. The General Partner shall retain the services of the Manager and any officers, directors or Affiliates thereof in connection with the operation of the Partnership, and the compensation of the Manager and such persons shall be as provided in Section 4.1 hereof; provided, however, that nothing contained in this Section 5.2 shall be construed to relieve the General Partner of its responsibilities under this Agreement or the duties and limitations set forth in this Article V.

Section 5.3 Indebtedness. Subject to Section 5.5 and Section 5.4, the Partnership may incur indebtedness consisting of Bridge Leveraging or the issuance of credit support of the obligations of Portfolio Companies or their subsidiaries, which may be in the form of guarantees, letters of credit or pledges of a portion of the Commitments ("Credit Support"). Any such indebtedness will not be considered as Capital Contributions by the Partners unless, until and to the extent the General Partner calls for Capital Contributions in connection therewith pursuant to a Capital Call Notice pursuant to this Agreement.

Section 5.4 Limitation on Investments.

(a) The Partnership will not invest (including through Credit Support) more than twenty five percent (25%) of the aggregate Commitments in any single Portfolio Company together with any of its Affiliates (valued at original cost). A Bridge Financing, when added to the amount of permanent investment by the Partnership in the Portfolio Investment that is the subject of the Bridge Financing, may not exceed twenty five percent (25%) of the aggregate Commitments.

(b) The aggregate amount of Bridge Financings outstanding at any one time shall not exceed fifteen percent (15%) of the aggregate Commitments.

(c) Subject to Section 5.5, the Partnership may issue Credit Support, which does not at any one time exceed Unfunded Commitments.

(d) The Partnership shall invest cash in Short-Term Investments.

(e) The aggregate investments (valued at cost) by the Partnership in Portfolio Companies organized and with principal executive offices outside the United States shall not exceed thirty percent (30%) of the aggregate Commitments. The Partnership will not invest in Portfolio Companies that are organized or with principal executive offices in countries that are not within the Organization for Economic Cooperation and Development as of the date of the First Closing.

(f) The Partnership will not invest as a partner or member in any pooled investment fund or "fund of funds" in which an investment adviser or manager of such fund (other than the Partnership) receives management fees or the right to carried interest distributions on the Partnership's investment or interest therein unless the amount of any such management fee is considered part of the Capital Contribution relating to such Portfolio Investment and the amounts distributable to the General Partner under Sections 3.3(a)(ii) and 3.3(a)(iii) are reduced by the amount of any carried interest payable to such sponsor or investment manager.

(g) In connection with a Portfolio Investment in any non-U.S. jurisdiction, the General Partner shall obtain an opinion of counsel with respect to such jurisdiction to the effect that (i) no Limited Partner, solely as a result of the Partnership making such investments, will be required either (x) to file an income tax return in such jurisdiction (other than in connection with an application for a refund of withholding or similar taxes) or (y) to pay income tax in such jurisdiction with respect to income not derived from the Partnership, and (ii) no Limited Partner shall be personally liable for any debts or losses of the Partnership in such jurisdiction in excess of such Limited Partner's Unfunded Commitment. The General Partner shall use commercially reasonable efforts to ensure that any opinion obtained pursuant to this Section 5.4(i) will permit the Limited Partners to rely thereon. The General Partner shall ask local counsel to confirm and/or update periodically as it deems necessary any opinion it obtains pursuant to this Section 5.4(i). The Partnership will use commercially reasonable efforts to prepare all tax rebate, reduction or reclaim forms or other filings or elections that are required to obtain any available exemption from, reduction in, or refund of, any withholding or other taxes required in any taxing jurisdiction on behalf of each Limited Partner, for signature by such Limited Partner, and to assist each Limited Partner, at such Limited Partner's expense, to obtain refunds for taxes withheld or paid with respect to such Limited Partner as to which a refund is obtainable. Each Partner agrees that it will cooperate with the General Partner in making any such filings or elections to the extent the General Partner determines that such cooperation is necessary or desirable.

(h) The Partnership will not invest (including through Credit Support) more than twenty percent (20%) of the aggregate Commitments in Persons that are not Distressed Companies; provided that the General Partner in its good faith discretion believes that an investment in such Persons is consistent with the Partnership's investment objective.

Section 5.5 UBTI; USRPI. The General Partner shall use commercially reasonable efforts not to (i) structure the Fund's Portfolio Investments in a manner that would result in the realization by a Tax Exempt Partner of a substantial amount of UBTI or (ii) cause the Partnership to acquire a Portfolio Investment that the General Partner reasonably believes at the time of such acquisition is or is likely to become a "United States real property interest" ("USRPI") within the meaning of Section 897(c) of the Code. In addition, if the Partnership makes an investment in a pass-through entity that could give rise to UBTI or income effectively connected with a U.S. trade or business, the Partnership may make available a "blocker" structure through which Tax-Exempt and non-U.S. Partners can invest. However, the use of Bridge Leveraging and the use of Director Fees, Topping and Break-up Fees, Transaction and Monitoring Fees and Placement Fees to offset the Management Fee, as described in Section 4.1(c), will not be deemed a violation of this Section 5.5.

Section 5.6 ERISA Matters.

(a) The General Partner will use reasonable efforts to conduct the affairs and operations of the Partnership in such a manner that the Partnership will qualify as an Operating Company or for another exception from being deemed to hold Plan Assets of any Benefit Plan Investor. As of the initial Capital Contribution date, the General Partner shall deliver to each Benefit Plan Investor either (i) an opinion from the General Partner's counsel to the effect that the Partnership should qualify as an Operating Company as of the initial Capital Contribution

date or (ii) a certificate, based on consultation with the General Partner's counsel, to the effect that the Partnership should qualify for another exemption from being deemed to hold Plan Assets of any Benefit Plan Investor as of the initial Capital Contribution date. Annually thereafter, the General Partner will provide a certificate to Benefit Plan Investors confirming that the Partnership continues to qualify for an exception from being deemed to hold Plan Assets of any Benefit Plan Investor and specifying which exception from Plan Assets is available to the Partnership as of the date of the certificate.

(b) Notwithstanding Section 2.2, until such time as the General Partner delivers to each Benefit Plan Investor (and the escrow agent, if any) either the opinion or the certificate described above in Section 5.6(a), the initial Capital Contribution required to be made to the Partnership by a Benefit Plan Investor shall, at the request of the General Partner, instead be deposited directly by such Benefit Plan Investor into an escrow account that is intended to comply with Department of Labor Advisory Opinion 95-04A.

(c) Each Partner that is or will be a Benefit Plan Investor on the Closing Date when it is admitted to the Partnership shall so notify the General Partner in writing prior to such Closing Date. Any Limited Partner which has not indicated in its Subscription Agreement that it is a Benefit Plan Investor hereby represents, warrants and covenants that it is not, it is not acting on behalf of and, so long as it holds an interest in the Partnership, it will not be and will not be acting on behalf of a Benefit Plan Investor.

(d) It is intended that none of the Partnership, the General Partner, the Manager or any of their Affiliates will act as or be deemed to be a fiduciary under ERISA with respect to any Benefit Plan Investor or the assets of the Partnership; provided, however, that this provision is not intended to negate the fiduciary duties imposed upon a general partner under the Delaware Partnership Act. Notwithstanding any other provision of this Agreement, the General Partner is authorized to take any action or refrain from taking any action which in its judgment is necessary or desirable in order to prevent any Partnership assets from being deemed to constitute Plan Assets of any Benefit Plan Investor.

(e) Should the General Partner reasonably determine that the continued participation of a Benefit Plan Investor would result in the assets of the Partnership being deemed Plan Assets of such Benefit Plan Investor (a "Plan Asset Event"), the General Partner shall so notify, each of the Benefit Plan Investors in writing within 30 days of such determination. Thereafter, the General Partner shall take reasonable steps to correct or cure the Plan Asset Event and, if the General Partner determines that it is not reasonably likely that the Partnership's Plan Asset Event can be reasonably corrected or cured, taking into account the overall interest of the Partnership, the General Partner shall terminate the Partnership and wind up its affairs in accordance with Sections 8.2 and 8.3. In connection with the foregoing obligation, in addition to any other powers the General Partner may have, the General Partner shall have the authority to take any of the following actions, in its sole discretion: (i) any action necessary or desirable, in the General Partner's reasonable judgment, to cure the Partnership's failure to qualify as an Operating Company, if applicable; (ii) in accordance with the provisions of Section 12.1, amend this Agreement to cure any illegality or other material adverse consequences to the Partnership; (iii) amend, terminate or restructure any then existing or contemplated arrangements with third parties to cure any illegality or other adverse consequences to the Partnership so long as such

action would not have a material adverse effect on the Limited Partners; (iv) redeem any Limited Partner's interest in the Partnership, in whole or in part, in a manner consistent with the procedures in Section 6.6(d); (v) force the sale of all or any portion of any Benefit Plan Investor's interest in the Partnership to one or more Limited Partners at the Redemption Value or (vi) terminate the Partnership and wind up its affairs in accordance with Sections 8.2 and 8.3.

Section 5.7 Conflicts of Interest.

(a) The Limited Partners hereby acknowledge and agree that the General Partner and its Affiliates currently manage and may in the future manage Highland Accounts that invest in securities that may be eligible for purchase by the Partnership, which presents the potential for conflicts of interest. While the General Partner and the Manager intend to manage potential conflicts of interest, as Highland has in the past, by following certain guidelines, and to avoid where practicable situations involving conflicts of interest in a portfolio company or otherwise, each Limited Partner acknowledges that there may be situations in which the interests of the Partnership in a portfolio company or otherwise may conflict with the interests of other Highland Accounts, the General Partner, the Manager, the Principals or their respective Affiliates. On any matter involving a conflict of interest not otherwise provided for in this Agreement, the General Partner shall be guided by its good faith judgment as to the best interests of the Partnership and shall take such actions as are determined by the General Partner and Highland to be appropriate and in compliance with the Highland Investment Allocation Policy. Each Limited Partner agrees that the activities of any other Highland Account, the General Partner, the Manager, the Principals and their Affiliates, including Other Permitted Investment Activities, authorized by this Agreement or conducted consistently with this Agreement and the Highland Investment Allocation Policy may be engaged in by such other Highland Accounts, the General Partner, the Manager, the Principals and their Affiliates, as the case may be, and will not, in any case or in the aggregate, be deemed a breach of this Agreement or any duty that might be owed by any such person to the Partnership or to any Partner.

(b) Except as permitted by Sections 5.12(a) and 5.17(a), without the prior approval of either (i) a majority of the members of the Advisory Committee or (ii) a Majority in Interest of the Limited Partners, none of the General Partner, the Manager, the Principals, or any of their respective Affiliates will invest in any securities of any company in which the Partnership either is actively considering making a Portfolio Investment or has an investment; provided, that (x) the foregoing will not apply to Other Permitted Investment Activities or investments made in accordance with the Highland Investment Allocation Policy, (y) each such person will be permitted to hold securities which such person received in a distribution by the Partnership and (z) any Parallel Vehicles or Separate Investment Entities will be permitted to invest in Portfolio Companies in accordance with this Agreement.

(c) Except as permitted by Sections 5.12(a) and 5.17(a), without the prior approval of either (i) a majority of the members of the Advisory Committee or (ii) a Majority in Interest of the Limited Partners, the Partnership will not invest in any securities issued by, acquire investments from, sell investments to, or enter into any transaction with an entity in which the General Partner, the Manager, the Principals, or their respective Affiliates has a material financial interest in respect of such entity; provided that the foregoing will not apply to (w) Other Permitted Investment Activities, (x) investments by the Partnership in Portfolio Companies in

which the Parallel Vehicles, Separate Investment Entities or Co-Investment Funds invest in accordance with this Agreement; (y) investments by the Partnership in Portfolio Companies in which the General Partner, the Manager, the Principals or their respective Affiliates have a material interest that have been made in accordance with the Highland Investment Allocation Policy, or (z) investments by the Partnership in publicly traded securities of Portfolio Companies in which a Highland Account has a material financial interest that are made on arms length terms at prevailing market prices; provided, further, that the Partnership will not be precluded from investing in securities of a company in which the General Partner, the Manager, the Principals, or their respective Affiliates either (A) in the case of public companies, owns securities issued by such company representing one percent (1%) or less of the outstanding equity securities, or (B) own only securities which such Persons received in a distribution by the Partnership.

(d) The General Partner will furnish to the Advisory Committee annually at the time annual financial statements of the Partnership are furnished pursuant to Section 10.3(b) a report of each acquisition or investment by the Partnership in Portfolio Companies in which the General Partner, the Manager, the Principals or their respective Affiliates have a material financial interest that have been made in accordance with the Highland Investment Allocation Policy.

Section 5.8 Transfer of General Partnership Interest; No Withdrawal or Loans. The General Partner generally may not sell, assign, pledge, mortgage or otherwise dispose of its General Partner interest in the Partnership; provided, however, that the General Partner may transfer its General Partner interest in the Partnership (or consent to the transfer of an interest in the General Partner) in a derivative transaction if the transferor maintains the economic attributes of the interest and voting control of the interest. The General Partner will not borrow or withdraw any amount from the Partnership or voluntarily withdraw from the Partnership.

Section 5.9 Removal of the General Partner. By consent of Two-Thirds in Interest of the Limited Partners, the General Partner may be removed in the event of (a) the General Partner's or any member of the Keyman Group's conviction of (or plea of nolo contendere to), a material violation of federal or state securities law or a felony criminal violation, (b) the General Partner's adjudication in a final judgment by a court of competent jurisdiction as having committed in respect of the Partnership an act or omission of a material nature involving gross negligence, bad faith, willful misconduct or fraud, or (c) the General Partner's violation of this Agreement which has a material and adverse effect on the Partnership and which remains uncured for 30 days. Notwithstanding the foregoing, if an event described in clause (a) above has occurred and the event relates to a violation or act of a member of the Keyman Group, the Limited Partners may remove the General Partner only if such violation or act (i) relates to the Partnership or a Portfolio Company, (ii) has a material adverse effect on the Partnership, (iii) such member of the Keyman Group is not terminated as a member of the General Partner and the Manager within 45 days, and (iv) such member of the Keyman Group does not cease to own any interest in the future carried interest or voting interests in the General Partner following termination. The General Partner will provide the Limited Partners with written notice of the occurrence of any event described in clauses (a), (b) or (c) above. Concurrently with the removal of the General Partner, the Manager shall be removed as manager of the Partnership unless re-appointed by the successor general partner of the Partnership. Upon removal of the General Partner, the Limited Partners may elect to continue the Partnership and appoint a new duly authorized general partner of the Partnership and all Parallel Vehicles with the consent of all of the Limited Partners of the

Partnership and each Parallel Vehicle and such election shall be deemed to have occurred as of the date of the removal of the former General Partner. In such an event, the former General Partner shall be entitled to receive distributions equal to any amounts it would have been entitled to had the Partnership been dissolved and wound up in accordance with Sections 8.3(a) and (b) and distributed in kind all Partnership assets as of the date of the election of the Limited Partners to continue the Partnership. The Partnership shall issue an unsecured non-interest bearing promissory note to the former General Partner in the face amount of the liquidating distribution determined in accordance with this Section 5.9, such note to be payable upon the final liquidation of the Partnership. All such distributions shall be subject to the obligations set forth in Section 8.3(c) and (d); provided, however, that the General Partner's obligation, if any, to fund Commitments in respect of its obligations in Section 8.3(c) relating to such liquidating distribution shall be satisfied by a reduction to the principal amount of the unsecured non-interest bearing promissory note described in this Section 5.9 in the amount of such obligation. For purposes of determining allocation and distributions pursuant to the preceding sentence, securities and other property held by the Partnership shall be valued pursuant to the procedures set forth in Article IX.

Section 5.10 No Liability to Limited Partners.

(a) None of the General Partner, the Manager, the Principals or their Affiliates, officers, directors, members, partners, shareholders, employees or agents will be liable to any Limited Partner or to the Partnership for any action taken, or omitted to be taken, as General Partner with respect to the Partnership, or for any action taken, or omitted to be taken, by any member, partner, director, officer, employee or agent of the General Partner or Manager in connection with its activities for or on behalf of the Partnership so long as such person (i) acted in good faith, (ii) acted in a manner reasonably believed to be in the best interests of the Partnership, (iii) was neither grossly negligent nor engaged in willful malfeasance, fraud or reckless disregard of fiduciary duties, (iv) did not materially breach this Agreement, and (v) with respect to any criminal action, such person is not finally determined to be and does not admit to being guilty or enter a plea of nolo contendere (including as part of a settlement) by a court of competent jurisdiction.

(b) No member of the Advisory Committee, or any Affiliate or employer of any member of the Advisory Committee or any Limited Partner represented on the Advisory Committee by any member (as the case may be) will be liable to any Partner or the Partnership for any action taken, or omitted to be taken, in good faith on behalf of the Advisory Committee (as the case may be) with respect to the Partnership and in accordance with the provisions of this Agreement.

(c) If any Limited Partner obtains a final judgment in a court of competent jurisdiction against the General Partner for matters relating to the Partnership, the General Partner shall pursue against its members the remedies (if any) that it has against such member relating to such claim.

Section 5.11 Indemnification of General Partner, the Manager and Advisory Committee.

(a) The Partnership will indemnify (A) the Principals, the General Partner, the Manager and each of their respective members, partners, shareholders, directors, officers, employees, agents and

Affiliates against any losses, liabilities, damages or expenses (including amounts paid for attorneys' fees, judgments and settlements in connection with any threatened, pending or completed action, suit or proceeding) to which any of such persons may become subject in connection with such person's activities on behalf of the Partnership or in connection with any involvement with a Portfolio Company (including serving as an officer, director, consultant or employee of any Portfolio Company) directly or indirectly on behalf of the Partnership and (B) the members of the Advisory Committee, any Affiliate or employer of any such members and any Limited Partner represented on the Advisory Committee by any member, in connection with any involvement with the Advisory Committee, respectively, but, in the case of members of the Advisory Committee or their Affiliates and employers or any Limited Partner represented on the Advisory Committee by any member, only to the extent that such person acted in good faith and, in the case of the Principals, the General Partner, the manager and each of their respective members, partners, shareholders, directors, officers, employees, agents and Affiliates, only to the extent that such person (i) acted in good faith, (ii) acted in a manner reasonably believed to be in the best interests of the Partnership or the Portfolio Company (as the case may be), (iii) was neither grossly negligent nor engaged in willful malfeasance, fraud or reckless disregard of fiduciary duties, (iv) did not materially breach this Agreement, and (v) with respect to any criminal action, such person is not finally determined to be and does not admit to being guilty or enter a plea of nolo contendere (including as part of a settlement) by a court of competent jurisdiction. Any person described in clause (A) of this Section 5.11(a) entitled to seek indemnification hereunder shall first use reasonable efforts to seek indemnification from other available sources, if any, prior to obtaining indemnification hereunder; provided that any such person may seek and obtain indemnification hereunder if at any time such person reasonably believes that such person will not receive timely indemnification on terms reasonably acceptable to such person from such other sources; and provided, further, that such person shall continue to use reasonable efforts to seek such indemnification from such other sources and, to the extent any such indemnification is obtained, reimburse the Partnership for any such recovery. The Partnership may, in the sole judgment of the General Partner, pay the expenses of any person indemnifiable under this Section 5.11 in advance of the final disposition of any proceeding, so long as (w) with respect to any derivative action brought by any Limited Partner, the person receiving the advance is not the subject of such derivative action, (x) the proceeding is not instituted by a Majority in Interest of the Limited Partners against the General Partner or the Manager, (y) General Partner has a good faith belief such expenses are indemnifiable, and (z) the General Partner receives a written undertaking by such person for the benefit of the Partnership to repay the full amount advanced if (A) there is a final determination that such person did not satisfy the standards set forth in clauses (i) through (v) immediately above, (B) with respect to any criminal action, such person is finally determined to be or admits to being guilty or enters a plea of nolo contendere (including as part of a settlement) by a court of competent jurisdiction, or (C) such person is not otherwise entitled to indemnification as provided herein.

Notwithstanding the foregoing, no person will be exculpated or exonerated from liability or indemnified against loss for violations of federal or state securities laws, or for any other intentional or criminal wrongdoing. No person shall be indemnifiable under this Section 5.11 in respect of losses, liabilities, damages or expenses to which any such person may become subject in connection with (x) such person's activities with any Portfolio Company if such losses arise after the Partnership's final disposition of such Portfolio Company or (y) a dispute among the General Partner, the Manager, their respective members and employees, and the Principals.

(b) No Limited Partner shall have any obligation or liability, including any obligation to make a Capital Contribution to the Partnership, in respect of an indemnity obligation arising from a Portfolio Investment with respect to which such Limited Partner is not a Participating Partner.

(c) The General Partner will use reasonable efforts to cause each Portfolio Company for which any Affiliate of the General Partner serves as an officer or director to adopt organizational documents which provide mandatory indemnification to directors, officers, and managers to the fullest extent permitted by applicable law.

Section 5.12 Formation of New Fund or Business Endeavor. (a) Subject to the other provisions of this Article V, each Partner's interest in the business endeavors of the other Partners is limited to his, her or its interest in the Partnership and no Partner's future business activities are restricted. Notwithstanding the foregoing, unless consented to by Two-Thirds in Interest of the Limited Partners or approved by a majority vote of the Advisory Committee, neither the General Partner, nor the Manager or any of their Affiliates will close and make investments, or act as general partner, managing member, advisor, employee, agent, or the primary source of transactions on behalf of another private equity investment vehicle or pooled investment vehicle (other than Crusader, a Parallel Vehicle or Separate Investment Entity) that has primary investment objectives substantially similar to those of the Partnership (a "Successor Fund") until the earlier of (i) the date on which at least 75% of the Commitments have been invested or committed for investment in Portfolio Companies or otherwise set aside for Follow-on Investments, Partnership Expenses or Management Fees, and (ii) the end of the Commitment Period; provided, however, that this Section 5.12 shall not prohibit the formation of one or more Co-investment Funds, and Co-investment Funds shall not be considered Successor Funds. If a Successor Fund is organized prior to the termination of the Commitment Period of the Partnership, as permitted under the previous sentence, the Successor Fund may only coinvest in investments made by the Partnership alongside the Partnership, on the same terms and conditions in all material respects, with amounts for investment allocated between the Partnership and the Successor Fund, subject to available capital or other investment limitations on the Partnership and the Successor Fund, as determined by the General Partner. Any Successor Fund will dispose of securities of a Portfolio Company that are of the same class as those purchased by the Partnership at the same time as the Partnership, and on the same economic and other terms.

Section 5.13 Interest as a Limited Partner. To the extent that the General Partner acquires the interest of a Defaulting Partner or any other Limited Partner, the General Partner will (subject to Section 2.5) be deemed to be a Limited Partner with respect to such interest for all purposes of this Agreement.

Section 5.14 Parallel Vehicles. The General Partner and the Manager may organize and capitalize Parallel Vehicles for purposes of facilitating investments in Portfolio Companies by non-U.S. investors and certain accredited investors that are not qualified purchasers (as defined in the Investment Company Act) in the Fund Group. If any Parallel Vehicles are organized, then the Partnership and each Parallel Vehicle (a) will invest in each Portfolio Company in direct proportion to their respective available capital commitments so that the Partnership will invest in each Portfolio Company an amount equal to the total investment by the Partnership and any Parallel Vehicle multiplied by a fraction, the numerator of which is the aggregate Commitments,

and the denominator of which is the sum of the aggregate Commitments plus the aggregate capital commitments by investors in the Parallel Vehicles, provided that such proportion may be modified by the General Partner with the prior approval of the Advisory Committee or a Majority in Interest of the Limited Partners in order to reflect the available commitments and any tax, regulatory or other legal aspects of any Parallel Vehicle and its investors and (b) invest in and dispose of Portfolio Company at the same time and on effectively the same economic terms and conditions. Any item of income, fees, reimbursement or expense that relates to a Portfolio Company in which the Partnership and one or more Parallel Vehicles are investors or to a potential investment that is considered on behalf of the Partnership and any Parallel Vehicles by the General Partner, the Manager or the general partners or managers of any Parallel Vehicles shall, to the extent that any such item is not directly attributable to the Partnership or a Parallel Vehicle, be pro rated among the Partnership and the Parallel Vehicles based on their respective investments in such Portfolio Company or the portions of such potential investment that would have been made available to the Partnership in accordance with the preceding sentence, as applicable. Organizational Expenses shall be borne by the Partnership and each Parallel Vehicle in proportion to their respective aggregate capital commitments, except the Partnership and each Parallel Vehicle shall separately bear the Organizational Expenses that are directly attributed to each such entity. Each Parallel Vehicle shall reimburse the Partnership for such Parallel Vehicle's share of Organizational Expenses that were paid by the Partnership. Investments in Parallel Vehicles by investors shall be on substantially the same terms and conditions as investments in the Partnership by Limited Partners. For the avoidance of doubt, all references to Portfolio Investments shall include investments made by the Partnership, all Parallel Vehicles and all Separate Investment Entities. To the extent that this Agreement provides that the Limited Partners shall vote together with the investors of any Parallel Vehicle, the General Partner agrees (i) that the relevant documentation of any such Parallel Vehicle shall contain comparable voting provisions to the extent applicable, (ii) that any combined vote of the Limited Partners and the investors in any Parallel Vehicle on any such matter for the purposes of this Agreement shall constitute a combined vote on the matter for the purposes of the Parallel Vehicles, and (iii) each such matter shall, if approved by such vote, be equally applicable to the Partnership and all Parallel Vehicles.

Section 5.15 Separate Investment Entities. If the General Partner determines for legal, tax, regulatory or other reasons, in its sole discretion that it is in the best interests of the Partners to invest in one or more Portfolio Companies through an entity other than the Partnership, such investment or investments shall not be made by the Partnership but shall instead be made, either in lieu of or in conjunction with, the Partnership, by one or more limited partnerships, limited liability companies, corporations or similar entities (each a "Separate Investment Entity") owned in the aggregate by all of the Partners and managed by the General Partner or an Affiliate thereof controlled by the Principals. Each Separate Investment Entity shall receive an opinion of counsel for the benefit of the Limited Partners (x) regarding its classification for United States Federal income tax purposes and the limited liability of the Separate Investment Entity and (y) to the effect that no Limited Partner shall be personally liable for any debts or losses of the Separate Investment Entity in such jurisdiction in excess of such Limited Partner's Unfunded Commitment. The Partnership and each Separate Investment Entity will invest in and dispose of Portfolio Investments at the same time and on effectively the same economic terms and conditions. To the extent that Benefit Plan Investors participate in a Separate Investment Entity, such Separate Investment Entity shall be (i) structured so that it will not be deemed to hold Plan

Assets and shall provide the same ERISA protections to those Benefit Plan Investors that are provided under this Agreement, and (ii) established on substantially the same terms and conditions in all material respects as Partners are required to make Capital Contributions to the Partnership, and such capital contributions shall be deemed to reduce the Unfunded Commitment of each Partner to the same extent that it would be reduced if made to the Partnership. The provisions and economic terms of each such Separate Investment Entity shall be substantially the same in all material respects as those of the Partnership, except to the extent such terms are required to differ from the economic and other material arrangements reflected in the terms of this Agreement in order to accomplish the purposes of such Separate Investment Entity (including, for example, different economic treatment of different Partners resulting solely from the consequences of a structure created to minimize the amount of UBTI recognized by a Tax Exempt Partner). The gains and losses of any such Separate Investment Entity shall be treated as having been realized by the Partnership for all economic calculations under this Agreement (including, without limitation, the calculation of the General Partner give back obligation pursuant to Section 8.3(c)), and there will be no duplication of management fees or Carried Interest. The Partners having interests in the Separate Investment Entity (including the General Partner and its Affiliates with respect to their Commitments as Partners) shall contribute to each Separate Investment Entity the amounts required to fund such Separate Investment Entity, with each such Partner contributing its pro rata portion of such amounts (based on the relative Unfunded Commitments of the Partners as of the date of such contributions) up to such Partner's remaining Unfunded Commitment and such amounts will reduce such Partner's Unfunded Commitment. Each Limited Partner hereby agrees and consents to the formation of each Separate Investment Entity and hereby covenants and agrees that it will execute and deliver any agreements, documents and certificates as reasonably necessary for, or incidental to, the formation and continuation of each such Separate Investment Entity and its participation as a limited partner, member or participant in each such Separate Investment Entity established in accordance with this Section 5.15.

Section 5.16 Media Company Investments.

(a) In the event and for so long as, and only during periods from time to time in which, the Partnership shall directly or indirectly hold (or otherwise have attributed to it) an ownership or other interest in a Media Company that is "attributed" to the Partnership under the rules and regulations of the FCC relating to the particular FCC service in which the Media Company operates, no Limited Partner (an "Insulated Partner"), or any person that is a director, officer, equivalent non-corporate official, partner, member or 5% or greater shareholder or other direct or indirect owner of an Insulated Partner such that the ownership interests of the Insulated Partner, are "attributed" to such owner, director, officer, equivalent non-corporate officer, partner or member (an "Insulated Partner Affiliate"), to the extent reasonably determined by the General Partner (with the advice of GP's Counsel) to be necessary to have such ownership or interest not be attributable to the Limited Partners for purposes of the FCC Attribution Rules and the Ownership Rules, shall do any of the following:

(i) act as an employee of the Partnership or any Media Company if such Insulated Partner's or Insulated Partner Affiliate's functions, directly or indirectly, relate to the media or common carrier enterprises of the Partnership or any Media Company;

(ii) serve, in any material capacity, as an independent contractor or agent of the Partnership or any Media Company with respect to the media or common carrier enterprises of the Partnership or any such Media Company;

(iii) communicate with the General Partner or any Portfolio Company on matters pertaining to the day-to-day operations of any Media Company;

(iv) to the extent Partners have the power under this Agreement to admit additional General Partners, vote to admit any additional General Partner to the Partnership unless such addition is subject to the veto of the General Partner;

(v) to the extent Partners have the power under this Agreement, except as permitted under Sections 5.9 and 8.2, vote on the removal of the General Partner;

(vi) perform any services for the Partnership or any Media Company materially relating to the media or common carrier enterprises of the Partnership or such Media Company, with the exception of making loans to, or acting as a surety for, such Media Company or the Partnership to the extent consistent with the "equity or debt plus" component of the FCC Attribution Rules; or

(vii) become actively involved in the management or operation of any Media Company.

(viii) serve as a member or otherwise participate in the activities of the Advisory Committee if, in the determination of the Insulated Partner, such membership or participation would cause the Insulated Partner to lose its insulated status under the Attribution Rules.

(b) An Insulated Partner may, upon five Business Days' prior written notice to the General Partner, relinquish its status as an Insulated Partner, in which case the provisions of this Section 5.16 shall no longer apply to such Limited Partner; provided, that such relinquishment shall not be effective until the General Partner has received an opinion of special counsel to the Partnership on FCC matters stating that such relinquishment will not (1) cause the Partnership or any of its Affiliates to violate any law, regulation, rule or policy applicable to matters currently subject to FCC jurisdiction or (2) in any way limit or restrict the activities of the Partnership or any of its Affiliates. To the extent that issuance of such an opinion requires the filing of any notices with the FCC or the issuance of any approvals by the FCC, the General Partner and the Insulated Partner seeking to relinquish its insulated status shall reasonably cooperate in making any such filing or obtaining any such approval, and the General Partner shall seek the opinion of special counsel to the Partnership on FCC matters with respect to the making of any such filing or the obtaining of any such approval.

(c) Nothing in this Section 5.16 shall be interpreted to restrict the activities of (A) the Limited Partners or (B) the beneficial interest holders of any Limited Partner during the period that it is an Insulated Partner so long as such Limited Partner's partnership or other governing agreement contains language reasonably designed to insulate such Limited Partner's unaffiliated limited partners or beneficial interest holders, as the case may be, from having the Partnership's interest in any Media Company being attributed under the FCC attribution rules to such beneficial owners, as necessary pursuant to the FCC attribution rules.

(d) Upon written request by an Insulated Partner, the General Partner shall, prior to the Partnership consummating an investment in a Media Company, cause the legal counsel to the Partnership to deliver an opinion reasonably acceptable to such Insulated Partner to the effect that such investment shall not be “attributed” to the Insulated Partner under the rules and regulations of the FCC relating to the particular FCC service in which such Media Company operates.

Section 5.17 Co-investment Funds.

(a) Where possible and appropriate, the General Partner may, in its discretion, provide co-investment opportunities to invest in a Portfolio Company (each a “Co-Investment Opportunity”) to one or more Limited Partners, strategic investors, lenders, or members, investors, Affiliates or employees of the General Partner and Manager or, other accounts managed by Highland (each a “Co-Investor”). Notwithstanding the foregoing, investment opportunities allocated to Affiliates of the Manager or the General Partner or client accounts managed by the Manager, in accordance with the Highland Investment Allocation Policy, shall not be deemed Co-Investment Opportunities. The General Partner, the Manager, and their respective Affiliates will not receive any carried interest in any Co-Investment Opportunity provided to Limited Partners or receive management fees from Limited Partners in respect of Co-Investment Opportunities provided to Limited Partners. The General Partner intends to not provide Co-Investment Opportunities to Benefit Plan Investors to the extent necessary to prevent such Co-Investment Opportunity from being deemed to be Plan Assets of the related Benefit Plan Investor.

(b) The General Partner may, as a condition to any Co-Investment Opportunity, (i) require any or all Co-Investors to execute a confidentiality agreement relating to such Co-Investment Opportunity in form and substance acceptable to the General Partner, and (ii) require Co-Investors electing to participate in a Co-Investment Opportunity to coinvest through a Co-Investment Fund, which may have investors other than Limited Partners.

(c) Each Limited Partner shall treat the information provided to it pursuant to this Section 5.17 as confidential, shall use such information solely for the purpose of considering the offer made pursuant to this Section, shall, upon the request of the General Partner, promptly return to the General Partner any written information provided it pursuant to this Section, and shall not disclose the identity of the securities or issuer to any person other than (i) its employees, counsel or advisors, solely on a need to know and confidential basis, (ii) any governmental authority or regulatory authority which regulates such Limited Partner’s ability to engage in any of its businesses under U.S. or foreign law to the extent such information is required by such governmental authority or regulatory authority, as the case may be, and (iii) to the extent such Limited Partner is required by law or regulation to disclose such information.

(d) If Co-Investment Funds or Co-Investors purchase securities of a Portfolio Company that are of the same class as securities of a Portfolio Company purchased by the Partnership, the Co-Investment Funds or Co-Investors shall purchase such securities on terms that are no less advantageous than the terms on which the Partnership purchases such securities. Each Co-Investment Fund and Co-Investor will dispose of securities of a Portfolio Company that

are of the same class as securities of a Portfolio Company purchased by the Partnership at the same time and on substantially the same terms (including price) as the Partnership.

Section 5.18 Bridge Leveraging. (a) The Partnership is authorized to enter into one or more credit facilities (each, a "Bridge Leveraging/Credit Support Facility") in order to (i) borrow money for the purpose of (A) Bridge Leveraging, and (B) paying Partnership Expenses; and/or (ii) provide Credit Support for the obligations of Portfolio Companies or their subsidiaries as described in Section 5.4(c); provided, however, that in no event shall the aggregate amount of Bridge Leveraging outstanding at any time under any Bridge Leveraging/Credit Support Facility exceed the aggregate amount of Unfunded Commitments as of such date and provided, further, that in no event shall the maturity date of an individual borrowing under any Bridge Leveraging/Credit Support Facility be later than the 45th day following the incurrence of such debt under a Bridge Leveraging/Credit Support Facility. A Bridge Leveraging/Credit Support Facility may be secured by (x) a pledge by the Partnership of all or a portion of the aggregate Unfunded Commitments of the Partners, and (y) a pledge and assignment by the General Partner of the rights of the General Partner contained herein, including, without limitation, the right to deliver Capital Call Notices and enforce all remedies against Partners that fail to fund their respective Unfunded Commitments pursuant thereto and in accordance with the terms hereof. The Partnership and any Parallel Vehicles may be co-borrowers under any Bridge Leveraging/Credit Support Facility, in which event the Partnership and the Parallel Vehicles may be jointly and severally liable for all obligations under such Bridge Leveraging/Credit Support Facility. In the event such a Bridge Leveraging/Credit Support Facility is so secured by Commitments, and to the extent funds are advanced against the Commitment of a particular Partner or partner of a Parallel Vehicle because such Person is late in funding or defaults on a Capital Call Notice delivered hereunder or by the Parallel Vehicle, each Limited Partner understands, acknowledges and agrees that (i) it may be required to make a Capital Contribution in respect of its pro rata share of such late or defaulted contribution amount, provided, however, that in no event shall any Partner be required to make Capital Contributions in excess of its Unfunded Commitment, and (ii) as a result of such default or late payment, the allocation between the Partnership and each Parallel Vehicle of a Portfolio Investment (together with any item of income, fees, reimbursement or expense that relates to such Portfolio Investment) with respect to which there has occurred a shortfall in contributions made by the Partners or the partners in a Parallel Vehicle shall be made by the General Partner based on the total amount of Capital Contributions of the Partners and the partners in each Parallel Vehicle actually funded to acquire such Portfolio Investment. In addition to the rights and remedies of the General Partner in respect of a Defaulting Partner pursuant to Section 6.11, any Partner that is late in funding or defaults on a Capital Call Notice shall be responsible for any interest or other expenses incurred in connection with such advance. Any such expenses shall be withheld from distributions otherwise to be made to such Defaulting Partner, and, to the extent such expenses exceed such distributions, such Defaulting Partner shall pay the amount of such excess to the Partnership in the manner and at the time or times required by the General Partner. Any such excess shall not be credited to such Defaulting Partner's Capital Account. For purposes of this Agreement, any amount withheld from a Defaulting Partner and paid to a lender shall be paid to the lender on behalf of such Defaulting Partner and shall be treated as if distributed to such Defaulting Partner.

(b) Each Limited Partner understands, acknowledges and agrees, in connection with any such Bridge Leveraging/Credit Support Facility and for the benefit of any lender thereunder,

as follows: (i) that the General Partner may from time to time request a certificate confirming (x) the remaining amount of such Limited Partner's Unfunded Commitment or (y) that the Limited Partner has not and will not pledge, collaterally assign, encumber or otherwise grant a security interest in its limited partnership interest in the Partnership, and (ii) that the General Partner may from time to time request such other information as may be reasonably required by the lender(s) under the terms of the Bridge Leveraging/Credit Support Facility. Each Limited Partner agrees to comply with such requests to the extent they are reasonable.

(c) To induce any such lender to enter into a Bridge Leveraging/Credit Support Facility with the Partnership, each Limited Partner hereby: (i) acknowledges that the Partnership has informed such Limited Partner that the Partnership may pledge to a lender the right to call all Unfunded Commitments to secure all obligations made under the Bridge Leveraging/Credit Support Facility (collectively, the "Obligations") the terms of which are in accordance with this Agreement, and, in connection therewith, grant to such lender the right to issue Capital Call Notices pursuant to the terms of this Agreement when an event of default under such Bridge Leveraging/Credit Support Facility exists, including an event of default resulting from the failure of a partner of a Parallel Vehicle to fund any capital contributions when required, which each Limited Partner shall fund, in accordance with the terms hereof and its rights and obligations hereunder; and (ii) acknowledges that the Partnership has informed such Limited Partner that for so long as the Bridge Leveraging/Credit Support Facility is in place, the General Partner and the Partnership may agree with the lender not to amend, modify, supplement, cancel, terminate, reduce (other than with respect to Funded Commitments) or suspend any of such Limited Partner's obligations to fund its Unfunded Commitment pursuant hereto, subject to excuse provisions set forth herein, without the lender's prior written consent.

ARTICLE VI

LIMITED PARTNERS

Section 6.1 Limited Liability. The Limited Partners will not be personally liable for any obligations of the Partnership and will have no obligation (including with respect to a deficit balance in their Capital Account) to make contributions to the Partnership in excess of their respective Commitments specified in Schedule 1 attached hereto in accordance with this Agreement, except to the extent set forth in Section 6.7 or the Delaware Partnership Act. The Limited Partners will take no part in the control, direction or operation of the affairs of the Partnership and will have no power to bind the Partnership.

Section 6.2 Transfer of Limited Partnership Interests.

(a) A Limited Partner may not sell, assign, transfer, pledge, mortgage or otherwise dispose of all or any of its interest in the Partnership unless the General Partner has consented to such transfer or assignment in writing; provided, that with regard to an assignment by a Limited Partner to an Affiliate of such Limited Partner, such consent shall not be unreasonably withheld.

(b) A Limited Partner which is a trust under an employee benefit plan may, upon prior written notice to the General Partner, assign a beneficial interest in all or a portion of its

interest in the Partnership to any other trust under such employee benefit plan or to any other employee benefit plan having the same sponsor (provided that income and loss allocable to the Limited Partner of the Partnership will continue to be included in the same filings under the same employer identification number with the Internal Revenue Service). Such assignment to another trust under such employee benefit plan or to any other employee benefit plan having the same sponsor will not be deemed to be an assignment or transfer of a limited partnership interest pursuant to this Agreement (and therefore will not require the General Partner's consent pursuant to Section 6.2(a)). In addition, a change in any trustee or fiduciary of a Limited Partner will not be deemed to be an assignment or transfer of a limited partnership interest pursuant to this Agreement (and therefore not require the General Partner's consent pursuant to Section 6.2(e)), so long as any such replacement trustee or fiduciary is also a fiduciary as defined under applicable law, that income and loss allocable to the Limited Partner of the Partnership will continue to be included in the same filings under the same employer identification number with the Internal Revenue Service, and the General Partner receives prior written notice of such change in trustee or fiduciary. In connection with any assignment of interest or change in trustee or fiduciary under this Section 6.2(b), the Limited Partner shall provide such documentation as the General Partner shall reasonably request.

(c) The voting rights of any Limited Partner's interest shall automatically terminate upon any transfer of such interest to a trust, heir, beneficiary, executor, personal representative, guardian or conservator or upon any other transfer if the transferor no longer retains control over such voting rights and the General Partner has not consented pursuant to Section 6.2(e) to such transferee becoming a substitute Limited Partner. No consent of any other Limited Partner will be required as a condition precedent to any such transfer or substitution.

(d) As a condition to any transfer of a Limited Partner's interest pursuant to Section 6.2(a), the transferor and the transferee shall provide such legal opinions and documentation as the General Partner shall reasonably request; provided that if the transfer is to be made from a Limited Partner to a co-trustee or trustee as contemplated above or to an Affiliate pursuant to Section 6.2(a), an officer's certificate in form reasonably satisfactory to the General Partner may be delivered by the Limited Partner in lieu of such legal opinions and other documentation.

(e) Notwithstanding anything to the contrary contained in this Section 6.2 or 6.11, a transferee or assignee will not become a substitute Limited Partner (i.e., a transfer other than as described in Section 6.2(b)) without the consent of the General Partner, which consent may be granted or withheld in its sole and absolute discretion (except for a disposition by a Limited Partner to an Affiliate permitted by Section 6.2(a), for which such consent shall not be unreasonably withheld), and without executing (i) a copy of this Agreement or amendment hereto, and (ii) a Subscription Agreement in form and substance satisfactory to the General Partner in its sole discretion. Any substitute Limited Partner admitted to the Partnership with the consent of the General Partner will succeed to all rights and be subject to all the obligations of the transferring or assigning Limited Partner with respect to the interest to which such Limited Partner was substituted, but any transferee or assignee that does not become a substitute Limited Partner shall have the right to receive allocations pursuant to Section 2.3 and distributions pursuant to Article III and Article VIII, but shall have no other rights under this Agreement.

(f) The transferor and transferee of any Limited Partner's interest shall be jointly and severally obligated to reimburse the General Partner and the Partnership for all reasonable expenses (including attorneys' fees and expenses) of any transfer or proposed transfer of a Limited Partner's interest, whether or not consummated.

(g) The transferee of any Limited Partner's interest shall be treated as having made all of the Capital Contributions made by, and received all of the distributions received by, the transferor of such interest.

(h) Anything in this Agreement to the contrary notwithstanding, no admission (or purported admission) of a Partner, and no transfer (or purported transfer) of all or any part of a Partner's interest in the Partnership (or any economic interest therein) whether to another Partner or to a person who is not a Partner, shall be effective, and any such admission or transfer (or purported admission or transfer) shall be void ab initio, and no person shall otherwise become a Partner if after such admission or transfer (or purported admission or transfer) the Partnership would have more than one hundred (100) Partners, unless the General Partner determines in its sole discretion that the Partnership will meet the requirements set forth in Treasury Regulation § 1.7704-1(j)(1) for the taxable year of such transfer and all subsequent taxable years. In determining whether the Partnership will have more than one hundred (100) Partners for purposes of this Section 6.2(h), each person indirectly owning an interest in the Partnership through a partnership (including any entity treated as a partnership for federal income tax purposes), a grantor trust or an S corporation (each such entity a "flow-through entity") shall be treated as a Partner unless the General Partner determines in its sole discretion, after consulting with qualified tax counsel, that less than substantially all of the value of the beneficial owner's interest in the flow-through entity is attributable to the flow-through entity's interest (direct or indirect) in the Partnership.

(i) Anything in this Agreement to the contrary notwithstanding, no admission (or purported admission) of a Partner, and no transfer (or purported transfer) of all or any part of a Partner's interest in the Partnership (or any economic interest therein) whether to another Partner or to a person who is not a Partner, shall be effective, and any such admission or transfer (or purported admission or transfer) shall be void ab initio, and no person shall otherwise become a Partner if after such admission or transfer (or purported admission or transfer) the Partnership would be subject to the registration or reporting requirements of the Investment Company Act or in the General Partner's good faith determination, such transfer would cause the assets of the Partnership to be deemed Plan Assets. Each transferee that is or will be a Benefit Plan Investor as of the transfer effective date shall so notify the General Partner in writing prior to the transfer effective date. Any transferee that has not so indicated in writing its status as a Benefit Plan Investor hereby represents, warrants and covenants that it is not, it is not acting on behalf of and, so long as it holds an interest in the Partnership, it will not be and will not be acting on behalf of a Benefit Plan Investor.

Section 6.3 No Withdrawal. Subject to the provisions of Sections 6.2, 6.6 and 6.11, no Limited Partner may withdraw as a Partner of the Partnership, nor may a Limited Partner be required to withdraw, nor may a Limited Partner borrow or withdraw any portion of its Capital Account from the Partnership.

Section 6.4 No Termination. The substitution, death, insanity, dissolution (whether voluntary or involuntary) or bankruptcy of a Limited Partner will not affect the existence of the Partnership, and the Partnership will continue for the term of this Agreement until its existence is terminated as provided herein.

Section 6.5 Subsequent Limited Partners.

(a) The General Partner may accept additional Limited Partners (“Additional Limited Partners”) subsequent to the First Closing of the Partnership up to and including the date fourteen months after the First Closing. Any Additional Limited Partners will be treated as having been a party to this Agreement and have made its Commitment as of the date hereof for all purposes, and such Additional Limited Partners will be required to bear a portion of the Management Fee, Organizational Expenses and Partnership Expenses equivalent to that which would have been borne by such Additional Limited Partner had such Limited Partner been a Limited Partner from the date of the First Closing.

(b) Such Additional Limited Partners shall contribute to the Partnership, on the date of their admission to the Partnership, an amount of their Commitments equal to their portion (based on the Commitments of all Partners) determined pursuant to this Section 6.5(b). The initial drawdown for each Limited Partner will include such Limited Partner’s proportionate share of (i) Management Fees retroactive to the First Closing; (ii) Placement Fees, if any, retroactive to the First Closing, (iii) Organizational Expenses (to the extent provided in Section 4.2) and Partnership Expenses attributable to the Partnership; and (iv) Capital Contributions made at or prior to such drawdown to fund any Portfolio Investment, other than Capital Contributions that have been returned prior to such drawdown to the Partners who made such Capital Contributions. In addition, Additional Limited Partners will be required to pay to the Partnership, with respect to the period from the date of the applicable Capital Contributions made by the Partners who were admitted pursuant to the First Closing to the date of their admission to the Partnership: (A) interest at the rate of 10% on their proportionate share of Management Fees retroactive to the First Closing; (B) interest at the rate of 10% on their proportionate share of Organizational Expenses (to the extent provided in Section 4.2), Placement Fees and Partnership Expenses attributable to the Partnership; and (C) interest at the rate of 10% on their proportionate share of the Capital Contributions made prior to such drawdown (other than Capital Contributions that have been returned prior to such drawdown to the Partners who make such Capital Contributions), to fund any Portfolio Investment; provided, however, that interest payable pursuant to sub-clauses (B) and (C) above shall be reduced, but not below zero, by each Additional Limited Partner’s pro rata portion (based on Commitments of all Partners) of all distributions made prior to the date of such drawdown to all Partners pursuant to Sections 3.3(a)(i), 3.3(a)(ii)(B) and 3.3(a)(iii)(A), to the extent such distributions exceed the aggregate amount of Capital Contributions to make Portfolio Investments that have been Disposed of prior to the date of such drawdown. Any amounts paid to the Partnership under clause (i) and subclause (A) above will be paid to the Manager (and to the extent the General Partner has waived all or part of such Management Fees, such Waived Fee Amount shall not be paid to the Manager or the General Partner but will instead increase the Unapplied Waived Fee Amounts). Any amounts paid to the Partnership under clause (ii) above shall be paid to the applicable placement agency if applicable to such Limited Partner. Any amounts paid to the Partnership under clauses (iii) and (iv) above, and subclauses (B) and (C) above shall be

distributed to the Partners that participated in the earlier Capital Contributions based upon their relative shares of each earlier Capital Contribution, and any such returned Capital Contributions (but not amounts referred to in subclauses (B) and (C) above) may be recalled by the General Partner pursuant to Section 2.2(a) above as if such returned Capital Contributions had not previously been called; provided, that if the General Partner determines in good faith that there will be a Capital Call within 30 days after the contribution of such amounts to the Partnership, the General Partner may, in its discretion, retain such amounts and reduce the Capital Call with respect to such other Partners (in which event the Funded Commitments of such other Partners shall be increased by their pro rata share of that portion of such amounts referred to in subclauses (B) and (C) above). For purposes of this Section 6.5, a Limited Partner that increases its Commitment shall be treated as an Additional Limited Partner with respect to the amount by which its Commitment increased.

(c) Each Additional Limited Partner admitted to the Partnership pursuant to this Section 6.5 shall be treated as purchasing a pro rata share of the interests in the Partnership of the Partners to whom amounts are distributed pursuant to this Section 6.5 ("Existing Partners"), and a portion of the Capital Account of each Existing Partner shall be allocated to such Additional Limited Partner so that after such allocation the Capital Accounts and Capital Contributions of such Additional Limited Partner and Existing Partners attributable to each Portfolio Investment and to the payment of Organizational Expenses, Management Fees, Placement Fees and Partnership Expenses are as equal as practicable to what their Capital Accounts and Capital Contributions attributable to each Portfolio Investment and to the payment of Organizational Expenses, Management Fees, Placement Fees and Partnership Expenses would have been if such Additional Limited Partner had been admitted to the Partnership at the First Closing.

(d) If the admission of Additional Limited Partners to the Partnership or of investors in Parallel Vehicles or the purchase by a limited partner in a Parallel Vehicle of a portion of the interest of a Defaulting Partner pursuant to Section 6.11 would result in the Partnership and the Parallel Vehicles not having reimbursed the General Partner and its Affiliates for Organizational Expenses in the proportions contemplated by Section 4.2 hereof or would result in the Partnership and the Parallel Vehicles not owning investments in Portfolio Companies in the proportions contemplated by Sections 5.14 or 5.15 hereof, the General Partner shall have the authority:

(i) to effect transfers of funds and of Portfolio Company to Parallel Vehicles and to effect transfers of funds and portfolio investments of Parallel Vehicles to the Partnership for the purpose of reallocating the ownership of investments in Portfolio Companies and the reimbursements of Organizational Expenses by the Partnership and the Parallel Vehicles, and

(ii) to make allocations to, or to reallocate, the Capital Accounts and Capital Contributions attributable to each Portfolio Investment and to the payment of Organizational Expenses, Management Fees, Placement Fees and Partnership Expenses of the Existing Partners and the Additional Limited Partners in the manner contemplated by the previous provisions of this Section 6.5,

in each case to achieve allocations and distributions as close as practicable to those that would have obtained had such Additional Limited Partners or investors been admitted to the Partnership or to Parallel Vehicles, respectively, at the First Closing or had such purchased interest of a Defaulting Partner been issued to the purchaser at the First Closing. Any distribution of cash made by the Partnership in connection with a reallocation under this Section 6.5(d) representing a return of Capital Contributions may be recalled by the General Partner pursuant to Section 2.2(a) as if such returned Capital Contributions had not previously been called.

Section 6.6 Regulatory Matters.

(a) Each Limited Partner acknowledges that the assets of the Partnership are not intended to constitute plan assets of such Limited Partner for purposes of any applicable non-U.S., state or local law governing the investment and management of the assets of that Limited Partner, and that, as a result, none of the Partnership, the General Partner, the Manager or any of their Affiliates intend to be acting as a fiduciary within the meaning of any applicable non-U.S., state or local law relating to governmental plans or foreign plans with respect to such Limited Partner or the Partnership assets; provided, however, that this provision is not intended to negate the fiduciary duties imposed upon a general partner under the Delaware Partnership Act.

(b) In the event that the General Partner determines in good faith that (i) the investment in the Partnership by a Limited Partner which is a governmental plan, foreign plan or other regulated entity (each, a "Regulated Investor") is reasonably likely to result in (A) any violation of any provision of law applicable to such Regulated Investor, (B) the treatment of the assets of the Partnership as assets of such Regulated Investor or (C) the treatment of the Partnership, the General Partner or the Manager as a fiduciary under such provisions of law applicable to such Regulated Investor and (ii) if, in the reasonable judgment of the General Partner, any of the foregoing conditions result in or are reasonably likely to result in any material adverse consequences to the Partnership or the General Partner (both of (i) and (ii), a "Regulatory Issue"), then the General Partner shall use its reasonable best efforts to work with the Regulated Investor to cure the Regulatory Issue. The General Partner, in its sole discretion, may require that such Regulated Investor provide (at such Regulated Investor's expense) an opinion of counsel, reasonably acceptable to the General Partner in form and substance, that no Regulatory Issue exists or, in the event such an opinion is not delivered within a reasonable time after being requested, may cause the Partnership to redeem such Regulated Investor's interest in the Partnership, in whole or in part.

(c) Effective upon the date specified by the General Partner in the notice sent to a Limited Partner, notifying such Limited Partner of the General Partner's determination to completely or partially redeem such Limited Partner's interest in the Partnership pursuant to Section 5.6(e) or Section 6.6(b) (the "Redemption Effective Date"), such Limited Partner (the "Redeemed Limited Partner") shall cease to be a Partner of the Partnership for purposes of the withdrawn portion of its interest only and, in addition to its right to receive payment for its withdrawn interest in the Partnership as provided in Section 6.6(d), shall continue to be entitled, with respect to its remaining interest only, if any, to the rights of a Partner under this Agreement (including, without limitation, the right to have any allocations made to its Capital Account (as such may be adjusted) pursuant to Article II, the right to receive distributions pursuant to Article

III and upon dissolution of the Partnership pursuant to Article VIII and the right to vote on matters as provided in this Agreement).

(d) The Redemption Value shall be paid by the Partnership to such Redeemed Limited Partner in cash by paying to such Limited Partner a “pro rata portion” of each distribution payable to the Redeemed Limited Partners until the Redemption Value has been fully paid; provided, that the General Partner shall be under no obligation to sell, finance or refinance any Partnership property or assets or to take any other action to effect such redemption which, in the judgment of the General Partner, may affect adversely the Partnership (taking into account the liquidity needs of the Partnership) or any Partner. For purposes of the preceding sentence, a Redeemed Limited Partner’s “pro rata portion” of a distribution shall be an amount equal to the amount such Redeemed Limited Partner would have received in respect of the redeemed interest had such interest not been redeemed.

Section 6.7 Indemnification and Reimbursement for Payments on Behalf of a Partner/Partner Clawback.

(a) If the Partnership is obligated to pay any amount to a governmental agency or to any other person (or otherwise makes a payment) in respect of any tax because of a Partner’s status or otherwise specifically attributable to a Partner (including, without limitation, federal withholding taxes with respect to foreign partners, state personal property taxes, state unincorporated business taxes, etc.), then such Partner (the “Indemnifying Partner”) shall indemnify the Partnership in full for the entire amount paid (including, without limitation, any interest, and any penalties and expenses associated with such payment to the extent such penalties and expenses are attributable to such Partner’s actions or failure to act). At the option of the General Partner, the amount to be indemnified may be charged against the Capital Account of the Indemnifying Partner, and, at the option of the General Partner, either:

(i) promptly upon notification of an obligation to indemnify the Partnership, the Indemnifying Partner shall make a cash payment to the Partnership equal to the full amount to be indemnified (and the amount paid shall be added to the Indemnifying Partner’s Capital Account but shall not be deemed a Capital Contribution hereunder), or

(ii) the Partnership shall reduce subsequent distributions which would otherwise be made to the Indemnifying Partner until the Partnership has recovered the amount to be indemnified (provided, that the amount of such reduction shall be deemed to have been distributed for all purposes of this Agreement, but such deemed distribution shall not further reduce the Indemnifying Partner’s Capital Account). If the General Partner reasonably expects that subsequent distributions to such Partner will be sufficient to satisfy such Partner’s obligation to pay such amount, the General Partner shall not seek a payment pursuant to clause (i) above, until the General Partner reasonably believes such distributions will not be sufficient.

(b) A Partner’s obligation to make contributions to the Partnership under this Section 6.7 shall, subject to the limitations set forth in Section 6.7(c), survive the termination, dissolution, liquidation and winding up of the Partnership until the third (3rd) anniversary of the date of the final distribution made in connection with the complete liquidation of the assets of the Partnership and, for purposes of this Section 6.7, the Partnership shall be treated as continuing in

existence. The Partnership may pursue and enforce all rights and remedies it may have against each Partner under this Section 6.7, including instituting a lawsuit to collect such contribution with interest equal to the prime or base rate then in effect (as announced by Citibank, N.A., New York, New York) plus six percentage points per annum (but not in excess of the highest rate per annum permitted by law).

(c) At any time and from time to time prior to the third (3rd) anniversary of the date of receipt thereof, the General Partner may require each Partner to return distributions (including distributions made in connection with the complete liquidation of the assets of the Partnership) to the Partnership in an amount sufficient to satisfy all or any portion of (i) such Partner's indemnification obligations pursuant to Section 6.7(a), or (ii) any liability which the Partnership would be required by this Agreement or otherwise to pay if it had adequate funds, including but not limited to (A) the expenses of investigating, defending or handling any pending or threatened litigation or claim arising out of the Partnership's activities, investments or business, (B) the amount of any judgment or settlement arising out of such litigation or claim, and (C) the Partnership's obligation to indemnify any Partner or other Person pursuant to Section 5.11 (a "Liability"), whether such obligations arise before or after the last day of the Partnership or, with respect to any Partner, before or after such Partner's withdrawal from the Partnership; provided, that (x) each Partner will return distributions in respect of its share of any such indemnification payment in proportion to the aggregate amount of distributions received by such Partner that have not previously been returned to the Partnership by such Partner pursuant to this Section 6.7(c); and (y) Partner's maximum liability under this Section 6.7 is limited to an amount equal to the lesser of (1) $33\frac{1}{3}\%$ of such Partner's Commitment, and (2) 50% of the aggregate amount of distributions received by such Partner as of such date. Any distributions returned pursuant to this Section 6.7(c) shall not be treated as Capital Contributions, but shall be treated as returns of distributions in making subsequent distributions pursuant to Section 3.3 and in determining the amount that the General Partner is required to contribute to the Partnership pursuant to Section 8.3(c) (other than for purposes of computing a Partner's Preferred Amount, which shall be computed based on actual Capital Contributions made and distributions received). Nothing in this Section 6.7(c), express or implied, is intended or shall be construed to give any person other than the Partnership or the Partners any legal or equitable right, remedy or claim under or in respect of this Section 6.7(c) or any provision contained herein. If a Limited Partner returns an amount to the Partnership under Section 6.7(c)(ii) after the final distribution of the assets of the Partnership, the amount the General Partner is required to contribute to the Partnership with respect to such Limited Partner pursuant to Section 8.3(c) shall be re-determined, taking into account the return of such amount to the Partnership. The provisions of Section 8.3(c) shall apply, and the payments required thereby shall be made, in the same manner as if the return of such amount to the Partnership had occurred prior to the final distribution of the assets of the Partnership.

Section 6.8 Section 754 Election. Upon the written request of a Majority in Interest of the Limited Partners, that an election provided for in Section 754 of the Code be made, the General Partner shall, if then permitted by applicable law, make such election.

Section 6.9 BHCA Partners.

(a) Any Limited Partner may, upon notice to the General Partner, elect to hold all or any fraction of such Limited Partner's interest in the Partnership as a Non-Voting Interest, in which case such Limited Partner shall not be entitled to vote or otherwise participate in any consent of the Limited Partners with respect to the portion of its interest which is held as a Non-Voting Interest (and such Non-Voting Interest shall not be counted in determining the giving or withholding of any such consent or whether the requisite percentage of the Limited Partners or Partners, as the case may be, have consented to, approved, adopted or taken any other action hereunder). Except as provided in this Section 6.9, an interest held as a Non-Voting Interest shall be identical in all regards to all other interests held by Limited Partners. Any such election shall be irrevocable and shall bind the assignees of such Limited Partner's interest.

(b) Any interest in the Partnership held for its own account by a BHCA Partner, that is determined at the time of admission of such BHCA Partner, the complete or partial withdrawal of another Limited Partner or any other adjustment of the interests of the Partners pursuant to this Agreement to be in excess of 4.99% (or such other amount as may be permitted by applicable regulation to be held by a BHCA Partner as voting securities, but not including Section 4(k) of the BHC Act or any successor provision thereto) of the interests of the Limited Partners, excluding for purposes of calculating this percentage portions of any other interests that are Non-Voting Interests pursuant to this Section 6.9 and any other Section of this Agreement (collectively the "Non-Voting Partnership Interests"), shall be a Non-Voting Partnership Interest (whether or not subsequently transferred in whole or in part to any other person) and shall not be included in determining whether the requisite percentage of the Partners have consented to, approved, adopted or taken any action hereunder; provided, that such Non-Voting Partnership Interest shall be permitted to vote on any proposal to continue the business of the Partnership under Section 8.2(a) but not on the selection of a General Partner pursuant to Section 8.2(a). Each BHCA Partner hereby further irrevocably waives its corresponding right to vote for a successor general partner under Section 17-801 of the Delaware Partnership Act with respect to any Non-Voting Partnership Interest, which waiver shall be binding upon such BHCA Partner and any entity which succeeds to its interest. Upon the occurrence of a subsequent closing or any event specified in the second preceding sentence, a recalculation of the interest held by all BHC Partners shall be made, and only that portion of the total interest held by each BHC Partner that is determined as of the date of such recalculation to be in excess of 4.99% (or such other amount) of the interests of the Limited Partners, excluding Non-Voting Partnership Interests as of such date, shall be a Non-Voting Partnership Interest.

Section 6.10 Excused Investments. In the event that (a) the Partnership makes or proposes to make a Portfolio Investment which the General Partner reasonably determines could result in a material violation by any Limited Partner (or any of its Affiliates) of any law, order, decree or judgment of any court or governmental agency applicable to such Limited Partner (or any of its Affiliates), or (b) the General Partner reasonably determines that a Limited Partner's participation in a proposed Portfolio Investment of the Partnership could have a material adverse effect on the Partnership, the entity in which such investment is to be made, such Limited Partner, or the General Partner and its Affiliates, the General Partner may, in its sole discretion, and subject to Section 5.6(a), (x) reduce or eliminate the interest of the such Limited Partner with respect to such Portfolio Investment and the distributions with respect thereto (provided that any

Capital Contributions made by such Limited Partner with respect to such Portfolio Investment shall be promptly returned to such Limited Partner) and correspondingly increase the interest of the other Limited Partners with respect to such Portfolio Investment and/or (y) increase the interest of such Limited Partner in future Portfolio Investments of the Partnership and such Limited Partner's interest in the distributions with respect thereto and correspondingly decrease the interests of the other Limited Partners in such Portfolio Investments. All determinations necessary to reflect the operation of this Section 6.10 and not otherwise explicitly provided for in this Section 6.10 shall be made on an equitable basis as determined by the General Partner in good faith, whose decision thereon shall be final and binding on all Limited Partners. Determinations by the General Partner pursuant to clauses (a) and (b) above may be made on its own initiative or after considering the request of any Limited Partner, including any supporting legal analysis or other documentation submitted by such Limited Partner.

Section 6.11 Limited Partner's Default on Commitment.

(a) If any Limited Partner fails to make full payment of any portion of its Commitment when due (a "Defaulting Partner") and such failure is not cured within five Business Days after receipt by such Limited Partner of written notice from the General Partner with respect to such failure to pay, the General Partner may in its discretion and subject to Section 5.6(a), undertake any one or more of the following steps:

(i) The General Partner may assist the Defaulting Partner in finding a buyer for the Defaulting Partner's Partnership interest (provided, that the General Partner will have no obligation to contact any particular Limited Partner or other person with regard to such sale).

(ii) The Partnership may pursue and enforce all rights and remedies the Partnership may have against such Defaulting Partner with respect thereto, including a lawsuit to collect the overdue portion of the Commitment and any other amounts due the Partnership or General Partner hereunder, with interest at a rate equal to the prime or base rate then in effect (as announced by Citibank, N.A., New York, New York) plus six percentage points (but not in excess of the highest rate per annum permitted by law).

(iii) The General Partner may offer the Defaulting Partner's interest to the Partners and the partners in the Parallel Vehicles (other than any Defaulting Partners) pro rata in accordance with their Commitments and their capital commitments to Parallel Vehicles on the terms set forth below. If any Partner or partner in a Parallel Vehicle does not elect to purchase the entire interest offered to it, the remaining interest allocable to the Partners and the partners in the Parallel Vehicles will be reoffered pro rata to the Partners and the partners in Parallel Vehicles who have purchased the entire interest offered to them until either all of such interest is acquired or no Partner or partner in a Parallel Vehicle wishes to make a further investment. At the closing of such purchase (on a date and at a place designated by the General Partner), each purchasing Partner shall (A) deliver a non-interest bearing, non-recourse (except to the extent of the Partnership interest purchased and the proceeds therefrom) ten-year promissory note (in a form approved by the General Partner) payable to the Defaulting Partner in an amount equal to the portion of the Defaulting Partner's Capital Account being purchased by such Partner, and (B) assume the portion of the Defaulting Partner's obligation to make both defaulted and further Capital Contributions pursuant to its Commitment which is equal to the portion of the Defaulting

Partner's interest being purchased by such Partner. In the case of a purchase of a portion of a Defaulted Partner's Capital Account by one or more partners in a Parallel Vehicle, such Parallel Vehicle shall deliver a note in the same form as the note described above to the Partnership for the aggregate portion of the Defaulted Partner's Capital Account being purchased by the limited partners in such Parallel Vehicle, the Partnership shall make the adjustments described in Section 6.5(d) with respect to such purchase and the Partnership shall distribute such note to the Defaulting Partner. If a Partner purchases a portion of the interest of a defaulting partner of a Parallel Vehicle, the Partner purchasing such interest shall increase its Commitments as described above with respect to purchases of an interest of a Defaulting Partner, and shall guarantee the note delivered to the Parallel Vehicle, and the Partnership shall make such other adjustments as are required by Section 6.5(d). The General Partner will handle the mechanics of making the offers set forth herein and will in its discretion impose time limits for acceptance.

(iv) If the entire Defaulting Partner's interest is not purchased in the manner set forth in (iii) above, the General Partner in its sole discretion may offer the remaining interest either (A) to a third party or parties on the same terms as originally offered to the Partners pursuant to (iii) above (in which case such third party or parties will, as a condition of purchasing such interest, become a party to this Agreement), or (B) to the Partners and the partners in Parallel Vehicles in the manner provided in (iii) above, but with no requirement to assume the Defaulting Partner's obligation to make further capital contributions pursuant to its Commitment, in which case the Defaulting Partner's Commitment shall be deemed reduced (effective on the date of the default) to the amount actually paid in and the aggregate Commitments of the Partnership shall be reduced by the amount of such Defaulting Partner's remaining contributions to be made pursuant to its Commitment.

(v) In addition to, or instead of, the other remedies and undertakings available to the General Partner pursuant to this Section 6.11(a), the General Partner may, in its sole discretion, reduce (effective on the date of the default, after giving effect to the 5-day cure period) any portion of such Defaulting Partner's Commitment (which has not been assumed by another Partner) to the amount of the Capital Contributions (which have not been purchased by another Partner) made by such Defaulting Partner (net of distributions pursuant to Section 6.5(b)) and the aggregate Commitments of the Partnership shall be commensurately reduced.

(vi) Notwithstanding anything contained herein to the contrary, from and after any date on which a Defaulting Partner's Commitment is reduced pursuant to subparagraph (v) above, (A) such Defaulting Partner will have no right to receive any distributions, except for distributions made upon the Partnership's liquidation, (B) such Defaulting Partner's Capital Account will not be credited with any Investment Income and Gain or Short-Term Investment Income which shall instead be allocated to the Partners (other than any Defaulting Partners) in accordance with Section 2.3(b) and (c), as appropriate (and as adjusted to treat the Defaulting Partner's Capital Contribution as equal to zero), (C) until such Defaulting Partner's Capital Account is reduced to zero, (1) such Defaulting Partner's Capital Account shall continue to be debited in accordance with Sections 2.3(c), (d), (f), and (g) for such Defaulting Partner's share of Investment Loss, Organizational Expenses, Placement Fees and Uncapitalized Partnership Expenses as if there had been no reduction in such Defaulting Partner's Commitment or Capital Contributions and (2) the Management Fee payable by the Defaulting Partner shall be calculated as if there had been no reduction in such Defaulting Partner's Commitment, and (D) once such

Defaulting Partner's Capital Account is reduced to zero, (1) such Defaulting Partner's Commitment shall be reduced to zero for all purposes of the Agreement, including the calculation of the Partnership's aggregate Commitments and determination of the Management Fee and (2) such Defaulting Partner (and not the Partnership or any other Limited Partner) shall be liable each quarterly period to the General Partner for an amount equal to its portion of the Management Fee for such period as if there had been no reduction in such Defaulting Partner's Commitment.

(vii) No consent of any Limited Partner shall be required as a condition precedent to any transfer, assignment or other disposition of a Defaulting Partner's interest pursuant to this Section 6.11.

(b) Additionally, the Defaulting Partner shall indemnify and hold harmless the General Partner and the Partnership against any losses, damages and expenses (including attorneys' fees) incurred by the General Partner and the Partnership in enforcing or attempting to enforce the provisions of this Section 6.11 or resulting from the Partnership failing to meet its obligations with respect to any Portfolio Investment by reason of any such default.

Section 6.12 Investment Company Act Limitations. Notwithstanding anything to the contrary contained in this Agreement, (i) no person shall be admitted to the Partnership as Limited Partner, an Additional Limited Partner or a substitute Limited Partner unless such person is a Qualified Purchaser, and (ii) no sale, assignment, transfer, pledge, mortgage or other disposition of any or all of a Limited Partner's interest in the Partnership shall be effective unless the assignee of any beneficial interest in the Partnership is a Qualified Purchaser.

ARTICLE VII

ADVISORY COMMITTEE

Section 7.1 Advisory Committee. (a) A committee (an "Advisory Committee") of not fewer than three individuals and not more than seven individuals who are affiliated with or officers, employees, representatives or designees of Limited Partners or limited partners of Parallel Vehicles (but are not affiliated with the General Partner, the Manager, the Principals or any Affiliates thereof) will be appointed by the General Partner. The General Partner will not appoint to the Advisory Committee any individual who is an officer, employee or representative of a BHC Partner whose Partner Interest in the Partnership is over 4.99%. The Advisory Committee will meet at least semi-annually with the Manager and will perform such duties as is contemplated by this Agreement and provide such advice and counsel, including advice and counsel as to general economic and financial trends, portfolio investments and valuations, as is requested by the General Partner in connection with the investments of the Partnership, the Parallel Vehicles and the Separate Investment Entities, and other matters related thereto; provided, that the General Partner will retain ultimate responsibility for all decisions relating to the operation and management of the Partnership, including all investment decisions. The Advisory Committee will be consulted on potential conflicts involving the Partnership and will perform the duties contemplated by this Agreement and all transactions between the Partnership

and the General Partner, the Manager and their Affiliates not specifically contemplated by this Agreement must be approved by the Advisory Committee. Notwithstanding the foregoing, the Advisory Committee will not consult with the General Partner on allocations of investment opportunities to Affiliates of the Manager or client accounts managed by the Manager if such allocations are made in accordance with the Highland Investment Allocation Policy. The Manager shall be entitled to remove a member of the Advisory Committee selected by the Manager from among the Limited Partners (or their representatives) upon at least 15 days prior written notice to the Limited Partners, provided, however, that the Manager may not remove a member of the Advisory Committee designated by a Limited Partner without the consent of 75% of the other members of the Advisory Committee. The Limited Partner that had the right to designate the removed member of the Advisory Committee shall have the right to designate a replacement. The Partnership will reimburse each member of the Advisory Committee for such member's reasonable out-of-pocket expenses incurred in attending meetings of the Advisory Committee. Such reimbursements shall be Partnership Expenses. The Advisory Committee shall act by affirmative vote or written consent of a majority of its members.

(b) Neither the members of the Advisory Committee, nor the Limited Partners on behalf of whom such members act as representatives, shall owe any duties (fiduciary or otherwise) to the Partnership or any other Limited Partner in respect of the activities of the Advisory Committee, other than the duty to act in good faith.

ARTICLE VIII

DURATION AND TERMINATION

Section 8.1 Duration. The Partnership will terminate on the tenth anniversary of the Final Closing, except that the term of the Partnership may be extended by the General Partner, with the approval of the Advisory Committee, for up to two consecutive one-year extensions.

Section 8.2 Early Termination.

(a) The Partnership shall terminate on:

(i) the bankruptcy of the General Partner or on the happening of any other event that would cause a dissolution of the Partnership under the Delaware Partnership Act unless, within 90 days after notice is given to the Limited Partners of the occurrence of such event, the Limited Partners and limited partners of all Parallel Vehicles unanimously select a new general partner and resolve to continue the business of the Partnership;

(ii) a good faith determination upon receipt of written legal advice of counsel by the General Partner that dissolution of the Partnership is necessary or desirable (A) as a result of a Plan Asset Event or (B) to avoid any material adverse consequences to the Partnership or the General Partner as a result of any law applicable to a Regulated Investor;

(iii) the removal of the General Partner pursuant to Section 5.9 unless all of the Limited Partners and all limited partners of Parallel Vehicles select a successor general partner and resolve to continue the business of the Partnership pursuant to Section 5.9; or

(iv) at any time after the second anniversary of the Final Closing upon the consent of Seventy-Five Percent in Interest of the Limited Partners.

(b) As promptly as possible following the election by the Limited Partners of a successor General Partner pursuant to Section 8.2(a)(i), there shall be distributed to the former General Partner, in full payment and satisfaction of its interest in the Partnership, a Limited Partnership Interest in the Partnership. The Limited Partnership Interest of the former General Partner shall entitle the former General Partner to the same distributions and allocations in respect of Portfolio Investments made prior to the termination of the former General Partner it would have received had it remained the General Partner, subject to the obligations set forth in Section 8.3(c), and to the rights of a Limited Partner hereunder with a Commitment equal to the Commitment of the former General Partner, but shall not entitle it to any other rights to participate in the management of the Partnership. After its withdrawal as General Partner, a former General Partner shall only be liable under this Agreement for actions taken and investments in Portfolio Companies made prior to the date of such withdrawal. If the Limited Partners elect to continue the Partnership's business pursuant to Section 8.2(a)(i), an appropriate amendment to this Agreement and to the Certificate shall be made within 90 days after the event giving rise to such election.

Section 8.3 Termination and Liquidation of Partnership Interests; Annual Determination of General Partner Give Back.

(a) Liquidation. Upon termination, the Partnership will be liquidated in an orderly manner. The General Partner (or, in the absence, bankruptcy or removal under Section 5.9, of the General Partner, the party selected by a Majority in Interest of the Limited Partners) will be the liquidator to wind up the affairs of the Partnership pursuant to this Agreement.

(b) Final Allocation and Distribution. Upon termination of the Partnership (whether or not an early termination), the General Partner will make a final allocation of all kinds of income, loss and expense in accordance with Article II hereof and the Partnership's liabilities and obligations to its creditors shall be paid or adequately provided for prior to any distributions to the Partners. After payment or provision for payment of all debts of the Partnership, the remaining assets, if any, will be distributed among the Partners as provided in Sections 3.2 and 3.3.

(c) General Partner Give Back. Within 90 days after the termination of the Commitment Period and after the final distribution of the assets of the Partnership among the Partners as provided in Sections 3.2 and 3.3 (each of the termination of the Commitment Period and the final distribution of the assets of the Partnership, a "Determination Date"), the General Partner will make a Capital Contribution to the Partnership with respect to each Limited Partner (and such amount will be distributed to the Limited Partners in proportion to the amounts determined with respect to each Limited Partner pursuant to this Section 8.3(c)), equal to the greater of:

(i) the amount by which (A) (x) the aggregate distributions to the General Partner pursuant to Sections 3.3(a)(ii) and 3.3(a)(iii) (including amounts initially distributed pursuant to Section 3.3(b)) with respect to such Limited Partner's Partner Share of distributions pursuant to Section 3.3(a) as of the applicable Determination Date less (y) all amounts previously contributed by the General Partner pursuant to this Section 8.3(c) with respect to such Limited Partner, exceed (B) 20% of the excess of (x) such Limited Partner's Partner Share of all distributions pursuant to Section 3.3(a) from the Partnership as of the applicable Determination Date (including amounts distributed to the General Partner pursuant to Sections 3.3(a)(ii) and 3.3(a)(iii), but reduced by any amounts previously contributed by the General Partner pursuant to this Section 8.3(c)) over (y) the aggregate Capital Contributions made by such Limited Partner to the Partnership as of the applicable Determination Date; and

(ii) the amount by which all distributions received by such Limited Partner as of the applicable Determination Date are less than the sum of such Limited Partner's Capital Contributions as of the applicable Determination Date, plus such Limited Partner's aggregate Preferred Amount as of the applicable Determination Date; provided, however, that the aggregate General Partner Capital Contributions pursuant to this Section 8.3(c) will not exceed the excess, if any, of (x) an amount equal to 100% of the net amount distributed to the General Partner with respect to such Limited Partner over the entire term of the Partnership (other than Tax Distributions) pursuant to Sections 3.3(a)(ii) and 3.3(a)(iii) over (y) the Built-In Tax Amount with respect to any distribution of securities in-kind received by the General Partner with respect to such Limited Partner.

(d) The General Partner hereby covenants and agrees that each of the members of the General Partner entitled to receive Carried Interest distributions from the General Partner has guaranteed and will guaranty severally, but not jointly, the payment of his, her or its pro rata share of the payments required by Section 8.3(c) to the extent and on the terms set forth in the Guaranty Agreement.

(e) Special Profit Interest Give Back. After the final distribution of the assets of the Partnership among the Partners as provided in this Section 8.3 (and Article III hereof), but prior to the application of Section 8.3(c), the General Partner shall be obligated to make aggregate Capital Contributions to the Partnership, within 30 days after the date of such final distribution, in an amount equal to the sum of the excess, if any, of (i) the distributions received by the General Partner on account of the Special Profit Interest attributable to each Waived Fee Amount over (ii) the Available Profits with respect to such Waived Fee Amount. The distributions described in clause (i) of the preceding sentence with respect to a Waived Fee Amount are the Special Profit Interest distributions attributable to the Portfolio Company with respect to which the General Partner applied such Waived Fee Amount pursuant to Section 2.2(a)(ii), treating the Waived Fee Amounts as having been applied on a "first-in, first-out" basis. Amounts distributed to the General Partner pursuant to Section 3.3(f) shall be treated for this purpose as proceeds from Portfolio Company made on the date of each Waived Fee Notice giving rise to Waived Fee Amounts that are not applied to Portfolio Company pursuant to Section 2.2(a)(ii). For purposes of applying the first sentence of this Section 8.3(e), Partnership Profits shall not be treated as Available Profits with respect to more than one Waived Fee Amount. All such amounts returned to the Partnership shall be distributed to the Partners (other than a Defaulting Partner or the General Partner) in accordance with the provisions of Section 3.3. All determinations and

calculations pursuant to this Section 8.3(e) shall be made by the General Partner in its sole discretion.

ARTICLE IX

VALUATION OF PARTNERSHIP ASSETS

Section 9.1 Normal Valuation. For purposes of this Agreement, the value of any security as of any date (or in the event such date is a holiday or other day which is not a Business Day, as of the next preceding Business Day) will be determined as follows:

(a) a Marketable Security which is listed on a recognized securities exchange or the NMS will be valued at the average of the last sales prices (or, if no sale occurred on such date, at the last "bid" price thereon) for the five consecutive trading days before such date and the five consecutive trading days after such date;

(b) a Marketable Security which is traded over-the-counter (other than on the NMS) will be valued at the average of the last "bid" prices for the five consecutive trading days before such date and the five consecutive trading days after such date;

(c) subject to Section 9.3, all Non-Marketable Securities will be valued on such date by the General Partner at fair market value in such manner as it may determine; and

(d) a Marketable Security which meets clause (ii), but not clause (i) of the definition of "Marketable Securities" will be valued as if it had been converted, exchanged or exercised as of such date.

Section 9.2 Restrictions on Transfer or Blockage. Any security which is held under a representation that it has been acquired for investment and not with a view to public sale or distribution, or which is held subject to any other restriction, or where the size of the Partnership's holdings compared to the trading volume would affect its marketability, will, subject to the provisions of Section 9.3, be valued at such discount from the value determined under Section 9.1 above as the General Partner deems necessary to reflect properly the marketability of such security.

Section 9.3 Objection to Valuation. Prior to acting upon its final valuation of any security pursuant to Sections 9.1 or 9.2 or its determination of written down value pursuant to Section 9.4, the General Partner shall provide the members of the Advisory Committee with notice and backup support of the General Partner's valuation of such security. If within 30 days after delivery of such notice a majority of the members of the Advisory Committee delivers written notice to the General Partner objecting to the valuation of such security and if, within 15 days from the date on which the General Partner receives such notice from a majority of the Advisory Committee, the General Partner and the Advisory Committee cannot agree on the valuation of such security, then the General Partner will (at the Partnership's expense) cause an independent securities expert mutually acceptable to the General Partner and the Advisory

Committee to review such valuation, and such expert's determination will be binding on the parties.

Section 9.4 Write-down to Value. Any Portfolio Investment that has permanently declined in value as determined by the General Partner will be written down to its value (or, if applicable, written off) pursuant to the provisions of this Article IX, including the valuation provisions of Section 9.3, as of the date of such determination. The General Partner shall provide the Advisory Committee at least annually with the then current valuation of all Portfolio Investments.

ARTICLE X

BOOKS OF ACCOUNTS; MEETINGS

Section 10.1 Books. The Partnership will maintain complete and accurate books of account of the Partnership's affairs at the Partnership's principal office, which books will be open to inspection by any Partner (or its authorized representative) at any time during ordinary business hours.

Section 10.2 Fiscal Year. The fiscal year of the Partnership will be the calendar year, unless otherwise determined by the General Partner.

Section 10.3 Reports. The General Partner will furnish the Limited Partners:

(a) within 60 days after the end of each of the first three quarters of each fiscal year beginning with fiscal year 2008, and with respect to the fourth quarter in each fiscal year at the time of delivery of the annual financial statements under Section 10.3(c), (i) unaudited quarterly financial statements (including balance sheet and income statement (including additions, dispositions and write-offs)) showing each Partner's Capital Account prepared in accordance with GAAP, applied on a consistent basis (except that, in accordance with GAAP, such quarterly financial reports may omit footnotes and year-end adjustments, accruals and reserves), and (ii) a schedule of investments including the Partnership's cost and the value of such investments prepared in accordance with Article IX;

(b) within 60 days after the end of each of the first three quarters of each fiscal year beginning with fiscal year 2008, and with respect to the fourth quarter in each fiscal year at the time of delivery of the annual financial statements under Section 10.3(c), unaudited quarterly descriptive investment information for each Portfolio Company and narrative summary financial information for each Portfolio Company, including revenues, EBITDA and net debt;

(c) within 90 days after the end of each fiscal year beginning with fiscal year 2008, (i) financial statements for such year prepared in accordance with GAAP, applied on a consistent basis (certified by a firm of independent certified public accountants of recognized national standing selected by the General Partner), (ii) valuations of the Partnership's investments as of the end of such year (including a statement of each Partner's closing Capital Account) prepared in accordance with Article IX, and (iii) the certification to Benefit Plan Investors confirming that

the Partnership continues to qualify for an exception from Plan Assets described in the last sentence of Section 5.6(a) and a certification regarding the Partnership's compliance in all material respects with Article III hereof; and

(d) within 90 days after the end of each fiscal year beginning with fiscal year 2008, (subject to reasonable delays in the event of late receipt of any necessary financial statements or other information necessary to prepare tax returns in respect of any Portfolio Investment), the Partnership's tax return and the Limited Partners' respective forms K-1.

Section 10.4 Tax Allocation.

(a) Except as otherwise set forth in this Section 10.4(a), the income, gains, losses, deductions and credits of the Partnership will be allocated, for federal, state and local income tax purposes, among the Partners in accordance with the allocation of such income, gains, losses, deductions and credits among the Partners for computing their Capital Accounts, except that if any such allocation is not permitted by the Code or other applicable law, the Partnership's subsequent income, gains, losses, deductions and credits will be allocated among the Partners so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts. Notwithstanding the preceding sentence, in the event the Basis of any asset of the Partnership differs from its adjusted tax basis for federal income tax purposes, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Basis in the same manner as under Section 704(c) of the Code and the Regulations thereunder.

(b) If any Partner is treated for income tax purposes as realizing ordinary income because of receipt of his, her or its Partnership interest (whether under Section 83 of the Code or any similar provisions of any law, rule or regulation or any other applicable law, rule, regulation or doctrine) and the Partnership is entitled to any offsetting deduction, the Partnership's deduction will be allocated among the Partners in such manner as to, as nearly as possible, offset such ordinary income realized by such Partner. If the Internal Revenue Service successfully asserts an adjustment to the taxable income of a Partner and, as a result of such adjustment, the Partnership is entitled to a deduction for federal income tax purposes in excess of any gain recognized by the Partnership, such excess deduction shall be allocated to such Partner. If the Internal Revenue Service successfully asserts an adjustment to the taxable income of the Partnership and, as a result of such adjustment, any Partner is entitled to a deduction for federal income tax purposes in excess of any gain recognized by such Partner, the additional Partnership taxable income shall be allocated to such Partner. If the Internal Revenue Service successfully asserts an adjustment to the taxable income of the Partnership disallowing deductions for any of the fees paid or payable to the General Partner, then additional Partnership taxable income allocable to the Partners as a result of such disallowance shall be reallocated to the General Partner.

(c) Notwithstanding any other provision of this Agreement, if a Partner unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulation § 1.704-1(b)(2)(ii) (d)(4), (5) or (6) which gives rise to a negative Capital Account (or which would give rise to a negative Capital Account when added to expected adjustments, allocations or distributions of the same type), such Partner will be allocated items of income and gain in an

amount and manner sufficient to eliminate such deficit balance as quickly as possible; provided that the Partnership's subsequent income, gains, losses, deductions and credits will be allocated among the Partners so as to achieve as nearly as possible the results that would have been achieved if this Section 10.4(c) had not been in this Agreement, except that no such allocation shall be made which would violate the provisions or purposes of Treasury Regulation § 1.704-1(b).

Section 10.5 Tax Controversies. The General Partner is hereby designated the "Tax Matters Partner" (as defined in Section 6231 of the Code), and is authorized and required to represent the Partnership (at the Partnership's expense) in connection with all examinations of the Partnership's business and affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Partnership funds for professional services and costs associated therewith. Each Limited Partner agrees to cooperate with the General Partner and to do or refrain from doing any or all things reasonably requested by the General Partner with respect to the conduct of such proceedings. The General Partner shall provide the Limited Partners with all notices required to be provided to them by law in connection with such proceedings, and shall otherwise keep the Limited Partners reasonably informed of the progress thereof.

Section 10.6 Certain Tax Elections. The Partnership shall not, without the consent of all Partners, file an election (i) pursuant to Section 761 of the Code not to be treated as a partnership, or (ii) pursuant to Treasury Regulation §301.7701-3(c) to be treated as an association taxable as a corporation.

Section 10.7 Code Section 83 Safe Harbor Election.

(a) Notice 2005-43. By executing this Agreement, each Partner authorizes and directs the Partnership to elect to have the "Safe Harbor" described in the proposed Revenue Procedure set forth in Internal Revenue Service Notice 2005-43 (the "Notice") apply to any interest in the Partnership transferred to a service provider by the Partnership on or after the effective date of such Revenue Procedure in connection with services provided to the Partnership. For purposes of making such Safe Harbor election, the General Partner is hereby designated as the "partner who has responsibility for federal income tax reporting" by the Partnership and, accordingly, execution of such Safe Harbor election by the General Partner constitutes execution of a "Safe Harbor Election" in accordance with section 3.03(1) of the Notice. The Partnership and each Partner hereby agrees to comply with all requirements of the Safe Harbor described in the Notice, including, without limitation, the requirement that each Partner shall prepare and file all federal income tax returns reporting the income tax effects of each "Safe Harbor Partnership Interest" (as described in Section 3.02 of the Notice) issued by the Partnership in a manner consistent with the requirements of the Notice.

(b) Amendment. Each Partner authorizes the General Partner to amend Section 10.7(a) to the extent necessary to achieve substantially the same tax treatment with respect to any interest in the Partnership transferred to a service provider by the Partnership in connection with services provided to the Partnership as set forth in section 4 of the Notice (e.g., to reflect changes from the rules set forth in the Notice in subsequent Internal Revenue Service guidance), provided that such amendment is not materially adverse to any Partner (as compared with the after-tax

consequences that would result if the provisions of the Notice applied to all interests in the Partnership transferred to a service provider by the Partnership in connection with services provided to the Partnership).

Section 10.8 Tax Basis Elections. Each Limited Partner hereby agrees and covenants that, with respect to such Partner's interest in the Partnership, it shall not make an election under Section 732(d) of the Code without the prior written consent of the General Partner. Each Limited Partner hereby acknowledges and agrees that the Partnership may, but shall not be obligated to, elect to be treated as an electing investment Partnership under Section 743(e) of the Code in the event the Partnership qualifies to do so. In such event, each transferring Limited Partner hereby agrees to provide the Partnership and its transferee with the timely notice required in IRS Notice 2005-32, or any successor guidance or interpretations(s), including such information as is necessary to enable such transferee to compute the amount of losses disallowed under Section 743(e) of the Code. Alternatively, in the event that the Partnership elects or is required to adjust the basis of the Partnership property under Section 743 of the Code, each Limited Partner hereby agrees to promptly provide the General Partner with any information reasonably requested by the General Partner in connection with such adjustment to the basis of Partnership property. In addition, to the extent that the transfer to a Limited Partner (or the transfer of interests in a Limited Partner) results in the Partnership adjusting the basis of Partnership property, each Limited Partner that received an interest in the Partnership by reason of such transfer (or, in the case of the transfer of interest in a Limited Partner, such Limited Partner) hereby agrees to reimburse the Partnership and/or the General Partner within 10 Business Days for any expenses (including without limitation accounting fees) reasonably incurred by the Partnership and/or the General Partner (and their respective affiliates) in connection with effecting such adjustments to the basis of Partnership property as it relates to such transfer. The General Partner is hereby authorized by each Limited Partner, with respect to any distribution to which such Limited Partner might otherwise be entitled, to defer making such distribution to such Limited Partner, if at the time such distribution would otherwise be effected, such Limited Partner has not satisfied its obligation to make the reimbursements provided for in the preceding sentence within the period specified therein.

Section 10.9 Annual Meeting. The General Partner will hold annual general informational meetings for the Limited Partners until such time, after the termination of the Commitment Period, that substantially all of the Portfolio Investments have been Disposed..

ARTICLE XI

CERTIFICATE OF LIMITED PARTNERSHIP; POWER OF ATTORNEY

Section 11.1 Certificate of Partnership. A certificate of Limited Partnership within the meaning of the Delaware Partnership Act (the "Certificate") will be prepared upon the execution and delivery of this Agreement. The General Partner will cause the Certificate to be filed and recorded in the office of the Secretary of State of the State of Delaware and, to the extent required by local law, in the appropriate place in each state in which the Partnership may

hereafter establish a place of business; provided, however, that the Partnership will not be obligated to provide the Limited Partners with a copy of any amendment to or restatement of the Certificate other than any amendment or restatement required to be filed in connection with an amendment of this Agreement pursuant to Section 12.1. The General Partner will also cause to be filed, recorded and published such statements, notices, certificates or other instruments required by any provision of any applicable law which governs the formation of the Partnership or the conduct of its business from time to time.

Section 11.2 Power of Attorney. Each of the undersigned does hereby constitute and appoint each member of the General Partner and each person who hereafter becomes a member of the General Partner with full power to act without the others, as his, her or its true and lawful representative and attorney-in-fact, in her, his or its name, place and stead, to make, execute, sign, acknowledge and deliver or file (a) the Certificate, (b) any amendment to or cancellation of the Certificate or any amendment to, or waiver of, this Agreement effected in accordance with Section 12.1, (c) all instruments, documents and certificates which may from time to time be required by any law to effectuate, implement and continue the valid and subsisting existence of the Partnership, (d) all instruments, documents and certificates which may be required to effectuate the dissolution and termination of the Partnership, and (e) in the case of a Defaulting Partner any bills of sale or other appropriate transfer documents necessary to effectuate transfers of such Defaulting Partner's interest pursuant to Section 6.11 above. The powers of attorney granted herein will be deemed to be coupled with an interest, will be irrevocable and will survive the death, incompetency, disability or dissolution of a Limited Partner. Without limiting the foregoing, the powers of attorney granted herein will not be deemed to constitute the written consent of any Limited Partner for purposes of Section 12.1. Notwithstanding the foregoing or anything contained in this Agreement to the contrary, the foregoing power of attorney may not be exercised by the General Partner after the occurrence of an event specified in Section 8.2 or the removal of the General Partner pursuant to Section 5.9.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Amendments.

(a) This Agreement may be amended only by the written consent of the General Partner and, except as otherwise provided in this Section 12.1, a Majority in Interest of the Limited Partners.

(b) Notwithstanding anything in this Section 12.1 to the contrary, no amendment will be valid as to any Limited Partner (including a Defaulting Partner) which (i) increases or decreases such Limited Partner's Commitment without the written consent of such Limited Partner or (ii) amends the provisions of this Section 12.1(b).

(c) Notwithstanding anything in this Section 12.1 to the contrary, no amendment will be valid as to any Limited Partner (including a Defaulting Partner) which alters (i) the provisions of Sections 2.3, 3.3, 4.1, 6.1, 8.3(c) or the provisions of this Section 12.1(c), (ii) the provisions of

Section 6.7(c) in a manner that increases a Limited Partner's potential obligations, or (iii) any other provision of this Agreement, in a manner adverse to such Limited Partner, without the written consent of such Limited Partner; provided, however, that with respect to clause (iii), if such Limited Partner is not treated differently in any material respect from any other Limited Partner then such amendment will be valid with only the written consent of the General Partner and the Limited Partners representing at least a Majority in Interest of the Limited Partners.

(d) Notwithstanding anything in this Section 12.1 to the contrary, no amendment will be valid as to any Limited Partner (including a Defaulting Partner), which alters the provisions of Sections 1.3, 5.4, 5.10, 5.11, 12.1 or any provision which requires the consent or vote of at least Two-Thirds in Interest of the Limited Partners without the written consent of the General Partner and at least Two-Thirds in Interest of the Limited Partners.

(e) Notwithstanding anything in this Section 12.1 to the contrary, no amendment which would alter the provisions of Sections 5.5, 6.6 and the provisions of this Section 12.1(e), or, with respect to Benefit Plan Investors, Sections 5.6, 12.1(e), and the provisions in Section 5.15 relating to Benefit Plan Investors or the definitions of Benefit Plan Investor or Redemption Value, will be valid without the written consent of at least a Majority in Interest of the Limited Partners that are materially and adversely affected by such amendment (including Limited Partners whose direct or indirect beneficial owners would be so affected).

(f) Notwithstanding anything in this Section 12.1 to the contrary, no amendment will be valid as to any Limited Partner (including a Defaulting Partner), which alters any provision which requires the consent or vote of at least Seventy-Five Percent in Interest of the Limited Partners or the provisions of this Section 12.1(f) without the written consent of the General Partner and at least Seventy-Five Percent in Interest of the Limited Partners.

(g) Notwithstanding anything in this Section 12.1 to the contrary, no amendment shall be made which would amend the provisions hereof relating to the rights of BHCA Partners without the consent of each BHCA Partner affected thereby.

(h) Notwithstanding anything in this Section 12.1 to the contrary, the General Partner may amend any provisions of this Agreement solely as it relates to a Limited Partner pursuant to one or more side letters with such Limited Partner without the consent of the Limited Partners not party to such side letters.

(i) In addition to any amendments or waivers otherwise authorized hereby, this Agreement may be amended from time to time by the General Partner without the consent of any of the Limited Partners (i) to add to the representations, duties or obligations of the General Partner or surrender any right or power (but not responsibilities) granted to the General Partner herein; (ii) to cure any ambiguity or correct any provisions hereof which may be inconsistent with any other provisions hereof, or correct any printing, stenographic or clerical errors or omissions; (iii) to admit one or more Additional Limited Partners, or withdraw one or more Limited Partners, in accordance with the terms of this Agreement, and (iv) with the consent of the Advisory Committee, to take such actions contemplated in Section 5.6(e) or avoid any material adverse consequences to the Partnership or the General Partner as a result of any change

in law or interpretation of law applicable to a Regulated Investor. The General Partner shall promptly send each Limited Partner a copy of any amendment adopted pursuant to Section 12.1.

Section 12.2 Successors. Except as otherwise provided herein, this Agreement will inure to the benefit of and be binding upon the Partners and their legal representatives, heirs, successors and assigns.

Section 12.3 Governing Law; Severability. This Agreement will be construed in accordance with the laws of the State of Delaware and, to the maximum extent possible, in such manner as to comply with all the terms and conditions of the Delaware Partnership Act. If it is determined by a court of competent jurisdiction that any provision of this Agreement is invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

Section 12.4 Notices. All notices, demands and other communications to be given and delivered under or by reason of provisions under this Agreement will be in writing and will be deemed to have been given when personally delivered, sent by telecopy (with hard copy to follow by reputable overnight courier) or sent by reputable overnight courier service (charges prepaid) or mailed by first class mail (with a copy sent by telecopy) to the addresses or telecopy numbers set forth in Schedule I hereto or to such other address or telecopy number as has been indicated to all Partners.

Section 12.5 Legal Counsel. Each Partner hereby agrees and acknowledges that:

(a) The law firm retained by the General Partner, the Partnership and any Parallel Vehicle or Separate Investment Entity (the "GP's Counsel") in connection with the formation of the Partnership, the offering of Limited Partner interests and the management and operation of the Partnership does not and will not represent the Limited Partners in connection with any such matter or in connection with any dispute which may arise between the Limited Partners on one hand and the General Partner, the Partnership and any Parallel Vehicle or Separate Investment Entity on the other (the "Partnership Legal Matters").

(b) Each Limited Partner will, if it wishes counsel on a Partnership Legal Matter, retain its own independent counsel with respect to each of the foregoing matters described in Section 12.5(a).

(c) Each Limited Partner hereby agrees that the GP's Counsel may represent (i) the General Partner and the Partnership and any Parallel Vehicle or Separate Investment Entity in connection with any and all Partnership Legal Matters (including any dispute between the General Partner and one or more Limited Partners, but excluding a Limited Partner's derivative action brought against the General Partner).

Section 12.6 Miscellaneous. This document and the schedules, exhibits and side letter agreements between the Partnership and certain of the Limited Partners in connection herewith and the Subscription Agreements contain the entire Agreement among the parties and supersede all prior arrangements or understanding with respect thereto. Descriptive headings are for convenience only and will not control or affect the meaning or construction of any provision of this Agreement. This Agreement may be executed in any number of counterparts, any one of

which need not contain the signatures of more than one party, but all of such counterparts together will constitute one agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed as of the date first above written.

GENERAL PARTNER:

HIGHLAND RESTORATION CAPITAL
PARTNERS GP, LLC

By: 

Name: James Dondero

Title: President

LIMITED PARTNERS

On behalf of each of the parties named above

By: HIGHLAND RESTORATION CAPITAL PARTNERS GP, LLC as Attorney-in-Fact pursuant to Section 14 of each of the Subscription Agreements, dated April 18, 2008, between each of the above named parties and Highland Restoration Capital Partners GP, LLC as General Partner of Highland Restoration Capital Partners, L.P.

By: 

Name: James Dondero

Title: President

AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
HIGHLAND RESTORATION CAPITAL PARTNERS MASTER, L.P.

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Schedule 1 Limited Partners/Partnership Percentage Interest/Notice Information

**AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
HIGHLAND RESTORATION CAPITAL PARTNERS MASTER, L.P.**

THIS AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP (this “Agreement”) is dated effective as of April 18, 2008 between Highland Restoration Capital Partners GP, LLC, a Delaware limited liability company (in its capacity as general partner of the Partnership, the “General Partner”), and the limited partners listed in Schedule 1 attached hereto (in their capacities as limited partners of the Partnership, the “Limited Partners”) (the General Partner and the Limited Partners being herein collectively called the “Partners”). Capitalized terms not otherwise defined shall have the meanings ascribed to such terms in Section 2.1(a).

The General Partner and certain of the Limited Partners entered into an Agreement of Limited Partnership, dated as of November 15, 2007 (the “Original Agreement”). The parties hereto wish to amend and restate the Original Agreement in the manner set forth herein.

ARTICLE I

GENERAL PROVISIONS

Section 1.1 Formation. The Partners hereby agree to form a limited partnership (the “Partnership”) pursuant to and in accordance with the Delaware Revised Uniform Limited Partnership Act (the “Delaware Partnership Act”).

Section 1.2 Name. The name of the Partnership will be “Highland Restoration Capital Partners Master, L.P.” or such other name or names as the General Partner may from time to time designate. The General Partner will notify Limited Partners in writing of any change to the name of the Partnership.

Section 1.3 Purpose. Subject to the express limitations set forth herein and in the Offshore Fund Agreement, the Partnership is organized for the object and purpose of (i) investing in senior secured bank loans, debt obligations, trade claims and equity securities of middle market Distressed Companies primarily based in the United States generally consistent with the investment strategy described in the Partnership’s Confidential Private Placement Memorandum, including, without limitation, privately placed or publicly traded debt securities and other debt obligations, senior and subordinated debt obligations, secured and unsecured debt obligations, privately placed or publicly traded equity securities including common stock, preferred stock and warrants, (ii) managing and monitoring such investments and (iii) engaging in such activities incidental or ancillary thereto and otherwise permitted by the Delaware Partnership Act as the General Partner deems necessary or advisable.

Section 1.4 Place of Business. The Partnership will maintain offices and places of business at Two Galleria Tower, 13455 Noel Road, Dallas, TX 75240, or at such other place or places in the United States as the General Partner may from time to time designate; provided,

however, that if the General Partner designates different places of business, it shall promptly notify the Limited Partners in writing.

ARTICLE II

DEFINITIONS; DETERMINATIONS; CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS

Section 2.1 Definitions; Determinations.

(a) For purposes of this Agreement the following capitalized terms shall have the meanings set forth below:

“Affiliate” has the meaning set forth in the Offshore Fund Agreement.

“Agreement” has the meaning set forth in the introduction.

“Allocated Expenses” has the meaning set forth in the Offshore Fund Agreement.

“Available Profits” means, with respect to a Waived Fee Amount, the cumulative amount of items of Partnership income and gain (such items being “Partnership Profits”) realized after the Waived Fee Notice giving rise to such Waived Fee Amount. The amount of Partnership Profits realized after a Waived Fee Notice for the purpose of this Available Profits definition shall equal the amount of Partnership income and gain realized after the Waived Fee Notice for purposes of maintaining Capital Accounts; provided, however, the amount of Partnership gain realized after a Waived Fee Notice that is attributable to any Portfolio Investment held by the Partnership at the time of such Waived Fee Notice that is taken into account in calculating Partnership Profits shall equal the excess, if any, of (1) the amount the Partnership realizes on the sale, transfer, or other disposition of such Portfolio Investment or its assets over (2) the fair market value (as determined by the General Partner) of such Portfolio Investment or its assets, as applicable, on the date of such Waived Fee Notice. Notwithstanding the two preceding sentences, the aggregate amount of all items of Partnership Profits for any taxable year included in Available Profits shall not exceed the total amount of the Partnership’s net income and gain for such taxable year as determined for federal income tax purposes, except that gain attributable to a Portfolio Investment shall be determined as described in the proviso to the preceding sentence. Notwithstanding the three preceding sentences, to the extent of the amount by which the Special Profit Interest with respect to a Portfolio Investment exceeds the Deemed Contribution with respect to such Portfolio Investment, Available Profits includes an allocable share of all items of income or gain realized by the Partnership with respect to such Portfolio Investment.

“Basis” of any security means the basis of such security as determined in accordance with the Code less the amount of any write-down pursuant to Section 9.4 of the Offshore Fund Agreement and as further adjusted by the General Partner in its reasonable discretion to reverse the effects of any exchange of securities that would result in an increase in tax basis pursuant to the Code.

“Bridge Financing” has the meaning set forth in the Offshore Fund Agreement.

“Built-In Tax Amount” means, with respect to any distribution of securities in-kind received by the General Partner, an amount equal to the taxes that would be payable by the General Partner (and its direct and indirect members), assuming (i) such securities were sold in a taxable transaction immediately after their receipt by the General Partner for an amount equal to their value and (ii) any gains were taxed at the highest marginal rates applicable to any of the General Partner’s members or former members, applying the assumptions set forth in Section 3.3(b) in the same manner as if such securities had been sold by the Partnership immediately before such distribution.

“Business Day” means any day other than (i) Saturday or Sunday or (ii) any other day on which banks located in New York City generally are closed for business.

“Capital Account” has the meaning set forth in Section 2.3.

“Capital Contribution” of any Partner means the amount received by the Partnership from such Partner as an actual contribution.

“Capitalized Partnership Expenses” means Partnership Expenses that are reflected in the Basis of Portfolio Investments.

“Carried Interest” means the General Partner’s 20% interest in the Partnership’s distributions specified in Section 3.3(a)(ii)(A) and Section 3.3(a)(iii)(B).

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Commitment” has the meaning set forth in the Offshore Fund Agreement.

“Commitment Period” has the meaning set forth in the Offshore Fund Agreement.

“Current Cash Income” means all Current Income paid in cash or cash equivalents.

“Current Income” means all interest and dividend income (including from original issue discount, purchases or investments at a market discount, and payment of in-kind income and other non-cash current income) from a Portfolio Company.

“Deemed Contribution” means, as of any date, for any Portfolio Investment or the payment of expenses incurred directly in connection with the making, maintaining or disposing of such Portfolio Investment, the Gross-up Percentage multiplied by the product of (i) the amount by which the Capital Contributions required from the General Partner pursuant to the Offshore Fund Agreement are reduced pursuant to Section 2.2(a)(ii) of the Offshore Fund Agreement with respect to such Portfolio Investment or the payment of related expenses, multiplied by (ii) (1) with respect to the General Partner, the quotient determined by dividing (x) the aggregate Commitments of all Partners in the Offshore Fund (including the General Partner) other than Limited Partners as to whom no Management Fee is payable pursuant to Section 4.1(b) by (y) the aggregate Commitments of all Partners in the Offshore Fund, and (2) with respect to each Limited Partner as to whom no Management Fee is payable pursuant to Section

4.1(b), the quotient determined by dividing (x) the Commitment of such Limited Partner by (y) the aggregate Commitments of all Partners.

“Delaware Partnership Act” has the meaning set forth in Section 1.1.

“Determination Date” has the meaning set forth in Section 8.3(c).

“Disposition” or “Disposed of” means, with respect to all or a portion of a Portfolio Investment, (i) except as provided in the next sentence, the sale, exchange or other disposition by the Partnership of all or a portion of the securities or other interests constituting that Portfolio Investment for cash, securities or other property, (ii) the receipt by the Partnership of a distribution of the proceeds of the sale of all or substantially all of the assets of the Portfolio Company in complete liquidation of the Partnership’s entire interest in the Portfolio Investment and (iii) an in-kind distribution of all or part of a Portfolio Investment that has not previously been deemed to have been Disposed of, as of the date of and to the extent of such distribution. A “Disposition” does not include (i) a recapitalization that consists of an exchange of a Portfolio Investment for other securities of or claims against the issuing Portfolio Company, (ii) a business combination that consists of an exchange of substantially all of the Partnership’s remaining interest in a Portfolio Investment for securities issued by an acquiring entity, (iii) a business combination that consists of the exchange of all or substantially all of the assets of a Portfolio Company or one or more divisions or operating units of a Portfolio Company for securities issued by an acquiring entity or (iv) a sale, exchange or other disposition that does not constitute a pro rata disposition of a portion of each class of securities or other interests constituting such Portfolio Investment.

“Distressed Companies” shall mean persons that, in the opinion of the General Partner, (a) are or have been in financial or other stress; (b) are restructuring, are considered likely to be restructured, or have been restructured in an out-of-court process or in a proceeding under the Federal bankruptcy laws or state insolvency laws or similar laws in or outside of the United States; (c) are being, are considered likely to be or have been reorganized within or outside of a proceeding under federal bankruptcy laws or state insolvency laws or similar laws in or outside of the United States; or (d) are engaged, are considered likely to engage or have been engaged in other extraordinary transactions, such as debt restructurings, reorganizations and liquidations outside of bankruptcy.

“Excess Partial Realization Proceeds” means, for any Partner and as of any date, the sum of the positive amounts determined with respect to each Portfolio Investment (or portion thereof) that has not been Disposed of as of such date and as to which there have been proceeds from a Partial Realization as of such date, equal to the excess of (a) such Partner’s Partner Share of aggregate proceeds that have been distributed as of such date of all Partial Realizations with respect to such Portfolio Investment or portion thereof over (b) the sum of (i) such Partner’s Capital Contributions applied to make such Portfolio Investment or portion thereof, including Capitalized Partnership Expenses attributed to such Portfolio Investment or portion thereof and any Allocated Expenses with respect to such Portfolio Investment as of such date, plus (ii) an amount that would be equal to such Partner’s Preferred Amount if such Partner’s Preference Base were only the amounts described in clause (i).

“Final Closing” has the meaning set forth in the Offshore Fund Agreement.

“First Closing” has the meaning set forth in the Offshore Fund Agreement.

“General Partner” has the meaning set forth in the introduction to this Agreement and includes any successor general partner of the Partnership appointed in accordance with this Agreement.

“Guaranty Agreement” shall mean the Guaranty Agreement, dated as of the date hereof, by and among the Partnership, the General Partner and the guarantors party thereto, substantially in the form of the agreement set forth in Exhibit A to the Offshore Fund Agreement, as amended from time to time in accordance with its terms.

“Initial Limited Partner” has the meaning set forth in the introduction.

“Interest” means a partnership interest in the Partnership.

“Investment Company Act” means the Investment Company Act of 1940, as amended.

“Investment Date” means, with respect to any Portfolio Investment, the date such Portfolio Investment was acquired by the Partnership.

“Investment Income and Gain” means, with respect to a Portfolio Investment, (i) the excess, if any, of the proceeds from the Disposition of such Portfolio Investment or portion thereof or Partial Realization with respect to such Portfolio Investment or portion thereof that does not give rise to Current Income over the Basis of such Portfolio Investment or portion thereof, (ii) to the extent all or any portion of such Portfolio Investment is distributed to the Partners in kind as contemplated by Section 2.3, the excess, if any, of the value (as determined pursuant to Article IX) of the portion of such Portfolio Investment distributed to the Partners over the Basis of such portion of such Portfolio Investment, and (iii) Current Income attributable to such Portfolio Investment.

“Investment Loss” means, with respect to a Portfolio Investment, (i) the deficiency, if any, of the proceeds from the Disposition of such Portfolio Investment or portion thereof or Partial Realization with respect to such Portfolio Investment or portion thereof that does not give rise to Current Income as compared to the Basis of such Portfolio Investment or portion thereof, (ii) to the extent all or any portion of such Portfolio Investment is distributed to the Partners in kind as contemplated by Section 2.4, the deficiency, if any, of the value (as determined pursuant to Article IX) of the portion of such Portfolio Investment distributed to the Partners as compared to the Basis of such portion of such Portfolio Investment, and (iii) the amount, as reasonably determined by the General Partner in accordance with Section 9.4 of the Offshore Fund Agreement, by which such Portfolio Investment has permanently declined in value below the Basis of such Portfolio Investment immediately prior to such determination.

“Limited Partners” means the persons listed in Schedule 1 hereto in their capacity as limited partners of the Partnership and each person who is admitted to the Partnership as a substitute limited partner pursuant to Section 6.2, so long as each such person continues to be a limited partner of the Partnership hereunder.

“Majority in Interest of the Offshore Fund Limited Partners” means limited partners of the Offshore Fund with aggregate percentage interests in the Offshore Fund in excess of 50%.

“Manager” has the meaning set forth in the Offshore Fund Agreement.

“Marketable Securities” has the meaning set forth in the Offshore Fund Agreement.

“Notice” has the meaning set forth in Section 10.6(a).

“Offshore Fund” means Highland Restoration Capital Partners Offshore, L.P., a Cayman exempted limited partnership.

“Offshore Fund Agreement” means Amended and Restated Agreement of Limited Partnership of the Offshore Fund, dated as of November 15, 2007, as amended from time to time in accordance with its terms.

“Parallel Vehicle” has the meaning set forth in the Offshore Fund Agreement.

“Partial Realization” means, with respect to any Portfolio Investment, the realization by the Partnership of Current Income or of proceeds from a recapitalization, extraordinary dividend, sale, redemption or other disposition of less than all of such Portfolio Investment (other than a pro rata disposition of a portion of each class of securities or other interests constituting such Portfolio Investment) or any other similar event that does not constitute a Disposition of such Portfolio Investment.

“Participating Partner” means, with respect to any Portfolio Investment, any Limited Partner who made a Capital Contribution (other than solely a Waiver Contribution) that was applied to such Portfolio Investment.

“Partner Interest” means, for any Partner that is a Participating Partner with respect to any Portfolio Investment (i) for each Partner as to which there is a Deemed Contribution, the proportion that the sum of such Partner’s Capital Contributions and allocable share of Deemed Contributions that were applied to such Portfolio Investment bears to the aggregate Capital Contributions and Deemed Contributions of all Partners that were applied to such Portfolio Investment, and (ii) for any Partner other than Partners described in clause(i), the proportion that such Partner’s Capital Contributions that were applied to such Portfolio Investment bears to the aggregate Capital Contributions and Deemed Contributions of all Partners that were applied to such Portfolio Investment.

“Partner Share” means, for any Partner, and for any period, the amount of Investment Income and Gain, Investment Loss, Current Cash Income, proceeds from the Disposition of or Partial Realization with respect to such Portfolio Investment for such period or distribution in kind with respect to such Portfolio Investment, as the case may be, or items of Partnership income or expense generated by such Portfolio Investment or allocable to such Portfolio Investment pursuant to Section 3.3(b) of the Offshore Fund Agreement, in each case for such period multiplied by such Partner’s Partner Interest in such Portfolio Investment.

“Partners” means the General Partner and the Limited Partners, collectively.

“Partnership” has the meaning set forth in Section 1.1.

“Partnership Expenses” means all reasonable costs and expenses relating to the Partnership’s activities, investments and business (to the extent not borne or reimbursed by a Portfolio Company or proposed Portfolio Company), including, but not limited to, (i) all costs and out-of-pocket fees and expenses attributable to acquiring, investing, holding, monitoring and disposing of the Partnership’s investments, (ii) all other out-of-pocket costs and out-of-pocket fees and expenses attributable to unconsummated transactions or investment strategies (but excluding marketing strategies) that do not lead to consummated acquisitions, (iii) legal, accounting, auditing, administrative, consulting and other fees and expenses (including, but not limited to, fees of the administrator of the Partnership and insurance and other out-of-pocket expenses associated with negotiating, consummating, monitoring and disposing of the Partnership’s investments and the preparation of Partnership financial statements, tax returns and forms K-1), (iv) extraordinary expenses, liabilities, indemnities and other obligations of the Partnership (including, but not limited to, litigation and indemnification costs and expenses, judgments and settlements (including, but not limited to, costs and expenses payable under Section 5.6)), and (v) all debt service obligations, including interest, premium, if any, fees, expenses and other amounts payable in respect of indebtedness of the Partnership.

“Partnership Percentage Interest” shall mean in respect of each Partner, the percentage designated as such Partner’s Partnership Percentage Interest in Schedule 1 attached hereto, as the same shall be amended from time to time in order to reflect transfers of Interests. The General Partner’s Partnership Percentage Interest shall be the percentage determined by dividing the General Partner’s Commitment as of the date of determination by the aggregate Commitments of all partners in the Offshore Fund (including the General Partner) as of such date.

“Person” means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency or political subdivision thereof).

“Portfolio Company” means any corporation, partnership, limited liability, company or other entity in which the Partnership has made an investment, other than Short-Term Investments.

“Portfolio Investments” means any investments held by the Partnership, other than Short-Term Investments. If the Partnership holds multiple classes of securities or other interests that were issued by a Portfolio Company in a single closing or series of related closings, all of such securities or interests in the aggregate shall constitute one Portfolio Investment.

“Preference Base” means for any Partner and, as of any date, (a) with respect to any distribution of the proceeds of a Disposition, the sum of (i) the Limited Partners’ aggregate Capital Contributions applied to make Portfolio Investments that have been Disposed of on or prior to such date or applied to pay Capitalized Partnership Expenses with respect to such Portfolio Investments, (ii) the Limited Partners’ aggregate Partner Share of all writedowns (including write-offs) pursuant to Section 9.4 of the Offshore Fund Agreement in respect of Portfolio Investments that have not been Disposed of by the Partnership on or prior to such date and (iii) the Limited Partners’ aggregate Capital Contributions applied to pay Allocated

Expenses with respect to Portfolio Investments that have been Disposed of, written down or written off on or prior to such date, and (b) with respect to any distribution of proceeds of a Partial Realization, the amounts determined pursuant to clause (a), plus the Limited Partners' aggregate Capital Contributions applied to make the Portfolio Investment to which such proceeds are attributable, including Capitalized Partnership Expenses attributable to such Portfolio Investment and Allocated Expenses with respect to such Portfolio Investment as of such date. For purposes of determining a Partner's Preferred Amount, a Partner's Preference Base shall not include any Capital Contributions returned to such Partner pursuant to Section 2.2(c).

"Preferred Amount" means, for any Partner and as of any date, the amount, if any, that would be required to be distributed on such date so that the aggregate distributions pursuant to Section 3.3 (including distributions pursuant to Sections 8.3(b) and (c)), to such Partner in excess of such Partner's Preference Base provide a return of 8% per annum (compounded annually) on such Partner's Preference Base. For purposes of determining a Partner's Preferred Amount with respect to a Disposition of a Portfolio Investment, no proceeds of Partial Realizations with respect to Portfolio Investments or portions thereof that have not been Disposed of as of such date shall be taken into account, other than Excess Partial Realization Proceeds realized as of such date. A Partner's Preferred Amount shall be calculated on the basis of the actual number of days elapsed from and including the date on which each Capital Contribution is invested in a Portfolio Company or contributions are made to the Offshore Fund for the purpose of paying Management Fees, Organizational Expenses and Partnership Expenses (as such terms are defined in the Offshore Fund Agreement), as applicable, to, but not including, the date that distributions constituting a return of such Capital Contributions were made by the Offshore Fund to the Partners thereof pursuant to Section 3.3(a)(i).

"Principals" has the meaning set forth in the Offshore Fund Agreement.

"Short-Term Investment Income" means the income earned on Short-Term Investments including in any event any gains and net of any losses from dispositions of Short-Term Investments and also net of any costs and expenses directly attributable thereto.

"Short-Term Investments" means investments in (a) cash, (b) obligations of, or fully guaranteed as to timely payment of principal and interest by, the United States of America and with a maturity date not in excess of 12 months from the date of purchase by the Partnership, (c) interest-bearing accounts and/or certificates of deposit of any U.S. bank with capital and surplus in excess of \$500 million and whose short-term debt securities are rated not lower than P-1 by Moody's Investor Services, Inc. and A-1+ by Standard & Poor's Corporation and whose long term unsecured debt securities, or the long term unsecured debt securities of its affiliated holding company, are rated no lower than A1 by Moody's Investor Services, Inc. and A+ by Standard & Poor's Corporation, (d) reverse repurchase agreements using U.S. Treasury securities and entered into with any U.S. bank with capital and surplus in excess of \$500 million and whose short-term debt securities are rated not lower than P-1 by Moody's Investor Services, Inc. and A-1+ by Standard & Poor's Corporation and whose long term unsecured debt securities, or the long term unsecured debt securities of its affiliated holding company, are rated no lower than A1 by Moody's Investor Services, Inc. and A+ by Standard & Poor's Corporation, and (e) money market mutual funds with assets of not less than \$500 million, substantially all of

which assets are reasonably believed by the General Partner to consist of items described in one or more of the foregoing clauses (b), (c) and (d).

“Special Profit Interest” means (i) the General Partner’s right to receive distributions pursuant to the first two sentences of Section 3.3(a), but only to the extent such distributions exceed the distributions that would have been made to the General Partner pursuant to the first two sentences of Section 3.3(a) if such distributions had been made pro rata according to each Partner’s Capital Contributions to the Partnership, and (ii) the General Partner’s right to receive distributions pursuant to Section 3.3(e).

“Tax Distributions” means the aggregate amount of distributions that would be made to the General Partner if the General Partner received no distributions other than those required pursuant to Section 3.3(b).

“Unapplied Waived Fee Amounts” means, as of the date of determination, the excess, if any, of (i) the sum of (A) the aggregate Waived Fee Amount for all Management Fee Periods (as defined in the Offshore Fund Agreement), beginning on or before the date of determination (B) the aggregate amount described in clause (i) of the definition of “Deemed Contribution” relating to the aggregate Waiver Contributions previously returned to the limited partners of the Offshore Fund pursuant to Section 2.2(c) of the Offshore Fund Agreement (including, without limitation, in respect of Bridge Financings) and (C) amounts added to the Unapplied Waived Fee Amounts pursuant to Section 6.5(b) of the Offshore Fund Agreement over (ii) the aggregate amount described in clause (i) of the definition of “Deemed Contribution” as of such date.

“Uncapitalized Partnership Expenses” means Partnership Expenses that are not Capitalized Partnership Expenses.

“Unfunded Commitment” has the meaning set forth in the Offshore Fund Agreement.

“Waived Fee Amount” has the meaning set forth in the Offshore Fund Agreement.

“Waived Fee Notice” has the meaning set forth in the Offshore Fund Agreement.

“Waiver Contribution” has the meaning set forth in the Offshore Fund Agreement.

Section 2.2 Capital Contribution Commitment. The General Partner shall make Capital Contributions to the Partnership as provided in Section 2.2(a)(i) of the Offshore Fund Agreement, taking into account any reduction in such Capital Contributions as provided in Section 2.2(a)(ii) of the Offshore Fund Agreement. The remaining capital requirements of the Partnership shall be funded through Capital Contributions by the Limited Partners pro rata in accordance with their respective Partnership Percentage Interests. Each Capital Contribution shall be made by the Partners in cash either by delivery to the Partnership of a certified check or wire transfer of immediately available funds to an account designated by the General Partner.

Section 2.3 Capital Accounts. A capital account (“Capital Account”) will be established for each Partner on the books of the Partnership and will be adjusted as follows:

(a) Capital Contributions and Allocations. A Partner's Capital Contribution will be credited to its Capital Account when received by the Partnership.

(b) Short-Term Investment Income. Short-Term Investment Income earned in each quarterly period with respect to Capital Contributions that have not yet been invested in Portfolio Investments or used to pay fees and expenses of the Partnership will be credited to the Capital Accounts of the Partners pro rata according to their respective Partner Capital Contributions to which such Short-Term Investment Income is attributable. Short-Term Investment Income on undistributed proceeds from Portfolio Investments shall be credited to the Capital Accounts of the Partners ratably in proportion to their respective shares of such undistributed amounts.

(c) Investment Income and Gain and Investment Loss. Except as otherwise provided in this Section 2.3(c), Investment Income and Gain or Investment Loss shall be allocated among the Partners for each taxable period in such a manner that, as of the end of such taxable period, and to the extent possible, the Capital Account of each Partner shall be equal to the net amount, positive or negative, which would be distributed to each Partner or for which such Partner would be liable to the Partnership under this Agreement (including Sections 8.3(c) and (e)), determined as if the Partnership were to liquidate the assets of the Partnership for an amount equal to their Basis, reduced, but not below zero, by the amount of nonrecourse debt, if any, to which such Partnership assets are subject, and distribute the proceeds in liquidation after the payment of all liabilities (other than nonrecourse liabilities) in accordance with Sections 3.2 and 3.3. For purposes of the foregoing determination, no amount shall be treated as distributable pursuant to clause (A) of Section 3.3(a)(i) by virtue of clause (a)(iii) of the definition of Preference Base or clause (B) of Section 3.3(a)(i) with respect to any Portfolio Investment or portion thereof solely because of the deemed liquidation of such Portfolio Investment; provided, however, that any increase in the Basis of a Portfolio Investment shall be taken into account for this purpose in the same manner as proceeds of a Partial Realization. Investment Income and Gain or Investment Loss attributable to Portfolio Investments retained by the Partnership pursuant to Section 3.3(e)(ii) shall be allocated 100% to the General Partner.

(d) Distributions. Any amounts distributed to the Partners will be debited against their Capital Accounts.

(e) Partnership Expenses. Uncapitalized Partnership Expenses shall be debited against the Capital Accounts of the Partners in proportion to their respective Commitments.

Section 2.4 Distributions in Kind.

(a) If any securities are to be distributed in kind to the Partners as provided in Article III, such securities will first be written up or down to their value (as determined pursuant to Article IX of the Offshore Fund Agreement as of the date of such distribution), thus creating Investment Income or Gain or Investment Loss, which shall be allocated in accordance with Section 2.3 to the Capital Accounts of the Partners, and upon the distribution of such securities to the Partners, the value of such securities shall be debited, in accordance with Section 2.3(e), against the Capital Accounts of the Partners.

ARTICLE III

DISTRIBUTIONS

Section 3.1 Distribution Policy.

(a) The General Partner may in its sole discretion make distributions of cash, property and securities.

(b) The General Partner will cause the Partnership to distribute (i) Current Cash Income at least semi-annually unless reinvested as described in this Section 3.1(b), (ii) Short-Term Investment Income at least quarterly, and (iii) the net cash proceeds received from Dispositions of or Partial Realizations with respect to Portfolio Investments within 60 days of the receipt thereof unless reinvested as described in this Section 3.1(b), after, in each case, the setting aside by the General Partner, in its discretion, of appropriate reserves for anticipated obligations and commitments of the Partnership as well as any required tax withholdings; provided, however, that if the General Partner determines in good faith that the Partnership will require additional capital within 30 days after the date that an amount that would otherwise be distributed that would be described in clauses (a), (b) and (d) of the definition of "Funded Commitment" in the Offshore Fund Agreement, the General Partner may, in its discretion, retain such amount and reduce the amount required to be contributed by the applicable Partners.

(c) If any Marketable Security is distributed in kind, such Marketable Security shall be valued pursuant to Section 9.1 of the Offshore Fund Agreement as of the date of such distribution and shall be distributed in accordance with Section 3.3.

(d) The General Partner may, immediately prior to the Disposition of any Portfolio Investment, cause such Portfolio Investment to be distributed in accordance with Section 3.3 based on the value of the Portfolio Investment at such time, as determined by the consideration to be received in connection with such Disposition.

Section 3.2 Distribution of Short-Term Investment Income. Short-Term Investment Income will be distributed among the Partners in the same proportions as Short-Term Investment Income was credited to the Partners' Capital Accounts.

Section 3.3 Distributions of Current Cash Income and Proceeds From Dispositions of or Partial Realizations with Respect to Investments and In Kind Distributions.

(a) All distributions of Current Cash Income and all distributions out of net proceeds from Dispositions of or Partial Realizations with respect to Portfolio Investments (in each case, net of Partnership Expenses) and all distributions of Portfolio Investments shall be apportioned in proportion to their respective Partner Interests among the General Partner and the Participating Partners with respect to the Portfolio Investment that gave rise to such Current Cash Income or net proceeds or that is being distributed in kind. The General Partner's Partner Share of such distributions shall be distributed 100% to the General Partner. Each Participating Partner's Partner Share shall be distributed to such Participating Partner and the General Partner as follows:

(i) First, 100% to such Participating Partner until (A) the aggregate amount distributed to such Participating Partner in accordance with this Section 3.3(a) equals such Participating Partner's Preference Base as of the date of such distribution and (B) the aggregate amount distributed to such Participating Partner in accordance with this Section 3.3(a) (other than clause (A) of this paragraph) equals such Participating Partner's Preferred Amount as of such date. Solely for purposes of determining how proceeds of a Disposition of a Portfolio Investment are to be distributed pursuant to this Section 3.3(a) no proceeds of Partial Realizations with respect to Portfolio Investments or portions thereof that have not been Disposed of as of such date shall be taken into account, other than Excess Partial Realization Proceeds realized as of such date.

(ii) Second, (A) 50% to the General Partner and (B) 50% to such Participating Partner until the aggregate distributions to the General Partner with respect to such Participating Partner pursuant to this paragraph (ii) and paragraph (iii), reduced by any amounts contributed to the Partnership by the General Partner with respect to such Participating Partner pursuant to Section 8.3(c), equal 20% of the aggregate distributions of such Participating Partner's Partner Share of such amounts to the General Partner, reduced by any amounts contributed to the Partnership by the General Partner with respect to such Participating Partner pursuant to Section 8.3(c), and to such Participating Partner pursuant to this paragraph (ii) and paragraph (iii), and clause (B) of the immediately preceding paragraph.

(iii) Third, (A) 80% to such Participating Partner and (B) 20% to the General Partner.

For purposes of this Section 3.3(a), amounts distributed to a Participating Partner pursuant to Section 8.3(c) shall be treated as having been distributed pursuant to this Section 3.3(a).

(b) Anything contained herein to the contrary notwithstanding, the General Partner shall be entitled to receive cash distributions from the Partnership (after taking into account any other distributions received by the General Partner in such fiscal year pursuant to Sections 3.3(a)(ii)(A) and 3.3(a)(iii)(B)) in amounts sufficient to enable the General Partner and the individual members of the General Partner to discharge any federal, state and local tax liability (excluding penalties) arising as a result of the allocation of Investment Income and Gain pursuant to Section 2.3(c) attributable to the General Partner's Carried Interest in the Partnership,

determined by assuming the applicability of the highest combined effective marginal federal, state and local income tax rates applicable to an individual resident in New York, New York. The amount of such tax liability shall be calculated taking into account (i) the deductibility (to the extent allowed) of state and local income taxes for United States Federal income tax purposes, (ii) the amount of net cumulative tax loss previously allocated to the General Partner in prior fiscal years with respect to the Carried Interest and not used in prior fiscal years to reduce taxable income for the purpose of making distributions under this subsection (b) and (iii) the character of any income or gain and the income tax rates applicable thereto. The calculation shall be made on the assumption that taxable income or tax loss from the Partnership with respect to the Carried Interest is the General Partner's only taxable income or tax loss. Such distributions shall be debited to the General Partner's Capital Account, as provided in Section 2.3(e). Any amounts distributed pursuant to this subsection (b) shall be considered an advance against the next distribution of Carried Interest distributable to the General Partner, and shall offset such distributions.

(c) In the event of a partial Disposition of a Portfolio Investment, the unreturned Capital Contributions and remaining Preferred Amount with respect to such Portfolio Investment shall be allocated between the Disposed portion and retained portion of such Portfolio Investment, pro rata, based on the relative amounts that are Disposed of and retained, respectively, of that portion of such Portfolio Investment held by the Partnership immediately prior to such Disposition.

(d) (i) Notwithstanding anything in this Agreement to the contrary, the General Partner may at any time elect not to receive all or any portion of any distribution that otherwise would be made to it with respect to its Carried Interest.

(ii) Any amount of cash which is not distributed to the General Partner pursuant to Section 3.3(d)(i) shall, in the General Partner's sole discretion, either be retained by the Partnership or distributed to the Partners (other than to the General Partner) in accordance with Section 3.3(a). Any amount of securities not distributed in-kind to the General Partner pursuant to Section 3.3(d)(i) shall be retained by the Partnership.

(iii) If the General Partner elects to distribute cash to the other Partners pursuant to Section 3.3(d)(ii), 100% of any or all subsequent cash distributions by the Partnership shall be distributed to the General Partner until the General Partner has received the same aggregate amount of cash distributions it would have received had it not waived receipt of certain distributions pursuant to Section 3.3(d)(i) (without regard to the distribution of any Short-Term Investment Income earned on such retained amounts).

(iv) All Current Cash Income attributable to, and distributions out of net proceeds from the Disposition or Partial Realization of, Portfolio Investments retained by the Partnership pursuant to Section 3.3(d)(ii) and all cash retained by the Partnership pursuant to Section 3.3(d)(ii) shall be distributed to the General Partner as of the date determined by the General Partner in its sole discretion. The General Partner shall not be entitled to any additional distributions in respect of such retained amounts, other than Short-Term Investment Income earned on such retained amounts.

(e) Notwithstanding anything to the contrary in this Agreement, if at the expiration of the Commitment Period, there are Unapplied Waived Fee Amounts, the General Partner shall, in its sole discretion, prior to any other distribution pursuant to this Article III, be entitled to a distribution of cash equal to the Unapplied Waived Fee Amount.

Section 3.4 Foreign Taxes. The amount of any foreign taxes paid by the Partnership (or by an entity in which the Partnership holds an interest, either directly or indirectly through one or more such entities, that is treated as a partnership or is disregarded for federal income tax purposes) or withheld from receipts of the Partnership or such entity from a Portfolio Investment shall be allocated among the Partners as reasonably determined by the General Partner and, for purposes of Sections 3.3(a)(i) – (iii), shall be deemed to have been distributed to each Partner as Current Cash Income or proceeds from the Disposition of a Portfolio Investment to the extent that the payment or withholding of such foreign taxes reduced Current Cash Income or the proceeds from the Disposition of a Portfolio Investment, as the case may be, otherwise distributable to such Partner as provided herein (for this purpose taking into account with respect to each Partner any reduction in such foreign taxes that occurs by reason of such Partner's status).

ARTICLE IV

PARTNERSHIP EXPENSES

Section 4.1 Partnership Expenses. The Partnership will pay all Partnership Expenses.

ARTICLE V

GENERAL PARTNER

Section 5.1 Management Authority.

(a) Subject to the retention of the Manager, the General Partner will have full control over the business and affairs of the Partnership consistent with its duties arising under the Delaware Partnership Act. The General Partner will have the power on behalf and in the name of the Partnership to carry out any and all of the objects and purposes of the Partnership and to perform all acts and enter into and perform all contracts and other undertakings which, in its sole discretion, are necessary or advisable or incidental thereto, including the power to acquire or dispose of any security. Notwithstanding the foregoing, the management of the Partnership will vest in the Manager which will provide the Partnership with portfolio management and administrative services, including investigating, analyzing, structuring and negotiating potential investments, monitoring the performance of Portfolio Companies and advising as to disposition opportunities. In no event shall the Manager, which has been engaged by the Partnership, be treated as an agent or partner of the General Partner.

(b) Except to the extent otherwise provided in this Agreement, all matters concerning (i) the allocation of Short-Term Investment Income, Current Income, Investment Income and Gain, Investment Loss, Partnership Expenses, and the distribution of net proceeds and the return of capital among the Partners, including the taxes thereon, (ii) accounting procedures and determinations (including the determination of the Preferred Amount and (iii) other determinations not specifically and expressly provided for by the terms of this Agreement, shall be determined by the General Partner in accordance with its reasonable interpretation of the provisions of this Agreement made in good faith.

(c) The General Partner shall have the authority to admit additional Limited Partners in connection with making a Portfolio Investment.

Section 5.2 Use of Affiliates. The General Partner shall retain the services of the Manager and any officers, directors or Affiliates thereof in connection with the operation of the Partnership, and the compensation of the Manager and such persons shall be as provided in Section 4.1 of the Offshore Fund Agreement.

Section 5.3 Transfer of General Partnership Interest; No Withdrawal or Loans. The General Partner generally may not sell, assign, pledge, mortgage or otherwise dispose of its General Partner interest in the Partnership; provided, however, that the General Partner may transfer its General Partner interest in the Partnership (or consent to the transfer of an interest in the General Partner) in a derivative transaction if the transferor maintains the economic attributes of the interest and voting control of the interest. The General Partner will not borrow or withdraw any amount from the Partnership or voluntarily withdraw from the Partnership.

Section 5.4 Removal of the General Partner. In the event that the General Partner is removed as general partner of the Offshore Fund pursuant to Section 5.9 of the Offshore Fund Agreement, the General Partner shall also be removed as general partner of the Partnership. If the Offshore Fund has appointed another Person to act as general partner of the Offshore Fund and the limited partners of the Offshore Fund have consented to continue the Offshore Fund pursuant to Section 5.9 of the Offshore Fund Agreement, such Person shall also be appointed to act as General Partner of the Partnership and the Partnership shall also be continued. In such an event, the former General Partner shall be entitled to receive distributions equal to any amounts it would have been entitled to had the Partnership been dissolved and wound up in accordance with Sections 8.3(a) and (b) and distributed in kind all Partnership assets as of the date of the election of the Limited Partners to continue the Partnership. The Partnership shall issue an unsecured non-interest bearing promissory note to the former General Partner in the face amount of the liquidating distribution determined in accordance with this Section 5.4, such note to be payable upon the final liquidation of the Partnership. All such distributions shall be subject to the obligations set forth in Section 8.3(c) and (d); provided, however, that the General Partner's obligation, if any, to fund Commitments in respect of its obligations in Section 8.3(c) relating to such liquidating distribution shall be satisfied by a reduction to the principal amount of the unsecured non-interest bearing promissory note described in this Section 5.4 in the amount of such obligation. For purposes of determining allocation and distributions pursuant to the preceding sentence, securities and other property held by the Partnership shall be valued pursuant to the procedures set forth in Article IX.

Section 5.5 No Liability to Limited Partners.

(a) None of the General Partner, the Manager, the Principals or their Affiliates, officers, directors, members, partners, shareholders, employees or agents will be liable to any Limited Partner or to the Partnership for any action taken, or omitted to be taken, as General Partner with respect to the Partnership, or for any action taken, or omitted to be taken, by any member, partner, director, officer, employee or agent of the General Partner or Manager in connection with its activities for or on behalf of the Partnership so long as such person (i) acted in good faith, (ii) acted in a manner reasonably believed to be in the best interests of the Partnership, (iii) was neither grossly negligent nor engaged in willful malfeasance, fraud or reckless disregard of fiduciary duties, (iv) did not materially breach this Agreement, and (v) with respect to any criminal action, such person is not finally determined to be and does not admit to be guilty or enter a plea of nolo contendere (including as part of a settlement) by a court of competent jurisdiction.

(b) If any Limited Partner obtains a final judgment in a court of competent jurisdiction against the General Partner for matters relating to the Partnership, the General Partner shall pursue against its members the remedies (if any) that it has against such member relating to such claim.

Section 5.6 Indemnification. The Partnership will indemnify the Principals, the General Partner, the Manager and each of their respective members, partners, shareholders, directors, officers, employees, agents and Affiliates against any losses, liabilities, damages or expenses (including amounts paid for attorneys' fees, judgments and settlements in connection with any threatened, pending or completed action, suit or proceeding) to which any of such persons may become subject in connection with such person's activities on behalf of the Partnership or in connection with any involvement with a Portfolio Company (including serving as an officer, director, consultant or employee of any Portfolio Company) directly or indirectly on behalf of the Partnership, but only to the extent that such person (i) acted in good faith, (ii) acted in a manner reasonably believed to be in the best interests of the Partnership or the Portfolio Company (as the case may be), (iii) was neither grossly negligent nor engaged in willful malfeasance, fraud or reckless disregard of fiduciary duties, (iv) did not materially breach this Agreement, and (v) with respect to any criminal action, such person is not finally determined to be and does not admit to be guilty or enter a plea of nolo contendere (including as part of a settlement) by a court of competent jurisdiction. Any person described in this Section 5.6 entitled to seek indemnification hereunder shall first use reasonable efforts to seek indemnification from other available sources, if any, prior to obtaining indemnification hereunder; provided that any such person may seek and obtain indemnification hereunder if at any time such person reasonably believes that such person will not receive timely indemnification on terms reasonably acceptable to such person from such other sources; and provided, further, that such person shall continue to use reasonable efforts to seek such indemnification from such other sources and, to the extent any such indemnification is obtained, reimburse the Partnership for any such recovery. The Partnership may, in the sole judgment of the General Partner, pay the expenses of any person indemnifiable under this Section 5.6 in advance of the final disposition of any proceeding, so long as (w) with respect to any derivative action brought by any Limited Partner, the person receiving the advance is not the subject of such derivative action, (x) the proceeding is not instituted by a Majority in Interest of the

Offshore Fund Limited Partners against the General Partner or the Manager, (y) General Partner has a good faith belief such expenses are indemnifiable, and (z) the General Partner receives a written undertaking by such person for the benefit of the Partnership to repay the full amount advanced if (A) there is a final determination that such person did not satisfy the standards set forth in clauses (i) through (v) immediately above, (B) with respect to any criminal action, such person is finally determined to be or admits to being guilty or enters a plea of nolo contendere (including as part of a settlement) by a court of competent jurisdiction, or (C) such person is not otherwise entitled to indemnification as provided herein. Notwithstanding the foregoing, no person will be exculpated or exonerated from liability or indemnified against loss for violations of federal or state securities laws, or for any other intentional or criminal wrongdoing. No person shall be indemnifiable under this Section 5.6 in respect of losses, liabilities, damages or expenses to which any such person may become subject in connection with (x) such person's activities with any Portfolio Company if such losses arise after the Partnership's final disposition of such Portfolio Company or (y) a dispute among the General Partner, the Manager, their respective members and employees, and the Principals.

ARTICLE VI

LIMITED PARTNERS

Section 6.1 Limited Liability. The Limited Partners will not be personally liable for any obligations of the Partnership and will have no obligation (including with respect to a deficit balance in their Capital Account) to make contributions to the Partnership in excess of their respective capital commitments to the Partnership, except to the extent set forth under the Delaware Partnership Act. The Limited Partners will take no part in the control, direction or operation of the affairs of the Partnership and will have no power to bind the Partnership.

Section 6.2 Transfer of Limited Partnership Interests.

(a) A Limited Partner may not sell, assign, transfer, pledge, mortgage or otherwise dispose of all or any of its interest in the Partnership unless the General Partner has consented to such transfer or assignment in writing. Any transfer shall be effected in accordance with the provisions of this Agreement, by execution of an assignment in writing and by entry of the name of the new limited partner in the register of limited partners. A transferee or assignee will not become a substitute Limited Partner without the consent of the General Partner in writing, and without executing a copy of this Agreement or amendment hereto.

(b) Anything in this Agreement to the contrary notwithstanding, no admission (or purported admission) of a Partner, and no transfer (or purported transfer) of all or any part of a Partner's interest in the Partnership (or any economic interest therein) whether to another Partner or to a person who is not a Partner, shall be effective, and any such admission or transfer (or purported admission or transfer) shall be void ab initio, and no person shall otherwise become a Partner if after such admission or transfer (or purported admission or transfer) the Partnership would have more than one hundred (100) Partners, unless the General Partner determines in its sole discretion that the Partnership will meet the requirements set forth in Treasury Regulation

§ 1.7704-1(j)(1) for the taxable year of such transfer and all subsequent taxable years. In determining whether the Partnership will have more than one hundred (100) Partners for purposes of this Section 6.2(b), each person indirectly owning an interest in the Partnership through a partnership (including any entity treated as a partnership for federal income tax purposes), a grantor trust or an S corporation (each such entity a “flow-through entity”) shall be treated as a Partner unless the General Partner determines in its sole discretion, after consulting with qualified tax counsel, that less than substantially all of the value of the beneficial owner’s interest in the flow-through entity is attributable to the flow-through entity’s interest (direct or indirect) in the Partnership.

(c) Anything in this Agreement to the contrary notwithstanding, no admission (or purported admission) of a Partner, and no transfer (or purported transfer) of all or any part of a Partner’s interest in the Partnership (or any economic interest therein) whether to another Partner or to a person who is not a Partner, shall be effective, and any such admission or transfer (or purported admission or transfer) shall be void ab initio, and no person shall otherwise become a Partner if after such admission or transfer (or purported admission or transfer) the Partnership would be subject to the registration or reporting requirements of the Investment Company Act.

Section 6.3 No Withdrawal. Subject to the provisions of Section 6.2, no Limited Partner may withdraw as a Partner of the Partnership, nor may a Limited Partner be required to withdraw, nor may a Limited Partner borrow or withdraw any portion of its Capital Account from the Partnership.

Section 6.4 No Termination. The substitution, death, insanity, dissolution (whether voluntary or involuntary) or bankruptcy of a Limited Partner will not affect the existence of the Partnership, and the Partnership will continue for the term of this Agreement until its existence is terminated as provided herein.

Section 6.5 Additional Investors. If the admission of investors in Parallel Vehicles or the purchase by a limited partner in a Parallel Vehicle of a portion of the interest of a Defaulting Partner (as defined in the Offshore Fund Agreement) pursuant to Section 6.11 of the Offshore Fund Agreement would result in the Partnership, the Offshore Fund and the Parallel Vehicles not having reimbursed the General Partner and its Affiliates for Organizational Expenses (as defined in the Offshore Fund Agreement) in the proportions contemplated by Section 4.2 of the Offshore Fund Agreement or would result in the Partnership, the Offshore Fund and the Parallel Vehicles not owning investments in Portfolio Companies in the proportions contemplated by Sections 5.14 or 5.15 of the Offshore Fund Agreement, the General Partner shall have the authority to effect transfers of funds and of Portfolio Investments to Parallel Vehicles and to effect transfers of funds and portfolio investments of Parallel Vehicles to the Partnership for the purpose of reallocating the ownership of investments in Portfolio Companies and the reimbursements of Organizational Expenses (as defined in the Offshore Fund Agreement) by the Partnership, the Offshore Fund and the Parallel Vehicles, to achieve allocations and distributions as close as practicable to those that would have obtained had such investors been admitted to the Partnership, the Offshore Fund or to Parallel Vehicles, respectively, at the First Closing or had such purchased interest of a Defaulting Partner (as defined in the Offshore Fund Agreement) been issued to the purchaser at the First Closing.

Section 6.6 Section 754 Election. Upon the written request of a Majority in Interest of the Limited Partners, that an election provided for in Section 754 of the Code be made, the General Partner shall, if then permitted by applicable law, make such election.

ARTICLE VII

[RESERVED]

ARTICLE VIII

DURATION AND TERMINATION

Section 8.1 Duration. The Partnership will terminate on the tenth anniversary of the Final Closing, except that in the event that the term of the Offshore Fund is extended pursuant to Section 8.1 of the Offshore Fund Agreement, the term of the Partnership shall be extended for the same period.

Section 8.2 Early Termination.

(a) The Partnership shall terminate on:

(i) the bankruptcy of the General Partner or on the happening of any other event that would cause a dissolution of the Partnership under the Delaware Partnership Act (other than removal of the General Partner for Cause pursuant to Section 5.4), unless, within 90 days after notice is given to the Offshore Fund Limited Partners of the occurrence of such event, the Offshore Fund Limited Partners and limited partners of all Parallel Vehicles unanimously select a new general partner and resolve to continue the business of the Partnership;

(ii) the removal of the General Partner pursuant to Section 5.4 unless all of the Limited Partners and all limited partners of Parallel Vehicles select a successor general partner and resolve to continue the business of the Partnership pursuant to Section 5.4; or

(iii) the date that the Offshore Fund is terminated.

(b) As promptly as possible following the election by the Limited Partners of a successor General Partner pursuant to Section 8.2(a)(i), there shall be distributed to the former General Partner, in full payment and satisfaction of its interest in the Partnership, a Limited Partnership Interest in the Partnership. The Limited Partnership Interest of the former General Partner shall entitle the former General Partner to the same distributions and allocations in respect of Portfolio Investments made prior to the termination of the former General Partner it would have received had it remained the General Partner, subject to the obligations set forth in Section 8.3(c), and to the rights of a Limited Partner hereunder with a Commitment equal to the Commitment of the former General Partner, but shall not entitle it to any other rights to participate in the management of the Partnership. After its withdrawal as General Partner, a

former General Partner shall only be liable under this Agreement for actions taken and investments in Portfolio Companies made prior to the date of such withdrawal. If the Limited Partners elect to continue the Partnership's business pursuant to Section 8.2(a)(i), an appropriate amendment to this Agreement and to the Certificate shall be made within 90 days after the event giving rise to such election.

Section 8.3 Termination and Liquidation of Partnership Interests; Annual Determination of General Partner Give Back.

(a) Liquidation. Upon termination, the Partnership will be liquidated in an orderly manner. The General Partner (or, in the absence, bankruptcy or removal under Section 5.4, of the General Partner, the party selected by a Majority in Interest of the Offshore Fund Limited Partners) will be the liquidator to wind up the affairs of the Partnership pursuant to this Agreement.

(b) Final Allocation and Distribution. Upon termination of the Partnership (whether or not an early termination), the General Partner will make a final allocation of all kinds of income, loss and expense in accordance with Article II hereof and the Partnership's liabilities and obligations to its creditors shall be paid or adequately provided for prior to any distributions to the Partners. After payment or provision for payment of all debts of the Partnership, the remaining assets, if any, will be distributed among the Partners as provided in Sections 3.2 and 3.3.

(c) General Partner Give Back. Within 90 days after the termination of the Commitment Period and after the final distribution of the assets of the Partnership among the Partners as provided in Sections 3.2 and 3.3 (each of the termination of the Commitment Period and the final distribution of the assets of the Partnership, a "Determination Date"), the General Partner will make a Capital Contribution to the Partnership (and such amount will be distributed to the Offshore Fund), equal to the greater of:

(i) the amount by which (A) (x) the aggregate distributions to the General Partner pursuant to Sections 3.3(a)(ii) and 3.3(a)(iii) (including amounts initially distributed pursuant to Section 3.3(b)) with respect to such Limited Partner's Partner Share of distributions pursuant to Section 3.3(a) as of the applicable Determination Date less (y) all amounts previously contributed by the General Partner pursuant to this Section 8.3(c) with respect to such Limited Partner, exceed (B) 20% of the excess of (x) such Limited Partner's Partner Share of all distributions pursuant to Section 3.3(a) from the Partnership as of the applicable Determination Date (including amounts distributed to the General Partner pursuant to Sections 3.3(a)(ii) and 3.3(a)(iii), but reduced by any amounts previously contributed by the General Partner pursuant to this Section 8.3(c)) over (y) the aggregate Capital Contributions made by such Limited Partner to the Partnership as of the applicable Determination Date; and

(ii) the amount by which all distributions received by such Limited Partner as of the applicable Determination Date are less than the sum of such Limited Partner's Capital Contributions as of the applicable Determination Date, plus such Limited Partner's aggregate Preferred Amount as of the applicable Determination Date; provided, however, that the aggregate General Partner Capital Contributions pursuant to this Section 8.3(c) will not exceed

the excess, if any, of (x) an amount equal to 100% of the net amount distributed to the General Partner with respect to such Limited Partner over the entire term of the Partnership (other than Tax Distributions) pursuant to Sections 3.3(a)(ii) and 3.3(a)(iii) over (y) the Built-In Tax Amount with respect to any distribution of securities in-kind received by the General Partner with respect to such Limited Partner.

(d) The General Partner hereby covenants and agrees that each of the members of the General Partner entitled to receive Carried Interest distributions from the General Partner has guaranteed and will guaranty severally, but not jointly, the payment of his, her or its pro rata share of the payments required by Section 8.3(c) to the extent and on the terms set forth in the Guaranty Agreement.

(e) Special Profit Interest Give Back. After the final distribution of the assets of the Partnership among the Partners as provided in this Section 8.3 (and Article III hereof), but prior to the application of Section 8.3(c), the General Partner shall be obligated to make aggregate Capital Contributions to the Partnership, within 30 days after the date of such final distribution, in an amount equal to the sum of the excess, if any, of (i) the distributions received by the General Partner on account of the Special Profit Interest attributable to each Waived Fee Amount over (ii) the Available Profits with respect to such Waived Fee Amount. The distributions described in clause (i) of the preceding sentence with respect to a Waived Fee Amount are the Special Profit Interest distributions attributable to the Portfolio Company with respect to which the General Partner applied such Waived Fee Amount pursuant to Section 2.2(a)(ii) of the Offshore Fund Agreement, treating the Waived Fee Amounts as having been applied on a “first-in, first-out” basis. Amounts distributed to the General Partner pursuant to Section 3.3(f) shall be treated for this purpose as proceeds from Portfolio Company made on the date of each Waived Fee Notice giving rise to Waived Fee Amounts that are not applied to Portfolio Company pursuant to Section 2.2(a)(ii) of the Offshore Fund Agreement. For purposes of applying the first sentence of this Section 8.3(e), Partnership Profits shall not be treated as Available Profits with respect to more than one Waived Fee Amount. All such amounts returned to the Partnership shall be distributed to the Partners (other than the General Partner) in accordance with the provisions of Section 3.3. All determinations and calculations pursuant to this Section 8.3(e) shall be made by the General Partner in its sole discretion.

ARTICLE IX

[RESERVED]

ARTICLE X

BOOKS OF ACCOUNTS; MEETINGS

Section 10.1 Books. The Partnership will maintain complete and accurate books of account of the Partnership's affairs at the Partnership's principal office, which books will be

open to inspection by any Partner (or its authorized representative) at any time during ordinary business hours.

Section 10.2 Fiscal Year. The fiscal year of the Partnership will be the calendar year, unless otherwise determined by the General Partner.

Section 10.3 Tax Allocation.

(a) Except as otherwise set forth in this Section 10.3(a), the income, gains, losses, deductions and credits of the Partnership will be allocated, for federal, state and local income tax purposes, among the Partners in accordance with the allocation of such income, gains, losses, deductions and credits among the Partners for computing their Capital Accounts, except that if any such allocation is not permitted by the Code or other applicable law, the Partnership's subsequent income, gains, losses, deductions and credits will be allocated among the Partners so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts. Notwithstanding the preceding sentence, in the event the Basis of any asset of the Partnership differs from its adjusted tax basis for federal income tax purposes, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Basis in the same manner as under Section 704(c) of the Code and the Regulations thereunder.

(b) If any Partner is treated for income tax purposes as realizing ordinary income because of receipt of his, her or its Partnership interest (whether under Section 83 of the Code or any similar provisions of any law, rule or regulation or any other applicable law, rule, regulation or doctrine) and the Partnership is entitled to any offsetting deduction, the Partnership's deduction will be allocated among the Partners in such manner as to, as nearly as possible, offset such ordinary income realized by such Partner. If the Internal Revenue Service successfully asserts an adjustment to the taxable income of a Partner and, as a result of such adjustment, the Partnership is entitled to a deduction for federal income tax purposes in excess of any gain recognized by the Partnership, such excess deduction shall be allocated to such Partner. If the Internal Revenue Service successfully asserts an adjustment to the taxable income of the Partnership and, as a result of such adjustment, any Partner is entitled to a deduction for federal income tax purposes in excess of any gain recognized by such Partner, the additional Partnership taxable income shall be allocated to such Partner. If the Internal Revenue Service successfully asserts an adjustment to the taxable income of the Partnership disallowing deductions for any of the fees paid or payable to the General Partner, then additional Partnership taxable income allocable to the Partners as a result of such disallowance shall be reallocated to the General Partner.

(c) Notwithstanding any other provision of this Agreement, if a Partner unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulation § 1.704-1(b)(2)(ii) (d)(4), (5) or (6) which gives rise to a negative Capital Account (or which would give rise to a negative Capital Account when added to expected adjustments, allocations or distributions of the same type), such Partner will be allocated items of income and gain in an amount and manner sufficient to eliminate such deficit balance as quickly as possible; provided that the Partnership's subsequent income, gains, losses, deductions and credits will be allocated among the Partners so as to achieve as nearly as possible the results that would have been

achieved if this Section 10.3(c) had not been in this Agreement, except that no such allocation shall be made which would violate the provisions or purposes of Treasury Regulation § 1.704-1(b).

Section 10.4 Tax Controversies. The General Partner is hereby designated the “Tax Matters Partner” (as defined in Section 6231 of the Code), and is authorized and required to represent the Partnership (at the Partnership’s expense) in connection with all examinations of the Partnership’s business and affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Partnership funds for professional services and costs associated therewith. Each Limited Partner agrees to cooperate with the General Partner and to do or refrain from doing any or all things reasonably requested by the General Partner with respect to the conduct of such proceedings. The General Partner shall provide the Limited Partners with all notices required to be provided to them by law in connection with such proceedings, and shall otherwise keep the Limited Partners reasonably informed of the progress thereof.

Section 10.5 Certain Tax Elections. The Partnership shall not, without the consent of all Partners, file an election (i) pursuant to Section 761 of the Code not to be treated as a partnership, or (ii) pursuant to Treasury Regulation §301.7701-3(c) to be treated as an association taxable as a corporation.

Section 10.6 Code Section 83 Safe Harbor Election.

(a) Notice 2005-43. By executing this Agreement, each Partner authorizes and directs the Partnership to elect to have the “Safe Harbor” described in the proposed Revenue Procedure set forth in Internal Revenue Service Notice 2005-43 (the “Notice”) apply to any interest in the Partnership transferred to a service provider by the Partnership on or after the effective date of such Revenue Procedure in connection with services provided to the Partnership. For purposes of making such Safe Harbor election, the General Partner is hereby designated as the “partner who has responsibility for federal income tax reporting” by the Partnership and, accordingly, execution of such Safe Harbor election by the General Partner constitutes execution of a “Safe Harbor Election” in accordance with section 3.03(1) of the Notice. The Partnership and each Partner hereby agrees to comply with all requirements of the Safe Harbor described in the Notice, including, without limitation, the requirement that each Partner shall prepare and file all federal income tax returns reporting the income tax effects of each “Safe Harbor Partnership Interest” (as described in Section 3.02 of the Notice) issued by the Partnership in a manner consistent with the requirements of the Notice.

(b) Amendment. Each Partner authorizes the General Partner to amend Section 10.6(a) to the extent necessary to achieve substantially the same tax treatment with respect to any interest in the Partnership transferred to a service provider by the Partnership in connection with services provided to the Partnership as set forth in section 4 of the Notice (e.g., to reflect changes from the rules set forth in the Notice in subsequent Internal Revenue Service guidance), provided that such amendment is not materially adverse to any Partner (as compared with the after-tax consequences that would result if the provisions of the Notice applied to all interests in the Partnership transferred to a service provider by the Partnership in connection with services provided to the Partnership).

ARTICLE XI

REGISTRATION OF LIMITED PARTNERSHIP

Section 11.1 Registration of Limited Partnership. The General Partner will cause to be filed, recorded and published such statements, notices, certificates or other instruments required by any provision of any applicable law which governs the formation of the Partnership or the conduct of its business from time to time.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Amendments. This Agreement may be amended, and waivers hereunder may be given, only by the written consent of the General Partner and a Majority in Interest of the Offshore Fund Limited Partners, provided, however, that notwithstanding the foregoing, the provisions of this Agreement may be amended or waived from time to time by the General Partner without the consent of a Majority in Interest of the Offshore Fund Limited Partners (i) to add to the representations, duties or obligations of the General Partner or surrender any right or power (but not responsibilities) granted to the General Partner herein; (ii) to cure any ambiguity or correct any provisions hereof which may be inconsistent with any other provisions hereof, or correct any printing, stenographic or clerical errors or omissions; and (iii) to admit one or more additional Limited Partners, or withdraw one or more Limited Partners, in accordance with the terms of this Agreement.

Section 12.2 Successors. Except as otherwise provided herein, this Agreement will inure to the benefit of and be binding upon the Partners and their legal representatives, heirs, successors and assigns.

Section 12.3 Governing Law; Severability. This Agreement will be construed in accordance with the laws of the State of Delaware and, to the maximum extent possible, in such manner as to comply with all the terms and conditions of the Delaware Partnership Act. If it is determined by a court of competent jurisdiction that any provision of this Agreement is invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

Section 12.4 Notices. All notices, demands and other communications to be given and delivered under or by reason of provisions under this Agreement will be in writing and will be deemed to have been given when personally delivered, sent by telecopy (with hard copy to follow by reputable overnight courier) or sent by reputable overnight courier service (charges prepaid) or mailed by first class mail (with a copy sent by telecopy) to the addresses or telecopy numbers set forth in Schedule 1 hereto or to such other address or telecopy number as has been indicated to all Partners.

Section 12.5 Miscellaneous. This document and its schedules and exhibits contain the entire Agreement among the parties and supersede all prior arrangements or understanding with

respect thereto. Descriptive headings are for convenience only and will not control or affect the meaning or construction of any provision of this Agreement. This Agreement may be executed in any number of counterparts, any one of which need not contain the signatures of more than one party, but all of such counterparts together will constitute one agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed as of the date first above written.

GENERAL PARTNER:

HIGHLAND RESTORATION CAPITAL
PARTNERS GP, LLC

By: 

Name: James Dondero

Title: President

LIMITED PARTNER:

HIGHLAND RESTORATION CAPITAL
PARTNERS OFFSHORE, L.P.

By: Highland Restoration Capital Partners GP,
LLC, its general partner

By: 

Name: James Dondero

Title: President

SCHEDULE 1

Limited Partners/ Partnership Percentage Interest/Notice Information

<u>Limited Partner</u>	<u>Partnership Percentage Interest</u>	<u>Notice Information</u>
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MANAGEMENT AGREEMENT

This Management Agreement (this “Agreement”) is made as of November 15, 2007, between Highland Restoration Capital Partners, L.P., a Delaware limited partnership (the “Partnership”), Highland Restoration Capital Partners Offshore, L.P., a Cayman exempted limited partnerships (the “Offshore Partnership”), Highland Restoration Capital Partners Master, L.P., a Delaware limited partnership (the “Master Partnership”), each Parallel Vehicle that may be formed from time to time (the “Parallel Vehicles”, and, together with the Partnership, the Offshore Partnership, and the Master Partnership, the “Highland Partnerships”), Highland Restoration Capital Partners GP, LLC, a Delaware limited liability company, the general partner of each of the Highland Partnerships (the “General Partner”), and Highland Capital Management, L.P., a Delaware limited partnership (the “Manager”).

W I T N E S S E T H:

WHEREAS, the General Partner desires to engage the Manager on behalf of each of the Highland Partnerships to advise the General Partner and each of the Highland Partnerships with respect to the Highland Partnerships’ investments as hereinafter set forth;

WHEREAS, the Manager is willing to render such advice on the terms and conditions hereinafter set forth; and

WHEREAS, capitalized terms used herein and not defined herein have the meanings set forth in the Agreement of Limited Partnership of each of the Highland Partnerships, as amended from time to time (the “Partnership Agreements”).

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Services to be Rendered by the Manager. Each of the Highland Partnerships and the General Partner hereby appoint the Manager, and the Manager hereby accepts such appointment, as the Manager for each of the Highland Partnerships on the terms and conditions set forth herein. To the extent requested and determined by the General Partner to be necessary or appropriate, the Manager shall advise and consult with the General Partner concerning the general and day-to-day operations of the Highland Partnerships and the acquisition and disposal of, and dealings with, investments by or for the account of the Highland Partnerships. The provisions of this Agreement shall not, however, confer any power or authority on the Manager to enter into any transaction on behalf of or in any way bind the Highland Partnerships except as expressly conferred upon the Manager by the General Partner and only in accordance with the terms and provisions of the Partnership Agreements. In performing its duties hereunder, the Manager shall act in accordance with the Partnership Agreements. In no event shall the Manager, which has been engaged on behalf of the Highland Partnerships, be treated as an agent or partner of the General Partner.

2. Manager’s Fees. As compensation for services to be rendered hereunder, each of the Highland Partnerships shall pay, or cause to be paid, to the Manager the Management Fee (as

defined in Section 4.1 of the Partnership Agreements) on the terms, and subject to the conditions, set forth in Section 4.1 and the other provisions of the Partnership Agreements.

3. Expenses. The Manager shall pay all expenses that the Manager is required to pay under the Partnership Agreements out of the Management Fee received by the Manager. The Highland Partnerships shall bear and pay Partnership Expenses and Organizational Expenses during the term of this Agreement in accordance with the Partnership Agreements.

4. Use of Affiliates. The parties hereto agree that any member, director, officer, employee or agent of the Manager may be a partner, director, officer, employee or agent of the Highland Partnerships or a member, director, officer, employee or agent of the General Partner.

5. Indemnification and Exculpation.

(a) The Manager and any delegate of the Manager shall not be liable and shall be exculpated and indemnified by the Highland Partnerships for any liabilities incurred by the Manager to the full extent provided in Sections 5.10 and 5.11 of the Partnership Agreements.

(b) The term "liability," as used in this Section 5, shall include any losses, liabilities, claims, damages of any kind or expenses (including amounts paid for attorneys' fees, judgments and settlements in connection with any threatened, pending or completed action, suit or proceeding and other reasonable costs and expenses incurred by the Manager or its delegate(s) in the course of defending itself) or other liabilities arising for any reason under this Agreement.

6. Amendments; Termination. No provision of this Agreement may be amended, altered or modified unless in a writing executed by the parties hereto and a Majority in Interest of the Limited Partners. This Agreement shall become effective with respect to each Highland Partnership commencing as of the date set forth on its respective signature page hereto and shall continue until the earlier of (a) the date that such Highland Partnership is finally terminated and its liquidation completed under the applicable Partnership Agreement, (b) the effective date of the removal of the General Partner under the applicable Partnership Agreement, or (c) the effective date of termination of this Agreement by the General Partner, in its sole discretion; provided, however, that the provisions of Section 5 will survive the termination of this Agreement with respect to any actions taken by the Manager prior to any such date.

7. Notice. Any notice under this Agreement shall be given in writing, addressed and delivered by first class mail, postage paid, and shall be deemed to be effective upon receipt, if to the Highland Partnerships, or the Manager:

(i) if to the General Partner or any of the Highland Partnerships:

Highland Restoration Capital Partners GP, LLC
c/o Highland Capital Management, L.P.
Two Galleria Tower
13455 Noel Road
Dallas, Texas 75240

or to such other address specified for this purpose in the Partnership Agreements;

(ii) if to the Manager:

Highland Capital Management, L.P.
Two Galleria Tower
13455 Noel Road
Dallas, Texas 75240

or at such other address as such party shall have specified in writing to the other parties hereto.

8. Assignment. This Agreement may not be assigned by any of the parties hereto, unless agreed to by all other parties, provided, that the Manager may assign this Agreement to an affiliate of the Manager to the extent permitted by the Partnership Agreements.

9. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without reference to principles of conflicts of law.

10. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

11. Entire Agreement. There are no oral agreements or understandings with respect to or affecting this Agreement, and this Agreement and the Partnership Agreements constitute the entire agreement between the parties hereto with regard to the subject hereof.

12. Partnership Agreements. This Agreement will be subject to the terms and provisions of the Partnership Agreements, and in the event of any conflict between this Agreement and the Partnership Agreements, the Partnership Agreements will supersede and control such conflict.

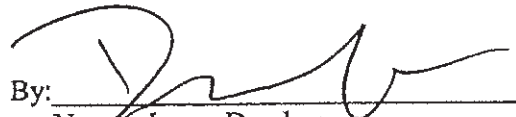
[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Management Agreement to be duly executed as of the date first above written.

MANAGER:

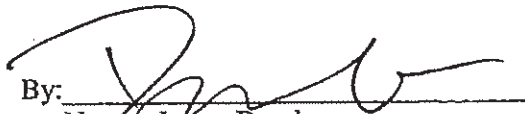
HIGHLAND CAPITAL MANAGEMENT, L.P.

By: Strand Advisors, Inc., its general partner

By: 
Name: James Dondero
Title: President

GENERAL PARTNER:


HIGHLAND RESTORATION CAPITAL
PARTNERS GP, LLC

By: 
Name: James Dondero
Title: President

PARTNERSHIP:

HIGHLAND RESTORATION CAPITAL
PARTNERS, L.P.

By: Highland Restoration Capital Partners GP,
LLC, its general partner

By: 
Name: James Dondero
Title: President

OFFSHORE PARTNERSHIP:

HIGHLAND RESTORATION CAPITAL
PARTNERS OFFSHORE, L.P.

By: Highland Restoration Capital Partners GP,
LLC, its general partner

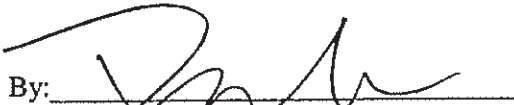
By: 

Name: James Dondero
Title: President

MASTER PARTNERSHIP:

HIGHLAND RESTORATION CAPITAL
PARTNERS MASTER, L.P.

By: Highland Restoration Capital Partners GP,
LLC, its general partner

By: 

Name: James Dondero
Title: President

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero

Appellant

vs.

Highland Capital Management, L.P., et al

Appellee

§
§
§
§
§
§

3:20-CV-03390-X

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLEE RECORD
VOLUME 22**

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**COUNSEL FOR ACIS CAPITAL MANAGEMENT,
L.P. AND ACIS CAPITAL MANAGEMENT GP,
LLC, APPELLEES**

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

IN RE:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

DEBTOR.

§
§
§
§
§
§
§

CASE NO. 19-34054

Chapter 11

INDEX

DESIGNATION OF RECORD ON APPEAL

Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP," together with Acis LP, "Acis"), appellees, file this Designation of Record on Appeal related to the *Order Approving Debtor's Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302] (the "Settlement Order"), the *Notice of Appeal* [Docket No. 1347] of the Settlement Order filed by James Dondero ("Dondero") and the *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented* [Docket No. 1515] filed by Dondero.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

Acis designates the following additional items for inclusion in the record on appeal.

Items in Bankruptcy Case No. 19-34054-SGJ-11	
Vol. 14 003095 003097	1. Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. [Docket No. 1]
003203	2. Chapter 11 Voluntary Petition [Docket No. 1]
003247	3. Affidavit/Declaration in Support of First Day Motion /Declaration of Frank Waterhouse in Support of First Day Motions Filed By Highland Capital Management, L.P. [Docket No. 11]
Vol. 15 003406	4. Motion to Change Venue/Inter-district Transfer Filed by Official Committee of Unsecured Creditors [Docket No. 85]
003433	5. Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 122]
003444	6. Joinder to Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) [Docket No. 126]
003452	7. Reply in Support of Motion to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 162]
003459	8. Reply in Support of the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 163]
003463	9. Response of the Debtor to Acis's Joinder to Motion to Transfer Venue [Docket No. 164]
003465	10. Order Transferring Venue of this Case to the United States Bankruptcy Court of the Northern District of Texas [Docket No. 186]
003492	11. Transcript regarding hearing held 12/6/19 [Docket No. 207]
003574	12. Schedules: Schedules A/B/ and D-H with Summary of Assets and Liabilities (with Declaration Under Penalty of Perjury for Non-Individual Debtors)[Docket No. 247]
003616	13. Statement of financial affairs for non-individual [Docket No. 248]
Vol. 16 003629	14. Trustee's Motion to appoint trustee [Docket No. 271]
003729	15. Motion to compromise controversy with Official Committee of Unsecured Creditors [Docket No. 281]
003735	16. Trustee's Objection to Motion to Approve Joint Agreement [Docket No. 313]
003738	17. Declaration re: (Declaration of Bradley D. Sharp in Support of the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course) [Docket No. 327]
003751	18. Response unopposed to (related document(s): 313 Objection) [Docket No. 329]
003756	19. Response unopposed to (related document(s): 313 Objection) [Docket No. 330]
	20. Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors, Strand Advisors, Inc., and James Dondero. [Docket No. 338]

Vol. 16 003764	21.	Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course [Docket No. 339]
003769	22.	Notice (Notice of Final Term Sheet) [Docket No. 354]
Vol. 17 003834	23.	Response opposed to (related document(s): 271) [Docket No. 362]
003847	24.	Objection to (related document(s): 271 Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) [Docket No. 364]
003851	25.	Transcript regarding Hearing Held 01/21/2020 [Docket No. 393]
003991	26.	Order denying motion to appoint trustee [Docket No. 428]
003993	27.	Motion for relief from stay [Docket No. 451]
Vol. 18	28.	Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") [Docket No. 474]
004042	29.	Transcript regarding Hearing Held 02/19/2020 [Docket No. 479]
Vol. 22 004908	30.	Objection to (related document(s): 474) [Docket No. 487]
005096	31.	Joinder by Acis Capital Management, L.P. and Acis Capital Management GP, LLC to the Committee's Objection to the Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain Related Entities, and Comment to the Same [Docket No. 489]
005110	32.	Order authorizing, but not directing, the debtor to cause distributions to certain 'related entities'. [Docket No. 512]
005119	33.	Order granting motion for relief from stay [Docket No. 519]
005123	34.	Transcript regarding Hearing Held 03/04/2020 [Docket No. 571]
Vol. 23 005125	35.	Motion for relief from stay [Docket No. 593]
005246	36.	Transcript regarding Hearing Held 05/26/2020 [Docket No. 676]
Vol. 24 005352	37.	Order granting motion for relief from stay [Docket No. 764]
005359	38.	Application to employ James P. Seery, Jr. Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020 [Docket No. 774]
005362	39.	Transcript regarding Hearing Held 06/30/2020 [Docket No. 802]
005395	40.	Transcript regarding Hearing Held 07/08/2020 [Docket No. 817]
005495	41.	Agreed order regarding deposit of funds into registry of the Court [Docket No. 821]
005553	42.	Order granting application to employ James P. Seery, Jr. as Chief Executive Officer, Chief Restructuring and Foreign representative [Docket No. 854]
005558	43.	Transcript regarding Hearing Held 07/14/2020 [Docket No. 864]
Vol. 25 005570	44.	Transcript regarding Hearing Held 07/21/2020 [Docket No. 897]
005764	45.	Order directing mediation [Docket No. 912]
Vol. 26 005829	46.	Transcript regarding Hearing Held 08/19/2020 [Docket No. 998]
005835	47.	Transcript regarding Hearing Held 09/10/2020 [Docket No. 1064]
005855	48.	Amended Schedules: E/F, with Summary of Assets and Liabilities [Docket No. 1082]
005904	49.	Transcript regarding Hearing Held 10/06/2020 [Docket No. 1145]
005933	50.	Witness and Exhibit List [Docket No. 1175]
005991	51.	Witness and Exhibit List [Docket No. 1202-1]
005994	52.	Omnibus Reply [Docket No. 1221]
005997		

DATED: December 7, 2020.

Respectfully submitted,

By: /s/ Annmarie Chiarello

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**COUNSEL FOR ACIS CAPITAL
MANAGEMENT, L.P. AND ACIS
CAPITAL MANAGEMENT GP, LLC,
APPELLEES**

CERTIFICATE OF SERVICE

I hereby certify that on December 7, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello

One of Counsel

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

In Re:) **Case No. 19-34054-sgj-11**
)
)
HIGHLAND CAPITAL) Dallas, Texas
MANAGEMENT, L.P.,) February 19, 2020
) 9:30 a.m.
Debtor.)
) MOTIONS
)
_____)

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE.

APPEARANCES:

For the Debtor: Greg Demo
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Zachery Z. Annable
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004908

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15 For the Issuer Group: James T. Bentley
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18 For Redeemer Committee of the Highland Crusader Fund: Mark A. Platt
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20 Dallas, TX 75201
(214) 580-5852

21 For Redeemer Committee of the Highland Crusader Fund: Marc B. Hankin
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23 New York, NY 10022-3098
(212) 891-1600

24

25

1 APPEARANCES, cont'd.:

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8 Recorded by: Michael F. Edmond
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25 Proceedings recorded by electronic sound recording;
transcript produced by transcription service.

004910

1 DALLAS, TEXAS - FEBRUARY 19, 2020 - 9:43 A.M.

2 THE COURT: All right. Well, we have Highland
3 matters. Let's get lawyer appearances, in the courtroom
4 first.

5 MR. DEMO: Good morning, Your Honor. Greg Demo;
6 Pachulski Stang Ziehl & Jones, on behalf of the Debtor. With
7 me are Jeff Pomerantz and John Morris.

8 THE COURT: Okay. Good morning.

9 MR. POMERANTZ: Good morning.

10 MR. CLEMENTE: Good morning, Your Honor. Matthew
11 Clemente and Juliana Hoffman from Sidley Austin on behalf of
12 the Official Committee of Unsecured Creditors.

13 THE COURT: Good morning.

14 MS. HAYWARD: Good morning, Your Honor. Melissa
15 Hayward and Zachery Annable also on behalf of the Debtor.

16 THE COURT: Good morning.

17 MS. LAMBERT: Lisa Lambert with the U.S. Department
18 of Justice on behalf of the U.S. Trustee, William Neary.

19 THE COURT: Good morning.

20 MS. PATEL: Good morning, Your Honor. Rakhee Patel,
21 Phil Lamberson, and Annemarie Chiarello of Winstead, P.C., and
22 also Brian Shaw of Rogge Dunn Group, on behalf of Acis Capital
23 Management, LP and Acis Capital Management, GP, LLC.

24 THE COURT: Thank you.

25 MR. PLATT: Good morning, Your Honor. Mark Platt

1 from Frost Brown Todd on behalf of the Redeemer Committee of
2 the Highland Crusader Fund. I believe that at least Marc
3 Hankin from Jenner & Block is on the line as well.

4 THE COURT: Okay. Thank you.

5 MS. ANDERSON: Good morning, Your Honor. Amy
6 Anderson with Jones Walker on behalf of the Issuers. And I
7 believe Mr. James Bentley with Schulte Roth is also on the
8 phone.

9 And I apologize for interrupting the flow. I would ask if
10 Mr. Bentley and I could be excused after the uncontested
11 matters are taken up this morning, just to avoid --

12 THE COURT: Okay.

13 MS. ANDERSON: -- having us -- I don't want to re-
14 interrupt later, if that is all right with Your Honor.

15 THE COURT: Okay. That's fine. Thank you.

16 MS. ANDERSON: Okay.

17 THE COURT: All right. That looks like all the
18 courtroom appearances. On the phone, we heard that James
19 Bentley is there. Do you want to appear, Mr. Bentley?

20 MR. BENTLEY: Yes, that's correct, Your Honor. Good
21 morning.

22 THE COURT: All right.

23 MR. BENTLEY: Good morning, Your Honor. James
24 Bentley; Schulte Roth & Zabel; for the Cayman Issuers.

25 THE COURT: All right. And someone else was there

1 for the Redeemer Fund. I can't remember. Was it Mr. Clubok
2 you said, or anyone else on the phone?

3 MR. HANKIN: Marc Hankin from Jenner & Block, --

4 THE COURT: Oh, okay.

5 MR. HANKIN: -- Your Honor.

6 THE COURT: All right. Mr. Hankin. Anyone else on
7 the phone who wants to appear may go ahead.

8 All right. I guess we're good to go. Well, I'll turn now
9 -- Mr. Demo, are you going to start us off today?

10 MR. DEMO: Yes, Your Honor.

11 THE COURT: Someone delivered a wonderful notebook
12 and an easy-to-follow agenda. I appreciate whoseever hard work
13 was behind that. It really helps us get prepared back in
14 chambers. So, thank you.

15 MR. DEMO: And we're happy to do it, Your Honor,
16 because, honestly, it helps us, I think, as much as it helps
17 you.

18 THE COURT: Okay.

19 MR. DEMO: And we do have extra copies if anybody
20 needs a copy of the agenda.

21 THE COURT: Okay.

22 MR. DEMO: Generally speaking, we'd kind of like to
23 go in the order of the agenda, I think, with two exceptions.
24 I know that Ms. Adams and Mr. Bentley have to move, so I
25 thought maybe we could do their objection to the settlement

1 motion first.

2 THE COURT: Okay. So that's the carryover matter.

3 MR. DEMO: Correct, Your Honor.

4 THE COURT: We obviously have an order in place, but
5 we kept it open to accommodate their issues.

6 MR. DEMO: Correct.

7 THE COURT: Okay.

8 MR. DEMO: And that's Item 7 on Page 7.

9 THE COURT: All right.

10 MR. DEMO: And I think this one -- and anybody can
11 correct if I'm wrong -- will go pretty easily. We've come to
12 an agreement with the Objecting Parties.

13 THE COURT: All right.

14 MR. DEMO: We are planning on submitting, under a
15 notice, a revised copy of the operating protocols that were
16 approved by this Court in connection with the settlement that
17 addresses those Objectors' concerns. And then once that is
18 filed, the Objecting Parties will withdraw their objection.

19 THE COURT: All right. Anyone wish to speak up on
20 this matter?

21 All right. Well, as I recall, the concern had been that
22 they didn't want the agreed-upon operating protocols with the
23 Committee to somehow change contractual rights of the parties,
24 and so --

25 MR. DEMO: That is correct, Your Honor. And we took

1 their language and we carved out a small universe of CLO
2 Issuers, --

3 THE COURT: Okay.

4 MR. DEMO: -- exactly as they asked for.

5 THE COURT: All right. Well, again, I'll ask: Does
6 anyone have any comment about this revised process?

7 All right. Well, that sounds perfectly fine to me, so
8 we'll look for the revised copy of the operational procedures.

9 MR. DEMO: Okay. Great, Your Honor.

10 And then I guess the only other exception to the order of
11 the agenda --

12 (Garbled phone noises.)

13 THE COURT: Is someone on the phone wishing to speak
14 up? (no response) All right. I guess not.

15 MR. DEMO: Yeah. I guess the only other exception to
16 the order in the agenda is the Foley Gardere retention
17 application.

18 THE COURT: Okay.

19 MR. DEMO: We would like to do that last. It is a
20 contested hearing and I think we are going to have some
21 evidence on that.

22 THE COURT: All right. All right. Sounds fine.

23 MR. DEMO: Then, I guess, just going through the
24 agenda in the order that it's written, the first one is the
25 Lynn Pinker retention application. We had originally filed

1 that retention application back in October. We recently
2 withdrew it. We're not going to go forward on it.

3 THE COURT: All right.

4 MR. DEMO: The second matter, and I guess the second
5 two matters, hopefully, we can take at the same time. These
6 are two uncontested matters. Certificates of no objection
7 have been filed for both of them. The first is the foreign
8 representative motion.

9 THE COURT: Yeah, and I will tell you, I don't know
10 if it's shown up on PACER yet, --

11 MR. DEMO: Okay.

12 THE COURT: -- but I actually already signed an order
13 on that, --

14 MR. DEMO: Okay.

15 THE COURT: -- as well as exclusivity.

16 MR. DEMO: Perfect.

17 THE COURT: But, you know, I saw the certificates of
18 no objection, but perhaps we need to talk about it in case
19 anyone wants to comment in any way.

20 MR. DEMO: If anybody does, I mean, if you've already
21 entered them -- I know PACER was down, so I don't think we've
22 seen it yet.

23 THE COURT: Okay.

24 MR. DEMO: But we're fine moving on if --

25 THE COURT: Well, yeah. The foreign representative

1 motion looked like a no-brainer, if you will.

2 MR. DEMO: Uh-huh.

3 THE COURT: It was filed way back in October, right?

4 MR. DEMO: Correct. Right.

5 THE COURT: And no one had ever objected. It's just
6 that there are some foreign proceedings out there; --

7 MR. DEMO: Right. Right.

8 THE COURT: -- you wanted to make sure that there was
9 a human being who had authority to act in those?

10 MR. DEMO: Correct.

11 THE COURT: All right. So, if no one has any
12 comment, I did go ahead and sign the order approving that.

13 MR. DEMO: Okay.

14 THE COURT: Similarly, exclusivity. I signed an
15 order on that yesterday. In probably nine out of ten cases, I
16 would have had a hearing with evidence.

17 MR. DEMO: Uh-huh.

18 THE COURT: But, again, that one seemed like a no-
19 brainer. We had no objections, and obviously you've been in
20 court a lot, with a lot of things happening.

21 MR. DEMO: Yes.

22 THE COURT: So it seemed like a no-brainer to give
23 more time on that. So, does anyone have anything they wanted
24 to say about that? (no response) All right.

25 MR. DEMO: Okay.

1 THE COURT: So that is granted. I can't remember,
2 off the top of my brain, what the extended time frame was. Do
3 you want to say that on the record? Because I've just blanked
4 out at the moment.

5 (Counsel confer.)

6 MR. DEMO: It's -- we extended it for four months,
7 Your Honor.

8 THE COURT: Okay. All right. So that was June, June
9 12th as the deadline for filing a plan, and then the
10 solicitation period would expire on August 11th, 2020. That's
11 what I've approved.

12 MR. DEMO: Yes.

13 THE COURT: All right.

14 MR. DEMO: Okay. The next matter is the bar date
15 motion. There was an automatic bar date set for April 8th --

16 THE COURT: Uh-huh.

17 MR. DEMO: -- in connection with the 341 notice. We
18 just wanted to have procedures for filing claims approved by
19 this Court.

20 THE COURT: Okay.

21 MR. DEMO: You know, we filed the motion. There are
22 no objections. We did have some comments from the United
23 States Trustee, which we've incorporated into a redlined
24 order.

25 Something came up last night where, the way that it works

1 because we have a lot of investors, is that a lot of people
2 get notice through their custodians and through the different
3 administrators.

4 THE COURT: Uh-huh.

5 MR. DEMO: And so we worked that into the motion.

6 The United States Trustee has asked for an extension of 45
7 days for those folks to file their claim. We're okay with
8 that. We're going to work with her afterwards, and we will
9 submit a revised form of order.

10 THE COURT: Okay. So, just to be clear, the proposed
11 deadlines, as revised, would be what?

12 MR. DEMO: It depends on when the notice is actually
13 able to be sent out.

14 THE COURT: Okay.

15 MR. DEMO: We need to work through some technical
16 issues on that.

17 THE COURT: Okay. Ms. Lambert?

18 MS. LAMBERT: So, Judge Jernigan, I think the Court
19 is familiar with this from when we solicit Equity Committees.
20 It's the same issue here. You go to TD Ameritrade and then
21 they send the notice to the direct holders, but also asked
22 that they include correspondence to the TD Ameritrade or
23 Merrill Lynch equivalents saying -- instructing them to send
24 the notice of the bar date to their direct holders.

25 So we're going to agree on the phrasing of the letter.

1 I'm hopeful that we can attach that to the order so the Court
2 can see what it looks like.

3 THE COURT: All right.

4 MR. DEMO: Okay. And we'll work through those
5 issues, Your Honor, and have something to you as soon as
6 possible.

7 THE COURT: All right. And you're also asking for
8 bar dates, really, bar date for 503(b)(9) claims as well?

9 MR. DEMO: Yeah. We don't think we're going to have
10 any.

11 THE COURT: Okay.

12 MR. DEMO: So it's really just out of an abundance of
13 caution.

14 THE COURT: Okay. All right. Well, I'll look for
15 that form of order --

16 MR. DEMO: Okay.

17 THE COURT: -- and be happy to sign it as you all
18 have negotiated it.

19 MR. DEMO: Okay. And then skipping over Foley
20 Gardere, there is one still outstanding objection on that, so
21 we will hear that in due course.

22 THE COURT: Okay.

23 MR. DEMO: The next one is Item 6 on Page 6, and
24 that's the PensionDanmark motion to lift the stay. We have an
25 agreement in principle with PensionDanmark that the Committee

1 has signed off on. We're just going through and working
2 through the paperwork. And so we would like to just push this
3 to the next hearing date, with the expectation that we would
4 get the paperwork filed in between then and we wouldn't have
5 to have it set.

6 THE COURT: All right. So we will carry this to our
7 next omnibus hearing date. I don't know if we have one
8 automatically set at this point or --

9 MR DEMO: It's March 13th.

10 THE COURT: March--?

11 MR. DEMO: 12th.

12 MS. HAYWARD: 11th.

13 MR. DEMO: 11th. I'm sorry. I was in the ballpark.

14 THE COURT: Okay. So, carried to March 11th, as
15 necessary.

16 MR. DEMO: Uh-huh.

17 THE COURT: All right.

18 MR. DEMO: And then I guess the next thing, skipping
19 over the CLO Issuers' objection, which we already addressed,
20 --

21 THE COURT: Uh-huh.

22 MR. DEMO: -- is the sealing conference motion.

23 THE COURT: Okay.

24 MR. DEMO: And I would turn this over to my
25 colleague, John Morris.

1 THE COURT: All right.

2 MR. MORRIS: Good morning, Your Honor. John Morris,
3 Pachulski Stang Ziehl & Jones.

4 THE COURT: Good morning.

5 MR. MORRIS: I hope that this doesn't take too much
6 time. But following the last hearing that we had, the Court
7 had rendered a ruling with respect to the Committee's sealing
8 motion. And regrettably, the Debtor and the U.S. Trustee's
9 Office were unable to agree on a form of order. And that led
10 to kind of a back-and-forth about the scope of the protective
11 order that had been entered.

12 So, because we couldn't come to an agreement, and because
13 the Debtor had concerns about the interpretation and the
14 position, frankly, that the U.S. Trustee was taking with
15 respect to the protective order, we filed our motion for the
16 entry of an order concerning the sealing motion and for a
17 conference. And that was filed at Docket 397.

18 The Court subsequently entered the Debtor's proposed order
19 on the sealing motion, on the Committee's sealing motion. So
20 that's moot.

21 The only issue, to the extent there is an issue, and I'm
22 not sure that there is, but to the extent that there is an
23 issue, it was just the Debtor's desire to make clear on the
24 record that the words of the protective order are clear and
25 unambiguous and that they apply to any party who receives

1 documents in this bankruptcy case, whether it's in connection
2 with a contested matter or an adversary proceeding, and that
3 order applies both to documents previously received and to
4 documents that will be received in the future.

5 We had asked the U.S. Trustee's Office to make -- just to
6 agree that they would abide by the protective order. And I'm
7 not casting aspersions, I'm not saying, you know, they're bad
8 people or anything, but we never got the crystal-clear
9 response that we needed and expected, frankly, that the order
10 says what the order says and the U.S. Trustee's Office would,
11 you know, would abide by it.

12 THE COURT: Okay. So, --

13 MR. MORRIS: So that's why we asked for this status
14 conference.

15 THE COURT: So this is more than just the issue of
16 the Redeemer Committee arbitration award --

17 MR. MORRIS: Correct.

18 THE COURT: -- that was the attachment to the --

19 MS. LAMBERT: No, Your Honor.

20 THE COURT: Wait. Oh, okay. Well, what I was about
21 to say is I was understanding from your presentation that you
22 thought this was about more than just the arbitration award,
23 the Redeemer Committee arbitration award that had been
24 attached to that Committee objection and that was subject to
25 the motion to seal.

1 You think it is also about items marked Confidential that
2 the U.S. Trustee received before the entry of the protective
3 order?

4 MR. MORRIS: As it explicitly provides for. And I'll
5 just say that the concerns arise from the written
6 communications that we received, where the U.S. Trustee's
7 Office specifically said that they would file matters
8 unredacted and without seal. And we asked them to simply
9 retract that statement, because the order says what the order
10 says. And I think it's a fair concern that the Debtor has in
11 this regard, and it was really a very simple request. Please,
12 please, I mean, you can't file documents unredacted and
13 without seal because there's a protective order in place.

14 THE COURT: Okay. Now, Ms. Lambert, you say -- what
15 were you about to say?

16 MS. LAMBERT: First, Your Honor, I want to be clear
17 that the U.S. Trustee -- everyone in the U.S. Trustee's Office
18 intends to honor the Court's orders. There are many things
19 that we debate hotly and that we feel animated about in terms
20 of legal advocacy, but we intend to honor both the office and
21 the individual that holds that office when the Court has made
22 a ruling.

23 The issue that is presented to the Court is what is the
24 effect of dismissing a motion to seal on the basis that it is
25 moot? There's black-letter law that sealing should be for

1 limited time periods and things should be unsealed --

2 THE COURT: Okay. Can I stop you? Are you saying
3 that you think the sole issue here is just the arbitration
4 award?

5 MS. LAMBERT: Yes, Your Honor.

6 THE COURT: Okay. So, so --

7 MS. LAMBERT: And this is how it springs back to the
8 protective order.

9 THE COURT: Okay. Let me --

10 MS. LAMBERT: The U.S. --

11 THE COURT: Let me stop you, because what about other
12 documents besides the arbitration award that the U.S. Trustee
13 might have received prior to the Court signing the protective
14 order?

15 MS. LAMBERT: The U.S. Trustee did not receive any
16 other items that --

17 THE COURT: Okay. So we are just talking about the
18 arbitration?

19 MS. LAMBERT: We have not to this date received any
20 other items than those items --

21 THE COURT: Okay.

22 MS. LAMBERT: -- that were subject to the motion to
23 seal.

24 THE COURT: Okay.

25 MS. LAMBERT: And this is the U.S. Trustee's

1 position. The Court --

2 THE COURT: I will say that one of the Debtor's
3 lawyers is shaking his head. I want to see if there's a
4 disagreement about, did the U.S. Trustee receive more items?
5 Was that --

6 MR. MORRIS: I would say, Your Honor, I don't know
7 exactly what was delivered, because I'm, --

8 THE COURT: Okay.

9 MR. MORRIS: -- right, I'm part of a team. But I do
10 know that we gave, for example, information about bonus --
11 about, you know, personnel bonus motions that is confidential.

12 MS. LAMBERT: But the issue about what was going to
13 be filed unsealed was related to the items in the motion to
14 seal and the U.S. Trustee's attendant motion for the
15 appointment of a Chapter 11 Trustee, which had been redacted.

16 THE COURT: Okay. Let me -- I'm going to take a shot
17 at making this go quicker. What I meant when I ruled that,
18 well, the objection of the Committee is moot now because it
19 was resolved by other orders; therefore, I think the motion to
20 file under seal the arbitration award is moot because it was
21 connected to the Committee's objection; you know, that was a
22 quick, off-the-cuff comment. What I was trying to say is I
23 didn't think this needed any more court time. There was no
24 case in controversy anymore. I didn't know why I needed to
25 resolve an objection to the motion to file under seal.

1 What I meant is it's going to be like it never even
2 happened, right? And what I probably should have done is
3 said, Committee, you want to make an oral motion to withdraw
4 your objection and withdraw your motion to seal, you know,
5 orally, I'll grant it orally and just remove it from the
6 record, so to speak.

7 And I thought we were passing off to another day whether
8 that arbitration award, if someone wanted to file it and file
9 it publicly or disclose it, they could then file a motion
10 later.

11 MR. MORRIS: Your Honor?

12 MS. LAMBERT: Here's the -- here's the --

13 MR. MORRIS: Your Honor, if I may?

14 THE COURT: Uh-huh.

15 MR. MORRIS: You've done exactly what you've said.

16 THE COURT: Okay.

17 MR. MORRIS: I don't think there is an issue now.

18 THE COURT: Okay.

19 MR. MORRIS: I've heard from the U.S. Trustee's
20 Office what I asked for probably three times in writing, that
21 they are going to abide by the terms of the protective order.
22 With respect to the sealing order, Your Honor has entered an
23 order. It declared the Committee's motion to seal moot, and
24 it specifically provided that anybody who's received the
25 awards has to treat them in accordance with the protective

1 order.

2 THE COURT: Yeah.

3 MR. MORRIS: Nobody's appealed that order.

4 THE COURT: Okay.

5 MR. MORRIS: It's now the -- it's -- whatever the
6 U.S. Trustee's interpretation is of the law is kind of
7 irrelevant at this point because the order has been entered
8 and it hasn't been appealed.

9 THE COURT: Okay.

10 MS. LAMBERT: Here's the thing, Your Honor. The case
11 law, *Omni Video*, similar things. There are two issues.
12 Number one is whether the mootness of the underlying issue
13 means that the pleadings should be unredacted, which is black
14 letter that at some point pleadings should be unredacted and
15 made available to the public. And the Court's ruling is that
16 by replacing the management the Court has mooted anything that
17 might be scandalous about that or that might be problematic
18 about it, and therefore --

19 THE COURT: What is the it? I'm not following.

20 MS. LAMBERT: -- the arbitration award and the
21 pleadings attendant were redacted, but the --

22 THE COURT: I haven't said anything about -- I mean,
23 I denied a Chapter 11 trustee motion because I thought the new
24 management was a correct way to go forward in this case.

25 MS. LAMBERT: Correct.

1 THE COURT: The arbitration award, what I meant was
2 it's like it never happened now. And if I --

3 MS. LAMBERT: Right.

4 THE COURT: -- need to do an amended order saying the
5 Committee has permission to withdraw the objection and
6 withdraw the motion to seal, I'll --

7 MS. LAMBERT: That's --

8 THE COURT: -- I'll do that, --

9 MS. LAMBERT: But --

10 THE COURT: -- so there's nothing on the record to
11 make public.

12 MS. LAMBERT: But withdrawing the motion, objection,
13 does not delete it from the record, Your Honor.

14 THE COURT: Well, I'm going to make it so. I'm going
15 to make it so. And then if, one day, you or someone else --

16 MS. LAMBERT: Your Honor, currently, --

17 THE COURT: -- wants to be relieved from the
18 protective order and asks that it be publicly filed, I'll
19 consider --

20 MS. LAMBERT: Your Honor?

21 THE COURT: -- the merits of that.

22 MS. LAMBERT: Your Honor, the thing is that the
23 Committee, when it filed its original objection, did not
24 redact. So this information has been in the public domain for
25 months now. And the arbitration --

1 THE COURT: Wait. Okay. This all happened in
2 Delaware, so I don't know their procedure. Are you saying it
3 was on the public PACER?

4 MS. LAMBERT: They didn't redact.

5 MR. MORRIS: No. Your Honor, the Redeemer Award
6 (inaudible). The order says what the order says. It's been
7 entered. I mean, this is the concern, is that we have this
8 never-ending debate. I've heard -- the Debtor has heard what
9 it needed to hear, and that is the U.S. Trustee's Office will
10 abide by the terms of the protective order.

11 With respect to the Committee's motion to seal, we're done
12 with that.

13 MS. LAMBERT: There is no --

14 MR. MORRIS: An order has been entered.

15 MS. LAMBERT: There is no motion to seal. The normal
16 effect of -- the dismissal of a motion to seal on the basis
17 that it is moot is that everything attendant to that becomes
18 unredacted and unsealed.

19 In addition, there's a separate issue that the Debtor gets
20 to talk about what the amounts in the Redeemer awards were
21 unilaterally, without -- and the Committee gets to talk about
22 it unilaterally. They've mentioned what the findings were in
23 four different spots in their objection that are not redacted.
24 And the U.S. Trustee is the only one that's held to the motion
25 to seal, which we have honored, but the --

1 THE COURT: I don't understand why we're having this
2 discussion. For now, I've made it a moot issue, a dead issue.
3 The objection to which the arbitration award was attached as
4 an exhibit became moot. Maybe I'm not using the best legal
5 description, but it was resolved. And I didn't feel the need
6 for us to have a dispute about whether that motion to seal,
7 which related to the objection --

8 MS. LAMBERT: The motion to seal --

9 THE COURT: -- was meritorious or not. If -- again,
10 --

11 MS. LAMBERT: But the motion to --

12 THE COURT: -- to me, there's an easy fix. If you're
13 -- if you think it's necessary, I'll grant the --

14 MR. MORRIS: Your Honor?

15 THE COURT: This seems like wasted energy, --

16 MS. LAMBERT: But --

17 THE COURT: -- granting the Committee authority to
18 withdraw their objection and their motion to seal --

19 MS. LAMBERT: But, Your Honor, --

20 THE COURT: -- so that it's off the record.

21 MS. LAMBERT: -- the interim sealing order didn't
22 impact just their objection. It impacted the U.S. Trustee's
23 motion to dismiss. It impacted the evidence. The finding
24 that these issues are moot because they're resolved means that
25 the Court should unredact them because it's no longer

1 confidential. It's no longer a problem. If the evidence is
2 --

3 THE COURT: Why are we having this discussion? Why
4 is this important in this Chapter 11 case? The arbitration
5 award may get in one day, and someone may ask me, and I may
6 say yes, I may say no. It depends on what the legal arguments
7 are.

8 MS. LAMBERT: It's --

9 THE COURT: Why is this relevant right now?

10 MS. LAMBERT: It's important to the public's
11 perception, and the U.S. Trustee is charged with making the
12 information about a case available to the public.

13 MR. MORRIS: Your Honor, there is no motion --

14 MS. LAMBERT: This -- these -- these arbitration --

15 MR. MORRIS: There's no relief that's been sought.

16 MS. LAMBERT: The arbitration awards have been
17 discussed in the press, Your Honor. And the press --

18 THE COURT: Well, let me just say this. Okay? This
19 was obviously -- there was an arbitration award. It was never
20 confirmed with a judgment by a court. And I am presuming -- I
21 don't need to decide today -- but I'm presuming that there is
22 some legal argument that someone feels can be made about why
23 that arbitration award is confidential. You know, it
24 obviously --

25 MR. MORRIS: The Committee made that argument in

1 their motion.

2 THE COURT: Obviously, if there had been a judgment,
3 it all would have been out in the world. And I will say I
4 cannot remember ever being in a situation where someone wanted
5 to keep an arbitration award confidential in a bankruptcy
6 case. Maybe it happens. I'm just -- I've never seen it. So
7 if there is a day where someone wants me to find this
8 arbitration award can be made public, I may very well do it.
9 I don't know. I'll hear the legal arguments. But I am just
10 asking, why are we arguing about this today?

11 MS. LAMBERT: We're arguing about it today because it
12 remains a point of interest and a point of information sharing
13 to government creditors and other creditors that are involved
14 in the case, as well as the public.

15 THE COURT: They're not in here, the SEC or whoever
16 you're --

17 MS. LAMBERT: Well, how would they know to be in
18 here?

19 THE COURT: Because maybe they've seen the press that
20 you're talking about. All right. I don't know --

21 MR. MORRIS: Your Honor, we -- the Debtor's heard
22 what --

23 THE COURT: The protective order governs. And my
24 prior order with regard to the sealing motion I think made
25 clear, but if it didn't, I'm going to say right now: As far

1 as I'm concerned, the arbitration award, nothing gets unsealed
2 on the Court's docket, and no one will file it or disclose it
3 without bringing a motion, and we'll have a legal argument and
4 evidence or whatever we need and I'll rule on the issue.

5 MS. LAMBERT: So, Your Honor, my understanding is
6 that the Court is striking the objection to the CRO that the
7 Committee filed and striking the U.S. Trustee's motion to
8 dismiss, which was redacted, and striking the evidence, and
9 those will not be on the docket available to the public at
10 all.

11 THE COURT: That's not what I'm doing. I don't -- I
12 don't even know -- I don't understand why you're saying that.

13 MS. LAMBERT: Well, you can't just withdraw the
14 objection. The objection had the exhibits attached to it.
15 The issue that the U.S. Trustee -- I'm sorry, but I'm always
16 charged with this issue -- is trying to unseal documents and
17 trying to determine the proper date for unsealing them. They
18 attached to the arbitration award, like a motion for summary
19 judgment. That's the practice in Delaware. And so the issue
20 is, at what point will that become unsealed? It's a higher
21 standard --

22 THE COURT: The answer is no, without an order from
23 this Court.

24 MS. LAMBERT: It is a higher standard than for
25 confidentiality. And in addition, --

1 THE COURT: All right. If you want to file a motion
2 and we set it for hearing and we have briefing, we'll do that.
3 But, for now, there's -- there are two orders that I will tell
4 you on the record what they mean is, right now, the
5 arbitration award is not to be publicly disclosed. Not by the
6 Court on the docket system. Not by any person.

7 If someone wants to publicly disclose it, they can file a
8 motion and we'll talk about whether it's protected or not.

9 MR. MORRIS: Thank you.

10 THE COURT: Whether there are grounds, legal grounds,
11 to protect it.

12 MR. MORRIS: Thank you, Your Honor.

13 THE COURT: I've told you I'm skeptical. I'm
14 skeptical. But, you know, we'll see. Okay?

15 MS. LAMBERT: Okay. Your Honor, the FJC publication
16 is very clear that the Court should be trying, when issues are
17 moot, to unseal items. And this is why our advocacy is this
18 way. And I will move to unseal it.

19 THE COURT: All right.

20 MR. DEMO: For the record, Your Honor, again, Greg
21 Demo; Pachulski Stang Ziehl & Jones; for the Debtor.

22 Before we move on to the Foley retention, two quick
23 housekeeping matters.

24 THE COURT: Uh-huh.

25 MR. DEMO: We would like to set the next omnibus

1 hearing date on April 22nd. At that date, we would do the
2 quarterly fee applications and whatever else comes up onto the
3 docket.

4 THE COURT: All right. Have you run that by Traci
5 Ellison yet?

6 MR. DEMO: We have not.

7 THE COURT: Okay.

8 MR. DEMO: We've talked to the Committee about it,
9 though.

10 THE COURT: So I will call her right now.

11 MR. DEMO: And then, I guess, Your Honor, before you
12 do that, we are actually asking for a hearing date on March
13 4th at 1:30 as well. We're going to have an expedited motion
14 that we'll be filing, I think, this week. So if you're going
15 to check with her, I guess it might make sense to check on
16 both of those dates.

17 THE COURT: Okay.

18 (Court confers with Clerk telephonically.)

19 THE COURT: Okay. We can give you April 22nd, as you
20 requested, at 9:30.

21 MR. DEMO: Okay. Thank you.

22 THE COURT: Okay. So that's going to be an omnibus.

23 (Court confers with Clerk telephonically.)

24 THE COURT: All right. We can give you March 4th at
25 1:30.

1 How about a preview of what we're going to -- what are we
2 going to be seeing?

3 MR. DEMO: And, Your Honor, I guess we had also
4 reserved March 2nd, and we can release that date.

5 THE COURT: What? I'm sorry.

6 MR. DEMO: We had previously reserved March 2nd at
7 9:30 for the expedited motion, which I'll describe briefly in
8 a second. We don't need the March 2nd date.

9 THE COURT: So, okay.

10 MR. DEMO: Yeah.

11 THE COURT: All right. So I'll tell Traci that one
12 --

13 MR. DEMO: Yeah. Okay. Perfect. Thank you.

14 THE COURT: -- is off. Okay. What is this going to
15 be?

16 MR. DEMO: The expedited motion, we obviously run a
17 series of investment funds. From time to time, those funds,
18 either through liquidation or just through normal proceeds
19 generation, make distributions out to their investors.

20 Under the protocols, distributions out to what are
21 related, called related entities under the protocols, which
22 include Mr. Dondero, entities owned by Mr. Dondero, and
23 numerous other categories, those entities cannot receive their
24 distributions from those investment vehicles if the Committee
25 objects to those distributions unless we come to the Court and

1 we get Your Honor's approval.

2 That issue has come up. We are hoping to make those
3 distributions to these related entities. The Committee has
4 said that they will object, but they've also agreed to the
5 motion to expedite.

6 THE COURT: All right.

7 MR. DEMO: So that's the issue that's going to be in
8 front of Your Honor on March 4th.

9 THE COURT: All right. When are you going to file
10 the motion?

11 MR. DEMO: We are hoping to file it, I think, by
12 Friday.

13 THE COURT: Okay. So that would be -- what are we at
14 now, the 19th?

15 MR. DEMO: Yeah.

16 THE COURT: Okay. So that'd be --

17 MR. DEMO: Yeah. And obviously, --

18 THE COURT: -- a couple weeks.

19 MR. DEMO: -- yeah, we'll endeavor to get it filed as
20 soon as possible.

21 THE COURT: Okay.

22 MR. DEMO: And then I guess the last item, Your
23 Honor, is the Foley Gardere retention application.

24 THE COURT: Okay.

25 MR. DEMO: And, you know, this should be a relatively

1 simple retention application. You know, we'll get into it a
2 little bit more. There are two objections that were
3 originally filed, one by the Committee and one by Acis.
4 Yesterday morning, the Committee withdrew their objection, so
5 the only objection to the Foley Gardere retention application
6 is by Acis.

7 In the courtroom with me are Holland O'Neil with Foley
8 Gardere -- she's the partner in charge of that representation
9 -- and then also The Honorable Russell Nelms, who's a member
10 of the Independent Board of Directors of Strand Advisors, the
11 party that manages the Debtor. And I should be remiss if I
12 didn't mention that the two other independent directors, James
13 Seery and John Dubel, are also in the courtroom, --

14 THE COURT: Okay.

15 MR. DEMO: -- as is the Debtor's chief restructuring
16 officer.

17 And as I said, Your Honor, really, the only thing, the
18 only substantive thing we're here this morning on is this
19 retention application. The retention application is under
20 Section 327 of the Bankruptcy Code, and it's to represent the
21 Debtor in three matters related to the Acis bankruptcy and the
22 resulting litigation.

23 Judge Nelms is going to be testifying in support of the
24 Foley retention this afternoon.

25 THE COURT: Okay.

1 MR. DEMO: We filed the retention application on
2 October 29th, along with the retention application of Lynn
3 Pinker. As I mentioned earlier, the Lynn Pinker retention
4 application was withdrawn. Two objections were filed to the
5 Foley retention: One by the Committee, one by Acis.

6 The Committee -- or, sorry, the Debtor addressed those two
7 objections in an omnibus reply that we filed on November 21st.
8 The primary response to those objections was providing
9 additional disclosure to this Court concerning the parties
10 being represented by Foley, the proceedings in which Foley was
11 going to represent those parties, and the allocation of fees,
12 of Foley's fees, across those parties.

13 The reply disclosed, and Judge Nelms will also testify,
14 that the Debtor had originally intended to engage Foley on
15 four matters, not three. The first matters is general matters
16 just relating to the Acis bankruptcy, status conferences,
17 proof of claim issues. The second matter is the appeal to the
18 Fifth Circuit of the confirmation order. The third matter was
19 the appeal, again to the Fifth Circuit, of the entry of the
20 involuntary petition. And then the fourth matter was the
21 appeal of Winstead's retention as counsel to both Mr. Terry,
22 who is a pre-petition creditor of Acis, and Robert [sic]
23 Phelan as the Chapter 11 trustee.

24 The two appeals, the appeal of the confirmation order and
25 the appeal of the involuntary petition, have been fully

1 briefed to the Fifth Circuit, and some of that briefing was
2 done, by necessity, post-petition, because of the drag in time
3 between when we filed the retention and now. And the Fifth
4 Circuit has actually set both of those appeals for oral
5 argument. They've been consolidated for purposes of oral
6 argument, and both of the appeals are set for March 30th, so
7 about six weeks away.

8 Now, it's an understatement to say a lot has happened in
9 this case since we filed the reply on November 21st. One of
10 the most major things in this case, as the Court knows, is the
11 appointment of the Board of Directors. The Board of Directors
12 was appointed on January 9th and it oversees the management of
13 the Debtor. Judge Nelms is in this courtroom and will be
14 testifying as to what the Board did to familiarize itself with
15 the Acis litigation and with Foley's retention. And you'll
16 hear from Judge Nelms that the Board had extensive
17 conversation with the Debtor's employees, including the
18 Debtor's internal legal team, Ms. O'Neil with Foley Gardere,
19 attorneys from Pachulski regarding the status of the Acis
20 litigation and the bankruptcy and Foley's retention.

21 You'll also hear that Judge Nelms reached out directly to
22 Josh Terry, the major party in the Acis litigation, and that
23 Judge Nelms met with both Josh Terry and Ms. Patel to discuss
24 the status of the Acis litigation.

25 And then finally you'll hear, as part of that diligence,

1 that the Board analyzed the economic benefit of proceeding
2 with Foley's retention in all three of those matters that I
3 mentioned and also conducted their own diligence on the claims
4 that are being raised in those matters.

5 As a result of that diligence, and I'll discuss the
6 explicit reasons later, the Board determined that it is in the
7 best interest of the Debtor and its estate to proceed with
8 Foley's retention with respect to the three matters I
9 mentioned earlier: the Acis general bankruptcy, the appeal of
10 the confirmation order, and the appeal of the involuntary
11 petition.

12 The Debtor has also asked for Foley's assistance on
13 certain ancillary matters, like including about disclosures of
14 the Acis litigation, including what needs to go on the
15 schedules and things like that.

16 As a result of this diligence, however, the Board decided
17 to drop the Winstead appeal. So Acis -- I'm sorry, Foley is
18 not going to be retained to challenge Winstead's retention in
19 that proceeding. And assuming that Foley is retained, Foley
20 will prepare the papers to withdraw that objection as soon as
21 possible.

22 As a quick aside, though, you know, Foley was directed by
23 the Debtor to continue with the Winstead matter post-petition.
24 Incurred about \$25,000 of fees. And we believe that Foley was
25 working in good faith on that. So although we're not going to

1 proceed with the Winstead matter, we would still ask that
2 Foley be entitled to file a fee application for those fees.
3 The Committee has agreed with this, and we have a form of
4 proposed order with the Committee that contemplates Foley's
5 payment or Foley's receiving payment for the Winstead fees of
6 \$25,000.

7 THE COURT: Wait. You're talking about, if I approve
8 their retention, rolling that into the retention order?

9 MR. DEMO: We are, Your Honor.

10 THE COURT: Okay.

11 MR. DEMO: No?

12 THE COURT: That's a no-go, I'll tell you right now.

13 MR. DEMO: Okay.

14 THE COURT: I mean, --

15 MR. DEMO: And we can, we can deal with that.

16 THE COURT: Yeah.

17 MR. DEMO: But I --

18 THE COURT: I'm not going to say yes or no to any
19 fees I haven't seen.

20 MR. DEMO: Okay. And -- well, I'm sorry. What's
21 going to be rolled into the order is their ability to file for
22 those fees. Everybody would still have the right to object to
23 those fees. You would have the right to say yes or no on
24 those fees. The only thing that we would be asking for is
25 that they would be able to apply for those fees and that the

1 fact that they weren't retained on that matter specifically
2 would not be a basis for an objection to those fees. So it's
3 a little bit different.

4 THE COURT: Okay.

5 MR. DEMO: We're not trying to cut off anybody's
6 right to object to those fees.

7 THE COURT: Okay. But I don't want to put some
8 imprimatur on their ability to ask for them.

9 MR. DEMO: Okay.

10 THE COURT: Okay? So, you know, it's just another
11 day.

12 MR. DEMO: Yeah.

13 THE COURT: If they ask for that in a fee app -- if I
14 approve their retention and they ask for it in a fee app,
15 we'll --

16 MR. DEMO: Okay. Understood, Your Honor.

17 THE COURT: -- decide whether it's meritorious or
18 not.

19 MR. DEMO: Okay.

20 THE COURT: Okay.

21 MR. DEMO: And then I guess, just moving on, you
22 know, as you'll hear from Judge Nelms, all of the elements of
23 227(e), you know, have been met. You know, first, Foley is
24 being retained for a special purpose. Nobody has objected on
25 that basis.

1 Second, Foley is not being retained to conduct the
2 Debtor's bankruptcy case. That's my firm, Pachulski Stang.
3 Again, nobody has objected on that basis.

4 Third, Foley represented the Debtor prior to the petition
5 date on these matters. Again, nobody has objected on that
6 basis.

7 And, fourth, you know, as Judge Nelms will testify, the
8 retention of Foley and Foley's continued prosecution of the
9 Acis matters is in the best interest of the Debtor's estate.

10 And then fifth and finally, Foley has no adverse interest
11 with respect to the matters on which it is being retained.

12 Now, as I mentioned, there were two omnibus objections
13 that were filed. There was the Committee's objection and then
14 there was Acis's objection. Both of these objections really
15 had one common theme, which was that there was insufficient
16 disclosure as to how the fees were going to be allocated, and,
17 honestly, whether or not Mr. James Dondero would benefit from
18 Foley's retention without paying his share of those fees.

19 Now, we had a meeting with the Committee on Friday and we
20 walked through this issue. And as a result of that, the
21 Committee withdrew its objection.

22 What we told to the Committee is that, prior to the Acis
23 bankruptcy -- and this goes primarily to the retention -- or,
24 the prosecution of the involuntary petition appeal. In that
25 appeal, Foley is representing just Neutra. Foley is not

1 representing the Debtor. Now, the economic benefit to the
2 estate, though, in that appeal accrues almost solely to the
3 Debtor. It does not accrue to Neutra or to Neutra's economic
4 interest owners, which, full disclosure, are Mr. James Dondero
5 and Mr. Mark Okada.

6 The reason why the Debtor -- and you'll hear, again, hear
7 this from Judge Nelms -- believes that it's in the economic
8 best interest of its estate to pay for Neutra's fees in that
9 appeal is that, if Neutra is successful in that appeal, the
10 involuntary petition obviously will be struck, the involuntary
11 will be unwound, and the economic interest and the economic
12 ownership of Acis will revert to Neutra.

13 Upon that reversion, Highland Capital Management will be
14 reinstated as the advisor to Neutra.

15 Now, if Neutra -- I'm sorry, if Acis then generates fees,
16 those fees are going to be paid about 85 percent to satisfy
17 the contractual obligations under that advisory agreement.

18 So, on a go-forward basis, again, if Neutra is successful,
19 85 percent of the revenue generated by Acis will go to Neutra.
20 That remaining 15 percent will be used to satisfy the claim
21 that Acis -- I'm sorry, that Highland Capital Management has
22 against Acis for the pre-, post-petition, and gap period
23 services that it provided to Acis under the advisory
24 agreements. That claim is about \$8 million.

25 So, 85 percent of the revenue on a go-forward basis is

1 going to be used to satisfy the obligations under the
2 management agreement. The balance of that is going to be used
3 to satisfy that \$8 million claim.

4 That means that, you know, if our math is right -- and
5 obviously, the numbers are not static -- that there's not
6 going to be any contributions or any distributions to the
7 upstream equity, to Mr. Dondero or Mr. Okada, for about four
8 years. After that four years, 85 percent of the revenue is
9 still going to go to Highland Capital Management, the Debtor,
10 under those advisory agreements.

11 So for that reason, we do believe, and Judge Nelms will
12 testify, that the true economic beneficiary of the Neutra
13 appeal of the involuntary petition is actually Highland
14 Capital Management.

15 THE COURT: I don't want to jump ahead too much, but
16 are we going to talk today about mootness as a potential issue
17 with both of these appeals? I mean, you know, I have to say
18 it's very compelling to me that you tell me all the briefing
19 has been done --

20 MR. DEMO: Uh-huh.

21 THE COURT: -- and oral argument is set in March, so
22 -- but is mootness a --

23 MR. DEMO: We don't --

24 THE COURT: Was there ever a motion to dismiss for
25 mootness or --

1 MR. DEMO: Not that I'm aware of, Your Honor.

2 THE COURT: Okay.

3 MR. DEMO: And all the briefing has been done.

4 THE COURT: Okay.

5 MR. DEMO: Again, oral argument is set. And as far
6 as I know, nobody has raised that issue.

7 THE COURT: Okay.

8 MR. DEMO: So I think that we're still proceeding as
9 to whether --

10 THE COURT: And, again, I'm leaping ahead, but I'm
11 just -- you know, you went through the scenario --

12 MR. DEMO: Uh-huh.

13 THE COURT: -- to show that, you know, Dondero and --
14 if the involuntary was reversed, you know, no money would ever
15 get there. But you're painting a picture, to me, that, again,
16 it feels a little farfetched. But the evidence will either,
17 you know, bear it out or not.

18 MR. DEMO: Again, the evidence, you know, I think,
19 will bear it out.

20 And I think what's important also is, when you're thinking
21 about this, is to think of the actual universe of post-
22 petition fees that Foley is going to incur for those services,
23 for the briefing of the two appeals and then for the
24 bankruptcy services, versus the actual economic gain that the
25 Debtor could and hopefully will get if those appeals are

1 successful.

2 THE COURT: Okay.

3 MR. DEMO: So, Foley --

4 THE COURT: And hopefully the evidence will really go
5 to this.

6 MR. DEMO: Yes.

7 THE COURT: I'm trying to think of -- I'm trying to
8 decide what life looks like --

9 MR. DEMO: Right.

10 THE COURT: -- if there is a successful reversal.

11 MR. DEMO: Right.

12 THE COURT: And I'm not at all clear. So the
13 evidence and argument will hopefully make me clear.

14 MR. DEMO: Yes. And, honestly, Your Honor knows the
15 facts and circumstances --

16 THE COURT: Right.

17 MR. DEMO: -- better than me and probably better than
18 anyone.

19 THE COURT: Uh-huh.

20 MR. DEMO: But I think what's --

21 THE COURT: I mean, we've had -- we had terminated
22 contracts --

23 MR. DEMO: Right.

24 THE COURT: -- with Highland. We have a Reorganized
25 Debtor now, which, you know, --

1 MR. DEMO: Right.

2 THE COURT: -- has new contractual arrangements.

3 MR. DEMO: Right.

4 THE COURT: I just, I'm not sure how that all goes
5 away if there's a reversal. So I'm --

6 MR. DEMO: Right.

7 THE COURT: I'm really wanting to drill down on the
8 benefit --

9 MR. DEMO: Okay. And --

10 THE COURT: -- to Highland.

11 MR. DEMO: And we can do that. But I think --

12 THE COURT: Okay.

13 MR. DEMO: -- it's helpful to talk about --

14 THE COURT: Uh-huh.

15 MR. DEMO: -- the universe of fees first and then
16 talk about the related benefit for that.

17 Foley Gardere has helpfully filed two post-petition fee
18 applications. Those fee applications disclose that, on all
19 three of these matters, Foley has billed about \$330,000. We
20 believe that Foley was probably going to bill, up through the
21 end of oral argument, about \$500,000.

22 And then, you know, again -- and not getting too deep into
23 it, because I do think this is something that's better for
24 testimony because I think it goes to, you know, what the Board
25 believes is the economic benefit to the estate -- but if the

1 Neutra appeal is successful, if the confirmation order appeal
2 is successful, then the post-petition fees that are going to
3 accrue or we believe are going to accrue to Highland Capital
4 Management under those contracts are tens of millions of
5 dollars a year.

6 The post-petition and gap period and pre-petition fees
7 that we believe that Acis owes to Highland are \$8 million a
8 year. And then there's the go-forward fees.

9 So we believe that, for spending \$500,000, the benefits to
10 the estate are actually going to be in the tens of millions of
11 dollars. So, you know, even though, you know, reasonable
12 minds can differ as to the merits -- and, again, we'll put on
13 some testimony about that, although there's obviously
14 privilege issues and things like that -- the actual economic
15 benefit to the estate is \$500,000 versus the possible benefit
16 of \$50 million, possibly more dollars, plus the removal of a
17 substantial portion of Acis's proof of claim, which is -- I
18 think it says not less than \$75 million. So you're looking
19 at, if we're successful, fees into the estate --

20 THE COURT: Well, that's a different issue, though.
21 Isn't that --

22 MR. DEMO: It is, but it --

23 THE COURT: Isn't that the Acis adversary proceeding
24 component?

25 MR. DEMO: Yes.

1 THE COURT: So, --

2 MR. DEMO: But if the -- if the -- and, again, I
3 don't want to get too far into this --

4 THE COURT: Uh-huh.

5 MR. DEMO: -- because I don't want to get into, you
6 know, legal arguments that are going to be on appeal.

7 THE COURT: Uh-huh.

8 MR. DEMO: But what we believe is that, and what
9 Judge Nelms will testify to and what you'll hear, is that if
10 the confirmation order and the involuntary petition are
11 erased, especially the involuntary petition, and we go back to
12 status quo ante, the benefit to the estate is going to be in
13 the tens of millions of dollars, at a minimum, plus the
14 possible diminution, to a large extent, of a proof of claim
15 that is not less than \$75 million, and we've heard numbers of
16 up to \$300 million.

17 So you're looking to spend \$500,000 on these two matters
18 for a benefit to the estate that's going to be astronomically
19 more than that. So the benefit to the estate versus the money
20 that is going out of the estate, especially since everything
21 has been briefed and set for oral argument, I guess,
22 personally, I find it difficult to not see that benefit and
23 not to see that spending that half a million dollars to
24 possibly get back \$50-plus million, I just don't see how
25 that's not a benefit to the estate and how that does not

1 warrant the retention of Foley Gardere in the limited matters
2 that we're honestly asking them to be retained for.

3 THE COURT: All right.

4 MR. DEMO: Okay.

5 THE COURT: I'll hear other opening statements on
6 this.

7 MR. LAMBERSON: Good morning, Your Honor. Phillip
8 Lamberson on behalf of Acis Capital Management.

9 First of all, let me start off with outlining exactly what
10 our limited objection relates to. We are not objecting to the
11 Debtor retaining Foley Gardere to handle the litigation
12 matters for the Debtor. So, for example, the Acis litigation,
13 anything related to the Acis bankruptcy, that's fine. We
14 don't have any objection to that.

15 THE COURT: So the mega-adversary proceeding against
16 Highland and affiliates that is stayed, --

17 MR. LAMBERSON: Uh-huh.

18 THE COURT: -- I have a giant Report and
19 Recommendation on my desk that was ready to go about the time
20 the Highland bankruptcy was filed -- but it's stayed: You
21 would have no objection to Gardere defending Highland --

22 MR. LAMBERSON: Correct.

23 THE COURT: -- in that if ever a motion to lift stay
24 is filed and that goes forward?

25 MR. LAMBERSON: Correct.

1 THE COURT: Okay.

2 MR. LAMBERSON: And, for example, I believe counsel
3 mentioned this: To the extent that there's a status
4 conference in the Acis case or something like that, we don't
5 have any issue with Foley representing the Debtor as it
6 relates to that.

7 We don't have any objection to the representation of the
8 Debtor as it relates to the Debtor's appeal of the
9 confirmation order. We don't have any objection to Neutra's
10 retention of Foley at all. In fact, we don't have any basis
11 to object to Neutra's retention of Foley Gardere. Neutra is
12 not a debtor.

13 We fully expect and anticipate that we'll be opposite
14 Foley Gardere in the appeal which is going to be argued at the
15 end of next month, as well as any matters in front of this
16 Court.

17 What we do object to is the Debtor agreeing -- frankly,
18 pre-agreeing -- to pay Foley Gardere for litigation costs
19 incurred by non-debtors, and, specifically, Neutra. And as
20 counsel outlined, and the reply filed by the Debtors is very
21 clear on this point, Neutra is not a subsidiary of the Debtor.
22 Neutra is ultimately owned one hundred percent by Mr. Dondero
23 and Mr. Okada.

24 So why, why are we objecting? There's a couple of
25 reasons. Number one, this is obviously an extremely unusual

1 request. It's not really a --

2 THE COURT: Okay. Let me just make sure I heard you
3 correct. The only thing that Acis is objecting to is the
4 Debtor paying fees for Gardere -- Foley Gardere's
5 representation of Neutra?

6 MR. LAMBERSON: Correct.

7 THE COURT: Okay. So, --

8 MR. LAMBERSON: Right. And let me --

9 THE COURT: -- you don't have a problem with Foley
10 representing the Debtor in these appeal -- well, the Debtor
11 isn't an appellant in the involuntary appeal, right? Or no?

12 MR. LAMBERSON: It is -- no. So, the Debtor is an
13 appellant in the --

14 THE COURT: The confirmation order.

15 MR. LAMBERSON: -- confirmation order appeal.

16 THE COURT: Uh-huh.

17 MR. LAMBERSON: It's one of two appellants.

18 THE COURT: Uh-huh.

19 MR. LAMBERSON: The other one is Neutra.

20 THE COURT: Uh-huh.

21 MR. LAMBERSON: Neutra is the only appellant in the
22 confirmation order -- I'm sorry, in the order for relief
23 appeal.

24 THE COURT: Okay. So you don't have any problem with
25 Foley's retention; it's just you don't want the Debtor to pay

1 Neutra's legal fees?

2 MR. LAMBERSON: Correct.

3 THE COURT: And there needs to be some allocation in
4 the confirmation appeal between Neutra and the Debtor, and it
5 needs to all be paid by Neutra, --

6 MR. LAMBERSON: Correct.

7 THE COURT: -- not the Debtor? Okay.

8 MR. LAMBERSON: Yeah. That's exactly correct, Your
9 Honor.

10 THE COURT: Okay. Just --

11 MR. LAMBERSON: So I wanted to be clear on that, --

12 THE COURT: Okay.

13 MR. LAMBERSON: -- that we're not -- we understand
14 that they're --

15 THE COURT: Okay.

16 MR. LAMBERSON: -- going to be our opponents going
17 forward, and we're fine with that.

18 THE COURT: Uh-huh.

19 MR. LAMBERSON: I actually like Mrs. O'Neil.

20 So, why are we objecting? So, there's a couple of
21 reasons. One is procedural and one is really more
22 substantive. So, this is obviously a strange request under
23 Section 327. 327 is to approve counsel for the Debtor, for
24 the estate. And this request doesn't really fit.

25 So, for example, you engage Foley Gardere. You agree that

1 the Debtor is going to pay fees under 330. Okay. Well, how
2 do we apply 330 in this situation, right? What constitutes
3 reasonable and necessary as it relates to the Debtor when the
4 work wasn't done for the Debtor? What constitutes a
5 determination of whether it was beneficial to the Debtor when,
6 again, the work wasn't done for the Debtor?

7 There's other issues, obviously. Who controls Neutra?
8 It's not controlled by the Debtor. The Debtor doesn't own any
9 of Neutra. Who is making litigation decisions for Neutra?
10 All we know is that the Debtor is paying the freight for
11 whatever Neutra decides to do going forward.

12 The other issue, Your Honor, and this is probably the
13 broader issue, is this decision evidences a continuation of a
14 failed litigation strategy that precipitated this bankruptcy
15 in the first place. Right? So, we all heard that the reason
16 Highland Capital Management had to file bankruptcy is because
17 they couldn't pay the Crusader judgment. Right? They had a
18 \$190 million judgment, or about to be judgment against them,
19 and they couldn't pay it.

20 So let's look at the Committee. Right? We have a
21 Committee with four members on it. Three of them are
22 litigants. Three of them are in active litigation against the
23 Debtor.

24 If you look at the Top 20 List in this case, of the Top
25 10, only one of them is not a litigation creditor, and that's

1 -- I'm trying to -- is an insider creditor. The rest of the
2 Top 10 are either litigation adversaries or they're law firms
3 that were paid to fight the litigation adversaries.

4 So why is the Debtor continuing its strategy of fighting
5 every last issue, and using various instrumentalities to do
6 it, and then paying the freight for all of it? That's exactly
7 how we got to where we are today in this case.

8 So, let me address also the benefit from the Neutra
9 appeal. And, Your Honor, I think that's definitely an area
10 that we need to probe. Because, like you, I don't get it. I
11 think what they're outlining is sort of a fantasyland where
12 money is going to rain from the sky when they win this appeal,
13 or if they win this appeal. And obviously, their reply goes
14 on for pages about the benefit to the Debtor.

15 So, just using basic odds of winning -- and I'm not going
16 to go to the substance of this appeal, which I think is
17 probably worse than the basic odds -- there's a 90 percent
18 chance that the Fifth Circuit just affirms the -- Judge
19 Fitzwater's ruling. Right? I mean, there's a 90 percent
20 chance that what the Debtor gets out of this is an affirmance
21 that says, "You lose." Right?

22 But even if it's reversed, --

23 THE COURT: What are you basing that on? Because
24 Fitzwater affirmed 90 percent of the time?

25 MR. LAMBERSON: Well, so, actually, Judge -- and Ms.

1 Chiarello can probably address this more specifically -- Judge
2 Fitzwater actually gets affirmed, I think, more than 90
3 percent of the time, --

4 THE COURT: Probably, yes.

5 MR. LAMBERSON: -- but the general reversal rate at
6 the Fifth Circuit is about ten percent. So, and that
7 obviously includes things like 1983 appeals and things like
8 that.

9 But even if it is reversed, which I think we'd all agree
10 is fairly unlikely, again, money isn't just going to start
11 raining down on Highland Capital. So what's most likely going
12 to happen if the Fifth Circuit decides to reverse -- and let
13 me, let me point out one issue, Your Honor. The only issue on
14 appeal, I should say the only -- there are various issues on
15 appeal, and I'll just click through them. So, one of them is
16 whether Neutra has standing to appeal. Right? Whether they
17 qualify under the person aggrieved standard that the Fifth
18 Circuit uses. That's obviously a gating issue. And, by the
19 way, that's the basis of Judge Fitzwater's ruling affirming
20 this Court's ruling, which was basically Neutra doesn't have
21 standing to appeal the order for relief. They're not the
22 Debtor.

23 So the first issue is whether Neutra is a person
24 aggrieved. Okay?

25 The second issue, and this is the substantive bankruptcy

1 issue, the only substantive bankruptcy issue, is whether the
2 order for relief should have been arbitrated. Right? So
3 that's the next issue. That would be, frankly, the issue that
4 the Fifth Circuit would have to reverse on, is that well, yes,
5 this should have been arbitrated. Right? The order for
6 relief should have been arbitrated.

7 And then the final issue that we raised on appeal is
8 whether, even if Neutra has standing and even if there was
9 some right to arbitration, whether Neutra, via the putative
10 debtor, waived its right to arbitration by waiting until
11 literally, and you'll remember this, literally the day before
12 the order for relief file started, to raise its request for
13 arbitration. Right?

14 So, assuming that they get some reversal, what's really
15 likely to happen is that the Court, the Fifth Circuit is going
16 to send it back to you on a remand and say, This is the
17 standard you should have applied, you need to make this
18 finding, or something like that, right? It's very unlikely
19 the Fifth Circuit is going to say, We're going to reverse and
20 we're just going to render, right, and this thing just goes
21 away forever, particularly considering that the only live
22 substantive issue is whether the order for relief should have
23 been arbitrated, right?

24 But even if Neutra wins and its relief is wholly granted,
25 well, what does that mean? That doesn't mean that the

1 involuntary goes away. It doesn't mean the order for relief
2 permanently goes away. It means that we go arbitrate it.
3 Right? That's what they asked for, is that we go arbitrate
4 it. So now we go arbitrate it. Right?

5 So, basically, if you break it down, if, in the unlikely
6 event Neutra wins on appeal, it doesn't mean the bankruptcy
7 permanently goes away. What it means is we have more
8 litigation. Right? And that's what normally happens when
9 there's a reversal on appeal, right? You relitigate the
10 issues that were litigated in the first place.

11 So this concept -- you're exactly right, Your Honor. This
12 sounds like fantasyland. This concept that money is just
13 going to fall out of the sky and onto Highland because Neutra
14 got a reversal is just not going to happen.

15 There's some other problems here, obviously. Counsel just
16 spent a lot of time talking about how all of Acis's funds are
17 going to get paid to Highland. Well, that completely misses
18 the point that Josh Terry has an eight, probably somewhere in
19 the neighborhood of maybe \$12 million judgment now against
20 Acis. They're just going to ignore that? They're just going
21 to ignore the fact that their largest creditor has a judgment
22 against them and is just hanging out there? That's going to
23 have some impact on what happens to all that cash flow.

24 And then, finally -- and we'll talk about this in more
25 substance when we get to the testimony -- as you recall, this

1 was the entire basis of the Acis case: Mr. Dondero and
2 Highland Capital were aggressively trying to liquidate Acis
3 when we showed up in your Court asking for relief. So what
4 makes anybody think that that isn't going to continue
5 happening if there's not a bankruptcy anymore? Right?

6 And Your Honor will recall that you had to twice enjoin
7 Dondero affiliates, HCLOF, from liquidating the PMAs and
8 Acis's assets during the bankruptcy. Right? So the concept
9 that if they win on appeal and there is no bankruptcy,
10 everything just goes away and we're not in this Court at all,
11 that Acis is going to have all of these valuable PMAs and cash
12 flow and it's all going to go to the benefit of Highland, is
13 completely contrary to what happened during the Acis case and
14 what precipitated the Acis case.

15 One other issue that we raised in the objection and in the
16 Debtor's omnibus reply is what we call the DAF litigation,
17 which is litigation filed in the Southern District of New
18 York. And Your Honor, I think you probably remember that from
19 the pleadings. I do want to point out that -- so this, this
20 is a serious issue for Acis. And the reason is because,
21 contrary to what was stated in the reply -- admittedly, this
22 happened after the reply -- but contrary to what happened --
23 was stated in the reply, that litigation has now been expanded
24 to include Acis and Mr. Terry and Brigade, and with basically
25 the same allegations of CLO mismanagement that were raised in

1 this Court during the confirmation hearing.

2 So this is a very significant matter to us. We are very
3 concerned that this Debtor is involved in that and is
4 promoting it in some way. And we want Your Honor to be aware
5 of that litigation and the actions that are taken challenging
6 your rulings in a court that's miles and miles away from here.

7 Thank you, Your Honor.

8 THE COURT: All right. Mr. Morris, are you ready to
9 call your witness?

10 MR. MORRIS: Yes, I am, Your Honor. The Debtor calls
11 Russell Nelms.

12 THE COURT: All right.

13 MR. MORRIS: Your Honor, I have some exhibit binders.
14 May I hand up?

15 THE COURT: You may. All right. Well, odd as it is,
16 I suppose I in this context need to swear you in.

17 RUSSELL NELMS, DEBTOR'S WITNESS, SWORN

18 THE COURT: All right. Please be seated.

19 MR. MORRIS: John Morris for Pachulski Stang Ziehl &
20 Jones on behalf of the Debtor, Your Honor.

21 Before we get to the testimony, the Debtor has put on its
22 exhibit list nine specific documents that are in the binder
23 before you, and the Debtor moves for the introduction of those
24 documents into evidence.

25 THE COURT: All right. Any objection?

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1 MR. LAMBERSON: No objections, Your Honor.

2 THE COURT: Exhibits 1 through 9 are admitted.

3 (Debtor's Exhibits 1 through 9 are received into
4 evidence.)

5 MR. MORRIS: Thank you, Your Honor.

6 DIRECT EXAMINATION

7 BY MR. MORRIS:

8 Q Mr. Nelms, do you currently have a relationship to the
9 Debtor?

10 A I do.

11 Q And what is that relationship?

12 A I am one of three independent directors of the Debtor.

13 Q And when were you appointed?

14 A January the 9th of this year.

15 Q Did you just listen to the opening statement on behalf of
16 Acis?

17 A I did.

18 Q And did you hear the reference to the DAF litigation?

19 A I did.

20 Q And did you hear the allegation that the Debtor somehow
21 was involved in the prosecution of the DAF litigation?

22 A I heard that, yes.

23 Q Okay. Did there come a time last week that the Board
24 learned of the possibility of a filing with respect to the DAF
25 litigation?

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1 A We learned about the filing of the DAF litigation sometime
2 within the last two weeks.

3 Q And what did the Board do in response to learning that
4 information?

5 A Well, first of all, I -- we met with Ms. Patel and her
6 client, Josh Terry. They expressed their concerns about the
7 DAF litigation. And so the Board used its influence to
8 encourage the trustee of the DAF, Grant Scott, to dismiss that
9 litigation, and we have gotten Mr. Scott's commitment to
10 dismiss the litigation.

11 There's a little bit of an issue there concerning about
12 whether some of the claims can -- they may need to be
13 dismissed without -- the preference is, of course, to dismiss
14 them without prejudice, but there are some issues about that.
15 But I'm told by Mr. Scott that he's going to dismiss the
16 litigation.

17 Q Let's go back in time before this was filed. Did the
18 Board express its view as to whether there should be a filing
19 at all?

20 A It was really a very brief thing. This was probably a
21 couple weeks or so ago, kind of late in the day at the end of
22 a long, long day, one of those long days we've been having.
23 Someone brought into a board meeting I guess a copy of this
24 new DAF complaint. It had not been filed at that time. They
25 showed it to Mr. Dubel. He looked at it and just kind of

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1 asked what it was. There was a brief explanation of what it
2 was. And Mr. Dubel said, Tell them not to file this. He
3 goes, This is only going to cause us problems. And that's the
4 last we heard of it before it was filed.

5 Q And what law firm filed that complaint?

6 A That was filed by the Lynn Pinker firm.

7 Q And after the Board learned that Lynn Pinker filed this,
8 in spite of the Board's instructions, did the Board take any
9 steps with respect to Lynn Pinker?

10 A Well, of course, we -- one of the matters that previously
11 was before the Court was the Lynn Pinker application to be
12 retained in this case. And I'll just say that it was -- it
13 was a factor that went into our deliberations concerning our
14 decision not to go forward with the Lynn Pinker litigation.

15 Q So, I just want to make sure I have this right. So the
16 Board, upon learning of a possible filing, gave instructions
17 not to do so; is that right?

18 A It did.

19 Q And upon learning that it was filed, it became one of the
20 factors that the Board relied upon in determining not to
21 pursue the Lynn Pinker retention; is that right?

22 A That's correct.

23 Q And you personally reached out to Mr. Terry and Ms. Patel
24 to discuss the issue; is that right?

25 A Mr. Seery and I did, the two of us.

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1 Q And you used whatever influence you had to try to reach an
2 agreement for the withdrawal of that complaint without
3 prejudice; is that right?

4 A That's correct.

5 Q Okay. Now, let's get back to the issues that are relevant
6 to the actual motion. Are you aware that the Debtor has
7 sought the Court's approval to retain Foley Gardere as special
8 counsel?

9 A I am.

10 Q And have you reviewed the court filings with respect to
11 that motion?

12 A Yes, I have.

13 Q Okay. Can you describe for the Court generally the
14 matters for which the Debtor seeks to retain Foley Gardere?

15 A There are three matters, essentially. One is an appeal in
16 the Fifth Circuit which concerns the entry of the order for
17 relief in the involuntary petition itself. The second is an
18 appeal in the Fifth Circuit that concerns the confirmation of
19 the Acis plan. And the third matter is the assertion of,
20 prosecution of a proof of claim that Highland Capital
21 Management would have in the Acis bankruptcy.

22 Q Okay. And are these the special purposes for which the
23 Debtor seeks to retain Foley?

24 A Yes.

25 Q Do you know whether there are matters that were part of

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1 the original motion but which the Debtor no longer seeks to
2 pursue?

3 A One of the matters that was pending when we took office
4 was an appeal, and I believe it was still in the District
5 Court, and that related to an alleged conflict of interest by
6 the Winstead firm. And so there was an objection to their
7 fees and an appeal concerning payment of Winstead fees. And
8 the Board has decided not to go forward with that appeal.

9 Q Okay. So the Board -- did you hear the opening from
10 Acis's counsel that charged that the Debtor was just doing
11 more scorched-earth litigation tactics? Did you hear that
12 charge?

13 A I heard that, yes.

14 Q Okay. But yet the Board has instructed Foley not to
15 pursue the Winstead matter; is that right?

16 A That's correct.

17 Q And just again, for the record, why did the Board make
18 that decision?

19 A The Board made that decision because we just thought it
20 was in the best interest of the Debtor and this estate not to
21 do that.

22 Q And did the Debtor see any benefit to pursuing that
23 particular litigation?

24 A You know, there -- a benefit could be articulated, but we
25 decided not to pursue it.

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1 Q Okay. So, that, plus the Neutra appeal, are two -- I
2 mean, I apologize, withdrawn. That, plus the DAF matter, are
3 two examples where the Board exercised its judgment not to
4 pursue pending litigation; is that fair?

5 A That's correct.

6 Q Okay. Is the Board supportive of the Debtor's application
7 to retain Foley for the three matters you have described?

8 A It is.

9 Q And without revealing privileged communications, can you
10 describe generally the diligence that the Board conducted to
11 reach that decision?

12 A Well, we met with some of the people that work at
13 Highland. We met with the Debtor's attorneys, the Pachulski
14 firm. We did have a couple of meetings with Ms. Patel and Mr.
15 Terry. Some of us have reviewed the pleadings, some more than
16 others. And, well, we may have done other things, but those
17 are the ones that come to mind right now.

18 Q I don't know if you mentioned it, but did you confer with
19 Ms. O'Neil?

20 A Oh, yes, we did. We talked with Ms. O'Neil about it.

21 Q Okay. And what was the purpose of the diligence that you
22 just described for the Court?

23 A Well, ultimately, what we as a board were trying to do was
24 to conduct kind of a cost-benefit analysis to the estate: How
25 much will this potentially cost us? What's the potential

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1 upside of pursuing it? And based upon that cost-benefit
2 analysis, we thought that this was the best thing to do.

3 Q Okay. Let's just focus on a couple of very narrow 327(e)
4 issues. Is the Debtor seeking to retain Foley to act as
5 general bankruptcy counsel?

6 A No.

7 Q And which firm serves as general bankruptcy counsel?

8 A That would be the Pachulski firm.

9 Q Okay. And do you know whether Foley Gardere represented
10 the Debtor's interest in each of the three matters that you've
11 described?

12 A It has been representing the Debtor previously.

13 Q Okay. So let's talk about those three matters. The first
14 one I believe you said was with respect to the representation
15 of the Debtor in connection with an \$8 million claim that it
16 has against Acis; is that right?

17 A That's correct.

18 Q And is that the claim -- is that the subject of a formal
19 proof of claim?

20 A Yes.

21 Q Okay.

22 A It is a claim filed in the Acis case.

23 Q I've placed before you an exhibit binder, and I would ask
24 you to turn first to Exhibit 4.

25 A Okay.

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1 Q And is that one of the proofs of claim that the Debtor has
2 filed against Acis?

3 A It is.

4 Q And you'll see that attached to the proof of claim a few
5 pages in there's a document called the Third Amended and
6 Restated Sub-Advisory Agreement. Do you see that?

7 A Yes.

8 Q Do you know what that document is? Generally?

9 A Well, generally, I know what this document is.

10 Q All right. And what's your general understanding of the
11 document?

12 A This is an advisory agreement that -- the only thing that
13 I know, I can tell you, really, about this agreement is it
14 gives rise to and generates fees that would inure to the
15 benefit of the Debtor.

16 Q Okay. And a few pages past that, you'll see something
17 called a Fourth Amended and Restated Shared Services
18 Agreement. Do you see that?

19 A Yes.

20 Q Is it your understanding that that was another source of
21 revenue that the Debtor generated when it had this agreement
22 in place with Acis?

23 A Yes.

24 Q Okay. Do you have an understanding as to, you know,
25 ballpark, what the annual fees were that the Debtor received

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1 pursuant to these agreements prior to the Acis bankruptcy?

2 A Well, I think, prior to the bankruptcy, it was more, and
3 perhaps significantly more, than it is today. It may have
4 been in the \$12 million range per annum. I think it's less
5 than that today.

6 Q Okay. And can you turn to Exhibit 5, please? Is that
7 another proof of claim that was filed in the bankruptcy case,
8 the Acis bankruptcy case?

9 A Yes. This is a little bit different. This is an
10 application for an administrative expense claim. The prior
11 proof of claim that we looked at related to a pre-petition
12 claim that the Debtor had, then a gap period claim that the
13 Debtor had, and this is post-petition. So this is an
14 administrative claim. It's basically for the same services,
15 but just different time periods.

16 Q Okay. And who was responsible for preparing Exhibits 4,
17 5, and 6?

18 A Ms. O'Neil and the Foley firm.

19 Q Okay. And has the Board reached a conclusion that it's in
20 the Debtor's best interest to retain Foley on a post-petition
21 basis to prosecute these claims?

22 A It has.

23 Q And why -- what's the justification for that? Why did the
24 Board reach that decision?

25 A Well, we believe it's in the best interest of the Debtor.

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1 Obviously, a couple of things there. I realize we may have a
2 very long road ahead of us with respect to these things. But
3 the overall aspirational goal is to have an income stream
4 that's associated with these agreements. The goal is to have
5 an amount of money out there that's available to pay our pre-
6 petition claims, the gap claims, the administrative claims,
7 while at the same time acknowledging that this company has the
8 obligation to satisfy and fulfill Mr. Terry's claim as well.

9 Q All right. Let's just focus for the moment on the three
10 proofs of claim. The aggregate amount is approximately \$8
11 million. Do I have that right?

12 A Yes, that's right.

13 Q And from the Board's perspective, is the -- are those
14 claims an asset of the estate?

15 A They are.

16 Q And does the Board want to retain Foley for the purpose of
17 trying to recover that asset?

18 A It does.

19 Q And has the Board concluded that Foley is familiar with
20 these particular claims?

21 A Foley is familiar with these claims, yes.

22 Q And -- okay. Let's move on, then, to the second task for
23 which the Debtor seeks approval to retain Foley, and that is
24 with respect to the confirmation order. That's one of the
25 tasks, right?

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1 A It is.

2 Q Okay. And this is one of the Fifth Circuit arguments
3 that's scheduled for six weeks from now; is that right?

4 A That's correct.

5 Q Okay. And has Foley represented the Debtor throughout the
6 proceedings that are leading up to this oral argument?

7 A It has.

8 Q And did Foley prepare all of the briefing in connection
9 with the arguments?

10 A It did prepare the briefing. It did that, in some
11 respects, along with Lynn Pinker.

12 Q Okay. Did you personally review the Debtor's briefs that
13 were filed in connection with the appeal?

14 A I have reviewed those.

15 Q Okay. Have you reviewed every single piece of the record
16 on appeal?

17 A I would doubt that I have.

18 Q Okay. Do you have a general understanding of the nature
19 of the appeal? Of -- and this would --

20 A Are we talking now about the confirmation appeal?

21 Q Yes. Just the confirmation. Yeah.

22 Q Well, the appeal has basically two broad elements, and the
23 first is an argument that the plan was not brought in good
24 faith. Section 1129(a)(3). And that goes back to the
25 arbitration issue. Generally speaking, that because -- the

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1 allegation is that because Mr. Terry refused to arbitrate,
2 then the plan was tainted by that lack of good faith. And the
3 second issue, broad issue that's involved in that appeal has
4 to do with, oh, the injunction, the breadth and scope of the
5 injunction, which the Debtor contends is -- was improper.

6 Q And if the Fifth Circuit reverses the underlying decision,
7 has the Board made a determination of the possible benefits
8 that the Debtor may receive?

9 A Well, there's two aspects of that appeal. One would be a
10 narrower decision. I suppose, if it's just related to the
11 injunction, it's -- it's hard to quantify exactly what that
12 would mean.

13 Q Okay.

14 A The bigger issue, of course, has to do with the
15 arbitration. And if the -- theoretically, at least, the
16 arbitration, if the Fifth Circuit agreed on the issue of
17 arbitration, then the argument would be that we would -- that
18 in the arbitra... well, it is true to say that -- well, I
19 think I'm kind of getting ahead of myself here.

20 Q You are, just a bit. Let's just focus on the confirmation
21 appeal. That's been consolidated for oral argument purposes
22 --

23 A It has.

24 Q -- with the appeal of the involuntary; is that right?

25 A That's correct.

1 Q Okay. And just to sum up this piece of it, did Foley
2 represent the Debtor with respect to all of the underlying
3 proceedings?

4 A It did.

5 Q And why does the Board believe it's in the Debtor's best
6 interest to retain Foley to conduct the oral argument and to
7 finish up this proceeding?

8 A Well, first of all, I think the Court would agree with me
9 that Foley is a very competent law firm. It's competent to do
10 the work that they've been charged to do.

11 Second, pretty much all the work on the appeal is already
12 in the can. The only thing that's left to be done at this
13 point in time is to make the oral argument. Obviously, if we
14 didn't go forward with the Foley firm, we'd have to find
15 somebody who could make the argument. So, we would -- but we
16 would lose the benefit of Foley's experience that they have in
17 the case so far.

18 I think there will be a cost element that would be
19 associated with bringing somebody new up to speed with respect
20 to this.

21 So, those, generally speaking, are the benefits that we
22 see.

23 Q Okay. Let's turn then, finally, to the Neutra appeal. Do
24 you have a general understanding of that matter for which the
25 Debtor seeks to retain Foley?

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1 A Yeah. The Neutra appeal, what happened in Neutra is that
2 Neutra, to my understanding, moved to intervene in the
3 involuntary proceeding. I think that intervention was denied.
4 And so that appeal has to do with the fact that Neutra
5 contends that it should have been permitted to intervene, that
6 the matter of collections should have been arbitrated.

7 I think that one of the issues in there is this -- in that
8 appeal is who decides on the issue of arbitrability. Is it
9 this Court, or is it the arbitrators themselves?

10 So, those are the issues that are present in the Neutra
11 appeal.

12 Q Okay. Is the Debtor named a party to the appeal?

13 A The Debtor is not a named party in the Neutra appeal.

14 Q But the Board nevertheless wants to retain Foley on a
15 post-petition basis to prosecute that appeal; is that right?

16 A That's correct.

17 Q And why is that?

18 A Well, I think both -- we recognize and I think the Fifth
19 Circuit recognizes as well that these two things, that these
20 two appeals kind of go hand-in-glove. The 1129(a)(3) argument
21 basically is dependent upon the arbitration issue, which is
22 fleshed out in the Neutra appeal.

23 And so, at the end of the day, the way that the Board sees
24 this is that the Debtor is the most immediate beneficiary of
25 the economic benefit of the Neutra appeal. We see the

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1 possibility of an income stream there. We see the possibility
2 of the ability to pay our claims in the Acis case. And I
3 think -- one of the things I think that is of particular focus
4 when it comes to all of this litigation is the fact that, as I
5 understand it, Mr. Terry started out with an \$8 million claim,
6 and I think he bid \$1 million of that claim for the interest
7 that he got in Acis, which reduced it, say, to \$7 million.
8 And I think Mr. Terry's interest now over time I believe it's
9 been reduced to somewhere between \$4 to \$6 million. So
10 that's, that's a claim.

11 But in this case, Mr. Terry has filed a proof of claim for
12 \$70 million. And my understanding from our visit with Mr.
13 Terry and his counsel is that that claim could get up to \$300
14 million. And so, as a board, we look at that and what we're
15 concerned about is the migration, the alleged migration of a
16 tremendous amount of value from Highland down to Acis. So, at
17 the end of the day, it doesn't really matter who you regard as
18 the ultimate equity owner of Acis, whether it's Mr. Terry or
19 whether it's Mr. Dondero: The migration of that value
20 downstream to Acis is of no real benefit to Highland Capital
21 at all.

22 Q Is this one of the issues that the Board discussed with
23 the Committee last week in connection with this motion?

24 A Yes. It is.

25 Q Okay. And let's just go back to the income stream for a

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1 second. The income stream that the Board is hoping it will
2 get if the decision is reversed, is that income stream derived
3 from the two agreements that we just looked at?

4 A It is.

5 Q So those are the two very agreements that the Board would
6 look to have reinstated if it were to succeed on the appeal;
7 is that right?

8 A Yes.

9 Q Now, does the Board know exactly the form of relief the
10 Fifth Circuit is going to grant?

11 A I have no earthly idea.

12 Q Right? But has the Board made a determination that the
13 outcome of Neutra obtaining control of Acis is one
14 possibility?

15 A It's certainly a possibility.

16 Q And is that the potential benefit that the Board focused
17 on in deciding to pursue this motion?

18 A Yes. I mean, I'm glad to adopt the percentages that Mr.
19 Terry's counsel has mentioned today. I guess if the cost-
20 benefit analysis is that we're going to pay a couple hundred
21 thousand dollars here to get to the end of the road, and the
22 benefit is millions of dollars, well, even if our chances are
23 only ten percent, I think that's a shot worth taking.

24 Q Thank you very much. If the Fifth Circuit reversed,
25 because this is a point that was also made in the Acis

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1 opening, what would happen to Mr. Terry's claim? Or what's
2 your understanding or what's the Board's view as to whether or
3 not it would intend to satisfy Mr. Terry's claim?

4 A I know, speaking on my behalf, that I'd -- the claim that
5 Mr. Terry got through arbitration I regard as a valid claim.
6 I think it's one that would have to be addressed no matter who
7 is in charge of paying the obligations of Neutra.

8 Q Has the Board concluded that it's in the Debtor's best
9 interest to retain Foley for the purpose of prosecuting the
10 Neutra appeal, or at least in issuing the oral argument?

11 A Yes.

12 Q Okay. And when is the argument scheduled for?

13 A March the 30th.

14 Q And is the fact that that's all that's left with respect
15 to this aspect of the engagement a factor that the Board took
16 into account in its decision?

17 A Yes.

18 Q Has the Board reached a decision as to who the real
19 economic party in interest is with respect to the Neutra
20 appeal?

21 A Yes. We believe ultimately that our Debtor would bear the
22 most economic interest in the outcome. And, really, because
23 of the amount of the obligations that are owed, both to Mr.
24 Terry, to Highland Capital, by the time that you have this
25 kind of runoff of all the revenue streams, I'm not really sure

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1 that there would be anything left for either Mr. Dondero or
2 Mr. Okada.

3 Q So, --

4 A That's -- that's a view from 50,000 feet, not even 30,000
5 feet.

6 Q Okay. Well, let's talk about the specific benefits,
7 potential benefits, if it's reversed on appeal. Does the
8 Board believe it's possible that the two contracts get
9 reinstated?

10 A It is possible.

11 Q And is that a motivating factor in supporting this motion?

12 A It is.

13 Q What would happen to the \$8 million claim that the Debtor
14 has against Acis right now in the Acis bankruptcy? Does the
15 Board have a view as to what would happen to that?

16 A It would be our aspiration to collect that claim on behalf
17 of our client, which is Highland Capital Management.

18 Q And would -- is it the Board's expectation that if it was
19 in that position it would get paid hundred-cent dollars,
20 rather than at least a portion of it as a general unsecured
21 claim?

22 A Again, that would be our aspiration.

23 Q Uh-huh. What would happen to the adversary proceeding?
24 Do you have an understanding as to what would happen in the
25 adversary proceeding with respect to Mr. Terry if the Fifth

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1 Circuit reverses and Neutra regains control of Acis?

2 A Well, I'm assuming -- I'm assuming that that adversary
3 proceeding would go away.

4 Q Okay. And would that -- is that a potential benefit to
5 the estate?

6 A That would be a benefit to the estate if it did.

7 Q And do all of the factors that we just discussed go into
8 the cost-benefit analysis that the Board did in deciding to
9 pursue only these three very limited aspects of the
10 engagement?

11 A Yes.

12 Q Okay. Has the Board considered the potential harm to the
13 Debtor if the motion is denied?

14 A We have.

15 Q And have -- can you share with the Court the issues that
16 the Board has identified as potentially being adverse if the
17 motion is denied?

18 A It's really just the other -- the flip side of the coin of
19 benefit, which is added expense, loss of the experience that
20 the Foley firm has, perhaps delay of time in finding somebody
21 else, bringing them up to speed, not just with respect to the
22 two appeals but with respect to the proof of claim. And there
23 may be others that I'm not thinking of right now.

24 Q Did the Board consider the potential loss of the
25 institutional knowledge that Foley has and the potential

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1 adverse impact it would have on the quality of the oral
2 argument?

3 A It did.

4 Q Okay. So, two of the three matters that the Debtor seeks
5 to retain Foley for are appeals to the Fifth Circuit; is that
6 right?

7 A Yes.

8 Q And did those matters originate in this courtroom?

9 A They did.

10 Q And you were colleagues with Judge Jernigan at one time,
11 weren't you?

12 A Yes. We were bench colleagues for twelve years.

13 Q And do you believe Judge Jernigan is a good judge?

14 A I do.

15 Q Do you believe she's a fair judge?

16 A I do.

17 Q Do you believe she tries to get it right every single
18 time?

19 A I know she tries to get it right every time.

20 Q So then why is the Board seeking to prosecute these
21 appeals of Judge Jernigan's decision?

22 A Well, it's in the best interest of our client to do that.
23 And I have not -- I have to say there's always a little bit of
24 discomfort that comes with something like this, but I do know
25 this from my time on the bench, and that is that when you take

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1 the job that Judge Jernigan has, you take it with full
2 understanding of how the system works. And in the system,
3 half the people lose at any one given time. And when you
4 lose, you tend to be disappointed in the result, and the
5 result of that is that you get the right to go to the next
6 court and have someone say that the judge got it wrong.

7 So those of us that take the bench understand that that's
8 the system, and I don't think -- for the most part, we're not
9 threatened by that. And so I, you know, as uncomfortable as
10 this may -- this may put -- a position it may put me in from
11 time to time, I think that -- I think Judge Jernigan
12 understands the roles that we all play in this system. And so
13 --

14 Q Just, okay, just to summarize: If the motion is granted,
15 what's the absolute worst-case scenario here for the Debtor?

16 A I'm sorry. Would you say that again?

17 Q If the motion is granted and the Debtor is allowed to
18 retain Foley for the three tasks which you have described, do
19 you have an understanding as to what -- what's the worst that
20 could happen? They'd have to pay Foley's fees, right?

21 A We'd have to pay -- well, subject to Judge Jernigan's
22 approval, --

23 Q Right.

24 A -- those fees would be paid.

25 Q And subject to everybody's opportunity to object, right?

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1 A Right.

2 Q But if the fees were paid at a hundred percent, nobody
3 objected and Judge Jernigan approved of them, what's the
4 maximum exposure that the Debtor has from this?

5 A I think Foley has about \$311,000, I believe, right now in
6 time. And I think they would probably have about maybe
7 another \$100,000 more. And I know -- I hate to scoff at the
8 notion that \$400,000 is a lot of -- is not a lot of money.
9 But, you know, in the grand scheme of things in this case,
10 it's -- I won't say it's a rounding error, but it's not a lot
11 of money.

12 Q And forget about, I mean, not forget about, but in
13 addition to its relative size to the overall case, how does
14 that compare to the relative economic benefit that the Debtor
15 believes it will recover if the appeal is successful?

16 A Well, I think the cost is -- the cost is less than half a
17 million, and the potential benefits are in the millions.

18 MR. MORRIS: Okay. Just one moment, Your Honor, if I
19 may?

20 THE COURT: Okay.

21 (Pause.)

22 MR. MORRIS: All right. Just a few more questions,
23 Your Honor.

24 THE COURT: Okay.

25 BY MR. MORRIS:

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1 Q Mr. Nelms, did Neutra pay a portion of the fees, Foley's
2 fees prior to the petition date in connection with an April
3 litigation? Do you know?

4 A If they did, I'm not aware of it.

5 Q Okay. Do you know what would happen to the appeal if
6 there was no funding for the appeal?

7 A Well, I think I know what the result of the appellant not
8 showing up for an appellant argument would be.

9 Q And what would that be?

10 A Well, I think that would be a pretty quick resolution.

11 Q Do you think the case would be dismissed, the appeal would
12 be dismissed?

13 A I think so.

14 Q And would that be the loss of a potential material benefit
15 and asset of the Debtor's estate?

16 A It would be.

17 Q Can you think of any way to ensure the appeal is
18 prosecuted today other than making sure the Debtor funds it?

19 A I'll put it this way. I think the most certainty can be
20 added to this case by having the Debtor fund this matter
21 through the end of March.

22 Q And from --

23 A I think that's -- that's -- for the time being, that's the
24 easiest, most simple path.

25 Q And you say for the time being. Has the Board reached an

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1 agreement to never request, from Neutra or anybody else,
2 contributions for the funding of this case?

3 A No. Ultimately, there is going to be at some point in
4 this case a settling of accounts between the Debtor and Mr.
5 Dondero, just as there are -- will be a settling of accounts
6 between the Debtor and other parties in interest. We, as the
7 Board, have just chosen not to have that fight today.

8 Q And why did the Board reach that decision?

9 A Because we just thought it was in the best interest of the
10 Debtor to proceed that way.

11 Q And is that because you need this appeal argued on March
12 30th?

13 A It is.

14 Q And that's because of all of the potential benefits that
15 you've identified; is that right?

16 A Right.

17 Q Okay.

18 MR. MORRIS: I have no further questions, Your Honor.

19 THE COURT: Okay. Cross?

20 MR. LAMBERSON: Yes, Your Honor.

21 CROSS-EXAMINATION

22 BY MR. LAMBERSON:

23 Q Good morning, Mr. Nelms.

24 A Good morning.

25 Q How's it to be on that side of the bench?

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1 A Not so fun.

2 Q It's not great, right?

3 MR. LAMBERSON: And Your Honor, we have an exhibit
4 notebook, which we're not -- we're not going to use all these
5 exhibits. We actually -- you'll notice that there are some
6 empty tabs in here. We downsized the exhibits from the
7 exhibit list, and I'm not going to use all these. So I'll
8 just introduce them as I get to them.

9 THE COURT: Okay.

10 BY MR. LAMBERSON:

11 Q Let me pick up on your last point.

12 MS. CHIARELLO: Your Honor, may we approach? We have
13 binders.

14 THE COURT: You may.

15 BY MR. LAMBERSON:

16 Q So, let me pick up on your last point, Mr. Nelms. So, who
17 -- who owns Neutra?

18 A Well, if you follow the stream all the way up, it is owned
19 75 percent by Mr. Dondero and 25 percent by Mr. Okada.

20 Q Okay. And Mr. Dondero is one of the richest men in
21 Dallas. Correct?

22 A I don't know.

23 Q Presumably? Mr. Okada is also one of the richest men in
24 Dallas?

25 A I don't know. I haven't lived in Dallas in 17 years.

1 Q Okay. Fair enough. But they can't -- they can't pay the
2 litigation costs for their own entity?

3 A Well, I don't know that they -- whether they can or
4 whether they can't.

5 Q Right. So, are you familiar with an entity called
6 Highland CLO Funding?

7 A Vaguely, yeah.

8 Q Okay. And Highland CLO Funding is one of the appellants
9 in the appeal of the confirmation order, correct?

10 A That's correct.

11 Q Okay. And one of the issues on appeal is actually the
12 plan injunction that's embedded in the confirmed plan,
13 correct?

14 A That's correct.

15 Q Right. And is your understanding that that's really
16 Highland CLO Funding's main appeal issue?

17 A I think it probably would be, yes.

18 Q Okay. And is there any reason that Highland CLO Funding
19 can't pay Neutra's legal fees to have -- have another
20 appellant in the Fifth Circuit?

21 A I don't know the answer to that question.

22 Q Okay. So, let me -- let me -- I'm going to try to keep
23 this coordinated, but my notes are a little bit over the
24 place, so I apologize in advance if I move around a little
25 bit.

1 So, you had testified earlier that -- and I'm just trying
2 to synopsise your testimony -- that you -- that the Board
3 believes the primary benefit of paying Neutra's legal expenses
4 related to the order for relief appeal and the confirmation
5 appeal is the income stream that would be evidenced by the
6 sub-advisory agreement, right?

7 A Yes.

8 Q Okay. And I'm -- when I say sub-advisory agreement, I'm
9 talking about this is the attachment to the Debtor's Exhibit
10 4, which is the proof of claim.

11 A Right.

12 Q Right? And so it's your understanding that the way that
13 works is Acis Capital Management, my client, is the portfolio
14 manager for a bundle of CLOs, right?

15 A That's my understanding.

16 Q And that before the Acis bankruptcy, the sub-advisory
17 agreement allowed Highland Capital Management to sub-advise
18 those CLOs for a fee, correct?

19 A That's correct.

20 Q Okay. So, I'm going to focus on the confirmation appeal.
21 So, you understand that the plan injunction prevents the
22 liquidation of the CLOs and the Acis portfolio management
23 agreement?

24 A That is my understanding.

25 Q Okay. And the reason that, frankly, we had to get the

1 plan injunction is because HCLOF three times tried to
2 liquidate, redeem the CLOs, including twice in the bankruptcy
3 case?

4 A I understand that was an issue. But -- I have a general
5 understanding as to what you're saying, but not a specific
6 understanding. But I'm not disagreeing with you.

7 Q Yeah. Okay. And so if the plan goes away, the plan
8 injunction goes away, then is there any reason to think that
9 HCLOF isn't going to liquidate the CLOs?

10 A I would not know.

11 Q And in that case, there's not going to be any cash flow
12 under the portfolio management agreements or the sub-advisory
13 agreements, right?

14 A If you're asking me if that's a possibility, I'd say it's
15 certainly within the realm of possibilities.

16 Q Okay. So, staying on the confirmation appeal, so let's --
17 let's assume that, for whatever reason, the Fifth Circuit
18 decides that the confirmation order needs to be reversed and
19 they send it back down to Judge Jernigan and say, "Try again."
20 Would you agree that that would effectively reactivate the
21 Acis case?

22 A Well, I don't know, because, you know, one of the issues
23 in the appeal is who gets to make the decision with respect to
24 arbitrability. Because I know that it's the Appellants'
25 position that the decision as to whether or not it should be

1 arbitrated, something such as collections, should they go to
2 be decided by the arbitrator, --

3 Q Let me stop you, just to be clear. I'm talking about the
4 confirmation appeal, the appeal of the confirmation order.

5 A Uh-huh.

6 Q Right? Okay. I'm not talking about the order for relief
7 appeal.

8 A I may be conflating the two, so I'm sorry.

9 Q Yeah, yeah, and I -- and it's -- yeah, it's -- but it is
10 confusing. But I'm talking about the confirmation appeal. So
11 the appeal of the Court's confirmation order confirming the --
12 I think was the third amended plan. Okay? So, I'm focusing
13 on that appeal only. If the Fifth Circuit says, "Nope. Try
14 again," then you would agree with me that that effectively
15 reactivates the Acis Chapter 11 case?

16 A Well, I think it depends. If you -- would you like me to
17 explain why I think it depends?

18 Q Yeah. Go ahead. I don't -- because, I mean, honestly,
19 I'm not exactly sure what happened, so I would actually -- I
20 would like your opinion.

21 A Well, given that the first issue in the confirmation
22 appeal is the issue of good faith, and the foundation of that
23 pretty much is the whole arbitration issue, if the Fifth
24 Circuit were to reverse on that basis, then I don't
25 necessarily know that it would go back to the Bankruptcy

1 Court.

2 If it was reversed just on the narrower issue with respect
3 to the injunction, and maybe whether the injunction was too
4 broad or something like that, --

5 Q Uh-huh.

6 A -- and that was the only basis for reversal, I would agree
7 with you it would go back to Bankruptcy Court.

8 Q Okay. So there's some possibility that a result of the
9 confirmation appeal is that the Acis Chapter 11 case is
10 reactivated and we're back in front of Judge Jernigan on that
11 case, too?

12 A That would be a possibility.

13 Q Okay. And then you'd get to talk with Mr. Phelan, right?
14 That would be fun.

15 A Right.

16 Q So, so how much money did Highland Capital spend in the
17 Acis bankruptcy case?

18 A I don't know.

19 Q Was it -- it was millions and millions, right?

20 A I don't know, but I'm -- I'm assuming it exceeded a
21 million.

22 Q Okay. Well, aren't there -- aren't there claims of unpaid
23 fees just in the Top 20 list, which we'll point to here in a
24 minute, in the millions of dollars that relate to the
25 attorneys that represented Highland in the bankruptcy -- in

1 the Acis bankruptcy case?

2 A I don't know.

3 Q Okay. So, why, you know, assuming that a result of the
4 confirmation appeal is that the Acis bankruptcy case is
5 reactivated, how is that in Highland's best interest? And I'm
6 not talking about Neutra, and I'm not talking about HCLOF.
7 I'm talking about Highland.

8 A Well, the -- what would be in our best interest would be
9 to once again control the sub-advisory agreement and to
10 generate revenues for the benefit of this estate. Use those
11 -- that revenue stream both to address any claims that
12 Highland might have, as well as Mr. Terry. That would be the
13 benefit as we see it.

14 Q Right. But by the time of the confirmation order, --

15 A But if your question is, oh, but you're going to be
16 involved in a lot of other litigation and so how does that
17 benefit, then I guess my answer to that is it's a -- my answer
18 is a "Yes, but," and but may exceed the scope of your
19 question, so I won't --

20 Q Okay.

21 A -- I won't give you the but answer unless you want me to
22 do it.

23 Q That's fine. I just -- if we go back, if we go back to
24 where we were before confirmation, I mean, I'm not talking
25 about the order for relief, I'm talking about confirmation,

1 the sub-advisory agreement had been terminated. Highland had
2 been fired and Brigade was managing everything.

3 A Right.

4 Q So, there wouldn't be any cash flow going to Highland
5 based on the -- just the reversal of the confirmation order.

6 A Well, what would have to happen, of course, is that Neutra
7 would have to -- would have to appoint us as -- would have to
8 allow us to come in under the sub-advisory agreement to
9 perform those services.

10 Q Right. Except that there's a trustee, right? Robin
11 Phelan was in charge of everything.

12 A Well, you're assuming there's still a bankruptcy.

13 Q Right. Yeah. Well, I am. I mean, again -- and maybe I'm
14 being simplistic about this, but if the confirmation order is
15 reversed, --

16 THE COURT: Counsel is standing. Do you have an
17 objection?

18 MR. MORRIS: Yeah. I do, Your Honor, to this whole
19 line of hypothetical questions. We do understand, I think
20 everybody understands, that we don't know if the appeal will
21 be granted. I think we do all understand that we don't know
22 what the form of relief, the exact form of relief will be.
23 But the testimony here is that the Board has decided that one
24 possible form of relief is that -- is that Neutra will regain
25 control of Acis and get these contracts reinstated, get the

1 adversary proceeding dismissed, and get paid on its \$8 million
2 claim.

3 If there's questions about that, I think it's relevant,
4 but I don't know why we're spending a lot of time on
5 hypotheticals with a fact witness.

6 THE COURT: But the --

7 MR. MORRIS: Not an expert witness.

8 THE COURT: The business judgment of the Board of the
9 Debtor is at issue here, correct?

10 MR. MORRIS: Correct. Absolutely.

11 THE COURT: Don't these hypotheticals go to, is
12 reasonable business judgment being exercised here?

13 MR. MORRIS: I think he has to lay a foundation and
14 say, Is this -- is this a hypothetical you considered? Is
15 this a hypothetical that you considered? Because we're just
16 -- this is like expert testimony almost. There is no evidence
17 that any of these factors were considered. And at the end of
18 the day, there is no dispute that the scenario that the Board
19 is saying is worth the investment, basically, is also a
20 possibility.

21 THE COURT: Okay. I overrule the objection.

22 MR. LAMBERSON: Okay.

23 THE COURT: You can proceed.

24 MR. LAMBERSON: And Your Honor, I'm just about done.

25 THE COURT: Okay.

1 BY MR. LAMBERSON:

2 Q So, okay. So, we -- but we can agree that -- okay. Let
3 me -- let me hopefully do this. Okay. So, I mean, I think
4 that's fine for the confirmation appeal, so now I want to talk
5 about the order for relief appeal. Right? So this is the
6 appeal of the order for relief or the -- and I stated this
7 earlier to the Court, but the sole substantive issue in that
8 appeal is whether this Court should have compelled the order
9 for relief to arbitration. Is that right?

10 A The sole substantive issue? I think, if you paint with a
11 broad brush, yeah. I would agree with you, yes.

12 Q Okay. Well, and again, I'm not trying to --

13 A I know. So, --

14 Q I'm not trying to trap anybody. The three issues --

15 A And I'm not trying to be evasive, either.

16 Q Yeah.

17 A Yeah.

18 Q Are the standing issue, which, in my mind, isn't really a
19 substantive issue. And then there's the issue about the
20 arbitration of the order for relief. And then, finally, as I
21 mentioned, we've raised a waiver argument that basically, if
22 they had a right to arbitrate, which we think they don't, they
23 waited too long to raise it. Right? Those are the three
24 issues. Correct?

25 A That's correct.

1 Q Okay. So, let me ask you. And I'm not going to -- I'm
2 not going to hold this against you at the Fifth Circuit level,
3 but, I mean, do you -- do you think an order for relief is
4 subject to arbitration?

5 MR. MORRIS: Objection, Your Honor. Calls for a
6 legal conclusion.

7 THE COURT: Overruled.

8 MR. LAMBERSON: Sure it does.

9 THE COURT: Overruled.

10 THE WITNESS: I think the -- I think it's a -- I
11 think there's a colorable argument.

12 BY MR. LAMBERSON:

13 Q Uh-huh.

14 MR. MORRIS: Objection withdrawn.

15 BY MR. LAMBERSON:

16 Q So you don't think *National Gypsum* and *Gandy* would apply
17 to an involuntary petition and order for relief?

18 A Well, I'll put it this way. I guess they'll apply if the
19 Fifth Circuit tells us they do.

20 Q Right.

21 A That's as much as I can tell you.

22 Q Okay. So, so if that ruling is reversed, right, as I
23 mentioned earlier -- and let me ask you, actually, another
24 thing. So, how often, when you were a judge, how often were
25 -- I shouldn't say how often -- how many times were your

1 rulings reversed? Just roughly?

2 A Was I reversed?

3 Q Yeah.

4 A I think six.

5 Q Not very many claims, right?

6 A No.

7 Q So how many times was there a reverse and a render?

8 A I'm sorry. Say again?

9 Q How many times was there a reverse and a render, where
10 nothing came back to you, that basically the higher court just
11 said, It's done?

12 A Well, it was rendered every time except on one occasion,
13 and that --

14 Q Uh-huh.

15 A -- *Stern v. Marshall* had just been decided, and so --
16 gosh, I can't remember the district judge.

17 Q Okay.

18 A One of the judges reversed but sent it back to me to
19 reconsider it under the light of the ruling in *Stern v.*
20 *Marshall*, a jurisdictional issue. So, in all those instances,
21 it was rendered.

22 Q Okay. So there was nothing -- there was no issue that
23 came back to you? The case was just resolved?

24 A No. No issue came back to me.

25 Q Okay.

1 A No, you know what, there was a second one. I think the
2 second one was *In re Mirant. Commerzbank versus -- MCAR v.*
3 *Commerzbank*. That came back as well.

4 Q Right. Okay. So, again, but focusing on the order for
5 relief appeal, one possibility is that the Fifth Circuit says,
6 okay, this may be subject to arbitration, and sends it back to
7 Judge Jernigan to make additional findings, apply a different
8 standard, right? That's possible, right?

9 A That's possible.

10 Q Okay. So, in that case, nothing necessarily came out of
11 the appeal, right? Like you're just basically back in front
12 of her on the same issues?

13 A Well, I -- that may very well be the case, but --

14 Q Okay. Well, let's assume that the Fifth Circuit does
15 reverse and render. Wouldn't -- isn't what they would render
16 would be a -- compelling this case to arbitration? Right?
17 Not that the bankruptcy goes away, disappears. It would
18 basically be, "Should have been arbitrated. Go arbitrate."

19 A It's a good question, what the effect of reversing it
20 would be and sending it back, remanding it. They -- I mean,
21 one of the things that they might decide is to say that the
22 whole issue of arbitration should be decided by an arbitrator.

23 Q Uh-huh.

24 A That's a possibility.

25 Q Right. But in that situation, the bankruptcy doesn't go

1 away. It just moves to a different forum, right?

2 A No, I mean, you're probably right. That, in and of
3 itself, would not eviscerate the bankruptcy filing.

4 Q Uh-huh.

5 A That's true.

6 Q And so, in that situation, the result is -- and this is --
7 that's, frankly, the best situation, is --

8 A But, of course, I mean -- can I go back to that? Just,
9 I'm not sure about that. Because, after all, this was an
10 involuntary petition.

11 Q Uh-huh.

12 A If it was a voluntary petition, then I would certainly
13 agree with you wholeheartedly. Inasmuch as it was an
14 involuntary petition, I'm not sure about the answer to that
15 question.

16 Q Uh-huh. Okay.

17 A That's a good question.

18 Q But you would agree with me that a possible result of even
19 a reversal of the order for relief appeal would just be more
20 litigation?

21 A Yes. That's certainly a possibility.

22 Q Right. In this Court? Maybe in front of an arbitrator?
23 Maybe both?

24 A Yes. That's possible.

25 Q Okay. All right. So, still focusing on the order for

1 relief appeal, but I want to go to this idea that, again,
2 there's this cash flow stream that is going to be reinstated
3 for the benefit of Highland Capital under the sub-advisory
4 agreement. Okay?

5 A Right.

6 Q All right. So, before the Acis bankruptcy was filed,
7 Dondero, and at that time, in control of Highland, were
8 actually in the process of liquidating Acis, weren't they?

9 A Were they in the process of liquidating Acis?

10 Q Uh-huh.

11 A And I take it these are the transfers that were --
12 concerning your client that prompted the filing of the
13 involuntary petition itself?

14 Q Correct.

15 A Is that what you're referring to as the --

16 Q Yes.

17 A -- liquidation?

18 Q Yes.

19 A Well, I certainly know that -- I understand those
20 transfers were taking place. Now, whether you'd call that a
21 liquidation or not, I don't know, but I know what you're
22 referring to --

23 Q Okay.

24 A -- and I think the answer to your --

25 Q So, --

1 A Yeah.

2 Q Yeah. So there were a variety of transfers of assets away
3 from Acis before --

4 A Right.

5 Q -- the Acis bankruptcy filing, right? And, actually, are
6 you aware that there was actually an agreement between
7 Highland CLO Management and Acis to transfer those PMAs to
8 HCLOF Management?

9 A No, I'm not aware of that.

10 Q Okay. And as we talked about earlier, HCLOF repeatedly
11 attempted to redeem the CLOs, even during the Acis bankruptcy,
12 right?

13 A I read about that in Judge Jernigan's opinion, so I'm
14 assuming that's the case.

15 Q Right. Okay. And then -- and, in fact, if HCLOF was
16 successful, that would liquidate the CLOs and it would
17 effectively terminate the Acis portfolio management
18 agreements, right?

19 A I don't know.

20 Q Okay. But if that was the case, if the portfolio
21 management agreements went away or no longer had assets to
22 manage, then the sub-advisory agreement would have no income,
23 right?

24 A If you're asking me if that's something within the realm
25 of possibilities, I suppose so.

1 Q Okay. So, if, because of the appeal, the Acis bankruptcy
2 -- because of the order for relief appeal, if the bankruptcy
3 -- if the Acis bankruptcy just went entire away, just
4 disappeared, right, so Mr. Dondero would be in control of
5 Acis, not you, right?

6 A He would be in control. That's correct.

7 Q Okay. And so if he wanted to terminate the PMAs and enter
8 new PMAs with Dondero Capital Management, you couldn't keep
9 him from doing that, could you?

10 A Well, I -- no, I could not keep him from doing that.

11 Q Okay. Or if he wanted to terminate the sub-advisory
12 agreement and enter into a different agreement, I mean, you
13 couldn't keep him from doing that, either, could you?

14 A No, I couldn't.

15 Q Right. So what makes you think that Highland Capital
16 Management, a debtor that he lost control of, just like Acis,
17 would benefit from Acis's PMAs, when he was actively trying to
18 take Acis's PMAs away from Acis?

19 A Well, I have -- I spoke to Mr. Dondero about this, and he
20 -- I asked him the question, and he said that he would
21 reinstate Highland under the sub-advisory agreement and the
22 shared services agreement.

23 Q Okay. So, on that point, you did mention earlier that, as
24 part of your -- as part of the Board's diligence, you talked
25 with Mrs. O'Neil and you talked to Pachulski. Obviously,

1 you've analyzed the issues. I can tell you're familiar with
2 all these, all of the pleadings. But you also talked with
3 different Highland Capital employees about the litigation and
4 the appeals, correct?

5 A I did.

6 Q Okay. Who did you talk with?

7 A Well, I have to say that the interaction with Highland
8 employees was actually fairly abbreviated.

9 Q Uh-huh.

10 A We spoke very, very briefly about this with Isaac Leventon
11 on the day that we were appointed. I don't know if the Court
12 is aware of this or not, but we spoke about it very briefly,
13 and then he was injured later that night and he really hasn't
14 been back at the office since then. So, --

15 Q Oh.

16 A -- I would say, for the most part, I have relied mainly on
17 Pachulski.

18 Q Okay. But you did indicate you talked to Mr. Dondero as
19 well?

20 A I talked to him about this issue about reinstatement, yes.

21 MR. LAMBERSON: So, Your Honor, I'd like to turn to
22 --

23 THE WITNESS: Oh, you don't have to call me Your
24 Honor.

25 THE COURT: There are two Your Honors.

Nelms - Cross

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1 MR. LAMBERSON: Your Honors. How about that?

2 THE COURT: Okay.

3 THE WITNESS: Yeah, there's only one judge in the
4 court today.

5 BY MR. LAMBERSON:

6 Q Could you turn to Exhibit 16, please? This is Acis's
7 Exhibit 16. I'm sorry. Do you have that, Mr. Nelms?

8 A I do.

9 Q And could you identify Acis Exhibit 16?

10 A Yes. This is Official Form 204 in the current case, the
11 one we're here for today.

12 Q Right. So it's the Top 20 List of Creditors for Highland
13 Capital Management?

14 A Yes, that's correct.

15 Q Okay. And have you seen Exhibit 16 before?

16 A Pardon me?

17 Q Have you seen Exhibit 16 before, the Top 20 List?

18 A No, I have not seen it before.

19 Q Okay.

20 MR. LAMBERSON: Your Honor, we'd ask for the
21 admission of Exhibit 16.

22 THE COURT: Any objection?

23 MR. MORRIS: Just on relevance grounds. Can we at
24 least establish a foundation as to which element of 327(e)
25 this goes to?

005006

Nelms - Cross

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1 THE COURT: Response?

2 MR. LAMBERSON: Well, Your Honor, what I'm going to
3 point out is that the top ten creditors, other than an insider
4 creditor, are all litigation-based, and that the, as I pointed
5 out in my opening, the origin of this case was a bad
6 litigation strategy.

7 MR. MORRIS: No objection to the introduction of this
8 exhibit for that limited purpose.

9 THE COURT: All right. It's admitted.

10 (Acis Capital Management GP, LLC's Exhibit 16 is received
11 into evidence.)

12 BY MR. LAMBERSON:

13 Q All right. So, Mr. Nelms, you said you hadn't seen this
14 before, but I think you'll probably be familiar with the
15 information on it generally. So let's walk through this
16 quickly. So, this is the Top 20 List of Creditors. The first
17 creditor is Redeemer Committee, listed as litigation, do you
18 see that, for about \$190 million?

19 A Yes.

20 Q And that's the arbitration award that precipitated this
21 filing, correct?

22 A It is.

23 Q Okay. So the next claim is Pat Daugherty, litigation
24 claim. It's \$11.7 million. Do you see that?

25 A Yes.

005007

1 Q So, do you know what is Mr. Daugherty's history with
2 Highland Capital? And try to keep it under five minutes.

3 A Yeah. Mr. Daugherty is a former employee. And I know he
4 has some contractual disputes with the company based upon his
5 separation.

6 Q Right. And he's a long-time litigant with Highland
7 Capital, correct?

8 A He is, yes.

9 Q Yes. So the next one is CLO HoldCo. This is about \$11.5
10 million. CLO HoldCo is an insider of the Debtor, correct? If
11 you know.

12 A Is -- is it an insider? I don't know.

13 Q Okay. Well, Grant Scott, the party here, is Mr. Dondero's
14 college roommate. Do you know that?

15 A That's my understanding, yes.

16 Q Okay. So, Creditor #4, McKool Smith, for two point --
17 roughly \$2.1 million. Do you see this? This is for
18 attorneys' fees incurred by Highland Capital, correct?

19 MR. MORRIS: Objection, Your Honor. I still fail to
20 see how this is at all connected to any of the elements of
21 327(e) or the retention of Foley.

22 THE COURT: Okay. I overrule.

23 BY MR. LAMBERSON:

24 Q So, this is -- this -- these are fees incurred by Highland
25 Capital, you know, a variety of venues, right, including this

1 one, state court fights against Mr. Terry, right?

2 A I thought -- McKool Smith, I thought they were involved in
3 the Redeemer litigation, but they may be involved in other
4 litigation as well.

5 Q Okay. Fair enough. And do you know, this claim is
6 disputed by the Debtor, correct?

7 A Yes.

8 Q Okay. And do you know, obviously subject to the stay, but
9 do you know if this claim is being arbitrated or has been sent
10 to arbitration?

11 A No, I don't know any -- no, I don't know.

12 Q Okay. That's fair enough. So, then #5 -- I'll move it
13 along here. Meta Discovery, Meta-e Discovery, they're a
14 litigation vendor, right?

15 A I'm sorry, would you ask your question again?

16 Q Meta-e Discovery, the next creditor. They're a litigation
17 vendor and they provide litigation support services?

18 A I don't know what they do.

19 Q Okay. Fair enough. Foley Gardere. Obviously, that's the
20 law firm you all are seeking to have engaged. DLA Piper.
21 This relates to fees incurred in connection with the Terry
22 arbitration award, correct?

23 A I think so.

24 Q Okay. Reid Collins. These are fees related to the UBS
25 lawsuit, correct?

1 A I don't know.

2 Q Okay. Josh and -- Joshua and Jennifer Terry. This is a
3 litigation claim, right? This is -- this is an IRA claim,
4 right?

5 A It is.

6 Q NWCC. This is also a litigation claim? In other words, a
7 litigant fighting with Highland?

8 A I can only intuit that just because of the fact that it's
9 a law firm.

10 Q Okay. Fair enough. So, out of the Top 20 -- or, out of
11 the Top 10 Creditors, basically, they're all litigants or
12 attorneys paid to fight litigants, with the exception of
13 Dondero's college roommate. Right?

14 A With the exception of what?

15 Q Mr. Dondero's college roommate that has a claim based on
16 some entity.

17 A Yes. They're -- they all have some nexus to litigation.

18 Q Okay. And let me just ask you: If you were able to
19 completely set aside all of Highland Capital's litigation
20 issues, right, just like -- just like the concept of the order
21 for relief appeal makes the Acis bankruptcy go away forever,
22 if you could snap your fingers and make all of Highland's
23 litigation go away forever, would Highland have any financial
24 problems at all?

25 A Well, I don't know that I know the answer to that, but I

1 -- but it's certainly to say that litigation up to this point
2 has been the driving force behind its bankruptcy filing.

3 Q Okay. Fair enough. Okay. So, Mr. Nelms, would you turn
4 -- could you turn to Acis Exhibit 27?

5 A Okay.

6 Q Do you have that?

7 A I do.

8 Q Okay. And can you identify Exhibit 27?

9 A Yes. My understanding is that this was the lawsuit that
10 was filed by the DAF and CLO HoldCo in the Southern District
11 of New York.

12 Q Okay. And so I had mentioned this in my opening, and I
13 believe counsel had asked you about what we call the DAF
14 litigation. Is this the complaint that's the basis of the DAF
15 litigation?

16 A Yeah, that's my understanding. It is.

17 Q Okay. And I think you had testified earlier that the
18 board was actually shown a copy of this complaint, was before
19 it was filed, and --

20 A I wouldn't call it -- I'm sorry, go ahead, ask your
21 question.

22 Q No, no, I -- that's fine.

23 A I wouldn't call it a board presentation. I just remember
24 it being handed to Mr. Dubel and Mr. Dubel looking at it,
25 asking what it was, and saying, Tell them not to do this.

1 Q Okay. Thank you. And -- but it's your understanding that
2 the complaint was filed anyway?

3 A It is my understanding it was filed later.

4 Q Okay. And in fact, this has a file-stamp at the top,
5 which I'm sure you're very familiar with. Correct? Has a
6 PACER file-stamp at the top.

7 A Right.

8 Q Right.

9 MR. LAMBERSON: So, Your Honor, we'd ask for the
10 admission of Exhibit 27.

11 THE COURT: Any objection?

12 MR. MORRIS: No objection.

13 THE COURT: Admitted.

14 (Acis Capital Management GP, LLC's Exhibit 27 is received
15 into evidence.)

16 MR. LAMBERSON: And I'll be relatively quick.

17 BY MR. LAMBERSON:

18 Q I had mentioned in my opening that we -- I should say Acis
19 was concerned that Highland Capital Management had some
20 participation in this, and I probably should have been clearer
21 in saying that Highland Capital Management employees had some
22 participation in Exhibit 27. Has the Board done any
23 investigation as to whether any Highland Capital employees
24 were involved in the preparation of Exhibit 27 or the filing
25 of Exhibit 27?

Nelms - Cross

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1 A No, we have not. At least, let me speak for myself. I
2 haven't done that investigation.

3 Q Uh-huh. And your counsel had mentioned that -- I believe
4 this is correct -- your counsel had mentioned that you all had
5 reached out -- the Board, I should say -- reached out to Grant
6 Scott, who's the -- who's in control of the DAF as well as CLO
7 HoldCo, and, you know, had sort of convinced them that it
8 probably -- to dismiss this lawsuit. Correct?

9 A Yes.

10 Q Okay. And but do you -- as far as you know, it hasn't
11 been dismissed yet?

12 A It hasn't been dismissed. There's some kind of technical
13 things there, and I don't know if you want to go into them or
14 not, but it hasn't been dismissed, but I have a high degree of
15 certainty that this is going to get dismissed.

16 Q Okay. Fair enough. And are you aware that there was
17 already a press release issued related to this lawsuit that
18 was picked up by various CLO publications?

19 A When you say "already," are you talking about a specific
20 time?

21 Q Well, that -- I guess what's I'm getting at is are you
22 aware that the filing of this lawsuit has already resulted in
23 various articles in CLO journals, periodicals?

24 A I'm aware of it having appeared in one publication.

25 Q Okay. And so is it fair to say that the damage is already

005013

Nelms - Cross

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1 done and that, you know, dismissal of these claims probably
2 isn't really all that -- isn't really all that significant
3 when they've already, you know, put it in the press?

4 A I don't know if the damage has already been done or not.

5 Q Okay.

6 MR. LAMBERSON: Give me just a second, Your Honor.

7 THE COURT: Okay.

8 (Pause.)

9 BY MR. LAMBERSON:

10 Q So, there is actually one other -- there is one point.

11 And I told you in advance that I was afraid I might be jumping
12 around a little bit, so I'm going to jump around a little bit.

13 Let me go back to the order for relief appeal. So, this is
14 the appeal of the Court's order for relief that started the
15 Acis bankruptcy.

16 One of the things you testified about related -- on your
17 direct testimony is one of the benefits, one of the potential
18 benefits, understanding we don't know what's going to happen,
19 of the order for relief appeal is that if the -- if that
20 ruling was reversed and the Acis bankruptcy went away, then
21 the adversary would go away, the adversary between Acis
22 Capital Management and Highland Capital Management. Correct?

23 A Well, yes. In my opinion, the adversary opinion -- excuse
24 me, the adversary proceeding would go away. Would a lawsuit
25 under TUFTA be avoided altogether by Mr. Terry?

005014

1 Q Right.

2 A I don't know that it would take that away.

3 Q Okay. And that's -- you actually anticipated my question,

4 --

5 A Uh-huh.

6 Q -- which was: It's fair to say that, even if the
7 adversary went away between Acis and Highland Capital
8 Management, that the -- certain of the claims in the adversary
9 -- for example, the fraudulent transfer claims or derivative
10 claims -- would not necessarily go away because they could be
11 asserted by Mr. Terry as a judgment creditor, correct?

12 A They could, but the consequences of asserting that claim
13 outside of bankruptcy are vastly different than asserting them
14 inside of a bankruptcy case.

15 Q Uh-huh. Right.

16 A At least potentially.

17 Q And just to close the thought here, are you aware that one
18 of Acis's main arguments during the order for relief trial was
19 that we didn't need an involuntary, that Mr. Terry could just
20 go litigate all that stuff in state court?

21 A Yeah, I think so. I think I am aware of that. Yes.

22 Q Okay. So you'd agree with me that, even on your possible
23 day on the order for relief appeal, that doesn't make the --
24 what I'll call the Terry litigation, right, the judgment
25 litigation, go away?

Nelms - Redirect

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1 A No. No. The reversal on appeal would not necessarily
2 make the Terry litigation go away.

3 Q Okay. Thank you.

4 MR. LAMBERSON: That's all I have, Your Honor.

5 THE COURT: All right. Redirect?

6 MR. MORRIS: I just have a few questions, Your Honor.

7 THE COURT: Okay.

8 REDIRECT EXAMINATION

9 BY MR. MORRIS:

10 Q Can you turn to Exhibit 16 in your binder, sir?

11 A Which one?

12 Q I guess it's the Acis exhibits.

13 A The Acis? Okay.

14 Q Yeah. The List of Top 20 Creditors.

15 A Okay.

16 Q You were taken through each and every one of those to make
17 the point that they're largely litigation claims. Is that
18 fair?

19 A Say again, please?

20 Q You were taken through many of those creditors to
21 establish that --

22 A I was.

23 Q -- that the Debtor was involved in a lot of litigation; is
24 that right?

25 A It was.

005016

1 Q Okay. And the Board was appointed on January 9th; is that
2 right?

3 A Yes.

4 Q Did the Board have anything to do with any of the claims
5 that are set forth in Exhibit 16?

6 A No.

7 Q Did the Board authorize the filing of any suits that are
8 related to any of the claims that are set forth in Exhibit 16?

9 A No.

10 Q Did the Board direct the defense of any suits that were
11 commenced against Highland with respect to Exhibit 16?

12 A No.

13 Q Okay. Has the Board been trying to diminish and eliminate
14 litigation where it thought it was in the Debtor's best
15 interests?

16 A It has.

17 Q And is that, for example, why the Board decided not to
18 pursue the Winstead matter?

19 A It is.

20 Q Is that why the Board has used its efforts to try to
21 thwart the DAF litigation?

22 A Yes.

23 Q Does the Debtor control DAF?

24 A The Debtor does not control the DAF.

25 Q Okay. Did the Debtor authorize -- withdrawn. Did the

1 Board authorize the filing of the DAF complaint?

2 A It did not.

3 Q Did the Board know the DAF complaint was going to be
4 filed?

5 A Well, I mean, I know Mr. Dubel was presented with a copy
6 of the complaint. We had noticed that that document existed.
7 But it came as somewhat of a surprise to us when it got filed.

8 Q It came as a surprise to you?

9 A It did.

10 Q Because that's not what was expected after Mr. Dubel said,
11 Don't file it. Right?

12 A Right.

13 Q Okay. You were asked a bunch of questions on cross about
14 different possibilities and results and potential orders from
15 the Fifth Circuit on the assumption that the appeal was
16 granted. Do you remember that?

17 A Yes.

18 Q And some of them were purported to be better or worse for
19 the Debtor. Do you remember that?

20 A Yes.

21 Q If the appeal is not prosecuted, is there any chance that
22 the contracts that the Board has focused on will be
23 reinstated?

24 A No.

25 Q Is it fair to say that if the appeal is not prosecuted the

1 chances of the Debtor recovering the tens of millions of
2 dollars of revenue will be exactly zero?

3 A Well, I don't know that it's exactly zero, but severely
4 diminished.

5 Q Yeah. How about getting paid a hundred-cent dollars on
6 the \$8 million claim that's in the Acis litigation? If the
7 appeal is not prosecuted, is there any chance that the Debtor
8 is likely to recover hundred-cent dollars?

9 A Again, that possibility is severely diminished.

10 Q Uh-huh. How about with respect to terminating the
11 adversary proceeding in the Acis litigation? If the appeal is
12 not prosecuted, is there any possibility of that adversary
13 proceeding just going away and being left with the arbitration
14 that you've described?

15 A Again, a severely diminished possibility.

16 Q You mentioned that the \$8 million fraudulent transfer as
17 part of an arbitration would be very different outside of a
18 bankruptcy case. Do you remember saying that?

19 A I do.

20 Q Can you explain to the Court why you believe it would be
21 different outside of a bankruptcy case?

22 A Well, it actually goes to a case that started in my court.
23 This was the *MCAR v. Commerzbank* case in *In re Mirant*, and the
24 issue in that case, *Mirant*, when it filed its petition in
25 bankruptcy, was insolvent, but by the time that its bankruptcy

1 concluded, Mirant was a solvent entity. And so all of its
2 creditors were paid in full, but the trust that was
3 established in the *Mirant* case brought some fraudulent
4 transfer claims that were predicated on solvency, where these
5 were constructively fraudulent as opposed to actual.

6 And so the question was, if all the creditors had been
7 paid in full, is there standing to bring fraudulent transfer
8 claims that would basically not benefit creditors but would go
9 to equity?

10 I originally -- I ruled that there was no such -- that you
11 couldn't bring such a cause of action, that the satisfaction
12 of claims in full extinguished those claims. And I do recall
13 that one of the interesting things about that case is that a
14 lady named Elizabeth Warren wrote -- or proposed -- she
15 submitted -- they submitted an expert opinion on her behalf,
16 which I wouldn't let them file because I took the position
17 that I was an expert, the expert in the Court.

18 And in any event, it turns out I wasn't the expert. I was
19 reversed by Judge Means on that, who said that it's not
20 limited. It went up to the Fifth Circuit, and the Fifth
21 Circuit ruled the same thing.

22 So my takeaway from all of this is that, in a bankruptcy
23 setting, as opposed to just a state court setting, that the
24 potential recovery on account of fraudulent transfers is much
25 broader, much more unlimited than it would be in the context

1 of a state court lawsuit.

2 So, now, there may be things that would distinguish that,
3 but that's something to be -- that's something to be troubled
4 about if you're a director of this company.

5 Q And are these the types of things that, without, you know,
6 just divulging privileged communications, are these the type
7 of experiences and perspectives that you've shared with the
8 other board members in the context of considering the various
9 motions, the various matters for which Foley's retention is
10 sought?

11 A Yes.

12 Q Okay.

13 MR. MORRIS: Just one second, Your Honor.

14 THE COURT: Okay.

15 (Pause.)

16 MR. MORRIS: Nothing further, Your Honor.

17 THE COURT: All right. Any recross on that redirect?

18 MR. LAMBERSON: No, Your Honor.

19 THE COURT: All right. Thank you, Mr. Nelms.

20 (The witness steps down.)

21 THE COURT: Any other evidence from Highland?

22 MR. MORRIS: Your Honor, we have had admitted our
23 exhibits. Among those exhibits are two declarations from Ms.
24 O'Neil, and so she's available in the courtroom today if
25 anybody wants to cross-examine on those issues.

O'Neil - Cross

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1 THE COURT: All right. Well, I will accept those
2 declarations as direct evidence. Any desire to cross-examine
3 Ms. O'Neil?

4 MS. PATEL: Yes, Your Honor.

5 THE COURT: All right. Ms. O'Neil, we'll go ahead
6 and swear you in on this today.

7 HOLLAND O'NEIL, DEBTOR'S WITNESS, SWORN

8 THE COURT: All right. Please be seated.

9 CROSS-EXAMINATION

10 BY MS. PATEL:

11 Q Good afternoon, Ms. O'Neil.

12 A Good afternoon.

13 Q Ms. O'Neil, do you concurrently represent both Highland
14 Capital Management and Neutra, which is a Cayman entity,
15 correct?

16 A Yes.

17 Q Okay. There are other entities that you either represent
18 or have represented that are kind of affiliated or within the
19 Highland umbrella; is that correct?

20 A Yes.

21 Q Okay. And that includes, for example, CLO HoldCo was one
22 such representation. Isn't that right?

23 A Previous. Previously.

24 Q Okay.

25 A Not currently.

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1 Q Okay. So, and I believe you say that in your declaration,
2 right, that you didn't -- that you no longer represent CLO
3 HoldCo?

4 A Correct.

5 Q Okay. And when did that representation cease?

6 A It was -- it was very brief. I came into the case after
7 the involuntary -- after the orders for relief were entered.
8 And at that time, there had been the motion to intervene that
9 included that entity, and it was determined to proceed with an
10 appeal on that motion to intervene, or the denial of the
11 motion to intervene, as well as the orders for relief.
12 Actually, there was a compendium of orders that were appealed
13 all at the same time.

14 And so, because that entity had also filed a motion to
15 intervene, we had included that in the appeal. And at that
16 time I was retained, but then by the time we kind of analyzed
17 the issues, determined it was not necessary to proceed with
18 that appeal, then I no longer represented that entity and
19 disengaged.

20 Q Okay. But CLO -- to be clear, CLO HoldCo was actually an
21 appellant for the order for relief appeal that we've been
22 talking about today, correct?

23 A Initially, yes.

24 Q Okay. And it still remains an appellant; it just didn't
25 file a brief in the involuntary appeal. Isn't that right?

1 A It has not filed any brief. And I would have to look at
2 the record if it even filed a notice to the Fifth Circuit. It
3 did -- was included in the notice to the District Court. I
4 just honestly can't recall if it was included in the -- in any
5 notice to the Fifth Circuit.

6 Q Okay. And did you ever withdraw from your representation
7 of CLO HoldCo in the District Court appeal?

8 A What do you mean, withdraw?

9 Q Well, I mean, you entered an appearance.

10 A You mean file a notice with the -- with the Court?

11 Q Right.

12 A I can't recall.

13 Q Okay. Ms. O'Neil, with respect to Neutra, you understand
14 and you've heard testimony, and I believe it's in the
15 declarations in support of the retention papers for Foley, and
16 if you need to look at that I can direct you to the exhibit
17 book, but it's -- is it your understanding that ultimately
18 Neutra is owned 75 percent by Mr. Dondero and 25 percent by
19 Mr. Okada?

20 A Yes.

21 Q Okay. And Ms. O'Neil, in connection with your
22 representation of Neutra, who are the human beings that you
23 interact with? Who directs your services?

24 A At -- currently? Are you --

25 Q Just on behalf of Neutra.

1 A Predominantly, I get direction from Highland's in-house
2 counsel.

3 Q Okay. And who would that be? Who are the people?

4 A The people are Mr. J.P. Sevilla, Mr. Isaac Leventon, Ms.
5 Stephanie Vitiello. Those are the primary individuals that
6 direct vis-à-vis Neutra.

7 Q Okay. Have you ever spoke with Mr. Dondero regarding your
8 representation of Neutra?

9 A Yes.

10 Q Okay. And when was that? When was the last time?

11 A It has -- it's been a while. Certainly, it hasn't been
12 since this bankruptcy was commenced. I think the last time I
13 recall discussing that specifically is when we were together
14 at the mediation during the course of the bankruptcy. And I'd
15 have to look at my calendar. I can't recall exactly when that
16 was.

17 Q Okay. And what about Mr. Okada? Have you -- when was the
18 last time you spoke with Mr. Okada?

19 A I have never spoken with Mr. Okada.

20 Q During the course of your entire representation of Neutra,
21 you've never spoken with Mr. Okada?

22 A That is correct.

23 Q Okay. And under -- do you have an understanding of under
24 what authority Mr. Sevilla or Mr. Leventon or Ms. Vitiello
25 would have to direct your legal services on behalf of Neutra?

1 A Generally, yes, through the direction from the owners of
2 Neutra.

3 Q Okay. That would be Mr. Dondero and Mr. Okada?

4 A Correct.

5 Q Okay. And it's your understanding, then, that Mr. Dondero
6 and Mr. Okada have directed Highland's legal department to
7 direct your services?

8 A Yes. Previously, yes.

9 Q Okay. Do you have -- is there a contract between Neutra
10 and Highland, or --

11 A I don't know.

12 Q Okay. Did you ever ask if there was one?

13 A No, I did not.

14 Q Okay. In connection with your representation of Neutra,
15 do you bill separately for the Neutra representation?

16 A Since the bankruptcy was -- since the Highland bankruptcy
17 was commenced, we set up a separate task code to track the
18 fees being incurred on the Neutra appeal. Prior to the
19 bankruptcy, we did not have a reason to do that.

20 Q Okay. So let's talk about prior to the bankruptcy. I
21 believe in your declaration it was disclosed that there were
22 approximately \$2.1 million in billings relating to your
23 representation of Highland, Neutra, and certain of the
24 Highland Cayman entities: Highland CLO Management, Highland
25 CLO Holdings, and HCF Advisor, amongst others. Right?

1 A That sounds about right. I might want to look at the
2 declaration just to confirm on the number, but that sounds
3 about right.

4 Q Okay. Well, your declaration can be found under Tab 10.

5 A Okay. (Pause.) And are you referring to Paragraph 16?

6 Q Well, if you look at Page -- at the bottom, you'll see
7 that there's page numbers, and it says Page 15 of 48. And
8 this would be your declaration.

9 A Oh, thank you. I was looking at the --

10 Q Uh-huh. Paragraph 3.

11 A -- at the application, that's all. Correct. Yes. Thank
12 you.

13 Q Firm-earned fees of two point -- roughly \$2.15 million,
14 almost, correct?

15 A Yes.

16 Q Okay. And there's about \$1.4 million of that that was
17 unpaid from the pre-petition period, correct?

18 A Correct.

19 Q Okay. And is it your testimony that, of the \$2.15 million
20 in fees, that there was no apportionment between Highland,
21 Neutra, and the Cayman defendants?

22 A Correct.

23 Q Okay. So, --

24 A Not -- not in my account -- not through my accounting
25 processes. Obviously, the time entries, you could parse them

1 out, if need be.

2 Q Okay. But you didn't keep your time necessarily that way,
3 where they were already apportioned and parsed?

4 A Not under separate task codes, --

5 Q Okay.

6 A -- as we have done post-bankruptcy.

7 Q So, in connection with the billings that would have
8 represented that \$2.15 million, were those bills submitted to
9 Highland, to Neutra, to the Cayman defendants?

10 A They are submitted through an e-billing process that it
11 goes through a Highland portal and -- in the aggregate. So
12 they're submitted through that portal.

13 Q Okay. But the portal goes to Highland, correct?

14 A I do not know. I honestly -- our e-billing department
15 handles it and I just know it goes through e-billing, an e-
16 billing portal, and I don't know exactly. I'm assuming
17 obviously it goes to Highland. They certainly get copies of
18 it.

19 Q Okay. Did you or Foley ever submit a bill to Neutra?

20 A I mean, my understanding is that, going through the
21 portal, we would go to the various parties that are affiliated
22 with Highland.

23 Q Okay. But you've never directly sent a bill to Neutra for
24 your representation of Neutra?

25 A As I said, it goes through e-billing, so that could be

1 interpreted to go directly to them if it goes through an e-
2 billing process.

3 Q Okay. But I'm asking, have you ever --

4 A I'm -- maybe I'm being hyper-technical, but I'm just --

5 Q Right.

6 A It's being submitted through --

7 Q I understand, but I just -- here's where I want to just
8 direct us, is: Have you ever addressed a bill to Neutra, Ltd.
9 care of either Mr. Dondero, Mr. Okada, or its formal business
10 address?

11 A As I indicated, post-petition, we have been segregating
12 them under a different task code and indicating it's Neutra.
13 Pre-petition, it was all under the same invoice.

14 Q That was submitted to Highland only?

15 A Submitted through the e-billing process.

16 Q To Highland only, right?

17 MR. LAMBERSON: Objection to the form of the
18 question. This has been asked about four times. The witness
19 is very clear.

20 THE COURT: Overruled. I think she's trying to get
21 an exact answer to her question, and she feels like she's not
22 getting it. So, overruled.

23 THE WITNESS: Okay. Then I apologize, Your Honor.
24 I'm not -- I just don't know technically, once it goes through
25 the e-billing, how it's distributed on the other side. I

O'Neil - Cross

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1 just, I honestly --

2 THE COURT: I think the question is, to whom was the
3 invoice directed?

4 THE WITNESS: In terms of the -- not where it was
5 sent, but who it's directed to?

6 BY MS. PATEL:

7 Q Yes.

8 A It would have -- I believe it has the entities on it. It
9 definitely has Highland on it for sure.

10 Q Okay. Does it have Neutra on it?

11 A Neutra is subject to the engagement letter, so it would be
12 applicable to -- if our accounting department didn't
13 technically put Neutra on it, that is not necessarily at any
14 moment being -- as the engagement letter is -- was with all
15 those parties. So I would have to look at the invoice, if it
16 has all of the clients listed on there. I honestly -- I just
17 can't remember right now.

18 Q Okay. Well, --

19 A We do have some post-petition invoices, and you'll see
20 where they're segregated with Neutra.

21 Q You raise an interesting point. If Highland and Neutra
22 and the other entities are all part of the engagement letter,
23 is Neutra also liable for all of Highland's legal fees?

24 A I don't know the answer to that.

25 Q Okay. Is it your position that because Highland, Neutra,

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1 and the Cayman defendants are all part of the engagement
2 letter, that Highland is responsible for Neutra's legal fees?

3 A From my firm's standpoint?

4 Q Yes.

5 A I think the, you know, our perspective is that they were
6 -- we were primarily working for Highland, so the beneficial
7 work, and as I think the Court knows, most of the work here
8 was on behalf of Highland Capital Management. And it's in our
9 engagement letter to that effect, effectively.

10 Q Sitting here today, Ms. O'Neil, post-petition, who's
11 calling the legal shots for purposes of Neutra?

12 A The -- well, where we have been is the process with the
13 Fifth Circuit. The Fifth Circuit schedule was already set
14 pre-petition, and we have just been complying with the pre-
15 petition -- or, rather, that schedule, which has rolled post-
16 petition. And so our direction pre-petition has just
17 continued in terms of proceeding with the briefing. And so,
18 again, going back to who it was pre-petition, it's the same
19 legal team giving instructions on behalf of Neutra.

20 Q Okay. And if the question were to be posed, for example,
21 whether the Neutra involuntary or the order for relief appeal
22 should be dismissed, for example, who would call the legal
23 shots on that? Who would make the decision on that?

24 A To dismiss the appeal?

25 Q Yeah.

1 A Not proceed with it up to this point? Despite where we
2 are at this point, to just -- to just drop it?

3 Q Yes.

4 A It would be the owners of Neutra.

5 Q So that would be Mr. Dondero and Mr. Okada, right?

6 A Yes.

7 Q Okay. You -- Ms. O'Neil, were you in the courtroom when
8 Mr. Demo or -- and Mr. Nelms -- when Mr. Demo made the opening
9 statement and then when Mr. Nelms was testifying?

10 A Yes.

11 Q Okay. And you heard, again, the opening statement and
12 then the testimony regarding the benefit to Highland of
13 Highland paying for Neutra's legal fees in connection with the
14 appeals, correct?

15 A I did hear that, yes.

16 Q Okay. All right. And can you, in your words, then,
17 articulate, from your perspective as legal counsel to both
18 entities, what the benefit is to Highland in this bankruptcy
19 for Foley's representation of Neutra and Highland paying the
20 bill for it?

21 A I just want to make sure I'm not, you know, getting onto
22 attorney-client privileged discussions in terms of the
23 benefit. I think I would agree with what has been stated in
24 court today.

25 Q Okay. So, so, and just to kind of recap that, if I

1 understand it, it's that if Neutra is successful in its appeal
2 of the involuntary orders for relief and also its appeal of
3 the confirmation order, then everything goes back and Highland
4 gets this revenue stream, correct, of about \$12 million, plus
5 it gets paid on an \$8 million, approximately, purported claim.
6 Right?

7 A That the -- the agreements would be reinstated, which
8 would then yield approximately that type of revenue stream as
9 -- pursuant to the sub-advisor and sub-management agreements
10 that were in place.

11 Q Okay. And one of the entities -- and I know that the
12 retention application doesn't actually go to, anymore, Foley's
13 representation of the Cayman entities, but -- that's kind of
14 been put to the side. But you do -- and you do represent
15 Highland CLO Management, correct, which is a Cayman entity?

16 A Correct.

17 Q All right. And it's one of the defendants in the Acis
18 adversary proceeding, right?

19 A And that is the only engagement that we have for that
20 party, is in conjunction with that adversary proceeding, which
21 is stayed. So nothing is going on with that right now.

22 Q Well, I understand that, but you --

23 A Okay.

24 Q My question was, you represent Highland CLO Management,
25 correct?

1 A In that adversary proceeding.

2 Q Okay. So -- but you also represent it in connection with
3 -- in -- generally with the bankruptcy as well, Acis's
4 bankruptcy?

5 A There was no involvement until the adversary proceeding,
6 until they were sued in the adversary proceeding.

7 Q Okay. And in the adversary proceeding, Highland CLO
8 Management was sued for a few things, correct?

9 A In the adversary proceeding?

10 Q Yes.

11 A Yes.

12 Q Okay. Highland CLO Management, for example, received a
13 \$9.5 million note that Acis was previously the holder of and
14 that was transferred after Mr. Terry's judgment, correct?

15 A Are you asking if that was an allegation in the adversary
16 proceeding?

17 Q Sure.

18 A I --

19 Q Right.

20 A That sounds right. That's been stayed, and I would have
21 to defer to the -- obviously, the second amended complaint and
22 the allegations therein. So, --

23 Q Okay. And are you aware that your client, Highland CLO
24 Management, was also sued because it was to receive the
25 portfolio management agreements under which Acis represents --

1 or, I'm sorry, manages the Acis CLOs?

2 A That was -- that sounds like one of the allegations from
3 that point in time.

4 Q Okay. So I guess let me -- let me ask you a slightly
5 different way. Are you aware that there was a pre-petition
6 agreement that was entered into and signed by Mr. Dondero that
7 transferred the PMAs from Acis to Highland CLO Management?

8 A I cannot recall the -- all the evidence at the -- in
9 conjunction with that at this time, but if that's one of your
10 representations. I wasn't representing any of the parties at
11 that time, but I do recall that there may have been some
12 evidence presented in that regard. But I would have to look.
13 It's been a long time. And that record is hundreds of
14 thousands of pages. I would need to check back on that.

15 Q Okay. But if there were such an agreement, for example,
16 that transferred the portfolio management agreements from Acis
17 to another entity, a Cayman entity, can you agree with me,
18 then, that Mr. Dondero's ownership interest in Neutra would
19 really be of no import anymore because there wouldn't be a \$12
20 million revenue stream anymore, would there, if Acis wasn't
21 the portfolio manager of the Acis CLOs?

22 A I don't agree with the premi... at the end, when you said,
23 if Acis isn't the CLO manager, then there would be no revenue
24 stream from the CLOs if it's not reinstated as the -- as the
25 manager.

1 Q Okay. So you agree that if Acis isn't the portfolio
2 manager of the Acis CLOs, there's no \$12 million revenue
3 stream potential to Highland by virtue of Highland coming back
4 in as the sub-advisor and shared services provider, right?

5 A Okay. Now, the -- no, I don't know that that's
6 necessarily the case.

7 Q Well, why not?

8 A It could be appointed to be the sub-advisor, sub-manager
9 for -- through a different entity.

10 Q Okay. So it would basically be -- but, again, going back,
11 it would be through a different entity. Again, Mr. Dondero's
12 ownership of Neutra would be of no import then, right?

13 A Perhaps I'm not understanding your question.

14 Q Well, --

15 A I -- it's a hypothetical, and I --

16 Q If Acis -- if Acis didn't have these portfolio management
17 agreements, it doesn't matter if Mr. Dondero wins the Neutra
18 appeal or not, right? Because he wouldn't have control of the
19 Acis entity within which to redirect, through Acis, the sub-
20 advisory and the shared services agreements, correct?

21 A He could direct it through another entity, as I think it's
22 been well-discussed that Highland had -- Highland had the
23 personnel to manage the CLOs. In fact, Mr. Terry was a
24 Highland employee when he managed the CLOs. So he could
25 certainly direct that management through another entity, even

1 if it wasn't Acis. But vis-à-vis Neutra, Neutra would be --
2 well, before the confirmation of the plan, Neutra owned Acis.
3 So, vis-à-vis through Neutra, I believe your statement would
4 be correct.

5 Q Okay. Ms. O'Neil, also as sort of a participant during
6 the Acis bankruptcy cases --

7 MS. PATEL: And Your Honor, I know you're intimately
8 familiar with all of these.

9 BY MS. PATEL:

10 Q But Ms. O'Neil, do you recall the multiple attempts during
11 the bankruptcy case to effectuate what was called an optional
12 redemption, which sought to liquidate the Acis CLOs?

13 A By HCLOF, I believe there were two instances, yes.

14 Q Okay. HCLOF executed those optional redemptions, correct?
15 Mr. Bill Scott, one of the independent directors? Is that
16 right?

17 A I believe the evidence was presented before the Court --

18 Q Okay.

19 A -- in that regard.

20 Q And during the course of the -- all of those proceedings
21 with the optional redemptions, Highland was the ultimate
22 advisor to HCLOF, was it not?

23 A I'm not sure I understand what you mean by the ultimate
24 advisor.

25 Q Well, the technical contractual advisor was an entity by

1 the name of Highland HCF Advisor, right? Is the portfolio
2 manager for Highland CLO Funding?

3 A It has been a while since I looked at that org chart or
4 those issues, so I do not recall off the top of my head.

5 Q Okay. Well, you said that you interacted, for example,
6 with Neutra -- on your Neutra issues with JP Sevilla, Mr.
7 Leventon, and Stephanie Vitiello, correct?

8 A Yes.

9 Q Okay. Wasn't it really, from a legal perspective, at
10 least, Mr. Sevilla, Mr. Leventon, who were all advising
11 Highland CLO Funding as well?

12 A I don't know the answer. You'd have to inquire of them.

13 Q So, is it your testimony, then, that Highland had nothing
14 to do with the optional redemption notices that were issued
15 during the course of the Acis bankruptcy cases?

16 A I'm not sure that I understand the relevance of that as to
17 whether Highland had any -- had nothing to do with it. I
18 think they were certainly involved and were aware. But they
19 weren't the -- independently making those determinations.

20 Q Okay.

21 A As you know, Ms. Patel, there were directors that were
22 involved. They testified before this Court. There -- HCLOF
23 was represented by counsel as well. King & Spalding. So
24 there were multiple parties involved.

25 Q Okay. So is it, again, your testimony that Highland had

1 nothing to do with the optional redemption notices that were
2 issued during the Acis bankruptcy case?

3 MR. MORRIS: Objection, Your Honor. It may be me,
4 but I don't understand what this has to do with the Foley
5 retention application.

6 THE COURT: Okay. We do seem like we're getting a
7 little far afield. What's your response to that?

8 MS. PATEL: Your Honor, the contention has been made
9 that if these bankruptcy appeals are somehow granted or in the
10 District Court and this Court are reversed, --

11 THE COURT: Uh-huh.

12 MS. PATEL: -- that these cases are going to come
13 back and that suddenly, magically, there's going to be a \$12
14 million revenue stream flowing out of Acis back into Highland,
15 and they're going to be able to collect on an \$8 million
16 objected-to claim.

17 I'm just trying to get to how likely is that really to
18 happen. I mean, given the course -- and again, I know Your
19 Honor was a viewer of all of this -- of the multiple attempts
20 to try to liquidate these assets, --

21 THE COURT: Okay. I'll allow the question, but it'll
22 be the end of the line of questioning. Okay?

23 MS. PATEL: Understood. And Your Honor, just
24 additionally, it's -- that's part of the appeal that Foley is
25 handling on the confirmation appeal. As Mr. Nelms said, it's

1 also based on the plan injunction.

2 THE COURT: All right. She can answer the question,
3 but then we move on to another area.

4 MS. PATEL: Okay.

5 BY MS. PATEL:

6 Q So is it your testimony, Ms. O'Neil, that Highland had
7 absolutely nothing to do with the optional redemptions --

8 A I did not --

9 Q -- during the bankruptcy case?

10 A That is not what I said.

11 Q Okay. So, -- and I get it. Highland CLO Funding is a
12 different entity, and the Bankruptcy Court made findings with
13 respect to the fact that it is controlled in every way by
14 Highland. Do you recall that finding?

15 A Preliminary findings in conjunction with determining
16 whether there was a likelihood of success on the merits. I do
17 recall that --

18 Q Okay.

19 A -- those conclusions by the Court.

20 Q As a part of the bench memorandum in support of the
21 confirmation order, correct?

22 A Yes.

23 Q Okay.

24 A Actually, I will -- I will -- I'll correct that. I'll let
25 that -- the Court's order speak for itself. You may have said

1 a few things that were more or less than what the Court's
2 order said, so I'd just defer to what the Court's order said.

3 Q Okay. Well, part of the representation for Foley here is
4 to represent Highland and Neutra in connection with the
5 confirmation appeal, correct?

6 A Yes.

7 Q And part of that confirmation appeal is also -- one of the
8 grounds there is that you're appealing the plan injunction,
9 which the plan injunction is what stops the CLOs from being
10 redeemed, correct?

11 A Correct.

12 Q Okay. So, how is Highland damaged by the plan injunction?

13 A I think it's fairly obvi... again, I want to not tread too
14 much on attorney-client privilege. But, obviously, I have yet
15 to have a client over my 30-plus years of practicing law that
16 likes to be subject to any kind of injunction. It limits --
17 that injunction is more than just on the -- it's a very broad
18 injunction. So I'd like -- if I had the injunction in front
19 of me, there's -- there's lots of restrictions under that
20 injunction, and that is prejudicial to Highland to be able to
21 act freely.

22 Q Able to act freely to liquidate CLOs?

23 A Among other things, as it may do in the ordinary course of
24 business, in its opinion, that may be beneficial to his
25 clients.

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1 Q Okay. Now, Ms. O'Neil, --

2 A If I may, may I add one more thing?

3 THE COURT: You may.

4 THE WITNESS: Okay. Highland, at least in that role,
5 could not liquidate CLOs. So I think that was an improper
6 statement. Or suggestion.

7 BY MS. PATEL:

8 Q Okay. Well, then, what specific actions that Highland
9 would like to take is it being damaged by the injunction?

10 A I would need to look at the -- the injunction is very,
11 very broad. So, anything that it can't do freely that is
12 covered by the injunction is obviously a detriment to
13 Highland.

14 Q Okay. Now, Ms. O'Neil, if you would turn to Tab 31 in the
15 book, --

16 A All right.

17 Q -- please. And I will ask you, this is the declaration of
18 Bradley Sharp that was in support of the order authorizing the
19 retention of Foley Gardere. Have you had an opportunity to
20 review this?

21 A Yes.

22 Q Any dispute with any of the statements in here?

23 A I don't recall having a -- I don't -- I think it was
24 accurate, but --

25 Q Okay. Well, when you read it, did you have any disputes

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1 with the statements that were in here?

2 A I did not see it before it was filed, so -- but having
3 read it after it was filed, I don't recall having any disputes
4 with anything that was in it.

5 Q Okay. And I'll turn you specifically to Paragraph 13,
6 which is found on Page 4 of 5.

7 A Okay.

8 Q And I'll -- well, let's look at this together. (reading)
9 Prior to the petition date, the majority of Foley's and Lynn
10 Pinker's fees and expenses were paid by a non-debtor entity,
11 Highland CLO Funding Limited.

12 Do you see that?

13 A Yes.

14 Q Okay. And were Foley's bills sent to Highland CLO
15 Funding?

16 A Yes.

17 Q Okay. And is -- were those bills separate and apart from
18 the \$2.15 million that we talked about earlier that were
19 remitted through the Highland e-billing system?

20 A Separate, yes.

21 Q Okay. About how much in fees has Highland CLO Funding
22 paid to Foley to date?

23 A Nothing post-petition. Prior -- I mean, during -- from
24 the inception of the representation of Highland, probably
25 approximately -- over a million dollars, for sure.

1 Q Over \$2 million?

2 A I do not believe it is over \$2 million. It's somewhere
3 between \$1 and \$2 million.

4 Q Okay. And those separate matters that were billed to
5 Highland CLO Funding, how did those differ from what was
6 billed to Highland or to Neutra or to the Cayman defendants?

7 A If it was a matter that was clearly of some benefit to
8 HCLOF, it was billed directly. Otherwise, there was an
9 allocation billing for just the general work. And that was
10 primarily through an indemnity agreement, as I understood it,
11 between Highland and HCLOF.

12 Q Okay. And who did the allocation between Highland and
13 Highland CLO Funding?

14 A I was instructed as to what the allocation should be or
15 asked what I thought the allocation should be on any given
16 time, and I believe it was the -- it was discussed with the
17 board of HCLOF as to the allocation.

18 Q Okay. And who were you directed as to the categories of
19 allocation by that you just referenced?

20 A You mean in terms of a person?

21 Q Yes.

22 A I most frequently discussed this with Mr. Sevilla, but
23 also had conversations with Mr. Maloney, with King & Spalding,
24 who was representing HCLOF, and occasionally would have direct
25 conversations with Mr. Maloney and Mr. Scott and Ms. Bestwick,

1 who were the two independent directors of HCLOF.

2 Q Okay. And what types of work generally either were
3 allocated or apportioned or billed in full to Highland CLO
4 Funding. What was the benefit there?

5 A The work was -- the work that was going on in the
6 bankruptcy case.

7 Q Okay. But I -- I understand that it was work in the
8 bankruptcy case because that's where Foley represented
9 Highland and various other entities, but I'm asking you
10 specifically: What types of categories, and I don't -- you
11 don't have to go task by task -- but categories of work that
12 you performed for Highland or Neutra or for the Highland
13 Cayman defendants that benefited and were billed to Highland
14 CLO Funding?

15 MR. MORRIS: Your Honor, I'm going to again assert a
16 relevance objection to any of this post-petition stuff. This
17 is an application to retain Foley on a post-petition basis
18 for the benefits to this estate, not with respect to what
19 happened on a pre-petition basis.

20 THE COURT: Your response?

21 MS. PATEL: Your Honor, there's been much discussion
22 about what -- whether Neutra should have to pay this bill or
23 whether it should not have to pay its own way here. This is
24 -- this is, in my mind, a bit of an extraordinary application
25 in that we're asking a debtor entity to pay for non-debtor

1 representation.

2 I want to inquire as to sort of this jumbled mix of work
3 that's been performed. There's -- clearly, Ms. O'Neil said
4 she hasn't been paid by HCLOF post-petition, but I think we
5 need to separate out all of these representations, who's
6 controlling what, and how -- how these bills really should be
7 paid.

8 THE COURT: How the allocation has worked --

9 MS. PATEL: Yes.

10 THE COURT: -- thus far?

11 MS. PATEL: Yes, Your Honor.

12 THE COURT: I overrule the relevance objection, but
13 let me tell you a pickle we're getting into timewise. I have
14 a confirmation hearing starting at 1:30. And we've gone three
15 hours on this without a bathroom break. How much longer do
16 you think you're going to need? Because we might have to stop
17 and come back at 2:30 if you're going to need much longer.

18 MS. PATEL: Your Honor, I would say give me ten
19 minutes and I can wrap it up.

20 THE COURT: Okay. Ten minutes.

21 MS. PATEL: Okay.

22 THE WITNESS: I'm sorry. What was the question? I
23 apologize.

24 BY MS. PATEL:

25 Q I'm trying to remember it myself, Ms. O'Neil. The

1 question was, what specifically -- what -- and I don't -- you
2 don't have to go task by task. But categorically, what was
3 the work that was performed that you would have billed
4 directly to HCLOF?

5 A Prior to King & Spalding's involvement, you may recall
6 that we were representing HCLOF as well. So there was direct
7 bill for the work during the bankruptcy by Foley Gardere for
8 specific work for HCLOF.

9 The -- the -- pursuant to the indemnification, as I
10 understood it, although I never read the indemnification
11 personally, that there would be an allocation between Highland
12 to HCLOF for that, for work that they performed that was of
13 benefit to HCLOF or its equity interest in the CLOs.

14 And so I was more directed as to what that allocation
15 should be vis-à-vis the work that was going on. I think,
16 generally speaking, because the CLOs were being impacted, as
17 was well-discussed during the course of the Acis bankruptcy,
18 by the issues in the bankruptcy, by the temporary injunction
19 that were in place vis-à-vis their inability to seek an
20 optional redemption during the course of the bankruptcy, that
21 they were being significantly impacted by the actions in the
22 bankruptcy, even though they were not specifically a creditor
23 in the bankruptcy.

24 Q So you performed services on behalf of your client,
25 Highland, that you then billed to Highland CLO Funding because

1 Highland CLO Funding couldn't effectuate an optional
2 redemption?

3 A It was -- it was in conjunction with the overall
4 activities that were going on in the bankruptcy.

5 Q Okay.

6 A Not that specifically, no.

7 Q All right, Ms. O'Neil. I've only got a few minutes left.
8 So let me ask you: Towards the end of January, did there come
9 a time where you sent me an email regarding Acis's quarterly
10 operating reports?

11 A Yes.

12 Q Okay. And you copied Mr. Hurst on that email as well,
13 correct?

14 A Correct.

15 Q Okay. And your email was to say, hey, can we set up a
16 time to talk because I've got -- Highland's got some questions
17 about the quarterly operating report. Do you recall that?

18 A Yes.

19 Q Okay. And again, just so we're clear, this is around end
20 of January 2020, right, after the appointment of the Board?

21 A Yes. You --

22 Q Okay.

23 A I think there's an exhibit. One of your exhibits is that.

24 Q There is. If you turn to --

25 A Or it's a portion of that email communication.

1 Q It is. It's -- if you turn to Tab 28, this is sort of
2 your initial email to me, correct?

3 A Yeah. This is not the entire email dialogue, because --

4 Q There were other emails afterward.

5 A -- I did not get a response and sent a couple of emails
6 later, several days later, asking for a response.

7 Q Right. And I actually did respond to you after that,
8 correct?

9 A Approximately a week later, yeah.

10 Q Okay. Because I was out sick, actually.

11 A Yeah. That's what you said.

12 Q Right. So, --

13 A You didn't say sick, but you were out, so it's okay.

14 Q Yeah. I was out. And so -- and I will tell you, I was
15 sick. So I responded, albeit a little bit late, but I did
16 respond to you and say, Ms. O'Neil, could you tell me what
17 your questions are so that I can be prepared?

18 Does that sound about right?

19 A Yeah.

20 Q Okay.

21 A Yes.

22 Q And I never -- I never got a response to that. You never
23 told me what your questions were with respect to the quarterly
24 operating report, right?

25 A Yes. And I --

1 Q Okay.

2 A I can explain that. Because Mr. -- I believe Mr.

3 Pomerantz said that there was a meeting that was -- and they
4 would discuss it then, so --

5 Q Okay.

6 A Or Mr. Demo. I'm sorry. Somebody from Pachulski told me
7 that that would be addressed. Also, the status conference --
8 I mean, the questions we had were because there was a February
9 3rd status conference coming, and I wanted to see if we could
10 get some clarity so that when we appeared before the status
11 conference we could limit what we were going to be discussing
12 with the Court, if anything.

13 Q Okay. Well, what were -- what were the nature of your
14 questions? Because there was a conversation between Mr. Terry
15 and myself and the Board and -- well, certain members of the
16 Board. But what were your questions pertaining to?

17 A Oh, okay. Happy to discuss that. It's kind of awkward to
18 have it in -- on this, in this --

19 Q On Q and A.

20 A -- forum, but --

21 Q I hear you.

22 A We sent -- as the Court will recall, the confirmation
23 injunction can be lifted if all the claims are paid. So,
24 since the plan, the Acis plan was confirmed, we have been
25 tracking -- and the only way to track it is through the QORs

1 -- what the revenues were coming in and what has been paid.
2 And so -- in terms of expenses and then claims. And so we
3 have been -- my paralegal has been tracking this.

4 As the Court may know from looking at the record, almost
5 all of -- any other claims that were in the case were either
6 disallowed or withdrawn. And so, really, the only claim,
7 other than Highland's, was Mr. Terry's that was really left to
8 be paid, other than administrative claims. And I believe the
9 administrative claimants had agreed to deferral on some of
10 their payments after the effective date.

11 So we had been tracking the payments, which you can track
12 through the QORs, and it appeared that all of -- including Oak
13 Tree's most recently allowed administrative claim -- that all
14 of the administrative claims had been paid, and it appeared at
15 least approximately a half of Mr. Terry's claim had been paid.

16 When you look at the QORs, it doesn't specifically say,
17 "Here's who got what payment," but it shows the claims being
18 paid down, in addition to just general expenses of the post-
19 confirmation Debtor. And I'm -- this is taking a little bit,
20 but in the disclosure statement to the plan, there had also
21 been plan projections that set forth the revenues that were
22 anticipated post-confirmation to pay the claims. And so
23 likewise -- as well as the expenses, including to Brigade or
24 just general operating expenses for Acis.

25 So, likewise, through the QORs, we had been comparing

1 those against what was in the plan projection. And there were
2 some things that weren't matching and we simply were having
3 questions about the expenses seemed to be much higher.
4 However, the claims were being paid down, so it looked like
5 Mr. Terry was the only claimant left and was probably owed, by
6 our calculation, around \$4-1/2 million, and that was the only
7 thing left to be paid. And, but the revenues per the QOR was
8 showing cash available of over five and -- \$5.3 million.

9 So, one of the things we wanted to discuss was the
10 application of using the cash to go ahead and pay down what
11 was left of Mr. Terry's claim so that the injunction could be
12 lifted. But wanted to discuss that with you. That was the
13 purpose of that.

14 Q Okay. And I guess let me back up. One, let me kind of
15 correct you on a technical point, which is Mr. Terry's claim
16 isn't the only claim that's left outstanding. There were also
17 law firm claims that were lodged as against Acis, correct?

18 A I believe there were two --

19 MR. MORRIS: Objection, Your Honor. Just relevance.
20 I don't get it.

21 THE COURT: Okay. Sustained. You've gone seven
22 minutes. So, three more minutes and we need to wrap it up.

23 MS. PATEL: Okay.

24 BY MS. PATEL:

25 Q Well, I guess, Ms. O'Neil, kind of in line with the email,

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1 the email came in shortly before Acis was sued by your co-
2 counsel, Lynn Pinker, on behalf of the Charitable DAF and CLO
3 HoldCo. Are you aware of this lawsuit?

4 A After it was filed. I was not aware of it before it was
5 filed. The second one. I had seen the first one after it was
6 filed. I had not seen the second one until after it was
7 filed. We have a conflict with one of the defendants in that,
8 so --

9 Q Okay. So, and when you say "the first one," are you
10 talking about when it was originally the Charitable DAF versus
11 U.S. Bank National Association and Moody's Investors Service?

12 A Yes.

13 Q Okay. And that all involved claims by the DAF brought
14 against U.S. Bank and Moody's at the time relating to the Acis
15 bankruptcy, right? It's claims that U.S. Bank didn't manage
16 --

17 A Ms. --

18 Q -- as a trustee correctly, correct?

19 A Ms. --

20 MR. MORRIS: Objection, Your Honor. She's got no
21 foundation. She said she has a conflict and wasn't involved
22 with this case.

23 THE COURT: Sustained.

24 THE WITNESS: That's correct.

25 BY MS. PATEL:

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1 Q Okay. I guess, Ms. O'Neil, let me just ask you: Did you
2 have any involvement with -- if you look at Tab 27, that's a
3 copy of the lawsuit, so that we're all clear exactly which one
4 I'm asking you about. This is the lawsuit between the
5 Charitable DAF and CLO HoldCo, your former client, versus U.S.
6 Bank National Association, Moody's Investors Service, Acis
7 Capital Management, Brigade, and Josh Terry. Did Foley have
8 any involvement in the drafting or formulation of this
9 lawsuit?

10 A None.

11 Q Okay.

12 MS. PATEL: No further questions, Your Honor.

13 THE COURT: All right. Any redirect?

14 MR. MORRIS: Very briefly.

15 THE COURT: Okay.

16 REDIRECT EXAMINATION

17 BY MR. MORRIS:

18 Q Ms. O'Neil, you've been representing a number of different
19 entities associated with Highland since 2018, right?

20 A Correct.

21 Q And are those entities identified in Plaintiff's Exhibit
22 #2 in the engagement letter?

23 A Plaintiff's 2 or -- sorry.

24 Q The Debtor's.

25 A The Debtor's 2. Okay. Let me switch. They are.

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1 Q Okay. And since the Board has been appointed, have you
2 met with board members to discuss the status of the matters
3 that your firm has been handling?

4 A Yes.

5 Q And without disclosing attorney-client communications, did
6 that involve providing a history of the work that you'd done?

7 A Yes.

8 Q Did that involve providing a history of the work that you
9 expected to do in the future?

10 A Yes.

11 Q Did the Board have an opportunity to ask questions of you?

12 A Yes.

13 Q And did you, in fact, answer the Board's questions?

14 A I endeavored to do so to the best of my ability, yes.

15 Q Okay.

16 A Or I followed up if -- with information via email if I
17 needed to get additional information.

18 Q And is it your understanding that the Board supports your
19 retention for the purposes that were described earlier by Mr.
20 Nelms?

21 A Yes.

22 Q Okay.

23 MR. MORRIS: I have nothing further, Your Honor.

24 THE COURT: Any recross on that redirect?

25 MS. PATEL: No, Your Honor.

1 THE COURT: All right. Ms. O'Neil, you're excused.

2 THE WITNESS: Thank you.

3 (The witness steps down.)

4 THE COURT: All right. Highland, any more evidence?

5 MR. MORRIS: No, Your Honor. We rest.

6 THE COURT: All right. Is there any evidence from
7 Acis?

8 MR. LAMBERSON: No, ma'am.

9 THE COURT: All right. Let's take a five-minute --
10 please, five-minute break -- and then we'll hear your closing
11 arguments.

12 THE CLERK: All rise.

13 (A recess ensued from 12:47 p.m. until 12:56 p.m.)

14 THE CLERK: All rise.

15 THE COURT: All right. Please be seated. We're
16 going back on the record in Highland. I'll hear closing
17 arguments.

18 I'm going to ask a question. I need clarification --

19 MR. DEMO: Of course.

20 THE COURT: -- on this. First off, in the Acis
21 adversary that's stayed in the Acis bankruptcy case, Foley,
22 it's proposed, would represent Highland. But is Foley also
23 representing co-defendants in that adversary? You know, I
24 think King & Spalding is representing all the co-defendants,
25 or someone else is, but am I wrong or right about that?

1 MR. DEMO: Yes and no, Your Honor. I think there's
2 been some miscommunication on that. The adversary, as we
3 understand it, is stayed, and because of that we are not
4 seeking to represent -- or retain Foley in that adversary,
5 although we will if that comes up again. So, in the
6 adversary, pre-petition, Foley did represent the Debtor and
7 then a handful of other creditors who were brought into that
8 adversary, as we understand it, as defendants. On a go-
9 forward basis, though, we are proposing to retain Foley on
10 three things: General matters in the bankruptcy proceeding;
11 the appellate --

12 THE COURT: General matters in the Acis bankruptcy
13 proceeding?

14 MR. DEMO: Correct, Your Honor. The appeal involving
15 the confirmation order. And the appeal involving the Neutra
16 litigation. And --

17 THE COURT: Okay. On the appeal of the involuntary,
18 --

19 MR. DEMO: Yes, ma'am.

20 THE COURT: -- only Neutra --

21 MR. DEMO: That is correct.

22 THE COURT: -- is an appellant. Okay. So what
23 you're asking is for authority for Highland to pay the legal
24 fees of Neutra on that?

25 MR. DEMO: Yes, Your Honor.

1 THE COURT: Okay.

2 MR. DEMO: We are. And we, again, to the --

3 THE COURT: And let me -- let me -- and then the
4 appeal of the confirmation order, are the appellants Highland
5 and Neutra only, or is HCLOF an appellant?

6 MR. DEMO: In terms of Foley's representation, it's -
7 -

8 THE COURT: No, no, no. Just answer the question.
9 Who are the appellants in the confirmation order?

10 MR. DEMO: Highland, Neutra, and HCLOF.

11 THE COURT: Okay. Who is representing HCLOF?

12 MR. DEMO: King & Spalding.

13 THE COURT: Okay. And Foley has thus far been
14 representing Neutra and Highland?

15 MR. DEMO: Correct, Your Honor.

16 THE COURT: Okay. Well, okay. You may proceed.

17 MR. DEMO: And I will be brief. And I think
18 ultimately this, this is a relatively simple thing, and I
19 think you've nailed it.

20 What are the benefits to the estate of -- because nobody
21 has objected, again, to Foley representing the Debtor. What
22 are the benefits to the estate for Foley representing Neutra
23 and being paid for that by the Debtor? And to answer that
24 question, I think you have to look to all the testimony that
25 we've heard today, and you also have to look at who's

1 objecting, Your Honor. The Committee is not objecting. There
2 is no other committee member objecting besides Acis. The only
3 party objecting to Neutra -- or, I'm sorry, to Highland paying
4 Neutra's fees in the appeal, which, again, are a portion of
5 the \$500,000 that we think is going to be incurred post-
6 petition on this, excluding today, because today has obviously
7 gone a little bit long -- the only party objecting to paying a
8 portion of that \$500,000 to have Foley represent Neutra in an
9 appeal that is happening less than six weeks from now is Acis.

10 Acis is the party opponent in that. Acis is the party
11 that stands to benefit, not just because the involuntary
12 petition will not be overturned, but because there will be a
13 lack of leverage and a lack of ability to contest their \$75
14 million, which is where it started, but it keeps growing.
15 It's at \$300 million now. The only party who's objected to
16 that is Acis. None of the other creditors have objected.

17 THE COURT: Well, until the past 24 hours, the
18 Committee was objecting.

19 MR. DEMO: Correct, Your Honor. And we had a --
20 finally had a chance, with the new Board in place, to discuss
21 it with the Committee. And the new Board explained to the
22 Committee that, in their business judgment, spending this
23 money, this \$500,000 -- which, again, is going to be allocated
24 across these three matters; not all of it's going to be
25 allocated to Neutra; a portion of it is going to be allocated

1 to Neutra -- \$500,000 for the possibility of a recovery to the
2 estate, the possibility of the ability to challenge a \$300
3 million proof of claim that impacts not just the estate but
4 the other creditors in the estate, substantially, because
5 there's only so much money here. So, --

6 THE COURT: Okay. Let me ask you to recap what the
7 evidence was on benefit to Highland --

8 MR. DEMO: On benefit --

9 THE COURT: -- from the overturning of the order for
10 relief in Acis.

11 MR. DEMO: In terms of the overturning of the order
12 for relief in Acis, there were -- there was testimony on the
13 possibility -- and again, it's a possibility, and we're not
14 disputing that. Acis's attorneys said it was 10 percent.
15 That's fine. Maybe it's 10 percent. There was evidence
16 presented by Mr. Nelms on the possibility that if the Acis
17 involuntary is overturned, that the contracts at issue, the
18 advisory and the sub-management agreements, --

19 THE COURT: Well, let's take it sequentially, because
20 you've got to, you know, look at benefit of the estate --

21 MR. DEMO: Understood.

22 THE COURT: -- versus time and cost, to some degree,
23 right?

24 MR. DEMO: Right.

25 THE COURT: So, Neutra wins.

1 MR. DEMO: Okay.

2 THE COURT: Okay? That means, according to Mr.
3 Lamberson's argument, which I think is the correct argument,
4 that we send to arbitration whether it's appropriate for Acis
5 to be in a bankruptcy.

6 MR. DEMO: Correct, Your Honor.

7 THE COURT: Okay.

8 MR. DEMO: Well, may be correct.

9 THE COURT: So, --

10 MR. DEMO: I think we did hear there's a different
11 possibility from Mr. Nelms.

12 THE COURT: Well, what is the other possibility?

13 MR. DEMO: Well, okay. Understood, Your Honor.
14 Okay.

15 THE COURT: Okay.

16 MR. DEMO: So, say we -- assuming we send it to
17 arbitration, --

18 THE COURT: So that means an arbitration panel is
19 convened, and at some point, many months from now, an
20 arbitration panel will either say yes or no, involuntary, you
21 know, should have gone forward.

22 MR. DEMO: Okay.

23 THE COURT: Okay? Let's say the arbitration panel
24 says no, should not have gone forward. Then what does the
25 world look like for Highland?

1 MR. DEMO: I guess, taking it a step back, Your
2 Honor, assuming that this does go to arbitration, it also
3 means that the involuntary petition was not entered. If the
4 involuntary petition was not entered, which means that the
5 Acis equity did not go to Mr. Terry, it stayed under Neutra,
6 at that point --

7 THE COURT: Wait, wait, wait.

8 MR. DEMO: -- you also go into arbitration.

9 THE COURT: Wait, wait. Wait, wait. So you're
10 saying that everything is wiped out in the involuntary, the
11 Acis bankruptcy case?

12 MR. DEMO: Your Honor, and I do want to be really,
13 honestly, very, very clear about this. I am -- I am not
14 saying anything. I'm not -- trying very hard not to draw a
15 legal conclusion. What I'm saying is that the Board has
16 analyzed this, the Board has applied business --

17 THE COURT: But I'm trying to understand --

18 MR. DEMO: -- judgment to this, and that there is a -
19 - there is a possibility. Now, --

20 THE COURT: I'm trying --

21 MR. DEMO: -- obviously, reasonable minds can --

22 THE COURT: Okay. Here's where I'm coming from. And
23 you can tell me if I'm analyzing this incorrectly, in your
24 view. Okay. We used to have this terrible Fifth Circuit case
25 -- you know, God help me if this transcript gets sent -- but

1 called *Pro-Snax*. Okay?

2 MR. DEMO: Okay.

3 THE COURT: I think the Fifth Circuit has decided
4 itself that it was terrible, so it's not going to come back to
5 haunt me, saying that. So, *Pro-Snax* said basically the
6 Bankruptcy Court is a Monday-morning quarterback in looking at
7 the reasonableness of fees. You know, did it provide a
8 benefit to the estate?

9 MR. DEMO: Uh-huh.

10 THE COURT: And then that got reversed a few years
11 ago. I think it was the *Woerner* case -- *Baron & Newburger*
12 (*Woerner*) -- where the Court said, no, you don't do a
13 hindsight look. You look at, at the time fees were expensed,
14 --

15 MR. DEMO: Uh-huh.

16 THE COURT: -- was there something like a reasonable
17 possibility they would benefit the estate?

18 MR. DEMO: Yes.

19 THE COURT: Okay? So I'm looking through it in that
20 lens, so to speak, and I'm like, what benefit to the Highland
21 estate could there be if the confirmation -- well, if the
22 order for relief is unwound or the confirmation order is
23 unwound? And I'm not there. I'm not there understanding any
24 benefit for Highland.

25 I can understand a benefit, maybe, for *Neutra*, although I

1 am even hard-pressed to see that, because it looks like years
2 of more litigation.

3 MR. DEMO: And Your Honor, I mean, I do think that
4 there was -- and again, I'm not going to challenge your legal
5 conclusions -- I do think that there was evidence that in the
6 Board's business judgment they did analyze this and they see
7 it, I think, a little bit differently.

8 THE COURT: And I should defer heavily to a Board's
9 reasonable exercise of business judgment. I've got trouble.
10 So I'm just trying to --

11 MR. DEMO: Understood. And I think, when you look at
12 that business judgment, --

13 THE COURT: Uh-huh.

14 MR. DEMO: -- you know, obviously, I don't disagree.
15 I do think that when you have a three-person independent board
16 of this caliber who's come into a difficult situation, has
17 reviewed all of the evidence, talked to all the applicable
18 people, when things happened with the DAF litigation that they
19 didn't like, they took action to stop that. When they looked
20 at the Winstead appeal and they said, you know, there's not a
21 benefit to the estate here, let's drop they, they dropped it.

22 THE COURT: But again, work with --

23 MR. DEMO: When they --

24 THE COURT: Work with me. Fifth Circuit reverses the
25 order for relief. I don't think you have disagreed with

1 Lamberson's argument that best-case scenario in that reversal
2 scenario is that an arbitration panel now looks at, should
3 this Acis -- you know, should it have gone forward in a
4 bankruptcy?

5 MR. DEMO: Well, I guess, Your Honor, then maybe I --

6 THE COURT: So, in that many --

7 MR. DEMO: -- I'm not being clear.

8 THE COURT: -- months, let's say eight months that an
9 arbitration panel takes to decide, what happens during that
10 eight months?

11 MR. DEMO: Well, then I guess, Your Honor, I need to
12 step back, because I have not -- absolutely not been clear.
13 If it goes to an arbitration panel, our view -- and I think
14 Ms. O'Neil's briefs to the Fifth Circuit are clear on this --
15 the arbitration panel is going to arbiter or arbitrate whether
16 or not there was a fraudulent conveyance. It's going to
17 arbitrate how to resolve the claims. It's not going to
18 arbitrate whether or not the involuntary petition should ever
19 have been entered.

20 THE COURT: Wait, wait. What does that mean? Of
21 course. That's the starting point of it all, right? The
22 appeal is the Bankruptcy Court wrongly held a trial on the
23 involuntary petition and ordered for relief. It should have
24 deferred to an arbitration panel to do that. Isn't that
25 appeal number one that we're talking about?

1 MR. DEMO: Yes, but --

2 THE COURT: Neutra's appeal?

3 MR. DEMO: Yes, it is.

4 THE COURT: Okay.

5 MR. DEMO: But I do think there's a nuance. And I do
6 want to defer to the pleadings that were filed with the Fifth
7 Circuit, because I don't want here to get myself out in front
8 of that Fifth Circuit appeal, because obviously I do very much
9 want that appeal to go forward. And maybe we lose and maybe
10 we win, but if we win, I think the --

11 THE COURT: If Neutra wins.

12 MR. DEMO: If Neutra wins, one of the outcomes -- and
13 again, I understand that, you know, reasonable minds can
14 differ that there --

15 THE COURT: Okay.

16 MR. DEMO: -- of the outcomes.

17 THE COURT: But one of the outcomes.

18 MR. DEMO: One of the outcomes is that the
19 involuntary petition is unwound, withdrawn, and the parties go
20 to arbitration on the claims. If that were to happen, --

21 THE COURT: Wait. It's unwound and they go to
22 arbitration on what claims? The claims in the adversary
23 proceeding that's been filed in Acis?

24 MR. DEMO: Again, Your Honor, I'm not the appellate
25 lawyer here. I mean, this is why we are here.

1 THE COURT: But how do you skip over the arbitration
2 of the order for relief? Because if Joshua Terry, who
3 commenced it, you know, he has the right now to argue to an
4 arbitration panel that this should have been in bankruptcy,
5 right? He doesn't have to just agree that the adversary
6 proceeding is now arbitrated. Right?

7 MR. DEMO: Well, again, Your Honor, I don't want to
8 substitute my judgment for the judgment of the Board. I think
9 the judgment of the Board is that there is a scenario and that
10 it's worth exploring and that it's worth the -- what we
11 honestly think is a limited amount of money to explore.
12 Because I think, if we explore that, we explore the
13 possibility, quite honestly, of taking it out of bankruptcy,
14 then, yes, in that scenario, and which we do it think is
15 possible, in that scenario, and call it whatever probability
16 you want, but if you're going to spend half a million dollars
17 to get to a scenario that could reap you -- and I don't want
18 to put a number on it -- but millions of dollars in future
19 revenue, millions of dollars in terms of --

20 THE COURT: You're melding. You're collapsing. And
21 we all know as lawyers that's not how it works. Things happen
22 sequentially, okay?

23 MR. DEMO: Okay. Then I guess, going --

24 THE COURT: There's a setting aside -- well, there's
25 a reversal of the Bankruptcy Court's issuance of an order for

1 relief.

2 MR. DEMO: Okay.

3 THE COURT: And that means you should have deferred
4 to an arbitration panel, Judge Jernigan. And so they remand
5 so that I can, consistent with that appellate ruling, say,
6 We're staying the bankruptcy and it's going to arbitration to
7 decide whether an order for relief. Is there really any
8 realistic scenario where we skip that step?

9 MR. DEMO: We think that there's a scenario that is
10 worth exploring.

11 THE COURT: I feel like your colleagues are really
12 dying to chime in because they think they've got the answer to
13 my question, no offense to you.

14 MR. MORRIS: I really -- I don't, Your Honor, but if
15 I may.

16 THE COURT: Uh-huh.

17 MR. MORRIS: I think Ms. O'Neil is the appellate
18 lawyer. Maybe she should speak on this very precise point, --

19 THE COURT: Okay. Because --

20 MR. MORRIS: -- if that's okay with the Court.

21 THE COURT: Because I see many miles --

22 MR. MORRIS: Yeah.

23 THE COURT: -- to go before we sleep if there's a
24 reversal, and I'm trying to figure -- well, you know, we all
25 know that, right?

1 MS. O'NEIL: Your Honor, if I may.

2 THE COURT: Uh-huh.

3 MS. O'NEIL: And I did not want to interrupt Mr.
4 Demo, and he's done a great job, but obviously we've been
5 involved with the appeal.

6 THE COURT: Right.

7 MS. O'NEIL: We've prepared the briefs.

8 THE COURT: So how does it play out if there's a
9 reversal in favor of Neutra --

10 MS. O'NEIL: If I may, Your Honor.

11 THE COURT: -- of the order for relief?

12 MS. O'NEIL: The issue on the appeal is not to send
13 the concept to arbitration of the involuntary petitions.

14 THE COURT: Okay.

15 MS. O'NEIL: It is that Mr. Terry was not a qualified
16 petitioner because he was bound by an arbitration, a binding
17 arbitration agreement, and that the issue that he -- by
18 proceeding with these involuntary petitions, he commenced a
19 suit, a proceeding that was, at its core, about fraudulent
20 transfers, and that that should have gone to arbitration. And
21 to proceed and try to engage this Court's jurisdiction on
22 something that he had contractually agreed to go to
23 arbitration on was improper.

24 So, if Neutra wins on that argument, and I would encourage
25 the Court, we -- I think the briefs are in one of the

1 exhibits, but certainly I would provide them to the Court
2 before the Court makes a determination if it would help. If
3 there -- if Neutra wins on that appeal, then our position
4 would be that yes, the bankruptcy is effectively void *ab*
5 *initio*, and that's what we believe the case law supports.

6 Where that would put the parties, potentially -- and
7 again, we're speculating what the Fifth Circuit may or may not
8 due to instruct this Court to do -- could reverse and render,
9 as it were, as Mr. Nelms testified happened to him previously,
10 but could instruct this Court to abstain, which I think was --
11 and that is one of the various motions and the orders that the
12 Court had denied. All of these are wrapped up in the appeal,
13 Your Honor. And in doing so, instruct the petitioner, Mr.
14 Terry, and Acis to go arbitrate the issue of the fraudulent
15 transfers. That would reinstate Acis. Acis could reinstate
16 Highland as the manager of the CLOs.

17 THE COURT: So every single order in the Acis case
18 would be null and void?

19 MS. O'NEIL: We believe that the case law is that it
20 would be void *ab initio*. And now, Your Honor, practically
21 speaking, --

22 THE COURT: Void *ab initio*? Okay. That could only
23 -- is that hinged to a subject matter jurisdiction, lack of
24 subject matter jurisdiction --

25 MS. O'NEIL: Partially, that's part of the argument.

1 THE COURT: -- theory?

2 MS. O'NEIL: That's part of the argument. Yes, Your
3 Honor.

4 THE COURT: Okay.

5 MS. O'NEIL: Practically speaking, it is our belief,
6 although it is not clear, is what I've tried to kind of convey
7 to the Court, and in conjunction with this conversation I was
8 trying to have with Mr. Terry's counsel/Acis's counsel, is
9 that we believe Mr. Terry has been paid down. Practically
10 speaking, if that happens and he's only left with a claim or
11 currently has a claim of \$4 million, \$4-1/2 million, which is
12 what we think it is, or it's somewhere in that neighborhood,
13 that -- and there's sufficient cash in Acis to pay that claim
14 off -- it is a claim Judge -- Mr. Nelms testified to the fact
15 that it would need to be paid -- then there may not even need
16 to be a fraudulent transfer lawsuit because the claim would --
17 what's left of the claim would just be paid off. And then
18 Acis -- Neutra would be back in ownership of Acis, Acis would
19 engage Highland to come back in and do what it was doing
20 before, Mr. Terry got his claim paid off, and there we are.

21 THE COURT: Okay.

22 MR. DEMO: That's honestly pretty much it, Your
23 Honor. And we think that -- and the Board thinks that the
24 benefit of pursuing that is worth it, quite honestly. And
25 they think, in their business judgment, that it's worth paying

1 those Neutra fees -- which again, are a portion of the
2 \$500,000, only a portion -- because that benefit accrues to
3 the estate, or could accrue to the estate in a situation
4 where, in their business judgment, it's worth going forward on
5 this.

6 THE COURT: Okay. The appeal -- okay. Let me make
7 sure I heard this correctly. The appeal of the confirmation
8 order, whereas we have Neutra only on the appeal --

9 MR. DEMO: Correct.

10 THE COURT: -- of the order for relief, the appeal of
11 the confirmation order is Highland, Neutra, and HCLOF.

12 MR. DEMO: Correct.

13 THE COURT: And King & Spalding still represents
14 HCLOF in connection with that appeal.

15 MR. DEMO: Correct. And they're the only law firm
16 representing HCLOF in that appeal.

17 THE COURT: So here's what I'm struggling with. You
18 know, what initially seemed like kind of a compelling argument
19 -- all the briefing has been done, oral argument is set in
20 March -- it feels like to me the main beneficiaries of a
21 reversal of that confirmation order are HCLOF and Neutra.
22 Foley can represent Neutra. Neutra can pay. King & Spalding
23 can represent HCLOF. HCLOF can pay. And that seems like the
24 reasonable scenario to me.

25 MR. DEMO: And I hear that. But I think -- and I

1 think Mr. Nelms --

2 THE COURT: Because let's --

3 MR. DEMO: -- testified to it, but --

4 THE COURT: Work with me. Let's say they don't
5 reverse the order for relief --

6 MR. DEMO: Okay.

7 THE COURT: -- but they do reverse the confirmation
8 order.

9 MR. DEMO: Okay.

10 THE COURT: So, Chapter 11 Trustee is in place
11 representing Highland, and he can -- I'm sorry -- he is the
12 spokesperson for the Acis, the controller of the Acis estate.
13 He might go forward with plan number four, five, whatever it
14 would be.

15 MR. DEMO: Okay.

16 THE COURT: Or say, I think it's time to convert this
17 to 7. I mean I'm just trying to figure out --

18 MR. DEMO: And I guess I do want to go back to one
19 thing, --

20 THE COURT: Uh-huh.

21 MR. DEMO: -- because I do not think there is another
22 economic beneficiary that would pay Neutra's fees. I think if
23 the Debtor is not allowed to pay Neutra's fees, nobody will
24 pay Neutra's fees, and that portion of the appellate argument
25 will fall by the wayside. Because --

1 THE COURT: So Neutra loses, but I don't see how
2 Highland loses. You have not painted a scenario where it's
3 clear to me there's any economic benefit to the estate.

4 MR. DEMO: I would, I would, with all --

5 THE COURT: And you're telling me, Defer to the
6 Board's business judgment. But I'm --

7 MR. DEMO: Well, I --

8 THE COURT: I'm concerned that the evidence hasn't
9 shown me --

10 MR. DEMO: I would also ask, Your Honor, --

11 THE COURT: -- all of the --

12 MR. DEMO: -- in all --

13 THE COURT: -- scenarios that lead to their
14 reasonable business judgment on this.

15 MR. DEMO: As Ms. O'Neil just said, I mean, this is
16 above the Fifth -- to the Fifth Circuit. The Fifth Circuit is
17 set to hear this in six weeks. And if the Fifth Circuit rules
18 the way that Ms. O'Neil just said, I do think, and I think the
19 Board thinks -- actually, I know the Board thinks -- that
20 there is a tangible benefit to the estate here. And so I know
21 that I'm asking you to defer to their judgment, --

22 THE COURT: All I heard was --

23 MR. DEMO: -- but I'm also asking just for --

24 THE COURT: -- that they'd reinstate the sub-advisory
25 and shared services agreements.

1 MR. DEMO: Which are --

2 THE COURT: Which, by the way, Highland moved to
3 terminate, moved to compel rejection at one point during the
4 case, and then, when that didn't work, HCLOF started calling
5 for redemption.

6 MR. DEMO: And it's not the --

7 THE COURT: This is nuts for me --

8 MR. DEMO: It's not -- it's not the -- Your Honor,
9 it's --

10 THE COURT: Tell me why it's not nuts for me to think
11 --

12 MR. DEMO: Because it's not the same Highland.

13 THE COURT: -- that Highland would be thrilled to
14 have Acis back managing the CLOs and subcontracting with
15 Highland. I mean, that --

16 MR. DEMO: It's not, it's not the same Highland. The
17 stuff that happened prior to the institution of the Board was
18 the stuff that happened prior to the institution of the Board.
19 There is new management of Highland. That new management is
20 working very hard. As you've seen, Your Honor, that new
21 management is willing to push back. That new management, with
22 the DAF, which you've heard testimony of, that new management
23 is working to get that motion withdrawn. That new management
24 is not going forward with Lynn Pinker because of actions that
25 it took that it thought subverted their control and their

1 management of the Debtor. The new management decided to drop
2 an appeal that they did not think had any merit.

3 It's not the same Debtor, Your Honor. It is a board
4 consisting of three highly-qualified people who are exercising
5 their own judgment. So all of that stuff that happened prior
6 to January 9th, I don't want to say hey, it's a clear line in
7 the sand, but it is. Mr. Dondero is not in control of
8 Highland Capital Management.

9 THE COURT: But he is in control of Neutra.

10 MR. DEMO: He is the economic beneficiary of Neutra.
11 That is correct. But Mr. Dondero did tell Mr. Nelms, as Mr.
12 Nelms testified, that he would reinstate those contracts. And
13 I understand that. But again, as you've seen, Mr. Nelms and
14 the Board have been able to push back, have been able to exert
15 control, to exert influence, and to exert management over an
16 institution that is very difficult to manage.

17 And I do think that deference to that is something that
18 should very much be considered, because it's very easy to
19 think of this as Old Highland, but this is New Highland, who
20 has done an independent, objective review of these claims, who
21 has sat with Ms. O'Neil, who has sat with Pachulski, who has
22 sat with Mr. Terry and Ms. Patel and talked about this stuff,
23 and still thinks that there is a benefit here to the estate,
24 and that spending the \$500,000 to pursue that benefit, which
25 is not just a benefit to Highland but it's a benefit to

1 Highland other -- to Highland's other creditors, I guess, Your
2 Honor, quite honestly, I would ask that you to defer to that
3 new management, because it is not -- it is not Old Highland.

4 All that stuff that people have talked about -- I mean,
5 you've seen today in court, you've heard testimony about very
6 qualified people working to stop that and working to put this
7 estate into a position where it can reorganize, where it can
8 come to agreements with its creditors, where it can work
9 through this process, where it can come out the other side.

10 But if we take away that Board's ability to manage
11 litigation with one of their biggest creditors, whose
12 litigation claim keeps growing, all you're doing is
13 benefitting that one creditor, not to the detriment of Mr.
14 Dondero but to the detriment of the other creditors in this
15 case.

16 UBS has a claim. Redeemer has a claim. Meta-e has a
17 claim. McKool's has a claim. You can run through that whole
18 list. And if you take away the Board's right to direct
19 litigation that is going directly to the Board's ability to
20 control runaway claims, to negotiate with creditors, and to
21 come up with an idea of how to split the pie, then, with all
22 respect, Your Honor, you are infringing on that Board's
23 business judgment and that Board's ability to reorganize this
24 case.

25 This case isn't just about --

1 THE COURT: It wouldn't be taking away. And here is
2 a nuance that -- I think it is perfectly reasonable, in case
3 you don't know where I'm heading on this, for Foley to
4 represent Highland in the Acis case, in that adversary
5 proceeding, if it goes forward, because heck yeah, Highland
6 has been sued for huge amounts of money.

7 MR. DEMO: Understood.

8 THE COURT: Their claim, that is many millions, has
9 been objected to. So, heck yeah, this estate needs good
10 representation of Highland in that case, where there are many
11 unresolved issues still in the Acis case.

12 But on the appeal, I am just still lost as to how there is
13 any chance in the world Highland benefits in those appeals.
14 Neutra, heck yeah. Maybe they get their Acis back and can
15 instruct it to, you know, stop suing Highland or whatever.
16 Dondero controlling Neutra can do that. Okay? And HCLOF, it
17 doesn't want Acis to have anything to do anymore with managing
18 its equity piece of those CLOs. Sure. But how -- I mean,
19 you're telling me that there could be a scenario -- here's
20 what I'm hearing. That there is a benefit in having all those
21 fraudulent transfer claims arbitrated, I guess, not litigated
22 in the Bankruptcy or District Court, and there's a benefit in
23 having all of the management agreements, portfolio management
24 agreements reinstated. And I just, I don't see how that
25 happens anytime soon based on how I perceive a reversal of

1 orders on appeal happening.

2 MR. DEMO: And I guess I don't know what else to say
3 on that point. We do think there's a \$12 million tangible
4 benefit to reinstating those contracts. We think there's a
5 tangible benefit to allowing Neutra to go forward with its
6 appeal. And again, there is nobody else who I think would pay
7 that freight besides the Debtor, because that benefit, we
8 believe, goes to the Debtor.

9 THE COURT: How many years of life are there left on
10 the CLOs that Acis manages?

11 MR. DEMO: I would have to check, Your Honor. I
12 don't know off the top of my head. I can ask. But --

13 THE COURT: I mean, you're saying \$12 million. I
14 mean, I don't --

15 MR. DEMO: I, you know, --

16 THE COURT: There's not a -- I'm just not sure where
17 that number is coming from. I never heard direct evidence of
18 that.

19 MR. DEMO: Okay. Well, I guess, Your Honor, I mean,
20 again, I would just ask that you defer to the business
21 judgment of the Board and allow them to position this
22 litigation in a way that best enables them to deal with every
23 creditor's claim, and not just the claims of one creditor.
24 And if they cannot fight the claims of the creditor, then they
25 can't negotiate how that pot is going to be split in a fashion

1 that benefits everybody.

2 So I guess, Your Honor, I mean, I don't know what else to
3 say about the benefits of the Neutra appeal except that the
4 testimony, I think, speaks for itself. But, you know, I --
5 and in terms of --

6 THE COURT: Again, fight the claim of a creditor.
7 Foley can represent Highland in the adversary proceeding,
8 wherever that goes forward.

9 MR. DEMO: Yeah.

10 THE COURT: Probably District Court, not this Court.
11 At least some of it, if not all of it. But anyway, I'm
12 digressing. They can object to Acis's proof of claim. They
13 can object to Terry's proof of claim. I mean, --

14 MR. DEMO: And conversely, Your Honor, if -- if --

15 THE COURT: -- this has nothing to do with -- I mean,
16 I don't get the appeal. I mean, I --

17 MR. DEMO: Right.

18 THE COURT: Neutra can appeal, HCLOF can appeal, but
19 I'm not seeing the benefit to Highland.

20 MR. DEMO: And I guess the only thing I would say,
21 Your Honor, is if there is an improper benefit, we are not
22 saying that the fee applications are sacrosanct. People can
23 challenge the improper benefit there.

24 And again, the settlement gave broad discretion to the
25 Committee to pursue insider claims. So if an insider is

1 receiving a benefit from this, the Committee has standing to
2 pursue that.

3 So it's not a null set, Your Honor, whereas cutting off
4 the appeal now does take away that possibility.

5 THE COURT: How would I be cutting off the appeal?
6 I'm not cutting off the appeal. King & Spalding can go in
7 there and fight hard. Foley can go in there and fight hard
8 for Neutra. So, --

9 MR. DEMO: One second, Your Honor.

10 (Counsel confer.)

11 MR. DEMO: And I guess, you know, Your Honor, and I
12 do want to reiterate that there is no other party with an
13 economic incentive to fight the Neutra appeal the way that the
14 Debtor has an economic incentive.

15 THE COURT: That makes no sense to me. HCLOF is the
16 one who hated this injunction.

17 MR. DEMO: That's not the Neutra appeal, Your Honor.
18 That's the confirmation order.

19 THE COURT: Well, okay. Neutra gets its company back
20 if they win.

21 MR. DEMO: And we would get our contracts back.

22 THE COURT: And arguably, it can control Acis, maybe,
23 okay, and it can assign management contracts to whoever it
24 wants. That just -- and it says it'll assign them to
25 Highland. If you can trust Jim Dondero, then Highland's going

1 to benefit if Neutra wins that appeal. Right?

2 MR. DEMO: Yes. Yes, Your Honor.

3 THE COURT: Okay. So that --

4 MR. DEMO: Highland would benefit greatly --

5 THE COURT: Okay.

6 MR. DEMO: -- if Neutra were to win that appeal.

7 THE COURT: Okay. Okay. Well, but first Neutra
8 benefits, right? And then --

9 MR. DEMO: No.

10 THE COURT: -- Highland only secondarily benefits --

11 MR. DEMO: I -- I --

12 THE COURT: -- if Jim Dondero keeps his word and
13 gives the management contracts back to Highland.

14 MR. DEMO: Jim Dondero would also have to repay the
15 \$8 million in claim, even if he didn't reinstate those
16 contracts. And that \$8 million would be hundred-cent dollars.

17 THE COURT: Okay.

18 MR. DEMO: So, worst case, --

19 THE COURT: It would have been nice to have him
20 testify as to all of this.

21 MR. DEMO: Worst --

22 THE COURT: It would be more compelling if I had him.

23 MR. DEMO: Well, --

24 THE COURT: Okay? But I don't think --

25 MR. DEMO: -- I can only do so much, Your Honor.

1 THE COURT: -- that's going to happen anytime soon.

2 MR. DEMO: But I guess worst-case scenario is that
3 it's \$8 million in hundred-cent dollars.

4 THE COURT: Okay.

5 MR. DEMO: And that's not nothing for \$500,000. And
6 only a portion of that \$500,000.

7 THE COURT: Okay.

8 MR. DEMO: Thank you, Your Honor.

9 THE COURT: Okay. Mr. Lamberson?

10 MR. LAMBERSON: Your Honor, do you want a closing
11 from me? Or no?

12 THE COURT: I don't really need it. Thank you.

13 MR. LAMBERSON: Okay.

14 THE COURT: Okay.

15 MR. LAMBERSON: Because I know your hearing starts in
16 about two minutes.

17 THE COURT: All right. So, I just hate it that we
18 spent so much time on this. I hate it that we spent so much
19 time, but, I mean, I understand. I understand. You know, I
20 think the employment application was filed pretty early in the
21 case, right, and -- October 29th. And it was continued,
22 continued, continued, because we were getting objections from
23 the Committee, or they wanted time to look at it, I guess.
24 And now you're kind of up against the wire, right, because
25 oral arguments are set at the Fifth Circuit next month. So I,

1 you know, I hate it that we were here, but I understand it.

2 But I'm concerned. I'm concerned -- well, here's the
3 deal. We have a great board, and I totally get that
4 Bankruptcy Courts should defer heavily to the reasonable
5 exercise of business judgment by a board. And we've got great
6 professionals. And we've got this case, I think, on a good
7 track as a general matter now. But I'm concerned that Dondero
8 or certain in-house counsel has -- you know, they're smart,
9 they're persuasive -- that -- what are the words I want to
10 look for -- they have exercised their powers of persuasion or
11 whatever to make the Board and the professionals think that
12 there is some valid prospect of benefit to Highland with these
13 appeals, when it's really all about Neutra, HCLOF, and Mr.
14 Dondero. That's what I believe.

15 I mean, this is awkward, right, because you want to defer
16 to the debtor-in-possession, but I have this long history, and
17 I can think through the scenarios. If this is reversed, here
18 is how it will play out. If this is reversed, here is how it
19 might play out. And I know, you know, there are multiple ways
20 it might play out, but I cannot believe there is a chance in
21 the world there is economic benefit to Highland if these
22 things get reversed. Economic benefit to Neutra: Yeah,
23 maybe. Economic benefit to HCLOF: Well, they'll get what
24 they want. You know, whether it's an economic benefit, I
25 don't know. But benefit to Highland? I just don't think the

1 evidence has been there to convince me it's reasonable
2 business judgment for Highland to pay the legal fees
3 associated with the appeal.

4 And even more concerning to me is a valid point was made
5 that Highland is in bankruptcy because of litigation,
6 litigation, litigation. The past officers and directors and
7 controls' propensity to fight about everything. This isn't a
8 balance sheet restructuring, okay? It's not a Chapter 11
9 caused by operational problems or revenue disruption or who
10 knows what kind of disruption. It's about years of litigation
11 finally coming home to roost. And this just appears to be
12 more of the same, potentially.

13 Okay. Parties have a right to appeal. I respect that.
14 Neutra, go for it. HCLOF, go for it. But this estate and its
15 creditors should not bear the burden of having Highland pay
16 for that, when, again, I don't think there's any evidence to
17 suggest they could benefit at the end of the day.

18 So what I'm going to do is I'm going to approve the
19 retention of Foley to represent Highland in the Acis case. We
20 all know the adversary is stayed right now. It may or may not
21 ever be un-stayed, depending on what strategies people want to
22 pursue. But Highland, I think a meritorious case has been
23 presented, and under 327(e) I will approve Foley representing
24 Highland in all Acis matters. Okay? The Acis bankruptcy
25 case. The adversary proceeding, if it goes forward. And so

1 that's my ruling.

2 I will additionally rule, for the avoidance of doubt, that
3 if Foley wants to represent Neutra in the appeals and get paid
4 by Neutra, I don't have any problem with that. In other
5 words, I'm not going to find something like there's a conflict
6 with the estate, you know, because of its simultaneous
7 representation of Neutra. That's fine. But I'm not going to
8 approve Highland paying anything in connection with either of
9 those appeals. So that is the ruling of the Court.

10 Have I left any gaps here?

11 MR. DEMO: Your Honor, just one clarification.

12 THE COURT: Uh-huh.

13 MR. DEMO: Foley is representing Highland Capital
14 Management in the appeal of the confirmation order to the
15 Fifth Circuit. I just want to clarify that your ruling that
16 Highland can represent -- I'm sorry -- Foley can represent
17 Highland in all Acis matters extends to their representation
18 of Highland Capital Management in the appeal of the
19 confirmation order that's set for March 30th.

20 THE COURT: Okay. Let me think through that.

21 MR. DEMO: And again, Your Honor, there's been no
22 objection to that.

23 THE COURT: King & Spalding is in there representing
24 HCLOF. Foley would be representing both Neutra and Highland
25 in connection with the confirmation order?

1 MR. DEMO: Technically, but Neutra really has
2 nothing. It's a coattail party in that case. Highland
3 Capital Management, to the extent that they could bifurcate
4 Neutra, it would still be doing the exact same work. So if
5 there is an issue there with the representation of Neutra,
6 we'd still ask that Foley be allowed to represent Highland
7 Capital Management in that appeal.

8 THE COURT: Okay. So you're telling me Neutra
9 doesn't really benefit from that appeal, so you want Highland
10 to pay all of the fees of Foley in connection with the
11 confirmation order appeal?

12 MR. DEMO: All I'm asking, Your Honor, is that Foley
13 can represent Highland Capital Management in that appeal. And
14 again, there's been no objection to that. What happens with
15 Neutra, I, you know, I understand your position. I am simply
16 asking for a clarification that Foley can continue
17 representing the Debtor in the Debtor's appeal of the
18 confirmation order.

19 THE COURT: All right. I will say yes to that, but
20 they need to be prepared to have their fees split. I'm not
21 saying 50/50, I don't know what the percentage is, but they
22 are going to be allocated between Neutra and Highland, and
23 they should not expect to get a hundred percent of those
24 covered by Highland at the end of the day. Okay? There's
25 going to be a deep dive into looking at how that allocation

1 should work, okay?

2 MR. DEMO: And they will be filing fee apps,
3 obviously, on all of the matters that they are --

4 THE COURT: Okay. Anything else?

5 MR. POMERANTZ: One moment, Your Honor.

6 THE COURT: Okay.

7 (Pause.)

8 MR. DEMO: Yeah. And Your Honor, I do just want to
9 clarify that when we talk about the involuntary petition
10 appeal, that when we talk about its effect on the fraudulent
11 conveyance action, to the extent that -- and I would like to
12 clarify your position on this, Your Honor. Is your position
13 that the appeal of the involuntary, if successful, would have
14 no impact on the fraudulent conveyance actions in the Acis
15 litigation?

16 Because I do think that it is clear that --

17 THE COURT: I think we don't know. We would have to
18 see --

19 MR. DEMO: And I guess that's -- that's --

20 THE COURT: -- what the Fifth Circuit states.

21 MR. DEMO: And my --

22 THE COURT: And it may be: Bankruptcy Court, stay
23 the proceedings and defer, send it to arbitration. "It" being
24 re-litigation of --

25 MR. DEMO: Understood.

1 THE COURT: -- the involuntary.

2 MR. DEMO: And --

3 THE COURT: That may be, to me, a likely scenario,
4 but maybe not.

5 MR. DEMO: And -- and --

6 THE COURT: Maybe they'll say something else.

7 MR. DEMO: Understood. And I think we're honestly on
8 the same page with that.

9 THE COURT: Uh-huh.

10 MR. DEMO: Because to the extent that it does put it
11 into arbitration, to the extent that there is that
12 possibility, that it changes the color of those fraudulent
13 conveyance claims, changes the color of Acis's \$300 million
14 proof of claim, which goes to settlement strategy, which goes
15 to the benefits to other creditors, which goes to a whole
16 panoply of other things that tie into a benefit to the estate.
17 And I don't want to re-argue what we've already argued, but I
18 think, as Your Honor said, that chance that there is going to
19 be a change to the fraudulent conveyance, either because it
20 throws them into an arbitration or because it somehow
21 otherwise colors it, is, in and of itself, a substantial
22 benefit to the estate -- leaving aside the dollars from the
23 contracts, leaving aside the \$8 million proof of claim --
24 because that benefit goes to, again, that \$300 million proof
25 of claim that Acis has filed, which impacts the estate, which

1 impacts other creditors, and which impacts the settlement
2 mechanics in this case.

3 So to the extent that there is a chance that the
4 involuntary changes that and recolors it, there is a
5 substantial benefit to the estate in that, because it allows
6 the estate to work with creditors --

7 THE COURT: I mean, --

8 MR. DEMO: -- to figure out a way to settle claims in
9 a way that are --

10 THE COURT: I get what you're saying, but guess what?
11 You can object to that \$300 million proof of claim. And we
12 might have a very interesting conversation about --

13 MR. DEMO: What --

14 THE COURT: Well, it's the same judge either way, but
15 -- well, I guess I don't get what you're saying. You have the
16 ability to object to the proof of claim whether there's
17 affirmance or --

18 MR. DEMO: Yeah. But --

19 THE COURT: -- reversal, right? I'm just --

20 MR. DEMO: We don't have a -- you know, we may not
21 have to get -- I'm sorry, Your Honor, and I'll stop it -- but
22 we may not have to get there. Objecting to the proof of claim
23 is quali... it is quantitatively and qualitatively different
24 than a Fifth Circuit order saying that there are changes to
25 the fraudulent conveyance, there are changes to the

1 distribution of equity under the plan. Maybe there is no plan
2 -- or maybe there is no bankruptcy at all.

3 Those things fundamentally change the dynamics of this
4 case in a way that's good for the estate. And those things
5 can only happen if there's an order from the Fifth Circuit
6 entering that. We can object all down the pipe, and we are
7 going to object, Your Honor, and I assume other people will
8 object as well. But our objecting does not have the same
9 benefit to the estate as a Fifth Circuit opinion saying,
10 Fraudulent conveyance claims go to arbitration; saying, There
11 is no involuntary petition.

12 Now, I understand that there are questions as to the
13 probability of those things, but the fact that there is a
14 probability of those things happening and the cost to the
15 estate is a hundred thousand dollars, I understand what Your
16 Honor has said and I don't want to overstay my welcome, but I
17 do think we are -- at least maybe I am presenting it wrong --
18 but that Fifth Circuit order either way is going to calcify
19 and solidify this in ways that are beneficial to the estate
20 and beneficial to how this bankruptcy is going to progress.

21 THE COURT: Okay. I understand you feel passionately
22 about that, but just so you know, for future purposes or not,
23 I'm not there because, you know, among other things, we -- you
24 know, life has changed. You know, if the Fifth Circuit says
25 reversal, not a darn thing should happen in a bankruptcy case

1 of Acis, you know, it can all go to arbitration, well, that's
2 the Acis litigation, right? But Acis has filed a proof of
3 claim now. And are you going to tell me the Fifth Circuit is
4 going to say the arbitration that should have happened in the
5 earlier Acis case trumps, if you will, adjudication of a proof
6 of claim now in a new case?

7 MR. DEMO: And the claims are --

8 THE COURT: I mean, I'm just -- someone mentioned
9 *Gandy* and *National Gypsum*, and there's even a more recent
10 Fifth Circuit case dealing with arbitration which --

11 MR. DEMO: The claims, Your Honor, are state law
12 claims if there's no bankruptcy, and I think --

13 THE COURT: But there is a bankruptcy. There's a
14 Highland bankruptcy now. And there's a proof of claim --

15 MR. DEMO: Not if the Fifth Circuit --

16 THE COURT: -- in the Highland case.

17 MR. DEMO: -- overturns the involuntary petition.

18 THE COURT: Yeah. I just -- okay. We're just, we're
19 having academic conversations, and I'm probably guilty for
20 going down this trail. So, anyway, is there anything further,
21 then?

22 MR. LAMBERSON: No, Your Honor.

23 THE COURT: I need a few orders.

24 MR. LAMBERSON: If they want to prepare an order and
25 send it to us, we're happy to look --

1 THE COURT: Okay. Thank you all.

2 (Proceedings concluded at 1:44 p.m.)

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CERTIFICATE

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22

I certify that the foregoing is a correct transcript from
the electronic sound recording of the proceedings in the
above-entitled matter.

23

/s/ Kathy Rehling

02/20/2020

24

Kathy Rehling, CETD-444
Certified Electronic Court Transcriber

Date

25

005093

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

In re:)	
	)	Chapter 11
HIGHLAND CAPITAL MANAGEMENT,)	
L.P., ¹	)	Case No. 19-34054-sgj11
Debtor.)	
)	
	)	Docket Ref. No. 474

**OBJECTION OF THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS TO THE MOTION OF THE
DEBTOR FOR ENTRY OF AN ORDER AUTHORIZING, BUT NOT DIRECTING,
THE DEBTOR TO CAUSE DISTRIBUTIONS TO CERTAIN “RELATED ENTITIES”**

The official committee of unsecured creditors (the “Committee”) of Highland Capital Management, L.P. (the “Debtor”), hereby submits this objection (this “Objection”) to the *Motion of the Debtor for Entry of an Order Authorizing, But Not Directing, the Debtor to Cause Distributions to Certain “Related Entities”* [Docket No.474] (the “Distribution Motion”).² In support of this Objection, the Committee respectfully states as follows:

PRELIMINARY STATEMENT

1. The Committee’s objection focuses on a very limited portion of the transaction currently proposed by the Debtor – namely, proposed distributions of approximately \$8.6 million (the “Proposed Insider Distributions”) to several insiders who not only owe money to the Debtor but also may be the target of avoidance and other litigation brought by the Committee on behalf

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

² All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Distribution Motion.

of the Debtor's estate - Mark Okada and two entities owned and/or controlled by James Dondero and/or Mark Okada (such entities, together with Messrs. Dondero and Okada, the "Insider Parties"). As this Court is aware, Messrs. Dondero and Okada owned and controlled the Debtor for most of the past 30 years. During that time, the Debtor repeatedly breached fiduciary duties and contractual obligations, leading to hundreds of millions of dollars in judgments against the Debtor and certain affiliates. The Committee is currently investigating a variety of significant potential estate claims against the Insider Parties. For example, certain of the interests held by the Insider Parties, which form the basis for a portion of the Proposed Insider Distributions, were once owned by the Debtor – the Committee is investigating, among other things, the propriety of the transfers of these interests from the Debtor to the Insider Parties. In addition, Messrs. Dondero and Okada currently owe the Debtor over \$10.6 million in demand notes and another Insider Party owes the Debtor nearly \$7.5 million in notes receivable, some of which also are demand notes. In light of these and other potential claims, which are only now the subject of review by a party other than the Debtor, the Committee believes the Proposed Insider Distributions to the Insider Parties should be reserved in segregated accounts pending resolution of the issues under investigation by the Committee and repayment of all amounts owed to the Debtor by the Insider Parties.

2. This Court's order granting the relief requested by the Committee would shield the Debtor from any purported legal risks associated with withholding the Proposed Insider Distributions. Similarly, the Debtor and Independent Board would not breach their fiduciary duties by complying with this Court's order to withhold the Proposed Insider Distributions.³

³ Even absent court order, the Committee is highly skeptical of the legal merit of any such legal claims by Messrs. Dondero and Okada and related damages for any alleged breach of contract and/or fiduciary duty by the Debtor.

3. Temporarily withholding and segregating the proposed distributions would greatly facilitate the Debtor's interests while causing little harm to the Insider Parties. It would facilitate repayment of over \$18 million in notes payable to the Debtor by the Insider Parties. Moreover, delay in the distribution will allow the Committee an adequate opportunity to investigate potential estate claims against the Insider Parties, including claims arising from the very transactions pursuant to which the Debtor transferred certain of the interests at issue to such parties.

4. While the Debtor and Independent Board have taken the position that they cannot affirmatively seek this relief, clearly both should be supportive of this outcome which preserves claims of the Debtor's estate and a ready source of recovery for the outstanding demand notes. Moreover, the Proposed Insider Distributions will be temporarily placed in segregated, interest bearing accounts, compensating the Insider Parties for any material injury from the mere passage of time. To the extent Messrs. Dondero and Okada believe they would incur additional harm of which the Committee is not aware, they – not the Debtor – should bring those concerns directly to this Court.

OBJECTION

5. Through the Distribution Motion, the Debtor seeks authority to make redemption payments and other distributions to investors in certain funds managed by the Debtor. Specifically, as part of the Debtor's plan to distribute (i) approximately \$123.25 million to investors of RCP, (ii) \$21.8 million to investors of AROF in connection with the wind up of such fund, and (iii) \$34.8 million to investors in Dynamic in connection with the wind up of such fund – the Debtor seeks authority for some of the foregoing distributions to be made to the Insider Parties. Of the almost \$180 million in distributions, the Committee only objects to the distribution of a total of \$8.6 million to be distributed to three Insider Parties. Specifically, the Committee objects to the request

to make distributions to Mark Okada, Highland Capital Management Services, Inc. (“HCM Services,” owned by James Dondero, and Mark Okada), and CLO Holdco Ltd. (“CLOH”).⁴ To be clear, the Committee does not object to the Debtor’s orderly liquidation of Dynamic or AROF, or to the distributions from AROF, Dynamic, and RCP to any third-party, non-affiliated investors. However, in light of the significant amounts of money owed to the Debtor by Mr. Okada, Mr. Dondero and HCM Services, the Committee’s ongoing investigation of the Debtor’s insiders and related entities (including with respect to the propriety of how the Insider Parties obtained the interests which form the basis of the Proposed Insider Distributions (such interests, the “Insider Interests”)), and the well-documented fraudulent and improper activities engaged in by the Debtor’s insiders, the Committee requests that the Court order the Debtor to hold the Proposed Insider Distributions in a reserve for a limited period of time.

I. The Proposed Insider Distributions Should Be Reserved Pending the Repayment of Insiders Parties’ Obligations Owed to the Debtor and the Committee Investigation

6. Through the Distribution Motion, the Debtor seeks to make the following Proposed Insider Distributions:

Investor	Distribution Amount	Fund
CLO HoldCo, Ltd.	\$872,000	AROF
CLO HoldCo, Ltd.	\$1,521,000	Dynamic
Mark Okada	\$4,185,000	Dynamic
Highland Capital Management Services, Inc.	\$2,085,000	RCP
Total	\$8,663,000	

These Proposed Insider Distributions are a small portion of the \$180 million to be distributed from Dynamic, AROF and RCP.

⁴ The Distribution Motion also seeks authority to make distributions to Highland Dynamic Income Fund GP, LLC. The Committee does not object to such distribution.

The Insider Parties Owe the Debtor Money

7. It is undisputed that James Dondero, Mark Okada, and HCM Services owe the Debtor significant amounts of money. The Debtor's schedule of assets and liabilities [Docket No. 247] discloses that, as of the Petition Date, the Debtor holds notes receivable from (i) James Dondero, in the principle amount of \$9,334,012 (the "Dondero Note")⁵; (ii) HCM Services in the aggregate principle amount of \$7,482,480.88 (the "HCM Services Notes"), and (iii) Mark Okada, in the principle amount of \$1,336,287.84 (the "Okada Note"), and with the Dondero Note and the HCM Services Notes, the "Notes"). The Dondero Note, the Okada Note, and four of the five HCM Services Notes are demand notes, payable upon the request of the Debtor. These Notes should be repaid before the Debtor makes any distributions to these insiders.

The Insider Parties Have Engaged in a Pattern of Fraudulent Activities to the Detriment of Creditors

8. Further, as this Court is well-aware, the Debtor has a documented history of engaging in misconduct, breaches of fiduciary duty and fraudulent transactions in multiple settings, which ultimately led to the commencement of this bankruptcy case. At all relevant times, Mr. Dondero and Mr. Okada, as co-founders and executive officers, managed and controlled the Debtor and were ultimately responsible for the Debtor's pattern of misconduct, breaches of fiduciary duty and fraudulent activities.

9. As examples of the extensive misconduct, in 2014, the Securities and Exchange Commission ("SEC") determined (i) that the Debtor knowingly engaged in multiple transactions with its client advisory accounts without disclosing that the Debtor was acting as principal, or obtaining client consent, before the trades were completed, and (ii) that the debtor failed to

⁵ The Dondero Note is in addition to \$18.3 million owed to the Debtor under a demand note made by The Dugaboy Investment Trust, of which Mr. Dondero is a beneficiary.

maintain sufficient documentation with respect to certain transactions. *See* SEC Order ¶¶ 6-7, *In the Matter of Highland Capital Mgmt., L.P.*, File No. 3-16169 [Docket No. 130. Ex. A]. As established in the Redeemer Committee litigation, the Debtor, under the control of Mr. Dondero and Mr. Okada, was found to have covertly and improperly taken \$32.3 million in cash out of the a fund for which the Debtor acted as investment manager (the “Crusader Fund”), and was found to have made decisions with the “willful intent” to benefit itself and not the parties to whom the Debtor owed fiduciary duties. An arbitration panel unanimously found that the Debtor, Mr. Dondero, and Highland’s in-house lawyers violated their fiduciary duties to the Crusader Fund, engaged in willful misconduct, self-dealing, and secrecy, and made multiple misrepresentations to the Crusader Fund’s investors as well as the Debtor’s auditors.

10. In the Acis Capital Management bankruptcy case, this Court found that there was a “legitimate prospect” that the Debtor “would continue dismantling [Acis], to the detriment of [Acis] creditors.” *In re Acis Capital Mgmt., L.P.*, 584 B.R. 115, 147, 149 (Bankr. N.D. Tex. 2018). Following an arbitration award against Acis, Mr. Dondero and other members of the Debtor’s management transferred tens of millions of dollars in assets out of Acis into newly-formed Cayman Islands-based Highland affiliates. *Id.* at 127-130. This Court ultimately concluded that the “record contain[ed] substantial evidence of both intentional and constructive fraudulent transfers,” and “[t]he numerous prepetition transfers that occurred around the time of and after the Terry Arbitration Award appear[ed] more likely than not to have been made to deprive the Debtor-Acis of value and with the actual intent to hinder, delay, or defraud the Debtors’ creditors.” *See In re Acis Capital Mgmt., L.P.*, No. 18-30264, 2019 WL 417149, at *11 (Bankr. N.D. Tex. Jan. 31, 2019), *aff’d* 604 B.R. 484 (N.D. Tex. 2019). In both the Acis bankruptcy case and the Crusader Fund arbitration, the Debtor’s management were found to have manufactured dishonest and

illegitimate defenses and provided unreliable and incredible testimony regarding the Debtor's actions.

11. Each of the Insider Parties are closely affiliated with Mr. Dondero and/or the fraudulent actions that led the Debtor to bankruptcy:

- *Mark Okada*: Mr. Okada is the co-founder of the Debtor, and was the Chief Investment Officer until shortly before the commencement of this chapter 11 case. As Chief Investment Officer, Mr. Okada was responsible for overseeing the Debtor's investment activities across all investment platforms. Mr. Okada was an executive officer of the Debtor (i) when the Debtor was found by the SEC to have engaged in wrongful transactions without disclosing important information to clients, (ii) when the Debtor stripped Acis of its assets – CLO portfolio management contracts – and transferred to them a newly formed Cayman entity, and (iii) when the Debtor engaged in misconduct and breached fiduciary duties with respect to the Crusader Fund. Mr. Okada was the beneficial owner of 25% of Acis Capital Management, L.P. when Mr. Dondero and the Debtor transferred assets away from Acis, and this Court found that Mr. Dondero and Mr. Okada were the individuals making decisions for Highland CLO Funding Ltd. (“HCLOF Guernsey”) in connection with the events leading to the Acis bankruptcy litigation.⁶
- *HCM Services* – As the Debtor disclosed, HCM Services is owned 75% by Mr. Dondero and 25% by Mr. Okada. HCM Services appears to have received its interests in RCP from the Debtor, but the circumstances of such transaction have yet to be fully investigated by the Committee. HCM Services owes the Debtor \$7,482,481, of which \$900,000 is payable on demand. The Committee understands that Mr. Dondero remains in complete control of HCM Services.
- *CLOH* – CLOH is an entity owned by Charitable DAF Fund, LP (the “DAF”), which was seeded with contributions from the Debtor; the consideration for such contributions has yet to be fully investigated by the Committee. The DAF is managed and advised by the Debtor, and its trustee is a long-time friend of Mr. Dondero.⁷ The trustee for the DAF has also served as trustee for The Get Good Trust, The Dugaboy Investment Trust, and the SLHC Trust, of which Mr. Dondero

⁶ *In re Acis Capital Management, L.P.*, 2019 WL 417149, at *7, *9 (Bankr. N.D. Tex. January 31, 2019) (observing (i) that Mr. Okada owed 25% of Acis until the day after Mr. Terry obtained his arbitration judgement against Acis, at which point Mr. Okada conveyed his interests in Acis to Neutra, Ltd. for no consideration, and that (ii) Mr. Dondero, Mr. Okada, and another Highland employee made decisions for HCLOF Guernsey regarding the optional redemptions of the Acis CLOs).

⁷ *See In re Acis Capital Management, L.P.*, 2019 WL 417149, at *6 (Bankr. N.D. Tex. January 31, 2019) (noting that one of the three equity owners of HCLOF Guernsey was the DAF, which was “seeded with contributions from *Highland*, is managed/advised by *Highland*, and whose *independent trustee is a long-time friend of Highland's chief executive officer, Mr. Dondero*” (emphasis in original)).

is a beneficiary. The Distribution Motion discloses that the interests in Dynamic currently held by CLOH were originally held by the Debtor, and were transferred to The Get Good Nonexempt Trust, in exchange for Get Good's interest in a promissory note made by The Dugaboy Investment Trust, and then from Get Good to Mr. Dondero's Highland Dallas Foundation, Inc. and then to CLOH. The Distribution Motion does not disclose how or when CLOH obtained its interests in AROF. The Committee is investigating CLOH's relationship to and transactions with Mr. Dondero and other entities controlled by or otherwise benefitting Mr. Dondero.

The Committee is Investigating Claims Against the Insider Parties, Including Transfers the Transfers of the Insider Interest

12. Pursuant to the Term Sheet outlining the agreement between the Debtor and the Committee, the Committee has standing to pursue any and all estate claims and causes of action against Mr. Dondero, Mr. Okada, other insiders of the Debtor and the Debtor's related entities (which include the DAF and CLOH), "including any promissory notes held by any of the foregoing." [Docket No. 354] This part of the settlement with the Debtor was a critical component of the Committee's agreement to the governance structure in lieu of seeking appointment of a chapter 11 trustee. The Committee has begun its investigation and served document production requests to the Debtor. Among other claims and causes of action, the Committee is investigating potential preferential transfers, fraudulent transfers, breaches of fiduciary duties, usurpation of corporate opportunities, misappropriation of assets, and abuses of the corporate form. The Committee's investigation includes fully exploring the circumstances and transactions through which HCM Services, CLOH and Mr. Okada obtained the Insider Interests.

13. The Debtor's history of self-dealing and improper or fraudulent activities suggests that the Committee's investigation is likely to uncover similar inappropriate activities with respect to the Debtor's assets, including the Insider Interests. The Debtor's statements of financial affairs [Docket No. 248] disclosed that the Debtor made significant payments to affiliates through purported intercompany funding and affiliate loans in the 90 days prior to the filing date, along

with significant other insider transfers in the one year before the filing date (including very large expense reimbursement payments to Mr. Dondero). The Committee must have the opportunity to fully investigate the insider and affiliate transactions, including those that gave rise to the Insider Interests, that may be the subject of valuable estate causes of action before transactions distributing funds to those same insiders and affiliates can be consummated.

14. This is all the more true because the evidence is that, even during this bankruptcy case, Mr. Dondero continues to engage in secretive and potentially improper transactions. The Distribution Motion fails to highlight that the MGM Sale was negotiated by Mr. Dondero without the knowledge or approval of Debtor's counsel or the Debtor's financial advisors. Specifically, at the very same time that the Debtor's counsel and financial advisors were attempting to persuade the Committee to approve certain transactions with respect to RCP, Mr. Dondero, unbeknownst to any Debtor professional, committed the Debtor to executing the MGM Sale. The Independent Directors, the Debtor's counsel and the Debtor's CRO and financial advisors were not made aware of the MGM Sale until *two months* after Mr. Dondero allegedly committed to the transaction on behalf of the Debtor. While the Committee has decided not to object to the MGM Sale itself (based, in significant part, on feedback from the Independent Board regarding its concern about the alleged binding nature of Mr. Dondero's secretive agreement with MGM), the circumstances surrounding Mr. Dondero's negotiation of and entry into the transaction are alarming at best, and the Committee has not waived any rights to fully investigate that transaction and any related potential causes of action against Mr. Dondero or others.

15. In addition to its concern that some or all of the Proposed Insider Distributions may be on account of otherwise avoidable transactions, based upon the Interested Parties' long history of transferring assets and taking other actions to hinder, delay, and defraud creditors, the

Committee is also seriously concerned that the Insider Parties will swiftly place these distributions out of reach of the Debtor's estate while refusing to satisfy their obligations to the Debtor. Such actions would jeopardize the estate's ability to recover amounts owed to it and any future judgments against the Insider Parties, and would waste estate resources by forcing the Debtor to incur additional litigation costs to recover such debts and judgments.

II. The Court Has Authority to Direct the Debtor to Withhold the Proposed Insider Distributions

16. The Court “may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a). “Courts interpret Section 105 liberally.” *King Louie Mining, LLC v. Comu (In re Comu)*, Nos. 09-38820-SGJ-7, 10-03269-SGJ, 2014 Bankr. LEXIS 2969, at *264 (Bankr. N.D. Tex. July 8, 2014) (citing *Momentum Mfg. Corp. v. Employee Creditors Committee (In re Momentum Mfg. Corp.)*, 25 F.3d 1132, 1136 (2d Cir. 1994)). While the Supreme Court has found that section 105(a) does not give the bankruptcy court the ability to take any actions explicitly prohibited by another provision of the Bankruptcy Code, it does grant “extensive equitable powers that bankruptcy courts need in order to be able to perform their statutory duties.” *Caesars Entm't Operating Co. v. BOKF, N.A. (In re Caesars Entm't Operating Co.)*, 808 F.3d 1186, 1188 (7th Cir. 2015) (citing *Law v. Siegel*, 571 U.S. 415, 420 (2014)). Section 105 has been the source of authority for courts to, among other things, enjoin third parties, substantively consolidate non-debtors, and extend the automatic stay. *See e.g., Celotex Corp. v. Edwards*, 514 U.S. 300, 303 (1995) (holding that an injunction issued under § 105 was an appropriate use of the court's powers); *Alexander v. Compton (In re Bonham)*, 229 F.3d 750, 769 (9th Cir. 2000) (holding that the court's power to substantively consolidate non-debtors was found in § 105); *In re DeLorean Motor Co.*, 755 F.2d 1223, 1230

(6th Cir. 1985) (holding that a preliminary injunction issued to bar distributions from a non-debtor to third parties was an appropriate use of the court's equitable power under § 105).

17. Temporarily withholding the Proposed Insider Distributions and placing the corresponding funds in segregated accounts is well within the authority of this Court under section 105 of the Bankruptcy Code. The Insider Parties are current and former affiliates and/or insiders of the Debtor and creditors of the Debtor. The order requested by the Committee will allow full investigation of the claims and causes of action against the Insider Parties that was integral to the settlement approved by this Court in connection with approval of the Term Sheet. Furthermore, the Committee submits (and the Debtor has not asserted otherwise) that the relief sought by the Committee would not violate any explicit or implicit requirements of the Bankruptcy Code. Therefore, the Court need only consider the equitable nature of the relief that the Committee seeks, and its appropriateness in the context of furthering the goals of this bankruptcy. *See In re Caesars Entm't Operating Co.*, 808 F.3d at 1188.

18. The equitable argument for temporarily withholding the Proposed Insider Distributions and segregating such funds is straightforward. These actions merely maintain the status quo. The Committee is not requesting that the Debtor effectuate a set-off or take possession of the Proposed Insider Distribution. No party has asserted that any economic harm (much less any significant harm) will be done to the Insider Parties by holding the Proposed Insider Distributions in segregated interest bearing accounts pending further order of this Court. On the other hand, the withholding of the Proposed Insider Distributions (and the resulting leverage that creates against the Insider Parties) may be the only chance for the Debtor to receive any value for the amounts it is owed (or potentially owed) by the Insider Parties or obtaining redress for fraudulent or improper transactions involving those parties, including with respect to the Insider

Interest. As set forth above, the Insider Parties and the persons controlling them have repeatedly engaged in schemes and other behavior designed to evade creditors. It should not surprise this Court to learn that, after making demand for payment on the demand note from Mr. Okada as of February 13th at the urging of the Committee, the Debtor still has yet to receive any payment from Mr. Okada. Absent approval of the Committee's request, the Debtor's efforts to collect from the Insider Parties may be extremely cost intensive and time-consuming. It is fair and equitable for this Court to temporarily prevent money from flowing to the Insider Parties in order to facilitate the Debtor's efforts to recover amounts owed to it. Furthermore, the Committee should be given the opportunity to investigate the propriety of the Debtor's transfers of its interests in the underlying funds to the Insider Parties, including the Insider Interests. Maintaining the status quo until the Committee has investigated those transfers is fair and equitable and falls well within this Court's authority under section 105.

19. Moreover, the relief sought by the Committee would further the goals of this bankruptcy case and would allow the Debtor to fulfill its duties to creditors by maximizing the value of the estate. The Debtor contends, and the Committee does not disagree, that the Debtor has certain contractual and fiduciary duties to the investors in the funds that it manages. The Debtor asserts that those duties compelled the Debtor to file the Distribution Motion. *Distribution Motion* ¶ 7. The Debtor also has duties to its creditors, however, and the Committee, for the reasons set forth above, asserts that such duties require the Debtor to avoid making the Proposed Insider Distributions at this time. Filing the Distribution Motion should fulfill any duties the Debtor may have to the Insider Parties in respect of the Proposed Insider Distributions. An order from this Court providing that the Proposed Insider Distributions should be temporarily withheld

and segregated fully addresses any conflict of duties the Debtor otherwise may have, and would allow the Debtor to more effectively carry out its duty to maximize the value of the estate.

20. Accordingly, the Committee believes that the Court should order the Debtor to withhold and segregate the Proposed Insider Distributions until (i) the Insider Parties repay the Notes that are currently due and payable and (ii) the Committee has an opportunity to fully investigate estate causes of action against such Insider Parties. The Committee does not propose that the Debtor effectuate a setoff or take possession of the Proposed Insider Distributions; rather the Committee requests that the Court order the Debtor to segregate and hold the Proposed Insider Distributions in reserve for a limited period of time in order to avoid the significant prejudice to the estate in allowing cash distributions to be paid to Insider Parties and beneficiaries that owe the Debtor money, and then forcing the estate to spend resources recovering assets from these parties.

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WHEREFORE, the Committee respectfully requests that the Court deny the Distribution Motion and direct the Debtor to hold the Proposed Insider Distributions in segregated interest bearing accounts pending further order of the Court.

Dated: March 2, 2020
Dallas, Texas

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COUNSEL FOR THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS

I. INTRODUCTION

1. Acis wants the Court to know the whole story. After the Debtor filed for bankruptcy—and after the Debtor filed its initial motion to approve protocols for certain "ordinary course" transactions—James Dondero purportedly entered into a *rogue oral trade* of \$123.25 million in thinly-traded stock of MGM, a private company of which Dondero is on the board of directors, and thus privy to unique information. Upon information and belief, Dondero did so unbeknownst to Debtor's bankruptcy counsel or the newly-installed chief restructuring officer and his staff; however, there is a question whether Debtor's in-house legal team was aware of Dondero's actions. Like so many prior transactions, Dondero was on both sides of the deal. To make things worse, after the purported oral trade, MGM's stock price appreciated significantly in value. Moreover, other Dondero-controlled entities have not sold their pro-rata positions in MGM, calling into question why doing so for this Debtor-controlled fund was in the various stakeholders' best interests, and consequently in the estate's best interests.

2. While the Committee did not ultimately object to the underlying transaction, Acis objected in the strongest terms. This was not an "ordinary course" transaction, and much is to be learned about the circumstances surrounding Dondero's purported \$123.25 million oral trade. Even if the trade really happened and was proper, it does not reflect sound business judgment for the Debtor to allow millions of dollars go out the door to insiders when those same insiders will likely owe much, much more to the estate. Rather than authorizing the Debtor to reward Dondero and other insiders for his misfeasance, the Court should sustain the Committee's Objection.

II. RELEVANT FACTS

3. On October 16, 2019, the Debtor filed the above-captioned bankruptcy case (this "Bankruptcy Case").

4. On October 24, 2019, the Debtor filed its *Precautionary Motion of the Debtor for Order Approving Protocols for the Debtor to Implement Certain Transactions in the Ordinary Course of Business* [Docket No. 76] (the "Initial Protocols Motion"), whereby the Debtor requested that the Court approve certain protocols with respect to "ordinary course" services and intercompany transactions.

5. Also on October 24, 2019, the U.S. Trustee appointed the Committee, of which Acis is a member. *See* Docket No. 64.

6. In November 2019, as described in the Distribution Motion, prior to the appointment of the Independent Board, "the Debtor requested the Committee's authorization to proceed first with the larger transactions and then solely the MGM Sale, but the Committee rejected both of these transactions." Distribution Motion ¶ 30.

7. Sometime in late November 2019, *after* the Committee rejected the proposed MGM Sale, and without approval of the Debtor's counsel or financial advisors (or their knowledge), Dondero purportedly orally entered into the clandestine, rogue trade of 1.7 million shares of MGM stock for \$123.25 million, or for \$72.50 per share. *See id.* ¶ 29. While Dondero was still controlling the Debtor, he was also on the board of directors of MGM. Upon information and belief, Dondero engaged in this purported trade just after MGM reported earnings, and most likely before the market absorbed the reported earnings.² These

² Also disturbing, just prior to the purported trade, the Debtor's CRO, Bradley Sharp, was deposed and testified that, under his engagement letter, Dondero was required to obtain his approval for such related-party transactions.

circumstances reflect the continuation of Dondero's pattern of flouting his duties in connection with the Debtor or this Bankruptcy Case.

8. As explained by the Committee in its Objection, the Independent Board, Debtor's counsel, and the Debtor's CRO and financial advisors were not made aware of the MGM Sale until over two months after Dondero purportedly committed to the transaction on behalf of the Debtor. Likewise, the MGM Sale was not disclosed to the Committee until February 7, 2020. *Id.*

9. On January 14, 2020, the Debtor filed its *Notice of Final Term Sheet* [Docket No. 354] (the "Term Sheet"), which set out proposed terms of a settlement between the Debtor and the Committee related to the Debtor's corporate governance and operating protocols. The next day, on January 15, 2020, the Debtor withdrew the Initial Protocols Motion. *See* Docket No. 360.

10. On February 21, 2020, the Debtor filed its *Notice of Debtor's Amended Operating Protocols* [Docket No. 466] (the "Protocols"). Under the Protocols (amended slightly from the Term Sheet), the operating requirements for "Ordinary Course Transactions" (which do not require Court approval) differ significantly from "Related Entity Transactions," which likely do require Court approval if the Committee objects. *See* Protocols Ex. A at 2-6. Under the Protocols, MGM Holdings, Inc. is specifically defined as a "Related Entity." *Id.* at 1.

III. JOINDER AND COMMENT

11. Acis expressly joins the Committee's Objection and hereby incorporates the Objection as if set forth in full and for all purposes herein.

A. The Court should not allow Dondero and other Insider Parties to benefit from the rogue MGM Sale by allowing the Debtor to make the Proposed Insider Distributions.

12. The MGM Sale is just a continuation of Dondero's self-dealing—even during this Bankruptcy Case—to enrich himself (or other entities he controls), at the expense of the estate. Now the Debtor seeks "authority" to approve Dondero's misfeasance. At a minimum, it is only proper for this Court to sustain the Committee's Objection and prevent distribution of any of the Proposed Insider Distributions.

13. The MGM Sale continues a familiar pattern. Like many prior transactions, Dondero was on both sides of the MGM Sale. While acting as a director on MGM's board, he was also acting on behalf of the Debtor. Further, even though this transaction required CRO oversight under the proposed protocols (which were contemplated at the time of or soon after the bankruptcy filing), Dondero engaged in the purported rogue MGM Sale without knowledge of the Debtor's counsel or the CRO.

14. Since Dondero entered into this clandestine, rogue trade at \$72.50 a share, on information and belief, MGM shares have recently traded in the \$90s. Moreover, other Dondero-controlled entities have not sold their pro-rata positions in MGM, which calls into question whether this transaction was in the best interest of the Debtor and the various stakeholders in this Debtor-controlled fund.

15. After the Committee learned of the transaction, Acis strenuously objected to its approval. The Committee nevertheless voted to approve it. Still, by its Objection, the Committee requests that the Court direct the Debtor to withhold any Proposed Insider Distributions until the Insider Parties repay Notes that are currently due and payable to the

Debtor and the Committee can fully investigate causes of action against the Insider Parties. Acis joins in this request.

B. The MGM Sale was not in the ordinary course and distributing its proceeds to the Insider Parties is not in the Debtors' sound business judgment.

16. The Debtor first asserts that the Distributions, including those from the MGM Sale, are in the ordinary course pursuant to section 363(c)(1) of the Bankruptcy Code. The Protocols themselves belie this assertion. The Protocols specifically carve out "Related Entity" Transactions," such as the MGM Sale, from "Ordinary Course Transactions," which do not require Court approval. Now arguing that these Related Entity Transactions should simply be rubber stamped because they are ordinary course under section 363(c) defeats the purpose of Court approval and undermines the Protocols.

17. Alternatively, the Debtor argues that if the Distributions are not ordinary course, they are within the exercise of the Debtor's sound business judgment, and therefore allowed under section 363(b)(1) of the Bankruptcy Code. *See* Distribution Motion ¶¶ 56-57.

18. When exercising its business judgment pursuant to section 363(b), the trustee or debtor in possession has a duty to maximize value for the estate and its creditors. *See Gluckstadt Holdings, L.L.C. v. VCR I, L.L.C. (In re VCR I, L.L.C.)*, 922 F.3d 323, 326-27 (5th Cir. 2019) (noting that, under section 363(b), a "trustee as a duty to maximize the value of the estate") (quoting *Cadle Co. v. Mims (In re Moore)*, 608 F.3d 253, 263 (5th Cir. 2010)); *ASARCO, Inc. v. Elliott Mgmt. (In re ASARCO, L.L.C.)*, 650 F.3d 593, 601 (5th Cir. 2011) (affirming the bankruptcy court's finding that the "proposed reimbursement of expenses was designed to maximize the value of [the] estate, and was fair, reasonable, and appropriate").

19. Accordingly, when the Debtor uses property of the estate, which here are the Debtor's contract rights in connection with making the Distributions, outside of the ordinary

JOINDER OF ACIS CAPITAL MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP, LLC TO THE COMMITTEE'S OBJECTION TO THE MOTION TO THE DEBTOR FOR ENTRY OF AN ORDER AUTHORIZING, BUT NOT DIRECTING, THE DEBTOR TO CAUSE DISTRIBUTIONS TO CERTAIN "RELATED ENTITIES," AND COMMENT TO THE SAME

course, the Debtor has a duty maximize value for the estate. As expressed by the Committee in its Objection, it does not reflect sound business judgment for the Debtor to pay millions of dollars in cash distributions to insiders when those same insiders likely owe much more to the estate.

20. As a court of equity, and pursuant to sections 105 and 363 of the Bankruptcy Code, at a minimum this Court should prevent the Debtor from making any Proposed Insider Distributions, as set forth in the Objection, until the Committee has the opportunity to fully investigate estate causes of action against Dondero and other Insider Parties.

IV. PRAYER

Acis respectfully requests that this Court sustain the Committee's Objection and grant Acis such other and further relief to which it may show itself to be justly entitled.

DATED: March 2, 2020.

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Respectfully submitted,

By: /s/ Rakhee V. Patel

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**COUNSEL FOR ACIS CAPITAL
MANAGEMENT, L.P. AND ACIS
CAPITAL MANAGEMENT GP, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on March 2, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Rakhee V. Patel

One of Counsel



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

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

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

Signed March 11, 2020


United States Bankruptcy Judge

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§
§
§
§
§

Chapter 11

Case No. 19-34054-sgj11

Related to Docket No. 474

**ORDER AUTHORIZING, BUT NOT DIRECTING, THE DEBTOR TO CAUSE
DISTRIBUTIONS TO CERTAIN "RELATED ENTITIES"**

Having considered the *Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities"* [Docket No. 474] (the "Motion")² filed by the Debtor seeking entry of an order authorizing, but not directing, the Debtor to cause the distribution of assets in the ordinary course of its business to certain

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

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

Related Entities that have invested in Dynamic, AROF, and RCP, as more fully set forth in the Motion, and having heard the statements in support of the relief requested in the Motion at a hearing before this Court (the “Hearing”), the Court finds that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (ii) the Motion involves a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) venue of the Bankruptcy Case in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; (iv) the relief requested in the Motion is in the best interests of the Debtor’s estate, its creditors, and other parties-in-interest; (v) the Debtor’s notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no further or additional notice need be provided; and (vi) the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein.

Accordingly, **IT IS HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** to the extent set forth in this Order.
2. The Debtor is directed to pay or to cause the payment of:
 - a. the allocable portions of the Dynamic Distribution (i) otherwise payable to CLOH as a deposit into the Court Registry Investment System, administered by the Administrative Office of the United States Courts under 28 U.S.C. § 2045 (the “Court Registry”); (ii) in an amount equal to \$1,363,388.69³ (the “Demand Amount”) otherwise payable to Mark Okada to the Debtor on account of the Demand Note;⁴ *provided, however*, that all amounts otherwise payable to Mark Okada in excess of the Demand Amount will be paid to

³ \$1,363,388.69 is the total amount of principal and accrued but unpaid interest due and owing as of March 9, 2020, under that certain Promissory Note, dated April 15, 2016, in the original principal amount of \$1,250,000 between Mark Okada, as maker, and the Debtor, as payee (the “Demand Note”).

⁴ Prior to the Hearing, the Independent Board, through James Seery, Jr., contacted Mark Okada concerning the payment of the Demand Note. Mr. Seery and Mr. Okada discussed Mr. Okada’s repayment of the Demand Note as well as potential defenses that Mr. Okada believed he had to repayment. After the hearing, Mr. Seery continued the discussions and as a result thereof, Mr. Okada agreed to pay the Demand Note from amounts otherwise payable to him from the Dynamic Distribution.

Mark Okada in accordance with the Dynamic Fund Documents; and (iii) otherwise payable to Dynamic GP to the Dynamic GP in accordance with the Dynamic Fund Documents;

b. the allocable portions of the AROF Distribution otherwise payable to CLOH as a deposit into the Court Registry; and

c. the allocable portion of the RCP Distribution otherwise payable to HCM Services as a deposit into the Court Registry.

3. The deposit of the foregoing amounts into the Court Registry will be done in each case in accordance with General Order 2016-03, *Order Regarding Deposit and Investment of Registry Funds*, entered by the United States Bankruptcy Court of the Northern District of Texas on November 17, 2016 (the “General Order”). For the avoidance of doubt, this Order shall constitute the Court’s express order authorizing the deposit or transfer of funds into the Court Registry as required by the terms of the General Order, and the Clerk of Court shall accept this Order as the requisite order of the Court permitting the deposit or transfer of funds into the Court Registry.

4. The deposit of the foregoing Distributions into the Court Registry and the payment of the Demand Amount to the Debtor will constitute payment of such amounts in each case in accordance with the Dynamic Fund Documents, the AROF Fund Documents, and the RCP Fund Documents, as applicable, and none of the Debtor, the Funds, the applicable governing or managing entity of each of the Funds, or any other party will have any liability to any of CLOH, Mark Okada, HCM Services, or any person that owns or controls CLOH or HCM Services arising out of or from such party’s compliance with this Order.

5. Each of CLOH, and HCM Services may seek the release of the funds deposited into the Court Registry pursuant to this Order in each case in accordance with the General Order.

6. Notwithstanding anything herein to the contrary and for the avoidance of doubt, nothing in this Order shall prevent or otherwise hinder distributions to be made to any other investor in Dynamic, AROF, or RCP, and such distributions may be made in each case in accordance with the Dynamic Fund Documents, the AROF Fund Documents, or the RCP Fund Documents, as applicable.

7. Notwithstanding anything herein to the contrary and for the avoidance of doubt, this Order does not alter the rights of any parties with respect to the monies deposited into the Court Registry pursuant to this Order.

8. Notwithstanding anything herein to the contrary and for the avoidance of doubt, all rights of (or on behalf of) the Debtor's estate under the Demand Note are preserved, and all defenses of Mr. Okada under the Demand Note are preserved.

9. Notwithstanding any stay under applicable Bankruptcy Rules, this Order shall be effective immediately upon entry.

10. The Court shall retain jurisdiction over all matters arising from or related to the interpretation and implementation of this Order.

END OF ORDER



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

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

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

Signed March 12, 2020


United States Bankruptcy Judge

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

In Re:	§	
	§	
HIGHLAND CAPITAL MANAGEMENT, L.P.,	§	Case No. 19-34054-sgj11
	§	
Debtor.	§	Chapter 11

**ORDER LIFTING THE AUTOMATIC STAY TO ALLOW PURSUIT OF STATE
COURT ACTION AGAINST NON-DEBTORS**

The Court heard the Motion For Relief from the Automatic Stay To Allow Pursuit of State Court Action Against Non-Debtors [ECF No. 451] (the "Motion") filed by Creditors Joshua N. Terry and Jennifer G. Terry (the "Terrys").¹ The Court finds that cause exists for the entry of the following order.

ACCORDINGLY, IT IS HEREBY ORDERED THAT:

1. The Motion is **GRANTED**.
2. Relief from the automatic stay is granted to permit the Terrys to:

¹ All defined terms in the Motion are hereby incorporated herein.

- (a) File and pursue to order a motion to sever claims against Dondero and Surgent from those against Debtor, such that the State Court Litigation will have two separate causes with separate defendants, one with the Debtor and one with Dondero and Surgent;
- (b) Pursue their claims against Surgent and Dondero in the severed action.

3. The Court shall retain jurisdiction over any and all matters arising from or related to the implementation or the interpretation of this Order.

END OF ORDER

Submitted by:

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JENNIFER G. TERRY**

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero

Appellant

vs.

Highland Capital Management, L.P., et al

Appellee

§
§
§
§
§

3:20-CV-03390-X

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLEE RECORD
VOLUME 23**

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**COUNSEL FOR ACIS CAPITAL MANAGEMENT,
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LLC, APPELLEES**

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

IN RE:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

DEBTOR.

§
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§

CASE NO. 19-34054

Chapter 11

INDEX

DESIGNATION OF RECORD ON APPEAL

Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP," together with Acis LP, "Acis"), appellees, file this Designation of Record on Appeal related to the *Order Approving Debtor's Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302] (the "Settlement Order"), the *Notice of Appeal* [Docket No. 1347] of the Settlement Order filed by James Dondero ("Dondero") and the *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented* [Docket No. 1515] filed by Dondero.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

Acis designates the following additional items for inclusion in the record on appeal.

Items in Bankruptcy Case No. 19-34054-SGJ-11	
Vol. 14 003095 003097	1. Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. [Docket No. 1]
003203	2. Chapter 11 Voluntary Petition [Docket No. 1]
003247	3. Affidavit/Declaration in Support of First Day Motion /Declaration of Frank Waterhouse in Support of First Day Motions Filed By Highland Capital Management, L.P. [Docket No. 11]
Vol. 15 003406	4. Motion to Change Venue/Inter-district Transfer Filed by Official Committee of Unsecured Creditors [Docket No. 85]
003433	5. Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 122]
003444	6. Joinder to Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) [Docket No. 126]
003452	7. Reply in Support of Motion to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 162]
003459	8. Reply in Support of the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 163]
003463	9. Response of the Debtor to Acis's Joinder to Motion to Transfer Venue [Docket No. 164]
003465	10. Order Transferring Venue of this Case to the United States Bankruptcy Court of the Northern District of Texas [Docket No. 186]
003492	11. Transcript regarding hearing held 12/6/19 [Docket No. 207]
003574	12. Schedules: Schedules A/B/ and D-H with Summary of Assets and Liabilities (with Declaration Under Penalty of Perjury for Non-Individual Debtors)[Docket No. 247]
003616	13. Statement of financial affairs for non-individual [Docket No. 248]
Vol. 16 003629	14. Trustee's Motion to appoint trustee [Docket No. 271]
003729	15. Motion to compromise controversy with Official Committee of Unsecured Creditors [Docket No. 281]
003735	16. Trustee's Objection to Motion to Approve Joint Agreement [Docket No. 313]
003738	17. Declaration re: (Declaration of Bradley D. Sharp in Support of the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course) [Docket No. 327]
003751	18. Response unopposed to (related document(s): 313 Objection) [Docket No. 329]
003756	19. Response unopposed to (related document(s): 313 Objection) [Docket No. 330]
	20. Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors, Strand Advisors, Inc., and James Dondero. [Docket No. 338]

Vol. 16 003764	21.	Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course [Docket No. 339]
003769	22.	Notice (Notice of Final Term Sheet) [Docket No. 354]
Vol. 17 003834	23.	Response opposed to (related document(s): 271) [Docket No. 362]
003847	24.	Objection to (related document(s): 271 Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) [Docket No. 364]
003851	25.	Transcript regarding Hearing Held 01/21/2020 [Docket No. 393]
003991	26.	Order denying motion to appoint trustee [Docket No. 428]
003993	27.	Motion for relief from stay [Docket No. 451]
Vol. 18	28.	Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") [Docket No. 474]
004042	29.	Transcript regarding Hearing Held 02/19/2020 [Docket No. 479]
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005119	32.	Order authorizing, but not directing, the debtor to cause distributions to certain 'related entities'. [Docket No. 512]
005123	33.	Order granting motion for relief from stay [Docket No. 519]
Vol. 23 005125	34.	Transcript regarding Hearing Held 03/04/2020 [Docket No. 571]
005246	35.	Motion for relief from stay [Docket No. 593]
Vol. 24 005352	36.	Transcript regarding Hearing Held 05/26/2020 [Docket No. 676]
005359	37.	Order granting motion for relief from stay [Docket No. 764]
005362	38.	Application to employ James P. Seery, Jr. Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020 [Docket No. 774]
005395	39.	Transcript regarding Hearing Held 06/30/2020 [Docket No. 802]
005495	40.	Transcript regarding Hearing Held 07/08/2020 [Docket No. 817]
005553	41.	Agreed order regarding deposit of funds into registry of the Court [Docket No. 821]
005558	42.	Order granting application to employ James P. Seery, Jr. as Chief Executive Officer, Chief Restructuring and Foreign representative [Docket No. 854]
Vol. 25 005570	43.	Transcript regarding Hearing Held 07/14/2020 [Docket No. 864]
005764	44.	Transcript regarding Hearing Held 07/21/2020 [Docket No. 897]
Vol. 26 005829	45.	Order directing mediation [Docket No. 912]
005835	46.	Transcript regarding Hearing Held 08/19/2020 [Docket No. 998]
005855	47.	Transcript regarding Hearing Held 09/10/2020 [Docket No. 1064]
005904	48.	Amended Schedules: E/F, with Summary of Assets and Liabilities [Docket No. 1082]
005933	49.	Transcript regarding Hearing Held 10/06/2020 [Docket No. 1145]
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005994	51.	Witness and Exhibit List [Docket No. 1202-1]
005997	52.	Omnibus Reply [Docket No. 1221]

DATED: December 7, 2020.

Respectfully submitted,

By: /s/ Annmarie Chiarello

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CERTIFICATE OF SERVICE

I hereby certify that on December 7, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello

One of Counsel

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

IN RE: . Case No. 19-34054-11 (SGJ)
 .
HIGHLAND CAPITAL . Earle Cabell Federal Building
MANAGEMENT, L.P., . 1100 Commerce Street
 . Dallas, TX 75242-1496
 .
Debtor. . March 4, 2020
 1:31 p.m.

TRANSCRIPT OF HEARING ON MOTION OF THE DEBTOR FOR ENTRY OF AN
ORDER AUTHORIZING, BUT NOT DIRECTING, THE DEBTOR TO CAUSE
DISTRIBUTIONS TO CERTAIN "RELATED ENTITIES"
BEFORE HONORABLE STACEY G. JERNIGAN
UNITED STATES BANKRUPTCY COURT JUDGE

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- - -

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1 THE COURT: -- set a motion of the debtor for entry
2 of an order authorizing but not directing the debtor to cause
3 distributions to certain related entities.

4 Let's get lawyer appearances in the courtroom.

5 MR. POMERANTZ: Good afternoon, Your Honor. Jeff
6 Pomerantz and Greg Demo, Pachulski Stang Ziehl & Jones, on
7 behalf of the debtors.

8 THE COURT: Thank you.

9 MS. HAYWARD: Good afternoon, Your Honor. Melissa
10 Hayward and Zachary Annable of Hayward & Associates on behalf
11 of the debtor.

12 THE COURT: Thank you.

13 MR. CLEMENTE: Good afternoon, Your Honor. Matthew
14 Clemente, Dennis Twomey, and Penny Reid from Sidley Austin on
15 behalf of the Official Committee of Unsecured Creditors.

16 THE COURT: Thank you.

17 MS. SHRIRO: Good afternoon, Your Honor. Michelle
18 Shriro on behalf of CalPERS. And I also have my co-counsel
19 Louis Cisz from Nixon Peabody, and he is -- he should be on the
20 line.

21 THE COURT: Okay. Thank you.

22 MR. LYNN: Good afternoon, Your Honor. Michel Lynn
23 and John Bonds for James Dundero.

24 THE COURT: Okay. Thank you.

25 MS. PATEL: Good afternoon, Your Honor. Rakhee

1 Patel, Winstead PC, on behalf of Acis Capital Management, LP,
2 and Acis Capital Management, GP, LLC. Also, I have my co-
3 counsel Mr. Brian Shaw of the Rogge Dunn Firm on behalf of the
4 same clients.

5 THE COURT: Thank you.

6 MR. PLATT: Good afternoon, Your Honor. Mark Platt
7 firm Frost Brown Todd on behalf of the Redeemer Committee of
8 the Highland Crusader Fund. And I believe Terry Mascherin is
9 on the phone, as well --

10 THE COURT: All right.

11 MR. PLATT: -- from Jenner & Block.

12 THE COURT: Thank you.

13 MS. ANDERSON: Good afternoon, Your Honor. Amy
14 Anderson with Jones Walker on behalf of the Issuers. I believe
15 Mr. James Bentley with Schulte Roth is also on the phone on
16 behalf of the same parties.

17 THE COURT: Okay. Thank you.

18 All right. We do have a large number of people on
19 the phone. I'm just going to go through the live lines and
20 take roll. Asif Attarwalla for UBS, are you there?

21 MR. ATTARWALLA: Here. Yes, Your Honor.

22 THE COURT: All right. James Bentley?

23 MR. BENTLEY: Yes, Your Honor. I'm here.

24 THE COURT: Okay. Also Jeff Bjork from Latham?

25 Yes/no?

1 (No response)

2 THE COURT: All right. Earnestiena Cheng for FTI?

3 MS. CHENG: Yes, Your Honor.

4 THE COURT: Okay, thank you. And Louis Cisz, I think
5 we heard he was CalPERS co-counsel. Are you there?

6 MR. CISZ: Yes, I am, Your Honor.

7 THE COURT: All right. Thank you. Kimberly Gianis
8 for Contrarian? Yes/no?

9 (No response)

10 THE COURT: All right. Terry Mascherin, I think we
11 heard he was there for the Redeemer Committee.

12 MR. MASCHERIN: Yes, Your Honor.

13 THE COURT: Okay. I'll just ask anyone else on the
14 phone who wishes to appear, go ahead at this time.

15 (No response)

16 THE COURT: All right. That may be it.

17 All right. Mr. Pomerantz, I see a 20-minute time
18 estimate on our calendar. I'm not sure where that came from,
19 but that --

20 MR. POMERANTZ: I think that's quite aggressive.

21 THE COURT: Okay.

22 MR. POMERANTZ: Good afternoon again, Your Honor.

23 Jeff Pomerantz, Pachulski Stang Ziehl & Jones. First, I want
24 to thank Your Honor for scheduling the hearing on shortened
25 time. I would also like to introduce once again the three

1 members of the independent board who have been appointed
2 pursuant to the settlement, Your Honor, that Your Honor
3 approved on January 9th. That's James Seery, John Dubel, and
4 Russell Nelms.

5 THE COURT: Okay. Hello.

6 MR. POMERANTZ: I thought it might be helpful, Your
7 Honor, to provide Your Honor with a brief background of each
8 board member, how they have been approaching their duties as
9 independent directors, and what the focus has been the first
10 two months of the case. And then I will go into the background
11 of this present motion.

12 THE COURT: Okay.

13 MR. POMERANTZ: James Seery will be the debtor's
14 witness at today's hearing, and he's a 30-year restructuring
15 lawyer with extensive experience with high-yield and distressed
16 investing both as a principal and manager which is precisely
17 the business in which the debtors operate. He is an attorney
18 licensed to practice in New York who has passed and held the
19 Series 7, 63, 79, SIE and Series 24 FINRA principal
20 designations.

21 From April 2012 to 2017, he was the president and
22 senior investing manager of RiverBirch Capital. And RiverBirch
23 is an SEC-registered investment advisor managing a \$1.3 billion
24 global long short fund that focused on high yield loans, bonds,
25 CLOs, and distressed investments. Prior to that, Mr. Seery

1 spent ten years as a senior high yield manager at Lehman
2 Brothers, and he was the global head of Lehman Brothers fixed-
3 income loan business.

4 Accordingly, Mr. Seery brings to his role as an
5 independent director a unique combination of a legal
6 background, restructuring experience, and a deep knowledge of
7 the highly regulated business in which the debtor operates.

8 Mr. Dubel brings 35 years' practice in the
9 restructuring area. His experience includes turnaround
10 management, crisis management, operational restructurings, and
11 corporate acquisitions and divestitures. He's worked at both
12 sides of the table, both on the company side and other side.
13 And he brings a unique perspective to each situation, and he
14 spent the last ten years being an independent director for a
15 wide range of distressed companies including Purdue Pharma
16 which obviously is the newest in current Chapter 11, WMC
17 Mortgage, Wartaco (phonetic), FXI, and ResCap.

18 And as an independent board member, he's played a
19 principle role in overseeing management, negotiating with
20 creditors, supervising and investigating resolution, either
21 consensually or through litigation of insider and affiliate
22 claims, and also spearheading reorganization efforts.

23 I'm sure Your Honor is familiar with Russell Nelms
24 but briefly he was a distinguished bankruptcy litigator with
25 Carrington Coleman for 20 years which followed a stint of six

1 years as a United States Army judge advocate, and also he sat
2 with the bankruptcy court here in Fort Worth from 2004 to 2018.

3 Your Honor, these individuals bring a complementary
4 skill set to the independent board that have made them uniquely
5 qualified to manage the debtor's restructuring efforts in this
6 case, that bring a combination of sophisticated asset
7 management experience, financial restructuring, a legal
8 insolvency background, and judicial experience. They've been
9 involved in many cases on all sides of the aisle, whether it's
10 been alleged wrongdoing or questionable conduct with people
11 they've ever had to supervise as a board member, advise as a
12 restructuring lawyer, work with as a financial advisor, or
13 administer their cases as a judge.

14 Mr. Seery and Dubel were selected by the Committee
15 not only because of their relevant expertise but because of
16 their commitment to independence and ability to stand up to
17 strong personalities that exist on all sides of this case. Mr.
18 Nelms, while originally identified by the debtor, was scheduled
19 by the Committee, and was ultimately chosen to be the third
20 board member by Mr. Seery and Dubel from a group of highly-
21 qualified candidates.

22 Your Honor, I provide this background to stress that
23 the independent board consists of individuals whose background
24 and experience speak to their independence, experience, and
25 strength, and who take their job seriously to do what they

1 believe is right for this debtor, and they're not bring
2 influenced by any party in this case, be that the debtor, Jim
3 Dondero, members of the management committee, members of the
4 debtor's management, or the creditors' committee. The
5 reputations of each of these gentlemen at are stake in a case
6 like this, and they take their attendance very seriously.

7 Upon taking over on January 9th, 2020, the board
8 quickly made a few observations about the current circumstances
9 that have guided their actions today. First, the board
10 understood that the debtor was where it was in part due to many
11 years of intense litigation arising out of sometimes aggressive
12 management decisions or failure to settle certain employee
13 disputes and that the litigation led to cost and diversion of
14 time and energy for what the debtor did best which was manage
15 assets.

16 The board concluded that for case to succeed, the
17 board would have to chance the culture from one of litigation
18 to reconciliation and consensus building. It doesn't mean that
19 the debtor will back down from defending itself from claims
20 that it doesn't believe are legitimate but rather the
21 litigation that the company under their watch would be involved
22 in would need to be carefully vetted by the independent board,
23 outside advisors, and the results of which would guide the
24 board's conduct.

25 The board's focus has and continues to be operating

1 the debtor's business in accordance with its obligations of
2 their debtor in possession in conformance with its statutory,
3 contractual, and fiduciary obligations as an investment
4 advisor. By scrupulously meeting its obligations as an
5 investment advisor, the debtor will continue to enhance the
6 asset management business and avoid the litigation that
7 contributed to this case.

8 Second, the board understood the relationship between
9 the debtor's largest creditors and senior management had
10 materially deteriorated and that there was severe lack of trust
11 that creditors had with respect to management. The board
12 initially determined, has determined to continue retaining the
13 services of senior management because it believes that their
14 historical background and deep knowledge of the debtor's assets
15 provide material value to the estate. However, the board's
16 decisions thus far have and will continue to be based upon
17 their independent review of the facts and circumstances and
18 based upon consultation with outside advisors as appropriate.

19 Third, the board believe that a lengthy stay in
20 Chapter 11 only would serve to erode asset value while at the
21 same time leading to extensive restructuring costs. The Court
22 and the board developed a timeline that will hopefully lead to
23 a confirmed plan at the end of the year.

24 Against this backdrop, the board is focused on the
25 following things the first two months of the case. Initially,

1 the board met with all department heads and other members of
2 senior management including Mr. Dondero and let them know that
3 the board was now in charge and that all business decisions
4 needed to be run by the board subject to the board delegating
5 authority as it deemed appropriate.

6 The board has had several calls with the committee
7 and its professionals to discuss among other things the board's
8 initial determination as to staffing levels and employee
9 compensation, time-sensitive transactions that needed the
10 committee's input under the Court's approved operating
11 protocols, and the proposed timeline for achieving
12 restructuring. There is an in-person meeting scheduled next
13 week in New York City between all the committee members and
14 their professionals and the debtor and their professionals.

15 Members of the board have also reached out to
16 individual committee members and have had or will have meetings
17 with them to understand their specific concerns with the debtor
18 and to importantly have a dialogue about the claims they have
19 against the debtor, as resolving the claims against the debtor
20 is a key part of achieving a consensual restructuring in this
21 case.

22 The debtor's asset basis is also extremely complex,
23 and the board has worked hard to get a grasp on how best to
24 maximize their value. The board has analyzed the debtor's
25 liquidity needs and worked with the debtor's chief

1 restructuring officer to develop a 13-week cash flow and
2 otherwise address how to enhance liquidity. The board has also
3 conducted a thorough review of the debtor's employee basis,
4 including performance reviews and address ongoing staffing and
5 compensation in a manner that the board believes will sustain
6 the debtor's business operations and maximize value.

7 Related to the motion before the Court, the board has
8 evaluated the status of certain funds which were in the process
9 of being wound down at the commencement of the case and has
10 supervised their wind-down in a manner consistent with the
11 debtors' fiduciary, statutory, contractual liabilities. The
12 board has also commissioned outside counsel to provide an
13 independent analysis of the significant litigation claims that
14 are facing the debtor. And as I mentioned, the board
15 anticipates engaging with these creditors to seek a resolution.

16 The board is acutely aware that resolving
17 consensually claims of creditors and claims the estate has
18 against third parties is the only way to restructure this
19 debtor efficiently and economically. I'll now turn Your Honor
20 to the background with respect to the motion, explain the
21 relief requested, and address the two objections that are
22 before the Court.

23 Your Honor will hear testimony from Mr. Seery that
24 the debtor is the asset manager of two hedge funds, Dynamic and
25 ARF, that are in liquidation because of redemption requests

1 from large non-affiliated investors that render the funds
2 economically not viable. The term of the third fund, which is
3 a private equity fund, Restoration Capital expired, and the
4 governing board comprised of large institutional pension funds
5 has refused to grant further extensions.

6 Mr. Seery will testify that while these wind-downs
7 were already in process and fully disclosed to the Court prior
8 to the installation of the independent board, the board
9 evaluated the decision to wind down the funds independently of
10 the debtor's decision and decided that the prudent exercise of
11 the debtor's business judgment was to continue with the wind-
12 down. Neither the committee nor Acis challenge the board's
13 selection to continue with the wind-down.

14 You will hear testimony from Mr. Seery that a
15 priority of the independent board was to make sure that the
16 debtor operated in accordance with applicable law to ensure
17 that the debtor fills its obligations to investors and doesn't
18 act or fail to act in a manner which could expose the debtor to
19 liability. After all, as I mentioned, Your Honor, a material
20 reason why the debtor is before the Court is because of
21 litigation claims that have plagued it over the last several
22 years.

23 Mr. Seery will testify that in evaluating the
24 debtor's duties and obligations as an asset manager of these
25 three funds, the board consulted with bankruptcy counsel with

1 respect to the applicability of the operated protocols and
2 domestic and Cayman counsel specializing in advising funds with
3 respect to their obligations under the transactional documents,
4 the Advisors Act, and general fiduciary duty obligations.

5 Tim Silva, a partner of WilmerHale, the debtor's
6 outside firm that provides fund advice, is present in the
7 courtroom and will be available to answer any questions the
8 Court or the parties have. Dennis Olarou, a partner with Carey
9 Olsen, is on the phone. He is the debtor's Cayman counsel and
10 also available.

11 Importantly, Mr. Seery will testify that the
12 independent board made the decisions that led to the filing of
13 this motion based upon their own expertise and the advise of
14 outside counsel and did not rely on the advice of the debtor's
15 employees or any of the related parties.

16 He will further testify that based upon the input of
17 outside counsel, the independent board concluded, one, that the
18 operating documents governing the funds did not permit the
19 debtor to unilaterally withhold distributions from some
20 investors and not others; that, two, the debtor risked
21 breaching its fiduciary duty to investors under principles of
22 common law if it withheld distributions on its own; and that,
23 three, the debtor risked liability under the Advisors Act if it
24 essentially attempted to use its position as an investment
25 manager to gain leverage against investors in connection with

1 an unrelated matter, to wit, potential claims that the estate
2 may have.

3 The motion describes in detail the nature and extent
4 of the debtor's obligations, and I think the substance of that
5 is not challenged by either the Committee or Acis. I didn't
6 read their objections to challenge that the debtor has these
7 obligations and seeks to fulfill them.

8 Based upon the foregoing and to make sure that the
9 debtor didn't expose itself to liability, Mr. Seery will
10 testify that the board decided that it was obligated to
11 exercise its authority as asset manager to distribute the funds
12 to all investors. After consultation with the bankruptcy
13 counsel, Mr. Seery will testify that the independent board
14 decided to provide the Committee with notice prior to making
15 such distributions as were required by the operating protocols
16 approved as part of the settlement.

17 The Committee objected to the distributions which led
18 to the filing of this motion. The objections relate to
19 distributions to be made as follows. Mr. Seery will testify
20 that Dynamic proposes to distribute \$35 million of investor
21 funds that are held by Dynamic of which CLO Holdco stands to
22 receive \$872,000 and Mr. Okada stands to receive \$4,176,000.

23 With respect to ARF, Mr. Seery will testify that they
24 propose to distribute \$22 million of investor funds held by
25 ARF. HoldCo stands to receive \$1.5 million. And with respect

1 to Restoration Capital Partners, it proposes to distribute
2 \$123,250,000 of which 2.1 million will be received by ACM
3 Services and, importantly, the debtor will receive 18 and a
4 half million dollars, the balance of approximately 121 million
5 would be distributed to non -- or 103 million would be
6 distributed to non-related parties, including CalPERS which
7 filed the statement with the Court.

8 The Committee and Acis argue that the Court should
9 prohibit the debtor from making distributions to related
10 parties, notwithstanding the debtor has contractual, fiduciary,
11 statutory obligations to do so as an asset manager. It is
12 important for the Court to understand that the money to be paid
13 to these related parties is not the debtor's money, it's not
14 property of the estate. It's actually funds that are the
15 investors' funds that were invested in these various funds.

16 Essentially, the Committee argues and Acis argues
17 that because the debtor may assert claims against some of all
18 of these related parties at some time in the future, the Court
19 should prohibit the debtor from authorizing the distribution of
20 non-debtor estate funds. Essentially as we said in our papers,
21 the objectors are asking this Court to issue a pre-judgment
22 writ of attachment adjoining these distributions without the
23 filing of any complaint which would assert causes of action,
24 without the need to satisfy applicable standards for a pre-
25 judgment writ either under Federal Rule of Civil Procedure 64

1 estate law, and without appropriate notice to the parties and
2 an opportunity to object.

3 The objectors want to use the debtor's position as an
4 asset manager to stop distribution of funds in which the debtor
5 has no interest to gain a potential litigation advantage
6 against these related parties. The debtor just submits that is
7 not appropriate. The Committee and Acis spent a lot of time in
8 their papers talking about the allegations and in some estate
9 case findings against the debtor's prior management relating to
10 the operation of the debtor's business, some of which have
11 matured into claims against the estate.

12 However, the fact that the debtor's actions taken by
13 prior management led to claims against the debtor is not
14 legally relevant as to whether the debtor should be permitted
15 to make these distributions of non-estate funds. Allegations
16 of prior wrongdoing would not be sufficient in the context of a
17 pre-judgment attachment, and it should not form the basis for
18 essentially the injunctive relief the Committee and Acis urge
19 to the Court.

20 The Committee also argues that because the
21 Committee's currently investigating claims against the released
22 parties and other insiders that the distribution should be held
23 up essentially indefinitely until the Committee completes its
24 investigation. Whether or not the estate has claims against
25 the related parties and insiders is unknown at this point

1 except for the notes which I will address in a moment.

2 Also, whether or not there are claims and how the
3 related parties acquired their investment in the funds is also
4 unknown at this time. Since January 9th, the Committee has had
5 standing to investigate and prosecute these claims and the
6 debtor is cooperating with the Committee in its investigation.
7 If legitimate claims exist, they should most certainly be
8 prosecuted, and the independent board will cooperate with the
9 Committee in its efforts.

10 However, at this point other than with respect to the
11 notes, there is no admissible evidence that any claims exist,
12 and no claims have been clearly articulated other than some
13 vague allegations of fraudulent conveyance, breach of fiduciary
14 duty, the garden variety of claims you would expect to be
15 asserted in a case like this. Again, no bankruptcy court, no
16 non-bankruptcy court would be authorized to enjoin payments on
17 the basis of these vague and unasserted claims, and the Court
18 shouldn't accept the invitation to do so wither.

19 The Committee also points to certain demand notes
20 executed by Jim Dondero, Mark Okada, and ACM Services in favor
21 of the debtor as a basis for withholding the distributions.
22 The debtor has made a demand on Mr. Okada to pay back the note,
23 and he has asserted that he may have potential offsets and the
24 nature of potential service obligations and expense
25 reimbursements allegedly owed to. At some point in time, we

1 suspect those issues will be resolved either consensually or
2 there will be litigation to recover the demand.

3 ACM Services which is owned 75 percent by Mr. Dondero
4 and 25 percent by Mr. Okada, executed several notes in favor of
5 the debtor of which 850,000 are demand notes. The total amount
6 is approximately seven and a half million. The remaining notes
7 are current and have been paid down over the years.

8 The debtor has not made demand on ACM Services for
9 payment of the notes, nor have they made demand on Mr. Dondero
10 for payment of the notes he issued in favor of the debtor. Mr.
11 Seery will testify that the reason for that is that, as I
12 indicated before, the board recognizes that in order for there
13 to be a consensual restructuring in this case, it's going to
14 involve not only resolution with the creditors and their claims
15 but also resolution with Mr. Dondero or potential claims the
16 estate has.

17 The independent board at this early stage in the case
18 does not believe that commencement of an adversary proceeding
19 against Mr. Dondero at this time is in their best interest. If
20 this case turns into a litigation case, and as Your Honor
21 experienced previously, then such litigation will be commenced.
22 However, until the board has the opportunity to try to forge a
23 consensual resolution, aggressive action is premature. The
24 last thing, Your Honor, CLO Holdco is not a party to any demand
25 notes.

1 THE COURT: Let me stop you.

2 MR. POMERANTZ: Sure.

3 THE COURT: You mentioned dollars on the notes. The
4 note receivable from Okada I think is 1.3 million.

5 MR. POMERANTZ: With credentials, yes.

6 THE COURT: And then you mentioned roughly seven and
7 a half million of notes receivable from HCM Services.

8 MR. POMERANTZ: Of which 950 are demand notes. The
9 rest are currently before me in accordance with the terms.

10 THE COURT: Okay. You didn't mention a dollar amount
11 on the note receivable from Dondero. My notes show 9.3
12 million.

13 MR. POMERANTZ: Yeah, and so I think that's around
14 that --

15 THE COURT: Is that a demand note or notes?

16 MR. POMERANTZ: That is a demand note and then the
17 related party notes, yes --

18 THE COURT: Okay.

19 MR. POMERANTZ: -- Your Honor. And, again, we're now
20 the board knows, fully aware. The board could have commenced a
21 lawsuit. Honestly, Your Honor, the Committee could have
22 commenced a lawsuit in the last two months. I suspect the
23 Committee also would like to see a consensual restructuring.

24 And I think parties are taking the view of, again,
25 this can be a litigation case which would be like a lot of

1 money for all the professionals, not really do all that well
2 for the creditors. Or the parties could cooperatively work
3 towards a restructuring to see based upon the leverage, based
4 upon the claims everyone has that it makes more sense. And the
5 board's determination, again, made on its own coming into this
6 case in the last two months is that proceeding aggressively now
7 just does not make sense.

8 Even though it has not commenced any litigation
9 against the related parties nor presented any evidence of any
10 claims against the related parties, the Committee asks this
11 Court to use its equitable powers under Section 105 to enjoin
12 the distribution again of non-estate funds to the related
13 parties. Your Honor, bankruptcy court -- bankruptcy
14 practitioners in certain cases love to use 105, assert 105. My
15 experience has been when you assert 105 and that's all you
16 assert 105, it really means you don't have much authority and I
17 think that's the case here.

18 The courts have held that 105 is not -- grant the
19 court authority to be a roving commission to do equity because
20 it has to be tethered to something in the Bankruptcy Code.
21 Here the proper way for the Committee to obtain the relief they
22 sought was to file a complaint and seek pre-judgment remedy,
23 either an attachment under Rule 64 or an attachment under
24 applicable provisions of Texas law or other applicable law, or
25 an injunction under FRCP 65.

1 The debtor would not stand in the way if the
2 Committee decided to do that. That's what the debtor bargained
3 for. They gave the Committee the authority to do that. The
4 Committee has not yet done that. And the Court should just not
5 allow the debtor -- the Committee to use the debtor's position
6 as fiduciary to its investors as leverage. That's what's
7 really happening. The only reason we're here is because the
8 debtor is the asset manager of these other funds, and the
9 Committee and Acis want the debtor to use that leverage and
10 somehow to gain an advantage.

11 Your Honor, we would submit that the fiduciary duty
12 of the estate is to act in accordance with its obligations, and
13 that's the primary fiduciary duty and that the creditors are
14 best served if the company complies with its obligations and
15 doesn't expose the estate to any liability.

16 Lastly, Your Honor, I want to address the Committee
17 and Acis's allegations regarding the circumstances surrounding
18 the sale of the MGM shares, the proceeds of which the debtors
19 intend to use to distribute as part of the RCP fund. Whether
20 or not Mr. Dondero's authorized to make that trade, it's really
21 irrelevant to the issues before the Court. The independent
22 board first learned about the trade only a few weeks ago, and
23 the independent board -- and, again, this happened back in
24 November, two months before the independent board took over.
25 They promptly investigated the circumstances around the trade,

1 engaged counsel to advise whether it was binding and,
2 importantly, evaluated whether the trade was a sound exercise
3 in the debtor's business judgment at that time.

4 The board concluded that the trade was binding and
5 that it in fact was a good trade as of November 2019 and
6 disclosed that information to the Committee and engaged the
7 Committee in a dialogue to discuss the options that the debtor
8 had with respect to that trade. The Committee, while I
9 understand was not unanimous, ultimately agreed with the
10 independent board that it was in the debtor's best interest to
11 consummate that trade. While we understand that the Committee
12 and Acis may want to investigate the circumstances surrounding
13 that trade to determine whether the estate has any colorable
14 claims that could be asserted, that doesn't provide a basis for
15 enjoying the distribution of the funds.

16 Moreover, the allegation in Acis papers that Mr.
17 Dondero used his position on the board of MGM to facilitate the
18 trade so that ACM Services could receive \$2.1 million of 123
19 and \$250,000 sale, it just lacks and factual support. And, in
20 fact, Mr. Dondero has steadfastly encouraged the investment
21 board not to sell the MGM shares because he believes they will
22 continue to appreciate and the estate and its creditors would
23 be benefitted thereby.

24 The reason that the RCP shares were sold is as I
25 mentioned before, the RCP, the term of that private equity fund

1 expired. No more extensions were given, and the debtor as a
2 fiduciary and as an asset manager needed to liquidate the
3 assets in that estate which included the shares. But, again,
4 if there are claims surrounding how that happened, we
5 understand there's concern that the creditors have about the
6 circumstances, they can investigate them and the independent
7 board will surely cooperate with such investigation.

8 In conclusion, Your Honor, this independent board was
9 installed because of its independence and sophistication in
10 managing a business as complex as the debtor's. As you will
11 hear in the testimony, the independent board has been
12 thoughtful and thorough in its approach to the issues raised by
13 this motion and is trying to manage the debtor in a responsible
14 way to maximize value and prevent the estate from incurring any
15 liability. The independent board understands and shares the
16 Committee's and Acis's decision to hold other parties
17 accountable for any liability they have against the debtor
18 arising out of conduct that occurred pre- or post-bankruptcy.
19 But trying to use the debtor's role as an independent asset
20 manager and fiduciary duty to investors is inappropriate and
21 create risks for the estate.

22 For these reasons, Your Honor, the debtor
23 respectfully requests that the Court approve the motion and
24 overrule the objections.

25 THE COURT: All right, thank you. Other opening

1 statements, Mr. Clemente?

2 MR. CLEMENTE: Yes, Your Honor. You actually touched
3 on a question that I had. I assume I have more fulsome
4 comments that I had anticipated making after testimony, but so
5 I would reserve the opportunity to do that. It was quite a
6 lengthy opening there, so I didn't know whether there was going
7 to be the opportunity for that after testimony, but --

8 THE COURT: Certainly.

9 MR. CLEMENTE: -- I certainly want to reserve that.
10 Thank you, Your Honor.

11 So I do have some opening remarks prepared, but I'm
12 going to react a little bit to what I just heard. I and the
13 Committee do not dispute the credentials of the board. We
14 obviously were involved in choosing them. I heard a lot about
15 the duty to, quote/unquote, investors. I don't think I heard a
16 word about the duty to the creditors and to the estate. And I
17 think it's important when thinking about the investors that Mr.
18 Pomerantz keeps referring to, the Committee is not talking
19 about the legitimate third party investors, the CalPERS. The
20 Committee is talking about the very people that were in charge
21 of this debtor while breaches of fiduciary duty were rampant
22 and their related entities that resulted in the filing of this
23 bankruptcy case.

24 And I find it a little bit rich, Your Honor, that
25 their debtor is using the duty to investors to include third

1 parties to try and come in here and passionately argue that
2 distribution should be made at this time to these insider
3 parties without a word at all about why it may actually be in
4 the creditors' best interest or this estate's best interest to
5 not make those distributions at this time. So those were a
6 couple of comments that struck me as I was listening to what
7 Mr. Pomerantz said.

8 But let me be clear, Your Honor, as Your Honor is
9 aware the debtor is in bankruptcy because of the documented and
10 egregious breaches of fiduciary duties and contractual
11 obligations to its creditors and its propensity for fraudulent
12 and litigious conduct as documented. Mr. Dondero and until
13 recently Mr. Okada dominated all aspects of the debtor and
14 controlled all of its decision-making, including the decision-
15 making that led various tribunals, including this Court, to
16 conclude that the debtor had breached its fiduciary duty,
17 engaged in fraudulent conduct, and employed persons who are not
18 credible and not truthful.

19 Against this backdrop, Your Honor, the debtor wants
20 to make distributions to investors, again, the investors we're
21 talking about here are Mr. Okada, and entities owned and/or
22 controlled by Mr. Dondero and Mr. Okada without regard
23 apparently because I didn't hear anything about that to the
24 interest of creditors under the rubric of a fiduciary duty that
25 is supposedly owed to those insider parties, the same insider

1 parties, Your Honor, who were found to have breached the duties
2 to the creditors of this estate or to the investors which then
3 resulted in them becoming creditors of this estate and led to
4 the bankruptcy.

5 Your Honor, I think the irony is fairly thick, and I
6 don't think the Court should allow the distributions at this
7 time. These insider parties, and I'm glad Mr. Pomerantz
8 mentioned it to you because their papers did not mention the
9 notes that were owed, they owe the debtor millions of dollars.
10 The numbers that Your Honor read are just the direct notes
11 among those parties. They do not include the notes that are
12 owed by, for example, affiliated entities of Mr. Dondero. So
13 those numbers are even larger than what Mr. Pomerantz suggested
14 to Your Honor.

15 Second, as the debtors do finally disclose in their
16 papers, the insider parties receive certain of the insider
17 interests from the debtor pursuant to transactions that were
18 only recently disclosed to the Committee and not have been
19 examined by the Committee. So in many of the circumstances,
20 the very interests that are giving rise to the basis for these
21 distributions once belonged to the debtor.

22 Third, obviously, the insider parties are the focus
23 of the Committee's ongoing investigation of the estate causes
24 of action, and that's entirely appropriate given the long
25 history and the findings made by this Court and others

1 regarding the behavior of this debtor prior to the bankruptcy.

2 Your Honor, instead of allowing the distributions to
3 be made, the Court should direct that the distributions that
4 the debtor seeks to make to the insider parties to be placed
5 into a segregated interest-bearing account pending the
6 resolution of potential claims against the insider parties
7 including the collection of notes owed by the insider parties
8 and the investigation into the validity of the insider
9 interests.

10 If the insider parties have an issue with this,
11 obviously, they can come before Your Honor, perhaps they'll
12 come before Your Honor today, and explain to you why what is
13 being proposed is unfair to them or why despite the
14 circumstances surrounding this case, the rampant breaches of
15 fiduciary duty, the questionable transactions, and the
16 existence of the notes they owe the debtor they should receive
17 those distributions now. And we can do that after a fulsome
18 discovery of those parties, a fulsome record, full opportunity
19 to brief.

20 I believe, the Committee believes this is a very
21 sensible proposal, and it would seem to serve all interests.
22 The interests of the estate would be protected. Let's talk
23 about those. Obviously, we're more likely to recover on the
24 notes and any potential claims, including claims that the
25 insider interests were inappropriately obtained.

1 Mr. Pomerantz referred to the word "leverage."
2 Again, it's the estate, the estate should be thinking about how
3 it can actually collect on its claims and notes. So the word
4 "leverage" I don't think is appropriate here. It just seems
5 sensible. The interest of the insider parties would also be
6 protected. The money will be placed in a segregated account,
7 and the status quo would be preserved. And legitimate third
8 party investors, we are all fully in support of the legitimate
9 third party investors receiving their distributions. We've
10 never had an issue with that, Your Honor.

11 Mr. Pomerantz referred to the authority, Section 105.
12 I do believe the Court has ample authority under Section 105 of
13 the Bankruptcy Code to order the relief requested by the
14 Committee. Obviously, Section 105 is broad and, as we'll
15 discuss further later, it's been interpreted by this Court and
16 other courts to apply very broadly and in circumstances similar
17 to this.

18 Additionally, Your Honor, although I do not believe
19 105 needs to be tethered, I believe is the word that was used,
20 to other sections of the Code. I do believe that other
21 sections of the Code are implicated as the relief the Committee
22 requests impacts property of the estate which includes the
23 notes and potential claims against the insider parties as well
24 as the rights and obligations of the debtor under the various
25 contracts that Mr. Pomerantz referred to.

1 So, we have 105. If we need to tether it to
2 something, we can tether it to 541 and we can tether it to 363.
3 What we're asking the Court to do impacts property of the
4 estate, impacts the rights and obligations of the debtor.

5 Finally, Your Honor, there was a long discussion or
6 somewhat of a discussion about the fact that the Committee has
7 not sought a preliminary injunction or has not filed claims
8 against the insider parties. First, again, I believe Section
9 105 gives the Court the authority that it needs to provide the
10 relief. Second, the Court has the flexibility should it choose
11 to construe or find it necessary to construe our objection as a
12 request for a preliminary injunction and the request satisfies
13 that standard.

14 Third, Your Honor, this has been an expedited process
15 initiated by the debtor. If this Court believes that other or
16 further proceedings or processes are necessary or appropriate,
17 the Court should allow the parties the time for that. We
18 agreed to an expedited motion practice under the protocols.
19 That's a fact. The protocols cover a variety of circumstances
20 designed with the exigencies of the debtor's business in mind,
21 not designed with trying to speed distributions to Dondero,
22 Okada, and the insider parties. There simply is no exigencies
23 surrounding that, and the Committee should not be prejudiced if
24 this Court believes a further or other procedural vehicle is
25 necessary.

1 And a moment, Your Honor, on the investigation, as
2 Your Honor is aware the insider parties have dominated the
3 debtor for years. Only recently January 9th the Committee has
4 gotten the ability to investigate. And to date, we've been
5 doing that. I do dispute what Mr. Pomerantz said about the
6 debtor's cooperation. I believe that they've used words to
7 that effect but we've not gotten the documents that we need.
8 This is a complicated enterprise as Your Honor is aware. It's
9 unrealistic to think that we would be in a position to bring
10 claims against insider parties at this particular time in the
11 case. And we cannot be prejudiced by saying we should have
12 completed our investigation and had brought claims every time
13 the debtor thinks it should make a distribution to Mr. Dondero
14 or one of its related entities.

15 And so, Your Honor, to sum up, we think that the most
16 logical solution here and frankly the one that I assume the
17 debtor would have agreed with me on would be to come to this
18 Court, allow the distributions to be made to all the third
19 party investors, to withhold the distributions to the related
20 parties while the investigation occurs, while the notes are
21 settled, and while the Committee determines and the Court may
22 perhaps ultimately determine whether the interest that gave
23 rise to those distributions were in fact appropriately with
24 those parties.

25 Instead, we're here talking about duties owed to,

1 quote/unquote, the investors without considering what it is
2 that's owed to these creditors and to this estate. And with
3 that, Your Honor, we would ask that the motion be denied or
4 however you'd look at it but that the relief we noticed in our
5 paper be ordered by Your Honor.

6 THE COURT: Let me follow up and make sure I
7 understand a couple of things. You've said a couple of times
8 that it's just the distributions that would go to related
9 investors, Mark Okada, CLO Holdco, HCM Services. And I got the
10 impression from your pleadings as well as your oral statements
11 that the Committee is not challenging in any way the decision
12 to wind down these three funds, if you will. You know, my
13 reading of the pleadings was November 2019, you know, less than
14 a month after the bankruptcy was filed or about a month after
15 the bankruptcy was filed, you know, there were significant
16 redemptions. In the face of significant redemptions, the
17 debtor decided it was appropriate to wind these down.

18 Is that going to be the subject of evidence and
19 testimony today? Is the Committee at all concerned about how
20 that all played out, whether it was legitimate unaffiliated
21 investors seeking redemption or if it was by chance insider
22 investors?

23 MR. CLEMENTE: No, Your Honor. The Committee is not
24 challenging the wind-down as I believe you're referring to. We
25 are not doing that, Your Honor.

1 THE COURT: Okay. And this may be one instance where
2 it's kind of hard for me to separate what happened in the
3 related case of Acis versus this where we had all of a sudden
4 we don't want Acis to, you know, manage these in that case CLOs
5 anymore until redemptions were happening.

6 MR. CLEMENTE: I understand, Your Honor.

7 THE COURT: And the business judgment of that --
8 well, it's complicated, right.

9 MR. CLEMENTE: I completely understand.

10 THE COURT: It was, in the end of the day, depriving
11 Acis debtor of management fees. Same thing is happening here,
12 right? Highland is being deprived of management fees by the
13 wind-down of these three funds, but you're not challenging the
14 business judgment of the --

15 MR. CLEMENTE: That is correct, Your Honor.

16 THE COURT: -- whole process of the redemptions
17 period?

18 MR. CLEMENTE: That is correct, Your Honor.

19 THE COURT: Okay.

20 MR. CLEMENTE: There is a pot of funds sitting in
21 those funds, and there is a pot of funds sitting in RCP --

22 THE COURT: It was a legitimate non-affiliated
23 entity's --

24 MR. CLEMENTE: We're not challenging it, Your Honor.

25 THE COURT: Okay.

1 MR. CLEMENTE: What we are challenging obviously is
2 now the distribution of those funds to the related entities.
3 That's where we take issue with it at this particular moment in
4 time.

5 THE COURT: Okay.

6 All right. Who else wishes to make an opening
7 statement? I know Acis had a joinder or a slightly different
8 objection, I think.

9 MS. PATEL: Yes, Your Honor. Good afternoon.
10 Again, Rakhee Patel on behalf of Acis. And I'll address Your
11 Honor's question first. Acis has concerns about the wind-down
12 of these funds. I'll just clear with respect to it. And Your
13 Honor referenced, you know, perhaps we need to separate what
14 happened in the Acis case and whether that's happening here or
15 not.

16 Your Honor, I'm not sure from Acis's perspective that
17 we don't object to the wind-down of these funds. We just
18 frankly don't have enough information to kind of take a
19 position with respect to that whether these funds should be
20 wound down. But the fact of the matter is is in the lead-in
21 into this motion -- and this is sort of the source and subject
22 of Acis's additional objection and not just plain vanilla
23 joinder and with the Committee -- is is that the transactions
24 happened. The sale of the stock has happened. So whether it's
25 in connection with the wind-down of the funds or whether it's

1 just a sale, it's happened now.

2 So I'm not sure that we can unring that bell, but
3 Acis's whole point and as we sort of set out in our joinder and
4 our separate comment or objection was, Your Honor, the light of
5 day needs to be cast on this transaction as a whole and we need
6 to be talking about it that the transaction needs to be
7 discussed here in open court. And, frankly, the entire
8 creditor body needs to have and the Court needs to have
9 transparency with respect to that.

10 So to that point, Your Honor, the debtor filed the
11 motion to approve the distributions of the proceeds from the
12 sale in accordance with the procedures approved as part of the
13 broader settlement motion that Your Honor heard in January.
14 Now the debtor incredibly takes the position that this Court
15 and the creditors are effectively powerless to stop these
16 distributions. And here's the problems with that position.

17 First, from a technical legal perspective, the debtor
18 ignores the language of Section 363. Frankly, it's easy to
19 have a strong initial knee-jerk reaction that Section 363
20 doesn't apply here because there's no sale of property to the
21 estate. The MGM stock was held down in a different entity.
22 Your Honor, frankly, I did it myself. But when you analyze the
23 language of Section 363, it also prescribes the use of property
24 of the estate outside of the ordinary course of business. And
25 here, the use of property of the estate is the debtor's

1 valuable management rights of the various entities, so Dynamic,
2 AROF or AROF or NRCP.

3 And let's just assume for argument's sake that the
4 debtor's statement is correct and enforceable and there's no
5 problem with it that the funds are in liquidation. No one can
6 rationally argue that that liquidation of a fund or a manager's
7 actions in liquidating said fund are ordinary course. So there
8 is sort of the Section 363 hook for lack of a better term.

9 Second, from an equity perspective, it is wholly
10 inequitable for the debtor in an attempt to derail the Court
11 and the creditors from inserting a Chapter 11 trustee -- and
12 recall, Your Honor, that this case was filed on October 16th of
13 2019 where the debtor filed to seek protection from the
14 imminent within minutes if not hours of entry of \$189 million
15 judgment against the debtor. And it's really frankly, and as
16 Mr. Pomerantz acknowledged, the product of failed -- numerous
17 other failed litigation strategies. Acis, UBS, Pat Daugherty,
18 quickly all -- and all of those the pieces of litigation
19 quickly coming home to roost.

20 Acis was clear right out of the gate, Your Honor, at
21 the first day hearings held on October the 18th, 2019 that it
22 would seek the appointment of a trustee. And in an attempt to
23 sort of take itself out of a trustee potentially being
24 appointed or, you know, as to forestall that happening, the
25 debtor filed an ordinary course protocol motion. And this is

1 in October of 2019. And as a part of that ordinary course
2 protocol motion, the proposal was that Mr. Sharp, the CRO of
3 the debtor, be appointed the CRO of the debtor and that he
4 would be the gatekeeper, he would be in charge of all related
5 party transactions, and he would oversee all of those
6 transactions.

7 And, Your Honor, indeed Mr. Sharp testified that he
8 was the gatekeeper. He was the guy in charge, and that was on
9 I want to say like November 20th of 2019. And commensurately,
10 Mr. Waterhouse, the CFO for Highland Capital Management, also
11 testified and Mr. Waterhouse was the first day declarant for
12 Highland as well. He testified that everyone understood that
13 Mr. Sharp was to be the gatekeeper. And, indeed, Mr. Sharp
14 would -- they had training at Highland Capital Management to
15 the effect that all employees knew if you've got a related
16 party transaction, it's got to go through Brad Sharp.

17 So in an attempt to sort of derail Acis from getting
18 a trustee appointed, they affirmatively sought out these
19 protocols and ultimately agreed to protocols that look similar,
20 not exactly but similar to those proposed ordinary course
21 protocols. And the protocols that ultimately were approved
22 required court approval. And now we've got them coming back
23 and saying, ha ha, just kidding, no one can do anything about
24 it anyway and we have to make these distributions because we've
25 got a fiduciary duty to do it.

1 On that note, the debtor who should be fully
2 transparent during this process while it seeks the benefit of
3 bankruptcy including the automatic stay, argues in its reply
4 brief filed this morning at Footnote 9 that the underlying sale
5 transaction in excess of \$123.25 million is sacrosanct and
6 irrelevant because the Committee blessed it. Acis objected,
7 Your Honor. When that transaction was presented to the
8 Committee, Acis objected.

9 First, it would have its cake and eat it, too. It
10 can't take advantage of the protocols it likes while at the
11 same time stiff-arming those that are inconvenient to it. It
12 can't say the transaction's good because the Committee blessed
13 it, but the Committee didn't bless the distributions to the
14 insiders and, oh well, you can't do anything about that anyway.

15 Second, the broader transaction is violative of at a
16 minimum traditional notions of transparency in bankruptcy and
17 likely 363 along with what the debtor's fiduciary duties to its
18 creditors. As Mr. Clemente pointed out, the debtor has dueling
19 fiduciary duties, and we didn't hear nearly a word with respect
20 to the debtor's fiduciary duties to its creditors. And, Your
21 Honor, we're not looking to generally micromanage what this
22 debtor is doing, but this transaction is fundamentally flawed
23 and at a minimum has red flags all over it.

24 As we now know from the CalPERS objection, Mr.
25 Dondero entered into a transaction with Highland Capital

1 Management buying CalPERS' interest and likely others'
2 interests at June 30 prices or by giving over a set number of
3 MGM shares to CalPERS. That's the agreement that's attached to
4 the CalPERS objection. The agreement was always a win-win for
5 Highland Capital Management because it could either make money
6 on the arbitrage of the stock -- it bought it at a particular
7 price, and if it's ordered at a different price, you got to
8 keep the differential -- or give over the stock if the stock be
9 valued and priced. Win-win.

10 He then immediately the very next day fraudulently
11 transferred that agreement from Highland Capital Management to
12 Highland Capital Management Services, an entity in which he is
13 the 75-percent owner and Mr. Okada is the 25-percent owner.
14 That is 15 days before filing this Chapter 11 bankruptcy case.
15 The only purported consideration for the transfer, and I think
16 this is Exhibit B, to the CalPERS objection, was an indemnity
17 by Highland Capital Management Services. That's the only
18 consideration that was transferred as a part of that
19 transaction, Your Honor.

20 Then when the stock price rises in November, he seeks
21 committee approval for a transaction that still benefits
22 Highland Capital Management Services. Despite not having a
23 Committee response, he enters into a rogue unauthorized trade
24 of MGM stock on whose board he serves on and is thus privy to
25 information, violative of the very protocols that the debtor

1 was pressing so strenuously to avoid the appointment of a
2 trustee. Indeed, Brad Sharp testified the day before the rogue
3 trade that this exact type of transaction had to go through
4 him. And Mr. Waterhouse's testimony came right after that to
5 indicate that everybody at the debtor knew that Mr. Sharp had
6 to approve it.

7 Ultimately, the Committee rejected that transaction
8 in November, but the trade was already done. If Mr. Dondero
9 had his way, Highland Capital Management Services would have
10 benefitted from the transaction. Frankly, every one of these
11 transactions needs the light of day shed upon them here in
12 court to determine what is in the best interest of creditors.
13 The debtor's attempt to cloak itself in the Committee's non-
14 objection, and I want to be clear on this, it was a non-
15 objection. I think reference was made that the Committee
16 agreed to the sale of the MGM stock. That's not what happened.
17 The Committee just did not object to the transaction which can
18 likely best be characterized frankly as everyone plugging their
19 nose while simultaneously telling this Court it can't do
20 anything about the proceeds is the exact reason why the Court
21 should be inquiring into the transaction in the first place.

22 And not so incidentally, that stock that Mr. Dondero
23 traded without authority in November is trading approximately
24 20 percent higher today, around the low 90s.

25 THE COURT: All right. Thank you.

1 Thank you. All right.

2 Do we have any other opening statements? I'm
3 probably going to have to take a break before we do evidence
4 and hear my 2:30 matter, which I don't think is going to take
5 very long, at all.

6 All right. Judge Lynn.

7 MR. LYNN: Your Honor, thank you.

8 We're not opposed to the motion, and we understand
9 the concerns expressed both by the debtor, the debtor's
10 independent board, which feels that it's compelled to make the
11 distribution to insiders. And while we don't necessarily agree
12 with them, we understand the Creditors Committee's concerns as
13 well.

14 We'd like to suggest the following should the Court
15 determine that the motion should be denied. And that is that
16 instead of the debtor retaining the funds, that the debtor
17 distribute the funds into the registry of the Court. That way,
18 they lose control over the funds and they can say that they've
19 distributed them in accordance with their agreements and
20 applicable law.

21 The funds would remain there until either a recipient
22 or prospective recipient posts a bond or other suitable
23 collateral or the Creditors Committee agrees to the
24 distribution to the insider or there is a Court entered for
25 another reason after a showing made before Your Honor. The

1 debtor and the Creditors Committee would, of course, retain all
2 rights to seek the funds they would have had, which rights they
3 would have had immediately before the distribution to the
4 registry, plus any rights that would be gained by reason of the
5 distribution itself.

6 The debtor thus distributes, the Creditors Committee
7 retains its rights, the Court retains control, and this can all
8 be done, we believe, by a Court order and we hope this may give
9 the Court a suitable alternative.

10 THE COURT: Okay. Let me make sure I understand.
11 You said, if the Court is inclined to deny the motion. Are you
12 offering, I guess Mr. Dondero's proposal that -- I mean, these
13 aren't disbursements that would all go to him, they would --
14 some would go to Okada, and -- who's not objected or appeared.
15 But -- let me cut to the chase.

16 Are you trying to avoid a hearing and evidence
17 altogether by saying, you know, these related entities agree
18 their distributions will go into the registry of the Court
19 right now?

20 MR. LYNN: Mr. Dondero supports this position. We do
21 not speak for Mr. Okada.

22 THE COURT: Right.

23 MR. LYNN: I understand that more than one of the
24 entities -- and Your Honor must forgive me. We're relatively
25 new to this case.

1 THE COURT: Yeah. One is Holdco, and that is
2 technically a DAF, a charitable entity that --

3 MR. LYNN: Yes. I believe that's so, and I
4 understand there may have been communications between the
5 independent board and the trustee of a DAF, but I was not a
6 party to those communications. I'm just trying to give the
7 Court an alternative -- Mr. Dondero is doing so -- that might
8 be acceptable to the debtor and at the same time would
9 accomplish what the Creditors Committee wants, which is to
10 retain control of the funds.

11 I must say, Your Honor, that having been there
12 myself, I have a great deal more confidence in the registry of
13 the Court protecting funds than I do in just about anyone else.

14 THE COURT: All right. Well, that would certainly
15 seem to give the Committee everything it's asking for, and --

16 MR. POMERANTZ: Your Honor, if I may interrupt.

17 I understand from members of the debtor's independent
18 board who have spoken to Grant Scott, who is the principal in
19 charge of CLO Holdco, that CLO Holdco would also support the
20 proposal that has just been made by Judge Lynn. We do not have
21 the agreement of Mr. Okada to support that proposal.

22 THE COURT: Okay. Although, he has not weighed in
23 with any sort of -- well, I don't know. How do we feel about
24 Mr. Okada's interest here? I mean, he's obviously been given
25 notice of all of that, and --

1 MR. POMERANTZ: Well, actually we asked him --

2 THE COURT: Okay.

3 MR. POMERANTZ: -- when we heard last night that this
4 might be a possibility. He has rejected that. And in light of
5 his rejection of that proposal, we as the debtor feel we need
6 to proceed with the motion. I would think it substantially
7 narrows the issues that are going to be in evidence, all the
8 stuff we've heard about MGM Trade, which may at some point in
9 time be something that people don't testify from the podium and
10 that actually the subject of real evidence. But with respect
11 to Mr. Okada, we will have to go forward with the motion.

12 MR. LYNN: Yeah, so let me express that at this
13 point, Mr. Dondero is of course not supporting the Acis
14 suggestion that a trustee should be appointed. We did not
15 understand that this hearing would address that issue.

16 THE COURT: Yeah. I'm not sure. That's what they
17 were suggesting today. I think they were just saying at one
18 point, they adamantly wanted a trustee, and these protocols
19 alleviated their concerns and caused them to back off. And
20 now, they're upset that, you know, the debtor is resisting the
21 protocols in a way. So -- all right.

22 Mr. Clemente, what say you? I --

23 MR. CLEMENTE: Your Honor, I --

24 MR. LYNN: Thank you, Your Honor.

25 THE COURT: Thank you.

1 MR. CLEMENTE: -- I think you can tell from our
2 papers, this is effectively what we asked for.

3 THE COURT: Right.

4 MR. CLEMENTE: I don't even know why it took us to
5 get to this point for that. It seemed so obvious to me. But
6 when it was articulated by the former Judge here, it -- I think
7 it just held more -- maybe it made more sense.

8 As far as Mr. Okada's concerned, I think Your Honor
9 could clearly deposit the funds in the registry of the Court,
10 and he's free to come in. I think that's what Counsel for
11 Mr. Dondero was actually suggesting. So I'm not sure that
12 anything is required further with respect to Mr. Okada, unless
13 he has a representative here that would like to raise something
14 with Your Honor. So, to me, on behalf of the Committee, I
15 think that accomplishes what the Committee was trying to do
16 with its objection.

17 THE COURT: All right.

18 Anyone else wish to be heard? Ms. Shriro, I know
19 that you filed something for CalPERS, but obviously, your
20 client is an unaffiliated investor in the private equity fund,
21 RCP. You just want to get paid.

22 MS. SHRIRO: That's correct. We just want to get
23 paid, and I would defer to my co-counsel on the phone. If he
24 has any comments, this would be the time to raise them.

25 THE COURT: All right.

1 Co-Counsel on the phone, I think it's Mr. Cisz. Is
2 that correct?

3 MS. SHRIRO: Yes.

4 THE COURT: Okay. Anything you want to say about
5 what's (indiscernible)?

6 MR. CISZ: That's correct, Your Honor. This is Louis
7 Cisz on behalf of CalPERS, and Ms. Shriro is correct. So long
8 as CalPERS receives its distribution relative to the sale of
9 the MGM stock, CalPERS otherwise doesn't take a position with
10 respect to the motion.

11 THE COURT: Okay. Thank you.

12 All right. Well, turning to the literal terms of the
13 motion, the relief the motion sought was simply an order
14 authorizing distribution of the cash from these wind-downs of
15 the three funds to insider investors. And so we have the
16 Committee objection, we have the Acis objection, we have
17 Dondero's counsel here appearing. I think I can, given this
18 request for relief and the opposition of the Committee, as well
19 as one of the Committee members, Acis, and due to these
20 representations of Dondero's counsel and the board, I can order
21 that the money that would otherwise go to insider investors --
22 I think it's roughly about 8.6 million -- will, instead of
23 going to the insider investors, will go into the registry of
24 the Court with reservation of everyone's rights later to file
25 motions requesting that it be disbursed to them. So everyone

1 understands, this is just kind of a holding place for the funds
2 right now.

3 MR. POMERANTZ: Your Honor, we do not have
4 Mr. Okada's representation and the debtor is not modifying its
5 motion. The debtor would like to proceed with respect to
6 Mr. Okada. We asked him, he did not want to agree to the same
7 things that would be in consideration by CLO Holdco, and for
8 the reasons we've identified in the motion and I've expressed
9 to Your Honor, we feel we have the obligation, we have the duty
10 to proceed, and we would request the opportunity to put on
11 evidence so you can hear from Mr. Seery and ultimately make a
12 determination whether the Committee and Acis have laid out a
13 legitimate basis for use of 105. I'll reserve my comments and
14 their comments until the end.

15 But we would want to proceed in that limited matter
16 because we don't have all agreements of the parties and the
17 same reasons stand for why we filed the motion to proceed with
18 the distribution for Mr. Okada.

19 THE COURT: Okay. Well, I guess I misinterpreted
20 everything that I thought was going on out there. Mr. Okada, I
21 guess, you said is owed 4.176 million from the Dynamic Hedge
22 Fund, and then -- I don't know if that was the total amount
23 from the three funds, but you feel like you have a fiduciary
24 duty to pursue that disbursement.

25 MR. POMERANTZ: Absolutely, Your Honor.

1 THE COURT: All right.

2 MR. POMERANTZ: And again, you know, we could get
3 this into argument. Mr. Okada is in a much different position
4 than some of the other insiders. We understand the comments
5 about Mr. --

6 THE COURT: Well, I remember some of the dynamics
7 here, but let me tell you what I'm going to feel the need to
8 get into if we hear evidence. And what we'll do is we're going
9 to take a short break in a minute. Let me ask the Barker
10 people who I think are in the back.

11 (Off record discussion 2:34:51 to 2:35:01)

12 THE COURT: Okay. So we'll take a 10-minute break in
13 a minute.

14 But again, one reason I was sort of delighted to get
15 the suggestion of Judge Lynn is I see this evidentiary hearing
16 as being a little more involved than looking at contractual
17 obligations and whatnot, and you know, the fact that these are
18 non-property of the estate funds that we're talking about. I
19 have fundamental questions having read the pleadings about the
20 decision to wind-down these funds that was made in November
21 2019, days after Highland filed bankruptcy.

22 Who made the decision? Was it insider investors
23 seeking redemption? Or was it, you know, did we have large
24 unaffiliated investors exercising redemptions, and so
25 therefore, it was reasonable business judgment, you know, we

1 need to wind down?

2 I know the issues are a little bit different with the
3 two hedge funds versus the RCP fund that had the term. And I
4 understand, I read the pleadings, how the term expired in April
5 2018, it was extended for one year, and then the advisory board
6 didn't consent to an additional extension.

7 Again, maybe the new board has thoroughly scrubbed
8 this and you're going to tell me that in evidence. And maybe
9 the Committee has thoroughly scrubbed this, and you're going to
10 tell me that with evidence. But I -- I'll want to hear that.
11 I'll want to hear that this was all legitimate, independent,
12 non-affiliated investors pressing for the wind-down of these
13 funds, and we didn't have what I refer to as the Acis situation
14 where -- well --

15 MR. POMERANTZ: Your Honor, Mr. Seery is prepared to
16 testify to each of those. And as I mentioned, the board did
17 thoroughly consider it and you will -- Your Honor will hear
18 evidence that led Mr. Seery and the board to conclude that each
19 of these were appropriate. But we intended to get into that in
20 the evidence.

21 THE COURT: Okay.

22 (Proceedings recessed from 2:37 p.m. to 3:01 p.m.)

23 THE COURT: All right. We're going back on the
24 record in Highland. Mr. Pomerantz, are you ready to call your
25 witness?

1 MR. CLEMENTE: Your Honor, if I might before.

2 THE COURT: Mr. Clemente?

3 MR. CLEMENTE: Matt Clemente on behalf of the
4 Committee, again.

5 I would just like to revisit the colloquy we had
6 before we broke.

7 THE COURT: Okay.

8 MR. CLEMENTE: I'm still confused as to why Your
9 Honor just can't enter or so order that the debtor has
10 satisfied its duty upon depositing the money into the Court
11 registry. And we don't need to have any of this this
12 afternoon. I see it as similar to the Foley hearing where Your
13 Honor expressed some frustration. It's kind of maybe not the
14 best use of time. I'm not sure what exactly we're trying to
15 accomplish here.

16 If the debtor's concerned about its duty to a
17 constituent who is not present in Court today, I think Your
18 Honor can deal with that by entering an order that says, you
19 know, based on the pleadings and the record so far, the debtor
20 has satisfied its duty and placed the money in the Court
21 registry.

22 And if Mr. Okada has an issue with that, he can come
23 back before Your Honor. I'm just not quite sure what the point
24 is here, Your Honor.

25 THE COURT: All right. Well, let's turn back to

1 Mr. Pomerantz, and let's talk about what my, I guess, unrefuted
2 evidence is. I have -- Mr. Okada would be due for the Dynamic
3 Hedge Fund, 4.176 million is what I read in the pleadings where
4 you told me.

5 And then, I don't know that I have written down what
6 he would be owed from either the Argentina Fund or the RCP
7 Fund. Anything?

8 MR. POMERANTZ: Zero.

9 THE COURT: Zero. So we're talking about the 4.176
10 from termination of the Dynamic Fund.

11 MR. POMERANTZ: Right.

12 THE COURT: Meanwhile, we know there is a \$1.3
13 million demand note --

14 MR. POMERANTZ: Correct.

15 THE COURT: -- owing to Highland from Okada. And I
16 feel like I heard that there was more, but that's the only --

17 MR. POMERANTZ: That is the only note from Mr. Okada.

18 Your Honor, I think part of it is I stood up and gave
19 a lengthy presentation, and I told Your Honor what the
20 testimony would show. Now there's been a lot of issues in this
21 case about what the board's doing, what it's not doing. Part
22 of our reason for being here today and part of my presentation
23 was to get Your Honor comfortable with how the board is
24 handling its duties. I didn't want you to hear that just from
25 me. I wanted you to hear that from Mr. Seery.

1 There also have been allegations by Acis and concerns
2 Your Honor has raised as to what went into the wind-down of
3 these funds, given Your Honor's past experience with Acis. And
4 I'm sure Ms. Patel's past experience with Acis.

5 I think it's important to hear from Mr. Seery because
6 he has good explanations of why each of these funds are in
7 wind-down. And then, furthermore, look, Your Honor will decide
8 what Your Honor decides and whether the Committee and Acis have
9 met the showing under 105 to hold back the Okada funds. If
10 Your Honor decides that, of course we will abide by that
11 decision.

12 But we didn't want any implication that we were sort
13 of laying down for that issue. So I think it would be helpful
14 maybe to hear some testimony from Mr. Seery. If Your Honor
15 then concludes that funds shouldn't be disbursed, Your Honor
16 will conclude that funds shouldn't be disbursed. I don't think
17 this has to be very lengthy. I think we've -- we've narrowed
18 the issues, given that we don't have an issue with respect to
19 RCP anymore. We don't have the issue with HCM Services
20 receiving money on account of a trade that Acis is very
21 critical about. Again, those issues at an appropriate time can
22 be raised in appropriate form, and Your Honor will have a full
23 evidentiary hearing, as opposed to a tail wagging the dog on
24 this motion when it's not even relevant anymore.

25 So what I would propose is that we allow Mr. Seery to

1 take the stand. We allow him to address Your Honor's concerns.
2 We allow him to testify to the things that I said he would
3 testify to so it gives Your Honor some comfort, and hopefully
4 the other parties comfort, exactly how Mr. Seery and the other
5 board members are performing their duties.

6 THE COURT: Okay. Can we all agree to some
7 reasonable time limitations here? I'm thinking we're done in
8 an hour. Maximum 30 minute direct of debtor, or redirect, and
9 maximum 30 minute cross of all objectors. Can we do that
10 today?

11 MR. POMERANTZ: I think we can do that, Your Honor.

12 THE COURT: Okay. Then that's --

13 MR. CLEMENTE: My only question, Your Honor -- Matt
14 Clemente on behalf of the Committee -- is what are we still
15 talking about here? Are we just talking about the distribution
16 to Mr. Okada? And the other distributions are off the table as
17 suggested by -- or as agreed to at least on behalf of
18 Mr. Dondero? I don't even know what we're talking about.

19 MR. POMERANTZ: That is correct, Your Honor. It's
20 only the distributions to Mr. Okada.

21 THE COURT: Although, I think he wanted the Court to
22 get some testimony from Mr. Seery about sort of the business
23 judgment of the three wind-downs, but I don't think that's
24 going to --

25 MR. POMERANTZ: That shouldn't take a long time.

1 THE COURT: -- be a probe today of MGM stock sales.

2 MR. POMERANTZ: No, it won't be at all, Your Honor.

3 And again, look, we understand Your Honor has had experience
4 with Acis, and we understand the concerns, Your Honor, coming
5 in, seeing redemptions, and the questions you asked.

6 Again, it's important for the debtor to be able to
7 demonstrate to Your Honor that this board is doing its
8 appropriate things and hearing from Mr. Seery why he made these
9 decisions so Your Honor can get comfortable, not only in these
10 matters, but in other matters that brought before Your Honor in
11 the future that this board is doing exactly what they should be
12 doing acting as an independent fiduciary.

13 That's why I think some of our testimony, but we're
14 happy to live within the time frame that Your Honor has given
15 us.

16 THE COURT: Okay. All right. Thank you.

17 MS. PATEL: Your Honor, I just wanted to follow along
18 with one of the comments that I made during my opening
19 statement and hopefully, it will help further narrow the issues
20 and keep us within the time limits, is is that when -- in
21 responding to Your Honor's question about the wind-down of
22 these funds, and I said Acis had concerns, I want to say we've
23 got concerns with respect to the Argentina and the Dynamic
24 fund. We frankly just don't understand or have that much
25 information with which to really evaluate the transaction, so

1 we're a little hamstrung today for purposes of cross-
2 examination because that's not something that necessarily Acis
3 has inquired into.

4 But separate and apart from that, just again so
5 everyone's clear, with respect to the wind-down of RCP, Acis
6 does not take issue with respect to the genesis of the wind-
7 down. So the decision to wind it down is a find from Acis's
8 perspective that should probably have been wound down. Now,
9 the methodology of how it's being wound-down, that's fair game.

10 THE COURT: I don't know what that meant --

11 MS. PATEL: Okay.

12 (Laughter)

13 THE COURT: -- the methodology of how it's being
14 wound-down.

15 MS. PATEL: Okay. Let me --

16 THE COURT: Very quickly because, you know --

17 MS. PATEL: Yes. Your Honor, what I meant by that
18 was, in terms of the decision to wind-down RCP, that makes
19 sense to Acis because it is a fund that should have been wound-
20 down. How it is going about being wound-down, that is open for
21 dispute, and one of those things being here this MGM stock
22 sale, etcetera.

23 THE COURT: We'll hear from Mr. Seery. I thought
24 there was a pile of cash at this point, but maybe I misread the
25 pleadings.

1 Okay.

2 MR. POMERANTZ: Your Honor, let's remember what this
3 motion is. This motion wasn't a referendum on wind-down, it
4 was the ability to make a distribution.

5 THE COURT: Right.

6 MR. POMERANTZ: Mr. Dondero's counsel, who is
7 speaking on behalf of ACM Services, said they're prepared to
8 hold those distributions in the registry of the Court. The
9 issues regarding what Ms. Patel testified from the podium, at
10 some point, they may very well be the subject of a hearing in
11 the Court. We're happy to continue responding to the Committee
12 and Ms. Patel's comments and questions about how, but it's just
13 not relevant here.

14 And, Your Honor, there is no way if Ms. Patel is
15 going to go down that road that we will ever be here only an
16 hour. That is a much longer discussion.

17 THE COURT: And let me just clarify where I was
18 coming from.

19 I thought if we were evaluating whether insiders
20 should get \$8.6 million of distributions, the bona fides of the
21 decision to go into wind-down mode needed to be explored a
22 little bit and see if some of these insiders were improperly
23 exercising control in that.

24 So I agree with what you're saying. Now, that we're
25 just talking about deferring to another day all but maybe

1 Mr. Okada's disbursement, we don't need to hear great detail
2 about the whole decision-making process for the wind-down of
3 these three. A little bit of background would be useful,
4 but --

5 MR. POMERANTZ: Absolutely, Your Honor, and we
6 will --

7 THE COURT: -- it doesn't need to be, you know --

8 MR. POMERANTZ: -- tailor our testimony to the issues
9 that Your Honor was concerned about and the comments that I
10 made, and we will keep within the time limit that Your Honor
11 wants us to keep it to.

12 THE COURT: All right. Very good.

13 Mr. Seery?

14 MR. SEERY: Yes, Your Honor.

15 THE COURT: There you are. If you could approach the
16 witness stand. I know I've been introduced to you before. I'm
17 not sure if you've taken the witness stand yet.

18 MR. SEERY: I have not.

19 THE COURT: I don't think you have.

20 Please raise your right hand.

21 JAMES P. SEERY, JR., DEBTOR'S WITNESS, SWORN

22 THE COURT: All right. Please be seated.

23 MS. HAYWARD: Your Honor, may I approach with an
24 exhibit binder?

25 THE COURT: You may.

Seery - Direct/Hayward

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1 MS. HAYWARD: Or two?

2 THE COURT: Okay. One for the Court.

3 Thank you.

4 MS. HAYWARD: May I approach the witness?

5 THE COURT: You may.

6 DIRECT EXAMINATION

7 BY MR. HAYWARD:

8 Q Well, good afternoon, Mr. Seery. Since this is your first
9 time testifying, would you introduce yourself to the Court and
10 give her just a little bit of background?

11 A I'll go pretty quickly because of the time constraints.
12 James P. Seery, Jr., for the record. I am an independent
13 director for Highland Capital. I've been in the asset
14 management restructuring business for about 32 years.

15 I started as a restructuring lawyer handling
16 everything from real estate to debtor's side to financial
17 transactions. From there, I moved into asset management and
18 distressed investing.

19 From there, I moved into managing a large global loan
20 portfolio for a big investment bank. That included teams of
21 people who both underwrote, distributed, held, managed,
22 restructured, and traded both loans, indicated loan assets,
23 primarily, but also high end bonds, distressed assets, as well
24 as CLO assets.

25 After that, I went into a hedge fund. We had a

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1 billion, three long-short credit fund. I was the senior
2 investment partner and president of that firm. We did similar
3 types of investments, high yield, high yield loans, distressed
4 loans, CLO assets, and some other structured products, long-
5 shorts. So we were domestic primarily, but we also had a
6 global investment view and an office in London.

7 Subsequent to that, I was a co-head of a credit
8 business for an investment bank. And then, in the last six
9 months, I've decided to do this job.

10 Q So of the three board members, you're kind of the stock
11 guy. Would that be a fair --

12 A I think -- stock isn't really my stock and trade, but I do
13 know my way a little bit around the stock market. But it's
14 primarily been credit products, but I do -- I am familiar with
15 equities and equity trade.

16 Q Okay. So since coming onto the board, give the Court a
17 day in the life, if you don't mind, and maybe starting with the
18 day that the board took over on January 9th.

19 A I think, as Your Honor will recall, when we left and we
20 talked about what the role would be and what the compensation
21 would be, I think your comment was, Your Honor, that it -- we
22 wouldn't be 50,000 feet. Well, we -- we're actually fully on
23 the ground. We're not even five feet above. We don't keep
24 track of our hours like lawyers, but probably logged about 190
25 hours in January starting on the 9th, and then about 150 hours,

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1 160 hours in February. And I know my fellow board members are
2 similar time commitments.

3 We're involved day-to-day in each of the decisions
4 that the debtor makes from assets management decisions,
5 understanding how the funds are being managed and what the ways
6 that they could either be walled off if they're in liquidation,
7 or if what the proper way to treat them on a day-to-day basis
8 is, evaluating assets that the debtor owns directly or through
9 funds, be thinking about ways to monetize those assets;
10 employee issues, what they're doing, who they're reporting to,
11 how they're -- how they're performing, how they're being paid;
12 claims issues.

13 This case got started, as we all know, by three major
14 litigations, and they're not all easy to understand. They've
15 got the redeemer arbitration, which I think is fairly
16 straightforward in terms of liability and amount. There's a
17 number of offsets that are complicated.

18 We've got the UVS litigation that is a lot more
19 complicated because it's not against the debtor. The judgment
20 is against two offshore funds that are, in essence, shells, and
21 there's a very complex history around the 10-year litigation
22 that that is.

23 Then we have the Acis litigation, which comes out of
24 the Acis bankruptcy, but is an unliquidated claim. So
25 understanding those thinking about what the pros and cons of

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1 those claims are, how we would manage them down the road, how
2 we would go forward. Thinking about how to resolve them has
3 been a key part of what we're doing on a day-to-day basis.

4 Q So has the board done an independent analysis of all these
5 various litigation claims?

6 A Not yet. So we've -- we've done a preliminary analysis,
7 and then we've gone further. So with respect -- we haven't sat
8 down with -- frankly with Redeemer, yet, although one of the
9 board members has had a call with them separately. But we have
10 sat down with the Acis creditors, and we've done some
11 significant analysis around that. And we have sat down with
12 UBS claimants, and we've done significant analysis around that.

13 All three of those require a ton more work, and not
14 because it's not easy to figure out what the numbers are. It's
15 really difficult to figure out what the liability is, how it
16 rolls up to the debtor, and then how to satisfy it, and so
17 we're trying to get our hands around that. But that is a
18 critical component of resolving this case.

19 Q When the board took over, did -- what types of things did
20 you do immediately upon taking over control of this debtor?
21 Did you meet with people at the facility?

22 A Oh, sure. So the first thing we did, actually, is have
23 lunch with the Committee and with Acis, and we wanted to get
24 their perspective because they were here and it was easier to
25 do that than to run back to the debtor and try to -- try to

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1 then set up another meeting.

2 And so we wanted to get their perspective. They'd
3 been living with the debtor from the litigations and through
4 the time in Delaware and the litigation in this case. So we
5 got a feel for them of what their desires were, how they
6 thought the case would work out or potentially resolve, and
7 also, how they thought about our role.

8 One of the things we stressed at that time, and I
9 stressed when I was interviewed for the role, is that -- I know
10 my fellow directors feel the same way, but I'm a pretty
11 independent person, and I wasn't going to be certainly the
12 management of Highlands guy, nor would I be the guy of the
13 Committee. So we're going to -- I'm going to work
14 independently make decisions with the fellow board members in
15 what I think is the best way.

16 I'm going to try to exercise my duty in both care and
17 loyalty to the estate, but then if the estate has duties, I'm
18 going to make sure we exercise those. And I feel very strongly
19 about that because this is just one -- a decent sized matter,
20 but one small piece of a career, and I'm not going to
21 compromise myself to satisfy either people on the management
22 side or people on the Committee side.

23 Q Yeah. Well, and I want to talk a little bit about the
24 duties since you mentioned them, because we heard I think the
25 Committee say that we -- the debtor has not mentioned the

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1 fiduciary duties to the estate in the opening statement. Do
2 you think that by presenting this motion the debtor -- does
3 this motion contemplate protecting the fiduciary duties that
4 the debtor owes to the estate?

5 A To me, it absolutely does. But to be fair, I think that
6 the rhetorical flair and opening remarks and missing the duties
7 to the estate, we're very conscious as a board of our duties to
8 the estate. We're also very conscious of our duties as an
9 asset manager. And what is in the pleadings is absolutely the
10 case, it's been -- it's my experience, my understanding of the
11 law, and it's being confirmed by both Cayman counsel, and by
12 fund counsel in the U.S. separate from bankruptcy counsel.

13 We owe a duty under the Advisor's Act to the funds
14 and to the investors in those funds. That duty actually
15 supercedes the benefit to the estate, but it doesn't undercut
16 it because by vindicating the duty to the funds, you actually
17 vindicate the duty to the estate. If you create liability at
18 the funds, it will roll to the estate. So by exercising your
19 duty correctly, you do in fact, vindicate the duty of the
20 estate.

21 And what's important in the Advisor's Act, and it's
22 an interesting part of U.S. law. At least my understanding,
23 it's been confirmed by outside counsel, is if the manager,
24 which would be Highland, has an interest, it's actually
25 required to subordinate that interest to the interest of the

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1 investors in the funds it managed. And it makes sense.

2 If you have funds invested in a fund with an outside
3 investor, you want to make sure that that investor is not --
4 that manager is not using your funds to aggrandize itself as
5 opposed to looking out for your best interest. And so, I think
6 by vindicating our obligations with respect to the funds, we
7 actually enhance our obligations with respect to the estate.

8 Q Let's talk a little bit about the funds now. So
9 originally, the motion pertained to three different funds.
10 Could you just briefly explain to the Court the status of those
11 funds and how they got there?

12 A Yeah. I'll try to go quickly, and if I skip something or
13 I go too quickly, Your Honor, please let me know.

14 The Highland Dynamic Fund, which is the primary one
15 we're talking about now, I think you'll see at the end of Tab 1
16 how it's set up right before Tab 2. And I haven't looked at
17 these exhibits in a long time, so I apologize. I didn't know I
18 was getting this. But it's really straightforward.

19 These funds are set up, and this is a pretty typical
20 structure. It's a limited partnership structure. It's got a
21 master feeder structure. And what does that mean? The master
22 is the main fund. That's the King Exemptive Limited
23 Partnership at the bottom.

24 It's fed by two feeders, a domestic feeder and an
25 offshore feeder. Why is it done that way? Purely tax.

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1 Offshore investors, non-taxables in the U.S. who are worried
2 about ECI or UVTI, or unrelated business income, we want to
3 make sure that there's no withholding or any tax ramifications
4 with respect to the distributions they get off the fund. Since
5 it's a pass-through entity, both of those investors, either
6 domestic or foreign, are non-taxables in the U.S., will have
7 their own tax treatment when it gets up to them. So they don't
8 want anything withheld.

9 When you look at the left side of the page, Dynamic
10 domestic feeder, the other investors is where you'd include
11 Mark Okada. This fund was founded originally under a different
12 name. I believe it was called the Highland Loan Fund. It
13 might have been CLO Loan Fund, I apologize. And then that was
14 in 2013.

15 Mark Okada put \$2 million cash into the fund at that
16 time. Why did he put it in? This fund was designed to own CLO
17 assets and loan assets. Okada was the founder of that part of
18 the business and the driver of that business. It was pretty
19 essential that he put some money in.

20 However, in '13, they did get third-party investors,
21 but this fund never got real scale. I think it was only a bit
22 over \$100 million. Not insignificant, but not a big fund. And
23 they went out looking for loan funds, loan opportunities, and
24 CLO paper. So the CLO papers, the debt of the CLOs, generally
25 (indiscernible) type paper that was higher yielding unless

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1 there was some interesting opportunity in the -- in the higher
2 rated tranches.

3 In 2018, the fund got restructured, and they -- I'm
4 pretty sure that's when the name change occurred. Okada put
5 another two and a half million dollars of cash in. So he
6 didn't get this as free-carry or anything. This was actually
7 cash that he deposited in the fund.

8 In 2019, Okada in the spring of 2019, determined that
9 he was leaving Highland. And his separation was finally
10 completed in September of 2019. So he is no longer an employee
11 of the debtor. He has no influence, say, discussion, he's not
12 involved in anything. He hasn't been since we've been there.

13 The investor, I think it was late summer, either
14 understood that or the fund hadn't performed that well.
15 Frankly, it was undersized anyway. Realdania, a third-party, I
16 believe they're European, issued a redemption notice. This was
17 a hedge fund style fund. So we've got three different funds
18 here, two of them are hedge fund, and we explained a little bit
19 in the papers, but the real dynamic, no pun intended,
20 difference between the two is that Dynamic and Argentina are
21 hedge funds which provide liquidity to the investor.

22 What does that mean? Monthly, quarterly, semi-
23 annually, they can look for redemptions. The fund manager
24 sales assets because the assets are supposed to be a little bit
25 more liquid, makes distributions per the redemptions.

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1 If the redemptions are too big and the sales will
2 somehow disadvantage the remaining investors, either gates come
3 down or you put the fund into liquidation. Realdania had made
4 a, I believe it's a \$65 million -- it was initially a smaller
5 one, then there was a \$65 million redemption, and it -- this is
6 prepetition. The debtor determined we've got to wind this fund
7 up because we can't basically more than halve it and then
8 continue to try to function. It would have been far too
9 undersized.

10 So the debtor then went about selling the assets,
11 creating a pool of cash, and then this motion is to liquidate
12 it and pay the investors, including Okada. When it's done,
13 assuming they made the full distributions, about 80-something
14 percent of the assets will have been distributed. There's a
15 few small assets that are left. They're not particularly
16 liquid, but they're small and I'm relatively certain we can
17 unload those at decent prices, create cash for the investors,
18 make the final distribution, so it would be a hold cash to
19 wind-down and then dissolve the various little limited
20 partnerships.

21 Argentina is similar. The basically different
22 premise of why that fund existed, the original theory was post
23 the Argentina crisis with the election of Macri in '15. Late
24 '15, Argentina started going through a number of changes in its
25 economy and the thought was that Argentina would start to grow

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1 and really be able to realize the potential of its people and
2 its resources. That didn't work out that well, and then at the
3 end of, I think it was '18, Macri was voted out and the former
4 Kirchner, effectively, government is going to back. Argentina
5 economy has slid into basically -- certainly recession over
6 multiple quarters, but even some would say depression.

7 Very difficult time. This was not a unique fund for
8 Highland. There were a lot of these Argentina-type opportunity
9 funds, and that -- that performance has not been particularly
10 good. The decision there was made to wind-down a third-party
11 investor who made a 15 percent withdrawal, and that a number of
12 other funds that I forget the percentage, but they're managed
13 by UBS, third parties made a -- indicated that they were going
14 to have full redemptions, as well, so that fund was put into
15 liquidation.

16 Importantly, I think something that was mentioned
17 before, there's no benefit to keeping these funds around. They
18 don't make any fees.

19 Q Why is that?

20 A And once they've gone into liquidation, they're not paying
21 any fees. Similarly, RCP -- now, RCP is a different style of
22 fund, and I think Your Honor, you mentioned it in the papers,
23 you saw that it was a 10-year old fund. That term was
24 extended. It was originally a 2008 fund. It was done as a
25 distressed for control. Very different opportunity,

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1 (indiscernible), at the time, they probably didn't see the
2 global financial crisis, but saw it as distressed and the
3 opportunity to do distressed for control positions had to be
4 long term. So that fund had no liquidity provisions for
5 investors. Typical PE-style fund.

6 The -- when it got to the end of its life, the 10-
7 year life, Highland didn't have the ability to extend the term.
8 A steering committee of third-party institutional investors
9 with no Highland influence whatsoever, Ontario Teachers,
10 CalPERS, some of the biggest, most sophisticated investors in
11 the world in both debt, equity, and distress were driving that.
12 There was also a couple of other funds that are third parties
13 on that steering group. And they still exist. They gave a
14 one-year extension. Highland had no ability to do anything
15 about that.

16 In exchange for the extension, Highland waived fees.
17 So there are no fees being paid on the RCP Fund. There was a
18 series of one-month extensions that went -- was finished in
19 November of 2019. And with this distribution, there's still a
20 lot of assets in RCP that have to be managed, about 175
21 million. And so we're going to -- after we make the
22 distribution -- we've had a few calls and I've been on them,
23 with the steering group.

24 We've told them we're coming to Court to make the
25 distribution. We were confident that we would be able to -- to

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1 be able to make a distribution to them subject to the Court's
2 order, that we make that distribution and somewhere in the next
3 two weeks we're going to have a steering group meeting to talk
4 about the other assets and how we monetize them.

5 They are different types of assets. Some have more
6 liquidity than others, so we're going to need to come up with a
7 plan. It's 85 percent, roughly, third parties. Highland
8 Capital Management, the debtor, actually has a roughly 15
9 percent interest in HCM Services, has as a couple percentage,
10 because I think there would have been about 2 percent of the
11 distribution.

12 So it's vast -- the vast majority of the owners of
13 the fund are outsiders, and we're going to need to come up with
14 a structured plan to get them their cash because they've been
15 invested for 12 years in this fund.

16 Q Do you agree, having had the chance to come in and look
17 over all these things, that these funds should be wound-down?

18 A Oh, absolutely. So I think it's easiest to say,
19 Dynamic -- Okada was the driver. It never got to where it
20 wanted. The biggest investor wanted out. It's not big enough
21 to support itself. Even if one were to look today, and say, it
22 should have, frankly, owning CLO paper when this fund was
23 started until today, there should have been good appreciation
24 in it, and it just didn't -- I don't know the reasons it
25 didn't, but it didn't perform the way it should have, and it

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1 didn't attract the investors it should have. Perhaps that had
2 something to do with it, you know, the way the other cases or
3 litigations were going on and the public nature of them.

4 And frankly, coming out of the global financial
5 crises, Highland had had a tough time of it, so it wasn't as if
6 it was the easiest thing to raise funds. Argentina, there's
7 absolutely no question that the purpose and structure of that
8 fund and what it set out to do doesn't work, just doesn't work.
9 So it makes no sense to keep that going, and that's why the
10 investors -- third-party investors sought redemptions.

11 The insider interests, while not immaterial, are
12 pretty small. Okada's interest is about 12 percent in the
13 fund, and he's not driving it. Like I said, he's not even at
14 the debtor. These two -- but to be fair -- both the decisions
15 to wind-down Dynamic and Argentina were made before the board
16 was involved and before the petition was filed, and they really
17 related to the withdrawals from third parties.

18 Q So why are we here today? Do you -- do these funds wind-
19 down in the ordinary course of their business?

20 A Well, it -- they all have life. So I'd say in the case of
21 RCP, it's pretty clearly in the ordinary course because it
22 reached the end of its life. And the investors were very clear
23 that they wanted to be cashed out. So the difficult part is
24 that it -- because of its structure and in the way it was
25 originally set up as a PE-style fund, it has illiquid, a number

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1 of illiquid assets.

2 And the challenge in any of the PE funds is to time
3 your exit, and the timing on this hasn't been opportune because
4 the opportunity to sale has not been as good as one might hope
5 and the investors are just at the point where they want to get
6 cashed out as we've heard today from CalPERS. But we've seen
7 it in the documents and our discussions -- and my discussions
8 directly with them.

9 The other funds, once they've reached this -- it's an
10 ordinary course thing for funds. When funds either they're --
11 they've reached their life or investors redeem and they get to
12 this state where they really can't support themselves, it's a
13 very ordinary thing for managers to wind-down funds.

14 Q And as part of the winding down of the funds, is it also
15 ordinary then to make distributions once the funds have become
16 liquid?

17 A Well, I mean one of the questions you started to ask, or
18 maybe did ask, and I didn't answer, was why are we here?

19 Our view as an independent board, my view as an
20 independent board member, is we have an obligation to all
21 investors. It would be really easy if the documents or the law
22 said all investors, other than ones who might have been related
23 somehow to the asset manager. It just doesn't say that. And
24 as we talked about, this is -- these are not funds from
25 Highland. If they were funds from Highland, again, it would be

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1 really easy.

2 As I described for Highland Dynamic, I don't need to
3 hold and carry water for Mark Okada. But I do need to carry my
4 own fiduciary duties and make sure that I exercise them well.
5 The gentleman put \$2 million in -- this is April 2013, put 2
6 million -- 2.5 million in cash in 2018, and the fund is being
7 wound down. It's not the debtor's money. If it was the
8 debtor's money, it would be really easy to say, you know,
9 Mr. Okada, I'm not going to give you the money because we may
10 have claims against you, and a different discussion would
11 ensue.

12 Q Well, I want to walk through that just a little bit. You
13 say it's not the debtor's money. Where is the money?

14 A This money sits in funds or in bank accounts. Its assets
15 are denominated and they're held in trust. And the cash that's
16 in accounts, they're denominated in the name of the fund. The
17 asset manager, Highland, has the ability to access the accounts
18 and use the funds in accordance with the fund documents. It
19 does not have the ability to access the accounts and use the
20 funds however it see fit.

21 Q So it's like an authorized signer?

22 A It's certainly an authorized signer in terms of what its
23 ability to do in terms of accessing the funds. Typically,
24 that's done through the trustee. But it can manage the funds.
25 It couldn't take the funds and make an unrelated investment.

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1 It couldn't take the funds and use it for its own purposes and
2 pay them back later. It's just simply not permitted.

3 Q Well, taking that to the next level. If the Court did not
4 allow these distributions to be made, would the distributions
5 then go to the debtor?

6 A No.

7 Q Where would they go?

8 A There's really no provision for it. There are certain
9 provisions in the underlying documents that would enable the
10 manager to withhold funds. If there was a change in law that
11 didn't permit a distribution. If there was some other reason
12 that it became unfeasible to make the distribution. If you
13 couldn't find the investor, and sometimes that happens. There
14 are provisions of how you deal with those funds. But they
15 never would go to the manager.

16 Q So what is the -- why is the primary reason then that
17 we're here today asking this Court for permission to distribute
18 these funds?

19 A It's pretty straightforward. We have a fiduciary duty and
20 we've confirmed that with outside counsel, both Cayman and
21 domestic fund counsel, to make distributions and treat all
22 investors in the funds pro rata. And we're here to make sure
23 we vindicate our duties, not exercising our fiduciary duties,
24 doing things that were not permitted. One, we don't think
25 that's right or appropriate. Two, that's not going to help

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1 resolve this case that probably contributes to some of the
2 things that led to this case. So we're not real interested as
3 an independent board in doing things that are close to the
4 edge, along the margin, try to use our positions to leverage
5 investors.

6 Q Are you familiar with the protocols?

7 A I am.

8 Q Okay. But for the protocols, do you believe that the
9 debtor would need to obtain the Court's permission in order to
10 makes these distributions on behalf of these funds?

11 A I don't think so, no.

12 Q So then, why are we asking the Court's permission?

13 A Well, the protocols require it, and I think the Committee,
14 you know, with due respect and I mean that truly, would like us
15 to withhold the funds, and that provides certain leverage
16 potentially over insiders. I think when I look at the
17 protocols, I think the main function of the protocols is to
18 assure that there isn't undue influence by insiders over the
19 actions of the company, and that insiders are not somehow
20 benefitting themselves by virtue of their control over the
21 company.

22 The independent board has control over the company.
23 We're not naive and think we have control over every single
24 persons every single second of every day, but we do have
25 control over what happens with the accounts, how payments are

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1 made, when we wind something down, when an asset is sold, how
2 the proceeds will be used. That's the board. That's not
3 anybody in management. The decision around these distributions
4 was made by the board independently. We did consult with the
5 CCO, and that was important to make sure we got all the facts
6 with respect to these funds.

7 We then sought outside counsel to inform our
8 decision, both Cayman and domestic. We didn't have any
9 influence whatsoever and we didn't speak to Mr. Dondero nor
10 Mr. Okada other than to tell Mr. Okada that we were coming to
11 court and then to ask him if he would defer his distribution.
12 And we know his response.

13 Q I want to ask you just a couple -- I know I'm almost at my
14 30 minutes here, so I just want to ask you a few quick
15 questions because one of the issues that came up were these
16 demand notes. I understand that Mr. Okada does have a demand
17 note.

18 A He does. We've --

19 Q And has the board --

20 A And we've sent a demand.

21 Q Okay. And what was -- what is the status of that demand
22 note?

23 A He acknowledges that he signed it and he said that he's
24 owed certain things from the company. He's asked how we work
25 those through because he was severed -- or severed himself in

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1 September, and he has -- they reached a severance agreement
2 according to Mr. Okada. I haven't personally investigated it
3 yet, but we will get to it quickly. And he has some expenses
4 that are owed, but I don't think those are material.

5 I'm quite confident. He said his severance was
6 agreement not money, but terms, was very standard. We'll take
7 a look at that and make sure there's agreement on that.

8 I think it would be covered by the protocol, but it's
9 probably a transaction, so we'd have to talk to the Committee
10 about it, but we'll work -- I'm confident that we can work our
11 way through a standard severance agreement very quickly and
12 resolve that issue and collect on the note.

13 Q Now, to be clear, the demand note is payable to whom?

14 A The demand note is payable to the debtor.

15 Q Okay.

16 A It was actually a note that was -- he didn't receive cash
17 for the note. It's basically a tax -- rather than gross-up
18 salary sometime in the past, for whatever reason they decided
19 not to gross it up to cover taxes.

20 Because of the structure of the limited partnership,
21 they could have had taxable income without matching cash, and
22 so they issued notes back to Highland to cover certain of those
23 obligations rather than actually making a distribution.

24 Q To your knowledge, does Mr. Okada owe any money to the
25 fund?

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1 A No. Not a -- my knowledge is that he does not. So I am
2 knowledgeable of it, and he does not owe any money to the fund.

3 Q Okay. Quickly, I just want to talk a little bit about
4 Mr. Dondero. One of I think the points that was made at the
5 very beginning of opening statements was that Mr. Dondero is
6 still around. Why is that?

7 A He's around because he has incredible knowledge about the
8 investments. He is a portfolio manager for the fund. He does
9 work with respect to non-Highland unrelated funds, some of
10 which Highland employees do work under shared services
11 arrangement and we get paid for them. But Mr. Dondero is
12 around for those reasons and his knowledge about a number of
13 the investments in which we're involved.

14 Q Does the Debtor -- or does the board have the power to
15 terminate Mr. Dondero if it decides to?

16 A Yeah, he's -- we could, he's unpaid so there's no cost to
17 his involvement. His expertise around certain investments,
18 particularly the equity funds as well as some of the larger
19 investments, including the PE investments, is really important.

20 Q And with respect to the Dondero notes, what are the status
21 of those demand notes?

22 A We've done an investigation of the notes and I wouldn't
23 say it's as exhaustive as -- it's in similar stages as our
24 examination of other assets. We've looked at Dondero's notes,
25 we made a decision to send a demand letter to Okada because

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1 he's no longer a part of the company and there's no real
2 benefit that we saw strategically to not making that demand.
3 It's a small amount of money relative to the size of the case,
4 it's real money, but it's a small amount of money relative to
5 the size of the case. We should clean that up and move on from
6 Mr. Okada.

7 With respect to the Dondero notes on Dondero entity
8 notes, we want to think about those strategically. They're a
9 sizable amount of money, not just the ones that are demand, but
10 also there's a number of the notes that are notes with
11 maturities and they're actually current, they're all current,
12 but how can we use those cash, can we collect those, and I
13 think that's more strategic in terms of how we resolve this
14 case.

15 I agree with Mr. Pomerantz's statement that I think
16 it evolves into a pure litigation case and we really hope it
17 doesn't. That then -- those can just be sued on and the demand
18 notes are pretty clear as to how they work and even include
19 cost of collection. So they're pretty straightforward notes.

20 Q But so for now the board --

21 A Well, we thought about it, we don't think it makes sense
22 to make that demand at this time. There's -- our initial --
23 we're not -- we haven't come up with what the plan is for this
24 case, but we have ideas. We do think they involve Mr. Dondero
25 and they involved contributions from Mr. Dondero whether in the

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1 form of notes, whether in the form of cash, whether in the form
2 of other assets. We haven't discussed those with him, but we
3 do think that's ultimately, at least preliminarily, where we're
4 going to end up somewhere. So strategically we think that
5 that'll make sense to include in that sort of a resolution.

6 Q Okay. And --

7 THE COURT: You have one minute.

8 MS. HAYWARD: Yes, thank you, Your Honor.

9 BY MS. HAYWARD:

10 Q Last question I'm going to ask you, are you aware of any
11 legal basis to withhold these funds now from Mr. -- from these
12 investors and these related parties?

13 A I'm not aware of any, but as the Court has contemplating,
14 as the Committee has said, perhaps now that Section 105, you
15 know, grants that sort of authority, but that'll be up to the
16 Judge.

17 MS. HAYWARD: Your Honor, a housekeeping matter. I
18 move for the admission of Exhibits 1 through 12. I don't think
19 any of them are controversial. But I will let --

20 THE COURT: You want me to look through

21 MS. HAYWARD: Your Honor, they are --

22 THE COURT: -- all of these.

23 (Laughter.)

24 MS. HAYWARD: Your Honor, just for the record, they
25 are Number -- Exhibit 1 is the chart showing the structure of

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1 the Dynamic Income Fund.

2 THE COURT: Right. We looked at that.

3 MS. HAYWARD: Exhibit 2 is the partnership agreement,
4 so I know they're large documents, but they're not numerous
5 documents. Exhibit 3 is just the chart of the Latin America
6 Argentina Fund. Four, the partnership agreement for that fund.
7 Five, the chart (indiscernible) Third Fund. Six would be the
8 agreement, the limited partnership agreement for that fund.
9 Seven, Your Honor, is Your Honor's order on the ordinary course
10 governance procedures.

11 THE COURT: Okay.

12 MS. HAYWARD: Eight is the final term sheet. Nine is
13 the notice of amended operating protocols that was filed last
14 week.

15 THE COURT: All right. And then CVs of our board
16 members.

17 MS. HAYWARD: And then the CVs for the board members.

18 THE COURT: Any objections to these?

19 MS. REID: No objection, Your Honor.

20 THE COURT: Okay. They're admitted.

21 MS. HAYWARD: Okay.

22 THE COURT: All right. Any cross-examination?

23 MS. REID: Yes, Your Honor.

24 THE COURT: Okay.

25 MS. REID: Good afternoon, Your Honor. Penny Reid on

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1 behalf of the Creditors Committee.

2 CROSS-EXAMINATION

3 BY MS. REID:

4 Q Good afternoon, Mr. Seery.

5 A Good afternoon.

6 Q You are aware, Mr. Seery, aren't you, of the Acis
7 bankruptcy?

8 A I'm aware of it, yes.

9 Q Okay. And you're aware that prior to that bankruptcy Mr.
10 Terry obtained an arbitration award in October of 2017.
11 Correct?

12 A I'm aware of that, yes.

13 Q And, Mr. Seery, are you aware that four days after that
14 arbitration award assets started being transferred away from
15 Acis, stripping it of its value at that time?

16 A I've read the judge's decision in the Acis case but I'm
17 not aware of any of the underlying facts, other than from
18 reading that case.

19 Q So you aren't aware of all the assets that went out of
20 Acis the day after an arbitration award was entered.

21 A No, I haven't looked at any of those.

22 Q Okay. And you're not aware that the day after a final
23 judgment was entered more assets were stripped from Acis. Is
24 that correct?

25 A Other than reading the Judge's decision I'm not aware of

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1 any of the specific assets, no.

2 Q Are you aware that two days after that, or entry of the
3 final judgment was ordered, Acis' entire risk retention
4 structure was transferred away from it and into the ownership
5 of Highland CLO Holdings?

6 A I'm aware of some of the facts relating to the Acis case
7 from the decision and I'm aware of some of the facts from the
8 Acis case because of my discussions with Ms. Patel and Mr.
9 Terry. I'm not aware of the specific transfers to which you're
10 referring without having -- looking at them.

11 Q Okay. So you're not aware that some of the assets that
12 were stripped from Acis went to one of the entities you're
13 wanting to send money to today. Is that right?

14 MS. HAYWARD: Objection. Your Honor, I'm not sure
15 how this is relevant to the Debtor's distribution motion --

16 MS. REID: Well, it's relevant to the distributions
17 that you're trying to give to the same entity.

18 MS. HAYWARD: Your Honor, I think right now Mr.
19 Okada --

20 THE WITNESS: What I --

21 THE COURT: Just a minute.

22 THE WITNESS: Sorry.

23 THE COURT: We have an objection. Let me hear the
24 objection.

25 MS. HAYWARD: Your Honor, I think at this point Mr.

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1 Okada is the only one getting a distribution at issue in this
2 case as of now in light of the representation that was made by
3 Judge Lynn.

4 THE COURT: All right. Well, what is your response
5 to the relevance objection? She's saying that this line of
6 inquiry has kind of been taken off the table since -- I'm not
7 sure which entity, I think you're talking about the Holdco, CLO
8 Holdco. Right?

9 MS. HAYWARD: Yes, Your Honor.

10 THE COURT: Since now the disbursement that would
11 have gone to it is being put off the table and would go into
12 the registry of the Court. So what is your response?

13 MS. REID: Well, Your Honor, and I can take it off,
14 but currently it's my understanding that Mr. Okada is a 25
15 percent owner in Holdco. But I can move on to the next
16 question.

17 BY MS. REID:

18 Q Which is, are you aware that Mr. Okada right after the
19 final judgment was entered transferred their entire interest to
20 Nutra Limited?

21 A Who transferred to whom?

22 Q Right after the final judgment --

23 A Right.

24 Q -- that Mr. Terry obtained, Mr. Okada transferred their
25 entire limited partner interest in Acis, LP to Nutra.

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1 A So I apologize. A couple of things. One is it goes to
2 what you said, I don't believe Mr. Okada has any interest in
3 sale of Holdco, but you're saying Mr. Okada and their in your
4 question, and so it doesn't make sense. He's an individual.
5 So I just don't know what you're asking me. You said Mr. Okada
6 transferred their interest. Who's their?

7 Q Are you aware that Acis -- that you're aware that after
8 the entry of the Acis judgment that Mr. Okada's limited
9 partners interest in Acis was transferred to Nutra?

10 MS. HAYWARD: Again, Your Honor, I lodge the same
11 objection to relevance.

12 THE COURT: All right. Again, what is your response
13 to the relevance objection?

14 MS. REID: I think it's very relevant because I mean
15 he has been saying that they have a fiduciary duty to
16 investors. Mr. Okada is not your normal independent investor.
17 It's a related party that has engaged in prior improper acts in
18 this court which you're aware, aren't you -- well.

19 THE COURT: Yeah, I'll overrule the objection and
20 allow a little latitude.

21 THE WITNESS: So I think what you're referring to is
22 the position in Nutra and I'm aware of some of those issues.
23 Mr. Okada apparently owns 25 percent of Nutra, Mr. Dondero owns
24 75 percent of it. The control in Nutra is actually vested in
25 Highland Capital Management through a control agreement. So

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1 I'm not -- I'm aware that they made a transfer and that Nutra
2 owns that interest now, and I'm aware that that split is 75-25,
3 I assume because of that split just like ATM Services, Mr.
4 Okada doesn't have any say in how it's run. And the control in
5 that entity anyway is vested in Highland, the Debtor.

6 BY MS. REID:

7 Q So you're aware there were improper transfers made at --
8 during -- before the Acis bankruptcy. Is that correct?

9 A I'm aware --

10 Q You're not aware?

11 A I'm aware of the decision and I'm aware of the transfers.
12 The designation of it then as improper, I'm not sure that I can
13 say one way or the other because I've looked at the transfers
14 and I can't tell you whether that transfer was improper. So if
15 you're asking me if I'm aware that that transfer occurred, I
16 think I said I was. I don't think it's fair for you to color
17 that the transfer was improper. If somebody --

18 Q Are you aware of the Court's decision --

19 A I am --

20 Q -- that they were improper?

21 A -- I don't recall the Court's decision with respect to
22 that transfer. There were a lot of transfers, a number of
23 which the Judge ruled were improper.

24 Q Okay. So you are aware that there were improper transfers
25 made from Acis that the Judge found were improper. Correct?

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1 A Yes, I am.

2 Q Okay. And you're aware that Mr. Okada was the Chief
3 Investment Officer at the time those transfers were made.
4 Correct?

5 A Of which entity?

6 Q Of Highland, of the Debtor.

7 A I believe he was -- I believe he was a co-CIO of the
8 Debtor at that time, but I'm not positive.

9 Q So you don't know.

10 A I'm not sure, no.

11 Q Okay. Do you know he was -- he was the Debtor's -- so you
12 do not know one way or the other.

13 A I am aware that at some time he was the CIO and then the
14 co-CIO. I don't know the specific time that he was the sole
15 CIO. I just don't know.

16 Q Do you know if he was involved with the Debtor at the time
17 these improper transfers were made?

18 A He definitely worked for the Debtor at that time.

19 Q Okay. You -- the reply that was filed today by the --
20 this morning by the Debtor states that the making of these
21 distribution to Mr. Dondero and Mr. Okada is essential to
22 rebuilding the Debtor's reputation in the marketplace. Is that
23 correct?

24 A I believe that's what it says, yes. I assume you're
25 reading it?

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1 Q I am.

2 A Okay.

3 Q Aren't you -- is the marketplace not well aware of
4 Highland's history including the Acis and the Redeemer
5 Committee litigation?

6 A I believe the market is aware of the Acis and Redeemer
7 litigations.

8 Q Okay. And is the marketplace well aware of the extensive
9 wrongdoing that Mr. Okada and Mr. Dondero engaged in as found
10 by this Court and the other tribunals?

11 A I don't know how the marketplace -- I know that they're
12 aware of the decisions, I can't tell you whether the
13 marketplace as a large general matter knows the specifics. I
14 don't know.

15 Q Have any non-insider investors expressed concern to you
16 over the possibility of Mr. Okada not receiving the
17 distribution?

18 A No, I don't believe so. I think -- just to make sure I
19 answered your question, have the non-insiders raised issues
20 about Mr. Okada --

21 Q Not getting distribution.

22 A No, there won't --

23 Q No one is really concerned about that except Mr. Okada.
24 Correct?

25 A I think each investor is concerned about their own

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1 distributions, so like with respect to RCP I don't CalPERS
2 referred at all to the distributions to Ontario, they probably
3 don't care, they care about their own distributions.

4 Q And the only one we're talking about right now is the one
5 to Mr. Okada. Correct?

6 A That's correct. I hope so. Right? Meaning I'm under the
7 impression that the Committee doesn't object to the investment,
8 to the release of funds and the distribution to third-party
9 investors.

10 Q Mr. Seery, you testified that one of the reasons you're
11 seeking to distribute these funds is because the Debtor has
12 fiduciary duties to investors. Correct?

13 A Yes.

14 Q Okay. But these funds aren't being distributed to just
15 regular investors. Correct? They're being distributed to
16 insiders.

17 A Again, unfortunately these are things one has to be
18 precise with. The question is insider under some securities
19 law, or insider under the Bankruptcy Code? So --

20 A Insider under the protocols.

21 Q I believe the term there, again, we should be precise, is
22 related party. So he's a related party under the protocols.
23 As far as I know there's no separation under the Investment
24 Advisors Act, under the Cayman law, under Delaware law, or
25 under the contracts with respect to persons who might have

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1 worked for the investment manager who made an investment in the
2 fund.

3 Q Are you aware that the Debtor also has duties to the
4 Creditors Committee?

5 A I don't believe the Debtor has any duties to the Creditors
6 Committee.

7 Q To the estate?

8 A I believe the Debtor has significant and overriding
9 duties, but that's what we're here for, to the estate.

10 Q To the estate. And were very conscious of those duties.
11 Correct?

12 A I am indeed.

13 Q That's what you testified. Right?

14 A Yes.

15 Q Okay. So can you explain to me what -- how you consider
16 the estate's considerations in deciding to distribute these,
17 what was your consideration of the estates, how does this
18 benefit the estate?

19 A This benefits the estate because we have an obligation to
20 the funds and to the investors in the funds to perform
21 according to the terms of the funds. Unfortunately there is no
22 provision in the fund documents or in the law that allows us to
23 treat the investors in the funds in a disparate way. And we
24 believe, after consulting with outside counsel, domestic and
25 Cayman, considering federal law under the Advisors Act, as well

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1 as Delaware law, that the only way to make distributions, other
2 than if there was a law change, was pro rata to all of the
3 investors.

4 So in order to vindicate our obligations to the
5 outside investors, we also have to pay the inside investors.
6 In addition, if we don't pay the inside investors, there's no
7 basis not to do that. Now there may ultimately be no liability
8 because it will be hard to bring a case. But it seems to me
9 that incurring potentially liability is not in the best
10 interest of the estate. Holding up a distribution from non-
11 estate property doesn't seem to do anything to help the estate.
12 In fact, it puts it at risk.

13 And so we did the work and that's how we determined,
14 exercising what I think is our duty of care, which is really
15 researching this, and we spent a lot of time and a lot of money
16 making sure we got this right. And our duty of loyalty. Is
17 there some good reason that the fund could hold up the
18 distribution. Until we have a claim is there a valid to attack
19 these distributions.

20 By the way, there were \$8 million out of 180 million.
21 Now if there had been 180 -- if there had been 172 out of 180,
22 maybe we would come in here and say, We should something a
23 little bit different because we're really letting the small
24 outside investors dictate us and force us to make distributions
25 to related parties that the Committee has some concern about.

Seery - Cross/Reid

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1 But while \$8 million is real money, and I don't deny
2 that, again, it's not huge in this case. And it seemed to us,
3 after doing the work, that we were putting the estate at risk
4 by not exercising our fiduciary duties. Moreover, we each have
5 reputations, and they're important to us, and they don't
6 override our fiduciary duties. We're not going to do things to
7 aggrandize ourselves, to help our reputation versus the estate.
8 But running this Debtor correctly seems to us, looking at the
9 history, was the right thing to do.

10 Q Has anyone, Mr. Seery, threatened to bring a fiduciary
11 duty claim against you if you don't pay these funds?

12 A No.

13 Q Has any -- has Mr. Okada said he's going to bring a claim
14 against you if you don't distribute these funds?

15 A No, and nor did I consult him about it. We just told him
16 what we were doing. We're not -- I'm not inviting someone to
17 sue us. That I think would be, you know, grossly wrong for us.

18 Q Now we've touched a little bit on this, Mr. Okada owes the
19 Debtor 1.3 million. Correct? In the demand note?

20 A Approximately, yes.

21 Q All right. And you have made a demand on Mr. Okada.
22 Correct?

23 A That's correct.

24 Q And he hasn't paid it. Right?

25 A No, he has not.

Seery - Cross/Reid

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1 Q And that's money into the estate. Correct?

2 A That will be, yes.

3 Q Now do you still think it's okay to just hand him off, you
4 know, \$4 million and even though he's not paying the estate
5 that you have a duty to?

6 A There's no such thing in my life as just handing off \$4
7 million. This is fund money --

8 Q Distributable.

9 A -- that will be distributed to the owners of the fund pro
10 rata. We're not handing off anything to Mr. Okada or anybody
11 else.

12 Q But Mr. Okada has not agreed to pay back his note.
13 Correct?

14 A He's not agreed to pay it back, no. Technically I would
15 say no.

16 Q Okay. And that's because of some severance agreement that
17 you're not aware of what the terms are. Is that right?

18 A I have not -- we have not -- I have not looked at the
19 terms, I don't believe many of my fellow directors yet have.
20 It's something that is on the burner for us to get to as soon
21 as this is over.

22 Q And are --

23 A He's pushing for it.

24 Q -- are you aware that the Committee has asked for that
25 severance agreement?

Seery - Cross/Reid

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1 A I was not aware of that, no.

2 Q You're not aware of that.

3 A I haven't seen it.

4 Q And you don't know that it hasn't been produced to us. Is
5 that correct?

6 A I don't -- I have not seen it myself, I don't -- didn't
7 know that you'd asked for it, nor do I know that it hadn't been
8 produced.

9 Q Okay. And you haven't looked at it.

10 A I haven't seen it.

11 Q So you don't know if his failure to pay that money back is
12 valid or not. Is that correct?

13 A That's -- I don't -- he still owes the money whether he
14 has appropriate setoffs and whether a settlement agreement
15 would actually work as one. I don't -- haven't really analyzed
16 that and I don't know that our counsel has either. It may be
17 that he owes the money and we're holding a severance agreement,
18 but those aren't mutual obligations that are subject to setoff.

19 Q You don't know one way or the other whether he has a right
20 of setoff. Correct?

21 A I don't believe he -- other than perhaps expenses I
22 don't -- haven't heard any articulated monetary setoff against
23 the obligations he owes.

24 Q If the Court orders that his distribution be put into the
25 Court registry, do you still think you've breached your duty to

Seery - Cross/Patel

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1 the estate somehow by that?

2 A I think if the Court orders it, I don't think we would be
3 subject to a breach of liability. I think that we're here
4 vindicating our responsibilities and our duties to investors.
5 If there's an interceding court order, we will follow it.

6 Q Thank you.

7 MS. HAYWARD: I have no further questions.

8 THE COURT: All right. I think that was about 17
9 minutes. Any other examination? Okay. You'll have 13
10 minutes.

11 MS. PATEL: Just a few questions, Your Honor.

12 CROSS-EXAMINATION

13 BY MS. PATEL:

14 Q Good afternoon, Mr. Seery.

15 A Good afternoon.

16 Q Mr. Seery, I think your testimony was that the fund, let's
17 use RCP -- or I'm sorry, that's the wrong one --

18 A Dynamic?

19 Q I think it was the Dynamic --

20 A Dynamic.

21 Q -- Income Fund is the one that Mr. Okada has an
22 investment in. Correct?

23 A That's correct.

24 Q Okay. And the fund has duties to Mr. Okada including
25 fiduciary duties as an investor. Right?

Seery - Cross/Patel

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1 A That's correct.

2 Q Okay. Does Mr. Okada have duties to the fund?

3 A I don't believe he does, no.

4 Q Okay. Did he ever?

5 A I believe he did.

6 Q Okay. That was during his tenure at Highland Capital
7 Management. Right?

8 A I think as an officer of Highland Capital Management, the
9 investment manager, he would have had duties to the fund, yes.

10 Q Okay. And have you investigated whether he's breached any
11 of his duties to the fund?

12 A We have looked, we have not seen anything. We know that
13 the redemptions came in without any objection. We have not
14 spoken to the individual investors.

15 Q Okay. So would it be fair to say then that you haven't
16 concluded your investigation of whether Mr. Okada has breached
17 any of his duties to the fund itself?

18 A I don't think that would be fair. I think what would be
19 fair to say is we've taken a look, we see no evidence
20 whatsoever that there were any breaches by Mr. Okada of his
21 duty to that fund, so there would be no reason to undertake an
22 investigation that we had yet to complete.

23 Q Okay. And who undertook that investigation, was it just
24 the board or did you have others involved?

25 A It was the board.

Seery - Cross/Patel

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1 Q Okay. No one else?

2 A The investigation with respect to the -- we got data from
3 other people but I'm the one who looked at whether there were
4 any claims related to the redemptions, any objections to any of
5 the other distributions, any objections to the fees, and we
6 found none.

7 Q Okay. So no outside counsel advised you with respect to
8 whether Mr. Okada had potentially breached any duties to the
9 fund?

10 A No, again, it's not something that we would have looked at
11 with no evidence whatsoever that there was any sort of
12 complaint or breach.

13 Q Okay. All right. Mr. Seery, with respect to the, I'll
14 call it the agreement because I'm assuming that it is an
15 agreement, that Mr. Dondero's counsel announced on the record
16 regarding putting the funds that would otherwise be payable to
17 Mr. Dondero into the registry of the Court. Do you have an
18 understanding whether that agreement also extends to Highland
19 Capital Management Services?

20 A Yeah, just to be clear because, again, we should be
21 precise, Mr. Dondero was not going to receive any money. The
22 CLO Holdco, which is owned by the charitable DAF has
23 investments in the Argentina Fund and the Dynamic Fund. It was
24 going to receive money. Highland Capital Services has around a
25 2 percent interest in RCP, it was going to receive money.

Seery - Cross/Patel

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1 I understand that Mr. Dondero, through his counsel,
2 directed that the distribution to Highland Capital Services
3 would not be made. Mr. Okada owns 25 percent of that, he was
4 not consulted. I know that because I spoke to Mr. Okada. The
5 distribution with respect to the CLO Holdco has been similarly
6 treated, but that was done by Grant Scott talking to Mr. Nelms
7 (phonetic) for the charitable DAF that controls the CLO Holdco.

8 Q Okay. So, again, to be clear, Mr. Okada has not consented
9 to the agreement that was announced on the record with respect
10 to any distributions to Highland Capital Management Services.
11 Correct?

12 A He has not, but since he doesn't control it and Mr.
13 Dondero does, the agreement is binding.

14 Q Okay. And how do you know that Mr. Dondero controls
15 Highland Capital Management Services?

16 A Mr. Okada told me.

17 Q Okay. All right. Mr. Seery, with respect to Mr. Okada, I
18 believe your testimony was he separated from Highland Capital
19 Management in September of 2019. Correct?

20 A I believe I testified that he originally began his
21 separation in the spring, I don't know exactly when it was, and
22 I believe his official resignation was some time around
23 September.

24 Q Okay. Would September 30 of 2019 sound about right?

25 A It -- approximately, I don't know the date.

Seery - Cross/Patel

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1 Q Okay. So it was towards the end of September though.

2 Correct?

3 A I don't -- I don't know whether it was September 1,
4 September 15 or September 30, I just don't know the answer.

5 Q Okay. And at the time Mr. Okada separated from Highland
6 or any time before then, did Mr. Okada have a non-compete
7 agreement?

8 A I have not looked at Mr. Okada's contract.

9 Q Okay.

10 A So I don't know.

11 Q All right. Does -- did Mr. Okada have something called a
12 non-solicit --

13 A I don't know.

14 Q -- where he wouldn't solicit clients for example of
15 Highland Capital Management?

16 A I don't know.

17 Q Okay. Did Mr. Okada have what's called a non-recruit
18 where he wouldn't come in and try and recruit employees of
19 Highland Capital Management?

20 A Again, because I haven't looked at his contract, if he had
21 one, I don't know that he did, and because I haven't looked at
22 it, and I testified that I haven't seen this severance
23 agreement he's talking about, I don't have any understanding of
24 the terms of Mr. Okada's employment with Highland Capital
25 Management.

Seery - Cross/Patel

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1 Q Okay. So you just haven't looked at any of those things.

2 A That's correct.

3 Q All right. Are you aware -- well, did you have an
4 opportunity to look at -- I believe there was a press release
5 that was somewhere around September 2019 where Mr. Okada said
6 he was actually retiring from Highland Capital Management?

7 A I would have no reason to have looked at such a thing in
8 September.

9 Q Okay. All right. So you haven't seen that. Let me ask
10 you another question, are you aware that Mr. Okada has a new
11 business by the name of Sycamore Tree Capital?

12 A I'm aware that he intends to start a new fund, I have no
13 idea what the name is and I'd have no idea what development --
14 stage of development it's in.

15 Q Okay. Are you aware if any Highland employees have been
16 engaged by Sycamore Tree Capital

17 A I'm aware that at least one maybe, I'd have no idea
18 whether that employee, ex-employee now, is involved or not.

19 Q And isn't that employee Troy Parker?

20 A That's correct, yes.

21 Q Okay. What did Troy Parker do for Highland Capital
22 Management?

23 A Most recently he ran the PE book.

24 Q Okay.

25 MS. PATEL: No further questions, Your Honor.

Seery - By the Court

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1 THE COURT: All right. We have seven minutes. Do
2 you have questions, Judge Lynn? We have a little bit of time?

3 JUDGE LYNN: No, but I just want to make clear Mr.
4 Dondero's suggestion for resolving the motion was not a
5 dickered agreement, it was a suggestion that we would hope
6 would make life easier for the parties and the Court.

7 THE COURT: Okay. Thank you. Thank you.

8 I had one or two questions. Is there going to be
9 redirect? Well, no, you used all your time, you don't get
10 redirect.

11 (Laughter.)

12

13 MS. HAYWARD: And, Your Honor, I don't have redirect.

14 THE COURT: Oh, very good.

15

EXAMINATION

16 BY THE COURT:

17 Q Let me ask you, sir, I want to revisit Dynamic, that's the
18 one I hear most about obviously since that's the one that Mr.
19 Okada --

20 A Yes.

21 Q -- has the distribution rights from. You know, I was
22 fixated before I came out here a little on the time line.
23 Right? So the pleadings said Dynamic, the termination date was
24 November 15, 2019.

25 A Correct, Your Honor.

Seery - By the Court

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1 Q About 30 days after the Highland bankruptcy was filed.

2 What I heard your testimony to be was that pre-petition the

3 largest third-party investor -- I wrote it down phonetically --

4 A Realdania.

5 Q -- Realdania --

6 A I'm not sure if there's someone in the courtroom who know
7 them.

8 Q Sounds like a Spanish company maybe.

9 A I believe they're a European company, it's an investor I'm
10 not familiar with, Your Honor, but I have seen the redemption
11 notices.

12 Q Okay. They issued a \$65 million --

13 A I believe it was in the neighborhood of 65 million, yes.

14 Q And it was pre-petition? You wouldn't know?

15 A It was pre-petition, I think it was around 40 percent of
16 the fund.

17 Q Okay. I mean do you remember when? Was it --

18 A I believe it was in the spring and it followed a -- spring
19 or early summer and it followed a separate redemption from a
20 different investor.

21 Q Okay. So there was another third-party investor, even
22 before Realdania that --

23 A That's my recollection, yes, Your Honor.

24 Q -- that was unaffiliated with Highland.

25 A That's correct.

Seery - By the Court

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1 Q Okay. So it's your business judgment that once these two
2 biggies issued their redemptions, it just wasn't worthwhile to
3 keep this fund going anymore.

4 A That's correct, Your Honor. And as I said, Mr. Okada was
5 a driver to that fund and he had left. He did not actually
6 redeem, but he was being compulsory redeemed as the fund went
7 into liquidation. So all of the investors, redeemed and non,
8 will be treated the same.

9 Q All right. So I guess one thing I'm getting at is timing
10 of Mr. Okada leaving versus timing of these third-party
11 redemptions happening.

12 A Right. I could --

13 Q Is there any --

14 A I see no connection whatsoever. And, again, his piece of
15 the fund was about -- I believe it was round 12 percent of the
16 fund.

17 Q Yeah, his --

18 A And it's a material amount of money I suppose to most
19 folks, including myself, but it's not -- it wasn't a driver
20 whatsoever that we could see, and he did not redeem. So the
21 third-party redeemed, Okada was leaving having been the driver
22 of the fund, it was an undersized fund anyway, there was no
23 real valid reason to keep a small fund trying to do this around
24 after Mr. Okada left.

25 Q Okay. I'm just wondering whether I should or not, you

Seery - By the Court

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1 know, the timing of this. So this is -- starts spring of 2019,
2 but then a month post-petition let's terminate this thing. I
3 mean who actually makes that decision?

4 A Well, the decision to continue forward is made by the
5 board. Before that it would have been made by the managers of
6 the funds or the compliance group. So I have not looked into
7 specifically who said, Let's terminate it. To be perfectly
8 frank, I don't know --

9 Q But it would --

10 A -- the specifics.

11 Q -- the manager, Highland?

12 A It's Highland who determines to terminate it. Ultimately,
13 if all the investors issued redemption notices, then the fund
14 would have to liquidate --

15 Q Right.

16 A -- on its own. So Highland --

17 Q Right.

18 A -- wouldn't have any say about it. But to put it into
19 liquidation, I believe it was Highland that did it. Some of
20 the funds, it could be foreign directors, but that's not what
21 happened.

22 Q Uh-huh. Okay. So there are third-party non-affiliated
23 investors still in it, there's 35 million that would go out the
24 door and --

25 A It's about -- there's a couple of assets that still have

Seery - By the Court

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1 to be liquidated. Approximately 85 percent of the distribution
2 is to third-party un-affiliated investors. And then we --
3 we'll have -- we'll retain some cash to make sure that we can
4 manage the liquidation of the fund and the dissolution of the
5 entities. But we still have to get rid of a small amount of
6 assets that are pretty liquid.

7 Q Okay. Now I heard you also say that Highland isn't owning
8 any fees anymore on these refunds. Did I not hear you say
9 that?

10 A Yeah, certainly -- so I think on ours I think. On Dynamic
11 and on AROF, the Argentina Recovery Opportunity Fund, once they
12 were put into liquidation they don't earn any fees anymore.
13 The --

14 Q Okay. Let me -- okay, so when did that stop, when were
15 they "put into liquidation" so the management fees stop?

16 A I believe that Dynamic would have been in the fall, I
17 don't know the exact date, and Argentina --

18 Q Well --

19 A -- was before that.

20 Q -- the Court termination date used in the pleadings was
21 November 20, 2019.

22 A Yeah, but I don't recall the exact date, Your Honor. We
23 can certainly figure that out, I just don't recall off the top
24 of my head. When the fee cutoff date -- the fee cutoff date
25 for RCP was I believe in April of 2018 when the one-year

Seery - By the Court

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1 extension was given. That was the trade for the extension.

2 Q Okay. But you don't know for sure when the management fee
3 cutoff was --

4 A No.

5 Q -- on either Argentina or Dynamic.

6 A No, that's correct, Your Honor.

7 Q I mean would it have been in November 2019 you think?

8 A I think it was before that, but I don't -- I believe so
9 but I don't know for sure.

10 Q Okay.

11 A If I'm wrong, I'll figure that out and correct it to you.

12 Q Okay. All right. Thank you. You're --

13 A Thank you.

14 Q -- excused.

15 A Thank you.

16 THE COURT: Does anyone in the room know the answer
17 to that?

18 MS. HAYWARD: Your Honor, we can figure it out very
19 quickly I think.

20 THE COURT: Really? Okay.

21 (Pause in the proceedings.)

22 THE COURT: Actually I had one more question for Mr.
23 Seery.

24 THE WITNESS: Yes.

25 BY THE COURT:

Seery - By the Court

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1 Q Do we have any other Highland managed funds out there that
2 are imminently going to be going into wind-down mode? Is that
3 easy to answer?

4 A We have a number of CLO funds that are what we call 1.0
5 CLOs. They're old and they're effectively winding down. And a
6 number of those we don't get fees off of, but they had --
7 because they own very illiquid assets, we have to realize on
8 those assets. May of those have cross-ownership to funds that
9 we do get fees on. We need --

10 Q Let me back you up. Why didn't Highland get fees on
11 those?

12 A Because sometimes in the CLO structure it depends on what
13 kind of asset gets treated under the net asset value, so for
14 example if it's equity, it may not count, even if it has a
15 value, you don't get paid a fee on it. So if you had a loan
16 that converted to equity, some of those CLOs you may not get a
17 fee on because you don't own any loans anymore. So, but most
18 of those assets, if a CLO owned equity for example in a PE
19 company, we would have other funds that owned additional equity
20 in that same PE company.

21 We do have other assets where they aren't necessarily
22 wind-down, but there will be distributions to entities that may
23 or may not be related parties under the protocols, and we are
24 in the process, and the Committee's aware of it, selling
25 certain assets, and hopefully those sales will go the way we

Seery - By the Court

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1 want them to. They're valuable assets so we feel we have a
2 good opportunity to realize good value for the estate. There
3 would be requirements on certain of them to pay off debt from
4 certain entities before we can distribute money back up to
5 Highland Capital.

6 Q All right. Thank you.

7 A Thank you.

8 THE COURT: You're excused.

9 All right. Anything else today?

10 MR. POMERANTZ: Do you want to hear closings, or have
11 you heard enough, Your Honor?

12 THE COURT: I mean if you have a quick one or two
13 minute closing, I'll hear that, to recap anything. Did you
14 have that quick answer that Ms. Hayward --

15 MR. POMERANTZ: We are --

16 THE COURT: -- was confident about?

17 MR. POMERANTZ: We are trying to find it.

18 THE COURT: Okay.

19 MR. POMERANTZ: We have a couple of emails out,
20 hopefully by, we get a couple of answers.

21 THE COURT: Okay. Okay.

22 CLOSING ARGUMENT ON BEHALF OF THE DEBTOR

23 MR. POMERANTZ: Your Honor, I just wanted the
24 highlight the fiduciary duty as you -- I know it was a subject
25 of discussion with Mr. Seery, cross-examination. Again, as you

1 heard, and as the only evidence before Your Honor is, Mr.
2 Seery, who as Your Honor knows is a restructuring lawyer,
3 practice in it. He's fully aware of what the fiduciary duty
4 requires.

5 And first and foremost, I think it may even be 28 USC
6 959, the Debtor has to operate in accordance with applicable
7 law. Every debtor before Your Honor has to act in accordance
8 with applicable law, and if the debtor is not acting in
9 accordance with applicable law, then they are creating
10 liability. As Mr. Seery testified, that is exactly what that
11 the Debtor is doing. And this concept of dueling fiduciary
12 duties or the board taking certain actions that just happened
13 to benefit insiders as indicating that they are not looking out
14 for the estate is just not accurate. That's not how the law
15 works and I think Mr. Seery said it correctly, that the Debtor
16 fulfills its fiduciary duty to the estate by operating in
17 accordance with applicable law.

18 With respect to 105, Your Honor, the cases cited by
19 the Committee don't support granting injunctive relief forward
20 of attachment without going through the necessary process.
21 They do cite the DeLorean case which at first blush sounds like
22 a court authorized the holding of money, but if you read that
23 case carefully, it was done because there was a complaint and
24 because the Court ultimately determined that the evidence
25 before the Court established grounds for preliminary

1 injunction.

2 Mr. Clemente has asked Your Honor to hold that the
3 objection filed satisfies the standard. But the objection
4 isn't a legal document. The Committee has not put on any
5 evidence to support any claims that exist. The testimony from
6 Mr. Seery is that there's a claim under a note and that there
7 are defenses to the note. So Your Honor does not have the
8 sufficient evidentiary basis in order to meet the standards of
9 the injunction of which irreparable harm -- there's a whole
10 host of reasons.

11 So while we understand what the Committee wanted to
12 do. If they wanted to file an action, they could have. We
13 don't expect them to have completed their investigation on all
14 the types of claims they're looking at. But they've been aware
15 of this Okada note for a couple of months. It would not have
16 been difficult for them to file, as they have standing, a
17 lawsuit to recover any. They asked us to issue a demand note,
18 we did, and we got the answer.

19 So, Your Honor, I don't think there's a basis under
20 105, the way it's being used here and the lack of evidentiary
21 record to support it. And for those reasons, Your Honor, we
22 would ask that Your Honor support the motion and other than the
23 distributions that are being held in the registry, allow the
24 distribution to be made to Mr. Okada.

25 THE COURT: Okay.

1 MR. POMERANTZ: Thank you, Your Honor.

2 THE COURT: All right. Other quick closings?

3 MR. CLEMENTE: Your Honor, I'll be very quick.

4 CLOSING ARGUMENT ON BEHALF OF THE COMMITTEE

5 MR. CLEMENTE: There's obviously a lot more that I
6 could say, but I'll be respectful and be very quick.

7 First of all, Your Honor is the judge and you're the
8 one that determines what the law is and what the duties
9 ultimately are for this Debtor. Mr. Seery I think indicated in
10 his testimony that, for what it's worth, he does not believe
11 that there would be a viable claim for breach of fiduciary duty
12 if Your Honor ordered the distribution to Mr. Okada be put in
13 the Court registry.

14 I think the testimony was clear from Mr. Seery that
15 Mr. Okada, at all times relevant, when all the things that
16 happened that involved the Redeemer Committee, that involved
17 Acis, that involved UBS, Mr. Okada was at least co-Chief
18 Investment Officer and we all know he was co-founder of
19 Highland. I think Your Honor's questions, and perhaps
20 frustration with sort of trying to figure out some of the
21 answers, show how interrelated all of these things are and the
22 various capacities and roles that Mr. Okada had back at the
23 time when all these different transactions occurred.

24 I think the testimony we heard is that Mr. Seery did
25 a lot of work around why we should pay Mr. Okada, but almost no

1 work around why we shouldn't pay Mr. Okada. And so I go back
2 to what I said earlier, Your Honor, I think Mr. Okada is
3 perfectly capable of coming into this court and arguing that
4 once the monies that were put into this Court's registry should
5 be distributed to him, he can come in and do that.

6 But I think for purposes of today, Your Honor has
7 heard more than enough to come to the conclusion that the
8 appropriate remedy here is to place the money within the
9 registry of this Court. It satisfies the fiduciary duty of the
10 Debtor and it protects the interest of Mr. Okada, who is free
11 to come into this court and make whatever argument he so
12 chooses as to his entitlement to those funds.

13 Unless Your Honor has any questions of me, I'll sit
14 down.

15 THE COURT: Thank you.

16 MR. CLEMENTE: Thank you.

17 THE COURT: Anything else?

18 MR. POMERANTZ: Your Honor, in answer to you
19 question, November 11 was the date that the fees were no longer
20 payable to the Debtor in the Dynamic Fund.

21 THE COURT: November 11 post-petition.

22 MR. POMERANTZ: Correct.

23 THE COURT: I like being transparent and I -- and so
24 I sometimes share my thoughts hoping that it will help. But
25 I'm -- you all get why I'm fixated on this point? Maybe I'm

1 sharing my thoughts when I don't have to. But the time line
2 looks suspect, whether it should be or not, it looks maybe
3 problematic. Do you see what I'm saying?

4 We had this fund that I understand never got to real
5 scale and in spring 2019 we have a couple of big unrelated
6 third-parties -- third-party investors issue redemptions and
7 that makes it really not a very worthwhile fund, so maybe it
8 should go into wind-down mode. Nevertheless, Highland has been
9 continuing to get its management fee. I don't know how much
10 management fee, but it's been getting a management fee until it
11 files bankruptcy, and then, Oh, let's wind this sucker down.

12 Do you see what -- you know, I don't know. I mean
13 again, a hearing for another day. But this is the kind of
14 thing I get concerned about, and maybe kind of want to look
15 into the bona fides of the decision making process to wind
16 down, let's terminate this thing and make disbursements. And,
17 you know, did we have any fingerprints of this on insiders that
18 should make me troubled. I don't know. I mean if I'm going
19 out on a lark here, just stop me.

20 MR. POMERANTZ: Well, look, Your Honor, I certainly
21 understand why you're concerned. As you said at the first
22 hearing, you have stuff in your head that you can't forget, and
23 I understand. I wasn't around but I understand the history and
24 especially the history with certainly similar things that may
25 have happened in the Acis case.

1 The facts are that Realdania made its redemption
2 request on August 15, the fees that the -- August 15, but that
3 the liquidation was the time where the management fees stopped,
4 which incidentally were \$12,000 a month based upon the level of
5 this spot.

6 THE COURT: Okay.

7 MR. POMERANTZ: So, Your Honor, I understand your
8 concerns, however, what I would say is, you have Mr. Seery here
9 answering your questions. You have Mr. Seery who said he's
10 conducted an thorough investigation. At some point, and I'm --
11 you know, obviously you brought up a couple of questions, at
12 some point the creditors -- Your Honor has to accept that if
13 the board has done a thorough analysis, and we're coming into
14 this hearing today, and before we filed the motion, as Mr.
15 Seery said, we crossed all our Ts and dotted all our Is.

16 We spent a lot of money collectively, the different
17 firms that are involved, because we wanted to make sure it's
18 the right thing. We understood that coming to Your Honor
19 asking to pay investors who are related parties, given the
20 context of this case and given the Committee's opposition, was
21 going to be a big challenge. We thought it was the right thing
22 to do, but we wanted to make sure Your Honor knows that the
23 board actually did a thorough investigation, again, spearheaded
24 by Mr. Seery, who is not just someone off the street, but as he
25 testified, this is what he's done over the last 10-15 years.

1 So I certainly understand Your Honor's concerns. Mr.
2 Seery I think has testified about the thorough investigation,
3 and that the 12,000 a month, that I think if he got back on the
4 stand, he would testify that would be a breach of duty to the
5 investors to continue on getting fees. There's an obligation
6 at some point, when the redemptions happened, to either pay the
7 redemptions, put the fund in liquidation, and that's what
8 happened.

9 And just because it wasn't done by the board, it was
10 done before, it was important, as I mentioned in my opening,
11 and as Mr. Seery testified, he looked at that carefully and
12 thoroughly. He didn't want to be embarrassed, we didn't want
13 to be embarrassed coming in and not having those answers. So,
14 Your Honor, this is a long way of saying I think at some point
15 the board is entitled to the deference of business judgment if
16 they can demonstrate that they've gone through the process
17 necessary to earn the deference to business judgment, which I
18 think Mr. Seery has done.

19 THE COURT: Okay. And while we're on the subject, I
20 mean 12,000 a month was the management fee to Highland from
21 Dynamic. What was the management fee from Argentina, do you
22 have that off the top of your head?

23 MR. SEERY: It would have been in the same -- these
24 are approximately --

25 THE COURT: The same range?

1 MR. SEERY: -- the same neighborhood.

2 THE COURT: Okay.

3 MR. SEERY: That the meetings would be based upon
4 fees.

5 THE COURT: Okay.

6 MR. SEERY: Or the redemptions (indiscernible)
7 variable asset now (indiscernible).

8 THE COURT: Okay.

9 MR. SEERY: (indiscernible).

10 THE COURT: Okay. All right. Just a minute while I
11 do some math.

12 (Pause in the proceedings.)

13 THE COURT: All right. I'm doing this math in my
14 head. There's a \$7.4 million note receivable from HCM Services
15 of which Okada is the 25 percent owner of.

16 MR. POMERANTZ: Your Honor, 7.4 is not the demand
17 notes. Again, 985,000 is the demand notes. The rest of those
18 notes are performing and not in the fall.

19 THE COURT: Okay. All right. With regard to the
20 motion and the objection and the Committee there's been a lot
21 of argument about 105 and what it permits the Court to do and
22 what it doesn't as far as fashioning an equitable remedy here.
23 Here I mean it's clear that this Debtor has receivables owed by
24 these related parties, although they don't necessarily match up
25 perfectly with the amount of disbursements that are owed by

1 these funds and of course the funds are separate legal entities
2 than the Debtor. So I'm not glossing over that fact or
3 ignoring that fact.

4 But I do think the Court has broad equitable powers
5 to remedy -- to fashion remedies that preserve the status quo
6 and I think it is appropriate here to order that most of this
7 money, that most of the 8.6 million that would go to related
8 investors in these three funds, be put into the registry of the
9 court pending further motions, orders, adversary proceedings
10 anyone wants to file to make a claim to that money. I said
11 most of it.

12 I am going to order that with regard to the amount
13 that would be payable to Mr. Okada, the 4.176 million, we will
14 subtract from that the 1.3 million that represents the demand
15 note receivable that the Debtor has so that I'm essentially
16 doing an equitable offset at that point. So he can only be
17 paid -- he should only be paid from the Dynamic Fund whatever
18 4.176 million minus 1.3 million is, and the rest shall be put
19 into the registry of the court. And everybody's rights are
20 reserved on anything and everything with regarding to do tos
21 and do froms.

22 I reserve the right to supplement in more detail in a
23 written form of order to justify the Court's 105 action here.
24 But, Mr. Pomerantz, I'd ask you to upload a form of order on
25 this, please.

1 MR. POMERANTZ: We'll be happy to, Your Honor. We'll
2 circulate it to the Committee and Ms. Patel as well.

3 THE COURT: All right. Well, thank you all, and --

4 MR. CLEMENTE: Your Honor, but just to be clear
5 though, the other amounts, correct, to HCM Services and CLO
6 Holdco, would that be part of the order or what did Your Honor
7 have in mind with respect to that?

8 THE COURT: Well --

9 MR. CLEMENTE: Because I believe those are to be
10 deposited with the Court as well, yes.

11 THE COURT: -- all of -- everything gets deposited
12 in the registry of the court, except Mr. Okada will get
13 whatever the differential is of 4.176 minus 1.3. Okay?

14 MR. CLEMENTE: Thank you, Your Honor.

15 THE COURT: All right. Thank you.

16 COURT SECURITY OFFICER: All rise.

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C E R T I F I C A T I O N

We, DIPTI PATEL, KAREN WATSON and TERRI STARKEY,
court approved transcriber, certify that the foregoing is a
correct transcript from the official electronic sound recording
of the proceedings in the above-entitled matter, and to the
best of my ability.

/s/ Dipti Patel

DIPTI PATEL

/s/ Karen Watson

KAREN WATSON

/s/ Terri Starkey

TERRI STARKEY

J&J COURT TRANSCRIBERS, INC.

DATE: March 6, 2020

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

In re:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

Debtor

§
§
§
§
§

Case No. 19-34054-sgj11

Chapter 11

**MOTION FOR RELIEF FROM THE AUTOMATIC STAY TO ALLOW
PURSUIT OF MOTION FOR ORDER TO SHOW CAUSE FOR VIOLATIONS
OF THE ACIS PLAN INJUNCTION**

PURSUANT TO LOCAL BANKRUPTCY RULE 4001-1(B), A RESPONSE IS REQUIRED TO THIS MOTION OR THE ALLEGATIONS IN THE MOTION MAY BE DEEMED ADMITTED AND AN ORDER GRANTING THE RELIEF SOUGHT MAY BE ENTERED BY DEFAULT.

ANY RESPONSE SHALL BE IN WRITING AND FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AT EARLE CABELL FEDERAL BUILDING, 1100 COMMERCE STREET ROOM 1254, DALLAS, TEXAS 75242 BEFORE CLOSE OF BUSINESS ON MAY 1, 2020, WHICH IS AT LEAST FOURTEEN (14) DAYS FROM THE DATE OF SERVICE HEREOF. A COPY SHALL BE SERVED UPON COUNSEL FOR THE MOVING PARTY AND ANY TRUSTEE OR EXAMINER APPOINTED IN THE CASE. ANY RESPONSE SHALL INCLUDE A DETAILED AND COMPREHENSIVE STATEMENT AS TO HOW THE MOVANT CAN BE "ADEQUATELY PROTECTED" IF THE STAY IS TO BE CONTINUED.

Creditors and parties-in-interest in the above-caption bankruptcy case, Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively "Acis"), file this Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause For Violations of the Acis Plan Injunction (the "Motion") pursuant to 11 U.S.C. § 362(d) regarding Highland Capital Management, L.P. ("Highland" or the "Debtor") and parties acting in concert with the Debtor, including, Highland CLO Funding, Ltd. ("Highland Funding" and Highland are sometimes collectively referred to as the "Highlands"), William Scott ("Scott"), Heather Bestwick ("Bestwick"), J.P. Sevilla ("Sevilla"), Scott Ellington ("Ellington"), James Dondero ("Dondero," and together with the Highlands, Scott, Bestwick, Sevilla and Ellington, the "Violators"),¹ and any other agents of Highland Funding and Highland that participated in the plan injunction violations, and show as follows:

SUMMARY OF MOTION

1. After Highland filed for bankruptcy, Acis was hopeful it was a new day at Highland. Acis hoped that Highland would see that the continuation of its failed litigation strategy was not only futile, but also self-destructive, and that the Debtor would turn over a new leaf. Thus, in an attempt to foster potential reconciliation and to provide Debtor's newly-appointed independent board with room to maneuver, Acis deferred pursuing the many wrongs which were needlessly inflicted on it and its principal, from a frivolous lawsuit in Guernsey meant to undermine this Court, to litigation against non-debtor individuals for, among other things, breaches of fiduciary duties owed to Acis.

¹ Highland Funding, Scott, Bestwick, Sevilla, Ellington, and Dondero, again, as non-debtors are not protected by the automatic stay, as further described below. To the extent their individual actions on behalf of Highland are protected by the automatic stay, Acis requests relief from the automatic stay, as further described below.

2. Acis can no longer sit back.² The time has come for Highland and the individuals who have engaged in wrongdoing (some of whom continue as highly-compensated employees at the Debtor) to face *individual* consequences for their actions. The legal process is not a game, and the Violators will only understand that when they are subjected to personal accountability for their actions. Good cause exists to lift the automatic stay and permit Acis to pursue the matters set forth in the draft Motion for Order to Show Cause for Plan Injunction Violations attached hereto as **Exhibit 1** (the "Show Cause Motion").³ The Court should grant the Motion – it is well-founded.

STATUTORY BASIS AND JURISDICTION

3. The basis for this Motion is 11 U.S.C. §§ 105 and 362, Federal Rule of Bankruptcy Procedure 4001, and Rule 4001-1 of the Local Rules for the United States Bankruptcy Court for the Northern District of Texas (the "Local Rules").⁴ This Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334(b). This matter is a core proceeding pursuant to 28 U.S.C. § 157, and venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

² Acis has engaged in a good-faith effort to work with the Board (as hereinafter defined) and attempt to resolve its Highland-related issues without litigation. During those efforts, Acis was sued in New York federal district court (the "DAF Lawsuit"), many claims of which arose from Acis's bankruptcy in this Court. The DAF Lawsuit harmed Acis's reputation and clouds its attempts at a successful reorganization pursuant to this Court's confirmed plan. While the DAF Lawsuit was eventually voluntarily dismissed, *without* prejudice, that happened only at the urging of the Board. The filing of the DAF Lawsuit demonstrates that the same group of individuals that led the Debtor through a failed litigation strategy, and ultimately bankruptcy, still have significant sway at the Debtor and its affiliates. Nevertheless, Acis appreciates the Board's role and the dismissal of the DAF Lawsuit.

³ As indicated, the Show Cause Motion is merely a draft and Acis reserves the right to amend or revise it prior to filing, including the ability to make material modifications to the Show Cause Motion. Regardless, the Show Cause Motion provides the parties and the Court with ample notice of the basis for Acis's request for stay relief. Any terms not defined herein have the meanings ascribed to such terms by the Show Cause Motion.

⁴ Pursuant to Local Rule 4001-1(e) Acis intends to serve its evidentiary affidavit in advance of any hearing on this Motion, in compliance with the Local Rules.

RELEVANT FACTS

4. In addition to the matters specifically set forth below, Acis relies on and incorporates herein the fact section of the Show Cause Motion outlining the Guernsey Action and related matters in the Acis bankruptcy.

5. On October 16, 2019, Debtor filed this bankruptcy case.

6. On January 9, 2020, the Court entered an order approving a settlement with the Official Committee of Unsecured Creditors, which, in turn, approved the installation of a new, independent board of directors (the "Board") for the Debtor. Dkt. No. 339 in Case No. 19-34054.

7. On January 31, 2020, after the installation of the Board, Michael Hurst, this time on behalf of the Charitable Donor Advised Fund, L.P. (the "DAF"), filed a Second Amended Complaint in the United States District Court for the Southern District of New York against U.S. Bank National Association, Moody's Investors Services, Inc., Acis Capital Management, L.P., Brigade Capital Management, LP, and Joshua N. Terry. A true and correct copy of the amended complaint is attached hereto as **Exhibit 2** (the "Amended Complaint"). This Court might recognize some or all of the parties in the Amended Complaint—as well as Mr. Hurst, who has regularly represented Highland before this Court and others—from the Acis Bankruptcy. The DAF is nominally controlled by Mr. Dondero's college roommate, Grant Scott.

8. On February 5, 2020, at the DAF's request, Judge Buchwald of the Southern District of New York dismissed the Amended Complaint. A true and correct copy of Judge Buchwald's order (a notation on Mr. Hurst's letter) is attached as **Exhibit 3**.

9. On February 6, 2020—the next day—the DAF and CLO Holdco, Ltd., a subsidiary of the DAF and also controlled by Mr. Dondero's college roommate (and, upon information and belief, Mr. Dondero), filed suit in the United States District Court of the Southern District of New York, again naming the same Acis-Bankruptcy-related parties, U.S. Bank National Association,

Moody's Investors Services, Inc., Acis Capital Management, L.P., Brigade Capital Management, LP, and Joshua N. Terry (the "Complaint"). A true and correct copy of the Complaint is attached as **Exhibit 4**.

10. On February 25, 2020, at the Board's urging, the DAF and CLO Holdco, Ltd. filed a Notice of Voluntary Dismissal Without Prejudice, a true and correct copy of which is attached as **Exhibit 5**.

11. On the other hand, the Guernsey Lawsuit (further described by the Show Cause Motion), initiated at the direction and behest of Highland as a naked collateral attack on this Court, remains pending across the Atlantic.

ARGUMENT & AUTHORITY

12. Acis does not believe that the automatic stay protects the non-Highland, non-Debtor Violators. *See In re Arrow Huss, Inc.*, 51 B.R. 853, 856 (Bankr. D. Utah 1985) (collecting cases). ("it is well settled that Section 362 of the Bankruptcy Code, which stays actions against the debtor and against property of the estate, does not forbid actions against its nondebtor principals, partners, officers, employees, co-obligors, guarantors, or sureties."); *see also Wedgeworth v. Fibreboard Corp.*, 706 F.2d 541, 544 (5th Cir. 1983); *Mar. Elec. Co. v. United Jersey Bank*, 959 F.2d 1194, 1205 (3d Cir. 1991) ("the automatic stay is not available to non-bankrupt co-defendants of a debtor even if they are in a similar legal or factual nexus with the debtor."). However, Acis files this Motion, with respect to the non-Highland Violators, out of an abundance of caution. *See Brown v. Chesnut (In re Chesnut)*, 422 F.3d. 298, 304 (5th Cir. 2005) (providing that creditors should seek order of the court before foreclosing or seizing arguable property of the estate). To the extent this Court finds it necessary to determine if causes exists to lift the automatic stay as to non-Highland, non-Debtor Violators, cause exists for the reasons set forth below.

13. This Court has broad discretion to alter or modify the automatic stay under Section 362 of the Bankruptcy Code. The statutory predicate for granting relief from the automatic stay is Section 362(d) of the Bankruptcy Code. That section provides:

On request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay —

(1) for cause, including the lack of adequate protection of an interest in property of such party in interest;

14. Because neither the Bankruptcy Code nor the legislative history provides a specific definition of what constitutes "cause" under Section 362(d)(1), courts must determine whether relief is appropriate on a case-by-case basis. *Reitnauer v. Tex. Exotic Feline Found., Inc. (In re Reitnauer)*, 152 F.3d 341, 343 n.4 (5th Cir. 1998). "Cause is an intentionally broad and flexible concept, made so in order to permit the courts to respond in equity to inherently fact-sensitive situations." *Mooney v. Gill*, 310 B.R. 543, 546-547 (N.D. Tex. 2002) (quoting *In re Sentry Park, Ltd.*, 87 B.R. 427, 430 (Bankr. W.D. Tex. 1988)). Acis is entitled to stay relief under Section 362(d)(1) of the Bankruptcy Code to permit Acis to file and pursue to order, before this Court or any other court, the Show Cause Motion because the Violators have repeatedly violated this Court's orders and have effectively prevented Acis from reorganizing.

15. "The purposes of the bankruptcy stay under 11 U.S.C. § 362 are to protect the debtor's assets, provide temporary relief from creditors, and further equity of distribution among the creditors by forestalling a race to the courthouse." *Reliant Energy Servs. v. Enron Can. Corp.*, 349 F.3d 816, 825 (5th Cir. 2003). By the Show Cause Motion, Acis is not attempting to gain preferential treatment among Highland's creditors, but rather hold the Violators responsible for their post-confirmation actions against Acis.

16. The Show Cause Motion requests this Court hold the Violators responsible for their post-confirmation actions against Acis, actions that violate this Court's confirmation order. The Court should exercise its broad discretion to lift the automatic stay to allow Acis to proceed on the Show Cause Motion *before this Court*, the very Court where Debtor's Chapter 11 bankruptcy is pending. Ultimately, this Court will grant any relief granted pursuant to the Show Cause Motion. This Court can ensure that all of the various stakeholders' interests are protected vis-à-vis the Show Cause Motion.

17. The automatic stay does not permanently protect Highland from answering for *its* violations of this Court's orders.⁵ None of the policy goals of the automatic stay are furthered by preventing the enforcement of this Court's *own* orders against debtors in bankruptcy like Highland. Further, allowing Highland's bankruptcy proceeding to shield the Violators from accountability for their actions in another pending bankruptcy case only emboldens and benefits the wrongdoers. If this Court does not enforce its own orders, who will? If individuals and entities believe they can flout this Court's orders with impunity, the Court's authority is, at a minimum, severely undermined and, at worst, wholly eviscerated.

18. Contempt powers are necessary to ensure that "courts [are not] impotent." *Gompers v. Buck's Stove & Range Co.*, 221 U.S. 418, 450 (1911). The Court has cause to lift the automatic stay to demonstrate exactly that.

19. There is good cause in this case for the Court to grant Acis relief from the automatic stay pursuant to 11 U.S.C. § 362(d)(1).

⁵ Highland is responsible for all of the actions of Highland, its agents, and its affiliates, including Highland Funding. *In re Acis Capital Mgmt., L.P.*, 18-30264-SGJ-11, 2019 WL 417149, at *7 (Bankr. N.D. Tex. Jan. 31, 2019), *aff'd*, 604 B.R. 484 (N.D. Tex. 2019).

20. Acis does not believe that the automatic stay protects the non-Highland, non-Debtor Violators. *See In re Arrow Huss, Inc.*, 51 B.R. 853, 856 (Bankr. D. Utah 1985) (collecting cases). ("it is well settled that Section 362 of the Bankruptcy Code, which stays actions against the debtor and against property of the estate, does not forbid actions against its nondebtor principals, partners, officers, employees, co-obligors, guarantors, or sureties."); *see also Wedgeworth v. Fibreboard Corp.*, 706 F.2d 541, 544 (5th Cir. 1983); *Mar. Elec. Co. v. United Jersey Bank*, 959 F.2d 1194, 1205 (3d Cir. 1991) ("the automatic stay is not available to non-bankrupt co-defendants of a debtor even if they are in a similar legal or factual nexus with the debtor."). However, Acis files this motion, with respect to the non-Highland Violators, out of an abundance of caution. *See Brown v. Chesnut (In re Chesnut)*, 422 F.3d. 298, 304 (5th Cir. 2005) (providing that creditors should seek order of the court before foreclosing or seizing arguable property of the estate). To the extent this Court finds it necessary to determine if cause exists to lift the automatic stay as to non-Highland, non-Debtor Violators, cause exists for the reasons set forth above.

WAIVER OF BANKRUPTCY RULE 4001(a)(3) STAY

21. To the extent applicable, cause exists to lift the 14-day stay of Federal Rule of Bankruptcy Procedure 4001(a)(3). Removing the 14-day stay is an appropriate remedy to immediately permit Acis to file and prosecute the Show Cause Motion.

WHEREFORE, PREMISES CONSIDERED, Acis respectfully requests that upon hearing of the Motion, the Court grant Acis stay relief permitting Acis to file and pursue to order, before this Court or any other court, the Show Cause Motion, and any other relief to which Acis is entitled.

Dated: April 17, 2020.

Respectfully submitted,

/s/ Brian P. Shaw

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AND ACIS CAPITAL MANAGEMENT
GP, LLC**

CERTIFICATE OF CONFERENCE

I hereby certify that I personally conferred with John Morris, counsel for the Debtor. Despite counsels' efforts, no resolution was reached and, therefore, this matter is presented to the Court. On March 18, counsel for the Debtor, John Morris, advised that Debtor opposes the relief requested by this Motion.

/s/ Brian P. Shaw

Brian P. Shaw

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on April 17, 2020, through the Court's ECF noticing system upon those parties who have requested and agreed to electronic notification.

/s/ Brian P. Shaw

Brian P. Shaw

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**COUNSEL FOR REORGANIZED DEBTORS,
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CAPITAL MANAGEMENT GP, LLC**

IN RE:	§	Case No. 18-30264-SGJ-11
	§	Case No. 18-30265-SGJ-11
ACIS CAPITAL MANAGEMENT, L.P.,	§	
ACIS CAPITAL MANAGEMENT GP,	§	(Jointly Administered Under
LLC,	§	Case No. 18-30264-SGJ-11)
	§	
DEBTORS.	§	Chapter 11

Reorganized Debtors, Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP" and together with Acis LP, "Acis"), file this *Motion to Show Cause for Plan Injunction Violations* (the "Motion") against Highland CLO Funding, Ltd. ("Highland Funding"), Highland Capital Management, L.P. ("Highland," together with Highland Funding, the "Highlands"), and parties acting in concert with the Highlands, William Scott ("Scott"), Heather Bestwick ("Bestwick"), J.P. Sevilla ("Sevilla"), Scott Ellington ("Ellington"),

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James Dondero ("Dondero"), and any other agents of Highland Funding and Highland that participated in the plan injunction violations, and show as follows:

SUMMARY OF MOTION

The plan injunction entered by the Court and effective February 15, 2019, prohibits the continuation of actions against Acis's property arising before the effective date. Despite this clear prohibition, Highland and Highland Funding, along with Sevilla, Ellington, Scott and Bestwick—all at the behest and direction of Dondero (collectively the "Violators")—have perpetuated an action in the Isle of Guernsey against Joshua N. Terry ("Mr. Terry") that pursues claims owned by Acis and that also clearly undermines Acis's plan of reorganization and seeks to circumvent this Court's authority. Stated another way, the Violators are pursuing an action against Acis's property, a clear and unmistakable violation of the plan injunction. This is not the first time Highland, Dondero and Ellington have run to a far-flung island to re-litigate a U.S. bankruptcy court's rulings. Without question, this Court has civil contempt powers to ensure that its orders are not impotent, that parties comply with those orders, and that insults to the Court and the administration of justice have consequences. The Court should hold the Violators in civil contempt for their insulting end-run in the Isle of Guernsey and otherwise enforce the provisions of Acis's plan of reorganization.

RELEVANT FACTS

A. Highland Funding and its affiliate Highland—bracing themselves for what they thought was an impending confirmation loss—file suit against Mr. Terry in Guernsey.

1. On August 17, 2018, the Court and the parties were hard at work preparing for proceedings related to the Acis's Chapter 11 Trustee plan confirmation efforts. For example, on that day the Chapter 11 Trustee filed his ballot summary showing that the proposed plans had adequate votes for confirmation purposes. *See* Docket No. 523.

2. On the same day, August 17, 2018, Highland and Highland Funding were hard at work on a secretive effort they launched from Dallas, against a Dallas resident, in a small island in the English Channel—the Isle of Guernsey (the "Guernsey Lawsuit"). Upon information and belief, Highland and Highland Funding knew based upon their U.S.-based counsels' advice, that any lawsuit they filed against Mr. Terry that related to this bankruptcy would be removed to federal court (if it originated in state court), and transferred to the Northern District of Texas for likely assignment to this Court. So, they had to go beyond the jurisdiction of the United States in order to accomplish their collateral attack on this Court's authority. Upon information and belief, they picked Guernsey because at least it had some colorable relationship to Highland Funding, the entity at the center of Highland's vast fraudulent transfer scheme. Plus, Guernsey would be very inconvenient for Mr. Terry, an individual father of two trying to get away from the litigation-factory that is Highland (and that would later result in Highland's own bankruptcy).

3. Attached as **Exhibit 1** is Highland Funding's application for leave to serve summons out of jurisdiction on Terry ("Application for Leave") filed on August 17, 2018. The Application for Leave begins that it is supported by the "**affidavit of Jean-Paul Sevilla sworn on 17 August 2018 ...**" Ex. 1 at 1 (emphasis added). Jean-Paul Sevilla is a lawyer employed by Highland.

4. Attached as **Exhibit 2** is the Affidavit of Jean-Paul Sevilla signed on August 17, 2018 (the "First Sevilla Affidavit"). Sevilla signed it before a notary at 2021 McKinney Ave., Ste. 1600, Dallas, Texas 75201, which just happen to be the offices of Highland's U.S.-based bankruptcy counsel at Foley Gardere. Ex. 2 at 18.

5. In the First Sevilla Affidavit, Sevilla swears that he is "c/o Highland Capital Management, LP" and the first paragraph says "I am counsel at Highland Capital Management, LP ..." *Id.* at 1.

6. Sevilla swears that Mr. Terry's purported obligations to Highland Funding are derivative of Acis's. *Id.* at ¶11 ("The obligations of [Acis], and therefore of Mr. Terry ..."). And Sevilla repeatedly relies on agreements of which Acis and Highland Funding, f/k/a Acis Loan Funding, are parties. *Id.* All of the information that Sevilla swears Mr. Terry misused to file in this Court the involuntary petitions in bankruptcy for Acis and "assisting the trustee subsequently"—which is the gist of the Guernsey Lawsuit—is information that Sevilla admits Mr. Terry received as an agent for Acis:

Mr. Terry was only able to know the harm that this would cause the Company and its investors, and the pressure that would therefore be brought to bear upon Mr. Dondero and Acis, because of the confidential information described above, acquired in a fiduciary capacity and/or subject to his obligations of confidence, pertaining to the nature of the Company's investment in CLO sub-notes and the identity of the Company's investors itself. As a result, by taking these steps Mr. Terry misused confidential information in breach of fiduciary duty and/or breach of confidence.

Id. ¶43

From the exhibits to the trustee in bankruptcy's Disclosure Statement Pursuant to Section 1125 of the United States Bankruptcy Code with Respect to the Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC (the "Disclosure Statement") estimating the Administrative Claims dated 13 July 2018 (exhibited at [pages 372 to 540 of JPS1]) the Company has also become aware that a highly unorthodox fee of some US\$750,000 has been proposed to be paid to Mr. Terry by the trustee in bankruptcy of the Acis entities in consideration for assistance provided by Mr. Terry in respect of proposed reorganisations, each of which involve the CLOs and very substantial detriment to the Company.

Id. ¶47

7. Sevilla also testifies under oath in the Guernsey Lawsuit with regard to the Violators' true motive in filing the Guernsey Lawsuit: the Violators were worried that this Court would confirm plans A-C, and they felt powerless to stop it (at least in the United States). So, the Violators schemed up the Guernsey Lawsuit as a way to pressure Mr. Terry. Sevilla's First Affidavit makes that clear by complaining to the Guernsey court that before this Court:

- "Plan A: Under this proposed reorganization ... the Company is forced to sell its subnotes in the 4 CLOs ..." ¶48.1
- "[U]nder this plan, the Company is being denied the true value of its ownership of the control bloc of the sub-notes underlying the 4 CLOs, since under the plan it is only being afforded a questionable liquidation value." ¶ 48.2
- "Plan B and Plan C: ... this would force the Company to stay in the 4 CLOs as "out-of-the-money" investments with a portfolio manager appointed which the Company had no say in choosing." ¶48.3.

8. Even more strikingly, Sevilla makes clear that Mr. Terry is being sued in Guernsey—at the direction of Highland, a creditor and competitor of Acis—for helping "Acis's trustee in bankruptcy [] formulate such reorganization proposals ..." *Id.* Highland Funding, who appeared before the Court and acted through Highland, sued Mr. Terry over four thousand miles away in Guernsey, during the course of this bankruptcy proceeding, for helping the *court-appointed* Chapter 11 Trustee discharge his duties to this Court and stakeholders.

9. Sevilla also accuses Mr. Phelan, a 45-year bankruptcy practitioner with a deservedly sterling reputation, of what amounts to a bribe:

(exhibited at [pages 372 to 540 of JPS1) the Company has also become aware that a highly unorthodox fee of some US\$750,000 has been proposed to be paid to Mr. Terry by the trustee in bankruptcy of the Acis entities in consideration for assistance provided by Mr. Terry in respect of proposed reorganisations, each of which involve the CLOs and very substantial detriment to the Company.

Id. at ¶47. Not only is the allegation demonstrably false, it smears the name of a well-respected member of the Dallas bankruptcy bar that was acting as a fiduciary under this Court's supervision.¹

10. Overall, it is somewhat difficult to decipher the claims that Highland Funding pursues in the Guernsey Lawsuit. They are convoluted because they are specious, intended to abuse and harass Mr. Terry half-way across the world and as an end-run around this Court's orders.

B. Highland Funding's directors confirm that Highland Funding is suing Mr. Terry in Guernsey for information he possessed as portfolio manager of Acis and for actions he took only in this bankruptcy.

11. This Court, of course, did not end up confirming Plans A-B, as Highland and Highland Funding feared. *See* Docket No. 569. Instead, the parties moved to yet another contested confirmation hearing where Highland and Highland Funding fought every move Acis's Chapter 11 Trustee made.

12. In conjunction with the second confirmation hearing, Acis's Chapter 11 Trustee took the oral deposition of Bestwick, one of Highland Funding's supposedly "independent directors." A true and correct copy of Bestwick's deposition transcript is attached as **Exhibit 3**. She testified before this Court that the "thrust" of the Guernsey Lawsuit is Mr. Terry's disclosure of confidential information to the Chapter 11 Trustee **"he would have had by virtue of this role**

¹ The Court should also note that Sevilla further maligns Mr. Phelan's integrity in a subsequent sworn affidavit defined below as the Second Sevilla Affidavit. Ex. 6. For example, Sevilla testifies that Mr. Phelan "gerrymander[ed] creditor voting classes" and that "[i]t is abundantly clear that the Acis Trustee and Mr. Terry are one and the same." *Id.* at 39.b.

with the portfolio manager prior to his termination." Ex. 3 at 104:5-107:7 (emphasis added).

Bestwick, a lawyer in Guernsey, testified that Mr. Terry shared Acis's information with Acis's Chapter 11 Trustee, and that got him sued by Highland Funding in Guernsey. *Id.* And finally, Bestwick testified that Mr. Terry was being sued in Guernsey solely as it relates to actions he purportedly took in conjunction with the Acis bankruptcy. *Id.* at 213:23-214:4.

C. The Court confirms a plan of reorganization, it becomes effective, but the Violators nevertheless continue to pursue the Guernsey Lawsuit in violation of this Court's order.

13. On January 31, 2019, this Court confirmed a plan of reorganization for Acis. *See* Docket No. 837 (the "Plan"). The Plan and this Court's order confirming it contains an identical plan injunction (the "Plan Injunction"). *Id.* at ¶19(a); Plan §14.03. The Plan Injunction includes, among other things, the following:

**EFFECTIVE DATE ARE HEREBY PERMANENTLY ENJOINED AND PROHIBITED FROM THE FOLLOWING:
(a) THE COMMENCING OR CONTINUATION IN ANY MANNER, DIRECTLY OR INDIRECTLY, OF ANY ACTION, CASE, LAWSUIT OR OTHER PROCEEDING OF ANY TYPE OR NATURE AGAINST THE DEBTORS, THE ESTATE, THE REORGANIZED DEBTOR, OR THE REORGANIZED DEBTOR'S ASSETS WITH RESPECT TO ANY SUCH CLAIM OR INTEREST ARISING OR ACCRUING BEFORE THE EFFECTIVE DATE, INCLUDING WITHOUT LIMITATION THE ENTRY OR ENFORCEMENT OF ANY JUDGMENT, OR ANY OTHER ACT FOR THE COLLECTION, EITHER DIRECTLY OR INDIRECTLY, OF ANY CLAIM OR INTEREST AGAINST THE DEBTORS, THE ESTATE, THE REORGANIZED DEBTOR, OR THE REORGANIZED DEBTOR'S ASSETS;
(b) THE CREATION, PERFECTION OR**

Id.

14. The Plan went effective on February 15, 2019 (the "Effective Date"). *See* Docket No. 863.

15. On the *day* the Plan went effective, Scott signed an affidavit in *continuation* of the Guernsey Lawsuit, a true and correct copy of which is attached as **Exhibit 4**. In it, Scott asserts that he and Bestwick are "ultimately responsible for bring the Application on behalf of [Highland Funding] ... [and] instructed the firm of Guernsey advocates, Collas Crill LLP, to represent [Highland Funding] in [the Guernsey Lawsuit]." Ex. 4 at ¶13.

16. On February 18, 2019, three days after the Effective Date, it was Bestwick's turn to engage in continuation of the Guernsey Lawsuit. On that day, she signed the Affidavit of Heather Bestwick, a true and correct copy of which is attached as **Exhibit 5**. In it, Bestwick takes on this Court's findings head on and "questions whether [Highland Funding] would receive a fair trial" before this Court, and she confirms that "the ultimate decision to bring [the Guernsey Lawsuit] was our own ..." Ex. 5. at ¶¶13-14.

17. Again on February 18, 2019, three days after the Effective Date, Highland's assistant general counsel, Sevilla, signed an affidavit in *continuation* of the Guernsey Lawsuit before a notary employee of Highland, a true and correct copy of which is attached as **Exhibit 6** (the "Second Sevilla Affidavit"). Sevilla makes clear that Highland Funding is pursuing Acis's claims—its property—in the Guernsey Lawsuit:

- [A]s an officer of Acis GP, the entity which had certain delegated authority to act on Highland Funding's behalf as set forth in the PSA, Mr. Terry was the officer tasked with managing the activities of the Acis Accounts, including Highland Funding." Ex. 6 ¶12
- "Each of these individuals was either directly subordinate, or junior, to Mr. Terry in Acis' operational structure ..." *Id.* at ¶13.

- "... Mr. Terry was a corporate officer of Acis, the entity that, subject to the terms of the PMA, made investment recommendations and implemented decisions on behalf of Highland Funding." *Id.* at ¶14
- "[T]he directors of Highland Funding relied on the expertise and guidance of the Portfolio Manager [(Acis)], led by its officers, including Mr. Terry." *Id.* at ¶15.
- "[T]he investment policy and investment strategy were intended to be ... and actually were, implemented on a day-to-day basis by the Portfolio Manager [(Acis)] ..." *Id.*
- "From Acis' formation until his departure from Highland CM/Acis in June 2016, Mr. Terry was responsible for the day-to-day operations of Acis in the performance of its management duties for all of its advised accounts." *Id.* at ¶18
- "... Mr. Terry acted as the day-to-day officer in charge of the "CLO Manager," Acis LP, and was responsible for managing the Acis CLOs to maximize returns for the benefit of Highland Funding ..." *Id.* at ¶19.

Funding. [JPS2 file 2, tab 45 pages 1 to 5] Acis' relationship to Highland Funding was similar to Acis' relationship to the Acis CLOs. Acis was the Portfolio Manager of each of the Acis CLOs pursuant to a Portfolio Management Agreement with each of the respective issuers of the Acis CLOS and was otherwise subject to the authority of the Acis CLOs' governing documents and Indenture Trustee. Similarly, Acis was the Portfolio Manager of Highland Funding, pursuant to the terms of the PSA and subject to the authority of the fund's governing documents and its Board of Directors. In

Id. at ¶21.

Reset. [JPS2, file 8, tab 84, pages 1-8] As a result of this knowledge of confidential information, acquired in a fiduciary capacity, Mr. Terry knew he could, and did, use the bankruptcy to prevent Acis LP from giving such consent. Third, Mr. Terry used information

about Highland Funding's structure and ownership, confidential information learned in a fiduciary capacity, to advance legal arguments necessary to convince the Bankruptcy Court to keep Acis in bankruptcy. Mr. Terry knew that (i) Highland Funding

Id. at ¶30.

Since the *ex parte* hearing at which Highland Funding was granted permission to serve Mr. Terry out of the jurisdiction, Mr. Terry has succeeded in achieving his goals or stopping the resets and the redemptions. The means deployed by him to do so, and their dependencies on confidential information acquired by him in a fiduciary capacity has also become apparent. In these circumstances Highland Funding seeks permission to serve

Id. at ¶31

15c].⁶² Mr. Terry, as the former Portfolio Manager, was intimately familiar with the confidential contents of the Acis-3 PMA, which he had obtained whilst in a fiduciary capacity. Mr. Terry well knew that as of 29 January 2018, Acis LP could not serve as the

Id. at ¶33

In the Bankruptcy Proceedings, Mr. Terry affirmatively moved to stop the Acis-3 Reset from proceeding. Within hours of filing the involuntary bankruptcy petition, based on knowledge he had about Highland Funding's connection to Highland CM and Mr. Dondero, Mr. Terry moved to prevent a "series of refinancing transactions," the first of which was the Acis-3 Reset. [JPS2 file 2, tab 47 pages 1 to 33]. His counsel argued that

Id. at ¶35.

pages 1 to 27]. It is currently unclear if the injunction will ever be lifted. It is Highland Funding's case that Mr. Terry's improper filing of the bankruptcy in the first instance, using confidential information obtained in a fiduciary capacity, and formulation of arguments based upon the same in conjunction with the Bankruptcy Trustee directly caused Highland Funding not to be able to properly reset or redeem its interests in the Acis CLOs.

Id. at ¶36.

18. Sevilla ties the Guernsey Lawsuit all together when he swears, under oath at Highland's office in Dallas, that

... Highland Funding complains of Mr. Terry's bad-faith filing of the Bankruptcy Proceeding, among other things. Absent Mr. Terry's utilizing Highland Funding's confidential information, acquired in a fiduciary capacity relating to equity ownership and portfolio management responsibility as he did in the initial filing of the involuntary bankruptcy petitions and seeking an assortment of other relief from the bankruptcy court (including the appointment of the Trustee and, in conjunction with the trustees (sic), the blocking of actions which have occurred subsequently) ... the Acis Trustee's actions and the harm caused to Highland Funding thereby never would have occurred."

Id. at ¶37.

19. Finally, Sevilla, Highland's assistant general counsel, outlines some of the confidential information Mr. Terry purportedly used in these bankruptcy proceedings that warranted Highland Funding and Highland to file the Guernsey Lawsuit:

- "The identity of the investors or stakeholders in CLO Holdco, Ltd, a Cayman Island exempted company that is a primary equity holder in Highland Funding" – but that information is not Highland Funding's and Mr. Terry did not get that information from Highland Funding.
- "The contents of Acis LP's limited partnership agreement" – but Highland Funding was not a party to the Acis LP limited partnership agreement, while Mr. Terry was.
- "The contents of the indentures for each of the Acis CLOs, which would have been available to investors in such CLOs, but typically subject to confidentiality" – but Highland Funding is not a party to the indentures;
- "The contents of the Portfolio Management Agreements [("PMAs")] for each of the Acis CLOs" – but Highland Funding is not a party to the PMAs, while Acis is.
- "The sub-advisory agreement between Acis and Highland []" – but Highland Funding is not a party to that agreement.
- "The shared services agreement between Acis and Highland []" – but Highland Funding is not a party to that agreement.

Id. at ¶64.

D. The Guernsey Lawsuit is not Highland's first effort to re-litigate U.S. bankruptcy court orders in far-flung island jurisdictions, which demonstrates the bad-faith nature of the Violators' actions.

20. When one becomes aware of Highland's "body of litigation work," the Guernsey Lawsuit looks less creative than it does at first blush. It turns out that re-litigating matters it loses before U.S. bankruptcy courts in remote island locales is Highland's *modus operandi*.

21. The Wall Street Journal, Bloomberg and other respected journalistic organizations have outlined Highland's similar bad-faith litigation tactics, including in articles with titles like "Bankruptcy Tourists' Battle for Assets from Caymans to Marshall Islands", "Highland Goes Globetrotting in Ocean Rig Restructuring Battle" and "Highland's Ocean Rig bet: Fail in Caymans? Try the Marshalls." True and correct copies of these stories are attached as **Exhibit 7**.

22. Highland's bad-faith tactics in the reorganization of Ocean Rig bear an uncanny resemblance to their actions in this case, and that in turn bears on the willfulness of the Violators' violation of the Plan Injunction set forth below.

23. In Ocean Rig, Highland and its affiliates were unsecured creditors of Ocean Rig UDW, Inc. ("Ocean Rig"). A true and correct copy of an Opinion of the Supreme Court of the Republic of the Marshall Islands is attached hereto as **Exhibit 8** (the "Marshall Islands Opinion"). Two U.S. district court judges from Hawaii and the Northern District of California signed on to the Marshall Islands Opinion. Ex. 8 at 1, 17.

24. As set forth in the opinion of the highest court in the Marshall Islands, financially-troubled Ocean Rig reorganized in the Caymans over Highland and its affiliates' objections. Ex.

8 at 5 ("[T]he [] Scheme was approved by all Scheme Creditors who voted, with the exception of Highland.").

25. Thereafter, two Cayman joint provision liquidators filed a Chapter 15 bankruptcy proceeding in the Southern District of New York in Case No. 17-10736 (MG), which was assigned to the Honorable Martin Glenn.

26. Judge Glenn entered a recognition order, and although Highland originally indicated it would object to Ocean Rig's request for recognition, Highland terminated discovery efforts and did not contest recognition, as outlined in Ocean Rig's motion to enjoin Highland from prosecuting its complaint in the High Court of the Republic of the Marshall Islands, a true and correct copy of which is attached hereto as **Exhibit 9** (the "Ocean Rig Injunction Request").

27. Ocean Rig had to file its Injunction Request because, as Ocean Rig put it, "Highland now seeks to collaterally attack those orders, [including Judge Glenn's enforcement order], in The Republic of the Marshall Islands in order to enable it to bring direct claims against third parties ..." *Id.* at 3-4. Highland eventually dismissed a count in its Marshall Islands collateral attack on Judge Glenn's enforcement order, which appears to have resolved that issue. A true and correct copy of a status report filed by Ocean Rig setting forth that matter is attached as **Exhibit 10**.

28. This all might sound familiar to the Court. Isaac Leventon, Highland's assistant general counsel, informed that Court of the following at a hearing on May 31, 2018, in the Acis case:

MR. LEVENTON: Judge, the only two individuals from Highland who have dealt with any part of this process are myself and Scott Ellington. Mr. Ellington and I will be out of the country in the *Republic of Marshall Islands*, which is something like 16 hours ahead, attending a motion to dismiss hearing on a case for Highland. We all endeavor to do our very best, but this motion to dismiss hearing has been set for over two months now, and we are both traveling to this hearing.

Attached as **Exhibit 11** is an excerpt from the transcript (emphasis added). So, while the Acis bankruptcy proceeding was in full swing, Highland was in the midst of its foray in the Marshall Islands.

29. Ultimately, like much of the litigation Highland pursues, its collateral attack on Judge Glenn's order was failed in yet another appeal, as outlined in the Marshall Islands Opinion signed by the Chief Justice of the Republic of the Marshall Islands, as well as two U.S. district court judges sitting by assignment. Ex. 8 at 1. Mr. Ellington and Mr. Leventon's travel costs to the Marshall Islands, not to mention the untold attorneys' fees and expenses, yielded nothing but a huge expense, likely borne by Highland.

30. Highland's Ocean-Rig-collateral-attack-in-the-Marshall-Islands on Judge Glenn's enforcement order is almost a carbon copy of Highland's Acis-collateral-attack-in-Guernsey on this Court's rulings, first on what the Violators thought was an impending loss on confirmation of Plan A, and then on this Court's subsequent orders in this case. At base, the Violators are sore losers – if they lose in the United States, as they are all too adept at doing, they use their financial resources to litigate the same issues in obscure jurisdictions all over the world. They must suffer the consequences for these wrongful acts.

ARGUMENT & AUTHORITY

A. The Violators continued an action against Acis's property in Guernsey after the Effective Date.

31. The Violators worked in secret to undermine this Court. While the Court was in the depths of a contentious multi-day confirmation hearing on Plans A-C, the Violators were conspiring to file suit against Joshua N. Terry in the Isle of Guernsey. Sevilla, Highland's assistant general counsel, was tasked with executing the scheme from Dallas, at times in the office, and

using the resources of, Highland's counsel at Foley Gardere, and at other times in Highland's office at the Crescent.

32. Everyone on the Highlands' Acis team was in the know about the Guernsey Lawsuit. Counsel at Foley Gardere (who also previously represented Highland Funding before this Court) was unquestionably aware of Highland Funding's intent to file the Guernsey Lawsuit – Sevilla used their resources to advance it, after all. So, too, was Highland Funding's attorney Mark Maloney, who, while attempting to distance himself from it, acknowledged on the record that he "was aware that the [Guernsey Action] was being contemplated and researched and drafted" and that he did not "recall exactly when [he] learned that it had in fact been filed." A true and correct copy of a transcript from this Court is attached hereto as **Exhibit 12**. (at 17:25-22:5). Mr. Maloney half-heartedly suggested that the Guernsey Lawsuit, which he claims he had very little to do with, was not an end-around this Court's orders. *Id.* His position is untenable – that is exactly what it is.

33. Highland and Highland Funding sought to put pressure on Mr. Terry regarding the Acis bankruptcy – they feared the Court would confirm Plans A-C. But they knew they could not file suit in the United States because any such case would be removed, as necessary, and transferred to this Court. So, they needed to locate a foreign jurisdiction that would not be subject to that transfer, and they found that in Highland Funding's country of registration, Guernsey, where Mr. Terry had never set foot.

34. The dubious claims the Highlands pursue in the Guernsey Lawsuit are claims not owned by Highland Funding, but rather by Acis. That was confirmed by Highland Funding's own director, Bestwick, when she testified that the "thrust" of the Guernsey Lawsuit is the disclosure of confidential information in the bankruptcy proceedings that Mr. Terry had "by virtue of his role

with the portfolio manager prior to his termination." Ex. 3. Sevilla testified under oath in the Guernsey Lawsuit, among other things, that Acis's own *partnership agreement* "was confidential at the time Mr. Terry filed the Bankruptcy Proceeding" and thus entitles Highland Funding to pursue him for breach of fiduciary duty for disclosing that agreement (even though Mr. Terry was actually a party to the partnership agreement and Highland Funding was not). Ex. 6 at ¶ 64. Acis's limited partnership agreement is not the only contract to which Highland Funding is not a party but that Highland Funding claims entitles it to sue Mr. Terry half-way across the world. Highland Funding claims indentures, portfolio management agreements, sub-advisory agreements, and shared services agreements, to which it is a party to none (and Acis is to all but the indentures) are *Highland Funding's* confidential information. *Id.*

B. The Violators willfully violated the Plan Injunction.

35. This Court specifically enjoined "THE [] CONTINUATION IN ANY MANNER [] OF ANY ACTION [] OF ANY TYPE [] AGAINST [] THE REORGANIZED DEBTOR'S ASSETS WITH RESPECT TO ANY SUCH CLAIM OR INTEREST ARISING OR ACCRUING BEFORE THE EFFECTIVE DATE ..." *See* Docket No. 837 at ¶19(a); Plan §14.03

36. Taking it in reverse order, the claims or interest at issue in the Guernsey Lawsuit arose or accrued before the Effective Date. Mr. Terry was sued before the Effective Date, after all, for having the gal to file the involuntary bankruptcies to stop the fraudulent transfer scheme the Highlands were in the midst of effectuating, and further helping the Chapter 11 Trustee—a fiduciary approved by this Court—to effectuate a plan or reorganization.

37. And there is no doubt that Highland Funding, acting through Highland, is pursuing Acis's claims, *that is Acis's property*, in the Guernsey Lawsuit. Under the Plan, Acis reserved and

succeeded to all claims owned by the Chapter 11 Trustee, including for misuse of Acis's confidential information and breach of fiduciary duty. *E.g.* Docket No. 837 at 84, 94.

38. The Violators' actions in making filings in the Guernsey Action *on or after* the Effective Date violates the Plan Injunction contained in Acis's Plan and this Court's Order. Docket No. 830 at p. 35. If anyone owns these dubious claims asserted against Mr. Terry in Guernsey for breach of fiduciary duty and misuse of confidential information, it is *Acis*, not Highland Funding. 11 U.S.C. § 541(a)(1) (defining property of estate); *In re MortgageAmerica Corp.*, 714 F.2d 1266 (5th Cir. 1983) (holding fraudulent transfer claims were property of the estate); *In re Kevco Inc.*, 113 Fed. Appx. 29, 31 (5th Cir. 2004) (affirming Judge Houser's ruling that affiliates of Highland were pursuing claims owned by the bankruptcy estate); *In re Patriot Nat'l Inc.*, 592 B.R. 560, 572 (Bankr. D. Del. 2018) (finding claims asserted by debtor for misuse of debtor's confidential information were property of the estate); *In re Gen. Growth Properties, Inc.*, 426 B.R. 71, 76 (Bankr. S.D.N.Y. 2010) ("[I]t is well settled that alleged acts of breach of fiduciary duty, corporate waste and mismanagement ... become property of the estate immediately upon the commencement of a bankruptcy case ...")(internal quotations omitted). Highland Funding's own director confirmed under oath that it was suing Mr. Terry in Guernsey for the purported misuse of confidential information that he obtained as portfolio manager of Acis. Ex. 3 at 104:5-107:7. It is clear, then, that on or after the Effective Date, the Violators continued a suit in Guernsey against Acis's property, and such acts violated the Plan Injunction.

39. Highland is well-versed in the legal nuances of what constitutes claims owned by the estate, which further demonstrates the willfulness of the Violators' violation of the Plan Injunction. Highland was an appellant in at least *two* cases on the subject to the Fifth Circuit. *In*

re Seven Seas Petroleum, Inc., 522 F.3d 575 (5th Cir. 2008); *In re Kevco Inc.*, 113 Fed. Appx. 29, 30 (5th Cir. 2004).

40. In *Seven Seas*, Highland filed a state-court action against a secured creditor and others. *Seven Seas*, 522 F.3d at 579. The Fifth Circuit held that the claims asserted by Highland were not property of the estate, but importantly the Fifth Circuit characterized the holding of *Seven Seas* as a "narrow one." *Id.* at 587; *see also In re Lothian Oil, Inc.*, 531 Fed. Appx. 428, 439 (5th Cir. 2013) ("While we agree that *Seven Seas* is instructive, our holding in that case was a 'narrow one.'").

41. In *Kevco*, the Fifth Circuit affirmed Judge Houser's ruling that Highland's affiliates were pursuing claims owned by the debtor's estate. *Kevco*, 113 Fed. Appx. at 32. The court based its ruling on the fact that Highland's affiliates could not have brought the claims as of the commencement of the case and because the alleged injury was derivative of the debtor's direct injury. *Id.* at 31-32.

42. More recently, the Fifth Circuit issued *Lothian*, in which the court affirmed a finding of contempt against parties asserting state-law claims barred by the plan injunction. *Lothian*, 531 Fed. Appx. at 431-32. *Lothian* bears a striking resemblance to this case and addresses not only the ownership of the asserted claims, but also the contempt for pursuing those claims in violation of the plan injunction. *Id.* at 441, 444, 446.

43. In *Lothian*, a chapter 11 debtor confirmed a plan of liquidation that contained a plan injunction that, among other things, barred the initiation or continuation of suits against the debtor or its property. *Id.* at 432. Thereafter, certain creditors initiated state court litigation in New York against certain non-debtors. *Id.* at 433-34. Included as defendants were "former ... officers[] and representatives" of the debtor. *Id.* at 434. The bankruptcy court thereafter entered an injunction

order against the state-court actions and warned that "any violation of this Order will result in a finding of contempt." *Id.* at 435. The creditors were undeterred and continued filing pleadings in the state-court actions. *Id.* The bankruptcy court held a show-cause hearing and held an individual and his *attorney* in contempt and sanctioned them, jointly and severally, \$600,000.00, plus other relief. *Id.*

44. The Fifth Circuit affirmed the bankruptcy court's ruling. *Id.* at 446. The court found that the "foremost" problem with the individuals state-law claims is that their "injury is contingent upon the injury [the debtor] suffered when it was forced to enter bankruptcy and fraudulently transfer properties it owned." *Id.* at 439. The court distinguished *Seven Seas*, where the debtor was not harmed by the alleged wrongdoing, whereas in *Lothian* the "allegations focus on actions taken by [the debtor], before and during the bankruptcy proceeding, which the bankruptcy court later approved." *Id.* at 440.²

45. The same is true in this case. According to Bestwick, Highland Funding's claims in the Guernsey Action against Mr. Terry were solely as it relates to actions he purportedly took in conjunction with the Acis bankruptcy. Ex. 3 at 213:23-214:4. The "focus" of Highland Funding's claims in the Guernsey Lawsuit are on actions taken by Mr. Terry and Acis, acting through its Chapter 11 Trustee, both before and during the bankruptcy proceeding, which this Court later approved. For example,

... Highland Funding complains of Mr. Terry's bad-faith filing of the Bankruptcy Proceeding, among other things. Absent Mr. Terry's utilizing Highland Funding's confidential information, acquired in a fiduciary capacity relating to equity ownership and portfolio management responsibility as he did in the initial filing of the involuntary bankruptcy petitions and seeking an assortment of other relief from

² The Fifth Circuit notes that the district court found the relevant complaint in *Lothain* to be "a bloated ... and nearly indecipherable document ..." *Lothian*, 531 Fed. Appx. at 439 (internal quotations omitted). The pleadings in the Guernsey Lawsuit are not much better.

the bankruptcy court (*including the appointment of the Trustee and, in conjunction with the trustees (sic), the blocking of actions which have occurred subsequently*) ... *the Acis Trustee's actions and the harm caused to Highland Funding thereby never would have occurred.*

Ex. 6 at ¶37 (emphasis added).

46. The Fifth Circuit also characterized the state-court claims in *Lothian* as "an attempt to make up for lost time: having failed to contest the Plan at its inception, the [individuals] now seek[] to undo its terms." *Lothian*, 531 Fed. Appx. at 440. Sound familiar?

47. The Highlands failed to successfully challenge the involuntary petitions and confirmation of a plan or reorganization, and now seek to undo both losses in Guernsey. It could not be any clearer that that is exactly what they attempt. Applying the Fifth Circuit's words in *Lothian* to this case is devastating: "*Regardless of the merits of the [Guernsey Action], [it] cannot be divorced from the bankruptcy proceeding itself.*" *Id.* (emphasis added). Highland Funding's dubious allegations against Mr. Terry are property of and owned by Acis, not Highland Funding.

C. The Court should issue an order for the Violators to show cause why they should not be held in contempt of court, and the Court should sanction the Violators.

48. "[C]ourts [] have the inherent authority to enforce their own injunctive decrees." *In re Correra*, 589 B.R. 76, 125 (Bankr. N.D. Tex. 2018) (Jernigan, J.). "To hold a party in civil contempt, a court must find '(1) that a court order was in effect, ... (2) that the order required certain conduct by the respondent, and (3) that the respondent failed to comply with the court's order.'" *Lothian*, 531 Fed. Appx. at 445 (quoting *FDIC v. LeGrand*, 43 F.3d 163, 170 (5th Cir.1995)).

49. All three factors are present here. First, the Plan Injunction was in effect. Second, the Plan Injunction prohibited the Violators from "THE [] CONTINUATION IN ANY MANNER [] OF ANY ACTION [] OF ANY TYPE [] AGAINST [] THE REORGANIZED DEBTOR'S ASSETS WITH RESPECT TO ANY SUCH CLAIM OR INTEREST ARISING OR ACCRUING

BEFORE THE EFFECTIVE DATE ..." Docket No. 837 at ¶19(a); Plan §14.03. Third, the Violators failed to comply with the Plan Injunction by taking overt, affirmative acts to continue the Guernsey Action against Acis's property, i.e. its claims against Mr. Terry (however dubious those claims are). For example, after the Effective Date the Violators either filed or caused to be filed documents in the Guernsey Action in which Highland Funding claimed some sort of confidentiality interest in Acis's *own* partnership agreement, to which none of the Violators were even parties.

50. The case of *In re Skyport Glob. Commc'n, Inc.*, 642 Fed. Appx. 301, 303 (5th Cir. 2016) is analogous. In *Skyport*, Judge Bohm found individuals in civil contempt and sanctioned them for violating a plan injunction by pursuing state court litigation barred by the plan injunction. *Skyport*, 642 Fed. Appx. at 304 and n.3. The Fifth Circuit found that the bankruptcy court was well within its discretion in sanctioning the individuals because their state court action "directly convenes the Skyport confirmation order." *Id.* at 303. Moreover, the Fifth Circuit held that evidence of bad faith was not only that the state court action violated the plan injunction, but that it was an "end-run around § 1144 of the bankruptcy code." *Id.* at 304. The differences between *Skyport* and this case are immaterial and actually make the case for sanctions in Acis even stronger: Texas state court versus Guernsey and a new filing versus the continuation of an existing one.

51. *Skyport* also lacked evidence that collateral attacks on U.S. bankruptcy court orders were a pattern or practice for the individuals, whereas this case presents clear and compelling evidence that such bad-faith tactics are par for the course for Highland, its agents, and those it controls. FED. R. EVID. 405-406 (under certain circumstances, evidence of a person's character trait or habit and routine are admissible to prove person acted in accordance therewith). Highland was engaged in multiple collateral attacks on U.S. bankruptcy courts (this Court and Judge Glenn)

in far-flung island nations (Guernsey and the Marshall Islands) at the *same* time. The Violators knew what they were doing was wrong, but they did it anyway. The excuse of "Jim Dondero made me do it" is no excuse.

52. This Court has the power to impose civil contempt under § 105 of the Bankruptcy Code. *In re Bradley*, 588 F.3d 254, 266 (5th Cir. 2009); *Lothian*, 531 Fed. Appx. at 445; FED. R. BANKR. P. 9020. Consistent with that power, the Court has the power to assess monetary sanctions for contempt, which is reviewed on appeal for an abuse of discretion. *Id.*

53. The Court should sanction the Violators, jointly and severally, no less than \$800,000.00. Each of the Violators is guilty of contempt of the Plan Injunction, and this sanction will coerce the Violators into compliance with the Plan Injunction and compensate Mr. Terry and Acis, who is indemnifying him from the Guernsey Action. In order to have its coercive effect, the amount of the sanction must be enough to coerce, and the Violators have vast resources that make any lesser sanction inadequate to change their behavior.

54. This Court may also certify facts to the district court for criminal contempt. *Matter of Hipp, Inc.*, 895 F.2d 1503, 1515 (5th Cir. 1990). The Court should do so. This is not some isolated event – this is the Violators' modus operandi, whether it be in Guernsey or the Marshall Islands. The Violators are all sophisticated actors who knew exactly what they were doing when they knowingly and willfully violated the Plan Injunction in bad faith. The fact that Mr. Dondero instructed them all to do so—either directly or indirectly through others—is no excuse. Each is accountable for his or her own actions.

CONCLUSION

55. Acis hoped it would never have to file this Motion and bring these issues before the Court. Acis hoped the scorched-earth litigation strategy that resulted in the bankruptcy of not just Acis, but of the once-high-flying Highland, who at its apex had \$40 billion in assets under management, would come to an end with the realization that the fight-to-the-death litigation strategy was a failure. Acis's hopes were further buoyed by the installation of a new board of directors at Highland. But unfortunately the bad actors remain, many of them the in-house lawyers at Highland, and they clearly still have strong sway over Highland. The architects of the failed litigation strategy have not learned any lessons, or at least any constructive lessons.

56. Acis brings this Motion to hold the Violators—and anyone else involved in violating this Court's Plan Injunction—accountable. The United States Supreme Court long ago stated that contempt powers are necessary to ensure that "courts [are not] impotent." *Gompers v. Buck's Stove & Range Co.*, 221 U.S. 418, 450, (1911). Likewise, this Court's undisputed civil contempt "power is broad and pragmatic, reaching where it must—consistent with prudent court management and due process—to prevent insults, oppression, and experimentation with disobedience of the law." *In re Bradley*, 588 F.3d at 265–66. The Violators' actions in the Guernsey Lawsuit undermine prudent court management, due process, and are an insult to the Court and a flagrant disobedience of the law. The Court should order the Violators to show cause why they should not be held in civil contempt for the insults and disobedience of law they have committed against this Court and the larger civil justice system in pursuit of their end-run in the Isle of Guernsey.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Acis respectfully requests that this Court hold the Violators in civil contempt for violations of Acis plan of reorganization and the injunctions contained in the same, sanction the Violators, jointly and severally, no less than \$800,000.00, and grant Acis any other relief to which Acis is entitled.

DATED: April 17, 2020.

Respectfully submitted,

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DEBTORS, ACIS CAPITAL**

**MANAGEMENT, L.P. AND ACIS
CAPITAL MANAGEMENT GP, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on _____, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

Brian P. Shaw

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

THE CHARITABLE DONOR
ADVISED FUND, L.P.

Plaintiff,

v.

U.S. BANK NATIONAL
ASSOCIATION, MOODY'S
INVESTORS SERVICE, INC., ACIS
CAPITAL MANAGEMENT, L.P., AND
BRIGADE CAPITAL MANAGEMENT,
LP, AND JOSHUA N. TERRY

Defendants.

CASE NO.: 1:19-CV-09857-NRB

**PLAINTIFF'S SECOND AMENDED
COMPLAINT AND JURY DEMAND**

TO THE HONORABLE COURT:

Plaintiff The Charitable Donor Advised Fund, L.P. ("The Charitable DAF"), a charitable partnership whose charitable non-profit beneficiaries include the Dallas Foundation, the Greater Kansas City Community Foundation, the Santa Barbara Foundation and the North Texas Community Foundation, by and through its attorneys of record, files this Second Amended Complaint against Defendants U.S. Bank National Association ("U.S. Bank"), Moody's Investors Service, Inc. ("Moody's"), ACIS Capital Management, L.P. ("ACM" or "Acis"), and Brigade Capital Management, LP ("Brigade"), and Joshua N. Terry ("Terry"), and in support thereof, respectfully states and alleges as follows:

NATURE OF LAWSUIT

The Charitable DAF files this lawsuit to enforce and protect its rights as an investor in certain collateralized loan obligations, or CLOs, that for at least ten months have been, and continue to be, grossly and willfully mismanaged by their investment advisers: ACM, an entity

owned and managed by Mr. Terry, and Brigade, whose CLO business is managed by Jared Worman.¹ Together, ACM and Brigade as Portfolio Manager, have severely mismanaged the Acis CLOs to the tune of several millions of dollars in actual losses, several million dollars in expected losses and exorbitant incurred expenses far in excess of anything seen elsewhere in the \$600 billion CLO market. U.S. Bank, which serves as Trustee of the Acis CLOs, has impermissibly enabled this gross mismanagement, and in the process has severely violated The Charitable DAF's rights. The Charitable DAF is both the Holder of Secured Notes issued under certain ACIS Indentures, and an indirect Holder of equity interests under those same Indentures. In this capacity, The Charitable DAF possesses beneficial interests in the portfolio of collateral underlying the Acis CLOs and which the Portfolio Manager, enabled by U.S. Bank and Moody's, has willfully and self-servingly mismanaged and failed to protect. Each of the Portfolio Manager's and U.S. Bank's wrongful and negligent conduct has severely compromised the value of The Charitable DAF's Secured Notes, decimated the credit profile of the Acis CLOs in their entirety, and caused The Charitable DAF to incur other extensive direct damages. This clear mismanagement has resulted in unprecedented losses not explained by market conditions, the extent of which is crystal clear: the equity tranches in the Acis CLOs at issue have lost material value (all fair market value at specified dates):

Acis CLO	August 1, 2018	February 20, 2019	October 31, 2019
Acis CLO 2014-5	\$36m	\$18.1m	\$11.2m
Acis CLO 2015-6	\$38.3m	\$19m	\$12m
Total	\$74.3m	\$37.1m	\$23.2m

¹ Such CLOs, are referred to herein as the "Acis CLOs", of which ACM is the portfolio manager and to which Brigade provides sub-servicing and shared services. Together, ACM and Brigade are referred to herein as the "Portfolio Manager."

To protect its rights, The Charitable DAF seeks four things through this lawsuit.

First, it seeks to recover the losses it sustained in connection with U.S. Bank's negligence and breach of its extra-contractual duties to The Charitable DAF, including the duties to perform all basic, non-discretionary, ministerial tasks with due care, and to avoid conflicts of interest.

Second, it seeks judicial intervention to protect its interests before U.S. Bank commits or facilitates any further wrongful conduct. The Charitable DAF cannot allow U.S. Bank to continue to shirk its duties as Indenture Trustee.

Third, it seeks to recover the losses it sustained from the willful misconduct of the Portfolio Manager and its sub-adviser, whose gross negligence has decimated the value of The Charitable DAF's investment, and whose rampant conflicts of interest have destroyed the value of The Charitable DAF's investment. The Portfolio Manager's conduct has caused The Charitable DAF to sustain direct damages.

Fourth, it seeks to protect the value of its investment by requiring Moody's, as a ratings provider to the Acis CLOs, to accurately, and in accordance with market precedent and practice, communicate to the market the truth about the Portfolio's Managers' and Indenture Trustee's willful violation of the requirements of the Indentures and the PMA that Moody's has been on notice of since at least August 2019. The market deserves the truth about the extensive conflicts of interests, skewed incentives and complete lack of accountability exhibited by each of Acis, Brigade and the Indenture Trustee.

PARTIES

1. Plaintiff The Charitable Donor Advised Fund, L.P. is a limited partnership, with its principal place of business at Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands. The Charitable DAF is both a Secured

Noteholder and an indirect holder of equity interests under the Acis CLOs discussed in this Complaint.

2. Defendant U.S. Bank National Association (the “Indenture Trustee” or “Trustee”) is a national banking association that is Trustee of the ACIS Indentures, as defined further herein. Pursuant to the ACIS Indentures, Defendant U.S. Bank may be served at its corporate office located at 190 South LaSalle Street, 8th Floor, Chicago, IL 60603.

3. Defendant Moody’s Investors Service, Inc., is a Delaware corporation registered to do business in New York State. Moody’s may be served through its registered agent CT Corporation System, located at 28 Liberty Street, New York, New York 10005. Moody’s is a nationally recognized statistical rating organization (“NRSRO”).

4. Defendant ACIS Capital Management, L.P. (“ACM”) is a Delaware limited partnership. ACM may be served through its registered agent Capitol Services, Inc., located at 1675 S. State Street Suite B, Dover, Delaware 19901.

5. Defendant Brigade Capital Management, LP is a Delaware limited partnership that is registered to do business in New York. Brigade may be served through Donald E. Morgan III, 399 Park Avenue, 16th Floor, New York, New York, 10022. Brigade is a registered investment advisor.

6. Joshua N. Terry (“Mr. Terry”) is an individual resident of Texas located at 3509 Princeton Avenue, Dallas, Texas 75205 who may be personally served wherever he may be found. Mr. Terry is the owner and President of ACM.

JURISDICTION AND VENUE

7. The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332(a)(2), in that the matter in controversy exceeds the sum of \$75,000, exclusive of interest and costs, and is between a citizen of a State and a citizens of a foreign state.

8. Jurisdiction and venue over Moody's are proper in this District because Moody's is registered to do business in New York, and the transactions and occurrences that are the subject of The Charitable DAF's claims against Moody's took place in New York, New York.

9. Jurisdiction and venue over ACM are proper in this District because ACM is registered to do business in New York, and the transactions and occurrences that are the subject of The Charitable DAF's claims against ACM, including certain trading activity with brokers or dealers, took place in New York, New York.

10. Jurisdiction and venue over Brigade are proper in this District because Brigade is registered to do business in New York, and the transactions and occurrences that are the subject of The Charitable DAF's claims against Brigade, including certain trading activity with brokers or dealers, took place in New York, New York.

11. Jurisdiction and venue over U.S. Bank are proper in this District because, pursuant to Section 14.10 of the ACIS Indentures, as defined further herein, each party to such indentures, including U.S. Bank:

[H]ereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of . . . the United States District Court of the Southern District of New York . . . in any action or proceeding arising out of or relating to the notes or th[ese] indenture[s] . . .

12. Venue is also proper because U.S. Bank waived any objection to venue in this District under the ACIS Indentures, as defined further herein. Section 14.10 specifically provides that:

Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to th[e] indenture[s] in any court referred to in the previous paragraph. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

13. New York law governs the claims in this lawsuit.

STATEMENT OF FACTS

A. The Charitable DAF is a Secured Noteholder under a set of collateralized loan obligations to which U.S. Bank serves as Trustee, and ACM and Brigade serve as Portfolio Managers.

14. Between 2014 and 2015, The Charitable DAF became a Secured Noteholder and beneficiary under three CLOs and associated indentures: (i) the Indenture dated November 18, 2014 among ACIS CLO 2014-5 LTD., as Issuer, ACIS CLO 2014-5 LLC, as Co-Issuer, and U.S. Bank as Trustee (“Indenture 5”); and (ii) the Indenture dated April 16, 2015 among ACIS CLO 2015-6 LTD., as Issuer, ACIS CLO 2015-6 LLC as Co-Issuer, and U.S. Bank as Trustee (“Indenture 6” together with Indenture 5, the “ACIS Indentures”).²

15. U.S. Bank agreed to serve as the Trustee for these ACIS Indentures, and ACM as the Portfolio Manager.

16. The ACIS Indentures impose a number of obligations on U.S. Bank in connection with its role as Trustee, and a separate set of agreements, the Portfolio Management Agreements

² The CLOs subject of the Acis Indentures are referred to herein as the Acis CLOs.

(“PMAs”), impose obligations on ACM in connection with its role as Portfolio Manager. ACM, as a result of it having no employees or wherewithal to manage the Acis CLOs itself, retained Brigade to assist it in providing these portfolio management services, with Mr. Terry.

17. Mr. Terry is President of ACM, an entity which he also owns.

i. The ACIS Indentures require that each of U.S. Bank, ACM and Brigade ensure that new investments satisfy certain criteria, and that U.S. Bank not accept any plan that would affect the rights of Secured Noteholders.

18. **First**, the ACIS Indentures provide that U.S. Bank shall hold in trust, for the “benefit and security” of the Noteholders, all “Collateral Obligations” that secure the Co-Issuers’ financial obligations to the Noteholders. In connection therewith, the ACIS Indentures also provide that, for future purchases and sales of collateral obligations, the Portfolio Manager and the Trustee shall only consummate these transactions where certain investment criteria are satisfied. One such criterion is that, for all purchases, either (A) each requirement or test, as the case may be, of the Concentration Limitations and the Collateral Quality Test will be satisfied, or (B) if any such requirement or test was not satisfied immediately prior to such reinvestment, such requirement or test will be maintained or improved after giving effect to the reinvestment. *See, e.g.*, Indenture 5 § 12.2(a)(iv). The ACIS Indentures define “Collateral Quality Test” as:

A test satisfied if, as of any date of determination . . . in the aggregate, the Collateral Obligations owned (or, for purposes of *pro forma* calculations in relation to a proposed purchase of a Collateral Obligation, proposed to be owned) by the Issuer satisfy . . . the Maximum Moody’s Rating Factor Test . . . [and the] Weighted Average Life Test.

Id. at 14.

19. These tests are defined, in turn, as follows:

“Maximum Moody’s Rating Factor Test”: The test that will be satisfied on any date of determination if the Weighted Average

Adjusted Moody's Rating Factor³ of the Collateral Obligations is less than or equal to the number set forth in the column entitled "Maximum Weighted Average Moody's Rating Factor" in the Moody's Asset Quality Matrix, based upon the applicable "row/column combination" chosen by the Portfolio Manager with notice to the Collateral Administrator . . . plus the Rating Factor Adjustment Amount.

"Weighted Average Life Test": A test that is satisfied if the Aggregate Weighted Average Life⁴ on such date of determination is not later than November 18, 2022.

See, e.g., Indenture 5 at 37-38, 64.

20. These provisions seek to maintain the integrity and performance of the portfolio of collateral securing the Co-Issuers' obligations by requiring certain parties, including the Portfolio Managers and the Trustee, to ensure that any purchase or sale of such collateral complies with detailed, industry-recognized, and bargained-for tests – the exact investor protections that The Charitable DAF relied on when it invested in the Acis CLOs.

21. ***Second***, the ACIS Indentures provide that, in performing its duties as Trustee, U.S. Bank may not "authorize or consent to or vote for or accept or adopt on behalf of any Secured

³ "Weighted Average Adjusted Moody's Rating Factor" means "[a]s of any date of determination, a number equal to the Weighted Average Moody's Rating Factor determined in the following manner: for purposes of this definition, the last paragraph of the definition of "Moody's Default Probability Rating," the second to last paragraph of the definition of "Moody's Rating" and the last paragraph of the definition of "Moody's Derived Rating" will be disregarded, and instead each applicable rating on credit watch by Moody's that is on (a) positive watch will be treated as having been upgraded by one rating subcategory, (b) negative watch will be treated as having been downgraded by two rating subcategories and (c) negative outlook will be treated as having been downgraded by one rating subcategory. *See, e.g.*, Indenture 5 at 64-65.

"Weighted Average Moody's Rating Factor" means "[t]he number (rounded up to the nearest whole number) equal to: (i) the sum of the products of (a) the Principal Balance of each Collateral Obligation (excluding Equity Securities) multiplied by (b) the Moody's Rating Factor of such Collateral Obligation, divided by (ii) the Aggregate Principal Balance of all such Collateral Obligations." *Id.*

⁴ "Aggregate Weighted Average Life" means "[w]ith respect to all Collateral Obligations as of any date of determination is a date equal to (a) the number of years following such date obtained by (i) *summing* the products obtained by *multiplying* the Weighted Average Life at such time of each Collateral Obligation by the Principal Balance at such time of such Collateral Obligation and (ii) *dividing* such sum by the Aggregate Principal Balance at such time of all Collateral Obligations *plus* (B) such date of determination. *Id.* at 6.

Noteholders, any plan of reorganization, arrangement, adjustment or composition affecting the Secured Notes or any Holder thereof”. Similar to the provisions concerning collateral quality, these provisions also seek to ensure that the Trustee does not prejudice the rights of any secured Noteholder under the ACIS Indentures, such as The Charitable DAF.

22. Finally, in addition to requiring that U.S. Bank observe certain safeguards, the ACIS Indentures also grant U.S. Bank the broad power to “execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, nominees, custodians, or attorneys.”

23. The foregoing contractual provisions provide context for U.S. Bank’s role as Trustee, and of the Trustee’s relationship with the Portfolio Manager. As Trustee, U.S. Bank is obligated to perform a number of extra-contractual duties for Noteholders, such as The Charitable DAF, including the duties to perform all basic non-discretionary, ministerial tasks with due care, and to avoid conflicts of interest. U.S. Bank’s failure to satisfy the extra-contractual duties that it owes to The Charitable DAF is the focus of The Charitable DAF’s claims against U.S. Bank in this lawsuit, discussed in further detail below.

B. ACM supervises and directs the investment and reinvestment of the ACIS Indentures’ assets, in addition to providing other services delegated to ACM as portfolio manager.

24. At the same time that the issuers executed the ACIS Indentures with U.S. Bank, they also executed portfolio management agreements with ACM, which at the time was sub-advised by Highland Capital Management, LP. Specifically, ACIS CLO 2014-5 LTD., as issuer, executed a portfolio management agreement for Indenture 5 with ACM, as portfolio manager, on November 18, 2014 (“PMA 5”); and ACIS CLO 2015-6 LTD., as issuer, executed a portfolio

management agreement for Indenture 6 with ACM, as portfolio manager, on April 16, 2015 (“PMA 6” together with PMA 5, the “PMAs”).

25. Notably, in connection with the 2018 bankruptcy of ACM and its emergence in February 2019, the management of the Acis CLOs was transferred to Messrs. Terry and Worman, through their respective firms ACM and Brigade. Such bankruptcy case is described in further detail below.

26. In general, the PMAs provide that, subject to the terms of the ACIS Indentures, ACM is obligated to “supervise and direct the investment and reinvestment of the Assets” and to “monitor the Assets”. Furthermore, in so doing, ACM must “comply with all [applicable] terms and conditions of the [ACIS Indentures]” and “perform its obligations . . . in good faith and with reasonable care”. The applicable “terms and conditions of” the ACIS Indentures include an obligation to ensure compliance with the collateral quality tests described above.

27. The PMAs hold ACM liable for its acts or omissions, including acting in bad faith, willful misconduct, gross negligence, or reckless disregard in the performance of its obligations under the ACIS Indentures.

28. As Portfolio Manager, ACM, through Mr. Terry and sub-advisor Brigade, were aware that in that capacity, they performed services for the Acis CLOs for a particular purpose.

29. Likewise, the Portfolio Manager had further awareness that Secured Noteholders and Holders of indirect equity interests under the Acis CLOs, like The Charitable DAF, relied on ACM and Brigade to perform services in furtherance of their particular purpose of managing the portfolio of the Acis CLOs.

30. The Portfolio Manager understood that Noteholders and equity interest Holders under the Acis CLOs, including The Charitable DAF, relied on the Portfolio Manager to perform services in furtherance of their particular purpose of managing the portfolio of the Acis CLOs.

31. Despite extra-contractual duties that the Portfolio Manager owes to The Charitable DAF as Secured Noteholders and Holders of indirect equity interests under the Acis CLOs, and in furtherance of clear and impermissible conflicts of interest, from February 20, 2019 to the present, the Portfolio Manager has caused the ACIS Indentures to incur astronomically unprecedented expenses well outside historical expense patterns in the Acis CLOs and very clearly outside market and industry norms, as discussed in more detail below.

i. Brigade is the Sub-Advisor and Shared Services Provider to ACM, and acts as ACM's agent.

32. As part of a jointly administered bankruptcy proceeding under case number 18-30264-SGJ-11 (the "Bankruptcy Proceeding"), in which Mr. Terry became 100% owner of ACM (as well as its President and owner of its general partner),⁵ the United States Bankruptcy Court for the Northern District of Texas, formally approved ACM's appointment of Brigade as Sub-Advisor and Shared Services Provider to ACM in connection with ACM's management of the ACIS CLOs. Brigade has provided these critical services at all pertinent times (to wit, from February 16, 2019 to the date of filing of this Complaint).

33. Of note, although Mr. Terry effectively approves all trading activity for the ACIS CLOs, Mr. Terry and ACM have no executive level employees aside from Mr. Terry, upon information and belief, nor wherewithal to themselves effectively manage the investment vehicles.

⁵ The two case numbers in the consolidated Bankruptcy Proceeding include case numbers 18-30264-SGJ-11 and 18-30265-SGJ-11.

As President and owner of ACM, Mr. Terry exercises complete domination over ACM. With no chain of command besides himself, as ACM, Mr. Terry only answers to himself.

34. Upon information and belief, other than Mr. Terry's experience in the CLO industry, about which Mr. Terry gave extensive testimony in the Bankruptcy Proceeding in connection with seeking approval of a plan of reorganization and upon which Secured Noteholders in the Acis CLOs have relied, aside from Mr. Terry, ACM has no other executive level employees or other capability to itself provide sufficient portfolio management services to the Acis CLOs.

35. Succinctly, Mr. Terry needed help managing the Acis CLOs, and he retained Brigade to provide, among other services, back-and middle-office functions, including, but not limited to, accounting, payments, operations, technology, and finance, in connection with ACM's obligations under the PMAs. He also employed Brigade to provide assistance relating to the negotiation and execution of any documents necessary to acquire or dispose of an asset under the PMAs.

36. As an agent of ACM and subject at all times to Mr. Terry's approval, Mr. Worman's team at Brigade has purchased well over \$300 million in loans for the Acis CLOs, in addition to engaging in other conduct directly related to the portfolio management of the Acis CLOs.

37. In addition to executing the purchase of loans, as an agent of ACM and Mr. Terry, Mr. Worman's team at Brigade has provided several services to ACM in connection with the portfolio management of the Acis CLOs, including the provision of sub-advisory and shared services.

38. During the Bankruptcy Proceedings, in connection with confirmation of Acis' plan of reorganization, Mr. Worman gave extensive testimony describing Brigade's expertise and competencies, including compliance support for the Acis CLOs, in addition to other tasks, such as

day-to-day portfolio management, including but not limited to identifying trades due, executing on those trades.

39. Further, Mr. Terry has delegated certain tasks related to the Acis CLOs to Brigade, including, but not limited to research services as needed, and modeling of ratings, default, and price scenarios as needed. In providing these critical portfolio management services for the ACIS CLOs, Brigade works directly with Terry, and is under Terry's direction and control. Mr. Terry testified in the Acis Bankruptcy proceedings that this was the intention.

40. Given Brigade's extensive level of involvement of the portfolio management of the CLOs, under Mr. Worman's direction, Brigade's and Worman's conduct, and by extension ACM's through Mr. Terry's direction and control, severely and adversely impacts the collateral portfolios in which The Charitable DAF owns as a Secured Noteholder and as the indirect Holder of equity interests under the Acis CLOs.

41. As of February 20, 2019 (and also prior to ACM's emergence from bankruptcy), Brigade has charged ACM fifteen basis points on total ACIS CLO assets under management for these portfolio management services, a fee which Brigade has represented it negotiated in good faith with ACM.

42. As discussed in more detail below, none of Mr. Terry, ACM, Mr. Worman nor Brigade has complied with the duties set forth in the PMAs, and the loans it acquired and the expenses incurred have left the Acis CLOs credit profile severely deteriorated and without sufficient interest income to make distributions to its equity holders.

C. U.S. Bank must satisfy extra-contractual obligations owed to The Charitable DAF.

43. U.S. Bank must satisfy certain extra-contractual obligations in connection with its role as Trustee, and the broad powers associated therewith. These pre-default extra-contractual

obligations include the duty to perform all basic, non-discretionary, ministerial tasks with due care, and to avoid conflicts of interest.

44. For example, U.S. Bank was required to perform all basic, non-discretionary, ministerial tasks with due care, including, but not limited to, the following extra-contractual tasks: reserving Noteholder rights impacted by active litigation, such as bankruptcy proceedings; exercising due care in connection with the payment of expenses; collecting and distributing the interest and dividends due on the portfolio securities; and providing Noteholders with periodic reports concerning the interest received, amounts distributed and securities in the portfolio.

45. Notably, no provisions of the ACIS Indentures “shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct”.

D. U.S. Bank fails to reserve or otherwise protect The Charitable DAF’s rights in connection with bankruptcy proceedings.

46. The Charitable DAF’s rights as a Secured Noteholder under the ACIS Indentures have been compromised by certain proceedings and judicial rulings in the Bankruptcy Proceeding consolidated Chapter 11 bankruptcy proceeding, and related adversary proceeding.

47. On July 29, 2018, the Chapter 11 Trustee in the Bankruptcy Proceeding filed a First Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management, GP, LLC (the “First Amended Plan”).

48. The First Amended Plan provided for certain amendments to the ACIS Indentures that would be effected through a certain Plan B and Plan C. These proposals concerned, among other things, re-writing the ACIS Indentures to protect Acis’ management fee stream for several years.

49. In full recognition that the First Amended Plan encroached on the rights of Noteholders under the Acis CLOs like The Charitable DAF, the Trustee filed a Reservation of Rights and Limited Objections to the First Amended Plan in the Bankruptcy Proceeding. The Trustee took prompt measures to protect noteholder rights, filing these pleadings only fifteen days after the filing of the First Amended Plan.

50. Among other infringements on the rights of Noteholders under the ACIS Indentures, the Trustee explained that: “In other words, both Plan B and Plan C purport to ignore the express terms of the Indenture and the rights of the Noteholders with respect to amending the Indenture.”⁶

51. On January 31, 2019, a Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC was entered in the Bankruptcy Proceeding (“Plan D”).

52. Like Plan B and C, Plan D also substantially impacted the rights of Noteholders under the ACIS Indentures, including The Charitable DAF.

53. In addition to other restrictions, Plan D impedes the ability of noteholders under the ACIS Indentures to make optional redemptions, which restriction has decimated the value of such investments across the capital stack of each CLO covered by the ACIS Indentures.

54. Moreover, Plan D conflicts with the express terms of the ACIS Indentures. Specifically, the ACIS Indentures do not permit U.S. Bank to “authorize or consent to or vote for or accept or adopt on behalf of any Secured Noteholders, **any plan** of reorganization, arrangement,

⁶ See Bankruptcy Proceeding, case number 18-30264-SGJ-11 at Dkt. Nos. 500, 501, and 500; *see id.* at Dkt. No. 505.

adjustment or composition **affecting the Secured Notes or any Holder thereof**'. (emphases added).

55. Tellingly, in its Reservation of Rights filed in 2018, U.S. Bank acknowledged that the specific plans "adversely affect[ed] the rights of Noteholders."⁷ The same holds true for Plan D.

56. Notwithstanding its ability to do so, U.S. Bank did not reserve any Noteholders' rights, or otherwise object to the entry of Plan D.

57. Instead, as noted by the court's ruling approving confirmation of Plan D on January 31, 2019, "[t]he indenture trustee has retained and appeared through its own separate counsel during the Chapter 11 Bankruptcy Cases **and is not currently objecting to the Plan.**"⁸ (emphasis added).

58. U.S. Bank's election to take no action regarding the entry of Plan D amplified the exposure of The Charitable DAF and the overall risk that it faces during the pendency of the Plan D injunction. Though U.S. Bank has a duty to avoid conflicts of interest, its election to take no action regarding the entry of Plan D underscores the Trustee's self-serving conduct.

59. U.S. Bank is not excused from failing to protect The Charitable DAF's rights affected by Plan D or by the Bankruptcy Proceeding generally.

E. Mr. Terry and ACM, as Portfolio Manager, with the assistance of Mr. Worman's team at Brigade and enabled by U.S. Bank, willfully orchestrate an extensive series of collateral trades that fail to satisfy the collateral quality tests and instead deteriorate the ACIS CLOs' credit profile to the detriment of The Charitable DAF and all investors.

⁷ See e.g., Bankruptcy Proceeding at Dkt. No. 505 ¶ 3; see also, Bankruptcy Proceeding at Dkt. Nos. 499-505

⁸ See e.g., Bankruptcy Proceeding, case number 18-30264-SGJ-11 at Dkt. No. 827 p. 5.

60. As set forth above, U.S. Bank and the Portfolio Manager must ensure that every purchase made under the ACIS Indentures satisfies the collateral quality tests, including the Weighted Average Life Test (“WAL test”) and the Minimum Weighted Average Moody’s Recovery Rate Test (“WAM test”), or maintains or improves any failing collateral quality tests. They failed to satisfy these obligations in at least two ways.

61. **First**, U.S. Bank and the Portfolio Manager effectuated or facilitated certain transactions that did not satisfy the WAL test or maintain or improve such failing WAL test. Specifically, they made multiple same-day trades and consolidated the weighted average maturity date for these trades. In so doing, they created the false appearance of a maintained or improved WAL test. Absent this consolidation, the same-day purchases could not have maintained or improved the failing WAL tests on individual bases.

62. The value destruction of this forced “bunched trading” is clear when one compares the prices at trade date against the prices from the previous day. For example:

CLO	Trade	Issuer	Commitment	Date	Trade Px	Day Before	Close Mid Price	2 Day Before	Close Mid Price	Change	P&L
CLO 6	Purchase	Diebold Inc - Diebold DD T/L A	1,578,541.42	3/26/2019	99.00	3/25/2019	95.50	3/22/2019	95.5	-3.50	(55,248.95)
CLO 5	Purchase	Diebold Nixdorf Incorporated - Diebold T/L B New Dollar	4,985,751.99	5/23/2019	96.75	5/22/2019	95.75	5/21/2019	95.75	-1.00	(49,857.52)
CLO 6	Purchase	Team Health Holdings Inc - Team Health Holdings T/L	1,279,236.64	3/26/2019	88.50	3/25/2019	86.13	3/22/2019	86.9375	-2.38	(30,381.87)

63. What is more, this artificial trading philosophy, disguised as “responsible management,” has resulted in myriad poorly conceived and timed buys, which positions have plummeted, destroying value for the investors. For example:

Issuer	Buy/Sell	1st Purchase Date	Last Purchase Date	LoanX ID	Sum of 1/14/20 P&L	Cost	11/8/2019 Mark
Chief Power	Buy	3/13/2019	3/26/2019	LX142450	(2,966,283.06)	95.41	51.50
Peak 10	Buy	9/27/2018	3/19/2019	LX167187	(1,198,856.69)	95.58	85.63
KCA Deutag UK Finance PL	Buy	4/22/2019	5/23/2019	LX172320	(1,723,142.31)	84.89	65.58
Envision Healthcare	Buy	4/3/2018	6/18/2019	LX175867	(1,103,425.06)	94.14	886.26

64. Mr. Terry and ACM, with the assistance of Mr. Worman’s team at Brigade, enabled by U.S. Bank as indenture trustee, have continued this blatant trading misconduct. As recently as November 15, 2019, the Portfolio Manager and U.S. Bank effectuated multiple improper same day trades which fail to meet the applicable collateral quality standards, in further reckless disregard of the portfolio management obligations that bind the Portfolio Manager and U.S. Bank, discussed herein.

65. The transaction history of the ACIS Indentures makes clear that each of Mr. Terry, ACM, Mr. Worman’s team at Brigade and U.S. Bank appreciate the import of trading on specific days. In connection with one such indenture, these defendants authorized the purchase of a term loan in Capital Automotive 1st Lien with a maturity date of March 25, 2024. But, to maintain or improve the WAL test for this indenture, they should have required the CLOs to purchase assets with a maturity date of April 4, 2023 or earlier. They committed or facilitated similar misconduct across the ACIS Indentures.

66. *Second*, the Weighted Average Moody’s Rating Factor (“WARF”) a factor on which the WAM test turns, has steadily increased this year for each portfolio of the ACIS Indentures.

67. Since the entry of Plan D, under ACM's and Brigade's "management" of the ACIS Indentures, U.S. Bank has impermissibly enabled the collective WARF of the portfolios to become one of the dirtiest pools in the market in a matter of months. Specifically, as of October 2019 and through December 20,219, the WARF of each such indenture has dramatically worsened, as follows:

CLO 5:	2673	→	3004	→	3200
CLO 6:	2627	→	2917	→	3074

68. Against the backdrop of malfeasance, it is important to note that the Acis CLO portfolios and its investors including The Charitable DAF, had original risk/ratings expectations based on an average life that would shrink materially as modeled now that the reinvestment period of the Acis CLOs ended.

69. Moreover, and in contrast to Mr. Terry's and ACM's management, prepayments would lower the risk of the Acis CLO notes, including those held by The Charitable DAF, by paying off senior lower-cost debt (for example, at the AAA tranche of the respective CLO). The benefit would be realized at the junior tranches and the equity as holders would receive less-levered, lower interest payments but those investors' residual principal value would have more certainty. By keeping the average life extended and avoiding prepayments: (1) risk increases, (2) residual principal value falls, and (3) interest to equity holders theoretically continues for an artificially longer period.

70. Mr. Terry's and ACM's management thus kills the equity's residual principal recoveries while impairing and extending the duration of the debt. It is clear that the ACIS CLOs' original model and duration and risk expectation was that it would be half of what it is today but for the mismanagement by Mr. Terry and ACM, with the help of Mr. Worman's team at Brigade

and enabled by U.S. Bank. And this mismanagement can be shown through the clear diminution in value at the equity tranches of the ACIS CLOs over 2019, which valuation takes into account the “health” of the overall portfolio in each such deal (in which The Charitable DAF is indirectly an investor through a different investment vehicle) (all of the below are third-party valuations on a mark-to-market methodology):

Valuation at	Acis 5	Acis 6
1/31/2019	34.25	36.50
4/30/2019	31.75	35.00
7/31/2019	29.50	29.92
10/31/2019	21.25	23.17

F. U.S. Bank and the Portfolio Manager’s conduct has damaged The Charitable DAF substantially.

71. The conduct described above has resulted in myriad damage to The Charitable DAF, including, but not limited to, the following.

72. The collective failure by each of Mr. Terry and ACM, with the assistance of Mr. Worman’s team at Brigade, as well as U.S. Bank as Indenture Trustee, to ensure that transactions under the ACIS Indentures comply with the collateral quality tests set forth therein constitute violations of the Defendants’ extra-contractual obligations to The Charitable DAF, negligence, and/or willful misconduct. By committing or facilitating extensive portfolio mismanagement, the Defendants have further violated their obligations to The Charitable DAF. These violations have compromised, among other things, the credit profile of the ACIS Indentures, and the value of The Charitable DAF’s secured notes thereunder.

73. Under its watch, since ACM has emerged from bankruptcy, Mr. Terry and ACM have caused the Acis CLOs to incur exorbitant and unprecedented administrative expenses. Indeed, as a result of the payment of uncharacteristically high expenses, equity holders under ACIS Indentures have received zero cash flows, an almost unprecedented situation that severely weakens the overall credit quality of the CLOs, which condition inures to the detriment of all the Secured Noteholders, including The Charitable DAF. The Charitable DAF has summarized these expenses in the following table:

<i>Expenses Paid in 2019</i>			
<u>Date</u>	<u>A5</u>	<u>A6</u>	<u>Total</u>
5/1/19	27,135	56,452	176,587
8/1/19	609,974	1,046,612	3,128,642
11/1/19	<u>437,613</u>	<u>1,074,214</u>	<u>3,171,885</u>
Total	\$ 1,074,722	\$2,177,278	\$ 6,477,114

74. On or about November 4, 2019, certain Noteholders under the ACIS Indentures sent a letter to each of Mr. Terry, ACM and U.S. Bank regarding this misconduct. Among other things, Noteholders under the ACIS Indentures requested that each of ACM and U.S. Bank comply with a simple books and records request to provide a written statement setting forth in reasonable detail the Administrative Expenses and other costs and expenses identified in each of the Distribution Reports prepared and delivered pursuant to the Indentures for Payment Dates occurring through November 2019. Highland CLO Funding, Ltd. (“HCLOF”), a Holder of Subordinated Notes under certain of the ACIS Indentures and in which The Charitable DAF is a 49% investor, submitted a substantially similar books and records request to U.S. Bank on November 6, 2019. To date, neither of U.S. Bank nor the Portfolio Manager have provided any kind of accounting for these exorbitant fees or any other books and records response. The sheer

magnitude of fees require a necessary inference that expenses unrelated to the Acis CLOs are being improperly reimbursed. This is a clear and actionable conflict of interest. Mr. Terry, one and the same as ACM, abused the privilege of doing business as ACM to perpetuate these wrongs.

75. The request for an accounting described above, was made by similarly situated Noteholders to The Charitable DAF who also own Secured Notes under the Acis Indentures and/or are Holders of equity. As such, the Portfolio Manager, having received the request for an account, had an understanding that Noteholders like The Charitable DAF relied on the Portfolio Manager to perform particular services.

76. Mr. Terry and ACM, Mr. Worman's team at Brigade, and U.S. Bank as Indenture Trustee owed a duty to The Charitable DAF to avoid conflicts of interest. They shirked these duties by, among other things, facilitating trades that did not comply with the collateral test in order to artificially maximize certain management fees. They shirked these duties by incurring unprecedented expenses that were close to twenty times the historical expense rate.

77. Likewise, despite U.S. Bank's duty to avoid conflicts of interest, in failing to object or otherwise reserve any Noteholder rights impacted by Plan D, U.S. Bank further demonstrated its inability to prioritize or protect the rights of Noteholder The Charitable DAF.

G. Moody's knowingly or recklessly published false ratings of the ACIS Indentures.

78. Moody's is a nationally recognized statistical rating organization, or an NRSRO. As an NRSRO, Moody's "evaluate[s] a debt offering based on public, and sometimes nonpublic, information regarding the assets of an issuer and assign[s] the debt offering a rating to convey information to a potential creditor/investor about the creditworthiness of the issuer's debt." *Abu Dhabi Commercial Bank v. Morgan Stanley & Co. Inc.*, 651 F. Supp. 2d 155, 164 (S.D.N.Y. 2009). This rating is important to issuers and investors because, among other things, a "[debt offering]'s

success depends on the credit quality of the [underlying] assets,” and “[i]f stable [assets] comprise the [debt offering], then [i]nvestors are much less likely to suffer a loss.” *Id.* at 165; *see also In re Fitch, Inc.*, 330 F.3d 104, 106 (2d Cir. 2003) (“[Moody’s] endorsement of a given security has regulatory significance, as many regulated institutional investors are limited in what types of securities they may invest based on the securities’ NRSRO ratings.”)

79. Between June and November 2014, Moody’s gave Indenture 5 a AAA rating. This is a top rating, and the “same as those usually assigned by the Rating Agencies to bonds backed by the full faith and credit of the United States Government, such as Treasury Bills.” *Abu Dhabi Commercial Bank*, 651 F. Supp. 2d at 165. The rating is “commonly understood in the marketplace to [indicate an investment is] stable, secure, and safe.” *Id.*

80. Still, depending upon the circumstances, an NRSRO like Moody’s can downgrade a particular rating to reflect new information. To that end, on August 6, 2019, certain ACIS Noteholders provided Moody’s with written notice of U.S. Bank’s misconduct, including its practice of bunched trading under the ACIS Indentures by effectuating multiple same day transactions that did not satisfy the WAL test or maintain or improve such failing WAL test.

81. The same Noteholders provided Moody’s with a supplemental notice of U.S. Bank’s trading misconduct on September 13, 2019.

82. Nevertheless, and since that time, Moody’s has continued to publish false ratings of those assets. Indeed, Moody’s has continued to rate Indenture 5 as an AAA investment, notwithstanding its notice of the facts set forth in more detail above.

83. This, in turn, has allowed U.S. Bank and the Portfolio Manager to continue disregarding their obligations under the ACIS Indentures, further compromising the value of the

assets securing the Co-Issuers' obligations thereunder. Moody's wrongful conduct has therefore diminished the equity that The Charitable DAF owns indirectly pursuant to the ACIS Indentures.

**COUNT I: BREACH OF THE DUTY TO PERFORM ALL BASIC, NON-DISCRETIONARY, MINISTERIAL TASKS WITH DUE CARE
(AGAINST U.S. BANK)**

84. The Charitable DAF hereby alleges and incorporates the preceding allegations as if fully set forth herein.

85. U.S. Bank has an extra-contractual duty to perform all basic, non-discretionary, ministerial tasks under the ACIS Indentures with due care. This duty subjects each of the foregoing to tort liability.

86. U.S. Bank breached this duty in at least two ways.

87. First, U.S. Bank breached this duty by permitting the ACIS Indentures to incur exorbitant expenses, which have diminished the equity that The Charitable DAF owns indirectly pursuant to the ACIS Indentures.

88. Second, U.S. Bank breached its duty by negligently failing to act, and by accepting the entry of "Plan D" in the Bankruptcy Proceeding, which directly affects the secured Noteholders. Among other things, Plan D adversely impacts the rights of The Charitable DAF by imposing an injunction that prohibits beneficial trading activity, and impeding the ability of Noteholders to make optional redemptions.

89. U.S. Bank's omission to act was not in good faith. In 2018, U.S. Bank filed multiple pleadings in the Bankruptcy Proceeding, including, but not limited to, a Reservation of Rights, and Limited Objections to the entry of the predecessor plans to Plan D. U.S. Bank failed to take any action whatsoever in regard to Plan D.

90. These breaches were the proximate cause of damages to Charitable DAF.

91. Based on investigation to date, such damages include, but are not limited to, The Charitable DAF's inability to make certain trades or redemptions, which restriction has decreased the value of The Charitable DAF's investment across the capital stack of each contract. They also include the diminished value of the collateral securing the issuer and co-issuer's financial obligations to The Charitable DAF. U.S. Bank's failure to reserve or otherwise protect The Charitable DAF's rights impacted by the Bankruptcy Proceeding has caused it to suffer damages.

COUNT II: BREACH OF THE DUTY TO AVOID CONFLICTS OF INTEREST
(AGAINST U.S. BANK)

92. The Charitable DAF hereby alleges and incorporates the preceding allegations as if fully set forth herein.

93. U.S. Bank has an extra-contractual duty to avoid conflicts of interest. This duty subjects each of such parties to tort liability.

94. U.S. Bank is prohibited from advancing its own interests at the expense of its investor, The Charitable DAF.

95. U.S. Bank breached this duty by, among other things, facilitating extensive portfolio mismanagement and failing to ensure compliance with the collateral quality tests in order to artificially maximize management fees. Such facilitation of noncompliant trades gives rise to an inference of bad faith.

96. U.S. Bank also breached this duty by allowing the ACIS Indentures to incur exorbitant fees which have diminished the equity that The Charitable DAF owns indirectly pursuant to the ACIS Indentures.

97. U.S. Bank's breaches were the proximate cause of damages to The Charitable DAF.

98. Based on investigation to date, such damages include, but are not limited to, the diminished value of the collateral securing the issuer and co-issuer's financial obligations to Charitable DAF.

99. U.S. Bank's breaches, set forth herein, have damaged The Charitable DAF in not less than \$5,000,000.00.

COUNT III: DEFAMATION (AGAINST MOODY'S)

100. The Charitable DAF hereby alleges and incorporates the preceding allegations as if fully set forth herein.

101. On August 6, 2019, certain Acis Noteholders provided Moody's with credible information regarding U.S. Bank's wrongful trading conduct and portfolio mismanagement, as described in more detail above. Since that date, Moody's has had actual or constructive notice of U.S. Bank's wrongful trading conduct.

102. Notwithstanding such notice, Moody's has continued to publish a false rating of AAA for Indenture 5 to investors.

103. Moody's published these ratings with knowledge of their falsity or with reckless disregard thereto.

104. In so doing, Moody's has caused The Charitable DAF to suffer special damages. Specifically, by continuing to provide an AAA rating for Indenture 5, Moody's has enabled U.S. Bank and the Portfolio Manager to compromise the value of the assets securing the co-issuer's obligations under the ACIS Indentures. Since August 2019, when Moody's first learned of U.S. Bank's misconduct, these assets have continued to decrease in value.

COUNT IV: NEGLIGENCE (AGAINST ACM)

105. The Charitable DAF hereby alleges and incorporates the preceding allegations as if fully set forth herein.

106. ACM owed independent extra-contractual duties The Charitable DAF, including, but not limited to, the duty to preserve the equity interests that The Charitable DAF indirectly owns, and a duty to refrain from self-dealing. Among other things, ACM assumed obligations that affected The Charitable DAF's rights, and The Charitable DAF detrimentally relied on ACM's continued performance of such obligations. Upon information and belief, ACM understood that The Charitable DAF relied on it to perform the foregoing duties.

107. As set forth in more detail above, ACM breached its duty to The Charitable DAF by mismanaging the portfolio of the ACIS Indentures, and by failing to ensure that new trades complied with the collateral quality tests.

108. The Charitable DAF has suffered direct damages as a proximate result of ACM's breach.

109. Such damages include, but are not limited to, the diminished value of the collateral securing the issuer and co-issuer's financial obligations to The Charitable DAF.

COUNT V: NEGLIGENCE (AGAINST BRIGADE)

110. The Charitable DAF hereby alleges and incorporates the preceding allegations as if fully set forth herein.

111. Brigade owed independent extra-contractual duties to The Charitable DAF, including, but not limited to the duty to preserve the equity interests that The Charitable DAF indirectly owns. As ACM's agent, Brigade assumed obligations that affected The Charitable DAF's rights, and The Charitable DAF detrimentally relied on Brigade's continued performance

of such obligations. Upon information and belief, Brigade understood that The Charitable DAF relied on it to perform the foregoing duties.

112. As set forth in more detail above, Brigade breached this duty by mismanaging the portfolio of the ACIS Indentures, and by failing to ensure that new trades complied with the collateral quality tests.

113. The Charitable DAF has suffered direct damages as a proximate result of Brigade's breach.

114. Such damages include, but are not limited to, the diminished value of the collateral securing the issuer and co-issuer's financial obligations to The Charitable DAF.

COUNT VI: CONVERSION (AGAINST MR. TERRY AND ACM)

115. The Charitable DAF hereby alleges and incorporates the preceding allegations as if fully set forth herein.

116. The ACIS CLOs are obligated to pay specific and identifiable Administrative Expenses and other costs and expenses. The payment of these expenses is pulled from a reserve of specific and identifiable equity which includes funds belonging to The Charitable DAF as an indirect holder of equity interests under the Acis CLOs.

117. As a Secured Noteholder and indirect holder of equity interests under the Acis CLOs under the Acis CLOs, The Charitable DAF had ownership, possession or control over the property used to pay the Acis CLOs' Administrative Expenses and costs before the property's conversion.

118. In allowing the payment of uncharacteristically high expenses upwards near twenty times their historical amount—Mr. Terry, upon information and belief, wrongfully and improperly

reimbursed ACM, and potentially himself, using The Charitable DAF's property designated for the payment of the Acis CLOs' Administrative Expenses and costs.

119. Upon information and belief, Mr. Terry and ACM exercised a wrongful and unauthorized dominion over The Charitable DAF's property designated for the payment of the Acis CLOs' Administrative Expenses and costs, to the alteration of its condition or to the exclusion of The Charitable DAF's rights.

120. An action for the conversion of using The Charitable DAF's property designated for the payment of the Acis CLOs' Administrative Expenses and costs lies based on this conduct. The property at issue is a specific, identifiable fund that has an obligation to be returned or otherwise treated in a particular manner.

COUNT VII: NEGLIGENCE (AGAINST MR. TERRY)

121. The Charitable DAF hereby alleges and incorporates the preceding allegations as if fully set forth herein.

122. Mr. Terry owed independent extra-contractual duties The Charitable DAF, including, but not limited to the duty to preserve the equity interests that The Charitable DAF indirectly owns, and a duty to refrain from self-dealing. As ACM's owner and upon information and belief, ACM's sole executive level employee, Mr. Terry assumed obligations that affected The Charitable DAF's rights, and The Charitable DAF detrimentally relied on Mr. Terry's continued performance of such obligations. Upon information and belief, Mr. Terry as owner and President of ACM, understood that The Charitable DAF relied on it to perform the foregoing duties.

123. As set forth in more detail above, Mr. Terry breached this duty by mismanaging the portfolio of the ACIS Indentures, and by failing to ensure that new trades complied with the collateral quality tests.

124. Mr. Terry also breached the duties that he owes to The Charitable DAF by incurring unprecedented expenses of the Acis CLOs up to twenty times their historical expense rate.

125. The Charitable DAF has suffered direct damages as a proximate result of Mr. Terry's breach. For example, Mr. Terry's conduct related to the expenses of the Acis CLOs has caused damaged The Charitable DAF's equity residual principal recoveries, and impaired and extended the duration of The Charitable DAF's debt.

126. In addition, Mr. Terry's conduct cause The Charitable DAF to sustain damages which include, but are not limited to, the diminished value of the collateral securing the issuer and co-issuer's financial obligations to The Charitable DAF.

REQUEST TO PIERCE ACIS CAPITAL MANAGEMENT'S CORPORATE VEIL

127. The Charitable DAF hereby alleges and incorporates the preceding allegations as if fully set forth herein.

128. Mr. Terry has exercised complete domination over ACM.

129. As described herein, Mr. Terry used such domination to commit a fraud or wrongs that injured the Charitable DAF. Mr. Terry abused the privilege of doing business as ACM to amass unprecedented expenses of the Acis CLOs up to twenty times the historical expense rate, among other wrongs.

130. These expenses, coupled with ACM's refusal to provide the accounting requested by certain Noteholders under the ACIS Indentures, creates an inference of impropriety. Further, the foregoing conduct raises an inference that expenses under the Acis CLOs are being improperly reimbursed.

131. The circumstances described herein warrant the disregard of ACM's corporate form, in particular, because Courts in this District will disregard the corporate form when necessary to prevent fraud or to achieve equity.

132. The Charitable DAF respectfully requests that the Court pierce the corporate veil of ACM such that ACM and Mr. Terry and jointly and severally liable for the wrongful conduct described herein.

CONDITIONS PRECEDENT

133. Pursuant to Federal Rule of Civil Procedure 9(c), Charitable DAF hereby pleads that all conditions precedent have occurred or been performed. Although the ACIS Indentures contain "no-action" clauses that require certain noteholders to make written request to U.S. Bank to institute any judicial proceedings in its own name, the Second Circuit has held that noncompliance with a no-action provision is excused in a suit against the indenture trustee. *See Cruden v. Bank of New York*, 957 F.2d 961, 968 (2d Cir. 1992) ("The district court held that the 'no action' clause applied only to the debenture holder suits against [the issuer], not the Indenture Trustees . . . This construction of [the limitation on suits provision] obviously is correct, as it would be absurd to require the debenture holders to ask the Trustee to sue itself.").

DEMAND FOR ATTORNEYS' FEES

134. Pursuant to Section 5.15 of the ACIS Indentures, Charitable DAF hereby makes a demand for the attorneys' fees and court costs it has sustained in bringing this action.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff The Charitable Donor Advised Fund, L.P. respectfully requests that judgment be entered in its favor and against Defendants U.S. Bank, Moody's, ACM, and Brigade as follows:

- A. An award of damages sustained as a result of U.S. Bank National Association's activities in not less than \$5,000,000.00;
- B. An award of damages sustained as a result of Moody's conduct in an amount to be determined at trial;
- C. An award of damages sustained as a result of ACM's conduct in an amount to be determined at trial;
- D. An award of damages sustained as a result of Brigade's conduct in an amount to be determined at trial;
- E. An award of reasonable attorneys' fees and court costs;
- F. An award of pre-judgment and post-judgment interest on all sums awarded; and
- G. For such other and further relief as the Court may deem just, equitable and appropriate.

DATED: January 31, 2020

Respectfully submitted,

/s/ Michael K. Hurst

Michael K. Hurst (*admitted pro hac admission vice*)

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February 3, 2020

Via ECF Posting

The Honorable Naomi Reice Buchwald
United States District Court
for the Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl St., Courtroom 21A
New York, NY 10007-1312

Re: The Charitable Donor Advised Fund, L.P. v. U.S. Bank National Association et al;
Civil Action No. 1:19-cv-09857-NRB in the U.S. District Court for the Southern
District of New York¹

Dear Judge Buchwald:

I write on behalf of The Charitable Donor Advised Fund, L.P., Plaintiff in the above-referenced cause. Plaintiff lacks proof of service of the live Complaint on each Defendant in this above-referenced lawsuit. Therefore, in accordance with Rule 4(m) of the Federal Rules of Civil Procedure and your Honor's directive issued at docket number 17, Plaintiff respectfully requests that the Court proceed to dismiss the above-referenced cause without prejudice.

Respectfully Submitted,

Michael K. Hurst

Michael K. Hurst

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Buchwald,
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2/5/20

¹ Per the Court's instruction, this letter filed on February 3, 2020 is being re-filed to reflect the civil action number of this matter.

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

THE CHARITABLE DONOR
ADVISED FUND, L.P., and CLO
HOLDCO, LTD.,

Plaintiffs,

v.

U.S. BANK NATIONAL
ASSOCIATION, MOODY'S
INVESTORS SERVICE, INC., ACIS
CAPITAL MANAGEMENT, L.P., AND
BRIGADE CAPITAL MANAGEMENT,
LP, AND JOSHUA N. TERRY

Defendants.

CASE NO.: 1:20-cv-1036

**PLAINTIFFS' ORIGINAL COMPLAINT
AND JURY DEMAND**

TO THE HONORABLE COURT:

Plaintiffs The Charitable Donor Advised Fund, L.P., a charitable partnership whose charitable non-profit beneficiaries include the Dallas Foundation, the Greater Kansas City Community Foundation, the Santa Barbara Foundation and the North Texas Community Foundation, and CLO HoldCo, Ltd. (collectively, "Plaintiffs" or "The Charitable DAF"), by and through their attorneys of record, file this Original Complaint against Defendants U.S. Bank National Association ("U.S. Bank"), Moody's Investors Service, Inc. ("Moody's"), ACIS Capital Management, L.P. ("ACM" or "Acis"), and Brigade Capital Management, LP ("Brigade"), and Joshua N. Terry ("Terry"), and in support thereof, respectfully states and alleges as follows:

NATURE OF LAWSUIT

The Charitable DAF files this lawsuit to enforce and protect its rights as an investor in certain collateralized loan obligations, or CLOs, that for at least ten months have been, and

continue to be, grossly and willfully mismanaged by their investment advisers: ACM, an entity owned and managed by Mr. Terry, and Brigade, whose CLO business is managed by Jared Worman.¹ Together, ACM and Brigade as Portfolio Manager, have severely mismanaged the Acis CLOs to the tune of several millions of dollars in actual losses, several million dollars in expected losses and exorbitant incurred expenses far in excess of anything seen elsewhere in the \$600 billion CLO market. U.S. Bank, which serves as Trustee of the Acis CLOs, has impermissibly enabled this gross mismanagement, and in the process has severely violated The Charitable DAF's rights. The Charitable DAF is both the Holder of Secured Notes issued under certain ACIS Indentures, and an indirect Holder of equity interests under those same Indentures. In this capacity, The Charitable DAF possesses beneficial interests in the portfolio of collateral underlying the Acis CLOs and which the Portfolio Manager, enabled by U.S. Bank and Moody's, has willfully and self-servingly mismanaged and failed to protect.

Each of the Portfolio Manager's and U.S. Bank's wrongful and negligent conduct has severely compromised the value of The Charitable DAF's Secured Notes, decimated the credit profile of the Acis CLOs in their entirety, and caused The Charitable DAF to incur other extensive direct damages. This clear mismanagement has resulted in unprecedented losses not explained by market conditions, the extent of which is crystal clear: the equity tranches in the Acis CLOs at issue have lost material value (all fair market value at specified dates):

¹ Such CLOs, are referred to herein as the "Acis CLOs", of which ACM is the portfolio manager and to which Brigade provides sub-servicing and shared services. Together, ACM and Brigade are referred to herein as the "Portfolio Manager."

Acis CLO	August 1, 2018	February 20, 2019	October 31, 2019
Acis CLO 2014-5	\$36m	\$18.1m	\$11.2m
Acis CLO 2015-6	\$38.3m	\$19m	\$12m
Total	\$74.3m	\$37.1m	\$23.2m

To protect its rights, The Charitable DAF seeks four things through this lawsuit.

First, it seeks to recover the losses it sustained in connection with U.S. Bank’s negligence and breach of its extra-contractual duties to The Charitable DAF, including the duties to perform all basic, non-discretionary, ministerial tasks with due care, and to avoid conflicts of interest.

Second, it seeks judicial intervention to protect its interests before U.S. Bank commits or facilitates any further wrongful conduct. The Charitable DAF cannot allow U.S. Bank to continue to shirk its duties as Indenture Trustee.

Third, it seeks to recover the losses it sustained from the willful misconduct of the Portfolio Manager and its sub-adviser, whose gross negligence has decimated the value of The Charitable DAF’s investment, and whose rampant conflicts of interest have destroyed the value of The Charitable DAF’s investment. The Portfolio Manager’s conduct has caused The Charitable DAF to sustain direct damages.

Fourth, it seeks to protect the value of its investment by requiring Moody’s, as a ratings provider to the Acis CLOs, to accurately, and in accordance with market precedent and practice, communicate to the market the truth about the Portfolio’s Managers’ and Indenture Trustee’s willful violation of the requirements of the Indentures and the PMA that Moody’s has been on notice of since at least August 2019. The market deserves the truth about the extensive conflicts

of interests, skewed incentives and complete lack of accountability exhibited by each of Acis, Brigade and the Indenture Trustee.

PARTIES

1. Plaintiff The Charitable Donor Advised Fund, L.P. is a limited partnership, with its principal place of business at Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands. The Charitable DAF is both a Secured Noteholder and an indirect holder of equity interests under the Acis CLOs discussed in this Complaint.

2. Plaintiff CLO HoldCo, Ltd. (“CLO HoldCo”), a Cayman Islands exempted company, possesses assets of Plaintiff The Charitable Donor Advised Fund, L.P. CLO HoldCo’s principal place of business is 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands. CLO HoldCo is both a Secured Noteholder and an indirect holder of equity interests under the Acis CLOs discussed in this Complaint.

3. Defendant U.S. Bank National Association (the “Indenture Trustee” or “Trustee”) is a national banking association that is Trustee of the ACIS Indentures, as defined further herein. Pursuant to the ACIS Indentures, Defendant U.S. Bank may be served at its corporate office located at 190 South LaSalle Street, 8th Floor, Chicago, IL 60603.

4. Defendant Moody’s Investors Service, Inc., is a Delaware corporation registered to do business in New York State. Moody’s may be served through its registered agent CT Corporation System, located at 28 Liberty Street, New York, New York 10005. Moody’s is a nationally recognized statistical rating organization (“NRSRO”).

5. Defendant ACIS Capital Management, L.P. (“ACM”) is a Delaware limited partnership. ACM may be served through its registered agent Capitol Services, Inc., located at 1675 S. State Street Suite B, Dover, Delaware 19901.

6. Defendant Brigade Capital Management, LP is a Delaware limited partnership that is registered to do business in New York. Brigade may be served through Donald E. Morgan III, 399 Park Avenue, 16th Floor, New York, New York, 10022. Brigade is a registered investment advisor.

7. Joshua N. Terry (“Mr. Terry”) is an individual resident of Texas located at 3509 Princeton Avenue, Dallas, Texas 75205 who may be personally served wherever he may be found. Mr. Terry is the owner and President of ACM.

JURISDICTION AND VENUE

8. The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332(a)(2), in that the matter in controversy exceeds the sum of \$75,000, exclusive of interest and costs, and is between a citizen of a State and a citizens of a foreign state.

9. Jurisdiction and venue over Moody’s are proper in this District because Moody’s is registered to do business in New York, and the transactions and occurrences that are the subject of The Charitable DAF’s claims against Moody’s took place in New York, New York.

10. Jurisdiction and venue over ACM are proper in this District because ACM is registered to do business in New York, and the transactions and occurrences that are the subject of The Charitable DAF’s claims against ACM, including certain trading activity with brokers or dealers, took place in New York, New York.

11. Jurisdiction and venue over Brigade are proper in this District because Brigade is registered to do business in New York, and the transactions and occurrences that are the subject of

The Charitable DAF's claims against Brigade, including certain trading activity with brokers or dealers, took place in New York, New York.

12. Jurisdiction and venue over U.S. Bank are proper in this District because, pursuant to Section 14.10 of the ACIS Indentures, as defined further herein, each party to such indentures, including U.S. Bank:

[H]ereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of . . . the United States District Court of the Southern District of New York . . . in any action or proceeding arising out of or relating to the notes or th[ese] indenture[s] . . .

13. Venue is also proper because U.S. Bank waived any objection to venue in this District under the ACIS Indentures, as defined further herein. Section 14.10 specifically provides that:

Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to th[ese] indenture[s] in any court referred to in the previous paragraph. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

14. New York law governs the claims in this lawsuit.

STATEMENT OF FACTS

A. The Charitable DAF is a Secured Noteholder under a set of collateralized loan obligations to which U.S. Bank serves as Trustee, and ACM and Brigade serve as Portfolio Managers.

15. Between 2014 and 2015, The Charitable DAF became a Secured Noteholder and beneficiary under three CLOs and associated indentures: (i) the Indenture dated November 18, 2014 among ACIS CLO 2014-5 LTD., as Issuer, ACIS CLO 2014-5 LLC, as Co-Issuer, and U.S. Bank as Trustee ("Indenture 5"); and (ii) the Indenture dated April 16, 2015 among ACIS CLO

2015-6 LTD., as Issuer, ACIS CLO 2015-6 LLC as Co-Issuer, and U.S. Bank as Trustee (“Indenture 6” together with Indenture 5, the “ACIS Indentures”).²

16. U.S. Bank agreed to serve as the Trustee for these ACIS Indentures, and ACM as the Portfolio Manager.

17. The ACIS Indentures impose a number of obligations on U.S. Bank in connection with its role as Trustee, and a separate set of agreements, the Portfolio Management Agreements (“PMAs”), impose obligations on ACM in connection with its role as Portfolio Manager. ACM, as a result of it having no employees or wherewithal to manage the Acis CLOs itself, retained Brigade to assist it in providing these portfolio management services, with Mr. Terry.

18. Mr. Terry is President of ACM, an entity which he also owns.

i. The ACIS Indentures require that each of U.S. Bank, ACM and Brigade ensure that new investments satisfy certain criteria, and that U.S. Bank not accept any plan that would affect the rights of Secured Noteholders.

19. **First**, the ACIS Indentures provide that U.S. Bank shall hold in trust, for the “benefit and security” of the Noteholders, all “Collateral Obligations” that secure the Co-Issuers’ financial obligations to the Noteholders. In connection therewith, the ACIS Indentures also provide that, for future purchases and sales of collateral obligations, the Portfolio Manager and the Trustee shall only consummate these transactions where certain investment criteria are satisfied. One such criterion is that, for all purchases, either (A) each requirement or test, as the case may be, of the Concentration Limitations and the Collateral Quality Test will be satisfied, or (B) if any such requirement or test was not satisfied immediately prior to such reinvestment, such requirement or test will be maintained or improved after giving effect to the reinvestment. *See, e.g.*, Indenture 5 § 12.2(a)(iv). The ACIS Indentures define “Collateral Quality Test” as:

² The CLOs subject of the Acis Indentures are referred to herein as the Acis CLOs.

A test satisfied if, as of any date of determination . . . in the aggregate, the Collateral Obligations owned (or, for purposes of *pro forma* calculations in relation to a proposed purchase of a Collateral Obligation, proposed to be owned) by the Issuer satisfy . . . the Maximum Moody's Rating Factor Test . . . [and the] Weighted Average Life Test.

Id. at 14.

20. These tests are defined, in turn, as follows:

"Maximum Moody's Rating Factor Test": The test that will be satisfied on any date of determination if the Weighted Average Adjusted Moody's Rating Factor³ of the Collateral Obligations is less than or equal to the number set forth in the column entitled "Maximum Weighted Average Moody's Rating Factor" in the Moody's Asset Quality Matrix, based upon the applicable "row/column combination" chosen by the Portfolio Manager with notice to the Collateral Administrator . . . plus the Rating Factor Adjustment Amount.

"Weighted Average Life Test": A test that is satisfied if the Aggregate Weighted Average Life⁴ on such date of determination is not later than November 18, 2022.

See, e.g., Indenture 5 at 37-38, 64.

³ "Weighted Average Adjusted Moody's Rating Factor" means "[a]s of any date of determination, a number equal to the Weighted Average Moody's Rating Factor determined in the following manner: for purposes of this definition, the last paragraph of the definition of "Moody's Default Probability Rating," the second to last paragraph of the definition of "Moody's Rating" and the last paragraph of the definition of "Moody's Derived Rating" will be disregarded, and instead each applicable rating on credit watch by Moody's that is on (a) positive watch will be treated as having been upgraded by one rating subcategory, (b) negative watch will be treated as having been downgraded by two rating subcategories and (c) negative outlook will be treated as having been downgraded by one rating subcategory. *See, e.g.*, Indenture 5 at 64-65.

"Weighted Average Moody's Rating Factor" means "[t]he number (rounded up to the nearest whole number) equal to: (i) the sum of the products of (a) the Principal Balance of each Collateral Obligation (excluding Equity Securities) multiplied by (b) the Moody's Rating Factor of such Collateral Obligation, divided by (ii) the Aggregate Principal Balance of all such Collateral Obligations." *Id.*

⁴ "Aggregate Weighted Average Life" means "[w]ith respect to all Collateral Obligations as of any date of determination is a date equal to (a) the number of years following such date obtained by (i) *summing* the products obtained by *multiplying* the Weighted Average Life at such time of each Collateral Obligation by the Principal Balance at such time of such Collateral Obligation and (ii) *dividing* such sum by the Aggregate Principal Balance at such time of all Collateral Obligations *plus* (B) such date of determination. *Id.* at 6.

21. These provisions seek to maintain the integrity and performance of the portfolio of collateral securing the Co-Issuers' obligations by requiring certain parties, including the Portfolio Managers and the Trustee, to ensure that any purchase or sale of such collateral complies with detailed, industry-recognized, and bargained-for tests – the exact investor protections that The Charitable DAF relied on when it invested in the Acis CLOs.

22. **Second**, the ACIS Indentures provide that, in performing its duties as Trustee, U.S. Bank may not “authorize or consent to or vote for or accept or adopt on behalf of any Secured Noteholders, any plan of reorganization, arrangement, adjustment or composition affecting the Secured Notes or any Holder thereof”. Similar to the provisions concerning collateral quality, these provisions also seek to ensure that the Trustee does not prejudice the rights of any secured Noteholder under the ACIS Indentures, such as The Charitable DAF.

23. Finally, in addition to requiring that U.S. Bank observe certain safeguards, the ACIS Indentures also grant U.S. Bank the broad power to “execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, nominees, custodians, or attorneys.”

24. The foregoing contractual provisions provide context for U.S. Bank's role as Trustee, and of the Trustee's relationship with the Portfolio Manager. As Trustee, U.S. Bank is obligated to perform a number of extra-contractual duties for Noteholders, such as The Charitable DAF, including the duties to perform all basic non-discretionary, ministerial tasks with due care, and to avoid conflicts of interest. U.S. Bank's failure to satisfy the extra-contractual duties that it owes to The Charitable DAF is the focus of The Charitable DAF's claims against U.S. Bank in this lawsuit, discussed in further detail below.

B. *ACM supervises and directs the investment and reinvestment of the ACIS Indentures' assets, in addition to providing other services delegated to ACM as portfolio manager.*

25. At the same time that the issuers executed the ACIS Indentures with U.S. Bank, they also executed portfolio management agreements with ACM, which at the time was sub-advised by Highland Capital Management, LP. Specifically, ACIS CLO 2014-5 LTD., as issuer, executed a portfolio management agreement for Indenture 5 with ACM, as portfolio manager, on November 18, 2014 (“PMA 5”); and ACIS CLO 2015-6 LTD., as issuer, executed a portfolio management agreement for Indenture 6 with ACM, as portfolio manager, on April 16, 2015 (“PMA 6” together with PMA 5, the “PMAs”).

26. Notably, in connection with the 2018 bankruptcy of ACM and its emergence in February 2019, the management of the Acis CLOs was transferred to Messrs. Terry and Worman, through their respective firms ACM and Brigade. Such bankruptcy case is described in further detail below.

27. In general, the PMAs provide that, subject to the terms of the ACIS Indentures, ACM is obligated to “supervise and direct the investment and reinvestment of the Assets” and to “monitor the Assets”. Furthermore, in so doing, ACM must “comply with all [applicable] terms and conditions of the [ACIS Indentures]” and “perform its obligations . . . in good faith and with reasonable care”. The applicable “terms and conditions of” the ACIS Indentures include an obligation to ensure compliance with the collateral quality tests described above.

28. The PMAs hold ACM liable for its acts or omissions, including acting in bad faith, willful misconduct, gross negligence, or reckless disregard in the performance of its obligations under the ACIS Indentures.

29. As Portfolio Manager, ACM, through Mr. Terry and sub-advisor Brigade, were aware that in that capacity, they performed services for the Acis CLOs for a particular purpose.

30. Likewise, the Portfolio Manager had further awareness that Secured Noteholders and Holders of indirect equity interests under the Acis CLOs, like The Charitable DAF, relied on ACM and Brigade to perform services in furtherance of their particular purpose of managing the portfolio of the Acis CLOs.

31. The Portfolio Manager understood that Noteholders and equity interest Holders under the Acis CLOs, including The Charitable DAF, relied on the Portfolio Manager to perform services in furtherance of their particular purpose of managing the portfolio of the Acis CLOs.

32. Despite extra-contractual duties that the Portfolio Manager owes to The Charitable DAF as Secured Noteholders and Holders of indirect equity interests under the Acis CLOs, and in furtherance of clear and impermissible conflicts of interest, from February 20, 2019 to the present, the Portfolio Manager has caused the ACIS Indentures to incur astronomically unprecedented expenses well outside historical expense patterns in the Acis CLOs and very clearly outside market and industry norms, as discussed in more detail below.

i. Brigade is the Sub-Advisor and Shared Services Provider to ACM, and acts as ACM's agent.

33. As part of a jointly administered bankruptcy proceeding under case number 18-30264-SGJ-11 (the "Bankruptcy Proceeding"), in which Mr. Terry became 100% owner of ACM (as well as its President and owner of its general partner),⁵ the United States Bankruptcy Court for the Northern District of Texas, formally approved ACM's appointment of Brigade as Sub-Advisor

⁵ The two case numbers in the consolidated Bankruptcy Proceeding include case numbers 18-30264-SGJ-11 and 18-30265-SGJ-11.

and Shared Services Provider to ACM in connection with ACM's management of the ACIS CLOs. Brigade has provided these critical services at all pertinent times (to wit, from February 16, 2019 to the date of filing of this Complaint).

34. Of note, although Mr. Terry effectively approves all trading activity for the ACIS CLOs, Mr. Terry and ACM have no executive level employees aside from Mr. Terry, upon information and belief, nor wherewithal to themselves effectively manage the investment vehicles. As President and owner of ACM, Mr. Terry exercises complete domination over ACM. With no chain of command besides himself, as ACM, Mr. Terry only answers to himself.

35. Upon information and belief, other than Mr. Terry's experience in the CLO industry, about which Mr. Terry gave extensive testimony in the Bankruptcy Proceeding in connection with seeking approval of a plan of reorganization and upon which Secured Noteholders in the Acis CLOs have relied, aside from Mr. Terry, ACM has no other executive level employees or other capability to itself provide sufficient portfolio management services to the Acis CLOs.

36. Succinctly, Mr. Terry needed help managing the Acis CLOs, and he retained Brigade to provide, among other services, back-and middle-office functions, including, but not limited to, accounting, payments, operations, technology, and finance, in connection with ACM's obligations under the PMAs. He also employed Brigade to provide assistance relating to the negotiation and execution of any documents necessary to acquire or dispose of an asset under the PMAs.

37. As an agent of ACM and subject at all times to Mr. Terry's approval, Mr. Worman's team at Brigade has purchased well over \$300 million in loans for the Acis CLOs, in addition to engaging in other conduct directly related to the portfolio management of the Acis CLOs.

38. In addition to executing the purchase of loans, as an agent of ACM and Mr. Terry, Mr. Worman's team at Brigade has provided several services to ACM in connection with the portfolio management of the Acis CLOs, including the provision of sub-advisory and shared services.

39. During the Bankruptcy Proceedings, in connection with confirmation of Acis' plan of reorganization, Mr. Worman gave extensive testimony describing Brigade's expertise and competencies, including compliance support for the Acis CLOs, in addition to other tasks, such as day-to-day portfolio management, including but not limited to identifying trades due, executing on those trades.

40. Further, Mr. Terry has delegated certain tasks related to the Acis CLOs to Brigade, including, but not limited to research services as needed, and modeling of ratings, default, and price scenarios as needed. In providing these critical portfolio management services for the ACIS CLOs, Brigade works directly with Terry, and is under Terry's direction and control. Mr. Terry testified in the Acis Bankruptcy proceedings that this was the intention.

41. Given Brigade's extensive level of involvement of the portfolio management of the CLOs, under Mr. Worman's direction, Brigade's and Worman's conduct, and by extension ACM's through Mr. Terry's direction and control, severely and adversely impacts the collateral portfolios in which The Charitable DAF owns as a Secured Noteholder and as the indirect Holder of equity interests under the Acis CLOs.

42. As of February 20, 2019 (and also prior to ACM's emergence from bankruptcy), Brigade has charged ACM fifteen basis points on total ACIS CLO assets under management for these portfolio management services, a fee which Brigade has represented it negotiated in good faith with ACM.

43. As discussed in more detail below, none of Mr. Terry, ACM, Mr. Worman nor Brigade has complied with the duties set forth in the PMAs, and the loans it acquired and the expenses incurred have left the Acis CLOs credit profile severely deteriorated and without sufficient interest income to make distributions to its equity holders.

C. U.S. Bank must satisfy extra-contractual obligations owed to The Charitable DAF.

44. U.S. Bank must satisfy certain extra-contractual obligations in connection with its role as Trustee, and the broad powers associated therewith. These pre-default extra-contractual obligations include the duty to perform all basic, non-discretionary, ministerial tasks with due care, and to avoid conflicts of interest.

45. For example, U.S. Bank was required to perform all basic, non-discretionary, ministerial tasks with due care, including, but not limited to, the following extra-contractual tasks: reserving Noteholder rights impacted by active litigation, such as bankruptcy proceedings; exercising due care in connection with the payment of expenses; collecting and distributing the interest and dividends due on the portfolio securities; and providing Noteholders with periodic reports concerning the interest received, amounts distributed and securities in the portfolio.

46. Notably, no provisions of the ACIS Indentures “shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct”.

D. U.S. Bank fails to reserve or otherwise protect The Charitable DAF’s rights in connection with bankruptcy proceedings.

47. The Charitable DAF’s rights as a Secured Noteholder under the ACIS Indentures have been compromised by certain proceedings and judicial rulings in the Bankruptcy Proceeding consolidated Chapter 11 bankruptcy proceeding, and related adversary proceeding.

48. On July 29, 2018, the Chapter 11 Trustee in the Bankruptcy Proceeding filed a First Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management, GP, LLC (the “First Amended Plan”).

49. The First Amended Plan provided for certain amendments to the ACIS Indentures that would be effected through a certain Plan B and Plan C. These proposals concerned, among other things, re-writing the ACIS Indentures to protect Acis’ management fee stream for several years.

50. In full recognition that the First Amended Plan encroached on the rights of Noteholders under the Acis CLOs like The Charitable DAF, the Trustee filed a Reservation of Rights and Limited Objections to the First Amended Plan in the Bankruptcy Proceeding. The Trustee took prompt measures to protect noteholder rights, filing these pleadings only fifteen days after the filing of the First Amended Plan.

51. Among other infringements on the rights of Noteholders under the ACIS Indentures, the Trustee explained that: “In other words, both Plan B and Plan C purport to ignore the express terms of the Indenture and the rights of the Noteholders with respect to amending the Indenture.”⁶

52. On January 31, 2019, a Third Amended Joint Plan for Acis Capital Management, L.P. and Acis Capital Management GP, LLC was entered in the Bankruptcy Proceeding (“Plan D”).

53. Like Plan B and C, Plan D also substantially impacted the rights of Noteholders under the ACIS Indentures, including The Charitable DAF.

⁶ See Bankruptcy Proceeding, case number 18-30264-SGJ-11 at Dkt. Nos. 500, 501, and 500; *see id.* at Dkt. No. 505.

54. In addition to other restrictions, Plan D impedes the ability of noteholders under the ACIS Indentures to make optional redemptions, which restriction has decimated the value of such investments across the capital stack of each CLO covered by the ACIS Indentures.

55. Moreover, Plan D conflicts with the express terms of the ACIS Indentures. Specifically, the ACIS Indentures do not permit U.S. Bank to “authorize or consent to or vote for or accept or adopt on behalf of any Secured Noteholders, **any plan** of reorganization, arrangement, adjustment or composition **affecting the Secured Notes or any Holder thereof**”. (emphases added).

56. Tellingly, in its Reservation of Rights filed in 2018, U.S. Bank acknowledged that the specific plans “adversely affect[ed] the rights of Noteholders.”⁷ The same holds true for Plan D.

57. Notwithstanding its ability to do so, U.S. Bank did not reserve any Noteholders’ rights, or otherwise object to the entry of Plan D.

58. Instead, as noted by the court’s ruling approving confirmation of Plan D on January 31, 2019, “[t]he indenture trustee has retained and appeared through its own separate counsel during the Chapter 11 Bankruptcy Cases **and is not currently objecting to the Plan**.”⁸ (emphasis added).

59. U.S. Bank’s election to take no action regarding the entry of Plan D amplified the exposure of The Charitable DAF and the overall risk that it faces during the pendency of the Plan D injunction. Though U.S. Bank has a duty to avoid conflicts of interest, its election to take no action regarding the entry of Plan D underscores the Trustee’s self-serving conduct.

⁷ See e.g., Bankruptcy Proceeding at Dkt. No. 505 ¶ 3; see also, Bankruptcy Proceeding at Dkt. Nos. 499-505

⁸ See e.g., Bankruptcy Proceeding, case number 18-30264-SGJ-11 at Dkt. No. 827 p. 5.

60. U.S. Bank is not excused from failing to protect The Charitable DAF's rights affected by Plan D or by the Bankruptcy Proceeding generally.

E. Mr. Terry and ACM, as Portfolio Manager, with the assistance of Mr. Worman's team at Brigade and enabled by U.S. Bank, willfully orchestrate an extensive series of collateral trades that fail to satisfy the collateral quality tests and instead deteriorate the ACIS CLOs' credit profile to the detriment of The Charitable DAF and all investors.

61. As set forth above, U.S. Bank and the Portfolio Manager must ensure that every purchase made under the ACIS Indentures satisfies the collateral quality tests, including the Weighted Average Life Test ("WAL test") and the Minimum Weighted Average Moody's Recovery Rate Test ("WAM test"), or maintains or improves any failing collateral quality tests. They failed to satisfy these obligations in at least two ways.

62. *First*, U.S. Bank and the Portfolio Manager effectuated or facilitated certain transactions that did not satisfy the WAL test or maintain or improve such failing WAL test. Specifically, they made multiple same-day trades and consolidated the weighted average maturity date for these trades. In so doing, they created the false appearance of a maintained or improved WAL test. Absent this consolidation, the same-day purchases could not have maintained or improved the failing WAL tests on individual bases.

63. The value destruction of this forced "bunched trading" is clear when one compares the prices at trade date against the prices from the previous day. For example:

CLO	Trade	Issuer	Commitment	Date	Trade Px	Day Before	Close Mid Price	2 Day Before	Close Mid Price	Change	P&L
CLO 6	Purchase	Diebold Inc - Diebold DD T/L A	1,578,541.42	3/26/2019	99.00	3/25/2019	95.50	3/22/2019	95.5	-3.50	(55,248.95)
CLO 5	Purchase	Diebold Nixdorf Incorporated - Diebold T/L B New Dollar	4,985,751.99	5/23/2019	96.75	5/22/2019	95.75	5/21/2019	95.75	-1.00	(49,857.52)
CLO 6	Purchase	Team Health Holdings Inc - Team Health Holdings T/L	1,279,236.64	3/26/2019	88.50	3/25/2019	86.13	3/22/2019	86.9375	-2.38	(30,381.87)

64. What is more, this artificial trading philosophy, disguised as “responsible management,” has resulted in myriad poorly conceived and timed buys, which positions have plummeted, destroying value for the investors. For example:

Issuer	Buy/Sell	1st Purchase Date	Last Purchase Date	LoanX ID	Sum of 1/14/20 P&L	Cost	11/8/2019 Mark
Chief Power	Buy	3/13/2019	3/26/2019	LX142450	(2,966,283.06)	95.41	51.50
Peak 10	Buy	9/27/2018	3/19/2019	LX167187	(1,198,856.69)	95.58	85.63
KCA Deutag UK Finance PL	Buy	4/22/2019	5/23/2019	LX172320	(1,723,142.31)	84.89	65.58
Envision Healthcare	Buy	4/3/2018	6/18/2019	LX175867	(1,103,425.06)	94.14	886.26

65. Mr. Terry and ACM, with the assistance of Mr. Worman’s team at Brigade, enabled by U.S. Bank as indenture trustee, have continued this blatant trading misconduct. As recently as November 15, 2019, the Portfolio Manager and U.S. Bank effectuated multiple improper same day trades which fail to meet the applicable collateral quality standards, in further reckless disregard of the portfolio management obligations that bind the Portfolio Manager and U.S. Bank, discussed herein.

66. The transaction history of the ACIS Indentures makes clear that each of Mr. Terry, ACM, Mr. Worman’s team at Brigade and U.S. Bank appreciate the import of trading on specific days. In connection with one such indenture, these defendants authorized the purchase of a term loan in Capital Automotive 1st Lien with a maturity date of March 25, 2024. But, to maintain or improve the WAL test for this indenture, they should have required the CLOs to purchase assets with a maturity date of April 4, 2023 or earlier. They committed or facilitated similar misconduct across the ACIS Indentures.

67. **Second**, the Weighted Average Moody’s Rating Factor (“WARF”) a factor on which the WAM test turns, has steadily increased this year for each portfolio of the ACIS Indentures.

68. Since the entry of Plan D, under ACM’s and Brigade’s “management” of the ACIS Indentures, U.S. Bank has impermissibly enabled the collective WARF of the portfolios to become one of the dirtiest pools in the market in a matter of months. Specifically, as of October 2019 and through December 20,219, the WARF of each such indenture has dramatically worsened, as follows:

CLO 5:	2673	→	3004	→	3200
CLO 6:	2627	→	2917	→	3074

69. Against the backdrop of malfeasance, it is important to note that the Acis CLO portfolios and its investors including The Charitable DAF, had original risk/ratings expectations based on an average life that would shrink materially as modeled now that the reinvestment period of the Acis CLOs ended.

70. Moreover, and in contrast to Mr. Terry’s and ACM’s management, prepayments would lower the risk of the Acis CLO notes, including those held by The Charitable DAF, by paying off senior lower-cost debt (for example, at the AAA tranche of the respective CLO). The benefit would be realized at the junior tranches and the equity as holders would receive less-levered, lower interest payments but those investors’ residual principal value would have more certainty. By keeping the average life extended and avoiding prepayments: (1) risk increases, (2) residual principal value falls, and (3) interest to equity holders theoretically continues for an artificially longer period.

71. Mr. Terry’s and ACM’s management thus kills the equity’s residual principal recoveries while impairing and extending the duration of the debt. It is clear that the ACIS CLOs’ original model and duration and risk expectation was that it would be half of what it is today but for the mismanagement by Mr. Terry and ACM, with the help of Mr. Worman’s team at Brigade and enabled by U.S. Bank. And this mismanagement can be shown through the clear diminution in value at the equity tranches of the ACIS CLOs over 2019, which valuation takes into account the “health” of the overall portfolio in each such deal (in which The Charitable DAF is indirectly an investor through a different investment vehicle) (all of the below are third-party valuations on a mark-to-market methodology):

Valuation at	Acis 5	Acis 6
1/31/2019	34.25	36.50
4/30/2019	31.75	35.00
7/31/2019	29.50	29.92
10/31/2019	21.25	23.17

F. U.S. Bank and the Portfolio Manager’s conduct has damaged The Charitable DAF substantially.

72. The conduct described above has resulted in myriad damage to The Charitable DAF, including, but not limited to, the following.

73. The collective failure by each of Mr. Terry and ACM, with the assistance of Mr. Worman’s team at Brigade, as well as U.S. Bank as Indenture Trustee, to ensure that transactions under the ACIS Indentures comply with the collateral quality tests set forth therein constitute violations of the Defendants’ extra-contractual obligations to The Charitable DAF, negligence,

and/or willful misconduct. By committing or facilitating extensive portfolio mismanagement, the Defendants have further violated their obligations to The Charitable DAF. These violations have compromised, among other things, the credit profile of the ACIS Indentures, and the value of The Charitable DAF's secured notes thereunder.

74. Under its watch, since ACM has emerged from bankruptcy, Mr. Terry and ACM have caused the Acis CLOs to incur exorbitant and unprecedented administrative expenses. Indeed, as a result of the payment of uncharacteristically high expenses, equity holders under ACIS Indentures have received zero cash flows, an almost unprecedented situation that severely weakens the overall credit quality of the CLOs, which condition inures to the detriment of all the Secured Noteholders, including The Charitable DAF. The Charitable DAF has summarized these expenses in the following table:

<i>Expenses Paid in 2019</i>			
<u>Date</u>	<u>A5</u>	<u>A6</u>	<u>Total</u>
5/1/19	27,135	56,452	176,587
8/1/19	609,974	1,046,612	3,128,642
11/1/19	<u>437,613</u>	<u>1,074,214</u>	<u>3,171,885</u>
Total	\$ 1,074,722	\$2,177,278	\$ 6,477,114

75. On or about November 4, 2019, certain Noteholders under the ACIS Indentures sent a letter to each of Mr. Terry, ACM and U.S. Bank regarding this misconduct. Among other things, Noteholders under the ACIS Indentures requested that each of ACM and U.S. Bank comply with a simple books and records request to provide a written statement setting forth in reasonable detail the Administrative Expenses and other costs and expenses identified in each of the Distribution Reports prepared and delivered pursuant to the Indentures for Payment Dates occurring through November 2019. Highland CLO Funding, Ltd. ("HCLOF"), a Holder of

Subordinated Notes under certain of the ACIS Indentures and in which The Charitable DAF is a 49% investor, submitted a substantially similar books and records request to U.S. Bank on November 6, 2019. To date, neither of U.S. Bank nor the Portfolio Manager have provided any kind of accounting for these exorbitant fees or any other books and records response. The sheer magnitude of fees require a necessary inference that expenses unrelated to the Acis CLOs are being improperly reimbursed. This is a clear and actionable conflict of interest. Mr. Terry, one and the same as ACM, abused the privilege of doing business as ACM to perpetuate these wrongs.

76. The request for an accounting described above, was made by similarly situated Noteholders to The Charitable DAF who also own Secured Notes under the Acis Indentures and/or are Holders of equity. As such, the Portfolio Manager, having received the request for an account, had an understanding that Noteholders like The Charitable DAF relied on the Portfolio Manager to perform particular services.

77. Mr. Terry and ACM, Mr. Worman's team at Brigade, and U.S. Bank as Indenture Trustee owed a duty to The Charitable DAF to avoid conflicts of interest. They shirked these duties by, among other things, facilitating trades that did not comply with the collateral test in order to artificially maximize certain management fees. They shirked these duties by incurring unprecedented expenses that were close to twenty times the historical expense rate.

78. Likewise, despite U.S. Bank's duty to avoid conflicts of interest, in failing to object or otherwise reserve any Noteholder rights impacted by Plan D, U.S. Bank further demonstrated its inability to prioritize or protect the rights of Noteholder The Charitable DAF.

G. Moody's knowingly or recklessly published false ratings of the ACIS Indentures.

79. Moody's is a nationally recognized statistical rating organization, or an NRSRO. As an NRSRO, Moody's "evaluate[s] a debt offering based on public, and sometimes nonpublic,

information regarding the assets of an issuer and assign[s] the debt offering a rating to convey information to a potential creditor/investor about the creditworthiness of the issuer's debt." *Abu Dhabi Commercial Bank v. Morgan Stanley & Co. Inc.*, 651 F. Supp. 2d 155, 164 (S.D.N.Y. 2009). This rating is important to issuers and investors because, among other things, a "[debt offering]'s success depends on the credit quality of the [underlying] assets," and "[i]f stable [assets] comprise the [debt offering], then [i]nvestors are much less likely to suffer a loss." *Id.* at 165; *see also In re Fitch, Inc.*, 330 F.3d 104, 106 (2d Cir. 2003) ("[Moody's] endorsement of a given security has regulatory significance, as many regulated institutional investors are limited in what types of securities they may invest based on the securities' NRSRO ratings.")

80. Between June and November 2014, Moody's gave Indenture 5 a AAA rating. This is a top rating, and the "same as those usually assigned by the Rating Agencies to bonds backed by the full faith and credit of the United States Government, such as Treasury Bills." *Abu Dhabi Commercial Bank*, 651 F. Supp. 2d at 165. The rating is "commonly understood in the marketplace to [indicate an investment is] stable, secure, and safe." *Id.*

81. Still, depending upon the circumstances, an NRSRO like Moody's can downgrade a particular rating to reflect new information. To that end, on August 6, 2019, certain ACIS Noteholders provided Moody's with written notice of U.S. Bank's misconduct, including its practice of bunched trading under the ACIS Indentures by effectuating multiple same day transactions that did not satisfy the WAL test or maintain or improve such failing WAL test.

82. The same Noteholders provided Moody's with a supplemental notice of U.S. Bank's trading misconduct on September 13, 2019.

83. Nevertheless, and since that time, Moody's has continued to publish false ratings of those assets. Indeed, Moody's has continued to rate Indenture 5 as an AAA investment, notwithstanding its notice of the facts set forth in more detail above.

84. This, in turn, has allowed U.S. Bank and the Portfolio Manager to continue disregarding their obligations under the ACIS Indentures, further compromising the value of the assets securing the Co-Issuers' obligations thereunder. Moody's wrongful conduct has therefore diminished the equity that The Charitable DAF owns indirectly pursuant to the ACIS Indentures.

**COUNT I: BREACH OF THE DUTY TO PERFORM ALL BASIC, NON-
DISCRETIONARY, MINISTERIAL TASKS WITH DUE CARE
(AGAINST U.S. BANK)**

85. The Charitable DAF hereby alleges and incorporates the preceding allegations as if fully set forth herein.

86. U.S. Bank has an extra-contractual duty to perform all basic, non-discretionary, ministerial tasks under the ACIS Indentures with due care. This duty subjects each of the foregoing to tort liability.

87. U.S. Bank breached this duty in at least two ways.

88. First, U.S. Bank breached this duty by permitting the ACIS Indentures to incur exorbitant expenses, which have diminished the equity that The Charitable DAF owns indirectly pursuant to the ACIS Indentures.

89. Second, U.S. Bank breached its duty by negligently failing to act, and by accepting the entry of "Plan D" in the Bankruptcy Proceeding, which directly affects the secured Noteholders. Among other things, Plan D adversely impacts the rights of The Charitable DAF by imposing an injunction that prohibits beneficial trading activity, and impeding the ability of Noteholders to make optional redemptions.

90. U.S. Bank's omission to act was not in good faith. In 2018, U.S. Bank filed multiple pleadings in the Bankruptcy Proceeding, including, but not limited to, a Reservation of Rights, and Limited Objections to the entry of the predecessor plans to Plan D. U.S. Bank failed to take any action whatsoever in regard to Plan D.

91. These breaches were the proximate cause of damages to Charitable DAF.

92. Based on investigation to date, such damages include, but are not limited to, The Charitable DAF's inability to make certain trades or redemptions, which restriction has decreased the value of The Charitable DAF's investment across the capital stack of each contract. They also include the diminished value of the collateral securing the issuer and co-issuer's financial obligations to The Charitable DAF. U.S. Bank's failure to reserve or otherwise protect The Charitable DAF's rights impacted by the Bankruptcy Proceeding has caused it to suffer damages.

COUNT II: BREACH OF THE DUTY TO AVOID CONFLICTS OF INTEREST
(AGAINST U.S. BANK)

93. The Charitable DAF hereby alleges and incorporates the preceding allegations as if fully set forth herein.

94. U.S. Bank has an extra-contractual duty to avoid conflicts of interest. This duty subjects each of such parties to tort liability.

95. U.S. Bank is prohibited from advancing its own interests at the expense of its investor, The Charitable DAF.

96. U.S. Bank breached this duty by, among other things, facilitating extensive portfolio mismanagement and failing to ensure compliance with the collateral quality tests in order to artificially maximize management fees. Such facilitation of noncompliant trades gives rise to an inference of bad faith.

97. U.S. Bank also breached this duty by allowing the ACIS Indentures to incur exorbitant fees which have diminished the equity that The Charitable DAF owns indirectly pursuant to the ACIS Indentures.

98. U.S. Bank's breaches were the proximate cause of damages to The Charitable DAF.

99. Based on investigation to date, such damages include, but are not limited to, the diminished value of the collateral securing the issuer and co-issuer's financial obligations to Charitable DAF.

100. U.S. Bank's breaches, set forth herein, have damaged The Charitable DAF in not less than \$5,000,000.00.

COUNT III: DEFAMATION (AGAINST MOODY'S)

101. The Charitable DAF hereby alleges and incorporates the preceding allegations as if fully set forth herein.

102. On August 6, 2019, certain Acis Noteholders provided Moody's with credible information regarding U.S. Bank's wrongful trading conduct and portfolio mismanagement, as described in more detail above. Since that date, Moody's has had actual or constructive notice of U.S. Bank's wrongful trading conduct.

103. Notwithstanding such notice, Moody's has continued to publish a false rating of AAA for Indenture 5 to investors.

104. Moody's published these ratings with knowledge of their falsity or with reckless disregard thereto.

105. In so doing, Moody's has caused The Charitable DAF to suffer special damages. Specifically, by continuing to provide an AAA rating for Indenture 5, Moody's has enabled U.S. Bank and the Portfolio Manager to compromise the value of the assets securing the co-issuer's

obligations under the ACIS Indentures. Since August 2019, when Moody's first learned of U.S. Bank's misconduct, these assets have continued to decrease in value.

COUNT IV: NEGLIGENCE (AGAINST ACM)

106. The Charitable DAF hereby alleges and incorporates the preceding allegations as if fully set forth herein.

107. ACM owed independent extra-contractual duties The Charitable DAF, including, but not limited to, the duty to preserve the equity interests that The Charitable DAF indirectly owns, and a duty to refrain from self-dealing. Among other things, ACM assumed obligations that affected The Charitable DAF's rights, and The Charitable DAF detrimentally relied on ACM's continued performance of such obligations. Upon information and belief, ACM understood that The Charitable DAF relied on it to perform the foregoing duties.

108. As set forth in more detail above, ACM breached its duty to The Charitable DAF by mismanaging the portfolio of the ACIS Indentures, and by failing to ensure that new trades complied with the collateral quality tests.

109. The Charitable DAF has suffered direct damages as a proximate result of ACM's breach.

110. Such damages include, but are not limited to, the diminished value of the collateral securing the issuer and co-issuer's financial obligations to The Charitable DAF.

COUNT V: NEGLIGENCE (AGAINST BRIGADE)

111. The Charitable DAF hereby alleges and incorporates the preceding allegations as if fully set forth herein.

112. Brigade owed independent extra-contractual duties to The Charitable DAF, including, but not limited to the duty to preserve the equity interests that The Charitable DAF

indirectly owns. As ACM's agent, Brigade assumed obligations that affected The Charitable DAF's rights, and The Charitable DAF detrimentally relied on Brigade's continued performance of such obligations. Upon information and belief, Brigade understood that The Charitable DAF relied on it to perform the foregoing duties.

113. As set forth in more detail above, Brigade breached this duty by mismanaging the portfolio of the ACIS Indentures, and by failing to ensure that new trades complied with the collateral quality tests.

114. The Charitable DAF has suffered direct damages as a proximate result of Brigade's breach.

115. Such damages include, but are not limited to, the diminished value of the collateral securing the issuer and co-issuer's financial obligations to The Charitable DAF.

COUNT VI: CONVERSION (AGAINST MR. TERRY AND ACM)

116. The Charitable DAF hereby alleges and incorporates the preceding allegations as if fully set forth herein.

117. The ACIS CLOs are obligated to pay specific and identifiable Administrative Expenses and other costs and expenses. The payment of these expenses is pulled from a reserve of specific and identifiable equity which includes funds belonging to The Charitable DAF as an indirect holder of equity interests under the Acis CLOs.

118. As a Secured Noteholder and indirect holder of equity interests under the Acis CLOs under the Acis CLOs, The Charitable DAF had ownership, possession or control over the property used to pay the Acis CLOs' Administrative Expenses and costs before the property's conversion.

119. In allowing the payment of uncharacteristically high expenses upwards near twenty times their historical amount—Mr. Terry, upon information and belief, wrongfully and improperly reimbursed ACM, and potentially himself, using The Charitable DAF’s property designated for the payment of the Acis CLOs’ Administrative Expenses and costs.

120. Upon information and belief, Mr. Terry and ACM exercised a wrongful and unauthorized dominion over The Charitable DAF’s property designated for the payment of the Acis CLOs’ Administrative Expenses and costs, to the alteration of its condition or to the exclusion of The Charitable DAF’s rights.

121. An action for the conversion of using The Charitable DAF’s property designated for the payment of the Acis CLOs’ Administrative Expenses and costs lies based on this conduct. The property at issue is a specific, identifiable fund that has an obligation to be returned or otherwise treated in a particular manner.

COUNT VII: NEGLIGENCE (AGAINST MR. TERRY)

122. The Charitable DAF hereby alleges and incorporates the preceding allegations as if fully set forth herein.

123. Mr. Terry owed independent extra-contractual duties The Charitable DAF, including, but not limited to the duty to preserve the equity interests that The Charitable DAF indirectly owns, and a duty to refrain from self-dealing. As ACM’s owner and upon information and belief, ACM’s sole executive level employee, Mr. Terry assumed obligations that affected The Charitable DAF’s rights, and The Charitable DAF detrimentally relied on Mr. Terry’s continued performance of such obligations. Upon information and belief, Mr. Terry as owner and President of ACM, understood that The Charitable DAF relied on it to perform the foregoing duties.

124. As set forth in more detail above, Mr. Terry breached this duty by mismanaging the portfolio of the ACIS Indentures, and by failing to ensure that new trades complied with the collateral quality tests.

125. Mr. Terry also breached the duties that he owes to The Charitable DAF by incurring unprecedented expenses of the Acis CLOs up to twenty times their historical expense rate.

126. The Charitable DAF has suffered direct damages as a proximate result of Mr. Terry's breach. For example, Mr. Terry's conduct related to the expenses of the Acis CLOs has caused damaged The Charitable DAF's equity residual principal recoveries, and impaired and extended the duration of The Charitable DAF's debt.

127. In addition, Mr. Terry's conduct cause The Charitable DAF to sustain damages which include, but are not limited to, the diminished value of the collateral securing the issuer and co-issuer's financial obligations to The Charitable DAF.

REQUEST TO PIERCE ACIS CAPITAL MANAGEMENT'S CORPORATE VEIL

128. The Charitable DAF hereby alleges and incorporates the preceding allegations as if fully set forth herein.

129. Mr. Terry has exercised complete domination over ACM.

130. As described herein, Mr. Terry used such domination to commit a fraud or wrongs that injured the Charitable DAF. Mr. Terry abused the privilege of doing business as ACM to amass unprecedented expenses of the Acis CLOs up to twenty times the historical expense rate, among other wrongs.

131. These expenses, coupled with ACM's refusal to provide the accounting requested by certain Noteholders under the ACIS Indentures, creates an inference of impropriety. Further,

the foregoing conduct raises an inference that expenses under the Acis CLOs are being improperly reimbursed.

132. The circumstances described herein warrant the disregard of ACM's corporate form, in particular, because Courts in this District will disregard the corporate form when necessary to prevent fraud or to achieve equity.

133. The Charitable DAF respectfully requests that the Court pierce the corporate veil of ACM such that ACM and Mr. Terry and jointly and severally liable for the wrongful conduct described herein.

CONDITIONS PRECEDENT

134. Pursuant to Federal Rule of Civil Procedure 9(c), Charitable DAF hereby pleads that all conditions precedent have occurred or been performed. Although the ACIS Indentures contain "no-action" clauses that require certain noteholders to make written request to U.S. Bank to institute any judicial proceedings in its own name, the Second Circuit has held that noncompliance with a no-action provision is excused in a suit against the indenture trustee. *See Cruden v. Bank of New York*, 957 F.2d 961, 968 (2d Cir. 1992) ("The district court held that the 'no action' clause applied only to the debenture holder suits against [the issuer], not the Indenture Trustees . . . This construction of [the limitation on suits provision] obviously is correct, as it would be absurd to require the debenture holders to ask the Trustee to sue itself.").

DEMAND FOR ATTORNEYS' FEES

135. Pursuant to Section 5.15 of the ACIS Indentures, Charitable DAF hereby makes a demand for the attorneys' fees and court costs it has sustained in bringing this action.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs The Charitable Donor Advised Fund, L.P. and CLO HoldCo, Ltd., respectfully requests that judgment be entered in its favor and against Defendants U.S. Bank, Moody's, ACM, and Brigade as follows:

- A. An award of damages sustained as a result of U.S. Bank National Association's activities in not less than \$5,000,000.00;
- B. An award of damages sustained as a result of Moody's conduct in an amount to be determined at trial;
- C. An award of damages sustained as a result of ACM's conduct in an amount to be determined at trial;
- D. An award of damages sustained as a result of Brigade's conduct in an amount to be determined at trial;
- E. An award of reasonable attorneys' fees and court costs;
- F. An award of pre-judgment and post-judgment interest on all sums awarded; and
- G. For such other and further relief as the Court may deem just, equitable and appropriate.

DATED: February 6, 2020

Respectfully submitted,

/s/ Michael K. Hurst

Michael K. Hurst (*pro hac admission*
pending)

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**ATTORNEYS FOR THE CHARITABLE
DONOR ADVISED FUND, L.P. AND
CLO HOLDCO, LTD.**

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

THE CHARITABLE DONOR
ADVISED FUND, L.P., and CLO
HOLDCO, LTD.,

Plaintiffs,

v.

U.S. BANK NATIONAL
ASSOCIATION, MOODY'S
INVESTORS SERVICE, INC., ACIS
CAPITAL MANAGEMENT, L.P.,
BRIGADE CAPITAL MANAGEMENT,
LP, AND JOSHUA N. TERRY

Defendants.

CASE NO.: 1:20-CV-01036-LGS

**NOTICE OF VOLUNTARY DISMISSAL
WITHOUT PREJUDICE**

TO THIS HONORABLE COURT:

Pursuant to Federal Rule of Civil Procedure 41(a), Plaintiffs The Charitable Donor Advised Fund, L.P., and CLO HoldCo, LTD. (collectively, the "Plaintiffs") hereby file this Notice of Dismissal Without Prejudice of the above-captioned lawsuit. This notice is filed prior to the responsive pleading date for any of the Defendants in this lawsuit. Accordingly, Plaintiffs respectfully request that the Court administratively dismiss this lawsuit without prejudice.

DATED: February 25, 2020

Respectfully submitted,

/s/ V. Chisara Ezie-Boncoeur

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pending)

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**ATTORNEYS FOR THE CHARITABLE
DONOR ADVISED FUND, L.P. AND
CLO HOLDCO, LTD.**

CERTIFICATE OF SERVICE

I hereby certify that on February 25, 2020, a true and correct copy of the foregoing notice was served *via ECF and Certified Mail* on each Defendant.

/s/ V. Chisara Ezie-Boncoeur

V. Chisara Ezie-Boncoeur

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

In re:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

Debtor

§
§
§
§
§

Case No. 19-34054-sgj11

Chapter 11

**ORDER GRANTING MOTION FOR RELIEF FROM THE AUTOMATIC STAY TO
ALLOW PURSUIT OF MOTION FOR ORDER TO SHOW CAUSE FOR VIOLATIONS
OF THE ACIS PLAN INJUNCTION**

On April 17, 2020, Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP" with Acis LP "Acis") filed the *Motion for Relief from the Automatic Stay Pursuant to Allow Pursuit of Motion for Order to Show Cause of Violations of the Acis Plan Injunction* [Docket No. ____] (the "Motion") in the above-referenced case. The Court, having reviewed the Motion and having considered the statements of counsel at a final hearing, if any, before the Court (the "Hearing"), if any, finds that: (a) this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; (b) this matter is a core proceeding pursuant to

ORDER GRANTING MOTION FOR RELIEF FROM THE AUTOMATIC STAY TO ALLOW PURSUIT
OF MOTION FOR ORDER TO SHOW CAUSE FOR VIOLATIONS OF THE ACIS PLAN INJUNCTION

PAGE 1 OF 3

005349

28 U.S.C. § 157(b)(2); and (c) notices of the Motion and the Hearing were sufficient under the circumstances. Having considered the evidence, arguments of counsel, and responses, if any, this Court is of the opinion that the Motion is meritorious and establishes sufficient grounds for the relief requested therein.

ACCORDINGLY, IT IS HEREBY ORDERED THAT¹:

1. The Motion is **GRANTED**.
2. The automatic stay is immediately terminated, pursuant to 11 U.S.C. § 362(d), as it relates to Highland, and if applicable the Violators, to permit Acis to file, pursue to order, and otherwise prosecute the Show Cause Motion in this Court or any other court.
3. Acis is hereby authorized, but not required, to file, pursue to order, and otherwise prosecute the Show Cause Motion in this Court or any other court.
4. The 14-day stay provided under Federal Rule of Bankruptcy Procedure 4001(a)(3) shall not apply.
5. This Court shall retain exclusive jurisdiction to enforce the terms of this Order.
6. This Order is a Final Order within the meaning of 28 U.S.C. § 158(a)(1) and is effective immediately upon entry.

END OF ORDER

¹ Unless otherwise noted herein, all undefined capitalized terms appearing in this Order shall have the meaning(s) ascribed to such terms as set forth in the Motion.

Submitted by:

By: /s/ Brian P. Shaw

Brian P. Shaw

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AND ACIS CAPITAL
MANAGEMENT GP, LLC**

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero

Appellant

vs.

Highland Capital Management, L.P., et al

Appellee

§
§
§
§
§

3:20-CV-03390-X

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLEE RECORD
VOLUME 24**

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L.P. AND ACIS CAPITAL MANAGEMENT GP,
LLC, APPELLEES**

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

IN RE:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

DEBTOR.

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§

CASE NO. 19-34054

Chapter 11

INDEX

DESIGNATION OF RECORD ON APPEAL

Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP," together with Acis LP, "Acis"), appellees, file this Designation of Record on Appeal related to the *Order Approving Debtor's Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302] (the "Settlement Order"), the *Notice of Appeal* [Docket No. 1347] of the Settlement Order filed by James Dondero ("Dondero") and the *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented* [Docket No. 1515] filed by Dondero.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

Acis designates the following additional items for inclusion in the record on appeal.

Items in Bankruptcy Case No. 19-34054-SGJ-11	
Vol. 14 003095 003097	1. Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. [Docket No. 1]
003203	2. Chapter 11 Voluntary Petition [Docket No. 1]
003247	3. Affidavit/Declaration in Support of First Day Motion /Declaration of Frank Waterhouse in Support of First Day Motions Filed By Highland Capital Management, L.P. [Docket No. 11]
Vol. 15 003406	4. Motion to Change Venue/Inter-district Transfer Filed by Official Committee of Unsecured Creditors [Docket No. 85]
003433	5. Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 122]
003444	6. Joinder to Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) [Docket No. 126]
003452	7. Reply in Support of Motion to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 162]
003459	8. Reply in Support of the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 163]
003463	9. Response of the Debtor to Acis's Joinder to Motion to Transfer Venue [Docket No. 164]
003465	10. Order Transferring Venue of this Case to the United States Bankruptcy Court of the Northern District of Texas [Docket No. 186]
003492	11. Transcript regarding hearing held 12/6/19 [Docket No. 207]
003574	12. Schedules: Schedules A/B/ and D-H with Summary of Assets and Liabilities (with Declaration Under Penalty of Perjury for Non-Individual Debtors)[Docket No. 247]
003616	13. Statement of financial affairs for non-individual [Docket No. 248]
Vol. 16 003629	14. Trustee's Motion to appoint trustee [Docket No. 271]
003729	15. Motion to compromise controversy with Official Committee of Unsecured Creditors [Docket No. 281]
003735	16. Trustee's Objection to Motion to Approve Joint Agreement [Docket No. 313]
003738	17. Declaration re: (Declaration of Bradley D. Sharp in Support of the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course) [Docket No. 327]
003751	18. Response unopposed to (related document(s): 313 Objection) [Docket No. 329]
003756	19. Response unopposed to (related document(s): 313 Objection) [Docket No. 330]
	20. Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors, Strand Advisors, Inc., and James Dondero. [Docket No. 338]

Vol. 16 003764	21.	Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course [Docket No. 339]
003769	22.	Notice (Notice of Final Term Sheet) [Docket No. 354]
Vol. 17 003834	23.	Response opposed to (related document(s): 271) [Docket No. 362]
003847	24.	Objection to (related document(s): 271 Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) [Docket No. 364]
003851	25.	Transcript regarding Hearing Held 01/21/2020 [Docket No. 393]
003991	26.	Order denying motion to appoint trustee [Docket No. 428]
003993	27.	Motion for relief from stay [Docket No. 451]
Vol. 18 004042	28.	Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") [Docket No. 474]
Thru Vol. 21 Vol. 22 004908	29.	Transcript regarding Hearing Held 02/19/2020 [Docket No. 479]
005096	30.	Objection to (related document(s): 474) [Docket No. 487]
005110	31.	Joinder by Acis Capital Management, L.P. and Acis Capital Management GP, LLC to the Committee's Objection to the Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain Related Entities, and Comment to the Same [Docket No. 489]
005119	32.	Order authorizing, but not directing, the debtor to cause distributions to certain 'related entities'. [Docket No. 512]
005123	33.	Order granting motion for relief from stay [Docket No. 519]
Vol. 23 005125	34.	Transcript regarding Hearing Held 03/04/2020 [Docket No. 571]
005246	35.	Motion for relief from stay [Docket No. 593]
Vol. 24 005352	36.	Transcript regarding Hearing Held 05/26/2020 [Docket No. 676]
005359	37.	Order granting motion for relief from stay [Docket No. 764]
005362	38.	Application to employ James P. Seery, Jr. Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020 [Docket No. 774]
005395	39.	Transcript regarding Hearing Held 06/30/2020 [Docket No. 802]
005495	40.	Transcript regarding Hearing Held 07/08/2020 [Docket No. 817]
005553	41.	Agreed order regarding deposit of funds into registry of the Court [Docket No. 821]
005558	42.	Order granting application to employ James P. Seery, Jr. as Chief Executive Officer, Chief Restructuring and Foreign representative [Docket No. 854]
Vol. 25 005570	43.	Transcript regarding Hearing Held 07/14/2020 [Docket No. 864]
005764	44.	Transcript regarding Hearing Held 07/21/2020 [Docket No. 897]
Vol. 26 005829	45.	Order directing mediation [Docket No. 912]
005835	46.	Transcript regarding Hearing Held 08/19/2020 [Docket No. 998]
005855	47.	Transcript regarding Hearing Held 09/10/2020 [Docket No. 1064]
005904	48.	Amended Schedules: E/F, with Summary of Assets and Liabilities [Docket No. 1082]
005933	49.	Transcript regarding Hearing Held 10/06/2020 [Docket No. 1145]
005991	50.	Witness and Exhibit List [Docket No. 1175]
005994	51.	Witness and Exhibit List [Docket No. 1202-1]
005997	52.	Omnibus Reply [Docket No. 1221]

DATED: December 7, 2020.

Respectfully submitted,

By: /s/ Annmarie Chiarello

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**COUNSEL FOR ACIS CAPITAL
MANAGEMENT, L.P. AND ACIS
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APPELLEES**

CERTIFICATE OF SERVICE

I hereby certify that on December 7, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello

One of Counsel

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

In Re:) **Case No. 19-34054-sgj-11**
)
)
HIGHLAND CAPITAL) Dallas, Texas
MANAGEMENT, L.P.,) May 26, 2020
) 9:30 a.m.
Debtor.)
) FEE APPLICATIONS; APPLICATIONS
) TO EMPLOY NUNC PRO TUNC;
) MOTION TO EXTEND EXCLUSIVITY
) PERIOD
)
) *Excerpt: 10:00-10:06 a.m.*
)

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE.

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25 Proceedings recorded by electronic sound recording;
transcript produced by transcription service.

005354

1 DALLAS, TEXAS - MAY 26, 2020 - 9:35 A.M.

2 (Transcript excerpt begins at 10:00 a.m.)

3 THE COURT: I'm going to say three things, just for
4 you to make note of and many months down the road, when we
5 have a final hearing on fee apps and I hope a successful
6 reorganization under our belt, these are three things I'd like
7 to see at a final hearing. Or I guess I should say future
8 interim hearings, for that matter.

9 Number one, the Exhibit B to the Foley interim fee app I
10 did not think was as enlightening as I'd like it to be as far
11 as allocation of fees between Neutra and the Debtor, Highland.
12 As we all know, Neutra is the only appellant on the order for
13 relief appeal, and then Highland and Neutra are, of course,
14 jointly appellants on the appeal of the Acis confirmation
15 order. Of course, I recognize HCLOF is out there as an
16 appellant on the confirmation order is well.

17 But anyway, there was that Exhibit B that sort of gave a
18 formula or a methodology, I guess I should say, as far as how
19 the firm decided to allocate the fees amongst Neutra and
20 Highland, but I think the words I used on the day of our
21 retention hearing was, At some point, I need to take a deep
22 dive on understanding what is a fair allocation. I mean, it
23 wouldn't necessarily be 50 percent Highland, 50 percent
24 Neutra, on the time of the appeal of the confirmation order.

25 And so, anyway, Exhibit B just didn't quite get me there,

1 so for future hearings, future fee apps, I hope that's
2 something that might be drilled down on more.

3 The second thing I was going to say is the redactions were
4 heavy, and if there's a concern about attorney-client
5 privilege, well, maybe at the end of the day those concerns
6 will -- or I should say strategy, litigation strategy -- if
7 that's the concern, at the end of the day I would think the
8 time entries could be unredacted. I was just going to have to
9 see unredacted fee apps, and I think others are entitled to
10 see that, especially in this context when we're trying to make
11 sure people stay in their lanes as far as the three or so
12 categories of representation that Foley was going to provide,
13 you know, working on all Acis case matters, working on appeal
14 of the confirmation order, and appeal of the order for relief,
15 but for Neutra to pay that amount.

16 So, hopefully, as we get further down the road, we won't
17 have the concerns about the litigation strategy being
18 revealed, and I think we're going to have to all see
19 unredacted time entries.

20 I said there were three issues. The third one was this.
21 The category in the time entries for "Adverse Proceedings/
22 Appeals," it looked like to me there was a mixture of time
23 related to Acis, the Acis bankruptcy, as well as time related
24 to the -- I've got Winstead appeal. I think that was the
25 objection to Winstead's retention in the case and then the

1 appeal of the order approving their retention.

2 I think that is going to have to be, painful as it is,
3 separated out, because, obviously, you know, the board made
4 the decision that Highland should not pursue that appeal.
5 Well, you know, it may or may not be, at the end of the day,
6 reasonable to approve time spent up until the time the board
7 made that decision on the Winstead appeal, but I think at the
8 end of the day we'll need to see a separation of the time
9 spent on that category so we can fully assess the
10 reasonableness.

11 Anyway, so those are just words of advice for future fee
12 apps, but I do appreciate the agreement that was reached on
13 this today and so we'll look for the order and I'll sign it
14 promptly on the Foley interim fee app.

15 (Conclusion of transcript excerpt at 10:06 a.m.

16 Proceedings concluded at 10:09 a.m.)

17 --oOo--

18

19

20

CERTIFICATE

21

22

I certify that the foregoing is a correct transcript from
the electronic sound recording of the proceedings in the
above-entitled matter.

23

/s/ Kathy Rehling

05/27/2020

24

Kathy Rehling, CETD-444
Certified Electronic Court Transcriber

Date

25

005357

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PROCEEDINGS

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

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

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

Signed June 17, 2020


United States Bankruptcy Judge

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

In Re:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

Debtor.

§
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Case No. 19-34054-sgj11

Chapter 11

**ORDER LIFTING THE AUTOMATIC STAY TO ALLOW PURSUIT OF MOTION FOR
ORDER TO SHOW CAUSE FOR VIOLATIONS OF THE ACIS PLAN INJUNCTION**

On April 17, 2020, Creditors Acis Capital Management L.P. and Acis Capital Management GP, LLC (collectively “Acis”) filed their Motion for Relief from the Automatic Stay to Allow Pursuit of Motion for Order to Show Cause For Violations of the Acis Plan Injunction [ECF No. 593] (the “Motion”).¹ The only pleading filed in response was James Dondero’s Limited Response [ECF No. 617] (the “Limited Response”). The Limited Response notes that “Dondero states that the automatic stay in the above captioned chapter 11 case is not applicable to Dondero in his

¹ All defined terms in the Motion are hereby incorporated herein.

individual capacity, but to the extent the automatic stay is applicable, Dondero does not oppose relief from stay being granted.” ECF No. 617 ¶3.

The Court, having reviewed the Motion and the lack of opposition to the same, finds that: (a) this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; (b) this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and (c) notice of the Motion was sufficient under the circumstances. Based on the foregoing, this Court finds that the Motion establishes sufficient grounds for the relief requested therein.

ACCORDINGLY, IT IS HEREBY ORDERED THAT:

1. The Motion is **GRANTED**.
2. Relief from the automatic stay is granted to permit Acis to file and pursue to order before this Court the relief requested in the Motion.
3. The 14-day stay provided under Federal Rule of Bankruptcy Procedure 4001(a)(3) shall not apply.
4. This Order is a Final Order within the meaning of 28 U.S.C. § 158(a)(1) and is effective immediately upon entry.
5. The Court shall retain jurisdiction over any and all matters arising from or related to the implementation or the interpretation of this Order.

END OF ORDER

Submitted by:

/s/ Brian P. Shaw

Brian P. Shaw

State Bar No. 24053473

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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

Debtor.

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**Case No. 19-34054
Chapter 11**

Response Deadline: July 10, 2020 at 5:00 p.m.

Hearing Date: July 14, 2020 at 1:30 p.m.

**DEBTOR'S MOTION UNDER BANKRUPTCY CODE
SECTIONS 105(a) AND 363(b) FOR AUTHORIZATION TO
RETAIN JAMES P. SEERY, JR., AS CHIEF EXECUTIVE OFFICER,
CHIEF RESTRUCTURING OFFICER AND FOREIGN REPRESENTATIVE
*NUNC PRO TUNC TO MARCH 15, 2020***

005362

The above-captioned debtor and debtor in possession (the “Debtor”) hereby moves (the “Motion”) pursuant to sections 105(a) and 363(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”) for the entry of an order, substantially in the form attached hereto as Exhibit A (the “Proposed Order”), authorizing the Debtor (a) (i) to retain James P. Seery, Jr. as the chief executive officer and chief restructuring officer of the Debtor, pursuant to the terms of the letter attached as Exhibit 1 to the Proposed Order (the “Agreement”) *nunc pro tunc* to March 15, 2020, and (ii) for Mr. Seery to replace the Debtor’s current chief restructuring officer as the Debtor’s foreign representative pursuant to 11 U.S.C. § 1505, and (b) granting related relief. In support of the Motion, the Debtor respectfully represents as follows:

Jurisdiction

1. The United States Bankruptcy Court for the Northern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. The bases for the relief requested herein are sections 105 and 363 of the Bankruptcy Code.

Background

3. On October 16, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court for the District of Delaware, Case No. 19-12239 (CSS) (the “Delaware Bankruptcy Court”).

4. On October 29, 2019, the Official Committee of Unsecured Creditors (the “Committee”) was appointed by the U.S. Trustee in the Delaware Court. On December 4, 2019,

the Delaware Bankruptcy Court entered an order transferring venue of the Debtor's chapter 11 case to this Court [Docket No. 186].¹

5. The Debtor has continued in the possession of its property and has continued to operate and manage its business as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this chapter 11 case.

6. On December 4, 2019, the Debtor filed in the Delaware Bankruptcy Court its *Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) To Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring-Related Services, Nunc Pro Tunc, as of the Petition Date* [Docket No. 74] (the "CRO Motion"). The CRO Motion sought, among other things, to appoint Bradley Sharp as the Debtor's chief restructuring officer and for DSI to provide financial advisory services to the Debtor in support of Mr. Sharp.

7. On December 27, 2019, the Debtor filed the *Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* [Docket No. 281] (the "Settlement Motion"). The Settlement Motion sought approval of the settlement between the Debtor and the Committee and provided for, among other things, the creation of a new independent board of directors of Strand Advisors, Inc.² (the "New Board") consisting of

¹ All docket numbers refer to the docket maintained by this Court.

² Strand Advisors, Inc. ("Strand") is the general partner of the Debtor.

James P. Seery, Jr., John S. Dubel, and Russell Nelms (collectively, the “Independent Directors”).

8. The order granting the Settlement Motion authorized the Debtor to guarantee Strand’s obligations to indemnify each Independent Director pursuant to the terms of any indemnification agreements entered into by Strand with each of the Independent Directors (the “Indemnification Agreements”).

9. The Court entered orders approving the Settlement Motion on January 9, 2020³ and the DSI Approval Order on January 10, 2020.

10. The Settlement Order approved, among other things, a term sheet setting forth the agreement between the Debtor and the Committee. The final term sheet was attached to the *Notice of Final Term Sheet* filed in the Court on January 14, 2020 [Docket No. 354] (the “Final Term Sheet”). The Settlement Order also provided that no entity could commence or pursue a claim or cause of action against any Independent Director and/or his respective advisors and agents relating in any way to his role as an independent director of Strand unless authorized by this Court pursuant to the criteria set forth in the Settlement Order.⁴

11. The Settlement Motion and Final Term each provided that “[a]s soon as practicable after their appointments, the Independent Directors shall, in consultation with the

³ See *Order Approving Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and the Procedures for Operations in the Ordinary Course* [Docket No. 339] (the “Settlement Order”).

⁴ Specifically, paragraph 10 of the Settlement Order provides:

No entity may commence or pursue a claim or cause of action of any kind against any Independent Director, any Independent Director’s agents, or any Independent Director’s advisors relating in any way to the Independent Director’s role as an independent director of Strand without the Court (i) first determining after notice that such claim or cause of action represents a colorable claim of willful misconduct or gross negligence against Independent Director, any Independent Director’s agents, or any Independent Director’s advisors and (ii) specifically authorizing such entity to bring such claim. The Court will have sole jurisdiction to adjudicate any such claim for which approval of the Court to commence or pursue has been granted.

Committee, determine whether a CEO should be appointed for the Debtor. If the Independent Directors determine that appointment of a CEO is appropriate, the Independent Directors shall appoint a CEO acceptable to the Committee as soon as possible, which may be one of the Independent Directors.” Final Term Sheet, page 3; Settlement Motion, ¶ 13.

12. On February 18, 2020, the Court entered its *Order (I) Authorizing Bradley D. Sharp to Act as Foreign Representative Pursuant to 11 U.S.C. § 1505 and (II) Granting Related Relief* [Docket No. 461] (the “Foreign Representative Order”). The Foreign Representative Order authorized Mr. Sharp, as chief restructuring officer, to act as the Debtor’s foreign representative pursuant to section 1515 of the Bankruptcy Code (the “Foreign Representative”). The Foreign Representative specifically appointed Mr. Sharp to act as the Debtor’s foreign insolvency officeholder to seek appropriate relief in Bermuda pursuant to Bermudian common law (the “Bermuda Foreign Representative”) and the Cayman Islands pursuant to Section 241(1) of the Companies Law (2019 Revision) with respect to that British overseas territory (the “Cayman Foreign Representative”).

13. Since the appointment of the Independent Directors, it was apparent that it would be more efficient to have a traditional corporate management structure oversee the Debtor – i.e., a fully engaged chief executive officer supervised by the New Board – as contemplated by the Final Term Sheet. This need was driven by the complexity of the Debtor’s organization and business operations and the need for daily management and oversight of the Debtor’s personnel. The search for a chief executive officer, however, was delayed while the Independent Directors made initial efforts to learn the Debtor’s business and its day-to-day operations. It was further delayed with the onset of the COVID-19 global pandemic, which both had a serious impact on

the Debtor's operations and assets and limited the Independent Directors' ability to search for an appropriate chief executive officer.

14. During this time, however, Mr. Seery integrated himself into the daily operations of the Debtor and became essential in stabilizing the Debtor's assets and trading accounts during the economic distress caused by COVID-19. While Mr. Dubel and Mr. Nelms were each spending on average approximately 140 hours a month addressing the operational issues facing the Debtor and certain of its fund entities, Mr. Seery's workload was at least 180 hours a month.

15. As such, it was readily apparent to the Independent Directors who would be the best fit for the role: Mr. Seery. Mr. Seery had the appropriate skill set, extensive relevant background, and was already carrying the responsibility of the role. Mr. Seery had been functionally operating as the Debtor's de facto chief executive officer since at least early March and was already overseeing the Debtor's ordinary course operations, including managing the Debtor's personnel and the daily interactions with the Debtor's bankruptcy professionals

16. The Independent Directors subsequently appointed a compensation committee consisting of Messrs. Dubel and Nelms (the "Compensation Committee") to negotiate the terms and conditions of the Agreement on behalf of the Debtor. And, on June 23, 2020, the Compensation Committee approved the appointment of Mr. Seery to serve as both the Debtor's chief executive officer and chief restructuring officer concurrently with his role as one of the Independent Directors pursuant to the terms of the Agreement. Because Mr. Seery has been fulfilling the role since March 2020, the Compensation Committee determined that it was appropriate to make Mr. Seery's appointment as the Debtor's chief executive officer and chief

restructuring officer effective as of March 15, 2020.⁵ The Independent Directors also authorized the Debtor to file this Motion.

A. The Chief Executive Officer and Chief Restructuring Officer Positions

17. Mr. Seery has agreed to, among other things, provide daily leadership and direction to the Debtor's employees on business and restructuring matters relating to the Debtor's chapter 11 case. In that capacity, he will direct the Debtor's day-to-day ordinary course operations, oversee the Debtor's personnel, make management decisions with respect to the Debtor's trading operations, direct the Debtor's reorganization efforts, monetize the Debtor's assets, oversee the claims objection and resolution process, and lead the process toward the hopeful consensual confirmation of a plan in this chapter 11 case in the capacities as chief executive officer and chief restructuring officer positions. Mr. Seery would report directly to the New Board and would continue to serve as an Independent Director, as provided under the Settlement Order.

18. Mr. Seery has extensive management and restructuring experience. Mr. Seery recently served as a Senior Managing Director at Guggenheim Securities, LLC, where he was responsible for helping direct the development of a credit business. Prior to joining Guggenheim, Mr. Seery was the President and a senior investing partner of River Birch Capital, LLC, where he was responsible for originating, executing, and managing stressed and distressed credit investments. Mr. Seery is also a long-time attorney licensed to practice in New York who

⁵ The Committee has also agreed to Mr. Seery's appointment as chief executive officer and chief restructuring officer and to the amount of Mr. Seery's Base Compensation (as defined below). The Committee has not agreed, however, as to the amount and timing of the payment of the Restructuring Fee (defined below) and are continuing to discuss payment of the Restructuring Fee with the Compensation Committee.

has run corporate reorganization groups and numerous restructuring matters. He also served as a Commissioner of the American Bankruptcy Institute's Commission to Study the Reform of Chapter 11. Mr. Seery was also a Managing Director and the Global Head of Lehman Brothers' Fixed Income Loan business where he was responsible for managing the firm's investment grade and high yield loans business, including underwriting commitments, distribution, hedging, trading and sales (including CLO manager relationships), portfolio management and restructuring. From 2000 to 2004, Mr. Seery ran Lehman Brothers' restructuring and workout businesses with responsibility for the management of distressed corporate debt investments and was a key member of the small team that successfully sold Lehman Brothers to Barclays in 2008.

The Agreement

19. The Compensation Committee negotiated the Agreement with Mr. Seery at arm's length. The additional material economic terms of the Agreement are as follows:⁶

(a) Term: Commencing retroactively to March 15, 2020.

(b) Roles: Mr. Seery shall serve as the chief executive officer and chief restructuring officer of the Debtor and shall be responsible for the overall management of the business of the Debtor during its chapter 11 case, including: directing the Debtor's day-to-day ordinary course operations, overseeing the Debtor's personnel, making management decisions with respect to the Debtor's trading operations, directing the reorganization and restructuring of the Debtor, the monetization of the Debtor's assets, resolution of claims, the development and negotiation of a plan of reorganization or liquidation, and the implementation of such plan. Mr. Seery shall remain a full member of the New Board and shall be entitled to vote on matters other than on those in which he is conflicted. Mr. Seery shall devote as much time to the engagement as he determines is required to execute his responsibilities as chief executive officer and chief restructuring officer. Mr. Seery will have no specific on-site requirements in Dallas, Texas, but shall be

⁶ What follows is by way of summary only and is qualified in its entirety by reference to the Agreement, which controls. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Agreement.

on site as much as he determines is necessary to execute his responsibilities as chief executive officer and chief restructuring officer, consistent with applicable COVID-19 orders, protocols and advice.

(c) Compensation for Services: Mr. Seery's compensation under the Agreement shall consist of the following:

(1) Base Compensation: \$150,000 per month, which shall be due and payable at the start of each calendar month; plus

(2) Bonus Compensation; Restructuring Fee:

Subject to separate Bankruptcy Court approval, the Compensation Committee and Mr. Seery have reached agreement on the payment of a restructuring fee upon confirmation of either a Case Resolution Plan or a Monetization Vehicle Plan in each case as defined below (the "Restructuring Fee").⁷ The Committee has not yet agreed to the amount, composition, and timing of the Restructuring Fee. The Compensation Committee and Mr. Seery have agreed to defer Court consideration of the Restructuring Fee until further development in the Case. The Restructuring Fee agreed to by Mr. Seery and the Compensation Committee is as follows:

Case Resolution Restructuring Plan

On confirmation of any plan or reorganization or liquidation based on resolution of a material amount of the outstanding claims and their respective treatment, even if such plan includes (x) a debtor/creditor trust or similar monetization and claims resolution vehicle, (y) post-confirmation litigation of certain of the claims, and (z) post-confirmation monetization of debtor assets (a "Case Resolution Plan"):

\$1,000,000 on confirmation of the Case Resolution Plan;

\$500,000 on the effective date of the Case Resolution Plan; and

⁷ Although the Compensation Committee and Mr. Seery have agreed on the amount and timing of the Restructuring Fee, both the Compensation Committee and Mr. Seery understand that the Restructuring Fee is payable only upon order of this Court. The Compensation Committee is reserving the right to seek approval of the Restructuring Fee from this Court in connection with the confirmation hearing on a plan or as otherwise appropriate.

\$750,000 on completion of cash or property distributions to creditors as contemplated by the Case Resolution Plan.

Debtor/Creditor Monetization Vehicle Restructuring Fee:

On confirmation of any plan or reorganization or liquidation based on a debtor/creditor trust or similar asset monetization and claims resolution vehicle that does not include agreement among the debtor and creditors on a material amount of the outstanding claims and their respective treatment at confirmation (a “Monetization Vehicle Plan”):

\$500,000 on confirmation of the Monetization Vehicle Plan;

\$250,000 on the effective date of the Monetization Vehicle Plan; and

A contingent restructuring fee to be determined by the board or oversight committee installed to oversee the implementation of any Monetization Vehicle Plan based on the CEO/CRO (or acting as trustee) based upon performance under the plan after all material distributions under the Monetization Vehicle Plan are made.

(e) Participation in Employee Benefit Plans: Mr. Seery shall act as an independent professional contractor and shall not be an employee of the Debtor. Mr. Seery will pay for his own benefits and will not participate under the Debtor’s existing employee benefit plans.

(f) Expenses: Reimbursement of actual and reasonable out-of-pocket expenses in connection with the services provided under the Agreement. Expenses will be generally consistent with expenses incurred to date as a member of the New Board.

(g) Conflicts and Other Engagements. Mr. Seery is not aware of any potential conflicts of interest based on his understanding of the various parties involved in the Debtor’s chapter 11 case to date. Mr. Seery shall not be precluded from representing or working with or for any other person or entity in matters not directly related to the services being provided to the Debtor under the Agreement. Mr. Seery shall not undertake any engagements directly adverse to the Debtor during the term of his engagement.

(h) Termination. The Agreement may be terminated at any time by either the Debtor or by Mr. Seery upon two weeks advance written notice given to the other party. The termination of the Agreement shall not affect Mr. Seery's right to receive, and the Debtor's obligation to pay, any and all Base Compensation and Expenses incurred (even if not billed) prior to the giving of any termination notice; *provided however*, that (1) if the Agreement is terminated by Mr. Seery, the amount of Base Compensation owed shall be calculated based on the actual number of days worked during the applicable month and Mr. Seery will return any Base Compensation received in excess of such amount, and (2) if the Agreement is terminated by the Debtor, Base Compensation shall be deemed fully earned as of the first day of any month. Bonus Compensation shall be earned by Mr. Seery immediately upon his termination by the Debtor; *provided however*, Mr. Seery shall not be entitled to Bonus Compensation if: (A) the Debtor's chapter 11 case is converted to chapter 7 or dismissed; (B) a chapter 11 trustee is appointed in the Debtor's chapter 11 case; (C) Mr. Seery is terminated by the Debtor for Cause;⁸ or (D) Mr. Seery resigns prior to confirmation of a plan or court approval of a sale as described in the Fees and Expense/Compensation for Services section of the Agreement.

(j) Conditional Requirement to Seek Further Court Approval of Agreement. The Committee may, upon two weeks advance written notice to the Debtor, require the Debtor to file a motion with the Bankruptcy Court on normal notice seeking a continuation of the Agreement and if such motion is not filed, the Agreement will terminate at the expiration of such two week period. If the Debtor files such motion, Mr. Seery will be entitled to the Base Compensation through and including the date on which a final order is entered on such motion by this Court. Notwithstanding anything herein to the contrary, the Committee may not deliver such notice to the Debtor until a date which is more than ninety days following the date this Court enters an order approving the Agreement.

(j) Indemnification. the Debtor agrees (i) to indemnify and hold harmless Mr. Seery and any of his affiliates (the "Indemnified Party"), to the fullest extent lawful, from and against any and all

⁸ For purposes of the Agreement, "Cause" means any of the following grounds for termination of Mr. Seery's engagement, in each case as reasonably determined by the New Board within 60 days of the New Board becoming aware of the existence of the event or circumstance: (A) fraud, embezzlement, or any act of moral turpitude or willful misconduct on the part of Mr. Seery; (B) conviction of or the entry of a plea of *nolo contendere* by Mr. Seery for any felony; (C) the willful breach by Mr. Seery of any material term of the Agreement; or (D) the willful failure or refusal by Mr. Seery to perform his duties to the Debtor, which, if capable of being cured, is not cured on or before fifteen (15) days after Mr. Seery's receipt of written notice from the Debtor.

losses, claims, costs, damages or liabilities (or actions in respect thereof), joint or several, arising out of or related to the Agreement, Mr. Seery's engagement under the Agreement, or any actions taken or omitted to be taken by Mr. Seery or the Debtor in connection with the Agreement and (ii) to reimburse the Indemnified Party for all expenses (including, without limitation, the reasonable fees and expenses of counsel) as they are incurred in connection with investigating, preparing, pursuing, defending, settling or compromising any action, suit, dispute, inquiry, investigation or proceeding, pending or threatened, brought by or against any person (including, without limitation, any shareholder or derivative action, or any fee dispute), arising out of or relating to the Agreement, or such engagement, or actions. However, the Debtor shall not be liable under the foregoing indemnity and reimbursement agreement for any loss, claim, damage or liability which is finally judicially determined by a court of competent jurisdiction to have resulted primarily from the willful misconduct or gross negligence of the Indemnified Party.

The Debtor has agreed to extend the indemnification and insurance currently covering Mr. Seery's role as a director to fully cover Mr. Seery in his roles as chief executive officer and chief restructuring officer. The Debtor is currently working to extend such coverage.

Mr. Seery is also entitled to any indemnification or other similar provisions under the Debtor's existing or future insurance policies, including any policy tails obtained (or which may be obtained in the future), by the Debtor.

Relief Requested

20. By this Motion, the Debtor seeks the entry of the Proposed Order authorizing the Debtor to retain Mr. Seery pursuant to the terms of the Agreement, *nunc pro tunc* to March 15, 2020. The Motion also seeks to amend the Foreign Representative Order to appoint Mr. Seery as the Debtor's Foreign Representative, Bermuda Foreign Representative and Cayman Foreign Representative in the stead of Mr. Sharp.

21. The Debtor believes that the Debtor's retention of a chief executive officer and chief restructuring officer constitutes an act in the ordinary course of business, and

consequently, is permissible under Bankruptcy Code section 363(c) without Court approval. However, out of an abundance of caution, the Debtor seeks this Court's approval of the Agreement under Bankruptcy Code section 363(b).

Basis For Relief

B. The Debtor's Entry Into the Agreement is a Valid Exercise of the Debtor's Business Judgment and the Proposed Compensation is Appropriate Under the Circumstances and Within the Range of Similar Market Transactions

22. The Compensation Committee's decision for the Debtor to retain Mr. Seery pursuant to the terms of the Agreement should be approved pursuant to sections 363(b) and 105(a) of the Bankruptcy Code. Section 363(b)(1) of the Bankruptcy Code provides, in relevant part: "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). In addition, section 105(a) of the Bankruptcy Code provides that the Court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a).

23. The proposed use, sale, or lease of property of the estate may be approved under Bankruptcy Code section 363(b) if it is supported by sound business justification. *See In re Montgomery Ward*, 242 B.R. 147, 153 (D. Del. 1999) ("In determining whether to authorize the use, sale or lease of property of the estate under this section, courts require the debtor to show that a sound business purpose justifies such actions"). Although established in the context of a proposed sale, the "business judgment" standard has been applied in non-sale situations. *See, e.g., Inst. Creditors of Cont'l Air Lines v. Cont'l Air Lines (In re Cont'l Air Lines)*, 780 F.2d 1223, 1226 (5th Cir. 1986) (applying the "business judgment" standard in context of proposed

“use” of estate property). Moreover, pursuant to section 105, this Court has expansive equitable powers to fashion any order or decree which is in the interest of preserving or protecting the value of a debtor’s assets. 11 U.S.C. § 105(a).

24. It is well established that courts are unwilling to interfere with corporate decisions absent a showing of bad faith, self-interest, or gross negligence, and will uphold a board’s decisions as long as they are attributable to “any rational business purpose.” *Unocal Corp. v. Mesa Petroleum Co.*, 493 A.2d 946, 954 (Del. 1985) (citing *Sinclair Oil Corp. v. Levien*, 280 A.2d 717, 720 (Del. 1971)). Whether or not there are sufficient business reasons to justify the use of assets of the estate depends upon the facts and circumstances of each case. *See Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1071 (2d Cir. 1983). In this case, the Debtor has ample justification to retain Mr. Seery as the Debtor’s chief executive officer and chief restructuring officer pursuant to the Agreement. The Final Term Sheet expressly contemplated that the New Board could appoint a chief executive officer and that the chief executive officer could also be one of the Independent Directors. Because Mr. Seery will also be serving as chief restructuring officer, it is not necessary to have two separate ranking chief restructuring officers, especially considering that Mr. Sharp (the current chief restructuring officer) and his firm has agreed to continue to provide financial advisory services on behalf of the Debtor.⁹ Mr. Seery is well-qualified to serve as the Debtor’s chief executive officer and chief restructuring officer.

⁹ See Amended Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide Financial Advisory and Restructuring-Related Services, *Nunc Pro Tunc*, to March 15, 2020 filed concurrently herewith

25. The Compensation Committee negotiated the Agreement in good faith and at arm's length. The Compensation Committee also worked with the Debtor's compensation consultant, Mercer (US) Inc., to determine the appropriate compensation for Mr. Seery as chief executive officer and chief restructuring officer. The Compensation Committee, therefore, believes that the terms of the Agreement are reasonable, are consistent with the market within the Debtor's industry, and are entirely appropriate given the scope of Mr. Seery's duties. Accordingly, entry into the Agreement is a sound exercise of the Debtor's business judgment.

26. Finally, the Debtor requests that the Court apply the same criteria by which parties in interest must first petition the Court prior to asserting claims against the Independent Director approved in the Settlement Order be extended to Mr. Seery in his capacity as chief executive officer and chief restructuring officer contemplated by this Motion. *See* Settlement Order, ¶ 10. The rationale for the Court to first determine whether or not a colorable claim or cause of action can be maintained against the Mr. Seery, as one of the Independent Directors, is equally applicable to Mr. Seery in his capacity as chief executive officer and chief restructuring officer, will further aid in the implementation of the Settlement Order, and discourage frivolous litigation. As was true in the Settlement Order with respect to the Independent Directors, no parties will be prejudiced by having to first apply to this Court to determine the propriety of any hypothetical claim that may be asserted against Mr. Seery in his officer capacities of the Debtor.

C. The Debtor Has Satisfied Bankruptcy Code Section 503(c)(3)

27. Bankruptcy Code section 503(c)(3) provides that "transfers or obligations that are outside the ordinary course of business . . . including transfers made to . . . consultants

hired after the date of the filing of the petition” are not allowed if they are “not justified by the facts and circumstances of the case.” 11 U.S.C. § 503(c)(3). Courts generally use a form of the “business judgment” and the “facts and circumstances” standard. *See In re Pilgrim’s Pride Corp.*, 401 B.R. 229, 236-37 (Bankr. N.D. Tex. 2009) (citing *In re Dura Auto Sys., Inc.*, Case No. 06-11202 (Bankr. D. Del. June 29, 2007) and *In re Supplements LT, Inc.*, Case No. 08-10446 (KJC) (Bankr. D. Del. Apr. 14, 2008)). Specifically, the court examines first, whether the transaction meets the Debtor’s business judgment standard, and second, whether the facts and circumstances justify the transaction. *See In re Pilgrim’s Pride Corp.*, 401 B.R. at 237 (Bankr. N.D. Tex. 2009).

28. The Debtor submits that the proposed transaction is within the ordinary course of its business and thus that Bankruptcy Code section 503(c)(3) does not apply to the Agreement. Nevertheless, for the reasons stated above — the benefits from Mr. Seery’s leadership skills and industry experience — even if this were outside the ordinary course of business, entry into the Agreement is well within the Debtor’s business judgment as applied to the facts and circumstances of the Debtor. Further, the facts and circumstances of this case support entry into the relationship under the Agreement where the Debtor will benefit from the ability to retain Mr. Seery at a critical juncture to ongoing restructuring efforts.

29. For the reasons set forth above, the Debtor submits that the relief requested herein is in the best interest of the Debtor, its estate, creditors, stakeholders, and other parties in interest, and therefore, should be granted.

D. The Proposed Chief Executive Officer and Chief Restructuring Officer Should Also Serve as the Debtor's Foreign Representative

30. Bankruptcy Code section 1505 provides that:

A trustee or another entity (including an examiner) may be authorized by the court to act in a foreign country on behalf of an estate created under section 541. An entity authorized to act under this section may act in any way permitted by the applicable foreign law.

11 U.S.C. § 1505.

31. The Debtor respectfully submits that Mr. Seery is qualified and capable of representing the Debtor's estate as the Foreign Representative. The Debtor believes it is appropriate for Mr. Seery, as an officer of the Debtor, to replace Mr. Sharp as Foreign Representative inasmuch as Mr. Sharp will no longer be an officer of the Debtor if the Motion is granted. In order to avoid any possible confusion or doubt regarding this authority and to comply with the requirements of Part XVII of the Cayman Law, the Debtor seeks entry of an order, pursuant to section 1505 of the Bankruptcy Code, explicitly substituting Mr. Seery in the place of Mr. Sharp as the Debtor's Foreign Representative, including specifically to serve as the Bermuda Foreign Representative and Cayman Foreign Representative.

32. For the reasons set forth in the Foreign Representative Motion, authorizing Mr. Seery to act as the Foreign Representative on behalf of the Debtor's estate in Bermuda, the Cayman Islands or any other foreign proceeding will allow coordination of this chapter 11 case and each of the foreign proceedings and provide an effective mechanism to protect and maximize the value of the Debtor's assets and estate. Courts have routinely granted relief similar to that requested herein in other large chapter 11 cases where a debtor has foreign assets or operations requiring a recognition proceeding. *See, e.g., In re CJ Holding Co.*, No. 16-33590 (Bankr. S.D.

Tex. July 21, 2016); ECF No. 59; *In re CHC Group Ltd.*, No. 16-31854 (Bankr. N.D. Tex. Sept. 20, 2016), ECF No. 884; *In re Ultra Petroleum Corp.*, No. 16-32202 (Bankr. S.D. Tex. May 3, 2016); *In re Digital Domain Media Grp., Inc.*, No. 12-12568 (BLS) (Bankr. D. Del. Sept. 12, 2012); ECF No. 82; *In re Probe Resources US Ltd.*, No. 10-40395 (Bankr. S.D. Tex. Mar. 21, 2011); ECF N. 320; *In re Bigler LP*, No. 09-38188 (Bankr. S.D. Tex. Jan. 12, 2010), ECF No. 159; *In re Horsehead Holdings Corp.*, No. 16-10287 (CSS) (Bankr. D. Del. Feb. 4, 2016); *In re Colt Holding Co. LLC*, No. 15-11296 (LSS) (Bankr. D. Del. June 16, 2015). The Debtor believes it is appropriate for one of its officers to serve as the Foreign Representative. In several jurisdictions, an officer or someone acting in a similar capacity is a prerequisite to serve as a Foreign Representative.¹⁰ As more fully explained in the Foreign Representative Motion, the Debtor has assets in jurisdictions other than the United States, including in Bermuda and the Cayman Islands. To the extent any disputes with respect to such assets arise, it is critical that the Foreign Representative be permitted to appear on behalf of the Debtor and its estate in any court in which a foreign proceeding may be pending.

Notice

33. Notice of this Motion shall be given to the following parties or, in lieu thereof, to their counsel, if known: (a) the Office of the United States Trustee; (b) the Office of the United States Attorney for the Northern District of Texas; (c) the Debtor's principal secured

¹⁰ See e.g. Part XVII, Section 240 of the Companies Law (2018 Revision) of the Cayman Islands requiring that the foreign representative be "a trustee, liquidator or other official in respect of a debtor for the purposes of a foreign bankruptcy proceeding." In addition, and as more fully explained in the Foreign Representative Motion, Bermuda common law and conflict of laws principles will recognize the authority of a foreign insolvency officer appointed in proceedings in the jurisdiction of incorporation of a company (or, in the instant case, the jurisdiction of the establishment of a limited partnership) to act on behalf of and in the name of the company (or partnership) in Bermuda.

parties; (d)counsel to the Committee; and (e)parties requesting notice pursuant to Bankruptcy Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

Conclusion

WHEREFORE, the Debtor respectfully requests that the Court enter an order, substantially in the form annexed hereto as **Exhibit A**, granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: June 23, 2020

PACHULSKI STANG ZIEHL & JONES LLP
Jeffrey N. Pomerantz (CA Bar No.143717)
(admitted pro hac vice)
Ira D. Kharasch (CA Bar No. 109084)
(admitted pro hac vice)
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-and-

/s/ Zachery Z. Annable

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Dallas, Texas 75231

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Fax: (972) 755-7110

Counsel for the Debtor and Debtor-in-Possession

EXHIBIT A

Proposed Order

005382

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§	
	§	
HIGHLAND CAPITAL MANAGEMENT,	§	Case No. 19-34054
L.P.,	§	Chapter 11
	§	
Debtor.	§	Re: Docket No. _____
	§	

**ORDER APPROVING DEBTOR'S MOTION UNDER
BANKRUPTCY CODE SECTIONS 105(a) AND 363(b)
AUTHORIZING RETENTION OF JAMES P. SEERY, JR., AS
CHIEF EXECUTIVE OFFICER, CHIEF RESTRUCTURING OFFICER, AND
FOREIGN REPRESENTATIVE NUNC PRO TUNC TO MARCH 15, 2020**

Upon the *Debtor's Motion Under Bankruptcy Code Sections 105(a) and 363(b)* for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc To March 15, 2020 (the "Motion"),¹ and the Court finding that: (i) this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157

¹ All terms not otherwise defined herein shall be given the meanings ascribed to them in the Motion.

and 1334; (ii) venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iv) due and sufficient notice of the Motion has been given; (v) entry into the Agreement was an exercise of the Debtor's sound business judgment; and (vi) it appearing that the relief requested in the Motion is necessary and in the best interests of the Debtor's estate and creditors; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is granted.
2. Pursuant to sections 363(b) and 105(a) of the Bankruptcy Code, the Agreement attached hereto as Exhibit 1 and all terms and conditions thereof are approved, *nunc pro tunc* to March 15, 2020.
3. The Debtor is hereby authorized to enter into and perform under the Agreement.
4. The Debtor is authorized to indemnify Mr. Seery pursuant to the terms of the Agreement. Mr. Seery is also entitled to any indemnification or other similar provisions under the Debtor's existing or future insurance policies, including any policy tails obtained (or which may be obtained in the future), by the Debtor. The Debtor and Strand are authorized to enter into any agreements necessary to execute or implement the transactions described in this paragraph. For avoidance of doubt and notwithstanding anything to the contrary in this Order, Mr. Seery shall be entitled to any state law indemnity protections to which he may be entitled under applicable law.

5. No entity may commence or pursue a claim or cause of action of any kind against Mr. Seery relating in any way to his role as the chief executive officer and chief restructuring officer of the Debtor without the Bankruptcy Court (i) first determining after notice that such claim or cause of action represents a colorable claim of willful misconduct or gross negligence against Mr. Seery, and (ii) specifically authorizing such entity to bring such claim. The Bankruptcy Court shall have sole jurisdiction to adjudicate any such claim for which approval of the Court to commence or pursue has been granted.

6. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

7. This Court shall retain jurisdiction over any and all matters arising from or related to the interpretation and/or implementation of this Order.

8. The Foreign Representative Order is hereby amended to substitute James P. Seery, Jr., as the chief executive officer, in place of Bradley S. Sharp, as the Debtor's Foreign Representative, Bermuda Foreign Representative and Cayman Foreign Representative. All other provisions of the Foreign Representative Order shall remain in full force and effect.

END OF ORDER

EXHIBIT A-1

Engagement Agreement

795 Columbus Ave., 12A
New York, New York 10025
631-804-2049
jpseeryjr@gmail.com

June 23, 2020

CONFIDENTIAL

The Board of Directors of Strand Advisors, Inc.
c/o Highland Capital Management, L.P.
300 Crescent Court, Suite 700
Dallas, Texas 75201

Re: Highland Capital Management L.P. (the “Company”)

Dear Fellow Board Members:

This letter agreement (“Agreement”) sets forth the terms and conditions of the engagement of the undersigned James P. Seery, Jr. (“I”, “me” or “my”), as Chief Executive Officer (“CEO”) and Chief Restructuring Officer (“CRO”), effective as of March 15, 2020 (the “Commencement Date”), by the Company and its affiliates to perform financial advisory services as detailed below.

I appreciate the trust you have placed in me by asking me to assume these roles and thank you for the opportunity to continue to work with you to restructure the Company.

Roles:

I will serve as the CEO and CRO of the Company during its Chapter 11 bankruptcy case (the “Bankruptcy Case”) currently pending in the United States Bankruptcy Court for the Northern District of Texas (the “Bankruptcy Court”).

In those roles, I will be responsible for overall management of the business of the Company in Chapter 11 including, directing the reorganization and restructuring of the Company, monetization of assets, resolution of claims, development and negotiation of a plan of reorganization or liquidation, and implementation of such a plan.

My direct reports will include the individuals at the Company that currently report to the Board of Directors of Strand Advisors, Inc. (the “Board”) or such other individuals employed by the Company as I determine should report to directly to me. In the event that the Board determines to restructure the reporting lines or functions of the Company, my direct reports will be amended in accordance with the Board approved restructuring.

At all times, I will remain a full member of the Board entitled to vote on all matters other than those on which I am conflicted.

I will devote as much time to this engagement as I determine is required to execute my responsibilities as CEO and CRO. I will have no specific on-site requirements in Dallas, but will be on site as much as I determine is necessary to execute my responsibilities as CEO and CRO, consistent with Covid-19 orders applicable to Dallas and New York City.

Limitations on Services

My services under this engagement are limited to those specifically noted in this Agreement and do not include legal, accounting, or tax-related assistance or advisory services. For the avoidance of doubt, I am not providing any legal services in connection with this engagement and will have not any duties as a lawyer to the Company, the Board, or any of the Company's employees. The accuracy and completeness of all information submitted to me by the Company are the sole responsibility of the Company, and I will be entitled to rely on such information without independent investigation or verification.

In my role as CEO and CRO, I will act as an independent professional contractor to the Company and will not be an employee of the Company. I will provide and pay for my own benefits, including medical benefits, by J.P Seery & Co. LLC or otherwise.

Fees and Expenses:

In consideration of my acceptance of this engagement and performance of the services pursuant to this Agreement, the Company shall pay the following:

1. Compensation for Services:

- a. Base Compensation: As compensation for my services as CEO and CRO of the Company, the Company shall pay me \$150,000.00 per calendar month ("Base Compensation"). Base Compensation shall be due and payable at the start of each calendar month. Consistent with current Board compensation practice, invoices rendered by me to the Company are due and payable by the Company on receipt. Payment of the Base Compensation will be retroactive to March 15, 2020.
- b. Bonus Compensation/Restructuring Fee:
 - i. The Company has agreed to pay me a restructuring fee upon confirmation of either a Case Resolution Plan or a Monetization Vehicle Plan in each case as defined below (the "Restructuring Fee").
 - ii. Case Resolution Restructuring Plan
 1. On confirmation of any plan or reorganization or liquidation based on resolution of a material amount of the outstanding claims and their respective treatment, even if such plan includes (x) a debtor/creditor trust or similar monetization and claims resolution vehicle, (y) post-confirmation litigation of certain of the claims, and (z) post-confirmation monetization of debtor assets (a "Case Resolution Plan"):
 - a. \$1,000,000 on confirmation of the Case Resolution Plan;
 - b. \$500,000 on the effective date of the Case Resolution Plan; and
 - c. \$750,000 on completion of cash or property distributions to creditors as contemplated by the Case Resolution Plan.

iii. Debtor/Creditor Monetization Vehicle Restructuring Fee:

1. On confirmation of any plan or reorganization or liquidation based on a debtor/creditor trust or similar asset monetization and claims resolution vehicle that does not include agreement among the debtor and creditors on a material amount of the outstanding claims and their respective treatment at confirmation (a "Monetization Vehicle Plan"):
 - a. \$500,000 on confirmation of the Monetization Vehicle Plan;
 - b. \$250,000 on the effective date of the Monetization Vehicle Plan; and
 - c. A contingent restructuring fee to be determined by the board or oversight committee installed to oversee the implementation of any Monetization Vehicle Plan based on the CEO/CRO (or acting as trustee) based upon performance under the plan after all material distributions under the Monetization Vehicle Plan are made.
2. Out-of-Pocket Expenses: In addition to the Base and Bonus Compensation, I shall be entitled to reimbursement for actual and reasonable out-of-pocket expenses ("Expenses") incurred in connection with the provision of services hereunder. Expenses will be billed along with Base Compensation and shall be paid by the Company at the same time. Expenses will be generally consistent with expenses incurred to date as a member of the Board.

Bankruptcy Court Approval

Notwithstanding anything herein to the contrary, I understand that this Agreement is contingent, in all respects, on the approval of the Bankruptcy Court. I also understand that the Company will seek approval of this Agreement in stages and that the Company will first seek approval of my retention as CEO and CRO and the payment of the Base Compensation and will defer seeking Bankruptcy Court approval of the Restructuring Fee until there have been further developments in the Bankruptcy Case.

Conflicts and Other Engagements

I am not aware of any potential conflicts of interest based on my understanding of the various parties involved in this matter to date.

The Company is aware that this engagement is not an exclusive engagement of my time, and that I have and will continue to have other business engagements and investments unrelated to the Company. Nothing in this Agreement or otherwise precludes me from representing or working with or for any other person or entity in matters not directly related to the services being provided to the Company under this Agreement. However, I will not take on any engagements directly adverse to the Company during the term of this engagement.

Privilege

I understand that in the course of this engagement, I may become party to or my services may become part of work product of legal counsel to the Company (the Company's in-house and outside counsel are collectively referred to as "Counsel"), and all communications between Counsel and me relating to this engagement shall be protected from disclosure to third parties under the attorney work product doctrine and/or the attorney-client privilege, and, therefore, shall be treated by me as privileged and confidential. I further understand that the Company has the exclusive right to waive the attorney-client privilege, and Counsel has the exclusive right to waive the protections afforded under the attorney work-product doctrine.

Termination of Engagement

This Agreement may be terminated at any time by either the Company or by me upon two weeks advance written notice given to the other party. The termination of this Agreement shall not affect my right to receive, and the Company's obligation to pay, any and all Base Compensation and Expenses incurred (even if not billed) prior to the giving of the termination notice; provided, however, that (i) if this Agreement is terminated by me, the amount of Base Compensation owed shall be calculated based on the actual number of days worked during the applicable month and I will return any Base Compensation received in excess of such amount and (ii) if this Agreement is terminated by the Company, Base Compensation shall be deemed fully earned as of the first day of any month. Bonus Compensation shall be earned by me immediately upon termination of me by the Company; provided, however, I shall not be entitled to Bonus Compensation if (a) the Bankruptcy Case is converted to chapter 7 or dismissed; (b) a chapter 11 trustee is appointed in the Bankruptcy Case; (c) I am terminated by the Company for Cause; or (d) I resign prior to confirmation of a plan or court approval of a sale as described in the Fees and Expense/Compensation for Services section hereof. For purposes of this Agreement, "Cause" means any of the following grounds for termination of my engagement, in each case as reasonably determined by the Board within 60 days of the Board becoming aware of the existence of the event or circumstance: (A) fraud, embezzlement, or any act of moral turpitude or willful misconduct on my part; (B) conviction of or the entry of a plea of nolo contendere by me for any felony; (C) the willful breach by me of any material term of this Agreement; or (D) the willful failure or refusal by me to perform my duties to the Company, which, if capable of being cured, is not cured on or before fifteen (15) days after my receipt of written notice from the Company.

Conditional Requirement to Seek Further Bankruptcy Court Approval of Agreement

The official committee of unsecured creditors in the Bankruptcy Case (the "Committee") may, upon two weeks advance written notice to the Company, require the Company to file a motion with the Bankruptcy Court on normal notice seeking a continuation of this Agreement and if such motion is not filed, this Agreement will terminate at the expiration of such two week period. If the Company files such motion, I will be entitled to my Base Compensation through and including the date on which a final order is entered on such motion by the Bankruptcy Court. Notwithstanding anything herein to the contrary, the Committee may not deliver such notice to the Company until a date which is more than ninety days following the date the Bankruptcy Court enters an order approving this Agreement.

Indemnification

As a material part of the consideration to me under this Agreement, the Company agrees (i) to indemnify and hold harmless me and any of my affiliates (the “Indemnified Party”), to the fullest extent lawful, from and against any and all losses, claims, costs, damages or liabilities (or actions in respect thereof), joint or several, arising out of or related to this Agreement, my engagement under this Agreement, or any actions taken or omitted to be taken by me or the Company in connection with this Agreement and (ii) to reimburse the Indemnified Party for all expenses (including, without limitation, the reasonable fees and expenses of counsel) as they are incurred in connection with investigating, preparing, pursuing, defending, settling or compromising any action, suit, dispute, inquiry, investigation or proceeding, pending or threatened, brought by or against any person (including, without limitation, any shareholder or derivative action, or any fee dispute), arising out of or relating to this Agreement, or such engagement, or actions. However, the Company shall not be liable under the foregoing indemnity and reimbursement agreement for any loss, claim, damage or liability which is finally judicially determined by a court of competent jurisdiction to have resulted primarily from the willful misconduct or gross negligence of the Indemnified Party.

The indemnification and insurance currently covering my role as a director shall be extended to me and fully cover me as provided therein in my roles as CEO and CRO.

Miscellaneous

This Agreement (a) constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any other communications, understandings or agreements among the parties with respect to the subject matter hereof, and (b) may be modified, amended or supplemented only by written agreement among all the parties hereto.

This Agreement is subject to approval by the Bankruptcy Court. As part of such approval the Company shall request that any such order approving this Agreement contain a provision extending the protections afforded to me as a Board Member pursuant to Paragraph 10 of the Order Approving Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course entered by the Bankruptcy Court on January 9, 2020 [Docket No. 339] to my role as CEO and CRO, which Order prohibits the commencement of any action against me without first obtaining Bankruptcy Court approval to initiate such action.

This Agreement and all controversies arising from or related to performance hereunder shall be governed by and construed in accordance with the laws of the State of New York. The parties hereby submit to the jurisdiction of and venue in the federal and state courts located in New York City and waive any right to trial by jury in connection with any dispute related to this Agreement.

This Agreement shall be binding upon the parties and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement.

Failure of any party at any time to require performance of any provision of this Agreement shall not affect the right to require full performance thereof at any time thereafter, and the waiver by any party of a breach of such provisions shall not be taken as or held to be a waiver of any subsequent breach or as nullifying the effectiveness of such provision.

Notices provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective address set forth above in this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith.

This Agreement and my rights and duties hereunder shall not be assignable or delegable by me.

The Company may withhold from any amounts payable under this Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

This Agreement may be executed (including by electronic execution) in any number of counterparts, each of which when so executed shall be deemed an original, but all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by electronic mail shall have the same force and effect as the delivery of an original executed counterpart of this Agreement.

Please confirm the foregoing is in accordance with your understanding by signing and returning a copy of this Agreement, whereupon it shall become binding and enforceable in accordance with its terms.

Very truly yours,



James P. Seery, Jr.

AGREED AND ACCEPTED

HIGHLAND CAPITAL MANAGEMENT L.P.

By: Strand Advisors, Inc., its general partner

John Dubel
Director
Strand Advisors, Inc.

Russell Nelms
Director
Strand Advisors, Inc.

This Agreement shall be binding upon the parties and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement.

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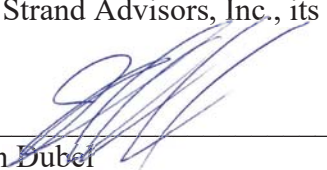
Very truly yours,

James. P. Seery, Jr.

AGREED AND ACCEPTED

HIGHLAND CAPITAL MANAGEMENT L.P.

By: Strand Advisors, Inc., its general partner



John Dubel
Director
Strand Advisors, Inc.

Russell Nelms
Director
Strand Advisors, Inc.

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Very truly yours,

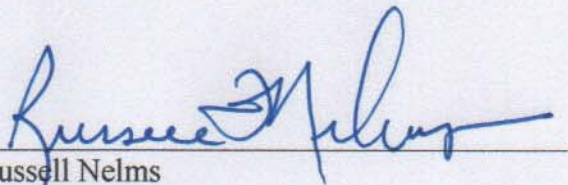
James. P. Seery, Jr.

AGREED AND ACCEPTED

HIGHLAND CAPITAL MANAGEMENT L.P.

By: Strand Advisors, Inc., its general partner

John Dubel
Director
Strand Advisors, Inc.



Russell Nelms
Director
Strand Advisors, Inc.

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

In Re:) **Case No. 19-34054-sgj11**
)
)
HIGHLAND CAPITAL) Dallas, Texas
MANAGEMENT, L.P.,) June 30, 2020
) 9:30 a.m. Docket
Debtor.)
) MOTION FOR REMITTANCE OF FUNDS
) HELD IN REGISTRY OF COURT
) FILED BY CLO HOLDCO, LTD.
) (590)
)

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE.

WEBEX/TELEPHONIC APPEARANCES:

For the Debtor: Jeffrey N. Pomerantz
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For the Debtor: John A. Morris
Greg Demo
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(212) 561-7700

For CLO Holdco, Ltd., John J. Kane
Movant: Brian W. Clark
KANE RUSSELL COLEMAN LOGAN, P.C.
901 Main Street, Suite 5200
Dallas, TX 75202
(214) 777-4261

For the Official Committee Matthew A. Clemente
of Unsecured Creditors: SIDLEY AUSTIN, LLP
One South Dearborn Street
Chicago, IL 60603
(312) 853-7539

1 APPEARANCES, cont'd.:

2 For the Debtor: Zachery Z. Annable
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5 Dallas, TX 75231
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6 For the Issuer Group: Amy K. Anderson
7 JONES WALKER, LLP
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9 For the Issuer Group: James T. Bentley
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11 919 Third Avenue
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12 For Acis Capital Rakhee V. Patel
13 Management GP, LLC: WINSTEAD, P.C.
2728 N. Harwood Street, Suite 500
14 Dallas, TX 75201
(214) 745-5250

15 For Redeemer Committee of Mark A. Platt
16 the Highland Crusader FROST BROWN TODD, LLC
Fund: 100 Crescent Court, Suite 350
Dallas, TX 75201
(214) 580-5852

17 For Redeemer Committee of Marc B. Hankin
18 the Highland Crusader JENNER & BLOCK, LLP
Fund: 919 Third Avenue
19 New York, NY 10022-3098
(212) 891-1600

20 Recorded by: Michael F. Edmond, Sr.
21 UNITED STATES BANKRUPTCY COURT
22 1100 Commerce Street, 12th Floor
Dallas, TX 75242
(214) 753-2062

24

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005396

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Proceedings recorded by electronic sound recording;
transcript produced by transcription service.

005397

1 DALLAS, TEXAS - JUNE 30, 2020 - 9:37 A.M.

2 THE CLERK: All rise.

3 THE COURT: Good morning. Please be seated. This is
4 Judge Jernigan, and I am ready to start our Highland setting.
5 Let me start by getting appearances. I see Mr. Kane there on
6 the video for our Movant this morning on for CLO Holdco. Is
7 that correct?

8 MR. KANE: Yes, Your Honor. Thank you.

9 THE COURT: Good morning. All right. Who do we have
10 for the Debtor? Do we have Mr. Pomerantz or others from the
11 Pachulski firm?

12 MR. POMERANTZ: Yes. Good morning, Your Honor. It's
13 Jeff Pomerantz and John Morris, and also on the phone is Greg
14 Demo, on behalf of the Debtors.

15 THE COURT: Okay. Thank you.

16 MR. MORRIS: Good morning, Your Honor.

17 THE COURT: Good morning to all of you. All right.
18 What about for the Unsecured Creditors' Committee? Do we have
19 Mr. Clemente or Ms. Reid or others?

20 MR. CLEMENTE: Yes. Good morning, Your Honor.
21 Matthew Clemente from Sidley Austin on behalf of the
22 Creditors' Committee.

23 THE COURT: Okay. Good morning.

24 MR. CLEMENTE: Good morning.

25 THE COURT: All right. I'll just say, do we have

1 some of our other usual participants, maybe someone from Acis,
2 Ms. Patel or Ms. Chiarello? No?

3 MR. ANNABLE: Your Honor, --

4 THE COURT: Oh.

5 MR. ANNABLE: -- this is Zachery Annable --

6 THE COURT: Oh.

7 MR. ANNABLE: Your Honor, --

8 THE COURT: Good morning.

9 MR. ANNABLE: -- this is Zachery Annable.

10 THE COURT: All right. Good morning, Mr. Annable,
11 also for the Debtor. Any other --

12 MS. ANDERSON: Oh, sorry.

13 THE COURT: Oh. Go ahead?

14 MS. ANDERSON: Yes. Sorry, Your Honor. I
15 (inaudible).

16 MS. PATEL: Good morning, Your Honor. Rakhee Patel
17 on the phone. I'm not planning on participating. We're just
18 listening in today.

19 THE COURT: All right. Any other counsel wishing to
20 appear this morning?

21 MS. ANDERSON: Good morning, Your Honor. Oh.

22 THE COURT: Go ahead.

23 (No response.)

24 THE COURT: Do we have -- is that maybe Ms. Anderson?

25 MS. ANDERSON: That was, Your Honor. I apologize.

1 This is Amy Anderson with Jones Walker on behalf of the
2 Issuers. And Mr. James Bentley with Schulte Roth & Zabel is
3 also on the phone this morning.

4 THE COURT: All right. Good morning to you both.
5 Any other people wishing to appear?

6 MR. PLATT: Your Honor, Mark Platt for the Redeemer
7 Committee of the Highland Crusader Fund. And Marc Hankin from
8 Jenner & Block is on the phone as well.

9 THE COURT: Okay. Good morning to you both.

10 MR. HANKIN: Good morning.

11 THE COURT: Anyone else?

12 MR. CLARK: Your Honor, this is Brian Clark from Kane
13 Russell. I'm here with Mr. Kane on behalf of CLO Holdco.

14 THE COURT: Okay. Good morning.

15 MR. CLARK: Good morning.

16 THE COURT: All right. Anyone else?

17 All right. Well, I'll start by asking: Do we have any
18 stipulations or agreements with regard to evidence or how
19 we're going to proceed this morning?

20 MR. KANE: Yes, Your Honor. This is John Kane for
21 CLO Holdco. We do.

22 THE COURT: All right.

23 MR. KANE: I would like to note on that question that
24 we've actually worked very well together. CLO Holdco has had
25 a pretty open discourse with Committee's counsel and got on

1 the phone yesterday to go through any final evidentiary
2 issues, and then had some follow-up late last night. And so
3 what we'd like to announce to the Court is that there's a
4 stipulation to the admissibility of all of the exhibits in
5 both parties' witness and exhibit list.

6 THE COURT: All right.

7 MR. KANE: And on top of that, there are a number of
8 factual stipulations. And I can walk through that on our kind
9 of case-in-chief presentation, or we can walk through that
10 now, either way, whichever is most convenient for the Court.

11 The actual stipulations are largely related to what is and
12 isn't a dispute in this hearing.

13 So, the Committee has stipulated that, for the purposes of
14 this hearing, there is no contest about the amount in
15 controversy. CLO Holdco is claiming that it is entitled to
16 the full amount of the funds in the registry, and there's
17 really no dispute about the amount that CLO Holdco is
18 asserting its interest in. There's no accounting concerns
19 here.

20 THE COURT: Okay.

21 MR. KANE: There is also a stipulation for the
22 purposes of this hearing that I do believe bears reading into
23 the record, and I'd like to do that on the case-in-chief, just
24 to make sure that everything is clear, we're not overstating
25 or understating any party's position.

1 THE COURT: Okay.

2 MR. KANE: But, in summary of that, there's really no
3 dispute that, upon CLO's obtaining the interests in the
4 Dynamic and AROF Funds, it did not, after obtaining them,
5 later transfer that interest to any other party.

6 THE COURT: Okay.

7 MR. KANE: And then, finally, Your Honor, this was
8 reached late last night: There is a stipulation between the
9 parties for the purposes of this hearing to a statement made
10 by the Debtor in a footnote that essentially states that there
11 was a transfer of a note from the Dugaboy Trust, it's a note
12 payable owed by the Dugaboy Trust, to the Get Good Trust, that
13 that \$24 million note was transferred to the Debtor, and that
14 the principal paid down on that note has reduced the
15 obligation from about \$24 million to about \$17.5 million in
16 principal obligations, and that the Dugaboy Investment Trust
17 has been paying amounts due and owing under that note to the
18 Debtor. We'll go into a little bit more detail about why
19 that's relevant in our case-in-chief and in our closing
20 argument.

21 THE COURT: All right.

22 MR. KANE: I think the way we'd like to proceed, Your
23 Honor, is each side provide an opening statement, and then
24 we'll transition to showing our case-in-chief and kind of a
25 walk-through of the evidence, and then a closing argument to

1 kind of draw things to a conclusion, Your Honor.

2 I will say that, given the stipulation reached last night
3 on the payments on the Dugaboy Trust, we do not believe that
4 the testimony of Mr. David Klos is going to be necessary any
5 longer.

6 THE COURT: All right. Let me recap a couple of
7 things. First, there was the stipulation as to the
8 admissibility of each other's exhibits. The Movant's
9 exhibits, your exhibits, Mr. Kane, were filed at Docket Entry
10 No. 782, so that's where I'm going to look today as exhibits
11 are referenced.

12 Now, I know there were some sealed documents in the list
13 of exhibits. I show Exhibits 11, 12, 13, 14, 15, and 16 are
14 actually under seal. All right.

15 MR. KANE: Yes, Your Honor.

16 THE COURT: So, then turning to the Creditors'
17 Committee, their exhibits are at Docket Entry No. 789 on
18 PACER. They have three exhibits.

19 So those are the exhibits for the record that we're
20 talking about, correct?

21 MR. KANE: Yes, Your Honor.

22 MR. CLEMENTE: That's correct, Your Honor.

23 THE COURT: Okay. Thank you.

24 And then the last thing I wanted to clarify is your
25 comment about there's no contest about the amount in

1 controversy. So, dollars and cents, are we talking about
2 \$1,516,354.38 related to the Dynamic Fund and then \$898,075.53
3 regarding the Argentina Fund?

4 MR. KANE: Yes, Your Honor.

5 THE COURT: Okay. Very good.

6 MR. KANE: John Kane for CLO. Yes, Your Honor.

7 THE COURT: Okay. Thank you. All right. Well, you
8 may make your opening statement.

9 MR. KANE: Thank you, Your Honor.

10 OPENING STATEMENT ON BEHALF OF CLO HOLDCO, LTD.

11 MR. KANE: So, I would like to begin with just making
12 sure that we have -- we've set the stage for this dispute as
13 well as I can here. I want to look at, Your Honor, the
14 requests for relief that are before this Court.

15 So, CLO has requested that this Court remit funds from its
16 registry. And there is no other (inaudible) request for leave
17 by any other party.

18 There is no adversary proceeding against CLO Holdco filed
19 by the Committee. There are no claims or causes of action of
20 any kind asserted by the Committee. There is no objection to
21 CLO Holdco's proof of claim on file. There is no motion for a
22 prejudgment writ of attachment, and there is no motion by the
23 Committee for an injunction. And we'd argue that that would
24 be procedurally improper anyway.

25 The only thing that the Committee has done is objected to

1 this Court's release of funds from the registry to CLO Holdco.

2 Your Honor, this is a -- this is a registry dispute. This
3 is a dispute under Title 28 of the United States Code, Section
4 2042. And under that statute, CLO Holdco has the burden of
5 proof here to show by a preponderance of evidence that it has
6 a valid legal claim to the funds in the registry of the Court.

7 So, how does it prove by a preponderance of the evidence
8 that it has that claim? Courts looking at this issue show
9 that CLO Holdco has to show that it has title to the funds, it
10 has to provide evidence of ownership, and it has to show proof
11 that that claim is current. In other words, it's not an
12 unliquidated claim, it's not a claim that's been transferred
13 to somebody else or that's possessed by some other party.

14 So, Your Honor, what is the evidence going to show in this
15 case? And as we walk you through our case-in-chief, we think
16 it's going to be very clear that the evidence will show that
17 CLO Holdco obtained an interest in what we are going to refer
18 to as the Dynamic and the AROF Funds. Those interests are
19 evidenced by executed subscription agreements. Once they were
20 in CLO Holdco's possession, those interests weren't
21 transferred to any other party.

22 The Dynamic and the AROF Funds were liquidated. The
23 Debtor accounted for CLO Holdco's interests in those funds.
24 The Debtor sought to distribute those funds to CLO Holdco.
25 There is no dispute over the amount of CLO Holdco's liquidated

1 interests in those funds. And now CLO Holdco is seeking a
2 request for the remittance of those funds from the registry of
3 the Court.

4 Your Honor, our evidence will completely establish that
5 CLO Holdco has a claim, a valid, legal claim well beyond the
6 preponderance of the evidence standard.

7 Your Honor, those, the facts, the evidence that proves up
8 each of those elements are not subject to any objection and
9 are not refuted.

10 Based on that evidence, Your Honor, the bigger question to
11 CLO Holdco is why are fighting in this contested matter? We
12 have to look to the Committee's objection here. What are they
13 really arguing?

14 The Committee's argument is essentially a guilt-by-
15 association argument. There's a suggestion in the Committee's
16 objections that James Dondero did bad things. CLO Holdco is
17 this related entity, and so it must have done bad things, too.
18 The Committee needs time to investigate potential claims and
19 causes of action, and because CLO Holdco is a Cayman entity,
20 any judgment that it might hypothetically obtain in the future
21 will be uncollectable unless these funds are seized and held
22 in the registry of the Court and used as a surety against that
23 later hypothetical judgment.

24 So, Your Honor, this is an evidentiary hearing, and what
25 we would ask the Court to do is scrutinize the evidence.

1 So, what is the Committee's evidence likely to show?

2 Well, there are only three exhibits submitted by the
3 Committee. One of them is the Acis opinion that you issued on
4 the involuntary file. The second is the Acis opinion you
5 issued confirming the plan of reorganization in that case.
6 And those two opinions combine for a grand total of two total
7 references to CLO Holdco. And the third exhibit proposed by
8 the Committee is a transcript of the March hearing on the
9 distribution motion, in which there really were no evidentiary
10 issues addressed associated with CLO Holdco at all.

11 So the better question becomes, Your Honor, what elements
12 is missing? And as we go through our case-in-chief, we'd ask
13 you to consider the following. The Committee will provide no
14 evidence that it pursued any discovery from CLO Holdco in the
15 ten weeks since CLO Holdco filed its motion for remittance of
16 funds from the registry. There were no follow-up questions
17 asserted by the Committee in response to CLO Holdco's
18 deposition by written questions and David Klos' responses to
19 those questions. The Committee did not subpoena any witness
20 to testify at this hearing, and they've presented no evidence
21 of wrongdoing by CLO Holdco. And finally, the Committee will
22 show that there is no evidence whatsoever regarding CLO's
23 ability to satisfy a money judgment, should the Committee
24 obtain that judgment in the future.

25 So, if we look at the scope of the evidence that's

1 presented by the parties in this case, we have CLO Holdco
2 presenting overwhelming evidence of a present valid legal
3 claim to the funds in the registry of the Court, and no
4 evidence submitted by the Committee to refute that fact, and
5 no claim for affirmative relief by the Committee or any
6 evidence that would be necessary to prove up any claim for
7 relief.

8 So, Your Honor, based on the evidence that you will hear
9 today, we ask that this Court deny the Committee's objection
10 and grant CLO Holdco's motion.

11 You will see that there is no evidence supporting any kind
12 of injunction or prejudgment writ of attachment, and that the
13 -- that CLO Holdco has satisfied its burden of proof by a
14 preponderance of the evidence to show ownership of the funds
15 in the registry that this Court holds as a statutory trustee
16 for its benefit.

17 Thank you.

18 THE COURT: All right. I am going to interject
19 something here. I'm glad that the March 4, 2020 transcript is
20 part of the evidence here, because I have to say -- I had
21 wanted to go back and look at that, and had not done it, and
22 this is why -- your words, Mr. Kane, were, Why are we fighting
23 this contested matter? I have to say, I had the same reaction
24 myself, but with a slightly different spin on it. I thought
25 this was a pragmatic solution that everyone agreed to on March

1 4th. I don't think CLO Holdco, Ltd., your client, made a
2 formal appearance at the hearing on March 4th, but I take it
3 you all got notice of the hearing.

4 Tell me why so quickly we're revisiting this issue.
5 That's the way I look at it. Maybe my perspective is not
6 accurate and you're going to tell me it's not accurate. But
7 it feels like to me we just were here on this issue with the
8 Debtor's own motion filed February 24, wanting a court order
9 blessing these disbursements to affiliated or potentially
10 insider parties who were due to receive these funds, and then
11 things just sort of evolved at the March 4th hearing where
12 everyone would agree that the money -- I guess at least the
13 money that was owed to your client, as well as Highland
14 Capital Management Services, Inc. -- would be kept in the
15 registry of the Court, just as a placeholder. Okay? So
16 that's the perspective I come in with. That is my memory of
17 what happened. Tell me why I'm not seeing it the way you're
18 seeing it.

19 MR. KANE: Yes, Your Honor. For the record, John
20 Kane for CLO Holdco. I'd be happy to address the Court's
21 question.

22 That motion was filed seeking relief on essentially an
23 expedited basis.

24 I'm sorry. I don't know if I cut out there. I had a
25 little glitch on my screen.

1 But that hearing sought relief, in essence, on an
2 expedited basis, and drew a vehement objection from both the
3 Committee and also the Acis parties, Mr. Terry and the like.

4 When we looked at that issue, we determined that there was
5 likely a reasonable solution. CLO Holdco's representative,
6 Grant Scott, had conversations with Judge Nelms, one of the
7 Independent Directors for the Debtor, discussing the
8 resolution of a -- of a proposal that would resolve some of
9 what we understood to be the Debtor's concerns about its
10 duties to distribute those funds.

11 It would not be a permanent solution. At least, that was
12 our understanding. Putting funds into the registry of the
13 Court would preserve the issue of CLO Holdco showing this
14 Court that it had a legal entitlement to those funds, as
15 opposed to proceeding with some dispute over the technical
16 merits of the Debtor's right or need legally to distribute
17 those funds to the parties.

18 So we felt like it was a reasonable remedy to satisfy the
19 Debtor's concerns and also to satisfy the Committee's
20 concerns. The Committee would have an opportunity to continue
21 discovery and to take discovery following the filing of that
22 motion, as we sought to prove to this Court that we have a
23 right to the funds, to dispel any concerns that the Court
24 might have.

25 And frankly, Your Honor, I think that there is some case

1 law out there that would suggest that you had a right to
2 deposit the funds in the registry of the Court. So we didn't
3 think that there was any issue whatsoever with depositing the
4 funds in the registry, understanding that that would allow us
5 an opportunity to prove to you at a later date that we had a
6 right to remove those funds from the registry.

7 And Your Honor, I'm happy to try and dig through it real
8 quick, but there's language in the transcript that talks about
9 the preservation of the rights of the parties whose funds
10 would be pled into the registry to then go seek the funds out
11 of the registry as part of that agreement. So that's exactly
12 what we're doing. The issue here for us, Your Honor, is that
13 we can establish our burden of proof that we have a right to
14 these funds.

15 I understand that the Committee had concerns. Right? I
16 mean, they're a little bit in the same position as the Debtor.
17 I understand, as a practitioner, why the Committee had reason
18 to want to scrutinize the transactions involving CLO Holdco as
19 a related entity. That doesn't mean that they have a
20 (inaudible) right to preclude those distributions, and that's
21 why we're here.

22 So we've now had ten weeks for the Committee to perform
23 discovery, to heavily scrutinize the nature of the
24 transactions involving CLO Holdco. Leading up to this
25 presentation to the Court of our evidence that we have a legal

1 and factual right to have these funds back out of the registry
2 under Title 28 of the U.S. Code, the Committee didn't do any
3 discovery at all on these issues. At least, not to CLO
4 Holdco.

5 So we believe that we're here trying to show the Court,
6 okay, we want to dispel the Court's concerns. The Committee
7 has had an opportunity to scrutinize these transactions. But
8 we'd like our money. There are operational needs and the
9 like. We would like to have our funds. And we believe that,
10 unequivocally, the funds that are in the registry of the Court
11 are CLO Holdco's. They're not subject to a claim of any other
12 party.

13 So that, Your Honor, is why we've submitted our motion
14 seeking a recovery of the funds from the registry.

15 THE COURT: All right. So, I think what I hear you
16 saying is that on March 4th you all were agreeable to this
17 money being put into the registry of the Court, but everyone
18 understood that you were, pretty promptly after March 4th,
19 going to file a motion to get an adjudication on why you
20 should get these funds. Is that what you're saying?

21 MR. KANE: What I'm saying, Your Honor, is, at the
22 time, we didn't have any problem with the funds being pled
23 into the registry of the Court, understanding that we had
24 reserved our right to later seek the funds from the registry.

25 THE COURT: Well, --

1 MR. KANE: I'm not sure --

2 THE COURT: -- again, I --

3 MR. KANE: I'm not sure what the commitment says.

4 THE COURT: Maybe I'm splitting hairs, but we were
5 here in March, and then April 15th you file the motion. And,
6 you know, I'm -- it just -- I guess I'm trying to understand.
7 You know, we were here to litigate this in March, and then
8 this, you know, kind of status quo agreement was reached. And
9 then a month later, about a month later, you're filing the
10 motion to tee up the issue all over again.

11 It's just -- it's not what I anticipated. Yes, I knew
12 everyone was reserving their rights, but it wasn't what I was
13 anticipating. You know, if I had known a month later that one
14 of the parties who was agreeing to this was going to be filing
15 a motion, I would have just said, you know, why don't we do
16 this today.

17 So, again, I'm asking: Am I just misremembering this?
18 Did everyone but me have a clear idea that, pretty promptly
19 after March 4th, you all were going to ask to come back on,
20 you know, a non-expedited basis for the Court to adjudicate
21 what was already teed up that day to be adjudicated?

22 MR. CLEMENTE: Your Honor, the --

23 MR. KANE: Your Honor, I can't speak to the other
24 parties' understanding.

25 THE COURT: Okay. Mr. Clemente was kind of raising

1 his hand to speak up.

2 MR. CLEMENTE: Yes.

3 THE COURT: Am I going down a trail here that I'm the
4 only --

5 MR. CLEMENTE: No.

6 THE COURT: -- I'm the only one --

7 MR. CLEMENTE: No, you're not.

8 THE COURT: Okay. Mr. Clemente?

9 MR. CLEMENTE: No. No, you're not, Your Honor. I
10 have a couple comments, and I have much more to say,
11 obviously. But just direct on what Your Honor said: Nothing
12 has changed since March 4th. I think that is fair to say.
13 And interestingly, in the initial motion, you know, this idea
14 of the 28 U.S. 2042 governing and it becoming a simple issue
15 of taking the time regarding amounts or ownership of the money
16 in the registry was not raised in the motion. So I found that
17 kind of interesting.

18 But I was before you, Your Honor. And you'll recall on
19 March 4th that -- that's absolutely not. I thought what we
20 were doing was merely preserving the status quo for some
21 period of time, which is what I believe Your Honor is
22 suggesting that she recalls as well.

23 It would have been, I think, a little counterintuitive for
24 us to have all been there, ready to do that litigation, and
25 then decide to put something in the registry, and then have

1 the argument that you can't look at the Bankruptcy Code to
2 determine whether the money should come out of the registry or
3 not, and then be back in front of you, you know, three or four
4 weeks later to relitigate any of those issues.

5 So that was absolutely my recollection and understanding,
6 Your Honor, and I think from your comments I intuit that it
7 was your understanding as well, that this was not something
8 that we were going to deal with again very quickly, but was
9 something to preserve the status quo, a reasonable solution,
10 an equitable solution under Section 105. And I believe that's
11 what Your Honor ordered.

12 THE COURT: All right. Well, I'll let you go ahead
13 and make your opening statement. I think Mr. Kane was
14 finished before I started asking my questions.

15 MR. CLEMENTE: Okay.

16 THE COURT: Mr. Clemente, you may proceed.

17 MR. CLEMENTE: Thank you, Your Honor. I appreciate
18 that. So, and I'll try and be brief on the opening.

19 OPENING STATEMENT ON BEHALF OF THE OFFICIAL COMMITTEE OF
20 UNSECURED CREDITORS

21 MR. CLEMENTE: Your Honor, like it or not, CLO Holdco
22 is not an independent, unrelated, third-party investor merely
23 seeking distributions on account of its own arm's-length
24 independent investments. Instead, CLO is a related party in
25 literally every sense of the word. That's not in dispute.

1 That is part of the Jim Dondero or Mr. Dondero web of
2 entities.

3 CLO Holdco is effectively controlled by Mr. Dondero. It
4 was seeded and received assets transferred from the Debtor,
5 including the assets giving rise to the distribution that's in
6 the registry. None of that is in dispute. All of this at a
7 time when Mr. Dondero controlled the Debtor as well as the
8 parties through the various intermediate transactions that
9 ultimately resulted in the assets arriving in CLO Holdco.
10 That is not in dispute.

11 Mr. Dondero's past fraudulent conduct, including
12 fraudulent transfers, is also not in dispute. He was on all
13 sides of this transaction. And therefore this transaction,
14 along with many of the others, must be viewed with skepticism
15 and scrutinized very closely by the Committee and by this
16 Court.

17 The Committee has only just begun such work, Your Honor.
18 And given the Byzantine empire created by Mr. Dondero, it will
19 take time and significant resources to fully and properly
20 conduct an investigation.

21 And Mr. Kane referred to, did we do discovery? We did
22 not. Our reaction to this motion was the same as Your Honor.
23 And as you can see by the stipulations that we have agreed to
24 for purposes of this hearing, we didn't want this to be a
25 situation where the estate would spend a tremendous amount of

1 resources to deal with something that we thought that was
2 dealt with on March 4th.

3 But aside from that, given the web that's been created
4 here, we can't just isolate one piece of it. We can't just be
5 like, I'm going to look at the CLO Holdco documents and be
6 able to develop a full theory. This is a tapestry of
7 interrelated entities that is opaque and vague and purposely
8 so. So you can't just focus on one piece and then try and
9 say, well, I know what this piece is, because that piece has
10 many interrelated complex ramifications and relationships
11 where, frankly, you can't just say, okay, let's focus on this
12 one issue, because you're going to miss the entire tapestry.

13 We still need to examine, as I mentioned, the whole thing,
14 and this takes time and it takes an investment. So while I
15 understand CLO Holdco wants to receive its distribution, I
16 also understand that my constituency wants to be paid, some of
17 whom have been waiting for over a decade.

18 To be clear, Your Honor, my constituency didn't choose to
19 be here in the bankruptcy. But CLO Holdco chose to associate
20 itself with Mr. Dondero and to take assets from Highland in
21 convoluted related-party transactions and reap the benefits of
22 those transactions. CLO Holdco can't now step away from that
23 and try and suggest to Your Honor that this is about taking
24 time under 28 U.S.C. 2042. That was never what it was about
25 on March 4th, and it's not what it's about today.

1 Instead, it's about the overall situation and why we find
2 ourselves here.

3 And Your Honor, I'm here to tell you, I think, and I
4 believe Your Honor would agree, that the Bankruptcy Code and
5 Section 105 and all the other provisions of the Code are alive
6 and well in this courtroom, despite the distribution being put
7 into the registry on March 4th.

8 You clearly found you had the authority under Section 105
9 to hold the funds, nothing has changed in the intervening
10 time, and therefore the funds should remain in the registry.

11 This is not a dispute under, you know, 28 U.S.C 2042 about
12 ownership, again, or where somebody pleads an amount in the
13 registry to let other people argue that they actually owned
14 the money. This was always about preserving the estate and
15 maintaining the status quo.

16 Such a result might be unfair if it was a different party,
17 but CLO is a related party controlled by Mr. Dondero. It's
18 not an unaffiliated party.

19 So, from our perspective, the motion should be denied,
20 Your Honor.

21 THE COURT: All right. Thank you.

22 I assume no one else has an opening statement because
23 there were no other pleadings filed regarding this motion.

24 All right. Mr. Kane, let's turn to your evidence.

25 MR. KANE: Thank you, Your Honor. I'll tell you

1 what. Just to make sure that we're hitting on the issue that
2 was out in front of this Court a moment ago, I'd like to start
3 by just directing the Court's attention to the Committee's
4 Exhibit 3 or Exhibit C, which is a transcript of that hearing
5 from March.

6 THE COURT: Okay.

7 MR. KANE: And Your Honor, Page 119, Lines 4 through
8 11, are your statements about what you were doing entering the
9 order. And you know, when the funds are being pled into the
10 registry of the Court, but I do think the Court has broad
11 equitable powers to remedy, to fashion remedies that preserve
12 the status quo. And I think it is appropriate here to order
13 that most of this money, that most of the \$8.6 million that
14 would go to related investors in these three Funds -- this is
15 the important part -- be put into the registry of the Court
16 pending further motions, orders, adversary proceedings anyone
17 wants to file to make a claim to that money.

18 So, Your Honor, that's what we did. We -- the rights were
19 reserved. CLO Holdco made a motion, filed its essentially
20 claim to the money that's in the registry of the Court.

21 So, Your Honor, I'd like now to just briefly walk through
22 the exhibits, because I think it's important to understand
23 exactly what CLO Holdco's claim to the funds really is.

24 So, Your Honor, first, I'd like to move for the admission
25 of CLO Holdco's Exhibits 1 through 16 and all subparts.

1 THE COURT: All right. Well, I understood earlier
2 there is a stipulation to the admissibility of these. So, for
3 the record, I am admitting CLO Exhibits 1 through 16 in their
4 entirety, and they appear at Docket Entry 782. All right?

5 MR. KANE: Thank you, Your Honor.

6 (CLO Holdco's Exhibits 1 through 16 are received into
7 evidence.)

8 MR. KANE: Your Honor, Exhibit 1A is the Highland
9 Capital Loan Fund, LP subscription agreement. Now, this
10 subscription agreement is in the amount of \$2,032,183.24 and
11 is dated December 28, 2016.

12 You'll notice that CLO Holdco obtains an interest in the
13 Highland Capital I Fund through a transfer in kind. Schedule
14 1 to Exhibit 1A shows the progression of this interest,
15 admittedly, from the Debtor to the Get Good Trust down through
16 a series of charitable entities, through the Charitable DAF,
17 to CLO Holdco.

18 Your Honor, Exhibit 1B, we've included just make sure
19 everybody's on the same page. The Highland Capital Loan Fund,
20 LP, in which H -- CLO had the subscription interest, had a
21 name change to essentially what we were referring to as the
22 Dynamic Fund. It was changed to Highland Dynamic Income Fund,
23 LP. So when there are references to the Highland Capital Loan
24 Fund subscription, it's really a reference to the subscription
25 in the Dynamic Fund.

1 Exhibit 1C is Highland Argentina Regional Opportunity Fund
2 Limited subscription documents. This is a \$2.5 million
3 subscription dated June 6, 2018, showing that CLO Holdco
4 obtained its \$2-1/2 million subscription in the AROF Fund by
5 payment.

6 Exhibit 1D is a NAV statement dated November 11, 2019
7 showing CLO Holdco's interest in the Dynamic Fund totaled
8 \$1.689 million and change.

9 Exhibit 1E is the NAV statement from December 31, 2019
10 from the AROF Fund showing that CLO Holdco's interests in that
11 fund were valued at \$918,905.82.

12 Exhibits 1F and 1G are the investment management
13 agreements for Dynamic and AROF. And then Exhibits 1H and 1I
14 are the Dynamic LP agreement and the AROF LP agreement.

15 We can skim over Exhibits -- well, actually, I'd like to
16 point to Exhibit 2 and note that there are no (inaudible)
17 related to any CLO Holdco wrongdoing in the Committee's (audio
18 gap) to the -- CLO Holdco's motion for remittance of funds
19 held in the registry of the Court.

20 Also, on Paragraph 10, the Committee acknowledges that, in
21 exchange for the transfer of the Dynamic interests, the Get
22 Good Trust transferred the Dugaboy Trust note of about \$24
23 million.

24 And in Paragraphs 17 and 18, the Committee acknowledges
25 that it had been pursuing discovery on CLO Holdco obtaining

1 interests in the Dynamic Fund since early February.

2 Your Honor, Exhibit 3 is CLO Holdco's reply to the
3 Committee. Exhibit 4 is the notice of hearing. Exhibit 5 is
4 the Debtor's February 4th -- or, 24th distribution motion.
5 And Your Honor, we have a stipulation between the Committee
6 and CLO Holdco for the sake of this hearing to the facts
7 included in Footnote 7.

8 So, in Footnote 7, the Debtor states, I'll read it into
9 the record for the Court:

10 The limited partnership interests in Dynamic held by
11 CLOH, CLO Holdco, were originally held by the Debtor.
12 The Debtor transferred those interests to the Get
13 Good Nonexempt Trust, defined as Get Good, on
14 December 28, 2016, in exchange for 97.6835 percent of
15 Get Good's interest in a promissory note in the
16 original principal amount of approximately \$24
17 million issued by the Dugaboy Investment Trust. Get
18 Good subsequently transferred its interests in
19 Dynamic to Highland Dallas Foundation, which
20 transferred those interests to CLO Holdco. The
21 Dugaboy Investment Trust has been paying amounts due
22 and owing under the \$24 million note, and the current
23 principal amount is approximately \$17.5 million.

24 Your Honor, that's an important fact, and I'll get to that
25 in just a moment. But one of the reasons why that's an

1 important fact is the Dugaboy Investment Trust note is
2 actually (audio gap) note with a balloon payment due at
3 maturity. So, paydown of the principal means that the Dugaboy
4 Trust is actually paying Highland Dallas Foundation principal
5 payments on that note, despite not having a strict contractual
6 obligation to do so until the maturity date, which expires in
7 another 16 years. So it's been paying principal that it
8 doesn't have to pay, and interest on the note, which was
9 exchanged for the Dynamic and other interests transferred to
10 the Get Good Trust.

11 Your Honor, the next exhibit is Exhibit 6. This is the
12 Committee objection to the distribution motion. We'd also
13 note that there is no reference to any bad acts by the
14 Committee alleged against CLO Holdco other than simply having
15 a relationship with James Dondero and the fact that its
16 investments were managed by Highland. And that's included in
17 Paragraph 11 of that pleading.

18 7 is the Debtor's reply to the Committee's objection.

19 8 is the Debtor's responses to CLO Holdco's deposition by
20 written question. Your Honor, this has been stipulated as
21 admissible in full by the Committee. And we think that this
22 is important because, starting on Page 7 of this exhibit,
23 David Klos, the chief accountant -- or, the chief accounting
24 officer of Highland Capital Management, LP, the Debtor, walks
25 through the Debtor's means for determining ownership, the

1 accounting for interests, the liquidation of Funds, and
2 determining amounts due from the proceeds of those Funds to
3 CLO Holdco for both the Dynamic and the AROF Funds.

4 So, again, Your Honor, the Committee is not stipulating
5 that the Debtor has appropriately performed this function and
6 that the amounts that are purportedly due from the Debtor's
7 liquidation of these Funds to the Committee is accurate.

8 Number 9, Your Honor, is a stipulation regarding CLO
9 Holdco's lack of a transfer of any interests in Dynamic and
10 the AROF Funds.

11 I noted for Your Honor at the beginning of my open that
12 this was a stipulation I really did want to read into the
13 record. I want to be fair to the Committee, and there are
14 some limitations on this stipulation. So what I'd like to do
15 is read this, then. This is an email statement from Allison
16 Stromberg of Sidley on behalf of the Committee. And Mr.
17 Clemente is cc'd on this email dated June 22, 2020: "With a
18 few edits, we can agree to the stipulation for the purposes of
19 the June 30 hearing." And this is the edited version that Ms.
20 Stromberg proposed:

21 "The Committee and CLO stipulate to the following,
22 solely for the purposes of this hearing. Grant Scott
23 represented to the Committee that CLO Holdco, Ltd.
24 did not, after obtaining the disputed interests in
25 the entities commonly referred to as the Dynamic and

1 the AROF Funds, transfer those interests to any other
2 party. The Committee, solely for the purposes of
3 this hearing, does not contest that assertion and
4 stipulates to that fact. This stipulation shall not
5 be binding on the Committee in any future proceedings
6 and shall not have any preclusive effect against the
7 Committee in any future disputes, contested matters,
8 adversary proceedings, or other legal matters between
9 the Committee and CLO or any other party. Further,
10 this stipulation shall not in any way preclude or
11 limit the Committee from asserting claims or causes
12 of action against CLO in the future, including but
13 not limited to claims challenging the validity of
14 CLO's disputed interest and/or transactions through
15 which CLO Holdco obtained such disputed interests or
16 claims to avoid and recover such disputed interests
17 in the Dynamic and AROF Funds or their proceeds."

18 Your Honor, for the sake of this hearing, no dispute that
19 when CLO obtained those interests, it didn't transfer them to
20 any other party.

21 Exhibit 10 includes another stipulation between
22 Committee's counsel and CLO Holdco's counsel. And this
23 relates to some of the exhibits that are already in the
24 record. And for that, Your Honor, we can skim over this.

25 When the motion was initially filed, we had a signature

1 page issue on one of the exhibits and a metadata strip on
2 another exhibit that we corrected. We provided the corrected
3 exhibits to the Committee. The corrected exhibits were
4 included with this motion. And it's noted in our witness and
5 exhibit list which corrected exhibits those are. They'll be
6 1A and 1C.

7 Exhibit 11, Your Honor, is an important exhibit for us.
8 And we would direct the Court's attention to Page 3 of this
9 exhibit. So, on Page 3, there is a list of debits and credits
10 associated with the Highland Argentina Regional Opportunity
11 Fund statement of accounts -- essentially, a bank statement
12 from June 6, 2018 to June 30, 2018.

13 You'll note, Your Honor, that there is an incoming source,
14 an incoming wire transfer from CLO Holdco, Ltd., which
15 credited the AROF account by \$2.5 million. That's the date of
16 this subscription agreement, Your Honor, and it's consistent
17 with the subscription agreement statement that shows that CLO
18 Holdco obtained a subscription in the AROF Fund by a wire
19 transfer. So it's not a transfer from Highland of the
20 interests like it was with the Dynamic Fund.

21 Exhibit 12, Your Honor, is a purchase and sale agreement.
22 Now, this is an exchange between the Get Good Trust and the
23 Debtor. It's dated December 28, 2016. And I'll talk about
24 this a little bit in our closing argument, but I did want to
25 just have a brief walk through this. Under this purchase and

1 sale agreement, there is an exchange. This is not a one-sided
2 agreement that denudes the Debtor of assets without anything
3 in return. This exhibits shows that the Debtor receives the
4 Get Good interests in the Dugaboy note, which was
5 approximately a \$24 million note. In exchange, Get Good
6 received about \$23 million worth of various interests. It
7 received a \$2.032 million interest in the Highland Loan Fund.
8 And Your Honor, if you'll recall, that's the Dynamic Fund. It
9 received certain American Airlines call options that had a
10 fair market value at the time of about \$8.7 million. And then
11 it received various participation interests in Highland's
12 interests in the Crusader Funds, which had a fair market value
13 at the time of about \$12.6 million.

14 Now, Exhibit A, which is internally attached to Exhibit
15 12, is a copy of the Dugaboy note. And that, Your Honor,
16 shows that this was an interest-only note, about 2.75 percent
17 interest, with the principal due on a 20-year term. So,
18 annual interest payments, principal due at a later date, and
19 there was no prepayment penalty on principal. So, Your Honor,
20 you've seen that the principal was paid down at least about
21 \$6-1/2 million, in addition to other interest payments made
22 under the terms of that note. So the Debtor did receive
23 consideration in exchange.

24 Exhibit 13 is an amendment to that purchase and sale
25 agreement. And we included this as what we call a full

1 disclosure agreement. There is an adjustment to the deal
2 terms in which the call options are revoked, and instead of
3 the Get Good Trust receiving the call options in the American
4 Airlines stock, it received participation interests. There's
5 no adjustment to the Dugaboy note, and there's no adjustment
6 to the Crusader interests that were transferred.

7 Your Honor, Exhibit 14, this is also just a full
8 disclosure exhibit. This shows that the Get Good Trust was
9 identifying as a trust beneficiary the Highland Dallas
10 Foundation, to make, in essence, the charitable donation that
11 would then be pushed down to the Charitable DAF and then
12 invested by CLO Holdco.

13 Exhibit 15 is the Dynamic Fund side letter exhibit dated
14 January 10, 2017. And this really is included to show, in the
15 last "Whereas," Your Honor, the series of transfers from the
16 Debtor to the Get Good Trust down to CLO Holdco and how CLO
17 Holdco came to acquire the interests in the Dynamic Fund.

18 And finally, Your Honor, is Exhibit 16. We think this is
19 an important exhibit for a number of reasons. First, the
20 Debtor disclosed in correspondence with CLO Holdco and the
21 Committee that this exhibit was produced in November of 2019
22 by the Debtor to the Committee. I notice that the Bates stamp
23 was a significantly lower number than the rest of the exhibits
24 we received in our discovery request.

25 But this document shows a number of important facts. If

1 you look at Page 2, Your Honor, this shows that the
2 consolidated balance sheet for Highland Capital Management, LP
3 showed a net -- a positive net worth at the time of about \$418
4 million. And if you look at it on a cash flow basis, the
5 consolidated income statement for year-end dated December 31,
6 2016 shows about \$39,356,000 of net income in 2016
7 attributable to Highland Capital Management, LP.

8 And then if you turn the Page 33, Your Honor, there is a
9 heading called Investment Liability. And the bottom paragraph
10 on -- over on Page 33 of Exhibit 16 shows that, in this
11 audited financial statement, PricewaterhouseCoopers had
12 analyzed this transfer transaction. It states:

13 "On December 28, 2016, the Partnership" -- that's
14 Highland Capital Management, LP, the Debtor --
15 "entered into a purchase and sale agreement with the
16 Get Good Nonexempt Trust. In consideration for a
17 note receivable from an affiliate, the Partnership
18 sold or participated in certain investments that it
19 already held, with the participated investments
20 carrying an aggregate market value of \$21.3 million
21 as of the date of the transaction. The fair value of
22 the agreement will fluctuate with the fair value of
23 the securities throughout the term. As of December
24 31, 2016" -- that was three days later -- "the
25 participated investment value had reduced from \$21.83

1 to \$18.7 million."

2 Again, Your Honor, this is in exchange for a \$24 million
3 note that it's been paying.

4 So, Your Honor, given the stipulation of the Debtor, we no
5 longer need to call David Klos, so what we would propose to do
6 at this time is close our case-in-chief and allow Mr. Clemente
7 to go forward with (audio gap).

8 THE COURT: All right. Mr. Clemente, you may proceed
9 with your evidence.

10 MR. CLEMENTE: Thank you, Your Honor. Just a couple
11 of things to note (indecipherable) into argument, though I
12 would point Your Honor to the Committee's -- so, first of all,
13 I'd move for the formal admission of the Committee's exhibits
14 for purposes of this hearing, Exhibits 1 through 3, which are
15 the two Acis opinions and the transcript from the March 4th
16 hearing. Again, it's subject to the stipulation Mr. Kane
17 referenced earlier.

18 THE COURT: All right. Committee Exhibits 1 through
19 3 are admitted by stipulation, and they appear on the docket
20 at Docket Entry No. 789.

21 (Unsecured Creditors' Committee's Exhibits 1 through 3 are
22 received into evidence.)

23 MR. CLEMENTE: Thank you, Your Honor. And I'd like
24 to point Your Honor to Page 43 of Exhibit 3, which is the
25 transcript from the March 4th hearing, and read into the

1 record a statement by Mr. Lynn which says, "We'd like to
2 suggest the following, should the Court determine" --

3 THE COURT: Okay. Tell me --

4 MR. CLEMENTE: Yes?

5 THE COURT: I didn't hear what page again?

6 MR. CLEMENTE: Oh, I'm sorry, Your Honor. It's Page
7 43, starting at Line 14.

8 THE COURT: Okay.

9 MR. CLEMENTE: And Mr. Lynn states, "We'd like to
10 suggest the following, should the Court determine that the
11 motion be denied, and that is that instead of the Debtor
12 retaining the funds, that the Debtor distribute the funds into
13 the registry of the Court. That way, they" -- meaning the
14 Debtor, Your Honor -- "lose control over the funds and they
15 can say they distributed them in accordance with their
16 agreements and applicable law."

17 So, the point, again, Your Honor, from the hearing was to
18 simply preserve the status quo yet ensure that the funds would
19 be safeguarded by depositing them within the registry of the
20 Court.

21 Additionally, Your Honor -- and Your Honor may be
22 scratching her head as to why the Committee stipulated to all
23 of this. It's not about taking in kind and filing three
24 documents. That was never the issue at the March 4th hearing.
25 Frankly, that's not the issue today. The March 4th hearing

1 wasn't about ownership of the Funds, which is what the
2 exhibits Mr. Kane just walked through purports to show. The
3 March 4th hearing was about the web and the circumstances
4 surrounding the case and the circumstances surrounding CLO
5 Holdco.

6 What Mr. Kane's exhibits don't refute is the fact that all
7 of the interests that CLO Holdco has on which it's here today
8 and funds were deposited into the registry on account of came
9 from the Debtor. What Mr. Kane's factual record does not
10 dispute is that, at that time, the Debtor was controlled by
11 Mr. Dondero. And the Dugaboy Trust and the Get Good Trust
12 were at various times controlled by Mr. Dondero, Mr. Scott,
13 and Nancy Dondero, Mr. Dondero's sister.

14 So, again, Your Honor, it isn't about walking through
15 account statements. It's about the context in totality.

16 Finally, Your Honor, and I believe the exhibits Mr. Kane
17 referred to, including Exhibit 12, they make clear, and I
18 think Mr. Kane admits that, that these interests did come from
19 the Debtor.

20 Finally, Your Honor, the other factual point I would like
21 to make refers to Mr. Kane's Exhibit 16, which he finished up
22 with. These are the consolidated financial statements of
23 Highland Capital Management. I find it all very interesting
24 what the book values of assets and liabilities are, but I do
25 not believe that there's any reference in these financial

1 statements to contingent liabilities or litigation claims,
2 including claims with respect to Redeemer or potential claims
3 with respect to UBS.

4 So, Your Honor, I would just suggest that this exhibit,
5 although for purposes of the stipulation we agree with what
6 the numbers, you know, that the numbers say what they are,
7 it's entirely replete -- and I think Your Honor would know, of
8 course, that any analysis of fraudulent transfer would have to
9 take into a reasonable estimate of contingent liabilities.

10 So that's the only other point I would like to make from
11 the factual background, Your Honor. Unless you have any
12 questions for me, I'll just reserve the rest for argument.

13 THE COURT: All right. I have no other questions at
14 this time for you.

15 All right. Shall we go to closing arguments, then?

16 MR. KANE: Yes, Your Honor. This is John Kane for
17 CLO Holdco. I did want to make one important clarification,
18 because it was about a characterization of the exhibits that
19 were presented by CLO Holdco.

20 Mr. Clemente stated that we had no -- or, that the
21 evidence that I've presented indisputably showed that all of
22 the interests have been liquidated, so the funds that we're
23 seeking here today came from the Debtor. And what our Exhibit
24 11 shows is that CLO Holdco used its cash that it wired to the
25 AROF Fund to obtain its interests in AROF.

1 That was not a transfer by the Debtor. There is no
2 evidence suggesting whatsoever that that flowed down from a
3 Highland interest to CLO Holdco. That was a cash acquisition
4 by CLO Holdco to AROF for its subscription interest in the
5 Argentina Fund.

6 THE COURT: All right. Well, Mr. Clemente, let me
7 follow up on that. Are you going back to 2011, and is that
8 what you were referring to, that all of CLO Holdco's original
9 seed money -- I guess it was a couple of levels up from CLO
10 Holdco -- originated from Highland?

11 MR. CLEMENTE: That's correct, Your Honor. And
12 that's what Your Honor writes in the Acis opinions, --

13 THE COURT: Uh-huh.

14 MR. CLEMENTE: -- that ultimately the DAF and the CLO
15 Holdco were seeded by the Debtor. That's our position, that
16 all of the assets that ultimately were used to seed the DAF
17 came from the Debtor, and then obviously Mr. Kane's exhibits
18 demonstrate that the particular interests with respect to
19 Dynamic came from the Debtor.

20 THE COURT: All right. Mr. Kane, any comment about
21 that?

22 MR. KANE: Yes, Your Honor. And this is -- we're
23 back in an evidentiary hearing. So whether or not there were
24 seed funds that were contributed by Dondero or related trusts,
25 that I think this Court has found that was the case in the

1 past, but that does not mean that there were not other viable
2 investments, personal funding by Dondero individually,
3 deposits by Mark Okada individually or other third parties
4 through Dallas Foundation, that there were not legitimate
5 funds, legitimate means of generating revenue by CLO Holdco
6 that allowed it to reinvest money.

7 And this is -- there's an inference made, Your Honor, by
8 the Committee that because there was an initial seed of this
9 CLO Holdco entity by Jim Dondero and various trusts, whether
10 through Highland or other entities, that all of the funds that
11 it forever uses are somehow inherently tied to Highland.
12 We're talking about 2011, transitioning to 2018 for a cash
13 investment made. I think that is a huge stretch.

14 I think it's important to know that there is zero evidence
15 presented by the Committee to substantiate the statement that
16 this \$2.5 million somehow arose from Highland Capital
17 Management, LP.

18 THE COURT: Okay. All right. Well, proceed with
19 your closing argument, please.

20 MR. KANE: Yes, thank you, Your Honor.

21 CLOSING STATEMENT ON BEHALF OF CLO HOLDCO, LTD.

22 MR. KANE: So, I do want to go back a little bit to
23 what you had previously stated about the March hearing. So,
24 we acknowledge that the Court has a right to submit funds into
25 the registry of the Court in a contested matter under rare

1 circumstances under Rule 67 and *In re Kim*. But it is our
2 position that once funds are pled into the registry of the
3 Court, there is a material shift in how those funds are
4 treated and what the Court can really do to adjudicate matters
5 involving those funds.

6 So, there are zero Bankruptcy Code references that relate
7 to a Chapter 11 dispute and Bankruptcy Code statutes that
8 address the registry of the Court. The only Bankruptcy Code
9 statute in the entirety of the Bankruptcy Code that references
10 the registry of the Court or proceeding under 28 U.S.C. 2041
11 and 2042 is Section 347(a) of the Bankruptcy Code, which
12 applies to unclaimed funds only in Chapter 7, 12, and 13
13 cases.

14 So, Your Honor, we're looking at a situation here where
15 funds are in the registry of the Court. And once funds are in
16 the registry of the Court, under 28 U.S.C. 2041, the Court
17 holds money as a statutory trustee for the rightful owners.

18 That's an issue that's been addressed by most circuits,
19 Your Honor. And as noted by the First Circuit, the funds that
20 are deposited in the registry of the Court are not at the
21 disposal of the judge but held in trust for the rightful
22 owner. That's the *Alstom Caribe* case from the First Circuit
23 in 2007.

24 The Fifth Circuit has addressed this issue on a number of
25 occasions, and noted that once funds are deposited into the

1 Court's registry, the Court should determine ownership and
2 make disbursements. It's not suggesting a long hold. That's
3 from *Craig's Stores*, a Fifth Circuit decision in 2005.

4 Your Honor, CLO Holdco acknowledges that the Fifth
5 Circuit's decision in *U.S. v. Cochran* and 28 U.S.C. 2042 place
6 the burden of proof of ownership squarely on the party seeking
7 funds from the registry of the Court. And so here, as shown
8 in *Craig's Stores* and *U.S. v. Beach*, which is an Eleventh
9 Circuit decision, CLO Holdco has to prove ownership by a
10 preponderance of the evidence. On that showing, the Fifth
11 Circuit noted in *Cochran* that a court needs to remit the funds
12 to the party that satisfied its burden of proof.

13 So, how do I satisfy my burden of proof? I have to show
14 that -- I have to show that I have title to those funds or
15 that CLO Holdco has title to those funds.

16 Your Honor, a lot of courts have addressed what title
17 means in a 28 U.S.C. 2042 dispute. And proving title means
18 demonstrating a present right to the funds. A present right
19 is a right that is not hypothetical, it's not unliquidated,
20 and it isn't presently possessed by some other party.

21 So, applying the evidence here, there is overwhelming
22 evidence that CLO Holdco has a present right to these funds.
23 The Dynamic subscription proves that CLO Holdco had an
24 interest in the Dynamic Fund. The AROF subscription proved
25 that CLO Holdco had an interest in the AROF Fund. We provided

1 proof to the Court of either how those interests were
2 transferred to CLO Holdco or how they were acquired by cash
3 payment by CLO Holdco. The Committee has stipulated that,
4 once obtained, CLO Holdco did not transfer those interests to
5 any other party. So, Your Honor, that hits the no other party
6 presently possessing title.

7 We can show Your Honor through Mr. Klos' testimony and
8 testimony previously presented to the Court that the Debtor
9 liquidated all of the parties that had an interest in the
10 Dynamic and AROF Funds interests. Those Funds are done.

11 Mr. Klos' testimony and his deposition by written
12 questions shows that the Debtor calculated the pro rata
13 interest due to CLO Holdco, and the Committee has stipulated
14 to those amounts. They're not in dispute.

15 So, Your Honor, frankly, I'm not entirely sure what else
16 CLO Holdco would need to show to concretely establish that it
17 has a present valid legal claim to the interests in the
18 registry of the Court. It's satisfied every element of its
19 claim to the funds.

20 And right there, under a 28 U.S.C. 2402 dispute, that
21 should end the discussion about whether we're entitled to
22 remittance of the funds from the registry amount. We have a
23 proven, current, valid legal title hold. And that's all
24 that's required for relief under Fifth Circuit case law,
25 Fourth Circuit case law, Eleventh Circuit case law addressing

1 these registry motions.

2 Your Honor, we understand that the Committee is arguing
3 that the funds should just sit in the registry of the Court.
4 We'd like to reiterate, we think it's very important that the
5 Committee has not asserted any form of affirmative relief in
6 this Court. There is no adversary proceeding. There is no
7 motion for some kind of prejudgment writ of attachment or
8 anything like that. This is a defensive play by the
9 Committee. It is an -- it is solely an objection to CLO
10 Holdco's position. That objection wants to maintain the
11 status quo. That's it.

12 So, what is maintaining the status quo? Well, if we're
13 going to address the Committee's objection, we need to look at
14 *Rosen v. Cascade*, which is an Eleventh Circuit case that says,
15 when a party issues this type of objection, or even a motion
16 for (audio gap) relief, you need to look at the actual nature
17 of the relief sought by the party, not necessarily just the
18 description of the relief sought.

19 Well, what is the nature of the relief? The Committee has
20 noted in its pleadings that it wants this Court to leave CLO
21 Holdco's funds in the registry so that it can use those funds
22 as security against a potential hypothetical future judgment
23 because it believes that collection against CLO Holdco, a
24 Cayman entity, may otherwise be difficult.

25 Okay. So the Committee wants this Court to keep CLO

1 Holdco's funds, after it's proven title to those funds, to
2 serve as surety against a potential future judgment. As we
3 noted in our pleadings, Your Honor, *Black's Law* defines
4 attachment as seizing of a person's property to secure a
5 judgment. We believe that that's exactly what's happening
6 here. The Committee wants the Court to hold CLO Holdco's
7 property pending a potential future judgment.

8 Your Honor, a prejudgment remedy like attachment invokes
9 Bankruptcy Rule 7064, and at least here the Committee is
10 willing to -- or, CLO Holdco is willing to acknowledge that
11 7064 is applicable in a contested matter like the one before
12 the Court. But to obtain relief under 7064, the party would
13 have to satisfy Texas law and the requirements for a
14 prejudgment writ of attachment.

15 Your Honor, that falls under Section 61 of the Texas Civil
16 Practice and Remedies Code. But importantly, Judge Houser has
17 addressed that specific issue in the *Atlas Financial Mortgage*
18 case. And she hits the nail on the head. She notes that, To
19 prove a claim for a right to a writ of attachment, prejudgment
20 writ of attachment, the party seeking that relief must have
21 made, and this is a quote, "a certain and liquidated demand or
22 a demand whose amount is reasonably certain." And she cites
23 the Fifth Circuit case *In re Fredeman Litigation* .

24 There is no demand by the Committee, and there is
25 certainly no demand for an amount certain. There is no claim.

1 There is no cause of action asserted by the Committee against
2 CLO Holdco.

3 Judge Houser went on to state that, If the amount of
4 damages can only be ascertained by the fact-finder, a writ of
5 attachment is inappropriate.

6 Your Honor, again, we have no idea what is asserted.
7 Presumably, any damage model that the Committee asserts that
8 it has would have to be thoroughly litigated and the damage
9 modelled by the Court.

10 Also, prejudgment writ of attachments are only available
11 in liquidated claims that arise out of contract. That doesn't
12 exist in this case.

13 So the Committee is just flat out ineligible for any kind
14 of prejudgment writ of attachment.

15 So, next, Your Honor, that flows to, well, is an
16 injunction available? Arguably, the Committee is defensively,
17 not affirmatively, but defensively asking this Court to enjoin
18 CLO Holdco from removing its funds from the registry of the
19 Court or otherwise using those funds. Well, that was what
20 happened in *Atlas Financial Mortgage*. Judge Houser said,
21 well, you're not eligible for a prejudgment writ of
22 attachment, but you actually are eligible for a preliminary
23 injunction. But she went into a very detailed analysis of
24 when a preliminary injunction would be obtainable.

25 And Your Honor, I think before I get to Judge Houser's

1 kind of final analysis on that issue, I'd like to look at what
2 do the Bankruptcy Rules say? Bankruptcy Rule 7001, Subsection
3 7, notes that an adversary proceeding is a proceeding to
4 obtain an injunction or other equitable relief other than when
5 that relief is in the plan. So, plan injunction, totally
6 different animal. And CLO Holdco readily admits that. But an
7 injunction against the assets of another party requires an
8 adversary proceeding.

9 Bankruptcy Rule 7065 incorporates Federal Rule of Civil
10 Procedure 65, which is -- which addresses the means of
11 obtaining a preliminary injunction. Importantly, Bankruptcy
12 Rule 9014 excludes 7065 in Bankruptcy Rules applicable in a
13 contested matter.

14 So, again, Your Honor, the Bankruptcy Rules essentially
15 trickle down on this idea that if the Committee wants some
16 form of injunctive relief, it must file an adversary
17 proceeding to obtain that relief against CLO Holdco.

18 And Judge Houser's analysis in the *Atlas Financial*
19 *Mortgage* case is very consistent with that position. The
20 party seeking the injunction, she said, must assert a
21 cognizable claim to specific assets or must seek an equitable
22 remedy involving those assets in its adversary proceeding and
23 complaint.

24 There is no adversary proceeding here. There is no
25 complaint. The Committee has not asserted any claim or cause

1 of action against any specific assets owned by CLO Holdco.
2 And the Committee has not asserted any equitable remedy
3 against any specific asset in an adversary proceeding against
4 CLO Holdco.

5 Your Honor, as Judge Houser noted, Federal Rule of Civil
6 Procedure 65, as incorporated by 7065, enables a court to
7 issue preliminary injunctions -- and I stress this -- pending
8 trial. It is a prejudgment, post-commencement of adversary
9 proceeding remedy.

10 And before Judge Houser is willing to issue -- and,
11 really, any court under the Fifth Circuit -- is willing to
12 issue a preliminary injunction, those courts consider four key
13 factors that must be proven by the movant before the
14 injunction can enter. And that is: A substantial likelihood
15 of success on the merits; (2) a substantial threat of
16 irreparable injury if the injunction does not issue; (3) that
17 the threatened injury if the injunction is denied outweighs
18 any harm that will result if the injunction is granted; and
19 (4) that the grant of injunction will not disserve the public
20 interest.

21 That's from *Janvey v. Alguire*, which is a Fifth Circuit
22 decision in 2011 and is incorporated into Judge Houser's *Atlas*
23 *Financial Mortgage* decision.

24 So, let's look at those elements, Your Honor, even
25 assuming that the Committee is somehow asserting a claim for

1 injunctive relief.

2 The Committee has the burden of proving that there is a
3 likelihood of success on the merits of its claims against CLO
4 Holdco. The Committee has not asserted any claims against CLO
5 Holdco. Moreover, CLO Holdco is unable to identify any
6 potential claim that the Committee could assert based on the
7 facts that are in evidence.

8 There is evidence of a \$2.5 million cash payment by CLO
9 Holdco to obtain a subscription in AROF. There is evidence of
10 an exchange of reasonably equivalent value between Highland
11 and Get Good for the initial transfer of the Dynamic
12 interests. Your Honor, the Dugaboy Trust note has been paying
13 down. There is no evidence of insolvency at the time of the
14 transfer as a result of the Dynamic transfer. In fact,
15 Exhibit 16 shows the Debtor had a very large equity value and
16 made actually a million dollars. And there's no evidence of
17 any fraudulent intent at any time related to the Dynamic
18 transfer. There is simply no evidence whatsoever, and no
19 attempt by CLO -- or, by the Committee to obtain any evidence
20 from CLO Holdco.

21 So, Your Honor, there is no substantial likelihood of
22 success on the merits. As Judge Houser noted in *Atlas*
23 *Financial*, the Committee would have to prove the estate's
24 entitlement -- or doesn't -- the Committee wouldn't have to
25 prove the estate's entitlement to summary judgment on its

1 claim, but it would have present a prima facie case in support
2 of its claim. And in stating that, Judge Houser cited to
3 *Janvey's* Fifth Circuit decision.

4 So, Your Honor, is there a prima facie case presented by
5 the Committee? The answer is a resounding no. It cannot
6 satisfy the first element of the factor test required to issue
7 an injunction against CLO Holdco.

8 How about a substantial threat of irreparable injury if an
9 injunction is not issued? Your Honor, this goes back to the
10 Committee performing no discovery against CLO Holdco. If the
11 Committee wanted to prove up this point, presumably it would
12 have to present evidence to the Court that CLO Holdco was
13 either financially unable to satisfy a judgment or wouldn't
14 satisfy a judgment for some other reason. The simple fact
15 that CLO Holdco is a Cayman entity does not mean that it is
16 incapable of satisfying a judgment. CLO Holdco, through its
17 counsel, has had conversations with the Committee about the
18 assets in CLO Holdco. And, in fact, there's not a whole lot
19 of dispute that CLO Holdco does possess a significant value of
20 assets.

21 It is not, inherently, Your Honor, some judgment-proof
22 entity.

23 But, again, CLO Holdco does not have the burden of proof
24 on disproving this potential issue. It would be the
25 Committee's burden of proof. The Committee can't satisfy

1 either of the first and most important elements of a test for
2 an injunction. Your Honor, that injunction simply cannot
3 issue.

4 Now, the Committee will say, well, the Court should be
5 able to issue a naked injunction under Section 105(a) of the
6 Bankruptcy Code because the Court has these broad, equitable
7 powers. And in its pleas, it cites to a number of decisions
8 that it alleges support that position.

9 It cites to *King Louie Mining*. Well, *King Louie Mining*
10 granted an injunction and cited to Section 105(a), but the
11 injunction was granted against property that was subject to a
12 pending adversary proceeding. Again, injunction issued under
13 7065.

14 The Committee cites to *In re Momentum Manufacturing*.
15 Well, in that case, 105(a) was used to grant equitable
16 estoppel, not a preliminary injunction.

17 The Committee cites to *Caesar's Entertainment* repeatedly
18 for this proposition this Section 105(a) can be used by the
19 Court to grant this naked injunction, but the injunction
20 granted in *Caesar's* was granted against a third party where
21 there was a pending adversary proceeding to claw back the
22 assets of that third party.

23 The Committee also cites to the *DeLorean* decision. Well,
24 in that case, there was a 105(a) statement by the Court when
25 it entered an injunction in an adversary proceeding filed

1 seeking the injunction. The Court went through the 7065
2 factors before it issued the injunction.

3 And then the Committee cites to *Sire Plan*. Well, there
4 was 105(a) relief granted, but it was also granted in an
5 adversary proceeding, and the relief was consistent with the
6 language of the Bankruptcy Act, albeit the Court even admitted
7 that it was a liberal interpretation, again.

8 So, what case law or actions have been cited by the
9 Committee in support of this Court's ability to grant a 105(a)
10 injunction outside of the parameters of a plan? Well, it
11 cited to the *Lewis v. Celotex* decision, which is a Fifth
12 Circuit case. I think it's worth discussing, Your Honor,
13 because we readily acknowledge that, in that case, there was a
14 preliminary injunction that was incredibly broad in that it
15 addressed five parties who were seeking to recover on
16 supersedeas bonds after the case was commenced, after the
17 *Celotex* bankruptcy case was commenced.

18 And I want to note that there's a Supreme Court decision
19 on a separate dispute called *Edwards v. Celotex*. Now, in the
20 *Edwards v. Celotex* dispute, the Fifth Circuit disagreed with
21 the lower court's decision and its ability to enter the
22 injunction. It did so -- officially made its ruling on
23 jurisdictional grounds. But the U.S. Supreme Court reviewed
24 the Fifth Circuit's decision and overturned it. But when it
25 overturned it, the Supreme Court did two things. One, it

1 refused to address whether a court could actually enter the
2 injunction under 105(a). It addressed (audio gap)
3 jurisdictional argument.

4 But the Supreme Court also noted that while the Fifth
5 Circuit allegedly ruled on a jurisdictional basis, it
6 certainly appeared that the Fifth Circuit was partially ruling
7 because it found the 105(a) injunction inappropriate at that
8 position of the case.

9 So there is at least some dicta from the Supreme Court and
10 the Fifth Circuit that that 105(a) injunction issued in the
11 *Celotex* case was inappropriate.

12 Also, Your Honor, the Third Circuit notes in a footnote in
13 its decision in *Lewis v. Celotex* that while it would uphold
14 the injunction, it noted that the injunction was narrow in
15 scope as far as what it actually did. And once the bankruptcy
16 judge reviewed the judgments against the debtor, the
17 avoidability, if the judgments were voidable for one reason or
18 another, the Court would have to lift the stay to allow the
19 party in that case to proceed against the assets.

20 And Your Honor, that's basically where we are in this
21 case. The Court used its equitable rights under 105(a) to
22 deposit funds in the registry of the Court, and now the Court
23 has an opportunity to review CLO Holdco's evidence to see if
24 it can meet its preponderance standard to prove that it has a
25 right to the funds in the registry of the Court. And once it

1 does, it should release those funds to CLO Holdco. That
2 analysis is really pretty consistent with the *Lewis v. Celotex*
3 decision, which is the only case that's cited by the Committee
4 that includes an injunction outside of the scope of an
5 adversary proceeding.

6 So, Your Honor, there really is nothing here supporting
7 the Committee's position. The Committee hasn't proved up any
8 right to a writ of attachment. It hasn't satisfied any of the
9 elements, procedurally or factually, to be able to obtain an
10 injunction against CLO Holdco's assets.

11 So, Your Honor, based on the evidence presented, we
12 request this Court grant CLO Holdco's motion and allow us to
13 withdraw funds from the registry of the Court.

14 THE COURT: Thank you, Mr. Kane. All right. Mr.
15 Clemente, I hope that you will focus in your closing argument,
16 I suspect you will, but the arguments, the primary arguments
17 of Mr. Kane that this is -- this holding of money in the
18 registry of the Court in this context is tantamount to a
19 prejudgment remedy, there is no adversary there in order to
20 have a preliminary injunction under 105, you really need an
21 adversary under 7001: I hope you'll address those arguments,
22 among others. All right. Mr. Clemente?

23 MR. CLEMENTE: Yes. Thank you, Your Honor. Matt
24 Clemente from Sidley on behalf of the Official Committee of
25 Unsecured Creditors.

1 CLOSING ARGUMENT ON BEHALF OF THE OFFICIAL COMMITTEE OF
2 UNSECURED CREDITORS

3 MR. CLEMENTE: Well, Your Honor, I think Mr. Kane's
4 arguments overall generally miss the point, and the issue is
5 really about context.

6 Mr. Kane referred to the monies being pled into the
7 registry. That is not the case at all. Your Honor ordered
8 them placed into the registry at the March 4 hearing. That,
9 in my view, distinguishes it almost entirely from all the
10 cases that CLO Holdco cites in their papers.

11 This is not a dispute about ownership. This is not an
12 interpleader. This is not some party saying, I don't know
13 what to do with these monies and so I'm pleading them into the
14 Court and please, Court, give me direction. That is
15 absolutely not the circumstance or context in which the monies
16 were ordered by this Court under Section 105 to be put into
17 the registry.

18 So, from my perspective, I think that, Your Honor,
19 effectively distinguishes the current situation from the
20 situations that Mr. Kane cites.

21 Belatedly, Your Honor, and I'll touch on this in a moment,
22 none of this about 28 U.S.C. was ever raised in the actual
23 motion, which I found to be fairly interesting.

24 So I wanted to start with those comments, but then I want
25 to take a step back, because I do believe that the context and

1 background of this bankruptcy case is critical to this
2 dispute.

3 CLO Holdco would have the Court view it as an independent
4 third-party investor merely requesting the release of proceeds
5 of its investment that Mr. Kane referred to in his argument as
6 another party. It's not just another party. I would do that
7 as well and I would try and distance myself from Mr. Dondero,
8 but the fact of the matter is CLO Holdco cannot.

9 The Committee, as Your Honor knows, never objected to
10 distributions to independent third parties, including in
11 connection with the initial distribution motion, and the
12 Committee is not doing that now.

13 And recall just a bit of context around the March 4th
14 motion, Your Honor. Under the protocol that the Committee
15 negotiated, the Debtor -- related-party transactions needed
16 the consent of the Committee if they exceeded a certain
17 threshold. The Debtor came to us with respect to these
18 distributions, and the Committee said, no, because of the
19 related party involvement and given the web that Mr. Dondero
20 has created. And so the Debtor then filed a motion in front
21 of Your Honor seeking Your Honor's authority to make the
22 distribution.

23 Again, this is entirely unlike the cases that Mr. Kane
24 talks about. This is about the context in which that
25 distribution -- and these were funds that the Debtor

1 controlled -- I agree, weren't funds that the Debtor owned,
2 but the Debtor controlled them, and I believe that is an
3 important factor that I'll touch on later, Your Honor, in
4 distinguishing it from the prejudgment cases and other things
5 that Mr. Kane talks about.

6 Importantly, Your Honor, CLO Holdco is not an independent
7 third-party investor, and CLO Holdco and other related parties
8 hold a special place in this case in the hearts and the minds
9 of the Committee, and I think also of Your Honor.

10 Again, and just a little bit of a background here, because
11 I do need to sort of create the picture here. Mr. Dondero has
12 created a web of over 2,000 related entities, which includes a
13 sub-web involving CLO Holdco. At the outset of the cases,
14 Your Honor, the Debtor's advisors could not even identify all
15 the Debtor's affiliates.

16 As we laid out in our papers, CLO Holdco, through its
17 parent entity, and this is not disputed, and it's proven up --
18 out by the documents that Mr. Kane walked through, controlled
19 by a patent attorney, not an investment professional but a
20 patent attorney that was a college roommate of Mr. Dondero, it
21 has at all times, including when the transfers were made, been
22 advised by the Debtor, which, when these transfers were made,
23 then it was controlled by Mr. Dondero.

24 Mr. Dondero credited and directed each of the beneficial
25 owners, which are the foundations, and the assets and

1 interests gave rise to the distribution that CLO Holdco is
2 seeking now that were Debtor assets that were either
3 transferred through a series of conduit and intermediate
4 transfers, which is what Mr. Kane's papers, you know, bear
5 out, and which -- with which we agree with, into the hands of
6 CLO Holdco, again, at a time when Mr. Dondero was in control
7 of the Debtor and in control of the intermediate parties and
8 in control of CLO Holdco. So he therefore was on all sides of
9 the transfer.

10 Your Honor, to be specific -- and, again, there's no
11 dispute over this; we lay this out in our papers -- the Debtor
12 transferred its interest in what was ultimately renamed as the
13 Dynamic Fund, along with other interests and assets, to
14 something called the Get Good Nonexempt Trust, in exchange for
15 not a hundred percent, but 97.6 percent of a \$24 million note
16 issued by something called the Dugaboy Investment Trust. That
17 note itself, Your Honor, from Exhibit 12, if you read the
18 introduction to the note, was a substitute for a previous note
19 issued by Dugaboy to the Get Good Trust. And at least on the
20 (audio gap) note, (audio gap) unsecured note bearing interest
21 at 2.75 percent. We don't know whether that note in and of
22 itself had been exchanged for a different note. We just don't
23 know.

24 We do know that there was a note with Get Good and
25 Dynamic, or Get Good and Dugaboy, and that note was replaced

1 in a series of transactions, however, documented together,
2 Your Honor. The Get Good Trust then transferred the interests
3 to the Highland Dallas Foundation, and then ultimately through
4 the DAF entities into CLO Holdco.

5 And, again, this is not in dispute, and it's bore out by
6 the documents. Both the Get Good Trust and the Dugaboy Trust
7 are Dondero family trusts for which Nancy Dondero, the sister
8 of Mr. Dondero, and/or Grant Scott are trustees, and for which
9 it appears Mr. Dondero was at some point also a trustee.
10 That's evidenced on Committee Exhibit 12, where it talks about
11 that prior note. It was issued or made by a Mr. Dondero as
12 Trustee, I believe, for the Get Good Trust.

13 And I just would note, these transactions also support the
14 basis or form the basis for CLO Holdco's purported \$11 million
15 claim that they filed against the estate.

16 Your Honor, from my perspective, this is all very
17 confusing and it raises many questions, not the least of which
18 is why was this done, what is the Dugaboy Trust, what did the
19 Debtor actually receive relative to what transferred, and,
20 frankly, what was the purpose of all this? And did the
21 Dugaboy Trust ultimately pay on the note? And I'll address
22 Mr. Kane's discussion about payments that were made on the
23 note in a moment.

24 Your Honor, I don't believe any of this is in dispute.
25 And indeed, this Court previously found that CLO Holdco's

1 parent was seeded by the Debtor, managed by the Debtor, and
2 CLO Holdco's quote/unquote independent trustee was a longtime
3 friend of Mr. Dondero. That's in the record. That's where he
4 makes his case.

5 The key point of all this, Your Honor, is that CLO Holdco
6 is anything but an independent third-party investor merely
7 seeking the return of its invested funds, and its argument
8 should not be viewed through that lens and instead should be
9 viewed through the lens of Mr. Dondero being on all sides of
10 the transactions and transfers and pulling the strings and
11 controlling it all. And this lens is clearly tainted by the
12 previous documented conduct of Mr. Dondero.

13 As the Court is well aware, (inaudible) as controlled by
14 Mr. Dondero, has a history of engaging in misconduct, breaches
15 of fiduciary duty, and fraudulent transactions in multiple
16 settings, with its principal, Mr. Dondero, taking a central
17 role. And Your Honor, as you know, this bankruptcy case is
18 the result of arbitration proceedings, awards, judgments, and
19 other litigation against the Debtor arising from this
20 misconduct.

21 Therefore, the Committee and the Court must approach and
22 consider each of the related-party Dondero-controlled
23 transactions with skepticism, including the transactions with
24 CLO Holdco.

25 Now, Your Honor, CLO Holdco provided voluminous documents

1 and other information which Mr. Kane meticulously walked
2 through, none of which, for purposes of this proceeding only,
3 the Committee takes issue with.

4 But Your Honor, as I've mentioned before, this discussion
5 isn't about taking in kind, columns of numbers, and signatures
6 on documents. What it is about is the context in which CLO
7 Holdco's interests arose and the relationship that it has with
8 this Debtor prepetition. And despite the documents and
9 admissions, what CLO Holdco doesn't do and cannot do is refute
10 any of that, including the fact that CLO Holdco was seeded by
11 the Debtor, and the very interests which gave rise to the
12 distributions came from the Debtor at a time when it was
13 controlled by the Debtor.

14 This is not new money third-party investment or anything
15 close to it. Instead, again, and as the Court found in the
16 Acis case, CLO Holdco was seeded by the Debtor, and as its own
17 exhibits demonstrate, the interests were transferred from the
18 Debtor.

19 Your Honor, I don't think I'm painting with too broad of a
20 brush, then, to state that transactions with Dondero on both
21 sides, as we have here, must be subject to scrutiny by the
22 Committee and the creditors -- and, frankly, the Court -- to
23 determine their legitimacy.

24 And yes, Your Honor, the distributions are not property of
25 the Debtor's estate. We've never argued that they are.

1 However, allowing it to be distributed to this entity, through
2 the holding company, a Cayman Island entity, controlled by Mr.
3 Dondero, would have the effect of prejudicing the estates and
4 rewarding Dondero for potentially fraudulent conduct, which is
5 something we cited in the *Sire Plan* case, where a party should
6 not be allowed to benefit from its fraudulent scheme.

7 All the Committee is asking to do -- and, frankly, what
8 the Court did at the March 4th hearing -- is something the
9 Debtor should have done, and that is let's keep the status quo
10 to allow the investigation to proceed to determine the
11 legitimacy of the transfers to CLO Holdco. This best balances
12 the interests of all parties. CLO Holdco's money is
13 safeguarded. As Mr. Dondero's attorney claimed, stated on the
14 record at March 4th, the registry is, Your Honor, not
15 surprisingly, a place that is safe.

16 And Your Honor, the burden of keeping those distributions
17 with the Court isn't that onerous at all on CLO Holdco, in
18 particular relative to the burden that is on the creditors,
19 some of whom have been seeking recompense for almost a decade.
20 To be clear, Your Honor, the Committee and its constituencies
21 did not ask to be in bankruptcy. It was thrust upon them by
22 the actions of Mr. Dondero and his team. Now that they are in
23 bankruptcy, the creditors are forced to deal with the
24 consequences of that decision by Mr. Dondero.

25 Similarly, CLO Holdco must deal with the consequences that

1 flow from being controlled by Mr. Dondero and having been
2 seeded at the direction of Mr. Dondero and taking transfers of
3 assets from the Debtor at the direction of Mr. Dondero, which
4 I submit here should be having the distributions continue to
5 be maintained in the Court registry.

6 Your Honor, I will turn to some of the arguments raised by
7 Mr. Kane. First, the Bankruptcy Code and Section 105 continue
8 to apply to these issues. As I mentioned before, I was a bit
9 surprised and, frankly, taken aback, Your Honor, when I saw
10 CLO Holdco's response to our objection. Their motion is
11 completely silent on this argument that somehow the Bankruptcy
12 Code doesn't apply and instead the only issue this Court would
13 have to determine would be dictated by a non-bankruptcy
14 statute, 28 U.S.C. 2042.

15 Putting aside any discussion of whether this should have
16 been in the motion to begin with, as I mentioned at the
17 outset, Your Honor, I was before you pre-COVID when we
18 addressed these issues, and I certainly did not view placement
19 of the funds into the registry as some mechanism which would
20 divest the Bankruptcy Code from continuing to be applied.

21 Again, it's all about the context of that March 4th
22 hearing. This wasn't a dispute about ownership of the funds.
23 This was about the Debtor coming in and doing something that
24 the Committee took issue with under the protocols that it had
25 negotiated. That's entirely different and distinct from just

1 placing money into a registry and then allowing all parties to
2 come in with their document to show that, based on my account
3 statement, my book balance, this is my funds, these are my
4 funds. Which I agree with Mr. Kane on that. It's not -- I
5 mean, Your Honor has no stake in that fight from that
6 perspective.

7 But this is different. Your Honor does have a stake in
8 this fight because it was to preserve and protect the estate
9 and maintain the status quo.

10 As I mentioned earlier, I don't presume to speak for Your
11 Honor, but I would suspect that Your Honor didn't think that
12 she was divesting herself of discussion under Section 105 by
13 placing the funds into the registry. Instead, it was simply a
14 mechanism to deal with them and maintain the status quo. They
15 could have been held -- they could have been held in
16 (inaudible) account, for example, but they weren't. This
17 seemed like a logical, practical solution to the issue that
18 was presented to the Court.

19 Had we understood that, Your Honor, had I understood that
20 -- and, again, I was before you -- I wouldn't have agreed to
21 that. And, frankly, I wouldn't have -- wouldn't have
22 understood -- if I understood that we'd be here today
23 belatedly arguing about that, I would not have agreed to it,
24 either.

25 Additionally, Your Honor, the cases cited by CLO Holdco

1 are just not applicable on their facts. Unlike the cases
2 cited by CLO Holdco, this has never been a dispute about the
3 ownership or pleading -- interpleader-type action regarding
4 the funds. This is all about preserving the estate and the
5 status quo. This is why the monies were placed into the
6 registry, not as a mechanism to determine ownership.

7 Therefore, the Bankruptcy Code and Section 105 clearly
8 continue to -- continue to apply. And Your Honor found on
9 March 4th that you already had the authority under Section 104
10 to do this, and nothing has changed in the interim, aside from
11 Mr. Kane has come in with documents showing -- which we don't
12 dispute -- that if you tick and tie everything, it adds up to
13 the money that he asserts that CLO Holdco should be given,
14 should be distributed.

15 Your Honor, regarding the 105 issue, there is clearly an
16 issue as to whether the seeding of CLO Holdco and transfers of
17 Debtor assets to it involved transfers that are fraudulent or
18 otherwise avoidable. And I'll touch on the payment on the
19 note in a moment.

20 Those actions, of course, are assets of the estate for the
21 benefit of the creditors, and in fact, under the governing
22 protocol, the Committee negotiated to have standing to pursue
23 those claims. And CLO Holdco is just that, a holdco. And a
24 Cayman entity, to boot. And despite Mr. Kane's references to
25 conversations that may have been had about what it is CLO

1 Holdco has or doesn't have, we have no idea. And it's
2 controlled, ultimately, let us not lose sight of the fact, by
3 Mr. Dondero.

4 So, allowing CLO Holdco to take distributions will place
5 them with an offshore entity, potentially outside the
6 jurisdiction of this Court, or at the very least, placed in
7 five or six entities removed or who knows where, including
8 potentially other foreign entities.

9 Therefore, exercising authority under Section 105 is
10 consistent with preserving, protecting, and maximizing the
11 value of the Debtor's estate, which estate includes claims,
12 causes of action, and avoidance actions.

13 As you know, 105 is the means and -- circumstances (audio
14 gap) preserve and protect the estate.

15 And to be sure, this is not inconsistent with any other
16 provision of the Bankruptcy Code, and it's, in fact, from our
17 perspective, in furtherance of the goals of the Code.

18 Your Honor, regarding the payments that Mr. Kane (audio
19 gap), the fact that a few payments were made on the note
20 doesn't change the fact that Section 105 applies and the Court
21 should deny the motion.

22 As with all that is Highland, nothing is simple or easy.
23 First, CLO Holdco received millions more in assets and
24 transfers, aside from the interests giving rise to the
25 distributions at issue. So the fact that there were payments

1 on the notes really speak nothing to the fact of whether the
2 overall transaction was for reasonably equivalent value or
3 otherwise problematic, especially when there is nothing in the
4 record regarding the Dugaboy Trust, its wherewithal to pay, or
5 the fairness of the terms of the note, or any of that. Or why
6 the note was structured this way or, you know, what the Get
7 Good Trust and the Dugaboy Trust do, how they interact, who
8 makes decision on what gets paid and doesn't get paid.

9 The few payments, while interesting, Your Honor, again, do
10 not establish reasonably equivalent value or the propriety, in
11 our view, of the transfers.

12 Finally, as this Court knows, reasonably equivalent value
13 is not determinative of whether the transfer was intentionally
14 fraudulent or otherwise potentially avoidable or problematic.
15 So, while deeds are interesting, Your Honor, I would submit
16 that they don't move the needle in changing the fact that the
17 motion should be denied.

18 Now, Your Honor, to the point that you raised with me
19 before I started my remarks here. Much has been made about
20 inappropriate prejudgment remedy or attachment or similar
21 arguments. I submit this case is moot, Your Honor. Again, at
22 the risk of repeating myself, I will emphasize that CLO Holdco
23 is not an independent third party. Like it or not, it is tied
24 up in a ruinous web with Mr. Dondero, and that in and of
25 itself makes this case unique and distinguishes it from the

1 other cases cited by CLO Holdco.

2 Additionally, Your Honor, the current circumstances are
3 distinguishable because the Debtor had control over these
4 funds. That's why we were in front of you on March 4th. I
5 agree, and I'm not arguing, that the Debtor did not own these
6 funds. But it clearly had control over them at the time that
7 it sought to make the distributions on March 4th. So, in my
8 humble opinion, Your Honor, that means the Court had control
9 over that.

10 Having them held in a registry while an investigation
11 occurs is not akin to slapping a lien on someone's house or
12 taking possession of an automobile, like the cases cited by
13 Mr. Kane where they require there's some -- an adversary
14 proceeding or some type of complaint.

15 The situation here, again, Your Honor, matters. The
16 Debtor was before you seeking your authority to make this
17 distribution. That is entirely different than if I were to
18 walk in here and say my colleague, Mr. Twomey, I think that,
19 you know what, I don't like him and so I have a claim against
20 him, and I want Your Honor to enjoin him from being able to
21 sell his automobile. That is entirely different, and in my
22 view completely distinguishes it from any of the cases that
23 Mr. Kane cited, including, of course, I have much respect for
24 Judge Houser, but including the case authored by Judge Houser.

25 So, Your Honor, again, having them held in the registry is

1 not akin to the type of situation -- to the situation that Mr.
2 Kane discussed in his cases.

3 In fact, Your Honor, although the Board chose not to do
4 so, a decision with which Your Honor knows I vehemently
5 disagreed, I think the Debtor could have not and frankly
6 should not have sought to make the distributions to CLO Holdco
7 in the first place, and instead have come to this Court, and
8 this Court clearly had the authority to provide them with the
9 protection in doing so. Because, again, the Debtor had
10 control of the funds.

11 And I understand there's contractual arrangements, and Mr.
12 Kane walked through some of those. But at the end of the day,
13 if the Debtor has control over it, that means Your Honor has
14 control over it. And Your Honor clearly could have ordered --
15 and, in fact, did, under Section 105 -- the authority to tell
16 the Debtor, don't make the distribution.

17 That is not the same as the Committee walking in and
18 trying to argue it's entitled to some prejudgment remedy or
19 something on a stranger to the case, where there was already
20 the relationship and the establishment and the nexus that
21 existed in this case was already there. I'd submit those
22 other cases that Mr. Kane cites are designed to protect
23 against, and reasonably so: This is not that situation, Your
24 Honor.

25 As a result, Your Honor, of what the Debtor did, the

1 Committee finds itself placed behind the proverbial eight
2 ball. Its constituencies have waited -- literally decades, in
3 some cases -- for recompense from an entity with a documented
4 history of fraudulent conduct. And it's forced to deal with a
5 bankruptcy it did not choose. It must spend literally
6 millions of dollars from the estate that could be part of its
7 recovery investigating an intentional take and obfuscating
8 whatever transaction with literally thousands of entities,
9 while on the other hand the Cayman Island holding company that
10 is controlled by Mr. Dondero, the funds over which the Debtor
11 had control and came to this Court seeking authority to make
12 the distribution, and seeded by the Debtor when Mr. Dondero
13 controlled it, takes distributions on account of interests
14 which were previously the Debtor's and the transfer of which
15 may very well be avoidable.

16 Your Honor, I'd submit this is precisely an appropriate
17 use of Section 105. And talk around prejudgment remedies and
18 attachment, frankly, is simply not on point, Your Honor,
19 because I think this situation is distinguishable.

20 And to be clear, Your Honor, Rule 7064, which is cited by
21 CLO Holdco, as I read it, does not preclude the use of Section
22 105 to achieve this outcome. To the contrary, Rule 7064 might
23 even expand the tools available to the Court to include those
24 available under state law. It does not restrict them, in my
25 view.

1 And there was a reference to Rule 7067, which does not
2 apply, because the Court ordered the funds placed into the
3 registry. They weren't pled into the registry. The Debtor
4 didn't want them put in the registry. The Debtor wanted to
5 distribute them, which is why it came to the Court in the
6 first place.

7 So, Your Honor, I'm at the end of my remarks, and I would
8 like to say that I think -- not that I think; I know -- what
9 we are seeking is an equitable result which is clearly within
10 this Court's authority and discretion under the Bankruptcy
11 Code, including Section 105.

12 CLO Holdco's motion cannot be viewed in a vacuum. The
13 circumstances surrounding, the reason why the distribution
14 motion was brought in the first place, including the Debtor's
15 control over those funds, the circumstances surrounding CLO
16 Holdco, Mr. Dondero's involvement, how it was seeded, how it
17 obtained the interests giving rise to the distribution, all
18 matter, Your Honor, as does the documented history of
19 fraudulent transfers and inappropriate conduct of Mr. Dondero.
20 Viewed appropriately in this context and the balancing of the
21 harms resulting from keeping the distribution in the registry,
22 I submit there is more than ample justification for this Court
23 to deny the motion and order the continued holding of the
24 distributions in the registry.

25 With that, Your Honor, I've concluded my remarks. Am

1 happy to address any questions you may have.

2 THE COURT: Just one. Could you remind me of the
3 relevant provisions of what I'll call the protocol order that
4 was negotiated with the Committee? Because as you pointed
5 out in your argument, the Debtor filed the motion to make
6 these disbursements from the Dynamic Fund and the Argentina
7 Fund because of concerns about the do's and don'ts of that
8 protocol order. So if there's relevant language in there you
9 think I should be reminded of, could you --

10 MR. CLEMENTE: Yeah, that --

11 THE COURT: -- read it?

12 MR. CLEMENTE: Your Honor, that's exactly right.
13 That's exactly correct. I don't -- I'm pretty sure I have it
14 somewhere, but I don't have it right in front of me. But the
15 point there was, Your Honor, when the Committee came to the
16 case and it began to understand all of the related parties,
17 the Committee clearly was concerned that value that either
18 rightfully belonged to the Debtor or had been inappropriately
19 transferred or siphoned away from the Debtor would be
20 distributed to related parties, and then the Committee would
21 be in the position of having to chase after that money.

22 So we negotiated a series of very complicated protocols
23 that Your Honor ultimately approved, and the protocol at issue
24 here was, if distributions, I believe, from any fund where the
25 Debtor managed it and maintained an entity in excess of \$2

1 million was to be made, that the Debtor would come to the
2 Committee and the Committee would have five days, I believe,
3 to say, We think you -- you know, we agree with it or we
4 don't. And if the Committee didn't agree with it, that then
5 the Debtor would go to Court before Your Honor to seek the
6 authority to do it.

7 And so, again, back to an argument I made earlier, that's
8 how we found ourselves here on March 4th. The Debtor had
9 control over those funds in the sense of he was the party
10 making distributions and doing other things. They had to come
11 to Your Honor to actually get Your Honor to rule one way or
12 the other to make those distributions. That, to me,
13 distinguishes it from the cases Mr. Kane cites regarding
14 prejudgment remedies and attachments and things of that
15 nature.

16 THE COURT: Thank you. All right. Mr. Kane, the
17 Movant always get the last word. And in making whatever quick
18 rebuttal you have, I'll just ask you to please address Mr.
19 Clemente's argument that context matters.

20 This is not as though someone requested an injunction
21 without an adversary proceeding against CLO Holdco. This
22 order of the Court that money go into the registry of the
23 Court resulted from a Debtor motion, several responses
24 thereto, and then a suggestion that was made by Mr. Dondero's
25 counsel that others embraced: Let's just stick the disputed

1 money into the registry of the Court for now and we'll sort
2 this out in due time.

3 You know, you've made some very compelling legal
4 arguments, I have to say, Mr. Kane, but we have this
5 overarching issue of the context. So, your response, please.

6 MR. KANE: Yes, Your Honor. I'm happy to start with
7 that. I do think the context is important. I think that Mr.
8 Clemente and I would disagree about what elements of the
9 context are most important.

10 I would note that the portion of your order that I
11 previously cited during this hearing, whether the -- that
12 funds are to be pled into the registry of the Court and that
13 that would allow parties seeking those funds to file whatever
14 motions or to seek whatever orders were necessary to obtain
15 those funds. And so what we're looking at here is, right,
16 there is a related-party entity. But let's talk about
17 generally what the context of this dispute is about.

18 Mr. Clemente noted repeatedly in his closing argument that
19 this is not a dispute about Debtor assets. Okay? And I think
20 that's really important. This is a dispute about funds that
21 are not owned by the Debtor. The Committee readily admits
22 that. The Debtor readily admits that. And so what we're
23 talking about here is tying up assets that are not assets of
24 the Debtor's estate.

25 And so an indefinite freeze on assets that are not assets

1 of the Debtor's estate is disturbing from a procedural
2 perspective.

3 So, I get the Committee's concerns about, hey, this is a
4 related entity. Right? This is CLO Holdco. There are ties
5 to Jim Dondero. We're not trying to hide that fact. We're
6 not trying to say, no, that's not really true. But what I
7 would also say is that there is no evidence that the seeding
8 of CLO Holdco from Highland assets was necessarily a
9 fraudulent transfer or effectuated by seedings of fraudulent
10 conveyances. Okay?

11 Mr. Clemente even noted, as he was giving his
12 presentation, that there is no factual investigation into the
13 Dugaboy Trust by the Committee or anything like that. These
14 are baseless allegations, or at least allegations that
15 entirely lack evidence. So we're at a spot right now,
16 contextually, Your Honor, where the Court has CLO Holdco's
17 funds in its registry. No other party is laying claim to
18 those funds. The Committee wants those funds to stick in the
19 registry for an indefinite period of time, even though they're
20 not assets of the Debtor's bankruptcy estate. And the only
21 reason it wants to do that is for the funds to serve as
22 security against a potential future judgment or claim.

23 And so, contextually for us, well, if there aren't -- if
24 there's no competing claim for the assets and they're stuck in
25 the Court's registry, you know, contrary to Mr. Clemente's

1 argument, a vacuous argument on the balancing of harms, we're
2 deprived of the use of \$2.4 million and change of assets that
3 could go to additional investments or to satisfy operating
4 costs.

5 So there is real harm on a going forward basis from CLO
6 Holdco's perspective.

7 So that, Your Honor, is the context as we see this. This
8 is about non-debtor assets frozen to serve as potential
9 security of a hypothetical judgment on claims that have never
10 been ascertained, asserted, identified.

11 So let me address a couple of issues on rebuttal, and I'll
12 be pretty quick about this.

13 THE COURT: Please.

14 MR. KANE: Mr. Clemente was making hay about the fact
15 that I said pled into the registry of the Court and that --
16 because, Your Honor, pled into the registry of the Court, this
17 isn't an interpleader action, that this was an order entered
18 by the Court. That's a distinction without difference. And
19 the reason that's the case is, if you look at 7067, which is
20 the only Bankruptcy Rule that addresses pleading funds into
21 the registry of the Court, 7067(b) notes, Money paid -- not
22 pled, not ordered -- money paid into the registry of the Court
23 is treated under 28 U.S.C. 2041 and withdrawn pursuant to 28
24 U.S.C. 2042.

25 So, you know, regardless of whether Mr. Clemente

1 appreciated how I had described the transition of funds from
2 the Debtor's control into the Court's registry, the reality is
3 that 28 U.S.C. 2042 does create the legal thresholds that are
4 required to withdraw funds from the registry of the Court.

5 Mr. Clemente argues that, well, cases where a car is
6 repossessed or a lien is placed on a party's assets under a
7 prejudgment writ of attachment or injunction are dissimilar
8 from this case, is really legally -- it's inaccurate. Those
9 are erroneous statements. There is no difference. If this
10 Court retains CLO Holdco's assets, it's the exact same thing
11 as another -- a third party's assets being held in a blocked
12 account or a third party's assets being retained by a court or
13 third party pending a future judgment. We're in the exact
14 same procedural position there.

15 Mr. Clemente got into a balance of harm's analysis when he
16 was discussing this Court's application of an injunction under
17 Section 105(a), arguing that an adversary proceeding is
18 unnecessary or that injunctive relief could be issued under
19 7064. Your Honor, 7064 and 7065 are there. And there is a
20 distinction from the courts between a prejudgment writ of
21 attachment that would be applicable under 7064 and an
22 injunction that would be issued under 7065. Injunctive relief
23 is addressed under 7001(7) and 7065.

24 So you can't just say, well, no, you can do it as a -- as
25 -- on a motion like you would a prejudgment writ of

1 attachment. Bankruptcy Rules aren't structured like that.

2 But importantly, Mr. Clemente presented no facts to
3 support his balancing of harms argument and presented no facts
4 to establish that he has any viable claims against CLO Holdco.
5 Arguments that James Dondero participated in frauds does not
6 mean that there's a claim or cause of action that the
7 Committee can assert against CLO Holdco, which is what would
8 be required to obtain an injunction.

9 This is a big if. If the Committee is seeking to obtain
10 an injunction, it must satisfy its burden of proving under
11 7065 and the four-factor test established by *Janvey v. Alguire*
12 in the Fifth Circuit in 2011 and the many cases before that.
13 And it just can't do it.

14 So I want to leave the Court with one case citation,
15 because if the Court is considering some means of entering a
16 preliminary injunction outside of an adversary proceeding, I
17 was able to find a grand total of one case that address that
18 in the Fifth Circuit. And that is the 1995 decision of *In re*
19 *Zale* in which the Fifth Circuit noted that the only way a
20 105(a) preliminary injunction could be issued, after a finding
21 of these unusual circumstances and the like, was if all of the
22 protections of an adversary proceeding had been afforded to
23 the non-movant and if the party that was requesting the
24 injunction satisfied the four-factor test that's found in
25 7065.

1 There are no extraordinary circumstances or unusual
2 circumstances here. And if this Court believes that the
3 context of this case warrants that, then the Committee would
4 still have to satisfy that four-factor test for a preliminary
5 injunction. And it has the burden of proof on those four
6 factors. It hasn't presented any evidence whatsoever to
7 support that it can meet the first, let alone the second,
8 third, and fourth factors of that test.

9 So, Your Honor, with that, I'll close our case, unless you
10 have additional questions, and request that the Court grant
11 CLO Holdco's motion.

12 THE COURT: A couple of follow-up questions. I have
13 certain facts in my brain, and I can't remember if they're in
14 evidence or stipulated to or I read them in a pleading. So, I
15 just want to ask: Somewhere I remember seeing that CLO
16 Holdco, or, you know, maybe it's its parent, I think -- Mr.
17 Clemente said we have a Byzantine structure here and we have a
18 sub-web within a bigger web with regard to CLO Holdco. But,
19 anyway, CLO Holdco or its parent has assets of approximately
20 \$225 million? Is that evidence or undisputed?

21 MR. KANE: Your Honor, that was contained in one of
22 the pleadings asserted, I believe, by the Committee, and that
23 was the Charitable DAF entities, not necessarily CLO Holdco.
24 There hasn't been any evidence presented by the Committee of
25 the assets held by CLO Holdco other than what we have before

1 the Court.

2 THE COURT: Okay. So it's not something you would
3 stipulate or offer one way or another?

4 MR. KANE: No, Your Honor, I think that's factually
5 incorrect and I don't stipulate to that.

6 THE COURT: Okay. I think my notes show that that
7 was the alleged amount of assets as of September 30, 2019.
8 But, again, that may have just been a pleading, not anything
9 in evidence.

10 All right. And are Mr. Scott or Mr. Dondero on the phone
11 today or on the video? I'm just curious.

12 MR. KANE: Your Honor, I lost you on the video a
13 little bit, but assuming you can hear me, though, Mr. Scott is
14 not. We had conversations with the Committee about various
15 exhibits and whether or not Mr. Scott would be here to testify
16 to prove up exhibits. Once the exhibits were all stipulated
17 as admissible, then there was no need for Mr. Scott to
18 participate.

19 THE COURT: Okay. I was not going to ask him
20 anything. I just was curious if he was listening in. Or Mr.
21 Dondero, for that matter. I guess Mr. Dondero is not on the
22 line, correct? (Pause.) All right. I'll --

23 MR. KANE: Your Honor, I -- I think -- I'm sorry.
24 I've had no conversations with Mr. Dondero. I have no idea
25 whether he's on the line.

1 THE COURT: Okay. I'll take silence to mean he's
2 probably not, but --

3 All right. I asked that question for, I guess, a couple
4 of reasons. But the main reason I asked is -- and I'm going
5 to say this as kindly as I can. They're not here to hear it
6 anyway. But I feel like perhaps they are a little tone deaf,
7 for lack of a better term, on how this all looks to the Court
8 today. And what I mean by that is, obviously, I assume it was
9 their decision to bring this motion, at least Mr. Scott's, and
10 likely Mr. Dondero as well had some involvement in that
11 decision. And the reason I say that it feels like they're a
12 little tone deaf about how this looks is that we just had an
13 extensive hearing and some very thorough pleadings, a lot of
14 evidence uploaded, on a \$2.5 million issue. And I don't --
15 you know, I appreciate that that is a significant sum of
16 money, but we've used the word context a lot this morning: In
17 the context of this reorganization, it seems like a very big
18 deal was raised here, at the choice of Mr. Scott and Mr.
19 Dondero, over a \$2.5 million issue, in the context of a
20 reorganization that involves at least hundreds of millions of
21 dollars of debt, if not over a billion. UBS says they're owed
22 a billion.

23 And I just asked my question a minute ago about the value
24 of assets that the DAF or CLO Holdco or that sub-structure has
25 managed, because while no one will commit, is it \$225 million

1 or not, you know, I take it that the Committee had a good
2 faith basis for saying that, and if it's not that, it's
3 probably a quite sizable number.

4 Again, so I'm kind of thinking out loud about the
5 proportionality of this issue. \$2.5 million, not anything to
6 sneeze at, but we're talking about a Charitable DAF that
7 probably has many, many, many more times that of assets. And
8 so there was certainly no equitable argument of hardship or,
9 you know, significant detriment that's befalling CLO Holdco by
10 the tying up of this money in the registry of the Court for
11 this relatively short time period. So, again, it feels a
12 little tone deaf to be bringing this argument, occupying so
13 much time from the parties, the lawyers, the Court, over this
14 issue.

15 And just to further elaborate on that, it matters to me,
16 and I say this about the tone-deafness, partly because I
17 thought -- I said this at the beginning of the hearing, and I
18 still say it -- we already put this issue to rest, albeit
19 temporarily, in March. And in April, we get this new motion.
20 Again, I recognize the language of the March order reserved
21 everyone's rights to come back and argue about this, but,
22 again, the buzzwords for this hearing are going to be context
23 matters, I guess. Mr. Clemente, you get credit for that buzz
24 phrase, those buzzwords.

25 Again, I issued the order with regard to putting these

1 monies in the registry of the Court at the suggestion of Mr.
2 Dondero's very wonderful lawyer, retired Judge Lynn. And,
3 again, the context was we had a protocol order early in this
4 case that the Committee negotiated heavily with regard to
5 monies being disbursed out under the control of the Debtor,
6 and heavily negotiated. I remember the CLO Issuers, I think,
7 had some pause and concerns and got their language into that
8 order.

9 So we had this protocol order. Debtor was worried about
10 violating the protocol order, so Debtor files the motion
11 February 24th, wanting the blessing of a court order before it
12 transferred these monies to CLO Holdco and some other
13 Highland-affiliated entities. There were vehement objections,
14 and the Court issued the order saying, Let's put these monies
15 into the registry of the Court, at the suggestion of very able
16 counsel as to how we could resolve that contested matter we
17 were there on on March 4th.

18 So, you know, a month later, April, we have this new
19 motion of CLO Holdco reviving the dispute, the \$2.5 million
20 dispute that we had just put to rest temporarily in March at
21 the suggestion of lawyers. I didn't issue a 105 injunction
22 outside the context of an adversary proceeding just on my own,
23 *sua sponte*. It was suggested to me that this was a good
24 solution. People embraced it. That's what we did. And I
25 sure didn't have in my brain that a month later we'd have a

1 brand new motion regarding whether these monies should be
2 disbursed to CLO Holdco all over again, when that was the
3 issue that was already before the Court in March.

4 I, again, fully recognize that everybody reserved their
5 rights, but I focus on this context because, again, I wish Mr.
6 Dondero and Mr. Scott were on the call to hear this: This
7 almost feels like a good faith issue to me. You know, maybe I
8 would feel slightly different if there had been a broad
9 emphasis, heavy emphasis, CLO Holdco standing up through a
10 lawyer that day saying, We're just letting you know, we're
11 going to get together a motion in very short order and tee
12 this up again. Because I would have probably said no. You
13 know, if -- let's just hear it right now today, if this is
14 only a three-week mandate or whatever. So, good faith is
15 something that I can't help but scratch my head and be
16 troubled by.

17 So, I want to emphasize that CLO Holdco's lawyer has made
18 perfect arguments regarding the potential legal issues here.
19 There are some valid arguments here about is this tantamount,
20 holding the money in the registry of the Court that a non-
21 debtor asserts is its property, is that tantamount to a
22 prejudgment remedy? You know, did it require an adversary
23 proceeding? Did it require the traditional four-prong prove-
24 up for a preliminary injunction? And did the Court just give
25 short shrift to those legal technicalities?

1 Again, these are compelling arguments, but I'm overruling
2 the arguments because, again, I believe it ignores the context
3 that CLO Holdco essentially consented, acquiesced, in this
4 placeholder keep-the-status-quo solution. And I question its
5 good faith in, so quickly after consenting, bringing this
6 motion.

7 But moreover, I do find that in the unique context of the
8 disputes before the Court on March 4th, I did have authority
9 to issue a 105 injunction. 105, as we all know, at Subsection
10 (a) gives a bankruptcy court authority to issue orders
11 necessary or appropriate to carry out provisions of Title 11,
12 and the last sentence even provides a mechanism for the Court
13 to *sua sponte* take action to, among other things, prevent an
14 abuse of process or just do what's necessary or appropriate to
15 implement court orders or rules.

16 So I think, again, in the context before the Court, it was
17 not only a consensual thing, but the Court had authority. And
18 the backdrop of this, again, cannot be overstated. Again, to
19 use Mr. Clemente's word, we have this Byzantine structure
20 here. It's a lot for the Committee to get its arms around.
21 And even the CLO Holdco structure -- again, I'm looking at my
22 notes, my fancy chart -- we have CLO Holdco, a Cayman Island
23 entity. Its parent is Charitable DAF Fund, LP, another Cayman
24 Island entity. It, in turn, is owned by Charitable DAF
25 Holdco, Ltd., yet another Cayman Island entity. Its general

1 partner happens to be a Delaware entity, Charitable DAF GP,
2 LLC, but the beneficial owners of it are the three Highland
3 Foundations, of which Dondero is president and director, and
4 Mr. Scott the treasurer and director.

5 So, I'm not saying the Byzantine structure is in and of
6 itself problematic, although one might wonder why a charitable
7 organization needs to have three offshore entities as part of
8 its structure. I digress. But we all know a Byzantine
9 structure and ties to Dondero do not mean something is
10 attackable in and of itself, but we have had issues raised
11 about the Dynamic Fund and the various transfers with regard
12 to Dugaboy, the Dondero Family Trust, and Get Good Trust and
13 the note. All of that is worthy of examination, and the
14 Committee has not had all that long in this case to
15 investigate it.

16 So, I'm going to say a couple of more things. First, the
17 motion is denied, but I'm going to put more strings on it than
18 that. I'm denying the motion, but as part of this ruling I'm
19 going to order that the Committee has 90 days, unless the
20 Court happens to extend that on motion or agreement of the
21 parties, to file an adversary proceeding against CLO Holdco or
22 the money shall be released. Okay?

23 So, again, I intended it, as I think everybody did, to be
24 a placeholder, to keep the status quo little bit. Again, Mr.
25 Kane has raised good arguments that maybe an adversary

1 conceivably was necessary or might become necessary. So here
2 we have a requirement of an adversary within 90 days or the
3 money shall be released to Holdco -- again, unless someone
4 moves to extend that or I get an agreement to extend that and
5 I happen to decide to issue an order extending that.

6 I presume that if an adversary is filed, then if the
7 Committee wants that money to continue to be held in the
8 registry of the Court, then they would have to file an
9 application for injunctive relief, essentially, to keep the
10 money in the registry of the Court pending the resolution of
11 the adversary proceeding.

12 So that is the ruling of the Court. Mr. Clemente, I'll
13 ask you to draft up the order. And I reserve the right to
14 supplement this oral ruling in that form of order. And please
15 run it by Mr. Kane before electronically submitting it to the
16 Court.

17 Now, I'm going to say a couple of other things, and then
18 I'll, before closing, I'll ask if there are questions or other
19 announcements. I have told the parties and the lawyers to
20 focus on a plan and problem-solving how we're going to pay
21 creditors. And I think I expressed my strong hope that people
22 would stop litigating everything. I think I'm remembering
23 saying this most recently at the UBS hearing a few weeks ago
24 on a motion to lift stay. Once again, we had a very lengthy
25 hearing that day. I denied the motion. And here we are

1 again.

2 You know, I want certain people to understand that it's
3 time to stop fighting everything. The Debtor is in bankruptcy
4 because of years and years and years and years and years of
5 litigating everything to the nth degree. I'm fed up with it,
6 and I tend to believe that behind the scenes -- I have no
7 doubt that behind the scenes there are people working hard
8 towards crafting a plan, and I think we're coming up on an
9 exclusivity deadline in late July, maybe. What do I have to
10 say to make it clear: People need to stop litigating and
11 start focusing on a plan to get creditors paid. I don't want
12 to do something drastic like appoint a global mediator, but it
13 is definitely dancing around in my brain if we keep having,
14 again, sideshows. Okay?

15 So, Mr. Pomerantz, what do you want to tell me about
16 what's going on behind the scenes? Again, I am certainly not
17 probing into settlement discussions, but do we have progress
18 being made, or is everyone just threatening to file new
19 litigation?

20 MR. POMERANTZ: Yes, Your Honor. For the record,
21 it's Jeff Pomerantz; Pachulski Stang Ziehl & Jones; on behalf
22 of the Debtors.

23 Your Honor, the Debtor took to heart the comments that
24 Your Honor made at the conclusion of the UBS hearing. It's
25 been the Board's desire to move this case forward, both in the

1 plan process and in terms of a claims resolution process. And
2 I think I mentioned to Your Honor that at least with respect
3 to the UBS hearing, I think that we needed to get by that
4 hearing before until I think we can make any progress with
5 them.

6 Since that time, and in anticipation of the hearing that
7 is going to occur on July 8th, when I indicated to Your Honor
8 that we would hopefully present a structure and a mechanism to
9 do exactly what Your Honor said, there has been a lot of work
10 and a lot of effort, both at the Board level to come up with a
11 concept, a structure, and a timing for the mediation process,
12 and I personally have spoken to not only Mr. Clemente but
13 counsel for every member of the Committee, to hopefully
14 coalesce around a concept, identification of mediators, what
15 would be mediated, and how that would take -- process.

16 We understand the Committee is meeting today to discuss
17 that. Right after this hearing, we have a weekly meeting
18 between the Board and the Committee. We will discuss that
19 further. But your message was taken by the Debtor, and I
20 believe by the other parties, loud and clear, that Your Honor
21 would (audio gap).

22 At the same time, we recognize that that might be
23 impossible. Since the last hearing, we filed our objection to
24 the Acis claims. UBS filed its claim on Friday, the 26th. As
25 Your Honor is aware, we're preparing an objection to that

1 claim as well, as well as others.

2 We do not want to litigate while we mediate. However,
3 this case has progressed for a while, and I think it's going
4 to be important for all parties to understand that if the
5 mediation is not successful, they and I will be called on to
6 make some difficult decisions on the claims that are asserted
7 against the estate to go forward.

8 At the same time, and separate and apart from the
9 mediation process, the Debtor has been working on a plan with
10 the Creditors' Committee. It is in its advanced stages. And
11 while it's not ready to be imminently filed, we think in short
12 order we will be able to file a plan. What the plan says and
13 whether it's just essentially putting assets in a monetization
14 vehicle and resolving the claims after confirmation, or
15 whether something can be done more globally, what has been
16 referred to with the parties as a grand bargain, is still
17 something that we are trying to flesh out.

18 But make no mistake, Your Honor: The Board has wanted to
19 move this case forward. Your comments, I think, have been
20 extremely helpful in telegraphing what your thoughts are. I
21 think the Committee understands that, the Creditors' Committee
22 understand that, that it's just not sustainable on a number of
23 levels to keep on fighting and litigating and have these types
24 of hearings.

25 So we will present, hopefully, on July 8th, as -- a game

1 plan. Hopefully, we'll have everyone's approval. But even if
2 we don't have every -- anyone -- everyone's approval, it'd be
3 the Debtor's thoughts to present to Your Honor how the Debtor
4 believes we should proceed.

5 THE COURT: All right. Well, thank you. I had
6 forgotten we were coming back so soon. July 8th. Next week.
7 I had in my brain late July. But that -- is it a status
8 conference or an actual motion that's set?

9 MR. POMERANTZ: Your Honor, we have a couple of
10 hearings on calendar for that day.

11 THE COURT: Okay.

12 MR. POMERANTZ: I believe one is exclusivity, --

13 THE COURT: Okay.

14 MR. POMERANTZ: -- which I do not think is going to
15 be contested, based upon my conversations with Mr. Clemente,
16 although I understand he'll want to explain to the Court what
17 the Committee's position on any further extensions would be.

18 There is also a motion to extend the removal deadline.

19 So, thus far, there is nothing contested, but we intend to
20 be able to use that, Your Honor, to present an approach that
21 hopefully will resolve this.

22 Your Honor, I have one other comment that I wanted to make
23 in connection with the motion Your Honor just heard.

24 THE COURT: Okay.

25 MR. POMERANTZ: As Your Honor recalls and as we

1 mentioned today, there were distributions from a variety of
2 different Funds to a variety of related parties. In June,
3 distributions were set to be made to those same parties. And
4 with the consent of CLO Holdco and with the consent of HCM
5 Services, those monies were not distributed to them, but are
6 in the process of being submitted to the Court's registry.

7 THE COURT: Okay.

8 MR. POMERANTZ: The expectation would be that they
9 were going to be treated the same way as the old funds, based
10 upon Your Honor's ruling.

11 We understand from the Court that we, Your Honor, that we
12 probably need a separate order with respect to that, and
13 that's with respect to the CLO and HCM Services. So we would
14 prepare that order.

15 Whether both those distributions would be made to Mark
16 Okada -- and if Your Honor recalls, at the last hearing, Your
17 Honor only withheld the amount necessary to pay Mr. Okada's
18 note, which was ultimately paid, and the remaining amounts
19 were distributed to him. And in light of that, we advised the
20 Committee that we would distribute additional monies to Mr.
21 Okada, and there was no objection.

22 (Echoing.)

23 MR. POMERANTZ: So, in sum, Your Honor, we would
24 submit to Your Honor a further order to Your Honor for the
25 additional funds, otherwise payable from those funds to CLO

1 Holdco and to HCM Services, to be put in the Court's registry.

2 THE COURT: All right. Someone needs to be put on
3 mute. I don't know who that is, but we're getting some
4 background. Okay.

5 MR. CLEMENTE: Again, Your Honor. Your Honor, Matt
6 Clemente, very, very quickly, Your Honor.

7 THE COURT: Okay.

8 MR. CLEMENTE: Again, the Committee obviously took to
9 heart your comments at the last hearing and very much
10 appreciate the comments you just gave in terms of where you're
11 at and how you're viewing and feeling about things. And so I
12 will obviously discuss those very, very carefully with the
13 Committee.

14 Just to point out to Your Honor, Mr. Pomerantz talked
15 about the distribution to Mr. Okada. And, again, you talk
16 about context and optics and understanding where we are. I
17 read and understood -- I was in front of you -- regarding the
18 ruling from the last time. Remember, we objected to the
19 distribution to Mr. Okada last time. We did not do that this
20 time, Your Honor.

21 So the Committee does very much understand Your Honor's
22 desire for this to not continue to be a litigation issue. We
23 could have easily tried to object to Mr. Okada's distribution
24 again, and we did not, Your Honor.

25 So I want Your Honor to understand that the Committee very

1 much understands where Your Honor is thinking and how she's
2 viewing things, and I suspect that the Committee will be very
3 responsive and respectful of your comments, Your Honor.

4 THE COURT: Thank you. All right. Well, then, Mr.
5 Pomerantz, I'll be on the lookout for your order that the
6 Clerk's Office needs for more money to be deposited in the
7 registry of the Court. And, again, I understand that it is
8 the newest disbursement that would otherwise be due to
9 Highland Capital Management Services, Inc. and to CLO Holdco,
10 Ltd., and that would certainly be my intention after today's
11 ruling, that the newest distribution for those entities go
12 into the registry of the Court.

13 So, we'll be on the lookout for that. And I guess I will
14 see you on July 8th for other case matters, and we'll see
15 where we are next week.

16 All right.

17 MR. CLEMENTE: Thank you, Your Honor.

18 MR. KANE: Your Honor?

19 THE COURT: Thank you.

20 MR. KANE: Your Honor, this is John Kane.

21 THE COURT: Okay.

22 MR. KANE: Sorry. I have mainly just a brief
23 statement. And I have no intention of trying to persuade you
24 a different way from your ruling. I understand that ruling is
25 already there.

1 But I was -- I was on the phone representing CLO Holdco on
2 the last Acis plan status conference and listened to your
3 directives to the parties about the litigious nature that's
4 been taking place in this case. And I've had lengthy
5 conversations with my client, Grant Scott, about those same
6 concerns.

7 So I did want to disclose to Your Honor, first, that
8 nothing in our motion was trying to contradict the Court's
9 ability to initiate plead funds into the registry of the Court
10 or order that. We weren't trying to relitigate the same
11 proceeding a second time.

12 But, importantly, at the outset of this, I had
13 conversations with the Committee about our efforts to try and
14 locate a feasible bond to put up as collateral to remove the
15 funds from the registry so that we could satisfy both the
16 Committee's concerns but also CLO Holdco's concerns about
17 liquidity issues at the CLO Holdco level.

18 Unfortunately, we were not able, after discussing with two
19 different bond brokers, to locate a bond that we thought was
20 going to be economically feasible, given the potential time
21 period that the funds could be in the registry, given that
22 there was no temporal limitation on how long the Committee
23 would be investigating these claims, or, really, how long
24 litigation could take, depending on the complexity of the
25 claims and the number of parties included on that complaint.

1 We were looking at a potential even, you know, two percent
2 cash bond on an annual basis was going to be hundreds of
3 thousands of dollars, potentially. And that's something that
4 we decided really wasn't feasible.

5 And I also want to make abundantly clear that I would not
6 have attempted to relitigate any issue whatsoever. I
7 personally viewed that this is a separate and distinct legal
8 issue. I was not present at that March hearing. So I
9 apologize if this came across as some kind of litigation
10 tactic.

11 But the reason that our motion was filed is because of
12 liquidity concerns at the CLO Holdco level relayed to me by
13 Grant Scott. There was no evidence presented of that because,
14 Your Honor, we did not believe that we had the burden of
15 proving any kind of harm issue because we were not the party
16 seeking that injunction, and that wasn't an issue that had
17 been subject to any kind of discovery whatsoever.

18 So, I just -- I always get very uncomfortable when there
19 are allegations of good faith, bad faith, the like. I want
20 this Court to understand that CLO Holdco's counsel is advising
21 CLO Holdco regarding your views on the litigious nature of
22 proceedings in this case, this bankruptcy case, that that is
23 something that is very real, that I have taken to heart, that
24 I am using to influence my client's decision-making, and that
25 this was not an attempt by CLO Holdco to unnecessarily address

1 or relitigate an issue for some small balance.

2 CLO Holdco, most of its assets are either encumbered or
3 are illiquid. There is a large portion of illiquid assets
4 that are not encumbered. So we are able to pay any kind of
5 judgment. Let me restate that. That we would -- we would
6 likely have to liquidate considerable assets to do that, which
7 is where the settlement gives a potential opportunity cost and
8 appreciation of asset value, which is why we proceeded with
9 this motion.

10 I'm not intending any of those statements to be admitted
11 into evidence or to persuade you to either rule differently
12 for some reason or another, but I did think that, given your
13 concerns, that it was important to provide the Court with
14 context for why we took the tactic that we did to try and
15 obtain funds from the registry of the Court.

16 This, on the CLO Holdco level, was not a bad faith effort.
17 We weren't trying to relitigate an issue that was already
18 there, and certainly we weren't trying to litigate unless
19 litigation we felt was necessary from a financial cost-benefit
20 analysis. And that was a real analysis that we discussed
21 between me and my client.

22 I just wanted to share that with the Court. I've shared
23 with the Committee counsel that we understand that there are
24 major concerns about Jim Dondero, about his control over
25 various entities, about transfers. I'm trying to work as hard

1 as I can to distance CLO Holdco from that taint, because
2 understanding that it's in what has been alleged as a
3 Byzantine web, we think it's important to separate CLO Holdco
4 and its operations to ensure that things are done in an
5 appropriate fashion with square corners.

6 That's all I have, Your Honor. We have no objection to
7 the additional funds being pled into the registry of the
8 Court. We can agree those funds would be adjudicated as part
9 of this dispute. We understand that we did not prevail, and
10 we appreciate your Court hearing our argument.

11 (Proceedings concluded at 12:06 p.m.)

12 --oOo--

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18 CERTIFICATE

19
20 I certify that the foregoing is a correct transcript to
21 the best of my ability from the electronic sound recording of
the proceedings in the above-entitled matter.

22 **/s/ Kathy Rehling**

07/02/2020

23 _____
24 Kathy Rehling, CETD-444
Certified Electronic Court Transcriber

Date

25

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005494

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

In Re:) **Case No. 19-34054-sgj11**
)
)
HIGHLAND CAPITAL) Dallas, Texas
MANAGEMENT, L.P.,) July 8, 2020
) 1:30 p.m. Docket
Debtor.)
) - MOTION TO EXTEND EXCLUSIVITY
) PERIOD (737)
) - MOTION TO EXTEND TIME TO
) REMOVE ACTIONS (747)
)

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE.

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1 DALLAS, TEXAS - JULY 8, 2020 - 1:37 P.M.

2 THE COURT: All right. Hello. This is Judge
3 Jernigan. Hopefully you can all hear me. We're ready to
4 start the Highland hearings we have today, Case No. 19-34054.
5 Let's start off by getting appearances from those lawyers who
6 want to appear formally today. First, for the Debtor, do we
7 have Mr. Pomerantz or a team from Pachulski Stang?

8 MR. POMERANTZ: Yes. Good morning, Your Honor. Jeff
9 Pomerantz; Pachulski Stang Ziehl & Jones; counsel for the
10 Debtors.

11 THE COURT: All right. Good afternoon. Anyone else
12 for the Debtors that wants to appear?

13 MR. ANNABLE: Yes, Your Honor. Yes, Your Honor.
14 Zachery Annable and Melissa Hayward, local counsel for the
15 Debtors.

16 THE COURT: All right. Thank you. All right. For
17 the Unsecured Creditors' Committee, I think I see Mr. Clemente
18 there on the screen.

19 MR. CLEMENTE: Good afternoon, Your Honor. Matthew
20 Clemente; Sidley Austin; on behalf of the Creditors'
21 Committee.

22 THE COURT: All right. Very good. I know we have
23 lots of other folks on the line. I'm not sure who else might
24 want to formally appear. I'll check on some of the usuals.
25 For Acis, do we have Ms. Patel or Ms. Chiarello?

1 MS. PATEL: Good afternoon, Your Honor. Rakhee Patel
2 and Annmarie Chiarello of the Winstead firm on behalf of Acis
3 Capital Management, LP. Also on the phone is Brian Shaw of
4 the Rogge Dunn Group.

5 THE COURT: All right. Thank you. For the Redeemer
6 Committee, do we have anyone appearing for them?

7 MS. MASCHERIN: Good morning, Your Honor.

8 MR. PLATT: Your Honor, --

9 MS. MASCHERIN: Go ahead, Mark.

10 MR. PLATT: Sorry. Mark Platt, Your Honor, on behalf
11 of the Redeemer Committee of the Highland Crusader Fund. And,
12 obviously, Ms. Mascherin is on the screen as well.

13 THE COURT: Okay.

14 MS. MASCHERIN: Good afternoon, Your Honor.

15 THE COURT: Good afternoon. Let's see.

16 MR. PLATT: And Mr. Hankin is on the phone as well,

17 --

18 THE COURT: Okay.

19 MR. PLATT: -- Your Honor.

20 THE COURT: All right. Very good. All right. Any
21 other -- UBS, by chance?

22 (No response.)

23 THE COURT: Okay. Anyone for the CLO Issuers?

24 (No response.)

25 THE COURT: All right. Anyone I missed? U.S.

1 Trustee, perhaps?

2 (No response.)

3 THE COURT: All right. Well, --

4 MR. LYNN: Your Honor, --

5 THE COURT: Okay.

6 MR. LYNN: -- good afternoon. Michael Lynn and John

7 Bonds for Jim Dondero.

8 THE COURT: Oh, okay. Hello. How are you?

9 MR. LYNN: Well, thank you.

10 THE COURT: All right. Anyone else wishing to appear
11 at this time?

12 (No response.)

13 THE COURT: All right. We have a couple of matters
14 set on our calendar. A motion to extend the deadline for
15 removal of actions, to which I saw no written responses, and
16 then a third motion to extend exclusivity, and I saw a
17 Committee response to that.

18 I don't have on my hard calendar anything about a status
19 conference regarding mediation, but I found in our notes from
20 our hearing, I believe it was the UBS hearing in middle of
21 June, that I said, you know, we might want to talk about that
22 if we don't hear some rosy news or some developing positive
23 news today at the July 8th hearing. So we'll kind of put that
24 on the back burner and see if there's a need to talk about
25 that today.

1 All right. So, Mr. Pomerantz, are you going to start us
2 off?

3 MR. POMERANTZ: Yes, Your Honor. And actually, I had
4 some comments that sort of touched on a few of the issues you
5 talked about and I think it's apropos to talk about it in the
6 context of the motion to extend exclusivity, which I do note,
7 Your Honor, is not objected to.

8 We had asked in the motion for a 30-day extension and an
9 additional extension beyond that in increments of 30 days, up
10 to a maximum of 90 days, with the Creditors' Committee's
11 consent. We have read their response. We understand they are
12 accepting a 30-day extension, but wanted to put the Debtor and
13 I'm sure the Court on notice that, at the end of 30 days, they
14 don't anticipate any further extensions, which I think, based
15 upon the course of actions, will be just fine, because I
16 think, as I will report to Your Honor, we expect to be able to
17 file a plan by then.

18 But I thought I would take this time, Your Honor, and sort
19 of (audio gap) little context, and that is the (inaudible) to
20 give Your Honor just a brief update of the status of the case,
21 the status on the filing of the Debtor's plan, and as Your
22 Honor alluded to, the Debtor's thoughts regarding mediation,
23 because we have spent a lot of time since Your Honor first
24 raised the issue in the middle of June talking about it, and
25 we think we have a structure that has significant support from

1 the main parties in this case.

2 So, as I mentioned, Your Honor, at the hearing on June
3 30th, after stabilizing operations, the Board began to focus
4 on resolving the significant litigation claims that have been
5 filed against the estate. And the first step in that process,
6 Your Honor, is the Board wanted to commission an independent
7 analysis of those claims, not burdened by what had come before
8 it in connection with the analysis. So we spent a lot of
9 time, our firm did, providing detailed analysis on the major
10 claims against the estate, including the Acis claim, the UBS
11 claim, and the Redeemer claim.

12 Then the pandemic hit, and a lot of the Board's attention
13 was spent on dealing with the disruption to the Debtor's
14 business that was caused by the pandemic. However, during the
15 last couple of months, Your Honor, the Board has begun to
16 focus on engaging with UBS, Redeemer, and the Acis groups in
17 order to assess the ability to be able to resolve the claims
18 short of contested and time-consuming litigation. Because as
19 I mentioned to Your Honor on several occasions, the Board
20 intended, when it came in on January 9th, and I think has done
21 a good job, is changing the culture that had existed before,
22 the culture of litigation, to potentially a culture of
23 settlement and mediation.

24 And in that regard, Your Honor, I'm pleased to report that
25 the Debtor has reached an agreement in principle with the

1 Redeemer Committee regarding the allowance of the Redeemer
2 Committee's claim. The agreement is subject to resolution of
3 a few minor drafting issues, and the Debtor anticipates
4 seeking Court approval of a settlement in the near future.

5 With respect to Acis, Acis's claims, two weeks ago the
6 Independent Board made an offer to resolve the Acis claims.
7 At this point, has not heard back. Hopes to hear back from
8 Acis.

9 In the interim, the Debtor has also filed an objection to
10 the Acis claim, which it would intend to prosecute if it
11 cannot be resolved consensually, either before or in
12 connection with the mediation process that I will lay out that
13 we would propose to the Court in a few moments.

14 With respect to the UBS claim, Your Honor, the Board
15 believes that the Court's ruling on UBS's relief from stay
16 motion was a necessary first step before settlement
17 discussions could get off the ground, and the hope is that the
18 claim could be resolved through mediation, if not sooner, and
19 the parties discussing potentially different counterproposals.
20 None have been made yet, but it is the intention of the Board
21 to engage with UBS.

22 With respect to the mediation process, Your Honor, the
23 Board agrees with the comments that the Court made that
24 mediation could be a very useful tool and a catalyst to a
25 settlement. That would resolve the litigation that has

1 burdened this estate for many years.

2 Since the last hearing, Your Honor, I've had discussions
3 with both Committee counsel, Mr. Clemente, and counsel for
4 each of the Committee members regarding a mediation process
5 that I think, subject to Your Honor's concurrence, has broad
6 support among the major parties, just proving to Your Honor
7 that the parties can come together and agree on something in
8 this case.

9 There is consensus that the Court should order a mediation
10 that would encompass essentially two general areas. First,
11 the mediation would seek to resolve the claims of Acis and
12 UBS, to the extent the parties cannot reach agreement on their
13 own prior to the commencement of the mediation.

14 However, resolving claims against the estate is really
15 only one part of the equation. A true global resolution would
16 also (audio gap) the Debtor's estate may have against Jim
17 Dondero and related entities, claims that I'm sure Your Honor
18 recalls the Committee bargained for the ability to prosecute
19 in connection with the global settlement approved by Your
20 Honor in January.

21 I've spoken with Mr. Lynn, Mr. Dondero's counsel. I know
22 he's participating in the hearing. And he has indicated that
23 Mr. Dondero is willing to participate in a plan mediation
24 process to see if a global resolution can be reached.

25 The Debtor and the Committee have also discussed the names

1 of potential mediators, and subject, of course, to Your
2 Honor's approval, the Debtor and the Committee have reached
3 out to Judge Jones' clerk for the Southern District of Texas
4 and he has told us that he has the time and the willingness to
5 mediate.

6 We also believe that, if available, since there is a lot
7 in terms of mediation in this case, that it may be helpful to
8 have two mediators. And if Judge Isgur -- we haven't reached
9 out to him -- is also available, we believe that both of those
10 judges possess the qualities that this case would need to
11 resolve -- to give the best chance of resolving the claims and
12 the plan process in an efficient and a timely manner.

13 We would contemplate that the parties would submit fees to
14 the mediator by July 31st, and the mediation would occur
15 sometime in the second half of August.

16 Notwithstanding the mediation process, however, Your
17 Honor, the Debtor is moving forward towards expeditiously
18 filing a plan, which will not need to wait for mediation to
19 conclude. And in that regard, Your Honor, the Debtor and the
20 Committee have worked cooperatively over the last several
21 weeks to draft a plan that would allow the Debtor to emerge
22 from Chapter 11 as quickly as possible -- you know, 120 days
23 or so after it would be filed.

24 The Debtor and the Committee and its members recognize
25 that the administrative fees attending to the continued

1 administration of this case in bankruptcy is material, and
2 that one way to reduce them is to emerge from bankruptcy as
3 quickly as possible.

4 To that end, Your Honor, the Debtor is optimistic that it
5 will be able to file a plan by the end of the current
6 exclusivity period, which, if Your Honor grants the pending
7 motion, would be August 12th. And, at present, the plan
8 contemplates the creation of an asset monetization vehicle
9 that will seek to monetize the assets in an appropriate
10 manner.

11 The Debtor believes that the current plan is confirmable,
12 whether or not the Debtor is successful in resolving the large
13 claims against the estate, either consensually or in
14 mediation. Worst case, the claims litigation process can
15 proceed post-confirmation.

16 At the same time, however, Your Honor, the Independent
17 Board -- led by Mr. James Seery, who has testified before Your
18 Honor and who has been appointed as the Debtor's chief
19 executive officer, subject to Court approval, and that hearing
20 is scheduled for July 14th -- has also had positive
21 discussions with Jim Dondero regarding a plan structure that
22 would not only allow for the prompt exit from Chapter 11 but
23 could also inject some liquidity into the case that would
24 allow actual distributions to be made to creditors much more
25 expedited than perhaps waiting for the monetization of the

1 assets. And Mr. Seery continues to have those discussions
2 with Mr. Dondero, and he and the Board are cautiously
3 optimistic that they will bear fruit.

4 However, Your Honor, just to be clear, the Debtor intends
5 to file a plan by the expiration of exclusivity whether or not
6 Mr. Dondero is part of that plan, and his involvement will not
7 distract the Debtor from emerging from Chapter 11 as quickly
8 as possible.

9 So we feel we have presented some rosy news today in terms
10 of resolution of some of the claims and a path forward, that
11 we think this case is on a different trajectory than it was
12 quite some time ago, and we look forward to continuing a
13 dialogue with the parties before mediation and in mediation,
14 if Your Honor orders it, and hopefully can have a quick and
15 (inaudible) resolution of the case.

16 THE COURT: All right. I have a few questions, but
17 I'll turn to other lawyers to see what they have to say, and
18 their comments may answer some questions I have. Mr.
19 Clemente, go ahead.

20 MR. CLEMENTE: Yes, Your Honor. Thank you. Matthew
21 Clemente from Sidley on behalf of the Committee.

22 Mr. Pomerantz is correct with respect to exclusivity. As
23 we laid out in our papers, the Committee has no objection to
24 the additional 30 days of exclusivity through August 12th, and
25 the Committee sees no reason why a plan cannot be filed within

1 that time frame.

2 As we laid out in our papers, we at this time don't see
3 any reason for exclusivity to extend beyond August 12th. But
4 I do think that is consistent with the relief that the Debtor
5 is asking for.

6 To be sure, Your Honor, given the position of the
7 Committee and its constituency, we do not see any plan here
8 that gets done without our consent, frankly, and approval.
9 And we've made that point consistently to the Debtor, and we
10 continue to make that point. Filing a plan with which the
11 Debtor knows this constituency does not agree, frankly, we
12 think would be a waste of time and resources and will create
13 needless litigation, to which Your Honor expressed a strong
14 distaste for at the last hearing.

15 So, Your Honor, we will continue to work with the Debtor
16 in moving forward with a plan, and we are hopeful that the
17 Debtor will continue to understand the importance of working
18 cooperatively with the Committee to propose a plan the
19 Committee can support, as opposed to one it knows the
20 Committee will take issue with.

21 So, with that, Your Honor, again, we don't have any issue
22 or objection to the entry of the exclusivity order, but I did
23 want to make Your Honor aware of the Committee's views.

24 Second, Your Honor, with respect to mediation, the
25 Committee is supportive of the mediation proposal Mr.

1 Pomerantz laid out. Mr. Pomerantz touched on it, and the
2 Committee has been consistently clear, however, that the
3 mediation should not distract from the task of moving forward
4 with a plan, a plan, as Mr. Pomerantz told you, will be
5 designed to be confirmable even without claim resolution or
6 Mr. Dondero's involvement.

7 The Committee believes that it is important that the
8 claims be addressed first in the mediation, the claim
9 resolution issues, as they believe that that is the
10 appropriate sequencing. It can all happen as part of the same
11 mediation, but the Committee feels very strongly that the
12 claims should be addressed first in the context of that
13 mediation.

14 And with respect to Mr. Dondero's involvement, the
15 Committee is not opposed to having his involvement and the
16 Committee will negotiate in good faith during the mediation
17 and will be looking to the mediator to help determine the most
18 effective way to involve Mr. Dondero in the process -- again,
19 with the very strong view that the claims should be addressed
20 first in the context of that mediation.

21 That is all I have, Your Honor, but I'm happy, obviously,
22 to answer any questions you have.

23 THE COURT: Okay. Let's hear from anyone else. Any
24 other lawyers want to weigh in?

25 MS. PATEL: Good afternoon, Your Honor. Rakhee Patel

1 on behalf of Acis. And I will endeavor to not tread the same
2 ground that Mr. Pomerantz and Mr. Clemente have. But just to
3 kind of -- probably more so for the benefit of others that are
4 participating in the hearing, because I know Your Honor,
5 you're familiar with our matter, I hit on the two pieces of
6 litigation that I think, you know, bear discussing in the
7 context of mediation. And by the way, just to be clear, I
8 have -- I have no position different than Mr. Clemente with
9 respect to exclusivity.

10 But as Your Honor is aware, there is a lawsuit involving
11 Acis and Highland Capital Management. It's an adversary.
12 It's been through various permutations, the first of which
13 started roughly two years ago. I think we just passed the
14 two-year anniversary of the first adversary that all ended up
15 being consolidated down and added to over time. And
16 immediately prior to Highland's bankruptcy, that adversary was
17 effectively abated by virtue of the withdrawal of the
18 reference motion that was filed and argued and the Court was
19 writing what I understand to be a lengthy Report and
20 Recommendation in connection with. And that was then
21 ultimately stayed by Highland's bankruptcy case in October of
22 2019.

23 As Mr. Pomerantz indicated, Highland has now objected to
24 Acis's proof of claim. That just came roughly about two weeks
25 ago. And keeping in mind, Your Honor, that Acis's proof of

1 claim is its complaint in that adversary that I just
2 referenced.

3 At present, Acis's response is due somewhere around July
4 23rd, I believe, and there is a hearing scheduled on that
5 claim objection on August the 6th. So a hearing has been set
6 imminently.

7 Mr. Pomerantz and Mr. Couch were very kind to put in a
8 peremptory call immediately prior to the filing, and they
9 advised that they were going to be filing that claim objection
10 and that they were going to be setting it for hearing on
11 August the 6th, and I advised them that I had planned on being
12 on vacation that week, which is all a very long way of saying,
13 Your Honor, I think we're going to have to, in light of
14 mediation, work up an alternate schedule.

15 And I'm confident that we'll be able to reach that
16 alternate schedule, but we'll be keeping the mediation and its
17 scheduling and the parties with schedules in mind. Because it
18 doesn't seem to make an awful lot of sense to me to be
19 litigating the claim objection before we get to mediation.

20 On the -- on other fronts, and, again, you know, I know
21 Your Honor presided over the Acis case, obviously, for the
22 last two and half years, commencing with the involuntary
23 bankruptcy that touched off that case. But on the -- on the
24 related front, is, as I advised the Court at the status
25 conference during the Acis status conference, there was a suit

1 that was filed by Acis against Mr. Dondero, certain of
2 Highland Capital Management's employees, the former treasurer,
3 Mr. Waterhouse, as well as CLO Holdco, Grant Scott, and
4 certain of the Independent Directors of Highland CLO Funding.

5 And, you know, as Your Honor may recall, that suit was
6 filed to get ahead of the 546 or -- and/or Section 108 time
7 period cutoff. But that suit is now pending. In connection
8 with that litigation, Your Honor, there has been -- there are
9 a couple of answers that were filed and there's -- there have
10 been a panoply of motions to dismiss filed as well on various
11 grounds: Personal jurisdiction -- ranging from personal
12 jurisdiction, subject matter jurisdiction, 12(b)(6) grounds.
13 Kind of a smattering of a whole lot of things. And all of
14 that bundles together, Your Honor, into a whole lot more
15 litigation.

16 So, in thinking about that piece of litigation and its
17 overall impact on where the parties are, I endeavored to reach
18 out to all of the counsel, the various counsel for the
19 constituent groups therein to talk about what we were going to
20 do with that piece of litigation, certainly now that we are
21 discussing mediation. And I've had various positive at least
22 preliminary discussions with Mr. Bonds, counsel for Mr.
23 Dondero, and then also Mr. Kane, who is counsel for CLO Holdco
24 and Grant Scott, and they were generally receptive to the
25 concept of an abatement, pending mediation, just, again, so we

1 can put a pin in the litigation, see where we can get to in
2 the context of mediation, if some sort of resolution can be
3 reached that advances the collective ball and hopefully helps
4 to, if not resolve the litigation, perhaps reduce or certainly
5 streamline it.

6 I've reached out to, by email, to counsel for certain of
7 the other employees who are, at present, evaluating that --
8 the request for an agreed abatement, and I've also reached out
9 via email and phone to counsel for the Independent -- the two
10 Independent Directors for Highland CLO Funding. That's Mr.
11 Maloney and Ms. Matsumora. And I've not heard from them as
12 yet.

13 So, in connection with that, Your Honor, likely, at least
14 as of right now, my thought is that we would basically be
15 filing a motion tomorrow seeking to abate that piece of
16 litigation in connection with the mediation that we're
17 discussing today, and, of course, depending upon the outcome
18 of today. And we may seek to expedite that motion to abate if
19 the parties don't agree to extend at least present responsive
20 deadlines, et cetera. Because, again, it doesn't seem to make
21 an awful lot of sense to be continuing with litigation while
22 everyone is trying to get into resolution mode.

23 So, Your Honor, as you know, Acis has tried to remain
24 consistently in resolution mode, but we hear Your Honor loud
25 and clear and we will endeavor and try and streamline and at

1 least give the best-faith effort at trying to get things
2 resolved as expeditiously as possible as we can.

3 THE COURT: Well, if that is the case, why haven't --
4 why hasn't the Debtor heard back from you on the offer they
5 made two weeks ago?

6 MS. PATEL: Your Honor, the offer was made after --
7 shortly after the claim objection was filed. The claim
8 objection itself, Your Honor, is a two-page claim objection.
9 And, frankly, if I turn my camera around, you'd see that I am
10 surrounded by paper. We are analyzing the claim objection as
11 filed.

12 Your Honor, in terms of talking about Acis's claim, Acis,
13 as you know, has been -- has been attempting to discuss its
14 claim, and even during Acis's bankruptcy case, we engaged in
15 two different mediations to try and resolve the overarching --
16 a lot of the facts that -- and circumstances that underlie the
17 complaint, and those were unsuccessful.

18 Shortly after the Board was appointed -- and by shortly, I
19 mean I think the hearing was in the morning; we ended up -- I
20 and Mr. Terry ended up having lunch with the Board and the
21 Board's counsel to again being fostering a relationship and to
22 begin discussing Acis's claim in earnest. And we had a
23 lengthy meeting at my offices -- if my memory serves, it was
24 in early February -- with Mr. Nelms and with Mr. Seery. And
25 then, frankly, didn't hear a whole heck of a lot with respect

1 to our claim or any type of negotiation. So the first thing
2 that we heard back with respect to it was just a couple of
3 weeks ago, and Your Honor, we --

4 (Audio interruptions.)

5 THE COURT: Okay.

6 MS. PATEL: We will --

7 THE COURT: Someone needs to put their phone on mute.
8 Okay. Thank you.

9 MS. PATEL: Thank you, Your Honor. We have
10 endeavored -- we have rolled up our sleeves and we are
11 analyzing the claim objection and trying to narrow the issues.
12 And we will be providing a substantive response back to the
13 Debtor as quickly as we can.

14 The settlement proposal, frankly, Your Honor, came in
15 while Mr. Terry was on vacation, so we did have a little bit
16 of time lapse on that.

17 THE COURT: Okay. Where are people going on vacation
18 these days? I can't get anywhere.

19 MS. PATEL: Your --

20 THE COURT: I've had to cancel a couple of vacations.
21 I don't know where people are going.

22 But okay. Well, I'm very disappointed, nevertheless, to
23 hear that there's been zero response in two weeks.

24 Anyone else wish to make a comment before I get to some
25 questions I have?

1 MR. LYNN: Your Honor, Michael Lynn for Jim Dondero.

2 This is just a comment. The Acis v. Dondero, et al. suit
3 parallels in many respects the objection to the claim filed by
4 the Debtor with respect to the Acis claim. We would probably
5 seek to join in the objection, if for no other reason than to
6 preserve our ability to address factual issues that the two
7 matters have in common, to ensure against a future preclusive
8 effect.

9 THE COURT: Okay. Anyone else?

10 MR. POMERANTZ: Your Honor, this is Jeff Pomerantz
11 again. I have a couple of comments with respect to Ms.
12 Patel's. Would you like me to address them now?

13 THE COURT: Go ahead. Uh-huh.

14 MR. POMERANTZ: Okay. Your Honor, I think it's
15 helpful to the Court to understand sort of the big picture in
16 terms of our discussions with Acis. Prior to making a
17 settlement proposal, which, incidentally, occurred before the
18 claim objection was filed, a week or so ago -- well, actually,
19 a few week before that, we had offered to sit down and meet
20 with Acis with respect to their claim.

21 The initial response we received back was that, unless the
22 Guernsey lawsuit was dismissed, they were not interested in
23 sitting down and meeting with us. We were disappointed in
24 that because, as we have consistently maintained since the
25 Board has taken over, the Board does not control that Guernsey

1 lawsuit. But in any event, that was what Acis's position was.

2 Subsequently, a few weeks after that, we were told that
3 Acis would be willing to sit down and have a discussion with
4 us about their claim, similar to the discussions we had with
5 Redeemer and similar to the discussions we had with UBS.

6 To make that discussion most productive, two and a half
7 days into that -- I certainly realize two and a half days is
8 not a lot of time -- we provided Ms. Patel and Mr. Shaw with a
9 draft of the objection, which was mostly identical to the one
10 that got filed. There was a couple of minor changes. We then
11 had a discussion with them. I'm not going to, of course,
12 reveal the substance of the discussion, but the purpose was to
13 go over our thoughts before it was filed. And we were told,
14 as Ms. Patel said, that Mr. Terry was on vacation, and we
15 didn't expect, after putting, as Ms. Patel said, a roughly 60-
16 page objection, that they would be able to turn it around.
17 Several days later, we called up Ms. Patel and Mr. Shaw,
18 communicated orally a settlement proposal, told them that a
19 settlement -- told them that an objection would be filed and
20 offered to, at their convenience, to sit down and talk about
21 the claims.

22 We are still hopeful, Your Honor, in light of Ms. Patel's
23 comments that we will receive a response, that we will receive
24 a response. And to the extent we can narrow the issues down
25 and -- before mediation, I think those ought to be helpful.

1 We also spoke to Ms. Patel. She had indicated she had a
2 vacation scheduled. At the time, I think we were starting to
3 talk about mediation. And the Debtor has no intention of
4 mediating while litigating. We don't believe that's an
5 effective use of people's time. So while it is on for August
6 6th, to the extent Your Honor does order us to mediation and
7 mediation occurs at the end of August, we would anticipate
8 that the hearing on the claim objection would be set for some
9 time in September. But we are encouraged.

10 We also, after the additional litigations were filed by
11 Ms. Patel against Mr. Dondero and certain of the Debtor's
12 employees, who are still current employees, we had suggested
13 that it might make sense to have an abatement and a stay of
14 those proceedings, given the interrelatedness of those
15 proceedings and the matters in Acis's claim objection. They
16 initially rejected that, but I'm very happy to hear that their
17 view now is that it does make more sense to try to see if we
18 can coalesce around a mediation process without satellite
19 litigation occurring.

20 So we are -- we are, to the -- we're not a party to that
21 litigation. We weren't asked. The first time we had been
22 told that that litigation would be stayed was I heard it just
23 a few minutes ago. But we are very much in support of that
24 and hope that the parties can coalesce around a mediated
25 resolution as opposed to a litigated resolution.

1 THE COURT: Okay. Remind me again the amount of
2 Acis's proof of claim.

3 MR. POMERANTZ: I will let Ms. Patel answer that
4 because it's a little unclear and there are some -- been
5 disputes in terms of who said what about it. So I would ask
6 Ms. Patel to remind the Court of what they're claiming.

7 MS. PATEL: Your Honor, on the face of our -- of the
8 filed proof of claim, it states that the claim is in excess of
9 \$75 million.

10 THE COURT: Okay. All right. Anyone else wish to
11 make a statement today?

12 (No response.)

13 THE COURT: All right. Well, as I said, I have a few
14 questions, some I came in here with and some sort of popped up
15 in my brain as I heard the presentations today.

16 Mr. Pomerantz, I mean, I feel in many ways I have sort of
17 only a 30,000-foot level understanding of certain things going
18 on outside of the courtroom. And here's what I mean by that.
19 You made a comment that the Board, you know, had to deal with
20 the destruction of the Debtor's business caused by the
21 pandemic. I think those were your exact words. I would like
22 to understand that better, because there was indeed a theme in
23 your motion to extend exclusivity of, you know, one of the
24 reasons we're not where we would like to be at this juncture
25 is, among other things, you know, we had the pandemic hit.

1 I don't have a full appreciation of how that has slowed
2 things down. I mean, I know there was one specific comment
3 that Jefferies issued margin calls and so that caused
4 liquidity issues. But other than that, I'm not -- I mean,
5 yes, the capital markets fell off a cliff in March, but my
6 impression, naïve as it may be, is that things have kind of
7 bounced back after March. So, tell me how the pandemic has
8 had an effect in trying to get to resolution of issues and a
9 plan.

10 MR. POMERANTZ: Absolutely, Your Honor. So, as I
11 think Your Honor knows in the calls, the Debtor's primary
12 assets consist of two things. One, public stock that it
13 trades through a proprietary account in its select account,
14 and other stocks, public stocks, which, as Your Honor
15 mentioned, the pandemic roiled the stock market, and for the
16 period of time in March and early April, given the fact that
17 the Debtor had margin accounts, a substantial amount of the
18 time spent primarily by Mr. Seery, who effectively started
19 becoming a CEO at that time -- we'll deal with his motion next
20 week -- if it wasn't for his efforts, his expertise and
21 acumen, the result could have been a lot worse.

22 So he's been spending a lot of time in dealing with
23 Jefferies, because, as Your Honor is aware, with margin
24 accounts, there is really limited protections that are
25 available under the Bankruptcy Code, and the automatic stay

1 and other protections don't necessarily apply, and Jefferies
2 could have turned around and sold all the stock. So the value
3 that was preserved took a lot of time and effort. That was
4 one area.

5 The second area, Your Honor, is the Debtor's assets also
6 include interests in private equity investments. A lot of the
7 Debtor's funds that it manages and which the Debtor has
8 significant interest in have a variety of different companies.
9 Each of those companies were dealing with the pandemic in
10 their own different ways, whether it was addressing issues of
11 applying for PPP loans, whether it was addressing employees,
12 there's capital structure issues, each of them are potentially
13 a Chapter 11 making all of their own.

14 So, again, the type of effort and time that it took --
15 again, principally, Mr. Seery, acting as CEO, but also, you
16 know, the other Board members -- was a lot, to stabilize those
17 investments and to make sure that they were not lost through
18 actions by lenders or whatnot.

19 And the third aspect is the Debtor manages funds, still
20 manages funds and actively manages funds. And managing funds
21 that have principally financial-type assets in this
22 environment has been extremely challenging.

23 As Your Honor accurately mentions, over the last couple
24 months the stock market has come to a little more stability.
25 Whether that will remain is anyone's guess. And during that

1 time, that's when a lot of the efforts that I've mentioned in
2 terms of the claims work has been put back on. But there was
3 a month or two period during the pandemic, the early stages,
4 that really impacted the Debtor's ability, and it was all-
5 hands-on-deck to address those issues.

6 At the same time, though, Your Honor, our firm was working
7 on the extensive analysis that was required to, for example,
8 address all the legal issues in connection with what I think I
9 recall is a 34-count complaint by Acis; for our firm to get up
10 to speed with respect to the UBS claim, which, as Your Honor
11 heard a few weeks ago, spanned 11 years of litigation; and
12 also to address the issues with Redeemer and be in a position
13 that, as I mentioned before, we have reached a settlement.

14 So, there were a lot of things going on. We had hoped to
15 be where we are now a couple of months ago. But I think the
16 Board, under the strong leadership of the Board and the strong
17 leadership of Mr. Seery, has effectively stabilized the
18 operations, and we have now been able to, the last couple of
19 months, really turn to how do we get out of this case, as
20 evidenced by the comments I made with the substantial effort
21 that's been made in the plan and the substantial progress I
22 think has been made on putting the Board in a position to sit
23 down and have meaningful discussions with creditors
24 (inaudible).

25 THE COURT: Okay. I mean, again, I don't -- I don't

1 have a witness here, but, well, remind me, what do we have set
2 July 14th?

3 MR. POMERANTZ: So, July 14th, Your Honor, we have
4 two motions. One is a motion to appoint Jim Seery as the
5 chief executive officer. Again, I will talk more about it in
6 connection with that hearing. If Your Honor recalls, as part
7 of the term sheet in January, there was a recognition by the
8 Committee and by the Debtor that instilling the Board was
9 obviously critical. It was critical to avoid this case going
10 into a different direction. And I think there was a
11 recognition that it would be important that somebody stepped
12 up and become the CEO.

13 It was too early to tell whether that somebody would come
14 from the Debtor's board, the newly-installed board, or someone
15 else, but there was a contemplated process. And while the
16 first couple of months of the case were spent, again, on
17 stabilizing operations, I think starting in mid-March and as
18 we went on it was pretty clear that, of the three people on
19 the Board, while all of them are providing invaluable services
20 in leading the Debtor to where it is now, Mr. Seery was
21 stepping up primarily because of his significant operational
22 background in connection with these types of assets. And he
23 has essentially been working a couple hundred hours a month or
24 thereabouts over the last few months doing the things I just
25 alluded to, and the Debtor has determined to seek his

1 retention as a CEO. Has had discussion with the Committee on
2 terms. They're not all finalized or resolved yet, but that
3 hopefully will be uncontested by the 14th.

4 Mr. Seery will also undertake the role of chief
5 restructuring officer, which, as Your Honor recalls, we
6 already have Brad Sharp as -- from DSI as chief restructuring
7 officer. They will essentially become financial advisor. DSI
8 has provided a valuable role to the Board and to counsel in
9 this case. But given that Mr. Seery will, if the Court
10 approves the motion, become the CEO, it would make sense that
11 he be the CRO as well, so it's a separate motion to
12 essentially transmute the DSI representation from a CRO
13 representation to a financial advisor representation. So the
14 two matters are on, Your Honor, but I've --

15 THE COURT: Okay.

16 MR. POMERANTZ: -- given Your Honor a preview.

17 THE COURT: Well, I'd like to hear testimony from
18 both of them on the 14th, Mr. Seery and Mr. Sharp.

19 Again, I -- I mean, ideally, we would have evidence at a
20 hearing on a motion to extend exclusivity. And I understand
21 you didn't have any objections, you worked out essentially an
22 agreement with the Committee. So, I mean, I understand you
23 didn't necessarily think that evidence would be needed.

24 But I, again, you know, my understanding is 30,000-foot
25 level. I'm just trying to understand, you know, with three

1 wonderful independent board members and with a CRO and all
2 these fantastic professionals, it just feels like we -- you
3 know, multiple things could be going on at once, and I kind of
4 feel like, you know, January 9th, six months ago, we had the
5 independent board installed. We had the protocol order with
6 the Committee worked out, you know, which we call it a
7 settlement, but it was mostly a mechanism to allow the
8 Committee to have oversight and monitoring. And it just feels
9 like, January 9th, okay, then we were in a position to really
10 start focusing on these big claims. We knew it was Acis and
11 we knew it was UBS, even though the bar date hadn't hit. And
12 it feels like to me we've -- I shouldn't say bought a lot of
13 time, but a lot of time has gone by for not as many results as
14 I would like.

15 Tell me why I'm being unfair. And, again, I go back to,
16 okay, if it's the pandemic, help me to understand what it was
17 about. You know, I kind of got scared by that phrase you
18 used, destruction to the Debtor's business caused by the
19 pandemic. I mean, I guess part of what I'm getting at here
20 is, Has there been a massive loss of value by the Debtor
21 caused by the pandemic, and that has been sort of a halting
22 event to being able to talk about a plan?

23 MR. POMERANTZ: Well, Your Honor, I believe, and I
24 actually went back to my notes, and I think I said disruption.
25 I didn't say destruction.

1 THE COURT: Oh.

2 MR. POMERANTZ: And if Your Honor heard destruction,

3 --

4 THE COURT: I heard destruction. Maybe I --

5 MR. POMERANTZ: -- or if I misspoke, I apologize.

6 But there wasn't any implication of a destruction in the
7 Debtor's business. Again, financial assets did take a hit.
8 There were some concerns in how, you know, to monetize those
9 assets, the stock assets, and working through the Jefferies
10 issues as well as the private equity issues.

11 And look, Your Honor: When the Board took over on January
12 9th, I think they recognized soon after their appointment that
13 there was a lot of stuff to do. There was -- it was a really
14 steep learning curve. Highland, as people have described it
15 in the hearings in this case, is an extremely complicated
16 structure of companies.

17 So, yes, perhaps things could have moved a little quicker.
18 Your Honor does recall the early stages of the case, we dealt
19 with motions for the appointment of a trustee by the United
20 States Trustee. There was other litigation over retention of
21 professionals and others, which, you know, Your Honor has
22 commented about in the past, and I think we're past that and
23 beyond that. But there has been a lot of work.

24 And, again, on the claims work, the Board, to be
25 independent, did not want to rely on the employees of the

1 Debtor in evaluating the various claims. So that took a lot
2 of time and effort.

3 So, you know, look, I think you could look at it two ways.
4 One way you could look at it, that it's been pending six
5 months and we don't have a plan yet, we don't have the claims
6 resolution. I would -- and I tend to be a glass-is-half-full
7 type of person -- I think the message that we are hearing
8 today is that the plan process is on track. We have resolved
9 one of the three major litigation claims. We have coalesced
10 around a mediation process that people can get behind and
11 hopefully have concluded at the end of August. That the
12 process is going to include not only the inbound claims
13 against the company but potentially the claims by the company
14 against some of the targets.

15 I think there is reason for optimism at this point in the
16 case. And while, you know, I wish it was May and we were
17 having this discussion, not July, I still think there has been
18 a lot of groundwork that was prepared to get to the place
19 we're here. And, you know, the Board is laser-focused on
20 getting results, and getting results quick.

21 THE COURT: Okay. Let me follow on about the
22 agreement in principle on the Redeemer claim. They had an
23 arbitration award. So that doesn't sound like a major
24 milestone to me, to be honest. Tell me why I'm wrong about
25 that. They had an arbitration award.

1 MR. POMERANTZ: Sure. Your Honor, they do have an
2 arbitration award, but there are several aspects of the
3 arbitration award that needed negotiation and resolution. A
4 significant part of the arbitration award was the Debtor's
5 obligation to repurchase some Cornerstone shares that Redeemer
6 had for a certain dollar amount. Well, obviously, the Debtor
7 in bankruptcy doesn't have the ability to write a check to
8 repurchase it.

9 There was issues on the Debtor's ability to ultimately
10 recoup different fees that the arbitrator had determined had
11 been taken inappropriately that had to be repaid, and to what
12 extent the Debtor would be entitled to a credit.

13 So, by no means am I telling Your Honor that the Redeemer
14 claims and issues were as difficult as the Acis and UBS claims
15 and issues. But there were a variety of issues, there were a
16 variety of matters that had to be discussed. You know, we
17 worked cooperatively with Redeemer and with Jenner & Block.
18 And we, again, have reached a resolution that is going to
19 provide a face amount of a claim which is materially less than
20 the claim that was on file.

21 But Your Honor, by no means am I trying to convince Your
22 Honor that this was the same type of work that needed to go
23 into -- resolve the others. But having said that, getting
24 that claim resolved, which the Debtor believes is the largest
25 legitimate claim against this estate, I think is an important

1 step forward that will lead towards hopefully the confirmation
2 of a plan and hopefully spur on efforts from all the parties
3 -- Acis, UBS, and the Debtor -- to try to make the same type
4 of progress in their claims.

5 THE COURT: Okay. All right. My next question is, I
6 mean, you've talked about -- I think it was the previous
7 hearing I heard you say a term sheet had been provided to the
8 Committee or going back and forth. I mean, help me to
9 understand what you're envisioning the plan is going to look
10 like in this case. I mean, I know there's a wide swing
11 between UBS being owed a billion dollars and being owed
12 nothing, and Acis being owed \$70 million versus, you know,
13 nothing or wherever you think the number should be, or the
14 Debtor's board thinks the number should be. I know, you know,
15 these are giant questions. But can you answer for me what
16 you're envisioning?

17 I mean, again, one of the pleadings said, you know, the
18 plan should provide for orderly monetization of assets,
19 provide for a process for resolution of claims, and pursue
20 causes of action. I mean, again, that's kind of 30,000-foot
21 stuff. Tell me what you're envisioning.

22 MR. POMERANTZ: Sure. So, Your Honor, just to take a
23 step back, we -- this case was filed not necessarily for the
24 traditional reason that cases are filed. There weren't operational
25 fixes that needed to be done at the business.

1 THE COURT: Right.

2 MR. POMERANTZ: There wasn't a capital structure that
3 needed to be revised.

4 THE COURT: Right.

5 MR. POMERANTZ: Right? So, as everyone knows, the case
6 was filed because the Redeemer Committee got its arbitration award,
7 to prevent execution on that. Okay?

8 We also had a very complicated business. There are not many, I
9 think, examples of asset managers around the country of the type of
10 Highland Capital that actually go through a Chapter 11. And it
11 caused a tremendous amount of upheaval, of issues. Your Honor,
12 we've been dealing with the protocols on a daily basis with the
13 Committee. Your Honor has seen some of that.

14 So while the hope was, from the beginning of the case, to end
15 this case in a nice, tidy bow, get a resolution that would not only
16 resolve everyone's claims but also try to resolve the claims that
17 the estate had against third parties, as time was going by the
18 parties realized that there was nothing more bankruptcy could
19 provide this company. This company right now has litigation issues
20 to deal with that can be resolved with the help of the Bankruptcy
21 Court, as appropriate, in connection with the claims process. And
22 the Board -- and the Committee, for that matter -- were looking at
23 the substantial amount of fees that were being incurred by the
24 Debtor professionals and the Committee professionals which were
25 draining liquidity from the company and started to think, How can we

1 exit this case? Even if we can't get what has been referred to by
2 people as a grand bargain, how can we exit this case quickly and
3 efficiently?

4 So what really has to be done in terms of exiting the case?
5 Coming up with a way to monetize the assets, a structure in which
6 those assets can be monetized; not doing anything in the context of
7 a plan process that would in any way interfere with the
8 estate's obligations under the Advisers Act with the SEC or
9 otherwise; and coming up with a governance structure of who's
10 going to govern that.

11 So the plan that is currently contemplated -- and it's
12 more than a term sheet, Your Honor. We have had numerous
13 versions of the plan go back and forth. We are right now
14 waiting. The pen is in the hand of the Committee. We think
15 we are very close to having a form of a plan and a form of a
16 disclosure statement that would essentially contemplate some
17 type of trust vehicle that would monetize the assets. And the
18 structure of how that trust would work, whether it's one
19 trust, whether it's two, whether it's one trustee, whether
20 it's two, how that trust would be governed, who would be on
21 the governing board: Those are all issues that are currently
22 being worked out.

23 At the same time, the company is doing a thorough analysis
24 of every contract and every asset, to make sure that
25 assignment provisions and contract provisions and regulatory

1 issues, that we don't somehow trip up in connection with the
2 plan process.

3 So, essentially, at its core and at its minimum, it will
4 be transferring the assets into a monetization vehicle, some
5 type of trust vehicle, which, again, the corporate and
6 regulatory lawyers are working with us, with the bankruptcy
7 lawyers, to figure out the appropriate way, given the nature
8 of the Debtor's business, having an oversight board that has,
9 you know, creditor support. And if you ask Mr. Clemente,
10 it'll be total creditor identification of the people, which we
11 are in discussions of what the Board looks like after. And
12 monetization over time, and a way to resolve the claims over
13 time.

14 So that is essentially the concept. Again, to the extent
15 we can resolve the claims soon, to the extent we can work on a
16 negotiation with Mr. Dondero to bring in liquidity so that
17 creditors will not have to wait for the monetization of the
18 assets, which a lot of these assets are not assets that are
19 easily monetizable and it will take some time. But it is --
20 the Debtor feels strongly and I think the Committee feels
21 equally as strongly that emerging from Chapter 11 with some
22 type of vehicle to monetize the assets, governance and
23 control, and a way to resolve remaining claims, that is the
24 minimum that can and should be accomplished and that the
25 Debtor is committed to accomplishing in short order.

1 If something else comes out of it where we get more,
2 again, where the claims are resolved or where we have a grand
3 bargain with Mr. Dondero, that's something we're going to
4 strive for. But at a minimum, it needs to be an asset
5 monetization vehicle, governance, and a way to -- a structure
6 to resolve claims.

7 THE COURT: Okay. Asset monetization vehicle. You
8 know, subject to regulatory lawyers and corporate lawyers
9 figuring out the exact mechanics, you're saying essentially
10 put the business of Highland into a trust or trusts, and then,
11 I guess, from cash flow of the business over time, the
12 creditors would be paid? Or are you saying something more
13 than that?

14 MR. POMERANTZ: Well, again, I think it's on an
15 asset-by-asset basis. And, you know, Mr. Seery, you know, is
16 -- has become very familiar with all the assets, now has a --
17 ideas in mind which he's shared with the Board on how to best
18 monetize the assets. Some assets, there may be a quick sale.
19 Some assets, it may be over time. So it's a combination.

20 This is not going to be a fire sale of the Debtor's
21 assets. It's not in the best interest of the Debtor, we
22 believe. It's not in the best interest of the creditors. We
23 don't think anyone is in favor of that. It's dealing with
24 each of the assets in an appropriate manner and figuring out
25 how to monetize them, recognizing that given -- even though

1 the stock market has bounced back, the market for privately-
2 owned businesses may not have bounced back as much.

3 So it's figuring out with the appropriate people,
4 appropriate governance structure, how best to monetize those
5 assets, recognizing that creditors want to be paid and they're
6 -- they don't want to be in the business of long-term holds.
7 So, the Debtor gets that. But it's really being a thoughtful
8 approach on how to get the best value from those assets.

9 THE COURT: Okay. There's nothing, though, being
10 discussed as far as a big chunk of cash distribution up front,
11 unless Dondero comes up with it?

12 MR. POMERANTZ: Well, potentially. I mean,
13 potentially, Mr. Dondero is a potential source of liquidity.
14 There are some significant assets that may be able to be
15 liquidated sooner rather than later. So it's something that's
16 in discussion.

17 But the lion's share of the value for creditors is likely
18 going to come over time, unless there is someone who, like Mr.
19 Dondero, who is essentially willing to buy back the company.
20 And that is something that's being explored.

21 So, look, we've had a lot of transparency with the
22 Committee. We have weekly meetings, the Board and the
23 Committee. We just started a few weeks ago. I think the
24 professionals are working together. They understand what the
25 assets are in the estate. So, to that end, I think we have

1 been working very cooperatively with our creditors over the
2 last few months and we're just seeking to do it the best way.

3 So nothing I've said today, nothing, you know, should come
4 as and will come as a surprise to the Committee, but we're
5 working better, recognizing that ultimately the creditors want
6 to be paid, and doing that in an appropriate manner and a
7 thoughtful manner is what the Debtor is committed to do with
8 its partner, the Committee, in this process.

9 THE COURT: Okay. Sort of jumping back, I forgot to
10 ask earlier when we were talking about Acis: Has the Fifth
11 Circuit rescheduled oral argument on the appeal of the Acis
12 confirmation order and order for relief?

13 MR. POMERANTZ: I believe -- Your Honor, maybe Ms.
14 Patel would know off the top of her head.

15 THE COURT: Ms. Patel?

16 MS. PATEL: Your Honor, it was -- it was briefly -- I
17 -- and I say briefly, it was briefly we had -- we got a notice
18 at some point, I believe in early June, that the Fifth Circuit
19 had reset oral argument. And then approximately, I can't
20 remember exactly, but it was like, I don't know, a week or
21 maybe ten days later, we got a notice that it was cancelled
22 again. We have not received notice that it is rescheduled, so
23 it is still pending. But it has not been taken off oral -- it
24 has not been taken off oral argument at some juncture.

25 THE COURT: Okay. Well, I acknowledge that that is a

1 pandemic disruption for sure. It would have been nice to have
2 that resolved one way or another by now.

3 MS. PATEL: Agreed, Your Honor. We were trying to
4 figure out, frankly, in the week to ten days that it took from
5 the scheduling to how it was cancelled, exactly how our team
6 was going to get down to New Orleans. And the -- I think the
7 leading contender was to rent an RV and drive down so we could
8 safely get there. So it certainly has been a casualty of the
9 pandemic.

10 THE COURT: Okay. All right. Two more questions.
11 And this one has been a bit of a tough one for me to decide
12 whether I should broach this topic or not. You know, I read
13 the newspapers, the financial papers, just like everyone else,
14 and I saw a headline that I wished almost I wouldn't have
15 seen, and it was a headline about Dondero or Highland
16 affiliates getting three PPP loans. And, you know, I'm only
17 supposed to consider evidence I hear in the courtroom, right,
18 or things I hear in the courtroom, but I've got this
19 extrajudicial knowledge right now thanks to just keeping up on
20 current events. I decided I needed to ask about this.

21 What can you tell me about this, Mr. Pomerantz? I mean, I
22 assumed, from less-than-clear reporting, that it wasn't
23 Highland Capital Management, LP, but I'd like to hear anything
24 you can report about this.

25 MR. POMERANTZ: So, look, Your Honor, the first I

1 could say is that, to my knowledge, Highland Capital, the
2 Debtor, has not obtained a PPP loan. I know there have been
3 discussions with certain funds that basically have certain
4 assets, private operating companies, about obtaining PPP
5 loans. I don't have the specifics for Your Honor. I'm happy
6 to provide that.

7 Of course, to the extent Mr. Dondero, on any of his
8 affiliated funds that are under the control of the Debtor, I
9 would have no way of answering that, but I'm happy to follow
10 up with that with the Board and report back to Your Honor in
11 whatever appropriate manner you felt to obtain that
12 information.

13 THE COURT: Okay. Well, let's have a report on that
14 on the 14th when we come in. You know, maybe Mr. Seery or Mr.
15 Sharp or some other person. But you can probably imagine the
16 different things going through my brain. You know, well,
17 first, let's see if it was -- you know, I don't -- again, I'm
18 not expecting it to be Highland Capital Management, LP. I
19 would be beyond shocked if, you know, that somehow happened
20 when they're in bankruptcy. And, you know, I think it would
21 require a 364 motion, just like any other borrowing, although
22 I know it's kind of a forgivable loan. Strange bird.

23 But then if it's some affiliate of Highland, I still feel
24 like we need some transparency and disclosure on that. I
25 mean, I -- and who were the human beings behind it. It just

1 raises a lot of questions in my brain. Anything else?

2 MR. POMERANTZ: Your Honor, would you mind saying
3 what newspaper you found it in? Because not everything one
4 reads in the newspaper is accurate, but we will definitely --

5 THE COURT: Oh, yeah. I know --

6 MR. POMERANTZ: -- follow up on it and --

7 THE COURT: Fake news really is a thing.

8 MR. POMERANTZ: I didn't say fake news.

9 THE COURT: Oh, I know, I know. It's not really a
10 good term. But *Business Insider*? Is that reputable? Or no?
11 I thought I saw it in one of the local papers, too. I mean,
12 someone tell me if that's, --

13 MR. POMERANTZ: We -- we --

14 THE COURT: -- you know, something unreliable.

15 MR. POMERANTZ: We will investigate it, Your Honor.
16 I don't know what confidentiality restrictions would be on
17 whether if any of those entities -- but we will get the
18 information. If there's any concern on confidentiality,
19 perhaps we could have an *in-camera* on that. But before we get
20 ahead of ourselves, let me broach the issue with the Board and
21 Mr. Sharp and then be in a position to act and respond more
22 intelligently.

23 THE COURT: Okay. My last topic is to come back to
24 mediation. I was surprised that Judge Jones' or Judge Isgur's
25 staff expressed that they had availability. They are the

1 busiest judges in the country right now. I'm wondering when
2 were they contacted. Was it really recently, or a week or two
3 ago? Because they've probably gotten ten new mega-cases in
4 the past two weeks.

5 MR. POMERANTZ: So, Your Honor, the last -- the last
6 two weeks, again, probably since June 15th, we had been
7 discussing the structure of a mediation. We, the Debtor,
8 proposed perhaps a combination of Judge Isgur and Jones. We
9 initially had that conversation with Mr. Clemente, and then we
10 socialized it with the rest of the Committee members. As of
11 last Thursday, I believe it was, we had consensus that Judge
12 Jones, and if available, also Judge Isgur, would make sense.

13 I sent an email to Judge Jones' clerk, indicating that we
14 had a hearing today, that it would be helpful if we got a
15 response, and this morning, two hours before the hearing,
16 Judge Jones' clerk responded and told Mr. Clemente and I that
17 he is available and ready and suggested that we have a
18 conference with -- again, I'm not sure if it'll be him or his
19 clerk, to talk about availability. Of course, we didn't want
20 to go ahead and have that discussion until, you know, we got
21 Your Honor's input on it.

22 THE COURT: Okay. I mean, a couple of things come to
23 mind. One is I am just flabbergasted that they would have any
24 availability. I know they're -- I'm aware of Judge Jones
25 doing hearings on weekends.

1 But second, I'm also concerned what is their idea of
2 availability. Because in order for a mediator to meaningfully
3 help you on this, I mean, it's going to take not just hours
4 but days of time, unless you want the mediator to just have a
5 30,000-foot view. And I mean, I just cannot imagine, --

6 MR. POMERANTZ: So, --

7 THE COURT: -- once again, that they would have days
8 and days to come up to speed with, you know, 11 years of
9 litigation or however long it was, not that long, with UBS,
10 you know the years with Acis, you know, the various alleged
11 claims and causes of action, and, you know, the Byzantine
12 structure here. I mean, you know, not that they have to be,
13 you know, as educated as a judge presiding over litigated
14 matters, but I just cannot imagine they could meaningfully
15 spend time on this.

16 So what are you all envisioning? Because I know what I'm
17 envisioning, and maybe we're not seeing it the same way. I
18 mean, what are you thinking? That you'll go in and spend a
19 day with, you know, maybe just each of you doing a 25-page
20 white paper, and you'll either settle it by the end of the day
21 or not, or what?

22 MR. POMERANTZ: So, let me start by saying that when
23 everyone raised the issue of Judge Jones and Isgur, everyone
24 had the same potential concern that Your Honor has mentioned.
25 You know, my firm and me personally, I'm involved in a couple

1 of cases before Judge Jones now, significant cases. So there
2 was a concern.

3 I think people also generally thought that if they
4 accepted and they knew what they were getting into, they would
5 want to do a good job and they'd have the time.

6 We have not had the ability to have an extensive
7 discussion. That discussion could either occur with Mr.
8 Clemente and myself speaking to the clerk or the judge, or if
9 Your Honor -- nothing stops Your Honor from picking up the
10 phone, speaking to Judge Jones and asking him as well.

11 But I expect it to be a very intensive mediation process.
12 I do understand that Judge Jones only does mediations in
13 person, so this would require people getting to Houston,
14 which, in my experience, while I have participated in
15 mediations virtually on the phone, it's a lot more effective
16 to be in person. We would anticipate detailed mediation
17 briefs. We would envision each of the parties speaking to
18 Judge Jones to give him their perspective. But it would be --
19 it would be a significant assignment.

20 Again, whether we would conclude at the end of August, I
21 don't know, but I would contemplate a good two, three days of
22 in-person mediation at the end of August, and then probably,
23 if necessary, to set up for something else, which, again,
24 there are several different things. And I mentioned in my
25 opening remarks why I think people like Judge Jones -- and

1 this is also why we thought about Judge Isgur as well -- it's
2 not often you have two mediators, but two mediators,
3 especially judges who work together and who are pretty adept
4 at mediation, I mean, you know, having a bankruptcy judge be a
5 mediator is fine, but Judge Jones and Isgur, they have done a
6 lot of that, and I understand have continued to do that,
7 notwithstanding themselves getting busy.

8 So I can't answer Your Honor's question of whether they
9 know what they are getting themselves into. I would hope that
10 by, again, a combination, or Mr. Clemente and I speaking to
11 them or Your Honor speaking to them, they would understand.
12 And if they are willing to do it -- obviously, Highland is a
13 high-profile case; I know judges, sitting judges, often like
14 to help out their brethren who are sitting on the bench. So
15 if they are ready and able to do it, we'd think we'll have
16 lucked out, and we think they would be great to aid the
17 process.

18 If for some reason they don't really appreciate or if
19 Judge Jones doesn't appreciate what it is, then we can go back
20 to square one, and, you know, I'm sure find other people as
21 well. But we'd like to sort of give it a shot.

22 THE COURT: Okay.

23 MR. BJORK: Your Honor?

24 THE COURT: Yes?

25 MR. BJORK: May I be heard? This is Jeff Bjork with

1 Latham, hi, on behalf of UBS. I apologize. I just wanted to
2 say that, from our perspective, we have concern, we raised
3 this concern about Judge Jones or Isgur having the time to
4 really evaluate the claims. I mean, as you noted, our claim
5 is complex, to say the least. So is Acis's. There's a lot of
6 history behind it.

7 And so while we appreciate the fact that there is a
8 mediation process that will be moving forward, we have raised
9 the prospect of having a separate mediator like Dan Weinstein
10 or someone of that ilk to serve as a mediator with respect to
11 our claim dispute, with the goal of trying to advance that in
12 advance of August.

13 So we have put that out to the Debtors. We raised that
14 today in advance of this hearing. We're happy to progress
15 that discussion. But I wanted you to understand, from our
16 perspective, we share your concern.

17 THE COURT: Okay. Anyone else?

18 MR. POMERANTZ: So, just on that, Your Honor, --

19 THE COURT: Uh-huh.

20 MR. POMERANTZ: -- you know, we understood UBS's
21 view. We believe each of the other Committee members and the
22 Committee believe Judge Jones would be the appropriate person.
23 And, again, I think we're all I think somewhat in the dark
24 here, and I think the next step is to really find out the time
25 that they have available to devote to it. And, again, if they

1 have the time to devote to it, I don't think Mr. Bjork could
2 challenge that Judge Jones would be an excellent mediator and
3 excellent to resolve a complicated issue like the UBS claim.

4 THE COURT: Uh-huh. But you all cannot go down to
5 Houston live anytime in the near future. I don't know if
6 you're reading. Houston is pretty much like New York was two
7 months ago. It's -- well, the death rate is not as terrible
8 because it's younger people getting it, but it's the hotspot
9 for coronavirus right now. And --

10 MR. POMERANTZ: And we understand that, Your Honor.

11 THE COURT: Uh-huh.

12 MR. POMERANTZ: And, again, you know, we're sitting
13 here on July 8th. A lot could change by August 25th. A lot
14 couldn't change. I'm not, you know, I'm not sure there are
15 other places in the country people like to travel to more. I
16 mean, you know, --

17 THE COURT: Uh-huh.

18 MR. POMERANTZ: -- there are several places that are
19 hotspots. It may be challenging to do an in-person mediation.
20 I know on the Debtor's side we are committed to make it
21 happen. I might just ask Ms. Patel if she has the number of
22 the RV company she was going to -- because maybe that's an
23 appropriate way to get there.

24 THE COURT: All right. So, well, let's see. I was
25 going to say you'd be quarantined 14 days after, but you're in

1 California, not New York. New York, you know, has quarantined
2 --

3 MR. POMERANTZ: Yes.

4 THE COURT: -- people traveling from Texas. Well,
5 and remind me: August 25th. That was just sort of an
6 internal target date you all had created?

7 MR. POMERANTZ: Yeah. It was around, you know,
8 again, the end of August, you know, that we'd, you know, do
9 around that time.

10 THE COURT: Uh-huh. All right. You know, I'm --
11 I've been talking to lawyers in different cases, where the
12 topic of mediation is being discussed, about more and more
13 mediators, and this is private mediators, are becoming very
14 adept with Zoom mediation. And what I thought was noteworthy
15 -- I hadn't thought through this, you know. I thought, well,
16 you can do mediation like this. You know, if you can do court
17 by video, why can't you do mediation by video, what's the big
18 deal? But there are private mediators who apparently have
19 become every adept very fast at having these separate caucus
20 rooms, okay? So when you have mediation involving, you know,
21 12 different constituencies, you know, the mediator will close
22 out all the other conference rooms and go to these three
23 people, and then close that out and go to these eight people
24 in this other room. And it just really hadn't occurred to me
25 that, oh, if you're not live and in person, how do you that,

1 you know, the going back and forth from room to room? And
2 they've got some tricks worked out where some of them are
3 doing that. And I just don't know that any sitting judges are
4 going to have that all worked out.

5 I have a couple of names in mind. And I have not talked
6 to either of these folks, but I had thought of these people.
7 You know, they're going to cost you money. They're not going
8 to be free mediators like Judge Jones and Judge Isgur. But
9 two people. One, I had thought of retired Judge Jim Peck. I
10 don't know if he has availability, or, you know, a conflict or
11 anything like that, but he's someone I happened to have gone
12 to baby judge school with back in 2006, and, you know, have
13 somewhat of a friendship with him. And I thought of him
14 because not only does he have a personality that I think might
15 fit this situation, but, as you know if you ever had a case
16 with him, I mean, he's just so very smart. You know, he dealt
17 -- handled the *Lehman* case. You know, he's not going to be --
18 he'll be a very quick study, is what I'm thinking, as far as
19 whatever factual background he would need to assemble to get
20 up to speed.

21 And, again, I just worry -- and I'm going to get on the
22 phone and talk to Judge Jones and Judge Isgur -- but I'm just
23 really worried if they will devote the amount of time for this
24 to have a meaningful shot at settling.

25 Another name I thought of is a lawyer in Houston who was

1 at Weil Gotshal many years, Sylvia Mayer. I don't know if any
2 of you know her, but she pretty much does mediation and
3 arbitration full-time now, and she is one of the people I am
4 aware has mastered this Zoom separate conference rooms. So,
5 once again, you know, a very quick study, I think, my
6 impression from past dealings with her.

7 There may be many other names we could add to that list,
8 but you might want to all kind of talk offline about those as
9 well.

10 But here's what I want to do.

11 (Audio interruption.)

12 THE COURT: Was someone wanting to speak up?

13 Okay. I am going to think on this more between now and
14 the 14th. And, again, I'm going to be reaching out to Isgur
15 and Jones, and might reach out to Jim Peck and Sylvia Mayer as
16 well, just to have a lot of options out there. And then we'll
17 talk on the 14th about what my research has revealed in
18 talking to these folks.

19 So, everyone, just let's continue to think on this
20 mediation thing. But, again, I want this to be meaningful.
21 I'm very worried that, you know, if all you get is one day,
22 even a long day, with these folks, that it's just not at all
23 realistic that there would be a chance at settling. So I've
24 really got to think on this.

25 As far as the motions before the Court, I'm going to grant

1 the motion to extend exclusivity for 30 days. Okay? So,
2 August 12th. And no potential add-ons for two 30-day
3 additional extensions, which, you know, the mechanism, I think
4 you were hoping not to have to come back to the Court, that if
5 the Committee agreed, you know, you could just automatically
6 get up to 90 days. I'm not quite clear. But the point is I'm
7 just extending to August 12th, and for now that's all I'm
8 going to do. Okay?

9 MR. POMERANTZ: Understood, Your Honor.

10 THE COURT: And we didn't talk about the other
11 motion. That was sort of a no-brainer, I think, as far as
12 everyone was probably concerned, the motion to extend the
13 period to remove actions. The current deadline is July 14th.
14 You're wanting to extend that out to January 14th, 2021,
15 correct?

16 MR. POMERANTZ: Correct, Your Honor.

17 THE COURT: All right. Is there anyone who wanted to
18 say anything about that one?

19 (No response.)

20 THE COURT: All right. So that -- I think there's
21 good cause to grant that motion as well.

22 The only other thing --

23 MR. POMERANTZ: Your Honor, one --

24 THE COURT: Okay.

25 MR. POMERANTZ: One comment on what Your Honor said

1 about mediation. Again, I had a dialog with Albert, Judge
2 Jones' clerk. We may want to get him on the phone, Mr.
3 Clemente and I. Of course, we won't do it if Your Honor
4 doesn't think it's helpful. But it might be helpful. And,
5 again, I didn't know if that was going to be with Judge Jones
6 or if it was going to be with just his clerk, to talk about
7 days or whatnot.

8 But we'd be happy to get on the phone in order to give him
9 the parties' perspective, which, look, we all agree this has
10 to be a meaningful mediation. And perhaps hearing it also
11 from us in terms of what we expect and what we contemplate and
12 what we think the issues might be and whatnot could be
13 helpful.

14 If Your Honor doesn't want us to do that, that's fine.
15 But since I suspect his clerk will get back to me and say "Are
16 you available?" to Mr. Clemente and I, I just didn't want to
17 step on any toes and I wanted to check with Your Honor whether
18 you want us to take that call or not.

19 THE COURT: Okay. I got a little confused. You're
20 asking for a blessing to kind of continue the dialogue you've
21 already started with their offices?

22 MR. POMERANTZ: Well, I'm just asking. Again, I
23 don't want to be presumptuous.

24 THE COURT: Uh-huh.

25 MR. POMERANTZ: The fact that Your Honor is calling

1 Judge Jones is important. But I expect Judge Jones' clerk to
2 get back to us and say, "Are you available to have a
3 conversation?" And I just want to know what Your Honor's
4 pleasure is in terms of whether we should have it or not. I
5 think it might be helpful, but if Your Honor says, okay,
6 you've brought it here, you want to take it over from here, I
7 would obviously respect that. But just, just wanted to come
8 out of this hearing clear on what your expectations are in
9 terms of that communication.

10 THE COURT: Okay. I'll take it from here. And if
11 they call back, just say, you know, I understand Judge
12 Jernigan is going to be calling Judge Jones directly. And so
13 -- but I'll get on the phone this afternoon, so hopefully
14 there won't be any awkwardness on that.

15 MR. POMERANTZ: Thank you, Your Honor.

16 THE COURT: All right. Anything else?

17 The only other thing I was going to tie back to is I fully
18 expect that there would be across-the-board agreement to abate
19 the Acis newly-filed adversary, so I hope I would -- I don't
20 even remember who all the defendants are, but please make that
21 a priority, talking about that in the next few days, and
22 report to me on that on the 14th. Okay? Ms. Patel?

23 MS. PATEL: From Acis's perspective, yes, Your Honor,
24 will do. I'm on -- I'm all over it.

25 THE COURT: Okay. All right. Well, if there's

1 nothing else, we'll go ahead and adjourn for today. And I'll
2 keep -- if there's anything worthwhile to report on the
3 mediation front before we have our hearing on the 14th, I'll
4 have my courtroom deputy reach out to all counsel by email and
5 let you know. Okay? All right.

6 MR. POMERANTZ: Thank you very much, Your Honor.

7 MS. PATEL: Thank you, Your Honor.

8 THE COURT: Thank you. We stand adjourned.

9 THE CLERK: All rise.

10 (Proceedings concluded at 3:00 p.m.)

11 --oOo--

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CERTIFICATE

20

21 I certify that the foregoing is a correct transcript to
the best of my ability from the electronic sound recording of
the proceedings in the above-entitled matter.

22

/s/ Kathy Rehling

07/09/2020

23

24

Kathy Rehling, CETD-444
Certified Electronic Court Transcriber

Date

25

005551

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

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

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

Signed July 10, 2020


United States Bankruptcy Judge

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§
§
§
§
§
§

Chapter 11

Case No. 19-34054-sgj11

**AGREED ORDER REGARDING DEPOSIT OF FUNDS
INTO THE REGISTRY OF THE COURT**

Having heard the statements made at a hearing held on June 30, 2020, before this Court (the "Hearing"), and the Court being informed that the Debtor, the Committee,² CLOH, and

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

² All capitalized terms used but not defined herein shall have the meanings given to them in the *Motion of the Debtor for Entry of an Order Authorizing, But Not Directing, the Debtor to Cause Distributions to Certain "Related Entities"* [Docket No. 474].

HCM Services have reached an agreement on the deposit of certain funds into the Court Registry System, administered by the Administrative Office of the United States Courts under 28 U.S.C. § 2045 (the “Court Registry”) in lieu of distribution of such funds to CLOH and HCM Services, as applicable, it is hereby **ORDERED THAT:**

1. Unless subsequently ordered otherwise by this Court, the Debtor is directed to pay or to cause the payment of:

a. \$84,062.32 otherwise payable to CLOH from Dynamic and any subsequent amounts otherwise payable to CLOH from Dynamic as a deposit into the Court Registry;

b. \$20,830.29 otherwise payable to CLOH from AROF and any subsequent amounts otherwise payable to CLOH from AROF as a deposit into the Court Registry; and

c. \$30,715.92 otherwise payable to HCM Services from RCP and any subsequent amounts otherwise payable to HCM Services from RCP as a deposit into the Court Registry.

2. The deposit of the foregoing amounts (collectively, the “Payments”) into the Court Registry will be done in each case in accordance with General Order 2016-03, *Order Regarding Deposit and Investment of Registry Funds*, entered by the United States Bankruptcy Court of the Northern District of Texas on November 17, 2016 (the “General Order”). For the avoidance of doubt, this Order shall constitute the Court’s express order authorizing the deposit or transfer of funds into the Court Registry as required by the terms of the General Order, and the Clerk of Court shall accept this Order as the requisite order of the Court permitting the deposit or transfer of funds into the Court Registry.

3. The deposit of the foregoing Payments into the Court Registry will constitute payment of such amounts in each case in accordance with the Dynamic Fund Documents, the AROF Fund Documents, and the RCP Fund Documents, as applicable, and none of the Debtor, the Funds, the applicable governing or managing entity of each of the Funds, or any other party will have any liability to any of CLOH, HCM Services, or any person that owns or controls CLOH or HCM Services arising out of or from such party's compliance with this Order.

4. CLOH and HCM Services may seek the release of the funds deposited into the Court Registry pursuant to this Order in each case in accordance with the General Order.

5. Notwithstanding anything herein to the contrary and for the avoidance of doubt, nothing in this Order shall prevent or otherwise hinder distributions to be made to any other investor in Dynamic, AROF, or RCP, and such distributions may be made in each case in accordance with the Dynamic Fund Documents, the AROF Fund Documents, or the RCP Fund Documents, as applicable.

6. Notwithstanding anything herein to the contrary and for the avoidance of doubt, this Order does not alter the rights of any parties with respect to the monies deposited into the Court Registry pursuant to this Order.

7. Notwithstanding any stay under applicable Bankruptcy Rules, this Order shall be effective immediately upon entry.

8. The Court shall retain jurisdiction over all matters arising from or related to the interpretation and implementation of this Order.

END OF ORDER

Agreed as to form and substance:

/s/ Gregory V. Demo
Jeffrey N. Pomerantz (CA Bar No.143717)
Ira D. Kharasch (CA Bar No. 109084)
Maxim B. Litvak (TX Bar No. 24002482)
Gregory V. Demo (NY Bar No. 5371992)
PACHULSKI STANG ZIEHL & JONES LLP
10100 Santa Monica Boulevard, 13th Floor
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Email: jpomerantz@pszjlaw.com
ikharasch@pszjlaw.com
mlitvak@pszjlaw.com
gdemo@pszjlaw.com

Counsel for the Debtor and Debtor-in-Possession

/s/ Elliot A. Bromagen
Elliot A. Bromagen
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One South Dearborn Street
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Facsimile: (312) 853-7036
Email: ebromagen@sidley.com

***Counsel for the Official Committee of Unsecured Creditors
of Highland Capital Management, LP***

/s/ John J. Kane
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State Bar No. 24066794
KANE RUSSELL COLEMAN LOGAN PC
Bank of America Plaza
901 Main Street, Suite 5200
Dallas, Texas 75202
Telephone - (214) 777-4200
Telecopier - (214) 777-4299
Email: jkane@krcl.com; ecf@krcl.com

Counsel for CLO Holdco, Ltd.

/s/ D. Michael Lynn

D. Michael Lynn

State Bar I.D. No. 12736500

John Y. Bonds, III

State Bar I.D. No. 02589100

Bryan C. Assink

State Bar I.D. No. 24089009

BONDS ELLIS EPPICH SCHAFFER JONES LLP

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Fort Worth, Texas 76102

(817) 405-6900 telephone

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Email: michael.lynn@bondsellis.com

Email: john@bondsellis.com

Email: bryan.assink@bondsellis.com

Counsel for Highland Capital Management Services, Inc.



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

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

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

Signed July 16, 2020


United States Bankruptcy Judge

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

In re:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

Debtor.

§
§
§
§
§
§
§

**Case No. 19-34054
Chapter 11**

Re: Docket No. 774

**ORDER APPROVING DEBTOR'S MOTION UNDER
BANKRUPTCY CODE SECTIONS 105(a) AND 363(b)
AUTHORIZING RETENTION OF JAMES P. SEERY, JR., AS
CHIEF EXECUTIVE OFFICER, CHIEF RESTRUCTURING OFFICER, AND
FOREIGN REPRESENTATIVE NUNC PRO TUNC TO MARCH 15, 2020**

Upon the *Debtor's Motion under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc To March 15, 2020* (the "Motion"),¹ and the

¹ All terms not otherwise defined herein shall be given the meanings ascribed to them in the Motion.

Court finding that: (i) this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (ii) venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iv) due and sufficient notice of the Motion has been given; (v) entry into the Agreement was an exercise of the Debtor's sound business judgment; and (vi) it appearing that the relief requested in the Motion is necessary and in the best interests of the Debtor's estate and creditors; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED, and DECREED that:

1. The Motion is **GRANTED**.
2. Pursuant to sections 363(b) and 105(a) of the Bankruptcy Code, the Agreement attached hereto as **Exhibit 1** and all terms and conditions thereof are approved, *nunc pro tunc* to March 15, 2020.
3. The Debtor is hereby authorized to enter into and perform under the Agreement.
4. The Debtor is authorized to indemnify Mr. Seery pursuant to the terms of the Agreement. Mr. Seery is also entitled to any indemnification or other similar provisions under the Debtor's existing or future insurance policies, including any policy tails obtained (or which may be obtained in the future), by the Debtor. The Debtor and Strand are authorized to enter into any agreements necessary to execute or implement the transactions described in this paragraph. For avoidance of doubt and notwithstanding anything to the contrary in this Order, Mr. Seery shall be entitled to any state law indemnity protections to which he may be entitled under applicable law.

5. No entity may commence or pursue a claim or cause of action of any kind against Mr. Seery relating in any way to his role as the chief executive officer and chief restructuring officer of the Debtor without the Bankruptcy Court (i) first determining after notice that such claim or cause of action represents a colorable claim of willful misconduct or gross negligence against Mr. Seery, and (ii) specifically authorizing such entity to bring such claim. The Bankruptcy Court shall have sole jurisdiction to adjudicate any such claim for which approval of the Court to commence or pursue has been granted.

6. Notwithstanding anything in the Motion, the Agreement or the Order to the contrary, the Agreement shall be deemed terminated upon the effective date of a confirmed plan of reorganization unless such plan provides otherwise.

7. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

8. This Court shall retain jurisdiction over any and all matters arising from or related to the interpretation and/or implementation of this Order.

9. The Foreign Representative Order is hereby amended to substitute James P. Seery, Jr., as the chief executive officer, in place of Bradley S. Sharp, as the Debtor's Foreign Representative, Bermuda Foreign Representative and Cayman Foreign Representative. All other provisions of the Foreign Representative Order shall remain in full force and effect.

###END OF ORDER###

EXHIBIT 1

Engagement Agreement

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[REDACTED]

June 23, 2020

CONFIDENTIAL

The Board of Directors of Strand Advisors, Inc.
c/o Highland Capital Management, L.P.
300 Crescent Court, Suite 700
Dallas, Texas 75201

Re: Highland Capital Management L.P. (the "Company")

Dear Fellow Board Members:

This letter agreement ("Agreement") sets forth the terms and conditions of the engagement of the undersigned James P. Seery, Jr. ("I", "me" or "my"), as Chief Executive Officer ("CEO") and Chief Restructuring Officer ("CRO"), effective as of March 15, 2020 (the "Commencement Date"), by the Company and its affiliates to perform financial advisory services as detailed below.

I appreciate the trust you have placed in me by asking me to assume these roles and thank you for the opportunity to continue to work with you to restructure the Company.

Roles:

I will serve as the CEO and CRO of the Company during its Chapter 11 bankruptcy case (the "Bankruptcy Case") currently pending in the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court").

In those roles, I will be responsible for overall management of the business of the Company in Chapter 11 including, directing the reorganization and restructuring of the Company, monetization of assets, resolution of claims, development and negotiation of a plan of reorganization or liquidation, and implementation of such a plan.

My direct reports will include the individuals at the Company that currently report to the Board of Directors of Strand Advisors, Inc. (the "Board") or such other individuals employed by the Company as I determine should report to directly to me. In the event that the Board determines to restructure the reporting lines or functions of the Company, my direct reports will be amended in accordance with the Board approved restructuring.

At all times, I will remain a full member of the Board entitled to vote on all matters other than those on which I am conflicted.

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I will devote as much time to this engagement as I determine is required to execute my responsibilities as CEO and CRO. I will have no specific on-site requirements in Dallas, but will be on site as much as I determine is necessary to execute my responsibilities as CEO and CRO, consistent with Covid-19 orders applicable to Dallas and New York City.

Limitations on Services

My services under this engagement are limited to those specifically noted in this Agreement and do not include legal, accounting, or tax-related assistance or advisory services. For the avoidance of doubt, I am not providing any legal services in connection with this engagement and will have not any duties as a lawyer to the Company, the Board, or any of the Company's employees. The accuracy and completeness of all information submitted to me by the Company are the sole responsibility of the Company, and I will be entitled to rely on such information without independent investigation or verification.

In my role as CEO and CRO, I will act as an independent professional contractor to the Company and will not be an employee of the Company. I will provide and pay for my own benefits, including medical benefits, by J.P Seery & Co. LLC or otherwise.

Fees and Expenses:

In consideration of my acceptance of this engagement and performance of the services pursuant to this Agreement, the Company shall pay the following:

1. Compensation for Services:

- a. Base Compensation: As compensation for my services as CEO and CRO of the Company, the Company shall pay me \$150,000.00 per calendar month ("Base Compensation"). Base Compensation shall be due and payable at the start of each calendar month. Consistent with current Board compensation practice, invoices rendered by me to the Company are due and payable by the Company on receipt. Payment of the Base Compensation will be retroactive to March 15, 2020.
- b. Bonus Compensation/Restructuring Fee:
 - i. The Company has agreed to pay me a restructuring fee upon confirmation of either a Case Resolution Plan or a Monetization Vehicle Plan in each case as defined below (the "Restructuring Fee").
 - ii. Case Resolution Restructuring Plan
 1. On confirmation of any plan or reorganization or liquidation based on resolution of a material amount of the outstanding claims and their respective treatment, even if such plan includes (x) a debtor/creditor trust or similar monetization and claims resolution vehicle, (y) post-confirmation litigation of certain of the claims, and (z) post-confirmation monetization of debtor assets (a "Case Resolution Plan"):
 - a. \$1,000,000 on confirmation of the Case Resolution Plan;
 - b. \$500,000 on the effective date of the Case Resolution Plan; and
 - c. \$750,000 on completion of cash or property distributions to creditors as contemplated by the Case Resolution Plan.

iii. Debtor/Creditor Monetization Vehicle Restructuring Fee:

1. On confirmation of any plan or reorganization or liquidation based on a debtor/creditor trust or similar asset monetization and claims resolution vehicle that does not include agreement among the debtor and creditors on a material amount of the outstanding claims and their respective treatment at confirmation (a "Monetization Vehicle Plan"):
 - a. \$500,000 on confirmation of the Monetization Vehicle Plan;
 - b. \$250,000 on the effective date of the Monetization Vehicle Plan; and
 - c. A contingent restructuring fee to be determined by the board or oversight committee installed to oversee the implementation of any Monetization Vehicle Plan based on the CEO/CRO (or acting as trustee) based upon performance under the plan after all material distributions under the Monetization Vehicle Plan are made.
2. Out-of-Pocket Expenses: In addition to the Base and Bonus Compensation, I shall be entitled to reimbursement for actual and reasonable out-of-pocket expenses ("Expenses") incurred in connection with the provision of services hereunder. Expenses will be billed along with Base Compensation and shall be paid by the Company at the same time. Expenses will be generally consistent with expenses incurred to date as a member of the Board.

Bankruptcy Court Approval

Notwithstanding anything herein to the contrary, I understand that this Agreement is contingent, in all respects, on the approval of the Bankruptcy Court. I also understand that the Company will seek approval of this Agreement in stages and that the Company will first seek approval of my retention as CEO and CRO and the payment of the Base Compensation and will defer seeking Bankruptcy Court approval of the Restructuring Fee until there have been further developments in the Bankruptcy Case.

Conflicts and Other Engagements

I am not aware of any potential conflicts of interest based on my understanding of the various parties involved in this matter to date.

The Company is aware that this engagement is not an exclusive engagement of my time, and that I have and will continue to have other business engagements and investments unrelated to the Company. Nothing in this Agreement or otherwise precludes me from representing or working with or for any other person or entity in matters not directly related to the services being provided to the Company under this Agreement. However, I will not take on any engagements directly adverse to the Company during the term of this engagement.

Privilege

I understand that in the course of this engagement, I may become party to or my services may become part of work product of legal counsel to the Company (the Company's in-house and outside counsel are collectively referred to as "Counsel"), and all communications between Counsel and me relating to this engagement shall be protected from disclosure to third parties under the attorney work product doctrine and/or the attorney-client privilege, and, therefore, shall be treated by me as privileged and confidential. I further understand that the Company has the exclusive right to waive the attorney-client privilege, and Counsel has the exclusive right to waive the protections afforded under the attorney work-product doctrine.

Termination of Engagement

This Agreement may be terminated at any time by either the Company or by me upon two weeks advance written notice given to the other party. The termination of this Agreement shall not affect my right to receive, and the Company's obligation to pay, any and all Base Compensation and Expenses incurred (even if not billed) prior to the giving of the termination notice; provided, however, that (i) if this Agreement is terminated by me, the amount of Base Compensation owed shall be calculated based on the actual number of days worked during the applicable month and I will return any Base Compensation received in excess of such amount and (ii) if this Agreement is terminated by the Company, Base Compensation shall be deemed fully earned as of the first day of any month. Bonus Compensation shall be earned by me immediately upon termination of me by the Company; provided, however, I shall not be entitled to Bonus Compensation if (a) the Bankruptcy Case is converted to chapter 7 or dismissed; (b) a chapter 11 trustee is appointed in the Bankruptcy Case; (c) I am terminated by the Company for Cause; or (d) I resign prior to confirmation of a plan or court approval of a sale as described in the Fees and Expense/Compensation for Services section hereof. For purposes of this Agreement, "Cause" means any of the following grounds for termination of my engagement, in each case as reasonably determined by the Board within 60 days of the Board becoming aware of the existence of the event or circumstance: (A) fraud, embezzlement, or any act of moral turpitude or willful misconduct on my part; (B) conviction of or the entry of a plea of nolo contendere by me for any felony; (C) the willful breach by me of any material term of this Agreement; or (D) the willful failure or refusal by me to perform my duties to the Company, which, if capable of being cured, is not cured on or before fifteen (15) days after my receipt of written notice from the Company.

Conditional Requirement to Seek Further Bankruptcy Court Approval of Agreement

The official committee of unsecured creditors in the Bankruptcy Case (the "Committee") may, upon two weeks advance written notice to the Company, require the Company to file a motion with the Bankruptcy Court on normal notice seeking a continuation of this Agreement and if such motion is not filed, this Agreement will terminate at the expiration of such two week period. If the Company files such motion, I will be entitled to my Base Compensation through and including the date on which a final order is entered on such motion by the Bankruptcy Court. Notwithstanding anything herein to the contrary, the Committee may not deliver such notice to the Company until a date which is more than ninety days following the date the Bankruptcy Court enters an order approving this Agreement.

Indemnification

As a material part of the consideration to me under this Agreement, the Company agrees (i) to indemnify and hold harmless me and any of my affiliates (the “Indemnified Party”), to the fullest extent lawful, from and against any and all losses, claims, costs, damages or liabilities (or actions in respect thereof), joint or several, arising out of or related to this Agreement, my engagement under this Agreement, or any actions taken or omitted to be taken by me or the Company in connection with this Agreement and (ii) to reimburse the Indemnified Party for all expenses (including, without limitation, the reasonable fees and expenses of counsel) as they are incurred in connection with investigating, preparing, pursuing, defending, settling or compromising any action, suit, dispute, inquiry, investigation or proceeding, pending or threatened, brought by or against any person (including, without limitation, any shareholder or derivative action, or any fee dispute), arising out of or relating to this Agreement, or such engagement, or actions. However, the Company shall not be liable under the foregoing indemnity and reimbursement agreement for any loss, claim, damage or liability which is finally judicially determined by a court of competent jurisdiction to have resulted primarily from the willful misconduct or gross negligence of the Indemnified Party.

The indemnification and insurance currently covering my role as a director shall be extended to me and fully cover me as provided therein in my roles as CEO and CRO.

Miscellaneous

This Agreement (a) constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any other communications, understandings or agreements among the parties with respect to the subject matter hereof, and (b) may be modified, amended or supplemented only by written agreement among all the parties hereto.

This Agreement is subject to approval by the Bankruptcy Court. As part of such approval the Company shall request that any such order approving this Agreement contain a provision extending the protections afforded to me as a Board Member pursuant to Paragraph 10 of the Order Approving Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course entered by the Bankruptcy Court on January 9, 2020 [Docket No. 339] to my role as CEO and CRO, which Order prohibits the commencement of any action against me without first obtaining Bankruptcy Court approval to initiate such action.

This Agreement and all controversies arising from or related to performance hereunder shall be governed by and construed in accordance with the laws of the State of New York. The parties hereby submit to the jurisdiction of and venue in the federal and state courts located in New York City and waive any right to trial by jury in connection with any dispute related to this Agreement.

This Agreement shall be binding upon the parties and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement.

Failure of any party at any time to require performance of any provision of this Agreement shall not affect the right to require full performance thereof at any time thereafter, and the waiver by any party of a breach of such provisions shall not be taken as or held to be a waiver of any subsequent breach or as nullifying the effectiveness of such provision.

Notices provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective address set forth above in this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith.

This Agreement and my rights and duties hereunder shall not be assignable or delegable by me.

The Company may withhold from any amounts payable under this Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

This Agreement may be executed (including by electronic execution) in any number of counterparts, each of which when so executed shall be deemed an original, but all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by electronic mail shall have the same force and effect as the delivery of an original executed counterpart of this Agreement.

Please confirm the foregoing is in accordance with your understanding by signing and returning a copy of this Agreement, whereupon it shall become binding and enforceable in accordance with its terms.

Very truly yours,



James P. Seery, Jr.

AGREED AND ACCEPTED

HIGHLAND CAPITAL MANAGEMENT L.P.

By: Strand Advisors, Inc., its general partner

John Dubel
Director
Strand Advisors, Inc.

Russell Nelms
Director
Strand Advisors, Inc.

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This Agreement shall be binding upon the parties and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement.

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Please confirm the foregoing is in accordance with your understanding by signing and returning a copy of this Agreement, whereupon it shall become binding and enforceable in accordance with its terms.

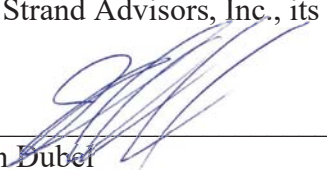
Very truly yours,

James. P. Seery, Jr.

AGREED AND ACCEPTED

HIGHLAND CAPITAL MANAGEMENT L.P.

By: Strand Advisors, Inc., its general partner



John Dubel
Director
Strand Advisors, Inc.

Russell Nelms
Director
Strand Advisors, Inc.

005568

This Agreement shall be binding upon the parties and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement.

Failure of any party at any time to require performance of any provision of this Agreement shall not affect the right to require full performance thereof at any time thereafter, and the waiver by any party of a breach of such provisions shall not be taken as or held to be a waiver of any subsequent breach or as nullifying the effectiveness of such provision.

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Please confirm the foregoing is in accordance with your understanding by signing and returning a copy of this Agreement, whereupon it shall become binding and enforceable in accordance with its terms.

Very truly yours,

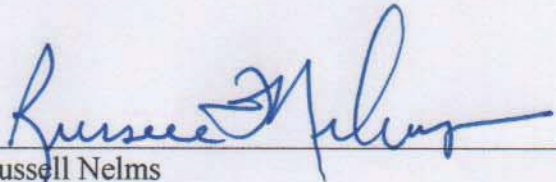
James. P. Seery, Jr.

AGREED AND ACCEPTED

HIGHLAND CAPITAL MANAGEMENT L.P.

By: Strand Advisors, Inc., its general partner

John Dubel
Director
Strand Advisors, Inc.



Russell Nelms
Director
Strand Advisors, Inc.

005569

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLEE RECORD
VOLUME 25**

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**COUNSEL FOR ACIS CAPITAL MANAGEMENT,
L.P. AND ACIS CAPITAL MANAGEMENT GP,
LLC, APPELLEES**

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

IN RE:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

DEBTOR.

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CASE NO. 19-34054

Chapter 11

INDEX

DESIGNATION OF RECORD ON APPEAL

Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP," together with Acis LP, "Acis"), appellees, file this Designation of Record on Appeal related to the *Order Approving Debtor's Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302] (the "Settlement Order"), the *Notice of Appeal* [Docket No. 1347] of the Settlement Order filed by James Dondero ("Dondero") and the *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented* [Docket No. 1515] filed by Dondero.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

Acis designates the following additional items for inclusion in the record on appeal.

Items in Bankruptcy Case No. 19-34054-SGJ-11	
Vol. 14 003095 003097	1. Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. [Docket No. 1]
003203	2. Chapter 11 Voluntary Petition [Docket No. 1]
003247	3. Affidavit/Declaration in Support of First Day Motion /Declaration of Frank Waterhouse in Support of First Day Motions Filed By Highland Capital Management, L.P. [Docket No. 11]
Vol. 15 003406	4. Motion to Change Venue/Inter-district Transfer Filed by Official Committee of Unsecured Creditors [Docket No. 85]
003433	5. Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 122]
003444	6. Joinder to Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) [Docket No. 126]
003452	7. Reply in Support of Motion to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 162]
003459	8. Reply in Support of the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 163]
003463	9. Response of the Debtor to Acis's Joinder to Motion to Transfer Venue [Docket No. 164]
003465	10. Order Transferring Venue of this Case to the United States Bankruptcy Court of the Northern District of Texas [Docket No. 186]
003492	11. Transcript regarding hearing held 12/6/19 [Docket No. 207]
003574	12. Schedules: Schedules A/B/ and D-H with Summary of Assets and Liabilities (with Declaration Under Penalty of Perjury for Non-Individual Debtors)[Docket No. 247]
003616	13. Statement of financial affairs for non-individual [Docket No. 248]
Vol. 16 003629	14. Trustee's Motion to appoint trustee [Docket No. 271]
003729	15. Motion to compromise controversy with Official Committee of Unsecured Creditors [Docket No. 281]
003735	16. Trustee's Objection to Motion to Approve Joint Agreement [Docket No. 313]
003738	17. Declaration re: (Declaration of Bradley D. Sharp in Support of the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course) [Docket No. 327]
003751	18. Response unopposed to (related document(s): 313 Objection) [Docket No. 329]
003756	19. Response unopposed to (related document(s): 313 Objection) [Docket No. 330]
	20. Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors, Strand Advisors, Inc., and James Dondero. [Docket No. 338]

Vol. 16 003764	21.	Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course [Docket No. 339]
003769	22.	Notice (Notice of Final Term Sheet) [Docket No. 354]
Vol. 17 003834	23.	Response opposed to (related document(s): 271) [Docket No. 362]
003847	24.	Objection to (related document(s): 271 Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) [Docket No. 364]
003851	25.	Transcript regarding Hearing Held 01/21/2020 [Docket No. 393]
003991	26.	Order denying motion to appoint trustee [Docket No. 428]
003993	27.	Motion for relief from stay [Docket No. 451]
Vol. 18 004042	28.	Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") [Docket No. 474]
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005096	30.	Objection to (related document(s): 474) [Docket No. 487]
005110	31.	Joinder by Acis Capital Management, L.P. and Acis Capital Management GP, LLC to the Committee's Objection to the Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain Related Entities, and Comment to the Same [Docket No. 489]
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005123	33.	Order granting motion for relief from stay [Docket No. 519]
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005359	37.	Order granting motion for relief from stay [Docket No. 764]
005362	38.	Application to employ James P. Seery, Jr. Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020 [Docket No. 774]
005395	39.	Transcript regarding Hearing Held 06/30/2020 [Docket No. 802]
005495	40.	Transcript regarding Hearing Held 07/08/2020 [Docket No. 817]
005553	41.	Agreed order regarding deposit of funds into registry of the Court [Docket No. 821]
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Vol. 25 005570	43.	Transcript regarding Hearing Held 07/14/2020 [Docket No. 864]
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Vol. 26 005829	45.	Order directing mediation [Docket No. 912]
005835	46.	Transcript regarding Hearing Held 08/19/2020 [Docket No. 998]
005855	47.	Transcript regarding Hearing Held 09/10/2020 [Docket No. 1064]
005904	48.	Amended Schedules: E/F, with Summary of Assets and Liabilities [Docket No. 1082]
005933	49.	Transcript regarding Hearing Held 10/06/2020 [Docket No. 1145]
005991	50.	Witness and Exhibit List [Docket No. 1175]
005994	51.	Witness and Exhibit List [Docket No. 1202-1]
005997	52.	Omnibus Reply [Docket No. 1221]

DATED: December 7, 2020.

Respectfully submitted,

By: /s/ Annmarie Chiarello

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CERTIFICATE OF SERVICE

I hereby certify that on December 7, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello

One of Counsel

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

In Re:) **Case No. 19-34054-sgj11**
)
)
HIGHLAND CAPITAL) Dallas, Texas
MANAGEMENT, L.P.,) July 14, 2020
) 1:30 p.m. Docket
Debtor.)
) APPLICATIONS TO EMPLOY JAMES
) P. SEERY AND DEVELOPMENT
) SPECIALISTS, INC. (774, 775)
)

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE.

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1 DALLAS, TEXAS - JULY 14, 2020 - 1:34 P.M.

2 THE COURT: ... to get lawyer appearances. First,
3 for the Debtor, do we have some Pachulski lawyers on the
4 phone? Please make your appearance.

5 MR. POMERANTZ: Good morning, Your Honor. It's
6 Jeffrey Pomerantz; Pachulski Stang Ziehl & Jones. Also with
7 me are John Morris, and then listening in are Greg Demo and
8 Ira Kharasch.

9 THE COURT: All right. Thank you all. And do we
10 have any Hayward lawyers on the phone?

11 MR. ANNABLE: Yes, Your Honor.

12 THE COURT: I presume that was Mr. Annable.

13 MR. ANNABLE: Yes, Your Honor. Sorry. My mic's not
14 picking up. It's Zachery Annable and Melissa Hayward --

15 THE COURT: All right.

16 MR. ANNABLE: -- as local counsel for the Debtor.

17 THE COURT: Okay. Thank you. For the Unsecured
18 Creditors' Committee, who do we have from Sidley Austin?

19 MR. CLEMENTE: Good afternoon, Your Honor. Matthew
20 Clemente from Sidley Austin, and Paige Montgomery is also on
21 the phone.

22 THE COURT: All right. Thank you. All right. I'll
23 go to some of our usual appearances. Do we have lawyers for
24 the Redeemer Committee this afternoon? (No response.) All
25 right.

1 MS. MASCHERIN: Yes. Excuse me, Your Honor.

2 THE COURT: Yes?

3 MS. MASCHERIN: This is Terri Mascherin. I wasn't
4 sure whether I had the microphone on mute or not.

5 THE COURT: Okay.

6 MS. MASCHERIN: I apologize. Terri Mascherin, Jenner
7 & Block. My colleague, Marc Hankin, is on the phone. And I
8 believe that Mark Platt is also on the line.

9 THE COURT: All right. Thank you. What about UBS?
10 Anyone wanting to appear for UBS?

11 MR. CLUBOK: Yes. Good afternoon, Your Honor. This
12 is Andrew Clubok from Latham & Watkins, LLP. And my partner,
13 Kimberly Posin, is on as well.

14 THE COURT: Okay. Thank you. What about for Acis?
15 Any lawyers appearing for Acis?

16 MS. PATEL: Yes. Good afternoon, Your Honor. Rakhee
17 Patel of the Winstead firm and Brian Shaw of the Rogge Dunn
18 Group appearing on behalf of Acis.

19 THE COURT: All right. Do we have Mr. Lynn or Mr.
20 Bonds for James Dondero? (No response.) Maybe not. All
21 right. Is there anyone else who wishes to appear for today's
22 hearings?

23 MR. NEIER: Good afternoon, Your Honor. David Neier
24 of Winston & Strawn making a reappearance, but this time for
25 several employees of Highland: Mr. Leventon, Mr. Sevilla, Mr.

1 Ellington, several others.

2 THE COURT: Oh, okay. Thank you. Any other
3 appearances today?

4 (No response.)

5 THE COURT: All right. I'll assume everyone else is
6 just going to observe.

7 Well, we have two employment applications. Mr. Pomerantz,
8 how did you want to proceed on those?

9 MR. POMERANTZ: So, Your Honor, we have the two
10 motions to present, Your Honor. I'm happy to say that neither
11 of them are opposed.

12 Before I present the motions to Your Honor, I wanted to
13 ask if Your Honor would like to address the mediation issues
14 at the conclusion of the hearing or prior to the presentation
15 of the motions.

16 THE COURT: At the conclusion. Thank you.

17 MR. POMERANTZ: Thank you, Your Honor.

18 Your Honor, the first motion on the docket today is a
19 Motion to Appoint James Seery as the Debtors' chief executive
20 officer and chief restructuring officer, effective as of March
21 15th, which is about the time that Mr. Seery began performing
22 the services as the chief executive officer.

23 While there's a good argument that the retention of a
24 chief executive officer is in the ordinary course of business
25 and does not require court approval, the Debtor, out of an

1 abundance of caution, filed the motion, and the motion seeks
2 approval of the agreement which is attached to the motion.

3 The second motion, Your Honor, is a Motion to Approve the
4 Retention of DSI as the Debtors' Financial Advisor. And as
5 the Court is aware, Mr. Sharp, a managing director of DSI, was
6 approved as the Debtors' Chief Restructuring Officer pursuant
7 to this Court's January 10th order.

8 Although Mr. Seery is proposed to replace Mr. Sharp as the
9 Debtors' Chief Restructuring Officer, Mr. Seery still requires
10 the financial assistance and advisory support that DSI has
11 been providing to him, the Board, and the Debtor for several
12 months.

13 While each of these motions, as I mentioned, Your Honor,
14 are unopposed, we plan to put on the testimony of James Seery,
15 John Dubel, and Brad Sharp to provide the Court with the
16 evidentiary basis to support the relief that is requested.
17 And with the testimony, Your Honor, we intend to accomplish
18 several things.

19 First, Your Honor, in light of our exchange at the hearing
20 on July 8th, we thought it'd be appropriate for Mr. Seery to
21 provide a more fulsome response to Your Honor regarding the
22 nature and extent of the Debtors' operations and assets and
23 the variety of significant activities that the Board in
24 general and Mr. Seery as the chief executive officer has been
25 performing over the last several months.

1 We think this is very important, Your Honor, given that
2 the Debtor has substantial and multiple complex business
3 operations that it oversees that are in -- that are in
4 subsidiaries outside of Chapter 11 or are in entities managed
5 by the Debtor and also not in Chapter 11. And the Court, we
6 appreciate, especially in light of Your Honor's comments, does
7 not have the benefit of seeing what is really going on. So
8 we're hoping, by Mr. Seery's testimony, it will provide Your
9 Honor with a much clear picture, and, quite frankly, a better
10 job doing it than I was able to do last week.

11 Mr. Seery's testimony will support the need for the
12 retention of the chief executive officer and why his
13 particular background and qualifications made him the
14 appropriate choice for the role.

15 Second, Mr. Dubel, as the chairman of the compensation
16 committee of the Board, will testify regarding the process
17 undertaken by the compensation committee that led to the
18 conclusion to ask Mr. Seery to become the chief executive
19 officer and the agreement -- under the terms and conditions
20 set forth in the agreement.

21 Lastly, Mr. Sharp will testify regarding the activities he
22 and DSI have been performing since the commencement of the
23 case, the assistance they have been providing to Mr. Seery
24 over the last few months, and how the nature and extent of the
25 services they are providing will essentially remain the same

1 if Your Honor approves the motion to employ Mr. Seery.

2 Before I turn the virtual podium over to my partner, John
3 Morris, to present the testimony, Your Honor, I thought I
4 would provide the Court with a brief summary of the events
5 leading to the Debtors' filing of the motion.

6 THE COURT: Okay.

7 MR. POMERANTZ: As Your Honor will recall, the Court
8 entered an order on January 9th approving a settlement between
9 the Debtor and the Committee, and a significant part of that
10 settlement involved modifications to the Debtors' corporate
11 governance that resulted in the installation of the
12 Independent Board.

13 The term sheet that was attached in the settlement motion
14 specifically contemplated that the Independent Board, in
15 consultation with the Committee, would determine whether it
16 was appropriate to retain a chief executive officer, and
17 further went on to say that the chief executive officer could
18 be a member of the Board.

19 And the retention of a chief executive officer was on
20 everyone's minds from the beginning, because since Mr.
21 Dondero's authority as the CEO of the Debtor was being
22 terminated in connection with the settlement, the Debtor and
23 the Committee contemplated that, in order to manage a dynamic
24 and widespread asset management platform like Highland's, that
25 the retention of a chief executive officer may very well be

1 necessary.

2 I will leave it to Mr. Seery and Mr. Dubel to explain to
3 the Court what transpired during the early stages of the case
4 and the decision-making process that led to Mr. Seery starting
5 to act as the Debtors' chief executive officer. And I would
6 also leave it to Mr. Dubel to discuss the sequence of events
7 which led from the appointment of him as the chief executive
8 officer through the filing of the motion that brings us here
9 today, which events will include the establishment of a
10 compensation committee; the commissioning of a report from the
11 Debtors' compensation expert, Mercer; the procurement of the
12 Debtors' [sic] and officers insurance coverage to cover Mr.
13 Seery and Mr. Dubel; the negotiations over the (inaudible) of
14 Mr. Seery; and lastly, the negotiations with the Committee
15 which has resulted in the motion being fully consensual.

16 I'll also leave it to Mr. Seery to explain his personal --
17 professional background and why he was qualified to fill that
18 role.

19 The agreement, Your Honor, between Mr. Seery and the
20 Debtor includes the following material provisions.

21 First, there would be base compensation at the rate of
22 \$150,000 a month, retroactive to March 15th. And while Mr.
23 Seery will remain on the Board as part of his role as the
24 chief executive officer, the \$150,000 per month would cover
25 his services not only as a CEO but also a member of the Board.

1 In other words, the Board fees that were agreed to back in
2 January of \$60,000 a month, \$50,000 a month, and \$30,000 a
3 month would be replaced by the \$150,000 a month commencing on
4 March 15th.

5 While the compensation committee and Mr. Seery reached
6 agreement on the structure of potential bonus compensation,
7 the Committee has not agreed to that proposed structure. As a
8 result, the compensation committee and Mr. Seery decided that
9 approval sought in this motion would only be the monthly
10 compensation and the other non-economic terms, but would not
11 include the bonus compensation. Any bonus compensation sought
12 to be paid to Mr. Seery would be pursuant to a separate motion
13 filed, if at all, a lot later in the case.

14 The Committee was also uncomfortable with the open-ended
15 nature of the agreement and wanted some control in being able
16 to seek to terminate it. To accommodate the Committee, Mr.
17 Seery and the Debtor agreed to the following: After 90 days
18 from the date the Court enters an order approving this
19 agreement, if the Court is inclined to do so, the Committee
20 may provide the Debtor with notice that it does not want the
21 agreement to continue. The Debtor would then have two weeks
22 to file a motion on normal notice seeking to extend the date
23 of the agreement, and Mr. Seery would be entitled to his base
24 compensation until the Court ruled on the motion.

25 Also, the Committee asked us that be made clear in the

1 order, which we've done, that Mr. Seery's retention would
2 terminate on the effective date on the plan, subject, of
3 course, of his right to seek bonus compensation pursuant to a
4 separate motion. The agreement also contains standard
5 reimbursement and indemnification provisions.

6 Your Honor, those conclude my initial remarks. I'm happy
7 to take questions. And then, at the appropriate time, I
8 return it over to Mr. Morris, who will put on the testimony of
9 Mr. Seery, Mr. Dubel, and Mr. Sharp.

10 THE COURT: All right. I'd like to pretty quickly
11 get to the evidence. So, I'll ask: Does anyone have a
12 burning desire to make an opening statement? If so, please
13 let's keep it brief.

14 (No response.)

15 THE COURT: All right. I assume everyone is content
16 to wait until the end and speak up in any way they want to
17 speak up.

18 Mr. Morris, are you ready to call your witness?

19 MR. MORRIS: I am, Your Honor. Can you hear me right
20 now?

21 THE COURT: I can. Thank you.

22 MR. MORRIS: Okay. Your Honor, this is John Morris
23 from Pachulski Stang Ziehl & Jones for the Debtor. As the
24 Debtors' first witness, we call James Seery.

25 THE COURT: All right. Mr. Seery, I need to swear

Seery - Direct

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1 you in by video. So could you take your phone off mute and
2 please raise your right hand. Can you say Testing 1, 2, so I
3 know you're there?

4 MR. SEERY: Testing 1, 2.

5 THE COURT: All right.

6 JAMES P. SEERY, DEBTOR'S WITNESS, SWORN

7 THE COURT: All right. Thank you. Mr. Morris?

8 MR. MORRIS: Thank you, Your Honor. Before I begin
9 my questioning of Mr. Seery, the Debtor had filed its witness
10 list and its exhibit list. We provided copies of the exhibits
11 to the Court and to the Committee, and I would like to just
12 move into evidence Debtors' Exhibits 1 through 7 at this time.

13 THE COURT: All right. So I have in front of me
14 Docket Entry No. 822 with Exhibits 1 through 7. Any
15 objection? (No response.) All right. 1 through 7 are
16 admitted.

17 (Debtors' Exhibits 1 through 7 are received into
18 evidence.)

19 MR. MORRIS: Thank you, Your Honor. And just as an
20 overview, so you have a sense of where we're going with Mr.
21 Seery's testimony, I am going to begin with some very brief
22 background questionings and then have Mr. Seery answer some
23 questions concerning the overview of the company and the
24 corporate structure of the company. You may have heard some
25 of this before, but I think in the context of a motion such as

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Seery - Direct

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1 the appointment of a CEO, I think it would be helpful to hear
2 it all.

3 When I finish with that, we're going to move into the area
4 of the Board and the work that the Board has done and Mr.
5 Seery's work as a member of the Board.

6 And then we'll transition into really the meat of the
7 discussion here, and that is what has he done in his capacity
8 as CEO. And to be clear, he's not the CEO, he doesn't call
9 himself the CEO, but he's functioned as the CEO, and I think
10 that's the point that we want to present to the Court. And we
11 want to present to the Court the fact that he functioned as a
12 CEO really from day one of the process. And we're not going
13 to get into, you know, every single thing he's done, because
14 we'd be here for an awfully long time, but we do intend to
15 highlight a couple of the transactions that he worked on and
16 give you a sense of his role in trying to develop a plan and
17 resolving claims.

18 And I think, with that, you'll have a better understanding
19 of Mr. Seery, his role, and why we believe it's a proper
20 exercise of the Debtors' business judgment to appoint him as
21 CEO.

22 THE COURT: All right. Sounds good.

23 MR. MORRIS: All right.

24 DIRECT EXAMINATION

25 BY MR. MORRIS:

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Seery - Direct

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1 Q Mr. Seery, can you hear me?

2 A I can. Can you hear me?

3 Q Yes, I can.

4 MR. MORRIS: Your Honor, just one other point. I
5 have a legal assistant on the phone here. She's participating
6 in the WebEx. Her name is La Asia Canty. La Asia is going to
7 handle the exhibits when and if we need to put them up on the
8 screen. So we've tried to practice that, and hopefully it
9 will go smoothly, but I may turn to Ms. Canty from time to
10 time with some help with the exhibits.

11 THE COURT: All right. Fine.

12 BY MR. MORRIS:

13 Q Okay. Mr. -- what is your current relationship to the
14 Debtor?

15 A I'm an Independent Director of Strand, which is the
16 general partner of the Debtor.

17 Q All right. And when did you become the Independent
18 Director of Strand?

19 A On January 9th, along with John Dubel and Russ Nelms.

20 Q The Court has previously heard about your background, but
21 from a high level, can you just hit the highlights for the
22 Court as to your experience, et cetera?

23 A To go swiftly -- and if Your Honor wants me to go further,
24 I certainly can -- I was a restructuring and finance lawyer
25 for 10 years, handling virtually every type of restructuring

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Seery - Direct

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1 matter as well as financing in distressed matters during that
2 time.

3 In 1999, I went to the business side and I began to manage
4 distressed assets at Lehman Brothers as well as a leverage
5 finance business. That grew into my running the risky finance
6 business as well as the loan business at Lehman globally,
7 which included high-grade loans, high-yield loans, trading and
8 sales of those products, a big part of distressed, all of
9 restructuring, all of asset management, and all of the hedging
10 of the portfolio that we had.

11 From there, I left Lehman with a small group and sold it
12 to Barclay's. I moved on and ran a hedge fund with two former
13 partners of mine who are the founding partners called River
14 Birch Capital. It was a long-short credit fund; mostly
15 credit, though we did structured finance as well, and we also
16 handled some equities.

17 Q Okay. Let's spend a few minutes, as a preview, talking
18 about the Debtor and its business. And let's start with the
19 basics. Is there a way you can summarize the business of the
20 Debtor?

21 A I think, from a high level, the best way to think about
22 the Debtor is that it's a registered investment advisor. As a
23 registered investment advisor, which is really any advisor of
24 third-party money over \$25 million, it has to register with
25 the SEC, and it manages funds in many different ways.

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Seery - Direct

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1 The Debtor manages approximately \$200 million current
2 values -- it was more than that at the start of the case -- of
3 its own assets. It doesn't have to be a registered investment
4 advisor for those assets, but it does manage its own assets,
5 which include directly-owned securities; loans from mostly
6 related entities, but not all; and investments in certain
7 funds which it also manages.

8 In addition, the Debtor manages about roughly \$2 billion
9 in -- \$2 billion in total managed assets, around \$2 billion in
10 CLO assets, and then other entities, which are hedge funds or
11 PE style.

12 In addition, the Debtor provides shared services for
13 approximately \$6 billion of assets. Those are assets that are
14 owned by related entities but not owned by Debtor-owned or
15 managed entities. And those are a combination of back office
16 services, which include timely reporting, asset management,
17 legal and compliance support, trading and research support,
18 but not the actual management of the assets.

19 The Debtors run -- and I think the way to think about it
20 is on a functional basis; at least, that's the way I think
21 about it -- and there's really six areas. There's corporate
22 management; finance, accounting and tax; trading and research;
23 private equity and fund investing; compliance and legal; and
24 then structured equity, which really includes all of the CLO
25 businesses.

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Seery - Direct

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1 The goals of the Debtor generally are what you'd expect
2 out of an asset manager. A little bit different than most
3 because the Debtor does own assets, which is a little
4 different than when money asset managers typically hold assets
5 away from the asset manager. But number one, discharge
6 Highland's, which I'll call Highland (inaudible), LP, duties
7 to investors in the funds. Those are fiduciary duties under
8 the Investment Advisors Act. Each day, you've got to make
9 sure that you do that first and foremost.

10 Number two, create positive MPD in each of the funds that
11 we manage, either through sales, purchases, or hedging.

12 Next, make sure that we report timely finances of our own
13 assets, including in the funds, but also, to the third-party
14 investors. Maximize the value of HCMLP's owned assets. And
15 then operate as efficiently as possible for the lowest cost.

16 That's essentially how the Debtor -- how we think about
17 the Debtor from a functional perspective. It's got about 70
18 employees laid out in those areas that I mentioned, and each
19 of those employees every day usually think about those goals
20 and try to discharge their duties by focusing on those goals.

21 Q Thank you, Mr. Seery. And can you describe for the Court
22 how those 70 or so employees are organized? Is there an
23 internal corporate structure that you're working with?

24 A Yeah. The way -- the way -- I apologize. The way we
25 think about it is, as I said, corporate management, which is

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Seery - Direct

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1 really HR and overseeing the function that it's filling every
2 day, that's been really -- because Mr. Dondero was removed
3 from management. It used to all roll up to him. That's been
4 effectively rolling up to me since February.

5 Finance, accounting, and tax. Each of these businesses
6 every day require certain amounts of liquidity. Each of them
7 have requirements that they have to pay out to investors.
8 Each of them have expenses. And all of them have different
9 kinds of tax either obligations or reporting. Those are
10 managed by Frank Waterhouse as the CFO. (inaudible), sorry.

11 Trading and research. With respect to the assets, they're
12 not -- they're not static assets. Many of them do get traded
13 on a regular basis. A gentleman, Joe Sowin, heads up the
14 trading of the liquid assets. John Povish (phonetic) heads up
15 the research and the trading of the more illiquid assets, but
16 not PE. In addition, we have PE assets that require some
17 management every day, including Board seats. That's a
18 gentleman by the name of Cameron Baynard, and also he will
19 fund investments in that area. J.P. Sevilla is responsible
20 for working with Cameron on those investments and leading that
21 team.

22 Importantly, because of the nature of what the Debtor
23 does, the fiduciary obligations, as well as the
24 responsibilities to each investor and the legal overlay, we
25 have a robust compliance and legal department. That's headed

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1 by Thomas Surgent and Scott Ellington. Scott: more focused
2 on transactional issues with respect to legal. He is actually
3 general counsel. Everything that has do with compliance, the
4 interrelatedness of the funds, trading between funds or
5 positions that are shared across funds, which are many, runs
6 through Thomas Surgent and his team.

7 And finally, structured equity. Sitting on top of the
8 structured finance business that we have, understanding those
9 assets, particularly of two billion-ish assets in CLOs, that's
10 headed by Hunter Covitz.

11 Q Can you describe for the Court your interaction with each
12 of the department heads that you just identified?

13 A Well, depending on the nature of the issue each day, I
14 have at least -- I'd say generally at least weekly contact
15 with most, often daily contact with most. So, for example,
16 when there are trading issues, particularly as the market was
17 extremely volatile with respect to unliquid securities, Joe
18 Sowin and I were on the phone several times a day.

19 Relating to the COVID issues, Brian Collins, who heads the
20 HR group, and I were on the phone several times a day.

21 Relating to structured equity, depending on what's
22 happening with a particular fund or what's happening in loan
23 prices, I speak to Hunter Covitz. And it goes down the line.

24 So it really depends on each of the areas and what's going
25 on in the business, but I try to touch base with each of those

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1 department heads on a regular basis.

2 Frank Waterhouse, of course, is at least weekly. We have
3 a standing call every week to make sure that we're focused on
4 liquidity, which is always a concern in a Chapter 11, and
5 Frank and his team are on that call and prepare weekly
6 materials for us.

7 Q Okay.

8 MR. MORRIS: Your Honor, before I move to the next
9 area of questions, the work of the Board, I just wanted to see
10 if the Court had any questions on the corporate organizational
11 structure, the internal structure of the business, or any of
12 the matters that Mr. Seery touched on?

13 THE COURT: I do not. And I do have in front of me a
14 demonstrative aid that Mr. Annable sent over ahead of time, so
15 I appreciate that as well.

16 MR. MORRIS: Okay. Your Honor, I think Mr. Seery
17 covered much of what's on that document, but if you'd like him
18 to go through that, we're happy to do it.

19 THE COURT: No, that's fine.

20 MR. MORRIS: Okay.

21 BY MR. MORRIS:

22 Q Then let's shift gears a little bit and start talking
23 about the work of the Independent Board itself. The
24 Independent Board was appointed in mid-January; is that right?

25 A Yeah. It was the first -- January 9th, the first week of

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1 January, and we started working that afternoon.

2 Q Okay. Can you describe for the Court what the -- the
3 Board's initial focus? What were you focused on?

4 A Well, if you think about the areas that I just mentioned
5 previously, the Board initially, for lack of a better term,
6 gang-tackled everything. So we tried to make sure that we had
7 a broad base of understanding among the three of us with
8 respect to the business.

9 I, because of my background, had a lot more familiarity
10 with asset management, these type of asset security
11 businesses. But we wanted to make sure that each of us was at
12 least facile with the main areas that we had to understand.
13 First was operations. How does the company run each day?
14 Particularly, how was it going to run without Mr. Dondero?
15 And I went through some of those functional areas and how we
16 thought about those and who head each of those.

17 Next in the -- I don't mean to say it's second, because
18 it's always first, but liquidity. What did the Debtors'
19 liquidity look like? How are we going to manage that
20 liquidity, not just for the near-term, but also for the
21 medium-term, and then even into the slightly longer-term? We
22 had to think about what assets are there, what money those
23 assets might need that we would have to invest in them, and
24 whether there was liquidity in those assets that we can create
25 liquidity in order to fund the Debtors' business.

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1 Personnel, we needed a good opportunity to understand who
2 did what, not just in the senior managers that I mentioned,
3 but deeper into the staff, because we're going to rely on
4 those folks. Particularly worked through with DSI.

5 As I mentioned, the Debtor, unlike a lot of other asset
6 managers, owns a lot of assets. It's a disparate group of
7 assets, but getting a feel and understanding for what those
8 assets were, what the critical issues surrounding those assets
9 are, who managed them day-to-day: We wanted to make sure that
10 each of the directors had a good (inaudible) and understanding
11 of those issues that might arise with respect to those assets,
12 and a good sense of how quickly those issues could, you know,
13 further arise.

14 We also had to get a very good understanding of each of
15 the funds that we manage. As I said, the Investment Advisors
16 Act puts a fiduciary duty on Highland Capital to discharge its
17 duty to the investors. So while we have duties to the estate,
18 we also have duties, as I mentioned in my last testimony, to
19 each of the investors in the funds.

20 Now, some of them are related parties, and those are a
21 little bit easier. Some of them are owned by Highland. But
22 there are third-party investors in these funds who have no
23 relation whatsoever to Highland, and we owe them a fiduciary
24 duty both to manage their assets prudently but also to seek to
25 maximize value. And we wanted to make sure we had a good

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1 understanding of that.

2 Finally, with respect to the shared service arrangements,
3 we needed to get an understanding of that \$6 billion in assets
4 and how our business, HCMLP, worked with those -- those shared
5 service counterparties and exactly who did what for whom.
6 It's very complicated because it had been run much more on a
7 functional basis than on a line basis from each contract. So
8 it's not as if your employees are allocated to NexBank. It's
9 the whole panoply of businesses that we enter into, and
10 providing those services to NexBank, not through a central
11 point but through whatever requests come in from the counter-
12 parties. So we needed a good understanding of what those
13 contracts looked and what those obligations were.

14 A VOICE: John, you're on mute.

15 MR. MORRIS: Thank you.

16 BY MR. MORRIS:

17 Q All of that work was going on in the first weeks of the
18 appointment of the Board?

19 A Yeah, it would not be fair to say we could do that in a
20 couple weeks. So it took far longer than that. But that
21 didn't mean that issues didn't start to arise immediately in
22 February. And so, while we were learning, we were also
23 starting to get a feel for different things that could happen
24 in the company.

25 As in many companies, immediately, one of the first things

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1 you have to deal with is, particularly at the beginning of the
2 year, what does compensation look like; who are the -- what do
3 promotions look like; are you going to be able to hold this
4 team together to service these assets? And yeah, we had that,
5 with an additional wrinkle that Highland's payment structure
6 defers a significant amount of compensation to its employees,
7 and it vests over time, and it has the very typical provision
8 that if you are not there when it vests -- when it is going to
9 be paid, actually, not when it vests. Even if you're vested,
10 if you're not there when it gets paid, you're not entitled to
11 it. And so understanding who was owed what; how the vesting
12 worked; what the compensation structure looked like compared
13 to third parties, was one of the first things we had to do.
14 And Highland has an extremely robust review process. Brian
15 Collins manages it. It's first-rate. It goes through both
16 360 in terms of what other employees think of each other as
17 well as bottoms up, in terms of performance. And then it has
18 a top-down component, which ultimately ran through Mr.
19 Dondero. Since he was effectively removed from that role, the
20 Board had to jump in and get a full understanding with Brian
21 about what the process looked like; how it was going to work;
22 how it compared to other firms; and whether we could go
23 forward with it. And that was one of the motions that was
24 brought early to the Court.

25 A Let's talk a minute about the transactional work that the

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1 Board was called to focus on initially. Are you familiar with
2 the transactional protocols that the Debtor agreed to with the
3 Committee?

4 Q I am.

5 A Can you describe for the Court the impact those protocols
6 had on the Board's work?

7 Q Well, they make it extremely difficult. And I understand
8 the purposes behind the protocols. Was not involved in
9 negotiating them. However, because of the limitations they
10 put on the Debtor, they make it very difficult to manage
11 certain of the assets. So, if an asset needs money to invest
12 in it, depending on the size, it may need Committee approval.
13 If the -- if there are expenses that need to be paid from --
14 in related entities, and the related entity does not have the
15 capital to make the expense payment, the Debtor needs to put
16 the money in. Can the Debtor put that money in without the
17 Committee's approval, and if the Committee doesn't approve,
18 would we have to go to Court?

19 So, the functioning on a day-to-day basis for how to deal
20 with those assets became very difficult. And that came up
21 really early, as the market started to get a lot more
22 volatility by mid-February. We saw with respect to the
23 internal accounts trades that we would have liked to put on,
24 for example, short position, where we just weren't able to put
25 the trades on.

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1 Now, we could go to the Committee, and we did, but
2 understanding why we wanted to put it on; explaining it;
3 presenting that opportunity to the Committee; and then having
4 them go to the full Committee with it: It's very cumbersome.
5 And the trading markets don't wait for a week to determine
6 whether that offering that you want to -- that you want to
7 access is available.

8 So, early on, we got a sense of how difficult it would be
9 to manage the business with the protocols.

10 One of the areas I think that was significant and that we
11 talked about significantly with the Committee was an entity
12 called Multi-Strat. Multi-Strat is a fund that is owned by
13 the Debtor. It's, in essence, a PUNY-style (phonetic) fund.
14 It's an older fund. And it's about 60 percent owned by the
15 Debtor and roughly 30 percent owned by Dondero-related
16 entities.

17 However, there are 90 million, roughly 89 million,
18 approximately, third-party redeemers who had redeemed in that
19 fund but have yet to be paid, so they're treated like equity
20 claims but they're a fixed dollar amount because they are set
21 at the date that they redeemed based on the NAV at that time,
22 the net asset claim.

23 So, we were -- we were stuck with looking at that fund and
24 trying to determine how do we best manage the fund to get up-
25 side for the Debtor as well as the related entities that owned

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1 the equity, making sure that we treated the redeemed entities
2 as fiduciaries, so which we acted as their fiduciaries, but
3 then also assuring that we managed the assets that that fund
4 owns in a prudent way.

5 One of the large assets in that fund were 13 life
6 policies. And these are, in essence, life insurance policies
7 that the Debtor bought from third parties. And there's a
8 market that trades life policies, and they owned these
9 policies on (inaudible). The value at the time was marked
10 around \$32 million when -- when we took control.

11 The problem with the policies and some of the other
12 expenses at Multi-Strat is that they didn't -- Multi-Strat
13 didn't have the funds to continue to pay premiums. So, if the
14 premiums weren't paid, that \$32 million was at risk of going
15 to zero. Why? Because if the premiums aren't paid, the
16 policies lapse. And once they lapse, the insurance company
17 will pay you zero for them. They don't them buy them back
18 anywhere. That's the market. But we looked at those assets
19 and began to consider how we would fund, from a liquidity
20 perspective, monies going into Multi-Strat.

21 The amounts required would require CC's approval under the
22 protocols, and the Debtor prepetition had advanced monies to
23 Multi-Strat to make premium payments and other expenses at
24 Multi-Strat. We went to the Committee and were able to get
25 approval to put a couple million dollars in early on to keep

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1 the policies alive while we analyzed the best opportunity for
2 maximizing value with respect to those policies.

3 But thereafter, we needed additional money to try to
4 consider how to continue to maximize value, and the Committee
5 balked. So we went to Dondero-related entities, and they
6 actually put equity into the Multi-Strats. So we -- the
7 Debtor had made a postpetition, in essence -- it wasn't a
8 postpetition advance because it was going outside of the
9 Debtor, but postpetition, the Debtor made a loan to Multi-
10 Strat to service the policies, and then Dondero-related
11 entities made an equity investment into Multi-Strat to
12 continue to service the policies.

13 Well, we understood as a Board but that wasn't going to
14 work and that the protocols were going to continue to hinder
15 us, so we entered into a sale process with respect to those
16 policies.

17 Q And the work that you're describing with respect to Multi-
18 Strat, is that -- just to transition to your work as
19 functionary CEO, would it fall into that bucket as opposed to
20 the Board work that we were talking about earlier?

21 A Yeah, absolutely. I think the -- the initial assessment,
22 as I said, we made as a group. And we looked at what the
23 opportunity set was, and determined that, because of the
24 costs, we weren't going to be able to continue to fund money
25 into Multi-Strat to make those payments.

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1 So the Board asked me to take on trying to work out a
2 process to sell those policies. So, working with Fred Caruso
3 of DSI, we hired a broker, after interviewing a couple
4 different brokers. We considered the views of the internal
5 Highland team with respect to value and how to maximize that
6 value. We entered into a sale process for those policies, and
7 we ended up with a number of bidders and broke it down to two
8 bidders for the 13 policies, breaking up the policies to
9 maximize the value. They're only on eight lives, so it's not
10 fair to call it a portfolio. And so there's significant
11 amounts of premiums that have to be paid on a monthly basis
12 and going forward, and realizations on those policies are very
13 uncertain because it's hard to take them over an actuarial
14 methodology because there's only eight lives.

15 We tried to consider other ways to finance those policies,
16 but seven turned out to be, in our view, far and away the best
17 net present value for the investors in the fund.

18 The challenge that we had, as I mentioned, is the
19 complexity of Multi-Strat was also layered with a loan from
20 NexBank that was secured by four of the policies. That \$32
21 million loan was also secured by the MGM stock owned by Multi-
22 Strat.

23 And then, as we got towards closing, we learned that one
24 of the buyers wanted a more detailed title rep, and as we
25 peeled through, we found a long-dormant UBS fraudulent

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1 conveyance suit that had been brought against Multi-Strat.
2 There was no lien on the policies, but it made it impossible
3 for us to give the clean rep that the buyer wanted.

4 And at this point, I was running that with Fred Caruso, at
5 the request of the Board, and it became almost a full-time job
6 except for the five other things that we have to do during
7 April. And we negotiated a variety of different -- well,
8 considered a variety of different opportunities to try to
9 complete the sale.

10 First, I negotiated directly with UBS to see if they would
11 agree to a release, and then when the funds, other than
12 certain escrows which had to be paid out to NexBank as well as
13 repayment of the Debtors' fund, (inaudible), that didn't -- it
14 was very unfruitful in terms of those negotiations.

15 I then moved towards a potential bankruptcy of Multi-
16 Strat, where we would file Multi-Strat, have to do a 363 sale,
17 have a DIP loan to service the NexBank monthly payments. That
18 seemed very expensive.

19 We also thought about doing it as not selling them, so
20 perhaps we would a 360 -- a filing without a sale and try to
21 maximize the value by holding onto the policies but have to
22 get financing.

23 Ultimately, we came up with a structure which was we
24 escrowed funds for UBS, \$10 million of funds, but they're not
25 actually for UBS. We preserved all of our rights to defend

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1 the claims and we had paid down NexBank. We allocated funds
2 to make sure that we can pay NexBank for the next year before
3 their loan comes due. We allocated for all the expenses in
4 Multi-Strat. And then when we went back to the sellers, lo
5 and behold, one of the two sellers balked. Didn't -- or
6 buyers, I'm sorry. Balked. Didn't want to complete the sale.
7 And fortunately, our broker (inaudible) and Fred Caruso had
8 had another buyer in the wings, kept them warm, and were able
9 to complete the sale for \$37 million.

10 So that goes to: How does this business function, what's
11 the complexity of it, and what have I and the rest of the
12 Board been doing? That was virtually a month's worth of work.

13 Q And when did the Board ask you, if you recall, to
14 undertake this project? When did it begin and when did it
15 end?

16 A Well, the initial project, around -- around Multi-Strat,
17 we started analyzing it as a group in January, the first week
18 we were there. I started probably taking control of it
19 sometime in mid-February, with Fred Caruso. So, DSI was
20 already on it. We were looking to work with the Debtors' team
21 as well as hire a broker. We, as a group, as a Board, made
22 the decision to sell the policies. Ultimately, we sold them
23 for about \$37 million, which was -- which was more, a few
24 million dollars more than the mark on the policies when we
25 took them.

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1 Q Can you give the Judge a sense of your role, as distinct
2 from the Board's role, how you went about completing or
3 attempting to complete all of the tasks that you've described
4 and the interaction with the Board and what the Board's role
5 was in assessing all of that?

6 A With respect to the Multi-Strat policies?

7 Q Uh-huh.

8 A I think, you know, initially, it was a understand, for the
9 three of us, understand the policies; understand the premium
10 obligations; understand what the benefits, the potential up-
11 sides to those policies were; and understand what the risks
12 were if we were to fail to make a premium payment; what did
13 the lapse period look like. And we did that collectively.
14 From there, all of the individual work around -- we came up
15 with a strategy to sell the policies, and then the tactical
16 work with Fred Caruso about how to execute sale of the
17 policies and completing that sale through the issues NexBank,
18 through the issues with UBS, resolving those issues, that
19 became really my job.

20 Q Now, I do want to take a step back, because we kind of
21 transitioned from the Board to the work that you were doing,
22 and I wanted to ask: You're seeking -- the Debtor is seeking
23 to have you appointed as the CEO, right?

24 A Yes.

25 Q Can you just describe for Judge Jernigan your

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1 understanding of the duties and responsibilities of the CEO
2 position that we're seeking your appointment for?

3 A Sure. From a high level, it's -- I apologize. From a
4 high level, it's what I said earlier, which is the Board sets
5 the strategy, the CEO implements the strategy. And so I work
6 with the Highland team and the managers that I described
7 earlier, whose function that is, to try to execute on that
8 strategy. So that's, that's the basic overlay of what we do.
9 But that includes everything from, as I mentioned, personnel
10 issues to COVID-19 protocol to determining whether we're going
11 to sell certain assets and then how we're going to sell them,
12 determining how we'll resolve issues like Multi-Strat.

13 Another good example was the trading accounts that the
14 Debtor had. So, on the second or third week of January, or
15 perhaps the third or fourth week, we determined as we were
16 going through the asset review that the Debtor had two primary
17 liquid or semi-liquid securities accounts, and those were in
18 the Select account, which was a separate fund that had
19 previously third-party investors but was effectively a hundred
20 percent, 99 and change percent, owned by Highland at this
21 point. And an internal account, which was basically just
22 HCMLP-owned and denominated securities. These were generally
23 at Jefferies. Both of them employed significant margin.

24 THE WITNESS: If this is too pedantic, Your Honor,
25 please tell me if I'm going too deep.

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1 But margin is, in essence, a way for a security purchaser
2 to borrow money to facilitate the purchase and holding of the
3 securities. In essence, the lender, which in this case was
4 Jefferies, a large, well-known, reputable financier and New
5 York investment bank, was the Debtors' account holder. The
6 Debtor would select securities. Jefferies would establish a
7 haircut. The haircut is really the -- how the lender
8 determines how much they want to lend against the assets. So
9 if there's a -- if there's a haircut of a hundred percent in
10 use there, there would be no margin against that asset. A
11 haircut of 50 percent means the debtor will give you -- or,
12 the lender will give you 50 percent of the funds you need to
13 own and hold that asset and you put up 50 percent of the
14 funds.

15 And in a margin loan, the way that the lender protects
16 itself is, each day, it assesses the value of the asset; it
17 looks at the volatility of the asset; and then it asks for
18 more margin if the asset value went down in the trading
19 markets; and then you have a day or two or three, depending on
20 the structure, to post the new margin.

21 If you don't post the new margin, and this the way every
22 margin loan works, the lender has the ability to seize the
23 asset, sell it, and pay off its loan. It will then give you
24 the proceeds above the loan, if any.

25 The debtor -- the lender does that by looking at both the

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1 daily prices, to make sure that it can manage its exposure,
2 but also it considers the volatility. And what it does when
3 it's looking at the volatility, and volatility is really a
4 measure, the way -- the way that securities analysts look at
5 it, is a forward year of the movement, potential movement of a
6 security. And that's how you set your haircut. Because if
7 the -- if the asset is very, very stable -- for example, your
8 home -- if your home was a margin loan and your mortgage, say,
9 is a margin loan, there wouldn't be much calling of margin
10 every day, because if the lender loaned 80 percent of the
11 value of your home, there may be house sales that go higher or
12 lower, but they don't necessary move that much really quickly,
13 particularly if these loans set what's called a threshold
14 amount that allow a little bit of movement each way.

15 The margin loans, though, are on securities that can move
16 tremendously. And what happened in February and then in early
17 March, volatility spiked up, prices moved significantly,
18 prices moved against the Highland positions. So Jefferies did
19 two things. One is it called margin, because it was -- its
20 equity cushion, in essence, was getting trimmed, and it wanted
21 more protection. Number two, it increased the haircuts, which
22 it was entitled to do because it looked forward and said, The
23 volatility in this market is worse than we thought. It will
24 be a higher volatility and there's more risk to us that the
25 asset could be worth less than the loan.

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1 I started working with Joe Sowin, who's a head trader, a
2 very accomplished trader at Highland. He actually reports
3 into the -- not on the Debtors' payroll but another payroll
4 that we don't manage. But he spends a ton of time working on
5 Highland assets and trading those assets. And Joe and I
6 started working together to try to manage the Jefferies
7 exposure.

8 At one point, Jefferies actually seized the Select
9 account. Again, Select wasn't in bankruptcy, but Jefferies
10 had safe harbor provisions or protections anyway and they
11 could have done it. We felt they were about to seize the
12 internal account, and so we sent them a note that said that
13 perhaps their safe harbors weren't as good as they thought.
14 But, more importantly, here's our sale program. Jim Seery's
15 going to take over the account, working with Joe, and we're
16 going to manage it down.

17 In the Select account, Jefferies took it over -- and this
18 is not really a blame to Jefferies; it's part of the market --
19 they sold out of that account pretty quickly. They did work
20 with us, but they were the selling position and covering their
21 loan, and we lost virtually all of the value in that account.

22 In the internal account, we effectively kept Jefferies
23 from seizing it, gave them a sale program, and then day-to-day
24 managed the sale of the more significant assets, as well as
25 the hedges, which mean we traded pretty aggressively

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1 throughout the day. This was a full-day job, trading that
2 account, with Joe as the trader and then me acting as the PM,
3 effectively.

4 We took that account, which if Jefferies had taken it over
5 and done -- it had virtually the same securities, it had just
6 a small number of securities, as well as some hedges which had
7 significant basis risk related to the securities -- we took
8 that account over. If we'd gotten the same program as
9 Jefferies, we would have lost \$11 million. We made about \$23
10 million. So that swing, that swing was pretty significant.
11 I'm sorry, we made about \$11-1/2 million, about a \$23 million
12 swing than if Jefferies had taken it over.

13 So that was another example of what I've been doing that
14 the Board designated me to do to help run this business.
15 Working with Joe, as well as research, as well as discussing
16 these positions on a regular basis with Jefferies, weekly
17 calls and daily e-mails, we were able to preserve that value
18 in that account.

19 Q And so, just for context, this is happening in late
20 February or early March, as COVID is hitting and the markets
21 are volatile; is that fair?

22 A That's when we started taking it over. The real -- the
23 real -- the lay in the markets was about March 22nd or 23rd.

24 Q Uh-huh.

25 A And that's when it became a daily grind on those positions

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1 for a solid month to make sure that we got it in a decent
2 place.

3 And remind you that we were trading those accounts within
4 the strictures of the protocols. So we didn't have the
5 ability to -- the securities were -- rather less liquid. We
6 didn't have the ability to just dump them, because we would
7 have destroyed the market and taken significant losses.

8 In addition, because of the protocols, we didn't have the
9 ability to go out and buy hedges, even though we had a
10 negative bias as to where the market was, particularly in
11 those less-traded securities.

12 And it's -- it was public that Highland (inaudible) and
13 Highland (inaudible) was in bankruptcy, so you can be certain
14 that the traders were leaning on those -- those securities
15 from short decisions. So it was a very difficult, time-
16 consuming effort, and a great job by Joe.

17 Q When you talk about a time-consuming effort, how would
18 you -- how would you characterize the amount of time you spent
19 on this project in the month of March? Was it a full-time
20 job?

21 A Yeah. Yeah. I mean, full-time is relative, right, but it
22 was -- it was a lot of time. So we would start out, you know,
23 like everybody else who is in those markets and do it the same
24 way, it's pretty tried and true: By 6:30 in the morning,
25 you're starting to look at what the EOP, what Asia did, where

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1 European markets were opened up, what the futures were looking
2 like, looking at your own securities, checking all of the
3 mail, talking to your research folks. To the extent that you
4 know that there's other investors in those investments, we
5 reached out to those -- I have a number of contacts in the
6 market who are in these kinds of assets -- to see what they're
7 thinking and how they're looking at value. And then set up a
8 trading strategy with Joe, and then execute on it every day.
9 And that trading strategy, again, was not static. So during
10 the day, a dynamic trading strategy has to be adjusted
11 depending on what the market is doing, and Joe was excellent
12 at it.

13 Q I think you mentioned the protocols earlier. Can you just
14 talk a little bit more about how you and the Debtor
15 communicated with the Committee through this process of
16 addressing the Jefferies mortgage -- mortgage defaults?

17 A Well, every day, we sent a report to -- to the Debtor -- I
18 mean, to the Committee, I apologize -- with our positions in
19 each of the accounts and tell them exactly what we're doing,
20 what the plan is, what we're set up to do, where we think it's
21 going, and what assistance we might need through the
22 protocols.

23 I think it became really difficult for the Debtors'
24 professionals -- the Committee's professionals to deal with
25 these issues, because it's just not what they were used to

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1 doing every day. So we would report to them. The Committee
2 met weekly. We can -- provided direct information to
3 Committee members when they -- you know, there's members on
4 the Committee who are very versed in these types of assets.
5 We would talk to them directly, I would talk to them directly,
6 and tell them exactly what we're doing and why and get their
7 input, because there was no magic special sauce as to exactly
8 what to do.

9 Q And would you characterize the process as transparent and
10 open between you and the Committee and its members?

11 A Oh, oh, absolutely. You know, we were -- they were
12 constructive. I wouldn't say that the Committee wasn't
13 constructive. I think the difficulty the Committee had, which
14 is what, you know, any third party would have, is that: Why
15 are we going to put more money into these accounts when the
16 value is going down, and what's -- what's your -- what are
17 your price targets? How do you think about those assets;
18 who's the analyst who's working on it; how do they compare to
19 other assets? So it wasn't an easy process for the Committee
20 to get their arms around, either.

21 Q Okay.

22 MR. MORRIS: Your Honor, we have other transactions
23 that we could talk about if you think that would be useful, or
24 we could continue to push this forward.

25 THE COURT: You can continue to push it forward.

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1 Thank you.

2 MR. MORRIS: Okay.

3 BY MR. MORRIS:

4 Q Then let's transition for a moment just about your
5 recollection as to kind of when and how, you know, the
6 discussions with the Board and the Committee evolved with
7 respect to your taking over as CEO. Did there come a point in
8 time that you can recall when the Board asked you to consider
9 that?

10 A Yeah. The Board asked me to consider it I would say
11 probably late January or early February. And the initial
12 discussions, even before, you know, before we were selected.
13 So, as John Dubel and I had been selected by the Debtor and
14 the Committee, we talked about the need for one central point
15 of management for this company. That it's 70 employees and
16 diverse assets, diverse business practices. How are we going
17 to mold that as a Committee? It really needed somebody to
18 execute the strategic plan that the Board put in place.

19 And so John had asked me about that even before we were
20 selected. Committee counsel asked me about it. So there was
21 -- there was some, at least away from me, there was some view
22 that perhaps I was going to be the person that was most
23 likely, if it was needed.

24 My view in early February was that, you know, we were
25 effectively, as the phrase goes, drinking from a fire hose,

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1 and I wanted to get a better sense of who the folks were at
2 Highland; what their responsibilities are; how they performed;
3 what I thought of them as performers; how -- I had -- or,
4 having some idea what the claims are and how that process
5 would work; and could we make this a success?

6 So, early on, in January and in February, as we started
7 having these discussions, I was in the Highland offices at
8 least three, usually four days a week. And I was there from
9 7:30 in the morning until 6:00 or 7:00 at night every day.
10 And that gave me just a different feel for exactly how the
11 organization was running and the issues that were coming up
12 every day.

13 That evolved into March where, after I took over the
14 securities accounts in early March and then took over the
15 Multi-Strat issues, that John and Russ Nelms pushed me to
16 really consider stepping up fully to the CEO role. So, by
17 early April, I think it's the first week of April, we actually
18 -- we put it forth and go to the Committee. So we started
19 negotiating what potential terms were, how it would work.

20 You know, one of the concerns that I had, you know, we had
21 no idea, and I suppose we still don't, how the COVID-19 issues
22 will play out and how that would both -- because at the time
23 they were really affecting New York, where I'm based and I
24 live, and less so in Dallas. But by mid-March, it was pretty
25 clear that the whole country was being affected. And now,

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1 obviously, it's hitting all over.

2 And hopefully that will settle, but what we did learn, and
3 I think a lot of businesses learned, is that particularly
4 these types of service businesses that function electronically
5 in lot of respects, even when they are in an office, because
6 you're in front of your screen, that we are very lucky to have
7 these types of roles where we can really perform the job, if
8 not equally well, pretty darn close to how you perform it when
9 you're at the office. And so that issue subsided a little bit
10 in terms of how I would interrelate -- not the issue going
11 away, obviously -- but how I could interrelate and work with
12 the team to drive the business, even if I was doing it from
13 New York.

14 Q And have you continued to play a leadership role from the
15 time you spoke with your fellow Board members in early March
16 until the present?

17 A I have. And I think one of the things that the Committee,
18 you know, recognized was that John and Russ, experienced
19 professionals, were willing to step back and let me take the
20 day-to-day working with the Committee or presenting to the
21 Committee. So we do have weekly Board meetings and we do have
22 almost daily Board calls, and then, without an official
23 meeting, we meet on the phone virtually every Saturday or
24 Sunday, sometimes both, with the three of us, to go through
25 what's happened every -- each week, how the plan has evolved

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1 and where we're pushing it.

2 But in terms of the presentations to the Committee, I took
3 the lead on those in both designing and working with the Board
4 then and then implementing them and laying them out for the
5 Committee, as well as the individual negotiations.

6 So, early on, we determined that we had to try to figure
7 out a way to push this case forward, notwithstanding that we
8 weren't getting -- we didn't see a lot of movement from any of
9 the parties, frankly, on trying to figure out a way to
10 coalesce around a direction. So we designed a program that we
11 laid out for the Committee in which we considered three main
12 areas to consider for a plan. And I took the lead on doing
13 that.

14 Q So, let's talk a little bit about the claims resolution
15 process and the formulation of a plan. Have you played any
16 role in the claims resolution process?

17 A Well, we haven't actually resolved any claims completely
18 yet, but we're very close on one, and I've taken the lead on
19 doing that.

20 On the other two, I've been involved heavily with the --
21 both counsel and with DSI in analyzing the claims. As well as
22 with the rest of the Board, frankly. The -- you know, we've
23 got a significant amount of expertise between John Dubel and
24 Russ Nelms with respect to how to think about these issues in
25 the context both of a bankruptcy, obviously, with Russ, and in

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1 the context of both a restructuring and in the business with
2 respect to John.

3 So we've gang-tackled those, again, effectively, all
4 analyzing the various issues with respect to these claims.
5 But in terms of having the direct negotiations, particularly
6 on two of them, I've taken -- I've taken more of the lead
7 about where we could go. And if you -- particularly with my
8 background in restructuring, and having wrestled with
9 substantive consolidation, alter ego, piercing the veil since
10 1988 or '89, you know, some of the issues that have arisen in
11 this case are very, very familiar to me. I've spent a
12 significant part of my career dealing with those. So I've
13 taken the lead on those types of issues.

14 I think that where I was going was in terms of structuring
15 potential outcomes for plans. And we are -- you know, we've
16 been slowed down, as I think Jeff Pomerantz mentioned last
17 week, to a fair degree by COVID, in that the business impacts,
18 we can go into, and Jeff touched on some of those, but the
19 social impacts with respect to negotiating are hard to -- are
20 hard to understate. The -- you can run a business like this
21 through your screen. It's very difficult to simply negotiate
22 by phone or by video. The face-to-face, at least in my
23 experience, makes a big difference in moving parties, and we
24 haven't had as much of that.

25 What we've tried to do recently, starting in May, is we've

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1 put together a program for the Committee, and we'll walk them
2 through what I think are the -- what we determine as a Board
3 and then we laid out the specifics -- I didn't; DSI -- of what
4 the options are in this case.

5 And I think number one was the status quo. Do we maintain
6 this case status quo, continue to run the business, and then
7 try to negotiate, resolve, mediate, or litigate, first through
8 dispositive motions, then through something more significant
9 if we can't do it through dispositive motions, these claims?

10 The Debtor right now on an operating basis does burn cash.
11 I can go into the specifics, but the Committee knows them, and
12 I'd prefer to do those *in camera* if we -- if the Judge would
13 like that. We do burn cash on an operating basis, but not
14 that much. The Debtor has about \$30 million (inaudible) and
15 the business does run, and generally each year the operating
16 burn, if you will, which is, in compensation, is filled by
17 selling some assets that have appreciated in value. And the
18 Debtor runs real -- with those accretions, run roughly
19 breakeven.

20 The problem in this case is that we are burning a
21 significant amount of bankruptcy professional fees. And it's
22 the lament of creditors and business operators and the
23 bankruptcy bar. I think, certainly, the judges that I see for
24 a long time. And the percentage -- the cost of the cases
25 keeps going up and the percentage of the assets keeps going,

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1 but particularly if the asset values are going down.

2 So the status quo didn't make a lot of sense unless we
3 were going to get very swift movement from the parties, and I
4 mean all sides, to try to resolve the case.

5 The other type of outcome we thought about in terms of a
6 plan was a downsiding model. Downsizing model, excuse me. In
7 that model, we would try to significantly cut headcount, try
8 to significantly cut expenses. Run the business as leanly as
9 possible. And then try to go through those steps with respect
10 to resolving the claims.

11 Again, the problem, the problem with that is resolution of
12 those claims was uncertain and could take a long time, unless
13 we had significant movement from either side. But, moreover,
14 in terms of operating the business, we determined that with
15 respect to both the managed accounts and shared service
16 agreements, we really couldn't effectively do the job that the
17 Debtor does with a smaller staff. Truth is, even at 70
18 people, the HCMLP staff is pretty lean. It's a really good
19 team and they are very efficient and they've really proved it
20 through working offsite, you know, through the pandemic.

21 But we really thought that if we -- and analyzed it. If
22 we were to try to cut that team and provide the services, we
23 would fall down. So we would breach the duties or potentially
24 incur liabilities under those various contracts.

25 The third area that we took a look at, which was what we

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1 called the subservicing model. In this model, we would try to
2 separate the business of the Debtor, which has a small
3 operating loss, but it's still material money, from the asset
4 management. That way, you could hold onto the assets for the
5 benefit of the creditors or the Debtor, depending on where the
6 claims comes out, still provide the services to those third
7 parties under the subservicing agreements or the management
8 agreements. You wouldn't make money on that, but you'd get
9 rid of the operating burn.

10 And that model had a number of issues, but we've sort of
11 evolved that model to what I think has been referred to in
12 court as the debtor-creditor monetization vehicle. So a
13 little bit of a cumbersome name, but the idea would be to try
14 to separate the assets, which potentially are the ways to pay
15 the creditors, depending on where claims come out, and then --
16 and the operations, and make sure you can continue the
17 operations without a heavy burn.

18 That model also permits us to cut, we believe, bankruptcy
19 operating expenses significantly. So, right now, because of
20 the nature of the case, we have two professionals doing every
21 job: Committee professionals and Debtor professionals. We
22 would be able to reduce that cost by putting those into one
23 entity that'll be a trust-like structure to service the
24 business, resolve the claims, monetize the assets.

25 And, finally, something I started working on -- I'd say on

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1 my own, but that wouldn't be true -- with the DSI team,
2 particularly the two -- we have two excellent analysts on the
3 case. A very detailed model of what I think has been referred
4 to maybe even in court as a potential grand bargain plan. And
5 that plan looks at monetizing the assets over what period we
6 believe that we could get that done. (inaudible) we're
7 looking at the values that we could achieve as well as setting
8 out what we think are reasonable numbers for the claim
9 distributions and then how they would be made.

10 Now, on the asset side of the ledger, we have a pretty
11 good understanding. We obviously know where the assets are
12 bought, and we have a pretty good sense of what the current
13 market looks like for those assets. We're not a forced
14 seller, but we have -- we have been involved in processes
15 around a number of the assets and have a good sense of where
16 values are and how long it would take to achieve those values.

17 You don't have to sell an asset as well to get money from
18 it. There might be ways to finance those assets. Although,
19 to be sure, in this environment, financing particularly these
20 types of assets has become very, very difficult.

21 The other side of the equation of the claims, and we're
22 using our best estimate of where we think those claims come
23 out in terms of payment, the creditors often have a different
24 view as to what they would like those claims to come out with.
25 So we're trying to figure out, through negotiation and

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1 discussion, how we get those two sides closer together. And
2 that, that would be the grand bargain plan.

3 And I think where we're really focused now is that status
4 quo doesn't make sense. We've gone that way too long.
5 Downsizing doesn't work because of the complexity of these
6 operations and the contractual obligations that the Debtor
7 has. And it's really a grand bargain plan or a Debtor
8 monetization, a debtor-creditor monetization vehicle, which
9 would be structured like a trust and still be able to service
10 the business while resolving the claims.

11 Q Taking into account the uncertainty because there are
12 still some options being considered, in your leadership role,
13 have you -- do you have a sense of timing? Is there a
14 timeline by which certain milestones are at least
15 aspirational, if not achievable?

16 A Well, I don't think I'm telling anyone what they don't
17 know, that deadlines get people to act and make decisions.
18 Sometimes they're good decisions, sometimes they're not, but
19 we're going to push forward on both of these plan
20 opportunities now. So we intend to file a debtor-creditor
21 monetization vehicle plan, and we'll keep pushing the parties
22 towards settlements.

23 You know, as we say on the Multi-Strat negotiations, until
24 it was clear that we were either going to default, because we
25 didn't have the money to pay those premiums, or we're going to

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1 file Multi-Strat as a bankruptcy, it was hard to get folks to
2 really come to the table and think about how to settle that
3 issue.

4 These issues in regard to the total case are much more
5 complicated. We're going to file a plan. We believe that
6 will set a bit of a crucible to folks to think about how to
7 move forward with their claims. We are, as Jeff Pomerantz
8 mentioned last time, agreed in principle, but we have some
9 issues to work through with Redeemer that we hope to be able
10 to resolve by this week. And so that's my internal goal, but
11 I expect to be able to do it.

12 The reason that's complex is not that it's simply a -- the
13 arbitration award is not simply a money award; it actually
14 requires certain offsets, it requires certain assets be sold
15 and paid for. And we're trying to carve our way around some
16 of those, because they (inaudible) agreement, because they're
17 -- they're more difficult than simply exchanging cash for
18 assets, because we don't have the ability to do that right
19 now. We don't have the cash, and we're in bankruptcy.

20 So I do believe that we can get these done. And then if
21 mediation is something that would work, great. We're going to
22 try to do it without mediation as well. Going to try to do it
23 before we get to mediation and resolve claims. And if we're
24 unable to do that, hopefully mediation will push it forward or
25 we have to have a fallback, which will be dispositive motions

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Seery - Direct

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1 with respect to certain of the claims.

2 But we expect to have and I think we have a number of
3 claims objections that have (inaudible). We've resolved
4 those. We're really down to three claims. And one of them is
5 almost done.

6 Q All right. At the last hearing, --

7 MR. MORRIS: Your Honor, that really does finish the
8 substance of the testimony with respect to this motion, but at
9 the last hearing Your Honor raised some questions about PPP
10 loans.

11 THE COURT: Yes.

12 MR. MORRIS: Would you like me to just take a moment
13 with Mr. Seery to address that?

14 THE COURT: Yes, please.

15 MR. MORRIS: Okay.

16 BY MR. MORRIS:

17 Q Mr. Seery, you're aware that the Judge raised some
18 questions about whether and to what extent the Debtor may have
19 been involved in any of the PPP loans?

20 A Yes.

21 Q And have you done any work to try to figure out the
22 answers to the questions the Judge posed?

23 A Well, work in response to the question, but also work
24 previously. So, just a -- quickly, as I think we all know,
25 the PPP program was put forth to try to give companies cash

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Seery - Direct

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1 that they had to use for employee payments, to continue to
2 keep payroll supported and to continue to have folks hold
3 their jobs.

4 We have -- and I think the *Business Insider* article, which
5 I'm not familiar, I know the publication is not something I
6 seen much, but I'm not familiar with the specifics of that
7 article, and -- but any PPP, away from the assets that HCMLP
8 actually owns or controls. And we've got -- we've got three
9 -- and I think there's some substance to the article. But
10 we've got three businesses. And these are -- this is public,
11 but I'll go into the -- sort of the obvious reasons without
12 going into the specifics of the business around the ones that
13 I know of well.

14 Carey Limousine is a business that transports folks in
15 high-quality cars from airports or from events or between
16 businesses. It was hit severely by the COVID-19 pandemic.,
17 particularly with respect to the air transportation, which was
18 really one of its biggest areas. The business,
19 notwithstanding Uber and the other type of shared ride
20 services, had actually done quite well, and Highland was an
21 owner of a significant portion of that business related to
22 some loans that it held in various funds.

23 That business's management, with its own outside counsel,
24 sought a PPP loan. Then our director came to us and discussed
25 with the Board the propriety of that loan. We engaged outside

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Seery - Direct

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1 counsel, not bankruptcy counsel but counsel that had
2 particularized expertise in PPP, and spent a ton of time
3 really understanding both the law as well as the specific
4 regs. Carey did get a PPP loan. It is potentially
5 forgivable, depending on how it's used.

6 The second entity that was similar but didn't come to the
7 Board, we have a business called SSP, which is an excellent
8 highway business that provides equip -- materials for a lot of
9 different road construction, but primarily highway road
10 construction. Very well run business. That entity got a PPP
11 loan as well, primarily worried about whether the construction
12 on the highways would shut down.

13 So it's been -- I don't believe that's really happened in
14 Texas, which is where most of their business is, but they
15 qualified for that loan. They did not come to the Board. A
16 very specific carve-out, because one of the interest holders
17 that we share that position with is a Small Business
18 Administration fund and, so it was very clear that it was
19 entitled to that loan.

20 Then there's a third entity called Roma that got a very
21 small PPP loan. We don't control the entity and we were not
22 involved in its acquisition of that loan. Again, it would
23 have to be used as required.

24 One of the things I want to make sure that is in the
25 record and for Your Honor with respect to Carey, we spent a

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Seery - Direct

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1 lot of time as a Board focused on, one, whether it was legal
2 to get that loan, first. We're doing everything right, by the
3 book. We're not going to play in the gray. There is no gray.
4 There's black and white in these areas.

5 Number two, was it ethical, was it appropriate that we
6 went and got this loan or that Carey went and got this loan?
7 Management, with the outside counsel, was sure that we could
8 do it, but we didn't want to take their word for it, so we
9 went out and got our own counsel, third-party counsel for the
10 Board to make sure that this was appropriate.

11 Three, the requirements around these loans are significant
12 and the penalties for violating them are severe. So if you
13 get a loan by mistake, are you really required to pay it back?
14 And if you're mistaken, that will be expensive, but it won't
15 be a real penalty. But if you get a loan that's really
16 inappropriate, that you shouldn't have gotten, that was a
17 material misstatement of any of the facts around it, the
18 penalties are significant. And not only in terms of the
19 opprobrium that you'd suffer in the press, because that's
20 coming, but in terms of how you use the funds.

21 So they can only be used in very specific ways, and we
22 were exceptionally careful around this program.

23 The basis of the program is to keep people employed. And
24 with a business like Carey Limousine in particular, where
25 there's a significant amount of debt, where the business is

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1 shut down by COVID, where we didn't have the funds to put into
2 Carey, nor even if we wanted to, we might not have been able
3 to do it without the Committee's approval because of the
4 protocol, a PPP loan was not only legal but it was
5 appropriate. And it's being used in that fashion, meaning to
6 keep employees employed.

7 Q Thank you very much, Mr. Seery.

8 MR. MORRIS: Your Honor, I have no further questions
9 of Mr. Seery. Does the Court have any questions?

10 THE COURT: I actually have a follow-up question
11 regarding the PPP, just to kind of put a bow on this.

12 EXAMINATION BY THE COURT

13 THE COURT: I'm looking at the demonstrative aide. I
14 don't know if you, Mr. Seery, have it there handy.

15 THE WITNESS: I do, Your Honor.

16 THE COURT: Okay. So I'm turning to Page 6, the
17 chart, the subchart, Investments and Subsidiaries. The third
18 column, Privately-Held Equity, Various Companies. I mean,
19 that would be the type of investment entity we're talking
20 about here that got the PPP loan: Carey Limousine, SSP, Roma?
21 Nothing that was -- well, I'm going to say Highland affiliate.
22 Affiliate, that's a dicey term, but that's the type of entity
23 in the organizational structure we're talking about, correct?

24 THE WITNESS: Those are the ones -- I want to be very
25 careful, because I know what I know and I know I won't

1 represent anything that I don't know.

2 So, with respect to the entities that HCMLP, the Debtor,
3 controls, that's absolutely the case. I don't know, and I can
4 try to find out, but they are not HCMLP-controlled entities.
5 Whether other entities in the related-party complex received
6 loans -- so, obviously, HCMLP did not receive a loan. And the
7 only entities that we were involved with is the ones I
8 mentioned to you.

9 And I should mention, there are other entities in the
10 privately-held equity that got other government money, in the
11 medical space, that they didn't even ask for. HHS pushed
12 forward payments to folks in the business, medical healthcare-
13 providing businesses, to assure that they had liquidity to
14 provide. And so -- and this has been described to me exactly
15 this way, that they woke up in the morning and found money in
16 their account. And with one of the companies, they actually
17 returned a bunch of the money because it was from a dormant
18 provider number and they didn't believe it was appropriate to
19 keep that money. So that was one of the entities that we
20 control with other investors.

21 But with respect to our HCMLP entities, these are the only
22 ones I know. With respect to other related entities that
23 might be in the family of businesses, for lack of a better
24 term, that were alluded to in the *Business Insider* article, I
25 don't know that answer. So, I -- if I -- I can try to find

Seery - Examination by the Court

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1 out. I just don't know the answer, Your Honor.

2 THE COURT: All right. Thank you. Well, this has
3 been extremely helpful.

4 I should ask does anyone have any questions of Mr. Seery?
5 The Committee counsel, perhaps? Anyone else?

6 MR. CLUBOK: Your Honor, this is Andrew Clubok. In
7 light of the testimony, I do have some questions on behalf of
8 UBS.

9 THE COURT: All right. Briefly. Go ahead.

10 MR. CLUBOK: Okay.

11 MR. MORRIS: Your Honor? Your Honor, I'm sorry to
12 interrupt, but there's no objection lodged here. If Your
13 Honor wants to permit it, that's obviously the Court's
14 prerogative. But as just a point of order, having not lodged
15 an objection, I don't know what right anybody has to cross-
16 examine the witness.

17 THE COURT: All right. Well, that's why I said
18 briefly. I think that Mr. Morris makes a good point, Mr.
19 Clubok. You could have filed a written objection, response,
20 comment, or something. So, you're a party in interest. I'll
21 give you a little bit of leeway here. But please keep it
22 brief.

23 MR. CLUBOK: Yeah. Thank you, Your Honor. It's just
24 some of the things that Mr. Seery said which we didn't expect
25 to hear that has raised a few questions that I just very

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Seery - Cross

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1 briefly will try to address.

2 CROSS-EXAMINATION

3 BY MR. CLUBOK:

4 Q Mr. Seery, good afternoon. I'm Andrew Clubok, Latham &
5 Watkins, on behalf of UBS.

6 Mr. Seery, you talked about the fiduciary duties you've
7 understood yourself to have with respect to certain parties,
8 and my question to you is: Have you understood, since the
9 beginning of your service as an Independent Director of
10 Strand, that you had fiduciary duties to the unsecured
11 creditors of the Debtor?

12 A It's a -- it's a -- the answer is I understand the
13 fiduciary duties very well. I think we have fiduciary duties
14 to the estate. So Highland -- what I tried to explain is that
15 Highland, as an asset manager, has very specific fiduciary
16 duties that are set forth in (inaudible) in the cases and the
17 rules that have interpreted it. We, as directors of Strand,
18 have a duty to the estate.

19 I don't think it's -- I don't think it's fair, and I'd
20 have to subject myself to some education from counsel, I don't
21 think it's fair to say we had a specific fiduciary duty to a
22 particular creditor.

23 So, for example, if I had a fiduciary duty to UBS, it
24 would be very difficult for me to object to UBS's claim. It
25 would be -- I don't know how I could do that as a fiduciary.

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Seery - Cross

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1 When the claim is crystalized in the estate, I believe that we
2 have fiduciary duties to each and every interest holder in the
3 estate.

4 Q My question is a little simpler, and I just -- well, I'm
5 actually not asking legally whether you do or not. I'm asking
6 what your understanding has been since your role. Have you
7 conducted yourself in a way in which you have treated your
8 obligations as though you have a fiduciary obligation to the
9 unsecured creditors?

10 MR. MORRIS: Objection to the form of the question.

11 THE COURT: Sustained.

12 MR. CLUBOK: Okay.

13 BY MR. CLUBOK:

14 Q You said that you believe that you have, with respect to
15 Multi-Strat, which is an entity that you manage, you said that
16 you understood yourself to have fiduciary duties to the
17 redeemers of Multi-Strat. Do you recall that?

18 A Yes.

19 Q Yeah. And Multi-Strat is outside of the estate, but HCM,
20 the Debtor manages Multi-Strat. And you said because of, you
21 know, your role, you personally feel as if you have a
22 fiduciary duty to the redeemers in Multi-Strat, correct?

23 A I --

24 MR. MORRIS: Objection to the form of the question.

25 Mischaracterizes the testimony.

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Seery - Cross

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1 THE COURT: Sustained.

2 MR. CLUBOK: Your Honor, I believe that the
3 transcript -- I believe Mr. Seery said in direct that he
4 considered himself to have fiduciary duties with respect to
5 the redeemers of Multi-Strat. The transcript will show it. I
6 don't know what the objection is. Maybe I misstated when I
7 asked my question, but I'm just starting --

8 THE COURT: Okay.

9 MR. CLUBOK: I'm just trying to understand --

10 THE COURT: All right. I'll let you rephrase the
11 question, but this -- I've probably -- I may have made a
12 mistake in letting you ask questions, because this is about
13 the propriety of him being CEO and the reasonableness of
14 compensation. This isn't a discovery opportunity. So I'm a
15 little confused the relevance of what you're asking. Could
16 you address that for me?

17 MR. CLUBOK: Sure. Your Honor, Mr. Seery on direct
18 described what he understood his fiduciary duties to be. I
19 think we -- it made me wonder, he didn't mention the unsecured
20 creditors or what he believes his fiduciary relationship is,
21 if any, with the creditors, unsecured creditors. I would -- I
22 think it's a fair question to ask what his understanding is,
23 because now he's going to take on a new role as CEO, and I
24 think it's appropriate for everyone to understand, so we know
25 when we're dealing with Mr. Seery --

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Seery - Cross

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1 THE COURT: Okay.

2 MR. CLUBOK: -- what his --

3 THE COURT: I think -- I think he --

4 MR. CLUBOK: -- he understands -- what he understands
5 his fiduciary duties to be.

6 THE COURT: I think he answered the question, and
7 frankly, I think he answered it correctly. His fiduciary
8 duties go to the estate, right? And the creditors are the
9 beneficiaries of his actions in that regard, right? So I
10 think he correctly answered the question already. All right?
11 Next question.

12 MR. CLUBOK: Okay. He says that there's three
13 aspects of the business he's been managing: \$300 million,
14 roughly, of Highland's own assets; the fact that they manage
15 \$3 billion in other assets, I think in managed assets; and
16 then they have shared services for \$6 billion in assets owned
17 by related entities, mostly.

18 BY MR. CLUBOK:

19 Q For those three separate businesses, I just want to
20 briefly understand: With respect to the first one, for
21 example, there's \$300 million, you said, roughly, of
22 (inaudible) assets. Roughly what were the value of the assets
23 when you started your role in January of 2020?

24 A It's hard to compare apples to apples on this because
25 there are certain assets that we've taken out that didn't

005632

1 change in value. So I would say they were carried on the
2 balance sheet at different levels. I think a good rough
3 number would be in the \$500 to \$600 million area.

4 Q Okay.

5 A And the biggest -- the biggest movants in asset values
6 have been on securities, both ones that we continue to own and
7 the accounts that Jefferies -- that were levered, and those
8 were shown as unlevered marks on the balance sheet and the
9 losses that were incurred there. And then with respect to
10 certain of the PE assets and then a major movement on a
11 related-party loan, where the Board, through analysis that we
12 did with DSI and others, believes that loan is likely to be
13 worthless. Likewise, the claim of that entity we believe is
14 likely to be worthless.

15 Q And then to the extent the assets, you say, have a rough
16 value of \$300 million, you alluded to significant professional
17 fees, bankruptcy costs, administrative fees, the Debtor is
18 burning cash. My question is, If it's \$300 million today
19 roughly of total value of assets, what's your current best
20 estimate of the total amount that will be available to be
21 distributed to the creditors net of those -- that burning of
22 cash and the admin fees and the other issue that you
23 mentioned? What is your current expectation of the total
24 amount that will be able to be distributed to the creditors?

25 MR. MORRIS: Your Honor, just -- I just object to

1 this line of inquiry. It's like free discovery, as Your Honor
2 suggested earlier. I don't know what it has to do with Mr.
3 Seery's work, his qualifications, the compensation
4 arrangements. And I think it's inappropriate.

5 THE COURT: Okay. I'll overrule and allow this one
6 remaining question, but that's going to be it, unless your
7 next questions pertain to the employment or compensation
8 structure.

9 THE WITNESS: Yeah, I don't have a crystal ball as to
10 what the assets are going to be worth. I think that they are
11 fairly marked right now, and we have significant discovery
12 that we've had with respect to a number of the assets and
13 marked at views as to their value. So I think that we're at a
14 pretty good base value, assuming that we don't rush into
15 forced sales of assets.

16 So, as I know the Court is aware and I hope you're aware,
17 when you look at asset values, and you look at them on a
18 liquidation basis, the numbers are normally much lower than
19 when you look at them as selling them on a more controlled
20 basis. If you have liquid securities, that's not the case.
21 So if I have \$500 million of Apple at \$363 today, it's
22 probably a good chance that it'll be worth something different
23 in a month, something different in two months. But if I need
24 to move my position, I can do that.

25 These assets are much more difficult to move. And the act

1 of selling them often changes the value, which is why we
2 engage professional bankers to help move, first, those assets.

3 So I just don't have a good crystal ball. I think the
4 valuations that we have now are pretty good. I think they've
5 been scrubbed well. But that doesn't mean that certain of
6 these assets will maintain the exact value they have. So, I
7 gave a good example of Carey Limousine, which is a very small
8 asset but it's an easy one to understand because everybody can
9 relate to a car service company that does, you know, a little
10 bit more high-end and is focused on the airport travel and how
11 that's been impacted.

12 That asset value has gone down precipitously, even though
13 it was small, because of that. So I don't -- I don't really
14 have a great crystal ball as to what's going to happen. If
15 we're very successful in the fourth quarter and the economy
16 stabilizes and the COVID vaccines are out in record time and
17 move forward, then I think we've got potential for upside.
18 But right now, in the current environment, I think we're
19 marked fairly.

20 BY MR. CLUBOK:

21 Q Yeah. But my question really wasn't about the value of
22 the assets. I realize those could go up or down. And you
23 think they're fairly marked. My question was, What's the
24 total amount of setoff from those assets to the extent the
25 bankruptcy fees you alluded to, the burning of cash on the

1 other businesses, you know, how much, you know, net -- what's
2 the amount that will come off of those assets or that should
3 be -- that we should assume will be deducted from those assets
4 because of the professional fees that have been incurred or
5 you predict will be incurred through the end of the year and
6 the burn of cash that you mentioned, et cetera?

7 I'm trying to understand how you supervised -- because
8 you've managed those expenses as well as the assets, right?
9 And so I just think it's important for us to understand, at
10 the end of six months, and then how things are set for the
11 rest of the year, what's the total amount of, you know, call
12 it liabilities or costs associated with running the business,
13 running the business and at a cash burn rate, bankruptcy fees,
14 et cetera, that we --

15 THE COURT: Okay. I'm going to cut it off. I'm
16 going to cut it off. That, in my view, is going a little too
17 far afield. That's a discussion outside the courtroom. So,
18 thank you, and we're going to see: Does the Committee have
19 anything they want to ask?

20 MR. CLEMENTE: Your Honor, Matt Clemente on behalf of
21 the Committee.

22 I certainly do not have any questions to ask. I do have a
23 couple of statements that I want to make, but I don't know if
24 now is the appropriate time or if there's going to be further
25 testimony.

Seery - Examination by the Court

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1 THE COURT: Okay. I think there might be another
2 witness or two, but we'll let you make your comments at the
3 appropriate time.

4 EXAMINATION BY THE COURT

5 THE COURT: Mr. Seery, I meant to ask, I forgot to
6 ask: You've mentioned a couple of times the Debtor, Highland,
7 has 70-ish employees. Has the number gone down since the case
8 was filed, is Highland losing employees, or is it staying
9 stable?

10 THE WITNESS: We lost -- we lost seven employees.
11 There were some that were severed for performance reasons.
12 That happens every year. There were some that just moved on
13 because they decided to move on. And that some -- and then we
14 had some that, because of the bankruptcy, we lost. We added,
15 I think, one or two employees that we're pretty excited about
16 in the fund valuation area, which is a pretty critical area
17 for the shared services. Unfortunately, they haven't been
18 able to go to the office, but fortunately, they've been able
19 to work.

20 So we're down, Your Honor, probably eight total, and so
21 we're more of the low to mid-60 area right now.

22 THE COURT: Okay. And --

23 MR. SEERY: And we were a little bit north of 70 when
24 we took the case.

25 THE COURT: Okay. And the COVID situation, I mean,

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Seery - Examination by the Court

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1 if you walked into the office, would there be people around in
2 masks, or are people still working at home?

3 MR. SEERY: People -- so, in -- yeah. So, in March,
4 very early on, as things started to shut down, Brian Collins,
5 who's the director of human resources and an accomplished
6 professional, came to the Board and basically said, you know,
7 yeah, Texas is better, but it's not immune. We need to come
8 up with a program.

9 And with Russ Nelms and John Dubel and I, we developed a
10 program, with Brian -- with Brian driving it, to figure out
11 exactly how to approach going into the office; how we would
12 maintain the office; and then, if something were to happen,
13 what we would do.

14 We had an employee who, with her family, got COVID in --
15 we believe in New York, came back. And as soon as we found
16 out that person wasn't feeling good in the office, it was the
17 first day they were back, a protocol with thermometers and --
18 at that time, thermometers were thought to be valuable -- we
19 immediately sent that employee home. We then brought in a
20 cleaning crew to clean up the office with EPA and FDA-approved
21 materials, and then had several days off and brought folks
22 back the following week.

23 We found that to be, frankly, unwieldy as COVID started to
24 continue to creep a bit through March and into April. At that
25 point, we did have other employees, not who came into the

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1 office, but who had contracted COVID, so we shut down HCMLP.
2 When we cleaned the office, we shut it down completely.
3 Nobody could go in.

4 When -- since then, we have set the office up where we had
5 initial (inaudible) when things were pretty good, so we
6 divided the move into -- into basically 20 percent could be in
7 the office at any one time. And then, since that time, as
8 things have gotten worse, we found that we were, one, working
9 extremely well offsite; and two, that it was just a better
10 environment for the employees. So we've been working
11 continually offsite.

12 If folks need to go in, because either they need more
13 advanced systems that they can't go to plug-and-play at home,
14 or because there's just materials that they want to get,
15 they're able to do in. We have tons of disinfectant
16 everywhere. We have masks available. We put in dividers,
17 Plexiglas dividers between the work stations to assure that if
18 someone was at a station for a long time, it didn't -- it was
19 less likely that you could have transmission.

20 I will tell Your Honor that HCMLP is not reporting to the
21 office. Some of the affiliated businesses, and I don't know
22 the percentage, have been. So those businesses, which we
23 don't control, are going in.

24 From my perspective, as long as the numbers are where they
25 are in Texas, from both a business perspective in terms of

Seery - Examination by the Court

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1 making sure that the employee base doesn't contract COVID in
2 material amounts -- first, any amount -- but in material
3 amounts that would impact our ability to run the business.
4 And then with respect to the civic part of it, which is we
5 don't want to be a part of forcing the spread or causing the
6 spread of this disease, we know we can work from home. We're
7 going to continue to do that until we believe it's very safe
8 to go back.

9 Notwithstanding that we have the ability and have been
10 doing it with extensive cleaning, extensive disinfectant, and
11 with dividers, until we are very comfortable that we can go
12 back and protect our employees and that it's the right civic
13 thing to do, we're not going to go back, particularly since it
14 doesn't impact our ability to perform.

15 THE COURT: Okay. I really want to, you know, get to
16 the rest of our hearing soon, but I heard something that made
17 me have a question. You said there are other entities we
18 don't control whose employees are going in. Could you tell me
19 exactly what you meant by that?

20 THE WITNESS: There's -- away from HCMLP, there's
21 approximately another 75 to 80 -- it may be slightly more --
22 employees at the other entities that are NexPoint, NexBank,
23 NexPoint Advisors. They are under different protocols that
24 neither I nor Russ nor John control. The office --

25 THE COURT: Let me just stop you.

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1 THE WITNESS: Please.

2 THE COURT: So it's just Nex -- well, NexPoint-
3 related companies?

4 THE WITNESS: Uh-huh.

5 THE COURT: NexPoint and --

6 THE WITNESS: Yes.

7 THE COURT: -- affiliates of NexPoint?

8 THE WITNESS: Correct, Your Honor. The office, the
9 HCMLP offices are huge. And when we were there pre-COVID,
10 with the full complement of folks, it felt like they were
11 relatively empty. I shouldn't say -- they felt like there was
12 plenty of space.

13 What we found, with both sets, our employees and then the
14 NexPoint-related employees, when 140 or 150 people were in
15 that office, which pre-COVID felt comfortable, post-COVID
16 didn't feel so comfortable. So our employees, we started, as
17 I mentioned, with the shift-working. And then we decided to
18 go completely mobile unless somebody feels they have to be in
19 the office, and we want to make sure that they follow the
20 protocols when they do.

21 With respect to the non-HCMLP related entities, those
22 entities, some percent of those employees are still going into
23 the office.

24 Now, when they're there, to be frank, what I said was a
25 pretty comfortable place with 140 people is a pretty empty

Seery - Examination by the Court

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1 place if there's only 50. But our employees, we felt it was
2 important, since we were able to execute from home, we didn't
3 need, on most parts, the extra systems to be able to execute
4 in the office, that we could largely perform from home to make
5 sure that we weren't taking any risks with the business but
6 also taking -- one, taking risks for the employees; two,
7 taking any risks for the business; and three, as I mentioned,
8 the civil perspective.

9 THE COURT: Okay. We're going to have to take a
10 five-minute break here in just a second, but let me kind of
11 elaborate on why I was drilling down on that question about
12 NexPoint. I mean, isn't it Highland employees who service
13 NexPoint? Or am I wrong about that?

14 THE WITNESS: Highland employees service a lot of
15 NexPoint. But NexPoint, NexBank, the various funds, NXRT,
16 there's a number of businesses: They have their own employees
17 as well.

18 THE COURT: Okay.

19 THE WITNESS: So the whole complex is about 150
20 employees.

21 THE COURT: Okay.

22 THE WITNESS: Highland Management is about 70.

23 THE COURT: Okay. All right. Well, are we finished
24 with Mr. Seery's testimony, Mr. Morris?

25 MR. MORRIS: Yes, Your Honor. Our next witness after

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Seery - Examination by the Court

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1 the break will be John Dubel.

2 THE COURT: Okay. Very good.

3 MR. MORRIS: And we --

4 THE COURT: Mr. Seery, again, this has been extremely
5 helpful for me, and I hope for others. I hope you'll stick
6 around, because when we circle back to the mediation
7 discussion at the end of today, I really would like you to be
8 involved in that discussion. I may want your input on one or
9 two things. So can you stick around?

10 THE WITNESS: Absolutely, Your Honor. Other than
11 getting some water and maybe turning the air conditioning back
12 on in this room, I'll stay.

13 THE COURT: You must not be in Texas if you don't
14 have your air conditioning on. I assume you're in New York.
15 All right. Five-minute break. We'll be back.

16 THE WITNESS: It's hot, but not Texas hot.

17 THE COURT: Okay. Thank you.

18 THE WITNESS: Thank you, Your Honor.

19 THE CLERK: All rise.

20 (A recess ensued from 3:16 p.m. until 3:22 p.m.)

21 THE CLERK: All rise.

22 THE COURT: All right. Please be seated. We're back
23 on the record in Highland.

24 Mr. Morris, you were going to call Mr. Dubel next?

25 MR. MORRIS: Yes, the Debtor calls John Dubel.

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Dubel - Direct

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1 THE COURT: Dubel?

2 MR. DUBEL: Your Honor, may I have just one minute to
3 -- my air conditioner.

4 THE COURT: All right. Mr. Dubel, I said your name
5 wrong. Could you say Testing 1, 2?

6 MR. DUBEL: I can do that, Your Honor. Testing 1, 2.

7 THE COURT: Okay. Very good. Please raise your
8 right hand.

9 JOHN DUBEL, DEBTORS' WITNESS, SWORN

10 THE COURT: All right. Thank you. Mr. Morris, you
11 may proceed.

12 MR. MORRIS: Thank you, Your Honor. As Mr. Pomerantz
13 previewed, Mr. Dubel's testimony is going to largely cover the
14 corporate governance-type issues concerning the evolution of
15 the motion, the discussions or the, you know, beginning of the
16 discussions, and how the proposal itself evolved.

17 If I may, Your Honor, just to perhaps move this along, I
18 might lead the witness a little bit. If it's a problem,
19 you'll let me know, okay?

20 THE COURT: Okay. I will let you know if it's a
21 problem.

22 MR. MORRIS: Okay.

23 DIRECT EXAMINATION

24 BY MR. MORRIS:

25 Q Good afternoon, Mr. Dubel. You're a member of the Board

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1 of Strand today; is that right?

2 A I am.

3 Q And you've held that position since mid-January; is that
4 right?

5 A Since January 9th, yes.

6 Q Okay. And you understand that we're here today on the
7 Debtors' motion to appoint Mr. Seery as the Debtors' CEO, CRO,
8 and the Foreign Representative?

9 A I do understand that, yes, sir.

10 Q Does the Board unanimously support the motion?

11 A I think the Board does, and specifically the compensation
12 committee, because of obviously the conflict that Mr. Seery
13 might have, you know, but the Board fully supports it, and the
14 compensation committee is comprised of Mr. -- Judge -- Judge
15 Nelms and myself.

16 Q Okay. And do you believe that -- withdrawn. Does the
17 Board believe that it's in the Debtors' best interests to
18 retain Mr. Seery on the terms proposed?

19 A We do.

20 Q And why does the Board believe that?

21 A Well, as the Court has heard from the testimony of Mr.
22 Seery today, he has a tremendous amount of skills and
23 experience in the area of asset management. He's effectively
24 been serving as the CEO since -- well, in a lot of ways, since
25 January 9th, when we asked him to step up and take on some

1 additional responsibilities, but very clearly since the middle
2 of February, and specifically, the middle of March.

3 And as the Court noted, he is -- knows these assets very
4 well. He knows the operations. He's done an exemplary job of
5 handling all of the issues. He has spent a tremendous amount
6 of time working with the Committee members, trying to develop
7 good lines of communications.

8 And, you know, Russ -- having, you know, served in a C
9 Suite position for 25 years of my 30-plus years of
10 restructuring experience, and 15 years as a CEO, we need a
11 good leader, an operational leader to run the organization.
12 So we can support him because you need to have someone in
13 there who can make decisions; work quickly; obviously,
14 communicate well with the Board, which he has been doing for
15 quite some time. So, all the -- all of the reasons why we are
16 very pleased to have him take on this role.

17 Q Okay. Let's talk a little bit about what led to this
18 particular motion. Do you recall when the idea of appointing
19 a CEO first arose?

20 A I would say it was back in December, before the
21 Independent Board was put together, when we first started
22 intervening with the creditors and with the Debtor. It was
23 raised to me in my interview, would I be, you know, willing to
24 step in as a CEO if asked to? And I'm assuming it was also
25 asked of Mr. Seery. I didn't ask him that. And it was all

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1 obviously coming, you know, out of the protocols that were
2 being developed where Mr. Dondero would step down as the CEO
3 and the Independent Board would basically be responsible for
4 the operations of the company. But we had the opportunity to
5 go out and seek either one of the three Independent Board
6 Members as the CEO or go outside to the marketplace and try
7 and find an independent or a third-party CEO.

8 Q And to the best of your recollection, was that flexibility
9 built into the term sheet that was part of the corporate
10 governance settlement?

11 A It was.

12 Q All right.

13 MR. MORRIS: Your Honor, this is where we're going to
14 test our technological capabilities. I'm going to ask Ms.
15 Canty to put up and to share Exhibit 1, and let's see if we're
16 able to do that.

17 THE COURT: Okay. But if anything goes wrong, I
18 actually do have the docket up on my screen. I can pull them
19 up. But, oh, even better. Even better. Okay.

20 MR. MORRIS: All right. It looks like it worked.
21 Ms. Canty, if you could turn to Page 2, please. I think
22 that's Page 1.

23 (Pause.)

24 MR. MORRIS: I think it's stuck.

25 THE COURT: Hmm.

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1 THE WITNESS: If need be, I have a teenager who could
2 probably figure this out, because I sure can't.

3 MR. MORRIS: I'm impressed that La Asia got to this
4 point already. Okay. Good. Just the one on the right. Is
5 there a way to focus in on the top paragraph on the right?

6 THE WITNESS: I'll put my glasses on and I'll be able
7 to read it.

8 MR. MORRIS: Okay. Right there. Perfect.

9 BY MR. MORRIS:

10 Q Is -- are you familiar with the provisions generally in
11 the term sheet relating to the opening of CEO?

12 A I am.

13 Q And is this the provision that you were referring to
14 earlier?

15 A It is.

16 Q And does this provision, to the best of your
17 understanding, provide the Board with the flexibility, in
18 consultation with the UCC, to exercise its business judgment
19 and appoint a CEO if it determined that to be in the Debtors'
20 best interest?

21 A It does. It's consistent with the discussions had -- that
22 were had prior to our appointment, and it obviously was
23 incorporated in the term sheet that was approved by the Court
24 on January 9th.

25 Q And this also reflects the understanding that you

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1 described earlier, where one of the Independent Directors
2 could, in fact, be selected as the CEO; is that right?

3 A That is correct.

4 MR. MORRIS: All right. Let's just take that down,
5 please, Ms. Canty.

6 BY MR. MORRIS:

7 Q Mr. Dubel, has Mr. Seery, in fact, taken on day-to-day
8 operational responsibilities for the Debtor?

9 A Yeah. Yes, he has. And I think early on the Board
10 realized that, between the three Board members, we would try
11 and divvy up the responsibilities, as Mr. Seery referred to
12 earlier, and it was definitely like drinking from a fire hose
13 in the early stages of the case, where the new Board was put
14 in place. And we tried to divvy up our responsibilities,
15 taking into consideration each of the Board Members'
16 expertise.

17 But it was pretty clear that the main business operations
18 required somebody with the skill set that Mr. Seery had, and
19 it would be much more efficient, as we progressed forward, to
20 coalesce around one individual as a CEO.

21 MR. MORRIS: Ms. Canty, can you pull up Exhibit 2?

22 BY MR. MORRIS:

23 Q And while we're doing that, Mr. Dubel, do you recall early
24 on that the Board asked Mr. Seery to become involved in the
25 trading of the prime accounts?

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1 A I do, yes.

2 Q Okay.

3 MR. MORRIS: La Asia, I don't know if you can scroll
4 down just to --

5 Your Honor, these are minutes from the Board's very first
6 meeting. And if we go to the next page, right here, you'll
7 see there's a discussion in the second paragraph.

8 BY MR. MORRIS:

9 Q Mr. Dubel, does that reflect the Board's deliberation and
10 decision, really, on the first day, to give Mr. Seery, you
11 know, the responsibility for dealing and overseeing the prime
12 accounts?

13 A It does. And what I was saying is, prior to the
14 appointment, in doing all of our diligence prior to joining
15 the Board, we realized there were all these issues that needed
16 to be dealt with. And so we came in on the very first day,
17 ready to recognize that there were certain things that needed
18 sort of expertise. And they were presented to us by DSI and
19 the management of HCMLP as areas that needed some additional
20 handling and oversight. And so we asked Mr. Seery to step
21 into that role on the very first day, which he -- which he
22 agreed to and the Board approved it.

23 Q Okay. Let's get to the meat and potatoes here. Did there
24 come a time when the Board and Mr. Seery actually began
25 discussing the possibility of his serving as the CEO?

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1 A Yes, there did.

2 Q And can you share with the Court your recollection of how
3 that began?

4 A So, there were informal discussions, I would say, through
5 the month of February, as we started to realize that there
6 were -- the decision-making was going to be cumbersome,
7 having, you know, three parties involved. As I said earlier,
8 having spent 15 years or so my career as a chief executive
9 officer, I understand where you really want to have one person
10 be responsible for these issues.

11 And so we were conversing with Mr. Seery to see if he
12 would take on that role. And, obviously, we had felt very
13 comfortable, Mr. Nelms and I felt very comfortable with the
14 communications that he was having with us on things that we
15 had asked him to do. There was a very free and open
16 discussion with the Board members. So we continued, you know,
17 to look at opportunities where it might make sense.

18 And then, you know, towards the beginning of March, it was
19 pretty obvious that we were going to want to coalesce around
20 the motion. We thought about whether or not that would be
21 some third party. But having, again, experience of having to
22 go out in the marketplace to find CEOs when I'd been either,
23 you know, a director or involved in companies, we realized
24 that can be very time-consuming, would take us months to find
25 somebody.

1 And so we continued to discuss it with Mr. Seery. And
2 around the middle of March or so, right around the time that
3 we had a Creditors' Committee meeting in New York, we asked
4 Mr. Seery if he would take that role on, and he agreed to, to
5 take that role.

6 Q And that's -- and is that why the Debtor is seeking
7 authority to retain Mr. Seery nunc pro tunc back to March
8 15th?

9 A We are. I mean, effectively, he really started the role
10 in the February time frame. But we officially asked him about
11 this in -- right after that meeting on March -- I think it was
12 March 11th or so.

13 Q So, is it fair to say that's when the Board had a meeting
14 of the minds with respect to not necessarily the terms but at
15 least the engagement of Mr. Seery as CEO?

16 A Yes, that is fair to say.

17 Q Okay.

18 A And that's when he really did step up and take on all of
19 those responsibilities, you know, with the acknowledgement and
20 understanding that we would work out the appropriate terms for
21 his engagement.

22 Q Okay. And a couple of weeks later, do you recall that Mr.
23 Seery made a written proposal to you and Mr. Nelms?

24 A He did make a written proposal after, you know, having
25 discussions with us orally about various issues and roles and

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1 responsibilities. I think it was around April 4th or so that
2 he presented us with a written proposal.

3 MR. MORRIS: All right. Ms. Canty, can you call up
4 Exhibit 3, please? (Pause.) Okay. If you'll scroll down.
5 BY MR. MORRIS:

6 Q Mr. Dubel, is this the April, the early April e-mail that
7 you were referring to in which Mr. Seery made a proposal for
8 the terms of his engagement as CEO?

9 A Yes. This document refreshes my recollection. It wasn't
10 April 4th. It was April (audio gap). But yes, that's the
11 document I was referring to.

12 Q Okay. What happened next, after -- after the -- after
13 this was presented to you and Mr. Nelms? What did you guys
14 do?

15 A So, what we wanted to do is understand what was our
16 responsibility as a board. So we reached out to counsel to
17 figure out how the process should work. We set up a
18 compensation committee. It's called a comp committee; it's
19 more I would call it a nomination committee or a governance
20 committee also, because it was all about retaining Mr. Seery
21 in that role.

22 We got advice from counsel on what the process should be.
23 We reached out to our compensation consultant at Mercer, who
24 had been providing us assistance in other areas of the
25 company's compensation program, to talk to them about what the

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1 various market comps, you know, compensation programs were and
2 what would be an appropriate market comp for Mr. Seery's
3 compensation, and, you know, moved forward that way.

4 MR. MORRIS: Ms. Canty, can you pull up Exhibit 4,
5 please?

6 BY MR. MORRIS:

7 Q Do you know what this document is, Mr. Dubel?

8 A Yes. This looks like the minutes from the meeting of our
9 first compensation committee on April 8th, compensation
10 committee of Strand Advisors.

11 Q And this was a meeting between you and Mr. Nelms, with
12 counsel; is that right?

13 A That is correct.

14 Q And this was precipitated by Mr. Seery's written proposal
15 that was made a few days before that; is that fair?

16 A Well, I would say it was precipitated by the advice we had
17 gotten through counsel that we should set up a compensation
18 committee and consider what would be the appropriate way of
19 retaining Mr. Seery, you know, as a chief executive officer.
20 His proposal came in a couple of days earlier than that, and
21 so this was our first official time to get together as a
22 committee and review it and discuss the issue.

23 Q And was this a contemporaneous record of the steps that
24 the compensation committee took to do its due diligence with
25 respect to the proposal?

1 A It is.

2 Q Okay. Did the compensation committee --

3 MR. MORRIS: You can take that down, Ms. Canty.

4 BY MR. MORRIS:

5 Q Did the compensation committee communicate with the
6 Creditors' Committee with respect to these matters?

7 A We did.

8 Q Can you --

9 A As a part of the protocols, one of the things I -- and I'd
10 go back and re-read the protocol language, but one of the
11 things it said was work with the UCC to determine who would be
12 an appropriate CEO. And so we realized we would do that, and
13 we started to reach out to the various members of the
14 Creditors' Committee to discuss that.

15 Q Okay. And do you recall whether the compensation
16 committee or the Debtor generally shared Mr. Seery's proposal
17 with the Committee?

18 A We did. I don't recall the exact date, but we did share
19 it with the UCC through the UCC counsel.

20 Q Do you recall if the report that was commissioned by the
21 Debtor with respect to Mercer, the Mercer Report, was that
22 shared with the Committee?

23 A It was.

24 Q Can you describe for Judge Jernigan your recollection as
25 to, you know, the Committee's reaction and, you know, position

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1 with respect to the proposed retention of Mr. Seery as CEO?

2 A We shared the report from Mercer with the Committee in --
3 I think it was early May. And we spent time with them in the
4 April time frame talking about the fact that we were going to
5 be seeking Mr. Seery's appointment as CEO and telling them
6 that we were going to be commissioning a report to make sure
7 we had what we thought was market compensation.

8 The Committee was generally very supportive. They had
9 been obviously experiencing Mr. Seery taking on that role of
10 effectively the CEO for a period of time, so they understood
11 where, you know, where he was coming from and what -- how he
12 was going to operate the business.

13 They understood, to my knowledge and in my discussions,
14 they understood the benefits of having a single person as the
15 CEO rather than trying to manage the business by committee.
16 We discussed with them why it made sense.

17 And so, you know, they were supportive of it. Obviously,
18 we had to negotiate the terms of the compensation.

19 Q And did that take some time, to negotiate the compensation
20 terms?

21 A It did. Initially, it was being done through myself and
22 Mr. Nelms, working directly with the Committee. But, again,
23 having been in that position of having to negotiate with the,
24 you know, the committee on terms of my own personal
25 compensation -- not this committee, but in other cases -- we

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1 recognized that it was probably more efficient for Mr. Seery
2 to speak directly with the Committee, Committee members. And
3 so we asked him to pick up that, you know, responsibility
4 also. And he did. He kept us informed every step of the way.
5 And I, as the de facto chairman of the compensation committee,
6 also spoke directly with the various members of the Committee
7 during this time frame, where there was (echoing)
8 communication about compensation.

9 Q Mr. Pomerantz mentioned it in his opening remarks, but do
10 you recall kind of what the bigger issues were with respect to
11 the proposed compensation terms with the Committee?

12 A Sure. The Committee -- well, there was always negotiation
13 going on, obviously. The Committee, at the end of it, they
14 had no problems with the monthly compensation, recognizing
15 that whatever his board compensation would be would
16 effectively be wrapped into the monthly compensation.

17 What the issues really came down to for them revolved
18 around the restructuring fee that was being proposed, success
19 fee, you know, what have you. And there was a lot of
20 different views, as you can imagine, between the four members
21 of the Committee as to how that should be set up.

22 Mr. Nelms and I were very cognizant that we did not want
23 to have Mr. Seery (echoing) -- I'm sorry. I'm getting a lot
24 of background noise here.

25 THE COURT: Yes. I'm not sure who needs to mute

1 their phone, but someone needs to mute their phone. Okay.

2 THE WITNESS: Thank you.

3 THE COURT: Uh-huh.

4 (Echoing subsides.)

5 THE WITNESS: So we were very concerned that
6 structures not be put in place that could cause the potential,
7 the appearance of a conflict between the role that Mr. Seery
8 was playing and his compensation.

9 It's always a, you know, a challenging issue here, to make
10 sure that, you know, a CEO of any company is looking out for
11 the best interests of the estate and not looking out
12 specifically for any particular creditor, equity, or group of
13 creditors, just because that's the way the compensation was
14 designed. And so that was a challenge.

15 At the end of the day, we wanted to have what we felt was
16 fair compensation for the success fee and restructuring fee
17 for Mr. Seery, because we wanted him incented to get the job
18 done, as he has alluded to in his prior testimony as to what
19 he's trying to do here. And so there did come a point where
20 we could not get to a meeting of the minds and so we chose to
21 move forward on the compensation with just the monthly agreed
22 to. Mr. Seery was good enough to agree to that for just the
23 monthly, and that we would put forward the restructuring fee
24 at a later date.

25 BY MR. MORRIS:

1 Q Okay. Thank you. In addition to the CEO title, the
2 Debtor is asking for the Court to appoint Mr. Seery as the CRO
3 and the Foreign Representative; is that right?

4 A That is correct.

5 Q And why is the Debtor seeking that relief?

6 A Well, initially, the CRO was brought in, I believe it was
7 the middle of October, when the case was filed and before the
8 Independent Board was put in place. And there were reasons
9 why, you know, the Committee had asked for the CRO to have
10 certain responsibilities. Those carried through in the
11 protocols.

12 And obviously, you know, we had no issues with those, but
13 what we also felt, Mr. Nelms and I, and in consultation with
14 Mr. Seery, was that it would be more appropriate to have one
15 person be responsible for all of the issues within the
16 company. And since there was an Independent Board, and since
17 one of those Independent Board Members was becoming the CEO,
18 the need for another individual to be the CRO might send
19 conflicting signals inside the organization. And so we
20 decided that it would be appropriate to put those
21 responsibilities into Mr. Seery's lap. And we spoke with Mr.
22 Sharp from DSI, and he agreed. And so that's the reason why
23 we moved it forward that way.

24 Q Okay. I understood you to say that the meeting of the
25 minds, at least conceptually, was somewhere around March 12th

1 in New York, or March 11th. I think the Judge may have asked
2 the question or at least implied that she wanted to know kind
3 of why it took so long to get the motion on file. I think
4 you've discussed some of the issues, but just kind of in a
5 bullet-point way, can you give the Judge an explanation as to,
6 you know, why it took several months to get this motion in
7 front of the Court if a meeting of the minds occurred back in
8 March?

9 A Sure. I believe the motion was filed on the -- I think it
10 was the 22nd or so of June.

11 Q Okay.

12 A And so we -- we asked Mr. Seery. He accepted the
13 responsibility in the middle of March. Right at that point in
14 time was when the whole pandemic issue was, you know, really
15 coming hot and heavy at the company. As Mr. Seery testified
16 earlier, he had -- he was spending a tremendous amount of time
17 just focusing on the operations of the business, focusing on
18 the assets, dealing with the prime accounts, the select
19 accounts, working with Jeff Reeves, working with the other
20 individual investments that we had, to make sure that those
21 were under control.

22 I would say I applaud him for putting the business first
23 in front of him, and then I think probably at 1:00 o'clock in
24 the morning he was able to finally sit down and put together
25 his own compensation request.

1 We did need time to go through with the Mercer folks and
2 get, you know, the market information, and that took a lot of,
3 you know, a lot of time.

4 And then, more importantly, we wanted to make sure we
5 could get something in front of the Court that was agreed to
6 by the Committee. So we did share the information with the
7 Committee. We spent a lot of time in negotiations with the
8 Committee, trying to get to a resolution. As I said earlier,
9 we asked Mr. Seery to step in and there be, you know, one-on-
10 one discussions to maybe shortcut some of that.

11 And finally, at the point in time where we realized we
12 could not get a full, you know, fully-agreed compensation
13 program, we asked him to just break it down into the monthly,
14 and then come back for a restructuring bonus at the end of the
15 case.

16 And so all of that, while trying to manage the business in
17 the COVID era, is what took such a long period of time.

18 Q Did it also take some time to obtain appropriate D&O
19 insurance for Mr. Seery as the CEO?

20 A It did. We had to, as the Board of Strand, we had to set
21 up a D&O program for the Board members when we first got
22 involved back in January. That took a tremendous amount of
23 time. It was very difficult to obtain in the marketplace, for
24 any number of reasons, but mainly because the insurance market
25 understood what Highland was all about and the various

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1 players, and they were very reticent to insure Highland.

2 So, because we were Strand, because there were other
3 protections that were afforded to the Independent Directors,
4 we were able to obtain it.

5 When we asked the various carriers to add Mr. Seery on as
6 the CEO for HCMLP, it was very challenging to put folks on.
7 We were eventually able to get our first layer to sign on, the
8 first-layer insurer. The second layer would not do it, and we
9 had to go find a third carrier who would do it. And we
10 actually got that done at some time in the latter part of
11 June, right after we had filed the motion.

12 Q Okay.

13 MR. MORRIS: Your Honor, I've got just a few more
14 questions, but they're going to be devoted to the DSI motion.
15 I don't know if you wanted to ask -- if you had any questions
16 on the motion with respect to Mr. Seery or I should just
17 continue on.

18 THE COURT: I do not have questions. You can
19 continue.

20 MR. MORRIS: Okay.

21 BY MR. MORRIS:

22 Q Okay. So, let's just finish up, Mr. Dubel. There is a
23 second motion in front of the Court, and this one is for the
24 appointment of DSI as financial advisor. Are you familiar
25 with that motion?

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1 A I am.

2 Q Does the Board unanimously support that motion?

3 A We do.

4 Q Has the Board concluded, in an exercise of its independent
5 business judgment, that the engagement of DSI as financial
6 advisor is in the Debtors' best interests?

7 A We have. Yes.

8 Q Can you explain to the Court why the Board reached that
9 conclusion?

10 A Well, we do need the services of a financial advisor.
11 It's very important in this case to have an independent, you
12 know, restructuring, you know, financial advisor to assist us.
13 As Mr. Seery testified earlier, they have been very
14 instrumental in helping him prepare the financial analysis
15 that has been part of what he's been using to start
16 negotiating and working forward on the -- putting together a
17 plan of reorganization.

18 They've also spent a tremendous amount of time acting as a
19 bridge to FTI, the Committee's financial advisors, which is
20 very common in these types of cases. And so that's been
21 extremely helpful. And that role needs to continue.

22 They also are handling all of -- all the administrative
23 bankruptcy issues, the SOFAs, the MORs. They're doing a lot
24 of work for us, not necessarily specifically on the large
25 claims, but on helping us analyze and review all of the other

1 myriad of -- I think it's two hundred something claims that
2 have been filed in the case.

3 So they've been here since -- I guess they came in pre-
4 filing. They have a lot of history and knowledge, and we want
5 to continue to utilize that knowledge as we continue to move
6 forward. So that's why. And the Board is very comfortable
7 with the job they've been doing, and so we felt it was
8 appropriate to continue to use them as the financial advisor,
9 just in a slightly different role.

10 MR. MORRIS: Your Honor, I have no more questions of
11 Mr. Dubel.

12 THE COURT: All right. Well, I'm going to just jump
13 in and ask my own questions, and then I will -- I'll, you
14 know, offer him up for cross if people will promise to
15 restrict it to employment terms.

16 EXAMINATION BY THE COURT

17 THE COURT: So, what -- my question is about Mr.
18 Sharp. As I recall, the compensation is not going to change
19 at all, even though the role is changing. He won't be CRO
20 anymore, Mr. Sharp. He won't be the Foreign Representative
21 anymore. But obviously, he and his firm will remain very
22 engaged as financial advisor.

23 What I'm getting at is there was a \$100,000 per month flat
24 fee for Mr. Sharp, and then other professionals at DSI will
25 bill by the hour. Tell me why the Board thinks that's still

1 the appropriate compensation package with the modified role of
2 Mr. Sharp. I'm getting at, \$100,000 a month, is that still
3 the right thing, or hourly compensation, did you discuss that,
4 and why is --

5 THE WITNESS: We did, Your Honor. And I'll be
6 (inaudible) with you. I don't know who negotiated that
7 originally for -- with, you know, with DSI, but I find it to
8 be a very fair-to-the-Debtor compensation package of \$100,000
9 for Mr. Sharp, but it also includes Mr. Caruso, who Mr. Seery
10 has referenced earlier. I think it was a very good
11 negotiation that was had by the Debtor.

12 So when we looked at it, we said, if we switch to a
13 straight hourly, based upon the amount of time and effort
14 that's being put in by the two of those individuals, it might
15 cost us a little bit more. So we chose to continue it at that
16 level.

17 And I know Mr. Seery will continue to lean on those two
18 folks and get his money's worth. I'm confident of that.

19 THE COURT: Okay. You just reminded me of something
20 that I did not remember, I guess. Mr. -- we're getting two
21 for the price of one, is basically the -- Mr. Caruso does not
22 bill by the hour?

23 THE WITNESS: They -- they work together. It's their
24 compensation. I would imagine they keep hours internally,
25 just to keep track of it, but what they bill us for the two

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1 individuals, Mr. Caruso and Mr. Sharp, is a flat fee of
2 \$100,000 for the two of them.

3 THE COURT: Okay. All right. And do you remember,
4 by comparison, the financial advisor to the Committee -- is it
5 FDI? Whoever it is.

6 THE WITNESS: It -- it --

7 THE COURT: How are they getting compensated? Is it
8 strictly on an hourly basis, or is there also a combo flat fee
9 and hourly?

10 THE WITNESS: (echoing) on an hourly basis, and I
11 have one of their most recent charts. It was the May fee
12 application that they just filed, and they -- they bill in a
13 range from \$1,245 an hour for, you know, senior managing
14 directors, to \$875 an hour for managing directors, down to,
15 you know, \$690 an hour for directors. Yeah. A very fair and
16 appropriate marketplace compensation, but I think what we are
17 incurring under the structure that we have for DSI is below
18 that.

19 THE COURT: If those two guys were billing normal
20 market hourly fees, you think it would be busting \$100,000 a
21 month, perhaps?

22 THE WITNESS: I think it -- I think it would be well
23 in excess of \$100,000, --

24 THE COURT: Okay.

25 THE WITNESS: -- based upon the hours that we have

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1 seen to date from them, Your Honor.

2 THE COURT: Okay. Now, does anyone else have
3 questions for Mr. Dubel related to these employment
4 arrangements proposed?

5 (No response.)

6 THE COURT: I guess not. I actually have one more
7 question. I think it will be for my benefit, but maybe for
8 benefit of parties in interest, I hope. You made a comment
9 about getting insurance for Mr. Seery, and you said it was a
10 bit of a challenge because insurers in the marketplace kind of
11 knew what Highland was about. I think those were your words.

12 THE WITNESS: Yes, Your Honor.

13 THE COURT: Here is my question. As far as knowing
14 what Highland is about, other persons, not me, have used the
15 words that people were Mr. Dondero's puppet master, or he was
16 the puppet master, had his hands all over this, here and
17 there. And we obviously endeavored to change that with the
18 new Board in place. What would you say if people out there
19 think Dondero still might be a puppet master? What -- I mean,
20 is there any concern there that you could address?

21 THE WITNESS: Sure. And let me, let me take it in
22 two parts, because I think it's important for you to
23 understand from a third-party insurer's point of view. The
24 D&O marketplace has seen a lot of litigation surrounding the
25 Highland Capital name. And because of that, that obviously

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1 causes them concern. Their business is to write insurance and
2 never pay a dime. I ran an insurance company for six years,
3 and you never want to pay a dime out, you just want to collect
4 premiums.

5 THE COURT: Yes. And I probably prefaced this in a
6 confusing way. I'm really not going back to the insurance. I
7 just said that comment, when you were talking about insurance,
8 made me want to ask, for my benefit and for other parties'
9 benefit: How much control, if any, does Dondero have? In
10 theory, he was not supposed to have any control over the
11 Debtor anymore, but can you say something to make us all feel
12 comfortable that, if he ever was a puppet master, he's not a
13 puppet master anymore?

14 THE WITNESS: Well, I won't use that terminology.
15 What I will say is, since January 9th --

16 THE COURT: Yes. It was someone else's term, not
17 mine. I'm just repeating it.

18 THE WITNESS: That's okay. Since January 9th, when
19 the Independent Board was put in place, the Independent Board
20 has had the responsibility, is responsible for the operations
21 of this business. Mr. Dondero, as Mr. Seery alluded to
22 earlier in talking about the number of people in the
23 organization, has other businesses that he's involved with
24 that operate out of the offices through shared services. But
25 it's very clear to all the employees that the Independent

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1 Board is responsible for HCMLP and that since, really, you
2 know, the early March time frame, that Mr. Seery is the CEO.

3 So there is no concern on my part that Mr. Dondero is
4 having undue influence. He is still our portfolio manager,
5 but Mr. Seery is working with him as appropriate, and I have
6 no concern that Mr. Seery is not getting the job done and
7 getting any undue influence from Mr. Dondero.

8 THE COURT: All right. Thank you.

9 Mr. Morris, do you have any redirect?

10 MR. MORRIS: I do not, Your Honor. I appreciate the
11 question, and I think Mr. Dubel answered it appropriately.

12 THE COURT: All right. Thank you, Mr. Dubel. I do
13 appreciate your testimony today. It was helpful.

14 All right. Mr. Morris, --

15 THE WITNESS: Thank you, ma'am.

16 THE COURT: -- what else do you have? You have Mr.
17 Sharp on your witness list. Did you want to --

18 MR. SHARP: I'm here, Your Honor.

19 THE COURT: -- put him on?

20 MR. MORRIS: I'm intending to do that. If Your Honor
21 thinks it's not necessary, I don't need to ask more questions.
22 It's a relatively brief examination that will just focus on
23 the slight change in his role.

24 THE COURT: All right. Well, if you feel the need to
25 make a record, you may. I just have one question I want to

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Sharp - Examination by the Court

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1 ask him, to shore up the record.

2 MR. MORRIS: So perhaps, Your Honor, could we swear
3 him in, you ask your question, and then I'll see if there's
4 (echoing)?

5 THE COURT: All right. Mr. Sharp, I see you there.
6 Please raise your right hand.

7 (Echoing.)

8 BRADLEY SHARP, DEBTORS' WITNESS, SWORN

9 THE COURT: Thank you. We were getting some
10 distortion there. So, again, if you're not Mr. Sharp, please
11 put your phone on mute.

12 EXAMINATION BY THE COURT

13 THE COURT: All right. Mr. Sharp, I just wanted to
14 hear from you how many hours a month do you think that you and
15 Mr. Caruso are working on the Highland matter?

16 THE WITNESS: I don't have the hours in front of me,
17 Your Honor, but I think Mr. Dubel unfortunately alluded to
18 poor negotiating on DSI's part. That'd be my responsibility,
19 because I'm the one that did that.

20 From October through May, if you look at the time for Mr.
21 Caruso and myself, DSI has provided about a \$730,000 discount.
22 So if we were actually being paid on our hourly rate, our fees
23 would be \$730,000 more than the \$100,000 a month. We
24 typically run -- my rate is \$720 an hour. I think Mr.
25 Caruso's is about the same. The time for the two of us each

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1 month runs about \$200,000, which we then write down to
2 \$100,000.

3 THE COURT: All right.

4 THE WITNESS: (echoing) a month.

5 THE COURT: Okay. That answers my question. Mr.
6 Morris, is there anything you wanted to put on the record?

7 DIRECT EXAMINATION

8 BY MR. MORRIS:

9 Q Mr. Sharp, are you the person who was (echoing) with the
10 (echoing) CRO (echoing) Seery (echoing)?

11 A Yes, I am. I think it's much more efficient, frankly.
12 We've worked very well with Mr. Seery since the beginning,
13 since January 9th. That's going to continue. I think it
14 takes away some confusion, both internally and externally, in
15 that, you know, Mr. Seery is the CEO, the CRO, and everyone
16 knows that we are providing the analytical and support for him
17 with whatever he needs.

18 Q And I want to focus just for a second on DSI's (echoing).
19 Is DSI's responsibilities in the case changing at all?

20 A No. No. We have been working for the Board and
21 responding directly to Mr. Seery. You know, as Mr. Seery
22 testified, he works directly with myself and directly with my
23 team, and that's not going to change.

24 MR. MORRIS: I have no further questions, Your Honor.

25 THE COURT: All right. Anyone have any questions

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1 regarding the employment terms?

2 (No response.)

3 THE COURT: All right. Well, I thank you, Mr. Sharp.
4 We appreciate it.

5 All right. Mr. --

6 MR. MORRIS: The Debtor rests, Your Honor.

7 THE COURT: Okay. Well, I presume no one else had a
8 witness to call. Again, we didn't have any responsive
9 pleadings on this.

10 So, with that, I am going to turn to the Committee counsel
11 at this point. Mr. Clemente, I know you said early on that
12 you wanted to make some comments, so this is your opportunity.

13 MR. CLEMENTE: Well, thank you, Your Honor. Matt
14 Clemente from Sidley on behalf of the Committee.

15 And just very briefly, Your Honor, as you know, we did not
16 file an objection. It sounds from what we heard today that
17 Mr. Seery and the Board are working hard, which is, frankly,
18 what I think you expect and what we expect of them.

19 We don't have an objection to the retention of Mr. Seery
20 as CEO at \$150,000 a month, which is inclusive of director
21 fees. And as Mr. Pomerantz said, the Committee does not agree
22 -- in fact, that was the source of quite a bit of the
23 negotiation of the last couple of months -- with the bonus
24 proposal. But, again, we understand that that will be
25 addressed by a separate motion.

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1 Your Honor, we appreciate Mr. Seery's testimony to advise
2 you and to create the record for purposes of today's
3 uncontested matter. And obviously, the Committee -- there's
4 no live objection. And while the Committee may have different
5 views of what Mr. Seery said -- for example, the working of
6 the protocols, the sophistication of the advisors to the
7 Committee -- again, for purposes of the matter before the
8 Court today, we're not going to take any issue with any of
9 those statements, Your Honor, but reserve the right to do so
10 again in future if it becomes necessary.

11 So, with that, Your Honor, I have no further comments, but
12 I did want to make those couple comments for the record, to
13 make sure Your Honor understood where the Committee is coming
14 from.

15 THE COURT: Okay. Thank you. Does anyone else wish
16 to make comments about the applications before the Court?

17 (No response.)

18 THE COURT: All right. Mr. Morris, I'll turn it back
19 to you.

20 I found in my notes one question that I had. Looking at
21 your Exhibit 3 is what made me decide I have this question.
22 The Exhibit 3 was the e-mail exchange of Sunday, April 5th
23 amongst the Board members. Let me ask you this. There was
24 something in there regarding Mr. Seery, this would be a full-
25 time position, but he would be permitted to serve on outside

1 boards of directors. Is that a term that survived, or no?

2 And if it did, I want to ask how many outside board

3 memberships does he have? Again, I expect, like I think

4 everyone, that it's going to be very full-time, so I don't

5 want to hear that he's on 12 other boards. How did that --

6 MR. POMERANTZ: Your Honor, this is Jeff Pomerantz.

7 Since I was the one who actually was involved in negotiations

8 more than Mr. Morris, --

9 THE COURT: Okay.

10 MR. POMERANTZ: -- maybe I can answer. I believe it

11 was something that survived. I am not aware of any other

12 boards that Mr. Seery is on. And if he has actually been able

13 to do anything meaningful while performing what is I think

14 probably 200 hours a month and being available 24/7, I take my

15 hat off to him. But I would ask him to confirm if he has any

16 other material role, but I have not seen anything.

17 THE COURT: All right. What about that, Mr. Seery?

18 MR. SEERY: I -- currently, I'm not on any other

19 outside boards except two charities.

20 THE COURT: Okay.

21 MR. SEERY: One is a foundation called the

22 (inaudible) Foundation, which is a charity for (inaudible)

23 individuals, disabled folks, and -- most of whom are abused.

24 And I'm also involved with a charity, I'm not on the board but

25 on a funding committee for Team Rubicon, which is a reference

1 -- reference service, assistance in disasters. So they don't
2 take time like this, and so I'm not going to be involved in
3 any --

4 THE COURT: Okay. Thank you. That's what I would
5 hope to hear. I didn't want to hear that you were on, you
6 know, 12 other for-profit boards.

7 So, all right. So, Mr. Morris, Mr. Pomerantz, do you have
8 anything to say before we wrap up this topic?

9 MR. POMERANTZ: Your Honor, I'm happy to give Your
10 Honor a closing statement if you think it's necessary. I
11 think you know what I would say, to summarize. But I think
12 we've been at this a while, so (inaudible).

13 So unless Your Honor has any questions for me, I would
14 just say that the evidentiary record, I believe, supports the
15 entry of an order approving both the Motion to Employ Mr.
16 Seery as the Chief Executive Officer, CRO, and Foreign
17 Representative, and the Motion to Appoint DSI as the Financial
18 Advisor.

19 THE COURT: All right. Well, I am going to grant
20 both of these motions. Again, as for Mr. Seery, it's as
21 modified per the agreements with the Committee, that
22 modification being that, as for any bonuses, we're just
23 deferring to another day whether Mr. Seery is going to get any
24 bonuses related to a plan, what kind of plan it might be, a
25 case resolution plan or a monetization vehicle plan.

1 You know, I really hope, frankly, Mr. Seery is before me
2 seeking a bonus in the very near future and we're all happy
3 about the prospect of paying him a bonus because a plan has
4 been achieved, hopefully a case resolution plan. I will just
5 tell you right now, I will have a big smile on my face and
6 will warmly consider that if we get a great result here.

7 But it's deferred to another day. So I do find it's --
8 the evidence amply shows a sound business justification and
9 reasonable business judgment on the part of the Debtor in
10 proposing that Mr. Seery be CEO and CRO, essentially, and a
11 foreign representative, where necessary, at the base pay of
12 \$150,000 per month, again, with bonuses to be considered at
13 appropriate times down the road if we feel that that is a good
14 thing for Mr. Seery to be paid.

15 And I likewise find that, under 327, 328, 363, the amended
16 application with regard to DSI Specialists and Mr. Sharp and
17 Mr. Caruso should be granted, it appearing to be reasonable
18 business judgment and in the best interests of the estate and
19 appropriate in all ways under those Code sections.

20 All right. So we are going to look for orders on those
21 two matters.

22 Now, unless you have other housekeeping matters you want
23 to talk about, I want to circle back to the mediation topic.
24 Mr. Pomerantz, Mr. Morris, anything you wanted to raise?

25 MR. POMERANTZ: There is actually one other

1 housekeeping matter that Ms. Patel and I have been speaking
2 about and we said we would raise before Your Honor.

3 As Your Honor heard at the last hearing, we had filed an
4 objection to the Acis claim. We initially set the objection
5 for August 6th. Ms. Patel reached out to us, I understand, I
6 remember at the last hearing indicated that August 6th was
7 difficult for her. And especially since we were having the
8 mediation, we had talked to her about a rescheduling. So we
9 are intending put the matter on the September 10th calendar.
10 We have also granted Acis an extension to file a response to
11 July 31st.

12 What I think we would like the Court's input on, and not
13 now, but we would suggest having it done at the next hearing,
14 which is July 21st, as I'm sure Your Honor has not yet read
15 our objection, but it's a quite lengthy objection, I think 55,
16 60 pages. There's a lot of issues there. There are some
17 factual issues, some -- there are some legal issues. There
18 are some combination of factual and legal issues.

19 We think it would be helpful to the process to set up a
20 status conference with Your Honor -- again, to be held perhaps
21 on July 21st, because discovery motions are pending -- where
22 we could walk through with Your Honor what exactly everyone
23 would intend to accomplish on September 10th. We don't
24 believe it should just be a status conference. We searched
25 other dates. On the other hand, I think both parties will

1 have different views on what exactly will be at issue. But I
2 think it would be helpful, from both sides, to hear Your
3 Honor's expectations and to get some ground rules so we can
4 make a hearing, if necessary, on September 10th as productive
5 as possible.

6 THE COURT: All right. So, in writing down dates,
7 did you tell me what -- a deadline you have given Acis, or
8 what is the deadline that would apply under the Rules versus
9 what you have agreed to? Is there something different you've
10 agreed to?

11 MR. POMERANTZ: Sure. I believe, for a hearing on
12 August 6th, based upon when we filed it, I believe their
13 objection would have been due July 23rd or thereabouts. They
14 have asked us for July 31st, and I don't want to be as
15 presumptuous, Your Honor, to say that I have given them the
16 extension. I know that's up to you, Your Honor, to do so.
17 The Debtor does not have any opposition to an extension in
18 that respect, especially given the fact that we're not going
19 to have a hearing until September, although it's obviously
20 going to be important to be able to move forward with
21 negotiations to understand what their specific position is,
22 and, of course, for a mediator to look at both as well.

23 So, again, it's July 31st, September 10th, and then
24 setting up something with Your Honor, whether it be July 21st
25 or some other date, to walk through Your Honor what that

1 hearing will look like so it could be most efficient.

2 THE COURT: All right. Well, I am agreeable to that
3 set of dates and deadlines. Ms. Patel, did you want to say
4 anything about it?

5 MS. PATEL: No, Your Honor. Mr. Pomerantz hit the
6 salient terms. Yes, July 31st is the agreed response date.
7 And that allows, frankly, parties to -- an opportunity --
8 allows Acis the opportunity to meaningfully brief the issues,
9 as Mr. Pomerantz indicated.

10 It's a 60-page objection. It's very weighty. There's a
11 lot of issues that require due consideration. So we have
12 agreed on that extended date. It's in sufficient time to
13 allow the parties time to read a response and analyze it ahead
14 of a mediation in August.

15 And as Mr. Pomerantz indicated, yes, the parties would
16 like -- effectively, I think he -- he might have referred to
17 it as a status conference. Apologies, my WebEx is cutting in
18 and out a little bit this afternoon. But I think it's
19 probably a status conference/scheduling conference so we can
20 talk about what the trial of the claim objection is going to
21 look like and how it should be structured. And I think, as
22 Mr. Pomerantz alluded to, parties may have very different
23 contexts with respect to that, but we want to just run it by
24 Your Honor, and ultimately it is going to be up to Your Honor
25 with respect to how the trial goes forward.

1 THE COURT: All right. Well, I hope that you all are
2 going to have lots of specific thoughts to share on what the
3 hearing on September 10th would look like, because, holy cow,
4 a \$70 million proof of claim that -- I haven't looked at your
5 proof of claim, but it is presumably based on the 34 counts in
6 the adversary proceeding filed in the Acis case, and maybe
7 then some.

8 So, you know, I don't know how in the world, if we had to
9 have a contested hearing on September 10th, we could get that
10 all done in one day.

11 MR. POMERANTZ: Your Honor, Jeff Pomerantz again.
12 Without getting ahead of ourselves, at least the Debtors' view
13 is there are some threshold legal issues --

14 THE COURT: Okay.

15 MR. POMERANTZ: -- that are raised in the objection.
16 And then there are, of course, a series of issues that are
17 factual-intensive.

18 So what we intend to present is how we think we can
19 efficiently deal with it. Again, it's not our expectation to
20 have a lengthy trial on the entire claim objection. But,
21 again, Ms. Patel and I agreed that what we weren't going to do
22 is turn this into a status conference.

23 THE COURT: Okay.

24 MR. POMERANTZ: To the effect that neither party was
25 ready. I would just leave it at that --

1 THE COURT: Okay.

2 MR. POMERANTZ: -- and say we'd be prepared to talk
3 with you on the 21st.

4 THE COURT: Okay. Well, we -- we'll use that setting
5 partly as a status conference to talk about the September 10th
6 hearing. And, again, I hope you both will have some specific
7 ideas to give me.

8 So, July 21st, we have -- remind me what we have. We are
9 so busy, I haven't looked one week ahead to --

10 MR. POMERANTZ: I believe, and Mr. Morris could
11 correct me if I get ahead of ourselves. I know there's been
12 discussions between us and the Committee on two very -- two,
13 in some sense, the opposite sides of the coin -- discovery
14 motions that are pending before Your Honor. I thought July
15 21st may have been pre-obtained. Again, I could be ahead of
16 my partner there.

17 THE COURT: Okay. That sounds like something that
18 I've set on an expedited basis in the past few days. Mr.
19 Morris, Mr. Clemente -- Mr. Clemente filed a motion, or
20 someone from their shop filed a motion --

21 MR. CLEMENTE: Your Honor? Your Honor?

22 THE COURT: -- during the middle of our last hearing,
23 as I recall. And I was kind of surprised to get out of court
24 and learn about it. But you're saying you haven't gotten
25 information you've been asking for for months, and we also

1 have a motion for a protective order.

2 So, just give me a short -- I'm trying to figure out how
3 much time we're going to be in court next week on the 21st.
4 It's a discovery dispute.

5 MR. POMERANTZ: And I'll --

6 THE COURT: So, Mr. Pomerantz? Go ahead.

7 MR. POMERANTZ: Your Honor, if my colleague, Paige
8 Montgomery, is on, she's in a better position to address that.
9 I don't know if Ms. Montgomery is on.

10 MS. MONTGOMERY: I'm here. I don't -- my WebEx has
11 been cutting in and out, but I think (inaudible) hear me.

12 THE COURT: We can hear you, but we can't --

13 MR. POMERANTZ: Yes, we can.

14 THE COURT: Oh, there you are. We can now see you as
15 well. So, --

16 MS. MONTGOMERY: Yes, Your Honor. I think the amount
17 of time that might be required for the discovery motions is
18 going to be dependent on the number of third-party objections
19 that may or may not be filed tomorrow. We've been in
20 communication with a number of different parties over the last
21 couple of days, trying to resolve those.

22 But I think, if it were just the two motions and the two
23 parties that filed those, John, I don't know if you disagree,
24 but I'd say that's probably an hour. I just don't know how
25 many other people -- I don't know how many other people will

1 want to participate, Your Honor.

2 THE COURT: Okay. Well, it's going to be whatever
3 it's going to be, but we're going to have -- the main event on
4 the 21st is going to be this document discovery contest, and I
5 guess there's a related motion for protective order. But I
6 don't know how much it's going to be about resisting producing
7 documents versus we'll produce documents if we have a
8 protective order.

9 Mr. Morris, can you, in, you know, a few seconds, answer
10 that?

11 MR. MORRIS: Sure. As the Debtor, we're trying to --
12 we've got certain interests to protect. We thought we were in
13 a different place in the middle of June, and, you know, this
14 proposal that the Committee made for the first time on July --
15 on June 26th is really what, from my perspective, prompted us
16 to be here.

17 But we've made a proposal to the Committee. We haven't
18 received a response to that. We're trying to address these
19 issues. But it's not, you know, it's not contentious. I
20 think our interests are legitimate. I think the motion that
21 we made is either for a protective order or for an order
22 directing us to produce the documents. Because as the motion
23 itself sets forth, Your Honor, the Debtor has certain
24 contractual and other obligations to some third parties. We
25 have given notice to those third parties of our -- of our

1 intent to make this motion, because we are kind of between a
2 rock and a hard place. We can't produce the documents
3 without, you know, potentially violating obligations to third
4 parties.

5 And so we'd just ask the Court to be the referee here, to
6 make the decision as to how it gets resolved. And we've given
7 notice to these third parties so that they fairly have an
8 opportunity to be heard, too. And I've been in communication
9 with some of them as well, and I've encouraged them to speak
10 with the Debtor, because ultimately, you know, if the Debtor
11 and the third parties can come to an agreement on the
12 production of the documents, you know, that will resolve, you
13 know, a substantial piece of the issue.

14 MR. POMERANTZ: You mentioned the -- you meant the
15 Committee, John, not the Debtor.

16 MR. MORRIS: I apologize. Yes. Thank you.

17 MR. POMERANTZ: Thank you, John.

18 THE COURT: Okay. Well, I hope you have this largely
19 worked out. Obviously, I hope that. You know, I just
20 remember doing a very quick pass through the Committee's
21 motion, but I do remember them saying they've been trying to
22 get these documents for a very long time, and I think I recall
23 there's pressure building now because I gave you a 90-day
24 deadline to either file a lawsuit regarding the CLO Holdco
25 issues that we had a hearing on a few weeks ago, a couple of

1 weeks ago, or I'm probably going to release the money in the
2 registry of the Court. And so that's part of why you're
3 trying to get these documents as soon as possible, right, Ms.
4 Montgomery?

5 MS. MONTGOMERY: Yes, Your Honor.

6 THE COURT: Okay. All right. You all try to work
7 this out. Okay?

8 MR. CLEMENTE: Thank you.

9 THE COURT: Well, I was partly pressing the issue of
10 what's July 21st going to look like because I think we may
11 carry over the discussion about mediation. We're going to
12 start it right now, but I think we may have to carry it over
13 to the 21st, and I hope finally kind of get a game plan
14 together on that day.

15 So, I wanted Mr. Seery to be available. Mr. Seery is --
16 if you're still there somewhere. You're very important, in my
17 view, to mediation potentially being successful here -- and
18 the whole Board is, for that matter -- because -- well, let me
19 digress a minute.

20 Mediation is going to be very tough here. We all know
21 that mediation tends to be more likely to succeed if we've got
22 face-to-face, in-person participation. And as I said last
23 week, I just don't know how I can order people to be in face-
24 to-face mediation right now. I just -- we've got people
25 spread out, and I think it would be very, very bad to order

1 face-to-face mediation right now.

2 But on the topic of mediation, you know, I've heard some
3 things that, you know, we all know, but I've heard some things
4 from Mr. Seery that are important to stress today. This isn't
5 the type of case that needs to be in bankruptcy for months and
6 months and months and months. Okay? We have the issue of the
7 professional fees accruing, of course, like every case. But
8 we have a company where -- it's a strange fit for bankruptcy,
9 right, this kind of company. And it's so dependent on people
10 to provide value. And people can bolt. You know, people can
11 get weary of the bankruptcy and want to be somewhere else
12 where that taint is not there in the marketplace.

13 The issue of the UCC protocols was brought up by Mr.
14 Seery, and I know that is something that is going to be
15 cumbersome, you know, for this company to be in bankruptcy
16 long-term.

17 So, I want to go to Mr. Seery, and it may be unusual for
18 me to reach out to you and ask this, but I want to hear from
19 you: Do you think mediation is a waste-of-time pipe dream,
20 for lack of a better term? I really want mediation to happen,
21 because I don't know how we quickly get a confirmed plan if we
22 have, well, the voting issue, for one, right? We have to, at
23 a minimum, figure out what is UBS's voting claim. What's its
24 claim for voting purposes? What is Acis's claim for voting
25 purposes? A looming, huge issue in my mind. So I feel like

1 we've got to have mediation. We've got to get a strong shot
2 at getting these two claims liquidated, at least for voting
3 purposes, if not overall.

4 So, is this a pipe dream, Mr. Seery, in your view, that
5 mediation might get to resolution on these two claims? What
6 do you think about it?

7 MR. SEERY: The quick answer, Your Honor, is I don't
8 think it's a pipe dream. I think there's a legitimate shot to
9 move parties together.

10 Let me just say one thing that -- reflecting on what Mr.
11 Clemente said. I want to make clear for the record that, to
12 the extent I misspoke, and it would have been misspeaking, I
13 have no negative implication regarding the sophistication,
14 professionalism, or focus of Sidley --

15 THE COURT: Uh-huh.

16 MR. SEERY: -- or FTI or any of the professionals. I
17 know these folks. They're really good. They're very
18 sophisticated. I have the highest professional and personal
19 respect for them. So, to the extent that I misspoke, I
20 apologize.

21 THE COURT: I don't think you did, and that's not how
22 I heard it --

23 MR. SEERY: Okay.

24 THE COURT: -- and that's certainly not how I meant
25 it. It's just a fact of bankruptcy that it's expensive.

1 Okay? So, --

2 MR. SEERY: Yeah.

3 THE COURT: Right.

4 MR. SEERY: I just wanted that to be clear.

5 I think, particularly with respect, Your Honor, to the
6 Acis and UBS claims, our professionals have done a lot of work
7 on them. Obviously, the professionals for Acis and UBS have
8 done a lot of work on them. There may be things that we know,
9 the perspectives that we have, and perspectives that the other
10 side has, that may not be as well-founded as each side thinks.
11 It could be very valuable to have a third-party objective
12 observer, cajoler, somebody who's strong, to help move the
13 parties off of certain positions.

14 We would like to think, as a Board, Independent Board, and
15 I'd like to think as an Independent Director and now as a CEO,
16 I didn't really have a -- the proverbial dog in that fight for
17 either of those claims. I wasn't -- I'm not a Highland
18 employee. I don't have any animus towards any of the sides.
19 I don't have any history with any of the sides.

20 But I'm realistic that I take a perspective around certain
21 claims and how they're brought, the factual and legal basis
22 for them. And I get a lot of that information from Highland
23 employees, and we use that information to then perform the
24 analysis with our professionals.

25 Likewise, these parties have been involved in, on the

1 other side, very entrenched disputes with Highland and
2 Highland employees. And they've dug in on their positions.

3 Having a third party hear each side and start to move
4 could give us the chance to break it open. I think there's --
5 and there's two really important aspects. One is the claim
6 amount, and then, obviously, the distributions on the claims:
7 How to make those, how much are they, when are they made? We
8 can work on both of those, and I think we need some help
9 moving us both on the claim amounts and on how to make the
10 distributions.

11 We've made progress with Redeemer because even though they
12 had -- they had an arbitration award, so we knew what the
13 outside would be. Now, Redeemer and their attorneys are very
14 good and very creative. They could stretch the outside in
15 those discussions. I won't get into what they are. But we
16 were able to more easily fashion around the particulars of
17 that claim because there was that judgment from the
18 arbitrators that, while it hasn't been entered, gave us much
19 more guidelines as to where we could look. The other claims
20 are much more amorphous, at least at this stage, and having a
21 third party help us develop perhaps closer goal lines would be
22 useful, in my opinion.

23 But, again, I think it's very important that we do it
24 quickly. I think we -- you know, somebody who is focused,
25 strong. I'm sure they'll be highly intelligent and versed in

1 the field, but somebody who's got the opportunity and time to
2 do it. And then, if it's unsuccessful, then, as Mr. Pomerantz
3 and Ms. Patel alluded to, then perhaps we may need some
4 judicial help to move those goal lines a little bit.

5 But I do think that mediation -- and I apologize for the
6 length of my answer -- could be a very helpful way to do it,
7 provided we get there quickly.

8 THE COURT: All right. I guess my other question I
9 wanted your view on is structure. You know, when someone --
10 Mr. Pomerantz, I think -- told me that he or others had
11 reached out to our judges in Houston, Judge Jones and Judge
12 Isgur, my initial reaction -- and, frankly, my continued
13 thought on that -- is they just don't have meaningful time,
14 because I don't think one day of cajoling is going to be
15 enough to get -- you know, you're a billion dollars apart on
16 UBS, right? The Debtor, I guess, thinks zero is the amount of
17 their claim, and UBS thinks it's a billion, and it's been
18 litigated for 11 years. And then I personally know, you know,
19 how Acis feels about its positions.

20 So, anyway, what I'm getting at is structure. I in some
21 ways think what we need here is sort of a master statesman-
22 type person who would spend meaningful time, not just a day or
23 two, but days or even weeks trying to reach a grand
24 compromise.

25 On the other hand, in my experience -- I've never done

1 that in a case as judge. But as a lawyer, I felt like that
2 kind of person can hijack a case, and we don't need that here.
3 We have wonderful professionals, a wonderful Board, a
4 wonderful CEO. We don't need that kind of help, I worry.

5 So, I guess where I'm evolving, you know, we've got the
6 two-sitting-judge option that would be free mediators that
7 could give you a day or two. Maybe. And then we have kind of
8 the master statesman who might be in there for weeks, trying
9 to help you reach a grand compromise.

10 Another option, I think, is one or two mediators who just
11 zero in, you know, on the UBS claim versus -- and the Acis
12 claim. And I have a couple of private mediators in mind that
13 have very good video capabilities to have a sophisticated
14 video mediation.

15 So, all of this rambling to say, Do you think we need to
16 just zero in on Acis and UBS and maybe have one or two people
17 to do formal video mediation with those two parties, or do we
18 need sort of more of a grand pooh-bah, grand compromise-type
19 person?

20 MR. SEERY: My view, Your Honor, is that we should
21 focus on the claims, but they're not just going to be two-
22 party, because we do have other active constituents. I think
23 Redeemer, with their party in interest status, is going to
24 want to be part of it.

25 I think if we can focus on those, we have the

1 professionals to help drive the grander bargain that I've
2 alluded to in some of those discussions we've been having. So
3 they haven't progressed as far as I would like, but they have
4 progressed. We do need the bottom line number for where
5 claims are going to come out. But also that will help frame a
6 little bit as to what parties expect in terms of distributions
7 on their claims.

8 And I think the reason that we had some impetus behind a
9 sitting judge -- frankly, I didn't know that sitting judges
10 couldn't be paid. I think that's -- there should be a
11 standard rate, because we shouldn't take people's time for
12 free in these cases, and I know judges work extremely hard and
13 if they're going to put in extra time, then they should maybe
14 be compensated, but that's a whole different issue.

15 I don't think we should get too hung up on the cost. We
16 are -- the costs of this case are extremely high, and we are,
17 with best intents, sometimes getting ourselves wrapped up in
18 things that should be, I think, more swiftly and economically
19 dealt with and dispatched.

20 So, if we can get a good mediator, and I think the reason
21 folks think about a judge is -- a sitting judge, it's not just
22 the vast experience that folks -- judges like yourself have,
23 Your Honor, and in particular with these issues, but also the
24 requirement that all the participants, notwithstanding the
25 professionals and -- that you see here, the requirement that

1 all the participants know that they're dealing with a sitting
2 judge, there's a certain decorum that's required. But that, I
3 think we get anyway. But there's also a -- there's less
4 willingness to go to the furthest reaches of your argument
5 when you have someone who's on the bench who sees those types
6 of positions taken frequently and can dispatch with them more
7 readily.

8 So, I think there are a number of individuals that I've
9 dealt with in the past who would have the ability, the
10 gravitas, for lack of a better term, to be able to help push
11 the parties in the right direction. And I think it's a matter
12 of finding somebody, as you said, with both the capabilities,
13 which we'll find, but also the capacity in terms of the time
14 to do it. And then, in the video age, maybe some facility in
15 being able to make that happen both rapidly and effectively on
16 screen.

17 THE COURT: Okay.

18 MR. POMERANTZ: Your Honor, this is Jeff Pomerantz.
19 And I'd just make a couple of comments.

20 THE COURT: Okay.

21 MR. POMERANTZ: You know, as Mr. Seery said, we were
22 predisposed towards a sitting judge. And while we did share
23 the same concerns about the timing of Judge Jones and Isgur,
24 we understand you've probably been in communication with them,
25 and if that's not going to work, we appreciate it. We want

1 this mediation to be effective and we want someone to spend
2 the time with it. And if you didn't feel that they, you know,
3 could commit to that, we totally appreciate that.

4 We thought long and hard about the people that you
5 identified at the last hearing, former Judge Peck and Sylvia
6 Mayer. We've done our diligence. The Debtor would be willing
7 to mediate before Sylvia Mayer. We think that, based upon our
8 diligence, the people we've spoken to, that she, if she
9 otherwise had the time and the abil... the time to devote to
10 it, that being a former big-firm lawyer in permanent practice
11 now as a mediator, that the Debtor would find her acceptable.

12 THE COURT: All right. Does anyone else wish to
13 comment? Because I have a very positive view of Sylvia Mayer,
14 and certainly her video capabilities, I think, are far and
15 away better than a few other people I've chatted with.

16 MS. PATEL: Your Honor?

17 MR. CLEMENTS: Your Honor? Oh, I'm sorry.

18 MS. PATEL: Go ahead.

19 MR. CLEMENTE: Your Honor, --

20 THE COURT: Not that I would ever, you know, put that
21 ahead of, you know, overall abilities, but it just is an added
22 plus, a huge plus right now during COVID.

23 Go ahead.

24 MR. CLEMENTE: Your Honor, Matt Clemente on behalf of
25 the Committee. Just a couple observations, building a little

1 bit on what Mr. Seery said.

2 We had consensus among the Committee around Judge Isgur
3 and Judge Jones. I think the view, the consensus view -- and,
4 again, I use the word consensus and not unanimity because I
5 want Your Honor to understand that -- is that having a sitting
6 judge, ideally, given the personalities as you've expressed
7 and I think as Mr. Seery has expressed, provides the best
8 possibility for a successful mediation. It may not be that
9 overlord that spends three weeks, but, you know, it is a
10 strong personality that -- not that any of the names that have
11 been raised aren't tremendously to be respected, but that
12 would be respected by all of the parties simply by the fact
13 that they're a sitting judge.

14 With that said, Your Honor, and, again, the speed. Again,
15 I don't have unanimity from the Committee, but there is
16 consensus to see if Sitting Judge Green from the Southern
17 District of New York would have the time and the capability to
18 spend. And I know Your Honor has concerns about the time. I
19 think Judge Isgur and Judge Jones occupy a special place in
20 terms of how busy they are, but at least among the Committee
21 members, there's been discussion that that may be a suitable
22 approach in terms of identifying a mediator and accomplishing
23 the objectives of having a very strong mediation, mediator, on
24 a timely basis, that has the best possibility of success.

25 That being said, Your Honor, based on what Mr. Pomerantz

1 said, if Mr. Green is not acceptable or if Your Honor doesn't
2 wish for us to go in that direction, I do have consensus among
3 the Committee members to move forward with Ms. Mayer as
4 mediator.

5 So, a little -- maybe a little convoluted in my comments
6 there, Your Honor, but the main thrust is I think there is
7 consensus among the Committee to consider a sitting judge, and
8 Judge Green would be someone who would be satisfactory. And
9 if he's not acceptable, or I should say acceptable but not
10 able to do it, Ms. Mayer would be acceptable to the Committee.

11 THE COURT: All right. Well, let me put this out
12 there. I talked on a no-names basis with Ms. Mayer last
13 Friday. And it was actually more in the nature of making
14 inquiries about how an organization she's connected with, the
15 AAA -- you've heard of the American Arbitration Association;
16 they, of course, do mediation -- what their experience and
17 capabilities were with many, many parties and video mediation.
18 And as you might guess, they have a lot of experience already
19 -- you know, a number well in excess of a hundred; I can't
20 remember -- of doing video mediations with many parties and
21 having the different constituencies in this caucus room and
22 that caucus room. And, very importantly, having lots of IT
23 staff to give instructions, to give help, to, you know, tackle
24 technology problems.

25 But in that discussion, I learned that there is a panel

1 that AAA has put together of 12 mediators that have bankruptcy
2 expertise. And, of course, Sylvia Mayer is one of those
3 people. But Retired Bankruptcy Judge Gropper -- is it Groper
4 or Gropper from the Southern District of New York? I always
5 forget which way he pronounces his name. Anyway, he is on
6 that. He is on that panel of 12.

7 Mr. Seery, you're grinning like you want to say something
8 about this.

9 MR. SEERY: No. Only on the Gropper/Groper, because
10 there's a professional that I know that is similarly named,
11 and I believe -- and I believe Judge Groper -- I may have it
12 wrong, but I think it's -- it's Judge Groper and Dan Gropper.
13 But that's the best I --

14 MR. NEIER: It's Dan Groper and Judge Gropper. I
15 actually had a mediation with the two of them when they argued
16 about the pronunciation of their name.

17 THE COURT: Okay. Well, Gropper. So we -- it's
18 Gropper. Okay.

19 A VOICE: Yes.

20 THE COURT: My point was, without -- I've not talked
21 to him at all. And by the way, I haven't personally reached
22 out to Jim Peck, but we'll stop that discussion about him.
23 But after getting off the call with Sylvia Mayer and a couple
24 of other people at the AAA Friday, I put together in my brain,
25 maybe we could have a Sylvia Mayer/Allan Gropper tag team, two

1 mediators. Okay? I don't know how that would affect the
2 cost, but that might be the way to go in such a complex case.
3 You know, maybe they could divvy up among themselves. One
4 would be the primary mediator on Acis, one would be the
5 primary mediator on UBS, but they would both work together.

6 If you all want to think on that, digest that a little,
7 and we, you know, decide definitely next week on the 21st, we
8 could do that. Or we could just all say, yeah, that's a good
9 game plan, and I can get on the phone after this. Or it
10 actually may be tomorrow, because I have a terrible hearing
11 that I've got to prepare for at 9:30 in the morning tomorrow.
12 It may be tomorrow.

13 But do people want to let that soak in a little bit, or
14 shall -- I mean, --

15 MR. POMERANTZ: Your Honor, this is Jeff Pomerantz.

16 THE COURT: -- frankly, I can order it either way. I
17 can order it. But I just really want to be conciliatory to
18 the parties who are owed the money and have to pay the money,
19 if you want to think on it some.

20 MR. POMERANTZ: Your Honor, it's Jeff Pomerantz.
21 Having my newly-minted CEO on the phone, Mr. Seery, I would
22 ask him, and if he says that it would be okay, then it would
23 be okay with me.

24 MR. SEERY: Be fine with me.

25 THE COURT: Okay.

1 MR. SEERY: Yeah, I think the key is moving forward.
2 I know it's much harder with a Committee, and I respect, you
3 know, Matt Clemente's job there of having to get consensus.
4 But from our perspective, if we were to push it off, you know,
5 on the 21st, Your Honor, we -- we would request you to order
6 something, because I don't want this to delay.

7 THE COURT: Okay.

8 MR. CLUBOK: Your Honor, if I may, speaking for UBS,
9 it's Andrew Clubok. You'll be happy to know I think that
10 we're in agreement with Mr. Seery, and I guess, derivatively,
11 Mr. Pomerantz. We think the most important thing is to move
12 it along quickly, and we trust -- you know, we're familiar
13 with Judge -- or, with Mayer, and whether it's Groper or
14 Gropper, I lost track, but I'm sure he is also going to be
15 equally capable. We do kind of think that two is probably
16 necessary, given, you know, the sort of multi-layer
17 (inaudible).

18 But, really, our position has simply been we'll happily
19 mediate with any, you know, effective mediator as quickly as
20 possible, because we do think the sooner we do that, the
21 sooner we might have a chance to get to yes. So, I'm -- we're
22 prepared to just say yes to the idea.

23 THE COURT: All right. Does anyone else want to
24 comment?

25 MS. PATEL: Your Honor? And can you hear me? I'm

1 sorry. It's --

2 THE COURT: Yes.

3 MS. PATEL: Again, I'm still having WebEx problems.

4 THE COURT: Yes.

5 MS. PATEL: Your Honor, again, for the record, Rakhee
6 Patel.

7 Acis is fine with the proposal, Your Honor. We've been
8 amenable to virtually every proposal, and have been trying to
9 hopefully be helpful with respect to getting this moved to
10 mediation as quickly as possible. We equally think that we
11 should get to mediation as quickly as we can.

12 And, you know, the only -- the only -- and I appreciate
13 Your Honor's contemplativeness on this. As you know, at least
14 in connection with the Acis case, you know, we've been through
15 two unsuccessful mediations so far. So we're really hoping
16 that the third time will go much better than the prior two.

17 So, anyway, this is my very long way of saying we're fine
18 with the proposal and are happy to kind of sign off on it. We
19 don't need until July 21st to respond on that.

20 THE COURT: Okay. Anyone else?

21 (No response.)

22 THE COURT: All right. Well, very good. I'm going
23 to move ahead on this and will confirm to you, hopefully
24 before the 21st, through my courtroom deputy. And, again,
25 given the late hour, I think it's going to be tomorrow before

1 I pick up the phone and reach out to Sylvia Mayer and former
2 Judge Gropper.

3 But, again, I did, in speaking generically with Sylvia
4 Mayer, asking her, Have you ever done like a two-mediator
5 mega-mediation, and she said, Oh, sure. You know, that's --
6 she acted like it was quite common. It's not something that I
7 have seen very often, but I think we'll be in business with
8 this game plan.

9 Because, you know, I know everyone on this call knows
10 this, but maybe not everyone's client knows this: If we don't
11 -- if we don't have a successful mediation of both of these
12 claims, or at least one of these claims, it's going to be
13 years and years and years. I mean, I know it's already been
14 years for UBS, but it will -- it will be many, many more
15 years. And that's not what we're supposed to do in
16 bankruptcy. We're supposed to stop burdensome litigation and
17 solve problems. And I can't imagine your clients want to go
18 on with three or four more years of litigation. But that's
19 exactly what it will be, it's exactly what it will be, many
20 more years of litigation, if we don't have mediated
21 settlements.

22 So, all right.

23 MS. PATEL: Your Honor, if I may very quickly. I
24 just wanted to make sure the Court was aware of something. In
25 the context of mediation and as it relates to Acis's claim,

1 yesterday counsel for Mr. Dondero filed a joinder in the
2 Debtors' objection to Acis's claim. So, again, just thinking
3 about this in the context of mediation, I think, with that
4 joinder, they will be a necessary party. So, going back to
5 Mr. Seery's point, this is not just --

6 THE COURT: Oh, absolutely. Mr. Dondero is --

7 MS. PATEL: -- a two-party --

8 THE COURT: -- going to be a required party in
9 mediation. Absolutely. So, --

10 MS. PATEL: Thank you, Your Honor.

11 THE COURT: All right. Well, if there's nothing
12 further, we'll see you on the 21st. And, again, my courtroom
13 deputy may be reaching out before then if we've got things
14 nailed down on mediation.

15 (Proceedings concluded at 4:54 p.m.)

16 --oOo--

17

18

19

20

CERTIFICATE

21

22 I certify that the foregoing is a correct transcript to
23 the best of my ability from the electronic sound recording of
the proceedings in the above-entitled matter.

23

24 **/s/ Kathy Rehling**

07/16/2020

24

25

Kathy Rehling, CETD-444
Certified Electronic Court Transcriber

Date

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:) Case No. 19-34054-sgj11
) Chapter 11
)
HIGHLAND CAPITAL) Courtroom 1
MANAGEMENT, L.P.,) 1100 Commerce Street
) Dallas, Texas 75242-1496
)
) July 21, 2020
) 1:38 p.m.

TRANSCRIPT OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS
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DEBTOR TO COMPLY WITH CERTAIN DISCOVERY DEMANDS TENDERED BY THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS, PURSUANT TO FEDERAL
RULES OF BANKRUPTCY PROCEDURE 7026 AND 7034 (810)
BEFORE HONORABLE JUDGE STACEY G. JERNIGAN
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* * *

1 (IN INSTANCES WHERE CONNECTION IS FADING IN AND OUT, AN
2 INAUDIBLE RESULTED DUE TO THE LACK OF AUDIBILITY. IN INSTANCES
3 OF MUFFLED VOICES OR REVERBERATION OF THE TELEPHONIC
4 PARTICIPANTS ON CHANNEL 2, AN INDISCERNIBLE RESULTED)

5 THE COURT: This is Judge Jernigan, and we are ready
6 to start a hearing today in Highland. Before I take
7 appearances, let me just kind of say where I think we are.

8 We have a document production dispute on the calendar
9 today, primarily between the Unsecured Creditors' Committee and
10 the debtor. Basically it's an ESI protocol dispute, as I
11 understand it.

12 We have had eight other parties in interest weigh in
13 on the dispute with pleadings. So I'll do a roll call.

14 (The Court engaged in off-the-record unrelated colloquy)

15 THE COURT: I'm a little hamstrung here because I
16 don't have my glasses, but my law clerk is working on that. I
17 guess I do have a magnifying glass here.

18 All right, well, why don't we do a roll call while
19 he's getting my glasses, of the different parties in interest.
20 I'm going to call parties one-by-one to avoid talking overlap.

21 For the Committee, it looks like we have Mr.
22 Clemente, is that correct?

23 (No audible response heard)

24 THE COURT: Oh, you're on mute.

25 MR. CLEMENTE: My apologies, Your Honor. Matt

1 Clemente from Sidley on behalf of the Committee. My partner,
2 Paige Montgomery, is also here with me, and she will be
3 addressing the Court today, as well.

4 THE COURT: Okay. Very good. For the debtor, who do
5 we have participating today?

6 MR. KHARASCH: Good morning, Your Honor. It's Ira
7 Kharasch of Pachulski Stang, and we also have John Morris from
8 Pachulski Stang, as well.

9 THE COURT: Okay; good afternoon.

10 All right. Mr. Dondero's counsel weighed in. Who do
11 we have appearing for Mr. Dondero this afternoon?

12 MR. LYNN: Yes, Your Honor. Michael Lynn and John
13 Bonds for Jim Dondero.

14 THE COURT: Okay, very good.

15 Now I'm going to go through the seven other parties
16 that have weighed in. For the party Atlas, do we have Paul
17 Keiffer or some other lawyer participating?

18 MR. KEIFFER: Yes, Your Honor, Paul Keiffer here.

19 THE COURT: All right; good afternoon.

20 For H.C. and Fund Advisors, who do we have appearing?

21 MR. WRIGHT: Good afternoon, Your Honor. You have
22 James Wright and Steve Topetzes at K&L Gates.

23 THE COURT: Okay; very good.

24 All right, CCS Medical, who do we have appearing?

25 MS. STRATFORD: Your Honor, it's Tracy Stratford from

1 Jones Day.

2 THE COURT: Okay; thank you.

3 MS. STRATFORD: Thank you.

4 THE COURT: CLO Holding, who do we have?

5 MR. KANE: Your Honor, John Kane for CLO Holdco,
6 Limited.

7 THE COURT: Okay, Holdco, excuse me; thank you.

8 What about NexPoint?

9 (No audible response heard)

10 THE COURT: Anyone appearing for NexPoint? Jason
11 Rudd, Lauren Drawhorn perhaps?

12 (No audible response heard)

13 MR. WRIGHT: Your Honor, this is James Wright again
14 at K&L Gates. We represent one of the NexPoint entities,
15 NexPoint Advisors. But I understand there are some other
16 NexPoint entities that we don't represent, and they may have a
17 separate objection, just to be clear.

18 THE COURT: Okay. Yes, there was a separate
19 objection. The same firm, Wick Phillips, filed an objection by
20 MGM.

21 So, again, I'll ask, is there anyone on the phone for
22 those clients?

23 (No audible response heard)

24 THE COURT: All right, well, we may -- oh, I see
25 Lauren Drawhorn on the video; are you muted, Ms. Drawhorn? Ms.

1 Drawhorn, we can see you but we can't hear you. Cannot hear
2 you. We definitely see you.

3 If we can't -- yes, if you could call on your cell
4 phone, we can hear you that way, and you can keep your visual
5 on, as well.

6 Okay, I'll go on. What about HCLOF, do we have
7 someone from King & Spalding?

8 (No audible response heard)

9 THE COURT: Okay. I'm not hearing anyone from King &
10 Spalding.

11 MR. MALONE: Your Honor, this is Mark Malone. I'm
12 not sure if you can hear me, I'm only dialed in on my phone.

13 THE COURT: Okay, I --

14 MR. MALONE: Can you hear me?

15 THE COURT: I do hear you, Mr. Malone; thank you.

16 MR. MALONE: Yes, and Rebecca Matsumura is trying --
17 I suspect feverishly, I don't have the video. I know she's
18 plugged in on the video. She'll be handling any argument,
19 assuming we can get her on. If not, I'm happy to handle it.
20 But we are here, Your Honor; thank you.

21 THE COURT: All right, thank you.

22 MS. MATSUMURA: Can y'all hear me now?

23 THE COURT: Yes. Who is that?

24 MS. MATSUMURA: This is --

25 THE COURT: Was that Ms. Matsumura?

1 MS. MATSUMURA: This is Rebecca Matsumura; sorry
2 about that.

3 THE COURT: Okay, we hear you and we see you; very
4 good.

5 All right. I'll go back to Ms. Drawhorn, do we have
6 you on the phone yet?

7 (No audible response heard)

8 THE COURT: All right. Well, hopefully -- hopefully
9 we can get whatever technical difficulties there worked out.

10 I'll ask, for the record, are there any other parties
11 in interest wishing to make an appearance? And I'm going to
12 forewarn you that I'm not going to be inclined to let any other
13 party make an argument today unless you give me a reason I
14 should that absolutely knocks my socks off. So I assume we
15 might have people wanting to appear, but who are not going to
16 make an argument. If so, go ahead.

17 MR. ANNABLE: Your Honor, this is Zachary Annable and
18 Melissa Hayward of Hayward & Associates, local counsel for the
19 debtor. We just wanted to let you know we're here, too.

20 THE COURT: All right; thank you.
21 Anyone else?

22 MS. MASCHERIN: Yes, Your Honor. Terri Mascherin and
23 Marc Hankin from Jenner & Block on behalf of the Redeemer
24 Committee of the Highland Crusader Fund.

25 THE COURT: All right; thank you, Ms. Mascherin.

1 MR. SLADE: Your Honor, it's Jared Slade and Jonathan
2 Edwards of Alston & Bird. We're here on behalf of NexBank.
3 And I'm not sure if it's going to knock your socks off, but we
4 were engaged just this week by NexBank as a party in interest,
5 the issue about the ESI disclosures. We have been negotiating
6 with the Creditors' Committee about the issues, and we hope to
7 have an opportunity to present a minute or two at the end about
8 why we were differently situated than some of the other
9 objectors, if the Court entertains it.

10 THE COURT: Okay.

11 MR. SLADE: Thank you.

12 THE COURT: Thank you.

13 MR. CLUBOK: And, Your Honor, Andrew Clubok and
14 Kimberly Posin for UBS.

15 THE COURT: Okay; thank you.

16 MS. PATEL: Good afternoon, Your Honor. Rakhee Patel
17 and Annmarie Chiarello on behalf of Acis Capital Management,
18 but we don't intend on making any presentation, Your Honor,
19 unless anyone specifically asks to address things. Our matters
20 are after this.

21 THE COURT: Okay, correct.

22 Anyone else?

23 (No audible response heard)

24 THE COURT: All right. Well, let's talk --

25 MS. DRAWHORN: Your Honor?

1 THE COURT: Oh, go ahead.

2 MS. DRAWHORN: This is Lauren Drawhorn, I got my --
3 I'm sorry, I got the audio -- the speaking to work.

4 THE COURT: Okay.

5 MS. DRAWHORN: I'm appearing on behalf of the
6 NexPoint Real Estate entities, there's 15 of them. I can go
7 through them, if you want, or -- they're listed on Docket 847.

8 And then I'm also appearing on behalf of MGM
9 Holdings, Inc.

10 THE COURT: Okay, thank you, Ms. Drawhorn. We've got
11 you loud and clear now.

12 All right, well, I want to talk for a moment about
13 how we are going to proceed here today, and I'm hoping we don't
14 go late, late, late with ten or so parties wanting to weigh in
15 on document production because we do have the Acis status
16 conference regarding the September 10th setting on the
17 objection to Acis's proof of claim, I want to make sure we get
18 to that today.

19 And then I do want to talk a little bit about where
20 we stand on getting the mediation going.

21 So for everyone's benefit, I'm just going to let you
22 know that I think I have a handle on the primary disputes
23 between the Committee and the debtor. There's a lot of finger-
24 pointing that is going on in the papers.

25 The UCC is suggesting that the debtor has been

1 dragging its heels; and the debtor saying no, it hasn't.

2 I really don't want to get bogged down by that today.
3 I really just want to focus on the handful of things that seem
4 to be in dispute between the Committee and the debtor, and so
5 we're going to obviously start with the Committee and the
6 debtor. I want to hear about are we going to have evidence
7 today. I know there were a couple of declarations filed.

8 And then I'm inclined to, thereafter, just give these
9 eight or nine other parties five or ten minutes each to present
10 any arguments that they think I need to hear.

11 But I'll tell you, I closely read the Committee's
12 pleadings, I closely read the debtor's pleadings, Mr. Dondero's
13 pleading.

14 And then, frankly, I skimmed very rapidly the other
15 seven or so pleadings because of being pressed for time, but I
16 do think I get the gist of them. And I think a lot of them
17 kind of have the same theme.

18 But before turning to the debtor and the Committee,
19 let me just tell you what my understanding is that we're going
20 to primarily focus on:

21 We're obviously talking about emails of nine
22 different custodians of the debtor, three of which I understand
23 to be in-house lawyers. And whether it's the Committee's
24 protocol that should be ordered here, or the debtor's protocol,
25 and the way I see the two protocols differing is the debtor

1 wants independent contract -- or contract attorneys for the
2 debtor to do a relevance review. UCC says no, that's going to
3 be time-consuming, and strangers can't meaningfully do that.

4 It looks like there's a dispute about the search term
5 request. Committee thinks what debtor is wanting is too
6 stringent.

7 And then, of course, we have some competing views
8 about how the privilege review process would work, and the
9 debtor has obviously this overriding concern about
10 confidentiality obligations it has, either contractually and/or
11 shared services agreements, or through other law.

12 So now I will, at long last, turn -- I'm going to, I
13 guess, start with the Committee because it is first in time
14 with its pleading the motion to compel. And then, of course,
15 the debtor came quickly behind that pleading with its own
16 motion for protective order.

17 And so -- I don't know, Mr. Montgomery, or Mr.
18 Clemente, let me hear from you on how you --

19 MR. MORRIS: Your Honor?

20 THE COURT: -- want to go forward today.

21 MR. MORRIS: Your Honor, this is John Morris from
22 Pachulski. I greatly apologize for interrupting, but I have a
23 slightly different suggestion.

24 We had made a proposal to try to resolve our disputes
25 with the Committee a few days ago. The Committee responded

1 with its own proposal about an hour before this hearing, and
2 we'd like an opportunity to confer with them. But under --
3 even under the -- even if we were to reach an agreement, I
4 think the Court needs to rule on the other objections.

5 So my suggestion, subject to the Committee's
6 acceptance and Your Honor's acceptance, of course, is that we
7 allow the Committee to proceed and let the --

8 (Technical interference)

9 THE COURT: Okay.

10 MR. MORRIS: Let the other objectors be heard.

11 And then after the conclusion, and the resolution of
12 those objections, some of which I understand may have been
13 resolved already, we take a short break, and allow me to confer
14 with Ms. Montgomery to see if we can resolve the balance of the
15 issues, that's my suggestion.

16 THE COURT: Okay. So start with the Committee, hear
17 their argument, and then any objectors who haven't otherwise
18 been taken care of through agreements, hear from them, all
19 right. Well, I am perfectly happy to go forward this way,
20 especially if it means that we'll save some time in court, and
21 the debtor and Committee can get on the same page without the
22 Court ordering something.

23 So will it be Ms. Montgomery or Mr. Clemente? Which
24 one of you wants to start us off?

25 MR. CLEMENTE: Your Honor, it's Matt Clemente. My

1 colleague, Ms. Montgomery, will be handling it. So I'll turn
2 it over to her, please.

3 THE COURT: All right. Ms. Montgomery?

4 (Pause)

5 MS. MONTGOMERY: ... the objection that the debtor
6 has filed --

7 THE COURT: All right. Ms. Montgomery, I'm going to
8 ask you to start from the beginning, we missed the first few
9 seconds, okay?

10 MS. MONTGOMERY: Sure. Can you hear me now?

11 THE COURT: Yes.

12 MS. MONTGOMERY: So consistent with the proposal that
13 Mr. Morris laid out, I plan to reserve any arguments with
14 regard to the dispute between the Committee and the debtors for
15 now in the hopes that we can get those resolved at the
16 conclusion, and we'll just focus on the objections, if that
17 works for the Court.

18 THE COURT: Okay, that's fine.

19 MS. MONTGOMERY: We've been working diligently with
20 all of the objectors that Your Honor is aware of, as well as a
21 few that did not file objections over the last week or so in an
22 attempt to resolve as many of their concerns as possible before
23 today's hearing.

24 And we're happy to tell the Court that we have
25 resolved some of those objections. We were able to negotiate

1 an out-of-court resolution with regard to an entity called
2 Omnimax International, Inc. without them filing an objection.

3 And we have resolved the objection of Highland CLO
4 Funding Ltd. And pursuant to that agreement with Highland CLO
5 Funding, Highland CLO Funding has requested that the Court
6 order, at the end of today's argument, include a statement that
7 any documents that they produce pursuant to joint privilege
8 aren't subject to a privilege waiver by virtue of their
9 production to the Committee.

10 THE COURT: Okay.

11 MS. MONTGOMERY: And if I missed anything there, I'm
12 sure that counsel for Highland CLO will correct me at the end.

13 THE COURT: Okay.

14 MS. MONTGOMERY: We also have an agreement in
15 principle with Highland Capital Management Fund Advisors, LP
16 and the remaining entities that submitted their objections at
17 Docket 841.

18 Pursuant to that agreement in principle, we have no
19 objection to those entities being treated as parties to a
20 protective order or to having certain data being isolated from
21 review as a preliminary matter subject to reservation of
22 rights.

23 What we don't have an agreement on, Your Honor, is
24 how those documents will be isolated. And we intend to
25 continue working with Highland Capital Management Fund Advisors

1 and K&L Gates to try to knock out the details of that in the
2 coming days. We preliminarily don't believe that it's
3 necessary for you to hear the details of that objection for
4 today.

5 THE COURT: Okay.

6 MS. MONTGOMERY: So with regard to the remaining
7 objections -- my apologies, Your Honor.

8 There are essentially three categories of documents
9 that make up the assorted objections -- the issues that are set
10 forth in the objections. There are some documents that are
11 allegedly confidential, and I think that Your Honor has
12 probably read quite a bit about that in the pleadings that have
13 been submitted to the Court.

14 It's our position, Your Honor, that there's a very
15 strong protective order in place in this case. And that the
16 protective order should be sufficient to handle any
17 confidentiality concerns that have arisen pursuant to the
18 objections.

19 We also believe, Your Honor, that a number of the
20 documents at issue are subject to a joint privilege, and we've
21 briefed this, and it sounds like Your Honor is very familiar
22 with the materials that we've submitted to the Court. And as a
23 result of that joint privilege, we believe that many of the
24 documents that are included in the ESI that we've requested
25 should be made available to the Committee.

1 As you know, Your Honor, there are thousands of
2 companies that have been identified as affiliates of the
3 debtor. Many of those affiliates have shared service
4 agreements with the debtor, in which the debtor provided
5 business functions for these purportedly separate entities.

6 And if you look at my briefing, there isn't any
7 segregation of employees of the debtor that represent each of
8 these affiliates. And instead, the debtor maintains a
9 centralized pool, and whoever can perform the service for the
10 affiliate does so.

11 The basis for most of the remaining objections that
12 we're talking about here today is that these shared service
13 agreements include provision of legal services. And in some
14 instances, for shared IT -- like shared service servers for
15 emails and other documents.

16 Under those shared service agreements, the debtor's
17 in-house legal department provides legal advice to these
18 thousands of entities on as-needed basis. And you're going to
19 hear from the objectors in a moment some of those separate
20 companies are objecting to production of their documents by the
21 debtor, even though those documents are on the debtor's
22 servers, in the debtor's employees' files, and generally
23 available to debtor personnel.

24 We wanted to begin, Your Honor, with the objections
25 to NexPoint Real Estate Advisors. We previously -- we

1 previously discussed NexPoint Advisors and its affiliates,
2 represented by K&L Gates, but obviously there's also a separate
3 objection for NexPoint Real Estate Advisors and affiliated
4 entities.

5 NexPoint Real Estate Advisors argues that it would be
6 unduly burdened if the debtor were to produce documents related
7 to it to the Committee. It's unclear, however, how NexPoint
8 would be burdened by the debtor producing documents, nor is it
9 clear what expense NexPoint would incur as a result of that
10 production.

11 In fact, it appears that NexPoint is attempting to
12 raise defenses that belong to the debtor instead. This may be
13 because NexPoint shares many things with the debtor under the
14 shared services agreement:

15 First, they have shared employees who are employed
16 both by the debtor and NexPoint Real Estate. Although pursuant
17 to the shared service agreement, only the debtor pays the
18 salaries of those shared employees. It shares back- and
19 middle-office services, it shares administrative services,
20 including cohabitating in the same office space on information
21 and belief, and it also shares IT services, possibly including
22 servers, and in-house counsel that provide assistance with
23 advice with respect to legal issues.

24 Despite all of the shared services, NexPoint is
25 arguing that it should be given a separate and independent

1 opportunity to review all documents possibly related to it, and
2 to decide what it relevant, responsive, and privileged.

3 Your Honor, it's the Committee's position that
4 NexPoint chose to commingle its data with that of the debtor;
5 to share in-house counsel with the debtor; to co-office with
6 the debtor; to share employees with the debtor; and to
7 generally allow the debtor to provide many of its services.
8 But now it believes it has a separate ability to review
9 documents in the debtor's possession before they're produced to
10 the Committee. And this is the sort of gamesmanship that we've
11 been trying to avoid through the motion to compel.

12 NexPoint may very well be the subject of estate
13 claims, it's impossible for us to know at this point because we
14 don't have access to the data that's necessary for us to
15 determine what estate claims might exist. And we don't believe
16 that NexPoint should also have the ability to dictate to the
17 estate which documents the estate -- that the estate already
18 possesses and needs to investigate those claims.

19 With regard to the various Rand entities and Atlas, I
20 believe Your Honor referenced Atlas when we began. Essentially
21 the same argument appears to apply with Rand, although to a
22 somewhat lesser extent.

23 The objection for Rand is slightly different in that
24 it focuses on the shared IT infrastructure with the debtor, and
25 not necessarily the custodial data for nine individuals that

1 were the subject of the motion to compel.

2 Unlike with NexPoint, it doesn't appear that Rand has
3 legal services provided by the debtor.

4 And their objection primarily focuses on the
5 potential that there is Rand data on servers that are
6 accessible by the debtor which, in itself is an indication that
7 the data may not have been maintained separately as to Rand
8 and, therefore, confidentially. And as such, any privilege
9 related to data contained on that server as to Rand would be
10 waived.

11 That said, we are amenable to their request to be
12 made party to the protective order. And that all data related
13 to them be produced as highly confidential as a preliminary
14 matter, subject, of course, to our ability to request a de-
15 designation of that data where the default designation appears
16 to be improper.

17 The next objection is CLO Holdco. CLO Holdco also
18 argues that there may be data among that of the nine
19 custodians, all of whom are employees of the debtor, that
20 relate to a privilege held exclusively by CLO Holdco. We don't
21 believe that that position is tenable.

22 The briefing on this particular objection, Your
23 Honor, includes some back and forth with regard to Teleglobe,
24 and related cases.

25 Teleglobe is one of the foundational cases on the

1 issue of privilege with regard to business affiliates. And it
2 provides that communications between affiliates can maintain
3 privilege because the members of a corporate family are joint
4 clients, and this reflects both the separateness of the entity
5 and the reality that they are all represented by the same in-
6 house counsel.

7 We don't believe that Teleglobe stands for the
8 position that there can be completely separate privileges held
9 by affiliates with the in-house counsel that is employed by the
10 parent company, or any other member of an affiliate family.

11 As a result, either the communications are subject to
12 a joint privilege, and the debtor having access to the
13 communications isn't a waiver of confidentiality requirements
14 of privilege, or there is no common interest. There is no
15 joint client interest, and the debtor having access to the
16 documents is a waiver. But either way, the Committee should be
17 provided with the documents under the terms of the final term
18 sheet because the Committee is standing in the debtor's shoes
19 with regard to those estate claims, and the debtor has
20 conceded, and the Court has, you know, ordered that those
21 documents should be -- that the privilege isn't waived. The
22 privilege should be shared with the Committee, it's not
23 waived.

24 Separately, CLO Holdco has argued that it should be
25 able to conduct an independent review of the documents. As you

1 know, and I think we referenced in our hearing last week, the
2 impetus for the motion to compel is specifically the need for
3 expedited access to documents related to CLO Holdco so that we
4 can comply with the Court's 90-day deadline.

5 CLO Holdco entered into the shared service agreement,
6 it agreed to allow the debtor have access to this material, the
7 debtor has that data. And we don't think they can now seek to
8 claw back access to the ESI that's in the debtor's possession.

9 The remaining objectors, Your Honor, stand in a
10 slightly different position. CCS Medical and MGM, in
11 particular, are bringing objections, not based on the shared
12 service agreement, but based upon the facts that there are
13 employees of the debtor that have served in board positions for
14 each of those entities.

15 But, you know, based on the information that we have
16 to date, we understand that that -- that those board positions
17 were obtained pursuant to investments or other relationships
18 with the debtor, and that the debtor has or had relationship
19 with those entities outside of the board position. And those
20 additional relationships that are separate from board
21 membership make it very difficult to craft searches that would
22 exclude only outside information related to board service.

23 And so while the Committee doesn't necessarily have
24 an objection to attempts to isolate the communications that are
25 truly related to board service, we've had difficulty

1 negotiating the terms of what that would look like with MGM, at
2 least. We haven't had an opportunity to speak with CCS Medical
3 because -- because of its overlap, Your Honor.

4 We also think -- and this is set forth in our
5 documents -- that it's possible that the documents that were
6 shared with the debtor are -- have been waived, to the extent
7 that there was any privilege associated with it because of the
8 way that the debtor maintains its email servers.

9 And then I believe finally, the last objection that
10 has been filed with the Court for today is from Mr. Dondero.
11 And he argues that any data related to information that's being
12 produced under the protocols should not be made available to
13 Josh Terry, Acis Capital Management GP LLC, or Acis Capital
14 Management LP.

15 But there's nowhere in Dondero's briefing that sets
16 forth a basis of law for a categorical restriction of that
17 nature. And as you know, Mr. Dondero and his affiliated
18 entities are at the center of the Committee's investigation of
19 the estate claims. And we believe imposing a categorical
20 confidentiality ban against one member of a Committee would
21 considerably complicate and impede that investigation.

22 We understand a desire to have any documents that are
23 created in connection with pending litigation between Acis and
24 the debtor, Dondero, and other Dondero-related parties, that
25 that information be marked as attorneys' eyes only, highly

1 confidential so that only outside counsel has access to it, but
2 that's not really the basis for Mr. Dondero's objection, and as
3 a result, we don't believe that objection has value.

4 And then, Your Honor, I don't know to the extent you
5 intend to hear from NexBank Capital and its affiliates, and so
6 if -- I would like to reserve any sort of response to them --

7 THE COURT: Okay.

8 MS. MONTGOMERY: -- to the extent that you allow them
9 to speak.

10 But, you know, in concluding, Your Honor, the debtor
11 and its affiliates have interwoven so much of their operations,
12 their legal services, and even their data storage, that it's
13 incredibly difficult to try to pick apart the data, with the
14 exception of MGM and CCS, the objectors here today agreed to
15 those shared services, and now they want to argue that what was
16 shared was actually separate.

17 The Committee has been tasked with investigating the
18 estate's claims against the very affiliates that now seek to
19 unwind their information and said that unnecessary burdens to
20 production. And as a result, we request that those objections
21 be overturned, that the motion be granted, and that the ESI
22 subject to the motion to compel be produced to the Committee.

23 THE COURT: All right. Well, let me -- I'm just
24 going to go down the list of objectors.

25 Let me start with the two that Ms. Montgomery

1 announced have been resolved: Highland CLO Funding Limited.
2 Matsumura, were you going to be the one to weigh in on
3 confirming that?

4 MS. MATSUMURA: Yes, Your Honor. I can confirm we've
5 reached an agreement with the Committee that the documents that
6 are -- contain confidential and privileged information of HCLOF
7 will be produced on a highly confidential designation under the
8 protective order, so that will be only the Committee's
9 professionals.

10 And that as Ms. Montgomery stated, any of the
11 documents produced by the debtor pursuant to this agreement
12 will not be construed as a waiver of any privilege that the
13 funds share of those documents.

14 THE COURT: Okay; thank you.

15 All right, what about HMC Fund Advisors? I
16 understand that your issues have been resolved, you're still
17 working out a couple of things, but who wants to weigh in on
18 that to confirm that?

19 MR. WRIGHT: Good afternoon, Your Honor. It's James
20 Wright at K&L Gates for -- actually a number of entities that
21 are all at Docket 841. There was an objection at 841 that's
22 HMC Fund Advisors, NexPoint Advisors, and then a number of
23 individual funds, and I will not burden the record with listing
24 each of them out.

25 THE COURT: Thank you.

1 MR. WRIGHT: I agree with the Committee's summary,
2 that we have made a lot of progress.

3 There are some technical things that we're still
4 working out, but I think that we're -- you know, we've been --
5 we've made a lot of progress, we've been working in good faith,
6 and -- get there -- but we just need a minute to -- we were on
7 the phone with them, frankly, ten minutes before this hearing
8 started, I think we just need a little bit more time.

9 THE COURT: Okay; thank you.

10 All right. Well, why don't we start with Mr.
11 Dondero, and your objection which I understand deals mostly
12 with Acis and Josh Terry.

13 Go ahead.

14 MR. LYNN: Thank you, Your Honor.

15 As you've gathered, our concerns are somewhat
16 different from the other parties who are objecting. Mr.
17 Dondero agreed to the arrangement involving shared privilege in
18 allowing the Committee the kind of discovery that they're
19 seeking here.

20 And accordingly, we would (indiscernible) object to
21 what they're doing.

22 But as I understand the Committee's response to the
23 Dondero response to the motion to compel, (indiscernible)
24 because, first, there is no basis in law (indiscernible) Acis
25 and Mr. Terry (indiscernible) and participate (indiscernible)

1 in consideration of the estate claims.

2 And second, (indiscernible) and I quote,
3 "considerably complicate and impede the Committee's
4 investigation."

5 Even assuming for a minute that Acis and Mr. Terry
6 are so central to the investigation that their absence from it
7 could not be tolerated by a Committee, just as there may be
8 nothing in the statute that permits the Court specifically to
9 restrict Mr. Terry and Acis's access to information so, too,
10 there's nothing in the Bankruptcy Code or the Bankruptcy Rules
11 that prevents the Court from doing so.

12 There is (indiscernible) the authority for the
13 Bankruptcy Court to grant what Mr. Dondero asks, which is that
14 Acis and Mr. Terry be excluded from the information gained by
15 the Committee during the course of its investigation. Section
16 105, as this Court is acutely aware, is the problem-solving
17 section of the Bankruptcy Code that allows the Court to fashion
18 results that may be necessary to fill in gaps that the Code
19 leaves open.

20 There was nothing in the law that authorized it, even
21 before the passage of Section (indiscernible) of the Code, it
22 was common for (indiscernible) representatives are
23 (indiscernible). And, indeed, (indiscernible) representatives
24 are also (indiscernible) in other (indiscernible).

25 Similarly, I know of nothing in the Code or the Rules

1 that provides for the retention of a Chief Restructuring
2 Officer. Yet, Section 105 has allowed for that necessary post,
3 as is true (indiscernible) which are also not provided for in
4 the law.

5 In this case, (indiscernible) Section 105 has been
6 used to justify an independent board, and to justify the very
7 same privilege that is at the root of the disputes. Section
8 105 (indiscernible) to justify the removal by a court of a
9 member of the Creditors' Committee. That's in the First
10 Republic Bank Corporation case, Judge Felsenthal determined
11 that he had the authority to remove, and he chose to remove, a
12 member of the Creditors' Committee. A similar result was
13 reached in the MAP International case out of the Eastern
14 District of Pennsylvania, and a similar result (indiscernible)
15 following Judge Felsenthal was reached by the Bankruptcy Court
16 for the District of Arizona in In Re America West Airlines.

17 If the Bankruptcy Court has authority pursuant to
18 Section 105 to remove a Committee member, clearly Section 105
19 gives authority to the Court to eliminate a member's access to
20 and involvement in an investigation that will give that
21 Committee member a leg-up in discovery in another case.

22 In the litigation commenced by Acis is, indeed, in
23 another case, not in this case, and the litigation is intended
24 to provide a benefit -- a windfall to Mr. Terry, not to provide
25 (indiscernible) who he is supposed to be representing as a

1 member of the Creditors' Committee.

2 As pointed out in an article in The Review of Banking
3 and Financial Services in October of 2016, "Members of a
4 Creditors' Committee may not use their positions as Committee
5 members to advance their individual interests." And I'm
6 quoting there the MAP International case. Similarly, that
7 fight has been made by Collier in Paragraph 1102.05[3] of the
8 Collier treatise.

9 Indeed, the Acis litigation may not only drain assets
10 from Highland, it may reduce the (indiscernible) Dondero and
11 other potential defendants in the same causes of action as to
12 their ability to (indiscernible) any judgment that defendants
13 may manage to obtain.

14 Under those circumstances, unsecured creditors
15 represented by Acis and Mr. Terry will have their recovery
16 reduced by virtue of those judgments.

17 It is clear that the Bankruptcy Court may restrict a
18 committee member's access to information, as Collier points
19 out, where a member of a committee is a competitor of the
20 debtor, as, indeed, Acis is, the member may be restricted as to
21 the information that the member gets so it does not obtain
22 competitive advantage.

23 I recognize that the same claims may be, indeed, a
24 central concern of the Committee, (indiscernible) with Acis and
25 Mr. Terry creates serious problems, perhaps Mr. Terry should

1 resign from the Committee or be removed.

2 In fact, in this case, when UBS filed the motion for
3 relief from stay in order to pursue litigation in New York,
4 very properly, UBS excluded itself -- recused itself from
5 discussion of the motion for relief from stay. And Mr. Terry,
6 I respectfully submit, should do the same here.

7 Further, as far as complicating and repeating the
8 Committee's investigation, and the Committee did not elucidate
9 how that would happen, whatever trouble or cost (indiscernible)
10 Acis and Mr. Terry may cost is nothing compared to the trouble
11 and cost to the debtor of complying with a request for millions
12 and millions of communications.

13 In conclusion, Your Honor, in litigation such as that
14 being pursued by Acis in the Acis case, as courts have said,
15 the Federal Rules were designed to create, quote, "a level
16 playing field," end quote.

17 A couple of those cases, the Hillsborough Holding
18 decision of the Bankruptcy Court out of the Middle District of
19 Florida; Allstate Insurance versus Electrolux out of the
20 Northern District of Illinois; and Passlogix, Inc. versus 2FA
21 Tech out of the Southern District of New York.

22 Yet the motion to compel is brought without
23 protection from (indiscernible) that Acis seeks, there clearly
24 will be no level playing field in that litigation. And the
25 commitment of this Court (indiscernible) in general to

1 (indiscernible) litigation processes will be undermined.

2 Your Honor, if anybody wants cites to any of these
3 authorities that I provided to the Court, I'll be happy to
4 provide them.

5 THE COURT: All right. Thank you, I appreciate
6 that.

7 I'm going to go next to --

8 MR. LYNN: Your Honor, I didn't hear you.

9 THE COURT: Pardon? I thanked you for your argument,
10 and I do not need those case cites.

11 I'm going to go next to CLO Holdco. Mr. Kane, will
12 you be making the argument there?

13 MR. KANE: Yes, Your Honor, I will; thank you for the
14 time. This is John Kane for CLO Holdco, for the record.

15 And first, I want to start by kind of acknowledging
16 that we really did take to heart what you said previously in
17 attempts to avoid unnecessary litigation. I've been working
18 with Ms. Montgomery for over a week now in an effort to try and
19 resolve some of our concerns about the discovery requests, at
20 the same time trying to be mindful of what I believe to be my
21 client's privileges and our right (indiscernible) the party
22 that reviews documents and produces them.

23 We are -- CLO Holdco is subject to a request for
24 production of documents from the Committee. We are working to
25 prepare a review, to obtain all of the requisite documents to

1 have a fulsome production to the Committee. And Ms. Montgomery
2 and I have had conversations about how that production will
3 take place. While we acknowledge that there are obviously some
4 timing concerns here given the 90 days relating to that
5 registry order that was relatively recently entered.

6 So we've mindful of all of those issues, and our
7 dispute here is about whether we're giving up privileged
8 documents or whether we aren't.

9 It's our position that since that request for
10 production of documents to CLO Holdco, CLO Holdco has a right
11 to review those documents, and to produce documents in
12 accordance with the Federal Rules. And that the request by the
13 Committee to have all ESI produced by these various custodians
14 basically provides an end around to the request for production
15 of documents delivered to CLO Holdco. And it does look through
16 the guise of this joint client privilege exception to the
17 general privilege rules.

18 But we've got a fundamental misunderstanding of the
19 law by the Committee as the exception applies to the general
20 rule of privilege. And it basically breaks down to a simple
21 analogy, one we can apply to the case of law. The analogy
22 would be like if our firm, Kane Russell Coleman and Logan,
23 represented Texas Capital Bank and Wells Fargo on a bunch of
24 separate matters, and then because we had a great relationship
25 with both, we are going to represent Texas Capital Bank in a

1 merger with Wells Fargo, and we are going to be retained as
2 kind of a mutual third party counsel by both sides to help
3 manage this merger.

4 Now if that merger representation turned into a later
5 dispute between the parties, the correspondence between Wells
6 Fargo and Kane Russell Coleman and Logan, and the
7 correspondence between Texas Capital Bank and Kane Russell
8 Coleman and Logan would not be precluded from production to
9 either party as long as it were (indiscernible) representation.
10 They have the same counsel for the same representation. So
11 that this idea of privilege doesn't really apply the same way.
12 Those documents pass back and forth, I have a duty to both of
13 those clients equally.

14 But what they wouldn't be able to obtain is, let's
15 say, Texas Capital Bank's request for production of documents
16 to me, counsel, seeking all correspondence that I have ever had
17 with Wells Fargo on any other matter, regardless of whether it
18 was -- it was related to or unrelated to a joint
19 representation. And really, that's what the Committee is
20 trying to do here, they want all ESI, there are no parameters.
21 So it doesn't matter if there's a joint representation on a
22 specific matter between CLO Holdco and the debtor, what the
23 Committee is asserting is because they use the same counsel,
24 that all matters or all correspondence between counsel for the
25 debtor, all internal counsel, and counsel for CLO Holdco, since

1 it was essentially the same person, the same people, all of
2 that is subject to production.

3 So here's an example of how this plays out, Your
4 Honor. At our last hearing, you heard a bunch of testimony
5 about a transfer of Highland, the debtor's interest in the
6 Dynamic fund, and how on December 28, 2016, with one document,
7 we can trace -- I'm sorry -- we can trace this trail of
8 transfers from Highland to CLO Holdco, and we know that
9 Highland's internal counsel was representing both sides of the
10 deal. They were representing the debtor, they were also
11 representing CLO Holdco as the creation of those documents was
12 done for both parties by the same entity and the same
13 transaction, that's critical.

14 So do I have an assertion of privilege for CLO Holdco
15 in that situation? No, I don't believe that I do. I think
16 that joint client exception that's addressed in Teleglobe, and
17 Nguyen, and in the Nester decision that's cited by the
18 Committee in their pleadings precludes me from stopping the --
19 or the disclosure of documents that were between internal
20 counsel and CLO Holdco as they're related to that dynamic
21 transaction because internal counsel at Highland represented
22 both sides of the deal.

23 But there are other representations taken up by
24 internal counsel for Highland under the shared services
25 agreement between CLO Holdco and Highland that really don't

1 have anything to do with Highland. So much (indiscernible)
2 litigation, we'll say, between CLO Holdco and some other party
3 like U.S. Bank that does not have Highland Capital Management
4 as a party to that litigation, and could not have Highland
5 Capital Management as a party to that litigation.

6 (Indiscernible) under this joint client privilege
7 exception that the Committee is asserting should control this
8 entire deal. So in a situation like that, I would still be
9 able to review and withhold documents that were privileged,
10 attorney-client communications, or work product communications
11 without having to disclose those to the Committee even though
12 the Committee stands in the debtor's shoes. Because there is
13 this isolation, Highland is not a party that is jointly
14 represented in that transaction.

15 So all of the documents that have been exchanged
16 between CLO Holdco and the debtor in representations where the
17 debtor is not an active participant as a party in a joint
18 representation, all of that documentation is the sole property
19 of CLO Holdco. It shouldn't be subject to disclosure simply
20 because one of these custodians engaged in correspondence with
21 CLO Holdco.

22 So, for instance, the Argentina Bank, let's say, if
23 Highland is not being represented in a transaction with CLO
24 Holdco related to the Argentina Bank, and Grant Scott, as
25 trustee of CLO Holdco, inquires internally about a -- let's say

1 a NAV statement related to its interest, that's not necessarily
2 a document that would have to be produced to the Committee
3 because it is a potentially privileged communication if it was
4 with one of the attorneys in-house.

5 Now that doesn't mean that everything is going to be
6 privilege, or that there aren't going to be a significant
7 number of these joint client privilege exceptions where we have
8 to disclose attorney-client communications because Highland was
9 on the other side of the transaction, but that's something that
10 I should be reviewing as CLO Holdco's attorney, and identifying
11 documents for a privilege log, and then having a conversation
12 with the Committee's counsel about whether these are subject to
13 the joint client privilege exception, or whether they are truly
14 privileged documents or not.

15 So we've already got a request for production out
16 there. I mean presumably, Your Honor, this is already -- you
17 know, this is already underway. What we just want to do is try
18 and protect the documents that are actually privileged
19 communications or work product communications from disclosure
20 to the Committee.

21 THE COURT: All right; thank you, Mr. Kane.

22 Let me hear next from NexPoint Real Estate Financial.

23 (No audible response heard)

24 THE COURT: All right. I can't hear you. Is this
25 Ms. Drawhorn who will be addressing this one?

1 MS. DRAWHORN: Can you hear me -- can you --

2 THE COURT: Yes.

3 MS. DRAWHORN: Can you hear me now?

4 THE COURT: I can.

5 MS. DRAWHORN: Okay. I had to unmute both my phone
6 and the -- and the computer, okay.

7 Lauren Drawhorn on behalf of NexPoint Real Estate
8 Finance and the 15 related entities and -- that are listed on
9 Docket 847, I won't go through them all.

10 So our -- one of the -- we've got a couple issues
11 with the motion to compel relative to our shared services
12 agreement with the debtor, and largely because of the breadth
13 of the request wanting ESI from all nine of these custodians.
14 And we have concerns that because there are no limits on that
15 request, that we've got our confidentiality and privilege
16 issues that are concerned about.

17 The real estate entities are -- NexPoint Real
18 Estate entities are typically traded, and there are some
19 regulatory constraints that we have on the dissemination of
20 information and it being public. And so obviously we need to
21 protect those interests and try and prohibit the disclosure of
22 information.

23 While there -- while the NexPoint Real Estate
24 entities do -- did have a shared services agreement, it is the
25 businesses unrelated to and separate from Highland, except for

1 the occasional times when they co-invested.

2 So generally speaking, they were separate businesses.
3 Any use of services from Highland employees under the shared
4 services would be for separate deals. And so because they're
5 separate, we believe that it's unlikely that they would be
6 relevant to the estate claims.

7 In other words, the request should be narrowed to
8 limit the amount of information that's not related to the
9 Committee's estate claims, (indiscernible) related to NexPoint
10 Real Estate entities' deals and confidential information and
11 business information.

12 The other issue we have in connection with
13 confidentiality is in connection with NexPoint Real Estate's
14 entities business operations. They continue to receive
15 information electronically from third parties that have been
16 the subject -- that information was provided subject to
17 confidentiality agreements there. So under those agreements
18 with other parties, there are requirements and obligations for
19 NexPoint Real Estate entities to notify those parties and
20 provide them an opportunity to object.

21 So we are wanting the additional protections and
22 limits on the discovery to protect this confidential
23 information and our obligations to other parties, and to
24 regulatory entities.

25 We also have concerns on the privilege -- any

1 privilege information, again, since these custodians were
2 counsel, and provided -- occasionally provided legal advice in
3 connection with NexPoint Real Estate entities' deals that,
4 again, were unrelated to Highland and separate from the debtor.
5 That information will be -- would be privileged and
6 (indiscernible) NexPoint Real Estate entities' privilege
7 (indiscernible) position you just heard, and the Committee's
8 response is that that was waived or part of this joint client,
9 and we disagree with that. Where the legal advice was given on
10 a separate matter, there would be no joint privilege between
11 the NexPoint Real Estate entities and the debtor. We think
12 that that privilege should be protected, and the privileged
13 documents should be withheld from the production.

14 The Committee responded by their -- that we -- that
15 NexPoint Real Estate entities are not burden. We did argue in
16 our objection that this request, under 26(b) (indiscernible)
17 because it was also an undue burden because it's so broad -- so
18 broad. And that burden (indiscernible), as you know, isn't
19 required to be the physical burden of us going through and
20 producing documents. An undue burden encompasses the invasion
21 of confidential information and privilege concerns. So we
22 think that there is a good basis to limit the information that
23 is being produced to protect NexPoint Real Estate entities'
24 confidential information and business information.

25 So what we're requesting we suggested in our

1 objection was to allow NexPoint -- the NexPoint Real Estate
2 entities to have input on the search terms that would narrow
3 the production and potentially exclude the NexPoint Real Estate
4 entities' confidential information, information that would be
5 unrelated to the Committee's estate claims.

6 We also requested that NexPoint be given an
7 opportunity to review the documents -- the NexPoint documents
8 before produced -- and this is similar to what is my
9 understanding the debtor would -- for all of the -- the
10 previous production that was provided. So it is my
11 understanding that before the debtor produced any document that
12 instituted the shared services agreement, confidentiality
13 privileges, they contacted that party and said "Here's this
14 document that we're going to produce, are you okay with it?
15 Are you okay with it, is there any objection?"

16 And so that's all we're requesting is an opportunity
17 that the NexPoint documents that -- that are potentially giving
18 -- to make sure that they're designated correctly under the
19 protective order, so as highly confidential versus
20 confidential, again, because of those confidentiality concerns
21 that I mentioned earlier. And then also to confirm the
22 privilege designation and to make sure anything privileged is
23 not being produced.

24 And then the last request we have is just to make
25 NexPoint a party to the protective order so that we are able to

1 obtain those protections as the highly confidential and
2 confidential designations.

3 THE COURT: All right; thank you, Ms. Drawhorn.

4 All right, let's see. How about we hear from Atlas
5 IDF GP next.

6 MR. KEIFFER: Thank you, Your Honor. Paul Keiffer
7 for the Atlas IDF entities and parties located at -- or I
8 should say named at Docket Number 837, I won't burden the
9 Court, as others have not done, as well, with the full list of
10 parties.

11 And also taking in mind -- or keeping in mind what
12 the Committee has done as far as discussing issues, I want to --
13 - I have just a few points:

14 First off is that my clients don't have a specific
15 concern with the ESI request. The shared privileges and the
16 joint privilege is supposed to hold, we want that to hold as it
17 has been requested for everybody else, and I think that was the
18 intent of the Committee in regard to that point.

19 It's also, as the Committee indicated, between the
20 debtor and the -- I'm sorry -- between the Committee and the
21 Rand Advisors' related entities that they want to be expressly
22 involved or brought into the agreed protective order. Lots of
23 documents are being requested, not so much through the
24 electronic -- the ESI, but through the fourth production of
25 documents request that we got that -- which we received on the

1 9th of July that gave us six days to respond to, and that's why
2 we started talking and having discussions with the Committee
3 about this.

4 But there -- there there's all these document
5 requests, and we have our own fiduciary duties, we -- either
6 contractually, statutorily, or regulatorily. And as the
7 Committee noted, they'd be perfectly fine with having us being
8 brought into (indiscernible) -- whatever you want to call the
9 right under the coverage of agreed protective order. We're not
10 expressly under it because we're -- we're not a specific party
11 to it, but we need to be -- we feel it's the most appropriate
12 for us, too, in this context, and they've acknowledged that
13 it's a reasonable step to be added to the agreed protective
14 order, so we're happy with that.

15 As far as the documents being produced, the only --
16 the principal attached -- the principal issue for Rand Advisors
17 there is that it's principally its email server issue. Rand
18 Advisors, and the others, have their on documents on its own
19 servers, as best as I understand. And so it's really more
20 documents that would be appended to emails and discussions
21 between the parties, either in the context of (indiscernible)
22 some of the nine individuals that are custodians, that they're
23 described as custodians or otherwise.

24 But the UCC has agreed to let whatever documents are
25 produced in that context, both through the ESI and through the

1 request for production that's outlined there, that we're having
2 to respond to under the shared services agreement with the
3 debtor. But those would also be subject to highly confidential
4 status, subject to the Committee seeking to downgrade to
5 confidential, or not confidential at all.

6 Now the other issue is the attorney-client privilege
7 where Rand Advisors and the others were generally using
8 RandAdvisors.com suffix, would have negotiations and
9 discussions with its own private counsels. And the question
10 here, we don't -- I'm not sure whether or not the shared -- I
11 mean the servers are or are not sufficiently silo'd or
12 otherwise.

13 But we really don't have that hard of an issue here -
14 - that difficult of an issue here as we only -- there's only
15 three defined suffixes that are out there that would be of
16 concern to the Rand Advisor entities, and those are suffixes
17 such as romclaw.com, our law firm, we didn't realize that that
18 was the case. Also, there would be maybe Sadis -- Sadis or --
19 another law firm, maybe three or five suffixes we need to have
20 set aside for attorney-client privilege review. And if we have
21 those, I think that the Rand Advisor group has gotten what they
22 -- what they think is reasonably appropriate under the
23 circumstances.

24 And we're not asking the Court to, you know -- well,
25 we don't see this as truly a request for production, it's kind

1 of a hybrid kind of a (indiscernible). But under the shared
2 services and the final term sheet, and that allows access, lets
3 the Committee be the debtor and get to many things, but yet
4 they use request for productions as a methodology to say what
5 they're looking for, but they're not really requests for
6 production, per se, because it's -- I've already got it now,
7 this is (indiscernible) debtor, it's what we can look at.

8 And so we're wanting to make sure that we have under
9 our side of this relationship under the shared service
10 agreement some modicum of protection for its specific attorney-
11 client issues that it has. We recognize the joint privilege
12 issue, that's going to (indiscernible). But there are three to
13 five very simple suffixes as we can give to the Committee for
14 doing its search (indiscernible) romclaw.com, that's my law
15 firm, it would know not to go -- you know, set those aside.
16 There's one or two other law firms that they deal with
17 specifically, and if they go through the next step, and it
18 turns out that there's three or four other people on the email
19 that aren't part of Rand Advisor that's something with the
20 debtor or some third party altogether, then sure, there's no
21 privilege there.

22 But if it's the discussions between Rand Advisor
23 entities and its counsels specifically, then it should be
24 something that's set aside and reviewed in a different manner.
25 And I don't think it's really even close to burdensome in the

1 context of how much is going on in this case, and how many
2 documents are going to be reviewed.

3 That's principally our concern. We are -- that's
4 another suggested solution to deal with the two elements that
5 we raised in our response on Pages 6 and 8 to a likely
6 solution, which is to basically deal with attorney-client
7 privileges, subpart C, is just to have these exclusion --
8 exclusionary suffixes to address that, very simple.

9 The rest of this, as far as having a log to keep
10 produced items in its context, to be able to (indiscernible)
11 what documents were produced, well, that's probably a bridge
12 too far. We don't need to have that, we don't think that's
13 (indiscernible) concern for us.

14 So keeping up with the few things, the agreed
15 protective order being made expressly applicable to us so that
16 for our purposes, when we have to deal with issues of
17 confidentiality regarding our clients contractually,
18 statutorily, or regulatorily, that's the (indiscernible) I
19 think there's always a legal process (indiscernible).

20 Two, that everything gets a highly confidential
21 status initially, and subject to being downgraded, obviously
22 with notice and opportunity to object.

23 And then lastly, just that the three suffixes be
24 added to the review standard so that -- three to five suffixes,
25 and I'll have those easily enough in the next few days to give

1 to the Committee to allow me to preserve its attorney-client
2 privilege without having to go into the issue of whether or not
3 this is a means by which Rule 34, or the other appropriate
4 discovery rules, are really being invoked or not in this
5 context, or whether this is just "I'm standing in the debtor's
6 shoes, and I should be able to do these things." It's --
7 that's an odd -- we can bypass that oddity by dealing with
8 those requested suffixes being set aside.

9 THE COURT: Okay; thank you.

10 All right, let's hear from CCS, please.

11 MS. STRATFORD: Good afternoon, Your Honor. This is
12 Tracy Stratford from Jones Day on behalf of CCS Medical.

13 THE COURT: Okay.

14 MS. STRATFORD: Our concern is relatively narrow and
15 unique. CCS is one of the country's leading providers of home
16 delivery medical services. And so they deliver things like
17 insulin pumps and orthotics to people in their homes.

18 Two of Highland's employees, Mr. Parker and Mr.
19 Dondero, were directors of CCS Medical. And so CCS Medical
20 sent information to them, sensitive business information about
21 the strategic direction of the business, about pricing, about
22 what the business would be doing or wouldn't be doing, about
23 decision-making that would happen within CCS Medical. That
24 sensitive information was sent to the director, including these
25 two individuals who were employed by Highland at their Highland

1 email addresses.

2 All we're asking is for the ability to look through
3 these emails first so that we can identify anything that is
4 competitively sensitive, so that we can identify anything that
5 is privileged, and talk to the Committee about it separately.

6 We don't know, frankly, what the claims are that the
7 Committee is looking to press, so I can't say that none of it
8 is relevant, although it doesn't seem to be particularly
9 relevant to what's being discussed today.

10 But to the extent that some of those documents might
11 be relevant, the non-privileged ones, but commercially
12 sensitive ones, we want to have that discussion. We would like
13 the ability to look at those documents first, and that would be
14 at our cost, so there's no cost to the estate. We don't think
15 it would take particularly long.

16 And we would have offered the solution directly to
17 the Committee, but they wouldn't return our phone calls. So
18 we've sent emails, we've called them, and heard nothing back.
19 We would have loved to have negotiated this, but that didn't
20 happen.

21 The only argument that the Committee makes in
22 response to our suggestion, which were laid out pretty clearly
23 in our very short objection, is that there's a privilege waiver
24 here, or a waiver of confidentiality because we sent this
25 information to these two board members who were employed by

1 Highland. (Inaudible) as a matter of law. And the very case
2 that they cite in their papers explains that.

3 If you take a look at the In Re Royce Homes case that
4 they cite in their response to the objection, what they say is
5 that once you send confidential information to another
6 corporation, the privilege is automatically waived. That's not
7 the case.

8 In fact, if you look at that case, it's very lengthy
9 because the Court looks at a number of factors. And amongst
10 those factors is the expectation that the sender has that the
11 recipient will be able to maintain the information as
12 confidential or protected.

13 Here we have two executives at Highland who were
14 receiving information as members of the board of directors,
15 they controlled the company, they had the ability to control
16 who reviewed their email, and CCS Medical had every reason to
17 believe that those two directors would preserve their duty of
18 loyalty to the company and maintain their individual emails as
19 confidential. There's no waiver under that circumstance.

20 But to the extent that this issue is one that needs
21 to be decided, it can't be decided on these papers because none
22 of those facts are before the Court. None of the factors that
23 are discussed in the In Re Royce Homes case are -- have been
24 briefed.

25 And so to the extent that we're going to discuss a

1 waiver, we would like the opportunity to do that. We don't
2 think the Court ever needs to reach this issue because we think
3 that we can, in a very efficient and effective way, screen the
4 emails by just having the vendor search for particular domains,
5 review them ourselves, identify what's privileged. And what's
6 not privileged, we can turn over.

7 To the extent there's any dispute later on, we can
8 bring it before the Court at that time, but we think this is an
9 easy problem to solve, Your Honor.

10 THE COURT: Thank you.

11 MS. STRATFORD: Thank you.

12 THE COURT: All right.

13 Well, let's see who I missed. Ms. Drawhorn, did you
14 have a separate argument for MGM?

15 MS. DRAWHORN: Yes, Your Honor.

16 THE COURT: Okay, go ahead.

17 MS. DRAWHORN: I do.

18 THE COURT: All right.

19 MS. DRAWHORN: And so MGM is in a similar situation
20 to the party you just heard. And the only reason that MGM is
21 being pulled into the discovery dispute is because Mr. Dondero
22 served as a director on the -- on the board of directors for
23 MGM.

24 So we also believe -- and we have been in discussions
25 with the Committee about potentially pulling out or excluding

1 certain MGM information just by providing a list of the emails,
2 the dot-com of the other executives, or executive assistants,
3 or other board of directors members who would be sending
4 confidential information that was circulated just because --
5 for purposes of the board of directors of MGM and for MGM
6 business matters.

7 So we -- we agree and -- or disagree with the
8 Committee, and agree with the position you just heard. The
9 Committee's response to our -- to MGM's objection is that we
10 waived by sending confidential MGM information to Mr. Dondero's
11 account at Highland, that waived conference or privilege, and
12 we disagree with that. We -- we just heard that sending to an
13 employer's email account in and of itself is not sufficient to
14 waive privilege or confidentiality. There are a multitude of
15 factors that need to be considered, including the expectation
16 of privacy in considering the fiduciary duties of board of
17 directors under California law, which is where MGM operates.
18 That that confidentiality is one of the fiduciary duties.

19 We would expect that sending information to our
20 directors would remain confidential. And just the mere fact
21 that he utilized his -- Mr. Dondero utilized his Highland email
22 account would not be sufficient to waive any confidentiality or
23 any privilege.

24 And then I -- I -- it is hard to believe that
25 anything MGM-related would be extremely relevant to the

1 Committee's claims, but regardless, I think there's an easy way
2 to pull that information and make sure that nothing is being
3 disclosed, which would be by providing these specific email
4 addresses of outside counsel to MGM's board of directors.
5 We've got, you know, two -- two counsels that would not have
6 provided any services to the debtor, that we can say anything
7 at those email addresses should get excluded from production.

8 Same with the outside advisors to the MGM board, we
9 can easily provide that email address and have that information
10 excluded.

11 And then as to the other confidential MGM
12 information, we have a list of the executives and their
13 assistants, we would have provided -- and other board members,
14 we would have provided that. I just think it should be fairly
15 easy to give those email addresses and exclude them from the
16 production, and make sure that that confidentiality and
17 privilege is maintained and protected.

18 THE COURT: All right; thank you, Ms. Drawhorn.

19 Okay, NexBank's counsel, you were going to try to
20 knock my socks off with a reason why I should hear your
21 argument today when you didn't file an objection. So, Counsel,
22 now's your chance.

23 MR. SLADE: I appreciate it, Your Honor; thank you
24 very much. Jared Slade of Alston & Bird for NexBank.

25 NexBank advances the same arguments about concern of

1 counterparty confidential information, as well as attorney-
2 client privilege concerns. And to that end, it's requested
3 some preview time to be able to review the documents and
4 provide the appropriate search terms.

5 I think there are three things which will happen in
6 the next 50 seconds that make us differently situated:

7 The first is unlike the other objectors, our shared
8 services agreement provides expressly that debtor shall take
9 all options, legal or otherwise, that are necessary to prevent
10 the disclosure of confidential information by the receiving
11 party or any of its representatives. So we have a different
12 legal basis that was addressed in part in the debtor's motion
13 originally on this issue.

14 The reason we have that is because we're a bank, and
15 we have two other categories of information that are
16 particularly sensitive and we're concerned about being
17 disclosed:

18 The first are bank examination materials. Privilege
19 is a part of those, and we are very concerned about an issue or
20 problem with our regulators in connection with the fact that we
21 have, in fact, taken appropriate steps to try to protect those
22 and treat those as privileged and confidential information.

23 The other category of information is consumer
24 information. We're talking about things protected by
25 (indiscernible) and other consumer information which are

1 protected in the statutes.

2 Again, we're willing to go through the effort and
3 expense to be given an opportunity to be able to review that
4 because (indiscernible) that any of that is going to be
5 relevant to what the Creditors' Committee is looking at, that
6 we understand where we are. And provided that we are able to
7 do that, and are also afforded an opportunity by the Court to
8 be a party to the protective orders so we can take advantage of
9 the designations and not be prohibited from the (indiscernible)
10 third party beneficiary provision, we should be able to meet
11 our obligation.

12 Thank you, Your Honor.

13 THE COURT: All right; thank you.

14 All right, Ms. Montgomery, I'm going to turn back to
15 you. And let me make sure I understand entirely your position
16 on all of these objectors.

17 You have said -- correct me if I'm wrong -- the
18 Committee has no problem with making all of these objectors
19 subject to the protective order that was negotiated with the
20 debtor way back when in January, or did I overspeak -- overstep
21 on that one?

22 (No audible response heard)

23 THE COURT: Ms. Montgomery, I can't hear you.

24 (No audible response heard)

25 THE COURT: Ms. Montgomery, you must be on mute.

1 Michael, is she still on there?

2 ECRO: (Inaudible).

3 THE COURT: Okay. Ms. Montgomery, we're showing
4 you're on mute. There you are, okay.

5 MS. MONTGOMERY: Can you -- can you understand me
6 now?

7 THE COURT: Yes.

8 MS. MONTGOMERY: Okay. I don't know what happened, I
9 didn't touch anything.

10 THE COURT: That's okay.

11 MS. MONTGOMERY: Technology.

12 No, Your Honor, you're accurate -- that is accurate.
13 We don't have any problem with any of the objectors being made
14 parties to the protective order for purposes of, you know, for
15 their clients to be subject to the same -- the same
16 protections.

17 THE COURT: All right. And then my next thing I
18 wanted to confirm is that protective order, is it already
19 worded that it's UCC professionals' eyes only or no?

20 MS. MONTGOMERY: So the current -- the current
21 protective order has two tiers.

22 THE COURT: Okay.

23 MS. MONTGOMERY And the highly confidential tier has
24 a very -- a much more limited disclosure group, it includes the
25 Court, it includes the outside professionals, so I guess it

1 would be also FTI, etc.

2 And then, you know, other parties that would be, you
3 know, fundamentally necessary for us to use those -- that data,
4 like court reporters. It does not include the members of the
5 Committee.

6 THE COURT: All right, so you said it's two tiers.
7 You mean like there's highly confidential, that's professionals
8 and those people you named only; and then there's a second
9 tier, confidential, then the Committee members, the actual
10 businesspeople could see it?

11 MS. MONTGOMERY: That's absolutely right, but the
12 confidential data would still be subject to protection. So we
13 think it's a strong protective order, and should meet the needs
14 of all of the objectors.

15 THE COURT: Okay. Let me -- I'm giving you the last
16 word. You can respond in any way you want to all of these
17 eight or so separate arguments, but I would like you to start
18 first with CCS Medical and MGM. I think you acknowledged at
19 the beginning they're in a little bit different category, but
20 now that you've heard their lawyers articulate how they are
21 different, do you think that at least with these two, their
22 ability to first review anything you produce, or the debtor is
23 going to produce, relating to CCS Medical and MGM might be
24 reasonable?

25 MS. MONTGOMERY: Yes, Your Honor.

1 I'd even go a step further. I mean we were working
2 to negotiate with MGM, and my apologies to Ms. Stratford
3 because I must have missed her communications, it was not
4 intentional; we would have happily negotiated the same with
5 regard to her. That those documents might even just be
6 excluded from the review subject to some specific, you know,
7 protections so that we can make sure that things aren't being
8 overly included.

9 So I think that the UCC would be open to a limited
10 review. The devil's in the details with all ESI, Your Honor,
11 so it would really just be determining to make that as targeted
12 as possible so it's not -- you know, it's not including
13 documents that don't have anything to do with the board's
14 service.

15 THE COURT: Okay. It's -- let me ponder what you
16 just said.

17 It would exclude anything not having to do with their
18 board service, Dondero or Trey Parker's board service.

19 MS. MONTGOMERY: Yes. So we believe that because the
20 debtor has separate relationships potentially with these other
21 entities, we understand the concern with regard to the data
22 that's related to their role as a director.

23 But, for example, if there is communications between
24 Mr. Dondero and someone else at the debtor that just says like,
25 you know, "MGM stock is trending up," I don't know that that's

1 necessarily related to his status as a director as I don't know
2 that it's related to an estate claim. It's perhaps a bad
3 example, but the concept remains, Your Honor, we think that
4 there has to be a way to slice that so that all the parties are
5 getting the protection that they need for their confidential
6 board communications without overly dipping into the data
7 that's otherwise in the debtor's position.

8 THE COURT: All right.

9 Well, let me -- let me go to Mr. Keiffer's client.
10 I'd like to hear your specific rebuttal to his idea that maybe
11 you can come up with three or five categories, suffix as he
12 called them, to just, at the outset, carve them out from the
13 possibility of Committee review.

14 MS. MONTGOMERY: So I'm not entirely certain that I
15 completely understood the proposal, Your Honor, and my
16 apologies for that. But I don't know that Mr. Keiffer is
17 suggesting that those categories be excluded from these nine
18 custodians that are the subject to the motion to compel, or if
19 he was requesting that there be some sort of exclusion that
20 applies to data that's otherwise produced related to his client
21 by the debtor, so maybe it's not in the nine custodians' data.

22 In any case, Your Honor, we're open to discussions to
23 try to resolve any of these objections. I don't know that
24 we've specifically discussed that with Mr. Keiffer, but we're
25 happy to do so. If it's limited in nature, and it's not going

1 to unnecessarily slow down production, you know, we're open to
2 talking about it.

3 THE COURT: Okay. Well, let me -- let me make sure I
4 understand -- and I know this is subject to discussion with the
5 debtor when we break, but the UCC's proposed protocol here was
6 -- let me go through a couple of mechanics.

7 All the files of the nine custodians would be
8 provided to this E discovery vendor to put in a repository.
9 And then hopefully the debtor and the Creditors' Committee
10 would come up with a set of mutually agreeable privilege terms
11 to hopefully identify what would -- you agree be attorney-
12 client privilege or work product privilege so that the search
13 terms don't get to that privileged information.

14 If you have disputes, you're going to have a third
15 party neutral, you've discussed, to resolve the disputes about
16 those search terms.

17 And then all documents, not including those agreed
18 privilege terms, would get produced to the Committee, obviously
19 subject to the earlier agreed upon protective order, and then
20 the debtors contract attorneys would review the held back files
21 to see if they're really privileged, or not. And if not,
22 they'd be produced. And if they are, they would -- if they
23 think they are, a privilege log would be produced, and then any
24 disputes could be resolved by this neutral third party.

25 I don't know if that's still your protocol on the

1 table, but that's how I understood it to work from your papers.

2 I guess what I'm getting at is -- I'm pondering Mr.
3 Keiffer's argument, and really a few others. I mean if this is
4 what you're still holding fast to, I mean there's a lot of
5 opportunities along the way to protect attorney-client
6 privilege information of these affiliated entities, right?
7 You're going to first try to craft appropriate search terms so
8 as not to get at privileged information. If you can't get
9 agreements on those, you'll have the third party neutral weigh
10 in.

11 And then the documents that are turned up ultimately
12 through the search, the debtor's going to get a chance to
13 review for privilege and hold back.

14 I guess -- I guess the thought is the debtor's only
15 going to be looking towards its own privileged information,
16 not necessarily NexPoint, or Highland, CLO Funding, and the
17 others.

18 So -- I mean if you could address -- first off, is
19 that the protocol that's still on the table? Did I correctly
20 described the Creditors' Committee's proposed protocol?

21 MS. MONTGOMERY: Sorry. Yes, Your Honor, that's
22 what's set forth in our motion. We've been working with the
23 debtors to try to make that more functional; we haven't reached
24 an agreement yet. Perhaps we'll be able to do that when we
25 take a break in just a moment.

1 But, you know, we've been trying to figure out, Your
2 Honor, if there are ways that we can further limit the
3 production based on search terms in some way so that we can
4 limit the privilege logging and review that has to occur. But
5 like I said, that's -- that's outstanding at the moment, and I
6 don't know that the parties have an agreement or would be able
7 to reach an agreement. We're hopeful, but I'm not entirely
8 certain.

9 But otherwise, yes, Your Honor, I think you've pretty
10 well explained the protocol, with one exception, which is that
11 the privilege review that was proposed, that review would be to
12 determine whether or not the documents that were being produced
13 -- that were, you know, presumptively privileged were related
14 to estate claims. And if they were related to estate claims,
15 then those would be produced to the Committee under the terms
16 of the final term sheet.

17 If they are attorney-client privileged, and not
18 related to estate claims, then those would be withheld and
19 logged.

20 THE COURT: All right.

21 Well, let's go back to Mr. Keiffer's suggestion. I
22 mean if he -- okay. I was confused; I think Ms. Montgomery was
23 confused, too.

24 Mr. Keiffer, you had talked about these three or four
25 suffixes, and one of them would be your law firm if -- I think

1 what I was understanding, communications that went between
2 Atlas and your law firm; communications that went between Atlas
3 and one or two other outside counsel. Is that encapsulating
4 what you think could be crafted in here --

5 MR. KEIFFER: Yes, Your Honor.

6 THE COURT: -- and excluded?

7 MR. KEIFFER: Yes, Your Honor, that's exactly what
8 we're talking about.

9 The reason I used "suffixes" just as a term because
10 after the act. So it's ROMCLAW.com is the suffix. And so if
11 you look for that -- if that is the part of the search terms
12 and, you know, you see that, and that means set aside, you see
13 my law firm's suffix on the email somewhere in that, then you
14 know that that's something you need to set aside, as well as
15 another law firm that they had would be SGLawyers.com, those
16 are the -- that's what was referencing, it's just an easy way.

17 We don't have a lot in our specific circumstance --
18 and I think it was also some of the more attenuating parties
19 that come in and -- complaining have been -- would be looking
20 for something like that, so if they had a -- maybe that's the
21 same thing that they're kind of looking for. But for us, it is
22 very simple terms, it's what the law firm email addresses are.
23 And when they show up, that's the search term that pushes them
24 aside.

25 THE COURT: All right.

1 MR. KEIFFER: Because that would okay, it's probably
2 something -- because before we even knew what was going on, we
3 were working on putting that proof of claim together that we
4 filed, we would have emails out there concerning circumstances
5 between myself and my client. And those would -- those
6 ostensibly would be available under the -- under the -- if it
7 were (indiscernible) litigated, and the Committee won that
8 issue, those would be available.

9 But we think the easier thing to do is just set them
10 side, let's not go down that road.

11 The other -- we think there's very few of those, and
12 we'll be happy to give them -- the suffixes in a few days.
13 I'll make sure Mr. Honis -- that my client representative gives
14 me all of those.

15 THE COURT: All right.

16 Well, Ms. Montgomery, again, I'm just looking through
17 my notes of your early comments. I mean you had put Mr.
18 Keiffer's client in a little bit of a separate category, right?
19 Saying it didn't appear that Atlas or Rand entities -- they're
20 one in the same, right? Or -- well, same group of clients or
21 same group of entities: Rand, Atlas --

22 MR. KEIFFER: They are, Your Honor, that's all --
23 they're all in my group.

24 THE COURT: Okay. So you had made the comment, Ms.
25 Montgomery, that they did not appear to share legal counsel.

1 MS. MONTGOMERY: I did.

2 THE COURT: In other words, the three in-house
3 lawyers that are custodians, right?

4 MS. MONTGOMERY: That's right, Your Honor. And I
5 think that our position would be because they don't share legal
6 counsel, if there were communications essentially from these
7 three law -- like law firm email addresses that are in these
8 nine custodial data, then those documents might not be
9 privileged.

10 If what Mr. Keiffer's concerned about is
11 communications not to these nine custodians that involve those
12 three or four addresses where there isn't sort of a debtor
13 representative involved, then I think that's a separate
14 situation, and we'd be more than willing to reach an agreement
15 regarding how those documents should be treated, whether it's
16 by review by Mr. Keiffer in logging or just exclusion from
17 review.

18 MR. KEIFFER: Your Honor, may I ask for one quick
19 clarification. We still want to maintain that to the extent I
20 don't know for sure whether -- what extent legal services were
21 or were not provided.

22 And to the extent that their joint privileges waived,
23 a way around those things, that's the better way of doing it
24 than to say that they've been waived and things. So let's just
25 let the joint client privilege point, which we previously

1 discussed, be the main means by which those go through. There
2 might be (indiscernible) discussions with one of the nine folks
3 that -- when Highland was involved in the transaction. There
4 may be a common interest privilege, etc. I think it has to
5 stay at that highly confidential level just because it's
6 (indiscernible) had it lowered in its tier -- I mean a tier --
7 or possible references, whether it's confidential, highly
8 confidential, confidential or not confidential at all.

9 THE COURT: Okay. I just --

10 MR. KEIFFER: That's the only --

11 THE COURT: I just got very confused. I think we
12 were discussing if -- if there are --

13 MR. KEIFFER: May I, Your Honor?

14 THE COURT: Yeah, I -- I -- well, if there are
15 communications from folks at Highland to these three or so law
16 firms that Atlas uses, then there could be an agreement those
17 are cut out -- carved out.

18 But if there is -- if there are communications from
19 the six other custodians who are not lawyers to Rand entity --
20 or -- or these law firms --

21 MR. KEIFFER: No, Your Honor --

22 THE COURT: I -- I --

23 MR. KEIFFER: Pardon me, Your Honor. The law firms
24 aren't really the issue here. Only the issue with regard to
25 seeking things through what is the shared server circumstance

1 in the email server.

2 An example may be that when there's an email that
3 comes in from Isaac to my client saying "You've got some
4 production requirements," and I'm on that email, I would
5 initially show up on that email, but that wouldn't be one that
6 would be as part of a shared services type of potential legal
7 discussions about current circumstances and telling me, "Oh, by
8 the way, we've been requested for this information under a
9 shared services agreement, you have X days to produce."

10 If, on the other hand, it's -- some years ago, back
11 when things were happening, not current, but years ago when
12 things were going on, that there was -- that there was an email
13 between my client's counsel and the debtor's counsel, there
14 would be the shared privilege or the joint privilege element
15 that would keep it at a different level, even though there may
16 be some other issues in regard to the shared services related
17 to privilege.

18 What we mentioned earlier -- and I think the
19 Committee's okay with this -- with the joint client privilege
20 is not affected by the process. And so that -- the only thing
21 that's really, really out here that adds to the circumstance is
22 where emails show the three to five dot-com addresses. That
23 they get set aside to go through a different -- go through a
24 process of review, you know, to see if they're attorney client
25 between myself and my client, or between previous counsels and

1 my clients, just as between them.

2 THE COURT: All right.

3 MR. KEIFFER: That's all we're really looking for in
4 that.

5 THE COURT: Okay.

6 Ms. Montgomery, again, I'm giving you the last word
7 in rebuttal to any of this you want to say at this point. But
8 I do hope you'll address one more thing as part of that, and
9 that is Mr. Dondero's arguments about Acis. I just want to
10 clarify I understand where you stand on that.

11 MS. MONTGOMERY: Yes, Your Honor. With regard to Mr.
12 Dondero's arguments regarding Acis, we have no qualms with the
13 position that communications that are related to the Acis
14 litigation should be treated as outside counsel or highly
15 confidential -- at the highly confidential level, right? That
16 makes sense, Your Honor, and we're not trying to bypass
17 discovery on behalf of any of the members of the Committee, or
18 anything of that nature.

19 Our concern with the objection was that's not what's
20 being asked for. If Mr. Dondero had asked that communications
21 or documents that relate to the underlying litigation be not
22 provided to the members of the Committee, and held at only the
23 lawyers' eyes only, we wouldn't have had a problem with that.

24 Instead, what he's asking is that all documents not
25 be shared with one of the members of the Committee, and we

1 think that's overly broad. And, frankly, I'm unclear as to why
2 that would be necessary.

3 THE COURT: Okay; all right. Anything else you want
4 to say?

5 MS. MONTGOMERY: Only to the extent that you have
6 questions about any of the arguments that they made, Your
7 Honor. We don't want to take up more of your time than
8 necessary.

9 THE COURT: All right. Well, I'm going to carve out
10 three specific areas, and then I'll just give you the more
11 broad ruling.

12 With regard to CCS Medical and MGM, I think they have
13 shown themselves to be in a more unique -- a unique situation
14 in contrast to the others since we certainly don't have any
15 issues of shared in-house lawyers, shared IT, and whatnot. We
16 just have the board connection to Mr. Dondero and Trey Parker
17 on CCS Medical, and with regard to Mr. Dondero and MGM.

18 So I do think these objectors should have the
19 independent ability to review before disclosure to the
20 Creditors' Committee, at their own cost, any information
21 pertaining to those two entities to make sure there's not any
22 privileged information they want to argue should be held back
23 or commercially sensitive information.

24 So, again, hopefully you all can amicably work out
25 the wording of that, but that is the concept of the ruling of

1 the Court.

2 Second, with regard to the Atlas/Rand parties, I
3 think that they should be entitled to a separate review of any
4 items that involve those dot-com law firm names to weigh in on
5 whether those are privileged.

6 And, of course, these are all subject to further
7 Court review and litigation before the Court if people cannot
8 agree on that. I say that, or the third party neutral, I guess
9 that would hopefully be the first step before any of this comes
10 to the Court.

11 So that is the special category as to Atlas/Rand.

12 As far as the Dondero argument, I do like the
13 suggestion, Ms. Montgomery, that you made that if there is any
14 documentation relating to Acis litigation that is produced to
15 the Committee, that it should be considered in that first
16 category that it's highly confidential, so it's for
17 professional eyes only; Mr. Terry or Acis businesspeople cannot
18 see that. But that it -- that's just a special category of
19 documents, any ESI that pertains to the Acis litigation,
20 wherever that litigation is pending, this Court, Guernsey,
21 State Court, wherever.

22 So all other objections are overruled except --
23 obviously I do think it's important to do, Ms. Montgomery, what
24 you said you would do, and make all of these objectors
25 expressly parties who are subject to the original agreed

1 protective order. Okay, so I think that gives them some level
2 of protection. But I have been strongly persuaded in
3 everything I've heard today that there is a very strong chance
4 with regard to most of these entities that share legal counsel
5 with Highland, and share IT, and servers that we have had a
6 waiver of privilege, we have common interest privilege, joint
7 privilege, something of that regard to have impaired their
8 privilege arguments. So I'm just throwing that out there for
9 the benefit of everyone as far as future disputes that there
10 might be.

11 All right, Ms. Montgomery, do you have any questions
12 about that ruling?

13 MS. MONTGOMERY: (No audible response heard).

14 THE COURT: No? All right.

15 MS. MATSUMURA: Your Honor, may I make one brief
16 comment? This is Rebecca Matsumura for Highland CLO Funding.

17 THE COURT: Yes.

18 MS. MATSUMURA: I just wanted to clarify, we didn't
19 make it as an explicit part of our deal with the Committee that
20 we also be made party to the protective order. But we'd also
21 ask for that relief, as well as, you know, such being given to
22 all of the objectors.

23 THE COURT: Okay, the Court grants that request.

24 All right, Ms. Montgomery, anything else?

25 MS. MONTGOMERY: (No audible response heard).

1 THE COURT: Shall we break now to let the Committee
2 counsel and debtor counsel talk about their remaining
3 unresolved issues? How long of a break, Ms. Montgomery, do you
4 think you will need?

5 MS. MONTGOMERY: (No audible response heard).

6 THE COURT: Okay. I think you're on mute.

7 MR. MORRIS: Your Honor, this is John Morris from
8 Pachulski on behalf of the debtor.

9 THE COURT: Oh, okay.

10 MR. MORRIS: I just -- yeah, I just need to put some
11 -- a couple of bells and whistles, it will probably take me two
12 minutes to finish-up an email from Ms. Montgomery. And then if
13 we could just -- I would suggest give us until -- 45 -- until I
14 guess 3:45 --

15 THE COURT: All right.

16 MR. MORRIS: -- local time.

17 THE COURT: All right. Well --

18 MR. MORRIS: And then see -- hopefully we'll know --
19 at least narrow the issues, if not reached a complete
20 agreement, by that time.

21 THE COURT: Okay. I'll come back at 3:45.

22 UNIDENTIFIED ATTORNEY: Thank you, Your Honor.

23 (Recess 3:23 p.m./Reconvene 3:46 p.m.)

24 THE COURT: All right. This is Judge Jernigan again.
25 I'm going back on the record in Highland Capital. Do we have

1 at least Mr. Morris and Ms. Montgomery available from their
2 session?

3 MS. MONTGOMERY: Can you guys -- can you hear me,
4 Your Honor?

5 THE COURT: I can hear you now; thank you.

6 MS. MONTGOMERY: Okay, I have no idea why it keeps
7 muting, so my apologies for that.

8 We just briefly met. We need just a few more
9 minutes, Your Honor, to run one issue past our client, but we
10 do believe we're going to have at least one matter outstanding
11 for the Court to consider hopefully, but we've managed to
12 resolve everything else.

13 THE COURT: Okay. So do you literally mean one
14 minute, or were you being general? Do we need five minutes
15 or --

16 MS. MONTGOMERY: I think five would be sufficient,
17 Your Honor.

18 THE COURT: All right. Well, I'll take another
19 break. I'll be back in five minutes.

20 MS. MONTGOMERY: My apologies.

21 THE COURT: Okay; no problem.

22 (Recess 3:47 p.m./Reconvene 3:59 p.m.)

23 THE COURT: All right. This is Judge Jernigan, we're
24 back on the record in Highland after a break.

25 Mr. Morris, I see you there. And do we have positive

1 news to report?

2 MR. MORRIS: I think we do. We haven't completely
3 resolved every single issue, there is still one remaining one
4 that we'd like to present to the Court.

5 THE COURT: Okay.

6 MR. MORRIS: But we have otherwise, I think, reached
7 an agreement with respect to all other matters.

8 Ms. Montgomery, I don't know if you want to share
9 with the Court or -- I don't even know if Your Honor wants us
10 to present the agreement to her or we'll just submit it in a
11 proposed order later.

12 THE COURT: Well, if you could just hit the
13 highlights so we have it on the record that we have an
14 agreement, and the pertinent points.

15 MR. MORRIS: Okay. So I'll just -- I'm just reading
16 from the email.

17 The Requested ESI will be securely delivered to
18 Meta-e. Meta-e is a third-party service provider,
19 (indiscernible) the Committee. So the requested ESI for the
20 nine custodians will be delivered to Meta-e.

21 Number two, the debtor will proceed with the
22 production of the 800,000 e-mails previously identified by use
23 of agreed search terms, subject to the Court's prior rulings
24 with respect to the third party objections, and subject further
25 to a privilege review using terms agreed by the parties, with

1 the resolution of any disputes on those privileged terms
2 resolved on an expedited basis in accordance with the
3 Committee's proposal in their motion to compel. And that
4 really is just longhand, I guess, for a special master.

5 If and when the UCC wants to conduct further searches
6 on the requested e-mails, it will give the debtor with three
7 business days to consent to the search terms, with such consent
8 not to be unreasonably withheld. In the absence of any
9 objection, the e-mails will be produced subject to the Court's
10 rulings on the third-party objections, as well as privilege
11 review previously described. Search terms need not necessarily
12 be tied to formal requests for production, and may be provided
13 to the debtor on a rolling basis.

14 If debtor does not consent to search terms, it must
15 lodge an objection with the Committee. The parties shall
16 confer in good faith and if no resolution is reached within two
17 business days, the debtor may seek judicial review on an
18 expedited basis. It will be debtor's burden to establish that
19 the search terms are not reasonably designed to identify data
20 relevant to Estate Claims. Initial caps because the "Estate
21 Claims" is from the governance settlement back in January.

22 All ESI containing search terms not subject to
23 objection will be produced to the Committee pending
24 determinations on those terms, if any, as to which there is
25 disagreement.

1 Next, Your Honor, taking into account the speed with
2 which the parties intend to proceed and the volume of
3 documents, all ESI produced that is not subject to the
4 privilege term search shall be produced on a "highly
5 confidential" basis under the protective order, and the debtor
6 shall respond within two business days to any designation
7 challenge by the UCC. Documents that have been reviewed for
8 privilege will be categorized by debtor in the first instance
9 as either highly confidential, confidential, or not subject to
10 confidentiality.

11 Next, all persons or entities who objected to the
12 UCC's motion to compel or who are otherwise identified in the
13 debtor's motion for a protective order shall be deemed to be
14 parties to the court-ordered protective order that was entered
15 in January.

16 All documents from any custodian -- any of the non-
17 custodians that are related to or otherwise concern the pending
18 Acis litigation shall be marked "highly confidential" and not
19 subject to privilege challenge.

20 And finally, any disputes regarding the privilege
21 review process will be resolved by the special master and both
22 parties expressly reserve their rights thereto.

23 So there's one last issue --

24 THE COURT: Can I -- before we --

25 MR. MORRIS: Of course.

1 THE COURT: -- go on and I forget, can we call this
2 human being a third party neutral instead of a special master?
3 And I'm -- I'm splitting hairs on that because there is a rule
4 somewhere -- is it -- is it in 105 or is it a rule that says a
5 bankruptcy judge can't appoint a special master?

6 MR. MORRIS: I don't know, but let's just call him or
7 her a third party neutral.

8 THE COURT: Yeah, I'm not crazy, isn't that -- I
9 think it's in one of the 9000 rules.

10 MR. MORRIS: I'm sure you're right.,

11 THE COURT: I'm not sure how different this third
12 party neutral is in substance from a special master, but it
13 will just make me feel better.

14 MR. MORRIS: Yeah, it's just somebody who can --

15 THE COURT: If the Fifth Circuit ever looks at it --

16 MR. MORRIS: Yeah, it's just somebody who can help us
17 resolve either issues of creating these privilege terms or
18 resolving any other disputes so that we don't have to burden
19 the Court with such issues.

20 THE COURT: Okay; very good.

21 Well, let's hear the unresolved issue then.

22 MR. MORRIS: Okay. So the last issue, Your Honor, is
23 as Your Honor knows -- Your Honor, I need to, if I may, just
24 provide some perspective here because these issues are very,
25 very important to the debtor. I take personal responsibility

1 for all discovery matters in this case. I've had the support
2 of the independent board, and of all of Highland's employees
3 who have worked very hard to get these documents in this case.

4 We produced -- really we were substantially complete
5 with all (indiscernible), and we did it with the following
6 principles in mind: We wanted to, of course, eliminate or at
7 least limit any potential liability exposure to the debtor, and
8 that's what prompted us to make the motion to compel. And as
9 Your Honor saw, there were eight separate objections brought by
10 40 or 50 different parties, and it's exactly for that reason
11 that we were seeking the ability to do the review initially
12 because we have -- you know, we may have wound up disagreeing
13 with some third parties as to the scope of their obligations,
14 but we knew there were obligations that existed and the board
15 was very specific in instructing me to make sure that we
16 (indiscernible) liability (indiscernible). So I'm really
17 pleased that the objecting party stepped up, and that the Court
18 issued its rulings. But that was really one of our
19 (indiscernible) principles.

20 Another one is to make sure that we protect the
21 privilege to non-estate claims. We negotiated very
22 (indiscernible) term sheet with the Committee. We gave the
23 Committee standing to pursue estate claims. We gave the
24 Committee a shared privilege to all privileged communications
25 of estate claims.

1 But what we did not do, what we did not agree to was
2 to waive the privilege with respect to non-estate claims. So
3 that's the second principle that we've been trying to protect
4 because the board and (indiscernible) we have an obligation to
5 the estate and to the Committee, so we're trying to protect the
6 estate's privilege for non-estate claims.

7 And the third thing is just to make sure this process
8 runs as efficiently as it could. You know, I don't know that
9 going from 800,000 emails to eight million is -- can be
10 categorized as a success, but that's what the Committee's
11 wanted to do, and the board has been very specific not to be
12 obstructionist here, but just to be guided by the principles
13 that I've articulated. And that's kind of how we got here.

14 And so the last issue here, Your Honor, touches on
15 the principles that I just described, and that is the nine
16 custodians at issue, three of them are lawyers: Scott
17 Ellington, Isaac Leventon, and Mr. Surgent. They're all
18 lawyers, they're all licensed to practice law, they all give
19 legal advice, they give legal advice to the board, they give
20 legal advice on countless issues that are completely unrelated
21 to estate claims for which the Committee does not have standing
22 to pursue, and for which the Committee does not have a shared
23 privilege.

24 So the third issue, Your Honor, is just to say that
25 for those three out of nine custodians, we actually do a real

1 privilege review on a document-by-document basis.

2 Now I'll just leave it at that, that's what the issue
3 is. And the Committee, I think -- I'll let them speak for
4 itself.

5 THE COURT: Okay. I -- I didn't know there was any
6 disagreement about debtor lawyers or debtor contract lawyers
7 doing a privilege review. I thought it was just a -- you know,
8 the two-tier, first a relevance review and then a privilege
9 review.

10 MR. MORRIS: It's in our objection, Your Honor.

11 THE COURT: Pardon?

12 MR. MORRIS: We did raise it -- we did raise the
13 issue in our objection.

14 THE COURT: Oh.

15 MR. MORRIS: This isn't the first time I --

16 THE COURT: Well, no, no, no, no, I thought --

17 MR. MORRIS: Maybe I'm mistaken.

18 THE COURT: I thought it was already part of the
19 UCC's proposed protocol that there be a privilege review by
20 debtor's lawyers.

21 MR. MORRIS: That's right, and that's just using kind
22 of garden variety search terms. What I'm saying is that when
23 it comes to -- and that's fine to take the six non-lawyers,
24 that's fine for Mr. Dondero, that's fine, you know, for Mr.
25 Waterhouse, and for the other non-lawyers. But for a lawyer,

1 Your Honor, I think -- I think -- I mean this is of such vital
2 importance, and is -- almost everything they do is -- not
3 everything; I overstated. Sometimes they're engaged in
4 business advice. But for the most part, they're practicing
5 lawyers.

6 And I think we just need a heightened standard of
7 protection for those individuals, and it's just the three of
8 the nine. I mean it's for three of the nine who are licensed
9 lawyers, and we're asking for a wholesale privilege review for
10 those three people, not just searching to see if their email
11 says they privilege or work product, you know, there are other
12 search terms that may come up.

13 THE COURT: Okay. Ms. Montgomery, elaborate on where
14 the difference is on your proposed procedure versus the
15 debtor's, all right?

16 MS. MONTGOMERY: Yes, Your Honor.

17 The proposal that is before the Court, you're
18 correct, does provide for a privilege review. We've never
19 argued that there shouldn't be a privilege review. We
20 understand that the creditors stand only in the shoes of the
21 debtor with regard to the estate claims, and not more broadly.

22 The dispute really here, Your Honor, is on the nature
23 of the search when it comes down to these three custodians that
24 are attorneys. And Mr. Morris is suggesting that all of the
25 documents -- every document that has a custodial file, is in

1 their custodian file should be touched by the debtor so that
2 they could look at it and determine whether or not it is
3 privileged. And if it is privileged, whether or not it's
4 related to an estate claim.

5 And our position, Your Honor, is that that's
6 unnecessary, and that it's going to cost a lot of money, and
7 also slow down the review process.

8 And the basis, Your Honor, for our position is that
9 this sort of assumption stands on the ground that every
10 document a lawyer touches can be -- you know, is automatically
11 privileged. And as a general rule, we all know that that's not
12 the case. Not every document a lawyer touches is protectable.
13 And that's particularly true with regard to in-house counsel.
14 Their roles by their nature involve providing both legal advice
15 and business advice, and only the legal advice is protectable.

16 Several courts have held that the presumption might -
17 - regarding privilege that might exist for law firm counsel is
18 not the same presumption that should be held with regard to in-
19 house counsel. In fact, the presumption should be that the
20 advice is business advice, unless it's establishing legal
21 advice.

22 And of the three custodians that the debtor
23 discussed, two of them -- they're all, in fact, licensed
24 attorneys. But one of them is not in the legal department, he
25 is acting as the head of compliance. And as you know, the case

1 law on compliance is fairly well-settled that there isn't a
2 presumption of privilege with regard to the compliance issues.

3 And so as a result, we think it's most appropriate to
4 use robust privilege terms. You know, think of things like
5 privilege, lawyer, attorney-client, work product, etc., and
6 we've proposed a list of those terms to the debtor, and we're
7 willing to continue to work that out with this third party
8 neutral.

9 But we don't believe that it's appropriate for every
10 single document that is related to these three custodians be
11 reviewed for privilege purposes, that's just excessive and
12 expensive.

13 MR. MORRIS: Your Honor, if I may?

14 THE COURT: You may.

15 MR. MORRIS: I dare say that not ten percent of what
16 I write has the word "privilege," "attorney-client," "work
17 product" in my emails. That is -- you will never be able to
18 create a list that's sufficient to protect a lawyer from
19 producing privileged communications.

20 There's no dispute here that the Committee's rights
21 extend no further than estate claims. And I might feel
22 differently here, Your Honor, and maybe there's some wiggle
23 room here, but they can create six terms that are actually
24 designed to elicit information relating to estate claims,
25 right? And we've asked them to do that for many months. And

1 if they're -- if I thought that they were actually looking for
2 information that related to estate claims for which the debtor
3 has agreed the Committee would share the privilege, my concerns
4 would be much more modest in scope.

5 But here, you have individuals who have been acting
6 as lawyers for five years. To expect them to write the word
7 "lawyer," or "privilege," or "work product" in every email, or
8 to suggest that if they haven't done that, then it's fair game.
9 Even if you have no idea if it relates to an estate claim is
10 just -- it's just (indiscernible). It's just -- it's not
11 right.

12 They're getting the emails of six custodians.
13 They're getting the emails using the search terms with the six
14 custodians. It is costly, it will slow it down for three of
15 the nine people, but that's because they haven't given us --
16 they haven't given us search terms that are designed to elicit
17 estate claims. They're just -- they're asking for everything.
18 And I've never ever seen anybody -- any court allow, you know,
19 the unfettered access subject to only search terms that may or
20 may not be sufficient. I just -- we feel very, very strongly
21 about this. They're getting six out of nine custodians, and
22 we're not even saying that they won't get the lawyers in these
23 three custodians' emails. We'll give them whatever relates to
24 estate claims.

25 MS. MONTGOMERY: Very briefly. I think what Mr.

1 Morris has raised is dealt with by virtue of the agreement that
2 we just told you about, which is that we're going to be using
3 search terms that are aimed at identifying estate claims. And
4 that the review and the production process to us would be only
5 of the documents that contained that search term, and the
6 privilege would be for the subset of documents that contain
7 that search term and also contain a privilege term.

8 And it's not limited to just privilege, Your Honor.
9 There are things in there like "lawsuit," or "litigation," or
10 "claim," or -- and we're open to continue to discuss those.

11 Like I said, we only object to a wholesale review of
12 every document, we don't really think that that's necessary.

13 MR. MORRIS: We're -- we're -- and I just want to
14 clarify, we're not talking about reviewing every document.
15 We're only talking about the documents that would come up using
16 whatever search terms the Committee devises.

17 So by our count, there's between one point five and
18 two million emails from the three lawyers. We're not
19 suggesting that we would look at every one of them, there would
20 be no need to do that.

21 But what we would do is review the emails that are
22 the subject of search terms to make sure there (indiscernible).

23 THE COURT: Okay. Let me -- at the risk of repeating
24 myself -- go through the explicit protocol the UCC had in its
25 pleading:

1 Number one, all files of the nine custodians,
2 including those three lawyers, would be provided over to the E-
3 discovery vendor to put in a repository.

4 Then you come up with this robust list of privilege
5 terms to ferret out what might be privileged. You try to agree
6 on that robust set of privilege terms. If you can't, you get
7 the third party neutral to work out your disagreement,
8 hopefully.

9 So you get that resolved, and the search protocol is
10 executed, and all documents, not including one of those
11 robustly created privilege terms, get produced to the Committee
12 subject to that agreed protective order from January, 2020
13 where there's carve out and, you know, ability to pull back,
14 right, if there's inadvertent production of privilege, right?
15 That's an essential term, right? If something accidentally
16 gets produced that shouldn't, then there's always a mechanism
17 to pull it back.

18 And then the debtor's contract attorneys would review
19 all of the held back documents, the documents held back, you
20 know, because the privilege terms were triggered, and they were
21 held back, to determine if they are really privileged. If not,
22 then they get produced.

23 But if you decide they are, in fact, privilege, then
24 you create a privilege log, and that gets shared with the
25 Committee. And if there are disputes about that, then you go

1 to the third party neutral to resolve those.

2 Okay, is there anything I misstated about what the
3 Committee has proposed?

4 (No audible response heard)

5 THE COURT: Is there anything I've misstated? Ms.
6 Montgomery's shaking her head no.

7 MS. MONTGOMERY: No, Your Honor, I don't believe so.

8 MR. MORRIS: So --

9 THE COURT: So I really am -- if that's the case, I'm
10 not getting, Mr. Morris, why --

11 MR. MORRIS: Let me try one more time, because --

12 THE COURT: You're going to get your chance to review
13 stuff that's --

14 MR. MORRIS: No, but -- but we're not, and here's --
15 here's the gap in what you have just described. Everything you
16 have just described is perfectly fine for the six non-lawyers.

17 Our concern is if you don't have -- if -- there's no
18 question that the lawyers have engaged in the provision of
19 legal services, there's no question that the provision of legal
20 services extended beyond estate claims.

21 And the concern is no matter how hard you devise
22 search terms, and this is just a matter of practice in my
23 experience, you're always going to get documents that don't get
24 captured by the search terms.

25 And so what you've described works very well if the

1 document -- if the search terms actually work.

2 What our concern is for lawyers only, that that's not
3 sufficient. That we will lose too many documents that will not
4 be captured using the search terms for which, you know,
5 clawback -- clawback issues are just -- we're talking about
6 millions of documents that are going to be reviewed and
7 produced. Under these circumstances, more than any other, Your
8 Honor, these lawyers privileged communications that do not
9 relate to estate claims should be subject to protection. They
10 should be subject to more protection than non-lawyers are
11 getting.

12 THE COURT: The clawback --

13 MR. MORRIS: And given --

14 THE COURT: The clawback isn't enough. The clawback
15 isn't enough.

16 MR. MORRIS: It's not enough. You can't unring the
17 bell, Your Honor.

18 And given the massive amount of information that the
19 Committee is seeking that we are willing to provide, frankly, I
20 don't think it's unreasonable to say, yeah, no, we're going to
21 treat lawyers like lawyers.

22 THE COURT: So balance is you think, you know, those
23 lawyer eyes that can't unsee what they see, okay, if they get
24 it, yeah, you can claw it back, but they can't unsee it. And
25 so somehow, it's going to, you know, be harmful.

1 But the flip side of that is -- well --

2 MR. MORRIS: I did try to create a little more --

3 THE COURT: A great delay and expense, right, for you
4 all to first go through the gazillion documents, and then, you
5 know, there's a privilege log that might be --

6 MR. MORRIS: I --

7 THE COURT: -- much larger than --

8 MR. MORRIS: I did --

9 THE COURT: Go ahead.

10 MR. MORRIS: I did try to create a little space for
11 Your Honor, a little comfort zone, and that is that the
12 Committee actually use search terms that was designed to get
13 communications related to estate claims, right? Because these
14 lawyers have countless emails, for example, relating to the
15 board's deliberations on settlement with UBS, or with the
16 Redeemer Committee, or with Acis, these things have been going
17 on for months. That shouldn't be subject to clawback, they
18 should never be produced.

19 And so if there's -- you know, if the Committee were
20 to devise actual search terms that were intended to get estate
21 claim information, like I said before, that may make more --
22 that might provide a little bit more comfort. But to allow
23 them to just use, you know, regular search terms on those
24 emails when you have non-estate claim information, and they
25 have -- I'm telling Your Honor, just countless emails over the

1 last six months with the board, responding to board inquiries,
2 responding to claims dispute resolutions, responding to all
3 kinds of things.

4 You know, at a minimum, I would want -- I would want
5 it to stop as of the petition date. But I think -- but I think
6 even beyond that, they're lawyers, they're licensed
7 practitioners who are rendering legal advice, and they're doing
8 so in the kind of context that have nothing to do with estate
9 claims. And you have six other custodians, six, with whom the
10 Committee's proposal is completely acceptable.

11 THE COURT: Well, this is a hard one. This is a very
12 hard one, Ms. Montgomery. What -- I mean what do you have to
13 offer me other than delay/expense? And that's -- you know,
14 those are not small considerations, but that's really what it
15 boils down to, right?

16 MS. MONTGOMERY: Well, there's delay, there's
17 expense, and then there's the protections that are already put
18 forth in the protective order, Your Honor, which we think are,
19 as we've said already today, robust.

20 We understand their concern with regard to clawback.
21 They have an attorneys' eyes only highly confidential
22 designation that they can use, and that will be used under the
23 agreement we've reached with regard to any document that they
24 haven't looked at. So those will only be going to outside
25 counsel and the Committee's professionals.

1 And I just don't know -- you know, I think the
2 protections are there, and that the cost, you know, when
3 balanced against what we're really asking them to do and the
4 protections that are in place for them, just -- they don't --
5 they don't balance out, Your Honor.

6 MR. MORRIS: Your Honor, with all due respect, it's a
7 little -- it's a little difficult for me to listen to cost
8 being a concern when you have a Committee who's asked for the
9 emails of nine custodians over a five-year period. Actually
10 they've asked for ESI, the eight million number is just emails.
11 So it's not -- it's emails and attachments.

12 So the notion that cost is now an impediment while
13 we've gone from 800,000 emails to eight million doesn't
14 (indiscernible) with me.

15 THE COURT: All right. Well, again, I don't find
16 this to be at all easy. But I am going to sustain the debtor's
17 objection on this, if that's the right way to say it. I'm
18 going to accept the position, and order that these three
19 custodians, Scott Ellington, Isaac Leventon, and Tom Surgent,
20 that before any production, those three individuals' files can
21 go through, will go through separate review by the debtor. So
22 they're carved out of the rest of these protocols, and
23 presumably as promptly as possible, there will be rolling
24 production. Debtor will produce non-privileged files and will
25 create a privilege log.

1 And if there are disputes about that privilege log,
2 either the third party neutral will work them out or I guess
3 I'm the ultimate arbiter, if need be. I don't know exactly how
4 you have those mechanics. Maybe you don't have the judge
5 involved; I don't know.

6 Why don't you tell me so I can know whether to be
7 expecting a request to weigh in. Do you have it set up where
8 the third party neutral's the final say on things like whether
9 something belongs on a privilege log or if it's really
10 privileged?

11 MR. MORRIS: I don't think we've addressed that, Your
12 Honor.

13 THE COURT: Okay.

14 MR. MORRIS: But I'm sure we can --

15 MS. MONTGOMERY: I think it may be already be covered
16 in the protective order, Your Honor; I'm just checking to see.

17 THE COURT: Okay. And I just want to say that I
18 understand very well from my months working on the Acis
19 bankruptcy that these in-house lawyers -- I'm inclined to say
20 they wear many hats. I don't know if that's the right way -- I
21 had Mr. Ellington on the witness stand once; I had Mr. Leventon
22 on the witness stand many times. And I will tell you the
23 Court's impression is that they are both businesspeople, as
24 well as lawyers. And I never had Surgent, the compliance
25 fellow, in here.

1 But I'm just letting you know I hope there aren't,
2 you know, umpteen disputes about things held back as privilege.
3 The way I view it, there may be things that are privileged, and
4 things that absolutely were not -- are not. I know we've got
5 privilege related to estate causes of action versus attorney-
6 client privilege or work product that doesn't relate to causes
7 of action. And I'm already bracing myself for how hard is that
8 going to be to ferret out is it related to an estate cause of
9 action or not.

10 I'm really -- while I feel good that we've worked out
11 a lot today, I am really bracing myself because I don't think
12 this is the last discovery dispute I'm going to see. I just
13 don't. We have a lot of things that kind of sound good when
14 you say them fast, but just -- you know my view. Well, you
15 know my views. I've seen two of these in-house lawyers on the
16 witness stand before. And, again, part businessperson, part
17 lawyer, and I know what the case law says. If it's really a
18 communication that is about rendering legal advice, that's one
19 thing.

20 But if it has nothing to do with that, or little to
21 do with that, it's mainly in their role as a business
22 consultant, or other capacities, there might not be a
23 privilege.

24 MR. PATEL: Your Honor, this is --

25 THE COURT: Go ahead.

1 MS. PATEL: Your Honor, this is Rakhee Patel. If I
2 can briefly be heard on a point of clarification on the
3 agreement.

4 THE COURT: Well, okay, what are you talking about on
5 the agreement?

6 MS. PATEL: Well, Your Honor, what I heard as part of
7 the agreement reached between the Committee and the debtor is
8 that all Acis information will be designated as highly
9 confidential determination, and certainly --

10 THE COURT: Okay. Acis litigation. If it's related
11 to Acis litigation. If they misspoke, that's what I ordered
12 earlier. You didn't misspeak, right?

13 MR. MORRIS: I don't believe so, Your Honor. I think
14 that's --

15 THE COURT: Okay.

16 MR. MORRIS: That's what was --

17 THE COURT: Okay.

18 MR. MORRIS: I think it was relating to or concerning
19 the Acis litigation matters.

20 THE COURT: Is that --

21 MS. PATEL: Understood, Your Honor. Yeah, and I just
22 wanted to clarify because what I heard, and apologies if I
23 caught a bit of it, but is that Acis litigation will be
24 designated as highly confidential, and that it is not subject
25 to further review. And I wrote that down because I wanted to

1 just, again, clarify what "not subject to further review"
2 means.

3 My concerns, Your Honor, are kind of twofold:

4 Number one is that certain documentation, as Your
5 Honor just referenced, and you'll recall Mr. Ellington and Mr.
6 Leventon testify during the Acis bankruptcy case that during
7 the involuntary and then during the case in chief, were
8 generally testifying as fact witnesses. And my concern is is
9 that there are other things, for example, in Acis's bankruptcy
10 case, the original schedules were signed by Mr. Leventon.

11 THE COURT: Right.

12 MS. PATEL: Well, some of these are Acis's documents
13 or Acis's information, and Acis is the holder of the privilege
14 on those.

15 So to say that they're highly confidential and
16 they're privileged, that they're -- it's our privilege, I
17 should be allowed to assert my own privilege with respect to
18 those documents, and waive my own privilege -- my client's
19 privilege with respect to that even though --

20 THE COURT: Okay. Can I cut this off? I -- I --
21 what I believe is the deal, someone correct me if I'm wrong, is
22 that with regard to documents produced, ESI produced to the
23 Committee, if it pertains to Acis litigation matters, okay,
24 litigation between Acis and any Highland -- Highland or
25 Highland affiliate or Highland insiders, that is going to be

1 designated as highly confidential, meaning only professionals
2 for the Committee get to see it, not Committee
3 members/businesspeople. That's the whole agreement with regard
4 to Acis, right?

5 MR. MORRIS: Yes.

6 MS. PATEL: And that was going to be my only point,
7 Your Honor, was that we can -- Acis is obviously going to be
8 able to go get it if necessary. In other words, we -- this
9 isn't about prejudice to Acis's rights to even get it because
10 it is our privileged information anyway; or, number two, we can
11 get it in the ordinary discovery process.

12 Obviously we've got a claim objection that may go to
13 trial, and we may need to seek these documents separately.

14 THE COURT: Right. That -- this doesn't mean -- this
15 does not mean Acis never gets to see it.

16 MS. PATEL: Okay.

17 THE COURT: If Acis requests something in discovery
18 with regard to the claim objection or other litigation, then
19 that's subject to a whole different agreement or order, right,
20 Mr. Morris?

21 MR. MORRIS: Yes. Yes, Your Honor.

22 THE COURT: Okay.

23 MS. PATEL: Thank you, Your Honor.

24 THE COURT: All right. Well, I -- I kind of lost my
25 train of thought, but I guess I'm trying to signal, for

1 whatever it's worth, that if there are disputes down the road
2 regarding files from these three individuals -- Ellington,
3 Leventon, Surgent -- and the debtor is saying they're
4 privileged, you know, and not related to estate causes of
5 action, and the Committee is disagreeing, be prepared to make
6 your best argument. Because I am expecting that some
7 communications, even if they're unrelated to estate causes of
8 action, may very well be in the nature of business type
9 communications because I've seen with my two eyes that they
10 fulfill different roles in that organization.

11 So I hope we don't get bogged down because of my
12 ruling on this today.

13 The other thing I wanted you to kind of keep dangling
14 in your mind is as I was reading the pleadings, preparing for
15 this afternoon, I was very much fixated on -- we had this
16 protocol and a compromise worked out with the Committee way
17 back, at the end of last year, finalized in January and, you
18 know, the agreement was that the Committee would have standing
19 to pursue the estate causes of action, and would get privileged
20 documents related -- you know, communications related to these
21 estate causes of action. And that was to avoid a Chapter 11
22 trustee, which we all know under case law, Weintraub would
23 inherit all privileges, all attorney-client privilege
24 information.

25 So I guess what I'm getting at is I thought -- I

1 thought we had an agreement last January, and that we were
2 going to be smoothly going down this road of document
3 production. And here we are in mid-July, and we're having this
4 fight. That doesn't make me very happy because I was happy not
5 to appoint a Chapter 11 trustee last January because I thought,
6 okay, we have this major compromise with the Committee, they're
7 going to go forward, and evaluate estate causes of action,
8 they're going to get documents that are subject to attorney-
9 client privilege. And, you know, it just -- again, I said
10 earlier I didn't want to get into the he said and she said, but
11 the facts speak for themselves that were in July, and just now
12 finalizing this protocol.

13 And I guess the one more thing I will say on that is
14 I know I gave a 90-day deadline for the Committee to either
15 bring causes of action against CLO Holdco -- and I forget the
16 other entity -- or the money in the registry of the Court would
17 be released.

18 I didn't know we still had so far to go with document
19 production when I ruled that. So if someone asks for an
20 extension after today, I think I'd probably be inclined to give
21 an extension. Not a huge, huge, huge extension, but I was a
22 little bit -- not appreciating where the Committee was with
23 regard to getting documents when I said that that day.

24 All right. So I'll be looking for your form of
25 order, hopefully in the next day or two on this.

1 Is there anything further on this topic? Or shall we
2 go to the Acis status conference?

3 MR. MORRIS: Your Honor, just a couple of things.

4 THE COURT: Yes?

5 MR. MORRIS: Number one, I do want to give the Court
6 some comfort of knowing that while Mr. Surgent is the Chief
7 Compliance Officer, he's also the Deputy General Counsel at
8 Highland, so he is -- he is (indiscernible).

9 Number two, as you may have seen from our papers, the
10 board considered three outside vendors to do the document
11 review, and ultimately selected one, and we had prepared a
12 stipulation. The Court should expect to see, hopefully in the
13 next day or two, a stipulation pursuant to which the debtor
14 seeks its authority to retain a third party vendor named Robert
15 Hass (phonetic) to assist with the document review. This has
16 all been discussed with the Committee, the Committee has
17 consented to the theory of the retention, but I would ask them
18 to go back perhaps and look at the stipulation so we can get
19 that signed up and get people to work as quickly as possible.

20 THE COURT: Okay, very good.

21 Now what about the third party neutral, do you have
22 that person identified?

23 MR. MORRIS: No, we haven't talked about that. I'm
24 sure we can get that resolved as we're discussing the form of
25 order.

1 THE COURT: Okay, very good.

2 All right, well, if there's nothing further, again,
3 let's roll to Acis.

4 And I guess actually -- maybe we should briefly talk
5 about mediation, where things stand, in case there are people
6 on the call who don't want to stick around for the Acis
7 discussion. I don't know, maybe everyone wants to hear the
8 whole hearing today.

9 So let me just tell you where things stand: We have
10 -- my courtroom deputy reached out to you all late last week,
11 and let you all know that both Sylvia Mayer from Houston, as
12 well as retired Bankruptcy Judge Allan Gropper, are interested
13 in being co-mediators on this, and that was subject to doing
14 their conflicts review.

15 And then the next thing after that, they were going
16 to reach out to the lawyer contacts, and give their, quote,
17 "initial disclosures."

18 I emailed about 9:30 last night with Sylvia Mayer,
19 and she was making sure she had all the right contact people.
20 I gave her lawyers for the debtor, for the Committee, for Acis,
21 for UBS, for Dondero, and the Redeemer Committee -- Crusader
22 Redeemer Committee.

23 Right now, it's my view that that is the universe of
24 parties to participate, although I can see the co-mediators
25 rolling in more people. Like someone suggested Mark Okada, and

1 -- I think probably it would be premature in the beginning, but
2 maybe he'll be rolled in. You know, if the UBS proof of claim
3 is resolved in mediation, and the Acis -- and/or the Acis proof
4 of claim are resolved in mediation, and then -- you know, I
5 think those are kind of the highest priorities here of the
6 mediation, then certainly he might be brought in, but right
7 now, I'm not going to order that.

8 So about 9:30 last night, I sent Sylvia Mayer the
9 lawyer people to email, the co-mediators' disclosures. And she
10 was going to be in a mediation all day today, but I would
11 suspect probably tonight, if y'all haven't gotten anything yet
12 -- I haven't looked at my email during this hearing, but I
13 would suspect maybe tonight or tomorrow you're probably going
14 to get that communication from Sylvia Mayer with whatever their
15 disclosures are for the parties to consider. And, you know,
16 assuming everyone gets comfortable with that, then the
17 administrative people at the triple A, the American Arbitration
18 Association, we're going to get going with, you know, the
19 administrative side of this, and you all would talk about
20 scheduling.

21 So all this to say I hope here in the next few days
22 there is an active effort to get things scheduled and get the
23 dialogue going with those co-mediators.

24 The only other thing I would add is I don't
25 necessarily anticipate that Sylvia Mayer would mediate the,

1 say, Acis proof of claim, and Judge Gropper would mediate, say,
2 the UBS proof of claim. I think -- I don't think it
3 necessarily breaks down that way. I think you would probably
4 just have co-mediators doing the whole ball of wax here
5 because, among other things, the plan treatment discussion is
6 probably going to roll into proof of claim allowance
7 discussions.

8 So that is, I think, what this would shape up to be.
9 That you would have co-mediators working on all of this.

10 So any questions at this point?

11 (No audible response heard)

12 THE COURT: Again, I know -- if you haven't gotten an
13 email by the end of today, it's surely going to be in the next
14 day or two that you'll get their email reaching out about their
15 disclosures. Okay?

16 UNIDENTIFIED ATTORNEY: Yes, Your Honor.

17 MR. CLUBOK: Your Honor --

18 MS. MASCHERIN: Your Honor, this is Terri Mascherin
19 on behalf of the Redeemer Committee.

20 Just a quick question: Did I hear correctly that you
21 have given the mediators our contact information? Because we
22 have not been copied on the email -- the emails that have gone
23 around.

24 In fact, we haven't been copied on any of the emails
25 that have gone around about the mediation.

1 THE COURT: Okay; thank you, Ms. Mascherin.

2 Let me make sure you're completely in the loop. So I
3 did have my courtroom deputy reach out to debtor, Committee,
4 Dondero, UBS, and Acis last week, their counsel, regarding the
5 interest of both Sylvia Mayer and former Judge Gropper.

6 And at the time she did that, I was thinking since
7 the Redeemer Committee had an agreement with the debtor, you
8 all have announced at the last hearing or two you had an
9 agreement that perhaps you all would not be participating.

10 And I actually did have some lawyers respond to my
11 courtroom deputy that, no, we think they very much need to be
12 involved.

13 So that was just a missed step, I would say, on my
14 part, not having that email go out to you originally. So I
15 will make sure when we get out of this hearing that my
16 courtroom deputy forwards to you the little bit of email
17 traffic there was. There were not a lot of emails, but maybe
18 her email and three or four responses of other lawyers.

19 So the co-mediators have been given your name. If
20 others, besides you, want to be on her contact list, you know,
21 certainly Mr. Hankin or Mr. Platt, you can let her know when
22 you get the initial -- her, Sylvia Mayer, know when you get the
23 initial email from her. But you're on the list now, and I --
24 again, it was just a mistaken belief on my part that maybe you
25 wouldn't be part of the mediation since your claim had been

1 agreed to with the debtor, so --

2 MS. MASCHERIN: Okay. I appreciate it, and thank you
3 for clarifying, Your Honor.

4 THE COURT: Okay; thank you.

5 MR. CLUBOK: Your Honor --

6 THE COURT: All right --

7 MR. CLUBOK: Your Honor, this is -- Your Honor, may I
8 speak briefly?

9 THE COURT: Certainly.

10 MR. CLUBOK: Thank you, Your Honor. This is Andrew
11 Clubok on behalf of UBS.

12 And I apologize if you did not see the email that we
13 sent to Ms. Ellison this morning. But we -- our position is we
14 very much are fine with Crusader, or frankly any other major
15 creditor, involving the overall mediation.

16 But the issue of reaching an overall plan, the so
17 call grand bargain that Mr. (indiscernible) talked about. What
18 we don't -- and we just want to be sure that no one takes it
19 that you're ordering this or thinks it's appropriate, because
20 in the first instance to have a productive discussion on our
21 specific claim with the debtor, it's not going to be helpful
22 and productive -- in fact, it would be counterproductive -- to
23 have other creditors in our class sitting in listening to that,
24 weighing in. You know, obviously their position will all be
25 make it as low as possible. It's not helpful to have a whole

1 nother set of lawyers doing that, and I just want to make sure
2 people don't come away thinking that you've ordered -- I hope
3 you have not ordered that, and if you have, I would like to
4 speak to that.

5 But just like we wouldn't be sitting in -- we were
6 not permitted to sit in when the debtor spoke with Crusader
7 about setting their claim, we're not -- we have not been part
8 of the discussion with Acis and if the debtors have discussions
9 -- with Acis. The other parties, we were actually told before
10 they would not be involved in (indiscernible) first instance.

11 There is a time -- an appropriate time for a creditor
12 to object, but we don't even know what the settlement is with
13 Redeemer. Once we hear it, we may have an objection; hopefully
14 not. Hopefully it will be perfectly fine.

15 And we understand that once we reach an agreement
16 with the debtor, that's subject to an objection process, and
17 everyone is going to have a chance to weigh in. It's just not,
18 we think, going to be effective, and I set this out in an email
19 that I sent earlier but -- just today. And so I just want to
20 make sure that, you know, people aren't taking from what you
21 said that Crusader is just going to be able to sit in our
22 (indiscernible), Acis does or does not (indiscernible)
23 specifically their claim, etc.

24 THE COURT: All right. Well, let me tell you how I
25 usually do this, and how I expect to do it here.

1 Once everything is nailed down with the mediators,
2 and I say that because they're going to send you their
3 disclosures, and hopefully everybody's going to be fine with
4 everything. When I get the green light that, yes, we're going
5 to go forward, I have a standard form of mediation order. And
6 it pretty much gives discretion to the mediators to run this
7 the way they want to. And, for example, if they want
8 participants to submit a white paper, you know, no more than 25
9 pages in length, or whatever, you know, the mediators can
10 instruct that.

11 And it has all of the usual bells and whistles about
12 confidentiality that nobody can subpoena the mediators, or
13 compel them to testify. And I'm not going to talk to them
14 about the substance.

15 I just want a report, either things settled or not.
16 People negotiated in good faith or not.

17 And so I don't think there will be any ambiguity
18 about the rules of the road, it's just what I think is a fairly
19 normal mediation order.

20 And, therefore, you know, I think the confidentiality
21 that you're concerned about will be built into that order, and
22 will be kind of the usual -- what I think is the usual
23 protocol. That if you want the mediator to keep something
24 confidential, and not share it with another party, then it's --
25 that's the way it's going to be.

1 MR. CLUBOK: Okay. I believe -- we certainly agree
2 the mediators will different roles. We just -- I just -- and
3 the mediator may have different sessions, different breakout
4 sessions. But we just believe that if our claim, or any
5 creditor's claim, with the debtor in the first instance, to
6 have a productive mediation, settlement should be done the way
7 the (indiscernible) claim is (indiscernible), which is directly
8 with the debtor. And that we'd have a chance to see if that --
9 if that gets somewhere and results in something. We're --
10 we're -- that's our input about about meeting our specific
11 claim to maximize the chance of avoiding litigation and
12 resolving it.

13 THE COURT: Well, again, I fully suspect they're
14 going to reach out to all of you all and get all of your ideas
15 about the sequence of the mediation, you know, whether it's all
16 together with people in separate rooms on day one, or hey,
17 let's start with UBS, let's start with Acis. I mean it would
18 be expected that the co-mediators will reach out to you all
19 from day one with everybody's ideas about what would be the
20 most productive format. So I hope that answers your question.

21 You know, to a large extent, this is to be
22 determined. But, you know, the ground rules I'm giving them is
23 let's try to get this UBS proof of claim resolved. Let's try
24 to get the Acis proof of claim resolved. Let's try to get to a
25 grand bargain on what a plan looks like, and the treatment of

1 all the unsecured creditors.

2 So I think these are extremely experienced people who
3 will be pretty skilled at how to proceed.

4 MR. CLUBOK: That does answer our question; thank
5 you, Your Honor.

6 THE COURT: Okay.

7 MR. CLUBOK: That's all I wanted to clarify. That
8 you weren't directing them to do anything in terms of how they
9 proceed, and we'll pick it up with them.

10 THE COURT: Okay; very good.

11 MR. CLUBOK: Thank you.

12 THE COURT: Anyone else want to say anything about
13 this?

14 (No audible response heard)

15 THE COURT: All right. Well, let's turn then to the
16 status conference that both the debtor and Acis wanted to have
17 today. Back on the 14th, I guess it was, Mr. Pomerantz, I
18 think, raised the issue that the Acis proof of claim, which at
19 that point the debtor had objected to, and now Mr. Dondero has
20 objected to, was set for hearing, I think, August 6th. But
21 there had been a discussion about continuing that hearing to
22 September 10th to hopefully focus primarily on mediation.

23 But then we wanted to have a status conference today
24 to kind of talk about what the September 10th hearing would
25 look like. We don't want it to just be a status conference.

1 And, Mr. Pomerantz, I don't know if you're on the
2 line, but you said there were legal issues as well as factual
3 issues. And so my brain was kind of going down the trail of
4 are you suggesting motions for summary judgment might be a
5 first step on September 10th? I have no idea what you had in
6 mind.

7 So who -- is it going to be Mr. Morris taking the
8 lead on this --

9 MR. KHARASCH: Your Honor --

10 THE COURT: -- or Mr. Pomerantz?

11 MR. KHARASCH: Your Honor, it's Mr. Kharasch.

12 THE COURT: Oh.

13 MR. KHARASCH: It's Ira Kharasch.

14 THE COURT: Oh, Mr. Kharasch.

15 MR. KHARASCH: Yeah.

16 THE COURT: Okay, there you are.

17 MR. KHARASCH: I --

18 THE COURT: You appeared earlier.

19 MR. KHARASCH: I did. I did. So two things, Your
20 Honor:

21 First, Mr. Pomerantz wanted me to express to Your
22 Honor that he would have loved to have been here today, as he's
23 been here in the past, however, he is in the hospital with a
24 medical condition, we think things will work out just fine,
25 but --

1 THE COURT: I'm sorry to hear that.

2 MR. KHARASCH: Thank you, Your Honor.

3 THE COURT: Please express my best wishes.

4 MR. KHARASCH: Absolutely. But he just wanted to let
5 you know why he's not here.

6 So, number two, I think, Your Honor, at the last
7 week, I think we mentioned that the continued hearing on the
8 claim objection would be September 17. There's a little
9 confusion about that versus September 10. I don't know if Ms.
10 Patel is in agreement about that. I think we're both in
11 agreement that it was September 17th, but I'm not completely
12 sure of the different dates.

13 THE COURT: Okay. I did not run that date by my
14 courtroom deputy. I just -- I looked at the transcript from
15 the hearing. Y'all said September 10th, but maybe someone
16 misspoke.

17 What do you think, Ms. Patel?

18 MS. PATEL: Your Honor, I think the confusion might
19 be -- I believe the original hearing was August the 10th, and
20 that's what's getting moved off. And so September 17th is --
21 I've seen a September 19th date, as well, but I think that's a
22 Sunday or --

23 MR. KHARASCH: It's a Saturday. I think it's a
24 Saturday.

25 MS. PATEL: Saturday. So I think September 17th is

1 the day that Acis is amenable to -- to -- the process we're
2 about to discuss with the date being the 17th of September.

3 THE COURT: Okay; very good.

4 MR. KHARASCH: Thank you, Your Honor.

5 THE COURT: Okay.

6 MR. KHARASCH: And --

7 THE COURT: So 17th, okay.

8 MR. KHARASCH: Yeah. And, Your Honor, I think the
9 good news here is the debtor and Acis's counsels are in
10 agreement subject to your blessing of that agreement as to how
11 we want to approach things.

12 Again, we did continue the hearing to today and the
13 purpose, Your Honor, is to give us a chance to discuss with the
14 Acis team how we both thought -- how to proceed in a manageable
15 way to make this September 17th hearing date a productive
16 hearing, and manageable, and easily understandable, and easy
17 for the Court to deal with, because we're dealing with a
18 massive claim, and a very big claim objection.

19 So what we come up with is the following way that we
20 think should be a productive way to handle it. We would like
21 to have another status conference on or about August 14, which
22 is, I think, just after Ms. Patel's vacation. If it has to be
23 a few days later, that's fine.

24 And during that time, we'll also be seeing a draft
25 response to our claim objection. But the purpose is before

1 that status conference on the 14th, Your Honor, we would
2 propose the following:

3 That a few days before, we file a joint statement
4 that would propose the following to the Court: We would come
5 up come up with respect to the September 17 hearing date, that
6 we would come up with a list of issues for summary adjudication
7 that both parties would like to deal with by summary
8 adjudication on the September 17 hearing date. We would set
9 those forth in the joint statement for the Court to review.

10 We'd also set out a list of issues that are not
11 subject -- we don't believe are not subject to summary
12 adjudication. That would be dealt with later, if not through a
13 trial or otherwise, if not dealt with by the summary
14 adjudication proceeding, depending on how that goes.

15 We would also propose for that status conference,
16 that joint statement, Your Honor, a proposed discovery and
17 pretrial schedule that would occur after the September 17
18 summary adjudication, and a proposed trial date.

19 Just for the record, both parties do want to move as
20 quickly as possible after the September 17th hearing date in
21 terms of discovery, and get to a trial as quickly as possible,
22 maybe even before plan confirmation. But this would be part of
23 the greater discussion, then we'd starting pinning down
24 proposed dates for Your Honor to talk about at the next status
25 conference here, Your Honor, on or about August 14th.

1 We'd also address the Acis request that the debtor
2 file an answer to the Acis second amended complaint in the Acis
3 case. We had talked about that, that was a new topic of
4 discussion.

5 And that's really the -- that's what we would propose
6 to get before the Court. We'd file it -- it's August 14, we'd
7 file it two days before the hearing because that's soon after
8 Ms. Patel's vacation. If it's a few days later, we'd give the
9 Court -- we would file it a few days earlier to give the Court
10 more time to look at the joint statement.

11 To the extent we can't agree on all of these issues
12 that I just enumerated in the joint statement, the joint
13 statement would address those issues that we haven't agreed on,
14 and the unilateral position of the parties to be discussed
15 before the Court at the continued status conference.

16 So we think in that way, Your Honor, we can make
17 everyone's life easier to go forward and get something done at
18 the September 17 claim objection date.

19 THE COURT: All right. Well, Ms. Patel, do you agree
20 with everything you just heard?

21 MS. PATEL: Yes, generally speaking, Your Honor.
22 Just a couple of things.

23 THE COURT: All right. Mr. Bonds, I'm going to ask
24 you to put your phone on mute. I think we're getting some
25 disruption from your end.

1 MR. BONDS: It is on mute; I'm sorry.

2 THE COURT: Okay. Well, Mike, I don't know where
3 that's coming from.

4 ECRO: I think it's Mr. Ira's phone. He's on mute
5 now.

6 THE COURT: Okay.

7 ECRO: That's where it's coming from.

8 THE COURT: Ms. Patel, go ahead.

9 MS. PATEL: Thank you, Your Honor.

10 Just a couple of things, again, so the Court -- just
11 so I can set the Court's expectations a little bit on where
12 we're going to head, and these were discussions we had with Mr.
13 Kharasch over the (indiscernible) yesterday. But I wanted to,
14 again, reiterate the parties' expectation is that if we're
15 going to go down this path -- a double (indiscernible) path
16 while we're doing things by summary adjudication at the
17 September 17th hearing which issues -- you know, we'll decide
18 which buckets of issues are appropriate for September 17th,
19 that nevertheless, that there would be an expeditious trial
20 setting, and that's what I think the parties are anticipating
21 coming back to the Court and asking for in August.

22 And that that trial setting would be at some
23 juncture, preferably before plan confirmation. But if it has
24 to go to trial, that's certainly no (inaudible), so make that
25 simultaneous with the plan confirmation.

1 But just -- that's just a little bit of
2 foreshadowing, I suppose, Your Honor, more than anything else.

3 We also requested that basically we would just go
4 through one -- what we'll call summary adjudication process.
5 And Your Honor hit on a great question of is this a motion for
6 summary judgment? I'm not sure that we really necessarily
7 defined it as a motion for summary judgment, as much as this is
8 intended to be a "there's not going to be anymore motions to
9 dismiss or motions for (indiscernible) pleading, etc." The
10 September 17th hearing is intended to be the full shot of
11 "let's go through all the issues that can be determined on
12 September 17th by agreement, and then that's it, other than
13 that, we're going to be talking about trial."

14 The other point that I would just raise again just to
15 enlighten the Court, this isn't -- the summary adjudication
16 would not just be issues that Highland has raised in its
17 objection to Acis's claim, but it could also be summary
18 adjudication with respect to Acis's affirmative claims as
19 against the estate. So it's a two-way street with respect to
20 that.

21 And then finally, Your Honor, Acis just requested
22 that we at least have a discussion with respect to the Highland
23 Capital Management filing an answer with respect to Acis's
24 complaint. And as Your Honor recalls, the proof of claim that
25 Acis filed is -- attaches the second amended complaint that's

1 pending in the adversary. That complaint has never had an
2 answer filed with respect to it, so we need an answer really as
3 kind of a responsive pleading. And the hope was that that
4 would help streamline the issues so -- and, frankly, I think it
5 would be helpful from my perspective to decide what are the
6 appropriate issues for the summary adjudication basket to be
7 heard on September 17th, and what are the appropriate -- what's
8 the appropriate basket that is going to have to go trial.

9 And that was -- that was my thinking with respect to
10 that. But we'll continue to have those discussions, and foster
11 that.

12 But beyond that, that's just some things that I
13 wanted to sort of foreshadow, I guess, for the Court, just to
14 (indiscernible) the Court's expectations as to what's going to
15 happen at the August hearing, and where things are headed.

16 THE COURT: All right. Well, just a couple of things
17 I'll throw in.

18 Before we get off, I'll make sure September 17th is
19 available.

20 (The Court engaged in off-the-record colloquy)

21 THE COURT: So we'll circle back and make sure that's
22 good.

23 As far as this process, I like everything I heard.

24 As far as getting the summary adjudication on certain
25 issues, I kind of like the idea of not cross-motions for

1 summary judgment, no, please. Maybe instead, you just come up
2 with a set of stipulated facts, and then based on these
3 stipulated facts, we think you can rule as a matter of law on
4 A, B, and C, and then the other side disagrees that you can
5 based on A, B, and C.

6 But on the other hand, you think we can -- you can
7 rule in front of us because of D, E, F. And then the other
8 side -- so I guess what I'm saying is -- hmmm, I'm trying to
9 avoid the whole cumbersome summary judgment process, but -- can
10 we --

11 MR. KHARASCH: Your Honor, can --

12 THE COURT: Mr. Kharasch, do you have an idea?

13 MR. KHARASCH: Yes. We've been thinking about that
14 very point, Your Honor, and that's something I'm going to talk
15 to Ms. Patel about, you know, prior to that status conference
16 hearing.

17 We agree with you, we don't want to recreate the
18 wheel on a bunch of paper that's already before the Court. We
19 might come up with a proposal, Your Honor, where we just submit
20 a short statement of why we think -- you know, before the
21 September hearing date, here's what's going to be argued on
22 summary adjudication, we'll cross-reference what's already in
23 front of the Court in terms of our claim objection, point you
24 to different parts of it, rather than me filing things.
25 Hopefully stipulate to certain facts to make your life easier,

1 and to, you know, just make sure everything's easily directed.

2 But that's the kind of thing we'd like -- I think
3 we're going to be talking about to make things easier and more
4 streamlined.

5 THE COURT: Okay. Ms. Patel, you agree that's a goal
6 to shoot for? Rather than cross motions for summary judgment,
7 and responses, and replies, and giant appendixes, just have
8 something like a set of stipulated facts, and here are the
9 contested issues of law?

10 MS. PATEL: Yes, Your Honor. I think that would be
11 sort of the general goal.

12 THE COURT: Okay, all right. Well, that -- that
13 sounds like a good game plan.

14 So I like this overall idea, we'll kind of check in
15 on August 14th. A few days before that, you'll file the joint
16 statement of what you think the list of issues of law are that
17 would be argued on the 17th.

18 And then as far as the answer to the Acis adversary
19 proceeding, that adversary proceeding is technically subject to
20 the automatic stay, and there are other parties in the
21 litigation. So as I've mentioned before, we have drafted back
22 in chambers a giant report and recommendation on a motion to
23 withdraw the reference that was filed way long ago by -- I
24 think it was jointly by Highland and HCLOF. But I may be
25 wrong, it may have only been HCLOF, it's been so long since

1 I've looked at it.

2 But my point is it's stayed. So I mean as a
3 technical matter, if you want to agree that Highland will file
4 an answer, I mean I guess you'll have to do an agreed order
5 lifting the stay, maybe just for the limited purpose of
6 allowing Highland to do an answer with you all agreeing it's
7 not going to go any further than that at this juncture. Or --
8 I mean I'm just asking, frankly, because we've got other
9 parties involved who want to know the answer to that question
10 maybe.

11 And then I've got a report and recommendation that
12 I've got to dust off, and finalize, and send in to the District
13 Court if we're lifting the stay for all purposes.

14 I assume you just want to do a limited lifting the
15 stay to let them file an answer, but everything else is still
16 on hold?

17 MS. PATEL: Your Honor, I think that would be the
18 general concept. And to be fair, it's a concept that I was,
19 you know, late in the day yesterday with Mr. Kharasch, and so
20 we haven't really quite formulated exactly how we Proceed
21 forward with it. So I don't -- I'm not trying to ambush him on
22 the issue.

23 But I think we can either craft something that to the
24 extent that it is an answer, a very traditional answer, you
25 know, concept in the adversary proceeding, then, yes, I agree

1 that I think it would be appropriate to do a very limited
2 agreed order lifting the stay for the limited purpose of filing
3 the answer, and that's it. Again, just so we have the
4 pleading.

5 Or if we -- that perhaps maybe Mr. Kharasch and I can
6 come and put our creative brains together and see if we can
7 come up with something that acts an awful lot like an answer,
8 but is here and filed in the Highland bankruptcy case that kind
9 of functions similarly.

10 THE COURT: Okay.

11 MR. KHARASCH: Yeah, just to be clear, Your Honor, we
12 haven't agreed to anything; we heard about this concept
13 yesterday. I have not really had a chance to think it through.
14 I'm not -- I'm not saying absolutely no, we have to discuss it
15 with our client. (Indiscernible) but we have an open mind, and
16 will continue our discussions.

17 One thing, Your Honor, do we definitely have the
18 August 14 date as a status conference? And if so, at what
19 time?

20 THE COURT: It is available. Let's do it at 9:30,
21 and I'm not going to give you a ton of time that day because I
22 have a bear of a trial that next week that I'm going to need to
23 be in mostly hibernation preparing for. So let's say 9:30 on
24 Friday, August 14th.

25 MR. KHARASCH: That's fine, Your Honor; thank you

1 very much.

2 THE COURT: And then I -- on September 17th at 9:30,
3 I also have available.

4 MR. KHARASCH: That's great.

5 THE COURT: The morning only, I've got a full
6 afternoon.

7 All right, so I was going to ask you to do sort of
8 like a mini scheduling order, reflective of what we discussed
9 today. And it sounds like you'll have a few things to iron out
10 after we get off the phone, but I think we've got enough here
11 to kind of have a partial scheduling order, or something to
12 that effect, dealing with objections to Acis's proof of claim.

13 Mr. Bonds, you're on there, I see now, for Mr.
14 Dondero. I think you've joined in the -- I don't know if you
15 call it a joint, or you filed your separate objection to the
16 Acis proof of claim, correct?

17 MR. BONDS: (No verbal response).

18 THE COURT: Okay. You're on mute, if you could
19 unmute yourself.

20 MR. BONDS: Your Honor --

21 THE COURT: We're getting some echo, but is there
22 anything you want to add to this discussion?

23 MR. BONDS: Your Honor, there is. We believe that we
24 are entitled to participate in the Acis claim of because it's
25 so intertwined with the underlying lawsuit -- Your Honor, I'm

1 sorry.

2 THE COURT: All right. Well, I understand you filed
3 an objection. Is there any -- is there any -- well, is there
4 any objection to the Dondero -- I don't know if he's going to
5 say anything separate from the debtor, but Dondero being
6 involved as an objecting party.

7 MR. BONDS: (Indiscernible). I'm sorry.

8 THE COURT: Okay. We're having real terrible --
9 (The Court engaged in off-the-record colloquy)

10 THE COURT: Okay. We have two feeds that say D.
11 Michael Lynn, and that's causing a feedback loop, according to
12 the younger smarter people here behind me. Like maybe you have
13 a phone and a computer? All right, well, I've actually turned
14 to Mr. Kharasch and Ms. Patel, do you all have any problem with
15 Dondero kind of joining in, and -- I haven't reviewed his
16 objection to see how it differs from the debtor's.

17 MR. KHARASCH: Yeah, frankly, Your Honor -- Ira
18 Kharasch. We have not spent time reviewing that objection, as
19 well, so we haven't really thought about it.

20 I mean it's out there, I'm not sure I see the problem
21 with it. But we would like some time to see how -- what it
22 looks like, and how it plays into it. I'm not -- I'd be
23 surprised if -- well, I'm not even going to say anything as to
24 what's in it because I just haven't read it.

25 THE COURT: Okay, all right. Ms. Patel?

1 MS. PATEL: Your Honor, from Acis's perspective,
2 same. I, frankly, have not given it enough consideration. And
3 just out of the gate, I think one of the issues is going to be
4 Mr. Dondero's standing to kind of join in on the claim
5 objection, but it's something that, frankly, I just truly
6 haven't spent enough time thinking that issue through, or
7 whether there's going to be an issue. So I'm just not sure.

8 THE COURT: All right. Well, I'll try one more time.
9 Mr. Bonds, do you have a good connection now?

10 MR. BONDS: (No audible response heard).

11 THE COURT: All right. I'm just going to direct you
12 all to visit with Mr. Bonds or Mr. Lynn, and see if you can
13 come up with any agreements. And if you can't, then maybe Mr.
14 Dondero's counsel can request a status conference. I'm not
15 inclined to want to do another one before August 14, but maybe
16 we can just hear what they have to say on August 14th about the
17 process.

18 MR. KHARASCH: I think that makes sense, Your Honor.
19 And we'll -- and we'll talk to them.

20 THE COURT: Okay.

21 MR. KHARASCH: We'll talk to them beforehand.

22 THE COURT: Okay, all right.

23 MS. PRESTON: Your Honor, may I briefly be heard?

24 THE COURT: Who is this?

25 MS. PRESTON: This is Katherine Preston from Winston

1 & Strawn, I represent Mr. Ellington, Mr. Leventon, and some of
2 the other Highland employees.

3 THE COURT: Okay.

4 MS. PRESTON: And I apologize, I tried to appear
5 earlier and had some technical difficulties.

6 THE COURT: Okay.

7 MS. PRESTON: We just wanted to ask regarding
8 mediation. We've discussed with some of the parties to that
9 mediation dissipating, and so we just wanted to be included, as
10 well, in any of those discussions and communications.

11 THE COURT: All right. And I guess the party in
12 interest status would be that you've been sued by Acis, is
13 that -- is there any --

14 MS. PRESTON: That's correct.

15 THE COURT: Okay. Well, I think what I'm going to do
16 is think about that one a bit.

17 I almost put that one in the same category as Mark
18 Okada. I'm just trying to be as productive as possible in the
19 way this goes forward where the primary issues are the UBS
20 proof of claim and the Acis proof of claim. And granted,
21 there's a lot of satellite litigation out there, and -- and
22 that might be a factor as far as -- let me think about that
23 one, okay?

24 Your request is duly noted, and I'm going to think
25 about that, and I'll let you all know through my courtroom

1 deputy what I decide on that. But I'm leaning towards that
2 might be a second stage of mediation if we have wonderful
3 breakthroughs on the Acis and UBS proof of claim sides, so
4 that's my answer on that.

5 MS. PRESTON: Thank you.

6 THE COURT: Uh-huh. Anything else?

7 MS. PRESTON: Thank you, Your Honor.

8 THE COURT: All right. Well, it's a little bit late,
9 it's 5:19 central time, and if there's nothing further, we're
10 adjourned, and we'll look for all the orders to be
11 electronically submitted.

12 Thank you.

13 MULTIPLE SPEAKERS: Thank you.

14 (Whereupon, at 5:20 p.m., the hearing was adjourned.)
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CERTIFICATE OF TRANSCRIBER

I, KAREN HARTMANN, a certified Electronic Court Transcriber, certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.

A handwritten signature in black ink that reads "Karen Hartmann". The signature is written in a cursive, flowing style.

Karen Hartmann, AAERT CET**D0475 Date: July 24, 2020
Transcripts Plus, Inc.

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

In Re: Highland Capital Management, L.P. § Case No. **19-34054-sgj11**

James Dondero §

Appellant §

vs. §

Highland Capital Management, L.P., et al §

3:20-CV-03390-X

Appellee §

[1302] Order granting motion to compromise controversy. Entered on 10/28/2020.

**APPELLEE RECORD
VOLUME 26**

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**COUNSEL FOR ACIS CAPITAL MANAGEMENT,
L.P. AND ACIS CAPITAL MANAGEMENT GP,
LLC, APPELLEES**

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

IN RE:

**HIGHLAND CAPITAL MANAGEMENT,
L.P.,**

DEBTOR.

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§
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CASE NO. 19-34054

Chapter 11

INDEX

DESIGNATION OF RECORD ON APPEAL

Acis Capital Management, L.P. ("Acis LP") and Acis Capital Management GP, LLC ("Acis GP," together with Acis LP, "Acis"), appellees, file this Designation of Record on Appeal related to the *Order Approving Debtor's Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1302] (the "Settlement Order"), the *Notice of Appeal* [Docket No. 1347] of the Settlement Order filed by James Dondero ("Dondero") and the *Appellant's Second Amended Designation of Items to be Included in the Record on Appeal and Statement of Issues to be Presented* [Docket No. 1515] filed by Dondero.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

Acis designates the following additional items for inclusion in the record on appeal.

Items in Bankruptcy Case No. 19-34054-SGJ-11	
Vol. 14 003095 003097	1. Order transferring case number 19-12239 from U.S. Bankruptcy Court for the District of Delaware Filed by Highland Capital Management, L.P. [Docket No. 1]
003203	2. Chapter 11 Voluntary Petition [Docket No. 1]
003247	3. Affidavit/Declaration in Support of First Day Motion /Declaration of Frank Waterhouse in Support of First Day Motions Filed By Highland Capital Management, L.P. [Docket No. 11]
Vol. 15 003406	4. Motion to Change Venue/Inter-district Transfer Filed by Official Committee of Unsecured Creditors [Docket No. 85]
003433	5. Objection of the Debtor to Motion of Official Committee of Unsecured Creditors to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 122]
003444	6. Joinder to Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas (related document(s)86) [Docket No. 126]
003452	7. Reply in Support of Motion to Transfer Venue of This Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 162]
003459	8. Reply in Support of the Motion of the Official Committee of Unsecured Creditors For an Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas [Docket No. 163]
003463	9. Response of the Debtor to Acis's Joinder to Motion to Transfer Venue [Docket No. 164]
003465	10. Order Transferring Venue of this Case to the United States Bankruptcy Court of the Northern District of Texas [Docket No. 186]
003492	11. Transcript regarding hearing held 12/6/19 [Docket No. 207]
003574	12. Schedules: Schedules A/B/ and D-H with Summary of Assets and Liabilities (with Declaration Under Penalty of Perjury for Non-Individual Debtors)[Docket No. 247]
003616	13. Statement of financial affairs for non-individual [Docket No. 248]
Vol. 16 003629	14. Trustee's Motion to appoint trustee [Docket No. 271]
003729	15. Motion to compromise controversy with Official Committee of Unsecured Creditors [Docket No. 281]
003735	16. Trustee's Objection to Motion to Approve Joint Agreement [Docket No. 313]
003738	17. Declaration re: (Declaration of Bradley D. Sharp in Support of the Motion of the Debtor for Approval of Settlement with the Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course) [Docket No. 327]
003751	18. Response unopposed to (related document(s): 313 Objection) [Docket No. 329]
003756	19. Response unopposed to (related document(s): 313 Objection) [Docket No. 330]
	20. Stipulation by Highland Capital Management, L.P. and Official Committee of Unsecured Creditors, Strand Advisors, Inc., and James Dondero. [Docket No. 338]

Vol. 16 003764	21.	Order Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course [Docket No. 339]
003769	22.	Notice (Notice of Final Term Sheet) [Docket No. 354]
Vol. 17 003834	23.	Response opposed to (related document(s): 271) [Docket No. 362]
003847	24.	Objection to (related document(s): 271 Trustee's Motion to appoint trustee filed by U.S. Trustee United States Trustee) [Docket No. 364]
003851	25.	Transcript regarding Hearing Held 01/21/2020 [Docket No. 393]
003991	26.	Order denying motion to appoint trustee [Docket No. 428]
003993	27.	Motion for relief from stay [Docket No. 451]
Vol. 18 004042	28.	Motion for authority to apply and disburse funds (Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain "Related Entities") [Docket No. 474]
Thru Vol. 21 Vol. 22 004908	29.	Transcript regarding Hearing Held 02/19/2020 [Docket No. 479]
005096	30.	Objection to (related document(s): 474) [Docket No. 487]
005110	31.	Joinder by Acis Capital Management, L.P. and Acis Capital Management GP, LLC to the Committee's Objection to the Motion of the Debtor for Entry of an Order Authorizing, but Not Directing, the Debtor to Cause Distributions to Certain Related Entities, and Comment to the Same [Docket No. 489]
005119	32.	Order authorizing, but not directing, the debtor to cause distributions to certain 'related entities'. [Docket No. 512]
005123	33.	Order granting motion for relief from stay [Docket No. 519]
Vol. 23 005125	34.	Transcript regarding Hearing Held 03/04/2020 [Docket No. 571]
005246	35.	Motion for relief from stay [Docket No. 593]
Vol. 24 005352	36.	Transcript regarding Hearing Held 05/26/2020 [Docket No. 676]
005359	37.	Order granting motion for relief from stay [Docket No. 764]
005362	38.	Application to employ James P. Seery, Jr. Other Professional Debtors Motion Under Bankruptcy Code Sections 105(a) and 363(b) for Authorization to Retain James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer and Foreign Representative Nunc Pro Tunc to March 15, 2020 [Docket No. 774]
005395	39.	Transcript regarding Hearing Held 06/30/2020 [Docket No. 802]
005495	40.	Transcript regarding Hearing Held 07/08/2020 [Docket No. 817]
005553	41.	Agreed order regarding deposit of funds into registry of the Court [Docket No. 821]
005558	42.	Order granting application to employ James P. Seery, Jr. as Chief Executive Officer, Chief Restructuring and Foreign representative [Docket No. 854]
Vol. 25 005570	43.	Transcript regarding Hearing Held 07/14/2020 [Docket No. 864]
005764	44.	Transcript regarding Hearing Held 07/21/2020 [Docket No. 897]
Vol. 26 005829	45.	Order directing mediation [Docket No. 912]
005835	46.	Transcript regarding Hearing Held 08/19/2020 [Docket No. 998]
005855	47.	Transcript regarding Hearing Held 09/10/2020 [Docket No. 1064]
005904	48.	Amended Schedules: E/F, with Summary of Assets and Liabilities [Docket No. 1082]
005933	49.	Transcript regarding Hearing Held 10/06/2020 [Docket No. 1145]
005991	50.	Witness and Exhibit List [Docket No. 1175]
005994	51.	Witness and Exhibit List [Docket No. 1202-1]
005997	52.	Omnibus Reply [Docket No. 1221]

DATED: December 7, 2020.

Respectfully submitted,

By: /s/ Annmarie Chiarello

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**COUNSEL FOR ACIS CAPITAL
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CAPITAL MANAGEMENT GP, LLC,
APPELLEES**

CERTIFICATE OF SERVICE

I hereby certify that on December 7, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello

One of Counsel




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

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

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

Signed August 3, 2020


United States Bankruptcy Judge

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

§
§
§
§
§
§

Chapter 11

Case No. 19-34054-sgj11

ORDER DIRECTING MEDIATION

The Court has determined that mediation would aid and assist in the resolution of numerous issues in the above-captioned case. Accordingly, pursuant to 11 U.S.C. § 105 and this Court's inherent authority to regulate its docket, **IS HEREBY ORDERED THAT:**

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

1. The following parties are ordered to mediate as set forth below: (i) Highland Capital Management, L.P. (the “Debtor”); (ii) the official committee of unsecured creditors appointed in the Debtor’s bankruptcy case (the “Committee”); (iii) Acis Capital Management, L.P. and Acis Capital Management GP, LLC; (iv) UBS Securities LLC and UBS AG, London Branch; (v) the Redeemer Committee of the Highland Crusader Fund; and (vi) James Dondero. The foregoing are collectively referred to herein as the “Parties” and individually as a “Party.”

2. One or more mediation sessions may be scheduled. Such sessions are referred to herein collectively as the “Mediation” regardless of the number of days. While exact date(s) have not yet been determined, it is currently anticipated that the Mediation will be held between August 21, 2020 and September 2, 2020. The Mediation will be conducted via video conference.

3. The Mediation will be administered by the American Arbitration Association (“AAA”). Retired Judge Allan Gropper and Sylvia Mayer are appointed to serve as co-mediators (the “Mediators”). The Mediators will confer and determine, in their discretion, whether one or both Mediators will participate in all or part of each mediation session. The Mediators’ fee will be \$5,000 per Mediator per mediation session. (For the avoidance of doubt, to the extent a Mediator does not participate in a particular mediation session, that Mediator will not bill for that session.) A mediation session is one day of mediation. There will not be an overtime charge if any of the mediation sessions go into the evening. In addition to the daily fee per mediation session, Judge Gropper bills at an hourly rate of \$600 and Ms. Mayer bills at an

hourly rate of \$425 for time spent preparing for mediation sessions, including study time and communications with the Parties and/or between the Mediators. The Mediators will each maintain time records provided that they may redact or exclude any confidential information. In addition, the Mediators will submit invoices to AAA for their hourly fees for preparation and daily fees for mediation sessions. At a minimum, the Mediators will respectively submit to AAA their first invoice prior to the start of the first mediation session and their final invoice within five (5) business days following conclusion of the last mediation session. In their discretion, the Mediators may submit additional invoices. The Mediators will provide the Parties with a copy of any invoices submitted to AAA.

4. On or as soon as reasonably practicable following the date of this Order, the Debtor will deposit with AAA the sum of \$90,000 (the “Deposit”). To the extent requested by AAA, the Debtor will supplement the Deposit as needed. The Deposit will be credited against any fees or expenses incurred by AAA or invoiced by the Mediators. Following conclusion of the Mediation and payment of AAA’s fees and the Mediators’ respective fees, any remaining funds on deposit shall be refunded to the Debtors.

5. The Debtor will bear the costs of the Mediators’ and AAA’s fees and their reasonable and necessary expenses; *provided, however*, that, for the avoidance of doubt, with the exception of the Committee, each Party will bear its own legal and professional fees and expenses. Payment will be tendered to the Mediators and AAA on the day of the Mediation. Neither the Mediators nor AAA will be required to file a fee application or seek further approval from this Court for payment of the foregoing fees and expenses.

6. Each Party will attend the Mediation and must continue participating in the Mediation as requested by the Mediators. Each Party will designate a client representative with authority to settle on behalf of the respective Party any and all matters, subject to Bankruptcy Court approval in the case of any settlement(s) affecting the administration of the Debtor's bankruptcy estate; provided that, with respect to the Committee, the client representatives shall be the designated representatives of each of the members of the Committee, and the authority to settle on behalf of the Committee remains subject to the vote of such Committee member representatives in accordance with the Committee by-laws; and provided further that, it is understood that any final settlement, depending on its terms, magnitude and scope, may be subject to additional internal approvals such as Board approval. The client representative of each Party will personally attend the Mediation as requested by the Mediators.

7. The Mediators have the authority to require each Party and their client representatives and lawyers to attend additional days of Mediation, in their sole discretion, if the Mediators believe it may be fruitful.

8. Each Party shall submit a written mediation statement to the Mediators. Each Party may share some or all of their mediation statement with other parties. Any Party will, if requested to do so by the Mediators, provide written or oral proposals or counter-proposals, that can be circulated to a Party or the Parties pursuant to the Mediators' direction, during the course of Mediation.

9. The Parties acknowledge that the Mediators may have *ex parte* communications with one or more Parties prior to or during the course of the Mediation.

10. Each of the Parties and their client representatives will participate in the Mediation in good faith. The Mediators have the authority (but not the obligation) to report to this Court if they believe that any of the respective Parties is not participating in the Mediation in good faith. The Court may sanction any of the respective Parties for failure to participate in the Mediation in good faith.

11. Within five (5) business days after the conclusion of the Mediation, the Mediators will file a report with the Court stating only whether a settlement, in whole or in part, has been reached (the “Report”). Alternatively, in lieu of the Mediators filing the Report, the Mediators may provide the Parties with such a Report to be filed by the Debtors.

12. Regardless of the outcome of the Mediation, it is the order of this Court that the contents of the Mediation, including any statements or representations made by the Mediators, any Party, or any client representative (or attorney or agent of a client representative), agent, or attorney of a Party during the course of the Mediation, are confidential and privileged. None of the Parties, their client representatives (or attorney or agent of a client representative), agents, or attorneys, or the Mediators may reveal such information to any non-party or to the Court, including, without limitation, in any pleadings or submissions, and none may be examined in any judicial or administrative proceeding (or any discovery relating to such a proceeding) regarding anything they may have said, seen, or heard during the course of the Mediation. No term sheet or other document or draft thereof prepared in the course of the Mediation will ever be the subject of discovery nor will such documents ever be admissible at any trial. “In the course of the mediation” includes the Mediation sessions themselves, as well as materials

submitted to the Mediators in advance of or during the Mediation, telephone conversations with one or both of the Mediators (or including the Mediators) before or after the Mediation sessions, and communications among the Parties specifically denominated as “in the course of mediation” and memorialized as such via electronic mail or otherwise among the Parties contemporaneously or in advance of that communication. Without limiting any provision of this Order, all communications occurring, and information exchanged, in the course of the Mediation will be entitled to all protections applicable under Federal Rule of Evidence 408, or any other protections afforded to settlement and compromise communications under other applicable law.

13. Notwithstanding anything to the contrary herein, it will be the responsibility of the Mediators to determine the structure of the Mediation and which Parties should be invited or required to participate in any particular Mediation session depending upon the content of such session.

###END OF ORDER###

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

In Re:) **Case No. 19-34054-sgj-11**
)
)
HIGHLAND CAPITAL) Dallas, Texas
MANAGEMENT, L.P.,) August 19, 2020
) 9:30 a.m. Docket
Debtor.)
) STATUS CONFERENCE RE: DEBTOR'S
) OBJECTION TO CLAIM 3 OF ACIS
) CAPITAL MANAGEMENT, LP AND
) ACIS CAPITAL MANAGEMENT GP,
) LLC (771)
)

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE.

WEBEX/TELEPHONIC APPEARANCES:

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005835

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25 Proceedings recorded by electronic sound recording;
transcript produced by transcription service.

005836

1 DALLAS, TEXAS - AUGUST 19, 2020 - 9:36 A.M.

2 THE COURT: Status conference in the Highland case
3 regarding the Acis proof of claim objection. I know we have
4 lots of folks on the video or phone this morning. I'm sure
5 not all of them are planning to participate. So I'm going to
6 do a roll call of those I think will definitely participate,
7 and then we'll open it up for anyone else who might wish to
8 make an appearance.

9 Mr. Pomerantz, I see you back. You're appearing for
10 Highland this morning?

11 MR. POMERANTZ: Yes, I am back, Your Honor, along
12 with Ira Kharasch from Pachulski Stang on behalf of the
13 Debtors.

14 THE COURT: All right.

15 MR. KHARASCH: Good morning, Your Honor.

16 THE COURT: Good morning. We're glad to see you. We
17 heard you were under the weather with something last time, so
18 we're glad that you look perfectly fine today.

19 MR. POMERANTZ: Thank you very much, Your Honor.
20 Glad to be back.

21 THE COURT: All right. Now, I think I see Brian Shaw
22 there for Acis, correct? Mr. Shaw?

23 MR. SHAW: Yes. Yes, Your Honor. Brian Shaw on
24 behalf of Acis.

25 THE COURT: All right. I see Ms. Montgomery's name

1 up there for the Committee, correct?

2 MS. MONTGOMERY: (no audible response)

3 THE COURT: All right. I'm not hearing her. Let me
4 explain a couple things. I may have explained this in a
5 Highland matter before, or maybe not. With these video/audio
6 hearings, what we often do when we have dozens of people
7 participating is we here at the Court will mute everyone's
8 line when we're starting to hear distortion here or there.
9 And so you may not think you have muted yourself, and you'll
10 be correct; we have muted you. So if we can't hear you, we'll
11 need you to make sure you take yourself off mute.

12 And let me explain one more thing that I think people
13 might not be aware of. If you merely call in, okay, you don't
14 do WebEx where you can do video or audio, if you phone-call
15 in, to unmute yourself you need to press *6. Okay? So, we
16 have finally learned that people perhaps don't see that part
17 of the instructions or are not aware of that. So, to unmute
18 yourself if you are merely calling in, that's how you do it.

19 Okay. So, with that, I'll tell -- I'll say, Ms.
20 Montgomery, if you appeared, we did not hear you, so do you
21 want to try again?

22 MS. MONTGOMERY: I'm here, Your Honor, but I don't
23 intend to be participating actively. I think I'm mostly
24 listening today.

25 THE COURT: Okay. Very good. Thank you.

1 All right. I think I see Mr. Bonds there for Mr. Dondero.
2 Is that correct?

3 MR. BONDS: Yes, Your Honor.

4 THE COURT: All right. Mr. Clubok, are you appearing
5 today for UBS?

6 MR. CLUBOK: Yes, Your Honor. Andrew Clubok.

7 THE COURT: Okay. Good morning. All right. Anyone
8 --

9 MR. ANNABLE: Good morning.

10 THE COURT: Anyone else who wishes to appear
11 regarding this matter today?

12 MS. PATEL: Good morning, Your Honor. Rakhee Patel
13 on behalf of Acis.

14 THE COURT: All right. Thank you. Anyone else?

15 MR. ANNABLE: Good morning, Your Honor. Zachery
16 Annable of Melissa Hayward as local counsel to the Debtor.

17 THE COURT: All right. Thank you. Anyone else?

18 MS. MASCHERIN: Good morning, Your Honor. Terri
19 Mascherin; Jenner & Block; on behalf of the Redeemer Committee
20 of the Highland Crusader Fund.

21 THE COURT: All right. Good morning, Ms. Mascherin.
22 Anyone else?

23 All right. Well, Mr. Pomerantz or Mr. Kharasch, do you
24 want to start us out this morning? We continued this hearing
25 once already. And I think we talked about getting some sort

1 of written stipulation hopefully on file prior to this status
2 conference. I haven't seen it. So tell me where things
3 stand.

4 MR. POMERANTZ: Sure, Your Honor. This is Jeff
5 Pomerantz.

6 Over the last couple of weeks, Mr. Kharasch and I have had
7 multiple calls with counsel for Acis, Mr. Shaw and Ms. Patel,
8 to try to arrive at what we thought was an appropriate way to
9 proceed with the claim objection.

10 If Your Honor has looked at our claim objection even
11 briefly, you know it's in excess of 60 pages, and the response
12 is 70 pages, and that follows on a complaint that Acis had
13 filed. So there are a lot of issues that are dealt with in
14 the objection and are dealt with in the reply, and the hope
15 was that we would come to an agreement, which I think we have,
16 on how we should proceed, subject to, obviously, Your Honor's
17 acceptance.

18 The next hearing on the Acis objection, the objection to
19 Acis' claim, is currently scheduled for September 17th. And
20 as Your Honor is aware, we have mediation dates set with Judge
21 Gropper and Ms. Mayer for August 27th to September 4th, in the
22 hope of resolving not only the Acis claim, the UBS claim, as
23 well as other matters in the case.

24 Given the mediation and given that the parties -- at least
25 Acis and the Debtor -- believe that the best way to proceed

1 and narrow the issues is by cross-motions for summary
2 judgment, we would propose the following: We propose that we
3 would have the September 7th -- 17th date merely as a status
4 conference. That by September 16th, both Acis and the Debtor
5 would file cross-motions for summary judgment on the issues
6 that each of them believe are ripe for adjudication as a
7 matter of law by Your Honor and are not subject to disputed
8 facts.

9 Those motions would be filed according to the Local Rules
10 and the Bankruptcy Rules, and we would seek a hearing before
11 Your Honor on the summary judgment motions during the week of
12 October 19th.

13 During the interim, after the motions are filed, and even
14 before, we are going to work with Acis' counsel to see if we
15 can agree on a set of stipulated facts that would be used for
16 both the Debtor's summary judgment motion and Acis' summary
17 judgment motion.

18 And then, after the Court rules on the summary judgment
19 motions, whether that's at the hearing during the week of the
20 19th or thereafter, I think it's the Debtor and Acis' desire
21 to move expeditiously to a trial on the remaining issues. And
22 at least from the Debtor's perspective at that point, based
23 upon whatever Your Honor's rulings are or whatever is
24 remaining, we would be in a better position to assess what
25 type of discovery or what type of timing.

1 But rest assured, I think one thing that Acis and the
2 company and the Debtor agree on is we would like to, if we
3 can't resolve the matter by mediation, if Your Honor's rulings
4 on summary judgment don't facilitate resolution of the matter,
5 I think both sides would want to move expeditiously towards a
6 resolution through trial of any remaining factual issues.

7 So, essentially, we're asking for the 17th to be a status
8 conference and letting Your Honor know that we would both
9 intend to file cross-summary judgment motions by the 16th and
10 seek a hearing before Your Honor the week of the 19th of
11 October.

12 THE COURT: All right. Well, that sounds like a good
13 game plan to me, assuming this does not get worked out in
14 mediation.

15 I'll start by asking Ms. Patel or Mr. Shaw, will you weigh
16 in and confirm that that is how you all would like to proceed
17 as well?

18 MS. PATEL: Yes. Rakhee Patel for the record, Your
19 Honor, on behalf of Acis.

20 Yes, that's -- we are generally amenable to that -- to the
21 proposal as Mr. Pomerantz set forth. Obviously, any summary
22 judgment motion would need to be in compliance and the process
23 needs to be in compliance with 9014 and Rule 7056, and I think
24 that's the general basis of the agreement.

25 One thing that I would highlight, Your Honor, and I think

1 the parties have been consistent about this since the July
2 21st hearing, is that -- is, as Mr. Pomerantz identified, that
3 we would like to move this expeditiously to trial.

4 It is Acis' desire and our -- it was our expectation,
5 certainly, going into discussions on the process with Highland
6 and its counsel that hopefully the claim would be heard either
7 prior to or simultaneous with confirmation. So, and I know
8 that that brings in sort of a different issue, given the
9 posture of where we are right now with it being a claim
10 objection rather than an adversary proceeding. That is -- I
11 would like to reiterate sort of Acis' hope that this can all
12 be -- if it can't be resolved by agreement, that it would be
13 resolved before or simultaneous with confirmation of the plan,
14 any plan, in Highland's bankruptcy case.

15 One additional note just with respect to the discovery
16 point. Again, Acis is amenable to the summary judgment
17 process, but I think once mediation concludes -- and, again,
18 assuming mediation is not successful and that we are going to
19 nevertheless need to move forward with either a summary
20 judgment process or, frankly, preparations for trial -- in
21 order to keep with that timeline, I do think discovery is
22 going to need to commence shortly after mediation. And we can
23 talk and I'm always amenable and happy to talk with counsel
24 for Highland with respect to some reasonable discovery
25 limitations.

1 You know, we're not looking to -- we're not looking to
2 pile on with respect to discovery, Your Honor, but we are in a
3 situation where, at least vis-à-vis the claims as set forth in
4 the complaint, there has -- there was potential discovery that
5 was conducted during the course of Acis' bankruptcy case, but
6 there is still a significant amount of discovery that needs to
7 be done. It is not -- it is not a mountain of discovery, but
8 there is enough discovery I think that needs to be done that
9 it should commence in September, again, assuming that
10 mediation is unsuccessful.

11 THE COURT: All right.

12 MR. POMERANTZ: Your Honor, this is Jeff Pomerantz.
13 Just a couple of points in response to Ms. Patel.

14 As I indicated, the Debtor desires to move this forward as
15 quickly as possible. We do have a hearing on the Debtor's
16 disclosure statement scheduled for September 29th. This
17 summary judgment motion would be set, if it's consistent with
18 your Court's calendar, the week of October 19th.

19 I'm not sure whether it's going to be feasibly possible,
20 if we stay on our current timeline for plan confirmation, to
21 have a trial in advance. But, again, as I've indicated
22 before, after Your Honor rules on the summary judgment motions
23 we will get together, figure out what remains to be litigated,
24 and we will try to litigate it as expeditiously as possible.
25 We just can't commit that, given the uncertainty on how the

1 summary judgment motion is going to go and given the current
2 plan timeline, to say that it'll be -- that we'll be in a
3 position to actually have a trial before confirmation.

4 With respect to discovery, there's nothing, obviously,
5 before Your Honor, but I would submit, Your Honor, that, given
6 that there's going to be pending cross-motions for summary
7 judgment that may or may not be opposed on the basis of the
8 existence of material issues of fact, that it would seem to us
9 to be a little premature to start discovery because I don't
10 think the parties will really know the extent to which
11 discovery will be necessary until after Your Honor rules on
12 the summary judgment motions.

13 So, obviously, there's nothing before Your Honor now. To
14 the extent there is discovery served and to the extent we
15 believe it's appropriate, that that be deferred until after
16 the hearings on summary judgment. We could come back to Your
17 Honor. To the extent it's something that we could work with
18 counsel and provide some discovery and not have it be
19 burdensome and be the cart before the horse, in our view, we
20 will do so. But just wanted to let Your Honor know we are not
21 necessarily agreeable that we should start discovery back and
22 forth, assuming mediation is not successful. But, again, we
23 can cross that bridge when we come to it.

24 THE COURT: All right.

25 MS. PATEL: Your Honor, if I may, briefly.

1 I hear Mr. Pomerantz on his point with respect to the
2 disclosure statement. I would note, however, that, as it
3 stands right now, Acis has an objected-to claim, so for
4 purposes of plan voting, we're, at a minimum, if we can't have
5 the claim objection heard prior to confirmation, we're at
6 least going to have a claim estimation hearing. So, and which
7 I would anticipate that, again, we would still need some
8 amount of discovery.

9 I think -- I always want to make sure that I'm
10 foreshadowing at least issues with respect to my presentation
11 to the Court, so I do just want to put this on the Court's
12 radar. I'm not sure that it's necessarily an issue that needs
13 to be decided necessarily today, but these are the issues that
14 we certainly have coming down the pike.

15 THE COURT: All right. Before I comment on these
16 issues, is there anyone else who wishes to be heard? For
17 example, Mr. Bonds, I cannot remember now off the top of my
18 head, was it a joinder in the Debtor's objection or did you
19 have separate arguments with regard to objecting to Acis'
20 proof of claim?

21 MR. BONDS: We had an objection as well, Your Honor.
22 And we perceive that we will be trying to mediate with the
23 Debtor and with Ms. Patel. And if we're unsuccessful, we'll
24 have to approach the Court for guidance.

25 THE COURT: All right. So, for now, you're content

1 to be sort of left out of this mini-scheduling order and you
2 don't anticipate the summary judgment process applying to you?

3 MR. BONDS: No, Your Honor, we do not.

4 THE COURT: Okay. All right. Have I covered
5 everyone who has an interest in this? Ms. Mascherin, Mr.
6 Clubok, you know, you're just observing? You care very much
7 how this issue turns out as far as the size of Acis' proof of
8 claim, but you all have not filed an objection on behalf of
9 your clients, correct?

10 MS. MASCHERIN: That's correct, Your Honor.

11 MR. CLUBOK: Your Honor, Andrew Clubok. We -- UBS
12 has filed an objection. And we -- we've preserved that. We
13 have no problem with the schedule that was outlined in terms
14 of their cross-motions for summary judgment. But we,
15 depending on, I suppose, whether our points are covered in
16 those motions, we would, you know, reserve the right to be
17 heard. I do expect -- I would assume those points will be
18 covered in the cross-motions for summary judgment.

19 THE COURT: All right. So, do you want to be
20 included in this sort of mini-scheduling order at this
21 juncture? Do you anticipate filing your own motion for
22 summary judgment?

23 MR. CLUBOK: We don't anticipate filing a motion for
24 summary judgment.

25 THE COURT: Okay.

1 MR. CLUBOK: I suppose, if there's -- it sounds like
2 the parties -- we had not heard about this proposal until just
3 now, so it sounds like the parties are going to bring cross-
4 motions for summary judgment and no responses. I suppose, if
5 that's the process, we're fine not adding additional paper.
6 We would reserve the right, if possible, to be heard at a
7 hearing if our objections are not dealt with in those cross-
8 motions. I suppose that's a way to deal with it.

9 Also, in the course of the mediation, I assume we'll find
10 out more, and possibly, if it becomes clearer that there is a
11 clean issue that's not being addressed for some reason by the
12 parties that we feel a need to address, we could file our own
13 cross-brief.

14 I'm trying to think through, you know, on the fly here
15 about how to just preserve the right to say something,
16 although I think it's unlikely we will need to in that
17 process.

18 THE COURT: All right. Well, let me back up and
19 clarify my understanding. I thought that I heard one of you
20 say -- Mr. Pomerantz, I think -- that the Local Rules would
21 apply to the motions for summary judgment. And what I was
22 interpreting that to mean is responses could be filed to
23 motions for summary judgment in, you know, in a 21-day time
24 frame, and then maybe replies thereafter on a 10-day time
25 frame.

1 But am I creating more work here than you anticipated on
2 that?

3 MR. POMERANTZ: No, you are correct, Your Honor. We
4 would follow the Local Rules and be able to respond as
5 provided in the Local Rules.

6 THE COURT: All right. So, --

7 MS. PATEL: And that's Acis' understanding as well,
8 Your Honor.

9 THE COURT: Okay. So, --

10 MR. CLUBOK: Okay. Well, then, if --

11 THE COURT: Go ahead. Mr. Clubok?

12 MR. CLUBOK: Well, I was going to say, if that's the
13 case, perhaps the parties would just agree that we will not
14 file anything. If we feel like there's a need to address our
15 objection after seeing the two cross-motions, we'll file it on
16 the deadline for the response, and that way either side could
17 reply. I doubt that will happen, but in case we have a need
18 for it, we'll preserve that opportunity, if that's acceptable
19 to everybody.

20 THE COURT: All right. That --

21 MR. BONDS: Your Honor, we would --

22 THE COURT: That sounds fair to me. Anyone want to
23 argue differently?

24 MR. BONDS: Your Honor, I'm not arguing differently,
25 but I would like the same opportunity for Mr. Dondero.

1 THE COURT: All right. Well, you know. Pomerantz,
2 Patel, either of you have any opposition to that? It sounds
3 fair to me, since they have filed their own objections.

4 MR. POMERANTZ: No opposition from the Debtor, Your
5 Honor.

6 MS. PATEL: No opposition from Acis, Your Honor.

7 THE COURT: All right. Well, let me first see what
8 we can give you the 19th. I think you've picked a good week,
9 because that's normally our trial week, and we would not have
10 set a trial yet since we haven't had the trial docket call for
11 that week.

12 (Pause.)

13 THE COURT: All right. We can give you October 20th,
14 9:30.

15 MR. POMERANTZ: Did you say 9:30, Your Honor?

16 MS. PATEL: Thank you, Your Honor.

17 THE COURT: October 20th at 9:30.

18 MR. POMERANTZ: Yes. That would be fine, Your Honor.

19 THE COURT: Ms. Patel?

20 MS. PATEL: Yes. Thank you, Your Honor.

21 THE COURT: Okay. So that's a Tuesday. Tuesday,
22 October 20th, at 9:30.

23 All right. Well, I don't want to address discovery at
24 this juncture, and I don't want to address the ultimate trial
25 setting.

1 I think, you know, Ms. Patel, you've already announced
2 that there has been a lot of discovery and you don't think you
3 would need a "mountain of discovery." So I think what we'll
4 do, if you tell me on October 20th -- which, fingers crossed,
5 I hope I can rule promptly. As you know, I have a lot of
6 familiarity with the original complaint, the adversary filed
7 by Acis. I'm not, you know, well-schooled yet in all of the
8 objections that have been filed yet. But if I can -- what we
9 will do, I will either rule on the 20th orally from the bench,
10 with a written ruling to come, or I'll tell you I need, you
11 know, some time. But we will address on the 20th discovery
12 needs, and I will anticipate allowing expedited discovery at
13 that point, if we have discovery needs, okay, so that we could
14 have a trial setting as soon as possible.

15 I don't know yet how that would coincide with
16 confirmation.

17 Ms. Patel, you're absolutely right that, at a minimum,
18 we'd need an estimation hearing before ballots and whatnot
19 could be counted. And so at this juncture I'd be highly
20 inclined to just want to do an actual claim allowance hearing,
21 if you're going to go through all that trouble of an
22 estimation hearing.

23 So, we're just going to have to figure out the timing of
24 all of this on October 20th. Whether I rule that day or not,
25 we'll leave that setting with a game plan on expedited

1 discovery and a hearing on -- you know, the trial, I should
2 say -- on the claim objection.

3 So, part of my reason for wanting this to remain silent
4 for now is, as you can imagine, I want everyone to be fully
5 focused on the mediation right now. I want everyone to give
6 it one hundred percent of their effort, without having
7 distractions of discovery and gearing up for whatever type of
8 trial we have.

9 So, I'm going to ask -- well, I'll ask, Mr. Pomerantz,
10 your team to be the scrivener on this very short partial
11 scheduling order, if it could just be consistent with
12 everything that's been announced here today.

13 Any last-minute housekeeping issues on this?

14 MR. POMERANTZ: None from the Debtor, Your Honor. We
15 will prepare the order.

16 THE COURT: All right. And, obviously, give Ms.
17 Patel, Mr. Bonds, and Mr. Clubok an opportunity to review it
18 and comment. But it should be short and sweet, and I would
19 think there wouldn't be any room for much controversy on it.
20 Okay?

21 MR. POMERANTZ: Absolutely.

22 THE COURT: All right.

23 MS. PATEL: Thank you, Your Honor.

24 THE COURT: Well, you know, I don't know if good luck
25 is the right expression for the upcoming mediation, but I

1 trust you're all going to give it your strongest effort. It
2 would obviously be a wonderful outcome here if it's fruitful
3 mediation. All right? So, thank you. We're adjourned.

4 (Proceedings concluded at 10:01 a.m.)

5 --oOo--

19 CERTIFICATE

20 I certify that the foregoing is a correct transcript from
21 the electronic sound recording of the proceedings in the
22 above-entitled matter.

23 **/s/ Kathy Rehling**

08/26/2020

24 _____
Kathy Rehling, CETD-444
25 Certified Electronic Court Transcriber

Date

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005854

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

In Re:) **Case No. 19-34054-sgj-11**
)
)
HIGHLAND CAPITAL) Dallas, Texas
MANAGEMENT, L.P.,) Thursday, September 10, 2020
) 2:30 p.m. Docket
Debtor.)
) - FEE APPLICATIONS
) - FOURTH MOTION FOR ORDER
) FURTHER EXTENDING THE
) EXCLUSIVITY PERIODS [949]
) - FIRST OMNIBUS OBJECTION TO
) CERTAIN CLAIMS [906]

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE.

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1 DALLAS, TEXAS - SEPTEMBER 10, 2020 - 2:43 P.M.

2 THE CLERK: All rise.

3 THE COURT: All right. Good afternoon. Please be
4 seated. We apologize for being a little late getting started.
5 Everything has run long today.

6 So, we're about to start the Highland matters. We
7 originally had nine matters set today. Seven of those were
8 interim fee applications, and I think everyone should have
9 gotten the word that the Court reviewed those in chambers and
10 decided to approve those without using court hearing time
11 today. And what I mean by that is I know there was an
12 objection by Acis to -- or, a comment of Acis to the Foley
13 Gardere application, and I understand there were informal
14 comments that the U.S. Trustee may have given several
15 applicants. I'm assuming all of the orders submitted will be
16 reflective of whatever adjustments the parties negotiated. I
17 saw the Foley Gardere order, I haven't seen the others, but I
18 assume they will reflect agreements with the U.S. Trustee.

19 So, again, those were interim applications. We'll not
20 spend any more court time on those. But we do have the
21 exclusivity motion and the first omnibus objection to claim.
22 So, with that, I'm going to take appearances. For the Debtor
23 team, who do we have appearing this afternoon? Do we have Mr.
24 Pomerantz and others?

25 MR. POMERANTZ: Yes, good afternoon, Your Honor.

1 Jeff Pomerantz; Pachulski Stang Ziehl & Jones; on behalf of
2 the Debtor, with some of my colleagues on the phone and on
3 WebEx who will be participating as appropriate in the hearing.

4 THE COURT: All right. Thank you. For the Official
5 Unsecured Creditors' Committee, who do we have appearing this
6 afternoon?

7 MR. CLEMENTE: Good afternoon, Your Honor. Matt
8 Clemente from Sidley. My colleague Paige Montgomery is on as
9 well.

10 THE COURT: All right. Very good. All right. I'll
11 go through some of the usual participants. We, I think, have
12 Acis appearing. I think I see Ms. Patel there. Is that
13 correct?

14 MS. PATEL: Yes, Your Honor. Rakhee Patel on behalf
15 of Acis, and also my co-counsel Brian Shaw with the Rogge Dunn
16 Group.

17 THE COURT: All right. Thank you. For UBS, I think
18 I see Andrew Clubok there; is that correct? All right.

19 MR. CLUBOK: That's correct, Your Honor. (garbled)
20 of Latham & Watkins (garbled) for UBS.

21 THE COURT: Okay. Our connection there is a little
22 rough, but hopefully we'll get that worked out if you speak
23 more today.

24 All right. Do we have anyone appearing on behalf of the
25 Redeemer Committee?

1 MS. MASCHERIN: Yes, Your Honor. Terri Mascherin and
2 Marc Hankin as well as Mark Platt for the Redeemer Committee.

3 THE COURT: All right. Very good. All right. I
4 think I saw Ms. Lambert for the U.S. Trustee, correct?

5 MS. LAMBERT: Yes, Your Honor. That is correct.

6 THE COURT: All right. Do we have Mr. Lynn or Mr.
7 Bonds for Mr. Dondero?

8 MR. ASSINK: Good afternoon, Your Honor. This is
9 Brian Assink appearing on behalf of James Dondero.

10 THE COURT: All right. I'm afraid we didn't pick
11 that up. Could you repeat your appearance?

12 MR. ASSINK: Yes, Your Honor. I apologize. This is
13 Bryan Assink with Bonds Ellis Eppich Schafer Jones appearing
14 on behalf of Mr. Dondero.

15 THE COURT: Okay. I'm going to cut the court
16 reporter a break here. Could you spell your last name,
17 please?

18 MR. ASSINK: Yes, Your Honor. It's A-S-S-I-N-K.

19 THE COURT: Okay. Anyone else wishing to appear at
20 this time? Go ahead.

21 All right. So, maybe we have a lot of silent observers,
22 which is fine.

23 All right. Well, Mr. Pomerantz, shall we start with the
24 hodgepodge that is the omnibus objection to claims? I know we
25 had like 92 claims and we had some formal responses and

1 whatnot. So, who is going to present that?

2 MR. POMERANTZ: Your Honor, I thought, if I may, it
3 may be helpful just to give an overview on where we are, and
4 then lead into the claims at the end. And Your Honor, we read
5 Your Honor's clerk's email on the things to be addressed, and
6 we have some updates that we think it would be helpful for
7 Your Honor to hear. But however Your Honor would like to do
8 it is fine, too.

9 THE COURT: Well, okay. Let's get to the really good
10 stuff first. Or I hope it's good stuff.

11 MR. POMERANTZ: Okay.

12 THE COURT: So you may proceed.

13 MR. POMERANTZ: Thank you. So, I thought I would
14 start, Your Honor, by giving the Court a report on the four
15 days of mediation that the Debtor participated in over the
16 last week, couple of weeks, with the Committee, UBS, Redeemer,
17 Acis, and Mr. Dondero.

18 As Your Honor may recall, the four days of mediation were
19 largely to focus on trying to resolve the claims asserted by
20 UBS and the Acis entities against the estate. The parties
21 still hope to use the mediation to explore the potential for a
22 grand bargain plan with Mr. Dondero, and have, in fact,
23 scheduled another mediation session with the mediators and all
24 the parties for September 15th to further explore a potential
25 settlement.

1 I am pleased to report to Your Honor that the mediation,
2 through the mediation process, the Debtor has reached
3 agreement with Acis to resolve all claims between and among
4 the Acis entities, Mr. and Mrs. Terry on the one hand, and the
5 Debtor's estate on the other hand. Yesterday, the parties
6 actually signed a settlement agreement and a general release,
7 which has been provided to the Committee and the Committee
8 members. And the Debtor intends to seek Court approval
9 pursuant to 9019 in a motion that will be filed within the
10 next week. So I'm sure that is pleasant news for Your Honor
11 to hear.

12 THE COURT: I really want to take a break and do
13 cartwheels through the courtroom. I won't do that, but that's
14 how I feel right now.

15 So, wow. All I can say is wow. And I don't know who
16 deserves the most compliments. I'll assume all of you deserve
17 compliments. So I compliment the hard work getting there, and
18 I think that's a very positive thing, to have that one
19 resolved once and for all. It's been a long haul. So, that's
20 very good news to my ears.

21 MR. POMERANTZ: It certainly has. And the mediators
22 were instrumental in making that happen, in addition to all
23 the parties and their representatives, who worked tirelessly,
24 including over the weekend, to actually document the
25 settlement.

1 THE COURT: Okay.

2 MR. POMERANTZ: With respect to the negotiations over
3 the UBS claim, the parties are still working to resolve the
4 issues, with the assistance of the mediators. That has not
5 concluded at this point.

6 And as I had previously informed Your Honor, the Debtor
7 and the Redeemer Committee have reached a settlement agreement
8 of the Redeemer Committee's claims. And the settlement
9 agreement is finalized and is in the process of being signed.
10 And the Debtor also anticipates that a 9019 motion seeking
11 Court approval will be filed soon.

12 THE COURT: Okay.

13 MR. POMERANTZ: So, Your Honor, as Your Honor could
14 see, we're making progress, having now resolved at least two
15 of the three big claims, Acis and Redeemer.

16 THE COURT: Okay.

17 MR. POMERANTZ: As I mentioned previously, the Debtor
18 wants to explore the potential of a grand bargain plan with
19 Mr. Dondero. And Tuesday, there is a mediation session
20 scheduled with the mediators to try to accomplish that.

21 Unless Your Honor has any other questions regarding the
22 mediation, I would like now to turn to the exclusivity motion
23 and essentially be requesting that Your Honor continue the
24 hearing from today to the 17th. And I think when I explain
25 the background, you'll understand the reasons why, and this is

1 supported by the Committee.

2 THE COURT: All right. You may proceed with that.

3 MR. POMERANTZ: So, Your Honor, I think some context
4 and background will help the Court understand where we are.
5 If Your Honor recalls, the Court had previously extended the
6 Debtor's exclusivity periods to August 12th for the filing of
7 the plan and October 13th for soliciting acceptances for the
8 plan. And Your Honor, the Debtor heard the Court loud and
9 clear and heard the Committee loud and clear that that
10 exclusivity extension was going to be the last one Your Honor
11 would entertain.

12 So, over the succeeding weeks after Your Honor entered
13 that order, the Debtor continued to work with the Committee to
14 resolve issues in connection with a plan, and I'm pleased to
15 report that most of the issues -- not all, but most of the
16 issues -- had been resolved as of the time exclusivity was set
17 to expire. And the Debtor had intended to file the plan and
18 disclosure statement on August 12th, had secured originally a
19 hearing date from Your Honor of September 29th, and had
20 pledged to work with the Committee through the -- up until the
21 hearing on the disclosure statement to try to resolve the
22 remaining issues.

23 On or about August 10th, right about the time that the
24 mediators, I think, were going out to all the parties and
25 getting their feet wet in the process and understanding where

1 parties were coming from, Mr. Dondero's counsel called me,
2 Your Honor, or called the Debtor, Your Honor, and requested
3 that the Debtor not file the plan and disclosure statement on
4 August 12th and seek a further extension of exclusivity, under
5 the theory that a filed plan may adversely impact the
6 mediation process.

7 The Debtor did not agree to delay. The Debtor believed
8 that we were -- we needed to file the plan and disclosure
9 statement on -- by exclusivity. And we told Mr. Dondero and
10 his counsel that we would still be open to talking about
11 alternatives to the plan through the mediation process.

12 On August 11th, Your Honor, the mediators contacted the
13 Debtor and expressed concern over the filing of a plan a
14 couple of weeks prior to the mediation starting. We don't
15 know, but we're informed and believe that Mr. Dondero's
16 counsel had conversations with the mediators and expressed the
17 same concerns to them that had been expressed to us, and the
18 mediators, being new to the process, hearing that a plan that
19 might be on file might adversely affect the mediation, came to
20 us and said, We would rather you not file the plan and
21 disclosure statement. We indicated we had an exclusivity
22 deadline that we were not prepared to let lapse. They asked
23 us to file an extension, a motion extending exclusivity, or
24 alternatively, to file the plan and disclosure statement under
25 seal.

1 So, in light of that situation, we're in some sense
2 between a rock and a hard place. We were perfectly willing
3 and ready and able to file our plan and disclosure statement,
4 but of course we didn't want the mediation process to get off
5 on the wrong foot.

6 So we did the following. We filed the motion to extend
7 exclusivity, which is the motion before Your Honor today. We
8 filed a heavily-redacted plan and disclosure statement. And
9 we also filed a motion to file the plan and disclosure
10 statement under seal.

11 Your Honor subsequently granted the Debtor's motion to
12 file the plan and disclosure statement under seal, and
13 unredacted versions were filed with the Court, and members of
14 the Committee and their counsel received the unredacted
15 versions, which are subject to the confidentiality provisions
16 in the mediation order.

17 So, Your Honor, as it stands now, the Debtor has its plan
18 and disclosure statement on file, albeit under seal, thereby
19 preserving the plan exclusivity deadline. And as I mentioned,
20 Your Honor, we originally had a hearing scheduled for
21 September 29th. I understand Your Honor is out of town that
22 week and asked us to continue it to October 6th, which we did.

23 However, Your Honor, in light of the additional mediation
24 session scheduled for September 15th, which is next Tuesday,
25 the mediators still believe that the Debtor should not make

1 the plan and disclosure statement public until the grand
2 bargain plan has had -- had an opportunity to explore further.

3 So, as a result, Your Honor, the Debtor requested that the
4 Committee agree to continue this hearing from today until the
5 17th. And we expect that by the 17th, one of two things will
6 likely occur. Either, one, the parties will have reached the
7 terms of a grand bargain plan, which would result in an
8 agreement to revise the plan under certain terms, and likely a
9 scheduling -- a filing of the new plan and disclosure
10 statement and subsequently a disclosure statement hearing and
11 plan hearing.

12 Alternatively, the parties may determine that a grand
13 bargain plan is not obtainable, and at that point the Debtor
14 will be in a position to unseal the plan and disclosure
15 statement, schedule the disclosure statement and plan
16 confirmation hearings. And the hope would be that at that
17 point we would reach an agreement with the Committee to extend
18 the only exclusivity period we need to, which would be the
19 solicitation deadline to confirmation.

20 We have discussed potential dates for a disclosure
21 statement hearing with the Committee, and yesterday reached
22 out to Your Honor to see if Your Honor had either October 22nd
23 or 23rd available for the disclosure statement hearing, and
24 either December 3rd or December 4th available for the
25 confirmation hearing.

1 The Debtor and the Committee intend to also use the
2 mediation on Tuesday to resolve the handful of issues that the
3 Debtor and the Committee have with the plan that would be
4 filed if a grand bargain plan is not reached.

5 Accordingly, Your Honor, this is a long way of saying that
6 the Debtor requests that the Court continue the hearing on the
7 exclusivity motion until next week, pending further
8 developments on a potential grand bargain plan.

9 THE COURT: All right. I'll hear from the Committee.
10 Is there anything you want to say to confirm or add to Mr.
11 Pomerantz?

12 MR. CLEMENTE: Yes, Your Honor. Matt Clemente on
13 behalf of the Committee.

14 Mr. Pomerantz, you know, accurately described the
15 background to the Court.

16 In terms of the filing of the plan under seal, I think, as
17 they made clear in their papers, the Committee did not agree
18 to that, Your Honor, as an initial matter, because, as I have
19 said to Your Honor many times, you know, obviously, we value
20 speed here. And we saw what Mr. Dondero did through his
21 lawyers to be a kind of a tactic that we didn't really see any
22 sort of basis for.

23 But, again, Your Honor, we respected Your Honor's seal
24 decision, and we very much respected what the mediators' point
25 of view was in terms of wanting to give the mediation the best

1 chance to succeed.

2 We did file our objection to exclusivity, as you saw. But
3 given your, obviously, your joy at the resolution of Acis, the
4 Committee shares that positive reaction. We're very happy to
5 see that there is some positive momentum through the mediation
6 process, and therefore we have agreed to adjourn, if you will,
7 the exclusivity hearing for a week, subject, obviously, to
8 Your Honor's schedule. We'll have an opportunity to have a
9 further mediation session on Tuesday, and hopefully further
10 progress will be able to be made that we then can report to
11 Your Honor on Thursday.

12 So, a lot of words there, Your Honor, but the bottom line
13 is Mr. Pomerantz accurately stated the views that I expressed
14 to him on behalf of the Committee, and we agreed to the
15 extension, or the adjournment, if you will, of the exclusivity
16 hearing to --

17 THE COURT: All right. Anyone else wish to be heard
18 on the topic of exclusivity?

19 All right. Well, I'll just say, the so-called sealing
20 decision, I've never ever been asked to seal a disclosure
21 statement and plan. I've never -- I'm not sure I've ever
22 heard of anyone asking for that. You know, I suspect it's
23 happened before. But it, as you allude to, Mr. Clemente,
24 very, very unusual request, but I -- you know, this was a very
25 unique situation with a lot of huge issues to mediate. And I

1 could absolutely understand the argument that was being made,
2 supported by the mediators, that it might hamper the
3 settlement discussion. I'm not entirely clear if it would
4 have or wouldn't have, but I accepted at face value that there
5 might be an adverse effect on the settlement discussions, and
6 I did not want to risk that.

7 So, I hope people won't make that as a new thing that
8 they're asking for and saying, You did it in the Highland
9 case. I think it would take a very unusual set of
10 circumstances to convince me to do that again.

11 All right. So, if there's nothing else to be heard, to be
12 said on the exclusivity motion, I will -- oh, I'm sorry,
13 someone else was going to speak up, I think.

14 MR. POMERANTZ: No, Your Honor, this is Jeff
15 Pomerantz. There's one other sort of off-the-agenda item that
16 I'd like to raise before we go to the claim objection.

17 THE COURT: Okay.

18 MR. POMERANTZ: May I?

19 THE COURT: You may.

20 MR. POMERANTZ: So, Your Honor, Your Honor entered an
21 order on August 11th, 2020, with respect to the motion to
22 clarify filed by the NexPoint entities and NexBank SSB. And
23 in that order, Your Honor raised concerns how the independent
24 board, and Mr. Seery in particular as the chief executive
25 officer, was handling potential conflicts that could arise in

1 connection with shared services provided to the related
2 parties by current Debtor employees, including in-house
3 counsel.

4 Your Honor indicated you would like to hear on that issue
5 further. Mr. Seery is on the WebEx and is prepared to provide
6 testimony that my partner, Mr. Morris, would provide -- would
7 question him that I think would address Your Honor's concerns
8 and maybe give Your Honor some more comfort than you had when
9 you raised legitimate issues in that order.

10 So we would like to -- again, it's not in connection with
11 any contested motion, but we're happy to have Mr. Seery be
12 under oath. Either we could do that now or we could do that
13 after the hearing on the claim objection.

14 THE COURT: Okay. Well, I'm glad you brought this
15 up, because it was a loose end out there that I was hoping we
16 would circle back on very soon. So I do appreciate that
17 you're prepared today to have Mr. Seery address that.

18 Let me just say, on the exclusivity, in case there is
19 anyone who was not going to stick around for the whole thing,
20 I am continuing or adjourning this hearing to next Thursday,
21 September 17th, at 9:30 in the morning, the motion to extend
22 exclusivity. So if you were only on the call to find out what
23 happened on that, that's what we're doing on that. We'll come
24 back next Thursday on that.

25 All right. Mr. Seery, are you on the video WebEx or only

Seery - Direct

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1 phone?

2 MR. SEERY: I am on the WebEx, Your Honor. I
3 apologize that my headphones didn't connect, but hopefully you
4 can hear me.

5 THE COURT: Okay. I can hear you loud and clear.
6 Please raise your right hand.

7 JAMES P. SEERY, JR., DEBTOR'S WITNESS, SWORN

8 THE COURT: All right. Thank you. Mr. Morris?

9 MR. MORRIS: Good afternoon, Your Honor. John
10 Morris; Pachulski Stang Ziehl & Jones. Can you hear me okay?

11 THE COURT: I can.

12 MR. MORRIS: Okay. Mr. Seery, can you hear me okay?

13 THE WITNESS: I can, yes.

14 DIRECT EXAMINATION

15 BY MR. MORRIS:

16 Q Okay. Just a couple of leading questions, just to set the
17 table a little bit. Mr. Seery, you're currently the Debtor's
18 CEO; is that right?

19 A I am.

20 Q And you've held that position since mid-July; is that
21 correct?

22 A That's correct. Effectively doing it before that, back to
23 March. It was a *nunc pro tunc* order.

24 Q And prior to your appointment, you were serving as one of
25 the independent directors of the general partner since

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Seery - Direct

19

1 January; is that right?

2 A Yes, that's correct.

3 Q Are you aware that the Court issued an order last month
4 that raised certain questions about the role that in-house
5 lawyers are playing with respect to the non-debtor Highland-
6 related entities?

7 A I am. And just to clarify, it was focused on in-house
8 lawyers, but I took it to mean all employees.

9 Q Very well. Have you personally reviewed that order?

10 A I have.

11 Q And what was your reaction when you first saw the order?

12 A I was very concerned, first, because of the potential
13 conflicts, but second, wanted to make sure that the protocols
14 that we'd previously put in place were, one, enough, and that,
15 two, they'd been adhered to. But, three, wanted to make sure
16 that, going forward, I was hypersensitive to the issue,
17 because as the judge raised in the order, those concerns
18 became particularly acute around things like discovery
19 disputes or proofs of claim.

20 Q So, let's just talk for a moment about the protocols that
21 were in place prior to the Court's order. Can you describe
22 for the Court the protocols that were imposed?

23 A Early on in our tenure as directors, and then as I began
24 to ascend towards the CEO role, we had numerous discussions
25 with the employees about the importance of focusing on HCMLP,

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Seery - Direct

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1 the Debtor, versus the other entities. There are
2 responsibilities to the other entities under shared services
3 arrangements, there are fiduciary responsibilities to certain
4 other entities under management agreements, but, paramount,
5 there's a duty to the Debtor, both for officers, employees, as
6 well as employees acting as attorneys. We wanted to make sure
7 that those roles were very clear. If there were any
8 conflicts, the people who are most likely in a position to be
9 in a conflicted or potentially-conflicted position were to
10 raise it with the board.

11 Those issues really don't come up that much, but they did
12 come up early in the case. In particular, around the bar
13 date. And so with respect to proofs of claim, one of the
14 concerns was whether employees could work under shared service
15 arrangements to work on proofs of claim in the Debtor's case.
16 Typically, if one of the shared service counterparties has a
17 proof of claim to be filed in another case, unrelated to the
18 Debtor, the Debtor's employees would do that under the shared
19 services arrangement. But we, as a board, were concerned that
20 that could be a potential conflict. We wanted to make sure
21 that we cabined what any of the employees would do around
22 those claims.

23 So, predominantly, a couple folks in the legal department
24 worked under the shared service arrangements, made sure that
25 placeholder claims were filed, and that was the end of their

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Seery - Direct

21

1 role in respect of the proofs of claim.

2 Next came the discovery issues. Our view was that, as a
3 board, and then my view as CEO, was that we already entered
4 into agreements with respect to our appointment, that the
5 arrangements for the discovery were pretty clear, and that the
6 only issue we wanted to make sure that we dealt with were not
7 breaching any agreements under the shared service agreements
8 so that we didn't create liability for the Debtor.

9 Again, we segregated to make sure that we knew exactly
10 which employees were going to work on those, how those were
11 teed up, and that those negotiations could ensue without real
12 conflict.

13 Those were mostly handled, frankly, by DS -- not by DSI,
14 by Pachulski, with help from DSI and the legal department. We
15 were able to get those issues, I think, down to a manageable
16 set, but then we ended up with -- we had disputes with the
17 Committee regarding both the scope of the discovery, which is
18 pretty massive, as well as the potential risk around some of
19 the privilege issues.

20 That led to our filing of the motion which, for lack of a
21 better term, basically put the shared service parties on
22 notice that it was up to them to hire their own counsel and it
23 was up to them to defend it, that we were giving them notice
24 that we were going to provide the information to the Committee
25 in accordance with the discovery requests.

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Seery - Direct

22

1 Q Just a couple of questions, Mr. Seery. With respect to
2 the preparation of the placeholder claims that you described,
3 did DSI and Pachulski play a role with the Debtor's employees
4 in preparing those placeholder claims?

5 A Yes, they did. And so they worked closely with the
6 employees. They're obviously bankruptcy issues, but we wanted
7 to make sure that we weren't either creating liability by not
8 doing it correctly, nor putting in a claim that didn't propose
9 or make -- or make any sense, if you will. So there was
10 certainly discussion and work around making sure that those
11 claims were done correctly.

12 Q And after the filing of those placeholder claims, have the
13 Debtor's employees played any role in the prosecution or
14 advocacy of those claims?

15 A Not to my knowledge. Frankly, we don't think there's
16 substantial -- or, we don't think there's material liability
17 with respect to shared service or related-party claims. To
18 the extent that there are actual obligations owed, those are
19 scheduled and we will continue to work through and satisfy
20 those obligations in appropriate ways under the -- under a
21 plan, whichever that might be. To the extent that they are
22 claims for breaches of the shared service agreements, we want
23 to make sure that we analyze those and we will object to
24 those, because we believe that we performed under the shared
25 service agreements.

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Seery - Direct

23

1 Q Okay. And with respect to discovery, I think you referred
2 to the motion for the protective order. Can you just describe
3 for the Court how that motion was intended to resolve the
4 issue of the conflicts that the Court raised?

5 A Yes. I wouldn't exactly call it as an interpleader, but
6 it was essentially a type of motion just to basically put the
7 shared service counterparties on notice that, notwithstanding
8 confidentiality provisions in the shared service arrangements,
9 that if the Court entered such an order, we would be obligated
10 to perform under the order, and that if they had specific
11 objections for their own rights, that they would have to
12 pursue them. And I believe each of -- if not everyone, but
13 many of the shared service counterparties hired counsel,
14 prosecuted their own objections, and those were either
15 resolved directly with the UCC or through the Court's order.

16 Q Did the Debtor or any of its employees play any role, to
17 the best of your knowledge, in connection with the preparation
18 of any of the objections?

19 A To the best of my knowledge, no. And I have checked, and
20 I was told no.

21 Q And did the Debtor play any role in the resolution of any
22 of those objections?

23 A I -- that's probably more of a question for you, Jack. I
24 think the answer is to some degree, to some degree yes, but
25 really they -- they were on their own. There were some, as

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Seery - Direct

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1 the Court handled, that were pretty straightforward. For
2 example, MGM. It's not an entity we control. We do have on
3 our servers information related to board minutes, because Mr.
4 Dondero is on the board there. That's a pretty obvious
5 sensitive one that doesn't really impact the types of claims,
6 and I think that was pretty easily resolved.

7 NexBank had some particular issues related to regulations
8 that they have to adhere to as a regulated bank. I think
9 those types were the things that we helped facilitate best.
10 But usually, in my understanding, is that most of those
11 disputes were either resolved directly with the UCC or by the
12 Court's order.

13 Q And are you aware that CLO Holdco and NexPoint entities,
14 they're the ones who filed the motion for clarification that
15 led to the Court's order? Are you aware of that?

16 A I'm aware of it after reading the order.

17 Q Yeah. Right. And did the Debtor or any of its employees
18 play any role in connection with the preparation of the motion
19 for clarification?

20 A Not to my knowledge. I have checked with respect to all
21 the discovery. I did not check specifically on the motion.
22 But -- but it seemed to have come as a surprise to the folks
23 in the legal department that I did review this with.

24 Q Okay. So you're not aware of any even advance notice or
25 consultation with any of the Movants on the motion for

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Seery - Direct

25

1 clarification, right?

2 A That's correct.

3 Q Okay. Did the Debtor take any position with respect to
4 that motion?

5 A We did not, but I took significant positions with respect
6 to the team after -- after the order.

7 Q Can you describe what positions you took with respect to
8 the team after the order?

9 A I think Judge Jernigan's order, you know, rightfully
10 focused on potential disputes that could erupt into rather
11 large disputes between some of the shared service parties and
12 the UCC. In fact, by our own agreements, we were aligned, if
13 you will, with the UCC's position in terms of providing
14 discovery, and I wanted to assure that every employee knew
15 very specifically that they were not permitted to assist in
16 those disputes, not at all, and that if anyone approached them
17 to assist in those disputes I was to be notified and that
18 there would be no variance to my direction. I was very
19 specific.

20 Q And did you communicate those directions personally?

21 A I did. By -- by phone. So, both in terms of the legal
22 department, the financial department, some of the operational
23 folks, but then in groups, but also in specific discussions.
24 So these were not single discussions. It was not meant to be
25 difficult or harsh with our employees.

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Seery - Direct

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1 I should add that I -- my experience with our employees
2 has been excellent. The response when we want to get
3 something done, when I want to get something done, has been
4 first-rate. The skill level is extremely high. I think what
5 the employees actually appreciate is to get specific
6 directions, know where they want to go, and then they have the
7 skill to get there. And these directions were very specific.

8 Q All right. I just want to finish by addressing a couple
9 of the questions that were specifically raised by the Court in
10 the last page of the order. The Court asked whether in-house
11 counsel was "calling the shots on resisting discovery." What
12 is the Debtor's position on that?

13 A Not at all. If anybody is taking a position contrary to
14 the Debtor's position, that would be jeopardizing their role.
15 That specifically would be against the direction that I've
16 given as CEO. I expect it to be followed, and I've seen it
17 being followed. So I'm quite comfortable that, certainly
18 since the order they haven't, and I was told that prior to the
19 order they had not.

20 Q Okay.

21 MR. MORRIS: Your Honor, we have nothing further at
22 this time, but if Your Honor has any questions, obviously, Mr.
23 Seery is here to make sure that all of the Court's concerns in
24 this regard are fully addressed.

25 THE COURT: All right. Well, I'm first going to ask

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Seery - Examination by the Court

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1 the Committee. I mean, you didn't really weigh in with a
2 pleading. Well, I guess you did, obviously. This all started
3 with your pleading, right, the discovery requests? So, do you
4 have anything, Mr. Clemente, that you want to ask the witness?

5 MR. CLEMENTE: Your Honor, Matt Clemente on behalf of
6 the Committee. I, frankly, wasn't aware that there was going
7 to be this testimony today.

8 THE COURT: Okay.

9 MR. CLEMENTE: And so I'm viewing it as an update to
10 Your Honor, which I very much understand and appreciate what
11 the Debtor is doing. So, but in terms of digesting what it
12 was that we just heard about, you know, filing of proofs of
13 claim and that, I -- frankly, Your Honor, I'm not in a
14 position to even, you know, ask Mr. Seery questions.

15 So I would just ask Your Honor that we treat it as I think
16 it is, which is an update for Your Honor. And if there's an
17 issue that we need to raise as a result of what we just heard
18 or as a result of what may have been happening, you know, I'll
19 just ask Your Honor that you allow us to do that, you know, at
20 some future time.

21 THE COURT: Okay. That's fine.

22 MR. CLEMENTE: Thank you, Your Honor.

23 EXAMINATION BY THE COURT

24 THE COURT: I want to ask you, Mr. Seery, to clarify.
25 I mean, conceptually, it all made great sense, but let me just

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Seery - Examination by the Court

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1 make sure I really understand how it's working.

2 As I understand it, Debtor employees filed proofs of claim
3 for various entities in, let's say, the Highland umbrella for
4 monies they might think are owed by Highland. But then you
5 told the employees you kind of step out of it at that point?
6 Am I putting words in your mouth, or is that -- is that what
7 you said?

8 THE WITNESS: Probably not my words, but they're
9 pretty close and the substance is correct. Maybe just, from a
10 higher level, Your Honor, that the employee roles include
11 helping these entities manage their investments, which also
12 include, often, claims in bankruptcy.

13 In our bankruptcy, they helped set up the claims. I think
14 every claim but maybe two, because there are actual -- there
15 may be notes -- are placeholders. They're unliquidated
16 amounts, just a placeholder claim.

17 They've been told specifically if that entity has a
18 dispute with the Debtor now about trying to take the
19 placeholder and turn it into a dollar-denominated claim, then
20 they have to step out, because I view that as putting them in
21 conflict with the Debtor.

22 The only other two areas that I see, but I'm sensitive
23 that there might be something else that could come along, and
24 I've told the employees to be very focused on this, but the
25 only two areas, other areas I see are, one, the discovery

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Seery - Examination by the Court

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1 issues. I think those are largely resolved, and although this
2 may be naïve on my point, I don't see much value in spending
3 money fighting discovery. Get it out, get it done, get it
4 over. And so I don't want us to spend any Debtor time
5 fighting with any discovery. And if a third party that we
6 have a relationship with has a legitimate objection to
7 discovery, they'll need to prosecute that without our
8 assistance.

9 The other --

10 THE COURT: Can I just stop you there?

11 THE WITNESS: Yes, Your Honor.

12 THE COURT: I'm under -- I'm having trouble: How do
13 they do that? Who acts for them?

14 THE WITNESS: They'll have to hire their own counsel.

15 THE COURT: But the counsel has to take instruction
16 from some human being.

17 THE WITNESS: Well, each of those entities have
18 employees. They're not -- they're not just shells. So they
19 have business people at those entities that can do things.
20 NexBank, for example, has scores of its own employees. It's a
21 real bank that does real business. If they need help
22 prosecuting their claim objection -- or, a claim; I don't
23 believe they have one -- or a discovery objection, they're
24 going to have to hire their own counsel and deal with it on
25 their own. We're not going to assist them on it.

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Seery - Examination by the Court

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1 THE COURT: Okay.

2 THE WITNESS: And they have done so.

3 THE COURT: Okay. Well, that -- this is really one
4 of my concerns. I was afraid that there were entities out
5 there objecting to the discovery, they have lawyers, but who
6 are the human beings directing the lawyers? I assumed, I
7 feared, in many instances it might be Highland employees. But
8 I don't know --

9 THE WITNESS: It's not.

10 THE COURT: Because I thought many of those entities
11 had no employees; they only had the shared services from
12 Highland.

13 THE WITNESS: Yeah. I don't believe that -- I don't
14 believe that's the case, Your Honor. If there's one or two
15 I'm missing, I don't believe that's the case. All of the
16 entities that we've been talking about, I think, that took any
17 kind of material role, certainly have employees and have folks
18 that work for them.

19 For example, HCFMA, I don't know if they were one of them,
20 but they have their own employees. NexBank has its own
21 employees. NexPoint Advisors has its own employees. So
22 there's a lot of back office and support that's provided
23 through the shared services arrangements, but they're not
24 completely empty vessels.

25 THE COURT: Okay. Well, that was, I guess, a

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Seery - Examination by the Court

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1 misunderstanding on my part. I thought at least some of these
2 -- I think I understood that NexPoint was -- or NexBank was an
3 entity that absolutely had --

4 THE WITNESS: Right.

5 THE COURT: -- its own employees. But I thought that
6 several of those objectors had no employees. They solely --

7 THE WITNESS: I don't --

8 THE COURT: -- acted through shared services
9 agreements. Okay.

10 THE WITNESS: I don't believe that's the case. I
11 will double check that, and next time we're in front of you I
12 will report back to Your Honor.

13 The third area, just so you know, that you could see
14 potential disputes would be if Highland or a fund that -- the
15 Debtor or a fund that the Debtor manages holds a position and
16 another funds owns a position. So, for example, a publicly-
17 traded closed-end fund. If we both own the same position,
18 there are typically -- and this is not unusual to Highland;
19 this is any asset manager with multiple funds -- there's
20 conflicts committees to run through how you deal with each
21 position. If, for example, I wanted to sell and the other
22 entity didn't want to sell, that could potentially raise a
23 conflict. I want to make sure, and I made clear to the
24 employee team, that if that arises, no one can work, who's a
25 Highland employee, can work for that other entity, because I

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1 feel that that would be slowing us down from realizing the
2 value that we want to realize. Likewise, if that entity
3 wanted to sell and drag us along and I didn't want to go, no
4 one's going to be able to work for that entity unless I
5 approve it, and there's no --

6 So, that's the third area. I think you've got the proofs
7 of claim, which I hope are largely resolved, but we'll come to
8 those.

9 The discovery, which, again, I hope is largely resolved,
10 and I'll report back to you with respect to every one of those
11 entities to determine its employee base or substance, if you
12 will.

13 And then that if we both had -- if there were two entities
14 that had an investment, one of them being the Debtor, another
15 a non-debtor, and they wanted to do different things with
16 their investment, that could potentially pose another
17 conflict. And those are typically handled in the ordinary
18 course at a manager like Highland, and that's true of most
19 managers that have multiple funds. I just want to be
20 extremely careful around it, so to the extent that there's a
21 divergence the team is going to work the way I direct them to
22 work, as opposed to how the other fund might want to deal with
23 it.

24 And some of them are retail funds. They have a third-
25 party retail board. They're real -- they're real entities,

Seery - Examination by the Court

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1 and they are publicly traded. But in terms of we shouldn't
2 have conflicts, it's not an unusual situation, but I want to
3 make sure that we're very careful around it so that, if we
4 have this discussion again, I can be more clear.

5 THE COURT: Okay. All right. Very good. And just
6 to go back to my earlier point, for example, Acis. Okay. We
7 had Acis in bankruptcy, as you well know, for many months
8 before Highland ever filed. It had no employees. And so that
9 was a difficult situation, because it acted solely through the
10 Highland employees that were provided to it through the shared
11 services.

12 So, that was my experience where I was drawing from, and I
13 thought that was a very common thing in the 2000 or so
14 Highland affiliates, for many of those entities not to have
15 their own employees at all.

16 THE WITNESS: It's --

17 THE COURT: So that's where I was coming from. Who's
18 giving instructions to lawyers for those entities? And if it
19 was --

20 THE WITNESS: It's a great example. I don't believe
21 that any of the funds will run to those issues, but the funds,
22 you're correct, those typically don't have employees.

23 THE COURT: Uh-huh.

24 THE WITNESS: So the fund is just a vessel that is no
25 employees. You know, it's a special-purpose entity.

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1 Typically, it has directors, depending on the jurisdiction
2 it's in. And you've seen some of that. And those are
3 managed, all of its business is managed by the manager.

4 I don't believe that's been the case with respect to
5 discovery disputes. I will check that. But I'm -- I was
6 thinking more along the lines of, for example, the retail
7 funds that do have a separate board. Highland's retail
8 business that does have separate employees, the NexBanks, the
9 NXRTs, et cetera.

10 THE COURT: Okay. But in all events, --

11 THE WITNESS: But the funds, though, you are correct.

12 THE COURT: -- the in-house lawyers, they are not
13 having any role with representation of these entities with
14 regard to any issues -- proofs of claim, discovery, any other
15 contested issues -- those entities might have with the Debtor?

16 THE WITNESS: Yes. It --

17 THE COURT: Okay.

18 THE WITNESS: So, to the extent that it slows us
19 down, that's sometimes part of life and it -- in doing that.
20 To the extent that they're performing the normal services that
21 they perform -- for example, if they wanted to file a proof of
22 claim and prosecute it in the *Neiman Marcus* case because they
23 had it, that's part of the job and that's what they do and
24 that's what we get paid for.

25 If it has to do with Highland and it feels, it smells, it

Seery - Examination by the Court

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1 tastes even a little bit like a conflict, they've been
2 instructed to not do anything and get to me immediately.

3 THE COURT: All right. Thank you.

4 Mr. Morris, anything else you wanted to follow up with
5 with Mr. Seery?

6 MR. MORRIS: No, I don't think so, Your Honor. I
7 think Mr. Seery addressed the issues as we had hoped he would.

8 THE COURT: All right. Thank you, Mr. Seery. I
9 appreciate your testimony today.

10 THE WITNESS: Thank you, Your Honor.

11 THE COURT: Okay. All right. Well, Mr. Pomerantz,
12 back to you. Anything else, or shall we go on to the omnibus
13 claim objection?

14 MR. POMERANTZ: No. I appreciate Your Honor
15 indulging me and being able to raise those issues before. And
16 my partner James E. O'Neill is on the WebEx, and he has been
17 the point person on the claim objections, so I will have him
18 present it to Your Honor.

19 THE COURT: All right. Mr. O'Neill, are you there?

20 MR. O'NEILL: Yes, Your Honor. I am here. Can you
21 hear me okay?

22 THE COURT: I can. Go ahead.

23 MR. O'NEILL: Great. Thank you. Your Honor, this is
24 James O'Neil. I am with Pachulski Stang Ziehl & Jones. And
25 there was a *pro hac* motion filed for my admission yesterday.

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1 So, with Your Honor's permission, I will proceed to present
2 the first omnibus claim objection.

3 THE COURT: All right. I did see that, and you may
4 proceed.

5 MR. O'NEILL: Thank you very much. Your Honor, this
6 is the first claim objection that we've filed in this case.
7 As Your Honor noted at the outset, in this claim objection we
8 objected to 92 claims. The basis of the objections were there
9 were duplicate claims, some claims were overstated, late-filed
10 claims, satisfied claims, no-liability claims, and
11 insufficient claims.

12 We filed this claim objection at Docket No. 906 on July
13 30th, and the same -- on the same time we filed a notice of
14 this hearing and served a copy of the claim objection and the
15 notice on all of the parties that had claims affected by the
16 claims in this claim objection, and then also on our 2002
17 parties.

18 As the Court knows, in this case our claims agent is
19 Carson Kurtzman. Or -- and Your Honor, they did the service
20 for us.

21 Your Honor, we set an objection deadline of September 1st,
22 2020. And as the agenda notes, we did receive some responses,
23 both formal and informal responses. Your Honor, I can go
24 through those just to tell you where we are on that, if that
25 is the appropriate thing to do. The agenda reflects where we

Donohue - Proffer

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1 are, but I'm happy to do it.

2 THE COURT: Yes. I am looking at the agenda, and if
3 I understand it, there were actually only two creditors who
4 filed formal responses, the Collin County Tax Assessor and
5 then Paul Adkins. But you got various informal responses.
6 So, why don't you just hit those informal responses and where
7 you are.

8 MR. O'NEILL: Sure. And also let me say, Your Honor,
9 with us today on the WebEx is Jack Donohue from Development
10 Specialists, Inc. Mr. Donohue is the person from Development
11 Specialists that worked on the claim objection with the
12 Debtor, so he's knowledgeable about the claim objection and
13 about the claims. I'm happy to give a proffer, if needed,
14 after I go through the overview. Whatever the Court would
15 like.

16 THE COURT: All right. Well, why don't you go
17 through the overview and we'll see if we need to swear him in.

18 JACK M. DONOHUE, PROFFER

19 MR. O'NEILL: Certainly, Your Honor. Your Honor, as
20 the agenda reflects, the first informal response we received
21 was from the Internal Revenue Service. Their claim was
22 originally listed on Schedule 4 to the claim objection. And
23 we worked with the Internal Revenue Service and have agreed on
24 a form of order which will be submitted. We had originally
25 indicated that that claim was satisfied. The Internal Revenue

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Donohue - Proffer

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1 Service did confirm that the claim was satisfied, and they
2 have amended that proof of claim. So we're -- we have agreed
3 on a form of order, which actually has been uploaded already,
4 --

5 THE COURT: All right.

6 MR. O'NEILL: -- with respect to this (audio gap).
7 So that that response, which was an informal response, is
8 resolved.

9 Your Honor, we also heard from Moody's, an informal
10 response, which is Response No. 8 on the agenda. That also
11 was one listed on Schedule 4 to the claim objection. The
12 Debtors believed, from the books and records, that that claim
13 was satisfied. We worked with Moody's to reconcile the claim,
14 and they subsequently agreed that they did receive payment on
15 the claim. And so they have agreed to the treatment that we
16 had requested with respect to this claim so that it could be
17 disallowed through the claim objection process.

18 THE COURT: Okay.

19 MR. O'NEILL: Next, Your Honor, we received an
20 informal response from Mr. Andrew Parmentier. Mr. Parmentier
21 was a former employee of the Debtor. We had objected to his
22 claim, and Mr. Parmentier's counsel contacted us. And we had
23 a productive (garbled) with counsel, and as a result, we are
24 not proceeding with that objection today. This matter will be
25 handled by a separate agreement.

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1 THE COURT: All right.

2 MR. O'NEILL: Item No. D, we objected to, on Schedule
3 5 to the claim objection, certain of the related-party claims.
4 We received an inquiry from their counsel, requesting that we
5 adjourn the hearing with respect to these claims. And we have
6 agreed to adjourn the hearing with respect to those claims,
7 the claims listed on Schedule 5, except for one claim, I
8 believe, for NexBank SSB, which will remain on Schedule 5.
9 The balance of the claims on Schedule 5 will be adjourned to a
10 date to be determined.

11 THE COURT: All right.

12 MR. O'NEILL: Next, Your Honor, we received a
13 response and an amended response from Mr. Paul Adkins. We --
14 based on the response that we received, I communicated with
15 Mr. Adkins and informed him that we would not be proceeding
16 with the objection to his claim at this hearing and that we
17 would set it for a continued date to allow us to continue to
18 review his response and communicate with him. So we're not
19 proceeding with the claim objection to Mr. Adkins' claim at
20 this time.

21 THE COURT: All right.

22 MR. O'NEILL: (garbled) Schedule 6 (recording gap) to
23 the claim objection.

24 THE COURT: Okay.

25 MR. O'NEILL: Your Honor, we also received an

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1 informal response from the HarbourVest entities, also listed
2 on Schedule 6. And after talking with HarbourVest, we agreed
3 to adjourn the objection with respect to the HarbourVest
4 entities, so we're not proceeding with the objection to the
5 HarbourVest entities today. Those will be rescheduled for a
6 date to be determined.

7 THE COURT: Okay.

8 MR. O'NEILL: And Your Honor, what that leaves us
9 with is parties -- all other parties did not respond to the
10 claim objection, so we're proceeding today on an uncontested
11 basis with respect to the claimants that did not respond and
12 also with respect to the one Moody's claim who's consented to
13 the relief that we're requesting in the claim objection.

14 THE COURT: All right. Well, I'll ask, was it Mr.
15 Donohue, if you could swear or affirm that the statements that
16 were just made by Mr. O'Neill were true and correct and the
17 same as you would have testified?

18 MR. DONOHUE: Yes, Your Honor, I do.

19 THE COURT: All right. Do you have anything you want
20 to add to the presentation?

21 MR. DONOHUE: Not at this time, Your Honor.

22 THE COURT: Okay. All right. And I'll ask one more
23 time, since we have many silent observers today: Is there
24 anyone out there on behalf of a claimant who wishes to be
25 heard?

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1 MR. ASSINK: Your Honor?

2 THE COURT: Yes?

3 MR. ASSINK: This is Bryan Assink on behalf of Mr.
4 Dondero. (garbled) some of these original placeholder claims,
5 and we're still figuring out the representation of those
6 entities going forward. And Mr. O'Neill was correct that the
7 claims would be adjourned except for Claim 178 filed by
8 NexBank SSB. In that -- we have relayed to him (garbled) was
9 actually there and the -- that was one of the claims that was
10 filed later that -- for which our extension request actually
11 applied.

12 So, you know, respectfully, we -- we'd also request that
13 Claim 178 be adjourned as well. And I apologize for the
14 misstatement to Debtor's counsel on that one.

15 THE COURT: Okay. Well, we had some distortion
16 there, so let me repeat what I think you said. First, I think
17 you said that Mr. Dondero was involved in preparing these
18 various proofs of claim on Schedule 5?

19 MR. ASSINK: Not involved in preparing them, no, Your
20 Honor. Our firm worked with, as Mr. Seery mentioned
21 previously, worked with Highland's legal team just simply to
22 file the claims. And there were some written by the
23 authorized representative of the (garbled). That was the
24 extent of the involvement (garbled).

25 THE COURT: Okay. Well, this is -- we're getting

1 some terrible distortion there, and I don't know if you have
2 headphones or if you can maybe turn your volume down a little.

3 I can't help but go back to this, that your firm, Bonds
4 Ellis, which represents Mr. Dondero, worked with in-house
5 counsel to prepare these placeholder proofs of claim?

6 MR. ASSINK: Yes, Your Honor.

7 THE COURT: Okay. All right. In any event, you
8 agree with what you've heard, that the Debtor has offered to
9 continue to a date to be determined the hearing on all of the
10 objections to all of these proofs of claim, but NexBank was in
11 a special category, and repeat again what you think the
12 arrangement is for NexBank.

13 MR. ASSINK: Your Honor, it was an omission on our
14 firm's part when requesting the extension to omit that claim.
15 Initially, we thought that was filed by another law firm,
16 since another law firm has made an appearance on behalf of
17 NexBank in the case. But I don't think that particular firm
18 was involved with this claim. So, just to preserve their
19 rights, that entity's rights, and make sure that there's no
20 issues there, we would request that the extension apply to
21 that claim as well.

22 THE COURT: All right.

23 MR. ASSINK: That was simply an oversight on our part
24 when requesting an extension.

25 THE COURT: All right. Mr. O'Neill, you were not

1 asking today for the Court to sustain the objection on
2 NexBank, were you?

3 MR. O'NEILL: (no audible response)

4 THE COURT: Okay. You're on mute. If you could
5 unmute yourself, Mr. O'Neill.

6 MR. O'NEILL: Sorry. Can you hear me, Your Honor?

7 THE COURT: Yes, I can.

8 MR. O'NEILL: Is that better?

9 THE COURT: Yes.

10 MR. O'NEILL: Sorry about that. Your Honor, I did
11 originally ask that it be disallowed today. But hearing from
12 counsel, I'll change that, and so we'll just include that on
13 the list to be adjourned to a date to be determined.

14 THE COURT: Okay.

15 MR. O'NEILL: So we will not seek to have that
16 disallowed.

17 THE COURT: Okay. So I was right to be confused.

18 All right. Anyone else wish to be heard?

19 All right. So, what I am doing is I sustain the
20 objections except for those that were specifically discussed
21 here. Obviously, the related claims we just mentioned on
22 Schedule 5 are going to be adjourned to a date to be
23 determined. HarbourVest. Paul Adkins.

24 And then I understand that there are going to be agreed
25 orders with regard to IRS.

1 And you were -- you were not real clear on the Parmentier,
2 if there was going to be an agreed order or an agreed
3 withdrawal or what, but that is subject to some -- something
4 other than a sustaining or continuance.

5 And then Moody's, you said they agree, they have no claim.
6 So, anything I missed?

7 MR. O'NEILL: No, Your Honor. I think you have it.
8 And if it's acceptable to Your Honor, we will upload an order
9 after today's hearing which reflects our discussion today and
10 is consistent with your ruling.

11 THE COURT: All right. Well, we will look for that
12 order, and we assume in due course you'll be reaching out to
13 the courtroom deputy for settings on these adjourned
14 objections. So, all right.

15 MR. O'NEILL: Yes, Your Honor.

16 THE COURT: Well, is there anything else, or shall I
17 just see you next Thursday?

18 MR. CLEMENTE: Your Honor, it's Matt Clemente from
19 Sidley. Just, I apologize, just a couple quick comments and
20 then -- and I won't keep everybody. But I'm trying to
21 process what I've heard, in particular from Mr. Seery, about
22 Debtor employees actually preparing proofs of claim to be
23 filed against the Debtor. And, again, I --

24 THE COURT: It sounds like --

25 MR. CLEMENTE: There's nothing --

1 THE COURT: -- Bonds Ellis actually had a role in
2 that, didn't it?

3 MR. CLEMENTE: There's nothing before Your Honor,
4 but I just, the more I keep hearing about it, I just -- it
5 makes me very uncomfortable. I just didn't want it all to
6 leave Your Honor with the impression that the Committee was
7 -- had heard about any of this or was, you know, okay with
8 any of that. We're processing it. So I just wanted to make
9 that clear to Your Honor, because I think that was quite
10 extraordinary, what I heard.

11 Second, just quickly on discovery -- and, again, there's
12 nothing before Your Honor on this -- but we have been going
13 back and forth, in particular with CLO Holdco, and I don't
14 know that there's been any emails, documents, that have been
15 turned over yet, although I think there might have been
16 yesterday or the day before. I'm simply saying that, Your
17 Honor, because I do think we're going to have to come before
18 Your Honor to extend that 90-day period in terms of when we
19 were required to bring an action against CLO Holdco. I just
20 wanted to preview that potential for Your Honor.

21 We're going to speak to them about agreeing to an
22 extension, but if we're unable to do that, we may need to
23 come before Your Honor to seek an order on an extension on
24 that 90-day period.

25 So, those are the only two comments that I have, Your

1 Honor. I appreciate you indulging me. If you have any
2 questions for me, happy to answer, but that's all I had.

3 THE COURT: Okay. Thank you.

4 MR. POMERANTZ: I --

5 THE COURT: I'll -- go ahead. Mr. --

6 MR. POMERANTZ: Your Honor? Your Honor, Jeff
7 Pomerantz.

8 THE COURT: Uh-huh.

9 MR. POMERANTZ: The only loose end: Do we have a
10 date acceptable to Your Honor for the hearing on the
11 disclosure statement and plan? Do you --

12 THE COURT: All right. Well, placeholder is the word
13 of the hour. We'll give you placeholder settings. I think
14 you said you wanted October 6th.

15 MR. POMERANTZ: No, --

16 THE COURT: No, no, no, no.

17 MR. POMERANTZ: -- October 22nd or 23rd.

18 THE COURT: Okay. I was starting to do the math in
19 my head and I knew that wasn't quite right. So, you said
20 October 22nd or 23rd, and then with hopefully a hearing on
21 confirmation December 3rd or 4th?

22 MR. POMERANTZ: Correct, Your Honor.

23 (Court confers with Clerk.)

24 THE COURT: All right. We're going to give you, as
25 you heard, October 22nd at 9:30 for your disclosure statement

1 hearing, and then we're going to give you -- we'll start
2 December 3rd at 9:30. In the unpleasant event you need more
3 time, you've got the 4th as well, Friday the 4th as well.
4 Okay?

5 MR. POMERANTZ: Thank you, Your Honor.

6 THE COURT: All right. Well, if there's nothing
7 further, fingers crossed on good things to happen next
8 Tuesday, and we'll see you next Thursday with a report. All
9 right.

10 MR. POMERANTZ: Thank you, Your Honor.

11 (Proceedings concluded at 3:47 p.m.)

12 --oOo--

13

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19

CERTIFICATE

20 I certify that the foregoing is a correct transcript from
21 the electronic sound recording of the proceedings in the
above-entitled matter.

22 **/s/ Kathy Rehling**

09/12/2020

23

24 Kathy Rehling, CETD-444
Certified Electronic Court Transcriber

Date

25

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

)
) Chapter 11
)
) Case No. 19-34054-sgj11
)
) **Re: Docket No. 247**
)

NOTICE OF FILING OF DEBTOR'S AMENDED SCHEDULES

PLEASE TAKE NOTICE that the above-captioned debtor and debtor-in-possession (the “Debtor”) hereby files its *Amended Schedules of Assets and Liabilities – Schedule E-F* (the “Amended Schedules”).

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

PLEASE TAKE FURTHER NOTICE that the following changes were made to the Amended Schedules attached hereto as **Exhibit 1**:

- Schedule E/F – add claims of Andrew Parmentier (E-2.2; F-3.15)
- Schedule E/F – Change name from Highland CLO Holdco (previously F-3.64 & F-3.65) to Highland CLO Management, Ltd. (F-3.65 & F-3.66).

PLEASE TAKE FURTHER NOTICE that, other than the changes listed above, there are no other changes to the Debtor's Schedules.

PLEASE TAKE FURTHER NOTICE THAT, pursuant to the *Order (I) Establishing Bar Dates for Filing Claims and (II) Approving the Form and Manner of Notice Thereof* [Docket No. 488], any creditor affected by this notice may file a proof of claim no later than thirty (30) days after the date that the notice of the Amended Schedules is served on the entity.

PLEASE TAKE FURTHER NOTICE that, notwithstanding the filing of the Amended Schedules, the Debtor reserves the right to further amend, in any way and at any time, the schedules of assets and liabilities filed in this chapter 11 case, consistent with the provisions of title 11 of the United States Code (the "Bankruptcy Code") and the Federal Rules of Bankruptcy Procedure.

[Remainder of Page Intentionally Left Blank]

Dated: September 22, 2020.

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Exhibit 1

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

In re:	§	Chapter 11
	§	
HIGHLAND CAPITAL MANAGEMENT, L.P., ¹	§	Case No. 19-34054-sgj11
	§	
Debtor.	§	
	§	

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS,
METHODS, AND DISCLAIMER REGARDING DEBTOR'S AMENDED SCHEDULES
OF ASSETS AND LIABILITIES**

Highland Capital Management, L.P. (the "Debtor") submits its Amended Schedules of Assets and Liabilities (the "Schedules") in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Bankruptcy Court"). The Debtor, with the assistance of its advisors and management, prepared the Schedules in accordance with section 521 title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code") and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

These Global Notes and Statement of Limitations, Methods, and Disclaimer Regarding the Debtor's Schedules (collectively, the "Global Notes") pertain to, are incorporated by reference in, and comprise an integral part of the Schedules. These Global Notes should be referred to, and reviewed in connection with any review of the Schedules.² These Global Notes are intended to supplement the Global Notes filed at Docket No. 247 and 248 which remain applicable to the Schedules and Statement of Financial Affairs ("SoFA") filed at Docket No. 247 and 248, respectively and, to the extent not revised, shall be applicable to the attached Schedules.

The Schedules have been prepared by the Debtor with the assistance of its professionals and are unaudited and subject to further review and potential adjustment and amendment. In preparing the Schedules, the Debtor and its professionals relied on financial data derived from the Debtor's books and records that was available at the time of preparation. The Debtor and its professionals have made reasonable efforts to ensure the accuracy and completeness of such financial information, however, subsequent information or discovery of other relevant facts may result in material changes to the Schedules and inadvertent errors, omissions, or inaccuracies may exist. The Debtor reserves all rights to amend or supplement its Schedules and SoFA.

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

² These Global Notes are in addition to any specific notes contained in the Debtor's Schedules or SoFA. The fact that the Debtor has prepared a "general note" with respect to any of the Schedules and SoFA and not to others should not be interpreted as a decision by the Debtor to exclude the applicability of such general note to any of the Debtor's remaining Schedules and SoFA, as appropriate.

Reservation of Rights. The Debtor reserves all rights to amend the SoFA and Schedules in all respects, as may be necessary or appropriate, including, but not limited to, the right to dispute or to assert offsets or defenses to any claim reflected on the SoFA and Schedules as to amount, liability or classification of the claim, or to otherwise subsequently designate any claim as “disputed,” “contingent” or “unliquidated.” Furthermore, nothing contained in the SoFA and Schedules shall constitute a waiver of rights by the Debtor involving any present or future causes of action, contested matters or other issues under the provisions of the Bankruptcy Code or other applicable non-bankruptcy laws.

Description of the Case and “As Is” Information Date. On October 16, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief with the United States Bankruptcy Court for the District of Delaware (the “Delaware Bankruptcy Court”) under Chapter 11 of the Bankruptcy Code. The Debtor is managing its assets as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On December 4, 2019, the Delaware Bankruptcy Court entered an Order transferring this case to the Bankruptcy Court [Docket No. 1].

Asset information in the Schedules reflects the Debtor’s best estimate of asset values as of the Petition Date, unless otherwise noted. No independent valuation has been obtained.

Basis of Presentation. The Schedules and SoFA do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles (“GAAP”), nor are they intended to fully reconcile to any financial statements otherwise prepared and/or distributed by the Debtor.

Although these Schedules and SoFA may, at times, incorporate information prepared in accordance with GAAP, the Schedules and SoFA neither purport to represent nor reconcile to financial statements prepared and/or distributed by the Debtor in accordance with GAAP or otherwise. Moreover, given, among other things, the valuation and nature of certain liabilities, to the extent that the Debtor shows more assets than liabilities, this is not a conclusion that the Debtor was solvent at the Petition Date. Likewise, to the extent that the Debtor shows more liabilities than assets, this is not a conclusion that the Debtor was insolvent at the Petition Date or any time prior to the Petition Date.

Estimates. To timely close the books and records of the Debtor, the Debtor and its professionals must make certain estimates and assumptions that affect the reported amounts of assets and liabilities and reported revenue and expenses. The Debtor reserves all rights to amend the reported amounts of assets, liabilities, revenue, and expenses to reflect changes in those estimates and assumptions.

Confidentiality. There may be instances within the Schedules and SoFA where names, addresses, or amounts have been left blank. Due to the nature of an agreement between the Debtor and the third party, concerns of confidentiality, or concerns for the privacy of an individual, the Debtor may have deemed it appropriate and necessary to avoid listing such names, addresses, and amounts.

Intercompany Claims. Any receivables and payables between the Debtor and affiliated or related entities in this case (each an “Intercompany Receivable” or “Intercompany Payable” and, collectively, the “Intercompany Claims”) are reported as assets on Schedule B or liabilities on Schedule E and Schedule F. These Intercompany Claims include the following components, among others: 1) loans to affiliates or related entities, 2) accounts payable and payroll disbursements made out of an affiliate’s or related entity’s bank accounts on behalf of the Debtor, 3) centrally billed expenses, 4) corporate expense allocations, and 5) accounting for trade and other intercompany transactions. These Intercompany Claims may or may not result in allowed or enforceable claims by or against the Debtor, and by listing these claims the Debtor is not indicating a conclusion that the Intercompany Claims are enforceable. Intercompany Claims may also be subject to set off, recoupment, and netting not reflected in the Schedules. In situations where there is not an enforceable claim, the assets and/or liabilities of the Debtor may be greater or lesser than the amounts stated herein. All rights to amend intercompany Claims in the Schedules and SoFA are reserved.

The Debtor has listed the intercompany payables as unsecured claims on Schedule F. The Debtor reserves its rights to later change the characterization, classification, categorization, or designation of such items.

Insiders. For purposes of the Schedules and SoFA, the Debtor defines “insider” pursuant to section 101(31) of the Bankruptcy Code. Payments to insiders are set forth on Question 3.c. of the SoFA.

Persons listed as “insiders” have been included for informational purposes only. The Debtor did not take any position with respect to whether such individual could successfully argue that he or she is not an “insider” under applicable law, including without limitation, the federal securities laws, or with respect to any theories of liability or for any other purpose. Inclusion of any party in the Schedules and SoFA as an insider does not constitute an admission that such party is an insider or a waiver of such party’s right to dispute insider status.

Excluded Accruals and GAAP Entries. The Debtor’s balance sheet reflects liabilities recognized in accordance with GAAP; however, not all such liabilities would result in a claim against the Debtor. Certain liabilities (including but not limited to certain reserves, deferred charges, and future contractual obligations) have not been included in the Debtor’s Schedules. Other immaterial assets and liabilities may also have been excluded.

Classification and Claim Descriptions. Any failure to designate a claim on the Schedules as “disputed,” “contingent” or “unliquidated” does not constitute an admission by the Debtor that such amount is not “disputed,” “contingent” or “unliquidated.” The Debtor reserves the right to dispute, or to assert offsets or defenses to, any claim reflected on its Schedules as to amount, liability or classification or to otherwise subsequently designate any claim as “disputed,” “contingent” or “unliquidated.”

Listing a claim (i) in Schedule D as “secured,” (ii) in Schedule E as “priority” or (iii) in Schedule F as “unsecured nonpriority,” or listing a contract in Schedule G as “executory” or “unexpired,” does not constitute an admission by the Debtor of the legal rights of the claimant or a waiver of the Debtor’s right to recharacterize or reclassify such claim or contract.

Moreover, the Debtor reserves all rights to amend the SoFA and Schedules, in all respects, as may be necessary or appropriate, including, but not limited to, the right to dispute or to assert offsets or defenses to any claim reflected on the SoFA and Schedules as to amount, liability or classification of the claim, or to otherwise subsequently designate any claim as “disputed,” “contingent” or “unliquidated.” Furthermore, nothing contained in the SoFA and Schedules shall constitute a waiver of rights by the Debtor involving any present or future causes of action, contested matters or other issues under the provisions of the Bankruptcy Code or other relevant non-bankruptcy laws.

Credits and Adjustments. The claims of individual creditors for, among other things, goods, products, services or taxes are listed as the amounts entered on the Debtor’s books and records and may not reflect credits, allowances or other adjustments due from such creditors to the Debtor. The Debtor reserves all of its rights respecting such credits, allowances or other adjustments.

Setoffs. The Debtor may incur setoffs from third parties in its business. Setoffs in the ordinary course can result from various routine transactions, including intercompany transactions, pricing discrepancies, warranty claims and other disputes between the Debtor and third parties. Certain of these constitute normal setoffs consistent with the ordinary course of business in the Debtor’s industry. In such instances, such ordinary course setoffs are excluded from the Debtor’s responses to Question 13 of the SoFA. The Debtor reserves all rights to enforce or challenge, as the case may be, any setoffs that have been or may be asserted.

Specific Notes. These general notes are in addition to the specific notes set forth below or in the related Statement and Schedules hereinafter.

General Disclaimer

The Debtor has prepared the Schedules and the SoFA based on the information reflected in the Debtor’s books and records. However, inasmuch as the Debtor’s books and records have not been audited or formally closed and evaluated for proper cut-off on the Petition Date, the Debtor cannot warrant the absolute accuracy of these documents. The Debtor has made a diligent effort to complete these documents accurately and completely. To the extent additional information becomes available, the Debtor will amend and supplement the Schedules and SoFA.

Specific Schedules Disclosures

a. **Schedule E/F - Creditors Who Have Unsecured Claims.**

Part 1 - Creditors with Priority Unsecured Claims. Pursuant to the *Order (I) Authorizing the Debtor to (A) Pay and Honor Prepetition Compensation, Reimbursable Business Expenses, and Employee Benefit Obligations, and (B) Maintain and Continue Certain Compensation and Benefit Programs Postpetition; and (11) Granting Related Relief* [Docket No. 39] (the “Wage Order”), the Debtor received authority to pay certain prepetition obligations,

including to pay employee wages and other employee benefits, in the ordinary course of business. The Debtor believes that any non-insider employee claims for prepetition amounts related to ongoing payroll and benefits, whether allowable as a priority or nonpriority claim, which were due and payable at the time of the Petition Date have been or will be satisfied as permitted pursuant to the Wage Order. The Debtor filed the *Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations under Employee Bonus Plans and Granting Related Relief* [Docket No. 177] pursuant to which the Debtor sought authority to pay and honor certain prepetition bonus programs. The Court granted certain relief with respect to this motion at Docket No. 380. Employee claims related to these programs are shown in the aggregate amounts in Schedule E/F for privacy reasons. Additional information is available by appropriate request to the Debtor. The listing of a claim on Schedule E/F, Part 1, does not constitute an admission by the Debtor that such claim or any portion thereof is entitled to priority status.

Part 2 - Creditors with Nonpriority Unsecured Claims. The liabilities identified in Schedule E/F, Part 2, are derived from the Debtor's books and records. The Debtor made a reasonable attempt to set forth its unsecured obligations, although the actual amount of claims against the Debtor may vary from those liabilities represented on Schedule E/F, Part 2. The listed liabilities may not reflect the correct amount of any unsecured creditor's allowed claims or the correct amount of all unsecured claims.

Schedule E/F, Part 2 reflects liabilities based on the Debtor's books and records.

Schedule E/F, Part 2, contains information regarding threatened or pending litigation involving the Debtor. The amounts for these potential claims are listed as "unknown" and are marked as contingent, unliquidated, and disputed in the Schedules and Statements. Additionally, the amounts of certain litigation claims may be estimates based on the allegations asserted by the litigation counterparty, and do not constitute an admission by the Debtor with respect to either liability for, or the amount of, such claims.

Schedule E/F, Part 2, reflects certain prepetition amounts owing to counterparties to executory contracts and unexpired leases. Such prepetition amounts, however, may be paid in connection with the assumption or assumption and assignment of an executory contract or unexpired lease. In addition, Schedule E/F, Part 2, does not include claims that may arise in connection with the rejection of any executory contracts and unexpired leases, if any, that may be or have been rejected.

As of the time of filing of the Schedules and Statements, the Debtor had not received all invoices for payables, expenses, and other liabilities that may have accrued prior to the Petition Date. Accordingly, the information contained in Schedules D and E/F may be incomplete. The Debtor reserves its rights to amend Schedules D and E/F if and as it receive such invoices.

Fill in this information to identify the case:

Debtor name Highland Capital Management, L.P.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXAS

Case number (if known) 19-34054-SGJ

☒ Check if this is an amended filing

Official Form 206Sum

Summary of Assets and Liabilities for Non-Individuals

12/15

Part 1: Summary of Assets

1. **Schedule A/B: Assets-Real and Personal Property** (Official Form 206A/B)

1a. Real property: Copy line 88 from <i>Schedule A/B</i>	\$ <u>523,970.00</u>
1b. Total personal property: Copy line 91A from <i>Schedule A/B</i>	\$ <u>409,580,813.30</u>
1c. Total of all property: Copy line 92 from <i>Schedule A/B</i>	\$ <u>410,104,783.30</u>

Part 2: Summary of Liabilities

2. Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D) Copy the total dollar amount listed in Column A, <i>Amount of claim</i> , from line 3 of <i>Schedule D</i>	\$ <u>34,862,225.94</u>
3. Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)	
3a. Total claim amounts of priority unsecured claims: Copy the total claims from Part 1 from line 5a of <i>Schedule E/F</i>	\$ <u>13,650.00</u>
3b. Total amount of claims of nonpriority amount of unsecured claims: Copy the total of the amount of claims from Part 2 from line 5b of <i>Schedule E/F</i>	+\$ <u>244,753,977.33</u>
4. Total liabilities Lines 2 + 3a + 3b	\$ <u>279,629,853.27</u>

Fill in this information to identify the case:

Debtor name **Highland Capital Management, L.P.**

United States Bankruptcy Court for the: **NORTHERN DISTRICT OF TEXAS**

Case number (if known) **19-34054-SGJ**

☒ Check if this is an amended filing

Official Form 206E/F

Schedule E/F: Creditors Who Have Unsecured Claims

12/15

Be as complete and accurate as possible. Use Part 1 for creditors with PRIORITY unsecured claims and Part 2 for creditors with NONPRIORITY unsecured claims. List the other party to any executory contracts or unexpired leases that could result in a claim. Also list executory contracts on *Schedule A/B: Assets - Real and Personal Property* (Official Form 206A/B) and on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G). Number the entries in Parts 1 and 2 in the boxes on the left. If more space is needed for Part 1 or Part 2, fill out and attach the Additional Page of that Part included in this form.

Part 1: List All Creditors with PRIORITY Unsecured Claims

1. Do any creditors have priority unsecured claims? (See 11 U.S.C. § 507).

☐ No. Go to Part 2.

☒ Yes. Go to line 2.

2. List in alphabetical order all creditors who have unsecured claims that are entitled to priority in whole or in part. If the debtor has more than 3 creditors with priority unsecured claims, fill out and attach the Additional Page of Part 1.

		Total claim	Priority amount
2.1	Priority creditor's name and mailing address All Employees 300 Crescent Ct. Suite 700 Dallas, TX 75201 Date or dates debt was incurred 2019 Last 4 digits of account number Specify Code subsection of PRIORITY unsecured claim: 11 U.S.C. § 507(a) (4)	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: Employee Wages & Bonuses Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Unknown Unknown
2.2	Priority creditor's name and mailing address Andrew Parmentier 1821 Redwood Ave. Boulder, CO 80304 Date or dates debt was incurred 5/31/2019 Last 4 digits of account number Specify Code subsection of PRIORITY unsecured claim: 11 U.S.C. § 507(a) (4)	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: Separation and Release Agreement Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$13,650.00 \$13,650.00

Part 2: List All Creditors with NONPRIORITY Unsecured Claims

3. List in alphabetical order all of the creditors with nonpriority unsecured claims. If the debtor has more than 6 creditors with nonpriority unsecured claims, fill out and attach the Additional Page of Part 2.

Amount of claim

Debtor	Name	Case number (if known)	
	Highland Capital Management, L.P.	19-34054-SGJ	
3.1	Nonpriority creditor's name and mailing address 45 Employees 300 Crescent Ct. Suite 700 Dallas, TX 75201 Date(s) debt was incurred <u>2017, 2018 & 2019</u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Deferred Awards</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Unknown
3.2	Nonpriority creditor's name and mailing address 46 Employees 300 Crescent Ct. Suite 700 Dallas, TX 75201 Date(s) debt was incurred <u>2018</u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Prior year employee bonuses</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$5,758,166.67
3.3	Nonpriority creditor's name and mailing address Abrams & Bayliss 20 Montchanin Road, Suite 200 Wilmington, DE 19807 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$108,399.83
3.4	Nonpriority creditor's name and mailing address ACA Compliance Group 8403 Colesville Road Suite 870 Silver Spring, MD 20910 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$26,324.25
3.5	Nonpriority creditor's name and mailing address Acis Capital Management c/o Brian P. Shaw Rogge Dunn Group PC 500 N. Akard Street Ste 1900 Dallas, TX 75201 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Unknown
3.6	Nonpriority creditor's name and mailing address Acis Capital Management, L.P. c/o Brian P. Shaw Rogge Dunn Group, PC 500 N. Akard Street Ste 1900 Dallas, TX 75201 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Unknown
3.7	Nonpriority creditor's name and mailing address Action Shred of Texas 1420 S. Barry Ave Dallas, TX 75223 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$3,825.00

Debtor Name	Case number (if known)	
Highland Capital Management, L.P.	19-34054-SGJ	
3.8 Nonpriority creditor's name and mailing address Akin Gump Strauss Hauer & Feld LLP 1700 Pacific Avenue Suite 4100 Dallas, TX 75201 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$113,947.86
3.9 Nonpriority creditor's name and mailing address All Employees 300 Crescent Ct. Suite 700 Dallas, TX 75201 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Employee Bonuses</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Unknown
3.10 Nonpriority creditor's name and mailing address Allen ISD Attn: Elizabeth Weller 2777 N. Stemmons Freeway Suite 1000 Dallas, TX 75207 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>2301</u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,522.33
3.11 Nonpriority creditor's name and mailing address Allen ISD Attn: Elizabeth Weller 2777 N. Stemmons Freeway Suite 1000 Dallas, TX 75207 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>9351</u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,188.30
3.12 Nonpriority creditor's name and mailing address Alston & Bird LLP 1201 W. Peachtree Street Atlanta, GA 30309-3424 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,234.00
3.13 Nonpriority creditor's name and mailing address American Arbitration Association 120 Broadway, 21st Floor New York, NY 10271 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$55,511.80
3.14 Nonpriority creditor's name and mailing address American Solutions for Business NW#7794 PO Box 1450 Minneapolis, MN 55485-7794 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$7,470.04

Debtor	Highland Capital Management, L.P. Name	Case number (if known)	19-34054-SGJ
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3.15	Nonpriority creditor's name and mailing address Andrew Parmentier 1821 Redwood Ave. Boulder, CO 80304 Date(s) debt was incurred <u>5/31/2019</u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Seperation and Release Agreement</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$136,350.00
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3.16	Nonpriority creditor's name and mailing address Andrews Kurth 111 Congress Ave Suite 1700 Attn: Scott Brister Austin, TX 78701 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$137,637.81
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3.17	Nonpriority creditor's name and mailing address Arkadin, Inc. Lockbox #32726 Collection Center Dr Chicago, IL 60693-0726 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$647.59
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3.18	Nonpriority creditor's name and mailing address ASW Law Limited Crawford House 50 Cedar Avenue Hamilton HM11 Bermuda Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$77,044.60
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3.19	Nonpriority creditor's name and mailing address AT&T PO BOX 5001 Carol Stream, IL 60197-5001 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$927.16
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3.20	Nonpriority creditor's name and mailing address AT&T Mobilty PO Box 6444 Carol Stream, IL 60197-6444 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$6,728.59
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3.21	Nonpriority creditor's name and mailing address Bates White, LLC 2001 K Street, NW North Building, Suite 500 Washington, DC 20006 Date(s) debt was incurred <u> </u> Last 4 digits of account number <u> </u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$90,855.79
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Debtor	Highland Capital Management, L.P. Name	Case number (if known)	19-34054-SGJ
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3.22	Nonpriority creditor's name and mailing address Bell Nunnally & Martin LLP 3232 MCKINNEY AVE STE 1400 DALLAS, TX 75204 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$6,934.79
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3.23	Nonpriority creditor's name and mailing address Bloomberg Finance LP 731 Lexington Ave. New York, NY 10022 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$25,384.89
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3.24	Nonpriority creditor's name and mailing address Boies, Schiller & Flexner LLP 5301 Wisconsin Ave NW Washington, DC 20015-2015 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$115,714.80
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3.25	Nonpriority creditor's name and mailing address Brandywine Process Servers, Ltd. PO Box 1360 Wilmington, DE 19899 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$69.00
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3.26	Nonpriority creditor's name and mailing address Caledonian Directors Limited PO Box 1043 George Town Grand Cayman KY1-1002 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$325.00
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3.27	Nonpriority creditor's name and mailing address Canteen Vending Services PO Box 417632 Boston, MA 02241-7632 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$4,233.60
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3.28	Nonpriority creditor's name and mailing address Carey International, Inc. 7445 New Technology Way Frederick, MD 21703 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Uncompleted Transaction</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,059,337.01
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Debtor Name	Case number (if known)	
Highland Capital Management, L.P.	19-34054-SGJ	
3.29 Nonpriority creditor's name and mailing address Carey Olsen PO Box 10008 Willow House, Cricket Square Grand Cayman KY1-1001 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$38,930.00
3.30 Nonpriority creditor's name and mailing address Case Anywhere LLC 21860 Burbank Blvd. Ste 125 Woodland Hills, CA 91367 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$417.20
3.31 Nonpriority creditor's name and mailing address CBIZ Valuation Group, LLC ATTN: ACCOUNTS RECEIVABLE PO BOX 849846 DALLAS, TX 75284-9846 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$545.77
3.32 Nonpriority creditor's name and mailing address CDW Direct PO Box 75723 Chicago, IL 60675-5723 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$4,998.70
3.33 Nonpriority creditor's name and mailing address Centroid 1050 Wilshire Dr. Ste #170 Troy, MI 48084 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,155.00
3.34 Nonpriority creditor's name and mailing address Chase Couriers, Inc 1220 Champion Circle #114 Carrollton, TX 75006 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$155.81
3.35 Nonpriority creditor's name and mailing address CLO Holdco, Ltd. c/o Grant Scott, Esq Myers Bigel Sibley & Sajovec, P.A. 4140 Park Lake Ave, Ste 600 Raleigh, NC 27612 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Contractual Obligation</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$11,340,751.26

Debtor	Highland Capital Management, L.P. Name	Case number (if known)	19-34054-SGJ
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3.36	Nonpriority creditor's name and mailing address Cole Schotz Court Plaza North 25 Main Street P.O. Box 800 Hackensack, NJ 07602-0800 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$198,760.29
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3.37	Nonpriority creditor's name and mailing address Coleman Research Group, Inc. 120 West 45th St 25th Floor New York, NY 10036 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$52,500.00
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3.38	Nonpriority creditor's name and mailing address Concur Technologies, Inc. 18400 NE Union Hill Road Redmond, WA 98052 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$4,090.46
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3.39	Nonpriority creditor's name and mailing address Connolly Gallagher LLP 1201 North Market Street 20th Floor Wilmington, DE 19801 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$118,831.25
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3.40	Nonpriority creditor's name and mailing address Crescent Research PO Box 64-3622 Vero Beach, FL 32964 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,200.00
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3.41	Nonpriority creditor's name and mailing address CSI Global Deposition Services Accounting Dept-972-719-5000 4950 N. O'Connor Rd, 1 st Fl Irving, TX 75062-2778 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$826.01
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3.42	Nonpriority creditor's name and mailing address CT Corp PO Box 4349 Carol Stream, IL 60197-4349 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$515.25
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Debtor Name	Case number (if known)	
Highland Capital Management, L.P.	19-34054-SGJ	
3.43 Nonpriority creditor's name and mailing address CVE Technologies Group Inc. 1414 S. Gustin Rd. Salt Lake City, UT 84104 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,500.00
3.44 Nonpriority creditor's name and mailing address Dallas County Attn: Elizabeth Weller 2777 N. Stemmons Freeway Suite 1000 Dallas, TX 75207 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>3150</u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$47,809.87
3.45 Nonpriority creditor's name and mailing address Daniel Sheehan & Associates, PLLC 8150 N. Central Expressway Suite 100 Dallas, TX 75206 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$21,226.25
3.46 Nonpriority creditor's name and mailing address Debevoise & Plimpton LLP c/o Accounting Dept. 28th Floor 909 Third Ave New York, NY 10022 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$20,658.79
3.47 Nonpriority creditor's name and mailing address Denton County PO Box 90223 Denton, TX 76202 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>0DEN</u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$553.46
3.48 Nonpriority creditor's name and mailing address Denton County PO Box 90223 Denton, TX 76202 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>5DEN</u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$3.68
3.49 Nonpriority creditor's name and mailing address DLA Piper LLP (US) 1900 N Pearl St, Suite 2200 Dallas, TX 75201 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,318,730.36

Debtor Name	Case number (if known)	
Highland Capital Management, L.P.	19-34054-SGJ	
3.50 Nonpriority creditor's name and mailing address Dow Jones & Company, Inc. 1211 Avenue of the Americas New York, NY 10036 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,038.26
3.51 Nonpriority creditor's name and mailing address DTCC ITP LLC PO Box 27590 New York, NY 10087-7590 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$3.30
3.52 Nonpriority creditor's name and mailing address Duff & Phelps, LLC c/o David Landman Benesch, Friedlander, Coplan & Aronoff 200 Public Sq. Suite 2300 Cleveland, OH 44114-4000 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$350,000.00
3.53 Nonpriority creditor's name and mailing address Elite Document Technology 403 North Stemmons Freeway Suite 100 Dallas, TX 75207 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$5,837.30
3.54 Nonpriority creditor's name and mailing address Epiq eDiscovery Solutions Dept 2651 PO Box 122651 Dallas, TX 75312-2651 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$9,972.65
3.55 Nonpriority creditor's name and mailing address Eric Girard 312 Polo Trl Colleyville, TX 76034 Date(s) debt was incurred <u>10/14/2019</u> Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Consulting fee</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$11,430.14
3.56 Nonpriority creditor's name and mailing address Felicity Toubé QC 3-4 South Square Gray's Inn London, WC1R 5HP Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,546.65

Debtor Name	Case number (if known)	
Highland Capital Management, L.P.	19-34054-SGJ	
3.57 Nonpriority creditor's name and mailing address Foley Gardere 2021 McKinney Ave Suite 1600 Dallas, TX 75201 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,446,136.66
3.58 Nonpriority creditor's name and mailing address Four Seasons Landscaping, LLC 139 Turtle Creek Blvd. Dallas, TX 75207-6807 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$108.95
3.59 Nonpriority creditor's name and mailing address Gardner Haas PLLC 2501 N. Harwood Street Suite 1250 Dallas, TX 75201 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$522.72
3.60 Nonpriority creditor's name and mailing address Gold's Gym International Attn: Corporate Billing 125 E John Carpenter Frwy Suite 1300 Irving, TX 75062 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$561.75
3.61 Nonpriority creditor's name and mailing address Greenwood Office Outfitters 2951 Suffolk Drive Suite 640 Fort Worth, TX 76133-1149 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,371.07
3.62 Nonpriority creditor's name and mailing address Greyline Solutions PO Box 733976 Dallas, TX 75373-3976 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$11,250.00
3.63 Nonpriority creditor's name and mailing address Harder LLP 132 S. RODEO DRIVE FOURTH FLOOR BEVERLY HILLS, CA 90212 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$5,464.13

Debtor Name	Case number (if known)	
Highland Capital Management, L.P.	19-34054-SGJ	
3.64 Nonpriority creditor's name and mailing address Highland Capital Management (Singapore) 300 Crescent Ct. Suite 700 Dallas, TX 75201 Date(s) debt was incurred <u>Prior to 12/31/2018</u> Last 4 digits of account number _____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>The balance shown is updated annually for service fees and has not been updated since 12/31/2018</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$248,745.28
3.65 Nonpriority creditor's name and mailing address Highland CLO Management Ltd. PO Box 309 Ugland House Grand Cayman KY1-1104 Cayman Island Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Interest payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$599,187.26
3.66 Nonpriority creditor's name and mailing address Highland CLO Management Ltd. PO Box 309 Ugland House Grand Cayman KY1-1104 Cayman Island Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Note payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$9,541,446.00
3.67 Nonpriority creditor's name and mailing address Highland RCP Offshore, LP 300 Crescent Ct. Suite 700 Dallas, TX 75201 Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Unearned Revenue</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,447,870.00
3.68 Nonpriority creditor's name and mailing address Highland RCP, LP 300 Crescent Ct. Suite 700 Dallas, TX 75201 Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Unearned Revenue</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,945,067.00
3.69 Nonpriority creditor's name and mailing address Hunton Andrews Kurth LLP 1445 Ross Avenue Suite 3700 Dallas, TX 75202-2799 Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$107,221.92
3.70 Nonpriority creditor's name and mailing address ICE Data Pricing & Reference Data, LLC PO Box 98616 Chicago, IL 60693 Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,565.23

Debtor	Name	Case number (if known)	
	Highland Capital Management, L.P.	19-34054-SGJ	
3.71	Nonpriority creditor's name and mailing address Intralinks P.O. Box 10259 New York, NY 10259 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: Trade Payable Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$7,995.00
3.72	Nonpriority creditor's name and mailing address JAMS, Inc PO Box 512850 Los Angeles, CA 90051-0850 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: See Exhibit A Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,352.27
3.73	Nonpriority creditor's name and mailing address Joshua & Jennifer Terry c/o Brian P. Shaw, Esq. Rogge Dunn Group, PC 500 N. Akard Street, Suite 1900 Dallas, TX 75201 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: Litigation Claim Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$425,000.00
3.74	Nonpriority creditor's name and mailing address Katten Muchin Rosenman LLP 525 W Monroe St Chicago, IL 60661-3693 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: See Exhibit A Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$16,695.00
3.75	Nonpriority creditor's name and mailing address Kaufman County Attn: Elizabeth Weller 2777 N. Stemmons Freeway Suite 1000 Dallas, TX 75207 Date(s) debt was incurred 2019 Last 4 digits of account number 0606	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: Ad Valorem Taxes Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$585.09
3.76	Nonpriority creditor's name and mailing address Kaufman County Attn: Elizabeth Weller 2777 N. Stemmons Freeway Suite 1000 Dallas, TX 75207 Date(s) debt was incurred 2019 Last 4 digits of account number 0600	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: Ad Valorem Taxes Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$3,090.25
3.77	Nonpriority creditor's name and mailing address Kaufman County Attn: Elizabeth Weller 2777 N. Stemmons Freeway Suite 1000 Dallas, TX 75207 Date(s) debt was incurred 2019 Last 4 digits of account number 0600	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: Ad Valorem Taxes Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$125.05

Debtor	Name	Case number (if known)	
	Highland Capital Management, L.P.	19-34054-SGJ	
3.78	Nonpriority creditor's name and mailing address Kaufman County Attn: Elizabeth Weller 2777 N. Stemmons Freeway Suite 1000 Dallas, TX 75207 Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>0600</u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$5,732.15
3.79	Nonpriority creditor's name and mailing address Legalpeople LLC 134 N LaSalle Street Suite 800 Chicago, IL 60602 Date(s) debt was incurred <u></u> Last 4 digits of account number <u></u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$34,425.72
3.80	Nonpriority creditor's name and mailing address Levinger PC 1445 Ross Avenue Suite 2500 Dallas, TX 75202 Date(s) debt was incurred <u></u> Last 4 digits of account number <u></u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$3,778.01
3.81	Nonpriority creditor's name and mailing address Lexitas PO Box 734298 Dept. 2012 Dallas, TX 75373-4298 Date(s) debt was incurred <u></u> Last 4 digits of account number <u></u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,583.66
3.82	Nonpriority creditor's name and mailing address Loews Coronado Bay Resort 4000 Coronado Bay Road Coronado, CA 92118 Date(s) debt was incurred <u></u> Last 4 digits of account number <u></u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$57,628.65
3.83	Nonpriority creditor's name and mailing address Lynn Pinker Cox & Hurst, LLP 2100 Ross Ave Suite 2700 Dallas, TX 75201 Date(s) debt was incurred <u></u> Last 4 digits of account number <u></u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$436,538.06
3.84	Nonpriority creditor's name and mailing address Maples and Calder UGLAND HOUSE PO BOX 309GT; S CHURCH ST George Town Grand Cayman Date(s) debt was incurred <u></u> Last 4 digits of account number <u></u>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$25,800.11

Debtor Name	Case number (if known)	
Highland Capital Management, L.P.	19-34054-SGJ	
3.85 Nonpriority creditor's name and mailing address MarkitWSO Corporation Three Lincoln Centre 5430 LBJ Frwy; Ste 800 Dallas, TX 75240 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$12,015.91
3.86 Nonpriority creditor's name and mailing address McKool Smith 300 Crescent Court Suite 1500 Dallas, TX 75201 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,163,976.00
3.87 Nonpriority creditor's name and mailing address Meta-e Discovery LLC Six Landmark Square Fourth Floor Stamford, CT 06901 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$780,645.36
3.88 Nonpriority creditor's name and mailing address Nick Meserve 11835 Brandywine Ln Houston, TX 77024 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$300.00
3.89 Nonpriority creditor's name and mailing address NWCC, LLC c/o of Michael A. Battle Barnes & Thornburg, LLP 1717 Pennsylvania Ave N.W. Ste 500 Washington, DC 20006 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$375,000.00
3.90 Nonpriority creditor's name and mailing address Opus 2 International, Inc. 100 Pine Street Suite 560 San Francisco, CA 94111 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$15,669.86
3.91 Nonpriority creditor's name and mailing address PACER Service Center P.O. Box 5208 Portland, OR 97208-5208 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$435.30

Debtor Name	Case number (if known)	
Highland Capital Management, L.P.	19-34054-SGJ	
3.92 Nonpriority creditor's name and mailing address Patrick Daugherty c/o Thomas A. Uebler McCollom D'Emilio Smith 2751 Centerville Rd #401 Wilmington, DE 19808 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$11,700,000.00
3.93 Nonpriority creditor's name and mailing address Pitney Bowes- Purchase Power PO Box 371874 Pittsburgh, PA 15250-2648 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,611.00
3.94 Nonpriority creditor's name and mailing address ProStar Services, Inc PO Box 110209 Carrollton, TX 75011 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,064.58
3.95 Nonpriority creditor's name and mailing address Quintairos, Prieto Wood & Boyer 865 S. Figueroa St 10th FL Los Angeles, CA 90017 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$8,608.17
3.96 Nonpriority creditor's name and mailing address Redeemer Committee - Highland Crusader Attn: Eric Felton 731 Pleasant Ave. Glen Ellyn, IL 60137 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claim</u> Is the claim subject to offset? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	\$189,314,946.00
3.97 Nonpriority creditor's name and mailing address Reid Collins & Tsai 810 Seventh Ave Ste 410 New York, NY 10019 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$258,526.25
3.98 Nonpriority creditor's name and mailing address Scott Douglass & McConnico LLP 303 Colorado St Ste 2400 Austin, TX 78701 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,478.59

Debtor Name	Case number (if known)	
Highland Capital Management, L.P.	19-34054-SGJ	
3.99 Nonpriority creditor's name and mailing address Secured Access Systems, LLC 1913 Walden Court Flower Mound, TX 75022 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$24.37
3.100 Nonpriority creditor's name and mailing address Siepe Services, LLC 5440 Harvest Hill Road Suite 100 Dallas, TX 75230 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$80,183.88
3.101 Nonpriority creditor's name and mailing address Southland Property Tax Consultants, Inc 421 W. 3rd Street Ste 920 Fort Worth, TX 76102 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$309.11
3.102 Nonpriority creditor's name and mailing address Squire Patton Boggs (US) LLP PO Box 643051 Cincinnati, OH 45264 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$5,208.40
3.103 Nonpriority creditor's name and mailing address Stanton Advisors LLC 300 Coles Street Apt. 802 Jersey City, NJ 07310 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$10,000.00
3.104 Nonpriority creditor's name and mailing address Stanton LLP 9400 N Central Expwy Ste 1304 Dallas, TX 75231 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$90,712.65
3.105 Nonpriority creditor's name and mailing address State Street Global Exchange Elkins/McSherry, LLC One Lincoln Street Boston, MA 02111 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,500.00

Debtor Name	Case number (if known)	
Highland Capital Management, L.P.	19-34054-SGJ	
3.106 Nonpriority creditor's name and mailing address Stinson Leonard Street LLP PO Box 843052 Kansas City, MO 64184 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$246,802.54
3.107 Nonpriority creditor's name and mailing address Thomson West PO Box 64833 St. Paul, MN 55164-0833 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,158.52
3.108 Nonpriority creditor's name and mailing address UBS AG, London Branch c/o Andrew Clubock, Esq. Latham & Watkins LLP 555 11th Street NW #1000 Washington, DC 20004 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Unknown
3.109 Nonpriority creditor's name and mailing address UBS Securities LLC c/o Andrew Clubock Latham & Watkins LLP 555 11th Street NW #1000 Washington, DC 20004 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Unknown
3.110 Nonpriority creditor's name and mailing address UPS Supply Chain Solutions 28013 Network Place Chicago, IL 60673-1280 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$90.45
3.111 Nonpriority creditor's name and mailing address Wakefield Quin Victoria Place 31 Victoria St Hamilton, HM10 Bermuda Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$2,334.80
3.112 Nonpriority creditor's name and mailing address Wilks, Lukoff & Bracegirdle, LLC 4250 Lancaster Pike #200 Wilmington, DE 19805 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$3,411.87

Debtor **Highland Capital Management, L.P.**
Name

Case number (if known) **19-34054-SGJ**

3.113 Nonpriority creditor's name and mailing address

Xerox Corporation
PO Box 650361
Dallas, TX 75265

Date(s) debt was incurred __

Last 4 digits of account number __

As of the petition filing date, the claim is: Check all that apply.

\$2,348.31

- ☐ Contingent
☐ Unliquidated
☐ Disputed

Basis for the claim: **Trade Payable**

Is the claim subject to offset? ☒ No ☐ Yes

Part 3: List Others to Be Notified About Unsecured Claims

4. List in alphabetical order any others who must be notified for claims listed in Parts 1 and 2. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for unsecured creditors.

If no others need to be notified for the debts listed in Parts 1 and 2, do not fill out or submit this page. If additional pages are needed, copy the next page.

Name and mailing address

On which line in Part 1 or Part 2 is the
related creditor (if any) listed?

Last 4 digits of
account number, if
any

Part 4: Total Amounts of the Priority and Nonpriority Unsecured Claims

5. Add the amounts of priority and nonpriority unsecured claims.

5a. Total claims from Part 1

5b. Total claims from Part 2

5c. Total of Parts 1 and 2
Lines 5a + 5b = 5c.

Total of claim amounts	
5a.	\$ 13,650.00
5b. +	\$ 244,753,977.33
5c.	\$ 244,767,627.33

Fill in this information to identify the case:

Debtor name Highland Capital Management, L.P.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXAS

Case number (if known) 19-34054-SGJ

☐ Check if this is an
amended filing

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☐ *Schedule A/B: Assets—Real and Personal Property* (Official Form 206A/B)
- ☐ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)
- ☒ *Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)
- ☐ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)
- ☐ *Schedule H: Codebtors* (Official Form 206H)
- ☒ *Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)
- ☒ Amended Schedule **Amended Schedule E/F and Summary of assets and liabilities for non-individuals**
- ☐ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- ☐ Other document that requires a declaration

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 22, 2020

x

Signature of individual signing on behalf of debtor

Printed name

Position or relationship to debtor

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

In Re:) **Case No. 19-34054-sgj-11**
)
)
HIGHLAND CAPITAL) Dallas, Texas
MANAGEMENT, L.P.,) Tuesday, October 6, 2020
) 1:30 p.m. Docket
Debtor.)
) STATUS CONFERENCE RE:
) OBJECTION TO CLAIM OF UBS
) SECURITIES, LLC AND UBS AG,
) LONDON BRANCH (#928)
)

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE.

WEBEX/TELEPHONIC APPEARANCES:

For the Debtor: Jeffrey N. Pomerantz
PACHULSKI STANG ZIEHL & JONES, LLP
10100 Santa Monica Blvd.,
13th Floor
Los Angeles, CA 90067
(310) 277-6910

For the Debtor: Robert J. Feinstein
PACHULSKI STANG ZIEHL & JONES, LLP
780 Third Avenue, 34th Floor
New York, NY 10017-2024
(212) 561-7700

For UBS Securities, LLC: Andrew Clubok
Sarah A. Tomkowiak
LATHAM & WATKINS, LLP
555 Eleventh Street, NW,
Suite 1000
Washington, DC 20004
(202) 637-2200

For UBS Securities, LLC: Jeff Bjork
LATHAM & WATKINS, LLP
355 South Grand Avenue, Suite 100
Los Angeles, CA 90071-1560
(213) 891-8872

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1 APPEARANCES, cont'd.:

2 For Redeemer Committee of Terri L. Mascherin
3 the Highland Crusader JENNER & BLOCK, LLP
4 Fund: 353 N. Clark Street
Chicago, IL 60654-3456
(312) 923-2799

5 For Redeemer Committee of Mark B. Hankin
6 the Highland Crusader JENNER & BLOCK, LLP
7 Fund: 919 Third Avenue
New York, NY 10022-3098
(212) 891-1600

8 For Redeemer Committee of Mark A. Platt
9 the Highland Crusader FROST BROWN TODD, LLC
10 Fund: 100 Crescent Court, Suite 350
Dallas, TX 75201
(214) 580-5852

11 For the Official Committee Matthew A. Clemente
12 of Unsecured Creditors: SIDLEY AUSTIN, LLP
13 One South Dearborn
Chicago, IL 60603
(312) 853-7539

14 Recorded by: Michael F. Edmond, Sr.
15 UNITED STATES BANKRUPTCY COURT
16 1100 Commerce Street, 12th Floor
Dallas, TX 75242
(214) 753-2062

17 Transcribed by: Kathy Rehling
18 311 Paradise Cove
19 Shady Shores, TX 76208
20 (972) 786-3063
21
22
23
24

25 Proceedings recorded by electronic sound recording;
transcript produced by transcription service.

005934

1 DALLAS, TEXAS - OCTOBER 6, 2020 - 1:36 P.M.

2 THE COURT: Now our Highland status conference
3 regarding the UBS proof of claim and objections. I'm going to
4 just take appearances from, I think, the three main parties in
5 interest here. First, for the Debtor team, who do we have
6 appearing this afternoon?

7 MR. POMERANTZ: Jeff Pomerantz; Pachulski Stang Ziehl
8 & Jones. I'm joined with a few of my colleagues, but the most
9 important one for this hearing is my partner, Robert
10 Feinstein, who will be handling the status conference.

11 THE COURT: All right. Thank you. For UBS, who do
12 we have appearing this afternoon?

13 MR. CLUBOK: Good afternoon, Your Honor. This is
14 Andrew Clubok from Latham & Watkins, LLP. Can you hear me
15 okay?

16 THE COURT: I can, yes.

17 MR. CLUBOK: Oh, great. And I'm here with my
18 colleagues Jeff Bjork and Sarah Tomkowiak.

19 THE COURT: All right. Thank you. The Redeemer
20 Committee has filed its own objection to the UBS proof of
21 claim. Who do we have appearing for the Redeemer Committee?

22 MS. MASCHERIN: Good afternoon, Your Honor. This is
23 Terri Mascherin from Jenner & Block. My colleague Mark Hankin
24 is also on the line today, as I believe is our local counsel,
25 Mark Platt.

1 THE COURT: All right. Thank you.

2 All right. So, I know there are lots of other people,
3 either on video or phone. I think we're probably only going
4 to be hearing from Debtor, UBS, and Redeemer Committee today.
5 Before we conclude, I'll see if there's anyone out there who
6 wanted to say anything today, but I'm guessing we just are
7 going to have observers.

8 All right. So, I guess we'll begin with: Mr. Feinstein,
9 what did you hope to accomplish today?

10 MR. FEINSTEIN: Thank you, Your Honor. Good
11 afternoon. First, can you hear me and see me okay?

12 THE COURT: I can. Thank you.

13 MR. FEINSTEIN: Thank you. So, what we hope to
14 accomplish this afternoon, Your Honor, is first to update Your
15 Honor on the status of the claim since the mediation
16 terminated, and also to lay out for Your Honor our plan to
17 bring a motion for partial summary judgment with respect to a
18 number of issues we think are resolvable that way, and to do
19 so promptly. And, in fact, to try to get a hearing before
20 Your Honor prior to confirmation. We think that that will
21 substantially reduce the issues between the parties.

22 And in that regard, Your Honor, I note that the mediation
23 was not successful in resulting -- in resolving the UBS claim,
24 and I think that's largely because of the different
25 perceptions of the parties about the value of the claim. I

1 think UBS still believes they've got a claim for one billion
2 dollars, and none of the other constituents accept that
3 premise.

4 And I guess, while I'm always optimistic going into a
5 mediation, certainly, given the posture of UBS with respect to
6 this claim, I was doubtful, and it turns out that doubt proved
7 to be true, doubtful that this could be resolved in that
8 context, but that it can and should be litigated in the
9 context of partial summary judgment. And then after Your
10 Honor rules, perhaps the claim -- the issues will be narrowed
11 so much that the claim could be resolved at that time.

12 So, we think that the partial summary judgment motion
13 makes a lot of sense. We've proposed a schedule for the
14 filing of the motion and briefing to UBS. You'll hear from
15 their counsel that they've not accepted that, that they'd
16 rather try the case.

17 We think that the summary judgment which we -- partial
18 summary judgment we alluded to, both in the opposition to
19 UBS's stay relief motion and then in our claim objection, we
20 think that there are two very significant arguments that could
21 dispel the notion that there is a billion dollar claim in this
22 case.

23 One would be, Your Honor, regarding on the res judicata
24 opinions of the New York Appellate Division, First Department,
25 holding in essence that UBS cannot make claims, assert claims,

1 based on operative facts that occurred prior to February 24th
2 of 2009. I don't think there's any operative facts that post-
3 date that date except for the fraudulent transfers.

4 So, in a way, the -- or the breach of implied covenant
5 claim is redundant of the fraudulent transfer claims. We
6 think that with an appropriate ruling based on those
7 decisions, Your Honor should eliminate any construct, any
8 notion that there's a billion dollar claim in this case, and
9 you can talk about the fraudulent transfers.

10 The second branch of the motion, Your Honor, will be to
11 enforce the settlement releases. Your Honor may recall from
12 the papers that there's a total of \$233 million of asserted
13 transfers, but \$172 million of those transfers were settled,
14 and settled pursuant to a relief -- a relief -- documents
15 which provided a release to the Debtor for, quote, losses or
16 other relief specifically arising from the fraudulent
17 transfers.

18 So we think, Your Honor, the transactional release, if you
19 will, bars all claims of any characterization -- alter ego,
20 implied covenant, fraudulent transfer -- based on those
21 operative facts, which, again, are the only operative facts
22 that post-dated February 24th of 2009.

23 There's one more aspect to this, Your Honor, that I think
24 is kind of remarkable, again, and it's based on something that
25 was included in UBS's response to our objection to claim. And

1 that is, you know, they've danced around for a long time that
2 they're not -- they're going to assert an alter ego claim
3 against the Debtor for the entirety of the breach of contract
4 judgment, the billion dollars. And what UBS has asserted from
5 time to time is that they don't need to bring that claim
6 because it's a post-judgment remedy under New York State
7 procedure. And yet, Your Honor, there's a bar date. The
8 Debtor is in bankruptcy. So for UBS to say, voluntarily,
9 we're not making this claim now, we think in effect they've
10 voluntarily, through gamesmanship or whatever, missed
11 asserting the alter ego claim prior to the bar date. So we
12 intend to brief that as well.

13 So what we proposed, Your Honor, to UBS is that we would
14 file our motion in the next ten days. We were targeting
15 October the 16th. We've heard that maybe Redeemer wants to
16 file a motion, too. We propose an opposition November the
17 6th, that reply papers would be November the 16th, and then
18 that we have oral argument on the motion at Your Honor's
19 convenience. November 19th or 20th would be ideal, but
20 somewhere in that time frame. All of which, obviously, would
21 be prior to the timeline for the scheduled hearing on
22 confirmation of the Debtor's plan.

23 The other thing we raised with UBS and we haven't gotten a
24 response is that their claim is disputed in the case.
25 Obviously, it's been objected to. And if they want to file a

1 motion under Bankruptcy Rule 3018 for temporary allowance of
2 their claim for voting purposes, given the, essentially, the
3 overlap or identity of the issues, we thought it'd be
4 appropriate to tee up any -- any motion that UBS would like to
5 make in that regard along the same timeline, that they file
6 such a motion October 16th, et cetera, et cetera, and we have
7 it heard at the same hearing on November 19th or 20th.

8 So, we had a call with UBS yesterday. We've heard just
9 before the hearing that they are not interested in agreeing to
10 our schedule, or, for that matter, agreeing to summary
11 judgment practice, motion practice at all. We intend to make
12 such a motion, so I don't know that we need their permission,
13 but they don't want to engage on an agreeable timeline. They
14 want to take the case to trial, which we think it would be an
15 absurdity, Your Honor.

16 I'd also note, Your Honor, just by way of an update, that
17 I read in the *New York Law Journal* in the last week that
18 Justice Friedman, who presides over the case when it was
19 pending in New York State Supreme Court, presided over the
20 phase one trial, announced her retirement.

21 THE COURT: Oh.

22 MR. FEINSTEIN: She says she's retiring by the end of
23 this year.

24 THE COURT: Okay.

25 MR. FEINSTEIN: So I guess she won't be hearing phase

1 two, if there's ever a phase two.

2 THE COURT: I guess I feel better about my denial of
3 the motion to lift stay now. Hmm. If I --

4 MR. FEINSTEIN: Exactly, Your Honor.

5 THE COURT: If I had any lingering concerns. Wow. I
6 hope this case didn't make her want to retire early.

7 MR. FEINSTEIN: Probably more than that, Your Honor.

8 THE COURT: Okay.

9 MR. FEINSTEIN: Anyway, I'm going to stop there, Your
10 Honor. I hope that answers Your Honor's questions.

11 THE COURT: Yes.

12 MR. FEINSTEIN: I'm happy to answer any questions.

13 THE COURT: Two or three --

14 MR. POMERANTZ: Your Honor, this is --

15 THE COURT: Two or three follow-up questions before
16 we move on. Okay. So we have our disclosure statement
17 hearing, I know, October 22nd. I seem to recall I gave you
18 sort of a tentative pencil-in date for a confirmation hearing,
19 assuming I approve the disclosure statement on October 22nd.
20 Can someone remind me what that was? Was it early December?

21 MR. POMERANTZ: Yes, Your Honor. This is Jeff
22 Pomerantz. It's December 3rd.

23 I also wanted to point out, Your Honor, that the mediation
24 has not terminated. It has not proven successful with UBS
25 yet, but the mediation continues to be open. We actually just

1 recently, before this hearing, were on the phone with the
2 mediators on some issues. So the mediation hasn't terminated,
3 and we always will welcome the opportunity to continue
4 discussions.

5 THE COURT: Okay. Well, good. I'm glad to hear
6 that.

7 Another question I had is this. I know that my courtroom
8 deputy was on the phone with one of Debtor's counsel earlier
9 today about, if we do this, setting oral argument the week of
10 November 16th. You know, the 19th or 20th. Am I correct in
11 that the time estimate was a three or four-hour hearing on
12 oral argument? I mean, do you really -- I know we have three
13 parties who would be arguing back and forth. Let me just
14 clarify that that is your best guess.

15 MR. FEINSTEIN: Yes, Your Honor. I mean, it's hard
16 to anticipate how long others will spend arguing, but I would
17 imagine that our portion of the argument would last 45 minutes
18 to an hour, --

19 THE COURT: Uh-huh.

20 MR. FEINSTEIN: -- without question, and that there
21 are two other parties who I expect would want to be heard.

22 THE COURT: Uh-huh. But, while complex, you distill
23 it down to three relevant issues: Whether res judicata bars
24 UBS from bringing any claims that arose before February 24,
25 2009, and you think I'm going to look principally at a state

1 court order, I guess, in that regard. And --

2 MR. FEINSTEIN: Yes.

3 THE COURT: -- second, the motion for summary
4 judgment, partial summary judgment, would argue there was a
5 release by UBS of certain claims in a 2015 settlement
6 agreement involving the Crusader Fund. And then you, I think,
7 third, threw in that any alter ego claim they're asserting is
8 barred by not having asserted it by the bar date. Is that
9 what you're saying?

10 MR. FEINSTEIN: Technically, yes, Your Honor. That's
11 correct.

12 THE COURT: Okay. So, distilling this down further,
13 I think you said that if you win on the res judicata argument,
14 that would eliminate any claims except fraudulent transfer
15 claims. Did I get that correct? And then, further, --

16 MR. FEINSTEIN: Yes. I think the -- the --
17 actionable claims, that's correct, yes.

18 THE COURT: So, it -- oh, okay. And then, further,
19 if you win on the release argument, you would say -- you would
20 say that, out of, what, \$233 million potential fraudulent
21 transfers, \$172 million were settled. So, is it the Debtor's
22 --

23 MR. FEINSTEIN: Yes.

24 THE COURT: -- theory of the case that UBS has a
25 maximum of a \$61 million claim? And I'm just doing the math.

1 MR. FEINSTEIN: A maximum -- a maximum --

2 THE COURT: \$233 million minus \$172 million? Is that
3 --

4 MR. FEINSTEIN: Yes. Yes. And even as to -- even as
5 to the \$61 million that remains, there are other arguments and
6 objections to the claim. But the ones we think are
7 susceptible to summary judgment are the ones we have
8 identified.

9 THE COURT: Okay.

10 MR. FEINSTEIN: But there are further issues that
11 would take those \$61 million conceivably down to zero. But at
12 least for now, if we were to prevail on all the motions, the
13 aspects of the motion we're talking about, we'd be looking at
14 no higher than a \$61 million claim. That's correct.

15 THE COURT: Okay. That's just giving me context and
16 certainly helping me to understand why this hasn't settled.
17 You're very, very far apart on the numbers.

18 All right. Well, Mr. Clubok, do you -- well, I guess --
19 maybe I should take friendlies together before I go to Mr.
20 Clubok.

21 Ms. Mascherin, is there anything that you wanted to say?
22 Do you anticipate that the Redeemer Committee would also want
23 to file a motion for partial summary judgment, or perhaps just
24 a joinder into the Debtor, or what is your view on this?

25 MS. MASCHERIN: Yes, Your Honor. We would either

1 file our own motion or join in the Debtor's motion. But we
2 would -- we are focused on two of the three issues that Mr.
3 Feinstein identified, the res judicata issue and the release
4 issue.

5 And just to -- to preempt any questions Your Honor may
6 have, --

7 THE COURT: Uh-huh.

8 MS. MASCHERIN: -- I think our view of the case is
9 very similar to the Debtor's view, as you heard in the hearing
10 on the motion to lift stay.

11 And with regard to amount of time for an argument, I would
12 imagine, for our part, that we would be able to argue in
13 something like 30 minutes.

14 THE COURT: Okay. All right. And -- okay. I think
15 that's all I have for now. I may have one or two other
16 questions.

17 Mr. Clubok, you don't like this proposed game plan. Tell
18 me why you don't like it.

19 MR. CLUBOK: Your Honor, we don't like it because,
20 number one, it decreases efficiency. In fact, it's an
21 incredibly inefficient way to proceed as compared to what
22 we're going to propose.

23 And number two, it is just an effort by Highland to have a
24 do-over of what has already been litigated and decided in the
25 state court.

1 They are asking Your Honor -- first of all, with respect
2 to the res judicata argument, the argument, Your Honor, that
3 has been argued, I've lost track, maybe five times in the New
4 York courts. It was originally -- there are at least three, I
5 believe four appellate decisions that address that. There is
6 a summary judgment decision that addressed the impact of res
7 judicata. And there was an appeal of that summary judgment
8 decision to the appellate court in New York. And these
9 arguments that Highland wants to make again have all been
10 rejected. They've been rejected time and time again. And
11 three or four times in a row, Highland kept saying, well, the
12 last court decision didn't really resolve it, or the last
13 court decision doesn't mean what UBS thinks it means. Or at
14 the summary judgment proceeding, they said, we still have this
15 argument about res judicata.

16 Your Honor, that has all been decided time and again, and
17 that's why, where we were, where this thing left off in state
18 court was post-summary judgment, post the fourth or fifth
19 appellate decision on res judicata rejecting this argument
20 that Highland now wants to present to you for either the
21 fourth or the fifth or the sixth time. I've just lost track.
22 It's in our papers.

23 And we were ready to just go to trial on our claims with
24 the rules of res judicata clearly laid out in the -- in Judge
25 Friedman's summary judgment decision and the appellate court's

1 affirmance of that.

2 So they want one more bite at the apple, one more effort
3 to change the case. And frankly, Your Honor, it's really not
4 going to change -- as a practical matter, it's a little bit of
5 a tempest in a teapot because I don't think it's going to
6 decrease the evidence to be presented at trial. They've never
7 explained exactly how it could. But they just want to shoot
8 down measure of damages. It's really all about shooting down
9 our measure of damages in a way that we'll, you know, if we
10 have to brief it again, Your Honor, you know, obviously
11 requires us to, then we'll do it, but it's given Highland the
12 fourth or fifth or sixth bite at this same apple. And that's
13 why we strenuously object to it.

14 It's -- it's -- you know, Your Honor, Highland told you
15 that if you just keep the stay in place and you move these
16 proceedings here, there will be a swift resolution, a much
17 swifter resolution than if it happened in Justice Friedman's
18 chambers. And I just heard the glee in their voice as they
19 talk about Justice Friedman retiring. I think, frankly, had
20 we -- had we -- we could have -- we could have finished these
21 proceedings already in Justice Friedman's court at the
22 beginning of the year, absent what Highland set in motion.

23 But setting that aside, Your Honor, where we left off when
24 they told you, keep this thing in place and we'll get a quick
25 resolution in this Court, is that, hey, we're all ready for

1 trial. That was all that was left to do. Summary judgment
2 had been argued. This res judicata and the other -- and I'll
3 get to the settlement issues in a second -- had all been
4 argued. There was no further chance for them to get another
5 bite at that apple. And that's the reason why, Your Honor, we
6 do object to this. And we get it if Your Honor wants to hear
7 them out and we'd have to respond and we'll do it in a
8 reasonable schedule.

9 But what we propose instead, Your Honor, is that this
10 matter just be set for resolution. We would be ready, and
11 Highland has -- Highland had told Justice Friedman they'd be
12 ready to try this case in June. We know from their papers
13 they've spent I think close to two million dollars now getting
14 ready for this. We're all ready to try the case as
15 expeditiously as possible, but certainly before the plan
16 confirmation. We would say let's just adjudicate our claim
17 in, you know, November, whether it's mid-November or late
18 November, sometime so that our claim is just resolved.

19 What Highland proposed to us yesterday is, you know, they
20 get to do another summary judgment bite at the apple. They
21 get another chance to convince you to do something different
22 than the New York Court of Appeals and Justice Friedman told
23 them they could do when they said denied, go forward to trial.
24 So they want -- they hope to somehow convince you to do
25 something different than what the New York courts were -- had

1 forced them to do.

2 And then they also said, by the way, what we'd like you to
3 do is put in a 3018 motion so you sort of present a truncated
4 view of your claim just for purposes of voting on the plan.
5 And what we say is none of that is efficient. It's -- it's --
6 what's efficient is the parties just move forward to trial.
7 We set a trial first thing in November. The parties can -- by
8 the way, if all these issues have been mostly briefed, anyway,
9 and the objections and the responses -- you know, we've
10 already almost fully briefed these matters anyway -- but the
11 parties could do supplemental pre-trial briefs. And when Your
12 Honor hears the case, Your Honor can just decide. If what
13 Highland is telling you is true, then -- and it somehow
14 precludes some of our evidence as a result, which, by the way,
15 I don't -- that premise isn't even -- isn't even true. It's
16 not even if they win this it'll cut down on the witnesses or
17 the evidence or anything that we present at trial, which I can
18 explain in a minute. But if any of that is true, then instead
19 of a three-day trial we have a two-day trial, or instead of a
20 two-day trial we have a one-day trial.

21 THE COURT: Let me -- let me --

22 MR. CLUBOK: Your Honor could just --

23 THE COURT: Can I stop you right there?

24 MR. CLUBOK: Absolutely.

25 THE COURT: You say, you know, UBS wants this set for

1 trial maybe mid-November. If I didn't hear cross-motions for
2 partial summary judgment, so that there was no possibility of
3 narrowing of issues, what is your estimate of a trial? I
4 remember vividly you told me there was a 13-day bench trial in
5 phase one of this litigation, so I'm just speculating that we
6 would be looking at something like that here if there is no
7 narrowing of the issues. What is your guess about that?

8 MR. CLUBOK: Well, Your Honor, I don't think so at
9 all. Well, and first, not to relitigate this, but for someone
10 who's familiar with that 13-day record, I think maybe we need
11 another three days to try the case. Okay? Presuming full
12 familiarity with that 13-day trial record, it's maybe another
13 three days or so to try this case.

14 It's not -- the additional issues that are remaining do
15 focus on events that occurred -- they focus on claims that
16 accrued after February of 2009 and actions that Highland took
17 post-February 2009, which, by the way, not just to the extent
18 they committed fraudulent transfers, but to the extent they
19 breached their implied duty of good faith and fair dealing
20 under the contract.

21 THE COURT: Can I --

22 MR. CLUBOK: Mr. Feinstein --

23 THE COURT: Can I -- once again, I'm sorry I keep
24 interrupting, but --

25 MR. CLUBOK: That's okay.

1 THE COURT: -- it almost sounded like you're agreeing
2 with their res judicata argument, that there are no claims for
3 conduct arising before February 24, 2009. Did I
4 misunderstand?

5 MR. CLUBOK: I'm not entirely sure what their
6 argument is. I do not -- cannot imagine there can be a
7 dispute over res judicata unless they're trying to relitigate
8 what happened. What the Court has said, and I'm paraphrasing
9 this, is that, against Highland, the claims have to have
10 arisen after February of 2009, but we can rely on evidence
11 pre-February of 2009 to the extent that helps us support our
12 claims. That is the sort of split-the-baby, if you want to
13 call it, approach that the appellate courts took, that the
14 trial court took and the appellate courts affirmed, that, as
15 long as the claim doesn't accrue -- in other words, for a
16 claim to accrue, you know, it might be four steps for a claim
17 to accrue, but it's that fourth final step that occurs after
18 February of 2009, if that's the case, you can still talk about
19 the three steps leading up to that fourth step, and that's the
20 issue that Highland repeatedly tried to convince the Court we
21 would not be allowed to do. That's what they were repeatedly
22 shut down on. I actually am surprised. It's hard for me to
23 imagine what's the remaining res judicata issue.

24 So, we agree that there are no claims pre-February 2009.
25 The part that we disagree, and this is what Mr. Feinstein

1 said, you asked exactly the right question, okay, and I don't
2 know if it was -- I assume it was unintentional on Mr.
3 Feinstein's part. But he said, well, if they arise after
4 February 2009. And you said, oh, does that mean all that's
5 left are fraudulent conveyance claims? And he, I think he
6 said yes or indicated yes to that question. What he didn't
7 tell you, and this is the rub, was that it's not just
8 fraudulent conveyance claims after February 2009; it's also
9 breach of implied duty of the covenant of good faith and fair
10 dealing, because Highland was a contractual party to UBS
11 directly.

12 Highland had a contract with UBS, and they had an implied,
13 under New York law, duty of good faith and fair dealing. And
14 the actions they took after February 2009 to frustrate the
15 ability of the parties to fulfill their contractual
16 obligations, that supports not just fraudulent transfer but a
17 separate claim of the breach of the implied duty of good faith
18 and fair dealing, and that's the issue that we won time and
19 time again.

20 Every time Highland tried to do -- Highland, in the past,
21 did the same thing basically that Mr. Feinstein just did:
22 They would talk about the obvious res judicata issue -- that
23 is, claims that arose before February 2009. There's no
24 dispute that that's what the appellate court ruled were out of
25 the case. At least the (inaudible) Court of Appeals in New

1 York.

2 What implication flows from that is whether or not that
3 kills our implied duty of good faith and fair dealing claim
4 that we argue arose after February of 2009. It's that issue
5 that we have won time and time again in the New York courts,
6 including on summary judgment, defeating their summary
7 judgment motion, and which was affirmed by the First
8 Department Court of Appeals in New York.

9 So, we agree with the legal principle that he said. What
10 we disagree about is the implication. And that issue, of the
11 implication of that ruling, whether it kills our implied
12 covenant of good faith and fair dealing claim, that's the
13 issue that's been decided by the appellate courts. We
14 shouldn't even have to argue it again.

15 If we have -- because -- if we have to, so be it. We'll
16 do it. We presume you will go along with the rulings. And as
17 you said, you're not going to relitigate. So if we're forced
18 to do five weeks of briefing on that issue, of course we'll do
19 it, but we shouldn't have to do it again because that -- all
20 you have to do is look at the summary judgment decision by
21 Justice Friedman and look at the appellate court decision
22 affirming it and know that she was ready, had not for COVID
23 and not for bankruptcy, to just give us -- to go forward with
24 that trial.

25 And right after the bench decision was handed down, we

1 were supposed to, within a matter of -- originally, within a
2 matter of like six weeks -- go forward, have our trial then
3 for the remaining breach of implied duty of good faith and
4 fair dealing against Highland, the remaining fraudulent
5 conveyance claims that are left as well, and get a result.
6 And no more summary judgments, no more pre-trial motions. All
7 that stuff has been argued, lost, waived, done.

8 And by moving it here, Your Honor, Highland's plan, it's
9 been clear, it's now clear to us -- we assumed it, but it's
10 clear to us -- their whole plan was to just convince you,
11 because it's so complex, because all this sounds so
12 complicated, and you don't know the record as well as --
13 obviously, you can't, possibly, you weren't personally
14 involved -- they want you to just give them another bite at
15 this apple and they just rebrief it. And again, if we have
16 to, we will. We do not think it's appropriate. We think it
17 is a do-over. We think it's exactly the cases that we cited,
18 you know, in our papers, in our response to their objection.
19 You know, like *In re Ocasio* and the other cases that we cited,
20 about not giving people do-overs, not using a bankruptcy
21 petition as a litigation tactic to slip arguments through the
22 back door when they would have been so clearly turned away at
23 the front door.

24 THE COURT: Okay.

25 MR. CLUBOK: They know, because Justice Friedman

1 already did, would have rejected these out of hand, and we
2 would have gone forward with the trial, absent a stay and
3 maybe absent COVID.

4 They hope that you will give them another chance to slip
5 through the back door what they couldn't have gotten through
6 the front door. And that's why we think we should just go
7 forward with the trial as scheduled. But, again, of course,
8 Your Honor, if you tell us -- if we have to brief summary
9 judgment, of course we will.

10 THE COURT: All right. So, what I heard you answer
11 on my question of how many days would a trial take if we have
12 no motions for summary judgment, you said three or four days
13 is your guess?

14 MR. CLUBOK: I believe so, Your Honor. And we would
15 work with them to narrow issues and do it as efficiently as
16 possible. It's hard for me to imagine we need more time than
17 that. You know, again, I'm assuming familiarity with the
18 previous record, and so maybe there's some time, and if it's
19 your -- to your benefit to have a rehash of the stuff that was
20 in the first 13 days as background, we could, you know spend
21 time doing that.

22 But in terms of new things to be argued, there is a set of
23 facts that support our breach of implied duty of good faith
24 and fair dealing claims for post -- that arose post-February
25 2009. Okay. Those facts also may support fraudulent transfer

1 claims. They also -- they -- and the damages that flow from
2 those facts may or may not be affected by the settlement.

3 By the way, Justice Friedman also said that the time to
4 determine the impact of a settlement is after, that that's a
5 -- that's a post-trial motion, not a pre-trial motion. She
6 already ruled on that. Mr. Feinstein is shaking his head
7 vigorously, but that's true. She actually specifically denied
8 their efforts to do this very thing in her court.

9 And so the -- it's not -- again, we could go down
10 witnesses right now, and I'd like to hear -- if we had to, I'd
11 ask through the Court, well, which witnesses are not going to
12 be available? You know, as you heard -- you said, I think,
13 \$61 million, I think -- and by the way, that's pre -- that's
14 before pre-judgment interest, so it's really doubled.
15 Everyone understands that prejudgment interest applies or --
16 or at least we understand that. And Redeemer -- that's one
17 thing Redeemer agrees with us on. They do not -- we cited
18 what they said in their papers. But there are not witnesses
19 that are going to be different if the measure of damages is in
20 the, you know, tens or a hundred million versus if it's in
21 several hundred million. The fact pattern that supports the
22 breach of implied duty of good faith and fair dealing is
23 similar to the facts that are in support of the fraudulent
24 transfers. It's -- it would be the same length of trial,
25 whether you granted this or not.

1 It's true, I suppose, that if Your Honor, for the first
2 time ever, ruled that our implied duty of good faith and fair
3 dealing claim is wiped away, Your Honor overrules the First
4 Department and the New York Court of Appeals and all those
5 decisions and said that claim is completely gone, actually,
6 even so, we'd still have our fraudulent conveyance claims. So
7 even that wouldn't really affect the length of the trial.

8 I think all of this is just -- again, we laid this out in
9 our papers. We tried to -- we tried -- I know it's -- it's
10 complicated. It's a lot of history here. And there are so
11 many decisions of the First Department. But suffice it to say
12 that after ten years of litigating in New York and after going
13 up to the Court of Appeals at least five times, we got to a
14 point where Justice Friedman had said the next thing that's
15 going to happen is a trial.

16 And by the way, Highland even -- even after the first
17 phase of the trial but before the second case started, they --
18 they called her up and they said, oh, we have this brand new
19 idea. We want to file another pre-trial motion. And I don't
20 -- you -- there wasn't a tape-recording of it because it was
21 oral conversation, but I could get their lawyers on the phone
22 and I'm sure they would agree: Justice Friedman raised her
23 voice in a way I've never heard her raise her voice in her
24 refusal to go along with more motions. She said no, the next
25 thing that's happening is the trial.

1 And so that's where we left off this case in New York.
2 Highland told you, if you lift the stay, it'll move quickly
3 here. We want to take them at their word. We want to move
4 quickly here. We are ready to just resolve our claim, prior
5 to a vote on the plan confirmation, for the benefit of every
6 creditor.

7 And by the way, I want to say one other thing, Your Honor.
8 You know, I don't want to get so much into the mediation. I'm
9 not going to get anything into the specifics of the mediation.
10 But Mr. Feinstein said -- well, first of all, I'm glad -- I
11 appreciate Mr. Pomerantz affirming that the mediation has not
12 ended. We -- hope springs eternal. We still believe and hope
13 this case can be mediated, settled, and resolved. Okay.

14 Mr. Feinstein threw out the billion dollars. Just let --
15 suffice -- I'm not going to get into anything on the
16 mediation, but suffice it to say that's not our -- that's not
17 a settlement position. We -- we fully believe this case still
18 could be resolved. And it should be. And we -- and since --
19 we hope the mediation is open. I'm glad to hear Mr. Pomerantz
20 say it is still open. I think the parties should keep trying
21 at that and seeing where we can go.

22 And, you know, again, there's -- you know, quite frankly,
23 Your Honor, we'd even be creative if we had to and offer
24 something. We'd do binding arbitration with the mediators if
25 that would resolve our claim. We are -- we believe there's

1 efficient ways to resolve this very quickly. But what we
2 object to is having to redo things that we did already in New
3 York. Again, if it's helpful to Your Honor, if we have to do
4 it, of course we'll do it. We just think that Highland should
5 not be allowed to do it, and we, most importantly, not just
6 about the prejudice, but the inefficiency that that will
7 create, as opposed to just getting our claim resolved.

8 THE COURT: All right. A couple of additional
9 questions. And then, of course, I'm going to have several
10 questions for Mr. Feinstein.

11 So, three or four days of trial, you think, if we went to
12 trial in mid-November? Can you tell me how many witnesses you
13 would have on your side of this?

14 MR. CLUBOK: I -- off the top of my head, I -- I
15 would hate to commit to it right here, Your Honor. I could
16 briefly estimate -- you know, we have lots of video
17 depositions, so it -- you know, some of those witnesses are in
18 this jurisdiction, so it kind -- it may depend on whether the
19 parties stipulate that we could play video depositions instead
20 of calling them live. Right? But I think the parties should
21 be able to work together on a fair amount of that.

22 I think that there are -- so, there's a lot of deposition
23 testimony. Okay? In terms of live witnesses, there's
24 probably -- it's a total guess, Your Honor, because I haven't
25 gone back and done this -- I would say four or five that need

1 to be called. But I caveat that by what I would do is -- and
2 by the way, we -- I, you know, we -- obviously, we put in our
3 papers we think the trial should go forward. I understand --
4 and I don't -- I understand that Mr. Feinstein has a different
5 approach. But if the parties were forced to just sit and talk
6 and try for a couple days to see if we could agree on a
7 witness list, I would hope we could come up with a trial plan
8 that is designed to be a three or four-day trial.

9 THE COURT: All right. Well, again, if you get your
10 wish, we're talking a month from now, or, you know, five weeks
11 from now. And these are pretty big details to work through,
12 given that you all have been litigating eleven years. But you
13 said maybe five live witnesses, but there would be a lot of
14 potential depositions that you would want the Court to either
15 see video played or read the transcripts of. Help me to
16 understand that, because that's -- whether it's you all
17 sitting here or me going back in chambers and reading, it's
18 Court time.

19 MR. CLUBOK: Yeah, I -- Your Honor, so I'm doing this
20 on the fly, but I do think this is the type of thing that the
21 parties should work together and roll up our sleeves on. I
22 would -- I'm just trying to run through the witnesses. I
23 think there is probably -- I mean, they're snippets of video
24 depositions. You know, there's maybe -- there may be ten
25 witnesses for each of whom there's ten minutes of video

1 deposition. Okay? So there's a number of people who have a
2 key aspect of the case that, unless the parties just stipulate
3 to, I guess you would have to see or hear or read. But, you
4 know, we're talking about a number of witnesses that might
5 have ten minutes or so each. So, you know, maybe a couple
6 hours, two to three hours combined of video depositions if you
7 were to watch them.

8 THE COURT: Unless the other side says, you know
9 what, optional completeness, you need to see more. And so --

10 MR. CLUBOK: For sure. For sure. And --

11 THE COURT: -- you're telling me there are ten
12 depositions that I might end up being asked, Look at the whole
13 darn thing if you're looking at part of it.

14 MR. CLUBOK: Oh, I cannot imagine there's any depo --
15 I -- look, I cannot imagine lawyers on any side would ever
16 tell you, Look at the whole deposition. These depositions are
17 -- you know, we did this in the first trial, Your Honor. In
18 the first trial, the parties agreed and we -- we cut these
19 down.

20 THE COURT: Okay.

21 MR. CLUBOK: And by the way, Justice Friedman didn't
22 want to watch ten hours of depositions. She said, Cut them
23 down to like a combined thirty minutes each or something, or
24 twenty minutes each. We worked together to really cut them
25 down to just the key stuff. And if you just roll up your

1 sleeves, you can do that.

2 And so I'm -- this is very much off the top of my head. I
3 guess I would like -- I just keep trying to caveat it. If we
4 were required, even for the next day or two, in good faith, to
5 work with Mr. Feinstein and his colleagues, I'll bet you we
6 can come up with a very concise plan. And when we really get
7 into it, okay, Mr. Smith has to testify for twenty minutes and
8 Mr. Johnson and Ms. Smith, you know, if we roll up our sleeves
9 and do that, I know that lawyers of, you know, their caliber
10 can work with us to find a way to do this efficiently.

11 THE COURT: All right. Well, I guess at this point
12 I'm going to turn back to Mr. Feinstein and ask: Basically,
13 I've heard that there's res judicata on the res judicata
14 issue. You're collaterally estopped from arguing res
15 judicata, you know, the state court has already weighed in on
16 this, he says multiple times. So, what is your response to
17 that? And just so you know, I have not pored over the UBS
18 proof of claim and the objections to -- I was going to say I
19 have only a 30,000-foot view. I have better than that, but
20 I'm not, you know, intimately familiar with every argument
21 yet.

22 So, what -- are you asking this Court to review the very
23 same res judicata issue that the state court has already
24 denied?

25 MR. FEINSTEIN: No, Your Honor. And without going

1 decision by decision, I guess our -- our overall view is that
2 Mr. Clubok is exaggerating or mischaracterizing a number of
3 those opinions, and he's going to have the right, in
4 opposition to the partial summary judgment motion, to point to
5 specific rulings that would bar the arguments that we're
6 making. I don't believe they exist.

7 THE COURT: Okay.

8 MR. CLUBOK: May I respond, Your Honor, to that?

9 THE COURT: Not yet.

10 MR. CLUBOK: Exaggerating?

11 THE COURT: Not yet.

12 MR. CLUBOK: Okay.

13 THE COURT: Not yet. I'm just trying to -- can you
14 elaborate a little, Mr. Feinstein, without, you know, making a
15 one-hour argument? I mean, he says that the judge in New York
16 was ready to go to trial, was absolutely finished with, you
17 know, partial summary judgment requests, and this has
18 absolutely been argued, the issue -- well, of course, there
19 was nuance in the way he said it. He said the -- I think what
20 I heard Mr. Clubok say is he does not disagree that claims
21 that might have arose before February 24, 2009 were barred,
22 but there's this issue of can you put in evidence to show that
23 part of the cause of action for breach of implied duty of good
24 faith was in play before then and the claim didn't actually
25 arise until after?

1 Okay. I'm not sure I said that very clearly.

2 MR. FEINSTEIN: Yes.

3 THE COURT: But --

4 MR. FEINSTEIN: I think I understand the question,
5 though, Your Honor.

6 THE COURT: Okay. So, please elaborate.

7 MR. FEINSTEIN: If I may. Yes. So there's a
8 difference between the operative facts that would support a
9 cause of action and the evidence that you would seek to
10 introduce to prove the operative facts.

11 Now, what the Appellate Division has made clear more than
12 once is that the operative facts for a cause of action that
13 UBS could bring that wasn't in its original complaint can only
14 have occurred after February of 2009. Right? So the
15 actionable conduct is what the Appellate Division was focused
16 on. If there was earlier actionable conduct, it should have
17 been in their first complaint, but it wasn't.

18 So now the only actionable conduct that Mr. Clubok alleges
19 occurred after February of 2009 were those transfers that form
20 the basis for the fraudulent transfer claims. So he can't --
21 he is trying to prove a breach of contract liability against
22 the Debtor on account of a contract that was breached prior to
23 February of 2009. That's the plain fact. Right? So you
24 can't get to a billion dollar claim (audio gap) ruling barred
25 that. (garbled) res judicata barring the kind of arguments

1 he's making now, that he can freely go back to 2008 and seize
2 on evidence and say, This is when the cause of action -- these
3 are germane to the causes of action.

4 Again, it is conceivable that there are elements of
5 evidence of things that may have happened prior to that date
6 that might be germane to whether or not there's liability for
7 post-February 2009 operative facts -- coloration, what have
8 you, I don't know -- but he cannot rely on operative facts
9 that occurred prior to that date. And the operative fact that
10 supports a billion dollar judgment is a breach of contract
11 that allegedly occurred in 2008. Right?

12 So that's what we'd want to show. There's a big
13 difference between a billion-dollar contract breach claim for
14 which he's now trying to hold the Debtor liable on a breach of
15 implied covenant theory, that's a 2008 claim, that's barred.
16 That's been well-established. And that all that's left is the
17 fraudulent transfers.

18 Now, one other point, Your Honor, on the impact of the
19 releases. The state court order barred dispositive motions
20 after sometime in 2013. These settlements occurred in 2015.
21 So there was no opportunity for the Debtor to go back in time
22 and make a summary judgment motion based on the impact of
23 those releases because those didn't happen until 2015, after
24 the deadline for dispositive motions in the state court
25 proceeding. And as I understand the record in the state

1 court, what Justice Friedman said when she was asked, Can we
2 deal with the releases now, is, look, we're trying the
3 fraudulent transfer claims in phase two, so I'm not going to
4 adjudicate now the impact of claims that were released until I
5 know if there's fraudulent transfer liability to begin with,
6 which will be determined in phase two.

7 And let me just say, I'm sure Your Honor is going to ask
8 me how much trial time, and so I'm going to give the answer to
9 that, I do want to respond, but at least let me just stop
10 there, having answered the question you --

11 THE COURT: No questions.

12 MR. FEINSTEIN: I would like to address the trial
13 time, because I think three days is simply absurd.

14 THE COURT: Okay. What is your best guess?

15 MR. FEINSTEIN: So, Your Honor, you have to look at
16 the nature of the claims. So, what -- a critical aspect of
17 the fraudulent transfer claims is establishing alter ego
18 liability in HFP. Otherwise, there are no claims.

19 So, alter ego is a notoriously fact-specific evidentiary-
20 based claim that it could take some time to prove. Also,
21 fraudulent transfer claims require proof of insolvency. And
22 so parties are going to have expert testimony about insolvency
23 at various points in time. The -- and the underlying
24 transactions we're talking about, the note, the note
25 settlement, these are fairly complicated transactions. So, it

1 really just defies credibility, Your Honor, that that case is
2 -- which is very complex, could be tried by Mr. Clubok in
3 three days, when it took the state court 13 days to try a
4 bench trial on a breach of contract claim.

5 There's a ton of witnesses, expert testimony, complexity
6 to the underlying causes of action. I cannot imagine him
7 completing his own case in three days, let alone -- let alone
8 both parties fully trying and submitting a case like this in
9 24 working hours in the court. I just think it's impossible.
10 That's -- I would imagine -- again, I'm not close enough to
11 the history of the state court, but I know enough about it,
12 Your Honor, to estimate that a trial like this would be weeks.
13 Would be weeks. Several weeks.

14 THE COURT: Okay. And I didn't even ask Mr. Clubok
15 about discovery, if discovery had been completed in the state
16 court or not.

17 MR. CLUBOK: Yes. It had, Your Honor.

18 THE COURT: Okay.

19 MR. CLUBOK: With the exception of one limited --
20 with one small amount of discovery that Highland is producing
21 to us -- I think they said substantial completion by this
22 Thursday. So, they have committed -- there's one category of
23 information, just about the assets of the entities. That
24 information was supposed to be -- they have committed to
25 substantially completing that by this Thursday.

1 So that should be all of the discovery. There's no other
2 discovery that was going to be included in New York.

3 By the way, if I may respond very briefly to four things
4 that Mr. Feinstein said that I think are very important?

5 THE COURT: Very briefly.

6 MR. CLUBOK: I'll be very brief.

7 THE COURT: Uh-huh.

8 MR. CLUBOK: Okay. Number one, I just tried to focus
9 you on this conduct distinction as a conduct matter. I just
10 want to read you this quote from -- I think this was the last
11 appellate court decision, when Highland made this same
12 argument to them. And this is cited on Page 19 of our
13 opposition. This is what the Appellate Division in New York
14 said, quote: Neither our prior decisions nor the doctrine of
15 res judicata bars Plaintiffs from introducing evidence of pre-
16 [February] 24, 2009 conduct to the extent necessary to prove,
17 with respect to post-February 24, 2009 conduct, their alter
18 ego, fraudulent conveyance and breach of implied covenant
19 claims.

20 That, in a nutshell, that -- again, I urge you just to
21 read the appellate court's decision denying summary judgment.
22 I'm sorry, affirming Justice Friedman's denial of summary
23 judgment, where Highland said, hey, those past three appellate
24 arguments all mean that we still can't talk about conduct
25 before pre -- February 2009, oh, it's going to kill everything

1 except for fraudulent conveyance and we don't get to -- it
2 doesn't kill -- it would kill the implied covenant. All of
3 that was addressed in the very last appellate decision, with
4 some frustration, as you can see. The Court said, Look at our
5 -- based on our past decisions. I mean, they refer to the
6 past decision. You know, they knew it. They -- this was the
7 fourth time they were dealing with this. And they said,
8 Highland's argument is just wrong.

9 So that's all that needs to be read, I believe, as opposed
10 to a full briefing. But, again, if you want us to brief, we
11 will.

12 The other thing is, in terms of the summary judgment,
13 summary judgment was argued after the settlement. In fact,
14 the settlement -- the summary judgment was delayed repeatedly
15 and repeatedly while we were having settlement discussions.
16 Mr. Feinstein, I am certain, is just wrong about his
17 chronology, but summary judgment was definitely argued after
18 the settlement, not before. He -- he just said that. He was
19 just inaccurate.

20 Third, and very importantly, in terms of the time it would
21 take, Your Honor, we won a preliminary injunction in which we
22 showed alter ego and fraudulent transfer, we won it in about a
23 three-hour argument, because the evidence was -- which we
24 showed a substantial likelihood of success. We actually had
25 an injunction years ago in this case. You know, under the

1 preliminary injunction standard, so it's substantial
2 likelihood of success and irreparable injury. But we were
3 able to meet the substantial likelihood of success in about
4 three hours, because solvency has been admitted by Highland.
5 It's been admitted by half a dozen of their employees. It's
6 in a letter -- it's -- their board of directors. Insolvency,
7 I understand they're fighting it and they said they were going
8 to fight it in court, but as we showed in the summary judgment
9 there and as we showed in our preliminary injunction victory,
10 it won't take -- I don't think it will take more than a few
11 hours for you to say, call the fight, I can see they're
12 insolvent. It's in black and white. There's the letters.
13 There's statements to the board of directors. Insolvency was
14 not an issue of any great merit. Certainly, not one that's
15 going to take very long to prove.

16 The other one that he said was very fact-specific. Oh,
17 alter ego. The other one. We also proved alter ego at the
18 preliminary injunction stage because the facts are just
19 overwhelming on the alter ego claim. And it's an alter ego
20 claim that is properly pled.

21 You know, there are -- again, I know we've thrown a lot at
22 you, but there are at least three live claims remaining at the
23 appellate court now.

24 THE COURT: What -- what --

25 MR. CLUBOK: We have an alter ego --

1 THE COURT: Can I stop you? What --

2 MR. CLUBOK: Yes.

3 THE COURT: What law did you argue/are you arguing --

4 MR. CLUBOK: We are --

5 THE COURT: -- on alter ego?

6 MR. CLUBOK: In alter ego, we argued it under both
7 Texas law and New York law. And under either standard, it was
8 -- it was -- it was the same -- essentially the same facts, so
9 we, to be safe, we argued under -- there's slightly different
10 wordings of the tests, I believe, but it's essentially the
11 same facts, which I'm sure Your Honor is very familiar with,
12 and we argued under those -- under those same tests. We all
13 -- there wasn't an issue about the law or about what the facts
14 -- had -- the -- not -- there was a seven-factor test, I
15 believe, or a nine-factor test.

16 THE COURT: For alter ego? Because --

17 MR. CLUBOK: Yes, Your Honor.

18 THE COURT: -- the Texas statute is -- it's reined it
19 in. You know, that's why I asked what law, because, you know,
20 it's not the old-fashioned, what was it, *Castleberry*, the
21 famous Texas Supreme Court case. It's changed hugely in the
22 past --

23 MR. CLUBOK: Yes. I think the parties --

24 THE COURT: -- 20 years. It's a tougher road.

25 MR. CLUBOK: Right.

1 THE COURT: Uh-huh.

2 MR. CLUBOK: The parties have agreed that -- the
3 parties had agreed under standard of law, I believe we all
4 agreed New York applied, but belt-and-suspenders, I believe we
5 agreed Texas law. But it didn't come down to a fight over the
6 law. It just came down to the facts.

7 THE COURT: Okay.

8 MR. CLUBOK: It was a multipart test, and -- and Your
9 Honor, again, we were able to show it in a preliminary
10 injunction hearing that was -- that went up to the appellate
11 court as well. You know, went up with a TRO pending appeal.
12 So I -- it gets complicated, but suffice it to say at summary
13 judgment we did the same thing. We went through our -- we
14 went through our alter ego arguments at summary judgment in
15 maybe 45 minutes. And so that's -- a summary judgment
16 proceeding, a lot faster than a trial would be.

17 But it's -- you know, there's multiple Highland witnesses
18 who made damning admissions, including their own expert -- I'm
19 sorry about saying that -- made, you know, troubling
20 admissions, I would say, for Highland. And, you know, again,
21 that, in a vacuum, Mr. Feinstein wants to get up there and
22 just tell you it's going to be two weeks, three weeks, four
23 weeks.

24 If we sit down and go through the witnesses, I mean, we
25 can agree to a shot clock. A chess clock, I mean, Your Honor.

1 We can do this in a way that -- you know, Mr. Feinstein and
2 his colleagues told you, if you just keep the stay in place
3 and we come here, this will all be done quickly. We are -- we
4 are willing to accept that. Okay? For the sake of
5 efficiency, for the sake of getting our claim adjudicated
6 prior to the confirmation hearing. As I said before, we would
7 do it as a binding arbitration --

8 THE COURT: Okay.

9 MR. CLUBOK: -- with the mediators you put in. We
10 would do it any way possible that's very quick, so that we
11 don't -- so we have a fair shot, we don't have to relitigate
12 issues which we don't think we should be put to relitigating,
13 particularly the clear language of the Appellate Division.
14 Given that this case was all set for trial and there was no
15 other summary judgment proceedings or opportunities and
16 Justice Friedman had shut them down when they tried to do this
17 very same thing in front of her, we hoped that you'd pick up
18 where she left off and we just get this claim adjudicated.

19 THE COURT: All right.

20 MR. FEINSTEIN: Your Honor, can I speak for one
21 minute? Just one minute, please?

22 THE COURT: Okay. And I'm just letting you know that
23 one thing I've been kind of monitoring today is I have a
24 matter that is set for trial docket call November 9th.
25 Meaning, you know, normally, we set for trial something the

1 following week. So my courtroom deputy has been communicating
2 with these parties that were set for trial docket call
3 November 9th, and they say yes, they are trial-ready, and they
4 need seven or eight days of trial. And these are people who
5 are earlier in the queue than you all.

6 So I'm just letting you know, me being able to do a three
7 or four-day trial in mid-November just went out the window.
8 You know, they're much earlier in the queue than you all, at
9 least.

10 MR. CLUBOK: Understood, Your Honor. Frankly, --

11 THE COURT: Okay.

12 MR. CLUBOK: And, frankly, even if -- if the
13 confirmation hearing has to be pushed back a week or two, just
14 for efficiency's sake, if that would help, obviously, we would
15 try this November 16th or the first week in December, whenever
16 -- even if it has to be November 2nd, frankly. If you say
17 that's when you have to try it, we'll try it then.

18 THE COURT: I actually have another trial set the
19 first week of November, but I think they may --

20 MR. CLUBOK: Understood.

21 THE COURT: They may want to continue. I'm waiting
22 to hear on that one as well.

23 All right. So, Mr. Feinstein, --

24 MR. CLUBOK: But by the way, I'm --

25 THE COURT: Yes, I --

1 MR. CLUBOK: I'm so sorry, but can I correct
2 something that I said, Your Honor?

3 THE COURT: Yes, if you're going to correct.

4 MR. CLUBOK: May I correct something that I said
5 earlier?

6 THE COURT: What do you want to correct?

7 MR. CLUBOK: I just -- my colleague, thankfully, Ms.
8 Tomkowiak, just reminded me that we -- the parties did agree
9 that the alter ego that applied here was New York law. And so
10 it was -- it was just two basic elements, but there's a number
11 of factors, and that's what the parties had -- we all had
12 agreed to throughout the course of the proceedings, and
13 certainly the arguments that were used.

14 There was a lot of different laws or -- I'm sorry, a lot
15 of different legal standards, and I just forget right now
16 exactly which ones.

17 THE COURT: Yes.

18 MR. CLUBOK: But my colleagues are showing New York
19 law applied.

20 THE COURT: Okay. Well, I, you know, I don't know if
21 there's any dispute about that, but we have, like I said, a
22 statute in Texas that --

23 MR. CLUBOK: Yeah, maybe --

24 THE COURT: -- is really --

25 MR. CLUBOK: Yeah.

1 THE COURT: -- narrowly defined. Well, in some
2 contexts.

3 MR. CLUBOK: Yeah.

4 THE COURT: But, anyway, an issue maybe for another
5 day.

6 All right. Mr. Feinstein, I think --

7 MR. FEINSTEIN: Thank you, Your Honor.

8 THE COURT: I'm going to get -- this is the last
9 round. What would you like to say?

10 MR. FEINSTEIN: Yes. Just very quickly, Your Honor.

11 Mr. Clubok said more than once that there were findings of
12 substantial likelihood of success to support a preliminary
13 injunction. I read the record myself. That's just not true.

14 Second, he said the Debtors asked Your Honor to keep the
15 case here and we would move it quickly. And we intend to do
16 so. What we also said when we made that request, Your Honor,
17 is that we would do exactly what we're doing today, which is
18 proposed to make a partial summary judgment motion on key
19 dispositive issues. We didn't say that we were going to try
20 the case in bankruptcy after it stayed here.

21 And Mr. Clubok cleverly conflated something the Debtor
22 said before it filed for bankruptcy, around the time of the
23 end of the phase one trial, that the Debtor would be ready in
24 June for trial. That was before the Debtor filed for
25 bankruptcy, and obviously the Debtor has got a lot on its

1 hands being in bankruptcy. So that June date was certainly
2 overtaken by many, many events.

3 But to come back to the main point, Your Honor, we think
4 -- we promised you we'd make a summary judgment motion. We
5 think that's the best course. Mr. Clubok can make all of his
6 arguments about what -- the meaning of those state court
7 decisions in opposition papers. We think this is the best way
8 to advance the case, Your Honor.

9 THE COURT: All right.

10 MS. MASCHERIN: Your Honor?

11 THE COURT: Yes?

12 MS. MASCHERIN: Excuse me, Your Honor.

13 THE COURT: Yes, Ms. --

14 MS. MASCHERIN: Would you entertain just a brief
15 comment from me?

16 THE COURT: Yes. I said it was the last round, but
17 you only spoke once today, and very briefly, so go ahead.

18 MS. MASCHERIN: And I will try to be brief again,
19 Your Honor.

20 First of all, my client -- and I'm, for purposes of this
21 objection, I'm representing both the Crusader Fund, which is a
22 party to that settlement agreement, and the Redeemer
23 Committee. My client is a party to the release. My client
24 was not a party at the time summary judgment was being argued
25 in New York. I've not eaten this apple, Your Honor. I'd like

1 to take a bite.

2 Whatever -- obviously, you are the -- you're the queen of
3 your docket and you will decide what you think is the wisest
4 way to approach this, but I would just ask that Crusader and
5 the Redeemer Committee be given an opportunity to be heard on
6 these two legal issues, the release and res judicata.

7 Second, with regard to res judicata, I've just been
8 listening to the argument, and I think that, really, the
9 salient point for Your Honor to focus on with regard to res
10 judicata is what are the damages claims that are still in
11 play, given the Court's ruling on res judicata, that only --
12 the only conduct that can be actionable is conduct that
13 occurred after February 24 of '09? And I would submit, Your
14 Honor, that the record ultimately will show that whether --
15 whether we call it damages for breach of implied covenant of
16 good faith and fair dealing or damages from fraudulent
17 transfers, the damages that arose post-February 24, '09 are
18 the fraudulent transfer, you know, the values of the
19 fraudulent transfers.

20 So, I think -- I think I've been hearing folks sort of
21 talking past each other to a little bit, to a little extent,
22 but I think that those are -- from our perspective, those are
23 the two key legal issues that will have a material effect on
24 the maximum size of the claim here. And we just, however Your
25 Honor determines you'd prefer to hear the issues, we would

1 just request the opportunity to be heard.

2 THE COURT: All right. Here's what I'm going to do.
3 I am going to issue a scheduling order along the lines of what
4 the Debtor has proposed, so that there will be a deadline of
5 October 16th for any motions for partial summary judgment.
6 Oppositions will be due November 6th. You did not mention
7 replies, Mr. Feinstein.

8 MR. FEINSTEIN: Sorry, Your Honor. I think -- I
9 mentioned -- or, yeah, just November 16th, in advance of the
10 November 19th or 20th hearing.

11 THE COURT: Okay. November 16th for replies.

12 I'm also going to argue that, if UBS wants to file a 3018
13 motion to have its claim estimated for voting purposes, that
14 we'll use this very same time frame, October 16th for such a
15 motion, and then responses will be due November 6th, and
16 replies to that for November 16th.

17 I think, you know, Mr. Clubok, I mean, we have to give
18 this a shot. I understand you very passionately believe and
19 argue that there's res judicata on the res judicata. That's
20 my interpretation of what you're saying. But, you know, you
21 can lay that all out very clearly in your response to the
22 motions for summary judgment: Here, Judge, look at this,
23 this, this, and this. Collateral estoppel, already decided.
24 Or, you know, or whatever estoppel doctrine. And we'll see if
25 we get where the Debtor thinks we're going to get or not prior

1 to confirmation.

2 Now, --

3 MR. CLUBOK: Your --

4 THE COURT: -- let me ask you this. Well, here's
5 what I'll do. I'll set this Friday, November 20th, at 9:30.
6 I'm making my own life kind of uncomfortable doing that, with
7 this allegedly six or seven-day trial I'm going to have in the
8 middle of November. But, you know, hopefully you won't give
9 me each a stack of 500 pages.

10 But maybe you will. I mean, just be honest. Is your
11 summary judgment evidence going to be a stack of 500 pages,
12 Mr. Feinstein?

13 MR. FEINSTEIN: I don't think so, Your Honor, no.

14 THE COURT: Okay. All right.

15 MR. CLUBOK: Your Honor, if I may? The only thing I
16 would ask is it is extremely prejudicial to us to have to file
17 a 3018 next Friday, simply because, you know, we -- you know,
18 that very much merges with what we would be presenting at a
19 trial, in terms of being able to really bolster our claim. I
20 know that it's truncated. I know that we don't have to put as
21 much in, you know, et cetera, but we sort of will get faced
22 with the choice of either watering down our evidence and not
23 showing you, you know, giving you enough so that you can
24 sufficiently value our claim in the context of 3018, or having
25 to do that all by next Friday. And so much of what we're

1 going to say is going to overlap with our opposition to their
2 summary judgment motion, I believe.

3 It would be much more efficient, if it's acceptable, for
4 us to file that -- our motion for 3018 concurrent with our
5 opposition to --

6 THE COURT: November 6th?

7 MR. CLUBOK: -- summary judgment.

8 THE COURT: November 6th? What do you --

9 MR. CLUBOK: Okay.

10 THE COURT: What do you say about that, Mr.
11 Feinstein?

12 MR. FEINSTEIN: It's less than ideal, Your Honor, but
13 we'll work with it. It's -- I mean, to hear Mr. Clubok say
14 he's unprepared to do this, but also say he's trial-ready in
15 three weeks is a little surprising.

16 It would be better if we could do these on parallel
17 tracks, because we have a certain amount of personnel that are
18 going to be working on the various papers, so this seemed --
19 what we proposed we thought kind of synchronized the parties'
20 activities as well, so that, you know, while one party is
21 making a motion, the other party is working on oppositions.
22 It just it seemed more efficient that way.

23 MR. POMERANTZ: Your Honor, this is Jeff Pomerantz.
24 I might add that we have our disclosure statement motion on
25 calendar for October 22nd, which we filed two to three weeks

1 ago. Or two weeks ago. And that said that 3018 motions --
2 and Your Honor hasn't approved it -- but had to be heard by
3 November 20th.

4 So, Mr. Clubok was on notice. Of course, he has the
5 opportunity to object, and he could object by the objection
6 deadline, but this isn't something new we sprung upon him
7 yesterday.

8 THE COURT: Okay. Well, you know, this time frame
9 works rather nicely, actually, if I'm setting this for
10 November 20th at 9:30 in the morning.

11 Does your proposed order talk about when the motion to
12 estimate must be filed, or only the date by which it must be
13 heard?

14 MR. POMERANTZ: It says that -- when it must be
15 heard, --

16 THE COURT: Okay.

17 MR. POMERANTZ: -- I believe, Your Honor. But it
18 didn't contemplate an emergency setting. And if you look at
19 the calendar, in order to timely file it, it would have to be
20 filed by this date.

21 So, again, it should not come as any surprise. And I
22 think we need the sufficient time that we would have to file
23 the opposition.

24 So, I would concur with Mr. Feinstein's comments, that we
25 would like it filed on the same time frame. We think it's

1 fair.

2 THE COURT: All right.

3 MR. CLUBOK: Your Honor, I liked Mr. Feinstein's
4 initial reaction better.

5 THE COURT: I'm sorry?

6 MR. CLUBOK: You know, if -- go ahead.

7 THE COURT: Well, I mean, I'm just thinking through.
8 In a more normal scenario, the way this would play out is
9 usually we don't have 3018 motion, response, and then reply.
10 So, on the other hand, if he had envisioned November 20th,
11 that kind of envisioned you would file a 3018 motion, you
12 know, around October 30th. But it's silly to inject yet
13 another deadline.

14 I'm going to go with your proposal, Mr. Clubok. And your
15 3018 motion is going to be due November 6th, the same day as
16 your opposition. And any objection to the 3018 motion of
17 either the Debtor or Redeemer is going to be due November
18 16th. So we're compressing those a little, but that's what
19 we're going to do.

20 MR. CLUBOK: Thank you, Your Honor.

21 THE COURT: So, any questions? Mr. Feinstein, I
22 would like sort of a mini-scheduling order to be submitted,
23 setting those forth.

24 MR. FEINSTEIN: Sure.

25 THE COURT: And any other housekeeping matters you

1 can think of?

2 MR. FEINSTEIN: We'll prepare a form of order, Your
3 Honor, and circulate it to Mr. Clubok.

4 THE COURT: Okay. I'm going to say it again, even if
5 it's wasted breath. I am urging you, pleading with you, to
6 give another shot at settlement.

7 I'm a little confused, Mr. Clubok, because in your urgency
8 to have this go to trial sooner rather than later, I think I
9 heard you said we might even agree to binding arbitration.
10 Well, I've just sent you to mediation with people who are very
11 respected arbitrators as well, and I don't -- you know, I'm
12 like, why would that be successful if weeks of trying to
13 settle this with two arbitrators/mediators hasn't proven
14 fruitful?

15 MR. CLUBOK: My only point is if we want to make --
16 give them the decision-making authority, to take the parties
17 out of it, I'm happy to -- I'm happy to turn the decision over
18 to them and make it a binding mediation instead of a
19 mediation.

20 I do think the mediators you chose are terrific. I think
21 they can settle this case. I think the parties should work
22 with them, and I think we should be able to. And my only
23 point was, if the parties can't do it, we'd be fine letting
24 the mediators become binding mediators or binding arbitration
25 and letting them just make the decision.

1 We trust the mediators. And we trust their ability to get
2 this settled. But if whoever, you know, can't get it done,
3 neither party is to blame, without getting into it, we're fine
4 letting the mediators be binding mediators.

5 THE COURT: Well, --

6 MR. CLUBOK: We do agree that it can be settled. It
7 should be settled.

8 You know, you were told -- you keep being told this
9 billion dollars, as if that's the gulf. I'm not going to get
10 into the details, of course, because it's mediation, but I
11 feel it's safe for me to respond to that. That is not the
12 gulf here. And the parties should be able to resolve this in
13 a reasonable amount.

14 And the mediators you chose are terrific. We trust them.
15 We think if we keep working -- I was glad to hear Mr.
16 Pomerantz say they have not declared mediation over. We
17 think we should keep working with them and see if we can get
18 it done. And if we can't, either we -- either we'd like a
19 fast trial or we'd take binding mediation or binding
20 arbitration, whatever you want to call it. We believe this
21 matter can be resolved by reasonable people.

22 THE COURT: All right. Well, I mean, I hope
23 everyone is keeping in the forefront of their mind that there
24 are other parties caught in the crosshairs here. I mean,
25 before the bankruptcy, Highland, UBS, I can understand in

1 that scenario people get very entrenched in their positions.
2 One billion-dollar gulf, as you say.

3 But we have Ms. Mascherin's client, who has been
4 litigating or did litigate with Highland probably before you
5 even started, UBS. I can't remember the timing. Around the
6 same time, right? Around the same time? Wasn't it after the
7 2008 great recession that -- so, but my point is, we've got a
8 party out there with a \$200 million-plus, I can't remember,
9 arbitration award, compromised. You know, we have Acis out
10 there that, you know, had a 34-count adversary proceeding in
11 my Court that felt very passionate about their claims. And
12 we've got others.

13 So, you know, this is one of the obvious reasons I am
14 urging you all to go back to the table, go back to the
15 mediators. It's not just about UBS. It's not just about
16 Highland. And we're marching forward with confirmation
17 because it's not just about these two parties. It's about
18 other people who have been trying for a very long time to get
19 paid on their claims.

20 And so please keep that in mind in settlement discussions,
21 you know, that your --

22 MR. CLUBOK: Absolutely.

23 THE COURT: -- your respective clients understand
24 it's not just about them. Okay?

25 MR. CLUBOK: We wholeheartedly agree with that, and

1 we understand that completely.

2 THE COURT: Okay.

3 MR. POMERANTZ: Your Honor, I have one comment on the
4 Rule 3018 scheduling order that we are to prepare. You did
5 not motion a reply. We take that, since the scheduling is
6 going to be truncated, to be purposeful and intentional and
7 that you're expecting to rule on the papers on the motion and
8 the opposition, so that we don't have anyone scurrying and
9 getting a reply the night before the hearing.

10 THE COURT: That's correct.

11 MR. POMERANTZ: I just wanted to make sure that was
12 clear.

13 THE COURT: That's what I meant, --

14 MR. POMERANTZ: Thank you, Your Honor.

15 THE COURT: -- if I was not clear.

16 All right. Is there any other business in this bankruptcy
17 case that you wanted to bring up? I think I've set a hearing
18 again this week on Thursday on a Committee motion to extend
19 their deadline to bring an adversary against CLO Holdco. I
20 think that's set later this week. But any other case business
21 that you want to bring up at this time?

22 MR. POMERANTZ: Nothing from the Debtor, Your Honor.

23 THE COURT: Okay. I'll open it up to the floor,
24 since I know we have others listening in. Committee, or
25 anyone else out there, have anything they want to raise before

1 we conclude?

2 MR. CLEMENTE: Matt Clemente on behalf of the
3 Committee. You're correct. I believe there's been a
4 scheduling for Thursday. But there's nothing else, nothing
5 else we wish to raise, Your Honor.

6 THE COURT: Okay. It would be very lovely if that
7 could be an agreed order, but I don't know how hopeful you are
8 on that.

9 MR. POMERANTZ: I would hope that it could be, Your
10 Honor, since it's just a set of dates. So, I would hope we
11 and Mr. Clubok could at least agree on that.

12 THE COURT: Okay. Well, but Mr. Clemente, on your --
13 I cannot remember what the current deadline is, and are you in
14 discussions with CLO Holdco on maybe mutually agreeing to this
15 extension?

16 MR. CLEMENTE: This is Matt Clemente. And my partner
17 has been handling it primarily, but it is safe to say that we
18 have been discussing the extension with CLO Holdco. We have
19 not come to agreement with them. That does not mean we won't
20 continue to discuss it with them before Thursday.

21 THE COURT: Okay. Thank you. All right. Well, if
22 there's nothing else, I'll look for the form of order on
23 today's matter, and see you Thursday. Okay. Thank you.

24 MR. POMERANTZ: Thank you, Your Honor.

25 MR. CLUBOK: Thank you, Your Honor.

1 MR. CLEMENTE: Thank you, Your Honor.

2 (Proceedings concluded at 2:51 p.m.)

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CERTIFICATE

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22

I certify that the foregoing is a correct transcript from
the electronic sound recording of the proceedings in the
above-entitled matter.

23

/s/ Kathy Rehling

10/07/2020

24

25

Kathy Rehling, CETD-444
Certified Electronic Court Transcriber

Date

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WITNESSES

1. Any witness designated or called by any other party; and
2. Any impeachment or rebuttal witnesses.

EXHIBITS

Exhibit	Description	Off.	Obj.	Adm.
1.	Any pleadings, reports, or other documents filed in the Bankruptcy Case Nos. 19-34054 (Highland Capital Management, L.P. bankruptcy case), 18-30264 (Acis Capital Management, L.P.), 18-30265 (Acis Capital Management, L.P.), and any appeal related to the foregoing bankruptcy cases (including Case Nos. 19-10846 & 19-10847 pending in the United States Court of Appeals for the Fifth Circuit), and any adversary in any appeal related to the foregoing bankruptcy cases.			
2.	Any impeachment or rebuttal exhibits or any exhibits designated by any other party.			

Acis reserves the right to amend or supplement this Witness and Exhibit List at any time prior to the Hearing and/or in compliance with the Local Bankruptcy Rules and the orders of this Court. Acis further reserves the right to provide any documents amended or supplemented in this Witness and Exhibit List to opposing counsel and to this Court as they become available.

DATED: October 15, 2020.

Respectfully submitted,

By: /s/ Annmarie Chiarello

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CERTIFICATE OF SERVICE

I hereby certify that on October 15, 2020, notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello
One of Counsel

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

In re:	§	Chapter 11
	§	
HIGHLAND CAPITAL MANAGEMENT, L.P., ¹	§	Case No. 19-34054-sgj11
	§	
Debtor.	§	
	§	

**DEBTOR'S WITNESS AND EXHIBIT LIST WITH RESPECT TO DEBTOR'S MOTION
FOR ENTRY OF AN ORDER APPROVING SETTLEMENT WITH (A) ACIS CAPITAL
MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP LLC (CLAIM NO.
23), (B) JOSHUA N. TERRY AND JENNIFER G. TERRY (CLAIM NO. 156), AND (C)
ACIS CAPITAL MANAGEMENT, L.P. (CLAIM NO. 159), AND AUTHORIZING
ACTIONS CONSISTENT THEREWITH**

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

Highland Capital Management, L.P. (the “Debtor”) submits the following *Witness and Exhibit List* in connection with the *Debtor’s Motion for Entry of an Order Approving Settlement with (a) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (b) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (c) Acis Capital Management, L.P. (Claim No. 159) and Authorizing Actions Consistent Therewith* [Docket No. 1087], which the Court has set for hearing at 9:30 a.m. (Central Time) on October 20, 2020 (the “Hearing”), in the above-styled bankruptcy case (the “Bankruptcy Case”).

A. Witnesses:

1. James P. Seery, Jr.
2. Any witness identified by or called by any other party; and
3. Any witness necessary for rebuttal.

B. Exhibits:

No.	Exhibit	Offered	Admitted
1.	Proof of Claim No. 23 of Acis Capital Management, L.P. and Acis Capital Management GP LLC		
2.	Proof of Claim No. 156 of Joshua N. Terry and Jennifer G. Terry		
3.	Proof of Claim No. 159 of Acis Capital Management, L.P.		
4.	Declaration of Gregory V. Demo in Support of the Debtor’s Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith [Docket No. 1088]		
5.	Certain valuation reports prepared by Houlihan Lokey with respect to Cornerstone [To Be Provided Prior to the Hearing]		
6.	Any document entered or filed in the Bankruptcy Case, including any exhibits thereto		

No.	Exhibit	Offered	Admitted
7.	All exhibits necessary for impeachment and/or rebuttal purposes		
8.	All exhibits identified by or offered by any other party at the hearing		

Dated: October 16, 2020.

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

In re:	)	Chapter 11
HIGHLAND CAPITAL MANAGEMENT, L.P., ¹	)	Case No. 19-34054-sgj11
Debtor.	)	Re: Docket Nos. 1087, 1121, 1177, 1191, 1195, 1201

**DEBTOR'S OMNIBUS REPLY IN SUPPORT OF DEBTOR'S MOTION FOR
ENTRY OF AN ORDER APPROVING SETTLEMENT WITH (A) ACIS CAPITAL
MANAGEMENT, L.P. AND ACIS CAPITAL MANAGEMENT GP LLC (CLAIM NO.
23), (B) JOSHUA N. TERRY AND JENNIFER G. TERRY (CLAIM NO. 156), AND
(C) ACIS CAPITAL MANAGEMENT, L.P. (CLAIM NO. 159), AND AUTHORIZING
ACTIONS CONSISTENT THEREWITH**

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

The above-captioned debtor and debtor in possession (the “Debtor”) hereby submits this reply (the “Reply”) in support of its *Motion for Entry of an Order Approving Settlement with (A) Acis Capital Management, L.P. and Acis Capital Management GP LLC (Claim No. 23), (B) Joshua N. Terry and Jennifer G. Terry (Claim No. 156), and (C) Acis Capital Management, L.P. (Claim No. 159), and Authorizing Actions Consistent Therewith* [Docket No. 1087] (the “Motion”).² In further support of the Motion, the Debtor respectfully states as follows:

PRELIMINARY STATEMENT

1. The settlement embodied in the Motion provides for the resolution of the highly-contested litigation between Acis and the Debtor – litigation that has been ongoing for years in both the Debtor’s and Acis’s bankruptcies. The settlement also resolves the majority of the satellite litigation between the parties that has impeded the resolution of not just the Debtor’s bankruptcy case but also the consummation of Acis’s bankruptcy proceeding. Specifically, the Motion provides for, among other things:

- the settlement of Acis’s 34-count proof of claim asserting damages ranging from \$75 million to over \$200 million;
- the resolution of Acis’s claim against the Debtor related to an ancillary lawsuit brought against the Debtor and a CLO managed by Acis;
- the release of all of Acis’s claims against the Debtor’s employees and the resolution of Acis’s lawsuits against those employees – lawsuits which have distracted the Debtor from its primary goal of confirming a plan of reorganization;
- the withdrawal of the Debtor’s pending proof of claim and suit for administrative expense in Acis’s bankruptcy;
- to the extent controlled by the Debtor, the cessation of the relentless appeals seeking to overturn the resolution of Acis’s bankruptcy case; and

² All capitalized terms used but not defined herein have the meanings given to them in the Motion.

- the settlement of Mr. and Mrs. Terry's proof of claim against the Debtor for misappropriating their retirement account, defamation, and breach of contract.

2. The Motion and the settlement represent the resolution of a major piece of litigation against the Debtor's estate and help pave the way for the confirmation of a plan of reorganization that would see the Debtor exit bankruptcy. None of the major parties in interest or creditors in this case has objected to the Motion. The Committee has not objected; the Redeemer Committee has not objected; and UBS has not objected.

3. In distinction, the only objecting parties are James Dondero and Patrick Daugherty, who between themselves have been engaged in many years of highly contentious litigation. Mr. Dondero has stated his intent never to settle with Acis or Josh Terry and expressed that intent – directly and by proxy – through years of acrimonious litigation. Examples of Mr. Dondero's litigiousness are legion, and this Court is well aware of them. Since the appointment of the independent directors in January 2020, the Debtor has attempted to distance itself from the litigation surrounding Acis and the Motion represents the Debtor's success in doing so. Mr. Daugherty, in turn, is a former employee of the Debtor, who has expressed his personal distaste for Mr. Terry. Mr. Daugherty has been engaged in contentious litigation with Highland, Mr. Dondero, and others for over eight years. Both Mr. Dondero's and Mr. Daugherty's efforts should be rebuffed, and the Objections overruled.

4. Three other parties – CLO Holdco, Ltd. ("CLOH"), Highland CLO Funding, Ltd. ("HCLOF"), and the HarbourVest Entities³ – filed reservations of rights seeking clarification of

³ The "HarbourVest Entities" are collectively HarbourVest 2017 Global Fund L.P., HarbourVest 2017 Global AIF L.P., HarbourVest Dover Street IX Investment L.P., HV International VIII Secondary L.P., HarbourVest Skew Base AIF L.P., and HarbourVest Partners, L.P.

certain provisions of the Settlement Agreement and Release.

5. The following is a brief summary of the objections and reservations of rights each of which is discussed in greater detail below.

<u>Pleading</u>	<u>Objection/Reservation</u>	<u>Response</u>
<i>Objection of James Dondero</i> [Docket No. 1121] (the “ <u>Dondero Objection</u> ”)	The settlement is not fair and equitable because (1) the Debtor would succeed in its litigation with Acis, (2) the litigation can be summarily adjudicated, and (3) at little cost to the estate.	Mr. Dondero ignores the dangers of the litigation and overestimates the ability to summarily resolve the litigation.
<i>Objection of Patrick Hagaman Daugherty</i> [Docket No. 1201] (the “ <u>Daugherty Objection</u> ” and together with the Dondero Objection, the “ <u>Objections</u> ”).	Mr. Daugherty joined the Dondero Objection.	See above.
	Certain “Cash Payments” violate 11 U.S.C. §§ 1123(a)(4) and 1129.	Mr. Daugherty misinterprets the case law and the Cash Payments should be allowed as a necessary part of the settlement.
	The releases are premature because Acis did not withdraw as the portfolio manager of the “fund” when HCLOF refused to reset transactions.	The Release does not release HCLOF’s claims against Acis or vice versa.
<i>CLO HoldCo, Ltd’s Reservation of Rights</i> [Docket No. 1177] (the “ <u>CLOH Reservation</u> ”)	Any transfer of Highland HCF Advisor, Ltd., (“ <u>HHCF</u> ”) to Acis would violate the Debtor’s fiduciary duties.	The interests in HHCF are not being transferred.
<i>Highland CLO Funding, Ltd’s Reservation of Rights</i> [Docket No. 1191] (“ <u>HCLOF Reservation</u> ”);	Any transfer of HHCF to Acis would violate the Debtor’s fiduciary duties.	The interests in HHCF are not being transferred.
	The Release cannot cause the dismissal of HCLOF’s appeal of the Acis bankruptcy.	The Release does not cause the dismissal of HCLOF’s appeal of the Acis bankruptcy.
<i>HarbourVest Limited Objection and Reservation of Rights</i> [Docket No. 1195] (“ <u>HV Reservation</u> ” and together with the CLOH Reservation and the HCLOF Reservation, the “ <u>Reservations</u> ”)	The Release cannot release HarbourVest’s claims.	The Release does not release HarbourVest’s claims.
	Any transfer of HHCF to Acis would violate the Debtor’s fiduciary duties.	The interests in HHCF are not being transferred.

Because the Reservations raise similar issues, they are discussed first.

REPLY

The Reservations

6. **Highland HCF Advisors, Ltd.** Each of the Reservations purports to reserve the right to object to the transfer of the Debtor’s direct and indirect rights in HHCF to Acis. Leaving aside the effectiveness of a reservation of the right to collaterally attack an order of this Court, the Settlement Agreement states that such transfer will *only* occur if the Debtor

“receives written advice of nationally recognized external counsel that it is legally permissible consistent with HCMLP’s contractual and legal duties.” (Settlement Agmt., § 1(c).) The Debtor has received advice of counsel with respect to HHCF and will not be transferring its direct and indirect interests in HHCF pursuant to the Settlement Agreement.

7. **HCLOF Reservation.** HCLOF reserved its rights in the event the Release causes the dismissal of HCLOF’s appeal with respect to the Acis bankruptcy. HCLOF points to two provisions in the Release: Section 2 and Section 1(d). Section 2 of the Release provides that the “HCMLP Released Party, to the extent applicable, will coordinate [with Acis] to cause the Filed Cases, including any appeals of any Filed Cases, to be dismissed with prejudice. . . .” (Release, § 2.) HCLOF is expressly carved out of the definition of HCMLP Released Party, and Section 2 of the Release does not apply to HCLOF. As such, the Release is not intended to and does not cause HCLOF to release any appeals or any other suits against Acis.

8. The Release also provides for the release of certain Debtor employees – the HCMLP Specified Parties – if those employees execute the Release and refrain from certain actions, including actions adverse to Acis and Mr. and Mrs. Terry. It is unclear from the HCLOF Reservation, but it seems HCLOF is objecting to the release of the HCMLP Specified Parties if it impacts their ability take any “action that impairs the settlement.” The HCMLP Specified Parties, however, are autonomous individuals who are entitled to exercise their own discretion as to whether to sign the Release and whether to assist HCLOF against Acis. For the record, each HCMLP Specified Party has signed the Release but has directed the Debtor to hold their signatures in escrow pending this Court’s ruling on the Motion.

9. **HV Reservation.** Similar to HCLOF, HarbourVest has reserved its rights

to the extent that the Release releases any of HarbourVest's claims. HarbourVest reads the Release as releasing its claims because HarbourVest is an investor in HCLOF and HCLOF is managed by HHCF, a subsidiary of the Debtor. As an initial matter, HHCF's authority as HCLOF's portfolio manager is limited and does not extend to the management of litigation, including HCLOF's litigation with Acis.⁴ Further, HCLOF is expressly carved out of the definition of HCMLP Released Parties, and HCLOF's members, including HarbourVest, are not releasing any claims under the Release and conversely, Acis is not releasing any claims against HarbourVest either. As such, the Release was not intended to, and does not, extend to HCLOF or HarbourVest as a member of HCLOF through HHCF's "management" of HCLOF.

I. Dondero Objection and Daugherty Joinder.

10. As discussed in the Motion, under applicable Fifth Circuit precedent, a bankruptcy court may approve a compromise or settlement as long as the proposed settlement is fair, reasonable, and in the best interest of the estate. *See, e.g., In re Age Ref. Inc.*, 801 F.3d 530, 540 (5th Cir. 2015). In making this determination, courts look to the following factors:

- probability of success in the litigation, with due consideration for the uncertainty of law and fact;
- complexity and likely duration of the litigation and any attendant expense, inconvenience and delay; and
- all other factors bearing on the wisdom of the compromise, including (i) "the paramount interest of creditors with proper deference to their reasonable views."

Official Comm. of Unsecured Creditors v. Cajun Elec. Power Coop. (In re Cajun Elec. Power

⁴ On August 13, 2020, HCLOF's counsel contacted the Debtor to clarify that the "[HCLOF portfolio management agreement] does not provide authority to [HHCF] to take positions on behalf of [HCLOF] in any pending litigation, or to bind [HCLOF] to any decisions or results of litigation in which [HHCF], or its sub-advisors, including [the Debtor], engages." A true and accurate copy of the letter received from HCLOF's counsel is attached hereto as **Exhibit A**.

Coop.), 119 F.3d 349, 356 (5th Cir. 1997) (citations omitted).

11. In the Dondero Objection, Mr. Dondero focuses on the first two factors – the probability of success in the litigation and its attendant cost and delay and criticizes the Debtor’s settlement as ignoring the Debtor’s ability to succeed in its litigation against Acis and the summary nature of such litigation. (Dondero Obj., ¶¶ 28-32.) Mr. Dondero, however, only summarily addresses each of these issues. He does not state why he believes the Debtor would be successful in its litigation against Acis in this Court or in any subsequent appeals. Mr. Dondero also only makes a bare assertion that Acis’s claim can be resolved in an expeditious fashion because of this Court’s familiarity with the matter. As this Court is aware, the litigation with Acis has been pending for years with no resolution, and there is no indication that summary adjudication is available in this Court (or that any appeals would be expeditiously resolved).

12. Instead, Mr. Dondero seeks to support this view, and assist the Court in adjudicating the merits of the settlement, by providing the expert testimony of Nancy Rapoport. However, assuming Professor Rapoport’s testimony is allowed, it is not anticipated to support Mr. Dondero’s position. Instead, Professor Rapoport is expected to testify that Acis’s claim could have significant value and that it might not be worthwhile *for Acis* to settle with the Debtor depending on how this Court rules.

13. Finally, Mr. Dondero does not address – at all – the third factor analyzed by the Fifth Circuit: all other factors bearing on the wisdom of the compromise, including (i) “the paramount interest of creditors with proper deference to their reasonable views.” This is telling,

first, because, no major creditor or party in interest has objected to the settlement.⁵ Mr. Dondero's preference for constant litigation should not outweigh the preference of the Debtor and its creditors for a reasonable and expeditious settlement of Acis's claims, especially when that settlement paves the way for the Debtor exiting bankruptcy.

14. Second, Mr. Dondero ignores the other benefits from this settlement. In addition to resolving costly and time-consuming litigation, the settlement releases the Debtor's employees from any claims that Acis or Mr. Terry may have against them and dismisses the actions that Acis has already filed. This frees the Debtor's employees to do what they are paid to do: maximize the Debtor's value for the benefit of its estate. Further, and although not directly beneficial to the Debtor, the Motion functionally resolves Acis's bankruptcy as it provides for the withdrawal or dismissal of the Debtor's claims against Acis's estate. In other words, the settlement allows Acis and the Debtor to sever ties and to move on with their lives. That is no small feat and should not be discounted.

II. Daugherty Objection.

15. In addition to joining the Dondero Objection, Mr. Daugherty objected to the Motion on two separate grounds. The first is that, because the Settlement Agreement provides

⁵ In the Dondero Objection, Mr. Dondero asserts that he is a creditor of the Debtor because he filed proof of claim number 138. Mr. Dondero, however, is a creditor in only the most technical sense. His proof of claim is for approximately \$100,000.00 against a total claims pool of billions of dollars. Subsequent to the filing of the Dondero Objection, the Debtor objected to Mr. Dondero's claim and believes that it should be disallowed. *See Debtor's Second Omnibus Objection to Certain (A) Claims to Be Reclassified and (B) No Liability Claims* [Docket No. 1179]. Mr. Dondero's partnership interest in the Debtor is also *de minimus*, representing approximately 0.2508% of the total interests in the Debtor. These interests may also be worthless depending on the resolution of the claims against the Debtor.

The Debtor has objected to Mr. Daugherty's proof of claim. *See Debtor's (i) Objection to Claim No. 77 of Patrick Hagaman Daugherty and (ii) Complaint to Subordinate Claim of Patrick Hagaman Daugherty* [Docket No. 1008]. The Debtor believes Mr. Daugherty's claim should be allowed in the amount of \$3,722,019 and otherwise disallowed or subordinated in its entirety.

for the payment of certain claims in cash on the effective date of the plan, it is not “fair and equitable” because “general unsecured claims [cannot be paid] other than under a plan.” (Daugherty Obj., ¶ 10.) The second is that the releases are “premature” and should be deferred until after “there is a final resolution to the litigation with HarbourVest.” (*Id.*, ¶ 13.)

a. Violation of 11 U.S.C. §§ 1123 and 1129

16. To support its first objection, Mr. Daugherty cites to two cases neither of which stand for the proposition that a settlement under Rule 9019 cannot provide for payment of claims outside of a plan. Specifically, Mr. Daugherty cites *In re CoServ, L.L.C.*, 273 B.R. 487 (Bankr. N.D. Tex. 2002). *CoServ*, however, addresses whether a court can order the payment of prepetition amounts owed to “critical vendors” under the “Doctrine of Necessity” and 11 U.S.C. § 105. *Id.*, 279 B.R. at 491. The Motion is obviously not seeking payment of critical vendor claims. *CoServ* is, thus, inapposite. It is also contrary to the law of this case. The Debtor in this case was, in fact, authorized to pay prepetition claims of critical vendors outside of a plan of reorganization. See *Final Order (A) Authorizing the Debtor to Pay Certain Prepetition Claims of Critical Vendors and (B) Granting Related Relief* [Docket No. 175]. Similar orders allowing payment of prepetition amounts owed to employees outside the context of a plan have also been entered in this case. See *Order (i) Authorizing the Debtor to (a) Pay and Honor Prepetition Compensation, Reimbursable Business Expenses, and Employee Benefit Obligations, and (b) Maintain and Continue Certain Compensation and Benefit Programs Postpetition; and (ii) Granting Related Relief* [Docket No. 39].

17. Mr. Daugherty’s second case also does not support his proposition. The Fifth Circuit in *In re AWECO, Inc.*, addressed whether “in the period prior to confirmation of a

reorganization plan must the bankruptcy court apply the fair and equitable standard in considering a priority creditor's objections to a settlement[]." 725 F.2d 293, 298 (5th Cir. 1984).

The Fifth Circuit answered that question by stating:

[bankruptcy's] underlying policies leads us to make a limited extension of the fair and equitable standard: A bankruptcy court abuses its discretion in approving a settlement with a junior creditor unless the court concludes that priority of payment will be respected as to objecting senior creditors.

Id., at 299. In essence, the Fifth Circuit held that a settlement is not "fair and equitable" under Rule 9019 if (1) a senior creditor objects and (2) the settlement provides for the payment of a junior creditor prior to payment in full of such senior creditor. As such, *AWECO* is irrelevant to the Motion as there are no senior creditors objecting and the Settlement Agreement does not provide for the payment of any claims prior to the payment of senior claims. *AWECO* also does not state that 11 U.S.C. §§ 1123 or 1129 apply to settlements under Rule 9019 or that cash payments cannot be made outside of a plan.

18. Instead, courts have found that "Section 1123(a)(4). . . under its plain language. . . applies only to a plan of reorganization and therefore not to pre-confirmation settlements. . . core bankruptcy principles, such as the absolute priority rule and the equal treatment rule. . which apply in the plan confirmation process, are not categorically applied in the settlement context." *See Energy Future Holdings Corp. v. Del. Trust Co.*, 648 Fed. Appx. 277, 283 (3d Cir. 2016). As such, while egregiously disparate treatment may be cause to reject a settlement, it is just one thing to consider under Rule 9019 and a court may approve a settlement that provides for disparate treatment of similarly situated creditors when it has grounds to do so. *Id.*, at 284. Here, such grounds exist.

19. The Settlement Agreement provides for the reduction in Acis's proof of claim from between \$75 million to \$200 million to an allowed general unsecured claim of \$23 million. The "Cash Payments" (as defined in the Daugherty Objection) to be paid on the effective date of a plan are less than \$1 million in the aggregate; they also represent a discount to the amounts actually owed on the aggregate amount of those claims.⁶ While Mr. and Mrs. Terry's claims were separate and apart from the claims of Acis, all parties believed resolving as many matters as between them was in the best interest of the Debtor. Finally, the Settlement Agreement and Release has the support of all creditors and parties in interest in this case with exception of Mr. Dondero and Mr. Daugherty, and Mr. Daugherty has provided no evidence that the Cash Payments will make any meaningful difference to the similarly situated holders of general unsecured claims.⁷

20. *Energy Future* is also instructive as it allowed creditors to exchange their prepetition debt during the bankruptcy and prior to the confirmation of a plan; in essence it allowed creditors to receive payment outside of a plan of reorganization pursuant to a settlement agreement. *Id.*, at 290; *see also Order Granting the Debtor's Motion for Approval of Settlement Agreement with the SEC Under Bankruptcy Rule 9019*, Case No. 14-35043 [Docket No. 1657]

⁶ Because the treatment of the Cash Payments is dictated by the Settlement Agreement, not a plan, those amounts are not classified under the Debtor's plan of reorganization. Mr. Seery, at his deposition, stated that the Cash Payments were being classified as administrative claims. That statement was an error.

⁷ As set forth in the Debtor's liquidation analysis and financial projections [Docket No. 1173], the Debtor currently anticipates that holders of allowed general unsecured claims will receive a recovery of 92.5%, which anticipates the Cash Payments being made in full on the effective date of the Debtor's plan. If the Cash Payments are classified and paid under the Debtor's plan as Convenience Claims (Daugherty Objection, ¶¶ 8-9), the impact on creditor recoveries is *de minimus*. Treating the Cash Payments as Convenience Claims would not affect the Convenience Claims' recovery and would increase projected recoveries on the general unsecured claims by only 0.20% from 92.5% to 92.7%. If, however, the claims of UBS, the HarbourVest Entities, and Mr. Daugherty himself are allowed, the impact on the general unsecured recoveries would be even less as the amount of allowed general unsecured claims would be materially higher.

(Bankr. N.D. Tex. Nov. 7, 2016) (overruling unsecured creditors committee’s objection that payments allowed under Rule 9019 were unfair to similarly situated creditors).

21. *Energy Future* is also consistent with actions previously taken by this Court. On September 4, 2020, the Debtor filed the *Motion of the Debtor for Entry of an Order Approving Settlement with Carey International, Inc. [Claim No. 68] and Authorizing Actions Consistent therewith* [Docket No. 1025] (the “Carey Motion”). In the Carey Motion, the Debtor sought relief under Rule 9019 to settle the proof of claim filed by Carey International, Inc. (“Carey”). The settlement provided that Carey’s \$2.05 million claim would be extinguished in consideration for the Debtor extinguishing approximately \$17 million of debt owed by Carey to the Debtor. The Carey Motion was approved by order of this Court on October 5, 2020 [Docket No. 1123]. As such, the Debtor was allowed to exchange its assets – the \$17 million in debt – for the \$2.05 million owed to Carey. This exchange is not part of the Debtor’s plan and will occur before the effective date of any plan.

22. Ultimately, the Debtor asks this Court to approve the Cash Payments as a necessary component of the Settlement Agreement.

b. The Release is Premature

23. Finally, Mr. Daugherty objects that the Release is “premature” because – based on the Debtor’s best read of the Daugherty Objection – it releases claims that some unidentified entity may have against Acis because Acis did not “withdraw as manager of the fund” after HCLOF declined Acis’s request to discuss a reset. (Daugherty Obj. § 13.) However, as set forth above, and assuming Mr. Daugherty is referring to claims belonging to HCLOF or HarbourVest, the Release does not release Acis’s claims against HCLOF and HarbourVest or HCLOF’s or

HarbourVest's claims against Acis.

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WHEREFORE, for the reasons set forth above and in the Motion, the Debtor respectfully requests that the Court grant the Motion.

Dated: October 19, 2020.

PACHULSKI STANG ZIEHL & JONES LLP

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EXHIBIT A

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August 13, 2020

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Re: Litigation regarding Acis Capital Management L.P.

Ladies and Gentlemen,

This firm represents Highland CLO Funding, Ltd. (the "Fund") and we have been instructed to provide this notice and confirmation to you. Reference is made to that certain Portfolio Management Agreement dated November 17, 2017 (the "PMA") between the Fund and Highland HCF Advisor, Ltd. ("Portfolio Manager").

As you are aware, the Fund, the Portfolio Manager and others, including specifically Highland Capital Management L.P. ("HCM") are defendants in litigation brought by Acis Capital Management L.P. ("Acis") as plaintiff, pending currently in the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court"), styled as Acis Capital Management GP, LLC et al v. Highland Capital Management, L.P. et al., Case No. 18-03078-sgj, (the "Acis Litigation"). That litigation has been stayed since the filing by HCM of its Chapter 11 bankruptcy case, which also is now pending in the Bankruptcy Court. No party has sought to lift the stay in the Acis Litigation, or to otherwise continue the Acis Litigation.

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August 13, 2020

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HCM and Acis are currently engaged in litigation concerning a proof of claim filed by Acis in HCM's bankruptcy case, which raises the same claims asserted against HCM in the Acis Litigation (the "Proof of Claim Litigation"). The Fund is not a creditor or stakeholder in the HCM bankruptcy case and does not intend to participate in the Proof of Claim Litigation. The Fund maintains its objection, as stated in the Acis Litigation, to the resolution of the Acis Litigation against the Fund before the Bankruptcy Court.

By this letter, the Fund hereby provides notice that the PMA does not provide authority to Portfolio Manager to take positions on behalf of the Fund in any pending litigation, or to bind the Fund to any decisions or results of litigation in which the Portfolio Manager, or its sub-managers, including HCM, engages. Further, the Fund confirms that it has provided no instruction to Portfolio Manager or HCM to engage in litigation on its behalf, or to speak for or advance positions on behalf of the Fund in any pending litigation, including, without limitation, the Acis Litigation or the Proof of Claim Litigation. The Fund, through its two independent directors, holds and retains the sole authority to make decisions on behalf of the Fund in any litigation related to the Fund. Everything stated in this paragraph applies equally to any mediation or other effort to settle the Acis Litigation or the Proof of Claim Litigation.

We do not perceive or understand there to be any disagreement or dispute regarding the foregoing, but the Fund desires to confirm these points with its Portfolio Manager and with HCM given the ongoing activity in the HCM bankruptcy case. If Portfolio Manager or HCM have any contrary views, we ask that you notify us immediately.

Thank you for your attention to this matter.

Sincerely,



Mark M. Maloney

cc by email: Holland N. O'Neil
John A. Morris
Rebecca Matsumura

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